

SECTORWATCH:
**Healthcare & Life
Sciences
Management
Consulting**

Q2 2018

7 MILE 
ADVISORS

OVERVIEW



Dashboard

Summary metrics on the sector, with commentary on market momentum by comparing the most recent 12-month performance against the last 3-year averages



Public Basket Performance

Summary valuation and operating metrics for a basket of comparable public companies



Operational Metrics and Valuation Comparison

A more graphical, detailed comparison of operating metrics and valuation multiples for the public basket



Recent Deals

The most recently announced sector deals

About Us

7MA provides Investment Banking & Advisory Services to the Business Services and Technology Industries globally.

We advise on M&A and private capital transactions, and provide market assessments and benchmarking. As a close knit team with a long history together and a laser focus on our target markets, we help our clients sell their companies, raise capital, grow through acquisitions, and evaluate new markets.

Sectorwatch

We publish sectorwatch, a review of M&A and operational trends in the industries we focus.

Let us know if we can help

Contact us if there are ways we can assist your M&A or financing strategy.

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DASHBOARD

Revenue Growth Momentum

↓ -2.8%

One year revenue growth percentage compared to revenue growth average percentage for last 3 years.

Current revenue growth rate is less than the average of the last 3 years, indicating that the market may be flattening, but the average growth rate is still 4%.

Pricing / Gross Margin Momentum

↓ -2.1%

One year gross profit percentage compared to gross profit percentage average for last 3 years.

Current gross profit margin is less than the average of the last 3 years gross profit margins, which may signal pricing pressure.

Profitability Momentum

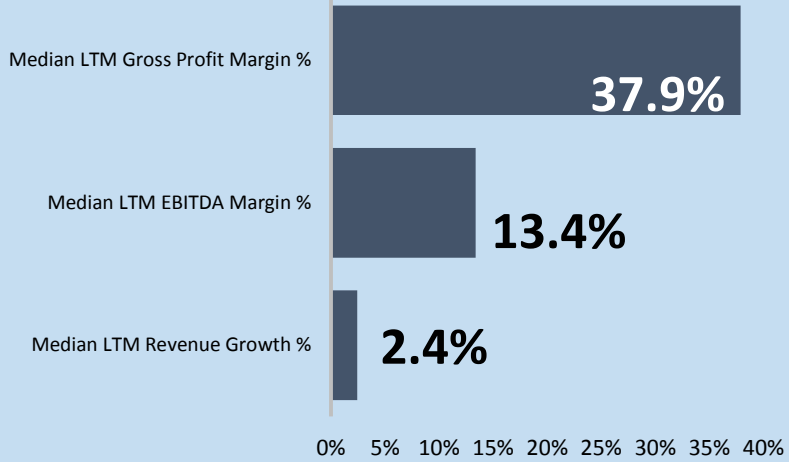
↓ -3.3%

One year EBITDA percentage compared to EBITDA percentage average for last 3 years.

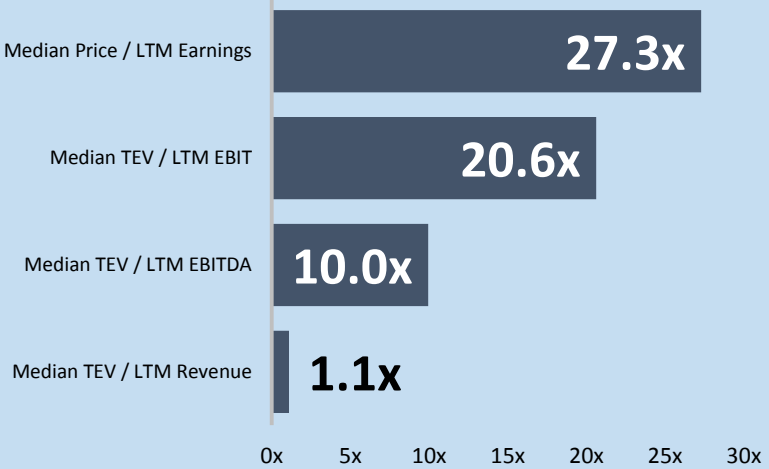
Current EBITDA margin is a bit less than the average of the last 3 years, consistent with the contraction in gross margin.

Public Constituents – see Page 4

Operating Metrics



Valuation



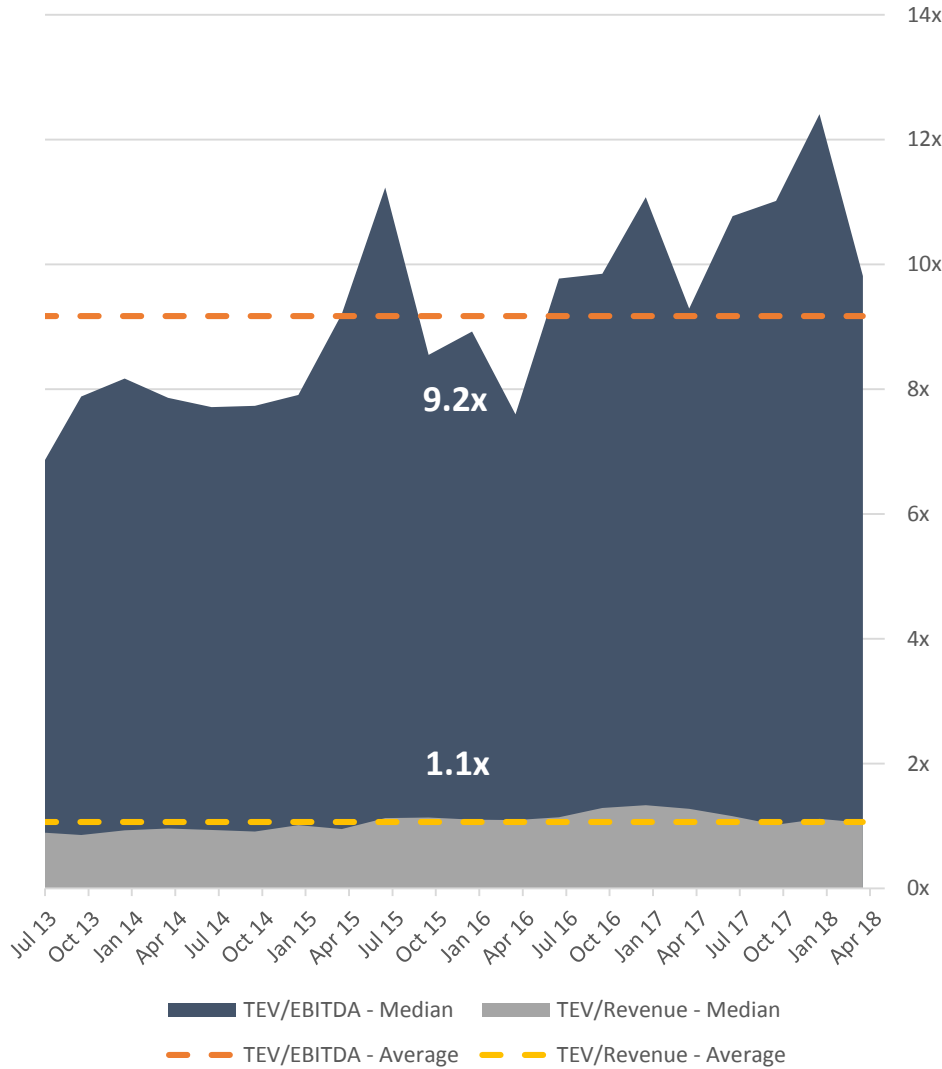
PUBLIC BASKET

Company	TEV \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
Huron Consulting Group Inc.	1,157	733	1%	38%	14%	1.6	11.1	3,083	238
Navigant Consulting, Inc.	1,031	940	0%	31%	13%	1.1	8.2	6,008	156
Cegedim SA	947	549	4%	46%	16%	1.7	10.0	4,200	131
CRA International, Inc.	400	370	14%	30%	7%	1.1	15.7	631	586
Cello Group Plc	160	229	2%	61%	7%	0.7	9.5	-	NA
Average	739	564	4%	41%	12%	1.2	10.9	3,481	278
Median	947	549	2%	38%	13%	1.1	10.0	3,642	197

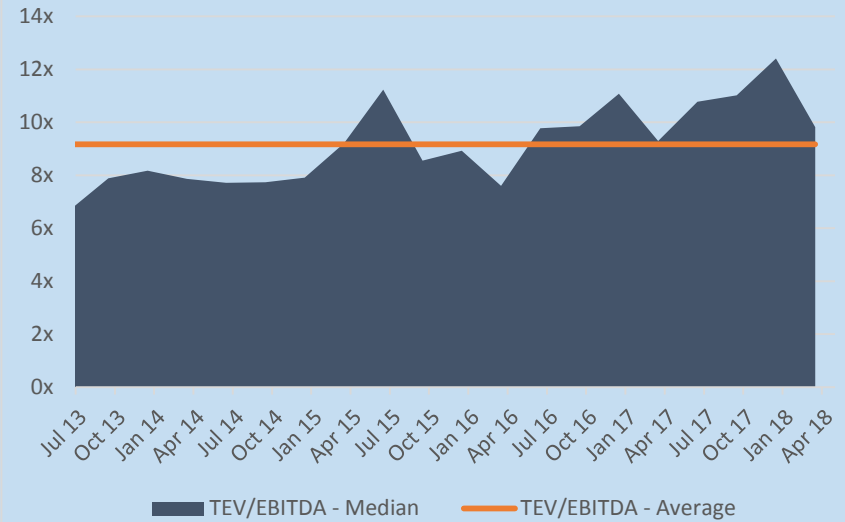
share price as of 06Apr18



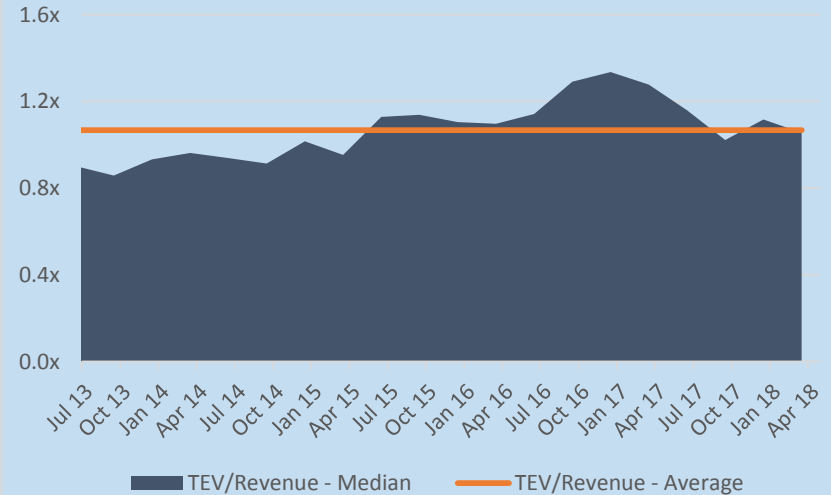
PUBLIC BASKET VALUATION TRENDS



Public EBITDA Multiples Over Time



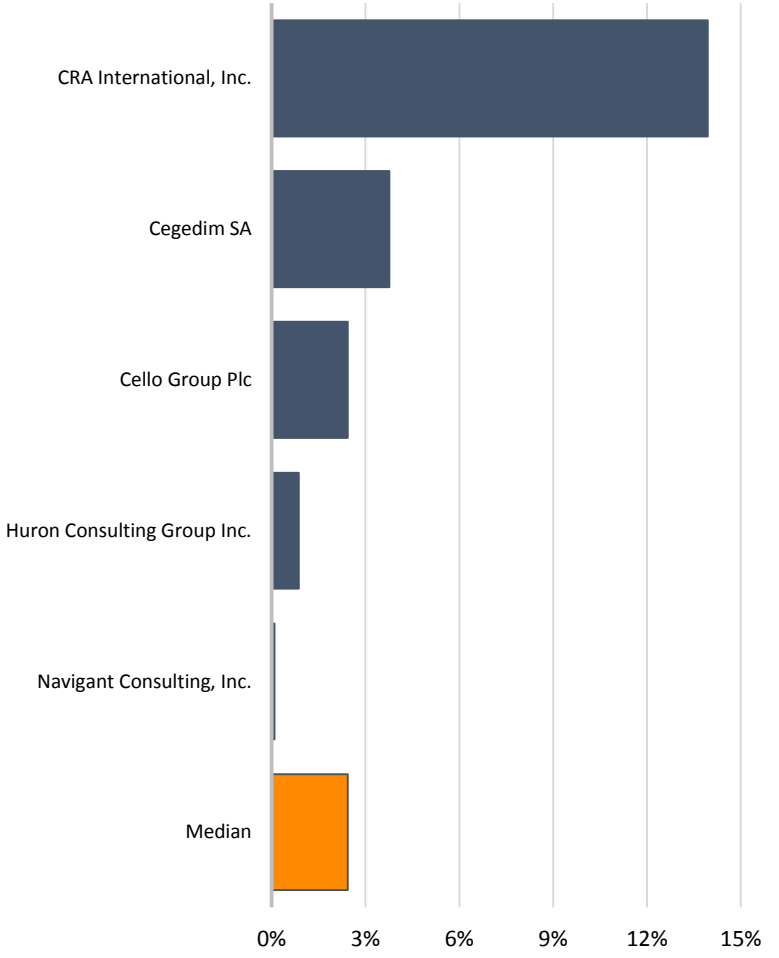
Public Revenue Multiples Over Time



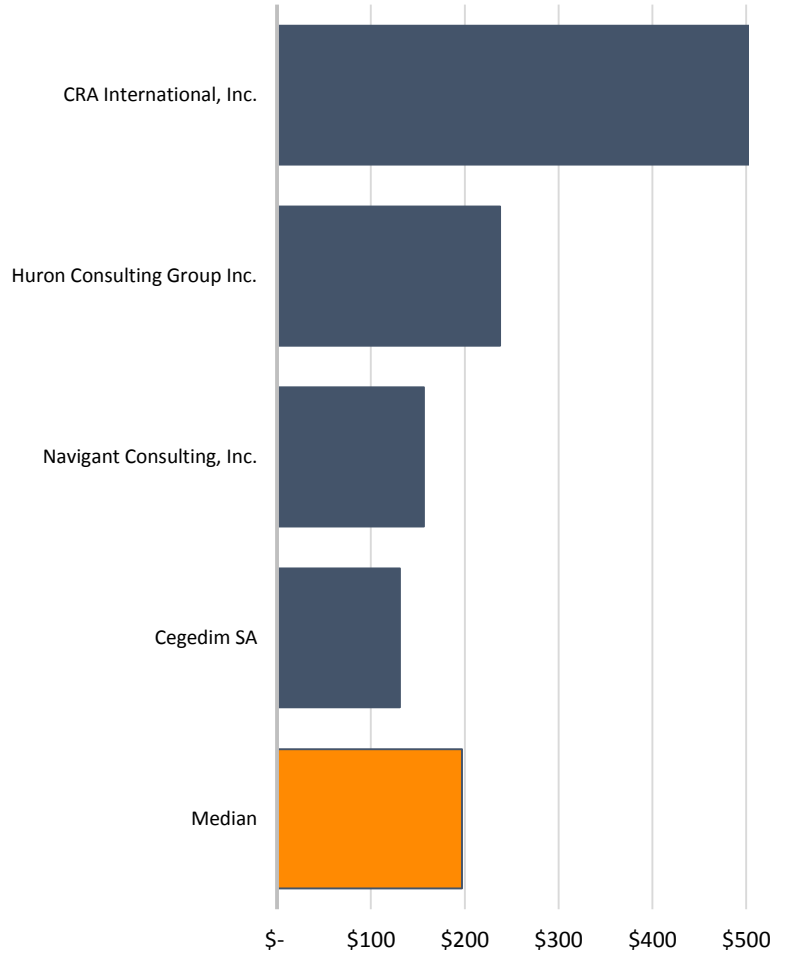
OPERATIONAL METRICS



LTM Revenue Growth %



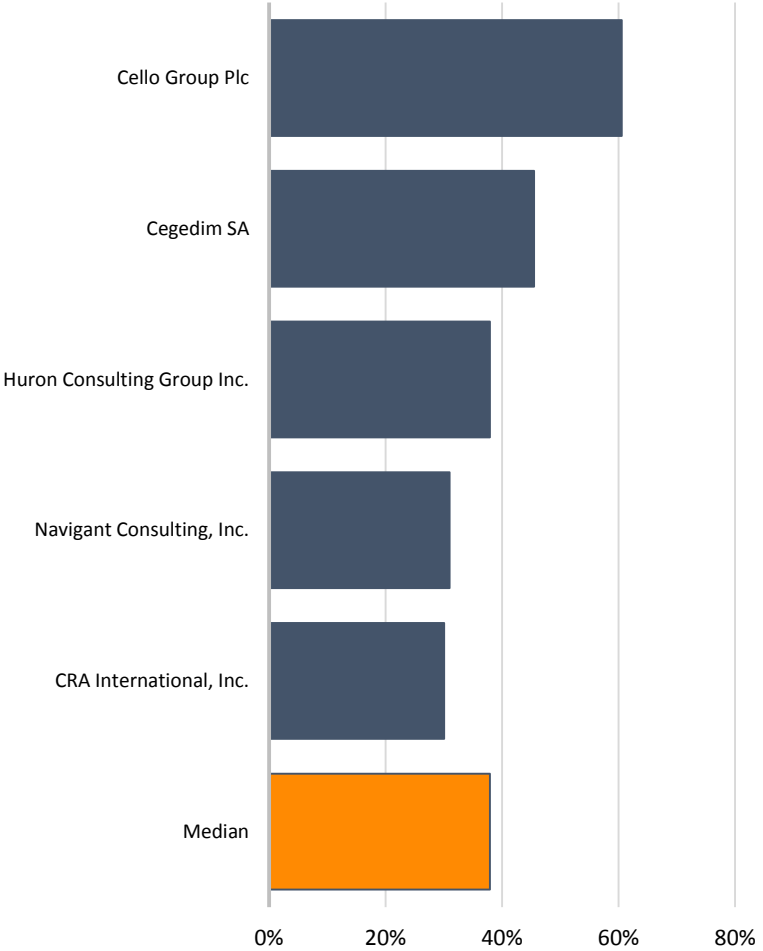
Revenue per FTE, 000's



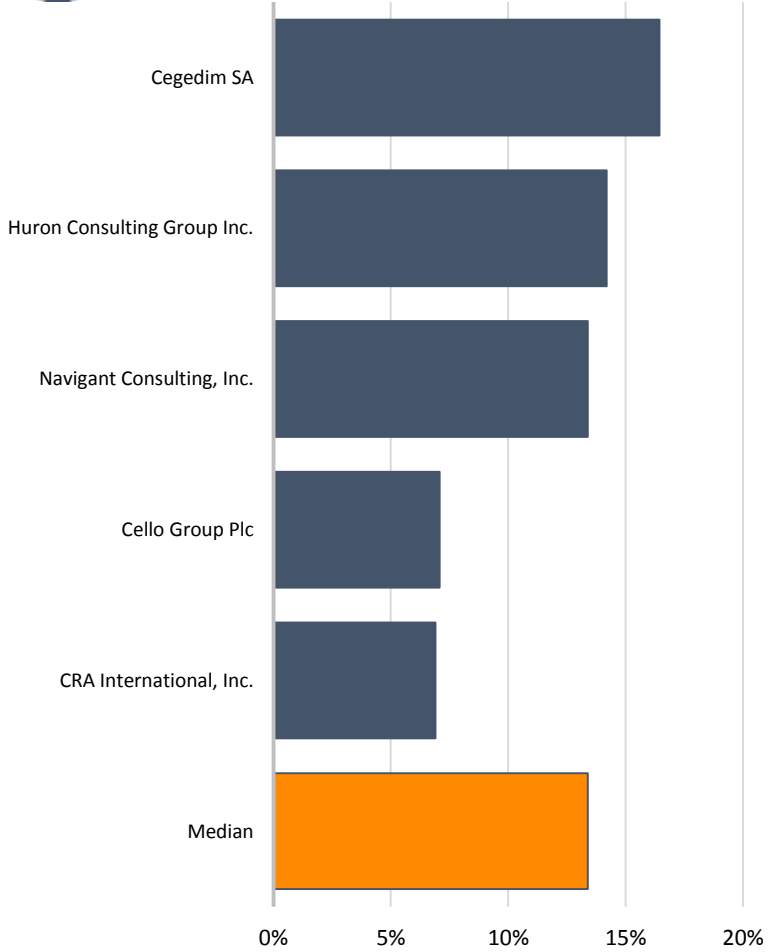
OPERATIONAL METRICS



LTM Gross Profit Margin %



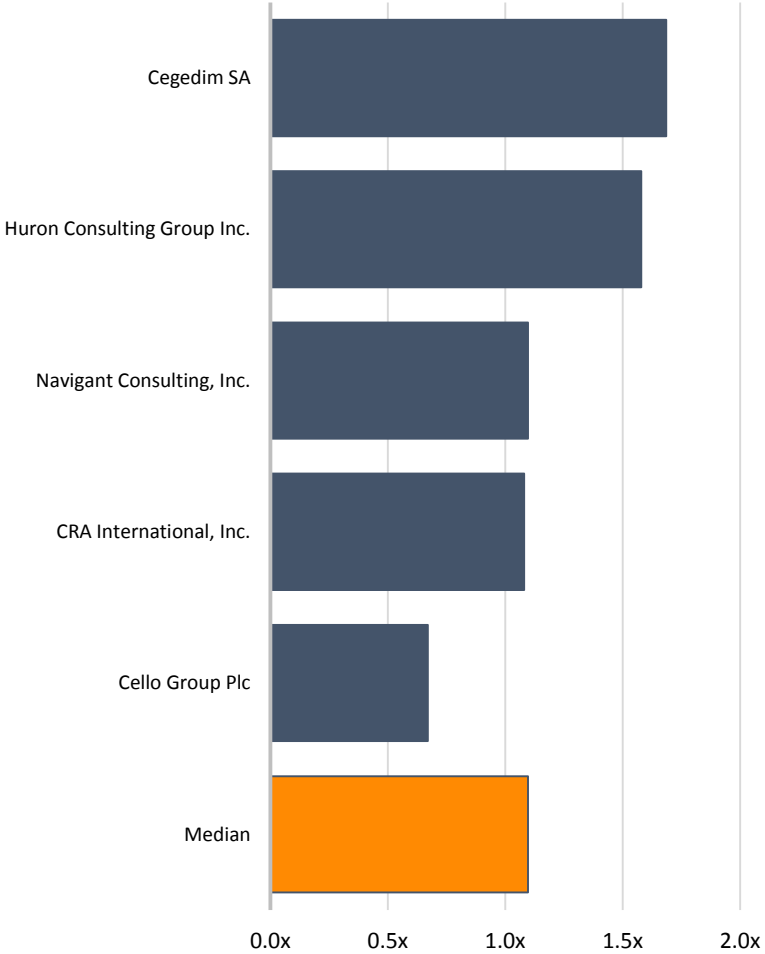
LTM EBITDA %



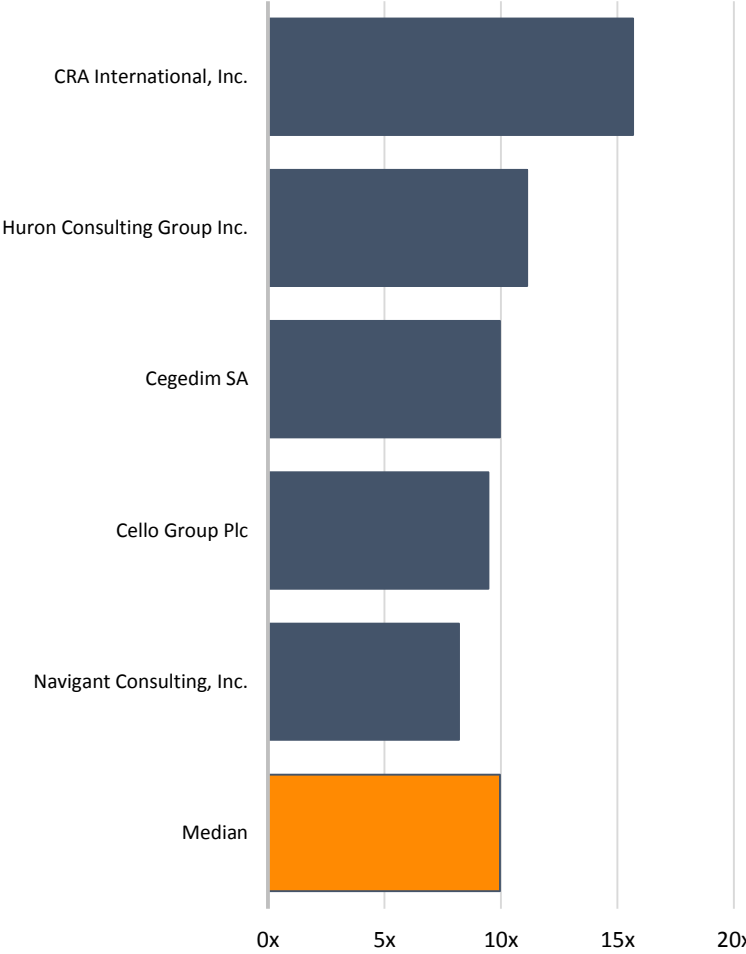
VALUATION



TEV / LTM Revenue



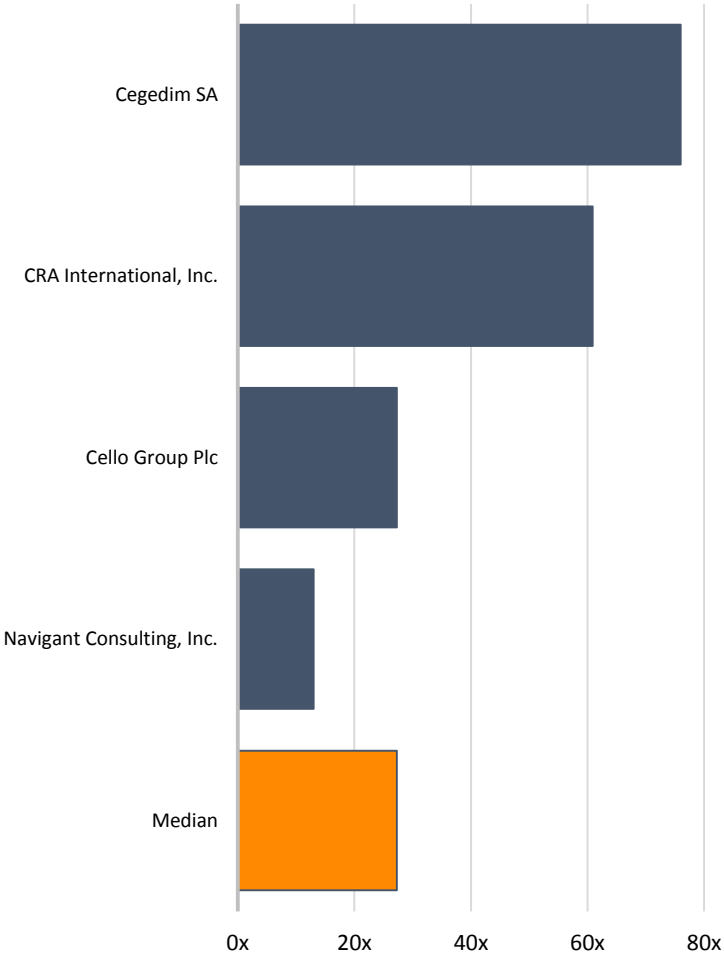
TEV / LTM EBITDA



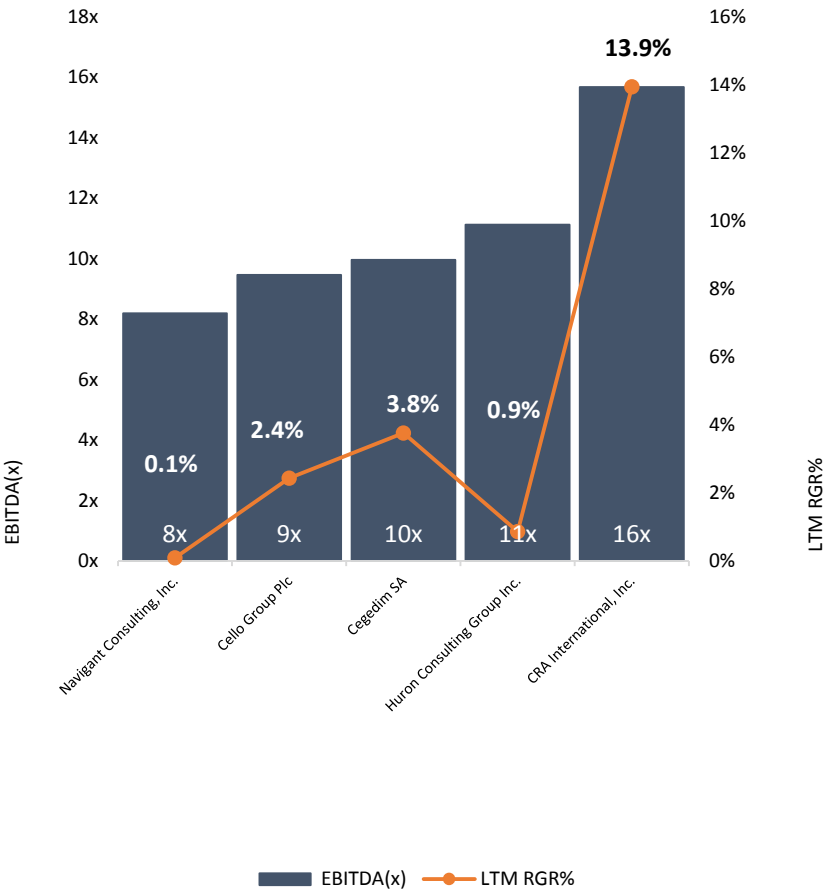
VALUATION



Price / LTM Earnings



Historical Valuation Multiples Versus Revenue Growth Rates

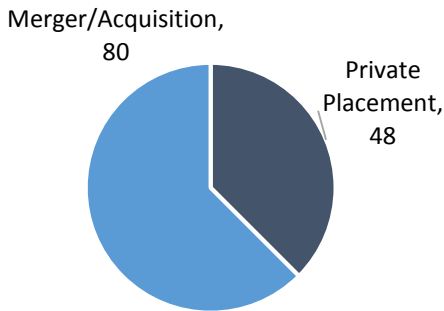


RECENT TRANSACTIONS SUMMARY

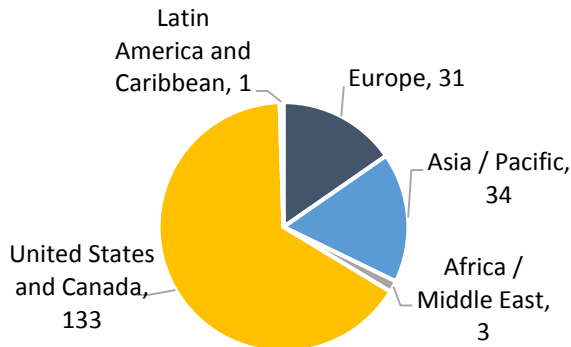
The Healthcare market is a rapidly evolving sector driven by ever-changing regulation and compliance mandates. This is driving an increase in demand for high-quality consulting talent that can deliver innovative solutions to enhance operations, primarily through digital means.

Merger & Acquisition Statistics	
Valuation Summary	
Total Deal Value(\$mm):	\$10,819
Average Deal Value:	\$492
Average TEV/Revenue:	1.57
Average TEV/EBITDA:	13.51
Average Day Prior Premium(%):	-235.0%
Average Week Prior Premium(%):	1765.8%
Average Month Prior Premium(%):	2051.5%

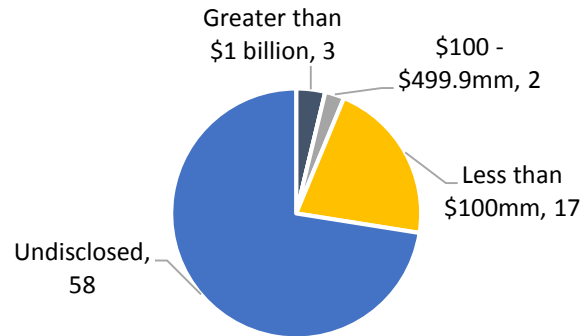
All Transactions by Type



All Transactions by Region



M&A Transaction Ranges by Value



Most Active Buyers/Investors by Number of Transactions

Company Name	Number Of Transactions
C&C Capital	6
Shanghai Sino Incubator Capital Management Co., Ltd.	6
ABRY Partners, LLC	2
Atos SE (ENXTPA:ATO)	2
Avista Capital Holdings, L.P.	2
Premier Diversified Holdings Inc. (OTCPK:PRDG.F)	2
Qingdao Big Health Technology Health Management Co., Ltd.	2
Salesforce Ventures	2
ABS Capital Partners, Inc.	1
Accenture plc (NYSE:ACN)	1

Most Active Buyers/Investors by Total Transaction Size

Company Name	Transaction Size (\$mm)
Avantor Performance Materials, Inc.	6,632
Roche Holding AG (SWX:ROG)	1,900
Permira Advisers Ltd.	1,750
ICON Public Limited Company (NasdaqGS:ICLR)	140
Ping An Capital Co., Ltd.	121
Allscripts Healthcare, LLC	100
Graphite Capital Management LLP	95
Toyota Motor Corporation (TSE:7203)	95
Golub Capital LLC	75
VR Adviser, LLC	74

SELECT RECENT TRANSACTIONS

Date	Target	Buyer	Total Transaction Value	Target Revenue	TEV / Revenue	TEV / EBITDA
21Mar18	Xiangtan Meinian Onehealth Healthcare Management Co., Ltd	Changsha Meinian Onehealth Healthcare Management Co., Ltd.	4.66	3.71	1.7x	-
8Feb18	Qualis Health Inc.	HealthInsight, Inc.	-	-	-	-
5Feb18	Consulting Division of PBC Advisors, LLC	BDO USA, LLP	-	-	-	-
30Jan18	Insight Strategy Advisors, LLC	Precision Medicine Group, Inc.	-	-	-	-
10Jan18	CBIG Consulting, LLC	Trianz Holdings Pvt. Limited	-	-	-	-
5Jan18	Practice Fusion, Inc.	Allscripts Healthcare, LLC	100.00	-	-	-
7Dec17	Paragon Solutions, Inc.	CGI Group Inc.	60.58	-	-	-
5Dec17	Alliance Life Sciences Consulting Group, Inc.	The Access Group	-	-	-	-
4Oct17	Pursuit Healthcare Advisors, LLC	Atos SE	-	-	-	-
29Sep17	Healthcare Provider Consulting Business and The Breakaway Group, Inc.	Atos SE	-	-	-	-
28Aug17	The Advisory Board Company	OptumInsight, Inc.	1,300.00	799.15	1.6x	7.5x
9Aug17	Clinical Benchmarking, LLC	The Pinnacle Group, LLC	-	-	-	-
28Jul17	Medical Knowledge Group, LLC	WindRose Health Investors; MTS Health Investors IV, L.P.	-	-	-	-
12Jul17	Vynamic, LLC	UDG Healthcare plc	32.00	-	-	-
10Jul17	Novia Strategies, Inc.	The Camden Group	-	-	-	-
29Jun17	NMC Health Plc	Infinite Investment LLC	301.20	1,319.24	5.5x	22.1x
22Jun17	Cobridge Co.,Ltd.	WDB Holdings Co., Ltd.	-	1.80	-	-
19Jun17	Best Doctors, Inc.	Teladoc, Inc.	440.00	98.24	4.5x	44.8x
13Jun17	TMG Health, Inc.	Cognizant Technology Solutions Corporation	-	-	-	-
6Jun17	Aegis Health Group, Inc.	Clariture Health, Inc.	-	-	-	-
8May17	Vandycke & Partners BVBA	Pauwels Consulting NV	-	-	-	-
21Apr17	Emergo Group Inc.	UL LLC	-	-	-	-
25Apr17	FQHC Associates, LLC	Germain & Co., Inc.	-	-	-	-
7Apr17	Safis Solutions, LLC	PharmaLex GmbH	-	-	-	-
18Apr17	PharmaMetrics, Inc.	IntegriChain Incorporated	-	-	-	-
4Apr17	WPC Healthcare, Inc.	Intermedix Corporation	-	-	-	-
21Mar17	Binary Semantics, Managed Services Division	Vaco, LLC	-	-	-	-
15Mar17	HealthHelp Inc	WNS (Holdings) Limited	95.00	-	-	-
10Mar17	Eliza Corporation	HMS Holdings Corp.	170.00	-	-	-
6Mar17	The CJS Solutions Group LLC	Tech Mahindra (Americas), Inc.	220.00	114.00	1.9x	-
1Mar17	Thomson International Health Services Pte. Ltd.	-	0.09	-	-	-
16Feb17	Innosight LLC	Huron Consulting Group Inc.	135.00	-	-	-
14Feb17	SVC, Inc.	Health Management Associates, Inc.	-	-	-	-
31Jan17	C1 Consulting LLC	CRA International, Inc.	-	-	-	-
30Jan17	M3, Inc.	Goldman Sachs (Japan) Co. Ltd., Investment Arm	457.32	647.03	13.1x	39.7x
23Jan17	Partners In Care, Corp.	Continuum Health Alliance, LLC	-	-	-	-
23Dec16	Transpirus LLC	The Corridor Group Holdings, LLC	-	-	-	-
4Jan17	Jiff, Inc.	Castlight Health, Inc.	153.45	-	-	-
3Jan17	Revant Solutions Inc.	Aviacode Incorporated	-	-	-	-
7Oct16	Vidal Group	M3, Inc.	111.70	46.58	2.4x	-
4Oct16	Falcon Consulting Group, LLC	Avaap USA, LLC	-	-	-	-

SELECT RECENT TRANSACTIONS

Date	Target	Buyer	Total Transaction Value	Target Revenue	TEV / Revenue	TEV / EBITDA
23Sep16	VEGA Medical Professionals LLC	Constellation Healthcare Technologies, Inc.	24.00	15.60	1.5x	30.0x
11Sep16	LG Life Sciences, Ltd.	LG Chem, Ltd.	1,296.95	464.57	2.7x	19.7x
2Sep16	Cepheid	Danaher Corporation	4,402.25	564.25	7.2x	200.3x
1Sep16	Dymedex Consulting, LLC	Navigant Consulting, Inc.	-	-	-	-
22Jul16	Invoyent LLC	West Monroe Partners, LLC	9.00	-	-	-
25Jul16	Healthcare Services Management, Inc.	Huron Consulting Group Inc.	-	-	-	-
12Jul16	Kurt Salmon US Inc., Healthcare Consulting Business	ECG Management Consultants, Inc.	12.90	-	-	-
4Apr16	SHR Associates, Inc.	Rosen, Sapperstein & Friedlander	-	-	-	-
4Apr16	Oleen Pinnacle Healthcare Consulting LLC	Cumberland Consulting Group, LLC	-	-	-	-
29Feb16	Ascend Management Innovations LLC	MAXIMUS Health Services Inc.	44.27	-	-	-
17Feb16	Truven Holding Corp.	IBM Watson Health	3,592.97	610.72	5.9x	35.0x
11Feb16	HealthPlan Holdings, Inc.	Wipro Limited	460.00	223.00	-	-
4Feb16	Dimensions Healthcare, LLC	IMS Health Holdings, Inc.	-	-	-	-
1Feb16	MyRounding Solutions LLC	Huron Consulting Group Inc.	-	-	-	-
19Jan16	Advanced Medical Reviews, Inc.	ExamWorks, Inc.	39.80	-	-	-
12Jan16	Hayes Management Consulting, Inc.	-	-	-	-	-
8Jan16	EDCO Group Inc.	ExamWorks, Inc.	62.00	-	-	-
31Dec15	McKinnis Consulting Services, LLC	Navigant Consulting, Inc.	61.84	-	-	-
23Sep15	Sagacious Consultants, LLC	Accenture plc	-	-	-	-
12Apr15	Beacon Partners Inc.	KPMG LLP	-	60.00	-	-
18Dec14	AmSol, LLC	NorthStar Anesthesia P.A.	-	-	-	-
3Nov14	Aspen Advisors, LLC	The Chartis Group, LLC	-	-	-	-
5Nov14	Ximedica, LLC	SV Life Sciences Advisers, LLC (nka:SV Health Investors, LLC)	-	-	-	-
1Oct14	Omega Laboratories Limited	Sagent Pharmaceuticals, Inc.	83.12	32.64	2.5x	-
6Aug14	Handok Inc.	-	3.79	318.90	1.1x	24.8x
27Jun14	Advanced Health Care Partners, LLC	Regenerative Medicine Solutions, LLC	-	-	-	-
12Jun14	Amirsys, Inc.	Elsevier B.V.	-	-	-	-
5Jun14	KYORIN Holdings, Inc.	Teijin Limited	158.88	1,092.69	1.2x	6.4x
21May14	Infotehna Group LLC	euroscript International S.A. (nka:AMPLEXOR)	-	-	-	-
20May14	Kalypso LP	Palladius, Inc.	-	-	-	-
12May14	NuSep Holdings Limited (nka:Memphasys Limited)	Ti Rakau Developments Limited	0.29	0.76	24.8x	NM
28Apr14	I-Cubed, Inc.	KPIT Technologies Limited	24.15	10.00	2.4x	-

CONTACT INFORMATION

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