



Sectorwatch: Healthcare & Life Sciences Management Consulting

Q4 2018

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Overview

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

Dashboard

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



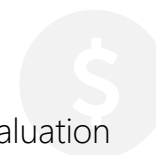
Public Basket Performance

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



Valuation Comparison

- Graphical, detailed comparison of valuation multiples for the public basket



Recent Deals

- The most recently announced deals in the sector



Dashboard



Revenue Growth Momentum

↑0.01%

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

Current revenue growth rate exceeds the average of the last 3 years by this amount, indicating that revenue levels are being maintained but without growth.

Pricing / Gross Margin Momentum

↓-4.5%

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.

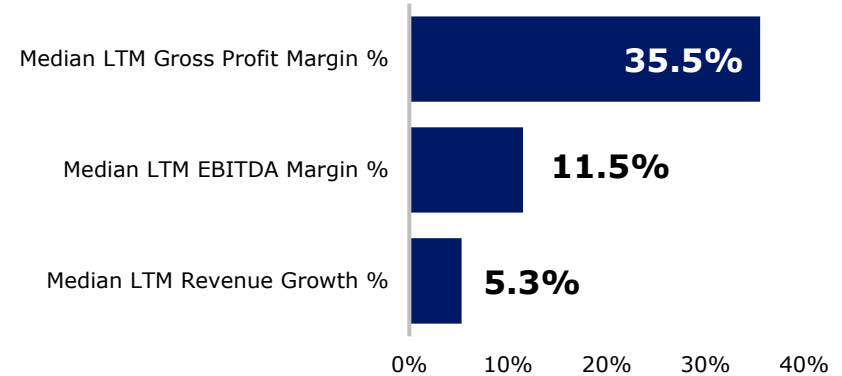
Profitability Momentum

↓-2.6%

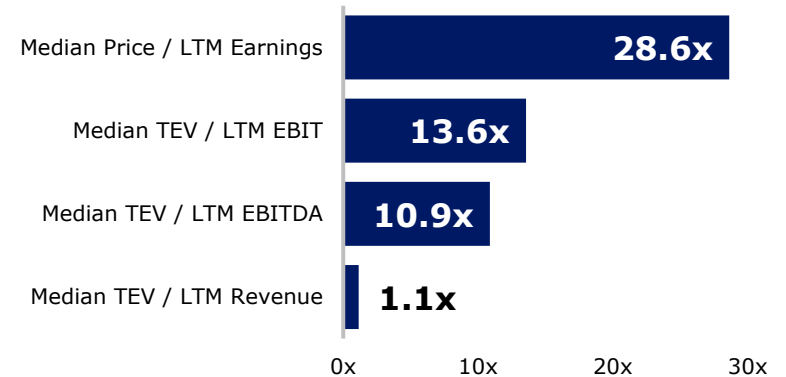
One year EBITDA percentage compared to EBITDA percentage average for last 3 years.

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

Operating Metrics



Valuation



Public Basket



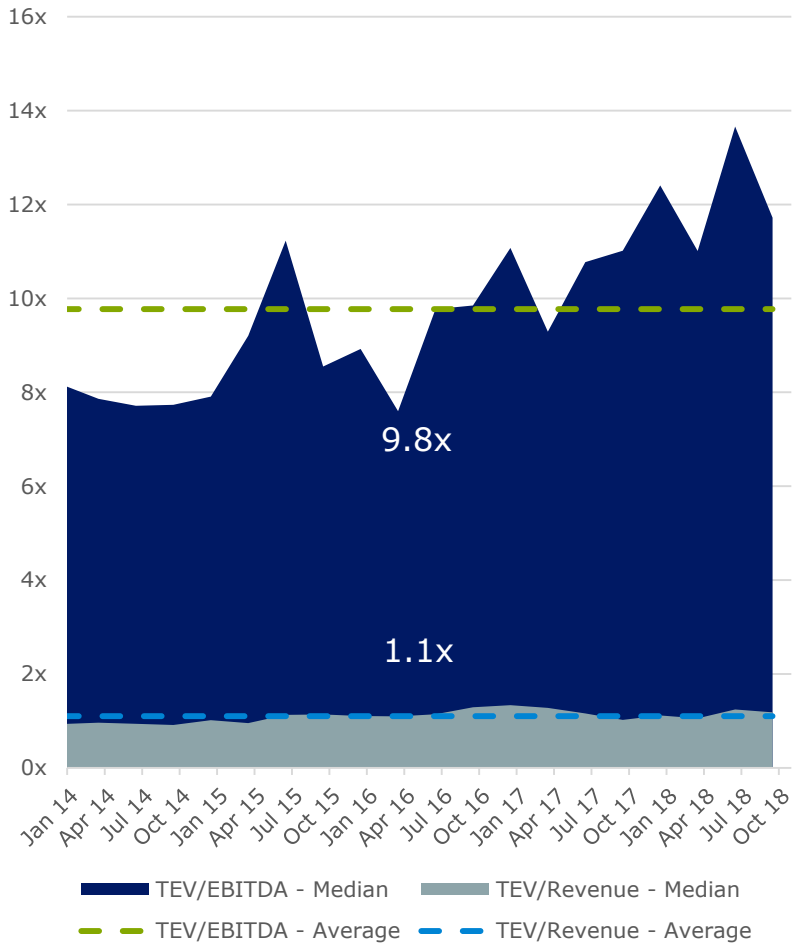
Company	TEV \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
Huron Consulting Group Inc.	1,383	754	3%	36%	12%	1.8	15.3	3,083	244
Navigant Consulting, Inc.	1,110	951	20%	31%	13%	1.2	8.9	6,008	158
Cegedim SA	604	538	5%	45%	12%	1.1	9.6	4,072	132
CRA International, Inc.	355	393	15%	31%	7%	0.9	12.6	631	623
Cello Health plc	176	223	4%	62%	7%	0.8	10.9	1,000	223

Average	726	572	9%	41%	10%	1.2	11.5	2,959	276
Median	604	538	5%	36%	12%	1.1	10.9	3,083	223

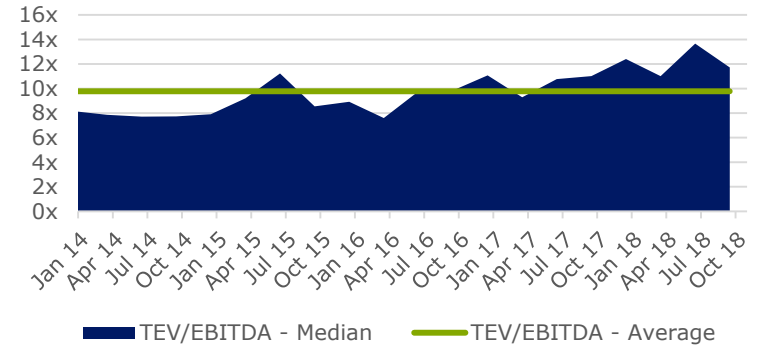
share price as of 24Oct18



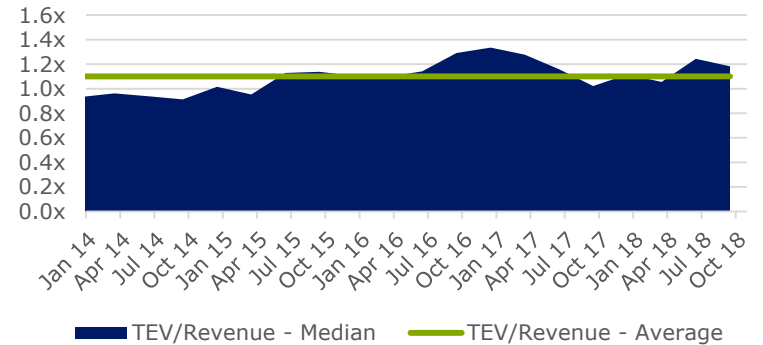
Public Basket Valuation Trends



Public EBITDA Multiples over Time



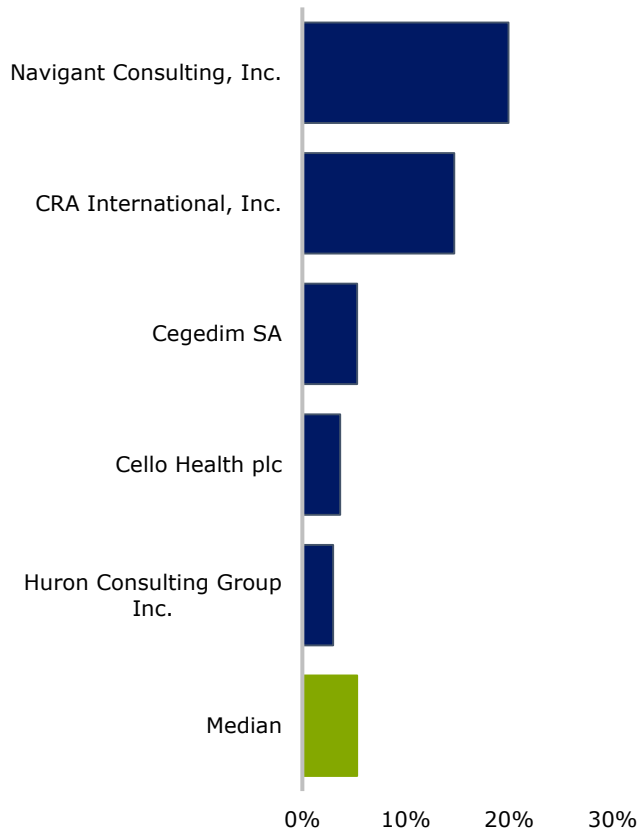
Public Revenue Multiples over Time



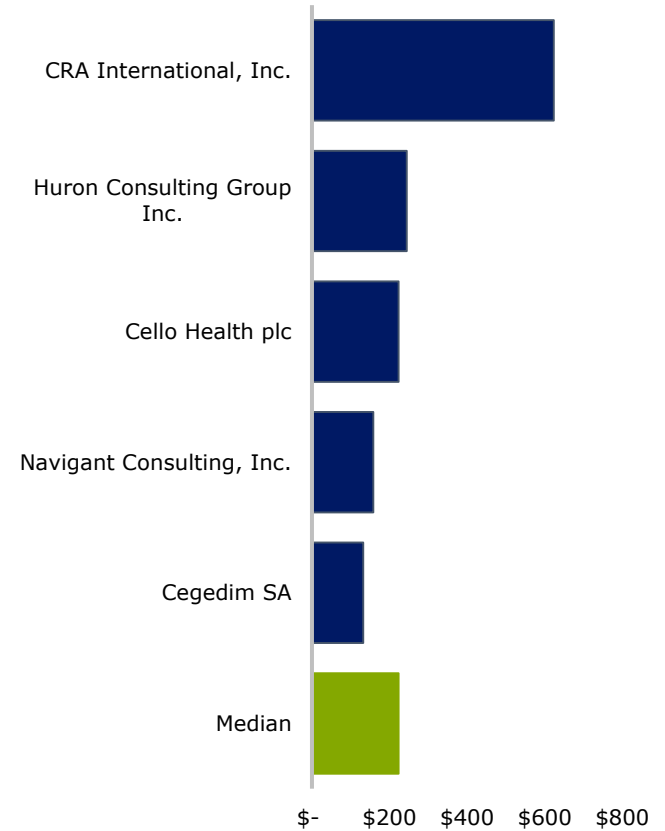
Operational Metrics



LTM Revenue Growth %



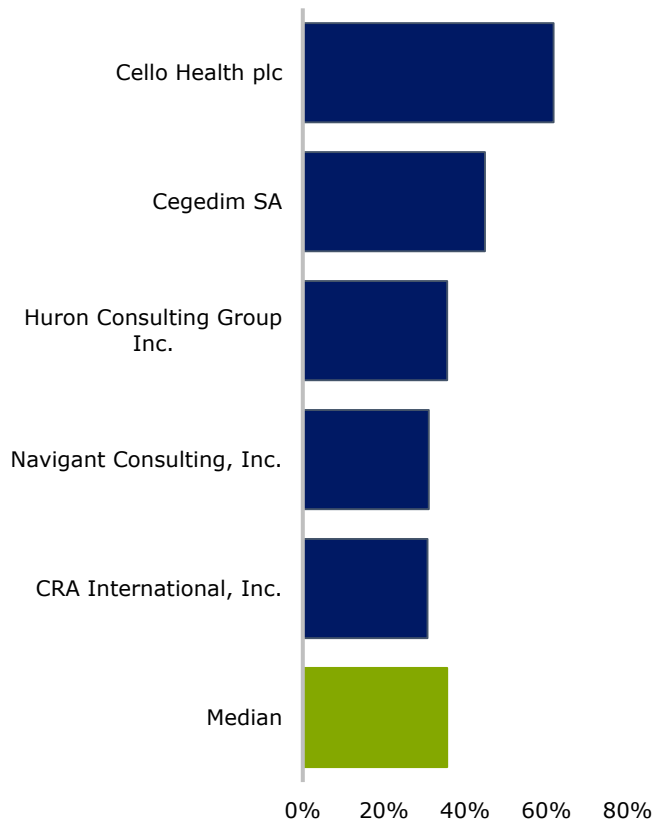
LTM Revenue per Full Time Employee x 000's



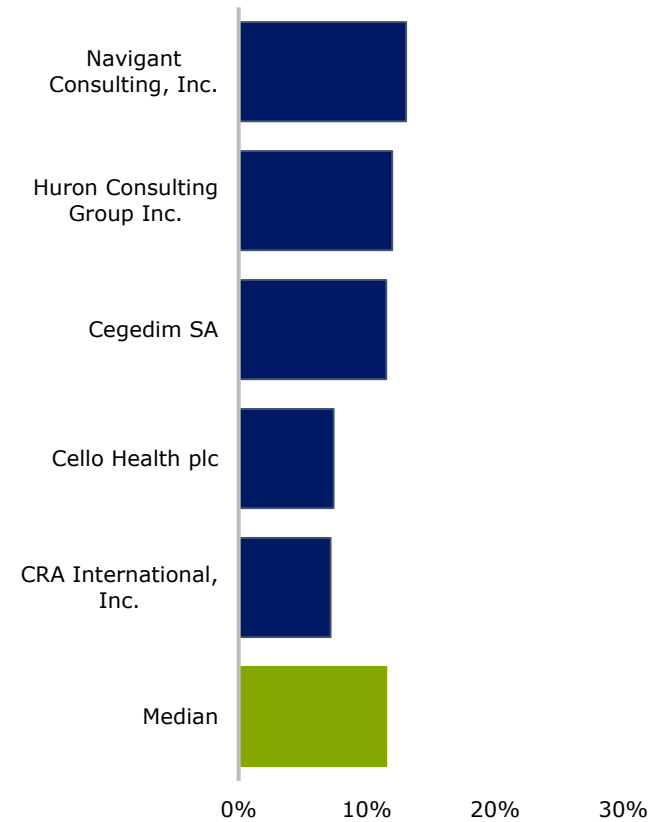
Operational Metrics



LTM Gross Profit Margin %



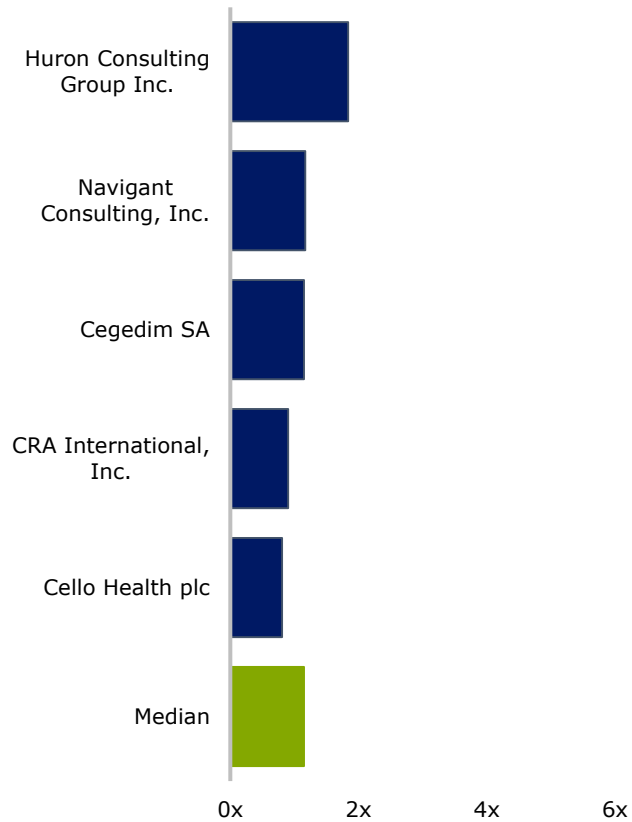
LTM EBITDA %



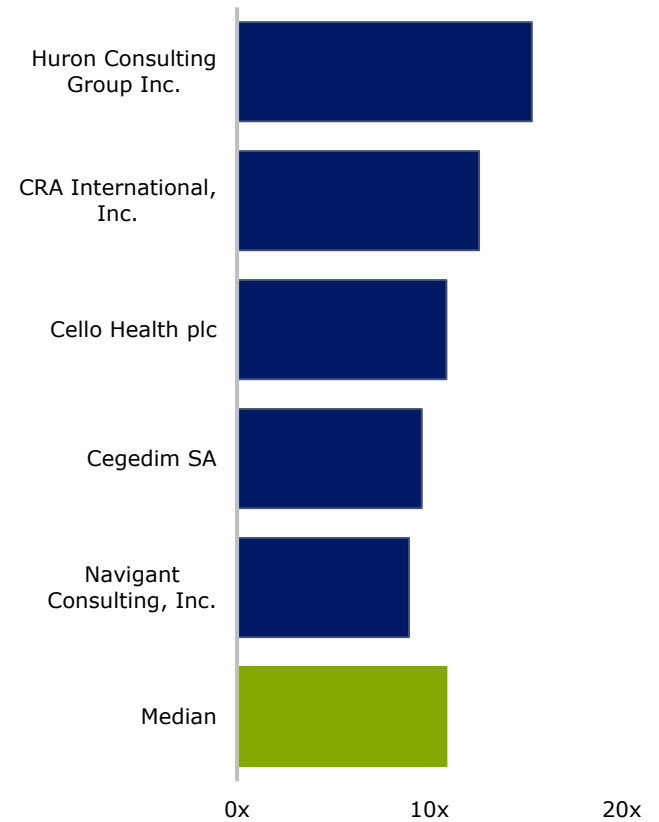
Valuation



TEV / LTM Revenue



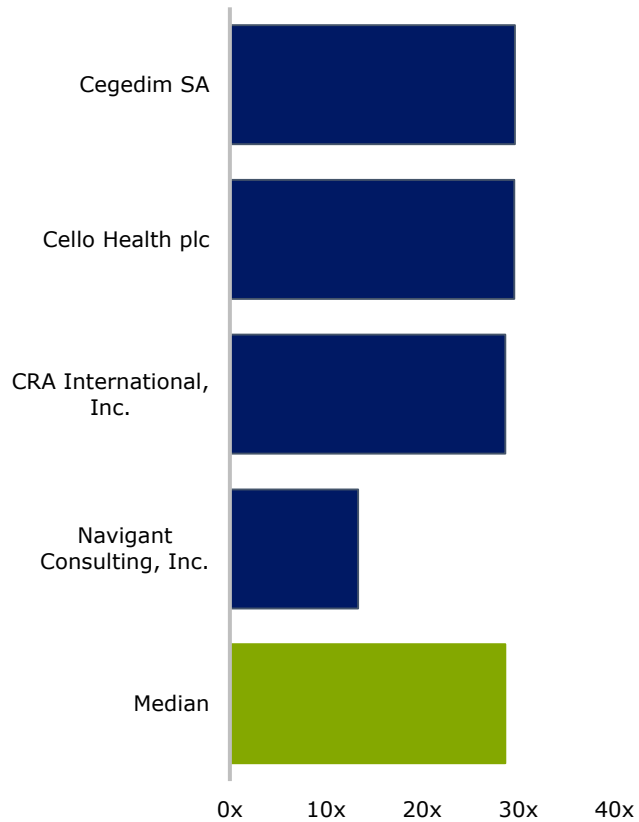
TEV / LTM EBITDA



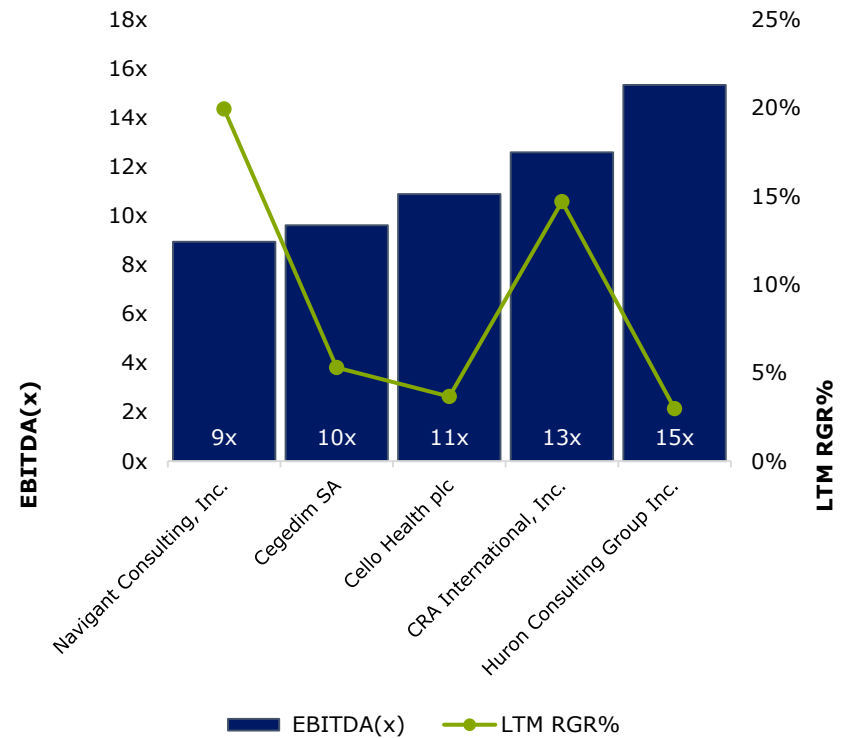
Valuation



Price / LTM Earnings



Historical Valuation Multiples versus Revenue Growth Rate



RECENT TRANSACTIONS SUMMARY

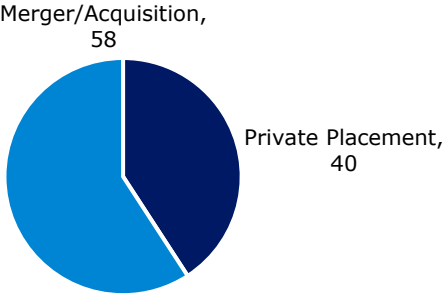
In the last twelve months there was a total of \$7.9b transactions in the Healthcare and Life Sciences Advisory sector. 7 Mile Advisors tracked 98 transactions in that period, of which the majority were M&A transactions totaling 58. The balance comprised of financings and equity offerings/placements.

Merger & Acquisition Statistics

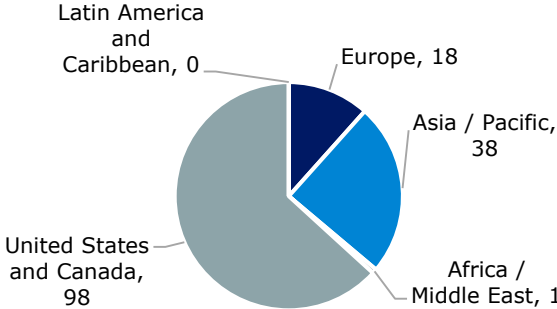
Valuation Summary

Total Deal Value(\$mm):	\$7,966.56
Average Deal Value:	\$419.29
Average TEV/Revenue:	2.46x
Average TEV/EBITDA:	13.40x
Average Day Prior Premium(%):	4.78%
Average Week Prior Premium(%):	7.90%
Average Month Prior Premium(%):	28.09%

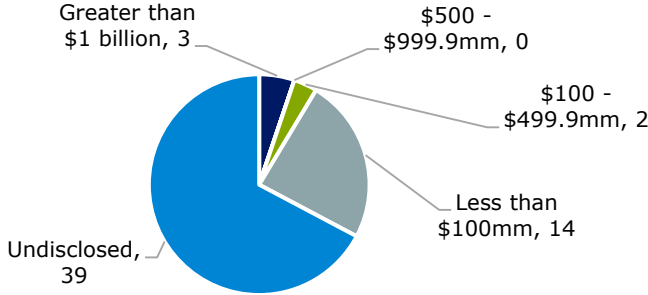
All Transactions by Type



All Transactions by Region



M&A Transaction Ranges by Value



Most Active Buyers/Investors by Number of Transactions

Company Name	Number Of Transaction
C&C Capital	5
Shanghai Sino Incubator Capital Management Co., Ltd.	5
ABRY Partners, LLC	2
CU Medical Systems, Inc. (KOSDAQ:A115480)	2
Qingdao Big Health Technology Health Management Co., Ltd.	2
ABS Capital Partners, Inc.	1
Alight Solutions LLC	1
Allscripts Healthcare, LLC	1
Anju Software, Inc.	1
Atos SE (ENXTPA:ATO)	1

Most Active Buyers/Investors by Total Transaction Size

Company Name	Transaction Size (\$mm)
Atos SE (ENXTPA:ATO)	3,670.09
Roche Holding AG (SWX:ROG)	1,900.0
Permira Advisers Ltd.	1,750.0
Exl Service.com, LLC	236.5
Allscripts Healthcare, LLC	128.69
Graphite Capital Management LLP	95.1
VR Adviser, LLC	74.0
QUALCOMM Ventures	74.0
Goldman Sachs Asset Management, L.P.	74.0
Sherpa Ventures	74.0

Recent Transactions



Date	Target	Buyer / Investor	Total Transaction Value	Target Revenue	TEV / Revenue	TEV / EBITDA
10Oct18	Hayes Management Consulting, Inc.	Primus Capital	-	-	-	-
17Jul18	Compass Group, Inc.	TiER1 Performance Solutions, LLC	-	-	-	-
13Jun18	Life Account, LLC	Alight Solutions LLC	-	-	-	-
12Jun18	Clinical Device Group Inc	Factory-CRO bv	-	-	-	-
11Jun18	Sciformix Corporation	Covance Inc.	-	-	-	-
11Jun18	Jobson Healthcare Information LLC	WebMD Health Corp.	-	-	-	-
9May18	Mark Krueger & Associates, Inc.	-	-	-	-	-
5Apr18	Telrx Marketing Inc.	HCL America, Inc.	60.00	199.00	0.3x	-
21Mar18	Xiangtan Meinian Onehealth Healthcare Management Co., Ltd	Changsha Meinian Onehealth Healthcare Management Co., Ltd.	4.66	3.71	1.7x	-
1Mar17	Thomson International Health Services Pte. Ltd.	-	0.09	-	-	-
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	128.69	-	-	-
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, LLC; 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	19.0x
22Jun17	Cobridge Co.,Ltd.	WDB Holdings Co., Ltd.	-	1.80	-	-
19Jun17	Best Doctors, Inc.	Teladoc, Inc. (nka:Teladoc Health, 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	-	-	-	-

Contact Information

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