



Sectorwatch: Healthcare & Life Sciences Management Consulting

Q3 2018

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Sector Dashboard [4]

Public Basket Performance [5]

Operational Metrics [7]

Valuation Comparison [10]

Recent Deals [13]

Appendix [14]

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.



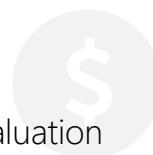
Public Basket Performance

- 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

↓ -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 5%.

Pricing / Gross Margin Momentum

↓ -4.0%

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.

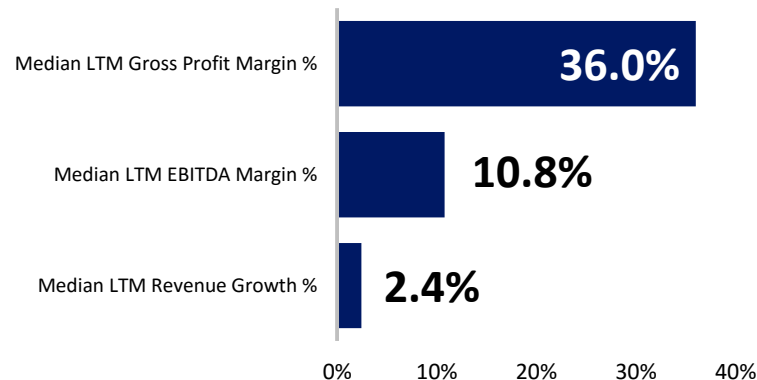
Profitability Momentum

↓ -3.3%

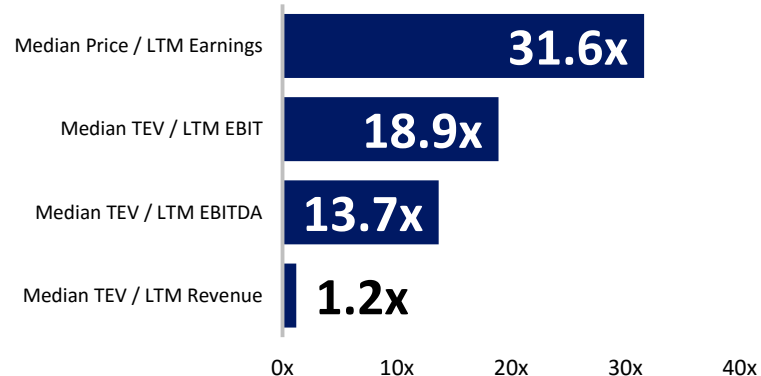
One year EBITDA percentage compared to EBITDA percentage average for last 3 years.

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

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.	1,313	737	0%	36%	12%	1.8	14.6	3,083	239
Navigant Consulting, Inc.	1,142	947	0%	31%	13%	1.2	9.3	6,008	158
Cegedim SA	820	549	7%	46%	11%	1.5	13.7	4,072	135
CRA International, Inc.	435	381	15%	30%	7%	1.1	16.2	631	604
Cello Health plc	171	229	2%	61%	7%	0.8	11.0	1,000	229
Average	776	569	5%	41%	10%	1.3	12.9	2,959	273
Median	820	549	2%	36%	11%	1.2	13.7	3,083	229

share price as of 19Jul18



CELLO

CRA Charles River Associates



cegedim

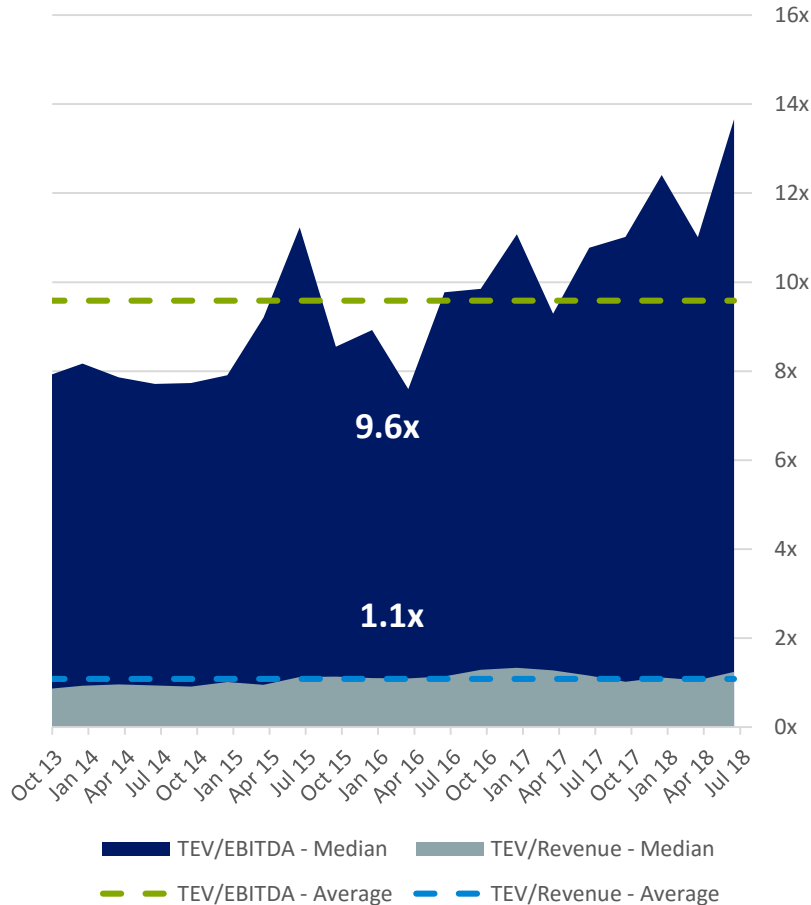
NAVIGANT



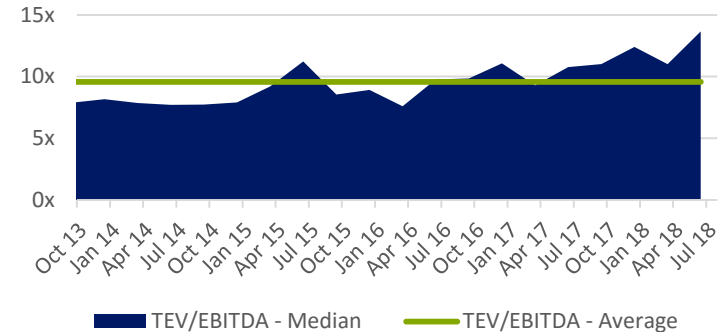
7 MILE ADVISORS

The Next Generation
of Middle-Market
Investment Banking

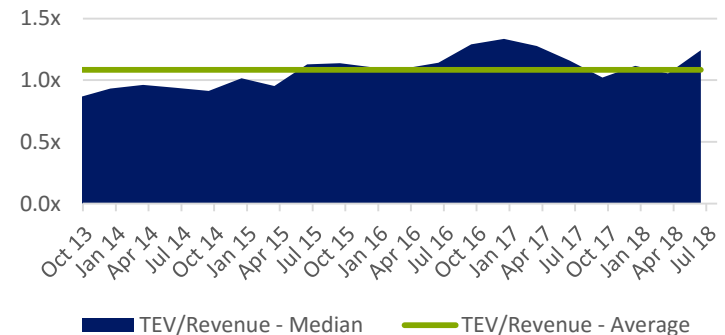
Public Basket Valuation Trends



Public EBITDA Multiples over Time



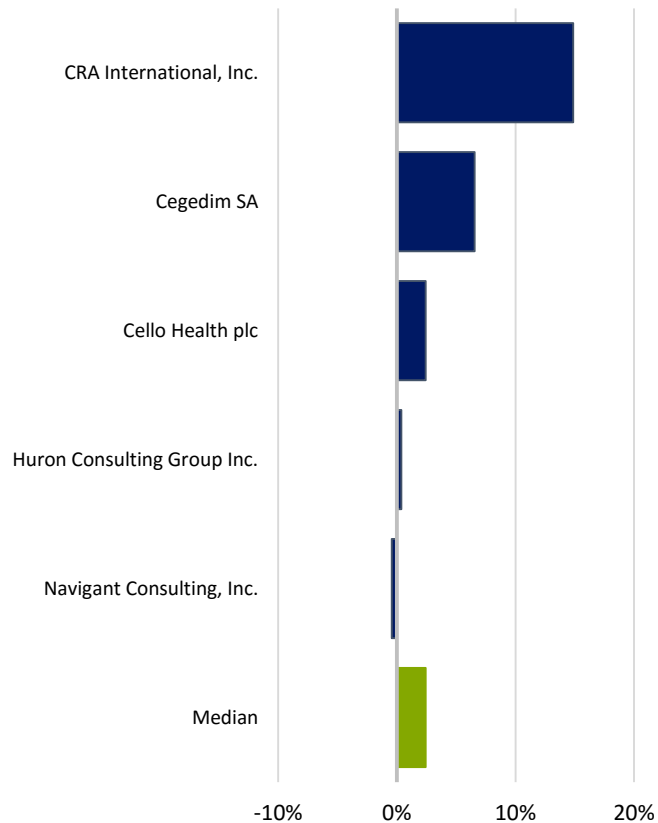
Public Revenue Multiples over Time



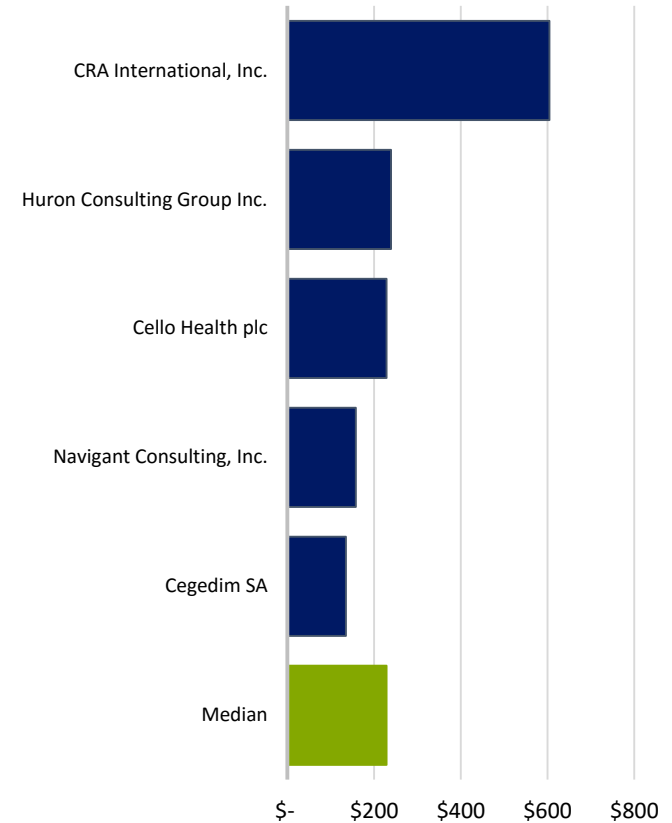
Operational Metrics



LTM Revenue Growth %



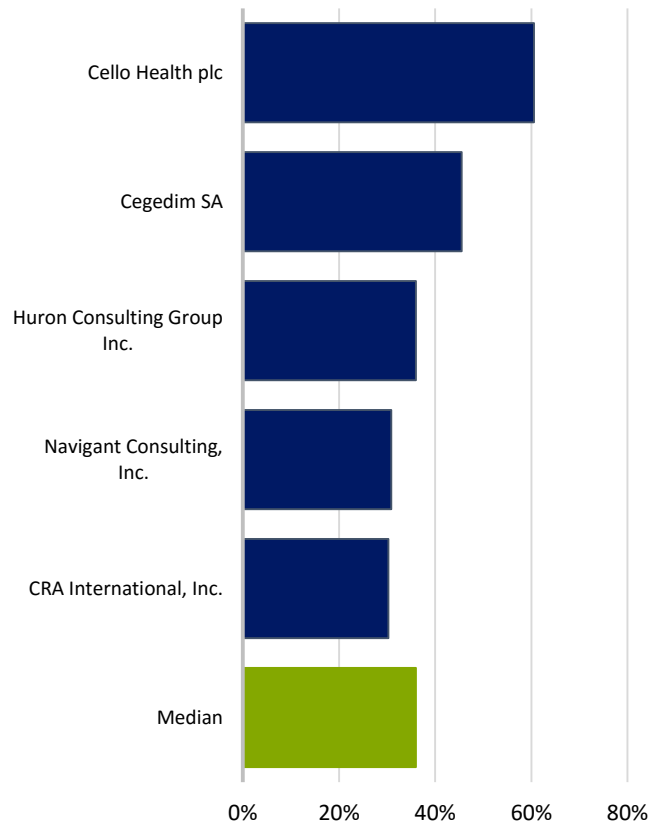
LTM Revenue per Full Time Employee x 000's



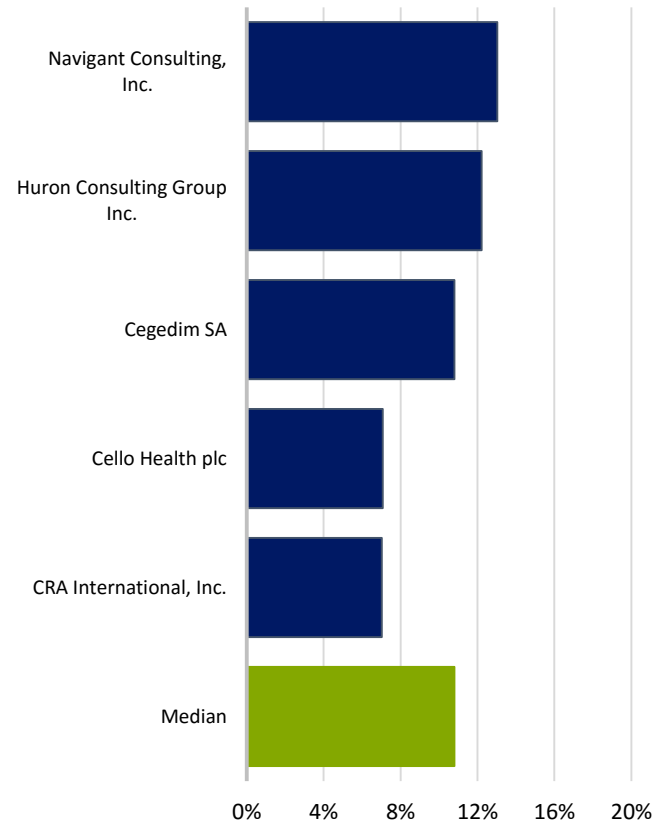
Operational Metrics



LTM Gross Profit Margin %



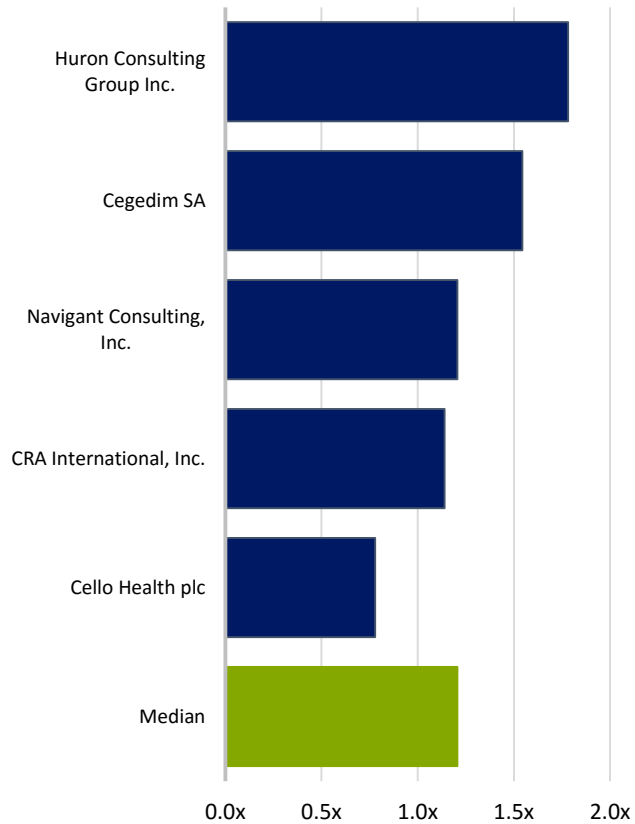
LTM EBITDA %



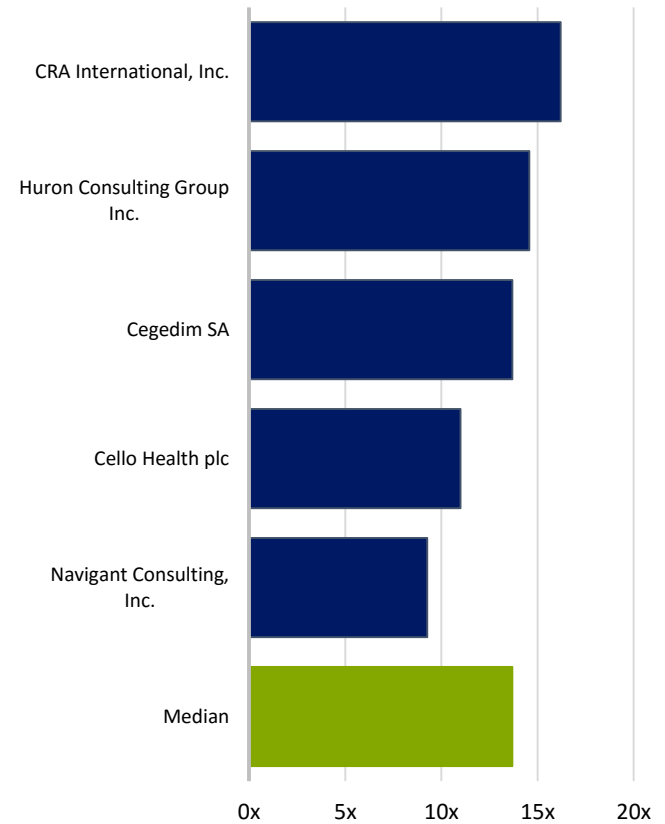
Valuation



TEV / LTM Revenue



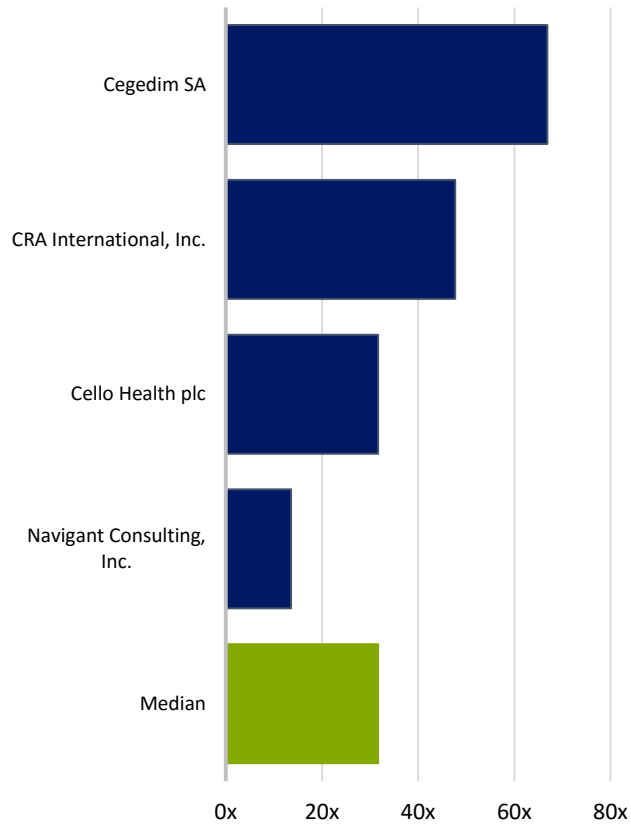
TEV / LTM EBITDA



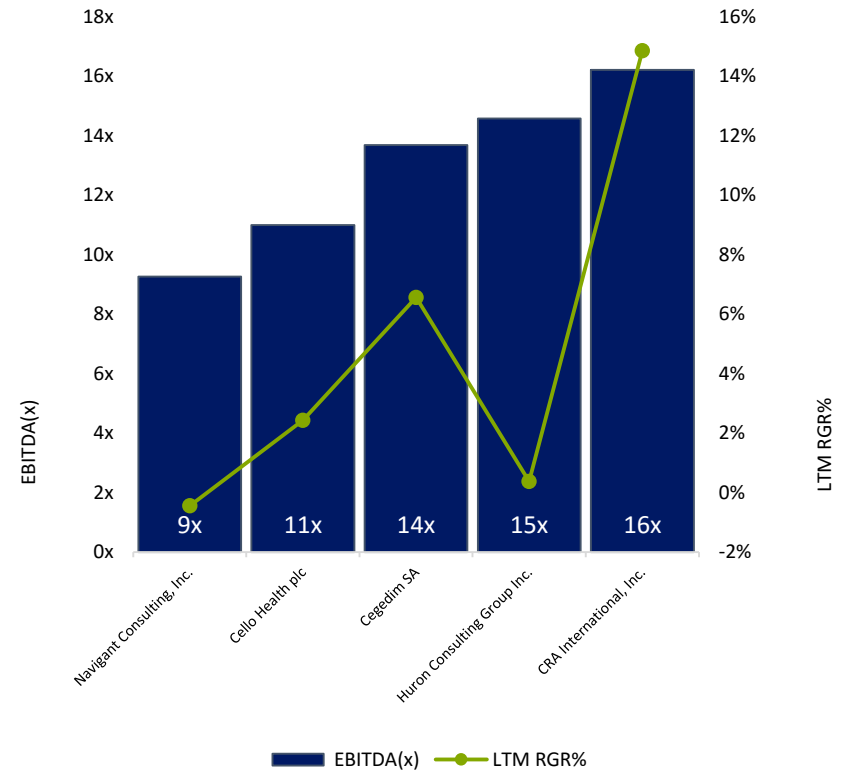
Valuation



Price / LTM Earnings



Historical Valuation Multiples versus Revenue Growth Rate



Recent Transactions Summary

In the last twelve months there was a total of \$144.7b transactions in the Healthcare and Life Sciences Advisory sector. 7 Mile Advisors tracked 1,781 transactions in that period, of which the majority were M&A transactions totaling 1,015. The balance comprised of financings and equity offerings/placements.

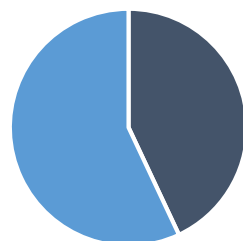
Merger & Acquisition Statistics

Valuation Summary

Total Deal Value(\$mm):	\$144,691.68
Average Deal Value:	\$392.12
Average TEV/Revenue:	2.72x
Average TEV/EBITDA:	14.7x
Average Day Prior Premium(%):	21.01%
Average Week Prior Premium(%):	24.38%
Average Month Prior Premium(%):	28.03%

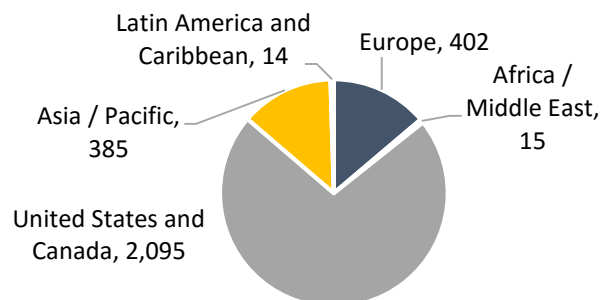
All Transactions by Type

Merger/Acquisition, 1,015

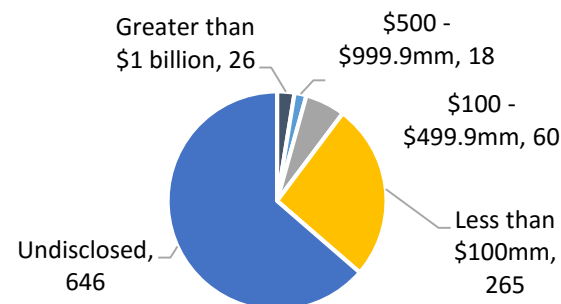


Private Placement,
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All Transactions by Region



M&A Transaction Ranges by Value



Most Active Buyers/Investors by Number of Transactions

Company Name	Number Of Transactions
Kleiner Perkins Caufield & Byers	12
Austin Ventures	9
Bessemer Venture Partners	9
CrossLink Capital, Inc.	9
Draper Fisher Jurvetson	8
Enterprise Partners Venture Capital	8
GV	8
OVP Venture Partners	8
General Catalyst Partners	7
Goldman Sachs Group, Merchant Banking Division	7

Most Active Buyers/Investors by Total Transaction Size

Company Name	Transaction Size (\$mm)
IQVIA Holdings Inc. (NYSE:IQV)	13,738.47
Thermo Fisher Scientific Inc. (NYSE:TMO)	12,491.58
General Electric Company (NYSE:GE)	9,846.9
TriZetto Corporation	8,517.23
Nielsen Holdings plc (NYSE:NLSN)	8,156.58
Avantor Performance Materials, Inc.	6,631.62
Laboratory Corporation of America Holdings (NYSE:LH)	6,538.16
WebMD Health Corp.	5,831.27
TPG Capital, L.P.	5,373.64
Leonard Green & Partners, L.P.	5,373.64

Recent Transactions



Date	Target	Buyer / Investor	Total Transaction Value	Target Revenue	TEV / Revenue	TEV / EBITDA
17Jul18	Compass Group, Inc.	TiER1 Performance Solutions, LLC	-	-	-	-
13Jun18	Life Account, LLC	Alight Solutions	-	-	-	-
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	Telrex 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	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, 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	20.6x
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	-	-	-	-

Contact Information

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