

SECTORWATCH:

Accounting Consulting

February 2018

7 MILE 
ADVISORS

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Accounting Consulting
February 2018

- Sector Dashboard
- Public Basket Performance
- Operational Metrics
- Valuation Comparison
- Recent Deals
- Appendix

7 MILE
ADVISORS

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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



Valuation Comparison

a more graphical, detailed comparison of 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.

DASHBOARD

Revenue Growth Momentum

↑0.1%

1 - year revenue growth compared to revenue growth average for last 3 years

Current revenue growth rate exceeds the average of the last 3 years by this amount, indicating that market momentum is increasing

Pricing / Gross Margin Momentum

↓-0.9%

1 - year gross profit % compared to gross profit % average for last 3 years

Current gross profit margin is less than the average of the last 3 years gross profit margins, indicating customer pricing power

Profitability Momentum

↓-1.1%

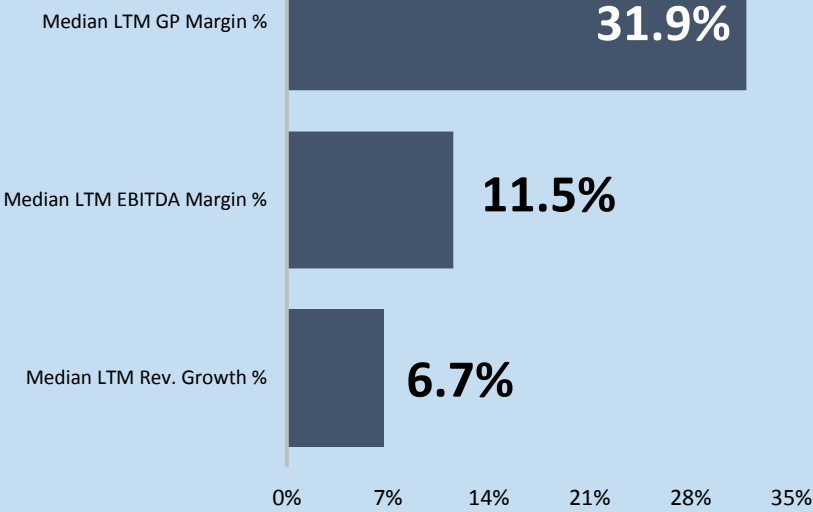
1 - year EBITDA % compared to EBITDA % average for last 3 years

Current EBITDA margin is less than the average of the last 3 years EBITDA margins, which may signal further consolidation

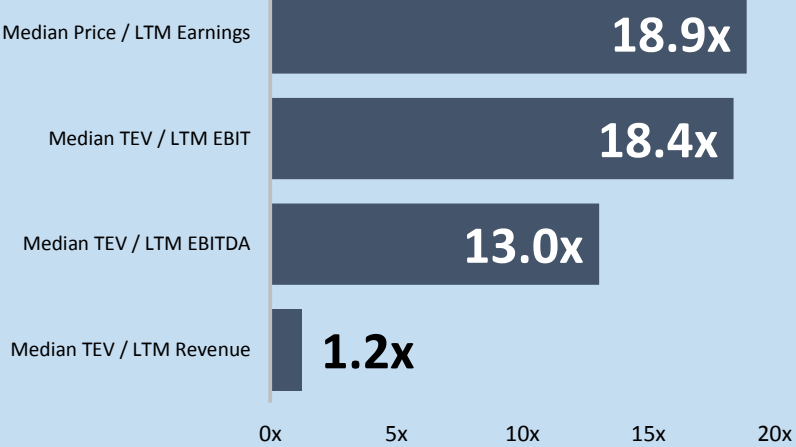
PUBLIC BASKET CONSTITUENTS

- | | |
|---------------|---------------|
| NasdaqGS:CRAI | NYSE:FCN |
| NYSE:NCI | NYSE:NSP |
| NYSE:CBZ | NasdaqGS:PRAA |
| NasdaqGS:HURN | NYSE:G |
| I | |

Operating Metrics



Valuation



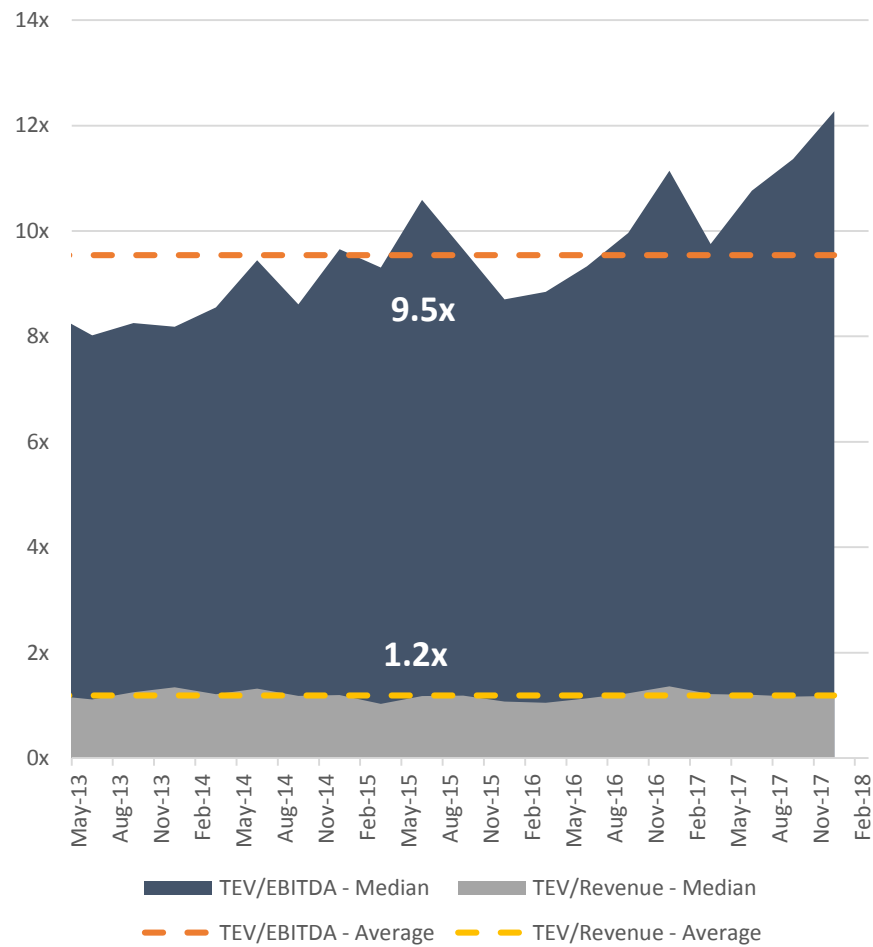
PUBLIC BASKET PERFORMANCE

Company	TEV \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
CRA International, Inc.	358	370	14%	31%	8%	1.0	12.9	632	586
Navigant Consulting, Inc.	1,036	940	0%	31%	13%	1.1	8.2	6,008	156
CBIZ, Inc.	1,185	855	7%	12%	10%	1.4	13.2	-	NA
Huron Consulting Group Inc.	1,201	808	11%	44%	13%	1.5	11.8	-	NA
FTI Consulting, Inc.	1,991	1,808	0%	33%	10%	1.1	10.7	4,609	392
Insperty, Inc.	2,474	3,300	12%	17%	4%	0.7	17.2	2,900	1,138
PRA Group, Inc.	3,679	814	-2%	100%	28%	4.5	15.9	-	NA
Genpact Limited	6,755	2,737	6%	38%	15%	2.5	16.1	78,000	35

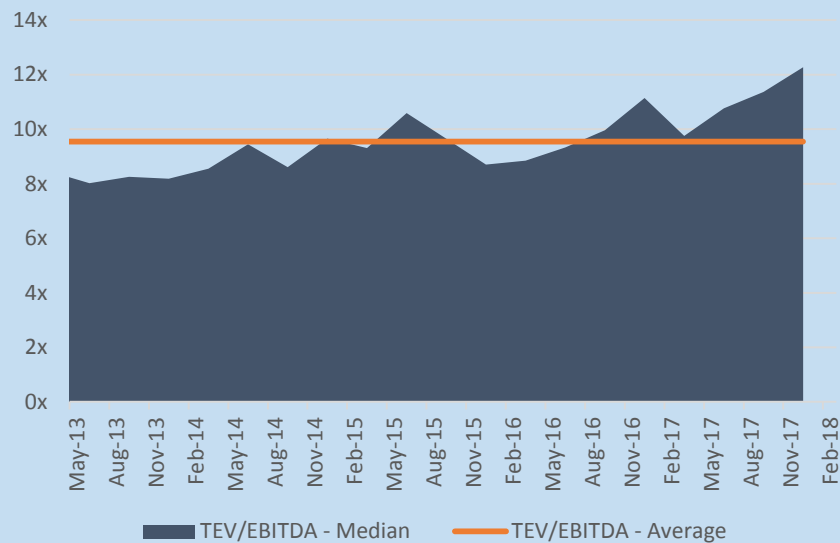
Average	2,335	1,454	6%	38%	13%	1.7	13.2	11,519	461
Median	1,596	897	7%	32%	12%	1.2	13.0	1,766	392

share price as of 28Feb18

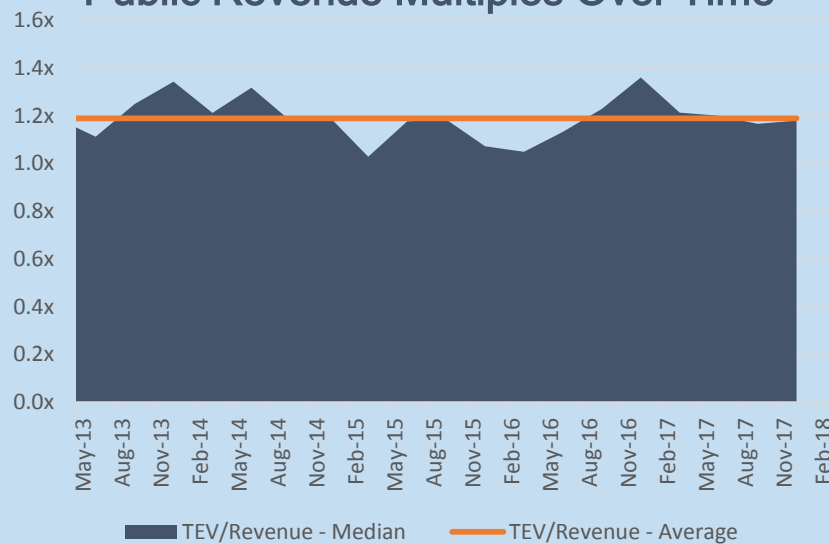
PUBLIC BASKET VALUATION TRENDS



Public EBITDA Multiples Over Time



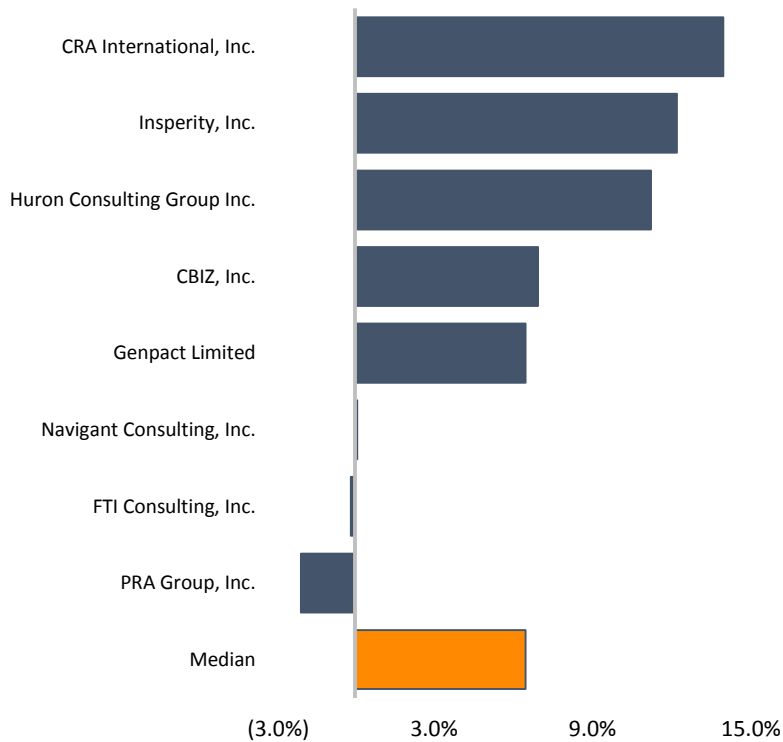
Public Revenue Multiples Over Time



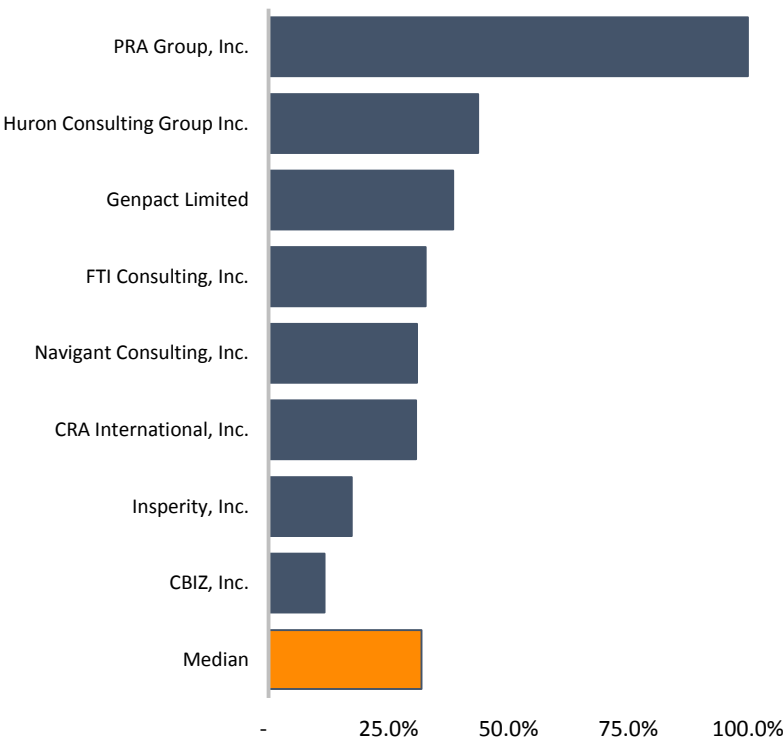
OPERATIONAL METRICS



LTM Revenue Growth %



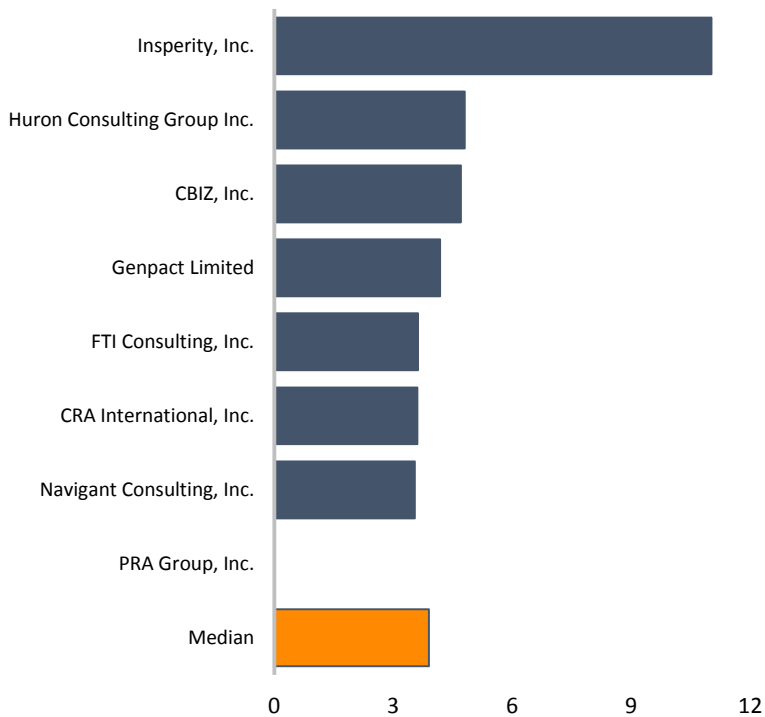
LTM Gross Profit Margin %



OPERATIONAL METRICS



Accounts Receivable Turnover



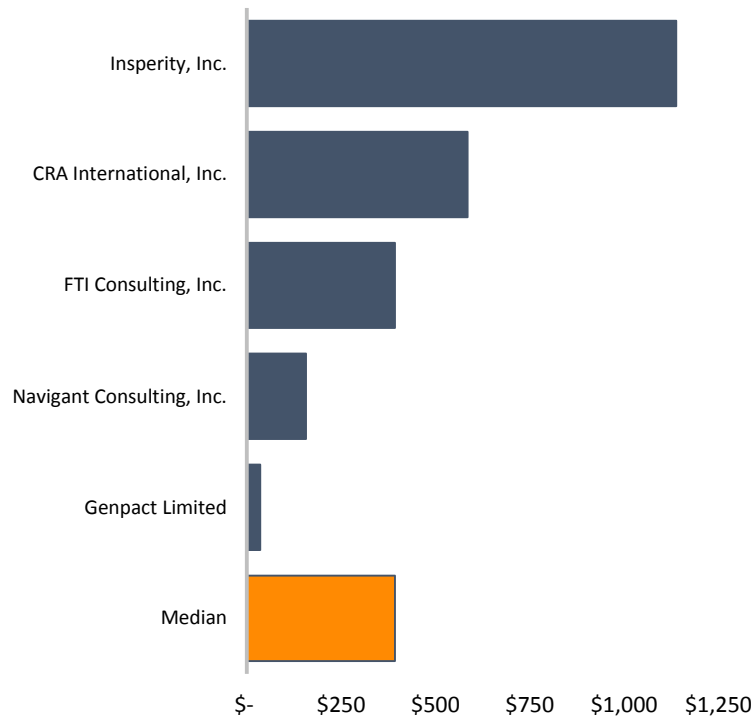
Average Days Sales Outstanding



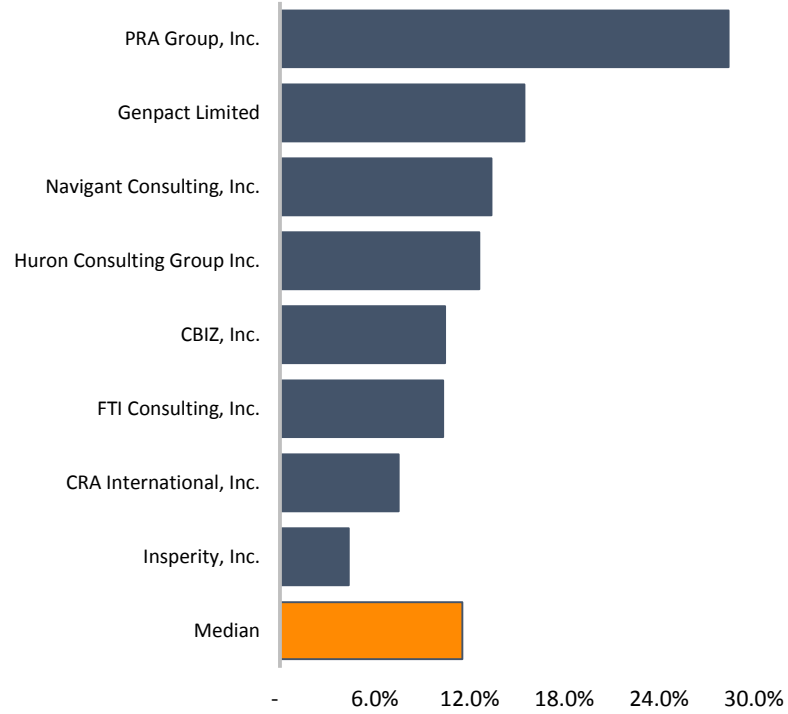
OPERATIONAL METRICS



LTM Revenue per Full Time Employee x 000's



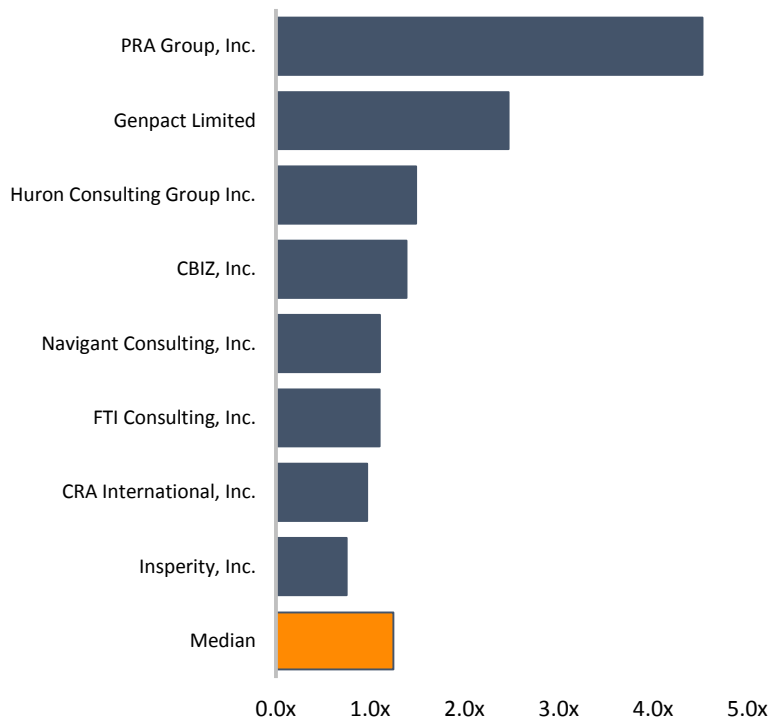
LTM EBITDA %



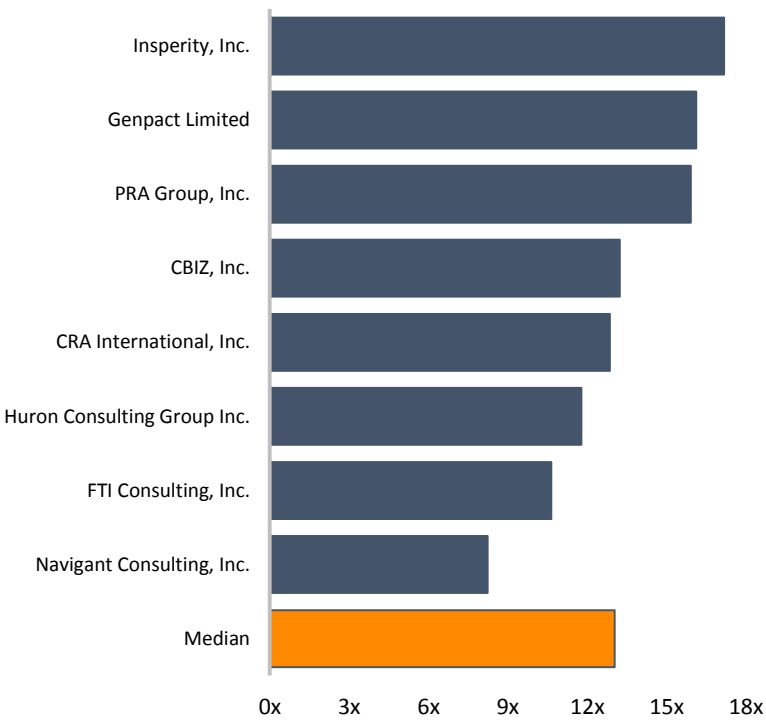
VALUATION



TEV / LTM Revenue



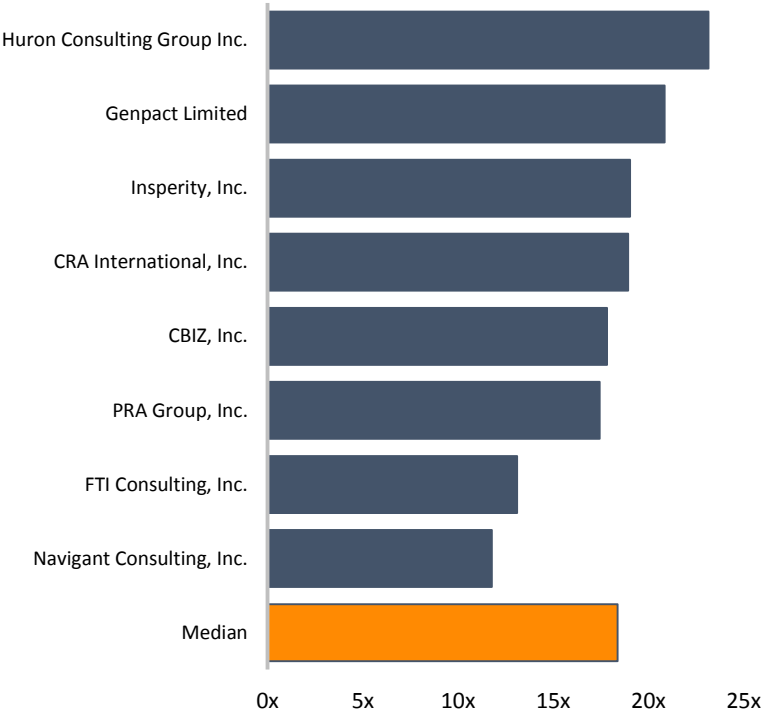
TEV / LTM EBITDA



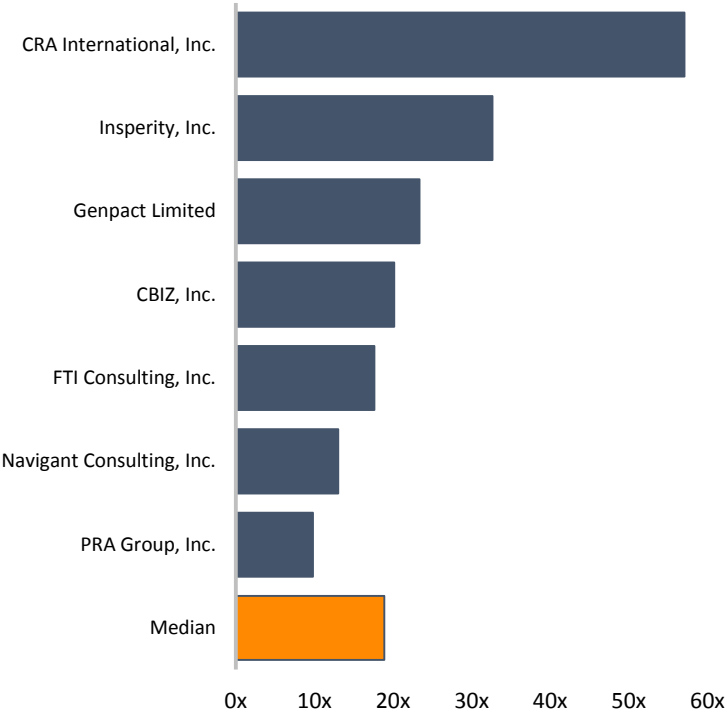
VALUATION



TEV / LTM EBIT



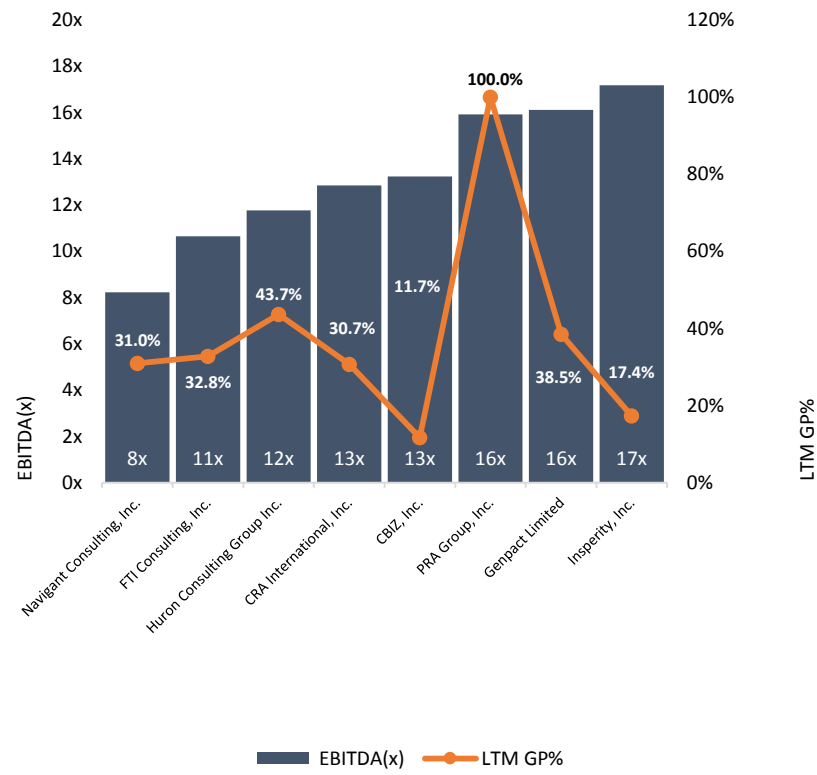
Price / LTM Earnings



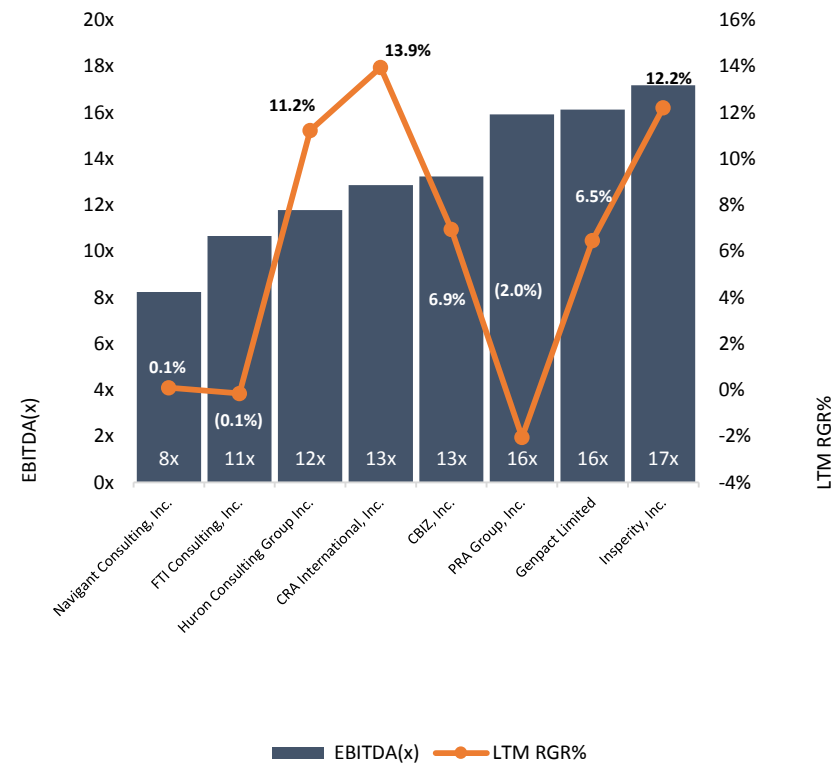
VALUATION



Historical Valuation Multiples versus Gross Profit



Historical Valuation Multiples versus Revenue Growth Rate



RECENT TRANSACTIONS

Date	Target	Buyer	Total Transaction Value	Target Revenue	TEV / Revenue	TEV / EBITDA
11Dec17	NSBN LLP	CliftonLarsonAllen LLP	-	18.50	-	-
1Dec17	RSM Canada	RSM International Ltd.	-	-	-	-
27Nov17	DZH Phillips LLP	Squar Milner LLP	-	-	-	-
27Nov17	Fischman & Associates, Ltd.	Weiss & Company L.L.P.	-	-	-	-
10Nov17	Accounting and Consulting Group, L.L.P.	Carr, Riggs & Ingram, LLC.	-	-	-	-
25Sep17	Walthall CPAs	Rea & Associates, Inc.	-	8.50	-	-
14Jul17	Aarons Grant & Habib LLC	Carr, Riggs & Ingram, LLC.	-	-	-	-
1Jul17	Batalla Salto Luna	Consortium Legal	-	-	-	-
8Jun17	CMF Associates, LLC	CBIZ, Inc.	-	19.20	-	-
1Jun17	Vicenti, Lloyd & Stutzman LLP	CliftonLarsonAllen LLP	-	-	-	-
20Apr17	Upstream Accounting Excellence AS	TMF Group Holding B.V.	-	-	-	-
10Apr17	Plante & Moran, PLLC	Legalpeople	-	-	-	-
1Mar17	OverMont Consulting, LLC	Whitley Penn LLP	-	-	-	-
9Feb17	Deborah S. Reiss, CPA	Accounting and Consulting Group, L.L.P.	-	-	-	-
3Feb17	Michael J Cochrane & Associates	Cukierski & Kowal LLC (nka:Cukierski & Cochrane, LLC)	-	-	-	-
26Jan17	MuniServices And Broussard Partners & Associates, Inc. And PRA Government Services And RamWare	Millstein & Co. LLC	91.50	-	-	-
5Jan17	Good & Fowler, LLP	SingerLewak LLP	-	-	-	-
2Nov16	John Allman, C.P.A., L.L.C.	Accounting and Consulting Group, L.L.P.	-	-	-	-
7Sep16	LGC+D, LLP	Citrin Cooperman & Company, LLP	-	-	-	-
26Apr16	BCG & Company	Sikich LLP	-	18.00	-	-
14Apr16	True Partners Consulting LLC	-	-	-	-	-
16Feb16	Habif, Arogeti & Wynne, LLP (nka:Aprio LLP)	Morison International Limited	-	-	-	-
15Jan16	Feeley & Driscoll, P.C.	BDO USA, LLP	-	-	-	-
1Nov15	Accounting Management Solutions, Inc.	CliftonLarsonAllen LLP	-	-	-	-
2Oct15	Boardroom Limited	Salacca Pte Ltd.	1.23	46.02	1.7x	11.0x
22Sep15	EnerTax Consultants L.P.	Ryan, LLC	-	-	-	-
4Aug15	RSM Farrell Grant Sparks	Grant Thornton Ireland	-	35.62	-	-
11Jun15	RBZ, LLP	Armanino LLP	-	-	-	-
18May15	Sartain Fischbein & Co.	Eide Bailly LLP	-	-	-	-
20Feb15	Kane & Company, P.A.	Morrison, Brown, Argiz & Farra, LLP	-	-	-	-

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Appendix: Public Basket
Constituents



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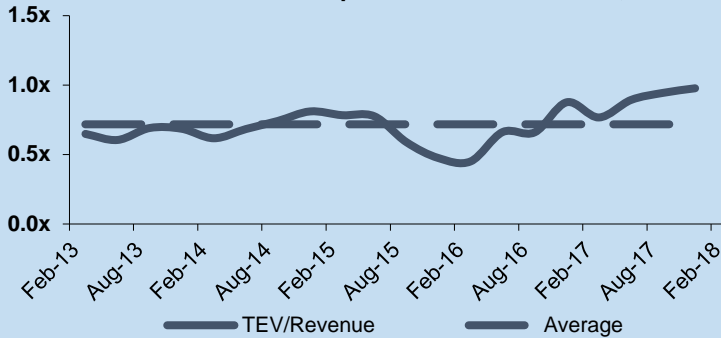


PUBLIC BASKET CONSTITUENTS

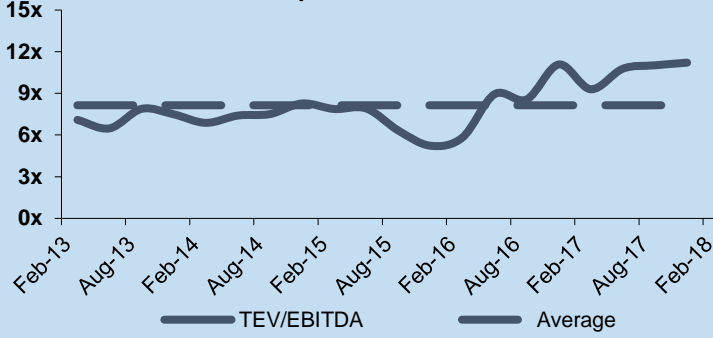
CRA International, Inc.

CRA International, Inc., a consulting company, provides economic, financial, and management consulting services worldwide. The company advises clients on economic and financial matters pertaining to litigation and regulatory proceedings; and guides corporations through critical business strategy and performance-related issues. It provides consulting services, including research and analysis, expert testimony, and support in litigation and regulatory proceedings in the areas of finance, accounting, economics, insurance, and forensic accounting and investigations to corporate clients and attorneys. The company also offers services related to class certification, damages analysis, expert reports and testimony, regulatory analysis, strategy development, valuation of tangible and intangible assets, risk management, and transaction support to law firms, businesses, and government agencies. In addition, it provides management consulting services, such as strategy development, performance improvement, corporate strategy and portfolio analysis, estimation of market demand, new product pricing strategies, valuation of intellectual property and other assets, assessment of competitors' actions, and analysis of new sources of supply. The company serves various industries, including agriculture; banking and capital markets; chemicals; communications and media; consumer products; energy; entertainment; financial services; health care; insurance; life sciences; manufacturing; metals, mining, and materials; oil and gas; real estate; retail; sports; telecommunications; transportation; and technology. CRA International, Inc. was founded in 1965 and is headquartered in Boston, Massachusetts.

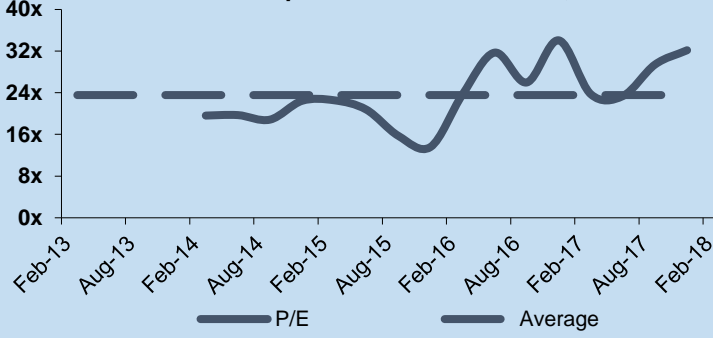
Revenue Multiples - CRA International, Inc.



EBITDA Multiples - CRA International, Inc.



P/E Multiples - CRA International, Inc.



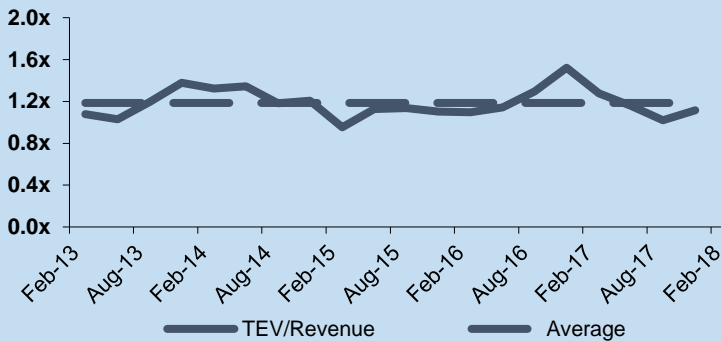
PUBLIC BASKET CONSTITUENTS

Navigant Consulting, Inc.

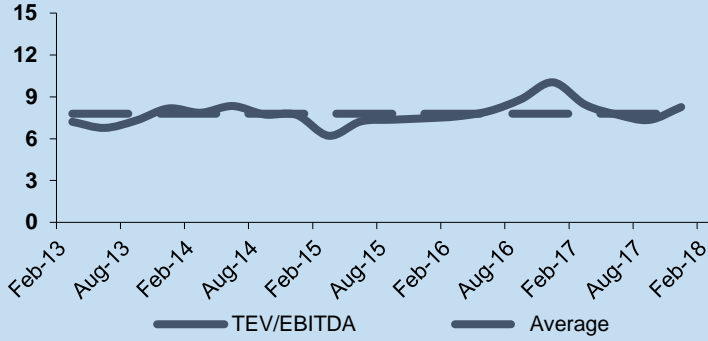
Navigant Consulting, Inc. provides professional services to corporate executives and senior management, corporate counsel, law firms, corporate boards, special committees, and governmental agencies worldwide. The company operates through four segments: Healthcare; Energy; Financial Services Advisory and Compliance; and Disputes, Forensics & Legal Technology. The Healthcare segment provides consulting and business process management services to healthcare providers, payers, and life sciences companies. This segment helps clients respond to market legislative changes, such as the shift to an outcome and value-based reimbursements model, ongoing industry consolidation and reorganization, Medicaid expansion, and the implementation of a new electronic health records system. The Energy segment offers advisory services to utilities, governmental agencies, manufacturers, and investors. This segment provides its clients with advisory solutions in business strategy and planning, distributed energy resources and renewables, energy efficiency and demand response, and grid modernization, as well as various benchmarking and research services. The Financial Services Advisory and Compliance segment provides strategic, operational, valuation, risk management, investigative, and compliance advisory services to clients primarily in the financial services industry, including major financial and insurance institutions. This segment also offers anti-corruption solutions and anti-money laundering, litigation support, and tax compliance and valuation services. Navigant Consulting, Inc. was founded in 1983 and is headquartered in Chicago, Illinois.

Date	Key Development Headline
11/1/17	Navigant Consulting, Inc. (NYSE:NCI) acquired substantially all of the assets of Quorum Consulting Group SC

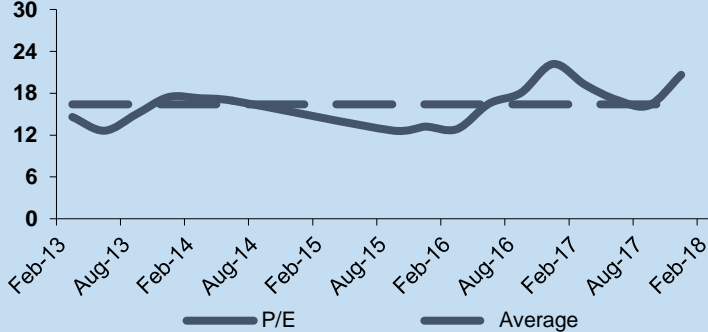
Revenue Multiples - Navigant Consulting, Inc.



EBITDA Multiples - Navigant Consulting, Inc.



P/E Multiples - Navigant Consulting, Inc.



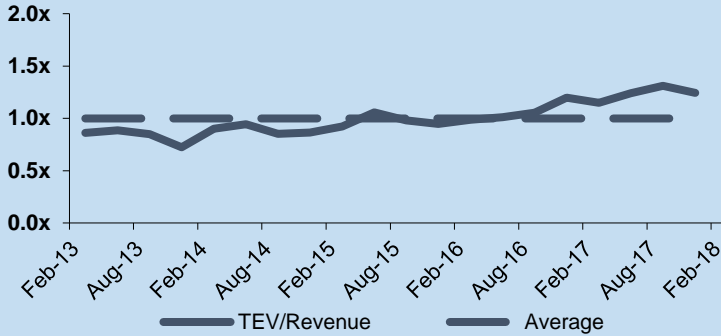
PUBLIC BASKET CONSTITUENTS

CBIZ, Inc.

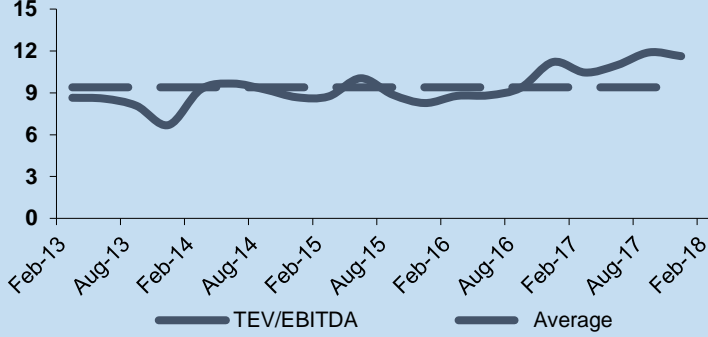
CBIZ, Inc., through its subsidiaries, provides professional business services, products, and solutions in the United States and Canada. It offers its services through three practice groups: Financial Services, Benefits and Insurance Services, and National Practices. The Financial Services practice group provides accounting and tax, government health care consulting, financial advisory, valuation, litigation support, risk and advisory, real estate consulting, and internal audit outsourcing services. The Benefits and Insurance Services practice group offers health benefits consulting, employee benefits consulting and brokerage, property and casualty brokerage, retirement plan advisory, payroll, human capital advisory, actuarial, life insurance, and other services. The National Practices practice group provides managed networking and hardware, and health care consulting services. The company primarily serves small and mid-sized businesses, as well as individuals, governmental entities, and not-for-profit enterprises. CBIZ, Inc. was founded in 1987 and is headquartered in Cleveland, Ohio.

Date	Key Development Headline
2/15/18	CBIZ Seeks Acquisitions
2/1/18	CBIZ, Inc. (NYSE:CBZ) acquired Laurus Transaction Advisors LLC.

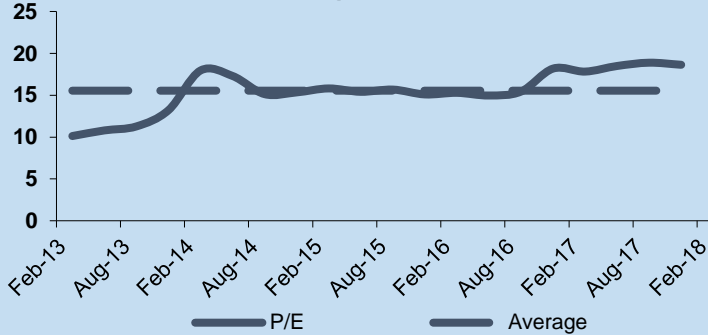
Revenue Multiples - CBIZ, Inc.



EBITDA Multiples - CBIZ, Inc.



P/E Multiples - CBIZ, Inc.

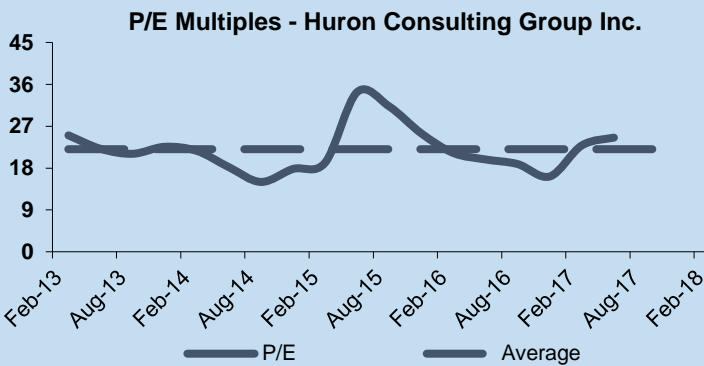
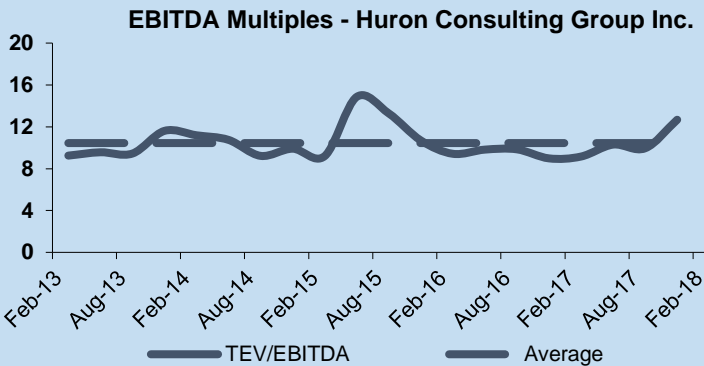
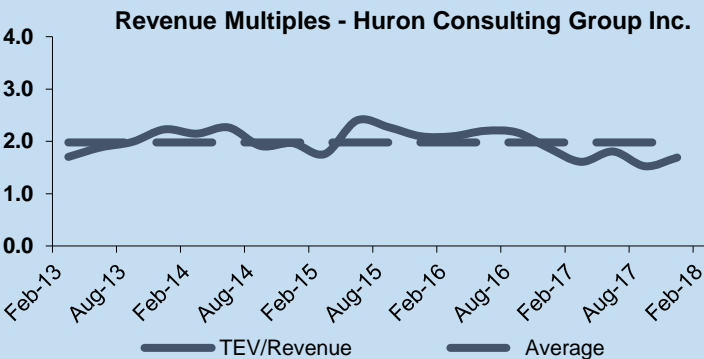


PUBLIC BASKET CONSTITUENTS

Huron Consulting Group Inc.

Huron Consulting Group Inc., a professional services firm, provides advisory, technology, and analytic solutions in the United States and internationally. The company operates through the Healthcare, Education and Life Sciences, and Business Advisory segments. The Healthcare segment provides advisory services from strategy setting through implementation in the areas of organizational and resource alignment, clinical transformation, financial and operational performance, patient and caregiver engagement, and technology implementation and optimization to national and regional hospitals and integrated health systems, academic medical centers, community hospitals, and medical groups. The Education and Life Sciences segment offers consulting and technology solutions related to business and technology strategy, financial management, operational and organizational effectiveness, research administration, and regulatory compliance to higher education, academic medical center, pharmaceutical and medical device, biotechnology, and research industries. Huron Consulting Group Inc. was founded in 2002 and is headquartered in Chicago, Illinois.

Date	Key Development Headline
2/21/18	Huron Announces Collaboration with the Joint Commission Center for Transforming Healthcare to Improve Consumer Safety and Quality of Care
4/2/17	Huron Consulting Group Inc. (NasdaqGS:HURN) acquired ADI Strategies, Inc.
2/28/17	Huron Consulting Group Inc. (NasdaqGS:HURN) completed the acquisition of Innosight LLC.
2/28/17	Huron Consulting Group Seeks Strategic Acquisitions

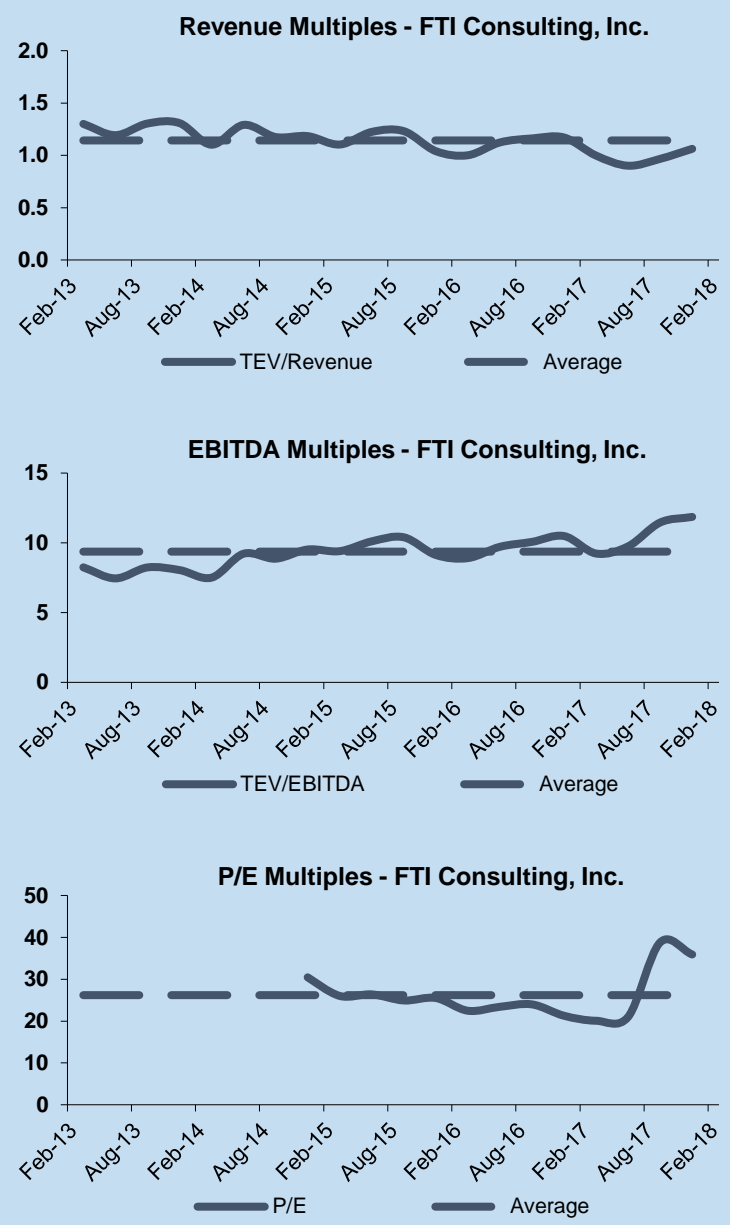


PUBLIC BASKET CONSTITUENTS

FTI Consulting, Inc.

FTI Consulting, Inc. provides business advisory services to manage change, mitigate risk, and resolve disputes worldwide. The company's Corporate Finance & Restructuring segment provides business transformation, turnaround and restructuring, interim management, transaction, valuation and financial advisory, dispute advisory, and tax services, as well as mergers and acquisitions (M & A), and M & A integration services. Its Forensic and Litigation Consulting segment offers forensic accounting and advisory, global risk and investigations practice, dispute advisory, intellectual property (IP) related, civil trial, financial and enterprise data analytics, anti-corruption investigations and compliance, and health consulting services, as well as compliance, monitoring, and receivership services; and assistance in business insurance claims. The company's Economic Consulting segment provides financial, economic, and econometric consulting services; business and expert valuation, and expert testimony services; IP and international arbitration services; economic and statistical analyses services for labor and employment issues; services related to public policy and regulated industries, and healthcare economics and policy; and network and economic impact analysis, and securities litigation and risk management services. Its Technology segment offers e-discovery management, managed document review, collections and computer forensics, information governance and compliance, and investigation services, as well as e-discovery software. FTI Consulting, Inc. was founded in 1982 and is headquartered in Washington, District of Columbia.

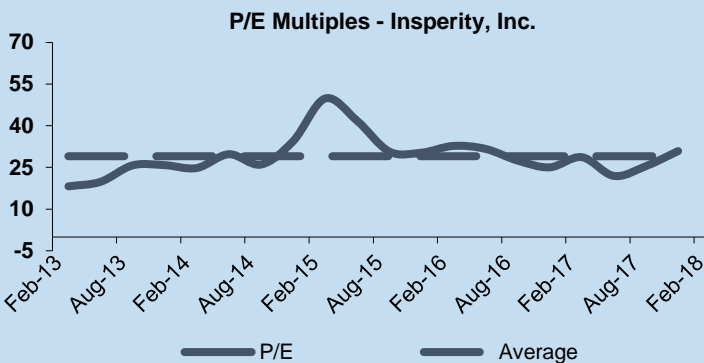
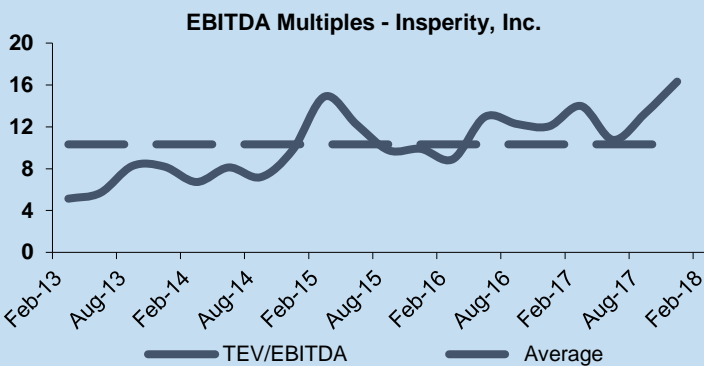
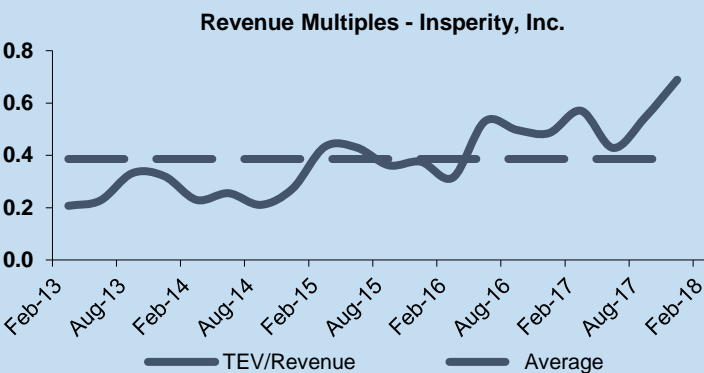
Date	Key Development Headline
11/13/17	FTI Consulting, Inc. Seeks Acquisitions
7/5/17	FTI Consulting, Inc. (NYSE:FCN) acquired CDG Group, LLC.



PUBLIC BASKET CONSTITUENTS

Insperty, Inc.

Insperty, Inc. provides human resources (HR) and business solutions to enhance business performance for small and medium-sized businesses in the United States. The company offers its HR business services through its Workforce Optimization and Workforce Synchronization solutions, which encompasses a range of human resources functions comprising benefits and payroll administration, health and workers' compensation insurance programs, personnel records management, employer liability management, assistance with government compliance, general HR advice, employee recruiting and support, employee performance management, and training and development services. It also provides Employee Service Center, a cloud-based human capital management platform that provides automated and personalized professional employer organization HR outsourcing solutions to its clients and worksite employees; and Workforce Administration solution that offers human capital management and payroll services. In addition, Insperty, Inc. offers other business performance solutions consisting of human capital management, payroll services, time and attendance, organizational planning, recruiting services, employment screening, financial and expense management services, retirement services, and insurance services via desktop applications and cloud-based delivery models. The company was formerly known as Administaff, Inc. and changed its name to Insperty, Inc. in March 2011. Insperty, Inc. was founded in 1986 and is headquartered in Kingwood, Texas.

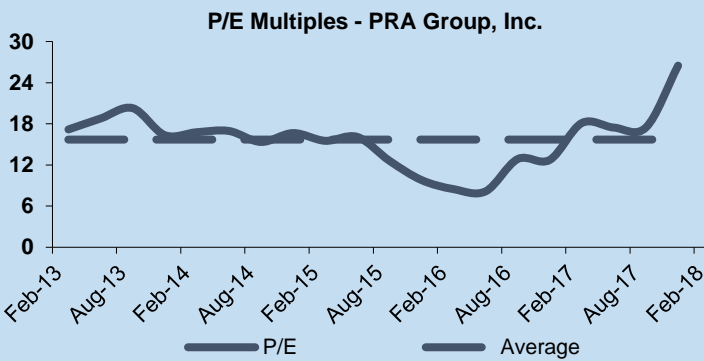
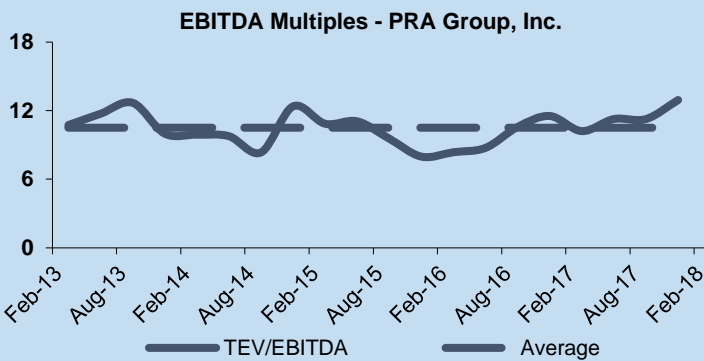
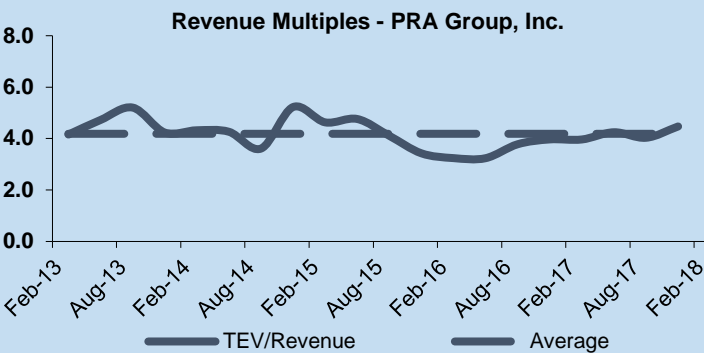


PUBLIC BASKET CONSTITUENTS

PRA Group, Inc.

PRA Group, Inc., a financial and business service company, engages in the purchase, collection, and management of portfolios of nonperforming loans that have been charged-off by the credit grantor in the Americas and Europe. It is involved in the acquisition of accounts that are primarily the unpaid obligations of individuals owed to credit grantors, which include banks and other types of consumer, retail, and auto finance companies. The company also acquires nonperforming loans, including Visa and MasterCard credit cards, private label and other credit cards, installment loans, lines of credit, deficiency balances of various types, legal judgments, and trade payables from banks, credit unions, consumer finance companies, telecommunication providers, retailers, utilities, automobile finance companies, student loan companies, and other debt owners. In addition, it provides fee-based services comprising vehicle location, skip tracing, and collateral recovery for auto lenders, government entities, and law enforcement; class action claims recovery services and purchases; servicing of consumer bankruptcy accounts; and contingent collections of nonperforming loans. The company was formerly known as Portfolio Recovery Associates, Inc. and changed its name to PRA Group, Inc. in October 2014. PRA Group, Inc. was founded in 1996 and is headquartered in Norfolk, Virginia.

Date	Key Development Headline
5/22/17	PRA Group Seeks Acquisitions

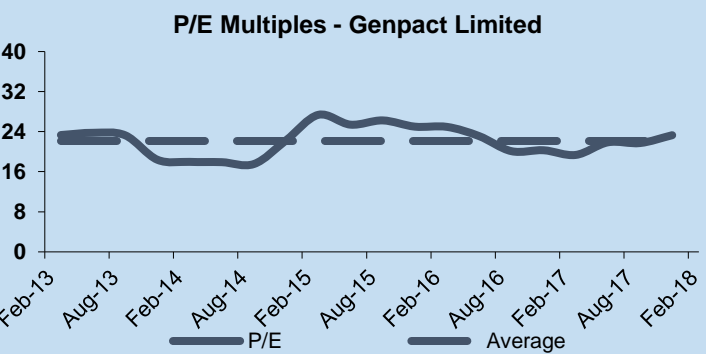
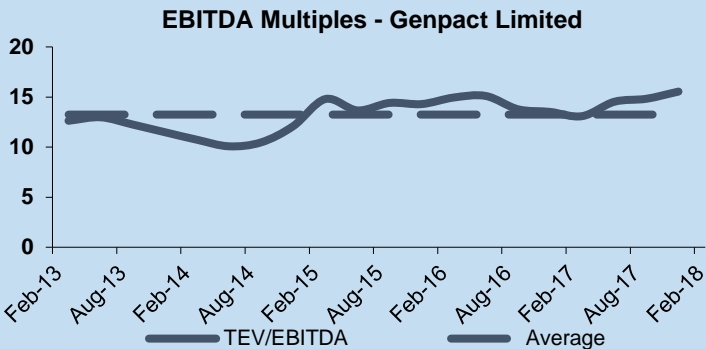
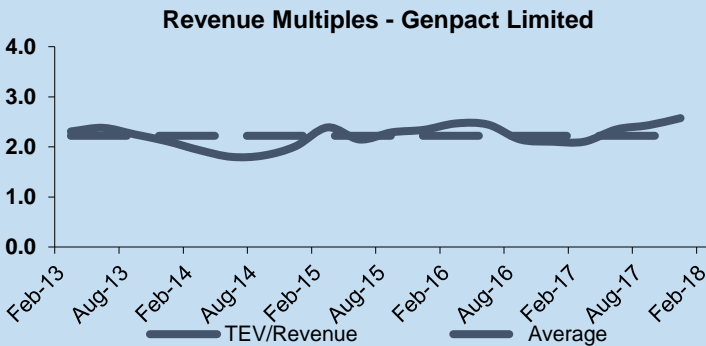


PUBLIC BASKET CONSTITUENTS

Genpact Limited

Genpact Limited provides business process outsourcing and information technology (IT) management services worldwide. The company offers finance and accounting services, including accounts payable comprising document management, invoice processing, approval, resolution management, and T&E processing; order to cash services, such as customer master data management, credit and contract management, fulfillment, billing, collections, and dispute management services; record to report services consisting of accounting, closing and reporting, treasury, tax, and product cost accounting services; enterprise performance management, including budgeting, forecasting, business performance reporting, and analytics; and enterprise risk and compliance services comprising SOX advisory, enterprise risk management, internal audit, FCPA, and IT risk management services. Genpact Limited was founded in 1997 and is based in Hamilton, Bermuda.

Date	Key Development Headline
2/12/18	Genpact Mulls Acquisitions
11/17/17	Bain Capital And GIC To Sell 10 Million Shares In Genpact
11/8/17	Genpact Limited (NYSE:G) acquired certain assets comprising a portion of IT business of Birlasoft (India) Ltd.
11/8/17	Genpact Limited (NYSE:G) acquired certain assets comprising a portion of Birlasoft's IT business from Birlasoft (U K) Ltd and Birlasoft Inc.
9/6/17	Genpact Limited (NYSE:G) acquired Tandemseven Inc.



CONTACT INFORMATION

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. Securities offered through 7M Securities LLC.

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