



Sectorwatch: Management Consulting

November 2018

Management Consulting

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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.



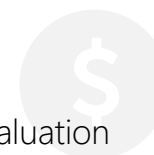
Public Basket Performance

- 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

↑0.03

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

↑0.4%

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

Current gross profit margin exceeds the average of the last 3 years gross profit margin by this amount, indicating supplier pricing power

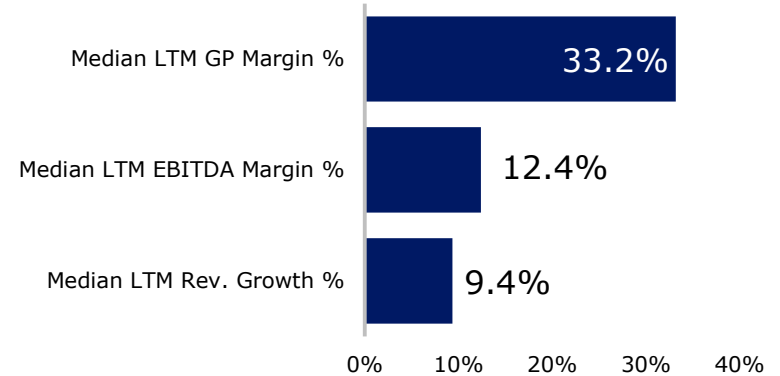
Profitability

↓-0.1%

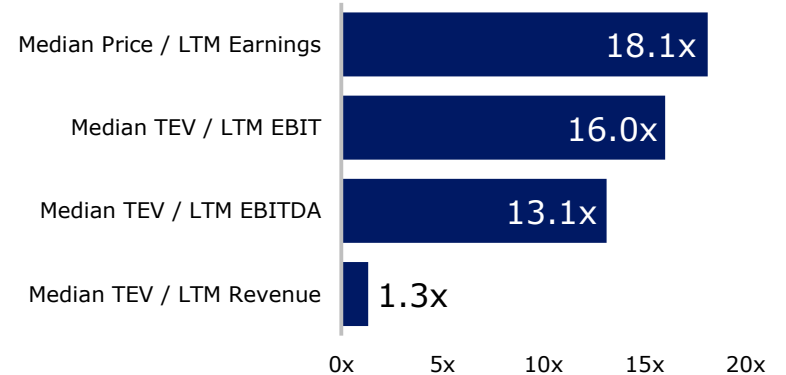
1 - year EBITDA % compared to EBITDA % average for last 3 years

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

Operating Metrics



Valuation



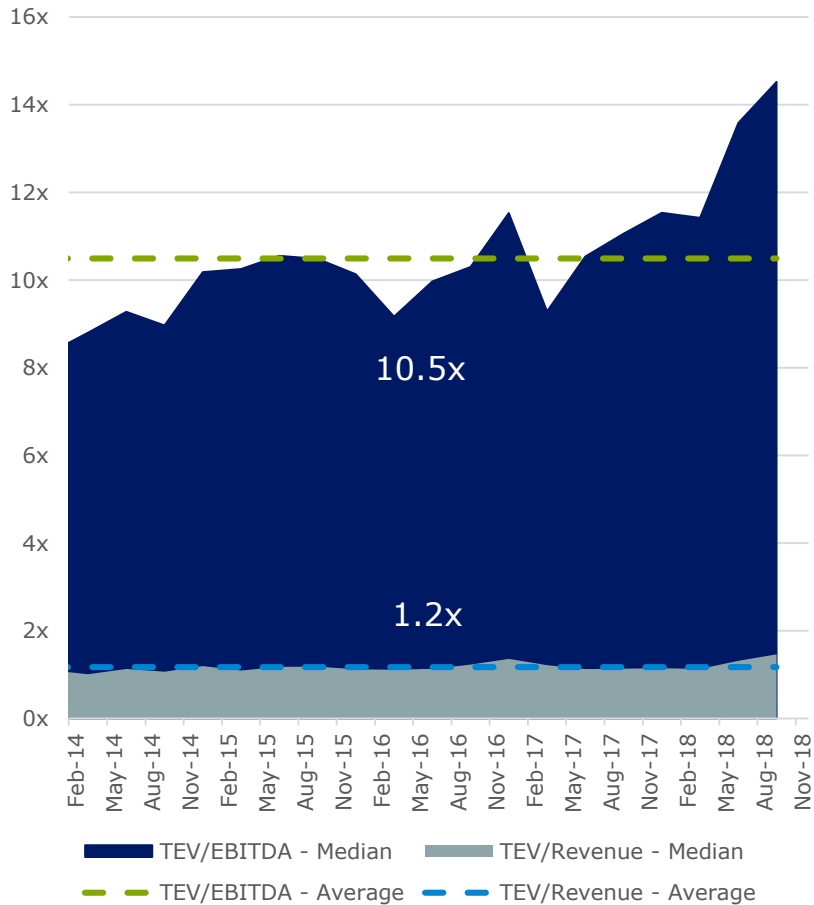
Public Basket



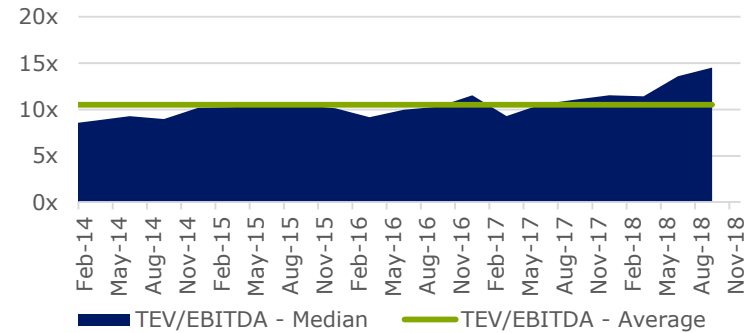
Company	TEV \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
CRA International, Inc.	376	406	15%	31%	8%	0.9	12.3	631	643
The Hackett Group, Inc.	523	270	3%	38%	16%	1.9	12.4	1,123	240
Navigant Consulting, Inc.	752	957	33%	30%	13%	0.8	6.1	6,008	159
Huron Consulting Group Inc.	1,472	776	7%	35%	12%	1.9	15.9	3,083	252
ICF International, Inc.	1,538	1,281	7%	36%	9%	1.2	13.8	5,500	233
FTI Consulting, Inc.	2,568	1,991	12%	35%	13%	1.3	9.8	4,609	432
Booz Allen Hamilton Holding Corporation	8,785	6,367	5%	24%	10%	1.4	13.9	24,600	259
Accenture plc	96,433	39,573	14%	31%	16%	2.4	15.0	459,000	86
Average	14,056	6,453	12%	33%	12%	1.5	12.4	63,069	288
Median	1,505	1,119	9%	33%	12%	1.3	13.1	5,055	246

share price as of 26Nov18

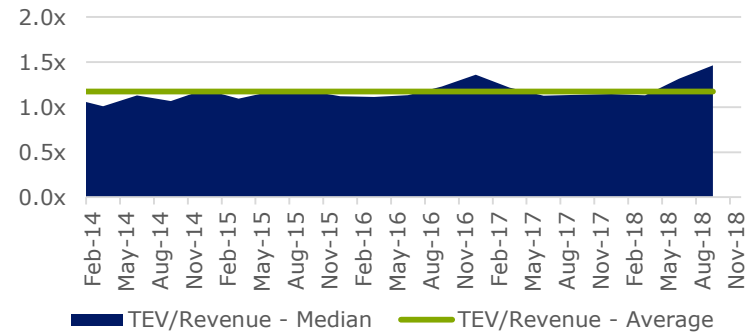
Public Basket Valuation Trends



Public EBITDA Multiples over Time



Public Revenue Multiples over Time



Operational Metrics



LTM Gross Profit Margin %



LTM EBITDA %



Operational Metrics



LTM Revenue Growth %



LTM Revenue per Full Time Employee x 000's



Operational Metrics



Accounts Receivable Turnover



Average Days Sales Outstanding



Valuation



TEV / LTM Revenue



TEV / LTM EBITDA



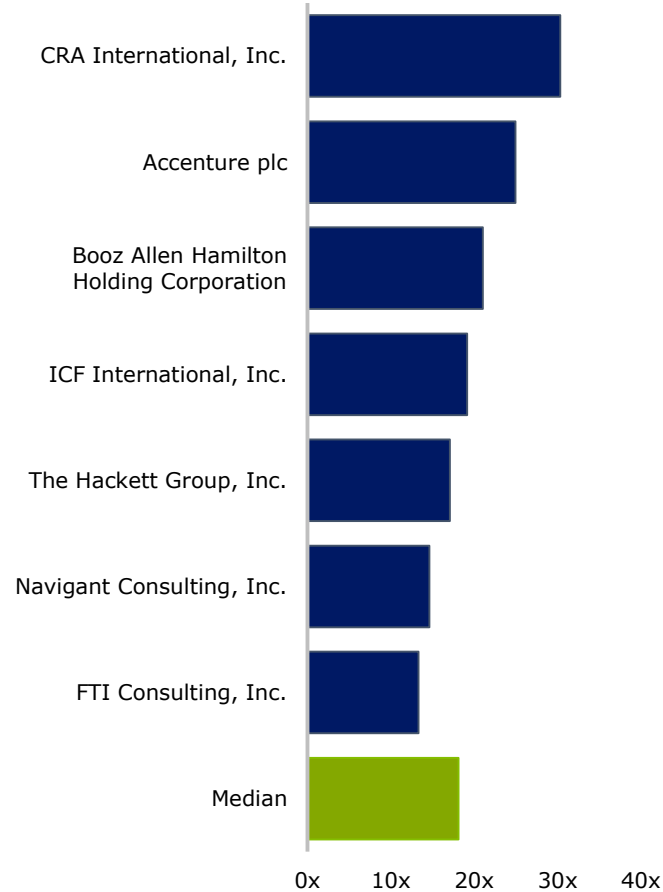
Valuation



TEV / LTM EBIT



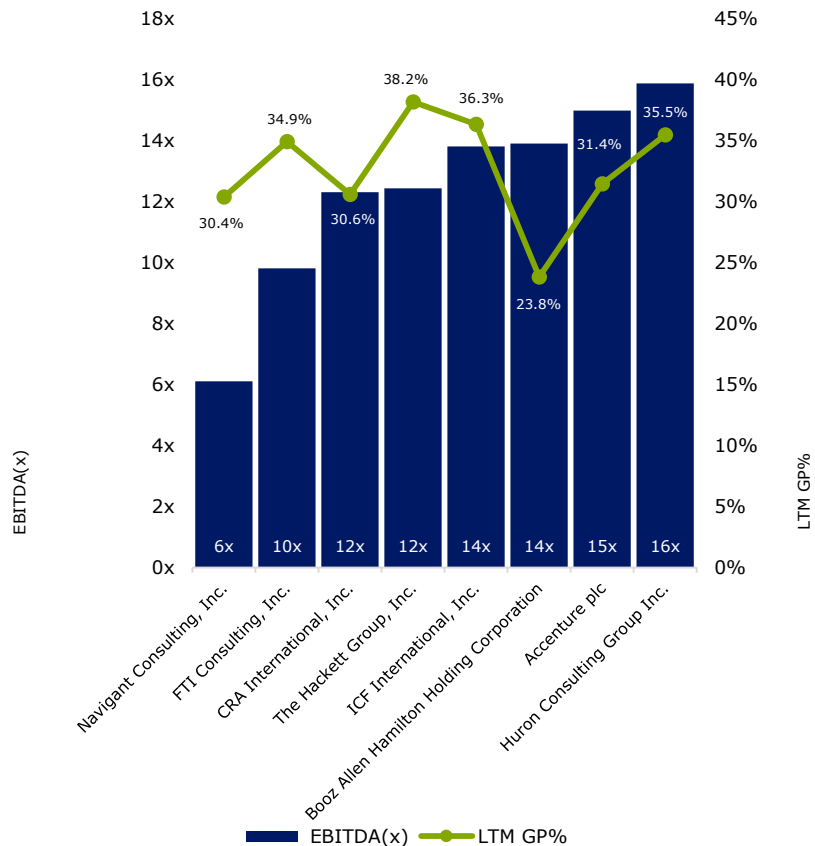
Price / LTM Earnings



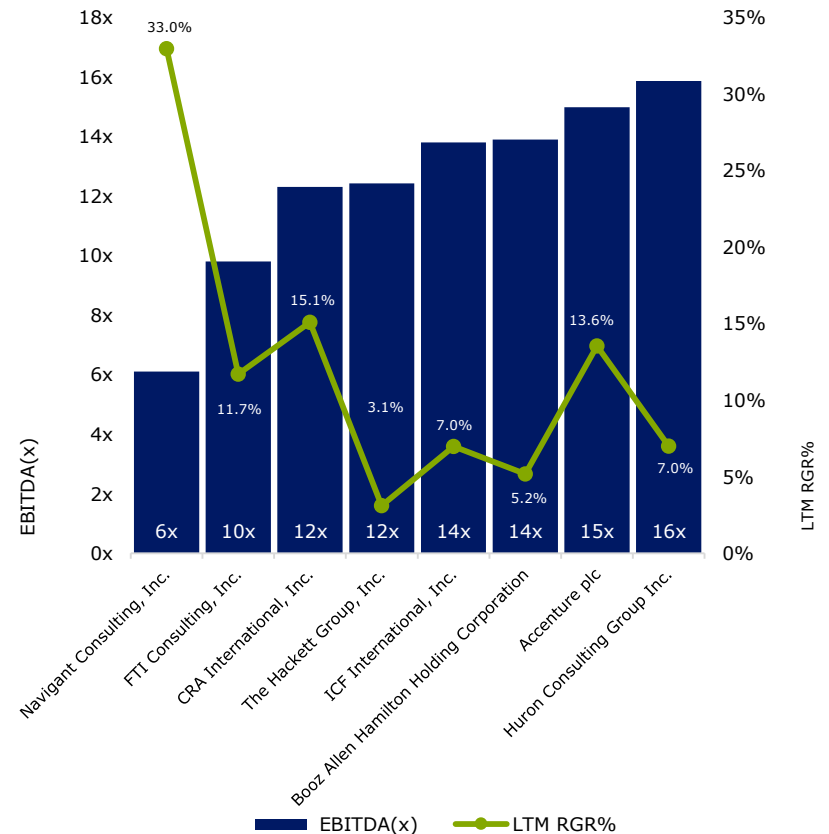
Valuation



Historical Valuation Multiples versus Gross Profit



Historical Valuation Multiples versus Revenue Growth Rate



Recent Transactions



Date	Target	Buyer / Investor	Total Transaction Value	Target Revenue	TEV / Revenue	TEV / EBITDA
12Nov18	Kaplan	Accenture plc	-	-	-	-
5Nov18	Eliassen Group, LLC	Stone Point Capital LLC	-	-	-	-
30Oct18	TayganPoint Consulting Group, Inc.	Grant Thornton LLP	-	-	-	-
10Oct18	4Plan Consulting Corp.	MNP LLP	-	-	-	-
18Sep18	Paradigm Consulting Group Inc.	Golden Opportunities Fund Inc. - Class A; Westcap Management Ltd.	-	-	-	-
2Aug18	David M Shapiro Disaster Planning & Recovery Consultants, Inc.	ICF International, Inc.	-	-	-	-
18Jul18	Barkawi Management Consultants GmbH & Co. KG	Genpact Limited	-	-	-	-
12Jul18	Intellinet Corporation	FPT Corporation	50.00	30.00	1.8x	-
4Jun18	EVER BE SAS	Mercer Limited	-	-	-	-
21May18	Aveus, LLC	Medecision, Inc.	-	-	-	-
30Apr18	Newcomb Anderson McCormick, Inc.	Willdan Group, Inc.	-	-	-	-
16Apr18	Lenati, LLC	ProKarma Inc.	-	-	-	-
28Mar18	Ideas at Work (nka:BDO Ideas at Work)	BDO Belgium	-	-	-	-
29Mar18	C3 Consulting LLC	Ankura Consulting Group, LLC	-	-	-	-
21Mar18	Cartesian, Inc.	Blackstreet Capital Management, LLC	11.50	50.78	0.2x	NM
5Feb18	LiquidHub, Inc.	Capgemini SE	500.00	247.70	2.0x	-
22Jan18	Evidence Strategy AB	The North Alliance AS	-	-	-	-
9Jan18	RPR Partners, LLP	Ernst & Young LLP	-	-	-	-
9Nov17	SQS Software Quality Systems AG	Assystem Technologies SA	436.24	377.96	1.1x	14.3x
6Dec17	GAP Solutions Inc.	System One Holdings, LLC	-	-	-	-
3Dec17	Al-Faris National Company for Investment & Export P.L.C.	The Arab Palestinian Investment Company	14.12	27.33	-	-
30Nov17	Brand Control Co., Ltd.	Vector Inc.	9.44	-	-	-
20Nov17	Bridgepoint Consulting, LLC	Addison Group, LLC	-	-	-	-
2Nov17	Dominion Consulting Inc.	TeraThink Corporation	-	-	-	-
29Sep17	Double Consulting s.r.l.	SQS Software Quality Systems AG	12.41	7.84	1.8x	-
18Aug17	AML RightSource LLC	Clarion Capital Partners, LLC	-	-	-	-
15Aug17	Evans International Enterprises, Inc.	Waterhouse Group, Inc.	-	-	-	-
1Jul17	ProService Worldwide (Cyprus) Limited	ProLogics (UK) LLP	1.89	-	-	-

Management Consulting

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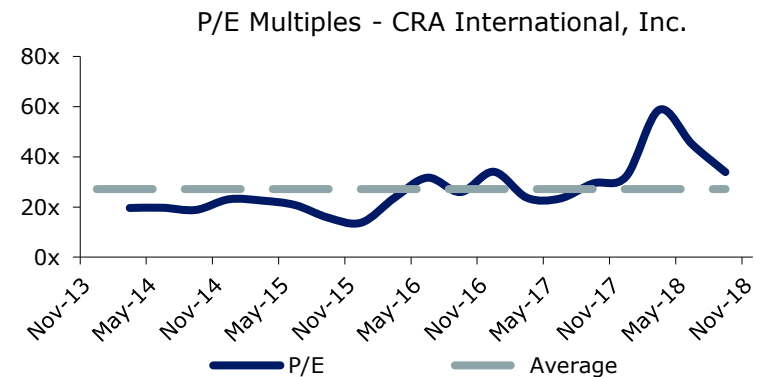
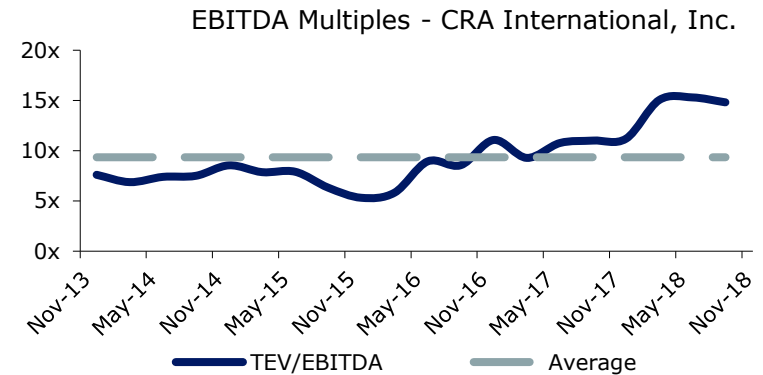
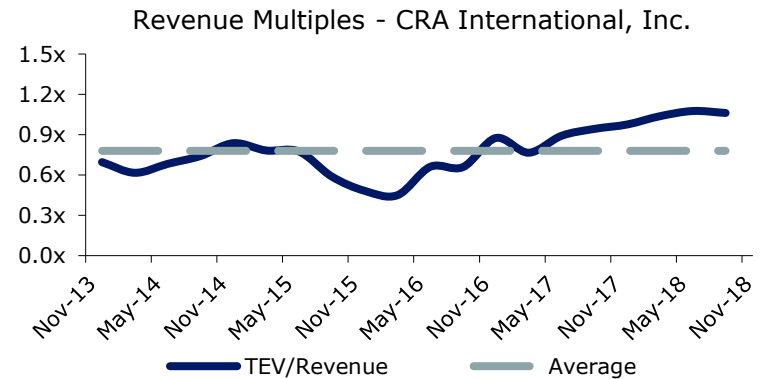
APPENDIX:
Public Basket
Constituents

Public Basket



CRA International, Inc.

CRA International, Inc., a consulting company, provides economic, financial, and management consulting services in the United States, the United Kingdom, and internationally. 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. The company's consulting services include 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. In addition, its management consulting services comprise strategy development, performance enhancement, 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. It 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.

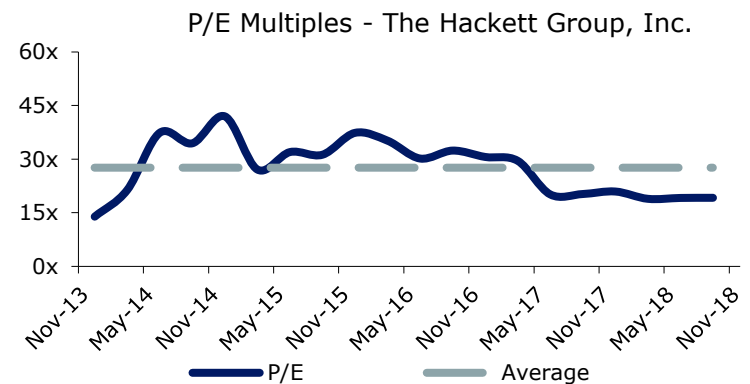
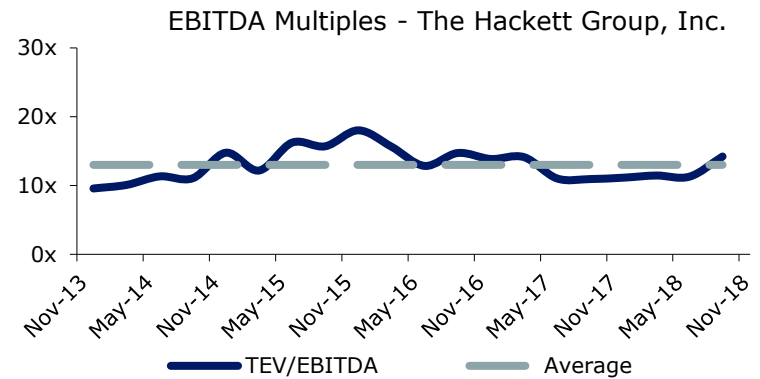
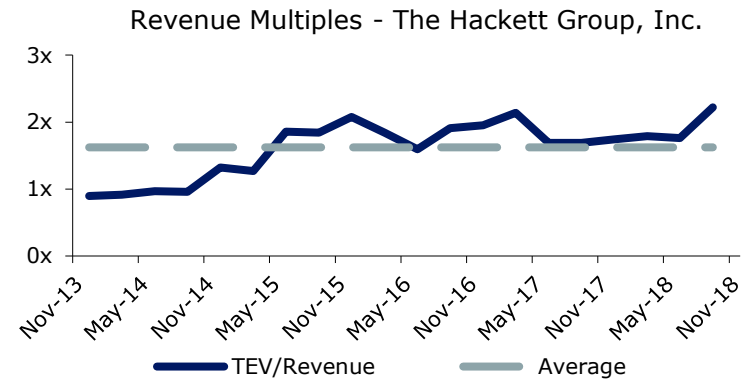


Public Basket



The Hackett Group, Inc.

The Hackett Group, Inc. operates as a strategic advisory and technology consulting firm primarily in North America and European countries. Its executive advisory programs include best practice intelligence center, an online searchable repository of best practices, performance metrics, conference presentations, and associated research; best practice accelerators that provide Web based access to best practices, customized software configuration tools, and best practice process flows; advisor inquiry, an inquiry service used by clients for access to fact-based advice on proven approaches and methods; best practice research, a research that provides insights into the proven approaches; and peer interaction comprising member-led Webcasts, annual best practice conferences, annual member forums, membership performance surveys, and client-submitted content. The company's benchmarking services conduct studies in the areas of selling, general and administrative, finance, human resources, information technology, procurement, enterprise performance management, shared service centers, and working capital management. The company was founded in 1991 and is headquartered in Miami, Florida.



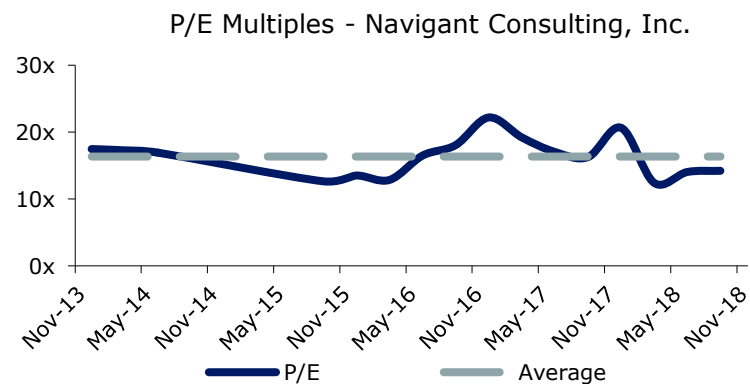
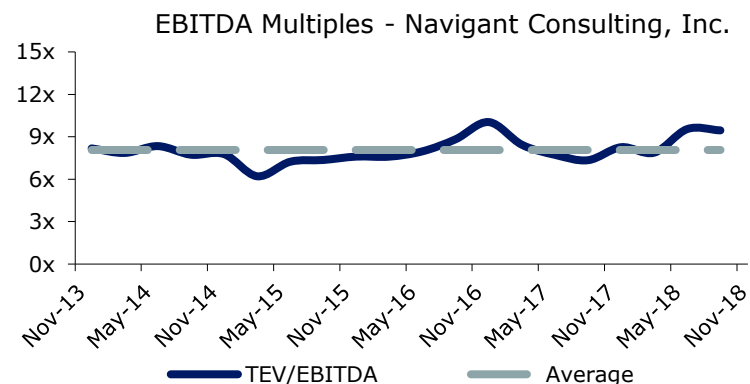
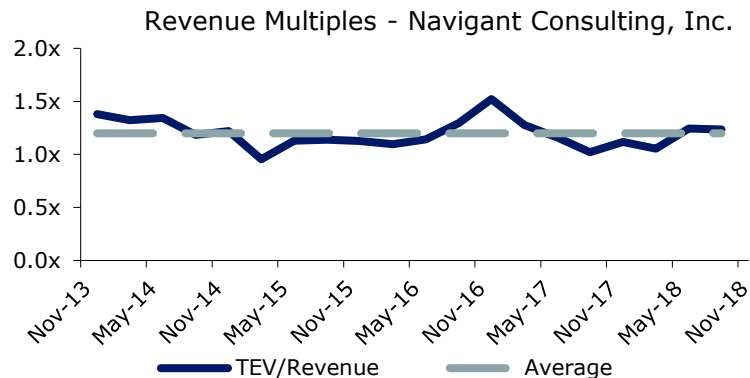
Public Basket



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. It operates through four segments: Healthcare; Energy; Financial Services Advisory and Compliance; and Disputes, Forensics and Legal Technology. The Healthcare segment offers 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, the implementation of a new electronic health records system, and product planning and commercialization expertise. The Energy segment provides advisory services to utilities, governmental agencies, manufacturers, and investors. Navigant Consulting, Inc. was founded in 1983 and is headquartered in Chicago, Illinois.

Date	Key Development Headline
8/23/18	Ankura Consulting Group, LLC completed the acquisition of Thoreau Holdco, LLC and Navigant Consulting (Europe) Ltd. from Navigant Consulting, Inc. (NYSE:NCI).
6/25/18	Navigant Consulting Seeks Acquisitions



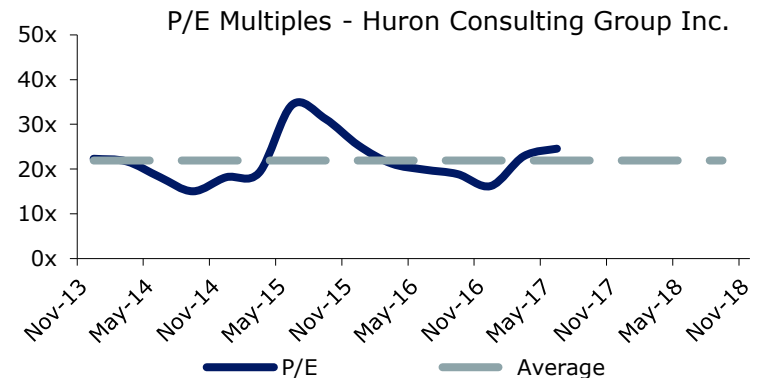
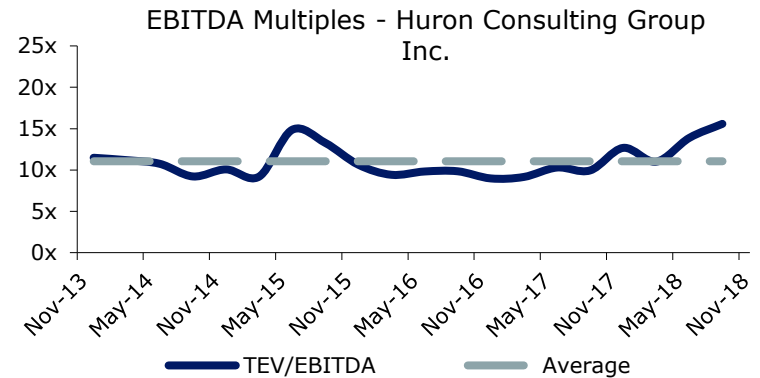
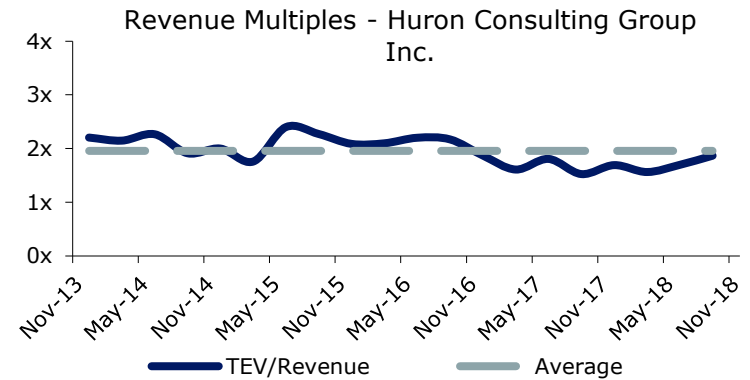
Public Basket



Huron Consulting Group Inc.

Huron Consulting Group Inc., a professional services firm, provides advisory, technology, and analytic solutions in the United States and internationally. Its Healthcare segment provides advisory services in the areas of strategy, care transformation, financial and operational performance, technology and analytics, and leadership development to national and regional hospitals, integrated health systems, academic medical centers, community hospitals, and medical groups. Its Business Advisory segment provides enterprise performance management, enterprise resource planning, business intelligence and analytics, customer relationship management, and data management services; and capital advisory, transaction advisory, operational improvement, restructuring and turnaround, valuation, and dispute advisory services. 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



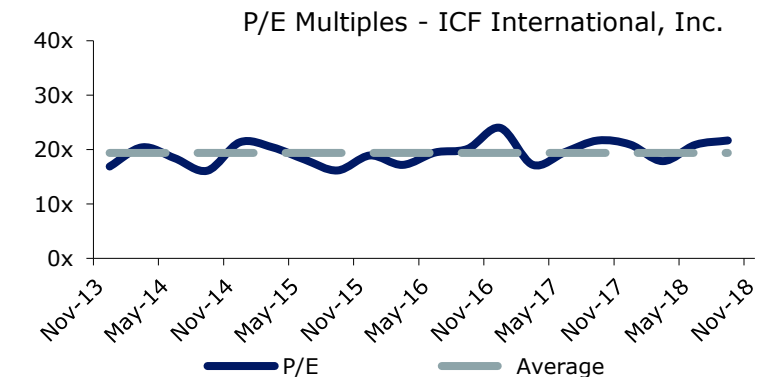
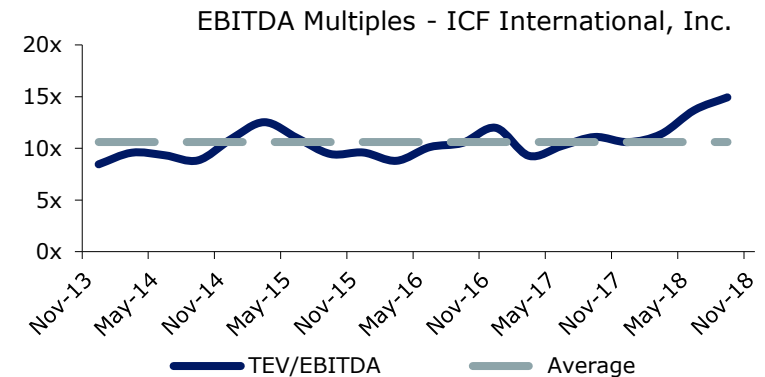
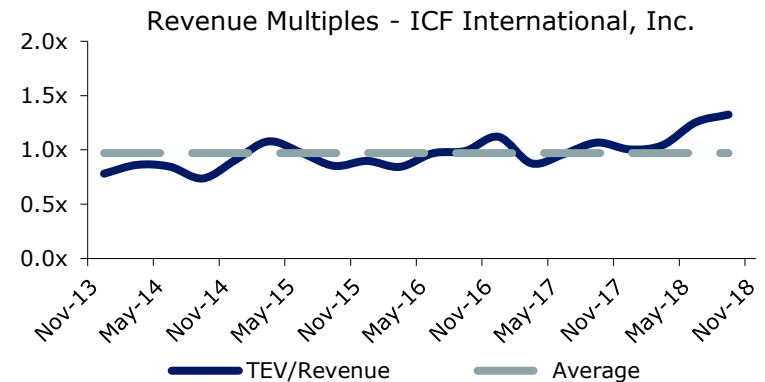
Public Basket



ICF International, Inc.

ICF International Inc. provides management, marketing, technology, and policy consulting and implementation services to government and commercial clients in the United States and internationally. It also identifies, defines, and implements policies, plans, programs, and business tools through a range of standard and customized methodologies for its clients; conducts survey research; collects and analyzes various data to understand critical issues and options for its clients; and provides actionable business intelligence, as well as information and data management solutions that allow integrated, and purpose-driven data usage. In addition, the company provides solutions to optimize the customer and citizen experience; and cyber security solutions that support the range of cyber security missions and protect IT infrastructures in the face of relentless threats, as well as designs, develops, and implements technology systems that are principal to its clients' mission or business performance. ICF International, Inc. was founded in 1969 and is headquartered in Fairfax, Virginia.

Date	Key Development Headline
10/3/18	ICF International, Inc. (NasdaqGS:ICFI) acquired We Are Vista Limited from a group of shareholders.
8/1/18	ICF International, Inc. (NasdaqGS:ICFI) entered into a definitive agreement to acquire David M Shapiro Disaster Planning & Recovery Consultants, Inc.



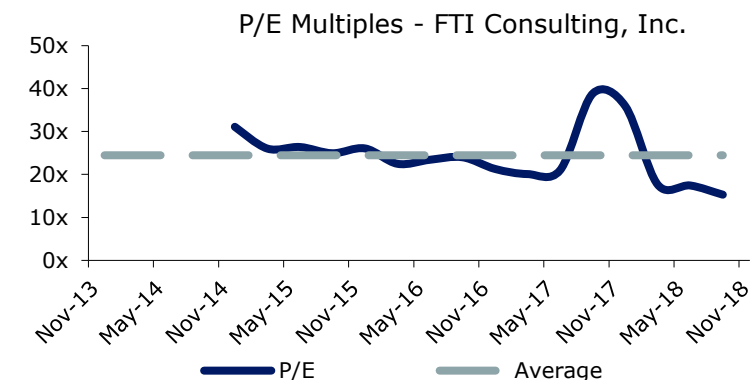
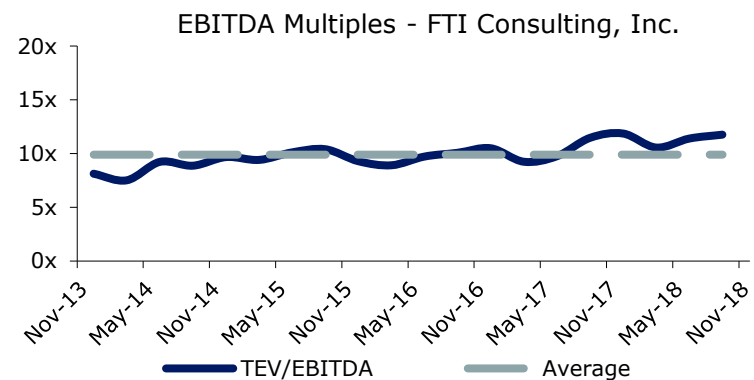
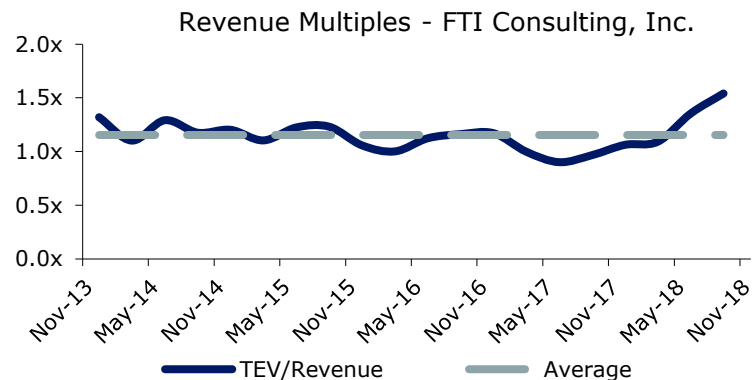
Public Basket



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 turnaround and restructuring, business transformation, interim management, valuation and financial advisory, transaction, 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 anti-corruption investigations and compliance, and data and analytics, as well as compliance, monitoring, and receivership services; cybersecurity, forensic accounting and advisory, and global risk and investigations practice; and construction solutions, dispute advisory, intellectual property, trial, business insurance claims, and health solutions. The company's Economic Consulting segment provides financial, economic, and econometric consulting services; business and expert valuation, and expert testimony services; intellectual property and international arbitration services. FTI Consulting, Inc. was founded in 1982 and is headquartered in Washington, District of Columbia.

Date	Key Development Headline
9/9/18	Nuix Pty. Ltd. acquired Ringtail Solutions, Inc. from FTI Consulting, Inc. (NYSE:FCN) for \$55 million.
5/18/18	Rex Energy Initiates Sale Process
3/5/18	FTI Consulting May Look At Potential Acquisitions



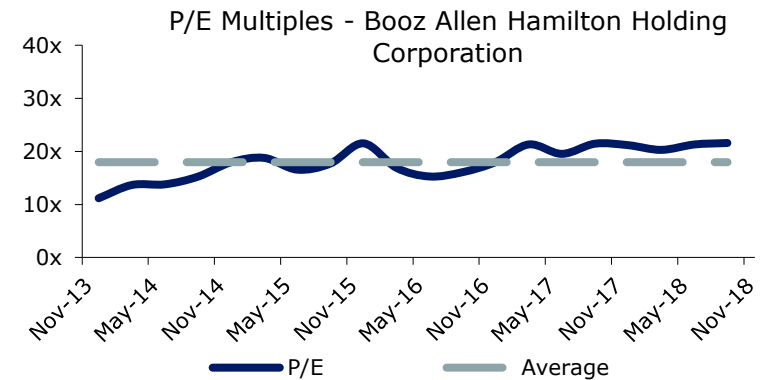
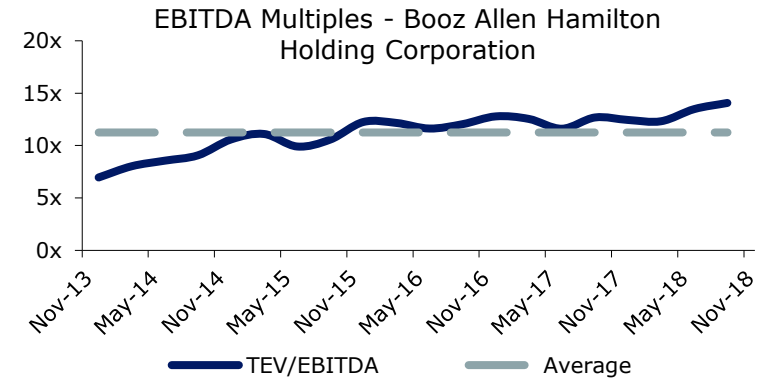
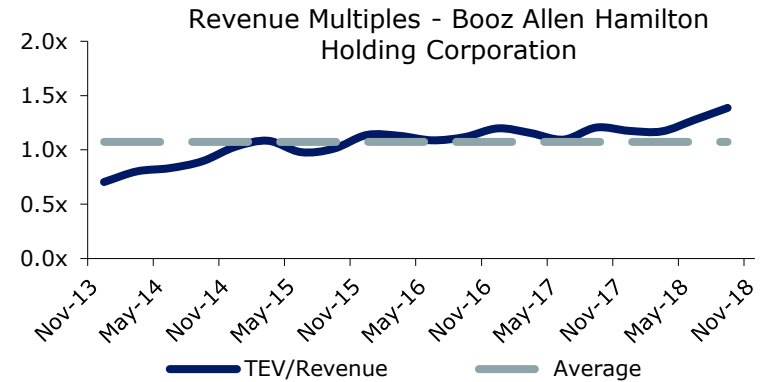
Public Basket



Booz Allen Hamilton Holding Corporation

Booz Allen Hamilton Holding Corporation provides management and technology consulting, engineering, analytics, digital, mission operations, and cyber solutions to governments, corporations, and not-for-profit organizations in the United States and internationally. The company offers consulting solutions for various domains, business strategies, human capital, and operations. It also provides analytics services, which focuses on delivering transformational solutions in the areas of decision analytics, including operations research and cost estimation; automation; and data science, which include predictive modeling and machine learning, as well as new or emerging areas, such as deep learning and artificial intelligence. Booz Allen Hamilton Holding Corporation was founded in 1914 and is headquartered in McLean, Virginia.

Date	Key Development Headline
5/29/18	Booz Allen Hamilton Seeks Acquisitions
3/23/18	Booz Allen Hamilton Holding Corporation Seeks Acquisitions
2/5/18	Booz Allen Hamilton Seeks Acquisitions



Public Basket

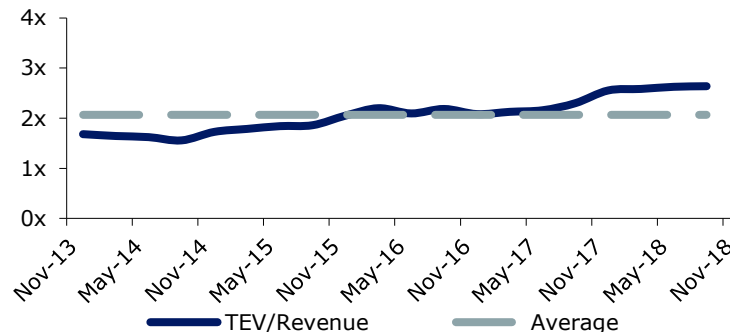


Accenture plc

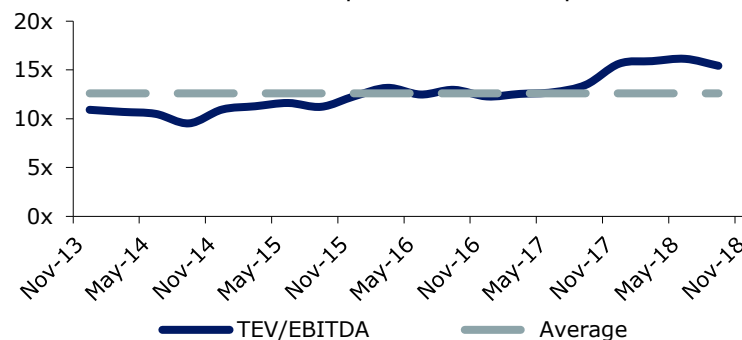
Accenture plc provides consulting, technology, and outsourcing services worldwide. Its Communications, Media & Technology segment provides professional services that help clients accelerate and deliver digital transformation, and enhance business results through industry-specific solutions for communications, media, and high tech industries, as well as for software platforms. The company's Financial Services segment offers services that address profitability pressures, industry consolidation, regulatory changes, and the need to continually adapt to new digital technologies. This segment serves clients in banking, capital markets, and insurance industries. Accenture plc was founded in 1989 and is based in Dublin, Ireland.

Date	Key Development Headline
11/11/18	Accenture plc (NYSE:ACN) acquired Kaplan.
11/7/18	Accenture Forms Strategic Alliance and Invests in Data Analytics Firm Quantexa
11/4/18	Accenture plc (NYSE:ACN) acquired Intrigo Systems Inc.
11/1/18	Accenture plc (NYSE:ACN) entered into an agreement to acquire Kolle Rebbe GmbH.
10/21/18	Accenture plc (NYSE:ACN) entered into an agreement to acquire New Content.

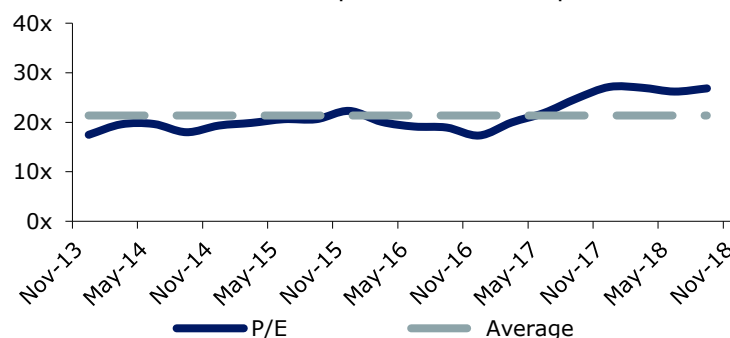
Revenue Multiples - Accenture plc



EBITDA Multiples - Accenture plc



P/E Multiples - Accenture plc



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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