



Sectorwatch: Healthcare & Life Sciences Management Consulting

Q1 2019

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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.



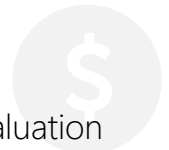
Public Basket Performance

- 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

↑ 1.7%

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 market momentum is increasing.

Pricing / Gross Margin

↓ -4.6%

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.

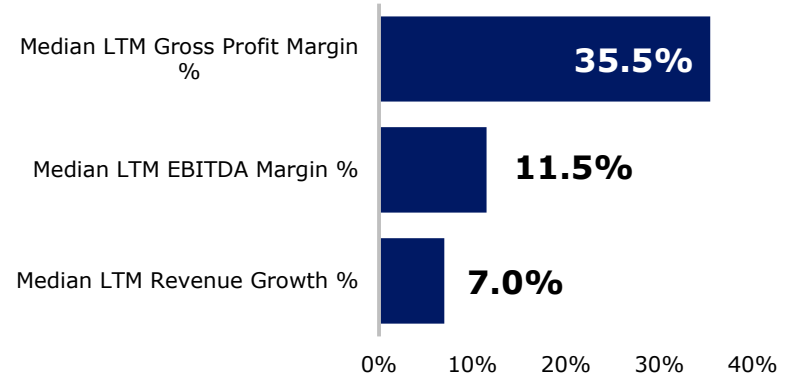
Profitability

↓ -2.6%

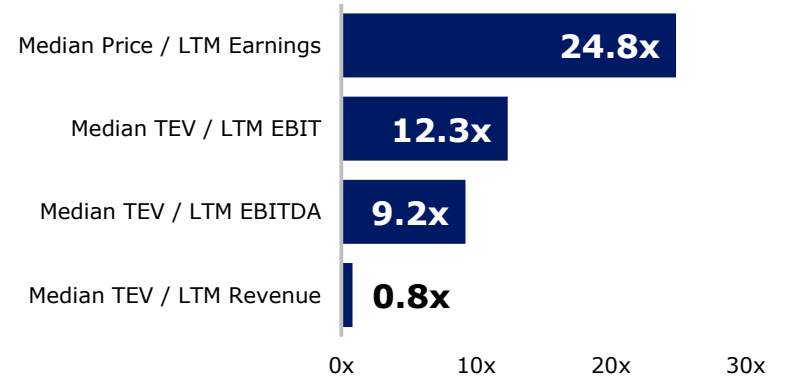
One year EBITDA percentage compared to EBITDA percentage average for last 3 years.

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.	1,334	776	7%	35%	12%	1.7	14.4	3,083	252
Navigant Consulting, Inc.	808	957	33%	30%	13%	0.8	6.6	6,008	159
Cegedim SA	552	538	5%	45%	12%	1.0	8.7	4,072	132
CRA International, Inc.	333	406	15%	31%	8%	0.8	10.9	631	643
Cello Health plc	152	223	4%	62%	7%	0.7	9.2	1,000	223

Average	636	580	13%	41%	10%	1.0	10.0	2,959	282
Median	552	538	7%	35%	12%	0.8	9.2	3,083	223

share price as of 28Jan19



CELLO

CRA Charles River Associates

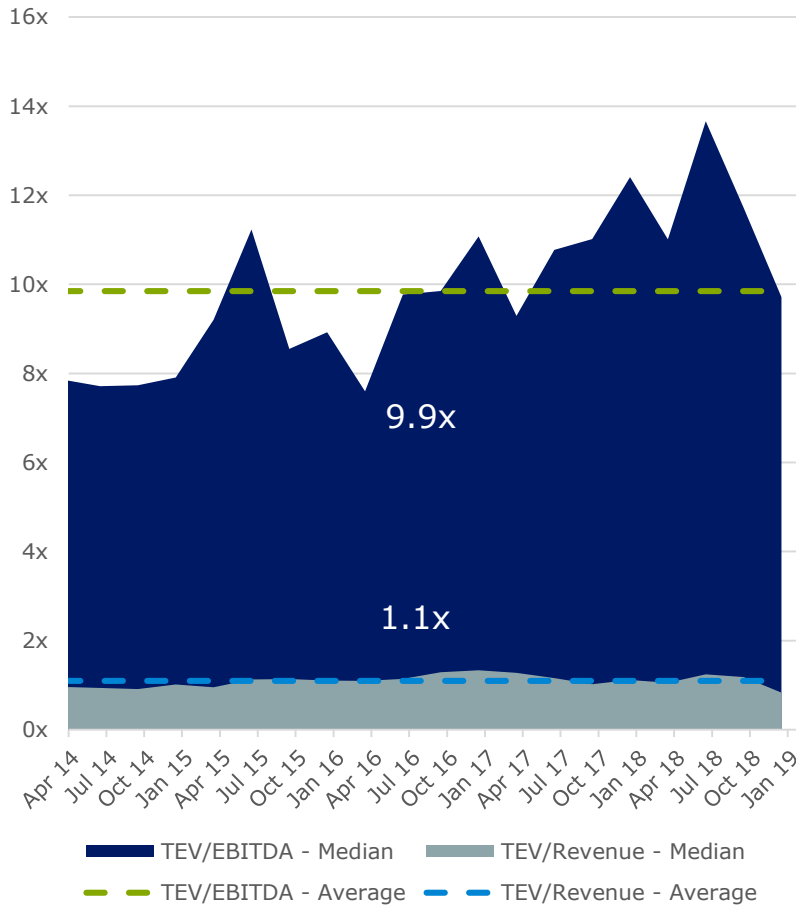


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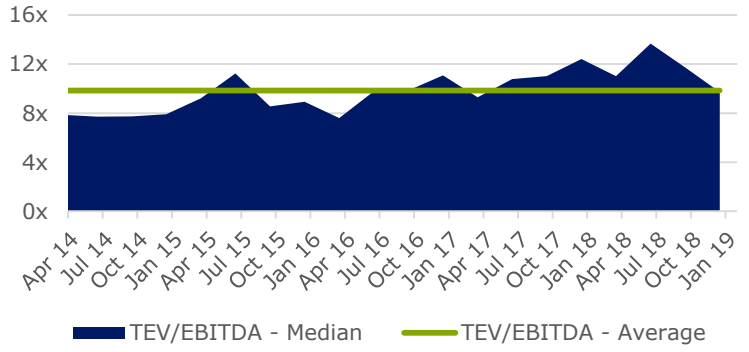
NAVIGANT



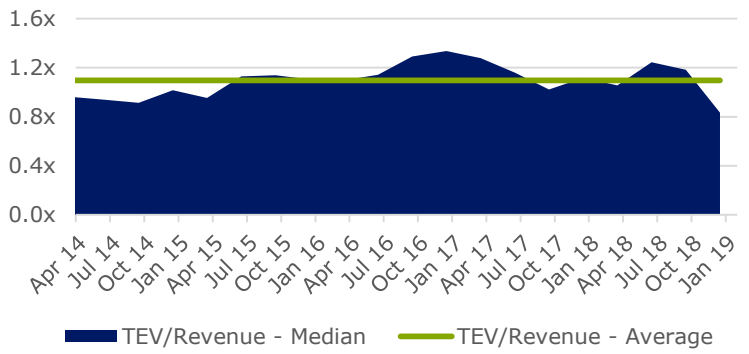
Public Basket Valuation Trends



Public EBITDA Multiples over Time



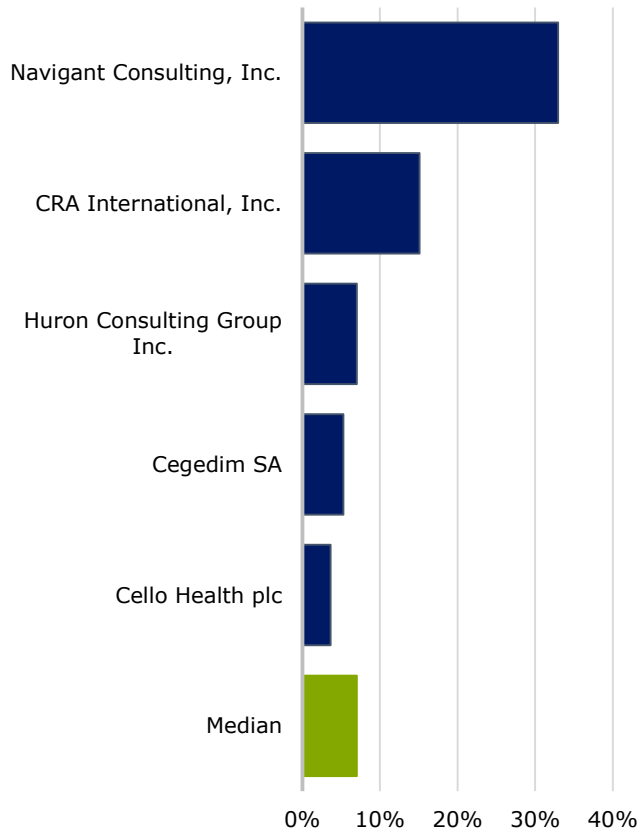
Public Revenue Multiples over Time



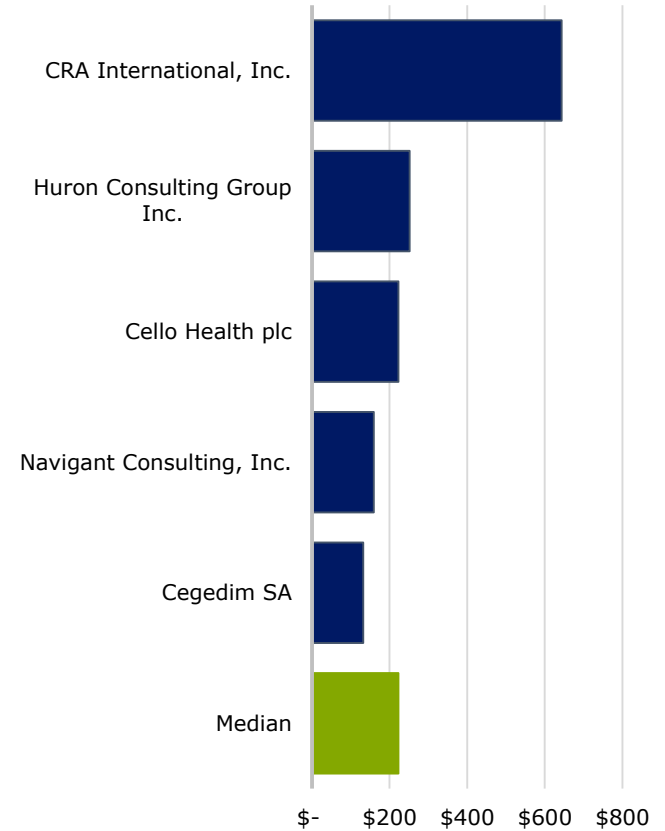
Operational Metrics



LTM Revenue Growth %



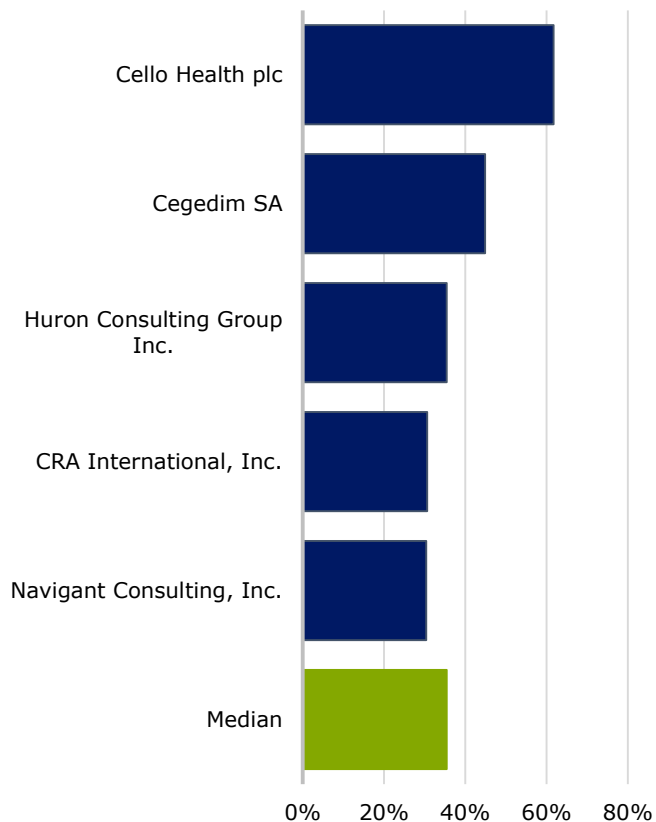
LTM Revenue per Full Time Employee x 000's



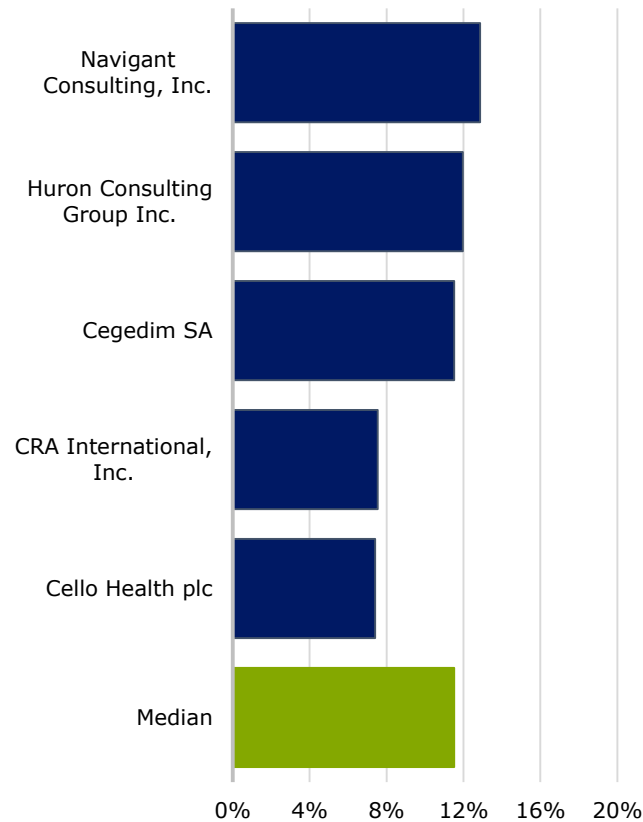
Operational Metrics



LTM Gross Profit Margin %



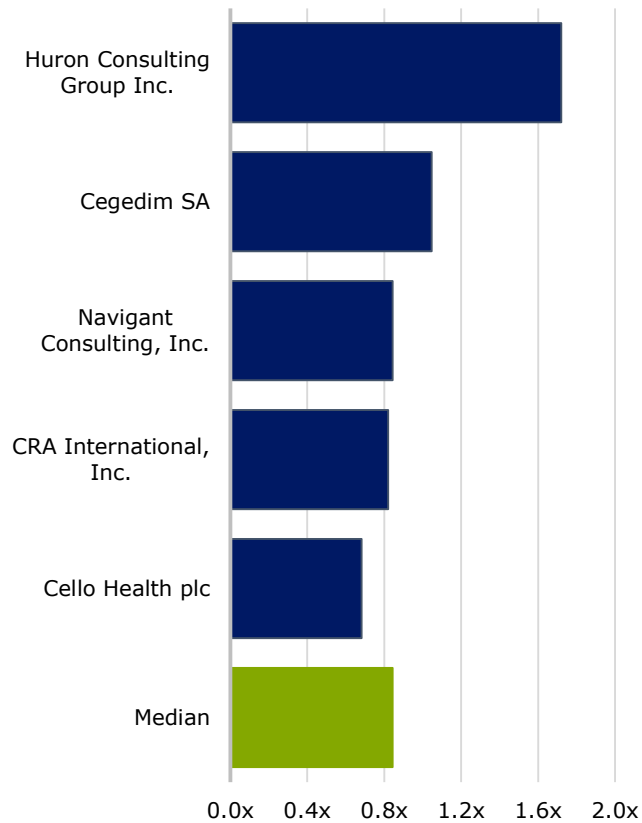
LTM EBITDA %



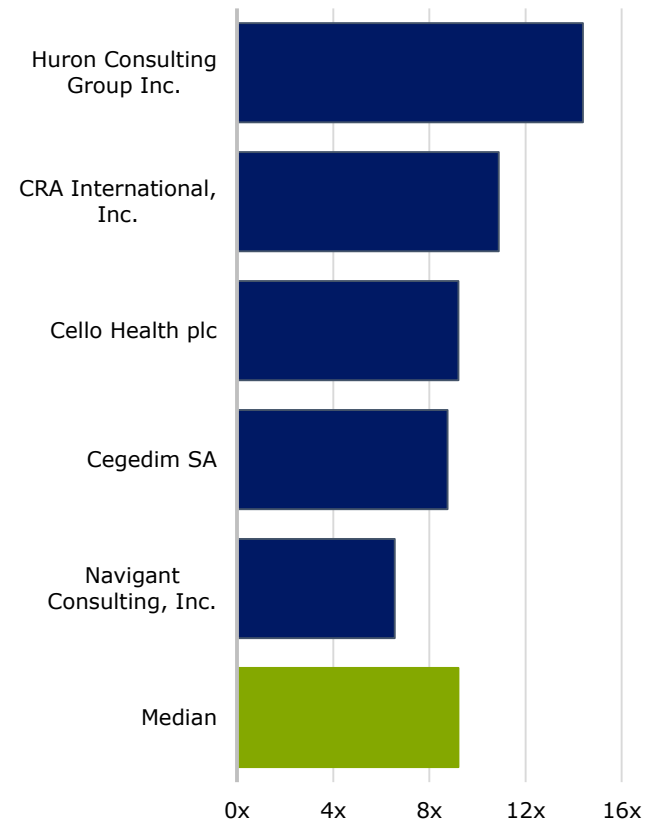
Valuation



TEV / LTM Revenue



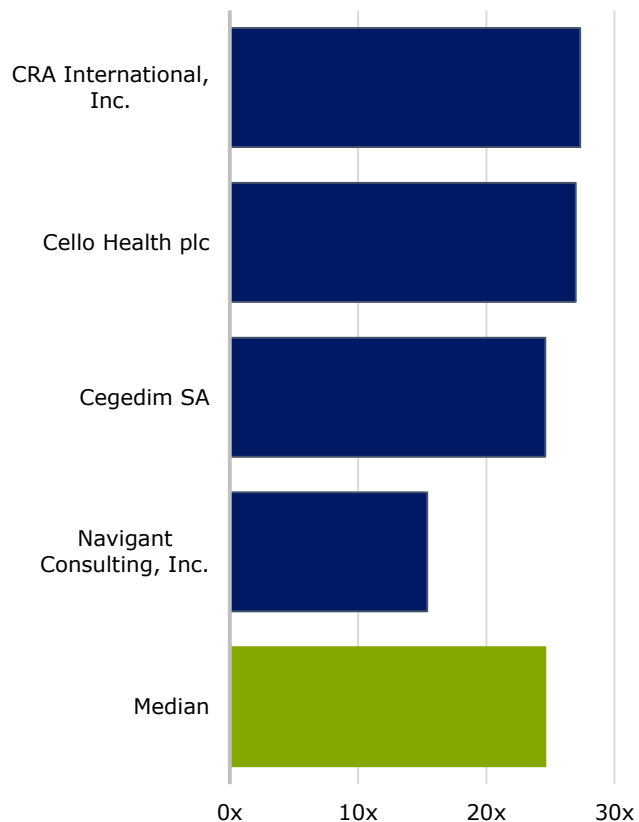
TEV / LTM EBITDA



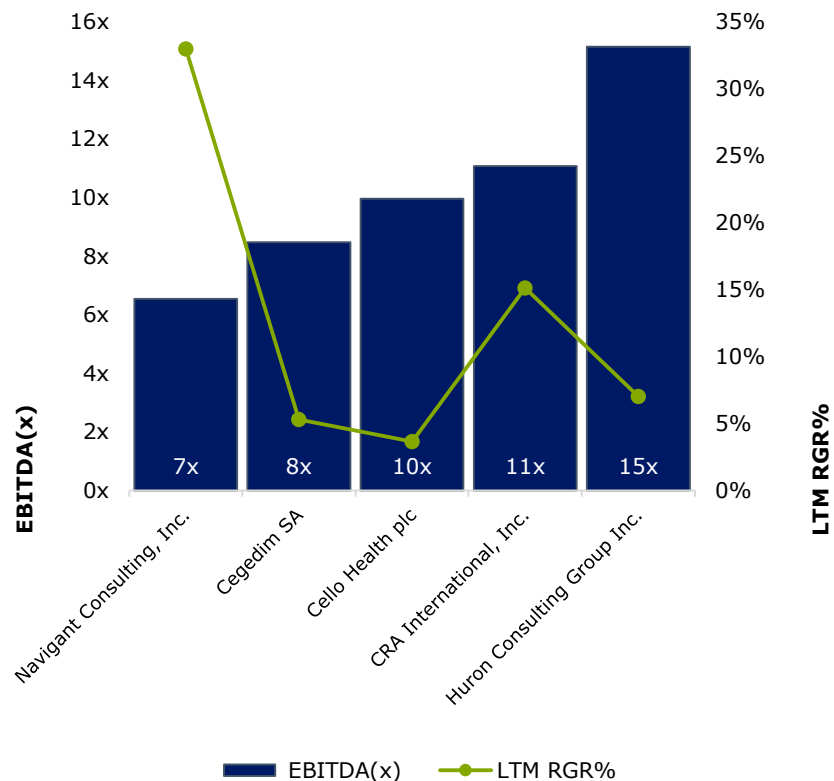
Valuation



Price / LTM Earnings



Historical Valuation Multiples versus Revenue Growth Rate



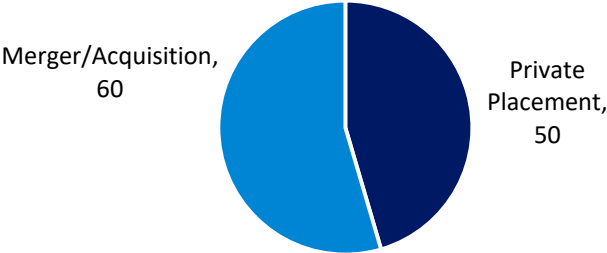
RECENT TRANSACTIONS SUMMARY

In the last twelve months, 7 Mile Advisors tracked 180 transactions, adding up to a total deal value of \$8.2b in the Healthcare and Life Sciences Management Consulting sector. Of which the majority were M&A transactions. The other balance comprised of financings and equity offerings/placements.

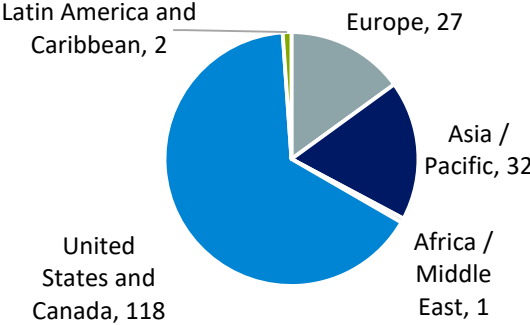
Merger & Acquisition Statistics

Valuation Summary	
Total Deal Value(\$mm):	\$8,233.77
Average Deal Value:	\$686.15
Average TEV/Revenue:	2.56x
Average TEV/EBITDA:	16.77x
Average Day Prior Premium(%):	45.45%
Average Week Prior Premium(%):	50.92%
Average Month Prior Premium(%):	53.36%

All Transactions by Type



All Transactions by Region



Most Active Buyers/Investors by Number of Transactions

Company Name	Number Of Transactions
CU Medical Systems, Inc. (KOSDAQ:A115480)	2
Morgan Stanley Private Equity	2
Salesforce Ventures	2
Sapphire Ventures LLC	2
.406 Ventures, LLC	1
Advanced Business Software and Solutions Limited	1
Alight Solutions LLC	1
Anju Software, Inc.	1
Artis Capital Management, L.P.	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
DXC Technology Company (NYSE:DXC)	2,078.38
Roche Holding AG (SWX:ROG)	1,900.0
Canada Pension Plan Investment Board	497.0
Bain Capital, LP	497.0
TPG Capital, L.P.	497.0
Bain Capital Investors, LLC	497.0
Goldman Sachs Private Capital Investing	360.0
KKR & Co. Inc. (NYSE:KKR)	360.0
The Descartes Systems Group Inc (TSX:DSG)	248.91

Recent Transactions



Date	Target	Buyer / Investor	Total Transaction Value	Target Revenue	TEV / Revenue	TEV / EBITDA
10Jan19	QuarterLine Consulting Services, LLC	Planned Systems International, Inc.	-	-	-	-
20Dec18	Kinsale Holdings, Inc.	GHO Capital Partners LLP	-	-	-	-
13Dec18	Capilano Corretora de Seguros de Vida Ltda.	BR Insurance Corretora de Seguros S.A.	-	-	-	-
10Dec18	Blue Latitude Health	Fishawack Limited	-	-	-	-
31May18	Advanced Health Media, LLC	IQVIA Holdings Inc.	-	-	-	-
28Nov18	Asset Optimization Group LLC	Crowe LLP	-	-	-	-
7Nov18	BlueLine Associates, Inc	ThreeBridge Solutions, LLC	-	-	-	-
5Nov18	Eliassen Group, LLC	Stone Point Capital LLC	-	-	-	-
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	-	-
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	-
22Jun17	Cobridge Co.,Ltd.	WDB Holdings Co., Ltd.	-	1.80	-	-

CONTACT INFO

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Leroy Davis, Partner	704.899.5962	leroy@7mileadvisors.com
Tripp Davis, Partner	704.899.5762	tripp@7mileadvisors.com
Andy Johnston, Partner	704.899.5961	andy@7mileadvisors.com
Ben Lunka, Managing Director	704.496.2995	ben@7mileadvisors.com
Jeff Stoecklein, Managing Director	312.796.9330	jeff@7mileadvisors.com
Mark Landry, Managing Director	561.972.0609	mark@7mileadvisors.com
Kristina Sergueeva, Director	704.899.5149	kristina@7mileadvisors.com
Neil Churman, Director	281.742.9340	neil@7mileadvisors.com
John Cooper, Director	704.973.3996	john@7mileadvisors.com
Tim Frye, Director	704.973.3994	tim@7mileadvisors.com
Nicholas Prendergast, Financial Analyst	704.973.3995	nicholas@7mileadvisors.com
Ariail Siggins, Marketing Director	704.981.2908	ariail@7mileadvisors.com
Sydney Larese, Associate	704.973.3998	sydney@7mileadvisors.com
Marty Johnson, Associate	704.973.3999	marty@7mileadvisors.com
Rory Julyan, Associate	704.981.2520	rory@7mileadvisors.com
Garth Martin, Associate	704.973.3997	garth.martin@7mileadvisors.com
Dennis Fox, Associate	704.706.9168 x 119	dennis@7mileadvisors.com
Steve Buffington, Associate	704.960.1828	steve@7mileadvisors.com