



# Sectorwatch: Healthcare & Life Sciences Management Consulting

Q2 2019

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Sector Dashboard [4]

Public Basket Performance [5]

Operational Metrics [7]

Valuation Comparison [10]

Recent Deals [12]

# Overview

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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.



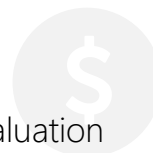
## Public Basket Performance

- 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

↓ -0.9%

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

↓ -3.0%

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.

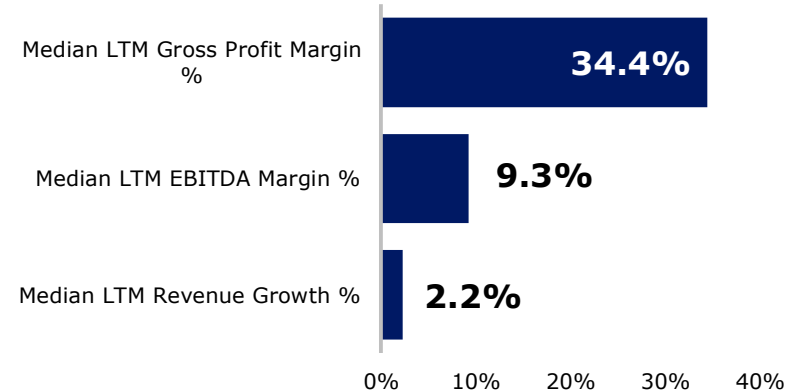
## Profitability

↓ -0.3%

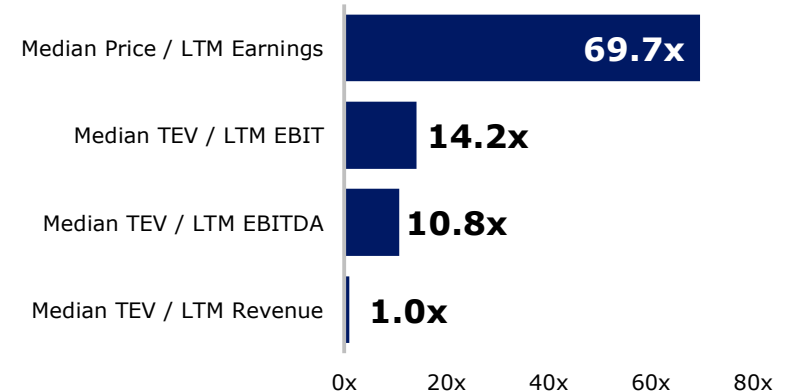
One year EBITDA percentage compared to EBITDA percentage average for last 3 years.

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.	1,308	795	9%	34%	12%	1.6	14.3	3,269	243
Navigant Consulting, Inc.	874	697	-26%	29%	9%	1.3	15.3	5,952	117
Cegedim SA	523	535	2%	45%	10%	1.0	9.8	4,374	122
CRA International, Inc.	382	418	13%	31%	9%	0.9	9.9	687	608
Cello Health plc	170	211	-3%	63%	7%	0.8	10.8	973	217

<b>Average</b>	651	531	-1%	40%	9%	1.1	12.0	3,051	262
<b>Median</b>	523	535	2%	34%	9%	1.0	10.8	3,269	217

share price as of 26Apr19



CELLO

CRA Charles River Associates

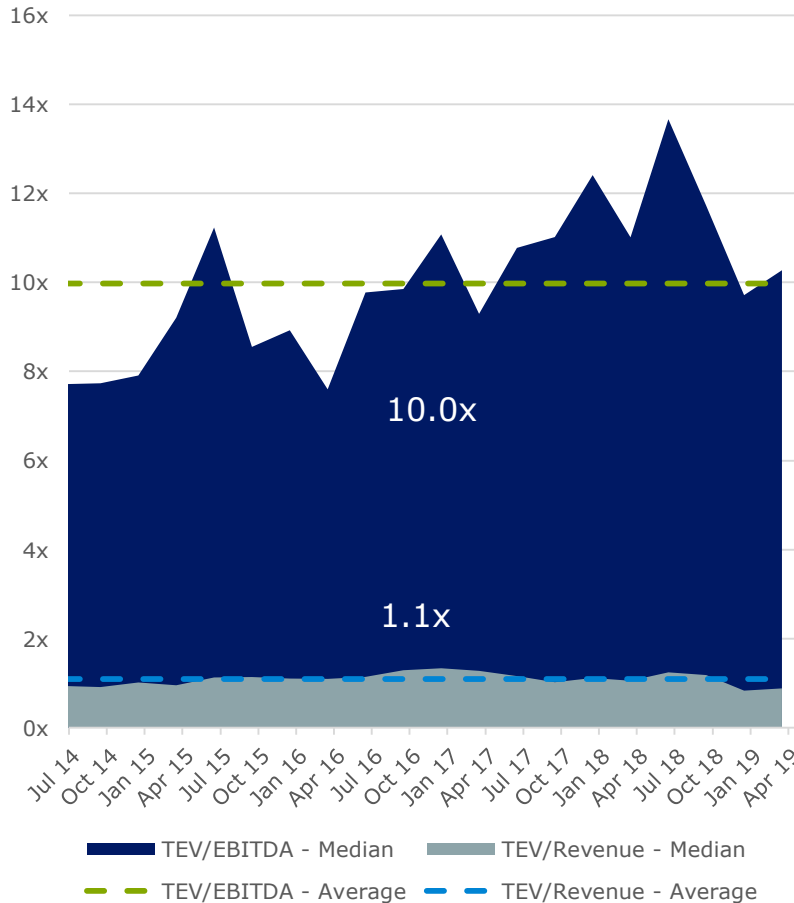


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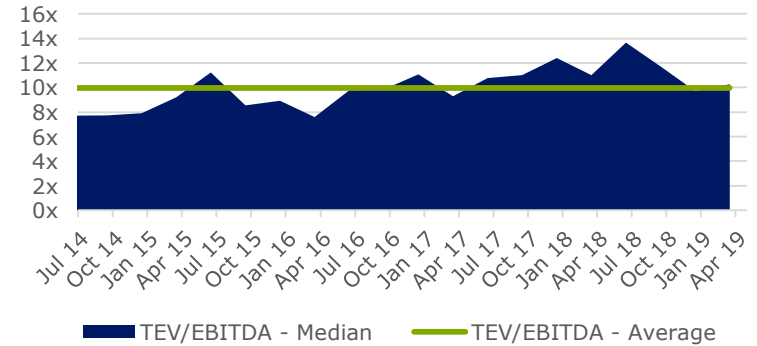
NAVIGANT



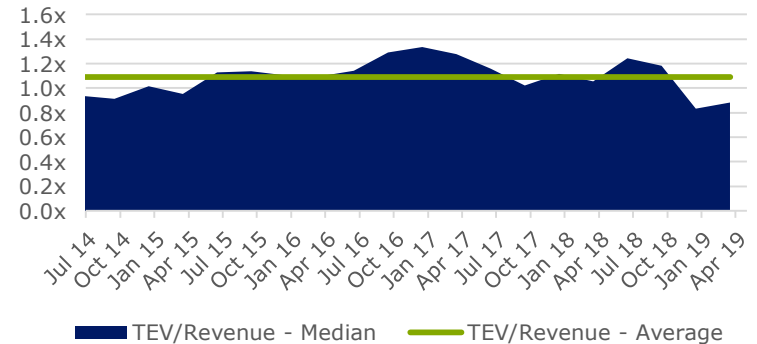
# Public Basket Valuation Trends



## Public EBITDA Multiples over Time



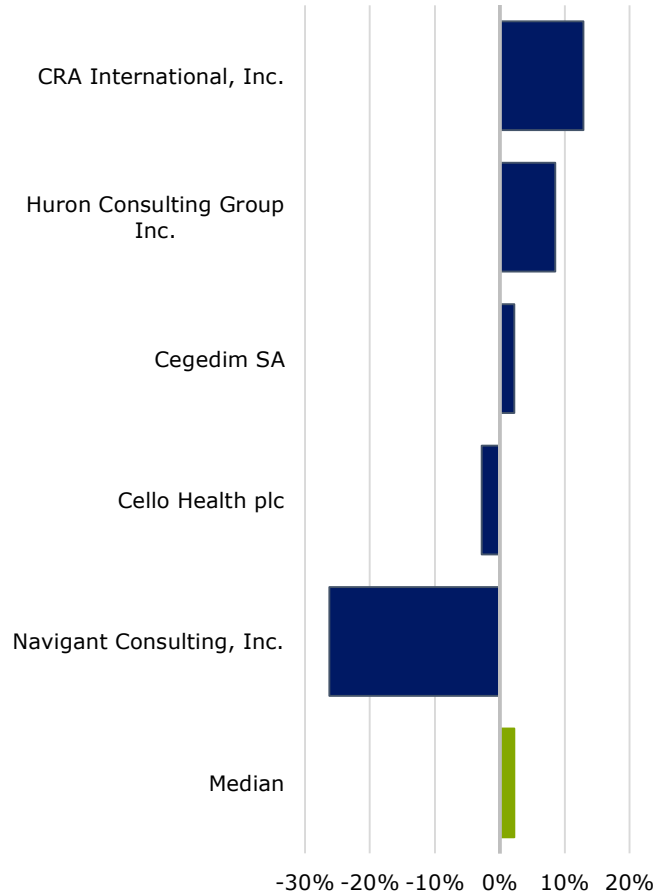
## Public Revenue Multiples over Time



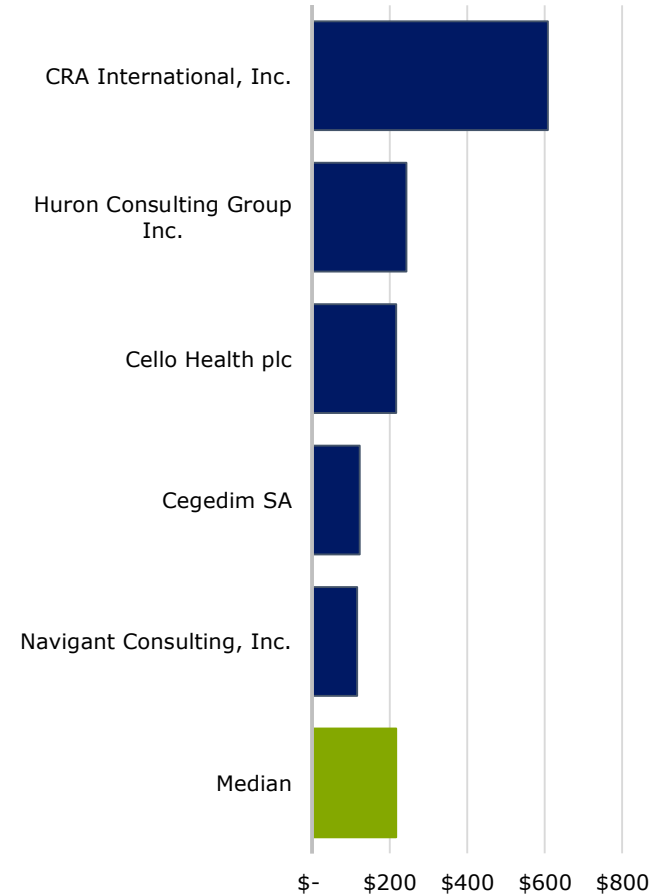
# Operational Metrics



LTM Revenue Growth %



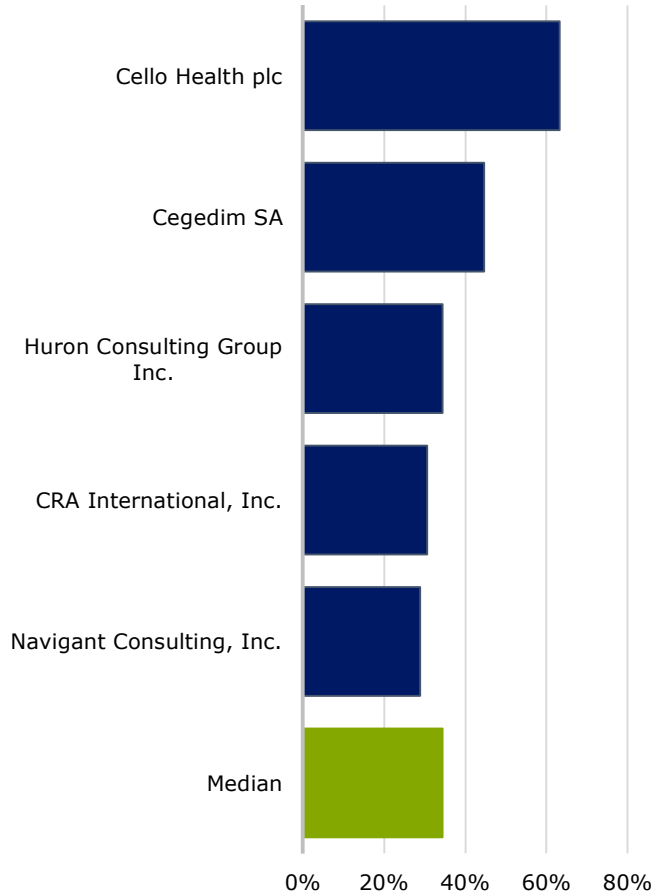
LTM Revenue per Full Time Employee x 000's



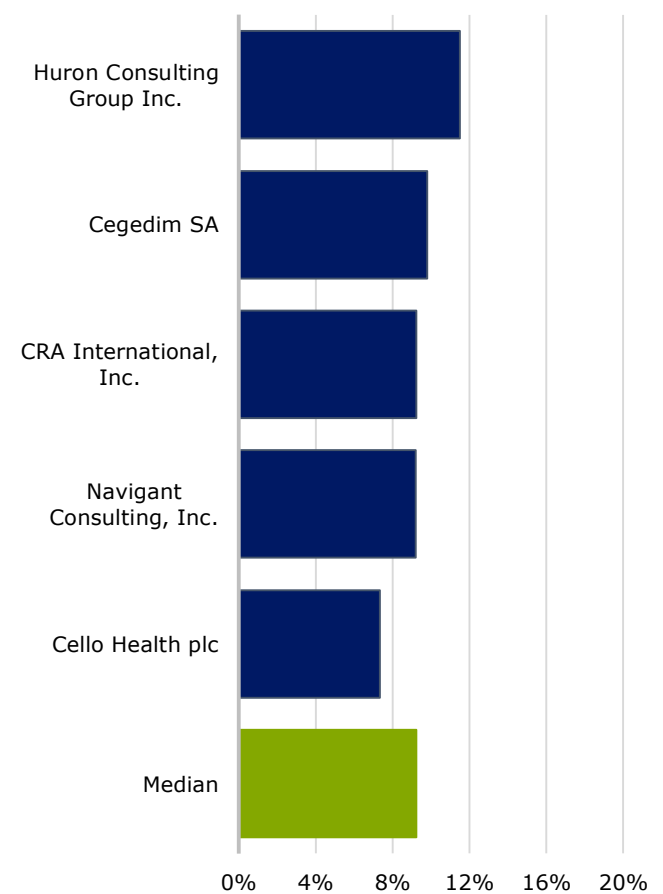
# Operational Metrics



## LTM Gross Profit Margin %



## LTM EBITDA %

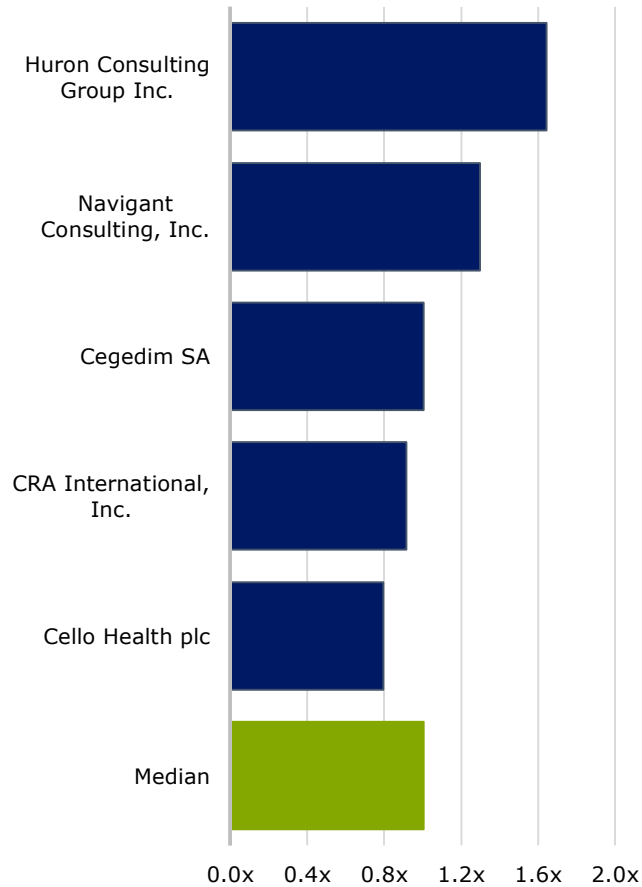




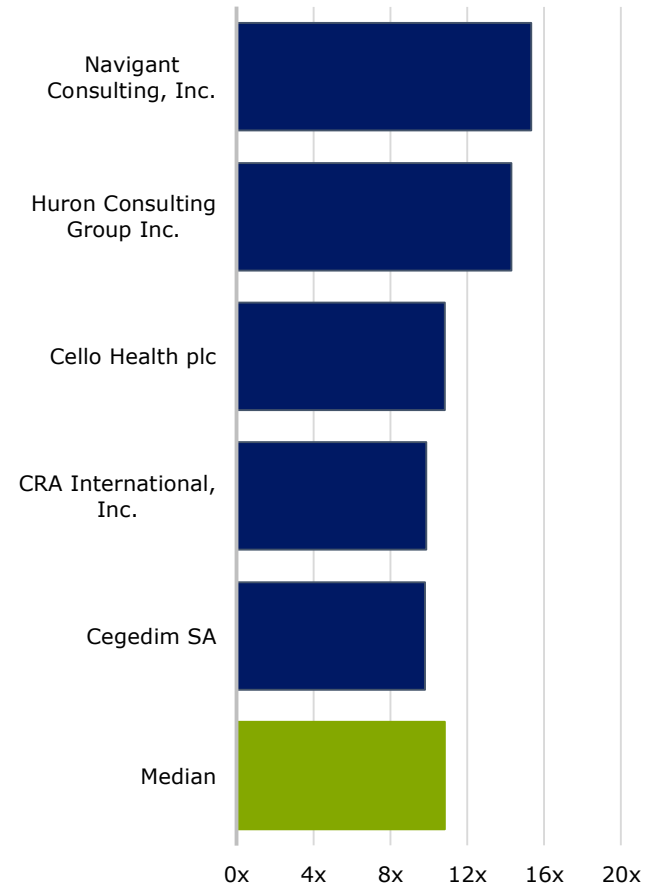
# Valuation



## TEV / LTM Revenue



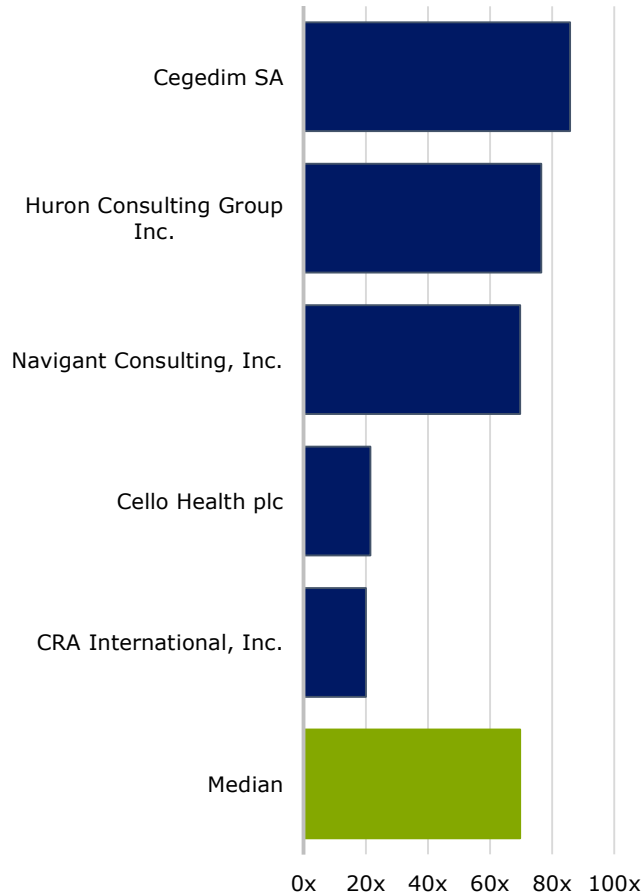
## TEV / LTM EBITDA



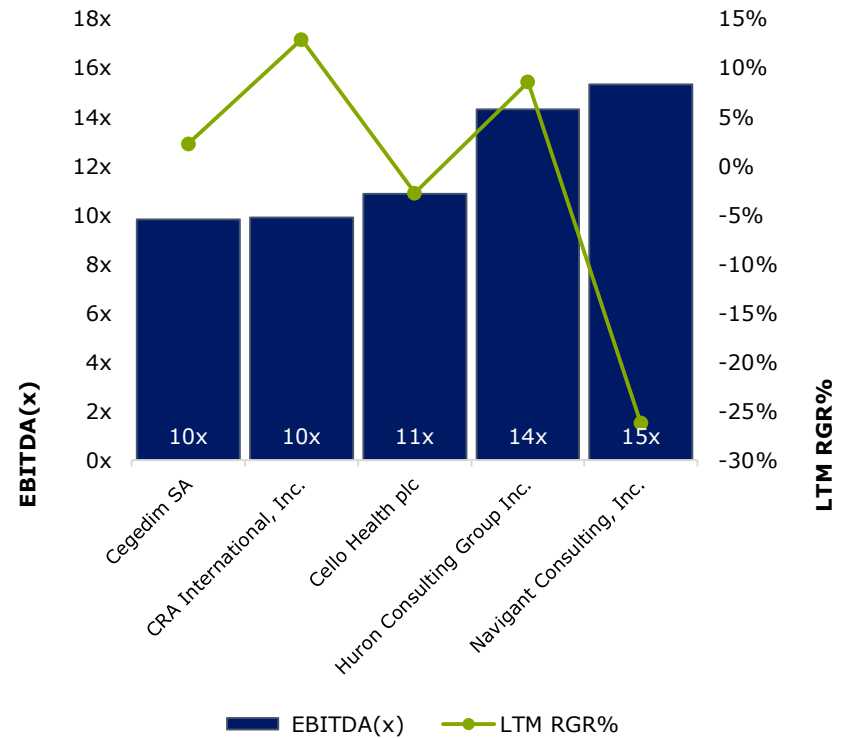
# Valuation



## Price / LTM Earnings



## Historical Valuation Multiples versus Revenue Growth Rate



# RECENT TRANSACTIONS SUMMARY

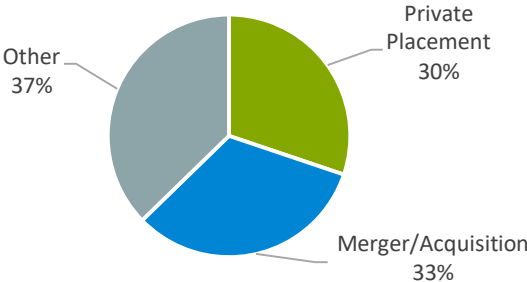
In the last twelve months, 7 Mile Advisors tracked 180 transactions, adding up to a total deal value of \$8.2b in the Healthcare and Life Sciences Management Consulting sector. Of which the majority were M&A transactions. The other balance comprised of financings and equity offerings/placements.

## Merger & Acquisition Statistics

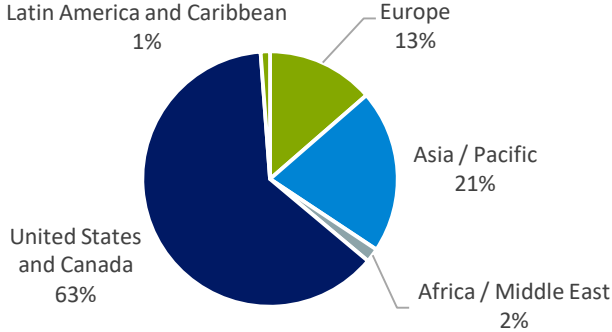
### Valuation Summary

Total Deal Value(\$mm):	\$6,408.67
Average Deal Value:	\$640.87
Average TEV/Revenue:	3.14x
Average TEV/EBITDA:	17.02x
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)	3
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)	2,072.15
Roche Holding AG (SWX:ROG)	360.0
Canada Pension Plan Investment Board	360.0
Bain Capital, LP	236.5
TPG Capital, L.P.	193.0
Bain Capital Investors, LLC	145.0
Goldman Sachs Private Capital Investing	145.0
KKR & Co. Inc. (NYSE:KKR)	145.0
The Descartes Systems Group Inc (TSX:DSG)	145.0

# Recent Transactions



<u>Date</u>	<u>Target</u>	<u>Buyer / Investor</u>	<u>Total Transaction Value</u>	<u>Target Revenue</u>	<u>TEV / Revenue</u>	<u>TEV / EBITDA</u>
11Apr19	CompuTech City, LLC	Medicus Solutions, Inc.	-	-	-	-
10Apr19	Blue Cottage Consulting, Inc. (nka:Blue Cottage of CannonDesign)	Cannon Design, Inc.	-	-	-	-
1Apr19	Signature MD, Inc.	Blue Sea Capital LLC	-	-	-	-
31Jan19	Linguamatics Limited	IQVIA Holdings Inc.	-	-	-	-
31Jan19	Healthtech Inc.	Nordic Consulting Partners, Inc.	-	-	-	-
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. (nka:Alper Consultoria e 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	-	-	-	-
16Jul18	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 Xtract	-	-	-	-
10Jan18	CBIG Consulting, LLC	Trianz Holdings Pvt. Limited	-	-	-	-
5Jan18	Practice Fusion, Inc.	Allscripts Healthcare, LLC	128.69	-	-	-
7Dec17	Paragon Solutions, Inc.	CGI Group Inc. (nka:CGI 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	-	-	-	-

# CONTACT INFO

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