



# Sectorwatch: Healthcare & Life Sciences Management Consulting

Q3 2019

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# 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 Momentum

**↑4.1%**

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 Momentum

**↑1.2%**

One year gross profit percentage compared to gross profit percentage average for last 3 years.

Current gross profit margin slightly exceeds the average of the last 3 years gross profit margin by this amount so companies are maintaining margins.

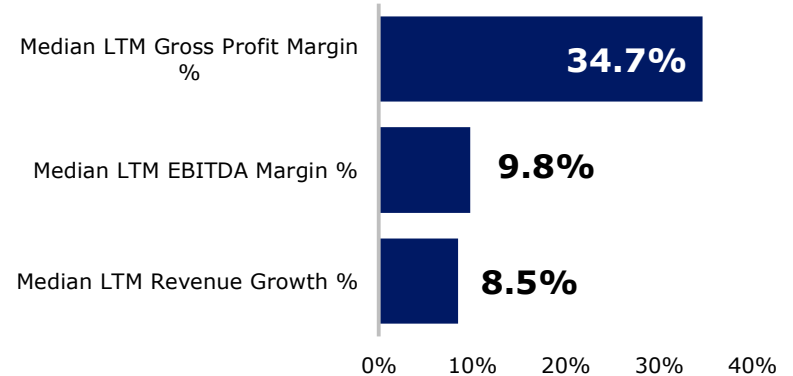
## Profitability

**↓-1.5%**

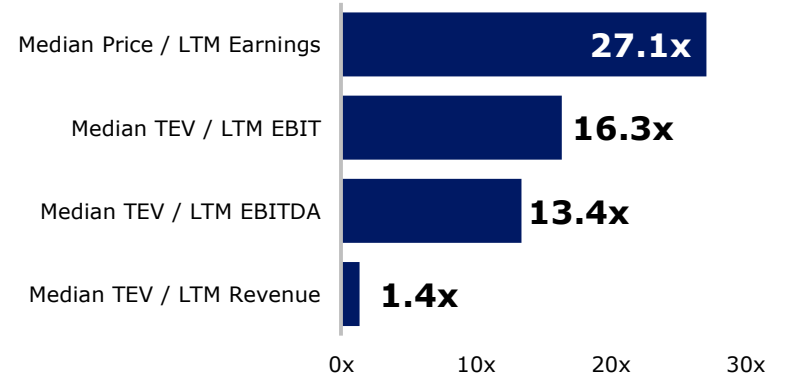
One year EBITDA percentage compared to EBITDA percentage average for last 3 years.

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



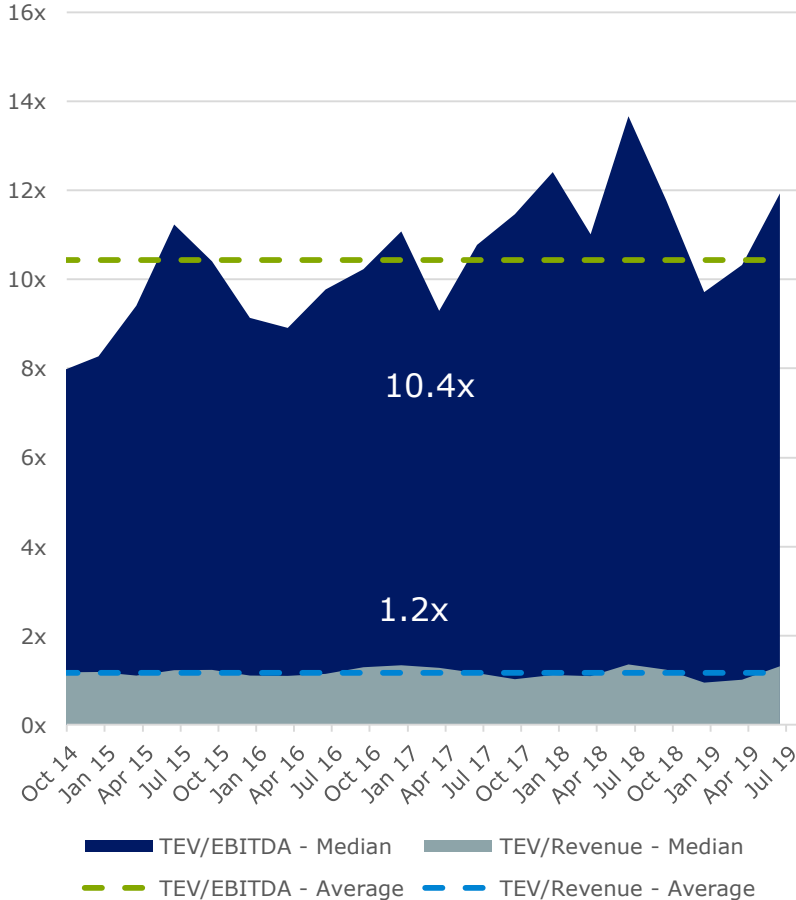
Company	TEV \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
Accenture plc	119,881	41,244	4%	32%	16%	2.9	17.7	459,000	90
FTI Consulting, Inc.	4,136	2,175	13%	35%	14%	1.9	13.4	4,768	456
Huron Consulting Group Inc.	1,573	806	9%	35%	12%	2.0	16.4	3,269	247
Navigant Consulting, Inc.	953	697	9%	29%	9%	1.4	15.1	5,952	117
Cegedim SA	508	535	2%	45%	10%	1.0	9.5	4,374	122
CRA International, Inc.	471	424	11%	31%	9%	1.1	12.0	687	617
Cello Health plc	158	211	-3%	63%	7%	0.8	10.4	973	217

<b>Average</b>	18,240	6,585	6%	38%	11%	1.6	13.5	68,432	267
<b>Median</b>	953	697	9%	35%	10%	1.4	13.4	4,374	217

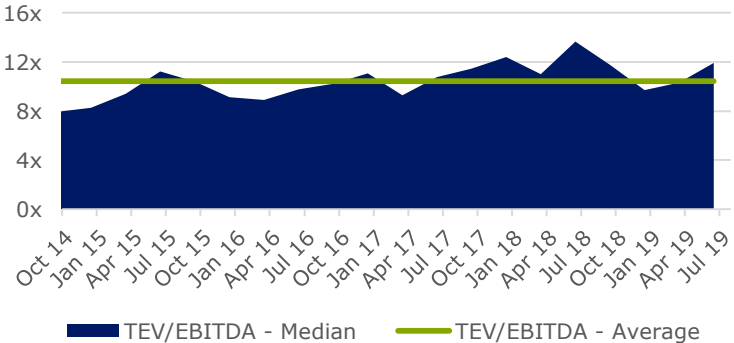
share price as of 25Jul19



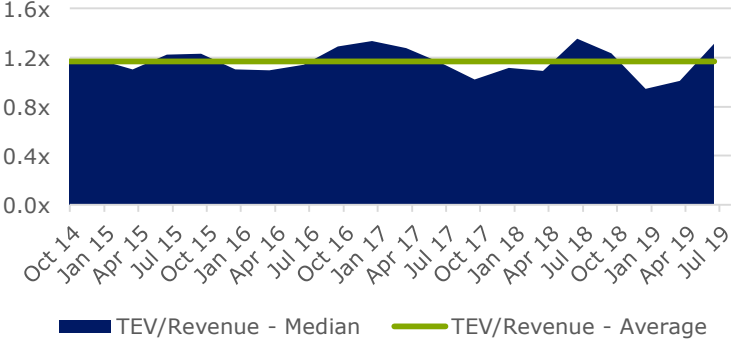
# Public Basket Valuation Trends



## Public EBITDA Multiples over Time



## Public Revenue Multiples over Time



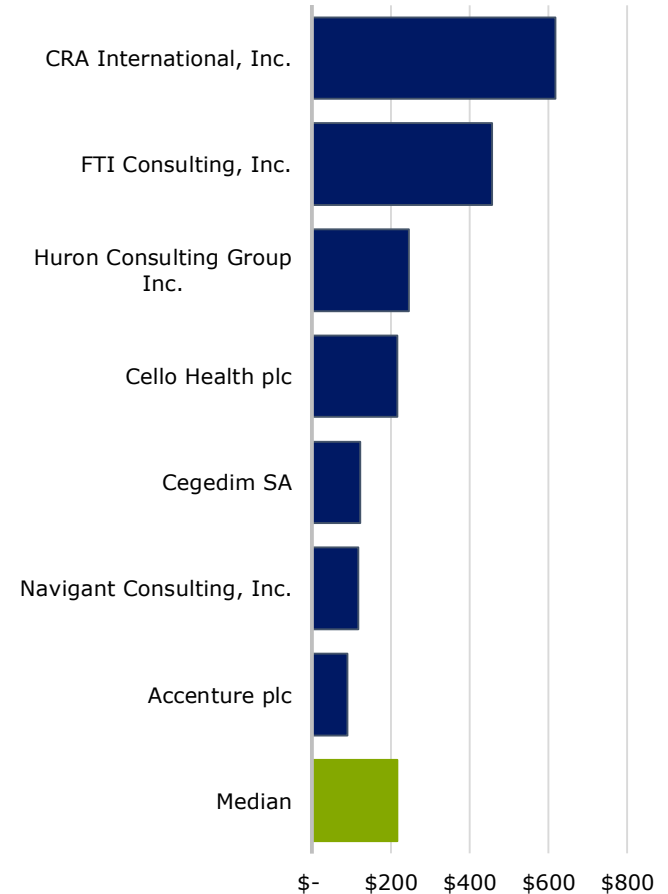
# Operational Metrics



LTM Revenue Growth %



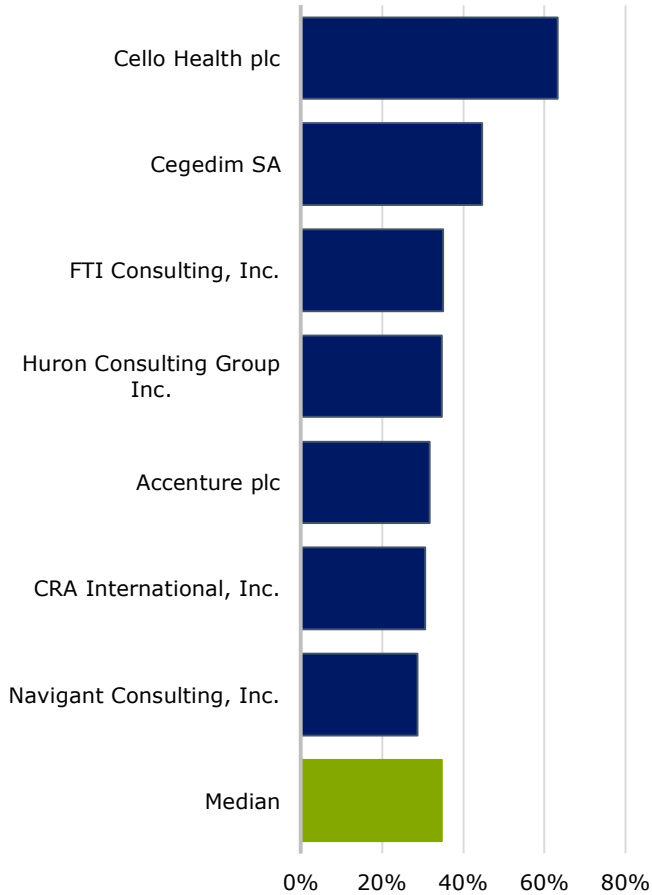
LTM Revenue per Full Time Employee x 000's



# Operational Metrics



### LTM Gross Profit Margin %



### LTM EBITDA %





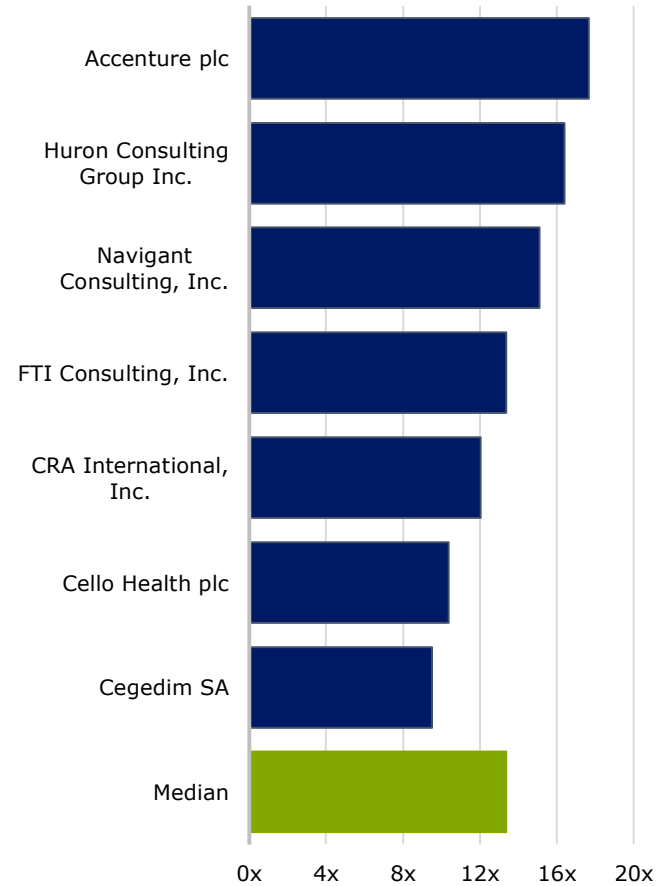
# Valuation



TEV / LTM Revenue



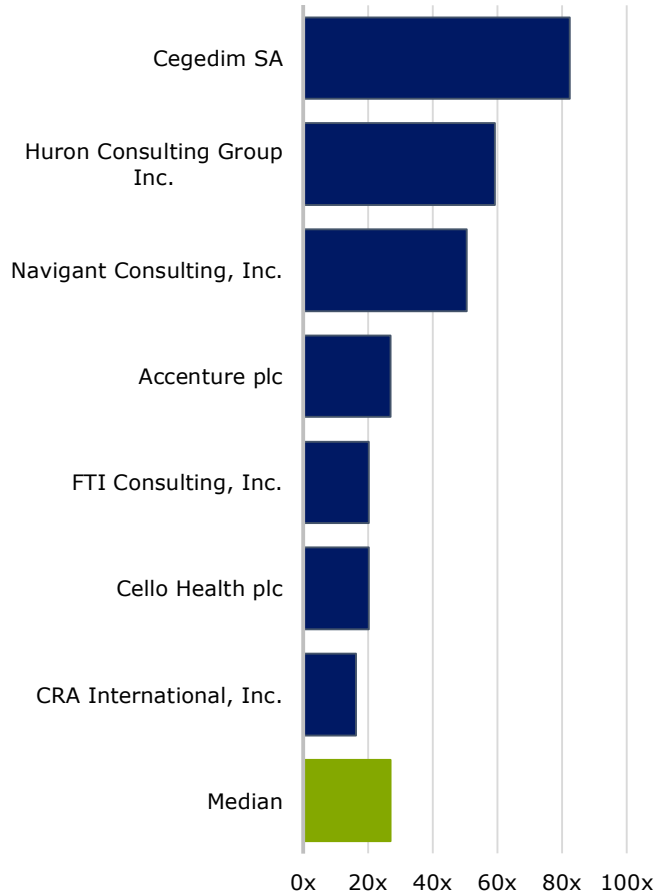
TEV / LTM EBITDA



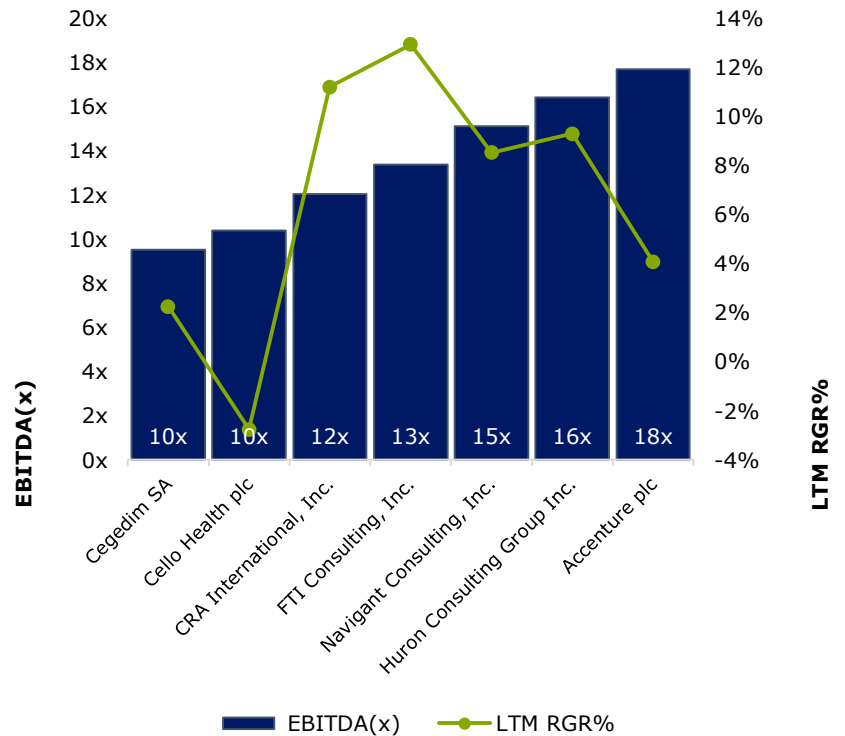
# Valuation



## 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

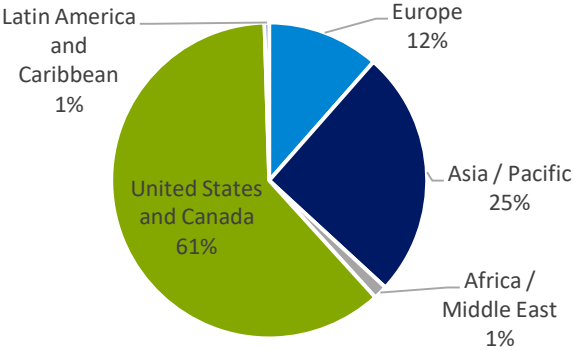
### Valuation Summary

Total Deal Value(\$mm):	\$3,900.23
Average Deal Value:	\$260.02
Average TEV/Revenue:	3.63x
Average TEV/EBITDA:	19.96x
Average Day Prior Premium(%):	48.36%
Average Week Prior Premium(%):	52.7%
Average Month Prior Premium(%):	53.35%

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
Da Vinci Capital Management Ltd.	2
IQVIA Holdings Inc. (NYSE:IQV)	2
Xinxing Jihua Pharmaceutical Holdings Co., Ltd.	2
Accscient LLC	1
Alper Consultoria e Corretora de Seguros S.A. (BOVESPA:APER3)	1
Anju Software, Inc.	1
Aphria Inc. (TSX:APHA)	1
Artis Capital Management, L.P.	1
Ashfield Healthcare Communications Ltd	1

### Most Active Buyers/Investors by Total Transaction Size

Company Name	Transaction Size (\$mm)
DXC Technology Company (NYSE:DXC)	2,072.15
Industrial Scientific Corporation	570.0
EQT Partners AB	528.35
Xinxing Jihua Pharmaceutical Holdings Co., Ltd.	296.47
Huntington Ingalls Industries, Inc. (NYSE:HII)	195.0
Hexaware Technologies, Inc.	182.0
China Industrial Asset Management Co. Ltd.	134.17
Haier Capital	134.17
China Pacific Insurance (Group) Co., Ltd. (SHSE:601601)	134.17
Legend Capital Management Co., Ltd.	134.17

# Recent Transactions



Date	Target	Buyer / Investor	Total Transaction Value	Target Revenue	TEV / Revenue	TEV / EBITDA
14May19	Prism Healthcare Partners LTD	Berkeley Research Group, LLC	-	-	-	-
7May19	The Chartis Group, LLC	Audax Group, Inc.	-	-	-	-
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	-	-	-	-
27Mar19	Shanghai Rongqin Health Management Co., Ltd.	Geonext Medical Health Technology (Shanghai) Co., Ltd.	9.81	1.10	44.8x	-
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	Teleryx 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	-	-	-

# CONTACT INFO

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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