



Sectorwatch: Management Consulting

July 2019

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.



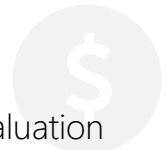
Public Basket Performance

- 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

↑ **3.8%**

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

↑ **0.5%**

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

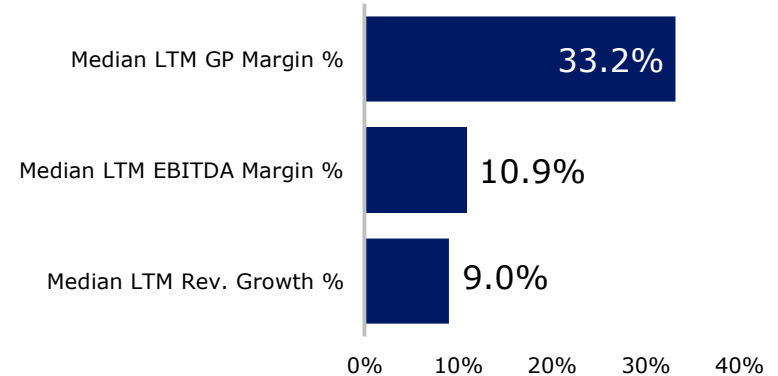
Profitability Momentum

↑ **0.4%**

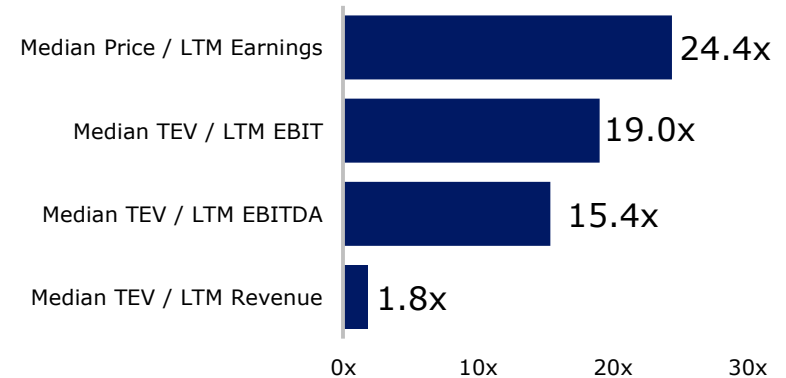
1 - year EBITDA % compared to EBITDA % average for last 3 years

Current EBITDA margin exceeds the average of the last 3 years EBITDA margin by this amount, a condition that may attract new entrants

Operating Metrics



Valuation



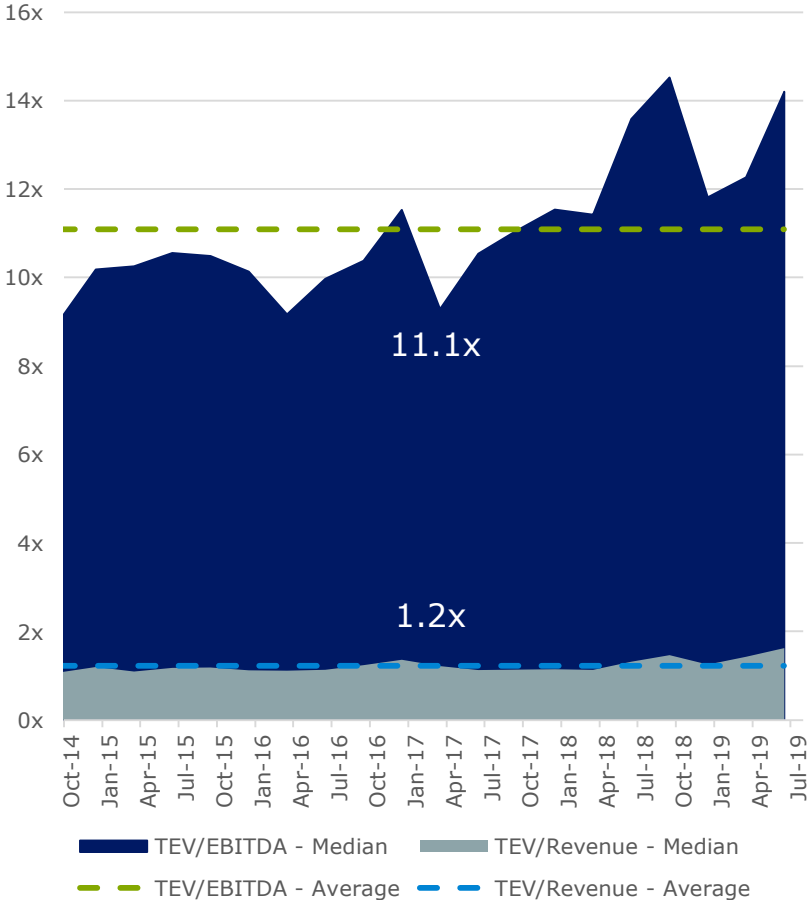
Public Basket



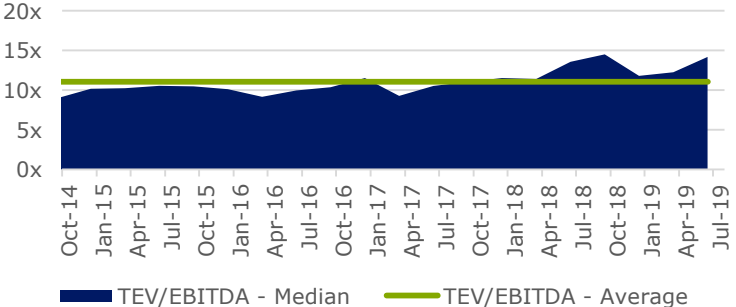
Company	TEV \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
CRA International, Inc.	471	424	11%	31%	9%	1.1	12.0	687	617
The Hackett Group, Inc.	494	261	2%	38%	15%	1.9	12.3	1,165	224
Navigant Consulting, Inc.	953	697	9%	29%	9%	1.4	15.1	5,952	117
Huron Consulting Group Inc.	1,573	806	9%	35%	12%	2.0	16.4	3,269	247
ICF International, Inc.	1,957	1,376	11%	36%	9%	1.4	15.6	7,000	197
FTI Consulting, Inc.	4,136	2,175	13%	35%	14%	1.9	13.4	4,768	456
Booz Allen Hamilton Holding Corporation	11,137	6,704	9%	24%	10%	1.7	16.8	26,100	257
Accenture plc	119,881	41,244	4%	32%	16%	2.9	17.7	459,000	90
Average	17,575	6,711	8%	32%	12%	1.8	14.9	63,493	276
Median	1,765	1,091	9%	33%	11%	1.8	15.4	5,360	235

share price as of 25Jul19

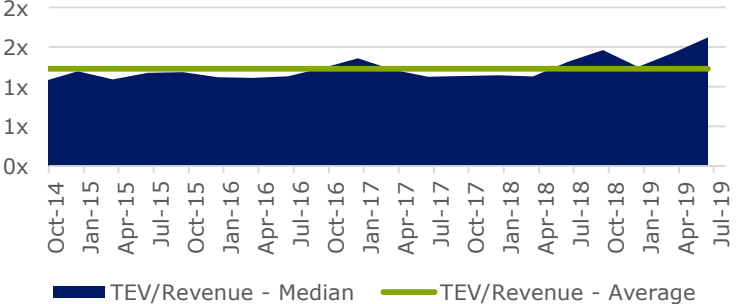
Public Basket Valuation Trends



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



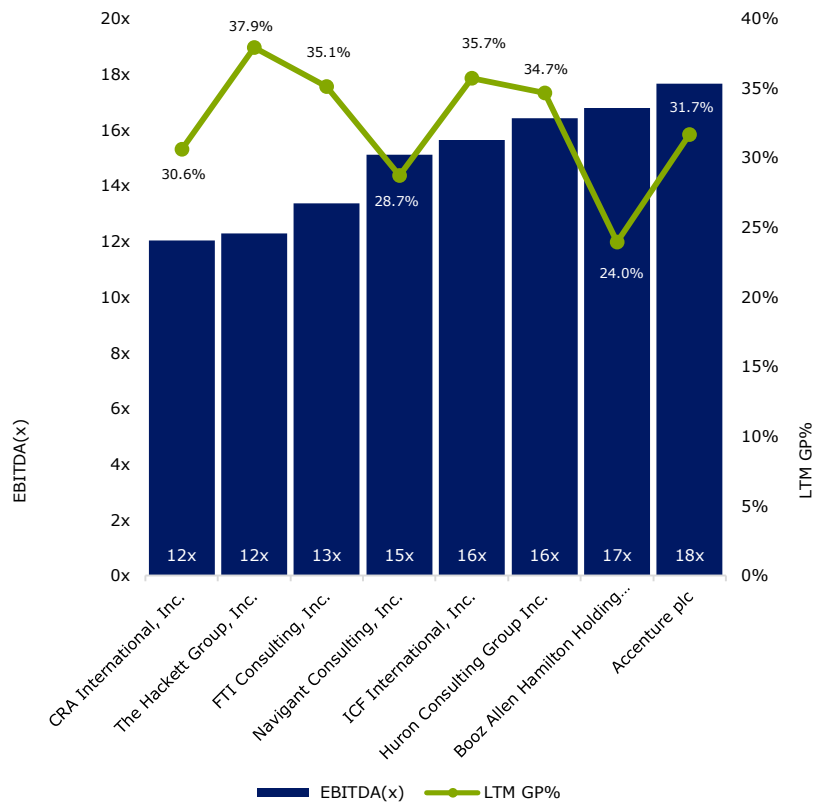
Price / LTM Earnings



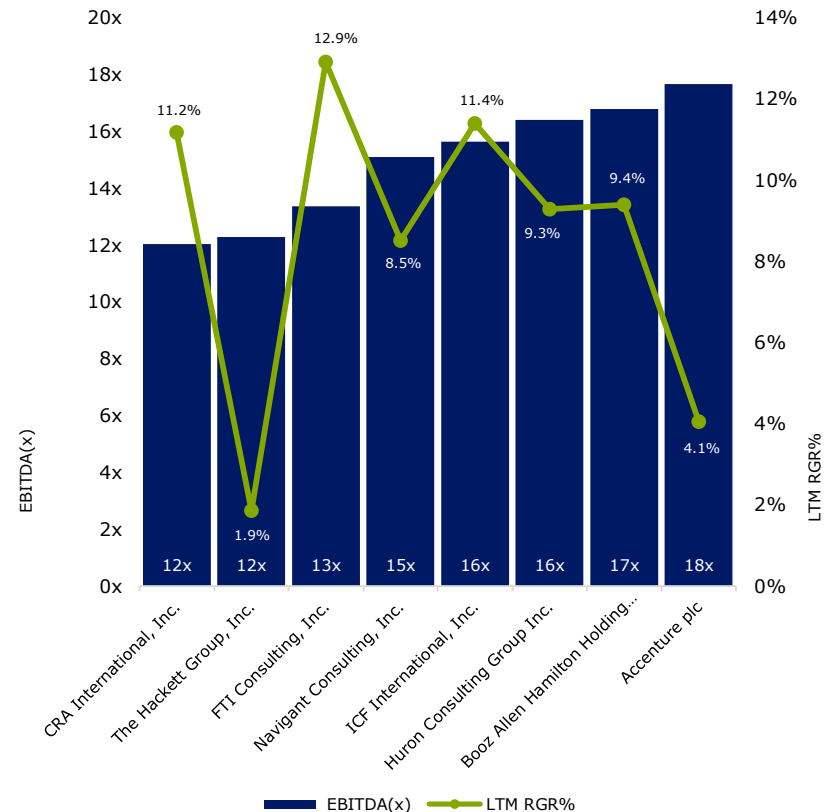
Valuation



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
19Jul19	W Group INC.	Wavestone SA	30.50	26.10	1.2x	-
28Jun19	Changxing Lincheng Enterprise Management Consulting Co., Ltd.	Noblelift Intelligent Equipment Co.,Ltd.	53.73	-	-	-
26Jun19	Auriemma Consulting Group, Inc.	CNL Strategic Capital, LLC	55.00	-	-	-
24Jun19	Altran Technologies S.A.	Capgemini SE	6,059.02	3,324.69	1.7x	13.2x
29May19	BusinessForward, Inc.	Acorio LLC	-	-	-	-
3Jun19	Oxygy Management Consulting	SPV Baseline Ltd.	-	-	-	-
30May19	Profectus, LLC	Excel Search Group, LLC	-	-	-	-
1May19	Credeire Group, LLC	Eliassen Group, LLC	-	-	-	-
9Apr19	KSM Consulting, LLC	Renovus Capital Partners	-	-	-	-
3Apr19	Global Tech Inc.	Tetra Tech, Inc.	49.70	-	-	-
14Mar19	Ferrier Hodgson Group	KPMG Australia	-	-	-	-
20Feb19	PWGL Inc	KPMG LLP (Canada)	-	-	-	-
14Feb19	Silver Planet Oy	Gofore Oyj	15.89	8.13	1.5x	-
9Jan19	Orbium AG	Accenture plc	-	-	-	-
20Dec18	Knowledgent Group Inc.	Accenture plc	-	-	-	-
7Dec18	iSolutions, Inc.	Emerson Electric Co.	-	-	-	-
3Dec18	Enaxis Consulting LP	Accenture plc	-	-	-	-
27Nov18	Assets of BridgePoint Group, LLC	Tata Consultancy Services Limited	-	-	-	-
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.; Westcap Management Ltd.	-	-	-	-
2Aug18	David M Shapiro Disaster Planning & Recovery Consultants, Inc.	ICF International, Inc.	-	-	-	-
18Jul18	Barkawi Management Consultants GmbH & Co. KG	Genpact Limited	95.60	-	-	-
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.	4.00	-	-	-

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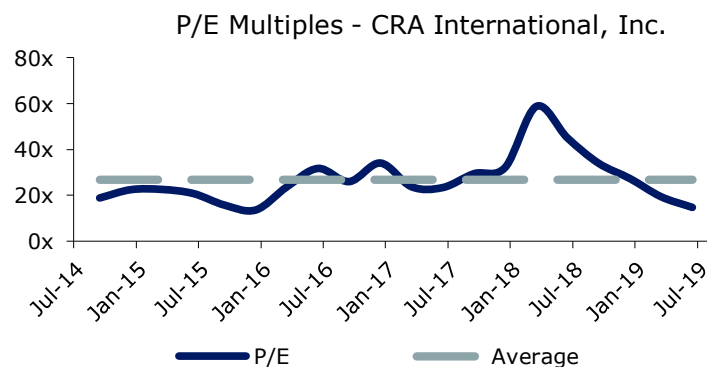
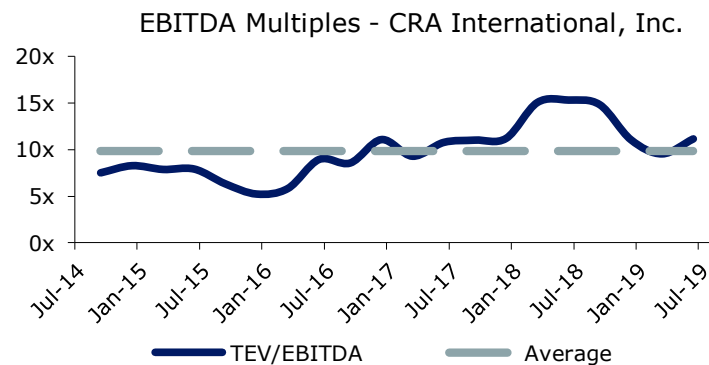
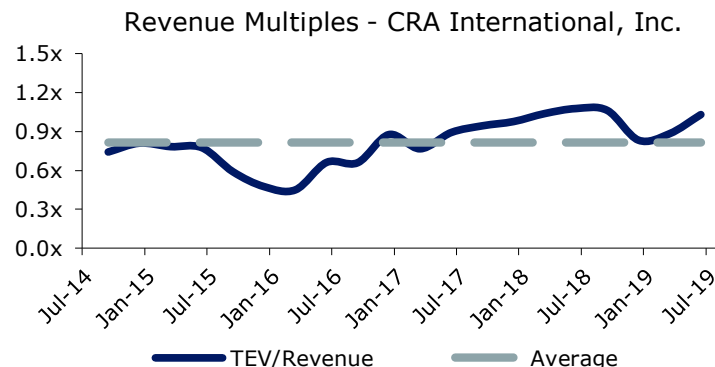
APPENDIX:
Public Basket
Constituents

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.



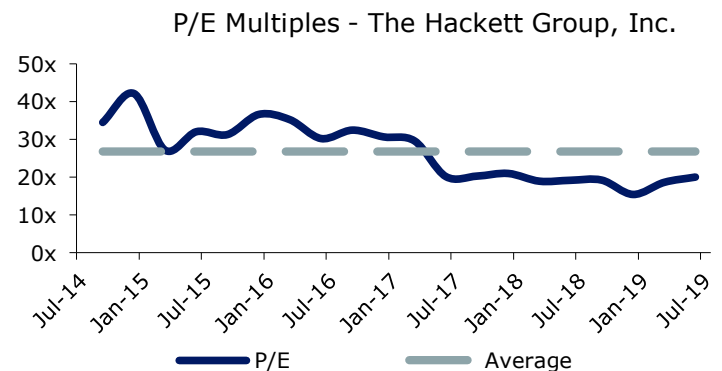
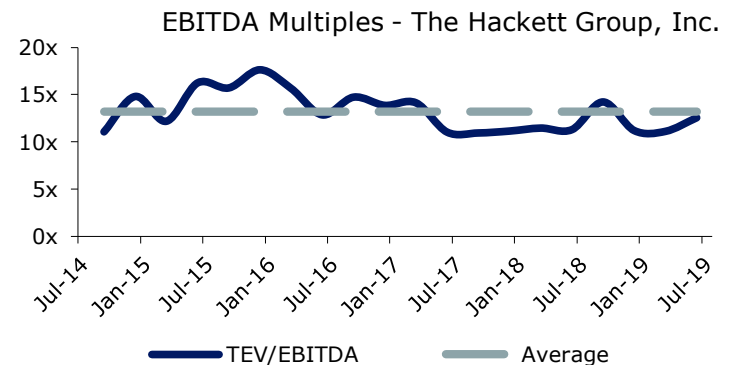
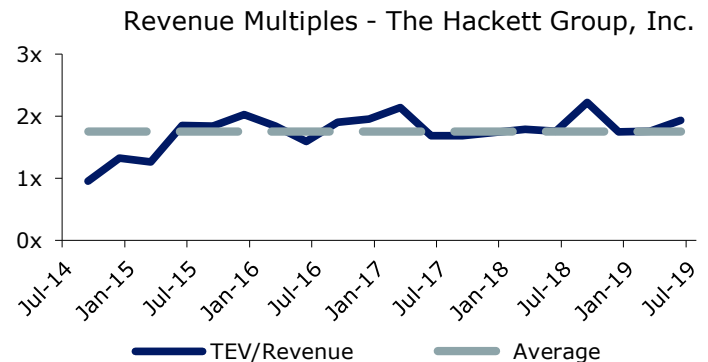
Public Basket



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.

Date	Key Development Headline
5/7/19	The Hackett Group Intends To Seek Acquisitions



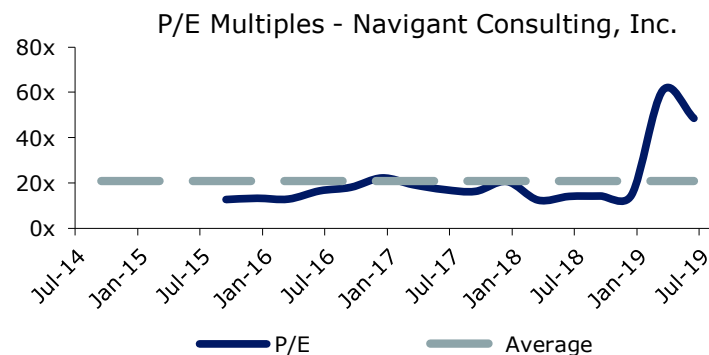
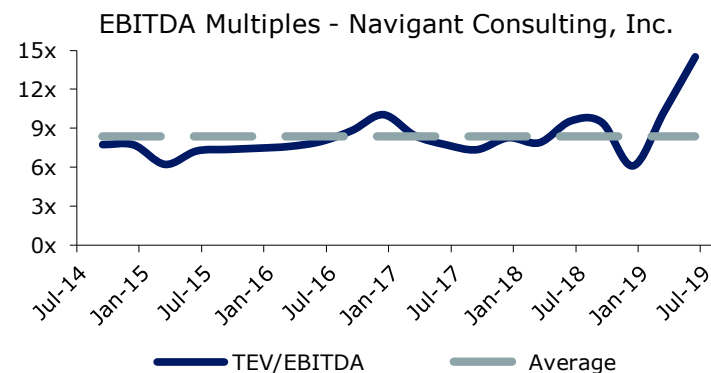
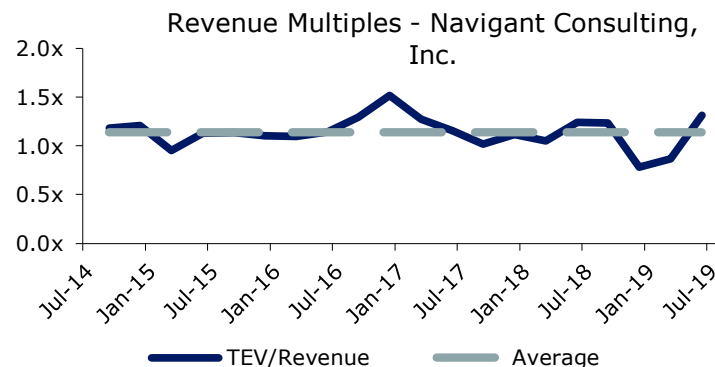
Public Basket



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. 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
5/15/19	Navigant Consulting, Inc. and Infrared Capital Partners Announces a Joint Venture That Provides an Innovative Platform to Help Cities and Utilities Develop and Finance Local Energy Infrastructure Solutions
2/26/19	Navigant To Seek Acquisitions
8/23/18	Ankura Consulting Group, LLC completed the acquisition of Thoreau Holdco, LLC and Navigant Consulting (Europe) Ltd. from Navigant Consulting, Inc. (NYSE:NCL)

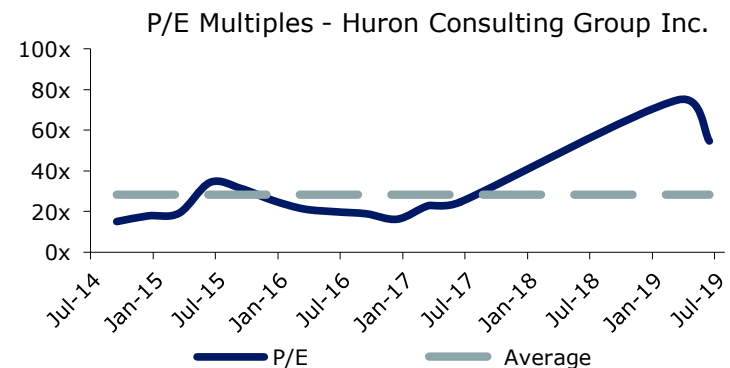
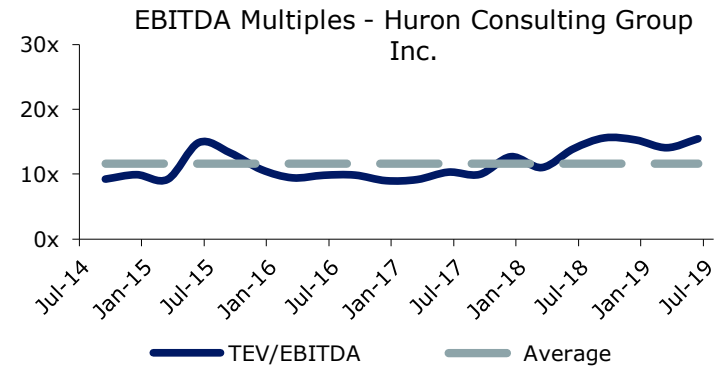
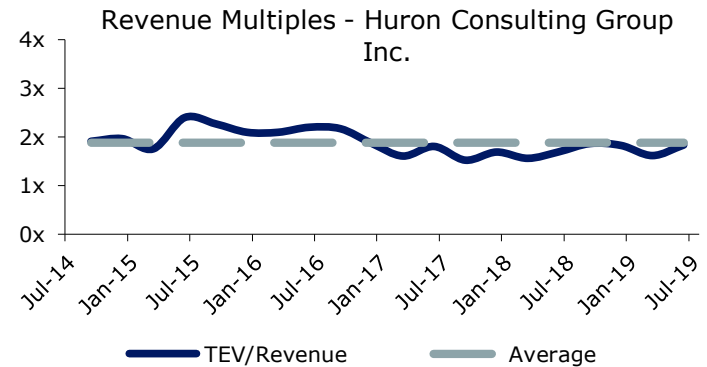


Public Basket



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.



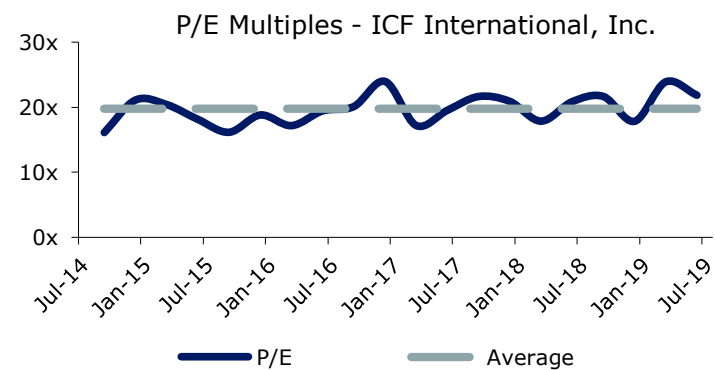
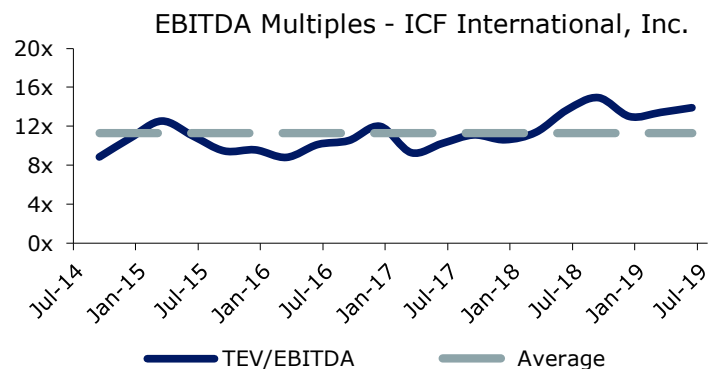
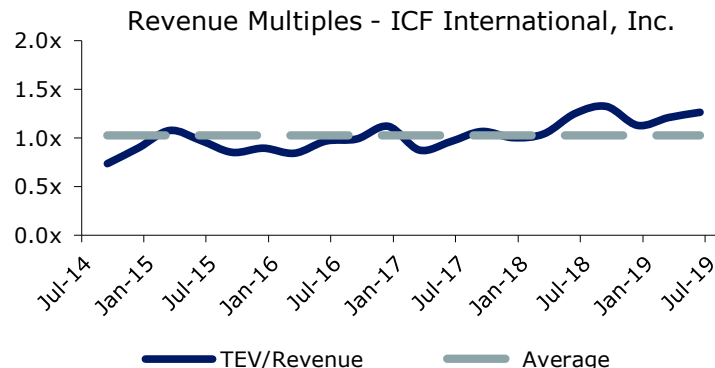
Public Basket



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. ICF International, Inc. was founded in 1969 and is headquartered in Fairfax, Virginia.

Date	Key Development Headline
2/26/19	ICF To Seek Acquisitions
10/3/18	ICF International, Inc. (NasdaqGS:ICFI) acquired We Are Vista Limited from a group of shareholders.
8/7/18	ICF International, Inc. (NasdaqGS:ICFI) David M Shapiro Disaster Planning & Recovery Consultants, Inc.
8/1/18	ICF International, Inc. (NasdaqGS:ICFI) entered into a definitive agreement to acquire David M Shapiro Disaster Planning & Recovery Consultants, Inc.



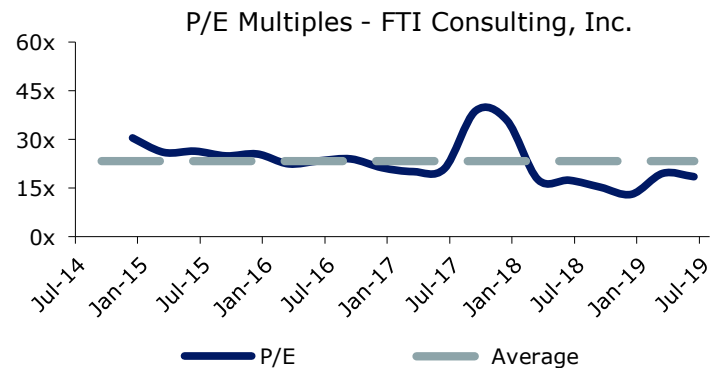
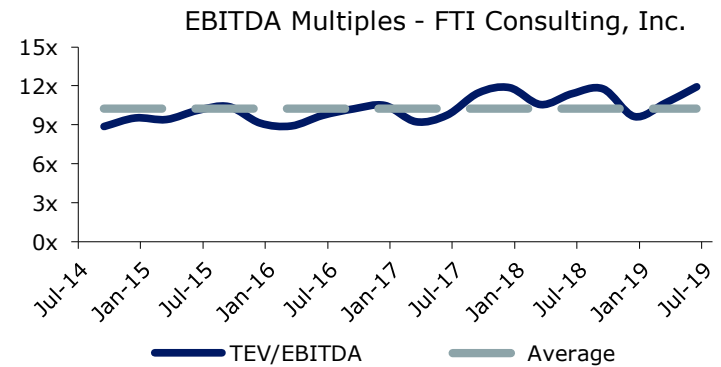
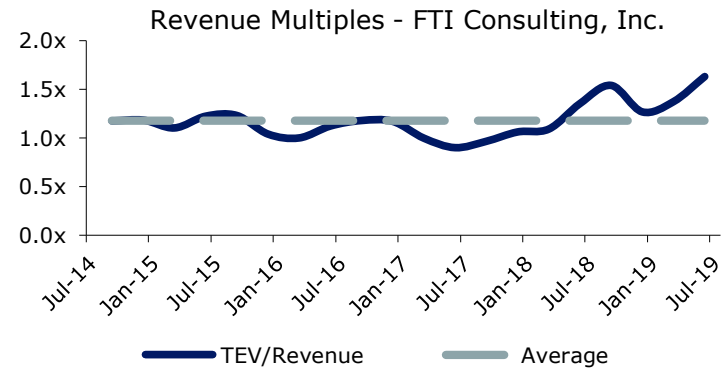
Public Basket



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. FTI Consulting, Inc. was founded in 1982 and is headquartered in Washington, District of Columbia.

Date	Key Development Headline
6/27/19	FTI Consulting, Inc. (NYSE:FCN) entered into a definitive agreement to acquire Andersch AG Wirtschaftsprüfungsgesellschaft.
11/30/18	FTI Consulting May Seek Acquisitions
9/9/18	Nuix Pty. Ltd. acquired Ringtail Solutions, Inc. from FTI Consulting, Inc. (NYSE:FCN) for \$55 million.



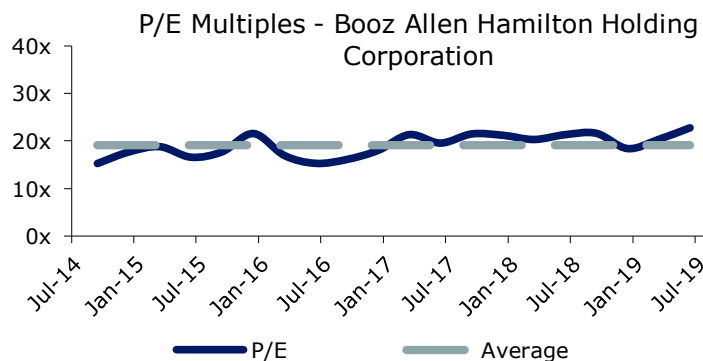
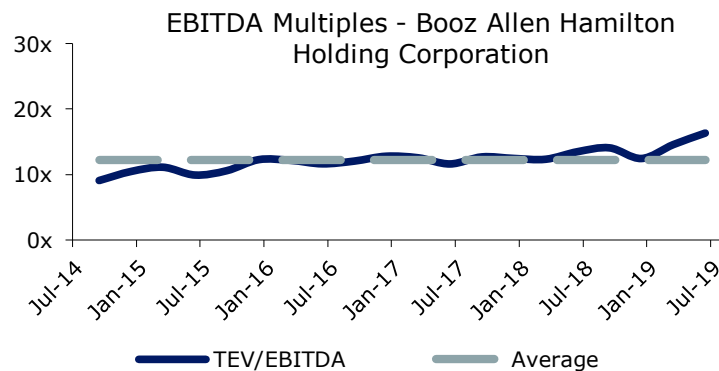
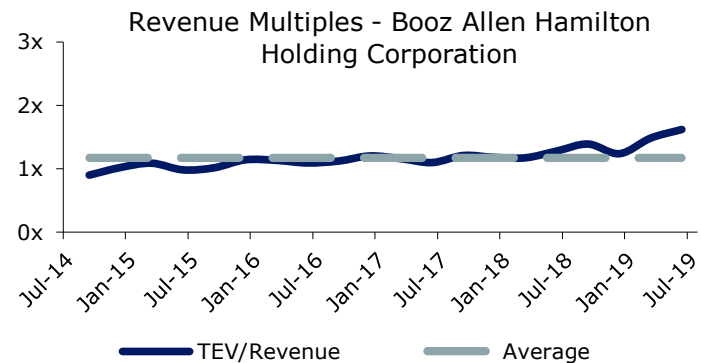
Public Basket



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
1/7/19	Genpact Limited (NYSE:G) acquired riskCanvas Holdings, LLC from Booz Allen Hamilton Holding Corporation (NYSE:BAH).
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



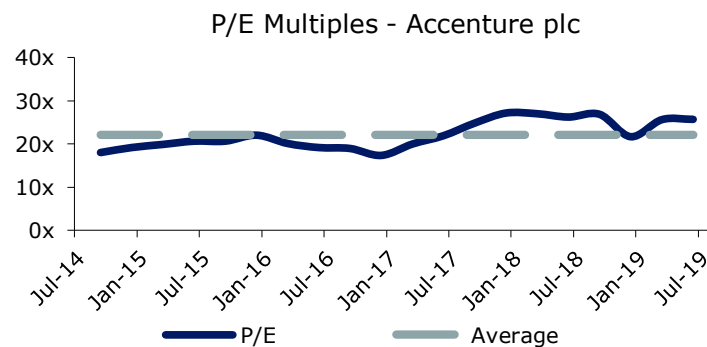
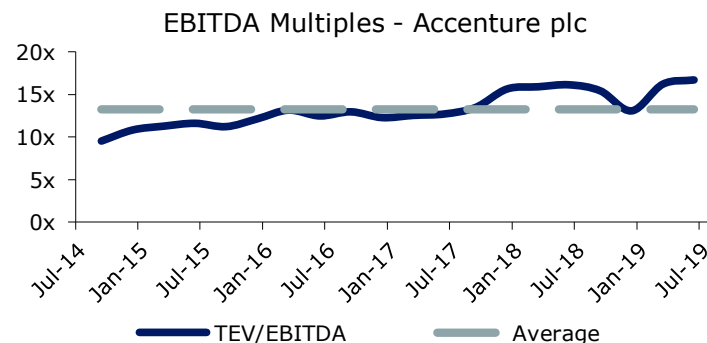
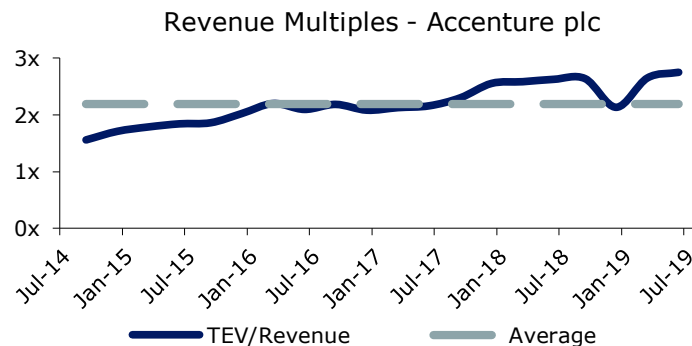
Public Basket



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
7/2/19	Accenture, Cisco and Quest Alliance Team to Skill Youth for the Digital Economy
6/30/19	Accenture plc (NYSE:ACN) completed the acquisition of BCT Solutions Pty Ltd.
6/27/19	Accenture and Mujin Collaborate to Help Clients Accelerate Digital Transformation in the Logistics Industry
6/26/19	Accenture plc Collaborates with JPMorgan Chase to Create Branch
6/25/19	Accenture plc (NYSE:ACN) entered into an agreement to acquire BCT Solutions Pty Ltd.



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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