



Sectorwatch: Management Consulting

January 2020

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.



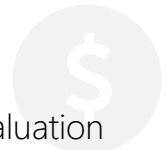
Public Basket Performance

- 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

↑3.9%

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

↑1.2%

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

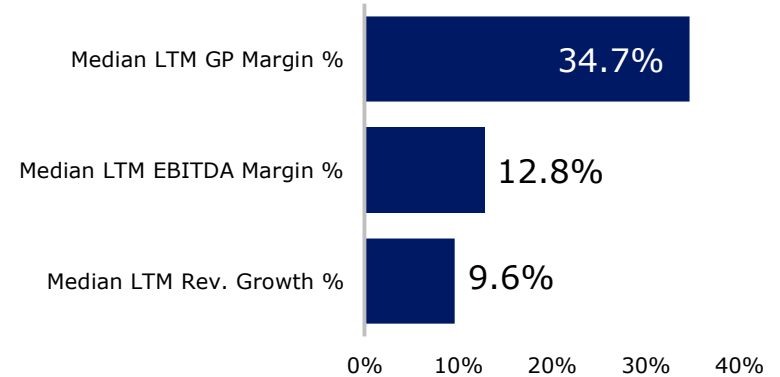
Profitability Momentum

↑1.6%

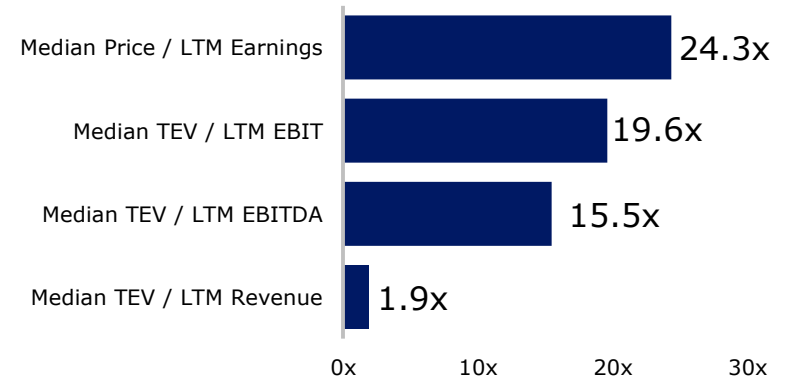
1 - year EBITDA % compared to EBITDA % average for last 3 years

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

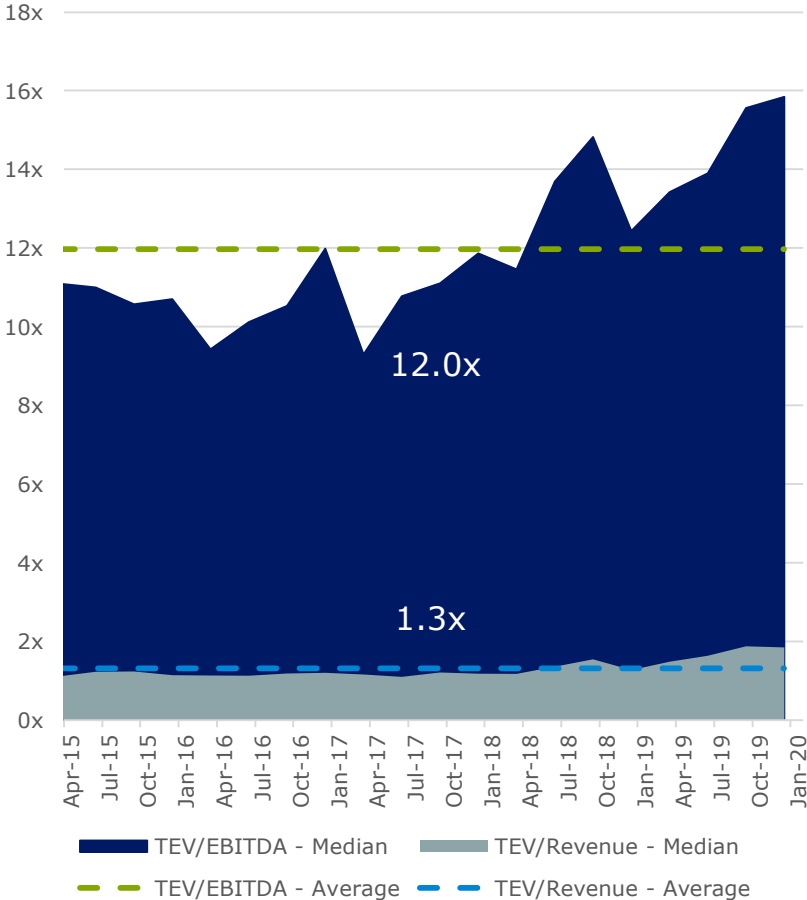


Company	TEV \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
The Hackett Group, Inc.	481	259	0%	38%	16%	1.9	11.9	1,165	222
CRA International, Inc.	590	441	9%	30%	9%	1.3	14.1	687	642
Huron Consulting Group Inc.	1,778	850	10%	35%	13%	2.1	16.3	3,269	260
ICF International, Inc.	2,065	1,460	14%	36%	9%	1.4	15.5	7,000	209
FTI Consulting, Inc.	4,553	2,255	13%	35%	15%	2.0	13.6	4,768	473
Booz Allen Hamilton Holding Corporation	12,570	7,088	11%	24%	10%	1.8	17.5	26,100	272
Accenture plc	129,161	43,968	5%	31%	16%	2.9	18.3	492,000	89

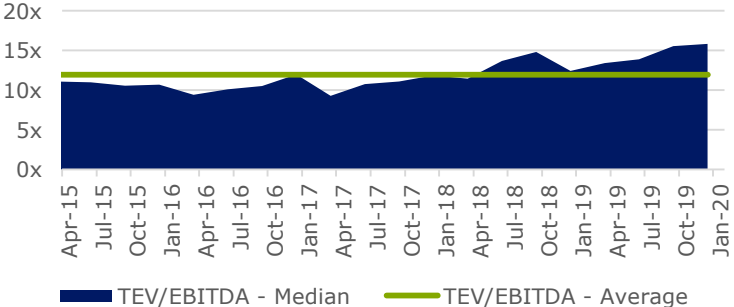
Average	21,600	8,046	9%	33%	13%	1.9	15.3	76,427	309
Median	2,065	1,460	10%	35%	13%	1.9	15.5	4,768	260

share price as of 28Jan20

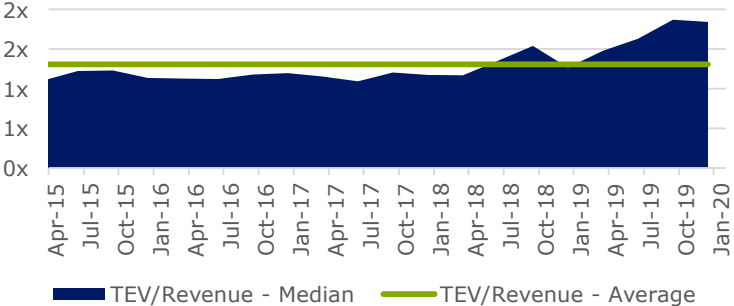
Public Basket Valuation Trends



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



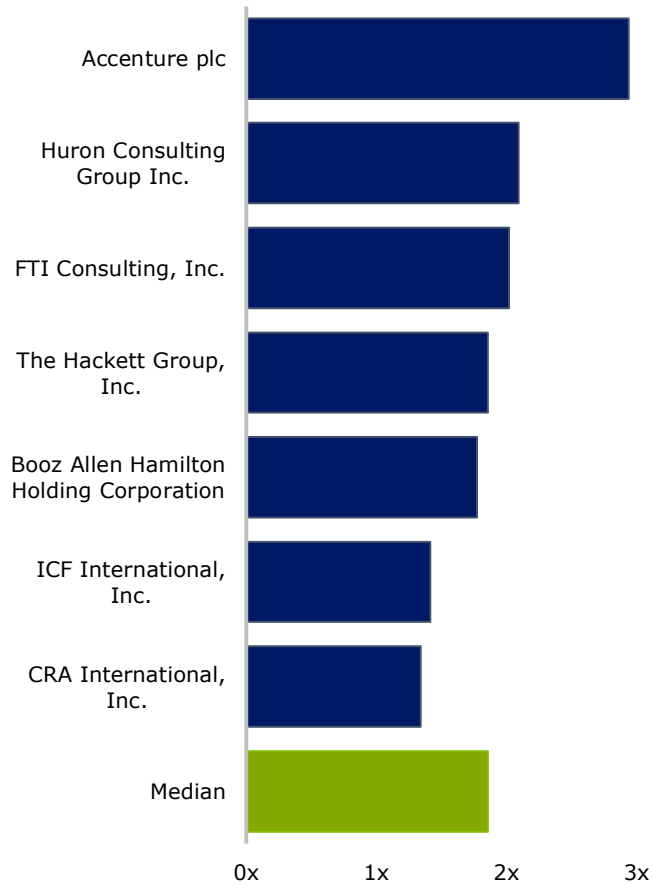
Average Days Sales Outstanding



Valuation



TEV / LTM Revenue



TEV / LTM EBITDA



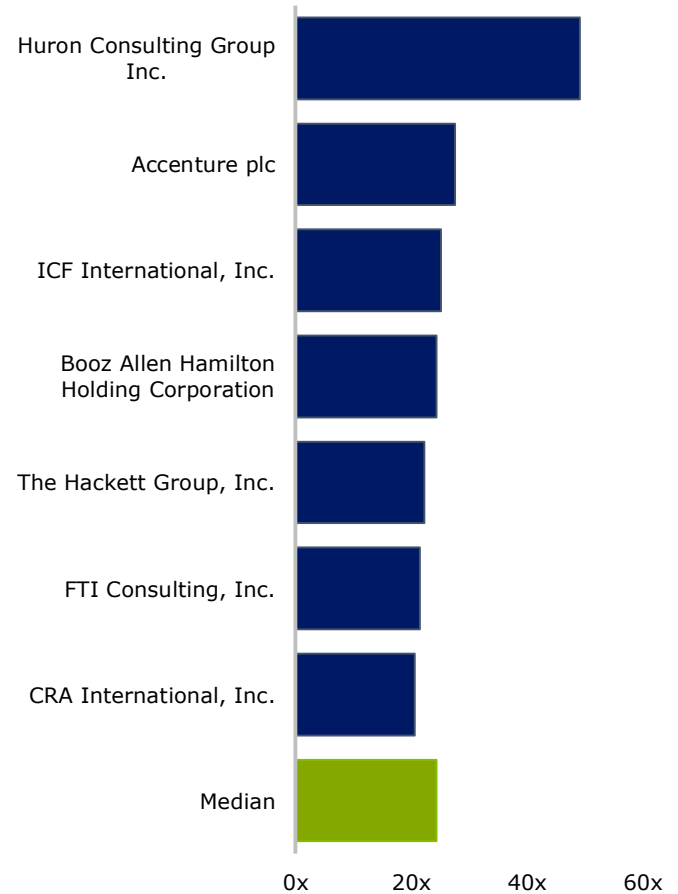
Valuation



TEV / LTM EBIT



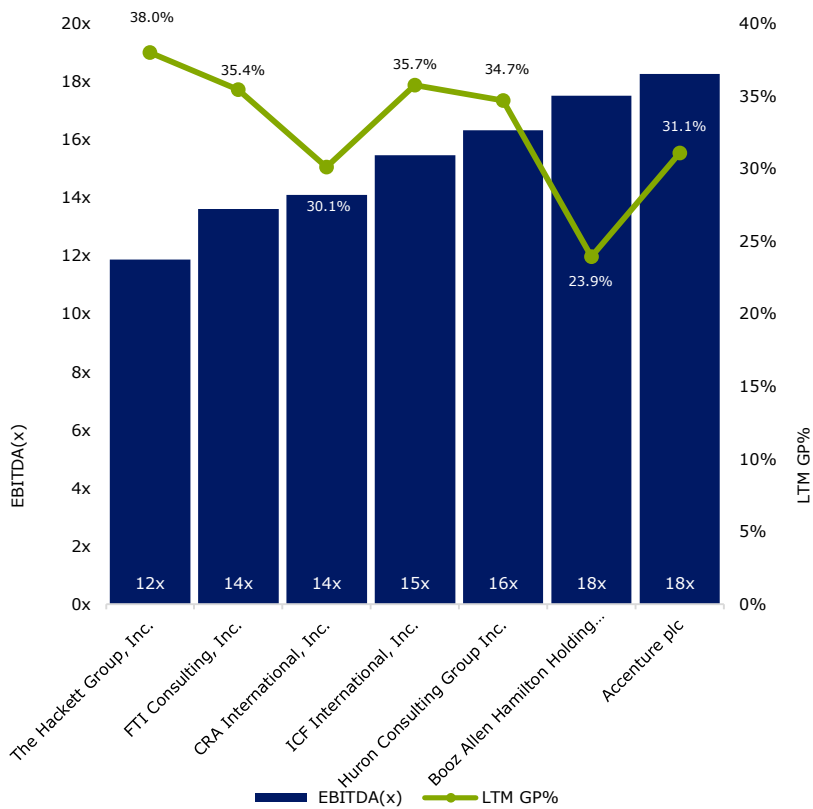
Price / LTM Earnings



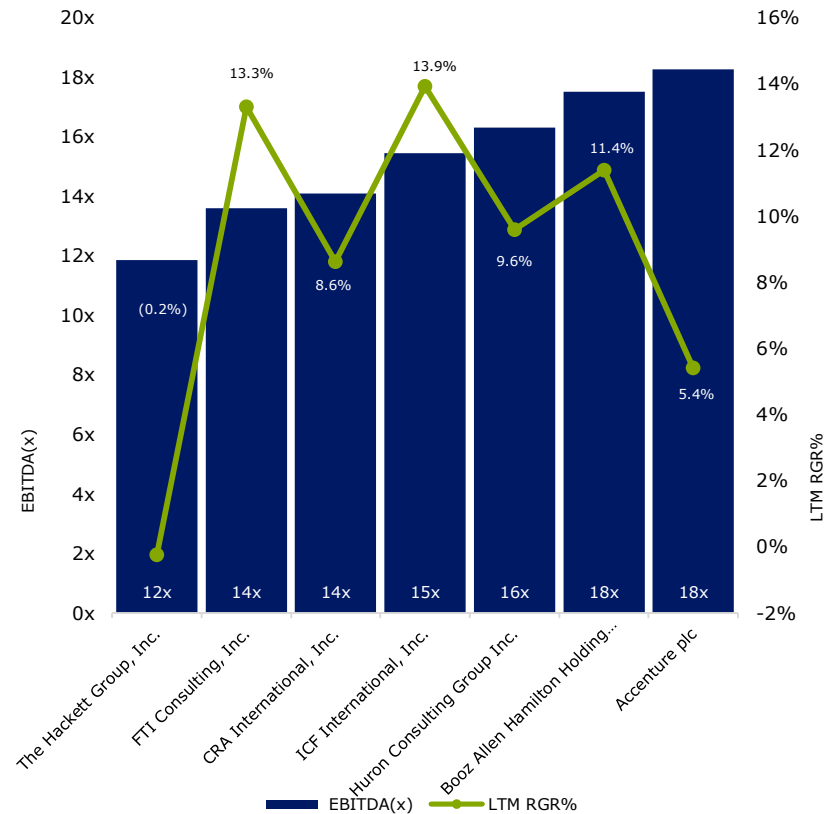
Valuation



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
22Jan20	Duff & Phelps Corporation	Stone Point Capital LLC; Further Global Capital Management, L.P.	4,200.00	-	-	-
20Dec19	Conway MacKenzie, Inc.	Riveron Consulting, LP	-	-	-	-
18Dec19	Maven Wave Partners LLC	Atos SE	-	-	-	-
18Dec19	Net eSolutions Corporation	NTT DATA Services, LLC	-	-	-	-
17Dec19	Purple Square Management Partners B.V.	Ctac N.V.	-	5.58	-	-
2Dec19	Apis Group Pty Ltd	Accenture plc	-	-	-	-
11Nov19	Presence of IT, Inc.	Workforce Insight, LLC	-	-	-	-
31Oct19	Bow & Arrow Limited	Accenture Interactive	-	-	-	-
29Oct19	Shanghai Dingqun Enterprise Management Consulting Co., Ltd.	Sinopharm Holding GuoDa Drug Store Co., Ltd.	132.22	-	-	-
23Oct19	Revel Consulting, Inc.	Infogain Corporation	-	-	-	-
20Oct19	Anthony Hodges Consulting Limited	Arthur J. Gallagher & Co.	-	-	-	-
18Sep19	Hangzhou Yihui Business Consulting Co., Ltd.	Shanghai Xuxiao Enterprise Management Co., Ltd.	40.83	-	-	-
3Sep19	Westney Consulting Group, Inc.	McKinsey & Company, Inc.	-	-	-	-
25Jul19	PowerData Solutions SL	Devoteam SA	-	2.19	-	-
22Jul19	Frank & Company, p.c.	Prager Metis CPAs, LLC	-	-	-	-
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	44.50	-	-	-
24Jun19	Altran Technologies S.A.	Capgemini SE	6,355.10	3,490.68	1.7x	14.1x
5Jun19	Torres Advanced Enterprise Solutions, LLC	Bootstrap Capital, LLC	-	-	-	-
3Jun19	Oxygy Management Consulting	SPV Baseline Ltd.	-	-	-	-
30May19	Profectus, LLC	Excel Search Group, LLC	-	-	-	-
29May19	BusinessForward, Inc.	Acorio LLC	-	-	-	-
1May19	Credeire Group, LLC	Eliassen Group, LLC	-	-	-	-
9Apr19	KSM Consulting, LLC	Renovus Capital Partners	-	-	-	-
3Apr19	Global Tech Inc.	Tetra Tech, Inc.	49.70	-	-	-
22Mar19	Hangzhou Yihui Business Consulting Co., Ltd.	Shanghai Xuxiao Enterprise Management Co., Ltd.	53.40	-	-	-
14Mar19	Ferrier Hodgson Group	KPMG Australia	-	-	-	-

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APPENDIX:
Public Basket
Constituents

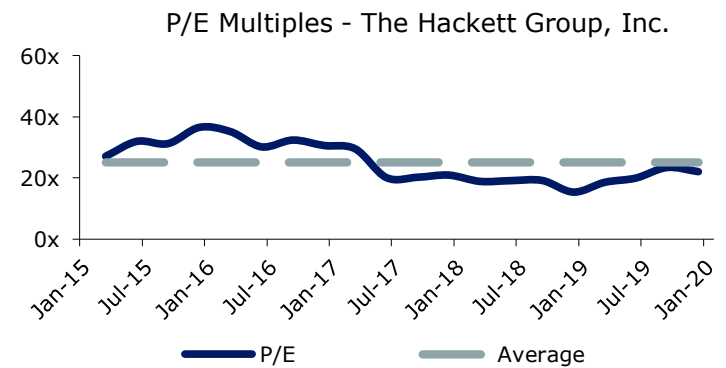
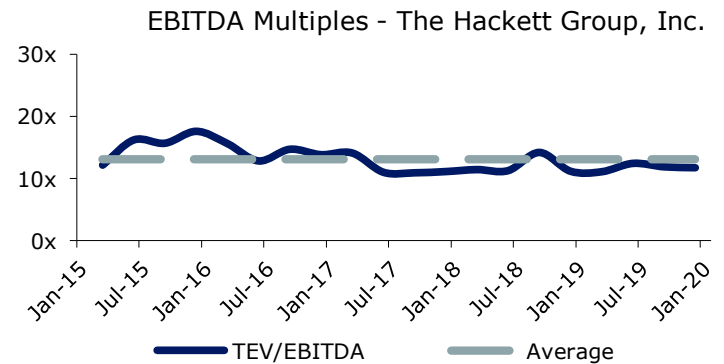
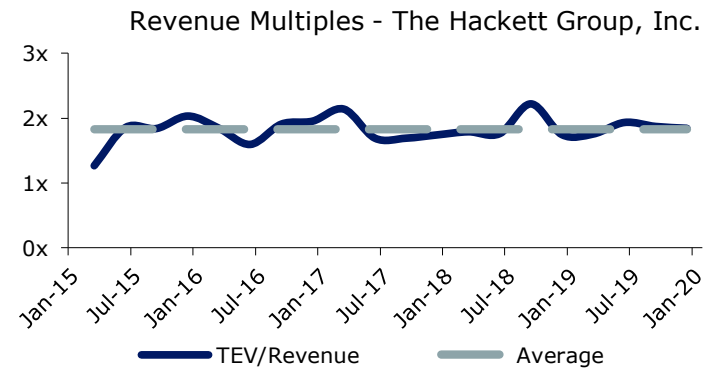
Public Basket



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

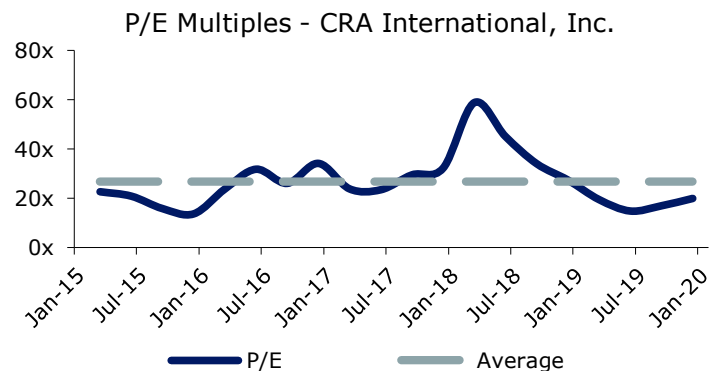
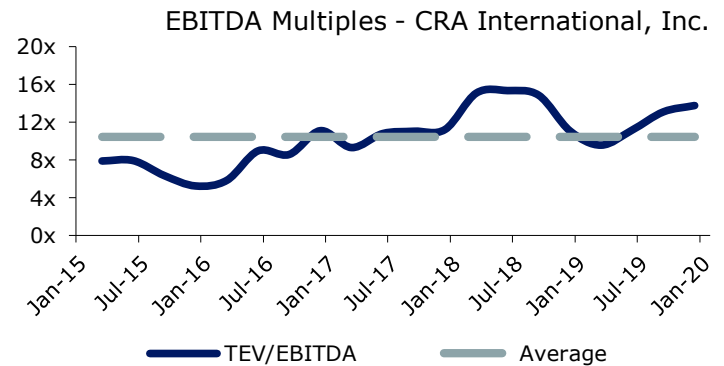
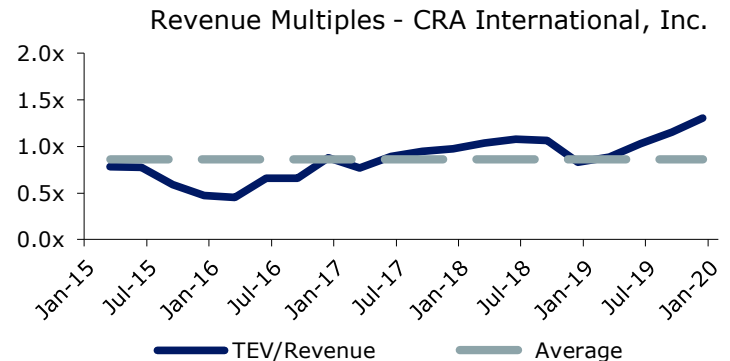


Public Basket



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.



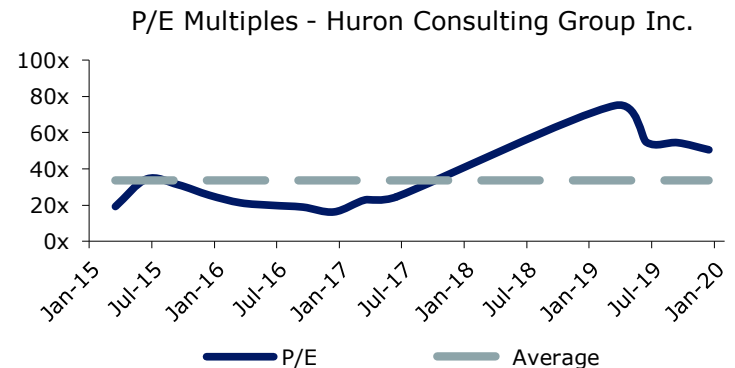
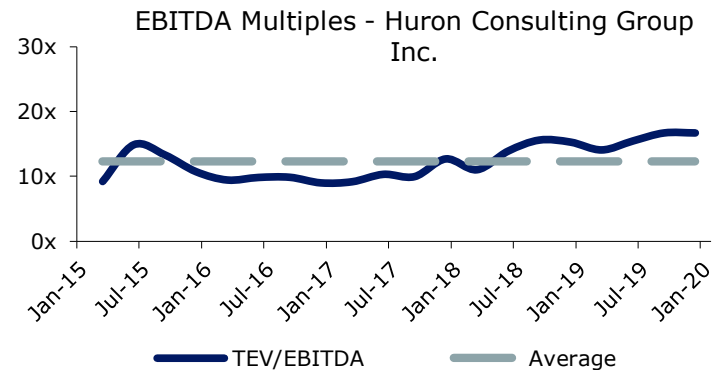
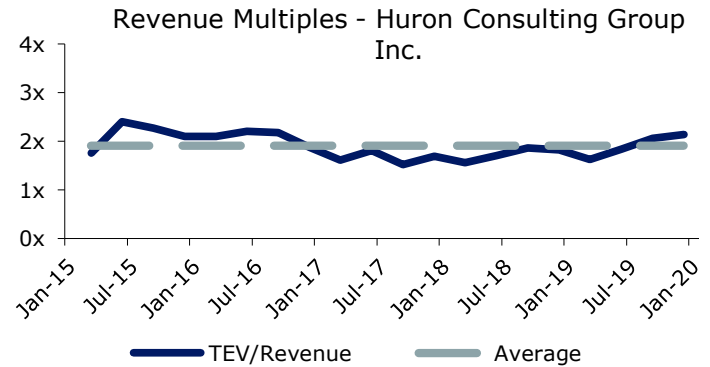
Public Basket



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
10/29/19	Huron Announces Partnership with Medically Home Group, Inc



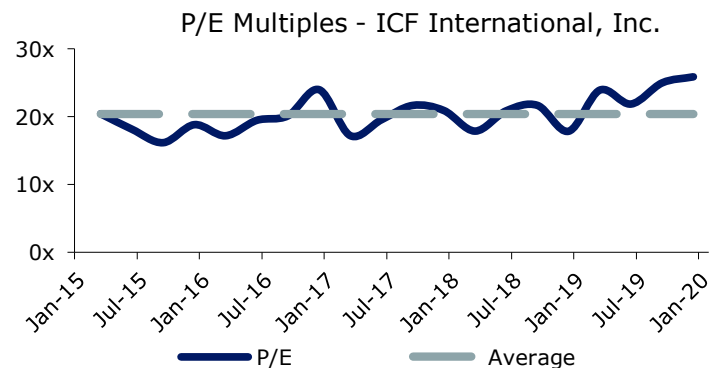
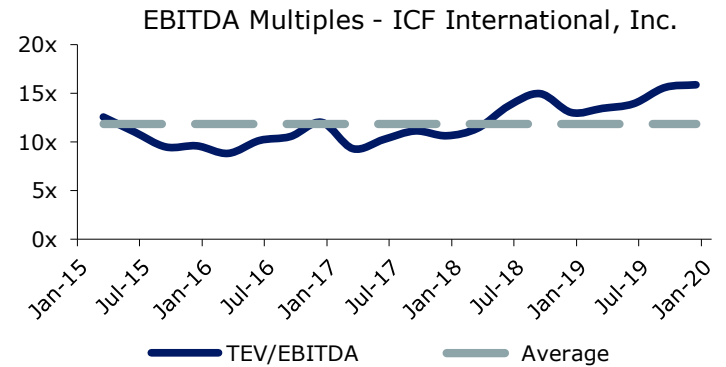
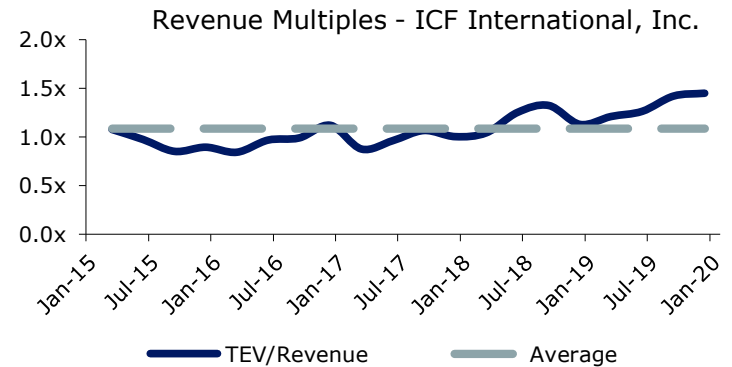
Public Basket



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
1/13/20	ICF International, Inc., Incentive Technology Group Llc - M&A Call
2/26/19	ICF To Seek Acquisitions



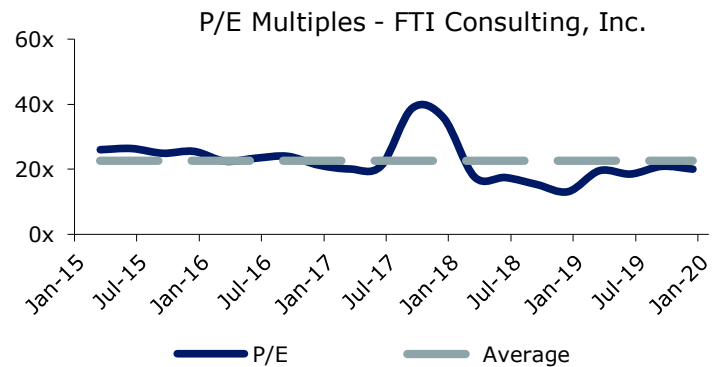
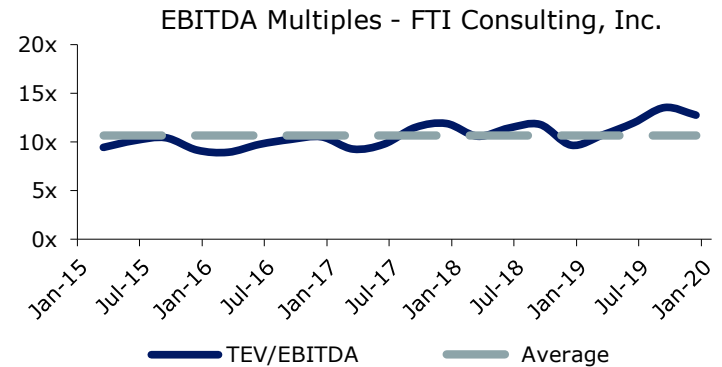
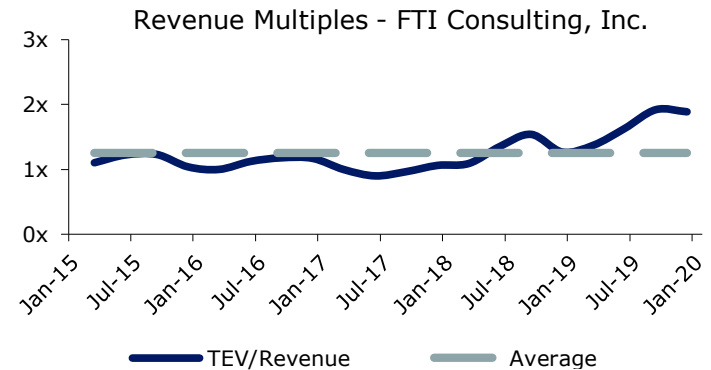
Public Basket



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
8/7/19	FTI Consulting, Inc. (NYSE:FCN) completed the acquisition of Andersch AG Wirtschaftsprüfungsgesellschaft.
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

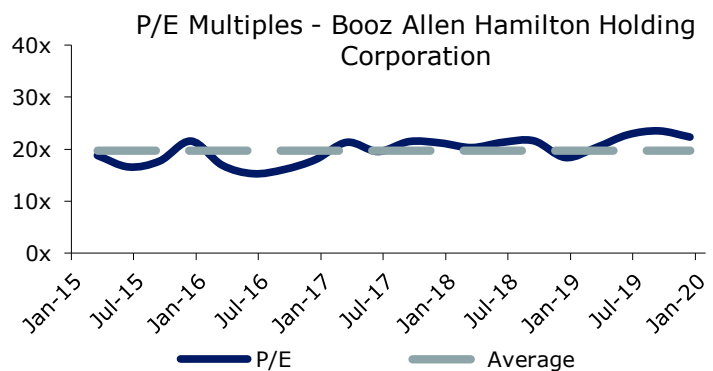
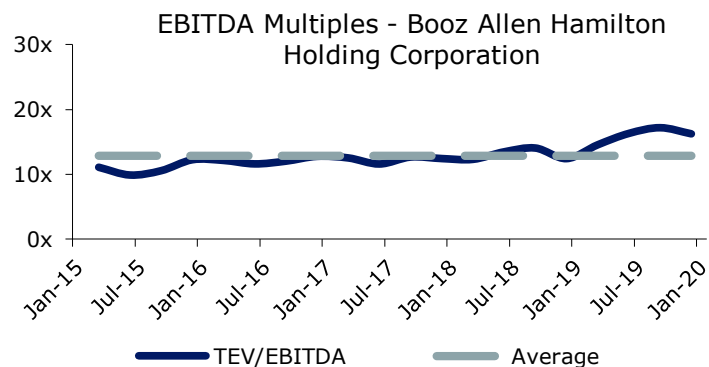
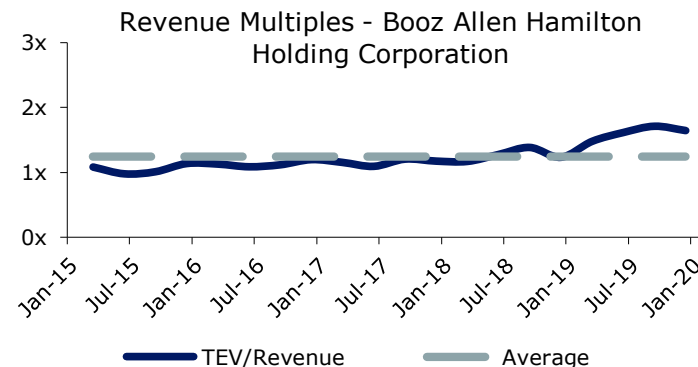


Public Basket



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.



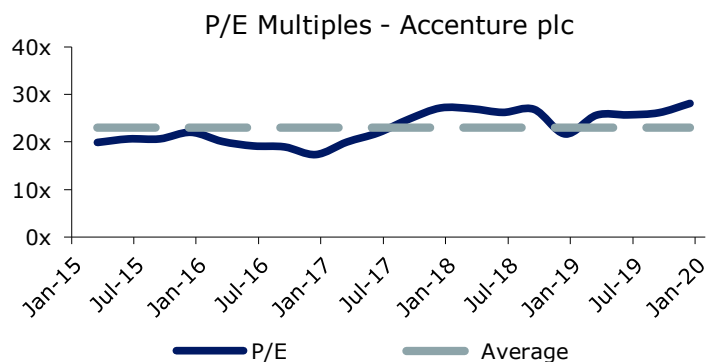
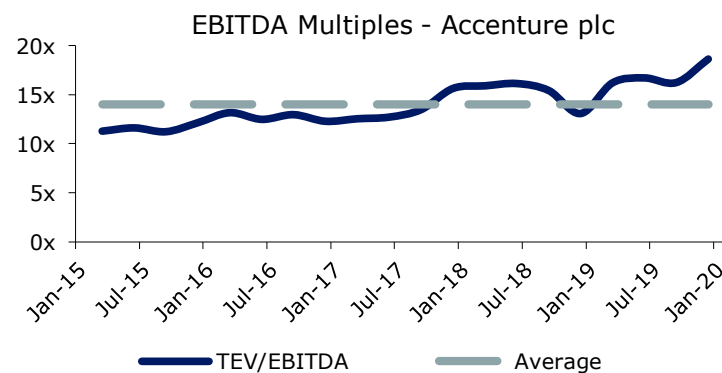
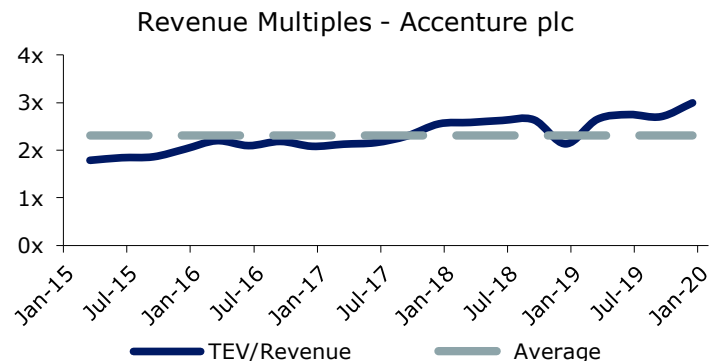
Public Basket



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
1/14/20	Accenture plc (NYSE:ACN) completed the acquisition of Clarity Insights from Riordan, Lewis & Haden, Inc.
1/6/20	Accenture plc (NYSE:ACN) agreed to acquire Symantec Cyber Security Services Business from Broadcom Inc. (NasdaqGS:AVGO).
1/6/20	Accenture plc (NYSE:ACN) entered into an agreement to acquire maihiro GmbH.
12/18/19	Accenture plc (NYSE:ACN) completed the acquisition of Silveo SAS.
12/17/19	Accenture Forms Strategic Alliance with TradeIX to Help Digitize Global Trade



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.

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
Mark Landry, Managing Director	561.972.0609	mark@7mileadvisors.com
Ben Lunka, Managing Director	704.496.2995	ben@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
Kristina Sergueeva, Director	704.899.5149	kristina@7mileadvisors.com
Ben Garber, Vice President	412.626.7898	ben.garber@7mileadvisors.com
Nicholas Prendergast, Vice President	704.973.3995	nicholas@7mileadvisors.com
Ariail Barker, Director, Sales & Marketing	704.981.2908	ariail@7mileadvisors.com
Emily Halstenberg, Marketing & Sales Coordinator	704.409.9912	emily@7mileadvisors.com
Marty Johnson, Senior Associate	704.973.3999	marty@7mileadvisors.com
Sydney Scadden, Senior Associate	704.973.3998	sydney@7mileadvisors.com
Garth Martin, Senior Associate	704.973.3997	garth.martin@7mileadvisors.com
Steve Buffington, Associate	704.960.1828	steve@7mileadvisors.com
Dennis Fox, Associate	704.706.9168	dennis@7mileadvisors.com
Rory Julyan, Associate	704.981.2520	rory@7mileadvisors.com
Daniel Kim, Associate	704.912.4584	daniel@7mileadvisors.com
Olufunke Abass, Associate	704.285.8171	olufunke@7mileadvisors.com