

7 Mile Advisors



Sectorwatch: Management Consulting

July 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

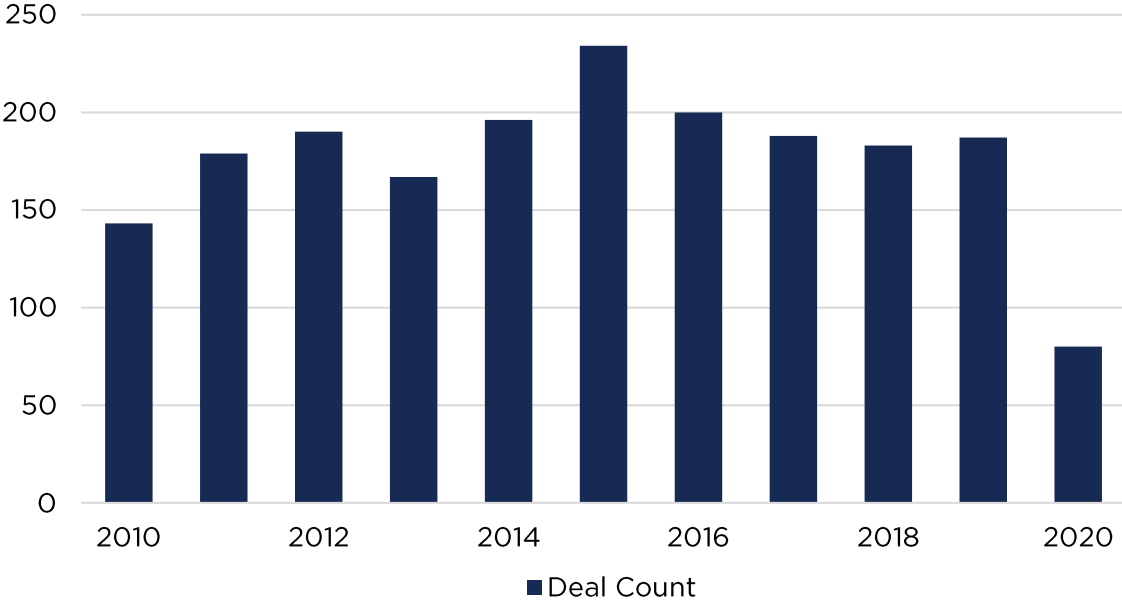
- The most recently announced deals in the sector

Dashboard

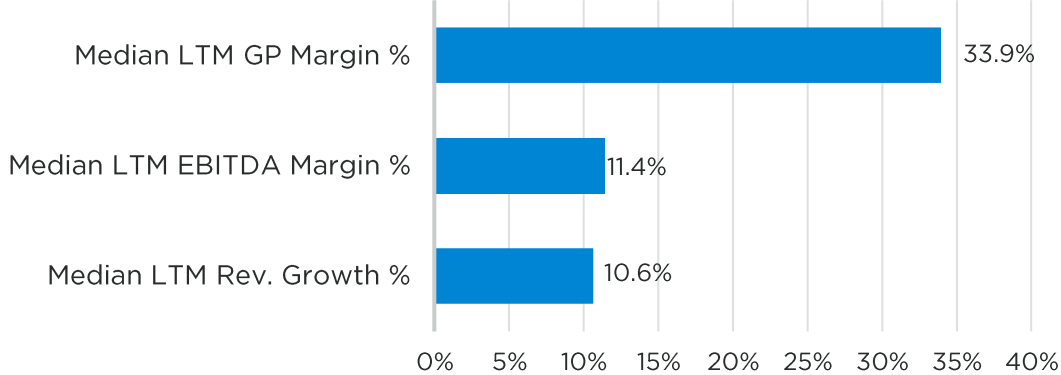
REVENUE GROWTH MOMENTUM ↑ 2.9%

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

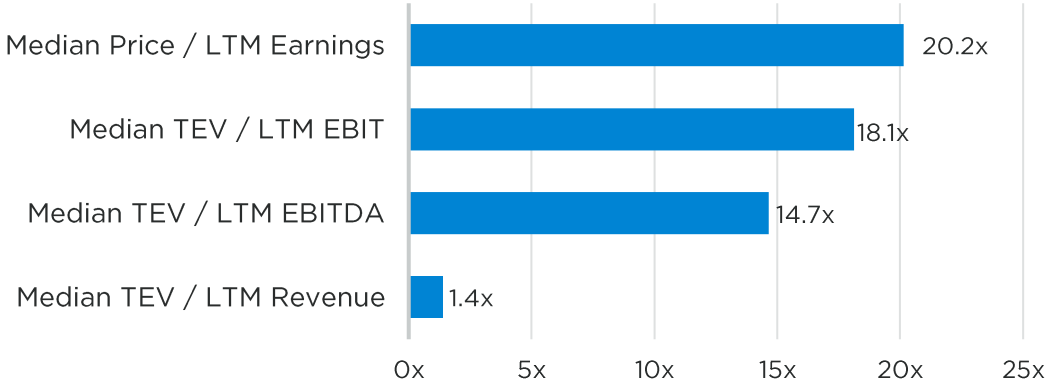
M&A Activity



Operating Metrics



Valuation



Public Basket Overview



Commercial Services



IT Services



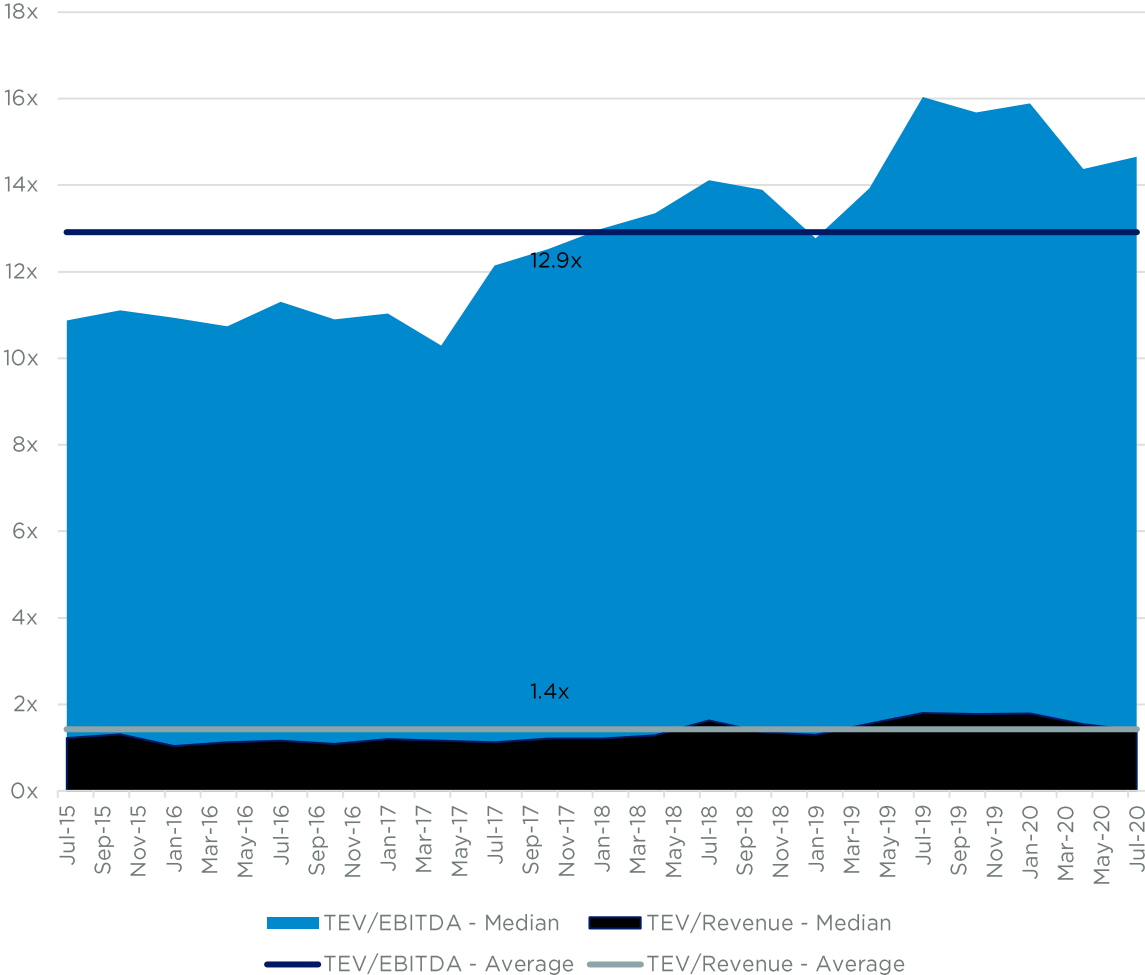
Public Basket

Company	TEV \$m	LTM EBITDA \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
The Hackett Group	397	35	285	1.0%	33.9%	12.2%	1.4x	11.4x	1,143	249
Charles River Associates	506	54	472	11.2%	29.0%	11.4%	1.1x	9.4x	799	590
Huron Consulting Group	1,358	41	984	10.6%	30.6%	4.2%	1.4x	34.7x	3,750	262
ICF International	1,835	125	1,496	8.6%	35.3%	8.4%	1.2x	14.7x	7,000	214
FTI Consulting	4,351	328	2,406	15.6%	34.0%	13.6%	1.8x	13.3x	5,743	419
Booz Allen	12,141	751	7,464	11.3%	54.7%	10.1%	1.6x	16.2x	27,200	274
Accenture	139,085	8,016	44,547	4.4%	31.4%	18.0%	3.1x	17.4x	513,000	87

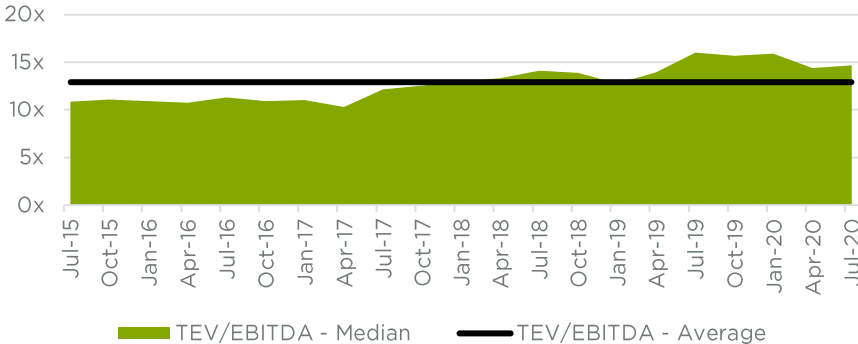
Average	22,811	1,336	8,236	9.0%	35.5%	11.1%	1.7x	16.7x	79,805	299
Median	1,835	125	1,496	10.6%	33.9%	11.4%	1.4x	14.7x	5,743	262

share price as of 28Jul20

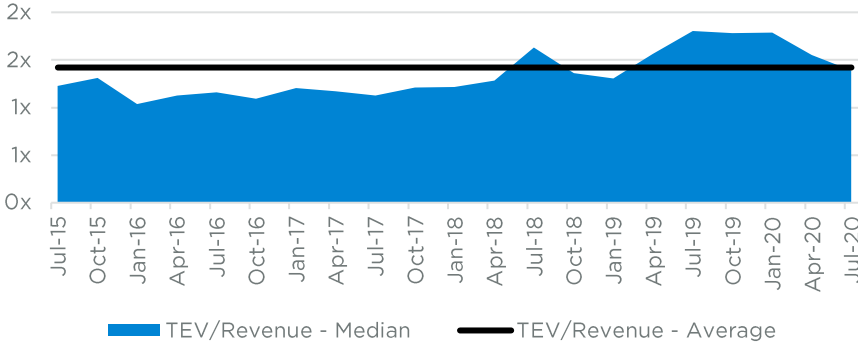
Public Basket



Public EBITDA Multiples over Time

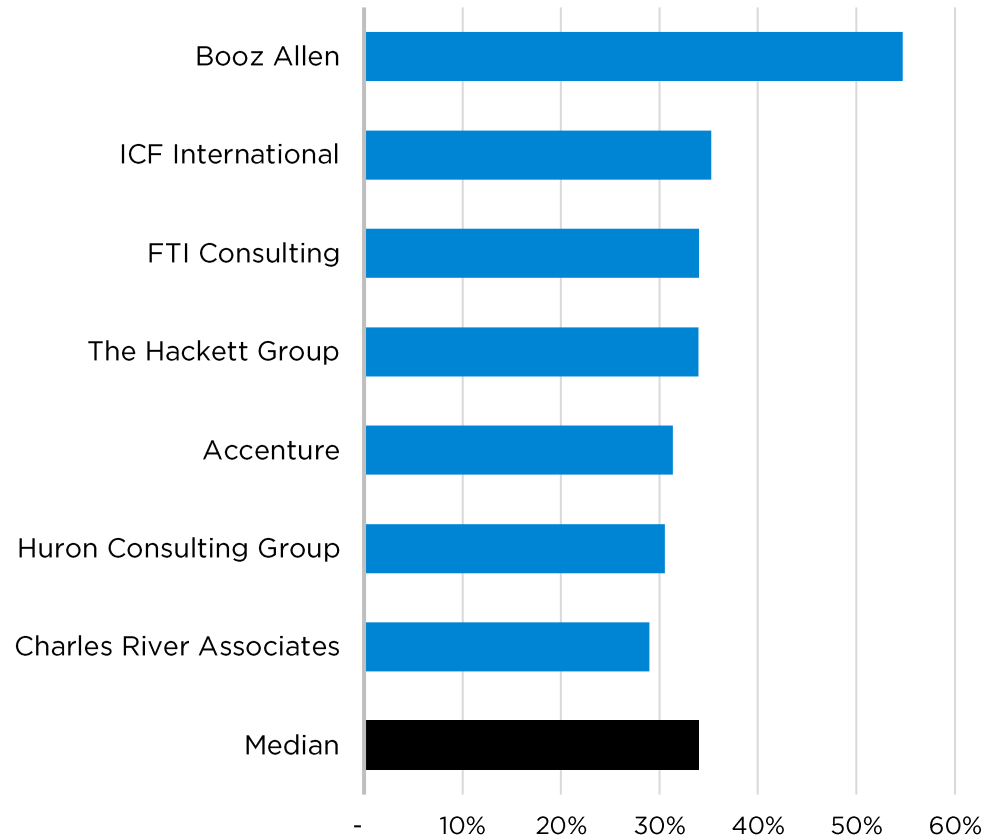


Public Revenue Multiples over Time

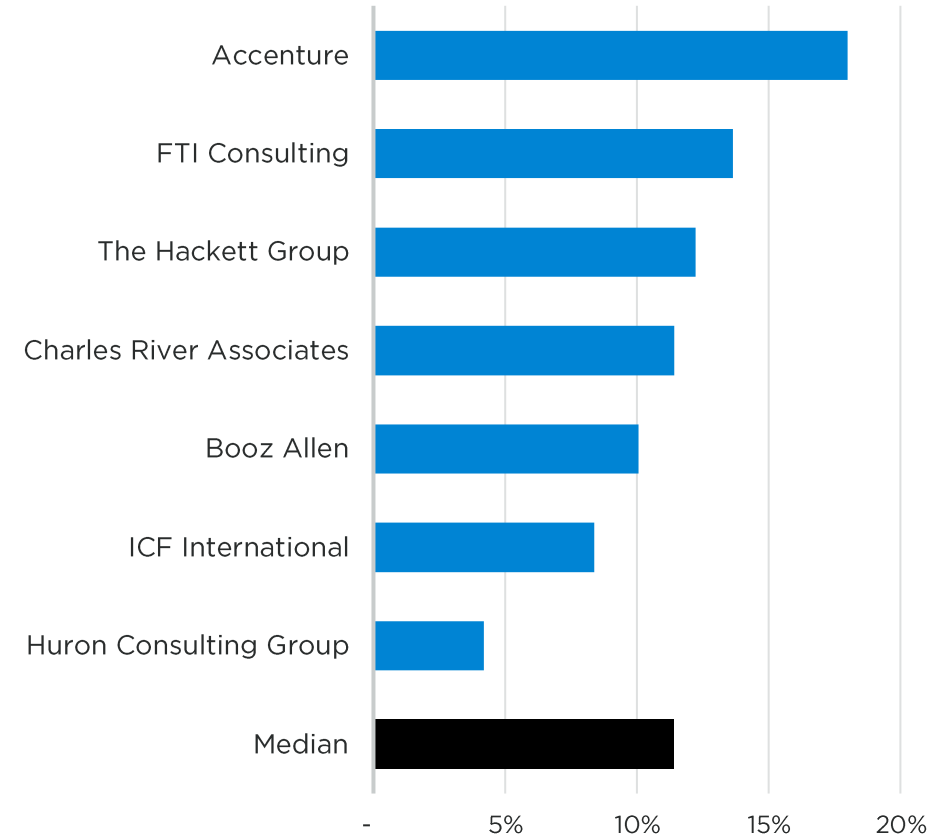


Operational Metrics

LTM Gross Profit Margin %

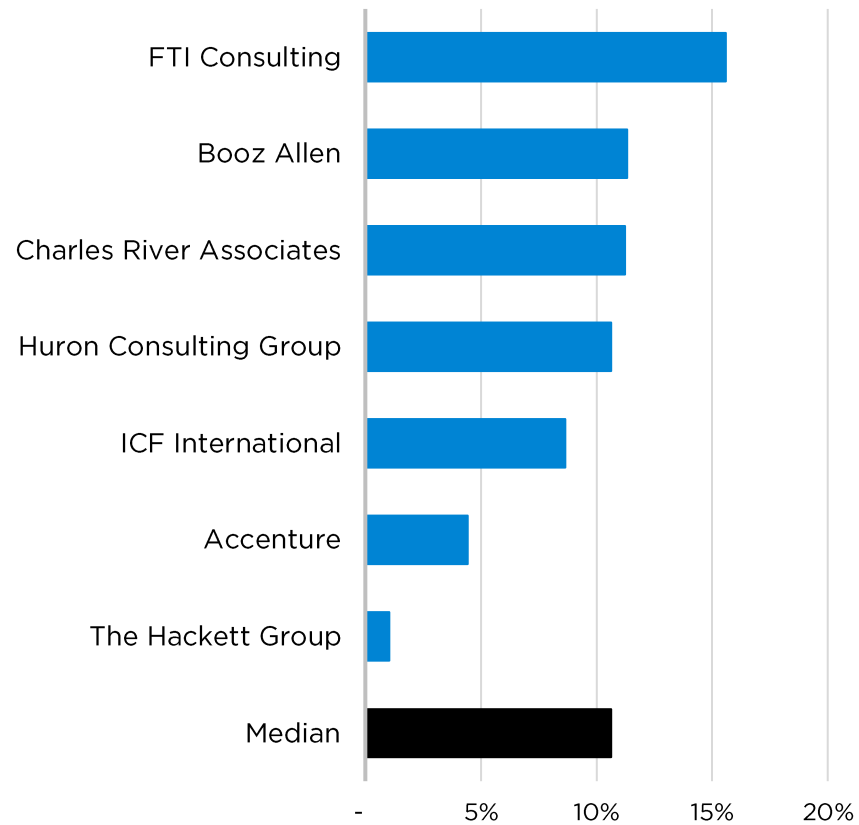


LTM EBITDA %

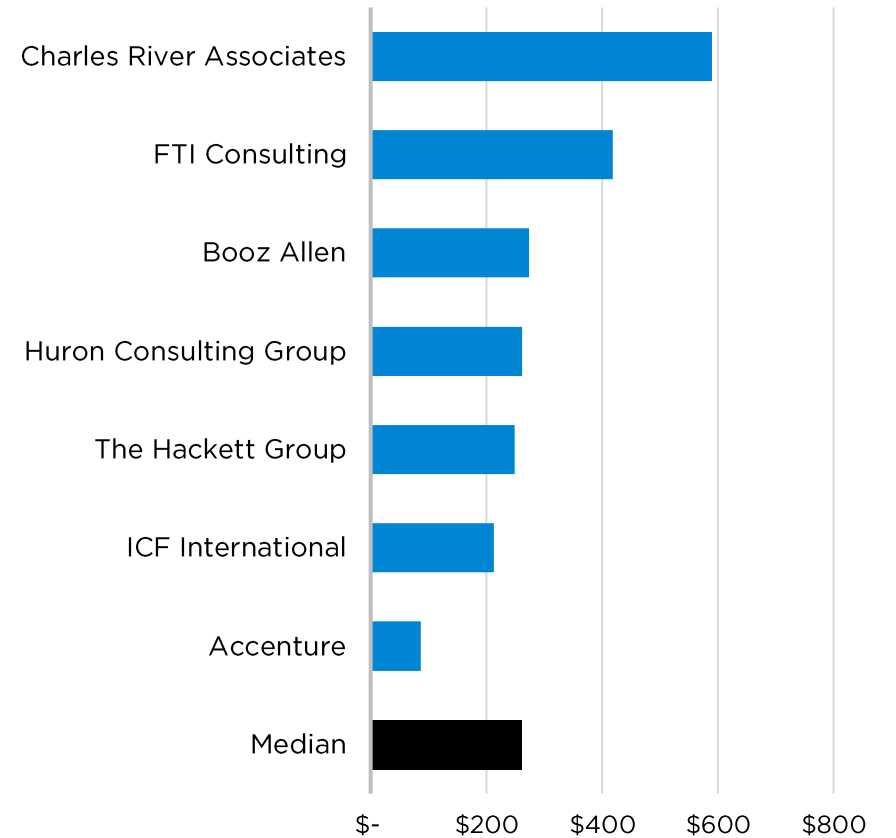


Operational Metrics

LTM Revenue Growth %

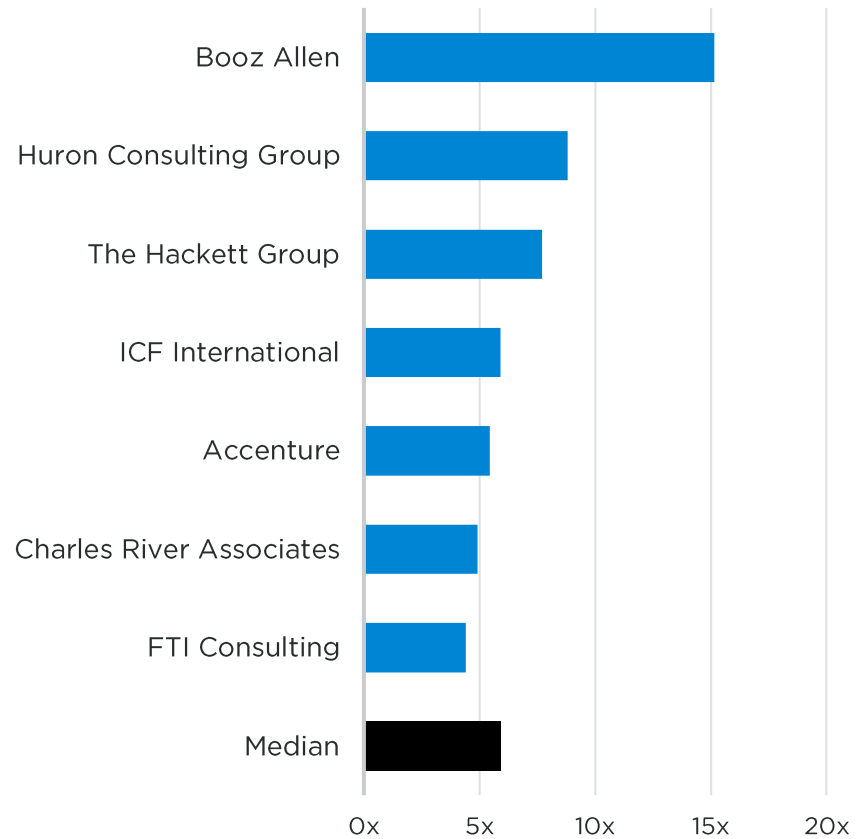


LTM Revenue per Full Time Employee x 000's

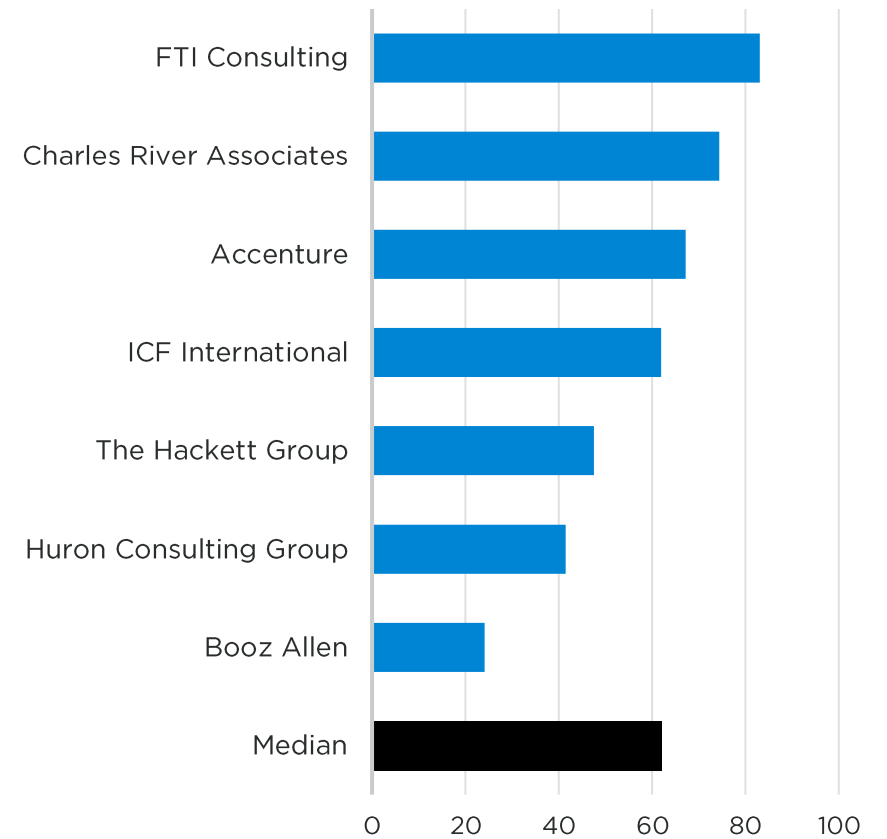


Operational Metrics

Accounts Receivable Turnover

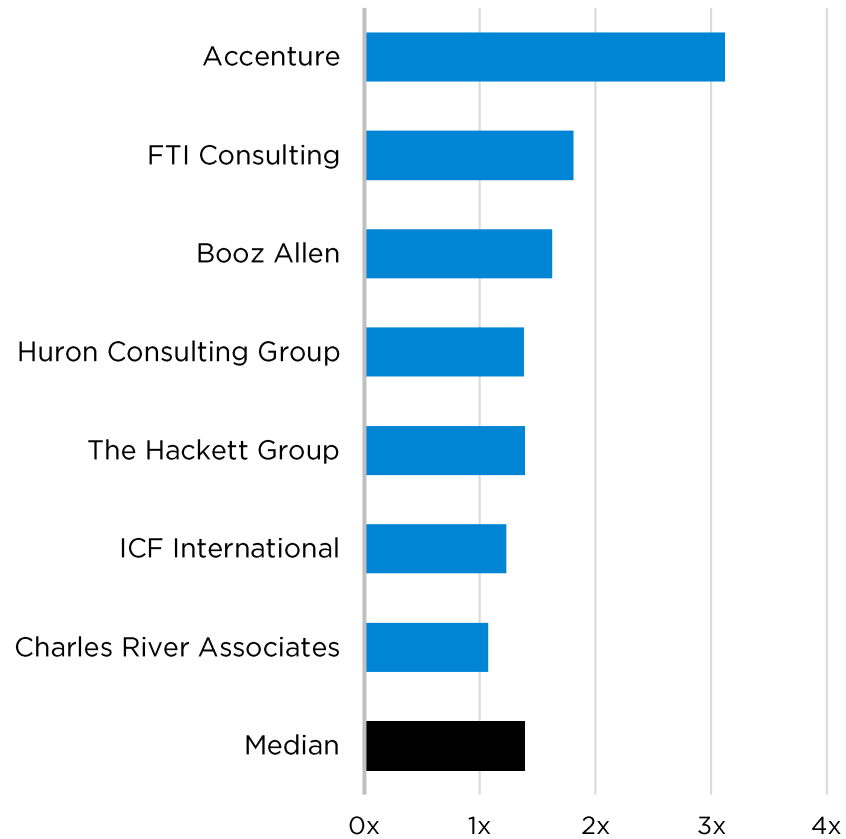


Average Days Sales Outstanding

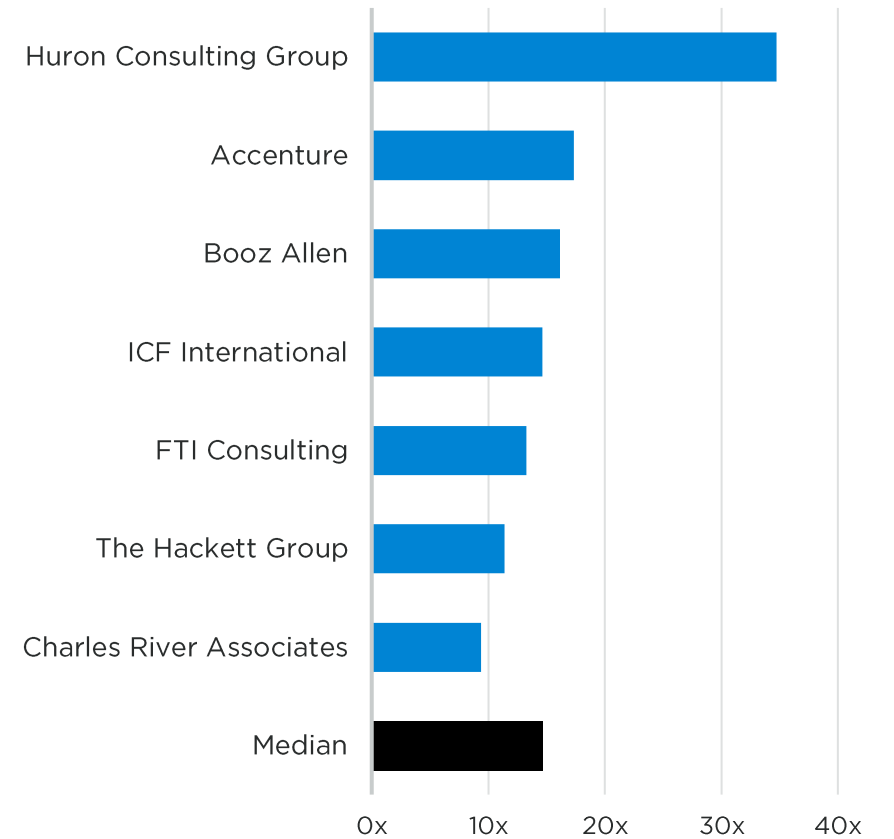


Valuation

TEV / LTM Revenue

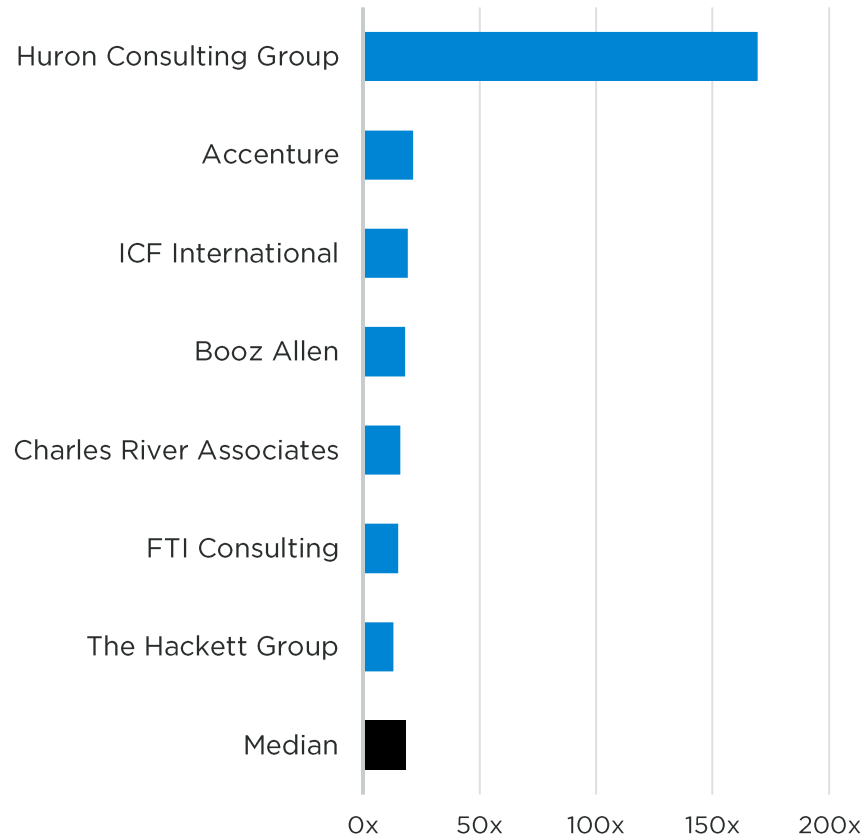


TEV / LTM EBITDA

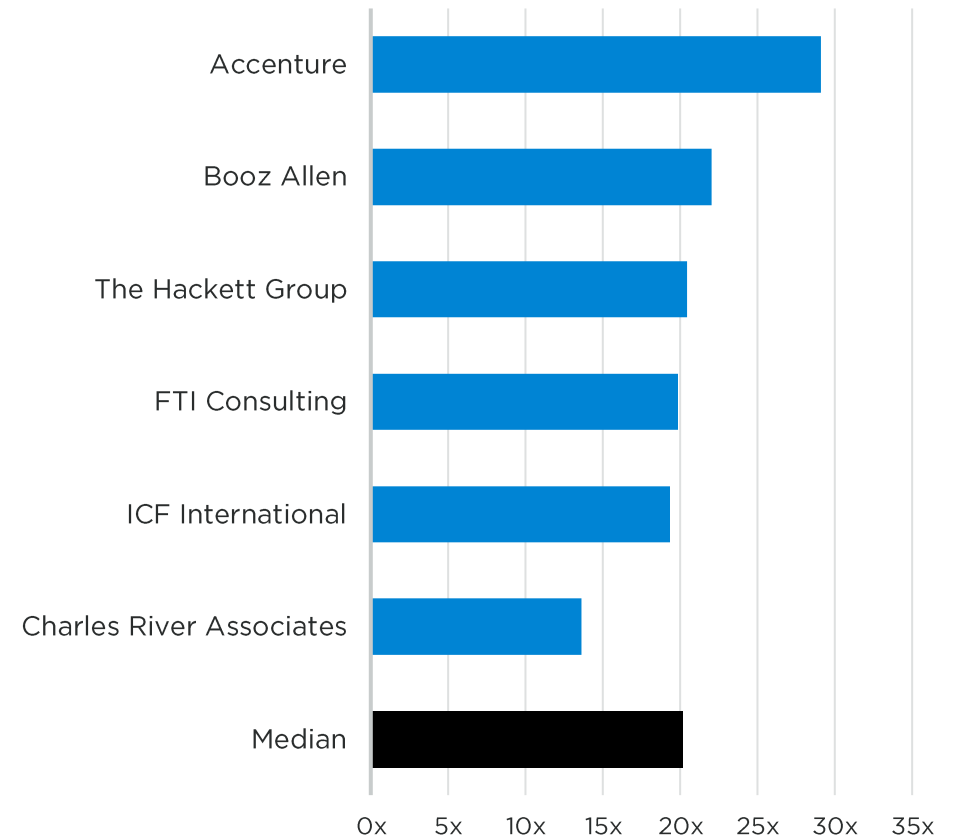


Valuation

TEV / LTM EBIT

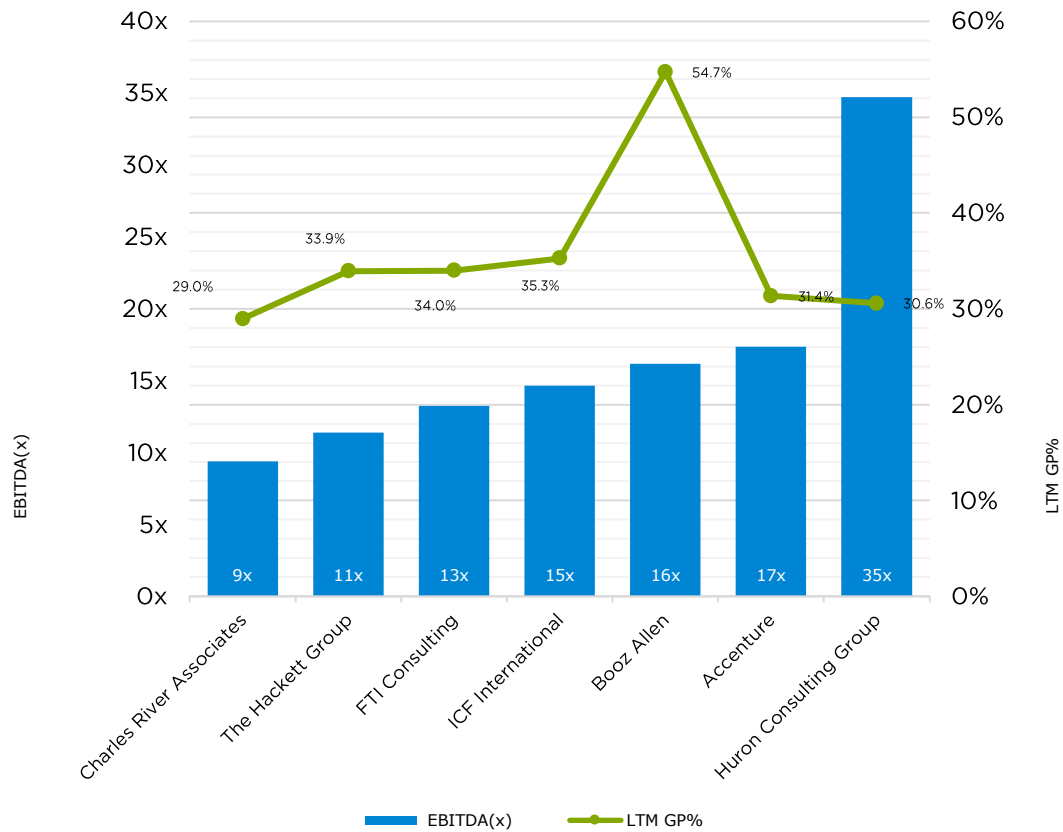


Price / LTM Earnings

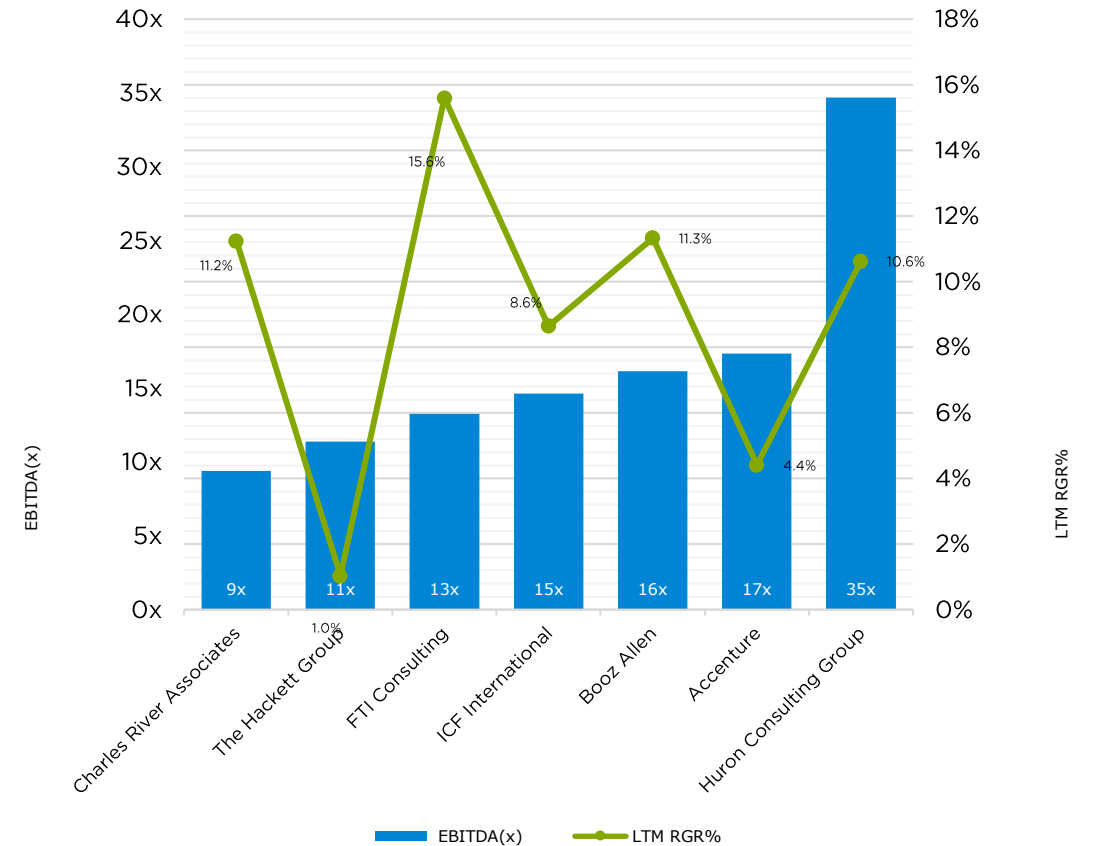


Valuation

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
28-Jul-20	Clear Capital Advisors	American Discovery Capital	-	-	-	-
17-Jul-20	Univert Retail	Intys Partners	-	-	-	-
14-Jul-20	WilliamsMarston	Align Capital Partners	-	-	-	-
13-Jul-20	Chaucer Group	Altamir	67.52	-	-	-
13-Jul-20	PlanB Consultancy	Audax Group	-	-	-	-
07-Jul-20	Dynamic Workforce Solutions	Jackson Partners	-	-	-	-
03-Jul-20	Pathfinder Execution	Sia Partners	-	-	-	-
01-Jul-20	Berkeley Research Group	-	25.67	-	-	-
29-Jun-20	Atzelberg	Plenum	-	-	-	-
23-Jun-20	Alderney Advisors	GlassRatner Advisory & Capital Group	-	-	-	-
22-Jun-20	Moore Fleming	NMS Consulting	-	-	-	-
08-Jun-20	DecisionPoint Selling	Overground Cloud Services	-	-	-	-
02-Jun-20	Mmy Consulting	global commerce & information	-	-	-	-
01-Jun-20	CampbellWilson	BKD CPAs & Advisors	-	-	-	-
06-May-20	Kates Kesler Organization Consulting	Accenture	-	-	-	-
30-Apr-20	Expleo Group Management Consulting Austria	Syncier	-	-	-	-
28-Apr-20	Avaluation Consulting	Assurance Software	-	-	-	-
23-Apr-20	Dyer Roche & Company	Rea & Associates	-	-	-	-
21-Apr-20	MGT of America Consulting	Trivest Partners	-	-	-	-
16-Apr-20	Ocean Tomo	Bow River Capital Partners	-	-	-	-
15-Apr-20	AOC Key Solutions	-	-	-	-	-
02-Apr-20	SitusAMC	Public Sector Pension Investment Board	-	-	-	-
19-Mar-20	Barraclough & Associates	Carr, Riggs & Ingram	-	-	-	-
11-Mar-20	Reaas	Yard Group	-	-	-	-
11-Mar-20	Talavant	Baker Tilly Virchow Krause	-	-	-	-
06-Mar-20	Lighthouse Lab Services	Elite Diagnostics (North Carolina)	-	-	-	-
06-Mar-20	Northeast Dealer Consultants	Brown & Brown Insurance	-	-	-	-
28-Feb-20	Allolio&Konrad Partnerschaft Unternehmensberater	Analysys Mason	-	-	-	-
26-Feb-20	RWR Legal	Michael Best & Friedrich	-	-	-	-

Appendix

*Public Basket
Contact Information*



The Hackett Group

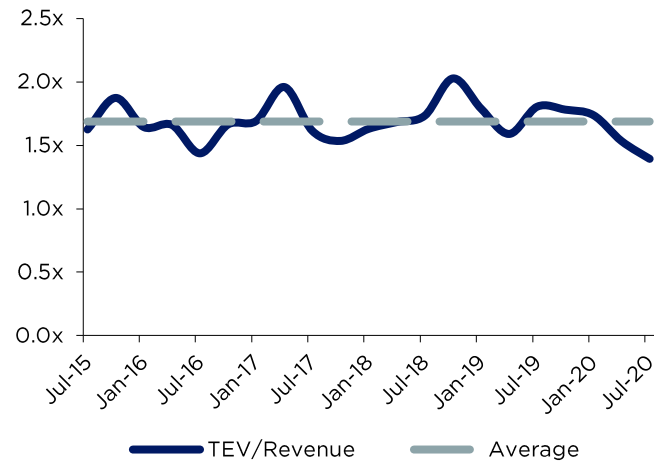
The Hackett Group Inc is a United States based advisory firm.

The company's offerings include executive advisory programs, benchmarking, business transformation, and technology advisory services. The company's executive and practices advisory programs offer performance metrics, peer-learning opportunities, and practice implementation practices. The benchmarking services help organizations measure and assess internal efficiency and effectiveness. The business transformation programs help customers develop strategies to improve performance. The company's technology advisory services help clients improve decision-making capabilities and deploy software applications. The Hackett Group generates the majority of its revenue in the United States.

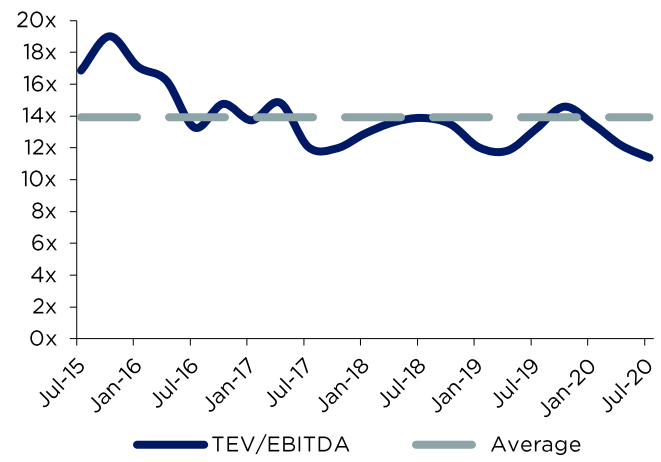
Public Basket

The Hackett Group

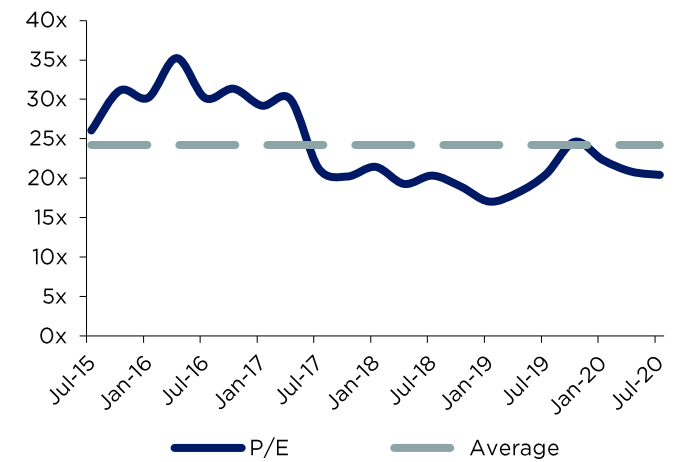
Revenue Multiples - The Hackett Group



EBITDA Multiples - The Hackett Group



P/E Multiples - The Hackett Group



Company Name

Date

Deal Synopsis

Jibe Consulting

01-May-17

The company was acquired by The Hackett Group (NAS: HCKT) for an undisclosed amount on May 1, 2017. The acquisition will enable the acquirer to expand its technology consulting services.

Aecus

06-Apr-17

The company was acquired by The Hackett Group (NASDAQ:HCKT) for an undisclosed amount on April 6, 2017. The acquisition strongly complements the global strategy and business transformation offerings of the Hackett Group.

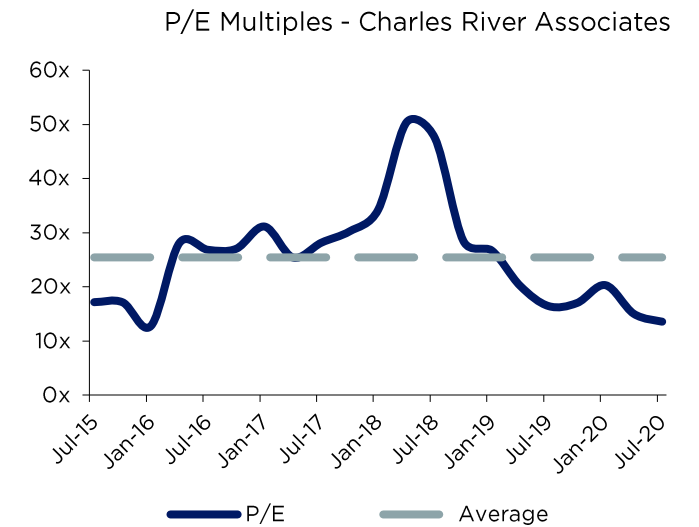
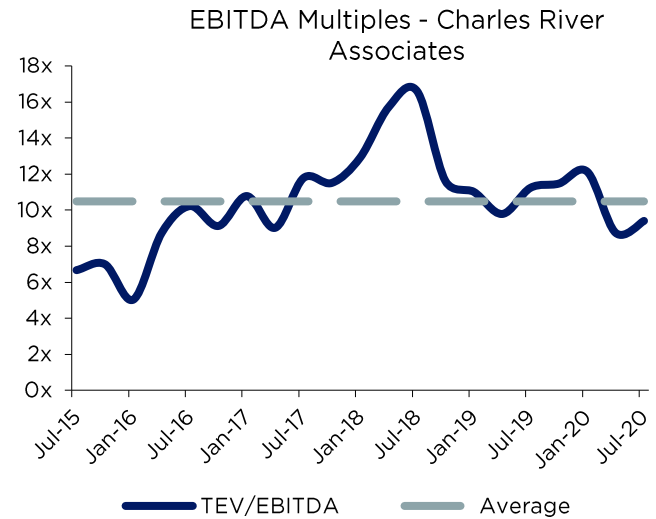
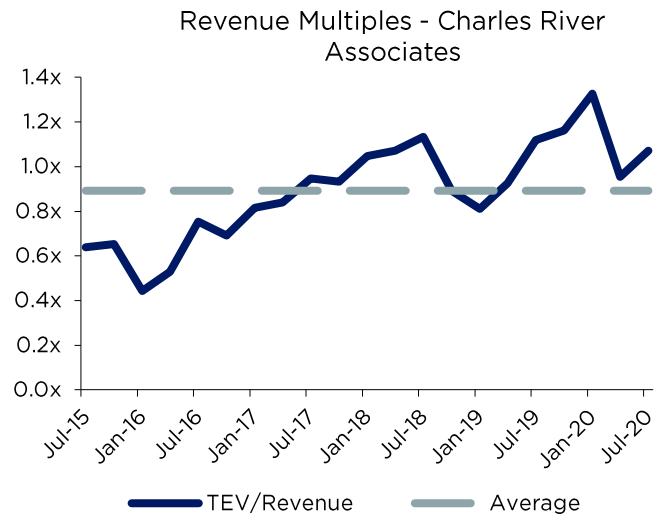
Charles River Associates

CRA International, Inc.

is a U.S.-based advisory firm that provides economic, financial, and management consultancy services. The company advises clients on economic and financial issues relating to litigation and regulatory proceedings, and helps businesses set important business strategies and solve performance-related issues. The company's clients include domestic and foreign companies, government agencies, public and private utilities, and national and international trade associations. In addition, CRA International owns a majority stake in NeuCo, a company that develops and markets neutral network software tools and related application consultancy services. CRA International generates almost all its revenue from the United States and United Kingdom.

Public Basket

Charles River Associates



Company Name	Date	Deal Synopsis
C1 Consulting	30-Jan-17	The company was acquired by CRA International (NASDAQ: CRAI) for \$16.2 million on January 30, 2017. This acquisition helps CRA International to enhance its capabilities in advanced analytics and market research as well as broaden its commercialization strategy offering, particularly relating to rare and orphan diseases.
Navigant Consulting (Economics Operations)	31-Jan-13	The Economics Practice Operations of Navigant Consulting was acquired by CRA International (NASDAQ: CRAI) for an undisclosed amount on January 31, 2013.

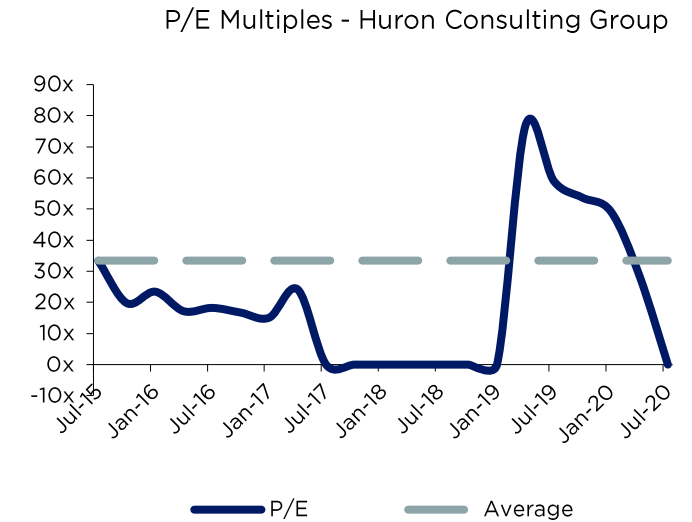
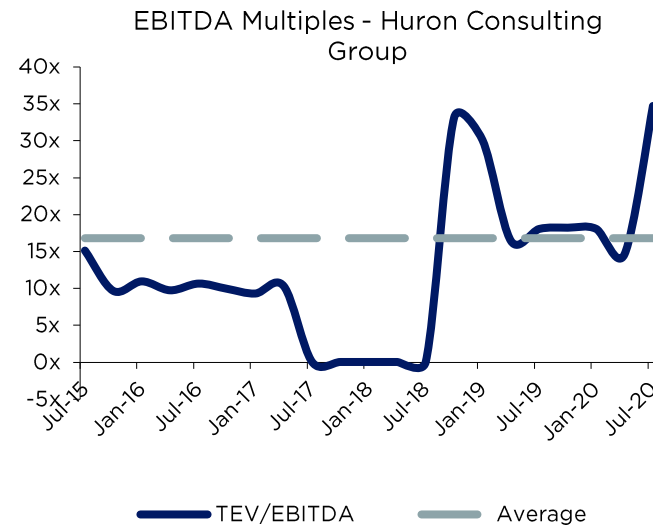
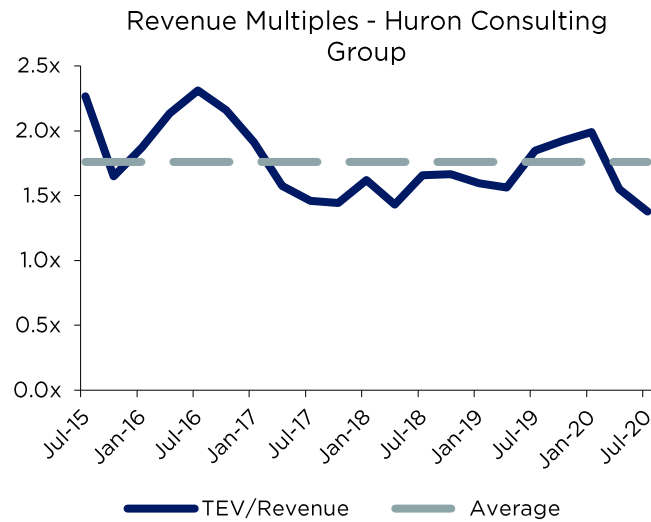
Huron Consulting Group

Huron Consulting Group Inc is a professional services firm.

The company provides expertise in strategy, technology, operations, advisory services, & analytics through three operating segments namely Healthcare, Education, and Business Advisory. Healthcare segment helps the firms to transform and innovate the delivery model to focus on patient wellness by improving quality outcomes, minimizing care variation and fundamentally improving patient and population health, Education segment provides management consulting and technology solutions, and Business Advisory segment provides services to large and middle-market organizations, not-for-profit organizations, and private equity firms. It generates a majority of its revenue from the Healthcare Segment.

Public Basket

Huron Consulting Group



Company Name	Date	Deal Synopsis
Proto (Business/Productivity Software)	3/23/20	The company raised CAD 2.1 million of venture funding in a deal led by Huron Consulting Group on December 31, 2019.
Medically Home	1/6/20	The company raised \$22.84 million of Series B venture funding from Cardinal Health and Huron Consulting Group on December 2, 2019, putting the company's pre-money valuation at \$46 million. The funds will be used to scale growth efforts.

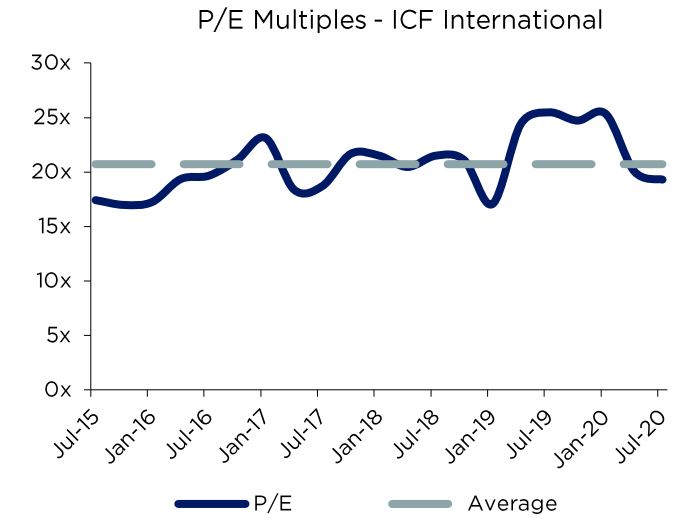
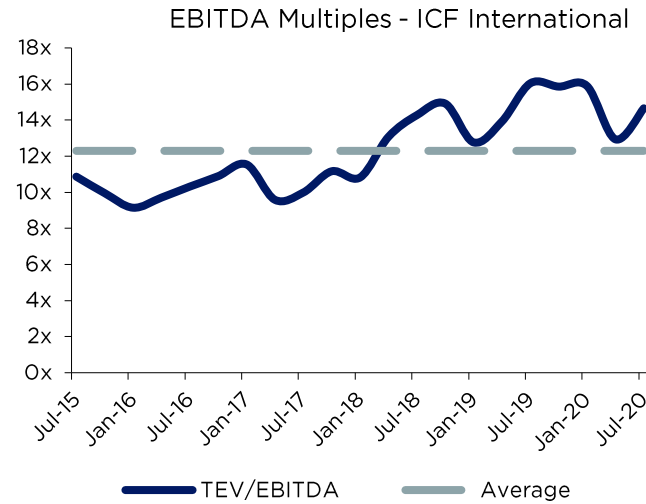
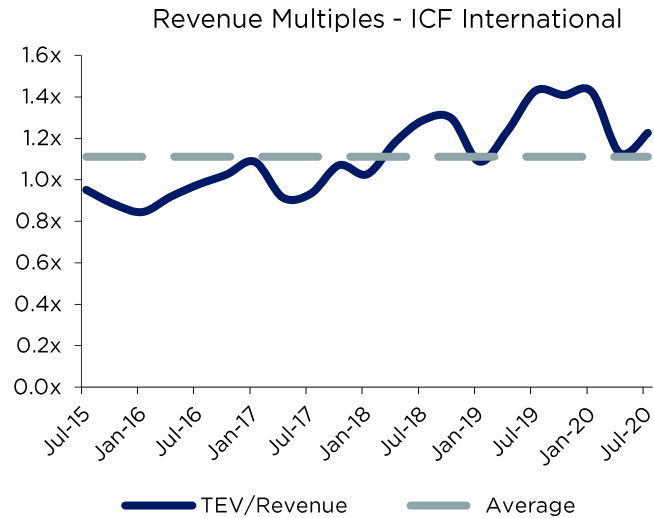
ICF International

ICF International Inc provides professional services and technology-based solutions to government and commercial clients, including management, marketing, technology, and policy consulting and implementation services.

Its services primarily support clients that operate in four key markets that include Energy, Environment, and Infrastructure, Health, Education, and Social Programs, Safety and Security and Consumer and Financial. The Company's major clients are United States federal government departments and agencies.

Public Basket

ICF International



Company Name	Date	Deal Synopsis
Incentive Technology Group	31-Jan-20	The company was acquired by ICF International (NAS: ICFI) for \$255 million on January 31, 2020. The acquisition significantly expands ICF's IT modernization services to U.S. federal government clients
We are Vista	04-Oct-18	The company was acquired by ICF (NAS: ICFI) for an undisclosed amount on October 4, 2018. This acquisition will enhance the support acquirer offer both their public and private sector clients in Europe.

FTI Consulting

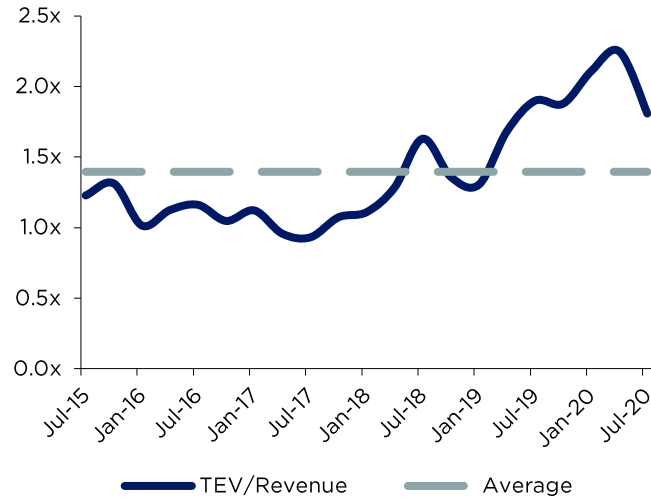
FTI Consulting Inc is a U.S.-based firm that generates its sales from providing professional business advisory services to customers.

The company operates through five segments, namely corporate finance and restructuring, forensic and litigation consulting, economic consulting, technology, and strategic communications. Customers of the company come from a wide array of sectors, including construction, energy and power, environmental, financial institutions, healthcare and life science, insurance, real estate and infrastructure, retail and consumer products, telecom, media, and technology. The majority of the company's revenue is derived from serving customers in the United States.

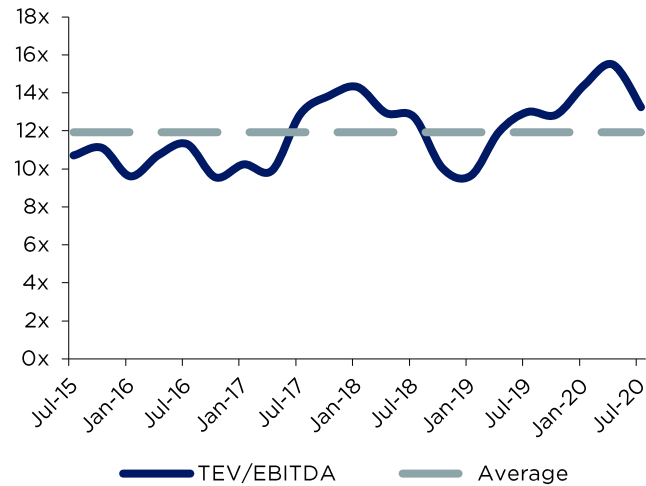
Public Basket

FTI Consulting

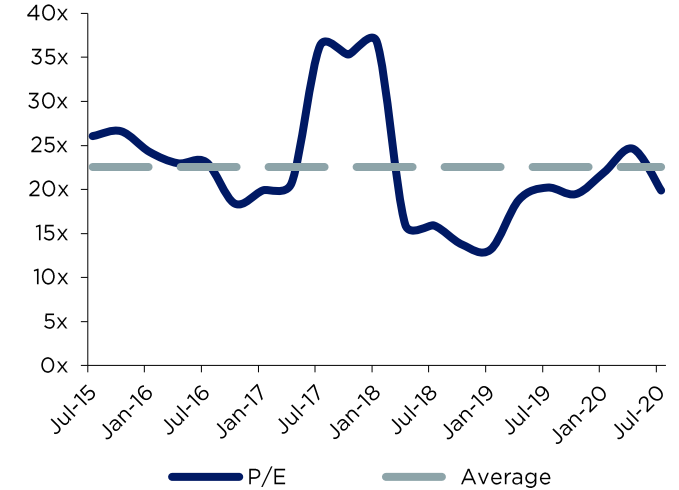
Revenue Multiples - FTI Consulting



EBITDA Multiples - FTI Consulting



P/E Multiples - FTI Consulting



Company Name

Date

Deal Synopsis

Delta Partners Group

18-May-20

The company reached a definitive agreement to be acquired by FTI Consulting (NYS: FCN) for an undisclosed amount on May 18, 2020. The acquisition will extend FTI Consulting's business transformation and transactions and FTI Capital Advisors offerings to a truly global presence.

Andersch

08-Aug-19

The company was acquired by FTI Consulting (NYS: FCN) for \$18.8 million on August 8, 2019. The acquisition will extend FTI Consulting's restructuring and business transformation capabilities to DACH region.

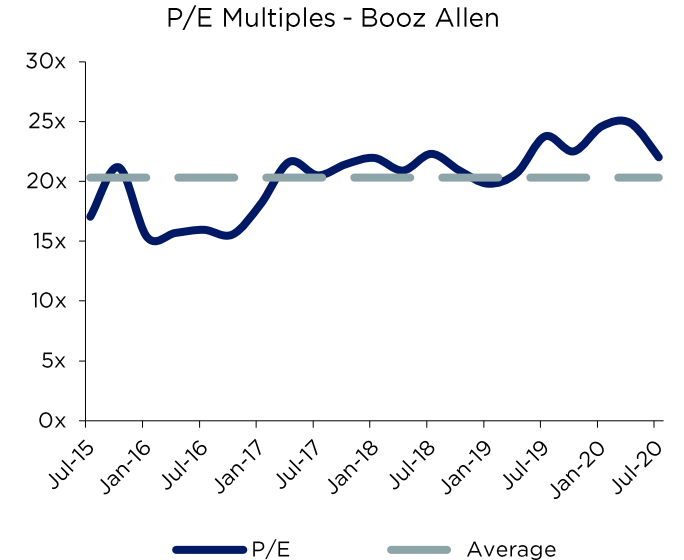
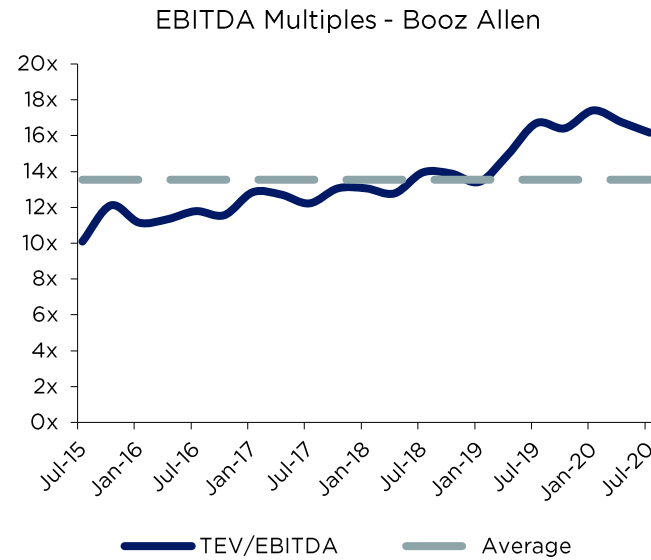
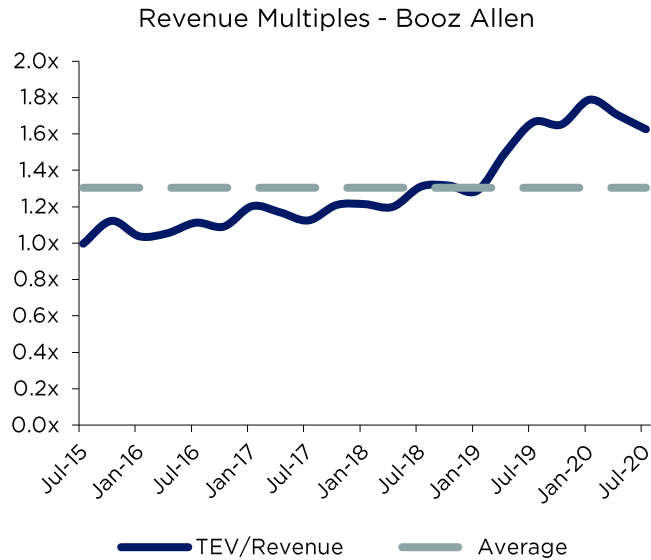
Booz Allen

Booz Allen Hamilton Holding Corp is a provider of management consulting services to the U.S.

government. Other services offered include technology, such as cloud computing and cybersecurity consulting, and engineering consulting. The consulting services are focused on defense, intelligence, and civil markets. In addition to the U.S. government, Booz Allen Hamilton provides its management and technology consulting services to large corporations, institutions, and nonprofit organizations. The company assists clients in long-term engagements around the globe.

Public Basket

Booz Allen



Company Name	Date	Deal Synopsis
Morphick	02-Nov-17	The company was acquired by Booz Allen (NYS: BAH) for an undisclosed amount on November 2, 2017. The acquisition bolsters Booz Allen's growth strategy in its United States commercial business, where the focus is on expanding clients' access to scalable and on-demand managed threat services.
Aquilent	24-Jan-17	The company was acquired by Booz Allen Hamilton (NYSE: BAH) for \$253.6 million on January 24, 2017. The transaction will bolster Booz Allen's growing technology capabilities and talent base, particularly its emphasis on building citizen-focused digital services. Booz Allen Hamilton (NYSE: BAH) is backed by The Carlyle Group (NASDAQ: CG), Ardian Holding, Morgan Stanley (NYSE: MS) and Apollo Investment (NASDAQ: AINV).

Accenture

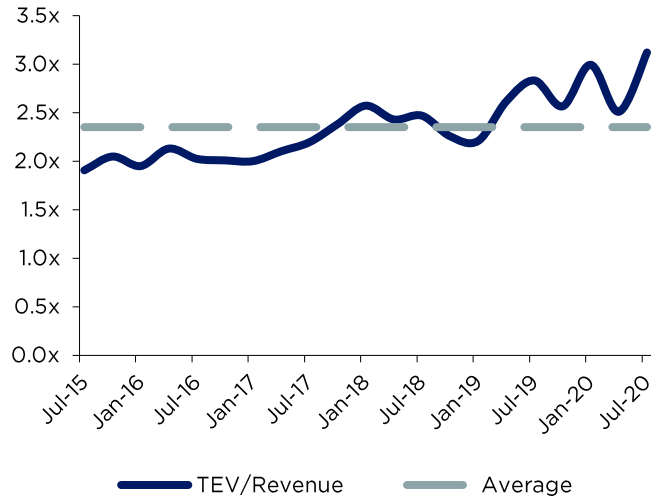
Accenture is a leading global IT services firm that provides consulting, strategy, and technology and operational services.

These services run the gamut from aiding enterprises with digital transformation, to procurement services, to software system integration. The company provides its IT offerings to a variety of sectors, including communications, media and technology, financial services, health and public services, consumer products, and resources. Accenture employs just under 500,000 people throughout 200 cities in 51 countries.

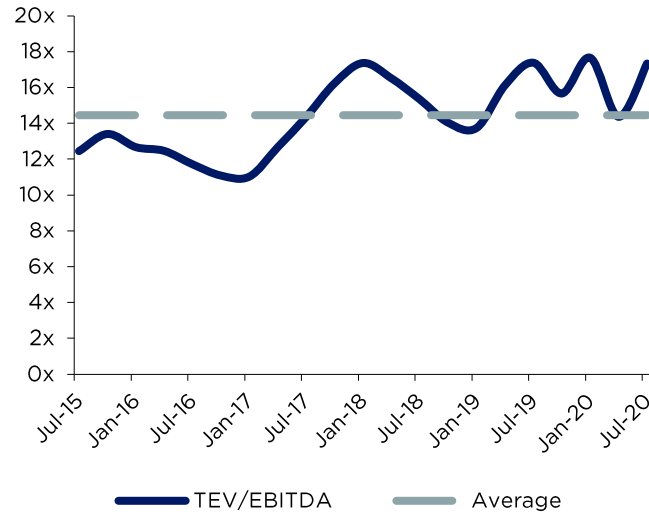
Public Basket

Accenture

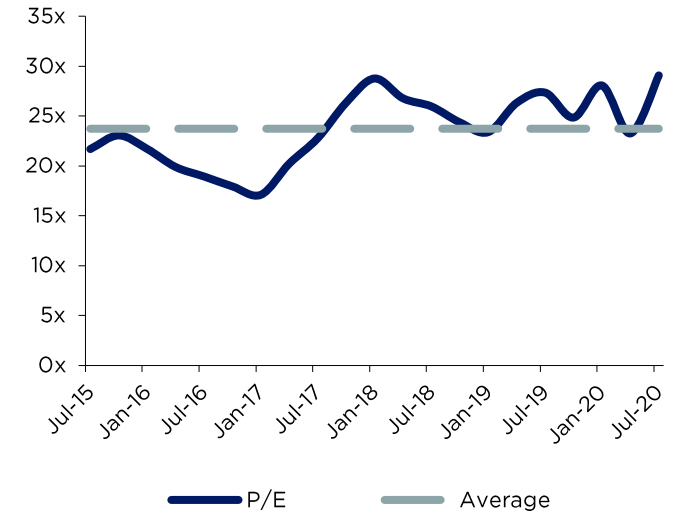
Revenue Multiples - Accenture



EBITDA Multiples - Accenture



P/E Multiples - Accenture



Company Name

Date

Deal Synopsis

Sentelis

23-Jul-20

The company was acquired by Accenture (NYS: ACN) for an undisclosed amount on July 23, 2020. The acquisition would complement Accenture's focus on helping clients build the right data strategy and foundation to industrialize AI across their businesses.

Duck Creek Technologies

10-Jun-20

The company received \$230 million of development capital of Series E from Accenture, Apax Partners, Altamir, Dragoneer Investment Group, Insight Partners, Temasek Holdings, Kayne Anderson Rudnick Investment Management, Whale Rock Capital Management and Neuberger Berman on June 10, 2020. The funds will be used to invest in business growth as well as to buy back equity from certain existing investors

Contact Info

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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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