

7 Mile Advisors



Sectorwatch: Management Consulting

June 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.

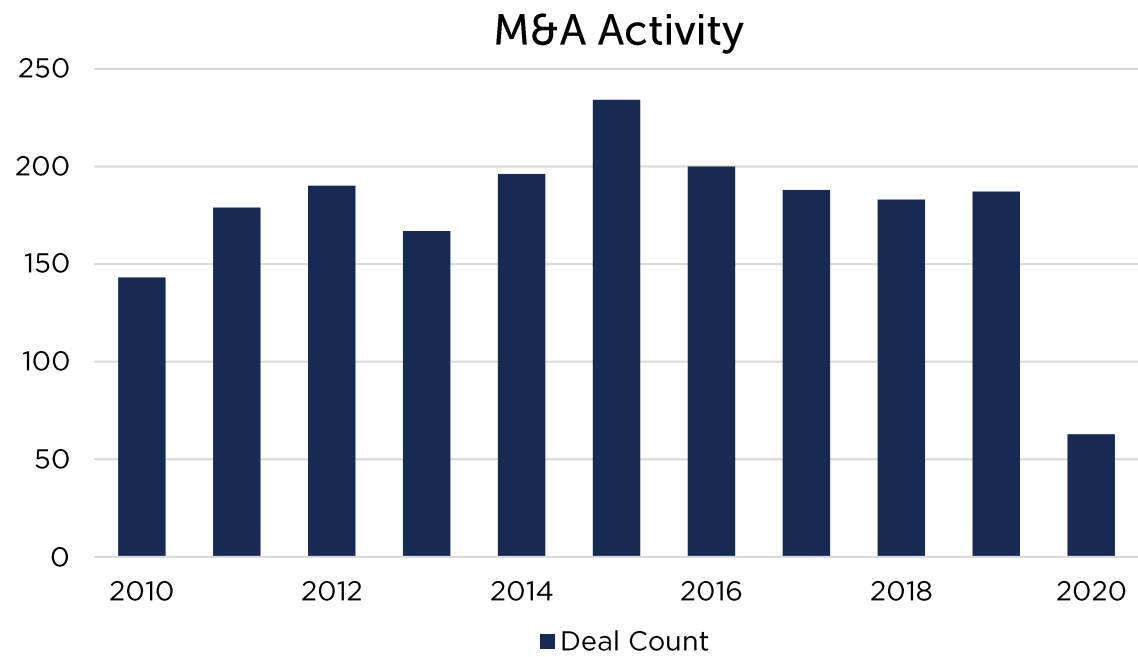
RECENT DEALS

- The most recently announced deals in the sector

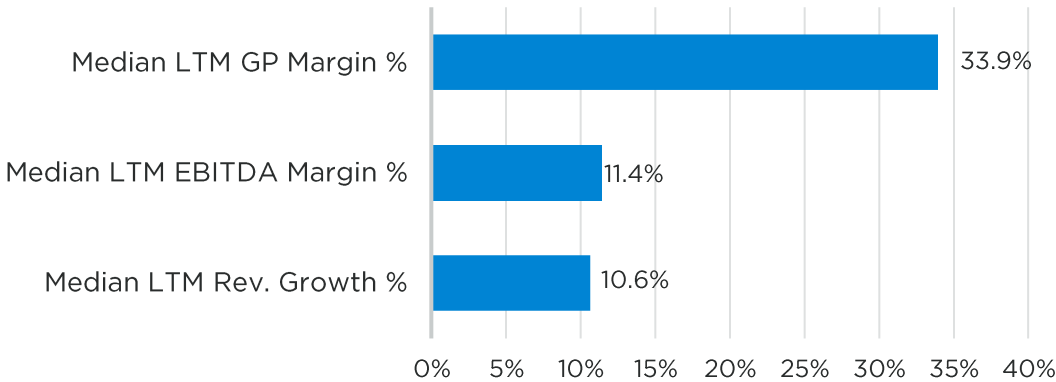
Dashboard

REVENUE GROWTH MOMENTUM ↑ 2.9%

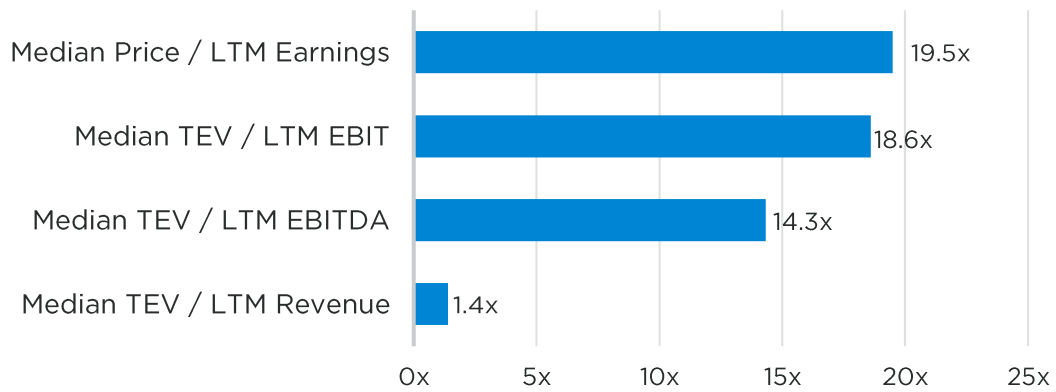
1 - year revenue growth compared to revenue growth average for last 3 years - Current revenue growth rate exceeds the average of the last 3 years by this amount, indicating that market momentum is increasing



Operating Metrics



Valuation



Public Basket Overview



Commercial Services

IT Services

**The Hackett Group**
World Class Defined and Enabled











Booz | Allen | Hamilton

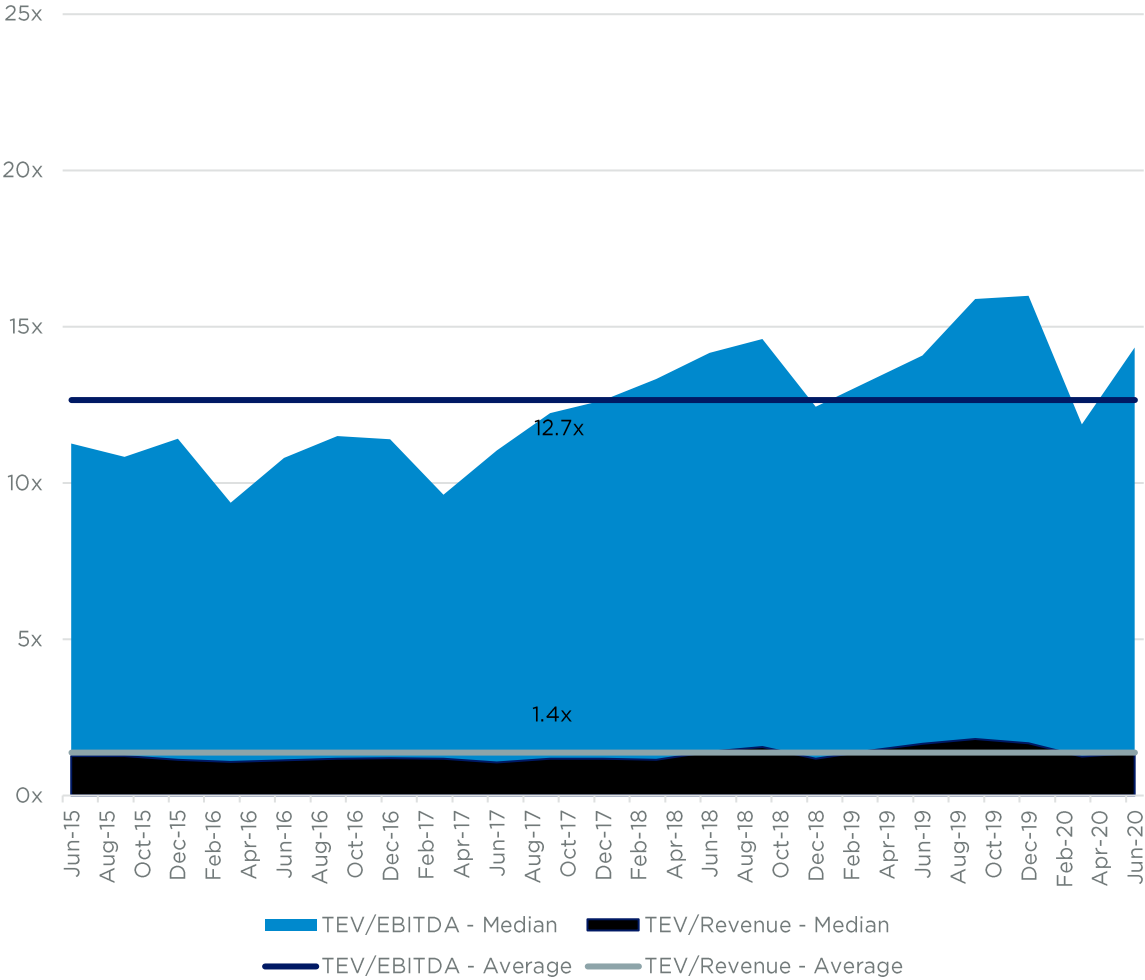
Public Basket

| 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 | 388 | 35 | 285 | 1.0% | 33.9% | 12.2% | 1.4x | 11.1x | 1,143 | 249 |
| Charles River Associates | 504 | 54 | 472 | 11.2% | 29.0% | 11.4% | 1.1x | 9.4x | 799 | 590 |
| Huron Consulting Group | 1,352 | 41 | 984 | 10.6% | 30.6% | 4.2% | 1.4x | 34.5x | 3,750 | 262 |
| ICF International | 1,795 | 125 | 1,496 | 8.6% | 35.3% | 8.4% | 1.2x | 14.3x | 7,000 | 214 |
| FTI Consulting | 4,166 | 328 | 2,406 | 15.6% | 34.0% | 13.6% | 1.7x | 12.7x | 5,743 | 419 |
| Booz Allen | 12,458 | 751 | 7,464 | 11.3% | 54.7% | 10.1% | 1.7x | 16.6x | 27,200 | 274 |
| Accenture | 135,989 | 8,016 | 44,547 | 4.4% | 31.4% | 18.0% | 3.1x | 17.0x | 513,000 | 87 |

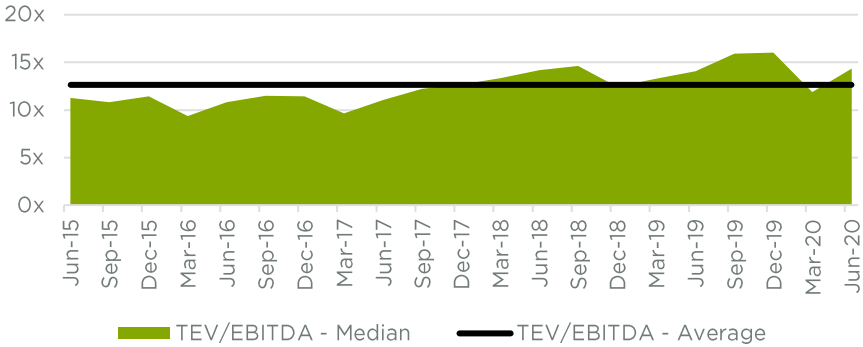
| | | | | | | | | | | |
|----------------|--------|-------|-------|-------|-------|-------|------|-------|--------|-----|
| Average | 22,379 | 1,336 | 8,236 | 9.0% | 35.5% | 11.1% | 1.6x | 16.5x | 79,805 | 299 |
| Median | 1,795 | 125 | 1,496 | 10.6% | 33.9% | 11.4% | 1.4x | 14.3x | 5,743 | 262 |

share price as of 25Jun20

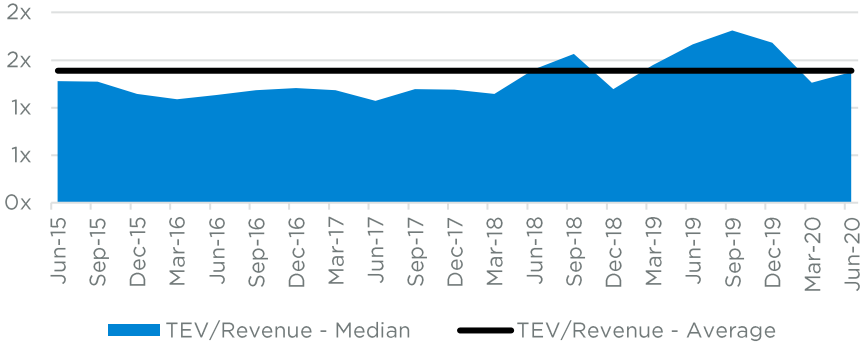
Public Basket



Public EBITDA Multiples over Time

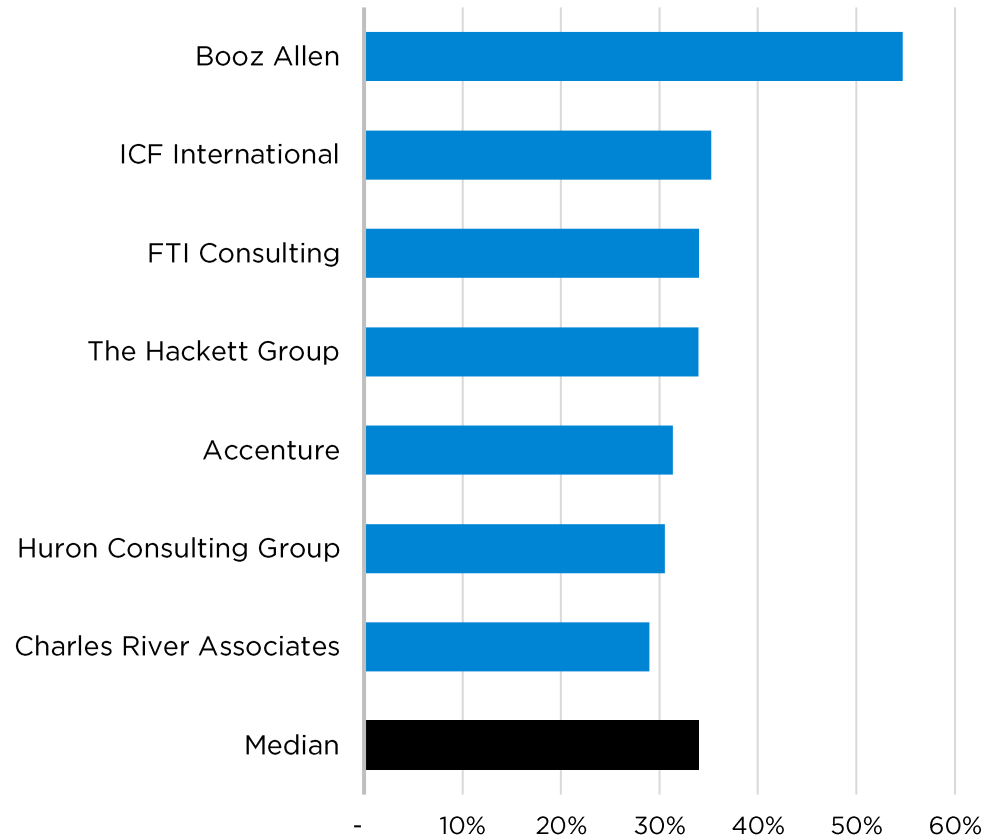


Public Revenue Multiples over Time

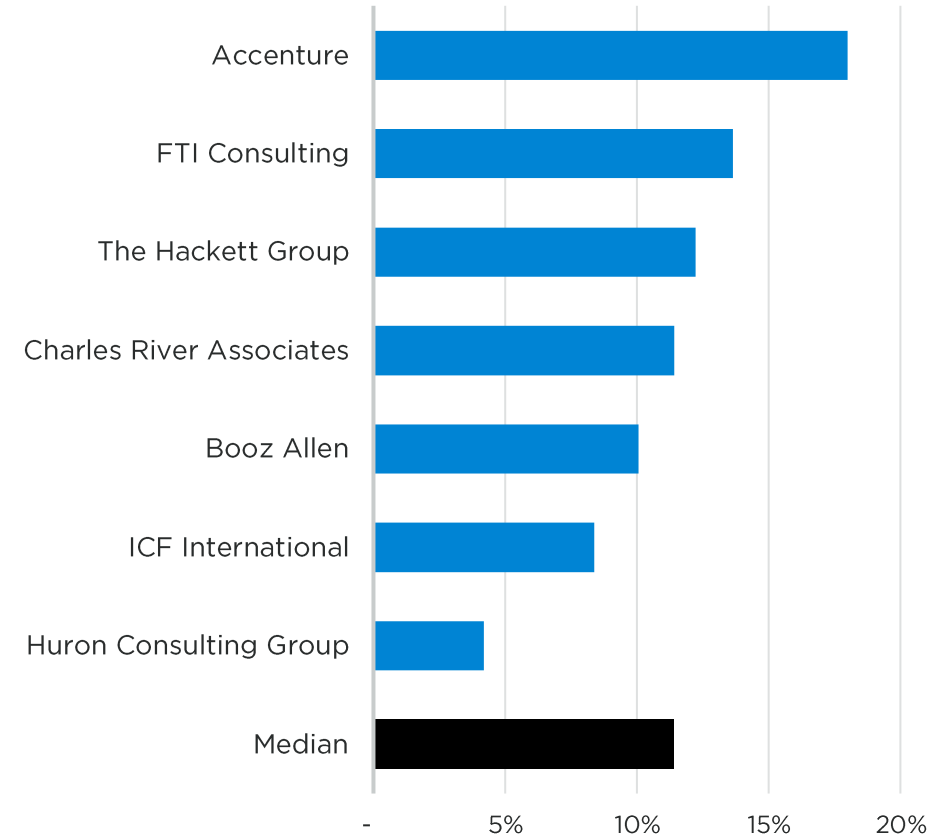


Operational Metrics

LTM Gross Profit Margin %

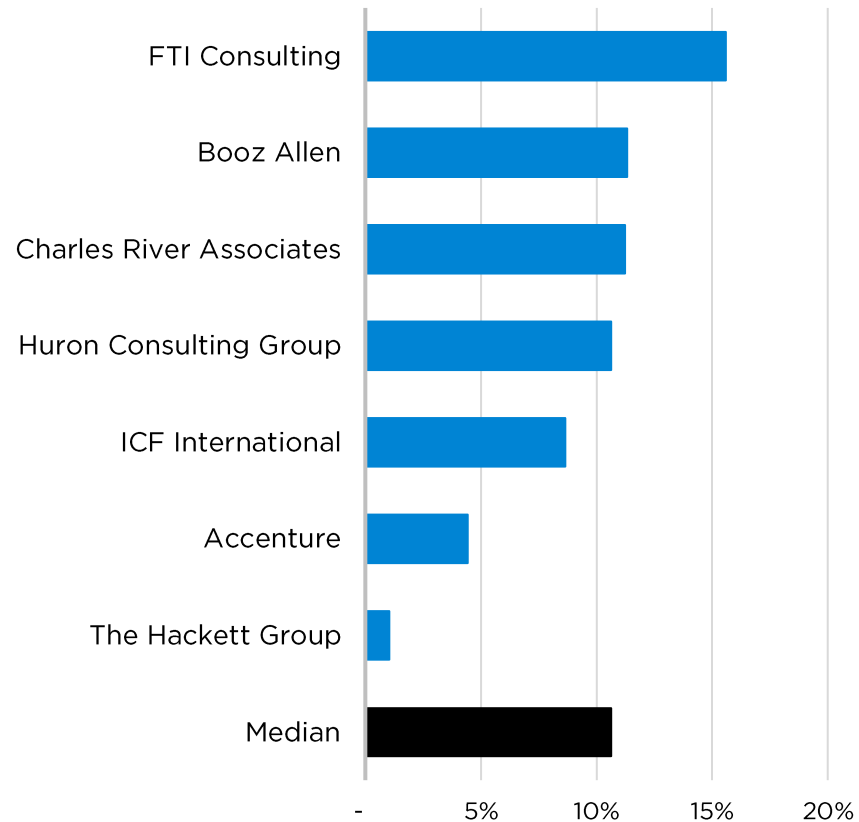


LTM EBITDA %

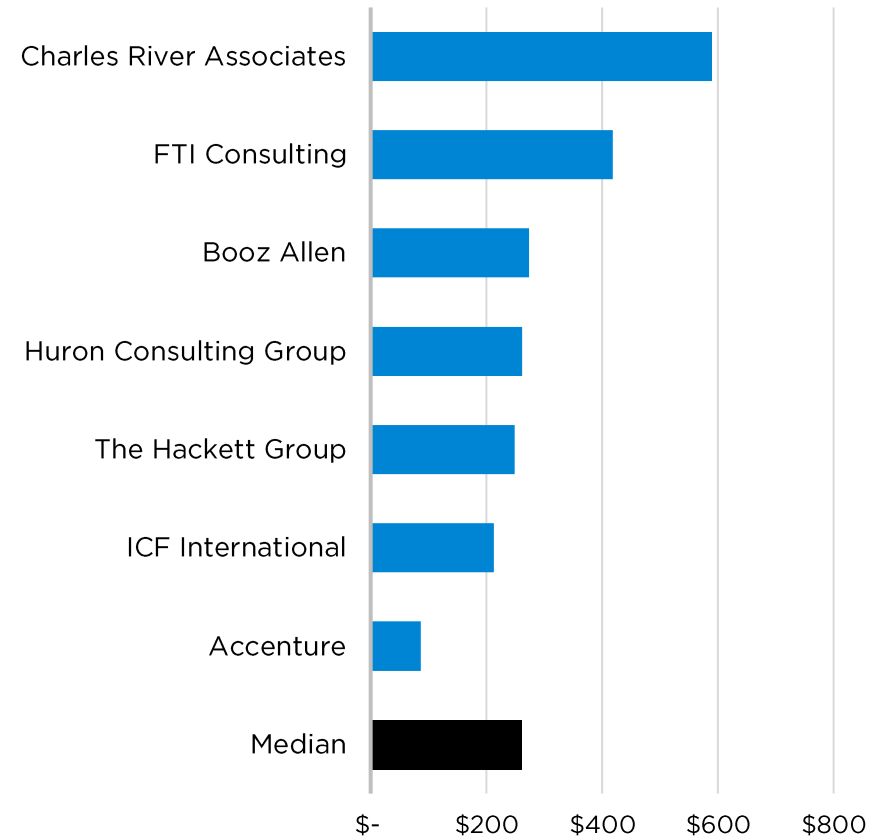


Operational Metrics

LTM Revenue Growth %

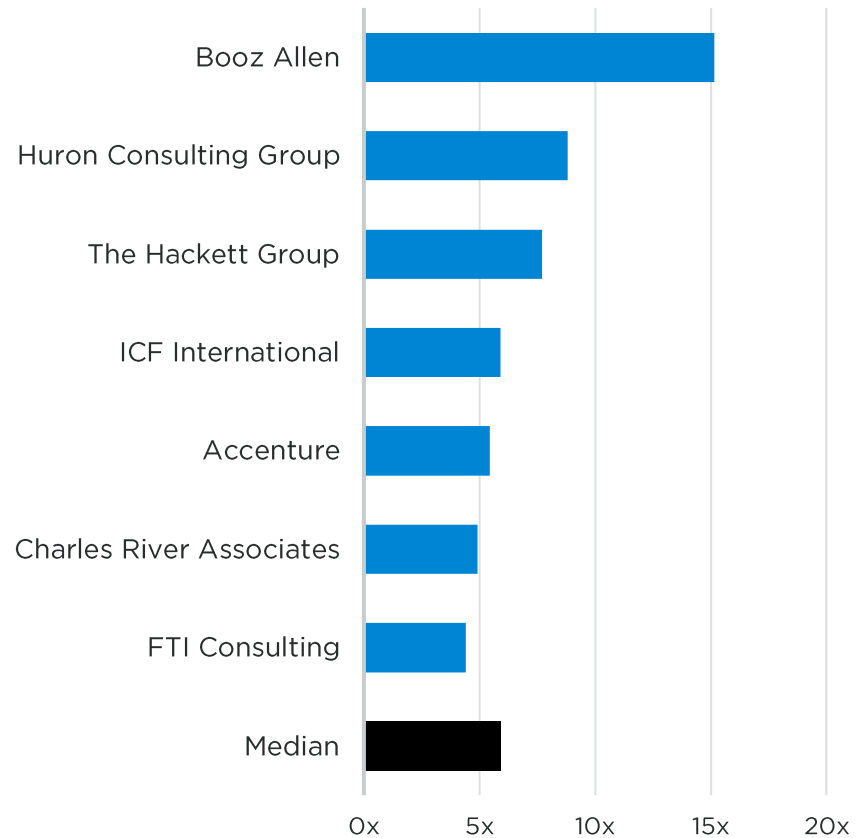


LTM Revenue per Full Time Employee x 000's

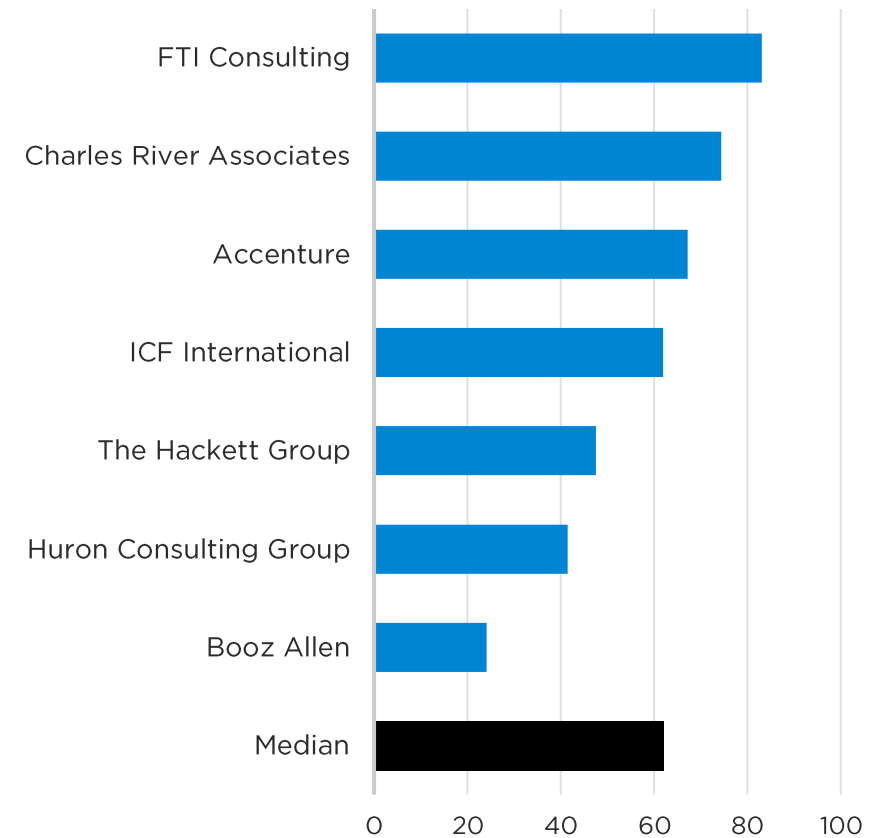


Operational Metrics

Accounts Receivable Turnover

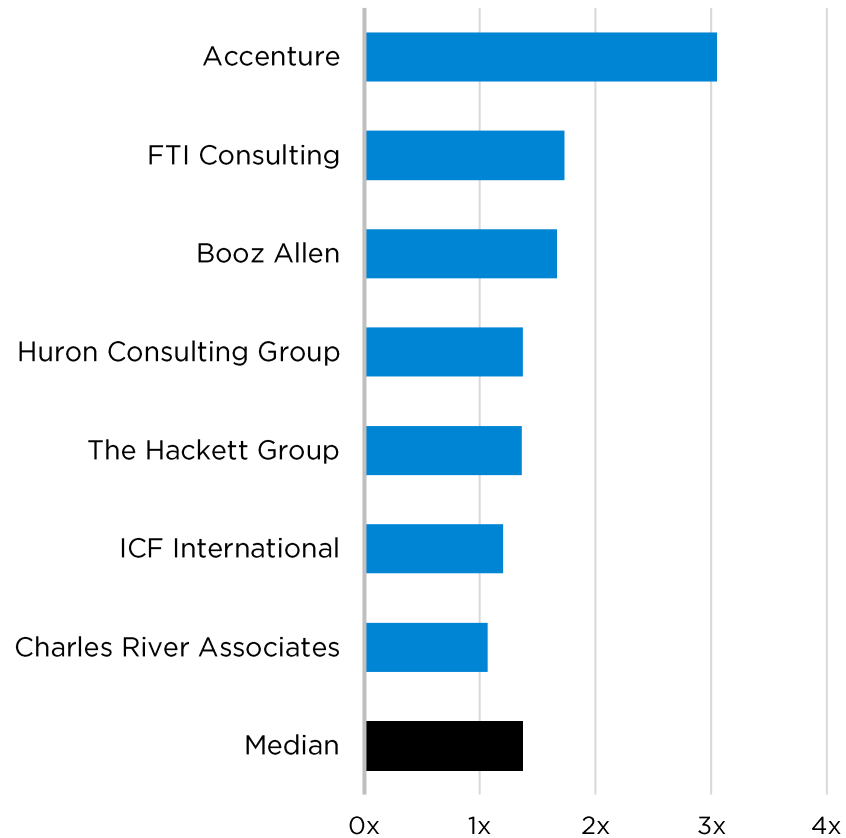


Average Days Sales Outstanding

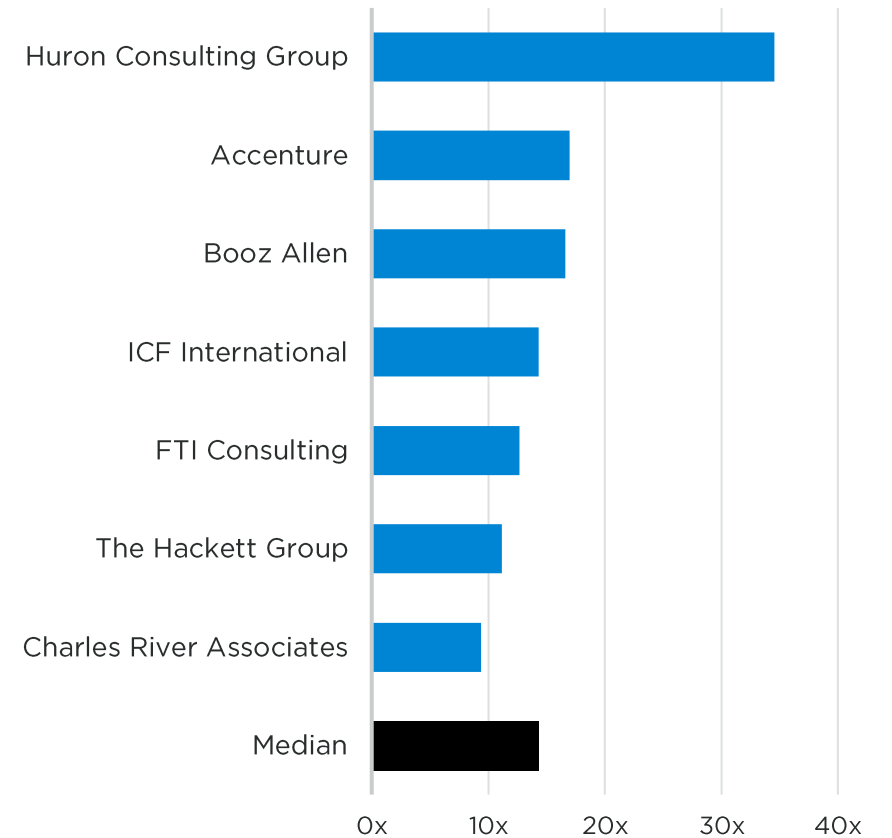


Valuation

TEV / LTM Revenue

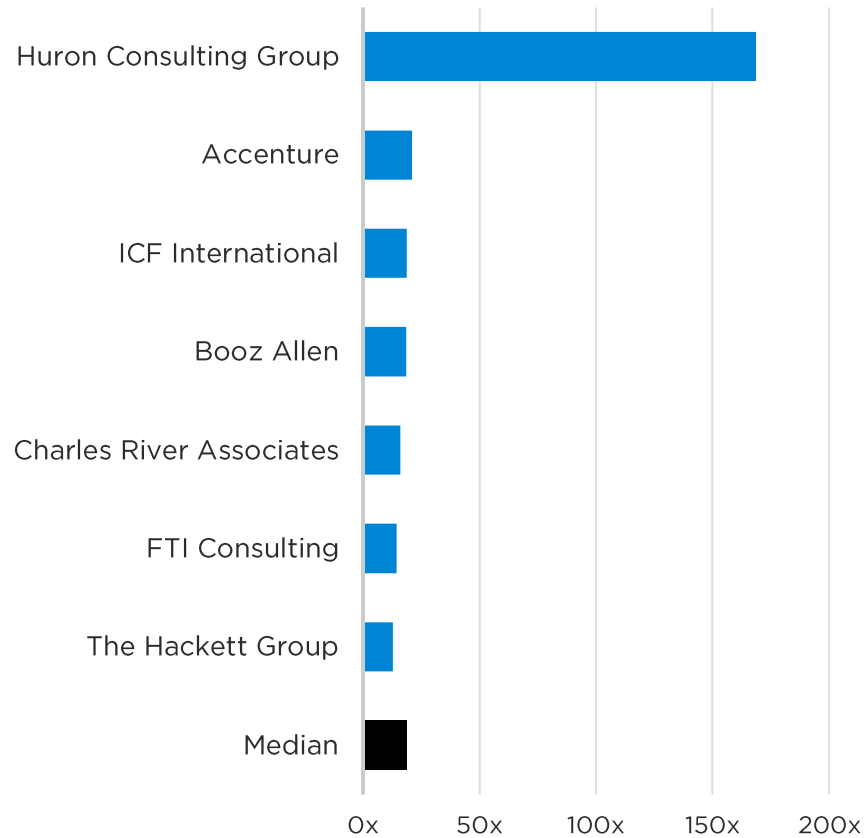


TEV / LTM EBITDA

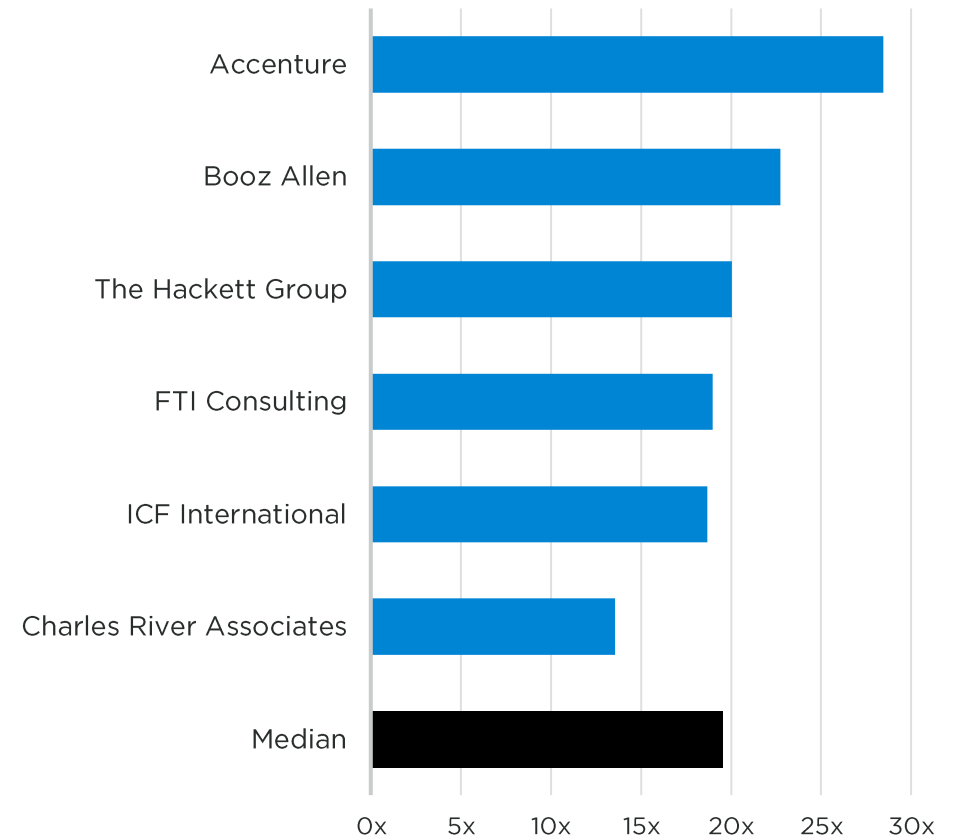


Valuation

TEV / LTM EBIT

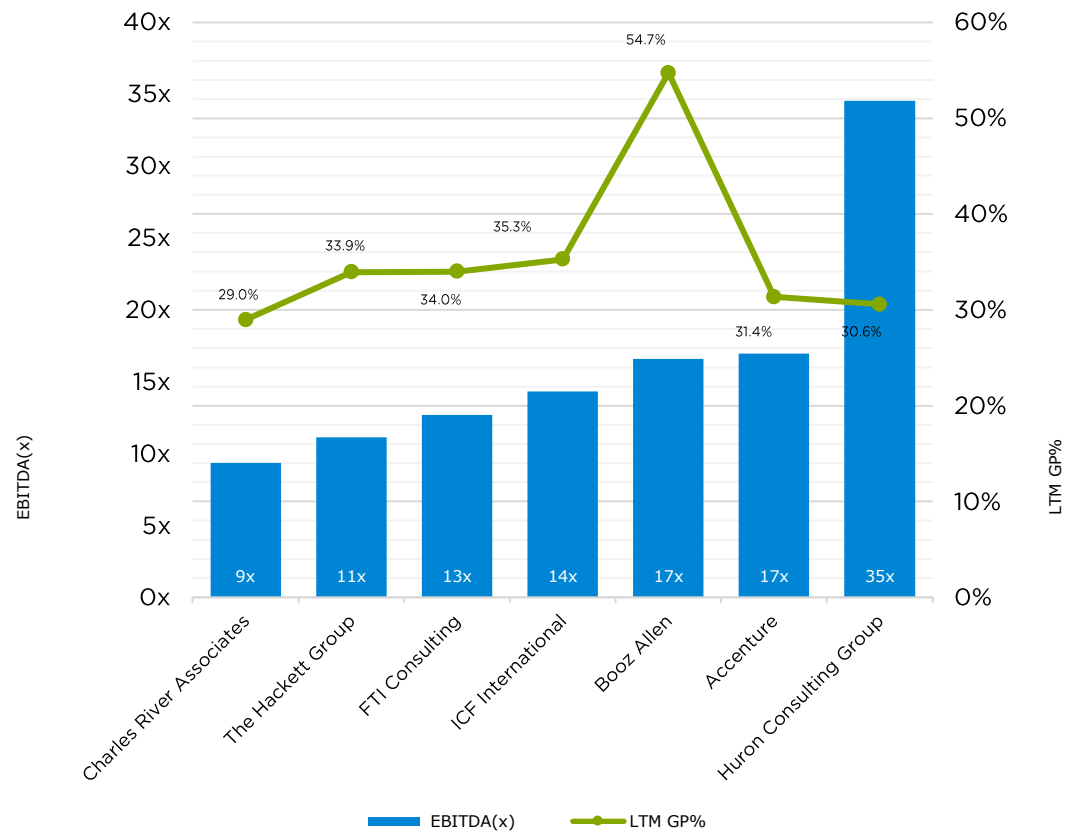


Price / LTM Earnings

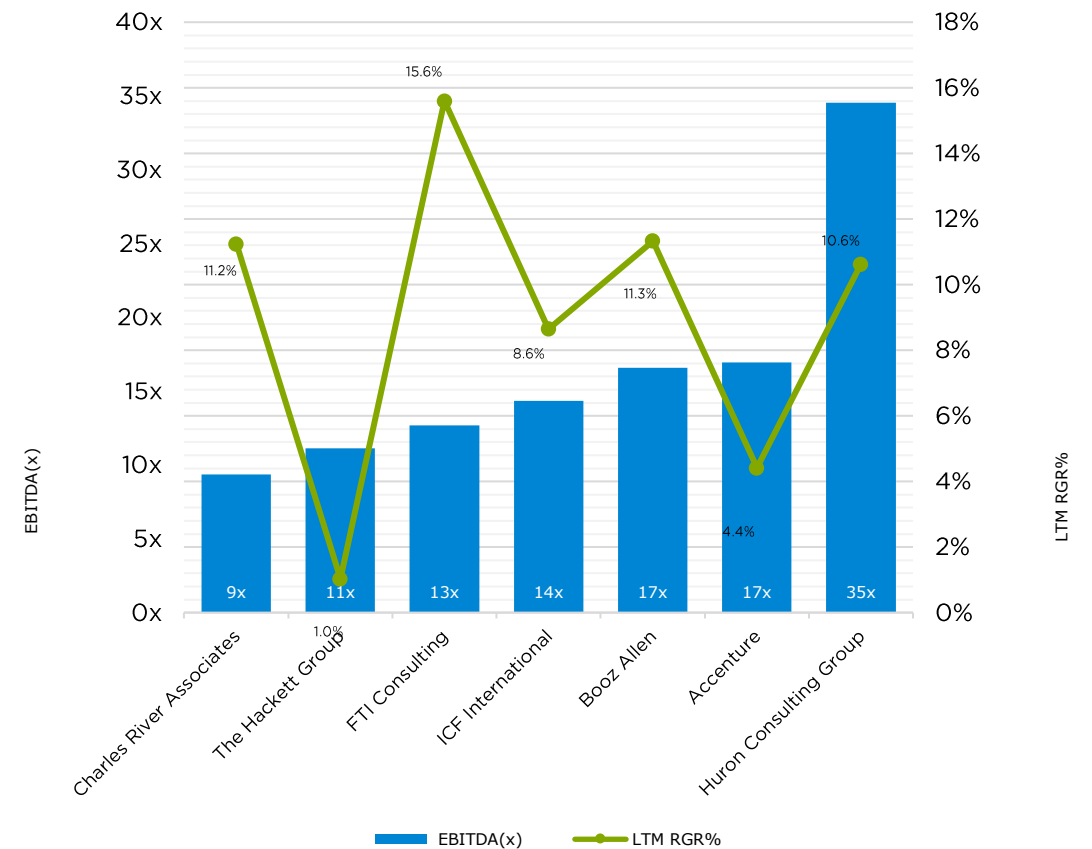


Valuation

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 |
|-----------|--|--|-------------------------|----------------|---------------|--------------|
| 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 | - | - | - | - |
| 13-May-20 | CampbellWilson | BKD CPAs & Advisors | - | - | - | - |
| 06-May-20 | Kates Kesler Organization Consulting | Accenture | - | - | - | - |
| 01-May-20 | Berkeley Research Group | - | 4.15 | - | - | - |
| 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 | - | - | - | - |
| 21-Feb-20 | Muusmann | Ramsdal Gruppen | - | - | - | - |
| 21-Feb-20 | Weber Clark | GBQ | - | - | - | - |
| 20-Feb-20 | Berkeley Research Group | - | 2.09 | - | - | - |
| 18-Feb-20 | Constellation Advisers | TZP Group | - | - | - | - |
| 14-Feb-20 | FlexManage | Gemini Investors | - | - | - | - |
| 12-Feb-20 | maihiro | Accenture | - | - | - | - |
| 12-Feb-20 | Purpose | Capgemini | - | - | - | - |
| 12-Feb-20 | The Camlee Group | Dow Schofield Watts | - | - | - | - |

Appendix

*Public Basket
Contact Information*



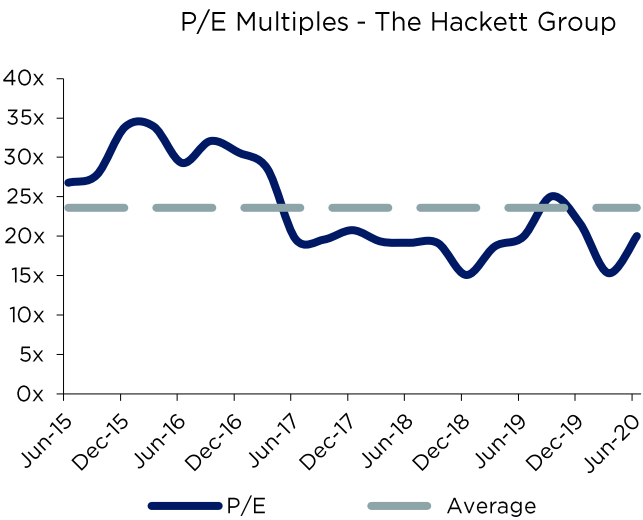
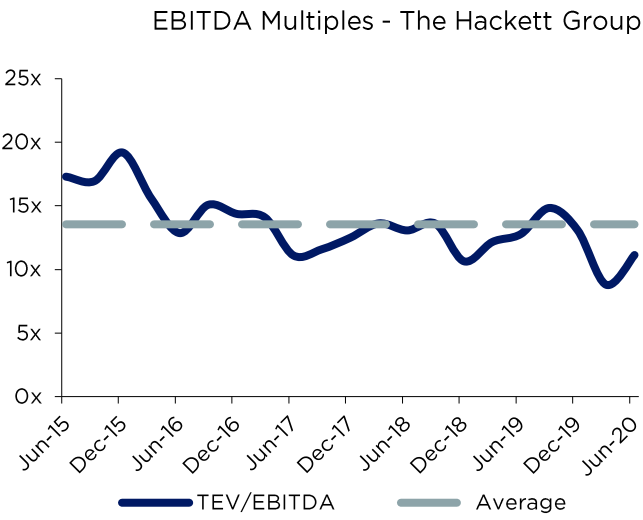
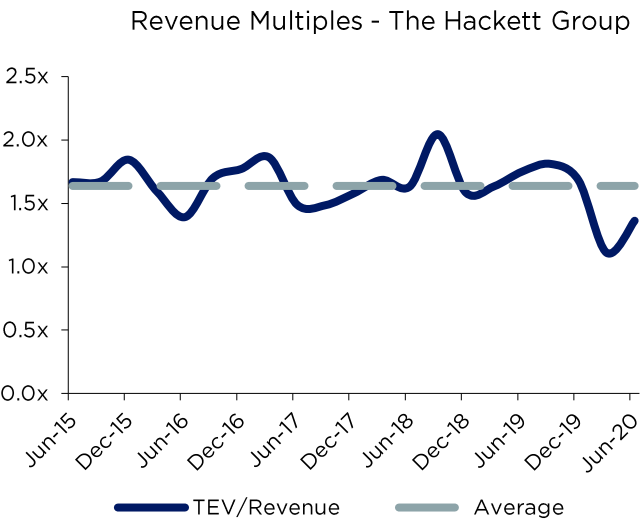
The Hackett Group

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



| 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. |

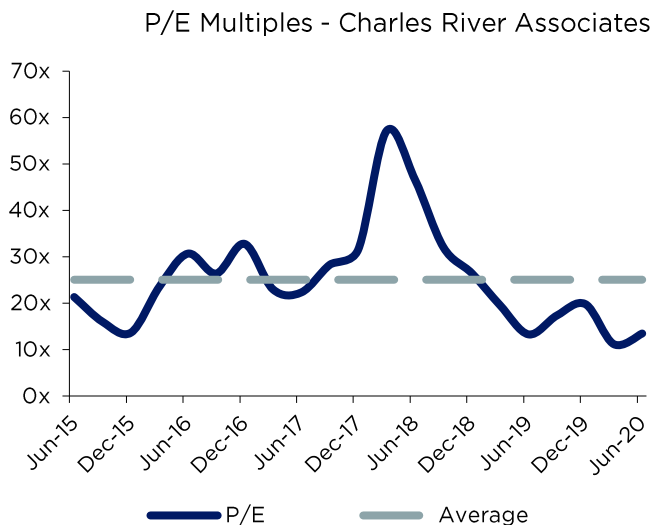
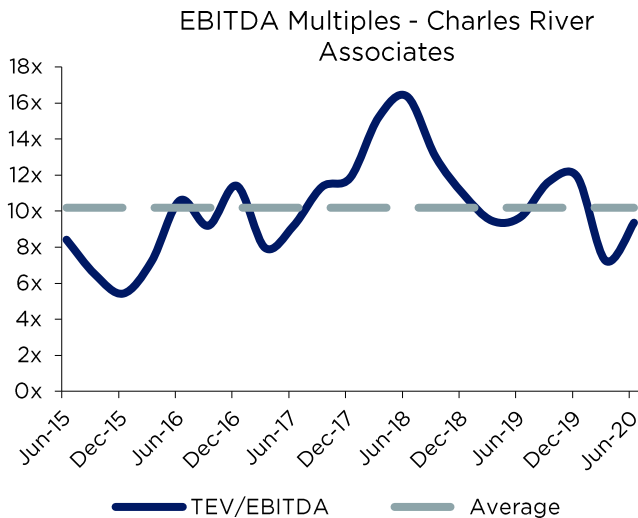
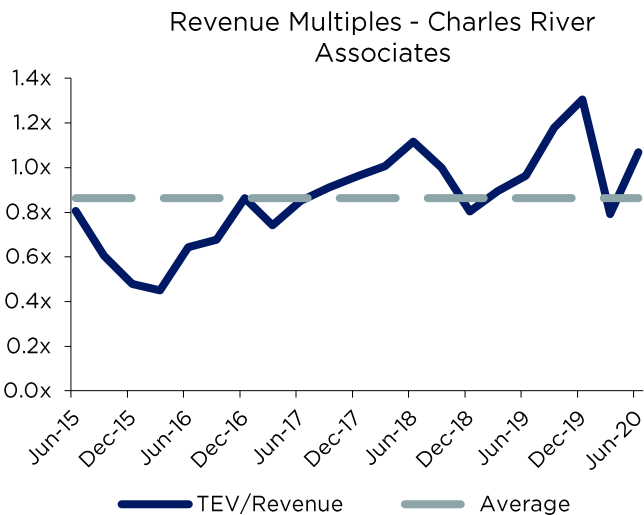
Charles River Associates

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. |

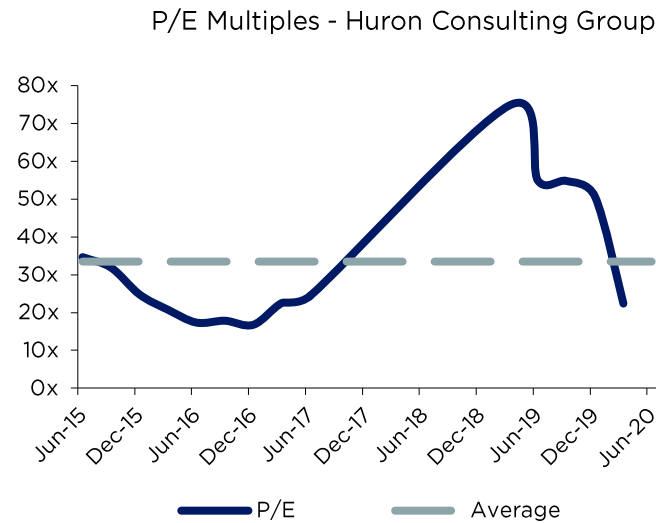
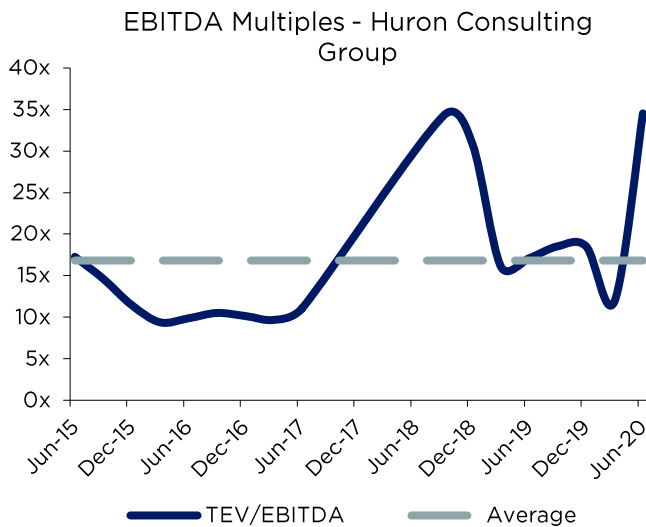
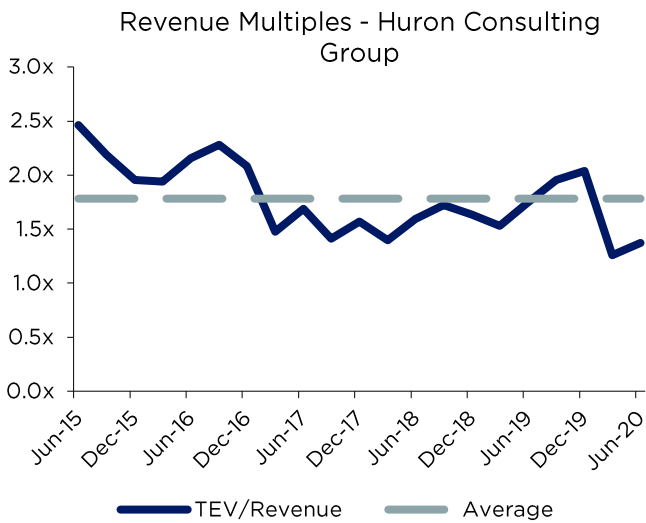
Huron Consulting Group

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. |

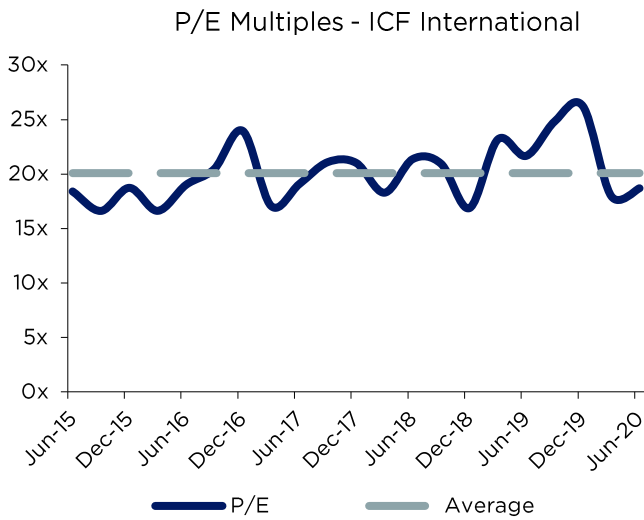
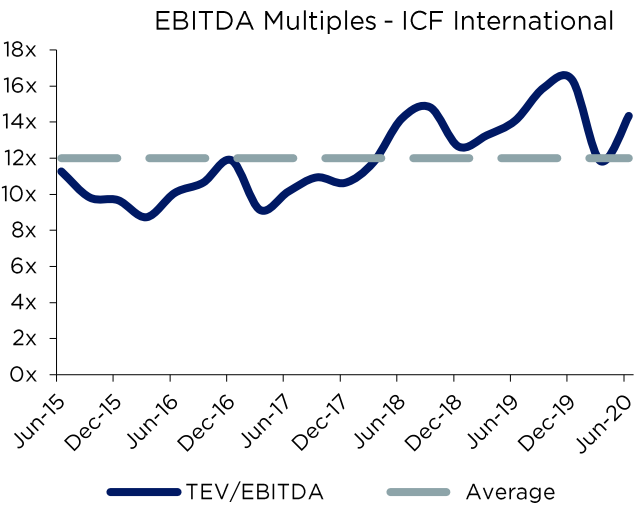
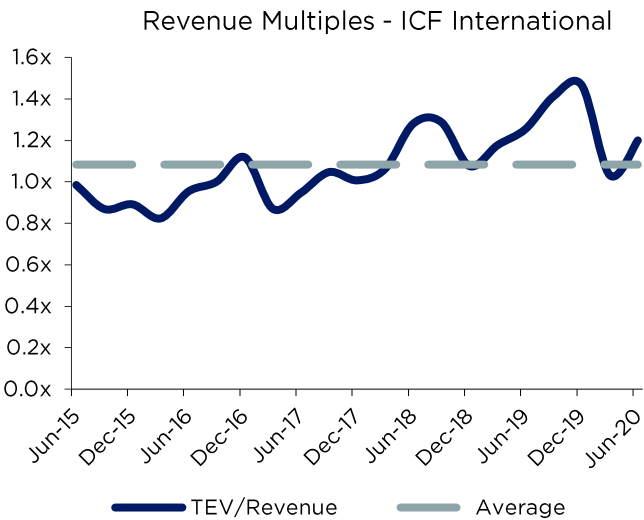
ICF International

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. |

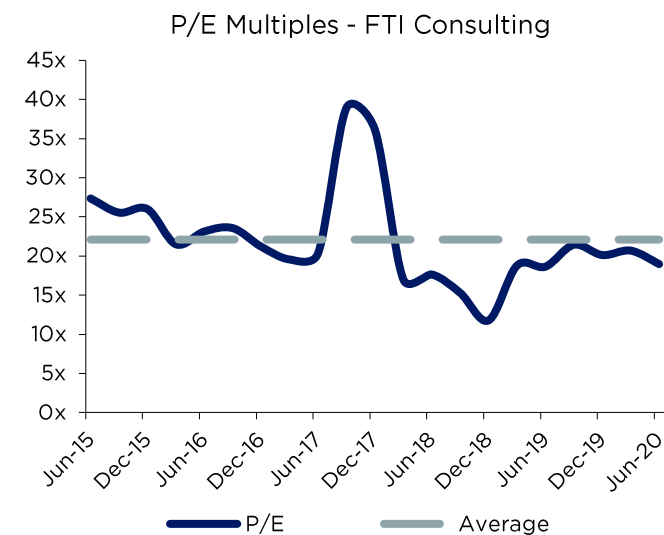
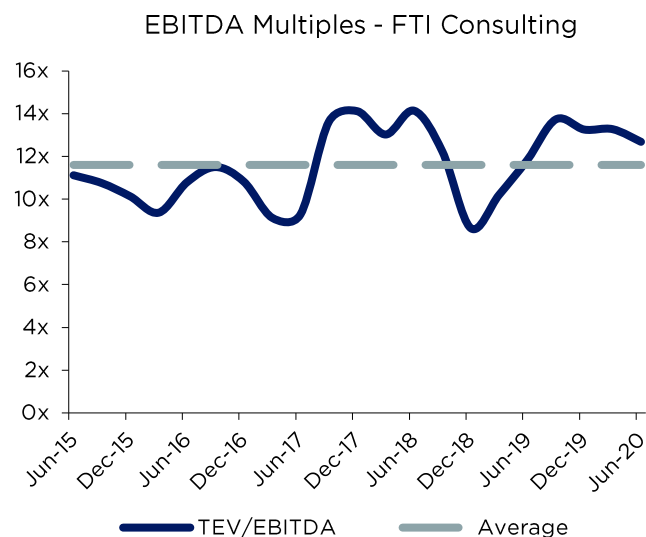
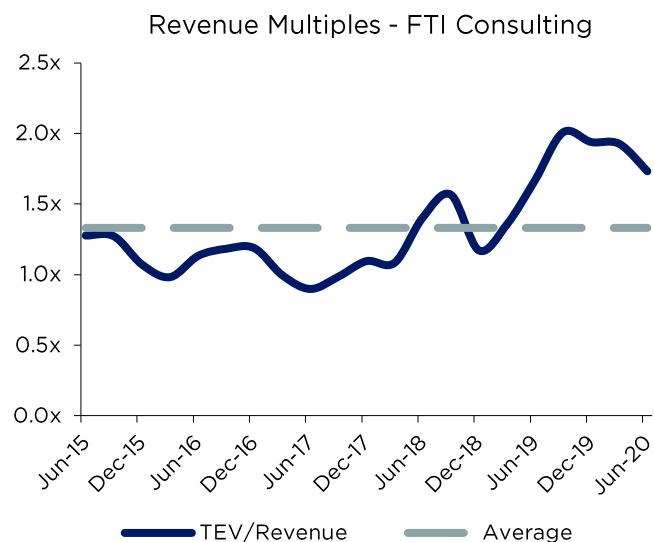
FTI Consulting

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



| 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. |

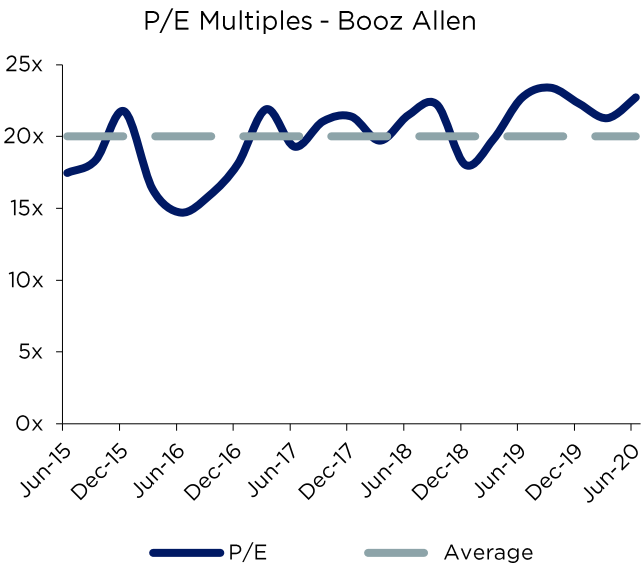
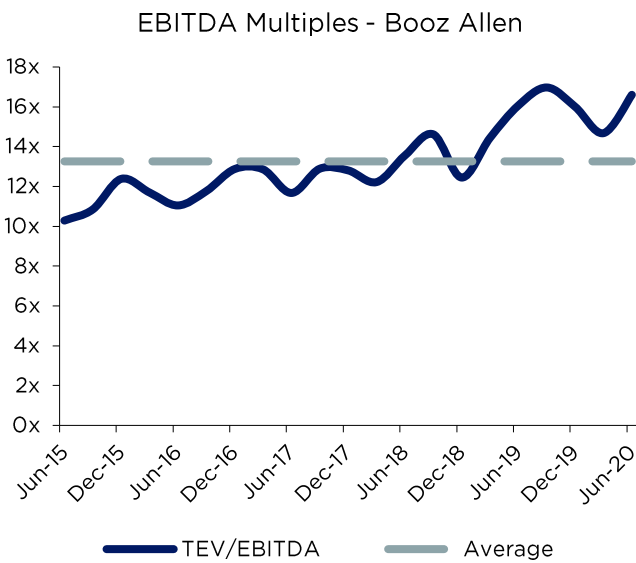
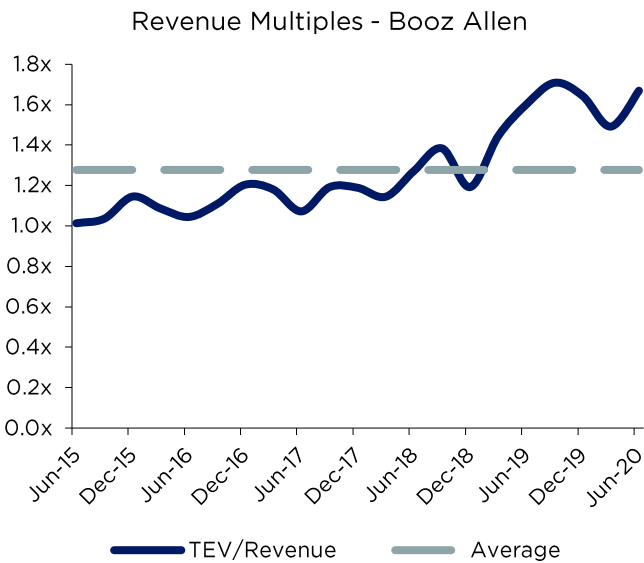
Booz Allen

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

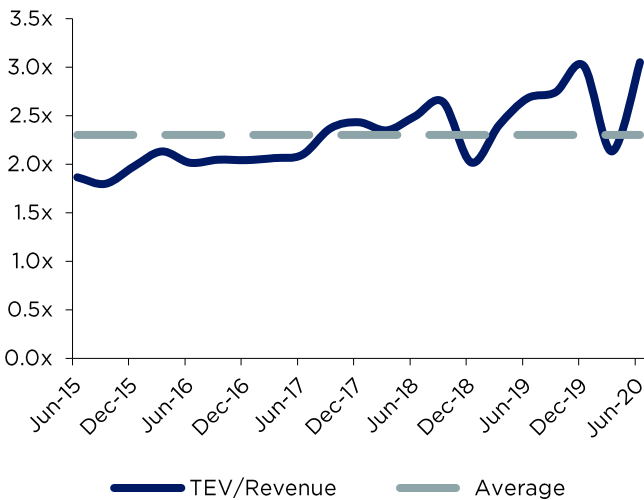
Accenture is a leading global IT services firm that provides consulting, strategy, and technology and operational services.

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.

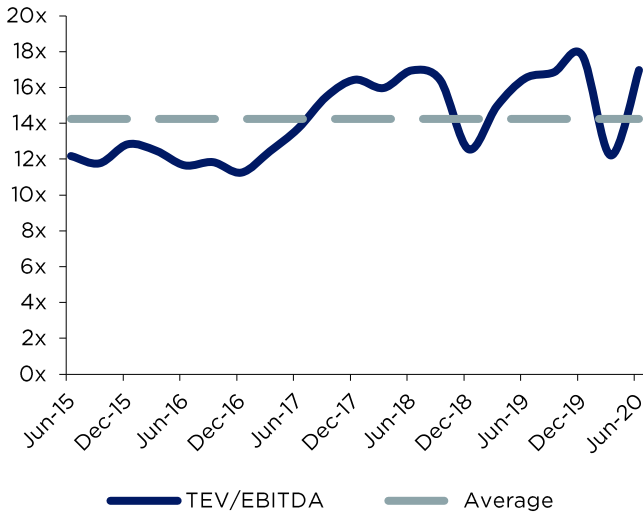
Public Basket

Accenture

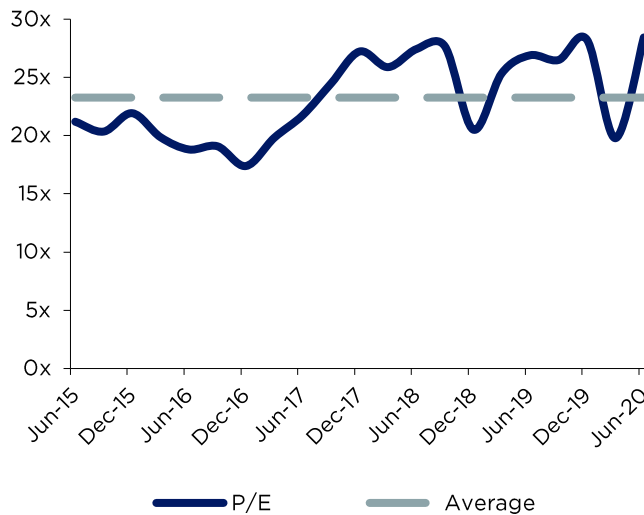
Revenue Multiples - Accenture



EBITDA Multiples - Accenture



P/E Multiples - Accenture



| Company Name | Date | Deal Synopsis |
|-------------------------|-----------|---|
| 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 |
| Gekko (Industry Code) | 02-Jun-20 | The company was acquired by Accenture (NYS: ACN) for an undisclosed amount on June 6, 2020. The acquisition would expand Accenture's AWS resources in France to support enterprise migrations and development on cloud platforms, which has become the foundation for innovation and business transformation and also the acquisition of the company would strengthen Accenture's general and industry-specific cloud experience in AWS technologies. |

Contact Info

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