

7 Mile Advisors



Sectorwatch: Management Consulting

January 2021



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.

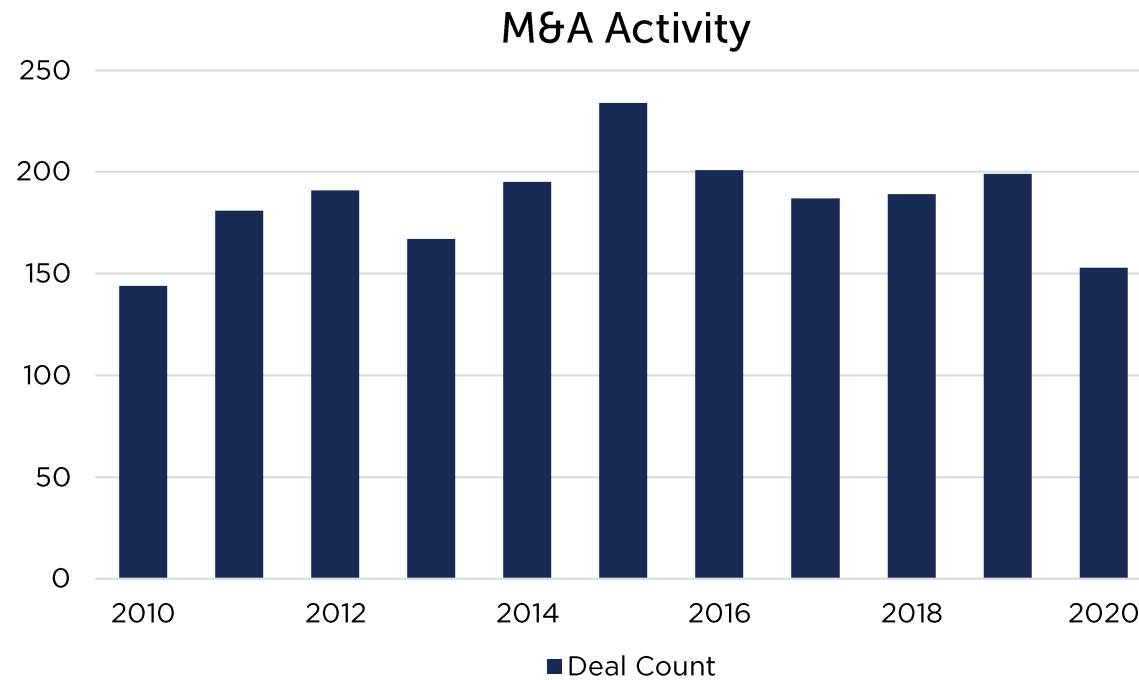
RECENT DEALS

- The most recently announced deals in the sector

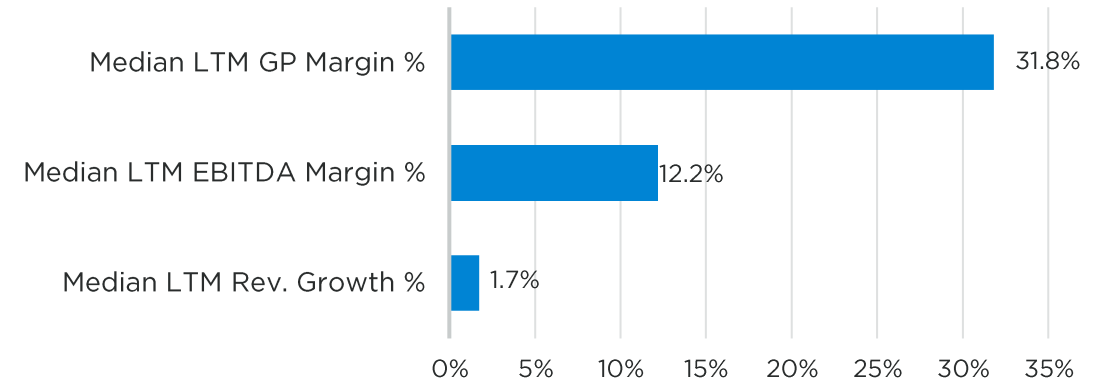
Dashboard

REVENUE GROWTH MOMENTUM ↓ -5.3%

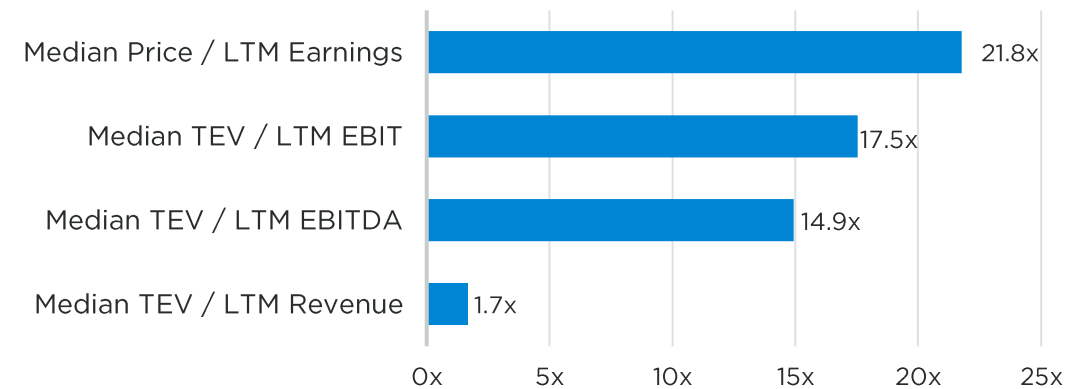
1 - year revenue growth compared to revenue growth average for last 3 years - Current revenue growth rate is less than the average of the last 3 years, indicating that the market may be flattening or declining



Operating Metrics



Valuation



Public Basket Overview



Commercial Services



IT Services

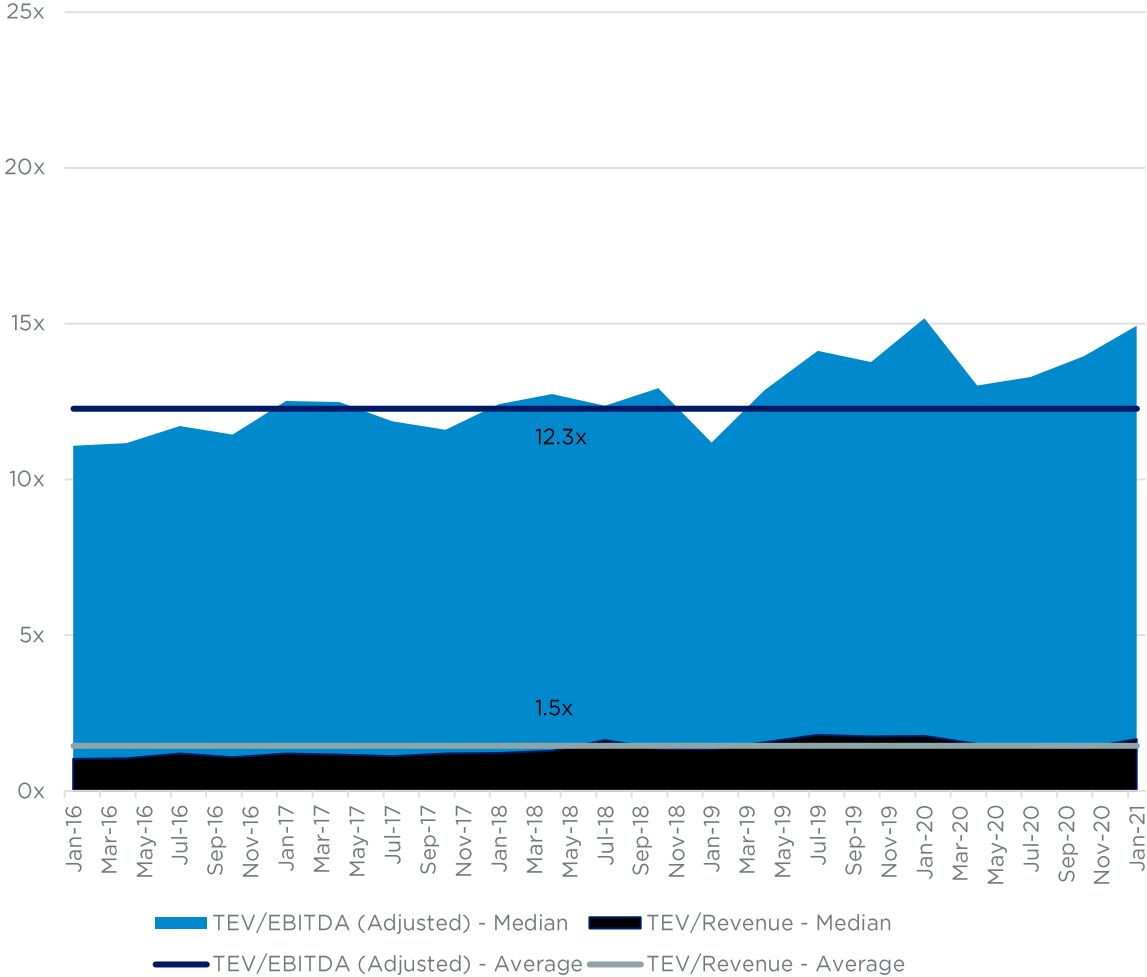


Public Basket

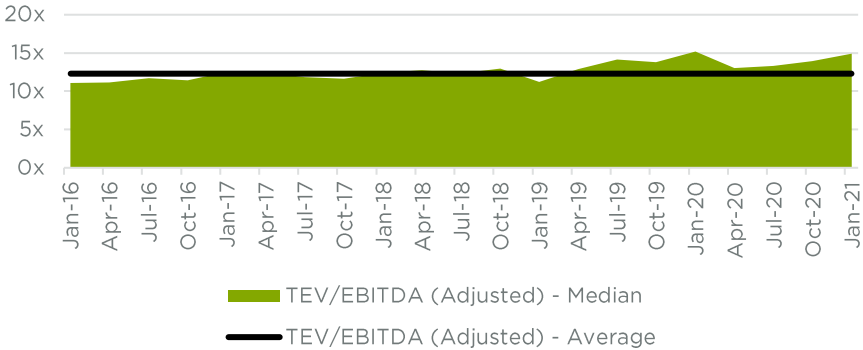
Company	TEV \$m	LTM EBITDA \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
Accenture	158,106	6,807	44,730	1.7%	31.8%	15.2%	3.5x	23.2x	513,000	87
Booz Allen	14,893	795	7,795	10.0%	54.0%	10.2%	1.9x	18.7x	27,200	287
FTI Consulting	4,196	314	2,437	8.0%	32.2%	12.9%	1.7x	13.3x	5,743	424
ICF International	2,028	136	1,469	0.6%	35.9%	9.2%	1.4x	14.9x	7,000	210
Huron Consulting Group	1,538	99	926	-1.4%	29.6%	10.6%	1.7x	15.6x	3,750	247
Charles River Associates	585	60	490	11.2%	27.8%	12.2%	1.2x	9.8x	799	614
The Hackett Group	394	34	249	-10.9%	30.7%	13.6%	1.6x	11.6x	1,143	218
Average	25,963	1,178	8,300	2.8%	34.6%	12.0%	1.9x	15.3x	79,805	298
Median	2,028	136	1,469	1.7%	31.8%	12.2%	1.7x	14.9x	5,743	247

share price as of 27Jan21

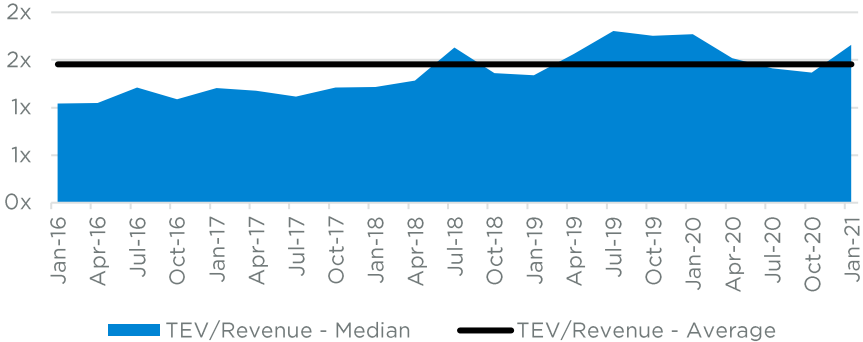
Public Basket



Public EBITDA Multiples over Time

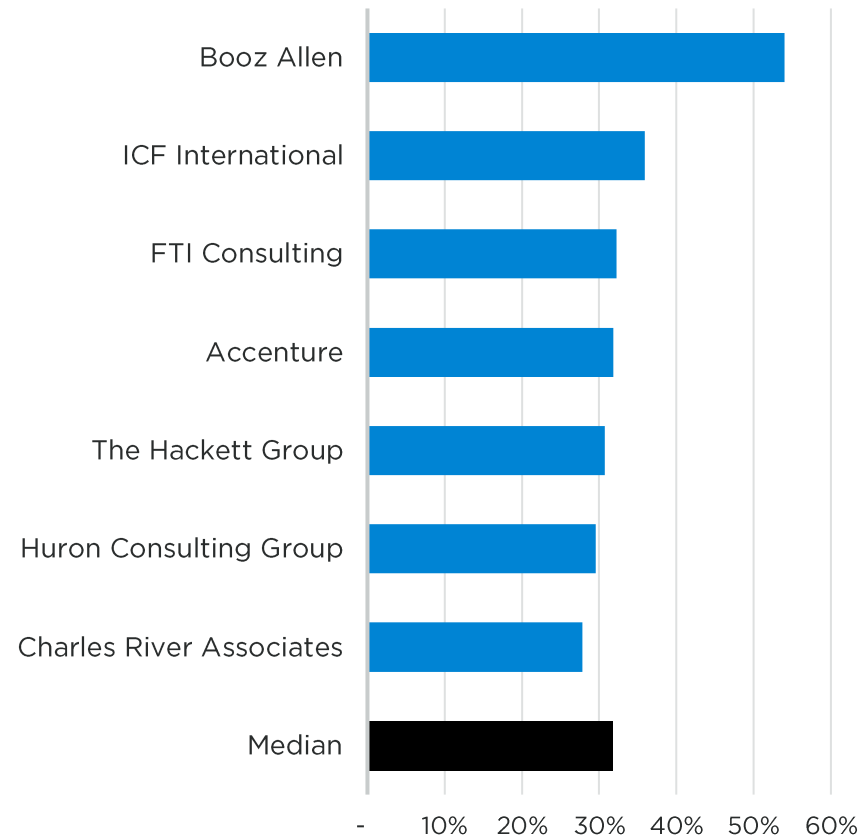


Public Revenue Multiples over Time

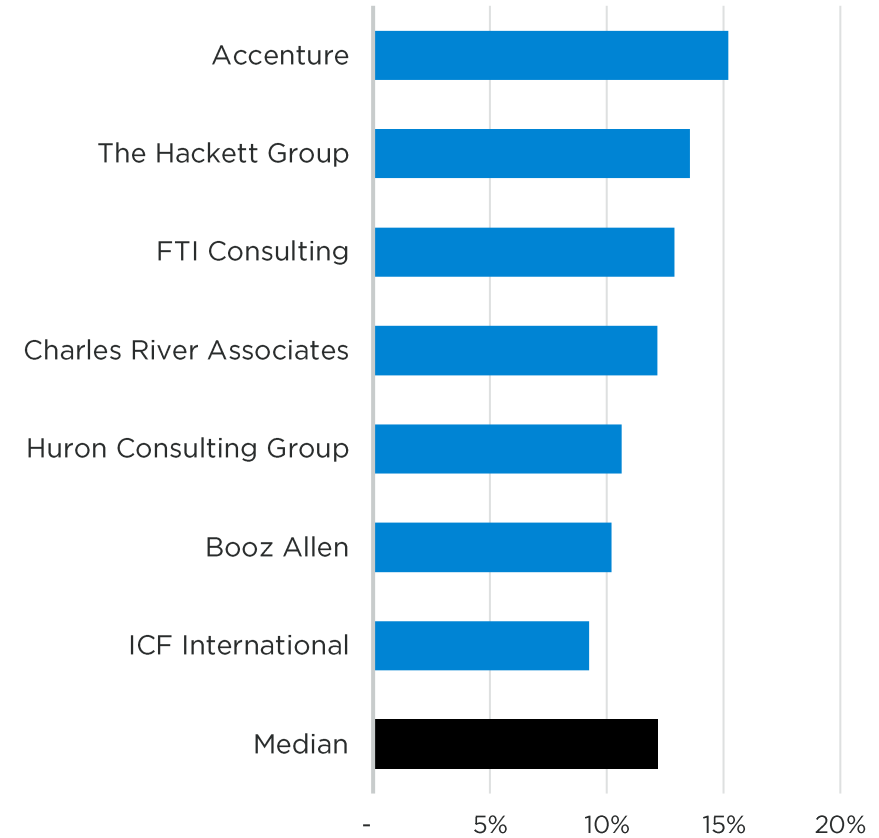


Operational Metrics

LTM Gross Profit Margin %

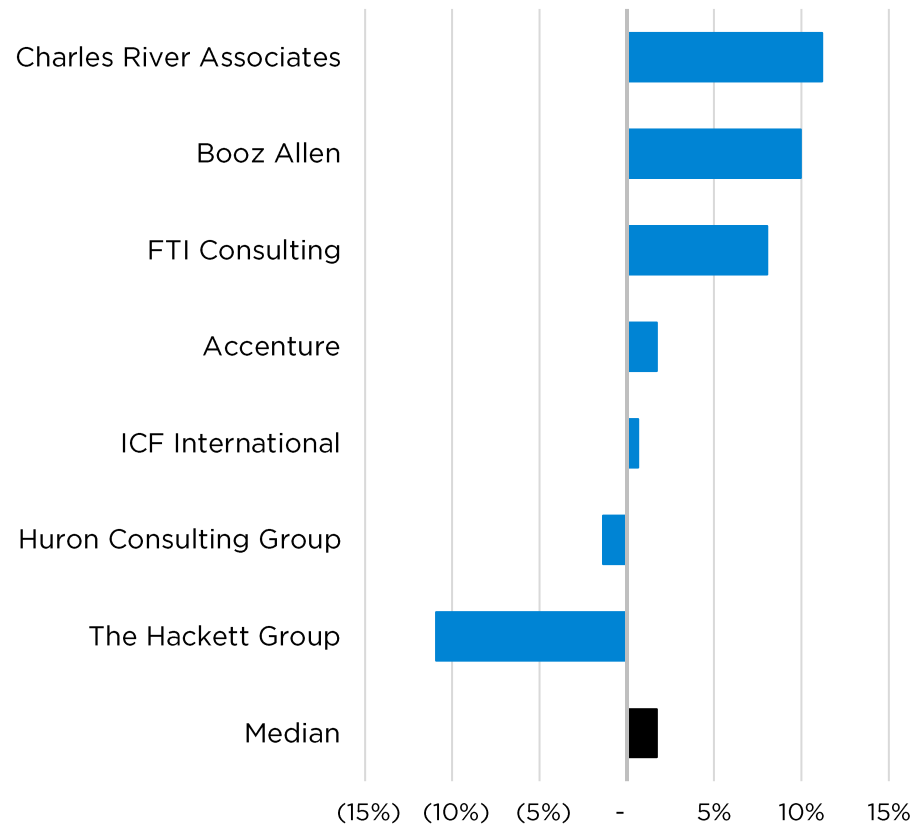


LTM EBITDA %

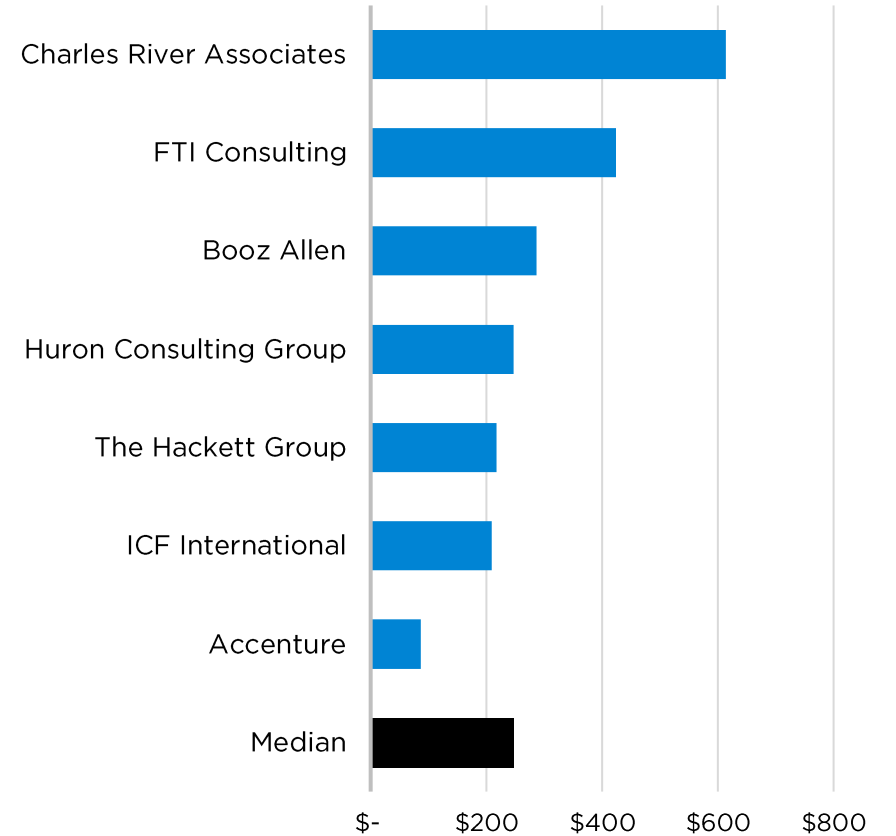


Operational Metrics

LTM Revenue Growth %

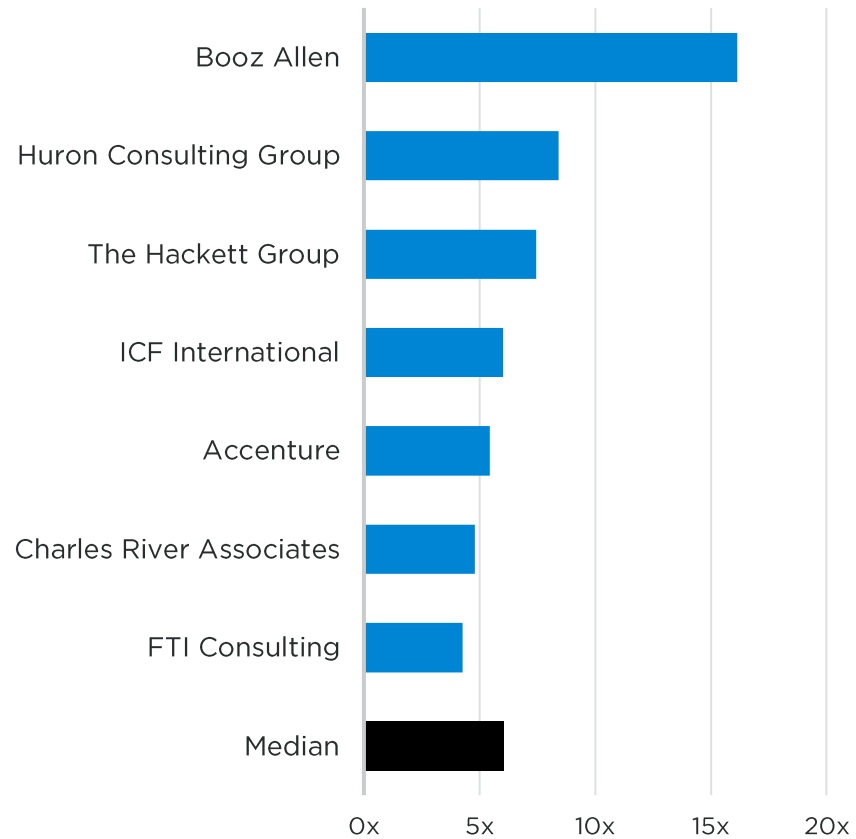


LTM Revenue per Full Time Employee x 000's

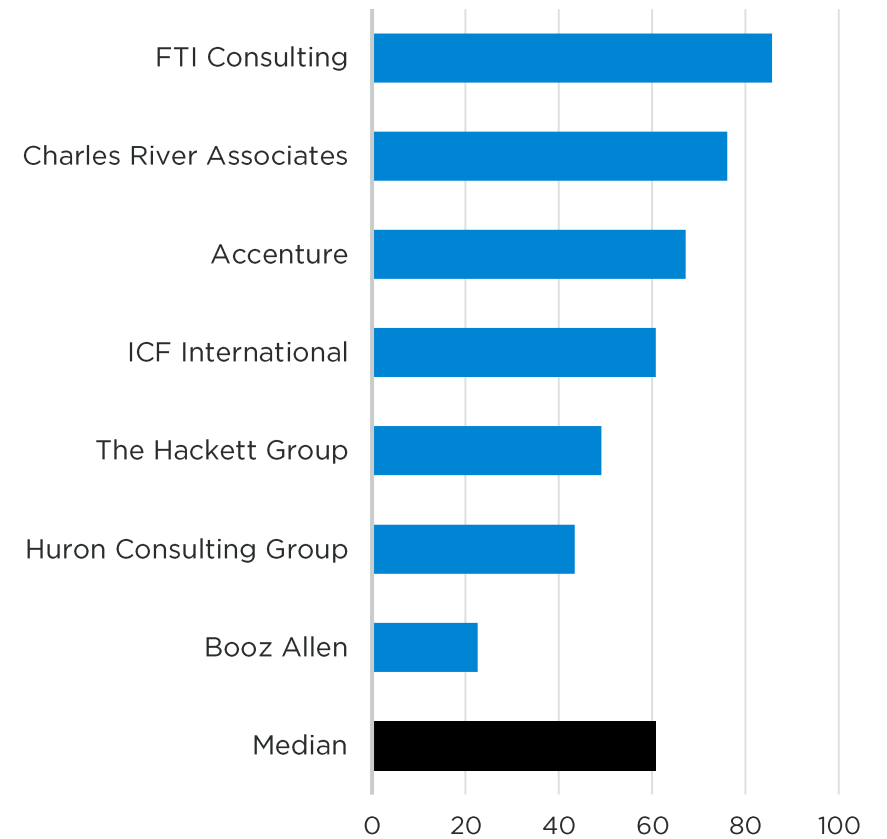


Operational Metrics

Accounts Receivable Turnover

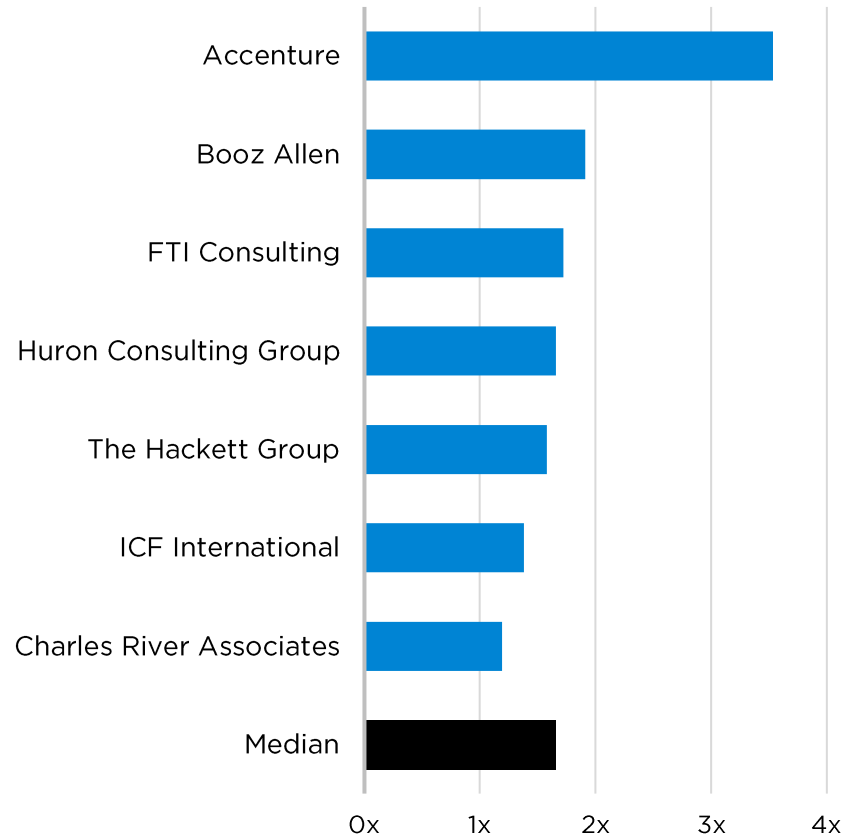


Average Days Sales Outstanding

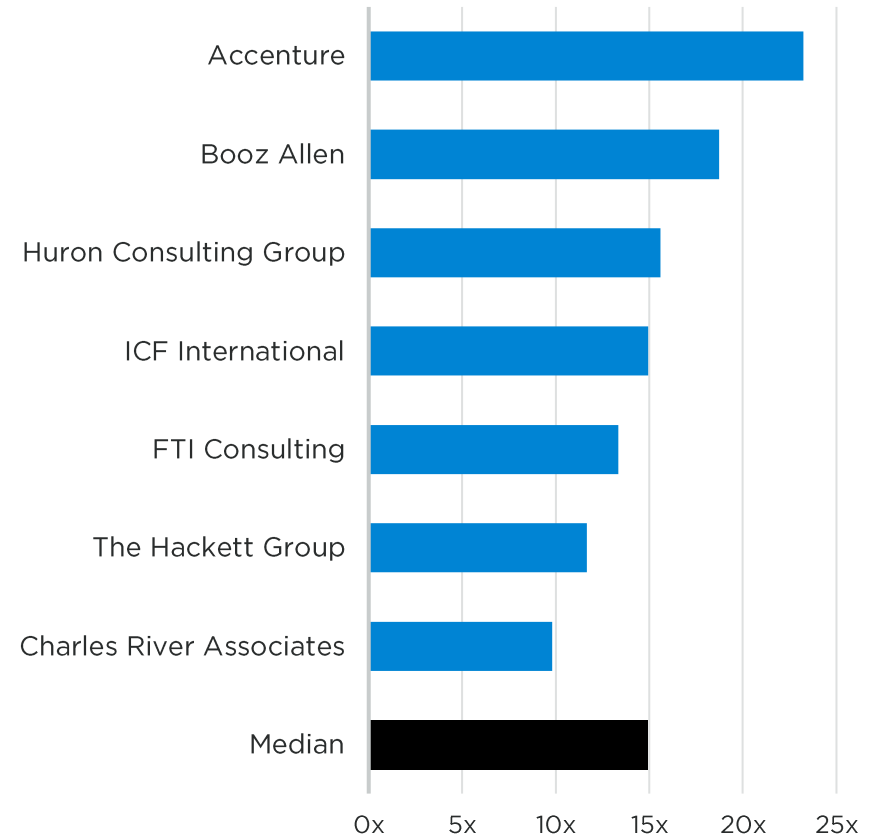


Valuation

TEV / LTM Revenue

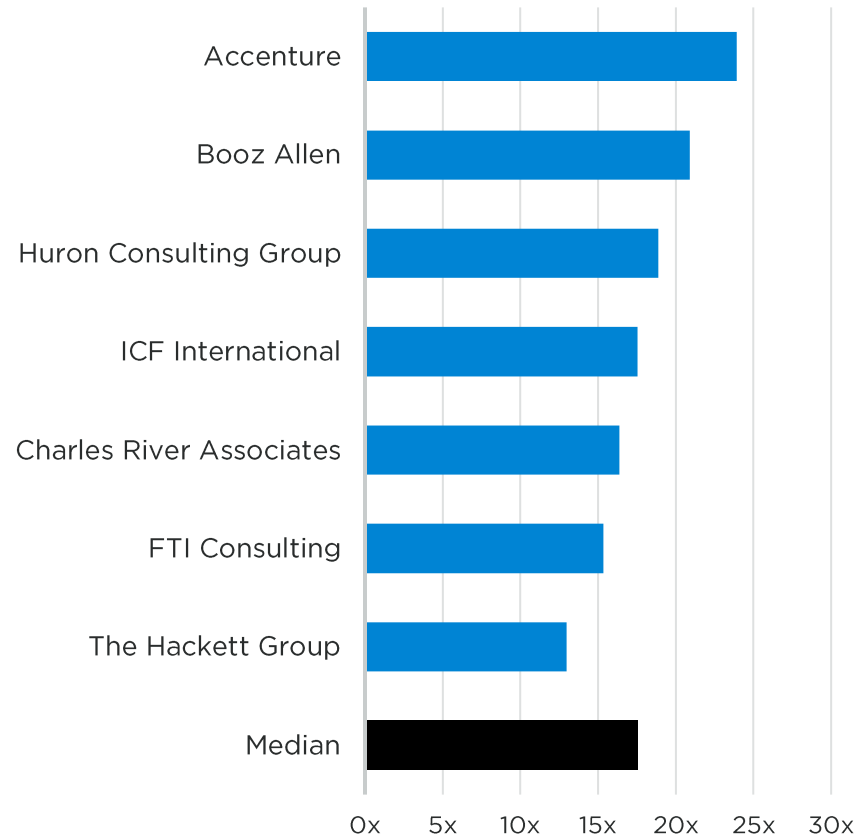


TEV / LTM EBITDA

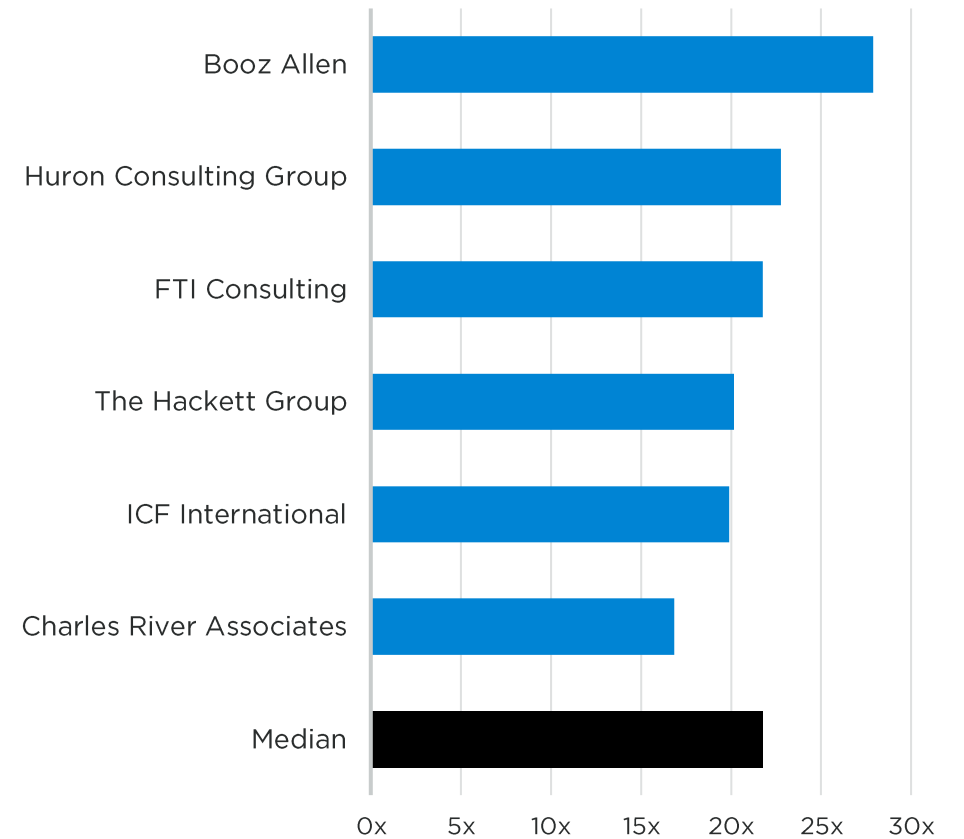


Valuation

TEV / LTM EBIT

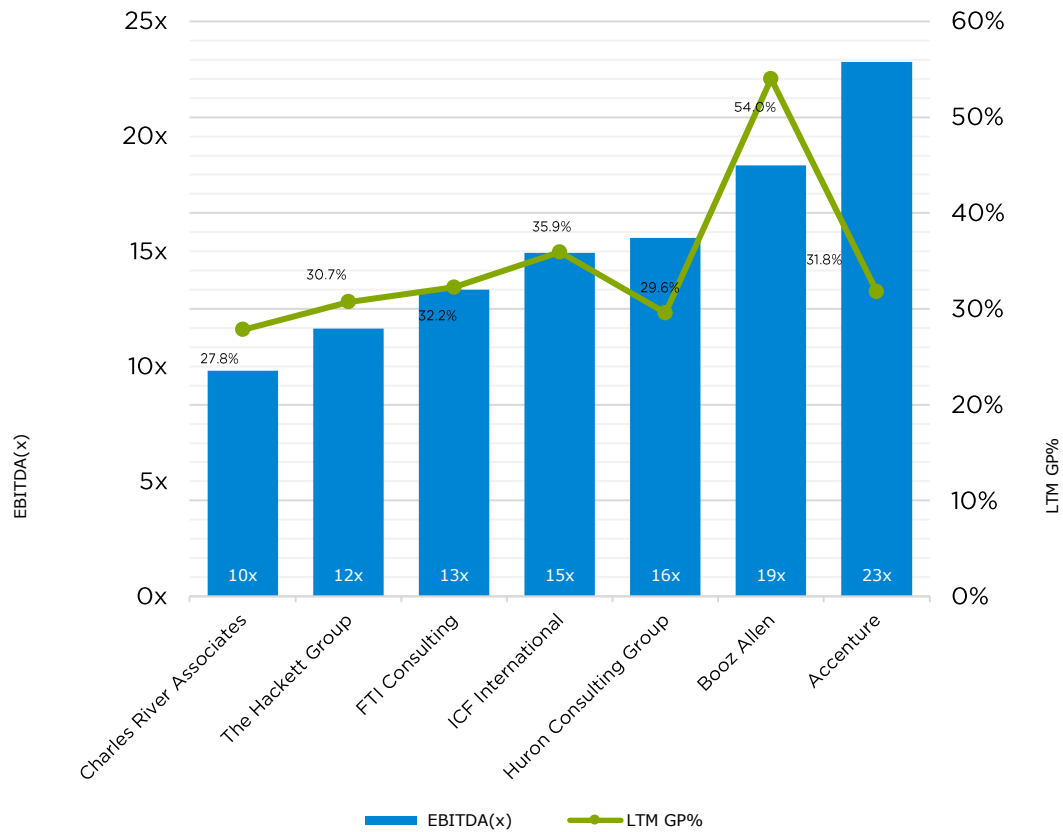


Price / LTM Earnings

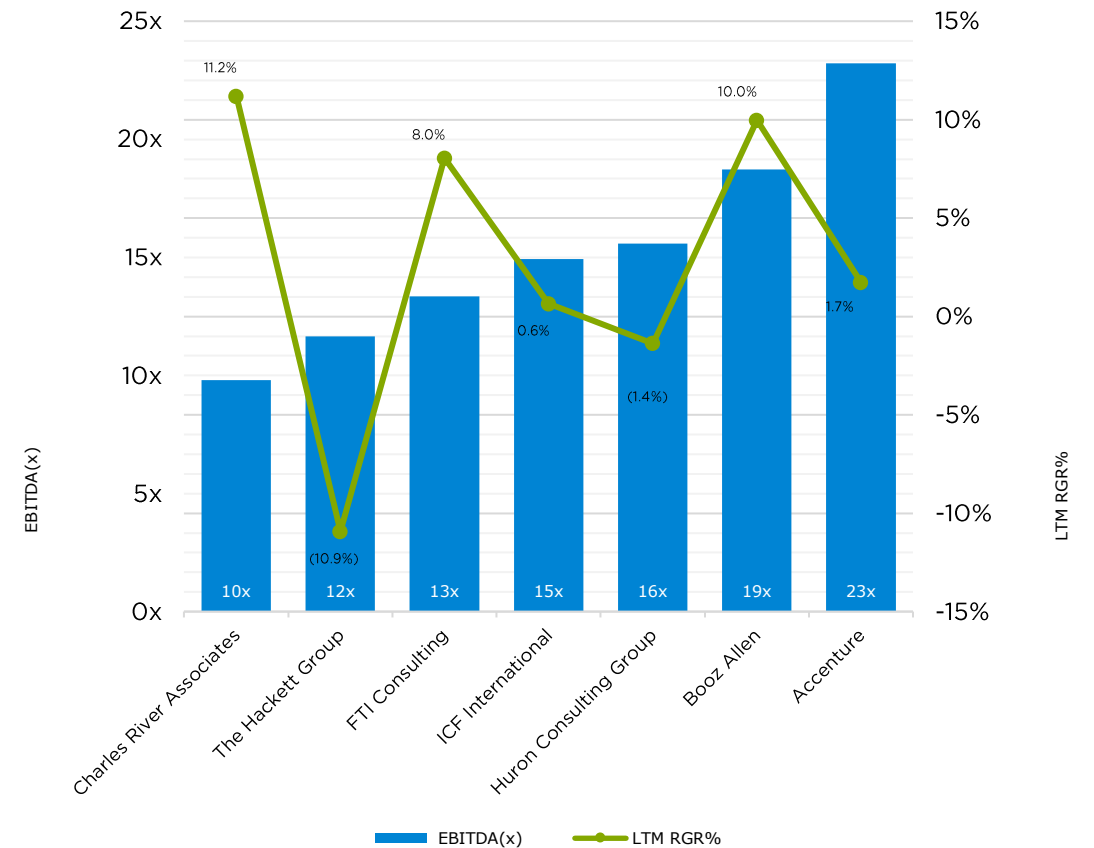


Valuation

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
26-Jan-21	9Gauge Partners	E78 Partners	-	-	-	-
22-Jan-21	Data Network Services	Cloud Equity Group	-	-	-	-
19-Jan-21	Axoma Consultants	Business at Work	-	-	-	-
19-Jan-21	Connecting Visions Ecosystems	Banco Santander	2.44	-	-	-
14-Jan-21	Delv Global Solutions	Vox Financial Partners	-	-	-	-
14-Jan-21	Firstwaters	Be Think, Solve, Execute	12.44	-	1.09	-
14-Jan-21	YouMeO	BearingPoint	-	-	-	-
12-Jan-21	Morrison Brown Argiz & Farra	BDO	-	-	-	-
11-Jan-21	Pangea Formazione	Bain & Company	-	-	-	-
06-Jan-21	First Class Partnerships	CPCS	-	-	-	-
04-Jan-21	Bates Communications	BTS Group	-	-	-	-
04-Jan-21	Ridgeway Partners	CVC Capital Partners	-	-	-	-
31-Dec-20	AIM (Netherlands)	Baird Capital	-	-	-	-
22-Dec-20	Iwanczuk & Associates	Buchbinder Tunick and Company	-	-	-	-
21-Dec-20	SSI Strategy	Amulet Capital Partners	-	-	-	-
17-Dec-20	Risked Revenue Energy Associates	AEGIS Hedging Solutions	-	-	-	-
16-Dec-20	Applied Safety and Ergonomics	Century Equity Partners	-	-	-	-
15-Dec-20	Specialty Networks Consulting	Linden Capital Partners	-	-	-	-
15-Dec-20	Climber International	Digia	16.19	14.56	-	-
10-Dec-20	Procedera Consult	Cofinpro	-	-	-	-
09-Dec-20	R&G Advisory	Sia Partners	-	-	-	-
08-Dec-20	Intrepid Advisors	Gainline Capital Partners	-	-	-	-
08-Dec-20	RR Health Strategies	Northlane Capital Partners	-	-	-	-
03-Dec-20	Centerline Partners	A&M Capital	-	-	-	-
03-Dec-20	Talent Function	Cielo (Wisconsin)	-	-	-	-
02-Dec-20	NEOS (Management Consulting)	Capco Group	-	-	-	-
01-Dec-20	Akt. Agency	Gullers Grupp	-	1.30	-	-
30-Nov-20	Wize Consulting	Town Square	-	-	-	-
24-Nov-20	Crowd DNA	Horizon Capital (London)	-	-	-	-

Appendix

*Public Basket
Contact Information*



Accenture

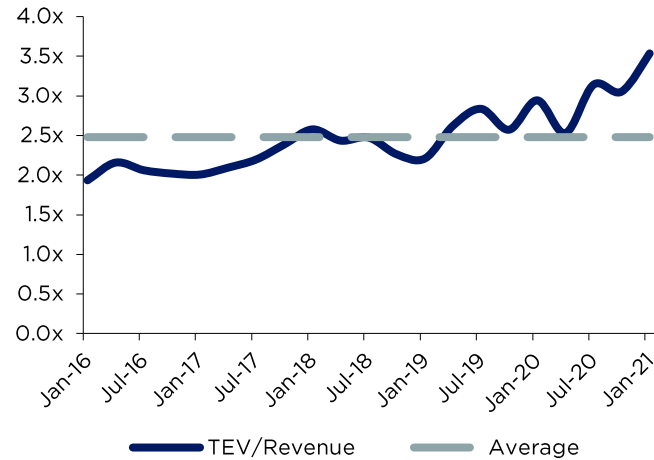
Accenture is a leading global IT services firm that provides consulting, strategy, and technology and operational services.

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.

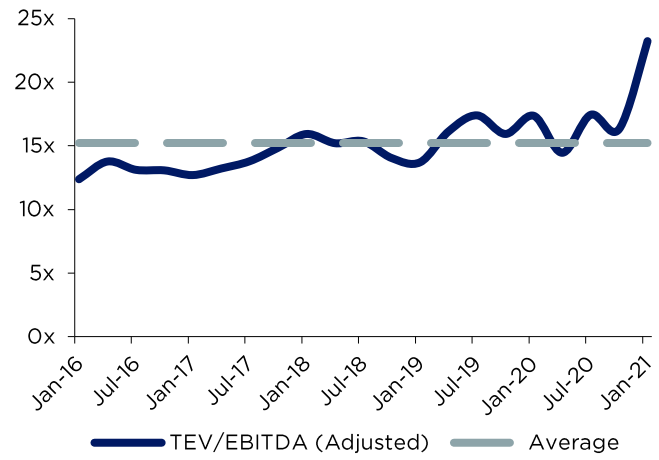
Public Basket

Accenture

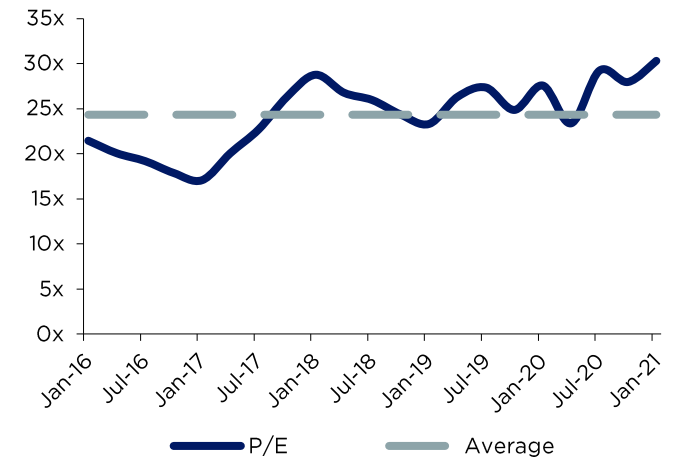
Revenue Multiples - Accenture



EBITDA Multiples - Accenture



P/E Multiples - Accenture



Company Name	Date	Deal Synopsis
Group Operations Service Platform	16-Dec-20	The company was formed as a joint venture between Assicurazioni Generali (BIT: G) and Accenture (NYSE: ACN) on December 16, 2020. Accenture holds a 5% stake in the joint venture while the rest is held by Generali Group. The JV is being formed to develop solutions that accelerate the digitization of Generali Group's business processes and the adoption of a cloud-centric model.
OpusLine	01-Dec-20	The company was acquired by Accenture (NYS: ACN) for an undisclosed amount on December 1, 2020. The acquisition enables Accenture to provide health industry clients with innovations in areas such as data analytics and artificial intelligence and support the health ecosystem.

Booz Allen

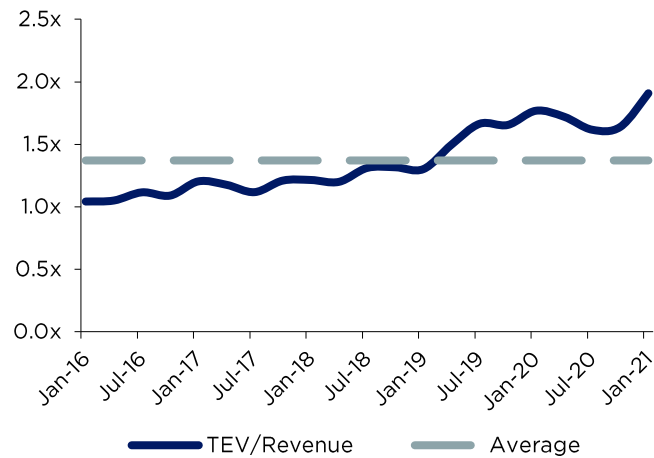
Booz Allen Hamilton Holding Corp is a provider of management consulting services to the U.S.

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.

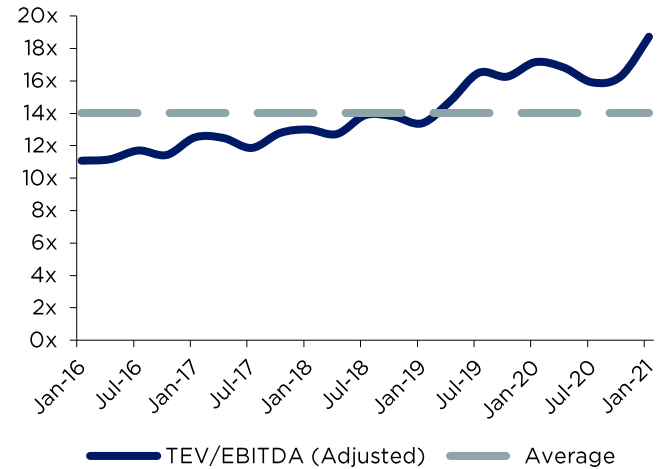
Public Basket

Booz Allen

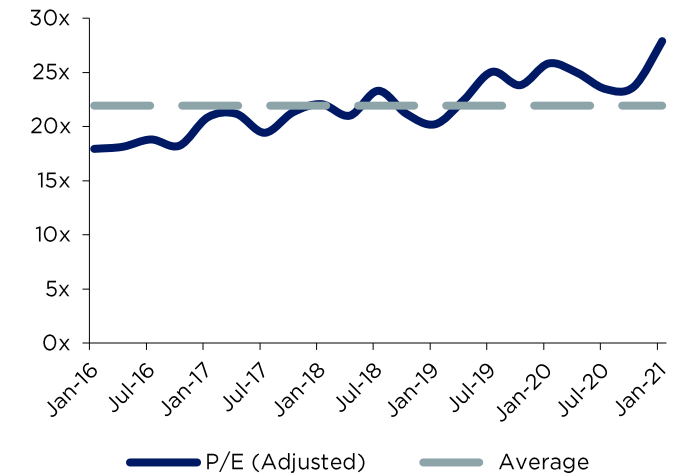
Revenue Multiples - Booz Allen



EBITDA Multiples - Booz Allen



P/E Multiples - 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), Ardan Holding, Morgan Stanley (NYSE: MS) and Apollo Investment (NASDAQ: AINV).

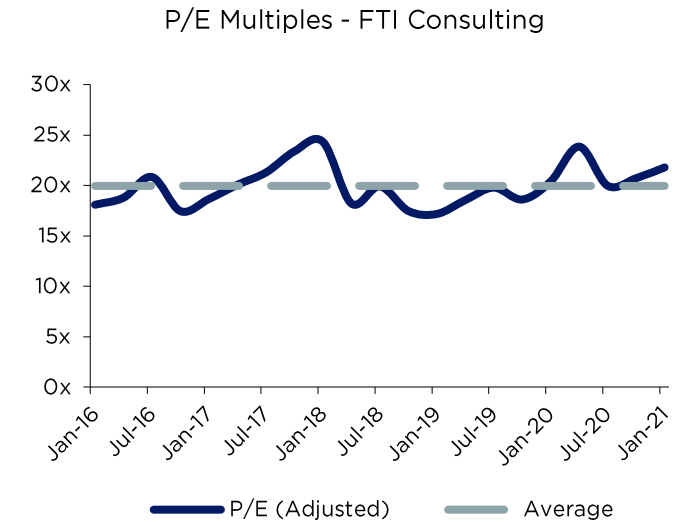
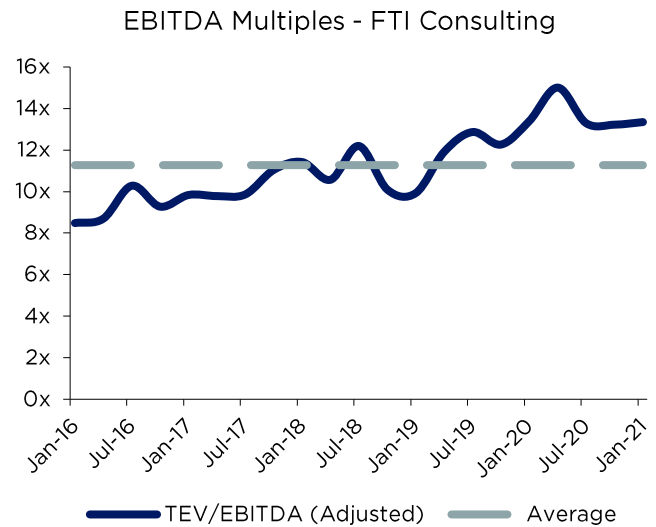
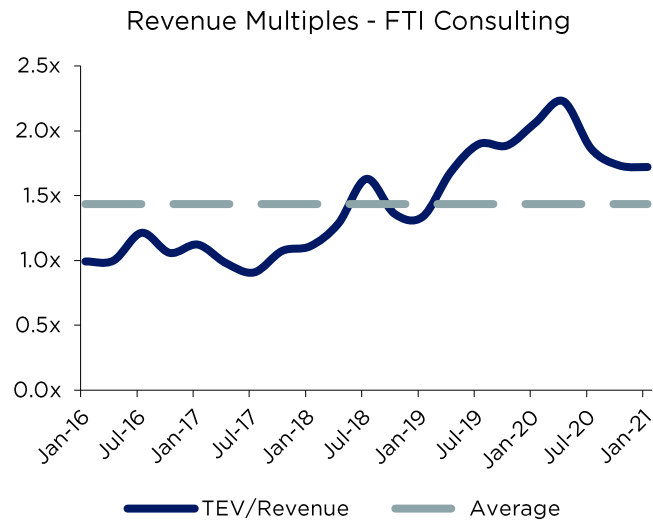
FTI Consulting

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



<i>Company Name</i>	<i>Date</i>	<i>Deal Synopsis</i>
Delta Partners Group	01-Jul-20	The company was acquired by FTI Consulting (NYS: FCN) for an undisclosed amount on July 1, 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.

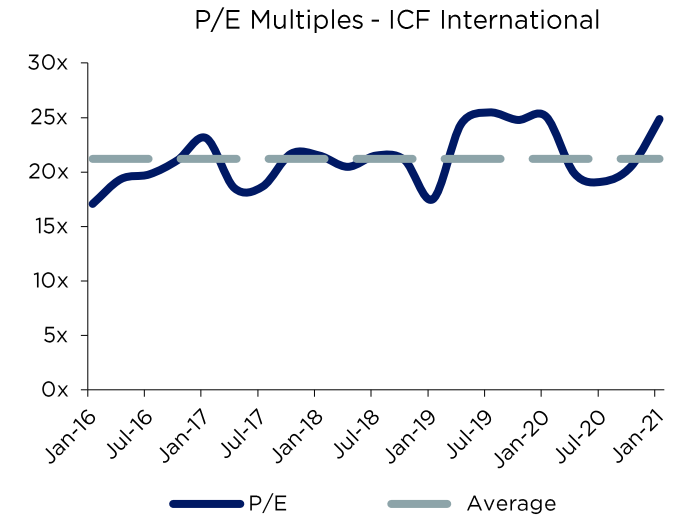
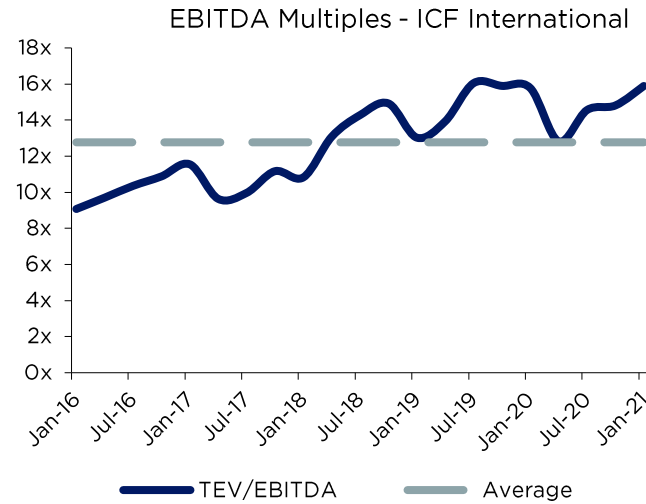
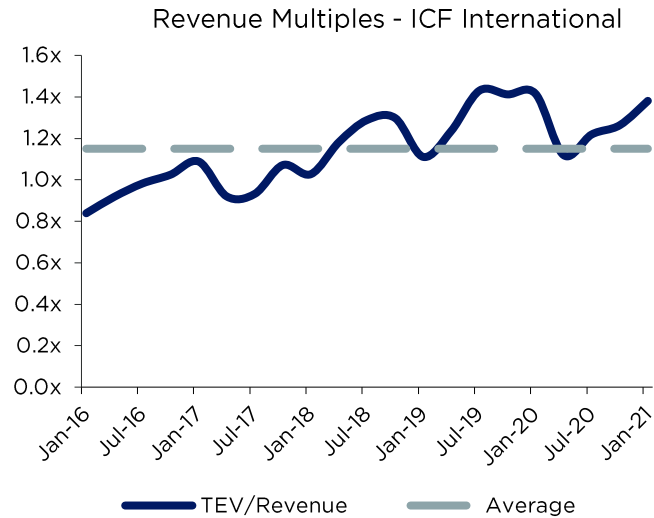
ICF International

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



<i>Company Name</i>	<i>Date</i>	<i>Deal Synopsis</i>
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.

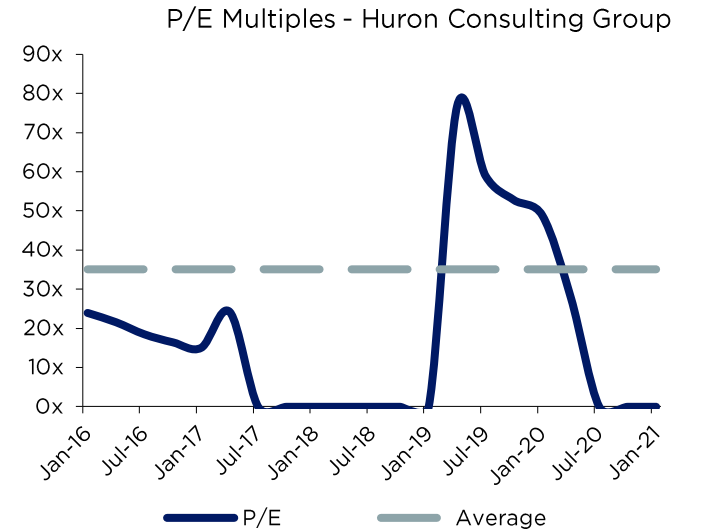
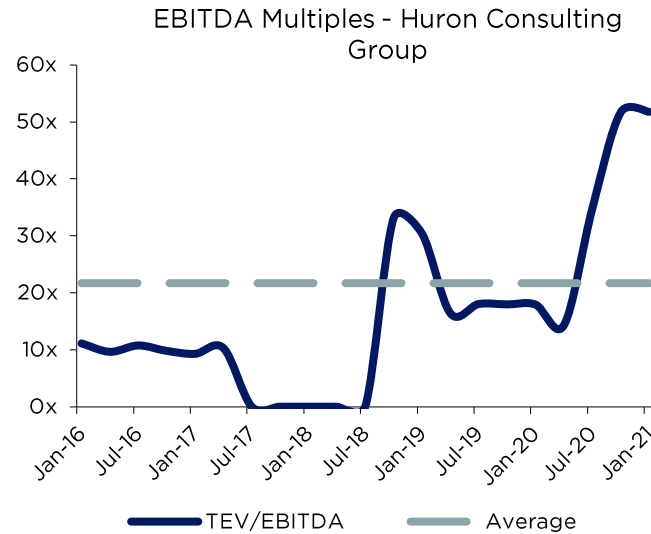
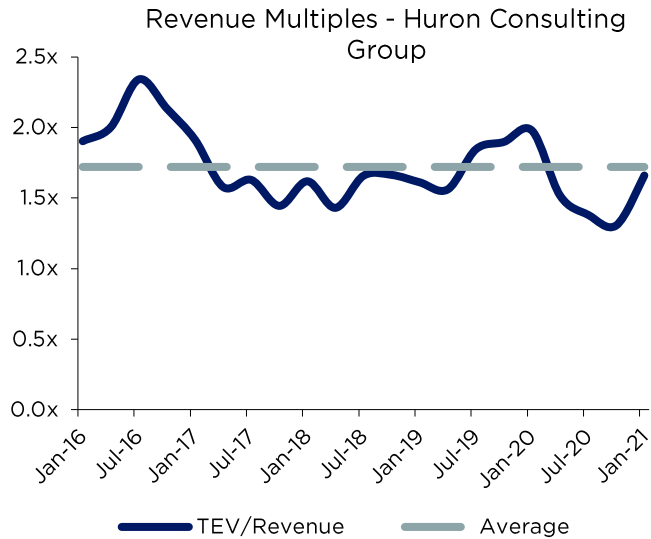
Huron Consulting Group

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
ForcelIQ	02-Nov-20	The company was acquired by Huron Consulting Group (NAS: HURN) for an undisclosed amount on November 2, 2020. The acquisition expands Huron's industry-specific cloud software capabilities and also accelerates Huron's commitment to helping its clients better compete in disruptive and highly competitive markets.
Proto (Business/Productivity Software)	31-Dec-19	The company raised CAD 2.1 million of venture funding in a deal led by Huron Consulting Group on December 31, 2019. Celtic House Asia Partners also participated in this round.

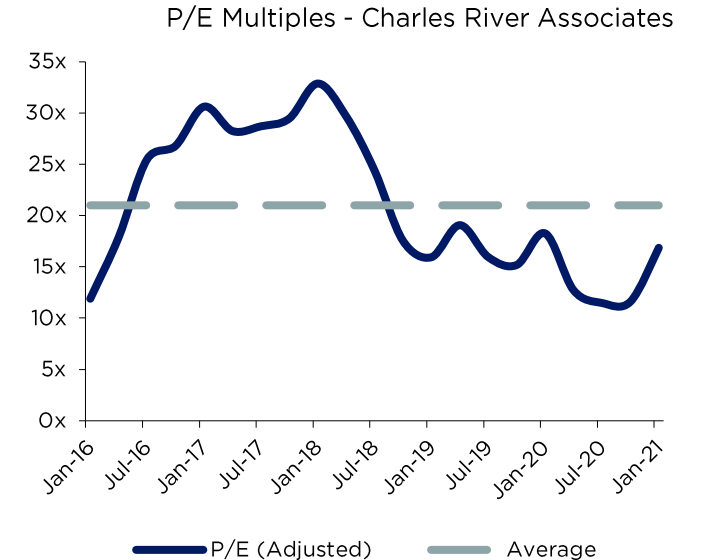
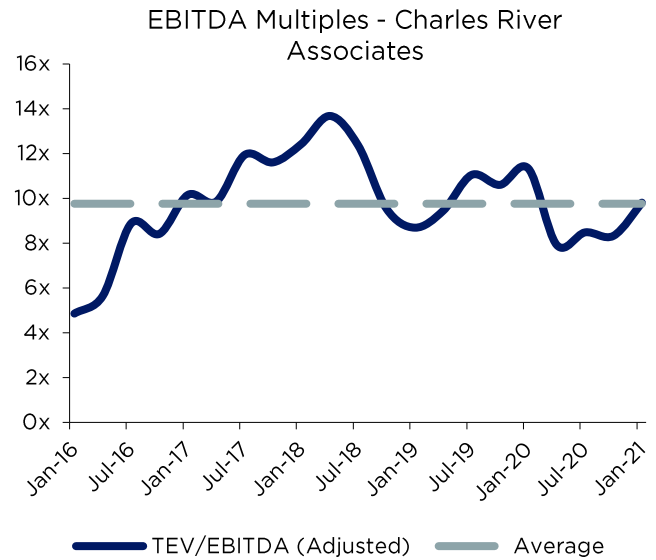
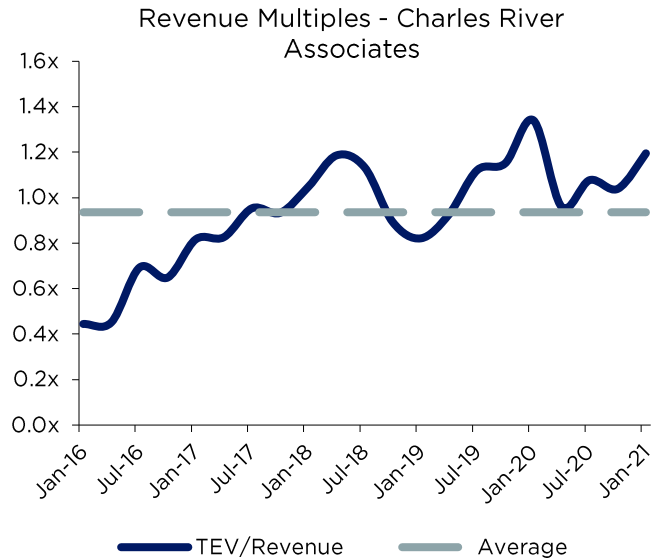
Charles River Associates

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



<i>Company Name</i>	<i>Date</i>	<i>Deal Synopsis</i>
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.

The Hackett Group

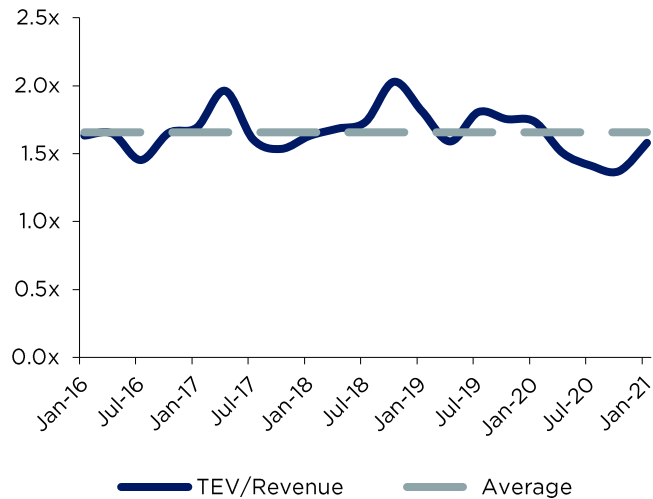
The Hackett Group Inc is a United States based advisory firm.

The company's offerings include executive advisory programs, benchmarking, business transformation, and technology advisory services. The company's executive and practice 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.

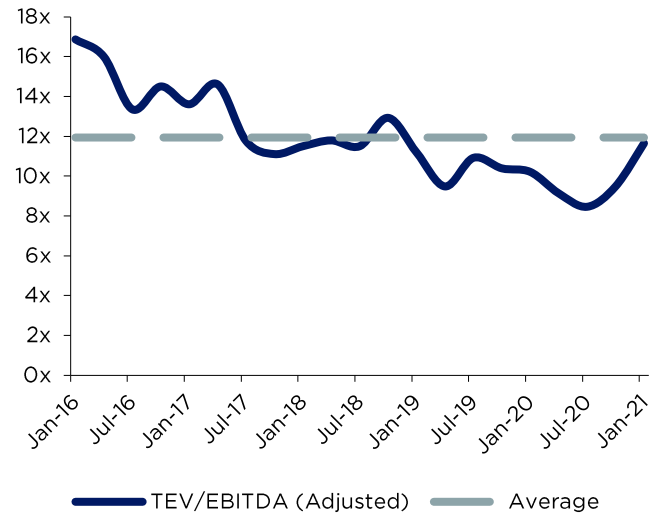
Public Basket

The Hackett Group

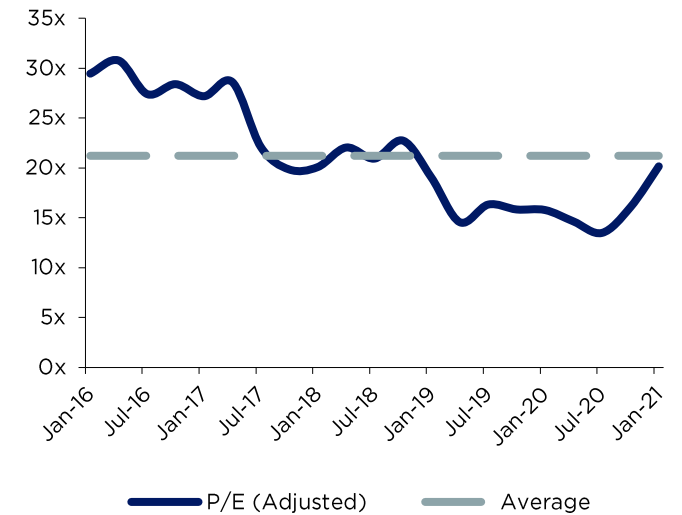
Revenue Multiples - The Hackett Group



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.

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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