

7 Mile Advisors



Sectorwatch: Management Consulting

June 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

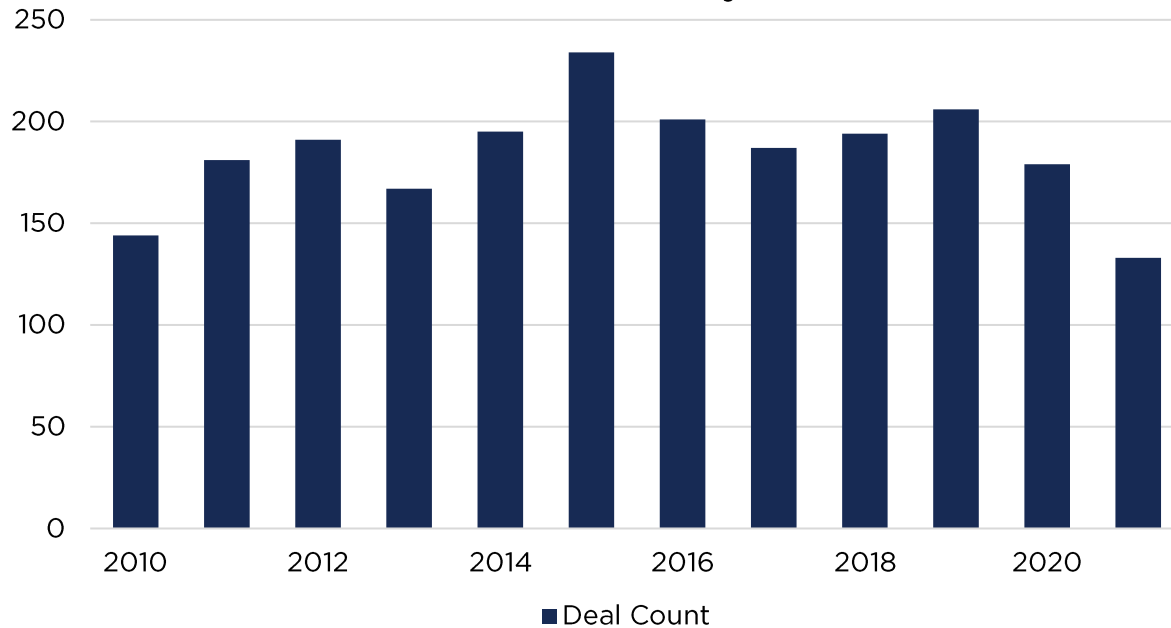
- The most recently announced deals in the sector

Dashboard

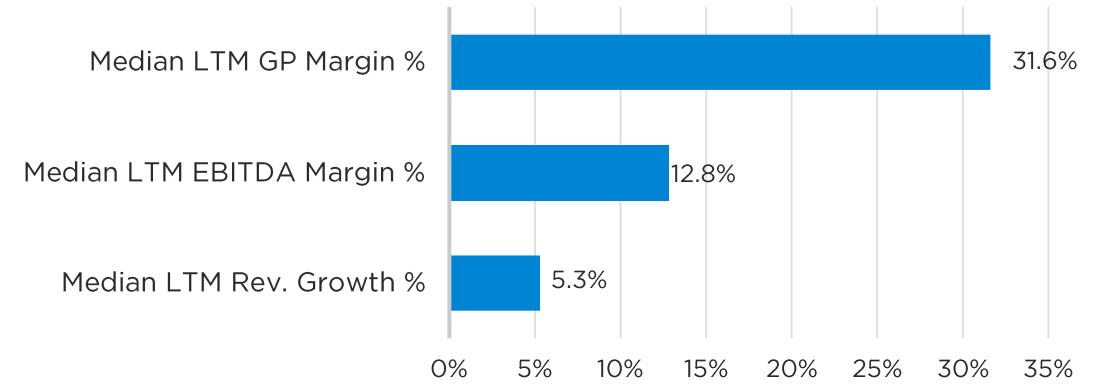
REVENUE GROWTH MOMENTUM ↓ -2.0%

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

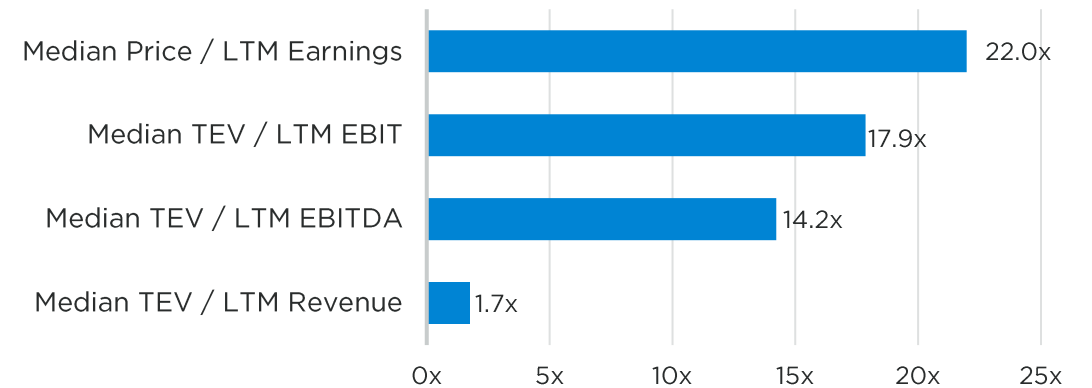
M&A Activity



Operating Metrics



Valuation



Public Basket Overview



Commercial Services



IT Services

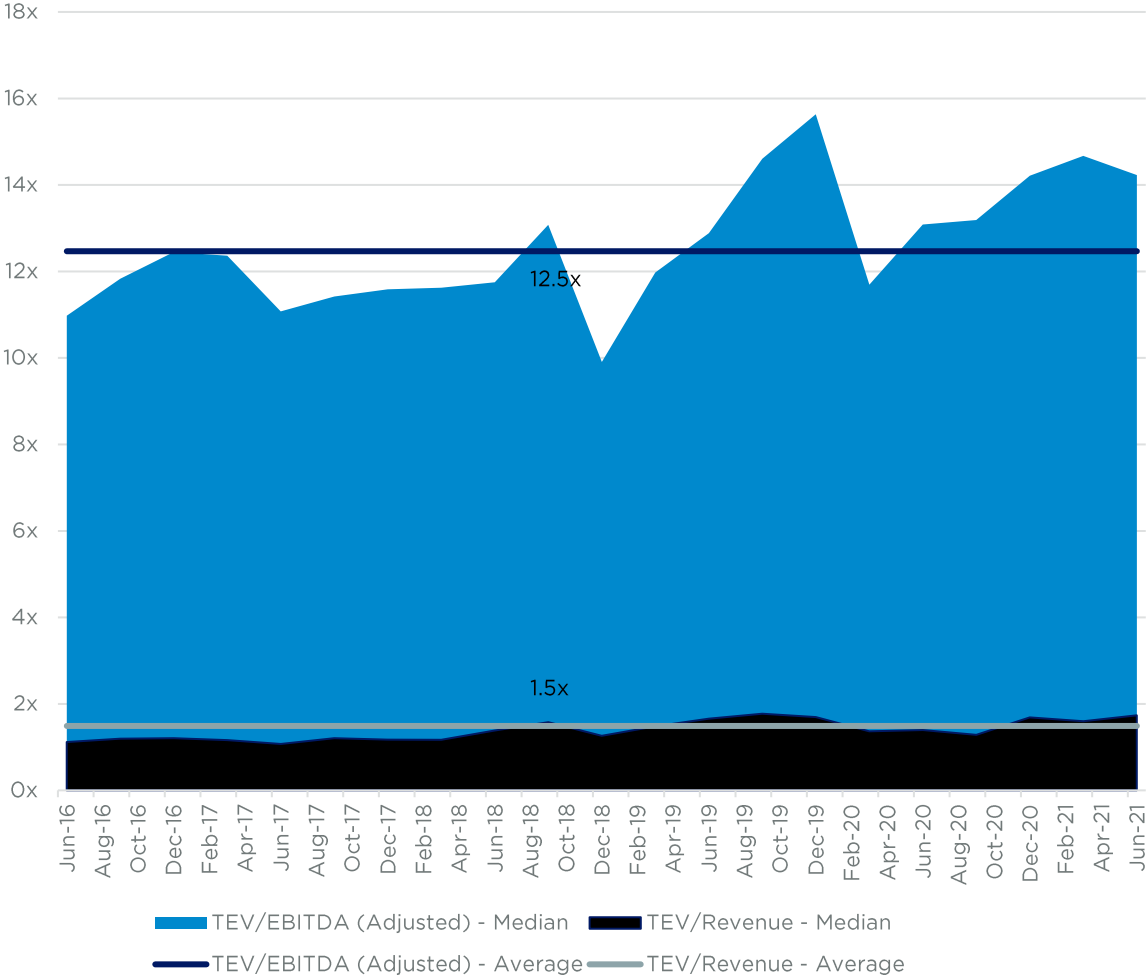


Public Basket

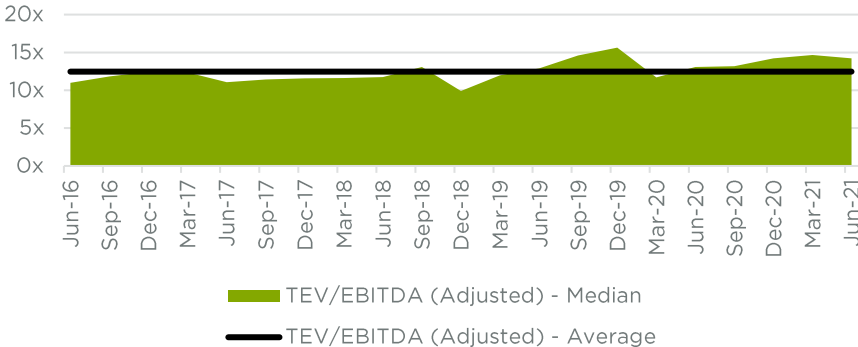
Company	TEV \$m	LTM EBITDA \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
Accenture	180,358	8,007	47,949	7.6%	32.0%	16.7%	3.8x	22.5x	514,000	93
Booz Allen	13,304	816	7,859	5.3%	53.5%	10.4%	1.7x	16.3x	27,600	285
FTI Consulting	5,038	354	2,543	5.7%	31.6%	13.9%	2.0x	14.2x	6,321	402
ICF International	2,126	152	1,527	2.1%	36.2%	10.0%	1.4x	14.0x	7,500	204
Huron Consulting Group	1,448	77	834	-15.2%	28.8%	9.2%	1.7x	18.9x	3,807	219
Charles River Associates	798	68	529	12.1%	27.2%	12.8%	1.5x	11.8x	831	636
The Hackett Group	496	35	233	-18.0%	31.2%	15.0%	2.1x	14.2x	1,047	223
Average	29,081	1,358	8,782	-0.1%	34.4%	12.6%	2.0x	16.0x	80,158	295
Median	2,126	152	1,527	5.3%	31.6%	12.8%	1.7x	14.2x	6,321	223

share price as of 29Jun21

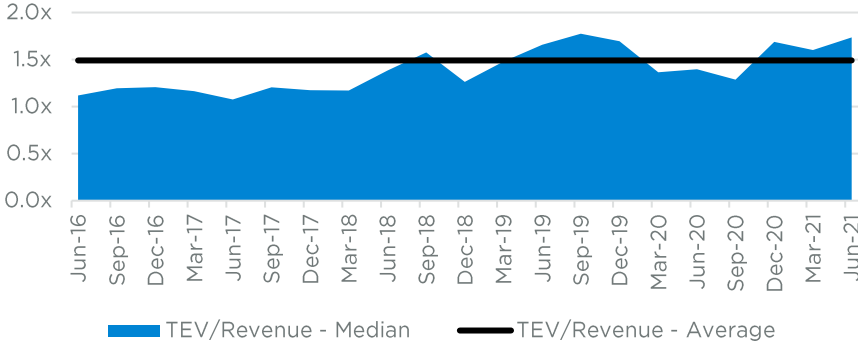
Public Basket



Public EBITDA Multiples over Time

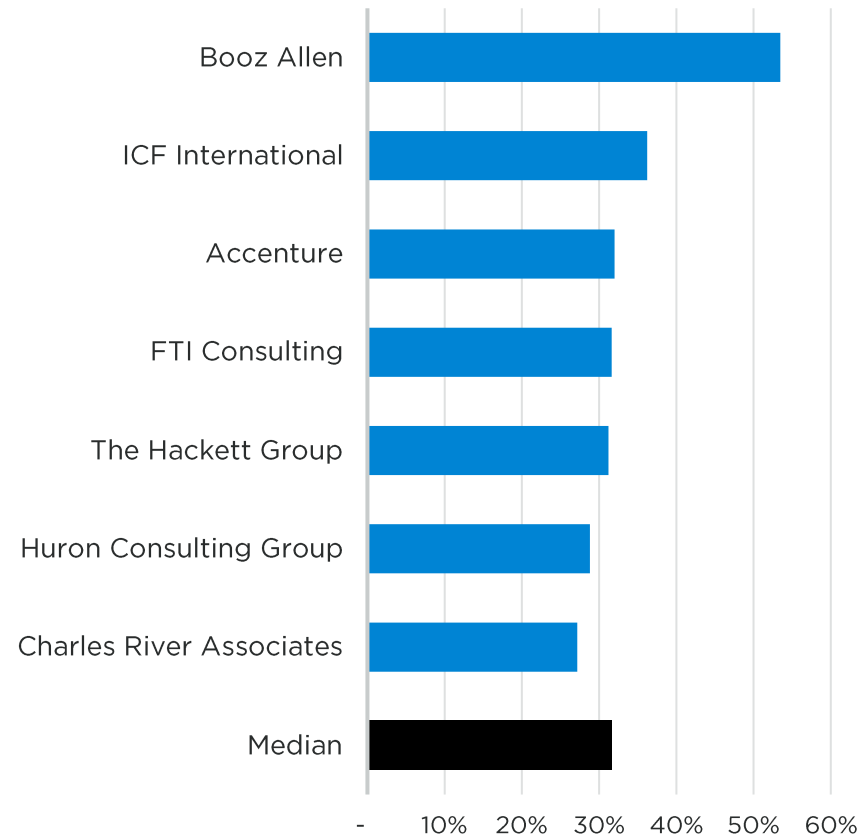


Public Revenue Multiples over Time

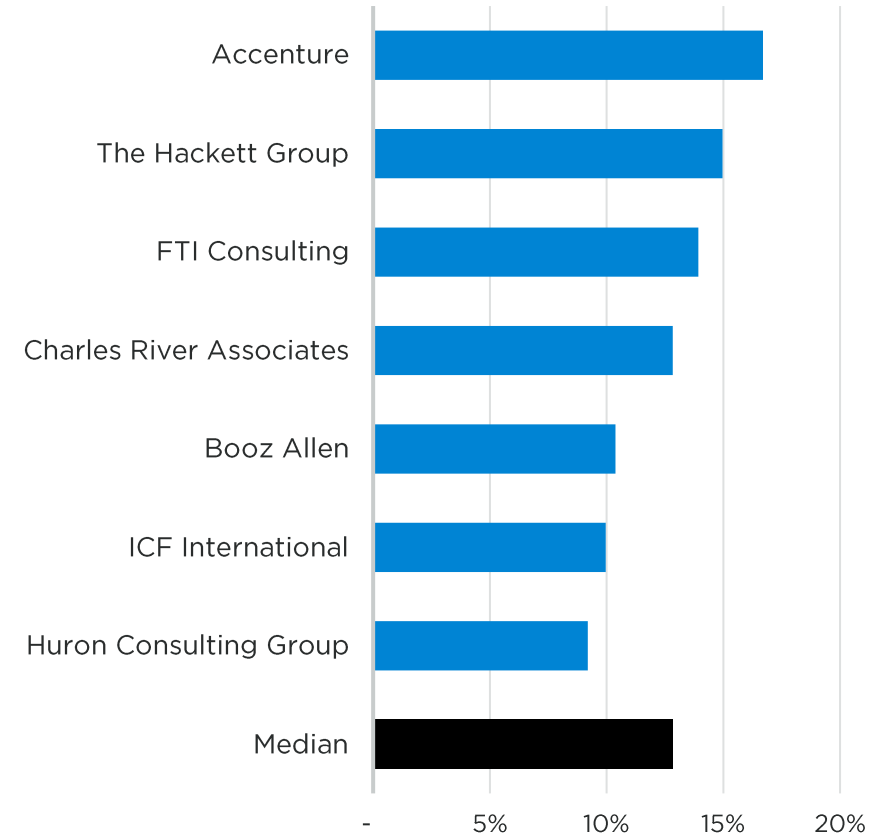


Operational Metrics

LTM Gross Profit Margin %

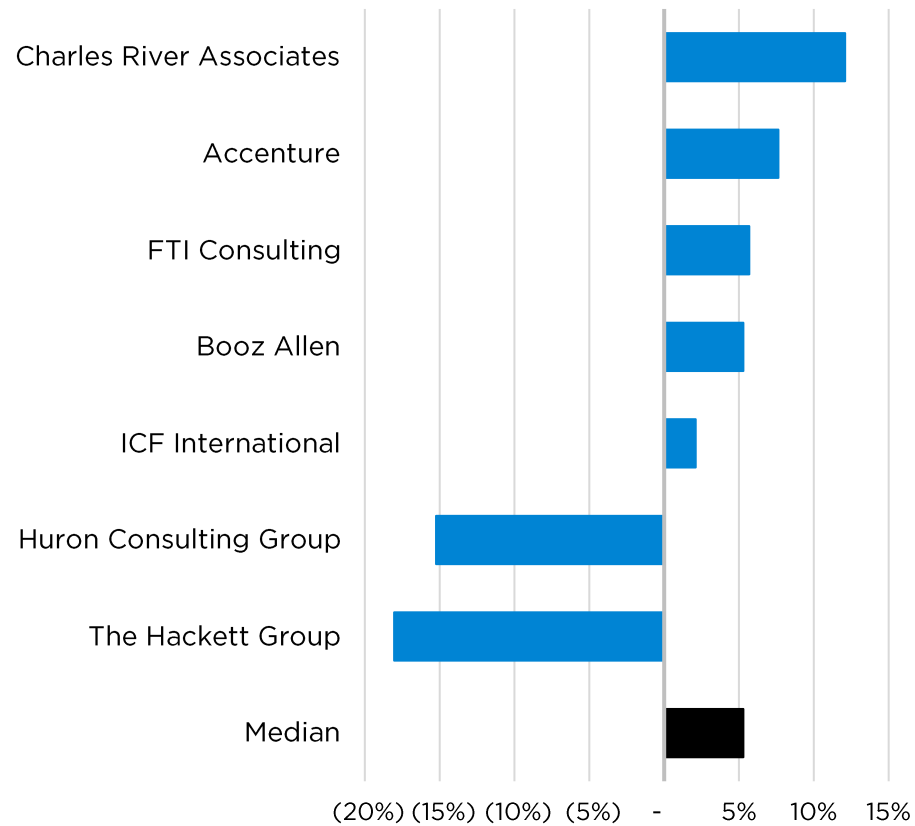


LTM EBITDA %

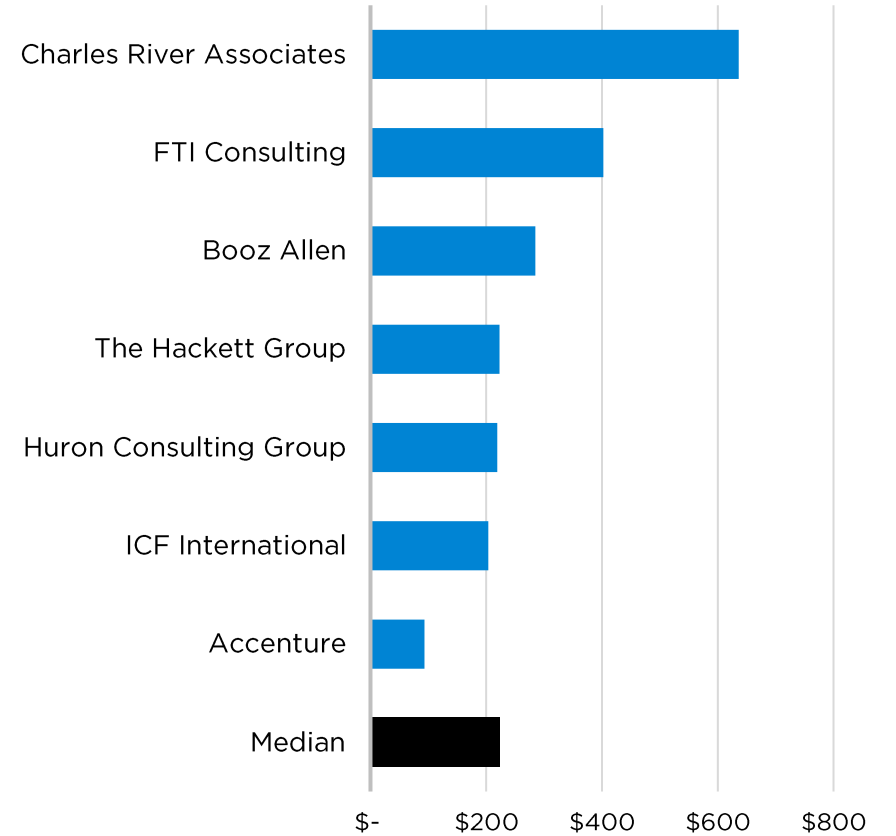


Operational Metrics

LTM Revenue Growth %

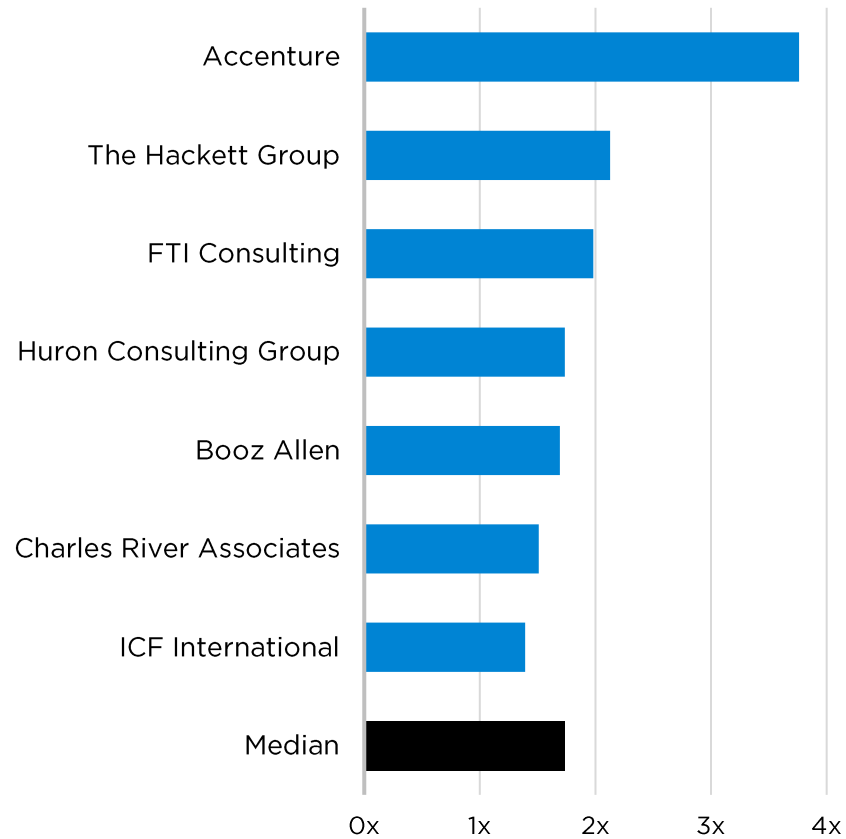


LTM Revenue per Full Time Employee x 000's

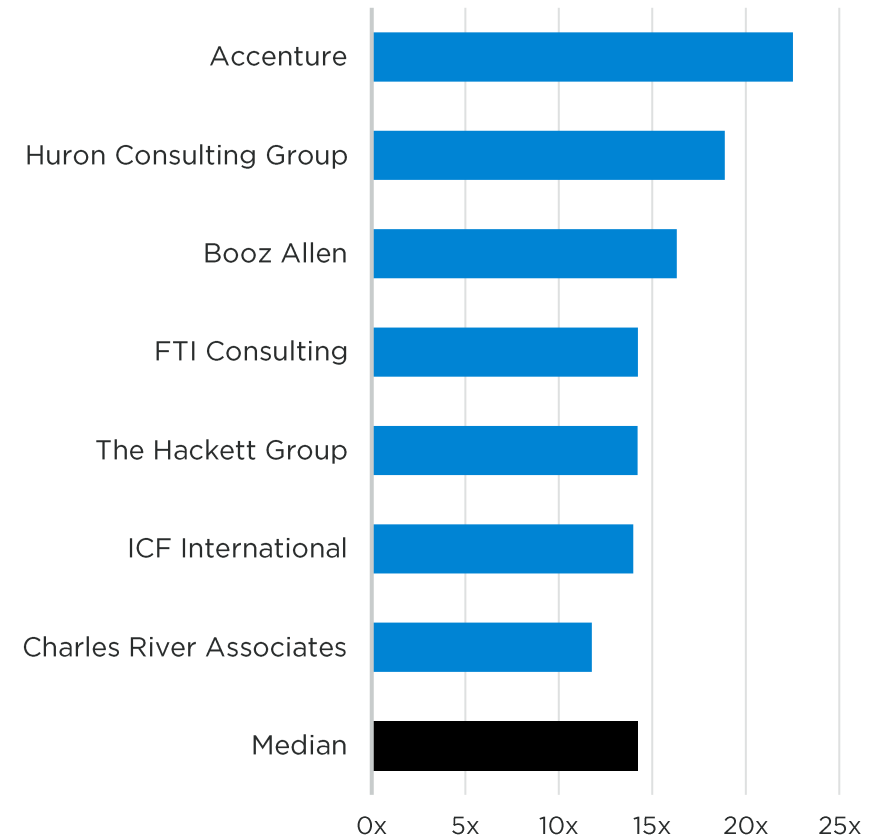


Valuation

TEV / LTM Revenue

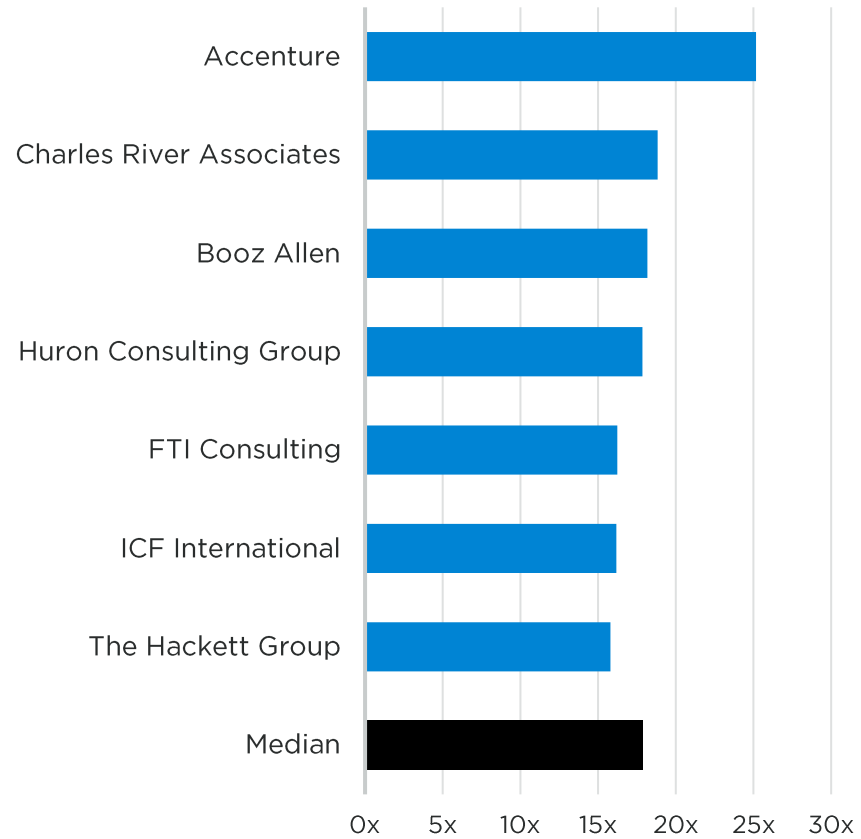


TEV / LTM EBITDA

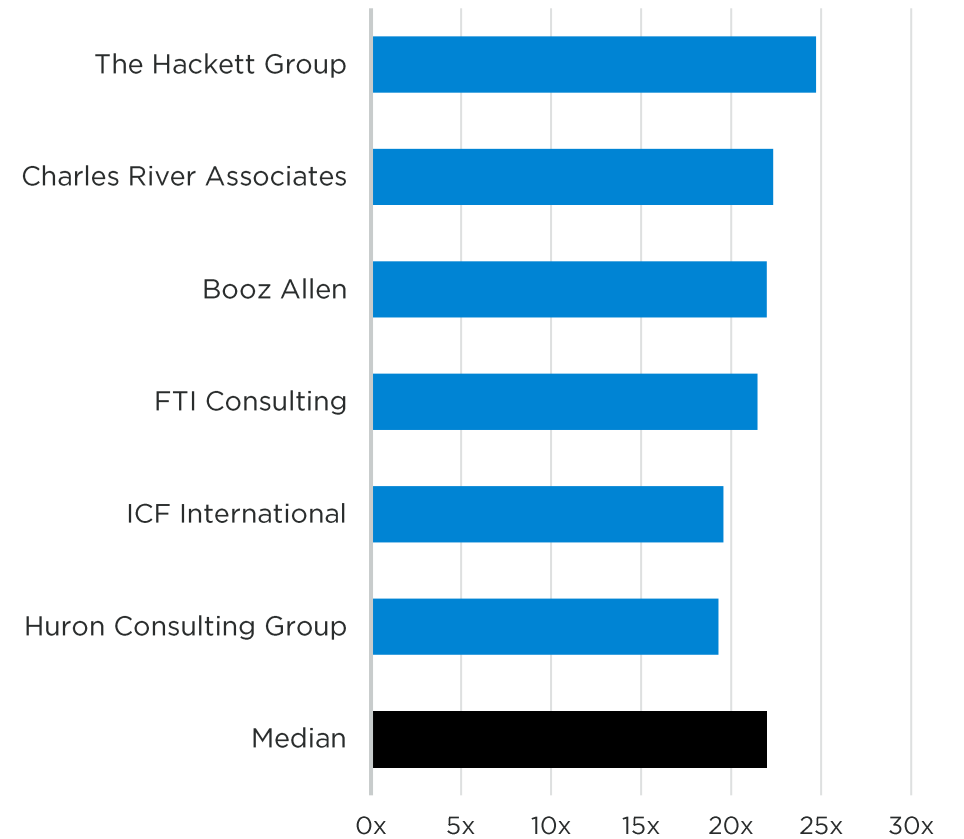


Valuation

TEV / LTM EBIT

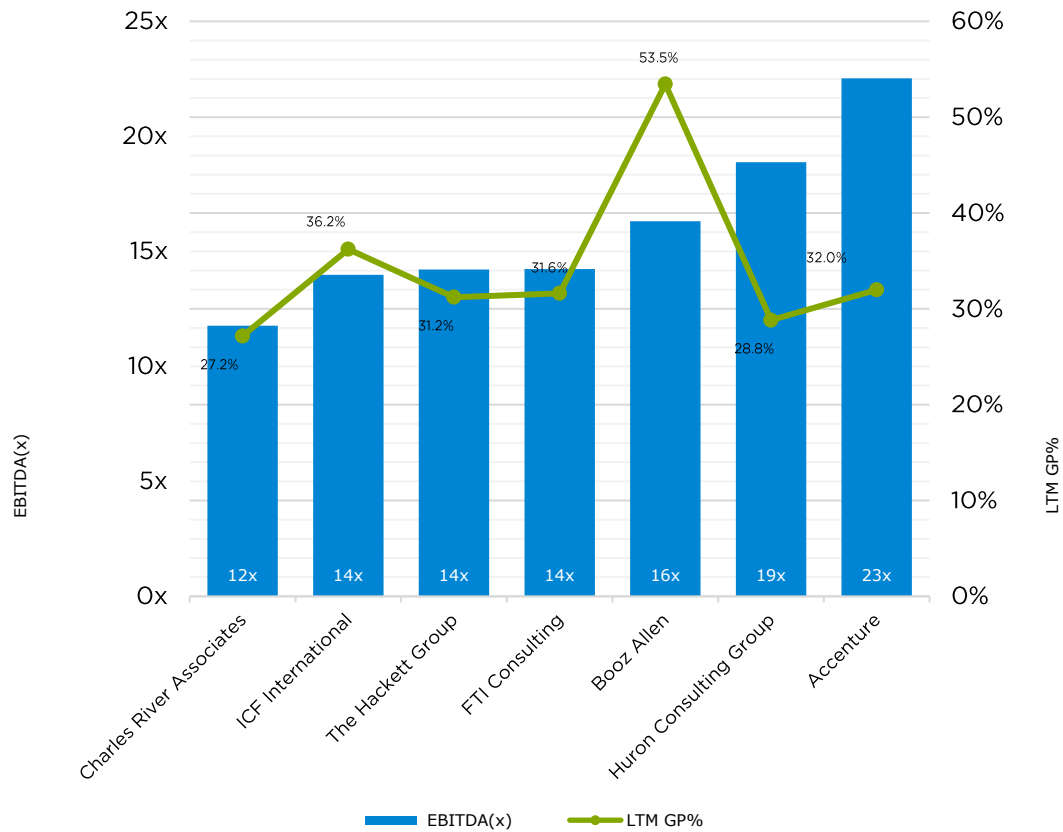


Price / LTM Earnings

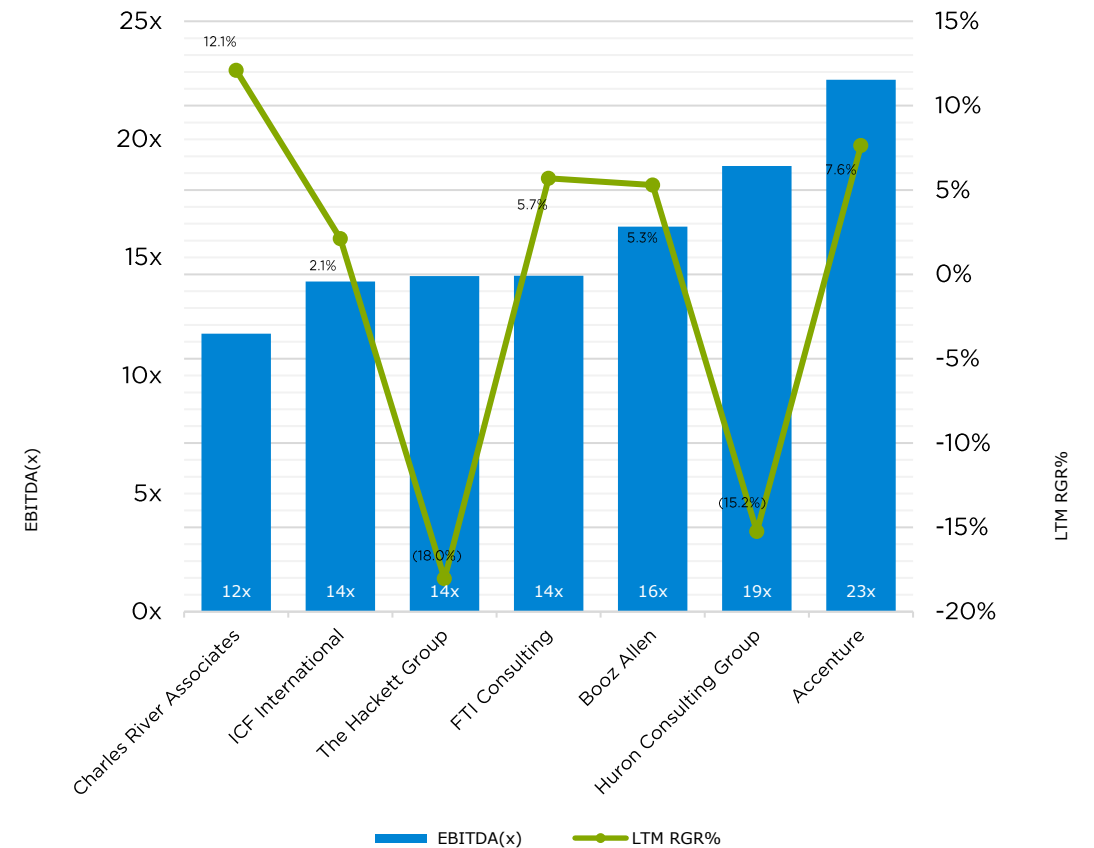


Valuation

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
22-Jun-21	Pine Table Partners	Good.Lab	-	-	-	-
18-Jun-21	Exton Consulting	Accenture	-	-	-	-
16-Jun-21	Boston Healthcare Associates	Summit Partners	-	-	-	-
11-Jun-21	PGW Peters Götza Welge	BRL Boege Rohde Luebbehusen	-	-	-	-
10-Jun-21	Pacemakers Digital Ventures	Etribes Connect	-	-	-	-
09-Jun-21	Pershing	FinClear	-	-	-	-
01-Jun-21	Business Integration Partners	CVC Capital Partners	-	-	2.4	-
01-Jun-21	Grail Insights	Escalent	-	-	-	-
01-Jun-21	Mueller Prost	Wipfli	-	-	-	-
25-May-21	The Kaizen Company	Tetra Tech	-	-	-	-
21-May-21	Lionpoint	Alpha FMC	90.0	-	3.0	13.0
19-May-21	Headlink Partners	Ailancy	-	-	-	-
18-May-21	Bresslergroup	Delve (Madison)	-	-	-	-
18-May-21	Homburg & Partner	Accenture	-	-	-	-
17-May-21	Verdonck, Klooster & Associates	Auctus Capital Partners	-	-	-	-
12-May-21	HABITANT (Spain)	Globant	-	-	-	-
10-May-21	3WhiteHats	Clarity PR	-	-	-	-
06-May-21	Sustainway	Mawenzi Partners	-	-	-	-
27-Apr-21	Whitney, Bradley and Brown	Serco (USA)	295.0	-	1.4	10.2
26-Apr-21	Azzur Group	Baird Capital	31.4	-	-	-
23-Apr-21	67rockwell Consulting	Strategy&	-	-	-	-
23-Apr-21	Root	Accenture	-	-	-	-
16-Apr-21	Strategic Sourcing Results	BKD CPAs & Advisors	-	-	-	-
15-Apr-21	The Dedham Group	Managed Markets Insight and Technologies	-	-	-	-
14-Apr-21	MPAC Consultancy	Laven	-	-	-	-
13-Apr-21	Corporate Citizenship	Charterhouse Capital Partners	-	-	-	-
12-Apr-21	Alira Health	Creadev	35.0	-	-	-
12-Apr-21	Retearn Group	Elixirr International	8.3	-	-	-

Appendix

*Public Basket
Contact Information*



Accenture

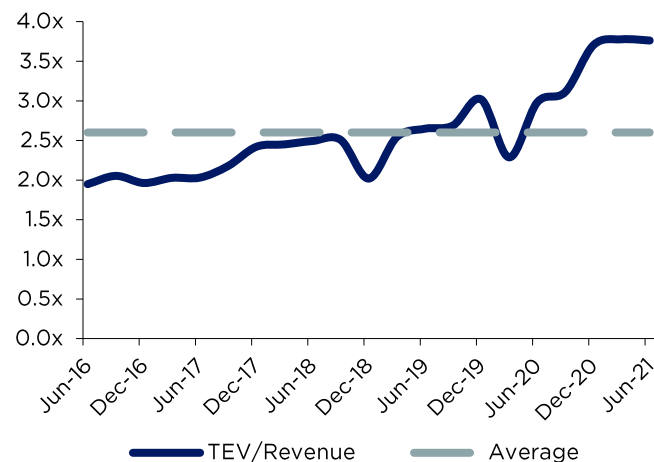
Accenture is a leading global IT-services firm that provides consulting, strategy, and technology and operational services.

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.

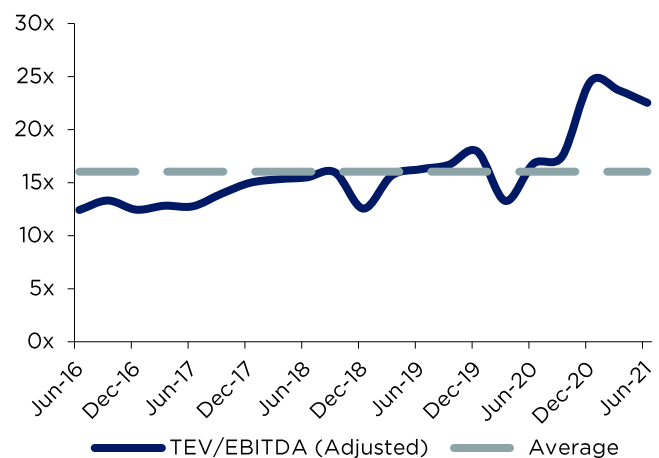
Public Basket

Accenture

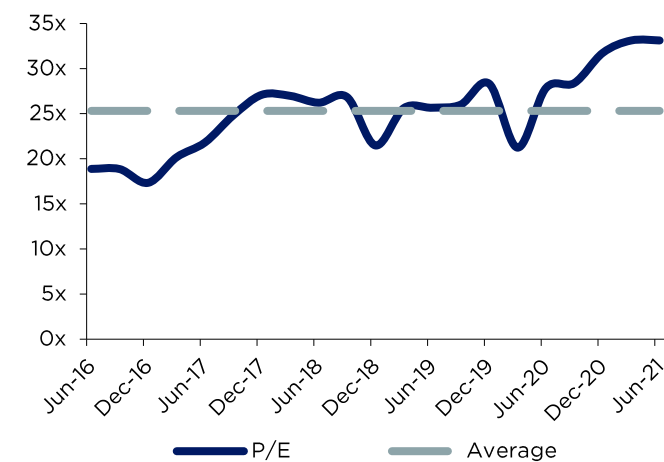
Revenue Multiples - Accenture



EBITDA Multiples - Accenture



P/E Multiples - Accenture



Company Name

Date

Deal Synopsis

Sentor

29-Jun-21

The company was acquired by Accenture (NYS: ACN) for an undisclosed amount on June 29, 2021. The acquisition will further extend Accenture's local resources and capabilities and addressing the growing demand for local cybersecurity and managed security services.

Exton Consulting

18-Jun-21

The company reached a definitive agreement to be acquired by Accenture (NYS: ACN) for an undisclosed amount on June 18, 2021. The acquisition will enhance Accenture's ability to leverage the combination of group of people with the latest technologies such as artificial intelligence, data and cloud, to help clients embrace change, accelerate transformation, unlock value and build new sustainable models that benefit all.

Booz Allen

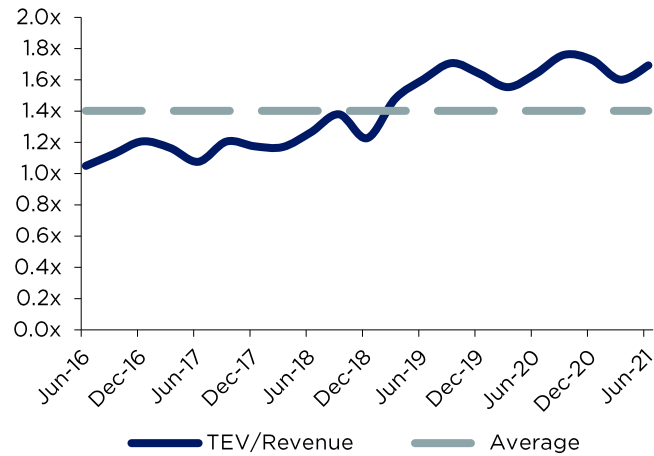
Booz Allen Hamilton Holding Corp is a provider of management consulting services to the U.S.

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.

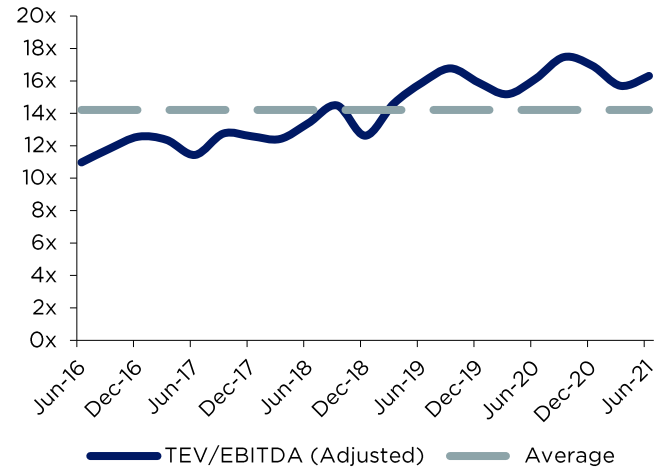
Public Basket

Booz Allen

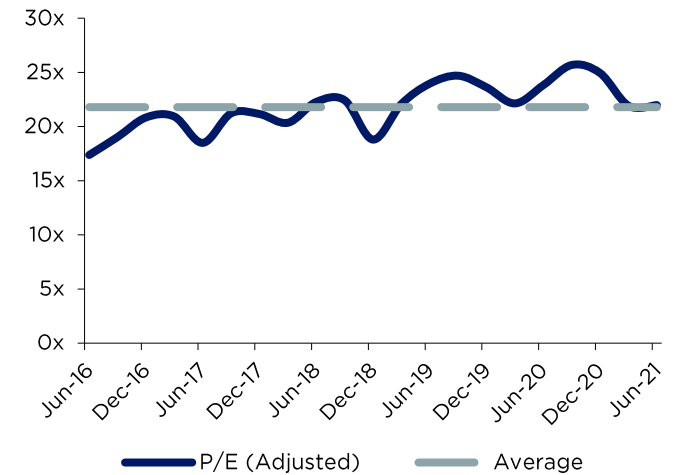
Revenue Multiples - Booz Allen



EBITDA Multiples - Booz Allen



P/E Multiples - Booz Allen



Company Name	Date	Deal Synopsis
Liberty IT Solutions	14-Jun-21	The company was acquired by acquired by Booz Allen (NYS: BAH) for \$725 million on June 14, 2021. The acquisition will broaden and deepen Booz Allen's digital solutions capabilities, expand its talent base and service delivery models, and strengthen its ability to work with strategic industry partners to help clients adapt and transform.
Obruta Space Solutions	19-Apr-21	The company joined Catalyst Space Accelerator as a part its On-Orbit Servicing, Assembly, And Manufacturing Cohort on April 19, 2021 and received \$15,000 in funding in the form of grant. Concurrently, Booz Allen invested in the company.

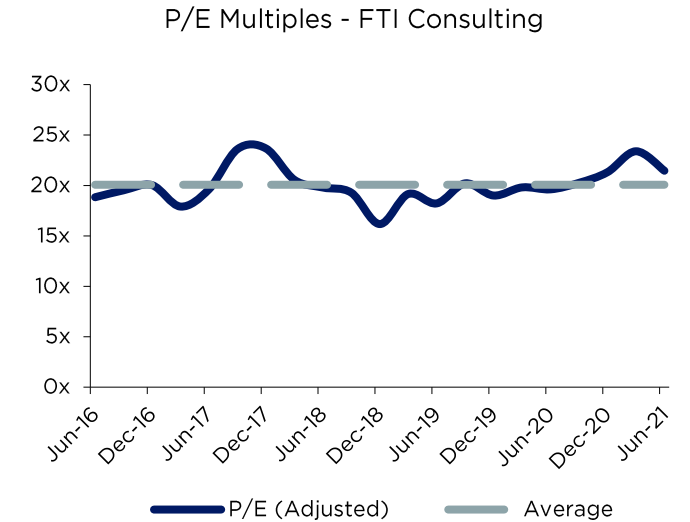
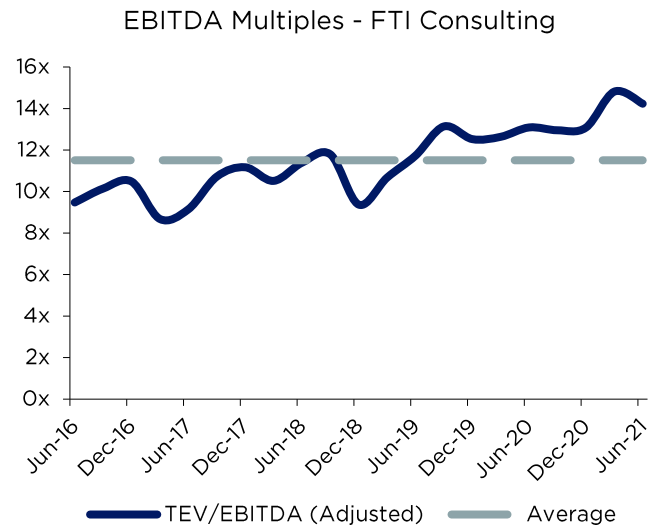
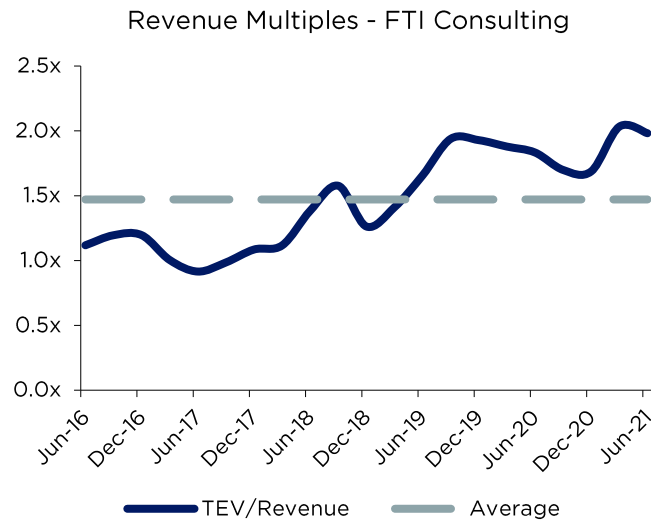
FTI Consulting

FTI Consulting Inc is a firm that generates its sales by 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
TravelTek	23-Jun-21	The company raised GBP 1.3 million of venture funding from FTI Consulting and YFM Equity Partners on June 23, 2021. The funds will be used to expedite the journey to not only reinvent and rebuild its core product, but also create the world's leading travel technology platform.
The Rhodes Group	03-May-21	The company was acquired by FTI Consulting (NYS: FCN) for an undisclosed amount on May 3, 2021. The acquisition will further enhance FTI Consulting's leading construction advisory, dispute resolution and expert testimony capabilities in North America and provide the company's existing clients with access to FTI Consulting's global, diversified platform.

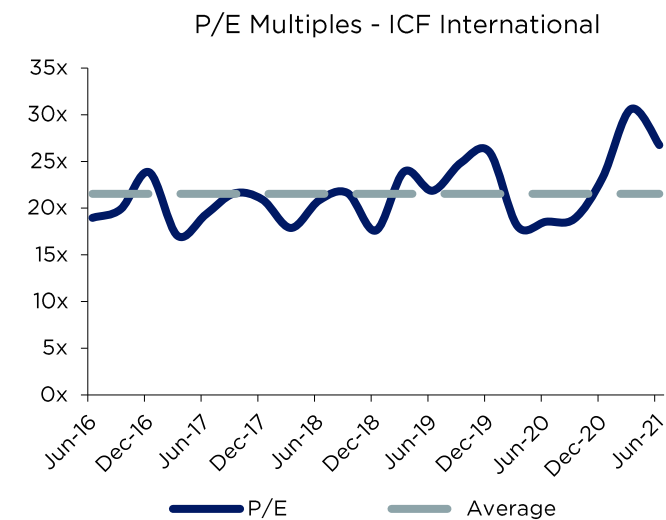
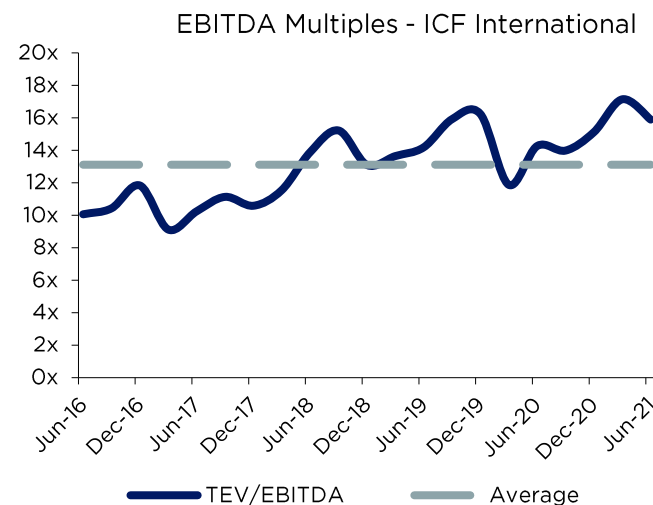
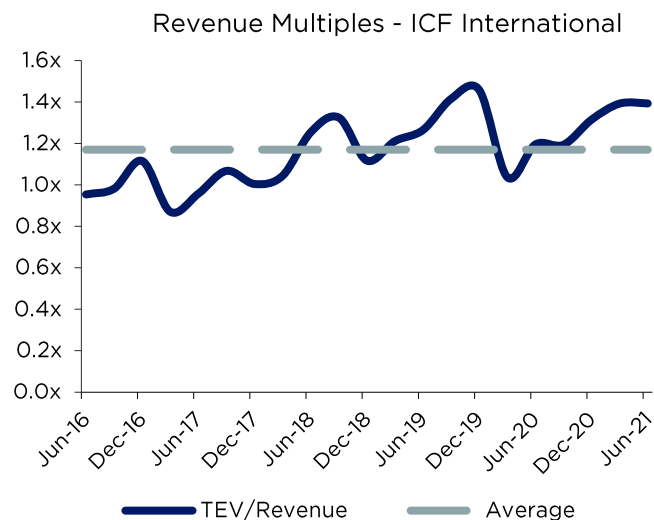
ICF International

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.

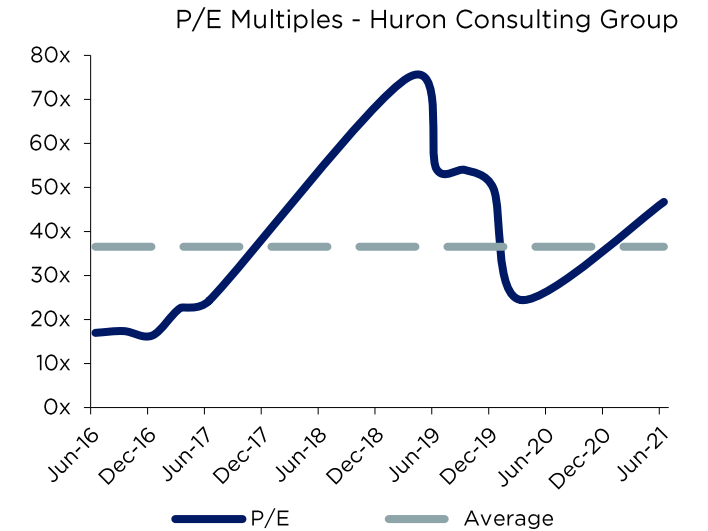
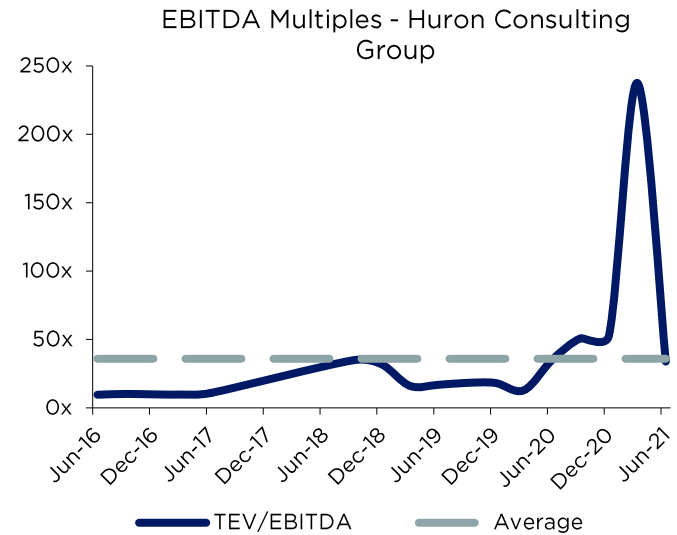
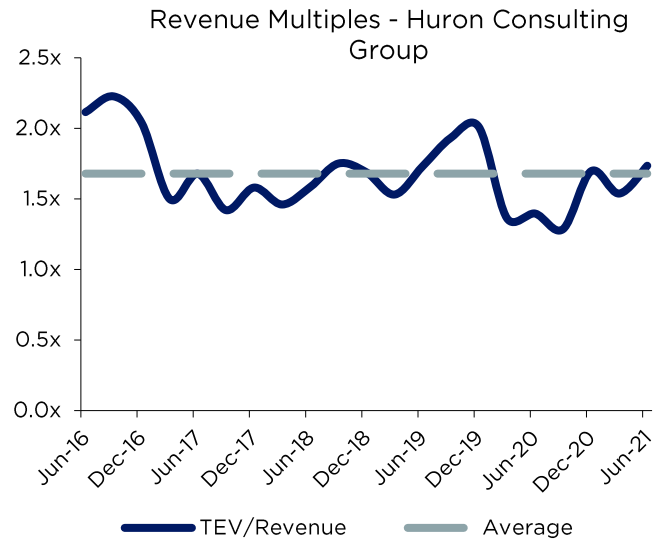
Huron Consulting Group

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
Unico Solution	01-Feb-21	The company was acquired by Huron Consulting Group (NAS: HURN) for an undisclosed amount on February 1, 2021. The acquisition expands Huron's data management and governance capabilities to help clients better manage their data to optimize their operations and drive cloud adoption.
ForcelQ	01-Nov-20	The company was acquired by Huron Consulting Group (NAS: HURN) for an undisclosed amount on November 1, 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.

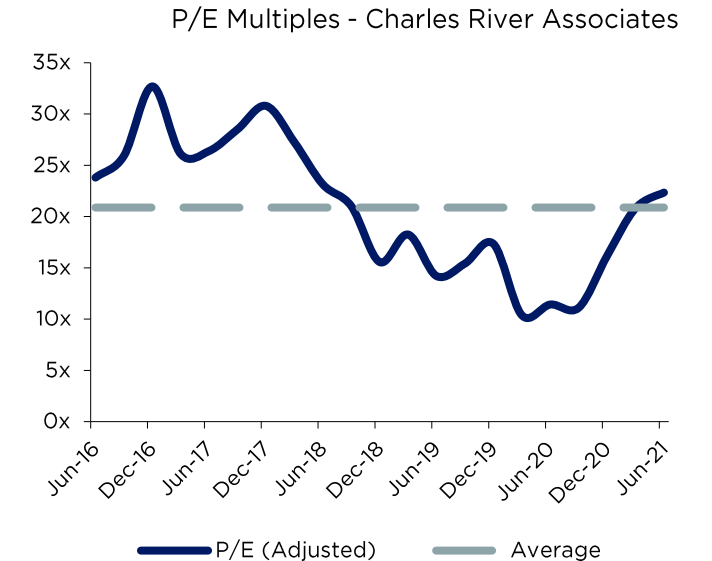
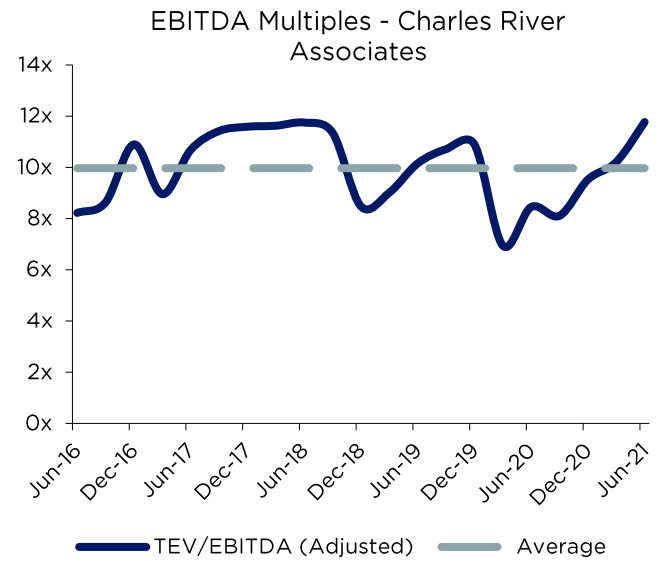
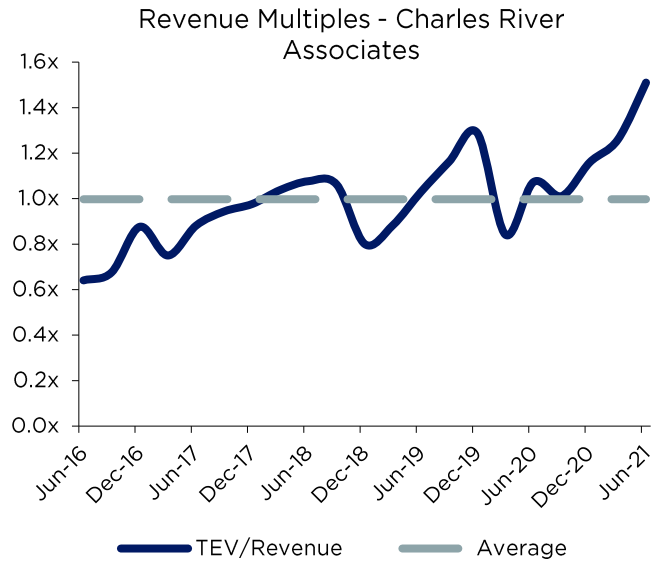
Charles River Associates

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. Also, 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 the 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 \$19.16 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

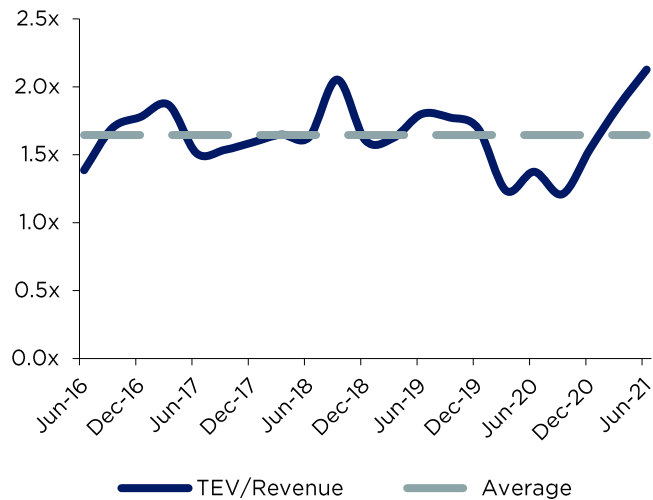
The Hackett Group Inc is an advisory firm.

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. 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.

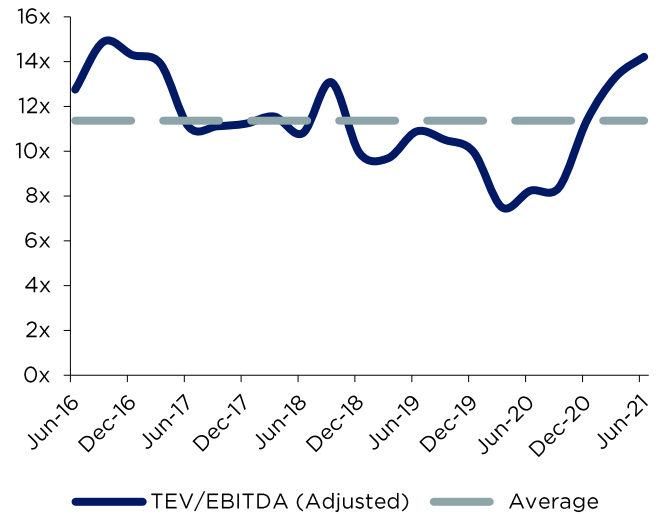
Public Basket

The Hackett Group

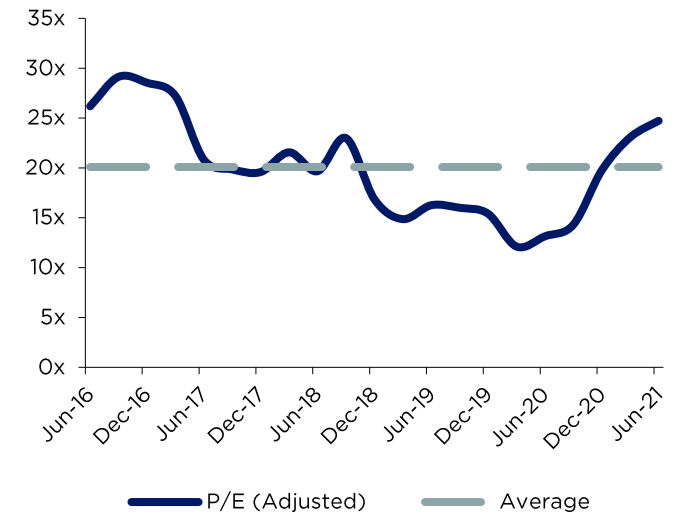
Revenue Multiples - The Hackett Group



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

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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