

7 Mile Advisors



Sectorwatch: Accounting Consulting

August 2022



Accounting Consulting

- 4 [Sector Dashboard](#)
- 5 [Public Basket Overview](#)
- 6 [Public Basket Performance](#)
- 8 [Operational Metrics](#)
- 11 [Valuation Comparison](#)
- 14 [Recent Deals](#)
- 15 [Appendix](#)

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

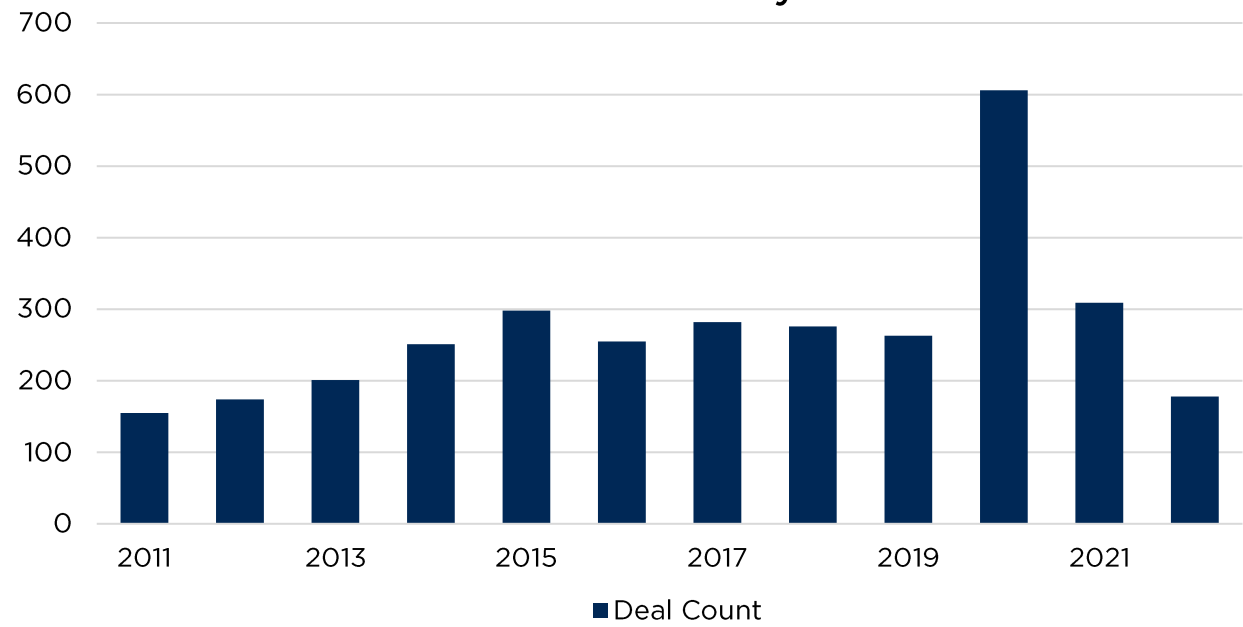
- The most recently announced deals in the sector

Dashboard

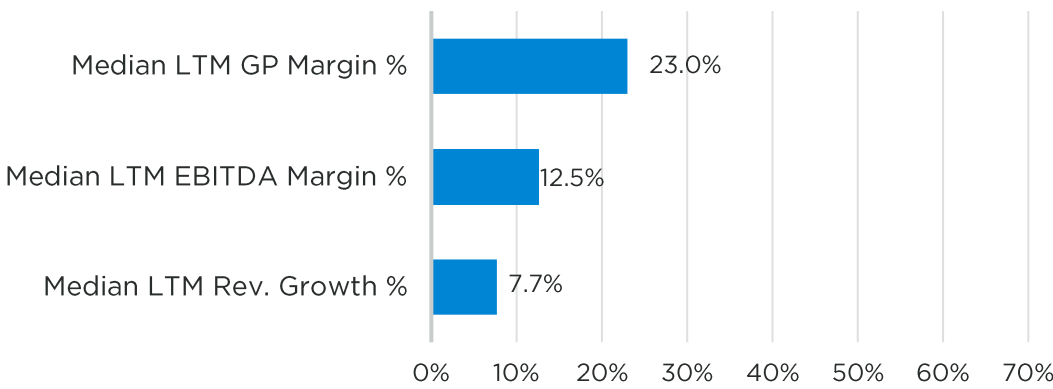
REVENUE GROWTH MOMENTUM ↓ -2.2%

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

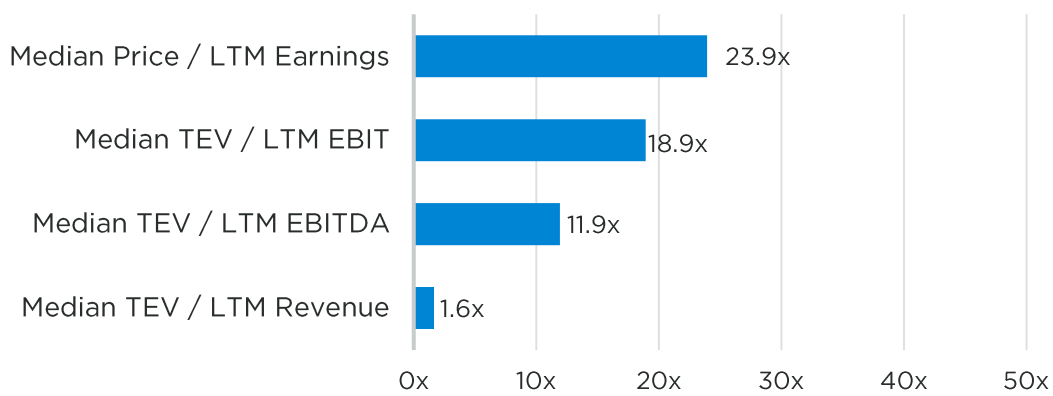
M&A Activity



Operating Metrics



Valuation



Public Basket Overview



United States

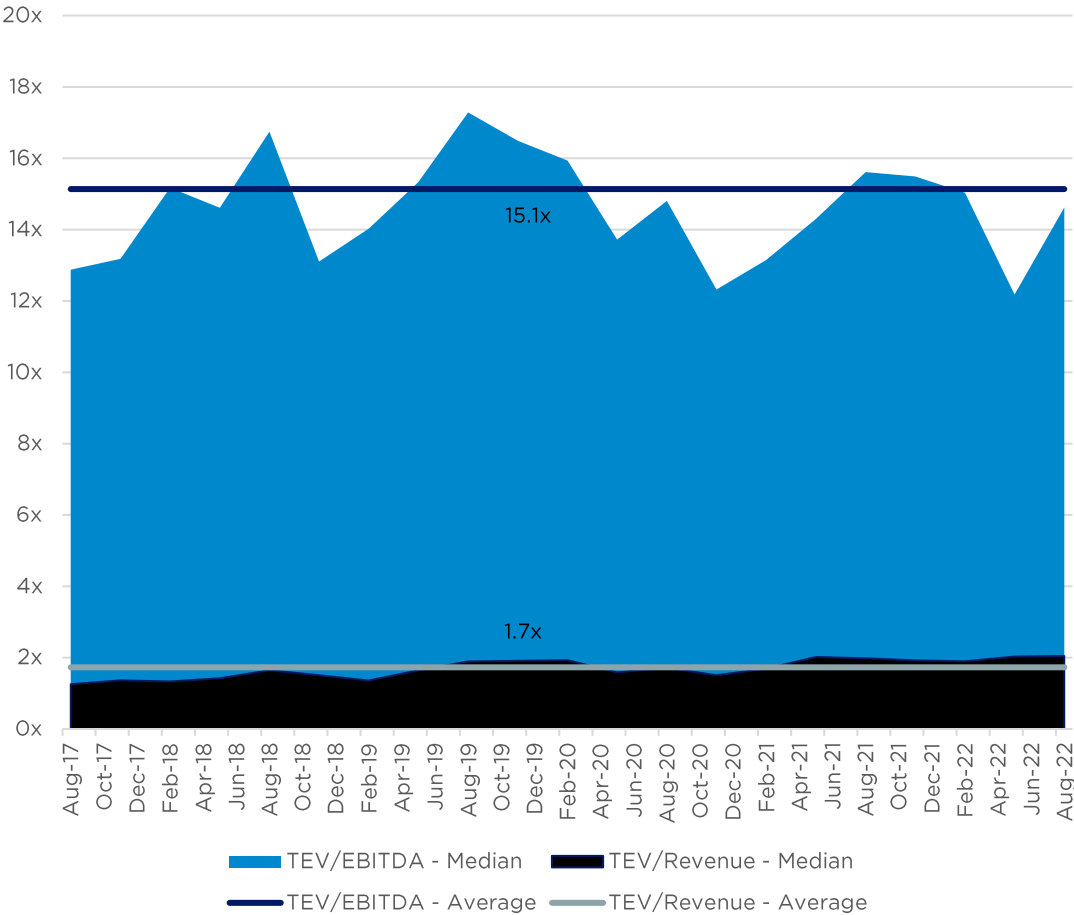


Public Basket

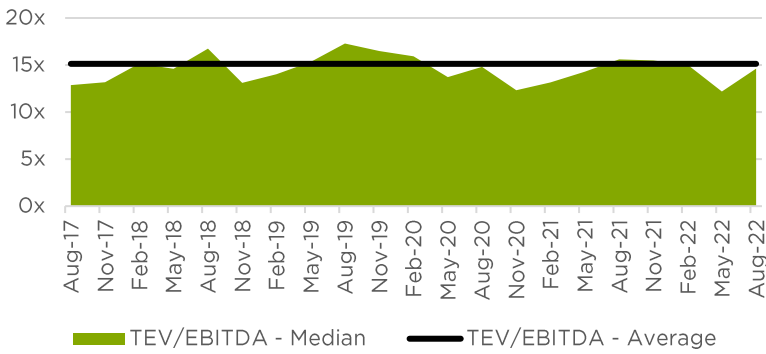
Company	TEV \$m	LTM EBITDA \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
Genpact	10,212	698	4,145	11.0%	35.5%	16.8%	2.5x	14.6x	115,300	36
PRA Group	4,132	340	1,047	-5.1%	71.4%	32.5%	3.9x	12.2x	3,444	304
FTI Consulting	5,844	332	2,857	8.0%	31.1%	11.6%	2.0x	17.6x	7,048	405
Insperity	4,139	229	5,264	21.2%	16.2%	4.3%	0.8x	17.1x	3,600	1,462
CBIZ	2,848	173	1,279	24.3%	16.8%	13.5%	2.2x	16.5x	6,000	213
Huron Consulting Group	1,784	153	1,034	22.1%	29.2%	14.7%	1.7x	11.7x	4,609	224
Charles River Associates	891	83	568	7.4%	29.8%	14.5%	1.6x	10.8x	861	659

Average	4,264	287	2,313	12.7%	32.8%	15.4%	2.1x	14.4x	20,123	472
Median	4,132	229	1,279	11.0%	29.8%	14.5%	2.0x	14.6x	4,609	304

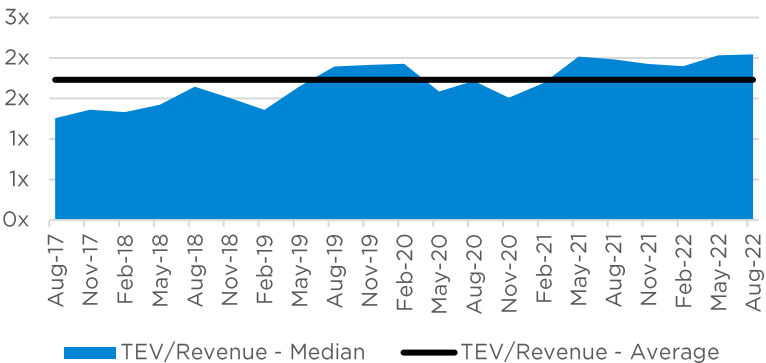
Public Basket



Public EBITDA Multiples over Time

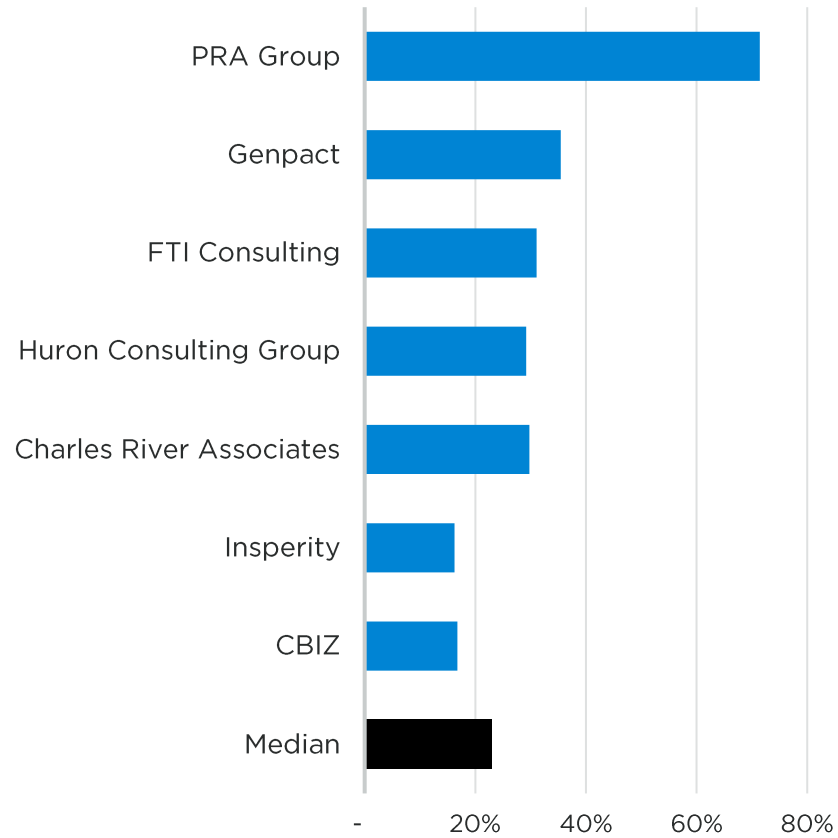


Public Revenue Multiples over Time

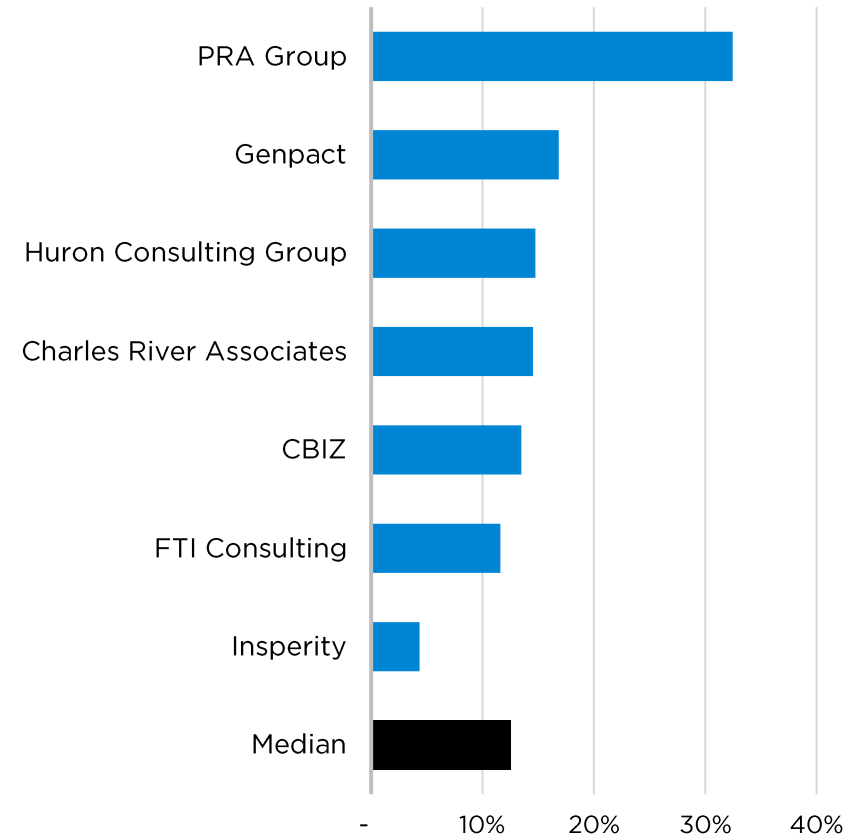


Operational Metrics

LTM Gross Profit Margin %

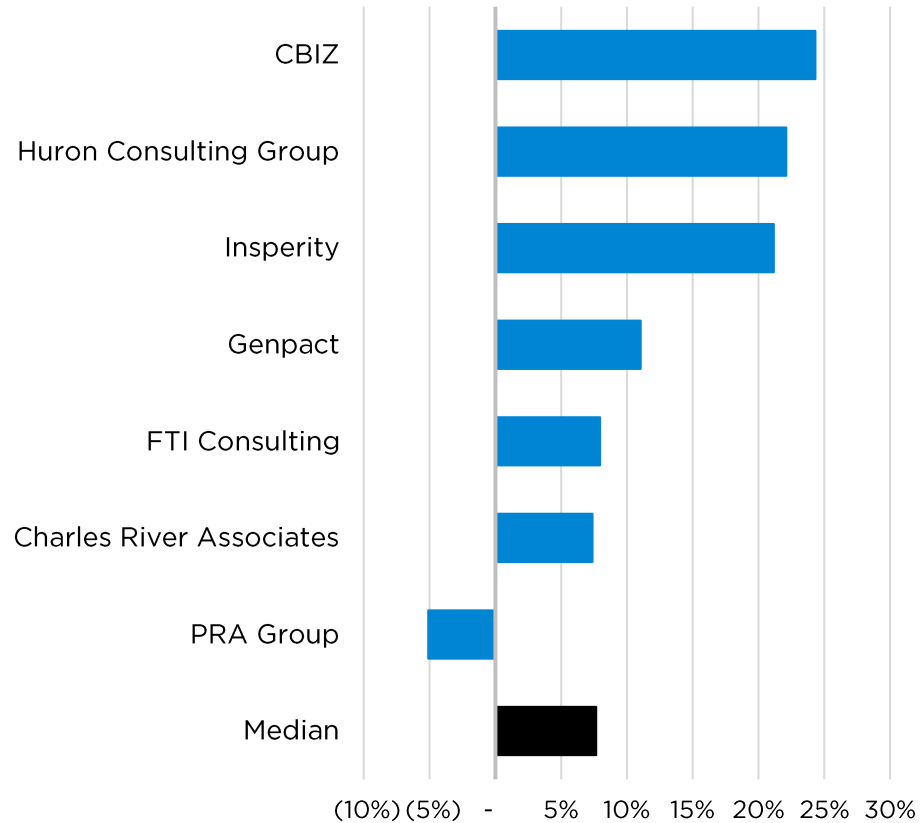


LTM EBITDA %

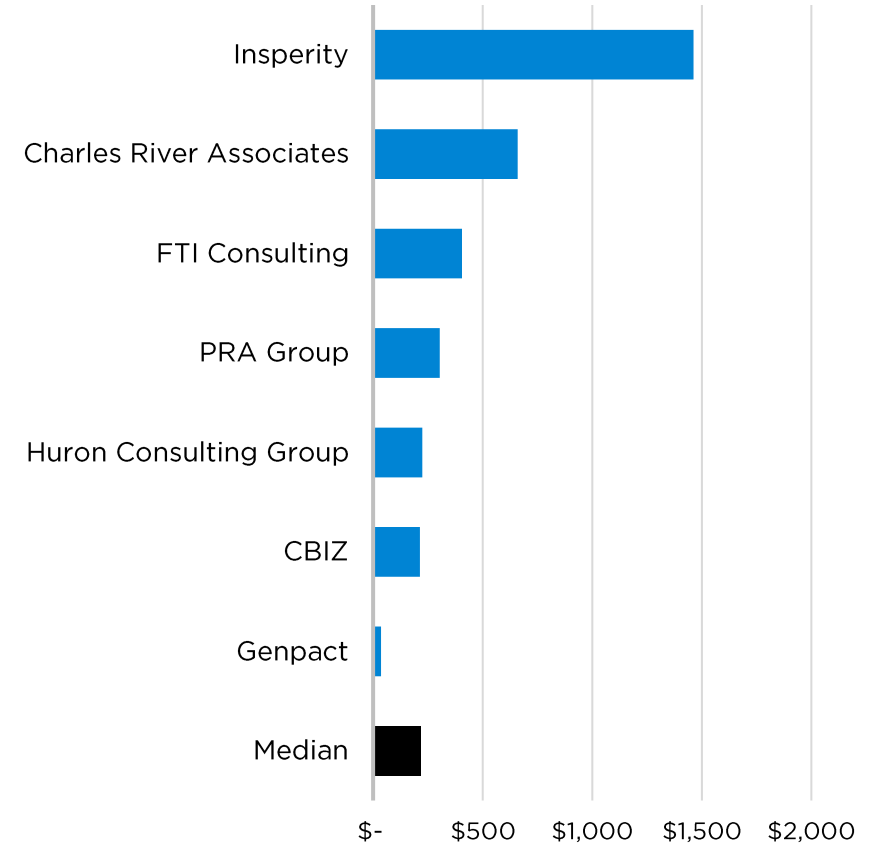


Operational Metrics

LTM Revenue Growth %

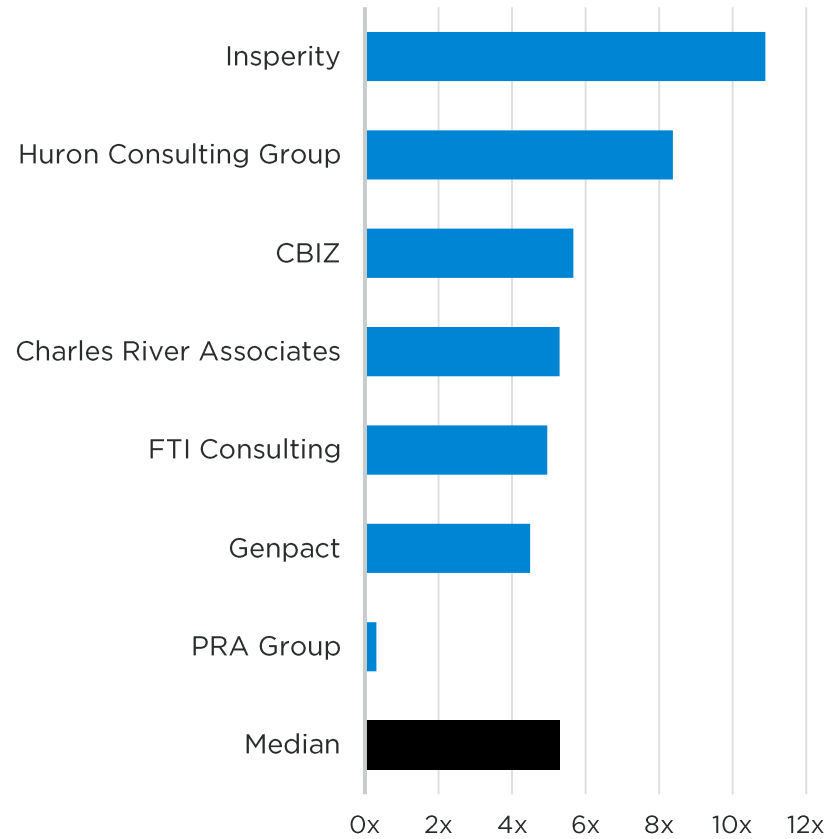


LTM Revenue per Full Time Employee x 000's

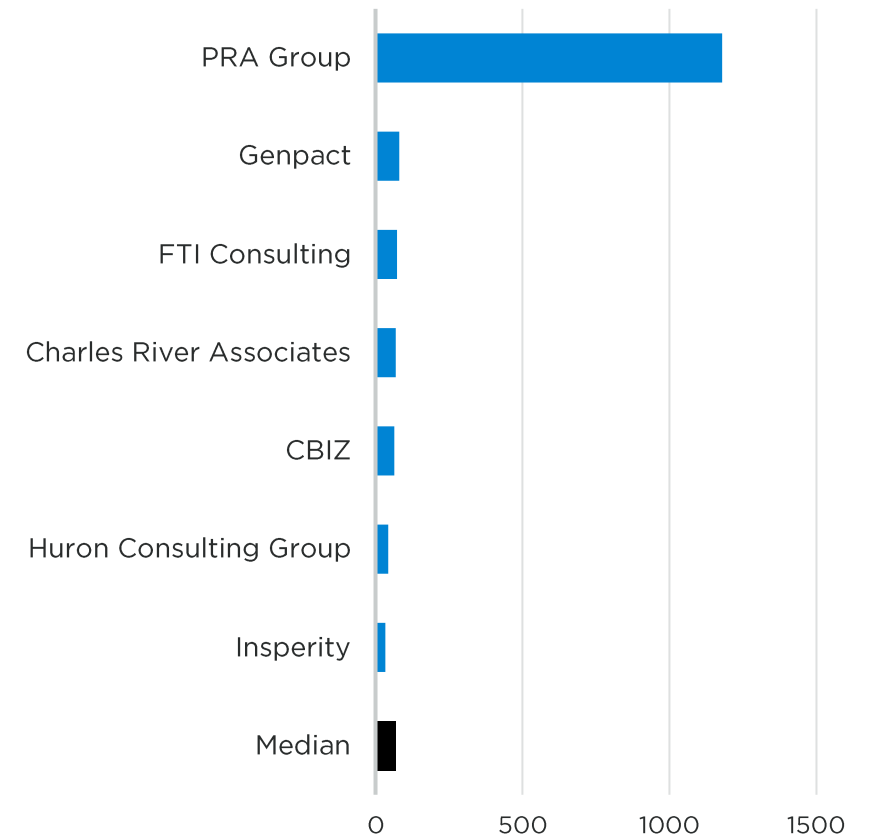


Operational Metrics

Accounts Receivable Turnover

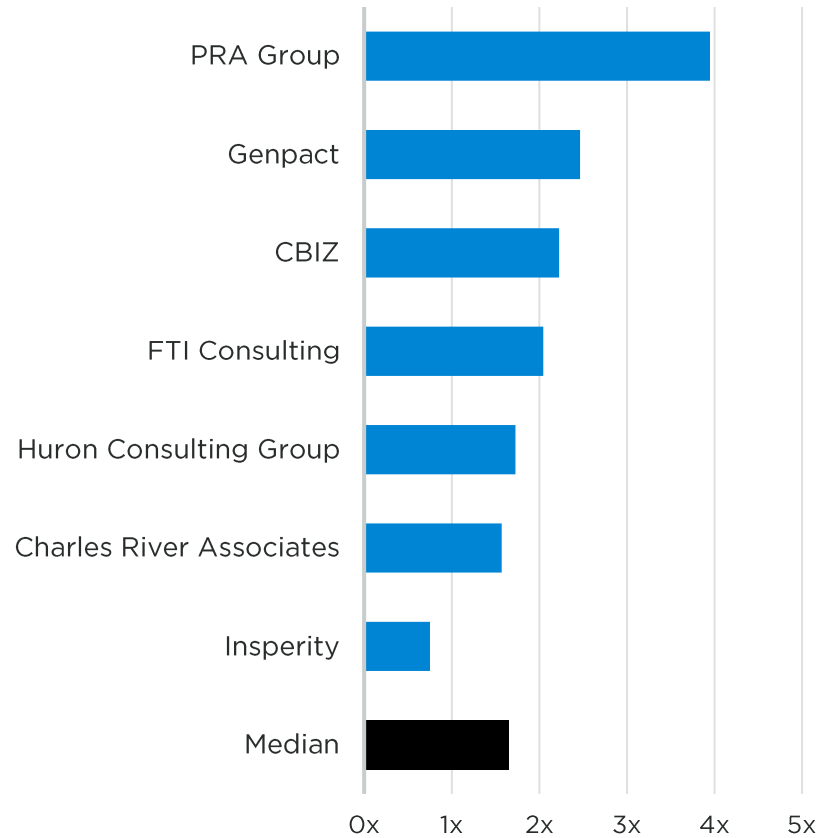


Average Days Sales Outstanding

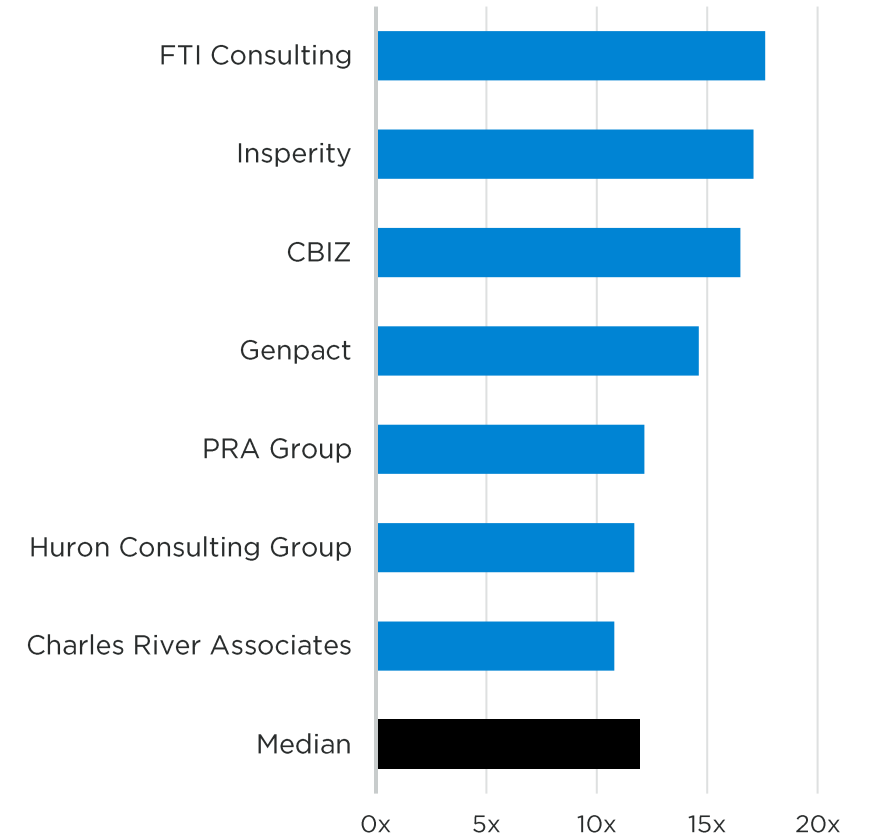


Valuation

TEV / LTM Revenue

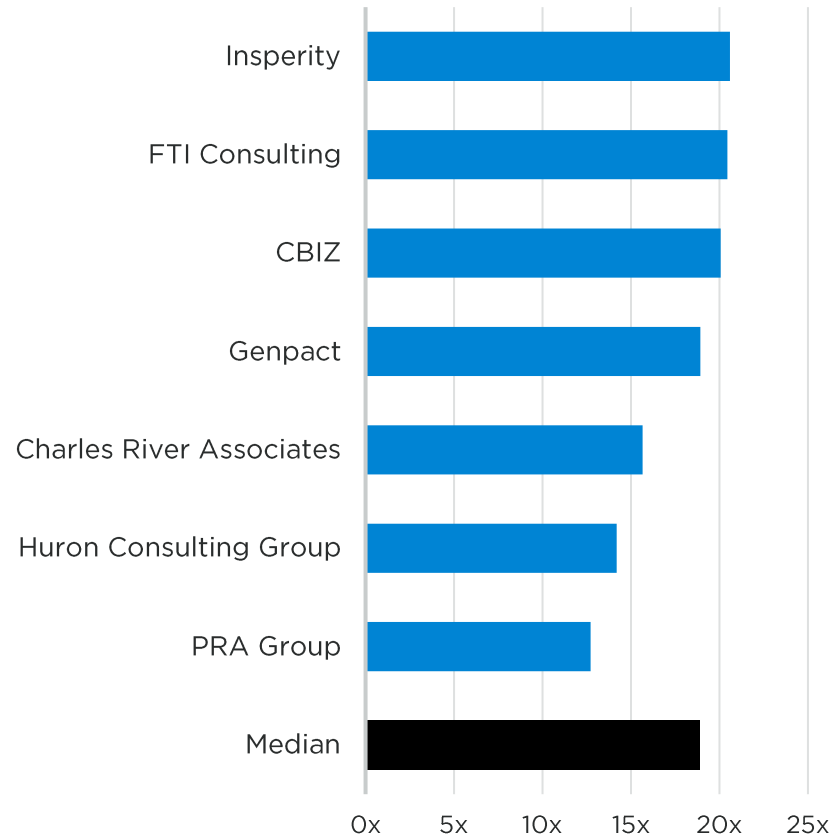


TEV / LTM EBITDA

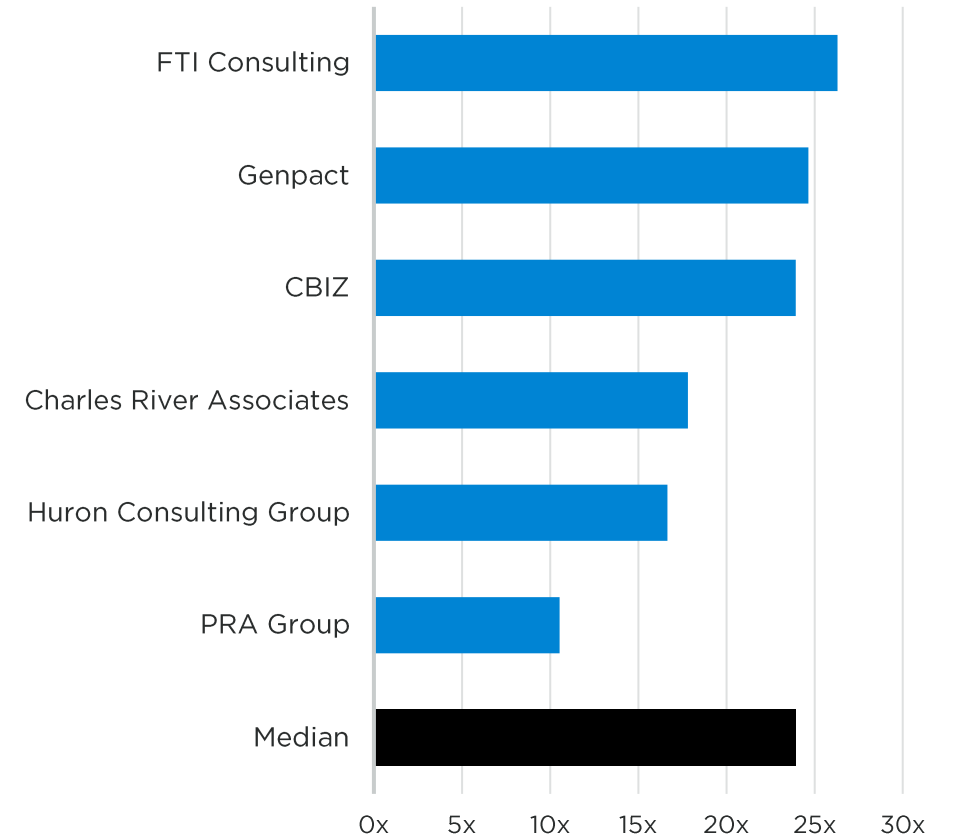


Valuation

TEV / LTM EBIT

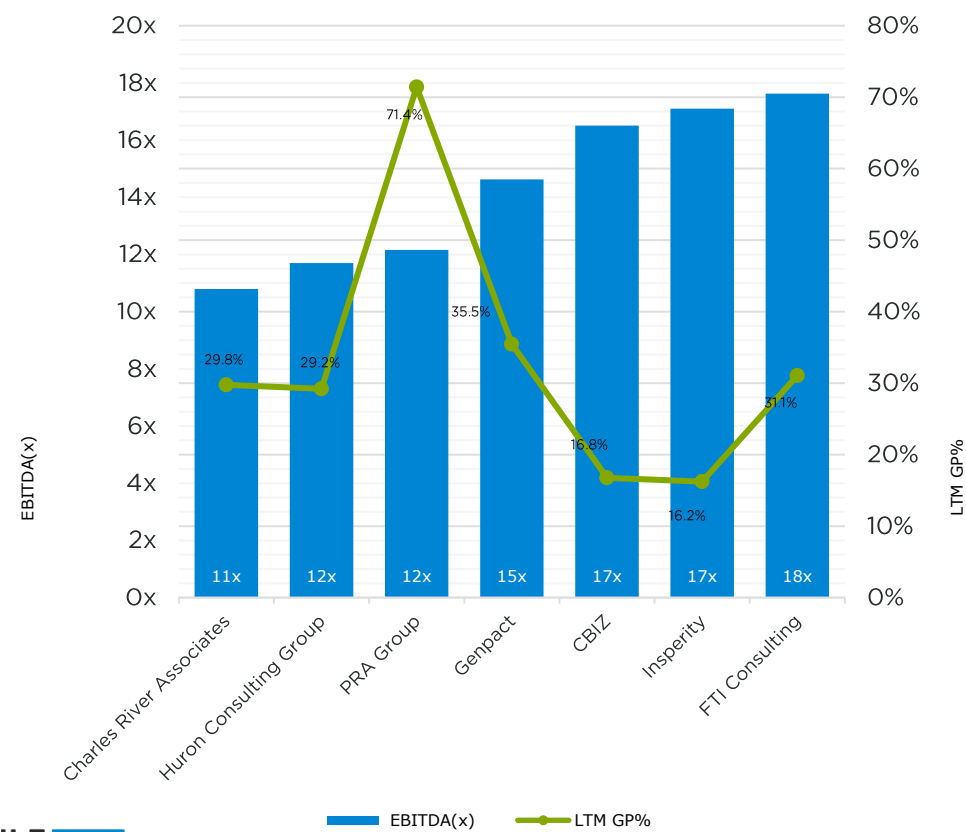


Price / LTM Earnings

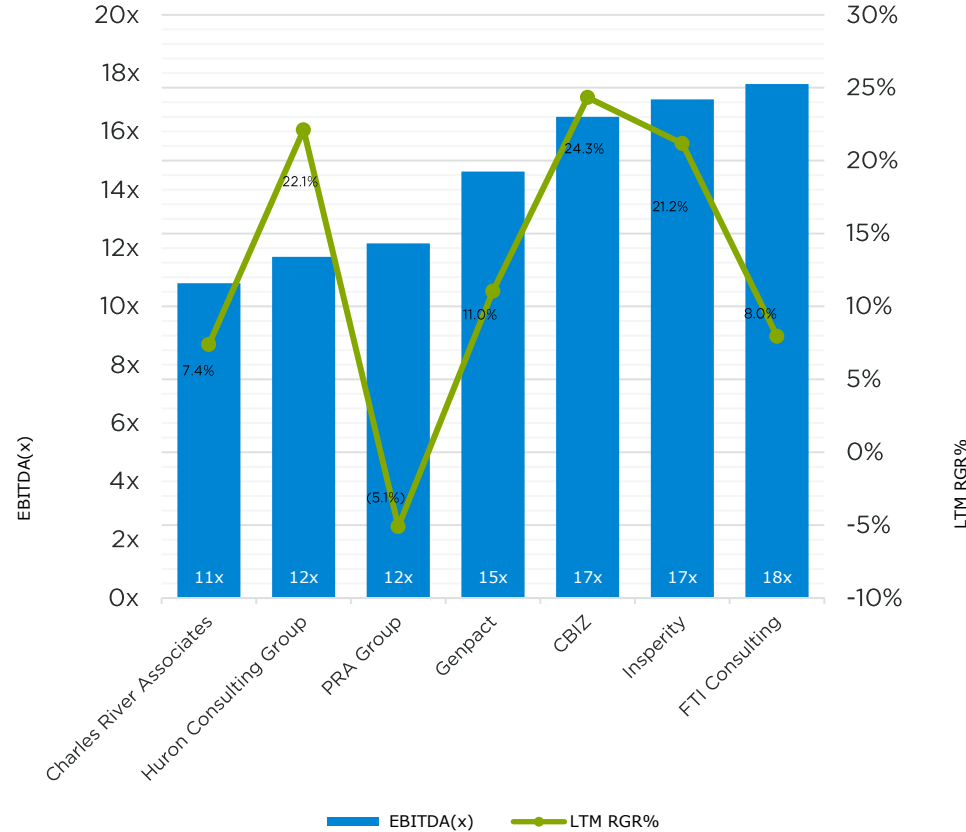


Valuation

Historical Valuation Multiples
versus Gross Profit



Historical Valuation Multiples
versus Revenue Growth Rate



Recent Transactions

Date	Target	Buyer	Total Transaction Amount	Target Revenue (TTM at time of deal)	TEV / Revenue	TEV / EBITDA
21-Jul-22	CPasNET	Aprio (Atlanta)	-	-	-	-
17-May-22	RBM	Postlethwaite & Netterville	-	-	-	-
03-May-22	Crowe	LeaseQuery	-	-	-	-
01-Feb-22	Accounting Services Group	Reconciled	-	-	-	-
07-Jan-22	Neral and Company	Holman Frenia Allison P.C.	-	-	-	-
01-Jan-22	Anderson & Co.	Nisivoccia & Company	-	-	-	-
01-Jan-22	Briggs & Veselka Company	Crowe	-	-	-	-
01-Jan-22	The Lamastra Group	Herbein + Company	-	-	-	-
15-Dec-21	SGA CPAs & Consultants	Sensiba San Filippo	-	-	-	-
01-Nov-21	ALL CPAs	LitmanGerson Associates	-	-	-	-
01-Nov-21	Bekkerus Schott Helmeke DeConcini Johnson	Haga Kommer	-	-	-	-
01-Nov-21	Maffei, Masiello & Company	Withum	-	-	-	-
01-Oct-21	Tubiello-Harr & Associates	Herbein + Company	-	-	-	-
13-Sep-21	PKF Clear Thinking	PKF O'Connor Davies	-	-	-	-
01-Aug-21	Gordon & Hale	Burt & Company	-	-	-	-
01-Aug-21	Ryan & McDonald	Moss Adams	-	-	-	-
01-Jun-21	Mueller Prost	Wipfli	-	-	-	-
02-Feb-21	Goldin Peiser & Peiser	EisnerAmper	-	-	-	-
07-Jan-21	Russell Thompson Butler & Houston	Carr, Riggs & Ingram	-	-	-	-
01-Jan-21	Monheit Frisch Group	Landmark Accounting firm	-	-	-	-
10-Dec-20	Hochschild Bloom & Company	Sikich	-	-	-	-
01-Dec-20	Rustam R. Kassam	Narinder Singh Professional Corporation	-	-	-	-
01-Nov-20	Squar Milner	Baker Tilly	-	-	-	-
23-Sep-20	Albrecht Viggiano Zureck & Company	PKF O'Connor Davies	-	-	-	-
01-Sep-20	CBIZ ARC Consulting	CBIZ	-	-	-	-
03-Aug-20	CoNexus CPA Group	Cherry Bekaert	-	-	-	-
01-Aug-20	Anton Collins Mitchell	BDO	-	-	-	-
23-Jul-20	Heinold-Banwart	Sikich	-	-	-	-
30-Jun-20	Cummings, Ristau & Associates	Anders CPAs + Advisors	-	-	-	-
01-Jun-20	Scott A. Goffstein & Associates	AAFCPAs	-	-	-	-

Appendix

*Public Basket
Contact Information*



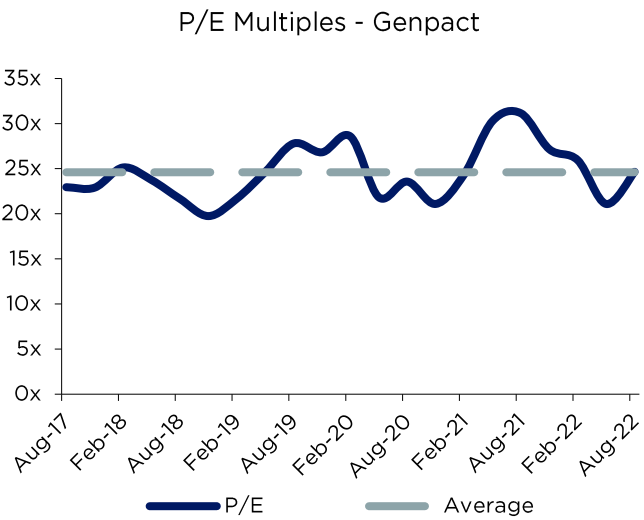
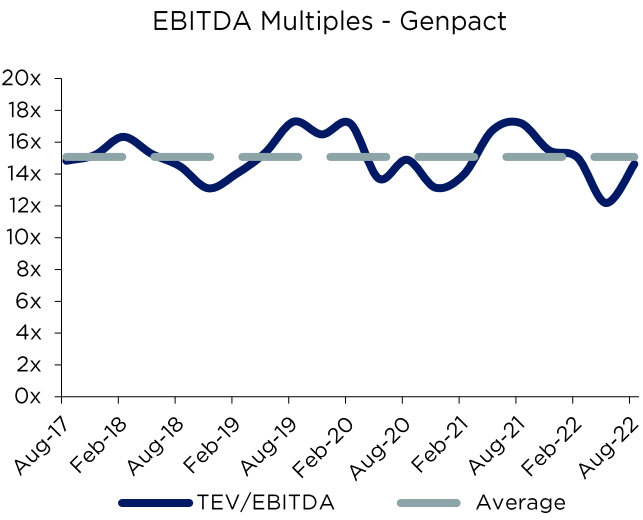
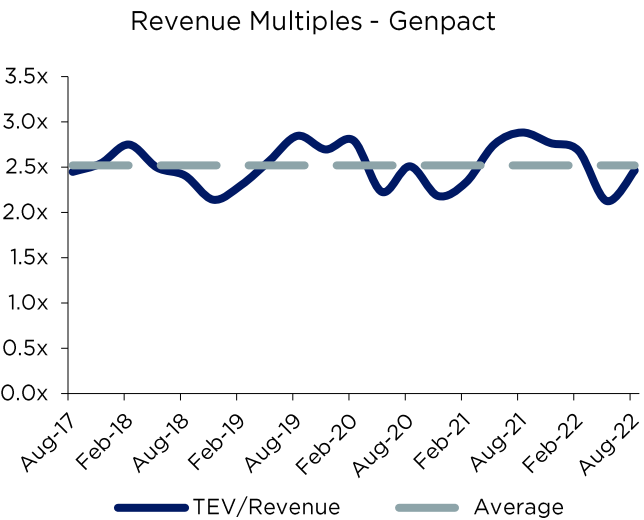
Genpact

Genpact Ltd is a provider of business process management services.

Clients are industry verticals and operate in banking and financial services, insurance, capital markets, consumer product goods, life sciences, infrastructure, manufacturing and services, healthcare, and high-tech. Genpact's services include aftermarket, direct procurement, risk and compliance, human resources, IT, industrial solutions, collections, finance and accounting, and media services. Genpact's end market by revenue is India. The company is a General Electric spin-off, which is still a large source of revenue for Genpact.

Public Basket

Genpact



Company Name	Date	Deal Synopsis
Hoodoo Digital	31-Dec-21	The company was acquired by Genpact (NYS: G) for \$66.59 million on December 31, 2021. The acquisition furthers Genpact's strategy to fuse experience and process innovation to help clients drive end-to-end digital transformation and win in the growing experience economy.
Enquero	31-Dec-20	The company was acquired by Genpact (NYS: G) for \$148.9 million on December 31, 2020. The acquisition will accelerate Genpact's ability to leverage data and cloud technologies to drive digital transformation services through advanced analytics.

PRA Group

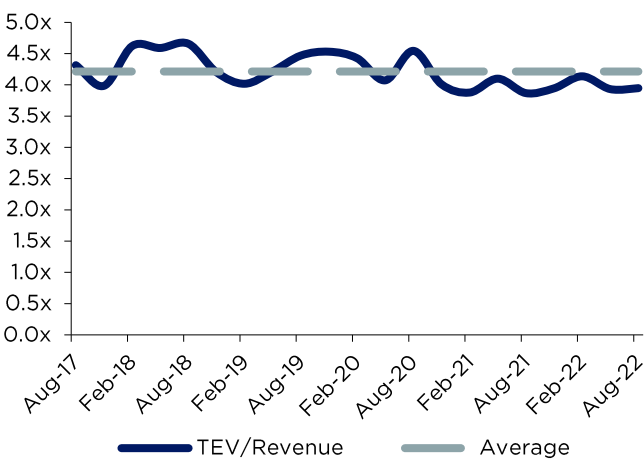
PRA Group Inc is a company that primarily acquires, collects, and processes nonperforming loans in the Americas and Europe.

The accounts acquired by the company are unpaid obligations of individuals owed to credit grantors, which primarily include banks and other types of consumer, retail, and auto finance companies. It acquires portfolios of nonperforming loans in two categories: Core and Insolvency. The company generates the majority of its sales from the United States.

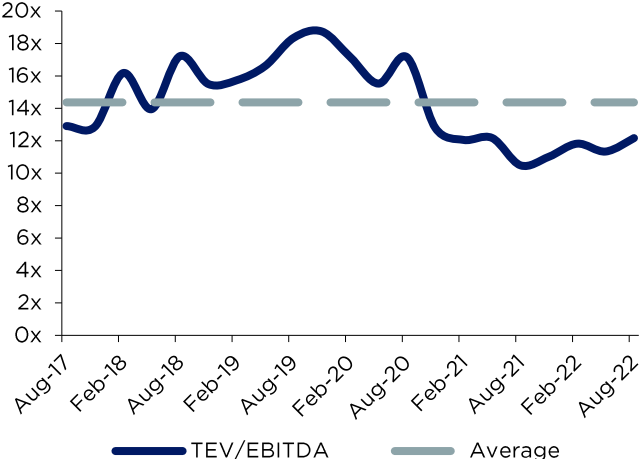
Public Basket

PRA Group

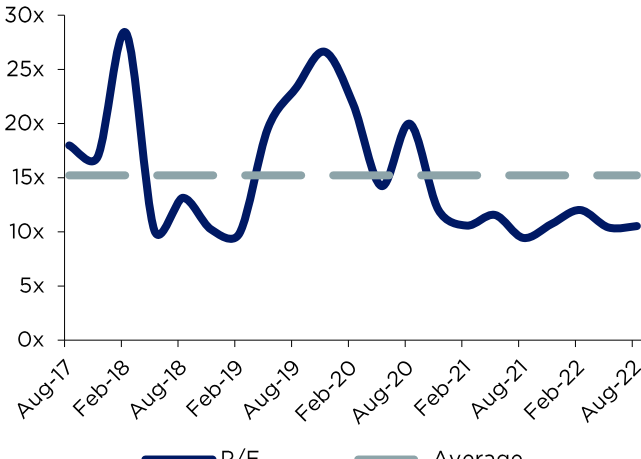
Revenue Multiples - PRA Group



EBITDA Multiples - PRA Group



P/E Multiples - PRA Group



Company Name	Date	Deal Synopsis
CCL Financial	04-Mar-19	The company, a subsidiary of Resurgent, was acquired by PRA Group (NAS:PRAA) on March 4, 2019 for an undisclosed sum.
eGov Systems	07-Jul-16	The company was acquired by PRA Group (Nasdaq: PRAA) for an undisclosed amount on July 7, 2016. The transaction will allow PRA's government business to develop and maintain scalable online payment portals, as well as enhance its ability to expand its services and client base.

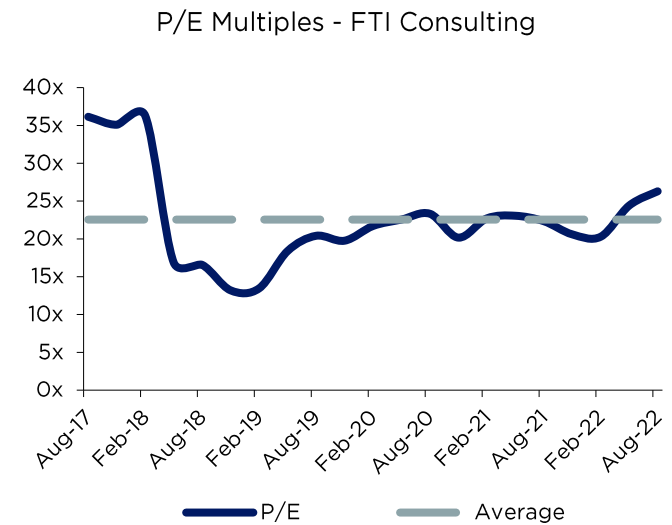
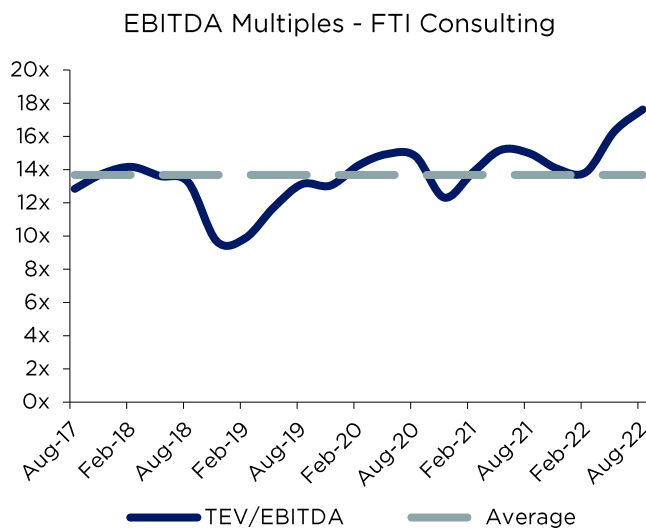
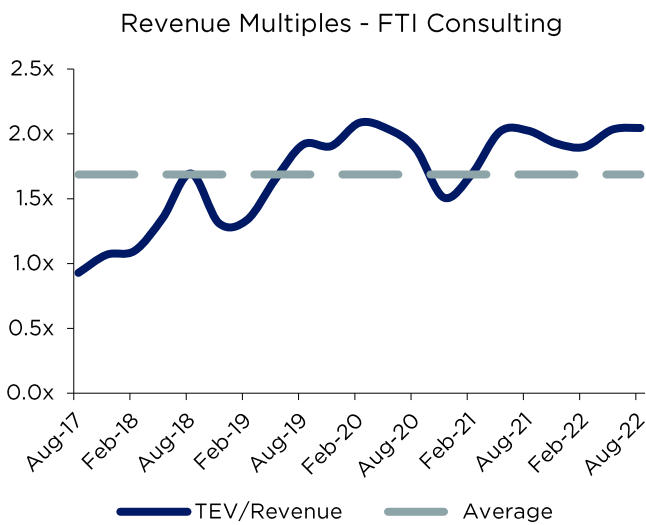
FTI Consulting

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
Bold Capital Management	2/2/22	The company was acquired by FTI Consulting (NYS: FCN) for an undisclosed amount on February 2, 2022. The acquisition extends FTI Consulting's restructuring, business transformation, digital and transactions teams to the Dutch market and will provide BOLD's existing clients with access to FTI Consulting's diversified platform.
TravelTek	6/23/21	The company received GBP 1.3 million of development capital 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.

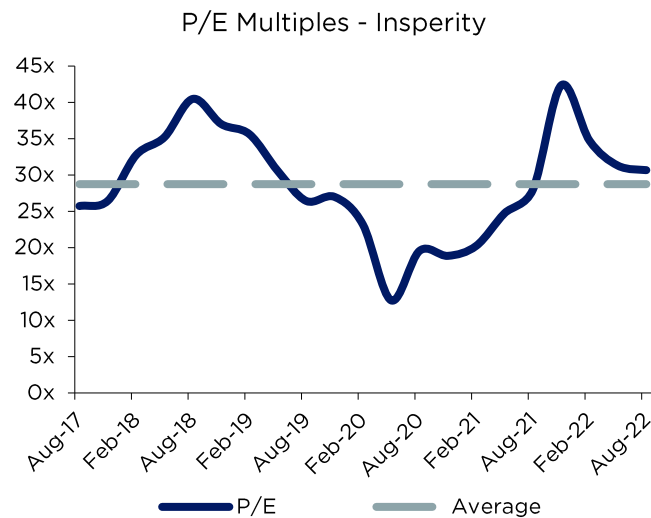
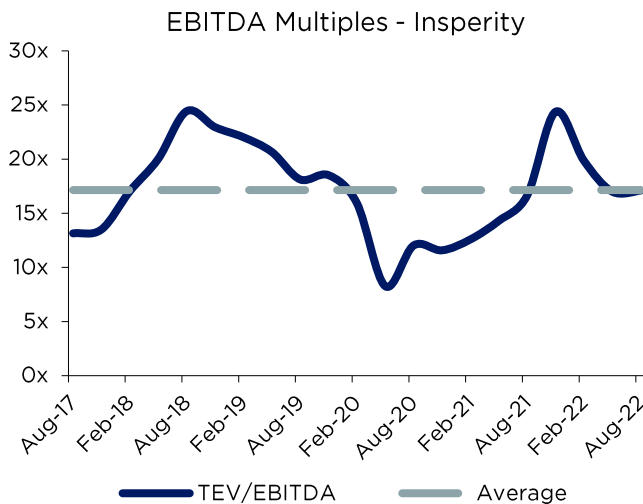
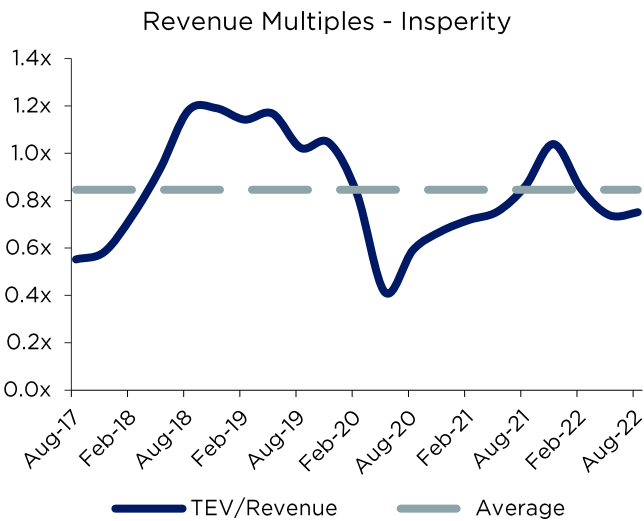
Insperity

Insperity Inc is a company that primarily provides a wide range of human resources and business solutions that help businesses improve their performance.

Small and midsize enterprises are the company's primary target customers. Most of the company's products are offered through the company's Workforce Optimization and Workforce Synchronization solutions, which comprise various human resource functions, such as payroll and employment administration, employee benefits and compensation, government compliance, performance management, training and development services, and human capital management. The company generates all of its revenue in the United States.

Public Basket

Insperity



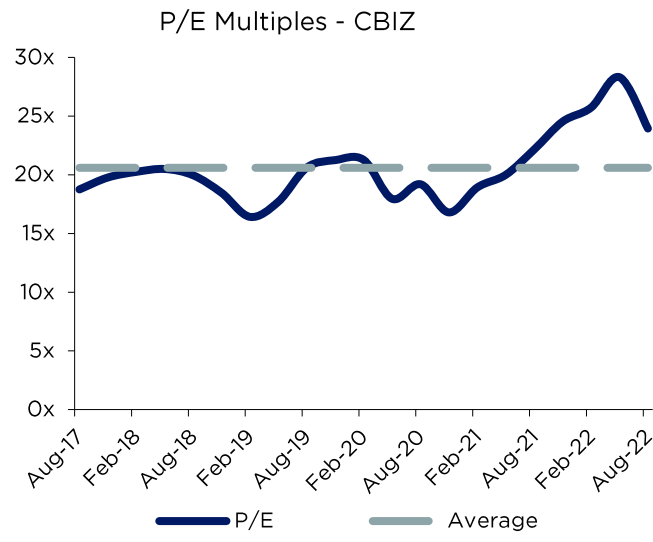
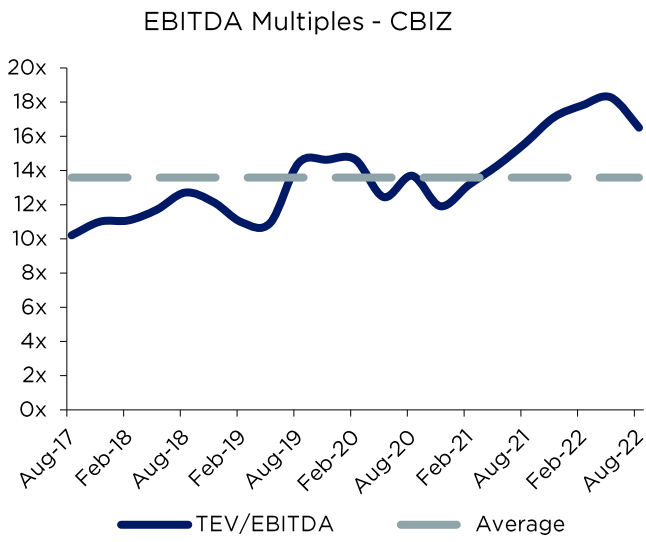
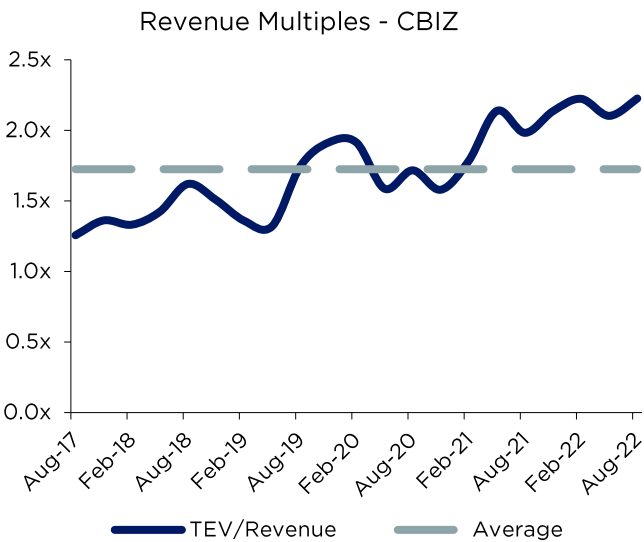
Company Name	Date	Deal Synopsis
Galaxy Technologies	29-Jul-10	The company was acquired by Insperity (NYSE: NSP) for \$10.2 million on July 29, 2010.
ExpensAble	15-Jun-10	The company was acquired by Administaff (NYSE:ASF) for \$9.5 million on June 15, 2010.

CBIZ

CBIZ Inc through its subsidiaries provides professional business services.

Its business units have been aggregated into three practice groups: Financial Services, Benefits and Insurance Services, and National Practices. The company provides its services to various industries such as Agribusiness, Construction, Health Care, Oil and Gas, Real Estate, Retail, Financial Institutions, and Government among others. It derives the majority of its revenues from the Financial Services segment and geographically from the United States.

Public Basket



Company Name	Date	Deal Synopsis
Stinnett & Associates	01-Jul-22	The company was acquired by CBIZ (NYS: CBZ) for an undisclosed amount on July 1, 2022. The acquisition expands and strengthens CBIZ's advisory services as well as enables it to better serve combined clients and create new opportunities to accelerate growth.
Marks Paneth	01-Jan-22	The company was acquired by CBIZ (NYS: CBZ) for \$156.5 million on January 1, 2022. The consideration consists of approximately \$81.25 million in cash. The company will also receive a contingent payout of \$75.25 million which comprises of cash and shares of CBIZ common stock. The acquisition enhances CBIZ's presence and capacity in key markets and expands service offerings for existing and prospective clients.

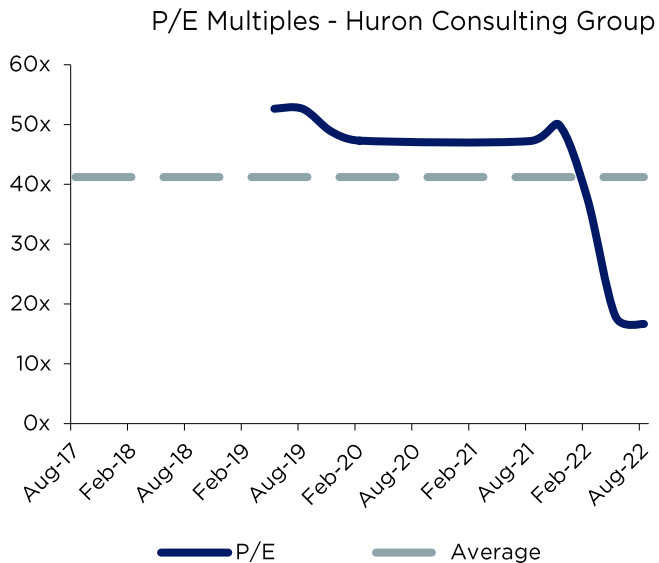
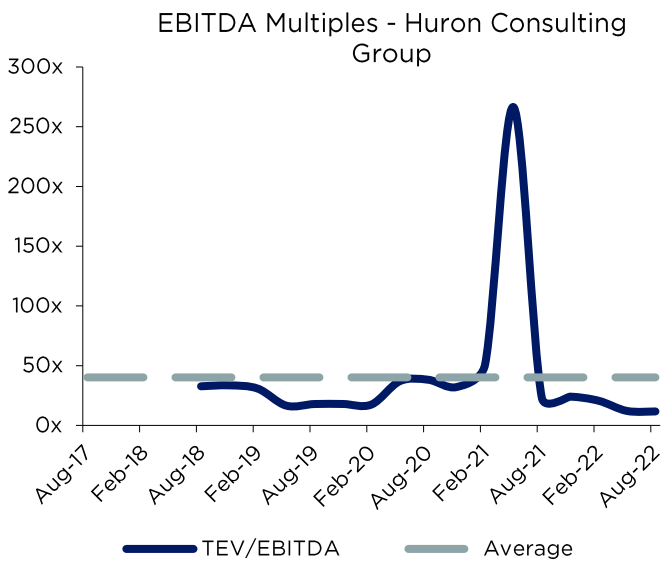
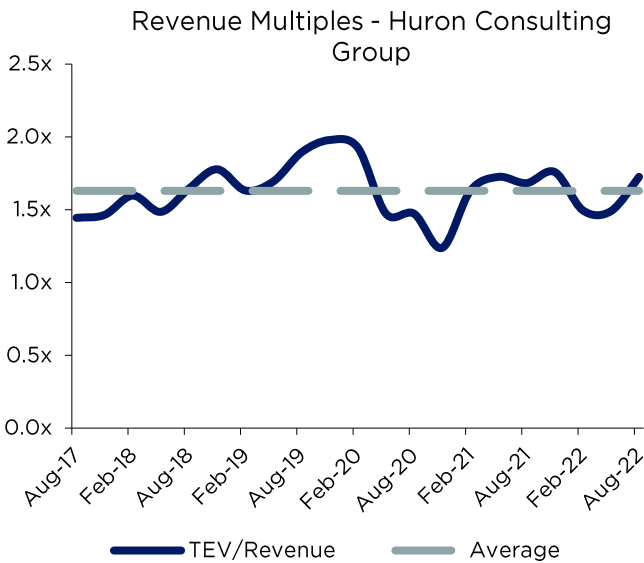
Huron Consulting Group

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
Perception Health	31-Dec-21	The company was acquired by Huron Consulting Group (NAS: HURN) for an undisclosed amount on December 31, 2021. The acquisition allows Huron to offer providers, payors and research institutions data insights across the care continuum to make better decisions and proactively impact patient care and clinical outcomes.
Whiteboard Higher Education	01-Dec-21	The company was acquired by Huron Consulting Group (NAS: HURN) for an undisclosed amount on December 1, 2021. With this acquisition, Huron expands its ability to help institutions engage and attract students while competing in a rapidly changing environment.

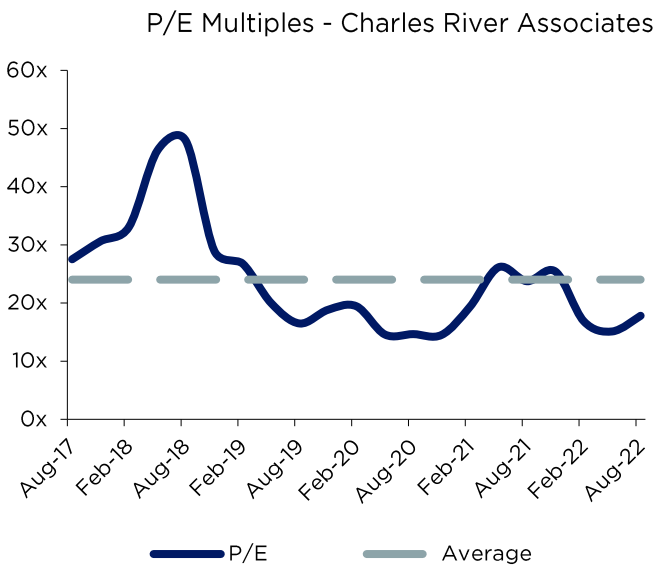
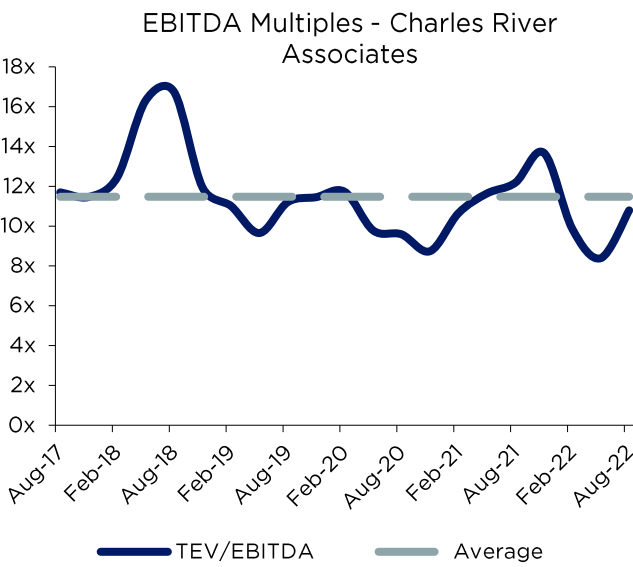
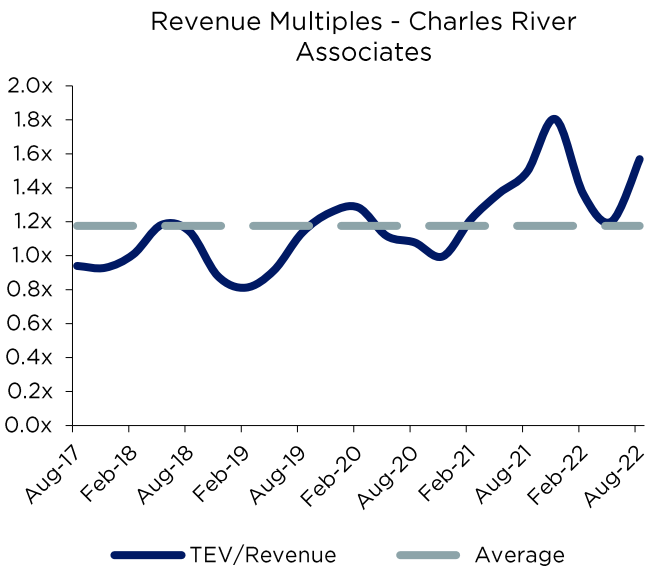
Charles River Associates

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. 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
Welch Consulting	28-Feb-22	The company was acquired by Charles River Associates (NAS: CRAI) for an undisclosed amount on February 28, 2022. The acquisition will help Charles River Associates double the size of its labor and employment practice.
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.

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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