



Sectorwatch: Healthcare & Life Sciences Management Consulting

Q1 2020

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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.



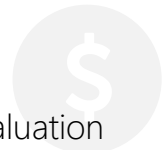
Public Basket Performance

- 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

↑4.2%

One year revenue growth percentage compared to revenue growth average percentage 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.

Pricing / Gross Margin

↓-1.9%

One year gross profit percentage compared to gross profit percentage average for last 3 years.

Current gross profit margin is less than the average of the last 3 years gross profit margins, which may signal pricing pressure.

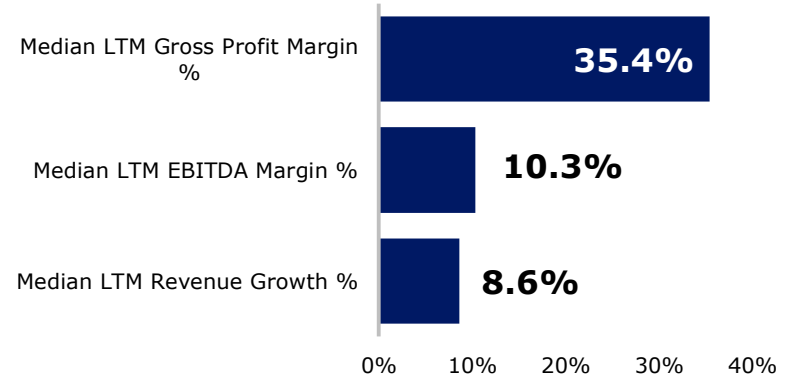
Profitability

↓-1.0%

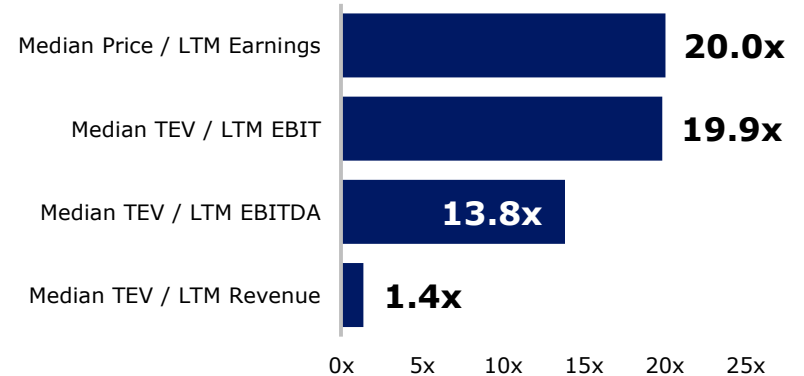
One year EBITDA percentage compared to EBITDA percentage average for last 3 years.

Current EBITDA margin is a bit less than the average of the last 3 years, consistent with the contraction in gross margin.

Operating Metrics



Valuation



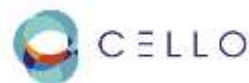
Public Basket



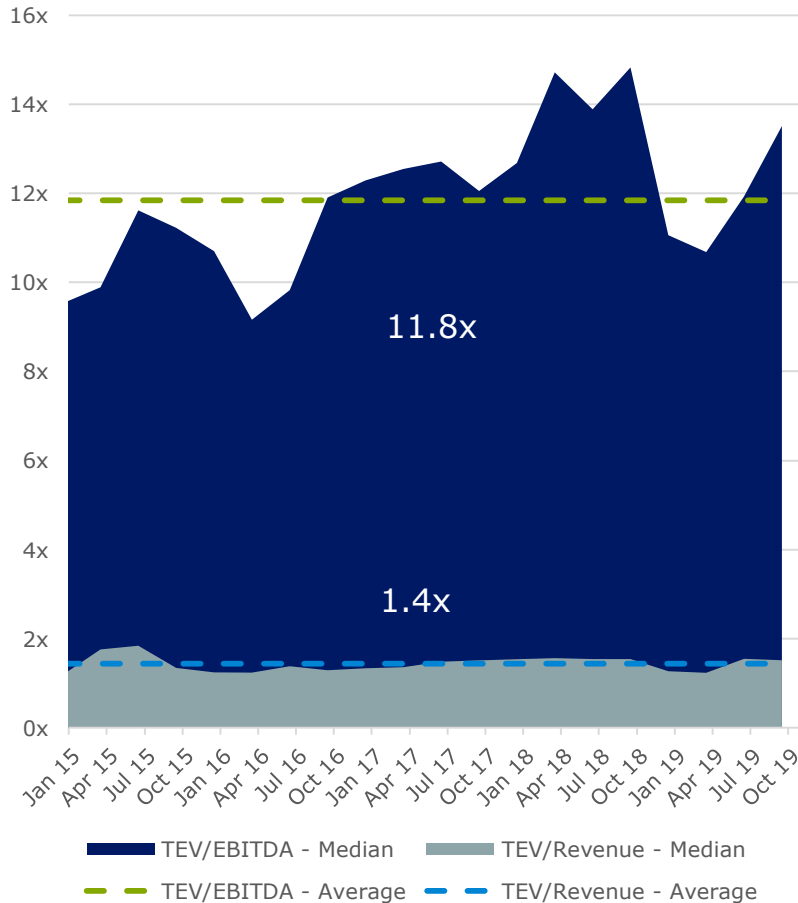
Company	TEV \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# FTEs	Rev / FTE \$k
Accenture plc	130,056	43,968	5%	31%	16%	3.0	18.4	492,000	89
FTI Consulting, Inc.	4,636	2,255	13%	35%	15%	2.1	13.8	4,768	473
Allscripts Healthcare Solutions, Inc.	2,370	1,763	16%	47%	7%	1.3	18.3	9,500	186
Huron Consulting Group Inc.	1,772	850	10%	35%	13%	2.1	16.3	3,269	260
Cegedim SA	736	553	5%	45%	10%	1.4	11.1	4,374	126
CRA International, Inc.	580	441	9%	30%	9%	1.3	13.8	687	642
Cello Health plc	198	213	-1%	64%	8%	0.9	11.2	973	219

Average	20,050	7,149	8%	41%	11%	1.7	14.7	73,653	285
Median	1,772	850	9%	35%	10%	1.4	13.8	4,374	219

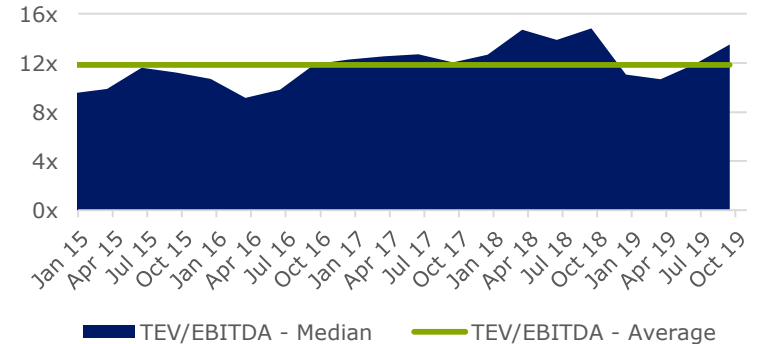
share price as of 30Jan20



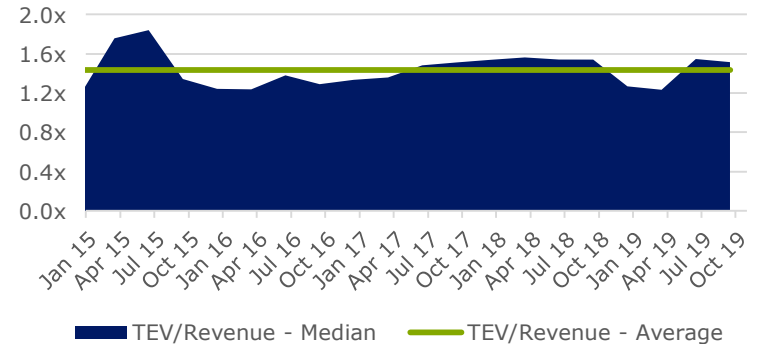
Public Basket Valuation Trends



Public EBITDA Multiples over Time



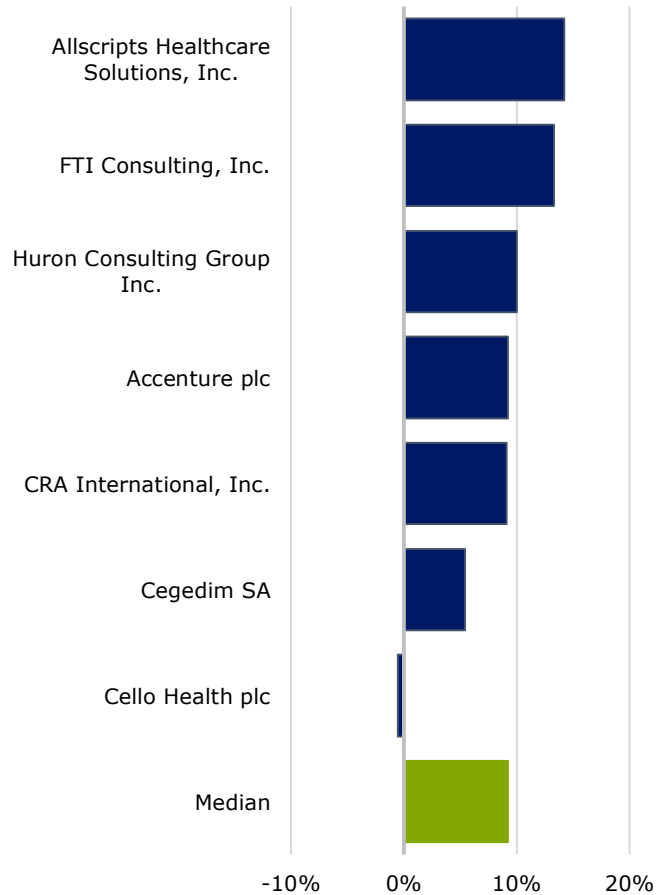
Public Revenue Multiples over Time



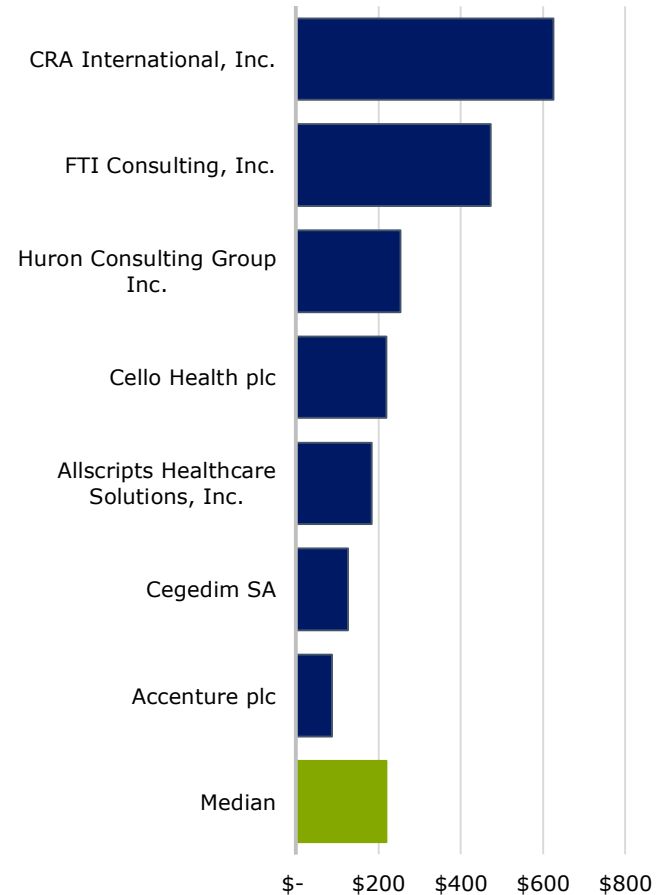
Operational Metrics



LTM Revenue Growth %



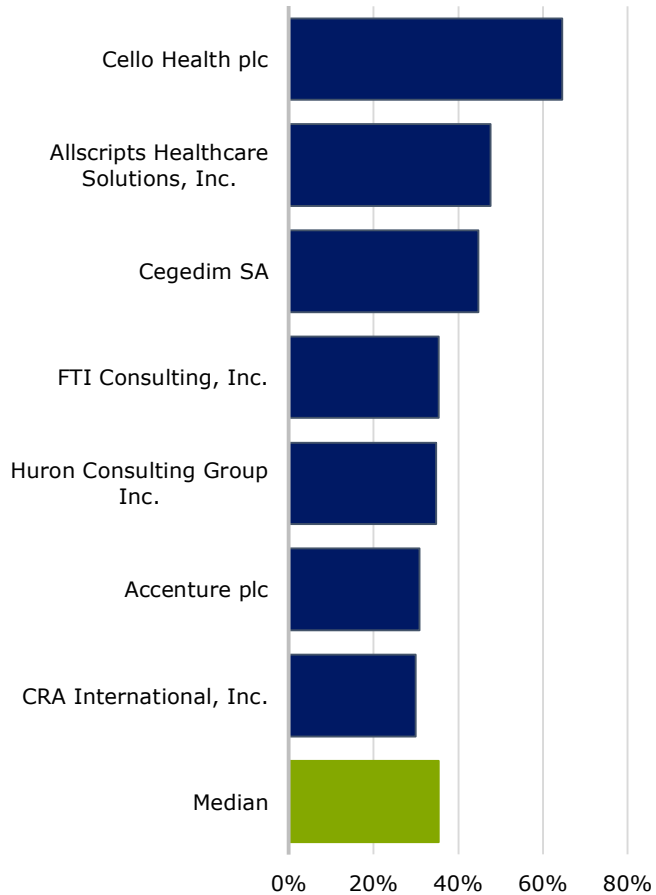
LTM Revenue per Full Time Employee x 000's



Operational Metrics



LTM Gross Profit Margin %



LTM EBITDA %



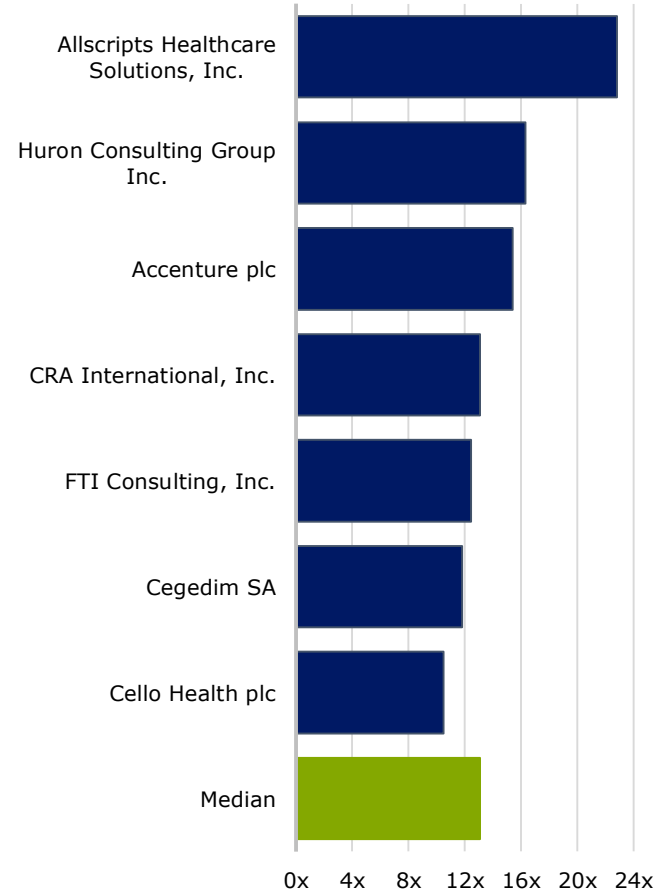
Valuation



TEV / LTM Revenue



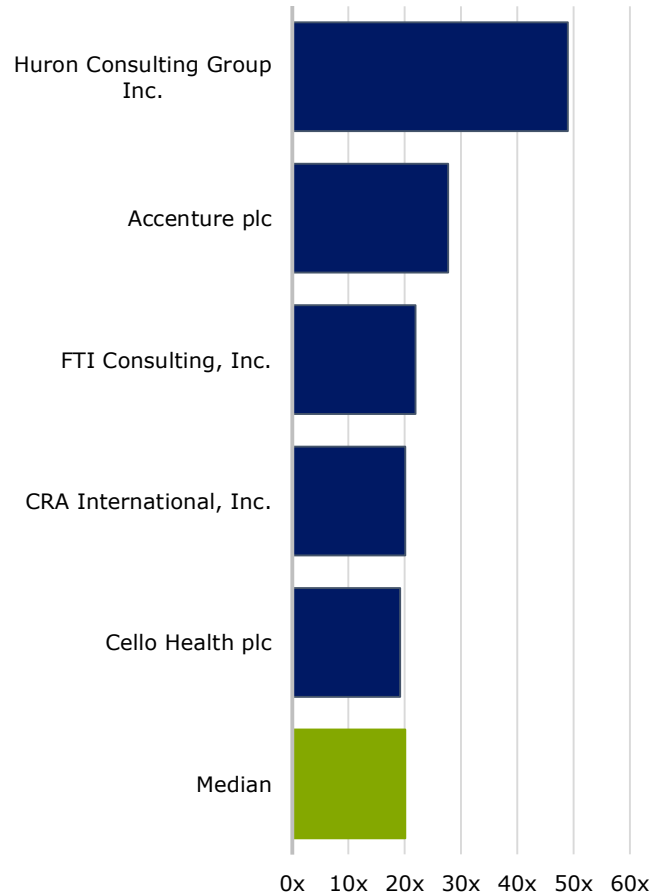
TEV / LTM EBITDA



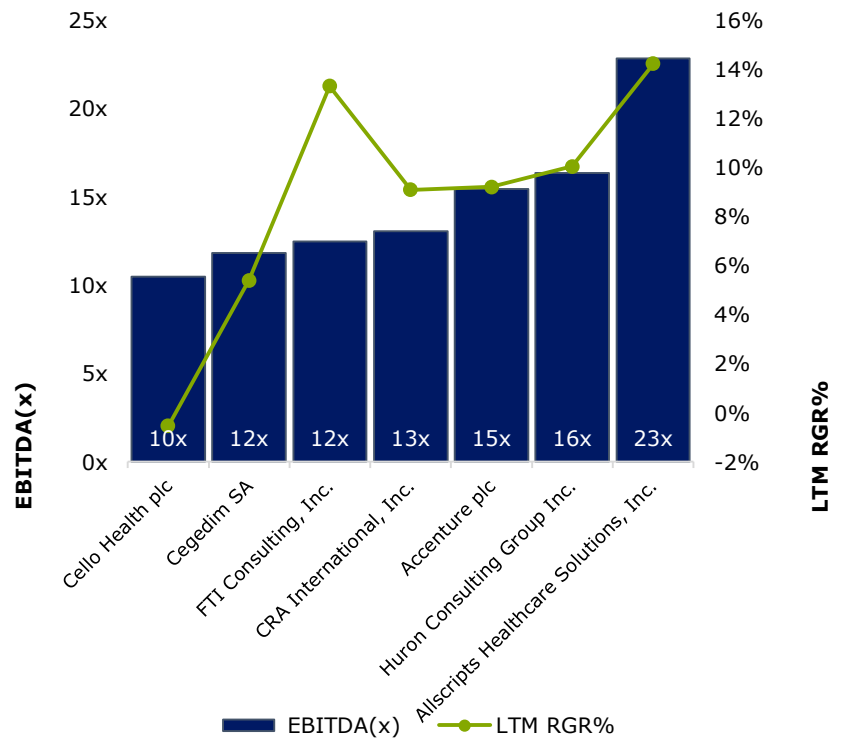
Valuation



Price / LTM Earnings



Historical Valuation Multiples versus Revenue Growth Rate



RECENT TRANSACTIONS SUMMARY

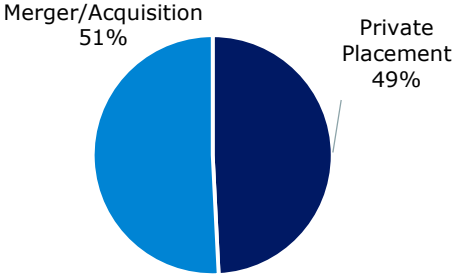
In the last twelve months there were transactions totaling \$8.2b transactions in the Healthcare and Life Sciences Management Consulting sector. 7 Mile Advisors tracked 195 transactions in the sector, including 64 M&A transactions.

Merger & Acquisition Statistics

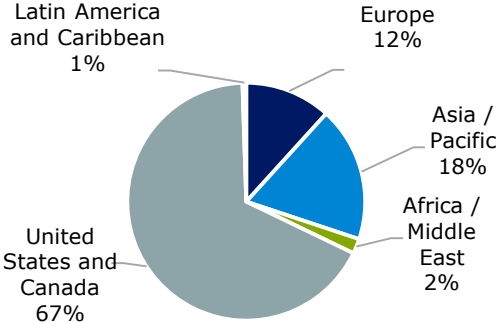
Valuation Summary

Total Deal Value(\$mm):	\$8,156.18
Average Deal Value:	\$429.27
Average TEV/Revenue:	2.28x
Average TEV/EBITDA:	14.93x
Average Day Prior Premium(%):	25.6%
Average Week Prior Premium(%):	33.32%
Average Month Prior Premium(%):	29.19%

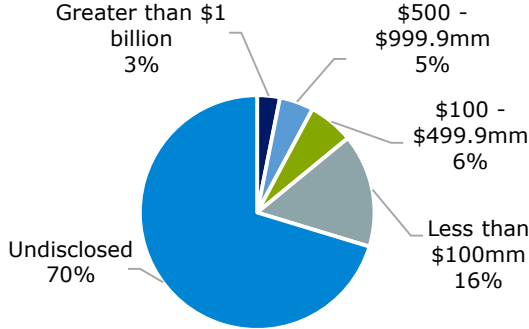
All Transactions by Type



All Transactions by Region



M&A Transaction Ranges by Value



Most Active Buyers/Investors by Number of Transactions

Company Name	Number Of Transactions
Aier Eye Hospital Group Co., Ltd. (SZSE:300015)	2
Assurance Global Services LLC	2
Xinxing Jihua Pharmaceutical Holdings Co., Ltd.	2
Yorkville Advisors Global LP	2
22C Capital LLC	1
Abu Dhabi Investment Authority	1
Advent International Corporation	1
Advokatfirmaet Schjødt AS	1
Alvit LCS Pharma Ltd	1
Apax Partners LLP	1

Most Active Buyers/Investors by Total Transaction Size

Company Name	Transaction Size (\$mm)
Stone Point Capital LLC	4,200.0
Further Global Capital Management, L.P.	4,200.0
Guidehouse LLP	1,234.01
Industrial Scientific Corporation	570.0
Kinnevik AB (OM:KINV B)	550.0
Public Investments Fund	550.0
Vostok New Ventures Ltd (OM:VNV SDB)	550.0
Munich Re/HSB Ventures	550.0
Mehiläinen Yhtiöt Oy	545.52
EQT Partners AB	531.07

Recent Transactions



<u>Date</u>	<u>Target</u>	<u>Buyer / Investor</u>	<u>Total Transaction Value</u>	<u>Target Revenue</u>	<u>TEV / Revenue</u>	<u>TEV / EBITDA</u>
23Oct19	Avia Health Innovation	Sumitomo Corporation of Americas; First Trust Capital Partners LLC; B.C. Ziegler and Company, Investment Arm	22.00	-	-	-
13Oct19	Remedy Chicago Inc.	The Motion Agency	-	-	-	-
11Oct19	Lynx Product Group, LLC	Chalmers Group	-	-	-	-
11Oct19	Q BioMed Inc.	Yorkville Advisors Global LP; YA II PN, LTD.	0.75	-	-	-
10Oct19	Arcus Global Media, LLC	W2O Group	-	-	-	-
9Oct19	Rapid Dose Therapeutics Corp.	-	-	0.01	-	-
9Oct19	Hamilton & Co.	Schjodt	-	-	-	-
30Oct19	salesforce.com, inc.	-	124.77	14,729.00	-	-
20Oct19	Definitive Healthcare, LLC	22C Capital LLC	-	-	-	-
20Oct19	Brio Bliss Life Sciences Pvt. Ltd./Nutri Synapzz Therapeutix Pvt. Ltd.	Shield Healthcare Pvt. Ltd.	-	-	-	-
20Oct19	Orikami B.V.	Healthy Capital Management B.V.	0.66	-	-	-
10Oct19	Silicus Technologies, LLC	Infogain Corporation	-	-	-	-
30Sep19	ECG Management Consultants, Inc.	Siemens Medical Solutions USA, Inc.	-	100.00	-	-
30Sep19	Aptus Health, Inc.	WebMD Health Corp.	-	-	-	-
30Sep19	CBIZ, Inc.	P2 Capital Partners, LLC	-	-	-	-
26Sep19	eMids Technologies Inc.	New Mountain Capital, L.L.C	-	-	-	-
26Sep19	AMN Healthcare, Inc.	-	300.00	-	-	-
24Sep19	Thermo Fisher Scientific Inc.	-	982.71	24,868.00	-	-
19Sep19	Shanghai Fosun Pharmaceutical (Group) Co., Ltd.	Shanghai Fosun High Technology (Group) Co., Ltd.	3.20	3,837.88	-	-
12Sep19	Waters Corporation	-	500.00	2,406.06	-	-
10Sep19	PerkinElmer, Inc.	-	847.20	2,801.92	-	-
9Sep19	Healthway Medical Corporation Limited	-	-	80.29	-	-
5Sep19	Inventure LLC	-	-	-	-	-
3Sep19	Box, Inc.	Starboard Value LP	-	-	-	-
29Aug19	LEOCLAN Co.,Ltd.	-	10.60	-	-	-
28Aug19	ThoughtSpot, Inc.	Silver Lake; Sapphire Ventures LLC; Lightspeed Venture Partners; Silver Lake Waterman; Geodesic Capital	248.00	-	-	-
28Aug19	Computer Task Group, Incorporated	Wax Asset Management, LLC	-	-	-	-

CONTACT INFO

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