

Business Consulting Market Monitor

Market Overview

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Financial Sponsors & Accenture Dominate Q3 M&A Activity

Financial Investors Drive Significant Deal Volume

ClearView Healthcare, a preeminent life sciences consultancy, recapitalized by GHO Capital

- On September 1st, GHO Capital completed its recapitalization of [ClearView Healthcare Partners](#), further establishing ClearView as a household name among top pharmaceutical and biotech companies across the globe. ClearView's project-based engagements include supporting pharmaceutical drug sponsors through the R&D and commercialization process and aiding clinical and commercial portfolio development. The acquisition will accelerate ClearView's dominant expansion, particularly in Europe, where GHO has an existing footprint

Linden Capital acquires RQM+

- On August 26th, Linden Capital Partners acquired RQM+, one of the largest international providers of regulatory, quality and compliance consulting services within healthcare. RQM+ views the acquisition as an opportunity to expand services and further penetrate existing client wallet share, specifically within the EU where demand continues to rise

HIG announces acquisition of 75% of Navitas Life Sciences, a subsidiary of TAKE Solutions

- On August 6th, HIG Capital announced acquiring a 75% stake in Navitas Life Sciences, a CRO specialized in serving blue-chip pharmaceutical and biotech clients. The Company's consulting capabilities span clinical research, strategic regulatory & safety and supply chain analytics. As technology becomes increasingly important within the drug development lifecycle, Navitas's consultant capabilities will enable it to emerge as a dominant strategic partner to pharma

Accenture Continues to Amplify Offerings

Accenture completed an astounding ~15 acquisitions during Q3 2021, setting a record pace as the giant deepens versatility across service lines:

- August 19th | Novetta** – Novetta provides mission-driven advanced analytics to federal, defense and intelligence customers. The acquisition solidifies Accenture's position as a leader in sophisticated data analytics
- July 20th | Workforce Insight** – Workforce Insight is a workforce optimization consultancy specializing in human capital advisory. The acquisition will broaden Accenture's workforce management capabilities, enabling Accenture to deliver extraordinary HR transformations
- July 9th | Linkbynet** – Linkbynet specializes in cloud services, offering everything from cloud optimization to cybersecurity. The acquisition will further enhance Accenture Cloud First's global capabilities with the addition of over 900 skilled professionals holding over 400 cloud-based certifications

On the Horizon

Clearsight Advisors continues to drive the Knowledge Economy with the announced transaction between [Huron Life Sciences](#) and Oliver Wyman as well as the completed acquisition of [CMA Strategy Consulting](#) by EY-Parthenon in Q4

As indicated last quarter, healthcare and life sciences continue to experience significant M&A activity; however, this quarter witnessed an increase in Financial Sponsors taking the reigns and driving M&A activity. We hope our readers enjoyed the summer and are looking forward to the holiday season. As always, feel free to reach out to our team for advice and insight on the consulting M&A market.

Sector Spotlight

Financial Sponsors Continue to Flourish

After record-high deal activity over the past year, private equity deals continue to boom and account for a larger proportion of deal activity. Low interest rates are accelerating excitement and driving higher valuations, competing aggressively against historically higher strategic valuations. Despite inflation and speculation regarding interest rate increases next year, there is no shortage of capital. High exit values across the board are also leading to expedited exit timelines and ability to return to fundraising markets quickly. In ClearView Healthcare Partners' recapitalization, RLH exits and GHO steps in to drive the next phase of growth. Similarly, EQT and Goldman Sachs Asset Management take over as Pamplona Capital Managements exits its Parexel investment.

Deal Analysis

parexel.

July 2nd, 2021

Parexel, well known for its regulatory, market access and strategy consulting services, was acquired by EQT and Goldman Sachs Asset Management after four years in partnership with Pamplona Capital Management. With the new investment, Parexel is well-positioned to build on its global footprint, capabilities and healthcare network



July 14th, 2021



Carson Group, a financial technology and services firm, received a strategic investment from Bain Capital which valued the firm at over \$1 billion. The investment comes with a commitment to provide additional capital which will support further expansion through organic and inorganic growth channels



Aug. 6th, 2021

In addition to operating a CRO, Navitas offers clinical research and strategic consulting to blue-chip pharmaceuticals and biotech clients alike. In August, H.I.G. announced a plan to take a 75% stake in Navitas, closing in Q4. H.I.G.'s experience across the life sciences sector makes them ideally suited to support the firm's continued growth



CLEARVIEW
Healthcare Partners

Sept. 1st, 2021

ClearView Healthcare Partners advises clients throughout the development and commercialization process, establishing themselves as a go-to partner for innovators across the life sciences industries. GHO's partnership will drive growth as ClearView leverages GHO's resources, expertise and global reach



Sept. 14th, 2021



Sphera's experts use software and proprietary data to mitigate ESG risk for clients. Blackstone's investment will allow Sphera to accelerate plans to expand differentiated consultative services throughout the world



Q2 2021
~50%

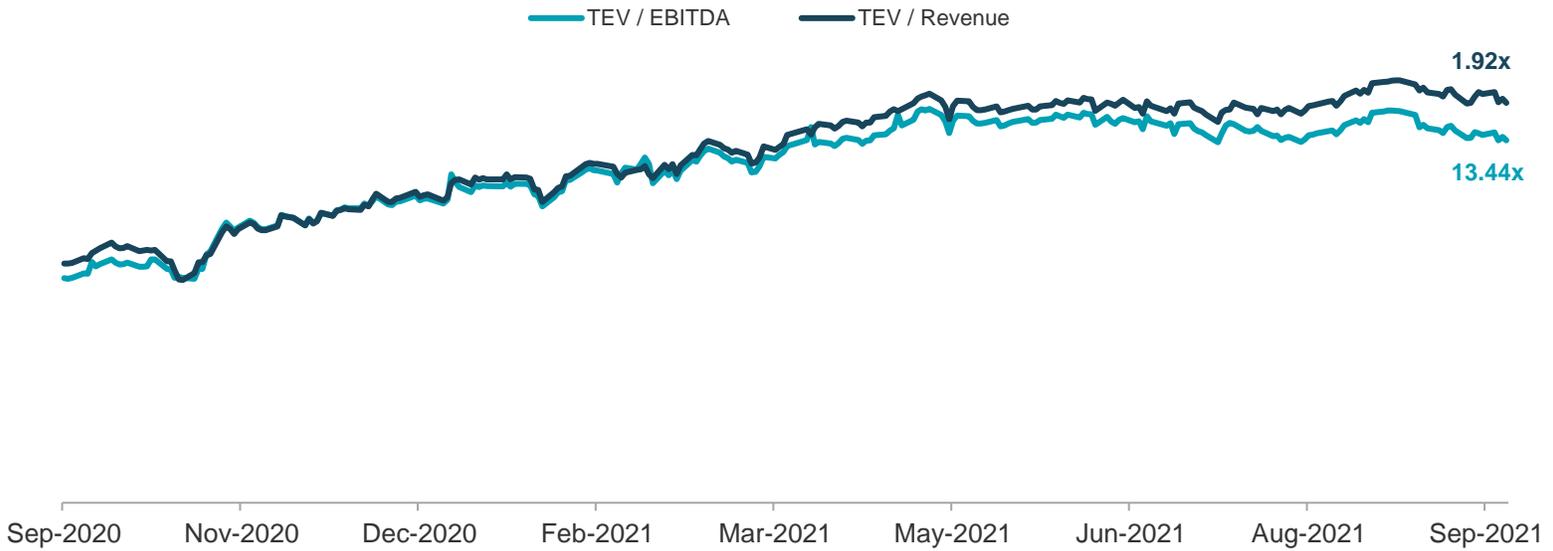
Percentage of transactions in the business consulting space executed by private equity or venture capital firms increased QoQ

Q3 2021
~60%



Public Market Performance

Revenue and EBITDA multiples remained relatively flat over Q3 2021



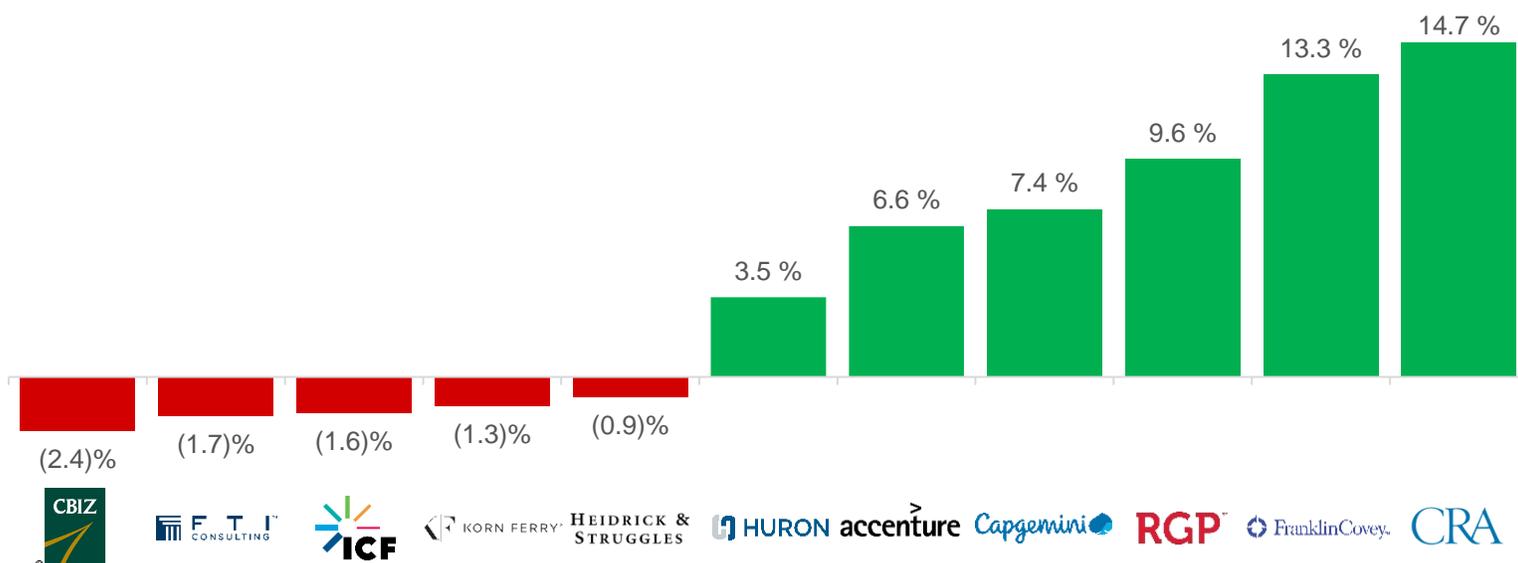
Clearsight's Business Consulting Index outperformed the S&P 500 in Q3



Note: Revenue and EBITDA multiples represent the average multiples of the Business Consulting Index
 Source: Public market data as of 30-September-2021, Capital IQ

Public Market Performance

While firms experienced both increases and decreases in share price over the quarter, growth occurred to a more significant degree



There was a slight decrease in EBITDA multiples throughout Q3, while Revenue multiples remained relatively consistent

	Closing Price 30-Sep-2021	% of 52 Week High	Equity Market Cap	Enterprise Value	EV / Revenue Multiples			EV / EBITDA Multiples			LTM EBITDA Margin
					LTM	2021	2022	LTM	2021	2022	
Professional Services											
Accenture	\$319.92	92.6%	\$218,880	\$214,723	4.2x	4.1x	3.7x	25.4x	21.6x	19.7x	16.7%
Capgemini	208.80	90.8	36,352	42,361	2.1	2.1	1.9	16.2	12.8	11.8	13.0
CBIZ	32.34	91.9	1,753	2,088	2.0	2.0	1.8	17.2	14.3	13.0	11.8
CRA International	99.34	97.2	760	892	1.6	1.6	1.5	14.1	13.3	13.5	11.4
Franklin Covey	40.79	93.5	585	584	2.9	2.6	2.4	27.6	20.5	16.4	10.4
FTI Consulting	134.70	91.4	4,880	5,245	2.0	1.9	1.8	14.3	14.8	13.0	13.9
Heidrick & Struggles	44.63	95.2	915	780	1.0	0.8	0.8	8.3	6.3	6.3	12.4
Huron Consulting	52.00	83.9	1,196	1,518	1.8	1.7	1.6	21.6	15.4	13.5	8.4
ICF International	89.29	87.3	1,779	2,233	1.4	1.4	1.4	14.1	14.6	13.6	10.1
Korn Ferry	72.36	94.6	4,095	3,967	1.9	1.7	1.6	11.8	8.6	9.1	16.3
Resources Connection	15.78	95.6	535	535	0.8	0.8	0.7	9.5	7.2	6.5	8.5
High		97.2%	\$218,880	\$214,723	4.2x	4.1x	3.7x	27.6x	21.6x	19.7x	16.7%
Median		92.6	1,753	2,088	1.9	1.7	1.6	14.3	14.3	13.0	11.4
Mean		92.2	24,703	24,993	2.0	1.9	1.7	16.4	13.6	12.4	12.1
Low		83.9	535	535	0.8	0.8	0.7	8.3	6.3	6.3	8.4

Source: Public market data as of 30-September-2021, Capital IQ
 Note: Multiples charts may differ from Comparable Company Analysis figures due to detailed adjustments made to the Comparable Company Analysis.
 1. Represents performance for Q3.

M&A Activity

Date	Target	Buyer	Summary
7/6/2021	 sphera®	 Blackstone	<ul style="list-style-type: none"> Sphera is a leading provider of Environmental, Social and Governance (ESG) software, data and consulting services The acquisition of Sphera emphasizes the market's focus on ESG investing and further supports Blackstone's effort to invest thematically in the ESG space
7/29/2021	 openmind	 Accenture Interactive	<ul style="list-style-type: none"> Openmind is a boutique consultancy in Italy offering consulting services to help meet client demand with seamless, cloud-based commerce experiences Accenture Interactive's investment in Openmind allows Accenture Interactive to deliver greater operational excellence in the luxury and fashion sectors, particularly in Italian markets
8/4/2021	 BLUE HORSESHOE	 accenture	<ul style="list-style-type: none"> Blue Horseshoe Solutions is a consulting firm that provides system implementation and integration services ranging from consulting services to enterprise resource planning and warehouse management Accenture's acquisition of Blue Horseshoe Solutions deepens Accenture's supply chain transformation capabilities
8/6/2021	 NAVITAS LIFE SCIENCES	 H. I. G. CAPITAL	<ul style="list-style-type: none"> Navitas Life Sciences leverages its experience in data science and regulatory compliance to deliver full-service CRO and strategic consulting to large blue-chip pharmaceutical and biotech clients worldwide H.I.G. can leverage its global network within healthcare and life sciences to accelerate Navitas's growth
8/24/2021	 ATLAS RESEARCH	 CVP	<ul style="list-style-type: none"> Atlas Research provides healthcare consulting and research services to federal health organizations to drive meaningful innovation and transformation The acquisition of Atlas Research furthers Customer Value Partners' presence across federal health programs
9/1/2021	 CLEARVIEW Healthcare Partners	 GHO CAPITAL	<ul style="list-style-type: none"> ClearView Healthcare Partners is the leading independent strategy consulting firm focused on the life sciences and healthcare industries GHO Capital's investment will enhance ClearView's market-leading status by accelerating ClearView's expansion into international markets, particularly those in Europe
9/2/2021	 GEVITY	 accenture	<ul style="list-style-type: none"> Gevity provides consulting services, assists in digital transformation and offers systems design implementations, among other services, to the healthcare industry Accenture's acquisition of Gevity expands the former's capabilities in delivering health transformation services in Canada and other global markets
9/17/2021	 ethier	 SIAPARTNERS	<ul style="list-style-type: none"> Ethier is a Canadian management consulting firm focused on regulatory compliance, risk management, operational excellence and project delivery Sia Partners' acquisition of Ethier strengthens Sia's presence across Canada
9/21/2021	 CADMUS	 CI CAPITAL PARTNERS	<ul style="list-style-type: none"> The Cadmus Group provides technical and strategic consulting services to government agencies, electric and natural gas utility companies and commercial clients CI Capital Partners' investment in Cadmus strengthens its position in the government services sector

 = ClearSight acted as an advisor to ClearView Healthcare Partners

About ClearSight

ClearSight Advisors is an independent investment banking firm dedicated to driving the Knowledge Economy by providing world-class M&A and capital raising solutions exclusively to growth-oriented Business Services and Technology companies. ClearSight combines deep market insights across software, services and data. ClearSight Capital Advisors, Inc., a wholly owned subsidiary, is a registered member of FINRA & SIPC. For more information about ClearSight, visit www.clearsightadvisors.com

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