

# Quarterly Industry Update

As of March 31, 2015

Industry: Management Consulting



## Industry Summary

Cogent Valuation identified publicly traded companies, IPOs, and recent M&A transactions within the Management Consulting industry, which provides a basis for market and transaction pricing that can be used by your firm in estimating market sentiment and its impact on your firm's value. Since March 31, 2014, the median 52-week share price return of the Management Consulting industry has increased by 7.6%. In the last quarter, the median price-to-earnings multiple increased from 21.4x to 23.5x.

## Comparable Public Company Key Statistics

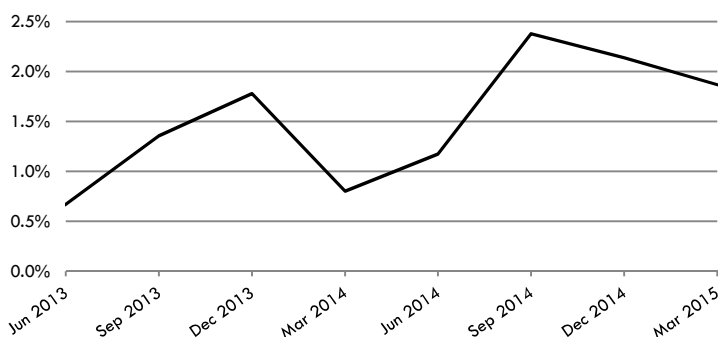
Median 52-Week Return	7.6%	Median EV/Revenue Multiple	1.1x	Median Price/Earnings Multiple	23.5x
Median 3-Year CAGR Return	17.2%	Median EV/EBITDA Multiple	12.2x	Median EV/Gross CF Multiple	22.0x

## Comparable Public Company Market Price Returns (As of March 31, 2015)

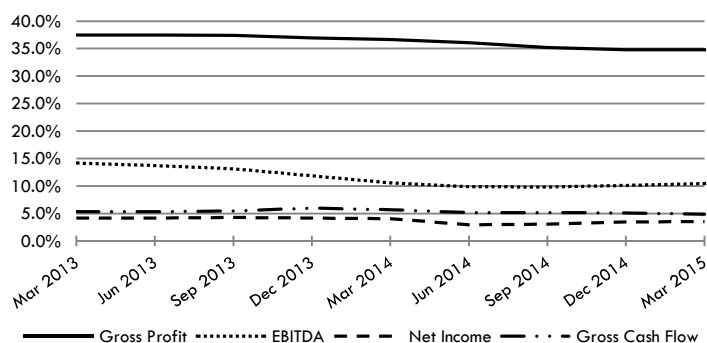
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2014	2013	2012	2011	2010
MDC Partners Inc.	24.8%	24.8%	25.4%	63.7%	56.3%	33.5%	-10.0%	259.7%	-20.5%	-21.6%	102.8%
CEB Inc.	10.1%	10.1%	7.6%	17.2%	22.9%	24.6%	-6.3%	63.1%	24.6%	1.5%	64.5%
Navigant Consulting Inc.	-15.7%	-15.7%	-30.5%	-0.7%	-2.3%	1.3%	-19.9%	72.0%	-2.2%	24.0%	-38.1%
Forrester Research Inc.	-6.6%	-6.6%	2.6%	7.8%	4.3%	4.1%	2.9%	42.8%	-21.0%	-3.8%	36.0%
PFSweb Inc.	-13.2%	-13.2%	22.2%	65.5%	40.8%	31.0%	39.6%	218.2%	-13.4%	-16.9%	165.8%
FTI Consulting, Inc.	-3.0%	-3.0%	12.4%	-0.3%	-0.1%	-1.0%	-6.1%	24.7%	-22.2%	13.8%	-20.9%
ICF International Inc.	-0.3%	-0.3%	2.6%	22.5%	17.2%	10.5%	18.1%	48.1%	-5.4%	-3.7%	-4.0%
Huron Consulting Group Inc.	-3.3%	-3.3%	4.4%	28.1%	20.8%	26.7%	9.1%	86.0%	-13.0%	46.5%	14.8%
The Advisory Board Company	8.8%	8.8%	-17.1%	0.7%	6.3%	27.6%	-23.1%	36.1%	26.1%	55.8%	55.4%
CRA International Inc.	2.6%	2.6%	41.6%	17.9%	7.3%	6.3%	53.1%	0.2%	-0.4%	-15.6%	-11.8%
Franklin Covey Co.	-0.5%	-0.5%	-2.6%	15.1%	27.0%	19.4%	-2.6%	54.1%	52.3%	-1.4%	36.3%
Booz Allen Hamilton Holding Corporation	9.1%	9.1%	31.5%	46.7%	19.3%	N/A	38.5%	37.6%	-19.3%	-11.2%	N/A
Heidrick & Struggles International Inc.	6.6%	6.6%	22.5%	28.2%	3.7%	-2.6%	14.4%	32.0%	-29.2%	-24.8%	-8.3%
<b>Median of Industry Public Companies</b>	<b>-0.3%</b>	<b>-0.3%</b>	<b>7.6%</b>	<b>17.9%</b>	<b>17.2%</b>	<b>14.9%</b>	<b>2.9%</b>	<b>48.1%</b>	<b>-13.0%</b>	<b>-3.7%</b>	<b>25.4%</b>

(Multiple year periods are calculated as the average annual return.)

## Median Quarterly Revenue Growth of All Management Consulting Companies



## Median Gross Profit, EBITDA, Net Income and Gross Cash Flow Margins



## Median Public Company Multiples of the Management Consulting Industry

Date:	3/31/2013	6/30/2013	9/30/2013	12/31/2013	3/31/2014	6/30/2014	9/30/2014	12/31/2014	3/31/2015
EV/Revenues Multiple	1.1x	1.0x	1.2x	1.4x	1.4x	1.4x	1.1x	1.1x	1.1x
EV/EBITDA Multiple	8.3x	7.7x	9.7x	10.5x	10.3x	10.6x	9.5x	11.2x	12.2x
Price/Earnings Multiple	24.8x	21.9x	20.4x	20.2x	22.4x	17.9x	18.2x	21.4x	23.5x
EV/Gross Cash Flows Multiple	14.1x	16.7x	17.2x	17.5x	17.9x	19.0x	17.1x	19.9x	22.0x

This industry research is provided at no charge to Cogent Valuation's clients. Research or detailed information not covered in this report can be obtained for a fee. Contact Steven Kam at 415-392-0888 for additional information or questions in connection with this research report. Copyright © 2015 Cogent Valuation. All Rights Reserved.

The disclosures and limitations of this research on page four are an integral part of this report.

[COGENTVALUATION.COM](http://COGENTVALUATION.COM)

Page 1 of 4

# Quarterly Industry Update

As of March 31, 2015

Industry: Management Consulting



## Industry Initial Public Offerings (dollars in millions, except share prices)

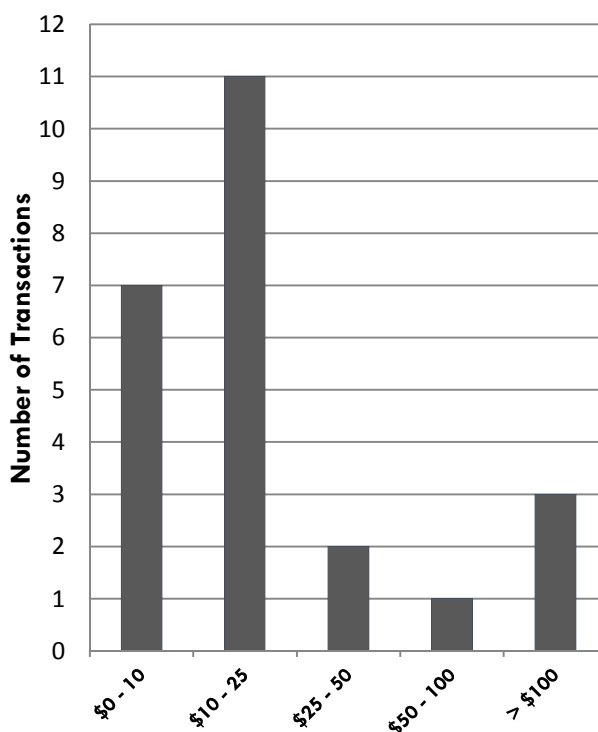
Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
11/16/2010	Booz Allen Hamilton Holding Corporation	\$17.00	14.0	\$238.0	\$3,082.1	\$1,474.9	\$5,323.1	\$336.6	\$49.2	\$388.8
5/19/2010	ReachLocal, Inc.	\$13.00	4.2	\$54.2	\$101.5	\$0.0	\$224.0	(\$4.1)	\$10.0	(\$2.3)
5/4/2010	Charm Communications Inc.	\$9.50	7.8	\$74.2	\$187.8	\$19.7	\$123.7	\$24.3	\$21.3	\$24.3
11/20/2006	Willdan Group, Inc.	\$10.00	2.9	\$29.0	\$37.8	\$1.0	\$76.0	\$4.7	\$0.8	\$6.3
9/28/2006	ICF International Inc.	\$12.00	4.7	\$56.0	\$171.2	\$64.9	\$203.5	\$8.0	(\$0.1)	\$10.8
10/12/2004	Huron Consulting Group Inc.	\$15.50	5.0	\$77.5	\$55.5	\$10.1	\$160.8	\$22.5	\$7.6	\$24.8
7/18/2001	Accenture plc	\$14.50	115.0	\$1,667.5	\$4,929.3	\$562.4	\$11,173.3	\$3,060.4	\$1,843.2	\$3,300.5
<b>Median of All IPOs</b>		<b>nm</b>	<b>nm</b>	<b>\$74.2</b>	<b>\$171.2</b>	<b>\$19.7</b>	<b>\$203.5</b>	<b>\$22.5</b>	<b>\$10.0</b>	<b>\$24.3</b>

nm: not meaningful

## Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought
11/27/2014	Sandra Hartog & Assc.	BTS USA, Inc.	\$6.6	100%
11/3/2014	VERTEX Incorporated	Ebix Inc.	\$29.0	100%
9/15/2014	Synapsis Soluciones	TIVIT Terceirização	\$196.9	100%
8/25/2014	Connecta AB	Acando AB (publ.)	\$81.7	100%
7/8/2014	ACE International Consultants	AECOM Technology	\$14.3	100%
5/6/2014	IMG Worldwide, Inc.	Silver Lake	\$2,300.0	100%
4/30/2014	JMM Management Group, LLC	BSM Wireless Inc.	\$4.5	100%
4/28/2014	I-Cubed, Inc.	KPIT Technologies	\$24.2	100%
4/10/2014	RedTree Inc.	Franklin Covey Co.	\$0.5	100%
3/21/2014	American Business Change	Market Milestones, Inc.	\$0.2	88%
2/14/2014	PT Wisesa Inspirasi Nusantara	Kulim (Malaysia) Berhad	\$17.4	55%
1/31/2014	Harris Interactive Inc.	Nielsen Holdings N.V.	\$121.0	100%
1/2/2014	TradeTech Consulting AB	Virtusa International B.V.	\$23.9	100%
10/1/2013	Cooper Williamson Limited	Begbies Traynor Group plc	\$4.0	100%
8/6/2013	Grafton Consulting Group	OCG Consulting Ltd.	\$2.2	74%
7/31/2013	M Squared Consulting	SolomonEdwardsGroup	\$11.0	100%
7/9/2013	OTM Consulting Ltd	Sagentia Group plc	\$9.6	100%
3/28/2013	Amaze Limited	St Ives Marketing Services	\$37.3	100%
<b>Median of All Transaction Targets</b>			<b>\$15.8</b>	<b>100%</b>

## Size of Merger and Acquisition Transactions (dollars in millions)



# Quarterly Industry Update

As of March 31, 2015

Consulting Services Aggregates



## Comparable Public Company Key Statistics

Median 52-Week Return	13.6%	Median EV/Revenue Multiple	1.1x	Median Price/Earnings Multiple	23.1x
Median Year-to-Date Return	1.7%	Median EV/EBITDA Multiple	11.6x	Median EV/Gross CF Multiple	16.8x

## Comparable Public Company Market Price Returns (As of March 31, 2015)

	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2014	2013	2012	2011	2010
AECOM	1.5%	1.5%	-4.2%	-3.1%	11.3%	1.7%	3.2%	23.7%	15.7%	-26.5%	1.7%
Amec Foster Wheeler plc	1.2%	1.2%	-28.1%	-8.4%	-8.8%	2.1%	-26.2%	10.6%	15.4%	-21.3%	40.4%
Aon plc	1.4%	1.4%	14.0%	25.0%	25.1%	17.6%	13.0%	50.9%	18.8%	1.7%	20.0%
Argan, Inc.	7.5%	7.5%	21.7%	55.8%	31.1%	22.7%	22.1%	53.1%	18.3%	64.1%	-35.6%
Booz Allen Hamilton Holding Corporation	9.1%	9.1%	31.5%	46.7%	19.3%	N/A	38.5%	37.6%	-19.3%	-11.2%	N/A
Cartesian, Inc.	-19.3%	-19.3%	-19.2%	4.1%	11.6%	6.0%	56.0%	19.0%	52.0%	-41.5%	20.9%
CEB Inc.	10.1%	10.1%	7.6%	17.2%	22.9%	24.6%	-6.3%	63.1%	24.6%	1.5%	64.5%
CGI Group, Inc.	10.9%	10.9%	37.1%	25.0%	24.0%	23.2%	14.3%	45.4%	21.9%	9.2%	27.2%
Cognizant Technology Solutions Corporation	18.5%	18.5%	23.3%	27.6%	17.5%	19.6%	4.3%	36.7%	14.9%	-12.3%	61.7%
CRA International Inc.	2.6%	2.6%	41.6%	17.9%	7.3%	6.3%	53.1%	0.2%	-0.4%	-15.6%	-11.8%
Ecology & Environment, Inc.	-3.0%	-3.0%	-7.5%	-19.0%	-16.5%	-8.8%	-17.0%	-1.1%	-31.2%	7.7%	0.0%
Edgewater Technology Inc.	-9.3%	-9.3%	-4.8%	30.8%	20.2%	16.3%	7.4%	83.9%	37.7%	17.4%	-20.9%
Engility Holdings, Inc.	-29.8%	-29.8%	-33.3%	11.9%	N/A	N/A	28.1%	73.4%	N/A	N/A	N/A
Exponent Inc.	7.8%	7.8%	18.4%	28.4%	22.4%	25.5%	6.8%	38.4%	21.4%	22.5%	34.8%
Forrester Research Inc.	-6.6%	-6.6%	2.6%	7.8%	4.3%	4.1%	2.9%	42.8%	-21.0%	-3.8%	36.0%
Franklin Covey Co.	-0.5%	-0.5%	-2.6%	15.1%	27.0%	19.4%	-2.6%	54.1%	52.3%	-1.4%	36.3%
FTI Consulting, Inc.	-3.0%	-3.0%	12.4%	-0.3%	-0.1%	-1.0%	-6.1%	24.7%	-22.2%	13.8%	-20.9%
Heidrick & Struggles International Inc.	6.6%	6.6%	22.5%	28.2%	3.7%	-2.6%	14.4%	32.0%	-29.2%	-24.8%	-8.3%
Hill International, Inc.	-6.5%	-6.5%	-34.7%	9.6%	-3.0%	-9.2%	-2.8%	7.9%	-28.8%	-20.6%	3.7%
Huron Consulting Group Inc.	-3.3%	-3.3%	4.4%	28.1%	20.8%	26.7%	9.1%	86.0%	-13.0%	46.5%	14.8%
ICF International Inc.	-0.3%	-0.3%	2.6%	22.5%	17.2%	10.5%	18.1%	48.1%	-5.4%	-3.7%	-4.0%
Insight Enterprises Inc.	10.2%	10.2%	13.6%	17.6%	9.2%	14.7%	14.0%	30.7%	13.6%	16.2%	15.2%
KBR, Inc.	-14.6%	-14.6%	-45.7%	-32.8%	-25.9%	-8.2%	-46.8%	6.6%	7.4%	-8.5%	60.4%
Lightbridge Corp.	-20.0%	-20.0%	-53.9%	-15.6%	-27.1%	-31.4%	6.9%	2.8%	-30.9%	-61.9%	-10.5%
MDC Partners Inc.	24.8%	24.8%	25.4%	63.7%	56.3%	33.5%	-10.0%	259.7%	-20.5%	-21.6%	102.8%
MOCON Inc.	-7.1%	-7.1%	-0.3%	7.4%	0.7%	8.7%	13.2%	9.7%	-10.0%	23.8%	40.3%
Navigant Consulting Inc.	-15.7%	-15.7%	-30.5%	-0.7%	-2.3%	1.3%	-19.9%	72.0%	-2.2%	24.0%	-38.1%
NV5 Holdings, Inc.	25.8%	25.8%	64.9%	N/A	N/A	N/A	59.7%	N/A	N/A	N/A	N/A
PAREXEL International Corporation	24.2%	24.2%	27.5%	32.1%	36.8%	24.2%	23.0%	52.7%	42.7%	-2.3%	50.6%
Perficient Inc.	11.1%	11.1%	14.2%	33.2%	19.9%	12.9%	-20.5%	98.8%	17.7%	-19.9%	48.3%
PFSweb Inc.	-13.2%	-13.2%	22.2%	65.5%	40.8%	31.0%	39.6%	218.2%	-13.4%	-16.9%	165.8%
Resources Connection Inc.	6.4%	6.4%	24.2%	17.4%	7.6%	-1.8%	14.8%	20.1%	12.7%	-43.0%	-12.4%
Robert Half International Inc.	3.7%	3.7%	44.3%	27.0%	25.9%	14.7%	39.0%	32.0%	11.8%	-7.0%	14.5%
Stantec Inc.	-13.2%	-13.2%	-21.8%	4.2%	14.5%	13.0%	-11.1%	55.5%	47.0%	-2.7%	-3.9%
Tetra Tech Inc.	-10.0%	-10.0%	-18.8%	-11.2%	-3.1%	0.8%	-4.6%	5.7%	22.6%	-13.8%	-7.8%
The Advisory Board Company	8.8%	8.8%	-17.1%	0.7%	6.3%	27.6%	-23.1%	36.1%	26.1%	55.8%	55.4%
The Hackett Group, Inc.	1.7%	1.7%	49.5%	39.9%	14.4%	26.3%	41.5%	45.1%	14.4%	6.6%	26.3%
Towers Watson & Co.	16.8%	16.8%	15.9%	38.1%	26.0%	22.7%	-11.3%	127.0%	-6.2%	15.1%	9.6%
TRC Companies Inc.	31.2%	31.2%	25.1%	13.6%	10.8%	23.2%	-11.2%	22.7%	-3.2%	71.7%	17.1%
TriNet Group, Inc.	12.6%	12.6%	65.3%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Willdan Group, Inc.	17.4%	17.4%	249.7%	167.7%	63.1%	49.0%	154.0%	139.2%	-43.9%	-1.0%	68.1%
<b>Median of Industry Public Companies</b>	<b>1.7%</b>	<b>1.7%</b>	<b>13.6%</b>	<b>17.6%</b>	<b>14.5%</b>	<b>14.7%</b>	<b>7.1%</b>	<b>38.4%</b>	<b>12.2%</b>	<b>-2.5%</b>	<b>17.1%</b>

(Multiple year periods are calculated as the average annual return.)

# Quarterly Industry Update

As of March 31, 2015

Consulting Services Aggregates



## Median Public Company Multiples of the Consulting Services Aggregates

Date:	3/31/2013	6/30/2013	9/30/2013	12/31/2013	3/31/2014	6/30/2014	9/30/2014	12/31/2014	3/31/2015
EV/Revenues Multiple	1.1x	1.1x	1.1x	1.1x	1.0x	1.0x	1.0x	1.2x	1.1x
EV/EBITDA Multiple	8.9x	9.0x	9.5x	10.7x	10.0x	10.7x	10.2x	11.4x	11.6x
Price/Earnings Multiple	19.9x	18.7x	22.6x	23.4x	23.2x	23.3x	21.4x	23.9x	23.1x
EV/Gross Cash Flows Multiple	14.8x	11.8x	13.4x	16.1x	16.2x	16.3x	15.7x	15.5x	16.8x

## Industry Initial Public Offerings - Consulting Services Aggregates (dollars in millions, except share prices)

Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
3/26/2014	TriNet Group, Inc.	\$16.00	15.0	\$240.0	\$1,434.7	\$818.9	\$1,644.3	\$136.9	\$13.1	\$154.8
3/26/2013	NVS Holdings, Inc.	\$6.00	1.4	\$8.4	\$30.0	\$9.8	\$60.6	\$3.9	\$1.3	\$4.5
11/16/2010	Booz Allen Hamilton Holding Corporation	\$17.00	14.0	\$238.0	\$3,082.1	\$1,474.9	\$5,323.1	\$336.6	\$49.2	\$388.8
5/19/2010	ReachLocal, Inc.	\$13.00	4.2	\$54.2	\$101.5	\$0.0	\$224.0	(\$4.1)	\$10.0	(\$2.3)
5/4/2010	Charm Communications Inc.	\$9.50	7.8	\$74.2	\$187.8	\$19.7	\$123.7	\$24.3	\$21.3	\$24.3
1/31/2007	Information Services Group, Inc.	\$8.00	28.1	\$225.0	\$0.8	\$0.3	\$0.0	(\$0.1)	(\$0.1)	(\$0.1)
11/20/2006	Willdan Group, Inc.	\$10.00	2.9	\$29.0	\$37.8	\$1.0	\$76.0	\$4.7	\$0.8	\$6.3
11/15/2006	KBR, Inc.	\$17.00	27.8	\$473.3	\$5,742.0	\$799.0	\$9,291.0	\$249.0	\$181.0	\$293.0
9/28/2006	ICF International Inc.	\$12.00	4.7	\$56.0	\$171.2	\$64.9	\$203.5	\$8.0	(\$0.1)	\$10.8
10/12/2004	Huron Consulting Group Inc.	\$15.50	5.0	\$77.5	\$55.5	\$10.1	\$160.8	\$22.5	\$7.6	\$24.8
11/12/2001	The Advisory Board Company	\$19.00	5.0	\$95.0	\$30.8	\$0.0	\$71.4	\$2.4	\$0.6	\$4.3
7/18/2001	Accenture plc	\$14.50	115.0	\$1,667.5	\$4,929.3	\$562.4	\$11,173.3	\$3,060.4	\$1,843.2	\$3,300.5
6/11/2001	Willis Group Holdings Public Limited Company	\$13.50	20.0	\$270.0	\$8,604.0	\$935.0	\$1,328.0	\$268.0	\$31.0	\$304.0
<b>Median of All IPOs</b>		<b>nm</b>	<b>nm</b>	<b>\$95.0</b>	<b>\$171.2</b>	<b>\$19.7</b>	<b>\$203.5</b>	<b>\$22.5</b>	<b>\$10.0</b>	<b>\$24.3</b>

*Disclosures and Limitations: This research report is for informational and discussion purposes only. Information presented herein is not investment advice of any kind to any person and does not constitute a recommendation as to the purchase or sale of any interests or as to any other course of action. General, financial, and statistical information concerning the details of this report and related industry are from sources Cogent Valuation believes to be reliable. Cogent Valuation has accurately reflected such information in this research report; however, Cogent Valuation makes no representation as to the sources' accuracy or completeness and has accepted this information without further verification. Neither all nor any part of the content of this report may be conveyed to the public through advertising, public relations, news, sales, mail, direct transmittal, or other media without the prior written consent of Cogent Valuation. Cogent Valuation's research is as of the date reported herein. Cogent Valuation has no affiliation with any of the companies comprising the industry used as a basis for research in this report, nor does Cogent Valuation hold any investments in the companies listed herein. The content of this report may be used, in part, as a basis for any work that Cogent Valuation performs for you in the future at the sole discretion of Cogent Valuation. THIS REPORT IS NOT TO BE USED OR CONSIDERED UNDER ANY CIRCUMSTANCE BY ANYONE AS INVESTMENT ADVICE. This industry research is provided at no charge to Cogent Valuation's clients. Research or detailed information not covered in this report can be obtained for a fee. Contact [Steven Kam](#) at 415-392-0888 for additional information or questions in connection with this research report. Copyright © 2015 Cogent Valuation. All Rights Reserved.*