

# Quarterly Industry Update

As of March 31, 2017

Industry: Management Consulting



## Industry Summary

Cogent Valuation identified Management Consulting 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. Over the last year since March 31, 2016, the median 52-week share price return of the Management Consulting industry was 15.9%. Between March 31, 2015 and March 31, 2017, the median EV/EBITDA multiple decreased from 11.2 to 9.4. Furthermore, the median price-to-earnings multiple decreased from 21.1 to 20.8 over the same period.

## Comparable Public Company Key Statistics

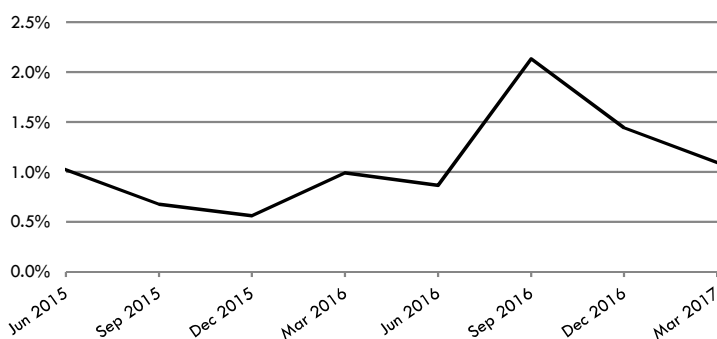
Median 52-Week Return	15.9%	Median EV/Revenue Multiple	1.2x	Median Price/Earnings Multiple	20.8x
Median 3-Year CAGR Return	3.5%	Median EV/EBITDA Multiple	9.4x	Median EV/Gross CF Multiple	16.4x

## Comparable Public Company Market Price Returns (As of March 31, 2017)

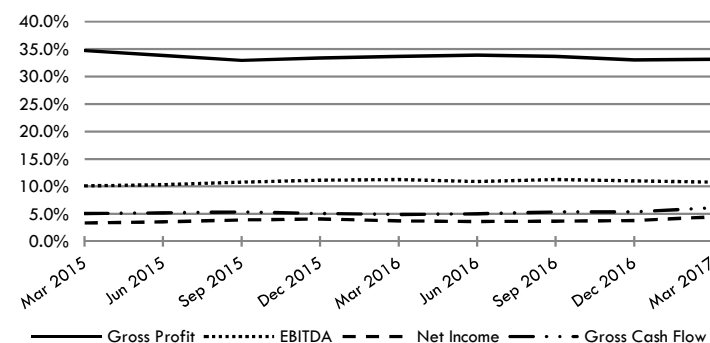
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2016	2015	2014	2013	2012
Booz Allen Hamilton Holding Corporation	-1.9%	-1.9%	16.9%	10.6%	17.2%	15.8%	16.9%	16.3%	38.5%	37.6%	-19.3%
Cebu Air, Inc.	-0.4%	-0.4%	-4.0%	-0.8%	20.4%	3.7%	7.0%	-8.4%	81.7%	-30.0%	1.8%
CRA International, Inc.	-3.5%	-3.5%	79.9%	6.5%	17.2%	7.0%	96.2%	-38.5%	53.1%	0.2%	-0.4%
Forrester Research, Inc.	-7.5%	-7.5%	18.3%	4.0%	3.5%	4.2%	50.8%	-27.6%	2.9%	42.8%	-21.0%
Franklin Covey Co.	0.2%	0.2%	14.8%	2.4%	0.7%	16.5%	20.4%	-13.5%	-2.6%	54.1%	52.3%
FTI Consulting, Inc.	-8.7%	-8.7%	15.9%	4.8%	7.3%	1.9%	30.1%	-10.3%	-6.1%	24.7%	-22.2%
Heidrick & Struggles International, Inc.	9.1%	9.1%	11.2%	3.5%	9.5%	3.6%	-11.3%	18.1%	14.4%	32.0%	-29.2%
Huron Consulting Group Inc.	-16.9%	-16.9%	-27.7%	-20.2%	-12.7%	2.3%	-14.7%	-13.1%	9.1%	86.0%	-13.0%
ICF International, Inc.	-25.2%	-25.2%	20.2%	0.5%	1.2%	10.2%	55.2%	-13.2%	18.1%	48.1%	-5.4%
MDC Partners Inc.	43.5%	43.5%	-60.2%	-42.4%	-25.6%	4.9%	-69.8%	-4.4%	-10.9%	238.6%	-16.4%
Navigant Consulting, Inc.	-12.7%	-12.7%	44.6%	32.8%	7.0%	10.4%	63.0%	4.5%	-19.9%	72.0%	-2.2%
PFSweb, Inc.	-23.2%	-23.2%	-50.2%	-22.9%	-10.1%	10.6%	-34.0%	1.7%	39.6%	218.2%	-13.4%
The Advisory Board Company	40.8%	40.8%	45.1%	-6.3%	-10.0%	1.1%	-33.0%	1.3%	-23.1%	36.1%	26.1%
<b>Median of Industry Public Companies</b>	<b>-3.5%</b>	<b>-3.5%</b>	<b>15.9%</b>	<b>2.4%</b>	<b>3.5%</b>	<b>4.9%</b>	<b>16.9%</b>	<b>-8.4%</b>	<b>9.1%</b>	<b>42.8%</b>	<b>-13.0%</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:	3/31/2015	6/30/2015	9/30/2015	12/31/2015	3/31/2016	6/30/2016	9/30/2016	12/31/2016	3/31/2017
EV/Revenues Multiple	1.1x	1.2x	1.2x	1.1x	1.1x	1.1x	1.2x	1.2x	1.2x
EV/EBITDA Multiple	11.2x	11.0x	10.4x	9.6x	9.4x	10.1x	10.1x	10.9x	9.4x
Price/Earnings Multiple	21.1x	20.5x	17.3x	22.8x	21.2x	20.5x	20.8x	22.4x	20.8x
EV/Gross Cash Flows Multiple	17.9x	19.6x	18.0x	18.4x	17.2x	18.0x	19.1x	18.8x	16.4x

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

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# Quarterly Industry Update

As of March 31, 2017

Industry: Management Consulting

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

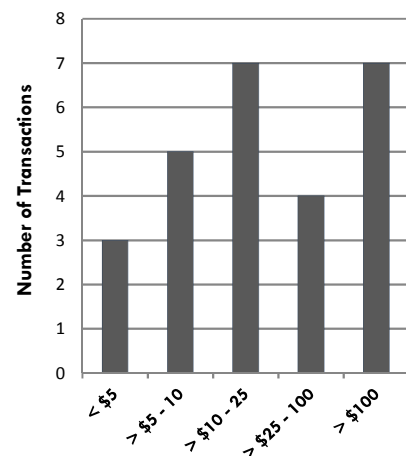
Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
9/29/2016	G-Factory Co., Ltd.	\$31.91	0.2	\$7.0	\$17.8	\$4.9	\$17.5	\$0.0	\$1.5	\$0.0
11/16/2010	Booz Allen Hamilton Holding Corporation	\$17.00	14.0	\$238.0	\$3,082.1	\$1,474.9	\$5,323.1	\$336.6	\$49.2	\$388.7
5/19/2010	ReachLocal, Inc.	\$13.00	4.2	\$54.2	\$101.5	\$0.0	\$224.0	(\$3.3)	\$10.0	(\$1.5)
5/4/2010	Charm Communications Inc.	\$9.50	7.8	\$74.2	\$142.6	\$0.0	\$106.0	\$17.6	\$15.3	\$17.9
11/20/2006	Willdan Group, Inc.	\$10.00	2.9	\$29.0	\$37.8	\$1.0	\$76.0	\$5.5	\$3.0	\$7.1
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	\$48.9	\$10.1	\$148.2	\$17.3	\$4.4	\$21.0
<b>Median of All IPOs</b>		<b>nm</b>	<b>nm</b>	<b>\$65.1</b>	<b>\$122.1</b>	<b>\$7.5</b>	<b>\$175.8</b>	<b>\$12.6</b>	<b>\$7.2</b>	<b>\$14.3</b>

nm: not meaningful, N/A: not applicable

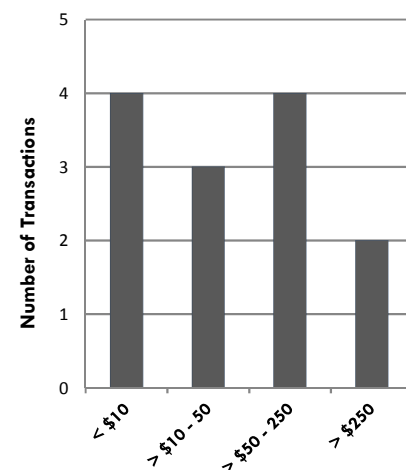
## Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/Revenues
1/6/2017	The Investment Firm Pte. Ltd.	Sino Holdings (S'pore) Pte Ltd	\$1.4	100%	N/A	N/A
1/3/2017	R.A.S. Associates, Inc.	Perficient, Inc.	\$13.5	100%	\$9.0	1.5x
11/2/2016	Kurt Salmon US Inc.	Accenture plc	\$166.4	100%	\$93.6	1.8x
10/12/2016	Bluetube, LLC	Perficient, Inc.	\$10.1	100%	\$7.0	1.4x
9/23/2016	nexum AG	N/A	\$24.0	100%	\$15.6	1.5x
9/1/2016	Epsilon AB	ÅF AB	\$14.0	100%	N/A	N/A
7/29/2016	Elsys Consulting Services	itelligence AG	\$24.2	100%	N/A	N/A
7/1/2016	WSP Group plc	GENIVAR Inc.	\$127.5	100%	\$135.0	0.9x
6/30/2016	RedSentry Pte Ltd	Soverus Technology	\$2.0	100%	N/A	N/A
5/6/2016	MWH Global, Inc.	Stantec Inc.	\$793.0	100%	\$1,270.3	0.6x
2/18/2016	LOC Consulting Limited	iBe TSE Ltd	\$5.7	100%	\$9.6	0.2x
1/8/2016	Management Consulting Group	Solucom SA	\$89.5	100%	\$146.5	0.6x
1/4/2016	Towers Watson	Willis Group Holdings	\$8,696.4	100%	\$3,645.0	2.2x
12/31/2015	CB&I Stone & Webster	Westinghouse Electric	\$229.0	100%	N/A	N/A
11/4/2015	Horwath Consulting Services	Shiji (Hong Kong) Limited	\$10.0	75%	N/A	N/A
8/25/2015	Kerensen Consulting SAS	Salesforce.com, inc.	\$24.2	100%	\$17.0	1.4x
7/28/2015	Agora Group, Inc.	Virtusa Corporation	\$7.5	100%	N/A	N/A
7/27/2015	ThinOps Resources, LLC	Code Rebel Corp	\$9.3	100%	\$1.9	4.9x
6/3/2015	Trissential, LLC	SQS Software Quality	\$30.9	100%	\$32.3	1.0x
11/27/2014	Sandra Hartog & Assc.	BTS USA, Inc.	\$6.6	100%	N/A	N/A
11/3/2014	VERTEX Incorporated	Ebic Inc.	\$29.0	100%	N/A	N/A
9/15/2014	Synapsis Soluciones	TIVIT Terceirização	\$196.9	100%	N/A	N/A
8/25/2014	Connecta AB	Acando AB (publ.)	\$81.7	100%	\$107.5	0.8x
7/8/2014	ACE International Consultants	AECOM Technology	\$14.3	100%	N/A	N/A
5/6/2014	IMG Worldwide, Inc.	Silver Lake	\$2,300.0	100%	N/A	N/A
4/30/2014	JMM Management Group, LLC	BSM Wireless Inc.	\$4.5	100%	N/A	N/A
<b>Median of the 26 M&amp;A Transaction Targets</b>			<b>\$24.1</b>	<b>100%</b>	<b>\$32.3</b>	<b>1.4x</b>

### Size of M&A Transactions



### LTM Revenues Reported



### Definitions of Financial Terms Used in this Quarterly Industry Update:

Enterprise Value (EV): Market Value of Equity + Market Value of Debt - Cash

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA): Profitability metric sometimes also referred to as operating profit or operating earnings.

Gross Cash Flows: Net Income + Depreciation and Amortization Expense

Latest Twelve Months (LTM): Financial information is as of the latest twelve months through the date of this Quarterly Industry Update.

# Quarterly Industry Update

As of March 31, 2017

Consulting Services Aggregates



## Comparable Public Company Key Statistics

Median 52-Week Return	15.2%	Median EV/Revenue Multiple	1.2x	Median Price/Earnings Multiple	27.1x
Median Year-to-Date Return	-0.7%	Median EV/EBITDA Multiple	11.0x	Median EV/Gross CF Multiple	16.2x

## Comparable Public Company Market Price Returns (As of March 31, 2017)

	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2015	2014	2013	2012	2011
AECOM	-2.1%	-2.1%	15.6%	7.5%	3.4%	9.7%	21.1%	-1.1%	3.2%	23.7%	15.7%
Amec Foster Wheeler plc	14.7%	14.7%	2.7%	-29.7%	-29.1%	-17.8%	-8.3%	-52.4%	-26.2%	10.6%	15.4%
Aon plc	6.4%	6.4%	13.6%	11.1%	12.1%	19.3%	21.0%	-2.8%	13.0%	50.9%	18.8%
Argan, Inc.	-6.2%	-6.2%	88.1%	35.2%	30.6%	32.8%	117.7%	-3.7%	22.1%	53.1%	18.3%
Booz Allen Hamilton Holding Corporation	-1.9%	-1.9%	16.9%	10.6%	17.2%	15.8%	16.9%	16.3%	38.5%	37.6%	-19.3%
Cartesian, Inc.	-8.7%	-8.7%	-59.1%	-51.0%	-42.1%	-19.7%	-59.0%	-48.3%	56.0%	19.0%	52.0%
Cebu Air, Inc.	-0.4%	-0.4%	-4.0%	-0.8%	20.4%	3.7%	7.0%	-8.4%	81.7%	-30.0%	1.8%
CGI Group Inc.	-0.3%	-0.3%	-0.1%	6.2%	15.6%	16.5%	20.2%	4.4%	14.3%	45.4%	21.9%
Cognizant Technology Solutions Corporation	6.2%	6.2%	-5.1%	-2.3%	5.6%	9.1%	-6.6%	14.0%	4.3%	36.7%	14.9%
CRA International, Inc.	-3.5%	-3.5%	79.9%	6.5%	17.2%	7.0%	96.2%	-38.5%	53.1%	0.2%	-0.4%
Ecology & Environment, Inc.	-5.1%	-5.1%	-0.2%	6.3%	1.5%	-8.0%	3.1%	12.0%	-17.0%	-1.1%	-31.2%
Edgewater Technology, Inc.	-0.7%	-0.7%	-4.4%	4.6%	1.4%	13.7%	-6.4%	6.7%	7.4%	83.9%	37.7%
Engility Holdings, Inc.	-14.1%	-14.1%	54.3%	-1.8%	-13.7%	N/A	3.8%	-24.1%	28.1%	73.4%	N/A
Exponent, Inc.	-1.2%	-1.2%	16.7%	15.7%	16.6%	19.7%	20.7%	21.1%	6.8%	38.4%	21.4%
Forrester Research, Inc.	-7.5%	-7.5%	18.3%	4.0%	3.5%	4.2%	50.8%	-27.6%	2.9%	42.8%	-21.0%
Franklin Covey Co.	0.2%	0.2%	14.8%	2.4%	0.7%	16.5%	20.4%	-13.5%	-2.6%	54.1%	52.3%
FTI Consulting, Inc.	-8.7%	-8.7%	15.9%	4.8%	7.3%	1.9%	30.1%	-10.3%	-6.1%	24.7%	-22.2%
Heidrick & Struggles International, Inc.	9.1%	9.1%	11.2%	3.5%	9.5%	3.6%	-11.3%	18.1%	14.4%	32.0%	-29.2%
Hill International, Inc.	-4.6%	-4.6%	23.1%	7.5%	-9.0%	1.1%	12.1%	1.0%	-2.8%	7.9%	-28.8%
Huron Consulting Group Inc.	-16.9%	-16.9%	-27.7%	-20.2%	-12.7%	2.3%	-14.7%	-13.1%	9.1%	86.0%	-13.0%
ICF International, Inc.	-25.2%	-25.2%	20.2%	0.5%	1.2%	10.2%	55.2%	-13.2%	18.1%	48.1%	-5.4%
Insight Enterprises, Inc.	1.6%	1.6%	43.5%	20.0%	17.8%	13.4%	61.0%	-3.0%	14.0%	30.7%	13.6%
KBR, Inc.	-9.9%	-9.9%	-2.9%	1.9%	-17.4%	-15.8%	-1.4%	-0.2%	-46.8%	6.6%	7.4%
Lightbridge Corporation	16.7%	16.7%	-52.5%	-53.7%	-53.8%	-39.2%	-77.2%	-35.5%	6.9%	2.8%	-30.9%
MDC Partners Inc.	43.5%	43.5%	-60.2%	-42.4%	-25.6%	4.9%	-69.8%	-4.4%	-10.9%	238.6%	-16.4%
MOCON, Inc.	12.3%	12.3%	58.1%	14.8%	9.5%	6.1%	33.2%	-18.2%	13.2%	9.7%	-10.0%
Navigant Consulting, Inc.	-12.7%	-12.7%	44.6%	32.8%	7.0%	10.4%	63.0%	4.5%	-19.9%	72.0%	-2.2%
NVS Global, Inc.	12.6%	12.6%	40.1%	51.6%	55.9%	N/A	52.0%	69.1%	59.7%	N/A	N/A
PAREXEL International Corporation	-4.0%	-4.0%	0.6%	-4.4%	5.3%	18.5%	-3.5%	22.6%	23.0%	52.7%	42.7%
Perficient, Inc.	-0.7%	-0.7%	-20.1%	-8.4%	-1.4%	7.6%	2.2%	-8.1%	-20.5%	98.8%	17.7%
PFSweb, Inc.	-23.2%	-23.2%	-50.2%	-22.9%	-10.1%	10.6%	-34.0%	1.7%	39.6%	218.2%	-13.4%
Resources Connection, Inc.	-13.0%	-13.0%	7.6%	-2.2%	5.9%	3.6%	17.8%	-0.7%	14.8%	20.1%	12.7%
Robert Half International Inc.	0.1%	0.1%	4.8%	-10.2%	5.2%	10.0%	3.5%	-19.3%	39.0%	32.0%	11.8%
Stantec Inc.	2.5%	2.5%	1.8%	4.0%	-5.4%	10.2%	2.1%	-10.3%	-11.1%	55.5%	47.0%
Tetra Tech, Inc.	-5.3%	-5.3%	37.0%	30.4%	11.3%	9.2%	65.8%	-2.5%	-4.6%	5.7%	22.6%
The Advisory Board Company	40.8%	40.8%	45.1%	-6.3%	-10.0%	1.1%	-33.0%	1.3%	-23.1%	36.1%	26.1%
The Hackett Group, Inc.	10.4%	10.4%	28.9%	47.7%	48.3%	26.7%	9.9%	82.8%	41.5%	45.1%	14.4%
TRC Companies, Inc.	64.6%	64.6%	140.7%	44.8%	37.9%	23.4%	14.6%	45.9%	-11.2%	22.7%	-3.2%
TriNet Group, Inc.	12.8%	12.8%	101.4%	-9.4%	10.7%	N/A	32.4%	-38.1%	N/A	N/A	N/A
Willdan Group, Inc.	42.8%	42.8%	234.3%	42.7%	92.4%	54.6%	169.6%	-37.9%	154.0%	139.2%	-43.9%
<b>Median of Industry Public Companies</b>	<b>-0.7%</b>	<b>-0.7%</b>	<b>15.2%</b>	<b>4.0%</b>	<b>5.4%</b>	<b>9.2%</b>	<b>13.4%</b>	<b>-2.9%</b>	<b>9.1%</b>	<b>37.1%</b>	<b>11.8%</b>

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

# Quarterly Industry Update

As of March 31, 2017

Consulting Services Aggregates



## Median Public Company Multiples of the Consulting Services Aggregates

Date:	3/31/2015	6/30/2015	9/30/2015	12/31/2015	3/31/2016	6/30/2016	9/30/2016	12/31/2016	3/31/2017
EV/Revenues Multiple	1.1x	1.2x	1.2x	1.1x	1.1x	1.1x	1.2x	1.2x	1.2x
EV/EBITDA Multiple	11.6x	11.6x	10.5x	10.7x	9.9x	10.2x	11.0x	11.6x	11.0x
Price/Earnings Multiple	23.1x	23.9x	20.4x	21.7x	22.3x	21.1x	23.9x	25.3x	27.1x
EV/Gross Cash Flows Multiple	16.1x	17.6x	14.8x	14.4x	13.7x	14.5x	13.9x	16.0x	16.2x

## 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
12/9/2016	KNK Holdings Limited	\$0.04	120.0	\$5.0	\$1.7	\$0.0	\$3.8	\$2.1	\$0.8	\$2.1
11/28/2016	Eltes Co.,Ltd.	\$15.96	0.2	\$3.4	\$10.5	\$0.5	\$8.5	\$0.0	\$0.8	\$0.0
10/14/2016	Allied Sustainability and Environmental	\$0.04	204.0	\$7.4	\$6.5	\$0.0	\$4.2	\$1.6	\$0.7	\$1.7
9/29/2016	G-Factory Co.,Ltd.	\$31.91	0.2	\$7.0	\$17.8	\$4.9	\$17.5	\$0.0	\$1.5	\$0.0
9/1/2016	BayCurrent Consulting, Inc.	\$20.35	11.7	\$238.7	\$208.3	\$97.2	\$140.3	\$0.0	\$9.8	\$0.0
2/3/2016	Tus-Design Group Co., Ltd.	\$3.18	15.0	\$47.7	\$71.9	\$0.0	\$51.8	\$10.9	\$7.9	\$10.9
1/15/2016	Fourth Dimension Solutions Limited	\$0.44	2.7	\$1.3	\$46.7	\$0.2	\$104.3	\$3.8	\$2.1	\$4.1
9/29/2015	FDB Holdings Limited	\$0.03	308.0	\$9.9	\$12.9	\$1.0	\$25.7	\$3.6	\$2.7	\$3.6
7/29/2015	ItoKuro Inc.	\$15.58	2.9	\$45.5	\$15.6	\$2.2	\$26.6	\$0.0	\$3.8	\$0.0
7/9/2015	Kainos Group plc	\$2.14	38.9	\$83.1	\$58.9	\$0.0	\$90.3	\$18.3	\$14.5	\$19.1
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	NV5 Global, Inc.	\$6.00	1.4	\$8.4	\$32.1	\$10.7	\$60.3	\$3.4	\$0.9	\$4.3
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	\$388.7
5/19/2010	ReachLocal, Inc.	\$13.00	4.2	\$54.2	\$101.5	\$0.0	\$224.0	(\$3.3)	\$10.0	(\$1.5)
5/4/2010	Charm Communications Inc.	\$9.50	7.8	\$74.2	\$142.6	\$0.0	\$106.0	\$17.6	\$15.3	\$17.9
1/31/2007	Information Services Group, Inc.	\$8.00	28.1	\$225.0	N/A	N/A	N/A	N/A	N/A	N/A
<b>Median of All IPOs</b>		<b>nm</b>	<b>nm</b>	<b>\$46.6</b>	<b>\$46.7</b>	<b>\$0.5</b>	<b>\$60.3</b>	<b>\$3.4</b>	<b>\$3.8</b>	<b>\$3.6</b>

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