

# INSIGHT

A network diagram consisting of numerous white nodes connected by thin white lines, forming a complex web. The nodes are small circles, some of which are highlighted in a light blue color. In the background, a person's face is visible, slightly blurred, looking towards the camera. The overall image has a light blue and white color scheme.

**PHARMA SERVICES**

**SECTOR SNAPSHOT**

April 2019

BOURNE PARTNERS

# CDMO – Transaction Comps

## CDMO - Transaction Comps

USD in millions

Announced Date	Target	Target Description	Buyer	Geographic		Enterprise Value	LTM Revenue	LTM EBITDA	EV / LTM	EV / LTM
				Location					Revenue	EBITDA
Mar-19	Brammer Bio	CDMO developing and manufacturing cell and gene therapies	Thermo Fisher	USA		\$1,700.0	NA	NA	NA	NA
Nov-18	Avista Pharma Solutions <sup>1</sup>	CDMO offering services including analytical testing, API and Drug Product development, early stage discovery, and microbiology testing support	Cambrex Corporation	USA		252.0	\$65.0	NA	3.9x	NA
Jul-18	AMPAC Fine Chemicals	Operates as a custom manufacturer of APIs and registered intermediates for the pharmaceutical industry globally	SK Holdings	USA		455.0	200.0	NA	2.3x	NA
Jul-18	Halo Pharma	Provides contract development and manufacturing services in various dosage forms and drug delivery platforms	Cambrex Corporation	USA		425.0	105.0	\$27.0	4.0x	15.7x
Sep-17	Cook Pharmica	Provides contract development and manufacturing services to pharmaceutical and biopharmaceutical companies	Catalent Pharma Solutions	USA		950.0	177.8	NA	5.3x	NA
Jul-17	Aptuit	Provides drug discovery and development services as well as API development and manufacturing services	Evotec	USA		300.0	92.9	11.6	3.2x	25.8x
Jun-17	PCAS SA	Provides chemical and analytical development and custom manufacturing services	Novacap	France		335.9	243.7	19.7	1.4x	17.0x
Jun-17	Albany Molecular Research	Contract research and manufacturing company that provides integrated drug discovery, development, and manufacturing	The Carlyle Group	USA		1,593.5	628.7	71.8	2.5x	22.2x
May-17	Patheon	Provides outsourced pharmaceutical development and manufacturing services	Thermo Fisher	USA		7,205.3	1,933.0	351.2	3.7x	20.5x
Dec-16	Capsugel	Develops dosage forms and solutions for the healthcare industry around the world	Lonza Group	USA		5,500.0	1,000.0	344.0	5.5x	16.0x
Sep-16	PharmaCore	Specializes in developing, manufacturing, and scaling up APIs for clinical phase projects	Cambrex Corporation	USA		25.0	17.0	2.0	1.5x	12.5x

Notes:

NA - Not Available

Median	\$455.0	\$188.9	\$27.0	3.5x	17.0x
Mean	1,703.8	446.3	118.2	3.3x	18.5x
Min	25.0	17.0	2.0	1.4x	12.5x
Max	7,205.3	1,933.0	351.2	5.5x	25.8x

1) Estimated revenue from the Cambrex press release "Cambrex Completes Acquisition of Avista Pharma Solutions"

2) AMPAC Fine Chemicals transaction EV is according to Korean Herald

Source: S&P Capital IQ, as of end Q1 2019

# CRO – Transaction Comps

## CRO - Transaction Comps

USD in millions

Announced Date	Target	Target Description	Buyer	Geographic Location	Enterprise Value	LTM Revenue	LTM EBITDA	EV / LTM	EV / LTM
								Revenue	EBITDA
Feb-19	Citoxlab	Contract research laboratory that provides a range of preclinical services to the pharma industry	Charles River Laboratories International	France	\$510.0	NA	\$36.7	NA	13.8x
Mar-18	Accelovance	Full-service, clinical CRO that focuses on oncology, vaccines, and general medicine	Linical USA	USA	32.9	\$26.8	NA	1.2x	NA
Feb-18	MPI Research	Provides preclinical and early clinical contract research services	Charles River Laboratories International	USA	800.0	240.0	68.4	3.3x	11.7x
Sep-17	Optimal Research	SMO providing solutions to CROs, pharmaceutical, biotechnology, and medical device companies	Synexus	USA	NA	NA	NA	NA	NA
Jul-17	MAPI Development	Non-clinical CRO that provides mission-critical research services and products	ICON	France	139.5	NA	NA	NA	NA
Jul-17	Chiltern International	CRO that provides clinical development, scientific services, and collaborative technologies	Covance	UK	1,200.0	NA	NA	NA	NA
Jun-17	PAREXEL International	Outsourcing services company that provides clinical research, consulting, and commercialization	Pamplona Capital Management	USA	5,007.4	2,097.0	342.8	2.4x	14.6x
May-17	inVentiv Health	Provides clinical trial, bioanalytical, and commercial services	INC Research Holdings	USA	4,513.7	2,177.4	292.7	2.1x	15.4x
Sep-16	ExecuPharm	Offers CRO support services including clinical trial management, monitoring, and site management	PAREXEL International	USA	155.0	NA	NA	NA	NA
May-16	IMS Health Holdings	Provides information and technology services to healthcare industry worldwide	Quintiles Transnational Holdings	USA	13,266.8	3,063.0	743.0	4.3x	17.9x
May-16	Synexus	Engages in the identification, recruitment, and retention of patients for clinical trials on behalf of sponsors	Pharmaceutical Product Development	UK	257.8	68.8	15.9	3.7x	16.2x

Notes:

NA - Not Available

Median	\$655.0	\$1,168.5	\$180.5	2.9x	15.0x
Mean	2,588.3	1,278.8	249.9	2.9x	14.9x
Min	32.9	26.8	15.9	1.2x	11.7x
Max	13,266.8	3,063.0	743.0	4.3x	17.9x

# Specialty Packaging – Transaction Comps

## Specialty Packaging - Transaction Comps

USD in millions

Announced Date	Target	Target Description	Buyer	Geographic			EV / LTM Revenue	EV / LTM EBITDA	
				Location	Enterprise Value	LTM Revenue			LTM EBITDA
Jan-19	RPC Group	Packaging segment designs plastic packaging for end markets, including the food, beverage, personal care, and healthcare markets	Apollo Management	United Kingdom	\$5,728.2	\$5,056.4	\$764.0	1.1x	7.5x
Dec-18	Caraustar Industries	Manufactures and supplies recycled paperboard and converted paperboard products including for pharmaceutical and healthcare markets	Greif Packaging	USA	1,800.0	1,376.0	174.0	1.3x	10.3x
Aug-18	Bemis Company	Manufactures and sells packaging products globally in markets including medical and pharmaceutical markets	Amcor	USA	6,777.9	4,099.4	573.0	1.7x	11.8x
Jul-18	CSP Technologies	Manufactures and distributes custom polymeric products for the medical device, diagnostics, and pharmaceutical markets, among others	AptarGroup	USA	529.4	140.0	40.7	3.8x	13.0x
Jul-18	Expera Specialty Solutions	Specialty paper and packaging company in North America that offers food packaging papers	Ahlstrom Munksjo Oyj	USA	615.0	721.0	66.0	0.9x	9.3x
Jun-18	Papeles y Cartones de Europa	Manufactures and sells paper and corrugated cardboard packaging products in Europe	DS Smith	Spain	2,100.6	1,049.5	203.6	2.0x	10.3x
Jan-18	Foam Fabricators	Designs and manufactures molded and fabricated foam and packaging products	Compass Diversified Holdings	USA	247.5	126.0	30.0	2.0x	8.3x
Nov-17	PAC SERVICE	Manufactures customized packaging paperboards	Reno De Medici	Italy	17.7	24.1	2.2	0.7x	7.9x
Jan-17	Multi Packaging Solutions	Prints, manufactures, and sells paperboard, paper, and plastic packaging products globally	WestRock Company	USA	2,256.5	1,567.0	214.5	1.4x	10.5x
Dec-16	Astrapak	Manufactures and distributes plastic packaging products mainly in South Africa	RPC Group	South Africa	88.5	102.8	8.8	0.9x	10.0x
Apr-16	Alusa	Manufactures plastic and paper packaging products in North and South America	Amcor	Chile	435.0	375.0	51.2	1.2x	8.5x

Notes:

NA - Not Available

Median	\$615.0	\$721.0	\$66.0	1.3x	10.0x
Mean	1,872.4	1,330.6	193.5	1.5x	9.8x
Min	17.7	24.1	2.2	0.7x	7.5x
Max	6,777.9	5,056.4	764.0	3.8x	13.0x

# Distribution – Transaction Comps

## Distribution - Transaction Comps

USD in millions

Announced Date	Target	Target Description	Buyer	Geographic		Enterprise Value	LTM Revenue	LTM EBITDA	EV / LTM	EV / LTM
				Location					Revenue	EBITDA
Aug-18	Aquilant	Aquilant Limited distributes and sells IV therapy, regional anesthesia and pain management products, and other devices for medical and scientific sectors	H2 Equity Partners	United Kingdom		\$26.7	\$94.5	NA	0.3x	NA
Nov-17	H. D. Smith	Distributes and supplies healthcare products and business solutions to manufacturers and healthcare providers	AmerisourceBergen	USA		815.0	NA	NA	NA	NA
Nov-17	Cardinal Health	Distributes pharmaceutical products, medical devices, and specialty pharmaceuticals to pharmacies and hospitals	Shanghai Pharma Century Global	Malaysia		557.0	3,845.7	\$83.3	0.1x	6.7x
Mar-17	Pelion	Engages in the trade of pharmaceuticals, cosmetics, and parapharmaceuticals operating through wholesale, retail, services, and other segments	Korporacja Inwestycyjna Polskiej Farmacji	Poland		323.4	2,399.5	31.5	0.1x	10.3x
Aug-16	Anda	Distributes generic, branded, specialty, and over-the-counter pharmaceutical products	Teva Pharmaceutical Industries	USA		500.0	NA	NA	NA	NA
Jul-16	Pharmapar	Distributes generic drugs for privately insured individuals offering a range of medication types	AlliancePharma	Canada		11.1	17.3	NA	0.6x	NA
May-16	Symmetry Surgical	Manufactures and distributes medical devices worldwide	RoundTable Healthcare Partners	USA		129.5	84.1	9.1	1.5x	14.2x
Mar-16	Rexall Pharma Plus	Operates a network of retail pharmacy stores in Canada offering prescription centers that focus primarily on prescription and over-the-counter products	McKesson Canada Corporation	Canada		2,154.3	2,000.0	200.0	1.1x	11.1x
Apr-15	Idis Group Holdings	Provides access to unlicensed pharmaceutical products internationally	Clinigen Group	United Kingdom		341.4	274.5	19.0	1.2x	18.0x
Feb-15	BioRx	Distributes specialty pharmaceuticals and medical supplies, and provides infusion services in the United States	Diplomat Pharmacy	USA		347.8	227.0	23.0	1.5x	15.1x

Notes:

NA - Not Available

Median	\$344.6	\$250.7	\$27.2	0.9x	12.7x
Mean	520.6	1,117.8	61.0	0.8x	12.6x
Min	11.1	17.3	9.1	0.1x	6.7x
Max	2,154.3	3,845.7	200.0	1.5x	18.0x

# CDMO – Trading Comps

## CDMO - Trading Comps

USD in millions

Company	Ticker	Enterprise Value	LTM			Margin Analysis			Enterprise Value/			Debt/		
			Sales	EBITDA	EBIT	Gross Profit	EBITDA	EBIT	Sales	EBITDA	EBIT	Enterprise Value	Equity Value	EBITDA
Bachem Holding AG	SWX:BANB	\$1,789.5	\$287.1	\$76.6	\$55.7	29.5%	26.7%	19.4%	6.2x	23.4x	32.1x	8.5%	9.2%	2.0x
Balchem Corporation	NasdaqGS:BCPC	3,096.7	643.7	153.5	109.5	31.7%	23.9%	17.0%	4.8x	20.2x	28.3x	5.0%	5.2%	1.0x
Cambrex Corporation	NYSE:CBM	1,511.6	531.2	148.8	110.9	36.9%	28.0%	20.9%	2.8x	10.2x	13.6x	19.8%	22.9%	2.0x
Catalent, Inc.	NYSE:CTLT	7,903.2	2,488.0	519.0	307.2	31.1%	20.9%	12.3%	3.2x	15.2x	25.7x	27.8%	37.2%	4.2x
Consort Medical plc	LSE:CSRT	681.8	395.3	71.2	54.2	13.9%	18.0%	13.7%	1.7x	9.6x	12.6x	22.3%	27.2%	2.1x
Eurofins Scientific SE	ENXTPA:ERF	10,389.6	4,329.2	810.4	493.4	19.0%	18.7%	11.4%	2.4x	12.8x	21.1x	34.8%	49.1%	4.5x
Johnson Matthey Plc	LSE:JMAT	9,214.4	19,244.9	898.8	690.1	6.4%	4.7%	3.6%	0.5x	10.3x	13.4x	16.7%	19.6%	1.7x
Lonza Group Ltd	SWX:LONN	26,731.9	5,632.3	1,518.4	1,036.6	39.3%	27.0%	18.4%	4.7x	17.6x	25.8x	15.7%	18.2%	2.8x
Recipharm AB (publ)	OM:RECI B	1,426.3	735.8	101.0	34.7	71.9%	13.7%	4.7%	1.9x	14.1x	41.1x	35.3%	50.3%	5.0x
Siegfried Holding AG	SWX:SFZN	1,565.3	807.2	127.4	77.6	19.7%	15.8%	9.6%	1.9x	12.3x	20.2x	7.1%	7.5%	0.9x
Thermo Fisher Scientific Inc.	NYSE:TMO	126,231.3	24,358.0	6,156.0	3,889.0	44.6%	25.3%	16.0%	5.2x	20.5x	32.5x	15.1%	17.5%	3.1x
West Pharmaceutical Services, Inc.	NYSE:WST	7,984.6	1,717.4	355.3	250.9	31.8%	20.7%	14.6%	4.6x	22.5x	31.8x	2.5%	2.4%	0.6x

Median	31.4%	20.8%	14.2%	3.0x	14.7x	25.8x	16.2%	18.9%	2.1x
Mean	31.3%	20.3%	13.5%	3.3x	15.7x	24.8x	17.6%	22.2%	2.5x
Min	6.4%	4.7%	3.6%	0.5x	9.6x	12.6x	2.5%	2.4%	0.6x
Max	71.9%	28.0%	20.9%	6.2x	23.4x	41.1x	35.3%	50.3%	5.0x

- The median EV multiples for CDMOs rebounded in Q1 and were 3.0x and 14.7x for Sales and EBITDA, respectively
- In Q1 2019, two of the largest contract biologics manufacturers invested heavily in manufacturing capabilities to address unique product areas
  - In March 2019, Fujifilm Diosynth acquired Biogen's large-scale biologics manufacturing facility in Denmark for \$890.0mm
  - In March 2019, Thermo Fisher acquired Brammer Bio, a CDMO that manufactures gene and cell therapies, for \$1.7bn
- The broader CDMO industry has followed a similar narrative of consolidation through M&A as companies look to add capabilities across the entire supply-chain – this trend doesn't show signs of slowing down in 2019

# CRO – Trading Comps

## CRO - Trading Comps

USD in millions

Company	Ticker	Enterprise Value	LTM			Margin Analysis			Enterprise Value/			Debt/		
			Sales	EBITDA	EBIT	Gross Profit	EBITDA	EBIT	Sales	EBITDA	EBIT	Enterprise Value	Equity Value	EBITDA
Charles River Laboratories International	NYSE:CRL	\$8,476.6	\$2,266.1	\$520.9	\$359.1	37.2%	23.0%	15.8%	3.7x	16.3x	23.6x	19.7%	23.8%	3.2x
ICON Public Limited Company	NasdaqGS:ICLR	7,265.0	2,595.8	451.8	385.8	30.0%	17.4%	14.9%	2.8x	16.1x	18.8x	4.8%	4.7%	0.8x
IQVIA Holdings Inc.	NYSE:IQV	38,363.9	10,412.0	1,795.0	833.0	35.2%	17.2%	8.0%	3.7x	21.4x	46.1x	28.7%	39.0%	6.1x
Linal Co., Ltd.	TSE:2183	276.5	100.0	15.6	13.7	35.8%	15.6%	13.7%	2.8x	17.7x	20.2x	16.5%	16.5%	2.9x
Medpace Holdings, Inc.	NasdaqGS:MEDP	2,187.6	704.6	139.8	101.0	64.2%	19.8%	14.3%	3.1x	15.6x	21.6x	4.9%	5.1%	0.8x
PRA Health Sciences, Inc.	NasdaqGS:PRAH	8,165.6	2,871.9	428.7	316.5	47.8%	14.9%	11.0%	2.8x	19.0x	25.8x	13.3%	15.0%	2.5x
Syneos Health, Inc.	Nasdaq:SYNH	8,040.0	4,390.1	549.5	275.8	21.8%	12.5%	6.3%	1.8x	14.6x	29.1x	35.2%	52.7%	5.1x
<b>Median</b>						35.8%	17.2%	13.7%	2.8x	16.3x	23.6x	16.5%	16.5%	2.9x
<b>Mean</b>						38.8%	17.2%	12.0%	3.0x	17.2x	26.5x	17.6%	22.4%	3.1x
<b>Min</b>						21.8%	12.5%	6.3%	1.8x	14.6x	18.8x	4.8%	4.7%	0.8x
<b>Max</b>						64.2%	23.0%	15.8%	3.7x	21.4x	46.1x	35.2%	52.7%	6.1x

- The median EV multiples for CROs were 2.8x and 16.3x for Sales and EBITDA, respectively
- While it's unlikely that there will be many 'megadeals' in 2019, expect M&A activity for smaller, bolt-on acquisitions to remain strong
  - Pharma companies look to large CROs for more expansive, global clinical trials but there is still a need for small- to mid-sized CROs who specialize in very focused indications such as immunology and oncology

# Specialty Packaging – Trading Comps

## Specialty Packaging - Trading Comps

USD in millions

Company	Ticker	Enterprise Value	LTM			Margin Analysis			Enterprise Value/			Debt/		
			Sales	EBITDA	EBIT	Gross Profit	EBITDA	EBIT	Sales	EBITDA	EBIT	Enterprise Value	Equity Value	EBITDA
Amcort Limited	ASX:AMC	\$16,665.3	\$9,368.7	\$1,253.1	\$921.2	19.3%	13.4%	9.8%	1.8x	13.3x	18.1x	27.1%	35.7%	3.6x
AptarGroup, Inc.	NYSE:ATR	7,732.1	2,764.8	543.5	371.7	34.9%	19.7%	13.4%	2.8x	14.2x	20.8x	16.7%	19.2%	2.4x
Berry Global Group, Inc.	NYSE:BERY	12,476.3	8,065.0	1,361.0	814.0	18.0%	16.9%	10.1%	1.5x	9.2x	15.3x	46.1%	81.9%	4.2x
CCL Industries Inc.	TSX:CCL.B	8,553.0	3,782.6	723.5	519.7	29.1%	19.1%	13.7%	2.3x	11.8x	16.5x	21.7%	26.0%	2.6x
Gerresheimer AG	DB:GXI	3,375.5	1,548.6	316.8	164.8	29.3%	20.5%	10.6%	2.2x	10.7x	20.5x	32.4%	45.9%	3.4x
Mondi plc	LSE:MNDI	13,250.5	8,565.4	1,961.3	1,452.9	45.7%	22.9%	17.0%	1.5x	6.8x	9.1x	19.6%	24.3%	1.3x
RPC Group Plc	LSE:RPC	5,733.0	5,048.3	762.0	473.6	48.9%	15.1%	9.4%	1.1x	7.5x	12.1x	34.8%	47.8%	2.6x
Sonoco Products Company	NYSE:SON	7,419.8	5,390.9	728.3	492.1	19.3%	13.5%	9.1%	1.4x	10.2x	15.1x	18.7%	22.5%	1.9x
West Pharmaceutical Services, Inc.	NYSE:WST	7,984.6	1,717.4	355.3	250.9	31.8%	20.7%	14.6%	4.6x	22.5x	31.8x	2.5%	2.4%	0.6x
WestRock Company	NYSE:WRK	20,242.9	16,718.5	2,862.8	1,616.1	20.4%	17.1%	9.7%	1.2x	7.1x	12.5x	53.5%	111.8%	3.8x
Winpak Ltd.	TSX:WPK	1,753.2	889.6	192.9	151.7	30.4%	21.7%	17.1%	2.0x	9.1x	11.6x	0.0%	0.0%	–
<b>Median</b>						29.3%	19.1%	10.6%	<b>1.8x</b>	<b>10.2x</b>	<b>15.3x</b>	21.7%	26.0%	2.6x
<b>Mean</b>						29.7%	18.2%	12.2%	2.0x	11.1x	16.7x	24.8%	38.0%	2.4x
<b>Min</b>						18.0%	13.4%	9.1%	1.1x	6.8x	9.1x	0.0%	0.0%	–
<b>Max</b>						48.9%	22.9%	17.1%	4.6x	22.5x	31.8x	53.5%	111.8%	4.2x

- The median EV multiples for Specialty Packaging were 1.8x and 10.2x for Sales and EBITDA, respectively
- Expect further consolidation as strategic buyers look to roll up niche capabilities and capacity and as private equity looks for cash flow reliable packagers from which to build a platform
- The most successful pharma packagers experience sticky customer relationships and a steady revenue stream
  - Those that focus in specialized, higher margin products such as med devices or biologics tend to have higher valuations.



# Distribution – Trading Comps

## Distribution - Trading Comps

USD in millions

Company	Ticker	Enterprise Value	LTM			Margin Analysis			Enterprise Value/			Debt/		
			Sales	EBITDA	EBIT	Gross Profit	EBITDA	EBIT	Sales	EBITDA	EBIT	Enterprise Value	Equity Value	EBITDA
AmerisourceBergen Corporation	NYSE:ABC	\$18,918.6	\$172,865.8	\$2,159.1	\$1,633.2	2.7%	1.2%	NM	0.1x	8.8x	11.6x	24.7%	27.8%	2.2x
Cardinal Health, Inc.	NYSE:CAH	21,216.5	141,935.0	2,870.0	1,860.0	5.0%	2.0%	1.3%	0.1x	7.4x	11.4x	42.7%	63.1%	3.2x
Henry Schein, Inc.	NasdaqGS:HSIC	10,985.0	13,202.0	1,100.8	893.2	27.2%	8.3%	6.8%	0.8x	10.0x	12.3x	17.9%	21.6%	1.8x
McKesson Europe AG	HMSE:CLS1	6,677.7	25,982.5	227.9	111.1	10.0%	NM	NM	0.3x	NM	NM	25.2%	28.2%	7.4x
McKesson Corporation	NYSE:MCK	30,455.1	213,518.0	4,099.0	3,131.0	5.4%	1.9%	1.5%	0.1x	7.4x	9.7x	32.3%	43.9%	2.4x
Owens & Minor, Inc.	NYSE:OMI	1,812.5	9,838.7	225.9	136.7	14.2%	2.3%	1.4%	0.2x	8.0x	13.3x	91.4%	641.5%	7.3x
Patterson Companies, Inc.	NasdaqGS:PDCO	2,710.3	5,538.4	215.8	132.3	21.1%	3.9%	2.4%	0.5x	12.6x	20.5x	29.0%	38.4%	3.6x
UDG Healthcare plc	LSE:UDG	1,894.3	1,315.2	171.3	115.8	29.4%	13.0%	8.8%	1.4x	11.1x	16.4x	12.9%	13.3%	1.4x

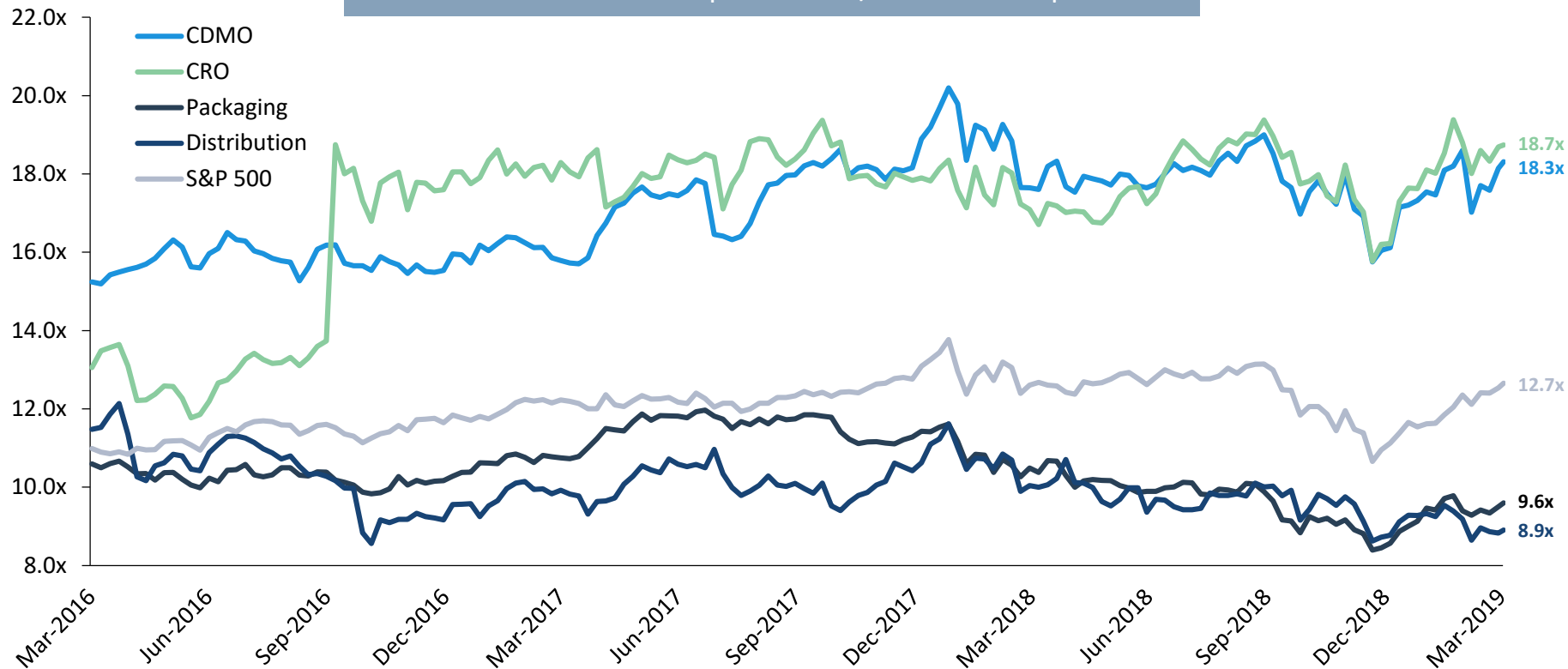
NM - Not Meaningful

Median	12.1%	2.3%	1.9%	0.2x	8.8x	12.3x	27.1%	33.3%	2.8x
Mean	14.4%	4.7%	3.7%	0.5x	9.3x	13.6x	34.5%	109.7%	3.7x
Min	2.7%	1.2%	1.3%	0.1x	7.4x	9.7x	12.9%	13.3%	1.4x
Max	29.4%	13.0%	8.8%	1.4x	12.6x	20.5x	91.4%	641.5%	7.4x

- The median EV multiples for Distribution were 0.2x and 8.8x for Sales and EBITDA, respectively

# Valuation Trends – Last 3 Years

Historical Total Enterprise Value / EBITDA Multiples



**CDMO basket consists of:** Bachem (SWX:BANB), Balchem (NasdaqGS:BCPC), Cambrex (NYSE:CBM), Catalent (NYSE:CTLT), Consort Medical plc (LSE:CSRT), Eurofins Scientific SE (ENXTPA:ERF), Johnson Matthey Plc (LSE:JMAT), Lonza (SWX:LONN), Recipharm AB (OM:RECI B), Siegfried (SWX:SFZN), Thermo Fisher Scientific Inc. (NYSE:TMO), and West Pharmaceutical Services, Inc. (NYSE:WST)

**CRO basket consists of:** Charles River (NYSE:CRL), ICON (NasdaqGS:ICLR), IQVIA (NYSE:IQV), Medpace (NasdaqGS:MEDP), PRA Health Sciences (NasdaqGS:PRAH), and Syneos Health, Inc. (NasdaqGS:SYNH)

**Distribution basket consists of:** AmerisourceBergen (NYSE:ABC), Cardinal Health (NYSE:CAH), Henry Schlein (NasdaqGS:HSIC), McKesson Europe (HMSE:CLS1), McKesson (NYSE:MCK), Owens & Minor (NYSE:OMI), Patterson Companies (NasdaqGS:PDCO), and UDG Healthcare (LSE:UDG)

**Packaging basket consists of:** Amcor Limited (ASX:AMC), AptarGroup, Inc. (NYSE:ATR), Berry Global Group, Inc. (NYSE:BERY), CCL Industries Inc. (TSX:CCL.B), Gerresheimer AG (DB:GXI), Mondi Plc (LSE:MNDI), RPC Group Plc (LSE:RPC), Sonoco Products Company (NYSE:SON), West Pharmaceutical Services, Inc. (NYSE:WST), WestRock Company (NYSE:WRK), and Wipac Ltd. (TSX:WPK)

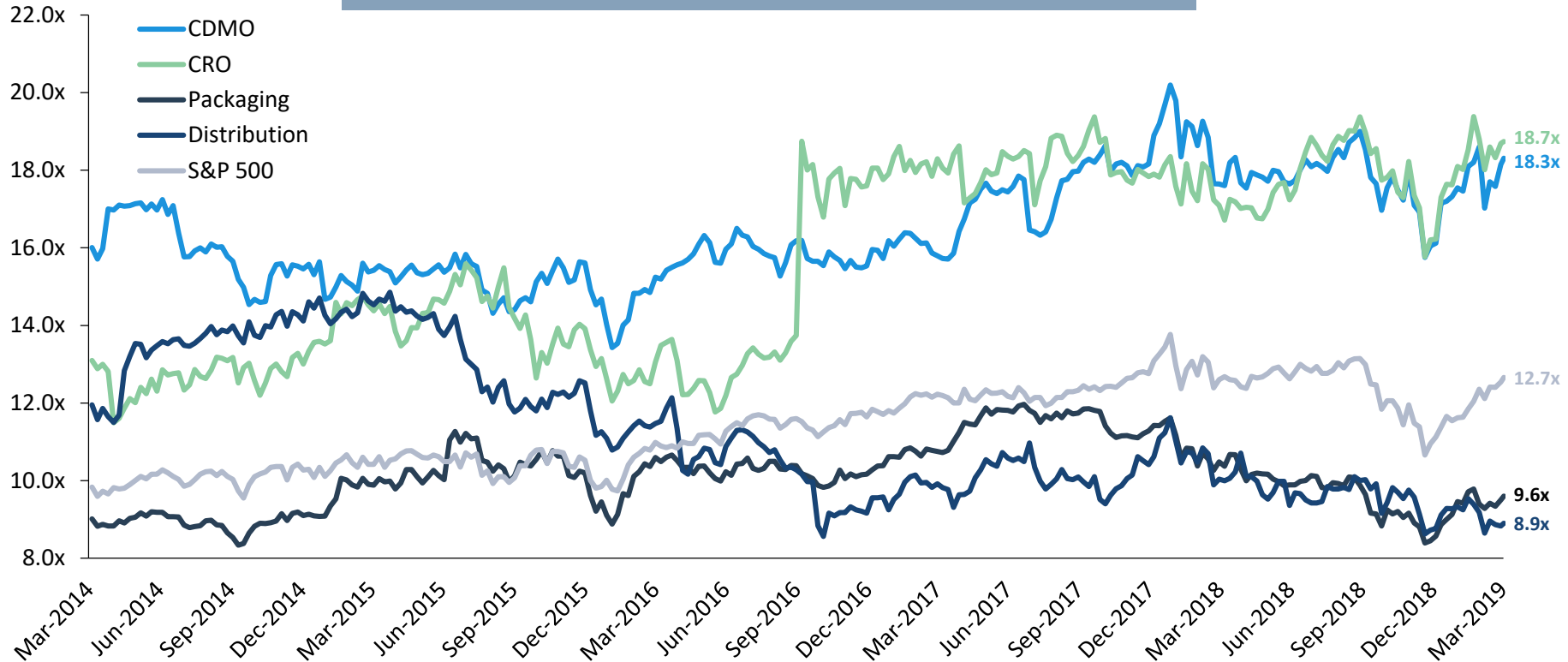
# Valuation Trends (Current, 3 Year, & LTM Comparisons)

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- Below are the current EV / EBITDA multiples for each sector:
  - CDMO: 18.3x (44.6% above current S&P multiples)
  - CRO: 18.7x (48.1% above current S&P multiples)
  - Specialty Packaging: 9.6x (24.2% below current S&P multiples)
  - Distribution: 8.9x (29.7% below current S&P multiples)
  - S&P 500: 12.7x
  
- Below are the average EV / EBITDA multiples for each sector over the last 3 years:
  - CDMO: 17.1x (41.7% above average S&P multiples)
  - CRO: 17.1x (41.3% above average S&P multiples)
  - Specialty Packaging: 10.4x (13.7% below average S&P multiples)
  - Distribution: 10.0x (17.2% below average S&P multiples)
  - S&P 500: 12.1x
  
- Below are the % change in EV / EBITDA multiples for each sector over the last 3 years (and LTM):
  - CDMO: +20.1% (up 3.8% in the last 12 months)
  - CRO: +43.5% (up 9.6% in the last 12 months)
  - Specialty Packaging: -9.4% (down 8.5% in the last 12 months)
  - Distribution: -22.4% (down 11.3% in the last 12 months)
  - S&P 500: +15.2% (up 0.4% in the last 12 months)

# Valuation Trends – Last 5 Years

Historical Total Enterprise Value / EBITDA Multiples



**CDMO basket consists of:** Bachem (SWX:BANB), Balchem (NasdaqGS:BCPC), Cambrex (NYSE:CBM), Catalent (NYSE:CTLT), Consort Medical plc (LSE:CSRT), Eurofins Scientific SE (ENXTPA:ERF), Johnson Matthey Plc (LSE:JMAT), Lonza (SWX:LONN), Recipharm AB (OM:RECI B), Siegfried (SWX:SFZN), Thermo Fisher Scientific Inc. (NYSE:TMO), and West Pharmaceutical Services, Inc. (NYSE:WST)

**CRO basket consists of:** Charles River (NYSE:CRL), ICON (NasdaqGS:ICLR), IQVIA (NYSE:IQV), Medpace (NasdaqGS:MEDP), PRA Health Sciences (NasdaqGS:PRAH), and Syneos Health, Inc. (NasdaqGS:SYNH)

**Distribution basket consists of:** AmerisourceBergen (NYSE:ABC), Cardinal Health (NYSE:CAH), Henry Schlein (NasdaqGS:HSIC), McKesson Europe (HMSE:CLS1), McKesson (NYSE:MCK), Owens & Minor (NYSE:OMI), Patterson Companies (NasdaqGS:PDCO), and UDG Healthcare (LSE:UDG)

**Packaging basket consists of:** Amcor Limited (ASX:AMC), AptarGroup, Inc. (NYSE:ATR), Berry Global Group, Inc. (NYSE:BERY), CCL Industries Inc. (TSX:CCL.B), Gerresheimer AG (DB:GX1), Mondi Plc (LSE:MNDI), RPC Group Plc (LSE:RPC), Sonoco Products Company (NYSE:SON), West Pharmaceutical Services, Inc. (NYSE:WST), WestRock Company (NYSE:WRK), and Wipac Ltd. (TSX:WPK)

# Valuation Trends (Current, 5 Year, & LTM Comparisons)

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- Below are the average EV / EBITDA multiples for each sector over the last 5 years:
  - CDMO: 16.5x (44.7% above average S&P multiples)
  - CRO: 15.7x (37.5% above average S&P multiples)
  - Distribution: 11.3x (1.0% below average S&P multiples)
  - Specialty Packaging: 10.1x (11.0% below average S&P multiples)
  - S&P 500: 11.4x
- Below are the % change in EV / EBITDA multiples for each sector over the last 5 years (and LTM):
  - CDMO: +14.4% (up 3.8% in the last 12 months)
  - CRO: +43.1% (up 9.6% in the last 12 months)
  - Distribution: -25.5% (down 11.3% in the last 12 months)
  - Specialty Packaging: +6.4% (down 8.5% in the last 12 months)
  - S&P 500: +28.7% (up 0.4% in the last 12 months)