

INSIGHT



SPECIALTY & GENERIC PHARMA

SECTOR SNAPSHOT

July 2019

BOURNE PARTNERS

Branded Specialty Pharma – Transaction Comps

Announced Date	Target	Target Description	Buyer	Geographic Location	Enterprise Value	LTM Revenue	LTM EBITDA	EV / LTM Revenue	EV / LTM EBITDA
Jun-19	Allergan	Large pharmaceutical company with products across a range of therapeutic, primarily in the US	Abbvie	Ireland	\$84,227.1	\$15,712.4	\$7,062.2	5.4x	11.9x
May-19	Xiidra from Takeda	Branded product for the treatment of chronic dry eye disease	Novartis	USA	\$5,300.0	\$388.0	NA	13.7x	NA
Nov-18	Avenue Therapeutics	Specialty pharmaceutical company focused in hospital products	InvaGen Pharmaceuticals	USA	\$210.2	NA	NA	NA	NA
Oct-18	Corium International	Specialty pharmaceutical company focused in transdermal and transmucosal products	Gurnet Point Capital	USA	\$492.5	\$36.5	(\$44.0)	13.5x	NM
Sep-18	NextWave Pharmaceuticals	Specialty pharmaceutical company focused in pediatric CNS products	Tris Pharma	USA	NA	NA	NA	NA	NA
Aug-18	Adapt Pharma	Specialty pharmaceutical company focused in opioid abuse products	Emergent BioSolutions	Ireland	\$719.8	NA	NA	NA	NA
Jul-18	Sylvant from Johnson & Johnson	Branded product for the treatment of Castleman's disease	EUSA Pharma	Ireland	\$115.0	NA	NA	NA	NA
May-18	Femring in US from Allergan	Branded women's health products	Millicent Pharma	USA	\$75.0	\$23.0	\$17.0	3.3x	4.4x
May-18	Pancreaze from Johnson & Johnson	Branded pancreatice enzyme replacement therapy product	VIVUS	USA	\$135.0	\$35.2	--	3.8x	--
Apr-18	Shire	Large pharmaceutical company with products across a range of therapeutic areas and geographies	Takeda Pharmaceutical	Ireland	\$80,535.0	\$15,354.0	\$6,449.9	5.2x	12.5x

Notes:

NA - Not Available

NM - Not Meaningful

Median	\$492.5	\$212.2	\$3,233.5	5.3x	11.9x
Mean	\$19,090.0	\$5,258.2	\$3,371.3	7.5x	9.6x
Min	\$75.0	\$23.0	(\$44.0)	3.3x	4.4x
Max	\$19,090.0	\$5,258.2	\$3,371.3	13.7x	12.5x

Generic Pharma – Transaction Comps

Announced Date	Target	Target Description	Buyer	Geographic Location	Enterprise Value	LTM Revenue	LTM EBITDA	EV / LTM Revenue	EV / LTM EBITDA
May-19	Grindeks	Generic pharmaceutical company focused in Latvia	Dashdirect	Latvia	\$158.7	\$158.9	(\$1.0)	1.0x	NM
Apr-19	Doc Generici	Generic pharmaceutical company focused in Italy	Intermediate Capital Group	Italy	\$1,238.6	\$234.2	\$91.2	5.3x	NM
Mar-19	EQL Pharma	Generic pharmaceutical company focused in Scandanavian markets	Fårö Capital	Sweden	\$35.0	\$4.7	\$0.2	7.5x	NM
Nov-18	Navamedic ASA	Generic pharmaceutical company focused in Northern Europe	Ingerø Reiten Investment Company	Norway	NA	\$20.8	(\$0.3)	NA	NA
Sep-18	Sandoz Product Basket	Generic derm and oral solids assets from Sandoz	Aurobindo Pharma	USA	\$1,000.0	\$1,200.0	NA	0.8x	NA
Jun-18	Zentiva Group	European generics business of Sanofi	Advent International	Czech Republic	\$2,201.9	NA	NA	NA	NA
Jul-18	Generic Efudex	Generic oncology product	Mayne Pharma Group	USA	\$30.0	NA	NA	NA	NA
Jul-18	Apotex Europe	Generic operations of Apotex in Europe, focused in Netherlands, Belgium, Spain, and Czech Republic	Agile Pharma	Netherlands	\$86.4	\$154.7	NA	0.6x	NA
May-18	Endo Product Basket	Generic oral liquids and semi-solids products from Endo (formerly Par/Qualitest)	Lannett	Ireland	\$12.0	NA	NA	NA	NA

Notes:

NA - Not Available

NM - Not Meaningful

Median	\$122.5	\$156.8	(\$0.1)	1.0x	NM
Mean	\$595.3	\$295.6	\$22.5	3.0x	NM
Min	\$12.0	\$4.7	(\$1.0)	0.6x	NM
Max	\$2,201.9	\$1,200.0	\$91.2	7.5x	NM

Specialty Branded Pharma – Trading Comps

USD in millions

Company	Ticker	Enterprise Value	LTM		Margin Analysis		Enterprise Value/		Debt/		
			Sales	EBITDA	Gross Profit	EBITDA	Sales	EBITDA	Enterprise Value	Equity Value	EBITDA
ADVANZ PHARMA Corp.	TSX:ADVZ	\$1,835	\$520	\$241	67.5%	46.3%	3.5x	7.6x	73.8%	185.4%	5.6x
Allergan plc	NYSE:AGN	\$76,682	\$15,712	\$7,062	85.8%	44.9%	4.9x	10.9x	31.4%	44.2%	3.4x
Almirall, S.A.	BME:ALM	\$3,830	\$891	\$185	75.6%	20.8%	4.3x	20.7x	15.5%	18.1%	3.2x
Assertio Therapeutics, Inc.	NasdaqGS:ASRT	\$641	\$241	\$110	96.3%	45.4%	2.7x	5.9x	86.2%	278.5%	5.0x
Bausch Health Companies Inc.	NYSE:BHC	\$32,091	\$8,401	\$3,354	72.4%	39.9%	3.8x	9.6x	76.3%	291.4%	7.3x
H. Lundbeck A/S	CPSE:LUN	\$6,980	\$2,671	\$912	80.6%	34.1%	2.6x	7.7x	1.1%	1.0%	0.1x
Horizon Therapeutics Public Limited Company	NasdaqGS:HZNP	\$4,972	\$1,264	\$98	68.4%	7.8%	3.9x	50.5x	33.1%	37.7%	16.7x
Indivior PLC	LSE:INDV	(\$324)	\$988	\$306	85.7%	31.0%	NM	NM	-91.7%	68.5%	1.0x
Ipsen S.A.	ENXTPA:IPN	\$11,285	\$2,689	\$765	80.7%	28.5%	4.2x	14.8x	6.0%	6.1%	0.9x
Jazz Pharmaceuticals plc	NasdaqGS:JAZZ	\$8,756	\$1,954	\$1,028	93.8%	52.6%	4.5x	8.5x	20.1%	22.5%	1.7x
Recordati Industria Chimica e Farmaceutica S.p.A.	BIT:REC	\$9,494	\$1,536	\$573	70.6%	37.3%	6.2x	16.6x	9.0%	9.6%	1.5x
Takeda Pharmaceutical Company Limited	TSE:4502	\$103,824	\$18,926	\$4,750	72.4%	25.1%	5.5x	21.9x	51.5%	94.1%	11.3x
UCB SA	ENXTBR:UCB	\$15,639	\$5,303	\$1,603	74.1%	30.2%	2.9x	9.8x	11.0%	11.2%	1.1x

Commentary

Median	75.6%	34.1%	4.1x	10.3x	20.1%	37.7%	3.2x
Mean	78.8%	34.1%	4.1x	15.4x	24.9%	82.2%	4.5x
Min	67.5%	7.8%	2.6x	5.9x	-91.7%	1.0%	0.1x
Max	96.3%	52.6%	6.2x	50.5x	86.2%	291.4%	16.7x

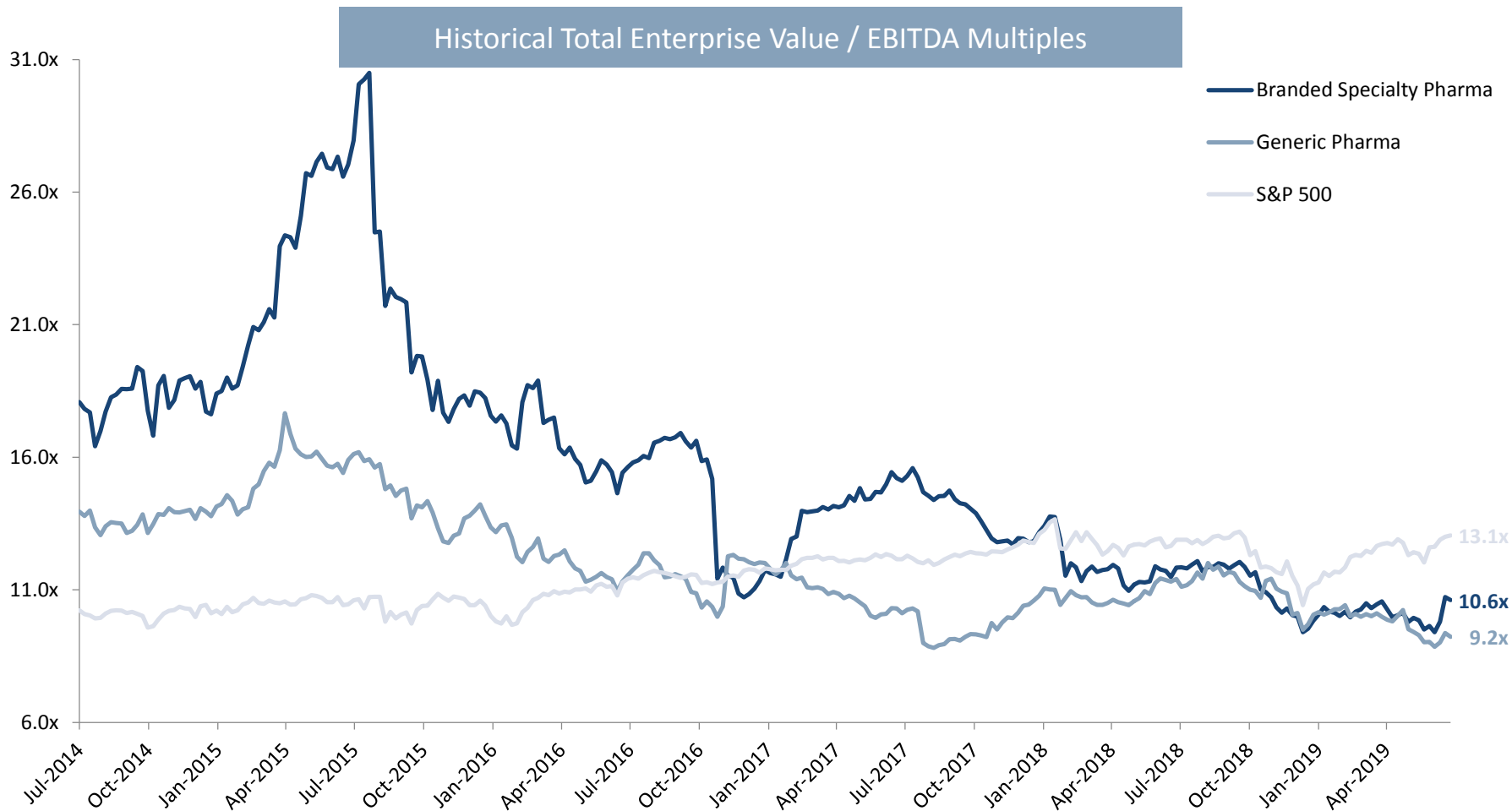
Generic Pharma – Trading Comps

USD in millions

Company	Ticker	Enterprise Value	LTM		Margin Analysis		Enterprise Value/		Debt/		
			Sales	EBITDA	Gross Profit	EBITDA	Sales	EBITDA	Enterprise Value	Equity Value	EBITDA
Akorn, Inc.	NasdaqGS:AKRX	\$1,238	\$676	(\$64)	32.2%	NM	1.8x	NM	68.3%	146.7%	(13.1x)
Amphastar Pharmaceuticals, Inc.	NasdaqGS:AMPH	\$922	\$316	\$15	38.3%	4.8%	2.9x	60.6x	6.8%	6.6%	4.1x
Hikma Pharmaceuticals PLC	LSE:HIK	\$5,825	\$2,070	\$528	48.5%	25.5%	2.8x	11.0x	10.9%	11.6%	1.2x
Lannett Company, Inc.	NYSE:LCI	\$794	\$692	\$199	42.3%	28.7%	1.1x	4.0x	98.0%	351.5%	3.9x
Lupin Limited	BSE:500257	\$5,633	\$2,413	\$414	65.0%	17.2%	2.3x	13.6x	21.1%	23.8%	2.9x
Mylan N.V.	NasdaqGS:MYL	\$23,488	\$11,245	\$3,541	39.8%	31.5%	2.1x	6.6x	59.5%	142.4%	3.9x
Nichi-Iko Pharmaceutical Co., Ltd.	TSE:4541	\$1,518	\$1,503	\$152	19.9%	10.1%	1.0x	10.0x	77.7%	164.3%	7.8x
Perrigo Company plc	NYSE:PRGO	\$9,425	\$4,689	\$838	38.1%	17.9%	2.0x	11.3x	35.7%	48.8%	4.0x
Sun Pharmaceutical Industries Limited	NSEI:SUNPHARMA	\$13,704	\$4,195	\$871	72.9%	20.8%	3.3x	15.7x	10.4%	10.2%	1.6x
Taro Pharmaceutical Industries Ltd.	NYSE:TARO	\$2,127	\$670	\$311	66.5%	46.4%	3.2x	6.8x	0.0%	0.0%	–
Teva Pharmaceutical Industries Limited	NYSE:TEVA	\$36,988	\$18,084	\$4,464	43.3%	24.7%	2.0x	8.3x	78.8%	297.6%	6.5x

Median	42.3%	22.7%	2.1x	10.5x	35.7%	48.8%	3.9x
Mean	46.1%	22.8%	2.2x	14.8x	42.5%	109.4%	2.1x
Min	19.9%	4.8%	1.0x	4.0x	0.0%	0.0%	(13.1x)
Max	72.9%	46.4%	3.3x	60.6x	98.0%	351.5%	7.8x

Valuation Trends – Last 5 Years

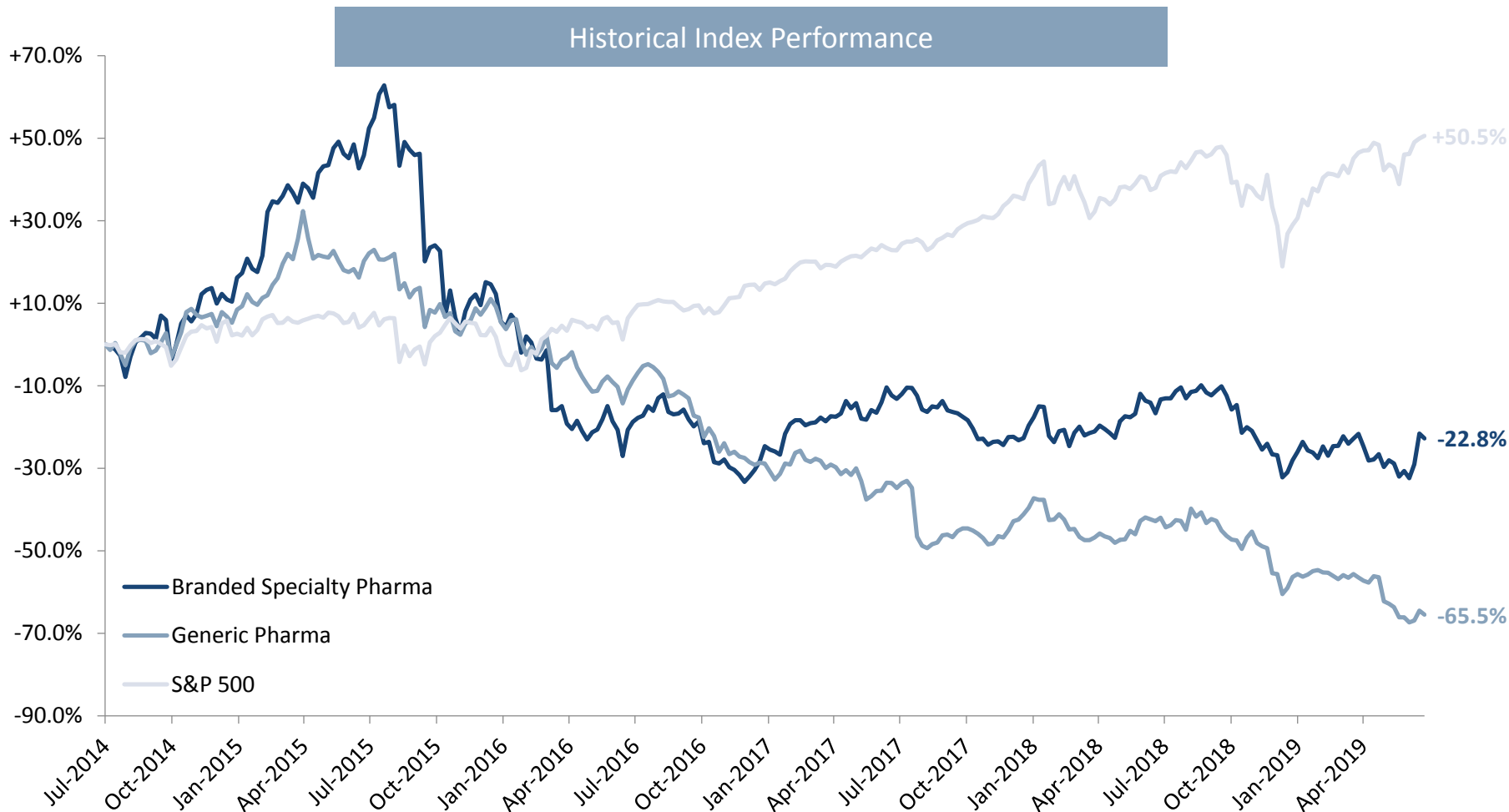


Specialty Branded Pharma basket consists of: Allergan plc (NYSE:AGN), UCB SA (ENXTBR:UCB), Ipsen S.A. (ENXTPA:IPN), Bausch Health Companies Inc. (NYSE:BHC), H. Lundbeck A/S (CPSE:LUN), Recordati Industria Chimica e Farmaceutica S.p.A. (BIT:REC), Jazz Pharmaceuticals plc (NasdaqGS:JAZZ), Horizon Pharma plc (NasdaqGS:HZNP), Almirall, S.A. (BME:ALM), ADVANZ PHARMA Corp. (TSX:ADVZ), Indivior PLC (LSE:INDV), Asserpio Therapeutics, Inc. (NasdaqGS:ASRT)

Generic Pharma basket consists of: Sun Pharmaceutical Industries Limited (NSEI:SUNPHARMA), Teva Pharmaceutical Industries Limited (NYSE:TEVA), Mylan N.V. (NasdaqGS:MYL), Perrigo Company plc (NYSE:PRGO), Hikma Pharmaceuticals PLC (LSE:HIK), Lupin Limited (BSE:500257), Taro Pharmaceutical Industries Ltd. (NYSE:TARO), Amphastar Pharmaceuticals, Inc. (NasdaqGS:AMPH), Nichi-Iko Pharmaceutical Co., Ltd. (TSE:4541), Akorn, Inc. (NasdaqGS:AKRX), Lannett Company, Inc. (NYSE:LCI)

1) Source: S&P Capital IQ, April 2019

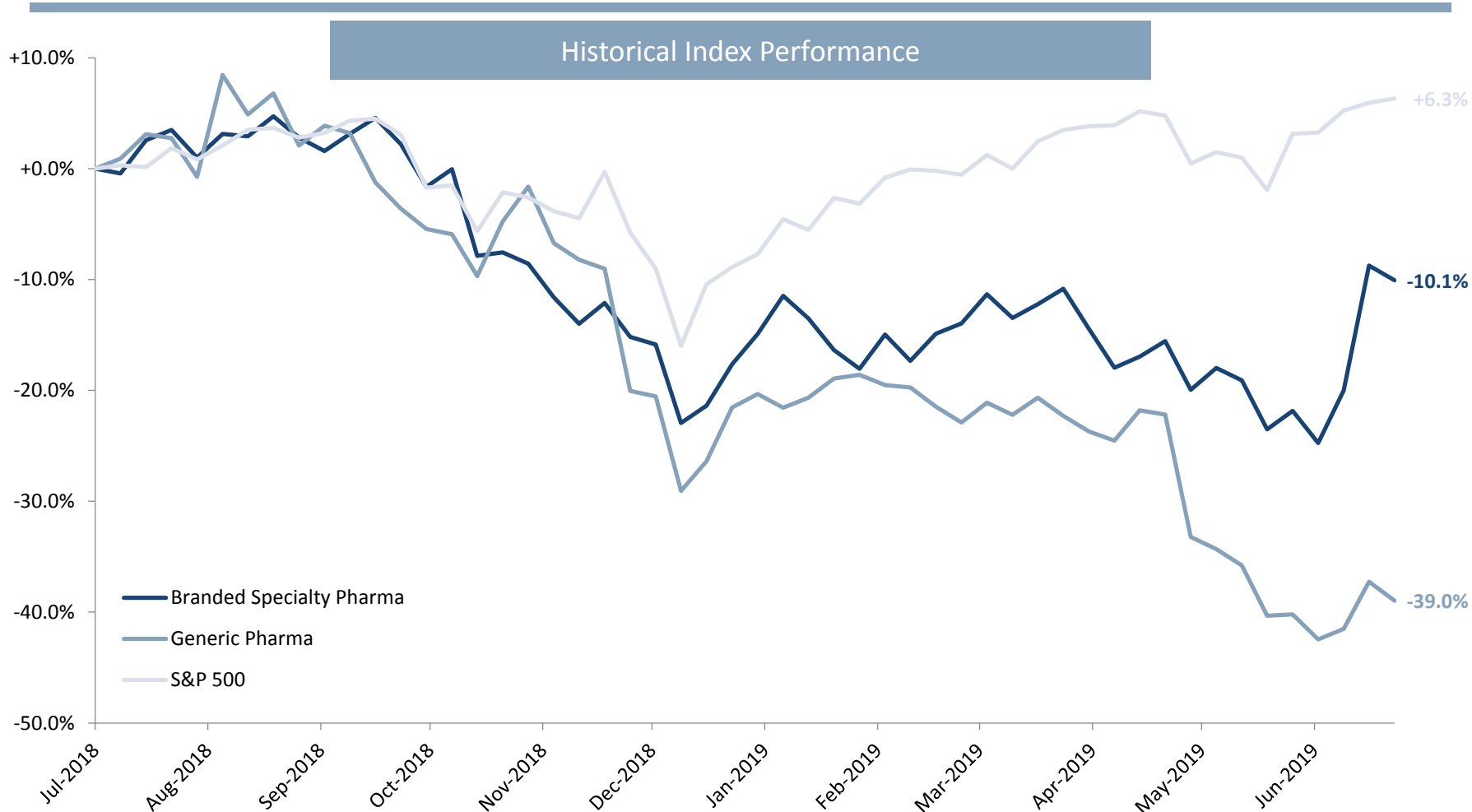
Market Performance – Last 5 Years



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Market Performance – Last 12 Months

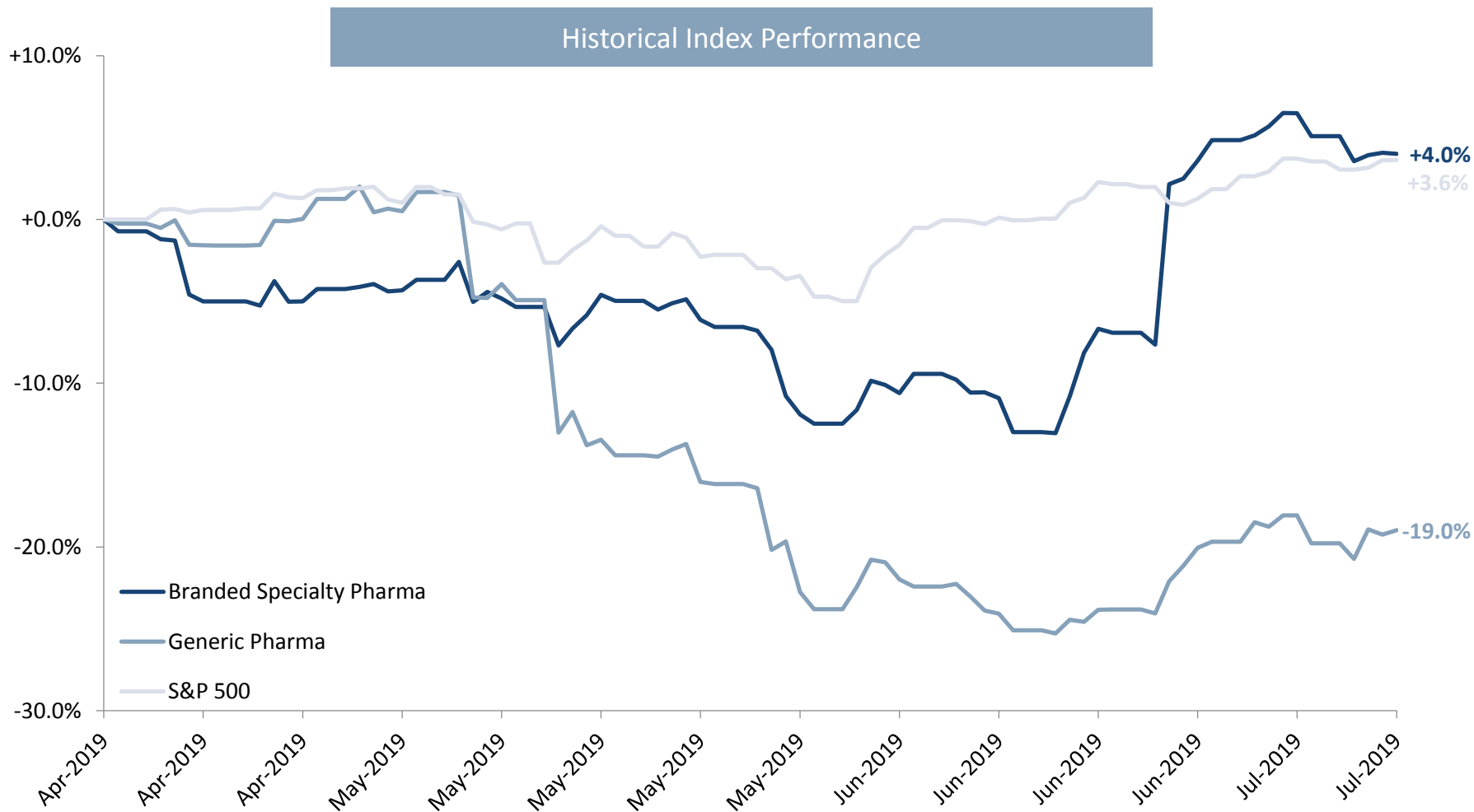


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1) Source: S&P Capital IQ, April 2019

Market Performance – Last 3 Months



Specialty Branded Pharma basket consists of: Allergan plc (NYSE:AGN), UCB SA (ENXTBR:UCB), Ipsen S.A. (ENXTPA:IPN), Bausch Health Companies Inc. (NYSE:BHC), H. Lundbeck A/S (CPSE:LUN), Recordati Industria Chimica e Farmaceutica S.p.A. (BIT:REC), Jazz Pharmaceuticals plc (NasdaqGS:JAZZ), Horizon Pharma plc (NasdaqGS:HZNP), Almirall, S.A. (BME:ALM), ADVANZ PHARMA Corp. (TSX:ADVZ), Indivior PLC (LSE:INDV), Asserpio Therapeutics, Inc. (NasdaqGS:ASRT)

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1) Source: S&P Capital IQ, April 2019

Index Trends

- Below are the averages for Specialty Branded Pharma
 - 5-Year *Average* EBITDA Multiple: 15.5x
 - Currently trading 4.9x lower than its 5-year average (or 31.4% lower)
 - 5-Year *Max* EBITDA Multiple: 30.5x
 - Currently trading 19.9x lower than its 5-year max (or 65.2% lower)
 - 5-Year *Min* EBITDA Multiple: 9.4x
 - Currently trading 1.0x higher than its 5-year min (or 12.9% higher)
 - 5-Year *Annualized* Index Performance Rate: -4.6%
 - Last 12 Months *Annualized* Index Performance Rate: -10.1%
 - Last 3 Months *Annualized* Index Performance Rate: +12.0%

- Below are the averages for Generic Pharma
 - 5-Year *Average* EBITDA Multiple: 11.9x
 - Currently trading 2.7x lower than its 5-year average (or 17.5% lower)
 - 5-Year *Max* EBITDA Multiple: 17.7x
 - Currently trading 8.4x lower than its 5-year max (or 47.8% lower)
 - 5-Year *Min* EBITDA Multiple: 8.8x
 - Currently trading 1.2x higher than its 5-year min (or 4.8% higher)
 - 5-Year *Annualized* Index Performance Rate: -13.1%
 - Last 12 Months *Annualized* Index Performance Rate: -39.0%
 - Last 3 Months *Annualized* Index Performance Rate: -56.9%