

INSIGHT



PHARMA SERVICES

2020 Year End Report

January 2021

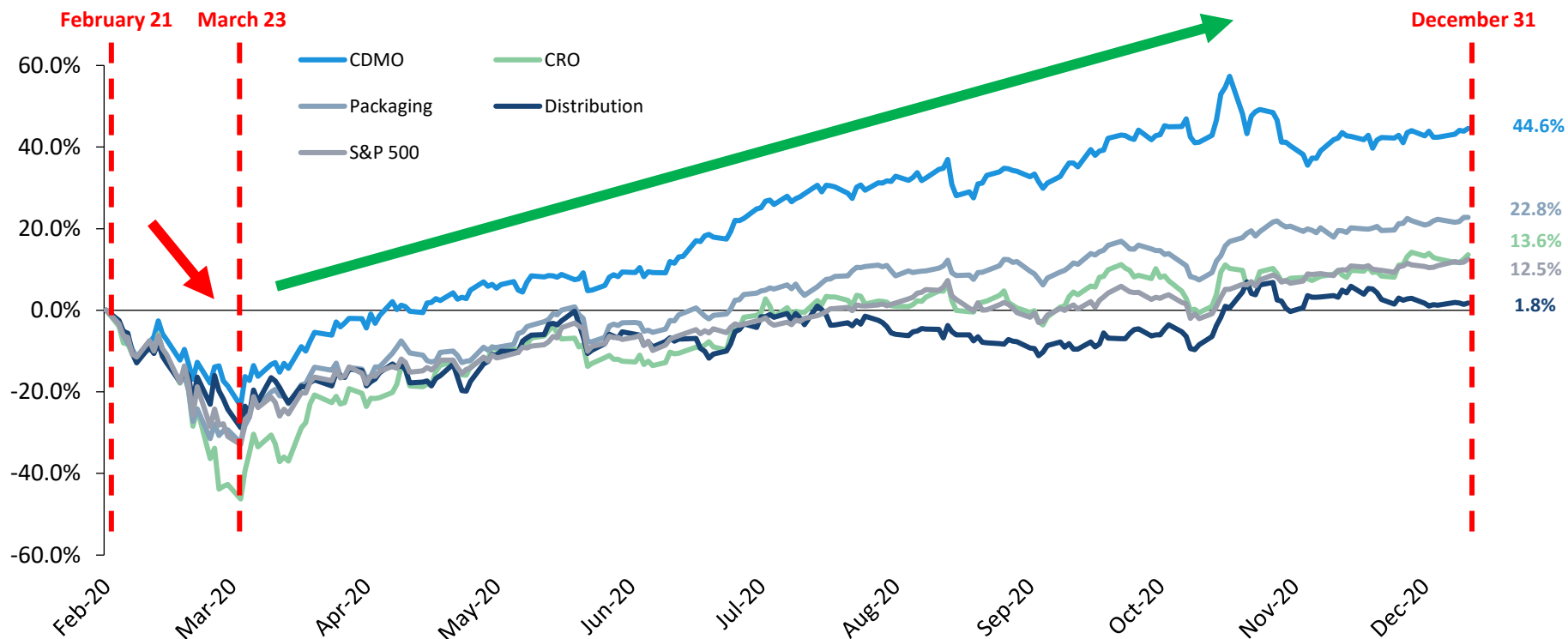
BOURNE PARTNERS

Pharma Services “Rebound For The Ages”

- The effects of the 2020 market rollercoaster cannot be overstated
 - Most notably, in Bourne’s coverage, we witnessed the “Rebound For The Ages” as pharma services sectors bounced back to levels at or above all time highs
- Since the onset of the pandemic and through the trough in March, trading values and multiples for the respective sectors covered in this report are already re-approaching record highs or are at or above historical averages
 - Although the market suffered a substantial loss in the ~4 weeks from February 21 to the lows on March 23, the indices are tracking positive, showing significant growth from March 23 through today¹⁾
 - CDMO and CRO indices have jumped **89%** and **111%**, respectively, and continue to significantly outperform the S&P 500
 - The Packaging and Distribution indices have bounced **82%** and **43%**, respectively, and trade at strong multiples and premiums to historical averages
- The COVID-19 pandemic caused the majority of sector M&A activity in Q2 and the first half of Q3 to be either tabled or postponed, as shown in the M&A transaction comps sets that follow
 - However, M&A activity picked up significantly towards the end of the year relative to the March trough
 - From our discussions, we believe there will be a healthy supply of attractive M&A opportunities coming to market in 1H 2021
- While the negative impacts from the COVID-19 pandemic cannot be overstated, we believe pharmaceutical industry valuations will remain relatively healthy, excluding a few exposed sub segments

1) As of December 31, 2020

Pharma Services Sectors Return to All Time Highs



Start of Bull Market to Start of COVID-19 / Sector Peaks
 March 5, 2009 to February 21, 2020

- CDMO: ↑ 696%
- CRO: ↑ 650%
- Specialty Packaging: ↑ 493%
- Distribution: ↑ 247%
- S&P 500: ↑ 389%

Onset of COVID-19 / Sector Peaks to COVID-19 Trough
 February 21, 2020 to March 23, 2020

- CDMO: ↓ 23%
- CRO: ↓ 46%
- Specialty Packaging: ↓ 32%
- Distribution: ↓ 29%
- S&P 500: ↓ 33%

From COVID-19 Trough to Present⁽¹⁾
 From March 23, 2020 to Dec. 31, 2020

- CDMO: ↑ 89%
- CRO: ↑ 111%
- Specialty Packaging: ↑ 82%
- Distribution: ↑ 43%
- S&P 500: ↑ 68%

1) As of December 31, 2020

Pharma Services Sectors Return to All Time Highs (cont.)

- Prior to COVID-19, valuation multiples across most Pharma Services sectors were at or near historic highs
- Contract Service providers continue to enjoy numerous tailwinds and drivers of organic growth
- Of note, since the onset of the pandemic in late February through today⁽¹⁾:
 - The CDMO index has weathered the global health and economic crisis far better than the CRO, Spec. Packaging, Distribution, and S&P 500 indices
 - The enormous increases across most of the indices above during the 11-year bull market, as well as the record rebound over 2H 2020, only further underscore the swift and dramatic loss in market value in March due to the COVID-19 outbreak
- In terms of M&A/consolidation activity and valuations we foresee:
 - An increase in supply of quality acquisition opportunities coming to market; near-term market volatility may dictate slightly more reasonable multiples into 1H 2021
 - Near term opportunity for select value purchases in some subsectors (e.g. clinical research services), which were hit hardest
 - Over the medium-term, we see Pharma Services valuations continuing to accelerate close to all-time highs as the economy gets back to normal; however, the longer term impact on the overall economy will have some lingering drag even in the healthcare sector
- Despite the pandemic, in terms of EV/EBITDA multiples, the proceeding M&A transaction comps sets illustrate that each of the Pharma Services sectors continue to trade at healthy multiples, re-approaching their all-time highs or are at or above historical averages

Pharma Services EV / EBITDA (LTM) Multiples					
	S&P 500	CDMO	CRO	Distribution	Specialty Packaging
10-Year Peak	17.1x (Dec 2020)	26.9x (Oct 2020)	20.6x (Oct 2020)	14.9x (Apr 2015)	12.0x (Jul 2017)
10-Year Average	10.9x	15.7x	14.5x	10.1x	9.5x
End Q3 2020	15.4x	25.5x	19.5x	9.4x	10.3x
Today ⁽¹⁾	17.1x	24.2x	20.5x	8.6x	10.9x

1) As of December 31, 2020

CDMO – M&A Transaction Comps

CDMO – M&A Transaction Comps

USD in millions

Announced Date	Target	Target Description	Buyer	Geographic Location	Enterprise Value	LTM Revenue	LTM EBITDA	EV / LTM Revenue	EV / LTM EBITDA
Sep-20	Adare Pharmaceuticals, Inc.	Adare develops, manufactures, and markets pharmaceutical technologies for customers worldwide	Frazier; Thomas H. Lee Partners	USA	NA	NA	NA	NA	NA
Aug-20	PCI Pharma Services	PCI provides integrated pharmaceutical development and manufacturing services globally	Kohlberg; Mubadala Investment Company	USA	NA	NA	NA	NA	20.0x
Aug-20	Berkshire Sterile Manufacturing	Berkshire Sterile Manufacturing operates as a contract manufacturer of sterile drugs	Sharp Corporation	USA	\$150.0	NA	NA	NA	NA
Jun-20	Piramal Pharma ¹	Piramal Pharma, a Piramal Enterprises subsidiary, manufactures and sells bulk drugs and formulations	The Carlyle Group	India	2,775.0	NA	NA	NA	NA
Feb-20	Alliance Contract Pharma	Provides contract manufacturing of liquid and powder filled capsules	Altaris Capital Partners	USA	NA	NA	NA	NA	NA
Feb-20	MaSTherCell	Offers contract manufacturing services focusing on cellular therapy products and technologies	Catalent	Belgium	NA	NA	NA	NA	NA
Jan-20	Accupac	Provides OTC and prescription liquid contract manufacturing	Palladium Equity Partners	USA	NA	NA	NA	NA	NA
Dec-19	Majority of Drug Delivery Business of 3M	Comprises development and manufacturing operations for pharma products using inhalation, microneedle, and conventional drug delivery technologies	Altaris Capital Partners	USA	650.0	\$380.0	NA	1.7x	NA
Dec-19	Consort Medical	One-stop developer and manufacturer of drugs and premium delivery devices internationally	Recipharm	United Kingdom	800.0	392.7	\$59.7	2.1x	13.6x
Aug-19	Cambrex Corporation	Operates as a CDMO for the development and commercialization of new and generic therapeutics worldwide	Permira Advisers	USA	2,545.2	574.1	149.6	4.4x	17.0x
Apr-19	Paragon Bioservices ²	Operates as a CDMO that focuses on the development and manufacturing of biopharmaceuticals	Catalent Pharma Solutions	USA	1,285.7	115.6	19.5	11.1x	66.1x
Nov-18	Avista Pharma Solutions	CDMO offering services including analytical testing, API and drug product development, early stage discovery, and microbiology testing support	Cambrex Corporation	USA	252.0	62.0	5.6	4.1x	45.2x
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

Notes:

NA - Not Available

1) \$2,775mm is an approximate Implied Enterprise Value from the Carlyle press release: "Carlyle and Piramal Pharma Sign Agreement on a 20% Strategic Growth Investment"

2) "Biopharma Dive": 2018 Revenue Estimate; "Catalent : Paragon Gene Therapy Acquisition Fuels Further High-Growth High-Margin Biologics Mix Shift, As LT Targets Are Increased - ALERT": 2018 EBITDA Estimate

Source: S&P Capital IQ as of December 31, 2020

Median	\$800.0	\$380.0	\$39.7	2.5x	20.0x
Mean	1,154.1	342.4	54.3	3.9x	28.7x
Min	150.0	62.0	5.6	1.4x	13.6x
Max	2,775.0	628.7	149.6	11.1x	66.1x

CRO – M&A Transaction Comps

CRO – M&A Transaction Comps

USD in millions

Announced Date	Target	Target Description	Buyer	Geographic			EV / LTM Revenue	EV / LTM EBITDA	
				Location	Enterprise Value	LTM Revenue			
Dec-20	MedSource Consulting	MedSource provides clinical trials for oncology, neurology, and infectious diseases	Ergomed	USA	\$25.0	\$31.3	\$1.3	0.8x	19.2x
Oct-20	Synteract	Synteract offers a variety of CRO services for various therapeutic areas	Syneos Health	USA	400.0	NA	NA	NA	NA
Jul-20	The Clinical Company / Zeinco Group	Excelya acquired 3 European CROs to become one stop provider across Europe	Excelya Group	United Kingdom	NA	NA	NA	NA	NA
Sep-20	Prolytic	Prolytic is a CRO providing bioanalytics and pharmacokinetics to clients in the pharmaceutical sector	Kymos Pharma Services	Germany	NA	NA	NA	NA	NA
Sep-20	XenoGesis	XenoGesis is a laboratory-based CRO	Sygnature Discovery Limited	United Kingdom	NA	NA	NA	NA	NA
Sep-20	North American Science Associates	The company provides regulatory consulting, laboratory testing, clinical research, and compliance services	Archimed	USA	NA	NA	NA	NA	NA
Aug-20	Ce3	Ce3 is a CRO providing early phase oncology clinical development services to the biotechnology industry	Catalyst Clinical Research	USA	NA	NA	NA	NA	NA
Apr-20	Biotranex	Biotranex offers drug metabolism, transport, pharmacokinetic, and analytical services	Frontage Laboratories	USA	NA	NA	NA	NA	NA
Feb-20	MedPass	MedPass is a medical device CRO	ICON	France	NA	NA	NA	NA	NA
Nov-19	Inamed	Inamed is a global CRO that engages in the research of respiratory and inhalation medicines	Nuvisan	Germany	NA	NA	NA	NA	NA
Oct-19	Symphony Clinical Research	Symphony Clinical Research provides in-home and alternative-site clinical trial services	ICON	USA	37.5	NA	NA	NA	NA
Sep-19	Site Business of BioClinica	AES acquired the clinical sites business from BioClinica	Accelerated Enrollment Solutions (AES)	USA	50.4	NA	NA	NA	NA
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	Linal USA	USA	32.9	\$26.8	NA	1.2	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
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	2.4	14.6

Notes:

NA - Not Available

Median	\$225.2	\$135.7	\$52.5	1.8x	14.2x
Mean	857.9	598.8	112.3	1.9x	14.8x
Min	25.0	26.8	1.3	0.8x	11.7x
Max	5,007.4	2,097.0	342.8	3.3x	19.2x

Specialty Packaging – M&A Transaction Comps

Specialty Packaging – M&A Transaction Comps

USD in millions

Announced Date	Target	Target Description	Buyer	Geographic Location	Enterprise Value	LTM Revenue	LTM EBITDA	EV / LTM Revenue	EV / LTM EBITDA
Aug-20	PCI Pharma Services	Contract pharmaceutical company that provides development and packaging services	Kohlberg & Company	USA	NA	NA	NA	NA	20.0x
Apr-20	Inno4Life	Inno4Life manufactures pharmaceutical packaging equipment and provides pharmaceutical services	Dietrich Engineering Consultants	Netherlands	NA	NA	NA	NA	NA
Feb-20	Bellwyck Pharma Services	Bellwyck provides packaging and labeling for the clinical trial and commercial drug markets	PCI Pharma Services	Canada	NA	NA	NA	NA	NA
Oct-19	Winpak Control Group	Offers printed packaging solutions	Winpak	USA	\$42.2	\$25.0	NA	1.7x	NA
Jul-19	Clariant AG	Packaging business offering solutions to protect pharmaceutical products from moisture and oxygen	Arsenal Capital Partners	Switzerland	314.0	NA	NA	2.3x	13.2x
Jun-19	Three Flexible Packaging Plants in the United Kingdom and Ireland of Amcor plc	Nelipak acquired Three Flexible Packaging Plants in the United Kingdom and Ireland	Nelipak Corporation	United Kingdom	394.0	170.0	NA	2.3x	NA
Apr-19	Three manufacturing facilities of Amcor	Provides packaging for med devices; 3 facilities in EU previously owned by Bemis	Tekni-Plex	USA	215.0	100.0	NA	2.2x	NA
Jan-19	RPC Group	Designs plastic packaging for end markets, including the food, beverage, personal care, and healthcare markets	Apollo Management	United Kingdom	5,786.7	4,855.0	\$730.2	1.2x	7.9x
Dec-18	Caraustar Industries	Manufactures and supplies recycled paperboard and converted paperboard products	Greif Packaging	USA	1,800.0	1,376.0	174.0	1.3x	10.3x
Aug-18	Bemis Company	Manufactures and sells packaging products in medical and pharmaceutical markets globally	Amcor	USA	6,777.9	4,099.4	573.0	1.7x	11.8x
Jul-18	CSP Technologies	Manufactures and distributes custom polymeric products	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 AB	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

Notes:

NA - Not Available

Median	\$529.4	\$445.5	\$174.0	2.0x	10.3x
Mean	1,711.1	1,266.2	259.6	1.9x	11.6x
Min	42.2	25.0	30.0	0.9x	7.9x
Max	6,777.9	4,855.0	730.2	3.8x	20.0x

Distribution – M&A Transaction Comps

Distribution – M&A Transaction Comps

USD in millions

Announced Date	Target	Target Description	Buyer	Geographic Location	Enterprise Value	LTM Revenue	LTM EBITDA	EV / LTM Revenue	EV / LTM EBITDA
Apr-20	Hygis	Hygis distributes pharmaceuticals and is based in Morges, Switzerland	Karo Pharma	Switzerland	NA	NA	NA	NA	NA
Feb-20	Covis	Covis distributes pharmaceutical products for patients with life-threatening conditions and chronic illnesses	Apollo Global Management	Netherlands	NA	NA	NA	NA	NA
Aug-19	PCX International	PCX operates as a courier service agency in clinical trial industry	Marken Limited	Japan	NA	NA	NA	NA	NA
Jul-19	HRTL Logistic SRL / HETO Transport und Logistik GmbH / DER KURIER KFT	HRTL Logistic SRL offers courier services to the clinical trials industry. HETO Transport und Logistik GmbH and DER KURIER KFT. Offers clinical trial shipment	Marken Limited	Italy	NA	NA	NA	NA	NA
Aug-18	Aquilant	Aquilant Limited distributes and sells IV therapy, regional anesthesia and pain management products, and other devices for the 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 (L)	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	Alliance Pharma	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 OTC products	McKesson Canada Corporation	Canada	2,154.3	2,000.0	200.0	1.1x	11.1x

Notes:

NA - Not Available

Median	\$411.7	\$1,047.3	\$57.4	0.5x	10.7x
Mean	564.6	1,406.9	81.0	0.6x	10.6x
Min	11.1	17.3	9.1	0.1x	6.7x
Max	2,154.3	3,845.7	200.0	1.5x	14.2x

Site Network/SMO – M&A Transaction Comps

Site Network/SMO – M&A Transaction Comps

USD in millions

Announced Date	Target	Target Description	Buyer	Geographic Location
Oct-19	Clinical Trial Centers Alliance (The Alliance)	CNS Network and the Hassman Research Institute merged to form Apex Innovation Sciences, which then acquired The Alliance	Apex Innovation Sciences	USA
Sep-19	Site Business of Bioclinica	AES acquired the clinical sites business from Bioclinica	Accelerated Enrollment Services (AES)	USA
Feb-19	Clinical Research Institute of Southern Oregon/New Horizons Clinical Research	CRI Southern Oregon and New Horizons combined operations under the sale to VCR Holdings	VCR Holdings	USA
Feb-19	Protenium Clinical Research	Protenium conducts pharmaceutical studies and is headquartered in Hurst, Texas	Elligo Health Research	USA
Dec-18	MD Clinical	MD Clinical operates as a private clinical drug trials facility	VCR Holdings	USA
Aug-18	SNBL USA	SNBL conducts studies specializing in safety assessment of biologics, reproductive toxicology, cardiovascular, respiratory and CNS pharmacology, among others	Altasciences Company	USA
Aug-18	Jean Brown Associates	Jean Brown Associates conducts research in the areas of H1N1 Swine Flu, wisdom teeth removal/extraction, pediatric meningitis, and women's issues	Webster Capital	USA
May-18	Evolution Research Group	Evolution Research Group provides medical and scientific clinical research site services in the neurosciences area	Linden Capital Partners	USA
Apr-18	Meridien Research	Meridien Research offers medical research services in Florida	Avego Healthcare Capital	USA
Feb-18	Wake Research Holdings	Wake Research Holdings operates a clinical trial support business in the United States	M3	USA
Sep-17	Optimal Research	Optimal Research was Accelovance's site network business that was carved out in the transaction to Synexus	Synexus	USA
Sep-17	Upstate Pharmaceutical Research	Upstate Pharmaceutical Research provides phase II – IV clinical trials services for respiratory therapeutics	VitaLink Research	USA
Jun-17	Altasciences Company	Altasciences operates as an early phase CRO which provides early phase clinical research and development services to biopharmaceutical and generic companies	Audax Group	Canada
Mar-17	Radiant Research	Radiant Research was comprised of over 75 research sites across the US	Synexus/PPD	USA
Sep-16	VitaLink Research	VitaLink Research operates a network of clinical research centers in the United States. VitaLink Research was formerly known as Alliance Biomedical Research	Great Point Partners	USA

eClinical/Ancillary Clinical Trial Services – M&A Transaction Comps

eClinical/Ancillary Clinical Trial Services – M&A Transaction Comps

USD in millions

Announced Date	Target	Target Description	Buyer	Enterprise Value	Geographic Location
Sep-20	TriNetX	TriNetX provides clinical research and enables discoveries by creating real-world evidence	The Carlyle Group	NA	USA
Apr-20	IRBco	IRBco is an AAHRPP-accredited central IRB that has conducted research reviews in the US since 1981	Advarra	NA	USA
Sep-19	Symphony Clinical Research	Symphony Clinical Research is a provider of in-home and alternative-site clinical services. Symphony makes participating in research convenient by bringing study visits to patients in all phases and therapeutic areas of trials	ICON	\$37.5	USA
Sep-19	Forte Research Systems	Forte Research Systems develops and markets clinical trial management, clinical data management, and research management software for cancer centers, academic medical centers, and health systems	Advarra	NA	USA
Aug-19	THREAD	THREAD operates as a virtual research platform for capturing clinical study data during and instead of clinic visits	JLL Partners; Water Street Healthcare Partners	NA	USA
Jun-19	Medidata Solutions	Medidata provides cloud-based solutions for life science companies worldwide. It offers the Medidata Clinical Cloud, analytics, and clinical technology for drug development	Dassault Systemes Americas	5822.3	USA
Feb-19	Linguamatics	Linguamatics develops text mining solutions for the pharmaceutical industry. The platform creates analytics, advanced research, and improved patient outcomes	IQVIA Holdings	NA	United Kingdom
Jan-19	Velos	Velos develops clinical research management software solutions to organizations across the world	WIRB-Copernicus Group	NA	USA
Aug-18	SNBL USA	SNBL conducts preclinical drug development studies in the United States. Its specialized capabilities include safety assessment of biologics, toxicology, pharmacology, immunotoxicology, and carcinogenicity	Altasciences Company	NA	USA
Dec-18	Advanced Health Media	Advanced Health Media provides software and services to manage healthcare professional engagements. The company offers six different software platforms	IQVIA Holdings	NA	USA
Nov-18	159 Solutions	159 Solutions provides analytical solutions to life sciences clients	IQVIA Holdings	NA	USA
Oct-18	goBalto	goBalto offers a data-driven approach to the identification of sites and target populations for studies; The company also provides updates across studies and insights to streamline operational processes	Oracle	NA	USA
Aug-18	Kinapse	Kinapse offers services in the areas of quality and compliance, medical affairs, development operations, clinical operations, pharmacovigilance, medical writing, among others	Syneos Health	\$121.0	United Kingdom
Jul-18	CRF Health	CRF Health develops electronic clinical outcome assessment (eCOA) solutions for home and site-based phase I-IV clinical trials for various therapeutic areas and patient populations	Bracket Global	NA	USA
Jun-18	Sciformix Corporation	Sciformix provides knowledge-based consultancy and services to life science companies. It offers services in the areas of biometrics, scientific writing, safety and risk management, and regulatory affairs	Covance	NA	USA
Mar-18	Applied Clinical Intelligence	Applied Clinical Intelligence provides specialty services to mitigate risk and ensure patient safety in clinical trials through decision support tools to the clinical research industry	WIRB-Copernicus Group	NA	USA

CDMO – Public Company Trading Comps

CDMO – Public Company 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	\$6,358.2	\$376.3	\$106.7	\$82.6	30.9%	28.4%	21.9%	16.9x	59.6x	77.0x	1.9%	1.9%	1.1x
Balchem Corporation	NasdaqGS:BCPC	3,855.4	689.5	159.2	108.6	32.1%	23.1%	15.7%	5.6x	24.2x	35.5x	5.4%	5.5%	1.3x
Catalent, Inc.	NYSE:CTLT	19,195.6	3,275.3	721.8	459.6	32.2%	22.0%	14.0%	5.9x	26.6x	41.8x	16.0%	17.9%	4.2x
Eurofins Scientific SE	ENXTPA:ERF	18,921.5	5,310.0	986.4	577.8	21.4%	18.6%	10.9%	3.6x	19.2x	32.7x	19.0%	22.5%	3.7x
Johnson Matthey Plc	LSE:JMAT	7,566.4	19,058.6	731.9	550.9	6.1%	3.8%	2.9%	0.4x	10.3x	13.7x	28.9%	34.3%	3.0x
Lonza Group Ltd	SWX:LONN	51,201.0	6,354.4	1,759.1	1,260.7	39.3%	27.7%	19.8%	8.1x	29.1x	40.6x	7.9%	8.4%	2.3x
Recipharm AB (publ)	OM:RECI B	3,736.4	1,143.5	177.8	78.1	66.6%	15.5%	6.8%	3.3x	21.0x	47.8x	31.5%	43.7%	6.6x
Siegfried Holding AG	SWX:SFZN	3,014.9	873.9	105.5	49.2	18.4%	12.1%	5.6%	3.4x	28.6x	61.2x	0.0%	0.0%	–
Thermo Fisher Scientific Inc.	NYSE:TMO	198,172.0	28,497.0	8,361.0	6,062.0	47.3%	29.3%	21.3%	7.0x	23.7x	32.7x	10.7%	11.4%	2.5x
West Pharmaceutical Services, Inc.	NYSE:WST	20,754.4	2,037.3	476.0	369.1	34.8%	23.4%	18.1%	10.2x	43.6x	56.2x	1.6%	1.6%	0.7x

Median	32.2%	22.6%	14.9%	5.7x	25.4x	41.2x	9.3%	9.9%	2.4x
Mean	32.9%	20.4%	13.7%	6.4x	28.6x	43.9x	12.3%	14.7%	2.5x
Min	6.1%	3.8%	2.9%	0.4x	10.3x	13.7x	0.0%	0.0%	–
Max	66.6%	29.3%	21.9%	16.9x	59.6x	77.0x	31.5%	43.7%	6.6x

- The median EV multiples for CDMOs at the end of Q3 were **5.7x** and **25.4x** for LTM Sales and EBITDA, respectively

CRO – Public Company Trading Comps

CRO – Public Company 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	\$14,372.4	\$2,824.1	\$656.8	\$431.0	37.0%	23.3%	15.3%	5.1x	21.9x	33.4x	15.2%	17.6%	3.3x
ICON Public Limited Company	NasdaqGS:ICLR	10,017.1	2,762.5	469.7	405.1	30.4%	17.0%	14.7%	3.6x	21.3x	24.7x	4.4%	4.2%	0.9x
IQVIA Holdings Inc.	NYSE:IQV	45,868.5	10,956.0	1,772.0	711.0	34.0%	16.2%	6.5%	4.2x	25.9x	64.5x	28.5%	38.0%	7.4x
Linical Co., Ltd.	TSE:2183	156.3	99.8	10.6	5.9	29.0%	10.6%	5.9%	1.6x	14.8x	26.6x	29.7%	30.1%	4.4x
Medpace Holdings, Inc.	NasdaqGS:MEDP	4,858.1	896.1	167.5	148.2	61.1%	18.7%	16.5%	5.4x	29.0x	32.8x	2.6%	2.5%	0.8x
PRA Health Sciences, Inc.	NasdaqGS:PRAH	9,193.0	3,110.1	417.0	289.5	48.6%	13.4%	9.3%	3.0x	22.0x	31.8x	16.1%	18.4%	3.6x
PPD, Inc.	NasdaqGS:PPD	15,746.6	4,364.1	730.9	457.6	63.5%	16.7%	10.5%	3.6x	21.5x	34.4x	29.1%	38.3%	6.3x
Syneos Health, Inc.	Nasdaq:SYNH	9,677.2	4,488.7	564.2	336.3	22.5%	12.6%	7.5%	2.2x	17.2x	28.8x	29.4%	40.2%	5.0x

Median	35.5%	16.5%	9.9%	3.6x	21.7x	32.3x	22.3%	24.2%	4.0x
Mean	40.8%	16.1%	10.8%	3.6x	21.7x	34.6x	19.4%	23.7%	4.0x
Min	22.5%	10.6%	5.9%	1.6x	14.8x	24.7x	2.6%	2.5%	0.8x
Max	63.5%	23.3%	16.5%	5.4x	29.0x	64.5x	29.7%	40.2%	7.4x

- The median EV multiples for CROs were **3.6x** and **21.7x** for LTM Sales and EBITDA, respectively

Specialty Packaging – Public Company Trading Comps

Specialty Packaging – Public Company 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
Amcorg plc	ASX:AMC	\$24,711.8	\$12,423.5	\$1,862.9	\$1,271.8	20.8%	15.0%	10.2%	2.0x	13.3x	19.4x	28.5%	38.3%	3.8x
AptarGroup, Inc.	NYSE:ATR	9,892.6	2,851.3	568.6	356.2	36.6%	19.9%	12.5%	3.5x	17.4x	27.8x	12.7%	14.2%	2.2x
Berry Global Group, Inc.	NYSE:BERY	18,063.4	11,709.0	2,118.0	1,273.0	20.6%	18.1%	10.9%	1.5x	8.5x	14.2x	62.6%	150.8%	5.3x
CCL Industries Inc.	TSX:CCL.B	9,388.5	3,880.1	777.0	550.7	28.4%	20.0%	14.2%	2.4x	12.1x	17.0x	19.7%	22.9%	2.4x
Gerresheimer AG	DB:GXI	1,200.7	1,655.2	341.5	168.4	29.4%	20.6%	10.2%	0.7x	3.5x	7.1x	111.3%	NM	3.9x
Mondi plc	LSE:MNDI	13,685.1	7,820.2	1,602.5	1,114.1	45.2%	20.5%	14.2%	1.7x	8.5x	12.3x	22.4%	26.9%	1.9x
Sonoco Products Company	NYSE:SON	7,621.9	5,169.9	744.9	492.2	19.7%	14.4%	9.5%	1.5x	10.2x	15.5x	32.2%	41.3%	3.3x
West Pharmaceutical Services, Inc.	NYSE:WST	20,754.4	2,037.3	476.0	369.1	34.8%	23.4%	18.1%	10.2x	43.6x	56.2x	1.6%	1.6%	0.7x
WestRock Company	NYSE:WRK	21,350.3	17,578.8	2,718.2	1,275.2	18.2%	15.5%	7.3%	1.2x	7.9x	16.7x	47.5%	88.6%	3.7x
Winpak Ltd.	TSX:WPK	1,712.7	857.9	192.6	146.9	30.8%	22.4%	17.1%	2.0x	8.9x	11.7x	0.8%	0.7%	0.1x

Median	28.9%	20.0%	11.7%	1.9x	9.6x	16.1x	25.4%	26.9%	2.8x
Mean	28.4%	19.0%	12.4%	2.7x	13.4x	19.8x	33.9%	42.8%	2.7x
Min	18.2%	14.4%	7.3%	0.7x	3.5x	7.1x	0.8%	0.7%	0.1x
Max	45.2%	23.4%	18.1%	10.2x	43.6x	56.2x	111.3%	150.8%	5.3x

- The median EV multiples for Specialty Packaging were **1.9x** and **9.6x** for LTM Sales and EBITDA, respectively
 - The constituents of the Specialty Packaging comparables set are not true service providers, as they are predominantly manufacturers of packaging solutions

Distribution – Public Company Trading Comps

Distribution – Public Company 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	\$19,967.3	\$189,893.9	\$2,469.3	\$2,067.7	2.7%	1.3%	1.1%	0.1x	8.1x	9.7x	23.0%	23.0%	1.9x
Cardinal Health, Inc.	NYSE:CAH	19,709.6	154,646.0	2,683.0	1,799.0	4.5%	1.7%	1.2%	0.1x	7.3x	11.0x	34.2%	42.9%	2.5x
Henry Schein, Inc.	NasdaqGS:HSIC	10,408.8	9,622.4	766.5	577.1	28.7%	8.0%	6.0%	1.1x	13.6x	18.0x	13.4%	14.6%	1.8x
McKesson Europe AG	HMSE:CLS1	6,642.6	23,767.5	208.4	93.3	9.6%	NM	NM	0.3x	NM	NM	16.7%	17.1%	5.3x
McKesson Corporation	NYSE:MCK	34,543.4	234,194.0	3,817.0	2,919.0	5.2%	1.6%	1.2%	0.1x	9.0x	11.8x	28.1%	34.8%	2.5x
Owens & Minor, Inc.	NYSE:OMI	3,379.8	8,309.0	241.6	157.4	14.0%	2.9%	1.9%	0.4x	14.0x	21.5x	43.5%	73.9%	6.1x
Patterson Companies, Inc.	NasdaqGS:PDCO	3,481.5	5,541.6	302.4	222.7	21.3%	5.5%	4.0%	0.6x	11.5x	15.6x	23.0%	28.4%	2.6x
UDG Healthcare plc	LSE:UDG	2,807.1	1,279.2	185.9	130.7	31.1%	14.5%	10.2%	2.2x	15.1x	21.5x	13.6%	14.2%	2.0x

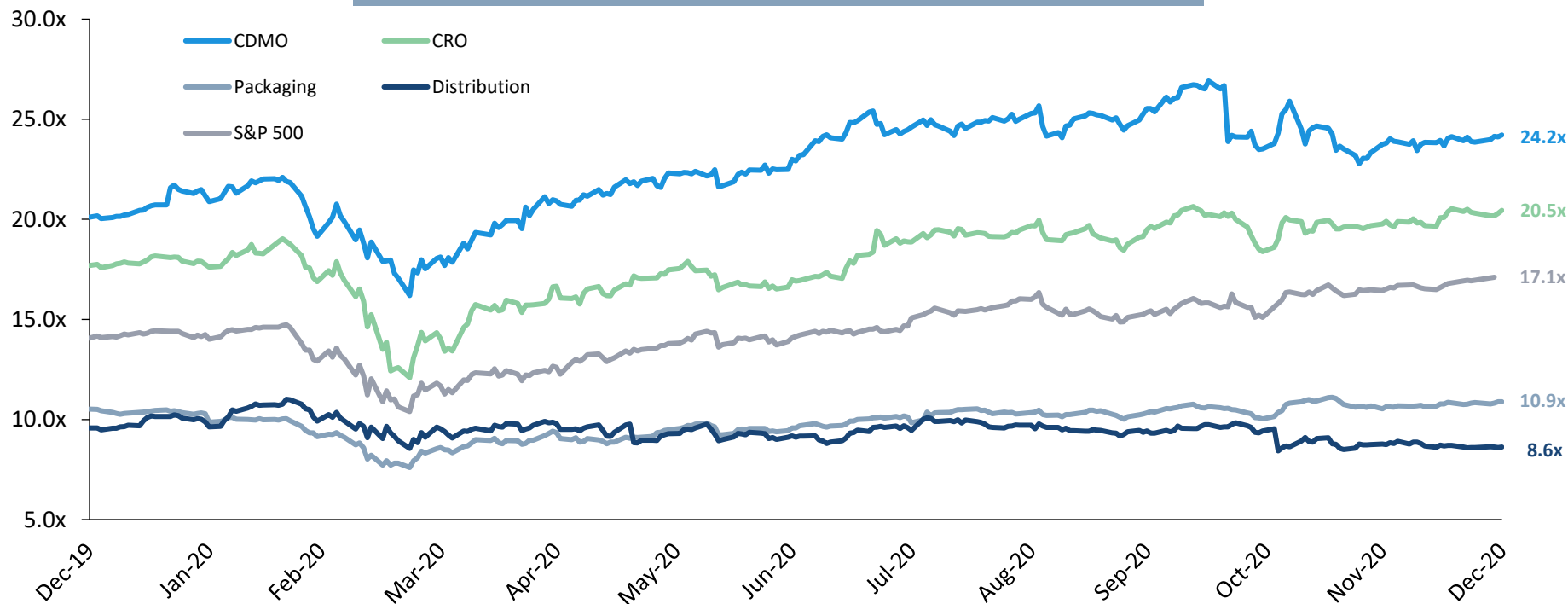
NM - Not Meaningful

Median	11.8%	2.9%	1.9%	0.3x	11.5x	15.6x	23.0%	25.7%	2.5x
Mean	14.6%	5.1%	3.7%	0.6x	11.2x	15.6x	24.4%	31.1%	3.1x
Min	2.7%	1.3%	1.1%	0.1x	7.3x	9.7x	13.4%	14.2%	1.8x
Max	31.1%	14.5%	10.2%	2.2x	15.1x	21.5x	43.5%	73.9%	6.1x

- The median EV multiples for Distribution were **0.3x** and **11.5x** for LTM Sales and EBITDA, respectively

Valuation Trends – LTM

Historical Total Enterprise Value / EBITDA (LTM) Multiples



- The CDMO and CRO sector EV/EBITDA (LTM) multiples are trading at significant premiums to the S&P 500 (~42% and ~20%, respectively), while the Packaging and Distribution sectors continue to trade at healthy multiples

CDMO basket consists of: Bachem (SWX:BANB), Balchem (NasdaqGS:BCPC), Catalent (NYSE:CTLT), 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 Laboratories International (NYSE:CRL), ICON (NasdaqGS:ICLR), IQVIA (NYSE:IQV), Medpace (NasdaqGS:MEDP), PRA Health Sciences (NasdaqGS:PRAH), PPD, Inc. (NasdaqGS:PPD), and Syneos Health, Inc. (NasdaqGS:SYNH)

Distribution basket consists of: AmerisourceBergen Corporation (NYSE:ABC), Cardinal Health (NYSE:CAH), Henry Schein (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), Sonoco Products Company (NYSE:SON), West Pharmaceutical Services, Inc. (NYSE:WST), WestRock Company (NYSE:WRK), and Wipac Ltd. (TSX:WPK)

Valuation Trends – Last 3 Years

Historical Total Enterprise Value / EBITDA (LTM) Multiples



CDMO basket consists of: Bachem (SWX:BANB), Balchem (NasdaqGS:BCPC), Catalent (NYSE:CTLT), 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 Laboratories International (NYSE:CRL), ICON (NasdaqGS:ICLR), IQVIA (NYSE:IQV), Medpace (NasdaqGS:MEDP), PRA Health Sciences (NasdaqGS:PRAH), PPD, Inc. (NasdaqGS:PPD), and Syneos Health, Inc. (NasdaqGS:SYNH)

Distribution basket consists of: AmerisourceBergen Corporation (NYSE:ABC), Cardinal Health (NYSE:CAH), Henry Schein (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), Sonoco Products Company (NYSE:SON), West Pharmaceutical Services, Inc. (NYSE:WST), WestRock Company (NYSE:WRK), and Winpak Ltd. (TSX:WPK)

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

- Below are the current EV / EBITDA (LTM) multiples for each sector:
 - CDMO: 24.2x (41.5% above current S&P multiples)
 - CRO: 20.5x (19.8% above current S&P multiples)
 - Specialty Packaging: 10.9x (36.3% below current S&P multiples)
 - Distribution: 8.6x (49.6% below current S&P multiples)
 - S&P 500: 17.1x
- Below are the average EV / EBITDA (LTM) multiples for each sector over the last 3 years:
 - CDMO: 19.8x (49.8% above average S&P multiples)
 - CRO: 17.7x (34.0% above average S&P multiples)
 - Specialty Packaging: 10.0x (24.6% below average S&P multiples)
 - Distribution: 9.4x (28.6% below average S&P multiples)
 - S&P 500: 13.2x
- Below are the % change in EV / EBITDA (LTM) multiples for each sector over the last 3 years (and LTM):
 - CDMO: +31.6% (up 20.4% in the last 12 months)
 - CRO: +14.7% (up 15.5% in the last 12 months)
 - Specialty Packaging: -4.4% (up 3.5% in the last 12 months)
 - Distribution: -17.3% (down 10.0% in the last 12 months)
 - S&P 500: +34.1% (up 21.7% in the last 12 months)

Contact Us

Bourne Partners is Comprised of Experienced Investment Professionals, Healthcare Executives, and Operating Partners



Banks Bourne
Chief Executive Officer



Minor Hinson
Chief Investment Officer



Jeremy Johnson
Managing Director



Xan Smith
Managing Director



Calli Lewis
Director of Corp. Affairs



Todd Bokus
Vice President



Chris Inklebarger
Chief Operating Officer



Robert Stanley
Vice President

- Over 70 years of combined pharmaceutical, biotechnology, medical device, healthcare and pharma services, and consumer health/OTC experience
- Over 100 years of combined investment banking and private equity transaction experience
- Transactions completed in more than 35 countries
 - Mergers & Acquisitions*
 - Licensing Agreements
 - Product Divestitures*
 - Distribution Agreements
 - Corporate Spin-offs*
 - Capital Raising*
 - Strategy Consulting
 - Fund Management
 - Direct Investing

Office Information

550 South Caldwell Street, Suite 900
Charlotte, North Carolina 28202
www.bourne-partners.com
Tel: 704-552-8407
Fax: 704-714-8363



Contact Details

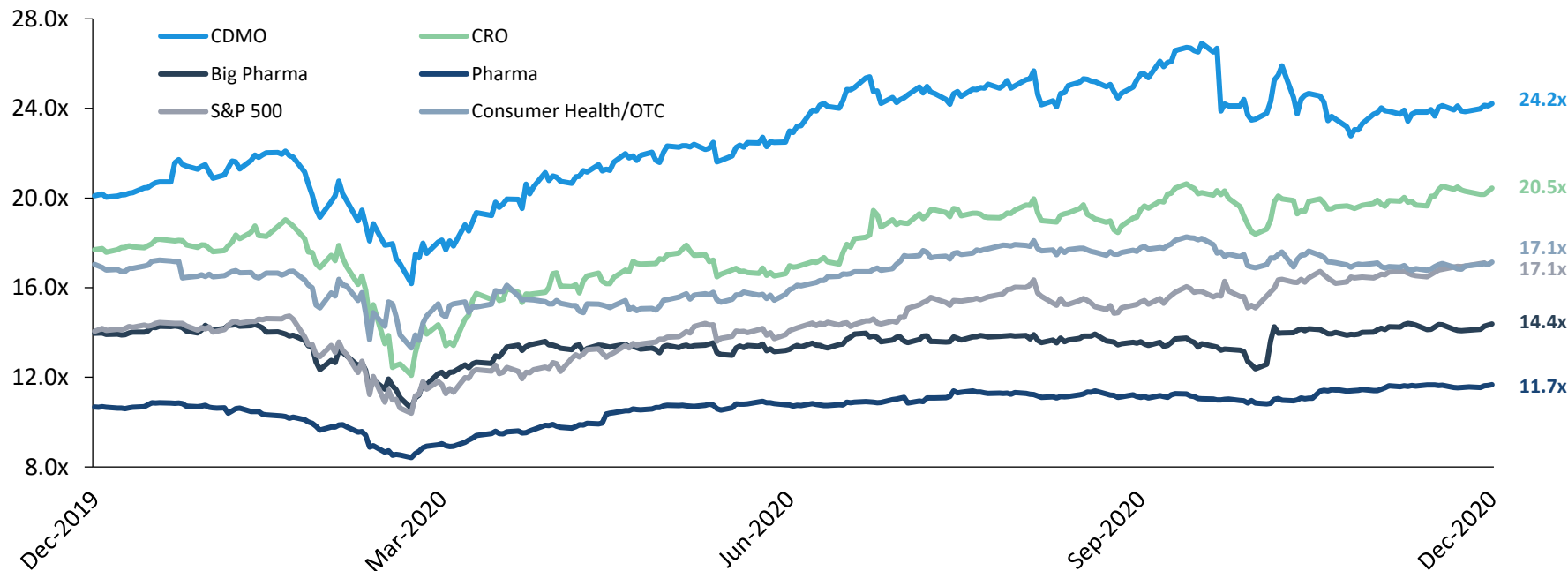
Xan Smith
Managing Director, BD
Office: 704-714-8351
Mobile: 910-585-1793
xsmith@bourne-partners.com

* Investment Banking services are offered by Bourne Partners Securities, LLC, a registered broker dealer, Member FINRA and SIPC.

Appendix

Bourne Industry Coverage vs. S&P 500 – EV/EBITDA (LTM)

- 2H of 2020 was a true “Rebound For The Ages” across all of Bourne’s sectors of coverage
 - Across all of our coverage, CDMOs and CROs continue to lead the way in terms of EV/EBITDA (LTM) multiples (**24.2x** and **20.5x**, respectively), while each of our coverage sectors are still trading at very healthy multiples



CDMO basket consists of: Bachem (SWX:BANB), Balchem (NasdaqGS:BCPC), Catalent (NYSE:CTLT), 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 Laboratories International (NYSE:CRL), ICON (NasdaqGS:ICLR), IQVIA (NYSE:IQV), Medpace (NasdaqGS:MEDP), PRA Health Sciences (NasdaqGS:PRAH), PPD, Inc. (NasdaqGS:PPD), and Syneos Health, Inc. (NasdaqGS:SYNH)

Pharma basket consists of: ADVANZ Pharma (TSX:ADVZ), Akorn (NasdaqGS:AKRX), Almirall (BME:ALM), Amphastar Pharmaceuticals (NasdaqGS:AMPH), Assertio Therapeutics (NasdaqGS:ART), Bausch Health Companies (NYSE:BHC), H. Lundbeck (CPSE:LUN), Hikma Pharmaceuticals (LSE:HIK), Horizon Therapeutics (NasdaqGS:HZNP), Indivior (LSE:INDV), Ipsen (ENXTPA:IPN), Jazz Pharmaceuticals (NasdaqGS:JAZZ), Lannett Company (NYSE:LCI), Lupin (BSE:500257), Mylan (NasdaqGS:MYL), Nichi-Iko Pharmaceutical Co. (TSE:4541), Perrigo Company (NYSE:PRGO), Recordati Industria Chimica e Farmaceutica (BIT:REC), Sun Pharmaceutical Industries (NSEI:SUNPHARMA), Takeda Pharmaceutical Company (TSE:4502), Taro Pharmaceutical Industries (NYSE:TARO), Teva Pharmaceutical Industries (NYSE:TEVA), and UCB (ENXTBR:UCB)

Big Pharma basket consists of: Abbott Laboratories (NYSE:ABT), AbbVie (NYSE:ABBV), AstraZeneca (LSE:AZN), Bayer Aktiengesellschaft (XTRA:BAYN), Bristol-Myers Squibb (NYSE:BMJ), Eli Lilly & Company (NYSE:LLY), GlaxoSmithKline (LSE:GSK), Johnson & Johnson (NYSE:JNJ), Merck & Co. (NYSE:MRK), Novartis AG (SWX:NOVN), Novo Nordisk (CPSE:NOVO B), Pfizer (NYSE:PFE), Roche (SWX:ROG), Sanofi (ENXTPA:SAN)

Consumer Health / OTC basket consists of: Blackmores (ASX:BKL), Boiron (ENXTPA:BOI), Church & Dwight (NYSE:CHD), Medifast (NYSE:MED), Nature’s Sunshine Products (NasdaqCM:NATR), Nu Skin Enterprises (NYSE:NUS), Prestige Consumer Healthcare (NYSE:PBH), Reckitt Benckiser (LSE:RB.)