

# INSIGHT

## PHARMA SERVICES SECTOR REPORT

THIRD QUARTER 2015

BOURNE PARTNERS

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## Industry Overview & Highlights

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# Industry Overview

## Pharmaceutical Services Overview

The Pharmaceutical Services segment can be broadly segmented into three primary sections: Contract Research Organizations (CROs), Contract Manufacturing Organizations (CMOs), and Pharma Distribution Companies. Corporate size varies dramatically within all three segments from small regional companies to massive multinationals such as McKesson, one of the “Big Three” pharmaceutical distributors. Similarly, functions and business models vary greatly with all sectors having a few major players complemented by a multitude of smaller, specialized and more agile companies. All three segments, by nature of operating through outsourced contracts from pharmaceutical and biotechnology companies, are highly sensitive to factors affecting the pharmaceutical industry on the whole.

## Pharmaceutical Services Industry Highlights

**Biosimilars:** Increased need for complex biosimilar manufacturing capabilities has driven a 15% increase in contracts procured by CMOs<sup>(1)</sup>

**Emerging markets:** Massive growth in pharmaceutical industries in emerging markets—particularly China and India—coupled with the increasingly globalized clinical trials necessary to gain access to foreign markets has created a huge demand for outsourcing services

**Industry Consolidation and Increased M&A:** Both the increased importance of price advantage as a differentiator and customers’ desire for a “one-stop shop” outsourcing partner has driven consolidation both with the CRO and CMO markets and between them

**Technologization – differentiator in increasingly competitive market:** Technological advancements such as “eClinical” trial management systems, digitized supply chain management, and the use of data to more precisely understand customer segments has allowed firms to differentiate themselves with increased efficiency and more comprehensive offerings

**Movement towards more complex drugs:** Increased focus on large-molecule drugs and biologics has created a premium for CROs with more experienced staff and CMOs equipped to support such processes

**Price pressures are creating increased demand for outsourcing:** Price pressures created through patent expiration, declining R&D spending, market saturation, and legislative pressures have increased demand for outsourcing partners that can leverage its scale and expertise to lower costs in R&D, manufacturing, and distribution

**Complex regulatory environments:** The combination of growth in complex drugs, advent of biosimilars, and increased global operations has presented pharmaceutical companies with additional obstacles. Companies face challenging paths to clinical approval and to market as they navigate new regulatory procedures domestically and encounter entirely new regulatory agencies abroad. The evolving regulatory environment has fueled demand for CROs with the ability to undergo strict and diverse clinical trials as well as CMOs and distributors with expertise in product commercialization enveloped by complex regulations and delivery channels

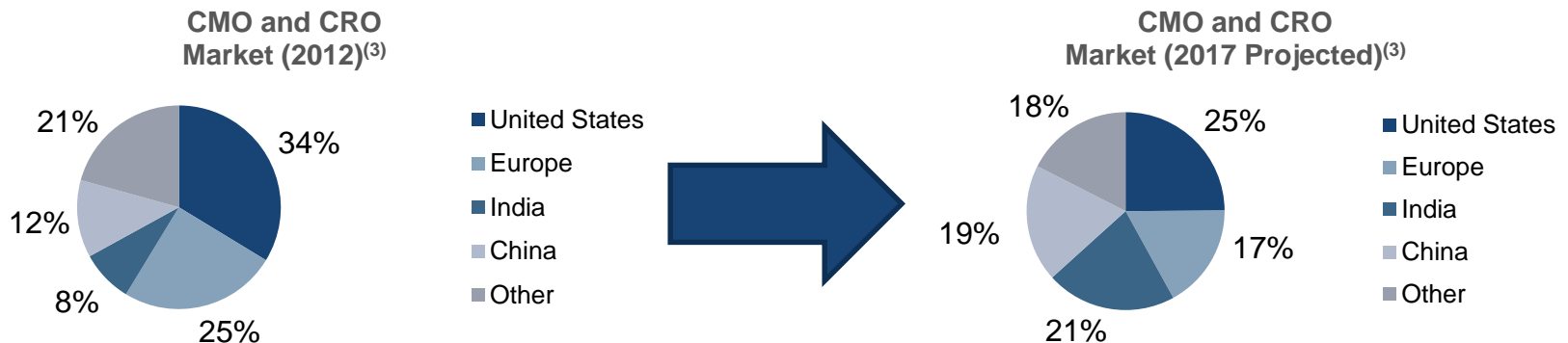
## Market Trends

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# Overall Market Trends

## Market Trends

- ❖ Surveys show that the use of outsourcing is steadily rising with an average of 6.4 services outsourced per firm in 2014, up from 4.7 in 2013 and 2.5 in 2012<sup>(1)</sup>
- ❖ Pricing pressures created through intensifying regulation and patent expiration have shifted demand toward more cost-efficient contract organizations
- ❖ North America and Western Europe dominate market share, currently accounting for 60% of global CRO and CMO business<sup>(2)</sup>
- ❖ The US remains a hotbed for innovation with a focus on innovative R&D; over 50% of recently performed Phase I clinical trials were conducted in the US<sup>(1)</sup>
- ❖ Non-western countries, such as China and India, have shown a potential for high growth due to the viability of their own emerging markets and their more competitive input costs, which have drawn international pharmaceutical companies seeking to reduce prices
- ❖ China and India are projected to account for 19% and 21% of the CMO and CRO market in 2017, up from 12% and 8% in 2012, respectively<sup>(3)</sup>
- ❖ Market share for all segments is increasingly dominated by larger companies able to take advantage of scale and access to global markets
- ❖ However, small agile players have created significant opportunities by filling gaps in the rapidly changing pharmaceutical landscape

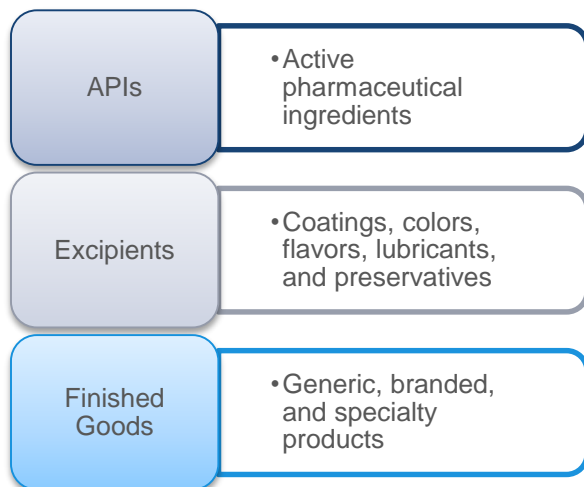


# Contract Manufacturing Overview

## Overview

- ❖ CMOs provide a wide array of niche, development, and volume manufacturing capabilities including:
  - ❖ Formulation development
  - ❖ Physical processing
  - ❖ Clinical lots manufacturing
  - ❖ Packaging services
- ❖ Economies of scale and increased efficiency created by diverse experience and unique expertise can significantly reduce overhead costs associated with manufacturing facilities
- ❖ Market Growth Potential: Expected to grow by 14.6% annually to a market size of \$94bn in 2017<sup>(1)</sup>
- ❖ The market is comprised of a few major players complemented by a multitude of smaller firms

## Segmentation



## Market Trends

- ❖ Oversaturated market has led to price competition and small margins; over 30% of participants are likely to exit the market between 2012-2022<sup>(2)</sup>
- ❖ Price is increasingly becoming the most important differentiator as cost pressures grow throughout pharmaceutical industry; however, specific segments are seeing a return to quality-centric US and EU contracting
- ❖ Emerging markets and their diverse regulations and avenues to market are necessitating diverse business models with particularly transformative changes seen in firms' supply chains

## Major Players

Patheon, Inc.

BioPhase Solutions, Inc.

Covance, Inc.

Cook Pharmica LLC (Cook Medical)

Dalton Pharma Services



# Market Shifts, Opportunities, and Growth Trends

## Market Shifts and Opportunities

### Biosimilars

- ❖ US and European biopharmaceutical CMOs are already reporting a 15% increase in business through contracts for biosimilar projects<sup>(1)</sup>
- ❖ Outsourcing services for biosimilars are primarily contracted by well-established pharmaceutical companies trying to grow their biosimilar operations in response to approvals and small bio-tech companies that don't have the resources or scale to run their own manufacturing operations

### Expansion into Emerging Markets

- ❖ Growth in emerging markets is rapidly outpacing that of both the US and Europe
- ❖ Notably, China and India will likely see huge expansions in healthcare infrastructure, where they are expected to account for 40% of the CMO and CRO markets by 2017, up from 20% in 2012<sup>(2)</sup>
- ❖ CMOs able to establish themselves in these emerging markets will be well positioned to capitalize as growth continues
- ❖ Expansion will create added emphasis on the ability to manage supply chains and navigate new regulatory climates; additionally, it will challenge firms to establish operations in close proximity to new markets

### Industry Consolidation

- ❖ Pharmaceutical and biotechnology companies are increasingly turning to CMOs to decrease overhead costs and counter price pressures
- ❖ The emphasis on lowered price has a mixed effect for CMOs. Although decreasing margins, it creates opportunities to increase market share through consolidation, economies of scale, and synergies unavailable to smaller or more narrowly focused companies
- ❖ Consolidation also incentivizes new value in CMOs providing a full suite of offerings that meet their clients' needs

## Trends in Growth

### Injectables Growth

- ❖ The injectables market is predicted to be worth \$30bn in 2018<sup>(3)</sup>
- ❖ Growth is driven by heightened focus on complex diseases, a movement in Big Pharma from small to large molecule theory, and a rise in cytotoxics
- ❖ Injectables' complexity and stricter regulations have allowed CMOs with experience in injectable production and clean FDA audits to maintain market share and command higher prices despite increased attention and competition

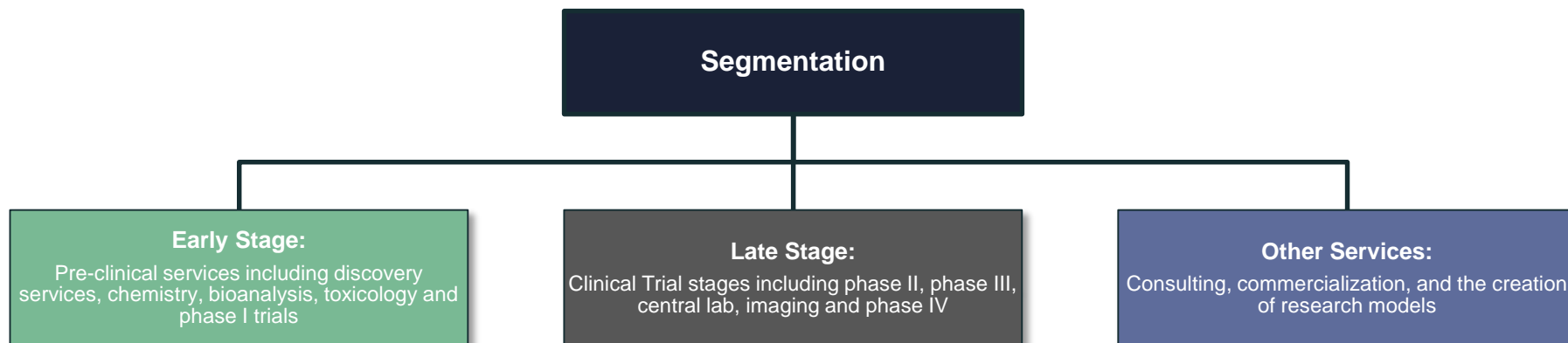
### Growth Potential for Other Segments

- ❖ Solid Dosage Forms ("SDFs") – Largest segment with steady growth due to its lower cost, ease of manufacturing, and bevy of new products attributed to the recent wave of patent expirations
- ❖ Liquid Dosage Forms ("LDFs") – Are steadily declining due to storage and transportation issues; minimal R&D suggests that this trend will continue

# Contract Research Overview

## Industry Overview

- ❖ CROs provide a spectrum of R&D services to research sponsors, including, but not limited to:
  - ❖ Drug Discovery
  - ❖ Pre-Clinical and clinical trial services
  - ❖ Regulatory affairs
  - ❖ Clinical packaging
- ❖ CRO partnership allows a sponsor to leverage the significant R&D, regulatory, information and process management expertise of global partners; their services can also allow for the reduction of fixed costs, improved efficiency in clinical trial management, accelerated time to market, and a reduction of uncertainties and risk
- ❖ CROs are extraordinarily effective in cost reduction, having been shown to reduce development costs by as much as 20-30%<sup>(1)</sup>
- ❖ Factors driving increased utilization of CROs include expiring patents and the pressure associated therewith, as well as increasingly strict and costly regulatory hurdles



# Contract Research Market Overview

## Overview

- ❖ The global CRO market is forecasted to grow 11.4% annually up to \$43bn in 2017<sup>(1)</sup>
- ❖ There are roughly 1730 existing CROs<sup>(2)</sup>
- ❖ The market remains highly competitive and fragmented (especially in niche areas)
- ❖ Top 10 players account for over 50% of total market revenue<sup>(3)</sup>
- ❖ The overall potential market size, assuming over 100% CRO utilization, is estimated at \$90-95bn; currently, the industry is estimated to be approximately \$23-25bn; with estimated 5-6% CAGR through 2018, growth perspectives are enormous<sup>(3)</sup>
- ❖ Different market growth potential for early stage and late stage development segments:
  - ❖ Outsourcing market for early-stage development, currently sized between \$5.5-6.5bn, is forecasted to grow at a CAGR of 4% through 2018
  - ❖ Outsourcing market for late-stage development expected to grow at a CAGR of 7% through 2018 up from its current estimated size of \$15.5-16.5bn<sup>(1)</sup>

## Changing Business Model

### Strategic Partnerships:

- ❖ Increased complexity accompanying globalization and more complex research aims has led large pharmaceutical and biopharmaceutical companies to seek long-term partnerships rather than short-term outsourcing projects
- ❖ Larger CROs have leveraged these increasingly consolidated relationships due to their ability to provide turnkey solutions desired by customers, which has led to increased market share

| CROs                                     | Market Share <sup>(3)</sup> |
|--|-----------------------------|
| Quintiles                                | 15%                         |
| Covance                                  | 9%                          |
| Parexel                                  | 8%                          |
| PRA International                        | 7-8%                        |
| Pharmaceutical Product Development (PPD) | 6-7%                        |
| ICON                                     | 4-5%                        |
| InVentiv                                 | 2-4%                        |
| Charles River Laboratories               | 2%                          |
| WuXi                                     | 2%                          |
| INC Research                             | 2%                          |

## M&A

### Dynamic M&A environment with two major movements:

- ❖ **Consolidation:** Smaller players seeking to gain the broad spectrum of product offerings necessary to compete with larger CROs for long-term strategic partnerships
- ❖ **Capability Expansion:** Acquisition of specialty shops by large players seeking to expand their range of capabilities—both technologically and therapeutically—and geographic footprint so as to further differentiate themselves

# CRO Market Trends

## Strategic Partnerships

- ❖ **New Outsourcing Model:** Pharmaceutical and biotechnology industry consolidation and the price pressures of the mid 2000s gave rise to the “Strategic Partnership Model,” in which large pharmaceutical and biotechnology companies enter strategic partnerships with CROs, typically lasting years, rather than relying on preferred provider lists for short-term outsourcing for individual components of projects
- ❖ **Rationale:** Deep levels of collaboration increase efficiency, decrease costs, increase global footprint, and allow for more tailored and complex clinical solutions
- ❖ **Importance of new cost pressures:** Increasing price pressures and rising R&D costs render the CROs ability to reduce costs a benefit that outweighs the reservations customers attribute to outsourcing their R&D operations
- ❖ **Widespread Utilization:** It is estimated that 50% of potential partnerships within the ever-consolidating pharma industry have already been created<sup>(1)</sup>

## Growth in Specialty Drugs

- ❖ **Growing Importance:** Specialty drugs are expected to make up 42% of the pharmaceutical market in 2016, up from 23% in 2011<sup>(1)</sup>
- ❖ **Differentiation Opportunities:** Specialty drug growth provides an opportunity for CROs capable of working with complex specialty products and able to navigate their differentiated clinical trial process to seize market size; in particular, demand is increasing for CROs with staff experienced with biomarkers, genomics, companion diagnostics, and delivery routes

## Viability of Emerging Markets

- ❖ **China:** Lobbying is helping create far more transparent and favorable regulations for clinical trials; in response both CROs and pharmaceutical companies are investing in significant R&D infrastructure, which will fuel outsourcing growth
- ❖ **India:** Regulation is becoming increasingly strict—only 100 clinical trials occurred in 2013 in comparison to 500 in 2010—and is in turn limiting growth prospects for CROs wary of such uncertainty

## Major Strategic Partnerships by CROs



- ❖ Ascendancy Healthcare
- ❖ Merck
- ❖ Takeda
- ❖ AstraZeneca
- ❖ Bristol-Meyers Squibb



- ❖ Bayer Healthcare
- ❖ Takeda
- ❖ Sanofi-Aventis
- ❖ Merck
- ❖ Eli Lilly



- ❖ Pfizer
- ❖ Merck
- ❖ GlaxoSmith Kline
- ❖ Eli Lilly
- ❖ Bristol-Meyers Squibb



A Symbol of Excellence

- ❖ Bristol-Meyers Squibb
- ❖ Pfizer
- ❖ Eli Lilly

# Market Opportunities

## Biosimilars

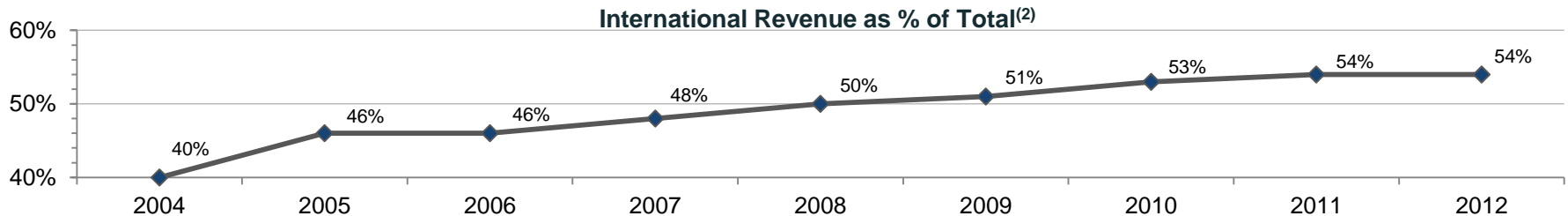
- ❖ **Pending US Approval:** Biosimilars, while already providing significant growth for CROs, are expected to continue to grow in importance upon approval in the US — forecasted to be \$20bn market
- ❖ **Premium on Expertise:** The complexity of biosimilar R&D places a further premium on the security and reliability provided by CROs with experienced and distinguished teams
- ❖ **Uncertain Regulations:** However, progress has been slowed by extensive uncertainty surrounding regulatory pathways in the US
- ❖ **Costly Path to Market:** The FDA is expected to require significantly more pre-clinical and clinical trial data than its European counterpart, the EMA, and will not account for cost of development in its creation of a regulatory pathway, which could potentially lead to significantly higher R&D costs for the US approval

## Globalization

- ❖ **Importance of Agility:** As emerging markets continue to grow, the ability to navigate and quickly conduct clinical trials across a diverse global regulatory environment is increasingly important
- ❖ **Differentiators:** Success is driven by the ability to more quickly approve trials, access wider global markets, and reduce costs
- ❖ **Growing International Revenue Stream:** CROs' international revenue streams have increased from 40% of overall revenues in 2004 to 57% in 2013<sup>(1)</sup>
- ❖ **Growth Potential of East Asia:** In particular, both Japan and China have significantly shortened their regulatory processes, which is fueling R&D expenditures and CRO activity
- ❖ **Barriers to Growth in India:** Despite being a growing market for pharmaceuticals, India has seen increasing political and media scrutiny on its clinical processes, which have slowed growth significantly

## E-Clinical Services

- ❖ **E-clinical offerings:** Digital clinical trial management systems have greatly increased in value and provide a means for CROs to differentiate themselves in an increasingly competitive market
- ❖ **Globalization:** Real-time e-clinical research platforms allow companies to better manage clinical trials over a diverse global regulatory environment
- ❖ **Regulatory Hurdles:** Adaptive trial designs allow companies to better navigate an increasingly complex regulatory environment
- ❖ **Reducing Inefficiency:** Cloud based e-clinical solutions are reducing R&D costs without compromising results by reducing upfront costs and allowing companies to more quickly identify and address issues in trials



# Pharmaceutical Distribution Overview

## Overview

- ❖ Pharma distribution includes all the distributors and wholesalers of healthcare products; wholesale drug distributors include companies that distribute products and equipment to pharmaceutical retailers, medical facilities, and other healthcare outlets
- ❖ Distributors select, purchase, and store manufactured goods for healthcare providers
- ❖ They offer purchasers a number of advantages, including lower distribution/shipping costs and large product accessibility
- ❖ Industry participants are beginning to diversify between core offerings of distribution services into other business services, such as IT products, clinical support, and patient assistance programs

## Relation to Healthcare Landscape

- ❖ Healthcare coverage expansion, shrinking Medicare Part D coverage gap, and new requirements for prescription drug coverage are fueling demand for prescription pharmaceuticals
- ❖ Increased demand has led to the restructuring of wholesale relationships from pharmacies self-warehousing to direct-store deliveries from distributors

## “Big Three”

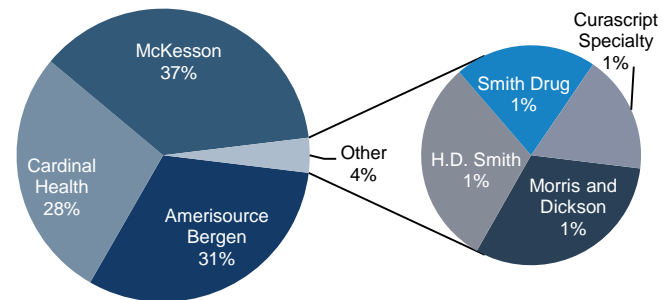
- ❖ Three major players—AmerisourceBergen, Cardinal Health, and McKesson Corporation—are responsible for over 85% of entire sector’s revenue (\$290bn)<sup>(1)</sup>

## Two Primary Segments:

- ❖ **Full-line wholesalers:** These firms buy, inventory, and sell pharmaceutical manufacturers full product lines; over 74% of full-line wholesalers’ revenues are obtained through sales to retail, mail, and specialty pharmacies<sup>(1)</sup>
- ❖ **Specialty distributors:** Sell specialty pharmaceuticals to hospitals, hospital-owned outpatient clinics, physician operated clinics, and specialty pharmacies; this segment is dominated by specialty distributors that are divisions of full-line wholesalers including McKesson Specialty and AmerisourceBergen’s ASD Healthcare; additionally, several niche players fill coverage gaps

| Distributor                | Revenue (\$bn) <sup>(1)</sup> |
|----------------------------|-------------------------------|
| McKesson                   | \$111.0                       |
| AmerisourceBergen          | \$94.1                        |
| Cardinal Health            | \$83.3                        |
| Morris and Dickson         | \$3.6                         |
| H.D. Smith                 | \$3.5                         |
| Smith Drug                 | \$2.4                         |
| Curascript Specialty       | \$2.0                         |
| Anda Distribution          | \$1.2                         |
| NC Mutual Wholesale Drug   | \$1.1                         |
| Rochester Drug Cooperative | \$0.90                        |

## Major Market Players<sup>(1)</sup>



# Market Opportunities

## Big Data

- ❖ As value in healthcare becomes increasingly consumer-oriented, rather than focused on blockbuster drugs, opportunities are afforded to companies that can effectively differentiate themselves by harnessing big data to offer specialized distribution channels tailored to local, rather than national, customer segments
- ❖ Leveraging big data also allows firms to reduce price by minimizing warehouse costs, reducing inefficient allocation of stock, and superior matching of supply and demand

## Globalized Distribution

- ❖ Major drug distributors are increasing revenue through global expansion; examples of this can be found in Cardinal Health's success in China since its entry in 2010 (accounts for over \$2.6bn in revenue) and McKesson's acquisition of Celisio, a global wholesale company operating throughout Europe and Brazil<sup>(2)</sup>
- ❖ In line with challenges facing companies in other regions of the pharmaceutical space, distributors must learn to successfully navigate new regulatory environments, different supply chains, and unfamiliar consumer profiles and segments
- ❖ Overcoming the challenges in globalized distribution should prove worthwhile, as 80% of the active pharmaceutical ingredients used in the US, the largest market for pharma services, are sourced from other countries; expanding into these regions can yield cost-minimizing benefits to distributors<sup>(3)</sup>

## Specialty Drugs

- ❖ Growth in specialty drugs has created more profitable specialized distribution channels to effectively manage these customized treatments
- ❖ 9/10 of the highest revenue producing drugs are forecasted to be specialty drugs in 2020 in comparison with only 6/10 in 2013<sup>(1)</sup>
- ❖ Potential risk lies in a growing pressure from third party payers for pharmacies to take a larger role in drug management and distribution; this may shrink distributor's margins

## Market for Generics

- ❖ The ongoing shift to generics should continue to drive profits for distributors who typically see a large share of earnings come from generic distribution
- ❖ This shift may prove to be simultaneously problematic; pressures on pharmaceutical companies margins created by generics may soon be transferred to pharmaceutical distributors as price becomes an increasingly important determinant of market share
- ❖ "Big Three" wholesalers are also taking an active role in shaping the generics market through creation of generic buying partnerships with pharmacies designed to leverage synergies and pressure generic manufacturers to reduce prices
- ❖ These partnerships include McKesson and Celesio, Walgreens-Alliance Boots-AmerisourceBergen, and CVS Caremark-Cardinal

## Industry Trading Comparables

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# Industry Trading Comparables Summary

## Key Takeaways

The pharma services industry has recently offered unique growth opportunities over both the long and short term. The last 12 months have seen tremendous growth in the contract manufacturing sector, which has translated to significant increases in LTM EBITDA multiples, which are currently averaging over 15x.

Although the market overall has experienced significant growth relative to historical norms, the pharma services sector continues to outpace its performance. We anticipate that this should continue for the foreseeable future as publicly traded US firms continue to beat estimates.

## CMO Equity Performance

- ❖ **5 Year: +272.8%**
  - S&P 500: +100.8%
- ❖ **LTM: +7.6%**
  - S&P 500: +4.6%
- ❖ **Q1 2015: +11.7%**
  - S&P 500: +0.5%
- ❖ **Q2 2015: +7.3%**
  - S&P 500: +0.2%
- ❖ **June 2015: +0.6**
  - S&P 500: -2.3%

## CRO Equity Performance

- ❖ **5 Year: +183.8%**
  - S&P 500: +100.8%
- ❖ **LTM: +46.4%**
  - S&P 500: +4.6%
- ❖ **Q1 2015: +24.0%**
  - S&P 500: +0.5%
- ❖ **Q2 2015: +2.2%**
  - S&P 500: +0.2%
- ❖ **June 2015: +1.6**
  - S&P 500: -2.3%

## Distr. Equity Performance

- ❖ **5 Year: +136.3%**
  - S&P 500: +100.8%
- ❖ **LTM: +12.6%**
  - S&P 500: +4.6%
- ❖ **Q1 2015: +7.5%**
  - S&P 500: +0.5%
- ❖ **Q2 2015: -2.0%**
  - S&P 500: +0.2%
- ❖ **June 2015: -3.0**
  - S&P 500: -2.3%

## CMO Trading Multiples

- ❖ **EV/ LTM EBITDA**
  - Median: 14.9x
  - Average: 15.1x
- ❖ **EV/ LTM Revenue**
  - Median: 2.8x
  - Average: 2.7x

## CRO Trading Multiples

- ❖ **EV/ LTM EBITDA**
  - Median: 13.6x
  - Average: 14.3x
- ❖ **EV/ LTM Revenue**
  - Median: 2.5x
  - Average: 2.4x

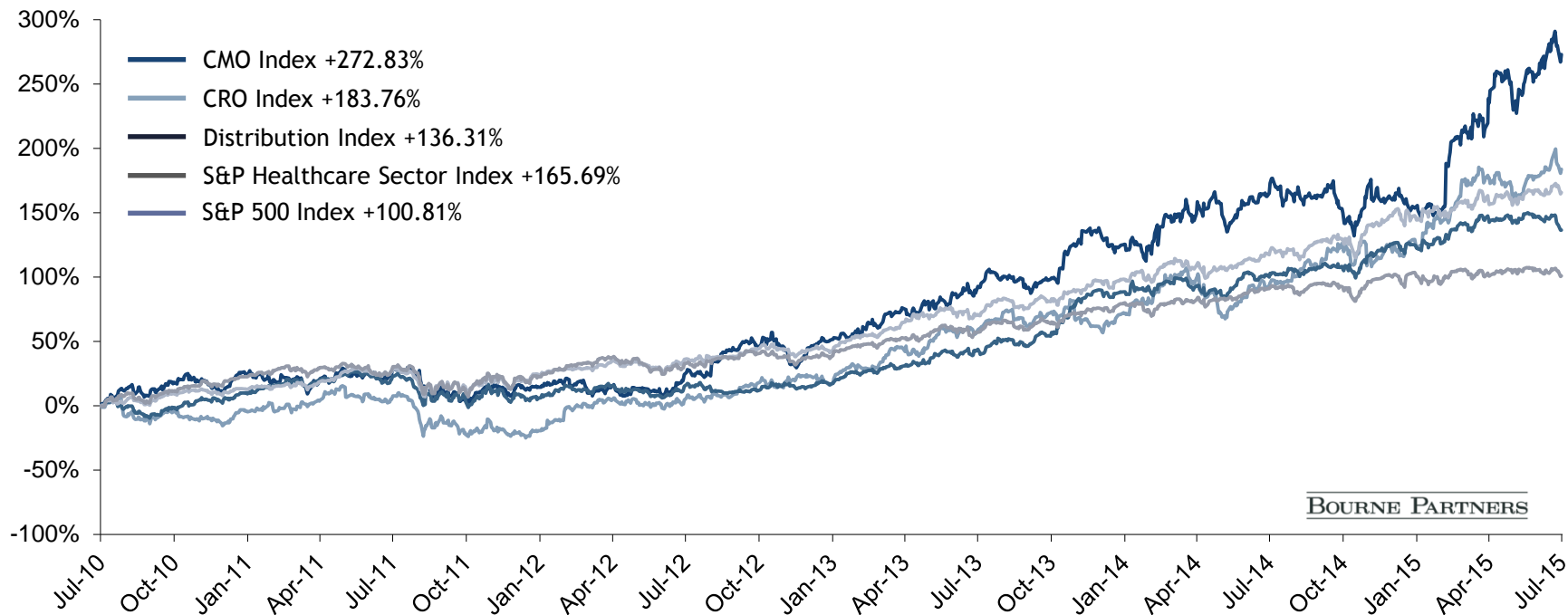
## Distr. Trading Multiples

- ❖ **EV/ LTM EBITDA**
  - Median: 13.9x
  - Average: 13.7x
- ❖ **EV/ LTM Revenue**
  - Median: 0.3x
  - Average: 0.3x

Note: All data is as of June 30, 2015 unless otherwise specified

# Historical Performance vs. Benchmarks

## Publicly Traded Comparable Company Equity Performance – 5 Year



CMO Index comprised of Albany Molecular Research Inc. (NASDAQ:AMRI), Bachem Holding AG (SWX:BANB), Balchem Corp (ENXTAM:DSM), Cambrex Corporation (NYSE:CBM), Koninklijke DSM N.V. (ENXTAM:DSM), Jubilant Life Sciences Limited (BSE:530019), Siegfried Holding AG (SWX:SFZM)

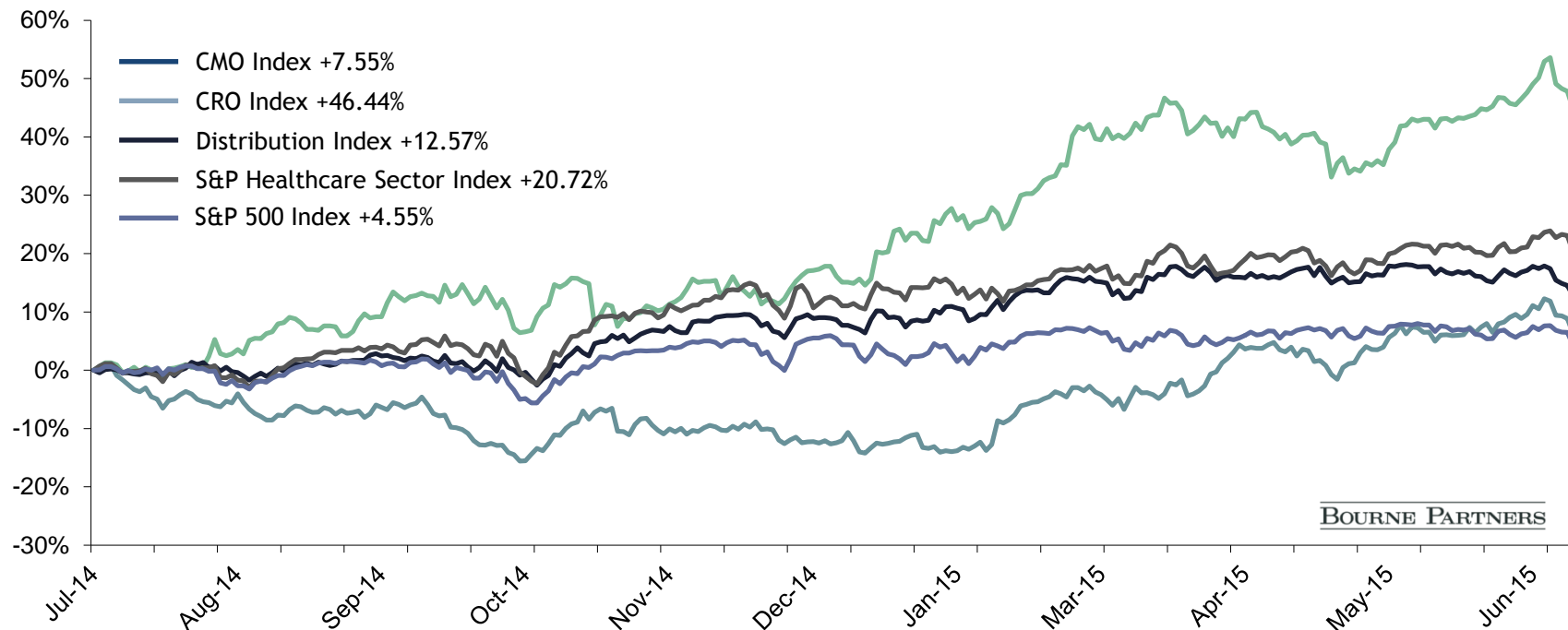
CRO Index comprised of Charles River Laboratories International, Inc. (NYSE:CRL), ICON Public Limited Company (NasdaqGS:ICLR), PAREXEL International Corporation (NasdaqGS:PRXL), PRA Health Sciences, Inc. (NasdaqGS:PRAH), Quintiles Transnational Holdings Inc. (NYSE:Q)

Distribution Index comprised of AmerisourceBergen Corporation (NYSE:ABC), Cardinal Health, Inc. (NYSE:CAH), Celesio AG (DB:CLS1), McKesson Corporation (NYSE:MCK), Owens & Minor Inc. (NYSE:OMI)

- ❖ CMOs have outperformed CROs and pharma distribution companies by over 89 and 136 percentage points, respectively, during the five year horizon
- ❖ Likewise, CMOs, CROs, and pharma distribution companies have produced 2.7x, 1.8x, and 1.4x return over the S&P 500, respectively

# Historical Performance vs. Benchmarks

## Publicly Traded Comparable Company Equity Performance – Last Twelve Months



CMO Index comprised of Albany Molecular Research Inc. (NASDAQ:AMRI), Bachem Holding AG (SWX:BANB), Balchem Corp (ENXTAM:DSM), Cambrex Corporation (NYSE:CBM), Koninklijke DSM N.V. (ENXTAM:DSM), Jubilant Life Sciences Limited (BSE:530019), Siegfried Holding AG (SWX:SFZM)

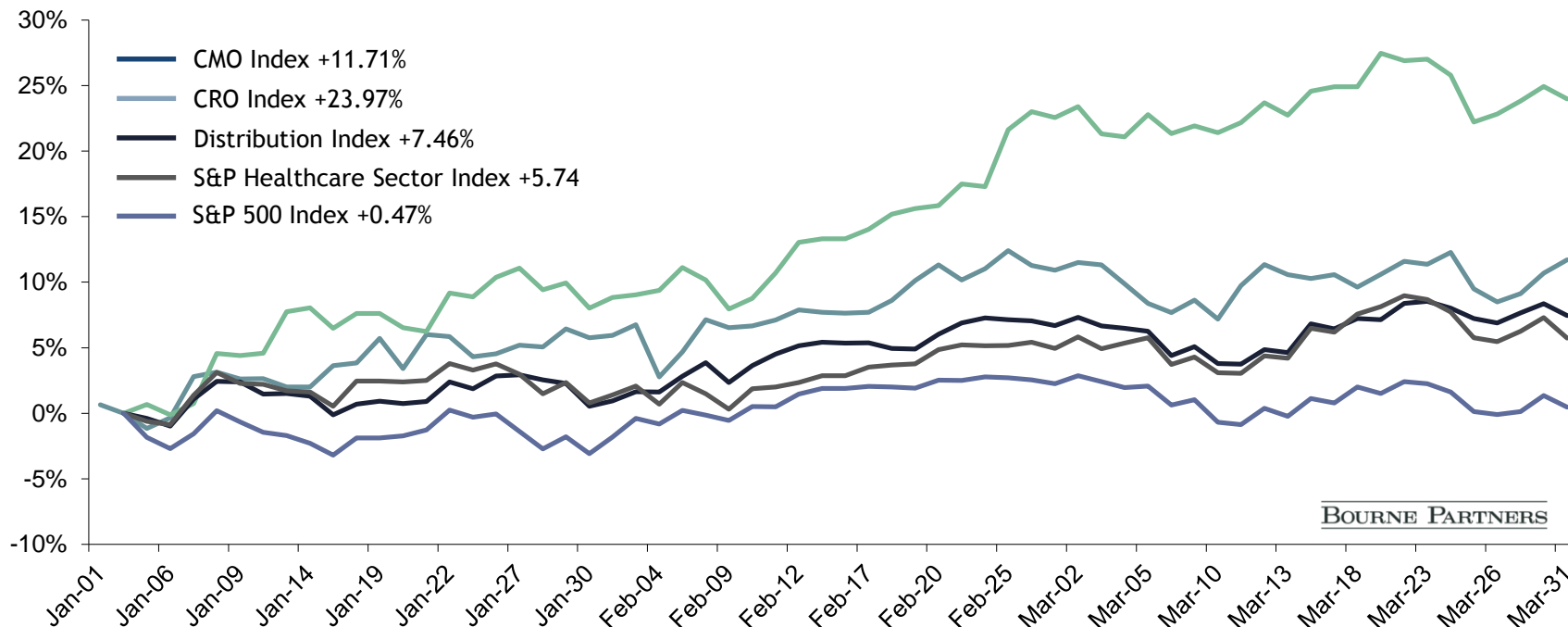
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- ❖ In the last twelve months, CROs have shown healthy gains relative to both the healthcare sector generally, as well as the S&P 500

# Historical Performance vs. Benchmarks

## Publicly Traded Comparable Company Equity Performance – First Quarter 2015



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*CMO Index comprised of Albany Molecular Research Inc. (NASDAQ:AMRI), Bachem Holding AG (SWX:BANB), Balchem Corp (ENXTAM:DSM), Cambrex Corporation (NYSE:CBM), Koninklijke DSM N.V. (ENXTAM:DSM), Jubilant Life Sciences Limited (BSE:530019), Siegfried Holding AG (SWX:SFZM)*

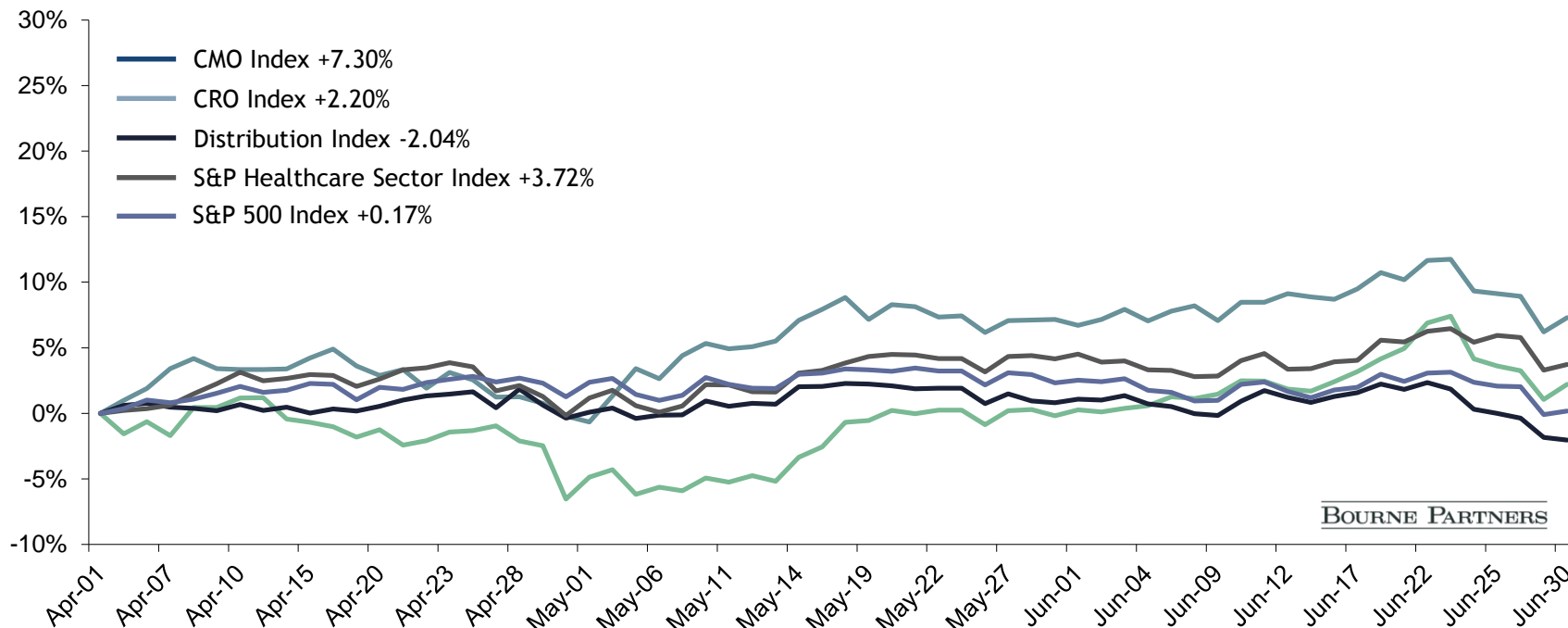
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- ❖ Over the first quarter of 2015, both CMOs and CROs have produced higher returns than the S&P 500 and the healthcare sector
- ❖ The returns for CMOs and CROs have remained in close proximity to each other over the majority of the past quarter, but CROs surpassed CMOs at the end of Q1

# Historical Performance vs. Benchmarks

## Publicly Traded Comparable Company Equity Performance – Second Quarter 2015



**BOURNE PARTNERS**

CMO Index comprised of Albany Molecular Research Inc. (NASDAQ:AMRI), Bachem Holding AG (SWX:BANB), Balchem Corp (ENXTAM:DSM), Cambrex Corporation (NYSE:CBM), Koninklijke DSM N.V. (ENXTAM:DSM), Jubilant Life Sciences Limited (BSE:530019), Siegfried Holding AG (SWX:SFZN)

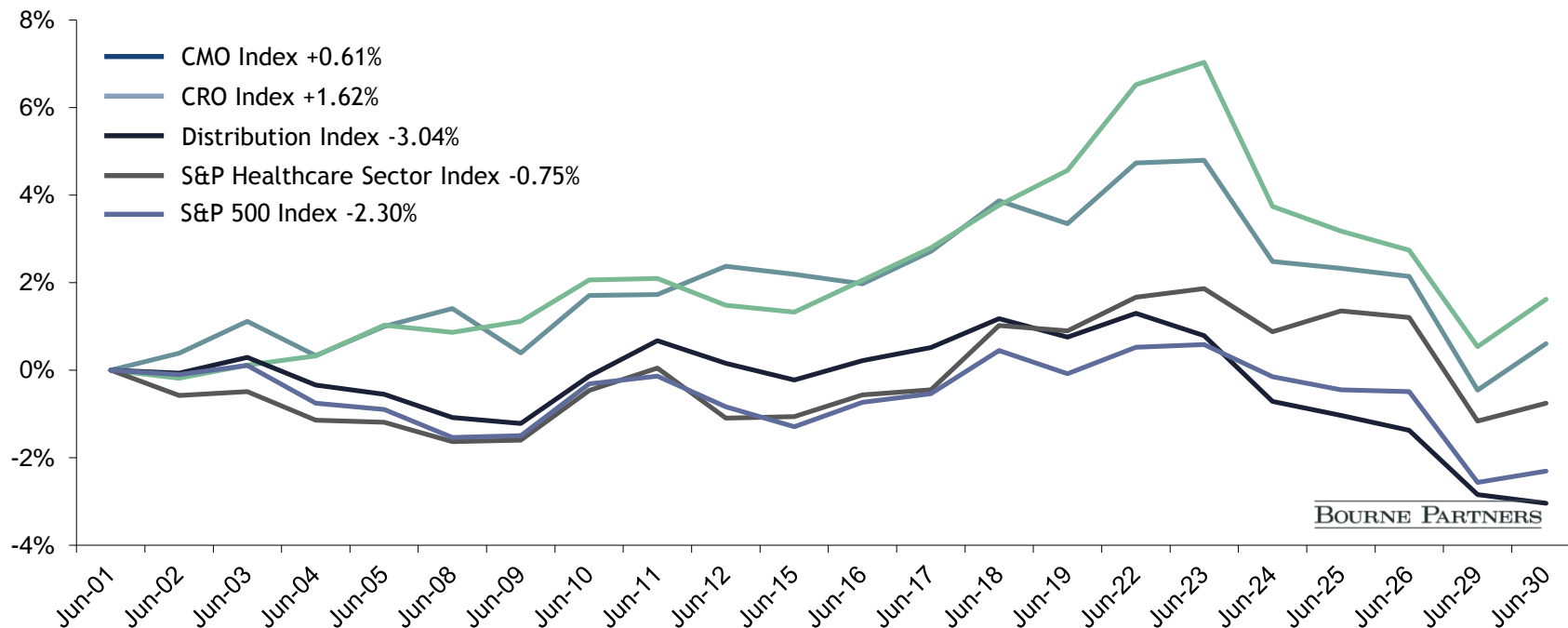
CRO Index comprised of Charles River Laboratories International, Inc. (NYSE:CRL), ICON Public Limited Company (NasdaqGS:ICLR), PAREXEL International Corporation (NasdaqGS:PRXL), PRA Health Sciences, Inc. (NasdaqGS:PRAH), Quintiles Transnational Holdings Inc. (NYSE:Q)

Distribution Index comprised of AmerisourceBergen Corporation (NYSE:ABC), Cardinal Health, Inc. (NYSE:CAH), Celesio AG (DB:CLS1), McKesson Corporation (NYSE:MCK), Owens & Minor Inc. (NYSE:OMI)

- ❖ Over the first quarter of 2015, CROs have produced higher returns than the S&P 500 and the healthcare sector

# Historical Performance vs. Benchmarks

## Publicly Traded Comparable Company Equity Performance – June 2015



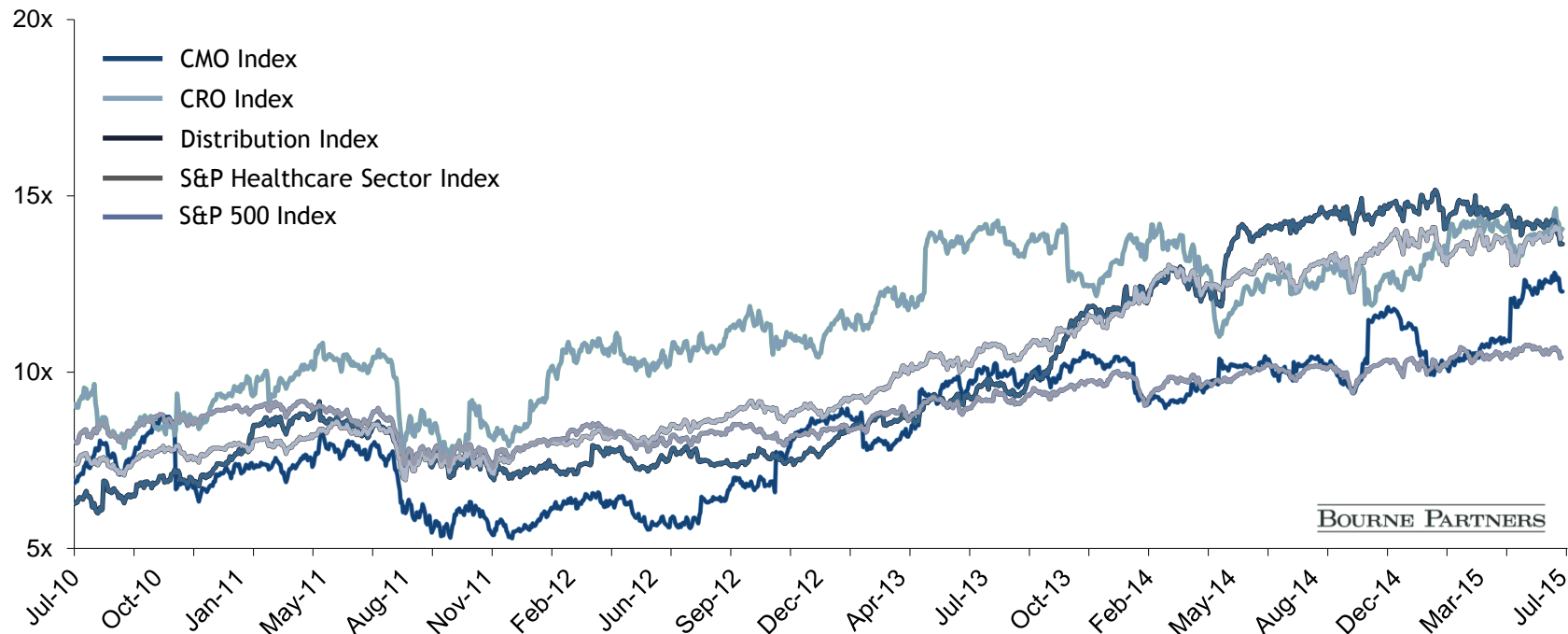
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# Historical Performance vs. Benchmarks

## Publicly Traded Comparable Company Enterprise Value to LTM EBITDA Multiples



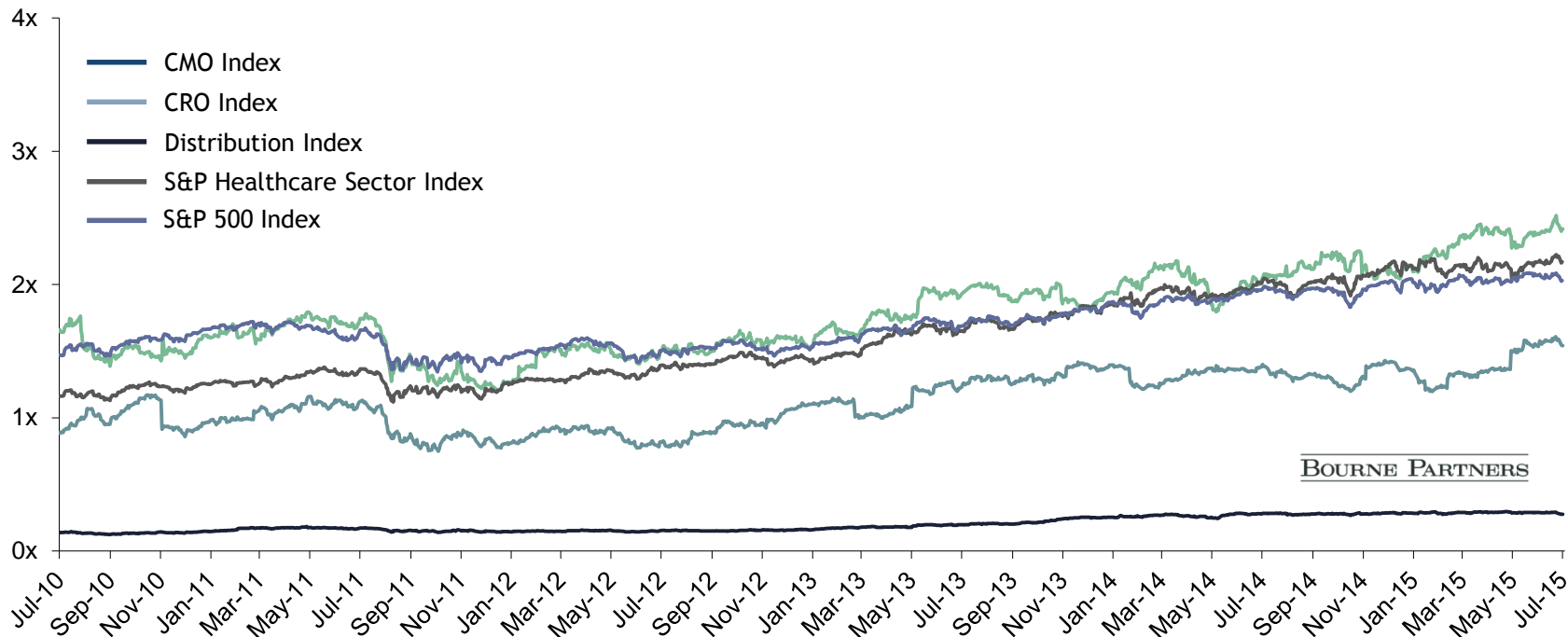
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# Historical Performance vs. Benchmarks

## Publicly Traded Comparable Company Enterprise Value to LTM Revenue Multiples



*CMO Index comprised of Albany Molecular Research Inc. (NASDAQ:AMRI), Bachem Holding AG (SWX:BANB), Balchem Corp (ENXTAM:DSM), Cambrex Corporation (NYSE:CBM), Koninklijke DSM N.V. (ENXTAM:DSM), Jubilant Life Sciences Limited (BSE:530019), Siegfried Holding AG (SWX:SFZN)*

*CRO Index comprised of Charles River Laboratories International, Inc. (NYSE:CRL), ICON Public Limited Company (NasdaqGS:ICLR), PAREXEL International Corporation (NasdaqGS:PRXL), PRA Health Sciences, Inc. (NasdaqGS:PRAH), Quintiles Transnational Holdings Inc. (NYSE:Q)*

*Distribution Index comprised of AmerisourceBergen Corporation (NYSE:ABC), Cardinal Health, Inc. (NYSE:CAH), Celesio AG (DB:CLS1), McKesson Corporation (NYSE:MCK), Owens & Minor Inc. (NYSE:OMI)*

- ❖ Pharma distribution companies have significantly lower revenue multiples than the other categories in pharma services due to the disparity in this segment's margins



# Trading Comparables Multiple Summary

## CMO Historical Multiples

EV/LTM Rev EV/LTM EBITDA

September 30, 2014

|               |      |       |
|---------------|------|-------|
| <b>Median</b> | 1.9x | 11.6x |
| <b>Mean</b>   | 2.5x | 13.8x |

December 31, 2014

|               |      |       |
|---------------|------|-------|
| <b>Median</b> | 2.3x | 12.6x |
| <b>Mean</b>   | 2.4x | 13.4x |

March 31, 2015

|               |      |       |
|---------------|------|-------|
| <b>Median</b> | 2.5x | 13.5x |
| <b>Mean</b>   | 2.5x | 14.0x |

June 30, 2015

|               |      |       |
|---------------|------|-------|
| <b>Median</b> | 2.8x | 14.9x |
| <b>Mean</b>   | 2.7x | 15.1x |

## CRO Historical Multiples

EV/LTM Rev EV/LTM EBITDA

September 30, 2014

|               |      |       |
|---------------|------|-------|
| <b>Median</b> | 2.1x | 12.3x |
| <b>Mean</b>   | 2.0x | 11.9x |

December 31, 2014

|               |      |       |
|---------------|------|-------|
| <b>Median</b> | 1.9x | 12.1x |
| <b>Mean</b>   | 2.0x | 12.2x |

March 31, 2015

|               |      |       |
|---------------|------|-------|
| <b>Median</b> | 2.4x | 14.0x |
| <b>Mean</b>   | 2.5x | 14.2x |

June 30, 2015

|               |      |       |
|---------------|------|-------|
| <b>Median</b> | 2.5x | 13.6x |
| <b>Mean</b>   | 2.4x | 14.3x |

## Distribution Historical Multiples

EV/LTM Rev EV/LTM EBITDA

September 30, 2014

|               |      |       |
|---------------|------|-------|
| <b>Median</b> | 0.3x | 12.8x |
| <b>Mean</b>   | 0.3x | 14.0x |

December 31, 2014

|               |      |       |
|---------------|------|-------|
| <b>Median</b> | 0.3x | 12.7x |
| <b>Mean</b>   | 0.3x | 12.7x |

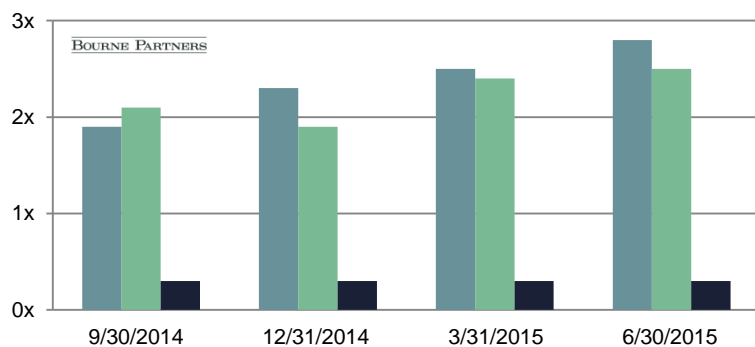
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|               |      |       |
|---------------|------|-------|
| <b>Median</b> | 0.3x | 12.0x |
| <b>Mean</b>   | 0.3x | 13.2x |

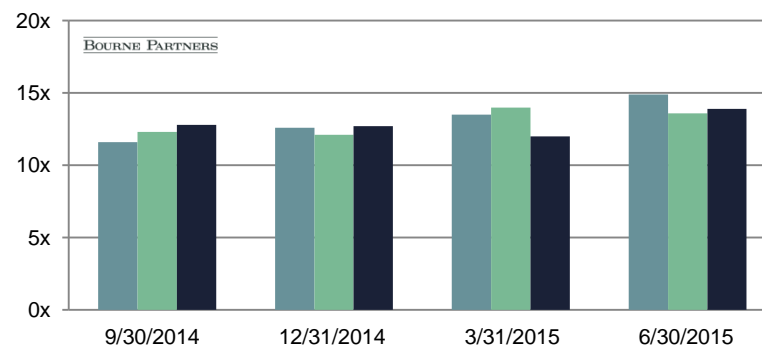
June 30, 2015

|               |      |       |
|---------------|------|-------|
| <b>Median</b> | 0.3x | 13.9x |
| <b>Mean</b>   | 0.3x | 13.7x |

Median LTM Revenue Multiple Chart



Median LTM EBITDA Multiple Chart



■ CMO ■ CRO ■ Distribution

# Trading Comparables as of September 30, 2014

## Publicly Traded Comparable CMOs

USD in millions, except for per-share amounts

| Company                        | Ticker        | Share Price | Shares Out | Equity Value | Net Debt (Cash) | Total Debt | Enterprise Value | LTM      |         |        |        | NTM Forecast     |          |         | Book Value | Dividend /share |      |
|--------------------------------|---------------|-------------|------------|--------------|-----------------|------------|------------------|----------|---------|--------|--------|------------------|----------|---------|------------|-----------------|------|
|                                |               |             |            |              |                 |            |                  | Sales    | EBITDA  | EBIT   | EPS    | Interest Expense | Sales    | EBITDA  |            |                 | EPS  |
| Albany Molecular Research Inc. | NASDAQ:AMRI   | \$22.07     | 32.5       | \$716.8      | \$105.6         | \$124.0    | \$822.4          | \$257.1  | \$35.4  | \$18.4 | \$0.61 | \$9.1            | \$356.1  | \$69.6  | \$1.02     | \$7.7           | NA   |
| Bachem Holding AG              | SWX:BANB      | 51.66       | 13.5       | 697.5        | (8.5)           | 22.3       | 689.0            | 188.0    | 52.5    | 34.0   | 1.50   | 0.8              | 200.5    | 55.2    | 2.20       | 27.0            | 2.01 |
| Balchem Corp.                  | NasdaqGS:BCPC | 56.57       | 30.6       | 1,730.0      | 315.8           | 341.3      | 2,045.8          | 460.3    | 98.6    | 76.0   | 1.39   | 3.4              | 649.5    | 169.0   | 2.21       | 12.3            | 0.30 |
| Cambrex Corporation.           | NYSE:CBM      | 18.68       | 30.7       | 573.1        | 33.9            | 60.4       | 607.0            | 348.9    | 70.9    | 47.1   | 0.84   | 2.2              | 381.2    | 87.1    | 1.20       | 7.5             | NA   |
| Jubilant Life Sciences Limited | BSE:530019    | 2.52        | 159.3      | 400.7        | 700.4           | 766.9      | 1,101.1          | 950.4    | 114.9   | 79.4   | 0.25   | 48.4             | 1,066.2  | 165.4   | 0.30       | 2.6             | 0.05 |
| Koninklijke DSM N.V.           | ENXTAM:DSM    | 61.66       | 172.4      | 10,629.9     | 2,777.8         | 3,499.7    | 13,407.7         | 10,699.8 | 1,368.1 | 759.8  | 3.11   | 114.8            | 11,757.4 | 1,571.3 | 3.92       | 43.7            | 1.77 |
| Siegfried Holding AG           | SWX:SFZN      | 148.39      | 3.9        | 576.9        | 89.3            | 141.8      | 666.1            | 344.4    | 57.4    | 32.1   | 6.20   | 2.8              | 362.6    | 73.2    | 12.20      | 99.7            | 1.51 |

| Company                        | Ticker        | FYE       | Data as of | Margin Analysis |        |       | Enterprise Value/ |        |        |           | P/E        |        |              | Debt/Market Cap |        |        | Interest Coverage | Price to Book | Dividend % |
|--------------------------------|---------------|-----------|------------|-----------------|--------|-------|-------------------|--------|--------|-----------|------------|--------|--------------|-----------------|--------|--------|-------------------|---------------|------------|
|                                |               |           |            | Gross Profit    | EBITDA | EBIT  | Sales             | EBITDA | EBIT   | NTM Sales | NTM EBITDA | LTM    | NTM Forecast | EV              | EBITDA | EBITDA |                   |               |            |
| Albany Molecular Research Inc. | NASDAQ:AMRI   | 31-Dec-14 | 30-Sep-14  | 25.3%           | 13.8%  | 7.1%  | 3.2 x             | 23.3 x | 44.8 x | 2.3 x     | 11.8 x     | 36.1 x | 21.6 x       | 15.1%           | 17.3%  | 3.5 x  | 2.0 x             | 2.9 x         | NA         |
| Bachem Holding AG              | SWX:BANB      | 31-Dec-14 | 30-Sep-14  | 34.6%           | 27.9%  | 18.1% | 3.7 x             | 13.1 x | 20.3 x | 3.4 x     | 12.5 x     | 34.4 x | 23.5 x       | 3.2%            | 3.2%   | 0.4 x  | 42.3 x            | 1.9 x         | 3.9%       |
| Balchem Corp.                  | NasdaqGS:BCPC | 31-Dec-14 | 30-Sep-14  | 27.9%           | 21.4%  | 16.5% | 4.4 x             | 20.8 x | 26.9 x | 3.1 x     | 12.1 x     | 40.7 x | 25.7 x       | 16.7%           | 19.7%  | 3.5 x  | 22.4 x            | 4.6 x         | 0.5%       |
| Cambrex Corporation.           | NYSE:CBM      | 31-Dec-14 | 30-Sep-14  | 32.4%           | 20.3%  | 13.5% | 1.7 x             | 8.6 x  | 12.9 x | 1.6 x     | 7.0 x      | 22.3 x | 15.6 x       | 10.0%           | 10.5%  | 0.9 x  | 21.1 x            | 2.5 x         | NA         |
| Jubilant Life Sciences Limited | BSE:530019    | 31-Mar-14 | 30-Sep-14  | 41.6%           | 12.1%  | 8.4%  | 1.2 x             | 9.6 x  | 13.9 x | 1.0 x     | 6.7 x      | 10.2 x | 8.4 x        | 69.6%           | 191.4% | 6.7 x  | 1.6 x             | 1.0 x         | 1.9%       |
| Koninklijke DSM N.V.           | ENXTAM:DSM    | 31-Dec-14 | 30-Sep-14  | 27.6%           | 12.8%  | 7.1%  | 1.3 x             | 9.8 x  | 17.6 x | 1.1 x     | 8.5 x      | 19.8 x | 15.7 x       | 26.1%           | 32.9%  | 2.6 x  | 6.6 x             | 1.4 x         | 2.9%       |
| Siegfried Holding AG           | SWX:SFZN      | 31-Dec-14 | 30-Sep-14  | 25.0%           | 16.7%  | 9.3%  | 1.9 x             | 11.6 x | 20.7 x | 1.8 x     | 9.1 x      | 23.9 x | 12.2 x       | 21.3%           | 24.6%  | 2.5 x  | 11.6 x            | 1.5 x         | 1.0%       |

\* All estimates from Capital IQ

Debt calculations only included for entities with debt

NM - not meaningful

NA - not available

|                   | Median | Mean   | Min    | Max    |
|-------------------|--------|--------|--------|--------|
| Gross Profit      | 27.9%  | 30.6%  | 25.0%  | 41.6%  |
| EBITDA            | 16.7%  | 17.9%  | 12.1%  | 27.9%  |
| EBIT              | 9.3%   | 11.4%  | 7.1%   | 18.1%  |
| Sales             | 1.9x   | 2.5x   | 1.2x   | 4.4x   |
| EBITDA            | 11.6x  | 13.8x  | 8.6x   | 23.3x  |
| EBIT              | 20.3x  | 22.4x  | 12.9x  | 44.8x  |
| NTM Sales         | 1.8 x  | 2.1 x  | 1.0 x  | 3.4 x  |
| NTM EBITDA        | 9.1 x  | 9.7 x  | 6.7 x  | 12.5 x |
| LTM               | 23.9 x | 26.8 x | 10.2 x | 40.7 x |
| NTM Forecast      | 15.7 x | 17.5 x | 8.4 x  | 25.7 x |
| EV                | 16.7%  | 23.1%  | 3.2%   | 69.6%  |
| EBITDA            | 19.7%  | 42.8%  | 3.2%   | 191.4% |
| EBITDA            | 2.6 x  | 2.8 x  | 0.4 x  | 6.7 x  |
| Interest Coverage | 11.6 x | 15.4 x | 1.6 x  | 42.3 x |
| Price to Book     | 1.9 x  | 2.2 x  | 1.0 x  | 4.6 x  |
| Dividend %        | 1.9%   | 2.0%   | 0.5%   | 3.9%   |

# Trading Comparables as of December 31, 2014

## Publicly Traded Comparable CMOs

USD in millions, except for per-share amounts

| Company                        | Ticker        | Share Price | Shares Out | Equity Value | Net Debt (Cash) | Total Debt | Enterprise Value | LTM      |         |        |        | NTM Forecast     |          |         | Book Value | Dividend /share |      |
|--------------------------------|---------------|-------------|------------|--------------|-----------------|------------|------------------|----------|---------|--------|--------|------------------|----------|---------|------------|-----------------|------|
|                                |               |             |            |              |                 |            |                  | Sales    | EBITDA  | EBIT   | EPS    | Interest Expense | Sales    | EBITDA  |            |                 | EPS  |
| Albany Molecular Research Inc. | NASDAQ:AMRI   | \$16.28     | 32.6       | \$530.8      | \$113.4         | \$160.4    | \$644.3          | \$276.6  | \$34.2  | \$15.9 | \$0.11 | \$11.0           | \$345.7  | \$75.3  | \$0.94     | \$7.6           | NA   |
| Bachem Holding AG              | SWX:BANB      | 49.33       | 13.5       | 666.1        | (8.2)           | 21.5       | 657.9            | 185.2    | 52.1    | 34.1   | 1.60   | 0.3              | 196.7    | 0.0     | 2.29       | 26.0            | 2.01 |
| Balchem Corp.                  | NasdaqGS:BCPC | 66.64       | 30.7       | 2,048.6      | 282.2           | 332.5      | 2,330.9          | 541.4    | 113.6   | 84.0   | 1.62   | 5.1              | 668.2    | 162.8   | 2.56       | 12.7            | 0.30 |
| Cambrex Corporation.           | NYSE:CBM      | 21.62       | 31.0       | 670.1        | 14.5            | 60.0       | 684.6            | 374.4    | 82.3    | 58.5   | 1.05   | 2.2              | 392.9    | 82.3    | 1.32       | 8.1             | NA   |
| Jubilant Life Sciences Limited | BSE:530019    | 1.92        | 159.3      | 305.3        | 685.9           | 751.1      | 991.2            | 931.1    | 107.0   | 73.2   | 0.25   | 49.2             | 1,041.2  | 133.5   | 0.19       | 2.5             | 0.05 |
| Koninklijke DSM N.V.           | ENXTAM:DSM    | 61.30       | 173.4      | 10,628.8     | 2,981.3         | 3,798.3    | 13,610.1         | 11,113.0 | 1,355.7 | 728.7  | 2.28   | 136.8            | 11,461.6 | 1,503.3 | 3.66       | 39.9            | 1.77 |
| Siegfried Holding AG           | SWX:SFZN      | 163.08      | 3.9        | 634.0        | 85.9            | 136.5      | 720.0            | 317.4    | 51.9    | 27.1   | 4.02   | 2.2              | 358.1    | 73.8    | 12.22      | 96.0            | 1.51 |

| Company                        | Ticker        | FYE       | Data as of | Margin Analysis |        |       | Enterprise Value/ |        |        |           | P/E        |        |              | Debt/Market Cap |        |        | Interest Coverage | Price to Book | Dividend % |
|--------------------------------|---------------|-----------|------------|-----------------|--------|-------|-------------------|--------|--------|-----------|------------|--------|--------------|-----------------|--------|--------|-------------------|---------------|------------|
|                                |               |           |            | Gross Profit    | EBITDA | EBIT  | Sales             | EBITDA | EBIT   | NTM Sales | NTM EBITDA | LTM    | NTM Forecast | EV              | EBITDA | EBITDA |                   |               |            |
| Albany Molecular Research Inc. | NASDAQ:AMRI   | 31-Dec-14 | 31-Dec-14  | 23.8%           | 12.4%  | 5.7%  | 2.3 x             | 18.8 x | 40.6 x | 1.9 x     | 8.6 x      | NM     | 17.3 x       | 24.9%           | 30.2%  | 4.7 x  | 1.4 x             | 2.1 x         | NA         |
| Bachem Holding AG              | SWX:BANB      | 31-Dec-14 | 31-Dec-14  | 34.4%           | 28.1%  | 18.4% | 3.6 x             | 12.6 x | 19.3 x | 3.3 x     | NM         | 30.8 x | 21.5 x       | 3.3%            | 3.2%   | 0.4 x  | 116.8 x           | 1.9 x         | 4.1%       |
| Balchem Corp.                  | NasdaqGS:BCPC | 31-Dec-14 | 31-Dec-14  | 27.5%           | 21.0%  | 15.5% | 4.3 x             | 20.5 x | 27.8 x | 3.5 x     | 14.3 x     | 41.1 x | 26.1 x       | 14.3%           | 16.2%  | 2.9 x  | 16.3 x            | 5.2 x         | 0.5%       |
| Cambrex Corporation.           | NYSE:CBM      | 31-Dec-14 | 31-Dec-14  | 33.0%           | 22.0%  | 15.6% | 1.8 x             | 8.3 x  | 11.7 x | 1.7 x     | 8.3 x      | 20.5 x | 16.4 x       | 8.8%            | 9.0%   | 0.7 x  | 26.9 x            | 2.7 x         | NA         |
| Jubilant Life Sciences Limited | BSE:530019    | 31-Mar-14 | 31-Dec-14  | 41.9%           | 11.5%  | 7.9%  | 1.1 x             | 9.3 x  | 13.5 x | 1.0 x     | 7.4 x      | 7.8 x  | 10.2 x       | 75.8%           | 246.0% | 7.0 x  | 1.5 x             | 0.8 x         | 2.5%       |
| Koninklijke DSM N.V.           | ENXTAM:DSM    | 31-Dec-14 | 31-Dec-14  | 26.2%           | 12.2%  | 6.6%  | 1.2 x             | 10.0 x | 18.7 x | 1.2 x     | 9.1 x      | 26.9 x | 16.8 x       | 27.9%           | 35.7%  | 2.8 x  | 5.3 x             | 1.5 x         | 2.9%       |
| Siegfried Holding AG           | SWX:SFZN      | 31-Dec-14 | 31-Dec-14  | 23.1%           | 16.3%  | 8.5%  | 2.3 x             | 13.9 x | 26.5 x | 2.0 x     | 9.8 x      | 40.6 x | 13.3 x       | 19.0%           | 21.5%  | 2.6 x  | 12.2 x            | 1.7 x         | 0.9%       |

\* All estimates from Capital IQ

Debt calculations only included for entities with debt

NM - not meaningful

NA - not available

|                   | Median | Mean   | Min    | Max     |
|-------------------|--------|--------|--------|---------|
| Gross Profit      | 27.5%  | 30.0%  | 23.1%  | 41.9%   |
| EBITDA            | 16.3%  | 17.6%  | 11.5%  | 28.1%   |
| EBIT              | 8.5%   | 11.2%  | 5.7%   | 18.4%   |
| Sales             | 2.3x   | 2.4x   | 1.1x   | 4.3x    |
| EBITDA            | 12.6x  | 13.4x  | 8.3x   | 20.5x   |
| EBIT              | 19.3x  | 22.6x  | 11.7x  | 40.6x   |
| NTM Sales         | 1.9 x  | 2.1 x  | 1.0 x  | 3.5 x   |
| NTM EBITDA        | 8.8 x  | 9.6 x  | 7.4 x  | 14.3 x  |
| LTM               | 28.9 x | 28.0 x | 7.8 x  | 41.1 x  |
| NTM Forecast      | 16.8 x | 17.4 x | 10.2 x | 26.1 x  |
| EV                | 19.0%  | 24.8%  | 3.3%   | 75.8%   |
| EBITDA            | 21.5%  | 51.7%  | 3.2%   | 246.0%  |
| EBITDA            | 2.8 x  | 3.0 x  | 0.4 x  | 7.0 x   |
| Interest Coverage | 12.2 x | 25.8 x | 1.4 x  | 116.8 x |
| Price to Book     | 1.9 x  | 2.3 x  | 0.8 x  | 5.2 x   |
| Dividend %        | 2.5%   | 2.2%   | 0.5%   | 4.1%    |

# Trading Comparables as of March 31, 2015

## Publicly Traded Comparable CMOs

USD in millions, except for per-share amounts

| Company                        | Ticker        | Share Price | Shares Out | Equity Value | Net Debt (Cash) | Total Debt | Enterprise Value | LTM      |         |        |        | NTM Forecast     |          |         | Book Value | Dividend /share |      |
|--------------------------------|---------------|-------------|------------|--------------|-----------------|------------|------------------|----------|---------|--------|--------|------------------|----------|---------|------------|-----------------|------|
|                                |               |             |            |              |                 |            |                  | Sales    | EBITDA  | EBIT   | EPS    | Interest Expense | Sales    | EBITDA  |            |                 | EPS  |
| Albany Molecular Research Inc. | NASDAQ:AMRI   | \$17.60     | 32.6       | \$574.3      | \$172.4         | \$200.9    | \$746.7          | \$299.1  | \$34.9  | \$14.8 | \$0.11 | \$11.4           | \$364.1  | \$67.8  | \$0.82     | \$7.6           | NA   |
| Bachem Holding AG              | SWX:BANB      | 53.63       | 13.5       | 725.3        | (8.2)           | 21.5       | 717.1            | 185.2    | 52.1    | 34.1   | 1.60   | 0.3              | 196.7    | 54.8    | 2.07       | 26.0            | 2.01 |
| Balchem Corp.                  | NasdaqGS:BCPC | 55.38       | 30.9       | 1,713.7      | 267.1           | 323.8      | 1,980.9          | 600.3    | 132.7   | 95.7   | 1.62   | 7.0              | 658.7    | 161.9   | 2.58       | 13.2            | 0.30 |
| Cambrex Corporation.           | NYSE:CBM      | 39.63       | 31.3       | 1,238.9      | (7.7)           | 60.2       | 1,231.2          | 385.8    | 92.0    | 68.7   | 1.05   | 2.1              | 425.1    | 102.9   | 1.65       | 7.8             | NA   |
| Jubilant Life Sciences Limited | BSE:530019    | 2.44        | 159.3      | 388.4        | 742.7           | 805.8      | 1,131.1          | 924.0    | 101.1   | 64.2   | 0.04   | 48.4             | 1,031.6  | 150.5   | 0.27       | 2.5             | 0.05 |
| Koninklijke DSM N.V.           | ENXTAM:DSM    | 55.83       | 173.5      | 9,688.7      | 2,448.3         | 3,276.6    | 12,137.0         | 10,071.4 | 1,210.7 | 644.6  | 2.28   | 156.8            | 10,107.2 | 1,230.3 | 2.79       | 36.8            | 1.77 |
| Siegfried Holding AG           | SWX:SFZN      | 153.23      | 4.0        | 615.3        | 85.9            | 136.5      | 701.2            | 317.4    | 51.9    | 27.1   | 4.02   | 2.2              | 410.1    | 77.3    | 9.59       | 96.0            | 1.51 |

| Company                        | Ticker        | FYE       | Data as of | Margin Analysis |        |       | Enterprise Value/ |        |        | P/E       |            |        | Debt/Market Cap |       |            | Interest Coverage | Price to Book | Dividend % |        |
|--------------------------------|---------------|-----------|------------|-----------------|--------|-------|-------------------|--------|--------|-----------|------------|--------|-----------------|-------|------------|-------------------|---------------|------------|--------|
|                                |               |           |            | Gross Profit    | EBITDA | EBIT  | Sales             | EBITDA | EBIT   | NTM Sales | NTM EBITDA | LTM    | NTM Forecast    | EV    | Market Cap |                   |               |            | EBITDA |
| Albany Molecular Research Inc. | NASDAQ:AMRI   | 31-Dec-14 | 31-Mar-15  | 24.1%           | 11.7%  | 4.9%  | 2.5 x             | 21.4 x | 50.5 x | 2.1 x     | 11.0 x     | NM     | 21.5 x          | 26.9% | 35.0%      | 5.8 x             | 1.3 x         | 2.3 x      | NA     |
| Bachem Holding AG              | SWX:BANB      | 31-Dec-14 | 31-Mar-15  | 34.4%           | 28.1%  | 18.4% | 3.9 x             | 13.8 x | 21.0 x | 3.6 x     | 13.1 x     | 33.5 x | 25.9 x          | 3.0%  | 3.0%       | 0.4 x             | 116.8 x       | 2.1 x      | 3.8%   |
| Balchem Corp.                  | NasdaqGS:BCPC | 31-Dec-14 | 31-Mar-15  | 28.1%           | 22.1%  | 15.9% | 3.3 x             | 14.9 x | 20.7 x | 3.0 x     | 12.2 x     | 34.1 x | 21.5 x          | 16.3% | 18.9%      | 2.4 x             | 13.6 x        | 4.2 x      | 0.5%   |
| Cambrex Corporation.           | NYSE:CBM      | 31-Dec-14 | 31-Mar-15  | 35.3%           | 23.8%  | 17.8% | 3.2 x             | 13.4 x | 17.9 x | 2.9 x     | 12.0 x     | 37.6 x | 24.0 x          | 4.9%  | 4.9%       | 0.7 x             | 32.3 x        | 5.1 x      | NA     |
| Jubilant Life Sciences Limited | BSE:530019    | 31-Mar-14 | 31-Mar-15  | 47.1%           | 10.9%  | 6.9%  | 1.2 x             | 11.2 x | 17.6 x | 1.1 x     | 7.5 x      | 64.4 x | 8.9 x           | 71.2% | 207.4%     | 8.0 x             | 1.3 x         | 1.0 x      | 2.0%   |
| Koninklijke DSM N.V.           | ENXTAM:DSM    | 31-Dec-14 | 31-Mar-15  | 25.7%           | 12.0%  | 6.4%  | 1.2 x             | 10.0 x | 18.8 x | 1.2 x     | 9.9 x      | 24.5 x | 20.0 x          | 27.0% | 33.8%      | 2.7 x             | 4.1 x         | 1.5 x      | 3.2%   |
| Siegfried Holding AG           | SWX:SFZN      | 31-Dec-14 | 31-Mar-15  | 23.1%           | 16.3%  | 8.5%  | 2.2 x             | 13.5 x | 25.9 x | 1.7 x     | 9.1 x      | 38.2 x | 16.0 x          | 19.5% | 22.2%      | 2.6 x             | 12.2 x        | 1.6 x      | 1.0%   |

\* All estimates from Capital IQ

Debt calculations only included for entities with debt

NM - not meaningful

NA - not available

|                   | Median | Mean   | Min    | Max     |
|-------------------|--------|--------|--------|---------|
| Gross Profit      | 28.1%  | 31.1%  | 23.1%  | 47.1%   |
| EBITDA            | 16.3%  | 17.9%  | 10.9%  | 28.1%   |
| EBIT              | 8.5%   | 11.3%  | 4.9%   | 18.4%   |
| Sales             | 2.5x   | 2.5x   | 1.2x   | 3.9x    |
| EBITDA            | 13.5x  | 14.0x  | 10.0x  | 21.4x   |
| EBIT              | 20.7x  | 24.6x  | 17.6x  | 50.5x   |
| NTM Sales         | 2.1 x  | 2.2 x  | 1.1 x  | 3.6 x   |
| NTM EBITDA        | 11.0 x | 10.7 x | 7.5 x  | 13.1 x  |
| LTM               | 35.9 x | 38.7 x | 24.5 x | 64.4 x  |
| NTM Forecast      | 21.5 x | 19.7 x | 8.9 x  | 25.9 x  |
| EV                | 19.5%  | 24.1%  | 3.0%   | 71.2%   |
| Market Cap        | 22.2%  | 46.4%  | 3.0%   | 207.4%  |
| EBITDA            | 2.6 x  | 3.2 x  | 0.4 x  | 8.0 x   |
| Interest Coverage | 12.2 x | 26.0 x | 1.3 x  | 116.8 x |
| Price to Book     | 2.1 x  | 2.5 x  | 1.0 x  | 5.1 x   |
| Dividend %        | 2.0%   | 2.1%   | 0.5%   | 3.8%    |

# Trading Comparables as of June 30, 2015

## Publicly Traded Comparable CMOs

USD in millions, except for per-share amounts

| Company                        | Ticker        | Share Price | Shares Out | Equity Value | Net Debt (Cash) | Total Debt | Enterprise Value | LTM      |         |        |        | NTM Forecast     |         |         | Book Value | Dividend /share |      |
|--------------------------------|---------------|-------------|------------|--------------|-----------------|------------|------------------|----------|---------|--------|--------|------------------|---------|---------|------------|-----------------|------|
|                                |               |             |            |              |                 |            |                  | Sales    | EBITDA  | EBIT   | EPS    | Interest Expense | Sales   | EBITDA  |            |                 | EPS  |
| Albany Molecular Research Inc. | NASDAQ:AMRI   | \$20.22     | 33.1       | \$669.7      | \$172.4         | \$200.9    | \$842.0          | \$299.1  | \$34.9  | \$14.8 | \$0.11 | \$11.4           | \$368.5 | \$65.7  | \$0.80     | \$7.6           | NA   |
| Bachem Holding AG              | SWX:BANB      | 55.48       | 13.5       | 750.3        | (8.2)           | 21.5       | 742.1            | 185.2    | 52.1    | 34.1   | 1.60   | 0.3              | 211.1   | 61.3    | 2.48       | 26.0            | 2.01 |
| Balchem Corp.                  | NasdaqGS:BCPC | 55.72       | 31.1       | 1,732.3      | 267.1           | 323.8      | 1,999.5          | 600.3    | 132.7   | 95.7   | 1.62   | 7.0              | 623.8   | 158.7   | 2.40       | 13.2            | 0.30 |
| Cambrex Corporation.           | NYSE:CBM      | 43.94       | 31.3       | 1,375.8      | (7.7)           | 60.2       | 1,368.1          | 385.8    | 92.0    | 68.7   | 1.05   | 2.1              | 439.2   | 105.9   | 1.68       | 7.8             | NA   |
| Jubilant Life Sciences Limited | BSE:530019    | 2.62        | 159.3      | 417.9        | 742.7           | 805.8      | 1,160.6          | 924.0    | 101.1   | 64.2   | 0.04   | 48.4             | 1,026.4 | 150.5   | 0.25       | 2.5             | 0.05 |
| Koninklijke DSM N.V.           | ENXTAM:DSM    | 57.92       | 172.6      | 9,998.4      | 2,448.3         | 3,276.6    | 12,446.7         | 10,071.4 | 1,210.7 | 644.6  | 2.28   | 156.8            | 9,876.7 | 1,232.4 | 2.98       | 36.8            | 1.77 |
| Siegfried Holding AG           | SWX:SFZN      | 176.64      | 4.0        | 709.3        | 85.9            | 136.5      | 795.3            | 317.4    | 51.9    | 27.1   | 4.02   | 2.2              | 471.2   | 80.1    | 10.20      | 96.0            | 1.51 |

| Company                        | Ticker        | FYE       | Data as of | Margin Analysis |        |       | Enterprise Value/ |        |        | P/E       |            |        | Debt/Market Cap |       |        | Interest Coverage | Price to Book | Dividend % |        |
|--------------------------------|---------------|-----------|------------|-----------------|--------|-------|-------------------|--------|--------|-----------|------------|--------|-----------------|-------|--------|-------------------|---------------|------------|--------|
|                                |               |           |            | Gross Profit    | EBITDA | EBIT  | Sales             | EBITDA | EBIT   | NTM Sales | NTM EBITDA | LTM    | NTM Forecast    | EV    | EBITDA |                   |               |            | EBITDA |
| Albany Molecular Research Inc. | NASDAQ:AMRI   | 31-Dec-14 | 30-Jun-15  | 24.1%           | 11.7%  | 4.9%  | 2.8 x             | 24.2 x | 57.0 x | 2.3 x     | 12.8 x     | NM     | 25.2 x          | 23.9% | 30.0%  | 5.8 x             | 1.3 x         | 2.7 x      | NA     |
| Bachem Holding AG              | SWX:BANB      | 31-Dec-14 | 30-Jun-15  | 34.4%           | 28.1%  | 18.4% | 4.0 x             | 14.3 x | 21.8 x | 3.5 x     | 12.1 x     | 34.7 x | 22.3 x          | 2.9%  | 2.9%   | 0.4 x             | 116.8 x       | 2.1 x      | 3.6%   |
| Balchem Corp.                  | NasdaqGS:BCPC | 31-Dec-14 | 30-Jun-15  | 28.1%           | 22.1%  | 15.9% | 3.3 x             | 15.1 x | 20.9 x | 3.2 x     | 12.6 x     | 34.3 x | 23.2 x          | 16.2% | 18.7%  | 2.4 x             | 13.6 x        | 4.2 x      | 0.5%   |
| Cambrex Corporation.           | NYSE:CBM      | 31-Dec-14 | 30-Jun-15  | 35.3%           | 23.8%  | 17.8% | 3.5 x             | 14.9 x | 19.9 x | 3.1 x     | 12.9 x     | 41.7 x | 26.2 x          | 4.4%  | 4.4%   | 0.7 x             | 32.3 x        | 5.6 x      | NA     |
| Jubilant Life Sciences Limited | BSE:530019    | 31-Mar-14 | 30-Jun-15  | 47.1%           | 10.9%  | 6.9%  | 1.3 x             | 11.5 x | 18.1 x | 1.1 x     | 7.7 x      | 69.3 x | 10.7 x          | 69.4% | 192.8% | 8.0 x             | 1.3 x         | 1.1 x      | 1.8%   |
| Koninklijke DSM N.V.           | ENXTAM:DSM    | 31-Dec-14 | 30-Jun-15  | 25.7%           | 12.0%  | 6.4%  | 1.2 x             | 10.3 x | 19.3 x | 1.3 x     | 10.1 x     | 25.4 x | 19.4 x          | 26.3% | 32.8%  | 2.7 x             | 4.1 x         | 1.6 x      | 3.1%   |
| Siegfried Holding AG           | SWX:SFZN      | 31-Dec-14 | 30-Jun-15  | 23.1%           | 16.3%  | 8.5%  | 2.5 x             | 15.3 x | 29.3 x | 1.7 x     | 9.9 x      | 44.0 x | 17.3 x          | 17.2% | 19.2%  | 2.6 x             | 12.2 x        | 1.8 x      | 0.9%   |

\* All estimates from Capital IQ

Debt calculations only included for entities with debt

NM - not meaningful

NA - not available

|                   | Median | Mean   | Min    | Max     |
|-------------------|--------|--------|--------|---------|
| Gross Profit      | 28.1%  | 31.1%  | 23.1%  | 47.1%   |
| EBITDA            | 16.3%  | 17.9%  | 10.9%  | 28.1%   |
| EBIT              | 8.5%   | 11.3%  | 4.9%   | 18.4%   |
| Sales             | 2.8x   | 2.7x   | 1.2x   | 4.0x    |
| EBITDA            | 14.9x  | 15.1x  | 10.3x  | 24.2x   |
| EBIT              | 20.9x  | 26.6x  | 18.1x  | 57.0x   |
| NTM Sales         | 2.3 x  | 2.3 x  | 1.1 x  | 3.5 x   |
| NTM EBITDA        | 12.1 x | 11.2 x | 7.7 x  | 12.9 x  |
| LTM               | 38.2 x | 41.6 x | 25.4 x | 69.3 x  |
| NTM Forecast      | 22.3 x | 20.6 x | 10.7 x | 26.2 x  |
| EV                | 17.2%  | 22.9%  | 2.9%   | 69.4%   |
| EBITDA            | 19.2%  | 43.0%  | 2.9%   | 192.8%  |
| EBITDA            | 2.6 x  | 3.2 x  | 0.4 x  | 8.0 x   |
| Interest Coverage | 12.2 x | 26.0 x | 1.3 x  | 116.8 x |
| Price to Book     | 2.1 x  | 2.7 x  | 1.1 x  | 5.6 x   |
| Dividend %        | 1.8%   | 2.0%   | 0.5%   | 3.6%    |

# Trading Comparables as of September 30, 2014

## Publicly Traded Comparable CROs

USD in millions, except for per-share amounts

| Company                               | Ticker        | Share Price | Shares Out | Equity Value | Net Debt (Cash) | Total Debt | Enterprise Value | LTM       |         |         |        |                  | NTM Forecast |         |        | Book Value | Dividend /share |
|---------------------------------------|---------------|-------------|------------|--------------|-----------------|------------|------------------|-----------|---------|---------|--------|------------------|--------------|---------|--------|------------|-----------------|
|                                       |               |             |            |              |                 |            |                  | Sales     | EBITDA  | EBIT    | EPS    | Interest Expense | Sales        | EBITDA  | EPS    |            |                 |
| Charles River Laboratories Int., Inc. | NYSE:CRL      | \$59.74     | 46.7       | \$2,788.5    | \$641.4         | \$786.7    | \$3,429.9        | \$1,257.3 | \$279.7 | \$197.7 | \$2.10 | \$12.0           | \$1,346.0    | \$305.9 | \$3.37 | \$14.3     | NA              |
| ICON Public Limited Company           | NasdaqGS:ICLR | 57.23       | 61.9       | 3,542.4      | (248.6)         | 0.0        | 3,293.8          | 1,458.5   | 239.6   | 189.4   | 1.33   | 1.0              | 1,602.5      | 272.0   | 2.93   | 16.4       | NA              |
| PAREXEL International Corporation     | NasdaqGS:PRXL | 63.09       | 54.7       | 3,453.1      | 85.8            | 367.1      | 3,538.9          | 1,981.8   | 295.0   | 212.6   | 2.08   | 4.9              | 2,139.2      | 327.7   | 2.69   | 10.5       | NA              |
| PRA Health Sciences, Inc.             | NasdaqGS:PRAH | 0.00        | 0.0        | 0.0          | 1,211.2         | 1,260.4    | 1,211.2          | 1,241.6   | 134.0   | 38.9    | (0.30) | 86.0             | 0.0          | 0.0     | 0.0    | 10.4       | NA              |
| Quintiles Transnational Holdings Inc. | NYSE:Q        | 55.78       | 127.3      | 7,099.5      | 1,415.4         | 2,060.5    | 8,514.9          | 4,105.7   | 682.2   | 594.7   | 1.80   | 101.4            | 4,414.4      | 726.5   | 2.74   | (4.2)      | NA              |

| Company                               | Ticker        | FYE       | Data as of | Margin Analysis |        |       | Enterprise Value/ |        |        | P/E       |            | Debt/  |              | Interest Coverage | Price to Book | Dividend % |         |            |    |
|---------------------------------------|---------------|-----------|------------|-----------------|--------|-------|-------------------|--------|--------|-----------|------------|--------|--------------|-------------------|---------------|------------|---------|------------|----|
|                                       |               |           |            | Gross Profit    | EBITDA | EBIT  | Sales             | EBITDA | EBIT   | NTM Sales | NTM EBITDA | LTM    | NTM Forecast |                   |               |            | EV      | Market Cap |    |
| Charles River Laboratories Int., Inc. | NYSE:CRL      | 27-Dec-14 | 30-Sep-14  | 37.1%           | 22.2%  | 15.7% | 2.7 x             | 12.3 x | 17.4 x | 2.5 x     | 11.2 x     | 28.4 x | 17.8 x       | 22.9%             | 28.2%         | 2.8 x      | 16.5 x  | 4.2 x      | NA |
| ICON Public Limited Company           | NasdaqGS:ICLR | 31-Dec-14 | 30-Sep-14  | 39.1%           | 16.4%  | 13.0% | 2.3 x             | 13.7 x | 17.4 x | 2.1 x     | 12.1 x     | 42.9 x | 19.6 x       | 0.0%              | 0.0%          | 0.0 x      | 193.1 x | 3.5 x      | NA |
| PAREXEL International Corporation     | NasdaqGS:PRXL | 30-Jun-14 | 30-Sep-14  | 34.7%           | 14.9%  | 10.7% | 1.8 x             | 12.0 x | 16.6 x | 1.7 x     | 10.8 x     | 30.3 x | 23.5 x       | 10.4%             | 10.6%         | 1.2 x      | 43.5 x  | 6.0 x      | NA |
| PRA Health Sciences, Inc.             | NasdaqGS:PRAH | 31-Dec-14 | 30-Sep-14  | 31.5%           | 10.8%  | 3.1%  | 1.0 x             | 9.0 x  | 31.2 x | NA        | NA         | NM     | NA           | 104.1%            | NA            | 9.4 x      | 0.5 x   | 0.0 x      | NA |
| Quintiles Transnational Holdings Inc. | NYSE:Q        | 31-Dec-14 | 30-Sep-14  | 35.4%           | 16.6%  | 14.5% | 2.1 x             | 12.5 x | 14.3 x | 1.9 x     | 11.7 x     | 31.1 x | 20.4 x       | 24.2%             | 29.0%         | 3.0 x      | 5.9 x   | NM         | NA |

\* All estimates from Capital IQ

Debt calculations only included for entities with debt

NM - not meaningful

NA - not available

|               |       |       |       |      |       |       |       |        |        |        |        |       |       |         |       |      |
|---------------|-------|-------|-------|------|-------|-------|-------|--------|--------|--------|--------|-------|-------|---------|-------|------|
| <b>Median</b> | 35.4% | 16.4% | 13.0% | 2.1x | 12.3x | 17.4x | 2.0 x | 11.5 x | 30.7 x | 20.0 x | 22.9%  | 19.4% | 2.8 x | 16.5 x  | 3.8 x | NA   |
| <b>Mean</b>   | 35.6% | 16.2% | 11.4% | 2.0x | 11.9x | 19.4x | 2.0 x | 11.5 x | 33.2 x | 20.3 x | 32.3%  | 17.0% | 3.3 x | 51.9 x  | 3.4 x | NA   |
| <b>Min</b>    | 31.5% | 10.8% | 3.1%  | 1.0x | 9.0x  | 14.3x | 1.7 x | 10.8 x | 28.4 x | 17.8 x | 0.0%   | 0.0%  | 0.0 x | 0.5 x   | 0.0 x | 0.0% |
| <b>Max</b>    | 39.1% | 22.2% | 15.7% | 2.7x | 13.7x | 31.2x | 2.5 x | 12.1 x | 42.9 x | 23.5 x | 104.1% | 29.0% | 9.4 x | 193.1 x | 6.0 x | 0.0% |

# Trading Comparables as of December 31, 2014

## Publicly Traded Comparable CROs

USD in millions, except for per-share amounts

| Company                               | Ticker        | Share Price | Shares Out | Equity Value | Net Debt (Cash) | Total Debt | Enterprise Value | LTM       |         |         |        |                  | NTM Forecast |         |        | Book Value | Dividend /share |
|---------------------------------------|---------------|-------------|------------|--------------|-----------------|------------|------------------|-----------|---------|---------|--------|------------------|--------------|---------|--------|------------|-----------------|
|                                       |               |             |            |              |                 |            |                  | Sales     | EBITDA  | EBIT    | EPS    | Interest Expense | Sales        | EBITDA  | EPS    |            |                 |
| Charles River Laboratories Int., Inc. | NYSE:CRL      | \$63.64     | 46.9       | \$2,986.1    | \$601.7         | \$777.9    | \$3,587.8        | \$1,297.7 | \$288.6 | \$196.5 | \$2.57 | \$12.0           | \$1,354.6    | \$309.4 | \$3.44 | \$14.2     | NA              |
| ICON Public Limited Company           | NasdaqGS:ICLR | 50.99       | 61.6       | 3,139.5      | (216.0)         | 0.0        | 2,923.5          | 1,503.3   | 263.7   | 211.1   | 2.15   | 0.8              | 1,619.8      | 294.6   | 3.16   | 15.8       | NA              |
| PAREXEL International Corporation     | NasdaqGS:PRXL | 55.56       | 55.0       | 3,056.7      | 45.0            | 346.9      | 3,101.6          | 1,993.9   | 297.1   | 214.7   | 2.08   | 4.9              | 2,118.0      | 326.7   | 2.73   | 10.8       | NA              |
| PRA Health Sciences, Inc.             | NasdaqGS:PRAH | 24.22       | 59.8       | 1,448.6      | 882.8           | 968.0      | 2,331.4          | 1,266.6   | 154.3   | 57.7    | (0.26) | 81.9             | 1,340.4      | 194.5   | 1.3    | 11.3       | NA              |
| Quintiles Transnational Holdings Inc. | NYSE:Q        | 58.87       | 123.5      | 7,273.3      | 1,426.0         | 2,293.3    | 8,699.3          | 4,165.8   | 720.4   | 599.4   | 2.52   | 100.6            | 4,463.0      | 754.5   | 2.88   | (5.7)      | NA              |

| Company                               | Ticker        | FYE       | Data as of | Margin Analysis |        |       | Enterprise Value/ |        |        | P/E       |            | Debt/  |              | Interest Coverage | Price to Book | Dividend % |         |            |    |
|---------------------------------------|---------------|-----------|------------|-----------------|--------|-------|-------------------|--------|--------|-----------|------------|--------|--------------|-------------------|---------------|------------|---------|------------|----|
|                                       |               |           |            | Gross Profit    | EBITDA | EBIT  | Sales             | EBITDA | EBIT   | NTM Sales | NTM EBITDA | LTM    | NTM Forecast |                   |               |            | EV      | Market Cap |    |
| Charles River Laboratories Int., Inc. | NYSE:CRL      | 27-Dec-14 | 31-Dec-14  | 37.0%           | 22.2%  | 15.1% | 2.8 x             | 12.4 x | 18.3 x | 2.6 x     | 11.6 x     | 24.7 x | 18.5 x       | 21.7%             | 26.0%         | 2.7 x      | 16.4 x  | 4.5 x      | NA |
| ICON Public Limited Company           | NasdaqGS:ICLR | 31-Dec-14 | 31-Dec-14  | 39.9%           | 17.5%  | 14.0% | 1.9 x             | 11.1 x | 13.8 x | 1.8 x     | 9.9 x      | 23.7 x | 16.1 x       | 0.0%              | 0.0%          | 0.0 x      | 269.0 x | 3.2 x      | NA |
| PAREXEL International Corporation     | NasdaqGS:PRXL | 30-Jun-14 | 31-Dec-14  | 34.9%           | 14.9%  | 10.8% | 1.6 x             | 10.4 x | 14.4 x | 1.5 x     | 9.5 x      | 26.7 x | 20.3 x       | 11.2%             | 11.3%         | 1.2 x      | 43.8 x  | 5.2 x      | NA |
| PRA Health Sciences, Inc.             | NasdaqGS:PRAH | 31-Dec-14 | 31-Dec-14  | 32.2%           | 12.2%  | 4.6%  | 1.8 x             | 15.1 x | 40.4 x | 1.7 x     | 12.0 x     | NM     | 18.7 x       | 41.5%             | 66.8%         | 6.3 x      | 0.7 x   | 2.1 x      | NA |
| Quintiles Transnational Holdings Inc. | NYSE:Q        | 31-Dec-14 | 31-Dec-14  | 35.6%           | 17.3%  | 14.4% | 2.1 x             | 12.1 x | 14.5 x | 1.9 x     | 11.5 x     | 23.4 x | 20.4 x       | 26.4%             | 31.5%         | 3.2 x      | 6.0 x   | NM         | NA |

\* All estimates from Capital IQ

Debt calculations only included for entities with debt

NM - not meaningful

NA - not available

|               |       |       |       |      |       |       |       |        |        |        |       |       |       |         |       |      |
|---------------|-------|-------|-------|------|-------|-------|-------|--------|--------|--------|-------|-------|-------|---------|-------|------|
| <b>Median</b> | 35.6% | 17.3% | 14.0% | 1.9x | 12.1x | 14.5x | 1.8 x | 11.5 x | 24.2 x | 18.7 x | 21.7% | 26.0% | 2.7 x | 16.4 x  | 3.9 x | NA   |
| <b>Mean</b>   | 35.9% | 16.8% | 11.8% | 2.0x | 12.2x | 20.3x | 1.9 x | 10.9 x | 24.6 x | 18.8 x | 20.1% | 27.2% | 2.7 x | 67.2 x  | 3.8 x | NA   |
| <b>Min</b>    | 32.2% | 12.2% | 4.6%  | 1.6x | 10.4x | 13.8x | 1.5 x | 9.5 x  | 23.4 x | 16.1 x | 0.0%  | 0.0%  | 0.0 x | 0.7 x   | 2.1 x | 0.0% |
| <b>Max</b>    | 39.9% | 22.2% | 15.1% | 2.8x | 15.1x | 40.4x | 2.6 x | 12.0 x | 26.7 x | 20.4 x | 41.5% | 66.8% | 6.3 x | 269.0 x | 5.2 x | 0.0% |

# Trading Comparables as of March 31, 2015

## Publicly Traded Comparable CROs

USD in millions, except for per-share amounts

| Company                               | Ticker        | Share Price | Shares Out | Equity Value | Net Debt (Cash) | Total Debt | Enterprise Value | LTM       |         |         |        | NTM Forecast     |           |         | Book Value | Dividend /share |     |
|---------------------------------------|---------------|-------------|------------|--------------|-----------------|------------|------------------|-----------|---------|---------|--------|------------------|-----------|---------|------------|-----------------|-----|
|                                       |               |             |            |              |                 |            |                  | Sales     | EBITDA  | EBIT    | EPS    | Interest Expense | Sales     | EBITDA  |            |                 | EPS |
| Charles River Laboratories Int., Inc. | NYSE:CRL      | \$79.29     | 47.3       | \$3,752.5    | \$619.6         | \$786.4    | \$4,372.1        | \$1,318.7 | \$289.5 | \$195.0 | \$2.57 | \$12.2           | \$1,326.8 | \$317.9 | \$3.60     | \$14.0          | NA  |
| ICON Public Limited Company           | NasdaqGS:ICLR | 70.53       | 60.1       | 4,239.3      | (171.7)         | 20.0       | 4,067.7          | 1,541.9   | 289.7   | 234.8   | 2.15   | 0.8              | 1,650.0   | 320.0   | 3.55       | 16.5            | NA  |
| PAREXEL International Corporation     | NasdaqGS:PRXL | 68.99       | 54.8       | 3,780.0      | 86.7            | 382.0      | 3,866.7          | 2,003.6   | 298.0   | 214.7   | 2.08   | 7.1              | 2,135.5   | 326.8   | 2.91       | 11.0            | NA  |
| PRA Health Sciences, Inc.             | NasdaqGS:PRAH | 28.84       | 59.8       | 1,725.4      | 896.8           | 960.8      | 2,622.2          | 1,287.2   | 171.1   | 80.0    | (0.26) | 75.6             | 1,361.6   | 201.3   | 1.4        | 10.8            | NA  |
| Quintiles Transnational Holdings Inc. | NYSE:Q        | 66.97       | 124.8      | 8,357.7      | 1,527.0         | 2,306.1    | 9,884.8          | 4,190.5   | 727.8   | 605.6   | 2.52   | 101.2            | 4,350.9   | 781.0   | 3.09       | (4.9)           | NA  |

| Company                               | Ticker        | FYE       | Data as of | Margin Analysis |        |       | Enterprise Value/ |        |        | P/E       |            | Debt/  |              | Interest Coverage | Price to Book | Dividend % |         |            |    |
|---------------------------------------|---------------|-----------|------------|-----------------|--------|-------|-------------------|--------|--------|-----------|------------|--------|--------------|-------------------|---------------|------------|---------|------------|----|
|                                       |               |           |            | Gross Profit    | EBITDA | EBIT  | Sales             | EBITDA | EBIT   | NTM Sales | NTM EBITDA | LTM    | NTM Forecast |                   |               |            | EV      | Market Cap |    |
| Charles River Laboratories Int., Inc. | NYSE:CRL      | 27-Dec-14 | 31-Mar-15  | 37.2%           | 22.0%  | 14.8% | 3.3 x             | 15.1 x | 22.4 x | 3.3 x     | 13.8 x     | 30.8 x | 22.0 x       | 18.0%             | 21.0%         | 2.7 x      | 16.0 x  | 5.7 x      | NA |
| ICON Public Limited Company           | NasdaqGS:ICLR | 31-Dec-14 | 31-Mar-15  | 40.7%           | 18.8%  | 15.2% | 2.6 x             | 14.0 x | 17.3 x | 2.5 x     | 12.7 x     | 32.8 x | 19.9 x       | 0.5%              | 0.5%          | 0.1 x      | 291.0 x | 4.3 x      | NA |
| PAREXEL International Corporation     | NasdaqGS:PRXL | 30-Jun-14 | 31-Mar-15  | 34.5%           | 14.9%  | 10.7% | 1.9 x             | 13.0 x | 18.0 x | 1.8 x     | 11.8 x     | 33.1 x | 23.7 x       | 9.9%              | 10.1%         | 1.3 x      | 30.1 x  | 6.3 x      | NA |
| PRA Health Sciences, Inc.             | NasdaqGS:PRAH | 31-Dec-14 | 31-Mar-15  | 33.0%           | 13.3%  | 6.2%  | 2.0 x             | 15.3 x | 32.8 x | 1.9 x     | 13.0 x     | NM     | 20.3 x       | 36.6%             | 55.7%         | 5.6 x      | 1.1 x   | 2.7 x      | NA |
| Quintiles Transnational Holdings Inc. | NYSE:Q        | 31-Dec-14 | 31-Mar-15  | 35.5%           | 17.4%  | 14.5% | 2.4 x             | 13.6 x | 16.3 x | 2.3 x     | 12.7 x     | 26.6 x | 21.7 x       | 23.3%             | 27.6%         | 3.2 x      | 6.0 x   | NM         | NA |

\* All estimates from Capital IQ

Debt calculations only included for entities with debt

NM - not meaningful

NA - not available

|               |       |       |       |      |       |       |       |        |        |        |       |       |       |         |       |      |
|---------------|-------|-------|-------|------|-------|-------|-------|--------|--------|--------|-------|-------|-------|---------|-------|------|
| <b>Median</b> | 35.5% | 17.4% | 14.5% | 2.4x | 14.0x | 18.0x | 2.3 x | 12.7 x | 31.8 x | 21.7 x | 18.0% | 21.0% | 2.7 x | 16.0 x  | 5.0 x | NA   |
| <b>Mean</b>   | 36.2% | 17.3% | 12.3% | 2.5x | 14.2x | 21.4x | 2.4 x | 12.8 x | 30.8 x | 21.5 x | 17.7% | 23.0% | 2.6 x | 68.8 x  | 4.7 x | NA   |
| <b>Min</b>    | 33.0% | 13.3% | 6.2%  | 1.9x | 13.0x | 16.3x | 1.8 x | 11.8 x | 26.6 x | 19.9 x | 0.5%  | 0.5%  | 0.1 x | 1.1 x   | 2.7 x | 0.0% |
| <b>Max</b>    | 40.7% | 22.0% | 15.2% | 3.3x | 15.3x | 32.8x | 3.3 x | 13.8 x | 33.1 x | 23.7 x | 36.6% | 55.7% | 5.6 x | 291.0 x | 6.3 x | 0.0% |



# Trading Comparables as of June 30, 2015

## Publicly Traded Comparable CROs

USD in millions, except for per-share amounts

| Company                               | Ticker        | Share Price | Shares Out | Equity Value | Net Debt (Cash) | Total Debt | Enterprise Value | LTM       |         |         |        | NTM Forecast     |           |         | Book Value | Dividend /share |     |
|---------------------------------------|---------------|-------------|------------|--------------|-----------------|------------|------------------|-----------|---------|---------|--------|------------------|-----------|---------|------------|-----------------|-----|
|                                       |               |             |            |              |                 |            |                  | Sales     | EBITDA  | EBIT    | EPS    | Interest Expense | Sales     | EBITDA  |            |                 | EPS |
| Charles River Laboratories Int., Inc. | NYSE:CRL      | \$70.34     | 47.4       | \$3,331.3    | \$619.6         | \$786.4    | \$3,950.9        | \$1,318.7 | \$289.5 | \$195.0 | \$2.57 | \$12.2           | \$1,339.7 | \$318.9 | \$3.68     | \$14.0          | NA  |
| ICON Public Limited Company           | NasdaqGS:ICLR | 67.30       | 60.6       | 4,077.1      | (171.7)         | 20.0       | 3,905.4          | 1,541.9   | 289.7   | 234.8   | 2.15   | 0.8              | 1,670.8   | 336.6   | 3.77       | 16.5            | NA  |
| PAREXEL International Corporation     | NasdaqGS:PRXL | 64.31       | 55.2       | 3,547.9      | 86.7            | 382.0      | 3,634.6          | 2,003.6   | 298.0   | 214.7   | 2.08   | 7.1              | 2,137.3   | 339.2   | 3.06       | 11.0            | NA  |
| PRA Health Sciences, Inc.             | NasdaqGS:PRAH | 36.33       | 59.8       | 2,173.5      | 896.8           | 960.8      | 3,070.3          | 1,287.2   | 171.1   | 80.0    | (0.26) | 75.6             | 1,390.4   | 230.8   | 1.7        | 10.8            | NA  |
| Quintiles Transnational Holdings Inc. | NYSE:Q        | 72.61       | 122.3      | 8,876.9      | 1,527.0         | 2,306.1    | 10,403.9         | 4,190.5   | 727.8   | 605.6   | 2.52   | 101.2            | 4,389.4   | 792.7   | 3.20       | (4.9)           | NA  |

| Company                               | Ticker        | FYE       | Data as of | Margin Analysis |        |       | Enterprise Value/ |        |        | P/E       |            | Debt/  |              | Interest Coverage | Price to Book | Dividend % |         |            |    |
|---------------------------------------|---------------|-----------|------------|-----------------|--------|-------|-------------------|--------|--------|-----------|------------|--------|--------------|-------------------|---------------|------------|---------|------------|----|
|                                       |               |           |            | Gross Profit    | EBITDA | EBIT  | Sales             | EBITDA | EBIT   | NTM Sales | NTM EBITDA | LTM    | NTM Forecast |                   |               |            | EV      | Market Cap |    |
| Charles River Laboratories Int., Inc. | NYSE:CRL      | 27-Dec-14 | 30-Jun-15  | 37.2%           | 22.0%  | 14.8% | 3.0 x             | 13.6 x | 20.3 x | 2.9 x     | 12.4 x     | 27.3 x | 19.1 x       | 19.9%             | 23.6%         | 2.7 x      | 16.0 x  | 5.0 x      | NA |
| ICON Public Limited Company           | NasdaqGS:ICLR | 31-Dec-14 | 30-Jun-15  | 40.7%           | 18.8%  | 15.2% | 2.5 x             | 13.5 x | 16.6 x | 2.3 x     | 11.6 x     | 31.3 x | 17.9 x       | 0.5%              | 0.5%          | 0.1 x      | 291.0 x | 4.1 x      | NA |
| PAREXEL International Corporation     | NasdaqGS:PRXL | 30-Jun-14 | 30-Jun-15  | 34.5%           | 14.9%  | 10.7% | 1.8 x             | 12.2 x | 16.9 x | 1.7 x     | 10.7 x     | 30.8 x | 21.0 x       | 10.5%             | 10.8%         | 1.3 x      | 30.1 x  | 5.9 x      | NA |
| PRA Health Sciences, Inc.             | NasdaqGS:PRAH | 31-Dec-14 | 30-Jun-15  | 33.0%           | 13.3%  | 6.2%  | 2.4 x             | 17.9 x | 38.4 x | 2.2 x     | 13.3 x     | NM     | 20.9 x       | 31.3%             | 44.2%         | 5.6 x      | 1.1 x   | 3.4 x      | NA |
| Quintiles Transnational Holdings Inc. | NYSE:Q        | 31-Dec-14 | 30-Jun-15  | 35.5%           | 17.4%  | 14.5% | 2.5 x             | 14.3 x | 17.2 x | 2.4 x     | 13.1 x     | 28.9 x | 22.7 x       | 22.2%             | 26.0%         | 3.2 x      | 6.0 x   | NM         | NA |

\* All estimates from Capital IQ

Debt calculations only included for entities with debt

NM - not meaningful

NA - not available

|               |       |       |       |      |       |       |       |        |        |        |       |       |       |         |       |      |
|---------------|-------|-------|-------|------|-------|-------|-------|--------|--------|--------|-------|-------|-------|---------|-------|------|
| <b>Median</b> | 35.5% | 17.4% | 14.5% | 2.5x | 13.6x | 17.2x | 2.3 x | 12.4 x | 29.9 x | 20.9 x | 19.9% | 23.6% | 2.7 x | 16.0 x  | 4.5 x | NA   |
| <b>Mean</b>   | 36.2% | 17.3% | 12.3% | 2.4x | 14.3x | 21.9x | 2.3 x | 12.2 x | 29.6 x | 20.3 x | 16.9% | 21.0% | 2.6 x | 68.8 x  | 4.6 x | NA   |
| <b>Min</b>    | 33.0% | 13.3% | 6.2%  | 1.8x | 12.2x | 16.6x | 1.7 x | 10.7 x | 27.3 x | 17.9 x | 0.5%  | 0.5%  | 0.1 x | 1.1 x   | 3.4 x | 0.0% |
| <b>Max</b>    | 40.7% | 22.0% | 15.2% | 3.0x | 17.9x | 38.4x | 2.9 x | 13.3 x | 31.3 x | 22.7 x | 31.3% | 44.2% | 5.6 x | 291.0 x | 5.9 x | 0.0% |

# Trading Comparables as of September 30, 2014

## Publicly Traded Comparable Pharma Distribution Companies

USD in millions, except for per-share amounts

| Company                       | Ticker   | Share Price | Shares Out | Equity Value | Net Debt (Cash) | Total Debt | Enterprise Value | LTM         |           |           |        | NTM Forecast     |             |           | Book Value | Dividend /share |        |
|-------------------------------|----------|-------------|------------|--------------|-----------------|------------|------------------|-------------|-----------|-----------|--------|------------------|-------------|-----------|------------|-----------------|--------|
|                               |          |             |            |              |                 |            |                  | Sales       | EBITDA    | EBIT      | EPS    | Interest Expense | Sales       | EBITDA    |            |                 | EPS    |
| AmerisourceBergen Corporation | NYSE:ABC | \$77.30     | 224.4      | \$17,344.7   | \$187.1         | \$1,995.6  | \$17,531.8       | \$119,569.1 | \$1,374.2 | \$1,185.4 | \$3.06 | \$77.7           | \$122,638.9 | \$1,821.1 | \$4.29     | \$8.8           | \$1.05 |
| Cardinal Health, Inc.         | NYSE:CAH | 74.92       | 336.2      | 25,184.4     | 1,538.0         | 4,007.0    | 26,722.4         | 90,631.0    | 2,390.0   | 1,940.0   | 3.28   | 134.0            | 91,933.7    | 2,652.4   | 4.23       | 18.7            | 1.37   |
| Celesio AG                    | DB:CLS1  | 33.28       | 203.2      | 6,763.3      | 1,362.5         | 1,638.2    | 8,125.9          | 27,609.8    | 367.3     | 213.8     | 1.37   | 121.9            | 27,787.6    | 738.9     | 1.58       | 17.3            | 1.00   |
| McKesson Corporation          | NYSE:MCK | 194.67      | 231.6      | 45,085.4     | 6,768.0         | 10,572.0   | 51,853.4         | 161,201.0   | 3,557.0   | 2,692.0   | 6.38   | 385.0            | 175,427.7   | 5,114.7   | 11.22      | 38.5            | 0.96   |
| Owens & Minor Inc.            | NYSE:OMI | 32.74       | 63.1       | 2,064.8      | 156.1           | 766.3      | 2,220.9          | 9,266.9     | 236.9     | 196.3     | 1.97   | 14.2             | 9,437.5     | 276.5     | 1.92       | 16.0            | 1.00   |

| Company                       | Ticker   | FYE       | Data as of | Margin Analysis |        |      | Enterprise Value/ |        |        | P/E       |            |        | Debt/        |       |            | Interest Coverage | Price to Book | Dividend % |        |
|-------------------------------|----------|-----------|------------|-----------------|--------|------|-------------------|--------|--------|-----------|------------|--------|--------------|-------|------------|-------------------|---------------|------------|--------|
|                               |          |           |            | Gross Profit    | EBITDA | EBIT | Sales             | EBITDA | EBIT   | NTM Sales | NTM EBITDA | LTM    | NTM Forecast | EV    | Market Cap |                   |               |            | EBITDA |
| AmerisourceBergen Corporation | NYSE:ABC | 30-Sep-14 | 30-Sep-14  | 2.5%            | NM     | 1.0% | 0.1 x             | 12.8 x | 14.8 x | 0.1 x     | 9.6 x      | 25.3 x | 18.0 x       | 11.4% | 11.5%      | 1.5 x             | 15.3 x        | 8.8 x      | 1.4%   |
| Cardinal Health, Inc.         | NYSE:CAH | 30-Jun-14 | 30-Sep-14  | 5.8%            | NM     | 2.1% | 0.3 x             | 11.2 x | 13.8 x | 0.3 x     | 10.1 x     | 22.8 x | 17.7 x       | 15.0% | 15.9%      | 1.7 x             | 14.5 x        | 4.0 x      | 1.8%   |
| Celesio AG                    | DB:CLS1  | 31-Dec-14 | 30-Sep-14  | 10.8%           | NM     | 0.8% | 0.3 x             | 22.1 x | 38.0 x | 0.3 x     | 11.0 x     | 24.2 x | 21.1 x       | 20.2% | 24.2%      | 4.5 x             | 1.8 x         | 1.9 x      | 3.0%   |
| McKesson Corporation          | NYSE:MCK | 31-Mar-15 | 30-Sep-14  | 6.3%            | NM     | 1.7% | 0.3 x             | 14.6 x | 19.3 x | 0.3 x     | 10.1 x     | 30.5 x | 17.4 x       | 20.4% | 23.4%      | 3.0 x             | 7.0 x         | 5.1 x      | 0.5%   |
| Owens & Minor Inc.            | NYSE:OMI | 31-Dec-14 | 30-Sep-14  | 12.4%           | NM     | 2.1% | 0.2 x             | 9.4 x  | 11.3 x | 0.2 x     | 8.0 x      | 16.6 x | 17.1 x       | 34.5% | 37.1%      | 3.2 x             | 13.9 x        | 2.0 x      | 3.1%   |

\* All estimates from Capital IQ

Debt calculations only included for entities with debt

NM - not meaningful

NA - not available

|               |       |      |      |      |       |       |       |        |        |        |       |       |       |        |       |      |
|---------------|-------|------|------|------|-------|-------|-------|--------|--------|--------|-------|-------|-------|--------|-------|------|
| <b>Median</b> | 6.3%  | NM   | 1.7% | 0.3x | 12.8x | 14.8x | 0.3 x | 10.1 x | 24.2 x | 17.7 x | 20.2% | 23.4% | 3.0 x | 13.9 x | 4.0 x | 1.8% |
| <b>Mean</b>   | 7.6%  | NM   | 1.5% | 0.3x | 14.0x | 19.4x | 0.3 x | 9.8 x  | 23.9 x | 18.2 x | 20.3% | 22.4% | 2.8 x | 10.5 x | 4.4 x | 2.0% |
| <b>Min</b>    | 2.5%  | 0.0% | 0.8% | 0.1x | 9.4x  | 11.3x | 0.1 x | 8.0 x  | 16.6 x | 17.1 x | 11.4% | 11.5% | 1.5 x | 1.8 x  | 1.9 x | 0.5% |
| <b>Max</b>    | 12.4% | 0.0% | 2.1% | 0.3x | 22.1x | 38.0x | 0.3 x | 11.0 x | 30.5 x | 21.1 x | 34.5% | 37.1% | 4.5 x | 15.3 x | 8.8 x | 3.1% |

# Trading Comparables as of December 31, 2014

## Publicly Traded Comparable Pharma Distribution Companies

USD in millions, except for per-share amounts

| Company                       | Ticker   | Share Price | Shares Out | Equity Value | Net Debt (Cash) | Total Debt | Enterprise Value | LTM         |           |           |        | NTM Forecast     |             |           | Book Value | Dividend /share |        |
|-------------------------------|----------|-------------|------------|--------------|-----------------|------------|------------------|-------------|-----------|-----------|--------|------------------|-------------|-----------|------------|-----------------|--------|
|                               |          |             |            |              |                 |            |                  | Sales       | EBITDA    | EBIT      | EPS    | Interest Expense | Sales       | EBITDA    |            |                 | EPS    |
| AmerisourceBergen Corporation | NYSE:ABC | \$90.16     | 218.7      | \$19,717.3   | (\$302.9)       | \$1,995.9  | \$19,414.4       | \$123,981.4 | \$1,407.1 | \$1,212.7 | \$3.06 | \$76.6           | \$128,396.4 | \$1,876.1 | \$4.45     | \$8.1           | \$1.05 |
| Cardinal Health, Inc.         | NYSE:CAH | 80.73       | 331.0      | 26,718.6     | 1,095.0         | 3,976.0    | 27,813.6         | 93,928.0    | 2,441.0   | 1,996.0   | 3.28   | 137.0            | 94,873.0    | 2,756.0   | 4.39       | 18.5            | 1.37   |
| Celesio AG                    | DB:CLS1  | 31.76       | 203.2      | 6,454.7      | 1,046.8         | 1,453.2    | 7,501.4          | 27,024.0    | 590.4     | 443.6     | 1.11   | 104.2            | 26,904.0    | 696.6     | 1.48       | 16.3            | 1.00   |
| McKesson Corporation          | NYSE:MCK | 207.58      | 231.9      | 48,134.1     | 5,807.0         | 10,394.0   | 53,941.1         | 173,870.0   | 3,921.0   | 2,969.0   | 6.38   | 413.0            | 180,425.7   | 5,082.4   | 11.69      | 39.2            | 0.96   |
| Owens & Minor Inc.            | NYSE:OMI | 35.11       | 63.1       | 2,214.7      | 551.8           | 608.6      | 2,766.5          | 9,440.2     | 238.0     | 197.0     | 1.80   | 18.2             | 9,776.3     | 277.1     | 1.89       | 15.7            | 1.00   |

| Company                       | Ticker   | FYE       | Data as of | Margin Analysis |        |      | Enterprise Value/ |        |        | P/E       |            |        | Debt/        |       |            | Interest Coverage | Price to Book | Dividend % |        |
|-------------------------------|----------|-----------|------------|-----------------|--------|------|-------------------|--------|--------|-----------|------------|--------|--------------|-------|------------|-------------------|---------------|------------|--------|
|                               |          |           |            | Gross Profit    | EBITDA | EBIT | Sales             | EBITDA | EBIT   | NTM Sales | NTM EBITDA | LTM    | NTM Forecast | EV    | Market Cap |                   |               |            | EBITDA |
| AmerisourceBergen Corporation | NYSE:ABC | 30-Sep-14 | 31-Dec-14  | 2.5%            | NM     | 1.0% | 0.2 x             | 13.8 x | 16.0 x | 0.2 x     | 10.3 x     | 29.5 x | 20.3 x       | 10.3% | 10.1%      | 1.4 x             | 15.8 x        | 11.2 x     | 1.2%   |
| Cardinal Health, Inc.         | NYSE:CAH | 30-Jun-14 | 31-Dec-14  | 5.7%            | NM     | 2.1% | 0.3 x             | 11.4 x | 13.9 x | 0.3 x     | 10.1 x     | 24.6 x | 18.4 x       | 14.3% | 14.9%      | 1.6 x             | 14.6 x        | 4.4 x      | 1.7%   |
| Celesio AG                    | DB:CLS1  | 31-Dec-14 | 31-Dec-14  | 10.7%           | NM     | 1.6% | 0.3 x             | 12.7 x | 16.9 x | 0.3 x     | 10.8 x     | 28.5 x | 21.4 x       | 19.4% | 22.5%      | 2.5 x             | 4.3 x         | 1.9 x      | 3.2%   |
| McKesson Corporation          | NYSE:MCK | 31-Mar-15 | 31-Dec-14  | 6.5%            | NM     | 1.7% | 0.3 x             | 13.8 x | 18.2 x | 0.3 x     | 10.6 x     | 32.5 x | 17.8 x       | 19.3% | 21.6%      | 2.7 x             | 7.2 x         | 5.3 x      | 0.5%   |
| Owens & Minor Inc.            | NYSE:OMI | 31-Dec-14 | 31-Dec-14  | 12.4%           | NM     | 2.1% | 0.3 x             | 11.6 x | 14.0 x | 0.3 x     | 10.0 x     | 19.5 x | 18.6 x       | 22.0% | 27.5%      | 2.6 x             | 10.8 x        | 2.2 x      | 2.9%   |

\* All estimates from Capital IQ

Debt calculations only included for entities with debt

NM - not meaningful

NA - not available

|               |       |      |      |      |       |       |       |        |        |        |       |       |       |        |        |      |
|---------------|-------|------|------|------|-------|-------|-------|--------|--------|--------|-------|-------|-------|--------|--------|------|
| <b>Median</b> | 6.5%  | NM   | 1.7% | 0.3x | 12.7x | 16.0x | 0.3 x | 10.3 x | 28.5 x | 18.6 x | 19.3% | 21.6% | 2.5 x | 10.8 x | 4.4 x  | 1.7% |
| <b>Mean</b>   | 7.5%  | NM   | 1.7% | 0.3x | 12.7x | 15.8x | 0.3 x | 10.4 x | 26.9 x | 19.3 x | 17.0% | 19.3% | 2.1 x | 10.5 x | 5.0 x  | 1.9% |
| <b>Min</b>    | 2.5%  | 0.0% | 1.0% | 0.2x | 11.4x | 13.9x | 0.2 x | 10.0 x | 19.5 x | 17.8 x | 10.3% | 10.1% | 1.4 x | 4.3 x  | 1.9 x  | 0.5% |
| <b>Max</b>    | 12.4% | 0.0% | 2.1% | 0.3x | 13.8x | 18.2x | 0.3 x | 10.8 x | 32.5 x | 21.4 x | 22.0% | 27.5% | 2.7 x | 15.8 x | 11.2 x | 3.2% |

# Trading Comparables as of March 31, 2015

## Publicly Traded Comparable Pharma Distribution Companies

USD in millions, except for per-share amounts

| Company                       | Ticker   | Share Price | Shares Out | Equity Value | Net Debt (Cash) | Total Debt | Enterprise Value | LTM         |           |           |        | NTM Forecast     |             |           | Book Value | Dividend /share |        |
|-------------------------------|----------|-------------|------------|--------------|-----------------|------------|------------------|-------------|-----------|-----------|--------|------------------|-------------|-----------|------------|-----------------|--------|
|                               |          |             |            |              |                 |            |                  | Sales       | EBITDA    | EBIT      | EPS    | Interest Expense | Sales       | EBITDA    |            |                 | EPS    |
| AmerisourceBergen Corporation | NYSE:ABC | \$113.67    | 219.6      | \$24,962.5   | \$1,669.7       | \$4,006.7  | \$26,632.2       | \$128,194.7 | \$1,501.4 | \$1,296.6 | \$3.06 | \$80.3           | \$136,977.8 | \$2,070.8 | \$4.78     | \$8.7           | \$1.05 |
| Cardinal Health, Inc.         | NYSE:CAH | 90.27       | 330.1      | 29,800.9     | 820.0           | 4,003.0    | 30,620.9         | 97,877.0    | 2,544.0   | 2,093.0   | 3.28   | 138.0            | 101,989.2   | 2,828.2   | 4.62       | 19.2            | 1.37   |
| Celesio AG                    | DB:CLS1  | 29.49       | 203.2      | 5,992.8      | 1,046.8         | 1,453.2    | 7,039.6          | 27,024.0    | 590.4     | 443.6     | 1.11   | 104.2            | 24,156.6    | 531.3     | 1.32       | 16.3            | 1.00   |
| McKesson Corporation          | NYSE:MCK | 226.20      | 232.8      | 52,669.5     | 4,503.0         | 9,844.0    | 57,172.5         | 179,045.0   | 4,096.0   | 3,119.0   | 7.28   | 374.0            | 186,646.7   | 5,013.0   | 12.07      | 34.5            | 0.96   |
| Owens & Minor Inc.            | NYSE:OMI | 33.84       | 63.1       | 2,136.5      | 415.6           | 574.6      | 2,552.0          | 9,575.0     | 246.1     | 202.9     | 1.80   | 21.8             | 9,881.1     | 284.7     | 1.93       | 15.3            | 1.00   |

| Company                       | Ticker   | FYE       | Data as of | Margin Analysis |        |      | Enterprise Value/ |        |        |           | P/E        |        |              | Debt/ |            | Interest Coverage | Price to Book | Dividend % |        |
|-------------------------------|----------|-----------|------------|-----------------|--------|------|-------------------|--------|--------|-----------|------------|--------|--------------|-------|------------|-------------------|---------------|------------|--------|
|                               |          |           |            | Gross Profit    | EBITDA | EBIT | Sales             | EBITDA | EBIT   | NTM Sales | NTM EBITDA | LTM    | NTM Forecast | EV    | Market Cap |                   |               |            | EBITDA |
| AmerisourceBergen Corporation | NYSE:ABC | 30-Sep-14 | 31-Mar-15  | 2.5%            | NM     | 1.0% | 0.2 x             | 17.7 x | 20.5 x | 0.2 x     | 12.9 x     | 37.2 x | 23.8 x       | 15.0% | 16.1%      | 2.7 x             | 16.1 x        | 13.1 x     | 0.9%   |
| Cardinal Health, Inc.         | NYSE:CAH | 30-Jun-14 | 31-Mar-15  | 5.6%            | NM     | 2.1% | 0.3 x             | 12.0 x | 14.6 x | 0.3 x     | 10.8 x     | 27.5 x | 19.5 x       | 13.1% | 13.4%      | 1.6 x             | 15.2 x        | 4.7 x      | 1.5%   |
| Celesio AG                    | DB:CLS1  | 31-Dec-14 | 31-Mar-15  | 10.7%           | NM     | 1.6% | 0.3 x             | 11.9 x | 15.9 x | 0.3 x     | 13.3 x     | 26.5 x | 22.3 x       | 20.6% | 24.2%      | 2.5 x             | 4.3 x         | 1.8 x      | 3.4%   |
| McKesson Corporation          | NYSE:MCK | 31-Mar-15 | 31-Mar-15  | 6.4%            | NM     | 1.7% | 0.3 x             | 14.0 x | 18.3 x | 0.3 x     | 11.4 x     | 31.1 x | 18.7 x       | 17.2% | 18.7%      | 2.4 x             | 8.3 x         | 6.6 x      | 0.4%   |
| Owens & Minor Inc.            | NYSE:OMI | 31-Dec-14 | 31-Mar-15  | 12.4%           | NM     | 2.1% | 0.3 x             | 10.4 x | 12.6 x | 0.3 x     | 9.0 x      | 18.8 x | 17.6 x       | 22.5% | 26.9%      | 2.3 x             | 9.3 x         | 2.2 x      | 3.0%   |

\* All estimates from Capital IQ

Debt calculations only included for entities with debt

NM - not meaningful

NA - not available

|               |       |      |      |      |       |       |       |        |        |        |       |       |       |        |        |      |
|---------------|-------|------|------|------|-------|-------|-------|--------|--------|--------|-------|-------|-------|--------|--------|------|
| <b>Median</b> | 6.4%  | NM   | 1.7% | 0.3x | 12.0x | 15.9x | 0.3 x | 11.4 x | 27.5 x | 19.5 x | 17.2% | 18.7% | 2.4 x | 9.3 x  | 4.7 x  | 1.5% |
| <b>Mean</b>   | 7.5%  | NM   | 1.7% | 0.3x | 13.2x | 16.4x | 0.3 x | 11.5 x | 28.2 x | 20.4 x | 17.7% | 19.9% | 2.3 x | 10.6 x | 5.7 x  | 1.8% |
| <b>Min</b>    | 2.5%  | 0.0% | 1.0% | 0.2x | 10.4x | 12.6x | 0.2 x | 9.0 x  | 18.8 x | 17.6 x | 13.1% | 13.4% | 1.6 x | 4.3 x  | 1.8 x  | 0.4% |
| <b>Max</b>    | 12.4% | 0.0% | 2.1% | 0.3x | 17.7x | 20.5x | 0.3 x | 13.3 x | 37.2 x | 23.8 x | 22.5% | 26.9% | 2.7 x | 16.1 x | 13.1 x | 3.4% |

# Trading Comparables as of June 30, 2015

## Publicly Traded Comparable Pharma Distribution Companies

USD in millions, except for per-share amounts

| Company                       | Ticker   | Share Price | Shares Out | Equity Value | Net Debt (Cash) | Total Debt | Enterprise Value | LTM         |           |           |        | NTM Forecast     |             |           | Book Value | Dividend /share |        |
|-------------------------------|----------|-------------|------------|--------------|-----------------|------------|------------------|-------------|-----------|-----------|--------|------------------|-------------|-----------|------------|-----------------|--------|
|                               |          |             |            |              |                 |            |                  | Sales       | EBITDA    | EBIT      | EPS    | Interest Expense | Sales       | EBITDA    |            |                 | EPS    |
| AmerisourceBergen Corporation | NYSE:ABC | \$106.34    | 219.7      | \$23,361.4   | \$1,669.7       | \$4,006.7  | \$25,031.1       | \$128,194.7 | \$1,501.4 | \$1,296.6 | \$3.06 | \$80.3           | \$140,126.5 | \$2,205.1 | \$5.18     | \$8.7           | \$1.05 |
| Cardinal Health, Inc.         | NYSE:CAH | 83.65       | 330.8      | 27,674.2     | 820.0           | 4,003.0    | 28,494.2         | 97,877.0    | 2,544.0   | 2,093.0   | 3.28   | 138.0            | 105,574.7   | 2,925.5   | 4.77       | 19.2            | 1.37   |
| Celesio AG                    | DB:CLS1  | 29.08       | 203.2      | 5,910.4      | 963.6           | 1,362.8    | 6,874.1          | 22,642.1    | 423.7     | 309.4     | 0.86   | 65.7             | 24,728.5    | 512.4     | 1.52       | 13.3            | 0.90   |
| McKesson Corporation          | NYSE:MCK | 224.81      | 232.3      | 52,228.5     | 4,503.0         | 9,844.0    | 56,731.5         | 179,045.0   | 4,096.0   | 3,119.0   | 7.28   | 374.0            | 189,422.9   | 5,172.0   | 12.60      | 34.5            | 0.96   |
| Owens & Minor Inc.            | NYSE:OMI | 34.00       | 63.1       | 2,145.5      | 415.6           | 574.6      | 2,561.0          | 9,575.0     | 246.1     | 202.9     | 1.80   | 21.8             | 9,959.0     | 289.8     | 1.97       | 15.3            | 1.00   |

| Company                       | Ticker   | FYE       | Data as of | Margin Analysis |        |      | Enterprise Value/ |        |        | P/E       |            |        | Debt/        |       |            | Interest Coverage | Price to Book | Dividend % |        |
|-------------------------------|----------|-----------|------------|-----------------|--------|------|-------------------|--------|--------|-----------|------------|--------|--------------|-------|------------|-------------------|---------------|------------|--------|
|                               |          |           |            | Gross Profit    | EBITDA | EBIT | Sales             | EBITDA | EBIT   | NTM Sales | NTM EBITDA | LTM    | NTM Forecast | EV    | Market Cap |                   |               |            | EBITDA |
| AmerisourceBergen Corporation | NYSE:ABC | 30-Sep-14 | 30-Jun-15  | 2.5%            | NM     | 1.0% | 0.2 x             | 16.7 x | 19.3 x | 0.2 x     | 11.4 x     | 34.8 x | 20.5 x       | 16.0% | 17.2%      | 2.7 x             | 16.1 x        | 12.3 x     | 1.0%   |
| Cardinal Health, Inc.         | NYSE:CAH | 30-Jun-14 | 30-Jun-15  | 5.6%            | NM     | 2.1% | 0.3 x             | 11.2 x | 13.6 x | 0.3 x     | 9.7 x      | 25.5 x | 17.5 x       | 14.0% | 14.5%      | 1.6 x             | 15.2 x        | 4.3 x      | 1.6%   |
| Celesio AG                    | DB:CLS1  | 31-Mar-15 | 30-Jun-15  | 10.8%           | NM     | 1.4% | 0.3 x             | 16.2 x | 22.2 x | 0.3 x     | 13.4 x     | 33.8 x | 19.1 x       | 19.8% | 23.1%      | 3.2 x             | 4.7 x         | 2.2 x      | 3.1%   |
| McKesson Corporation          | NYSE:MCK | 31-Mar-15 | 30-Jun-15  | 6.4%            | NM     | 1.7% | 0.3 x             | 13.9 x | 18.2 x | 0.3 x     | 11.0 x     | 30.9 x | 17.8 x       | 17.4% | 18.8%      | 2.4 x             | 8.3 x         | 6.5 x      | 0.4%   |
| Owens & Minor Inc.            | NYSE:OMI | 31-Dec-14 | 30-Jun-15  | 12.4%           | NM     | 2.1% | 0.3 x             | 10.4 x | 12.6 x | 0.3 x     | 8.8 x      | 18.9 x | 17.3 x       | 22.4% | 26.8%      | 2.3 x             | 9.3 x         | 2.2 x      | 2.9%   |

\* All estimates from Capital IQ

Debt calculations only included for entities with debt

NM - not meaningful

NA - not available

|               |       |      |      |      |       |       |       |        |        |        |       |       |       |        |        |      |
|---------------|-------|------|------|------|-------|-------|-------|--------|--------|--------|-------|-------|-------|--------|--------|------|
| <b>Median</b> | 6.4%  | NM   | 1.7% | 0.3x | 13.9x | 18.2x | 0.3 x | 11.0 x | 30.9 x | 17.8 x | 17.4% | 18.8% | 2.4 x | 9.3 x  | 4.3 x  | 1.6% |
| <b>Mean</b>   | 7.6%  | NM   | 1.7% | 0.3x | 13.7x | 17.2x | 0.3 x | 10.9 x | 28.8 x | 18.5 x | 17.9% | 20.1% | 2.4 x | 10.7 x | 5.5 x  | 1.8% |
| <b>Min</b>    | 2.5%  | 0.0% | 1.0% | 0.2x | 10.4x | 12.6x | 0.2 x | 8.8 x  | 18.9 x | 17.3 x | 14.0% | 14.5% | 1.6 x | 4.7 x  | 2.2 x  | 0.4% |
| <b>Max</b>    | 12.4% | 0.0% | 2.1% | 0.3x | 16.7x | 22.2x | 0.3 x | 13.4 x | 34.8 x | 20.5 x | 22.4% | 26.8% | 3.2 x | 16.1 x | 12.3 x | 3.1% |

# Industry Transaction Comparables

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# Pharma Services Transaction Comparables

## LTM Comparable Precedent Transactions

| Announced Date | Target  | Buyer                            | Geographic Location | Enterprise Value | LTM Revenue | LTM EBITDA | EV / LTM Revenue | EV / LTM EBITDA |
|----------------|---|----------------------------------|---------------------|------------------|-------------|------------|------------------|-----------------|
| Jun-15         | Hangzhou Neptunus Bioengineering Co., Ltd.      | Shenzhen Neptunus Group Co. Ltd. | China               | 32.9             | 8.4         | NA         | 3.9x             | NA              |
| Apr-15         | Idis Group Holdings Ltd                         | Clinigen Group Plc               | United Kingdom      | 341.4            | 274.5       | 19.0       | 1.2x             | 18.0x           |
| Feb-15         | BioRx, LLC                                      | Diplomat Pharmacy, Inc.          | United States       | 350.0            | 227.0       | 23.0       | 1.5x             | 15.2x           |
| Jan-15         | Advanced Scientifics Inc.                       | Thermo Fisher Scientific, Inc.   | United States       | 300.0            | 80.0        | NA         | 3.8x             | NA              |
| Jan-15         | Norchem Ltd.                                    | Lexon Ltd.                       | United Kingdom      | 34.9             | 37.9        | NA         | 0.9x             | NA              |
| Jan-15         | Coldstream Laboratories Inc.                    | Piramal Enterprises Limited      | United States       | 30.7             | 13.1        | NA         | 2.3x             | NA              |
| Nov-14         | HamelN Pharmaceuticals Gmbh and Hameln Rds GmbH | Siegfried Holding AG             | Germany             | 62.1             | 88.8        | NA         | 0.7x             | NA              |
| Sep-14         | Shasun Pharmaceuticals Ltd                      | Strides Arcolab Ltd.             | India               | 306.5            | 213.0       | 26.3       | 1.4x             | 11.6x           |
| Sep-14         | Sigma-Aldrich Corporation                       | Merck KGaA                       | United States       | 16,495.2         | 2,738.0     | 834.0      | 6.0x             | 19.8x           |
| Jul-14         | Penn Pharmaceutical Services Limited            | Packaging Coordinators Inc.      | United Kingdom      | 215.7            | 51.0        | NA         | 4.2x             | NA              |

NM - Not Meaningful

|        |          |         |        |      |       |
|--------|----------|---------|--------|------|-------|
| Median | \$257.9  | \$84.4  | \$24.7 | 1.9x | 16.6x |
| Mean   | 1,816.9  | 373.2   | 225.6  | 2.6x | 16.2x |
| High   | 16,495.2 | 2,738.0 | 834.0  | 6.0x | 19.8x |
| Low    | 30.7     | 8.4     | 19.0   | 0.7x | 11.6x |

- ❖ Bourne Partners compiled a set of pharma services transactions that occurred within the last twelve months
  - Median Enterprise Value / LTM revenue multiple is 1.9x
  - Median Enterprise Value / LTM EBITDA is 16.6x
- ❖ The table includes transactions that took place in all three of the pharma services segments (CMOs, CROs, and pharma distribution companies)

# CMO Transaction Comparables

## Comparable Precedent Transactions

| Announced Date | Target  | Buyer                              | Geographic Location | Enterprise Value | LTM Revenue | LTM EBITDA | EV / LTM Revenue | EV / LTM EBITDA |
|----------------|---|------------------------------------|---------------------|------------------|-------------|------------|------------------|-----------------|
| Jan-15         | Advanced Scientifics Inc.                       | Thermo Fisher Scientific, Inc.     | United States       | 300.0            | 80.0        | NA         | 3.8x             | NA              |
| Jan-15         | Coldstream Laboratories Inc.                    | Piramal Enterprises Limited        | United States       | 30.7             | 13.1        | NA         | 2.3x             | NA              |
| Nov-14         | Hameln Pharmaceuticals Gmbh and Hameln Rds GmbH | Siegfried Holding AG               | Germany             | 30.7             | 13.1        | NA         | 2.3x             | NA              |
| Sep-14         | Shasun Pharmaceuticals Ltd                      | Strides Arcolab Ltd.               | India               | 306.5            | 213.0       | 26.3       | 1.4x             | 11.6x           |
| Sep-14         | Sigma-Aldrich Corporation                       | Merck KGaA                         | United States       | 16,495.2         | 2,738.0     | 834.0      | 6.0x             | 19.8x           |
| Mar-14         | Cedarburg Pharmaceuticals, Inc.                 | Albany Molecular Research Inc.     | United States       | 41.0             | 16.2        | 5.5        | 2.5x             | 7.5x            |
| Nov-13         | Atrium Innovations Inc.                         | Permira Advisers Ltd               | Canada              | 966.0            | 471.8       | 92.4       | 2.0x             | 10.4x           |
| Nov-13         | Patheon Inc.                                    | JLL Partners; Koninklijke DSM N.V. | Netherlands         | 1,860.9          | 1,023.1     | 128.0      | 1.8x             | 14.5x           |
| Nov-13         | Biozone Pharmaceuticals, Inc.                   | Muscle Pharm Corp.                 | United States       | 17.4             | 12.8        | -1.6       | 1.4x             | NM              |
| Oct-13         | Acino Holding AG                                | Nordic Capital                     | Switzerland         | 576.7            | 377.9       | 39.7       | 1.5x             | 14.5x           |
| May-13         | Xellia Pharmaceuticals AS                       | Novo A/S                           | Norway              | 700.0            | 220.0       | NA         | 3.2x             | NA              |
| Apr-13         | Pfanstiehl, Inc.                                | Med Opportunity Partners, LLC      | United States       | 24.9             | 2.4         | NA         | 10.4x            | NA              |

NM - Not Meaningful

|               |          |         |        |              |              |
|---------------|----------|---------|--------|--------------|--------------|
| <b>Median</b> | \$303.3  | \$146.5 | \$39.7 | <b>2.3x</b>  | <b>13.1x</b> |
| <b>Mean</b>   | 1,779.2  | 431.8   | 160.6  | <b>3.3x</b>  | <b>13.1x</b> |
| <b>High</b>   | 16,495.2 | 2,738.0 | 834.0  | <b>10.4x</b> | <b>19.8x</b> |
| <b>Low</b>    | 17.4     | 2.4     | -1.6   | <b>1.4x</b>  | <b>7.5x</b>  |

- ❖ Bourne Partners compiled a set of comparable precedent transactions of CMOs with disclosed transaction values
  - Median Enterprise Value / LTM revenue multiple is 2.3x
  - Median Enterprise Value / LTM EBITDA is 13.1x



# CRO Transaction Comparables

## Comparable Precedent Transactions

| Announced Date | Target                                     | Buyer                                       | Geographic Location | Enterprise Value | LTM Revenue | LTM EBITDA | EV / LTM Revenue | EV / LTM EBITDA |
|----------------|--|---|---------------------|------------------|-------------|------------|------------------|-----------------|
| Jun-15         | Hangzhou Neptunus Bioengineering Co., Ltd. | Shenzhen Neptunus Group Co. Ltd.            | China               | 32.9             | 8.4         | NA         | 3.9x             | NA              |
| Jul-14         | Penn Pharmaceutical Services Limited       | Packaging Coordinators Inc.                 | United Kingdom      | 215.7            | 51.0        | NA         | 4.2x             | NA              |
| Mar-14         | BioFocus DPI Ltd                           | Charles River Laboratories Holdings Limited | United Kingdom      | 186.5            | 87.7        | NA         | 2.1x             | 12.0x           |
| Jan-14         | CeeTox, Inc.                               | Apredica, LLC                               | United States       | 6.1              | 3.8         | NA         | 1.6x             | NA              |
| Sep-13         | Molecular Profiles Ltd.                    | Columbia Laboratories, Inc.                 | United Kingdom      | 25.4             | 9.0         | NA         | 2.8x             | NA              |
| Jan-13         | BioClinica, Inc.                           | JLL Partners                                | United States       | 108.2            | 79.0        | 10.3       | 1.4x             | 10.5x           |

NM - Not Meaningful

|               |        |        |        |             |              |
|---------------|--------|--------|--------|-------------|--------------|
| <b>Median</b> | \$70.5 | \$30.0 | \$10.3 | <b>2.5x</b> | <b>11.2x</b> |
| <b>Mean</b>   | 95.8   | 39.8   | 10.3   | <b>2.7x</b> | <b>11.2x</b> |
| <b>High</b>   | 215.7  | 87.7   | 10.3   | <b>4.2x</b> | <b>12.0x</b> |
| <b>Low</b>    | 6.1    | 3.8    | 10.3   | <b>1.4x</b> | <b>10.5x</b> |

- ❖ Bourne Partners compiled a set of comparable precedent transactions of CROs with disclosed transaction values
  - Median Enterprise Value / LTM revenue multiple is 2.5x
  - Median Enterprise Value / LTM EBITDA is 11.2x

# Pharma Distribution Company Transaction Comparables

## Comparable Precedent Transactions

| Announced Date | Target  | Buyer                                | Geographic Location | Enterprise Value | LTM Revenue | LTM EBITDA | EV / LTM Revenue | EV / LTM EBITDA |
|----------------|---|--------------------------------------|---------------------|------------------|-------------|------------|------------------|-----------------|
| Apr-15         | Idis Group Holdings Ltd   | Clinigen Group Plc                   | United Kingdom      | 341.4            | 274.5       | 19.0       | 1.2x             | 18.0x           |
| Feb-15         | BioRx, LLC  | Diplomat Pharmacy, Inc.              | United States       | 350.0            | 227.0       | 23.0       | 1.5x             | 15.2x           |
| Jan-15         | Norchem Ltd.  | Lexon Ltd.                           | United Kingdom      | 34.9             | 37.9        | NA         | 0.9x             | NA              |
| Mar-14         | Central Healthcare Pty Ltd  | Sigma Pharmaceuticals Ltd.           | Australia           | 42.5             | 184.5       | NA         | 0.2x             | NA              |
| Oct-13         | Celesio AG  | McKesson Deutschland GmbH & Co. KGaA | Germany             | 7,389.2          | 29,215.6    | 441.8      | 0.3x             | 16.7x           |
| Apr-13         | Baralex, Inc.   | Unipex Solutions Canada Inc.         | Canada              | 2.7              | 9.9         | NA         | 0.3x             | NA              |
| Oct-12         | PSS World Medical Inc.  | McKesson Corporation                 | United States       | 1,819.0          | 2,160.0     | 169.4      | 0.8x             | 10.7x           |
| Oct-12         | Leica Nilomark Oy   | Immuno Diagnostic Oy                 | Finland             | 1.6              | 3.9         | NA         | 0.4x             | NA              |
| Sep-12         | RTT Health Sciences Division and Fuel Africa Logistics, RTT Kenya Limited and RTT Ghana | Imperial Holdings Limited            | South Africa        | 62.5             | 133.6       | NA         | 0.5x             | NA              |
| Sep-12         | Mediq NV  | Advent International Corporation     | Netherlands         | 1,398.2          | 3,465.4     | 173.3      | 0.4x             | 8.1x            |

NM - Not Meaningful

|        |         |          |         |      |       |
|--------|---------|----------|---------|------|-------|
| Median | \$202.0 | \$205.7  | \$169.4 | 0.4x | 15.2x |
| Mean   | 1,144.2 | 3,571.2  | 165.3   | 0.7x | 13.7x |
| High   | 7,389.2 | 29,215.6 | 441.8   | 1.5x | 18.0x |
| Low    | 1.6     | 3.9      | 19.0    | 0.2x | 8.1x  |

- ❖ Bourne Partners compiled a set of comparable precedent transactions of pharma distribution companies with disclosed transaction values
  - Median Enterprise Value / LTM revenue multiple is 0.4x
  - Median Enterprise Value / LTM EBITDA is 15.2x
- ❖ The Idis Group and BioRx transactions have higher revenue multiples due to a premium attributed to the specialized services provided by these companies

# DSM - Patheon Transaction Overview

JLL Partners and Koninklijke DSM N.V. completed the acquisition of Patheon Inc. on March 11, 2014. The transaction valued Patheon at \$1.9bn (\$9.32 per share) and involved the creation of a new independent company, NewCo. The new company combines DSM Pharmaceutical Products (DPP) and Patheon for an overall transaction of \$2.6bn. NewCo will operate independently from DSM and offer global services in contract manufacturing and development.



## Patheon Inc.

The company is a leading provider of pharmaceutical development services and commercial contract manufacturing services to pharmaceutical and biotechnology companies. The Company has a fully-integrated service offering, ranging from analytical development and pre-formulation to commercial manufacturing. Patheon has over 5,500 employees across its global network of facilities throughout the United States, Canada, Europe and Mexico.

### Financial Highlights:

- **Total Revenue:** \$2.8bn
- **Cash & ST Investments:** \$939mm
- **EBITDA:** \$844mm
- **Total Debt:** \$300mm



## DSM N.V.

The company operates as a life sciences and materials sciences company worldwide. The company operates through Nutrition, Performance Materials, Polymer Intermediates, and Innovation Center segments.

## JLL Partners

Based in New York City, the company is a private equity firm specializing in investments in middle market companies

## Deal Highlights

- ❖ **Date Announced:** 11/18/2013
- ❖ **Transaction Value:** \$1.9bn
- ❖ **LTM EBITDA Multiple:** 1.8x
- ❖ **LTM Revenue Multiple:** 14.5x

### Transaction Overview:

- ❖ The deal structure created a company, NewCo (DPP and Patheon) which will operate as an independent subsidiary
- ❖ The deal involved \$1.65bn of debt financing; JLL receives 51% ownership and DSM receives 49% ownership of NewCo
- ❖ It is expected that the transaction will be EPS accretive from 2015 onwards

### Strategic Rationale:

- ❖ The transaction will create a leading global contract development and manufacturing organization with complete end-to-end offering from finished dosages (drug products) to active substances (APIs)
- ❖ The acquisition will add scale and new value chain capabilities/technologies to expand its end-to-end service offering as a comprehensive solution provider

# McKesson – Celesio Transaction Overview

McKesson Corporation, a leading North American healthcare services and information technology company, reached an agreement with Franz Haniel & Cie. GmbH (“Haniel”) to acquire Haniel’s entire holding of Celesio shares for €23.50 per share. In a separate and subsequent agreement, McKesson also announced the acquisition of Celesio convertible bonds from Elliott. McKesson ownership now exceeds 75% of Celesio shares on a fully diluted basis.

## Deal Highlights

- ❖ **Date Announced:** 10/24/2013
- ❖ **Transaction Value:** \$6.8bn
- ❖ **LTM EBITDA Multiple:** 0.3x
- ❖ **LTM Revenue Multiple:** 16.7x

## celesio

### Celesio AG

The company provides logistics and services to the pharmaceutical and healthcare sectors worldwide. The company operates through two divisions, Consumer Solutions and Pharmacy Solutions. As of March 11, 2015, it served its customers through approximately 2,200 owned pharmacies and approximately 4,300 participants in its brand partnership schemes; and operated approximately 133 wholesale branches that supplied pharmaceutical products to approximately 65,000 pharmacies and hospitals.

#### Financial Highlights:

- **Total Revenue:** \$27.0bn                      **EBITDA:** \$605.9mm
- **Cash & ST Investments:** \$406.5mm      **Total Debt:** \$1.5bn

## MCKESSON

### McKesson Corporation

McKesson Corporation delivers pharmaceuticals, medical supplies, and health care information technologies to the healthcare industry in the United States and internationally. The company operates in two segments, McKesson Distribution Solutions and McKesson Technology Solutions.

## Transaction Overview:

- Initially, McKesson entered into a share purchase agreement to acquire an additional 50.01% stake in Celesio AG from Haniel for €23 per share
- Ultimately, the company entered a share purchase agreement with Haniel for a stake comprising approximately 75.99% of the Celesio shares outstanding for €23.50 per share

## Strategic Rationale:

- McKesson believes that customers will benefit from increased scale, supply chain expertise, and sourcing capabilities of the combined companies
- The combination of their complementary geographic footprints, shared values, and industry expertise will allow the combined companies to better serve customers as one of the largest pharmaceutical and healthcare services providers in the world

# Merck – Sigma-Aldrich Transaction Overview

Merck KGaA entered into a definite agreement to acquire Sigma-Aldrich, a US supplier of laboratory testing materials. Merck valued the acquisition of Sigma-Aldrich at \$17 billion, which breaks down to \$140 a share in cash, a 37% premium to the latest closing price. Sigma-Aldrich had sales of \$2.7bn last year, with half of that revenue coming from academic laboratories, drug companies, and industrial manufacturers conducting research and development.



SIGMA-ALDRICH

## Sigma-Aldrich (SIAL)

A life science and technology company that develops, manufactures, purchases, and distributes various chemicals, biochemicals, and equipment worldwide. Its chemical and biochemical products and kits are used in scientific research, biotechnology, pharmaceutical development, and diagnosis of disease; and as key components in pharmaceutical, diagnostics, and high technology manufacturing. The company is the largest manufacturer of chemicals and biological materials used in scientific labs.

### Financial Highlights:

- **Total Revenue:** \$2.8bn
- **Cash & ST Investments:** \$939mm
- **EBITDA:** \$844mm
- **Total Debt:** \$300mm



## Merck KGaA

A pharmaceutical company, that together with its subsidiaries, discovers, develops, manufactures, and markets products in the pharmaceutical and chemical sectors worldwide. Merck KGaA has four main segments: Merck Serono, Consumer Health, Performance Materials, and Merck Millipore.

## Deal Highlights

- ❖ **Date Announced:** 9/22/2014
- ❖ **Transaction Value:** \$17bn
- ❖ **LTM EBITDA Multiple:** 20.1x
- ❖ **LTM Revenue Multiple:** 6.07x

### Transaction Overview:

This \$17bn deal will be funded through cash in hand and \$15.6bn of unsecured term loan credit facilities.

- ❖ After the merger, Sigma-Aldrich will cease to be a publicly traded company and will operate as wholly-owned subsidiary of Merck.

### Strategic Rationale:

This new combined entity will create heightened competition against companies who compete for the business of pharmaceuticals hoping to cut costs through a reduction in the number of suppliers utilized.

- ❖ Assimilation of Sigma Aldrich's life science and technology capabilities helps to diversify Merck's offerings, provide more stable earnings, and protect it from volatility associated with its reliance on its pharmaceutical subsidiary, Serono, which has struggled to develop its drug pipeline

## Firm Overview

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# Bourne Partners Firm Overview

## Life Sciences Merchant Bank

- ❖ Investment Banking Advisory
- ❖ Direct Investing and Fund of Funds Platform
- ❖ Healthcare Operational and Management Consulting

## Segmentation

- ❖ Specialty Pharmaceuticals (Rx)
- ❖ Consumer Health / Wellness (OTC)
- ❖ Healthcare Services

## Advisory Services

- ❖ Mergers & Acquisitions
  - ❖ Company and product divestments
  - ❖ Primarily sell-side with select buy-side assignments
  - ❖ \$10 - 500 million transaction size focus
- ❖ Business Development Support Services
  - ❖ In/out-licensing of late stage and approved products
  - ❖ United States, European, and Asian companies focused on partnering locally or internationally
- ❖ Capital Raising
  - ❖ \$10 - 500 million raises
  - ❖ Debt and equity

Over \$1 billion in transactions so far in 2015

## Geographic Coverage



## Select Tombstones



Exclusive advisor in divestment of select pharmaceutical assets



Exclusive advisor in pharmaceutical sale of PHOTOFRIN



Exclusive advisor in pharmaceutical out-licensing of Oxtellar



Exclusive advisor in divestment of leading consumer company



Exclusive advisor in divestment of select pharmaceutical assets



Exclusive advisor in divestment of AquADEKs



# Bourne Partners Information

## Select Strategic Advisory Clients

AZUR PHARMA

 Carolinas HealthCare System

 nfi  
CONSUMER PRODUCTS

 Fleet  
Laboratories

 COVIS  
PHARMA

 King Pharmaceuticals

 APTALIS

 THERAMED

 Supernus<sup>®</sup>  
Pharmaceuticals

 SAGENT

 Speciality  
European  
Pharma  
*Your partner in urology*

 DESITIN  
SUCCESS IN CNS

## Select Recent Product Acquisition Partners

 gsk  
GlaxoSmithKline

 SHIONOGI

 SANOFI

 AstraZeneca

 WellSpring  
PHARMACEUTICAL

 BAYER  
Bayer

## Select Sponsor/Lender Clients

 Monroe Capital  
*Innovative Capital Creating Value*

 CERBERUS  
CAPITAL MANAGEMENT, L.P.

 Advent  
Venture Partners

 PRINCETON  
BIOPHARMA  
CAPITAL  
PARTNERS, LLC

 THE GLADSTONE COMPANIES

## Representative Active Role Investments

 King Pharmaceuticals

 COVIS  
PHARMA

 BURNSADLER  
PHARMACEUTICALS

 TANNER  
Pharmaceuticals

 Tanner Pharma  
GROUP

 THERAMED

 ORPHAN CANADA

## Representative Passive, Fund, & Co-Investments

 PPD

 theVitamin  
Shoppe

 National  
Surgical  
Hospitals

 HealthSCOPE  
BENEFITS

 NBTY,  
INC.

 UHS  
Universal | Hospital | Services

 Qualicorp  
soluções em saúde

 ManorCare



# Bourne Partners Senior Team

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



Bill Taylor  
Director of Legal Affairs



Todd Bokus  
Vice President



Chris Inklebarger  
Vice President



Robert Stanley  
Vice President

- Over 50 years of combined pharmaceutical, medical device, biotechnology, and life sciences healthcare experience
- Over 70 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

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