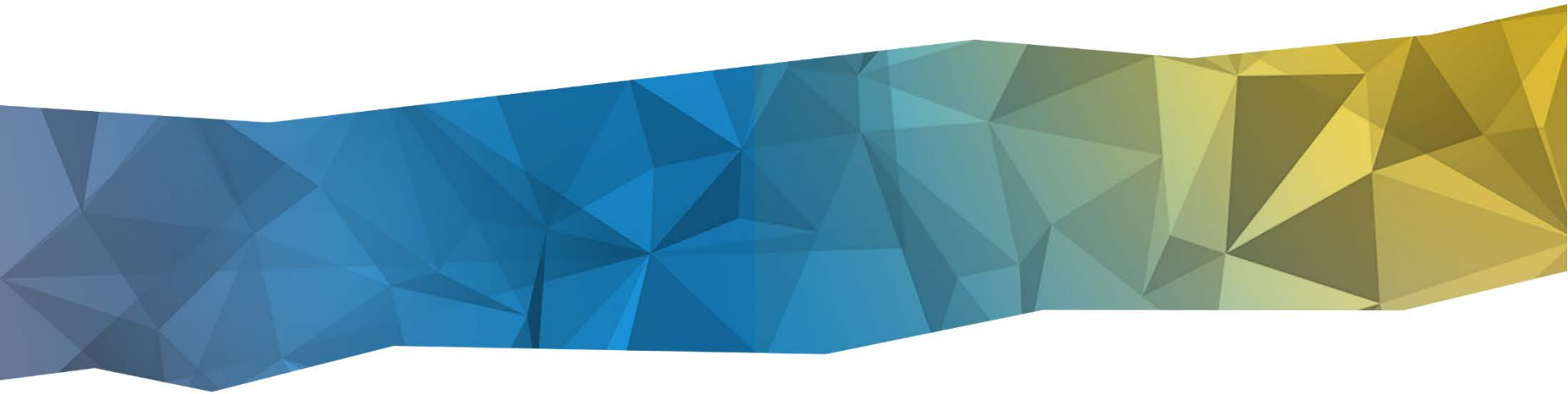


# INSIGHT

## PHARMA SERVICES SECTOR SNAPSHOT



Q1 2018

BOURNE PARTNERS

# CMO - Transaction Comps

BOURNE PARTNERS

## CMO Transaction Comps

USD in millions, except for per-share amounts

Announced Date	Target	Target Description	Buyer	Geographic Location	Enterprise Value	LTM Revenue	LTM EBITDA	EV / LTM Revenue	EV / LTM EBITDA
Sep-17	Cook Pharmica LLC	Provides contract development and manufacturing services to pharmaceutical and biopharmaceutical companies	Catalent Pharma Solutions, Inc.	USA	\$950.0	\$177.8	NA	5.3x	NA
Jun-17	Albany Molecular Research, Inc.	Contract research and manufacturing company that provides integrated drug discovery, development, and manufacturing	The Carlyle Group L.P.	USA	1,593.5	628.7	71.8	2.5x	22.2x
May-17	Patheon N.V.	Provides outsourced pharmaceutical development and manufacturing services	Thermo Fisher	USA	7,205.3	1,933.0	351.2	3.7x	20.5x
Dec-16	CMC Biologics	Provides contract process development and biopharmaceuticals manufacturing services	Asahi Glass Co., Ltd.	Denmark	514.3	NA	NA	NA	NA
Dec-16	Capsugel, Inc.	Develops dosage forms and solutions for the healthcare industry around the world	Lonza Group Ltd.	USA	5,500.0	1,000.0	344.0	5.5x	16.0x
Sep-16	PharmaCore, Inc.	Specializes in developing, manufacturing, and scaling up APIs for clinical phase projects	Cambrex Corporation	USA	25.0	17.0	45.4	2.7x	12.9x
Aug-16	Ash Stevens, Inc.	Develops and manufactures drug substances and APIs	Piramal Pharma Solutions Inc.	USA	53.0	18.3	NA	2.9x	NA
Jul-16	Gland Pharma Limited	Manufactures small volume parenterals including vials, ampoules, pre-filled syringes, and lyophilized vials	Fosun Pharma Industrial Pte. Ltd.	India	1,588.6	188.2	NA	8.4x	NA
May-16	Euticals S.p.a.	Manufactures and sells APIs, customs synthesis, and fine chemical products	Albany Molecular Research, Inc.	Italy	353.1	243.1	26.8	1.5x	13.2x
Apr-16	Kemwell Biopharma Pvt. Ltd., India Pharma Division	The contract development and manufacturing business of the parent located in India	Recipharm AB	India	120.9	35.0	5.8	3.5x	20.9x
Jan-15	Coldstream Laboratories, Inc.	Provides integrated analytical, formulation development, and pharmaceutical manufacturing services	Piramal Healthcare, Inc.	USA	28.9	13.1	NA	2.2x	NA
Sep-14	Shasun Pharmaceuticals Ltd.	Manufactures and sells APIs, intermediates, and formulations to the pharmaceutical industry, primarily in India	Strides Arcolab Ltd.	India	295.1	213.0	26.3	1.4x	11.2x

Notes:

NM - Not Meaningful

NA - Not Available

\*Transaction not yet closed

Median	\$433.7	\$188.2	\$45.4	3.2x	16.0x
Mean	1,519.0	406.1	124.5	3.7x	16.7x
High	7,205.3	1,933.0	351.2	8.4x	22.2x
Low	25.0	13.1	5.8	1.4x	11.2x

# CRO - Transaction Comps

**BOURNE PARTNERS**

## CRO Transaction Comps

USD in millions, except for per-share amounts

Announced Date	Target	Target Description	Buyer	Geographic Location	Enterprise Value	LTM Revenue	LTM EBITDA	EV / LTM Revenue	EV / LTM EBITDA
Jul-17	Chiltern International Limited	Contract research organization that provides clinical development, scientific services, and collaborative technologies	Covance Inc.	United Kingdom	\$1,200.0	NA	NA	NA	NA
Jun-17	PAREXEL International Corporation	Biopharmaceutical outsourcing services company that provides clinical research and logistics, medical communication, consulting, and commercialization	Pamplona Capital Management LLP	USA	5,007.4	2,097.0	342.8	2.4x	14.6x
Jan-17	J-STAR Research, Inc.	Custom synthesis/contract research organization	Porton USA, L.L.C.	USA	26.0	NA	NA	NA	NA
Sep-16	Agilux Laboratories, Inc.	Services supporting discovery, pre-clinical, and clinical services; provides a range of drug metabolism and pharmacokinetic Services	Charles River Laboratories International, Inc.	USA	64.0	NA	NA	NA	NA
Jun-16	Adesis, Inc.	Specializes in organic synthesis, custom synthesis, and full time equivalents services	Universal Display Corporation	USA	36.0	10.0	NA	3.6x	NA
Jan-16	WIL Research Laboratories, LLC (nka:Charles River Laboratories Ashland, LLC)	Provides safety assessment, and contract development and manufacturing services	Charles River Laboratories International, Inc.	USA	NA	218.2	45.4	2.7x	12.9x
Jun-15	Hangzhou Neptunus Bioengineering Co., Ltd.	Researches, develops, and supplies oral solutions, tablets, capsules, and soft capsules	Shenzhen Neptunus Group Co., Ltd.	China	32.9	8.4	NA	3.9x	NA
Jul-14	Penn Pharmaceutical Services Limited	Offers pharmaceutical drug development, clinical trial supply, and pharmaceutical manufacturing services	Packaging Coordinators, Inc. (nka:PCI Pharma Services)	United Kingdom	215.7	51.0	NA	4.2x	NA
Mar-14	BioFocus DPI Ltd.	Develops gene-to-candidate drug discovery products and provides services	Charles River Laboratories Holdings Limited	United Kingdom	186.5	87.7	15.5	2.1x	12.0x
Jan-14	CeeTox, Inc.	Focuses on in vitro toxicity screening of new drug candidates, chemicals, cosmetics, and consumer products	Apredica, LLC (nka:Cyprotex US, LLC)	USA	6.1	3.8	NA	1.6x	NA

Notes:

NM - Not Meaningful

NA - Not Available

\*Transaction not yet closed

Median	\$64.0	\$51.0	\$45.4	2.7x	12.9x
Mean	752.7	353.7	134.6	2.9x	13.2x
High	5,007.4	2,097.0	342.8	4.2x	14.6x
Low	6.1	3.8	15.5	1.6x	12.0x

# Distribution - Transaction Comps

## Pharma Distribution Transaction Comps

USD in millions, except for per-share amounts

Announced Date	Target	Target Description	Buyer	Geographic Location	Enterprise Value	LTM Revenue	LTM EBITDA	EV / LTM Revenue	EV / LTM EBITDA
Nov-17	H. D. Smith, LLC	Distributes and supplies healthcare products and business solutions to manufacturers and healthcare providers	AmerisourceBergen Corporation	USA	\$815.0	NA	NA	NA	NA
Nov-17	Cardinal Health (L) Co., Ltd.	Distributes pharmaceutical products, medical devices, and specialty pharmaceuticals to pharmacies and hospitals	Shanghai Pharma Century Global Limited	Malaysia	557.0	3,845.7	83.3	0.1x	6.7x
Mar-17	Pelion S.A.	Engages in the trade of pharmaceuticals, cosmetics, and parapharmaceuticals operating through wholesale, retail, services, and other segments in Poland	Korporacja Inwestycyjna Polskiej Farmacji Sp. z o.o.	Poland	323.4	2,399.5	31.5	0.1x	10.3x
Aug-16	Anda, Inc.	Distributes generic, branded, specialty, and over-the-counter pharmaceutical products	Teva Pharmaceutical Industries Limited	USA	500.0	NA	NA	NA	NA
Jul-16	Pharmapar Inc.	Distributes generics drugs for privately insured individuals offering a range of medication types	AlliancePharma Inc. (nka:KDA Group Inc.)	Canada	11.1	17.3	NA	0.6x	NA
May-16	Symmetry Surgical, Inc.	Manufactures and distributes medical devices worldwide offering	RoundTable Healthcare Partners IV, L.P	USA	129.5	84.1	9.1	1.5x	14.2x
Mar-16	Rexall Pharma Plus Ltd.	Operates a network of retail pharmacy stores in Canada offering prescription centers that focus primarily on prescription and over-the-counter products	McKesson Canada Corporation	Canada	2,154.3	2,000.0	200.0	1.1x	11.1x
Apr-15	Idis Group Holdings Ltd.	Provides access to unlicensed pharmaceutical products internationally	Clinigen Group Plc	United Kingdom	341.4	274.5	19.0	1.2x	18.0x
Feb-15	BioRx, LLC	Distributes specialty pharmaceuticals and medical supplies, and provides infusion services in the United States	Diplomat Pharmacy, Inc.	USA	347.8	227.0	23.0	1.5x	15.1x
Jan-15	Norchem Ltd.	Distributes and markets pharmaceuticals	Lexon (UK) Limited	United Kingdom	34.9	37.9	NA	0.9x	NA

Notes:

NM - Not Meaningful

NA - Not Available

\*Transaction not yet closed

Median	\$344.6	\$250.7	\$27.2	1.0x	12.7x
Mean	521.4	1,110.8	61.0	0.9x	12.6x
High	2,154.3	3,845.7	200.0	1.5x	18.0x
Low	11.1	17.3	9.1	0.1x	6.7x

# CMO - Trading Comps

## CMO - Trading Comps

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			NTM YoY Growth		Book Value	Dividend /share
								Sales	EBITDA	EBIT	EPS	Interest Expense	Sales	EBITDA	EPS	Sales	EBITDA		
ANI Pharmaceuticals, Inc.	NasdaqGM:ANIP	58.2	11.7	678.3	170.4	201.5	848.7	176.8	67.6	39.6	1.50	11.9	215.7	93.7	5.5	22.0%	38.7%	15.0	NA
Bachem Holding AG	SWX:BANB	131.9	13.6	1,791.5	79.7	97.4	1,871.1	268.4	72.9	51.5	2.26	0.3	307.7	85.3	3.8	14.6%	17.2%	28.3	2.8
Balchem Corporation	NasdaqGS:BCPC	81.8	32.0	2,619.0	178.5	219.0	2,797.5	594.8	143.4	99.5	1.78	7.5	625.4	157.6	2.8	5.1%	9.9%	19.3	0.4
Cambrex Corporation	NYSE:CBM	52.3	32.9	1,722.1	(183.3)	0.0	1,538.8	535.0	175.1	143.3	2.71	1.3	534.8	156.1	2.9	(0.0%)	(10.8%)	16.6	NA
Catalent, Inc.	NYSE:CTLT	41.1	133.3	5,474.1	2,403.1	2,742.4	7,877.2	2,299.7	461.0	300.0	0.83	96.7	2,568.7	578.6	1.7	11.7%	25.5%	7.5	NA
Consort Medical plc	LSE:CSRT	15.7	49.0	770.1	128.9	165.9	898.9	401.9	69.0	35.6	0.37	3.7	445.6	79.7	0.9	10.9%	15.5%	6.3	0.3
Jubilant Life Sciences Limited	BSE:530019	12.9	159.3	2,055.5	498.6	563.2	2,554.2	1,075.5	204.0	168.6	0.46	37.0	1,287.2	264.5	0.9	19.7%	29.6%	3.8	NA
Koninklijke DSM N.V.	ENXTAM:DSM	99.3	174.3	17,318.1	953.4	3,178.4	18,271.5	10,365.0	1,505.8	957.0	2.54	146.5	11,041.4	1,997.9	6.0	6.5%	32.7%	47.9	2.2
Lonza Group Ltd	SWX:LONN	236.2	74.2	17,534.5	3,939.2	4,438.9	21,473.7	5,238.3	1,289.8	893.7	6.72	77.0	6,273.6	1,619.3	12.4	19.8%	25.5%	85.8	2.8
Recipharm AB (publ)	OM:RECI B	11.5	62.7	718.8	418.1	512.3	1,136.9	673.7	89.2	28.8	0.13	16.9	676.4	108.0	0.5	0.4%	21.1%	8.9	NA
Siegfried Holding AG	SWX:SFZN	337.7	4.1	1,398.8	67.7	102.7	1,466.5	770.1	112.0	61.9	9.08	3.8	839.0	140.6	16.2	9.0%	25.5%	166.8	2.5
Teligent, Inc.	NasdaqGS:TLGT	3.4	53.5	179.7	94.3	121.0	274.0	67.3	(7.0)	(11.7)	(0.18)	11.2	74.0	3.8	0.0	10.0%	(154.6%)	0.8	NA
West Pharmaceutical Services, Inc.	NYSE:WST	88.3	74.0	6,529.2	(38.9)	197.0	6,490.3	1,599.1	335.9	239.2	2.05	7.8	1,725.6	384.1	2.9	7.9%	14.3%	17.3	0.5

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	Forecast	Enterprise Value	Equity Value				EBITDA
ANI Pharmaceuticals, Inc.	NasdaqGM:ANIP	31-Dec	31-Mar-18	61.2%	38.2%	22.4%	4.8 x	12.6 x	21.4 x	3.9 x	9.1 x	38.9 x	10.5 x	23.7%	29.7%	3.0 x	3.3 x	3.9 x	NA
Balchem Corporation	NasdaqGS:BCPC	31-Dec	31-Mar-18	31.8%	24.1%	16.7%	4.7 x	19.5 x	28.1 x	4.5 x	17.7 x	45.9 x	29.1 x	7.8%	8.4%	1.5 x	13.2 x	4.2 x	0.5%
Cambrex Corporation	NYSE:CBM	31-Dec	31-Mar-18	43.1%	32.7%	26.8%	2.9 x	8.8 x	10.7 x	2.9 x	9.9 x	19.3 x	18.1 x	0.0%	0.0%	0.0 x	114.3 x	3.2 x	NA
Catalent, Inc.	NYSE:CTLT	30-Jun	31-Mar-18	30.9%	20.0%	13.0%	3.4 x	17.1 x	26.3 x	3.1 x	13.6 x	49.2 x	24.3 x	34.8%	50.1%	5.9 x	3.1 x	5.4 x	NA
Jubilant Life Sciences Limited	BSE:530019	31-Mar	31-Mar-18	61.5%	19.0%	15.7%	2.4 x	12.5 x	15.1 x	2.0 x	9.7 x	28.0 x	15.2 x	22.0%	27.4%	2.8 x	4.6 x	3.4 x	NA
Koninklijke DSM N.V.	ENXTAM:DSM	31-Dec	31-Mar-18	34.0%	14.5%	9.2%	1.8 x	12.1 x	19.1 x	1.7 x	9.1 x	39.2 x	16.6 x	17.4%	18.4%	2.1 x	6.5 x	2.1 x	2.2%
Lonza Group Ltd	SWX:LONN	31-Dec	31-Mar-18	38.2%	24.6%	17.1%	4.1 x	16.6 x	24.0 x	3.4 x	13.3 x	35.2 x	19.0 x	20.7%	25.3%	3.4 x	11.6 x	2.8 x	1.2%
West Pharmaceutical Services, Inc.	NYSE:WST	31-Dec	31-Mar-18	32.1%	21.0%	15.0%	4.1 x	19.3 x	27.1 x	3.8 x	16.9 x	43.2 x	31.0 x	3.0%	3.0%	0.6 x	30.7 x	5.1 x	0.6%

<b>Median</b>	36.1%	22.6%	16.2%	3.7 x	14.6 x	22.7 x	3.2 x	11.6 x	39.0 x	18.6 x	19.0%	21.8%	2.4 x	9.1 x	3.6 x	0.9%
<b>Mean</b>	41.6%	24.3%	17.0%	3.5 x	14.8 x	21.5 x	3.1 x	12.4 x	37.3 x	20.5 x	16.2%	20.3%	2.4 x	23.4 x	3.8 x	1.1%
<b>Min</b>	30.9%	14.5%	9.2%	1.8 x	8.8 x	10.7 x	1.7 x	9.1 x	19.3 x	10.5 x	0.0%	0.0%	0.0 x	3.1 x	2.1 x	0.5%
<b>Max</b>	61.5%	38.2%	26.8%	4.8 x	19.5 x	28.1 x	4.5 x	17.7 x	49.2 x	31.0 x	34.8%	50.1%	5.9 x	114.3 x	5.4 x	2.2%

\* All estimates from Capital IQ

Debt calculations only included for entities with debt

NM - not meaningful

- EV multiples highlight how CMOs continue to trade at historical highs
- The median EV multiples for CMOs were 3.7x and 14.6x for Sales and EBITDA, respectively

# CRO - Trading Comps

## CRO - Trading Comps

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			NTM YoY Growth		Book Value	Dividend /share
								Sales	EBITDA	EBIT	EPS	Interest Expense	Sales	EBITDA	EPS	Sales	EBITDA		
Charles River Laboratories International, Inc.	NYSE:CRL	\$106.7	47.4	\$5,062.6	\$952.8	\$1,145.1	\$6,015.4	\$1,857.6	\$446.7	\$315.5	\$4.09	\$29.8	\$2,174.0	\$503.6	\$5.8	17.0%	12.7%	\$22.0	NA
ICON Public Limited Company	NasdaqGS:ICLR	\$118.1	54.1	6,389.2	(11.6)	348.9	6,377.6	1,758.4	404.9	343.6	3.85	12.6	2,552.8	447.0	\$6.0	45.2%	10.4%	22.0	NA
IQVIA Holdings Inc.	NYSE:IQV	\$98.1	208.3	20,433.4	9,220.0	10,225.0	29,653.4	8,060.0	1,699.0	822.0	1.21	346.0	10,127.4	2,197.0	\$5.4	25.7%	29.3%	39.0	NA
Medpace Holdings, Inc.	NasdaqGS:MEDP	\$34.9	35.5	1,238.8	221.7	248.2	1,460.5	386.5	111.3	64.9	0.91	7.6	420.4	105.1	\$1.9	8.8%	(5.6%)	14.3	NA
PRA Health Sciences, Inc.	NasdaqGS:PRAH	\$83.0	63.8	5,292.1	1,153.5	1,345.7	6,445.6	1,948.4	339.1	260.9	1.73	46.7	2,900.5	443.8	\$4.1	48.9%	30.9%	14.6	NA
Syneos Health, Inc.	NasdaqGS:SYNH	\$35.5	104.6	3,712.7	2,685.5	3,007.7	6,398.3	1,852.8	304.8	124.8	(0.18)	63.7	3,267.8	603.4	\$2.6	76.4%	98.0%	28.9	NA

Company	Ticker	FYE	Data as of	Margin Analysis			Enterprise Value/					P/E		Debt/			Price to Book	Dividend %	
				Gross Profit	EBITDA	EBIT	Sales	EBITDA	EBIT	NTM Sales	NTM EBITDA	LTM	NTM Forecast	Enterprise Value	Equity Value	EBITDA			Interest Coverage
Charles River Laboratories International, Inc.	NYSE:CRL	30-Dec	31-Mar-18	38.9%	24.0%	17.0%	3.2 x	13.5 x	19.1 x	2.8 x	11.9 x	26.1 x	18.6 x	19.0%	22.6%	2.6 x	10.6 x	4.8 x	NA
ICON Public Limited Company	NasdaqGS:ICLR	31-Dec	31-Mar-18	41.6%	23.0%	19.5%	3.6 x	15.8 x	18.6 x	2.5 x	14.3 x	30.7 x	19.6 x	5.5%	5.5%	0.9 x	27.2 x	5.4 x	NA
IQVIA Holdings Inc.	NYSE:IQV	31-Dec	31-Mar-18	42.7%	21.1%	10.2%	3.7 x	17.5 x	36.1 x	2.9 x	13.5 x	80.9 x	18.3 x	34.5%	50.0%	6.0 x	2.4 x	2.5 x	NA
Medpace Holdings, Inc.	NasdaqGS:MEDP	31-Dec	31-Mar-18	45.2%	28.8%	16.8%	3.8 x	13.1 x	22.5 x	3.5 x	13.9 x	38.3 x	18.6 x	17.0%	20.0%	2.2 x	8.6 x	2.4 x	NA
PRA Health Sciences, Inc.	NasdaqGS:PRAH	31-Dec	31-Mar-18	34.1%	17.4%	13.4%	3.3 x	19.0 x	24.7 x	2.2 x	14.5 x	48.0 x	20.1 x	20.9%	25.4%	4.0 x	5.6 x	5.7 x	NA
Syneos Health, Inc.	NasdaqGS:SYNH	31-Dec	31-Mar-18	33.5%	16.4%	6.7%	3.5 x	21.0 x	51.3 x	2.0 x	10.6 x	NM	13.4 x	47.0%	81.0%	9.9 x	2.0 x	1.2 x	NA

\* All estimates from Capital IQ

Debt calculations only included for entities with debt

NM - not meaningful

<b>Median</b>	40.3%	22.1%	15.1%	3.5 x	16.6 x	23.6 x	2.6 x	13.7 x	38.3 x	18.6 x	20.0%	24.0%	3.3 x	7.1 x	3.7 x	NA
<b>Mean</b>	39.3%	21.8%	13.9%	3.5 x	16.6 x	28.7 x	2.6 x	13.1 x	44.8 x	18.1 x	24.0%	34.1%	4.3 x	9.4 x	3.7 x	NA
<b>Min</b>	33.5%	16.4%	6.7%	3.2 x	13.1 x	18.6 x	2.0 x	10.6 x	26.1 x	13.4 x	5.5%	5.5%	0.9 x	2.0 x	1.2 x	0.0%
<b>Max</b>	45.2%	28.8%	19.5%	3.8 x	21.0 x	51.3 x	3.5 x	14.5 x	80.9 x	20.1 x	47.0%	81.0%	9.9 x	27.2 x	5.7 x	0.0%

- Relatively similar margin profiles across the board within the CRO sector
- Subsector of the industry trading at all time highs as illustrated by heightened EV multiples
- The median EV multiples for CROs were 3.5x and 16.6x for Sales and EBITDA, respectively

# Distribution - Trading Comps

## Distribution - Trading Comps

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			NTM YoY Growth		Book Value	Dividend /share
								Sales	EBITDA	EBIT	EPS	Interest Expense	Sales	EBITDA	EPS	Sales	EBITDA		
AmerisourceBergen Corporation	NYSE:ABC	\$86.2	219.7	\$18,937.7	\$1,599.6	\$4,637.3	\$20,537.2	\$155,440.9	\$2,460.1	\$2,027.7	\$5.37	\$148.4	\$171,858.0	\$2,376.9	\$6.7	10.6%	(3.4%)	\$13.2	\$1.5
Cardinal Health, Inc.	NYSE:CAH	\$62.7	314.7	19,725.8	8,510.0	9,759.0	28,235.8	132,614.0	3,159.0	2,261.0	4.24	281.0	139,268.2	3,270.7	\$5.8	5.0%	3.5%	24.1	\$1.8
Henry Schein, Inc.	NasdaqGS:HSIC	\$67.2	153.7	10,329.8	1,491.4	1,666.1	11,821.2	12,461.5	1,057.8	864.7	3.03	53.7	13,257.0	1,127.2	\$4.1	6.4%	6.6%	18.3	NA
McKesson Europe AG	HMSE:CLS1	\$33.0	203.2	6,709.8	896.3	1,405.6	7,606.1	22,074.1	399.9	295.4	0.74	73.5	NA	NA	NA	NA	NA	9.9	\$0.9
McKesson Corporation	NYSE:MCK	\$140.9	206.3	29,067.0	6,338.0	8,957.0	35,405.0	205,442.0	3,766.0	2,843.0	8.84	281.0	213,019.0	4,609.4	\$13.2	3.7%	22.4%	56.9	\$1.2
Owens & Minor, Inc.	NYSE:OMI	\$15.6	61.8	961.3	796.2	900.7	1,757.6	9,318.3	198.7	150.0	1.23	31.8	10,065.5	291.5	\$2.0	8.0%	46.7%	16.5	\$1.0
Patterson Companies, Inc.	NasdaqGS:PDCCO	\$22.2	92.4	2,055.0	1,068.2	1,186.2	3,123.2	5,510.1	358.3	274.8	1.89	45.9	5,573.3	292.3	\$1.6	1.1%	(18.4%)	15.9	\$1.0
UDG Healthcare plc	LSE:UDG	\$12.2	248.4	3,026.9	54.6	244.5	3,081.4	1,219.8	149.9	106.6	0.24	11.2	1,372.0	176.7	\$0.4	12.5%	17.9%	3.5	\$0.1

Company	Ticker	FYE	Data as of	Margin Analysis			Enterprise Value/					P/E		Debt/			Price to Book	Dividend %	
				Gross Profit	EBITDA	EBIT	Sales	EBITDA	EBIT	NTM Sales	NTM EBITDA	LTM	NTM Forecast	Enterprise Value	Equity Value	EBITDA			Interest Coverage
AmerisourceBergen Corporation	NYSE:ABC	30-Sep	31-Mar-18	3.0%	1.6%	1.3%	0.1 x	8.3 x	10.1 x	0.1 x	8.6 x	16.1 x	12.8 x	22.6%	24.5%	1.9 x	13.7 x	6.6 x	1.7%
Cardinal Health, Inc.	NYSE:CAH	30-Jun	31-Mar-18	5.2%	2.4%	1.7%	0.2 x	8.9 x	12.5 x	0.2 x	8.6 x	14.8 x	10.8 x	34.6%	49.5%	3.1 x	8.0 x	2.6 x	2.9%
Henry Schein, Inc.	NasdaqGS:HSIC	30-Dec	31-Mar-18	27.3%	8.5%	6.9%	0.9 x	11.2 x	13.7 x	0.9 x	10.5 x	22.2 x	16.4 x	14.1%	16.1%	1.6 x	16.1 x	3.7 x	NA
McKesson Europe AG	HMSE:CLS1	31-Mar	31-Mar-18	10.3%	1.8%	1.3%	0.3 x	19.0 x	25.7 x	NA	NA	44.4 x	NA	18.5%	20.9%	3.5 x	4.0 x	3.4 x	2.7%
McKesson Corporation	NYSE:MCK	31-Mar	31-Mar-18	5.3%	1.8%	1.4%	0.2 x	9.4 x	12.5 x	0.2 x	7.7 x	15.9 x	10.7 x	25.3%	30.8%	2.4 x	10.1 x	2.5 x	0.9%
Owens & Minor, Inc.	NYSE:OMI	31-Dec	31-Mar-18	12.6%	2.1%	1.6%	0.2 x	8.8 x	11.7 x	0.2 x	6.0 x	12.6 x	7.7 x	51.2%	93.7%	4.5 x	4.7 x	0.9 x	6.6%
Patterson Companies, Inc.	NasdaqGS:PDCCO	29-Apr	31-Mar-18	22.6%	6.5%	5.0%	0.6 x	8.7 x	11.4 x	0.6 x	10.7 x	11.8 x	13.6 x	38.0%	57.7%	3.3 x	6.0 x	1.4 x	4.7%
UDG Healthcare plc	LSE:UDG	30-Sep	31-Mar-18	28.5%	12.3%	8.7%	2.5 x	20.6 x	28.9 x	2.2 x	17.4 x	49.9 x	27.1 x	7.9%	8.1%	1.6 x	9.5 x	3.4 x	1.1%

\* All estimates from Capital IQ

Debt calculations only included for entities with debt

NM - not meaningful

<b>Median</b>	11.4%	2.3%	1.7%	0.3 x	9.2 x	12.5 x	0.2 x	8.6 x	16.0 x	12.8 x	23.9%	27.7%	2.7 x	8.8 x	3.0 x	2.7%
<b>Mean</b>	14.3%	4.6%	3.5%	0.6 x	11.9 x	15.8 x	0.6 x	9.9 x	23.5 x	14.2 x	26.5%	37.7%	2.7 x	9.0 x	3.1 x	2.9%
<b>Min</b>	3.0%	1.6%	1.3%	0.1 x	8.3 x	10.1 x	0.1 x	6.0 x	11.8 x	7.7 x	7.9%	8.1%	1.6 x	4.0 x	0.9 x	0.9%
<b>Max</b>	28.5%	12.3%	8.7%	2.5 x	20.6 x	28.9 x	2.2 x	17.4 x	49.9 x	27.1 x	51.2%	93.7%	4.5 x	16.1 x	6.6 x	6.6%

- Trading at lower sales multiples in general due to lower earnings margins
- The two outliers, UDG and Henry Schein, have superior margins and YoY growth relative to competitors
- The median EV multiples for Distribution were 0.3x and 9.2x for Sales and EBITDA, respectively

# Clinical Laboratories - Trading Comps

BOURNE PARTNERS

## Clinical Laboratories - Trading Comps

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			NTM YoY Growth		Book Value	Dividend /share
								Sales	EBITDA	EBIT	EPS	Interest Expense	Sales	EBITDA	EPS	Sales	EBITDA		
Laboratory Corporation of America Holdings	NYSE:LH	\$161.8	101.9	\$16,482.3	\$6,445.4	\$6,762.1	\$22,927.7	\$10,205.9	\$1,983.3	\$1,535.7	\$7.92	\$235.1	\$11,482.4	\$2,200.1	\$11.6	12.5%	10.9%	\$67.0	NA
Quest Diagnostics Incorporated	NYSE:DGX	\$100.3	135.8	\$13,619.1	\$3,807.0	\$3,944.0	\$17,426.1	\$7,709.0	\$1,554.0	\$1,284.0	\$5.01	\$153.0	\$7,729.0	\$1,586.2	\$6.6	0.3%	2.1%	\$36.5	1.80

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	Enterprise Value	Equity Value				EBITDA
Laboratory Corporation of America Holdings	NYSE:LH	31-Dec	31-Mar-18	33.9%	19.4%	15.0%	2.2 x	11.6 x	14.9 x	2.0 x	10.4 x	20.4 x	14.0 x	29.5%	41.0%	3.4 x	6.5 x	2.4 x	NA
Quest Diagnostics Incorporated	NYSE:DGX	31-Dec	31-Mar-18	39.4%	20.2%	16.7%	2.3 x	11.2 x	13.6 x	2.3 x	11.0 x	20.0 x	15.2 x	22.6%	29.0%	2.5 x	8.4 x	2.8 x	1.8%

	<b>Median</b>	36.7%	19.8%	15.9%	2.3 x	11.4 x	14.3 x	2.1 x	10.7 x	20.2 x	14.6 x	26.1%	35.0%	3.0 x	7.5 x	2.6 x	1.8%
	<b>Mean</b>	36.7%	19.8%	15.9%	2.3 x	11.4 x	14.3 x	2.1 x	10.7 x	20.2 x	14.6 x	26.1%	35.0%	3.0 x	7.5 x	2.6 x	1.8%
	<b>Min</b>	33.9%	19.4%	15.0%	2.2 x	11.2 x	13.6 x	2.0 x	10.4 x	20.0 x	14.0 x	22.6%	29.0%	2.5 x	6.5 x	2.4 x	1.8%
	<b>Max</b>	39.4%	20.2%	16.7%	2.3 x	11.6 x	14.9 x	2.3 x	11.0 x	20.4 x	15.2 x	29.5%	41.0%	3.4 x	8.4 x	2.8 x	1.8%

\* All estimates from Capital IQ

Debt calculations only included for entities with debt

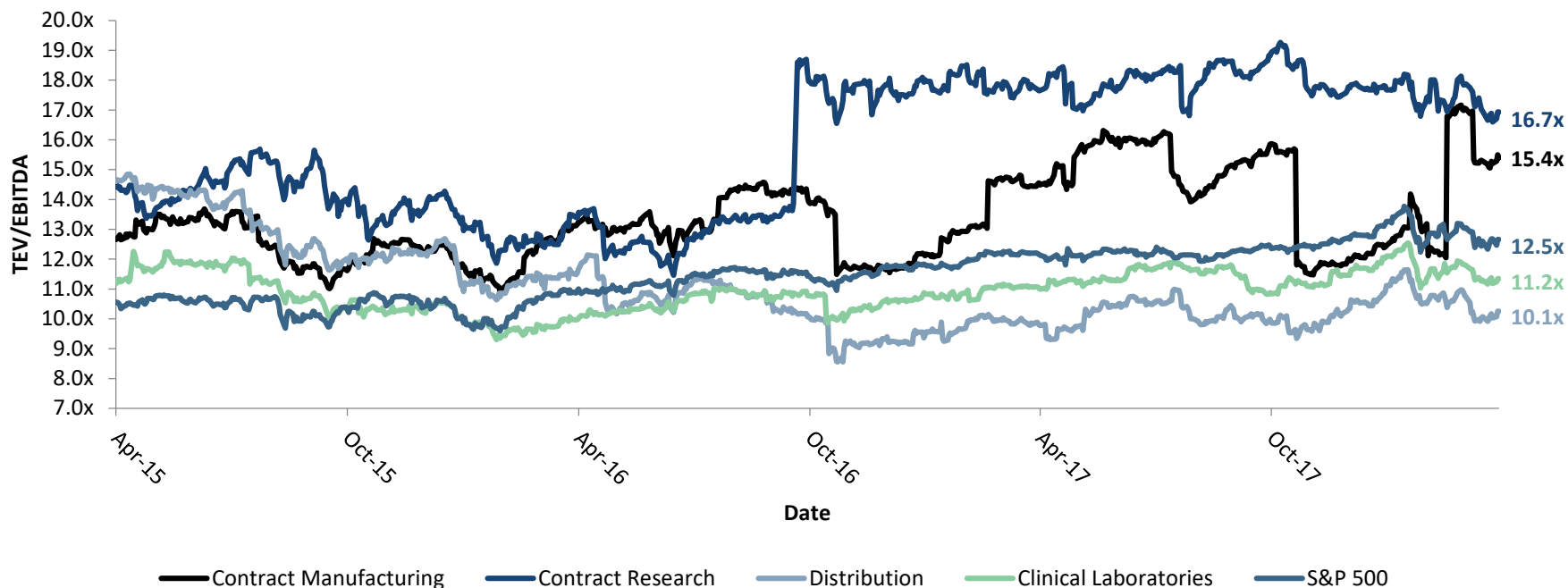
NM - not meaningful

- Small sample size due to limited amount of public players within the space
- Margin analysis and Enterprise Value (“EV”) multiples are similar across the two companies represented and indicative of the sector
- The median EV multiples for Clinical Laboratories were 2.3x and 11.4x for Sales and EBITDA, respectively



# Valuation Trends - Last 3 Years

## Historical Total Enterprise Value / EBITDA Multiples



- The pharma services subsectors, except Distribution, have positive trends over the past few years and are trading at historical highs
- The CRO segment has held steady the past year while CMO is recovering after a significant dip

CMO basket consists of the following: ANI Pharmaceuticals, Inc (NASDAQ:ANIP), Bachem (SWX:BANB), Balchem (NasdaqGS:BCPC), Cambrex (NYSE:CBM), Catalent (NYSE:CTLT), Jubilant (BSE:530019), DSM (ENXTAM:DSM), Lonza (SWX:LONN), Recipharm AB (OM:RECI B), Siegfried (SWX:SFZN), Teligent (NasdaqGS:TLGT), and West Pharmaceuticals (NYSE:WST)

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

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

Clinical Laboratories basket consists of: Lab Corp (NYSE:LH) and Quest Diagnostics (NYSE:DGX)

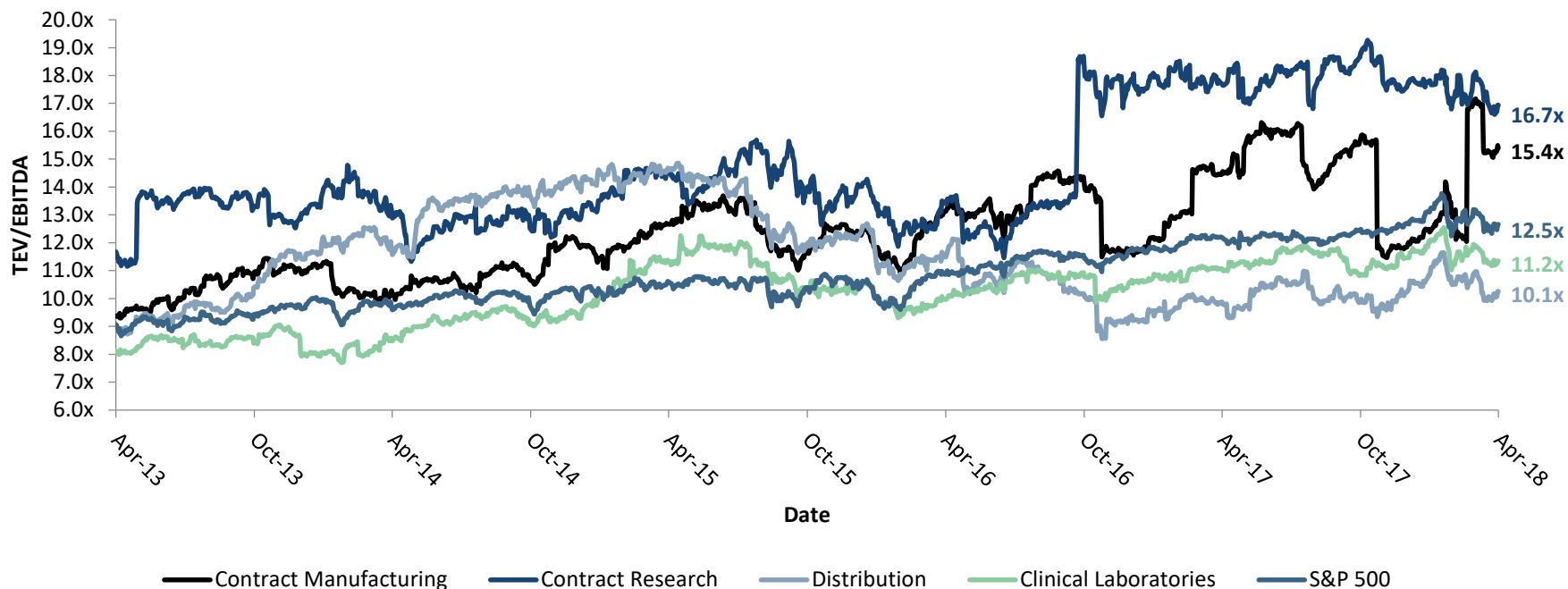
# Valuation Trends (3 Year & LTM Comparisons) BOURNE PARTNERS

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- Below are the *current* TEV / EBITDA multiples for each sector:
  - CMO: 15.4x (23.2% above current S&P multiples)
  - CRO: 16.7x (33.6% above current S&P multiples)
  - Distribution: 10.1x (19.2% below current S&P multiples)
  - Clinical Laboratories: 11.2x (10.4% below current S&P multiples)
  - S&P 500: 12.5x
- Below are the *average* TEV / EBITDA multiples for each sector over the last 3 years:
  - CMO: 13.3x (16.3% above average S&P multiples)
  - CRO: 15.7x (37.1% above average S&P multiples)
  - Distribution: 11.0x (3.9% below average S&P multiples)
  - Clinical Laboratories: 10.9x (4.7% below average S&P multiples)
  - S&P 500: 11.5x
- Below are the % change in TEV / EBITDA multiples for each sector over the last 3 years (and LTM):
  - CMO: +20.8% (*up 5.8% in the last 12 months*)
  - CRO: +16.5% (*down 5.9% in the last 12 months*)
  - Distribution: -31.0% (*up 1.5% in the last 12 months*)
  - Clinical Laboratories: +0.2% (*up 2.0% in the last 12 months*)
  - S&P 500: 19.4% (*up 3.1% in the last 12 months*)

# Valuation Trends - Last 5 Years

## Historical Total Enterprise Value / EBITDA Multiples



- 5 year outlook shows heightened values for all four sectors in pharma services compared to historical trading multiples

CMO basket consists of the following: ANI Pharmaceuticals, Inc (NASDAQ:ANIP), Bachem (SWX:BANB), Balchem (NasdaqGS:BCPC), Cambrex (NYSE:CBM), Catalent (NYSE:CTLT), Jubilant (BSE:530019), DSM (ENXTAM:DSM), Lonza (SWX:LONN), Recipharm AB (OM:RECI B), Siegfried (SWX:SFZN), Teligent (NasdaqGS:TLGT), and West Pharmaceuticals (NYSE:WST)

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

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

Clinical Laboratories basket consists of: Lab Corp (NYSE:LH) and Quest Diagnostics (NYSE:DGX)

# Valuation Trends (5 Year & LTM Comparisons) BOURNE PARTNERS

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- Below are the current TEV / EBITDA multiples for each sector:
  - CMO: 15.4x (23.2% above current S&P multiples)
  - CRO: 16.7x (33.6% above current S&P multiples)
  - Distribution: 10.1x (19.2% below current S&P multiples)
  - Clinical Laboratories: 11.2x (10.4% below current S&P multiples)
  - S&P 500: 12.5x
- Below are the average TEV / EBITDA multiples for each sector over the last 5 years:
  - CMO: 12.4x (14.3% above average S&P multiples)
  - CRO: 14.7x (36.4% above average S&P multiples)
  - Distribution: 11.5x (6.3% above average S&P multiples)
  - Clinical Laboratories: 10.2x (5.8% below average S&P multiples)
  - S&P 500: 10.8x
- Below are the % change in TEV / EBITDA multiples for each sector over the last 5 years (and LTM):
  - CMO: +67.3% (*up 5.8% in the last 12 months*)
  - CRO: +45.7% (*down 5.9% in the last 12 months*)
  - Distribution: +14.6% (*up 1.5% in the last 12 months*)
  - Clinical Laboratories: +40.4% (*up 2.0% in the last 12 months*)
  - S&P 500: 40.6% (*up 3.1% in the last 12 months*)