

INSIGHT



GENERIC PHARMA

SECTOR SNAPSHOT

November 2019

BOURNE PARTNERS

INSIGHT



SPECIALTY PHARMA

SECTOR SNAPSHOT

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BOURNE PARTNERS

Branded Specialty Pharma – Transaction Comps

Announced Date	Target	Target Description	Buyer	Geographic Location	Enterprise Value	LTM Revenue	LTM EBITDA	EV / LTM Revenue	EV / LTM EBITDA
Aug-19	Beckley	Specialty pharmaceutical company focused on IP protected pain and addiction cannabis products	Canopy Health	United Kingdom	\$64.9	NA	NA	NA	NA
Aug-19	2 505(b)(2)s from Insys	Naloxone and Epinephrine nasal spray products awaiting FDA approval under 505(b)(2) pathway	Hikma	USA	\$17.0	NA	NA	NA	NA
Jul-19	Spitfire Pharma	Specialty pharmaceutical company focused on the development of NASH products	Altimune	USA	\$93.0	NA	NA	NA	NA
Jun-19	Allergan	Large pharmaceutical company with products across a range of therapeutic, primarily in the US	Abbvie	Ireland	\$84,227.1	\$15,712.4	\$7,062.2	5.4x	11.9x
May-19	Xiidra from Takeda	Branded product for the treatment of chronic dry eye disease	Novartis	USA	\$5,300.0	\$388.0	NA	13.7x	NA
Nov-18	Avenue Therapeutics	Specialty pharmaceutical company focused in hospital products	InvaGen Pharmaceuticals	USA	\$210.2	NA	NA	NA	NA
Oct-18	Corium International	Specialty pharmaceutical company focused in transdermal and transmucosal products	Gurnet Point Capital	USA	\$492.5	\$36.5	(\$44.0)	13.5x	NM
Sep-18	NextWave Pharmaceuticals	Specialty pharmaceutical company focused in pediatric CNS products	Tris Pharma	USA	NA	NA	NA	NA	NA
Aug-18	Adapt Pharma	Specialty pharmaceutical company focused in opioid abuse products	Emergent BioSolutions	Ireland	\$719.8	NA	NA	NA	NA
Jul-18	Sylvant from Johnson & Johnson	Branded product for the treatment of Casteleman's disease	EUSA Pharma	Ireland	\$115.0	NA	NA	NA	NA

Notes:

NA - Not Available

NM - Not Meaningful

Median	\$210.2	\$388.0	\$3,509.1	13.5x	11.9x
Mean	\$10,137.7	\$5,379.0	\$3,509.1	10.8x	11.9x
Min	\$17.0	\$36.5	(\$44.0)	5.4x	11.9x
Max	\$10,137.7	\$5,379.0	\$3,509.1	13.7x	11.9x

Generic Pharma – Transaction Comps

Announced Date	Target	Target Description	Buyer	Geographic Location	Enterprise Value	LTM Revenue	LTM EBITDA	EV / LTM Revenue	EV / LTM EBITDA
Jul-19*	Mylan	Multinational generic pharma company based in the US merged with legacy pharma division of Pfizer (Upjohn)	Viatrix	USA	\$24,295.9	\$11,288.1	\$3,544.9	2.2x	6.9x
May-19	Grindeks	Generic pharmaceutical company focused in Latvia	Dashdirect	Latvia	\$163.7	\$161.2	(\$0.5)	1.0x	NM
Apr-19	Doc Generici	Generic pharmaceutical company focused in Italy	Intermediate Capital Group	Italy	\$1,238.6	\$241.6	\$95.9	5.1x	NM
Mar-19	EQL Pharma	Generic pharmaceutical company focused in Scandanavian markets	Fårö Capital	Sweden	\$35.0	\$4.7	\$0.2	7.5x	NM
Nov-18	Navamedic ASA	Generic pharmaceutical company focused in Northern Europe	Ingerø Reiten Investment Company	Norway	NA	\$20.8	(\$0.3)	NA	NA
Sep-18	Sandoz Product Basket	Generic derm and oral solids assets from Sandoz	Aurobindo Pharma	USA	\$1,000.0	\$1,200.0	NA	0.8x	NA
Jun-18	Zentiva Group	European generics business of Sanofi	Advent International	Czech Republic	\$2,201.9	NA	NA	NA	NA
Jul-18	Generic Efudex	Generic oncology product	Mayne Pharma Group	USA	\$30.0	NA	NA	NA	NA
Jul-18	Apotex Europe	Generic operations of Apotex in Europe, focused in Netherlands, Belgium, Spain, and Czech Republic	Agile Pharma	Netherlands	\$86.4	\$154.7	NA	0.6x	NA

Notes:

NA - Not Available

NM - Not Meaningful

*Post-announcement company figures

Median	\$581.9	\$161.2	\$0.2	1.6x	NM
Mean	\$3,631.4	\$1,867.3	\$728.0	2.9x	NM
Min	\$30.0	\$4.7	(\$0.5)	0.6x	NM
Max	\$24,295.9	\$11,288.1	\$3,544.9	7.5x	NM

Specialty Branded Pharma – Trading Comps

USD in millions

Company	Ticker	Enterprise Value	LTM		Margin Analysis		Enterprise Value/		Debt/		
			Sales	EBITDA	Gross Profit	EBITDA	Sales	EBITDA	Enterprise Value	Equity Value	EBITDA
ADVANZ PHARMA Corp.	TSX:ADVZ	\$1,680	\$504	\$226	66.6%	44.9%	3.3x	7.4x	79.5%	270.8%	5.9x
Allergan plc	NYSE:AGN	\$73,730	\$15,818	\$7,109	85.3%	44.9%	4.7x	10.4x	31.3%	38.3%	3.2x
Almirall, S.A.	BME:ALM	\$3,568	\$932	\$235	76.2%	25.2%	3.8x	15.2x	16.5%	19.9%	2.5x
Assertio Therapeutics, Inc.	NasdaqGS:ASRT	\$422	\$213	\$86	96.4%	40.5%	2.0x	4.9x	88.4%	603.9%	4.3x
Bausch Health Companies Inc.	NYSE:BHC	\$30,722	\$8,498	\$3,362	72.7%	39.6%	3.6x	9.1x	77.6%	237.2%	7.1x
H. Lundbeck A/S	CPSE:LUN	\$6,037	\$2,455	\$754	80.5%	30.7%	2.5x	8.0x	1.7%	1.5%	0.1x
Horizon Therapeutics Public Limited Company	NasdaqGS:HZNP	\$5,578	\$1,292	\$116	69.3%	9.0%	4.3x	48.1x	24.8%	24.4%	11.9x
Indivior PLC	LSE:INDV	(\$295)	\$889	\$298	85.2%	33.5%	NM	NM	-99.0%	74.9%	1.0x
Ipsen S.A.	ENXTPA:IPN	\$9,537	\$2,863	\$817	81.1%	28.5%	3.3x	11.7x	20.5%	21.7%	2.4x
Jazz Pharmaceuticals plc	NasdaqGS:JAZZ	\$7,957	\$2,056	\$1,067	94.2%	51.9%	3.9x	7.5x	22.3%	22.6%	1.7x
Recordati Industria Chimica e Farmaceutica S.p.A.	BIT:REC	\$9,325	\$1,569	\$579	70.2%	36.9%	5.9x	16.1x	13.2%	14.5%	2.1x
Takeda Pharmaceutical Company Limited	TSE:4502	\$98,318	\$26,614	\$8,267	72.3%	31.1%	3.7x	11.9x	51.1%	78.8%	6.1x
UCB SA	ENXTBR:UCB	\$13,982	\$5,332	\$1,509	73.9%	28.3%	2.6x	9.3x	11.3%	10.5%	1.0x

Commentary

Median	76.2%	33.5%	3.7x	9.8x	22.3%	24.4%	2.5x
Mean	78.8%	34.2%	3.6x	13.3x	26.1%	109.2%	3.8x
Min	66.6%	9.0%	2.0x	4.9x	-99.0%	1.5%	0.1x
Max	96.4%	51.9%	5.9x	48.1x	88.4%	603.9%	11.9x

Generic Pharma – Trading Comps

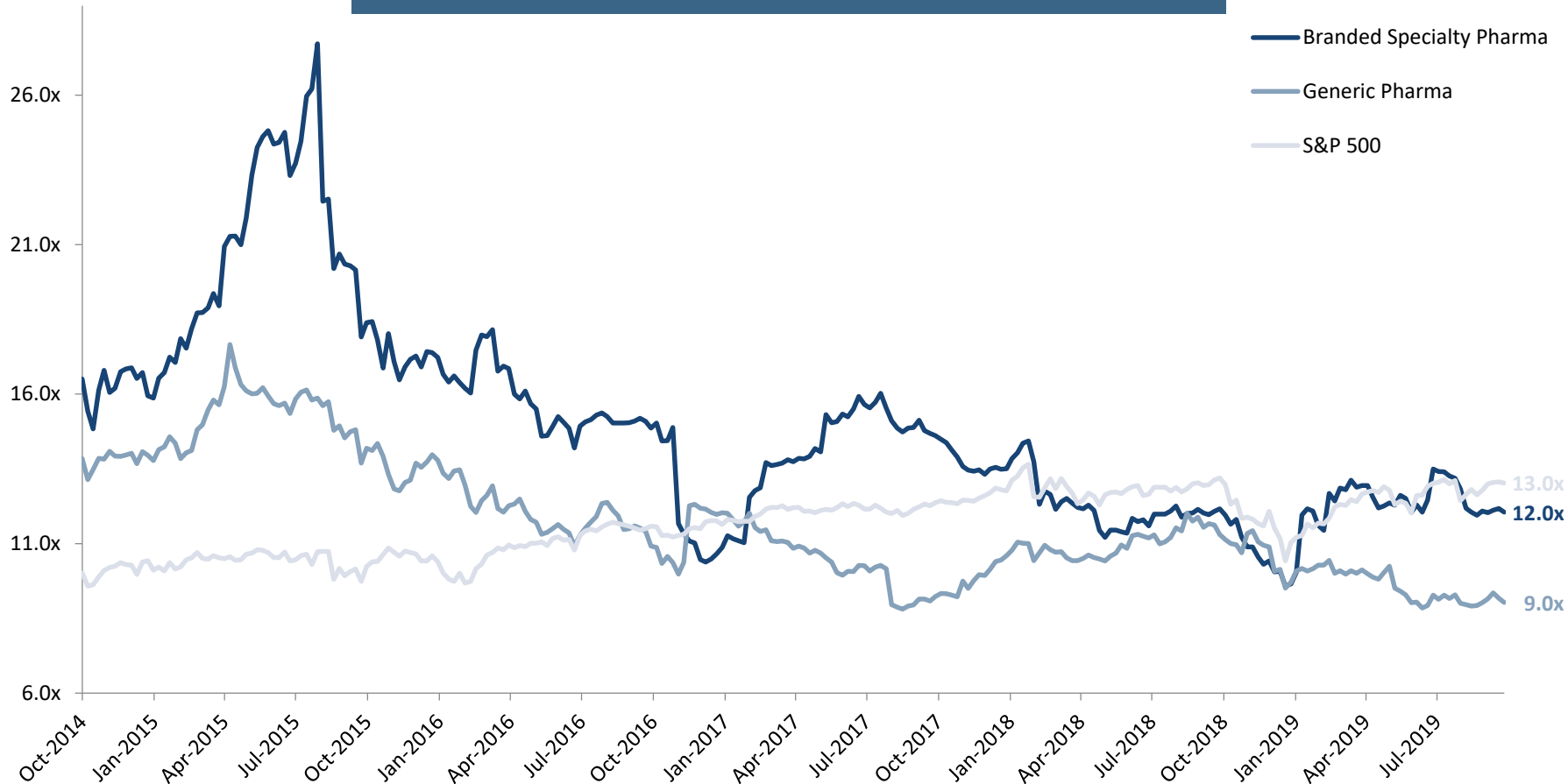
USD in millions

Company	Ticker	Enterprise Value	LTM		Margin Analysis		Enterprise Value/		Debt/		
			Sales	EBITDA	Gross Profit	EBITDA	Sales	EBITDA	Enterprise Value	Equity Value	EBITDA
Akorn, Inc.	NasdaqGS:AKRX	\$1,137	\$674	(\$33)	32.4%	NM	1.7x	NM	75.9%	164.1%	(26.2x)
Amphastar Pharmaceuticals, Inc.	NasdaqGS:AMPH	\$903	\$329	\$19	40.5%	5.9%	2.7x	46.5x	7.2%	8.1%	3.3x
Hikma Pharmaceuticals PLC	LSE:HIK	\$6,906	\$2,138	\$562	49.6%	26.3%	3.2x	12.3x	10.1%	11.8%	1.2x
Lannett Company, Inc.	NYSE:LCI	\$1,070	\$628	\$154	41.1%	24.6%	1.7x	6.9x	68.1%	210.0%	4.7x
Lupin Limited	BSE:500257	\$5,097	\$2,504	\$479	63.5%	19.1%	2.0x	10.6x	24.1%	26.1%	2.6x
Mylan N.V.	NasdaqGS:MYL	\$23,026	\$11,387	\$3,468	39.4%	30.5%	2.0x	6.6x	57.6%	144.9%	3.8x
Nichi-Iko Pharmaceutical Co., Ltd.	TSE:4541	\$1,535	\$1,626	\$155	19.3%	9.5%	0.9x	9.9x	74.5%	157.2%	7.4x
Perrigo Company plc	NYSE:PRGO	\$10,703	\$4,710	\$782	36.8%	16.6%	2.3x	13.7x	32.7%	52.2%	4.5x
Sun Pharmaceutical Industries Limited	NSEI:SUNPHARMA	\$12,698	\$4,444	\$958	70.6%	21.5%	2.9x	13.3x	8.3%	7.6%	1.1x
Taro Pharmaceutical Industries Ltd.	NYSE:TARO	\$1,850	\$678	\$306	64.9%	45.1%	2.7x	6.0x	0.0%	0.0%	–
Teva Pharmaceutical Industries Limited	NYSE:TEVA	\$33,752	\$17,455	\$4,358	43.2%	25.0%	1.9x	7.7x	81.4%	251.4%	6.3x

Median	41.1%	23.1%	2.0x	10.3x	32.7%	52.2%	3.3x
Mean	45.6%	22.4%	2.2x	13.4x	40.0%	93.9%	0.8x
Min	19.3%	5.9%	0.9x	6.0x	0.0%	0.0%	(26.2x)
Max	70.6%	45.1%	3.2x	46.5x	81.4%	251.4%	7.4x

Valuation Trends – Last 5 Years

Historical Total Enterprise Value / EBITDA Multiples

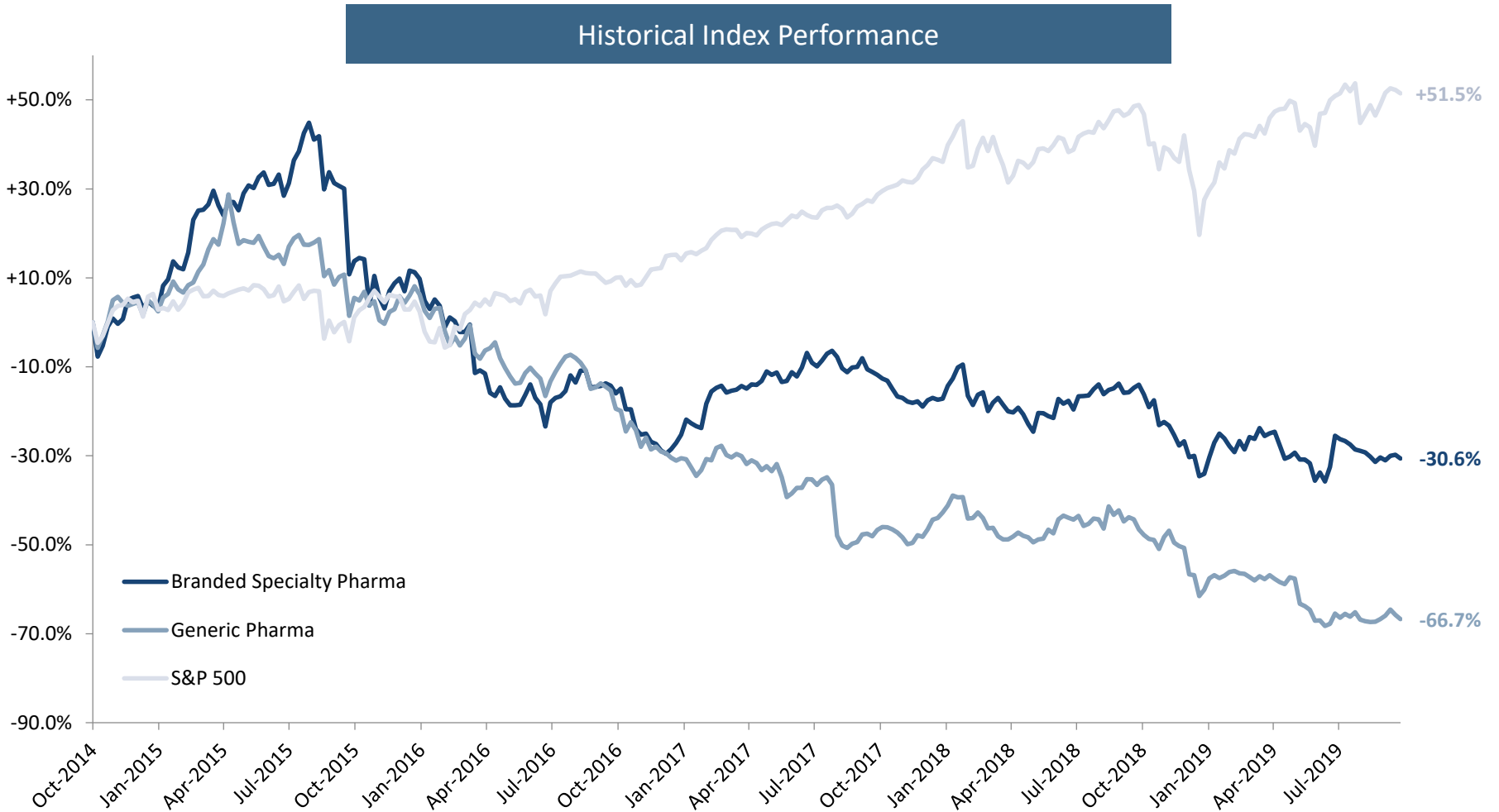


Specialty Branded Pharma basket consists of: Allergan plc (NYSE:AGN), UCB SA (ENXTBR:UCB), Ipsen S.A. (ENXTPA:IPN), Bausch Health Companies Inc. (NYSE:BHC), H. Lundbeck A/S (CPSE:LUN), Recordati Industria Chimica e Farmaceutica S.p.A. (BIT:REC), Jazz Pharmaceuticals plc (NasdaqGS:JAZZ), Horizon Pharma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

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

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

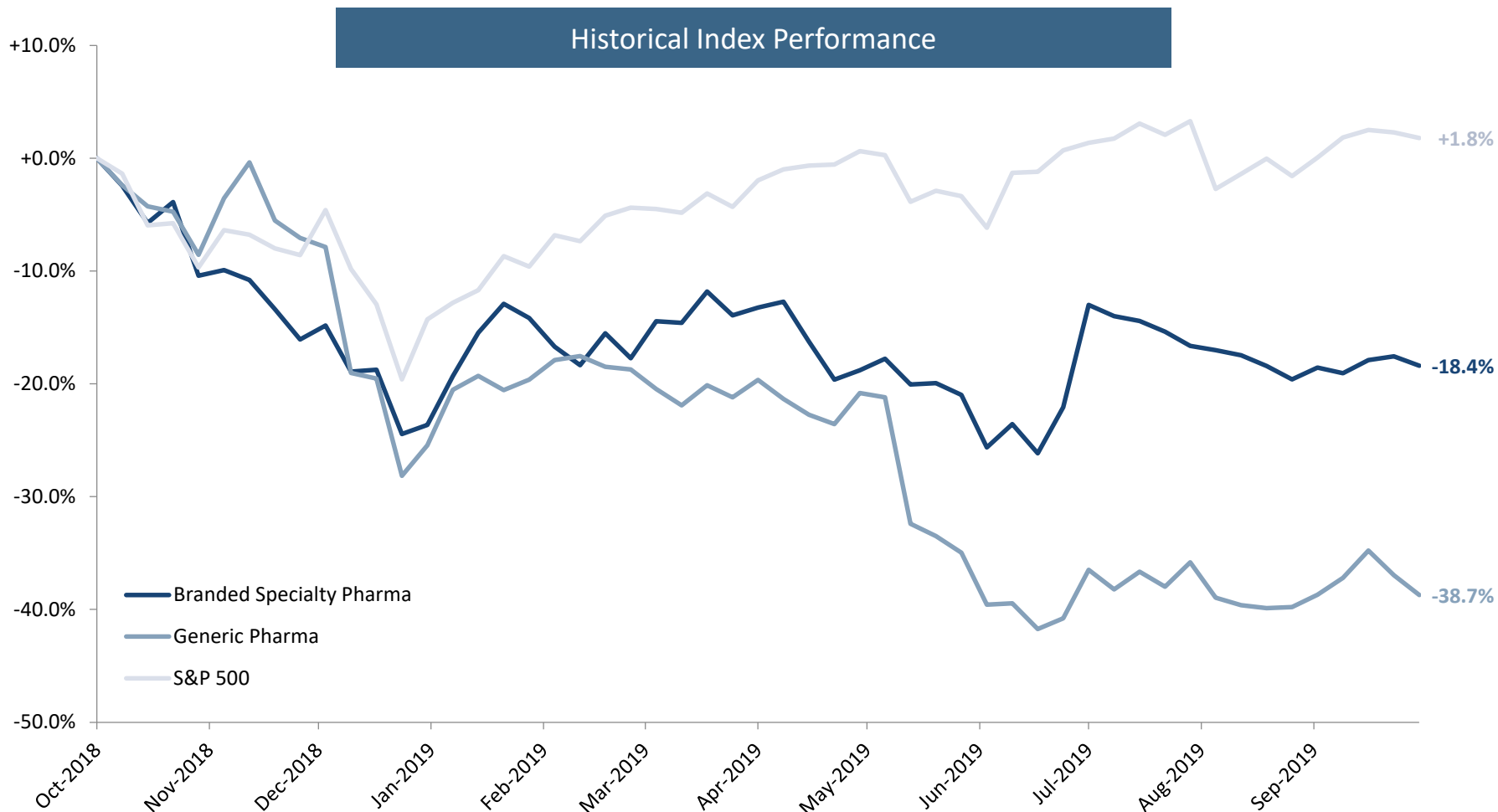
Market Performance – Last 5 Years



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Market Performance – Last 12 Months

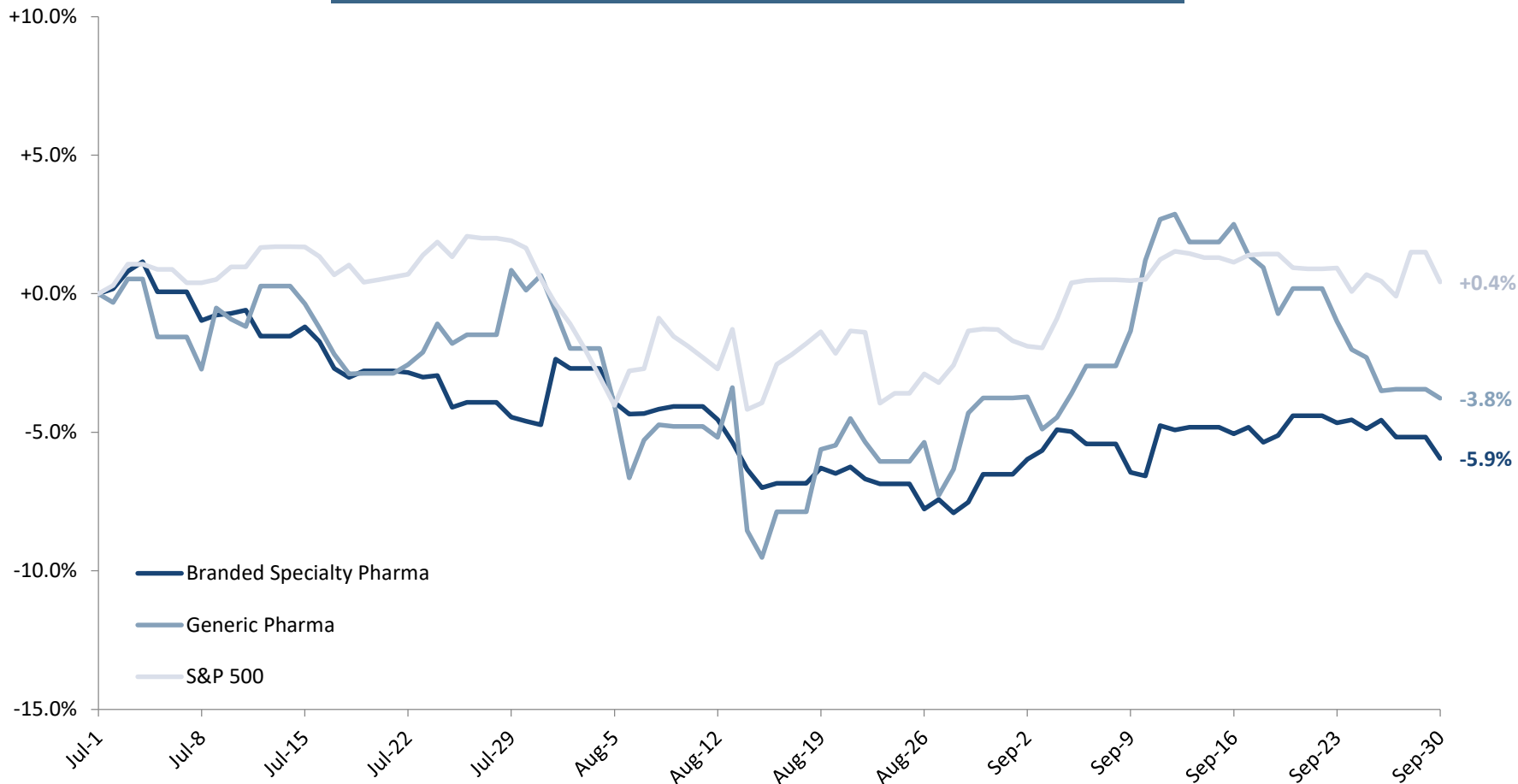


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Market Performance – Last 3 Months

Historical Index Performance



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

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Index Trends

- Below are the averages for Specialty Branded Pharma
 - 5-Year *Average* EBITDA Multiple: 14.9x
 - Currently trading 2.8x lower than its 5-year average (or 19.1% lower)
 - 5-Year *Max* EBITDA Multiple: 27.7x
 - Currently trading 15.7x lower than its 5-year max (or 56.6% lower)
 - 5-Year *Min* EBITDA Multiple: 9.6x
 - Currently trading 2.5x higher than its 5-year min (or 25.8% higher)
 - 5-Year *Annualized* Index Performance Rate: -6.1%
 - Last 12 Months *Annualized* Index Performance Rate: -18.4%
 - Last 3 Months *Annualized* Index Performance Rate: -17.8%

- Below are the averages for Generic Pharma
 - 5-Year *Average* EBITDA Multiple: 11.7x
 - Currently trading 2.7x lower than its 5-year average (or 23.0% lower)
 - 5-Year *Max* EBITDA Multiple: 17.7x
 - Currently trading 8.6x lower than its 5-year max (or 48.9% lower)
 - 5-Year *Min* EBITDA Multiple: 8.8x
 - Currently trading 0.2x higher than its 5-year min (or 2.5% higher)
 - 5-Year *Annualized* Index Performance Rate: -13.3%
 - Last 12 Months *Annualized* Index Performance Rate: -38.7%
 - Last 3 Months *Annualized* Index Performance Rate: -11.3%