

INSIGHT



eClinical Solutions

Market Insight

April 2022

BOURNE PARTNERS

INTRODUCTION

Through discussions with our key industry partners and our robust activity in the M&A markets, we've seen pent-up demand for high-quality assets in the eClinical Solutions and ancillary Clinical Trial Services space. As a result, the Bourne Partners team has conducted an in-depth analysis of key market trends, segmentation, and active players in the space

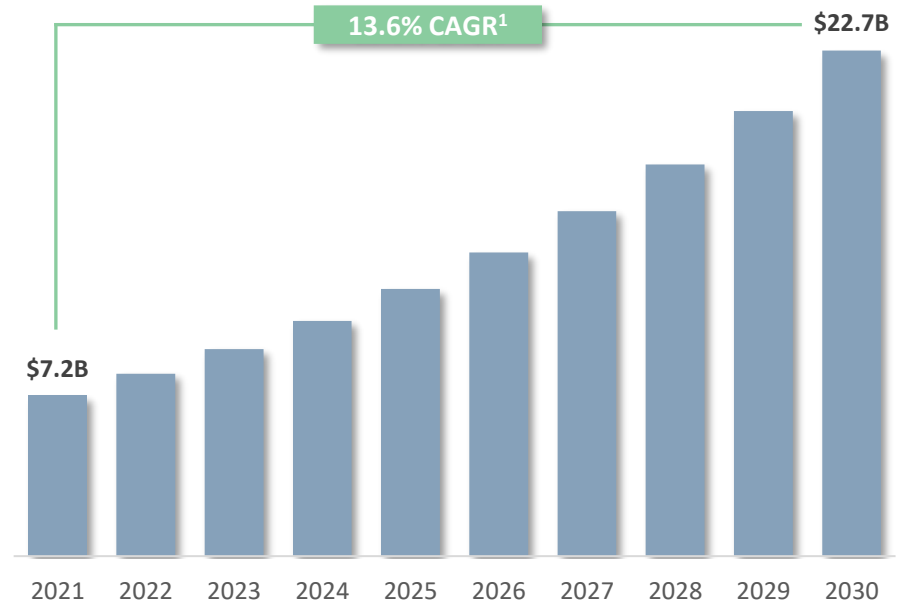
A BRIEF INTRODUCTION TO THE ECLINICAL SOLUTIONS MARKET

- ▶ Bourne Partners classifies **eClinical Solutions** as the application of innovative technology software and/or hardware and associated processes to clinical research, enabling researchers and participants to navigate and conduct all aspects of a clinical trial in a significantly more efficient, organized, and effective manner
- ▶ The eClinical Solutions market has reached an inflection point, spurred by the onset of the COVID-19 pandemic which accelerated an inevitable shift toward decentralized clinical research methods, the increasing availability and application of innovative technology solutions which promote trial efficiency, and pent-up demand from investors (both strategic and financial) to continue funding high-quality, innovative assets at attractive valuations across the sector

NOTABLE SECTOR TRENDS

- I Shift Toward Decentralized Clinical Trials (“DCT”)
- II Innovation in Clinical Data
- III Applications of Artificial Intelligence in Clinical Trials
- IV Driving Diversity in Clinical Trial Populations
- V Consolidation in an Active M&A Environment

FORECASTED GROWTH OF GLOBAL ECLINICAL SOLUTIONS MARKET¹



1) Grand View Research, “eClinical Solutions Market Size, Share & Trends Analysis Report”

I. THE SHIFT TOWARD DECENTRALIZED CLINICAL TRIALS (“DCT”)

The onset of the COVID-19 pandemic has accelerated the inevitable – sponsors and researchers are shifting their efforts towards a decentralized clinical trial model which provides a variety of benefits to the healthcare community

THE COVID-19 IMPACT ON CLINICAL TRIALS

- ▶ As with a multitude of industries, the clinical trial space saw a profound disruption to its day-to-day activities as a result of the COVID-19 pandemic
- ▶ Among many other clinical trial activities, research sites experienced notable disruption related to the ability to enroll and recruit and retain patients, financial drawbacks from canceled and delayed trials, and a large increase in costs of PPE¹
- ▶ From January 2020 to April 2020, the number of monthly trial starts fell by ~50%²

A BETTER APPROACH TO CLINICAL TRIALS

- ▶ With 70% of potential participants typically residing more than 2 hours away from research sites, the shift toward a decentralized, virtual clinical trial model significantly increases accessibility²
- ▶ The COVID-19 pandemic served as a catalyst for the shift towards DCT, which provides numerous benefits for all trial stakeholders including:
 - Accelerated recruitment timeline
 - Increased compliance and data accuracy
 - Reduced drop-out rates
 - Various cost-savings

THE EVOLUTION OF CLINICAL TRIALS²

FULLY CENTRALIZED

In a fully centralized clinical trial model, all trial activities occur at the clinical research site



HYBRID

Hybrid models require some in-person visits and procedures but allow for virtual monitoring and reporting



FULLY DECENTRALIZED

In completely decentralized clinical trials, digital platforms enable all trial activities to occur virtually



1) Medidata, “COVID-19 and Clinical Trials: The Medidata Perspective”

2) McKinsey & Company, “No place like home? Stepping up the decentralization of clinical trials”

3) Medrio, “Decentralized Clinical Trials”

II. INNOVATION IN CLINICAL DATA

With the shift toward the decentralization of clinical trials and ever-increasing volumes of patient data, we're seeing a corresponding increase in demand for cloud-based Clinical Data Management Solutions

CLINICAL DATA MANAGEMENT OVERVIEW

- ▶ Clinical Data Management (“CDM”) is a critical component of clinical research and essential in the effort to generate high-quality and accurate outcome data from patients enrolled in clinical trials¹
- ▶ Many companies have developed specialized software solutions that focus on streamlining data capture and storage to handle the vast and growing amount of data created by clinical trials
- ▶ Advanced clinical data solutions provide various advantages, including quicker access to patient data, improved data security, higher quality data, long-run cost savings, and heightened regulatory compliance

SHIFTING DATA TO THE CLOUD

- ▶ Cloud computing technologies could result in an estimated 30% increase in speed to trial for clinical work trial scalability as data from various sources and locations can be securely stored and accessed from anywhere in real-time²
- ▶ Regulators are continuing to raise standards and requirements for both the quality and quantity of clinical data, including the increased focus on Real-World Evidence, which is more easily attainable with the shift towards cloud-based data
- ▶ Innovation in technologies and devices capable of capturing and storing data in the cloud continues to accelerate this market trend

HEADWINDS¹

Regulatory Perspective:

Difficulty in standardization across organizations and development & implementation of new regulation to define new procedures

Industry Perspective:

Difficulty planning & implementing data management systems in a dynamic environment where technological advancements outpace existing infrastructure

TAILWINDS¹

Regulatory Perspective:

CDM must follow guidelines under 21 CFR Part 11 which creates the necessity for specialized, compliant data solutions

Industry Perspective:

Ever-increasing demand from pharma companies to fast-track drug development fuels demand for cutting-edge, high quality CDM solutions

SPECIALIZED DATA MANAGEMENT PROVIDERS

Specialized data management companies typically provide clinical data management and analytics through in-house eCOA, ePRO, IRT, and EDC platforms



1) ncbi.nlm.nih.gov, “Data management in clinical research: An overview”
2) CROS NT, “Why Consider Cloud-Based EDC for Your Next Clinical Study?”

III. APPLICATIONS OF ARTIFICIAL INTELLIGENCE IN CLINICAL TRIALS

Artificial Intelligence (“AI”) is expected to transform clinical research in various ways, including lowering development costs, improving outcomes, and accelerating cycle times

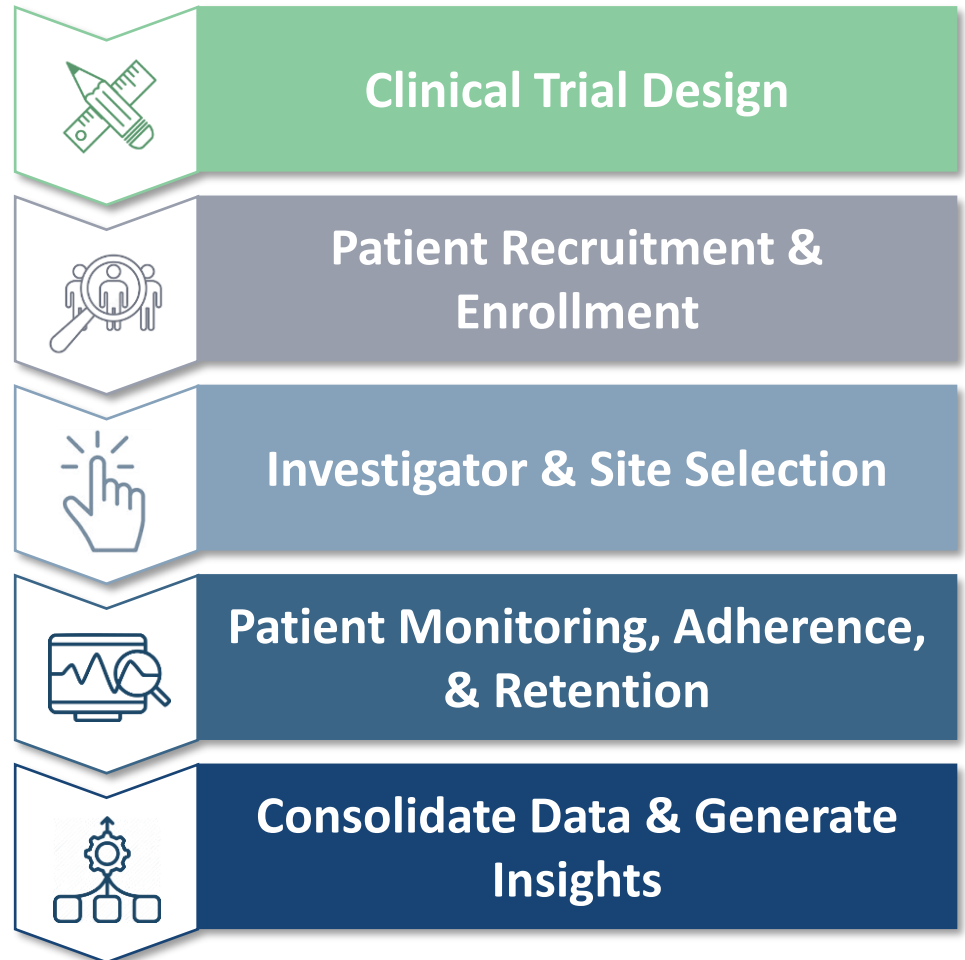
ANALYTICAL ADVANCEMENTS IN CLINICAL RESEARCH¹

- ▶ With the overwhelming amount of scientific and research data aggregated from a variety of sources, companies are continuously looking for ways to process, analyze, and derive actionable insights from datasets that are too vast for traditional analytical methods
- ▶ When combined with a high-quality, effective digital infrastructure, AI algorithms are able to streamline the cleaning, storing, management, and analysis of clinical trial data
- ▶ AI powered software solutions have the potential to enhance workflows across the clinical research process – from trial design and patient recruitment to data consolidation and analysis

APPLYING THESE TECHNOLOGIES TO CLINICAL RESEARCH^{2,3}

- ▶ Leveraging and applying Artificial Intelligence to clinical research requires significant expertise on clinical trial processes and phases, a strong understanding of opportunity areas for AI applications, and an awareness of potential limitations
- ▶ To harness potential benefits of AI, sponsors and researchers need to build a team of technical experts who possess the necessary knowledge of AI and Machine Learning to successfully build, evaluate, and implement these innovative solutions
- ▶ Further, AI algorithms require vast amounts of data for training and validation. Therefore, researchers must ensure that they have access to multiple sources of relevant and reliable data

OPPORTUNITY AREAS FOR AI IN CLINICAL RESEARCH¹



1) Deloitte Insights, “Intelligent Clinical Trials: Transforming through AI-enabled engagement”
2) ICON, “How digital transformation can reverse declining ROI in R&D”
3) BMC Trials Journal, “The role of machine learning in clinical research: transforming the future of evidence generation”

IV. DRIVING DIVERSITY IN CLINICAL TRIAL POPULATIONS

A significant opportunity for advancement within eClinical Solutions involves taking new approaches to patient recruitment to improve the diversity of participant populations, thereby increasing reliability of trial data and results

ENHANCING CLINICAL TRIAL DIVERSITY

- ▶ Key barriers to enhancing diversity in clinical trial populations include lack of awareness and lack of access¹
- ▶ In traditional, centralized clinical trial models, there has long been a natural geographic barrier to trial enrollment and access as the traditional model has historically confined the accessible patient population to those within a 50-mile radius²
 - In addition to limiting diversity, about 85% of clinical trials are delayed by a few weeks and about 30% are terminated due to poor enrollment²
- ▶ Black, Hispanic, and Asian Americans comprise ~35% of the U.S. population but have historically been underrepresented in clinical trials³ – this poses serious challenges to public health since new products may be researched and evaluated on data that is not representative of a diverse population
- ▶ Increasing diversity among clinical trial participants is crucial for researchers to understand the needs of those who are affected by a disease or condition, and advance health equity by providing access to therapies and care that may not have become available under other conditions¹

ECLINICAL APPROACHES TO TRIAL DIVERSITY

- ▶ Incorporating DCT allows the number of participants to grow exponentially as patients in different countries or continents can now contribute to the same study without leaving their homes⁴
- ▶ Some eClinical companies are addressing the issue head-on by developing solutions to increase trial diversity in various ways:³
 - Evaluating diversity across study participants
 - Identifying underrepresented populations
 - Connecting with a broader range of potential applicants
 - Recruiting trial participants

CLINICAL TRIAL RECRUITMENT PLATFORMS

Specialized patient recruitment platforms are playing a critical role in the shift toward DTC by enabling researchers to identify, engage with, and recruit diverse trial participants



1) Outsourcing Pharma, "Deloitte, PhRMA join forces on clinical trial diversity report"

2) Pharmaceutical Outsourcing, "Utilizing Technology to Increase Diversity, Recruitment, and Retention for Important Life-Saving Clinical Trials"

3) Fierce Biotech, "Reify Health taps into renewed drive to improve clinical trial diversity, releasing new tool to give drug sponsors more insight"

4) Curebase, "Decentralizing trials puts diversity at the center of clinical research"

V. M&A ACTIVITY AMONGST STRATEGIC AND FINANCIAL BUYERS

We're at the start of a meaningful consolidation phase in the currently fragmented eClinical space as strategic buyers seek to expand their footprints, acquire new service offerings and IP to become end-to-end solutions providers, or bolster existing tech platforms with the acquisition of highly scalable SaaS-based providers with strong customer relationships and contracts

- ▶ In line with other life sciences services areas, we're seeing consistently elevated valuations in the eClinical Solutions M&A market as competition increases for high quality assets that offer differentiated platforms or solutions
- ▶ Below are select recent strategic M&A transactions that illustrate various approaches key industry players are taking toward inorganic growth:

RECENT STRATEGIC M&A TRANSACTIONS



has been acquired by



Closed
Jan 2022

Value: \$6.0mm
EV / Rev: N/A
EV / EBITDA: N/A

This transaction enables Schrödinger to pursue advancements to its drug discovery programs and expand its offerings



to be acquired by



Announced
Dec 2021

Value: \$28.3bn
EV / Rev: 4.8x
EV / EBITDA: 19.4x

Cerner will provide Oracle with additional revenue growth and accelerate its product and technology development



has been acquired by



Closed
Apr 2021

Value: \$364.4mm
EV / Rev: N/A
EV / EBITDA: N/A

Kantar Health's differentiated real-world data assets and strong relationships helps drive cross-industry collaboration



has been acquired by



Closed
Feb 2021

Value: \$32.0mm
EV / Rev: 6.4x
EV / EBITDA: N/A

HealthMode's AI-enabled solutions increase the precision and speed of clinical trials and established MindMed's digital medicine division



has been acquired by



Closed
Dec 2020

Value: \$384.5mm
EV / Rev: N/A
EV / EBITDA: N/A

The Synteract acquisition enhanced Syneos Health's position for serving customers across the small to mid-sized market category



has been acquired by



Closed
Oct 2019

Value: \$5.6bn
EV / Rev: 7.9x
EV / EBITDA: 68.0x

Medidata provided Dassault with an integrated platform for an end-to-end approach to R&D, clinical testing, manufacturing, and commercialization

V. M&A ACTIVITY AMONGST STRATEGIC AND FINANCIAL BUYERS (CONT.)

With historically high levels of dry powder in the Private Equity markets, PE firms are increasingly shifting their attention to the eClinical space in a race to consolidate fragmented assets into scalable platforms via buy-and-build strategies

- ▶ Contrary to the adage of Strategic buyers being able to outbid Financial buyers, Private Equity investors have shown their willingness to pay up for eClinical assets with many buyout deals transacting at over 5.0x Revenue and over 25.0x EBITDA
- ▶ Below are select recent Private Equity buyout transactions that have occurred in the eClinical space which illustrate the demand for these assets, which has been sustained and on the rise since 2018:

RECENT PRIVATE EQUITY TRANSACTIONS



has been acquired by



Closed

Nov 2021

Value: \$7.3bn

EV / Rev: 9.6x

EV / EBITDA: 33.8x

Inovalon was taken private in a transaction that will advance their mission of empowering data-driven healthcare



has been acquired by



Closed

Jul 2021

Value: \$1.1bn

EV / Rev: 36.4x

EV / EBITDA: N/A

The partnership with Thoma Bravo will help fuel their next stage of growth as they continue to focus on strategy execution



has been acquired by



Closed

Feb 2021

Value: \$1.0bn

EV / Rev: 5.0x

EV / EBITDA: N/A

Astorg and Nordic's extensive healthcare and technology experience will accelerate Cytel's next phase of growth and innovations



has been recapitalized by



Closed

Nov 2019

Value: \$3.2bn

EV / Rev: 7.6x

EV / EBITDA: 22.8x

The recapitalization enhances the resources with which WCG will continue to extend its position as a leading provider of clinical research solutions



has been acquired by



Closed

Jul 2019

Value: \$707.5mm

EV / Rev: 7.0x

EV / EBITDA: N/A

The experience and resources provided by the investors validates ArisGlobal's success so far and will fuel their next phase of growth



has been acquired by



Closed

Sep 2018

Value: \$1.0bn

EV / Rev: 6.1x

EV / EBITDA: 26.6x

The transaction combined CRF with Bracket (nka Signant Health) and provided Genstar with a platform and scale for future growth

ECLINICAL SOLUTIONS TRANSACTION COMPS

ECLINICAL SOLUTIONS – TRANSACTION COMPS

USD in millions

Deal Date	Target	Target Description	Buyer	Implied EV	Implied EV/Revenue	Implied EV/EBITDA
Feb-22	Pharma Intelligence	Provider of specialist intelligence, data and software for clinical trials, drug development and regulatory compliance markets	Mubadala Investment Company, Warburg	\$3,029	NA	NA
Dec-21	Cerner	Supplier of healthcare information technology solutions and tech-enabled services	Oracle	\$27,518	4.8x	19.4x
Nov-21	Inovalon Holdings	Inovalon Holdings Inc provides cloud-based analytics and platforms for healthcare providers and pharmaceutical firms	22C Capital, Insight Partners, Nordic Capital	\$7,191	9.6x	33.8x
Aug-21	Parexel International	Provider of clinical research, consulting, medical communications and technology solutions and services	EQT, Goldman Sachs Asset Management	\$8,500	NA	NA
Jul-21	Greenphire	Developer of financial lifecycle management software for clinical trials	Thoma Bravo	\$1,100	36.4x	NA
Apr-21	Kantar Health	Provider of consulting and research services intended to serve the life science industry including data, analytics, real-world evidence and commercial research services	Cerner	\$364	NA	NA
Feb-21	Cytel	Developer of statistical medical data management software designed to assist clinics and hospitals in statistical programming, data management and data validation	Astorg, Nordic Capital	\$1,000	5.0x	NA
Jan-21	Capsule Technologies	Developer of a medical device integration, clinical surveillance and patient monitoring platform for hospitals and healthcare organizations	Philips	\$635	6.4x	NA
Dec-20	Synteract	Provider of contract research and development services including bio-statistics and data management	Syneos Health	\$385	NA	NA
Aug-20	THREAD	Developer of a remote patient research platform intended for biopharma and CROs to decentralize clinical research	JLL Partners, Water Street Healthcare	NA	NA	NA
Nov-19	WIRB-Copernicus Group	Diverse provider of clinical trial solutions for biopharmaceutical companies, CROs, and institutions	Leonard Green & Partners, Novo Holdings	\$3,142	7.6x	22.8x
Oct-19	Medidata Solutions	Provider of cloud-based solutions for the clinical development programs of life sciences companies	Dassault Systemes	\$5,383	7.9x	68.0x
Jul-19	ArisGlobal	Operator of a drug development platform that uses advanced cognitive computing and machine learning to bring therapies to market faster and with greater cost-effectiveness	Athyrium Capital Management, Nordic	\$708	7.0x	NA
Jan-19	Linguamatics	Developer of natural language processing-based AI platform for healthcare and pharmaceutical companies	IQVIA	\$65	5.1x	NA
Sep-18	CRF Health	Developer of an eCOA platform that simplifies the data collection process and provides real-time access to wirelessly collected biometric data	Genstar Capital, Foresite Capital	\$1,000	6.1x	26.6x

Median	\$1,050	6.7x	26.6x
Mean	\$4,287	9.6x	34.1x
Min	\$65	4.8x	19.4x
Max	\$27,518	36.4x	68.0x

ECLINICAL SOLUTIONS PUBLIC TRADING COMPS

Our index of eClinical Solutions public trading comps indicates that elevated sector valuations are consistent in both the public and private markets – notably, the index below is trading at TEV/Revenue and TEV/EBITDA median multiples of 4.5x and 23.7x, respectively

ECLINICAL SOLUTIONS – PUBLIC TRADING COMPS

USD in millions

Company	Ticker	Enterprise Value	LTM			Margin Analysis			Enterprise Value/			Debt/		
			Sales	EBITDA	EBIT	Gross Profit	EBITDA	EBIT	Sales	EBITDA	EBIT	Enterprise Value	Equity Value	EBITDA
IQVIA Holdings Inc.	NYSE:IQV	\$51,611.3	\$13,874.0	\$2,499.0	\$1,446.0	33.5%	18.0%	10.4%	3.7x	20.7x	35.7x	24.8%	31.7%	5.1x
Cerner Corporation	NasdaqGS:CERN	\$28,512.8	\$5,764.8	\$1,545.1	\$1,088.0	82.6%	26.8%	18.9%	4.9x	18.5x	26.2x	6.8%	7.1%	1.3x
Veeva Systems Inc.	NYSE:VEEV	\$23,939.9	\$1,850.8	\$532.9	\$505.5	72.8%	28.8%	27.3%	12.9x	44.9x	47.4x	0.2%	0.2%	0.1x
ICON Public Limited Company	NasdaqGS:ICLR	\$22,743.3	\$5,480.8	\$849.0	\$534.1	27.6%	15.5%	9.7%	4.1x	26.8x	42.6x	24.8%	31.6%	6.6x
Syneos Health, Inc.	NasdaqGS:SYNH	\$10,846.7	\$5,213.0	\$647.7	\$412.1	23.4%	12.4%	7.9%	2.1x	16.7x	26.3x	28.4%	39.1%	4.8x
Certara, Inc.	NasdaqGS:CERT	\$2,979.9	\$286.1	\$70.0	\$24.9	61.0%	24.5%	8.7%	10.4x	42.6x	119.6x	10.4%	10.8%	4.4x
Schrödinger, Inc.	NasdaqGS:SDGR	\$1,445.6	\$137.9	(\$108.6)	(\$111.4)	47.6%	NM	NM	10.5x	NM	NM	5.5%	4.1%	NM
Health Catalyst, Inc.	NasdaqGS:HCAT	\$862.3	\$241.9	(\$78.8)	(\$113.9)	48.7%	NM	NM	3.6x	NM	NM	23.7%	18.6%	NM
Science 37 Holdings, Inc.	NasdaqGM:SNCE	\$513.1	\$50.4	(\$37.9)	(\$40.4)	38.3%	NM	NM	10.2x	NM	NM	0.5%	0.5%	NM
DATATRAK International, Inc.	OTCPK:DTRK	\$14.6	\$6.5	(\$1.0)	(\$1.0)	67.9%	NM	NM	2.3x	NM	NM	8.9%	8.6%	NM

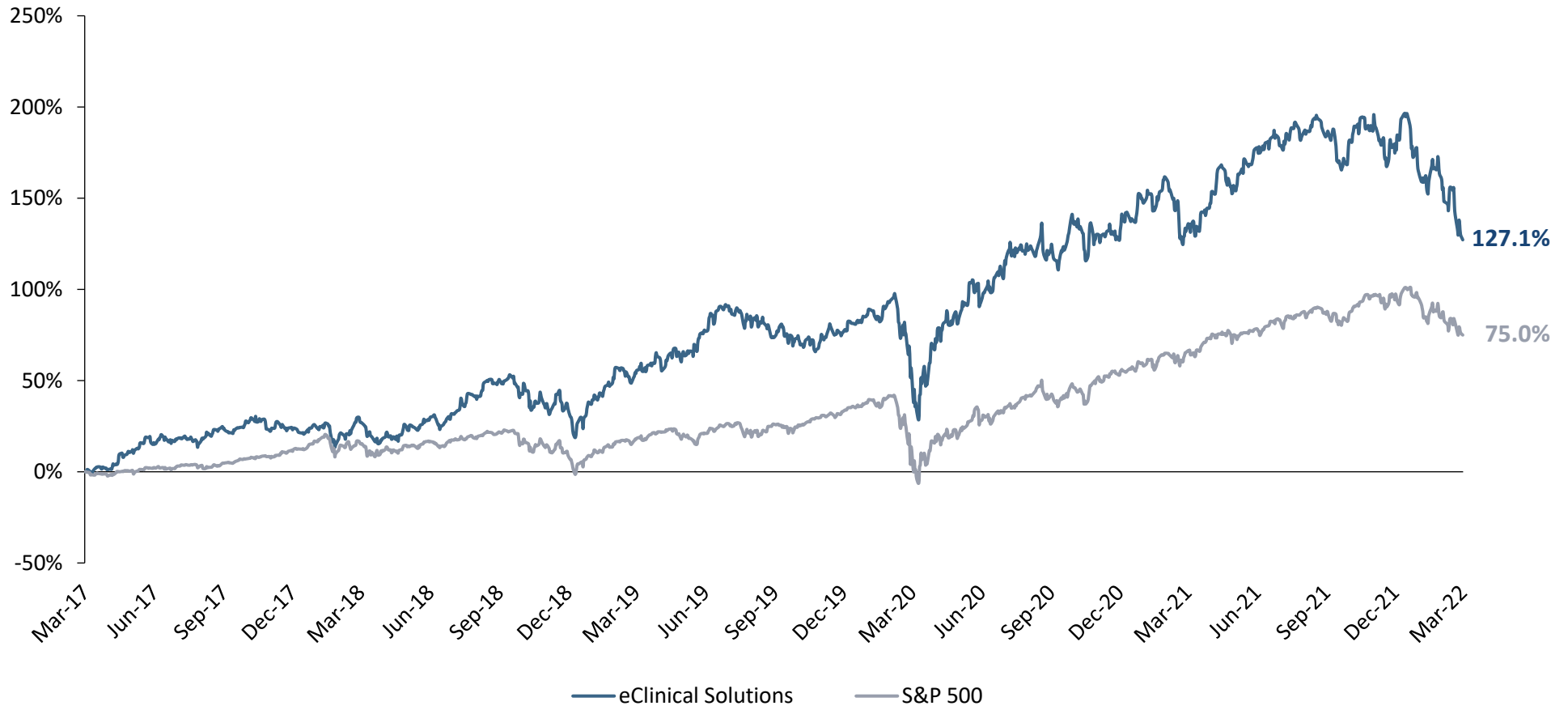
Median	48.1%	21.2%	10.1%	4.5x	23.7x	39.1x	9.6%	9.7%	4.6x
Mean	50.3%	21.0%	13.8%	6.5x	28.4x	49.6x	13.4%	15.2%	3.7x
Min	23.4%	12.4%	7.9%	2.1x	16.7x	26.2x	0.2%	0.2%	0.1x
Max	82.6%	28.8%	27.3%	12.9x	44.9x	119.6x	28.4%	39.1%	6.6x



MARKET PERFORMANCE – LAST 5 YEARS

Over the last 5 years, the Bourne Partners eClinical Solutions index has outpaced the S&P 500 by ~52% in terms of equity performance amid strong demand for eClinical Solutions companies and their innovative capabilities

HISTORICAL INDEX PERFORMANCE – LAST 5 YEARS¹



eClinical Solutions Index: IQVIA Holdings Inc. (NYSE:IQV), Cerner Corporation (NasdaqGS:CERN), Veeva Systems Inc. (NYSE:VEEV), ICON Public Limited Company (NasdaqGS:ICLR), Syneos Health, Inc. (NasdaqGS:SYNH), Certara, Inc. (NasdaqGS:CERT), Schrödinger, Inc. (NasdaqGS:SDGR), Health Catalyst, Inc. (NasdaqGS:HCAT), Science 37 Holdings, Inc. (NasdaqGM:SNCE), DATATRAK International, Inc. (OTCPK:DTRK)

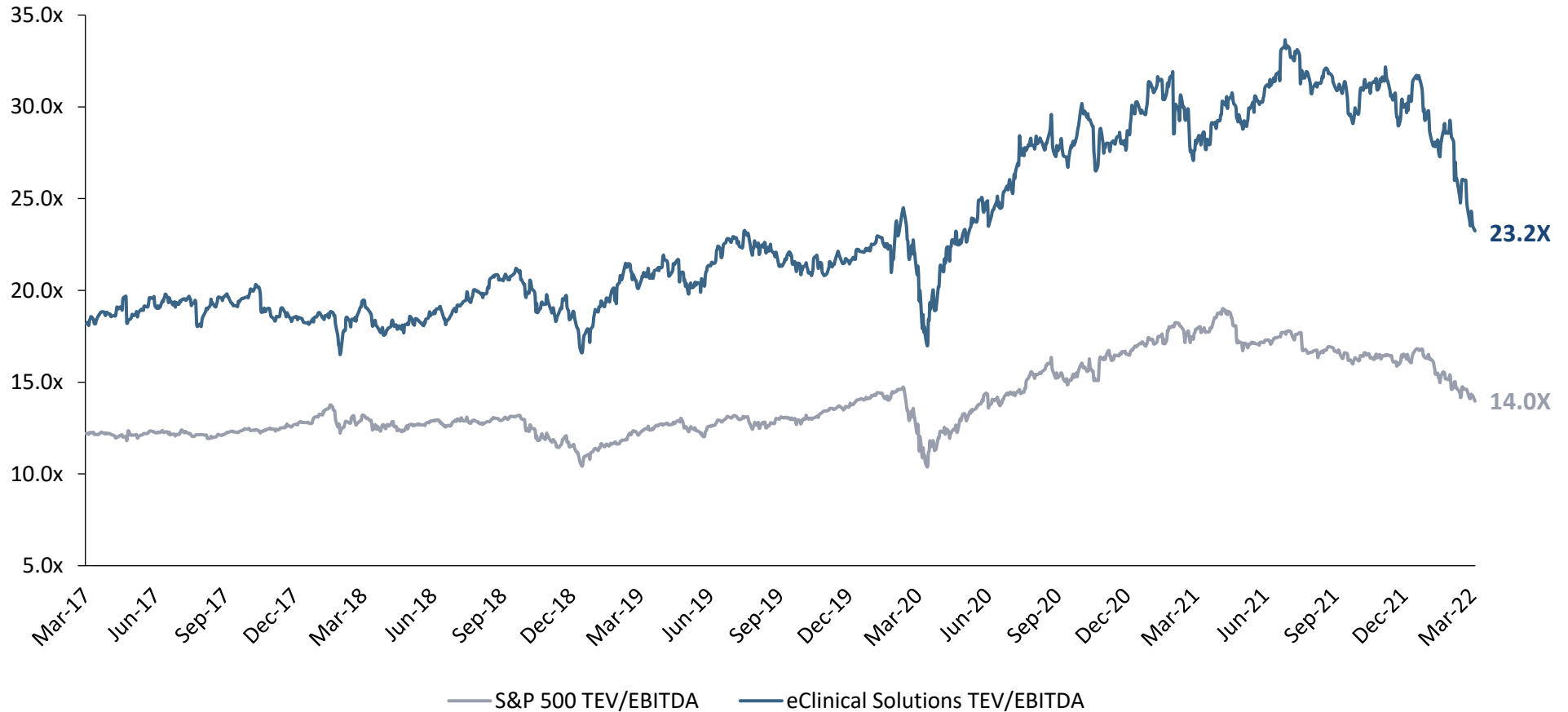
Source(s): S&P Capital IQ as of March 14, 2022

1) Index weighted by market capitalization

VALUATION TRENDS – LAST 5 YEARS

Over the last 5 years, eClinical Solutions TEV/EBITDA multiples have remained meaningfully higher than the broader S&P 500 index by at least 5 turns while trending directionally in line with the S&P 500

HISTORICAL LTM TEV/EBITDA MULTIPLES – LAST 5 YEARS¹



eClinical Solutions Index: IQVIA Holdings Inc. (NYSE:IQV), Cerner Corporation (NasdaqGS:CERN), Veeva Systems Inc. (NYSE:VEEV), ICON Public Limited Company (NasdaqGS:ICLR), Syneos Health, Inc. (NasdaqGS:SYNH), Certara, Inc. (NasdaqGS:CERT), Schrödinger, Inc. (NasdaqGS:SDGR), Health Catalyst, Inc. (NasdaqGS:HCAT), Science 37 Holdings, Inc. (NasdaqGM:SNCE), DATATRAK International, Inc. (OTCPK:DTRK)

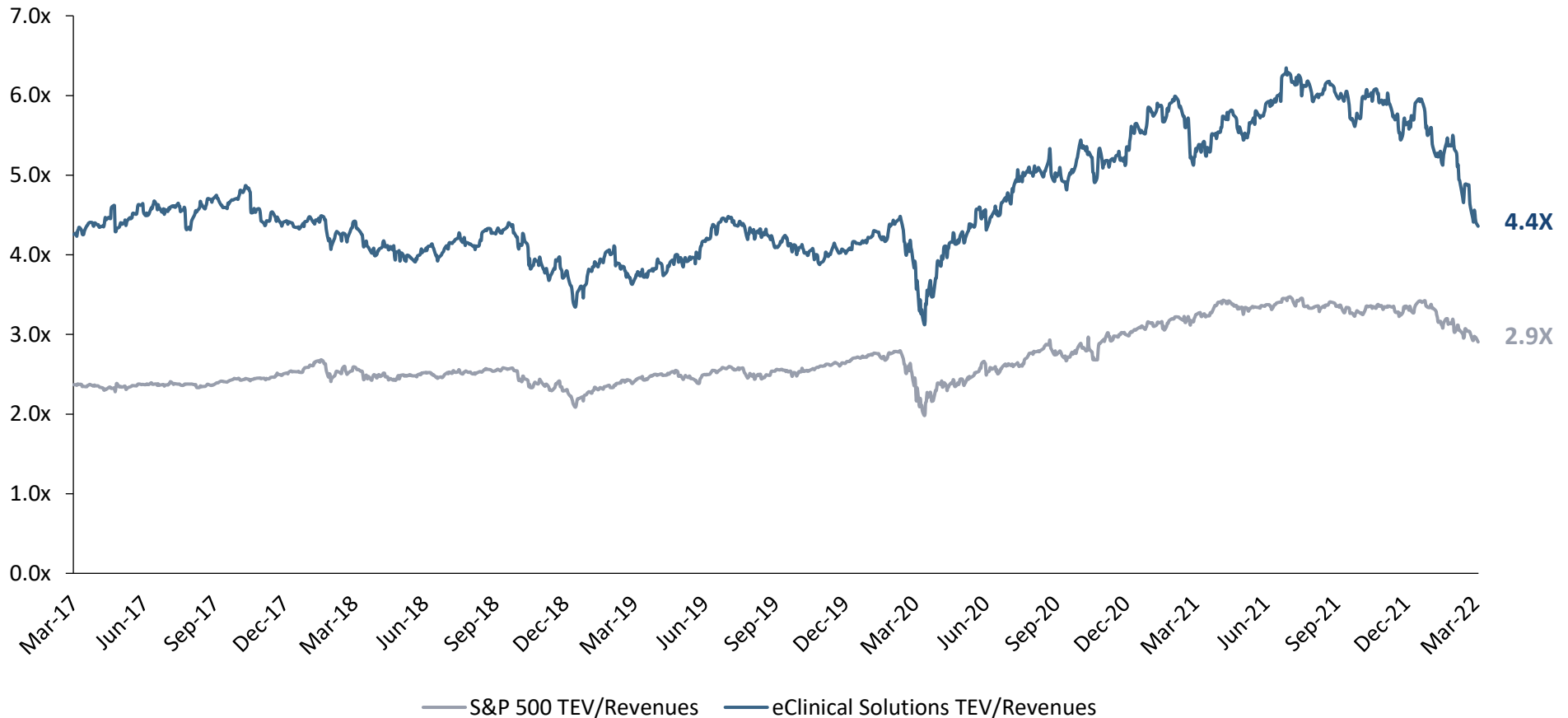
Source(s): S&P Capital IQ as of March 14, 2022

1) Index weighted by market capitalization

VALUATION TRENDS – LAST 5 YEARS (CONT.)

Looking at eClinical Solutions TEV/Revenues multiples over the same 5-year period, we're seeing a similar pattern with multiples remaining consistently elevated and trending in a similar direction

HISTORICAL LTM TEV/REVENUES MUTLIPLES – LAST 5 YEARS¹



eClinical Solutions Index: IQVIA Holdings Inc. (NYSE:IQV), Cerner Corporation (NasdaqGS:CERN), Veeva Systems Inc. (NYSE:VEEV), ICON Public Limited Company (NasdaqGS:ICLR), Syneos Health, Inc. (NasdaqGS:SYNH), Certara, Inc. (NasdaqGS:CERT), Schrödinger, Inc. (NasdaqGS:SDGR), Health Catalyst, Inc. (NasdaqGS:HCAT), Science 37 Holdings, Inc. (NasdaqGM:SNCE), DATATRAK International, Inc. (OTCPK:DTRK)

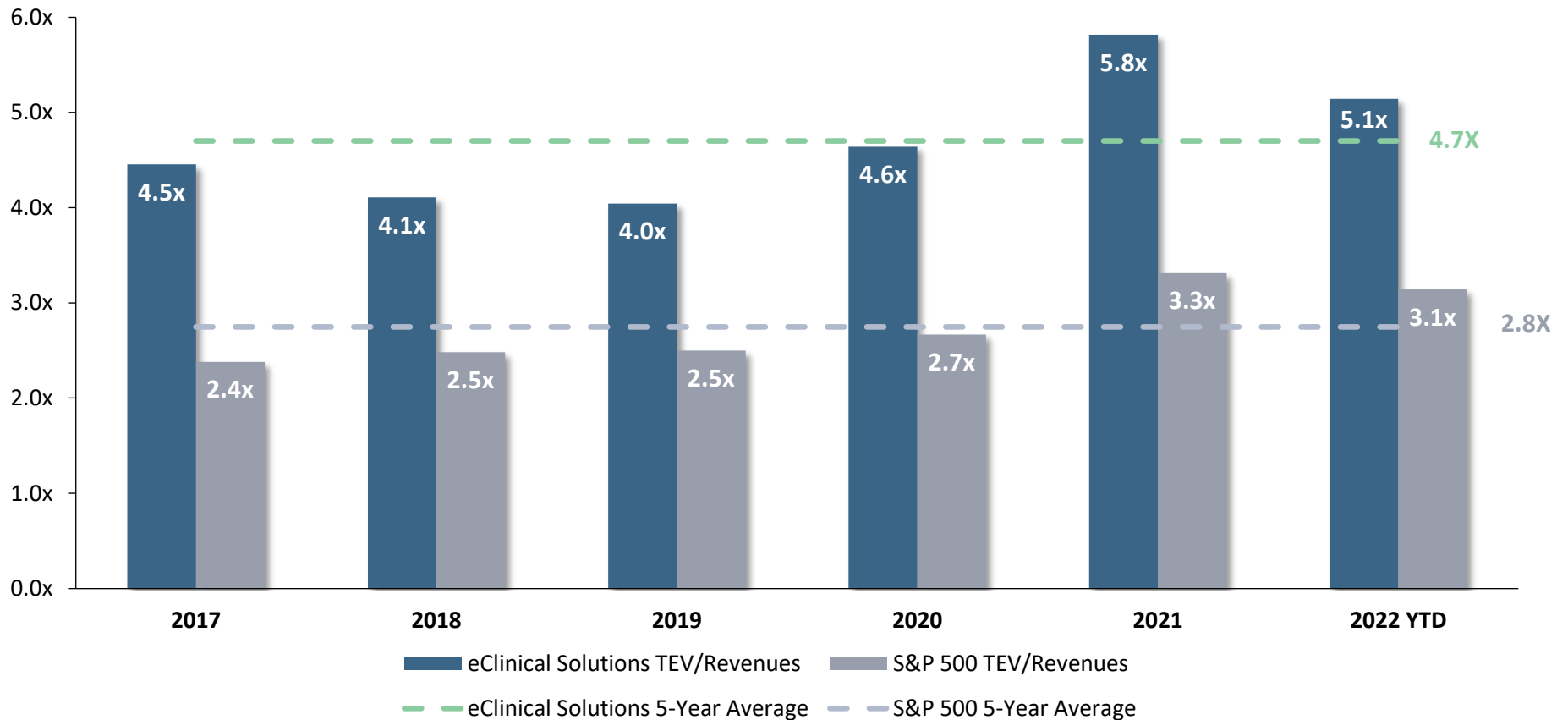
Source(s): S&P Capital IQ as of March 14, 2022

1) Index weighted by market capitalization

VALUATION TRENDS – LAST 5 YEARS (CONT.)

Historically, publicly-held eClinical Solutions companies have traded at a ~71% premium to the S&P 500 on an Average LTM TEV/Revenues basis and are currently trading at a ~64% premium

HISTORICAL AVERAGE LTM TEV/REVENUES MULTIPLES – LAST 5 YEARS¹



eClinical Solutions Index: IQVIA Holdings Inc. (NYSE:IQV), Cerner Corporation (NasdaqGS:CERN), Veeva Systems Inc. (NYSE:VEEV), ICON Public Limited Company (NasdaqGS:ICLR), Syneos Health, Inc. (NasdaqGS:SYNH), Certara, Inc. (NasdaqGS:CERT), Schrödinger, Inc. (NasdaqGS:SDGR), Health Catalyst, Inc. (NasdaqGS:HCAT), Science 37 Holdings, Inc. (NasdaqGM:SNCE), DATATRAK International, Inc. (OTCPK:DTRK)

CONTACT US

ABOUT BOURNE PARTNERS

- ▶ With over 70 years of relevant industry experience, Bourne Partners is Comprised of Experienced Investment Professionals, Healthcare Executives, and Operating Partners
- ▶ Since 2001, Bourne Partners has been a thought leader in the Healthcare investment banking space. Our team is a trusted resource for clients and our track record of success includes raising over \$2 billion in equity and debt capital and executing more than \$5 billion in M&A transactions
- ▶ Bourne's exclusive focus and impressive track record of success across the Pharma, Pharma Services, and Consumer Health landscape make us the trusted industry advisor of choice
- ▶ Our leadership team brings over 100 years of combined investment banking and private equity transaction experience
- ▶ Based in Charlotte, North Carolina, Bourne Partners has a global reach with significant domestic and international experience having transacted in over 35 countries

OFFICE INFORMATION



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ECLINICAL SECTOR COVERAGE



Jake Curtis

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- ▶ Joined Bourne Partners in 2022
- ▶ 3 years of Life Sciences M&A transaction experience; over 1 year of focused eClinical Solutions and Clinical Services coverage
- ▶ Previously a Senior Analyst at Crosstree Capital Partners, Pharma Services coverage
- ▶ BS, Finance, University of North Carolina at Charlotte



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- ▶ Joined Bourne Partners in 2021 and provides execution support on a variety of transactions
- ▶ Transaction experience across Pharma and Pharma Services verticals
- ▶ Prior Investment Banking experience at Davidson Capital Advisors
- ▶ BS, Finance, North Carolina State University

BOURNE PARTNERS OVERVIEW

BOURNE PARTNERS OVERVIEW

Bourne Partners is a Pharma, Pharma Services, and Consumer Health-focused investment banking and private equity firm. Since 2001, Bourne Partners has been offering a unique perspective and unmatched expertise while remaining highly focused on fulfilling the various needs of established middle market Pharma & Pharma Services companies across the globe

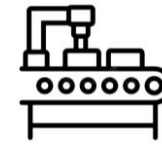
BOURNE PARTNERS MISSION STATEMENT

“We strive to enrich the lives and improve the health and well-being of our employees, partners, and patients across the globe by facilitating the efficient movement of capital through the global Healthcare sector.”

HIGHLY FOCUSED FIRM



PHARMACEUTICALS



PHARMA SERVICES



CONSUMER HEALTH

BOURNE PARTNERS INVESTMENT BANKING (“BPIB”)

MERGERS & ACQUISITIONS		CAPITAL RAISING	
Company & Product Focus	Sell-Side Assignments	Debt	Equity
Buy-Side Assignments	\$20M to \$1B+ Enterprise Value	Alternative Options	\$20M to \$1B+
BUSINESS DEVELOPMENT SERVICES		STRATEGIC INITIATIVES & CONSULTING	
Partnerships U.S. and Abroad	In and Out-Licensing	Strategy & Management	Sales / Marketing, Operations

BOURNE PARTNERS STRATEGIC CAPITAL (“BPSC”)

PRIVATE EQUITY INVESTMENT FOCUS – PARTNERSHIP-BASED

Highly selective approach towards direct investments in private companies that are in the firm’s core focus sectors

BPSC principals must see a pathway to adding significant value to the business while investing personally and aligning economic interests with management

INVESTMENT CAPABILITIES

- Middle Market
- Actionable Growth Stage
- Complex Situations
- Creative Structures
- Flexible Investment Sizes

REPRESENTATIVE RECENT TRANSACTIONS & ASSIGNMENTS

 Non-core CDMO business has been acquired by 	 has been acquired by 	 has been acquired by 	 has been acquired by 	 has acquired assets from
2022	2021	2021	2021	2021

BPSC DIRECT INVESTMENTS



BPSC PRIVATE EQUITY ALLIANCE



LEADING BOUTIQUE ADVISORY FIRM

Founded in 2001, Bourne Partners is a dedicated advisory practice led by seasoned professionals that possess significant industry knowledge and experience

AREAS OF EXPERTISE

BOURNE PARTNERS



COMMON THEMES

Bourne has developed a strong reputation across the buyer universe for consistently bringing attractive, high-quality assets to market

- ✓ Market Leaders with Scale
- ✓ Solid Quality & Regulatory History
- ✓ Expanding Suite of Services
- ✓ Robust BD Pipeline
- ✓ Proven M&A Platforms
- ✓ Blue-Chip Customers
- ✓ Exceptional Margins
- ✓ Strong Cash Flow Generation

REPRESENTATIVE TRANSACTIONS

<p>has sold its CDMO operations to</p>	<p>has acquired</p>	<p>was the stalking horse bid for</p>	<p>has been acquired by</p>	<p>has received Series A Financing from</p>	<p>Generic Rx Portfolio has been acquired by</p>	<p>has been acquired by</p>	<p>has been acquired by</p>	<p>has sold several ANDAs to</p>
<p>has been acquired by</p>	<p>has been acquired by</p>	<p>has been acquired by</p>	<p>has been acquired by</p>	<p>has acquired assets from</p>	<p>has been advised by</p> <p>on Multiple Successful Acquisitions</p>	<p>has been advised by</p> <p>on Multiple Successful Transactions</p>	<p>Huntsville Mfg./Pckg. Facility has been sold to</p>	<p>has been advised by</p> <p>on their acquisition of Teligent's ANDAs</p>

CASE STUDY: SALE OF ACCELOVANCE AND OPTIMAL RESEARCH



Outcome:
16x EBITDA

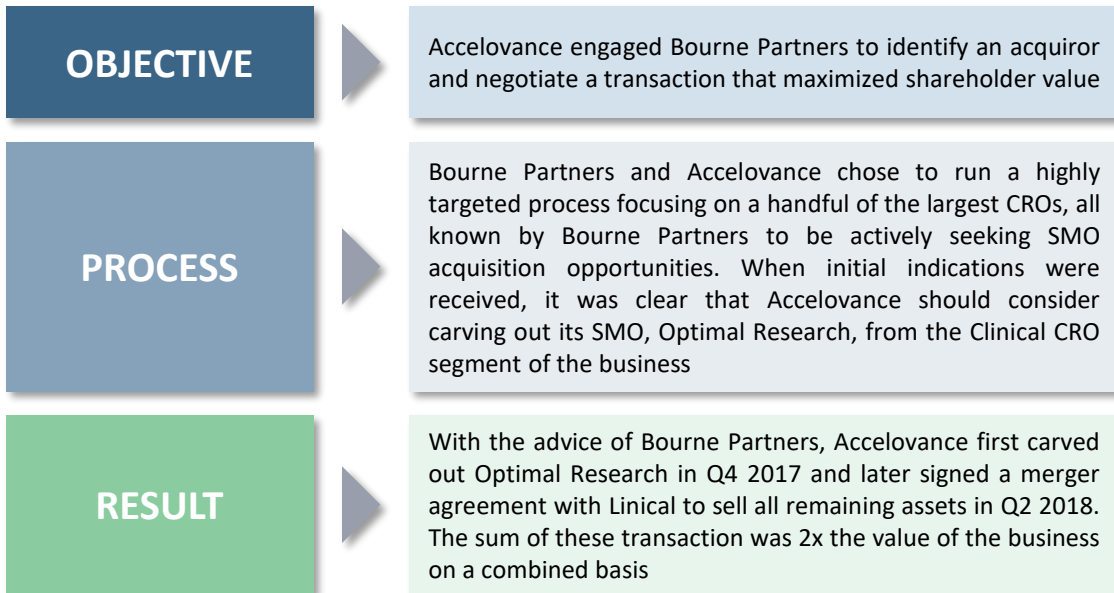
ACCELOVANCE, INC.

Accelovance Inc. (“Accelovance”) is an award winning, full service clinical Contract Research Organization (CRO) focused on vaccine, oncology, and general medicine Phase I-IV programs. Accelovance provides global CRO services to pharmaceutical companies, biotechs, CROs, and academic institutions. The company was founded in 2004 and is based in Rockville, Maryland. Other locations include Stuart, Florida; Peoria and Chicago, Illinois; Durham, North Carolina; and Beijing, China

SYNEXUS LIMITED & LINAL CO., LTD. (TSE: 2183)

Synexus Limited, an operating subsidiary of Pharmaceutical Product Development, LLC (PPD), engages in the identification, recruitment, and retention of patients for clinical trials on behalf of sponsors that include pharmaceutical companies and biotechnology companies, and CROs. Linical Co., Ltd. (“Linical”) provides drug development services in the areas of oncology and central nervous system to pharmaceutical companies worldwide. The company offers drug development consulting services, clinical research and development, and contract medical affairs services. Linical was founded in 2005 and is headquartered in Osaka, Japan

DEEP DOMAIN KNOWLEDGE RESULTED IN A FRICTIONLESS TRANSACTION



“Bourne Partners’ experienced execution team, deep domain knowledge and extensive strategic and PE relationships were critical in maximizing the value of the sale of Accelovance and Optimal Research. I highly recommend them as a sell-side advisor in the Clinical CRO and Sites Network space.”

– Steve Trevisan, Founder, President & CEO,

Accelovance, Inc.



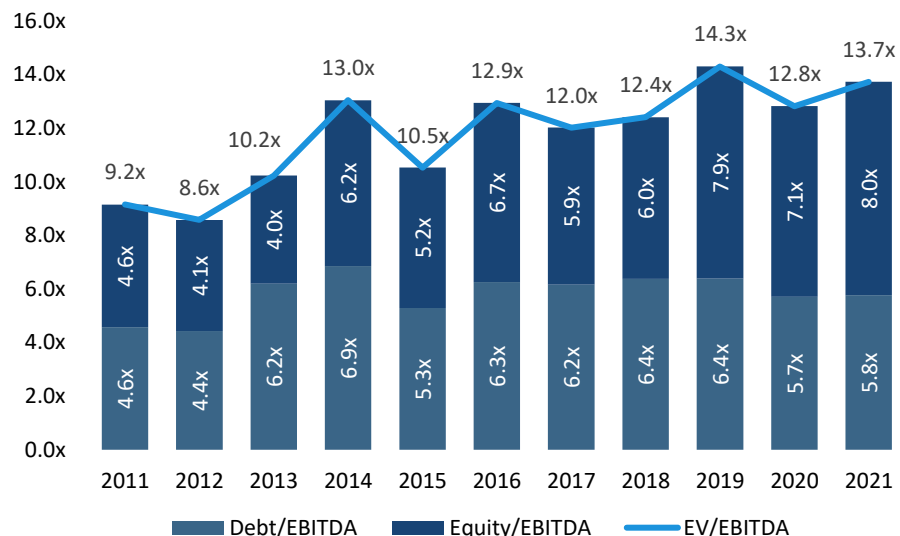
APPENDIX

M&A MARKET COMMENTARY

BOURNE PARTNERS' TAKE ON THE M&A MARKET

- ▶ While COVID-19 still plays a part in our everyday lives, the market has come out of the pandemic with M&A volumes and valuations at record highs
- ▶ Lending activity has completely recovered, and borrowers continue to benefit from historically low interest rates
- ▶ US buyout multiples through 2021 are at their second highest level in the last decade with an increased amount of equity being used to finance each transaction at 8.0x EBITDA
- ▶ The frenzy of deal activity is largely driven by a handful of key factors:
 - Record number of deals in the market
 - Strong lending activity with historically low interest rates
 - Soft monetary policy decisions by the Federal Reserve throughout 2020 and 2021 have left record amounts of capital chasing yield in an environment of frothy public market valuations
- ▶ As we continue through 2022, Bourne Partners expects to see a sustained number of announced M&A transactions as owners of quality assets continue to seek monetization events while multiples remain near record levels
- ▶ Due to backlogs at the FTC, deals that require antitrust approval may be held up beyond the normal approval period

BUYOUT MULTIPLES ON THE RISE¹



HISTORICAL US HIGH YIELD DEBT EFFECTIVE YIELD²



1) PitchBook, FY 2021

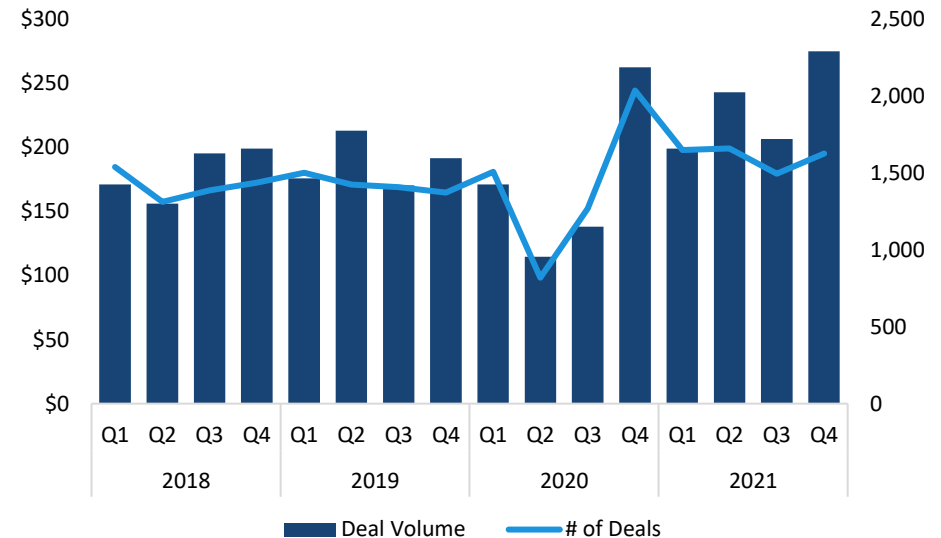
2) Ice Data Indices, LLC, ICE BofA US High Yield Index Effective Yield [BAMLH0A0HYM2EY] Federal Reserve Bank of St. Louis

PRIVATE EQUITY MARKET COMMENTARY

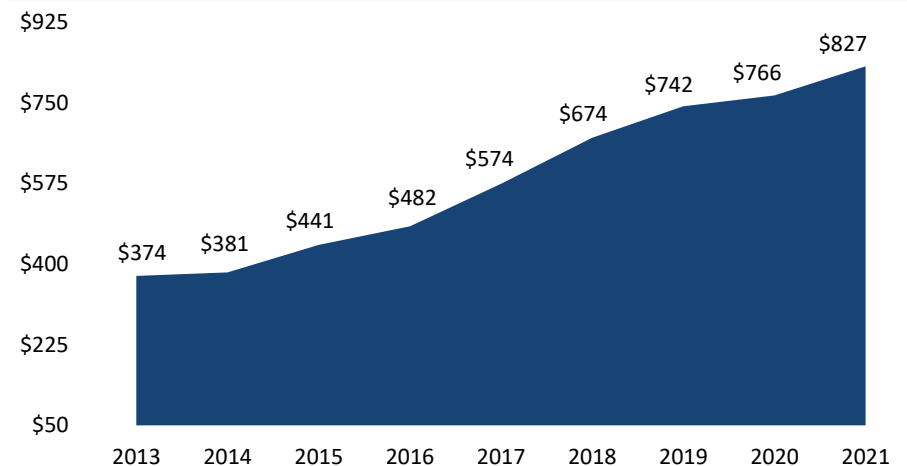
BOURNE PARTNERS' TAKE ON THE PRIVATE EQUITY MARKET

- ▶ 2021 saw Private Equity deal volume reach its highest level ever recorded, reaching nearly \$300B in total deal value (actual and estimated)
- ▶ 2021 was the beneficiary of a large spurt in deal activity as sellers sought to capitalize on attractive valuations and preempt potential adverse tax code changes
- ▶ Bourne Partners expects to see continued growth in deal volume and numbers as exuberance in the market continues to drive valuations higher
- ▶ Another major tailwind for continued growth in Private Equity backed deals is the sheer volume of dry powder that remains in Private Equity coffers
 - As of June 30, 2021, US Private Equity had a record level of capital overhang, exceeding \$825B
 - Private Equity groups continued to deploy record amounts of capital, with deployments more than offset by the amount of new capital raised
 - In 2021 Private Equity firms raised a staggering \$301B led by the largest PE funds (>\$5B) which raised ~48% of all new capital raised in the space

US PRIVATE EQUITY DEAL VALUE (\$B)¹



US PRIVATE EQUITY DRY POWDER (\$B)¹



*Dry Powder as of 6/30/2021