

Market Update

Pharma Services Post-4Q24 Update

March 2025

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Bourne's Pharma Services Expertise

Pharma Services and Technology Expertise



Clinical & Drug Discovery Services

- Full-Service & Specialty CROs
- Site Networks / SMOs
- Patient Recruitment
- Patient Engagement & Retention
- Patient Logistics & Payments
- eClinical (eCOA, ePRO, IRT, EDC, CTMS, RBQM)
- Pharma, CRO, & Site Technology
- RWD, RWE, & Data Analytics
- Hub & Patient Support Services
- Life Sciences Consulting



Commercialization Services

- Medical Communications & Education
- Healthcare Marketing / Advertising
- Commercial Patient / HCP Engagement
- Market Access & Pricing, HEOR, & RWE
- Medical & Regulatory Affairs
- Post-Market Safety & Pharmacovigilance



Supply Chain Services

- CMO / CDMO
- Biostorage
- Packaging / Distribution / Logistics



Pharma



Pharma
Services



Pharmacy
Services



Consumer
Healthcare

Recent Pharma Services Transaction Activity

PROJECT FARMA
a portfolio company of
**PRECISION
MEDICINE
GROUP**
a portfolio company of
Blackstone
has been acquired by
PerkinElmer
a portfolio company of
NMC
NEW MOUNTAIN CAPITAL

Clincierge
has been acquired by
greenphire
a portfolio company of
THOMABRAVO
Sell-Side M&A

**SUMMIT
BIOSCIENCES INC.**
has been acquired by
Kindeva
DRUG DELIVERY
a portfolio company of
ALTARIS
Sell-Side M&A

**MEDIVANT
HEALTHCARE**
has received growth
financing from
1315
CAPITAL
HEALTHCARE FOR LIFE
Capital Raise

**spencer
health solutions**
has raised Series D
financing from
RCT
Aphelion Capital
Capital Raise

**BOURNE
STRATEGIC
CAPITAL**
has completed a
growth investment in
Eximia
CLINICAL RESEARCH
Capital Raise

**American
Injectables**
has received
growth
financing from
**BOURNE
STRATEGIC
CAPITAL**
NEW RHEIN
HEALTHCARE INVESTORS
Capital Raise

Afton Scientific
has sold a majority
stake to
ACIP
Sell-Side M&A



Section One

Pharma Services Update

i. Pharma Services Sector Update

ii. Pharma Services Macro Trends / Environment

iii. CDMO Outsourcing Trends and Optimism

iv. Clinical Trial Technology Platform Consolidation

v. Artificial Intelligence Use Cases in Clinical Trials

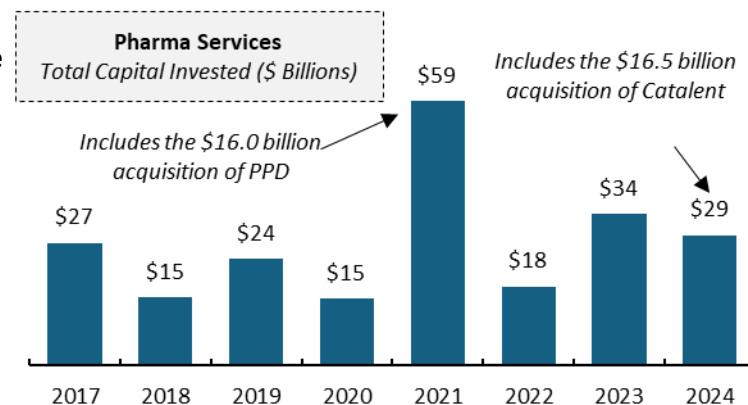
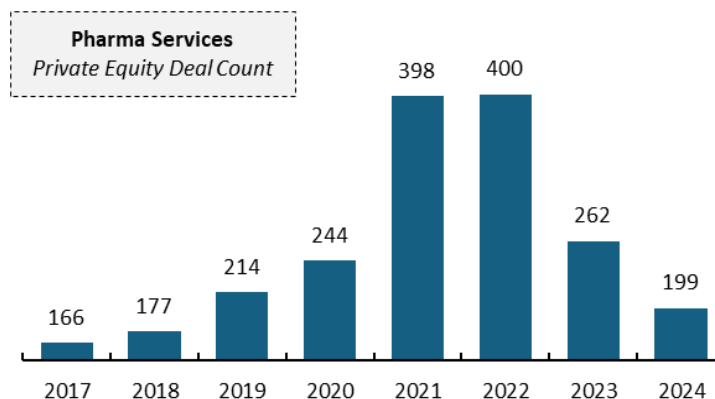
Pharma Services Sector Update

We continue to be optimistic on the fundamentals of pharma services companies over the next decade. However, over the past year, we have seen an elevated volume of study delays and cancellations by small/mid-sized biopharma sponsors, and this is having various negative downstream financial effects on companies in the space. We are also hearing more anecdotes of larger pharma sponsors re-prioritizing their product development strategies in response to the prescription drug price cuts associated with the ongoing rollout of the *Inflation Reduction Act (IRA)* of 2022.

The Trump administration healthcare policy team has taken shape, including the confirmation of Robert F. Kennedy Jr as Secretary of Health and Human Services. Other key confirmations included Marty Makary as head of the Food and Drug Administration (FDA), Mehmet Oz as Director of the Centers for Medicare and Medicaid Services (CMS), and Jay Bhattacharya as the Director of the National Institutes of Health (NIH).

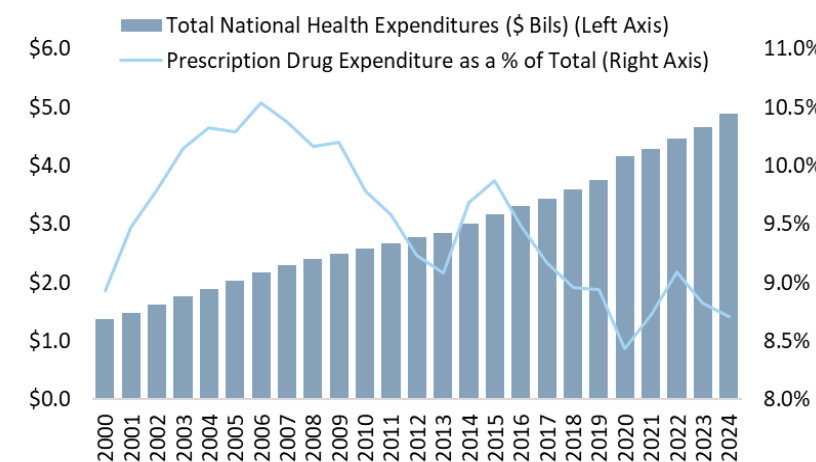
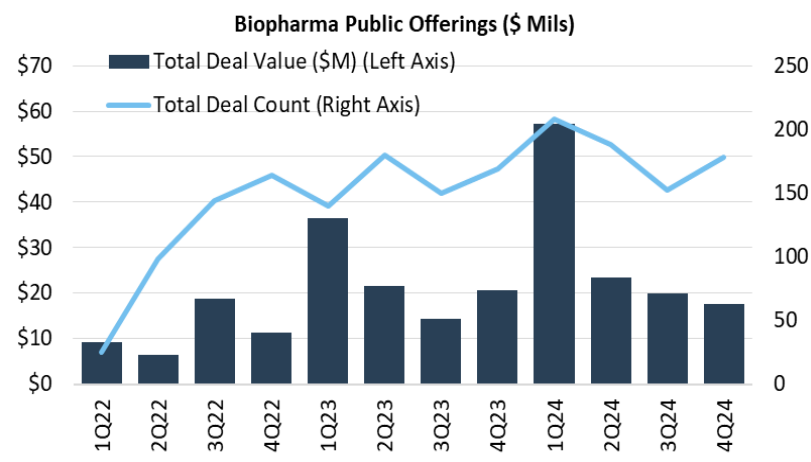
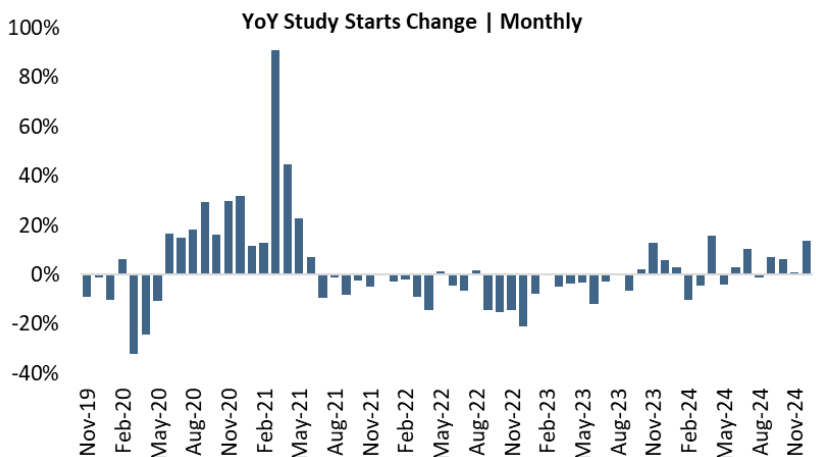
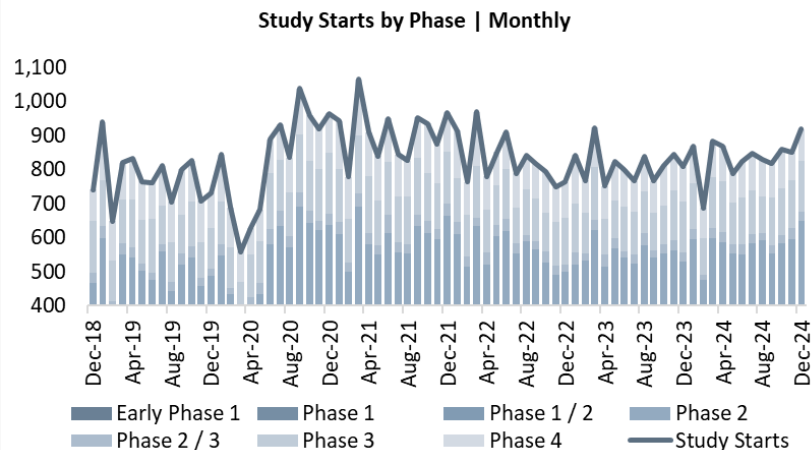
Exiting the 4Q24 earnings season, **we view the CDMO space as (finally) set up for reaccelerating growth in 2025 and 2026** after struggling through the wind down of COVID-19 projects, capital market pressures on small/mid-sized biopharma sponsors, and weak economic conditions for consumer-related businesses in 2023 and 2024.

President Trump is showing a willingness to use duties, tariffs, and trade policy as a tool to promote U.S. interests abroad. Already, the Trump administration has put significant tariffs on China and Canada with potential tariffs on Mexico in the near-term. In response to the Trump administration's aggressive use of tariffs, we have seen an increasing number of pharma companies and CDMOs shift their manufacturing investments to the United States. Most notably, Eli Lilly and Co (NYSE: LLY) announced plans for a significant \$27 billion investment in new U.S. manufacturing with a focus on supplies that are typically imported.





Pharma Services Macro Trends / Environment



Note: Data aggregated as of March 17, 2025. The analysis covers FDA-defined phases from early Phase 1 to Phase 4, excluding uncharacterized trials without FDA-defined phases, such as device or behavioral intervention trials Sources: Clinicaltrials.gov and Bourne Partners.

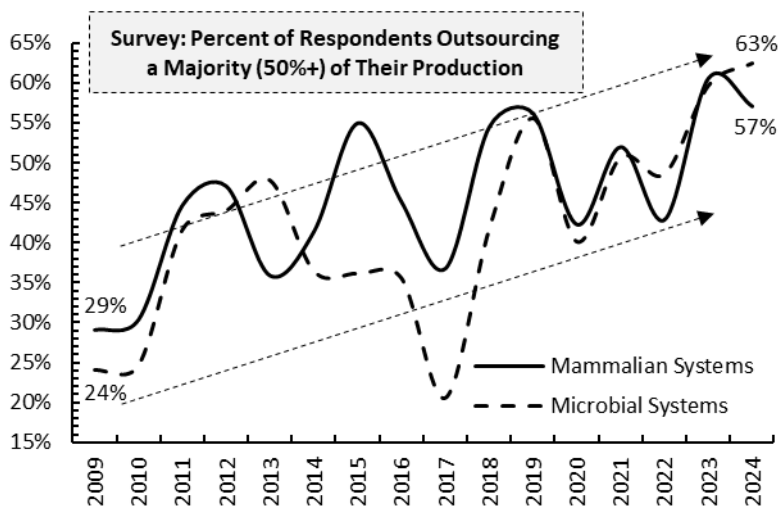
CDMO Outsourcing Trends and Optimism

In our view, the contract development manufacturing organization (CDMO) landscape is being reshaped by the rise of new precision medicines. We expect a disproportionate amount of the forward growth for the CDMO space will be driven by the production of complex and biologic drugs associated with precision medicine. Altogether, we estimate complex and biologic drugs represent \$20 billion of annual production today with ~mid-teens growth through the rest of the decade.

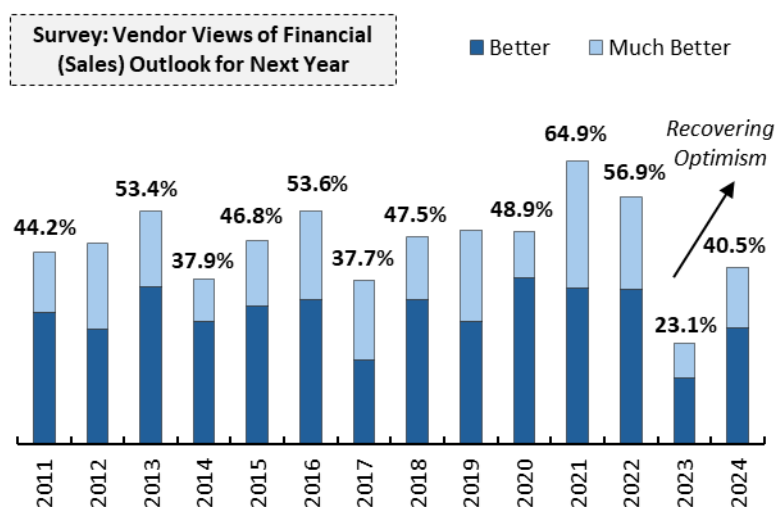
The outsourcing of complex and biologic drugs has been steadily increasing for well over a decade, as highlighted by data from *BioPlan Associates*. Mammalian cell culture systems are foundational (and a good proxy) to overall biologics manufacturing, in our opinion. Facilities outsourcing a majority (50%+) of their mammalian production has doubled from 29% in 2009, to 57% in 2024. Also, microbial systems, e.g., recombinant proteins, enzymes, and vaccines, show similar outsourcing trends, increasing from 24% to 63%.

Optimism for future outsourcing is rising. After a historical low point in 2023, CDMO “optimism” for growth in the coming year bounced back sharply in 2024. In 2024, 13.0% of respondents foresee “much better” financial performance next year, up from only 8.1% in 2023. Also, 26.6% expect “better” performance next year, up from 15.0% in 2023.

Positive Historical Biologic CDMO Outsourcing Trends...



... With Increasing Optimism for the Future



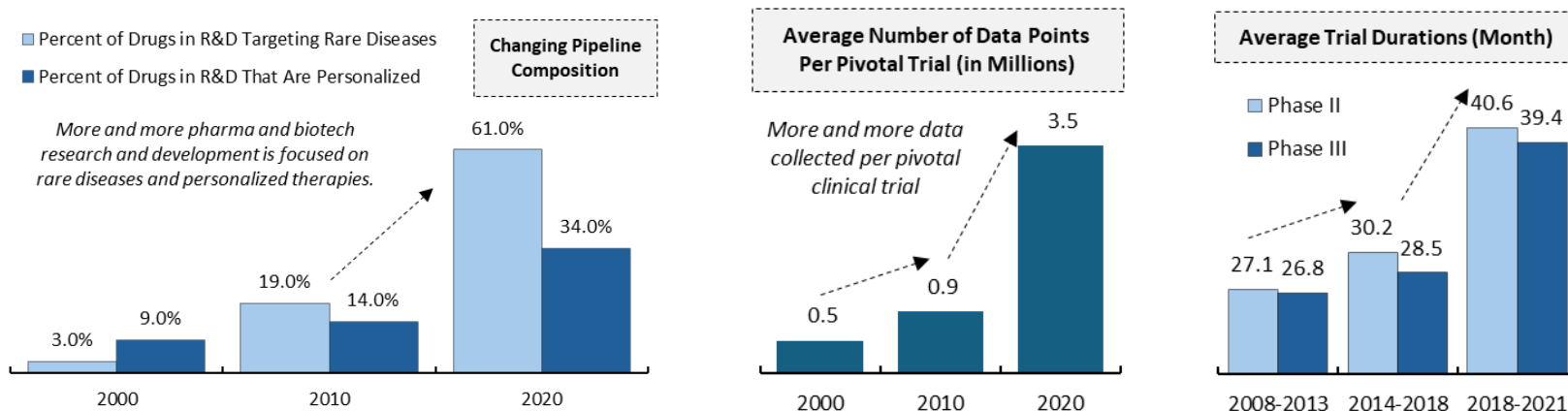
Clinical Trial Technology Platform Consolidation

We see an ongoing steady trend towards greater consolidation among software/tech-enabled service solutions in the clinical trial space in the coming years. Based on our conversations with executives at leading software vendors and private equity firms, we think that there is a broad understanding that integrated software/technology platforms can lead to accelerated clinical trial timelines, enhanced data quality, greater scale efficiencies, and improved collaboration.

Clinical trial complexity continues to increase due to more nuanced science, novel therapeutic modalities, and the greater use of precision medicine -- as well as pressure on pharma companies to differentiate their products based on “quality of life” measures. Also, updates to the ICH E6 guidelines will bring greater focus on “quality-by-design” and “risk-based quality monitoring” concepts in clinical trials. Over time, this should have the effect of encouraging sponsors and CROs to bring in software/tech vendors earlier in the clinical trial design process -- rather than “forcing” vendors to fit to a protocol after it is developed. In our view, this elevates the role of software/tech vendors into becoming true “partners” in the drug development process.

Platform vendors continue to generally outperform and command higher valuations among investors. Simply stated, integrated software/tech platforms allow sponsors and CROs to work off of a single dataset in real-time, mitigating the risk of lost and erroneous data that can occur as a result of double-data entry and the interfacing of disparate software applications. This, in turn, reduces administrative costs, improves decision-making, and accelerates “time-to-market.”

*** Refer to our recent report on software in clinical trials: [Clinical Trial Technologies Market Research Report \(January 2025\)](#). ***



Sources: The U.S. Food and Drug Administration (FDA), Tufts Center for the Study of Drug Development, Pharma Projects, Evaluate Pharma, and Bourne Partners

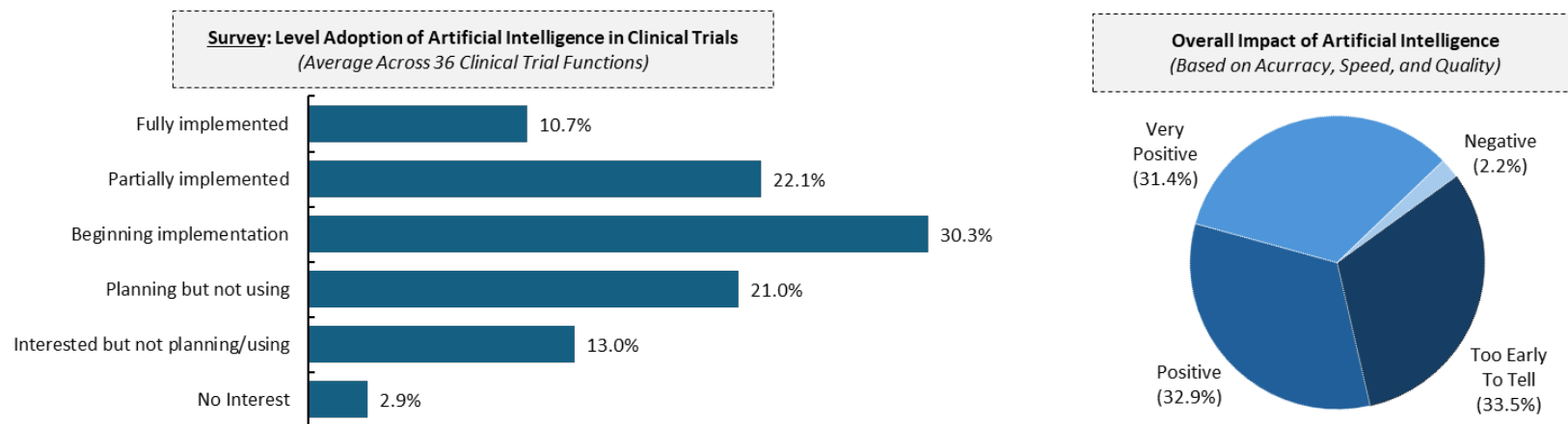
Artificial Intelligence Use Cases in Clinical Trials

In our view, **the adoption of integrated technology platforms could be further accelerated by competitive pressures to adopt artificial intelligence (AI)**. AI requires access to large quantities of quality and reliable data. With integrated technology platforms, data can be captured and updated in one place, improving data quality and reliability and creating a single source of truth across all clinical trial activities.

The Bourne Partners team attended the 2025 Summit for Clinical Ops Executives (SCOPE) in Florida in February to meet with leading software vendors and biopharma executives to get “boots-on-the-ground” visibility to software adoption trends in the clinical trial space. By far, the top topic of conversation at SCOPE was artificial intelligence (AI) -- followed by the potential impact of the second President Trump administration and the increasing influence of clinical trial site networks.

Feedback at SCOPE confirmed that AI for clinical trials is very much in its early days. Survey data presented at SCOPE by the Tufts Center for the Study of Drug Development (Tufts CSDD), showed that, on average, only 10.7% of pharma companies and CROs reported being “fully implemented” on AI. Unsurprisingly, this percentage skewed higher among larger sponsors and CROs and higher for more complex therapeutic areas (with oncology having the highest rate of AI usage).

*** Refer to our recent report on artificial intelligence (AI) in clinical trials: [Will Interest in Artificial Intelligence \(Finally\) Drive Greater Vendor and Tech Consolidation in the Clinical Trial Space?](#) (February 2025). ***



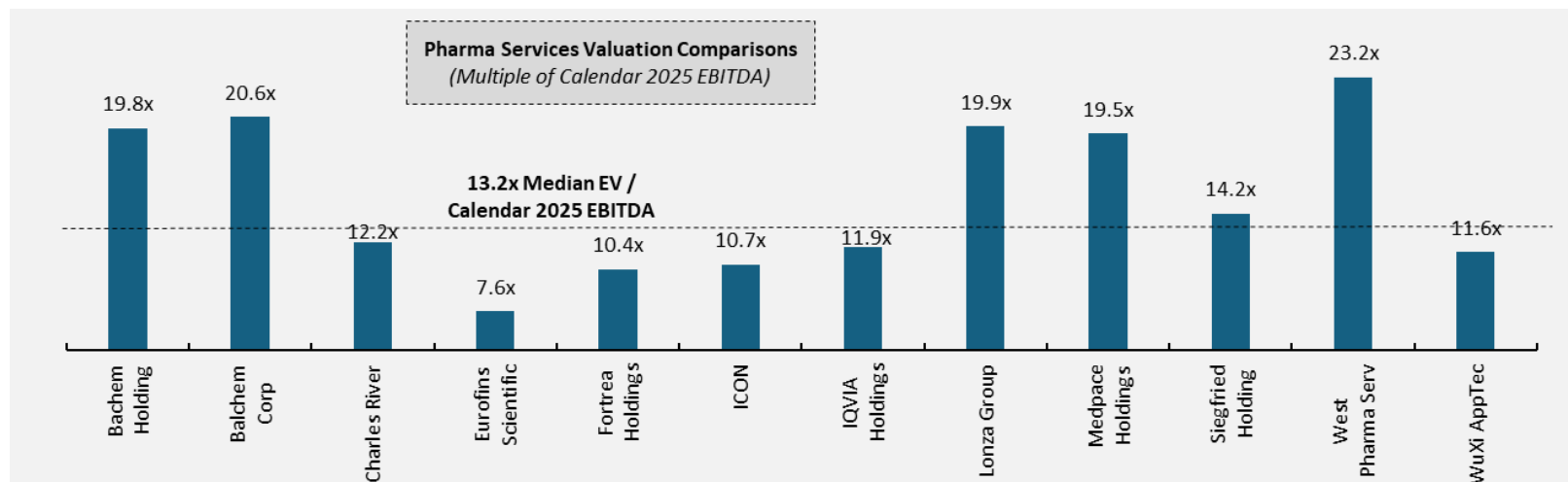
Select Pharma Services Transactions

= Bourne Partners Advised Transaction

Date	Target	Acquirer	Commentary	Tags	Deal Value
Mar-2025			Consulting services, including project management, project controls, and quality compliance, among others	Consulting	Not Public
Feb-2025			Provider of purification and filtration technologies used in the production of biologics and cell/gene therapies	CDMO	\$4.1 Bil
Feb-2025			Medical communications company using data-driven strategies to message healthcare providers	Market Access	\$3.0 Bil
Feb-2025			Avid Bioservices was a publicly-traded CDMO focused on development and CGMP manufacturing of biologics	CDMO	\$1.0 Bil
Jan-2025			Packaging, clinical trial support, and supply chain solutions with locations in the US, Europe, and Asia	CDMO	\$4.5 Bil
Jan-2025			Software for randomization and trial supply, consent, and patient outcomes data collection	Clinical Trial IT	Not Public
Dec-2024			Catalent was a publicly traded end-to-end CDMO with manufacturing sites primarily in the U.S. and Europe	CDMO	\$16.5 Bil
Dec-2024			Data-driven strategies to engage and enroll participants in clinical trials	Clinical Trial IT	Not Public
Nov-2024			Glass and plastic packaging as well as closure solutions for the pharma, biotech and cosmetics industries	CDMO	Not Public
Oct-2024			Budgeting, contract management, investigator payments, and business intelligence analytics	Clinical Trial IT	Not Public



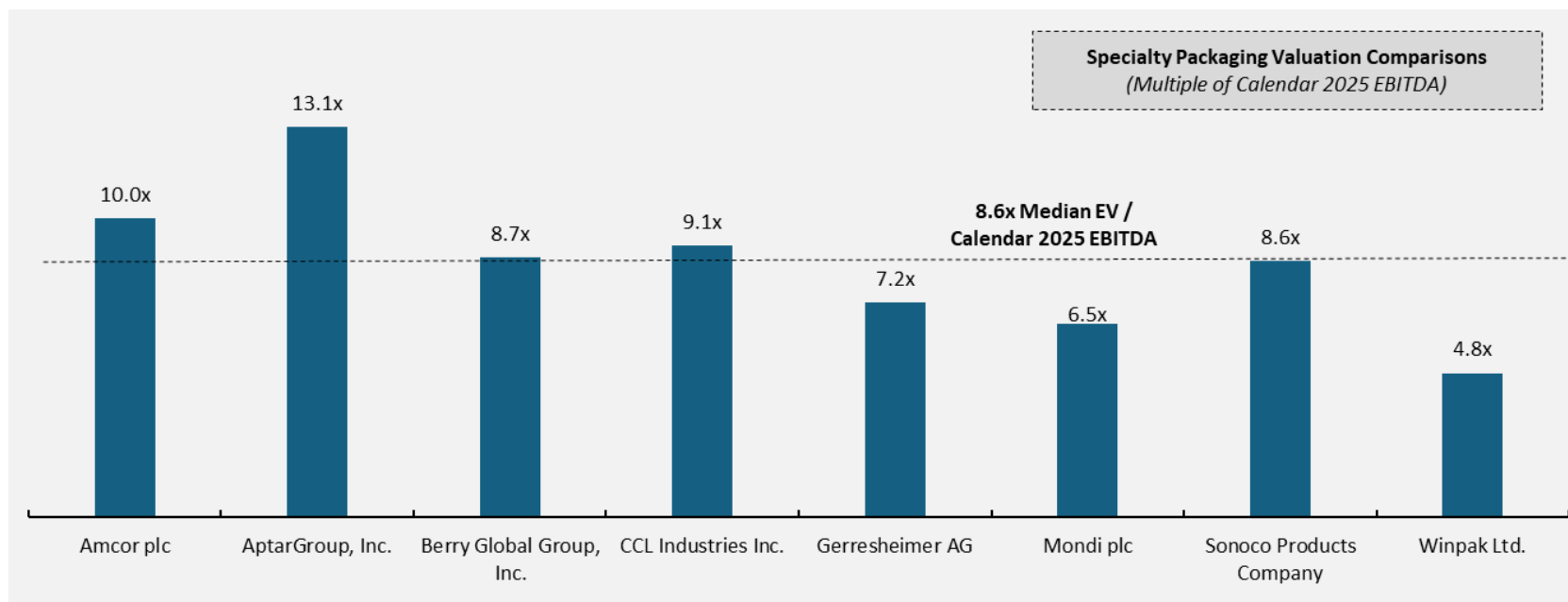
Bourne Comps - Pharma Services



Company Name	Ticker	Equity Value	Net Debt / Enterprise (Net Cash) Value	Projected CY2025		Projected CY2025			Debt Ratio	
				Revenue	Growth	EBITDA	Growth	Multiple		
Pharma Services										
Bachem Holding	BANB	\$4,570	(\$105)	\$4,465	\$788	17.5%	\$225	16.3%	19.8x	-0.5x
Balchem Corp	BCPC	5,243	159	5,402	1,009	5.8%	262	5.1%	20.6x	0.6x
Charles River	CRL	8,555	2,586	11,141	3,825	-5.1%	915	-8.4%	12.2x	2.8x
Eurofins Scientific	ERF	10,459	3,100	13,559	8,078	12.1%	1,784	13.9%	7.6x	1.7x
Fortrea Holdings	FTRE	791	1,080	1,871	2,496	-7.7%	180	-18.6%	10.4x	6.0x
ICON	ICLR	14,930	3,064	17,994	8,334	0.6%	1,674	-3.4%	10.7x	1.8x
IQVIA Holdings	IQV	32,775	12,641	45,416	15,913	3.5%	3,819	3.7%	11.9x	3.3x
Lonza Group	LONN	46,469	3,309	49,779	8,722	19.5%	2,497	21.6%	19.9x	1.3x
Medpace Holdings	MEDP	9,878	(520)	9,358	2,162	2.6%	480	4.2%	19.5x	-1.1x
Siegfried Holding	SFZN	4,474	497	4,971	1,552	7.7%	351	9.9%	14.2x	1.4x
West Pharma Serv	WST	16,532	(179)	16,353	2,892	0.2%	704	-1.5%	23.2x	-0.3x
WuXi AppTec	SHSE:603259	26,682	(1,619)	25,063	5,918	9.9%	2,162	15.7%	11.6x	-0.7x
Average (Mean)						5.7%			14.7x	2.0x
Average (Median)						4.6%			13.2x	1.7x

Note: Market values as of the close of business March 21, 2024.
Source: S&P Global Market Intelligence

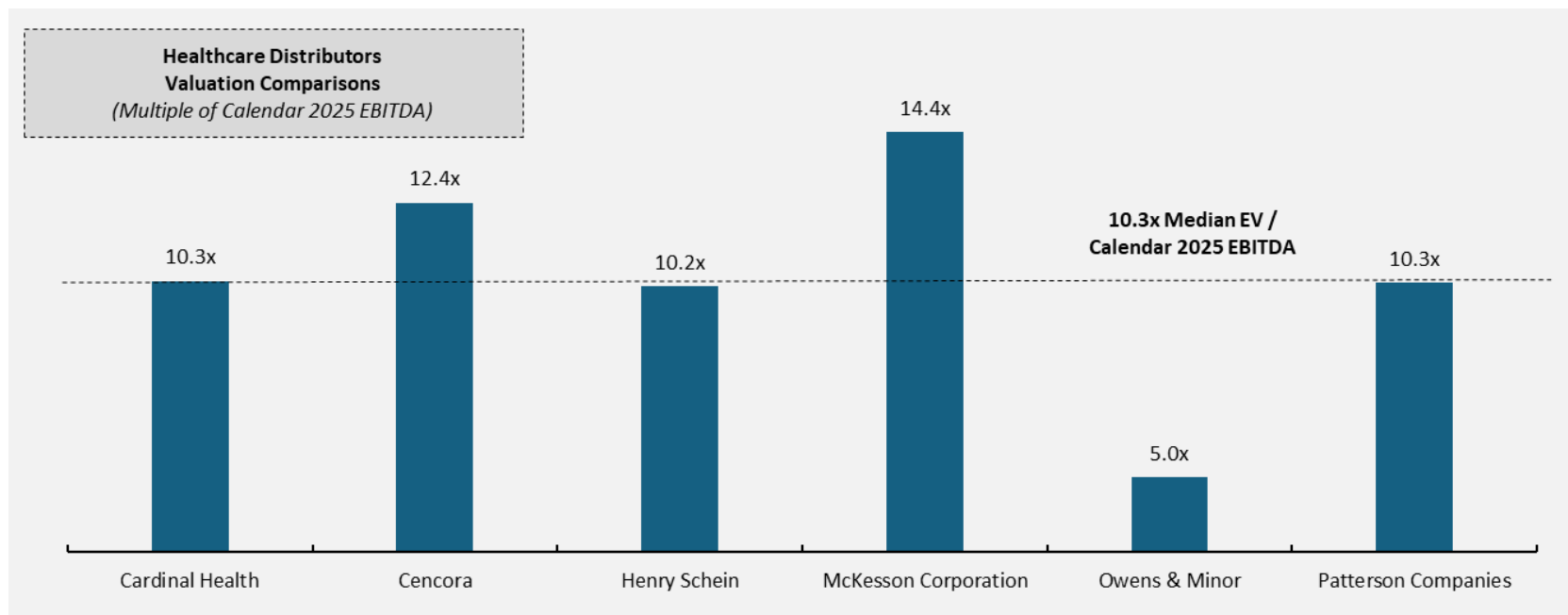
Bourne Comps - Specialty Packaging



Company Name	Ticker	Equity Value	Net Debt / Enterprise (Net Cash) Value	Projected CY2025		Projected CY2025			Debt Ratio	
				Revenue	Growth	EBITDA	Growth	Multiple		
Specialty Packaging										
Amcor plc	AMCR	\$13,635	\$7,040	\$20,675	\$13,910	2.1%	\$2,068	4.1%	10.0x	3.4x
AptarGroup, Inc.	ATR	9,630	867	10,497	3,647	1.6%	804	4.7%	13.1x	1.1x
Berry Global Group, Inc.	BERY	7,887	7,620	15,507	10,110	-14.0%	1,785	-10.0%	8.7x	4.3x
CCL Industries Inc.	TSX:CCL.B	8,781	1,125	9,906	5,277	5.5%	1,090	5.1%	9.1x	1.0x
Gerresheimer AG	XTRA:GXI	2,843	1,249	4,092	2,717	25.9%	569	29.6%	7.2x	2.2x
Mondi plc	LSE:MNDI	6,878	1,798	8,676	8,603	10.9%	1,341	20.8%	6.5x	1.3x
Sonoco Products Company	SON	4,604	6,920	11,524	7,827	18.3%	1,343	27.6%	8.6x	5.2x
Winpak Ltd.	TSX:WPK	1,679	(479)	1,200	1,195	5.1%	249	2.7%	4.8x	-1.9x
Average (Mean)						6.9%		10.6%	8.5x	2.1x
Average (Median)						5.3%		4.9%	8.6x	1.8x

Note: Market values as of the close of business March 21, 2024.
Source: S&P Global Market Intelligence

Bourne Comps - Distributors / Wholesalers

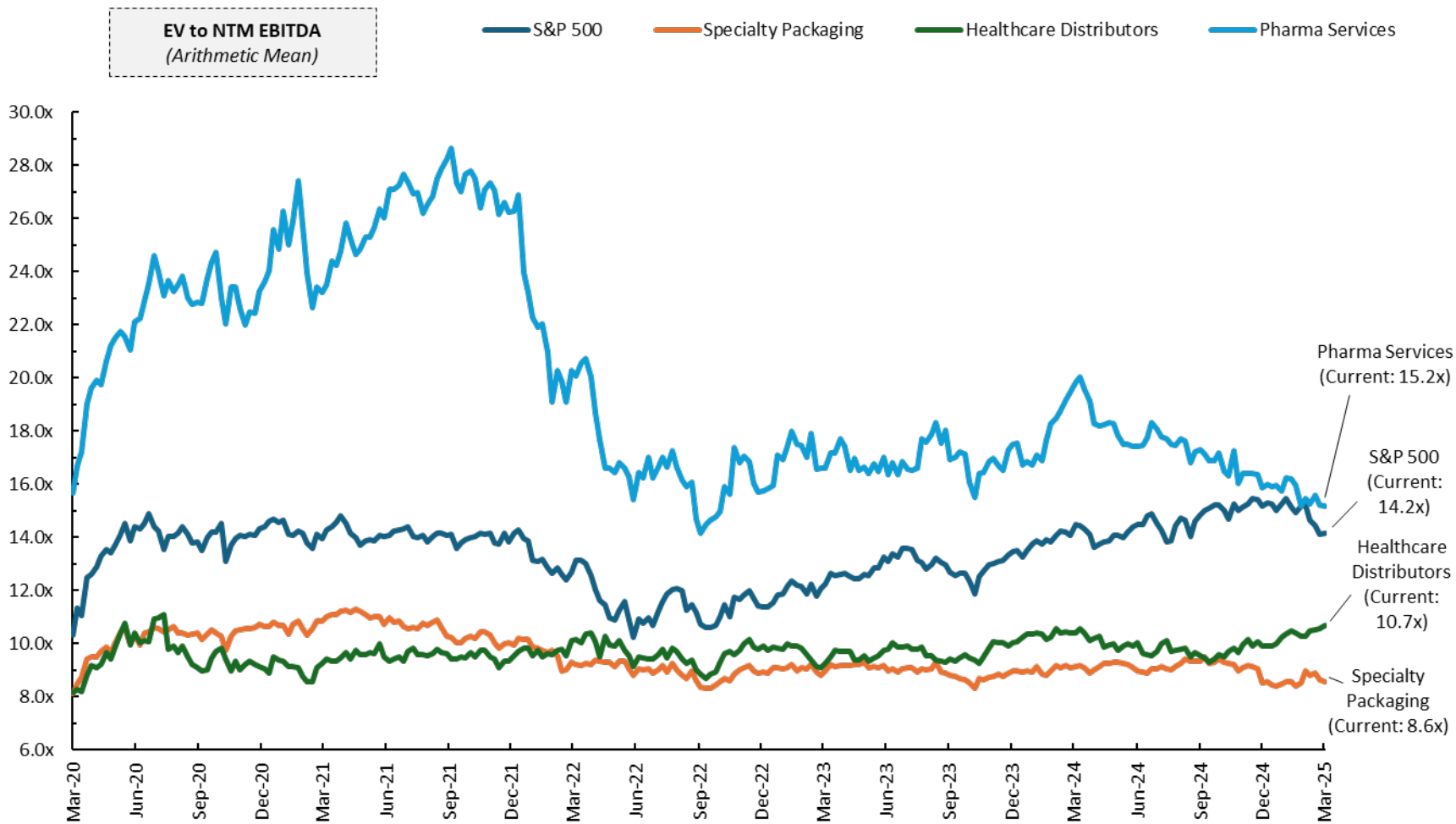


Company Name	Ticker	Equity Value	Net Debt / Enterprise (Net Cash) Value		Projected CY2025		Projected CY2025			Debt Ratio
					Revenue	Growth	EBITDA	Growth	Multiple	
Healthcare Distributors										
Cardinal Health	CAH	\$31,860	\$3,596	\$35,456	\$235,697	6.1%	\$3,432	17.1%	10.3x	1.0x
Cencora	COR	51,859	6,509	58,368	328,517	9.5%	4,690	13.8%	12.4x	1.4x
Henry Schein	HSIC	8,617	2,751	11,368	13,024	2.3%	1,116	5.1%	10.2x	2.5x
McKesson Corporation	MCK	82,862	8,659	91,521	390,555	13.2%	6,373	11.6%	14.4x	1.4x
Owens & Minor	OMI	695	2,182	2,877	10,951	2.4%	573	9.6%	5.0x	3.8x
Patterson Companies	PDCO	2,757	742	3,499	6,745	2.6%	340	-1.7%	10.3x	2.2x
Average (Mean)						6.0%	9.2%	10.4x	2.0x	
Average (Median)						4.4%	10.6%	10.3x	1.8x	

Note: Market values as of the close of business March 21, 2024.
Source: S&P Global Market Intelligence



Bourne Pharma Services Indices



Note: Market values as of the close of business March 21, 2024. Refer to Slides 11 to 13 for index definitions.
 Source: S&P Global Market Intelligence

Section Two

Bourne Partners

i. Thought Leadership

ii. Bourne Partners Overview

iii. Investment Bank Overview

Bourne Partners Overview

Our Service Offering

For over twenty years, Bourne Partners has focused exclusively on providing investment banking advisory services and making direct investments in the Pharmaceutical, Pharma Services, Healthcare Technology and Services, Pharmacy Services, and Consumer Health and Wellness industries. Since 2015, we have successfully executed on **over \$15B** in transactions, having worked with many leading companies and private equity investors in these core focus areas.

Value Beyond the Deal

Total Perspective

Experience advising, investing in, building, operating, buying, and selling companies
Unmatched 360° perspective for every project

Uncompromised Service

Direct involvement of senior management throughout process
High level of attention regardless of transaction value

Global Reach

Experience working with companies around the globe
Extensive network of potential international buyers

Investment Banking

Mergers and Acquisitions

Sell-side and buy-side assignments
Transaction Experience: \$10M - \$3.5B

Capital Sourcing

Debt / Equity / Hybrid
\$10 - \$500 million raises

Business Development Support

Development stage and approved products
Local and international

Geographic Coverage



Sector Expertise

Pharma & Life
Sciences

Pharma
Services

Healthcare
Services

Healthcare
Technology

Consumer
Health



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