

INSIGHT



PHARMA SERVICES

Sector Snapshot

Q2 2021

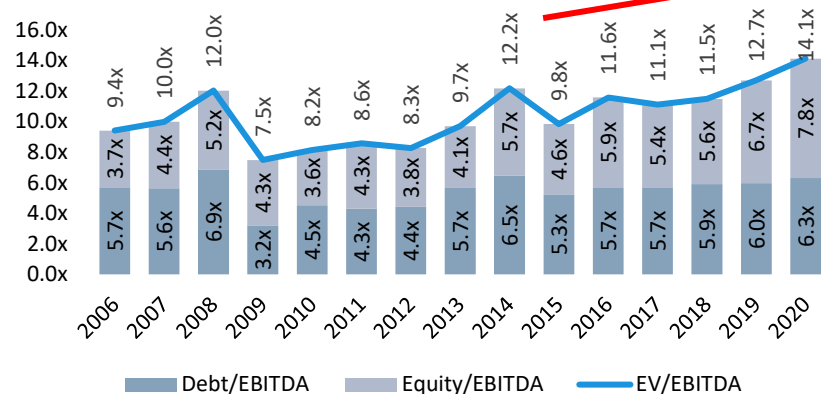
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Market Commentary – Debt Capital Markets

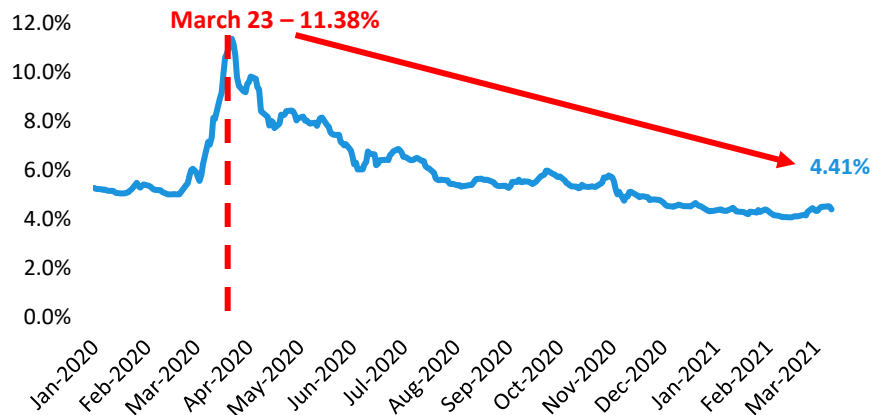
Debt Markets

- 2020 saw increased amounts of debt used in buyouts across the board, resulting in the highest debt / EBITDA levels since 2014
 - The increased use of debt was driven by 2H20 back-end loaded lending activity (primarily 4Q20) as certainty around the U.S. election and vaccination expectations increased
- As the effects of COVID now begin to diminish, debt markets have recovered, signaling that lenders have become increasingly comfortable with macroeconomic and company-specific fundamentals
 - With increased confidence, lenders are currently looking to provide strong leverage for high-quality assets, particularly ones that have proven their stability through the recent market downturn
- The spread on U.S. high-yield debt has returned to pre-COVID levels
 - 4.41% current effective yield compared with a 11.38% effective yield on March 23, 2020 (peak of the pandemic)
- We expect continued activity from lenders in 2H21 due to:
 - Pent-up demand in M&A activity driven by the impact of COVID
 - Increased deal activity due to pending tax legislation changes
 - Historically high levels of Private Equity dry powder

Median US Buyout Multiples¹



Historical US High Yield Debt Effective Yield²



1) PitchBook, March 2021

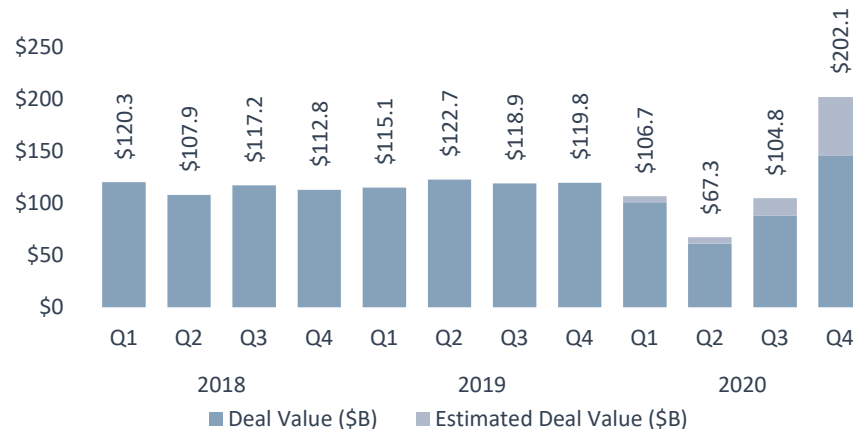
2) Ice Data Indices, LLC, ICE BofA US High Yield Index Effective Yield [BAMLH0A0HYM2EY] Federal Reserve Bank of St. Louis

Market Commentary – Private Equity

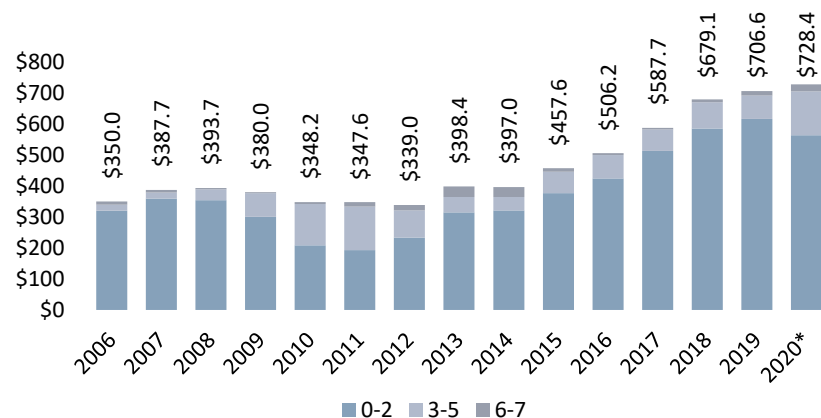
Private Equity

- Portfolios have stabilized with sufficient liquidity, and in most cases, performance has been steadily improving since the onset of COVID
- Majority of firms have indicated that they are either willing to perform significant diligence remotely or are now willing to travel for diligence meetings and site visits
 - Some groups have mentioned closing and funding deals performing 100% virtual diligence (or their ability to), if LP agreements permit
 - Third-party diligence providers are willing to perform the majority of diligence remotely
- Private Equity firms remain willing to pay pre-COVID multiples for outstanding assets due to record levels of dry powder and heightened levels of activity in the M&A market
 - As of March 31st, 2020 US private equity had a record level of capital overhang, exceeding \$725B
 - Dry powder falling in the age range of 3-5 years was nearly double that of 2019 (\$75B) in 2020 (\$141B)
 - Due to turbulent market conditions and the fallout related to COVID-19, we expect the levels of capital overhang to diminish substantially in 2H21 as Private Equity groups continue to deploy significant capital

US Private Equity Middle Market Deal Value¹



US Private Equity Dry Powder by Maturity (\$B)¹



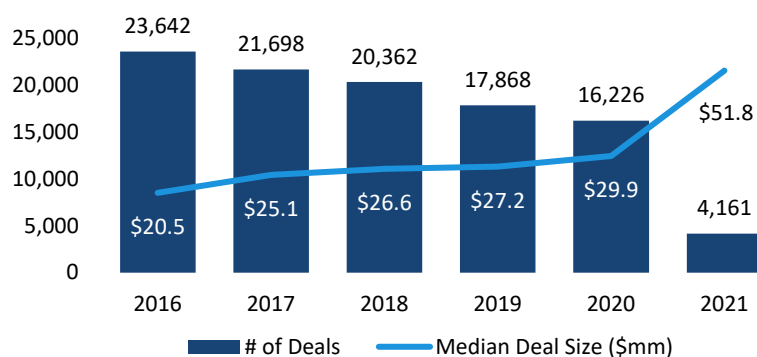
*Returns data through 3/31/2020

Market Commentary – M&A

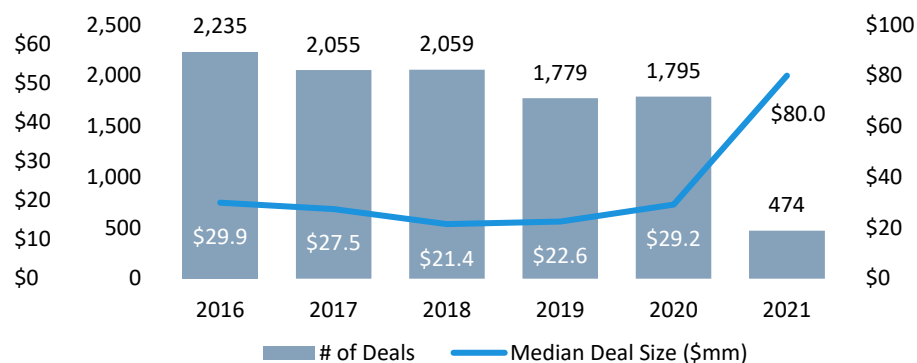
M&A

- As deal volume has steadily decreased for the past five years in both the overall market and the healthcare sector, we have continued to see median deal size grow and expand into what could be a strong 2021
 - With public equity markets reaching all time highs continually, private markets are following suit as investors/companies are looking to deploy capital and are willing to pay a premium for strong companies
- Many transactions were either pushed out or halted during the COVID-19 pandemic, leaving buyers with a solid appetite to transact in order to meet company objectives
- As the world begins to re-open and resume normal life, resurgences in key areas such as elective surgeries and medical testing will help drive strong(er) company fundamentals and expected healthcare deal activity through the rest of 2021

Last 5 Years – All M&A Transactions¹



Last 5 Years – Healthcare M&A Transactions¹



1) PitchBook, March 2021

COVID-19 – M&A Process Considerations

- The impact of COVID-19 has had lasting effects on the way Bourne runs and executes its M&A processes
 - We are mindful of buyer health concerns and can proactively prepare to address them to ensure that we enable strong participation in our processes to maximize competition
- We have experience closing transaction processes during COVID, which has allowed us to refine and develop our approach to how we currently manage processes
- We leverage technology as much as possible to support a nearly “virtual” process, where needed
 - Bourne’s diligence and preparation can be completed remotely
 - Buyer outreach through indications of interest can take the traditional form of pre-COVID processes
 - Roadshows and management presentations can be hosted virtually, if necessary
 - Require refreshed bids after management presentations to down-select and limit in-person meetings to a reduced group of highly motivated parties
 - Prepare to support all business and third-party diligence remotely with a fully “buttoned up” virtual data room, and utilize technology to perform as much diligence as possible
 - Consider proactively commissioning diligence materials to take the place of traditional standard in person third party diligence such as facility tours and operational reviews
 - Bourne tightly manages processes and sets firm milestones for diligence phases to ensure buyers do their work on a strict timeline and do not use inability to travel/meet in-person as an excuse to elongate processes

Representative Bourne Transactions During COVID

2021
up to \$36,000,000



Bourne Partners served as the exclusive financial advisor to Nuvera in its sale to UDG Ashfield

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2021
up to \$210,000,000



Bourne Partners served as the exclusive M&A advisor to ANI Pharmaceuticals in its acquisition of Novitium Pharma

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2021
Undisclosed



Bourne Partners served as the exclusive advisor to ContiPI in its commercialization partnership with Indegene

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2020
Undisclosed



Bourne Partners served as the exclusive financial advisor to Apollo Pharmaceuticals USA in its sale to Provepharm Life Solutions

BOURNE PARTNERS


2020
\$10,000,000



Bourne Partners served as the exclusive financial advisor to American Injectables in securing its Series A Financing from New Rhein Healthcare Investors

BOURNE PARTNERS

2020
Undisclosed



Bourne Partners served as the exclusive financial advisor to International Vitamin Corporation in the sale of a Generic Ix portfolio to Acella Pharmaceuticals

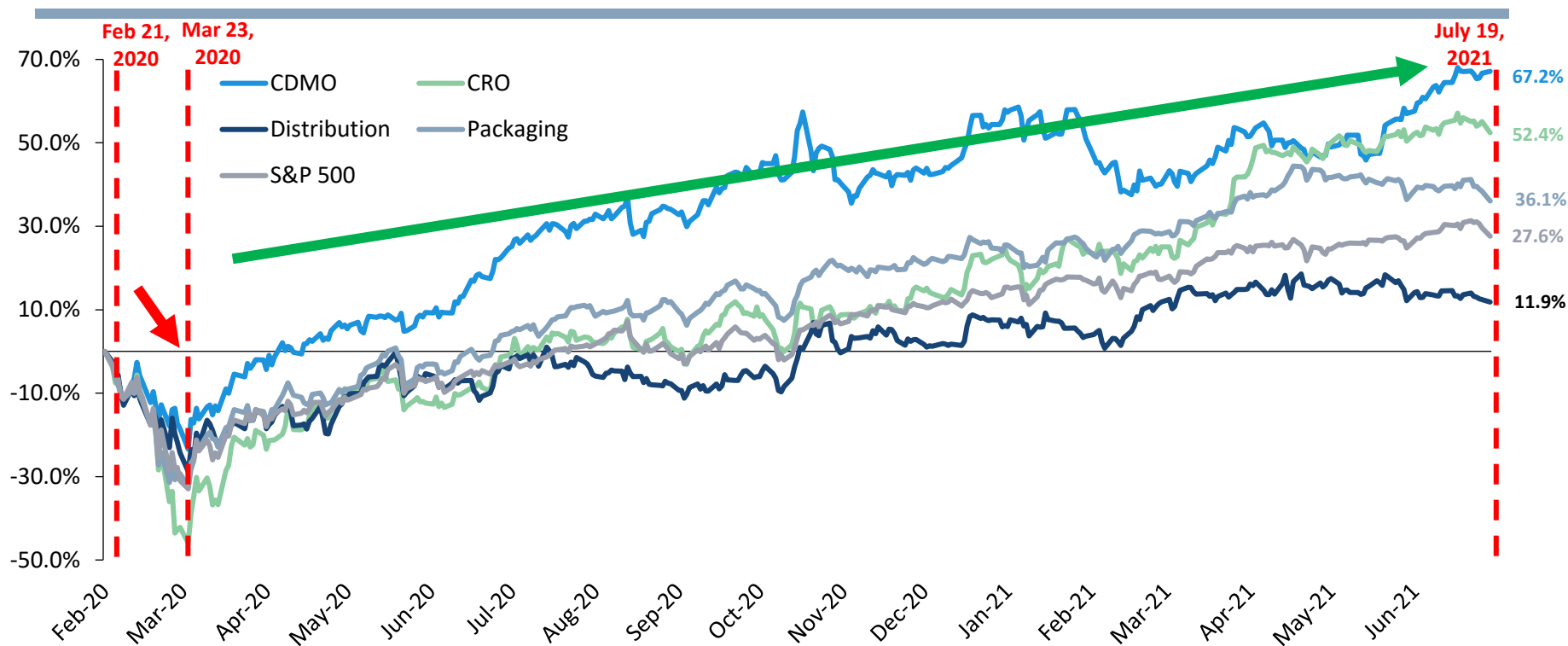
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Pharma Services Sectors Remain at Historical Highs

- The effects of the COVID-19 driven market rollercoaster cannot be overstated
 - Most notably, in Bourne’s coverage, we witnessed the “Rebound For The Ages” as pharma services sectors bounced back to levels at or above all time highs
- Since the onset of the pandemic and through the trough in March 2020, trading values and multiples for the respective sectors covered in this report are already re-approaching record highs or are at or above historical averages
 - Although the market suffered a substantial loss in the ~4 weeks from February 21, 2020 to the lows on March 23, 2020, the indices are tracking positive, showing significant growth from March 23, 2020 through today¹⁾
 - CDMO and CRO indices have jumped **118%** and **98%**, respectively, and continue to significantly outperform the S&P 500
 - The Packaging and Distribution indices have bounced **102%** and **57%**, respectively, and trade at strong multiples and premiums to historical averages
- The COVID-19 pandemic caused the majority of sector M&A activity in the latter half of 2020 to be either tabled or postponed, as shown in the M&A transaction comps sets that follow
 - However, M&A activity picked up significantly towards the end of the year relative to the March trough
 - From our discussions, we believe there will be a healthy supply of attractive M&A opportunities continuing to come to market in 2021
 - High levels of pent-up supply due to ownership forgoing sales during peak COVID-19 uncertainty
 - Expected capital gains tax increases in 2022 as a result of the new presidential administration
 - Conditions within both the debt and equity capital markets have returned to highly favorable pre-COVID-19 levels
- While the negative impacts from the COVID-19 pandemic cannot be overstated, we believe pharmaceutical industry valuations will remain relatively healthy, excluding a few exposed subsegments

1) As of July 19, 2021

Pharma Services Sectors Steady After All Time Highs (cont.)



Start of Bull Market to Start of COVID-19 / Sector Peaks

March 5, 2009 to February 21, 2020

- CDMO: ↑ 696%
- CRO: ↑ 650%
- Specialty Packaging: ↑ 493%
- Distribution: ↑ 247%
- S&P 500: ↑ 389%

Onset of COVID-19 / Sector Peaks to COVID-19 Trough

February 21, 2020 to March 23, 2020

- CDMO: ↓ 23%
- CRO: ↓ 46%
- Specialty Packaging: ↓ 32%
- Distribution: ↓ 29%
- S&P 500: ↓ 33%

From COVID-19 Trough to Present⁽¹⁾

From March 23, 2020 to July 19, 2021

- CDMO: ↑ 118%
- CRO: ↑ 98%
- Specialty Packaging: ↑ 102%
- Distribution: ↑ 57%
- S&P 500: ↑ 90%

1) As of July 19, 2021; Returns weighted by index constituents market cap

Pharma Services Sectors Steady After All Time Highs (cont.)

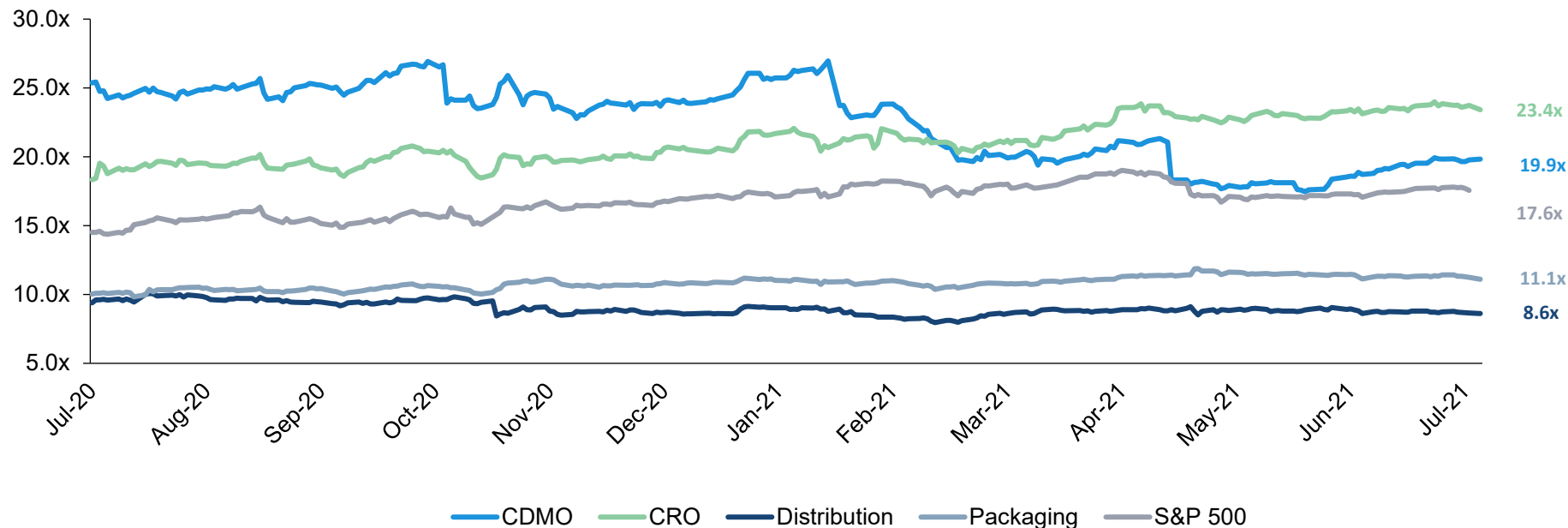
- Prior to COVID-19, valuation multiples across most Pharma Services sectors were at or near historic highs
- Contract Service providers continue to enjoy numerous tailwinds and drivers of organic growth
- Of note, since the onset of the pandemic in late February through today⁽¹⁾:
 - The enormous increases across most of the indices above during the 11-year bull market, as well as the record rebound over 2H 2020 and beyond, only further underscore the swift and dramatic loss in market value in March due to the COVID-19 outbreak
- In terms of M&A/consolidation activity and valuations we foresee:
 - An increase in supply of quality acquisition opportunities coming to market, due in large part to healthy valuation multiples across the Pharma Services sub sectors and pending tax legislation that could impact realized gain for a seller
 - Buyers will continue to see increased competition and multiples to win quality assets in sell side auctions as the investing world becomes more comfortable with these heightened multiples
- Despite the pandemic, in terms of EV/EBITDA multiples, the proceeding M&A transaction comps sets illustrate that each of the Pharma Services sectors continue to trade at healthy multiples, re-approaching their all-time highs or are at or above historical averages

Pharma Services EV / EBITDA (LTM) Multiples					
	S&P 500	CDMO	CRO	Distribution	Specialty Packaging
10-Year Peak	19.0x (Apr 2021)	27.0x (Oct 2020)	24.0x (Jul 2021)	14.9x (Apr 2015)	12.0x (Jul 2017)
10-Year Average	11.3x	15.1x	16.3x	10.1x	9.6x
End Q2 2021	17.5x	19.3x	23.4x	8.7x	11.3x
Today ⁽¹⁾	17.6x	19.9x	23.4x	8.6x	11.1x

1) As of July 19, 2021

Valuation Trends – LTM

Historical Total Enterprise Value / EBITDA (LTM) Multiples



- The CDMO and CRO sector EV/EBITDA (LTM) multiples are trading at significant premiums to the S&P 500 (~13% and ~33.4%, respectively), while the Packaging and Distribution sectors continue to trade at healthy multiples

CDMO basket consists of: Bachem (SWX:BANB), Balchem (NasdaqGS:BCPC), Catalent (NYSE:CTLT), Eurofins Scientific SE (ENXTPA:ERF), Johnson Matthey Plc (LSE:JMAT), Lonza (SWX:LONN), Siegfried (SWX:SFZN), Thermo Fisher Scientific Inc. (NYSE:TMO), and West Pharmaceutical Services, Inc. (NYSE:WST)

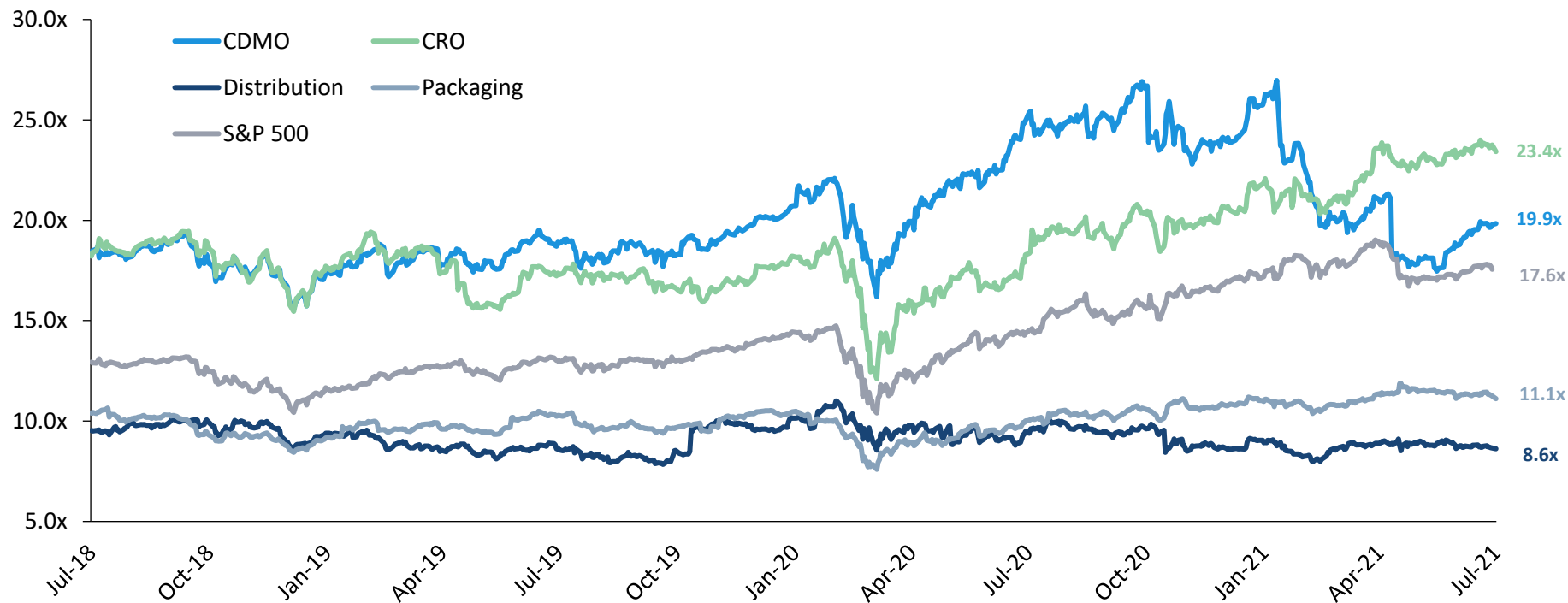
CRO basket consists of: Charles River Laboratories International (NYSE:CRL), ICON (NasdaqGS:ICLR), IQVIA (NYSE:IQV), Medpace (NasdaqGS:MEDP), PPD, Inc. (NasdaqGS:PPD), and Syneos Health, Inc. (NasdaqGS:SYNH)

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

Packaging basket consists of: Amcor Limited (ASX:AMC), AptarGroup, Inc. (NYSE:ATR), Berry Global Group, Inc. (NYSE:BERY), CCL Industries Inc. (TSX:CCL.B), Gerresheimer AG (DB:GX1), Mondi plc (LSE:MNDI), Sonoco Products Company (NYSE:SON), West Pharmaceutical Services, Inc. (NYSE:WST), WestRock Company (NYSE:WRK), and Winpak Ltd. (TSX:WPK)

Valuation Trends – Last 3 Years

Historical Total Enterprise Value / EBITDA (LTM) Multiples



CDMO basket consists of: Bachem (SWX:BANB), Balchem (NasdaqGS:BCPC), Catalent (NYSE:CTLT), Eurofins Scientific SE (ENXTPA:ERF), Johnson Matthey Plc (LSE:JMAT), Lonza (SWX:LONN), Siegfried (SWX:SFZN), Thermo Fisher Scientific Inc. (NYSE:TMO), and West Pharmaceutical Services, Inc. (NYSE:WST)

CRO basket consists of: Charles River Laboratories International (NYSE:CRL), ICON (NasdaqGS:ICLR), IQVIA (NYSE:IQV), Medpace (NasdaqGS:MEDP), PPD, Inc. (NasdaqGS:PPD), and Syneos Health, Inc. (NasdaqGS:SYNH)

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

Packaging basket consists of: Amcor Limited (ASX:AMC), AptarGroup, Inc. (NYSE:ATR), Berry Global Group, Inc. (NYSE:BERY), CCL Industries Inc. (TSX:CCL.B), Gerresheimer AG (DB:GXI), Mondi plc (LSE:MNDI), Sonoco Products Company (NYSE:SON), West Pharmaceutical Services, Inc. (NYSE:WST), WestRock Company (NYSE:WRK), and Winpak Ltd. (TSX:WPK)

Valuation Trends (Current, 3 Year, & LTM Comparisons)

- Below are the current EV / EBITDA (LTM) multiples for each sector:
 - CDMO: 19.8x (13.0% above current S&P multiples)
 - CRO: 23.4x (33.4% above current S&P multiples)
 - Specialty Packaging: 11.1x (36.7% below current S&P multiples)
 - Distribution: 8.6x (50.9% below current S&P multiples)
 - S&P 500: 17.6x
- Below are the average EV / EBITDA (LTM) multiples for each sector over the last 3 years:
 - CDMO: 20.2x (43.2% above average S&P multiples)
 - CRO: 18.6x (31.8% above average S&P multiples)
 - Specialty Packaging: 10.0x (28.8% below average S&P multiples)
 - Distribution: 9.2x (35.1% below average S&P multiples)
 - S&P 500: 14.1x
- Below are the % change in EV / EBITDA (LTM) multiples for each sector over the last 3 years (and LTM):
 - CDMO: +7.8% (down 21.8% in the last 12 months)
 - CRO: +28.6% (up 27.7% in the last 12 months)
 - Specialty Packaging: 7% (up 10.8% in the last 12 months)
 - Distribution: -9.5% (down 8.3% in the last 12 months)
 - S&P 500: +35.8% (up 21.0% in the last 12 months)

Contact Us

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



Calli Lewis
Chief of Staff



Todd Bokus
Vice President



Chris Inklebarger
Chief Operating Officer



Robert Stanley
Vice President

- Over 70 years of combined pharmaceutical, biotechnology, medical device, healthcare and pharma services, and consumer health/OTC experience
- Over 100 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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* Investment Banking services are offered by Bourne Partners Securities, LLC, a registered broker dealer,
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Appendix

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CDMO – M&A Transaction Comps

CDMO – M&A Transaction Comps

USD in millions

Announced Date	Target	Target Description	Buyer	Geographic Location	Enterprise Value	LTM Revenue	LTM EBITDA	EV / LTM Revenue	EV / LTM EBITDA
Jul-21	Integrity Bio	IntegrityBio is a CDMO focused on the formulation and GMP filling of biologics	Curia (formerly AMRI)	USA	NA	NA	NA	NA	NA
Jun-21	Vetio	Manufactures drug product formulations and pharmaceutical products for animal health	Swedencare AB	USA	\$181.1	\$32.3	\$6.5	5.6x	27.9x
Feb-21	Cognate Bioservices	Cognate Bioservices operates as a cell and gene therapy CDMO	Charles River Laboratories	USA	875.0	125.0	NA	7.0x ⁽¹⁾	NA
Feb-21	Avomeen	Avomeen operates as a contract research, and contract development and manufacturing organization	Element Materials Technology Group	USA	NA	NA	NA	NA	NA
Jan-21	CoreRx	CoreRx is a CDMO with a focus on clinical phase drug product development	NovaQuest Capital	USA	NA	NA	NA	NA	NA
Jan-21	Catalent BFS Sterile CDMO Business	Division of Catalent providing blow-fill-seal ("BFS") CDMO services	SK Capital Partners	USA	350.0	NA	NA	NA	NA
Dec-20	Recipharm	Provides contract development and manufacturing solutions to the pharmaceutical industry internationally	EQT Partners	Sweden	4,066.5	1,354.5	230.4	3.0x	17.6x
Sep-20	Adare Pharmaceuticals, Inc.	Adare develops, manufactures, and markets pharmaceutical technologies for customers worldwide	Frazier; Thomas H. Lee Partners	USA	NA	NA	NA	NA	NA
Aug-20	PCI Pharma Services	PCI provides integrated pharmaceutical development and manufacturing services globally	Kohlberg; Mubadala Investment Company	USA	NA	NA	NA	NA	20.0x
Aug-20	Berkshire Sterile Manufacturing	Berkshire Sterile Manufacturing operates as a contract manufacturer of sterile drugs	Sharp Corporation	USA	150.0	NA	NA	NA	NA
Jun-20	Piramal Pharma	Piramal Pharma, a Piramal Enterprises subsidiary, manufactures and sells bulk drugs and formulations	The Carlyle Group	India	2,775.0 ⁽²⁾	738.7 ⁽²⁾	NA	3.8x	NA
Dec-19	Majority of Drug Delivery Business of 3M	Comprises development and manufacturing operations for pharma products using inhalation, microneedle, and conventional drug delivery technologies	Altaris Capital Partners	USA	650.0	380.0	NA	1.7x	NA
Dec-19	Consort Medical	One-stop developer and manufacturer of drugs and premium delivery devices internationally	Recipharm	United Kingdom	800.0	392.7	59.7	2.1x	13.6x
Aug-19	Cambrex Corporation	Operates as a CDMO for the development and commercialization of new and generic therapeutics worldwide	Permira Advisers	USA	2,545.2	574.1	152.5	4.4x	16.7x
Apr-19	Paragon Bioservices ⁽¹⁾	Operates as a CDMO that focuses on the development and manufacturing of biopharmaceuticals	Catalent Pharma Solutions	USA	1,180.8	101.0	56.0	11.7x	21.1x

Notes:

NA - Not Available

- 1) EW Healthcare Partners
- 2) Derived from Business Today article covering the transaction
- 3) "Biopharma Dive": 2018 Revenue Estimate; "Catalent : Paragon Gene Therapy Acquisition Fuels Further High-Growth High-Margin Biologics Mix Shift, As LT Targets Are Increased – ALERT": 2018 EBITDA Estimate

Source: S&P Capital IQ as of July 19, 2021

Median	\$837.5	\$386.4	\$59.7	4.1x	18.8x
Mean	1,357.3	462.3	101.0	4.9x	19.5x
Min	150.0	32.3	6.5	1.7x	13.6x
Max	4,066.5	1,354.5	230.4	11.7x	27.9x

CRO – M&A Transaction Comps

CRO – M&A Transaction Comps

USD in millions

Announced Date	Target	Target Description	Buyer	Geographic Location	Enterprise Value	LTM Revenue	LTM EBITDA	EV / LTM Revenue	EV / LTM EBITDA
Jul-21	Pyxant Labs	Pyxant is a bioanalytical CRO, providing analytical research, development, and validation services	ArchiMed SAS	USA	NA	NA	NA	NA	NA
Jun-21	Quartesian	CRO providing clinical development services to pharmaceutical, biotech, and medical device companies	Summit Partners	USA	NA	NA	NA	NA	NA
May-21	KGK Science	CRO which engages in the clinical trials within the dietary supplement, functional food, and natural product industries	Myconic Capital	Canada	\$12.7	\$3.6	NA	3.5x	NA
Feb-21	PRA Health Sciences	CRO providing outsourced clinical development and data solution services to biotech and pharma companies	ICON Public Limited Company	USA	12,277.4	3,183.4	\$469.0	3.9x	26.2x
Feb-21	Altasciences Company	Early phase CRO providing early phase clinical research and development services to biopharma and generic companies	Novo Holdings A/S	Canada	NA	NA	NA	NA	NA
Feb-21	Avomeen	Avomeen operates as a contract research, and contract development and manufacturing organization	Element Materials Technology Group	USA	NA	NA	NA	NA	NA
Sep-20	Prolytic	Prolytic is a CRO providing bioanalytics and pharmacokinetics to clients in the pharmaceutical sector	Kymos Pharma Services	Germany	NA	NA	NA	NA	NA
Sep-20	XenoGesis	XenoGesis is a laboratory-based CRO	Sygnature Discovery Limited	United Kingdom	NA	NA	NA	NA	NA
Sep-20	North American Science Associates	The company provides regulatory consulting, laboratory testing, clinical research, and compliance services	ArchiMed	USA	NA	NA	NA	NA	NA
Apr-20	Biotranex	Biotranex offers drug metabolism, transport, pharmacokinetic, and analytical services	Frontage Laboratories	USA	NA	NA	NA	NA	NA
Feb-20	MedPass	MedPass is a medical device CRO	ICON	France	NA	NA	NA	NA	NA
Sep-19	Site Business of BioClinica	AES acquired the clinical sites business from BioClinica	Accelerated Enrollment Solutions (AES)	USA	50.4	NA	NA	NA	NA
Feb-19	Citoxlab	Contract research laboratory that provides a range of preclinical services to the pharma industry	Charles River Laboratories International	France	510.0	NA	36.7	NA	13.8x
Mar-18	Accelovance	Full-service, clinical CRO that focuses on oncology, vaccines, and general medicine	Linical USA	USA	32.9	26.8	NA	1.2x	NA
Feb-18	MPI Research	Provides preclinical and early clinical contract research services	Charles River Laboratories International	USA	800.0	240.0	68.4	3.3x	11.7x
Sep-17	Optimal Research	SMO providing solutions to CROs and pharmaceutical, biotechnology, and medical device companies	Synexus	USA	NA	NA	NA	NA	NA
Jul-17	MAPI Development	Non-clinical CRO that provides mission-critical research services and products	ICON	France	139.5	NA	NA	NA	NA
Jun-17	PAREXEL International	Outsourcing services company that provides clinical research, consulting, and commercialization	Pamplona Capital Management	USA	5,007.4	2,097.0	342.8	2.4x	14.6x

Notes:

NA - Not Available

Median	\$324.8	\$240.0	\$205.6	3.3x	14.2x
Mean	2,353.8	1,110.2	229.2	2.9x	16.6x
Min	12.7	3.6	36.7	1.2x	11.7x
Max	12,277.4	3,183.4	469.0	3.9x	26.2x

Specialty Packaging – M&A Transaction Comps

Specialty Packaging – M&A Transaction Comps

USD in millions

Announced Date	Target	Target Description	Buyer	Geographic Location	Enterprise Value	LTM Revenue	LTM EBITDA	EV / LTM Revenue	EV / LTM EBITDA
Jul-21	MedLit Graphics	Provides packaging and labeling solutions to the healthcare and pharmaceutical industries	TCG Legacy	USA	NA	NA	NA	NA	NA
Apr-20	Inno4Life	Inno4Life manufactures pharmaceutical packaging equipment and provides pharmaceutical services	Dietrich Engineering Consultants	Netherlands	NA	NA	NA	NA	NA
Feb-20	Bellwyck Pharma Services	Bellwyck provides packaging and labeling for the clinical trial and commercial drug markets	PCI Pharma Services	Canada	NA	NA	NA	NA	NA
Oct-19	Winpak Control Group	Offers printed packaging solutions	Winpak	USA	\$42.2	\$25.0	NA	1.7x	NA
Jun-19	Pregis Corporation	Pregis Corporation markets and supplies protective and specialty packaging solutions	Warburg Pincus	USA	1,300.0	NA	NA	NA	NA
Jun-19	Three Flexible Packaging Plants in the UK and Ireland of Amcor plc	Nelipak acquired Three Flexible Packaging Plants in the United Kingdom and Ireland	Nelipak Corporation	United Kingdom	394.0	170.0	NA	2.3x	NA
Apr-19	Three manufacturing facilities of Amcor	Provides packaging for med devices; 3 facilities in EU previously owned by Bemis	Tekni-Plex	USA	215.0	100.0	NA	2.2x	NA
Jan-19	RPC Group	Designs plastic packaging for end markets, including the food, beverage, personal care, and healthcare markets	Apollo Management	United Kingdom	5,786.7	4,855.0	\$730.2	1.2x	7.9x
Dec-18	Caraustar Industries	Manufactures and supplies recycled paperboard and converted paperboard products	Greif Packaging	USA	1,800.0	1,376.0	174.0	1.3x	10.3x
Aug-18	Bemis Company	Manufactures and sells packaging products in medical and pharmaceutical markets globally	Amcor	USA	6,777.9	4,099.4	573.0	1.7x	11.8x
Jul-18	CSP Technologies	Manufactures and distributes custom polymeric products	AptarGroup	USA	529.4	140.0	40.7	3.8x	13.0x
Jul-18	Expera Specialty Solutions	Specialty paper and packaging company in North America that offers food packaging papers	Ahlstrom-Munksjo AB	USA	615.0	721.0	66.0	0.9x	9.3x
Jun-18	Papeles y Cartones de Europa	Manufactures and sells paper and corrugated cardboard packaging products in Europe	DS Smith	Spain	2,100.6	1,049.5	203.6	2.0x	10.3x
Jan-18	Foam Fabricators	Designs and manufactures molded and fabricated foam and packaging products	Compass Diversified Holdings	USA	247.5	126.0	30.0	2.0x	8.3x

Notes:

NA - Not Available

Median	\$615.0	\$445.5	\$174.0	1.8x	10.3x
Mean	1,800.8	1,266.2	259.6	1.9x	10.1x
Min	42.2	25.0	30.0	0.9x	7.9x
Max	6,777.9	4,855.0	730.2	3.8x	13.0x

Distribution – M&A Transaction Comps

Distribution – M&A Transaction Comps

USD in millions

Announced Date	Target	Target Description	Buyer	Geographic Location	Enterprise Value	LTM Revenue	LTM EBITDA	EV / LTM Revenue	EV / LTM EBITDA
Jul-21	Australian Pharmaceutical Industries Limited	Engages in the wholesale distribution of pharmaceutical, medical, healthy, beauty, and lifestyle products to pharmacies primarily in Australia	Wesfarmers Limited	Australia	\$769.3	\$3,060.5	\$89.4	0.3x	8.6x
Apr-20	Hygis	Hygis distributes pharmaceuticals and is based in Morges, Switzerland	Karo Pharma	Switzerland	1.3	NA	NA	NA	NA
Aug-19	PCX International	PCX operates as a courier service agency in clinical trial industry	Marken Limited	Japan	NA	NA	NA	NA	NA
Jul-19	HRTL Logistic / HETO Transport / DER KURIER	HRTL Logistic SRL offers courier services to the clinical trials industry. HETO Transport and DER KURIER offer clinical trial shipment	Marken Limited	Italy	NA	NA	NA	NA	NA
Aug-18	Aquilant	Aquilant Limited distributes and sells IV therapy, regional anesthesia and pain management products, and other devices for the medical and scientific sectors	H2 Equity Partners	United Kingdom	26.7	94.5	NA	0.3x	NA
Nov-17	H. D. Smith	Distributes and supplies healthcare products and business solutions to manufacturers and healthcare providers	AmerisourceBergen	USA	815.0	NA	NA	NA	NA
Nov-17	Cardinal Health (L)	Distributes pharmaceutical products, medical devices, and specialty pharmaceuticals to pharmacies and hospitals	Shanghai Pharma Century Global	Malaysia	557.0	3,845.7	83.3	0.1x	6.7x
Mar-17	Pelion	Engages in the trade of pharmaceuticals, cosmetics, and parapharmaceuticals, operating through wholesale, retail, services, and other segments	Korporacja Inwestycyjna Polskiej Farmacji	Poland	323.4	2,399.5	31.5	0.1x	10.3x
Aug-16	Anda	Distributes generic, branded, specialty, and over-the-counter pharmaceutical products	Teva Pharmaceutical Industries	USA	500.0	NA	NA	NA	NA
Jul-16	Pharmapar	Distributes generic drugs for privately insured individuals, offering a range of medication types	Alliance Pharma	Canada	11.1	17.3	NA	0.6x	NA
May-16	Symmetry Surgical	Manufactures and distributes medical devices worldwide	RoundTable Healthcare Partners	USA	129.5	84.1	9.1	1.5x	14.2x
Mar-16	Rexall Pharma Plus	Operates a network of retail pharmacy stores in Canada, offering prescription centers that focus primarily on prescription and OTC products	McKesson Canada Corporation	Canada	2,154.3	2,000.0	200.0	1.1x	11.1x

Notes:

NA - Not Available

Median	\$411.7	\$2,000.0	\$83.3	0.3x	10.3x
Mean	528.7	1,643.1	82.7	0.6x	10.2x
Min	1.3	17.3	9.1	0.1x	6.7x
Max	2,154.3	3,845.7	200.0	1.5x	14.2x

CDMO – Public Company Trading Comps

CDMO – Public Company 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
Bachem Holding AG	SWX:BANB	\$8,920.3	\$454.4	\$135.1	\$109.3	32.1%	29.7%	24.0%	19.6x	66.0x	81.6x	1.4%	1.4%	0.9x
Balchem Corporation	NasdaqGS:BCPC	4,268.6	714.9	168.3	117.5	31.8%	23.5%	16.4%	6.0x	25.4x	36.3x	3.9%	4.0%	1.0x
Catalent, Inc.	NYSE:CTLT	21,055.6	3,757.4	875.8	593.4	33.2%	23.3%	15.8%	5.6x	24.0x	35.5x	15.4%	17.1%	3.7x
Eurofins Scientific SE	ENXTPA:ERF	26,397.6	6,653.0	1,558.4	1,106.3	26.0%	23.4%	16.6%	4.0x	16.9x	23.9x	14.6%	16.3%	2.5x
Johnson Matthey Plc	LSE:JMAT	8,995.1	21,591.7	914.8	702.6	6.5%	4.2%	3.3%	0.4x	9.8x	12.8x	21.1%	24.0%	2.1x
Lonza Group Ltd	SWX:LONN	56,927.9	5,095.2	1,575.6	1,096.4	41.3%	30.9%	21.5%	11.2x	36.1x	51.9x	7.6%	8.2%	2.8x
Siegfried Holding AG	SWX:SFZN	4,042.6	955.1	151.3	90.1	20.9%	15.8%	9.4%	4.2x	26.7x	44.9x	3.9%	4.0%	1.0x
Thermo Fisher Scientific Inc.	NYSE:TMO	218,082.2	35,894.0	12,390.0	10,018.0	51.5%	34.5%	27.9%	6.1x	17.6x	21.8x	8.6%	9.1%	1.5x
West Pharmaceutical Services, Inc.	NYSE:WST	27,226.3	2,326.1	626.2	514.0	37.5%	26.9%	22.1%	11.7x	43.5x	53.0x	1.2%	1.2%	0.5x
Median						32.1%	23.5%	16.6%	6.0x	25.4x	36.3x	7.6%	8.2%	1.5x
Mean						31.2%	23.6%	17.5%	7.6x	29.6x	40.2x	8.6%	9.5%	1.8x
Min						6.5%	4.2%	3.3%	0.4x	9.8x	12.8x	1.2%	1.2%	0.5x
Max						51.5%	34.5%	27.9%	19.6x	66.0x	81.6x	21.1%	24.0%	3.7x

- The median EV multiples for CDMOs at the end of Q3 were **6.0x** and **25.4x** for LTM Sales and EBITDA, respectively

CRO – Public Company Trading Comps

CRO – Public Company 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
Charles River Laboratories International	NYSE:CRL	\$20,948.4	\$3,041.4	\$717.7	\$478.5	37.3%	23.6%	15.7%	6.9x	29.2x	43.8x	11.5%	12.6%	3.3x
ICON Public Limited Company	NasdaqGS:ICLR	10,921.5	2,940.4	499.0	431.8	28.6%	17.0%	14.7%	3.7x	21.9x	25.3x	3.9%	3.7%	0.9x
IQVIA Holdings Inc.	NYSE:IQV	56,547.6	12,014.0	1,981.0	954.0	33.7%	16.5%	7.9%	4.7x	28.5x	59.3x	22.3%	27.3%	6.4x
Linical Co., Ltd.	TSE:2183	192.6	92.9	8.0	4.1	26.9%	8.6%	4.4%	2.1x	24.2x	46.9x	22.0%	21.6%	5.3x
Medpace Holdings, Inc.	NasdaqGS:MEDP	6,142.5	955.0	199.3	179.1	61.6%	20.9%	18.8%	6.4x	30.8x	34.3x	2.1%	2.1%	0.7x
PPD, Inc.	NasdaqGS:PPD	19,813.2	4,987.4	854.4	568.5	65.0%	17.1%	11.4%	4.0x	23.2x	34.9x	22.7%	27.8%	5.3x
Syneos Health, Inc.	Nasdaq:SYNH	11,862.0	4,461.2	587.5	363.4	23.4%	13.2%	8.1%	2.7x	20.2x	32.6x	26.8%	35.5%	5.4x
Median						33.7%	17.0%	11.4%	4.0x	24.2x	34.9x	22.0%	21.6%	5.3x
Mean						39.5%	16.7%	11.6%	4.3x	25.4x	39.6x	15.9%	18.7%	3.9x
Min						23.4%	8.6%	4.4%	2.1x	20.2x	25.3x	2.1%	2.1%	0.7x
Max						65.0%	23.6%	18.8%	6.9x	30.8x	59.3x	26.8%	35.5%	6.4x

- The median EV multiples for CROs were **4.0x** and **24.2x** for LTM Sales and EBITDA, respectively

Specialty Packaging – Public Company Trading Comps

Specialty Packaging – Public Company 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
Amcort plc	ASX:AMC	\$23,701.4	\$12,549.5	\$1,967.9	\$1,410.8	21.6%	15.7%	11.2%	1.9x	12.0x	16.8x	29.8%	40.7%	3.6x
AptarGroup, Inc.	NYSE:ATR	9,908.0	2,984.5	605.5	378.5	37.0%	20.3%	12.7%	3.3x	16.4x	26.2x	11.6%	12.8%	1.9x
Berry Global Group, Inc.	NYSE:BERY	18,796.4	12,424.0	2,290.0	1,447.0	21.0%	18.4%	11.6%	1.5x	8.2x	13.0x	58.7%	128.0%	4.8x
CCL Industries Inc.	TSX:CCL.B	10,469.9	4,209.7	870.1	626.5	28.7%	20.7%	14.9%	2.5x	12.0x	16.7x	15.1%	16.8%	1.8x
Gerresheimer AG	DB:GXI	1,275.8	1,750.6	361.2	191.6	30.6%	20.6%	10.9%	0.7x	3.5x	6.7x	108.7%	NM	3.8x
Mondi plc	LSE:MNDI	14,894.4	8,150.5	1,614.7	1,091.1	44.8%	19.8%	13.4%	1.8x	9.2x	13.7x	17.9%	21.0%	1.6x
Sonoco Products Company	NYSE:SON	8,024.4	5,287.5	743.7	487.6	20.0%	14.1%	9.2%	1.5x	10.8x	16.5x	24.8%	30.1%	2.7x
West Pharmaceutical Services, Inc.	NYSE:WST	27,226.3	2,326.1	626.2	514.0	37.5%	26.9%	22.1%	11.7x	43.5x	53.0x	1.2%	1.2%	0.5x
WestRock Company	NYSE:WRK	22,134.6	17,547.1	2,655.3	1,225.7	17.9%	15.1%	7.0%	1.3x	8.3x	18.1x	43.8%	75.9%	3.7x
Wipac Ltd.	TSX:WPK	1,431.4	863.7	191.7	146.3	30.7%	22.2%	16.9%	1.7x	7.5x	9.8x	1.0%	0.7%	0.1x

Median	29.6%	20.0%	12.2%	1.7x	10.0x	16.6x	21.3%	21.0%	2.3x
Mean	29.0%	19.4%	13.0%	2.8x	13.1x	19.0x	31.3%	36.4%	2.5x
Min	17.9%	14.1%	7.0%	0.7x	3.5x	6.7x	1.0%	0.7%	0.1x
Max	44.8%	26.9%	22.1%	11.7x	43.5x	53.0x	108.7%	128.0%	4.8x

- The median EV multiples for Specialty Packaging were **1.7x** and **10.0x** for LTM Sales and EBITDA, respectively
 - The constituents of the Specialty Packaging comparables set are not true service providers, as they are predominantly manufacturers of packaging solutions

Distribution – Public Company Trading Comps

Distribution – Public Company 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
AmerisourceBergen Corporation	NYSE:ABC	\$23,791.2	\$196,282.3	\$2,754.3	\$2,349.8	2.8%	1.4%	1.2%	0.1x	8.6x	10.1x	29.8%	30.3%	2.6x
Cardinal Health, Inc.	NYSE:CAH	19,486.1	156,570.0	2,713.0	1,885.0	4.4%	1.7%	1.2%	0.1x	7.2x	10.3x	34.5%	41.4%	2.5x
Henry Schein, Inc.	NasdaqGS:HSIC	11,241.1	10,615.2	785.6	597.7	27.9%	7.4%	5.6%	1.1x	14.3x	18.8x	8.9%	9.7%	1.3x
McKesson Europe AG	HMSE:CLS1	6,516.5	18,810.5	202.5	90.7	10.9%	1.1%	NM	0.3x	NM	NM	26.0%	28.7%	8.4x
McKesson Corporation	NYSE:MCK	32,415.3	238,228.0	4,005.0	3,118.0	5.0%	1.7%	1.3%	0.1x	8.1x	10.4x	29.5%	32.8%	2.4x
Owens & Minor, Inc.	NYSE:OMI	4,471.0	8,684.0	457.9	375.8	16.8%	5.3%	4.3%	0.5x	9.8x	11.9x	24.9%	32.6%	2.4x
Patterson Companies, Inc.	NasdaqGS:PDCO	3,487.9	5,912.1	292.8	213.9	20.4%	5.0%	3.6%	0.6x	11.9x	16.3x	21.0%	25.3%	2.5x
UDG Healthcare plc	LSE:UDG	3,836.6	1,247.0	193.2	138.7	32.6%	15.5%	11.1%	3.1x	19.9x	27.7x	9.9%	10.3%	2.0x

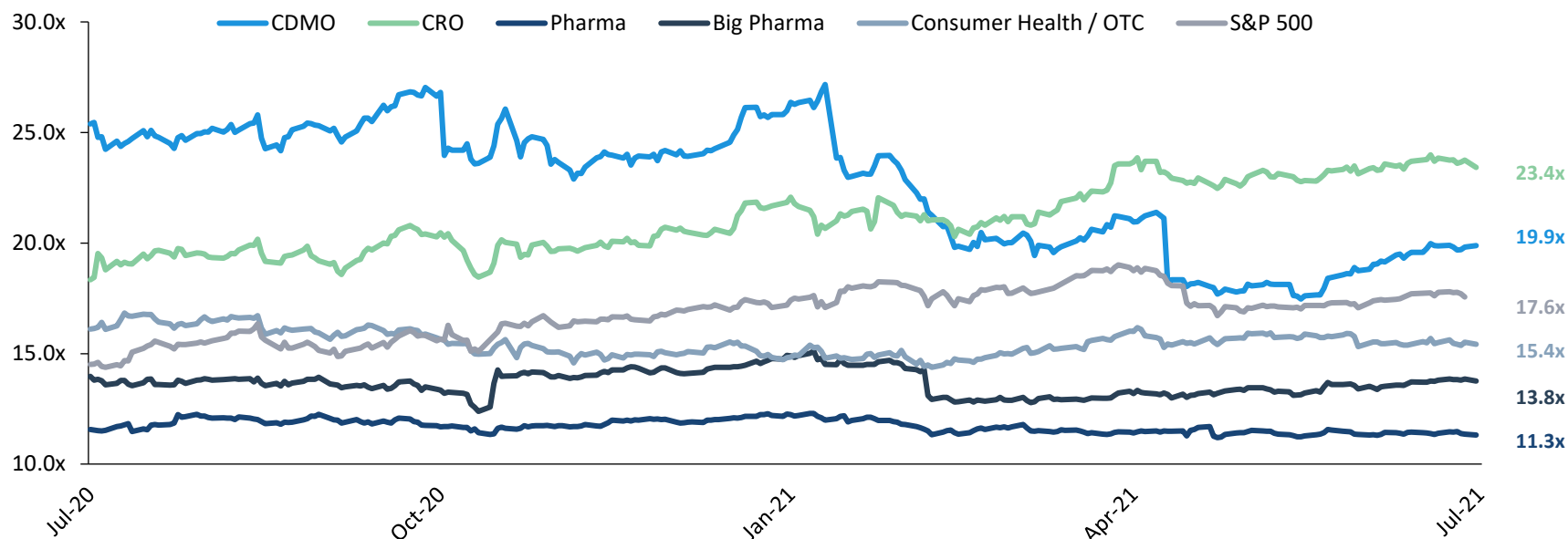
NM - Not Meaningful

Median	13.8%	3.3%	3.6%	0.4x	9.8x	11.9x	25.4%	29.5%	2.5x
Mean	15.1%	4.9%	4.1%	0.7x	11.4x	15.1x	23.1%	26.4%	3.0x
Min	2.8%	1.1%	1.2%	0.1x	7.2x	10.1x	8.9%	9.7%	1.3x
Max	32.6%	15.5%	11.1%	3.1x	19.9x	27.7x	34.5%	41.4%	8.4x

- The median EV multiples for Distribution were **0.4x** and **9.8x** for LTM Sales and EBITDA, respectively

Bourne Industry Coverage vs. S&P 500 – EV/EBITDA (LTM)

- Post-COVID was a true “Rebound For The Ages” across all of Bourne’s sectors of coverage
 - Across all of our coverage, CDMOs and CROs continue to lead the way in terms of EV/EBITDA (LTM) multiples (**19.9x** and **23.4x**, respectively), while each of our coverage sectors are still trading at very healthy multiples



CDMO basket consists of: Bachem (SWX:BANB), Balchem (NasdaqGS:BCPC), Catalent (NYSE:CTLT), Eurofins Scientific SE (ENXTPA:ERF), Johnson Matthey Plc (LSE:JMAT), Lonza (SWX:LONN), Siegfried (SWX:SFZN), Thermo Fisher Scientific Inc. (NYSE:TMO), and West Pharmaceutical Services, Inc. (NYSE:WST)

CRO basket consists of: Charles River Laboratories International (NYSE:CRL), ICON (NasdaqGS:ICLR), IQVIA (NYSE:IQV), Medpace (NasdaqGS:MEDP), PPD, Inc. (NasdaqGS:PPD), and Syneos Health, Inc. (NasdaqGS:SYNH)

Pharma basket consists of: Almirall (BME:ALM), Amphastar Pharmaceuticals (NasdaqGS:AMPH), Assertio Therapeutics (NasdaqGS:ASRT), Bausch Health Companies (NYSE:BHC), H. Lundbeck (CPSE:LUN), Hikma Pharmaceuticals (LSE:HIK), Horizon Therapeutics (NasdaqGS:HZN), Indivior (LSE:INDV), Ipsen (ENXTPA:IPN), Jazz Pharmaceuticals (NasdaqGS:JAZZ), Lannett Company (NYSE:LCI), Lupin (BSE:500257), Nichi-Iko Pharmaceutical Co. (TSE:4541), Perrigo Company (NYSE:PRGO), Recordati Industria Chimica e Farmaceutica (BIT:REC), Sun Pharmaceutical Industries (NSEI:SUNPHARMA), Takeda Pharmaceutical Company (TSE:4502), Taro Pharmaceutical Industries (NYSE:TARO), Teva Pharmaceutical Industries (NYSE:TEVA), and UCB (ENXTBR:UCB)

Big Pharma basket consists of: Abbott Laboratories (NYSE:ABT), AbbVie (NYSE:ABBV), AstraZeneca (LSE:AZN), Bayer Aktiengesellschaft (XTRA:BAYN), Bristol-Myers Squibb (NYSE:BMJ), Eli Lilly & Company (NYSE:LLY), GlaxoSmithKline (LSE:GSK), Johnson & Johnson (NYSE:JNJ), Merck & Co. (NYSE:MRK), Novartis AG (SWX:NOVN), Novo Nordisk (CPSE:NOVO B), Pfizer (NYSE:PFE), Roche (SWX:ROG), Sanofi (ENXTPA:SAN)

Consumer Health / OTC basket consists of: Blackmores (ASX:BKL), Boiron (ENXTPA:BOI), Church & Dwight (NYSE:CHD), Medifast (NYSE:MED), Nature's Sunshine Products (NasdaqCM:NATR), Nu Skin Enterprises (NYSE:NUS), Prestige Consumer Healthcare (NYSE:PBH), Reckitt Benckiser (LSE:RKT)

Source: S&P Capital IQ as of July 19, 2021; Multiples weighted by market cap