

INSIGHT



PHARMA SERVICES

Sector Snapshot

1H 2022

BOURNE PARTNERS

MARKET COMMENTARY

BROADER MARKET OUTLOOK

M&A OPPORTUNITIES AMIDST RISING RATES, RECESSION FEARS, & CONTINUED GEOPOLITICAL CONCERNS

Significant rate hikes, fears of a looming recession, a continuation of COVID-19, and geopolitical unrest-related macroeconomic factors have caused a high level of uncertainty in the capital markets over the first half of 2022

The top question asked of Bourne attendees at the latest industry event, DIA 2022, was regarding the current chaos in the capital markets as business owners and management teams have growing concerns that we may be leaving the “seller’s market” with lofty valuations enjoyed over the last couple of years. Within Bourne’s coverage areas of Pharma, Pharma Services, and Consumer Health, we have seen a series of tailwinds and headwinds driving the M&A and capital raising outlook heading into the second half of the year. There’s plenty of opportunity on both the buy and the sell side in the months to come.

What does this mean?

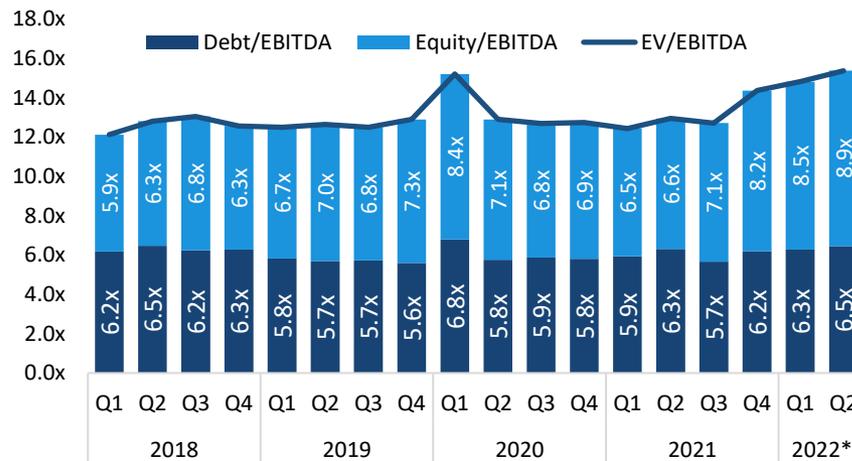
Tailwinds and headwinds in both the life sciences and broader M&A markets

-  Acquisitive strategy and mindset amongst well-positioned strategic buyers, along with financial investors in the private markets with significant dry powder, warrant higher valuations for valuable assets that fit into value creation strategies
-  Market volatility is creating new opportunities for dealmakers to structure creative, value-driving transactions, especially driven by the accelerated surge of capital to the private markets
-  Sustained strong interest in the acquisition of US operations across the pharma value chain to overcome challenges caused by global supply chain issues, uncertainty around the geopolitical climate and macroeconomic factors, and the COVID-19 pandemic
-  Regulatory uncertainty around “megadeal” limitations as the FTC is further scrutinizing transactions causing potential antitrust issues within healthcare, particularly in pharma and pharma services
-  Supply chain issues continue to disrupt operations, seen especially within CDMOs relying on offshore supply; suppliers are having trouble keeping up with growing demand and capacity
-  Overall market liquidity and broadly scaled-back growth projections are causing investors to struggle to fund cash-burning, earlier-stage growth companies at the high valuations seen over the recent years

M&A MARKET COMMENTARY

- Despite the recent downturn and volatility in the public markets, the private markets have continued to hold near all time highs from an EV / EBITDA perspective
- The credit markets have once again been thrust into the spotlight as the Federal Reserve continues to rapidly raise rates to combat inflationary pressure
- The 4-month rolling median for US PE buyout multiples reached the highest level seen in the last decade, this time with an increased proportion of transactions being financed with equity relative to the previous record in Q1 of 2020
- Despite global challenges, the private market remains healthy from an M&A standpoint for a number of reasons:
 - Record number of buyers in the market
 - Continued (albeit more modest) lending activity with borrowers anticipating higher rates
 - A belief that private markets will outperform public ones and soft monetary policy throughout 2020 and 2021 have led to record amounts of capital chasing yield
- As we move into the second half of 2022, Bourne Partners expects to see sustained M&A interest from US Private equity buyers (and potentially less activity from strategic buyers) as owners of quality assets continue to seek monetization events and investors continue to attempt to deploy capital into strong, privately held businesses

US BUYOUT MULTIPLES REMAIN ELEVATED¹



HISTORICAL US HIGH YIELD DEBT EFFECTIVE YIELD²



PRIVATE EQUITY MARKET COMMENTARY

- 2021 saw Private Equity deal volume reach its highest level ever recorded; nearly \$1.3T in actual and estimated deal value
- 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
- In the second quarter of 2022, total deal value declined by nearly 20% from the first quarter while the number of estimated and actual deals remained essentially flat indicating that private equity investors were targeting smaller deals
- One major backstop which should prevent further declines in Private Equity backed deals is the sheer volume of dry powder that remains in Private Equity coffers
 - As of June 30th, 2022, US Private Equity had a capital overhang of ~\$749B
 - Dry powder declined significantly from Q4 2021 as Private Equity groups continued to deploy record amounts of capital however, at its current rate, 2022 is on track to set the record for most Private Equity capital raised
 - In 2021 Private Equity firms raised a staggering \$312B led by the largest PE funds (>\$5B) which raised ~46% of all new capital raised in the space
 - In Q1 2022 funds between \$1-5B have raised the largest share of capital at ~40% of all new capital raised
 - In Q2 2022 funds >\$5B regained their lead and as of 6/30/2022 account for ~58% of all PE capital raised in 2022

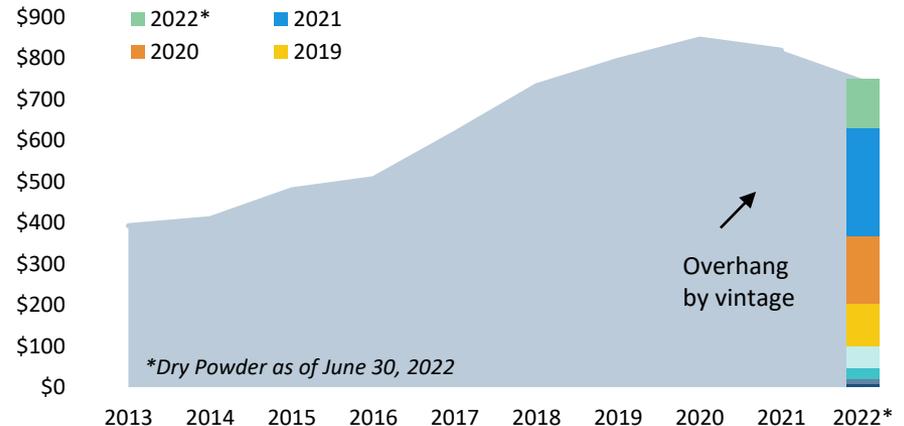
US PRIVATE EQUITY DEAL VALUE

USD in billions



US PRIVATE EQUITY DRY POWDER

USD in billions

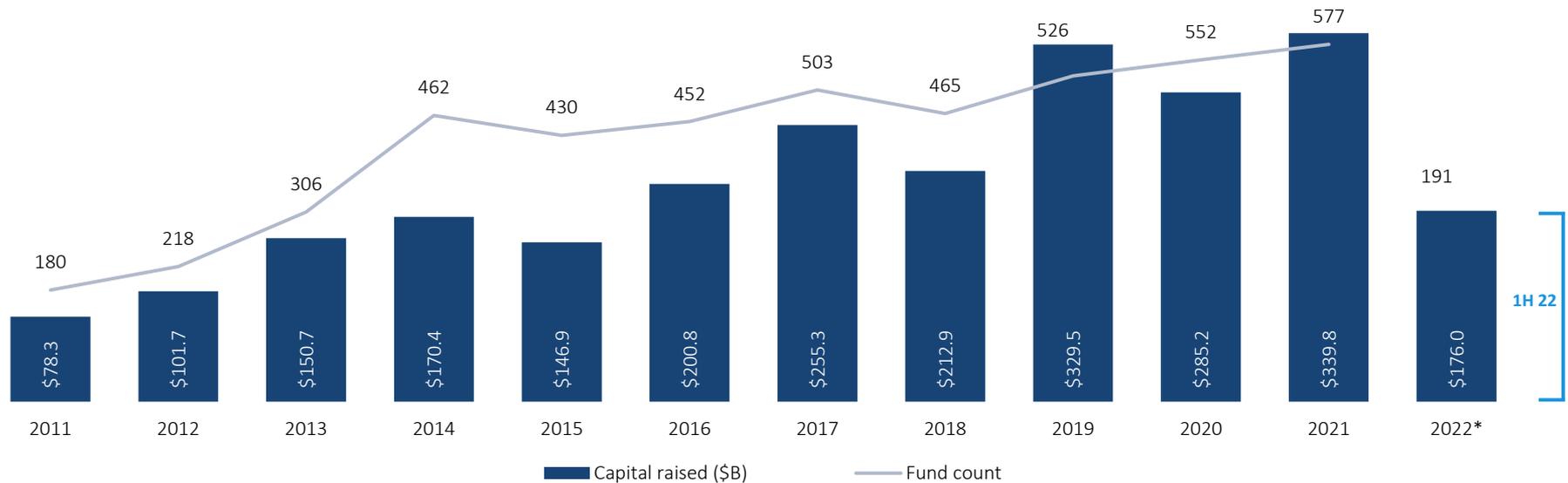


PRIVATE EQUITY MARKET - DRY POWDER AND FUNDRAISING

- The driving force behind elevated multiples in the buyout space is the mass amount of dry powder in PE reserves
- With a growing total of \$750B chasing a finite number of investible companies, the scarcity value and the need to deploy capital is the chief reason PE groups are willing to still pay up for attractive deals
- Furthering the trend, current fundraising is on track to surpass last year's high-water mark, of \$340B, increasing the overhang

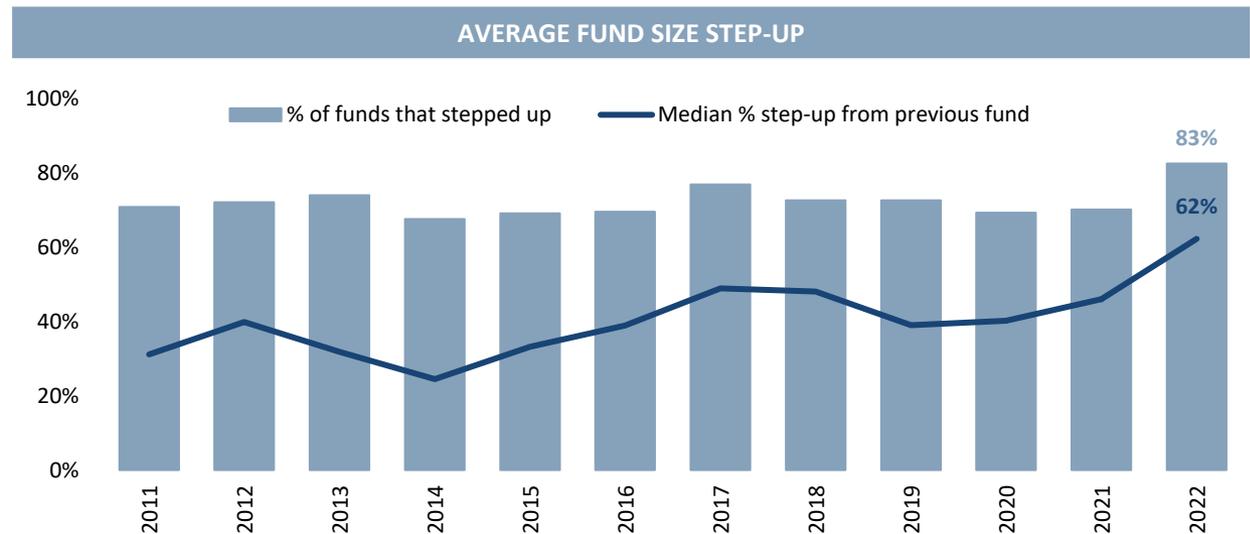
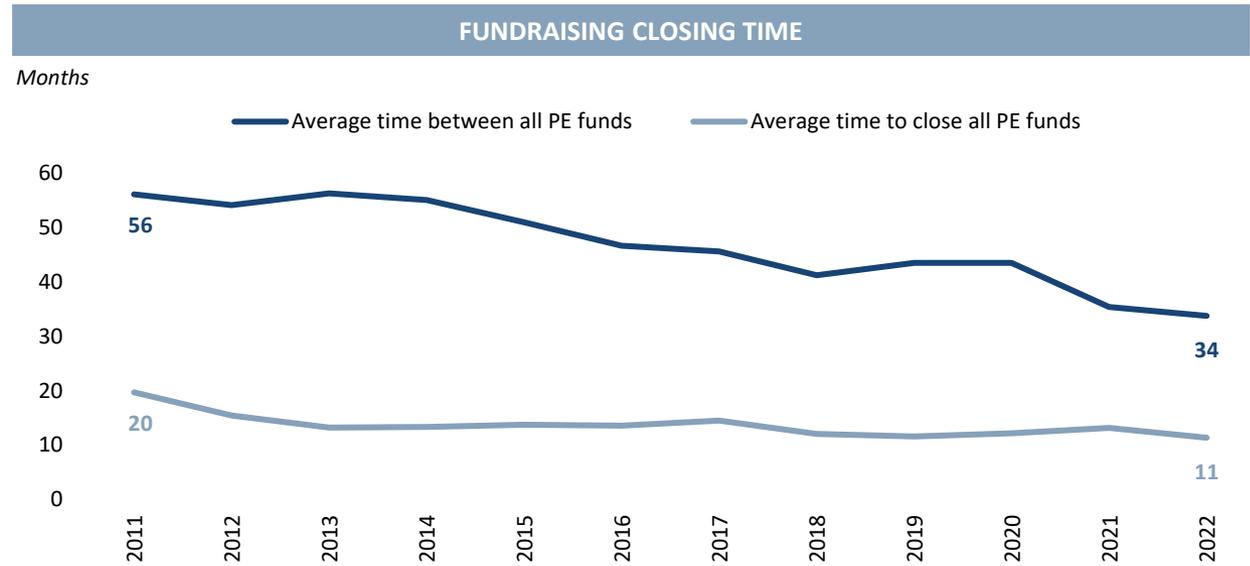
FUNDRAISING ACTIVITY ON PACE TO SURPASS 2021

USD in billions



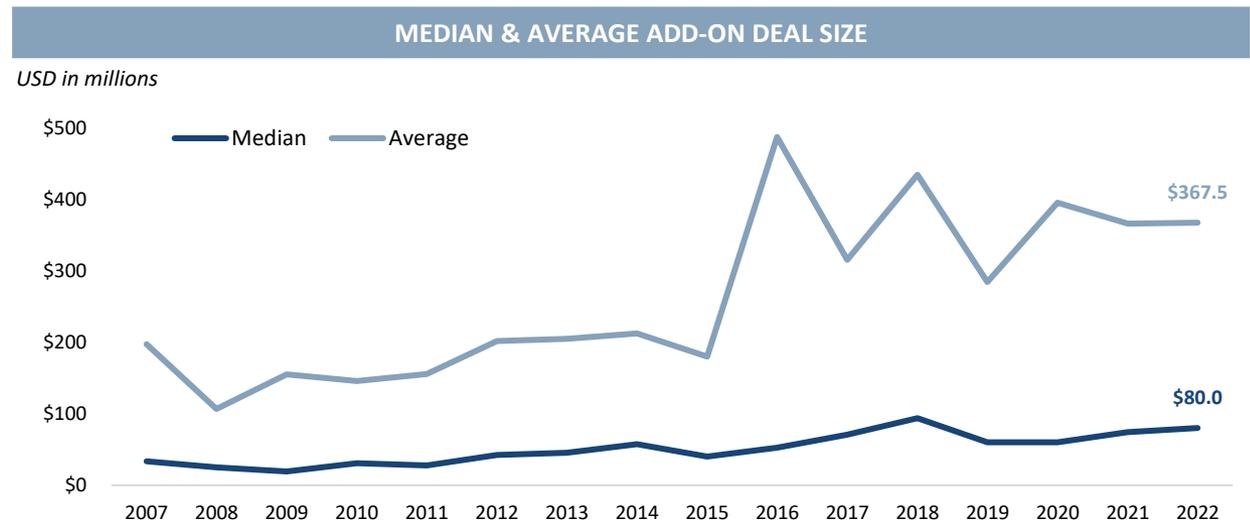
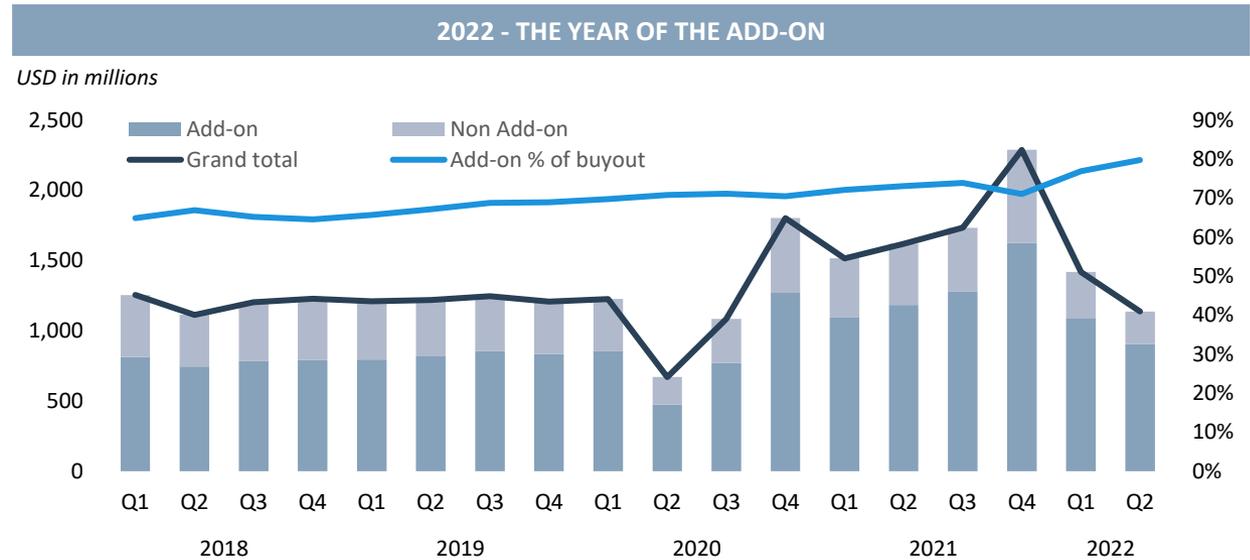
PRIVATE EQUITY MARKET - FUND SIZES AND CLOSINGS

- The increased demand from LPs has incentivized PE groups to launch new funds at the fastest rate since 2007, bringing the average time between funds down to an all-time low of 34 months
- Some GPs have alluded to a slowdown of capital earmarked for private equity allocation; however, 83% of PE groups increased their fund size by a median amount of 62% from their previous year's fund
- The key takeaway: ***PE groups are sitting on billions of undeployed capital, raising more funds than ever, larger than ever, and faster than ever***



PRIVATE EQUITY MARKET - THE YEAR OF THE ADD-ON

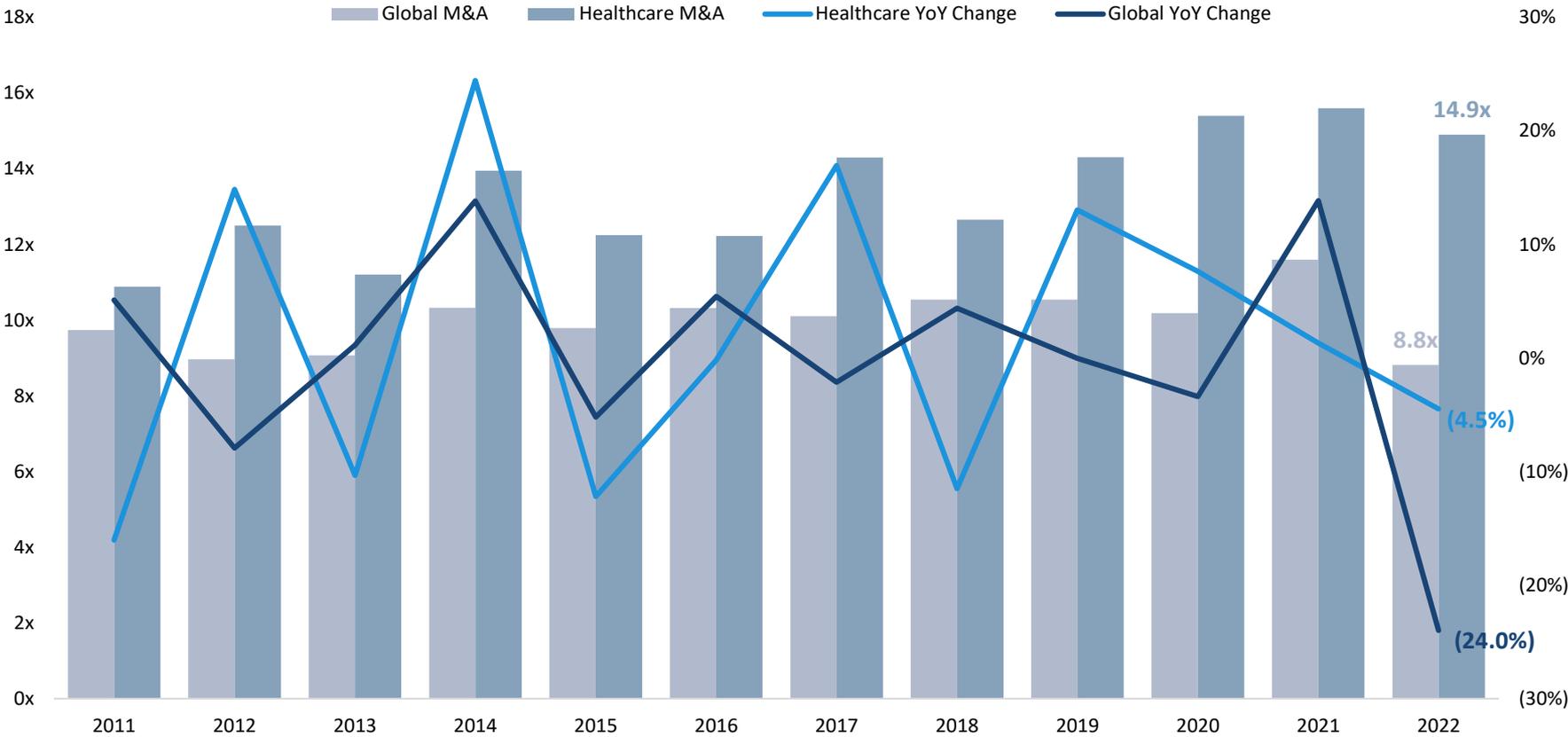
- Although PE groups have billions to deploy, exit opportunities do not abound, leading many financial sponsors to shift their focus towards build out their existing platforms
- This has led to an increase in add-on acquisitions, and has been a defining trend in 1H 2022 as more than 80% of all PE investments were add-ons for existing portfolio companies
- This presents an opportunity for lower and core-Middle Market (“MM”) companies (<\$200mm), as they are aggressively targeted as add-ons
- With PE exits down overall, the scarcity value of MM targets is poised to drive valuations higher
- Additionally, MM valuations are less reliant on public market comps, further preserving record high valuations



PRIVATE EQUITY MARKET - GLOBAL M&A UPDATES

- Looking beyond US buyouts, on a global scale for all M&A activity, Healthcare’s superior value and resiliency in today’s market is evident, declining only 4.5% in aggregate, while the average sector multiple declined by 24%

GLOBAL M&A VS HEALTHCARE M&A - EV/EBITDA MULTIPLES



NOTABLE PHARMA SERVICES TRANSACTIONS - Q2 2022

Attractive deals are still getting done at good valuations



has been acquired by



June 2022



has been acquired by



June 2022



has been acquired by



June 2022



has been acquired by



June 2022



has been acquired by



June 2022



has been acquired by



June 2022



has been acquired by



May 2022



has been acquired by



Ambo Ventures

May 2022



has been acquired by



May 2022



has been acquired by



April 2022

VALUATION TRENDS

PERSPECTIVES AND PUBLIC TRADING COMPS

PHARMA SERVICES STILL TRADING AT HEALTHY VALUATIONS

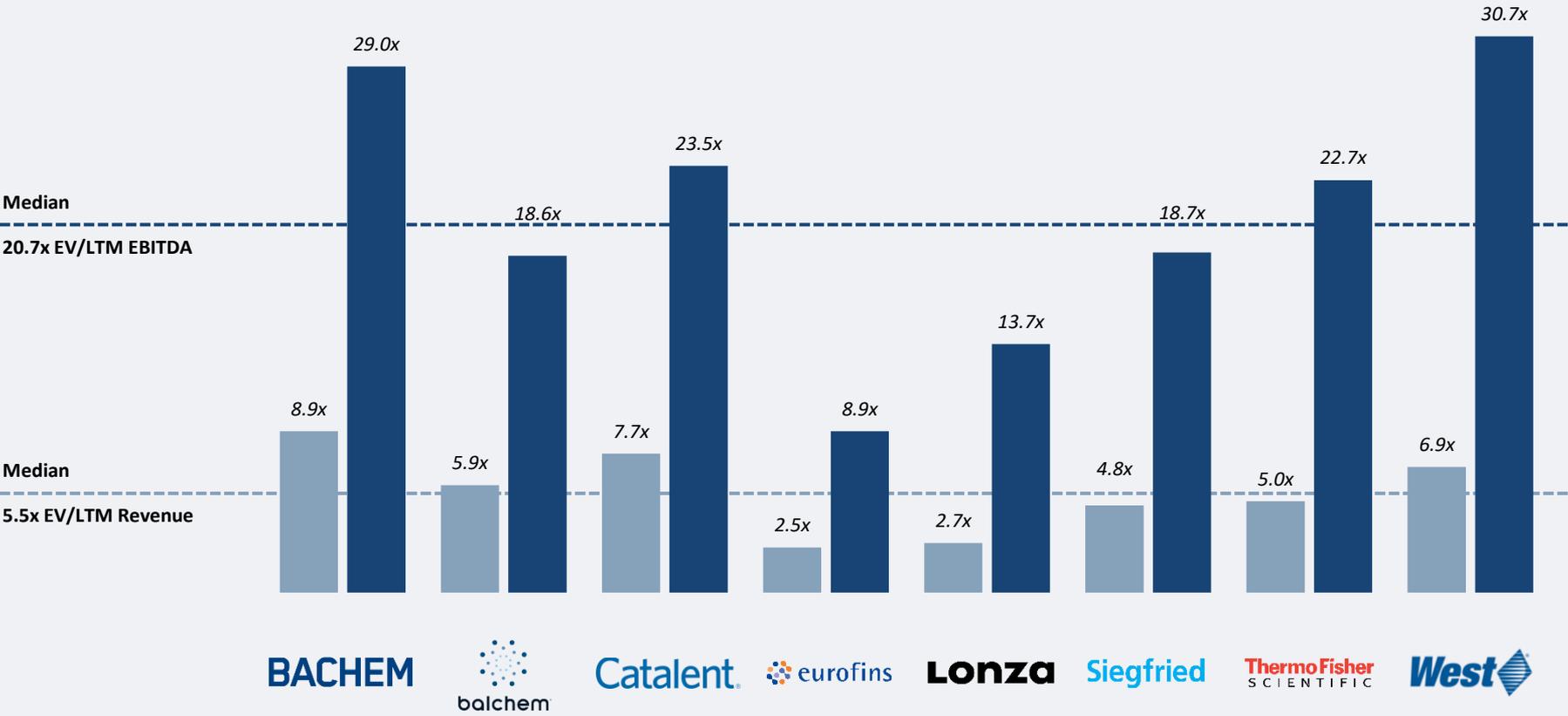
The key takeaway? Good deals are still being done at strong valuations as demand remains high for quality assets in attractive industries with promising tailwinds

- While Bourne's Pharma Services sectors have leveled off the historic highs seen last year, the industry on average is still trading at a significant premium to the broader market and is showing a positive growth trajectory driven largely by strong market tailwinds
- In times of market uncertainty investors, both financial and strategic, tend to seek opportunities with profiles attributable to many Pharma Services companies: quality assets in sectors that are historically resilient during recessionary times
- CDMOs and CROs continue to lead the way, trading at **68%** and **48%** premiums to the S&P 500 EV/EBITDA multiple today¹, respectively
 - CDMOs still warrant high valuations for attractive qualities seen over the past few years like manufacturing capacity, onshore supply and operations, unique manufacturing capabilities, and emerging trends such as cell and gene therapy activity
 - CROs continue to seek expansion opportunities for both capabilities and geographic reach; both large, full-service CROs and medium, specialized CROs are seeking to provide innovative solutions with technology playing an increasingly important role in efforts to streamline clinical operations
- We expect to see continued strong buy-and-build interest from Private Equity, coupled with robust consolidation activity with strategics, as demand for valuable Pharma Services assets remains high (as exhibited by: Advarra <> Blackstone, Cerner <> Oracle, and others over the last 90 days)

CDMO	CRO	Tech-Enabled Clinical Services	Distribution	Specialty Packaging
EV / EBITDA: 20.7x	EV / EBITDA: 18.2x	EV / EBITDA: 32.0x	EV / EBITDA: 10.4x	EV / EBITDA: 10.1x
EV / Revenue: 5.5x	EV / Revenue: 3.7x	EV / Revenue: 3.1x	EV / Revenue: 0.4x	EV / Revenue: 1.8x

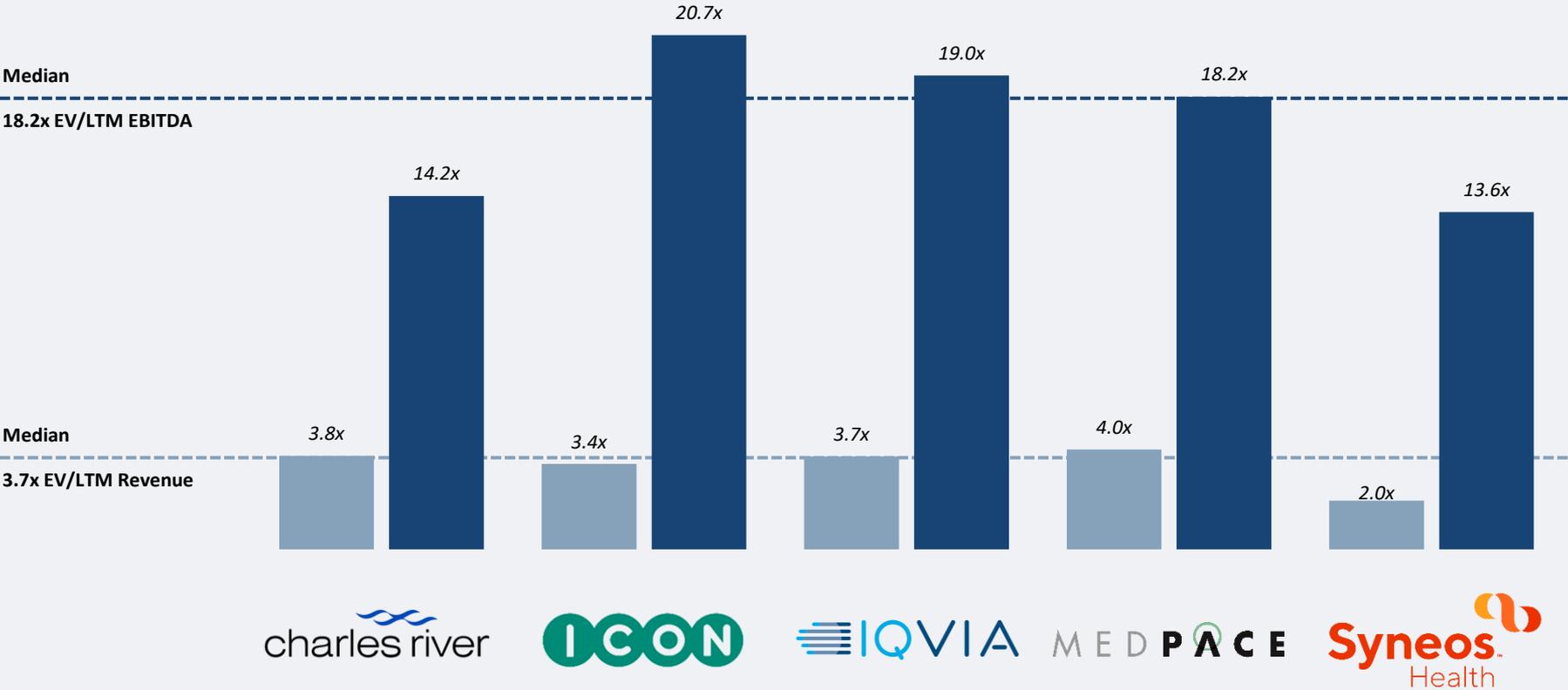
CDMO PUBLIC TRADING COMPS

Today¹, Bourne Partners' CDMO index is trading at median **EV/Revenue** and **EV/EBITDA** multiples of **5.5x** and **20.7x**, respectively



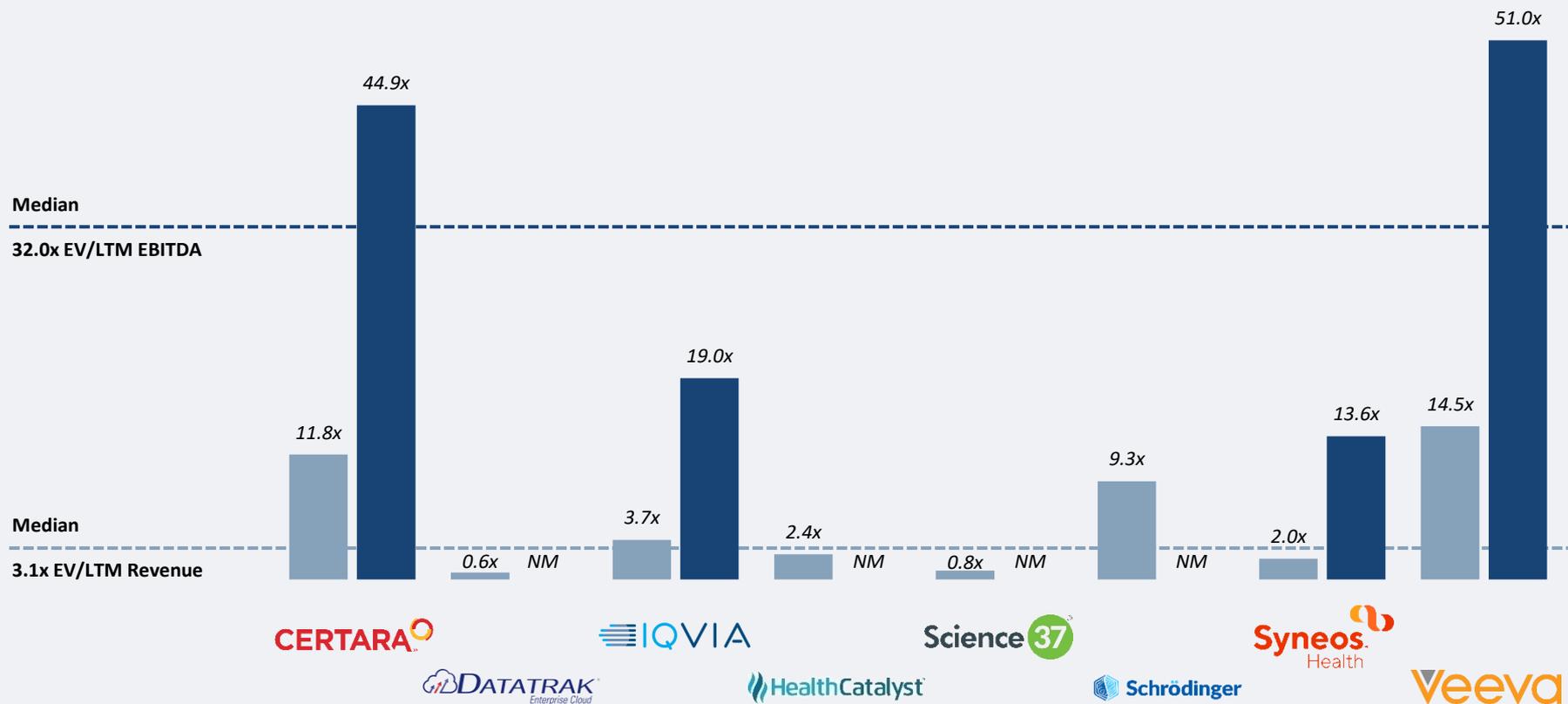
CRO PUBLIC TRADING COMPS

Today¹, Bourne Partners' CRO index is trading at median **EV/Revenue** and **EV/EBITDA** multiples of **3.7x** and **18.2x**, respectively



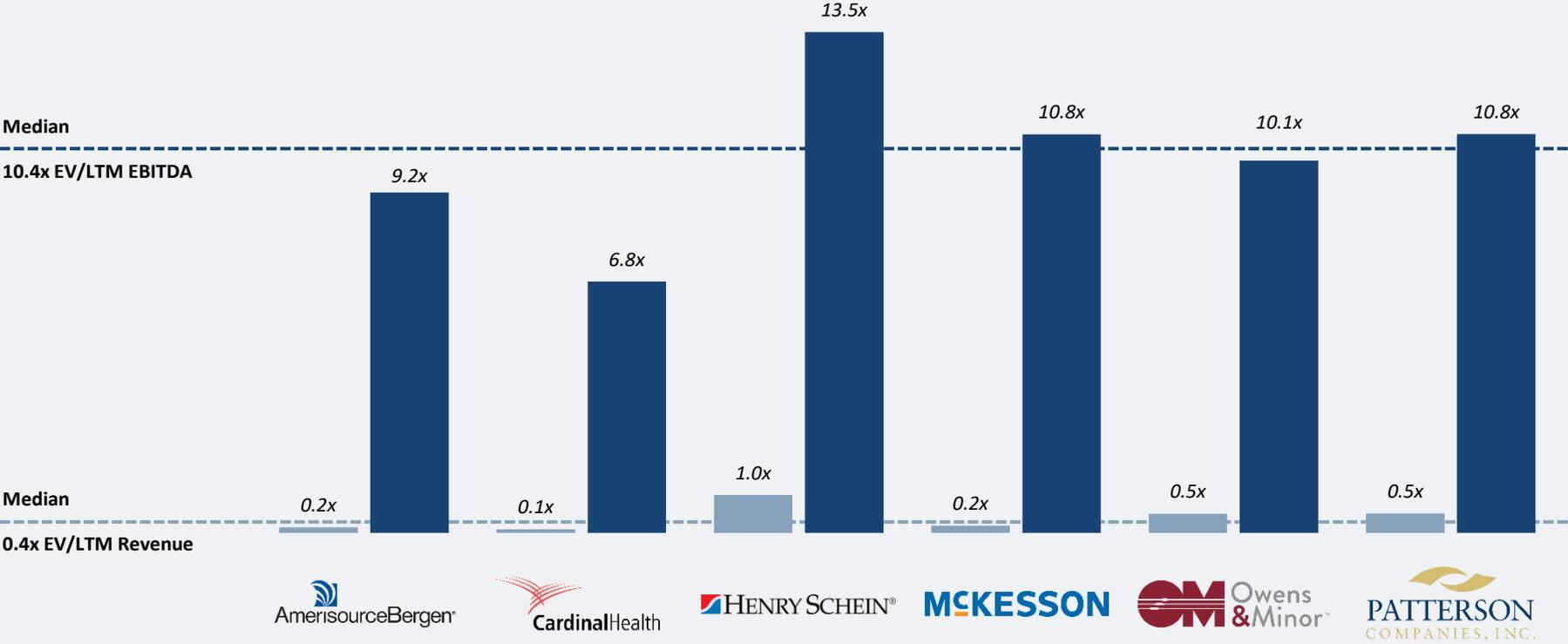
TECH-ENABLED CLINICAL SERVICES PUBLIC TRADING COMPS

Today¹, Bourne Partners' Tech Enabled Clinical Services index is trading at median **EV/Revenue** and **EV/EBITDA** multiples of **3.1x** and **32.0x**, respectively



DISTRIBUTION PUBLIC TRADING COMPS

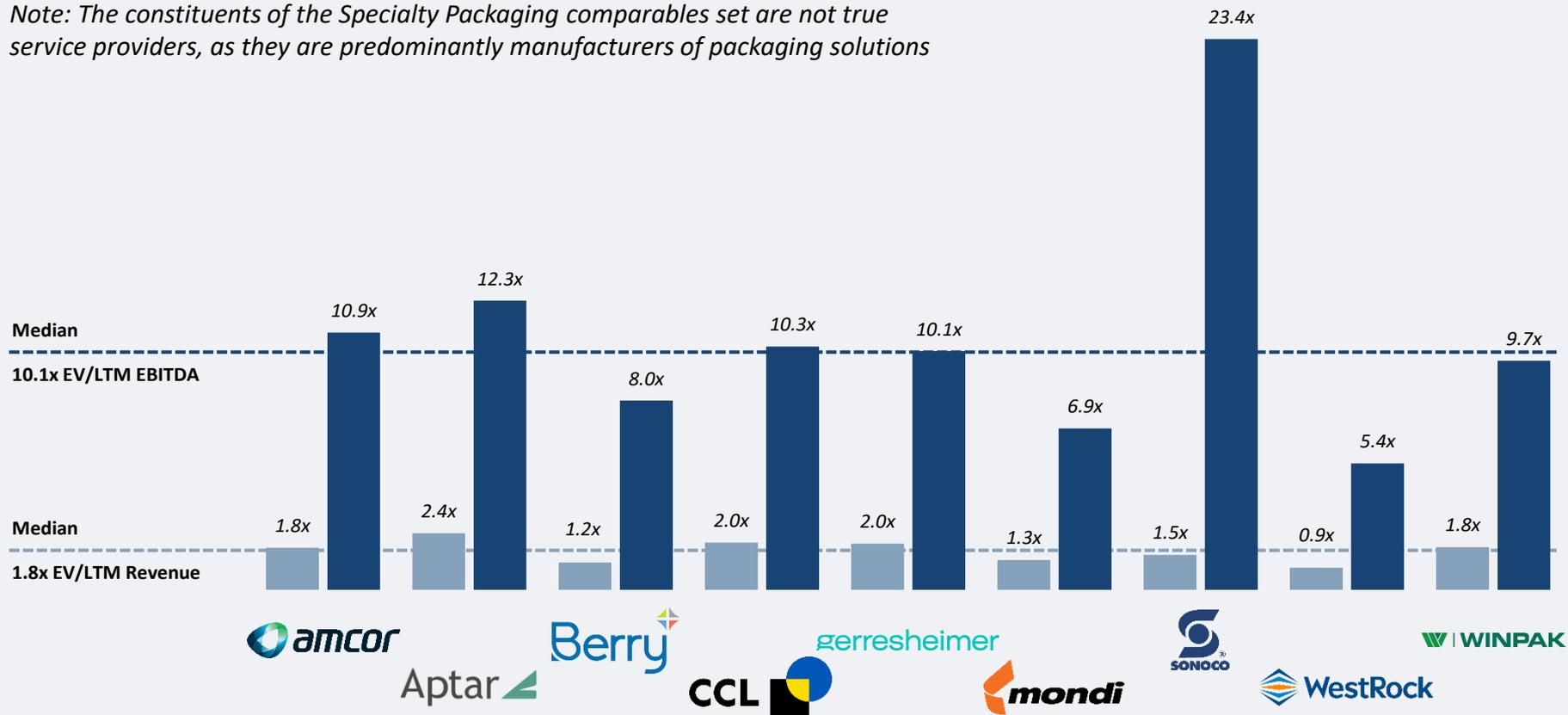
Today¹, Bourne Partners' Distribution index is trading at median **EV/Revenue** and **EV/EBITDA** multiples of **0.4x** and **10.4x**, respectively



SPECIALTY PACKAGING PUBLIC TRADING COMPS

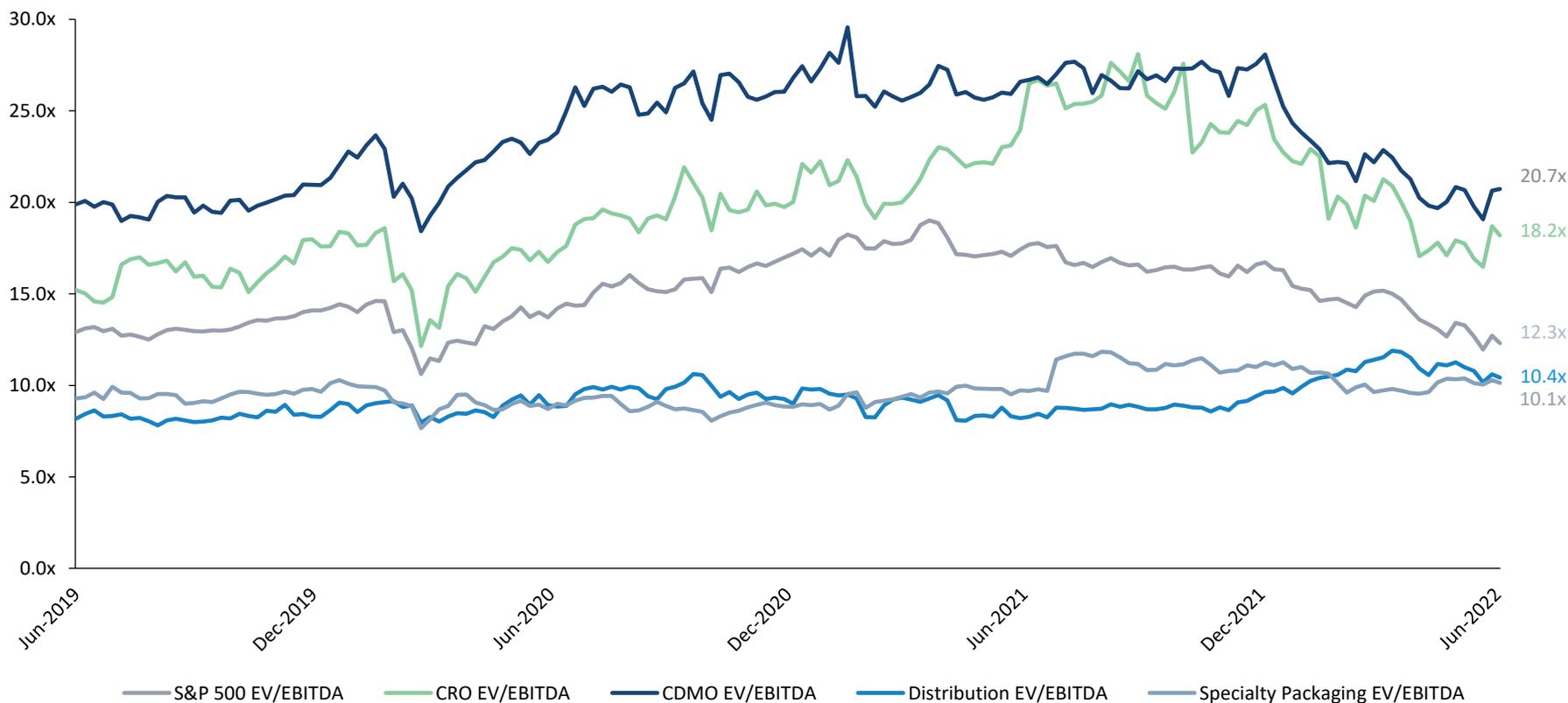
Today¹, Bourne Partners' Specialty Packaging index is trading at median **EV/Revenue** and **EV/EBITDA** multiples of **1.8x** and **10.1x**, respectively

Note: The constituents of the Specialty Packaging comparables set are not true service providers, as they are predominantly manufacturers of packaging solutions



SECTOR PERFORMANCE VS S&P 500 - LAST 3 YEARS

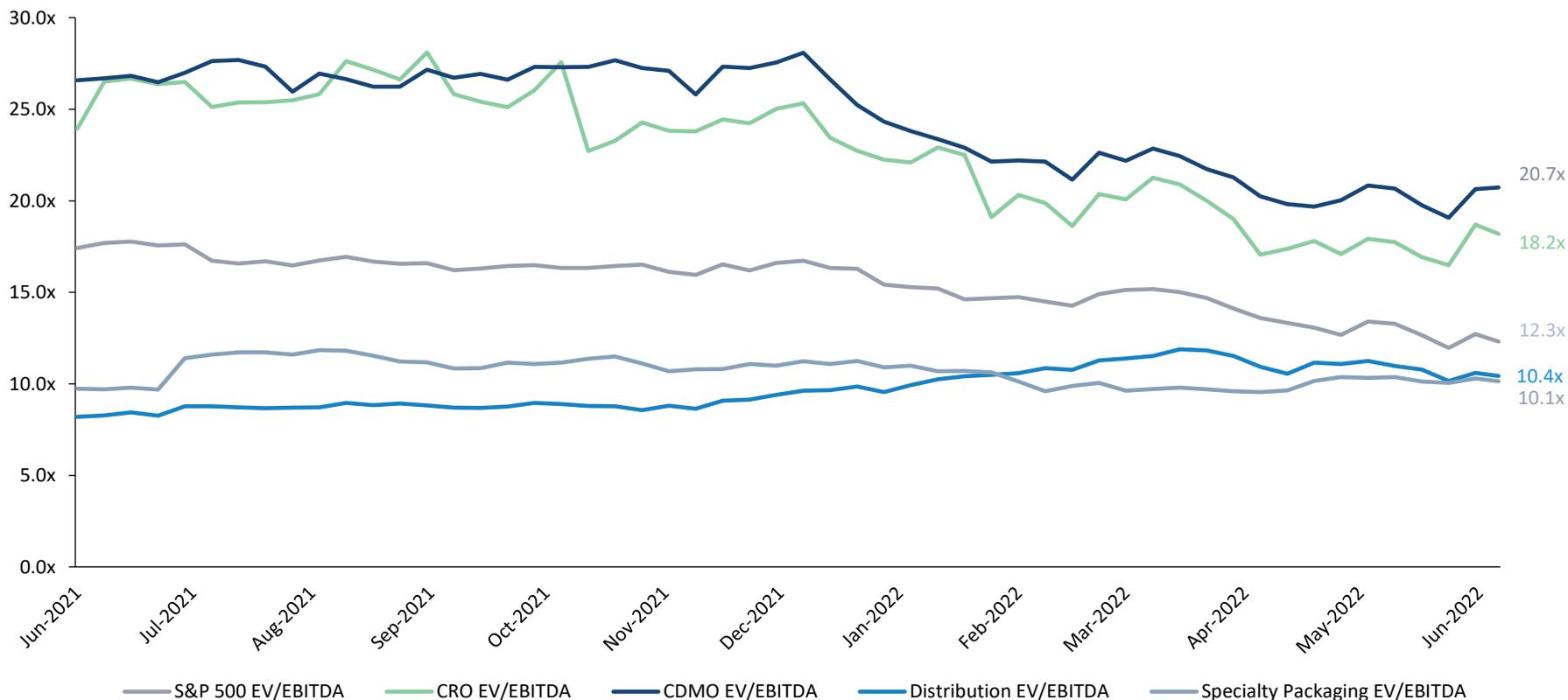
Bourne's CDMO and CRO indices continue to lead the Pharma Services sectors, trading significantly higher than the S&P 500 today¹ (**68%** and **48%** above, respectively)



Bourne Partners' Pharma Services sectors have performed well against the S&P 500 over the last 3 years, especially the CDMO and CRO indices, largely driven by strong industry tailwinds warranting sustained high valuations

SECTOR PERFORMANCE VS S&P 500 - LTM

On average, Bourne Partners' Pharma Services sectors are trading at **14.9x EV/EBITDA**, which is **13% higher** than the S&P 500 multiple of **12.3x**



Despite market turmoil in the last 12 months, Bourne's Pharma Services sectors remain at relatively high valuations as industry tailwinds continue to make the space attractive and investors seek a "flight to quality assets" in times of macroeconomic uncertainty

M&A ACTIVITY

SELECT PHARMA SERVICES TRANSACTIONS

PHARMA SERVICES M&A TRANSACTIONS: CDMO

While not all of the selected transactions had publicly available financial details, 1H 2022 was a strong period for M&A in the Pharma Services market despite shakiness in the broader markets

Announced	Target	Target Description	Acquirer	Acquirer Description	Transaction Metrics		
May 2022		CDMO specializing in peptides, lipids, highly potent/oncology & small molecule products		Private Equity headquartered in Paris, France	Implied EV: NA	EV / Rev: NA	EV / EBITDA: NA
April 2022		CDRO, early stage device and drug formulation/commercialization of inhalation products		CDMO, expertise in inhalation, transdermal, micro needle drug delivery technologies	Implied EV: NA	EV / Rev: NA	EV / EBITDA: NA
February 2022		CDMO, services include live bio-therapeutic products, mRNA vaccine & bio manufacturing		Development and manufacturing services for pharmaceutical & biotech companies	Implied EV: NA	EV / Rev: NA	EV / EBITDA: NA
February 2022		Developer of liquid injectables, specializing in complex, LNP-based & PEGylated formulations		Pharma & chemicals firm operating in life sciences, performance materials, & healthcare	Implied EV: \$780M	EV / Rev: NA	EV / EBITDA: NA
September 2021		CDMO, specializes in complex small molecules for pharma & biotech customers		Developer of active pharmaceutical ingredients & natural source materials	Implied EV: NA	EV / Rev: NA	EV / EBITDA: NA

PHARMA SERVICES M&A TRANSACTIONS: CRO

Announced	Target	Target Description	Acquirer	Acquirer Description	Transaction Metrics		
June 2022		Full service CRO providing biostatistics, bioinformatics & clinical data management	 NEW MOUNTAIN CAPITAL LLC	Asset management firm headquartered in New York, NY	Implied EV: NA	EV / Rev: NA	EV / EBITDA: NA
June 2022		CRO specializing in medical devices, IVDs, biologics, & device-drug combination products		Private Equity headquartered in Paris, France	Implied EV: NA	EV / Rev: NA	EV / EBITDA: NA
June 2022		Provides independent institutional review board services to pharma companies		Private Equity firm based in New York, NY	Implied EV: NA	EV / Rev: NA	EV / EBITDA: NA
June 2022		CRO specializing in pre-clinical medical devices and bio-simulation system training		Medical device CDMO providing commercial-scale services to medical device startups & OEMs	Implied EV: NA	EV / Rev: NA	EV / EBITDA: NA
May 2022		CRO, services include bio-analysis & immunogenicity testing for drugs, vaccines & biomarkers		Provides analytical & advisory services to biotech firms developing biomarkers	Implied EV: NA	EV / Rev: NA	EV / EBITDA: NA
February 2022		CRO specializing in drug development services for biotech and pharma industries		Provides CMC, tech, regulatory & compliance services to pharma & biotech companies	Implied EV: NA	EV / Rev: NA	EV / EBITDA: NA

PHARMA SERVICES M&A TRANSACTIONS: TECH-ENABLED CLINICAL SERVICES

Announced	Target	Target Description	Acquirer	Acquirer Description	Transaction Metrics		
June 2022	 Cerner	Healthcare IT and tech-enabled services provider	 ORACLE	Provides a robust suite of IT and cloud data products and services	Implied EV: \$28.3B	EV / Rev: 4.8x	EV / EBITDA: 19.4x
November 2021	 inovalon	Provides cloud-based platforms for data-driven healthcare	  	Private equity consortium led by Nordic Capital	Implied EV: \$7.3B	EV / Rev: 9.6x	EV / EBITDA: 33.8x
July 2021	 greenphire	Provides clinical trial payment solutions for sponsors, CROs, and sites	 THOMABRAVO	Private equity firm based in Chicago, IL	Implied EV: \$1.1B	EV / Rev: 36.4x	EV / EBITDA: NA
April 2021	KANTAR	Data analytics and brand consulting services provider	 Cerner	Healthcare IT and tech-enabled services provider	Implied EV: \$364.4M	EV / Rev: NA	EV / EBITDA: NA
February 2021	 Cytel	Develops software for the design, analysis, and implementation of clinical trials	 astorg.	Private equity firm based in Luxembourg	Implied EV: \$1.0B	EV / Rev: 5.0x	EV / EBITDA: 25.0x
February 2021	 HealthMode	Digital medicine company focused on clinical research and patient monitoring	 MindMed	Psychedelic medicine biotech company	Implied EV: \$32.0M	EV / Rev: 6.4x	EV / EBITDA: NA

PHARMA SERVICES M&A TRANSACTIONS: DISTRIBUTION

Announced	Target	Target Description	Acquirer	Acquirer Description	Transaction Metrics		
June 2022	 REFARMED	Distribution of active pharmaceutical ingredients with focus on finished dosage form	 DKSH	Offers market expansion services including sourcing, marketing, sales & distribution	Implied EV: NA	EV / Rev: NA	EV / EBITDA: NA
April 2022	 GRIBI AG BELP	Distribution of medical devices & supplies for hospitals, retirement homes & nursing homes	 ASKER HEALTHCARE GROUP	Offers safe and high-quality medical supplies, devices, and equipment	Implied EV: NA	EV / Rev: NA	EV / EBITDA: NA
July 2021	 api	Wholesale distribution of pharma, health, beauty, and lifestyle products to Australia	 Wesfarmers	Retail operations including the Bunnings hardware chain, Kmart, Target & Officeworks	Implied EV: \$769M	EV / Rev: 0.3x	EV / EBITDA: 8.6x
April 2020	 HYGIS	Distributor of products for the treatment of small female problems & intimate hygiene	 karo ^{pharma}	Primarily engaged in the developing & marketing products to pharmacies & the healthcare sector	Implied EV: \$1.3M	EV / Rev: NA	EV / EBITDA: NA
August 2019	 PCX	PCX operates as a courier service agency in clinical trial industry	 MARKEN a UPS Company	Logistics support services to the pharma, biotechnology & clinical research industries	Implied EV: NA	EV / Rev: NA	EV / EBITDA: NA
July 2019	 Der Kurier	Offers courier services to the clinical trials industry	 MARKEN a UPS Company	Logistics support services to the pharma, biotechnology & clinical research industries	Implied EV: NA	EV / Rev: NA	EV / EBITDA: NA

PHARMA SERVICES M&A TRANSACTIONS: SPECIALTY PACKAGING

Announced	Target	Target Description	Acquirer	Acquirer Description	Transaction Metrics		
May 2022	 NATRIFY A Sustainable Future	Manufactures bioplastic products for retail, ecommerce & logistics industries in Egypt	 Ambo Ventures	Venture capital firm based in Kenya, Africa	<i>Implied</i> EV: NA	<i>EV /</i> <i>Rev:</i> NA	<i>EV /</i> <i>EBITDA:</i> NA
May 2022	 inpac MEDIZINTECHNIK GMBH	Provides cleaning, assembly, packaging, and sterilization of medical products	 eurofins	Provides analytical testing and laboratory services to pharma and biotech companies	<i>Implied</i> EV: NA	<i>EV /</i> <i>Rev:</i> NA	<i>EV /</i> <i>EBITDA:</i> NA
February 2022	 NUTRA-MED Packaging Inc.	Contract packaging for Rx & OTC products for pharma, nutritional, & healthcare industries	 GenNx360 Capital Partners	Private equity firm based in New York, NY	<i>Implied</i> EV: NA	<i>EV /</i> <i>Rev:</i> NA	<i>EV /</i> <i>EBITDA:</i> NA
January 2022	 Millstone	Customized outsourcing solutions to the medical device industry	 A C P	Growth-oriented private equity firm based in Chevy Chase, Maryland	<i>Implied</i> EV: NA	<i>EV /</i> <i>Rev:</i> NA	<i>EV /</i> <i>EBITDA:</i> NA
August 2021	 SAFECOR HEALTH	Provides outsourced unit-dose & bar-coded medication repackaging services	 VS CP VESEY STREET CAPITAL PARTNERS	Strategic private equity investment firm based in New York, NY	<i>Implied</i> EV: NA	<i>EV /</i> <i>Rev:</i> NA	<i>EV /</i> <i>EBITDA:</i> NA
July 2021	 MedLit SOLUTIONS	Provides packaging & labeling solutions to the healthcare & pharm industries	 TCG Legacy PRINTING & PACKAGING	Printing and packaging services for pharma, consumer, tech & higher education companies	<i>Implied</i> EV: NA	<i>EV /</i> <i>Rev:</i> NA	<i>EV /</i> <i>EBITDA:</i> NA

LEADING BOUTIQUE, LIFE SCIENCES-FOCUSED FIRM

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
 - Mergers & Acquisitions*
 - Licensing Agreements
 - Product Divestitures*
 - Distribution Agreements
 - Corporate Spin-offs*
 - Capital Raising*
 - Strategy Consulting
 - Fund Management
 - Direct Investing

EXECUTIVE LEADERSHIP TEAM



Banks Bourne
Chief Executive Officer



Minor Hinson
Chief Investment Officer



Jeremy Johnson
Managing Director



Xan Smith
Managing Director,
Business Development



Calli Lewis
Chief of Staff



Chris Inklebarger
Chief Operating Officer



Todd Bokus
Director, Pharma Services



Robert Stanley
Director, Pharma

CONTACT US

PHARMA SERVICES COVERAGE



Jeremy Johnson

Managing Director

jjohnson@bourne-partners.com

- 20+ years of industry M&A and private equity experience
- Joined Bourne Partners in 2006
- Oversees all investment banking activities at Bourne Partners
- BA, Georgetown University



Xan Smith

Managing Director, Business Development

xsmith@bourne-partners.com

- Responsible for Bourne Partners' business development activities
- Joined Bourne Partners in 2015
- BA, Wake Forest University
- MBA, Wake Forest University



Todd Bokus

Director, Pharma Services

tbokus@bourne-partners.com

- 15+ years of industry M&A experience at Bourne Partners
- Joined Bourne Partners in 2007
- BS, University of North Carolina at Charlotte



Jake Curtis

Associate

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- 3+ years of industry M&A experience
- Joined Bourne Partners in 2022
- Previously a Senior Analyst at Crosstree Capital Partners
- BS, University of North Carolina at Charlotte

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SELECT TRANSACTION EXPERIENCE

BOURNE PARTNERS RELEVANT CASE STUDIES

CASE STUDY: FAGRON DIVESTS ITS CDMO BUSINESS



has been acquired by



Outcome:
Up to \$10mm for
80% of the Business

COMPANY OVERVIEWS

FAGRON NV (ENXTBR:FAGR)

Together with prescribers and pharmacists, Fagron strives to improve personalized medicine and to make it more accessible for patients. Fagron provides both sterile and non-sterile preparations to hospitals, pharmacies, clinics, and patients. The company also innovates concepts, vehicles, and formulations for pharmaceutical compounding, as well as provides pharmaceutical raw materials, equipment, and supplies that pharmacists need to prepare medications in the pharmacy. Fagron was founded in 1990 and is based in Belgium

SIGNET HEALTHCARE PARTNERS

Signet is a leading provider of growth capital to innovative healthcare companies around the world. The firm looks to invest in commercial-stage Healthcare companies that are revenue generating or preparing for commercial launch. During Signet's 20+ year history, they have raised four funds with total capital commitments of over \$400 million and have invested in more than 55 companies. Signet was founded in 1988 and has offices in New York, NY and Houston, TX

BOURNE PARTNERS LEVERAGES INDUSTRY EXPERTISE TO FIND BUYER FOR UNIQUE CARVE-OUT

OBJECTIVE

Fagron engaged Bourne Partners to carve out a largely captive manufacturing business that conducted some third-party CDMO business while also acting as an internal manufacturing site for some of Fagron's other business lines. Fagron planned to retain certain customer relationships / contracts but would divest the third-party CDMO and retail private label business units. While relatively easy to separate the business, the buyer would need to be flexible and "willing to work" to stand up the platform on its own, build up the financial performance, and transition the business to a truly competitive CDMO

PROCESS

Bourne Partners leveraged its expertise and broad relationship base within the Pharma and Pharma Services sectors to identify a comprehensive list of potential suitors for the unique carve-out situation. After garnering interest from several parties, Bourne and Fagron selected Signet Healthcare Partners as the final buyer due to their expertise in the space, flexibility in unorthodox situations, and ability to achieve Fagron's desired transaction timeline

RESULT

On February 1, 2022, Signet, along with GMS Capital Partners and BionPharma, acquired an 80% stake in the carved-out entity for up to \$10 million. This structure allows Fagron to retain some level of control of its supply chain for its Trade Relations business, monetize a non-core business unit today, and receive a meaningful "second bite" of value for the operating entity down the road

CASE STUDY: ALCAMI ACQUIRES MASY



has been acquired by



Outcome:
Transaction Closed

COMPANY OVERVIEWS

MASY BIOSERVICES

Masy provides quality solutions to the life sciences community, including calibration of primary standards and critical test equipment; validation and IQ/OQ/PQ of environmental chambers, autoclaves, and thermal warehouse mapping; and lab equipment rentals and sales. Masy offers cGMP biorepository options, with secure and tightly controlled temperature storage from -196°C to 70°C, including all ICH stability conditions, for various materials including vaccines, biopharmaceuticals, cell banks, tissues, compounds, and medical devices

ALCAMI

Alcami is a contract development and manufacturing organization headquartered in North Carolina with over 40 years of experience advancing products through every stage of the development lifecycle. Leveraging four US-based scientific campuses, Alcami serves pharmaceutical and biotech companies of all sizes, providing customizable and innovative solutions for analytical development, clinical to commercial sterile and oral solid manufacturing, packaging, microbiology, and environmental monitoring services. Alcami is a portfolio company of Madison Dearborn Partners and Ampersand Capital Partners

BOURNE PARTNERS SERVES AS STRATEGIC ADVISOR TO ALCAMI IN ITS ACQUISITION OF MASY BIOSERVICES

OBJECTIVE

Alcami engaged Bourne Partners to serve as a strategic advisor as it explored the biostorage sector and, more specifically, an acquisition of Masy BioServices

PROCESS

Bourne Partners performed a strategic study on the biostorage space, conducting KOL interviews and a deep dive on the industry that explored industry tailwinds / headwinds, trends, competitive landscape and key industry players, and valuation trends in the public and private markets. Bourne Partners presented their findings to the Alcami and Madison Dearborn Partners teams for evaluation in connection with the transaction

RESULT

Alcami decided to move forward with its M&A interests with Masy BioServices, consummating a transaction with the company on December 15, 2021. The acquisition will allow Alcami to provide its customers with additional complementary service offerings and take advantage of prevailing industry tailwinds in the biostorage space

CASE STUDY: SALE OF NUVERA LIFE SCIENCE CONSULTING



Outcome:
2x Prior Offers

COMPANY OVERVIEWS

NUVERA LIFE SCIENCE CONSULTING

Nuvera LLC is a strategic consulting company focused exclusively on the rare disease and specialty therapeutics markets, based in New Jersey. Nuvera is dedicated to helping its clients design and enable seamless treatment experiences and envision a world of simple, streamlined treatment experiences that alleviate the burden of using specialized therapies and accelerate treatment success for patients and providers

UDG HEALTHCARE

UDG Healthcare plc provides advisory, communication, commercial, and clinical services. Through its Ashfield segment, the company offers commercialization services for the pharmaceutical and healthcare industry in the areas of advisory, communications, and commercial and clinical services. This segment supports healthcare professionals and patients at various stages of the product life cycle and provides field and contact center sales teams, healthcare communications, patient support, audit, advisory, and medical information services to approximately 300 healthcare companies. UDG Healthcare plc was founded in 1948 and is headquartered in Dublin, Ireland

NEGOTIATED TRANSACTION TERMS IN OUR CLIENT’S FAVOR

OBJECTIVE



After receiving inbound interest in the business, Nuvera engaged Bourne Partners to see if the inbound offers were truly market or if taking their deal would leave money on the table

PROCESS



Nuvera hired Bourne to serve as its exclusive advisor, streamlining strategic conversations with multiple parties and helping facilitate a sale of the company. In addition to introducing Nuvera to the eventual buyer of the company, Bourne negotiated the economics of the offer, a staged exclusivity period, a final purchase price gross up, and a working capital adjustment – all in the client’s favor

RESULT



Nuvera was acquired by UDG Ashfield on April 1, 2021 for \$24 million in cash at closing plus an earnout of up to an additional \$12 million, ~2x their prior offers

CASE STUDY: SALE OF AVISTA



has been acquired by



Outcome:
\$252mm Enterprise Value

COMPANY OVERVIEWS

AVISTA PHARMA SOLUTIONS

Avista Pharma Solutions (“Avista”) is a contract development, manufacturing, and testing organization that understands what it takes to rapidly advance products through every stage of development. With over 200,000 square feet of laboratory and manufacturing space in the U.S. and U.K., Avista offers a broad suite of scientifically differentiated services ranging from API and drug product development and cGMP manufacturing to stand-alone analytical, microbiology testing and solid state sciences

CAMBREX

Cambrex Corporation (“Cambrex”) is the leading fully integrated small molecule contract development and manufacturing organization (CDMO) across the entire drug lifecycle. The company offers Active Pharmaceutical Ingredients (APIs), finished dosage forms, advanced intermediates and enhanced drug delivery products for branded and generic pharmaceuticals. Development and manufacturing capabilities include enzymatic biotransformations, high potency APIs, high energy chemical synthesis, controlled substances and continuous processing. Cambrex was founded in 1981 and is based in East Rutherford, NJ

NEGOTIATED TRANSACTION TERMS IN OUR CLIENT’S FAVOR

OBJECTIVE

Avista engaged Bourne Partners to serve as its exclusive advisor in the sale of the company

PROCESS

Bourne Partners utilized its long-standing relationships and knowledge of the CDMO, analytical lab testing, CMC services and pharmaceutical sectors to provide counsel to Avista throughout process

RESULT

Avista signed an agreement to be acquired by Cambrex on November 20, 2018, at a value of \$252 million. The transaction closed in Q1 2019

CASE STUDY: SALE OF OPTIMAL RESEARCH TO SYNEXUS & PPD



has been acquired by



Outcome:
Undisclosed

COMPANY OVERVIEWS

OPTIMAL RESEARCH & ACCELOVANCE

Optimal Research, a carve-out of Accelovance, Inc., is a Site Management Organization (SMO) providing solutions to pharmaceutical and biotech companies, medical device companies, and contract research organizations (CROs). Accelovance is an award winning, full service clinical 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, and is based in Rockville, MD with multiple offices in the US, Europe and China

SYNEXUS LIMITED & PHARMACEUTICAL PRODUCT DEVELOPMENT (PPD)

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, biotechnology companies, and CROs. The company was founded in 1998 and is headquartered in Manchester, UK

BOURNE PARTNERS LEVERAGED INDUSTRY EXPERTISE TO FIND THE BEST BUYER & STRUCTURE FOR UNIQUE CARVE-OUT

OBJECTIVE

Accelovance engaged Bourne Partners to identify an acquirer and negotiate a transaction that maximized shareholder value given Bourne's experienced execution team, deep domain knowledge, and extensive buyer relationships

PROCESS

Based on the increased M&A activity around SMOs, Bourne Partners and Accelovance chose to run a highly targeted process focusing solely on a handful of the largest CROs, all known by Bourne Partners to be actively seeking SMO acquisition opportunities. When initial indications were received, it was clear that Accelovance should consider carving out its SMO, Optimal Research, from the Clinical CRO segment of the business

RESULT

Value was maximized by carving out Optimal Research. Optimal Research was sold to Synexus, part of PPD's Accelerated Enrollment Solutions business unit, for an undisclosed amount in Q4 2017

CASE STUDY: SALE OF ACCELOVANCE TO LINICAL



has been acquired by



Outcome:
Undisclosed

COMPANY OVERVIEWS

ACCELOVANCE

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

LINICAL CO (TSE: 2183)

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 WITH OUTSIZED VALUE

OBJECTIVE

Accelovance engaged Bourne Partners to identify an acquirer for the remaining clinical CRO business after the successful carve-out of Accelovance’s SMO segment, Optimal Research, in late 2017

PROCESS

Bourne Partners used its international network to run a highly strategic process and structure a transaction that was ideal for all parties

RESULT

With the advice of Bourne Partners, Accelovance signed a merger agreement with Linical to sell all remaining assets. The combined companies now boast a strong international CRO presence reaching through North America, Europe and Asia Pacific. The transaction successfully closed in the second quarter of 2018

CASE STUDY: CARLYLE AND GTCR TAKE AMRI (now CURIA) PRIVATE



Complex Science. Expert Solutions.

has been acquired by

THE CARLYLE GROUP

GTCR

Outcome:
\$1.7bn Enterprise Value

COMPANY OVERVIEWS

ALBANY MOLECULAR RESEARCH, INC. (now CURIA)

Albany Molecular Research, Inc. (“AMRI”) is a contract research and manufacturing company providing integrated drug discovery, development, and manufacturing services primarily in the United States, Europe, and Asia. The company provides services within four segments; Discover & Development, Active Pharmaceutical Ingredients, Drug Product, and Fine Chemical. The company serves pharmaceutical and biotechnology companies; government research entities and non-profit organizations; and agriculture, fine chemicals, contract chemical manufacturing, medical devices, and flavoring and cosmetics businesses. It was founded in 1991 and is headquartered in Albany, New York

THE CARLYLE GROUP L.P. (NASDAQ: CG)

The Carlyle Group (“Carlyle”) is a global alternative asset manager with \$222 billion of assets under management across 365 investment vehicles. Founded in 1987 in Washington, DC, Carlyle has grown into one of the world’s largest and most successful investment firms, with more than 1,775 professionals operating in 33 offices in North America, South America, Europe, the Middle East, Africa, Asia and Australia

LEVERAGING RELATIONSHIPS TO WIN IN A HIGHLY COMPETITIVE PROCESS

OBJECTIVE

Through a joint venture, Bourne advises and invests alongside Carlyle on various pharmaceutical and related services opportunities

PROCESS

Bourne Partners has worked in partnership with The Carlyle Group from time to time since January 2016. Bourne Partners utilized its relationships with AMRI executives to help Carlyle win in an extremely competitive process. Additionally, knowledge and experience in the CDMO and pharmaceutical sectors helped Bourne provide informed council to Carlyle in their evaluation and negotiation of the AMRI transaction

RESULT

The Carlyle Group and GTCR LLC successfully acquired Albany Molecular Research, Inc. at a value of \$1.7 billion. The transaction officially closed on August 31, 2017



BOURNE PARTNERS
