



Welcome to the Bourne Partners 12<sup>th</sup> Annual  
**Global Healthcare CEO Summit**



# Welcome & Introduction



Banks Bourne  
Bourne Partners



Welcome to the Bourne Partners 12<sup>th</sup> Annual

# Global Healthcare CEO Summit

A Chance For Us to Really Bring Friends Together and Talk About the Big Issues -  
What's Going On, What's Everyone Facing, and What's Next?



# Welcome & Introduction:

## State of Our Global Platform



**Banks Bourne**  
Chief Executive Officer  
*Bourne Partners*

# Summit Goals



**Gain insights from leading executives and our own perspectives**



**Share information amongst industry leaders**



**Network with friends, new and old**



**Thank our advisory and investment partners**



**Have Fun!**

# Our Attendees and Speakers

*Broadly our attendees are our advisory clients, investment partners, CEOs, and other executives running pharma / pharma services / consumer health companies from across the globe*

*Among Our Diversified List of Speakers Are the Following:*

❖ ***Strategic Capital Update:***

❖ *Minor Hinson (Bourne Partners Strategic Capital)*

❖ ***Patient Centricity, Innovative Technology, and Site Engagement: What's Next for Clinical Trials?***

❖ *Ella Grach (Eximia Research), Moisha Platto (Scout Clinical) | Moderator: Jake Curtis*

❖ ***American Injectables Presentation***

❖ *Travis Allen (American Injectables)*

❖ ***Capital Markets Update***

❖ *Jeremy Johnson (Bourne Partners)*

❖ ***Biopharma Deal Structuring & Creative Financing***

❖ *Dr. Gavin Spencer (Nicox), Asher M. Rubin (Sidley Austin, LLP), Matthew Bullard | Moderator: Oliver White*

❖ ***Pharmaceutical Associates, Inc. Presentation***

❖ *Paul Campanelli (Pharmaceutical Associates, Inc.)*

❖ ***The Rise of GLP1's and Their Impact Across the Healthcare Ecosystem***

❖ *Dr. Pat Stephens (Hims & Hers), Dr. Carlos Jorge (Companion Health) | Moderator: Carson Riley*

❖ ***Fireside Chat***

❖ *John Chiminski (Catalent), Philip Macnabb (Curia) | Moderator: Banks Bourne*

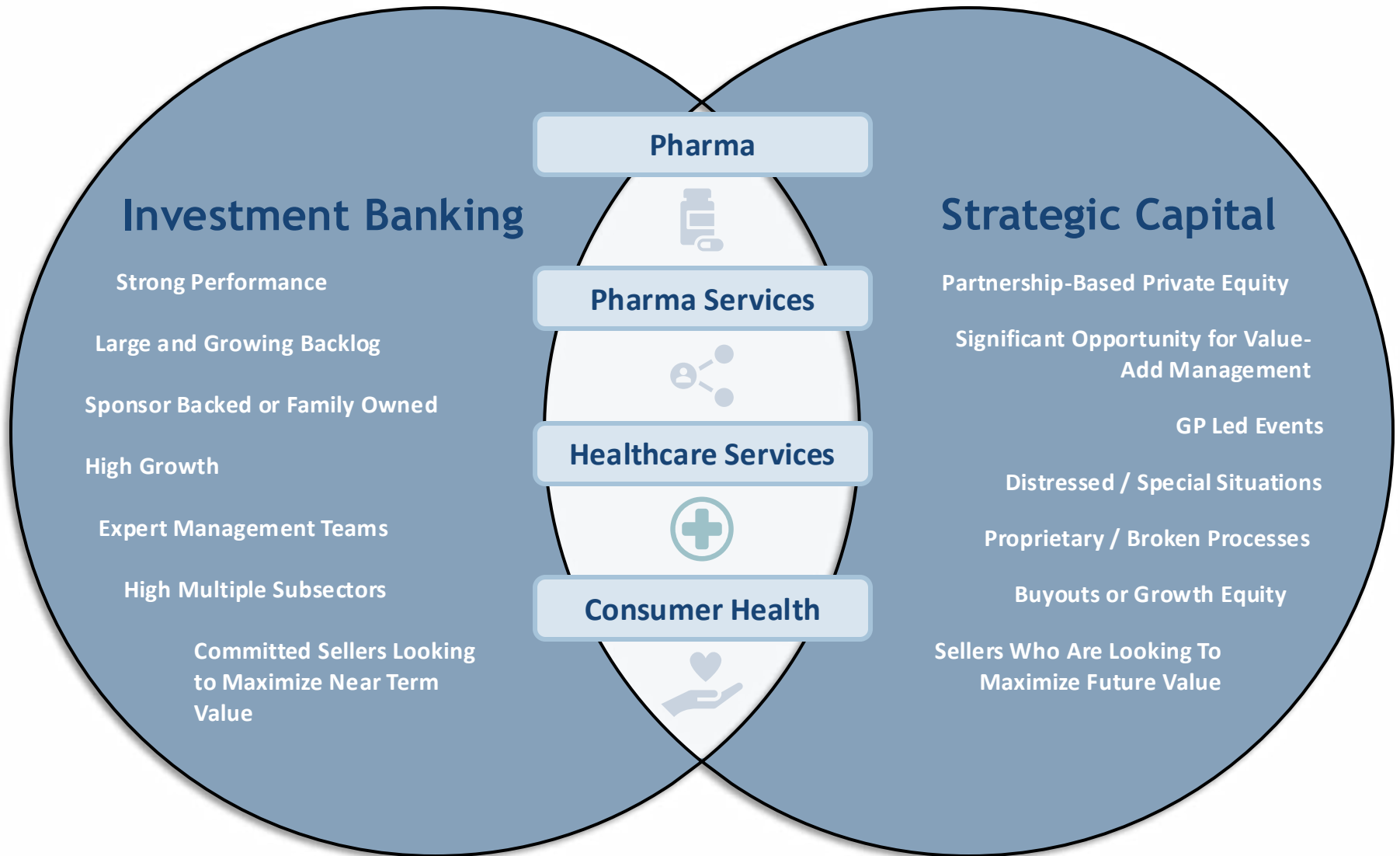


# Bourne Partners Overview

Investment Banking and Strategic Capital



# Bourne Partners Overview



*25+ Years of Experience in the Sector*





## Investment Banking

## Strategic Capital



*Continued  
Headcount  
Growth*

**+ 45%**  
*Active  
Engagements*

# Investment Banking Overview

Bourne Partners Investment Banking division provides investment banking services within the healthcare and life sciences sector for external clients as well as our portfolio companies

## Services



### Mergers & Acquisitions

Company & Product Focus  
Sell & Buy-Side Assignments



### Capital Advisory

Equity & Debt  
Hybrid & Alternative Options



### Business Development

Strategic Connections  
Global In / Out-Licensing



### Strategic Consulting

Valuation Analysis  
Market Insights & Research  
Competitive Landscape Reports

## Key Differentiators



### Industry Insights & Reports

Weekly Newsletter, Market Insight & Sector Reports, Bourne Partners' Annual Executive Summit, and global industry event participation



### Intimate Knowledge of Firms

Proprietary database containing over 15,000 strategic companies and stratified database of 150 private equity firms



### Global Experience & Access

Advisory and investing expertise across a vast network of investors in 6 continents and over 36 countries

## Select Tombstones



## Select Clients & Counterparties

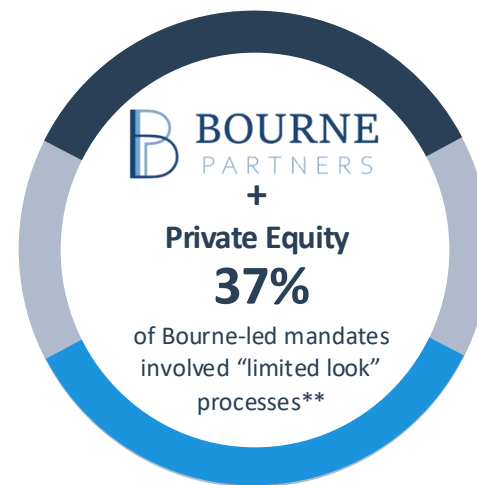
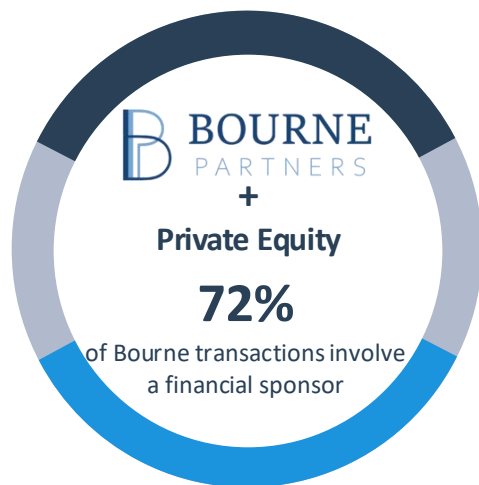


## Partners, Sponsors, and Lenders



# Sponsor Coverage Overview

Bourne Partners Sponsor Coverage division maintains an extensive network of private equity relationships to streamline buyer identification and maximize transaction values for clients



**2,300**

PE Firms in Bourne's  
Proprietary Sponsor  
Directory

**6,500**

Individual PE Contacts  
in Bourne's CRM

**50+**

Meetings Per Week  
With PE Groups on a  
Firm-Wide Basis

**5**

Annual Events Bourne  
Hosts Specifically for  
PE Networking

**300+**

PE Firms Bourne  
Maintains Regular  
Communication With

## Entrusted Partner to the Top Names in Private Equity



\*Since 1/1/2022; \*\*Since 1/1/2011 and including current mandates





# New Research Department

Bourne Partners Research Division provides thought leading research for our core sections



**Donald Hooker, CFA**  
Director of Research

- 20+ years of experience as a publishing sell-side equity analyst at UBS, Morgan Stanley, KeyBanc Capital Markets, and Capital One.
- Extensive background in healthcare services, pharma services, and healthcare information technology
- Joined Bourne Partners in July 2024 to build out a research function



## Recent Sample Research

*Weekly Insights, White Papers, and Full Market Research Reports*



# Strategic Capital Overview

Bourne Partners Strategic Capital (“BPSC”) offers a unique perspective and unmatched expertise while remaining highly focused on fulfilling the distinct needs of established, middle market healthcare and life sciences companies across the globe

## Criteria & Flexibility



*Cash flow generating opportunities*



*Complex situations with creative structures*



*Actionable growth stage or middle market businesses*



*Flexible investment sizes*

## Unmatched Industry Expertise

**100+**

Years of Combined  
Industry, IB & PE  
Experience

**15**

Direct  
Investments  
since Inception

**>8x**

Average MOIC  
on Exited  
Investments

**15+**

Strategic  
Advisors

## Representative BPSC Direct Investments



## BPSC Proven Private Equity Relationships





# Transaction Partners Since Our Last Summit



Great Point Partners

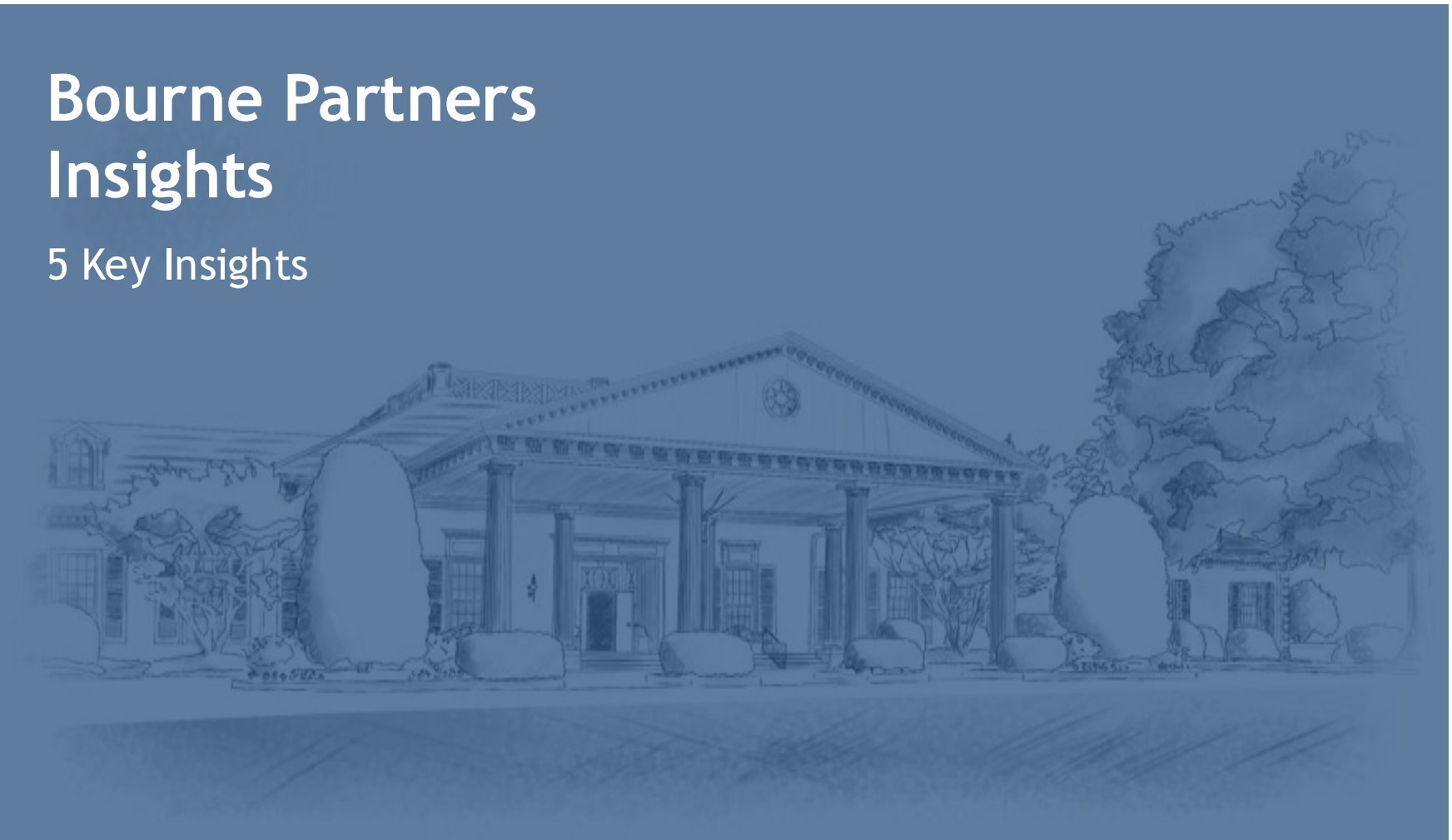


**hims & hers**

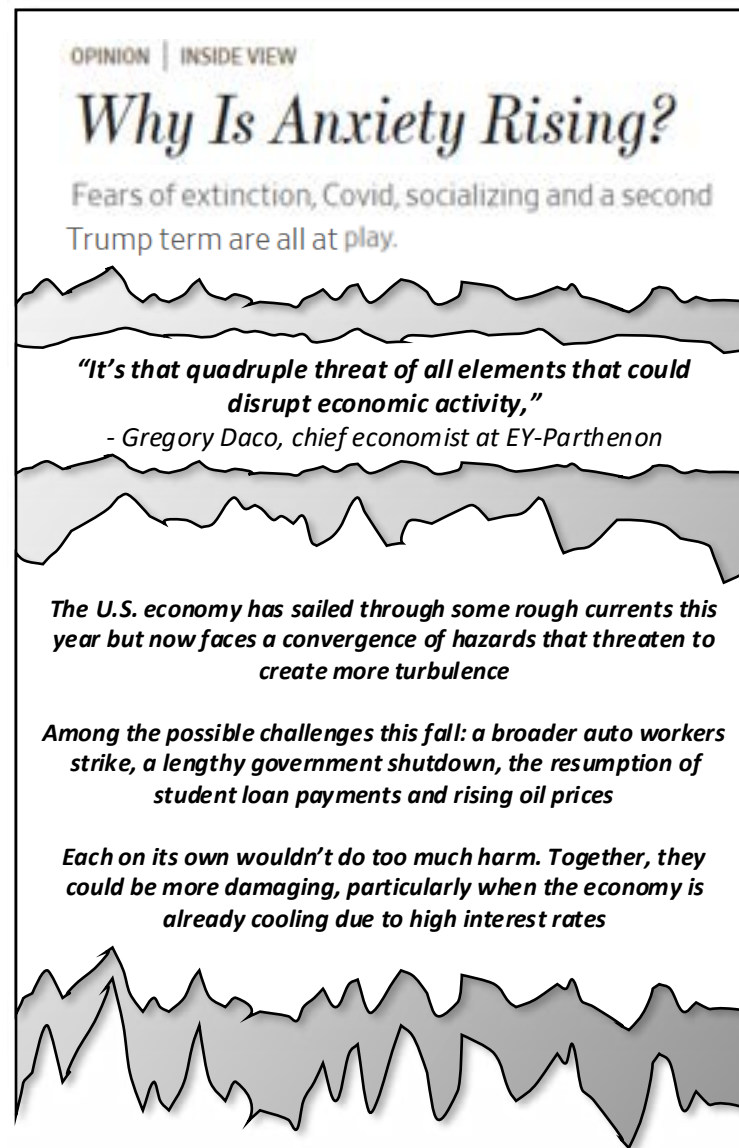
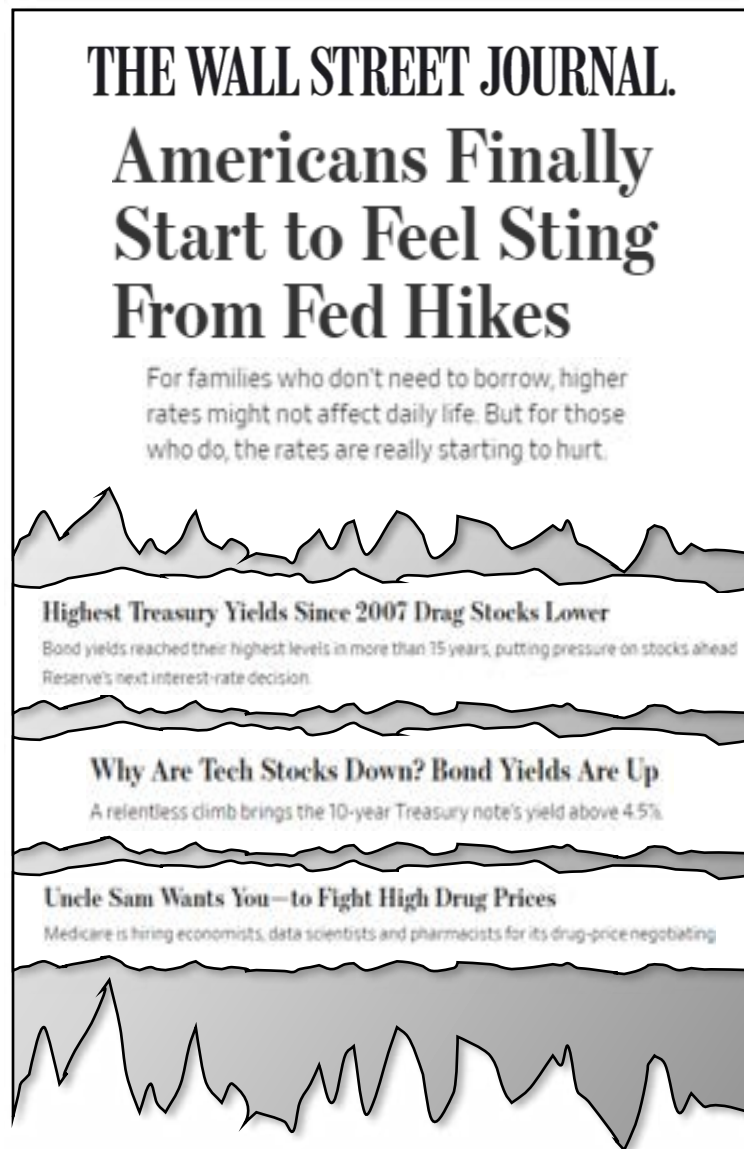


# Bourne Partners Insights

## 5 Key Insights



# Last Year's "Worrisome Recent Headlines"



# This Year's "Hallelujah Headlines"

## The New York Times

### *The Fed Makes a Large Rate Cut and Forecasts More to Come*

Fed officials kicked off rate cuts with a half-point reduction, confident that inflation is cooling and eager to keep the job market strong.

US IPOs set to extend recovery after staging a solid comeback

Dow registers record high close as US jobs data eases economic worries

### Optimism About AI's Potential

A global survey conducted by Google and Ipsos, involving over 17,000 participants from 17 countries, highlights optimism about AI's potential.

2024 Sees Reawakened Global M&A Activity

### Goldman Sachs lowers odds of US recession to 15% after better-than-expected jobs report

**"Goldman Sachs has lowered the odds of the United States slipping into a recession in the next 12 months by five percentage points to 15%, following the latest employment report that showed better-than-expected data."**

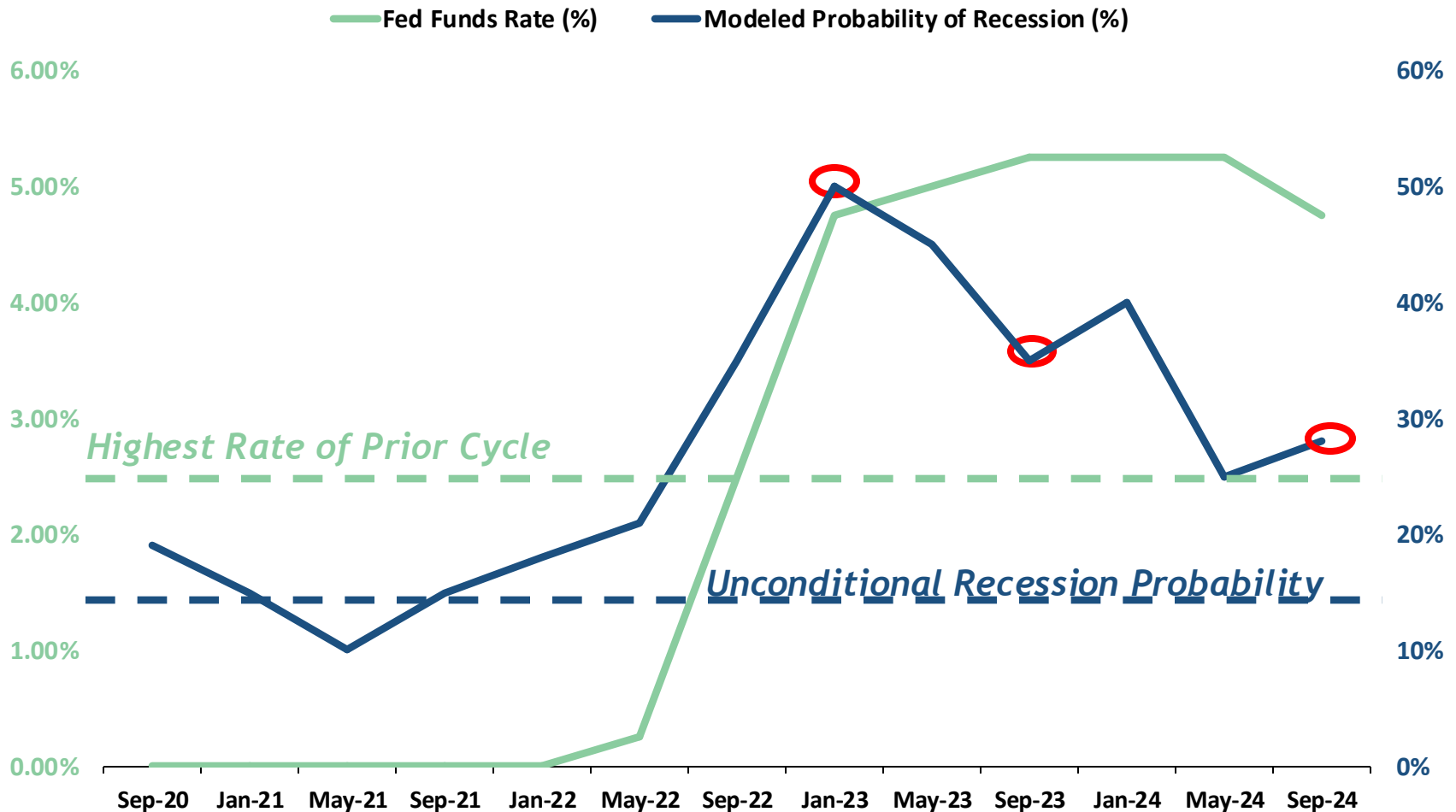
- October 7, 2024 (Reuters)

**"U.S. job gains increased by the most in six months in September and the unemployment rate fell to 4.1%, the Labor Department reported on Friday."**

**"The September employment report has 'reset the labor market narrative' and calmed fears about the labor demand 'weakening too quickly to prevent the unemployment rate from trending higher,' Goldman Sachs chief U.S. economist Jan Hatzius said in a note on Sunday."**

# #1: Did We Predict The Recession Away?

Base Rates & Modeled Recession Probability





# #2: US Industrial Fixed Investment Boom

## Onshoring / Nearshoring – “Zero China” Policy

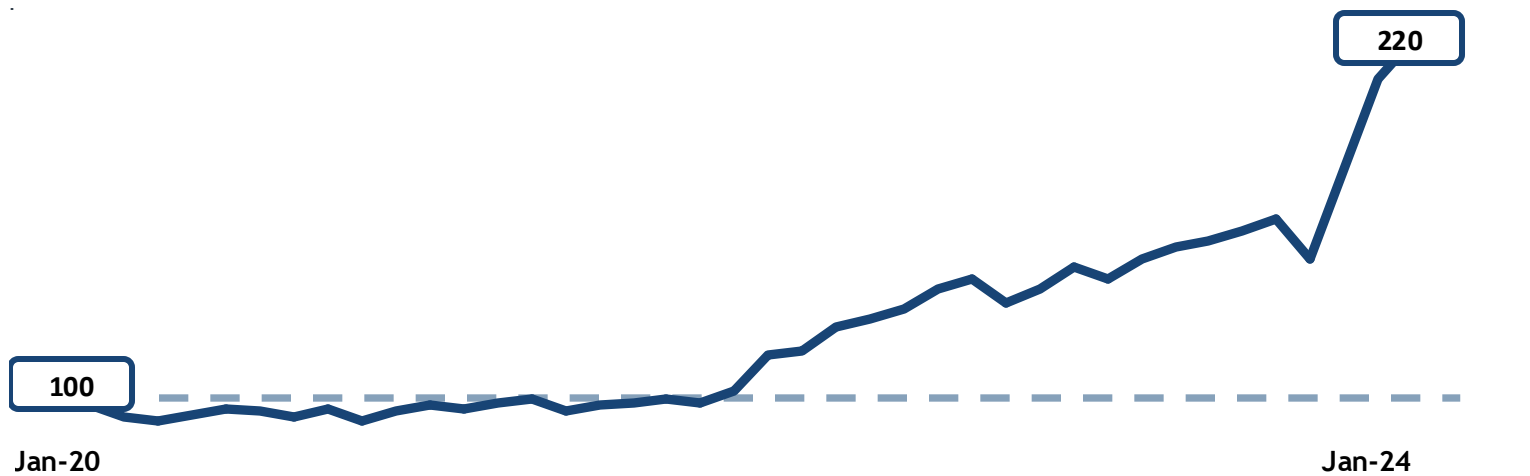
*Nearly all industries are looking to reduce / remove exposure to China*

*Onshoring is creating a once in a generation boom in US investment in industrial investment*

*Will continue to create longer lead times for key equipment, contractors, and basic materials*

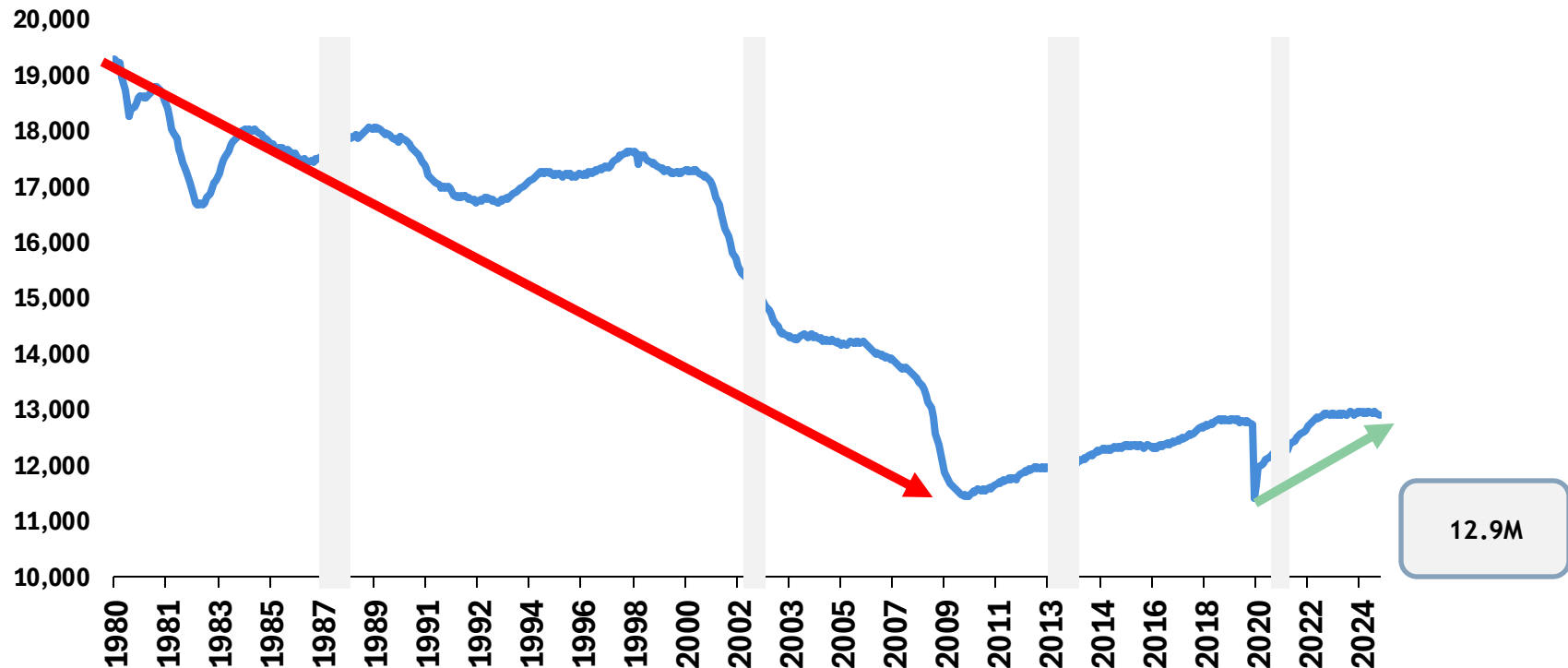
*We see continued demand and interest in building US based API, Sterile and Biologics facilities*

## Real Investment In US Manufacturing Structures



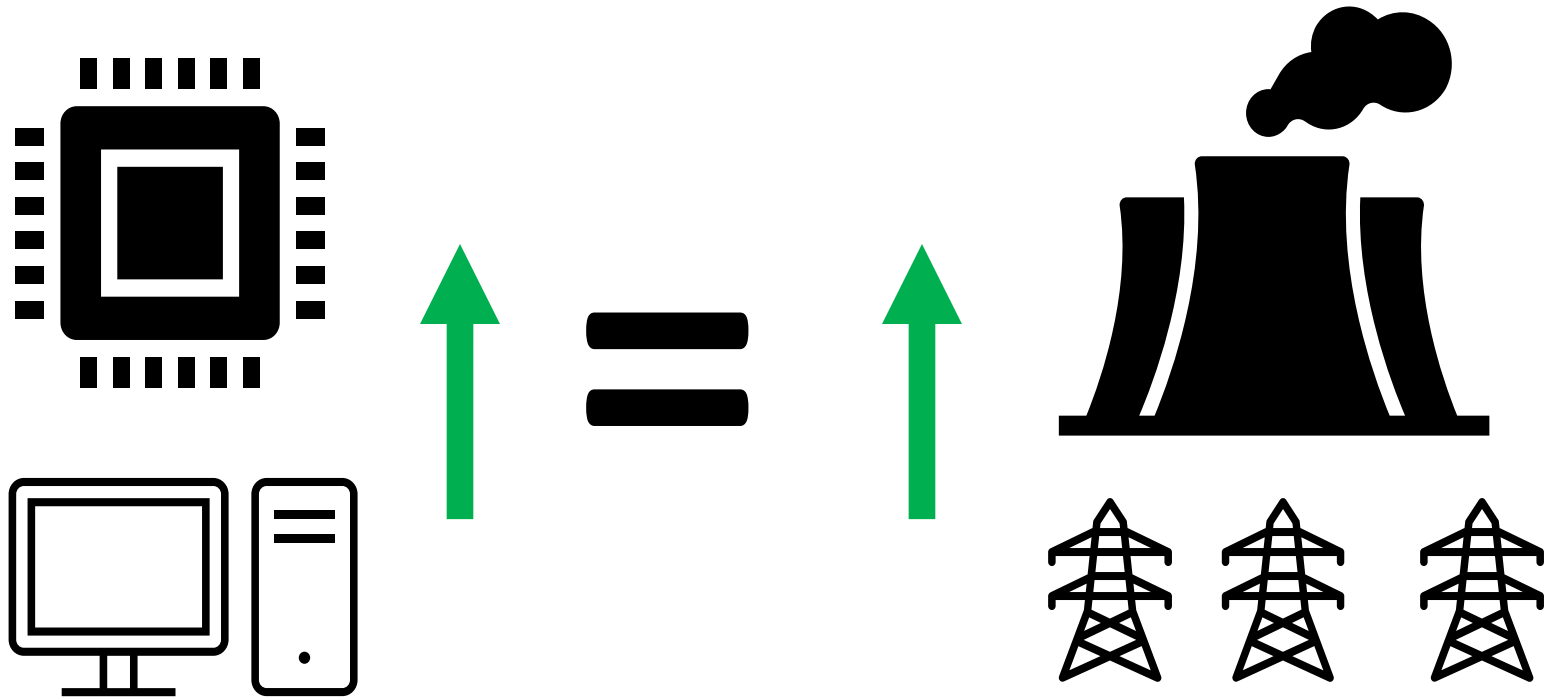
## #2: US Industrial Fixed Investment Boom

Average Number of U.S. Manufacturing Jobs



*The average number of U.S. manufacturing jobs has steadily declined from 1980 to 2000, but today there are more US Manufacturing Jobs than in 2019 and trending even higher*

# #3: AI, Data, Computational Power, Energy



# #3: AI Hardware Spending at 36% CAGR

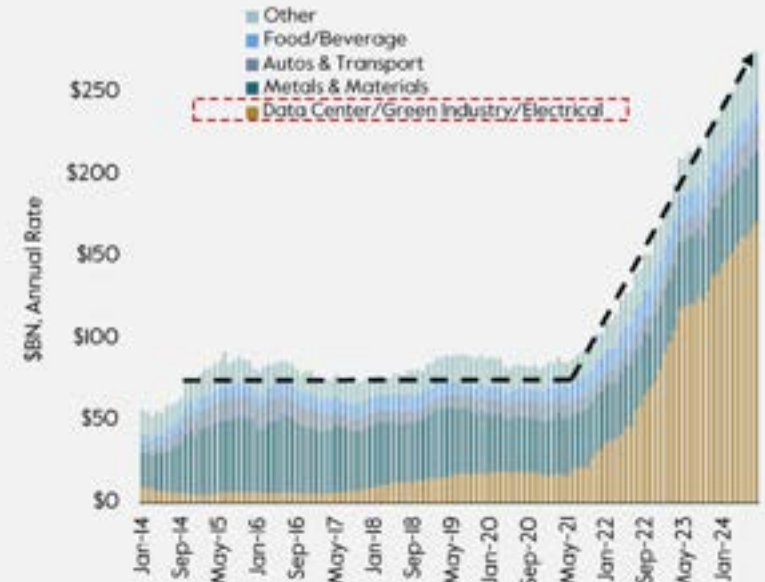
AI hardware spending is driving significant growth in energy demand and infrastructure investment

GPU / CPU Energy Requirements



As demand for AI is increasing, AI's demand for computing power is increasing. Increasing computational power drives demand for energy

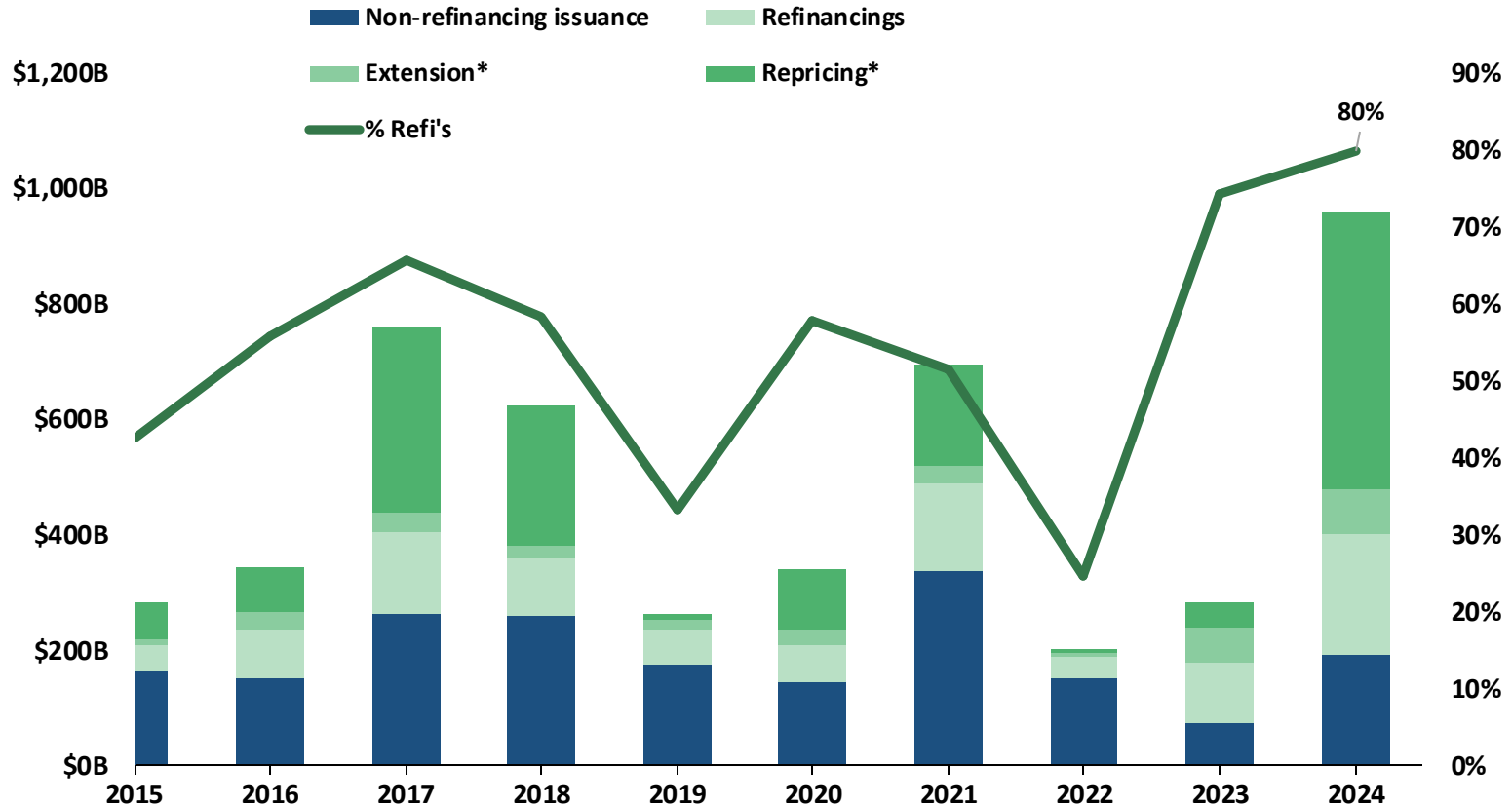
Annualized Value of US Fixed Assets Put-in-Place



Data Center and the demand for green energy is driving a once in a generation boom in fixed asset investment

# #4: Now is a Great Time to Refinance

Largest annual issuance and highest percentage of refinancings on record

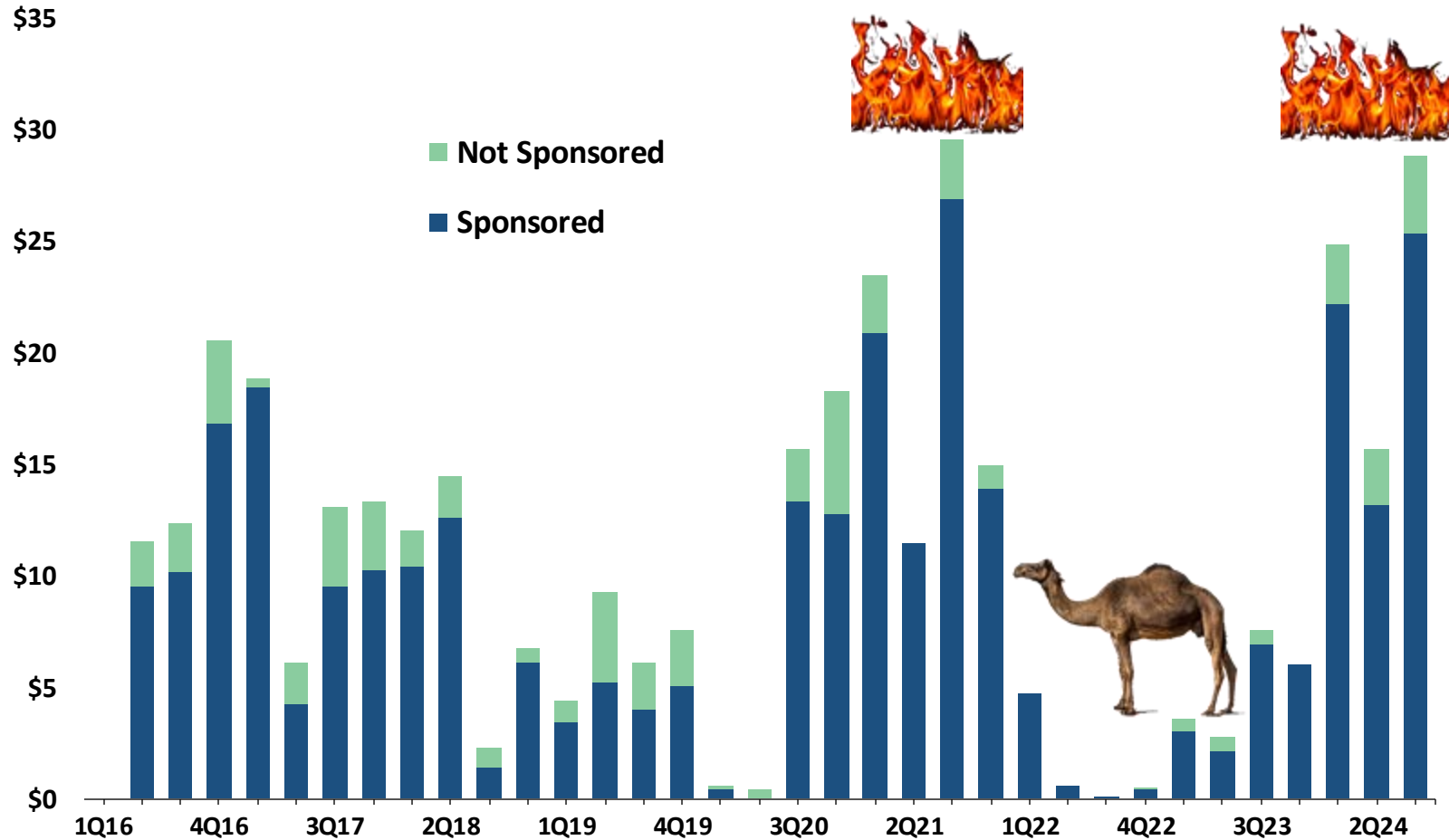


*Highest Refinancing Volume in Years: This trend marks one of the most active periods for refinancing among borrowers....ever*



# #5: Now is a Great Time for Div. Recaps

US Dividend Leveraged loan Volume (\$B)

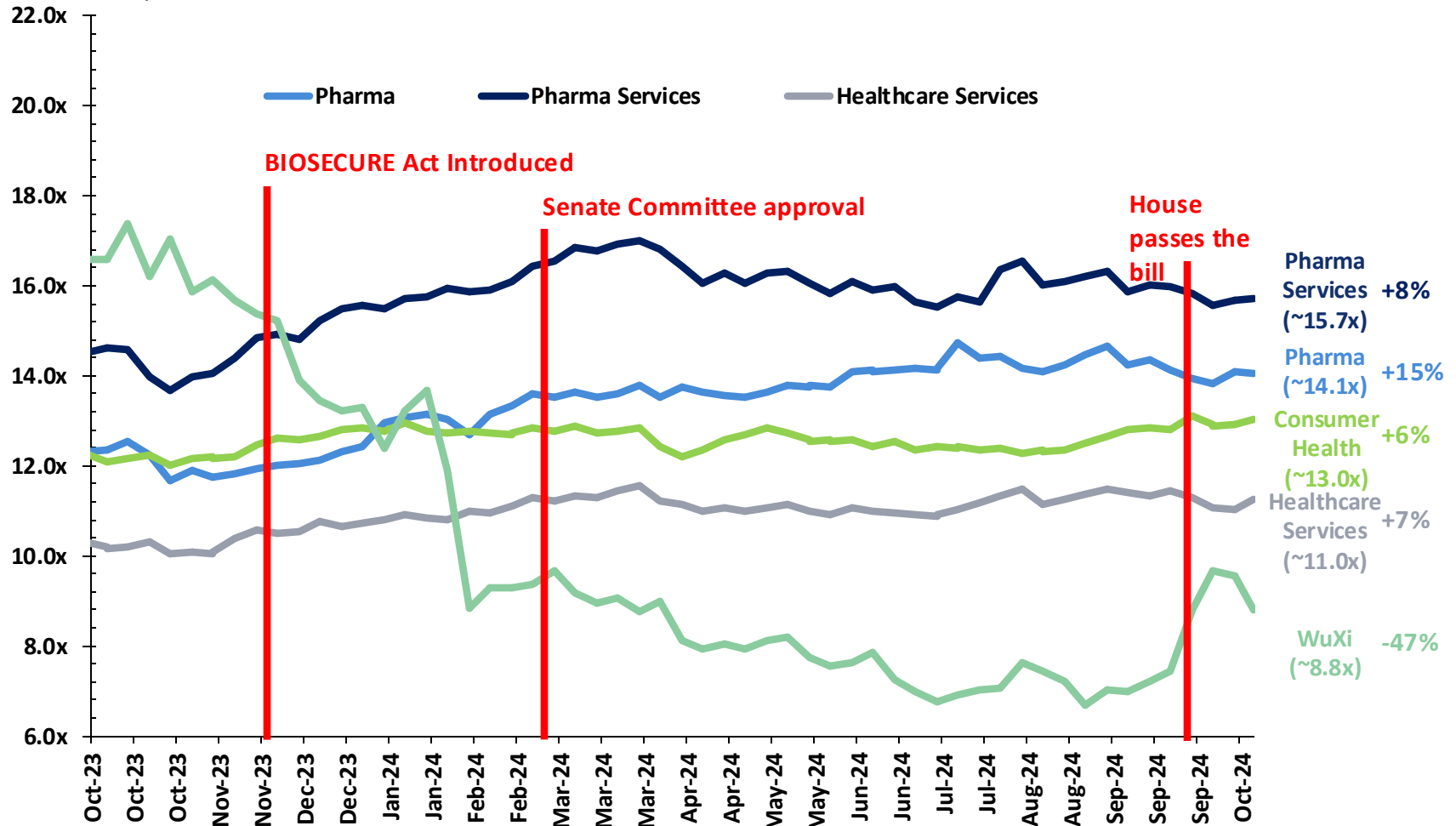


*September saw \$19B in volume, the highest single month ever smashing the previous high of \$13.4B in July of 2021*

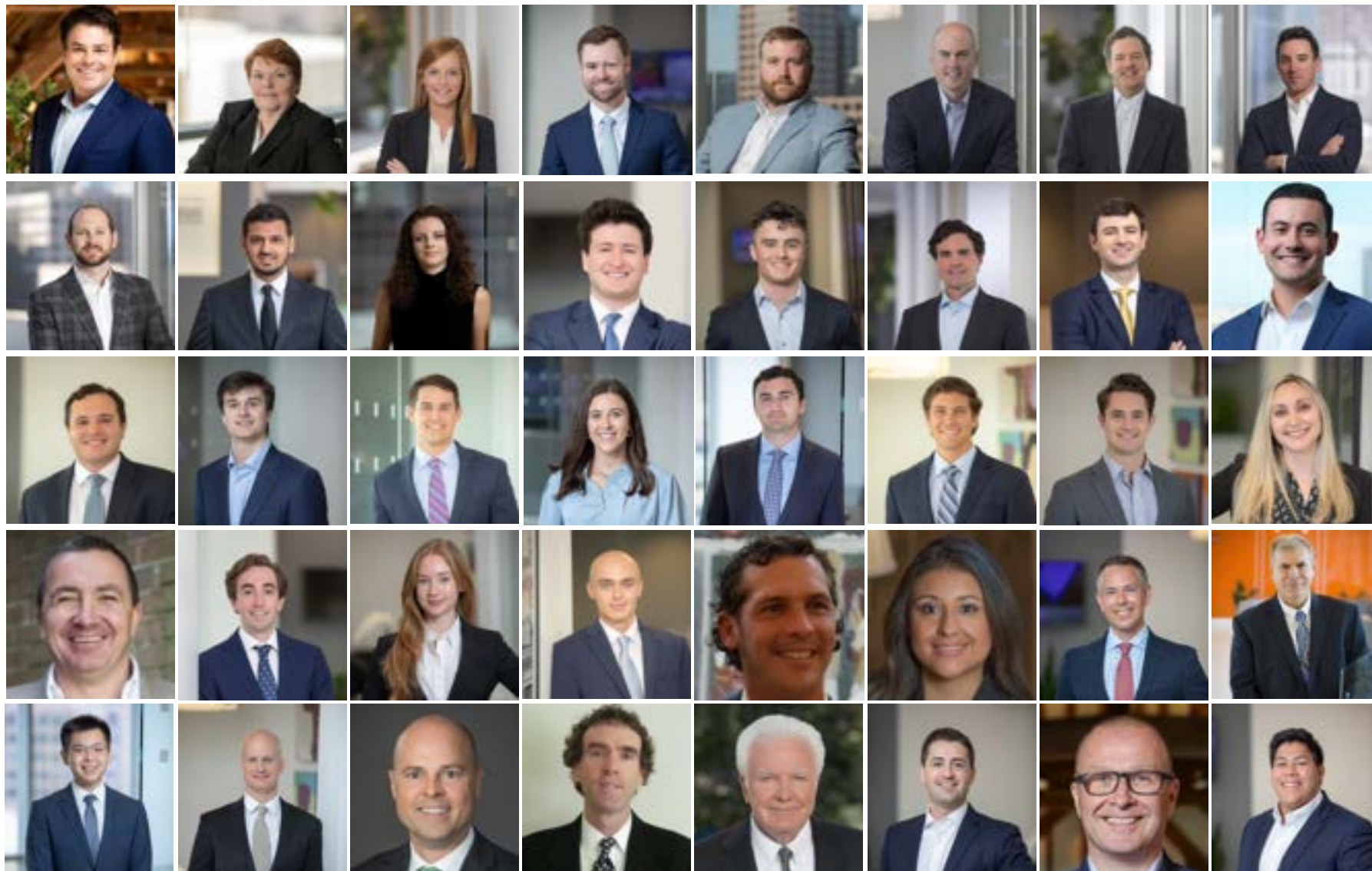
# Bonus: Valuation Trends - Since Our Last Summit

## Historical Total Enterprise Value / EBITDA (NTM) Multiples

*This past year our Pharma indices made the largest gains since our last summit and now trades a slight discount to our pharma services comp set and the S&P*



# Come Talk to Us





**Thank You For Your Time**





# Strategic Capital Update



Minor Hinson  
Bourne Partners Strategic Capital

# Bourne Partners Strategic Capital

Bourne Partners Executive Summit 2024



## Remembrance of Mr. Michael Kane

---



### **Michael Andrew Kane**

November 20, 1967 – September 22, 2024

He was a beloved son, father, husband, brother, uncle and friend  
who will be deeply missed by all who knew him.

# Bourne Partners Strategic Capital (“BPSC”)

Bourne Partners Strategic Capital is a private equity investment firm founded in 2000 and based in Charlotte, NC.

<b>100+</b> YEARS Combined Investing Experience	<b>15</b> INVESTMENTS Since Inception in 2000	<b>\$2.3</b> BILLION Total Equity Distributed Since Inception to BPSC & Partners	<b>&gt;8.0x</b> GROSS MOIC Total Equity Value of All Exited BPSC Investments	<b>15+</b> ADVISORS BPSC Executive-Level Operating Advisors	<b>24+</b> BPSC PE RELATIONSHIPS Key BPSC Private Equity Relationships
--	--	--	---	--	--

## BPSC Overview

PHARMA	PHARMA SERVICES	CONSUMER HEALTH & WELLNESS
--------	--------------------	----------------------------------

### Investment Criteria

**\$5 to \$500M** Revenue

**\$1 to \$50M** EBITDA

- ☒ Flexible on Size
- ☒ Strong Management
- ☒ Cashflow Positive
- ☒ Complex Situations
- ☒ BPSC Can Add Value
- ☒ Opportunities to Invest with PE Relationships

### Investment Strategy

#### Partnership

Align Interests and Add Value

#### Network

Leverage the BPSC Network

#### Operations

Provide Operational Support

#### Business Development

Organic and M&A Growth Strategies

## BPSC Investment Team



**Banks Bourne**  
Founder and CEO



**Minor Hinson**  
Head of Private Equity



**Bret Ploucha**  
Vice President

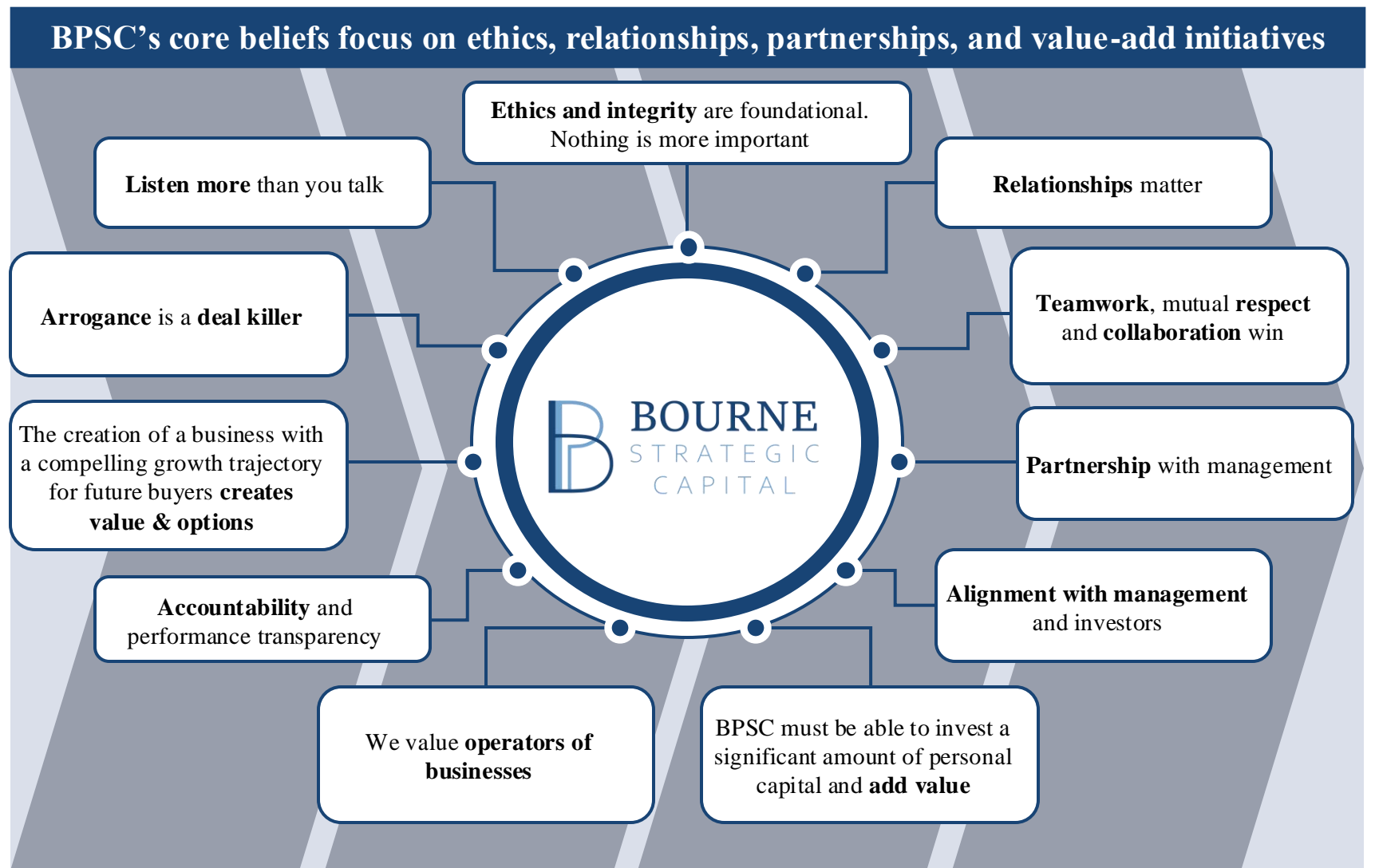


**Kush Patel**  
Associate



**Jon Chait**  
Analyst

# BPSC Core Beliefs and Success Factors



# BPSC Milestones Since the 2023 Executive Summit

BPSC has been Actively Involved in 35+ Deals Since 2023 CEO Summit



# Representative List of Advisors / Operating Executives Advising BPSC

## Longstanding relationships with industry veterans

- ☑ BPSC has been developing relationships in its key focus areas for over 20 years
  - Consistent calling effort: C-Level executives and business development teams in all core sectors
  - Strong sector relationships
- ☑ BPSC differentiates itself via its solid stable of executives that generate opportunities and add value to transactions
- ☑ The firm's advisors and operating partners are critical to BPSC's success and provide executive oversight, resource enhancement, and operational support

<b>Chris Arington</b> Prasco Laboratories	<b>Jamie Barickman</b> Carlin Consumer Health; InFirst Healthcare	<b>Paul Campanelli</b> BPSC Senior Advisor; Endo International	<b>Maria Carell</b> Essity; RG HoldCo	<b>Domenic Ciarico</b> PAI Pharma; Endo International
<b>Scott Emerson</b> The Emerson Group	<b>Eric Evans</b> MedPharm; Alcami Corporation	<b>Dr. Ella Grach</b> Eximia Research; Wake Research	<b>John Gregory</b> King Pharmaceuticals	<b>Derek Hennecke</b> Microsize; Kincell; AVS Bio; Inceptor Bio
<b>John Howard</b> Irving Place Capital	<b>Bill Humphries</b> Alcami Corporation; Isosceles Pharma	<b>Brett Ingersoll</b> Cerberus Capital	<b>Steve Jenkins</b> Beach Pharmaceuticals	<b>Bruce Montgomery</b> BPSC Senior Advisor; Carlin; Fleet Labs
<b>Kurt Orlofski</b> PAI Pharma; G&W Laboratories	<b>Brandon Rockwell</b> PAI Pharma; Endo International	<b>George Svokos</b> Avet Pharmaceuticals; Curia (AMRI)	<b>Pat Walsh</b> Alcami Corporation; ANI; MedPharm	<b>Bud Watts</b> The Carlyle Group

**Central to BPSC's model and a key firm principal driving outsized growth and value creation**

# BPSC Portfolio Company Track Record

BPSC has invested directly in 15 companies (11 proprietary). 10 portcos are currently active (5 exited companies).

## BPSC Representative Investments Overview

 <i>have invested in</i>  Status: Current Holding Process: Broken Process	 <i>has invested in</i>  Status: Current Holding Process: Proprietary	 <i>have invested in</i>  Status: Current Holding Process: Limited Auction	 <i>have invested in</i>  Status: Current Holding Process: Auction	 <i>have invested in</i>  Status: Current Holding Process: Proprietary
 <i>have invested in</i>  Status: Current Holding Process: Proprietary	 <i>have invested in</i>  Status: Current Holding Process: Proprietary	 <i>have invested in</i>  Status: Current Holding Process: Proprietary	 <i>has established</i>  Status: Current Holding Process: Founded by BPSC Outcome: Long-Term Hold	 <i>have invested in</i>  Status: Current Holding Process: Auction
 <i>have invested in</i>  Process: Proprietary BPSC founded with Mgt.	 <i>and</i>  <i>have invested in</i>  Process: Auction	 <i>has invested in</i>  Process: Proprietary	 <i>and</i>  <i>have invested in</i>  Process: Proprietary	 <i>has invested in</i>  Process: Proprietary

## Other BPSC PE Relationships



- Proprietary or Broken Process
- Exited Investment



# Select Portfolio Company Updates



**Minor Hinson**  
Strategic Capital Update  
1:00 – 1:15 PM



**Minor Hinson**  
Strategic Capital Update  
1:00 – 1:15 PM



**Dr. Ella Grach, CEO**  
What's Next For Clinical Trials?  
1:20 – 1:50 PM



**Travis Allen, Interim CEO**  
American Injectables  
2:40 – 2:55 PM



**Paul Campanelli, Chairman**  
Pharmaceutical Associates Inc  
4:50 – 5:05 PM

# MedPharm

Bourne Partners Executive Summit 2024

























MedPharm

# MedPharm Overview



MedPharm is a global contract, development and manufacturing organization that provides topical and transdermal design, formulation development and small batch manufacturing capabilities.

BPSC Investment Timing	1Q 2024	BPSC PE Partner	 Ampersand
Investment Thesis	Delivery Route Expertise	Dosage Form Expertise	
1 Differentiated Platform with Expertise in Topical and Transdermal Drug Delivery Systems	 Skin  Ear  Nail	  	
2 Global Platform with State-of-the-Art Facilities in the United States and the United Kingdom	 Respiratory  Nasal  Eye	Semi-Solids Creams Gels Ointments           Liquids Solutions Suspensions Emulsions           Specialty Transdermal Aerosols Devices	
3 Pat Walsh Installed as Executive Chairman of the Board and High-Quality and Proven Investment Partner	Delivery Formats	Therapeutic Areas	
4 Strong Suite of Scientific Innovations and Proprietary Technologies with Exemplary Regulatory Track Record	 Aerosols  Bottles  Jars	  	
5 Expand Manufacturing Capabilities to Offer a Full Service CDMO to Commercial Partners	 Inhalers  Patches  Tubes	  	

# Key Update: MedPharm Merger with Tergus (2Q24)

MedPharm



*This merger creates a diversified, full service CDMO offering a robust suite of services from scientific formulation and development to commercial manufacturing*

MedPharm



## Legacy MedPharm Core Capabilities:

Formulation & Process Development

Topical Performance Testing

Scientific Innovations & Proprietary Technologies

Small-Scale GMP Manufacturing

Two State-of-the-Art Facilities in the US and UK

Exemplary Quality & Regulatory Track Record



## Legacy Tergus Key Capabilities:

Previously a Competitor

Full Commercial Scale Manufacturing

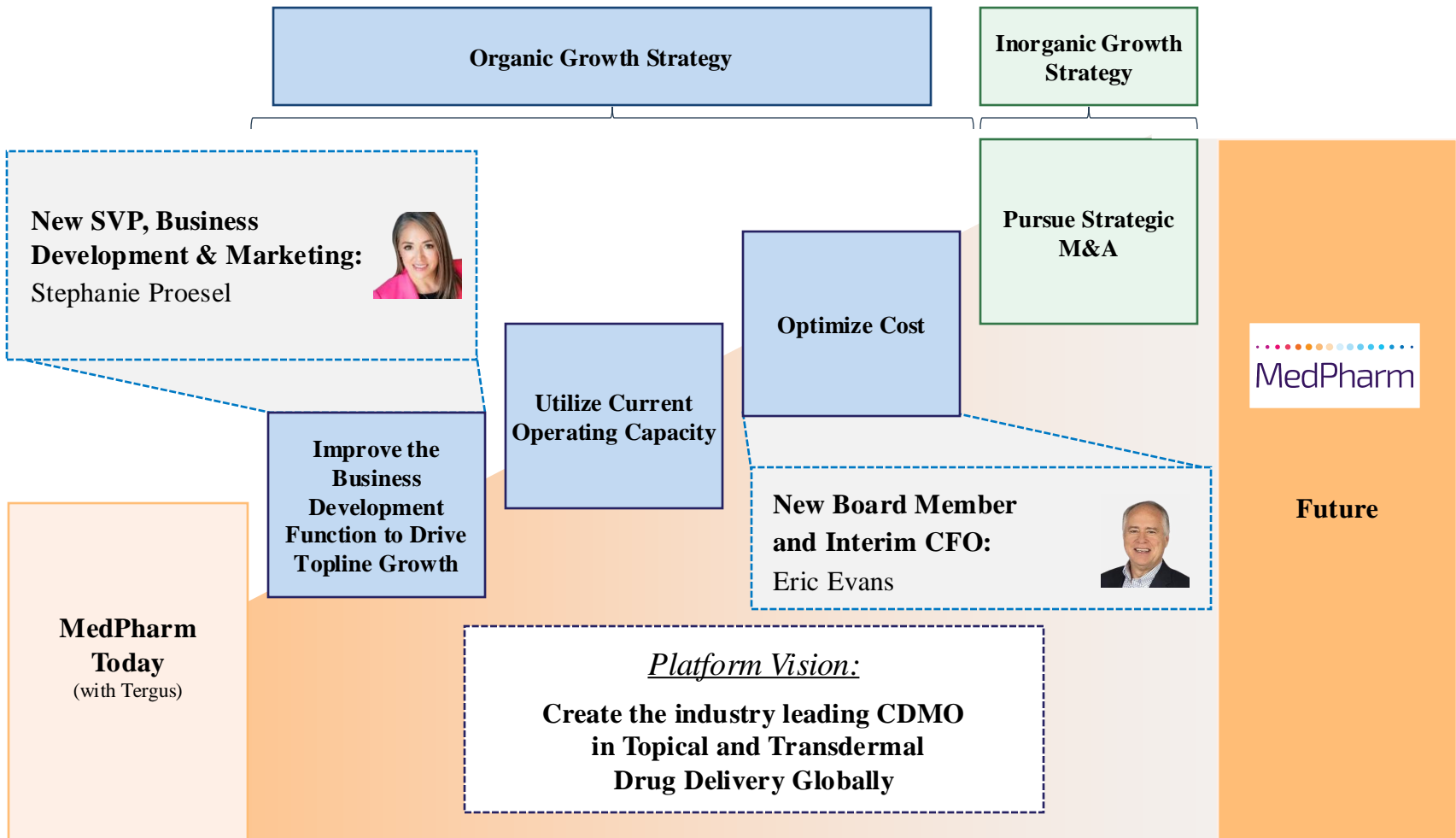
- Compounding
- Hormone & High Potency
- Filling, Packaging & Serialization

One State-of-the-Art 100k sq. ft. FDA approved GMP facility in Durham, NC

**MedPharm is poised to become the industry leading dermatology-focused CDMO**

# The MedPharm Vision and Value Creation Strategy

## MedPharm Value Creation Plan





# MedPharm Board of Directors



**Pat Walsh**

*Executive Chairman  
As of January 2024*



**Eric Evans**

*Board Member  
As of September 2024*



**Amit Patel**

*Board Member  
As of June 2024*



**Minor Hinson**

*Board Member  
As of January 2024*



**Dave Parker**

*Board Member  
As of March 2018*



**Trevor Wahlbrink**

*Board Member  
As of March 2018*



**Eddie Hjerpe**

*Board Member  
As of June 2024*



# Carlin Consumer Health

Bourne Partners Executive Summit 2024



# Carlin Consumer Health Overview



Carlin Consumer Health is a pre-eminent consumer health platform that is uniquely positioned to acquire leading over-the-counter healthcare brands.

**BPSC Investment  
Timing**

**1Q 2022**

**BPSC Partner**



## Investment Thesis

- 1 Identification of the Consumer Health Sector as an Attractive Market and formed Daybreak Consumer Care with The Emerson Group**
- 2 Incredibly Fragmented Market Ripe for Consolidation and A&P Investment Supporting Brand Growth**
- 3 Strong Management Team backed by Experienced and Proven Private Equity Investment Partner**
- 4 Attractive Financial Profile and Multiple Expansion as the Platform Grows**
- 5 Increased Consumer Focus On Health and Wellness Accelerated by Covid-19**

## Current Carlin Consumer Health Categories



Pediatric Gastro



Gastro / Heartburn



Topical Analgesics

## Strong Relationships with Key Retail Partners



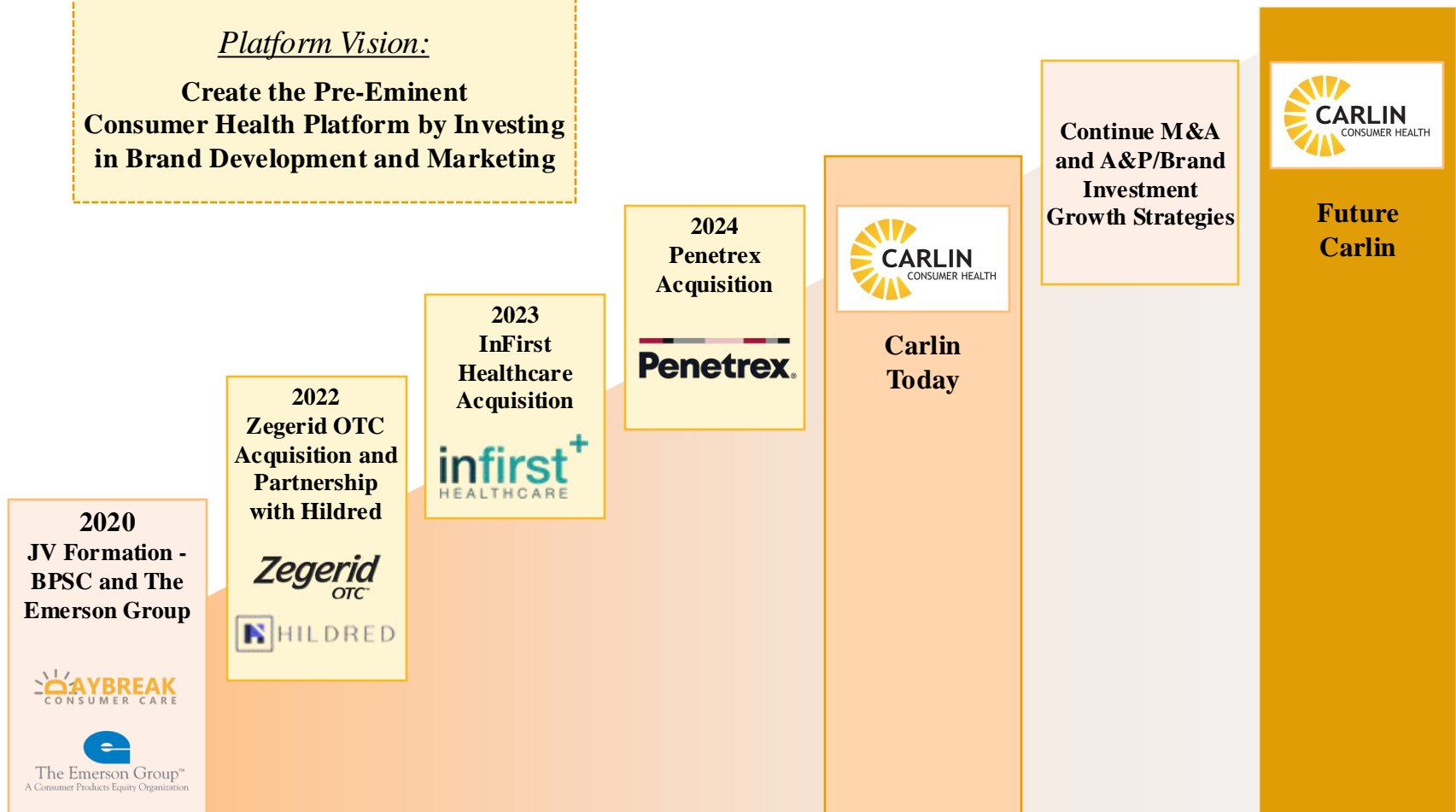
# The Carlin Vision



## Carlin Value Creation Plan

### Platform Vision:

**Create the Pre-Eminent  
Consumer Health Platform by Investing  
in Brand Development and Marketing**





BOURNE  
STRATEGIC  
CAPITAL





## Patient Centricity, Innovative Technology, and Site Engagement: What's Next for Clinical Trials?



**Ella Grach**  
**Eximia Research**



**Moisha Platto**  
**Scout Clinical**



**Jake Curtis**  
**Bourne Partners**



# Networking Break 1

1:55 PM – 2:40 PM





# Portfolio Company Update:

## American Injectables



Travis Allen  
American Injectables

# American Injectables

2024 Bourne Executive Summit  
Bourne Partners Strategic Capital



## Who We Are

- U.S.-based CDMO specializing in sterile injectables
- Focus on vials, syringes, and expanding into cartridges
- FDA-registered GMP facility with new plant and equipment
- End-to-end solutions: formulation to fill-finish manufacturing to secondary packaging and serialization



# Where We Are Now

---

- Three buildings
  - Fill-finish
  - Packaging and warehouse
  - Development lab and QC lab
- Site Approval imminent
  - Client orphan product approval date: Jan 2025
  - FDA site inspection by year end
- Focus on small molecules, clinical supply, and small to medium batch commercial products





# Our Board and Leadership



Subhanu Saxena  
*Chairman*



Paul Campanelli  
*Board Member*



Greg Parekh  
*Board Member*



Carlo De Notaristefani  
*Board Member*



Travis Allen  
*Interim CEO*



Ben Boling  
*COO*



Brittany Siqueiros  
*SVP BD*



Yoarrys Rivera  
*QA Head*



# Where We Play

---

- Small molecule space
  - Including peptides
- NDA, 505(b)(2), 505(j)
- Formulation optimization
- Concept to Commercial
  - Formulation, engineering, compounding, filling, inspection, labeling, packaging, serialization)
- Small to medium batches (up to 1000L)

# Our Edge



## The Team

Our team is carefully selected for cultural, skills, and personality fit



## Transparency

Open communication and full visibility



## Timing

Fastest to start and finish customer projects



## True Partners

We embed with our client's team to solve challenges and execute



# Our Vision

- Secure US drug supply chain
- Be the benchmark for CDMO execution
- Expand footprint and capabilities
- Harness Pharma 4.0

# American Injectables



**Travis Allen**

Interim CEO

[travis@americaninj.com](mailto:travis@americaninj.com)



# Capital Markets Update



Jeremy Johnson  
Bourne Partners





# Capital Markets Update

---

Bourne Market Report  
2024

# Welcome

*Jeremy  
Johnson*



*Senior Managing Director,  
Head of Investment Banking*

**“Working with great people and great  
companies to achieve extraordinary results”**

## Table of Contents

---

**I** **What's on Our CEO's Minds**

**II** **Debt, Equity and M&A**

**III** **Healthcare Market Outlook**

**IV** **Survey Analysis**

An overhead, top-down view of three business professionals sitting around a dark wooden conference table. The man at the top is wearing a dark suit and is looking down at a document. The woman on the right is wearing a white blouse and is also looking at a document. The man at the bottom is wearing a light blue shirt and is typing on a laptop. The table is cluttered with various items including papers, a pen, a coffee cup, and a smartphone. A horizontal line is drawn across the middle of the image, just above the title text.

# I. What's on Our CEO's Minds

# 3rd Annual Bourne Partner's CEO Survey

## Summary Profile of Survey Participants:

*We surveyed...*

**52**

Survey Participants

**23**

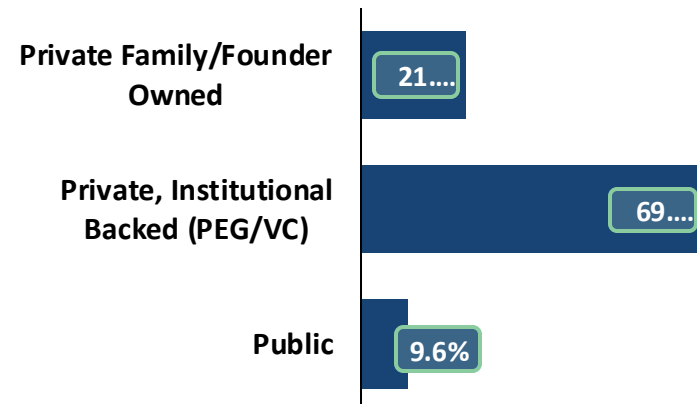
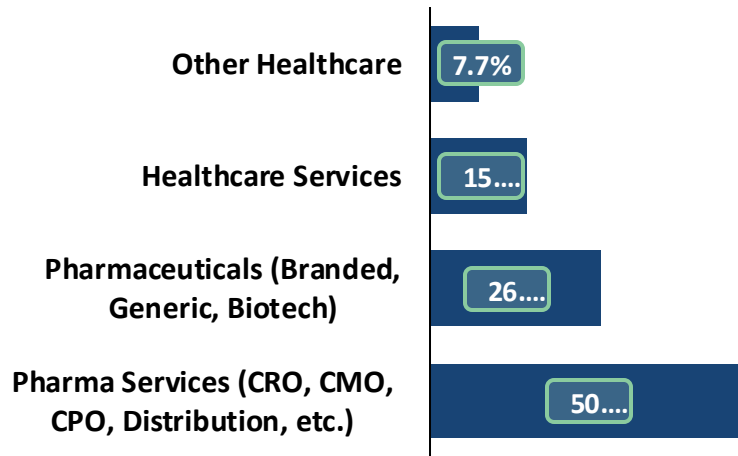
Sub-\$10M EBITDA

**94%**

CEO, President, COO, CFO,  
or Board Member

**26**

Greater-\$10M EBITDA

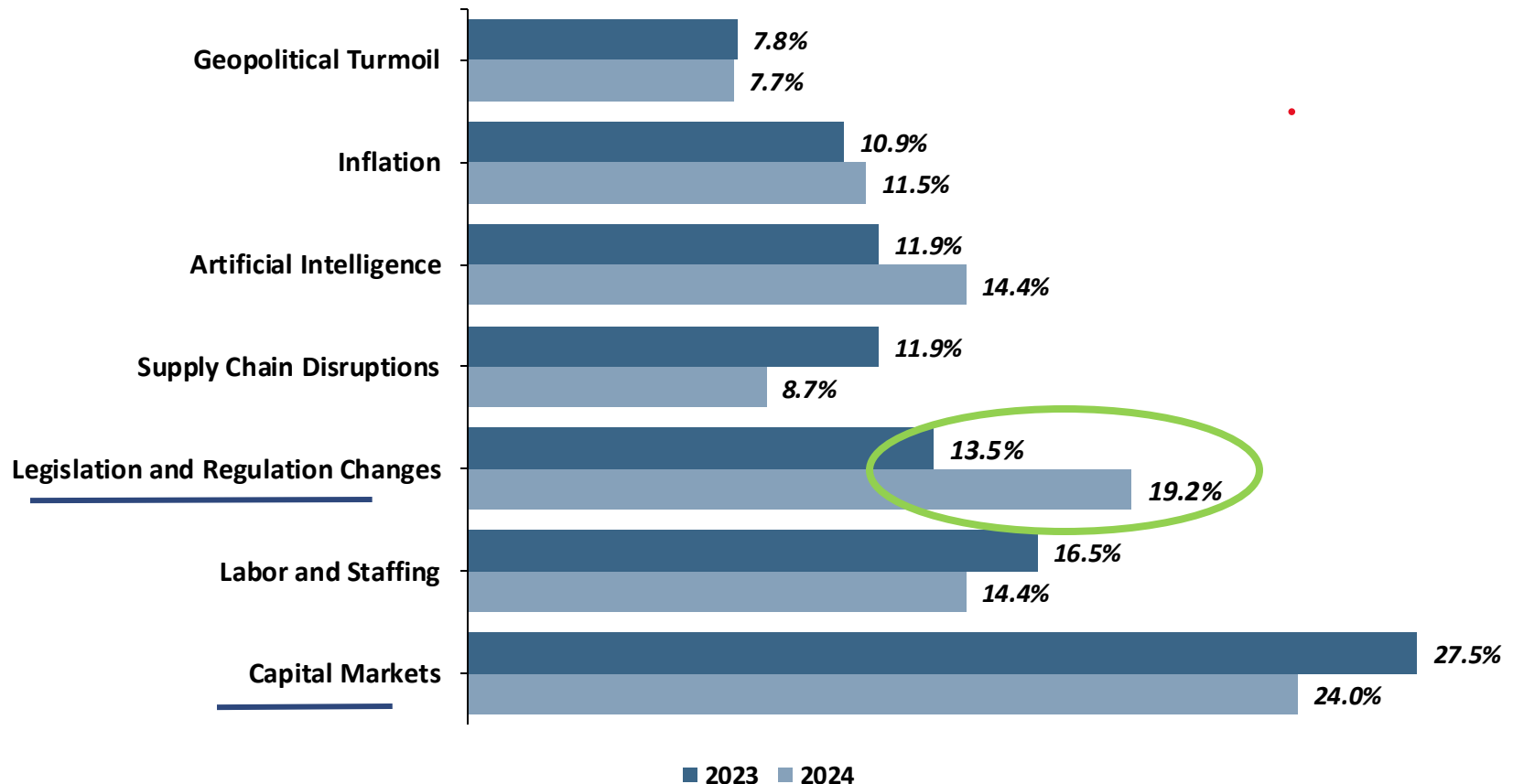


# Cost of Capital is Top of Mind

The Bourne CEO Survey shows that capital markets and cost of capital are top of mind, with legislation and regulation changes making a significant jump in year over year results

*We surveyed...*

What is top of mind for your business today?





An overhead photograph of three business professionals in an office setting. A man in a dark suit is at the top, looking at a document. A woman in a white blouse is on the right, also looking at a document. A man in a light blue shirt is at the bottom, typing on a laptop. The desk is cluttered with papers, a coffee cup, and a smartphone. A horizontal line is drawn across the middle of the image, just above the title.

## II. Debt, Equity and M&A

# Key Theme for Private Equity in 2024...

## *“Hunting for Quality”*



*In 2023, the theme was “Discipline”, as PE firms focused on caution due to rising rates and economic uncertainty*

*The aftermath of risky bets forced many funds to rethink aggression*

*For 2024, the focus shifted to “Quality”*

*PE firms are more selective, targeting assets with strong fundamentals and long-term value*

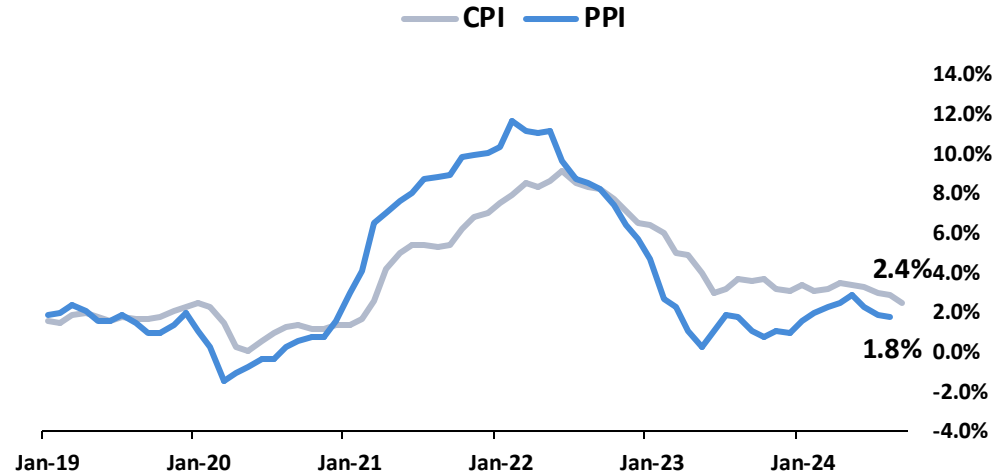
*With high levels of dry powder, funds seek high-quality investments that can weather uncertain times*

# Inflation Has Been Tamed

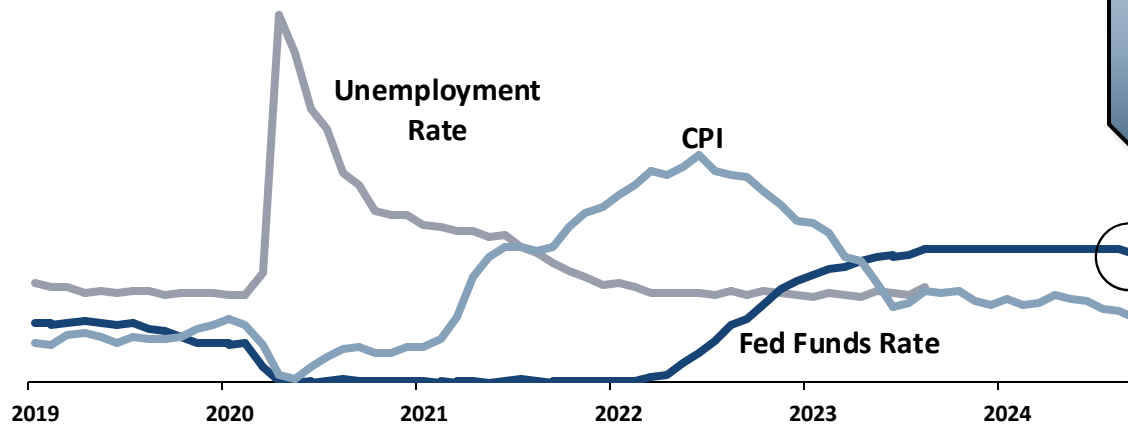
## Inflation Still Runs Above Historical Averages, Despite Aggressive Federal Policies

*As of September 2024, the U.S. CPI has increased by 2.4% over the last 12 months, a slight decrease from the previous period but still higher than the Fed's 2% target*

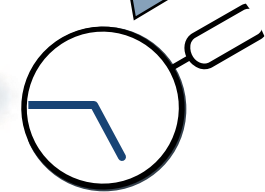
*PPI stands at 1.8%, reflecting continued but moderate price pressures in the producer markets*



## After One of the Most Aggressive Hiking Cycles in Over 50 Years, The FED Pivots



*The initial rate cut signals a potential shift in policy, aimed at stabilizing the economy*



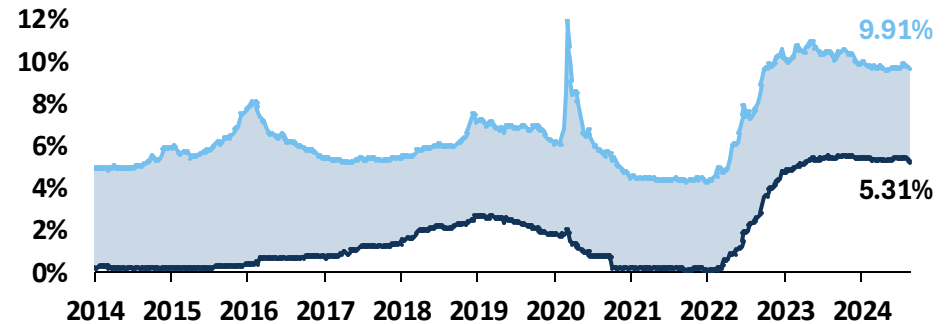
# Rates and Spreads Continue to Fall

Spreads Have Dropped Along with Overall Yields, Bringing Average Yields Back Below Double Digits

*Spreads and yields spiked in 2020, and then steadily rose during the cycle of rate hikes from 2022-2023*

*Yields peaked in 2023, but have recently come back down below 10% as spreads have narrowed*

Yield to Maturity for B-Rated Loans



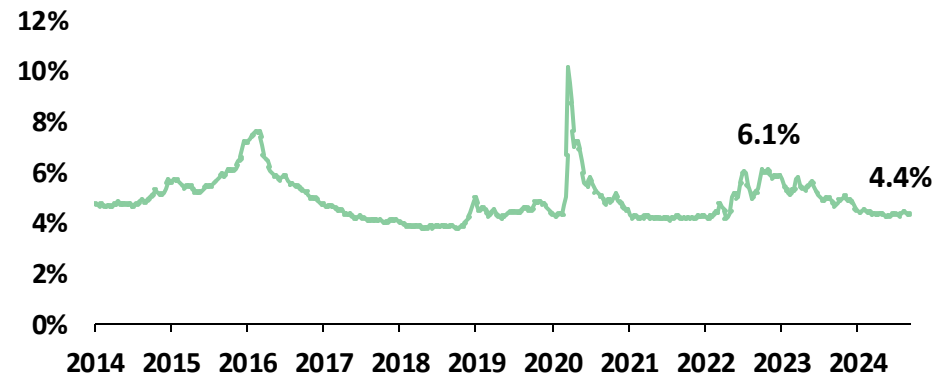
Spread to maturity

Decline in Spreads May Indicate Greater Stability and Lower Perceived Risk

*The spread to maturity has fallen from a peak of 6.1% to 4.4%, reflecting improved credit conditions and investor sentiment*

*The consistent decline in spreads suggests greater market stability and a shift towards lower-risk expectations*

Spread to Maturity for B-Rated Loans

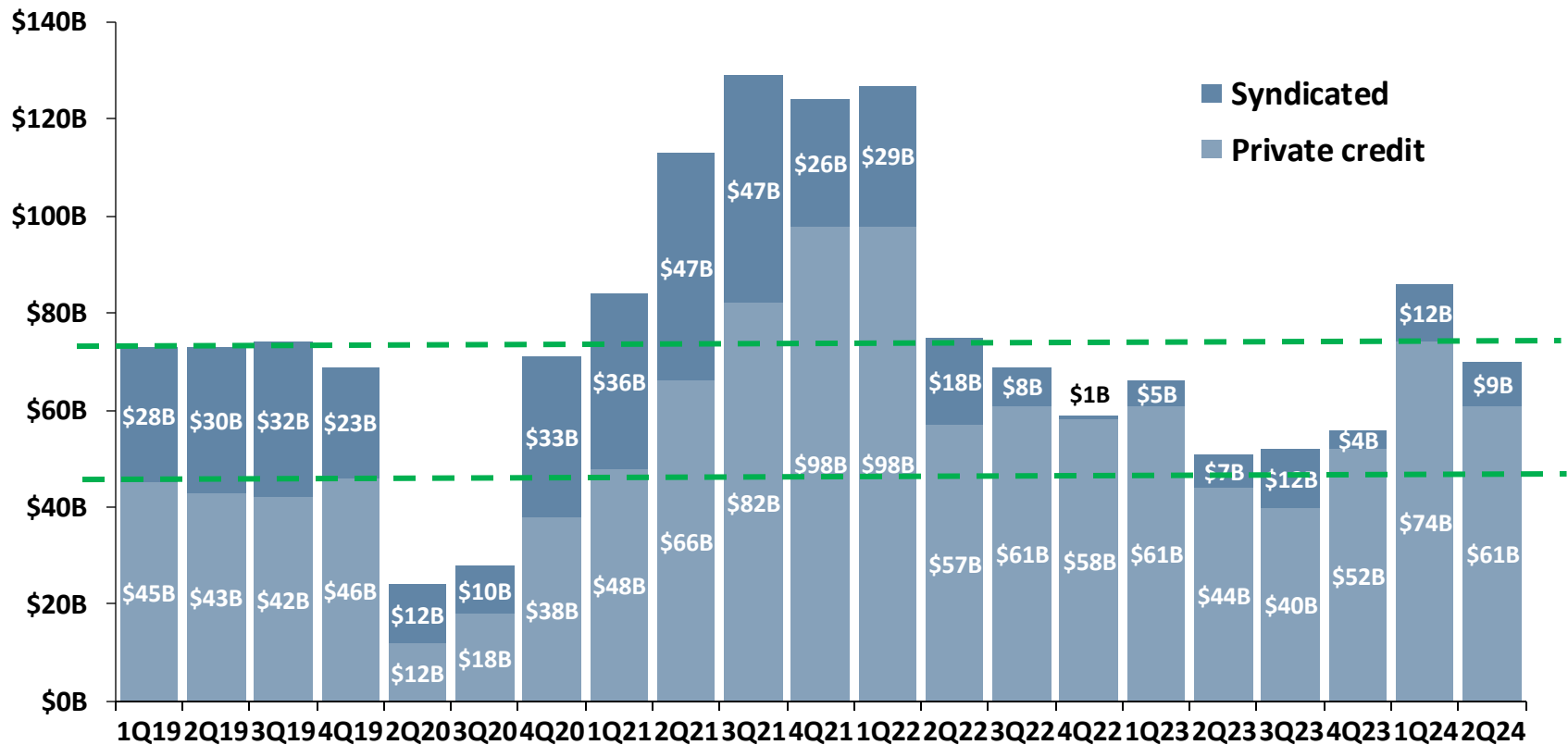


Spread-to-maturity

# New Issuances Remain Resilient

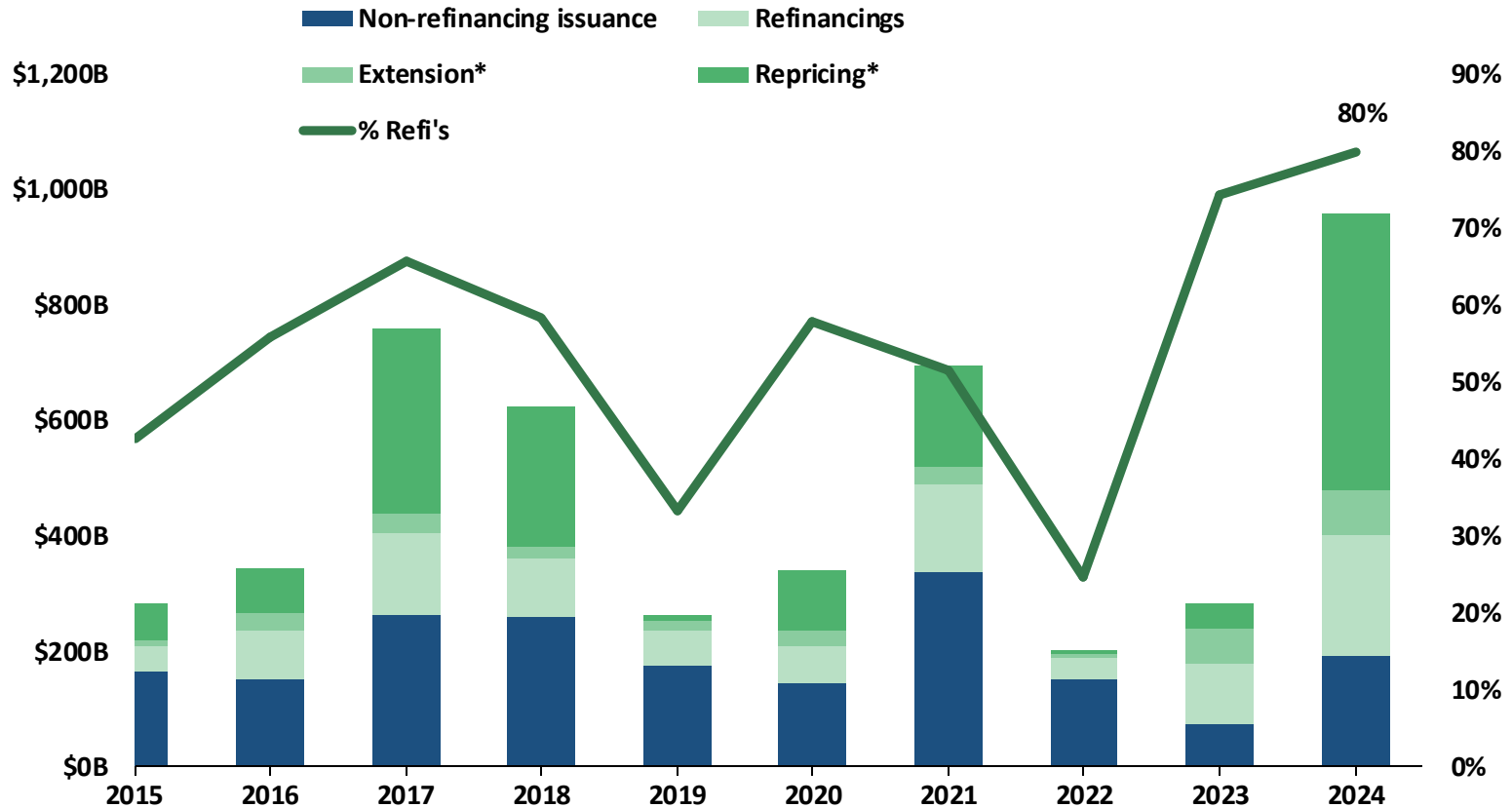
As syndicated loan markets have seen periodic slowdowns, private credit has stepped up to provide critical financing for leveraged buyouts, ensuring continued deal momentum

Total issuance of LBO Financing Syndicated vs Private Credit



# Now is a Great Time to Refinance

Largest annual issuance and highest percentage of refinancings on record



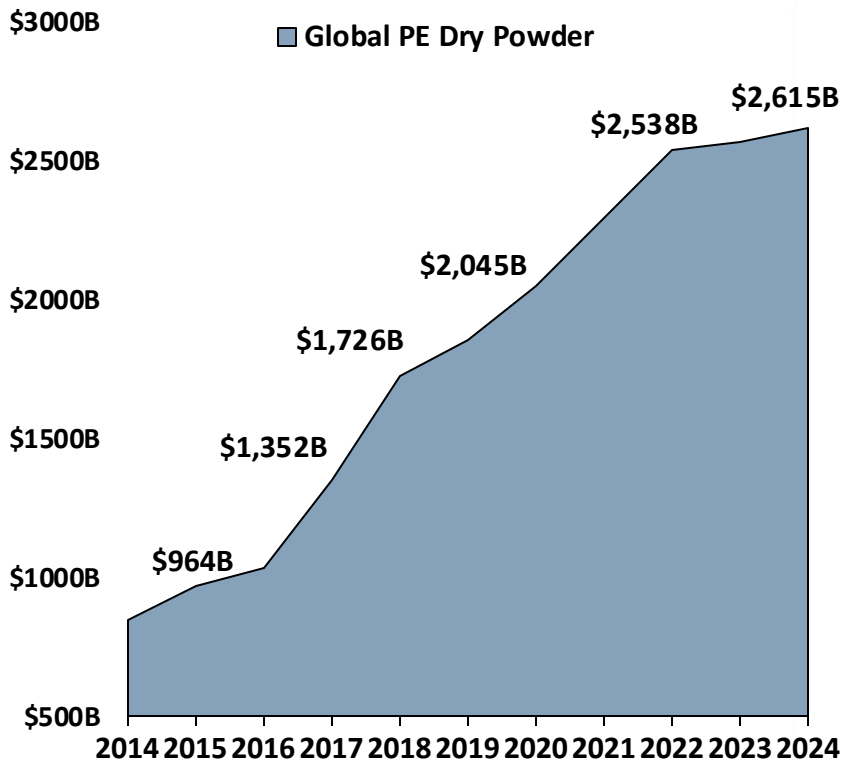
*Refinancing volumes are at their highest in years, marking one of the most active periods for borrowers ever*



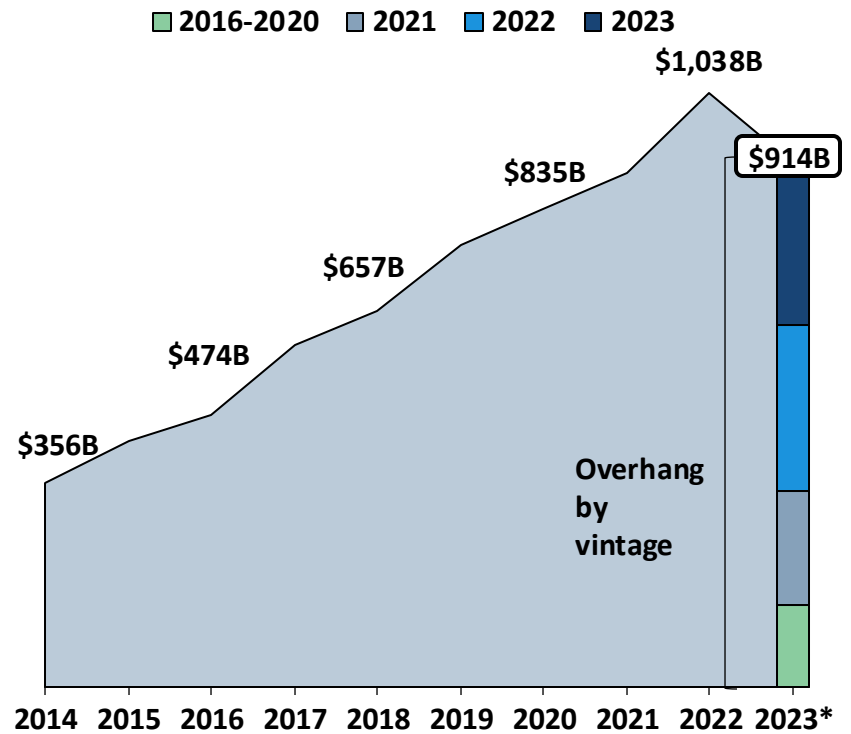
# Monumental Amounts of Dry Powder

Global Private Equity Dry Powder is at all-time highs, driving the hunt for quality and holding valuations high

## Total Global Cumulative PE “Dry Powder”



## Total US PE Cumulative Capital Overhang “Dry Powder” By Vintage (\$B)



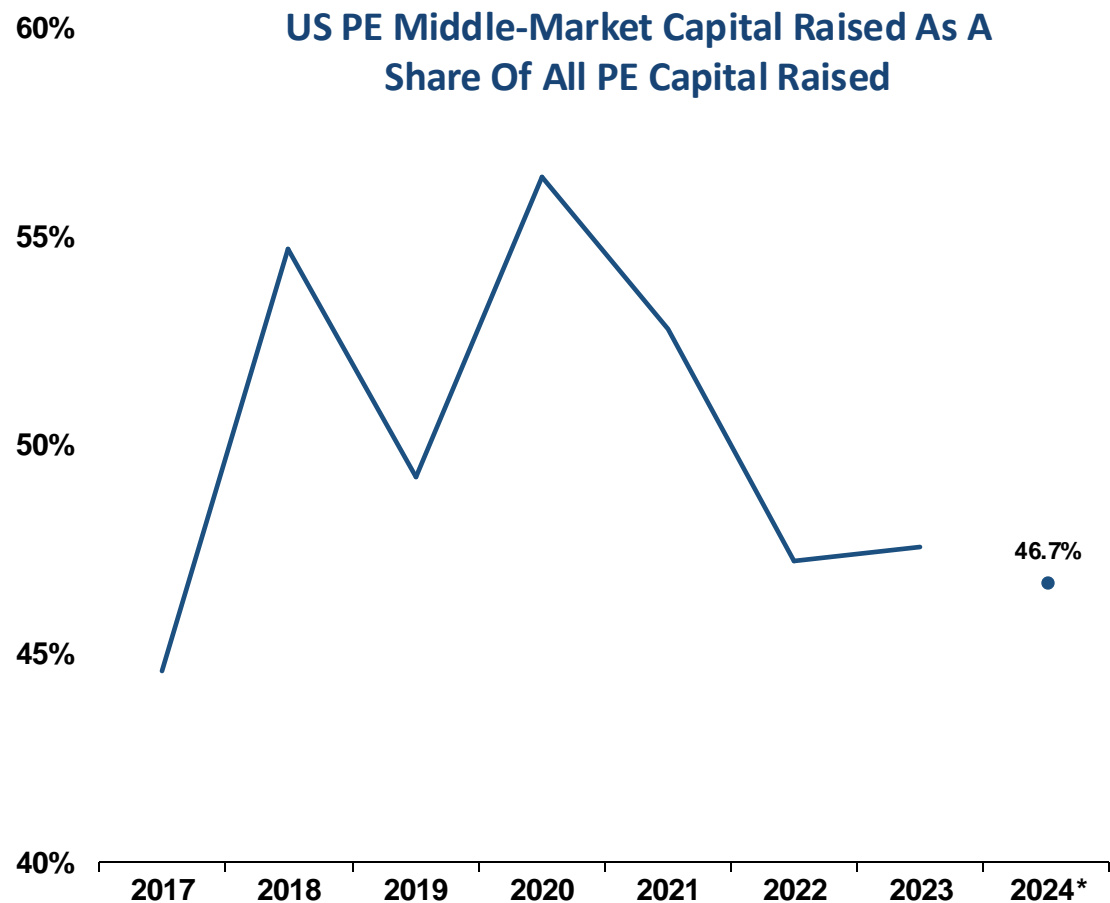
# MM Fundraising has Outperformed Others

Middle market funds have emerged as key performers, capturing a growing share of capital raised, driven by their consistent outperformance

Middle market funds have had much more success raising and closing funds this year, as mega fund fatigue sets in

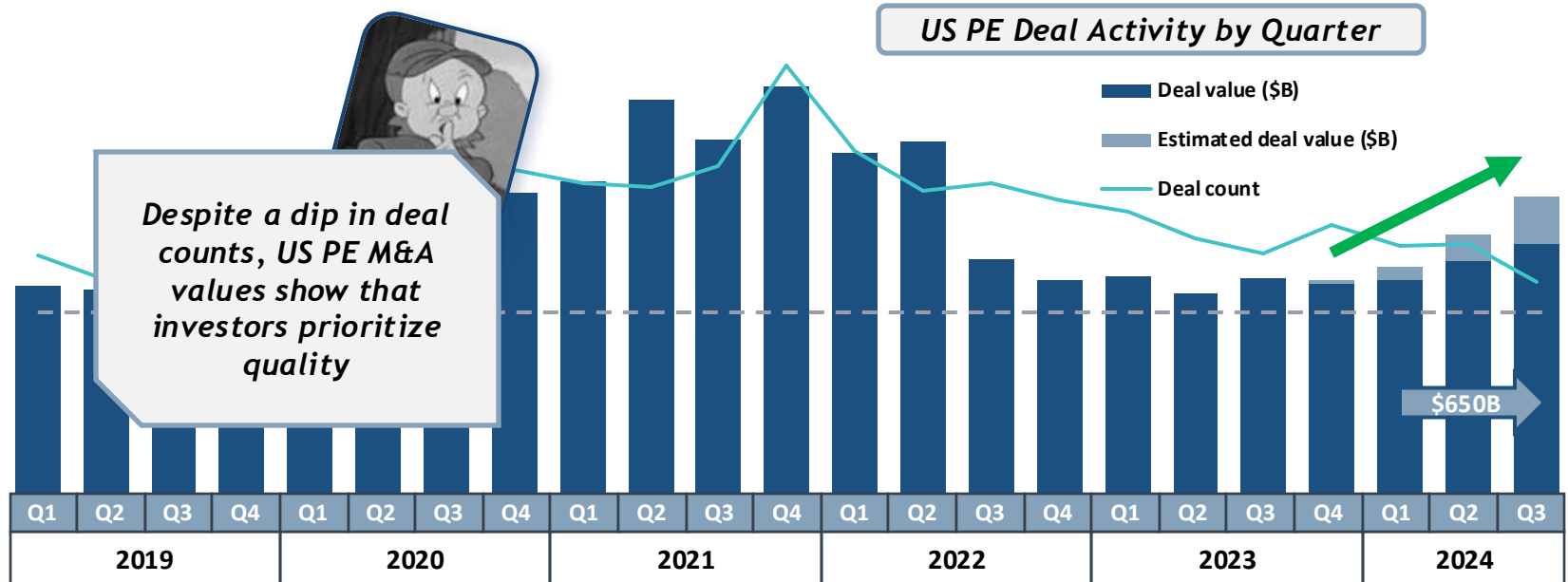
As of September, just under 50% of all capital secured by closed funds were middle market funds, **furthering demand for MM PE deals**

This is largely due to middle market fund outperformance since 2021



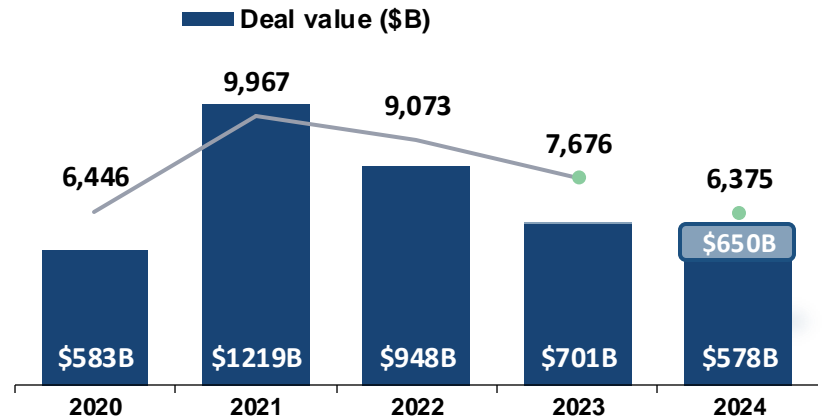
# The Hunt for Quality M&A Opportunities

Investors are **cautiously** returning to the market after a challenging two years marked by economic uncertainty and fluctuating valuations



Although deal count remains below peak levels, the current market environment suggests investors are more selective, prioritizing quality assets and long-term value creation over volume

However, PE firms flush with dry powder **remain disciplined** in pursuit of quality targets, anticipating more favorable conditions to drive growth initiatives

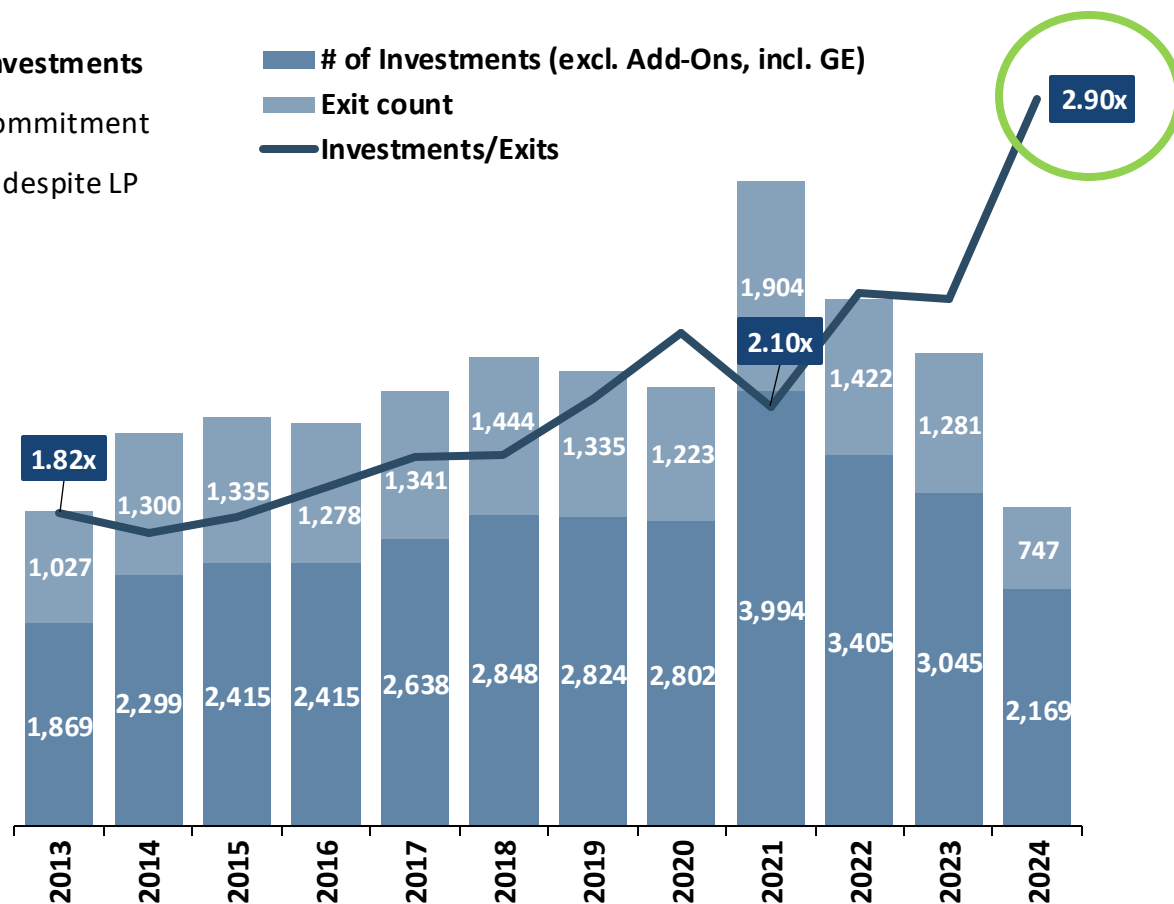


# PE Firms Deploying Capital Faster Than Exits

PE firms have been aggressively deploying dry powder, leading to a sharp rise in investments relative to exits

In 2024 PE firms made nearly 3 investments for every 1 exit, reflecting their commitment to deploy capital in difficult times despite LP pressure for distributions

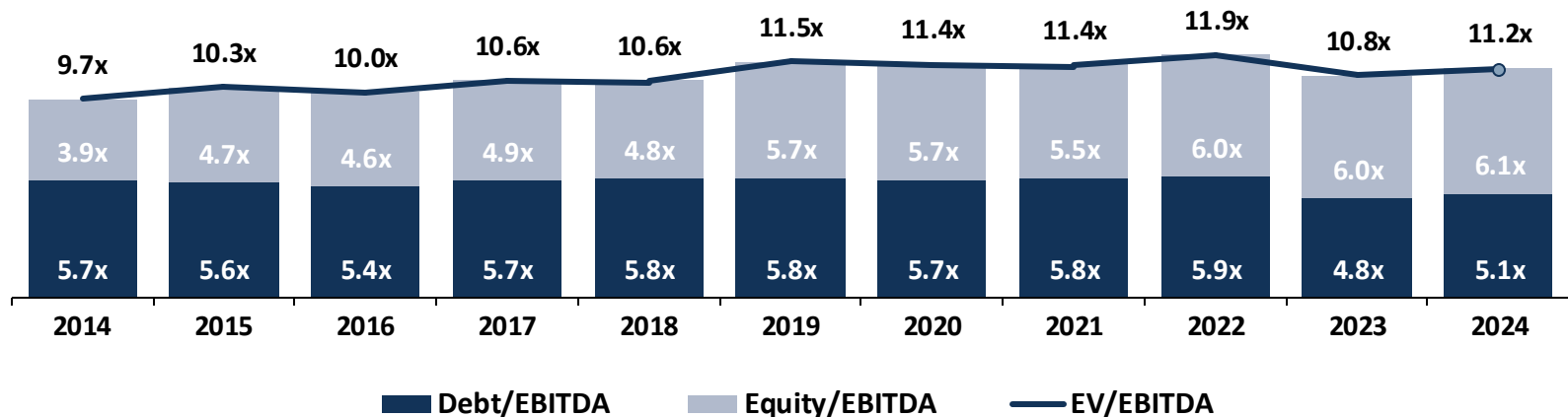
The investment-to-exit ratio is creating a backlog of deals, which will need to be addressed once market conditions improve



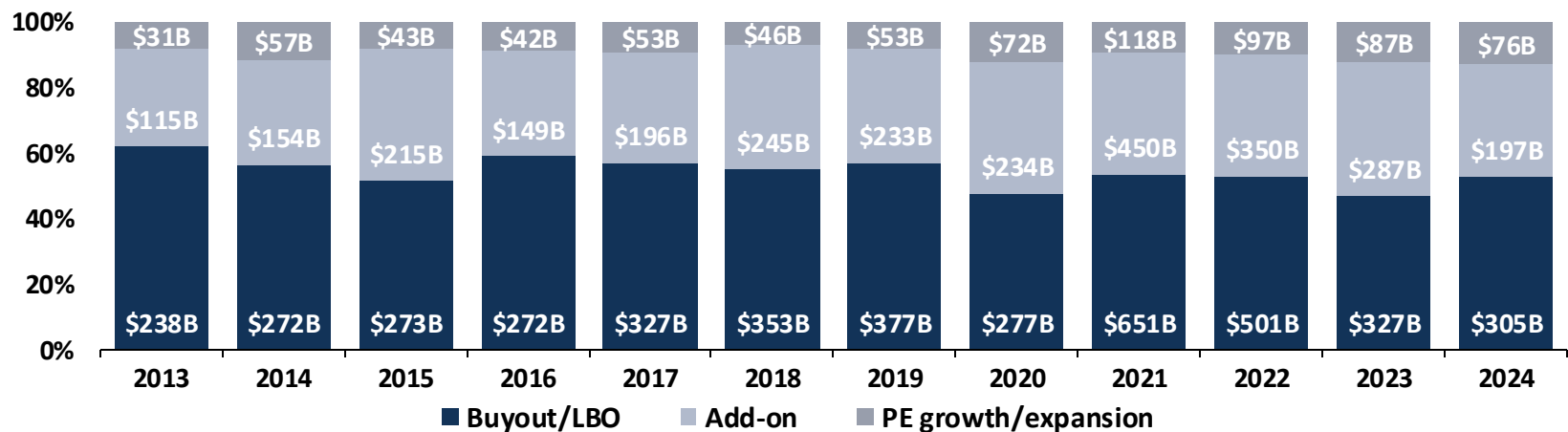
# Valuations Tick Upward

Valuations are climbing and recovering from their dip in 2023, supported by greater leverage availability

## US PE Valuations Debt / Equity



## US PE Deal Value By Investment Type



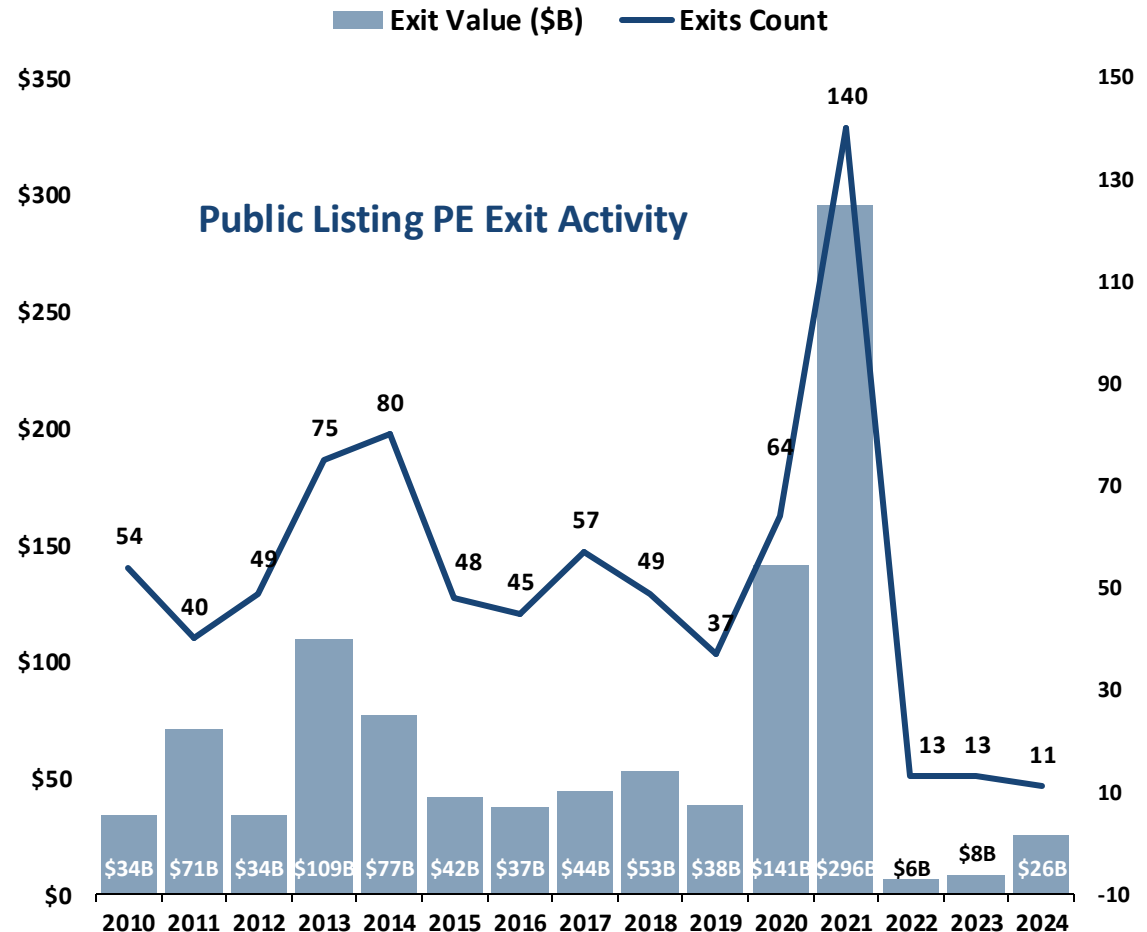
# The IPO Window is Opening...Kind of

With improving market conditions and lower interest rates, the IPO window is reopening, offering renewed opportunities for PE firms to pursue exits through public listings

PE firms haven't been able to IPO at the same high volume as seen in 2021, with a record 140 IPO exits

This limits exit opportunities to Sponsor-to-Sponsor transactions or Strategic corporates

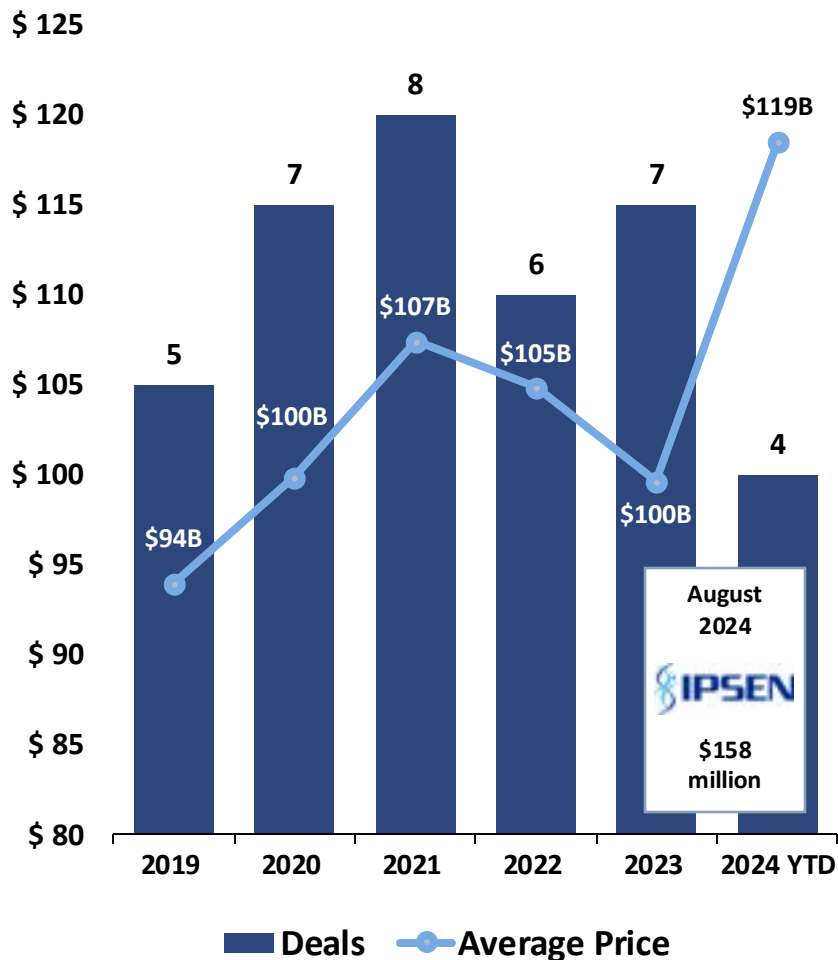
While IPO exit counts remain low to prior years, IPO exit values are beginning to expand, and increased IPO activity in the coming quarters is anticipated





# Non-Dilutive Biopharma Financing

## Big Year for PRVs



## Activity in Royalty Financing

October 2024



has sold its royalty and milestones on Vyzulta® to



\$16.5 million

An overhead, top-down view of three people in a professional office setting. A man in a dark suit is at the top, looking down at a document. A woman in a white blouse is on the right, also looking at a document. A man in a light blue shirt is at the bottom, typing on a laptop. The desk is cluttered with papers, a coffee cup, and other office supplies. A horizontal line is drawn across the middle of the image, just above the title.

## III. Healthcare Outlook

# Healthcare Policy Faces “Incrementalism”

Looking ahead, we anticipate “incrementalism” in healthcare policy under either a Donald Trump or Kamala Harris presidency

Percent of Registered Voters Saying an Issue is "Important"	Trump Supporters	Harris Supporters	All Voters
Economy	93%	68%	81%
Healthcare	55%	76%	65%
Supreme Court	54%	73%	63%
Foreign Policy	70%	54%	62%
Immigration	82%	39%	61%
Violent Crime	76%	46%	61%

*The overturning of the Chevron Doctrine will likely result in the courts getting much more involved in new legislation and regulation - leading to slower rule-making and more challenges to any fundamental shifts in policy*



*Harris supporters place significantly more importance on healthcare issues compared to Trump supporters*

# Gauging Impact of the Inflation Reduction Act

Early qualitative feedback suggests that **Pharma and Biotech Companies** are re-evaluating their product development strategies in response to the passage of the *Inflation Reduction Act* (IRA) of 2022<sup>(1)</sup>

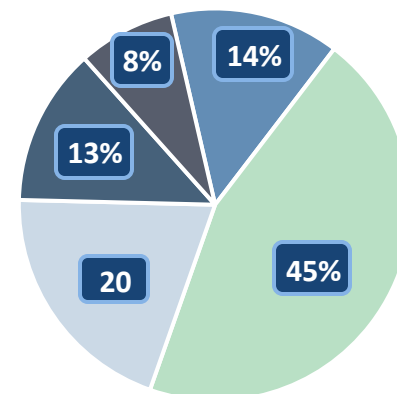
Drug	Manufacturer	Annual Part D Spending	Current List Price	New IRA Price	Discount
Eliquis	Bristol Myers, Pfizer	\$8.5 Bil	\$521	\$231	(55.7%)
Jardiance	Eli Lilly, Boehringer Ingelheim	\$1.6 Bil	\$573	\$197	(65.6%)
Xarelto	J&J, Bayer	\$2.4 Bil	\$517	\$197	(61.9%)
Januvia	Merck & Co.	\$1.1 Bil	\$527	\$113	(78.6%)
Farxiga	AstraZeneca	\$1.5 Bil	\$556	\$179	(67.9%)
Entresto	Novartis	\$3.1 Bil	\$628	\$295	(53.0%)
Enbrel	Amgen	\$3.7 Bil	\$7,106	\$2,355	(66.9%)
Imbruvica	AbbVie, J&J	\$2.7 Bil	\$14,934	\$9,319	(37.6%)
Stelara	J&J	\$7.0 Bil	\$13,836	\$4,695	(66.1%)
Fiasp / Novolog	Novo Nordisk	\$0.7 Bil	\$495	\$119	(76.0%)

## Impact of IRA Add-On Payments on Biosimilar Utilization

- IRA's Spillover Impact on Commercial Pricing:**

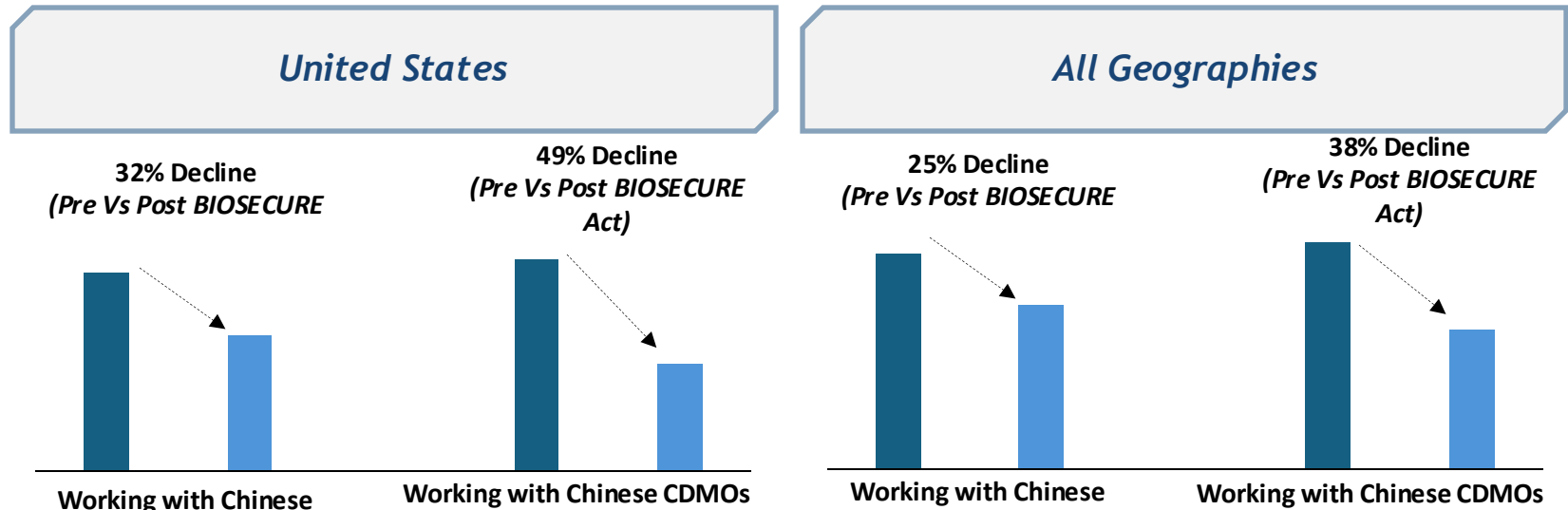
The IRA's Medicare drug price negotiations could unintentionally affect commercial markets, reshaping pricing dynamics as manufacturers adjust strategies to recoup revenue losses

- Significant Increase
- Slight Increase
- No Change
- Slight Decrease
- Significant Decrease



# Suppliers Forced to Hedge Exposure to China

## Confidence Partnering with Chinese Companies Before and After the Introduction of the BIOSECURE Act



## Average Number of U.S. Manufacturing Jobs

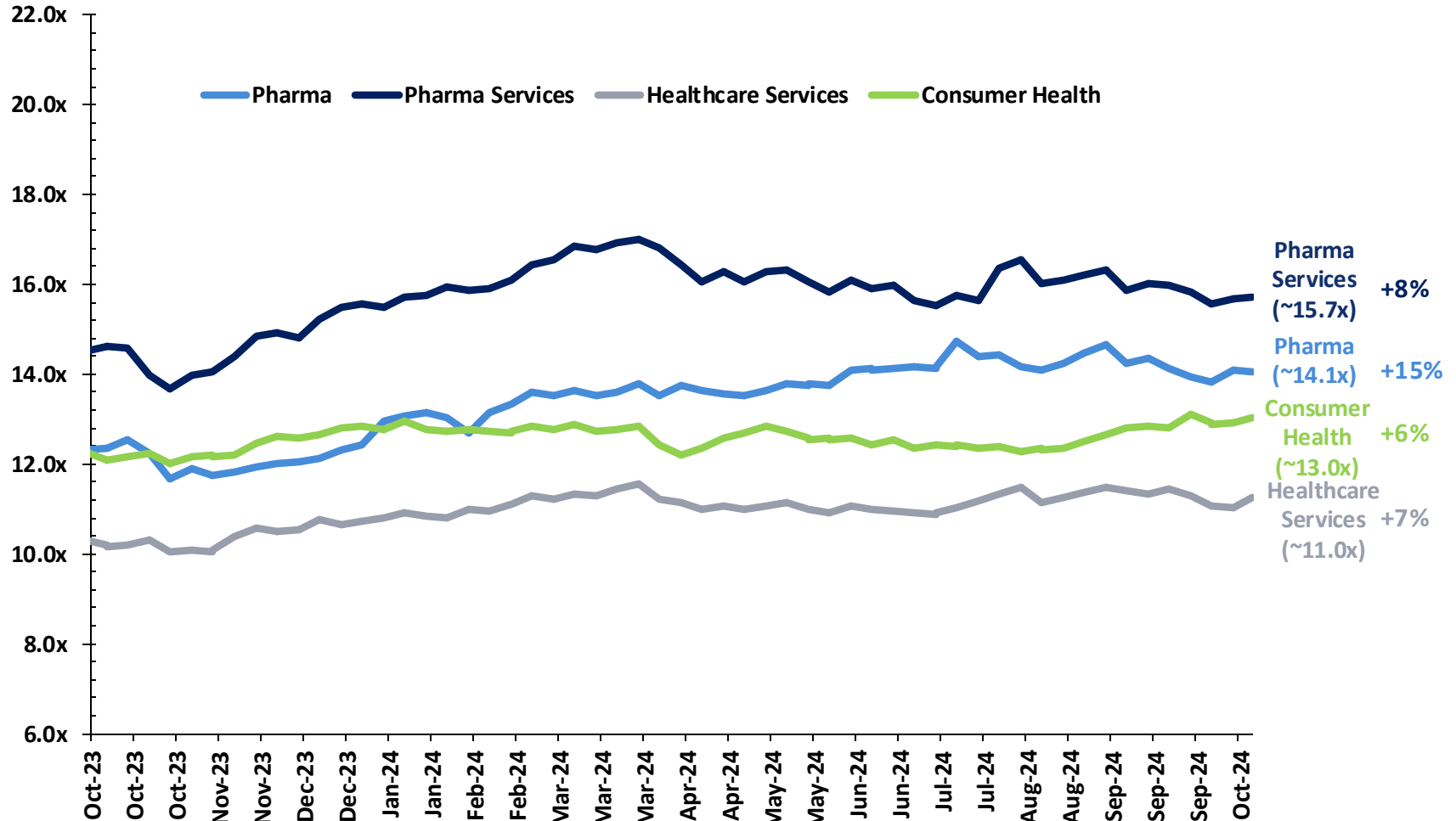
- The pending passage of the BIOSECURE Act signals a growing protectionist shift by the U.S. government, particularly within the life sciences sector
- In light of this, pharma and biotech companies are advised to proactively reassess their supplier and service relationships, given the extended timelines required for effective planning and contracting

The BIOSECURE Act is forcing companies to reconsider their collaborations, creating an unwelcome disruption as they navigate the new regulatory landscape

# Valuation Trends - Since Our Last Summit

## Historical Total Enterprise Value / EBITDA (NTM) Multiples

*This past year our Pharma indices made the largest gains since our last summit and now trades a slight discount to our pharma services comp set and the S&P*

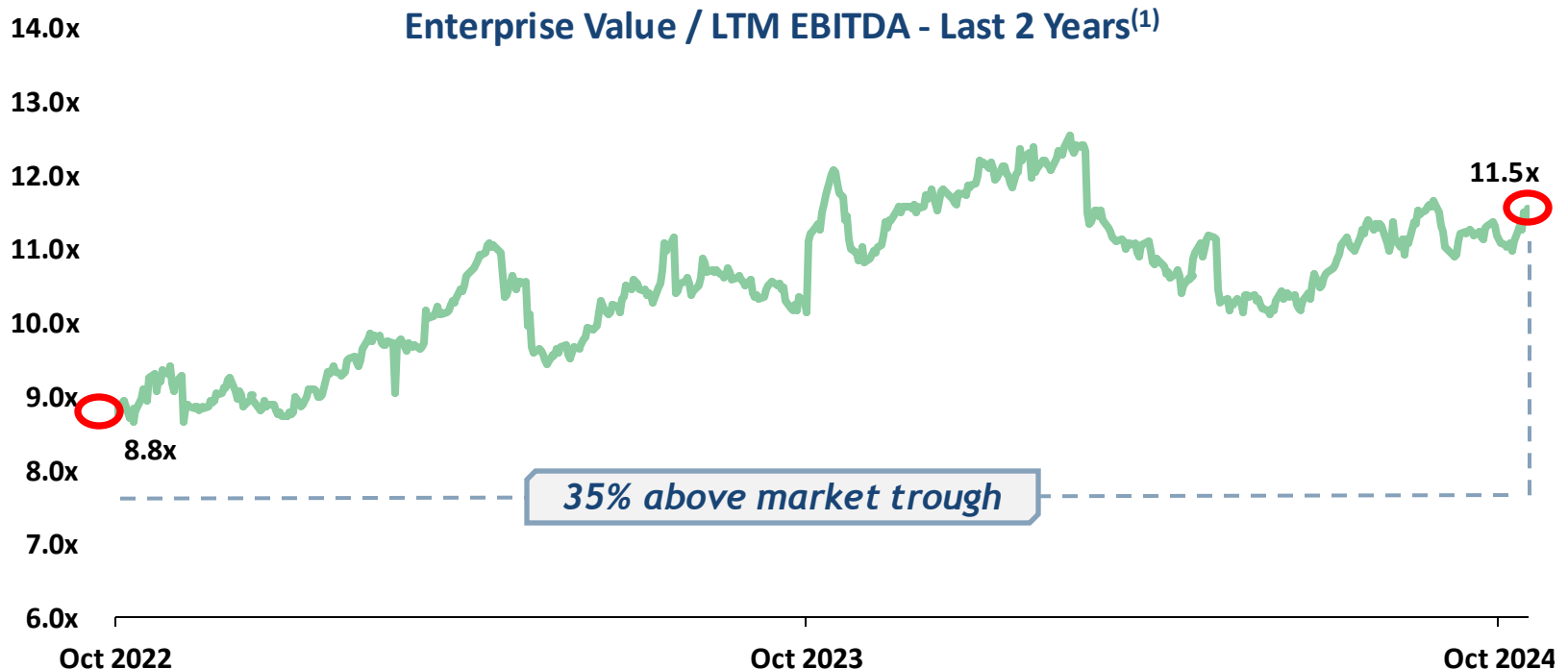




# Generic Pharma Has Rebounded

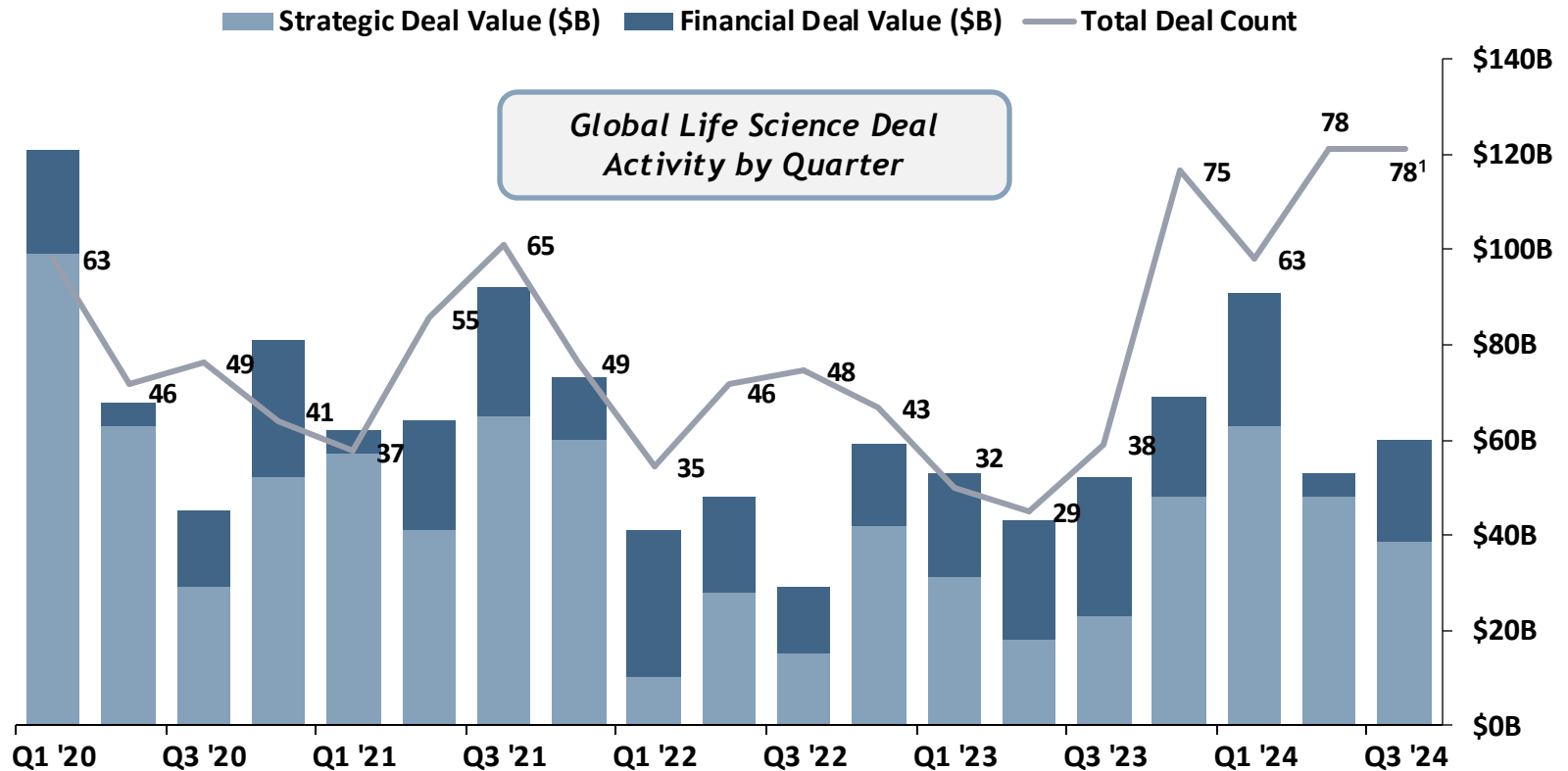
Multiples Have Recovered Close to Covid Highs, Supporting Optimism Bourne is Seeing Elsewhere in the Market

- The generics industry has recovered nicely from the trough of late 2022
- Despite several bankruptcies in generic pharma over the last several years, the industry is showing signs of pricing resilience and relative valuations are following suit
- Over the last 3 months, the generics index has risen to a blended valuation of ~11.5x LTM EBITDA, a 35% increase from the lows of October 2022



# Life Sciences M&A Continues Recovery

Healthcare M&A remains below the 2020-2021 peak but has recovered meaningfully from 2022-2023 lows

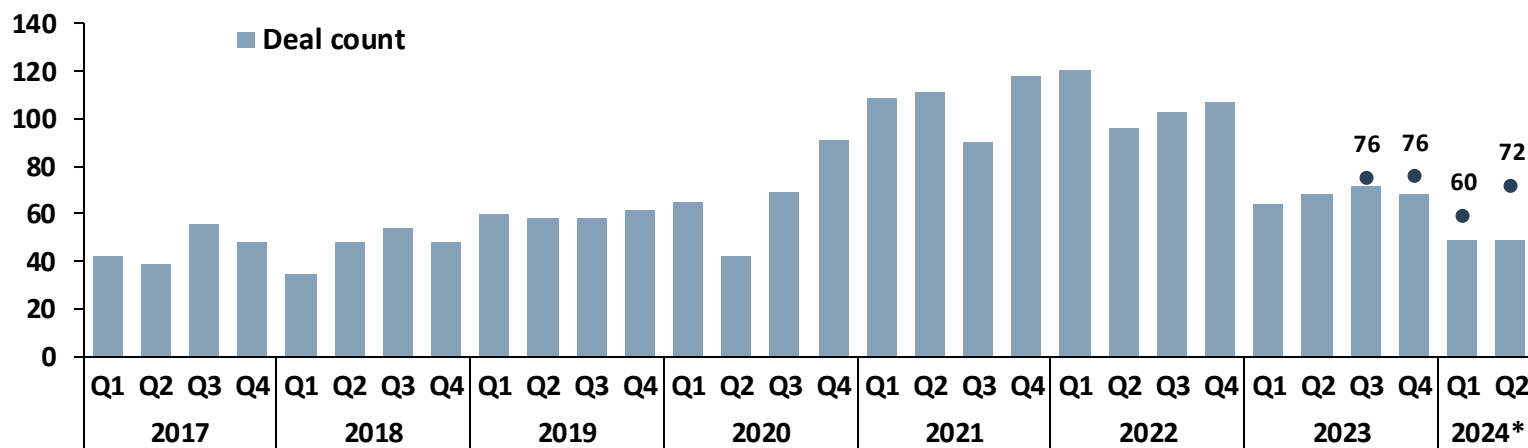


- While global deal volume is trending upward, valuations have only increased modestly from 2022 / 2023 lows
- Strategic cash balances and PE dry powder will continue to drive volume, yet the hunt for quality at a reasonable value persists

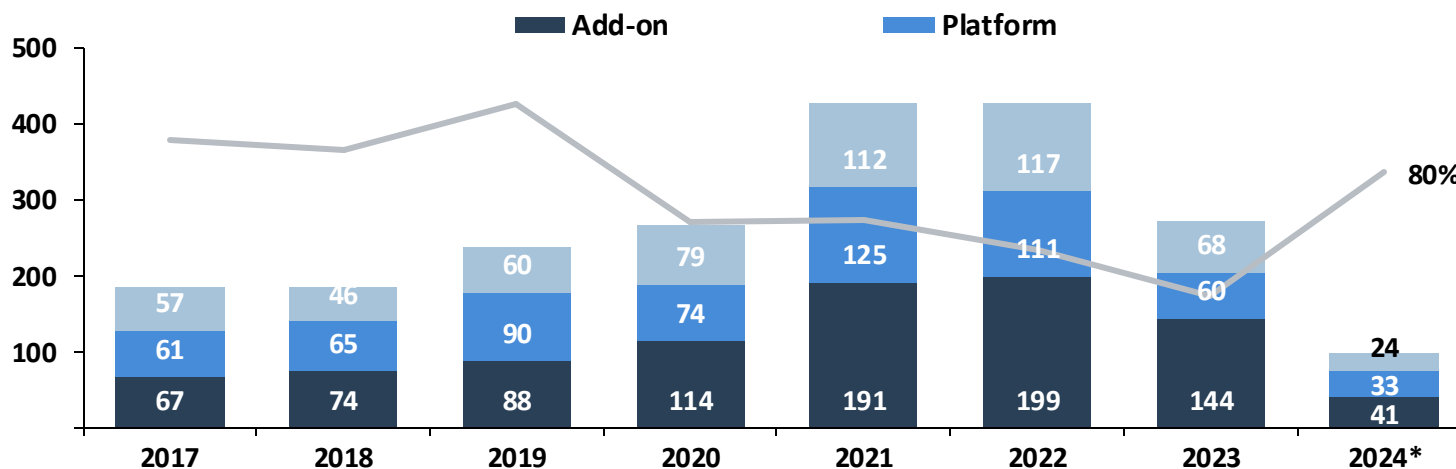
# Pharma Services Continues to Attract Investment

Pharma Service deal activity is below the peak of 2021, but remains strong and is pacing at or above pre-pandemic levels; of note the ratio of platform to add-on investments is up meaningfully in 1H'24

## PE Pharma Services Deal Count by Quarter



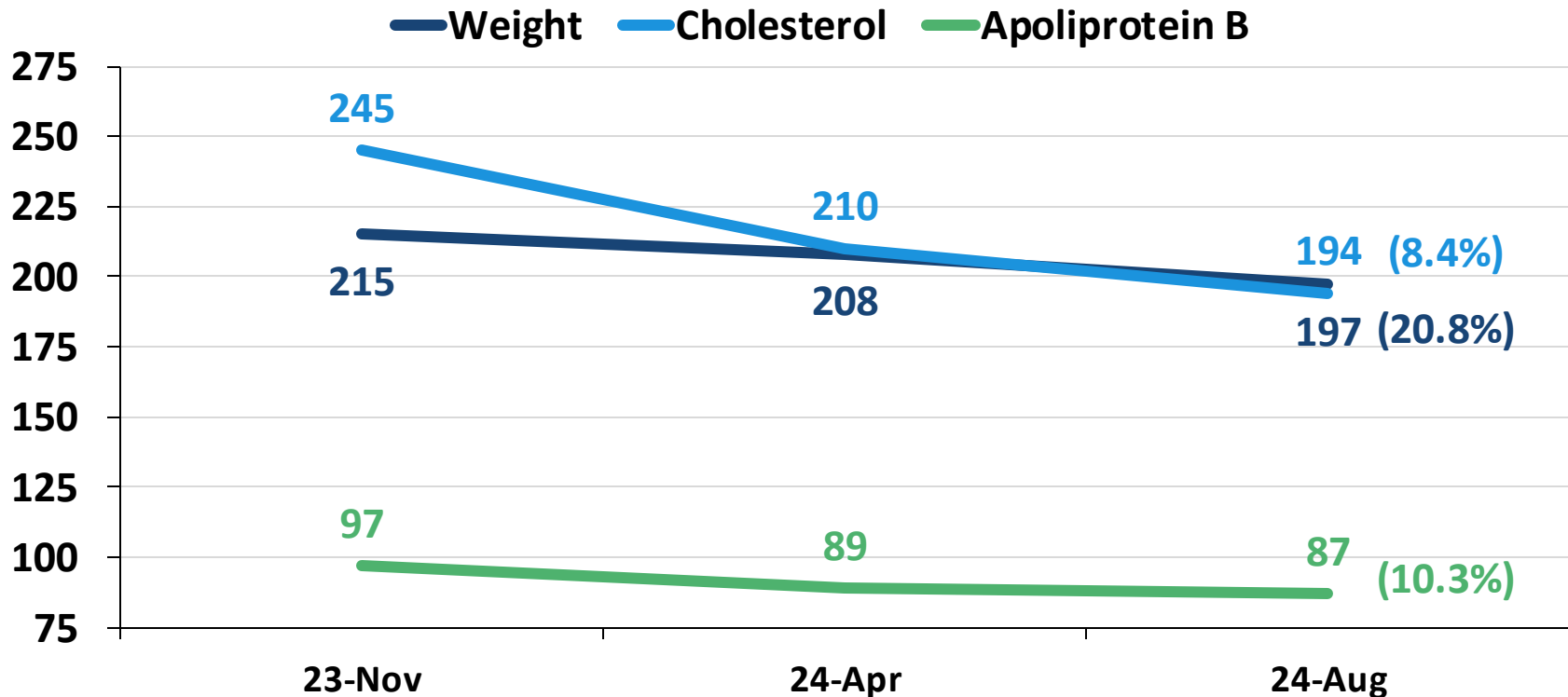
## PE Pharma Services Deal Count by Type



# Quick Recap

- 1 Capital Markets and Cost of Capital followed by Legislation and Regulations are top of mind amongst our CEOs
- 2 Good news is inflation appears to have been tamed and rates are starting to come down
- 3 The credit markets are opening and both new issuances and refinancings are up
- 4 PE Dry Powder remains at or near all-time highs
- 5 PE are in the hunt for quality assets and remain willing to pay up for quality assets
- 6 PE have been deploying capital at 3x the rate of exits, but all signs point to a robust M&A market as sponsors begin to offload 3 years of pent-up PE exits
- 7 The results of the presidential election will have a minimal impact on Healthcare except possibly around reproductive rights or potentially FTC scrutiny of HC deals
- 8 All deal activity and valuations are below 2021 highs, but Pharma Services valuations remain strong for performing assets
- 9 We are also seeing renewed interest in US generic pharma and improved valuations for differentiated businesses
- 10 Bourne has been very busy in 2024 and expects an even busier 2025

# One More Chart



JJ By The Numbers	23-Nov	24-Apr	24-Aug
Weight	215	208	197
Cholesterol	245	210	194
Apolipoprotein B	97	89	87

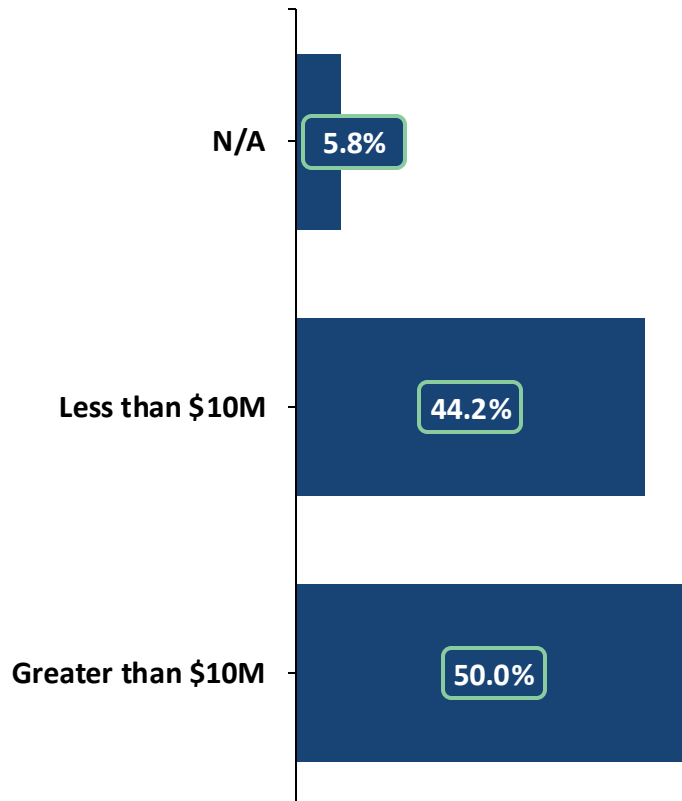


## IV. Survey Analysis

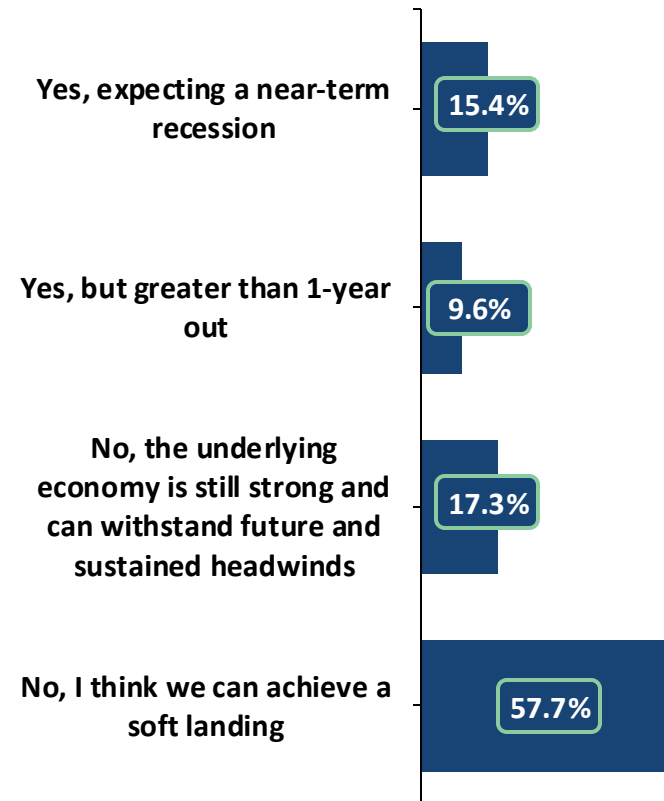


# The Survey Says...

What is your expected  
2025 EBITDA?

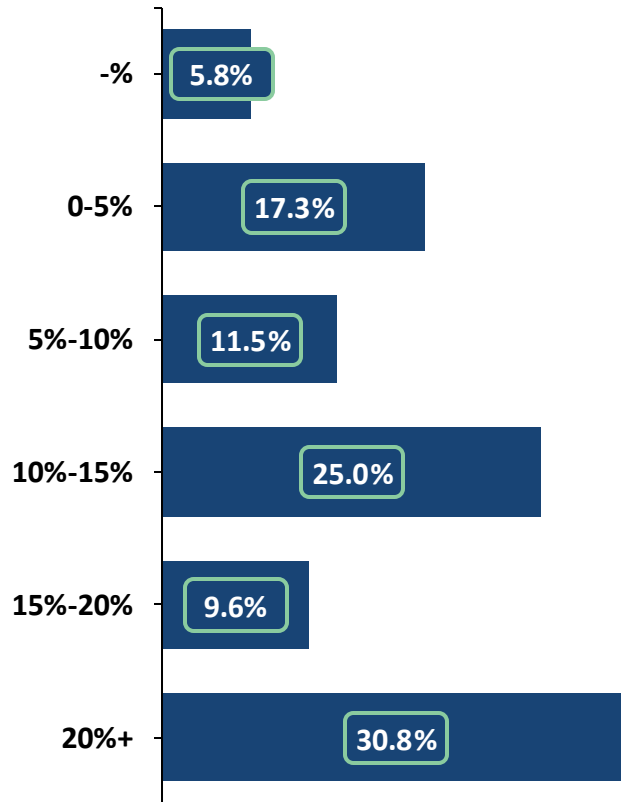


Do you believe we are headed  
towards a recession?

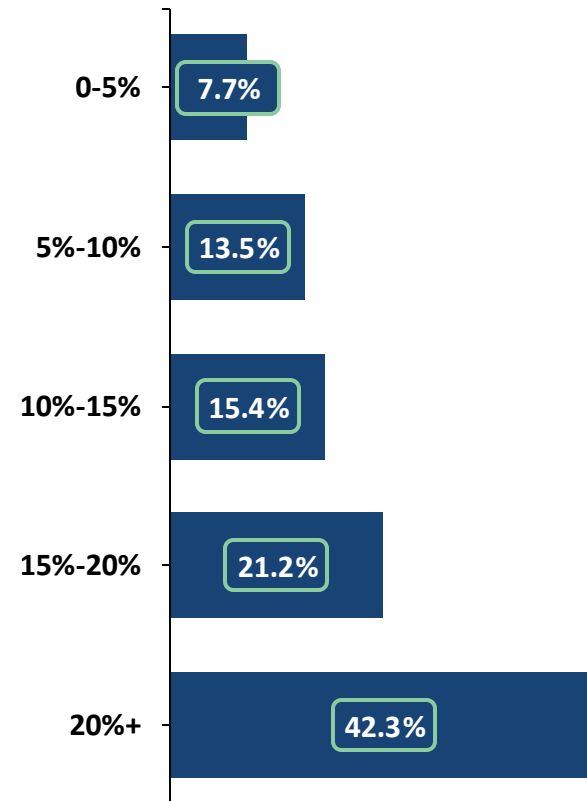


# The Survey Says...

How do you expect your business to perform in 2024 in terms of revenue growth?

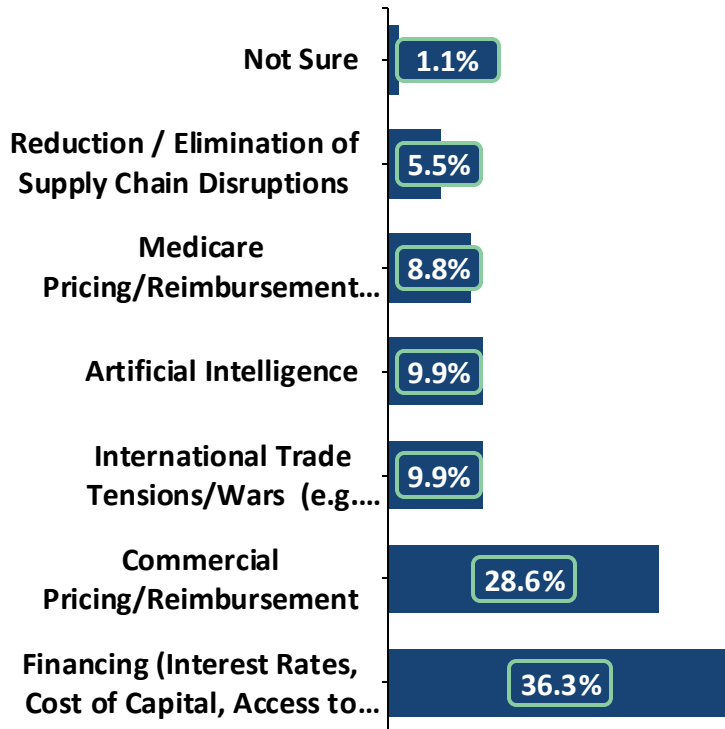


What are your expectations for the revenue growth of your business over the next 12 months?

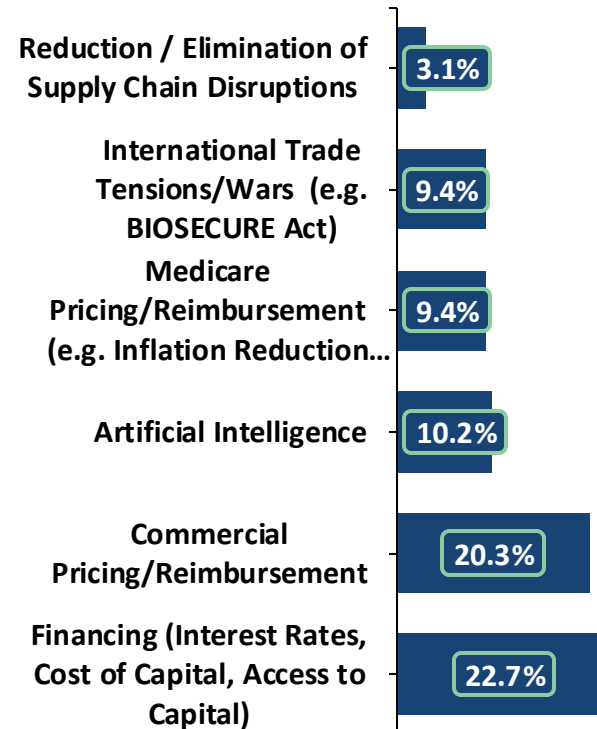


# The Survey Says...

Over the next 12 months, which of the following items will have the most material impact on your business?

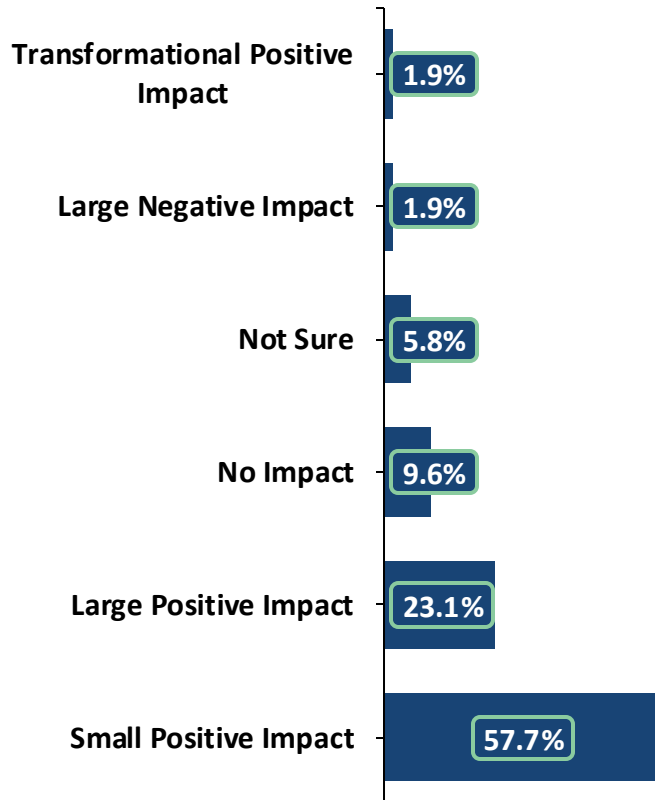


Over the next 12-36 months, which of the following items will have the most material impact on your business?

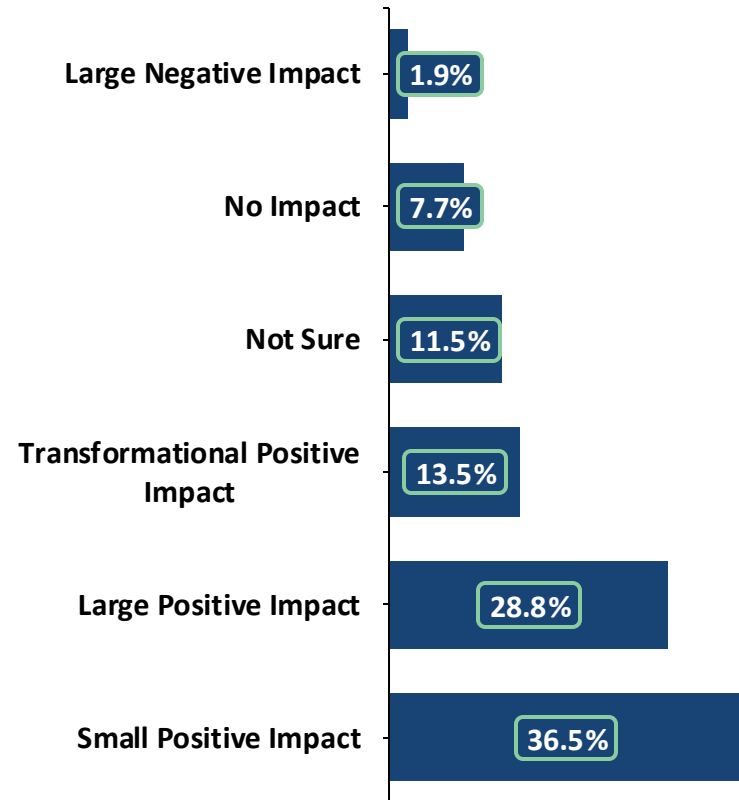


# The Survey Says...

How do you expect artificial intelligence will impact your business in the short-term (within the next three years)?



How do you expect artificial intelligence will impact your business in the medium-term (beyond the next three years)?





**Thank You For Your Time**



# Biopharma Deal Structuring & Creative Financing



Dr. Gavin Spencer  
Nicox



Asher M. Rubin  
Sidley Austin, LLP



Matthew Bullard  
Bourne Partners



Oliver White  
Bourne Partners





# Networking Break 2

4:05 PM – 4:50 PM



# Portfolio Company Update:

## PAI Pharma



Paul Campanelli  
PAI Pharma



## **2024 Bourne Partners Global Healthcare CEO Summit**

October 2024

## Key Attributes for Success in Oral Liquids



### Onshore Manufacturing

- Oral liquids have a high cost of transportation due to weight and bulk
- Liquid products have technical limitations that lead to shorter shelf life
- ~90% of oral liquids dispensed in the U.S. are manufactured domestically



### Reliability of Supply

- Consistent drug shortages have put a high level of focus on track record of supply
- Demonstrate value proposition by growing sales and breadth of relationship with customers through superior execution in times of shortage



### Unwavering Focus on Quality

- Life-saving medications primarily used in hospitals and institutional (long-term care and clinics) end markets
- Decision makers place high level of emphasis on quality track record



### Breadth of Portfolio

- Size of portfolio increases relevance to customers
- Ability to reprioritize products based on market demand and shortages and re-launch products (bringback strategy)



### Manufacturing Investment in Oral Liquids

- Significant investments in automation and capacity
- Low per unit economics for ready-to-dose cups and bottles



### Go-to-Market Expertise

- Different end markets (hospitals, long-term care, clinics and retail) require distinct go-to-market strategies





## The Rise of GLPI's and Their Impact Across the Healthcare Ecosystem



**Dr. Pat Stephens**  
**Hims & Hers**



**Dr. Carlos Jorge**  
**Companion Health**



**Carson Riley**  
**Bourne Partners**



# Fireside Chat



**John Chiminski**  
**Catalent**



**Philip Macnabb**  
**Curia**



**Banks Bourne**  
**Bourne Partners**