

Pharma Services Market Update

Pharma Services Post-1Q25 Update

May 2025

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Don Hooker, CFA
Director of Research
dhooker@bourne-partners.com
+1 980-414-0945



Jeremy Johnson
Senior Managing Director, Head of IB
jjohnson@bourne-partners.com
+1 704-714-8351



Todd Bokus
Director
tbokus@bourne-partners.com
+1 704-807-7501



Jake Curtis
Vice President
jcurtis@bourne-partners.com
+1 919-675-4266



Ryan Silvester
Vice President
rsilvester@bourne-partners.com
+1 980-372-7450



Nick Triantafyllides
Associate
nickt@bourne-partners.com
+1 704-779-6992



Bourne's Pharma Services Expertise

Pharma Services and Technology Expertise



Clinical & Drug Discovery Services

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



Commercialization Services

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



Supply Chain Services

Full-Service & Specialty CMOs & CDMOs
 Biostorage, Distribution & Logistics Services
 Commercial Lab & Analytical Services
 Contract Packaging & Labeling
 Manufacturing Consulting & Strategy Services

Therapeutics

Pharma
Services

Healthcare
Services

Consumer
Health

Recent Pharma Services Transaction Activity

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

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

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

TAPEMARK
 has been acquired by
LTS
 TRANSDERMAL. MARKETLEADER.
 Sell-Side M&A

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

**AVISTA
 PHARMA**
 has been acquired by
Cambrex
 Sell-Side M&A

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

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

Section One

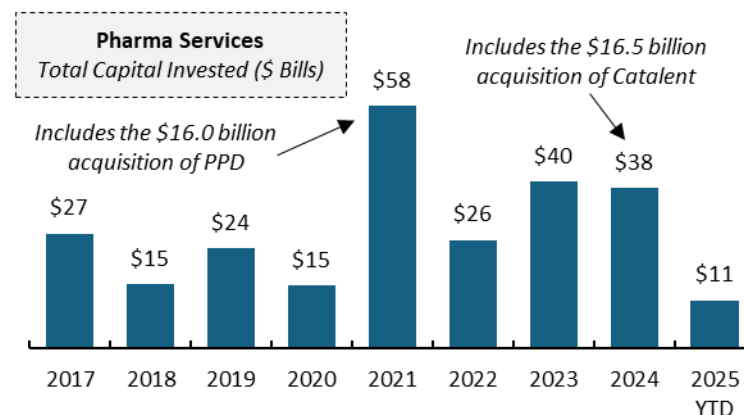
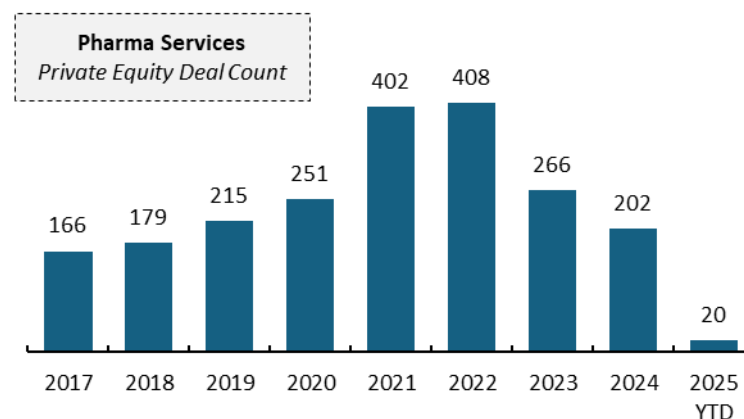
Pharma Services Update

- i. Pharma Services Sector Update
- ii. Re-Shoring of Pharma Manufacturing (and CDMO) Capacity
- iii. Volatile Funding Environment for CROs and Site Networks
- iv. Direct-to-Consumer Pharma Advertising in the Limelight

Pharma Services Sector Update

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

- **The Trump administration seems to be doing everything in its power to rebuild the pharma manufacturing infrastructure in the United States**, in our view. The *Department of Health and Human Services* is currently going through a Section 232 investigation on how the United States's dependence on pharma imports could be a "national security issue." Nobody knows how this is going to play out, but it is feared that this could lead to tariffs and/or trade restrictions on pharma products.
- **Book-to-bill ratios in 1Q25 were broadly weak (sub-1.2x)** across the publicly traded contract research organizations (CROs) (and site networks) with elevated project cancellations, delayed decision making, and budget cautiousness. Demand was particularly pressured for CROs focused on small/mid-sized sponsors. In our view, there is an increasing disparity between "winners" and "losers" with respect to access to funding for more speculative clinical development projects.
- **We are closely watching for any potential negative regulatory actions by the Trump administration** to limit the use of pharma direct-to-consumer (DTC) advertising. The newly appointed *Secretary of Health and Human Services*, Robert Kennedy, is a long-time critic of DTC pharma advertising, and the just released "MAHA report" highlighted how DTC advertising can inappropriately influence drug prescriptions.

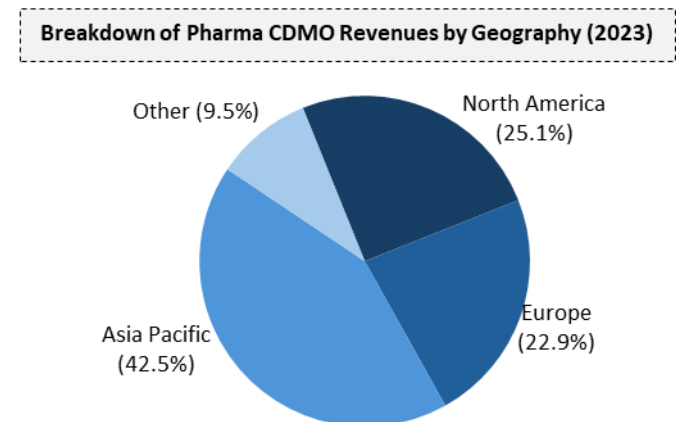
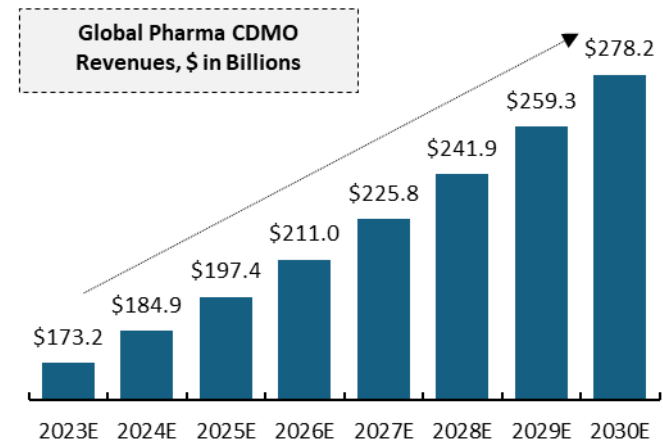


Re-Shoring of Pharma Manufacturing (and CDMO) Capacity

President Trump has made rebuilding domestic pharma manufacturing in the U.S. a priority of his administration with threats of tariffs and other trade actions. Given the time it takes to adjust pharma supply chains, we think that this is putting a premium valuation on domestic contract development and manufacturing organizations (CDMOs).

The U.S. Department of Health and Human Services is currently going through a Section 232 investigation on how the United States's dependence on pharma imports could be a "national security issue." Nobody knows for sure how this is going to play out, but it is feared that this could lead to "sectoral" tariffs on pharma products. Concerns about potential future pharma tariffs has resulted in well over \$200 billion of capital investments by large pharma companies in new U.S. manufacturing capacity. We continue to argue that pharma companies and biotech firms need to reconsider their manufacturing needs now (i.e., sooner-rather-than-later) given the time it takes to build manufacturing capacity and develop domestic CDMO relationships.

To facilitate this trend, **President Trump signed an executive order directing the U.S. Food and Drug Administration (FDA) and the Environmental Protection Agency (EPA) to find ways to reduce the time and regulatory burdens** associated with the construction of new domestic pharma manufacturing plants. This includes the elimination of "duplicative and unnecessary requirements" to streamline reviews. Also, the executive order calls on the FDA to increase its fees for (and inspections of) foreign manufacturing plants. There seems to be a perception by the administration that domestic pharma manufacturers face higher regulatory burdens with surprise inspections -- versus foreign manufacturing facilities who "get off easy" with scheduled inspections. As such, we would expect a shift towards more "surprise" FDA inspections of foreign pharma manufacturing facilities and more streamlined scheduled inspections of domestic facilities going forward.

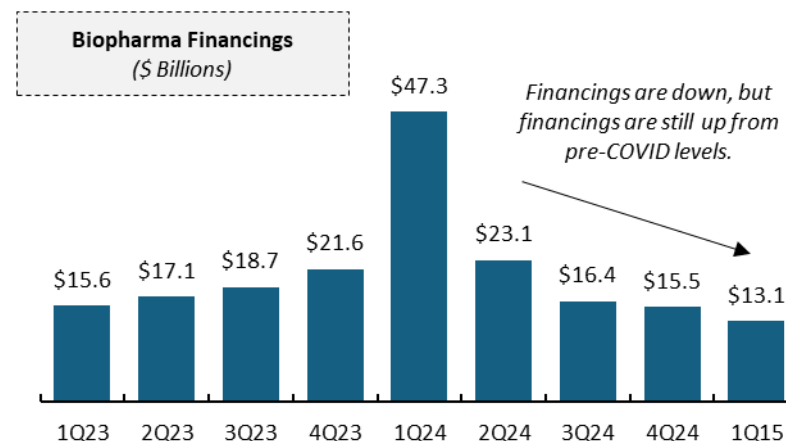
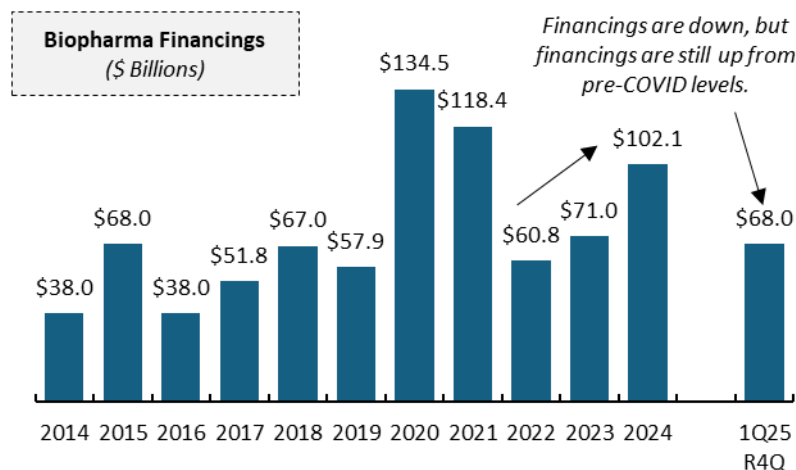


Volatile Funding Environment for CROs and Site Networks

The biopharma funding environment is down materially from 2020 and 2021 “bubble” levels. However, on an absolute dollar basis, we think that funding is still reasonably healthy and well above the pre-COVID years. What has changed, in our view, is that there is now much more of a disparity in access to capital between “winners” and “losers.”

Many pharma services companies that we talk to, e.g., contract research organizations (CROs), site networks, and contract development manufacturing organizations (CDMOs), among others, have reported softening volume trends (and shrinking customer bases). This trend may continue, for some time, given proposed cutbacks in federal government research funding for the *National Institutes of Health (NIH)* and weak demand for early-stage discovery and preclinical research. This is evidenced by the 1Q25 financial results of public companies like Charles River Laboratories (NYSE-CRL), Evotec (NASDAQ-EVO), and Schrödinger (NASDAQ-SDGR). Weak demand for early-stage research could have lagging implications for clinical development activity in future years.

Book-to-bill ratios in 1Q25 for publicly traded Phase II/III CROs were broadly weak (sub-1.2x). Management teams highlighted funding challenges for small/mid-sized biopharma sponsors and delayed decision making. One major CRO disclosed that the average time from RFP issuance to award increased by ~10% in the quarter, both on a YOY and sequential basis. Also, CRO management teams reported budgeting cautiousness among their large pharma customers who continue to strategically reprioritize their clinical development objectives in the face of the ongoing rollout of the provisions of the *Inflation Reduction Act (IRA)*.



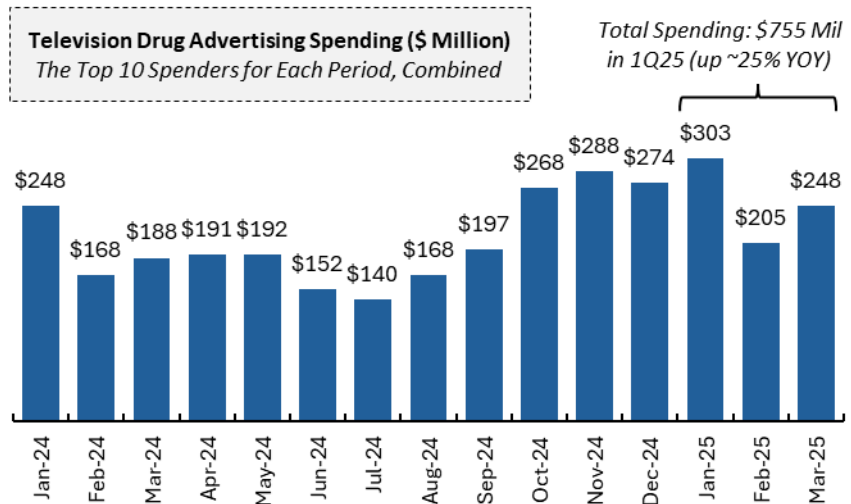
Direct-to-Consumer Pharma Advertising in the Limelight

We are closely watching for any potential negative regulatory actions by the Trump administration to limit the use of pharma direct-to-consumer advertising. The newly appointed *U.S. Secretary of Health and Human Services (HHS)*, Robert Kennedy, is a long-time, outspoken critic of direct-to-consumer pharma advertising, particularly on television.





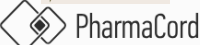











We estimate that pharma companies are currently spending well over \$5 billion annually on television advertising in the United States, and, so far in 2025, spending on television advertising by pharma appears to be picking up. According to recent data from *iSpot.TV*, the top ten pharma brands spent an estimated \$755 million on television commercials in 1Q25 -- up 25% year-over-year.

While an outright ban is unlikely (due to legal precedent and the First Amendment), **HHS Secretary Kennedy could implement burdensome regulations to make it considerably more difficult for pharma companies to effectively advertise via mass media channels**, such as television. In fact, in late May, the Trump administration released its “MAHA Report,” prepared by the *Make America Healthy Again (MAHA) Commission*. Among other things, the MAHA report highlighted how direct-to-consumer pharma advertising can inappropriately influence prescribing practices and increase drug spending. This echoes a *U.S. Congressional Budget Office* study that estimated that a 10% increase in direct-to-consumer advertising is associated with a 1.0%-2.3% increase in drug spending. The MAHA Commission now has 82 days to publish a follow-up strategy report, which will include policy recommendations.

In the meantime, the “**No Handouts for Drug Advertisements Act**” was introduced in Congress to eliminate the ability of pharma companies to take tax deductions for direct-to-consumer advertising on television, radio, social media “and other common platforms.” Currently, pharma companies can deduct this spending as a business expense when calculating their federal tax bills. Similar legislation has been proposed off-and-on over the past decade, and, to date, all such legislation has failed to get substantial political support. However, now, it appears that opponents to direct-to-consumer pharma advertising have a powerful ally with Robert Kennedy leading the *U.S. Department of Health and Human Services*.



Select Pharma Services Transactions

Date	Target	Acquirer	Commentary	Tags	Deal Value
May-2025	 TruTechnologies Real-time clinical trial oversight	 LLR Partners	Vendor of real-time clinical trial oversight solutions, including dosing compliance and deviation monitoring	Clinical Trial IT	Not Public
Apr-2025	 CenExel	 BAYPINE	National clinical trial site network with a focus on (and a reputation for) complex therapeutic studies	Clinical Trial Site	\$1.5 Bil
Mar-2025	 NOVOTECH Biotech's Partner at Every Phase	 GIC	A global CRO, based in Singapore, targeting small/mid-sized biopharma sponsors in complex therapeutic areas	CRO	\$1.9 Bil
Mar-2025	 mercalis  PharmaCord	 PERMIRA	Merger of two providers of market access solutions, ranging from patient services to market access	Commercial / Hub Services	\$1.4 Bil
Feb-2025	 solventum	 ThermoFisher SCIENTIFIC	Provider of purification and filtration technologies used in the production of biologics and cell/gene therapies	CDMO	\$4.1 Bil
Feb-2025	 AVANTHC	 REAL CHEMISTRY	Medical communications company using data-driven strategies to message healthcare providers	Commercial	\$3.0 Bil
Feb-2025	 AVID BIOSERVICES	 Ampersand	Avid Bioservices was a publicly-traded CDMO focused on development and CGMP manufacturing of biologics	CDMO	\$1.1 Bil
Jan-2025	 pci PHARMA SERVICES	 KKR BLUE OWL	Glass and plastic packaging as well as closure solutions for the pharma, biotech and cosmetics industries	CDMO	\$4.5 Bil
Jan-2025	 SUVODA	 THOMABRAVO  greenphire	Software for randomization and trial supply, consent, and patient outcomes data collection	Clinical Trial IT	Not Public
Dec-2024	 Catalent	 novo holdings	Catalent was a publicly traded end-to-end CDMO with manufacturing sites primarily in the U.S. and Europe	CDMO	\$16.5 Bil

Bourne Comps - Pharma Services

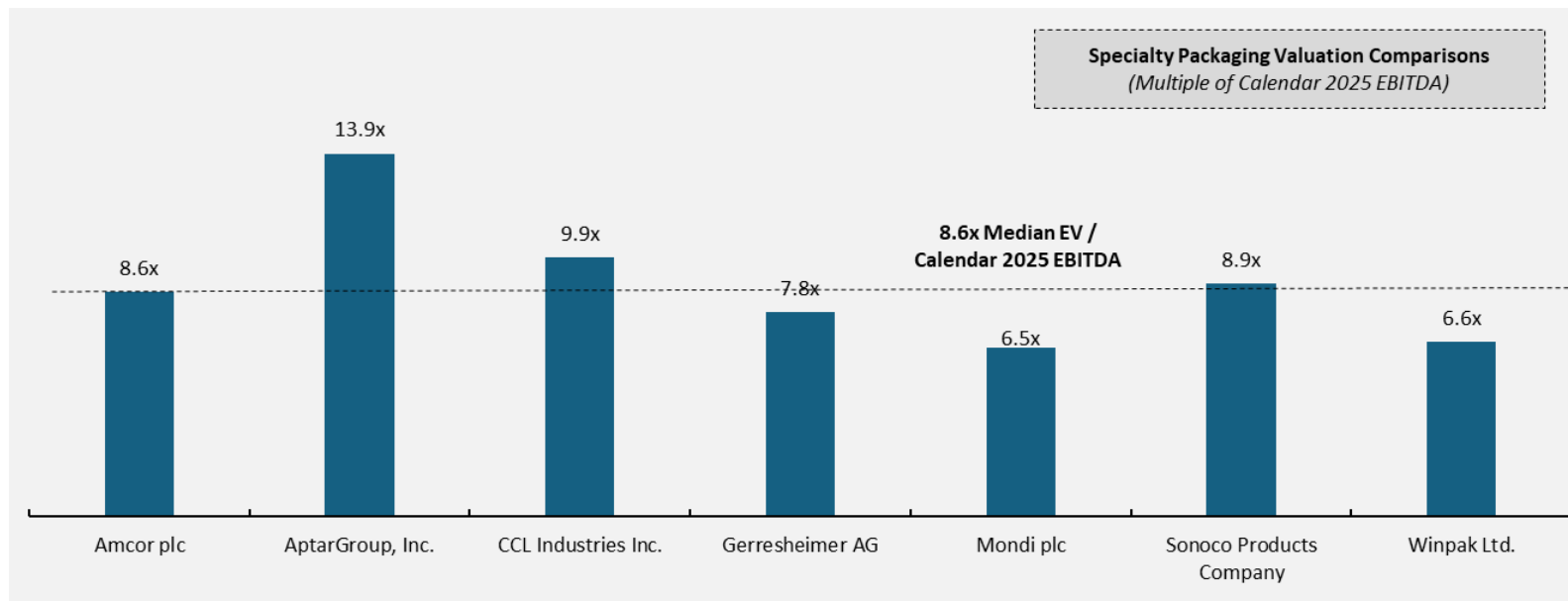
The publicly-traded pharma services space is currently trading at 16.0x, on average (median). However, there is a very wide discrepancy between contract research organizations (median: 9.7x; ranging from 8.5x to 17.3x), contract development and manufacturing organizations (CDMOs) (median: 18.9x; ranging from 10.7x to 44.2x), and other/diversified pharma services companies (median: 16.7x; ranging from 7.9x to 21.0x.)

Company Name	Ticker	Equity Value	Net Debt / Enterprise (Net Cash)	Enterprise Value	Projected CY2025		Projected CY2025			Debt Ratio
					Revenue	Growth	EBITDA	Growth	Multiple	
Contract Research Organizations (CROs)										
Charles River Laboratories	CRL	\$6,712	\$2,760	\$9,472	\$3,892	-3.4%	\$947	-5.1%	10.0x	2.9x
Fortrea Holdings	FTRE	372	1,186	1,558	2,510	-7.1%	177	-19.9%	8.8x	6.7x
ICON	ICLR	10,370	3,068	13,438	7,947	-4.0%	1,580	-8.8%	8.5x	1.9x
IQVIA Holdings	IQV	24,100	12,662	36,762	16,078	4.5%	3,789	2.9%	9.7x	3.3x
Medpace Holdings	MEDP	8,534	(291)	8,243	2,184	3.6%	476	3.4%	17.3x	-0.6x
Average (Median)						-3.4%		-5.1%	9.7x	2.9x
Contract Development and Manufacturing Organizations (CDMOs)										
Bora Pharmaceuticals	TWSE:6472	\$2,663	\$340	\$3,003	\$768	31.3%	\$196	24.2%	15.3x	1.7x
Lifecore Biomedical	LFCR	256	125	381	129	0.8%	21	18.3%	18.3x	6.0x
Lonza Group	LONN	48,142	3,881	52,023	9,282	27.2%	2,663	29.5%	19.5x	1.5x
Oxford Biomedica	OXB	462	60	522	218	36.0%	13	-170.6%	40.7x	4.7x
PolyPeptide Group	SWX:PPGN	815	38	853	360	10.6%	19	-413.7%	44.2x	2.0x
Samsung Biologics	KOSE:A207940	53,247	91	53,339	4,158	36.1%	1,739	37.9%	30.7x	0.1x
Siegfried Holding	SFZN	5,214	497	5,712	1,664	15.6%	376	17.8%	15.2x	1.3x
WuXi AppTec	SHSE:603259	25,767	(2,280)	23,487	6,000	11.4%	2,205	18.0%	10.7x	-1.0x
Average (Median)						21.4%		18.1%	18.9x	1.6x
Diversified / Other Pharma Services										
Eurofins Scientific	ERF	\$11,655	\$3,100	\$14,755	\$8,445	17.2%	\$1,856	18.6%	7.9x	1.7x
Thermo Fisher Scientific	TMO	152,466	28,312	180,778	43,680	2.1%	10,834	0.5%	16.7x	2.6x
West Pharma Serv	WST	15,125	(97)	15,028	2,961	2.6%	714	-1.9%	21.0x	-0.1x
Average (Median)						2.6%		0.5%	16.7x	1.7x
Total Pharma Services										
Average (Mean)						11.5%		-28.1%	18.4x	2.2x
Average (Median)						7.6%		3.1%	16.0x	1.8x

Note: Market values as of the close of business May 28, 2025

Source: S&P Global Market Intelligence

Bourne Comps - Specialty Packaging

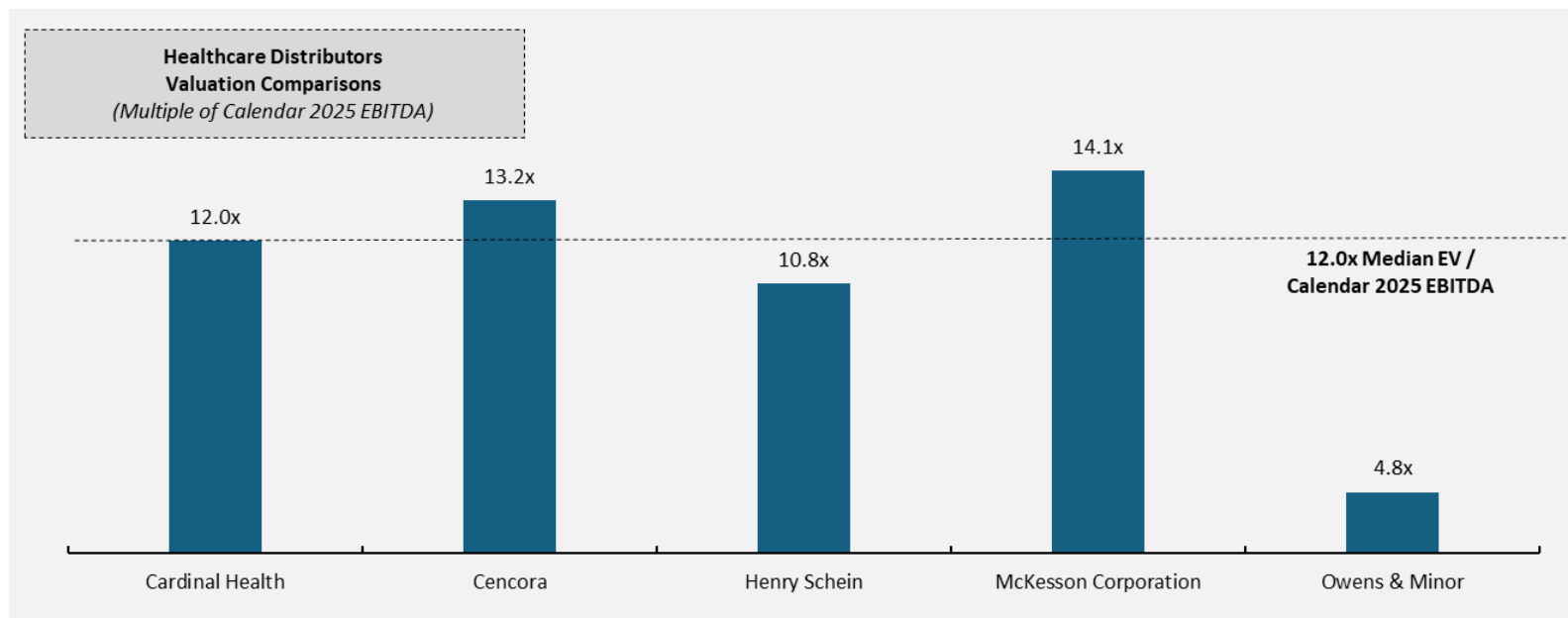


Company Name	Ticker	Equity Value	Net Debt / Enterprise		Projected CY2025		Projected CY2025			Debt Ratio
			(Net Cash)	Value	Revenue	Growth	EBITDA	Growth	Multiple	
Specialty Packaging										
Amcor plc	AMCR	\$20,670	\$7,271	\$27,941	\$20,201	48.3%	\$3,257	64.0%	8.6x	2.2x
AptarGroup, Inc.	ATR	10,440	938	11,377	3,699	3.1%	821	6.9%	13.9x	1.1x
CCL Industries Inc.	TSX:CCL.B	10,171	1,219	11,390	5,503	10.1%	1,153	11.1%	9.9x	1.1x
Gerresheimer AG	XTRA:GXI	2,480	2,219	4,699	2,812	30.3%	603	37.3%	7.8x	3.7x
Mondi plc	LSE:MNDI	7,176	1,798	8,974	9,095	17.3%	1,388	25.1%	6.5x	1.3x
Sonoco Products Company	SON	4,479	7,279	11,759	7,652	15.7%	1,324	25.7%	8.9x	5.5x
Wipak Ltd.	TSX:WPK	1,968	(341)	1,628	1,189	4.5%	245	1.1%	6.6x	-1.4x
Average (Mean)						18.5%		24.4%	8.9x	1.9x
Average (Median)						15.7%		25.1%	8.6x	1.3x

Note: Market values as of the close of business May 28, 2025.

Source: S&P Global Market Intelligence

Bourne Comps - Distributors / Wholesalers

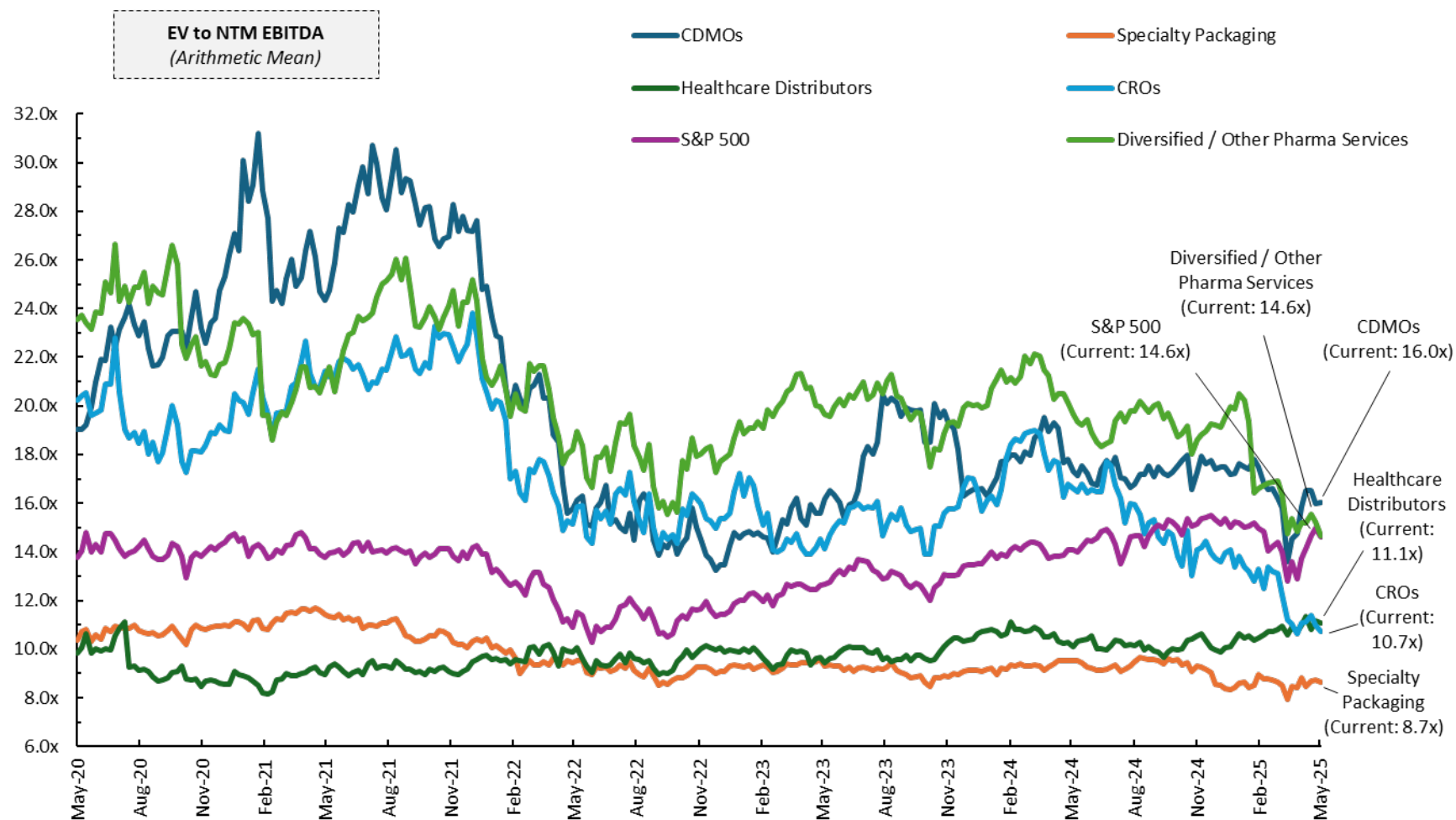


Company Name	Ticker	Equity Value	Net Debt / Enterprise (Net Cash)	Enterprise Value	Projected CY2025		Projected CY2025			Debt Ratio
					Revenue	Growth	EBITDA	Growth	Multiple	
Healthcare Distributors										
Cardinal Health	CAH	\$36,642	\$4,353	\$40,995	\$237,099	6.8%	\$3,404	16.1%	12.0x	1.3x
Cencora	COR	56,266	7,787	64,053	327,005	9.0%	4,850	17.7%	13.2x	1.6x
Henry Schein	HSIC	8,851	3,097	11,948	12,955	1.8%	1,107	4.2%	10.8x	2.8x
McKesson Corporation	MCK	88,992	1,723	90,715	395,539	14.6%	6,440	12.8%	14.1x	0.3x
Owens & Minor	OMI	498	2,212	2,710	10,956	2.5%	569	8.7%	4.8x	3.9x
Average (Mean)						6.9%		11.9%	11.0x	2.0x
Average (Median)						6.8%		12.8%	12.0x	1.6x

Note: Market values as of the close of business May 28, 2025.

Source: S&P Global Market Intelligence

Bourne Pharma Services Indices



Note: Market values as of the close of business May 28, 2025. Refer to Slides 10 to 12 for index definitions.
Source: S&P Global Market Intelligence

Section Two

Bourne Partners

i. Thought Leadership

ii. Bourne Partners Overview

iii. Investment Bank Overview

Bourne Partners Overview

Since 2001, Bourne Partners has been offering a unique perspective and unmatched expertise while remaining highly focused on fulfilling the needs of established healthcare and life sciences companies across the globe

Our Passion

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

Highly-Focused Firm



Therapeutics

Pharma
Services

Healthcare
Services

Bourne Partners Investment Banking

Mergers & Acquisitions	
<i>Sell-Side Advisory</i>	<i>Buy-Side Advisory</i>
<i>Company & Product Focus</i>	<i>\$100M - \$1B+ Enterprise Value</i>
Capital Advisory Services	
<i>Equity Capital Raising</i>	<i>Debt Capital Raising</i>
<i>Alternative Financing Options</i>	<i>\$100M+ Capital Raises</i>

Value-Add Advisors with a Global Reach

\$15B+

Transaction
Value

15

Years of Average
Tenure at Bourne¹

25+

Year Track
Record

Six

Continents
Reached

Research and Thought Leadership at Bourne Partners



Donald Hooker, CFA
Director of Research

Over twenty years of experience as a publishing sell-side equity analyst at UBS, Morgan Stanley, KeyBank Capital Markets, and Capital One, among others

Extensive background in healthcare services, pharma services, and healthcare information technology

Joined Bourne Partners in July 2024 to build out a research function

Morgan Stanley

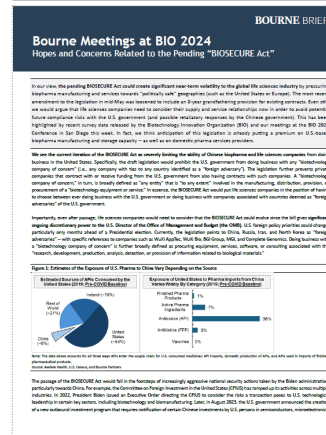
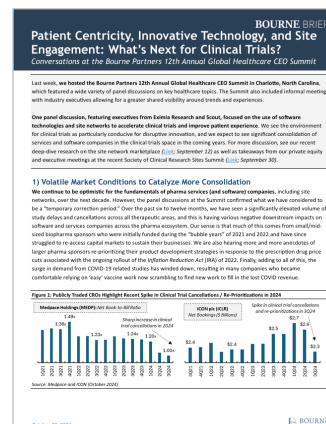
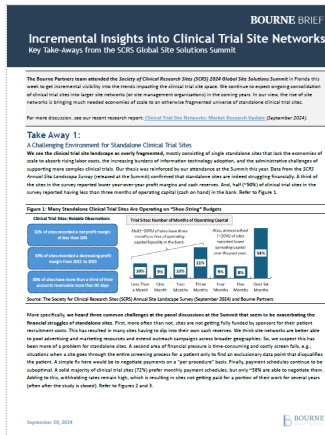
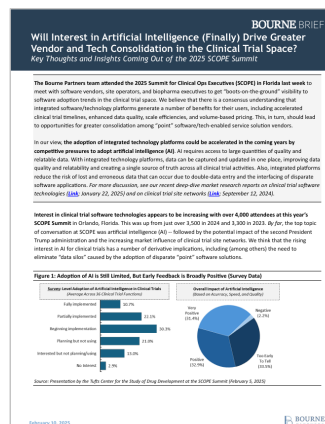


KeyBank
Capital Markets



The Bourne Partners Perspective

With 20+ years of exclusive industry and capital markets coverage, we are committed to providing insights to clients. We provide cutting-edge thought leadership on all things Pharma, Pharma Services, Healthcare Services, and Consumer Health.



Sector Expertise and Dedicated Coverage Professionals

Therapeutics

Representative Focus Areas

- Commercial-Stage Specialty & Rare Disease Biopharma Therapeutics
- Generic Pharma
- Legacy / Established Brands
- 505(b)(2)
- De-Risked Clinical Stage Biotech
- Cell & Gene Therapies
- Medical Devices

Representative Solutions

- Public & Private Sell-Side M&A
- Debt & Equity Financing
- Synthetic Royalty / Revenue Interest Financing
- Royalty Monetization
- Priority Review Voucher (PRV) Monetization & Financing



Robert Stanley

Director
rstanley@bourne-partners.com
+1.980.372.2516



Carson Riley

Director
criley@bourne-partners.com
+1.980.372.2551



Oliver White

Associate
owhite@bourne-partners.com
+1.980.372.7851

Pharma Services

Representative Supply Chain Services

- Full-Service & Specialty CMOs & CDMOs
- Biostorage, Distribution & Logistics Services
- Commercial Lab & Analytical Services
- Contract Packaging & Labeling
- Manufacturing Consulting & Strategy Services

Representative Clinical Services

- Full-Service & Specialty CROs
- SMOs & Clinical Research Site Networks
- Patient Recruitment & Engagement
- Research Site-Enabling Services & Technologies
- Clinical Regulatory Consulting & Strategy Services

Representative Commercialization Services

- HCP, Patient & Omnichannel Engagement
- Market Access & Pricing, HEOR, RWE
- Medcomms & Healthcare Marketing / Advertising
- Medical & Regulatory Affairs & Pharmacovigilance
- Patient Support & Hub Services



Todd Bokus

Director
tbokus@bourne-partners.com
+1.980.372.2500



Jake Curtis

Vice President
jcurtis@bourne-partners.com
+1.980.372.2566



Ryan Silvester

Vice President
rsilvester@bourne-partners.com
+1.980.372.7450

Healthcare Services

Representative Healthcare Services

- Post Acute Care
- Behavioral Health
- Managed Care
- Physician Practice Management
- Alternate Site

Representative Outsourced Services

- Distribution
- Home Medical Supplies & DME
- Labs & Lab Services
- Staffing
- Virtual Care-Enablement & Provider Technologies

Representative Pharmacy Services

- Infusion Services
- 503A Compounding Pharmacy
- 503B Hospital Outsourcing
- Specialty and Retail Pharmacy
- Medication Management & Adherence



Aaron Olson

Managing Director
aolson@bourne-partners.com
+1.917.763.8972



Evan Goldstein

Vice President
egoldstein@bourne-partners.com
+1.980.449.6717



Brennan Hockaday

Associate
bhockaday@bourne-partners.com
+1.980.463.9088

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