

Pharma Services Market Update

Post-2Q25 Update

August 2025

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Bourne's Pharma Services Expertise

Pharma Services and Technology Expertise



Clinical & Drug Discovery Services

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



Commercialization Services

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
 PHARMACEUTICALS
 Capital Raise

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

Section One

Pharma Services Update

i. Pharma Services Sector Update

ii. A Significant “Reset” for Public CRO Valuations

iii. Increasing Policy Focus on Rare Diseases and Orphan Drugs

iv. The Rising Relevance of “Medical Affairs”

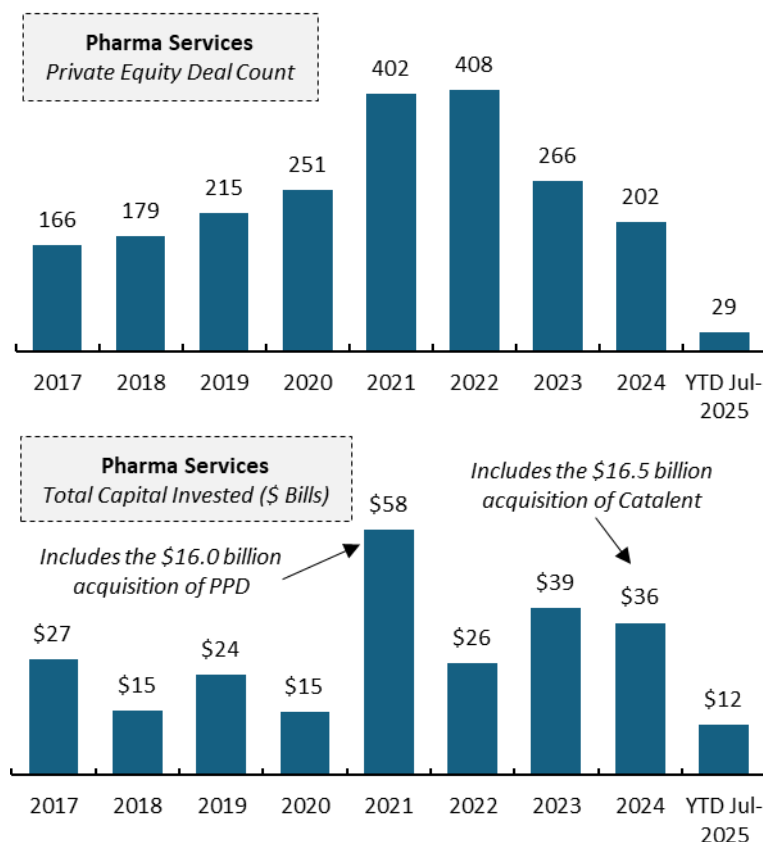
Pharma Services Sector Update

We continue to be optimistic about the fundamentals of the pharma services space over the next five to ten years. Over the past several years, we have seen an accelerating focus by the life sciences industry on complex precision and biologic medicines as a result of advances in molecular biology and the development of new modalities of treatment -- as well as an increasingly favorable regulatory and legislative environment. We anticipate that this trend will continue for the foreseeable future, leading to a greater need for pharma and biotech firms to pursue outsourcing solutions with third-party specialists.

We saw a positive “reset” to the valuations of publicly traded contract research organizations (CROs) in recent weeks following stronger than expected 2Q25 results. In our view, a common theme across the publicly traded CRO space was a sharp sequential uptick in gross bookings, particularly among small/mid-sized biopharma sponsors. Investors seemed to interpret this as a possible “bottoming-out” of the challenging and volatile clinical trial environment over the past 18 to 24 months.

The passage of the *One Big Beautiful Bill (OBBB) Act* in July 2025 materially improved the favorable regulatory treatment of “orphan” drugs. Under the *Inflation Reduction Act (IRA)* of 2022, orphan drugs with a single indication are exempt from Medicare price negotiations. The OBBB Act expanded this exemption to all orphan drugs, regardless of the number of indications. Orphan drugs are now fully protected from the negative provisions of the IRA. In our view, this is relevant to therapeutic areas like oncology where drugs commonly have multiple indications.

With the rising focus on rare diseases and orphan drugs, **we see “medical affairs” as an increasingly strategic function for pharma companies.** In fact, we are hearing more and more examples of pharma and biotech companies needing to partner with third-party outsourcing providers to get access to the specialized medical affairs staff and resources they need.



Note: The YTD 2025 figures are through July 2025.

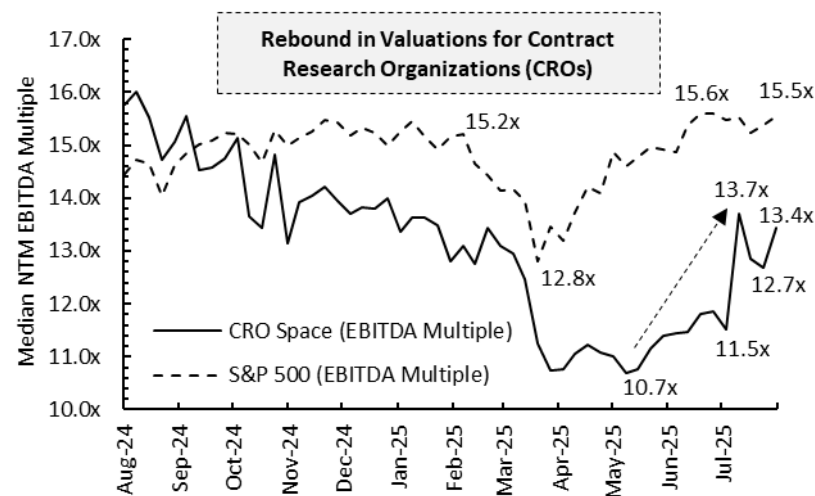
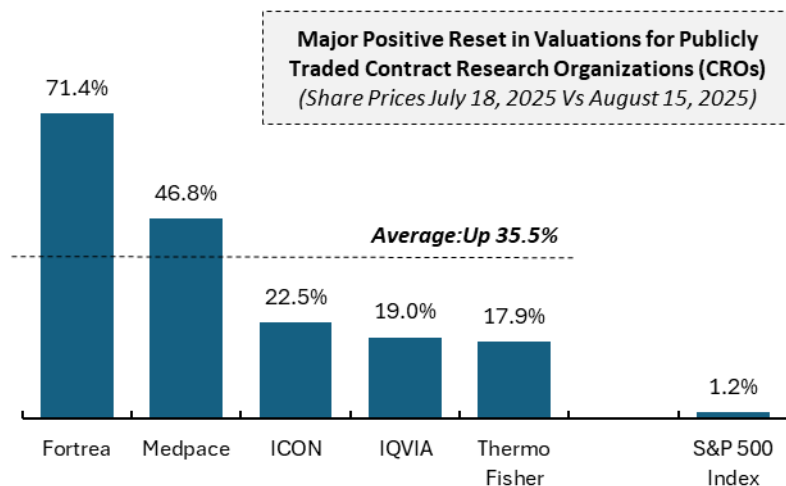
Sources: Pitchbook, S&P Global Market Intelligence, Company filings, and Bourne Partners

A Significant “Reset” for Public CRO Valuations

We have seen a significant positive “reset” of valuations for publicly-traded contract research organizations (CROs) in recent weeks following better-than-expected 2Q25 results. The publicly traded CRO space is now trading *above* its 12-month average valuation (~13.4x NTM EBITDA vs ~13.1x NTM EBITDA), and it is now trading at almost three points above its five-year low in May (of ~10.6x NTM EBITDA). In our view, this bodes well for private CROs looking to monetize their businesses.

Coming out of the 2Q25 reporting season, the common theme across the publicly traded CROs was a sharp sequential uptick in gross bookings -- signaling a possible “bottoming-out” of funding headwinds for small/mid-sized biopharma sponsors. Adding to this was positive commentary from multiple CRO management teams around sales pipeline trends. While funding remains challenging, most small/mid-sized sponsors seem to be able to access sufficient funding to keep their clinical trials running. Also, several CROs referenced that much of the worst could be over with respect to the wave of R&D reprioritizations that we have seen over the past 12 to 18 months as pharma companies have adjusted their R&D strategies to the ongoing rollout of the *Inflation Reduction Act (IRA)* of 2022.

Finally, while oncology remains the largest component of CRO backlog, **there was optimism for more demand in the obesity and metabolic space**. We see an increasing mix of obesity and metabolic clinical trials as an improvement in “business mix” for CROs since clinical trials for obesity and metabolic related diseases tend to be much larger (i.e., more revenues) and relatively easier to recruit for (i.e., converting from backlog to revenue more quickly).



Note: Market values as of the close of business August 15, 2025.
Sources S&P Global Insights and Bourne Partners

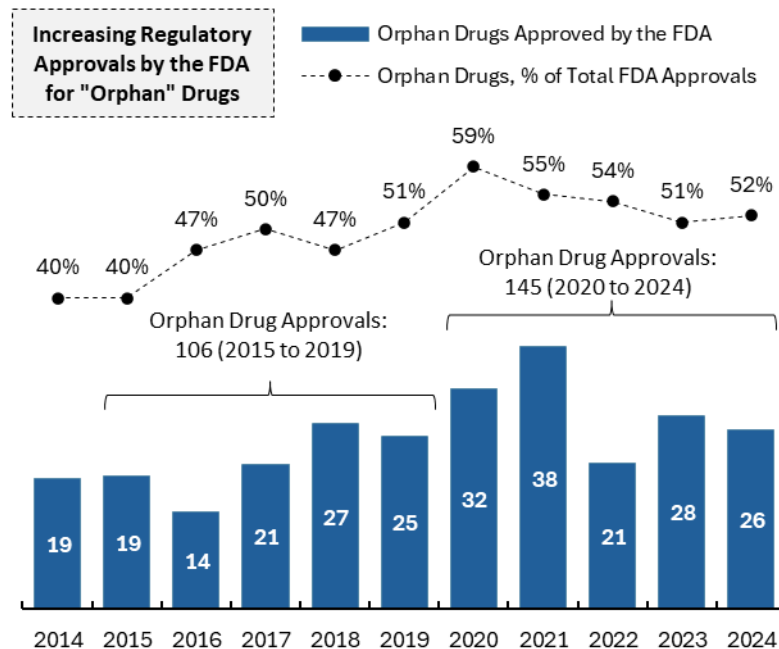
Increasing Policy Focus on Rare Diseases and Orphan Drugs

We expect that increasingly favorable regulatory treatment of “orphan” drugs will likely contribute to more investments in rare disease drug research in the coming years. In our view, this should be positive for CROs insofar as clinical trials for these types of drugs tend to be more complex and more likely to be outsourced to third-parties with specialized expertise.

Today, rare diseases account for almost half of clinical trials worldwide, according to the IQVIA Institute, with ~95% of the 7,000-10,000 of rare diseases still lacking a pharmacologic treatment. Encouraging the development of drugs for rare diseases has been a priority for policymakers for years through a variety of incentives such as extended exclusivity rights, reduced application fees, and tax incentives. Also, over half of patients with rare diseases are children, meaning that these drugs are generally less exposed to changing Medicare policies. All of this has contributed to a steady increase in new orphan drug approvals. For instance, there were 145 “orphan” drug approvals from 2020 to 2024 -- up ~36% from the 106 “orphan” drugs approved from 2015-2019.

Importantly, the passage of the *One Big Beautiful Bill (OBBB) Act* in July 2025 materially improved the existing favorable regulatory treatment of “orphan” drugs. Under the *Inflation Reduction Act (IRA)* of 2022, orphan drugs with a single indication are exempt from Medicare price negotiations. However, this exemption does not apply if additional indications are pursued. This was seen by many as a major flaw in the IRA, with research showing that this has led to a 48.0% drop in the percent of orphan drugs receiving a second indication -- from 12.1% pre-IRA to 6.3% post-IRA.

The OBBB Act expanded the exemption to all orphan drugs, regardless of the number of indications. In our view, this is particularly relevant in high growth therapeutic areas like oncology where drugs commonly have multiple indications. Also, the OBBB Act delays the period of price protection from IRA Medicare price negotiations if an orphan drug adds an indication involving a non-rare disease area to its label.



Note: A “rare disease” is defined as a disease or condition with less than 200,000 patients worldwide, per the U.S. Food and Drug Administration.

Source: IQVIA Institute, U.S Food and Drug Administration (FDA), and Bourne Partners

The Rising Relevance of “Medical Affairs”

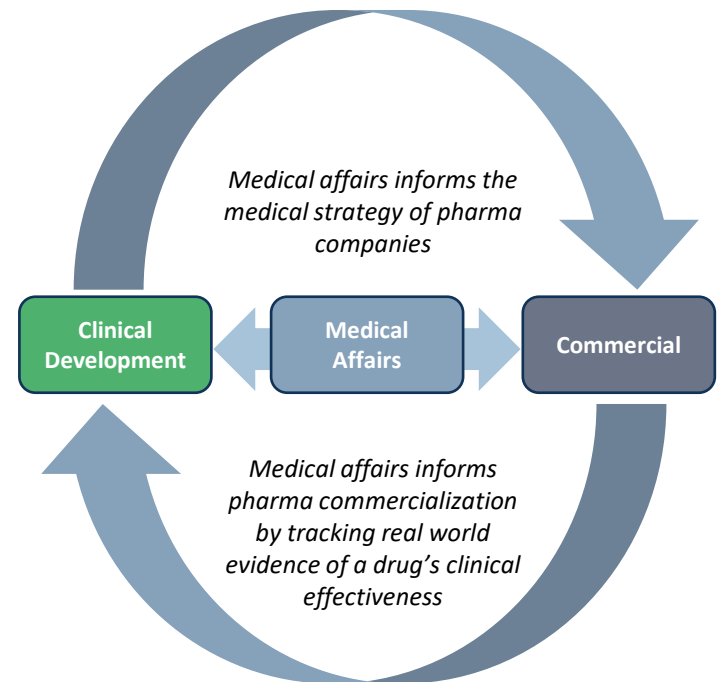
With the rising focus on rare diseases and orphan drugs, we see “medical affairs” as an increasingly strategic function for pharma companies. In fact, we are hearing more and more examples of pharma and biotech companies needing to partner with third-party outsourcing providers to get access to the specialized medical affairs staff and resources they need.

In our view, a typical pharma company consists of three general functions -- clinical development, commercial, and medical affairs. Medical affairs serves as the information center of the pharma company, providing strategic support for clinical development staff and helping to drive relationships with key opinion leaders. While medical affairs is certainly intended to drive business over time, it is often “walled off” from the commercial and clinical functions with separate compensation. This helps to position medical affairs as an independent (non-biased) source of scientific and clinical information for internal and external constituents.

















The role of medical affairs has evolved considerably over time. In the past, within a pharma company, medical affairs was viewed to be a support (i.e., reactive) function, dealing with overflow issues that clinical development and commercial staff might not have the specific scientific know-how to deal with. However, increasingly, we hear of medical affairs playing more and more of a leadership/strategic function, helping to shape the clinical narrative of pharma products with providers, health plans, and regulators. Also, medical affairs is critical to post-approval evidence generation (i.e., Phase IV/post-marketing studies) and to investigator-initiated trials. Finally, for providers, medical affairs staff can often play a consultative role in patient care in rare disease areas.

*** For more discussion, please see our recent [Pharma Commercialization and Market Access Report](#) (July 21, 2025) ***

Medical Affairs Connects the Clinical Development and Commercial Functions of a Pharma Company



Selected Pharma Services Transactions

Date	Target	Acquirer	Commentary	Tags	Deal Value
Aug-2025			Network of sites, conducting trials in central nervous system disorders, vaccines, and metabolic diseases	Clinical Trial Site	\$600 mil
Jul-2025			Provider of consulting and market access services to help life sciences companies with new drugs	Commercial	Not Public
Jun-2025			Market access and consulting for difficult-to-market, therapies with 45 clients across multiple countries	Commercial	Not Public
Jun-2025			Specialized consulting firm for life sciences companies navigating regulatory, policy, and other complexities	Commercial	Not Public
May-2025			Vendor of real-time clinical trial oversight solutions, including dosing compliance and deviation monitoring	Clinical Trial IT	Not Public
May-2025			Specialized CRO, based in Georgia (the United States) focused on clinical trials in the CNS disorder space.	CRO	Not Public
Apr-2025			National clinical trial site network with a focus on (and a reputation for) complex therapeutic studies	Clinical Trial Site	\$1.5 Bil
Apr-2025			Advisory firm servicing life sciences companies with a foundation in management consulting	Commercial	Not Public
Mar-2025			A global CRO, based in Singapore, targeting small/mid-sized biopharma sponsors in complex therapeutic areas	CRO	\$1.9 Bil
Mar-2025			Merger of two providers of market access solutions, ranging from patient services to market access	Commercial / Hub Services	\$1.4 Bil

Bourne Comps - Pharma Services

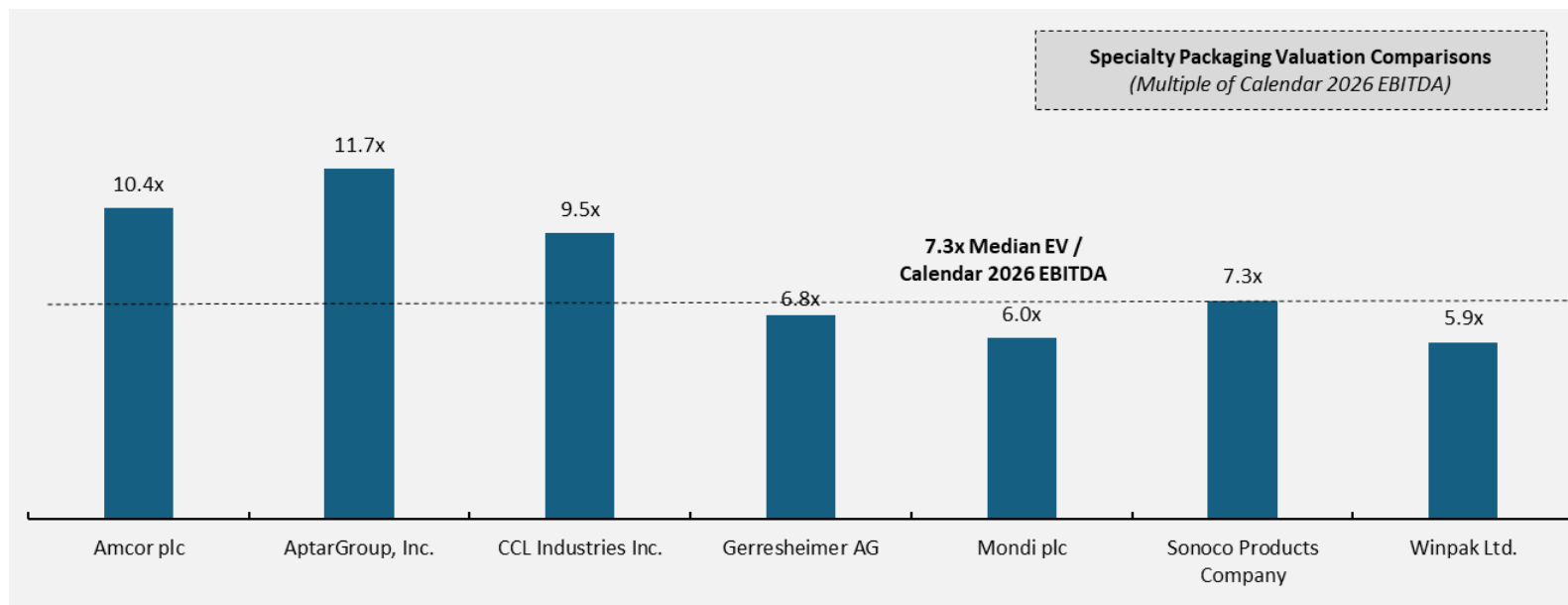
The publicly-traded pharma services space is trading at 15.2x calendar year 2026 EBITDA (arithmetic mean). However, there is a wide discrepancy between contract research organizations (CROs) (median: 10.4x; ranging from 9.0x to 23.1x), contract development and manufacturing organizations (CDMOs) (median: 14.6x; ranging from 11.6x to 25.7x), and other/diversified pharma services companies (median: 18.1x; ranging from 8.6x to 21.0x.)

Company Name	Ticker	Equity Value	Net Debt / Enterprise (Net Cash)	Enterprise Value	Projected CY2026		Projected CY2026			Debt Ratio
					Revenue	Growth	EBITDA	Growth	Multiple	
Contract Research Organizations (CROs)										
Charles River Laboratories	CRL	\$7,711	\$2,606	\$10,317	\$4,065	2.2%	\$990	4.6%	10.4x	2.6x
Fortrea Holdings	FTRE	730	1,161	1,891	2,609	-0.9%	209	15.9%	9.0x	5.6x
ICON	ICLR	13,675	3,195	16,871	8,170	1.8%	1,643	3.0%	10.3x	1.9x
IQVIA Holdings	IQV	32,485	13,557	46,042	16,974	5.0%	4,005	5.9%	11.5x	3.4x
Medpace Holdings	MEDP	12,862	104	12,966	2,666	8.2%	561	6.9%	23.1x	0.2x
Average (Median)						2.2%		5.9%	10.4x	2.6x
Contract Development and Manufacturing Organizations (CDMOs)										
Bora Pharmaceuticals	TWSE:6472	\$3,235	\$402	\$3,637	\$917	30.2%	\$256	22.2%	14.2x	1.6x
Lifecore Biomedical	LFCR	276	123	398	143	7.2%	26	18.0%	15.1x	4.6x
Lonza Group	LONN	48,625	4,661	53,287	10,338	10.1%	3,160	13.7%	16.9x	1.5x
Oxford Biomedica	OXB	806	60	866	282	28.4%	41	1294.4%	21.2x	1.5x
PolyPeptide Group	SWX:PPGN	1,114	41	1,155	559	16.4%	100	72.1%	11.6x	0.4x
Samsung Biologics	KOSE:A207940	53,017	91	53,108	4,824	16.4%	2,066	11.3%	25.7x	0.0x
Siegfried Holding	SFZN	4,755	497	5,252	1,824	7.8%	426	10.6%	12.3x	1.2x
WuXi AppTec	SHSE:603259	39,801	(1,972)	37,828	6,899	13.3%	2,723	10.7%	13.9x	-0.7x
Average (Median)						14.9%		15.8%	14.6x	1.3x
Diversified / Other Pharma Services										
Eurofins Scientific	ERF	\$14,077	\$3,946	\$18,024	\$9,200	6.3%	\$2,087	9.4%	8.6x	1.9x
Thermo Fisher Scientific	TMO	184,656	28,839	213,495	45,975	4.8%	11,775	7.5%	18.1x	2.4x
West Pharma Serv	WST	17,704	(202)	17,502	3,235	6.1%	832	11.7%	21.0x	-0.2x
Average (Median)						6.1%		9.4%	18.1x	1.9x
Total Pharma Services										
Average (Mean)						10.2%		94.9%	15.2x	1.7x
Average (Median)						7.5%		11.0%	14.0x	1.5x

Note: Market values as of the close of business August 15, 2025

Source: S&P Global Market Intelligence

Bourne Comps - Specialty Packaging

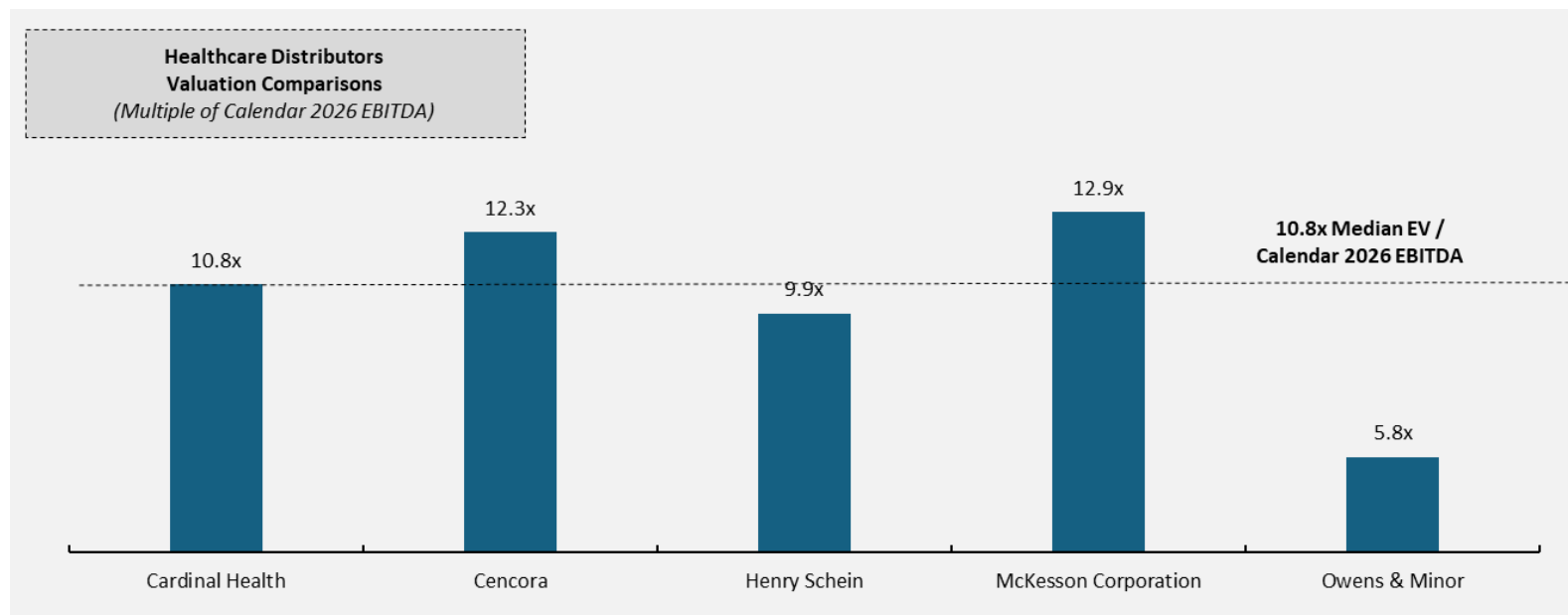


Company Name	Ticker	Equity Value	Net Debt / Enterprise		Projected CY2026		Projected CY2026			Debt Ratio
			(Net Cash)	Value	Revenue	Growth	EBITDA	Growth	Multiple	
Specialty Packaging										
Amcor plc	AMCR	\$20,121	\$14,484	\$34,605	\$23,814	20.6%	\$3,340	9.0%	10.4x	4.3x
AptarGroup, Inc.	ATR	9,139	1,002	10,141	3,893	5.2%	868	6.7%	11.7x	1.2x
CCL Industries Inc.	TSX:CCL.B	10,187	1,198	11,385	5,697	3.3%	1,193	2.5%	9.5x	1.0x
Gerresheimer AG	XTRA:GXI	1,821	2,438	4,258	3,012	7.0%	628	13.5%	6.8x	3.9x
Mondi plc	LSE:MNDI	6,402	3,103	9,504	10,018	6.7%	1,578	15.2%	6.0x	2.0x
Sonoco Products Company	SON	4,562	5,419	9,980	7,751	0.5%	1,371	4.4%	7.3x	4.0x
Wipak Ltd.	TSX:WPK	1,841	(340)	1,500	1,215	5.6%	255	8.3%	5.9x	-1.3x
Average (Mean)						7.0%		8.5%	8.2x	2.1x
Average (Median)						5.6%		8.3%	7.3x	2.0x

Note: Market values as of the close of business August 15, 2025.

Source: S&P Global Market Intelligence

Bourne Comps - Distributors / Wholesalers

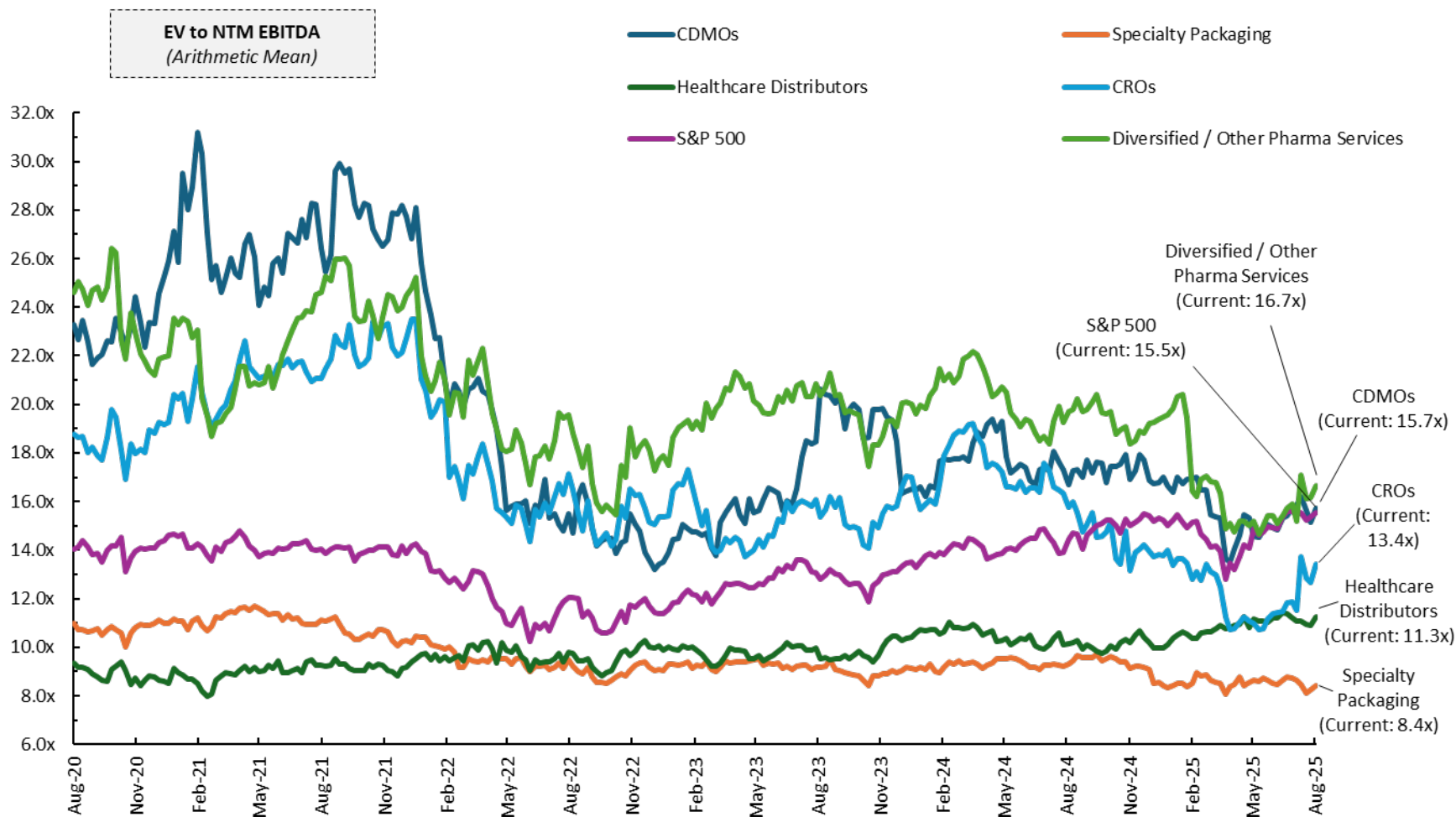


Company Name	Ticker	Equity Value	Net Debt / Enterprise (Net Cash)	Value	Projected CY2026		Projected CY2026			Debt Ratio
					Revenue	Growth	EBITDA	Growth	Multiple	
Healthcare Distributors										
Cardinal Health	CAH	\$35,726	\$5,514	\$41,240	\$258,830	9.3%	\$3,826	14.5%	10.8x	1.4x
Cencora	COR	56,771	7,915	64,687	348,948	7.1%	5,264	6.6%	12.3x	1.5x
Henry Schein	HSIC	8,227	3,213	11,440	13,471	3.7%	1,153	5.7%	9.9x	2.8x
McKesson Corporation	MCK	83,717	7,527	91,244	429,967	8.2%	7,095	9.1%	12.9x	1.1x
Owens & Minor	OMI	439	2,064	2,503	4,197	32.3%	435	12.1%	5.8x	4.7x
Average (Mean)						12.1%		9.6%	10.3x	2.3x
Average (Median)						8.2%		9.1%	10.8x	1.5x

Note: Market values as of the close of business August 15, 2025.

Source: S&P Global Market Intelligence

Bourne Pharma Services Indices



*Note: Market values as of the close of business August 15, 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

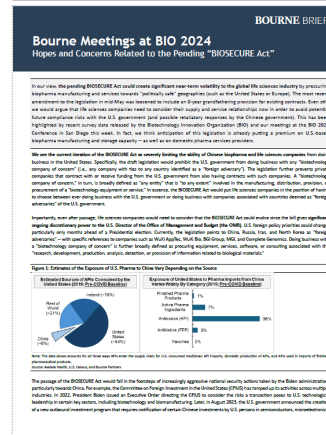
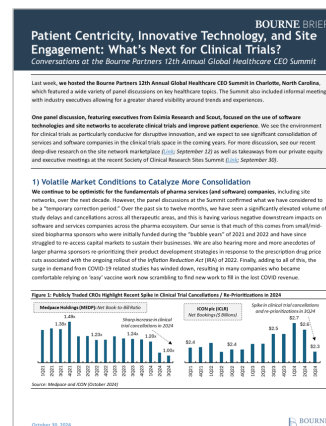
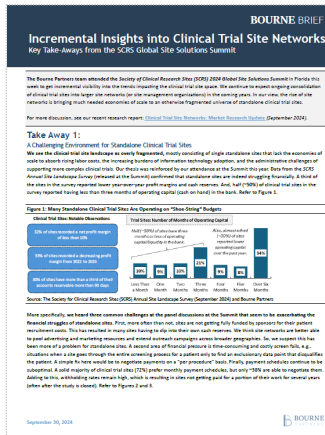
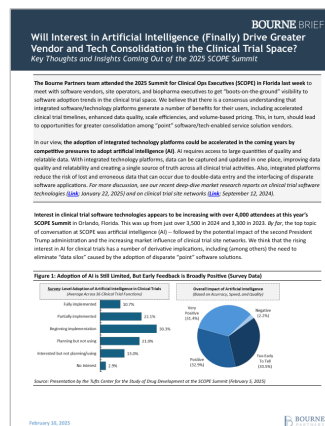


KeyBank
Capital Markets



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



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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



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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



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