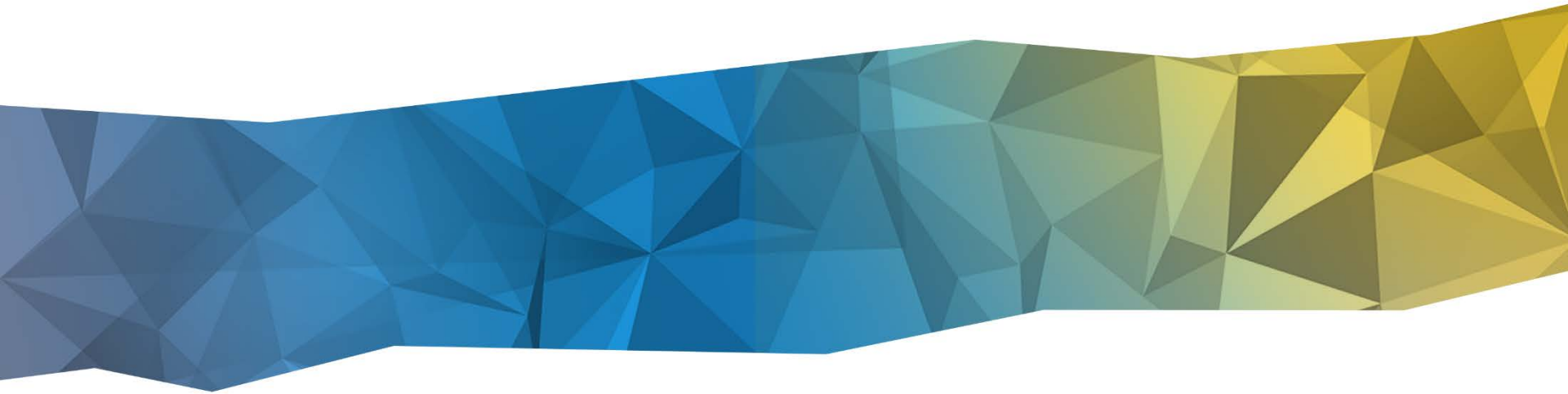


# INSIGHT

## PHARMA SERVICES SECTOR SNAPSHOT



January 2018

BOURNE PARTNERS

# CMO – Transaction Comps

## CMO Transaction Comps

Announced Date	Target	Target Description	Buyer	Geographic Location	Enterprise Value	LTM Revenue	LTM EBITDA	EV / LTM Revenue	EV / LTM EBITDA
Sep-17	Cook Pharmica LLC	Provides contract development and manufacturing services to pharmaceutical and biopharmaceutical companies	Catalent Pharma Solutions, Inc.	USA	\$950.0	\$177.8	NA	5.3x	NA
Jun-17	Albany Molecular Research, Inc.	Contract research and manufacturing company that provides integrated drug discovery, development, and manufacturing	The Carlyle Group L.P.	USA	1,593.5	628.7	\$71.8	2.5x	22.2x
May-17	Patheon N.V.	Provides outsourced pharmaceutical development and manufacturing services	Thermo Fisher	USA	7,205.3	1,933.0	351.2	3.7x	20.5x
Dec-16	CMC Biologics	Provides contract process development and biopharmaceuticals manufacturing services	Asahi Glass Co., Ltd.	Denmark	514.3	NA	NA	NA	NA
Dec-16	Capsugel, Inc.	Develops dosage forms and solutions for the healthcare industry around the world	Lonza Group Ltd.	USA	5,500.0	1,000.0	344.0	5.5x	16.0x
Sep-16	PharmaCore, Inc.	Specializes in developing, manufacturing, and scaling up APIs for clinical phase projects	Cambrex Corporation	USA	25.0	17.0	45.4	2.7x	12.9x
Aug-16	Ash Stevens, Inc.	Develops and manufactures drug substances and APIs	Piramal Pharma Solutions Inc.	USA	53.0	18.3	NA	2.9x	NA
Jul-16	Gland Pharma Limited	Manufactures small volume parenterals including vials, ampoules, pre-filled syringes, and lyophilized vials	Fosun Pharma Industrial Pte. Ltd.	India	1,588.6	188.2	NA	8.4x	NA
May-16	Euticals S.p.a.	Manufactures and sells APIs, customs synthesis, and fine chemical products	Albany Molecular Research, Inc.	Italy	353.1	243.1	26.8	1.5x	13.2x
Apr-16	Kemwell Biopharma Pvt. Ltd., India Pharma Division	The contract development and manufacturing business of the parent located in India	Recipharm AB	India	120.9	35.0	5.8	3.5x	20.9x
Jan-15	Coldstream Laboratories, Inc.	Provides integrated analytical, formulation development, and pharmaceutical manufacturing services	Piramal Healthcare, Inc.	USA	28.9	13.1	NA	2.2x	NA
Sep-14	Shasun Pharmaceuticals Ltd.	Manufactures and sells APIs, intermediates, and formulations to the pharmaceutical industry, primarily in India	Strides Arcolab Ltd.	India	295.1	213.0	26.3	1.4x	11.2x

**Notes:**

NM - Not Meaningful

NA - Not Available

\*Transaction not yet closed

<b>Median</b>	\$433.7	\$188.2	\$45.4	<b>3.2x</b>	<b>16.0x</b>
<b>Mean</b>	1,519.0	406.1	124.5	3.7x	16.7x
<b>High</b>	7,205.3	1,933.0	351.2	8.4x	22.2x
<b>Low</b>	25.0	13.1	5.8	1.4x	11.2x

# CRO - Transaction Comps

## CRO Transaction Comps

Announced Date	Target	Target Description	Buyer	Geographic Location	Enterprise Value	LTM Revenue	LTM EBITDA	EV / LTM Revenue	EV / LTM EBITDA
Jul-17	Chiltern International Limited	Contract research organization that provides clinical development, scientific services, and collaborative technologies	Covance Inc.	United Kingdom	\$1,200.0	NA	NA	NA	NA
Jun-17	PAREXEL International Corporation	Biopharmaceutical outsourcing services company that provides clinical research and logistics, medical communication, consulting, and commercialization	Pamplona Capital Management LLP	USA	5,007.4	\$2,097.0	\$342.8	2.4x	14.6x
Jan-17	J-STAR Research, Inc.	Custom synthesis/contract research organization	Porton USA, L.L.C.	USA	\$26.0	NA	NA	NA	NA
Sep-16	Agilux Laboratories, Inc.	Services supporting discovery, pre-clinical, and clinical services; provides a range of drug metabolism and pharmacokinetic Services	Charles River Laboratories International, Inc.	USA	64.0	NA	NA	NA	NA
Jun-16	Adesis, Inc.	Specializes in organic synthesis, custom synthesis, and full time equivalents services	Universal Display Corporation	USA	36.0	10.0	NA	3.6x	NA
Jan-16	WIL Research Laboratories, LLC (nka:Charles River Laboratories Ashland, LLC)	Provides safety assessment, and contract development and manufacturing services	Charles River Laboratories International, Inc.	USA	NA	218.2	45.4	2.7x	12.9x
Jun-15	Hangzhou Neptunus Bioengineering Co., Ltd.	Researches, develops, and supplies oral solutions, tablets, capsules, and soft capsules	Shenzhen Neptunus Group Co., Ltd.	China	32.9	8.4	NA	3.9x	NA
Jul-14	Penn Pharmaceutical Services Limited	Offers pharmaceutical drug development, clinical trial supply, and pharmaceutical manufacturing services	Packaging Coordinators, Inc. (nka:PCI Pharma Services)	United Kingdom	215.7	51.0	NA	4.2x	NA
Mar-14	BioFocus DPI Ltd.	Develops gene-to-candidate drug discovery products and provides services	Charles River Laboratories Holdings Limited	United Kingdom	186.5	87.7	15.5	2.1x	12.0x
Jan-14	CeeTox, Inc.	Focuses on in vitro toxicity screening of new drug candidates, chemicals, cosmetics, and consumer products	Apredica, LLC (nka:Cyprotex US, LLC)	USA	6.1	3.8	NA	1.6x	NA

Notes:

NM - Not Meaningful

NA - Not Available

\*Transaction not yet closed

Median	\$64.0	\$51.0	\$45.4	2.7x	12.9x
Mean	752.7	353.7	134.6	2.9x	13.2x
High	5,007.4	2,097.0	342.8	4.2x	14.6x
Low	6.1	3.8	15.5	1.6x	12.0x

# Distribution - Transaction Comps

## Pharma Distribution Transaction Comps

Announced Date	Target	Target Description	Buyer	Geographic Location	Enterprise Value	LTM Revenue	LTM EBITDA	EV / LTM Revenue	EV / LTM EBITDA
Nov-17	H. D. Smith, LLC	Distributes and supplies healthcare products and business solutions to manufacturers and healthcare providers	AmerisourceBergen Corporation	USA	\$815.0	NA	NA	NA	NA
Nov-17	Cardinal Health (L) Co., Ltd.	Distributes pharmaceutical products, medical devices, and specialty pharmaceuticals to pharmacies and hospitals	Shanghai Pharma Century Global Limited	Malaysia	557.0	\$3,845.7	\$83.3	0.1x	6.7x
Mar-17	Pelion S.A.	Engages in the trade of pharmaceuticals, cosmetics, and parapharmaceuticals operating through wholesale, retail, services, and other segments in Poland	Korporacja Inwestycyjna Polskiej Farmacji Sp. z o.o.	Poland	\$323.4	\$2,399.5	\$31.5	0.1x	10.3x
Aug-16	Anda, Inc.	Distributes generic, branded, specialty, and over-the-counter pharmaceutical products	Teva Pharmaceutical Industries Limited	USA	500.0	NA	NA	NA	NA
Jul-16	Pharmapar Inc.	Distributes generics drugs for privately insured individuals offering a range of medication types	AlliancePharma Inc. (nka:KDA Group Inc.)	Canada	11.1	17.3	NA	0.6x	NA
May-16	Symmetry Surgical, Inc.	Manufactures and distributes medical devices worldwide offering	RoundTable Healthcare Partners IV, L.P	USA	129.5	84.1	9.1	1.5x	14.2x
Mar-16	Rexall Pharma Plus Ltd.	Operates a network of retail pharmacy stores in Canada offering prescription centers that focus primarily on prescription and over-the-counter products	McKesson Canada Corporation	Canada	2,154.3	2,000.0	200.0	1.1x	11.1x
Apr-15	Idis Group Holdings Ltd.	Provides access to unlicensed pharmaceutical products internationally	Clinigen Group Plc	United Kingdom	341.4	274.5	19.0	1.2x	18.0x
Feb-15	BioRx, LLC	Distributes specialty pharmaceuticals and medical supplies, and provides infusion services in the United States	Diplomat Pharmacy, Inc.	USA	347.8	227.0	23.0	1.5x	15.1x
Jan-15	Norchem Ltd.	Distributes and markets pharmaceuticals	Lexon (UK) Limited	United Kingdom	34.9	37.9	NA	0.9x	NA

**Notes:**

NM - Not Meaningful

NA - Not Available

\*Transaction not yet closed

<b>Median</b>	\$344.6	\$250.7	\$27.2	<b>1.0x</b>	<b>12.7x</b>
<b>Mean</b>	521.4	1,110.8	61.0	0.9x	12.6x
<b>High</b>	2,154.3	3,845.7	200.0	1.5x	18.0x
<b>Low</b>	11.1	17.3	9.1	0.1x	6.7x

# CMO - Trading Comps

## CMO - Trading Comps

USD in millions, except for per-share amounts

Company	Ticker	Share Price	Shares Out	Equity Value	Net Debt (Cash)	Total Debt	Enterprise Value	LTM					NTM Forecast			NTM YoY Growth		Book Value	Dividend /share
								Sales	EBITDA	EBIT	EPS	Interest Expense	Sales	EBITDA	EPS	Sales	EBITDA		
ANI Pharmaceuticals, Inc.	NasdaqGM:ANIP	67.16	11.6	781.9	133.3	151.3	915.2	167.8	65.9	39.1	1.23	11.8	223.0	89.7	4.81	32.9%	36.3%	15.7	NA
Bachem Holding AG	SWX:BANB	151.54	13.5	2,053.3	77.8	94.4	2,131.1	253.1	69.6	47.7	2.08	0.3	282.0	82.9	3.56	11.4%	19.0%	26.5	2.61
Balchem Corporation	NasdaqGS:BCPC	79.00	32.0	2,528.3	200.9	235.6	2,729.2	576.3	138.2	93.7	1.64	7.4	613.5	147.9	2.55	6.5%	7.1%	18.3	0.38
Cambrex Corporation	NYSE:CBM	56.35	32.8	1,847.0	(183.3)	0.0	1,663.7	535.0	175.1	143.3	2.71	1.3	537.8	166.2	2.83	0.5%	(5.1%)	16.6	NA
Catalent, Inc.	NYSE:CTLT	46.54	132.9	6,183.3	2,403.1	2,742.4	8,586.4	2,299.7	461.0	300.0	0.83	96.7	2,483.0	557.5	1.62	8.0%	20.9%	7.5	NA
Consort Medical plc	LSE:CSRT	16.99	49.0	832.1	128.9	165.9	961.0	401.9	69.0	35.6	0.37	3.7	448.7	81.4	0.94	11.7%	17.9%	6.3	0.27
Jubilant Life Sciences Limited	BSE:530019	14.34	159.3	2,284.0	498.6	563.2	2,782.7	1,075.5	204.0	168.6	0.46	37.0	1,316.4	270.4	0.87	22.4%	32.6%	3.8	NA
Koninklijke DSM N.V.	ENXTAM:DSM	103.52	170.6	17,659.9	855.7	3,947.5	18,515.6	10,011.8	1,441.9	877.0	1.70	137.1	10,974.0	1,836.0	5.50	9.6%	27.3%	46.4	2.10
Lonza Group Ltd	SWX:LONN	278.26	74.3	20,686.0	3,865.3	4,356.8	24,551.4	5,238.3	927.6	820.9	6.19	145.7	6,466.9	1,738.1	13.33	23.5%	87.4%	85.5	2.82
Recipharm AB (publ)	OM:RECI B	12.19	62.7	764.6	398.8	488.5	1,163.4	650.9	91.5	40.4	0.40	11.3	687.4	102.6	0.24	5.6%	12.1%	8.9	0.18
Siegfried Holding AG	SWX:SFZN	358.44	3.9	1,406.6	74.2	104.4	1,480.8	744.5	103.3	52.5	5.15	7.9	843.1	139.7	15.57	13.2%	35.2%	179.2	2.09
Teligent, Inc.	NasdaqGS:TLGT	3.05	53.4	162.9	80.2	118.5	243.1	69.9	1.1	(3.3)	(0.13)	14.7	72.3	(1.1)	(0.18)	3.5%	(202.2%)	1.0	NA
West Pharmaceutical Services, Inc.	NYSE:WST	100.20	74.3	7,440.1	(39.5)	229.8	7,400.6	1,565.8	330.1	235.5	1.92	7.1	1,704.6	384.1	2.78	8.9%	16.4%	17.7	0.52

Company	Ticker	FYE	Data as of	Margin Analysis			Enterprise Value/			P/E		Debt/		Interest Coverage	Price to Book	Dividend %			
				Gross Profit	EBITDA	EBIT	Sales	EBITDA	EBIT	NTM Sales	NTM EBITDA	LTM	NTM Forecast				Enterprise Value	Equity Value	
ANI Pharmaceuticals, Inc.	NasdaqGM:ANIP	31-Dec	31-Jan-18	61.1%	39.3%	23.3%	5.5 x	13.9 x	23.4 x	4.1 x	10.2 x	54.5 x	14.0 x	16.5%	19.3%	2.3 x	3.3 x	4.3 x	NA
Balchem Corporation	NasdaqGS:BCPC	31-Dec	31-Jan-18	32.0%	24.0%	16.3%	4.7 x	19.8 x	29.1 x	4.4 x	18.4 x	48.0 x	31.0 x	8.6%	9.3%	1.7 x	12.6 x	4.3 x	0.5%
Cambrex Corporation	NYSE:CBM	31-Dec	31-Jan-18	43.1%	32.7%	26.8%	3.1 x	9.5 x	11.6 x	3.1 x	10.0 x	20.8 x	19.9 x	0.0%	0.0%	0.0 x	114.3 x	3.4 x	NA
Catalent, Inc.	NYSE:CTLT	30-Jun	31-Jan-18	30.9%	20.0%	13.0%	3.7 x	18.6 x	28.6 x	3.5 x	15.4 x	55.8 x	28.8 x	31.9%	44.4%	5.9 x	3.1 x	6.2 x	NA
Jubilant Life Sciences Limited	BSE:530019	31-Mar	31-Jan-18	61.5%	19.0%	15.7%	2.6 x	13.6 x	16.5 x	2.1 x	10.3 x	31.1 x	16.5 x	20.2%	24.7%	2.8 x	4.6 x	3.8 x	NA
Koninklijke DSM N.V.	ENXTAM:DSM	31-Dec	31-Jan-18	37.9%	14.4%	8.8%	1.8 x	12.8 x	21.1 x	1.7 x	10.1 x	60.9 x	18.8 x	21.3%	22.4%	2.7 x	6.4 x	2.2 x	2.0%
Lonza Group Ltd	SWX:LONN	31-Dec	31-Jan-18	37.3%	17.7%	15.7%	4.7 x	26.5 x	29.9 x	3.8 x	14.1 x	45.0 x	20.9 x	17.7%	21.1%	4.7 x	5.6 x	3.3 x	1.0%
West Pharmaceutical Services, Inc.	NYSE:WST	31-Dec	31-Jan-18	32.4%	21.1%	15.0%	4.7 x	22.4 x	31.4 x	4.3 x	19.3 x	52.2 x	36.1 x	3.1%	3.1%	0.7 x	33.2 x	5.6 x	0.5%

\* All estimates from Capital IQ

Debt calculations only included for entities with debt

NM - not meaningful

<b>Median</b>	37.6%	20.6%	15.7%	4.2 x	16.3 x	26.0 x	3.6 x	12.2 x	50.1 x	20.4 x	17.1%	20.2%	2.5 x	6.0 x	4.0 x	0.8%
<b>Mean</b>	42.0%	23.5%	16.8%	3.9 x	17.1 x	24.0 x	3.4 x	13.5 x	46.0 x	23.2 x	14.9%	18.0%	2.6 x	22.9 x	4.1 x	1.0%
<b>Min</b>	30.9%	14.4%	8.8%	1.8 x	9.5 x	11.6 x	1.7 x	10.0 x	20.8 x	14.0 x	0.0%	0.0%	0.0 x	3.1 x	2.2 x	0.5%
<b>Max</b>	61.5%	39.3%	26.8%	5.5 x	26.5 x	31.4 x	4.4 x	19.3 x	60.9 x	36.1 x	31.9%	44.4%	5.9 x	114.3 x	6.2 x	2.0%

- EV multiples highlight how CMOs continue to trade at historical highs
- The median EV multiples for CMOs were 4.2x and 16.3x for Sales and EBITDA, respectively

# CRO - Trading Comps

## CRO - Trading Comps

USD in millions, except for per-share amounts

Company	Ticker	Share Price	Shares Out	Equity Value	Net Debt (Cash)	Total Debt	Enterprise Value	LTM					NTM Forecast			NTM YoY Growth		Book Value	Dividend /share
								Sales	EBITDA	EBIT	EPS	Interest Expense	Sales	EBITDA	EPS	Sales	EBITDA		
Charles River Laboratories International, Inc.	NYSE:CRL	\$105.44	47.4	\$4,993.8	\$981.3	\$1,145.1	\$5,975.1	\$1,857.6	\$328.9	\$287.5	\$3.86	\$29.8	\$1,950.4	\$476.2	\$5.38	5.0%	44.8%	\$22.1	NA
ICON Public Limited Company	NasdaqGS:ICLR	109.52	54.2	5,930.7	56.3	348.8	5,987.1	1,738.4	399.1	338.5	3.49	12.9	1,866.1	431.6	5.84	7.3%	8.1%	20.8	NA
Syneos Health, Inc.	NasdaqGS:SYNH	38.35	104.3	4,001.6	2,752.5	3,057.6	6,754.1	1,365.4	266.6	154.4	1.72	36.5	3,147.3	589.9	2.42	130.5%	121.3%	29.0	NA
Medpace Holdings, Inc.	NasdaqGS:MEDP	36.73	35.4	1,301.3	187.6	211.7	1,488.9	382.4	111.8	62.3	0.56	8.3	407.4	115.3	1.71	6.5%	3.1%	14.7	NA
PRA Health Sciences, Inc.	NasdaqGS:PRAH	91.06	63.4	5,770.4	1,156.3	1,350.2	6,926.7	1,793.2	263.2	195.8	1.39	43.5	2,264.4	437.1	3.97	26.3%	66.1%	14.7	NA
IQVIA Holdings Inc.	NYSE:IQV	102.19	208.0	21,254.3	8,619.0	9,766.0	29,873.3	7,851.0	1,736.0	856.0	2.74	320.0	8,414.2	2,170.6	5.15	7.2%	25.0%	30.7	NA

Company	Ticker	FYE	Data as of	Margin Analysis			Enterprise Value/			P/E		Debt/			Interest Coverage	Price to Book	Dividend %		
				Gross Profit	EBITDA	EBIT	Sales	EBITDA	EBIT	NTM Sales	NTM EBITDA	LTM	NTM Forecast	Enterprise Value				Equity Value	EBITDA
Charles River Laboratories International, Inc.	NYSE:CRL	31-Dec	31-Jan-18	37.8%	17.7%	15.5%	3.2 x	18.2 x	20.8 x	3.1 x	12.5 x	27.3 x	19.6 x	19.2%	22.9%	3.5 x	9.7 x	4.8 x	NA
ICON Public Limited Company	NasdaqGS:ICLR	31-Dec	31-Jan-18	41.8%	23.0%	19.5%	3.4 x	15.0 x	17.7 x	3.2 x	13.9 x	31.4 x	18.8 x	5.8%	5.9%	0.9 x	26.2 x	5.3 x	NA
Syneos Health, Inc.	NasdaqGS:SYNH	31-Dec	31-Jan-18	35.7%	19.5%	11.3%	4.9 x	25.3 x	43.7 x	2.1 x	11.4 x	22.3 x	15.8 x	45.3%	76.4%	NM	4.2 x	1.3 x	NA
Medpace Holdings, Inc.	NasdaqGS:MEDP	31-Dec	31-Jan-18	45.8%	29.2%	16.3%	3.9 x	13.3 x	23.9 x	3.7 x	12.9 x	65.2 x	21.5 x	14.2%	16.3%	1.9 x	7.5 x	2.5 x	NA
PRA Health Sciences, Inc.	NasdaqGS:PRAH	31-Dec	31-Jan-18	33.7%	14.7%	10.9%	3.9 x	26.3 x	35.4 x	3.1 x	15.8 x	65.3 x	22.9 x	19.5%	23.4%	5.1 x	4.5 x	6.2 x	NA
IQVIA Holdings Inc.	NYSE:IQV	31-Dec	31-Jan-18	42.1%	22.1%	10.9%	3.8 x	17.2 x	34.9 x	3.6 x	13.8 x	37.3 x	19.9 x	32.7%	45.9%	5.6 x	2.7 x	3.3 x	NA

<b>Median</b>	39.8%	20.8%	13.4%	3.8 x	17.7 x	29.4 x	3.1 x	13.3 x	34.3 x	19.7 x	19.3%	23.2%	3.5 x	6.0 x	4.1 x	NA
<b>Mean</b>	39.5%	21.0%	14.1%	3.9 x	19.2 x	29.4 x	3.1 x	13.4 x	41.5 x	19.7 x	22.8%	31.8%	3.4 x	9.1 x	3.9 x	NA
<b>Min</b>	33.7%	14.7%	10.9%	3.2 x	13.3 x	17.7 x	2.1 x	11.4 x	22.3 x	15.8 x	5.8%	5.9%	0.9 x	2.7 x	1.3 x	0.0%
<b>Max</b>	45.8%	29.2%	19.5%	4.9 x	26.3 x	43.7 x	3.7 x	15.8 x	65.3 x	22.9 x	45.3%	76.4%	5.6 x	26.2 x	6.2 x	0.0%

\* All estimates from Capital IQ

Debt calculations only included for entities with debt

NM - not meaningful

- Relatively similar margin profiles across the board within the CRO sector
- Subsector of the industry trading at all time highs as illustrated by heightened EV multiples
- The median EV multiples for CROs were 3.8x and 17.7x for Sales and EBITDA, respectively

# Distribution - Trading Comps

## Distribution - Trading Comps

USD in millions, except for per-share amounts

Company	Ticker	Share Price	Shares Out	Equity Value	Net Debt (Cash)	Total Debt	Enterprise Value	LTM					NTM Forecast			NTM YoY Growth		Book Value	Dividend /share
								Sales	EBITDA	EBIT	EPS	Interest Expense	Sales	EBITDA	EPS	Sales	EBITDA		
AmerisourceBergen Corporation	NYSE:ABC	\$99.67	218.5	\$21,778.6	\$1,599.6	\$4,637.3	\$23,378.1	\$155,440.9	\$2,460.1	\$2,027.7	\$5.37	\$148.4	\$166,854.3	\$2,397.1	\$6.13	7.3%	(2.6%)	\$13.2	\$1.48
Cardinal Health, Inc.	NYSE:CAH	71.79	314.6	22,585.4	8,510.0	9,759.0	31,095.4	132,614.0	3,159.0	2,261.0	4.24	281.0	137,161.5	3,285.5	5.40	3.4%	4.0%	24.1	1.84
Henry Schein, Inc.	NasdaqGS:HSIC	75.68	157.0	11,878.3	1,476.8	1,556.7	13,355.1	12,264.4	1,033.5	848.2	2.86	47.0	13,039.3	1,100.0	3.84	6.3%	6.4%	19.2	NA
McKesson Europe AG	HMSE:CLS1	33.59	203.2	6,825.4	896.3	1,405.6	7,721.7	22,074.1	399.9	295.4	0.74	73.5	NA	NA	NA	NA	NA	9.9	0.89
McKesson Corporation	NYSE:MCK	168.88	208.5	35,207.2	6,338.0	8,957.0	41,545.2	205,442.0	3,766.0	2,843.0	8.84	281.0	207,441.9	4,090.5	12.80	1.0%	8.6%	56.9	1.24
Owens & Minor, Inc.	NYSE:OMI	21.06	61.3	1,290.0	818.8	917.3	2,108.9	9,296.8	214.6	173.3	2.02	29.0	10,020.4	316.1	2.10	7.8%	47.3%	16.4	1.03
Patterson Companies, Inc.	NasdaqGS:PDCO	35.89	92.6	3,324.5	997.5	1,099.0	4,322.0	5,532.3	391.3	307.6	1.89	45.5	5,610.2	391.7	2.19	1.4%	0.1%	14.7	1.02
UDG Healthcare plc	LSE:UDG	11.65	248.3	2,894.0	54.6	244.5	2,948.5	1,219.8	149.9	106.6	0.24	11.2	1,379.0	178.4	0.45	13.1%	19.0%	3.5	0.13

Company	Ticker	FYE	Data as of	Margin Analysis			Enterprise Value/			P/E		Debt/			Interest Coverage	Price to Book	Dividend %		
				Gross Profit	EBITDA	EBIT	Sales	EBITDA	EBIT	NTM Sales	NTM EBITDA	LTM	NTM Forecast	Enterprise Value				Equity Value	EBITDA
AmerisourceBergen Corporation	NYSE:ABC	30-Sep	31-Jan-18	3.0%	1.6%	1.3%	0.2 x	9.5 x	11.5 x	0.1 x	9.8 x	18.6 x	16.3 x	19.8%	21.3%	1.9 x	13.7 x	7.6 x	1.5%
Cardinal Health, Inc.	NYSE:CAH	30-Jun	31-Jan-18	5.2%	2.4%	1.7%	0.2 x	9.8 x	13.8 x	0.2 x	9.5 x	16.9 x	13.3 x	31.4%	43.2%	3.1 x	8.0 x	3.0 x	2.6%
Henry Schein, Inc.	NasdaqGS:HSIC	31-Dec	31-Jan-18	27.4%	8.4%	6.9%	1.1 x	12.9 x	15.7 x	1.0 x	12.1 x	26.4 x	19.7 x	11.7%	13.1%	1.5 x	18.1 x	3.9 x	NA
McKesson Europe AG	HMSE:CLS1	31-Mar	31-Jan-18	10.3%	1.8%	1.3%	0.3 x	19.3 x	26.1 x	NA	NA	45.1 x	NA	18.2%	20.6%	3.5 x	4.0 x	3.4 x	2.6%
McKesson Corporation	NYSE:MCK	31-Mar	31-Jan-18	5.3%	1.8%	1.4%	0.2 x	11.0 x	14.6 x	0.2 x	10.2 x	19.1 x	13.2 x	21.6%	25.4%	2.4 x	10.1 x	3.0 x	0.7%
Owens & Minor, Inc.	NYSE:OMI	31-Dec	31-Jan-18	12.4%	2.3%	1.9%	0.2 x	9.8 x	12.2 x	0.2 x	6.7 x	10.4 x	10.1 x	43.5%	71.1%	4.3 x	6.0 x	1.3 x	4.9%
Patterson Companies, Inc.	NasdaqGS:PDCO	29-Apr	31-Jan-18	23.1%	7.1%	5.6%	0.8 x	11.0 x	14.1 x	0.8 x	11.0 x	19.0 x	16.4 x	25.4%	33.1%	2.8 x	6.8 x	2.4 x	2.8%
UDG Healthcare plc	LSE:UDG	30-Sep	31-Jan-18	28.5%	12.3%	8.7%	2.4 x	19.7 x	27.7 x	2.1 x	16.5 x	47.7 x	26.0 x	8.3%	8.4%	1.6 x	9.5 x	3.3 x	1.1%

\* All estimates from Capital IQ

Debt calculations only included for entities with debt

NM - not meaningful

<b>Median</b>	11.3%	2.3%	1.8%	0.3 x	11.0 x	14.3 x	0.2 x	10.2 x	19.0 x	16.3 x	20.7%	23.4%	2.6 x	8.8 x	3.1 x	2.6%
<b>Mean</b>	14.4%	4.7%	3.6%	0.7 x	12.9 x	17.0 x	0.7 x	10.8 x	25.4 x	16.4 x	22.5%	29.5%	2.6 x	9.5 x	3.5 x	2.3%
<b>Min</b>	3.0%	1.6%	1.3%	0.2 x	9.5 x	11.5 x	0.1 x	6.7 x	10.4 x	10.1 x	8.3%	8.4%	1.5 x	4.0 x	1.3 x	0.7%
<b>Max</b>	28.5%	12.3%	8.7%	2.4 x	19.7 x	27.7 x	2.1 x	16.5 x	47.7 x	26.0 x	43.5%	71.1%	4.3 x	18.1 x	7.6 x	4.9%

- Trading at lower sales multiples in general due to lower earnings margins
- The two outliers, UDG and Henry Schein, have superior margins and YoY growth relative to competitors
- The median EV multiples for Distribution were 0.3x and 11.0x for Sales and EBITDA, respectively

# Clinical Laboratories - Trading Comps

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## Clinical Laboratories - Trading Comps

Company	Ticker	Share Price	Shares Out	Equity Value	Net Debt (Cash)	Total Debt	Enterprise Value	LTM				NTM Forecast			NTM YoY Growth		Book Value	Dividend /share	
								Sales	EBITDA	EBIT	EPS	Interest Expense	Sales	EBITDA	EPS	Sales			EBITDA
Laboratory Corporation of America Holdings	NYSE:LH	\$174.50	101.8	\$17,764.1	\$6,445.4	\$6,762.1	\$24,209.5	\$10,205.9	\$2,048.0	\$1,514.8	\$7.79	\$235.1	\$10,950.0	\$2,143.4	\$10.09	7.3%	4.7%	\$66.8	NA
Quest Diagnostics Incorporated	NYSE:DGX	105.82	136.3	14,423.2	3,647.0	3,784.0	18,070.2	7,709.0	1,552.0	1,282.0	5.00	151.0	7,896.3	1,622.5	5.88	2.4%	4.5%	36.5	1.80

Company	Ticker	FYE	Data as of	Margin Analysis			Enterprise Value/				P/E		Debt/		Interest Coverage	Price to Book	Dividend %		
				Gross Profit	EBITDA	EBIT	Sales	EBITDA	EBIT	NTM Sales	NTM EBITDA	LTM	NTM Forecast	Enterprise Value				Equity Value	EBITDA
Laboratory Corporation of America Holdings	NYSE:LH	31-Dec	31-Jan-18	33.9%	20.1%	14.8%	2.4 x	11.8 x	16.0 x	2.2 x	11.3 x	22.4 x	17.3 x	27.9%	38.1%	3.3 x	6.4 x	2.6 x	NA
Quest Diagnostics Incorporated	NYSE:DGX	31-Dec	31-Jan-18	39.4%	20.1%	16.6%	2.3 x	11.6 x	14.1 x	2.3 x	11.1 x	21.1 x	18.0 x	20.9%	26.2%	2.4 x	8.5 x	2.9 x	1.7%

\* All estimates from Capital IQ

Debt calculations only included for entities with debt

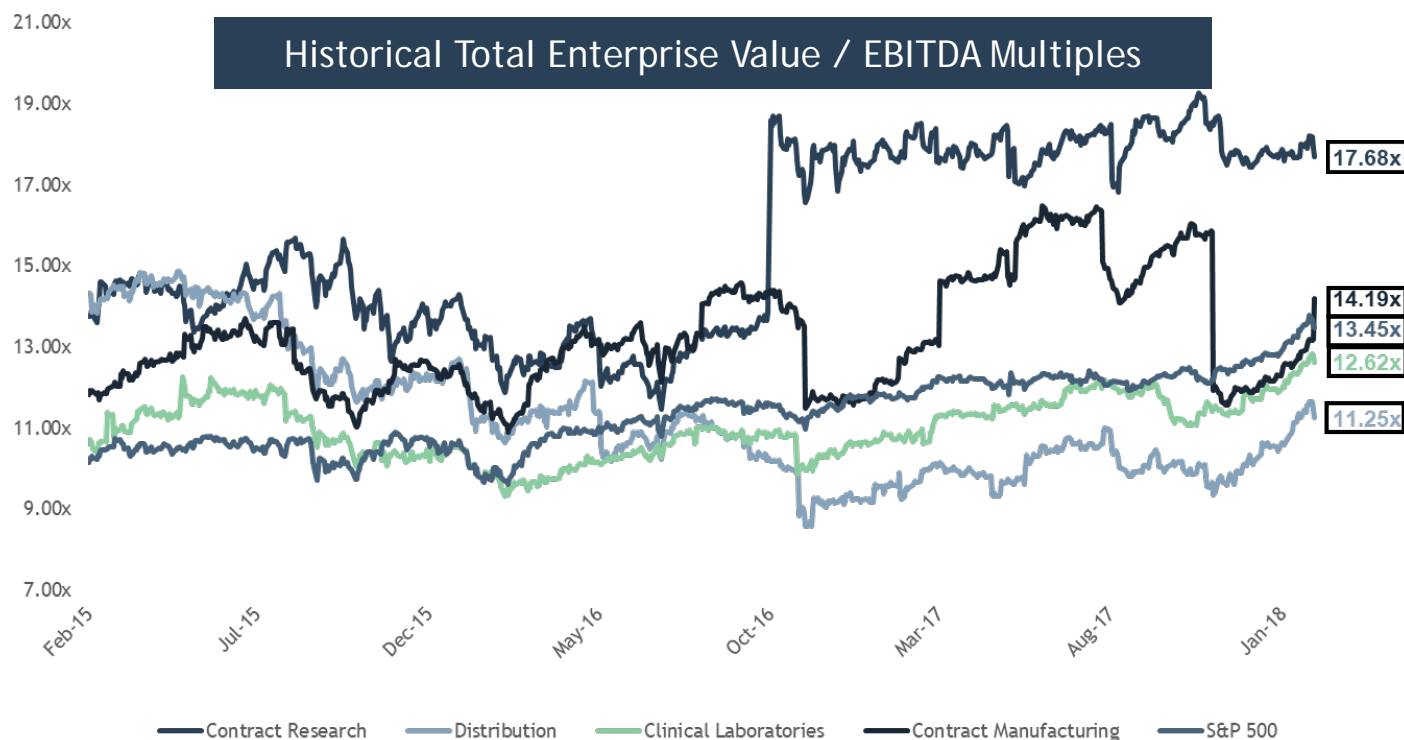
NM - not meaningful

<b>Median</b>	36.7%	20.1%	15.7%	2.4 x	11.7 x	15.0 x	2.2 x	11.2 x	21.8 x	17.7 x	24.4%	32.2%	2.9 x	7.5 x	2.8 x	1.7%
<b>Mean</b>	36.7%	20.1%	15.7%	2.4 x	11.7 x	15.0 x	2.2 x	11.2 x	21.8 x	17.7 x	24.4%	32.2%	2.9 x	7.5 x	2.8 x	1.7%
<b>Min</b>	33.9%	20.1%	14.8%	2.3 x	11.6 x	14.1 x	2.2 x	11.1 x	21.1 x	17.3 x	20.9%	26.2%	2.4 x	6.4 x	2.6 x	1.7%
<b>Max</b>	39.4%	20.1%	16.6%	2.4 x	11.8 x	16.0 x	2.3 x	11.3 x	22.4 x	18.0 x	27.9%	38.1%	3.3 x	8.5 x	2.9 x	1.7%

- Small sample size due to limited amount of public players within the space
- Margin analysis and Enterprise Value (“EV”) multiples are similar across the two companies represented and indicative of the sector
- The median EV multiples for Clinical Laboratories were 2.4x and 11.7x for Sales and EBITDA, respectively



# Valuation Trends - Last 3 Years



- The pharma services subsectors, except Distribution, have positive trends over the past few years and are trading at historical highs
- The CRO segment has held steady the past year while CMO is recovering after a significant dip

CMO basket consists of the following: Albany Molecular Research, Inc. (NASDAQ:AMRI), Bachem (SWX:BANB), Balchem (NasdaqGS:BCPC), Cambrex (NYSE:CBM), Catalent (NYSE:CTLT), Jubilant (BSE:530019), DSM (ENXTAM:DSM), Lonza (SWX:LONN), Patheon (NYSE:PTHN), Siegfried (SWX:SFZN), Teligent (NasdaqGS:TLGT), and West Pharmaceuticals (NYSE:WST)

CRO basket consists of the following: Charles River (NYSE:CRL), ICON (NasdaqGS:ICLR), INC Research (NASDAQ:INCR), Medpace (NasdaqGS:MEDP), PAREXEL (NasdaqGS:PRXL), PRA Health Sciences (NasdaqGS:PRAH), and IQVIA (NYSE:IQV)

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

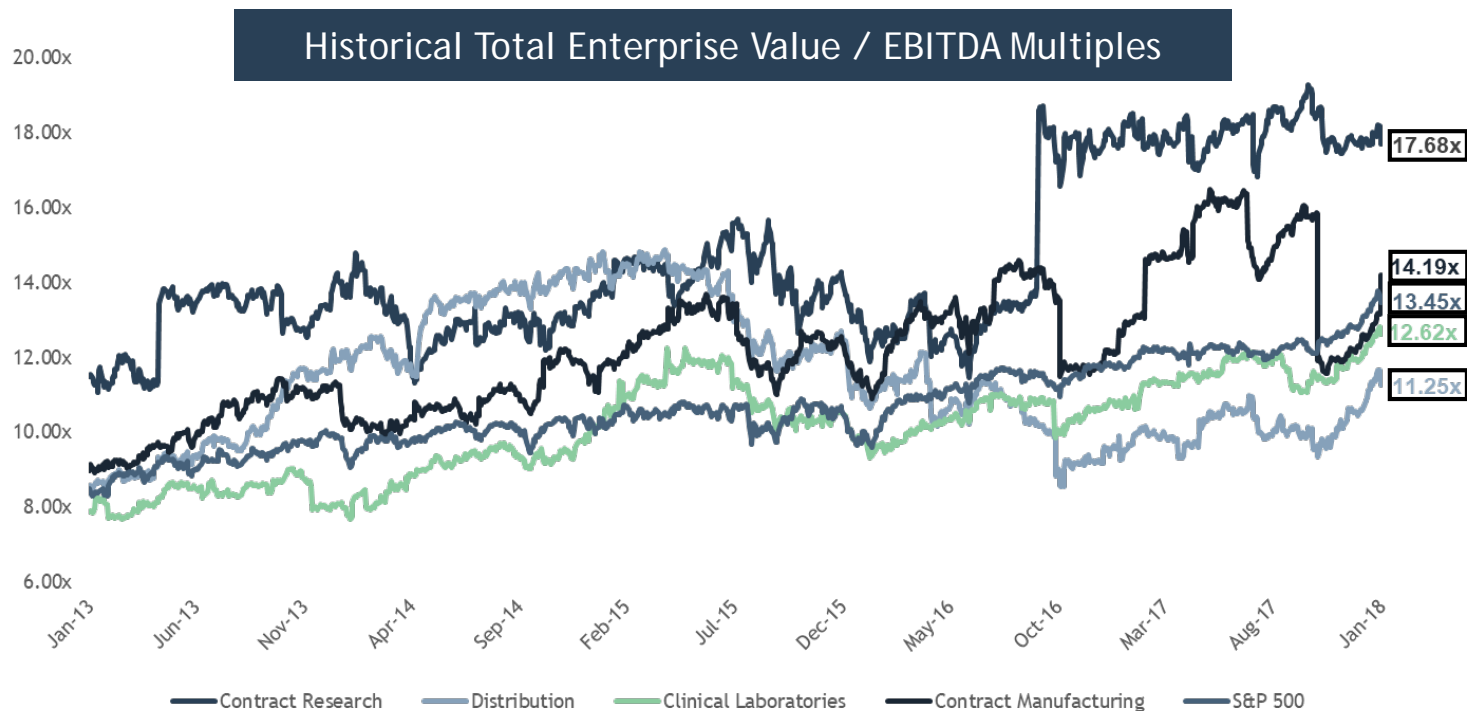
Clinical Laboratories basket consists of: Lab Corp (NYSE:LH) and Quest Diagnostics (NYSE:DGX)

# Valuation Trends (3 Year & LTM Comparisons) BOURNE PARTNERS

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- Below are the *current* TEV / EBITDA multiples for each sector:
  - CMO: 14.2x (5.5% above current S&P multiples)
  - CRO: 17.7x (31.4% above current S&P multiples)
  - Distribution: 11.3x (16.4% below current S&P multiples)
  - Clinical Laboratories: 12.6x (6.2% below current S&P multiples)
  - S&P 500: 13.5x
- Below are the *average* TEV / EBITDA multiples for each sector over the last 3 years:
  - CMO: 13.2x (16.8% above average S&P multiples)
  - CRO: 15.6x (38.1% above average S&P multiples)
  - Distribution: 11.3x (0.4% below average S&P multiples)
  - Clinical Laboratories: 11.0x (2.7% below average S&P multiples)
  - S&P 500: 11.3x
- Below are the % change in TEV / EBITDA multiples for each sector over the last 3 years (and LTM):
  - CMO: +20.2% (*up 20.2% in the last 12 months*)
  - CRO: +28.7% (*down 3.0% in the last 12 months*)
  - Distribution: -21.4% (*up 18.8% in the last 12 months*)
  - Clinical Laboratories: +18.9% (*up 17.4% in the last 12 months*)
  - S&P 500: 33.0% (*up 14.6% in the last 12 months*)

# Valuation Trends - Last 5 Years



- 5 year outlook shows heightened values for all four sectors in pharma services compared to historical trading multiples

CMO basket consists of the following: Albany Molecular Research, Inc. (NASDAQ:AMRI), Bachem (SWX:BANB), Balchem (NasdaqGS:BCPC), Cambrex (NYSE:CBM), Catalent (NYSE:CTLT), Jubilant (BSE:530019), DSM (ENXTAM:DSM), Lonza (SWX:LONN), Patheon (NYSE:PTHN), Siegfried (SWX:SFZN), Teligent (NasdaqGS:TLGT), and West Pharmaceuticals (NYSE:WST)

CRO basket consists of the following: Charles River (NYSE:CRL), ICON (NasdaqGS:ICLR), INC Research (NASDAQ:INCR), Medpace (NasdaqGS:MEDP), PAREXEL (NasdaqGS:PRXL), PRA Health Sciences (NasdaqGS:PRAH), and IQVIA (NYSE:IQV)

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

Clinical Laboratories basket consists of: Lab Corp (NYSE:LH) and Quest Diagnostics (NYSE:DGX)

# Valuation Trends (5 Year & LTM Comparisons) BOURNE PARTNERS

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- Below are the *current* TEV / EBITDA multiples for each sector:
  - CMO: 14.2x (5.5% above current S&P multiples)
  - CRO: 17.7x (31.4% above current S&P multiples)
  - Distribution: 11.3x (16.4% below current S&P multiples)
  - Clinical Laboratories: 12.6x (6.2% below current S&P multiples)
  - S&P 500: 13.5x
  
- Below are the *average* TEV / EBITDA multiples for each sector over the last 5 years:
  - CMO: 12.2x (15.1% above average S&P multiples)
  - CRO: 14.5x (36.8% above average S&P multiples)
  - Distribution: 11.4x (7.5% above average S&P multiples)
  - Clinical Laboratories: 10.1x (4.7% below average S&P multiples)
  - S&P 500: 10.6x
  
- Below are the % change in TEV / EBITDA multiples for each sector over the last 5 years (and LTM):
  - CMO: +58.0% (*up 12.4% in the last 12 months*)
  - CRO: +54.1% (*down 3.0% in the last 12 months*)
  - Distribution: +31.2% (*up 18.8% in the last 12 months*)
  - Clinical Laboratories: +60.6% (*up 17.4% in the last 12 months*)
  - S&P 500: 58.4% (*up 14.6% in the last 12 months*)