



ALLYUM



CRO, CMO/CDMO business Q3 2018

Allyum's industry expert, Marc KOBYLINSKI, gives his Q3 2018 insights on the CRO, CMO & CMDO industry



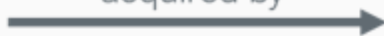
"The third quarter confirms the consolidation wave in the industry and the strong appetite of financial and strategic players: By acquiring Halo Pharmaceutical, Cambrex steps in the CDMO activities and can extend its services for its current client's bases. Catalent has agreed to acquire Juniper for its expertise in early-phase product development. New Water Capital has acquired Trillium Health Care Products and will support future growth. Webster Capital has acquired Jean Brown Associates for accelerating CRO business by acquisitions. The fragmented market of the CDMO/CMO industry and the desire of the Pharma to work with limited number of players are good drivers for Buy & Build strategy over the next five years.

The flip side of such booming M&A activities is the valuation which is rising over the past few year. The EV/EBITDA NTM Multiple has increased to 12.3x for the CDMO/CMO from 9.5 in 2014 and to 15x for the CRO from 11.5 in 2014. Such trend might accelerate the exit process from the PE side and boost their appetite."

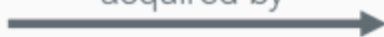
Prominent transactions of the last 90 days



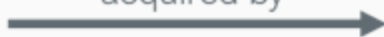
acquired by



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Cambrex Corporation, a listed US-based pharmaceutical company has acquired **HALO Pharmaceutical, Inc.**, a US-based company engaged in pharmaceutical branded product lifecycle management from SK Capital Partners, the US-based private equity firm for a ticket of USD 425m.

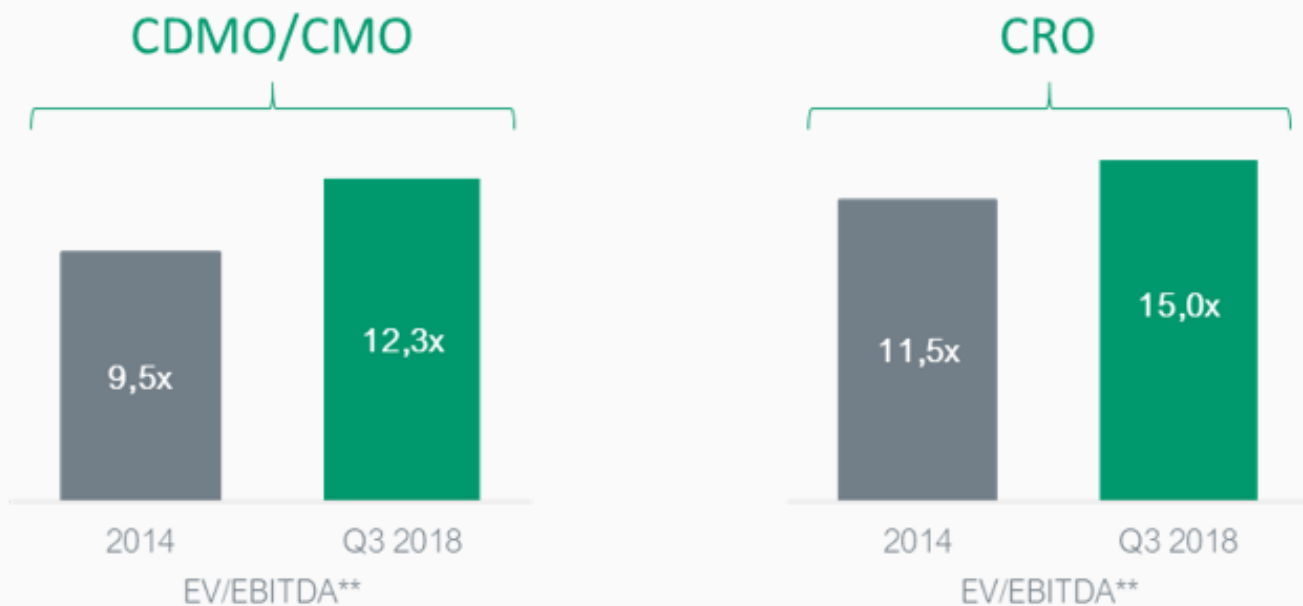
Catalent, Inc. the listed US-based company providing development solutions and drug delivery technologies has acquired **Juniper Pharmaceuticals, Inc.**, the US-based healthcare company which develops intra-vaginal therapeutics.

New Water Capital, L.P., the US-based private equity firm, has acquired **Trillium Health Care Products, Inc.**, the US-based company engaged in contract manufacturing of pharmaceutical products.

Webster Capital, the US-based private equity firm has acquired **Jean Brown Associates, Inc.** the US-based clinical research company conducting post-op pain studies.

Source: MergerMarket

EBITDA multiples based on the next twelve months performances from major quoted groups*



**The above multiples come from major quoted groups and don't include any illiquidity/size discounts to be applied when valuing small & mid-cap companies.*

***NTM multiples.*

Source: Capital IQ, Allyum (Dec. 2018)

