



CRO, CDMO and CMO's new playground for M&A

Allyum's industry expert, Marc KOBYLINSKI, gives his Q2 2019 insights on the CRO, CMO & CMDO industry



"Q2 2019 was marked by a M&A activity mainly driven by Private Equity with acquisitions made by Ampersand Capital Partners, Great Point Partners and Seal Investment BV.

In the CDMO, CMO market, Viabalogics (CDMO) was acquired by Ampersand Capital Partners for an undisclosed consideration. The investment rationales are to further develop Viablogics presence in the US and European market and benefit of Ampersand's expertise in development of process and manufacturing facility. A minority stake (30%) of TBD-Biodiscovery OU was acquired by Seal Investment BV for EUR 4.5M. The operation will enable TBD to develop its geographical expansion and strengthen its position on the European market.

In the CRO market, Tergus Pharma, LLC was acquired by Great Point Partners for an undisclosed consideration. The newly PE backed company will be able to expand its commercial footprint in the US and to develop its clinical trial material and commercial manufacturing capabilities.

Over the last quarter, NTM EV/EBITDA multiples remain stable for CMOs/CDMOs around 10.6x. For the CRO Market, the NTM EV/EBITDA multiples have decreased from 14.2 to 13.9x over the same period."

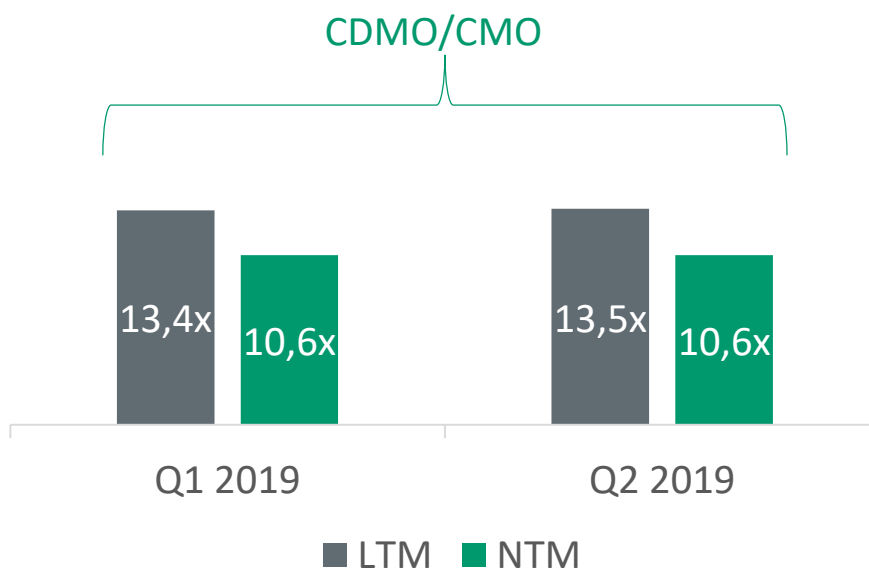
Prominent transactions of the last 90 days

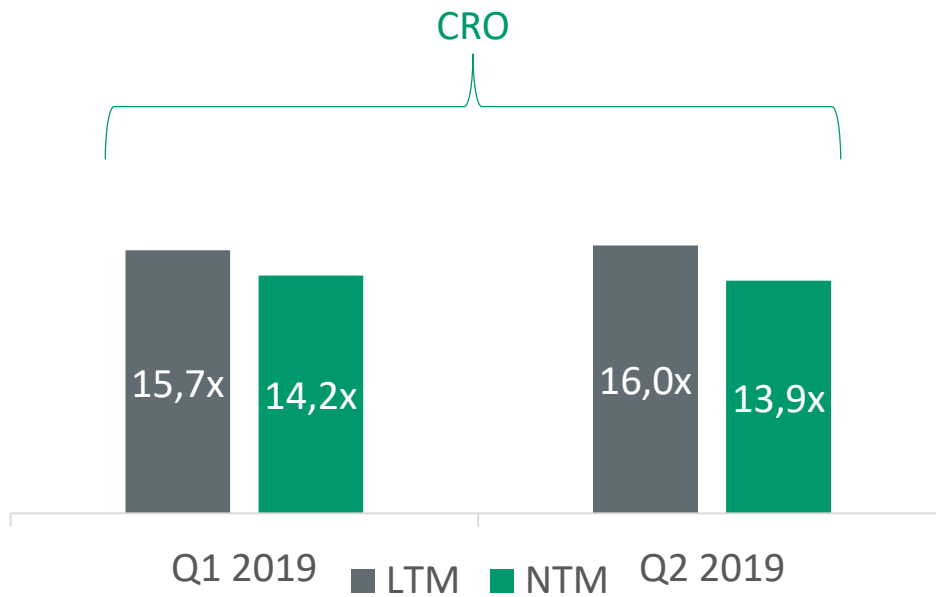
Vibalogics → acquired by →  **Ampersand**

 **Blodiscovery** → 30% acquired by → Seal Investment B.V.

 **Tergus Pharma** → acquired by →  **Great Point Partners**
Think Topicals, Think Tergus

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.*

Source: Capital IQ, Allyum (October 2019)

