



## Q1-2014 CRO INDUSTRY UPDATE

### Market Update

The CRO industry continued to build off of its strong performance in 2013 from a merger and acquisition perspective. There were large private equity transactions such as Cinven acquiring Medpace from their previous PE backer; smaller strategic acquisitions that helped groups expand internationally as evidenced by Charles River, INC, Clinipace, and NAMSA; and also large strategic mergers with the combination of Synarc and Bioclinica being completed. As 2014 moves ahead, we expect to see strong consolidation continue as private equity interest remains robust as does the interest of companies looking to expand both service offerings and geographic coverage through acquisitions.

### SELECT CRO TRANSACTIONS

Month	Investor	Target Company	Completed Transaction Details
March 2014	Charles River Laboratories International	Galapagos NV, CRO Services Division	Charles River Laboratories International has completed its previously announced acquisition of the CRO Services Division of Galapagos NV for \$186 million. The division, located both in the UK and the Netherlands, offers its drug discovery services to pharmaceutical and biotech companies. The transaction's EBITDA and revenues multiples were 12x and 2.1x respectively.
March 2014	CCBR-Synarc, Inc.	Bioclinica	Water Street Healthcare Partners and JLL have completed the merger of their portfolio companies BioClinica and CCB-SYNARC, Inc. The two organizations did not disclose any financial terms of the deal. The combined entity of Bioclinica and CCB-SYNARC will be a global leader in CRO services. The entity will be able to cross-sell products to increase customer offerings.
March 2014	Clinipace Worldwide	Choice Pharma	Clinipace Worldwide acquires Choice Pharma, a Pan-Asian CRO. Financial terms of the transaction were not disclosed. Choice Pharma is an international contract research organization focused on the management of clinical trials across the Asia-Pacific region. With 9 operational offices across the region, Choice Pharma is one of the fastest growing CROs in Asia-Pacific. This acquisition extends Clinipace's operations into a total of 15 countries.
March 2014	INC Research	MEK Consulting	Lebanon-based, MEK Consulting, which specializes in clinical monitoring, with infrastructure to support trials in oncology, general medicine, rare diseases and other fields, has been acquired by INC Research. The acquisition of MEK Consulting expands INC Research's geographic coverage to the Middle East, and provides INC with a potential market of 200 million patients.
February 2014	Cinven Limited	Medpace, Inc.	Cinven Limited, a UK-based private equity firm managing over \$7Bn in their current fund, as agreed to acquire Medpace, Inc. from their current owners, CCMP Capital Advisors for approximately \$915 million. Medpace is a Cincinnati based global clinical research organization which generated approximately \$94 million in adjusted EBITDA in 2013, leading to a 9.7x multiple on their trailing earnings.
February 2014	CTI Clinical Trial and Consulting Services	Community Research	Cincinnati based, CTI Clinical Trial and Consulting Services, acquires Community Research. Community Research is a multi-specialty clinical research site with three locations throughout Greater Cincinnati, Ohio. The acquisition will help to increase the number of early stage trials CTI is working on and will bring greater service offerings to existing clients. Financial terms were not disclosed.
January 2014	North American Science Association	Medvance	Ohio based medical device researcher, NAMSA, acquired the U.K. based, Medvance, with hopes of expanding its market share in the medical technology market. Moving forward the two will do business as NAMSA Medvance. The acquisition of Medvance allows NAMSA to bolster its offerings in regulatory, clinical and resourcing services while increasing its presence in the European market. The acquisition also supports NAMSA's efforts to expand its global presence over the past year.
January 2014	JSS Medical Research	Integrated Research, Inc.	The Canadian based CRO, Integrated Research, Inc., has been acquired by JSS Medical Research. The acquisition will create the largest Canadian-owned CRO that has the resources and management team to compete with the large multinationals while still maintaining intimate client relationships.
January 2014	Cypotex PLC	CeeTox, Inc.	Cypotex acquired CeeTox, the MI-based division of North American Science Associates, for \$1.03 million in upfront cash plus 5% payable on specified net sales achieved in the next four years which will not exceed \$5.1 million. The deal provides Cypotex with the opportunity to offer a more complete screening service to the personal care and cosmetic industries while also expanding the company's footprint in its established segments.