

# Q3-2014 CRO Update



## M&A Update

The CRO sector continued to see rampant strategic consolidation throughout the third quarter, with only a sampling of transactions highlighted below. As can be seen by the current trading statistics of the publically traded players in the sector, valuations and growth continue to thrive. Looking forward to Q4 as well as 2015, it is highly anticipated that large strategic acquirers will continue to utilize M&A to grow, while private equity groups are also likely to get further involved through platform investments in some of the still-private mid-sized players.

Data from Capital IQ			Valuation Statistics	
Company	Ticker	Enterprise Value (EV) – in millions	EV/ LTM Rev.	EV/ LTM EBITDA
Charles River	CRL	\$3,400	2.8x	11.9x
Covance	CVD	\$4,256	1.6x	9.7x
ICON	ICLR	\$3,341	2.2x	15.0x
PAREXEL	PRXL	\$3,268	1.7x	11.6x
Quintiles	Q	\$8,118	2.0x	12.6x
WuXi	WX	\$2,089	3.4x	13.5x

Month	Acquirer	Target Company	Details
September 2014	WIRB-Copernicus Group	ePharmaSolutions, Inc.	WIRB Copernicus Group announced the acquisition of ePharmaSolutions, Inc. ePharmaSolutions provides clinical service tools particularly for clinical site management. Financial terms of the transaction were not disclosed.
July 2014	PAREXEL International Corporation	ATLAS Medical Services, Ltd.	PAREXEL International Corporation announced the acquisition of ATLAS Medical Services, Ltd., a Turkish CRO with offices in Greece and Cyprus. ATLAS had 2013 revenues of \$4 million. No further financial details of the transaction were disclosed.
July 2014	Advanced BioScience Laboratories, Inc.	Platine Pharma Services SAS	Advanced BioScience Laboratories, Inc., a Maryland based contract research and manufacturing organization, has acquired Platine Pharma Services SAS. Platine is a France based provider of immune-monitoring solutions to multiple verticals of clients throughout the drug development process. Financial terms of the transaction were not disclosed.
July 2014	Chiltern International, Inc.	Ockham Development Group, Inc.	Chiltern International, Inc., a full-service Contract Research Organization based in London, England, has announced its acquisition of 100% of Ockham Development Group, Inc., another full-service CRO based out in Cary, North Carolina. The new company will be named Chiltern, and the firm has absorbed Ockham's management team. This acquisition allows for Chiltern to further expand its efforts and capabilities within oncology services primarily focused towards the bio-pharmaceutical community. As a purely strategic acquisition, Chiltern further develops its CRO business and strengthens its foothold in the specialized mid-tier CRO sector. Financial terms of the transaction were not disclosed.
July 2014	ATS Labs, Inc.	Microtest Laboratories, Inc.	ATS Labs, Inc., an antimicrobial and biocide testing provider based in Minnesota, announced the acquisition of Microtest Laboratories, Inc. based in Massachusetts. Financial terms of the transaction were not disclosed.