

Q4: Quarterly Industry Update

AS OF December 31, 2023



Pharmaceuticals Industry Summary

COGENT VALUATION identified **Pharmaceuticals** publicly traded companies, IPOs, and recent M&A transactions within the Pharmaceuticals industry, which provides a basis for market and transaction pricing that can be used by your firm in estimating market sentiment and its impact on your firm's value. Over the last year since December 31, 2022, the median 52-week share price return of the Pharmaceuticals industry decreased from -12.1% to -21.8%, and the median YTD increased from -12.2% to -11.1%. Between December 31, 2022 and December 31, 2023, the median EV/Revenue multiple decreased from 4.8 to 3.3 and the median EV/EBITDA multiple decreased from 10.2 to 7.4. The median price-to-earnings multiple increased from 35.4 to 26.3 and the median EV/Gross CF multiple decreased from 31.3 to 26.3 over the same period. The median MVIC/Earnings multiple decreased from 1 to -.4. The median Price/Revenue increased from 14 to 22 over the same period.

Public Company Key Statistics

Median 52-Week Return	Median YTD Return	Median EV/Revenue Multiple	Median EV/EBITDA Multiple
-21.8%	-11.1%	3.3x	11.6x
Median Price/Earnings Multiple	Median EV/Gross Profit Multiple	Median MVIC/Earnings Multiple	Median Price/Revenue Multiple
26.3x	26.7x	-.4x	22x

Public Company Median Multiples by Quarter

	12/31/23	9/30/23	6/30/23	3/31/23	12/31/22	9/30/22	6/30/22	3/31/22
Median EV/Revenue Multiple	3.3x	3.2x	3.4x	2.4x	3.1x	3.2x	2.9x	3.0x
Median EV/EBITDA Multiple	11.63x	18.0x	17.6x	13.4x	14.6x	14.6x	19.4x	11.3x
Median Price/Earnings Multiple	26.3x	10.9x	20.3x	21.2x	20.8x	19.7x	17.9x	9.7x
Median EV/Gross Profit Multiple	26.7x	22.2x	21.3x	23.6x	24.5x	23.2x	30.4x	25.0x
Median MVIC/Earnings Multiple	-0.4x	1.6x	2.7x	3.7x	5.4x	3.5x	2.2x	3.2x
Median Price/ Revenue Multiple	22x	3.2x	3.4x	2.7x	33.6x	1.5x	3.2x	3.2x

■ Highest Multiple
 ■ Median Multiple
 ■ Lowest Multiple

Comparable Public Company Market Price Returns as of December 31, 2023

Company Name	Q4 2023	12-months 2023	Two Year ¹	Three Year ¹	2022	2021	2020
Abbott Laboratories	5.0%	34.9%	-0.5%	5.9%	48.6%	-14.5%	17.5%
Akorn, Inc.	-41.9%	-22.3%	-12.4%	0.3%	47.6%	-41.5%	47.0%
Allergan plc	2.9%	-29.6%	-10.5%	2.9%	-22.1%	-32.8%	53.2%
Amphastar Pharmaceuticals, Inc.	-2.5%	29.3%	0.8%	21.3%	4.5%	29.4%	N/A
ANI Pharmaceuticals, Inc.	-9.7%	17.6%	-13.2%	10.8%	6.3%	34.3%	58.5%
Cambrex Corporation	9.0%	-5.0%	16.6%	42.4%	-11.0%	14.6%	21.3%
Cardinal Health, Inc.	2.3%	-23.1%	-3.5%	4.4%	-14.9%	-19.4%	20.8%
Concordia International Corp.	-25.3%	-69.9%	-85.3%	-63.5%	-69.2%	-94.8%	436%
Dr. Reddy's Laboratories Limited	-15.4%	-21.2%	-13.7%	-1.6%	-16.0%	-3.9%	25.3%
IntelliPharmaCeutics International	-29.3%	-77.6%	-40.8%	-18.7%	-72.0%	39.8%	26.0%
Lannett Company, Inc.	-30.8%	-28.2%	-15.4%	-18.1%	5.2%	-45.0%	-39.5%
Momenta Pharmaceuticals, Inc.	30.1%	36.0%	-41.4%	-25.6%	-7.3%	1.4%	29.5%
Mylan N.V.	-2.7%	5.6%	13.9%	11.8%	10.9%	-29.4%	-31.9%
Perrigo Company plc	-4.4%	25.5%	-24.4%	-9.0%	4.7%	-42.5%	29.9%
Teligent, Inc.	-2.0%	-57.0%	0.1%	4.2%	-45.1%	-25.7%	1.7%
Teva Pharmaceutical Industries	-7.4%	-46.7%	-25.0%	-14.1%	-33.7%	-44.8%	43.5%
Median of Industry Public Companies	-11.1%	-21.8%	-13.2%	2.9%	-9.2%	-22.6%	27.8%

[1] Calculated as the average annual return.

■ Highest Return
 ■ Lowest Return
 ■ Median Return

Industry Initial Public Offerings—Industry: Pharmaceuticals – Generics (dollars in millions, except share prices)

Effective Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets ¹	Debt ¹	LTM Revenue ¹	LTM EBITDA ¹	LTM Net Income ¹	LTM Cash Flows ¹
12/20/23	Jacobson Pharma Corporation Limited	\$0.19	437.5	\$84.6	\$2,479.8	\$644.6	\$143.4	\$33.8	\$143.6	\$280.7
11/26/23	Kadmon Holdings, Inc.	\$12.00	6.3	\$75.0	\$45.9	\$229.3	\$35.3	(\$74.3)	(\$186.8)	(\$72.8)
9/2/23	Xbrane Biopharma AB (publ)	\$46.31	2.4	\$11.7	\$75.3	\$4.1	\$0.1	(\$1.2)	(\$11.8)	(\$10.1)
11/29/22	Mithra Pharmaceuticals S.A.	\$13.43	6.0	\$80.9	\$92.6	\$30.6	\$20.1	(\$3.9)	(\$5.4)	(\$3.2)
9/25/21	Amphastar Pharmaceuticals, Inc.	\$7.00	8.0	\$56.0	\$345.1	\$41.5	\$222.6	\$26.9	\$7.9	\$38.5
	Median of all IPOs	nm	nm	\$75.0	\$92.6	\$41.5	\$35.3	(\$1.2)	(\$5.4)	(\$3.2)

[1] As of the effective date of the IPO

Size of Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

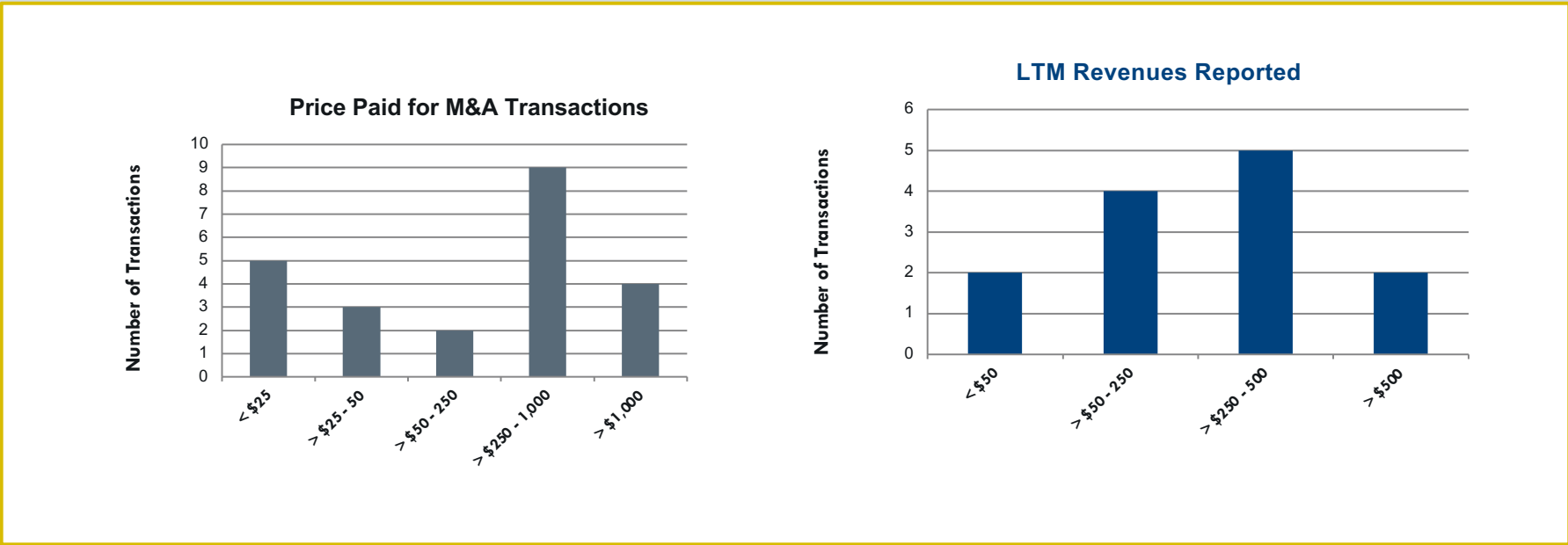
Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues ¹	EV/ Revenues ¹
11/28/23	Impax Laboratories	Bora Pharmaceuticals	\$18.5	100%	N/A	N/A
8/17/23	Perrigo API Ltd	SK Capital Partners	\$110.0	100%	\$319.0	0.0x
12/10/22	Decahedron Ltd.	Cosmos Holdings Inc.	\$1.0	72%	\$138.1	1.3x
12/1/22	Actavis Ireland Limited	Accord Healthcare Ltd.	\$769.3	100%	\$9.1	4.3x
1/9/22	SCILEX Pharmaceuticals	Scintilla Pharmaceuticals	\$47.6	100%	\$35.9	3.7x
11/8/21	Apex Laboratories	Sichuan KELUN PHARMA	\$12.8	100%	\$4.2	3.4x
Median of the M&A Transaction Targets			\$415.0	100%	\$287.0	3.0x

[1] As of the close of the Transaction

■ USA
 ■ International

(Continued on next page)

Size of Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)



Definitions of Financial Terms Used in this Quarterly Industry Update:

Enterprise Value (EV): Market Value of Equity + Market Value of Debt - Cash

Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA): Profitability metric sometimes also referred to as operating profit or operating earnings.

Gross Cash Flows: Net Income + Depreciation and Amortization Expense

Latest Twelve Months (LTM): Financial information is as of the latest twelve months through the date of this Quarterly Industry Update.

Market Value of Invested Capital (MVIC): Market Value of Equity + Market Value of Debt

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