



# Seale & Associates

Creative Solutions. Trusted Advice.

## PHARMACEUTICAL INDUSTRY IN MEXICO

2021

# REPRESENTATIVE TRANSACTION OF SEALE & ASSOCIATES

On September 13<sup>th</sup>, 2017, Invekra S.A.P.I. de C.V., holding of Laboratorios Sanfer S.A. de C.V., announced the acquisition of a majority stake in Laboratorios Portugal S.R.L.

"This acquisition strengthens Invekra's presence in one of the fastest growing markets in Latin America," Carlos Hernandez, Managing Director at Seale & Associates

## INVEKRA ACQUIRED A MAJORITY STAKE IN LABORATORIOS PORTUGAL

BUYER



TARGET



Invekra S.A.P.I. de C.V. is a conglomerate of 12 Latin American pharmaceutical companies, including Laboratorios Sanfer

Laboratorios Portugal S.R.L. is a pharmaceutical and personal care products company located in Peru, with brands such as Naturgen, Bahia Solar and Portugal Cosmetics

Seale & Associates acted as exclusive financial advisor to Invekra, assisting with a comprehensive research on the Peruvian pharmaceutical market and the prioritization of potential acquisition targets



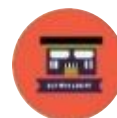
FOUNDED IN  
1941

sanfer®



PRESENCE IN  
10 COUNTRIES

+7,000  
EMPLOYEES



FOUNDED IN  
1864

Portugal  
1864



PORTFOLIO WITH  
+700 PRODUCTS



+900  
EMPLOYEES

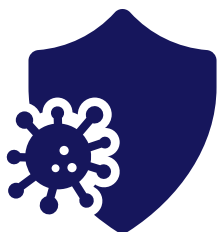
# GLOBAL INDUSTRY OUTLOOK



In January of 2021, the International Monetary Fund (IMF) estimated that the global GDP contracted 3.5% during 2020, and is anticipating a 5.5% growth for 2021



The unprecedented public health emergency has put pharmaceutical companies under the spotlight, racing to develop a vaccine or a possible cure for Covid-19



Higher sales growth rates are expected for certain pharmaceutical categories such as vitamins and supplements, which strengthen the immune system, and analgesics, which may help relieve Covid-19 symptoms



Countries with robust healthcare systems have been able to promote recurrent medical visits and prescriptions, while countries without broad healthcare coverage have pushed consumers to rely more on OTC remedies

# COVID-19



104M+ global cases



2.2M+ global deaths



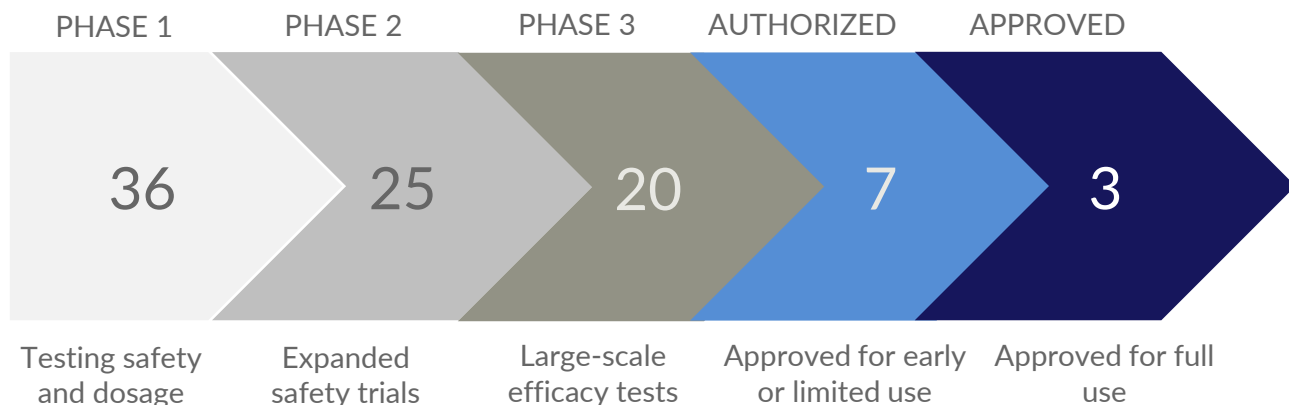
67 vaccines in human trials



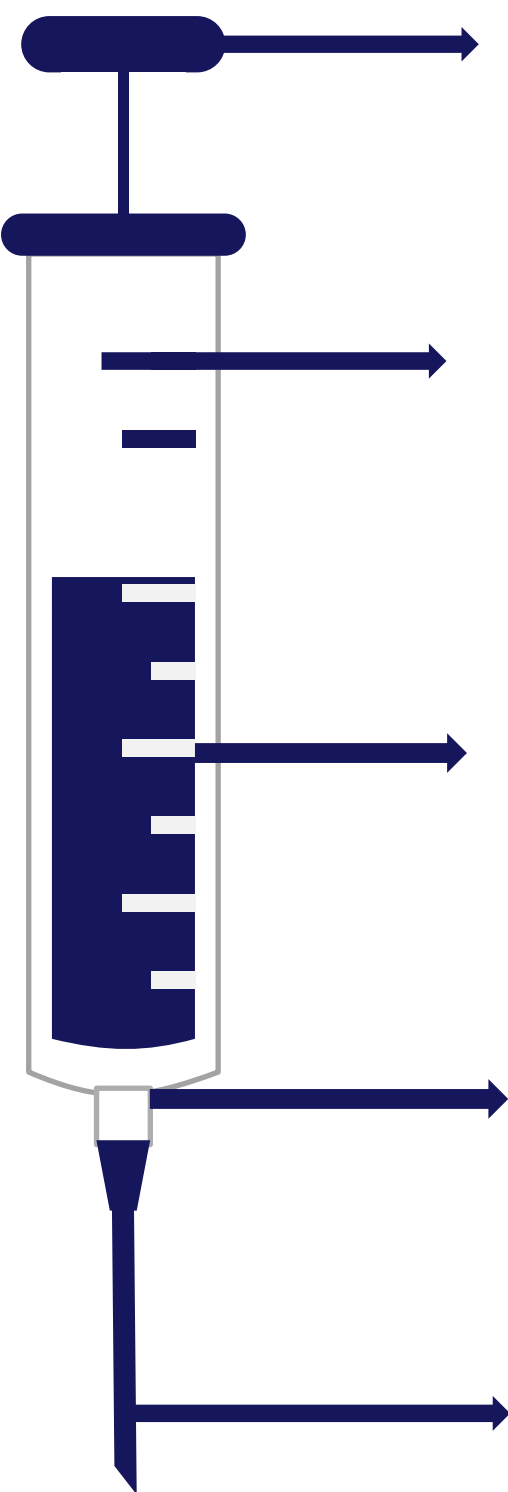
US\$9T+ global fiscal support

## COVID-19 VACCINE TRACKER

February 3<sup>rd</sup>, 2021



# PHARMACEUTICAL INDUSTRY IN MEXICO: TRENDS



The growing use of telemedicine will allow a cost reduction for hospitals and patients, such as remote medical appointments, and will facilitate a greater efficiency within the industry, through the generation of large medical databases

In 2021, the Mexican government plans to invest US\$4.7 million in the purchase of over 2,300 generic drugs and healing materials, through the United Nations Office for Project Services (UNOPS), in order to ensure a fair bidding process for suppliers

The Federal Commission for the Protection against Sanitary Risk (COFEPRIS, for its Spanish acronym) has eliminated criteria that limited the production of generic drugs, seeking to facilitate the market entry for new competitors and an eventual decrease in medication prices

On December 2<sup>nd</sup>, 2020, Mexico's Health Ministry signed a vaccine purchase contract with Pfizer for 34.4 million two-application doses. The vaccine has a 95.0% efficacy rate and must be stored at -94.0°F

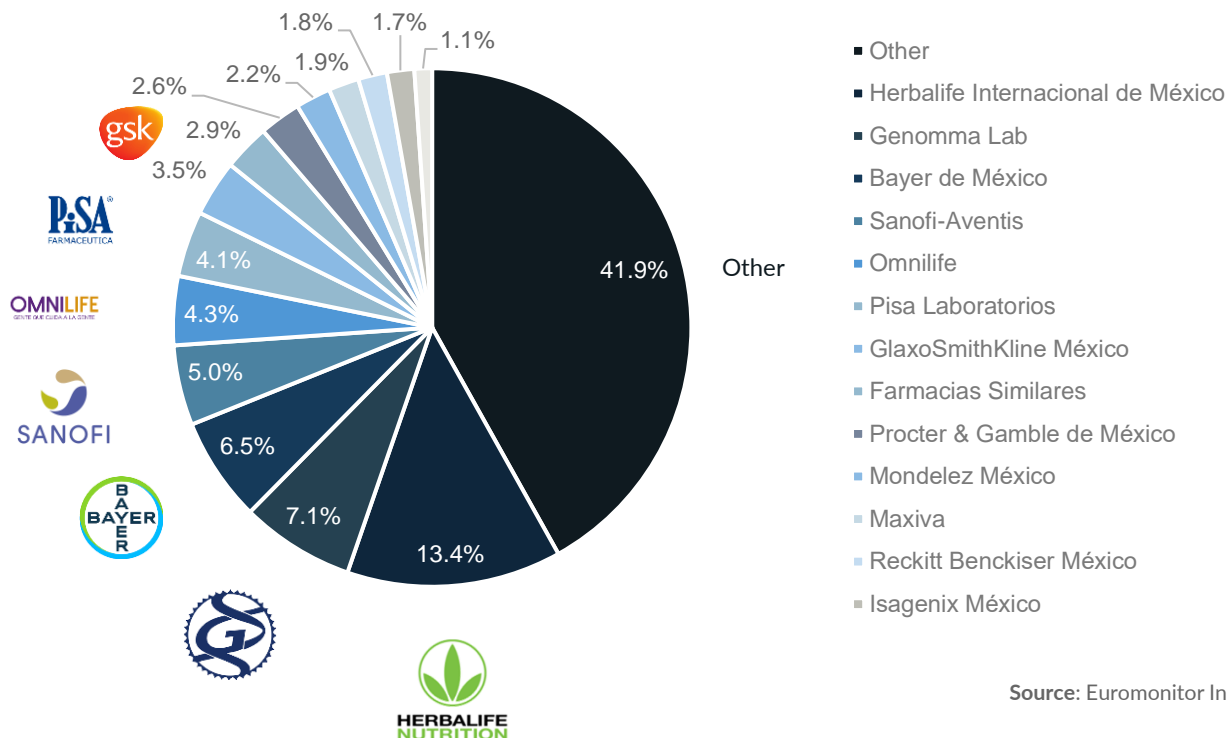
On December 4<sup>th</sup>, 2020, the insurance company, Bupa Mexico, announced the acquisition of Vitamedica, a network of hospitals and health professionals that administers the health services of BBVA Mexico and Citibanamex



# KEY INDUSTRY INSIGHTS: MEXICO

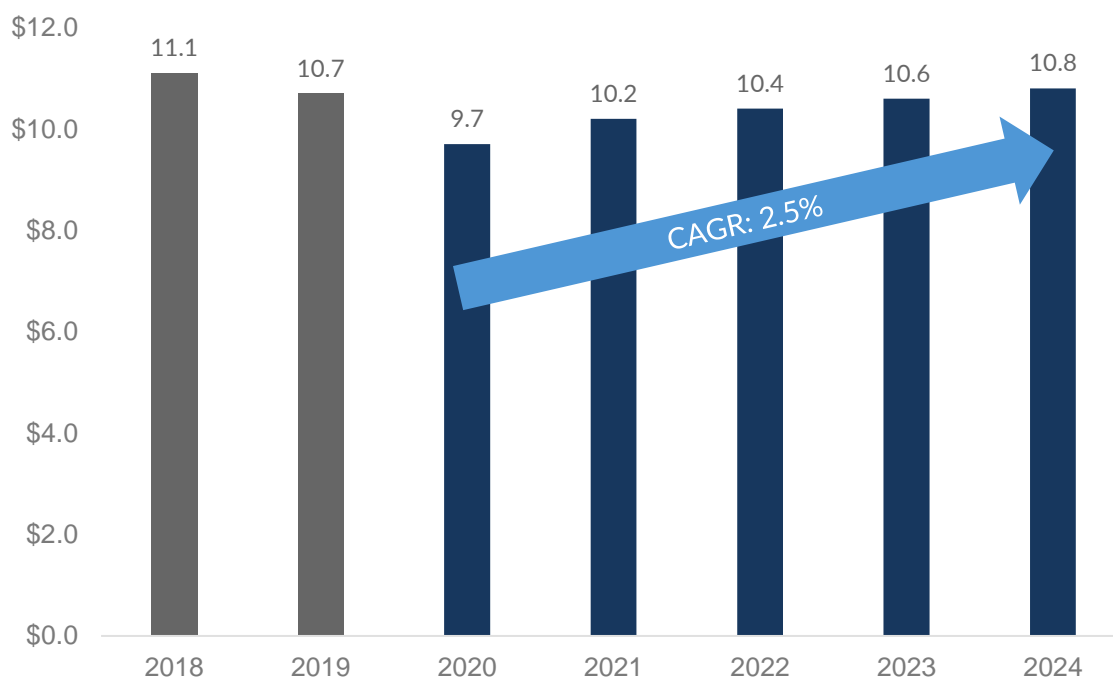
## Company Shares for the Consumer Health Market

Total sales: US\$9.7 billion























Source: Euromonitor International

## Pharmaceutical Sales in Mexico US\$ billion



# GLOBAL INDUSTRY – COMPARABLE PUBLIC COMPANIES

## SMALL CAP

Company		Country	Market Cap. US\$MM	Enterprise Value US\$MM	Revenue US\$MM	EBITDA Margin	Annual Average EV/EBITDA		Last Update Feb. 5, 2021	
							2019	2020	EV/ EBITDA	EV/ Revenue
Aarti Drugs Limited	 Aarti Drugs Ltd.	IND	\$867	\$910	\$288	20.1%	8.3x	13.4x	15.5x	3.2x
Alliance Pharma plc	 ALLIANCE	GBR	\$644	\$720	\$163	28.1%	15.0x	12.5x	13.9x	4.0x
Amneal Pharmaceuticals, Inc.	 amneal	USA	\$768	\$3,564	\$1,880	20.2%	9.2x	10.1x	8.8x	1.9x
Boiron SA	 BOIRON	FRA	\$731	\$484	\$623	29.0%	4.1x	3.4x	NR	0.7x
Collegium Pharmaceutical, Inc.	 Collegium	USA	\$838	\$949	\$308	28.3%	8.8x	NR	10.6x	3.1x
Daito Pharmaceutical Co.,Ltd.	 DAITO	JPN	\$489	\$483	\$458	18.8%	5.9x	5.8x	5.7x	1.1x
Dong-A Socio Holdings Co., Ltd.	 DONG-A PHARM	KOR	\$605	\$901	\$664	14.9%	15.1x	9.1x	9.0x	1.3x
FDC Limited	 FDC	IND	\$669	\$583	\$185	25.4%	11.0x	13.8x	12.2x	3.1x
Genomma Lab Internacional, S.A.B. de C.V.	 Genomma Lab. Internacional	MEX	\$1,068	\$1,314	\$617	19.7%	8.0x	9.5x	9.4x	1.9x
Huons Co., Ltd.	 Huons	KOR	\$540	\$537	\$348	16.1%	10.0x	9.1x	9.2x	1.5x
IOL Chemicals and Pharmaceuticals Limited	 IOL	IND	\$559	\$523	\$265	31.8%	4.0x	4.9x	6.1x	2.0x
Kissei Pharmaceutical Co., Ltd.	 KISSEI	JPN	\$1,023	\$606	\$648	7.2%	9.7x	13.3x	13.2x	1.0x
Nichi-Iko Pharmaceutical Co., Ltd.	 NICHIIKO	JPN	\$633	\$1,593	\$1,784	8.4%	8.8x	10.2x	10.4x	0.9x
Solara Active Pharma Sciences Limited	 SOLARA	IND	\$698	\$741	\$189	22.0%	16.0x	10.0x	17.5x	3.9x
Taiko Pharmaceutical Co.,Ltd.	 TAIKO	JPN	\$655	\$575	\$204	35.3%	10.1x	15.4x	8.0x	2.8x
Torii Pharmaceutical Co., Ltd.	 TORII	JPN	\$836	\$174	\$404	12.8%	3.5x	3.1x	3.4x	0.4x
Towa Pharmaceutical Co., Ltd.	 TOWA PHARMACEUTICAL	JPN	\$969	\$1,540	\$1,229	19.6%	6.9x	6.3x	6.4x	1.3x
Vectura Group plc	 VECTURA	GBR	\$944	\$844	\$218	19.9%	12.6x	14.0x	17.5x	3.5x
Zentiva S.A.	 ZENTIVA	ROM	\$499	\$394	\$134	11.0%	5.5x	NR	NR	2.9x
Zeria Pharmaceutical Co., Ltd.	 ZERIA	JPN	\$875	\$1,144	\$547	15.3%	16.8x	15.5x	13.9x	2.1x
NR: Not Relevant						Mean	9.5x	10.0x	10.6x	2.1x
						Median	9.0x	10.0x	9.9x	1.9x

# GLOBAL INDUSTRY – COMPARABLE PUBLIC COMPANIES























## MID-CAP

Company		Country	Market Cap. US\$MM	Enterprise Value US\$MM	Revenue US\$MM	EBITDA Margin	Annual Average EV/EBITDA		Last Update Feb. 5, 2021	
							2019	2020	EV/ EBITDA	EV/ Revenue
Alembic Pharmaceuticals Limited		IND	\$2,517	\$2,565	\$728	29.7%	12.8x	13.6x	11.5x	3.5x
Aurobindo Pharma Limited		IND	\$7,585	\$7,811	\$3,327	21.2%	10.1x	9.2x	10.9x	2.3x
Bausch Health Companies Inc.		CAN	\$9,991	\$33,425	\$8,038	38.8%	9.4x	9.2x	10.7x	4.2x
Cadila Healthcare Limited		IND	\$6,680	\$7,350	\$2,055	21.9%	11.3x	14.9x	16.0x	3.6x
Cipla Limited		IND	\$9,386	\$9,292	\$2,585	20.8%	14.1x	15.4x	16.8x	3.6x
Corcept Therapeutics Incorporated		USA	\$3,417	\$2,975	\$356	37.5%	13.1x	11.4x	22.0x	8.4x
Dermapharm Holding SE		DEU	\$3,892	\$4,514	\$910	18.9%	15.5x	19.7x	NR	4.8x
H. Lundbeck A/S		DNK	\$8,098	\$8,739	\$2,904	27.4%	8.0x	9.3x	11.0x	3.1x
Hikma Pharmaceuticals PLC		GBR	\$7,339	\$7,895	\$2,292	26.8%	11.1x	12.1x	11.4x	3.1x
Hisamitsu Pharmaceutical Co., Inc.		JPN	\$5,014	\$3,771	\$1,176	12.7%	10.1x	11.3x	NR	3.2x
Ipsen S.A.		FRA	\$7,507	\$8,393	\$3,046	30.8%	13.7x	8.5x	8.1x	2.6x
Jazz Pharmaceuticals plc		IRL	\$8,831	\$9,161	\$2,280	43.9%	8.4x	7.6x	9.0x	4.0x
Krka, d. d.		SVN	\$3,541	\$3,233	\$1,835	31.4%	5.2x	5.3x	5.4x	1.7x
Lupin Limited		IND	\$6,660	\$6,596	\$2,085	15.2%	13.5x	17.1x	19.6x	3.2x
Orion Oyj		FIN	\$6,539	\$6,370	\$1,288	32.4%	15.9x	16.1x	14.7x	4.8x
Perrigo Company plc		IRL	\$5,881	\$8,727	\$5,097	18.0%	10.5x	10.9x	9.0x	1.7x
Richter Gedeon		HUN	\$5,289	\$4,754	\$1,793	27.5%	9.0x	8.9x	8.9x	2.5x
Santen Pharmaceutical Co., Ltd.		JPN	\$6,461	\$5,949	\$2,335	22.7%	12.0x	12.8x	11.5x	2.6x
Sumitomo Dainippon Pharma Co., Ltd.		JPN	\$6,834	\$8,359	\$5,043	20.8%	8.6x	7.9x	8.2x	1.7x
Taisho Pharmaceutical Holdings Co., Ltd.		JPN	\$5,267	\$3,274	\$2,824	15.6%	8.9x	8.7x	7.5x	1.2x
Tsumura & Co.		JPN	\$2,586	\$2,653	\$1,236	22.2%	8.9x	8.8x	9.9x	2.2x
Vifor Pharma AG		CHE	\$8,467	\$9,256	\$2,047	29.4%	NR	18.5x	14.3x	4.3x
Yuhan Corporation		KOR	\$3,867	\$3,526	\$1,333	8.0%	19.0x	NR	NR	2.5x
NR: Not Relevant						Mean	11.3x	11.7x	11.8x	3.3x
						Median	10.8x	11.1x	10.9x	3.1x























# GLOBAL INDUSTRY – COMPARABLE PUBLIC COMPANIES

## LARGE CAP

Company		Country	Market Cap. US\$MM	Enterprise Value US\$MM	Revenue US\$MM	EBITDA Margin	Annual Average EV/EBITDA		Last Update Feb. 5, 2021	
							2019	2020	EV/ EBITDA	EV/ Revenue
AbbVie Inc.		USA	\$191,960	\$271,114	\$45,804	47.0%	10.2x	12.1x	12.6x	5.9x
Astellas Pharma Inc.		JPN	\$31,790	\$30,259	\$12,143	22.6%	7.8x	8.9x	11.2x	2.5x
AstraZeneca PLC		GBR	\$131,091	\$149,770	\$25,871	29.8%	NR	24.6x	17.9x	5.5x
Bristol-Myers Squibb Company		USA	\$137,664	\$161,768	\$42,518	42.4%	10.9x	14.1x	9.0x	3.8x
Catalent, Inc.		USA	\$19,326	\$21,911	\$3,465	22.7%	17.3x	23.4x	NR	6.3x
Daiichi Sankyo Company, Limited		JPN	\$59,192	\$53,125	\$9,336	13.4%	21.6x	NR	NR	5.8x
Eisai Co., Ltd.		JPN	\$20,836	\$20,082	\$6,859	23.1%	16.6x	15.4x	13.0x	3.0x
Eli Lilly and Company		USA	\$182,921	\$195,423	\$24,540	33.1%	15.9x	19.8x	24.1x	8.0x
GlaxoSmithKline plc		GBR	\$86,728	\$123,792	\$46,555	24.7%	10.7x	10.7x	10.7x	2.6x
Johnson & Johnson		USA	\$432,922	\$439,899	\$82,584	32.7%	13.1x	14.1x	16.3x	5.3x
Merck & Co., Inc.		USA	\$191,777	\$213,240	\$47,994	37.8%	13.9x	11.9x	11.8x	4.4x
MERCK Kommanditgesellschaft		DEU	\$73,823	\$88,371	\$20,335	28.6%	13.4x	13.5x	14.4x	4.2x
Novartis AG		CHE	\$204,284	\$230,540	\$49,762	34.7%	11.1x	12.1x	12.8x	4.7x
Novo Nordisk A/S		DNK	\$164,533	\$164,145	\$20,863	46.3%	15.0x	16.4x	16.9x	8.0x
Otsuka Holdings Co., Ltd.		JPN	\$24,102	\$22,898	\$13,600	20.5%	13.5x	8.5x	7.8x	1.7x
Pfizer Inc.		USA	\$194,099	\$246,968	\$41,908	36.0%	11.3x	12.1x	16.0x	5.9x
Roche Holding AG		CHE	\$294,565	\$309,412	\$65,865	38.6%	10.7x	11.6x	11.4x	4.5x
Sanofi		FRA	\$120,923	\$132,839	\$45,711	30.0%	11.3x	11.1x	9.6x	3.0x
Shionogi & Co., Ltd.		JPN	\$16,927	\$13,356	\$2,952	45.9%	10.9x	9.9x	10.1x	4.6x
Sun Pharmaceutical Industries Limited		IND	\$20,911	\$20,651	\$4,541	23.9%	15.8x	16.5x	18.8x	4.5x
Takeda Pharmaceutical Company Limited		JPN	\$54,432	\$98,012	\$30,998	24.1%	19.0x	12.5x	13.1x	3.2x
Teva Pharmaceutical Industries Limited		ISR	\$13,415	\$38,680	\$16,673	27.7%	8.8x	7.9x	7.9x	2.3x
UCB SA		BEL	\$19,969	\$21,995	\$5,850	27.7%	10.1x	12.5x	12.4x	3.5x
NR: Not Relevant						Mean	13.1x	13.6x	13.2x	4.5x
						Median	12.2x	12.3x	12.6x	4.5x

# REPRESENTATIVE GLOBAL INDUSTRY TRANSACTIONS

Date	Target	Country	Description	Buyer	Stake %	Size US\$MM	EV/ EBITDA	EV/ Revenue
Dec-20*	Alexion Pharmaceuticals, Inc.	USA 	Develops and commercializes various therapeutic products	AstraZeneca PLC	100.0%	\$43,364.7	13.2x	7.0x
Dec-20*	Recipharm AB (publ)	SWE 	Provides contract development and manufacturing solutions to the pharmaceutical industry	EQT Partners AB; EQT IX	74.3%	\$3,381.0	19.6x	3.2x
Dec-20*	NBE-Therapeutics GmbH	CHE 	Develops antibody drug conjugates for the therapy of cancer	C. H. Boehringer Sohn AG & Co. KG	100.0%	\$1,429.8	-	-
Nov-20	Emisphere Technologies, Inc.	USA 	Operates as a commercial stage pharmaceutical and drug delivery company	Novo Nordisk A/S	100.0%	\$1,338.1	-	-
Oct-20	MyoKardia, Inc.	USA 	Discovers, develops, and commercializes targeted therapies for the treatment of serious and neglected rare cardiovascular diseases	Bristol-Myers Squibb Company	100.0%	\$13,134.9	-	-
Jan-20	Dermira, Inc.	USA 	Develops and commercializes therapies for patients with dermatologic diseases	Eli Lilly and Company	100.0%	\$1,310.8	-	-
Nov-19	Kyowa Pharmaceutical Industry Co., Ltd.	JPN 	Develops, produces, markets, and imports and exports of pharmaceutical products	Unison Capital, Inc.; Unison Capital Partners IV, LPS; Unison Capital Partners IV(F), L.P.	99.8%	\$525.0	-	2.0x
Jun-19	Allergan plc	IRL 	Develops, manufactures, and commercializes branded pharmaceutical, device, biologic, surgical, and regenerative medicine products	AbbVie Inc.	100.0%	\$86,223.0	11.8x	5.4x
Jun-19	Trimb Healthcare AB	SWE 	Develops, sells, and markets prescription free (OTC) pharmaceuticals and consumer healthcare products	Karo Pharma AB (publ)	100.0%	\$360.6	NR	3.7x
May-19	Xiidra of Shire US, Inc.	USA 	Manufactures drugs for dry eye disease	Novartis AG	100.0%	-	-	13.7x
Apr-19	Diocle S.p.A.	ITA 	Operates as a pharmaceutical company	Intermediate Capital Group plc; ICG Europe Fund VII SCSp; Mérieux Equity Partners SAS	100.0%	-	12.9x	5.1x
Nov-18	BTG Limited	GBR 	Provides various therapeutic solutions for a range of complex medical problems	Boston Scientific Corporation	100.0%	\$4,221.1	15.5x	4.6x
Oct-18	Karo Pharma AB (publ)	SWE 	Develops and markets prescription drugs, OTC products, medical devices, and hospital supply products for pharmacies and the health care sectors	EQT Partners AB; EQT VIII	66.5%	\$750.8	13.6x	5.4x
Dec-17	Sucampo Pharmaceuticals, Inc.	USA 	Develops, identifies, acquires, and markets medicines that meet unmet medical needs, primarily in gastroenterology, ophthalmology, and oncology-related disorders	Mallinckrodt plc	100.0%	\$1,220.6	10.7x	4.6x
Jul-17	STADA Arzneimittel Aktiengesellschaft	DEU 	Engages in the health care and pharmaceuticals business	Bain Capital Private Equity, LP; et al	65.4%	\$4,992.8	12.6x	2.3x
May-17	Merus Labs International Inc.	CAN 	Owns, markets, and distributes pharmaceutical products	Norgine B.V.	100.0%	\$248.7	8.2x	3.3x
Dec-16	Capsugel, Inc.	USA 	Manufactures empty drug capsules	Lonza Group Ltd	100.0%	\$5,500.0	16.0x	5.5x
May-16	Ethypharm SAS	FRA 	Develops, formulates, and markets pharmaceutical products for the treatment of pains and addictions	PAI Partners; CDC International Capital; PAI Europe VI, L.P.; Financiere Moon Sas	100.0%	\$849.7	12.5x	4.1x
Feb-16	Meda AB	SWE 	Operates as a specialty pharma company	Mylan N.V. (nka:Viatris Inc.)	100.0%	\$10,071.1	13.0x	4.3x
Oct-15	Representaciones e Investigaciones Medicas, S.A. de C.V.	MEX 	Manufactures generic drugs	Teva Pharmaceutical Industries Limited	100.0%	\$2,300.0	-	10.1x
NR: Not Relevant						Mean	13.3x	5.3x
*Announced						Median	13.0x	4.6x

# REPRESENTATIVE GLOBAL ENGAGEMENTS

 has sold  to  <b>GE Power Systems</b>	 has acquired 	 has acquired 	 has acquired 	 has sold  <b>JAMES BURN INTERNATIONAL</b> to  and <b>JBI Holding SAS</b>	 has been acquired by 
 has partnered with  a subsidiary of <b>FEMSA</b>	 has acquired 	 has acquired 	 has acquired <b>The Zinc Recycling Business</b> of 	 has been acquired by <b>FEMSA</b>	<b>Grupo Educativo IEJV</b> <b>UNIVERSIDAD JOSÉ VASCONCELOS</b>  <b>ITM</b> has been acquired by <b>NACER GLOBAL</b>
 a subsidiary of  has sold <b>HTPG</b> A Division of Carrier Commercial Refrigeration, Inc. to  and 	 has been recapitalized by 	<b>tyco</b> has sold the North American guarding business of  to <b>GARDA</b>	 Engineers & Constructors has acquired <b>ALEGRO PROJECTS LIMITED</b>	 has been acquired by 	 has sold <b>SENSI CARE</b> and <b>ALOE VESTA</b> to 
 has been acquired by <b>COLFAX</b>	 has sold <b>Cosmocol Química</b> to  a business unit of <b>ICL</b>	<b>intelectiva</b> has acquired  <b>KFC Costa Rica</b> from <b>QSR</b>	 has sold its concrete pumping business to 	 has acquired    dealerships from <b>GRUPO FFB</b>	 Holding company of <b>sanfer</b> has acquired a majority stake in 
 has been acquired by 	 <b>Grupo Galaz, S.A de C.V.</b> has been acquired by <b>IOCHPE - MAXION</b>	 has acquired Workshop and store in Mexico City from <b>GREENBRIER RAIL SERVICES</b>	 has been acquired by 	 has merged its beverage division with  <b>FEMSA</b>	 has sold its sanitaryware businesses <b>ST. THOMAS CREATIONS</b> and <b>VITROMEX</b> to <b>Villeroy &amp; Boch</b>

# Seale & Associates

Creative Solutions. Trusted Advice.

Since 1999, **Seale & Associates** has been the trusted advisor to respected public and private companies from around the world. Seale is a global investment bank with extensive experience in mergers and acquisitions (M&A), corporate finance advisory, and enterprise level strategy consulting with a track record of success in a diverse range of industries. Our experienced team of professionals are committed to serving clients with excellence and integrity, while offering innovative ideas and solutions to address complex transactions.

## ADVISOR TO LEADING COMPANIES WORLDWIDE

**FEMSA**

**GIS**

**CEMEX**

**ARCA CONTINENTAL**

**Honeywell**

**LOCKHEED MARTIN**

**FOQUE**  
GRUPO FOMENTO GUERETANO

**GRACE**

**United Technologies**  
Climate | Controls | Security

**GE**

**AMERICAN STANDARD COMPANIES**

**Celanese**

**Standex**

**SHELL**

**Hertz**

**Rheem**

**ITT**

**CHEN**

**tyco**

**GRUPO TAMICO**

## CONTACT INFORMATION



**Headquarters**  
901 N. Glebe Road  
Suite 500  
Arlington, Virginia  
+1 (703) 294 6770



**Latin America Office**  
Av. Ejército Nacional 769  
2<sup>nd</sup> floor  
Mexico City  
+52 (55) 8000 7463

Please contact us if you would like further information about M&A trends and/or specific transaction multiples for your industry

Washington, D.C. | Miami | Mexico City | Monterrey

## Contact Information

**James A. Seale**

President

jseale@sealeassociates.com

**Brett M. Carmel**

Senior Managing Director

bcarmel@sealeassociates.com

**Felipe Bueno Viesca**

Senior Director

fbueno@sealeassociates.com

**Sergio Garcia del Bosque**

Managing Director

sgarcia@sealeassociates.com

**Adan Sierra**

Managing Director

asierra@sealeassociates.com

**Carlos Hernandez**

Managing Director

chernandez@sealeassociates.com

**Alejandro Montemayor**

Senior Associate

amontemayor@sealeassociates.com

**Armando Rios**

Associate

arios@sealeassociates.com

**Fernanda Esparza**

Analyst

fesparza@sealeassociates.com

**Sofia Felix**

Business Development

sfelix@sealeassociates.com

**Miguel Leal**

Business Development

mleal@sealeassociates.com

**Andre de Lachica**

Junior Analyst

adelachica@sealeassociates.com

**Andre Leroy**

Junior Analyst

lley@sealeassociates.com

**Carlos Bonilla**

Junior Analyst

cbonilla@sealeassociates.com

**Daniela Verdugo**

Junior Analyst

dverdugo@sealeassociates.com

**Jose Pablo Arronte**

Junior Analyst

jarronte@sealeassociates.com

**Regina Labardini**

Junior Analyst

rlabardini@sealeassociates.com

[www.sealeassociates.com](http://www.sealeassociates.com)