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Brocair Partners, founded in 2004, is a financial advisor to businesses serving the healthcare, wellness, and pharmaceutical industries. We provide mergers & acquisitions, corporate finance, and strategic advisory services to companies worldwide.

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Buy-Side M&A for Irish Publicly-Traded Company

UDG Healthcare plc (LSE: UDG)

March 2014
M&A Buy-Side Advisory

Our Client

UDG Healthcare plc (LSE: UDG)

Industry/Sector

Healthcare: Pharmaceutical Business Services / Medical Communication

Business Description

Listed on the London Stock Exchange, UDG Healthcare plc is a leading international provider of services to healthcare manufacturers and pharmacies, with operations in 22 countries including the U.S., U.K., Ireland and Germany. The Group operates across three divisions: Ashfield Commercial and Medical Services, Supply Chain Services and Sharp Packaging Services.

Ashfield Commercial and Medical Services is a global leader in the provision of contract sales outsourcing services to pharmaceutical manufacturers with operations in major markets including continental Europe, the UK, North America and a presence in South America and Asia. The division provides sales teams, telesales, nurse educators, medical information, healthcare communications and event management services to healthcare companies in 22 countries. It focuses on supporting healthcare professionals and patients at all stages of the product life cycle.

Transaction

Brocair Partners acted as the exclusive M&A advisor to UDG, in which Brocair identified KnowledgePoint360, a portfolio of Abry Partners, and assisted UDG in their \$144 million acquisition of the company.

KnowledgePoint360 was a leading global provider of multi-channel healthcare communication services and was headquartered in Macclesfield in the U.K. and Lyndhurst, NJ in the U.S. It employed over 600 staff across 10 global locations (five in the US, four in the UK and one in Germany). KnowledgePoint360 was principally a healthcare communications business, including medical education, publication support, thought leader engagement and scientific content development, with a complementary meetings management division. These services are normally sold to global pharmaceutical companies across the medicines life cycle but, in particular, at the pre-launch stage to educate key influencers about the therapeutic

category and the relevant products being brought to market.

Notable Aspects

This transaction was the largest acquisition in UDG's history, and as such was scrutinized very closely by the board of directors.

KnowledgePoint360 was also larger than UDG's existing Ashfield division, and was a complex merger of a range of medical communications agencies that produced a number of business synergies.

In addition, UDG acquired only the medical communications business of KnowledgePoint360, which was the largest part of the business. TGaS Advisors, which provides benchmarking and advisory services, was retained by Abry and subsequently was acquired in a management buy-out.

What Difference Did We Make?

Brocair facilitated an introduction to the owners and the management team, utilizing a long relationship with Abry and regular contact with executives there who provided updates on their portfolio companies and their strategy. Brocair introduced the parties nearly one year before Abry began a process to divest KnowledgePoint360, which made our client very well positioned to participate in the process and able to offer a competitive valuation for the business in a rapid time frame. Brocair also conducted extensive merger modeling to analyze different structural and valuation options for negotiation and in response to board of directors' oversight.

Liam Logue, Director of Group Corporate Development at UDG Healthcare, remarked "Gregg and the rest of the Brocair team were exceptionally professional and responsive throughout the transaction process. Their efforts were critical in helping us refine our approach and work through the complexities that always emerge during the negotiation process. We were very pleased with Brocair's contribution to the transaction."