
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE
SECURITIES EXCHANGE ACT OF 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

Avid Bioservices, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
 - Fee paid previously with preliminary materials.
 - Fee computed on table in exhibit required by Item 25(b) per Exchange Act Rule 14a-6(i)(1) and 0-11.
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This Schedule 14A filing consists of the following investor presentation presented to Institutional Shareholder Services Inc. relating to the proposed acquisition of Avid Bioservices, Inc., a Delaware corporation (the “Company”) by Space Finco, Inc., a Delaware corporation (“Parent”), pursuant to the terms of an Agreement and Plan of Merger, dated November 6, 2024, by and among the Company, Parent and Space Mergerco, Inc., a Delaware corporation and a wholly owned subsidiary of Parent. The investor presentation was first used or made available on January 8, 2025.



Avid Bioservices Sale to GHO and Ampersand

Delivering Stockholders Significant, Immediate and Certain Cash Value

January 2025

GHO and Ampersand Transaction:

The Value- Maximizing Alternative for Avid Stockholders

The Avid Board of Directors
recommends Avid
Stockholders vote FOR the
transaction today



Provides **significant, immediate and certain cash value** to Avid stockholders



Reflects a **robust process conducted by the Board** to ensure we are maximizing value



De-risks for stockholders Avid's future as a standalone company

Compelling Valuation at a Significant Premium

Significant premium to the Company's share price across multiple time periods

63.8% premium to closing price on June 4, 2024, the last trading day prior to GHO and Ampersand's initial proposal

21.9% premium to 20-day VWAP

24.4% premium to 90-day VWAP

50.1% premium to 6-month VWAP

Robust implied multiples that exceed the trading multiples of all selected publicly traded comparable companies¹

6.5x and **42.8x** management forecasted FY 2025 revenue and Adj. EBITDA, respectively²

5.5x and **32.1x** management forecasted FY 2026 revenue and Adj. EBITDA, respectively³

Transaction delivers a meaningful premium relative to the Company's intrinsic value

24.9% premium to the midpoint of the Company's discounted cash flow analysis based on management's probability-adjusted five-year plan

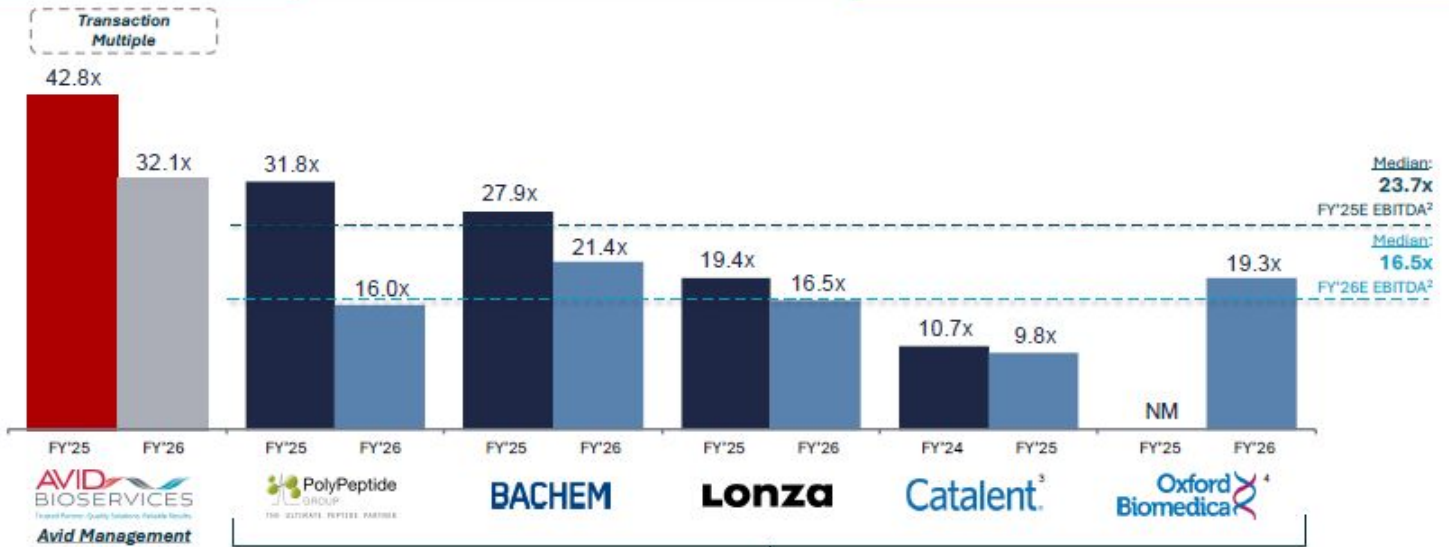
56.9% premium to the midpoint of the discounted cash flow analysis based on a 12.3% Revenue CAGR for FY'24A – FY'29E

\$12.50 deal price within the range of the discounted cash flow analysis based on a 18.9% Revenue CAGR for FY'24A – FY'29E



(1) Selected publicly traded comparable companies include Bechem, Catalent, Lonza, Oxford Biomedica and PolyPeptide
(2) Based on Avid Management's Probability-Adjusted 5-Year Plan (as of July 15, 2024); associated FY 2025E revenue and Adj. EBITDA figures are \$156mm and \$24mm, respectively
(3) Based on Avid Management's Probability-Adjusted 5-Year Plan (as of July 15, 2024); associated FY 2026E revenue and Adj. EBITDA figures are \$186mm and \$32mm, respectively

Premium Adjusted EBITDA Multiple Achieved Compared to Selected Publicly Traded CDMOs



Based on sell-side consensus estimates

Source: Capital IQ as of 11/05/2024; public filings; equity research
 Note: Figures annualized in accordance with Avid's fiscal year reporting period of April 30. Convertible notes are in the money and are represented under market capitalization
 (1) Based on Avid Management's Probability-Adjusted 5-Year Plan (as of July 15, 2024)
 (2) Median derived from trading metrics of Selected Publicly Traded CDMOs
 (3) Catalent unaffected as of 2/3/2023 (prior to rumor of potential acquisition by Danaher). EBITDA multiples based on FY 2024E and FY 2025E
 (4) Oxford Biomedica total debt and enterprise value figures include the effect of \$66.2mm in lease liabilities; shown pro forma for equity raise completed in August 2024

Significant Premium to Stock Price Despite Recent Volatility

Avid's share price performance over the last 12-months prior to transaction announcement

Company believes market has already priced-in its investments in capacity to date and other industry tailwinds



- 1 **12/8/23:** 52-week low of \$4.07
- 2 **3/6/24:** Acceleration notice for 2026 Senior Exchangeable Notes
- 3 **6/5/24:** GHO / Ampersand submits unsolicited proposal for \$10.50 per share
- 4 **6/23/24:** GHO / Ampersand submits revised proposal for \$11.00 per share
- 5 **7/22/24:** Moelis begins broad buyer outreach at the Board's direction
- 6 **9/5/24:** First round bid deadline for transaction sale process
- 7 **9/9/24:** House of Representatives passes the BIOSECURE Act
- 8 **10/23/24:** GHO / Ampersand submits a final revised proposal for \$12.50 per share

A Robust, Conflict-Free Process with 24 Parties

Thoughtful, Comprehensive Strategic Transaction Process

- GHO and Ampersand initially approached the Company in early 2024. The Board rejected GHO and Ampersand's two initial proposals (June 5 Initial Proposal and June 23 Revised Proposal) before engaging in further sale discussions and authorizing outreach to other potential parties
- The Board brought in Moelis to evaluate strategic alternatives available to the Company, advise throughout the process, prepare financial analysis and render a fairness opinion
- The Board directed Moelis to run a process that included the 24 strategic and financial parties most likely to be interested in the sale of the Company
 - The Board and management team know the CDMO industry and the players in it well, having previously explored other potential strategic transactions and conducted diligence as part of those efforts
 - The process was conflict-free: The Board discussed any potential conflicts and determined that no relationships posed any actual or potential conflicts of interest
- Competitive process included seven parties conducting diligence under NDA and two preliminary bids, before resulting in final negotiations and offer

Robust Transaction Process

24

parties contacted

7

executed NDAs
to perform due diligence

2

First Round proposals

1

Final Round proposal

5

price improvements by GHO /
Ampersand

12

Board meetings to discuss
strategic alternatives

Competitive Process Resulted in Five Improvements to GHO and Ampersand Transaction Price










Additional Factors Expose Risks to Standalone Plan

- 1 There are a **range of tailwinds and challenges** facing the biologics manufacturing industry, that the market had already priced in prior to the sale announcement including:
 - uncertainty around the recovery in biotech funding / BIOSECURE Act;
 - increased volatility resulting from escalating political and global trade tensions that could disrupt supply chains; and
 - increasing competition
- 2 While Avid has made a number of strategic investments in the business over the last several years, **more funding and investment is needed to capitalize on the Company's growth potential**
- 3 Financial analysis of Avid's probability-adjusted five-year plan indicated that the Company's growth prospects were below its own previous guidance as well as analysts' consensus
- 4 Avid's stock price experienced significant volatility historically as well as during the process

Participants in the Sale Process Recognized Avid's Challenging Operating Environment and Execution Risks

Key Risks Identified by Sale Process Participants

-  **Uncertainty around the availability of biotechnology funding**
-  **Rising geopolitical tensions and implications on supply chain**
-  **Industry-wide macroeconomic headwinds**
-  **Highly competitive operating environment**
-  **Customer concentration**
-  **Execution risk around ability to scale Viral Vector business**
-  **Quality of pipeline and exposure to emerging biotech**

The Transaction De-Risks Avid's Future as a Standalone Company

Management Forecast: Probability-Adjusted 5-Year Plan

(\$ in mm, Revenue)



%YoY Rev. Growth	FY19A	FY20A	FY21A	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E	FY29E
	-	11.4%	60.6%	24.8%	24.8%	(6.3%)	13.2%	17.6%	19.3%	15.2%	10.5%

Adj. EBITDA	FY19A	FY20A	FY21A	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E	FY29E
	(\$1)	(\$5)	\$20	\$27	\$21	\$3	\$24	\$32	\$45	\$60	\$73

% Margin	FY19A	FY20A	FY21A	FY22A	FY23A	FY24A	FY25E	FY26E	FY27E	FY28E	FY29E
	-	-	20.7%	22.6%	14.5%	1.8%	15.2%	17.2%	20.2%	23.3%	25.8%



Source: Avid Management's Probability-Adjusted 5-Year Plan (as of July 15, 2024); equity research
 (1) CAGRs represent revenue growth for the period FY2024A - FY2029E
 (2) Selected publicly traded comparable companies include Bachem, Catalent, Lonza, Oxford Biomedica and PolyPeptide

Discounted Cash Flow Analysis: Implied Share Price Reference Ranges

GHO / Ampersand Transaction Price: \$12.50

Management Probability-Adjusted
5-Year Plan
(CAGR: 15.1%)⁽¹⁾

\$8.13 \$11.89

Sensitivity A
(CAGR: 12.3%)⁽¹⁾

\$6.25 \$9.68

Sensitivity B
(CAGR: 18.9%)⁽¹⁾

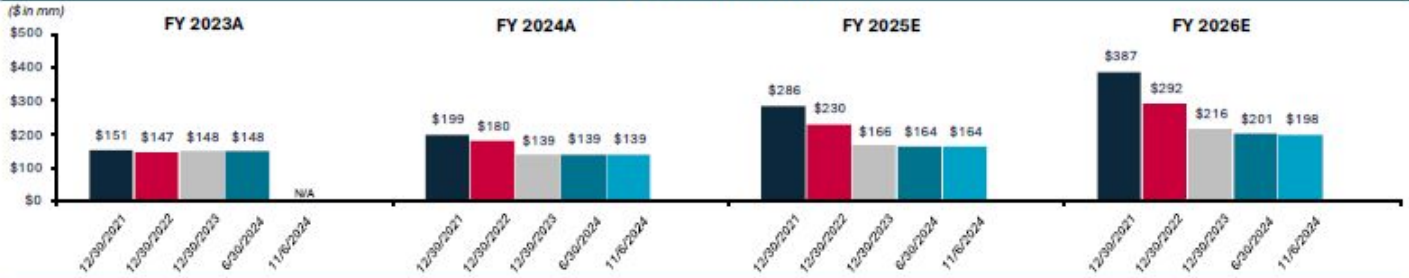
\$11.50 \$16.07

Key Observations

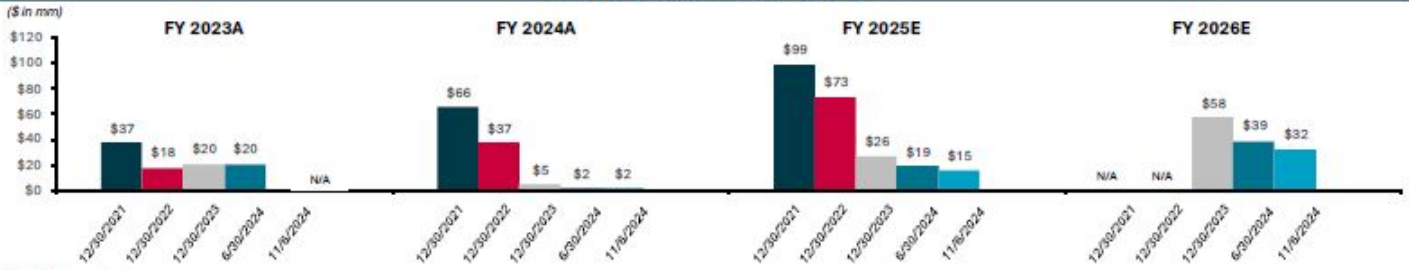
- Management probability-adjusted plan reflects Management's current view of the business and investments made to date
- Sensitivity A assumes increased competition resulting in a more conservative view of customer volume and slower market growth than expected
- Sensitivity B assumes new wins with existing and new customers (incremental to Management's probability-adjusted plan) coupled with lower direct material costs
 - Sensitivity B's implied revenue CAGR of 18.9% is 650bps higher than the median consensus estimate revenue CAGR of 12.4% for selected publicly traded CDMOs⁽²⁾ over the same period
- The transaction price of \$12.50 per share implies a present value for performance within the range of the most optimistic financial projections

Analysts' Estimates for Avid Have Been Consistently Reduced Over Time, Exposing the Risks and Uncertainty to the Standalone Plan

Revenue Consensus Since 2021



EBITDA Consensus Since 2021



Source: Capital IQ equity research

Roadmap to Completion



Avid Board Recommends that Stockholders Vote to Approve the Transaction

Now is the right time for this transaction given it:

- Provides significant, immediate and certain cash value to Avid stockholders;
- Reflects a robust process conducted by the Board to ensure we are maximizing value; and
- De-risks for stockholders Avid's future as a standalone company.

The Avid Board of Directors recommends Avid Stockholders vote FOR the transaction today

The Avid Board of Directors Unanimously Recommends that Avid Stockholders Vote "FOR" the proposed transaction with GHO and Ampersand.

Vote TODAY online, by telephone or by signing and returning the enclosed proxy card.

If you have questions or need assistance voting your shares, please contact:

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Elsewhere Call Collect: +1-212-929-5500
Or
Email: proxy@MacKenziePartners.com

Appendix

Safe Harbor Statement

Forward Looking Statements

This communication contains "forward-looking statements" which include, but are not limited to, all statements that do not relate solely to historical or current facts, such as statements regarding the Company's expectations, intentions or strategies regarding the future, or the completion or effects of the proposed sale of Avid to GHO and Ampersand. In some cases, these statements include words like: "may," "might," "will," "could," "would," "should," "expect," "intend," "plan," "objective," "anticipate," "believe," "estimate," "predict," "project," "potential," "continue" and "ongoing," or the negative of these terms, or other comparable terminology intended to identify statements about the future. These forward-looking statements are subject to the safe harbor provisions under the Private Securities Litigation Reform Act of 1995. The Company's expectations and beliefs regarding these matters may not materialize. Actual outcomes and results may differ materially from those contemplated by these forward-looking statements as a result of uncertainties, risks, and changes in circumstances, including but not limited to risks and uncertainties related to: the timing, receipt and terms and conditions of any required governmental and regulatory approvals of the proposed transaction that could delay the consummation of the proposed transaction or cause the parties to abandon the proposed transaction; the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement entered into in connection with the proposed transaction; the possibility that the Company's stockholders may not approve the proposed transaction; the risk that the parties to the merger agreement may not be able to satisfy the conditions to the proposed transaction in a timely manner or at all; risks related to disruption of management time from ongoing business operations due to the proposed transaction; the risk that any announcements relating to the proposed transaction could have adverse effects on the market price of the Company's common stock; the risk of any unexpected costs or expenses resulting from the proposed transaction; the risk of any litigation relating to the proposed transaction; and the risk that the proposed transaction and its announcement could have an adverse effect on the ability of the Company to retain and hire key personnel and to maintain relationships with customers, vendors, partners, employees, stockholders and other business relationships and on its operating results and business generally. Additional risks and uncertainties that could cause actual outcomes and results to differ materially from those contemplated by the forward-looking statements are included under the caption "Risk Factors" and elsewhere in the Company's most recent filings with the SEC, including the Company's Quarterly Report on Form 10-Q for the quarter ended October 31, 2024 and any subsequent reports on Form 10-K, Form 10-Q or Form 8-K filed with the SEC from time to time and available at <http://www.sec.gov>.

The forward-looking statements included in this information statement are made only as of the date hereof. The Company assumes no obligation and does not intend to update these forward-looking statements, except as required by law.

The industry and market data contained in this presentation are based either on our management's own estimates or on independent industry publications, reports by market research firms or other published independent sources. Although we believe these sources are reliable, we have not independently verified the information and cannot guarantee its accuracy and completeness, as industry and market data are subject to change and cannot always be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey of market shares. Accordingly, you should be aware that the industry and market data contained or incorporated by reference in this presentation, and estimates and beliefs based on such data, may not be reliable. Unless otherwise indicated, all information contained in this presentation concerning our industry in general or any segment thereof, including information regarding our general expectations and market opportunity, is based on management's estimates using internal data, data from industry related publications, consumer research and marketing studies and other externally obtained data.

Projections, assumptions and estimates of our future performance and the future performance of the markets in which we operate are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those referenced in our note herein concerning Forward-looking statements. These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by us.

Safe Harbor Statement

Additional Information and Where to Find It

The Company has filed a proxy statement with the U.S. Securities and Exchange Commission ("SEC") with respect to a special meeting of stockholders to be held in connection with the proposed transaction. Promptly after filing the definitive proxy statement with the SEC, the Company mailed the definitive proxy statement and a proxy card to each stockholder entitled to vote at the special meeting to consider the proposed transaction. **STOCKHOLDERS ARE URGED TO READ THE PROXY STATEMENT (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO) AND ANY OTHER RELEVANT DOCUMENTS THAT THE COMPANY WILL FILE WITH THE SEC WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.** Stockholders may obtain, free of charge, the preliminary and definitive versions of the proxy statement, any amendments or supplements thereto, and any other relevant documents filed by the Company with the SEC in connection with the proposed transaction at the SEC's website (<http://www.sec.gov>). Copies of the preliminary and definitive versions of the proxy statement, any amendments or supplements thereto, and any other relevant documents filed by the Company with the SEC in connection with the proposed transaction will also be available, free of charge, at the Company's investor relations website (<https://ir.avidbio.com/sec-filings>). The information provided on, or accessible through, our website is not part of this press release, and therefore is not incorporated herein by reference.

Participants in the Solicitation

The Company and certain of its directors, executive officers and employees may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information regarding the Company's directors and executive officers is available in the Company's definitive proxy statement for the January 30, 2025 special meeting of stockholders, which was filed with the SEC on December 18, 2024 (the "Special Meeting Proxy Statement"). Please refer to the sections captioned "Security Ownership of Certain Beneficial Owners, Directors and Management" and "Interests of Avid's Directors and Executive Officers in the Merger" in the Special Meeting Proxy Statement. To the extent holdings of such participants in the Company's securities have changed since the amounts described in the Special Meeting Proxy Statement, such changes have been reflected on Initial Statements of Beneficial Ownership on Form 3 or Statements of Change in Ownership on Form 4 filed with the SEC: Form 4, filed by Nicholas Stewart Green on January 2, 2025, Form 4, filed by Daniel R. Hart on January 2, 2025, and Form 4, filed by Richard A. Richieri on January 2, 2025. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, is contained in the Special Meeting Proxy Statement and other relevant materials filed with the SEC in connection with the proposed transaction. Free copies of the Special Meeting Proxy Statement and such other materials may be obtained as described in the preceding paragraph.