

Life Sciences Consulting – M&A report

November 2022



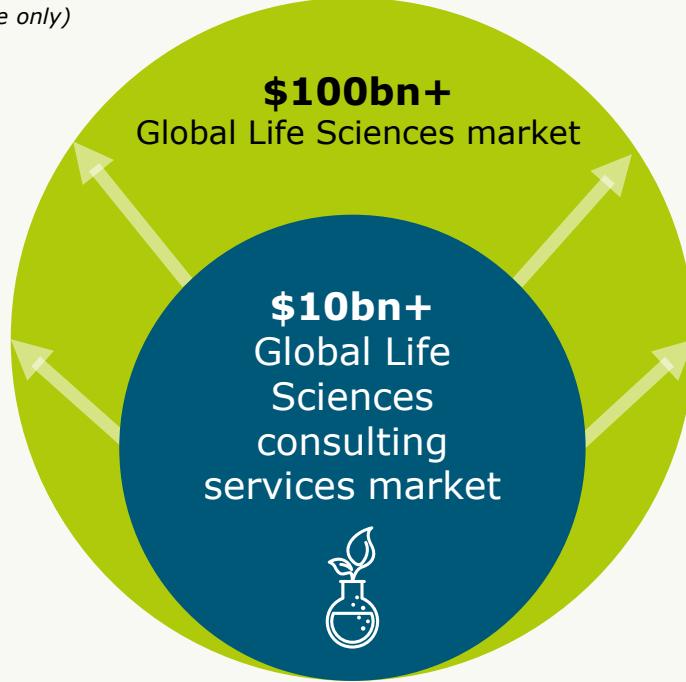
Equiteq
Growing equity, realizing value

- I. Global Life Sciences Consulting
Market Dynamics & M&A Activity**
- II. Case Studies: PharmaLex and Alira
Health**
- III. Life Sciences Consulting valuation
analysis**
- IV. Appendix: About Equiteq**



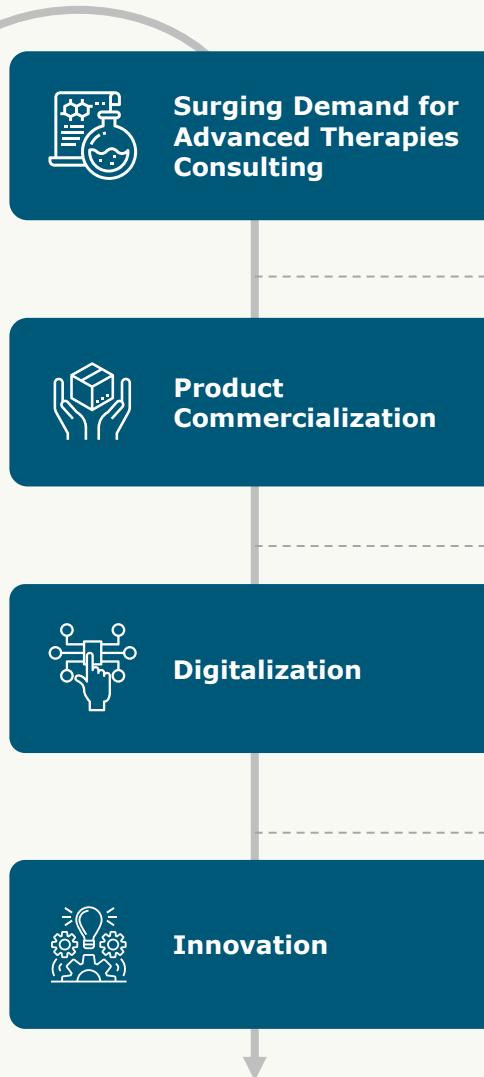
The global Life Sciences consulting services market is expected to grow at a CAGR of 10%+, fuelled by strong fundamentals and macro trends

(Diagram not to scale –
illustrative only)



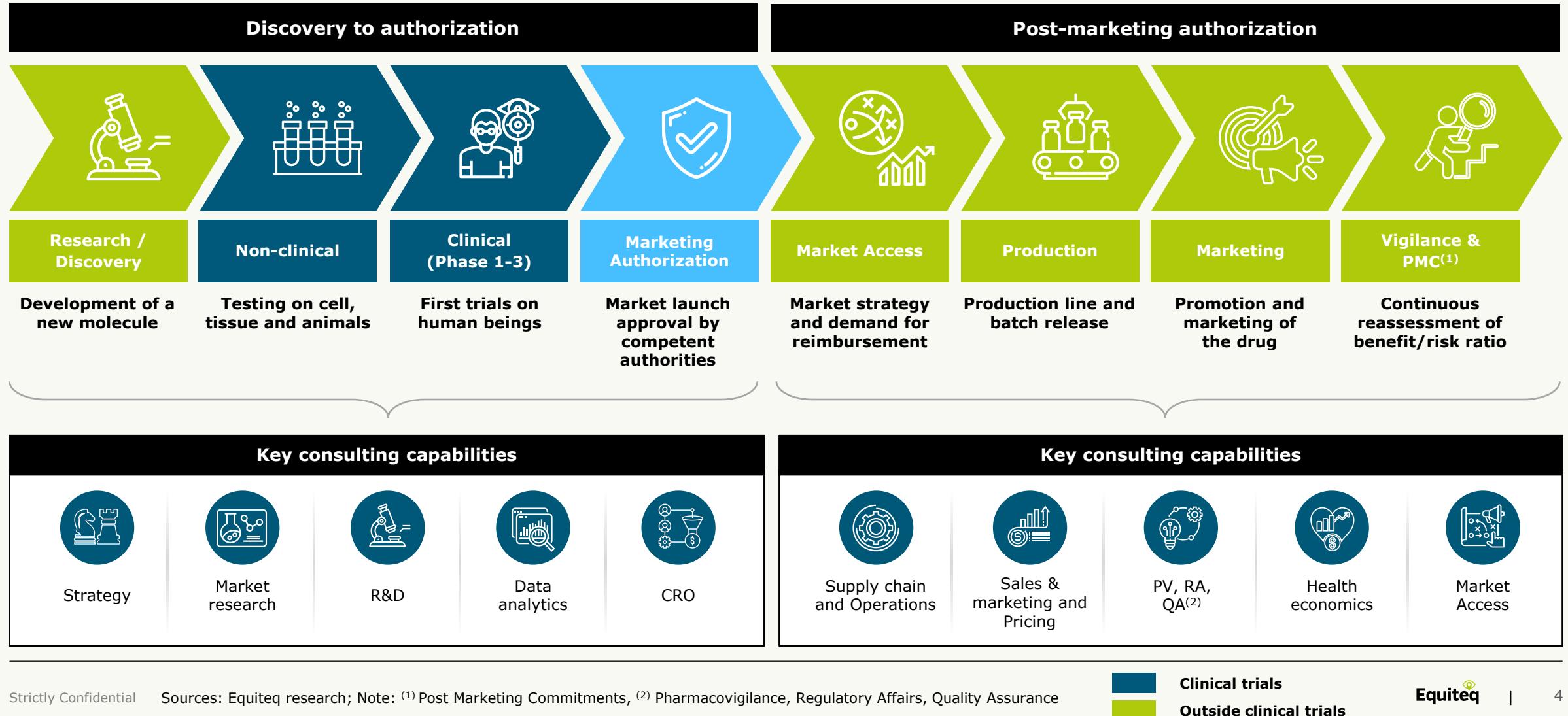
Medi-Tech Insights

The global life sciences consulting services market is driven by growing R&D in advanced therapies, stringent regulatory compliance, increasing need for digitalization/technical expertise, and rising demand for RWE, HEOR⁽¹⁾ and market access services



- Advanced therapies require specialized expertise throughout the development, manufacturing, and regulatory process
- Life sciences consulting companies are best positioned to **capitalize on the growing complexity of regulatory requirement** and help their clients navigate them efficiently
- Growing requirements to demonstrate **more stringent criteria on drugs efficacy and need**
- Complex reimbursement pathways and compliance adherence, changing evidence requirements, and long procedural timelines pose **risk to successful market access and product launch, boosting demand for consulting services**
- Pharma and biotech industry is **increasingly seeking technology/IT consulting services** to digitalize operations, migrate to the cloud, strengthen cybersecurity solutions and modernize more broadly existing IT infrastructures
- The amount of data in the space will also **drive demand for traditional IT consulting**, for analytics insights as well as data processing in the context of a regulatory process
- **Innovation is a key driver for the sector** as pharma/biotech companies race to develop and launch new products
- There will be ongoing **demand for consulting support** throughout the lifecycle **to drive successful innovation**

Sources of value creation for Life Sciences consulting players exist throughout the drug lifecycle



The Life Sciences consulting market is characterized by a large and growing ecosystem, often dominated by PEs and PE-backed firms

Diversified consultancies active in Life Sciences consulting

Large (>1,000 employees)

Mid-size (250-1,000 emp'ees)

Emerging (0-250 emp'ees)

Sample of ecosystem players

accenture



BCG



Deloitte



LEK

McKinsey & Company
indegene



INIZIO

ICON

indegene



NAMSA



PHARMAFAX



Syneos Health

TRINITY



CLEARVIEW
Healthcare Partners



gci health

inotiv

kinapse

Lumanity



Prescient

QBC GROUP

RQM+



Arcondis



corridor

DOLON

inovapotek



medicalknowledgegroup



Open Orphan



porib

practis

spm



SUAZIO

VALIDANT



VCLS

- Global consultancies with large life sciences departments are very active in the ecosystem as they leverage globally recognized brand names

- The group of the largest life sciences players is a mixture of listed CROs (e.g. IQvia, Icon, Syneos) and large, PE-backed life sciences & healthcare advisory firms (e.g. Parexel, inizio, ProPharma Group)

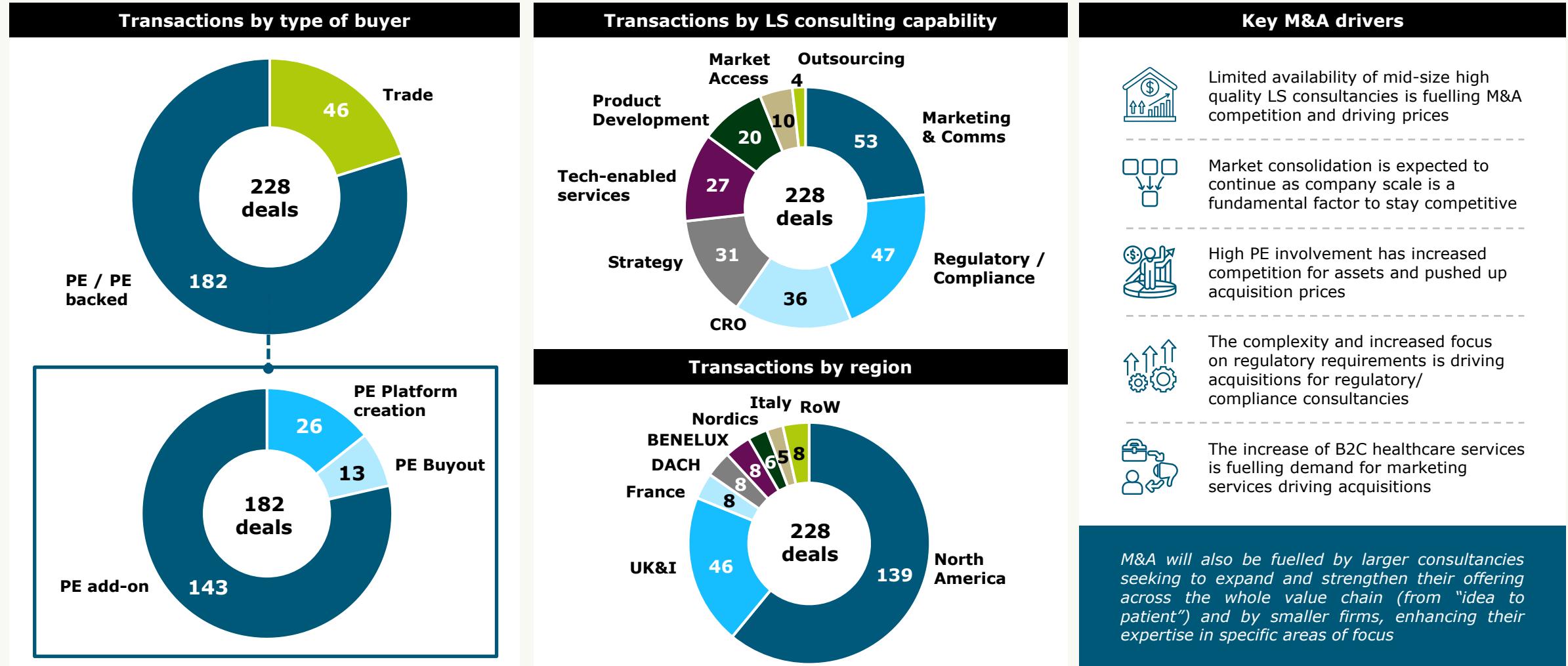
- Mid-size cohort includes many PE-backed firms in a mixture of CROs, tech-enabled and regulatory consultancies

- Notable investors in the space include GHO Capital, Bridgepoint and HIG Capital

- The smaller, emerging firms are typically focused on regulatory consulting and marketing services, among others (e.g. Validant, Medical Knowledge Group)

- VC investment is more common than PE in this group

Underlying market growth and consolidation opportunities have attracted investment from PE firms, active in over 80% of transactions



Sample of recent M&A activity in the sector – Strategic buyers

| Target | Buyer | Ann. Date ⁽¹⁾ | EV ⁽²⁾ (\$m) | Emp's | Target main LS capability | Buyer rationale |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-------------------------|--------|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  biopharma group  |  SIAPARTNERS  | Nov-22 | n.a. | 60 | CRO | Launches a division dedicated to Life Science Consulting, thanks to the acquisition of Latham BioPharm Group (LBG) |
|  PHARMALEX  |  AmerisourceBergen  | Sep-22 | 1,296 | 3,000 | Strategy | Expands its global platform of biopharma services, supporting its manufacturer partners throughout the pharmaceutical development and marketing processes |
|  Infosys  |  BASE LIFE SCIENCE  | Jul-22 | 111 | 200 | Tech-enabled services | Augments its deep life sciences expertise, and expands in the Nordics and across Europe, scaling its digital transformation capabilities with cloud-based solutions |
|  KaufmanHall  |  vizient  | Nov-21 | n.a. | 211 | Strategy | Impacts the financial, clinical, and operational performance of its clients, adding significant financial performance offerings and advisory services |
|  HURON (Life sciences practice)  |  OliverWyman  | Oct-21 | n.a. | 80 | Strategy | Advances its life sciences offering, including services such as commercial strategy, marketing, pricing, market access, and research & development advice |
|  PPD  |  ThermoFisher SCIENTIFIC  | Apr-21 | 20,881 | 26,000 | CRO | Expands offering through the whole clinical development spectrum – from scientific discovery, to assessing safety and to managing clinical trial logistics |
|  PRA Health Sciences  |  ICON  | Feb-21 | 12,277 | 18,100 | CRO | Enhances consulting, clinical and commercial services portfolio, geographic presence, therapeutic capabilities and data-powered healthcare technology |
|  RRD INTERNATIONAL  |  uniphar group  | Nov-20 | n.a. | 87 | Product Development | Adds significantly to its US Product Access capabilities, bringing deep US regulatory insights |
|  OpusLine  |  accenture  | Oct-20 | n.a. | 85 | Strategy | Reinforces its healthcare capabilities with the latest innovations in areas such as data analytics and artificial intelligence (AI) |
|  diligent health solutions  |  uniphar group  | Sep-20 | 27 | 80 | Outsourcing | Adds differentiator to its current offering across both its Commercial & Clinical and Product Access divisions |
|  hvivo  |  Open Orphan  | Dec-19 | 14.8 | 138 | CRO | Strengthens its clinical trial capabilities on drug and vaccine development |

Sample of recent M&A activity in the sector – PE buyers

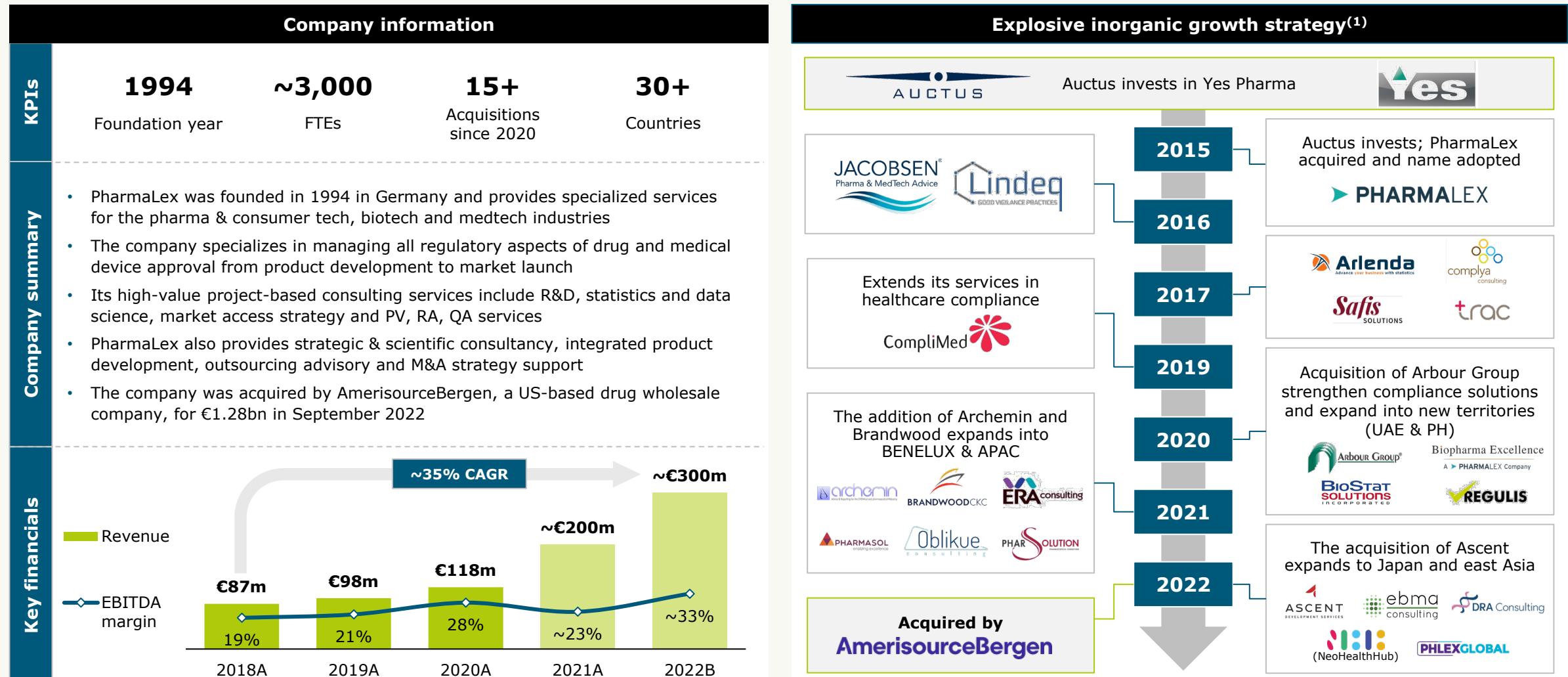
| Target | Investor | Ann. Date ⁽¹⁾ | EV ⁽²⁾ (\$m) | Emp's | Target main LS capability | Investment rationale |
|-------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-------------------------|--------|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| NORDIC |  | Jun-22 | n.a. | 1,800 | Tech-enabled services | Accrete Health Partners, a strategic holding company that expands and synergizes digital health firms, will help Nordic accelerate its service offering development |
|  |  | May-22 | n.a. | 1,100 | Product Development | Accelmed and Luxera join existing investor Summit Partners to help further accelerate Veranex's strategic development |
|  |  | Jan-22 | 1,150 | 500 | Marketing & Comms | Novo holding investment provides expertise and liquidity for MKG to further accelerate its capabilities expansion |
|  |  | Nov-21 | n.a. | 1,600 | Strategy | Kholberg recapitalization will support Trinity's global expansion and development of services |
|  |   | Jul-21 | 8,500 | 18,900 | CRO | The investment provides Parexel with the investor's strong industry experience and with the liquidity to further accelerate the company's growth |
|  |  | May-21 | 4,001 | 9,000 | Marketing & Comms | CD&R investment accelerates UDG's organic and inorganic growth |
|  |  | Apr-21 | n.a. | ~200 | Regulatory/Compliance | This investment will serve to accelerate Alira Health's growth |
|  |  | Mar-21 | n.a. | 250 | Marketing & Comms | ICG brings deep healthcare sector expertise, a global network and significant availability of additional capital to support Lucid on its growth journey |
|  |  | Dec-20 | 702 | 1,991 | Marketing & Comms | CD&R investment will provide the liquidity to continue Inizio's organic growth and accelerate its acquisitions strategy |
|  |  | Nov-20 | n.a. | ~800 | Marketing & Comms | GHO Capital and management acquire Ardian majority stake in Envision Pharma Group to accelerate continued growth |
|  |  | Sep-20 | n.a. | ~100 | Product Development | Baird investment will help Blue Matter to drive faster organic growth and enhance its ability to execute strategic acquisitions |

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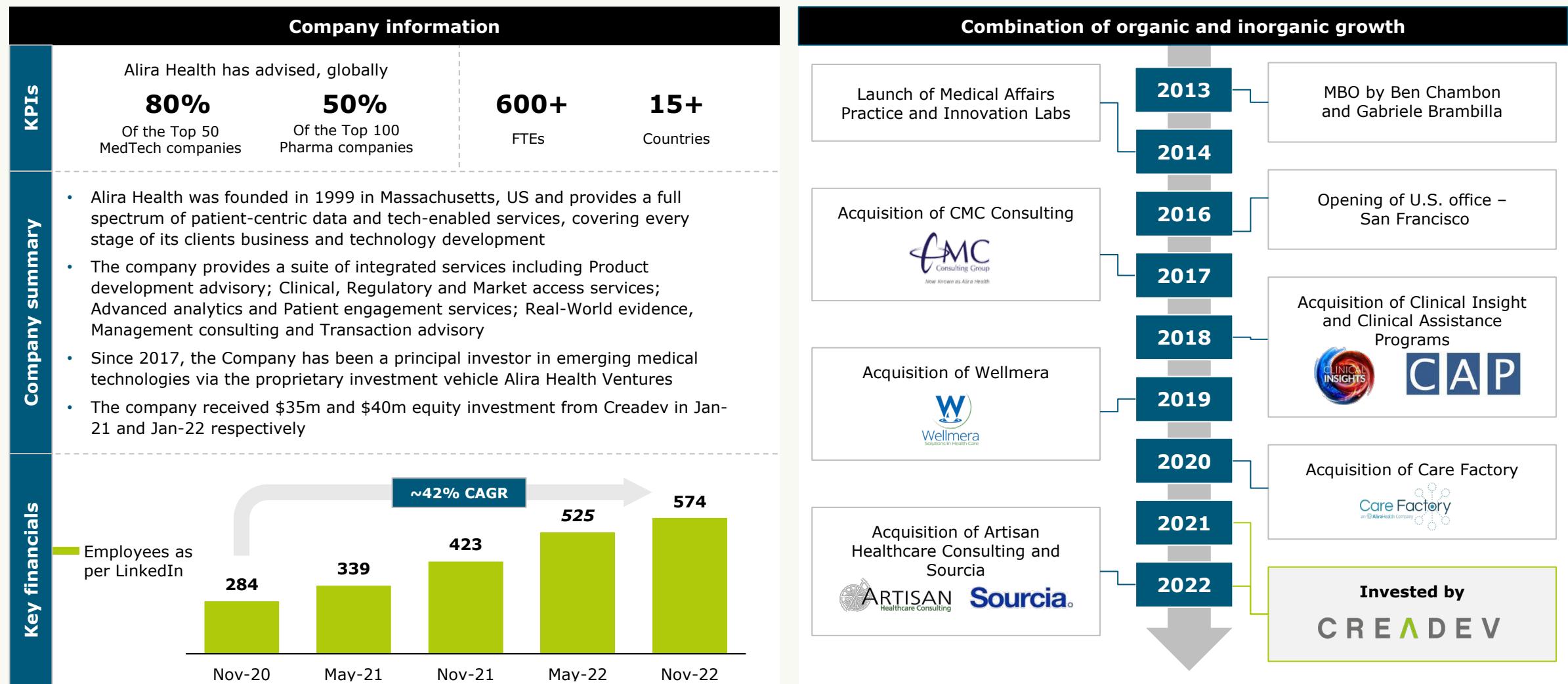


PharmaLex: a clear success story of value creation through a targeted VC-backed buy & build strategy

► PHARMALEX



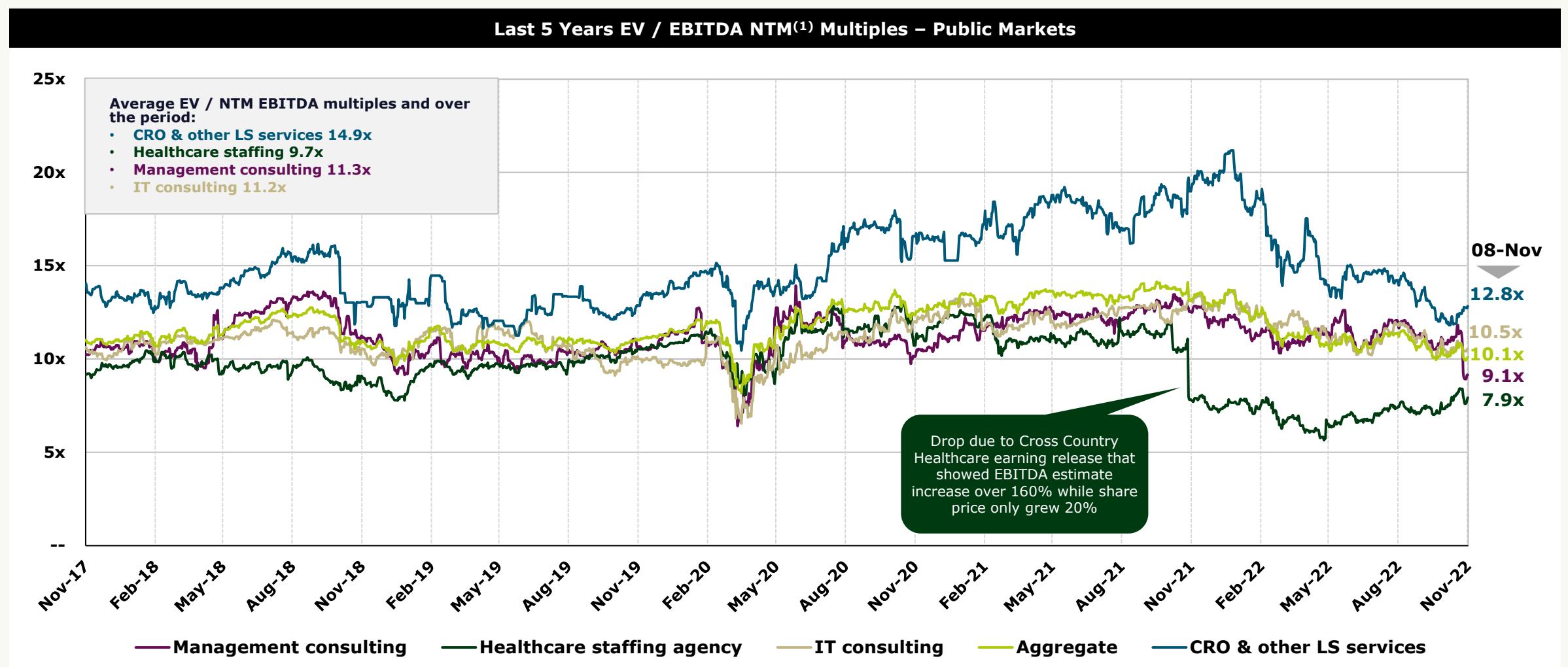
Alira Health: an extensive capabilities expansion story via organic and inorganic strategy



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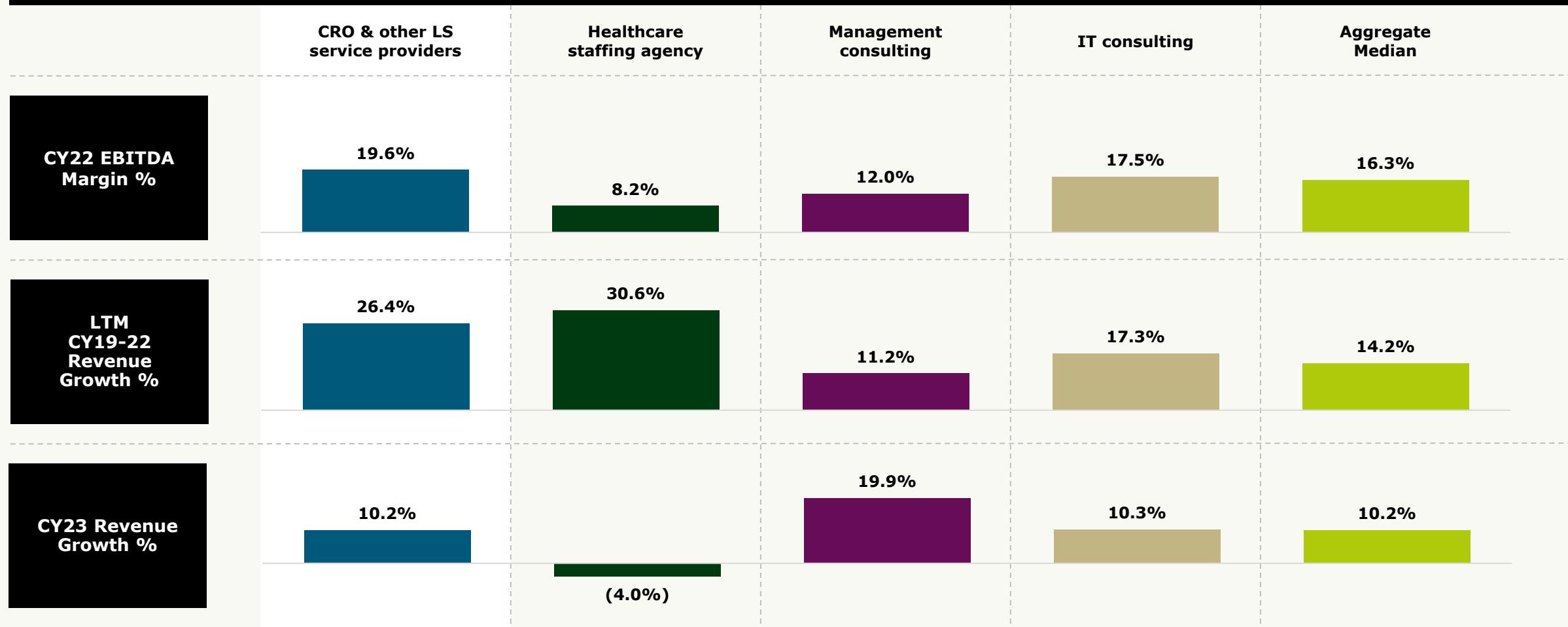


CRO and LS consulting firms have been trading at a premium compared to more traditional consultancies and agencies over the past 5 years



CROs & other LS service providers have delivered high margins while growing above the median for the last 3 years, thus driving M&A

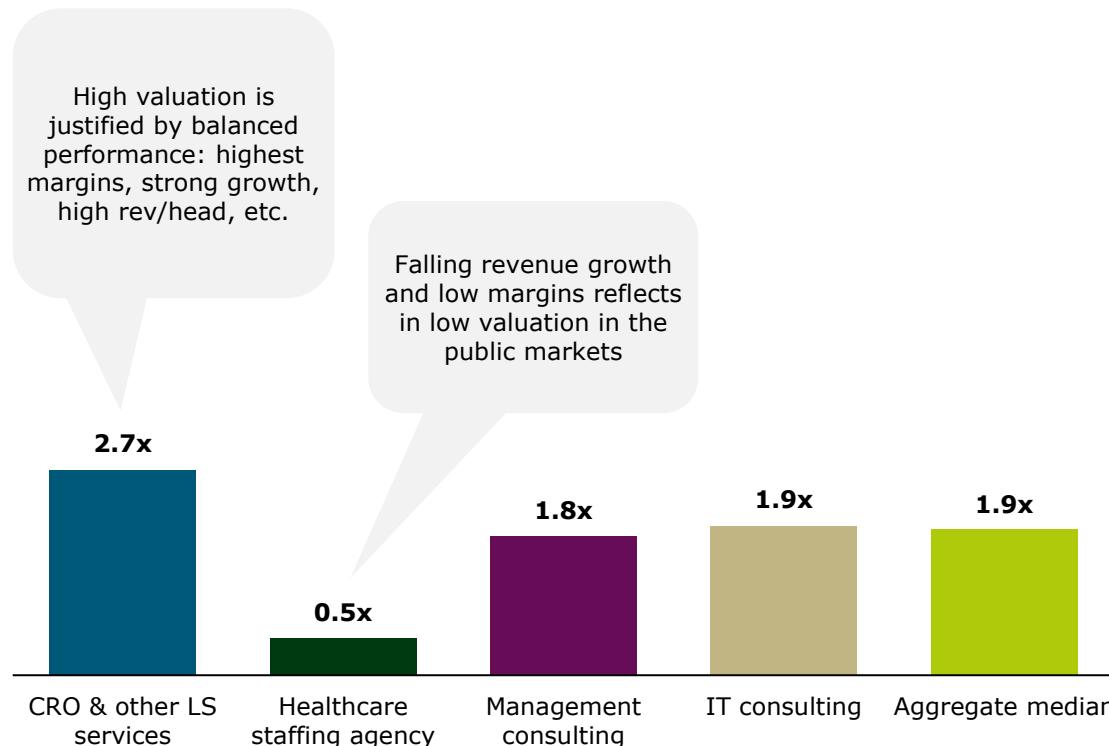
Key Valuation Benchmarks – Public Markets



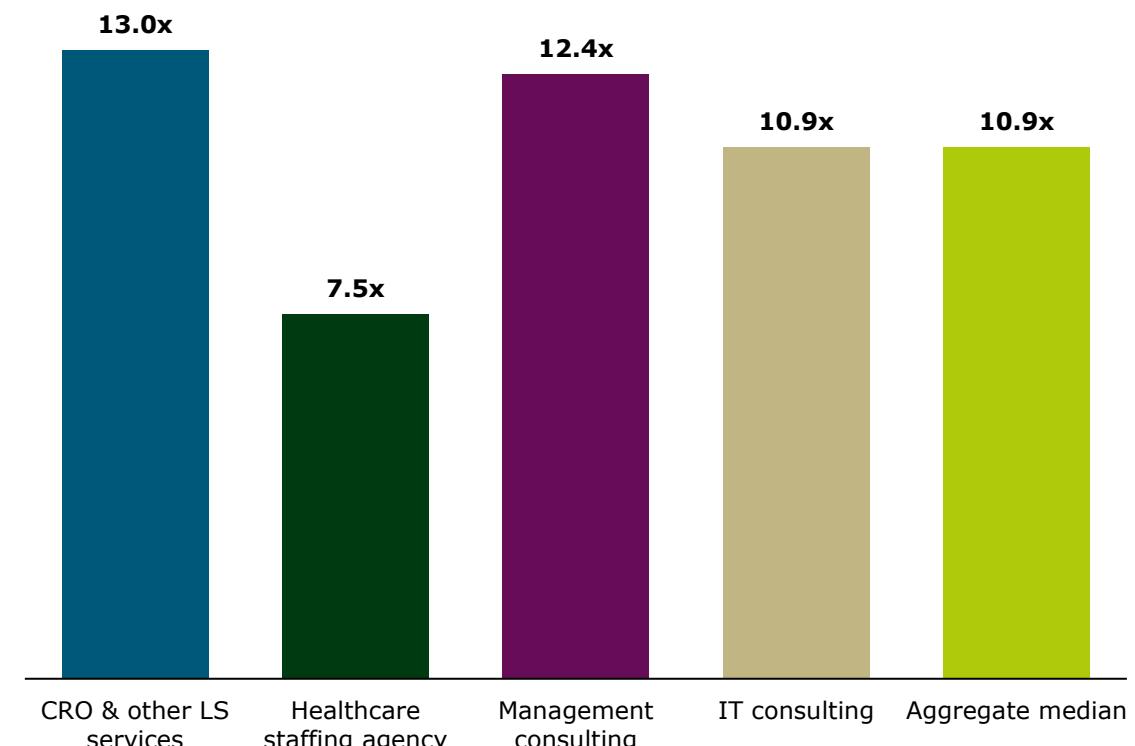
Favourable metrics for CROs & other LS service providers have translated into premium valuations by public markets

Key Valuation Benchmarks – Public Markets

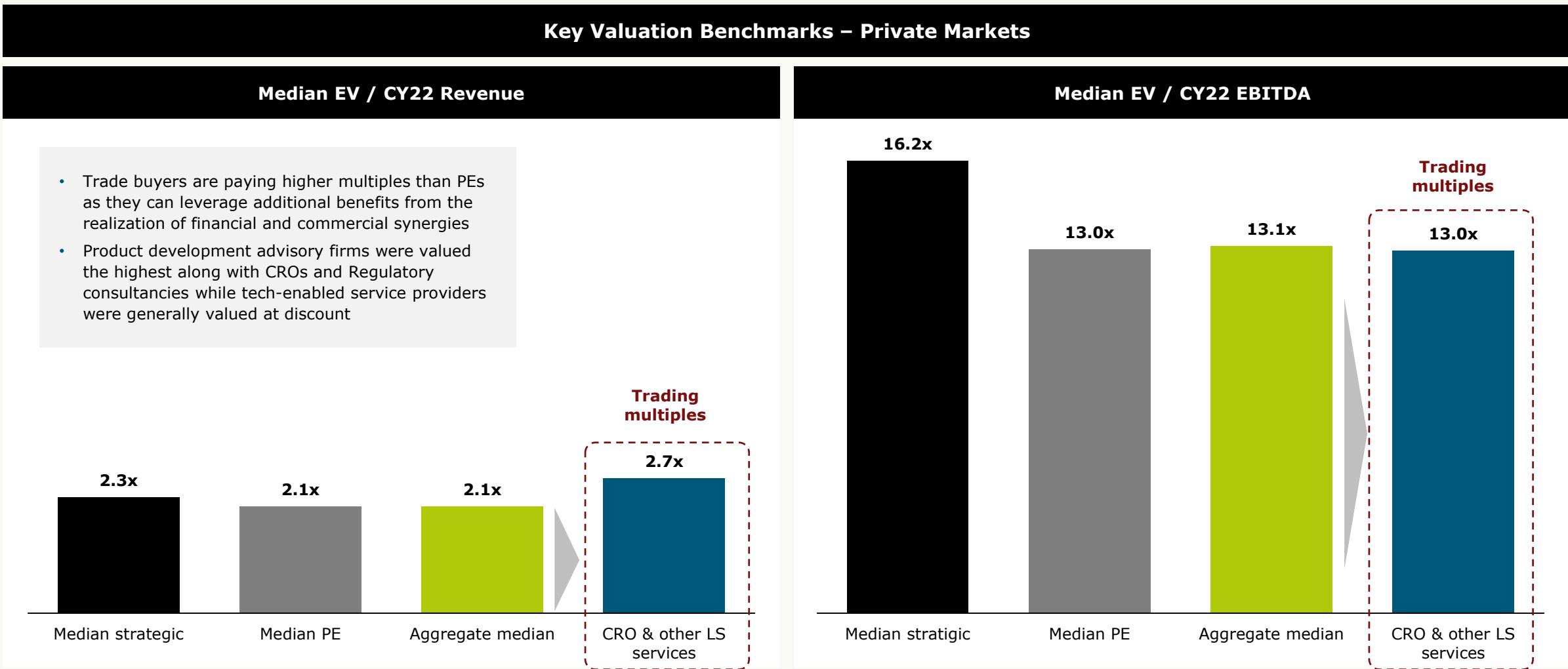
Median EV / CY22 Revenue



Median EV / CY22 EBITDA



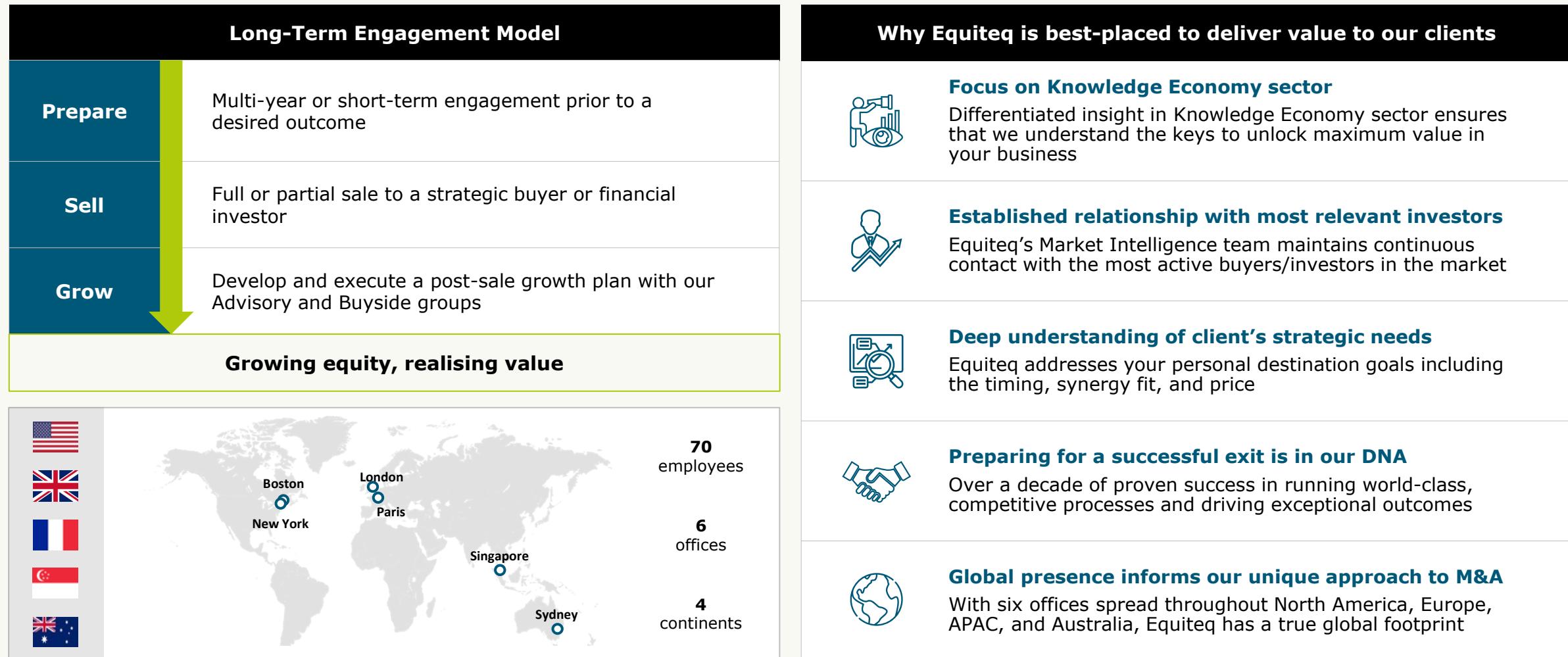
M&A valuations reflect public markets for CROs and other LS services, with strategic buyers paying higher multiples than PE



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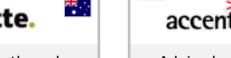
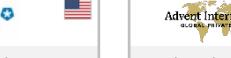


Equiteq is a Global Knowledge Economy M&A and Strategic Advisory Firm designed to deliver better transaction outcomes for our clients



We are the most active M&A advisor for the Knowledge Economy globally

Selected Completed Transactions

| | | | | | | | | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  BIOS Managed Cloud Provider Sold to  Zain Tech Advised on the sale October 2022 |  VALUE POINT Cybersecurity Solutions & Services Sold to  softline® Advised on the sale October 2022 |  LEXICON Digital Consultancy Sold to  endava Advised on the sale October 2022 |  ALLATA CSD & Digital Transformation Consultancy Received investment from  CIVC PARTNERS Advised on the investment September 2022 |  NOVATIO RPA Consultancy Received investment from  KEYSTONE CAPITAL Advised on the investment August 2022 |  SOLVERA Digital Transformation Services Sold to  accenture Advised on the sale July 2022 |  risuql Azure Partner & Cloud Specialist Sold to  NODE4 Empowering business to do more Advised on the sale July 2022 |  SCANOMI Anaplan Gold Partner Sold to  VISEO INNOVATIVE DIGITAL MAKERS Advised on the sale June 2022 |  Pexlify Platinum Salesforce Partner Sold to  dentsu group Advised on the sale June 2022 |  BEDFORD Consulting Anaplan Gold Partner Received investment from  KEENSIGHT CAPITAL Advised on the investment May 2022 |
|  grit. Design & Innovation Consultancy Sold to  CYIENT Advised on the sale April 2022 |  infrata Delivering the confidence to invest Infrastructure Consultancy Receives majority investment  Lonsdale Capital Partners Advised on the investment April 2022 |  iST CX Tech Consultancy Sold to  majorel Advised on the sale March 2022 |  360 PE-backed Cybersecurity Specialist Acquired  CARETOWER 24/7 Security Specialists Advised on the acquisition February 2022 |  Metaville Financial Services Consultancy Sold to  bip. Advised on the sale February 2022 |  JUST ANALYTICS AI & Analytics Specialist Sold to  rackspace technology. Advised on the sale January 2022 |  4 MILE ANALYTICS Data Consultancy Sold to  S4 CAPITAL Advised on the sale January 2022 |  sa.global Microsoft Gold Partner Growth Financing by  KARTESIA Advised on the financing January 2022 |  enowa. SAP Consulting Sold to  REPLY Advised on the sale January 2022 |  GROUNDSWELL Salesforce Consulting Sold to  GyanSys Advised on the sale January 2022 |
|  intive Digital Consulting Acquired  Advised on the acquisition December 2021 |  BLUEPOINT Private Equity Invested into  Advised on the investment December 2021 |  BOYDAK AUTOMATION AI & Automation Consultancy Sold to  Beterna enterprise software Advised on the sale December 2021 |  PROKURA Procurement & Supply Chain Consulting Sold to  KEARNEY Advised on the sale December 2021 |  HATCH Engineering Consultancy Acquired  Advised on the acquisition November 2021 |  roam Digital consulting Sold to  Advised on the sale October 2021 |  MGAC Construction Consulting Acquired  Advised on the acquisition October 2021 |  PDS GROUP Development Solutions Sold to  Deloitte. Advised on the sale August 2021 |  hrc. RETAIL ADVISORY Retail Consulting Sold to  accenture Advised on the sale July 2021 |  Economists INCORPORATED Economics Consulting Sold to  Advised on the sale July 2021 |
|  OPALWAVE SAP EPM Specialist Sold to  Advised on the sale June 2021 |  LIONPOINT Operations Transformation Sold to  Advised on the sale May 2021 |  steer Engineering Consulting Acquired  Advised on the acquisition May 2021 |  Pythagoras Microsoft Gold Partner Sold to  Advised on the sale May 2021 |  kerv Cloud Transformation Acquired  Advised on the acquisition May 2021 |  AliraHealth Healthcare Consulting Equity Financing by  Advised on the financing April 2021 |  FUTURE STATE Change Consulting Sold to  Advised on the sale January 2021 |  vox Financial Partners Change Consulting Merged with  Advised on the merger January 2021 |  sophos solutions Banking Technology Sold to  Advised on the sale December 2020 |  Ryobi G Geoengineering Solutions Sold to  Advised on the sale December 2020 |

We will be delighted to speak with you. Please contact us

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