

Life Sciences Consulting – M&A report

November 2022



Growing equity, realizing value

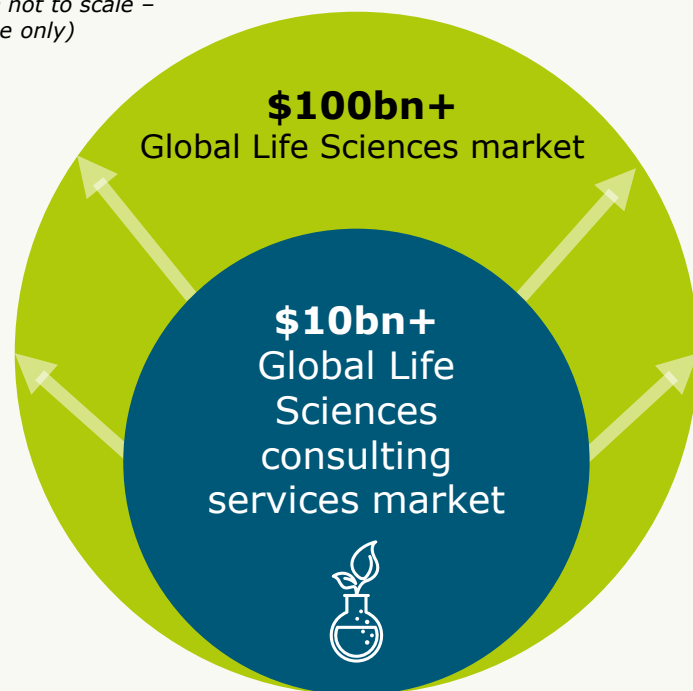


- I. Global Life Sciences Consulting
Market Dynamics & M&A Activity**
- II. Case Studies: PharmaLex and Alira
Health
- III. Life Sciences Consulting valuation
analysis
- IV. Appendix: About Equiteq



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



Surging Demand for Advanced Therapies Consulting

- **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



Product Commercialization

- 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**



Digitalization

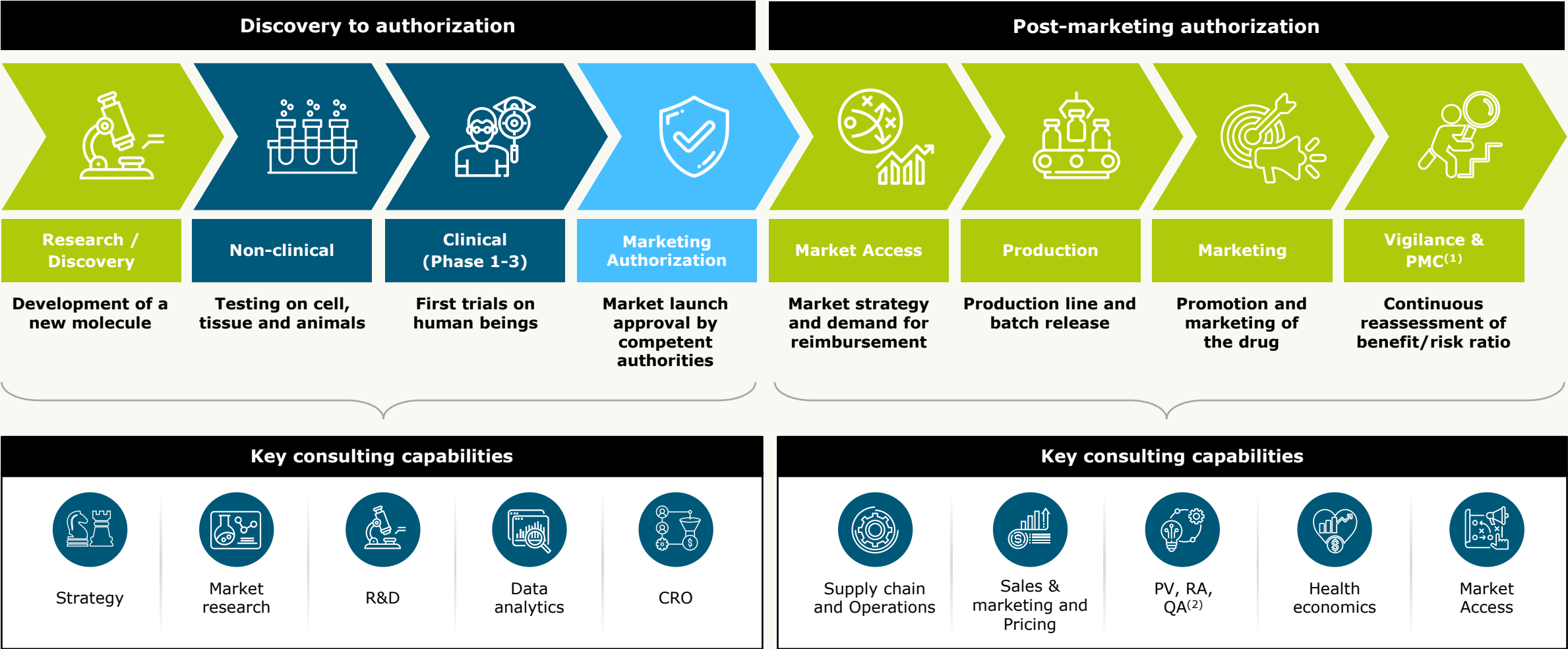
- Pharma and biotech industry is **increasingly seeking technology/IT consulting services** to digitalize operations, migrate to the cloud, strengthen cybersecurity solutions and modernize more broadly existing IT infrastructures
- The amount of data in the space will also **drive demand for traditional IT consulting**, for analytics insights as well as data processing in the context of a regulatory process



Innovation

- **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

Sample of ecosystem players

Diversified consultancies active in Life Sciences consulting



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

Large (>1,000 employees)



- 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 (250-1,000 emp'ees)



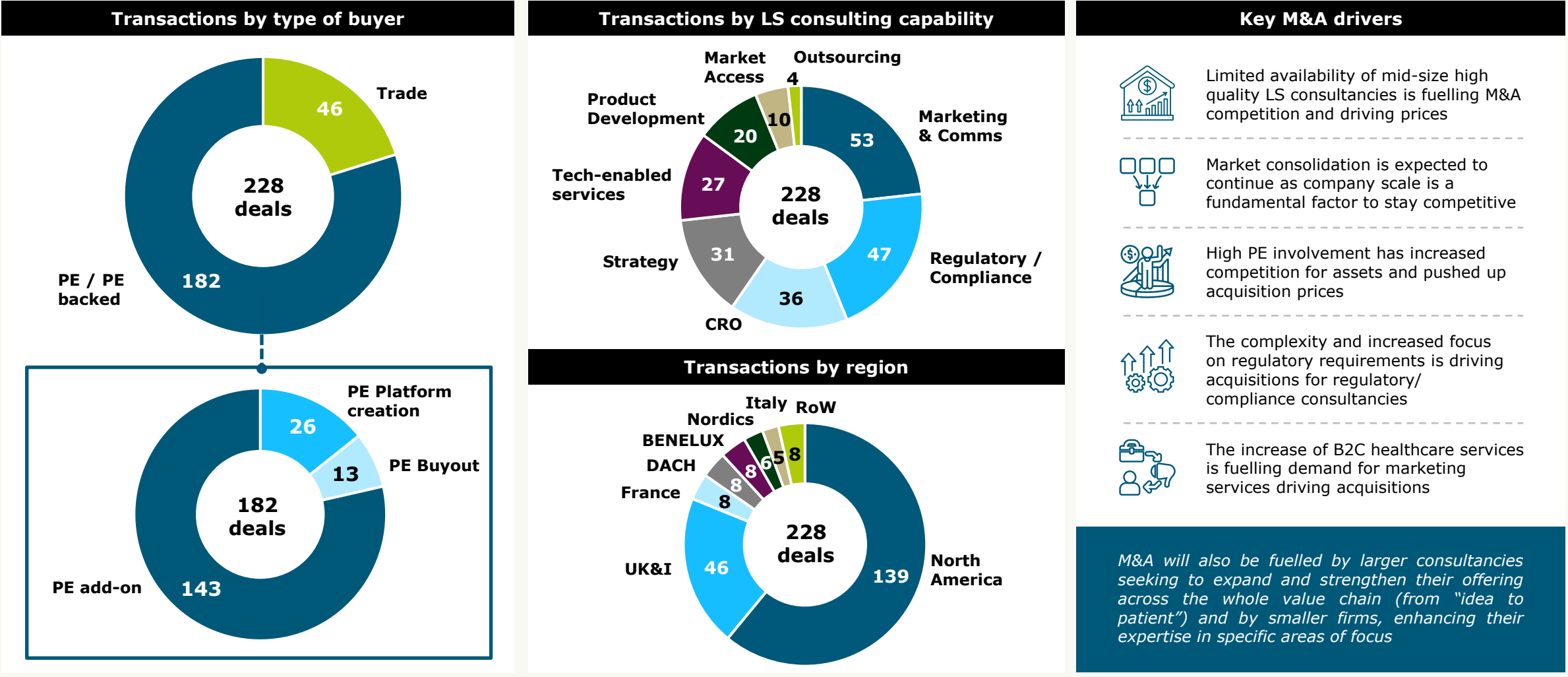
- Mid-size cohort includes many PE-backed firms in a mixture of CROs, tech-enabled and regulatory consultancies
- Notable investors in the space include GHQ Capital, Bridgepoint and HIG Capital

Emerging (0-250 emp'ees)




































- 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
 	SIAPARTNERS 	Nov-22	n.a.	60	CRO	Launches a division dedicated to Life Science Consulting, thanks to the acquisition of Latham BioPharm Group (LBG)
 	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
 	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
  (Life sciences practice)	 	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
 	ICON 	Feb-21	12,277	18,100	CRO	Enhances consulting, clinical and commercial services portfolio, geographic presence, therapeutic capabilities and data-powered healthcare technology
 	 	Nov-20	n.a.	87	Product Development	Adds significantly to its US Product Access capabilities, bringing deep US regulatory insights
OpusLine  <small>Prendre soin du Futur</small>	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)
 	 	Sep-20	27	80	Outsourcing	Adds differentiator to its current offering across both its Commercial & Clinical and Product Access divisions
hVIVO 	 	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

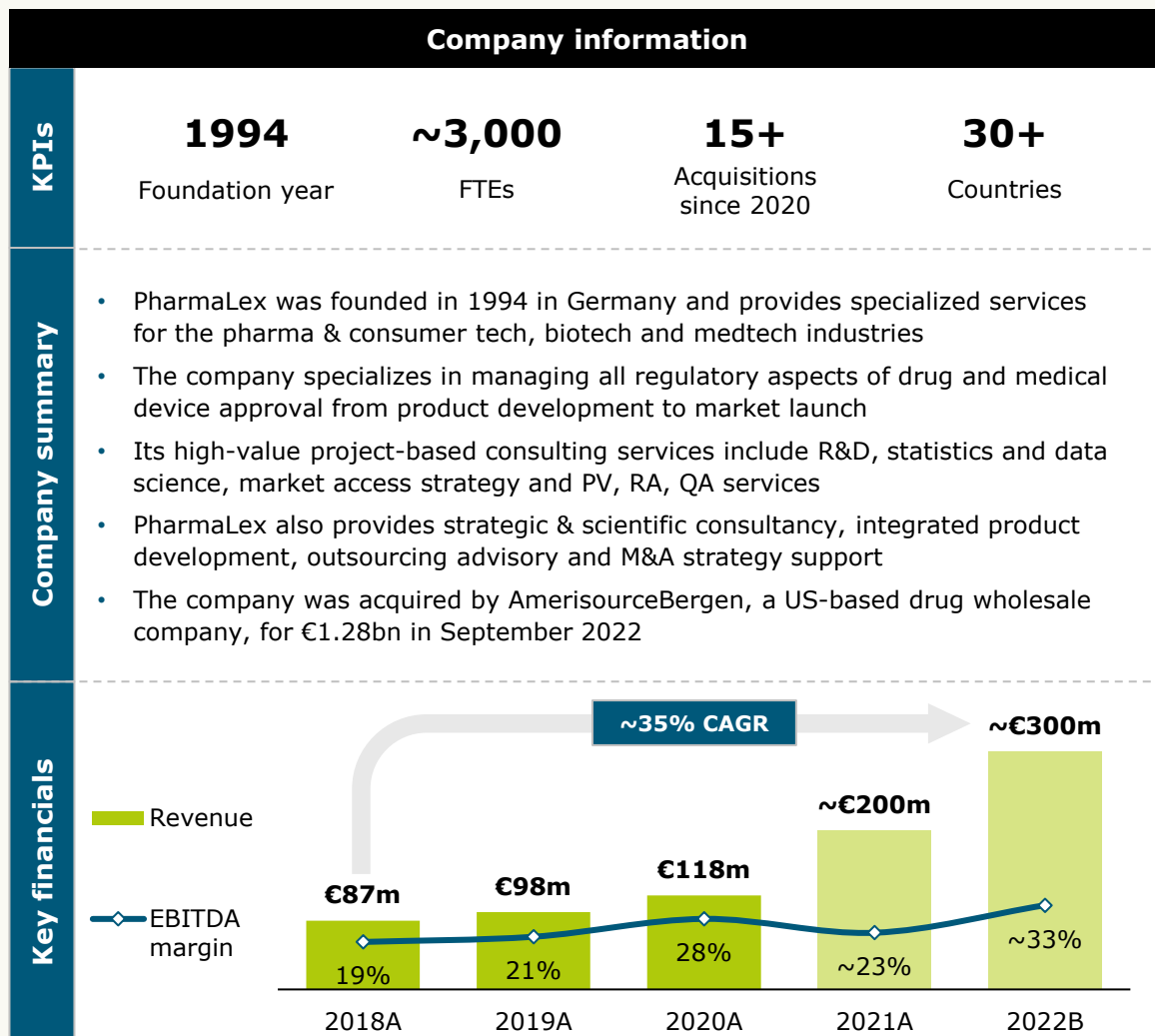
Target	Investor	Ann. Date ⁽¹⁾	EV ⁽²⁾ (\$m)	Emp's	Target main LS capability	Investment rationale
 	 	Jun-22	n.a.	1,800	Tech-enabled services	Accrete Health Partners, a strategic holding company that expands and synergizes digital health firms, will help Nordic accelerate its service offering development
 	 	May-22	n.a.	1,100	Product Development	Accelmed and Lauxera 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	Kohlberg 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



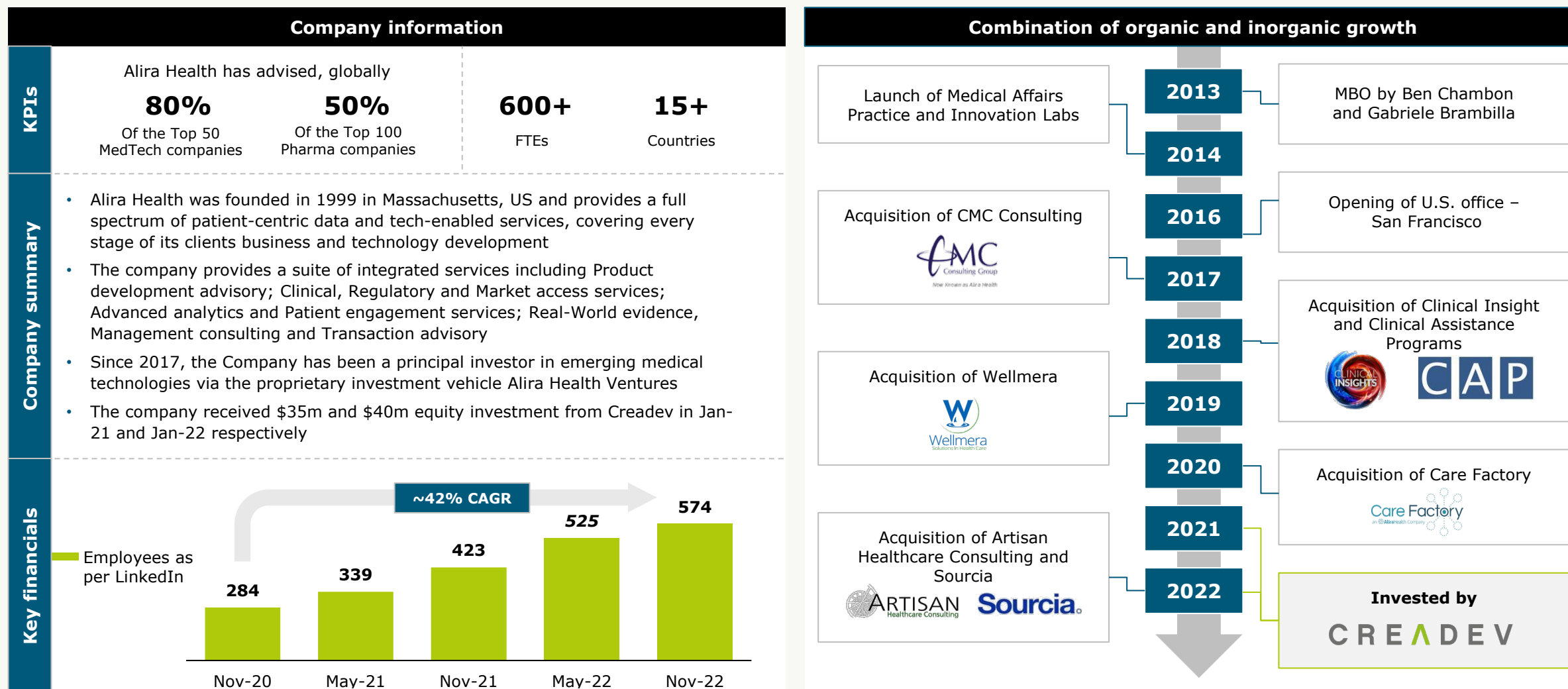
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PharmaLex: a clear success story of value creation through a targeted VC-backed buy & build strategy



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



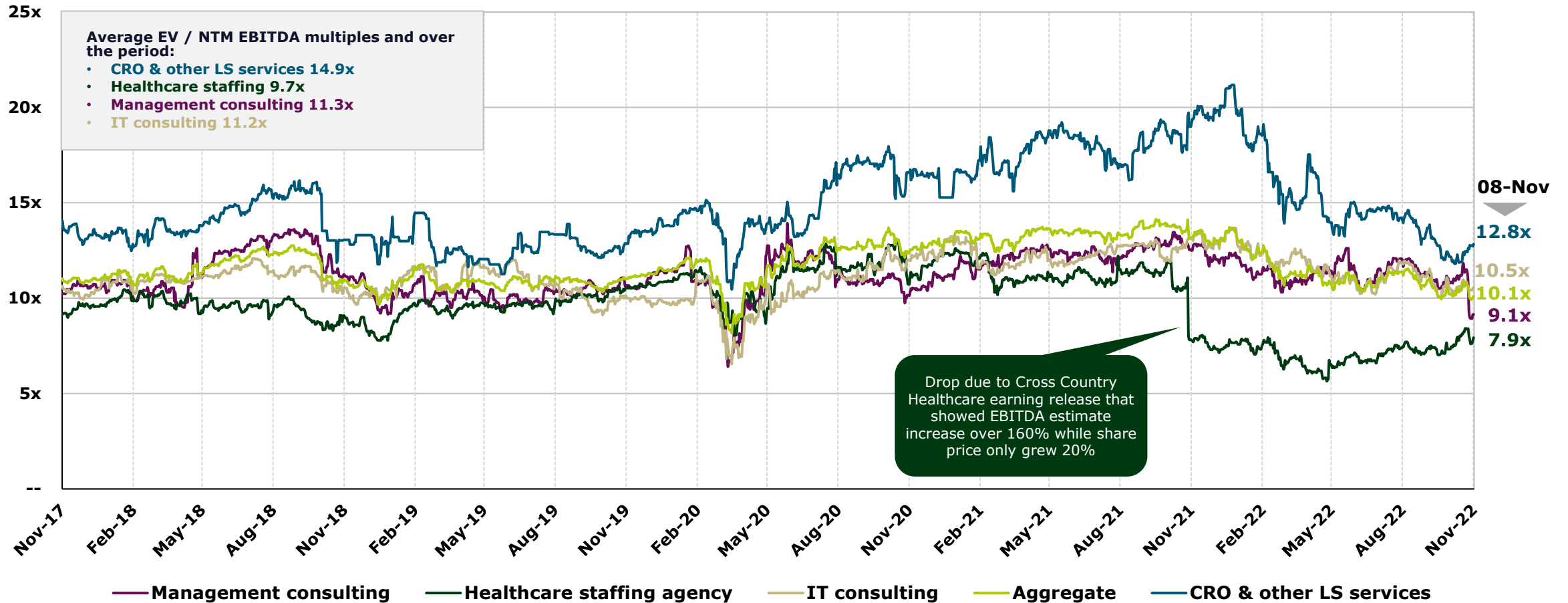


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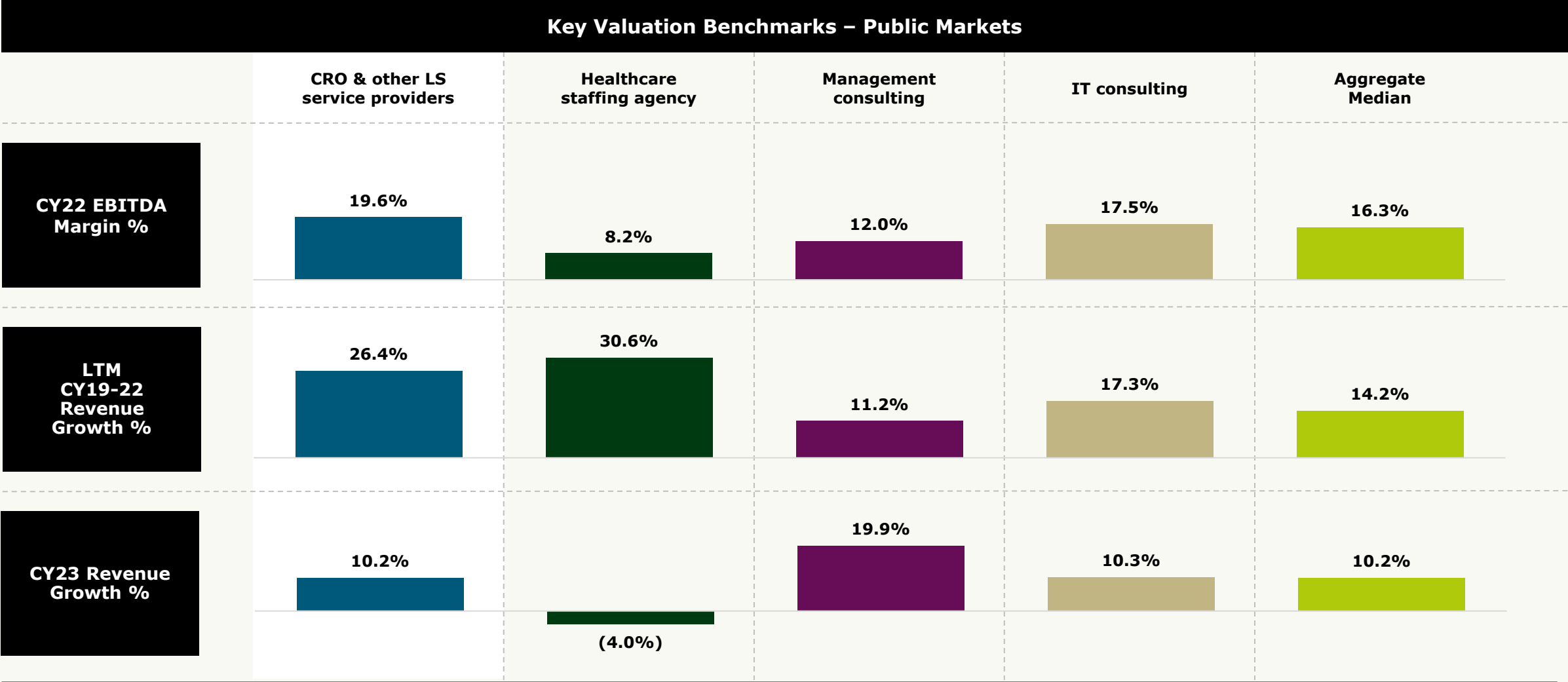


CRO and LS consulting firms have been trading at a premium compared to more traditional consultancies and agencies over the past 5 years

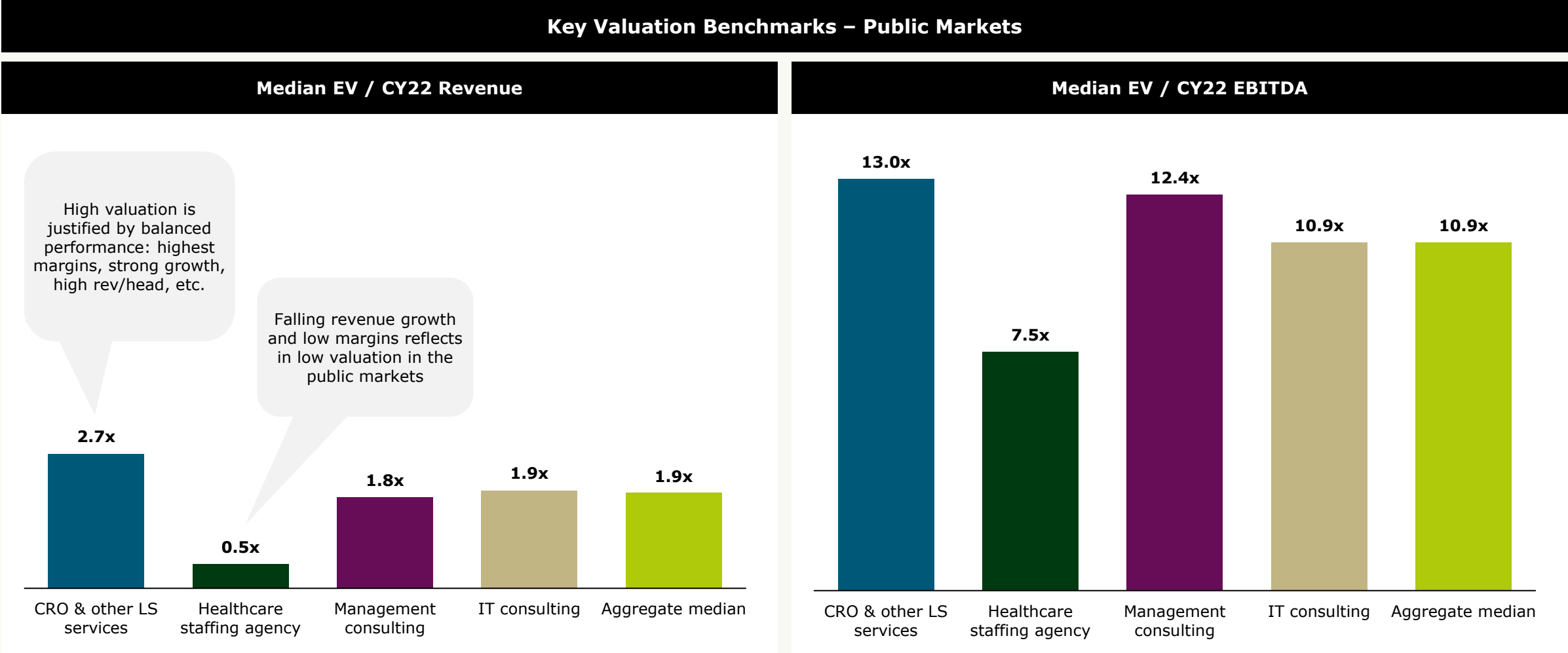
Last 5 Years EV / EBITDA NTM⁽¹⁾ Multiples – Public Markets



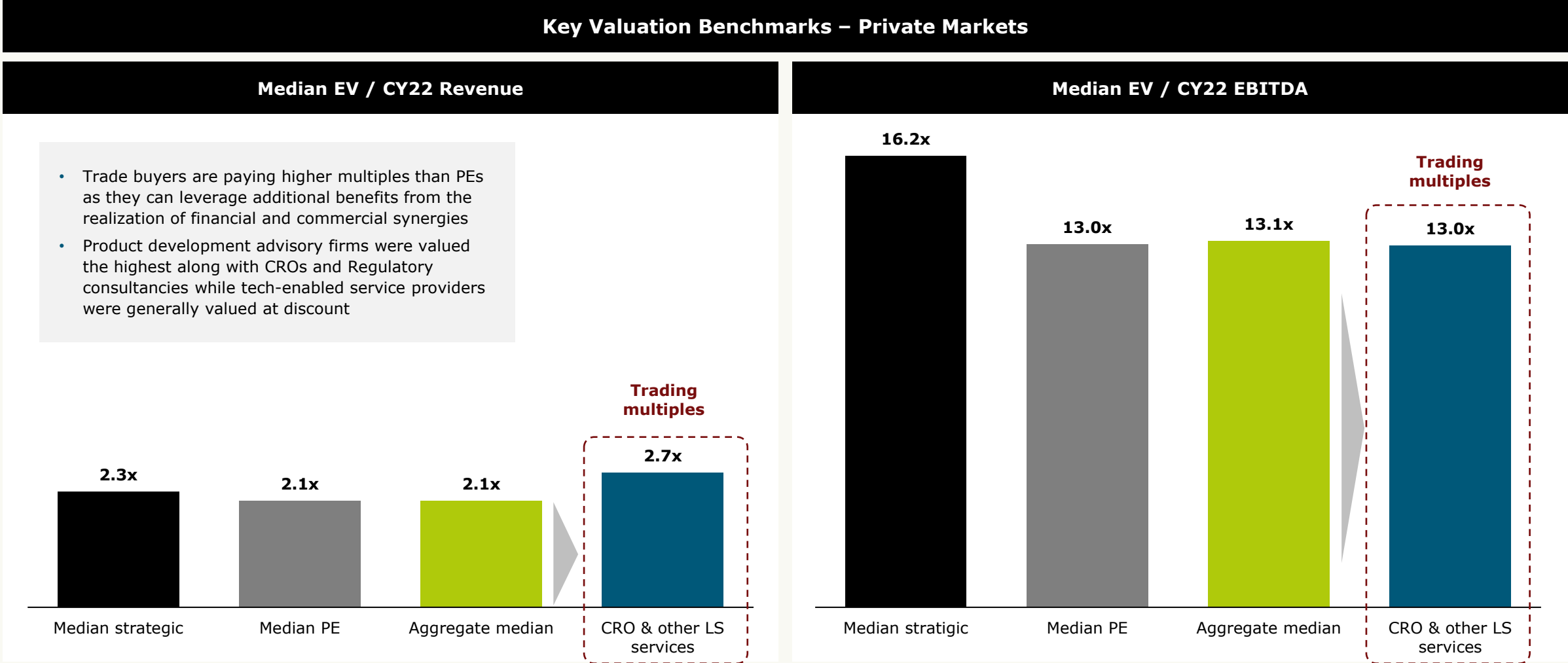
CROs & other LS service providers have delivered high margins while growing above the median for the last 3 years, thus driving M&A



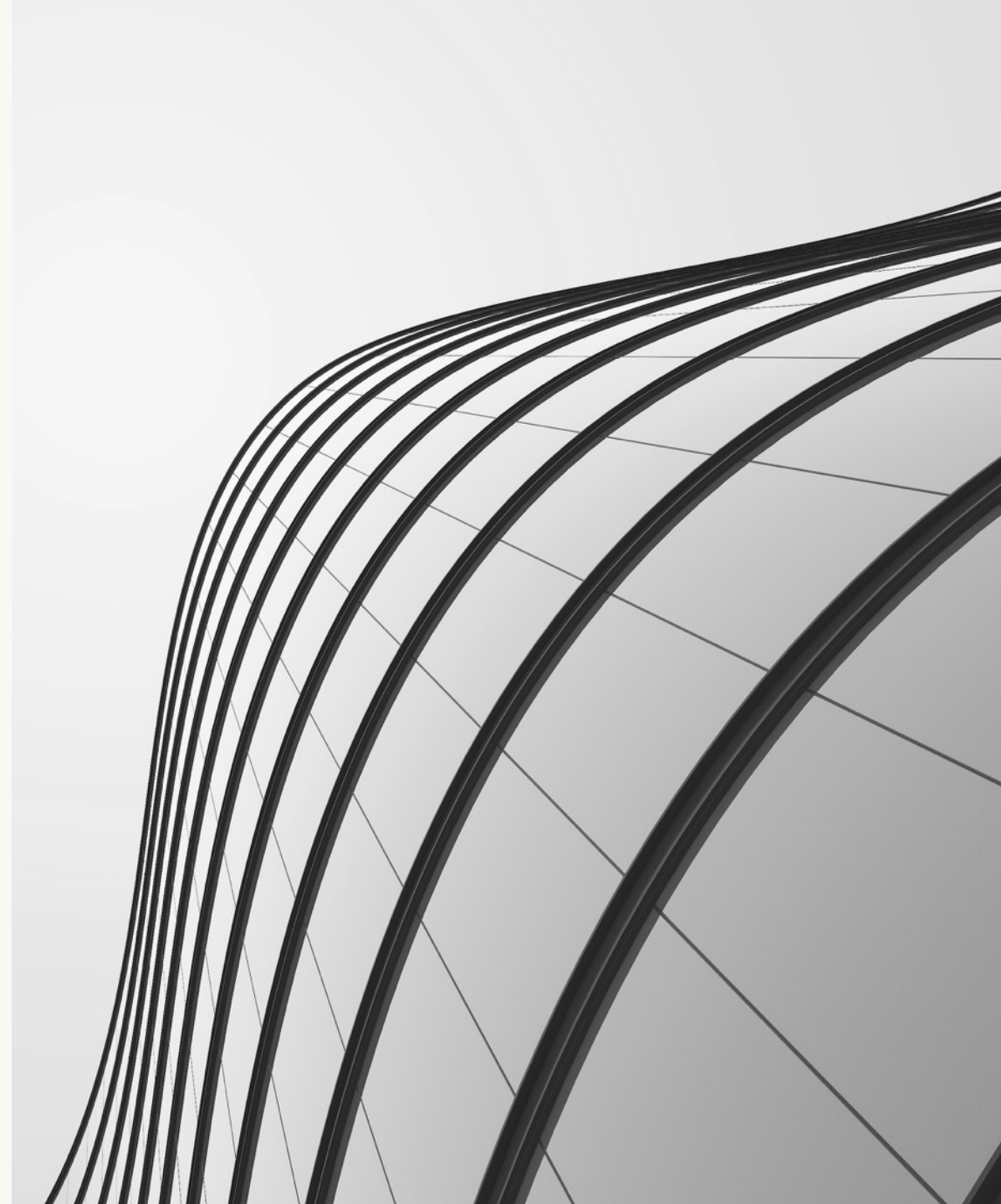
Favourable metrics for CROs & other LS service providers have translated into premium valuations by public markets



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

Long-Term Engagement Model

Prepare

Sell

Grow

Multi-year or short-term engagement prior to a desired outcome

Full or partial sale to a strategic buyer or financial investor

Develop and execute a post-sale growth plan with our Advisory and Buyside groups

Growing equity, realising value

70 employees

6 offices

4 continents

Why Equiteq is best-placed to deliver value to our clients

Focus on Knowledge Economy sector

Differentiated insight in Knowledge Economy sector ensures that we understand the keys to unlock maximum value in your business

Established relationship with most relevant investors

Equiteq’s Market Intelligence team maintains continuous contact with the most active buyers/investors in the market

Deep understanding of client’s strategic needs

Equiteq addresses your personal destination goals including the timing, synergy fit, and price

Preparing for a successful exit is in our DNA

Over a decade of proven success in running world-class, competitive processes and driving exceptional outcomes

Global presence informs our unique approach to M&A








































With six offices spread throughout North America, Europe, APAC, and Australia, Equiteq has a true global footprint

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

Selected Completed Transactions

  Managed Cloud Provider Sold to  Advised on the sale October 2022	  Cybersecurity Solutions & Services Sold to  Advised on the sale October 2022	  Digital Consultancy Sold to  Advised on the sale October 2022	  CSD & Digital Transformation Consultancy Received investment from  Advised on the investment September 2022	  RPA Consultancy Received investment from  Advised on the investment August 2022	  Digital Transformation Services Sold to  Advised on the sale July 2022	  Azure Partner & Cloud Specialist Sold to  Advised on the sale July 2022	  Anaplan Gold Partner Sold to  Advised on the sale June 2022	  Platinum Salesforce Partner Sold to  Advised on the sale June 2022	  Anaplan Gold Partner Received investment from  Advised on the investment May 2022
  Design & Innovation Consultancy Sold to  Advised on the sale April 2022	  Infrastructure Consultancy Receives majority investment  Advised on the investment April 2022	  CX Tech Consultancy Sold to  Advised on the sale March 2022	  PE-backed Cybersecurity Specialist Acquired  Advised on the acquisition February 2022	  Financial Services Consultancy Sold to  Advised on the sale February 2022	  AI & Analytics Specialist Sold to  Advised on the sale January 2022	  Data Consultancy Sold to  Advised on the sale January 2022	  Microsoft Gold Partner Growth Financing by  Advised on the financing January 2022	  SAP Consulting Sold to  Advised on the sale January 2022	  Salesforce Consulting Sold to  Advised on the sale January 2022
  Digital Consulting Acquired  Advised on the acquisition December 2021	  Private Equity Invested into  Advised on the investment December 2021	  AI & Automation Consultancy Sold to  Advised on the sale December 2021	  Procurement & Supply Chain Consulting Sold to  Advised on the sale December 2021	  Engineering Consultancy Acquired  Advised on the acquisition November 2021	  Digital consulting Sold to  Advised on the sale October 2021	  Construction Consulting Acquired  Advised on the acquisition October 2021	  Development Solutions Sold to  Advised on the sale August 2021	  Retail Consulting Sold to  Advised on the sale July 2021	  Economics Consulting Sold to  Advised on the sale July 2021
  SAP EPM Specialist Sold to  Advised on the sale June 2021	  Operations Transformation Sold to  Advised on the sale May 2021	  Engineering Consulting Acquired  Advised on the acquisition May 2021	  Microsoft Gold Partner Sold to  Advised on the sale May 2021	  Cloud Transformation Acquired  Advised on the acquisition May 2021	  Healthcare Consulting Equity Financing by  Advised on the financing April 2021	  Change Consulting Sold to  Advised on the sale January 2021	  Change Consulting Merged with  Advised on the merger January 2021	  Banking Technology Sold to  Advised on the sale December 2020	  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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