



2023 Life Sciences & Healthcare Consulting Market Insight

Highlights, Trends, Opportunities & Outlook

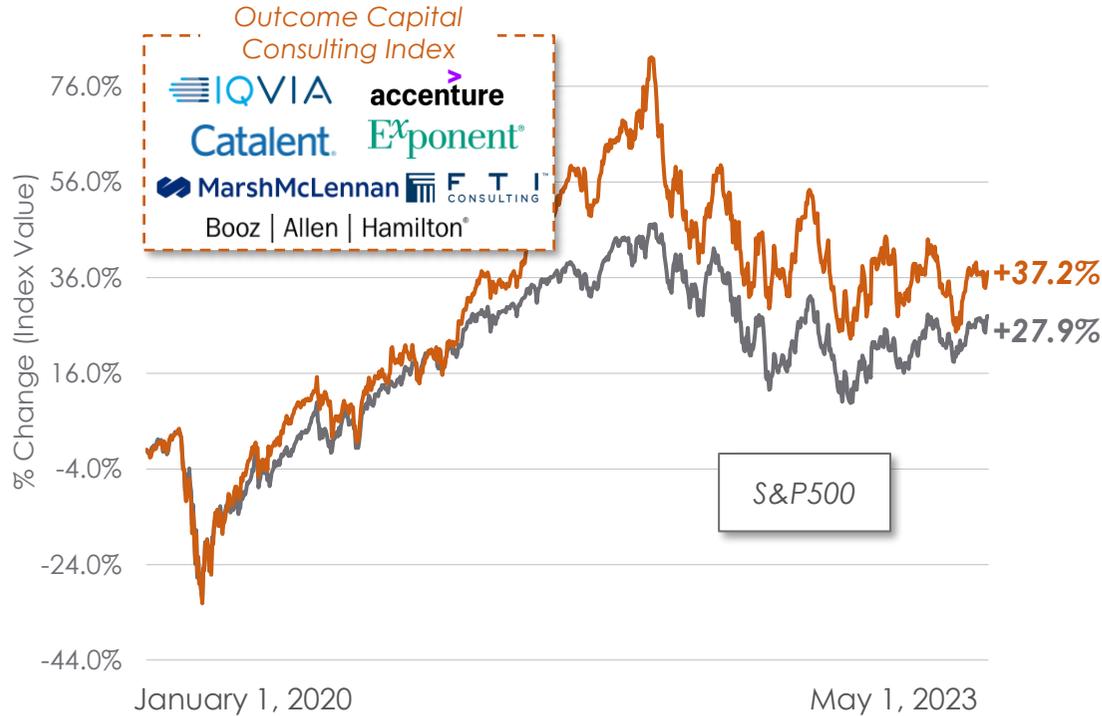
Reach the *Right Outcome*

www.outcomecapital.com

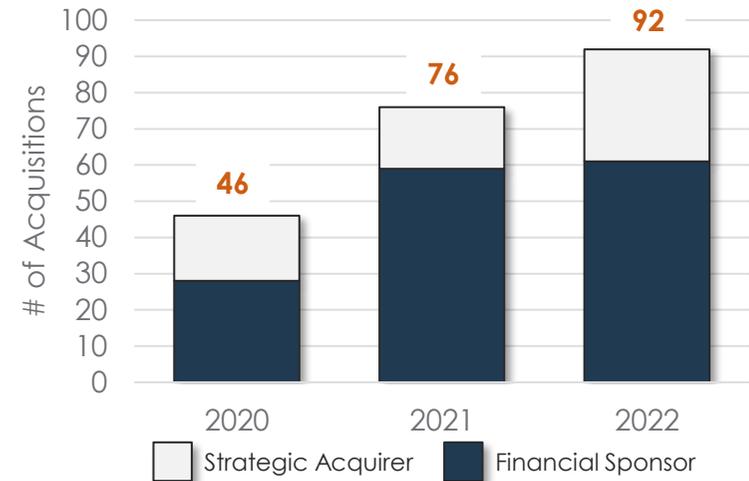
Life Sciences Consulting Consolidation Trends March On

2023 Life Sciences Consulting Market Insight

Outcome Capital Consulting Index vs. S&P500 (2020-2023)



Scientific Consulting M&A*



“

The services sector will continue to see **healthy M&A levels in 2023**. Achieving scale will be critical in the various subsectors...**and M&A is a means to that end.**



*Note: Includes deals with undisclosed amounts spanning life sciences consulting, regulatory consulting, market access, medical writing, HEOR, pharmacovigilance and medical communications services

Entrenched Players Seek To Scale & Differentiate Via Strategic Growth Tuck-In Acquisitions

Specialty Services Attract Strategic Interest & Deal Premiums

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Date	Target	Buyer	Size (\$M)	Target Description
1/23/23	 APPLETREE CI GROUP	 Clinical Research Excellence	Undisclosed	Niche CRO & global regulatory affairs service provider with specialties in ophthalmology & medical device investigations.
11/9/22			Undisclosed	Leading provider of Salesforce consulting & implantation services for the healthcare & life sciences industries.
8/18/22		 PEOPLE ADVANCING SCIENCE	Undisclosed	Validation, regulatory & compliance contract service provider for biotech & pharma clients navigating FDA-regulated environments.
7/13/22			\$111	Life science consultancy specializing in creating value from digital platforms & data for technology development.
10/4/21	 Life Sciences Strategy Practice		Undisclosed	Life sciences strategy practice addressing commercial, pricing & market access challenges across scientific verticals.
7/1/21			\$12,000	Outsourced provider of drug development services including data & clinical trial management, medical writing & regulatory consulting. (3.9x revenue; 26.2x EBITDA)

*Note: Representative sample of recent transactions

Niche Knowledge-Based & Digitized Capabilities Provide Immediate Service Expansion

Trading Multiples Segmented Based On Specialization Of Offerings

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	 accenture	Booz Allen Hamilton*	 Catalent.	 Exponent®	 F T I™ CONSULTING	 IQVIA	 MarshMcLennan
Market Cap	\$175.1B	\$12.8B	\$8.1B	\$4.9B	\$6.6B	\$37.8B	\$88.7B
FY22 Revenue	\$61.6B	\$8.4B	\$4.8M	\$463.8M	\$3.0B	\$14.4B	\$20.7B
Gross Margin	32.0%	23.8%	34.0%	43.0%	31.8%	34.9%	42.9%
EBITDA Margin	16.9%	11.0%	24.3%	31.9%	11.9%	17.8%	25.3%
TEV/Revenue	2.7x	1.7x	2.6x	10.3x	2.2x	3.5x	4.9x
TEV/EBITDA	14.9x	16.6x	10.9x	30.6x	15.8x	18.3x	17.2x

General Services Average Multiples*

2.2x
TEV/Revenue

15.8x
TEV/EBITDA

*Average of Accenture, Booz Allen Hamilton & FTI Consulting

Specialized Services Average Multiples^

3.7x
TEV/Revenue

15.5x
TEV/EBITDA

^Average of Catalent, IQVIA & MarshMcLennan; excluded Exponent as outlier

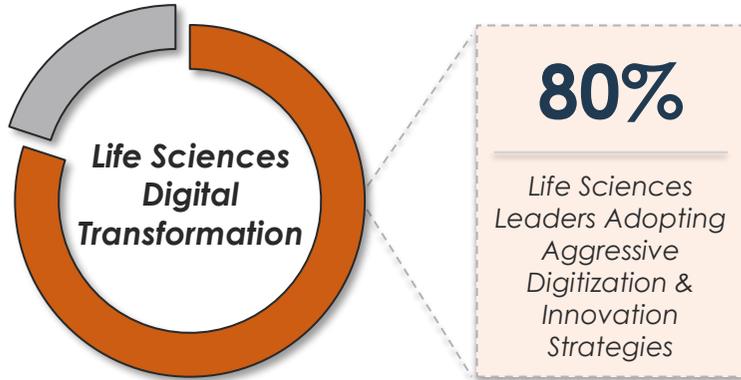
Anticipating Higher Revenue Multiples In Valuing Niche Services



Life Sciences & Healthcare Market Trends

Digital Revolution Continues To Drive Value & Strategic Interests

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Leading Areas In Digitization



Digital Enablement From Concept To Commercialization



Product Life Cycle Data Capture & Analytics Provide Breakthrough Insights

Market Dynamics

- **Accelerated digitization** caused by the COVID-19 pandemic continues across life sciences segments
- Digitization has expanded **collection of real-world data (RWD) to inform drug development & drug use**
 - Plethora of unprocessed data now available; **requires analytics expertise** for transformation into useful & actionable insights
- **Convergence of technology & healthcare** results in a blurred line between medical & consumer technologies
 - Tech-enabled companies seek **specialized services to effectively utilize data**, market & commercialize devices



All the data needs to be **cleaned & curated** to make it machine-learnable. This is hard & cumbersome work, but it frees up our data scientists to focus on answering questions with data. Once all the data is curated, **the potential to generate new insights is likely to be enormous.**

Peter Speyer
Vice President
Novartis



Highly-Innovative Segments Adjusting To New & Complex Pathways

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Market Dynamics



- Life sciences innovation becoming **increasingly interdisciplinary** across genetics, immunology, cell biology & AI to create **new modalities & platforms**
- Smaller biotech companies are often **more specialized** to develop the **latest scientific innovations**
 - **Limited capacity** often requires **outsourced expertise** to navigate trial design, operations & changing regulatory processes

Need For Expertise

- **In-depth market research** properly identifies target segments for impactful commercial strategy
 - Unstructured, inconsistent RWD often requires advanced analytics to transform into useable forms
- **Effective product development plans** to ensure efficient use of resources & timely commercial launches
- Highly dynamic, more flexible regulatory procedures (i.e., Priority Review, Breakthrough, etc.) require **nuanced & specialized approaches**

Emerging Platforms



Niche Research, Development, Regulatory & Commercial Expertise Enables Streamlined Product Launch

Changes In Regulations Necessitate Multifaceted Pricing Studies

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~250%

Increase In U.S. Drug Prices Compared To OECD Countries

89%

Population Supporting Government Initiatives To Lower Prices

Implications For Life Sciences & Healthcare Strategics

- Earlier planning for drug & device prices during development
- Investment in market research to understand pricing expectations, demand & expected profitability
- Understanding of value-based contracting prior to commercial stages



...changes in consumer expectations, paired with disruptive regulation...are forcing plans & providers **to evaluate the intersection points of pricing with their patients...**presents an **opportunity** for **consumer engagement** & can result in **improvements** to patient satisfaction & experience...

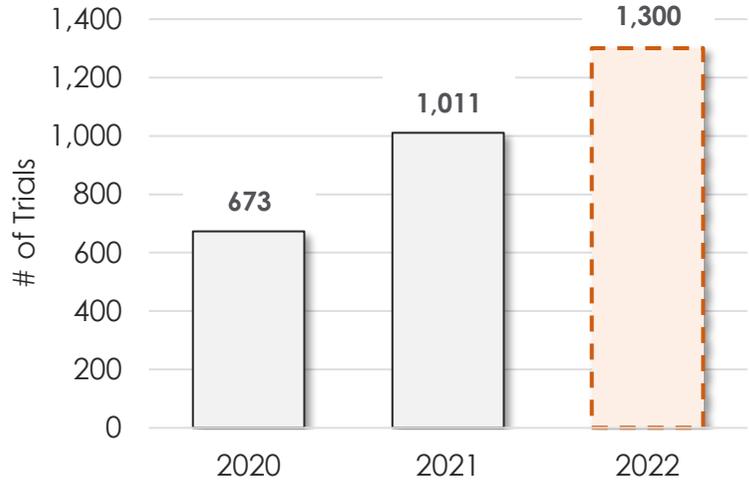
Deloitte. 
Insights

Comprehensive Assessment Of External Factors & Input From Stakeholders Informs Complex Drug/Device Pricing

Heightened Demand For Decentralized Trials Shifts Interests

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Increasing Number Of Trials With Decentralized Components (Global)



93%
Increase In Trials With
Decentralized
Components
(Global, 2020-2022)

72%
Physicians Report
Similar/Better
Engagement
Experiences

Adoption Drivers



52%

Improved Patient
Recruitment



48%

Improved Patient
Retention



40%

Increase In Drug
Development Speed

Benefits Of Decentralized Trials

- ✓ Broader & more diverse patient population with greater reach
- ✓ Reduced workload for trial investigators with remote assessments & verifications
- ✓ Improved patient convenience & experience drives retention
- ✓ Real-time patient monitoring & communication

Highly-Specialized Needs



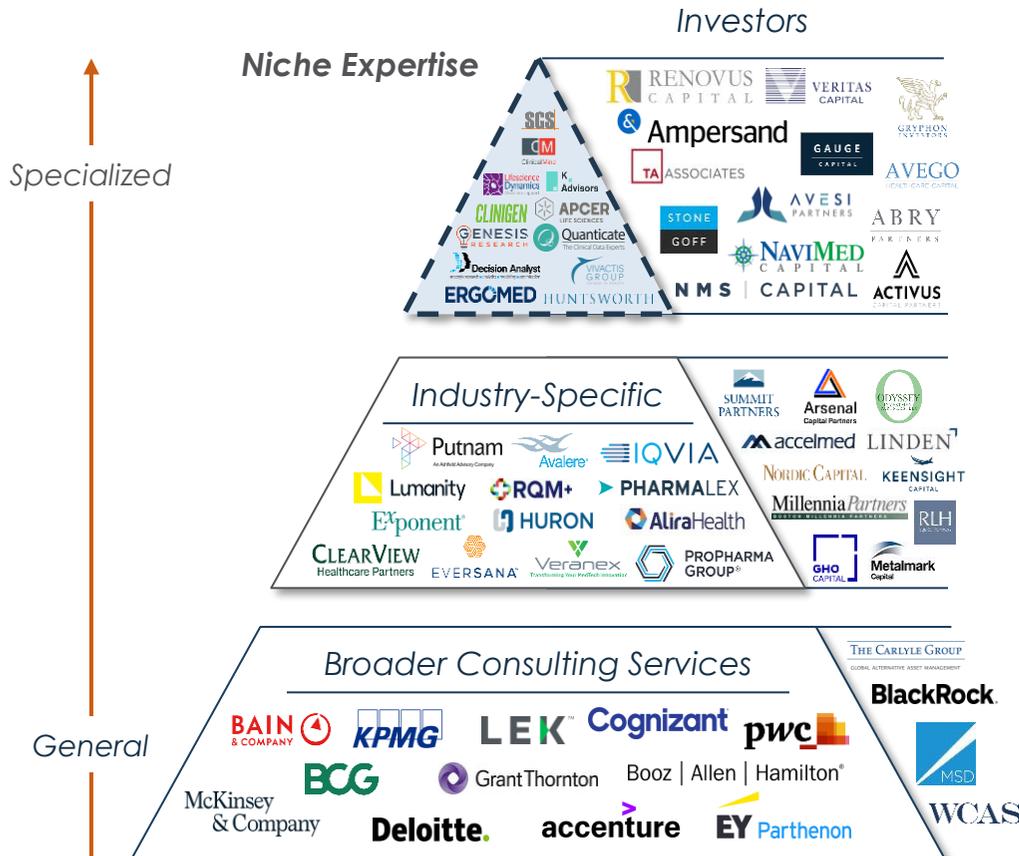
Tech-enabled Advancements & Revised Regulatory Frameworks Open New Trial Considerations



Life Sciences Consultancy Consolidation

Niche Service Providers Enable Industry Growth & Development

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✓ **Acquirers Shifting From Platform Establishment To Growth Strategy**

- Strategic acquirers with solidified competencies seek add-on targets **to expand capabilities & further differentiate offerings**
- Financial sponsors with established platforms target tuck-ins to transform consultancies into **end-to-end service providers**

✓ **Specialized Scientific Service Providers Identified As High-Value Targets**

- **Niche expertise** (i.e., regulatory, market access, etc.) **difficult to achieve** within general consultancies
 - Consolidators **adopt inorganic growth strategy** to differentiate business with specialized service offerings
- Buyer universe spans consulting, CROs, CDMOs & financial sponsors
 - High demand for services targets **drives seller values** while providing **opportunity for scale**

Full Suite Consultancies Leverage Deep Sales Channels & Industry Relationships

Leading Platforms Seek Specialty Service Providers As Tuck-Ins

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Stable/Improving Margins & Growing Client Base Key Transaction Drivers For Premium Exit

Veranex Case Study: Your MedTech Innovation Partner

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SUMMIT PARTNERS

June 2021



BOSTON HEALTHCARE ASSOCIATES
Life sciences consultancy specializing in market access, pricing & reimbursement

August 2021



EXPERIEN GROUP
Leading MedTech provider of regulatory, quality & clinical consulting services

December 2021



WORRELL
Global MedTech design firm specializing in healthcare innovation & strategy

October 2022



Devicia. Clarvin Lea Rego limulus bio KICKFILE
Ecosystem of MedTech regulatory, QA, clinical affairs & biocompatibility services in Europe



June 2021



QUARTESIAN
Clinical data service provider supporting data management & study design

June 2021



ximedica
Living Innovation
Provider of tech-enabled MedTech development solutions for faster launch timelines

October 2021



IMMR
Preclinical services including research, pathology evaluation & surgical training

September 2022



medidee
Leading MedTech consultancy providing trusted regulatory & quality services in Europe

December 2022



FUSION BIOTECH
Full-scale, specialized diagnostic instrument & medical device design & engineering

 Outcome Capital Acted As Exclusive Strategic & Financial Advisor

Medtech Focus Sets Platform Apart From Competition: Expanding Capabilities To Capture The Entire Value Chain

Lumanity Case Study: Accelerating Access To Medical Advances

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March 2022



Merger of service providers offering medical sector product development, market access & commercialization services; includes specialized services for health economics, marcoms, market access & medical affairs businesses.

June 2022



Research & consulting firm incorporating patient voices in drug development

Platform Development

Capability Development & Capacity Expansion

“

We have **many initiatives** under way to invest in our people and to **add capabilities that we can't organically**. We also have **additional capabilities** we'll be adding **through acquisitions** over the coming months.

”

Jon Williams
CEO
Lumanity, Inc.



March 2022



Launch Excellence
Partner of choice for
world-leading pharma
companies

November 2022

Clarion | A LIFE SCIENCES
CONSULTANCY

Life science consultancy
enabling growth through
scientific & commercial
innovation

Focused On “Path To Market” Life Science Expertise

ProPharma Case Study: Custom Solutions For Complex Needs

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Leading Regulatory, Clinical & Quality Services For Life Sciences Industry

Middle Market Life Sciences Services Value Creation Opportunity

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Macroeconomic Conditions Remain Strong For Life Science Consulting Exit Landscape

- Recent market downturn resulting in heightened demand for outsourced capabilities & projects
- Sustained Life Science consulting consolidation improving forward-looking revenue/EBITDA exit multiples
- Strategics & PE-investors competing for high-value platforms, talent & assets



Innately Fragmented Consulting Industry Poised For Continued Consolidations

- Consulting entrepreneurs/founders regularly shift from large-platform consulting institutions to entrepreneurial endeavors with niche expertise
- Newly-created, PE-backed consolidators mandated to deploy capital, increase headcount & revenue
- Knowledge & consulting industry competes for market share with cutting-edge talent, innovative solutions & differentiated offerings



Plethora Of Exit Scenarios Enable Succession Of Transactions To Compound Value

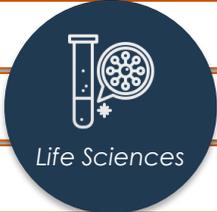
- Existing market conditions & sector dynamics create favorable transaction environment
- Outright acquisition, partial liquidity, re-capitalizations & equity investments provide optionality to existing shareholders; enabling immediate liquidity or deferred value enhancement
- Bolt-on, platform or growth equity investments enable a variety of downstream, go-forward strategic pathways

Outcome Capital Overview

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Outcome Capital is a **highly-specialized life sciences & healthcare-dedicated** investment banking & strategic advisory firm adopting a unique **market-driven, strategy-led** approach to value enhancement. Our team consists of industry veterans with broad **entrepreneurial, strategic & operational expertise with deep scientific, clinical & financial expertise.**

Industry Expertise

Pharma	 Life Sciences	Biotech	 Healthcare	Digital Health	HCIT
Diagnostics		MedTech		Services	RPM
Tools		CRO/CDMO		Payers	Telemedicine

Strategically Focused Transactions



Outcome Capital Consulting Services Transaction Team



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