

Q4-2017 CRO Update



Market Overview

The overall contract research market pulled back a bit in the fourth quarter of 2017. As many of the industry giants spent most of 2017 making large acquisitions, the final months saw mid-sized players make aggressive moves to broaden service lines. Groups continued to show preference towards acquiring new segments in contrast to de novo strategies. Highlighted by Concept Life Science's acquisition of Aquila BioMedical, it continues to be cheaper for companies to utilize M&A strategies when looking to move into new segments within contract research. Looking towards 2018, Provident expects to see an increased level of acquisition activity as competition for a shrinking number of contracts grows even stiffer.

Quarter -3 CRO Index Performance



*Provident CRO Index includes: CRL, ICLR, and PRAH

SELECT TRANSACTIONS:

Date	Acquirer	Target	Description
December 2017	CTI Clinical Trial & Consulting Services	EuroTrials	CTI Clinical Trial & Consulting Services has acquired EuroTrials, a full-service contract research organization. The company's operations include clinical research, scientific consultancy and development services to the pharmaceutical, biotechnology and medical device. Financial terms of the deal were not disclosed.
December 2017	JSR	CrownBio	JSR has acquired CrownBio, a biology contract research organization intended to provide discovery and early development provisions. The company's biology contract research services offer integrated pre-clinical oncology services, protein science platform services. Financial terms of the transaction were not disclosed.
October 2017	Invicro	Core Clinical	Invicro, a provider of imaging services and software for research and drug development, acquired Core Clinical. Core Clinical is an imaging Contract Research Organization (CRO) based in Bucks County, PA. Financial terms of the deal were not disclosed.
October 2017	Concept Life Sciences	Aquila BioMedical	Concept Life Sciences (Concept) has acquired Aquila BioMedical. Concept has been in the market for a company that could bring significant translational biology capabilities into the Concept platform to compliment the existing service offerings. Aquila BioMedical fits this profile. Financial terms of the transaction were not disclosed.