

Q3-2018 CRO Update



Market Update

While the previous four quarters had been defined by super mergers and strategic consolidation, the third quarter of 2018 saw a resurgence of private equity investment into the contract research space. Noted healthcare investors, Northlane Capital Partners and Webster Capital, recapitalized Firma Clinical Research and JBL Clinical Research respectively. These transactions follow a steady increase of research dollars flowing to outsourced clinical research contracts, which has refueled interest in the space from financial sponsors. Provident expects to see this interest level continue for the remainder of 2018 as the industry continues to experience significant tailwinds.

Select Transactions

| Month | Acquirer | Target | Deal Description | Employees |
|-----------|----------------------------|---------------------------------|---|-----------|
| July | Synteract | Cu-Tech | Synteract, a top contract research organization, has acquired Cu-Tech. Cu-Tech is a dermatology contract research organization. The acquisition follows Synteract's strategy of developing highly-expert therapeutic areas of focus. Financial terms of the deal were not disclosed. | 50-200 |
| July | Northlane Capital Partners | Firma Clinical Research | Northlane Capital Partners, a private equity firm, has made an investment in Firma Clinical Research, a niche contract research organization providing services to the biopharmaceutical industry. Financial terms of the deal were not disclosed. | 51 |
| August | Webster Capital | JBR Clinical Research | Webster Capital, a private equity firm, has acquired JBR Clinical Research. JBR is a clinical research site manager conducting post-op pain studies on behalf of pharmaceutical companies. Financial terms of the deal were not disclosed. | 51-200 |
| September | M3 Wake Research | Pharmacology Research Institute | M3 Wake Research, a clinical subsidiary of M3 USA, has acquired Pharmacology Research Institute (PRI). PRI is a leading U.S. clinical research firm, providing access to specialized patient populations with multiple neurodegenerative disorders and other diseases of aging demographics. Financial terms of the deal were not disclosed. | N/A |
| September | WDB Medical Data | DZS Clinical Services | WDB Medical Data, a global provider of contract research organization and R&D services to the biopharmaceutical and medical device industry, has acquired DZS Clinical Services. DZS provides clinical development and data analytic services for global pharmaceutical, biotech and medical device companies. Financial terms of the deal were not disclosed. | 11-50 |
| September | Brooks Automation | GENEWIZ | Brooks Automation, a leading worldwide provider of automation and cryogenic solutions, has announced the acquisition of GENEWIZ. GENEWIZ is a global contract research organization that provides research services for pharmaceutical, biotechnology, clinical, academic, agricultural, and government institutions. The total cash purchase price of the acquisition will be approximately \$450 million. | 501 |

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Upcoming CRO Conferences

7th International Conference of Clinical Trials
 September 24th to September 26th Chicago, Illinois

3rd Drug Development Forum
 October 1st – 3rd 2018 Boston, Massachusetts