

Q2-2020 Pharmaceutical Services Update

Market Update

Merger and acquisition activity in the outsourced pharmaceutical services landscape continued, albeit at a slower pace than observed in prior quarters. While clinical trials have ceased in the U.S. and abroad, demand for later stage development and manufacturing has continued at a steady pace. This has allowed transactions of target companies focused on manufacturing and other non-patient facing services to continue. Provident expects the downturn in clinical trial activity to potentially lead to suppressed M&A activity in the coming quarters, as sponsors and outsourced service partners lose momentum on emerging therapeutics.

Select Transactions:

Month	Acquirer	Target	Target Focus	Deal Description
June	Piramal Pharma Solutions	G&W Laboratories (Oral Small Dosage Facility)	CDMO	Piramal Pharma Solutions acquired an Oral Small Dosage (OSD) facility from U.S.-based G&A Laboratories. While most outsourced OSD manufacturing has been moved to India, many sponsors are still in demand for U.S.-based facilities.
June	Repligen	Engineering Molding Technology	Biologics Development	Repligen acquired Engineering Molding Technology, a manufacturer of single-use silicone assemblies and components for the development of biologics. The acquisition allows Repligen to capture an integral portion of its supply chain in order to more effectively service its CDMO clients.
June	Frontage Holdings	ACME Bioscience	CRO	ACME Bioscience has been acquired by Frontage Holdings. ACME provides discovery, medicinal, and process chemistry research to biopharmaceutical companies globally. The acquisition will support Frontage's expansion outside of its current markets in North America and Asia.
June	MLM Medical Labs	CirQuest Labs	CRO	MLM Medical Labs acquired CirQuest Labs as part of its expansion to the United States. CirQuest specializes in biomarker testing for clinical trials and pharmaceutical companies globally.

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