

Pharma Services

Q3 2023

Market Update

Despite an uncertain macroeconomic environment, rising interest rates, political headwinds in Washington, and the impact of tightening credit markets, M&A activity in pharma services displayed strong resiliency in Q3-23, fueled by platform investments and dozens of add-on acquisitions. Investors remain attracted to the long-term tailwinds driving growth across outsourced pharma services including cash-rich sponsors and CROs, reducing costs, technological advancements, and access to value-added specialty services. Large pharma services conglomerates continue to diversify their service offerings to de-risk revenue concentration and provide more full-service solutions for their clients and patients.

Provident expects pharma service M&A activity to remain strong in Q4 and in 2024 as companies look to fill the potential growth gap from the \$100B in patents set to expire by 2030, and PE sponsors begin to exit more mature portfolio companies.

Notable Transaction

Syneos Health is a leading fully integrated biopharmaceutical solutions organization that partnered with a consortium of private investment firm affiliates composed of Elliott Investment Management, Patient Square Capital and Veritas Capital.

Syneos Health is now a privately held company and stockholders received \$43 in cash for each share of Syneos Health common stock, a total deal value of \$7B.

With the support of its new private investors, the Company will be poised to further accelerate its transformation, fuel investments in technology that better differentiate its integrated solutions and expand its commitment to better serve customers.



Select Transactions

| Month | Acquirer | Target | Deal Description |
|--------|---|---|--|
| July |  |  | CRI's mission is to provide the European MedTech market complete clinical research solutions to accelerate scientific outcomes to its clients. The acquisition is a significant move for NAMSA as it expands its offerings in Germany as it enhances its access to the European market. |
| July |  |  | AMCR is a San Diego-based clinical research site that specializes in metabolic, endocrine, and other chronic conditions such as type 1 and type 2 diabetes and obesity. The acquisition is part of Headland's strategy to prioritize solutions for highly prevalent disorders and find effective treatments. |
| July |  |  | Specializing in psychiatric research, Suburban will seek to expand its research impact and leverage Atlas' site connectivity to better serve trial patients. Atlas launched in April 2023 to build a high-performing clinical research site network through acquisition and organic growth. |
| August |  |  | Tekton is a leading clinical trial site network with 23 sites across Texas, Colorado, Georgia, Kansas and Oklahoma. Tekton conducts clinical trials across several therapeutic areas. By partnering with Havencrest, Tekton intends to expand its network of talented investigators, improve clinical trial access for underrepresented patient communities, and continue delivering high-quality data to its CRO and sponsor clients. |

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