

Contract Research Organizations

Q3 2024

Market Update

M&A activity within the Contract Research Organization ("CRO") sector saw slightly depressed transaction volume in Q3-2024, although, a strengthening macroeconomic environment signals an uptick in Q4-2024 and the duration of 2025.

Pharmaceutical companies have long been primary clients for CROs; however, biotech and emerging pharma companies are increasingly driving market growth from a spending perspective, highlighting the evolving role of smaller, more agile players in the broader healthcare ecosystem.

The recent surge in biotech Initial Public Offerings, following a two-year slump, signals accelerated drug development efforts in the coming years. This resurgence points to increased investor confidence and a robust pipeline of research initiatives. As these companies advance, the demand for CRO services is expected to grow substantially.

Notable Transaction

In September, Scantox, alongside its majority owner Impilo, completed the acquisition of Gentronix, a UK-based GLP-compliant genetic toxicology CRO.

The transaction significantly enhances Scantox's service offering, allowing it to better meet client demand for pre-IND enabling studies. Gentronix is recognized for its high-quality genetic toxicology services and strong scientific engagement. With the integration, Scantox aims to position itself as a premier one-stop-shop CRO partner, utilizing Gentronix's extensive portfolio of genotoxicity assays to support the development programs of clients in the pharmaceutical and biotech sectors.



Has partnered with



September 2024

Select Transactions

Month	Investor	Target	Deal Description
September			PharmaLegacy Laboratories, a provider of in vitro and in vivo preclinical drug development and contract research services, acquired BTS research, a California-based pre-clinical CRO.
July			Emmes Group, New Mountain Capital's leading specialty tech-enabled CRO platform, entered a strategic partnership with Miimansa AI to acquire its proprietary Clinical Entity Modeling tools.
July			Ora, a leading ophthalmic CRO, has been recapitalized by The Vistria Group to enhance its position as the preferred clinical research partner for ophthalmic innovators.
July			P95, a portfolio company of Ampersand Capital, acquired 4Clinics, a CRO providing specialized services for clinical and epidemiological studies. The partnership will expand P95's global reach and strengthen its capacity to provide full-scale CRO services.

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