

## Clinical Research Sites

Q3 2024

### Market Update


Clinical research sites remain one of the most active M&A sectors across all of healthcare services, although saw volume of deals remain relatively flat compared to Q2-24. Compared to many other healthcare services sub-sectors, clinical research platforms remain highly attractive to private equity firms. Strong industry tailwinds (e.g., high margins, cash rich pharma and biotech sponsors) and ability to bolster many operational levers on both the revenue and expense side of the equation (e.g., increased contract values, centralized corporate functions, economies of scale) allow private equity investors flex their business acumen, while allowing investigators to focus on providing care to their patients. As the cost of capital continues to fall, there could be accelerated deal volume, especially given the competitiveness and valuations research businesses are demanding right now. Good assets, especially those of scale, still command multiples in the high-teens to low-twenties, thus making financing these deals critical to the success of the platform and return on equity for investors.

### Notable Transaction

Flourish Clinical Research (formerly backed by NMS Capital), a leading multi-site clinical trial organization focused on cardiovascular, metabolic, neuroscience, and infectious disease therapeutic areas among others, received a strategic majority investment from Genstar Capital. Headquartered in Apex, NC, Flourish has a network of 24 sites and 150 investigators that conduct studies spanning all phases of clinical trial research. Its industry leading data analytics, tools and systems, has allowed Flourish to differentiate itself by increasing speed, quality, and patient diversity. Genstar plans to continue to scale the business via new contracts with pharma and biotech sponsors, coupled with de novo and M&A expansion to become a national integrated site platform.



### Select Transactions

Month	Investor	Target	Deal Description
September			Pinnacle Clinical Research, a portfolio company of LongueVue Capital, acquired Jubilee Clinical Research, a multi-therapeutic site based in Las Vegas, NV. The acquisition strengthens Pinnacle's expertise in metabolic and cardiovascular diseases and expands the Company's footprint to the West Coast. Jubilee's indication focus not only complements that of Pinnacle, but also expands the Company into additional therapeutic areas with new pharmaceutical relationships.
August			Founded in 1994, Tidewater Clinical Research is a leading site that has been at the forefront of women's health and ophthalmology in Eastern Virginia. Tidewater has 97,000 patients and brings Eximia's total patient volume to nearly one million patients nationwide. The strategic partnership allows Eximia to tap into Tidewater's longstanding expertise in its respective therapeutic areas while Tidewater benefits from Eximia's extensive trial experience and resources.
July			Alcanza Clinical Research, backed by Martis Capital, acquired Accel Research Sites Network, a multi-specialty network headquartered in FL, with additional sites in Alabama and Georgia. Accel's network of 22 sites includes eight clinical research units and 14 embedded sites strategically placed in healthcare settings across the Southeast U.S. The addition of Accel to the Alcanza network allows the company to operate at greater scale and therapeutic specialization to reach more patient populations who are not traditionally represented with research participation opportunities.

### Provident Industry Coverage Team

**Michael Patton**  
Managing Director  
(617) 226-4272  
mpatton@providenthp.com

**Eric Major**  
Managing Director  
(617) 226-4212  
emajor@providenthp.com

**Conor Duffey**  
Vice President  
(617) 226-4294  
cduffey@providenthp.com

**Kevin McDermott**  
Vice President  
(617) 226-4256  
kmcdermott@providenthp.com