Pharmaceutical Commercialization

Quarterly Update

Q2 2025

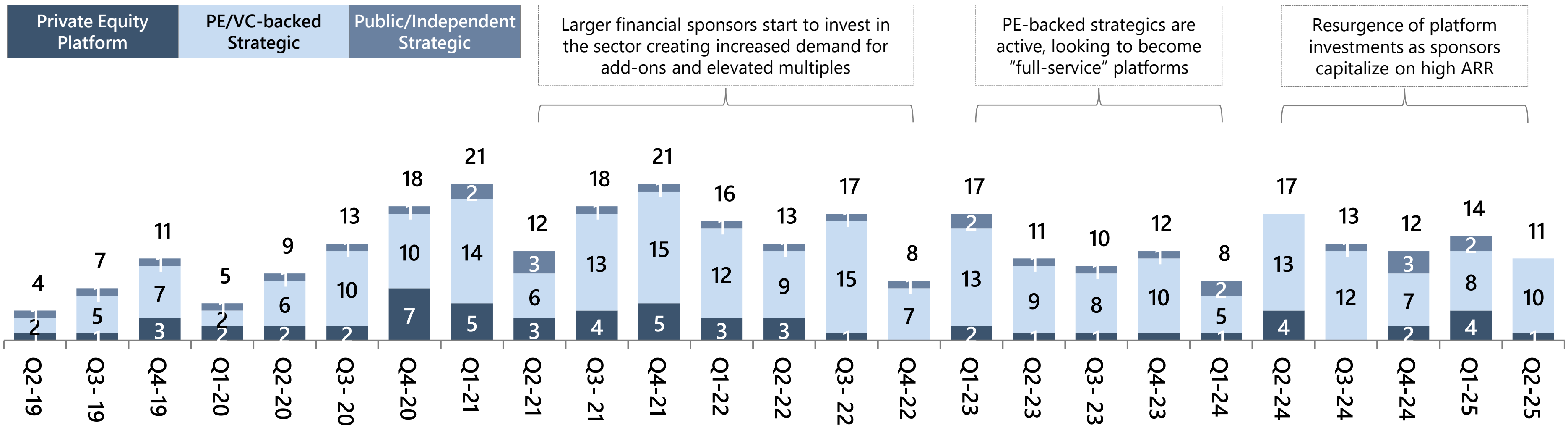
Provident

Scott Davis
Managing Director
(617) 226-4259
sdavis@providenthp.com

Tommy Spiegel, CFA
Vice President
(617) 226-4216
tspiegel@providenthp.com

Will Murtagh
Senior Analyst
(617) 226-4297
wmurtagh@providenthp.com

Transaction Activity & Key Themes



70+	250+	50+	17+	4.0 Years
Sponsor Investments	*Add-On Investments*	*PE Platforms Created*	*PE Exits*	*Average Investment Period*

Key Themes & Industry Outlook

Consolidation of Consolidators	Full-Service Models	Regulatory Compliance	Technology & Innovation	Specialization & Niche Expertise
• Secondary buyouts and larger private equity-backed platforms acquiring groups backed by smaller funds • In May-25, Odyssey Investment Partners-backed Mercalis merged with Permira-backed PharmaCord to form Valeris	• Utilizing acquisitions to build comprehensive, full-service models that offer a wide range of services with cross-sell opportunities • Since establishing Petauri as a platform in Feb-23, Oak Hill Capital has supported 6 add-on acquisitions, most recently Boundless Life Sciences, to build a full-service offering	• An uptick in domestic and cross-border acquisitions looking to build out regulatory capabilities and expertise • In Apr-25, GHO Capital-backed ELIQUENT Life Sciences acquired Truliant Consulting, a consultancy specializing in pharmacovigilance and regulatory compliance	• Increased focus on digital capabilities as platforms continue to integrate advanced analytics, artificial intelligence, and digital marketing solutions • In May-25, Datavant acquired software development company Aetion to create a full-service end-to-end RWE platform	• Further consolidation as companies look to differentiate by deepening their expertise in a specific therapeutic area, such as cell and gene therapy • In Apr-25, Herspiegel Consulting acquired FIECON, a strategy consulting firm offering data-powered insights for the rare disease market

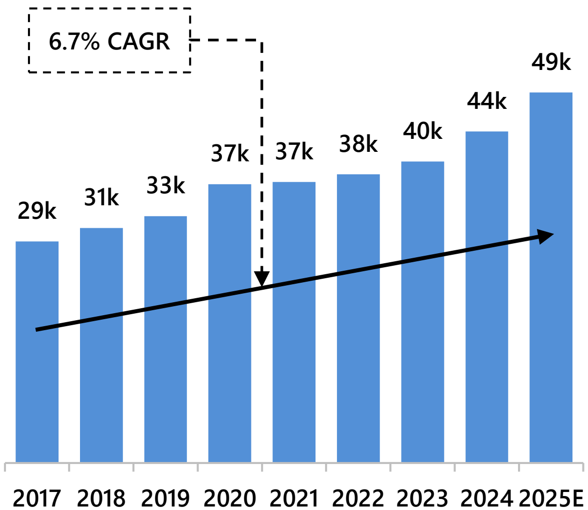
Q2-2025 Transaction Activity

Date	Buyer	Parent / Sponsor	Target	Type	Target Service	Growth Strategy
Jun-25	Herspiegel Consulting	DFW Capital Partners	Decisive Consulting	Add-On	Strategy Consulting	Market Share
Jun-25	LSOMS Holdings	3 Boomerang Capital	Pinnaql	Platform	Regulatory Affairs	Platform Creation
Jun-25	Merge	Keystone Capital	Blazer	Add-On	Marketing & Advertising	Market Share
May-25	Mercalis	Odyssey Investment Partners	PharmaCord	Merger	Evidence Development	Product Range
May-25	Datavant	Oxeon Partners	Aetion	Add-On	Evidence Development	Market Share
May-25	Lockwood	Ares Management	IDEOlogy Health	Add-On	Medical Communications	Product Range
May-25	ELIQUENT Life Sciences	GHO Capital	Azzur Consulting	Add-On	Strategy Consulting	Market Share
Apr-25	Enosium Life Science	Otium Capital	Rweality	Add-On	Evidence Development	Market Share
Apr-25	Herspiegel Consulting	DFW Capital Partners	FIECON	Add-On	Strategy Consulting	Market Share
Apr-25	Fingerpaint Group	Knox Lane	BlackPoint Consulting Group	Add-On	Market Access & Reimbursement	Product Range
Apr-25	ELIQUENT Life Sciences	GHO Capital	Truliant Consulting	Add-On	Regulatory Affairs	Market Share

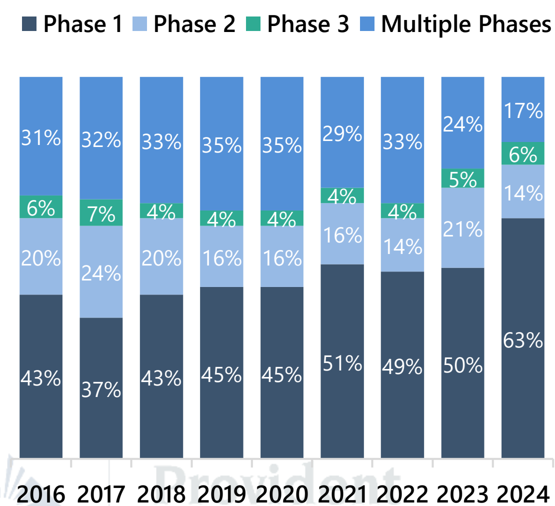
Platform Creation | **Market Share** | **Product Range**

Pharmaceutical Market Environment

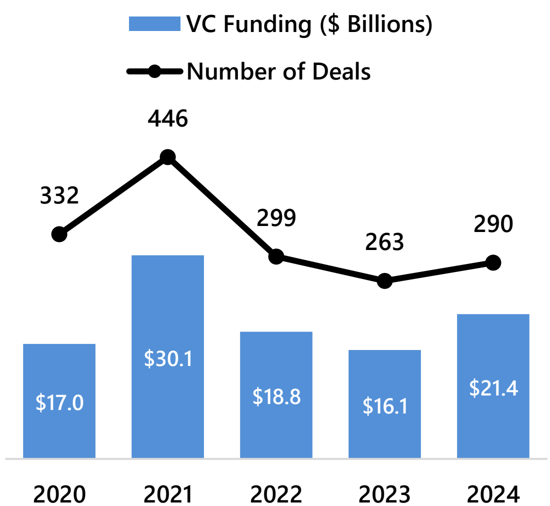
Global New Trial Starts[1]



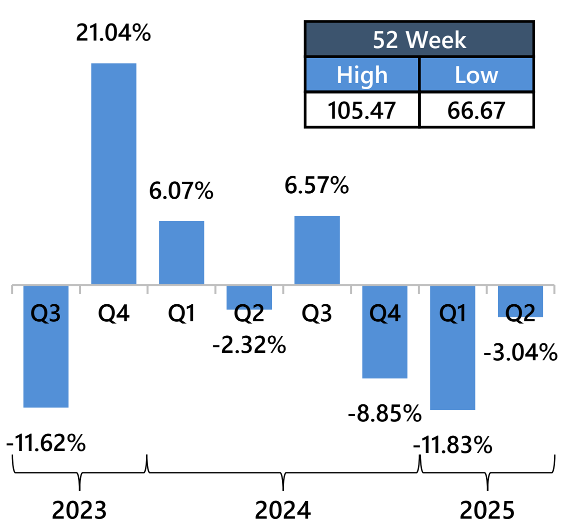
% of VC Trial Funding by Phase



VC Funding Deal Volume & Value

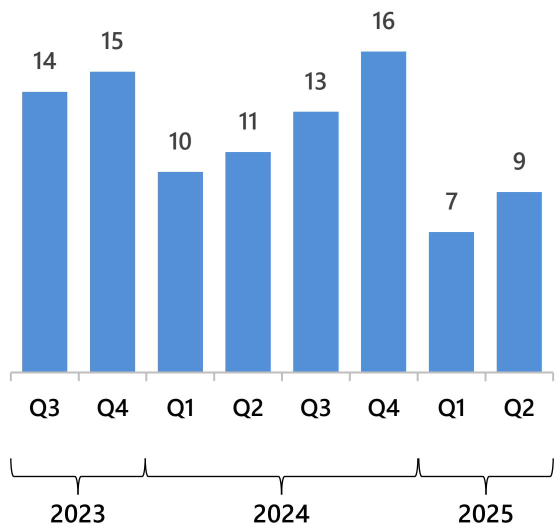


XBI Index Quarterly % Change

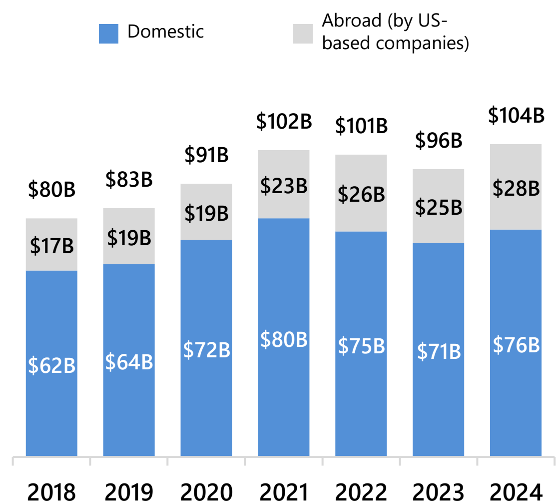


52 Week	
High	Low
105.47	66.67

FDA Novel Drug Approvals by Quarter



U.S. Pharma R&D Spend



Source: NIH; Health Affairs Scholar; Larka., PhRMA
[1]2025E represents Jun-25 YTD annualized

Outsourced Pharma Commercialization Trends

Key takeaways from the 2025 BIO International Convention, ASCO Annual Meeting, and ISPOR International Conference highlighted persistent demand for commercialization services but acknowledged political and regulatory headwinds.

Key Trends Impacting the Outsourcing Market

Sector Tailwinds

Early Stage Commercial Planning

- Early-stage biotechs have historically focused on the path to regulatory approval but neglected commercialization
- However, the industry has come to realize that commercial services such as market access & reimbursement, distribution strategy, and marketing need to be involved earlier in the development lifecycle

Demand for Patient-Centric RWD

- Significant demand in the pharmaceutical industry for patient-reported outcomes (PROs) continues to reward RWD sources that combine AI insights with human expertise and empathy

Sector Headwinds

Regulatory Unpredictability

- With 3,500 layoffs in the FDA representing ~19% of their workforce in early 2025, delayed review processes are likely, causing longer, more expensive development processes
- Cancellation of over 2,100 NIH grants (undergraduate research) has disrupted U.S. clinical research pipelines

Macroeconomic Pressure

- Supply chain inflation is causing costs for clinical supplies, manufacturing inputs, and distribution to rise, leading to compressed margins
- Tariffs on active pharmaceutical ingredients (APIs) have been raised to as high as 245% for China

Key Value Drivers & Differentiators

- Data Analytics Proficiency
- Scalable Solutions
- Proven Track Record
- Regulatory Knowledge
- Therapeutic Expertise
- Go-to-Market Speed
- Patient-Centric Approach
- End-to-End Solutions
- AI & ML Competencies
- Global Reach & Local Insights

Partners In Value

Provident is the leading investment bank offering mergers and acquisition advisory services for high growth, middle market companies in the healthcare industry.

Boston:
One Financial Center
Boston, Massachusetts 02110
617-742-9800

Minneapolis:
601 Carlson Parkway
Minneapolis, Minnesota 55305
612-361-5500

New York:
800 3rd Ave
New York, New York 10022
212-580-4500

www.providenthp.com