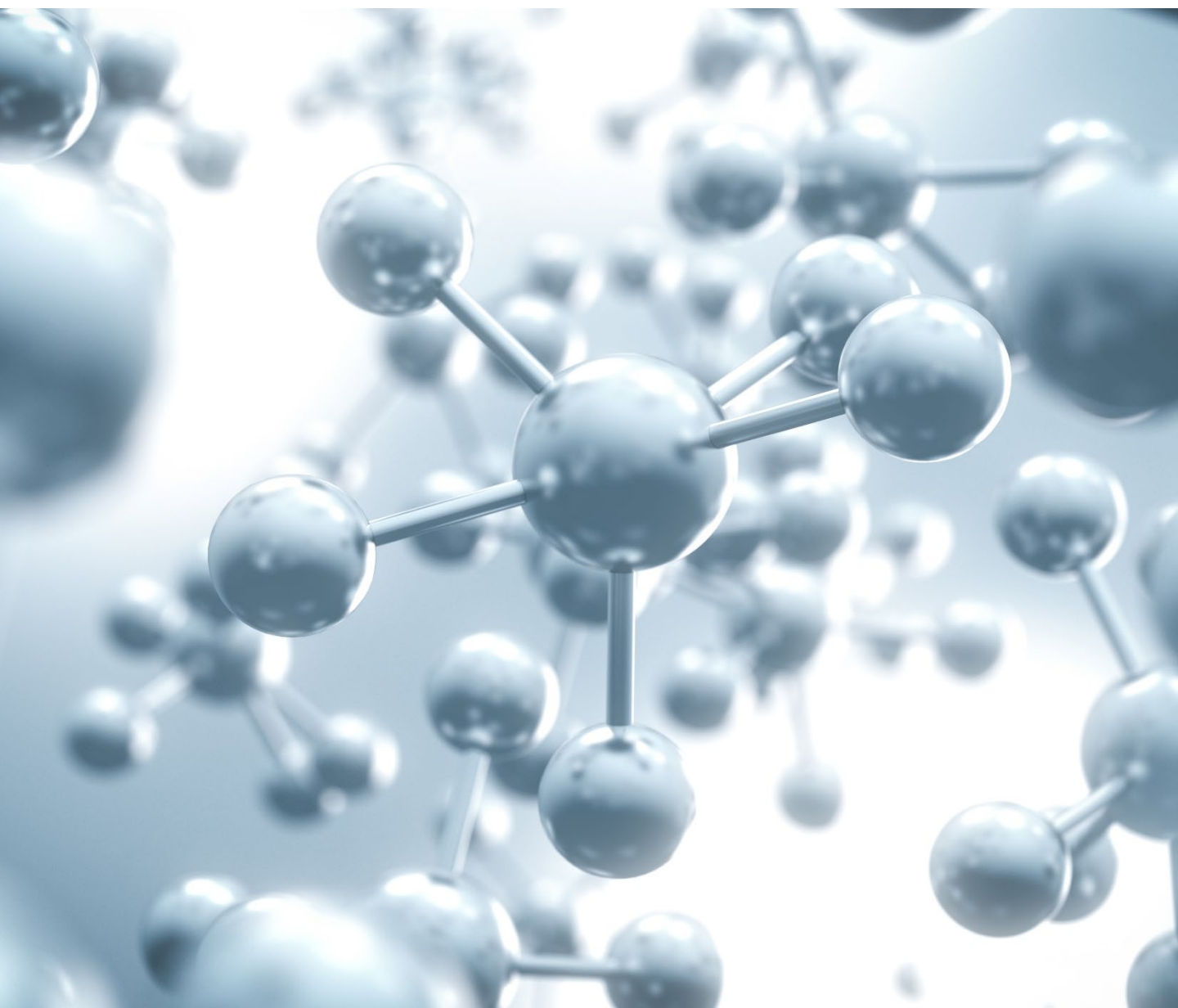




HOULIHAN LOKEY

PHARMA COMMERCIALIZATION

INDUSTRY UPDATE | WINTER 2022



Houlihan Lokey Pharma Services

Houlihan Lokey is pleased to present its Pharma Commercialization Industry Update.

We are happy to share industry insights, relevant macroeconomic indicators, a public markets overview, transaction announcements, and related detail. We believe this newsletter will provide you with the most important and relevant information you need to stay up to date with the pharma commercialization industry.

If there is additional content that you would find useful for future updates, please do not hesitate to contact us with your suggestions.

Regards,



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Houlihan Lokey Pharma Commercialization Subsector Coverage

Medical Communications	Healthcare Marketing	Medical Affairs	Life Sciences Consulting
Market Access	Health Economics and Outcomes Research	Regulatory Affairs	Real World Evidence

Recent Houlihan Lokey Pharma Services Transactions

 novo holdings has acquired medical knowledge group. a portfolio company of SQUARE CAPITAL and AISLING CAPITAL Buyside Advisor	 INTOUCH GROUP™ has been acquired by EVERSANA a portfolio company of JLL PARTNERS & WATER STREET Sellside Advisor	 Remedy a portfolio company of topspin has been acquired by AMULET CAPITAL Sellside Advisor	 Lockwood has received an investment from ARES Sellside Advisor	 Evaluate a portfolio company of Hg has merged with MUNIT a portfolio company of WCAS \$1,600,000,000 Sellside Advisor	 CLEARVIEW Healthcare Partners a portfolio company of RLH Equity Partners has received an investment from GHO Sellside Advisor	 BGB GROUP has received an investment from TPG Sellside Advisor
 fingerpaint a portfolio company of KNOX-LANE has acquired SPLICE AGENCY Buyside Advisor	 closerlook has been acquired by FISHAWACK HEALTH a portfolio company of Redpoint Sellside Advisor	 PatientPoint has combined with Outcome HEALTH to create PatientPoint HEALTH TECHNOLOGIES Revolver, First Lien Term Loan & Second Lien Term Loan Acquisition Financing Exclusive Placement Agent	 fingerpaint has received an investment from KNOX-LANE Sellside Advisor	 CLAYTON DUBLIER & RICE has acquired HUNTSWORTH \$575 Million Buyside Advisor	 SQUARE CAPITAL has acquired medical knowledge group. a portfolio company of WINDROSE Buyside Advisor	 W2O a portfolio company of MOUNTINGATE CAPITAL has been acquired by New Mountain CAPITAL LLC Sellside Advisor

No. 1 M&A Advisor

For Seven Straight Years

All U.S. Transactions

As the market's leading business services advisory firm, Houlihan Lokey has more than 60 dedicated business services professionals throughout the United States and internationally to match the global needs of its clients.

2021 M&A Advisory Rankings All U.S. Business Services Transactions		
Advisor		Deals
1	Houlihan Lokey	36
2	JP Morgan	25
3	Robert W Baird	22
4	Goldman Sachs	21
5	Canaccord Genuity Grp	16
5	William Blair	16

Source: Refinitiv.

2020 M&A Advisory Rankings All U.S. Business Services Transactions		
Advisor		Deals
1	Houlihan Lokey	17
2	Generational Equity	13
2	Jefferies	13
4	JP Morgan	12
4	Evercore Partners	12

Source: Refinitiv.

2019 M&A Advisory Rankings All U.S. Business Services Transactions		
Advisor		Deals
1	Houlihan Lokey	24
2	Raymond James Financial	13
2	Lincoln International	13
4	Generational Equity	12
5	William Blair	10

Source: Refinitiv.

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NYSE

Houlihan Lokey is the trusted advisor to more top decision-makers than any other independent global investment bank.

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Birmingham
Dubai
Frankfurt
Lausanne
London
Madrid

Manchester
Milan
Munich
Paris
Stockholm
Tel Aviv
Zurich

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Fukuoka
Ho Chi Minh City
Hong Kong
Kyoto
Mumbai
Nagoya

New Delhi
Osaka
Shanghai
Singapore
Sydney
Tokyo

Accomplishments

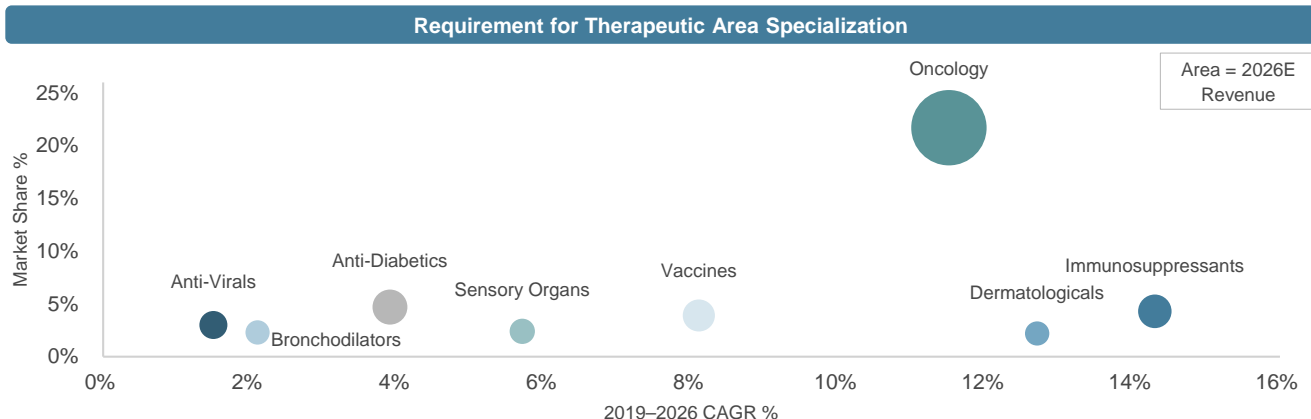
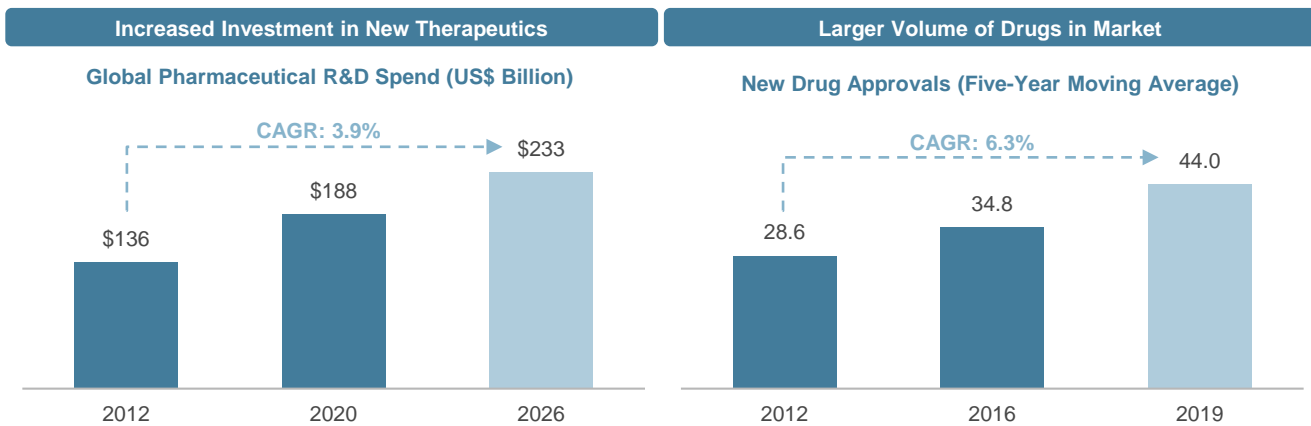
- No. 1 M&A Advisor for All U.S. Transactions (2015–2021)—Refinitiv.
- Top 10 Most Active Global M&A Advisor (2021)—Refinitiv.
Excludes accounting firms and brokers.
- Ranked Top 10 in Vault.com's Best Places to Work in Investment Banking (2021).
- No.1 Global Investment Banking Restructuring Advisor (2021)—Refinitiv.
- No.1 Global M&A Fairness Opinion Advisor Over the Past 20 Years (2002–2021)—Refinitiv.
- Leading Valuation Agent (2019)—*The Hedge Fund Journal*.

Key Trends in the Pharma Commercialization Industry

The increasing complexity of novel therapeutics has created a tailwind for pharma research and development spend, buoying the number of annual new drug approvals and increasing the demand for sophisticated, outsourced commercialization capabilities.

- The outsourced pharma commercialization industry is expected to continue to realize outsized growth, as the growing technical complexities of new therapeutic advancements drive an increased need for specialized commercialization services at pharmaceutical and biotechnology firms.
 - The increasing complexity of new molecules has required a more thoughtful approach to commercialization, as target patient bases shrink and drug developers compete for dominance across more specialized therapeutic areas and smaller audiences.
 - As a result, pharmaceutical and biotechnology firms are increasingly turning towards outsourced commercialization solutions that provide a greater degree of specialized scientific and technological expertise that isn't maintained in-house.
 - The commercial success of novel molecules continues to begin earlier than ever, with strategy teams engaging as early as Phase II to ensure clinical research is designed with commercialization requirements in mind.
- Underlying biopharma end-market dynamics provide additional commercialization tailwinds, with rapid increases in research and development spend resulting in an increase in new approvals and product launches.
 - Rising development costs, lengthy approval timelines, and increased competition spotlight the criticality of successful commercialization initiatives, increasing engagement and access for improved patient outcomes.

Notable End-Market Highlights



Sources: Congressional Budget Office "Research and Development in the Pharmaceutical Industry"; Evaluate Pharma "World Preview 2020, Outlook to 2026."

Key Themes in the Sector

Success in a Multifaceted Approach to Comprehensive Commercialization

Successful commercialization efforts increasingly focus on specialization within target audiences, each with their own nuance to varying channels and content requirements.



Patients



Healthcare Professionals (HCPs)



Key Opinion Leaders (KOLs)



Payers

Themes in HCP-Focused Commercialization



Science as the Fundamental Differentiator

As new drugs compete for mind share with HCPs and market share within the industry, commercialization processes that accurately articulate the science behind new molecules differentiate themselves with HCPs. Today's HCPs require an arsenal of accurate, easily transmissible information to support prescription recommendations.



Efficiency Wins the War for Engagement

Despite the fact that exhaustive promotional materials, live meetings, and other traditional commercialization mediums remain an impactful part of a brand's communication process, HCPs are increasingly favoring efficient and convenient mediums for content consumption across a combination of digital, print, and live touchpoints.



An Evolved Patient

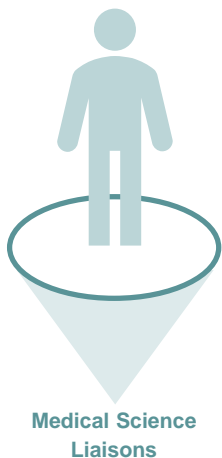
The modern patient is highly knowledgeable, with virtually unlimited access to information regarding health status; frequently, patients visit HCPs with a preconceived diagnosis and associated therapies. HCPs now rely on effective patient commercialization to reinforce prescriptions, as patients hold their own research on recommendations.



Not Just Any HCP: Analytics-Based Targeting

The one-size-fits-all approach to HCP marketing is less efficient in today's commercialization environment. Instead, commercial teams are turning toward analytics-based models that identify key HCP influencers and decision-makers that materially affect prescription volume. The digital shift in a post-COVID-19 world has facilitated more successful targeting.

Spotlight: Growing Impact of Medical Science Liaisons



Medical Science Liaisons

- Medical science liaisons (MSLs) have emerged as critical assets for medical affairs teams seeking to disseminate complex scientific information to KOLs and other healthcare stakeholders.
- MSLs are highly educated, high-earning therapeutic specialists that understand the scientific nuance behind niche therapies and allow pharmaceutical firms to engage with physicians earlier in the drug development process.
- The prevalence of MSLs has steadily increased, largely as a result of their ability to have impactful conversations with healthcare stakeholders that influence how HCPs view therapies.
- MSL talent continues to remain in high demand, as medical affairs teams at pharmaceutical firms increasingly understand the criticality of digestible dissemination of complex information.

Key Takeaway

MSLs' ability to engage early in the drug development process and have influential interactions with KOLs will drive demand for outsourced medical affairs solutions.

Notable Recent Houlihan Lokey Pharma Services M&A Transactions



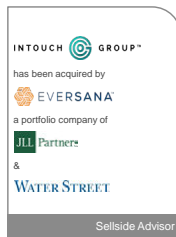
10
Network of Unique Operating Brands

180+ Years
Medical Strategy Experience

450+
Full-Time Employees

Feb. 2022
Close Date

- Medical Knowledge Group is an analytics-driven and technology-enabled provider of commercialization services throughout the drug development lifecycle.
- The company's solutions are targeted at healthcare providers to maximize the clinical and commercial potential of pharma customer brands.
- Core solutions include brand strategy, KOL engagement, market research, network-mapping analytics, strategy consulting, patient-finding analytics, and multi-channel marketing.
- Medical Knowledge Group partners with some of the world's largest biopharmaceutical companies, as well as niche biotech firms.



18
Of Top 25 Largest Pharma Firms as Clients

13
Global Locations

1,300+
Full-Time Employees

Dec. 2021
Close Date

- Intouch Group (Intouch) is a modern, technology-enabled provider of innovative brand strategy, digital marketing, and media solutions to the life sciences industry.
- The company helps pharma and biotech clients create impactful experiences and intertwined ecosystems that drive connection and engagement to patients, consumers, and healthcare professionals.
- Intouch has a digital foundation and proprietary technology that the company leverages to create tailored, highly customizable solutions.
- Intouch's solutions solve a variety of drug launch challenges throughout the lifecycle by communicating therapeutic advancements through content strategy, creative design, technology, and tactical execution.



5x
Inc. 5000's Fastest-Growing Private Companies

100+
Advanced Degree Consultants

50+
Brands Launched

Oct. 2021
Close Date

- The Lockwood Group (Lockwood) provides a comprehensive set of scientific solutions across its publications, medical affairs, and commercialization segments.
- The company generates revenue from eight of the top 15 largest pharmaceutical and biotechnology companies.
- Lockwood differentiates itself via the medical and scientific sophistication of its consultant base, which features one of the largest concentrations of advanced degree employees, difficult-to-acquire physicians and scientists, and highly educated consultants in the industry.
- Lockwood's extensive experience in oncology, rare diseases, and all major therapeutic areas, along with highly specialized knowledge in biologics, devices, and diagnostics, allows the company to quickly deploy the right scientific, business, and communications experts to address the challenges at hand.



24
Of Top 25 Largest Pharma Firms as Clients

5
Global Locations

No. 7
Vault Consulting 50

Sept. 2021
Close Date

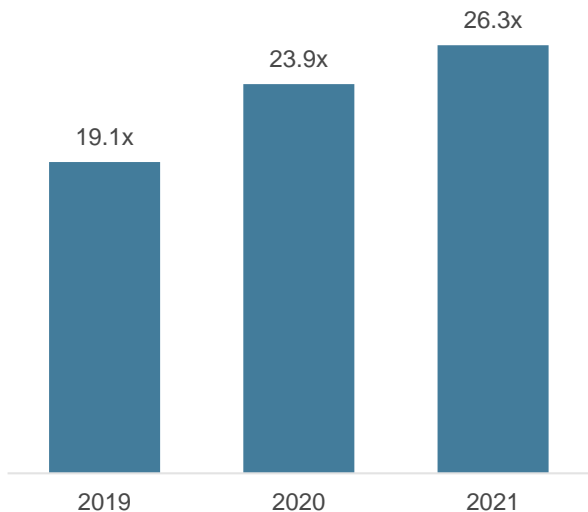
- ClearView Healthcare Partners (ClearView) is a highly differentiated life sciences strategy consulting platform delivering strategically critical, actionable insights to its biopharma client base.
- Clearview's deep and diversified expertise, enabled by its scientific, degreed employee base and growing data and analytics platform, allows the company to support clients across a broad range of strategic engagements.
- The company supports drug sponsors throughout the development and commercialization process and guides overall approaches to clinical and commercial portfolio development.
- ClearView utilizes a sophisticated talent recruitment and development growth model to serve as the employer of choice at top-tier academic institutions and enjoys an unprecedented track record of internal talent development.

Public Markets Benchmarking

The pharma services sector has significantly outperformed the market since 2019, fueled by precision medicine, an aging population, focus on rare and specialty diseases, increased R&D spend, and government policy changes.

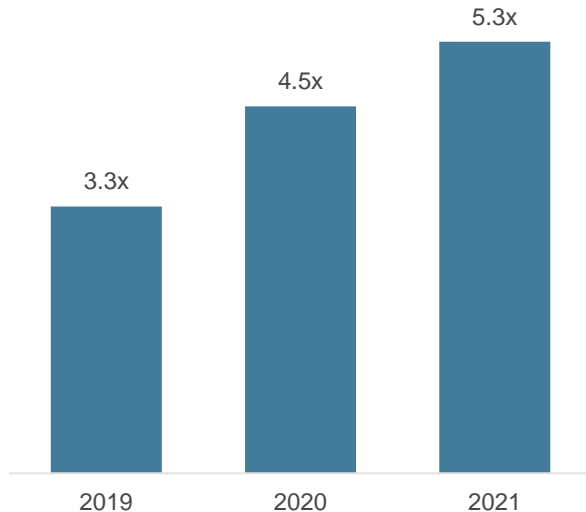
EV/EBITDA Multiples

Represents Average of Index



EV/Revenue Multiples

Represents Average of Index



Relative Stock Price Performance (Three Years)



Source: S&P Capital IQ.

Note: Companies included in pharma services index shown on the following page.

Public Comps—Trading and Operating Performance

(\$ in millions except per share data)

Comparable Company	Stock Price as of 12/31/21	52-Week High	% of 52-Week High	Market Value of Equity	Enterprise Value	LTM Sales	LTM EBITDA	LTM Gross Margin	LTM EBITDA Margin	EV/CY21E		EV/CY22E		2019–2021E CAGR	
										Sales	EBITDA	Sales	EBITDA	Sales	EBITDA
Pharma Services															
Catalent, Inc.	\$128.03	\$142.64	89.8%	\$21,917	\$24,575	\$4,483	\$1,099	34.2%	24.5%	5.5x	22.4x	4.9x	18.3x	33.4%	45.1%
Charles River Laboratories International	376.78	460.21	81.9%	19,014	22,009	3,426	832	37.6%	24.3%	6.2x	25.1x	5.6x	21.7x	15.9%	25.0%
Ergomed plc	20.31	21.46	94.6%	998	970	141	26	55.9%	18.3%	6.0x	30.7x	5.2x	26.4x	33.8%	61.8%
ICON Public Limited Company	309.70	313.00	98.9%	25,209	30,379	4,356	661	27.7%	15.2%	5.5x	32.3x	3.8x	21.7x	39.9%	37.8%
IQVIA Holdings Inc.	282.14	285.61	98.8%	53,900	64,859	13,536	2,342	33.2%	17.3%	4.7x	21.7x	4.3x	19.5x	11.7%	26.1%
Medpace Holdings, Inc.	217.64	231.00	94.2%	7,782	7,526	1,094	220	62.2%	20.1%	6.6x	34.2x	5.2x	27.5x	15.2%	21.0%
Syneos Health, Inc.	102.68	104.18	98.6%	10,647	13,736	4,980	650	23.3%	13.0%	2.6x	18.0x	2.4x	16.1x	5.9%	14.5%
Median								34.2%	18.3%	5.5x	25.1x	4.9x	21.7x	15.9%	26.1%
Mean								39.2%	19.0%	5.3x	26.3x	4.5x	21.6x	22.3%	33.0%

Notable Recent M&A Transactions

Date	Acquirer	Target
Feb-22	Omnicom Health Group Inc.	Propeller
Feb-22	Novo Holdings A/S	Medical Knowledge Group
Jan-22	Value Demonstration UK Holdings Limited	Zipher Medical Affairs
Jan-22	Susquehanna Private Capital	Spherix Global insights
Jan-22	Amplify Health	Lynx Group
Dec-21	Eversana Life Science Services	Intouch Group
Dec-21	DFW Capital Partners	Herspigel Consulting
Dec-21	Fingerpaint Marketing	Engage
Dec-21	Value Demonstration UK Holdings Limited	Cyan Health
Dec-21	Fingerpaint Marketing	MedThink
Nov-21	Kohlberg & Company	Trinity Life Sciences
Nov-21	Cinven Partners	BioAgilyix
Nov-21	BDT Capital Partners	MJH Life Sciences
Nov-21	GHO Capital	Genesis Research
Nov-21	NexPhase Capital	Calcium
Nov-21	Value Demonstration UK Holdings Limited	Guidemark Health
Oct-21	RLH Equity Partners	IMRE
Oct-21	Ares Management	Lockwood
Oct-21	Syneos Health	RxDataScience
Sep-21	Managed Markets Insight & Technology	Boston Health Economics
Sep-21	Amulet Capital Partners	Remedy Health Media
Sep-21	GHO Capital	ClearView Healthcare Partners
Aug-21	Indegene	Medical Marketing Economics
Aug-21	Managed Markets Insight & Technology	Evaluate
Aug-21	WestView Capital Partners	Framework Solutions
Aug-21	imc Group	Wedgewood Communications
Aug-21	Huntsworth/CD&R	UDG Healthcare
Aug-21	WestView Capital Partners	Kymanox Corporation
Aug-21	TPG Capital	BGB Group
Jul-21	Huntsworth/CD&R	MedEvoke
Jul-21	Two Labs	Riparian
Jul-21	Medical Knowledge Group	Conisus
Jun-21	SSI Strategy Holdings	Fiore Healthcare Advisors
Jun-21	Fingerpaint Marketing	SPLICE Agency
Jun-21	Health Union	WEGO Health
Jun-21	Certara	Insight Medical Writing
Jun-21	Lucid Group	DiD Agency Group
Jun-21	Fishawack Limited	Closerlook
May-21	Press Ganey Associates	SPH Analytics
May-21	UDG Healthcare plc	Nuvera
Apr-21	Internet Brands	PulsePoint
Apr-21	Levine Leichtman Capital Partners	Prime Global Medical Communications
Apr-21	Linden Capital Partners	Aptitude Health
Apr-21	Baird Capital Partners	Azzur Group
Apr-21	Red Nucleus Solutions	PPM Advisory Group
Apr-21	Managed Markets Insight & Technology	The Dedham Group
Apr-21	Entrée Health	Archbow Consulting
Mar-21	Precision Medicine Group	Across Health N.V.
Mar-21	Fishawack Limited	PRMA Consulting Limited
Mar-21	Fingerpaint Marketing	Leaderboard Branding
Mar-21	Intermediate Capital Group	Lucid Group

Sources: S&P Capital IQ, Mergermarket, public company filings, press releases.

Notable Recent M&A Transactions (cont.)

Date	Acquirer	Target
Mar-21	PatientPoint	Outcome Health
Mar-21	Edgewater Funds	Deerfield Agency
Mar-21	Sovereign Capital Partners LLP	Bioscript Group
Mar-21	PharmaLex	ERA Consulting und Pharmaberatungs
Mar-21	ProPharma Group Holdings	Diamond Pharma Services
Feb-21	The CM Group	Scientific Commercialization
Jan-21	Bridgepoint Advisers Limited	Prescient Healthcare Group
Jan-21	NorthEdge	Helios Medical Communications
Jan-21	Fishawack Health	StoneArch
Jan-21	Real Chemistry	Swoop/IPM.ai
Jan-21	Advarra	YourEncore
Dec-20	Mountaingate Capital Management	Relevate Health Group
Dec-20	Amulet Capital Partners	SSI Strategy Holdings
Dec-20	Relevate Health Group	Cyber X Designs
Dec-20	Knox Lane	Fingerpaint Marketing
Dec-20	Cerner Corporation	Kantar Health
Dec-20	Trinity Life Sciences	BluePrint Research Group
Dec-20	Genesis Research	SIRIUS Market Access
Nov-20	The Blackstone Group	Precision Medicine Group
Nov-20	Envision Pharma	Two Labs
Nov-20	Huntsworth plc	Nucleus Global Limited
Oct-20	Svoboda Capital Partners	Clarion Healthcare System
Oct-20	Definitive Healthcare	Monocl AB
Sep-20	Red Nucleus Solutions	INVIVO Communications
Sep-20	Real Chemistry	Elysia Group
Sep-20	Odyssey Investment Partners	ProPharma Group
Sep-20	Eversana Life Science Services	Alkemy Partners
Aug-20	HG Capital	Evaluate
Jul-20	W2O Group	Discern Health
Jul-20	Eversana Life Science Services	HVH Precision Analytics
Jul-20	GHO Capital	Envision Pharma Group
Jul-20	Arsenal Capital Partners	Cello Health
May-20	Waterland Private Equity Investments	imc Group
Apr-20	Bridgepoint Advisers Limited	Fishawack Limited
Apr-20	Envision Pharma Group Limited	90TEN Group Limited
Apr-20	Fishawack Limited	Skysis
Apr-20	CG Life	McDay
Mar-20	Eruptr	HealthAware
Mar-20	Bridgepoint Capital	Fishawack Communications
Mar-20	Clayton Dubilier and Rice	Huntsworth
Feb-20	Rx EDGE Media Network	BrandPerx
Feb-20	Arsenal Capital Partners	BresMed Health Solutions
Feb-20	ICON	MedPass International
Feb-20	Two Labs	Ceek Enterprises
Feb-20	Fingerpaint Marketing	1798 Consultants
Jan-20	Real Chemistry	21 Grams
Jan-20	Amplify Health	RealHealthData
Jan-20	Court Square	Medical Knowledge Group

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