

Pharma Services

Q4 2023

Market Update

M&A activity in pharma services displayed strong resiliency in Q4-23, fueled by platform investments and dozens of add-on acquisitions. Investors remain attracted to the long-term tailwinds driving increasing usage of outsourced services by pharma sponsors and CROs. Sponsors and CROs serve as a well-capitalized customer base and they continue to outsource service lines in order to reduce costs, utilize new technologies, and access value added specialty services.

Large pharma services conglomerates continue to diversify their service offerings to de-risk revenue concentration and become more full-service solutions for their clients and patients.

Provident expects pharma services M&A activity to remain strong 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.

Provident Transaction

ECIR is a preeminent Southeast clinical research site management organization with eight sites in Florida and Georgia, 14 partnered provider practices, and 26 principal investigators. Led by Rushab Choksi and Rebecca Goldfaden, ECIR manages all aspects of the Phase II – Phase IV trial process and holds deep sponsor relationships across several indications including cardiovascular, dyslipidemia, diabetes, obesity, and ophthalmology.

The transaction represents Gauge Capital's entrance into the clinical research site sector. Provident acted as the exclusive financial advisor for East Coast Institute for Research, marking the firm's third closed transaction in the clinical research site space in two years.



Select Transactions

Month	Acquirer	Target	Deal Description
December	 		Based in El Paso, Texas, Seisa is a medical device manufacturer servicing every stage of the product life cycle including design and development, component manufacturing, and final assembly. It employs more than 2,000 people across four facilities in the U.S., Mexico, and Slovakia. The acquisition elevates TekniPlex Healthcare into a full-fledged contract development manufacturing organization in the medical materials science space.
November		 	ARCHIMED has acquired and simultaneously merged US-based Symbio, and Germany-based Proinnovera in an all-equity deal. Symbio and Proinnovera are Contract Research Organizations, offering cost saving, time-efficient outsourced services for dermatological therapy formulation and clinical trial testing.
October			Conquest is a clinical trial site services provider with expertise in neurology, orthopedics, rheumatology, pain, vaccine, internal medicine, and other therapeutic areas. Conquest operates within a growing end market with compelling tailwinds, and Reynolda will support management's plan to grow the platform via organic expansion, establishment of new locations, and selective M&A.

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