

# Contract Research Organizations

Q2 2024

## Market Update

M&A activity within the Contract Research Organization (CRO) sector remained strong in Q2-2024, marked by nine strategic and three financial transactions. Industry leaders are expanding their geographical footprints, bolstering data capabilities, and building upon existing service offerings to fortify competitive positioning. Concurrently, private equity firms are actively investing in the sector, exemplified by Riverside's recent platform investment in CRIO. Provident anticipates sustained PE interest, fueled by rising demand for services and a rapidly expanding R&D pipeline (6.6% CAGR 2014 – 2024 in drug count), alongside ample opportunities to capitalize on technological enhancements and realize returns.

Increasing drug development and trial costs are driving a continued reliance on the use of outsourced pharma services vendors. As competing CROs strive to provide the most efficient drug discovery and trial solutions, many are turning to M&A to realize operational leverage and tech enhancements.

## Notable Transaction

In June, Swiss private equity fund Partners Group entered into a definitive agreement to acquire FairJourney Biologics (the "Company"), a Portugal-based CRO specializing in the discovery of novel antibody treatments. The agreement values FairJourney at roughly €900M (~\$973M USD), implying a ~10.0x return on GHO Capital's initial investment in January of 2020 at a valuation of just over €50M (~\$54M USD). GHO will retain a minority equity position in the Company alongside Founder and CEO António Parada. The transaction would mark the largest exit in GHO's history if executed in the second half of 2024.



**PARTNERS GROUP**

Entered into a definitive agreement to acquire

**FairJourney Biologics**

June 2024

## Select Transactions

Month	Investor	Target	Deal Description
June			Harvest Integrated Research Organization (HIRO), a global CRO based in Minnesota, acquired DeltaMed Solutions, an emerging United States CRO with specialized data management and RWE solutions.
June	Public Market		Nordic Capital and Astorg-backed Clario confidentially filed for an IPO in the United States. The Company provides clinical trial software solutions throughout 100+ countries.
June			ToxStrategies, backed by Renovus Capital Partners, announced its acquisition of Clintrex Research Corporation, a leading United States CRO with a unique specialization in neurodegenerative diseases.
May			The Riverside Company announced its investment in CRIO, a leading eSource / eClinical technology provider headquartered in Boston. With additional support for expansion, CRIO will continue to optimize clinical trial data capture and management.
May			Ephicity Consulting Group, a biometrics-focused CRO, announced its acquisition of Advance Research Associates. ARA's data management and biostatistical specialization will further enhance the Ephicity service offering.

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