



Syneos Health Consulting Releases 10th Annual Biopharmaceutical Dealmakers Survey – Predicts M&A Landscape to Continue Bull Run, While Buyers Begin to Become More Risk Averse

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BOSTON, June 05, 2018 (GLOBE NEWSWIRE) -- The tenth annual Dealmakers' Intentions Study from Syneos Health Consulting, an industry-leading consulting firm specializing in the biopharmaceutical industry, concludes that the dealmaking environment will continue to accelerate with buyers becoming more selective in ensuring they have the most appropriate assets and corresponding deals in place.

The study, which was released during a Super Session at the BIO International Convention in Boston, Massachusetts, provides a review of biopharmaceutical dealmakers' intentions around licensing and acquisitions for the next twelve months and identifies areas of greatest opportunity for buyers and sellers. The 10th edition of the study also follows persistent trends that have shaped the past decade of dealmaking.

[Download the full 2018 Dealmakers' Intentions Study.](#)

"Large-cap consolidations may still be in the offering, but the distinguishing trend of the last decade is the growth in emerging companies and the new financing options available to them," said Neel Patel, Managing Director, Commercial Strategy & Planning at Syneos Health Consulting (previously INC Research/inVentiv Health Consulting). "We predict 2018 will follow suit, with emerging companies having many cards to play as long as they focus on clearly demonstrating value-based product differentiation while avoiding common dealmaking pitfalls."

Key findings include:

M&A Landscape Continues Bullish Run...

- M&A-driven dealmaking is on track to be the second highest of the decade, but will still represent only about 60 percent of the record levels seen in 2015.
- While IPO volume activity is expected to be moderate to low, significantly below the trends of the last five years, venture financing is witnessing a bull market run that started in 2014.
- Accelerated dealmaking is an indication not just of money flooding the system, but as a result of tax reform in the U.S. and the expected repatriation of significant funds from overseas. It also reflects a thirst for innovation as companies seek to replenish depleted pipelines, strengthen their positions in targeted therapeutic areas and race to stay ahead of the technology curve.

...While Buyers Seem to Become a Bit More Risk Averse

- Buyers are expecting an increase in licensing/partnering deals, despite strong cash positions which indicates they are expecting sellers to offset some of the risk.
- The dealmaking environment is becoming increasingly competitive. Buyers are continuing to show a strong interest in late stage assets, while sellers seem more invested in seeing pre-clinical assets through to Phase I and II before making a deal.
- The overall deal conversion rate for 2017, at 1.9 percent, was much lower than previous years due to an increase in the number of screened assets, an increase in the number of buyers and lower conversion rates at later stages of a deal.

Robust Investor Appetite Fuels New Company Formation

- Based on Q1 2018 numbers, 2018 venture financing is on pace to reach \$10-11 billion, putting it just behind the unprecedented ~\$12 billion peak in 2017.
- In particular, Series A financing stands out and is expected to see over 80 percent growth in 2018.
- A large increase in Series D+ indicates that many companies are opting to stay private longer to avoid an IPO and to deliver their pipeline to more meaningful value inflection points, or commercialize assets themselves.

Supply and Demand Imbalance Indicate Areas for Assessment

- Oncology has become a much more attractive, opportunistic market for buyers since 2017, suggesting that premiums in the oncology space could start seeing a potential decline in the coming year for products that are not highly differentiated.
- Other areas with a supply surplus include infectious disease (both antiviral and antibiotic) and the CNS/psychiatric space.
- Therapeutic areas showing a demand surplus include hematology, respiratory, pulmonology and renal.
- CART –T cell therapy and CRISPR/Cas9 continue to be among the hottest areas for licensing, but interest in immunology and microbiomes has increased considerably since 2017.

Learn more:

- [Submit a request](#) to have a Syneos Health Consulting team member present survey results and implications for your business.
- Review a decade of biopharmaceutical dealmaking with the authors: [Subscribe to the Syneos Health podcast](#) where the authors behind the 2018 study will share insights and trends from the last ten years of the annual Dealmakers' Intentions Surveys. Discussions include peaks and valleys in dealmaking activity, the therapeutic areas that have fallen in and out of favor along with pace of innovation and the next "hot spot" with commercial value.

About Syneos Health Consulting

Syneos Health Consulting is an industry-leading consulting firm specializing in the biopharmaceutical industry and part of Syneos Health, the only fully integrated biopharmaceutical solutions organization. We provide services across a comprehensive range of key areas, including commercial strategy and planning, medical affairs, risk and program management and pricing and market access. Recognized by *Forbes* magazine as one of America's Best Management Consulting Firms for three years running, our industry focus and depth of functional expertise, combined with strong scientific and market knowledge, uniquely position us to tackle highly complex business and market challenges to develop actionable strategies for our clients. For more information, please visit syneoshealth.com/solutions/consulting.

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