

Q3
25

Healthcare Sector

Mirus Pharma Services REPORT

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Pharma Services Industry

Market Overview

The biopharma industry is inspired by the promise of discovering life-changing medicines and driven by the potential for significant investor returns. Mired by substantial costs structures and regulatory oversight, the industry is further challenged by complex reimbursement and a dynamic commercial market with continual new product entries. These complexities underly the need for external expertise to fuel innovation, comply with regulatory standards, manufacture quality product, and develop go-to-market strategies.

The pharma services sector spans pre-clinical research and development, clinical trial management, contract manufacturing, regulatory and reimbursement experts and commercial strategists. With well-capitalized clients, high-value projects, differentiated offerings, and steady cash flows, the pharma services segment is primarily driven by private markets investors. From minority growth investors to mega-fund private equity firms, substantial transaction activity drives continued growth.

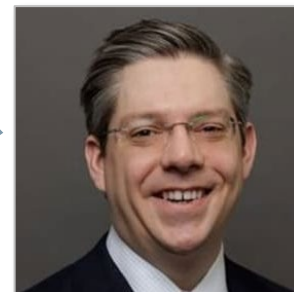
Segments	Pre-Clinical Contract Research Organizations	Clinical Contract Research Organizations	Contract Development & Manufacturing	Commercialization Services
	Drug Discovery	Clinical Site Management	Formulation Development & QA/QC	Regulatory Affairs
Key Services	Biomarker Identification	Patient Recruitment	Clinical & Commercial Manufacturing	Reimbursement & Market Access
	Pharmacokinetics & Pharmacodynamics	Monitoring & Sample Analysis	Bioprocessing	Real-World Evidence
	Toxicology & Safety Studies	Study Design & Biostatistics	Packaging / Cold-Chain	Sales Dashboards & Market Analytics

Q3 Market Update

After a challenging 1H/25, the public biopharma funding climate is improving as noted in many Q3 earnings calls. Coupled with demand for late clinical / commercial therapies, early-stage investors are opening funding channels once again and driving growth across the segment. Additionally, strategics continue to make significant investments, especially in AI and portfolio-aligned assets.

Transactionally, demand for manufacturing and commercialization services resulted in two high profile, multi-billion-dollar transactions in Q3: Bain & Kohlberg invested in PCI Pharma at a \$10B valuation, and Eversana and Waltz Health merged in a \$6B deal.

“International turmoil, flat funding, and tariffs made for a choppy Q1, but since April the XBI has been on a strong growth trajectory. This growth is in turn fueling renewed interest in service providers, and PE and growth investors are lining up to get deals done for 1H/26. After a cold freeze on deals this year, the market is getting hot.”



Thom Busby

Partner, Co-Head
Life Sciences & Healthcare
Investment Banking

Pharma Services

Contract research firms' strong earnings signal stabilizing biotech, pharma spending

Reuters [Full Article](#)

Contract research organizations are reporting better-than-expected second-quarter profit, a sign that Wall Street analysts say reflects a rebound in biotech and pharmaceutical spending after a cautious stretch driven by tighter sector financing.

Danaher (DHR.N), Medpace (MEDP.O), IQVIA (IQV.N), ICON (ICLR.O), and Thermo Fisher (TMO.N), have posted strong results owing to steady demand from the industry for tools and services that are used in the development of novel medicines.

Mirus Insights: *The early 2025 slow down in biopharma investment activity led to a downturn within the pharma services & tools segments that relied on this customer base. With investment activity recovering into Q3, we expect to see stability within pharma services businesses and reinvigorated private equity deal activity (for both platform and add-on acquisitions).*

NIH, FDA plan to reduce animal testing draws mixed reactions among scientists

STAT News [Full Article](#)

The National Institutes of Health, the nation's premier funder of biomedical research, announced in July that, effective immediately, it will no longer offer new funding opportunities based solely on animal testing. Instead, the agency will promote the adoption of so-called new approach methodologies, or NAMs, alternatives that range from artificial intelligence to lab-grown cell structures meant to mimic specific organs. The move comes after the Food and Drug Administration announced its own plans to reduce and possibly replace animal testing in drug development.

These agencies' plans, which have the potential to transform basic research and drug development, have sparked wide-ranging reactions in the scientific community. STAT spoke with more than 10 researchers across fields including cancer biology, immunology, neuroscience, and microbiology. Some said the administration's pivot has the potential to make research more efficient and to ensure that early-stage findings are more likely to hold up in clinical trials. But others lamented that the change is premature and ignores the inherent limits of alternate approaches.

Mirus Insights: *While there is uncertainty in the scientific community on how the NIH and FDA will implement their new initiatives to reduce animal testing, we expect that pharma services, especially pre-clinical CROs, will look to act quickly. As such, companies that have an established, non-animal drug discovery or testing platform have become acquisition targets.*

Pharma Services

AI-driven drug discovery picks up as FDA pushes to reduce animal testing

Reuters [Full Article](#)

Drug developers are increasing adoption of AI technologies for discovery and safety testing to get faster and cheaper results, in line with an FDA push to reduce animal testing in the near future.

Within the next three to five years, the use of AI combined with the expected decline in animal testing could reduce timelines and costs by at least half, according to 11 different experts from across contract research firms, biotech companies and brokerages.

Drug development software maker Certara (CERT.O) and biotechs such as Schrodinger (SDGR.O) and Recursion Pharmaceuticals (RXRX.O) are already using AI to predict how experimental drugs might be absorbed, distributed, or trigger toxic side effects.

Mirus Insights: *The promise of AI and other in silico approaches in drug development has been an area of significant interest for both large pharma and investors alike. The applications of such implementation are quite broad, from rationale drug design to toxicology assessments, but the underlying goal is to decrease cost and increase speed of drug development. With the FDA modernization acts, AI will continue to be in the spotlight, but more demonstrable proof of its impact is required.*

Private equity firms back PCI Pharma in bet on drug production

BioPharma Dive [Full Article](#)

A group of private equity firms are pouring funding into PCI Pharma Services, betting the contract drug development and manufacturing organization's business is poised to grow in the years ahead.

PCI said Monday that Bain Capital and existing lead private equity backer Kolberg have made an unspecified investment in the company. That funding was supported by a "significant reinvestment" from current backer Mubadala Investment Co. and reportedly values PCI at \$10 billion, according to The Wall Street Journal. Partners Group, another existing equity holder, is making a minority investment, the company said.

Mirus Insights: *The investment in PCI Pharma highlights private equity interest in the pharma supply chain, and supports a view that the recent slow down, resulting from decreased funding, is a transient factor that the industry will overcome. As research progresses and new treatments are discovered, the ability to get products to market and then to the patient is critical, and provides a major driver of positive, long-term growth prospects of the pharma CDMO segment. With that said, continued advancements in medicine will require pharma services providers to stay nimble; adding capabilities which improve development and expand manufacturing of advanced therapies.*

Pharma Services

Recent Select M&A Activity

At Mirus, we are noting significant M&A activity within the pharma services segments as platforms continually seek to expand capabilities. Given the number of service providers available, companies are seeking ways to retain clients longer with more offerings. Across commercialization services, clinical trial management, and analytical testing, M&A continues to be a major driver for scale.



EVERSANA merges with Waltz Health

EVERSANA, backed by Water Street and JLL Partners, merged with Waltz Health in a \$6B deal, combining Eversana's industry-leading commercialization services with Waltz's pricing and reimbursement software platform.



CLINIGEN acquires SSI Strategy

CLINIGEN, backed by Triton Partners, acquired SSI Strategy, an Amulet Capital Partners portfolio company. This acquisition pairs leading strategic expertise across the development pathway with Clinigen's service offering.



Danforth Advisors acquires PharmaDirections

Danforth, an Avesi Partners portfolio company, acquired PharmaDirections to expand the service offerings it is able to provide to biotech companies. PharmaDirections adds drug development expertise to support companies across preclinical and clinical strategy, CMC/formulation, regulatory, etc.



Evestia Clinical merges with Atlantic Research Group

Evestia Clinical, a Kester Capital-backed company, merged with Atlantic Research Group to create a combined CRO with expanded therapeutic focus and global reach.



Normec Group acquires NorthEast BioLab

Normec, an Astorg-backed company, acquired NorthEast BioLab to expand their testing services into the biopharmaceutical sector. NorthEast Biolab offers a CLIA certified bioanalytical lab which offers services across the drug development pathway.

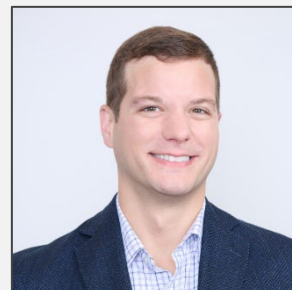
Pharma Services

Spotlight on Segment - Recent Private Equity Investments

What Investors Are Saying...

“ The pharma services sector has been a core investment pillar for Ampersand the past 25 years. While the broader healthcare landscape has evolved in recent years, we continue to see strong tailwinds and opportunities in select technologies and modalities. From next-generation biologics to advanced diagnostic applications and packaging solutions, we believe certain areas remain attractive for investment, offering meaningful potential for growth and value creation. Our team is as active as ever, leveraging a flexible capital approach to support leading specialty providers across buyouts, minority positions, and carve-out and take-private opportunities. ”

& Ampersand



Mario Reto

Vice President &
Head of Business
Development

Operating Company	Financial Sponsor(s)	Segment / Services	Investment Year*
 VECTOR CLINICAL TRIALS		Clinical CRO	2025
 Headlands RESEARCH		Clinical CRO	2025
 AVID BIOSERVICES™	 GHO CAPITAL & Ampersand	CDMO	2025
 MINARIS REGENERATIVE MEDICINE	ALTARIS	CDMO	2025
 CurTec HIGH PERFORMANCE PACKAGING	& Ampersand	Packaging	2025
 meribel PHARMA SOLUTIONS	 BLUE WOLF	CDMO	2025
 resonant Clinical Solutions	 Audax Group	Clinical CRO	2024

* Indicates most recent investment

Pharma Services



Q3 Earnings Call
10/21/2025

- Global production of monoclonal antibodies remained robust, fueling **growth within DanaHER life science and bioprocessing businesses**
- Modest recovery in pharma R&D spending, but below historic levels; however, academic labs still struggle
- Consumable revenue grew across biopharma and CDMO clients



Q3 Earnings Call
10/22/2025

- Strategic M&A of Solvентum's filtration and separation business and Sanofi's fill-finish site expands bioprocessing and manufacturing capabilities for Pharma and Biotech clients
- Pharma and Biotech segments delivered single-digit growth driven by Bioproduction and Analytical Instruments businesses
- Strategic **collaboration with OpenAI to integrate AI into offerings**



Q3 Earnings Call
10/28/2025

- Had strong quarter in terms of key demand metrics driven by increased funding for emerging biotechs
- Strong momentum of ongoing drug launches have strengthened IQVIA's commercial analytics business
- Continued acquisitions to increase offerings for clients; **significant investment in AI-infrastructure**



Q3 Earnings Call
11/5/2025

- Experienced softness in early drug discovery work as biotech funding came to a halt in 1H/25 but seeing strong growth within biologics CDMO business
- Sale of Just-Evotec Biologics Toulouse site reaffirms company's **focus on technology innovation and partnerships as opposed to traditional, large-scale CDMO services; emphasized by continued AI investment in drug discovery platforms**



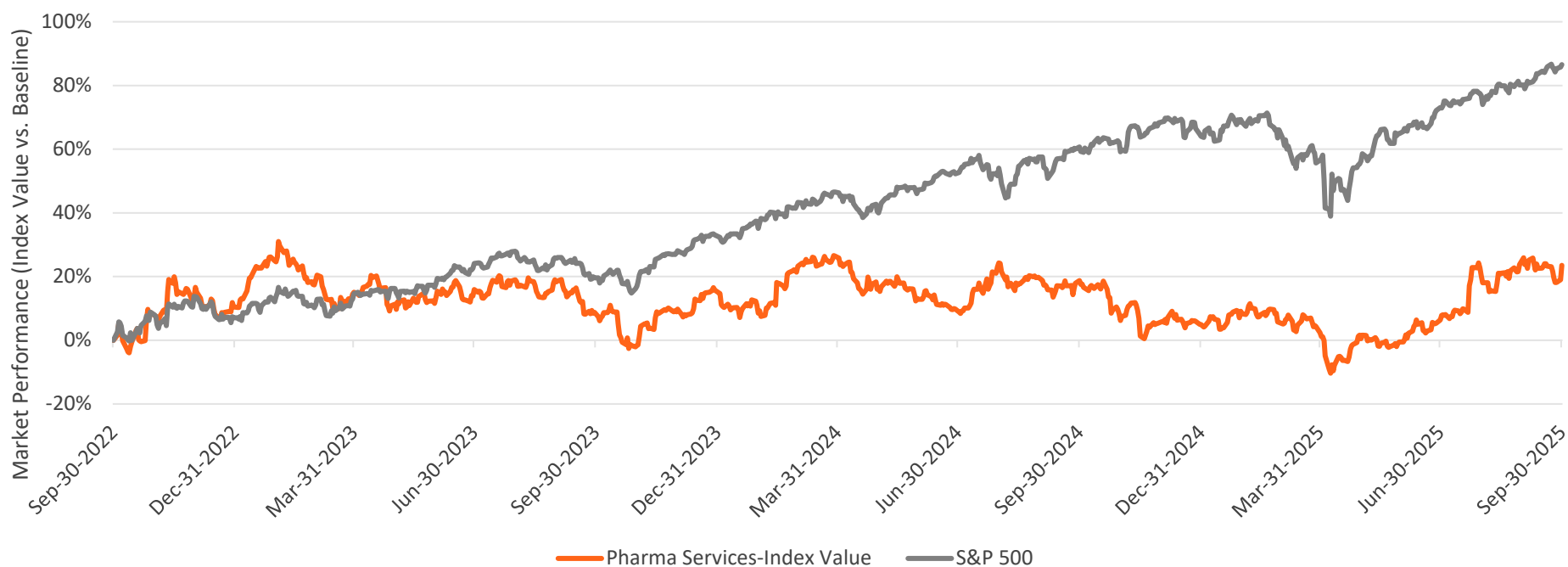
Q3 Earnings Call
11/5/2025

- **Inorganic growth is key driver to create long-term shareholder value**; interest in strengthening portfolio of offerings as leader in science-first CRO; **divesting non-core assets**
- Increased proposals to large pharma and biotech clients and decreased cancellations signaling positive industry outlook
- Seeing continued clinical momentum but expect more pre-IND contract work with improved biotech funding environment

Sector Update: Pharma Services

L3Y Public Market Performance vs. S&P500

Mirus takes a composite view of the pharma services industry when assessing the transaction environment and valuation expectations for clients. To this end, we continue to consider public market performance of representative large cap and mid cap strategics that will often be the ultimate acquirer of growth stage companies. Our representative pools of companies encompass a full spectrum of end markets. Our analysis provides a picture of how the industry moves and enables the emergence of key value drivers.



Pharma Services Index

Fortrea

IQVIA

ICON

Lonza

CERTARA

AZENTA
LIFE SCIENCES

eurofins

MEDPACE

WuXi AppTec

evotec

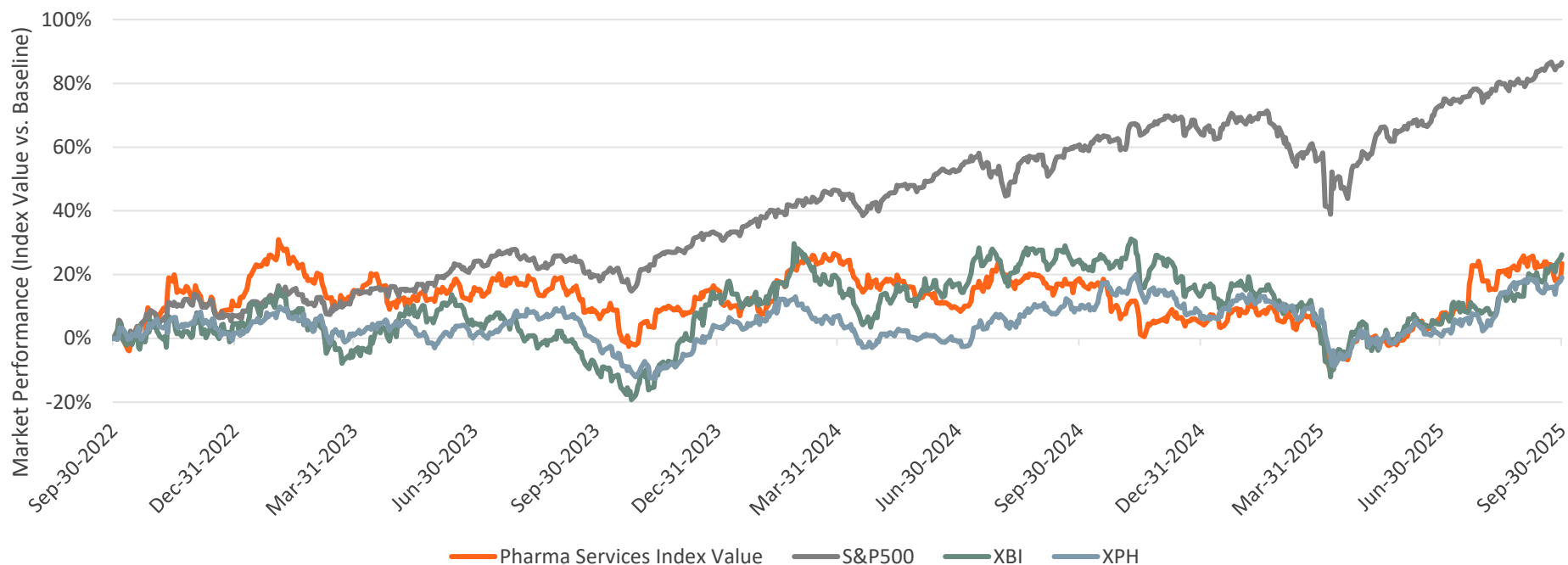
intertek

charles river

Sector Update: Pharma Services

L3Y Public Market Performance vs. S&P500 vs. XBI vs. XPH

When analyzing the pharma services segment, it is important to recognize that the underlying pharmaceutical and biotechnology industry dynamics play a major role in how the industry performs. To this end, Mirus looks to understand how the pharma services segment trades in comparison to their customers. Over the last three years, we have observed a tight correlation between the XBI (biotechnology index fund), the XPH (pharmaceutical index fund) and the pharma services segments, as seen by the nearly overlapping traces in the public market performance.



Pharma Services Index

Fortrea

IQVIA

ICON

Lonza

CERTARA

AZENTA
LIFE SCIENCES

eurofins

MEDPACE

WuXi AppTec

evotec

intertek

charles river

Sector Update: Pharma Services

Q3 2025 Public Comparable Companies

As of 09/30/2025 Company Name						Operating Statistics				Growth Rates	Valuation Multiples	
	Price	% of 52 Week High	Enterprise Value	Market Cap	Cash	Revenue LTM	EBITDA LTM	Gross Margin LTM	EBITDA Margin LTM	Revenue LTM	EV / Revenue LTM	EV / EBITDA LTM
	\$	%	\$M	\$M	\$M	\$M	\$M	%	%	%	x	x
<i>Pharma Services Strategies</i>												
Azenta, Inc. (NASDAQ:AZTA)	28.72	51.6%	828	1,317	311	656	22	40.7%	3.3%	12.5%	1.2x	16.4x
Certara, Inc. (NASDAQ:CERT)	12.22	77.9%	2,110	1,963	179	385	87	59.9%	22.6%	11.6%	5.2x	19.1x
Charles River Laboratoires International, Inc. (NYSE: CRL)	156.46	68.0%	10,352	7,700	195	4,050	898	34.8%	22.2%	-1.2%	2.6x	9.9x
Eurofins Scientific SE (ENXTPA:ERF)	72.49	89.0%	16,851	12,865	636	7,520	1,479	22.4%	19.7%	6.3%	2.0x	9.0x
Evotec SE (XTRA:EVT)	7.26	58.3%	1,423	1,289	317	862	1	14.4%	0.1%	-1.4%	1.6x	51.1x
Fortrea Holdings Inc. (NASDAQ:FTRE)	8.42	33.3%	1,926	765	119	2,696	-27	19.8%	-1.0%	-0.5%	0.7x	87.9x
ICON Public Limited Company (NASDAQ:ICLR)	175.00	57.6%	16,805	13,610	539	8,282	1,708	29.5%	20.6%	-2.9%	2.1x	10.5x
Intertek Group plc (LSE:ITRK)	63.47	84.7%	11,285	9,775	429	4,336	935	56.7%	21.6%	1.1%	2.5x	11.3x
IQVIA Holdings Inc. (NYSE: IQV)	189.94	80.0%	45,855	32,289	1702	15,405	2,921	34.9%	19.0%	3.6%	2.9x	14.9x
Lonza Group AG (SWX:LONN)	661.17	85.6%	51,151	46,433	1226	7,469	2,030	36.7%	27.2%	5.9%	5.8x	20.5x
Medpace Holdings, Inc. (NASDAQ:MEDP)	514.16	99.9%	14,548	14,444	669	2,109	476	67.7%	22.6%	9.9%	6.5x	26.5x
WuXi AppTec Co., Ltd. (SHSE:603259)	15.74	96.8%	44,203	46,118	2510	5,271	2,022	43.5%	38.4%	15.6%	7.5x	17.8x
Mean		73.6%	\$18,111	\$15,714	\$736	\$4,920	\$1,046	38.4%	18.0%	5.0%	3.4x	24.6x
Median		79.0%	\$12,916	\$11,320	\$484	\$4,193	\$917	35.8%	21.1%	4.8%	2.5x	17.1x



35 Years. 350 Deals.

The Value of Accomplishment

About Mirus

The Mirus team works with the owners of closely-held companies in multiple segments of the \$4.9 trillion U.S. healthcare industry to achieve their desired outcome. While global in focus and experience, we benefit from being in one of the most dynamic healthcare ecosystems that includes some of the most active healthcare-focused venture capital and private equity firms, leading research universities, large medical device companies and innovative MedTech and healthcare services firms. The Mirus healthcare team has experience executing a spectrum of engagements with some of the most innovative healthcare companies in the world. We have particular expertise in: medical devices, healthcare equipment, healthcare IT, diagnostics, contract research, healthcare staffing, and related companies.

35 Years. 350 Deals.

The highest level of expertise and hard work is what accomplishment requires.

It's what you deserve and what we do.

- We sweat the small stuff.
- Take a 3:00am call.
- Say yes.
- Say no.
- Dig deeper when things get tough.
- Celebrate with you when your efforts pay off and you can reflect on it all and say, "It's really remarkable what we've accomplished here."

Then and only then, will we know that we've accomplished something meaningful, too.



Team Spotlight



Brendan Kiernan
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kiernan@merger.com

Brendan Kiernan is a Partner with Mirus Capital Advisors. He brings over 25 years of investment banking experience providing business valuation, corporate finance advisory, and deal execution services, co-leading sell-side and buy-side M&A mandates across technology, business services, industrial, and distribution sectors. He has completed more than 60 transactions with aggregate value over \$3 billion. Co-head of Mirus' Healthcare & Life Sciences and Business Services teams, Brendan received "Corporate/Strategic Deal of the Year" honors for his work on the sale of Applied BioMath to Certara, Inc. as well as "USA M&A Deal of the Year" honors for his work on the sale of Mikros to Jabil.



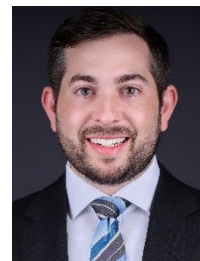
Patrick West
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Patrick West is an accomplished executive, entrepreneur, advisor and director with extensive executive management and M&A experience in the healthcare technology and manufacturing sectors. Patrick brings the valuable perspective of having sat on both sides of the negotiating table, allowing him unique insight and an informed ability to navigate the deal process. Patrick also holds a range of non-executive board positions and provides angel investment and strategic direction to a portfolio of companies.



Thom Busby
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busby@merger.com

Thom Busby has more than a decade of dedicated life science and healthcare investment banking experience, and a twenty-year history of successfully raising capital. Thom is sought-after by clients for his deep industry knowledge and experience in high-innovation segments including medical device, biopharma, diagnostics, instrumentation and digital health/HCIT. Additionally, Thom has extensive experience in life science service verticals such as CROs, CDMOs, consultancies, laboratories, and other outsourced pharma and medtech providers.



Nick Frame, PhD.
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Working closely with companies within the healthcare industry, Nick Frame, PhD., offers his clients a unique combination of transactional and scientific experience. Nick was a Senior Vice President at a life sciences dedicated strategic advisory and investment banking firm. In this role, he managed transaction processes for companies in the medical device, pharma, diagnostics and life science services segments. His clients have ranged from family- and founder-owned business to venture capital-backed companies.

Trusted advisors to businesses just like yours




Notable recent healthcare transactions


has acquired a
majority stake in

a portfolio company of



has been acquired by



has merged with

a portfolio company of

BANNER

 **applied biomath**
REVOLUTIONIZING DRUG INVENTION
has been acquired by

(NASDAQ: CERT)


has partnered with

CardinalHealth™
(NYSE: CAH)


has been acquired by

Veranex
Transforming Your MedTech Innovation
a portfolio company of

SUMMIT PARTNERS



has been acquired by

a portfolio company of



has been acquired by

a portfolio company of



has been acquired by

a portfolio company of
 **Audax Private Equity**

Note: Includes transactions completed by Mirus professionals at prior firms

Focus sectors



Technology



Healthcare



Industrials



Business Services



Consumer

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