Pharma IT

What the second Trump term could mean for pharma IT

FIRST ANALYSIS QUARTERLY INSIGHT

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March 18, 2025

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About First Analysis

First Analysis has a four-decade record of serving emerging growth companies, established industry leaders and institutional investors in emerging high-growth segments in technology and healthcare, both through its venture capital investments and through First Analysis Securities Corp. (FASC), which provides investment banking and related services. FASC is a FINRA-registered broker-dealer and member SIPC. First Analysis' integrative research process underpins all its efforts, combining 1) dynamic investment research on thousands of companies with 2) thousands of relationships among executives, investors and other key participants in our focus areas, yielding a deep, comprehensive understanding of each sector's near-term and long-term potential.

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PHARMA IT

What the second Trump term could mean for pharma IT

- We explore the potential impact of Trump's second term on three aspects of the pharma sector and what the changes might mean for pharma IT.
- First, we expect pharmaceutical benefit managers (PBMs) to face continued scrutiny from Trump's incoming FTC chairman, Andrew Ferguson, as part of Trump's initiative to reduce drug prices. Potential impacts on pharma IT companies include increased opportunities for companies providing solutions for health economic outcomes research, real-world evidence and patient reported outcomes.
- Second, we expect the Trump administration to continue its push for expedited drug approvals and funding and tax incentives for research and development, while increasing use of artificial intelligence in drug discovery and development and emphasizing post-market surveillance to monitor patient outcomes. Potential impacts on pharma IT companies include increased opportunities for those focusing on real-world evidence and pharmacovigilance data as well as those focused on streamlining processes for collecting data and submitting it to the FDA.
- We expect the administration's focus on bolstering domestic manufacturing and reducing U.S. reliance on foreign supply chains to lead to renewed interest in onshoring drug development and manufacturing by both pharma companies and contract development and manufacturing organizations. Potential impacts on pharma IT companies center around opportunities in supply chain logistics.

LOOKING BEYOND VACCINES: THREE KEY AREAS TO FOCUS ON

Donald Trump's return to the presidency has generated a mix of optimism and uncertainty in the pharmaceutical industry. While much of the public discussion has focused on Trump's selection of Robert F. Kennedy Jr. as secretary of the Department of Health and Human Services and his potential impact on vaccines, in this report we focus on other areas including drug pricing, regulatory reforms and manufacturing, and trade policies to assess

the potential impact of Trump's second term on the pharma sector and what the changes might mean for pharma IT.

RENEWED FOCUS ON DRUG PRICING

A primary concern for the pharmaceutical sector is the administration's commitment to lowering drug prices and increasing price transparency. During his first term, Trump proposed several policies aimed at reducing the cost of prescription drugs. These included efforts to negotiate drug prices for Medicare, reform the pharmacy benefit manager (PBM) system, and implement international pricing reforms. Trump's "America First" healthcare plan included provisions aimed at lowering drug costs by enabling Medicare to negotiate directly with pharmaceutical companies, an effort to make the system more transparent and competitive.

This last initiative (the biggest pharmaceutical regulation change in several years) came to fruition under the Biden administration's Inflation Reduction Act (IRA) of 2022, which granted Medicare authorization to negotiate prices for its costliest prescription drugs. Prices for the first ten Medicare-negotiated drugs were released last August and are expected to go into effect in 2026. Although it's unclear whether the Trump administration supports this change as it was laid out in the IRA, the Centers for Medicare and Medicaid Services recently announced

Table 1: Next 15 drugs slated to be negotiated by CMS (data from November 2023 to October 2024)

Drug name	Commonly treated conditions*	Part D gross covered prescription drug costs (millions)	Number of Medicare Part D enrollees who used the drug
Ozempic; Rybelsus; Wegovy	Type 2 diabetes; Type 2 diabetes and cardiovascular disease; obesity/overweight and cardiovascular disease	$14,427	2,287,000
Trelegy Ellipta	Asthma; chronic obstructive pulmonary disease	$5,138	1,252,000
Xtandi	Prostate cancer	$3,159	35,000
Pomalyst	Kaposi sarcoma; multiple myeloma	$2,069	14,000
Ibrance	Breast cancer	$1,985	16,000
Ofev	Idiopathic pulmonary fibrosis	$1,961	24,000
Linzess	Chronic idiopathic constipation; irritable bowel syndrome with constipation	$1,938	627,000
Calquence	Chronic lymphocytic leukemia/small lymphocytic lymphoma; mantle cell lymphoma	$1,614	15,000
Austedo; Austedo XR	Chorea in Huntington's disease; tardive dyskinesia	$1,532	26,000
Breo Ellipta	Asthma; chronic obstructive pulmonary disease	$1,421	634,000
Tradjenta	Type 2 diabetes	$1,149	278,000
Xifaxan	Hepatic encephalopathy; irritable bowel syndrome with diarrhea	$1,128	104,000
Vraylar	Bipolar I disorder; major depressive disorder; schizophrenia	$1,086	116,000
Janumet; Janumet XR	Type 2 diabetes	$1,082	243,000
Otezla	Oral ulcers in Behçet's disease; plaque psoriasis; psoriatic arthritis	$994	31,000

Source: *Medicare Drug Price Negotiation Program: Selected Drugs for Initial Price Applicability Year 2027, January 2025.* Centers for Medicare & Medicaid Services.

Notes: *The commonly treated conditions are limited to conditions for which prescription drug coverage is currently available under the Medicare Part D program.

plans to proceed with negotiating Medicare prices for the next 15 drugs selected under the IRA, listed in Table 1.

Pharma companies hope Trump will focus more on cracking down on PBMs to lower drug prices than on manufacturers themselves. Trump has been a very vocal critic of PBMs and has accused them of being a key contributor to higher drug prices. In December 2024, Trump stated, "We're going to knock out the middleman. We're going to get drug costs down at levels that nobody has ever seen before."

As a reminder, PBMs are intermediaries in the healthcare system that play an important role in managing prescription drug benefits for health insurers, employers and government programs. Their primary function is to negotiate drug prices with pharmaceutical manufacturers, establish formularies (lists of covered medications), and determine reimbursement rates for pharmacies. PBMs leverage their purchasing power to negotiate discounts and rebates from drug manufacturers, aiming to lower costs for insurers and patients. They also oversee drug utilization by implementing cost-control measures such as prior authorization, step therapy and tiered pricing. However, PBMs have faced criticism for a lack of transparency, as the savings they negotiate do not always directly translate into lower prices for consumers. The "Big Three" PBMs - CVS Caremark, Express Scripts and OptumRx - process roughly 80% of U.S. drug claims. In July 2024, The Federal Trade Commission issued an interim report titled "Pharmacy Benefit Managers: The Powerful Middlemen Inflating Drug Costs and Squeezing Main Street Pharmacies." In the report, the FTC said PBMs "wield enormous power and influence over patients' access to drugs and the prices they pay. This can have dire consequences for Americans,

PBM landscape

Parent/ owner	CVS Health Corp.	The Cigna Group	UnitedHealth Group Inc.	Humana Inc.	Medimpact Holdings Inc.	19 BlueCross BlueShield plans
Drug private labeler	Cordavis	Quallent Pharmaceuticals	NUVAILA			
Health care provider	MinuteClinic, Signify Health	Evernorth Care Group	Optum Health	CenterWell		
Pharmacy benefit manager	CVS caremark 34%	EXPRESS SCRIPTS 23%	Optum Rx 22%	Humana Pharmacy 7%	Medimpact 5%	Prime THERAPEUTICS 3%
"PBM GPO" rebate aggregator	Zinc Health Services	Ascent Health Services	Emisar Pharma Services	Ascent (via contract)	Prescient Holdings Group	Ascent (minority owner)
Pharmacy – retail	CVS Pharmacy					
Pharmacy – mail order	CVS Caremark Mail Service Pharmacy	Express Scripts Pharmacy	Optum Rx Mail Service Pharmacy	CenterWell Pharmacy	Birdi Inc.	Express Scripts Pharmacy (via contract)
Pharmacy – specialty	CVS Specialty Pharmacy	Accredo	Optum Specialty Pharmacy	CenterWell Specialty Pharmacy	Specialty by Birdi	Accredo (via contract)
Health insurer	Aetna	Cigna Healthcare	UnitedHealthcare	Humana		19 BlueCorss BlueShield plans

Source: Federal Trade Commission.

with nearly three in ten surveyed Americans reporting rationing or even skipping doses of their prescribed medicines due to high costs."

In September 2024, the FTC sued the Big Three, accusing them of engaging in anticompetitive and unfair rebating practices that have artificially inflated the list prices of insulin drugs, impaired patients' access to lower-list-price products, and shifted the cost of high insulin list prices to vulnerable patients. In January 2025, the FTC published a second interim staff report on the prescription drug middleman industry, which focused on PBMs' influence on specialty generic drugs, including significant price markups by PBMs on drugs for cancer, human immunodeficiency virus, and a variety of other conditions. The report said the Big Three

> *We're going to knock out the middleman. We're going to get drug costs down at levels that nobody has ever seen before.*
>
> *- President Trump, Dec. 2024*

marked up numerous specialty generic drugs dispensed at their affiliated pharmacies by hundreds or thousands of percent. Such significant markups allowed the Big Three and their affiliated specialty pharmacies to generate more than $7.3 billion in revenue beyond the drugs' price from the wholesaler to the provider from 2017-2022. We expect PBMs to face continued scrutiny from Trump's incoming FTC chairman, Andrew Ferguson. Prior to his appointment, Ferguson served as an FTC commissioner and voiced support for the FTC's reports on PBMs. One pharma executive at a top-ten pharma company we spoke with sees PBM reform as low-hanging fruit in Trump's initiative to reduce drug prices.

We believe any PBM reform will result in greater transparency in drug pricing and ultimately compel pharmaceutical companies to generate more evidence to demonstrate value to payers in the form of health economic outcomes research (HEOR), real-world evidence (RWE) and patient reported outcomes (PRO). We believe pharma IT companies with solutions focused in those areas stand to benefit from PBM reform.

ACCELERATED DRUG APPROVALS AND REGULATORY REFORMS

One of the significant impacts of the first Trump administration was changes in regulatory oversight. Under the leadership of Scott Gottlieb, the FDA made several moves to streamline drug approval processes. The Trump administration aimed to reduce bureaucratic hurdles and expedite the introduction of new therapies. This focus on regulatory reform led to initiatives like the Drug Competition Action Plan, designed to encourage competition in the generic drug market and expedite generic drug approvals.

Additionally, Trump's approach to regulatory reforms also focused on the concept of right-to-try legislation. This gave terminally ill patients access to experimental treatments not yet approved by the FDA. The emphasis on patient access to unapproved treatments created an environment where pharmaceutical companies were encouraged to speed up innovation to capture a more immediate market.

All in, the Trump administration's emphasis on streamlining regulatory processes during its first term resulted in more novel drug approvals. We expect the new Trump administration to continue its push for expedited drug approvals alongside funding and tax incentives for research

and development, particularly for treatments addressing rare diseases like cancer and neurological disorders. We expect these changes to be accompanied by increased emphasis on post-market surveillance to monitor patient outcomes. This will potentially enhance the FDA's use of real-world evidence and pharmacovigilance data to approve drugs faster.

We also think the Trump administration could drive increased investments in drug discovery and development that leverages artificial intelligence (AI) as the administration looks to position the United States as a leader in digital health technology. In early January, the FDA issued draft guidance on the use of AI to support regulatory decisions about drugs' and biological products' safety, effectiveness and quality. This was the first guidance the agency had issued on using AI for developing drugs and biological products. Pharma companies adopting AI-driven platforms may benefit from federal support or incentives in the form of research and development tax credits.

We think the administration's efforts to accelerate drug approvals may hit a roadblock if there isn't more clarity on staffing after the recent layoffs at the FDA. The FDA employs more than 18,000 people, and if Trump's nominee to lead the agency, Dr. Marty Makary, follows through with more agency job cuts, the reduced headcount could extend review times for drug approvals.

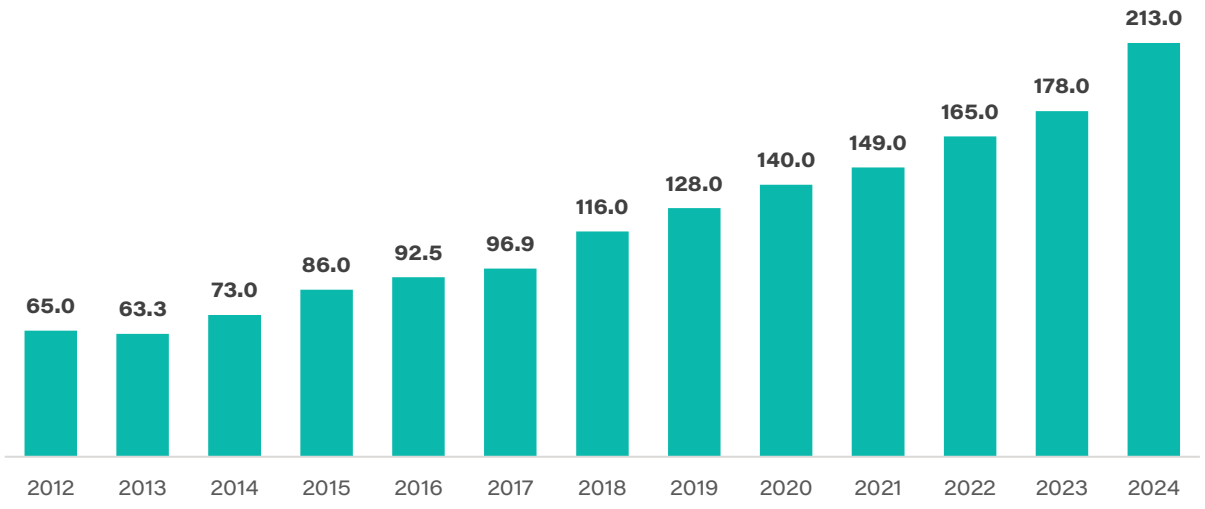
Along with real-world evidence (RWE) and pharmacovigilance, we think pharma IT companies with AI solutions that can drive greater efficiencies in trial data collection and help simplify data submission to the FDA stand to benefit from changes under the second Trump administration.

EMPHASIS ON DOMESTIC MANUFACTURING

According to the United Nations Comtrade database on international trade, pharmaceuticals have become the United States' second-largest manufactured import, having totaled $178 billion in 2023 as U.S. spending on healthcare and drug prices increased and as leading multinational pharmaceutical companies continued to offshore drug manufacturing.

As Table 2 indicates, the U.S. pharmaceutical sector depends extensively on global supply chains for both finished

TABLE 2: U.S. imports of pharmaceutical products (dollars in billions)



Source: United Nations Comtrade database on international trade.

medications and active pharmaceutical ingredients (APIs). The COVID-19 pandemic exposed the United States' heavy dependence on overseas manufacturing for critical drugs and ingredients. According to a 2023 Washington University study titled "U.S. Generic Pharmaceutical Industry Economic Instability," 83% of the top 100 generic medicines prescribed in the U.S. have no U.S.-based API source. Over 90% of the most frequently prescribed antivirals and antibiotics have no U.S. API manufacturing source.

Trump has been a vocal supporter of imposing tariffs to bolster domestic manufacturing and reduce U.S. reliance on foreign supply chains. On Feb. 1, Trump announced new tariffs on imports from Canada, Mexico and China, citing concerns over illegal immigration and the influx of illicit drugs, particularly fentanyl, into the United States. The tariffs, which were to be effective Feb. 4, included a 25% levy on imports from Canada and Mexico and a 10% levy on imports from China. On March 4, Trump added an additional 10% tariff on all imports from China. Beyond Canada, Mexico and China, Trump has signaled that the European Union may be next in line for 25% tariffs on its exports to the U.S. These tariffs are comprehensive, affecting a wide array of products, including pharmaceuticals.

The tariffs on imported drugs aim to incentivize companies to establish or expand manufacturing facilities in the United States. Although the Biosecure Act, which is intended to block U.S. federal funding for specific Chinese contract manufacturers, has not advanced in Congress, its potential approval coupled with the administrations' America First agenda could, in our view, lead to renewed interest from both pharma companies and contract development and manufacturing organizations (CDMOs) in moving drug development and manufacturing to the United States. We note Merck just opened a $1 billion vaccine manufacturing plant in North Carolina to boost U.S. production, while Eli Lilly recently announced plans to invest $27 billion to build four production facilities in the U.S. As the administration continues its push to increase domestic manufacturing and strengthen supply chains, we think U.S.-based CDMOs with excess capacity stand to benefit either from increased volume or by being acquired. Additionally, we think supply-chain logistics software and service providers will see more demand.

CHANGE LIKELY TO CREATE NEW OPPORTUNITIES

Regardless of the merits or specific contours of pharmaceutical industry changes under the Trump administration, one thing seems certain: Innovative and nimble pharma IT companies will likely be able to identify and capitalize on new opportunities for growth. We're hopeful this means the area will remain a fertile field for creating wealth and improving quality of life through improved healthcare.

Pharma IT indexes down year-over-year

The First Analysis eClinical Index finished the one-year period ended Feb. 27 down 13.3%. The commercialization index declined 3.9%. In contrast, the S&P 500 ended the one-year period with a 15% gain, and the Nasdaq ended with a 16% gain.

Only two of the 13 eClinical companies' stocks managed to appreciate over the one-year period, and seven declined by over 25%. Fortrea (FTRE) declined most, 62%. Thermo Fisher (TMO), which accounted for a little over half the index's total market capitalization at the beginning of the period, drove 4.1 points of the index's decline as its stock lost 8% over the period.

Similarly, the stocks of only two of the seven commercialization companies appreciated over the period, with three declining by more than 40%. The biggest decline, 67%, was in OptimizeRx (OPRX); however, much-larger Clarivate (CLVT) accounted for nearly all the index's decline, as its stock dropped by nearly 41%.

The eClinical group's enterprise value multiple of trailing-12-month revenue ended the period at 4.8, down from 5.6 at the

eClinical/commercialization public comparables*

($ in millions)		Revenue growth				Enterprise value /			
						Revenue		EBITDA[1]	
Company	**LTM revenue**	**2023A-2024E[2]**	**2024E-2025E**	**LTM gross margin**	**LTM EBITDA margin**	**2024E[2]**	**2025E**	**2024E[2]**	**2025E**
Commercialization									
Clarivate (CLVT)	$2,556.7	(2.9%)	(7.2%)	66.0%	37.6%	2.88x	3.10x	7.0x	7.6x
Definitive Healthcare (DH)	$252.2	(0.4%)	(3.7%)	83.9%	16.6%	2.83x	2.93x	9.1x	10.5x
Informa (LSE: INF)	$4,246.9	11.3%	16.1%	36.2%	30.4%	3.80x	3.27x	12.5x	10.5x
OptimizeRx (OPRX)	$88.2	26.1%	10.5%	62.6%	(4.0%)	1.27x	1.15x	12.4x	9.9x
PaySign (PAYS)	$56.5	23.0%	13.1%	53.4%	11.3%	2.29x	2.02x	14.1x	10.7x
Phreesia (PHR)	$405.1	17.6%	13.7%	67.1%	(13.9%)	3.61x	3.17x	43.7x	18.6x
Wolters Kluwer (ENXTAM: WKL)	$6,156.1	6.4%	7.4%	72.5%	32.6%	6.45x	6.01x	20.1x	18.5x
Average	***$1,966.0***	***11.6%***	***7.1%***	***63.1%***	***15.8%***	***3.30x***	***3.09x***	***17.0x***	***12.3x***
Median	***$405.1***	***11.3%***	***10.5%***	***66.0%***	***16.6%***	***2.88x***	***3.10x***	***12.5x***	***10.5x***
eClinical									
Cambridge Cognition (AIM: COG)	$16.5	(25.9%)	25.0%	80.8%	4.5%	1.66x	1.33x	NMF	11.1x
Certara (CERT)	$385.1	8.4%	9.7%	59.9%	17.2%	5.54x	5.06x	17.48x	15.96x
Cogstate (ASX: CGS)	$47.2	4.8%	15.6%	59.9%	23.8%	2.57x	2.22x	11.0x	9.7x
Dassault (ENXTPA: DSY)	$6,465.8	4.4%	8.2%	83.6%	31.2%	7.83x	7.23x	22.21x	20.18x
Fortrea (FTRE)	$2,975.6	(13.1%)	1.4%	15.3%	0.9%	0.87x	0.86x	10.7x	8.5x
Icon (ICLR)	$8,281.7	2.0%	1.0%	29.5%	20.6%	2.22x	2.20x	10.61x	10.94x
Iqvia Holdings (IQV)	$15,405.0	2.6%	3.5%	34.9%	19.0%	2.96x	2.86x	12.3x	11.9x
Ixico (AIM: IXI)	$7.3	(7.9%)	NA	47.0%	(33.7%)	1.37x	NA	NMF	NMF
Median Technologies (EPA: ALMDT)	$23.2	NA	19.2%	(10.5%)	(109.3%)	3.00x	2.52x	NMF	NMF

eClinical/commercialization public comparables*

($ in millions)		Revenue growth				Enterprise value /			
						Revenue		EBITDA[1]	
Company	**LTM revenue**	**2023A-2024E[2]**	**2024E-2025E**	**LTM gross margin**	**LTM EBITDA margin**	**2024E[2]**	**2025E**	**2024E[2]**	**2025E**
Schrödinger (SDGR)	$207.5	(6.7%)	25.1%	63.6%	(97.9%)	6.86x	5.48x	NMF	NMF
Simulations Plus (SLP)	$74.4	19.7%	24.9%	58.5%	15.7%	7.67x	6.14x	26.9x	18.3x
Thermo Fisher Scientific (TMO)	$42,879.0	(0.1%)	2.6%	41.2%	25.1%	5.25x	5.12x	20.84x	19.72x
Veeva Systems (VEEV)	$2,656.4	15.3%	12.2%	73.9%	25.7%	11.34x	10.11x	27.0x	24.2x
Average	***$6,109.6***	***0.3%***	***12.4%***	***49.0%***	***(4.4%)***	***4.55x***	***4.26x***	***17.7x***	***15.1x***
Median	***$385.1***	***2.3%***	***10.9%***	***58.5%***	***17.2%***	***3.00x***	***3.96x***	***17.5x***	***13.9x***

Source: Capital IQ, First Analysis.

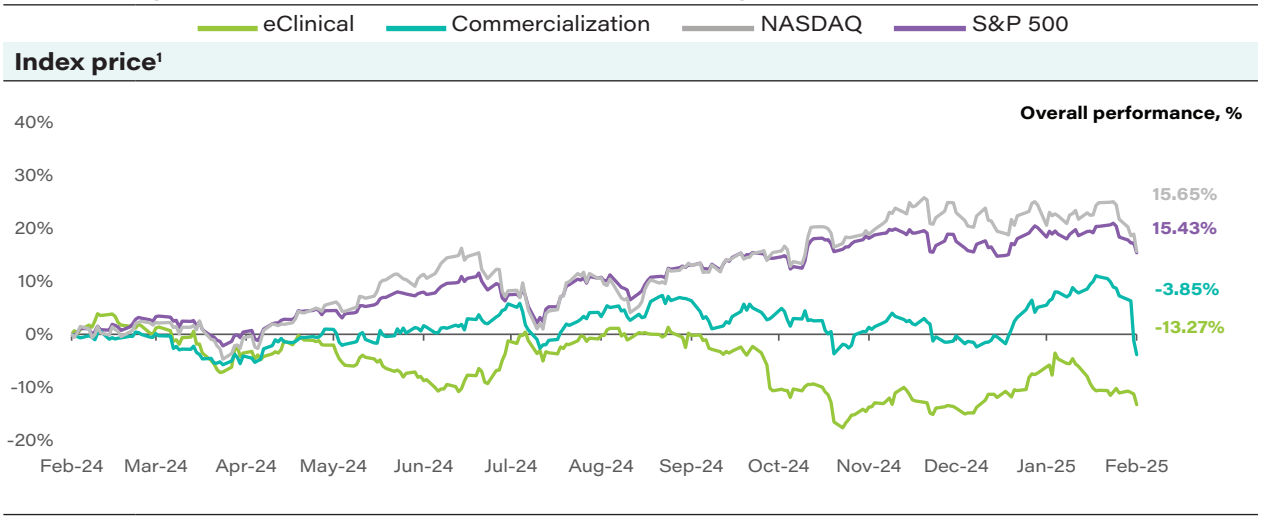
Notes: * Public comparable company data shown above is as of Feb. 27, 2025.
(1) EBITDA multiples less than 0 and greater than 50 labeled "not meaningful" (NMF). LTM = last 12 months. EBITDA = earnings before interest, taxes, depreciation and amortization.
(2) Figures shown are estimated for companies that as of Feb. 27, 2025, had not reported results corresponding to the 2024 calendar year.

beginning of the period. The commercialization group's multiple ended the period at 4.9, down from 5.4 at the beginning of the period.

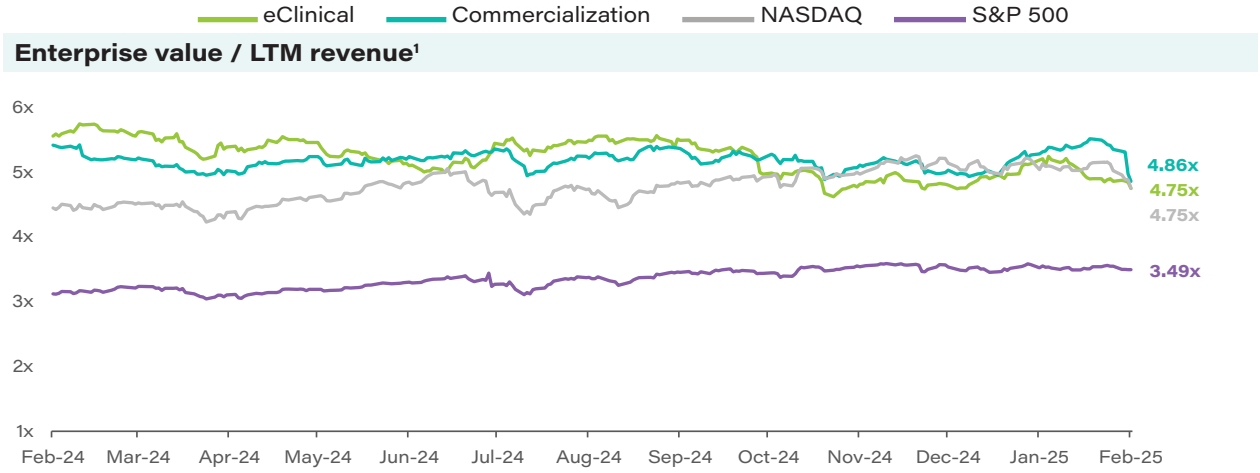
Looking at forward multiples, the average and median enterprise value multiples of estimated 2025 revenue for the eClinical group were 4.3 and 4.0 as of Feb. 27, when 2025 revenue was expected to grow 12.4% on average (versus flat average revenue in 2024). The average and median 2025 multiples for the commercialization group were 3.1, with 2025 revenue expected to increase 7.1% on average (versus 11.6% growth in 2024).

The metrics above for the current period reflect the removal of Centogene, which was acquired by Charme Capital in November for $9 million. Also, we moved Veeva (VEEV) out of commercialization and into eClinical.

First Analysis eClinical/Commercialization Index 1-year performance



First Analysis eClinical/Commercialization Index 1-year performance



Source: Capital IQ.

Notes: (1) eClinical/commercialization index performance is based on market cap weighted constituents. For the period from Feb. 27, 2024, through Feb. 27, 2025.

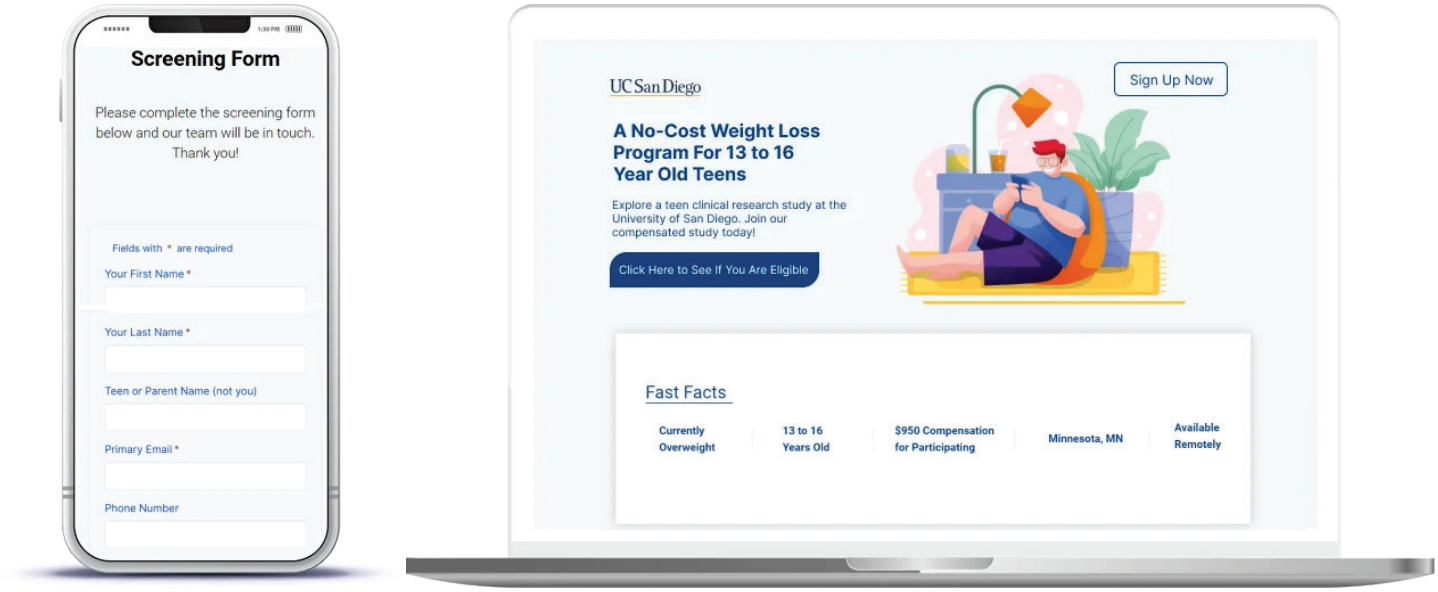
Pharma IT M&A: Notable transactions include Greenphire and BuildClinical

We highlight two noteworthy recent pharma IT mergers and acquisition transactions relevant to some of the emerging trends we've written about in pharma IT.

In mid-December, OpenClinica announced it would acquire BuildClinical for an undisclosed amount. BuildClinical uses advanced, data-driven strategies to engage and enroll clinical trial populations matched to trials' unique needs. Benji Hochberger, founder and CEO at BuildClinical said, "BuildClinical's expertise in getting patients interested in and screened for participation in studies complements OpenClinica's strengths in eligibility, consent, randomization, study conduct and data collection." OpenClinica clinical trial software enhances the productivity of clinical trials.

In mid-January, Suvoda announced it would acquire and merge with Greenphire for an undisclosed amount. Greenphire provides clinical trial payment solutions for sponsors, contract research organizations (CROs) and research sites. Suvoda is a clinical trial technology company specializing in randomization and trial supply management, consent, and patient outcomes data collection for complex, life-sustaining studies in therapeu-

BuildClinical screening form and platform



Source: BuildClinical.

Greenphire Platform Metrics

Delivering Measurable ROI

With Greenphire, you can experience:

50%
reduction in time spent on payments

80%
reduction in time spent supporting site inquiries

30%
reduction in time spent on study close-out

Source: Greenphire.

tic areas like oncology, central nervous system disorders, and rare diseases. Jagath Wanninayake, Suvoda's founder and CEO, will serve as chief executive officer for the combined company. Bringing together Suvoda's and Greenphire's offerings creates a platform to support clinical trials with a comprehensive product portfolio, including randomization and trial supply management, electronic consent, electronic clinical outcome assessments, patient and grant payments, study budgeting, and travel and logistics. The goal is to enhance patient access and engagement in clinical trials, simplify site access to essential technologies, and help pharma and contract research organizations more easily achieve their clinical trial objectives.

Select recent M&A transactions *(sorted by date of announcement)*

($ in millions)

Date	Target	Target business description	Buyer	Enterprise value (EV)	EV/ revenue
2/4/2025	Coeus	Platform that enhances decision-making and communication between payers and pharmaceutical manufacturers	Red Nucleus	Undisclosed	Undisclosed
1/13/2025	Greenphire	Clinical trial payment solutions for sponsors, contract research organizations and research sites	Suvoda	Undisclosed	Undisclosed
1/10/2025	BioDigital	Cloud-based interactive 3D software platform for visualizing anatomy, disease and treatment	Anatomage	Undisclosed	Undisclosed
1/8/2025	Quantify Research	Consultancy services for health economics, outcomes research, real-world evidence and market access	Athagoras	Undisclosed	Undisclosed
1/7/2025	Peregrine Market Access	Market access strategy and value communications specialist in life sciences	Klick Health	Undisclosed	Undisclosed
1/7/2025	Target RWE	Real-world data solutions for drug development and commercialization	Highlander Health	Undisclosed	Undisclosed
12/20/2024	Inspired Health	Market insights and commercial strategy consultancy serving life sciences clients	West Monroe	Undisclosed	Undisclosed
12/10/2024	BuildClinical	Advanced, data-driven strategies to engage and enroll clinical trial populations matched to trials' unique needs	OpenClinica	Undisclosed	Undisclosed
12/9/2024	Realyze Intelligence	Software that accelerates clinical trial screening, builds patient cohorts and provides data insights and patient documentation	Carta Healthcare	Undisclosed	Undisclosed
12/9/2024	EMAS Pharma	Contract research organization offering clinical development services	Kester Captital	Undisclosed	Undisclosed
11/25/2024	Galen Data	FDA-compliant, Hitrust-certified, cloud-based software for medical device connectivity, data visualization, and analytics	Lauxera Capital Partners	Undisclosed	Undisclosed
11/13/2024	Formulary Insights	Provides timely market access insights for biopharma manufacturers	Petauri	Undisclosed	Undisclosed
11/12/2024	Centogene	Technology for transforming clinical and genetic data into medical solutions for patients, physicians, and pharmaceutical companies	Charme Capital	$9.2	Undisclosed
10/23/2024	Assentia	Tech-enabled provider of clinical trial contract negotiation	Ledger Run	Undisclosed	Undisclosed
10/21/2024	DataAppraisal	Automated appraisal and data exchange for pharma research, clinical research, healthcare, and payers	Gradient Health	Undisclosed	Undisclosed
10/17/2024	Red Nucleus	Strategic services across research and development, medical affairs, market access, and learning and development	THL Partners	Undisclosed	Undisclosed
10/16/2024	Halloran Consulting Group	Strategic regulatory, quality, clinical, and organizational support for the pharmaceutical, biotechnology, and medical device sectors	ProductLife Group (PLG)	Undisclosed	Undisclosed
10/15/2024	Integrated Clinical Trial Services	Research center that helps improve healthcare by providing facilities and professional services	Eximia Research	Undisclosed	Undisclosed
10/9/2024	Argenta Advisors	Health policy and reimbursement market access consultancy services for the life science industry	PRIA Healthcare	Undisclosed	Undisclosed
10/8/2024	Anagram	Clinical research organization	Avania	Undisclosed	Undisclosed
10/7/2024	IntiQuan	Consulting services and solutions for drug development	Groupe Product-Life	Undisclosed	Undisclosed

Source: Capital IQ, First Analysis.

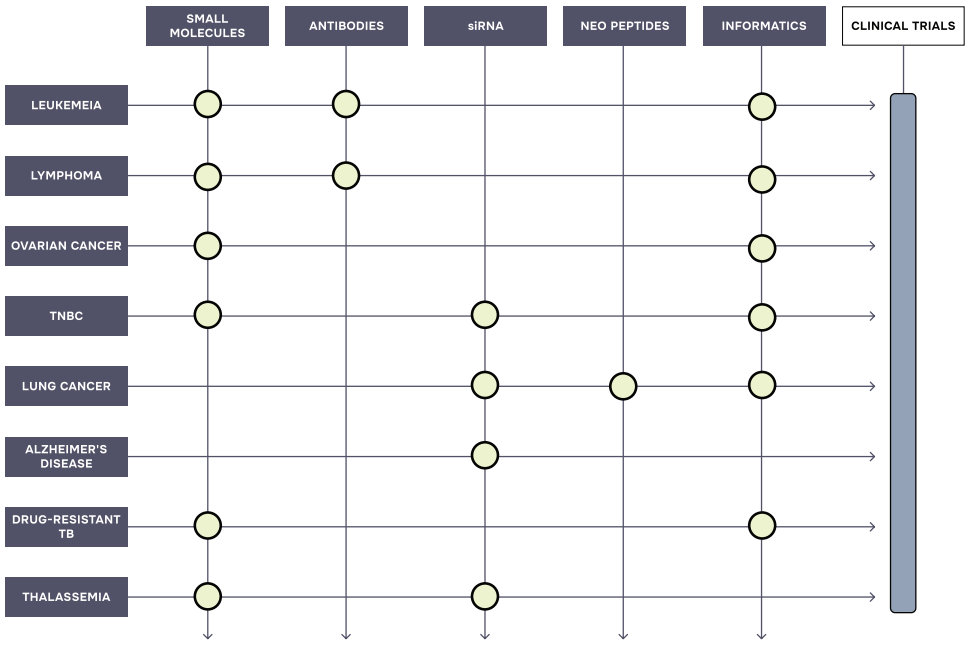
Pharma IT private placements: Notable transactions include Aqemia and Manas AI

We highlight two noteworthy recent pharma IT private placement transactions relevant to some of the emerging trends we've written about in pharma IT.

In December, Aqemia announced it had raised $38 million in a funding round led by Cathay Innovation, bringing total funding to $100 million. In addition to supporting global expansion, the funding is intended to advance its technology platform that teaches atomic-scale physics to generative artificial intelligence (AI) to support discovery of innovative and safe small-molecule drugs with high efficiency. By teaching theoretical physics to generative AI, Aqemia does not need experimental data to train on. This enables it to identify molecular designs further removed from existing molecules, a challenge for existing generative AI. The platform has led to preclinical successes in advanced oncology programs and is part of a $140 million collaboration with Sanofi.

In late January, Manas AI announced it had raised a $25 million seed round co-led by General Catalyst and Reid Hoffman with participation from Greylock. Manas AI integrates generative computational chemistry, advanced molecular docking, and biology to create therapeutic development pipelines - from target identification to clinical trials. The effort

Manas AI projects



Source: Manas AI.

leverages a partnership with Microsoft in which Manas will use Microsoft Azure and tap Microsoft's expertise in artificial intelligence. The goal is to disrupt the traditional model of therapeutic discovery by accelerating the process of screening, identifying and advancing transformative medicines for cancer, autoimmune disease and rare conditions. The company was co-founded by Hoffman and Dr. Siddhartha Mukherjee, a pioneering oncologist, researcher, and author.

Select recent private placements *(sorted by date of announcement)*

($ in millions)

Date	Company	Business description	Investors	Raise type	Amount raised	Total amount raised
1/28/2025	eMAX Health	Analytics and real-world evidence support for the biopharmaceutical and biotechnology industries	Fengate Asset Management	Venture	Undisclosed	Undisclosed
1/27/2025	Manas AI	Integrates generative computational chemistry, advanced molecular docking, and biology to create therapeutic development pipelines	General Catalyst; Greylock	Seed	$25.0	$238.8
12/18/2024	Apollo Care	Patient access and analytics solutions to help pharmaceutical brands address commercial challenges	Flexpoint Ford	Venture	Undisclosed	Undisclosed
12/10/2024	Aqemia	Teaches atomic-scale physics to generative artificial intelligence to support discovery of innovative and safe small-molecule drugs	Cathay Innovation	Growth	$38.0	$100.0
11/21/2024	Dannce.ai	3-D pose tracking and behavioural quantification platform to create digital fingerprints of movement that can be used to identify disease states and drug effects	LDV Capital; Glasswing Ventures; The Leo Lion Company; Duke Capital Partners; Merck Digital Sciences Studio	Pre-Seed	$2.6	$2.6
11/20/2024	Converge Bio	Biotech platform designed to integrate generative artificial intelligence with biological data to accelerate drug discovery and development	TLV Partners	Seed	$5.5	$5.5
11/19/2024	Citizen Health	Software for providing cancer patients seamless access to their data	Transformation Capital; Wavemaker Three-Sixty Health	Seed	$14.5	$14.5
11/18/2024	Revisto	AI-powered pharmaceutical marketing platform to improve release cycles, reduce cost, and eliminate compliance risk	LiveOak Ventures; Eli Lilly and Company; Tau Ventures; Arkin Digital Health	Seed	$4.0	$4.0
11/14/2024	Biorce	AI-driven software that uses advanced algorithms to accelerate data analysis, improve patient recruitment, and enhance overall trial efficiency	YZR Capital; Mustard Seed Maze; Outsized Ventures; Pathena Family Office; Plug and Play	Venture	$3.7	$3.7
11/7/2024	Theremia	Uses AI and multi-scale models to optimize drug treatment frequency, dosage, and formulation to improve efficacy while reducing side effects	Euraze; Salica Investments; Entrepreneur First; BPIFrance	Seed	$3.2	$3.2
10/30/2024	Cornerstone AI	AI software for cleaning, preparing, and analyzing real-world healthcare data	Acrew Capital	Venture	$5.0	$10.0
10/24/2024	Syngene International	Contract research and manufacturing	International Conveyors	PIPE	$0.6	NA
10/22/2024	iLoF	Cloud-based drug discovery platform for Alzheimers treatments	Hamamatsu	Venture	Undisclosed	Undisclosed

Select recent private placements *(sorted by date of announcement)*

($ in millions)

Date	Company	Business description	Investors	Raise type	Amount raised	Total amount raised
10/17/2024	Revalia Bio	Patient-less clinical trials for personalizing care delivery and precision drug targeting	NKF Innovation Fund	Venture	Undisclosed	Undisclosed
10/17/2024	Nurocor	Digitized clinical development platform	Undisclosed	Debt	$0.4	$0.4
10/15/2024	MDisrupt	Enablement platform that connects health experts with digital health companies	American Heart Association Ventures	Growth	$1.0	$10.0

Source: Capital IQ, First Analysis.

eClinical/commercialization public comparables appendix*

($ in millions)

Company	Market cap	Enterprise value	LTM revenue	Revenue growth 2023A - 2024E[2]	Revenue growth 2024E - 2025E	LTM gross margin	LTM EBITDA margin	Enterprise value / Revenue 2024E[2]	Enterprise value / Revenue 2025E	Enterprise value / EBITDA[1] 2024E[2]	Enterprise value / EBITDA[1] 2025E
Commercialization											
Clarivate (CLVT)	$3,036.3	$7,345.4	$2,556.7	(2.9%)	(7.2%)	66.0%	37.6%	2.88x	3.10x	7.0x	7.6x
Definitive Healthcare (DH)	$568.4	$707.8	$252.2	(0.4%)	(3.7%)	83.9%	16.6%	2.83x	2.93x	9.1x	10.5x
Informa (LSE: INF)	$14,291.4	$17,028.8	$4,246.9	11.3%	16.1%	36.2%	30.4%	3.80x	3.27x	12.5x	10.5x
OptimizeRx (OPRX)	$94.7	$114.3	$88.2	26.1%	10.5%	62.6%	(4.0%)	1.27x	1.15x	12.4x	9.9x
PaySign (PAYS)	$140.3	$133.0	$56.5	23.0%	13.1%	53.4%	11.3%	2.29x	2.02x	14.1x	10.7x
Phreesia (PHR)	$1,572.3	$1,511.5	$405.1	17.6%	13.7%	67.1%	(13.9%)	3.61x	3.17x	43.7x	18.6x
Wolters Kluwer (ENXTAM: WKL)	$36,611.3	$39,874.5	$6,156.1	6.4%	7.4%	72.5%	32.6%	6.45x	6.01x	20.1x	18.5x
Average	***$8,045.0***	***$9,530.8***	***$1,966.0***	***11.6%***	***7.1%***	***63.1%***	***15.8%***	***3.30x***	***3.09x***	***17.0x***	***12.3x***
Median	***$1,572.3***	***$1,511.5***	***$405.1***	***11.3%***	***10.5%***	***66.0%***	***16.6%***	***2.88x***	***3.10x***	***12.5x***	***10.5x***
eClinical											
Cambridge Cognition (AIM: COG)	$22.3	$21.0	$16.5	(25.9%)	25.0%	80.8%	4.5%	1.66x	1.33x	NMF	11.1x
Certara (CERT)	$1,996.6	$2,129.3	$385.1	8.4%	9.7%	59.9%	17.2%	5.54x	5.06x	17.48x	16.0x
Cogstate (ASX: CGS)	$144.6	$110.5	$47.2	4.8%	15.6%	59.9%	23.8%	2.57x	2.22x	11.0x	9.7x
Dassault (ENXTPA: DSY)	$52,099.6	$50,596.0	$6,465.8	4.4%	8.2%	83.6%	31.2%	7.83x	7.23x	22.21x	20.2x
Fortrea (FTRE)	$1,260.3	$2,361.8	$2,975.6	(13.1%)	1.4%	15.3%	0.9%	0.87x	0.86x	10.7x	8.5x
Icon (ICLR)	$15,313.9	$18,378.2	$8,281.7	2.0%	1.0%	29.5%	20.6%	2.22x	2.20x	10.61x	10.9x
Iqvia Holdings (IQV)	$32,842.7	$45,483.7	$15,405.0	2.6%	3.5%	34.9%	19.0%	2.96x	2.86x	12.3x	11.9x
Ixico (AIM: IXI)	$12.0	$10.1	$7.3	(7.9%)	NA	47.0%	(33.7%)	1.37x	NA	NMF	NMF
Median Technologies (EPA: ALMDT)	$55.3	$71.6	$23.2	NA	19.2%	(10.5%)	(109.3%)	3.00x	2.52x	NMF	NMF
Schrödinger (SDGR)	$1,621.1	$1,386.8	$207.5	(6.7%)	25.1%	63.6%	(97.9%)	6.86x	5.48x	NMF	NMF
Simulations Plus (SLP)	$586.9	$570.1	$74.4	19.7%	24.9%	58.5%	15.7%	7.67x	6.14x	26.9x	18.3x
Thermo Fisher Scientific (TMO)	$197,394.4	$224,743.4	$42,879.0	(0.1%)	2.6%	41.2%	25.1%	5.25x	5.12x	20.84x	19.7x
Veeva Systems (VEEV)	$35,877.8	$30,886.5	$2,656.4	15.3%	12.2%	73.9%	25.7%	11.34x	10.11x	27.0x	24.2x
Average	***$26,094.4***	***$28,980.7***	***$6,109.6***	***0.3%***	***12.4%***	***49.0%***	***-4.4%***	***4.55x***	***4.26x***	***17.7x***	***15.1x***
Median	***$1,621.1***	***$2,129.3***	***$385.1***	***2.3%***	***10.9%***	***58.5%***	***17.2%***	***3.00x***	***3.96x***	***17.5x***	***13.9x***

Source: Capital IQ.

Notes: * Public comparable company data shown above is as of Feb. 27, 2025.

(1) EBITDA multiples less than 0 and greater than 50 labeled "not meaningful" (NMF). LTM = last 12 months. EBITDA = earnings before interest, taxes, depreciation and amortization.

(2) Figures shown are estimated for companies that as of Feb. 27, 2025, had not reported results corresponding to the 2024 calendar year.

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