



ZRG PARTNERS HIRING INDEX

Life Sciences

Life Sciences Hiring Index remains near historical high

Divergences in trend lines begin to appear among geographies, sectors, and functions

What's Hot?

Pharma and Biotech set an all-time index high level of hiring in the 2nd quarter. Demand was up by 10% or more on both a quarterly and year-over-year basis. Regulatory/Quality/Clinical roles also surged tremendously to their highest levels since early 2012 and now sit 48% higher than the same period in 2014.

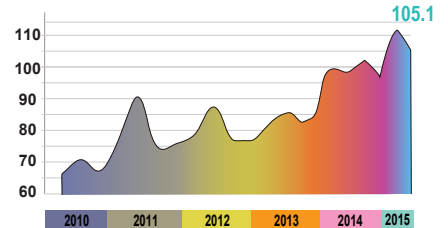
What's Not?

Three areas that saw historical highs in Q1 came back to earth in Q2. The R&D functional hiring activity plunged by nearly 50% versus the previous quarter and now sits at more than 15% off 2014 levels. After posting an all-time high in Q1, the Medical Device sector cooled in the second quarter with activity dropping by more than 20%. However, hiring in the sector remains fairly robust (+9%) when comparing to same quarter in 2014. The Americas region also slowed somewhat after posting an all-time high in Q1 but again remains more than 10% higher than a year ago.

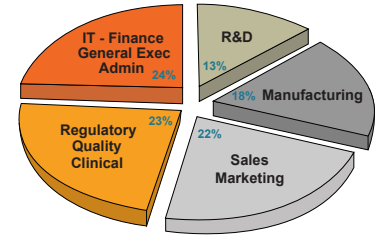
Functions

While overall hiring numbers were fairly flat, there was great divergence among the trends for various functions with R&D suffering with hiring off 48% from Q1 and Regulatory/Quality/Clinical gaining with an increase of 44% from Q1 and a 52% gain from same period in 2014. Manufacturing and IT also saw large gains of nearly 20% over Q1 while commercial roles were down approximately 10%.

ZRG Partners GLSI Levels

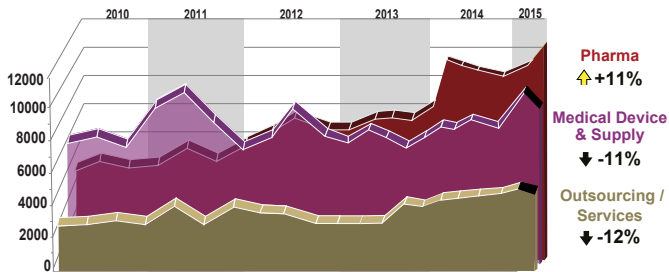


Functional Needs

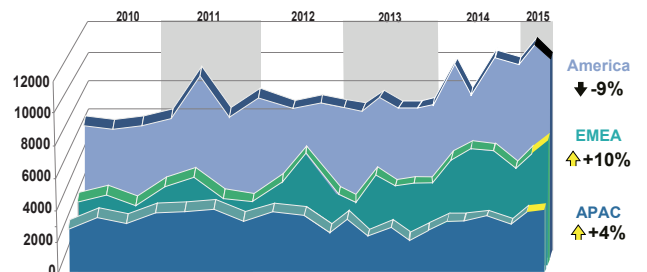


Trends and Highlights

Sector Quarterly Hiring Trends



Regional Quarterly Hiring Trends



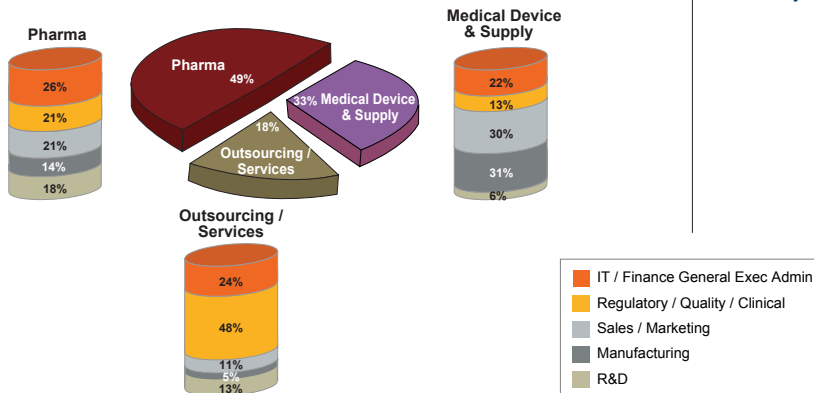
Snapshot

The star in the second quarter was Pharma and Biotech. With valuations and deal activity at historical highs, Biotech and Pharma companies are aggressively pursuing talent to execute – and driving the index for the sector to an all-time high. Interestingly, the gains were concentrated in APAC and EMEA within the sector. The CRO and Medical Device sectors both dropped by more than 10% but remained near historical highs and above 2014.

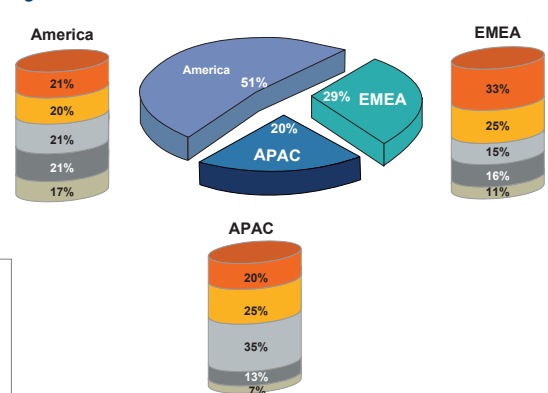
Snapshot

EMEA hiring activity increased 10% from Q1 and set an all-time index high. APAC saw a slight increase of 4% but remains more than 25% higher than the same period in 2014. The Americas, as noted earlier, turned in a 9% drop from the previous quarter. Decreases among the sector leaders Baxter and Medtronic/Covidien were the largest contributors to the slide.

Jobs by Sector



Jobs by Region



Private Equity Snapshot

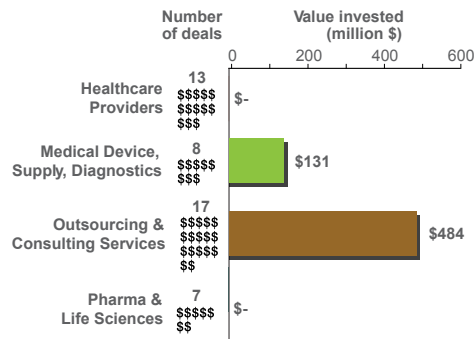
The markets, both private and public have been on a tear now for the last few years. We have seen M&A, private equity and venture capital hit volume levels never before seen, or at least not since the upper portions of some historic booms. As a result of these transaction levels, and the valuations we are seeing in the private and public markets, venture capital and private equity investors seem to be slowing down their activity a touch. The foot is not fully off the gas but it is lightly touching the pedal at this point.

High volume and valuations means high levels of competition for deals. As a result private equity investors have been forced to hunt a bit harder for value. They are finding it though. There are two main places, the lower portion of the middle-market and then in industry niches. Looking at the growth capital investments across the different health-care industries it's clear that investors are finding investment opportunities in smaller life sciences/healthcare companies most of which are niche focused. Many investors are quietly going about this work of finding opportunities in patient services or studying who the winners will be from the recent Affordable Care Act ruling, happy to let massive M&A deals grab headlines.

We take the level of investment activity we see in niche companies, the middle market and in more growth style investments to be a positive indicator that growth capital for the foreseeable future will continue to be attracted to this area of the economy.

The Private Equity Snapshot is provided by Adley Bowden, Director of Research and Managing Editor of PitchBook Data Inc.

Q1 2015 Growth Capital Investments by Global Life Sciences Hiring Index Sectors



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Better Data. Better Decisions.

Data provided by PitchBook (www.pitchbook.com)

About the Global Life Sciences Hiring Index (GLSI)

The Index utilizes a proprietary algorithm that looks at hiring within selected benchmark companies in three distinct Life Science segments: 1) Pharmaceutical 2) Medical Device and Supply 3) Outsourcing / Services. The indexed participants represent 30 global organizations widely considered leaders in their respective fields. The companies in the Index generate over \$630 billion in revenues and employ over 1.5 million people globally. ZRG Partners conducts extensive direct market research in developing the data that drives the Index.



Here is a list of firms by segment that are part of the ZRG Global Life Sciences Hiring Index:

- ▶ **Pharmaceutical:** \$362 Billion in Revenues and 952,000 Employees
AstraZeneca, Bristol-Meyers Squibb, Eli Lilly, GlaxoSmithKline, Merck & Co., Novartis, Pfizer, Roche, Sanofi -Aventis
- ▶ **Medical Device:** \$253 Billion in Revenues and 464,000 Employees
Abbvie / Abbott Laboratories, Baxter, Becton Dickinson, Boston Scientific, Cardinal Health, Covidien, GE Healthcare, Medtronic, Philips Healthcare, Siemens Medical.
- ▶ **Outsourcing / Services:** \$15 Billion in Revenues and 114,000 Employees
Charles River Laboratories, Covance, ICON Clinical, InVentiv Health Clinical, Kendle / INC Research, Parexel, PPD, PRA International, Quintiles.

In addition to providing a Pharma / Medical / Outsourcing Services cross section in this Index, we also track and monitor functional hiring trends. The Index looks specifically at jobs that would fall into one of five primary categories for analysis: 1. Research and Development, 2. Manufacturing / Operations, 3. Sales and Marketing, 4. Regulatory / Quality and Clinical, 5. General including Accounting, Finance and IT.

About ZRG Partners, LLC

ZRG Partners, LLC is a global authority on talent management within the Life Sciences, Pharmaceutical and Medical markets. ZRG provides its clients with specialized market expertise in executive recruitment, consulting and advisory work, with a focus on data and analytics to drive great business decisions. ZRG brings patented solutions that are changing how companies approach talent in the Life Sciences sectors. Our value proposition is centered around providing data and analytics that compliment the market expertise we bring in this sector. With offices throughout the world, ZRG can bring global expertise with local market talent knowledge to solve human capital challenges.



Z Score brings data and analytics into the hiring process to ensure you are making the best possible decision with every hire. Compare potential new candidates to our "global hiring scorecards" that we have developed for all of the key roles in Life Sciences.



Global PreVue, a powerful video interviewing and feedback platform offers time management for certain mid-level roles and global positions. Video interviewing provides a cost effective way, at a fraction of the time, to preview candidates worldwide. When it comes time for interviewing, we will consult with you based on the level of the role and location, how we can leverage our technology to drive quicker hiring and better results.

Our Life Sciences Human Capital Solutions Service offering includes:

- ▶ Talent Management solutions leveraging our tools and processes
- ▶ Strategic Human Capital consulting
- ▶ Retained Search for roles ranging from C-level leaders, VP, Director and hard-to-fill management roles
- ▶ Compensation and external competitiveness benchmarking
- ▶ Talent Identification and Talent Mapping projects
- ▶ Recruiting Process Outsourcing solutions

We support global, institutional clients as well as many early stage and private equity backed companies.

For more information, visit www.zrgpartners.com. For press requests or for permission to use this data in other media form, contact David Fortier in the USA at +1-202-525-1341 or Adam El Din in Switzerland at +41-22-319-3304