



ZRG PARTNERS GLOBAL HIRING INDEX

Life Sciences

Global Life Sciences Hiring Activity Retains Majority of Q2 Growth

R&D continues to increase hiring demand for fifth straight quarter

What's Hot?

Coming off of historic Q2 hiring levels, Q3 maintained most of the hiring activity. Outsourcing / Services showed the only gains this quarter – an increase over Q2 by 17%, recovering from the Q2 sharp decline in hiring. Medical Device posted their second quarter in a row where year-over-year hiring has increased over 50%.

The modern era of biopharmaceutical projects requires a level of creative thinking that goes far beyond traditional, chemistry-based drug discovery. Companies are seeking to solve more unmet medical needs with approaches that come from biological rather than chemical solutions. These drugs include more sophisticated antibody therapeutics.

What's Not?

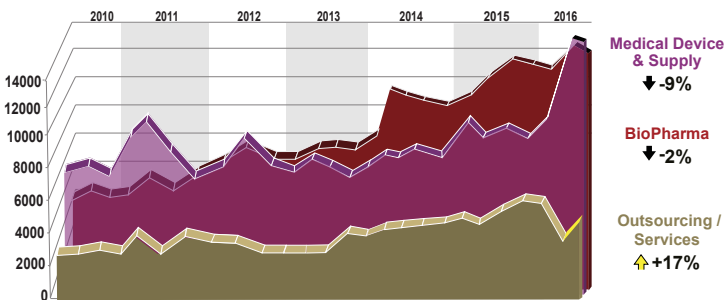
BioPharma took the biggest hit this quarter, however still posted their second highest hiring levels in our GLSHI history. This can be attributed to one key player's sharp hiring increase leveling off for Q3.

Functions

R&D posted the highest functional increase over Q2, a 12% gain, Sales and Marketing right behind with almost a 10% gain. Manufacturing had a marginal decrease in this quarter, yet is still posting 50% higher than the same time last year.

Trends and Highlights

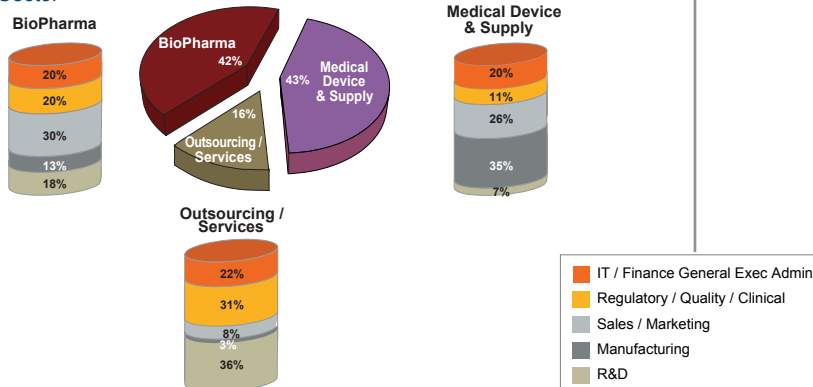
Sector Quarterly Hiring Trends



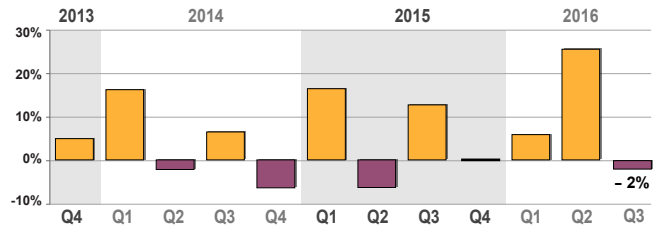
Snapshot

Q2 showed huge swings at a sector level. As mentioned above, Medical Devices hiring hit an all-time high. BioPharma also set a record while Outsourcing / Services retreated significantly thanks to a nearly 50% gain in EMEA for the sector.

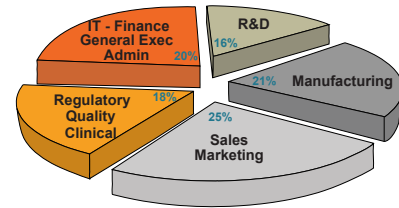
Jobs by Sector



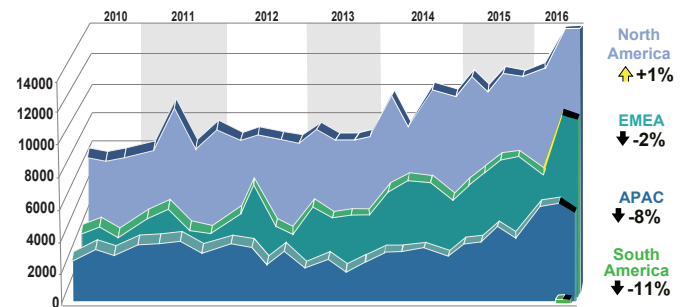
ZRG Partners GLSHI Quarterly Change



Functional Needs



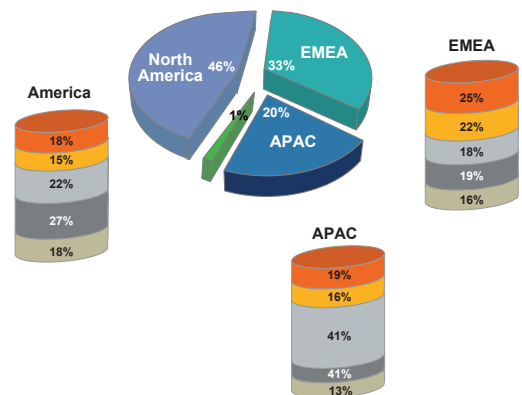
Regional Quarterly Hiring Trends



Snapshot

All regions except North America (+1%) posted decreased hiring activity over Q2 2016, however they are still showing a year-over-year gains. EMEA maintained most of their hiring growth, only dropping 2% after posting +50% gains in Q2.

Jobs by Region



Private Equity Snapshot

It has been a mixed bag for private market investment and acquisitions this year. The elevated levels and year-over-year growth of activity that we witnessed in the last couple of years has turned out to not be sustainable. 2016 investment has dropped or held steady with levels seen last year for most top-line stats. We view this as a positive development in the markets, however, potentially a rare form of level-headedness that prevents us from going all the way to a bubble-bursting market top.

Through this lens we look at the quarterly drops in investment activity within the Life Sciences industry as nothing alarming. The Life Sciences industry saw significant levels of investment the last couple of years and it is clear that investors have paused, focusing attention on the large portfolios built up through this investment boom. There were also two other primary headwinds for the Life Sciences industry this quarter: the election and increased publicity around drug prices.

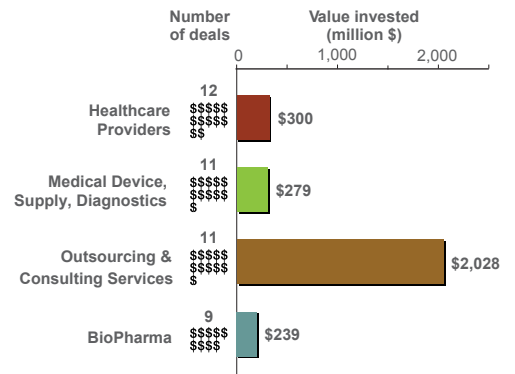
With the election cycle in full swing we also expected to see a cooling in activity as mentions by political candidates about the level of drug prices has introduced a fair amount of uncertainty regarding potential legislation. Growth investors are poised for the long term, so waiting a couple of months in order to gain a huge level of clarity is an easy decision for them. With the Congressional and media focus on drug pricing ramping up, many investors have been decelerating their pace in the drug space as they also play the wait-and-see game.

We expect the fourth quarter to be slower, consequently, but that activity will pick up and build into a strong Q1 2017 at this point, with both growth and non-growth style investments making gains as some uncertainty around policies is resolved. At the end of the day the macro case for investment in life sciences has not changed. Many developed markets are seeing healthcare needs only rise as populations age and costs remain high, thereby incentivizing not only searches for new, more effective treatments but also cheaper methods of delivering care.

Adley Bowden

Vice President, Analysis | PitchBook Data

Q3 2016 Growth Capital Investments by Global Life Sciences Hiring Index Sectors



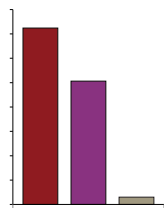
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Data provided by PitchBook (www.pitchbook.com)

About the Global Life Sciences Hiring Index (GLSHI)

The Index utilizes a proprietary algorithm that looks at hiring within selected benchmark companies in three distinct Life Sciences segments: 1) BioPharma 2) Medical Devices 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 \$640 billion in revenues and employ over 1.3 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:



- ▶ BioPharma: \$330 Billion in Revenues and 740,000 Employees
AbbVie Laboratories, AstraZeneca, Eli Lilly, GlaxoSmithKline, Johnson & Johnson Pharma division, Merck & Co., Novartis, Pfizer, Roche, Sanofi.
- ▶ Medical Device: \$295 Billion in Revenues and 483,000 Employees
Abbott Laboratories, Baxter, Becton Dickinson, Boston Scientific, Cardinal Health, Covidien / Medtronic, GE Healthcare, Johnson & Johnson Med Device, Siemens Medical, Stryker.
- ▶ Outsourcing / Services: \$15 Billion in Revenues and 121,000 Employees
Charles River Laboratories, Covance, ICON Clinical, InVentiv Health Clinical, Kendle / INC Research, Parexel, PPD, Quintiles, Wuxi.

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

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.

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