



ZRG PARTNERS GLOBAL HIRING INDEX

Life Sciences

Global Life Sciences Hiring Experiences Broad-based Decline

Pullbacks across geographies and functions result in third Quarterly Decline in Past Year

What's Hot?

It is difficult to highlight a growth story this quarter as nearly every geography and function posted a decrease in hiring activity. R&D was one exception with an 11% increase over the same period in 2016. It should also be noted that overall hiring was at its fourth highest quarterly level in the Index's eight year history.

What's Not?

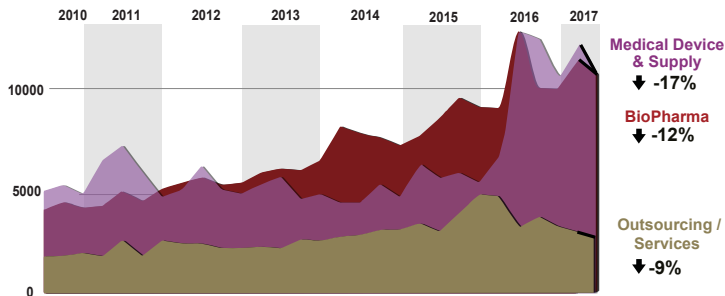
Manufacturing suffered the greatest decline with activity down 28% from 2nd quarter a year ago. While most companies in the Index reduced hiring, Siemens showed the greatest decline. Regulatory / Quality / Clinical hiring posted a 23% year-over-year decline with Pfizer, Siemens, and Baxter were the largest contributors to the decline.

Functions

R&D was the only function to experience hiring growth in Q2 with an 11% gain from the same period in 2016. Manufacturing posted a nearly 30% decrease in hiring with much of that driven by Pfizer and Siemens.

Trends and Highlights

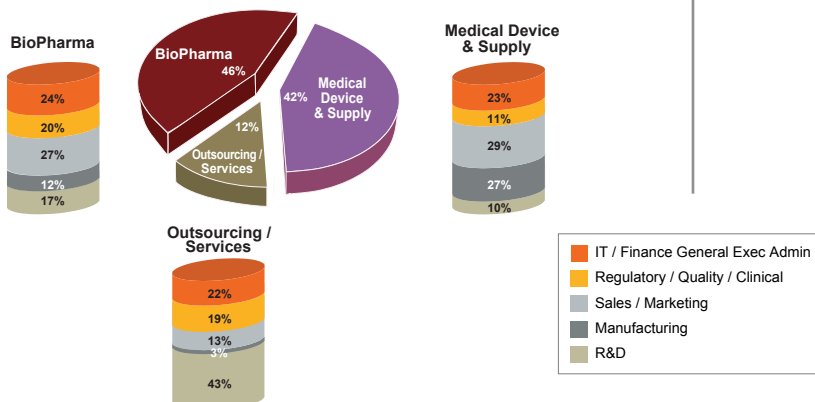
Sector Quarterly Hiring Trends



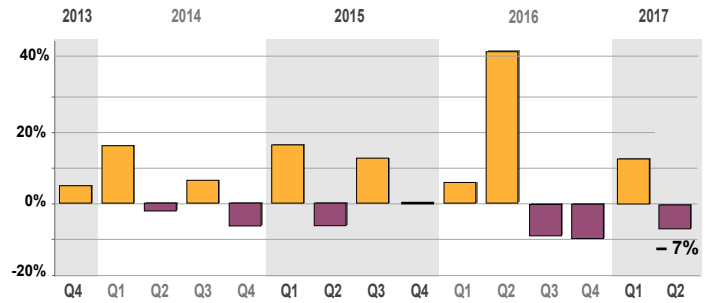
Snapshot

No sector posted hiring growth on either a quarterly or year-over-year basis. Medical Device suffered greatest with significant slowing at Siemens and GE driving a 17% decline from Q2 2016.

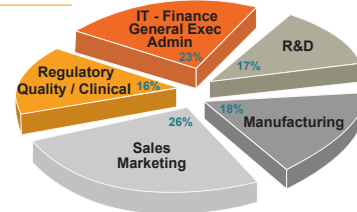
Jobs by Sector



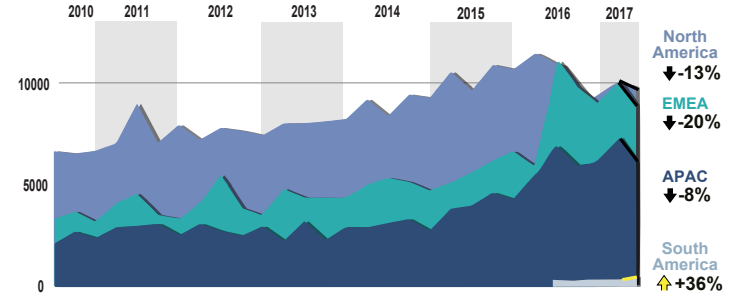
ZRG Partners GLSHI Quarterly Change



Functional Needs



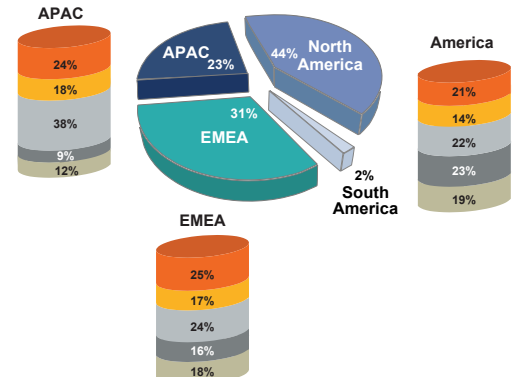
Regional Quarterly Hiring Trends



Snapshot

While most regions saw hiring decline in the second quarter, EMEA suffered greatest with a 20% drop from same period last year - primarily as a result of reduced activity at Pfizer, GSK, and Siemens. The same companies contributed to a 14% year-over-year decline in North America.

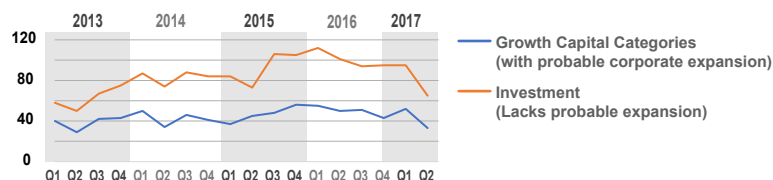
Jobs by Region



Private Equity Snapshot

Last quarter we commented about how investors were in 'wait and see' mode. Well, it looks like they didn't like what they were seeing, as deal activity dropped significantly during the quarter. As you can see in the chart below, it was the lowest quarter for both growth and mature company investments since 2013.

Life Sciences Private Equity Deal Flow

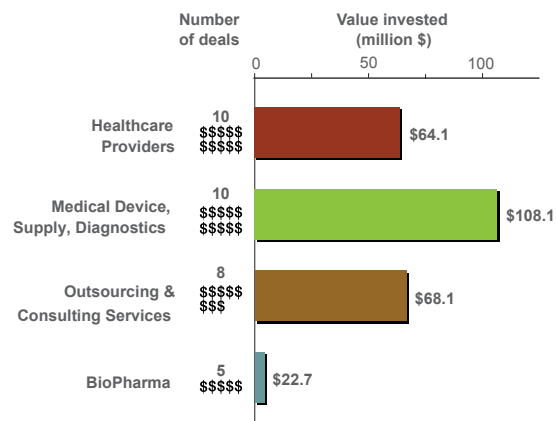


We currently see two main forces pushing Life Science deal flow lower. First, and the biggest force is regulation risk. With the new administration and republican controlled legislative branch it is clear that HCA is going to change, however in what ways is still very unclear. The second driving factor is the very heated deal market. Companies regardless of industry are commanding top of the market multiples, which is keeping many keen investors on the sidelines. The good news is that working against these has been a couple of consecutive years of strong private market fundraising, meaning investors are flush with cash they need to invest.

Interestingly the gap between growth and non-growth investments has begun to narrow. We think this maybe be part of a structural shift going on in private equity investing and something we are keeping a close eye on. Next quarter we will take a closer look at this phenomenon while also providing an update on the state of the market.

Adley Bowden
Vice President, Analysis | PitchBook Data

Q2 2017 Growth Capital Investments by Global Life Sciences Hiring Index Sectors

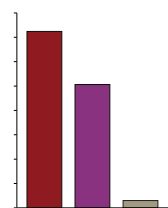


Data provided by PitchBook (www.pitchbook.com)

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 \$614 billion in revenues and employ over 1.4 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: \$345 Billion in Revenues and 760,000 Employees
AbbVie Laboratories, AstraZeneca, Eli Lilly, GlaxoSmithKline, Johnson & Johnson Pharma division, Merck & Co., Novartis, Pfizer, Roche, Sanofi.
- ▶ Medical Device: \$250 Billion in Revenues and 500,000 Employees
Abbott Laboratories, Baxter, Becton Dickinson, Boston Scientific, Cardinal Health, Covidien / Medtronic, GE Healthcare, Johnson & Johnson Med Device, Siemens Medical, Stryker.
- ▶ Outsourcing / Services: \$18 Billion in Revenues and 150,000 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