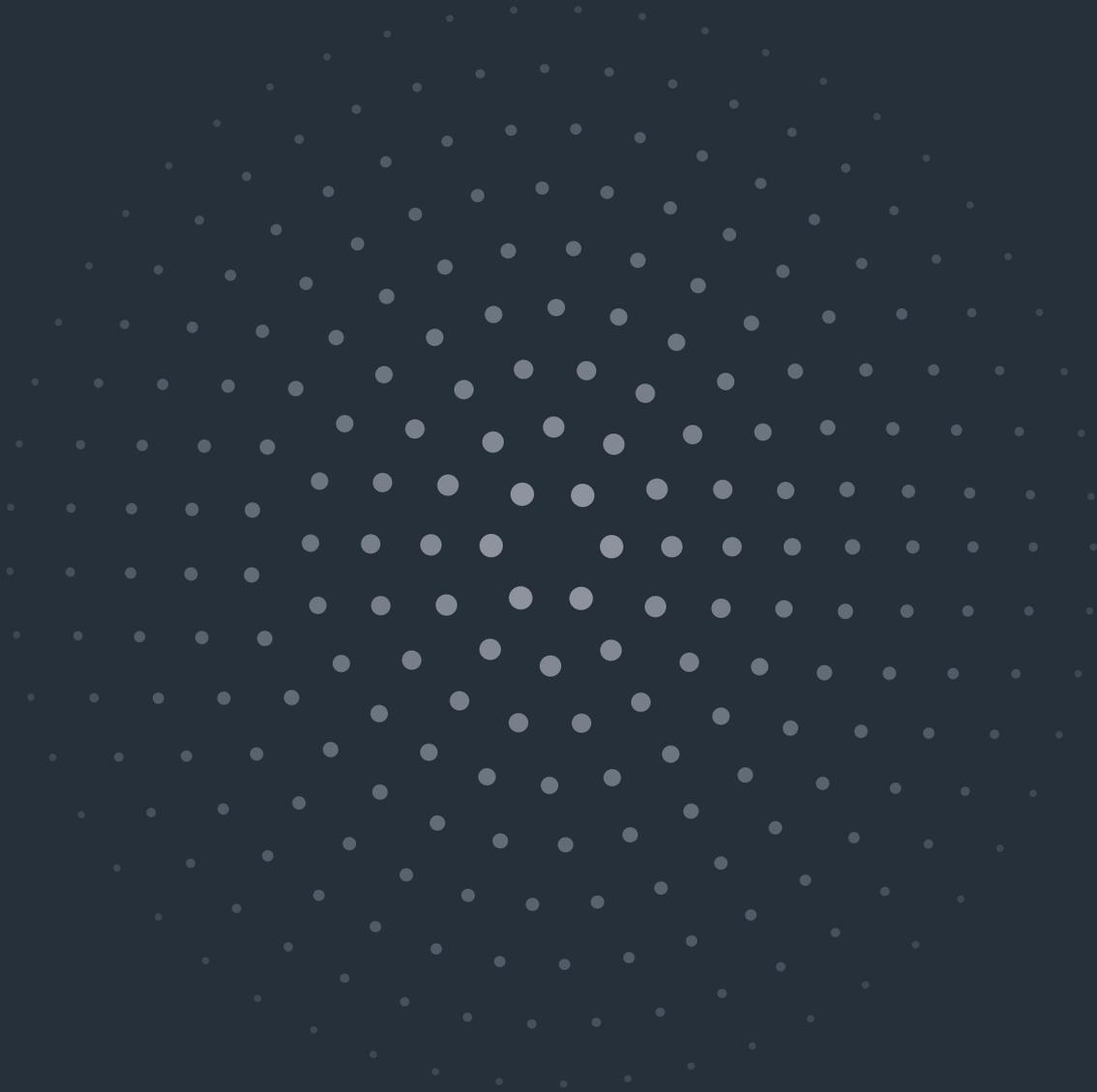


ALANTRA



PHARMA  
FAST 50

# Foreword



TOM COWAP  
DIRECTOR - HEALTHCARE,  
ALANTRA



JUSTIN CROWTHER,  
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ALANTRA

The UK is rightly proud of its pharmaceutical industry. It is a jewel in the crown – a shining beacon of what can be achieved from a blend of intellectual capital and commercial know-how. Our leading pharmaceutical businesses, large and small, are genuine world leaders and a powerful force for societal good.

At one end of the scale, these businesses have become household names: big pharma comprises multi-national organisations operating diversified businesses in global markets. But in addition to these blue chips, the UK is also home to a diverse group of small and medium-sized businesses, often privately-owned, with an impressive track record of their own.

It is these companies – which all too often do not receive the credit they deserve – that the Alantra Pharma Fast 50 seeks to recognise and celebrate. Comprising the 50 fastest-growing privately-owned pharmaceuticals businesses in the UK, the ranking offers an insight into the dynamic, innovative and successful companies underpinning this industry's success.

Such companies are to be found in every part of the pharmaceutical industry. Some are at the forefront of drug development, while others have a global reputation for high quality research and manufacturing. Consultancy services are an increasingly important segment of the marketplace, while distribution, supply and pharmacy remain as relevant as ever.

In three years of compiling the Pharma Fast 50, much has changed, but there have also been consistent themes. Above all, the need to develop new treatments for a global population demanding ever more from healthcare remains as imperative as ever. So too does the need to make these treatments available at a cost that society can afford.

Technology is increasingly playing a role in squaring that circle, with advances in areas such as analytics and artificial intelligence offering transformational opportunities for those pharma companies equipped to exploit them. But there are no easy fixes or shortcuts: this is an industry that ultimately stands or falls on its intellectual capital – the ability of its people to innovate, imagine and create new products and services fit for the purposes of today.

This is where the businesses in the Alantra Pharma Fast 50 stand out. Their exceptional management teams and workforces represent the best of what the UK has to offer. We look forward to working with them for many years to come.

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Comprising the 50 fastest-growing privately-owned pharmaceuticals businesses in the UK, the ranking offers an insight into the dynamic, innovative and successful companies underpinning this industry's success.

## OVERVIEW

# Growth from adversity

In these uncertain times, more defensive sectors such as pharmaceuticals have obvious appeal.

Rising demand for healthcare, not least from the developing economies of the world with their burgeoning middle class populations, provides a supportive backdrop for the sector's leaders. Low interest rates drive fund-raising, which has seen capital flow through the industry.

No wonder that pharma continues to be a target for consolidation: mega deals such as Takeda's acquisition of Shire and Bristol-Myers Squibb's purchase of Celgene are the visible face of a wave of M&A and investment sweeping through the sector.

However, it is not necessary to scratch too deep to find that the pharma industry faces pressing challenges of its own. The constraints on resources for the National Health Service (NHS) in the UK are symptomatic of funding pressures confronting health systems all around the world. Not least, the battles that the NHS faces to curtail costs are mirrored by pressures on medicine pricing in the giant US market.

Technology, meanwhile, threatens to disrupt incumbent pharma businesses at every stage of the value chain. And while digital transformation will require investment, pharma companies continue to struggle with the threat of the patent cliff, particularly given increased competition from generics and low-cost biosimilars.

Then there is the macro picture – particularly the dangers of protectionism and isolationism. In Europe, Brexit threatens to wreak havoc with supply chains and distribution, but the heat is on elsewhere too; India is seeking to protect its domestic businesses with new rules on local content, while Chinese pharmas benefitting from government backing, including a more supportive regulatory environment, represent an increasing competitive threat.

Against this backdrop, the UK's smaller, privately-owned pharmaceutical businesses have a valuable opportunity to exploit their agility and specialist expertise for commercial success – and many are seizing the chance to do exactly that.

This year's Alantra Pharma Fast 50, the third iteration of our annual ranking of the UK's fastest-growing privately-owned pharmaceutical companies, offers a snapshot of these companies' success. The ranking comprises those businesses that have increased their revenues at the fastest rate over their past two financial years. And in this year's listing, every single business has delivered annualised revenue growth in double-digits – the number one-ranked company, Qualasept Pharmaxo Holdings, achieved annualised sales growth of 77 per cent over the period.

The key to extending that record of growth, says the company's Chief Executive Officer Chris Watt, will be further investment, even in the face of headwinds such as Brexit and the disruption they bring. "Our best route to further growth lies in portfolio and capacity expansion across hospital and homecare markets," says Watt. "Our prospects are bright if we invest in the portfolio, extending the shelf life of the products we have and making new products available."

This is a common theme with companies across the Pharma Fast 50: their independence and size means they are nimble enough to navigate the fine line between risk and return, bringing an entrepreneurial culture to investment decisions without throwing caution to the wind.

Increasing numbers, for example, are capitalising on heightened investor interest in the sector by working with private equity (PE) backers. Already this year, Simbec-Orion has announced an investment from the PE firm CBPE. Anand Jain, a CBPE partner, says many parts of the sector are highly attractive. "The CRO market has strong growth dynamics, but the outlook for CROs working with smaller and mid-sized pharmas is especially strong," he says. "This is a marketplace growing at double-digit rates, so businesses like Simbec-Orion, with great management and a full-service offering are really exciting."

PE firms have much to offer. At Phoenix Equity Partners, for example, which invested in Sygnature Discovery in October 2017, Partner Kevin Keck says such businesses can benefit from external support. "The opportunities for companies such as Sygnature are enormous, with demand from clients of all sizes increasing strongly," he says. "Equally, securing these opportunities isn't straightforward – skills such as business development and sales may need additional resource, there is strong competition with talent in pharma, and we have to make smart choices about where to invest."

These drivers are likely to prompt more independent pharma businesses to seek investment in the months and years to come – as well as to explore consolidation opportunities in what remains a fragmented industry. Speciality and agility will remain crucial attributes for future members of the Pharma Fast 50, but with growth and scale comes the means with which to compete even more effectively.

# The Alantra Pharma Fast 50

The Alantra Pharma Fast 50 ranks the UK's fastest-growing, privately-owned pharmaceutical businesses according to their revenue growth over the past two years (the businesses must have reported revenues of more than £2m in the first year of assessment to be included). It includes analysis of businesses grouped into four distinct sub-sectors – Consulting; Pharma outsourcing; Pharmacy chains; and Development, wholesale and supply (DWS).

This year's leaders are:

**Overall:** Qualasept Pharmaxo Holdings (see page 6)



**Consulting:**  
Prime Global (see page 9)



**Pharma outsourcing:**  
Clintec International (see page 11)



**Pharmacy chains:**  
PCT Healthcare (see page 12)



**Development, wholesale and supply:**  
Aspire Pharma (see page 13)

## CASE STUDY

# Three in a row for Qualasept Pharmaxo Holdings

Qualasept Phamaxo Holdings Limited (QPHL) has topped the Alantra Pharma Fast 50 Index for the third year in a row.

The UK's fastest-growing privately-owned pharmaceuticals business delivered annualised sales growth of 77 per cent over its last two financial years, up from the 69 per cent with which it topped last year's Fast 50.

Under Chief Executive Chris Watt's leadership, the company continues to operate with two distinct businesses. Its Bath ASU unit is the UK's largest provider of aseptic compounding, having extended the number of hospitals it works with to more than 270. Pharmaxo, meanwhile, operates in the homecare market.

One important driver of the company's growth has been the opportunity to leverage opportunities for the two businesses to work together. Pharmaxo has become one of Bath ASU's most important customers, for example, and the two businesses are focused on innovation.

A good example is Bath ASU's development of an anti-inflammatory treatment for a small group of patients suffering rare conditions. The treatment currently has to be administered in hospitals, but the company is working on developing its shelf life so it can be given to patients in their homes – where they have access to specialist care from providers such as Pharmaxo.

"It's an innovation that will transform these patients' lives by getting them treatment at home," says Watt. "It's also an opportunity to support the NHS – its annual budget for this treatment is around £15m and we think we can reduce its costs by as much as £2m a year by enabling patients to leave hospital."

The anecdote underlines the extent to which QPHL operates in partnership with the NHS, which is currently considering the implications of a national review of aseptic compounding practices conducted last year amid concerns about lack of capacity.

"This is an area where practice has been transformed," says Watt. "The demands on aseptic dispensing are constantly increasing, with clinical teams relying on increasingly complex compounds for treatments given every single day."

That need is underpinning QPHL's growth, as well as a shift in its product mix that has been an important driver of its accelerating revenues. "The higher-value biologics have become a larger part of our business," says Watt. "These treatments are much more challenging both in terms of R&D and operations, given their sensitivity to temperature and agitation,

## QUALASEPT PHARMAXO IN NUMBERS

### SALES IN LAST 12 MONTHS

£152.7m

### TWO-YEAR CAGR

77.1%

### PHARMA FAST 50 RANKING

1

Sub-sector: Outsourcing

they deliver improved patient outcomes but also command higher prices." This increases the value QPHL is able to add to the NHS by providing biologics in the most efficient manner possible, procuring and compounding centrally rather than at each hospital separately.

Looking ahead, Watt stresses the need to help the NHS respond to its aseptic medicines review, mitigating capacity constraints caused by increasing demand. That should be a positive for the business, though there are headwinds too – notably the ongoing uncertainties of Brexit, which have the potential to cause substantial supply chain disruption for the company.

Still, Watt is confident that growth prospects remain encouraging. "We'd love to come top of next year's Pharma Fast 50 ranking again," he says of the company's prospects of ranking number one four years in a row. "If we can keep developing the business through innovation, an expanded product portfolio and a proposition that works for our hospitals and clinics, the sales growth will follow."

# The rise and rise of data

Digital technologies have begun to transform the pharmaceutical industry. Last year's Pharma Fast 50 prediction that big data and analytics tools would become increasingly ubiquitous in a range of pharma applications is already coming true.

Take Linguamatics, one of the fastest-growing consultants in this year's Pharma Fast 50 ranking which has recently been acquired by Iqvia. Linguamatic's pioneering technology, which harnesses artificial intelligence and natural language processing tools to identify crucial insight from a sea of data, is changing the way its clients build their businesses. "The landscape for pharma is more complex than ever," says Linguamatics Head of Business Development Phil Hastings. "What drugs should they develop, what are the underlying biological processes they should target for success, where is their freedom to operate and innovate, what does the regulatory environment look like, how are patients reacting to treatment? The data providing the answer to all these questions and many more exists, if you only have the right tools to mine them."

Using Linguamatics solutions, 18 out of the 20 biggest pharma businesses are now doing exactly that, scanning a vast treasure trove of structured and unstructured data – biomedical journal literature alone amounts to 30 million articles – to make better-informed decisions at every stage of the value chain. "The use cases are becoming more numerous every day," says Hastings of the future.

Elsewhere, Dr Rakesh Verma, President, EMEA and APAC, Prescient Healthcare Group, argues that we are now on the verge of "an intersection between pharma and IT, as we move towards personalised medicines and data-driven insight". He points to the growing importance of the patient as a key stakeholder in the

industry's decision-making processes – and the implications this has in specific areas, such as drug development.

"Real-world evidence is a crucial area of growth for us," adds Richard White, Chief Operating Officer of Oxford PharmaGenesis. "In an era of greater patient-centricity, real-world evidence is becoming just as important as the learnings you get from randomised controlled trials; there is huge demand from clients here."

In part, that reflects the regulatory outlook, with policymakers and legislators increasingly determined to focus on the patient-centric agenda. More broadly, too, regulators are pushing the pharma sector towards digital technologies. The European Union's Falsified Medicines Directive is a case in point, requiring the sector to invest in new tools that aim to boost patient safety through the digitalisation of prescription medicine tracking and authentication.

In future, regulators will extend this digital-first mentality to other areas of their work, predicts Ronald Openshaw, Chief Executive Officer of Simbec-Orion. "We will see much more targeted monitoring of trial data," he says. "It isn't going to be long before the US Food & Drug Administration insists on all trial data submissions being made digitally rather than on paper."

In this new era of digital transformation, pharma companies' ability to work with data – and above all to leverage actionable insight from it – will increasingly become their key competitive differentiator. "We will add value through interpretation," predicts Mark Jeffery, a founding director of The Research Partnership. "On its own the data isn't enough – we need to be able to provide the strategic direction clients need to move their businesses forward."

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In this new era of digital transformation, pharma companies' ability to work with data – and above all to leverage actionable insight from it – will increasingly become their key competitive differentiator.

# Consolidation in consultants

With the pharmaceutical industry facing ever greater scrutiny as it markets its products, consultancy businesses able to help them articulate their proposition are in growing demand.

This year's Pharma Fast 50 includes a string of businesses providing the sector with specialist advice on how to tell the value story at every stage of the product cycle and in the broadest sense. Their differentiator is an ability to isolate and then communicate a diverse set of value drivers, including societal issues such as the economic case for a product, as well as patient outcomes.

Prescient Healthcare Group, for example, is focused on advising drug development and commercialisation teams (executives) for some of the largest pharmaceutical companies, as well as the smaller firms and biotechs. "We help them differentiate their assets and brands and understand the priorities of the key stakeholders who will influence and enable commercial success and patient access," says Dr Rakesh Verma, the company's President of EMEA and APAC.

At Oxford PharmaGenesis, Chief Operating Officer Richard White agrees. "We no longer refer to ourselves as a medical communications business because that is too narrow," he says. "We think HealthScience communications is a better representation of our wider range of activities: in growing areas such as value demonstration and patient communications, for example, but also in talking to a wider audience that still includes physicians, but also spans payers, patients, regulators and even policymakers."

For Mark Jeffery, a founding director of The Research Partnership, this shift has meant his firm now provides its specialist market research to pharmas working at every stage of the product cycle.

It is as at home researching how a marketplace might change over the next 15 years as analysing demand for a specific new product or forecasting future sales of an established product going off-patent. "This is a global market, with emerging market customers becoming more and more important to us," Jeffery says. "Our value driver is the strategic direction we can give clients based on the data."

This is not to suggest a broader product offering will erode the importance of specialist skills. At Nucleus Global, Chairman Stephen Cameron says: "The complexity of the compounds that clients are developing means they need real specialist expertise in niche areas – we invest heavily in recruiting and retaining the right people to meet those needs, and talent is going to be a battleground for our sector."

Nevertheless, burgeoning demand is driving a wave of consolidation amongst the consultants. The last 12 months alone has seen medical communications group Fishawack acquire creative consultant Blue Latitude and Peloton Advantage buy Open Health Communications. Private equity interest in the sector has also been heightened.

Alex Marshall, Partner at CIL Consultants, a strategy consultancy with specialist teams covering this space, expects this to continue. "This is a rare opportunity to invest in a market where the leading players are generating organic growth of ten per cent or more each year," he says. "It's an industry that remains reasonably fragmented, plus emerging trends such as digitalisation and the growing importance of health economics are only just getting going."

Expect international expansion to be an important theme too, especially in the developing and emerging markets. Prescient Healthcare Group's Dr Rakesh Verma says the growth of the middle classes, particularly in developing economies, will underpin a sustained increase in demand for healthcare, even if economic and political instability present short-term challenges.

"These markets are going to be hugely important over the longer term, as their middle-class populations grow and their governments move towards universal healthcare models," Verma says. "This presents new challenges for commercialising products, as pharma and biotechs have to navigate regulatory regimes they are less familiar with. The key will be to focus on individual countries, rather than falling into the trap of targeting regions or country-grouping acronyms; you need to build the right infrastructure and pricing model for each specific market."

## PRIME GLOBAL IN NUMBERS

SALES IN LAST 12 MONTHS

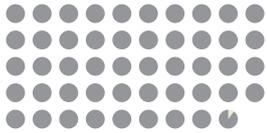
£17.1m

TWO-YEAR CAGR

48.9%

Sub-sector: Consulting

PHARMA FAST 50 RANKING



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Our strategic plan for 2020 is to become one of the most respected medical communications agencies in the world.

**GRAEME PETERSON,**  
CHIEF EXECUTIVE OFFICER, PRIME GLOBAL

### PRIME GLOBAL TAKES THE TOP SPOT

Prime Global is the fastest-growing company in the consulting sub-sector of this year's Pharma Fast 50, achieving annualised growth of 49 per cent over the past two years as sales hit £17m in 2017.

“We describe ourselves as a full-service medical communications business,” says Chief Executive Officer Graeme Peterson. “Our success has been based on our ability to put people first, fuse science, strategy and creativity – and over time, we've reached out to a more diversified global client base operating in a range of therapeutic areas.”

The business is now structured as different specialist agencies and consultancies, an approach that Peterson says enables teams to take greater ownership of their specialist areas – as well as making it possible to work

with a variety of clients. Recent growth areas have included oncology and rare diseases, but the business is now focused on a range of different priorities for further expansion.

Peterson believes it will be possible both to win greater market share in the therapeutic areas where it already has strength and to move into adjacent areas, particularly as the client base, from virtual biotechs all the way through to big pharma, grows too. He also regards areas of communications, including health economics and market access, as important priorities, with digital technology and patient communications an increasing focus too. “Our strategic plan for 2020 is to become one of the most respected medical communications agencies globally,” he says. Growth to date certainly shows Prime Global are on the right track.

# Ready for growth

“We must adapt or die,” says Ronald Openshaw, the Chief Executive Officer of Contract Research Organisation (CRO) Simbec-Orion, of the challenges facing businesses in the sector.

**H**is business’s sales and profitability have improved over the past 12 months, but the company is not resting on its laurels, and has just announced the completion of a fund-raising deal with CBPE Capital.

The private equity firm’s support of Simbec-Orion will enable it to compete even more aggressively in its sweet spot, Openshaw explains, as well as to target a clinical-stage, patient-centred acquisition in the US. “Our strength lies in having the agility to supply a lean and bespoke service to all our clients, as well as the expertise and full-service capacity to meet their needs,” he adds. “That’s been the secret of our organic growth to date and we can do the same in the US if we can acquire a footprint as a base.”

In a marketplace where the trend towards greater use of outsourcing is continuing, firms looking for investment support will not struggle to find it, argues Gareth Elliott, a manager at commercial due diligence firm PMSI Consulting, which advised Sygnature Discovery, backed by Phoenix Equity Partners, on its recent CRO acquisition. Outsourcing at the clinical stage has only reached 50 per cent or so of clinical research – and only 35 per cent at the pre-clinical stage.

In any case, with biotechs continuing to raise significant funding – including virtual biotechs with no choice but to outsource work – the outsourced market will continue to grow strongly, Elliott points out. “As a result, investment in CROs and contract manufacturing organisations (CMOs) will continue,” he says. “We’ll also continue to see further polarisation, as the larger players (such as Charles River) continue to acquire even some of the smallest CRO operators.”

At Phoenix itself, Partner Kevin Keck says the attractions of the sector are clear. “With R&D increasing across the board, and particularly in more complex areas such as personalised medicines, there’s huge potential for CROs to grow organically and by acquisition,” he says. “Spending in areas such as oncology is increasing very rapidly, outsourcing is a trend that has yet to run its course, and these firms can prosper from a combination of the right team and investment support.”

Such support is not only financial, points out Simon Hirst, the Chief Executive Officer of Sygnature. “We took our time to choose the right partner but working with private equity has been a really positive experience for us,” he says. “For example, it’s given us the confidence to think more broadly about how to grow our business, focusing on business development and sales as well as the product proposition.”

That is important given the market growth for which Hirst and his peers are now competing – especially with Western CROs and CMOs now losing less custom to rivals based in Asia, which had previously been winning biotech and pharma business with aggressively priced pitches. “Service and quality are our key differentiators,” says Sarra Laycock, the Chief Operating Officer of Sequani. “We’ve even won business from Chinese clients looking for that high level of service; the challenge for us now is going to be adding the right capacity.”

At Sterling Pharmaceuticals, which offers both manufacturing and research, Finance Director Tushar Jain has seen a similar trend. “We’ve won two big contracts with clients who had been using Asian outsourcers,” he says. “More Western pharmas and biotechs are deciding that ostensibly cheaper facilities elsewhere don’t necessarily deliver better value.” That bodes well for the whole sector.

## CLINTEC'S GROWTH ACCELERATES

With Qualasept Pharmaxo Holdings taking the top spot in the Pharma Fast 50 ranking overall, Clintec International can claim the prize in the outsourcing sector – fittingly, it was the UK's second-fastest growing privately-owned pharmaceutical business last year. This growth has not gone unnoticed, with IQVIA acquiring the business since this year's listing was compiled.

Clintec's growth, with turnover increasing at an annualised rate of 55 per cent over the past two years, represents further progress on last year, when it achieved a comparative figure of 45 per cent. That has enabled it to move seven places up the Pharma Fast 50 ranking from last year's ninth place.

Headquartered in Glasgow, but with a network of offices around the world, Clintec is a global player in the clinical research outsourcing market, with clients of all sizes spread across a range of therapeutic areas. It is also no stranger to awards, having picked up a string of trophies over the past year, from the Excellence in Service award from the Sunday Times and HSBC to Scale-Up Business of the Year at the Minority Supplier Diversity UK awards.

"These acknowledgments are a true reflection of Clintec's diverse, innovative people based in over 50 countries globally, who provide excellence in clinical and business operations every day," says Chief Executive Officer Dr Rabinder Buttar.

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Clintec is a global player in the clinical research outsourcing market, with clients of all sizes spread across a range of therapeutic areas.

### CLINTEC INTERNATIONAL IN NUMBERS

#### SALES IN LAST 12 MONTHS

£52.0m

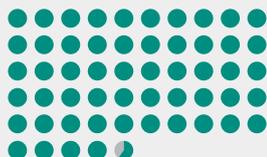
#### TWO-YEAR CAGR

54.6%

#### PHARMA FAST 50 RANKING

2

Sub-sector:  
Pharma outsourcing



# Searching for value in development and supply

Businesses in pharmaceutical development, wholesale and supply are feeling some of the cold winds from which the rest of the industry is more insulated.

They are at the sharp end of Brexit disruption, for example, with the UK's departure from the European Union potentially causing supply chain problems. The relentless pressure from payers – the NHS will achieve savings of £930m on branded medicines this year alone – provides further challenge.

Still, many businesses in this area of the market continue to perform strongly. With 16 constituents, this sub-sector accounts for almost a third of the Pharma Fast 50 ranking. Both organic growth and M&A offer potential routes to increased sales and value, with sub-sector leader Aspire Pharma, for example, focusing on a move to offer more specialty products and target strategic acquisitions. Elsewhere, a relentless focus on customer service and relationship management is paying off for businesses in the sector.

Distributor and wholesaler Beta Pharmaceuticals is a good example. The Directors have presided over significant growth in the UK and overseas markets, where the company has spent years painstakingly developing new relationships with a broad range of customers in Africa and the Middle East.

“It's a question of identifying where you can really add value for customers,” the Directors say. “Can we offer a better price or access to a product that is not easily available? Is there a particular type of service the company needs, or delivery at a particular time of day?”

Building that flexibility and agility requires experience, scale and a willingness to take the long-term view, the Directors say. That can be difficult in the face of short-term pressures: for example, companies such as Beta have had to devote significant resources to implementing the Falsified Medicines Directive (FMD), the European Union legislation requiring new safety features on prescription medicines, such as unique barcodes and anti-tampering devices. “That has been a significant body of work, particularly with uncertainties persisting right up to implementation [in February],” the Directors say.

Beta also owns several pharmacies, which are feeling the pressure of the FMD, as well as the ongoing effect of funding cuts in England. Indeed, the pharmacy chain sector as a whole continues to see consolidation as businesses work out how to cope with these difficult times.

Still, overall, there are 14 pharmacy chain businesses in this year's Pharma Fast 50, an increase on last year's figure of 11. The sales growth achieved by these businesses suggests it is still possible to prosper in this area of the market: the leading pharmacy chain in this year's ranking, PCT Healthcare, has achieved annualised sales growth of 40 per cent over the past two years.

## ASPIRE PHARMA IN NUMBERS

SALES IN LAST 12 MONTHS

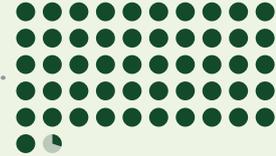
£34.4m

TWO-YEAR CAGR

PHARMA FAST 50 RANKING

Sub-sector: Development,  
wholesale and supply

51.3%



“

At any one time the company has as many as 30 new products under development.

**GRAHAM FRASER-PYE,**  
FOUNDER AND CHIEF EXECUTIVE OFFICER,  
ASPIRE PHARMA

## ASPIRE PHARMA

For Aspire Pharma, the fastest-growing development, wholesale and supply business in this year's Pharma Fast 50 ranking, success is all about offering sustainable products. "We spend a great deal of time and effort on business development," says Founder and Chief Executive Officer Graham Fraser-Pye. "The key is to really understand the way in which our customers' needs are evolving."

In recent times, therapeutic areas including ophthalmology, urology and CNS have been stand-out performers for Aspire, but at any one time the company has as many as 30 new products under development and many more projects under consideration. While not all those products will make it to market, the size of the pipeline reflects the company's ambition.

Right now, Fraser-Pye is particularly excited about an impending move into diagnostics, with Aspire on the verge of launching a new approach to prostate cancer diagnosis. "It's the perfect example of where we have identified a specific patient and NHS requirement, and then innovated to find the solution," he says.

Increasingly, Aspire is focused on specialty pharma rather than generics, with higher-value products offering greater prospects of sustainable growth in profitability. But the company is also looking beyond organic growth. "We've actively pursued acquisitions and deals are close to crystallising," Fraser-Pye adds. "We're keen to expand the platform in certain channels and therapeutic categories from which we can grow further."

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## TRENDS

# Pharma in 2019 and beyond

## Five trends set to shape the industry's evolution

Change is a constant for the pharmaceutical sector. From rapidly evolving science to the shifting sands of the political and economic backdrop, this is an industry for which transformation is a continual process.

Inevitably, future iterations of the Alantra Pharma Fast 50, including next year's edition, will change accordingly. The outlook for pharma is bright, in a market predicted to grow at almost six per cent a year between 2017 and 2021, by which time global sales will be worth \$1.17 trillion. But as the UK's privately-owned pharma businesses plot a course for growth, leveraging their agility to exploit emerging opportunities, new winners will appear.

Such opportunities will be many and varied. But we see five trends in particular set to impact the Alantra Pharma Fast 50 constituents in 2019 and beyond.

# 01

## DATA DRIVEN PREVENTION OUTPACES CURE

The UK government announced in December that it will invest £79m in efforts to create a cohort of healthy participants that will enable scientific research into hidden signs of disease and potential diagnostic advances. The move underlines excitement about the potential for real world data to transform approaches to healthcare, with tracking of healthy patients – and how their health develops over their lifetimes – informing far more insightful development of preventative interventions and diagnostic tools.

The ability to manage this data, including much more extensive use of patient-reported outcomes, will become a key competitive differentiator for some businesses in the Pharma Fast 50 – and future entrants to the ranking.

# 02

## SHIFTING TO A NEW NORMAL

In a market moving at break-neck speed, ideas that once seemed radical are now becoming routine. The move to biosimilars, where the UK is ahead of the pack on regulation, provides one example, while the growth of emerging markets offers another; indeed, developing economies are an ever more crucial target for UK pharma businesses, both as drug consumers and as customers sourcing research services from specialists in the West.

Artificial intelligence (AI) is another example of the move to the new normal. Last year was a breakthrough year for the use of AI in drug discovery. In 2019, expect to see more pharma companies begin to use AI to cut the time taken (and costs) of drug discovery, leveraging new technologies that identify new or existing molecules for new uses by analysing vast amounts of public and proprietary data. Healthcare providers and regulators believe such tools have a huge future.

# 03

## THE EFFICIENCY DRIVE ACCELERATES

The pharma sector is delivering on its mandate to develop innovative new products that improve patient outcomes, with drug approvals hitting record levels last year. But it is coming under increasing pressure to innovate more efficiently – to reduce costs in areas such as clinical trials, submissions development and data management.

Many of the UK's privately-owned pharma businesses are well-placed to benefit from this trend, pioneering new approaches to drug development – and having reasserted themselves against emerging market competitors by making the case for value rather than price.

# 04

## HEALTH ECONOMICS DOMINATE

Demographic change and advanced drug development are mega trends for the pharmaceutical sector. It will simply not be sustainable for payers, often taxpayer-funded, to continue spending exponentially more on increasingly sophisticated treatments for growing (and ageing) populations with greater needs.

Health economics is the battleground in which this dilemma plays out. Developers will need to be able to make a holistic case for their therapies, proving the economic and societal benefits for new drugs, rather than focusing only on clinical outcomes. Pharma businesses able to master this new skill – and consultants that help them – will outperform in this environment.

# 05

## PRIVATE EQUITY STEPS UP

Private equity (PE) firms' appetite for investment in the UK's leading pharma businesses is already heightened. Already in 2019, we have seen CBPE invest in Simbec-Orion, a regular constituent of the Pharma Fast 50, and this will not be the last deal announced. The rapid rates of growth in sectors such as CRO work for mid-sized pharmas are drawing PE firms into the industry, with competition for the best assets increasingly fierce.

Moreover, we are approaching a crucial time in the cycle, with many businesses in the sector having grown strongly with the support of their first PE investor. As these investors look to realise the fruits of their labour through an exit, look out for tough competition between second-stage investors.

## Qualasept Pharmaxo Holdings

PHARMA FAST 50 RANKING

1

TWO-YEAR CAGR

77%

SALES IN LAST 12 MONTHS

£152.7m

Makes ready-to-use injectable medicines

## Clintec International\*

PHARMA FAST 50 RANKING

2

TWO-YEAR CAGR

55%

SALES IN LAST 12 MONTHS

£52.0m

The provision of clinical research for the pharmaceutical and biotech industry

## Aspire Pharma

PHARMA FAST 50 RANKING

3

TWO-YEAR CAGR

51%

SALES IN LAST 12 MONTHS

£34.4m

Registration, marketing and distribution of branded and generic pharmaceuticals and medical devices

## THE FAST 50

# The fastest growing pharma companies

## PHARMA FAST 50 METHODOLOGY

The Pharma Fast 50 assesses pharmaceutical businesses that are registered in the UK as private, independent and unquoted companies. This category includes private companies backed by private equity funders. Entities that are part of wider corporate groups qualify for inclusion provided their parent company's activities are not pharma related.

## QUALIFICATION CRITERIA AND RESEARCH APPROACH

To be considered for inclusion, companies are required to achieve annual revenues of £2m or above in the first year of assessment. In addition, entrants are required to have filed three consecutive years of financial statements at Companies House, with the most recent statements dated no earlier than 31 December 2016. Filed accounts must also show two successive years of revenue growth. Companies that have shares listed on a stock exchange, or where any of their shares are held by a UK or overseas quoted company, will not qualify for inclusion.

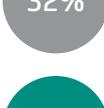
### KEY

00	Rank
%	2-year CAGR
C	Company
R	Revenue (£m)
A	Activity
	Pharma outsourcing
	Pharmacy chain
	Development, wholesale and supply
	Consulting - other
	Sub-sector winners

# The Fast 50

## KEY

00	Rank		Pharma outsourcing
%	2-year CAGR		Pharmacy chain
C	Company		Development, wholesale and supply
R	Revenue (£m)		Consulting - other
A	Activity		Sub-sector winners

04		C Berkshire Wholesale Supplies R £5.6m A Wholesaling pharmaceutical drugs and medicines
05		C Prime Global R £17.1m A Medical Communications
06		C CRF Health Group R £104.8m A Electronic clinical outcomes assessments and electronic patient reported outcomes solutions
07		C Munro Healthcare Group R £162.5m A Wholesale of pharmaceutical goods
08		C PCT Healthcare R £146.5m A A group engaged in retail pharmacy and pharmaceutical wholesale
09		C Sterling Pharma Solutions R £55.4m A Contract manufacturing
10		C Lucid Group Communications R £18.2m A Provider of strategic medical communications
11		C Wasdell Group R £41.1m A Outsourced solutions including manufacturing and packaging
12		C BR Pharma International R £24.6m A Wholesale of pharmaceutical goods
13		C Simbec-Orion Group R £27.2m A Clinical research provider
14		C Carbosynth R £18.6m A Wholesale and development of pharmaceutical goods

15		C Safedale R £18.8m A Pharmacy
16		C RSR R £32.1m A Developer and producer of in vitro diagnostic kits with an emphasis on autoimmunity
17		C Oxford PharmaGenesis R £25.0m A HealthScience communications consultancy
18		C Origin Packaging R £11.3m A Design, manufacture and supply of pharmaceutical packaging
19		C Envision Pharma R £85.2m A Pharmaceutical marketing and consultancy services
20		C Beta Pharmaceuticals R £32.4m A Wholesale and distribution
21		C Naga UK R £307.3m A Plasma collection, fractionation and the sale of plasma extracted therapeutic protein
22		C Next generation Health R £13.4m A Pharmacy
23		C Wigmore Medical R £42.9m A Wholesale of pharmaceutical goods
24		C Sequani R £15.7m A Scientific services in the toxicology field to the pharmaceutical (>80%) and crop protection industries
25		C R.K. Aggarwal R £18.8m A Pharmacy

26		C Strandhaven R £14.7m A Pharmacy
27		C Jhoots Healthcare R £15.2m A Pharmacy
28		C Evaluate Group R £23.1m A Commercial intelligence for the life science industry
29		C Linguamatics* R £9.1m A Agile natural language processing text mining platform
30		C Knight Noise R £17.7m A Pharmacy
31		C Nova Bio-Pharma R £23.4m A Supplies specials and clinical trial medicines
32		C Pharmadent R £49.5m A Procurement, storage and distribution of pharmaceutical and healthcare products
33		C Sygnature Discovery R £15.0m A Integrated drug discovery services
34		C Mawdsleys Group R £283.9m A Wholesale of pharmaceutical goods
35		C DAY Lewis PLC R £397.4m A Pharmacy
36		C H.A. McParland (Chemists) R £4.3m A Pharmacy
37		C Mirada Medical R £4.4m A Development and sale of medical imaging software
38		C Laville R £21.3m A Pharmacy

39		C Badham Pharmacy R £16.5m A Pharmacy
40		C Converse Pharma R £209.1m A A group engaged in the wholesale supply of pharmaceuticals
41		C Amiculum R £15.1m A Healthcare communications services and consultancy services
42		C The Research Partnership R £27.5m A Product strategy consultant
43		C A.D.S. Graphics R £12.2m A Supply of packaging materials and contract packing services
44		C Norbrook R £272.0m A Manufacture and sale of human and veterinary pharmaceutical product
45		C Knights Chemist R £16.9m A Community pharmacy chain
46		C Worthing Pharmacies R £8.4m A Pharmacy
47		C Prescient Healthcare Group R £13.6m A Product strategy consultant
48		C Raimes, Clark & Company R £32.3m A Pharmacy
49		C Nucleus Group R £86.5m A Provider of strategic medical communications
50		C London Pharma & Chemicals R £58.8m A Agents and distributors of pharmaceutical goods and ingredients

\*NYSE-listed IQVIA acquired Clintec International in December 2018 and Linguamatics in January 2019, after the reference period for this year's award listing

# Healthcare sector

At Alantra we focus our activity in the Healthcare sector on the following key areas – Healthcare Services, Pharmaceuticals (products and services) and Medtech (devices and supplies).

## Selected pharmaceuticals deals

### COMPANY SALES

 	 Sale to 	 	 Sale to 	 	 Sale to 
 	 Sale to 	 	 Sale to 	 	 Sale to 

### MBOS AND ACQUISITIONS (BUY-SIDE SUPPORT)

 	 MBO 	 	 MBO 	 	 Acquired 
 	 Acquired 	 	 Acquired 	 	 Acquired 

### EQUITY CAPITAL MARKETS TRANSACTIONS

 	 Placing, subscription, offer for subscription and planned open offer	 	 Initial public offering (IPO)	 	 AIM placing
 	 Main market placing	 	 Placing and admission to NASDAQ	 	 ECM placing

### ALANTRA

Alantra is a global investment banking and asset management firm focusing on the mid-market with offices across Europe, the US, Asia and Latin America.

### FULL ADVISORY SERVICE

Alantra advises business owners, management teams and financial investors on:

- M&A transactions
- Private equity
- Equity capital markets
- Debt capital markets

### GLOBAL REACH

Our team of over 350 corporate finance professionals are present in more than 20 countries:

- Advised on over 1,000 deals worth more than €100bn
- Over 50% of our deals are cross-border
- Quoted partnership with over 100 partners leading deals

### SECTOR EXPERTISE

Deep coverage of chosen niches:

- Over 300 business sold to strategic trade acquirers
- Cross-border relationships with strategic acquirers and capital providers

### CONTACT US

If you would like to discuss the Alantra Pharma Fast 50, find out more about our work in the Healthcare sector or how we can help you achieve your objectives, please contact us:

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# ALANTRA

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