



# ZRG PARTNERS GLOBAL HIRING INDEX Life Sciences

## Life Sciences Quarterly Index Posts Second Straight All-Time High Level as Continued Economic Strength Boosts Global Hiring

All regions reach record levels

### What's Hot?

The Medical Devices sector continued its resurgence 15% quarter over quarter increase. Hiring activity in the sector is 46% higher than a year ago. The Asia/Pacific region gained nearly 20% in the quarter and activity is nearly 50% higher than same period in 2017. G&A postings number nearly 60% more than in Q2 2017.

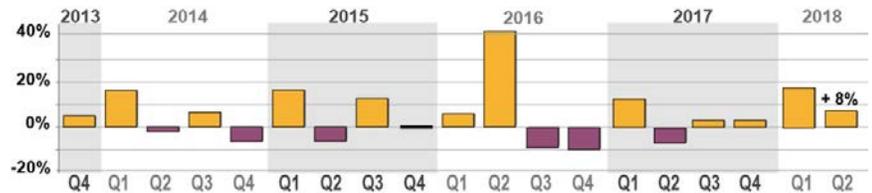
### What's Not?

Outsourced Services slipped by 4% from Q1 but remains 25% higher than 2017. R&D postings declined by 4% in the second quarter while Regulatory/Quality hiring was essentially flat.

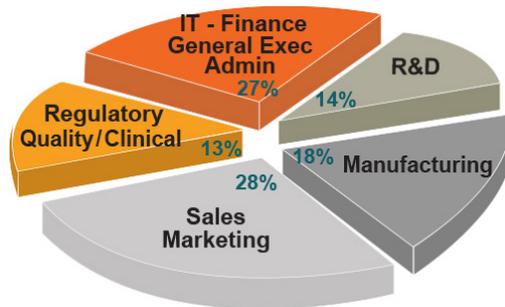
### Functions

Manufacturing, Sales & Marketing, and G&A roles continue to see quarterly upticks in hiring with strong year-over-year comparisons. As mentioned earlier, R&D along with RA/QA show slight increases from Q2 2017 but lag far behind the other functions.

### ZRG Partners GLSHI Quarterly Change

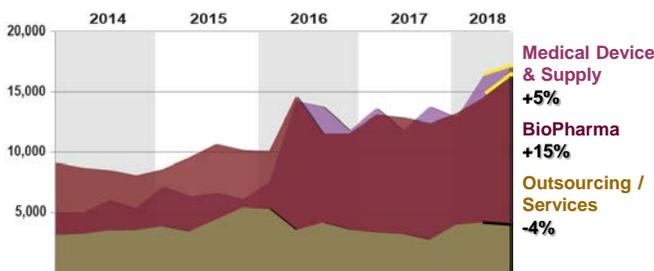


### Functional Needs

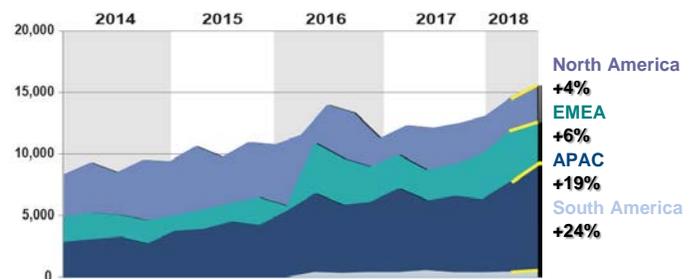


### Trends and Highlights

#### Sector Quarterly Hiring Trends



#### Regional Quarterly Hiring Trends



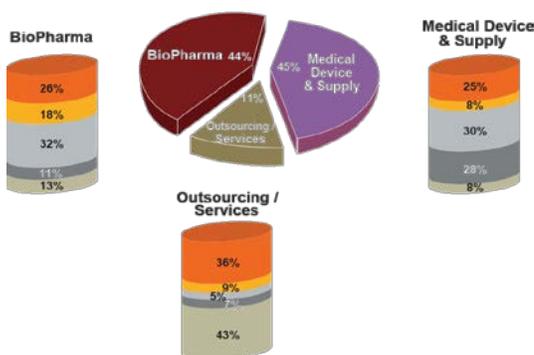
### Snapshot

All three sectors posted record quarterly hiring activity. As mentioned earlier, Medical Device posted a second straight quarterly surge, but both Outsourced Services (25%) and Biopharma (30%) recorded significant increases from the same period in 2017. Looking back historically, the number of roles posted in the quarter is nearly double (96%) that of the same period just three years ago in 2015.

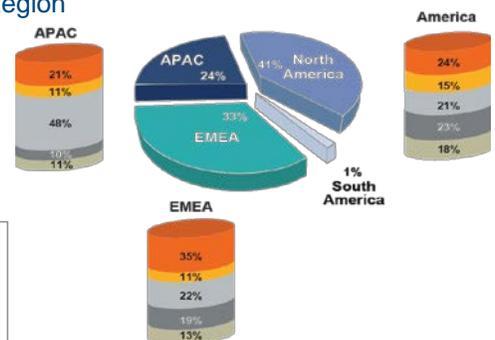
### Snapshot

For the second consecutive quarter, nearly all regions globally showed a record level of hiring activity. As mentioned earlier, Asia/Pacific led the way but Europe's hiring activity was 45% greater than the second quarter of 2017 and all regions except for South America posted at least 25% year-over-year increases.

### Jobs by Sector

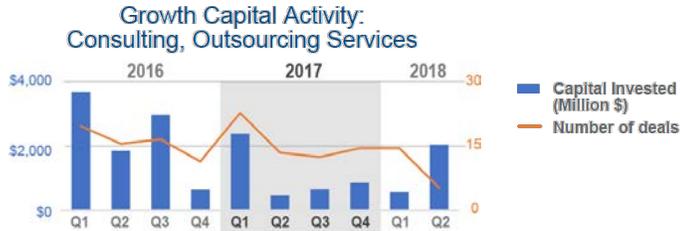


### Jobs by Region



## Private Equity Snapshot

Growth capital activity, defined here as majority investments motivated by probable corporate expansion, has ebbed and flowed in the healthcare services space. The graph below charts a strong 2016 and relatively lackluster 2017, particularly in terms of value. Three of four quarters in 2016 eclipsed the \$1 billion mark (including two quarters of over \$3 billion), while last year recorded only one quarter over \$1 billion. Categorizing transactions vis-à-vis probable expansion is tricky here, but there are possible, broad takeaways from these numbers as they relate to healthcare services.



More than other sub-sectors, service providers have arguably garnered the most attention within the healthcare space. While private investment was strong ahead of the coming wave of Baby Boomer retirements, the tectonic shift in recent activity has been centered in consolidation, rather than expansion. Healthcare services is perhaps the most fragmented industry in the country, and even after several years of aggressive M&A efforts, industry insiders believe that much more consolidation is coming. Much of this trend is regional; smaller, local providers continue to be snapped up by regional and national providers, which can achieve scale more quickly through acquisitive growth (as opposed to organic growth). Much of the activity we've seen on the PE side has been due to add-on acquisitions, where PE sponsors acquire smaller providers on behalf of their platforms. The PE industry has been anticipating a strong wave in healthcare consolidation for years, and many investors raced to buy their platforms around 2010-2013.

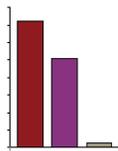
Of course, valuations were visibly lower in the aftermath of the crisis, and today's multiples offer reasons to hesitate before making new platform investments. And one down year of activity may be just that: one down year. The second quarter of this year shot right back up to \$2.1 billion, so last year's numbers may be an aberration. But it's reasonable to believe that growth investors are pumping the brakes, or may soon. Considering how long the consolidation play has been in effect, and how high valuations remain in the space, the numbers may reflect an impetus to expand their current holdings rather than making new ones.

Alex Lykken, Senior Analyst of Custom Publishing

## About the Global Life Sciences 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.

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

For more information, visit [www.zrgpartners.com](http://www.zrgpartners.com). For press requests or for permission to use this data in other media form, contact David Fortier in the USA at or Adam El Din in Switzerland.

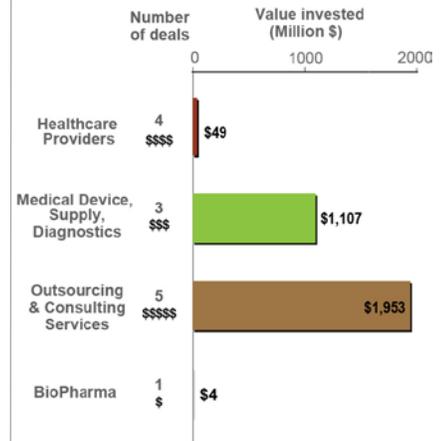
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## Q2 2018 Growth Capital Investments by Global Life Sciences Hiring Index Sectors



Data provided by PitchBook [www.pitchbook.com](http://www.pitchbook.com)