

Q4  
25

Healthcare Sector

# Mirus Pharma Services REPORT

In This Issue:

- Overview
- What We're Reading
- M&A and Capital Markets Activity
- Key Q4 Earnings Takeaways
- Public Comps
- About Mirus
- Mirus Healthcare Spotlight

# Pharma Services Industry

## Market Overview

Serving the complex landscape of drug development and launch, the pharma services sector spans pre-clinical research and development, clinical trial management, contract manufacturing, regulatory and reimbursement experts and commercial strategists. With well-capitalized clients, high-value projects, differentiated offerings, and steady cash flows, the pharma services segment is primarily driven by private markets investors. From minority growth investors to mega-fund private equity firms, substantial transaction activity drives continued growth.

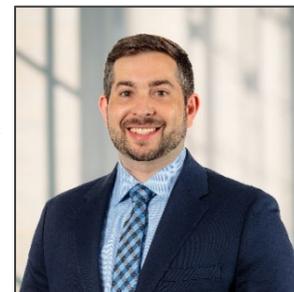
Segments	Pre-Clinical Contract Research Organizations	Clinical Contract Research Organizations	Contract Development & Manufacturing	Commercialization Services
Key Services	Drug Discovery	Clinical Site Management	Formulation Development & QA/QC	Regulatory Affairs
	Biomarker Identification	Patient Recruitment	Clinical & Commercial Manufacturing	Reimbursement & Market Access
	Pharmacokinetics & Pharmacodynamics	Monitoring & Sample Analysis	Bioprocessing	Real-World Evidence
	Toxicology & Safety Studies	Study Design & Biostatistics	Packaging / Cold-Chain	Sales Dashboards & Market Analytics

## Q4 Market Update

Beginning in the second half of 2025, and accelerating through Q4, a positive – and long-awaited – turn is afoot in the biotech and pharma funding environment. Publicly-traded service providers are reporting increased backlogs which are leading indicators of a confident environment moving into 2026. Like other industries, pharma services providers have placed significant value on the incorporation of AI to improve efficiencies in drug development, clinical trials and product commercialization.

On the deal side, Thermo Fisher’s announced \$9.4 billion acquisition of Clario was a leading headline, combining digital data collection and analysis with an established contract research (PPD) and manufacturing (Patheon) capabilities. We would not be surprised to see this theme emulated this year. More broadly, there has been continued transaction momentum and interest from private equity, with renewed conviction in the biotech and pharma end markets. Deals in Q4 were predominantly driven by commercial and geographic expansion, in both manufacturing and testing services, with premiums placed on margins and pipeline.

“After multiple years operating with the backdrop of decreased biotech funding, pipeline reprioritizations, and regulatory changes, pharma services providers will welcome the improving environment. During this time, the M&A market remained active but noticeable shifts away from development services, especially preclinical, were observed. Our expectation heading into 2026 is that the improving external environment for biopharma will lead to an increase in development stage (preclinical & clinical) M&A.”



**Nick Frame, PhD**  
 Director, Healthcare & Life Sciences Investment Banking

# Pharma Services

## Playing the Long Game in Pharma Services

Bain & Company [Full Article](#)

Pharma services investments have long benefited from consistent demand, propelled in large part by the pharma industry's reliance on specialized contract research organizations (CROs), contract development and manufacturing organizations (CDMOs/CMOs), and outsourced commercialization services to provide efficiency, flexibility, and specialized expertise. These fundamentals have supported private equity (PE) deal activity and performance even through cycles of market choppiness. The sector's resilience was evident in 2022 and 2023: While overall healthcare PE activity softened during this period, pharma services transaction value and deal volume remained steady.

**Mirus Insights:** Pharma services market dynamics fluctuated heavily recently, driven by regulatory reform at the FDA, policy changes, and supply chain onshoring. Further, variability in biotech funding (both private and public) has led to some choppiness and shifting investment theses. Commercialization services are still an area of interest, but drug development services are met with increased scrutiny. With this said, our team views the shifting funding environment and scientific advancements in new drug development as catalysts for the next phase of pharma services investment and future value creation.

## Outpatient clinics are becoming critical infrastructure for drug trials

Drug Discovery & Development [Full Article](#)

Investors are pouring money into medical outpatient buildings just as pharma races to decentralize clinical research. The overlap is starting to look less like coincidence. When you look at the latest U.S. office numbers, it might appear that medical and pharmaceutical companies are retreating from real estate. Central business district towers are struggling with high vacancy, a remote-work hangover and falling values. National office vacancy is hovering around 14%, according to WSJ. CBRE found overall office vacancy rate is expected to peak at 19% in 2025.

Then you look at medical outpatient buildings, and the picture flips. According to CBRE's Q3 2025 U.S. Medical Outpatient Building (MOB) report, investors deployed about \$2.7 billion into MOBs in a single quarter, up 27% from Q2 and roughly 9% year over year, pushing the trailing four-quarter total to \$9.4 billion.

**Mirus Insights:** While there is uncertainty in the scientific community on how the NIH and FDA will implement their new initiatives to reduce animal testing, we expect that pharma services, especially pre-clinical CROs, will look to act quickly. As such, companies that have an established, non-animal drug discovery or testing platform have become acquisition targets.

# Pharma Services

## Cencora earmarks \$1B to expand US drug distribution operations

Fierce Pharma [Full Article](#)

Cencora plans to spend \$1 billion over the next five years to expand its operations in the U.S., including opening a second national distribution center in Ohio.

The goal of the outlay is to bolster the sourcing and distribution giant's capacity and efficiency, as well as strengthen its supply chain resilience in The States, Cencora said in a Nov. 5 press release.

“This investment underscores our commitment to and role in building a resilient pharmaceutical supply chain and in ensuring patients across the United States have timely and reliable access to prescribed medications, where and when they need them,” Bob Mauch, Cencora’s president and chief executive, said in the company's press release.

**Mirus Insights:** After the pandemic and volatility around global trade discussions, solidifying the pharma supply chain within the U.S. has been a core focus for both large pharma companies as well as pharma service providers. As one of the largest wholesales and 3PLs serving the biopharma industry, Cencora’s investment to strengthen its commercial services should be viewed positively within the industry.

## 4 takeaways from pharma’s manufacturing boom

PharmaVoice [Full Article](#)

Pharma building is booming in the U.S. right now, led by Big Pharma’s rush to bring many of their operations to American shores.

“I’ve been in this industry for 35 years [and] I’ve never seen it as hot as it is right now,” said Michael Marston, life sciences core market co-leader at California-based DPR Construction, which counts pharma companies like Eli Lilly, Pfizer, Johnson & Johnson, Merck, Novartis and Roche among its clients.

Pharma companies plan to invest more than \$370 billion in U.S. manufacturing over the next five years, according to a report from DPR.

**Mirus Insights:** With the tax incentives afforded to companies by the OBBA, onshoring of manufacturing has been a major trend across the life sciences, but particularly in the pharma industry. To this end, many of the large pharma companies have announced their plans to expand their domestic manufacturing presence (whether through plant acquisition or de novo build out). The largest of announced investments surpass \$50 billion from the likes of Pfizer, AstraZeneca and Johnson and Johnson. These trends have been critical to monitor given continued regulatory and policy changes, but, as noted, many of the planned developments are concentrated regionally on the East coast and Midwest and primarily focused on manufacturing new medicines (as opposed to generics which are predominantly manufactured OUS).

# Pharma Services

## Recent M&A and Capital Markets Activity

At Mirus, we are noting continued M&A activity within the pharma services segments as platforms seek to expand capabilities. Given the number of service providers available, companies are seeking ways to retain clients longer with a more expansive offering. Q4 deal activity was driven by strategic and financial acquirors across the pharma supply chain, clinical testing, contract manufacturing and drug development.



### CBSET receives majority growth investment from Arlington Capital

October 2025 – Arlington Capital acquired a majority stake in CBSET, a preclinical research organization specializing in translational research services. The investment highlights the importance of reliable preclinical models in drug development.



### Codis raises growth capital from 1315 Capital

October 2025 – Codis, a commercial-scale CDMO focused on spray drying and particle engineering, raised growth capital from 1315 Capital and existing investors, BroadOak Capital and RCT. The financing will support expanded commercial manufacturing capabilities in the UK.



### Wilmington PharmaTech receives investment from Curewell Capital

October 2025 – Wilmington PharmaTech, specializing in drug API manufacturing, received a majority investment from Curewell Capital. The investment will drive expansion of manufacturing capacity.



### Crown Biosciences acquired by Adicon Holdings, a Carlyle portfolio company

November 2025 – JSR Life Sciences sold Crown Biosciences, a global oncology-focused CRO, to Adicon Holdings. Through this acquisition, Adicon Holdings—a clinical laboratory based in China—will expand their reach and service offering across the research and drug development value chain.



### Azena Life Sciences sells B Medical Systems business to THELEMA S.A.R.L.

December 2025 – Azena Life Sciences has sold their B Medical Systems business to THELEMA for \$63 million. B Medical specializes in manufacturing and distributing medical refrigeration devices to support pharma cold chain.

# Pharma Services

## Industry Spotlight: Thermo Fisher's \$9B Acquisition of Clario

### Thermo Fisher adds clinical trial tech outfit Clario to goodie bag in \$8.875B deal Fierce Biotech [Full Article](#)

“Clario is an outstanding strategic fit, enabling faster, more informed drug development through differentiated technology and data intelligence solutions,” Marc Casper, Thermo Fisher’s president, CEO and chairman, said in the release. “By adding these high-growth capabilities, we will deliver even deeper clinical insights to our customers and further accelerate the digital transformation of clinical research.” Thermo expects the deal to close by the middle of 2026, at which point Clario will be folded into the company’s Laboratory Products and Biopharma Services division. This division also includes contract manufacturer Patheon, which Thermo acquired in 2017 in a deal valued at \$7.2 billion.



#### Deal Overview:

Clario, a portfolio company of Astorg, Nordic Capital, Novo Holdings and Cinven, to be acquired by Thermo Fisher. Clario provides decentralized clinical trial solutions focused on the collection and analysis of clinical endpoints to support drug development.

#### Deal Value:

\$8,875,000,000

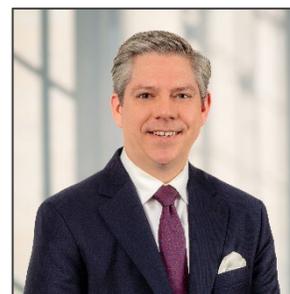
In addition to the initial cash purchase price of \$8.875 billion at closing, Thermo Fisher has agreed to pay \$125 million in January 2027. Thermo Fisher has also agreed to pay up to \$400 million of earn-out payments based on the performance of the business in 2026 and 2027.

#### Synergies:

Clario expands Thermo Fisher’s Laboratory Products and Biopharma Services segment, adding a new and complementary service offering. The acquisition brings in-house a digital biomarker solution, cited to have supported ~70% of the FDA approved drugs over the past decade. This adds to PPDs clinical research and logistics infrastructure.

Thermo Fisher has historically grown their lab products and biopharma services segment through a series of acquisitions; Patheon (\$7.2B) and PPD (\$17.4B). The segment currently accounts for ~50% of the company’s annual revenue. Financially, the acquisition adds \$1.25B of annual revenue, a 5% growth in the segment’s top-line.

“It wasn’t a matter of if, but when, biopharma investment came back that we anticipated pharma services similarly becoming more active transactionally. And that’s just what’s happened: pipelines are starting to come together and both public strategics and PE investors are looking to expand their capabilities, enhance earnings, and grow market share through smart acquisitions.”



**Thom Busby**  
Partner, Co-Head Healthcare & Life Sciences Investment Banking

# Pharma Services



1/28/2026

- Life science business has seen growth from their Pharma customers for 3 consecutive quarters, biotech demand stable while academic research remains soft
- Majority of bioprocessing revenue driven by commercial volume
- M&A remains a key driver for future growth; views M&A environment as more “constructive,” with valuation gap between buyer and seller shrinking



1/29/2026

- Actively pursuing M&A to bring in highly complementary business lines to better serve clients (i.e. Solventum’s filtration products)
- Experiencing recovery in early research business across pharma customers; expectation that improved biotech funding will drive further growth
- Integrated CDMO and CRO solution seeing meaningful customer uptake to reduce development timelines



2/5/2026

- Emphasis across the business segments on implementation of AI, improving development and commercial workflows
- Substantial demand from large and midsize pharma clients for data as a service offering, enabling AI analytics
- Pharma clients incorporating real world evidence in development pathways



2/18/2026

- As part of revised strategy, committed to investing in advanced scientific tools to solidify leadership in preclinical services
- Continuing to explore M&A in areas of bioanalytical segment and geographic expansion
- Forecasting 2026 revenue to be relatively flat (or a modest decline) YoY; recent positive trends in demand but sales volume across pharma and biotech has not fully recovered



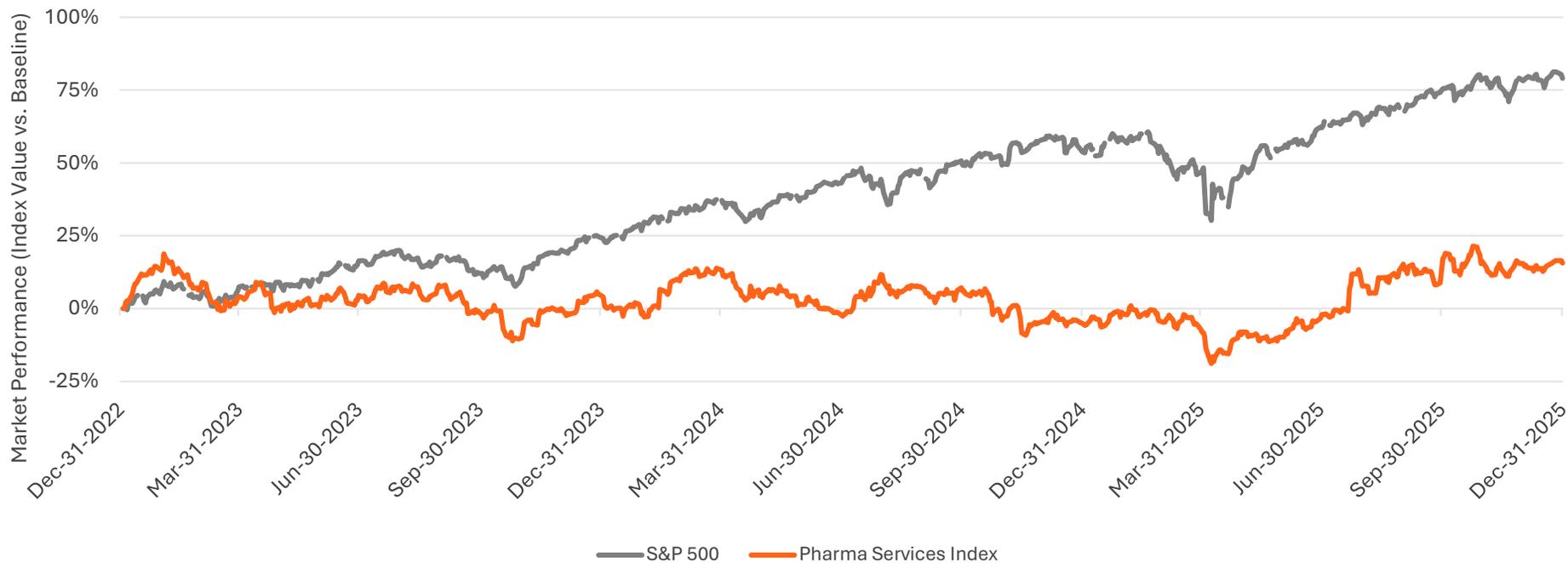
2/26/2026

- View improving biotech funding landscape and large pharma prioritization as improved tailwinds for clinical engagement
- Increased demand for clinical pharmacology drove YoY growth
- Strong mix in bookings between clinical pharmacology, Phase II and Phase III trials

# Sector Update: Pharma Services

## L3Y Public Market Performance vs. S&P500

Mirus takes a composite view of the pharma services industry when assessing the transaction environment and valuation expectations for clients. To this end, we continue to consider public market performance of representative large cap and mid cap strategics that will often be the ultimate acquirer of growth stage companies. Our representative pools of companies encompass a full spectrum of end markets. Our analysis provides a picture of how the industry moves and enables the emergence of key value drivers.

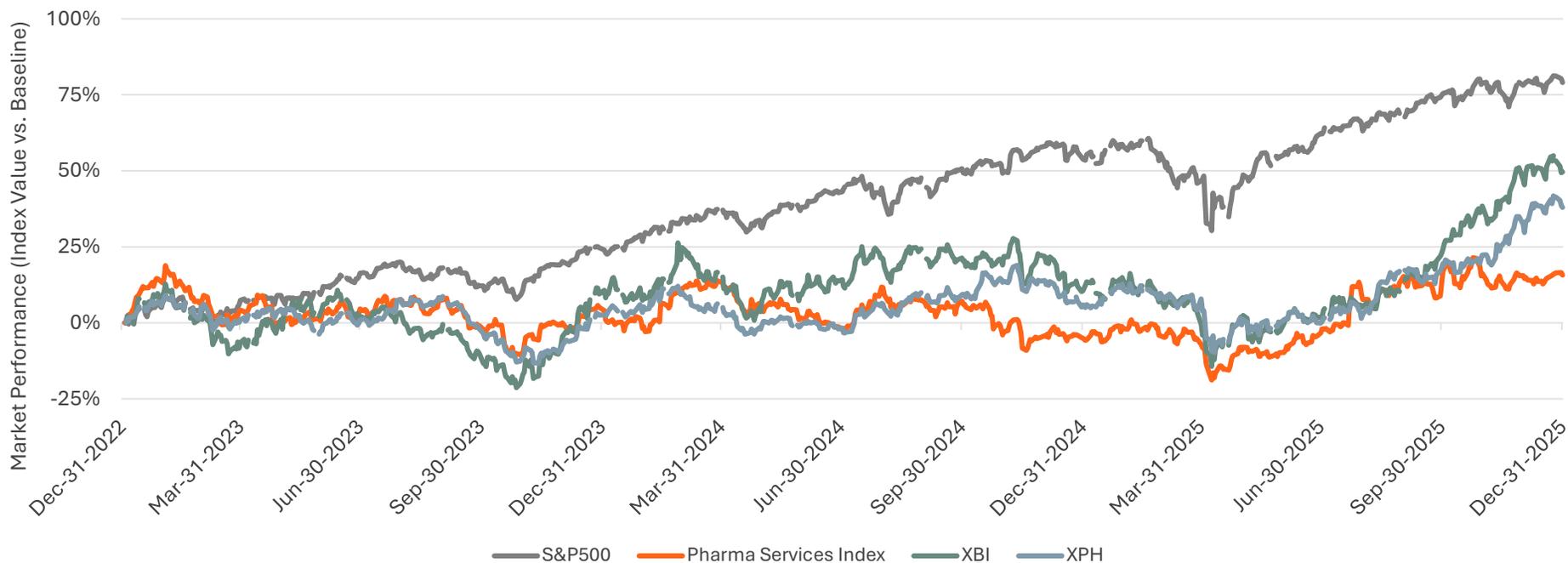


Pharma Services Index

# Sector Update: Pharma Services

## L3Y Public Market Performance vs. S&P500 vs. XBI vs. XPH

When analyzing the pharma services segment, it is important to recognize that the underlying pharmaceutical and biotechnology industry dynamics play a major role in how the industry performs. To this end, Mirus looks to understand how the pharma services segment trades in comparison to their customers. Over the last three years, we have observed a tight correlation between the XBI (biotechnology index fund), the XPH (pharmaceutical index fund) and the pharma services segments, as seen by the nearly overlapping traces in the public market performance.



Pharma Services Index

# Sector Update: Pharma Services

## Q4 2025 Public Comparable Companies

As of 12/31/2025 Company Name						Operating Statistics				Growth Rates	Valuation Multiples	
	Price	% of 52 Week High	Enterprise Value	Market Cap	Cash	Revenue LTM	EBITDA LTM	Gross Margin LTM	EBITDA Margin LTM	Revenue LTM	EV / Revenue LTM	EV / EBITDA LTM
	\$	%	\$M	\$M	\$M	\$M	\$M	%	%	%	x	x
<b>Pharma Services Strategics</b>												
Azenta, Inc. (NASDAQ:AZTA)	33.26	59.8%	1,047	1,530	280	595	37	45.5%	6.2%	3.6%	1.8x	28.3x
Certara, Inc. (NASDAQ:CERT)	8.81	56.2%	1,540	1,403	189	418	98	61.5%	23.4%	8.7%	3.7x	15.7x
Charles River Laboratoires International, Inc. (NYSE: CRL)	199.48	97.3%	12,287	9,818	214	4,015	877	35.0%	21.8%	-0.8%	3.1x	14.0x
Eurofins Scientific SE (ENXTPA:ERF)	73.27	89.9%	16,946	12,958	885	8,249	1,645	22.5%	19.9%	9.7%	2.1x	10.3x
Evotec SE (XTRA:EVT)	6.41	58.4%	1,428	1,137	204	836	12	10.8%	1.4%	-2.7%	1.7x	119.0x
Fortrea Holdings Inc. (NASDAQ:FTRE)	17.25	85.1%	2,651	1,594	175	2,723	42	18.5%	1.5%	1.0%	1.0x	63.1x
ICON Public Limited Company (NASDAQ:ICLR)	182.22	79.8%	17,017	13,914	469	8,103	1,522	28.2%	18.8%	-2.5%	2.1x	11.2x
Intertek Group plc (LSE:ITRK)	62.26	83.0%	11,070	9,558	443	4,526	1,016	18.0%	22.4%	4.4%	2.4x	10.9x
IQVIA Holdings Inc. (NYSE: IQV)	225.41	96.2%	51,783	38,387	1,980	16,310	2,938	33.3%	18.0%	5.9%	3.2x	17.6x
Lonza Group AG (SWX:LONN)	680.25	87.3%	52,532	47,773	907	7,884	2,449	36.0%	31.1%	5.6%	6.7x	21.5x
Medpace Holdings, Inc. (NASDAQ:MEDP)	561.65	89.7%	15,679	15,821	497	2,530	563	71.1%	22.3%	20.0%	6.2x	27.8x
WuXi AppTec Co., Ltd. (SHSE:603259)	12.96	78.3%	34,815	38,265	4,135	6,084	2,495	45.9%	41.0%	23.0%	5.7x	14.0x
Mean		80.1%	\$18,233	\$16,013	\$867	\$5,189	\$1,141	35.4%	19.0%	6.3%	3.3x	21.3x
Median		84.1%	\$13,983	\$11,388	\$456	\$4,271	\$947	34.2%	20.9%	5.0%	2.8x	15.7x

\*Notes: Operating statistics for Lonza Group and Evotec as of 9/30/2025; Evotec EBITDA estimated based on Q3 earnings; EV/EBITDA Summary Statistics exclude Evotec outlier



# 35 Years. 450 Deals.

## About Mirus

The Mirus team works with the owners of closely-held companies in multiple segments of the \$4.9 trillion U.S. healthcare industry to achieve their desired outcome. While global in focus and experience, we benefit from being in one of the most dynamic healthcare ecosystems that includes some of the most active healthcare-focused venture capital and private equity firms, leading research universities, large medical device companies and innovative MedTech and healthcare services firms. The Mirus healthcare team has experience executing a spectrum of engagements with some of the most innovative healthcare companies in the world. We have particular expertise in: medical devices, healthcare equipment, healthcare IT, diagnostics, contract research, healthcare staffing, and related companies.

## Work with an investment bank that:

- Delivers sophisticated advice to close deals in your industry
- Is built on a distinguished and independent 35+ year history of transaction execution
- Leverages experience, relationships, and a proven ability to navigate complex deal dynamics
- Garners national recognition for excellence in the middle market
- Provides global reach through its international network
- Focuses on your success, enabling premium outcomes for your business and stakeholders

# Team Spotlight



**Brendan Kiernan**  
(781) 418-5926  
[kiernan@merger.com](mailto:kiernan@merger.com)

Brendan Kiernan brings over 25 years of investment banking experience providing business valuation, corporate finance advisory, and deal execution services, co-leading sell-side and buy-side M&A mandates across technology, business services, industrial, and distribution sectors. He has completed more than 60 transactions with aggregate value over \$3 billion.

Co-head of Mirus' Healthcare & Life Sciences and Business Services teams, Brendan received "Corporate/Strategic Deal of the Year" honors for his work on the sale of Applied BioMath to Certara, Inc. as well as "USA M&A Deal of the Year" honors for his work on the sale of Mikros to Jabil.



**Patrick West**  
(781) 418-5930  
[west@merger.com](mailto:west@merger.com)

Patrick West is an accomplished executive, having spent years at Stryker Corporation, entrepreneur, advisor, and director with extensive management and M&A experience in healthcare technology and manufacturing. A member of Mirus' Healthcare and Life Sciences team, Patrick brings the valuable perspective of having sat on both sides of the negotiating table—as both operator/seller and acquirer. This provides a unique insight and informed ability to navigate complex deal processes. He currently is CEO of Bolt Navigation, and continues to hold non-executive board positions.



**Thom Busby**  
(978) 790-6347  
[busby@merger.com](mailto:busby@merger.com)

Thom Busby has more than a decade of dedicated life science and healthcare investment banking experience, and a twenty-year history of successfully raising capital. Thom is sought-after by clients for his deep industry knowledge and experience in high-innovation segments including medical device, biopharma, diagnostics, instrumentation and digital health/HCIT. Additionally, Thom has extensive experience in life science service verticals such as CROs, CDMOs, consultancies, laboratories, and other outsourced pharma and MedTech providers.



**Nick Frame, PhD.**  
(781) 418-5921  
[frame@merger.com](mailto:frame@merger.com)

Working closely with companies within the healthcare industry, Nick Frame, PhD., offers his clients a unique combination of transactional and scientific experience. Prior to joining Mirus, Nick was a Senior Vice President at a life sciences dedicated strategic advisory and investment banking firm. In this role, he managed transaction processes for companies in the medical device, pharma, diagnostics and life science services segments. His clients have ranged from family- and founder-owned business to sponsor-backed and public companies.

# Trusted advisors to businesses just like yours

## Notable healthcare transactions

  
has acquired a majority stake in  
  
a portfolio company of  


 **applied biomath**  
REVOLUTIONIZING DRUG INVENTION  
has been acquired by  
  
(NASDAQ: CERT)

 **ZIEN** \*  
Medical Technologies  
has merged with  
 **AVERRA**  
PACKAGING  
a portfolio company of  
 **BANNER**

 **Belmont**  
INSTRUMENT CORPORATION  
has been recapitalized by  
 **Audax**  
Group

 **innara** \*  
HEALTH  
has partnered with  
 **CardinalHealth**<sup>™</sup>  
(NYSE: CAH)

 **BOSTON** \*  
HEALTHCARE  
ASSOCIATES  
has been acquired by  
 **Veranex**  
Transforming Your MedTech Innovation  
a portfolio company of  
 **SUMMIT PARTNERS**

 **Integra Companies**  
has been acquired by  
 **avantor**<sup>™</sup>

 **Biomodels**  
FAST. INNOVATIVE. PREDICTIVE.  
has received a strategic investment from  
 **intermedico**

 **Scientific Commercialization**  
Leveraging Science to Maximize Patient Success  
has been acquired by  
 **NAVIMED**  
CAPITAL

Note: Includes transactions completed by Mirus professionals at prior firms (\*)

## Focus sectors



Technology



Healthcare



Industrials



Business Services



Consumer

The information in this document does not constitute investment advice or an offer to sell or a solicitation to buy any security. Some of the statements above contain opinions based upon certain assumptions, and these opinions and assumptions may prove incorrect. Actual results could vary materially from those implied or expressed in such statements for any reason. This document has been created on the basis of information provided by third-party sources that are believed to be reliable, but Mirus Capital Advisors has not conducted an independent verification of such information. Mirus Capital Advisors makes no warranty or representation as to the accuracy or completeness of the content of this report.



Follow us on LinkedIn

To read more reports on the M&A markets, visit our website: [www.merger.com](http://www.merger.com)