

# Commercial due diligence of a cell therapy raw material manufacturer for a life sciences-focused private equity buyer



## Client Challenge

The client, a private equity firm, was considering an acquisition of a leading CDMO for cell therapy raw materials and needed to further understand the market dynamics and competitive landscape that may impact the investment thesis in the Target

## Project Phases

Defined the context and existing deal hypotheses regarding the Target company, shared KPMG's initial perspectives on the market and Target, and reviewed existing materials from client and Target

Conducted external stakeholder interviews (e.g. KOLs, competitors and customers) and desktop research in order to develop a detailed understanding of the market and competitive dynamics

Developed commentary and detailed assessment of any "red flags" or major risks to the investment for the client, the Target's competitive positioning and the outlook and opportunities for growth in key markets

## Outcome For The Client



Insights into Target company's competitive positioning and value proposition, along with any "red flags" or major risks to investment



Assessment of the approximate size and growth of the key market segments, along with regulatory dynamics that could impact the market

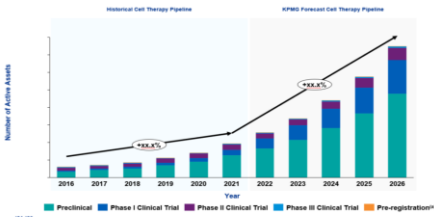


Summary and preliminary roadmap of additional issues that may impact further due diligence

## Key Market Drivers

The therapeutic pipeline for cellular therapies is the primary growth driver for XXX Segment and XXX usage and is expected to grow ~XX% over the next five years

Number of cellular therapies in development by phase, 2016-2026F



Commentary: XXX customers and industry players anticipate there to be continued rapid growth in the cell therapy pipeline over the forecast period. The current 2021 pipeline features XXX distinct companies in clinical phases of development, with XXX distinct companies in preclinical stages. There is significant overlap between both groups. Patients per phase average ~XX in Phase I, ~XX in Phase II, and ~XX in Phase III. The pipeline covers a broad range of indications, but is concentrated in oncology (~XX%) and rare disease (~XX%). Despite broad consensus on a positive growth outlook, some risk to the pipeline does potentially exist from possible drug class failures and potential long term safety risks in cell therapy, which could significantly slow development and uptake of this class of therapies.

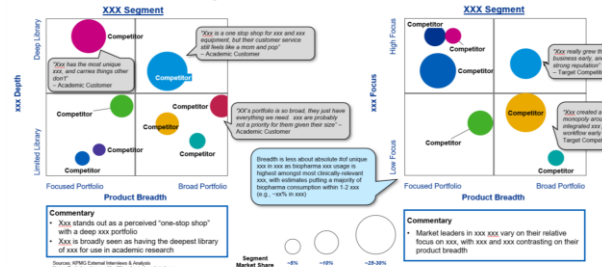
## Regulatory Dynamics

Currently XX has stricter regulations around XX / XX / XX use, however XX is not far behind; XX has tight price controls around cell therapy, benefitting local players

Regulatory Dynamics section with sub-sections for US, EU, and China. Each sub-section includes a flag icon and text describing regulatory requirements and market conditions in that region.

## Competitive Positioning

Competitors in XXX appear to go to market and differentiate on the depth of their XXX libraries, while differentiating on XXX focus within XXX



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