



Success

Solution

Business Strategy

- Innovation
- Branding
- Solution
- Marketing
- Analysis
- Ideas
- Success
- Management

Kineticos – Diagnostics Market Research Study

Q4 2018

- Marketing
- Analysis
- Ideas
- Success
- Management

SOCIAL NETWORK



About Kineticos

Kineticos is a specialized management consulting firm serving the life science industry. The firm is focused on identifying opportunities to drive strategic growth and achieve operational excellence for its clients around the globe.

A Differentiated Approach...

- Specialized focus in life sciences
- Real world expertise from decades in industry
- Strategic thinking
- Tactical execution capabilities
- Systematic methods and processes



Kineticos Market Research Initiative

As a life sciences consultancy, Kineticos has the opportunity to engage with some of the brightest minds in the industry. We are privileged to have partnered with over 75 sponsors and are forever grateful for those relationships.

However, helping our sponsors with their most challenging issues is only one way Kineticos can contribute to improving patient outcomes. An additional way of doing so is to provide life science executives with insight regarding industry trends and future outlook. This insight can be utilized to make informed decisions and expedite the process of bringing life changing therapies to market.

Thus, Kineticos has recently conducted a primary research study intended to gain insight into current and future state of the precision medicine and diagnostics industry. The subsequent slides highlight the findings of our research. We encourage you to provide any feedback and if there are topics that you would be interested in learning more about, please contact us as research@kineticos.com

Thank you!

The background features a dark purple and blue color scheme with a central image of laboratory glassware, including a large Erlenmeyer flask and several test tubes. Faint, glowing chemical structures and the word "Child" are visible in the background.

Fall 2018 Market Research Study

Confidence Across Precision Medicine & Diagnostics Industry

Research Specifications



Methodology

- 5 minute online survey



Sample

- n=71 Precision Medicine and Diagnostics Executives



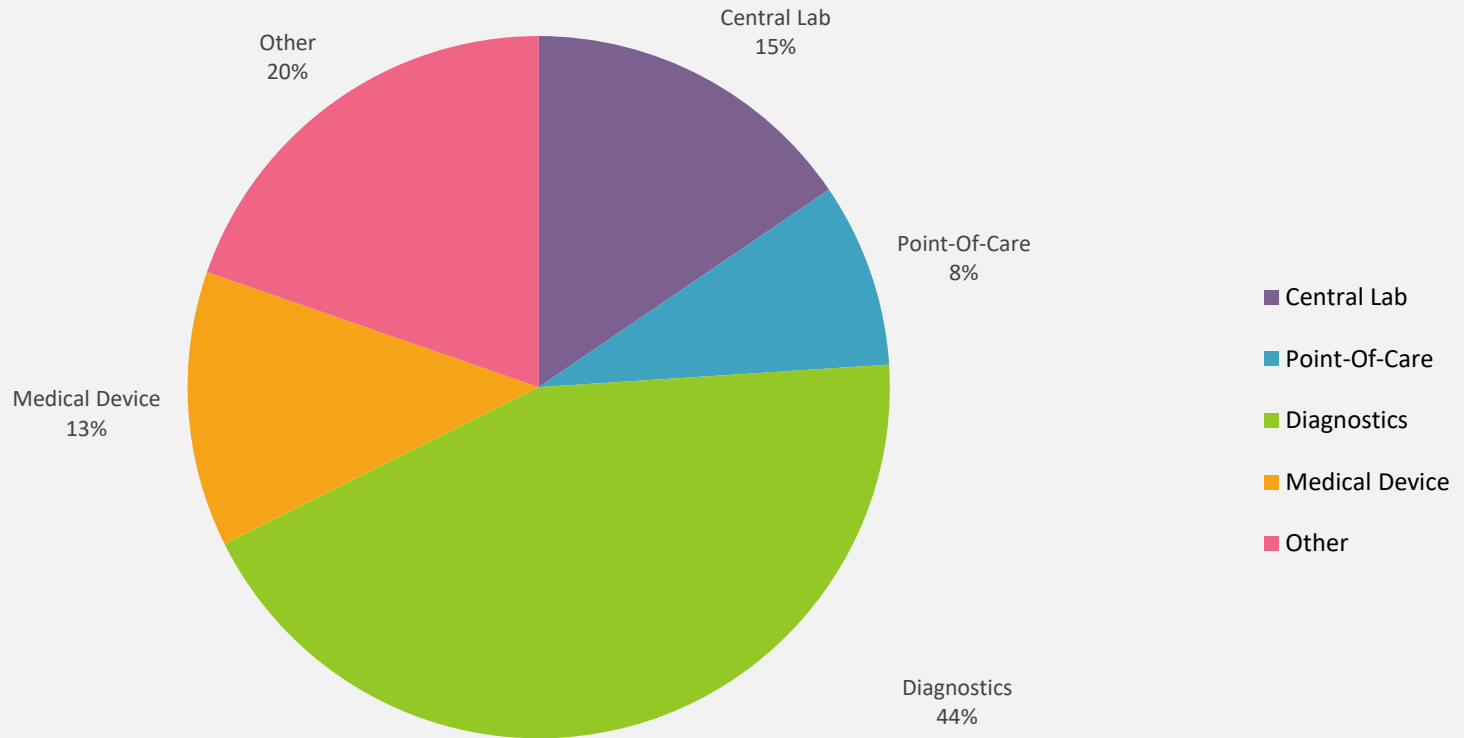
Timing

- Fielding was conducted between September 6, 2018 – October 1, 2018

Demographics

Diagnostics accounted for 52% of company respondents

How would you categorize your company?

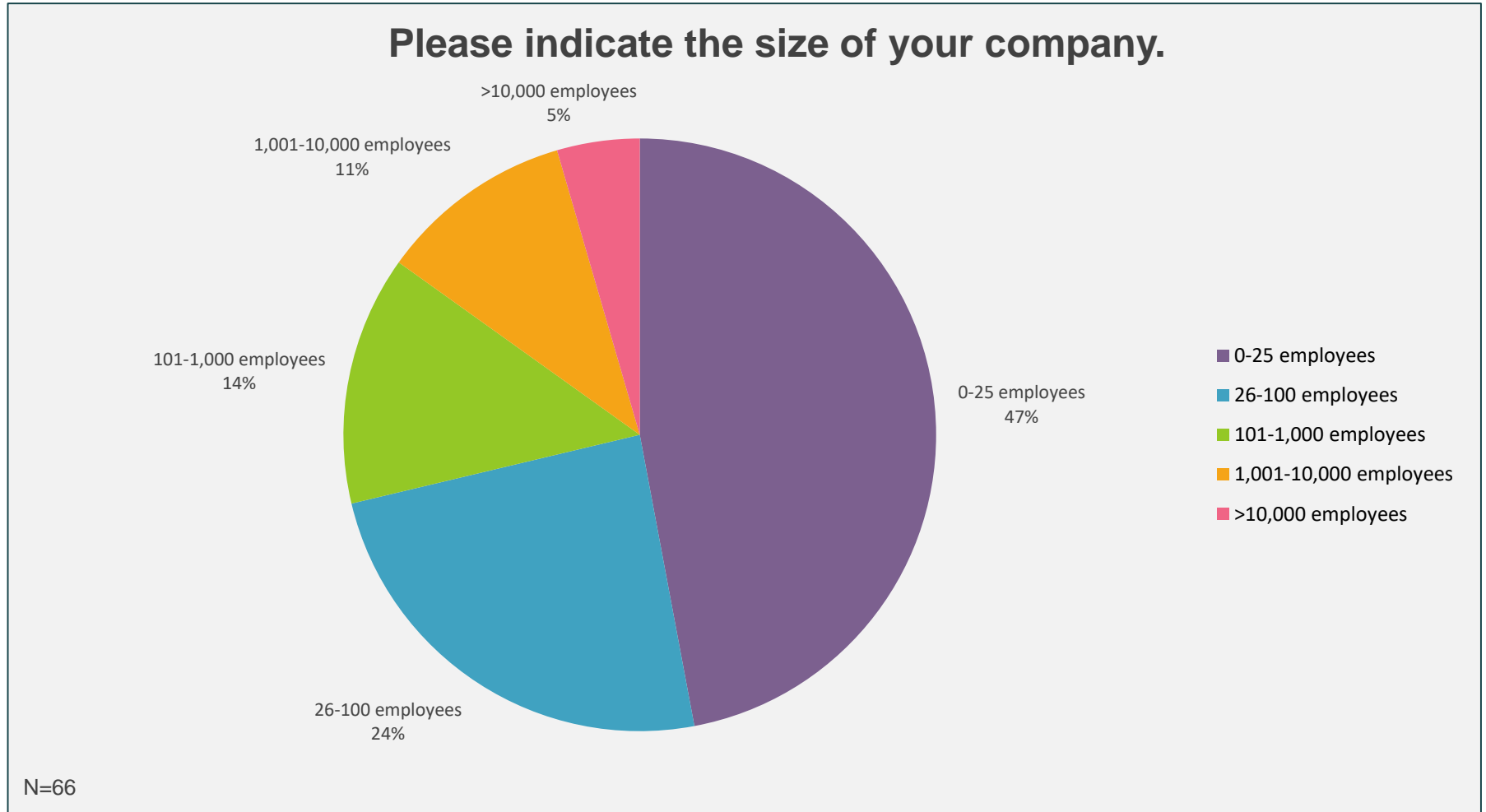


N=71

Others: CRO (2x), GMP Analytical Lab, CDx

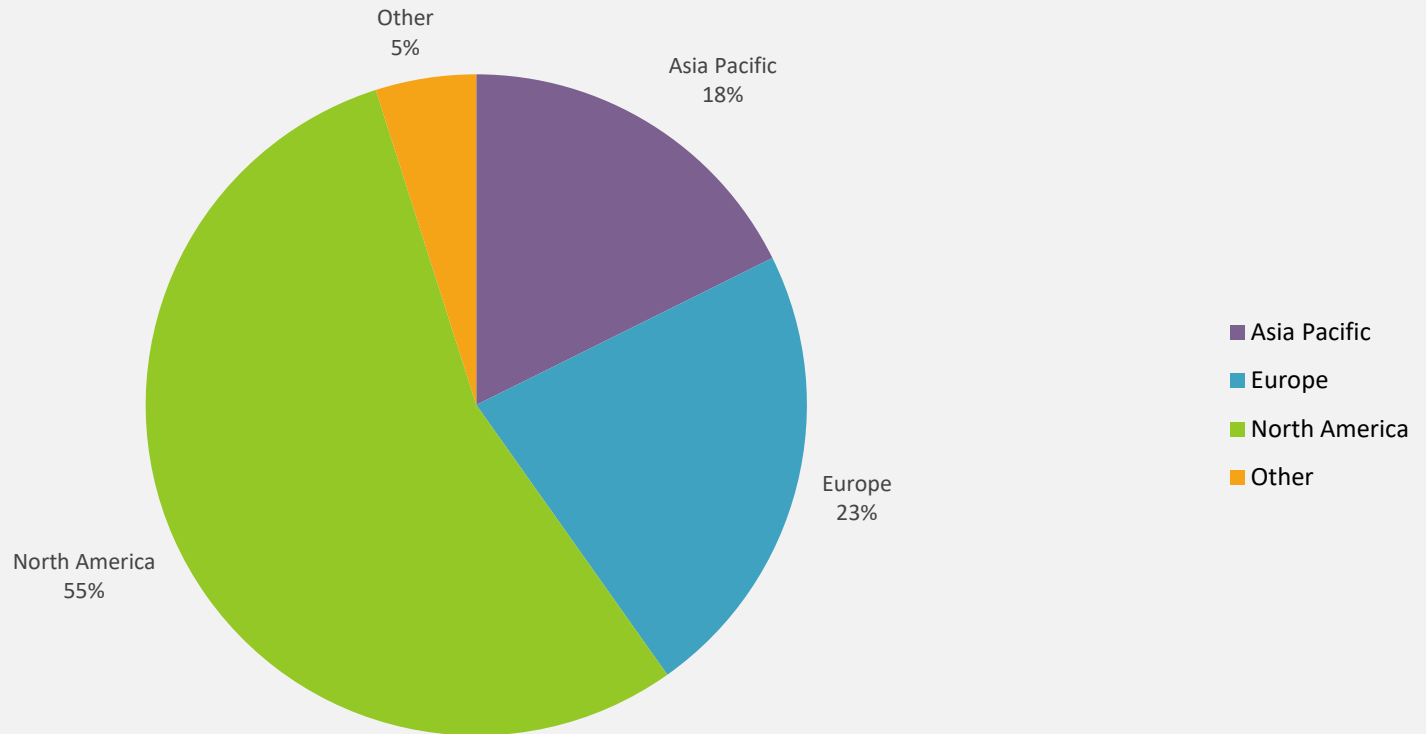
Property of Kineticos © Copyright 2018

Small to mid-size companies were most highly represented



Majority of respondents are located in North America

Please indicate which geographic region(s) your company is located. Select all that apply

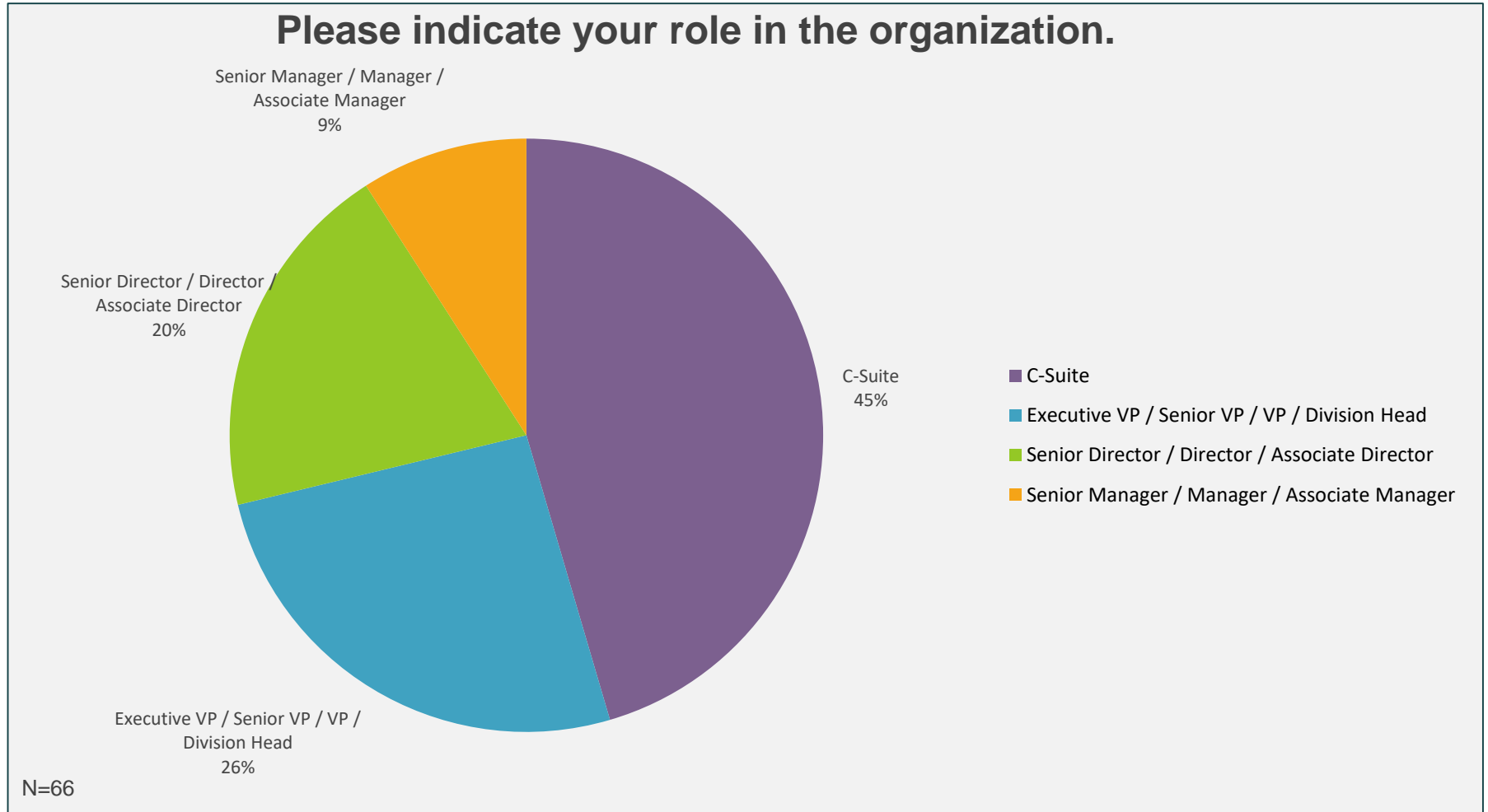


N=66

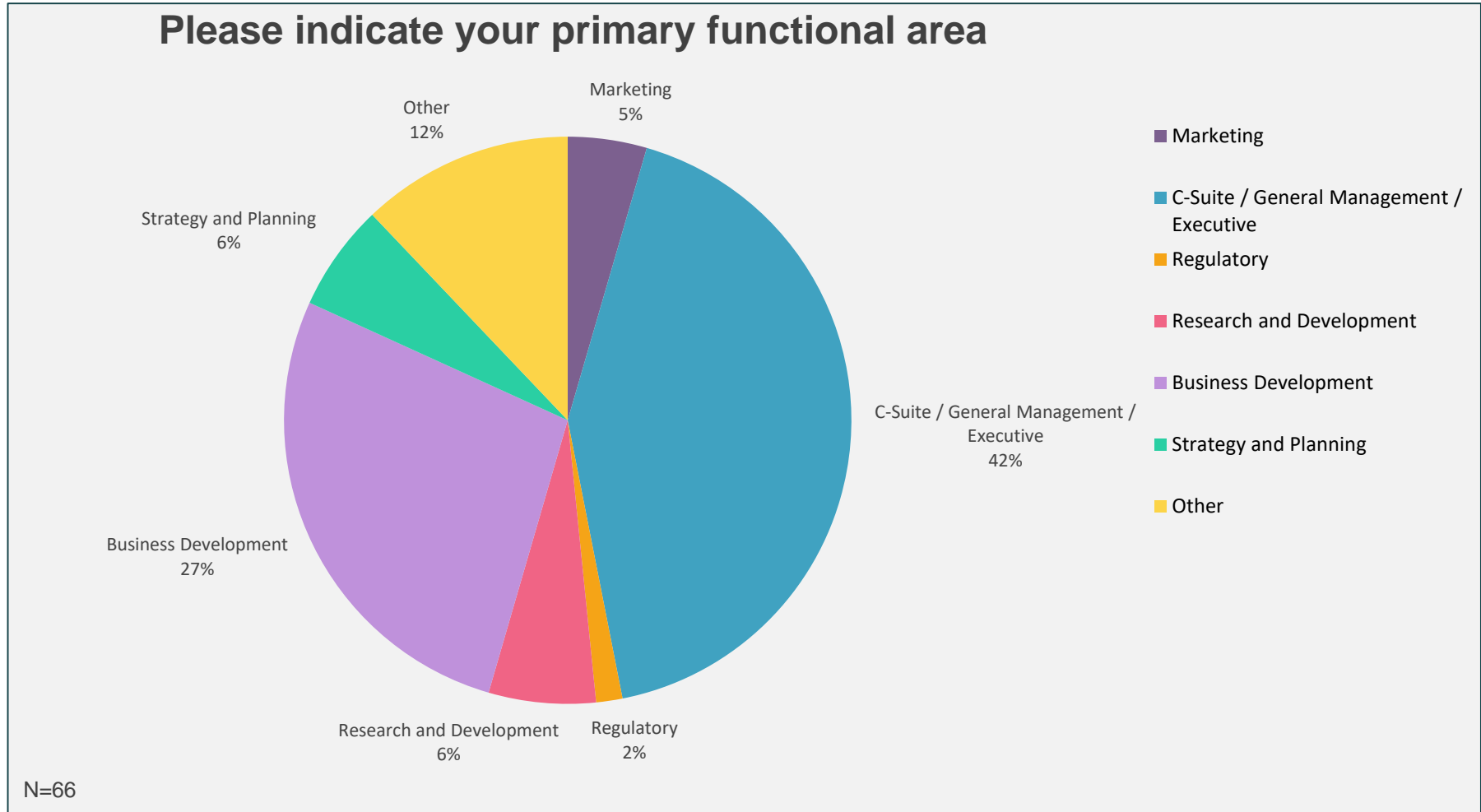
Others: South America, Africa

Property of Kineticos © Copyright 2018

C-Suite accounted for highest percentage of respondents



General Management and Business Development account for over two thirds of respondents

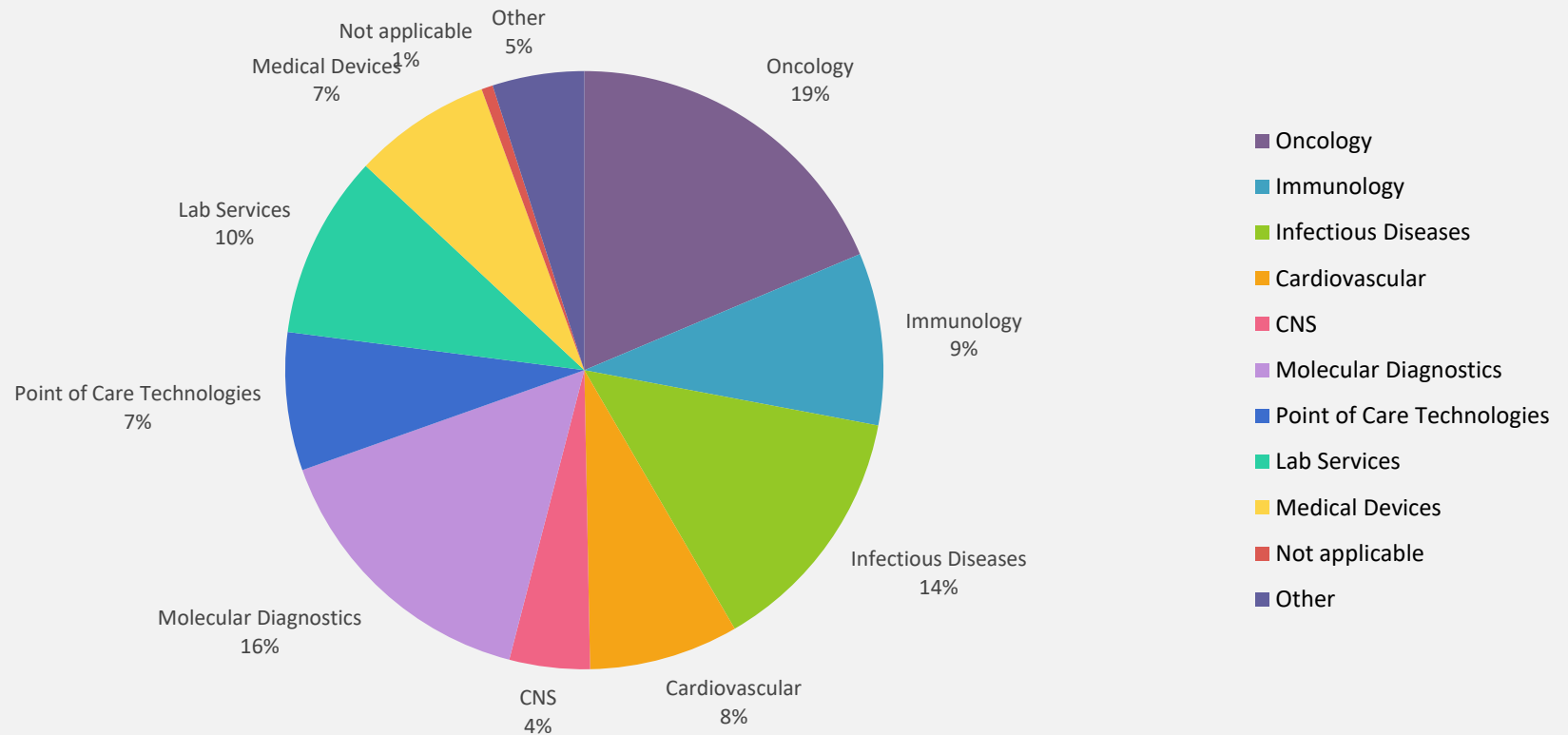


Others: Program Management (2x), Sales (2x), Technical Support

Property of Kineticos © Copyright 2018

Even mix of technical focuses, with Oncology representing the largest share

Please indicate your company's technical focus. Please select all that apply

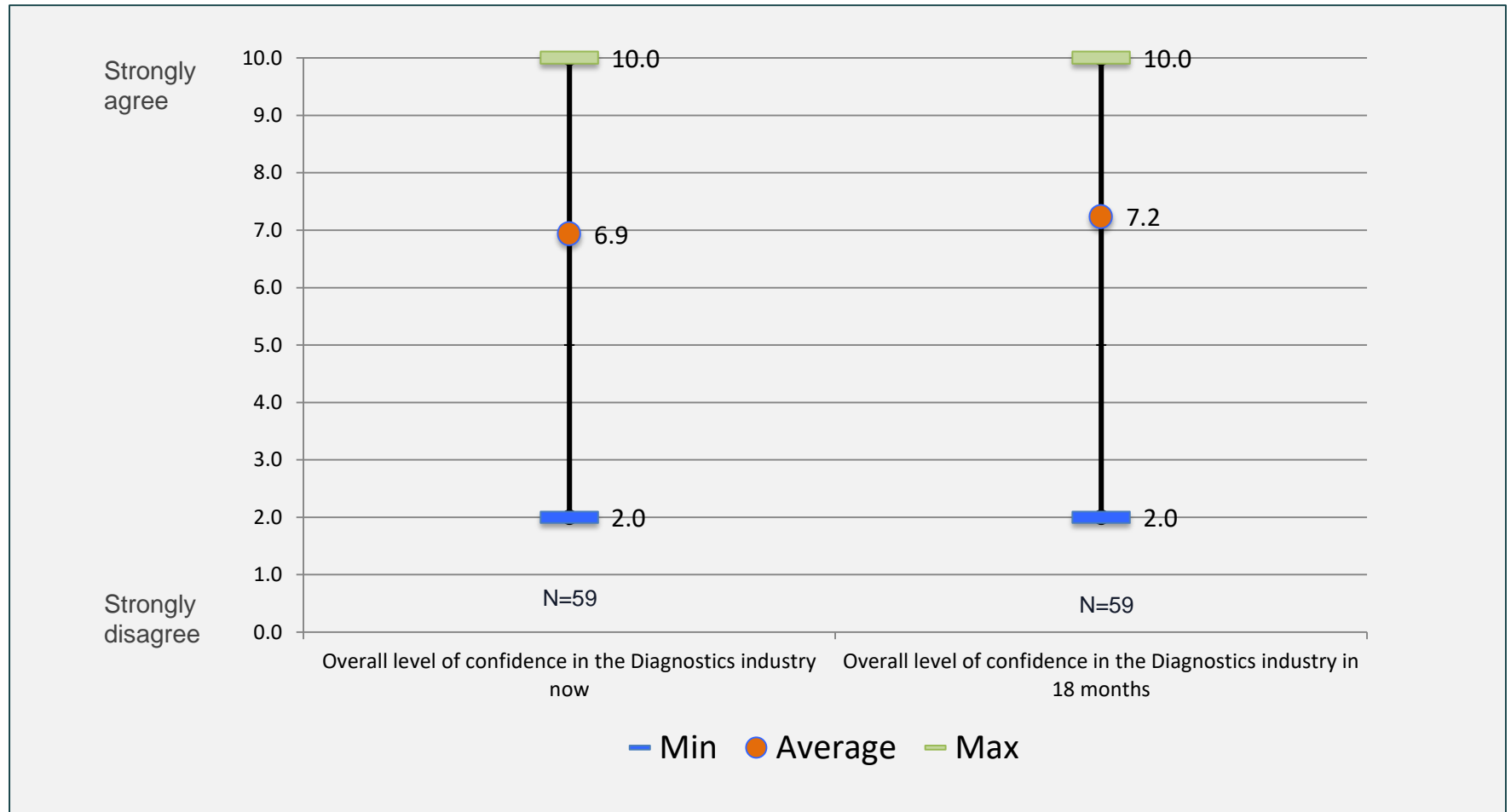


N=66

Other: IVD, CDx, Imaging, Nanoparticle

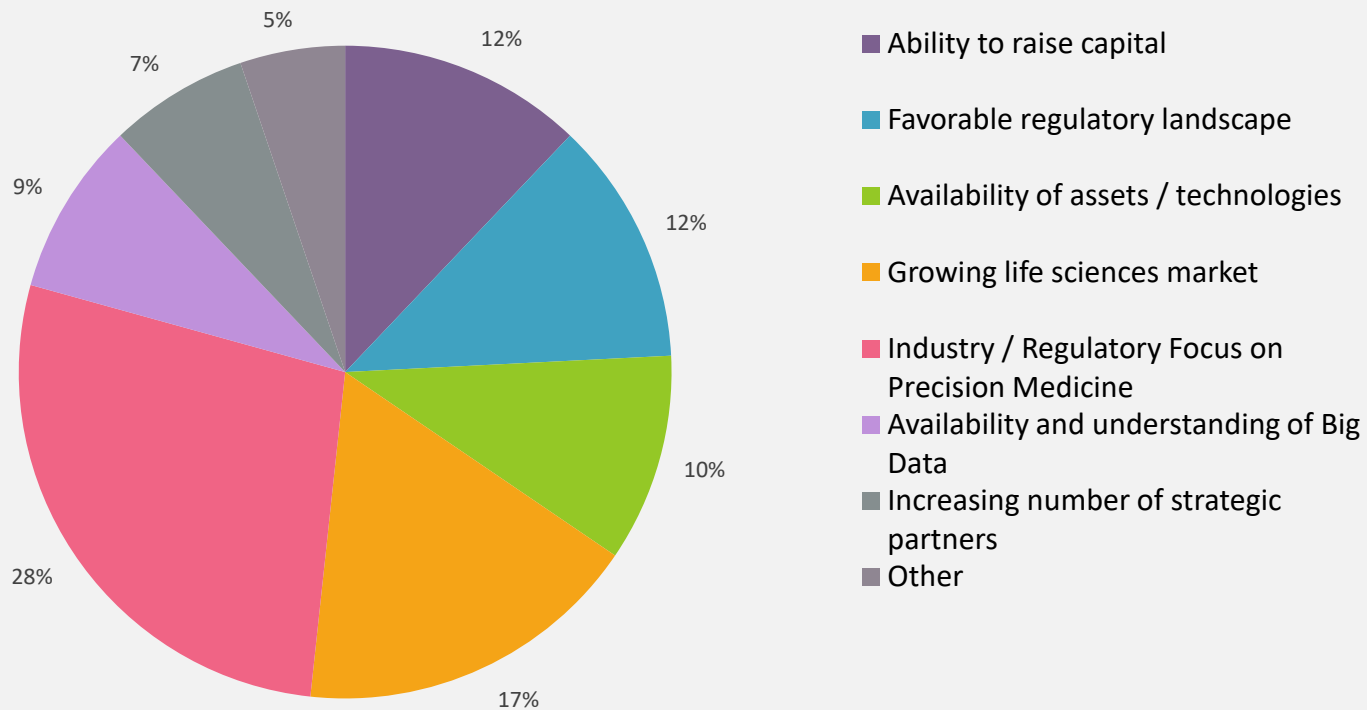
Confidence Levels

Respondents are slightly more confident in the Diagnostics industry in the future than they are today



2 key drivers of confidence in the Diagnostics industry include the *industry focus on Precision Medicine (28%)* and a *growing life sciences market (17%)*

What is driving your overall confidence in the Diagnostics industry in the next 18 months?

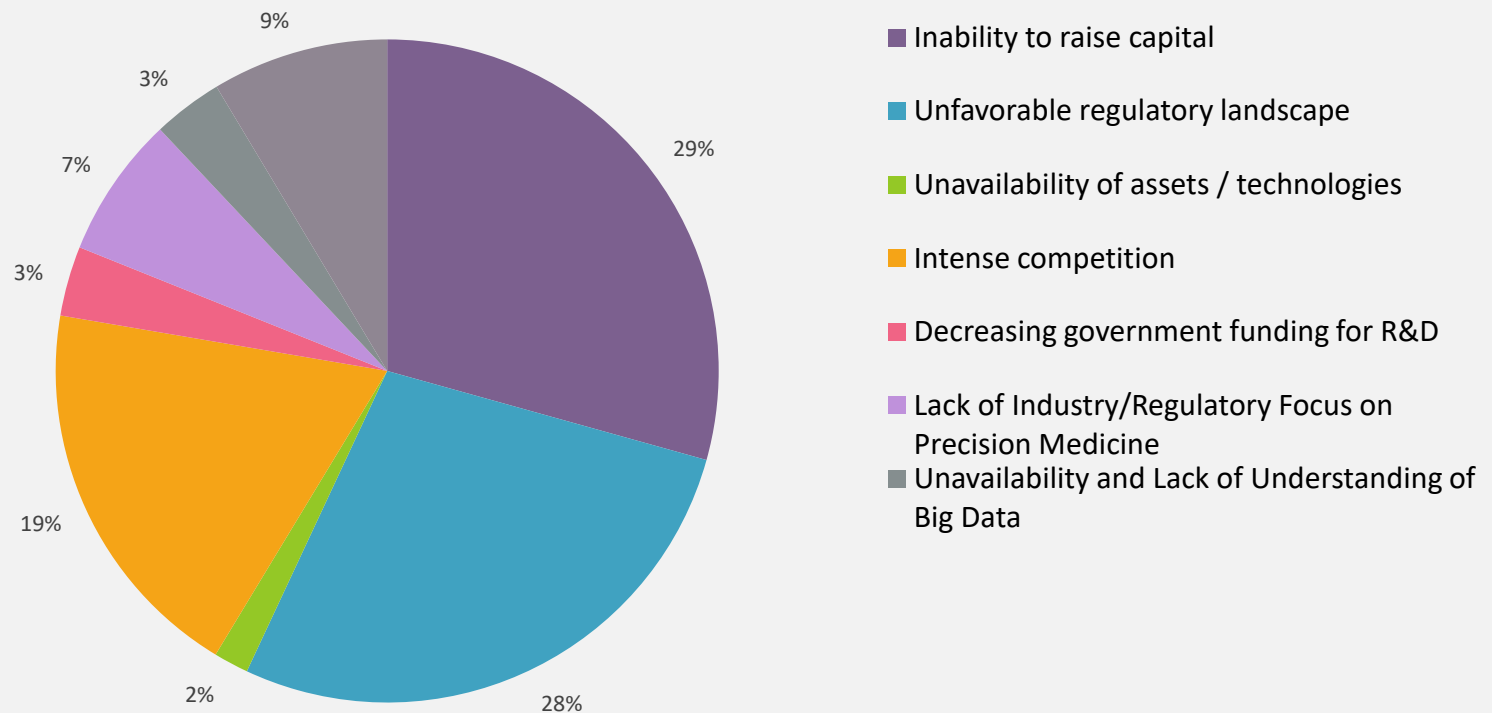


N=58

Other include: Changes in cancer care, demand for diagnostics services

Top risks include *inability to raise capital* (29%) and *unfavorable regulatory landscape* (28%)

What is the largest risk to the Diagnostics industry in the next 18 months?

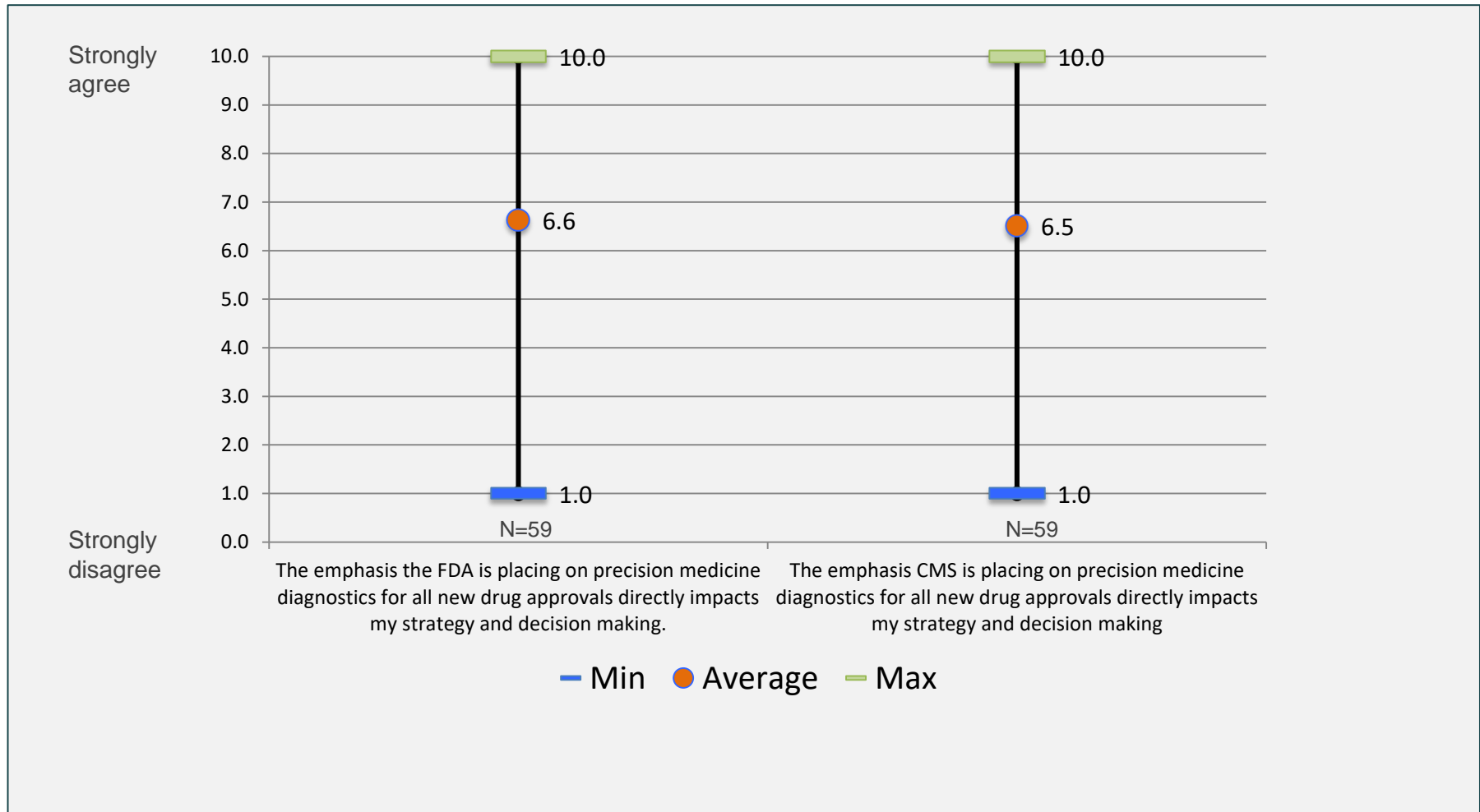


N=58

Other include: Reimbursement challenges (4x)

Property of Kineticos © Copyright 2018

Individuals feel that governing bodies are moderately impacting strategy and decision making



Confidence levels in private Capital Markets are moderately high compared to the lower confidence in Public Capital Markets



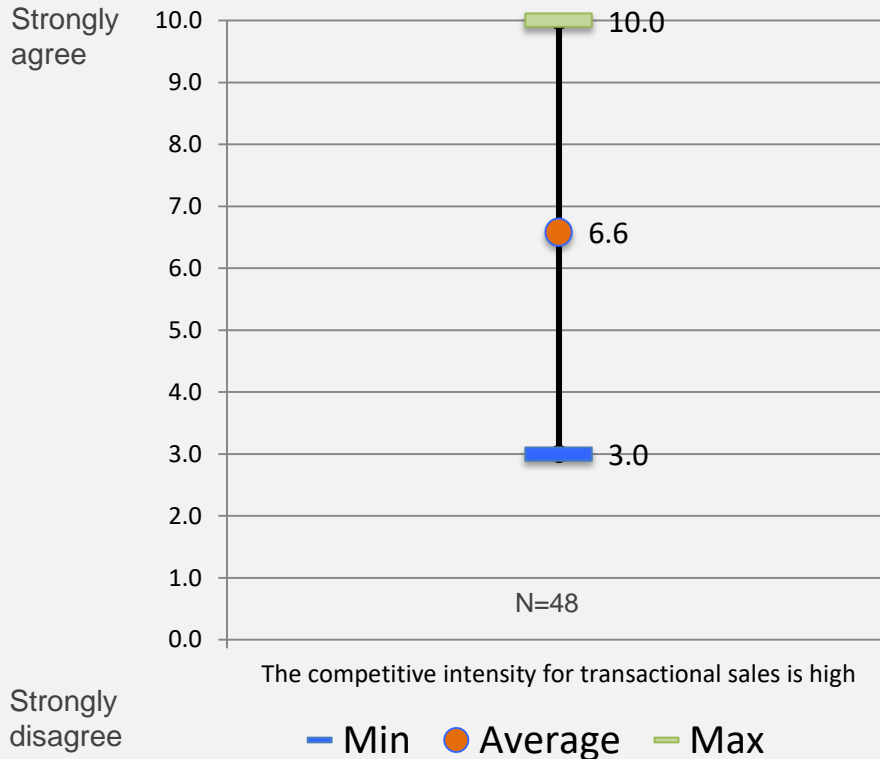
Respondents indicated that the majority of revenue is generated by transactional sales

Please indicate how much of your revenue is generated via:

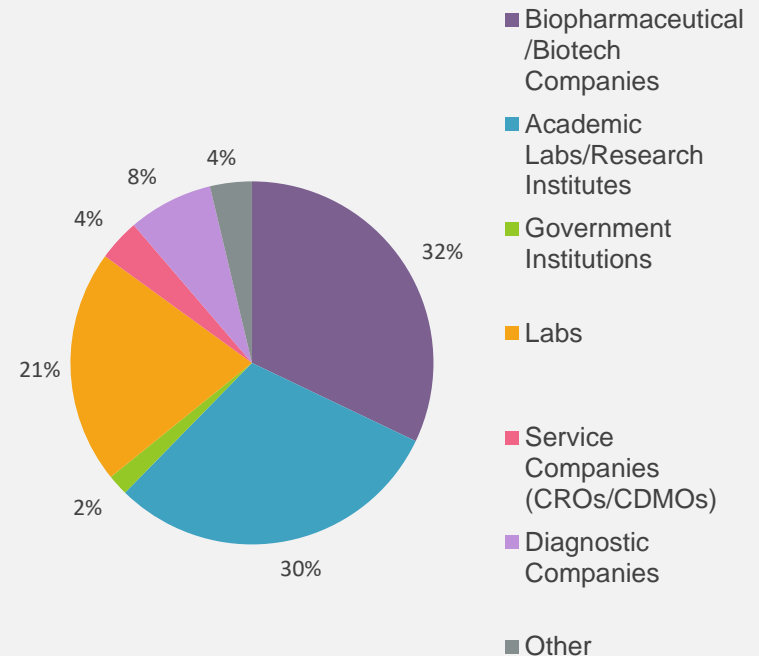
	Less than 10%	11-25%	26-50%	51-75%	Greater than 75%
	Row %	Row %	Row %	Row %	Row %
Transactional Sales	30.2%	7.5%	17.0%	11.3%	34.0%
Licensing Deals	73.6%	5.7%	9.4%	5.7%	5.7%
Distribution Deals	75.0%	15.4%	7.7%	%	1.9%
Co-Development Deals	75.5%	11.3%	9.4%	1.9%	1.9%
Companion Diagnostics Deals	75.0%	17.3%	7.7%	0%	0%

N=52

Competition for Transactional Sales is moderately high with the typical partner profile being biopharma companies and labs



What types of transactional sales partners do you typically collaborate with? Select all that apply.

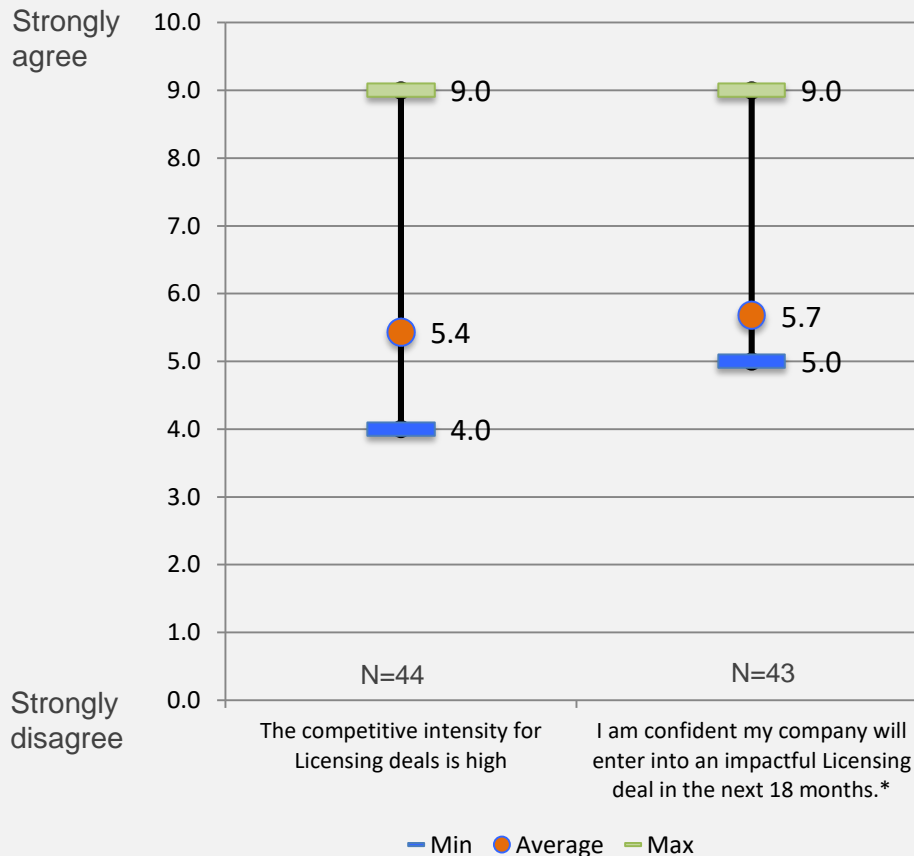


N=37

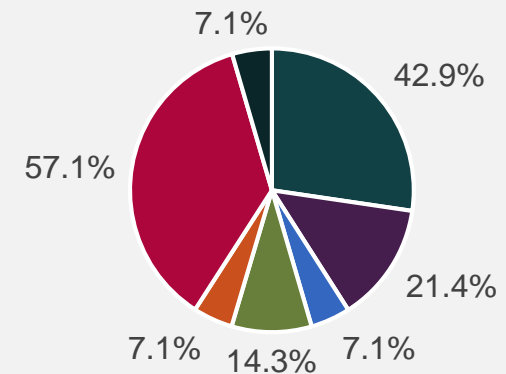
Others: Health plans

Property of Kineticos © Copyright 2018

Competition for Licensing Deals is reasonable. Typical licensing partners tend to be Diagnostic Company



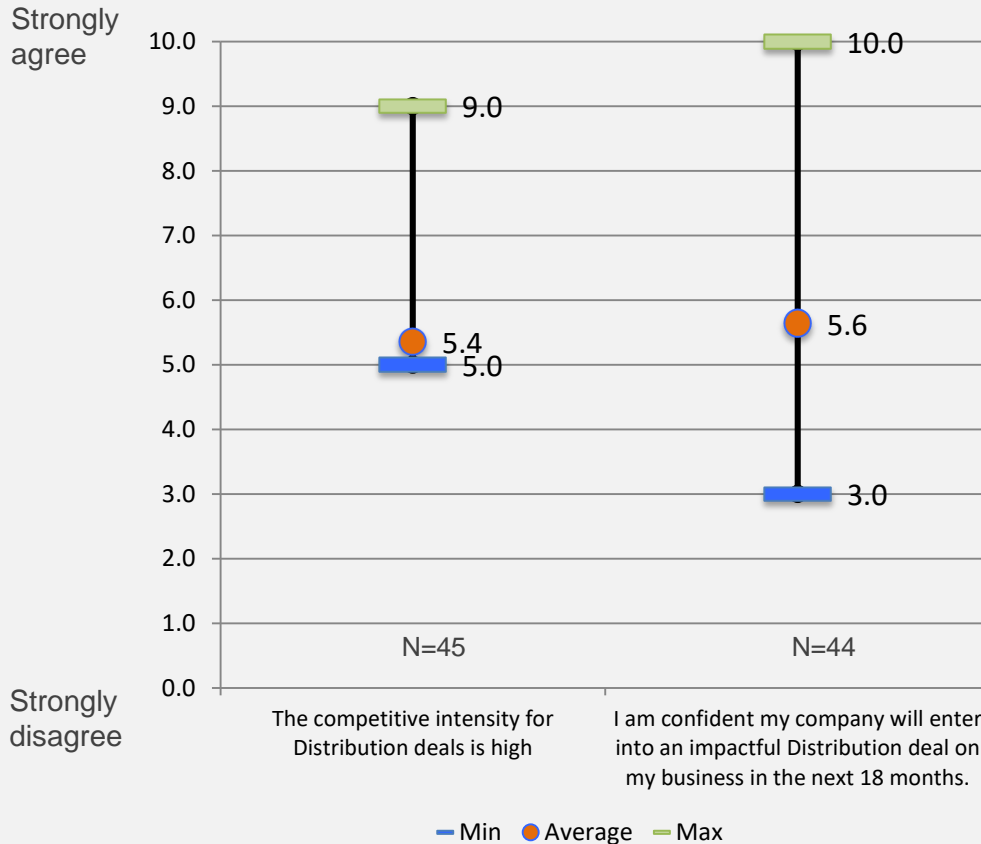
What types of Licensing partners do you typically collaborate with? Select all that apply.



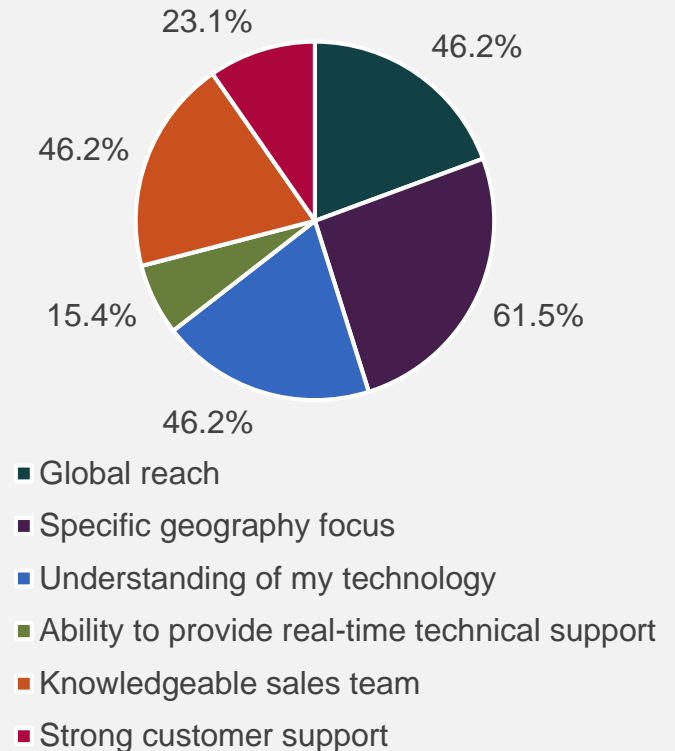
- Biopharmaceutical/Biotech Companies
- Academic Labs/Research Institutes
- Government Institutions
- Labs
- Service Companies (CROs/CDMOs)
- Diagnostic Companies
- Other

N=14

Competition for Distribution deals is reasonable. Key factors for a partner include geographic focus and understanding of technology

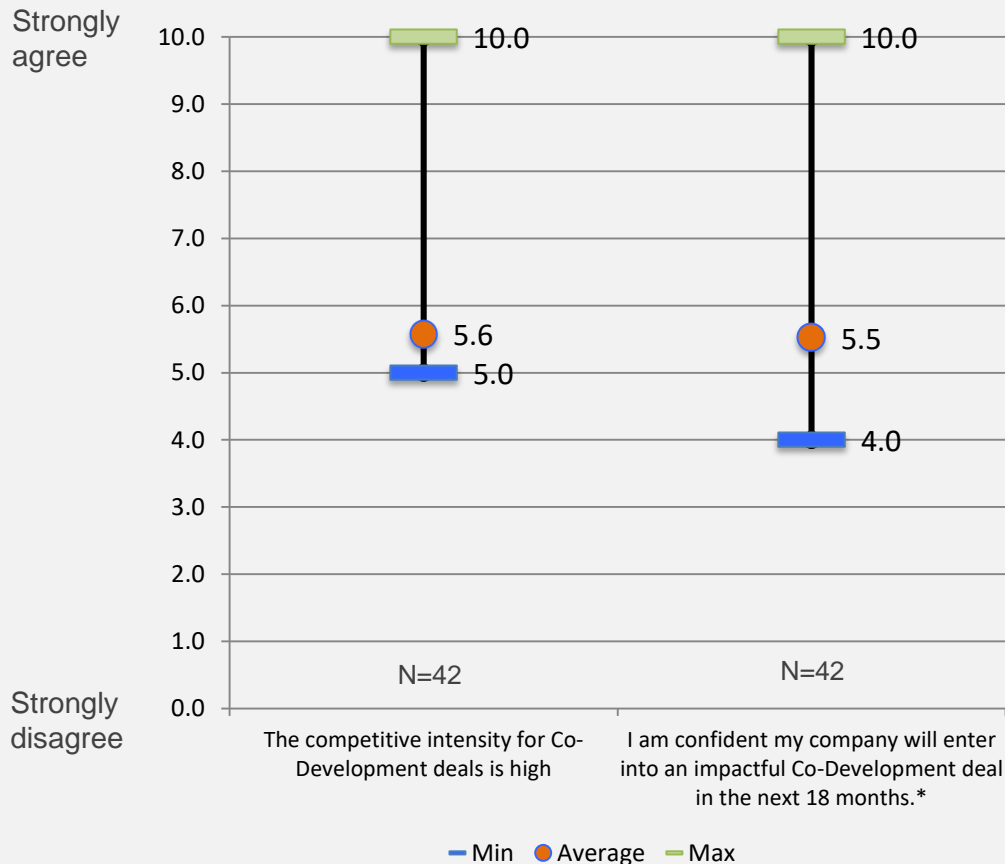


What are the key characteristics of the Distribution partners do you typically collaborate with? Select all that apply

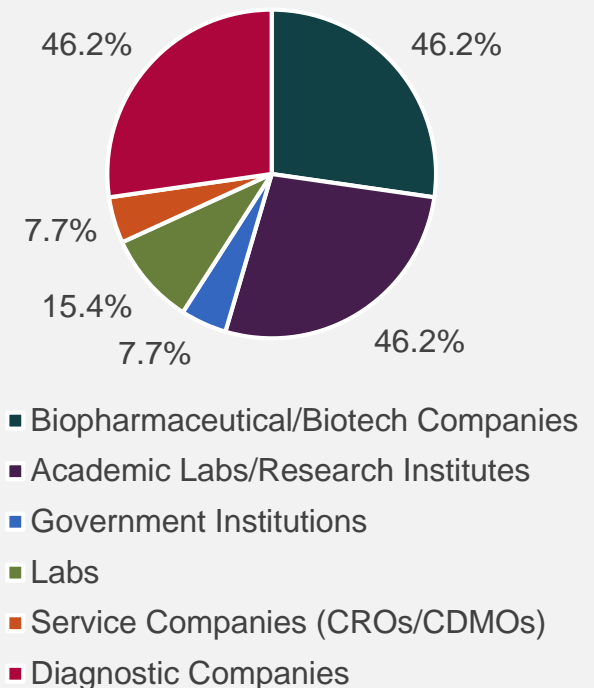


N=13

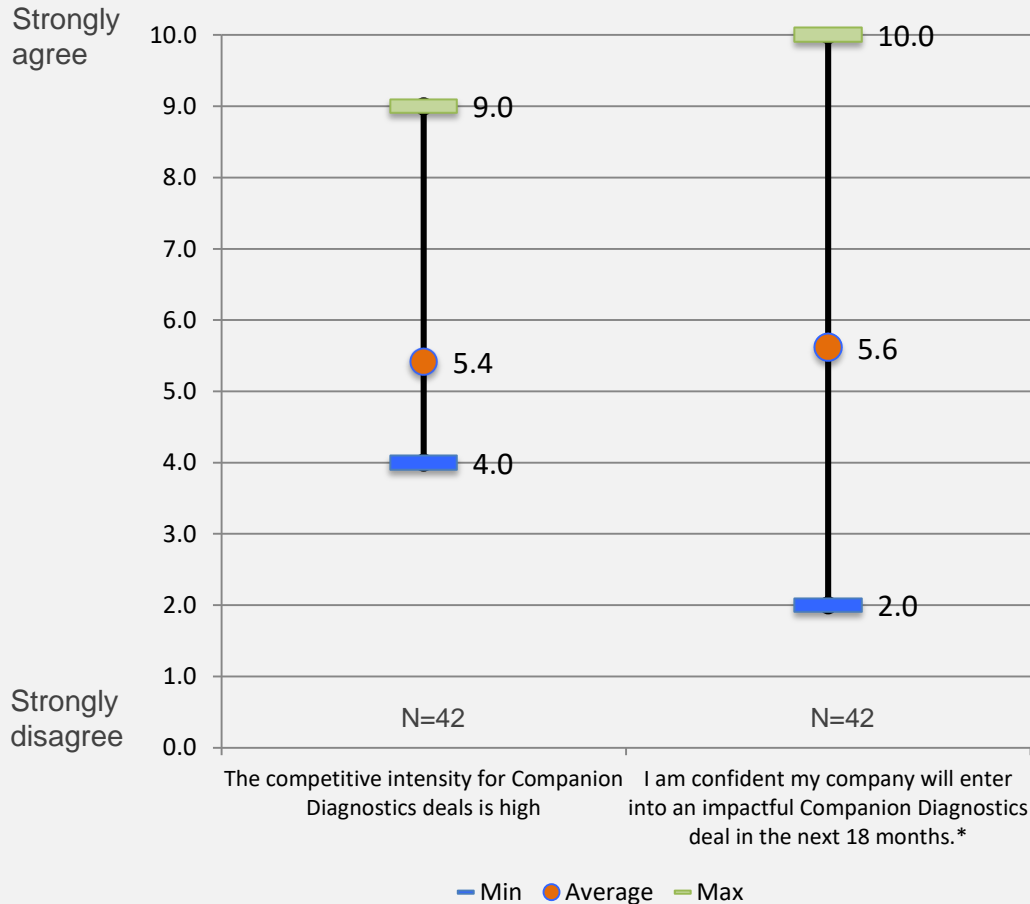
Competition for Co-Development deal is realistic. Common partner profiles include Biopharma, Academic labs/research institutions and Diagnostic companies



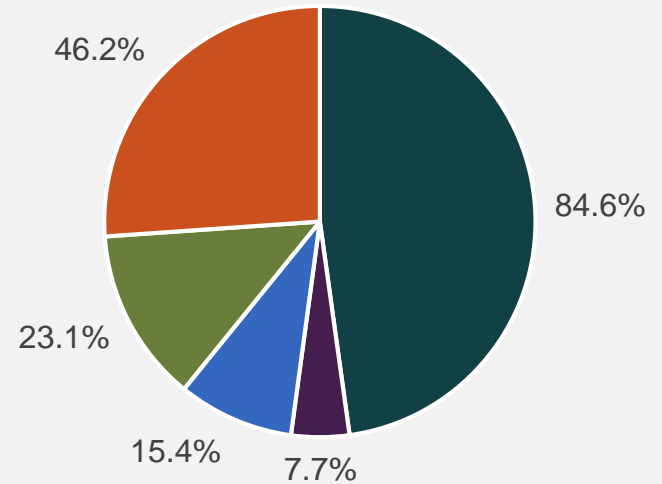
What types of Co-Development partners do you typically collaborate with? Select all that apply.



Competition for Companion Diagnostics deals is realistic. Not surprisingly, Biopharma companies are the most common partner.



What types of Companion Diagnostics partners do you typically collaborate with?
Select all that apply



- Biopharmaceutical/Biotech Companies
- Government Institutions
- Labs
- Service Companies (CROs/CDMOs)
- Diagnostic Companies

N=13

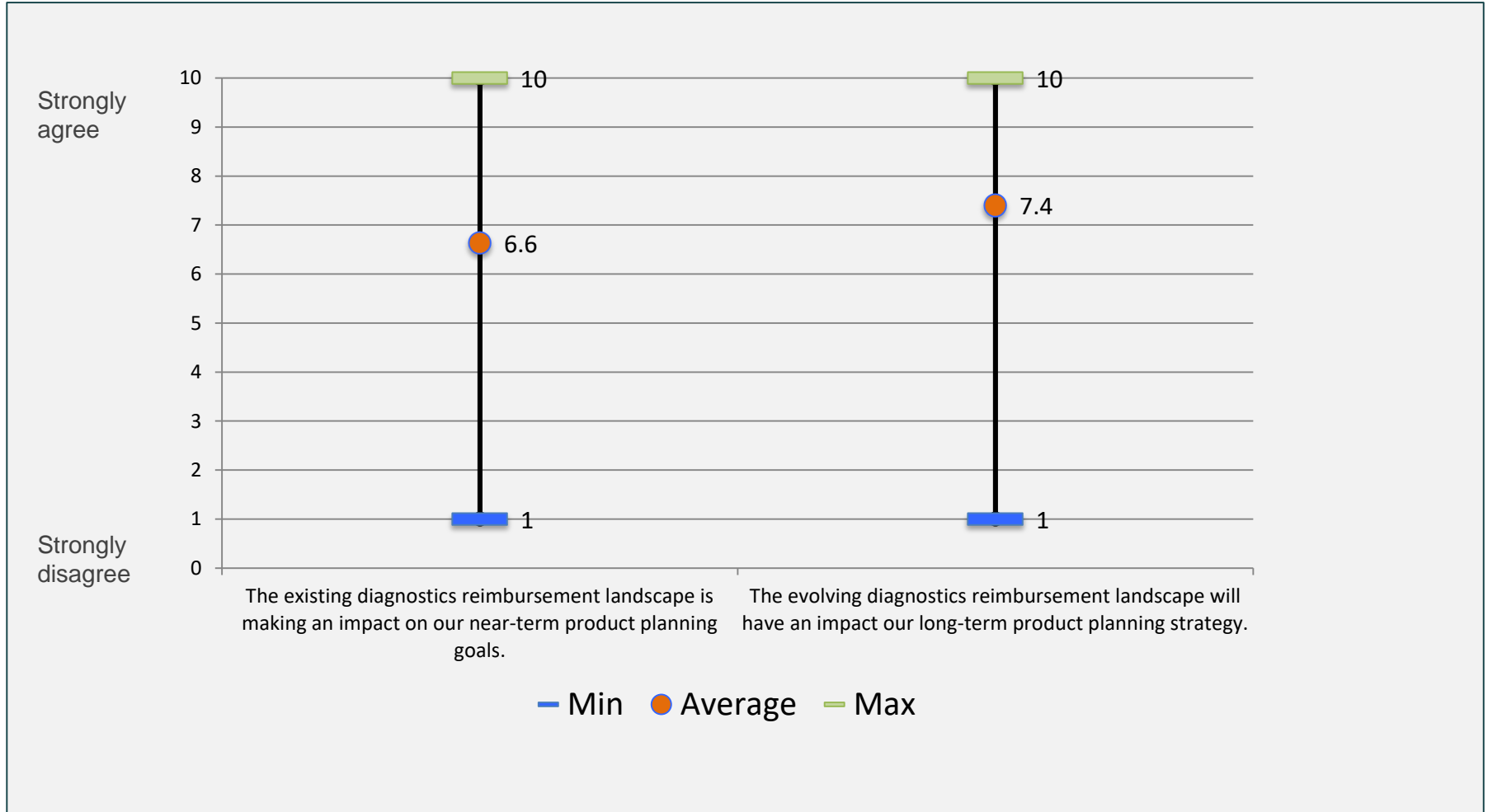
Top product planning risks include lack of funds, high development costs, and regulatory landscape

Please rank order your top 3 perceived risks for product planning strategy in the next 18 months

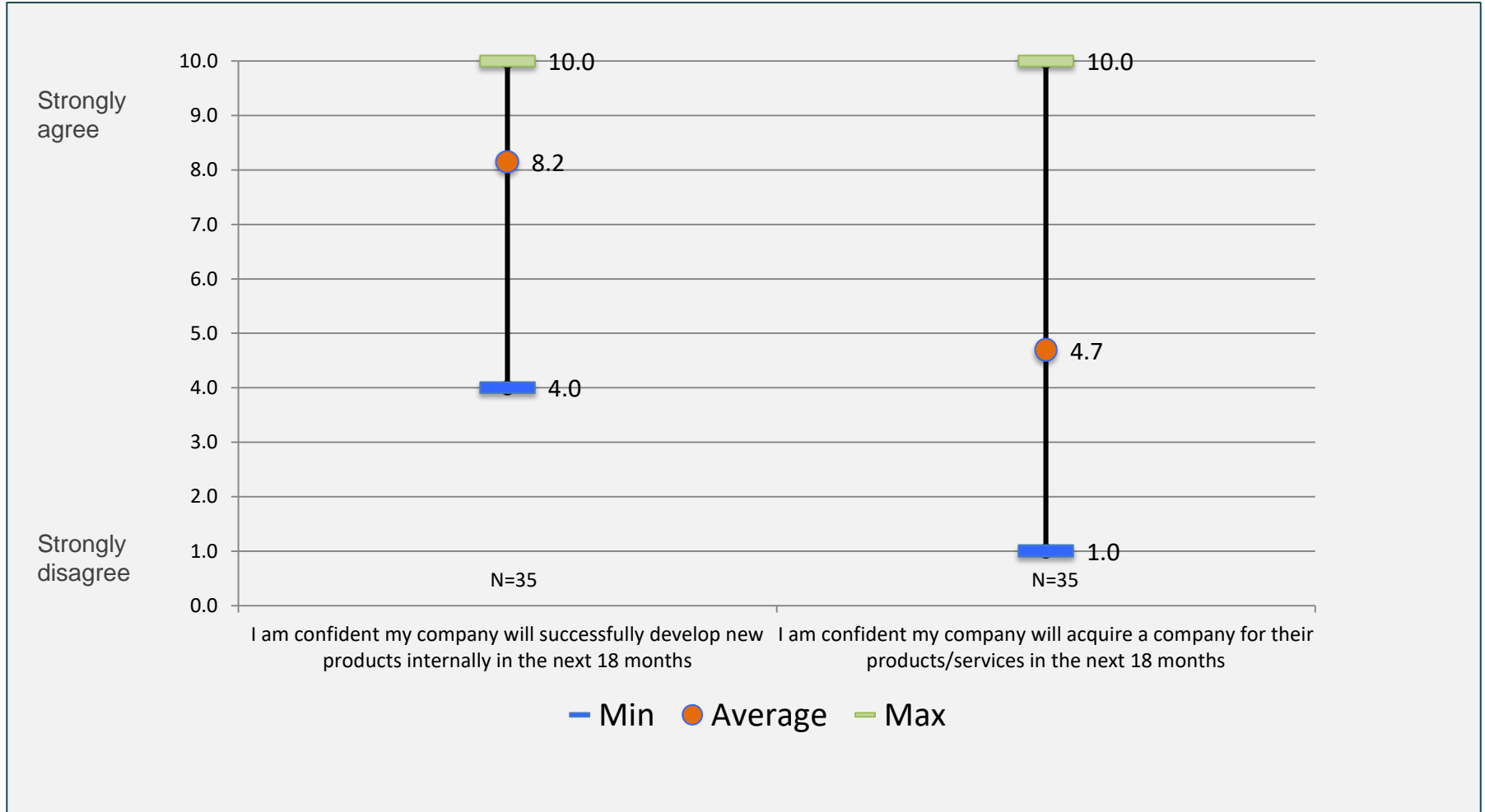
Risk	Rank
Lack of funds	1
High development costs	2
Regulatory landscape	3
Sub-optimal reimbursement rates	4
Data analytics and tools	5
Managing Clinical Trials	6
Finding partners to identify, develop or run biomarkers	7
Access to patients	8
Accessibility to data	9

N=35

Diagnostics reimbursement landscape is making an impact on short and long-term product planning goals

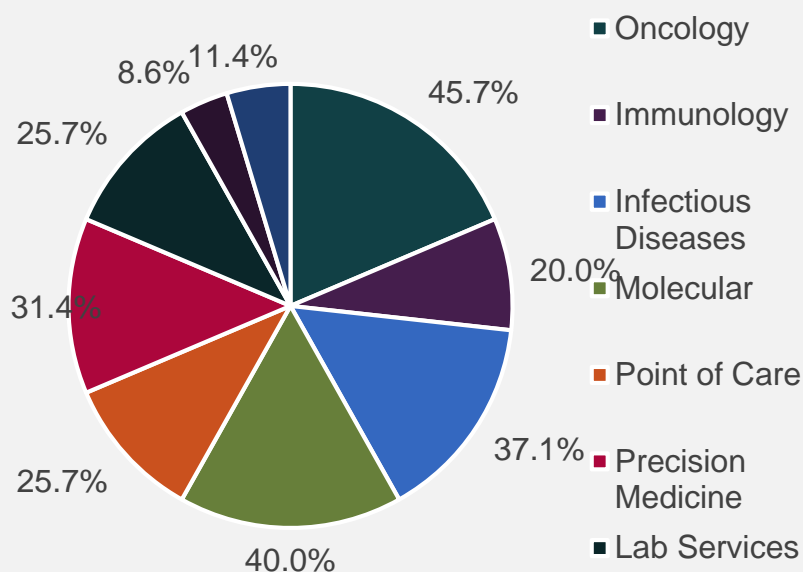


Respondents are more confident in a “build” strategy rather than a “buy” strategy



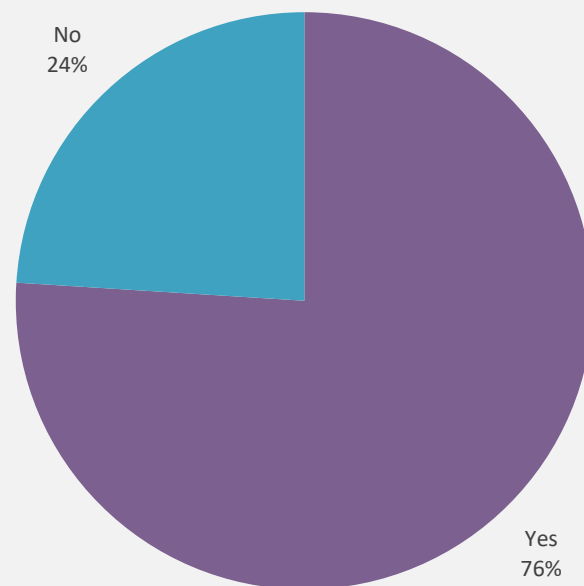
A majority of companies are working on new products and the new products and services are being developed in a wide range of therapeutic areas, with Oncology at the top.

Our organization is focused on developing or acquiring new products/services in the following areas. Select all that apply.



N=35

We are currently working to develop or launch new products, either locally, or in new markets.



Kineticos

LIFE SCIENCES CONSULTING

Success

Solution

Business Strategy

Innovation
Branding
Solution
Marketing
Analysis
Ideas
Success
Management

Innovation
Branding
Solution
Marketing
Analysis
Ideas
Success
Management

SOCIAL NETWORK

nathan.finger@kineticos.com

Thank you

