Healthcare Sector Report

August 2022

North Edge.

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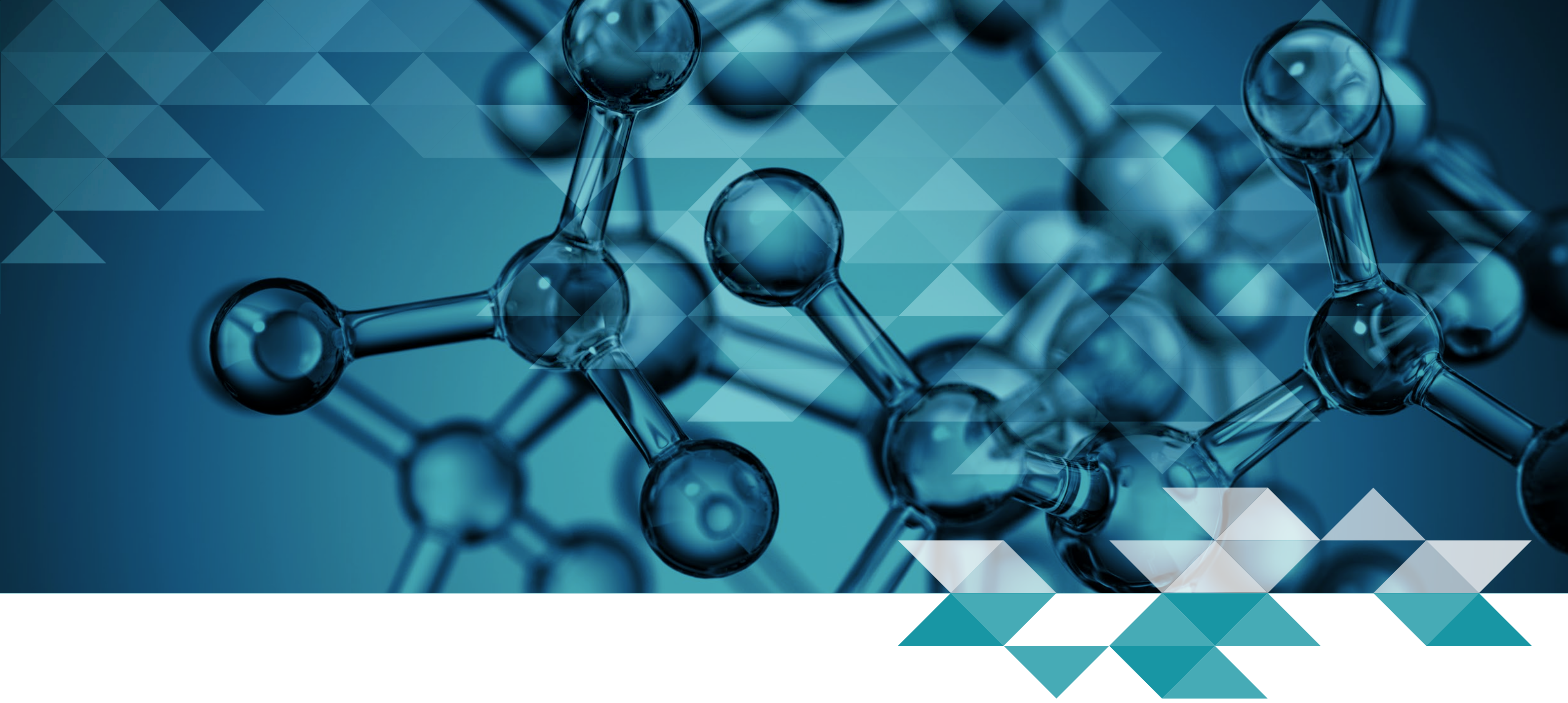


Foreword

The healthcare sector has continued to grow strongly in recent years, with the Covid-19 pandemic reinforcing the importance of healthcare around the globe. As a result of the increasing focus, the private equity industry invested c.$151 billion into healthcare globally in 2021, more than double the prior year.

From our own experience, we have increased the size of our healthcare portfolio in the last year with the additions of Meet, an international provider of talent solutions to the life sciences sector and ramarketing, a full-service commercial impact agency which supports clients in the Pharma and Biotech markets.

We have also continued to enjoy successful partnerships with the healthcare businesses within our portfolio. Notably we have supported global Medical Communications business Helios to hit several key milestones since our collaboration began in January 2021. Highlights have included opening two new offices in the UK and launching a US agency – all whilst the business has continued to keep its people, culture and values at the heart of its growth plan. Elsewhere in our portfolio, Platinum Stairlifts, an international designer and manufacturer of stairlift products, has also enjoyed a strong period of growth. This year they have opened a world-class, custom-built, sustainable manufacturing facility, which will increase both production capacity and access to talent as they continue to expand the business to meet global customer demand.

Ranging from Biotech and Life Sciences through to Medical Devices and Technology, the sector encompasses a full spectrum of industries dedicated to delivering better outcomes for patients. Whilst the healthcare sector remains broad, we believe there are four key themes that are paving the way for the future success of the sector with regards to investment – Pharma Services, Medical Devices & Diagnostics, MedTech and Health & Wellbeing. In this report we review the fundamental drivers and challenges within each, whilst highlighting the experience we have gained from our own portfolio.

Despite Covid-19's lasting impact on us all, it has presented the healthcare sector with the chance to accelerate innovation and reinvent itself to meet a new set of challenges. With that brings a wealth of new opportunities for leaders to drive growth within their own businesses and to create impactful change within the sector, even in the current macro economic climate. We are proud of the role we can play, backing ambitious management teams and working with them to build better businesses, together.

Phil Frame, Partner at NorthEdge

KEY STATISTICS

Market

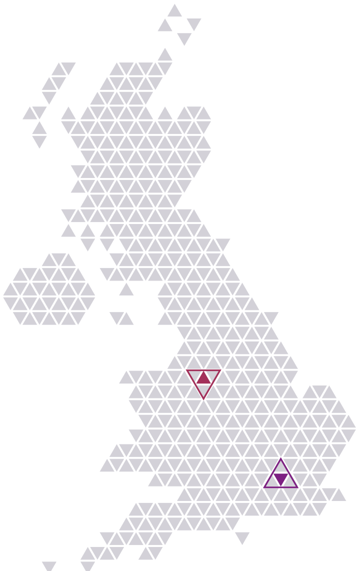
$151bn

of private equity capital surged into healthcare globally in 2021, more than double the prior year ($66 billion)

Healthcare expenditure represented **12%** of GDP in 2021

Healthcare expenditure in the UK grew by **7.1%** in 2021

c.£277 billion in 2021 compared to **£258 billion** in 2020



It's estimated that there are

215,549

Healthcare Companies in the UK

London

London is the largest region with a 14% market share in the healthcare industry

Manchester

Manchester is the second largest with 8,065 healthcare companies

Investment in Health tech increased by **258%** in the North West and **145%** in Yorkshire from 2019-20

The North East produces 33% of the UK's GDP in pharmaceutical manufacturing with 95% of finished product exported to global markets

33%

95%

Big Pharma has made the North West its home, with global companies including AstraZeneca and GlaxoSmithKline serving UK and global markets from their key manufacturing and R&D operations based in the area

Yorkshire is home to one of the largest clusters of orthopaedic, medical device and surgical companies in the UK

People

There are approximately

638,000

health professionals in employment within the UK

Each industry employs

Life Sciences	MedTech	Medical Devices
268,000	138,000	50,000

people across the UK

There is still more work to do to bring more diversity into the sector:

At the current rate it will take until 2038 to reach

30%

participation of women on boards

Just

20%

of executives at the 100 largest Medical Device companies in the world are women

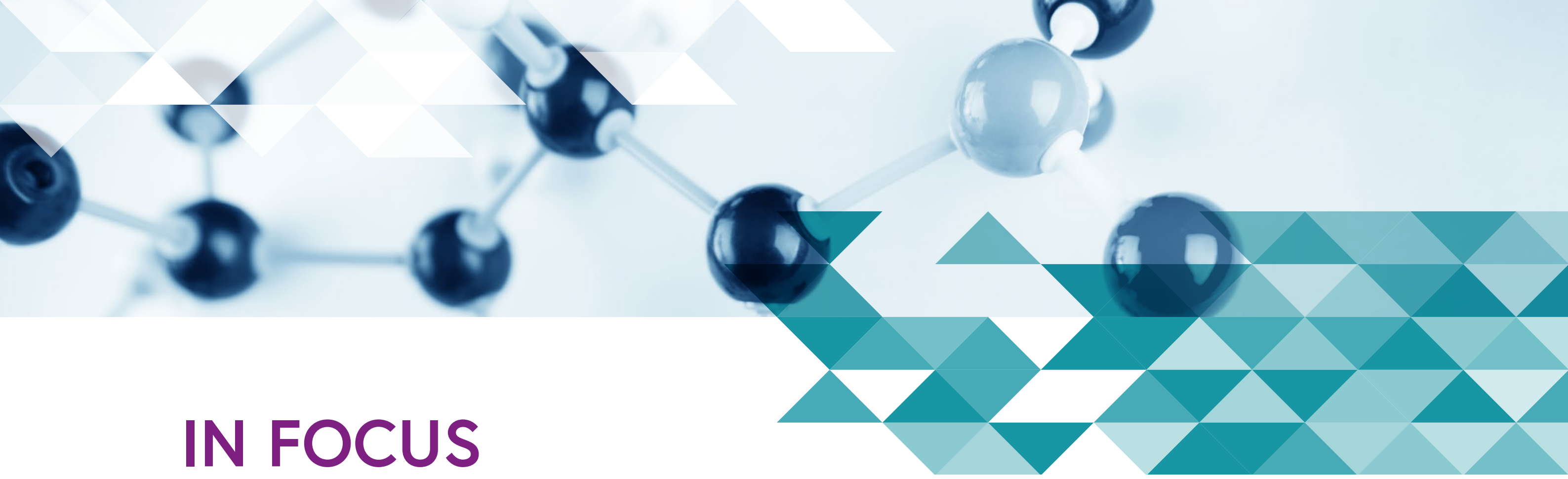
Only

7.3%

of board directors in the Life Sciences sector are from an ethnic minority group

LGBTQ+ individuals make up 9% of the global healthcare workforce, but only 2% are represented in board director roles

2% 9%



IN FOCUS
Pharma Services

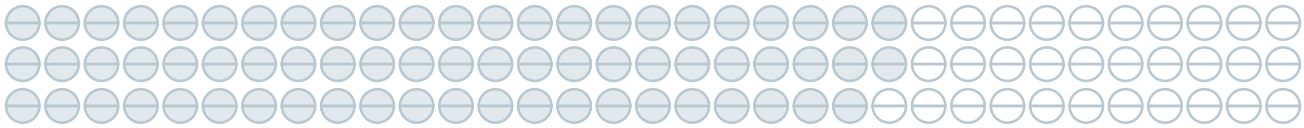
£260m

The Government recently announced a £260 million investment to enhance drug R&D in the UK

The value of the global Pharma market is expected to reach

$1700bn by 2025

The UK, US, Canada, France, Germany and Japan collectively generate **59%** of the world's Pharma revenues from prescription products



82%

of respondents in a Deloitte survey agreed that digitalisation of operations would continue post pandemic and a further

77% viewed digital innovation as a competitive differentiator

$95m

The cost to read a human genome in 2001 was $95 million, whereas today leading manufacturers are developing machines that can do it for as little as $1,000

$1,000

Pharma Services

Pharmaceutical companies are continually striving to develop new treatments to help people live longer and healthier lives. Their importance within the healthcare sector is undoubted, but with increasing pressures to shorten the time to market and with heightened regulatory protocols, we are beginning to see a seismic shift within the industry.

Factors driving the shift include the increasing complexity to develop new forms of medicine, an ageing population and rising consumer expectations. Given the competitive landscape, researchers are continually searching for promising molecules or lead compounds that have the potential to change lives and satisfy customer's growing needs. This type of innovation comes with tighter regulations, as governments in the world's top six Pharma markets (UK, US, Canada, France, Germany and Japan) are all demanding better outcomes for patients as a precondition for paying for new medicines.

To meet these new challenges, large Pharma businesses have steered towards outsourcing a proportion of their research, development and manufacturing activities to Contract Research Organisations (CROs) or Contract Development and Manufacturing Organisations (CDMOs). These organisations offer a more flexible and cost-efficient approach for pharmaceutical companies looking to outsource parts of the drug development process. Given their niche expertise in specialist areas, they are often at the forefront of innovation when developing new medicines and therefore can navigate the complex regulatory framework to get drugs to market quicker.

Businesses have also turned to technology to help them tackle these issues. More specifically companies have started accelerating their digital transformation journeys in order to achieve their goals quicker, get to market sooner and deliver better patient outcomes. Whilst digital transformation was prioritised throughout Covid-19, the momentum is expected to continue now the pandemic has ended. In a recent report from Deloitte, 82% of respondents agreed that digitalisation of operations would continue post pandemic and a further 77% viewed digital innovation as a competitive differentiator. Advancements in technology have also paved the way for cost efficiencies and the introduction of innovative new therapies. To put things into perspective, the cost to read a human genome in 2001 was $95 million, whereas today leading manufacturers are developing machines that can do it for as little as $1,000. These developments are driving the industry towards new drug discoveries and innovative treatments to support patients.

133,000 **...skilled workers will be needed for the life sciences industry by 2030.**

As the industry rises to meet these challenges and deliver innovative new therapies, a significant number of new jobs and unique skills will be required to prevent a skills gap from emerging. With research estimating that 133,000 skilled workers will be needed for the life sciences industry by 2030, talent management agencies will have a vital role to play in improving the sector's skills and capacity, alongside ensuring the next generation of leaders are well equipped to deliver better health outcomes for the UK.

Investment within the Pharma Services market is only set to multiply, especially following the announcement that the Government will invest £260 million to boost healthcare research and manufacturing within the UK in 2022. With the value of the market now forecasted to reach £25 billion by 2023, this presents significant opportunities for business operating within the sector and will ensure the industry has the support it needs to improve patient outcomes, generate a number of high-skilled jobs and build up Britain's manufacturing capabilities in the process.

PORTFOLIO FOCUS

HELIOS
MEDICAL COMMUNICATIONS
INTELLIGENT THINKING • CREATIVE SOLUTIONS • TRUSTED DELIVERY

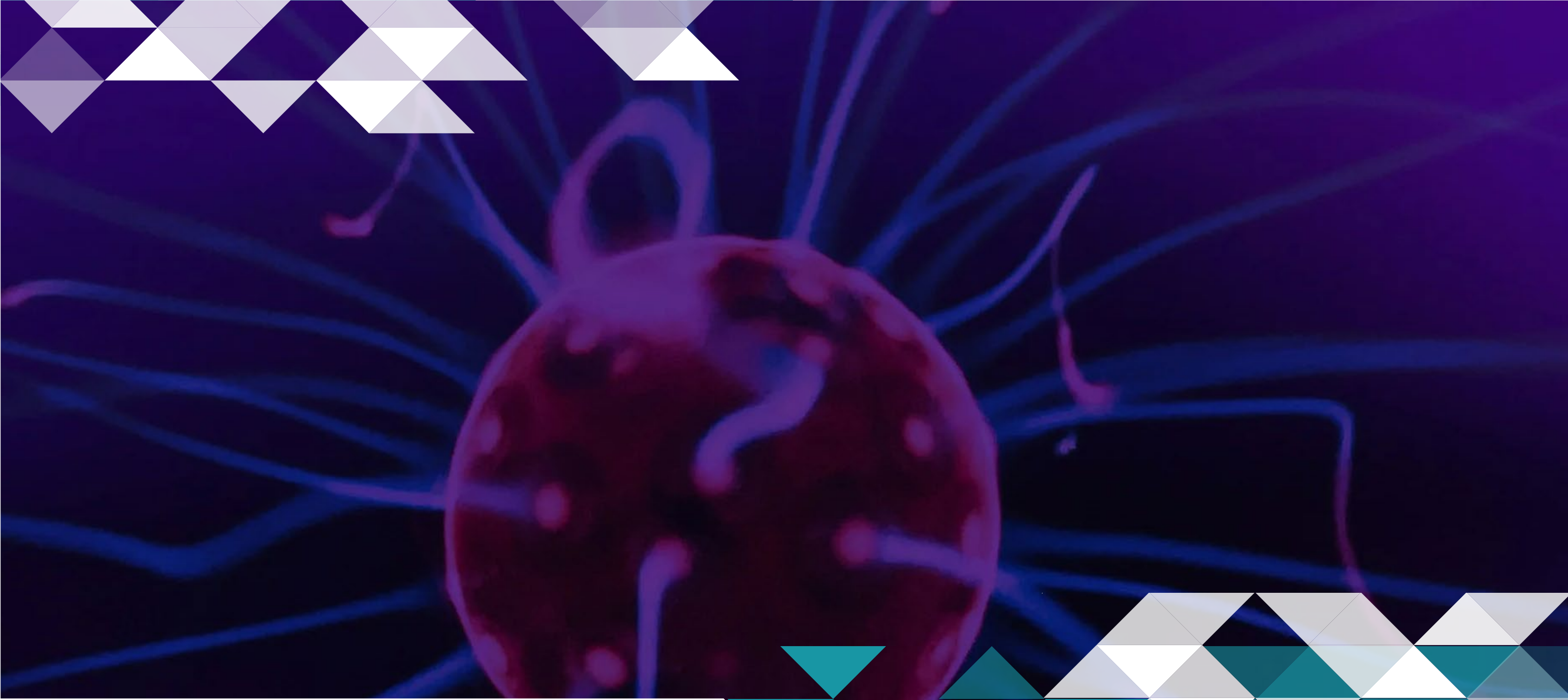
Helios is a full-service, independent, global healthcare communications and strategic consultancy with offices in Cheshire, Oxfordshire and the East Coast of the US.

Helios works with global pharmaceutical clients to deliver bespoke solutions across a range of services including medical writing, advisory boards, training and symposia.

Helios, which ranked 17th on the 2020 Sunday Times FastTrack 100, has achieved growth through a commitment to excellence in delivery, facilitated by investment in people and a focus on team culture.

We specialise in delivering high quality, high impact, customised solutions to the Pharmaceutical and Biotech industry to help our clients meet their objectives. The pace of development within the Pharmaceutical industry is astounding and it is incredibly important that healthcare professionals and patients are kept up to date with these latest innovative medicines. Put simply, our aim is to support our clients to make sure the right drug, gets to the right patient, at the right time, to ultimately improve patient outcomes.

Andrew Minnock,
Managing Director at Helios



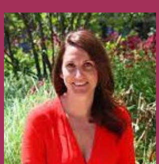
meet

Meet is an international provider of talent solutions to the life sciences sector, with offices in London, New York, San Francisco, San Diego and Berlin.

Servicing clients across three core, high growth verticals; Pharma Services, MedTech and Healthcare Communications, Meet has quickly established itself as one of the best talent agencies within the life sciences industry.

Working closely with a broad range of blue-chip multinationals, as well as emerging start-ups, they have built a reputation for excellence, an award-winning attitude, and most importantly, extremely engaged customers.

> We are really proud of the business we've built. We have a diverse range of extremely talented people working with us, which has allowed us to grow the company at an impressive rate over the last few years – expanding globally and targeting new markets and customers. We truly believe that people are the key to business success. Whatever the size of an organisation, the people who work there are its biggest asset. That's why we're passionate about matching the right candidates to the right roles and making the whole recruitment process simple and pain free.



Hannah Donaldson,
CEO at Meet

IN FOCUS
Medical Devices & Diagnostics

Today there are almost

11,000,000

people aged 65 and over in the UK which equates to c.20% of the total population

It's estimated that

70%

of UK healthcare spend is to support people with long term conditions

An additional £2 billion was spent on Independent Sector Providers in 2020-21 compared to the previous year

£2bn

2020-21

£86,000

From October 2023, the UK government are introducing an £86,000 cap on the amount anyone in England will need to spend on personal care over their lifetime

40%

of people want more involvement in the decisions about their care

Medical Devices & Diagnostics

Today there are almost 11 million people aged 65 and over in the UK, which equates to c.20% of the total population. In 10 years' time, this will have increased to almost 13 million people and c.22% of the population. With the population ageing rapidly, more people will need care, as well as an increasing number wanting more control over the care they receive.

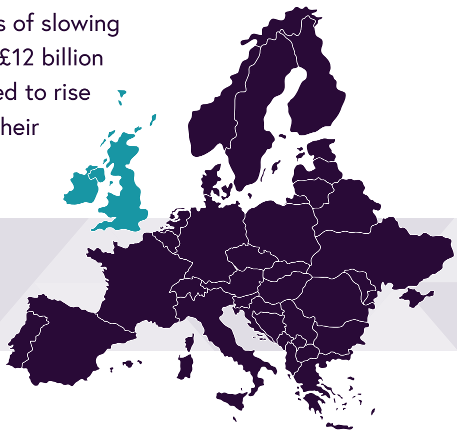
National surveys tell us that 40% of people want more involvement in the decisions about their care, and similarly 40% of people living with long term conditions want more support to manage their health and wellbeing on a day-to-day basis. The NHS has looked to address this with their recent Long Term Plan, announcing that it will roll out personalised care to reach 2.5 million people by 2023/24 and will then aim to double that again within a decade.

To meet this increased demand, more contracts are being awarded to Independent Sector Providers (ISPs), with an estimated £2 billion more being spent on ISPs in 2020-21 compared to the previous year. This provides significant opportunities, not only for businesses who can provide these services, but also for patients who can benefit from the increased number of care options available.

Medical Devices & Diagnostics businesses are utilising the latest technology to drive innovation and create new solutions for patients. Items such as connected medical devices are on the rise, allowing results to be fed back to healthcare providers to interpret real-time. Technology has also unlocked other areas of innovation including vital signs monitoring, drug regime compliance, and insulin and diabetes monitoring amongst others.

The UK is the third largest Medical Device market in Europe, exporting close to £2bn worth of goods to the EU every year. The industry within the UK is showing no signs of slowing down, going from an estimated value of £7 billion in 2015, to now exceeding £12 billion and becoming the sixth biggest market globally. With global revenue expected to rise by over 5% each year to 2030, more organisations and investors are turning their attention to medical devices given the significant opportunities they present.

UK is the third largest Medical Device market in Europe



Medical devices provide the option of more home-based care solutions, which in turn provides greater time and cost efficiencies. It's estimated that 70% of healthcare spend is spent on supporting people with long term conditions, who also account for 50% of all GP appointments and 70% of hospital beds. Whilst ultimately ensuring the safety and security of patients, remote health monitoring and home care devices also reduce NHS costs, as patients can be treated in their homes for longer. Health monitoring can also save time for nurses and caregivers, minimise hospital visits and allow easier delivery of non-medical support. From our own experience we have worked with Direct Healthcare Group, who produce intelligent pressure care products that monitor when patients need to get up and move to prevent sores and further mobility issues, as well as Platinum Stairlifts who manufacture innovative stairlifts that are capable of being installed with any staircase design to keep people in their homes for longer.

The Government has recognised the importance of home care services during the last few years, particularly given the UK care home crisis experienced during the pandemic and has started to invest heavily in the industry. From October 2023, there will be a new £86,000 cap on the amount anyone in England will need to spend on their personal care over their lifetime, in addition the upper capital limit will rise to £100,000 (up from the current £23,250), meaning that people with less than £100,000 of chargeable assets will never contribute more than 20% per year to their personal care. With these changes more people will be able to access specialist care, meaning businesses within the Medical Device & Diagnostics space can serve a wider client base, supporting patients to live a more independent life.

PORTFOLIO FOCUS

DHG
Moving Health Forward

Direct Healthcare Group (DHG) is a fully integrated developer and manufacturer of a range of pressure care products and was a portfolio company from 2016 to 2019. Their products are designed to prevent medical issues such as pressure sores, which can lead to serious, sometimes life-threatening diseases.

During our partnership, they developed a series of hybrid mattresses with SMARTresponse technology, which remotely signalled increased patient care was needed when a period of patient non-movement had been detected. The mattress worked on an individualised basis for each patient and ensured the risk of pressure ulcers was prevented. This ultimately led to the acquisition of DHG by strategic acquiror ArchiMed in December 2019.

At Direct Healthcare we recognise that human movement is fundamental to health, independence, and quality of life. With a close collaboration with healthcare professionals, we strive to provide effective movement-based solutions that increase life quality across care and living environments. With direct operations and distribution in over 35 countries, we are proud that our solutions lead to better health outcomes, accelerated recovery and easier daily living on a global scale.

Graham Ewart,
CEO at Direct Healthcare Group

platinum STAIRLIFTS

Platinum Stairlifts is a UK-based designer and manufacturer of stairlift products with a global customer base. They have built a reputation for delivering high quality products and providing excellent service to its network of international distributors.

Platinum have developed three unique models, allowing customers to choose the right stairlift that suits their need. The Platinum Ultimate model is among the most advanced and innovative on the market, being the first to offer Forward-Facing Travel and the option of a 'First Step Start', which removes the need for the rail to extend onto hallways to avoid obstructing doors or walkways.

Their innovative designs are all custom-built to chosen specifications, allowing the stairlift to work with any staircase, fit to any floor, with the options of power-assisted controls, seat adjustments, direction of travel and upholstery.

IN FOCUS
MedTech

Global investors completed 96 MedTech deals in 2021 up sharply from 55 in 2020

80% of consumers prefer to use digital channels when communicating with healthcare providers

There are **400,000** healthcare apps available for download and more than **200** being added each day

56% of professionals' report that their own work satisfaction was improved by engagement in digital healthcare practices

Data held by the NHS could be worth up to **£10bn** per year as a result of operational savings, improved patient outcomes and benefits to the wider economy

68% of patients prefer a medical provider that offers the ability to book, change or cancel appointments online

MedTech

Whilst the Covid-19 pandemic provided a host of unique and unprecedented challenges, impacting every part of the healthcare sector, it highlighted a shifting pattern of behaviour within MedTech.

With people unable to get to their local GPs as a result of the pandemic, there has been a significant shift to a more remote based system, using data to derive personal healthcare treatments. Providers can access a virtual storage of health records and access a full medical history at a click of a button, allowing them to offer a more specific and personalised plan for each patient. A report by Ernst & Young concluded that data held by the NHS could be worth up to £10 billion per year as a result of operational savings, improved patient outcomes and benefits to the wider economy.

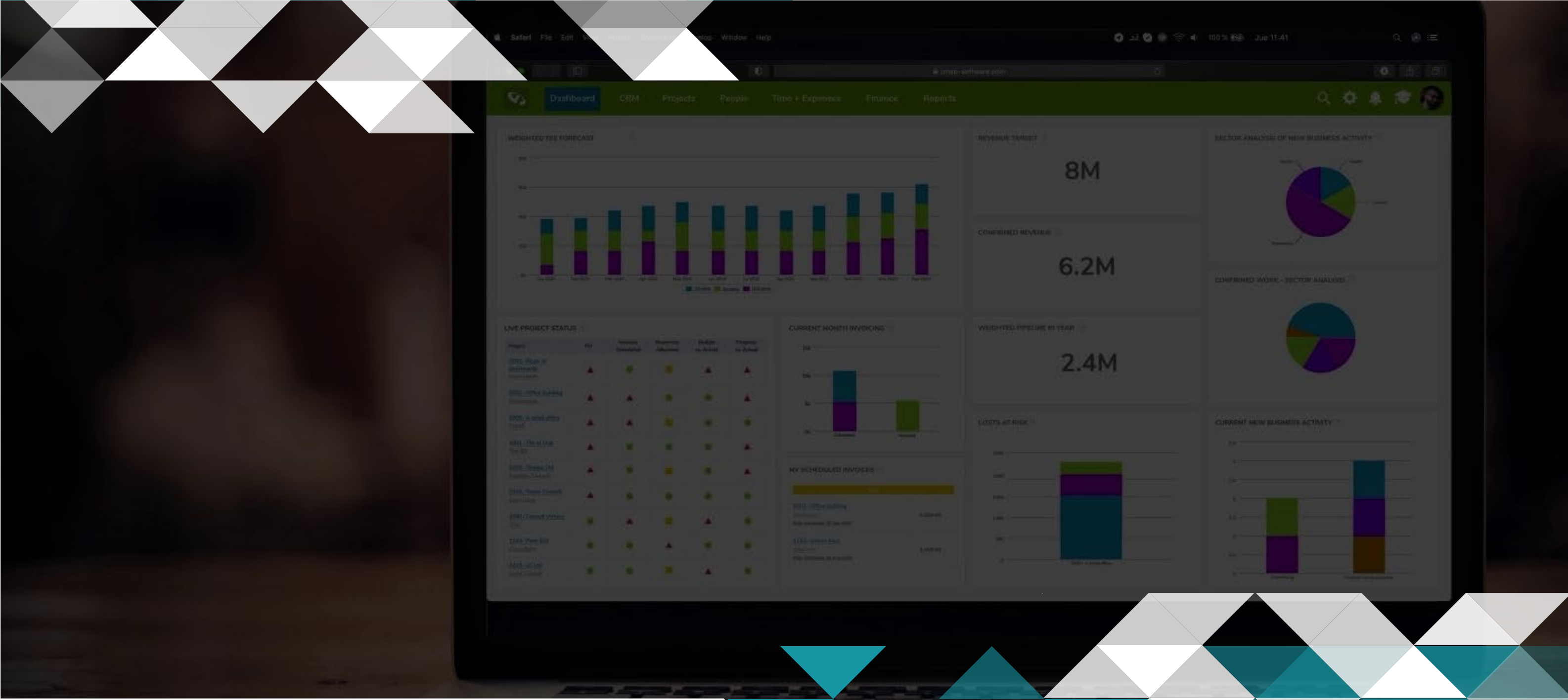
Another by-product of the pandemic was the growing decentralisation of healthcare provisions, with more investment placed into advanced technologies to improve operational efficiencies. This transformation has seen an increased trend towards home-based care models and outpatient services, whilst also seeing traditional providers move to a more 'patient-centric' operating model. More providers are giving patients the opportunity to reach healthcare professionals through the most convenient platform to the individual, whether that's face-to-face, virtual, remote, or even digital care. This was further reinforced in a recent report that highlighted 68% of patients prefer a medical provider that offers the ability to book, change, or cancel appointments online.

The industry has also been shaped by the growing 'consumerisation' of healthcare. Patients are used to living an on-demand lifestyle and are naturally expecting a better customer experience every time. Technology is the perfect solution to meet these growing demands, especially with 80% of consumers preferring to use digital channels when communicating with healthcare providers. With over 400,000 healthcare apps available for download and more than 200 being added each day, apps are increasingly becoming the digital health tool of choice. Consumers are using them to take charge of their own health, whether that's reminding a diabetic to take their medication or managing personal prescriptions online.

It's not just patients who are winning in this area. New technologies such as AI diagnosis and project management systems are increasingly being utilised, allowing healthcare professionals to benefit from new technological advancements. With 56% of professionals reporting that their own work satisfaction was improved by engagement in digital healthcare practices, these technologies can reduce strain, streamline workflow and allow professionals to focus on tasks where they add the most value.

In terms of investment, the MedTech industry is flourishing and attracting interest from major players around the world. Global investors completed 96 MedTech deals in 2021, up sharply from 55 in 2020 and surpassing the previous high of 60 in 2018. This saw the deal value surge to $40.8 billion, up from $3 billion in 2020, which was largely reflected by the Medline deal, a provider of high-quality medical products, which was valued at $34 billion. Even excluding the Medline deal, 2021 had four transactions of $1 billion or more, which proved to be the highest count to date.

With the potential to deliver significant change, it's no longer a case of if, but when the MedTech industry revolutionises the wider sector. The speed of adoption rests with businesses who can embrace the latest technology and innovate products and services, to deliver better patient outcomes for all.



PORTFOLIO FOCUS

CMap

CMap provides integrated, cloud-based project management software to clients across a range of sectors including professional services, architecture, engineering, creative, consulting and healthcare. They have supported fellow portfolio company Helios to implement their innovative project management technology, which supports a number of healthcare and life sciences consultancies.

With the new system fully implemented and integrated, the Helios team have benefited from having one system that brings together all aspects of their project data, allowing leaders to drill down and gain immediate insight into each project. Workflows have also become more streamlined, making internal processes such as estimating, recording time, and resourcing more efficient. This has allowed leaders to make better business decisions, using the project insights to act faster and with greater confidence.

> **Normally, when you're trying to find a project accounting system for your industry, they're never quite customized for what you do. Any other software might handle 70% of our needs but CMap is tailored to fit MedComms businesses. Now that our business has reached a certain size and complexity, CMap was the obvious choice. Put simply, it's designed for what we do.**

Jim Heron,
Non-Executive Director at Helios

IN FOCUS
Health & Wellbeing

The global Health & Wellbeing market is estimated at a value of more than

£1.5 Trillion with an annual growth of **5 to 10%**

In a survey of roughly 7,500 consumers in six countries, 79% of the respondents said they believe that wellness is important

An estimated 80% of health outcomes are determined by social, economic and environmental factors

80%

91% of employees surveyed believed that their employers should care about their emotional health

91%

Just 22% of line managers had received some form of training on mental health at work, even though 49% said that even basic training would be useful

22%

Health & Wellbeing

Across the last few years there has been an increased awareness of the positive benefits of living a healthy lifestyle, both physically and mentally, so much so that it is now ingrained into our everyday lives. Whilst the concept of Health & Wellbeing has been around for a long time, it is now being viewed through a much broader lens, encompassing all elements of the mix including fitness, nutrition and mental health. This is reflected in the size of the global Health & Wellbeing market being estimated at a value of more than $1.5 trillion, with an annual growth of 5 to 10%.

Consumers are the main driver behind this change, as there is an increased emphasis to take health into their own hands. In a McKinsey survey of roughly 7,500 consumers in six countries, 79% of the respondents said they believe that wellness is important, and 42% consider it a top priority. In fact, the same research showed that consumers in every market reported a substantial increase in the prioritisation of wellness over the past two to three years.

Businesses have responded to this shift and there are now a number providing a wealth of options to drive positive health outcomes, including apps for sleep and mindfulness, fitness wearables and even nutrition calculators. This has led to a digitisation of services with many businesses now providing an omnichannel offering, integrating a consumer's lifestyle across wearable technology, apps, social media and other platforms – making Health and Wellbeing services more accessible to a wider range of people. The move to digital is going to continue gathering pace, with research estimating that the wellness tech market will increase in size to $400 billion by 2025 - it was valued at just $50 billion in 2019.

Mental health is another important aspect of wellbeing that has grown in significance, with the pandemic bringing it to the forefront in the last year. Not only are consumers starting to take care of their own mental wellbeing, but there is a greater focus from employers and a rising demand from employees to ensure it remains a priority in the workplace.

A study from the US found that employees were more likely to seek help with stress, anxiety, and depression now than they were five years ago. More importantly, 91% of employees surveyed believed that their employers should care about their emotional health, and 85% said that behavioural health benefits were important when evaluating a new job. Within the UK it was reported that just 22% of line managers had received some form of training on mental health at work, even though 49% said that even basic training would be useful. Stats like this show that it will take everyone to work together to keep talking, supporting and learning about this increasingly important area. Investors are also seeing the potential with global mental health tech start-ups receiving a record-breaking $5.5 billion in funding in 2021, up 139% year on year according to research firm CB Insights, which in turn increases access to vital support services.

Mental health concerns are growing every year and we, as responsible private equity investors, have an important role to play in ensuring best practice is shared, adopted and prioritised in our business and portfolio when it comes to company culture and wellbeing.

Ray Stenton, Managing Partner at NorthEdge

PORTFOLIO FOCUS

totalfitness

Established in 1993, Total Fitness now operates 15 health clubs, across North England and Wales, with over 100,000 members and 600 employees. They provide a full-service fitness offering; guided by their knowledgeable and supportive fitness teams, who work hard to meet the individual needs of their members.

Following an ethos that fitness shouldn't be one dimensional, they pride themselves on offering an all-encompassing workout, with the highest variety and quality possible, all at an affordable cost for their members.

I'm really pleased to have returned to our pre-pandemic membership levels just 12 months after re-opening – it's a really great endorsement of our members' commitments to their fitness journeys following what was a National awakening to the importance of physical (and mental) fitness and therefore resilience.

While the case for fitness clubs is clear (and this is reflected in the demand for our clubs), the economic case is also quite astonishing. New research released by Deloitte and IHRSA concludes that every inactive worker costs the UK economy £1400 per year which is something I think we can all do something about by choosing to live a more active lifestyle.

In a high-variety mid-market offering like ours we do our best to provide as many ways to work out as possible, because we know that keeping fit isn't always easy even when you know it's good for you!

We're excited about the future of the health club industry and are proud to serve our members and communities, and champion our great purpose.

Sophie Lawler,
CEO at Total Fitness

CLICK HERE
to listen to our podcast episode with Sophie

TAKING RESPONSIBILITY

Over the last few years responsibility has taken on many different names and meanings. In the context of business, it generally refers to a company's commitment to do more than just make a profit – focussing on building a business that will be sustainable for many years to come.

The name often associated with this commitment is Environmental, Social and Corporate Governance (ESG). Although the case for a strong ESG proposition becomes more compelling when looking to combat issues such as climate change and the gender pay gap, it also makes sense from a commercial standpoint. A recent study from PwC found that 66% of respondents cited value creation as their main driver for ESG activity.

Corporate responsibility is no longer a nice-to-have, it's now a key factor in judging the value of a business and will continue to be long into the future. For businesses serving the healthcare sector, there is the added risk of reputational damage if they fail to take their responsibilities seriously, including a loss of brand value, regulatory investigation and loss of customers. Therefore, it's more important than ever for businesses to prioritise ESG initiatives.

People

The pandemic thrust healthcare into the spotlight, pushing the limits of the sector more than ever before. The people working in the sector responded with the upmost dedication, continually going above and beyond, and working around the clock to support the nation.

Following the pandemic, there has been renewed investment from private investors and the Government, proving once again that the sector is vital to improving the general health of the UK population and supporting the wider economy. This brings with it significant challenges to find the right people with the skills and expertise required by the sector. Competition between companies for the best talent is intense and without the right people in place, businesses will find it difficult to reach their full potential. A report from the Science Industry Partnership highlighted just how fierce the competition is for talent, forecasting that a further 133,000 skilled scientific staff will be needed in the UK by 2030.

Whilst the Government has created several plans to meet these challenges, with their overarching ambitions for the sector outlined in their recent Life Sciences Vision report, there are initiatives that businesses can introduce themselves to attract and retain the best talent in the sector. Businesses must place importance on offering something that really differentiates them as an employer. Research in the sector found that 55% of employees think their reward programme is no different to what is available elsewhere and that they could get the same benefits by joining a competitor. This highlights the importance of implementing more people focussed practices and retention strategies, such as long-term incentive schemes, which will help to attract and retain the best quality candidates.

Attitudes to work have also shifted due to the pandemic. People saw the significant impact the sector had in combating Covid-19 and therefore they want to be part of something that delivers a wider social impact. It's vital that healthcare businesses clearly communicate their vision and purpose to show the positive impact they can make in delivering better patient outcomes in the long term.

Businesses can also bridge the skills gap by building an inclusive culture to encourage more diverse talent into the industry. It's no longer a nice to have, it's now becoming a necessity for people when considering a place to work, with 61% of people believing that D&I strategies are beneficial and essential to a business. A further report from Deloitte highlighted that 83% of millennials are actively engaged and 76% feel empowered when working at companies that foster an inclusive culture.

Whilst this signals the positive benefits of building an inclusive culture, it's not necessarily replicated throughout the industry. Within UK life sciences, stats show that only 1 in 10 CEOs are women, and more alarmingly, it would take until 2038 to reach 30% participation of women on boards. Furthermore whilst 14% of the UK working population is from an ethnic minority group, the ethnic minority representation of senior leaders in the sector is only 7.3%.

In order to remain at the forefront of the competition, businesses must continue evolving their approach to put their people first. Encouraging diversity and building an inclusive culture are both positive steps to build a great place to work that attracts and retains the best talent.

HELIOS
MEDICAL COMMUNICATIONS

Within our own portfolio, global healthcare communications and strategic consultancy Helios have gone to great lengths to ensure they are building a great place to work for their people. They run their annual employee survey to gather feedback and ensure they are continually making improvements every year.

This year they achieved an employee net promoter score (eNPS) of +87 – anything above 30 is deemed excellent. This score reflects the fantastic culture and ethos they have built to make their people feel valued. The business was also featured in the top ten of J.P. Morgan Private Banks Top 200 Female-Powered Businesses report in 2022, in recognition of co-founder Emma Bryant's impact and the headcount growth over the last three years.

+87 eNPS

> It's the best place to work. Everyone I've spoken to only wishes they'd moved sooner (me included!)

> I feel as though I have 'hit the jackpot' finding Helios! There hasn't been a single day when I haven't felt welcomed encouraged and supported

> I can't even begin to articulate just how happy I am at Helios. Thank you all for making it such an incredible place to work

ramarketing

ramarketing is a full-service commercial impact agency which supports clients in the high-growth Pharmaceutical and Biotech markets. Recognising that their people are at the heart of their success, ramarketing have continued to invest in their team, in order to truly deliver world class work for their clients.

Some of the people initiatives that have supported ramarketing's success include:

- The opportunity for colleagues to grow their career in whichever direction they choose, offering the ability to grow into roles based on preference and skill set. This has resulted in ramarketing maintaining a strong people retention rate of 80%+
- Supporting their people to work to the best of their ability by offering truly flexible working hours. This has helped colleagues to maintain a healthy work life balance and saw the business win a Best Places to Work award
- Recognising they form part of a wider community and allowing their people to supporting charitable organisations close to their hearts
- As an inclusive employer, they hire a diverse range of talent and have built an inclusive culture, to allow their people to be their best selves at work

Sustainability

With reports estimating that health costs related to climate change and pollution are at $820bn a year, climate change has been dubbed the 21st century's biggest threat to the healthcare sector. Not only does climate change pose a risk to general population health, it also threatens to further stress the infrastructures and systems that are there to care for patients. This has led to several leading organisations, included the British Medical Association, officially recognising climate change as a health emergency.

Along with the risks, the healthcare sector is seen as a major contributor to the climate crisis, especially due to health systems round the clock operations often requiring extra power, whether that's to operate specialist medical equipment or to store refrigerated medicines. This has led to reports attributing 4% of the world's carbon dioxide emissions to the sector. To put that into perspective, if the sector was a country, it would be the fifth-largest emitter of greenhouse gas (GHG) emissions on the planet. Stats like these, alongside the urgency surrounding the UK's net zero ambitions, has spurred more leaders into action to make significant changes within the sector.

Typically leaders of businesses operating in the healthcare sector have focused on factors such as access, quality and cost, but it's now becoming equally important to add sustainability to that mix. Building a sustainable business has many benefits including increased operational efficiencies and reduced costs, but more importantly for the healthcare sector, it can help to avoid the risk of potential reputational damage. With healthcare providers often serving people when they are at their most vulnerable, the impact of a negative event can result in a regulatory investigation, causing a loss of brand value and ultimately customers. This risk is certainly recognised by senior leaders, with 87% of executives rating reputation risk as more important than other risks, and a reported 41% of companies that have experienced a negative reputation event reporting a loss of brand value and revenue.

As a sector that strives to innovate every day to identify and diagnose many of the world's health conditions, businesses must apply that same level of creativity and drive to working more sustainably. The sector can use its huge sphere of influence to encourage the emergence of new tech, influence the people working in the sector, and leverage its power in the supply chain to take positive steps to becoming more sustainable.

Taking the supply chain as an example, businesses can utilise their influence by using renewable energy providers, using suppliers that use recyclable and biodegradable materials, or even delivering products and services through technology or clean transport initiatives. Many of our portfolio businesses manage their international supply chain through membership to SEDEX, an organisation that provides a platform to create a more resilient and sustainable supply chain, which in turn minimises any financial, operational or reputational risks.

With the climate crisis predicted to wipe 1% a year off the UK economy by 2045, the time to act is now. A rethinking of current operations doesn't happen overnight, and a change of such scale requires collaboration right across the industry, but if achieved, the lasting impact will ensure the sector remains sustainable for years to come.

At the start of June we held our second portfolio forum, centred on the topic of ESG. The day highlighted the importance of building better businesses that are both sustainable and diverse to create value for all stakeholders. We were able to collaborate and connect over important topics such as net zero, mental health, cyber security and diversity & inclusion.

Lucie Mills, Partner at NorthEdge

meet

As well as all the people initiatives Meet run, to continue building a diverse, rewarding and supportive place of work for all, they have also chosen to focus their efforts on sustainability to continuously improve their impact on the environment.

Most recently, with an ambition to be a carbon-zero business, they have partnered with Positive planet to:

- **Build a Net Zero strategy**
- **Invest in digital systems to create paperless offices**
- **Review everything from what offices they lease, to how they travel**

> **The time to take action is now. We're on the brink of a social, environmental and humanitarian crisis and we all have to take responsibility. Businesses have a key part to play in leading that response and I want to make sure Meet is leading from the front.**

Hannah Donaldson,
CEO at Meet

platinum STAIRLIFTS

This year, Platinum Stairlifts opened a new state of the art, custom-built facility to significantly increase their production capacity and improve process efficiencies.

With over £5 million invested, the new site boasts a number of environmentally friendly design aspect to ensure Platinum's operations are future proof for the long term, including: a circular heating system that re-uses the energy produced by the welding machines to heat the building, a waste compaction system and recycling facility, and electric vehicle charging points.

Our Healthcare Track Record

5 investments across 4 funds

DHG
Moving Health Forward

platinum
STAIRLIFTS

HELIOS
MEDICAL COMMUNICATIONS

meet

ramarketing

CEO Stories

The Helios Global Group is a collection of three, full service, global healthcare communications and strategic consultancy agencies. Helios Medical Communications, which was the original agency founded in 2015, alongside Selene Medical Communications, a sister agency and Apollo Medical Communications, our US agency – both founded in 2021. We specialise in delivering high quality, high impact, customised solutions to the Pharmaceutical and Biotech industry to help our clients meet their objectives.

Since our collaboration with NorthEdge began in January 2021, we have enjoyed a successful partnership, hitting several key milestones along the way. In terms of our people, headcount has increased by 44% to over 160 team members and we have further plans to add to this over the coming years. We have also implemented several new initiatives to ensure we attract the best talent in the industry and provide them with opportunities to grow and develop within the business. Our recent eNPS score of +87 shows we are taking positive steps to build a great place to work and develop an inclusive culture for all our people.

To further increase our geographical footprint, we opened a new office in Manchester, increased our presence in Oxfordshire by relocating closer to the city centre, and completed our first transatlantic venture, launching Apollo Medical Communications in Connecticut. The investment into the US division allows us to further capitalise on opportunities in the US Pharmaceutical and Biotechnology industry, maintain high quality delivery for our existing US client base and tap into the local talent market.

Since the investment, it has continued to be a fantastic period of growth. There are so many more opportunities to come and I'm looking forward to the exciting times ahead for our business and the market we operate in. We are delighted to be working with NorthEdge as we embark on this journey together.

Andrew Minnock, Co-Founder and Managing Director at Helios

DHG

Moving Health Forward

Direct Healthcare Group (DHG) is a Medical Device manufacturer and provider of intelligent pressure care products, specialist seating and equipment for safe movement and handling – our mission is to advance movement health.

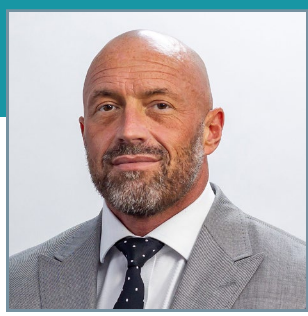
We required a private equity partner to support our vision for growth through M&A, which focused on acquiring products, solutions and services to leverage our core business and establish a wider UK footprint. We were attracted to NorthEdge as they understood our needs from the beginning and they had a strong track record of investing in the teams they were backing.

Following investment, our relationship with NorthEdge was excellent. The team had the right level of strategic involvement, which allowed the right level of conversation at the Board enabling us to make the correct decisions for the business with the full support of our investors.

During the collaboration, NorthEdge supported DHG to acquire five other businesses to expand our offering. Additionally, NorthEdge helped us to improve our operational efficiencies by introducing a number of initiatives that reduced both lead times and the cost of goods. They also played a key role in helping me to build a team of talented leaders to drive our business forward – seeing the business scale from 80 to 200 people during the partnership.

The exit process was really where NorthEdge came into their own with support for management. Along with their knowledge and management of the selling process, they worked tirelessly to explore all exit options available to us, leading to a successful exit for all parties. Following the sale of DHG to ArchiMed, a European healthcare specialist investor, NorthEdge had placed our business in an extremely favourable position to continue our vision of reaching new geographies and demographics in the future.

Graham Ewart, CEO of Direct Healthcare Group



ramarketing

ramarketing is a leading life sciences commercial impact agency which supports clients operating in the high-growth Pharmaceutical and Biotech markets. Our business was founded in 2009 and established as a PR and marketing consultancy for the life science sector.

During that time, we've helped well over 100 companies grow and as a result, we've also grown too. Today, we're a 65+ strong, diverse and talented team that now supports clients across the globe on a daily basis.

The journey from molecule to market in drug development is never simple. With many moving parts involved in getting a drug to market, we work with our clients towards a common goal – to get new treatments to the patients who need them.

Our entrepreneurial ethos combined with deep life science expertise and marketing flair has enabled us to organically grow ramarketing year on year since 2009. This has proudly given us a profitable and sustainable business.

Regarded as one of the fastest growing life sciences agencies in the world, finding the right partner for our next phase of growth was critical, and from the outset, NorthEdge had a strong understanding of our business, our industry, and our aims for the future, whilst mirroring our own values.

With NorthEdge's support, we will continue to expand and support our international client base, building on our reputation as a leading provider of marketing services for companies in the life sciences sector. The partnership with NorthEdge will allow us to expand our footprint in the US, building upon our strong presence in Boston, MA, as well as supporting the business to expand the range of services we offer. Importantly it will also allow us to continue investing in our people – adding to our existing team and providing opportunities for progression.

We are evolving into the type of next-generation growth partner that our clients will need in the future. Data-driven, embedded in industry and truly global. That type of ambition requires the right partner, hence why I am really looking forward to growing the business in partnership with the NorthEdge team over the coming years.

Emma Banks, CEO of ramarketing

Meet is an international provider of talent solutions to the life sciences sector, placing professionals and building teams that have a real impact on global health. We work with some of the world's most exciting life sciences businesses across three core, high growth industries: Pharma, Med-Tech and Healthcare Communications.

Founded in 2009, we now employ over 160 people across our offices in London, New York, San Francisco, San Diego and Berlin, working with a broad range of blue-chip multinationals and emerging start-ups.

Everything we do is tailored to our clients, supporting and enhancing their wider talent strategy. Whether we are supporting an individual on their career journey, or a business looking for that missing piece of the recruitment puzzle, everyone at Meet is here to support our client's goals, hopes and passions. Our philosophy is simple; to provide our clients with an exceptional, personalised service.

We are really proud of the business we've built. We have a diverse range of extremely talented people working with us, which has allowed us to grow the company at an impressive rate over the last few years – expanding globally and targeting new markets and customers. It was important to us that our private equity partner had the same vision and values as we do. NorthEdge places huge emphasis on people, culture and sustainability, which aligns with how we do things at Meet.

With NorthEdge's support we will continue to invest in our people and to grow our capacity to support the market. As part of this continued expansion, we are forecasting to hire over 200 additional people in the next few years. This will help to address the significant forecast demand from the life sciences talent market which is expected to deliver double-digit year-on-year growth through to 2025. NorthEdge's support will also allow us to broaden our global office network and client base, as well as accelerate growth through M&A. This is a really exciting journey that we're embarking on and we're delighted to have a partner like NorthEdge on board.

Hannah Donaldson, Co-Founder and CEO of Meet

About NorthEdge

NorthEdge is a lower-mid market private equity firm headquartered in the North, owned, and built by its senior team, supported by a global blue chip investor base. We have £900m AUM across four regionally focused funds.

Headquartered in Manchester, with offices in Leeds and Birmingham, we have a 25-year track record of investing in businesses with ambitious management teams and significant growth potential. Our current portfolio of 26 businesses employs c.7,400 people.

We look to invest in like-minded businesses and management teams who have real ambition and the potential to shape global markets. We back management teams, in the Technology, Healthcare, Business Services and Specialised Industrials sectors, who recognise the value of having an experienced business partner alongside them, supporting them to build a better business.

If you would like to get in touch, please contact any member of our Healthcare sector team:

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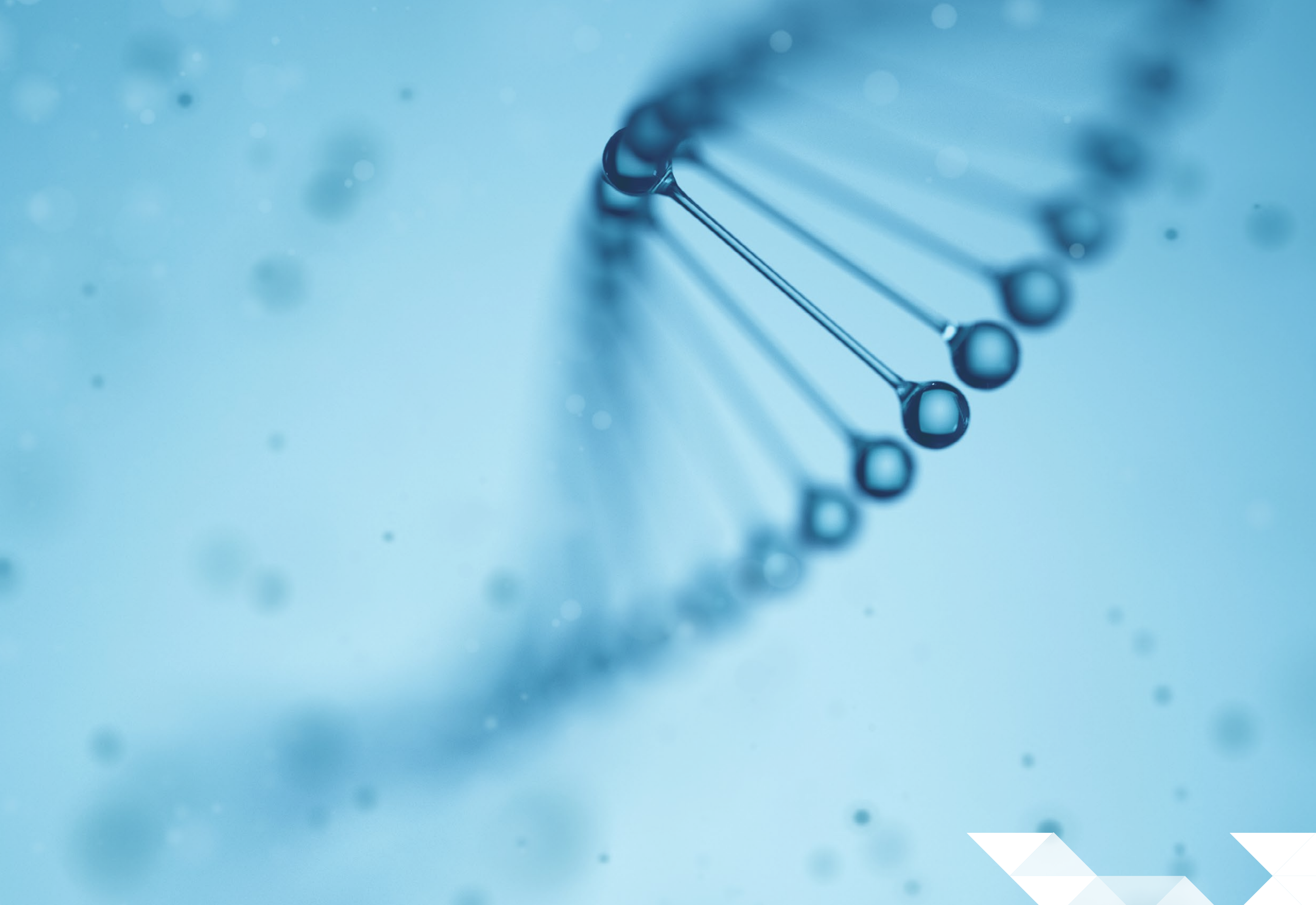
North Edge.

Building better businesses, together.



Healthcare Sector Report