



FTI Consulting's Fourth Annual Life Sciences Investor Survey Highlights Continued Optimism for Sector

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Investor Study Forecasts Positive Performance in Healthcare and Life Sciences Stocks, and Strength in Industry IPO and M&A Market in 2014

WEST PALM BEACH, Fla., Feb. 27, 2014 /PRNewswire/ -- FTI Consulting, Inc. (NYSE: FCN), the global business advisory firm dedicated to helping organizations protect and enhance their enterprise value, today announced the results of the firm's fourth annual [Life Sciences Investor Survey](#) of European and U.S. institutional investors on a number of key industry-related topics. Conducted by the firm's [Strategic Communications](#) segment, the study's findings underscore investors' overall optimism toward the outlook for healthcare stock performance and the anticipated continued strength of the transaction environment in the sector. The research also revealed a number of key trends in shareholder engagement for healthcare and life sciences companies to consider.

The study found 67 percent of investors expect healthcare to outperform or generate equal returns to the broader market in 2014. Seventy-seven percent of investors believe current healthcare valuations are being supported by a foundation of fresh innovation, science, restructuring and a favorable growth outlook — and do not reflect a sector investment bubble.

According to FTI Consulting's research, the industry's transaction environment is expected to remain relatively robust in 2014. After a total of 43 venture capital-backed U.S. healthcare initial public offerings (IPOs) raised \$2.7 billion in 2013, compared to only 14 U.S. healthcare IPOs in 2012 that raised \$714 million, an overwhelming 84 percent of investors surveyed expect the IPO window to remain open for life sciences companies for at least six more months.

Moreover, 65 percent of investors believe this healthy appetite for healthcare IPOs is fueling a more expensive deal and merger and acquisition (M&A) environment. This was certainly the case in 2013, when 60 transactions with a combined value of \$77 billion were completed compared to 2012 when 51 transactions with a combined value of \$44 billion were completed. The average size of each transaction in 2013 was 49 percent higher than in the prior year.

"With 59 percent of investors anticipating a significant or moderate increase in M&A among healthcare and life sciences companies, 2014 could be another record year for the sector in terms of both the number and value of deals," said [Elizabeth Saunders](#), Senior Managing Director and Americas Chairman in the Strategic Communications segment at FTI Consulting.

"The IPO and M&A-related data derived from this study indicate strong optionality potential for development-stage companies," said [Barbara Ryan](#), Managing Director in the Strategic Communications segment's [Healthcare & Life Sciences](#) industry team at FTI Consulting. "To maximize this optionality, these companies must build a corporate narrative that clearly defines the investment case, and then communicate that investment case 'early and often' via presentations at healthcare investment conferences and one-on-one meetings with institutional investors."

The FTI Consulting research also found the majority of investors view direct interaction with companies as their most preferred information source — with industry conferences, investor day events, non-deal roadshows and investment conferences identified as the most important communication activities. Of significance, the study showed a meaningful geographical split in the number of investor interactions preferred prior to an investment decision. U.S. investors prefer three to four direct interactions with a management team prior to making an investment decision, while European investors generally arrive at an investment decision following one to two interactions.

FTI Consulting will be hosting a webinar on Thursday, March 13, 2014 at 10 a.m. EDT where finance and industry experts will discuss the findings from the firm's [Life Sciences Investor Survey](#) in greater detail, and explore the market dynamics currently driving investment decisions in the industry.

Featured speakers will include:

- Judy Brown, Executive Vice President and Chief Financial Officer, [Perrigo Company](#)
- [Tom Crawford](#), Senior Managing Director, FTI Consulting, Strategic Communications
- Alan Hartman, Partner, [Centerview Partners](#)
- [Barbara Ryan](#), Managing Director, FTI Consulting, Strategic Communications

This webinar is complimentary, aimed at corporate advisers and executives in the healthcare and life sciences sector. To register for the webinar and receive the full report, please visit: http://info.fticonsulting.com/HCL.S_Webinar

Research Methodology

The Strategic Communications segment of FTI Consulting executed primary research among 83 healthcare-focused, buy-side investors from Europe and the U.S. in December 2013, so as to provide a diverse and global perspective on the current state of the healthcare industry.

About FTI Consulting

FTI Consulting, Inc. is a global business advisory firm dedicated to helping organizations protect and enhance enterprise value in an increasingly complex legal, regulatory and economic environment. With more than 4,200 employees located in 26 countries, FTI Consulting professionals work closely with clients to anticipate, illuminate and overcome complex business challenges in areas such as investigations, litigation, mergers and acquisitions, regulatory issues, reputation management, strategic communications and restructuring. The Company generated \$1.65 billion in revenues during fiscal year 2013. More information can be found at www.fticonsulting.com.

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