

Assessing the commercial viability and investment thesis of an early-stage oncology diagnostics company



Client Challenge

Our client, a leading diagnostics company, identified an acquisition Target that would bring together a powerful combination of diagnostic tools that could help meet unmet clinical need in oncology and expand it's reach into the oncology market. KPMG was tasked with testing the future utility of the Target's tests for clinicians and biopharma clients and overall strategic fit

Project Phases

Conducted a deep-dive primary research

campaign across oncologists, pathologists, payers, biopharma leaders, and competitors from the US and EU5 to understand more on the diagnostic testing dynamic in a range of solid tumors

Competitive landscape dynamics were

assessed for both current and future perspectives. Positioning in Dx and Tx algorithms, clinical utility, technology, pricing, and reimbursement were assessed

Developed forecast scenarios to test Target's underlying revenue assumptions and estimate revenues for expansion opportunities in new indications / markets

Integration and operational considerations were assessed – quantified potential manufacturing cost synergies, and developed post-integration operating models

Outcome For The Client



KPMG identified the Target's key value driving assets, and subsequently developed a number of forecast assumptions (low, base and high) for each asset



The client was able to validate its initial investment thesis, while understanding which assets in the portfolio to prioritize



Ultimately the client presented the findings to the board, and decided to move forward with the next steps of due diligence on the Target

Overall Product Portfolio Assessment

Executive Summary: Product Assessment

Overall, [...] is the most attractive asset as it can be used in the [...] and by [...]; it has the largest addressable markets and complements [...]

Analysis Framework	[...]	[...]	[...]	[...]	[...]
Clinical Utility					
Ability to Deep Penetration					
Competitive Landscape & Dynamics					
Payer Environment					
Fit with [...]					
Risks / Challenges					

Summary	[...]	[...]	[...]	[...]	[...]
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Legend: Positive (+) Negative (-) NA

Deep-dive Diagnostic Use-Case Analysis

[Redacted] Segmentation: [...] Trial Attributes by Geography

[...] % of the [...] trials with a [market] Only presence have a focus on patient [...] (> [market]), an area where [...] could be key

1. [...] Trial Attributes by Geography

As of November 2020, Percent of Trials by Geography	US & EU	US & EU	US & EU	China Only	China & Others	Total
US & EU	US & EU	US & EU	US & EU	China Only	China & Others	Total
PKC: Patient Presence/Transition	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%
Biomarker/Efficacy	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%
1. [...] Contribution	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%
Other	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%
1. [...] Contribution	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%
Investigator Initiated	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%
Regenerative	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%
Biomarker/Utility	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%
Expanded Access	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%
Expanded Indication	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%
Post Marketing Commitment	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%
Total	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%

Heatmap by column

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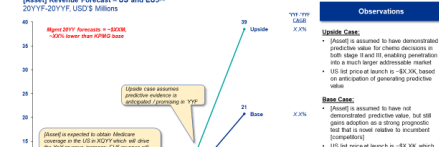
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Forecast Scenarios

Revenue Forecast & Management Assumptions: [Asset] Revenue Forecast

Base case [Asset] sales are forecast to reach ~\$XXM by 20XX, enabled by unmet needs in SI/III patients, but tempered due to lack of predictive evidence

[Asset] Revenue Forecast – US and EU5 2017-20XX, USD \$ Millions



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