

Global Investors' Outlook on Health

BRUNSWICK

FIVE KEY FINDINGS FROM BRUNSWICK INSIGHT ON RISKS & OPPORTUNITIES IN THE HEALTHCARE SECTOR

1

Communicating a clear innovation story is critical to success.

- Compared to factors impacting decisions across other sectors, those investing in health place a premium on new products and ideas.
- Health care companies will need to emphasize innovation to stay competitive in the future.

In the future, companies in the health care industry will need to **better describe their technology and innovation strategies** in order to remain competitive in the market.



85%
agree



100%
agree



85%
agree

Recent scandals have increased investor skepticism about new innovations.

2



44%
agree



58%
agree



33%
agree

Recent failures involving technology-driven health care companies including *Theranos, Valeant and Zenefits* have **made me second-guess my investment strategies around innovative health care companies.**

3

Political pressure on drug pricing raises fears of harsh regulation from investors worldwide.

Unless companies in the pharmaceutical sector can better **justify their drug pricing models**, the industry will face **harsh regulations** that will harm innovation and profitability.



65%
agree



94%
agree

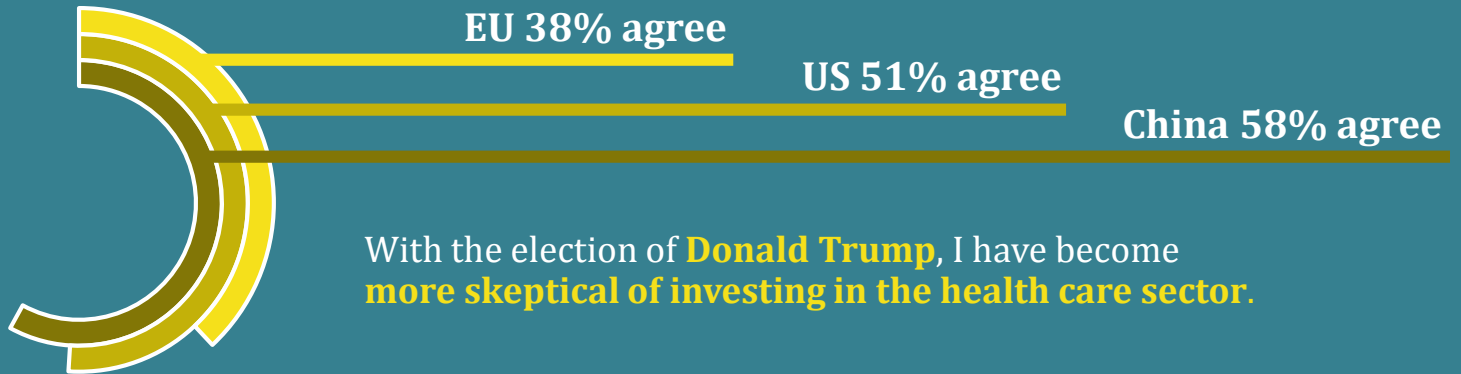


70%
agree



Uncertainty about the new Trump administration raises skepticism about the sector.

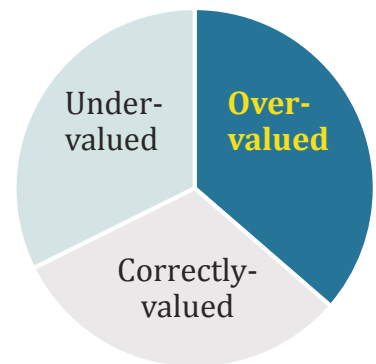
- The election of Donald Trump has the potential to unsettle investors in the health sector, especially if he takes a populist approach to the drug pricing debate.



The combination of regulatory and research concerns have weakened investors' tolerance for risk.

- This creates a sense that companies may be overvalued by the market.

Investors are divided over proper valuation of health care industry



About the Survey:

The Brunswick Group conducted a brief online survey among buy- and sell-side analysts in the United States, Canada, France, Germany, Italy, China, Japan, Korea, Singapore and the United Kingdom. The survey, conducted online from December 1-19, was designed to better understand:

- What is the premium for innovation in the health sector?
- What questions do investors want answered before investing?
- What is the appetite for risk when it comes to funding in pharma or biotech?

About Brunswick Group:

Brunswick is an advisory firm specializing in critical issues and corporate relations: a global partnership with 23 offices in 14 countries. Founded in 1987, Brunswick has grown organically, operating as a single profit center – allowing us to respond seamlessly to our clients' needs, wherever they are in the world.

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