
Pharma-Biotech Product & Company Valuation

An Introductory Course

By:

Patrik Frei and Johan Ohlsson



- Europe's top valuation experts of high-growth life science companies.
- Patrik is Founder & CEO of Venture Valuation AG, specialists in independent assessments and valuation of emerging high-growth companies in biotechnology and life sciences.
- Patrik and his team carried out all external valuations for the Novartis Venture Fund.
- Johan is Sr Consultant with a background in research (Karolinska Institute) and strategic analysis.

By attending this course, you will:

1. Know **what determines the value** of life science biotechs and emerging pharma companies.
2. Gain a thorough understanding of key valuation **terms, concepts, tools & techniques**.
3. Learn and practice **how to**:
 - Use a model that assesses the **soft factors of a biotech company** prior to its valuation.
 - Calculate the **value of a biotech company**.
 - Calculate the **value of a development compound** with an excel tool you can take home and use for any other pharmaceutical product in development.
 - **Structure licensing deals** between pharma and biotech, covering issues such as milestones and royalty payments.
4. Gain expert insight and advice from Patrik Frei who has assessed and valued numerous products and companies in the life sciences industry.

What sets this course apart?

- The experts: Patrik Frei wrote the first book on the valuation of high-growth companies, including biotech and other life science companies. Patrik and Johan are reputable specialists in the valuation of life science companies, with in-depth insight into the Venture Capital, Pharma and Biotech sectors.

To register, complete the online registration form at www.celforpharma.com

- The content: The experts' methodology taught at this course goes beyond the number-crunching approaches of most consultants, to also include qualitative factors that are hard to define. This course demonstrates the practical application of state-of-the-art valuation methods specifically targeted towards high-risk and high-growth projects in the life science industry.

Who should attend?

This is an introductory course and therefore very valuable for pharma and biotech executives who are not familiar with compound and company valuations but need a thorough understanding of the valuation concepts and techniques that are commonly applied in the pharma and biotech industries.

Course agenda

You are welcome to join us for the welcome coffee at 09:30h. The actual programme starts at 10:00 and closing will be no later than 17:00h.

- **Welcome & Introduction to Valuation: What – Why –When**
 - Scope of this course
 - Basics about valuation
 - The main drivers of valuation: measuring risk versus return.
- **How to Assess a Company Prior to Valuation**
 - Why is it important to assess a company before doing a valuation.
 - The three key assessment areas: management - technology - market.
 - The 20 factors required to assess a company.
- **Company Valuation**
 - Interactive lecture:
 - An overview of approaches for valuing life science companies (e.g. option pricing) and why simple approaches work best.
 - Focus on the most used company valuation methods:
 - Discount Cash Flows
 - Venture Capital method
 - Market / Deal comparable
 - Valuation in practice - discussion of a historical case.
 - Group work on a case study:
The audience will be broken up in groups of 4. After reading the case (which will be sent to you prior to the course), each group has the opportunity to calculate the value of the example company. The groups will then present and discuss their results in a plenary discussion.
- **Product Valuation & Deal Structuring**
 - Interactive lecture:
 - Difference between company and product valuation.
 - What information do you need? - How to gather the information?
 - Overview of product valuation methods.
 - In-depth explanation of the most frequently used technique in Pharma & Biotech:

- the Risk-adjusted Net Present Value (rNPV).
 - How to calculate the value of a company from several product valuations.
 - Given an rNPV, how to decide on the best deal structure (upfront payment?...milestone payments?...royalties?).
 - How to use product valuation to determine a suitable deal structure?
- Group work on a case study:
The audience will again be broken up in groups of 4. After reading the case, each group has the opportunity to calculate the value of the example product. The groups will then present and discuss their results in a plenary discussion.

- **Final Discussion & Wrap-up**

Learning methodology

This course optimally balances interactive lectures and group work on case studies that illustrate the theory and enable delegates to practice the fundamental valuation tools & techniques.

Definitely of great value in this course is the product valuation session, as it is applicable to any licensing deal, including the pharma-pharma situation. Following an explanation of the product valuation methods used in pharma/biotech, you will be able to practise the commonly used rNPV or eNPV method (risk-adjusted Net Present Value or expected Net Present Value) with an Excel tool developed by Dr Munton for this course (and that you can take home on CD ROM!). This tool will also enable you to practise how to best structure a licensing deal between companies.

Meet the experts: Patrik Frei and Johan Ohlsson

Dr. Patrik Frei is founder and CEO of Venture Valuation AG, Switzerland. Venture Valuation specializes in independent, third-party assessment and valuation of emerging high growth companies in biotechnology and life sciences. Services are provided in the form of proprietary Valuation Reports™ to companies and investors. Furthermore, Venture Valuation runs the Biotech and Life Sciences Databases Biotechgate and other country databases in Austria, Canada, France, Germany, India, Italy and Switzerland.

Patrik graduated from the Business University of St. Gall and wrote his doctoral thesis “Assessment and valuation of high growth companies” at the Swiss Federal Institute of Technology, EPFL Lausanne. His previous occupations include CFO of a trucking company; training at several international corporations: LeCroy (Geneva, New York), Hans Merensky Holding (South Africa), Swatch Group - EM Microelectronic (Marin).

Mr. Johan Ohlsson is a partner of Venture Valuation Ag, Switzerland, which performs independent third-party financial and strategy evaluations of emerging high-growth companies in the area of life sciences.

Johan is mainly responsible for conducting company and product valuations, partner identification and business development. Johan holds a Master of Science as well as a Bachelor degree in finance and, prior to joining Venture Valuation, worked as a strategic analyst of business development activities for Pharamlicensing. Other former positions include senior analyst for the biopharmaceutical industry at BioSeeker Group and conducting oncology research at the Karolinska Institutet.

Dates, Venue & Accommodation

Please have a look at http://www.celforpharma.com/pharma-management/training/pharma-product-company-valuation-course.html?linkid=minimenu_dates#dates

Registration fee

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