



C.E.L. for pharma  
CENTRE FOR EXECUTIVE LEADERSHIP

# Pharma-Biotech Product & Company Valuation

## An Introductory Course



Understand the valuation concepts and techniques that are commonly applied in the pharma and biotech world – Know how to assess and calculate the value of a biotech company – Learn how to calculate the value of a pharmaceutical in development and how to structure a licensing deal.



### Dr. Patrik Frei

- Europe's top valuation expert 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 valuations for the Novartis Venture Fund.
- Author of *Assessment and Valuation of High Growth Companies*.
- Owner of Biotechgate, the global business development database for the life science industry.

## 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) Be able to assess the risk profile of a biotech company prior to its valuation.
- 4) Learn and practice how to calculate the value of a biotech company.
- 5) Learn and practice how to calculate the value of a development compound (using an Excel tool you can take home and use for any other compound in development).
- 6) Know how to structure licensing deals between pharma and biotech, covering issues such as milestones and royalty payments.

## Why You Should Attend

Valuation is an inherently subjective task which is made even more difficult in the life science industry due its unique challenges: high attrition rates in R&D, long investment cycle, complex technologies and IP situations, etc. Therefore, traditional valuation methods are not suitable.

**The Content:** This course is designed to teach you a systematic approach to producing a valuation which can be used in investment rounds, mergers/acquisitions, licensing deals or strategic development decisions in the pharma-biotech world. It goes beyond the number-crunching techniques of most consultants and includes difficult to define qualitative factors which shape the risk profile of the company in question.

**The Expert:** Patrik Frei is a leading expert in the valuation of life science companies and his combination of knowledge and experience allows him to speak with authority on the subject. Patrik wrote the first book on the valuation of high-growth companies and holds a Ph.D in the field. His company, Venture Valuation, has completed over 400 independent company and product valuations.

*The Pharma-Biotech Product & Company Valuation - An Introductory Course is the only available public training course delivered by Patrik Frei on the topic of Valuation.*

## 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.

## Agenda

### 10:00 Welcome

### 10:15 Introduction to Valuation: What – Why - When

- Scope of this course
- Basics about valuation
- The main drivers of valuation: measuring risk vs. return

### 11:00 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

11:30 Coffee Break

### 11:45 Company Valuation

- 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. After reading the case, each group has the opportunity to calculate the value of a life science company. The groups will then present and discuss their results in a plenary discussion.

13:30 Lunch

### 14:15 Product Valuation & Deal Structuring

- 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 the product valuation to determine a suitable deal structure?

#### Group work on a case study:

- The audience will be broken up in groups. After reading the case, each group has the opportunity to calculate the value of a pharmaceutical product in development. The groups will then present and discuss their results in a plenary discussion
- *Coffee will be served during the case study workshop*

### 16:45 Final Discussion & Wrap-up

### 17:00 Closing

## Learning Methodology

This course optimally balances interactive lectures with practical group work exercises which are designed to help you practice the fundamental valuation tools & techniques taught throughout the day. Of particular value in this course is the Product Valuation and Deal Structuring module where you will learn the commonly used rNPV (risk-adjusted Net Present Value) method for calculating the value of a drug in development. Subsequently, you will practice how to structure a licensing deal between companies. You will use an Excel-based tool designed specifically for this module (which can be taken home).

*One of the most valuable aspects of attending any C.E.L.forpharma course is not only being able to have your specific questions answered by a leading expert, but also having the opportunity to share experiences and have in-depth discussions with your international peers.*

## How To Register

- 1.) Check our website ([www.celforpharma.com](http://www.celforpharma.com)) for the most recent course dates and fees.
- 2.) Click "Register Here" & fill out the registration form with your personal and company (invoicing) details.

*If applicable please add your company's VAT number. We will include this on your invoice, which is needed for your company to reclaim VAT.*

- 3.) Choose a payment method.
  - a. If you select "Pay by credit card" we will email you a pro forma invoice and secure payment link.
  - b. If you select "Pay by bank transfer" we will email you a pro forma invoice for you to process through your company's payment system.

- 4.) Click [Confirm Registration >](#)

You will receive an automatic confirmation email shortly followed by a personal email with your pro forma invoice and further payment instructions.

## Included in the Registration Fee

- Course Material (Digital & Print Versions)
- Coffee, Tea & Refreshments During the Course
- Lunch During the Course
- Certificate of Attendance Signed by the Expert

## Have Any Questions?



Contact Annelies Swaan for general enquiries, group discounts, and more info.

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**call:** +32 (0)2 709 01 42



*Very well-structured, easy-to-follow and thorough introduction to Valuation - as seen from different perspectives.*

### Immatics

Ajla Hrlje, BD Manager  
Germany - March 2017



*A great course packed with useful tools in assessing and valuing biotech companies and products.*

### Medeon Science Park & Incubator

Ulf G Andersson, CEO  
Sweden - March 2017



*Good validation of present day tools and structure in valuing products and companies.*

### Echelon-Frontier Scientific

Tim Miller, CEO and President  
USA - March 2017