

LAZARD RELEASES 2019 GLOBAL HEALTHCARE LEADERS STUDY

- Pricing and reimbursement pressure remains a top strategic challenge –
- Innovation in science and technology, new healthcare delivery models, data and analytics, and value-based pricing models expected to transform industry –
- Pricing and reimbursement pressure and the need for innovation continue to drive strategic activity –

NEW YORK, March 7, 2019 – Lazard Ltd (NYSE: LAZ) today released its second in-depth study of strategic challenges and opportunities in the global healthcare industry, surveying C-level executives and investors in the U.S. and Europe across three sectors: Pharmaceuticals and Biotech; MedTech; and Healthcare Services.

The results of the 2019 Global Healthcare Leaders Study echo the concerns that healthcare executives expressed in 2017 on the need to address rising cost trends with value-based pricing models and scientific innovation. This year's results, however, showed an increased focus on the potential impact of technological advances in artificial intelligence, machine learning and data analytics.

"Healthcare business leaders still view pricing pressure as the greatest strategic challenge to the industry," said David Gluckman, Co-Head of Lazard's Global Healthcare Group. "They have told us that they are more focused than ever on innovation in science, technology and risk-sharing pricing models as ways to meet this challenge."

"Respondents also believe that data analytics, artificial intelligence and machine learning will have transformative effects throughout the healthcare industry, though their impact remains more expected than extant," said Peter Orszag, Co-Head of Lazard's Global Healthcare Group.

The study offers a variety of insights, including the following selected highlights:

- Pricing and reimbursement pressure and the need for innovation are driving strategic activity among healthcare companies. 72% of industry leaders expect to see an increase in partnerships, collaborations and joint ventures over the next 18 months.
- 76% of healthcare industry leaders surveyed believe that non-traditional competitors will have a meaningful impact on the healthcare market over the next 3-5 years.
- Pharma/biotech executives' top priorities when evaluating M&A targets are: enhancing long-term growth (41%), strengthening current technology or accessing a new technology (41%), and strengthening a therapeutic area (33%).
- While views remain mixed on the effective use of data analytics or "Big Data," more healthcare services executives believe it is being used effectively (54%) than not (46%). The majority of respondents (59%) agree that the integration of data – clinical, medical claims, socioeconomic data, drug claims – is more important than having access to any one type of data.

- More than half (56%) of MedTech leaders believe Big Data will increasingly influence physician behavior through the integration of imaging, diagnostics, patient records, and clinical decision support.

The Global Healthcare Leaders Study surveyed 387 C-level executives and 72 healthcare investors in the U.S. and Europe. C-level executives included CEOs, CFOs, and senior executives involved in strategic decision-making. Respondents were chosen to represent a statistically significant mix between subsectors including Pharma and Biotech (170); MedTech (77); and Healthcare Services (201).

The Global Healthcare Leaders Study reflects Lazard's approach to long-term thought leadership, commitment to the sectors in which it participates, and focus on intellectual differentiation. An executive summary of the Study is posted at www.lazard.com/perspective.

Lazard's Global Healthcare Group advises senior executives and boards of directors on strategic M&A, corporate preparedness, capital advisory, and other strategic and financial matters. The group is active in all areas of the healthcare and life sciences industry, including pharmaceuticals, biotechnology, healthcare services, and medical devices.

About Lazard

Lazard, one of the world's preeminent financial advisory and asset management firms, operates from 43 cities across 27 countries in North America, Europe, Asia, Australia, Central and South America. With origins dating to 1848, the firm provides advice on mergers and acquisitions, strategic matters, restructuring and capital structure, capital raising and corporate finance, as well as asset management services to corporations, partnerships, institutions, governments and individuals. For more information, please visit www.lazard.com. Follow Lazard at @Lazard.

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Media contacts:

Judi Frost Mackey, +1 212 632 1428
judi.mackey@lazard.com

Clare Pickett, +1 212 632 6963
clare.pickett@lazard.com