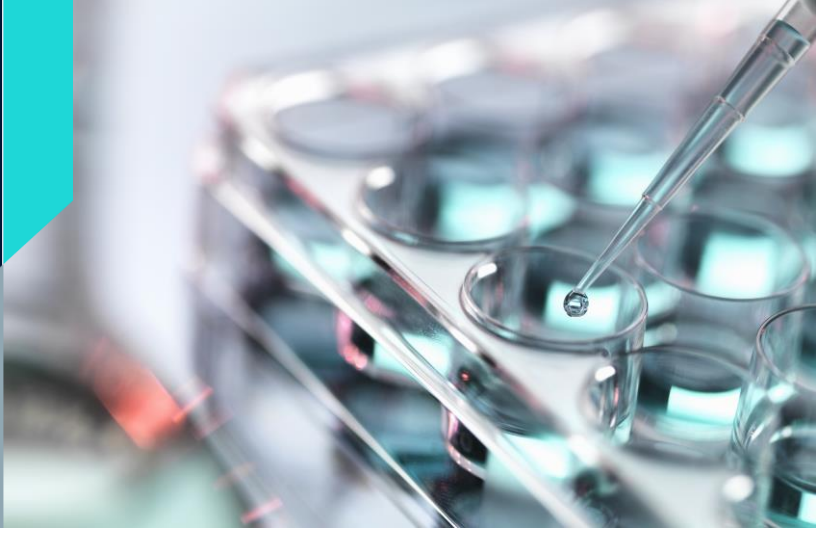


Global Investors' Outlook on Health

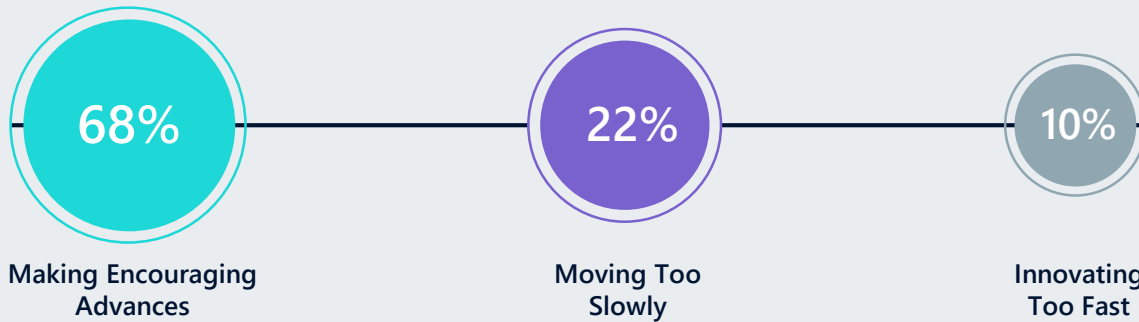
Three key takeaways from Brunswick Insight on risks and opportunities in the healthcare sector



1

Innovation is the price of admission

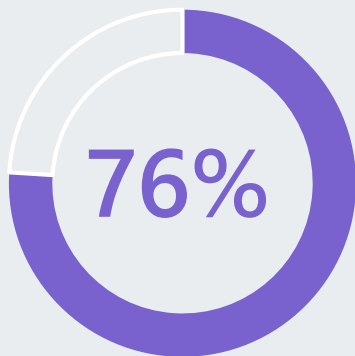
When asked if innovation is on the right track, investors said they believe the industry is:



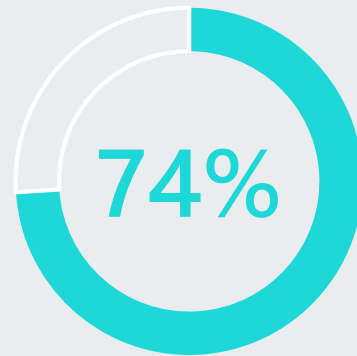
INSIGHT: To differentiate themselves, companies need to better define and describe their technology and innovation strategies.

2

Engaging stakeholders to mitigate criticism of drug pricing is a business priority

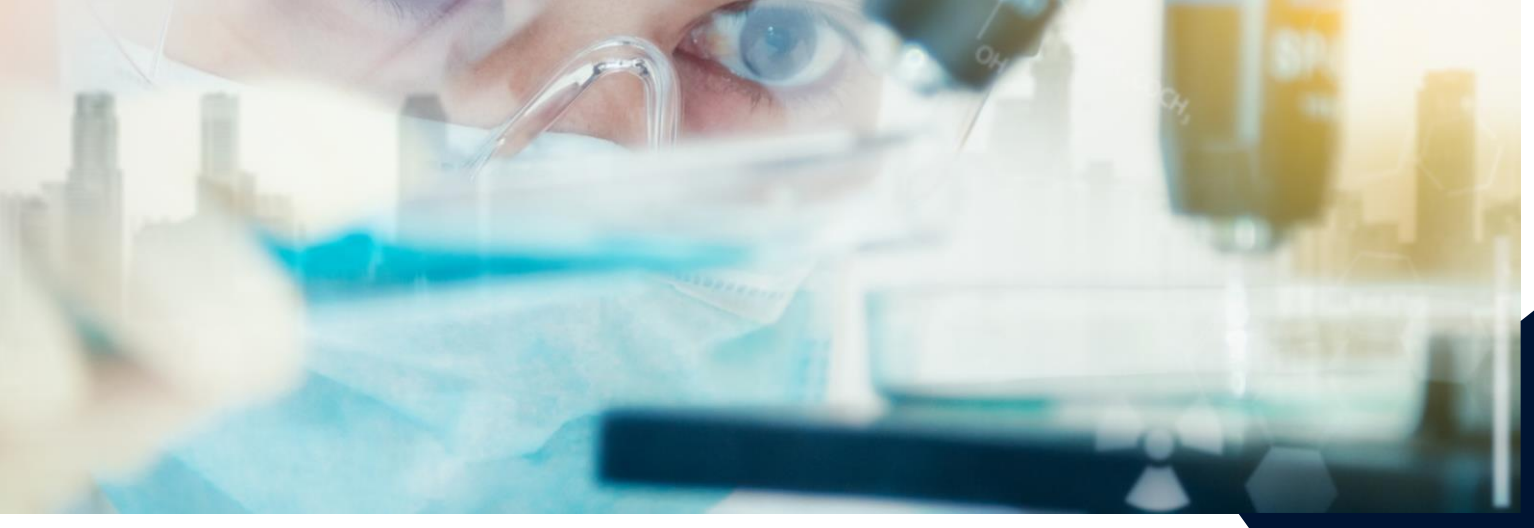


Believe that the industry will face harsh regulations unless companies can justify drug pricing models.



Say they are less likely to consider investing in a company that is receiving public scrutiny over drug prices.

INSIGHT: When pricing comes under scrutiny, companies need to rally supportive voices to help ensure the criticism doesn't impact investment decisions.



3

Cybersecurity isn't an IT story – it's an IR story

While health investors overwhelmingly agree that the benefits of connected medical devices outweigh the potential cybersecurity risks...

70% of investors say the benefits of connected medical devices outweigh the potential cybersecurity risks.

...investors are worried that health companies lag behind other industries in cybersecurity. Additionally, they are less inclined to invest in a company that doesn't have good cybersecurity practices.

52% agree that healthcare lags in cybersecurity.

48% aren't willing to assume investment risk when it comes to a company's cybersecurity risks.

INSIGHT: As healthcare becomes more connected, companies need to explain how they are protecting patients against cyber risks.

See the full survey results at: <http://bit.ly/2D14jXC>

About the survey:

The Brunswick Group conducted an online survey among buy-side investors and sell-side analysts across North America, Europe, the UK and Asia between November and December of 2017 to 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 Group LLP is an advisory firm specializing in critical issues and corporate relations. Founded in 1987, Brunswick is an organically grown, private partnership with 24 offices around the world.

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