THE UNIVERSITY OF CHICAGO | CAREER ADVANCEMENT Business

Healthcare Investment Banking Recruiting Guide 2026-2027

Healthcare Investment Banking Verticals

Healthcare investment banking is organized around four primary verticals: biopharma, healthcare services, healthcare IT, and medical technology. Team structures vary by firm: some groups offer broad exposure across all four verticals, while others expect analysts to specialize from the start. In many cases, the vertical you work in is also determined by office location. For example, Leerink Partners' Charlotte office focuses primarily on healthcare services, while Centerview's San Francisco office works exclusively on biopharma M&A. Larger banks in major markets, particularly New York, tend to offer a more generalist role spanning all verticals and products.

Verticals:

Biopharma: Biopharma (biotechnology, pharmaceuticals, and life sciences) is the most technically complex vertical in healthcare investment banking, though a background in biology or chemistry is not required. Bankers in this vertical advise companies developing drugs, therapeutics, and diagnostics on M&A and capital-raising transactions, with deal activity closely tied to clinical trial data, regulatory milestones, and intellectual property. M&A work involves evaluating drug pipelines, building probability-adjusted revenue models, and assessing strategic fit. The majority of deal flow consists of large-cap pharma companies (Eli Lilly, Johnson & Johnson, Merck, etc.) acquiring smaller clinical-stage biotechs to expand or replenish their pipelines. Equity financings (IPOs and follow-ons) are also common, given the capital-intensive nature of R&D and the long path to profitability.

Healthcare IT (HCIT): HCIT covers companies that provide software, data, and technology-enabled services to healthcare providers. Key subsectors include electronic health records (EHR), revenue cycle management (RCM), data analytics, and, increasingly, AI-driven tools. Of all the healthcare verticals, HCIT most closely resembles technology banking, as deals are evaluated with a strong emphasis on recurring revenue, SaaS metrics (ARR, churn, growth rates), and scalability.

Healthcare Services: Healthcare services encompass providers (hospitals, physician practices & clinics, specialized care providers, etc.). This vertical is highly fragmented and transaction-heavy, particularly with private equity-backed consolidation activity. Services deals often involve large roll-ups, carve-outs, and sponsor-driven M&A. Important concepts to understand include reimbursement dynamics, payer mix, patient volumes, and margin optimization, as services businesses often operate on thin margins and heavily rely on reimbursements from

insurance companies and government programs to generate revenue. Debt financing and leveraged buyouts are also common, given the relatively stable cash flows that characterize service businesses.

Medical Technology (MedTech): MedTech covers companies that develop and manufacture medical devices, equipment, and diagnostic products such as surgical tools, implants, and imaging systems. Unlike biopharma, MedTech products are tangible and revenue-generating much earlier in their lifecycle. M&A activity is typically driven by large strategics seeking to broaden their product portfolios.

Locations and Recruiting

NYC

New York is home to virtually every major investment bank, houses the largest analyst classes, and recruits almost exclusively on a generalist basis.

NYC is the most networking-based: everyone around the country is trying to get into NYC, so having strong networking skills is essential. However, for other cities such as San Francisco, your industry knowledge and technical expertise matter more. Given the competitive nature of NYC and the importance of networking, it's possible that you can be a top candidate but get unlucky because you caught bankers at the wrong time during networking, or lose spots to those who accelerated offers.

SF

San Francisco is almost exclusively focused on technology and healthcare/biotech. On the healthcare side, a number of major banks maintain a meaningful presence, with the most prominent being Centerview, J.P. Morgan, Citi, and Lazard.

Recruiting in San Francisco is sector-specific, requires strong industry knowledge, and tends to involve more rigorous technical interviews than generalist processes. Analyst classes are small (often fewer than 10), and the overall process is more selective and drawn out than in New York. Because of the smaller analyst classes, fit with the group is extremely important. Aim to speak with 2-3 bankers in each group you are interested in, as it will dramatically increase your odds of landing an interview. Some teams may also screen for STEM backgrounds and/or a demonstrated interest in the healthcare (and particularly biopharma) space. Despite this, a STEM major is not necessary to secure and succeed in interviews. As long as you demonstrate interest and have done research in the healthcare space, students from any major can be competitive applicants.

Behaviorals

The most important thing about behaviorals is a story that is true to yourself and your background, is coherent and consistent, and has a few main points you highlight repeatedly in different ways.

In networking calls and interviews, bankers are not going to remember everything about you. They are busy and have other things to do, so they will only take away a few things from the call. You want to control what they take away, which you do through your story. It's important to understand your own story and articulate it in a way for them to understand it as well. This is best accomplished through the "Tell me about yourself" or "Walk me through your resume" questions.

Most Common Behavioral Questions You Will Always Be Asked:

Why Healthcare?

This question is an opportunity to introduce yourself, connect your background to finance and healthcare, and demonstrate why you are a compelling candidate. Aim for a 50–80 second answer.

- To craft your story, draw on your experiences so far and what first drew you to finance, your internships, your extracurricular interests, and your involvement on campus. Then consider how these elements connect into a coherent arc.
- Examples:
    - 1. Was interested in biology/medicine in HS → Worked at biotech startup → Learned about their finances and fundraising or future outlook about selling their vaccine/company → Looked more into finance → Involved in investment fund at school but still interested in medical research → Now interested in IB broadly but has a keen focus on healthcare/biotech and has the background to back it up.
        - This person is interesting, has a story that tracks, is involved at school, and the interviewer will remember them. "Oh she's the girl who did research into GLP-1's and likes healthcare."
    - 2. Interned at a residential real estate firm selling luxury homes → Enjoyed the start-to-end process of deal-making but wanted a more in-depth experience → Found a commercial real estate internship for freshman summer → Has learned that real estate intertwines with every sector (ex. Tech with data centers, Healthcare with hospitals, Consumer with physical store locations) → Wants to go into IB to explore finance but also keep following real estate
        - This person liked RE, chased after it, and got what they wanted. They understand the deal experience and backed that up, and now they have a good reason for IB. "He's the

motivated guy who likes RE and chases after his interests. He will be a good analyst and will work hard."

- 3. Interested in entrepreneurship in HS → Created own start-up/intern or worked for one → Realized entrepreneurial, operational mindset applies to finance as well → Exploring finance careers → Wants to go into IB to further explore finance and bring hands-on, teamwork focused work ethic
- 4. Policy and law related work in HS → Enjoyed being able to make a tangible difference in people's lives but realized it takes a long time → Drawn to IB to be able to work on large, influential deals that make quick, tangible impacts

Why This Bank?

The strongest answers to this question come from genuine networking within the firm. Most candidates cite similar reasons for wanting to join any given bank, so what differentiates a strong answer is specificity. This can be done by referencing previous conversations with bankers, the details from those interactions, and how your own experiences and goals align with the firm's culture and focus areas.

Common themes that resonate across many firms (though not universally applicable):

- Small, tight-knit culture with responsibility and hands-on work
- Emphasis on mentorship with multiple examples
- Longevity of careers (helps if you've talked to an MD or learned about this at an info session)
- Leader in the industries you are the most interested in (Can reference deals, etc.)

Why This City?

This question often overlaps with a related one: why a bulge bracket versus an elite boutique, or vice versa. Understanding the structural and cultural differences between firm types is important, and being able to articulate clearly why a particular firm and location fit your background, interests, and goals will set you apart from candidates who give generic answers.

Technicals

Technicals are generally split into two categories: Closed Form/Deterministic Questions and Market-Based Questions.

Closed Form/Deterministic Questions:

The type of technicals you will get asked will vary based on the kind of bank you are interviewing at – BB vs EB vs MM. Thankfully, there are ample resources for technical studying out there. The following resources are highly recommended:

NECESSARY GUIDES: M&I 400 (available for free online), Redbook (there should be a PDF readily available online through a quick Google search), Advanced BIWS Guides (available through upperclassmen and various RSOs, everyone has these and will be able to send you them)

Websites: Mergers & Inquisitions (information); IBVine, marginofalpha, OfferGoblin (question practice)

Other resources: Substack (see section on Market-Based Questions for writer recommendations), Twitter (helpful to follow some investing accounts), Wall Street Oasis *(**highly biased but occasionally good for inside looks into the industry and some general market/banking-specific events).*

Rough order in which to study:

Begin with the Breaking Into Wall Street (BIWS) Guides, working through them thoroughly and in order: Accounting, Core Concepts, Valuation, Equity and Enterprise Value, DCF, Merger, and LBO. The end-of-guide questions are more advanced than anything in the M&I 400, but they reflect the level of follow-up questions you may encounter in interviews, so take them seriously. Review the BIWS questions regularly throughout your preparation. Once you have a solid conceptual foundation from BIWS, read the M&I 400 front to back—at that point, most questions should feel straightforward. Focus on understanding the reasoning behind every answer, not just the answer itself, so you can handle variations with different numbers or scenarios.

Good Resources:

News: Fierce Biotech, Fierce Pharma, BioPharma Dive, BioSpace

Newsletters: STAT News

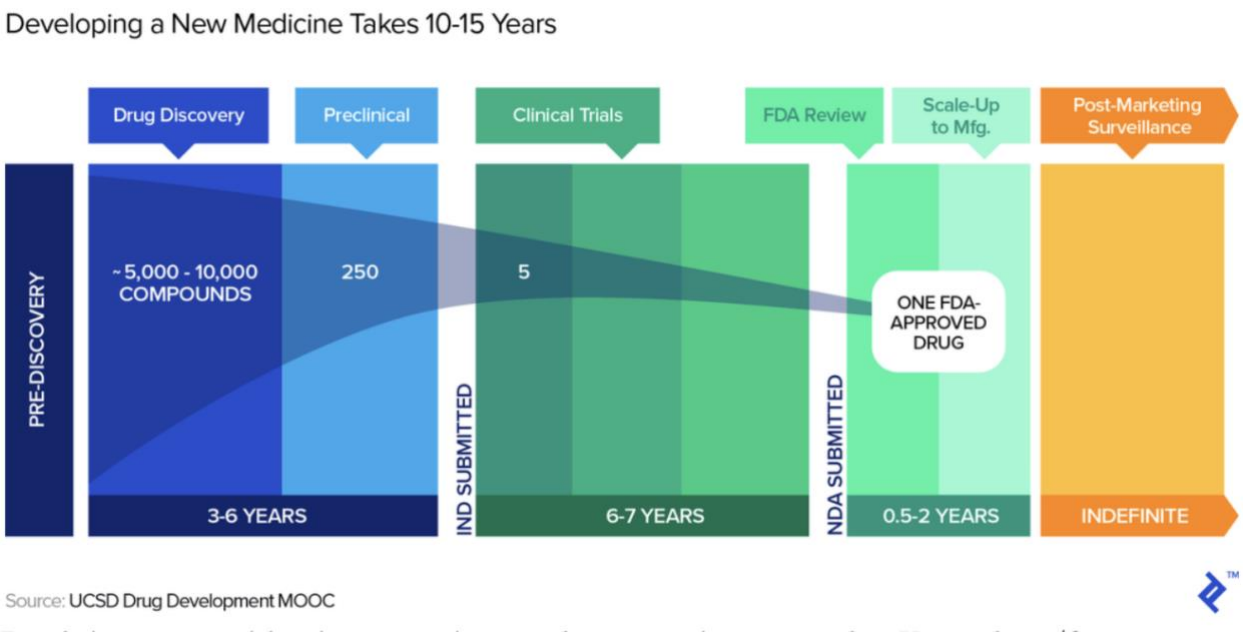
Books: The Pharmagellan Guide To Biotech Forecasting and Valuation, The Pharmagellan Guide To Analyzing Biotech Clinical Trials

Note: The Pharmagellan Guides provide a comprehensive overview of assessing clinical data and valuing early-stage biopharma assets. They are very advanced guides and go much deeper than what you might be asked in interviews, but they are still excellent resources nonetheless. The news sources and newsletters listed, however, are extremely helpful and strongly recommended.

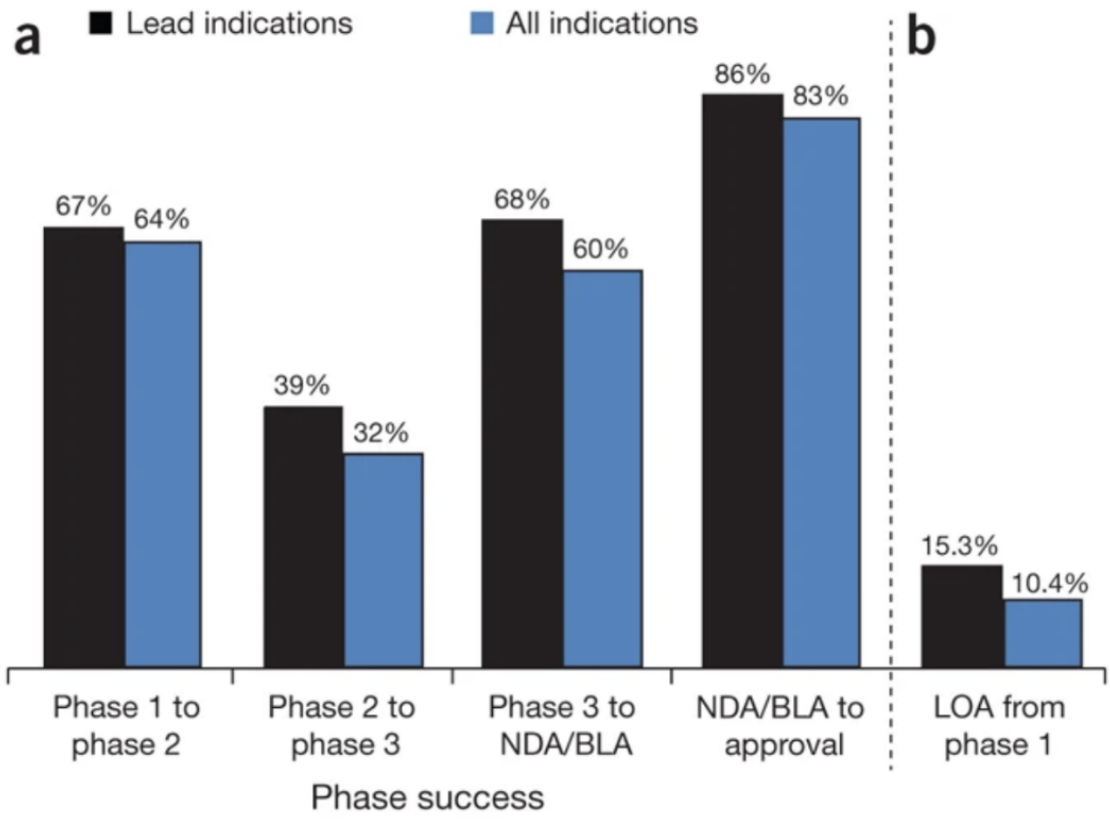
Biopharma/Life Sciences Early Stage Valuation:

Because early-stage biotech companies are typically pre-revenue with their lead assets still in clinical development, traditional DCF approaches must be adapted. Analysts value these companies using modified frameworks that account for clinical risk and probabilistic outcomes. In virtually every healthcare banking interview, you should expect questions on sector-specific valuation methods. Interviewers are most commonly looking for an understanding of comparable company analysis, peak sales multiples, or risk-adjusted NPV.

Precedent Transactions	Multiples Method	Risk-Adjusted NPV
- Analysis of similar companies in recent years that have been acquired by large pharma through M&A methods - Mainly used to replenish pipelines when genericization is approaching, or acquire market share in exclusive markets	- Different multiplies include EV/Peak Sales, EV/Revenue, EV/Invested R&D, usually using a 3-5x multiple, although this ranges between companies	- Most granular and intrinsic method of valuing a company's cash flows - Use PoS (probability of success) of clinical trials to determine final year free cash flows, and account for risk in both revenue and expenses - Can also attach a premium to WACC when discounting company back to present value - The inflated WACC method is usually for smaller companies



So, what's the main difference between a biotechnology discounted cash flow (DCF) versus a normal company's (e.g. consumers, industrials)? Biotechnology is usually pre-revenue and has significant NOLs from the high amounts of tax-deductible expenses that outweigh the company's current revenues. Moreover, all assets are undergoing clinical trials, and no drugs are sold until FDA approval is obtained (usually takes around 8-12 years in the U.S.). Therefore, all DCF valuations are based on future assumptions about the drug's peak sales metric. Finally, especially for biologic treatments that have potential for genericization, the U.S. biopharma model is unique in that all patents lose exclusivity after 20 years, meaning that once the drug lands on the market, large-cap biopharmas only have set periods of time until other companies begin manufacturing generics as competition, which drives the price of the drug significantly down. Therefore, while a traditional DCF is projected into perpetuity using terminal value multiples/Gordon Growth, we CANNOT assume that a biotech company will have a terminal value when valuing a pipeline asset, as once the drug loses exclusivity, the treatment can no longer generate revenue at the same rate.



STEPS OF BIOTECH DCF:

1. Revenue Forecast/Epidemiology Build:
    a. Size of Total Addressable Market
        i. Total Patient Population * Dosing Schedule * Dosage Prices
            1. Price is either the current reimbursement cost to treat 1 patient in the US healthcare system
            2. Upper Bound is the quality-adjusted life year method
    b. Peak Market Penetration/Sales:
        i. Consider the unmet needs of the patient. Are they able to afford the drug price on their current insurance plans? Are they eligible for the same symptoms associated with this drug?
        ii. Is there an age cutoff for the treatment? Would a patient be inclined to switch over medications?
    c. Prevalence vs. Incidence?
        i. Prevalence is the rate of total cases throughout a given population, so think about the number of total diagnoses per capita
            1. Consider a chronic, long-term, debilitating disease like hemophilia (anything where it doesn't make sense to analyze a drug based on how many more people get it).
            2. Patients are treated for all or most of their lives after diagnosis

3. Maximum opportunity is measured as the size of the prevalent population
4. CASES PER POPULATION

ii. Incidence Rate is the measure of the total number of new diagnoses in a given population
1. Acute-care therapies depend on incidence rates, as each incident patient will get a single treatment or course of therapy that resolves this disease
2. This leaves no prevalent population
3. CASES PER PERSON PER YEAR

iii. $Incidence = \frac{Prevalence}{Disease\ Duration}$

d. Subdividing the Patient Population
i. Ensure that the subdivision method we're using is in line with how physicians make treatment decisions
1. Anatomic Stage
2. Contraindications
3. Demographics
4. Disease Severity
5. Pathology/lab Results

e. Pricing
i. The most credible approach in most situations is to be transparent, logical, and conservative
ii. Model a U.S. starting price as if the drug were on the market today, based on comparisons to appropriate treatments
iii. Incorporate modest annual increases to calculate the price at launch and thereafter
iv. Model prices in other countries and regions by applying a correction factor to the U.S. price at launch. Apply country or region annual rate of increase
1. ASP (Average Sales Price) - Price paid to manufacturers, net of all rebates and discounts
2. WAC (Wholesale Acquisition Cost) - "List Price" paid by the wholesaler to the manufacturer, before rebates and discounts
3. Retail price - Price charged by the distributor to the end user
4. AWP (Average Wholesale Price)- manufacturer-reported "sticker price"

v. We typically model a 2% annual price increase in early-stage forecasts that is in line with general inflation and with a current estimate of U.S. net price increases on branded drugs published by QuintilesIMS

f. Market Adoption Curve
i. A drug's sales increase annually until they reach the peak defined by the addressable population and its market share
ii. To build the model, need to define two factors: EXPECTED LAPSE OF TIME FROM LAUNCH to Peak MARKET PENETRATION, and the shape of the uptake curve
iii. Time to peak shows that pioneer drugs have a slower uptake than follower drugs, which take about 8 years to reach their peak, compared to 3-4 years for followers

iv. MEDIAN TIME for drugs to peak is 6 years
v. Innovations are adopted by an S-curve, beginning with a slow phase of early adopters, ramping up more quickly over time as adoption diffuses into the majority, ends with a slow phase of adoption by laggards
vi. Genericization is the end goal of all biopharma R&D, intended to reduce prices significantly by allowing competitors to enter the market and drive down prices. This is why everyday conveniences like acetaminophen, penicillin, etc., are cheaper compared to novel biologics.
vii. ORPHAN DRUGS/RARE DISEASE BIOLOGICS: examples of drugs that cannot be genericized as manufacturers cannot mass-produce biologics from organisms in the same way small molecules (artificially synthesized chemicals) can easily be reproduced. Costs for biologic treatments for a smaller patient population remain low because the market share isn't significant enough for generic manufacturers

Table 29: US generic drug system is efficient

Medicine	Year of Generics	Price before generics	Current generic price	% Change
Diovan HCT (Hypertension)	2010	87	13	-85%
Lipitor (Cholesterol)	2010	85	4	-95%
Plavix (Blood thinner)	2011	166	5	-97%
Seroquel	2010	87	3	-97%
Zyprexa	2010	393	8	-98%

Source: BofAML, Global Research, PhRMA

viii. REVENUE FORECAST: TOTAL MARKET SIZE * PENETRATION (where is my maximum peak sales)
    1. ONLY forecast drugs at Phase I or later, no value to an early-stage asset

g. Competitors
    i. Develops a probability-based model to account for all possible launch outcomes of these drugs, but this approach is overkill for all possible launch outcomes of these drugs
        1. When R&D stage competitors are very early or perceived as high risk, we ignore them
        2. Occasionally, include selected late-stage competitors in the model
        3. If a large number of early-stage products are under development, the model amalgamates competitors to reflect our assumption
    ii. Order of Entry
        1. Me-Too drugs are POSITIVE, and actually encourage innovation in the sector because more competitors drive innovation
        2. Main advantage goes to first drug, but once there are 5 or more entrants in a market, the benefit is not as obvious

iii.

	1st	2nd	3rd	4th	5th
2 drug	60%	40%			
3 drug	40%	30%	30%		
4 drug	31%	23%	23%	23%	
5 drug	24%	19%	19%	19%	19%

2. COST FORECAST
    a. COGS
        i. Should be held constant until the drug is approved and sales begin to increase
        ii. Usually modeled as a percentage of gross revenue
        iii. Estimate that COGS is 10-15% of revenues for high-priced agents and up to 30% for lower-priced drugs
        iv. To benchmark the COGS-to-revenue ratio for individual drugs, it's generally logical and accepted in forecasts of early-stage products to assume a constant value
    b. SG&A Expenses
        i. As the drug progresses through trials, R&D decreases, and SG&A increases
        ii. Usually, 25% margin relative to revenue
        iii. Profit margins of a Biotech company is typically 75-90%
        iv. In the R&D stage, when there are no sales or marketing expenses, we forecast G&A based on existing benchmarks from public biotechs
        v. For commercial-stage biotechs above a certain size, we model the total SG&A cost as a percentage of revenues
            1. G&A for pre-commercial biotechs
                a. It is impossible to model this value as a percentage of revenue, so we rely on benchmark from drugs publicly traded companies
                b. Around $8.7 million
            2. Modeling SG&A from prelaunch to maturity
                a. We model the projected revenue over time and identify the year in which they exceed roughly $400 million, calculate total SG&A as a fixed percentage of revenue
    c. R&D
        i. Can capitalize in certain cases (treat as asset that depreciates over time, and not an operating expense)
3. Risk-Adjusted FCF
    a. Need to apply a PoS to both revenues and expenses
        i. Revenues PoS will be lower
        ii. Expenses R&D will be higher
        iii. PoS depends on the drug, but approximate FDA PoS
        iv. Risk adjusted NPV formula: $\frac{PoS \times FCF}{(1+WACC)^{year}}$

**You do not need to know this entire process in depth and will not be asked to walk through a biotech valuation in this much detail. It is much more time-efficient to understand biotech valuation at a high level and summarize the process in ~60 seconds, rather than memorizing it.*

BIOPHARMA/MEDTECH DEAL LANDSCAPE:

The following section covers several notable biopharma and MedTech M&A transactions from the past year, along with deal-level analysis meant to model how you might walk through a deal in an interview setting. When presenting a deal, always lead with the parties involved, the strategic and financial rationale (revenue vs. cost synergies), and the deal financing. It is also worth noting who advised on the transaction—if the firm you are interviewing with acted as an advisor, spend extra time understanding the science and rationale behind the deal, as there is a reasonable chance your interviewer worked on it directly (particularly at boutiques). As a general rule, avoid defaulting to the most high-profile transactions. The largest, most widely covered deals, such as the $43B Pfizer/Seagen acquisition, are familiar to virtually every candidate. Aim instead for a deal that is meaningfully sized ($1B+) but not so prominent that it has been dissected to death.

For sourcing relevant deals, Fierce Biotech and Endpoints News are strong starting points for recent announcements, and equity research sites offer useful analyst commentary. Many boutiques such as Moelis, PJT Partners, Centerview, Evercore, and PWP also publish their recent transactions online.

$8B Genmab and Merus (September 2025):

Genmab $8 billion acquisition of Merus:

- Genmab develops pipeline of well-established late-stage cancer assets, paying $8 billion for Netherlands-based Merus, adding a bispecific antibody late-stage asset with two breakthrough therapy designations to Genmab's portfolio (Sep, 2025 announcement date)
- TRANSACTION EXPECTED TO BE ACCRETIVE by end of 2029; ALL CASH transaction
- Transaction is not subject to financing conditions, consideration expected to be funded through a combination of cash on hand and around $5.5 billion of non-convertible debt financing.
- PJT Partners advising Genmab as sell-side advisors
- Genmab is paying $97 per share of Merus, which is a 41% increase on the ongoing share price of $68.89 at close of trading Friday - total transaction value of around $8 billion
- Pipeline of petosemtamab to Genmab's promising late-stage pipeline is a compelling strategic fit with Genmab's portfolio and aligns with expertise in antibody therapy development/commercialization in oncology
- Genmab will have 4 proprietary programs with multiple new drug launches by 2027

- Best in-disease profile is petosemtamab, Merus unveiled a 70% 12 month survival rate in phase 2 trial of patients with PD-L1-positive recurrent metastatic head and neck squamous cell carcinoma
- Petosemtamab binds EGFR and LGR5 on cancer cells which hit both cancer drug and novel targets, bispecific can inhibit EGFR signaling and drive degradation via LGR5 and engage immune system

SYNERGIES/TECHNOLOGY:

- Genmab hopes Merus' pipeline candidate will go to market after phase 3 trials in 2027, where the drug can hit $1 billion in annual sales by 2029 - proposed acquisition of Merus aligns with long-term strategy where petosemtamab is proposed to be a transformational therapy for patients with head and neck cancer
- Petosemtamab would be a compelling strategic fit for this late-stage pipeline, and aligns well with past pipeline candidates in antibody therapy development and commercialization in oncology
- Predicted peak sales of $3 billion to $4 billion for petosemtamab in head and neck cancer as proof that the acquisition is a positive for Genmab
- All results are dependent on how Genmab views the market opportunity in metastatic squamous cell carcinoma
- Merus is currently running two Phase 3 trials in different lines of head and neck cancer with topline interim readout, Genmab anticipates potential for the initial launch of petosemtamab in 2027 subject to clinical results and regulatory approval - Genmab also intends to broaden and accelerate petosemtamab's development with potential expansion into earlier lines of therapy
- petosemtamab will have at least $1B+ annual sales potential by 2029

$9.2B Merck and Cidara Therapeutics (November 2025):

- Merck announced in late November 2025 the $9.2 billion USD acquisition of Cidara Therapeutics for their lead influenza drug candidate CD388, with 8 billion funded in corporate bonds and the remaining funded in cash. Merck paid $220 per share for Cidara, which was a 2x premium to Cidara's closing price the day before. At an approximate 109% premium
- Merck will acquire all outstanding shares of Cidara for $221.50/share in cash, transaction does not include a CVR (contingent value rights/earnout) and will be executed entirely in cash (using strong balance sheet). Acquisition closed recently on January 7

SYNERGIES/DEAL RATIONALE:

- Interim phase 3 data from the ANCHOR study of CD388 is expected in 1Q26.

- Strategic rationale given Merck's existing infections disease pipeline and mix of primary care/specialty franchises
- Addresses populations likely to be natural fits for CD388
- CD388 has meaningfully de-risked on the back of earlier Phase 2 data (moderate clinical risk and high PoS as drug moves to final stages of clinical trials)
- Potential CD388 launch in 2028 would provide ramping sales over the balance of the decade, which aligns well to potentially offset a portion of Keytruda erosion, which loses patent exclusivity in late 2028
- VA consensus peak-sales estimates for CD388 are 3.1 billion globally in 2030, could establish CD388 as a top 10 revenue contributor by the early 2030s
- Deal size and premium are larger than expected, but ultimately Merck deployed its strong balance sheet

ABOUT THE DRUG CANDIDATE:

- CD388's trial performance in Phase 2a and 2b compares favorably to some historical comparators such as prior candidates for SARS CoV-2 and RSV. The candidate was rapidly and robustly distributed to the lung and epithelial lining fluid, and was highly protective against lethality.
- Phase 1 pharmacokinetics point to CD388 maintaining levels above the target 1 ug/mL for the entire flu season. The candidate combines high potency, long half-life, and targets neuraminidase in a way that appears difficult to mutate away from the therapeutic effect.
- The drug FC conjugate platform is broadly applicable, which is a novel modality that combines aspects of small molecules and of monoclonal attributes (mAbs). DFCs are created by connecting targeted small molecule drugs to the Fc domain of a human IgG antibody, using a non-cleavable linker.
- The Fc domain can be mutated to extend its half-life as has been done for CD388. Unlike other small molecules, DFCs don't enter cells, which reduces the risk of off target side effects. Essentially, a DFC is a unique mix of small molecules that lack cytotoxicity concerns
- CD388 Expects to be active against all influenza strains/variants, CD388 has resulted in potent universal activity in enzyme inhibition and cell-based assays using a panel of both influenza A and B viruses.
- As the drug candidate demonstrates multi-log increases in potency, this proves important for high-risk patients such as the elderly that tend to have the highest vaccine uptake.

$14.5B Penumbra and Boston Scientific (January 2026):

- Boston Scientific entered agreement to acquire Penumbra at $374/share for a total enterprise value of $14.5 billion USD

- Penumbra is well-established company with high performing team, offers Boston Scientific opportunity to enter new agreements in the cardiovascular space
- Penumbra has developed a portfolio to treat cardiovascular devices such as thrombosis, heart attack and aneurysms
- Transaction is approximately 73% in cash and 27% in stock of Boston Scientific and expected to close. Mix of cash on hand and debt
- Transaction expected to be 6-8 cents dilutive over a time period of 1 year, while being neutral to slightly accretive in year 2.

DEAL RATIONALE/TECHNOLOGY:

- Penumbra manufactures minimally invasive devices intended to treat vascular and neurovascular conditions, such as abnormal blood flow and clots.
- Portfolio includes products to treat strokes, heart attacks, aneurysms, pulmonary embolism, and deep vein thrombosis - with the best known focus area being mechanical thrombectomy
- Expected revenue of $1.4B with around 17.3% reported growth.
- Deal rationale includes gaining access to the mechanical thrombectomy and neurovascular verticals within the cardiovascular device business; which Boston Scientific considers as key strategic adjacencies; product adjacency with Boston Scientific's cardiovascular and interventional devices also contributes a revenue/cost synergy (less need for manufacturing/supply chain costs if parent company operates in same ecosystem)

$10B Pfizer and Metsera (November 2025)

Firm Overviews:

- Pfizer is one of the largest multinational pharma companies that researches, develops, and manufactures medicines, vaccines, and consumer health products.
- Metsera is a clinical-stage biopharma company focused on developing obesity and metabolic disease treatments

Asset of Interest:

- Metsera's lead pipeline asset is MET-097i, a monthly injectable GLP-1 receptor agonist in Phase 3 development, intended as a competitive rival to other market leaders that offer less desirable weekly injections.

Transaction Financials:

- Pfizer paid $65.60 per share in cash, representing an enterprise value of $7bn and a contingent value right of up to $3bn tied to the achievement of three clinical and regulatory milestones for a total of up to $10bn. The deal represents a 43% premium over Metsera's pre-announcement closing price.

Strategic Rationale:

- Pfizer does not currently have an injectable weight-loss drug, and Metsera's acquisition positions it to enter the extremely high-growth obesity treatment market which is projected to expand from $12bn in 2024 to $100bn+ by 2030.
- Metsera gives Pfizer the ability to enter into the market and compete against rivals such as Novo Nordisk's Ozempic and Eli Lilly's Zepbound

Opinion:

- I believe that the acquisition makes strategic sense given the weight-loss category's significant projected future value and Metsera's differentiated product offering monthly injections rather than weekly, which will be most preferred by patients. If Pfizer is able to effectively compete against Novo Nordisk and Eli Lilly and secure a large portion of the obesity and metabolic disease treatment market, it stands to benefit greatly.

COMPANY OVERVIEW:

The ability to discuss companies you follow is a critical component of any biopharma interview. Bankers may ask candidates about specific companies as a proxy for genuine sector interest and ongoing engagement with the industry. A few tips: focus on smaller-cap names, since large-cap biotechs like Amgen and Pfizer are familiar to nearly every interviewee, develop a clear understanding of the company's R&D pipeline, and be prepared to articulate what distinguishes it from peers. The pitch below for Kymera Therapeutics covers the company's lead drug development programs, the underlying mechanism of action, and how KT-621 is positioned within the U.S. inflammatory disease market.

Kymera Therapeutics (KYMR):

Clinical-stage biopharma company developing novel KT-621 atopic dermatitis drug, looking to get approved for asthma. Phase 2 trials results expected by 2027:

- Recently passed Phase 1b trials with all their endpoints met (63% overall mean reduction in EASI)
- 48% overall mean reduction in SCORAD
- Strong potential for Dupilumab in a pill, by degrading STAT6 transcription protein; degradation of this protein
    - Stat6 is a key transcription factor of Th2 type inflammation (eczema, asthma, prurigo nodularis,) further down the IL-4/IL-13 in vitro/in vivo
    - Several therapies target IL-13, IL-4, not many target the further downstream STAT6 factor with oral delivery potential
- Once-a-day oral drug

- Shifting away from injectable/large molecule biologics in the inflammatory space (Dupixent, Nemluvio, Skyrizi) over to more convenient oral small molecules
- Small molecule that behaves like a biologic, reduces costs for patients who shell out $40,000 annually for more expensive injectables; >90% of patients would rather switch to oral
- 1 molecule of the STAT6 degrader can degrade hundreds, if not thousands of cargo protein, its a catalytic mechanism so a small amount of the drug for a short amount of time can degrade the protein completely and fully
- JUST STARTED PHASE 2b study
- If you degrade STAT6, the selective and obligated transcription factor for IL-4 and 13 signaling, you're able to block the pathway as well as in upstream biologics like dupilumab
- Dupilumab is a monoclonal antibody that blocks IL-4 receptor alpha and in doing so, blocks the signaling of IL-4 and IL-13

FINANCIALS:

- Kymera recently reported a net loss of $82.2 million as a result of continued investment in KT621 and a broader platform expansion, as R&D expenses contributed the most and rose significantly, spending was mostly driven by advancing the STAT6 programs, G&A expenses increased pretty modestly to $17.3 million

ABOUT THE DRUG:

- KT-621 is a once daily oral STAT6 degrader and uses targeted protein degradation to remove the STAT6 transcription factor which is the final effector of IL-4/IL-13 signaling that drives inflammation
- STAT6 Degradation:
    - Can deliver activity, the blockade of IL-4 and 13 in cells and in vivo models that can mimic to what has been seen in blockbuster drugs
- Small Molecule Drug Overview:
    - Inject the drug that generally has a long half-life and cover the target for an extended period of time, this allows you to have an extended saturating effect on the target and obviously, an extended effect on the clinical manifestation of that disease
    - Stoichiometric inhibition of your target requires more targets expressed in the micro levels, you need a large amount of the drug for a long period of time, generally extremely difficult to accomplish

<u>WHY DEGRADERS CAN ACCOMPLISH THIS IS BECAUSE:</u>

- 1 molecule of the STAT6 degrader can degrade hundreds, if not thousands of cabrio protein, its a catalytic mechanism so a small amount of the drug for a short amount of time can degrade the protein completely and fully
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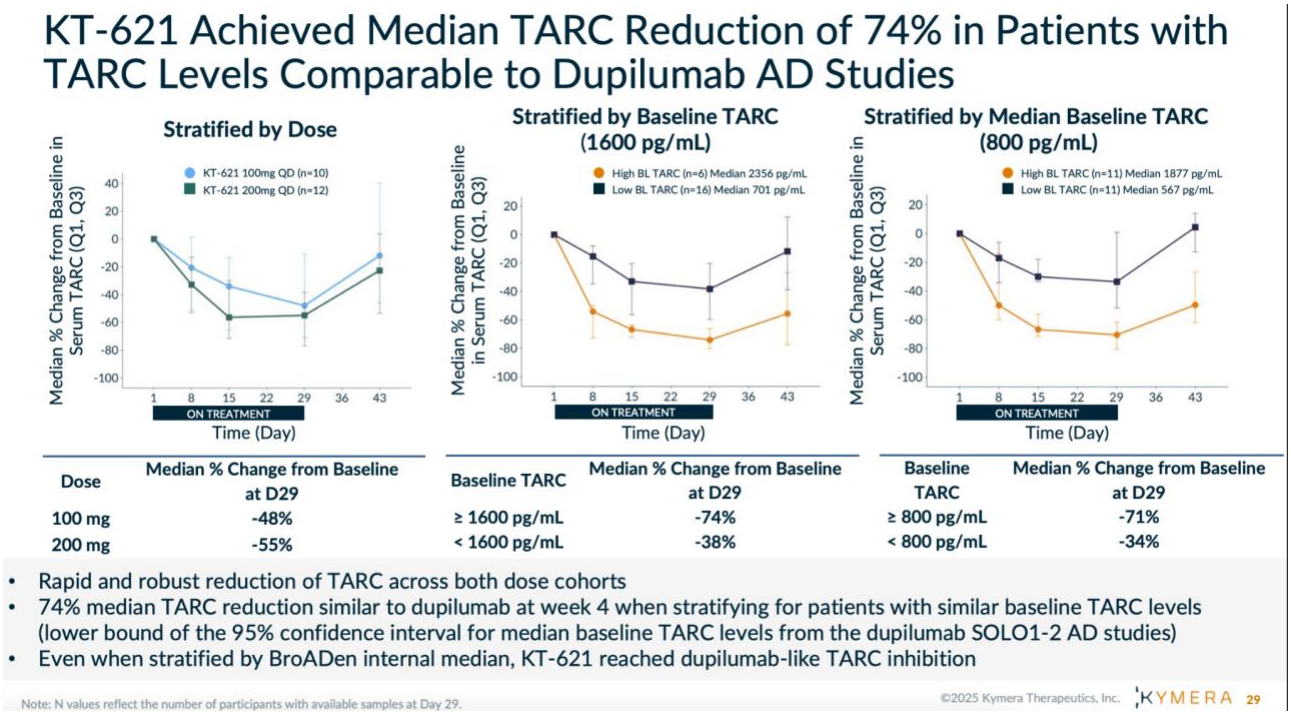
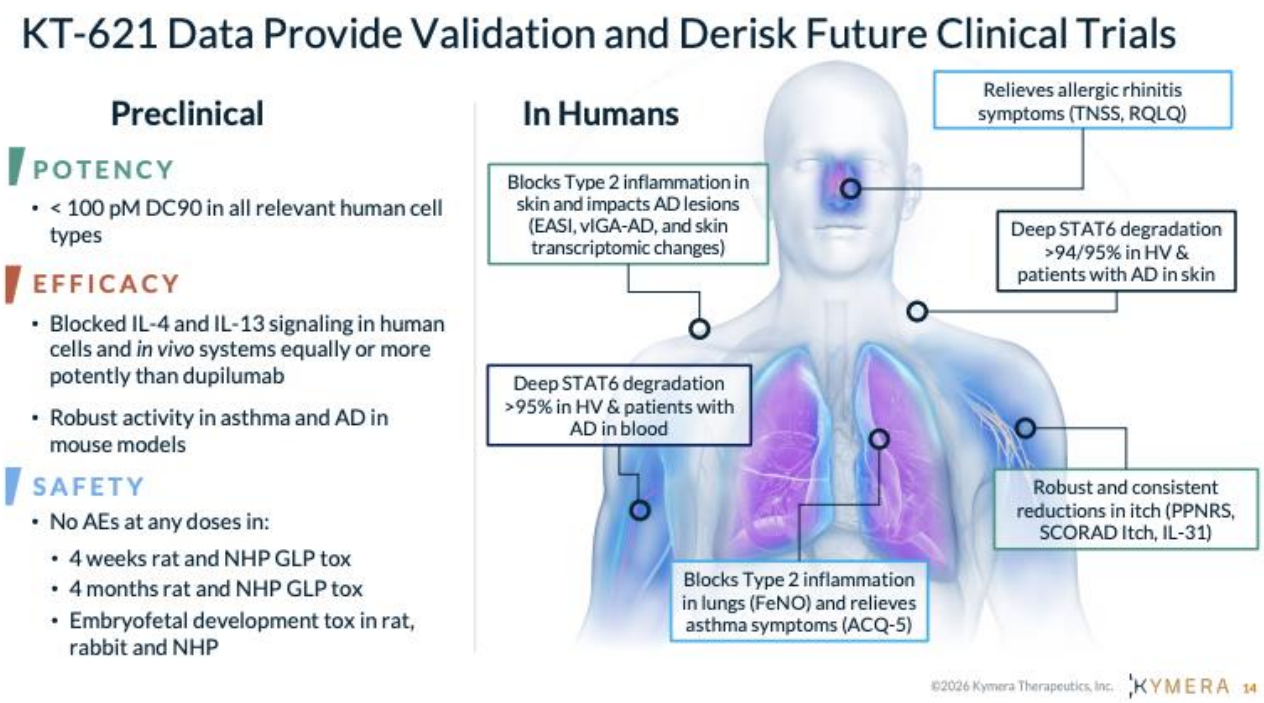


- Instead of just blocking upstream receptors and cytokines, KT621 can recruit the cell's unique machinery to specifically tag and eliminate STAT6.
- With STAT6 eliminated, this shuts off downstream transcriptional programs that sustain Type-2 inflammation in tissues
- The dosage of KT621 can be relatively lower, as the molecule can repeatedly target and degrade the STAT6 transcription factor and repeats the mechanism, so one dosage of KT621 is sufficient to have twice the effects
- TAM: KT-621 targets a large and growing market of Type-inflammatory disease, such as atopic dermatitis, asthma, chronic rhinosinusitis and other Th2-mediated disorders
- The opportunity in the Th2 inflammation markets is valued at over tens of billions, with recent estimates putting the AD market at $18 billion in 2024.
- Develop oral drugs that match the activity of biologics - whole new concept pioneered at Kymera



INVESTMENT CRUX - WHY KYMERA:

- Dominant incumbent treatment is dupilumab (a monoclonal antibody (mAb)), which is driving the global AD drug market to multibillion dollar revenues
- However Nemluvio, Dupixent are all injectable biologics, where annual costs for biologic therapies can average around $40,000 per patient, as large molecule biologics for human monoclonal antibodies are more expensive to produce that oral small molecules
- THIS IS WHERE KT-621 has its crux - oral STAT6 degrader that behaves exactly like a biologic and is just as effective, lower production costs and lower costs for the patient. Major readout for Kymera is the BROADEN2 Phase 2b trials with data expected by mid 2027 - crucial timepoint for investment thesis in early 2026
- WHAT PATIENTS want is first rapid onset of their symptoms, convenience of an oral pill, no treatment initiation requirements, and a good tolerability profile
- It's a drug for all patients; applicable to all ages and past health profiles (competitors like Dupixent and Nemluvio have specific target populations)
- Note that the main risk for Kymera is the lack of directionality with their main drugs, as their primary pipeline drugs have shifted in therapeutic areas over the last few years. The company lacks a good story or origin story in what they're passionate about. One of several biotechs targeting protein degradation, by removing unwanted proteins by marking them for destruction. Kymera is the only TPD developer targeting both oncology and dermatology. Has KTC12 and KT 412 which target diffuse large B-cell lymphoma

and solid tumors, have demonstrated potent cell killing and tumor shrinkage capabilities in preclinical models

- Target selection strategy was defined about 10 years ago, KT-621 strategy involves going after untracked targets that have never been drugged before either fully or at all in pathways that have been usually injectable biologics

**You do not need to be able to talk about a company to this level of specificity. We have purposely included a high level of detail in this example to illustrate all the points you might consider mentioning. It is much better to summarize a biotech in 40-60 seconds at a high level and save the finer details for potential follow-up questions.*

FIRM OVERVIEW:

The table below provides a representative overview of where major investment banking firms concentrate their healthcare coverage. It is not exhaustive, but spans independent advisory firms and bulge brackets alike. As the table illustrates, healthcare banking is largely divided along both geographic and vertical lines.

Firm	Healthcare Location
CENTERVIEW PARTNERS	San Francisco
J.P.Morgan	San Francisco, NYC
Morgan Stanley	San Francisco, NYC
Goldman Sachs	San Francisco, NYC
EVERCORE	Menlo Park, NYC

P / W / P / PERELLA WEINBERG PARTNERS	San Francisco, NYC
PJT	NYC
LAZARD	San Francisco, NYC
Jefferies	Chicago, NYC
LEERINK PARTNERS	Boston, NYC, Charlotte
citi	San Francisco, NYC

Sample Interview Questions

The following questions have appeared in prior interviews or are representative of the types of biopharma-specific technicals commonly asked in healthcare banking processes. They are designed to test both valuation knowledge and the ability to reason through deal rationale in the biotechnology context (e.g., R&D cost modeling, orphan drug dynamics, small molecules vs. biologics). Most firms ask a mix of standard and sector-specific technicals.

- Tell me about a biotechnology company you're following
- Pitch me a biotechnology M&A deal and walk me through potential synergies.
- Name me 10 small to mid-cap biotechnology companies (e.g. not Merck, Amgen)
- Why aren't generic versions of medicines sold for rare diseases?
- Walk me through the FDA approval process for a drug. What is the rough timeline?
- How do you project R&D costs for an early-stage biotechnology company?
- What is an appropriate terminal growth rate for biotechnology valuation?
- How does drug pricing work in the U.S. and what is the role of PBMs?
- What valuation multiples are commonly used in biotechnology company valuations?
- Walk me through the pros and cons of using different financing methods (debt, equity, stock) for financing clinical-stage biotechs.
- What are some line items on a biotechnology income statement and balance sheet that I wouldn't expect on a traditional company's?
- Where are 3 places an increase in tax rate would affect your DCF valuation?