Assessing the commercial viability and investment thesis of an early-stage oncology diagnostics company



Client Challenge

Our client, a leading diagnostics company, identified an acquisition Target that would bring together a powerful combination of diagnostic tools that could help meet unmet clinical need in oncology and expand it's reach into the oncology market. KPMG was tasked with testing the future utility of the Target's tests for clinicians and biopharma clients and overall strategic fit

Project Phases

Conducted a deep-dive primary research campaign across oncologists, pathologists, payers,

biopharma leaders, and competitors from the US and EU5 to understand more on the diagnostic testing dynamic in a range of solid tumors

Competitive landscape dynamics were assessed for both current and future perspectives. Positioning in Dx and Tx algorithms, clinical utility, technology, pricing, and reimbursement were assessed

Developed forecast scenarios to test Target's underlying revenue assumptions and estimate revenues for expansion opportunities in new indications / markets

Integration and operational

considerations were assessed – quantified potential manufacturing cost synergies, and developed post-integration operating models

Outcome For The Client



KPMG identified the Target's key value driving assets, and subsequently developed a number of forecast assumptions (low, base and high) for each asset



The client was able to validate its initial investment thesis, while understanding which assets in the portfolio to prioritize



Ultimately the client presented the findings to the board, and decided to move forward with the next steps of due diligence on the Target





