FROST & SULLIVAN

labcorp
Drug Development

2022 COMPANY OF THE YEAR

Global Decentralized Clinical Trial Industry

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Labcorp Drug Development excels in many of the criteria in the decentralized clinical trial space.

Need for an Integrated Solution for Seamless DCT Implementation

The 2020 COVID-19 pandemic outbreak accelerated decentralized clinical trial (DCT) adoption due to the limited mobility of site investigators, clinical research associates, and patients. Most sponsors and contract research organizations (CROs) incorporated digital tools to support trial continuity of operations.

Traditional CROs strive to offer patient-centric trial solutions focused on improving efficiency and cost-benefit to differentiate in the market. Recent initiatives by industry associations such as the Decentralized Trials & Research Alliance, the Trials@Home consortium, and the Digital Medicine society have increased DCT awareness globally, promoting their adoption, especially in North America. Furthermore, evolving regulations supporting DCT-enabling technologies and hybrid or virtual trial designs in Europe and other regions will drive utilization. However, data privacy, scalability, and seamless implementation issues present challenges to the operationalization of DCT approaches globally. Fragmented clinical information technology (IT) systems can limit interoperability, affecting clinical IT solutions meant to unlock the power of data-centric workflows for innovative trial design. Additionally, the hesitation of medical staff to engage in clinical IT solutions due to challenges associated with patient safety and constant technology developments may hinder adoption.

To mitigate against these challenges, the need has increased to support DCT operations through fit-to-purpose cloud-based platform solutions aided with digital tools, including telemedicine, remote source

data verification, and sensor or mobile technology-enabled direct data-capture solutions promoting patient safety. Also, restricted access due to location and health can limit overall patient access to participate in clinical trials, thus establishing the necessity for home health services to facilitate flexible DCT implementation.

Frost & Sullivan estimates the global DCT market will reach $16.43 billion in 2026 with a compound annual growth rate of about 16.7% from 2020 to 2026. Virtual technologies such as telemedicine, eConsent, electronic clinical outcome assessment/electronic patient-reported outcomes (eCOA/ePRO), nurse-assisted at-home clinical services, wearables, and sensor technology constitute the predominant segment during the forecast period. [1]

Founded in 1996 and headquartered in Burlington, North Carolina, United States, Labcorp Drug Development (formerly Covance) provides preclinical, clinical, and post-market contract research and developmental services to the drug development industry. Part of Labcorp, a leading life sciences company, Labcorp Drug Development is an international player in clinical trial testing and management and supports clinical trial activity in approximately 100 countries. With global-scale DCT capabilities, the company enables its clients to discover and develop life-saving medicines across all therapeutic areas. Notably, it supported developing 50 of the top-selling drugs, 87% of all Food and Drug Administration (FDA)-approved medicines, and 100% of all FDA-approved oncology drugs in 2020.[2]

In 2020, Frost & Sullivan recognized Labcorp Drug Development for its ability to address unmet needs, patient-centric focus, best practices implementation, and customer experience and remains impressed with the company's continuing innovation and sustained leadership.

Labcorp Drug Development: End-to-end Patient-centric Solutions for DCT Integration Globally

Labcorp Drug Development's vision centers on bringing innovative and advanced medicines, device, and diagnostic breakthroughs to the patients faster with the stated purpose of improving their health and lives through provision of high tech, high touch solutions that may increase patient engagement, compliance and retention. It combines deep-seated domain and operational expertise with advanced technology-enabled solutions and a full suite of world-class CRO clinical services expertise to conduct rigorous and reliable clinical trials.

> *"Labcorp Drug Development's easily-configurable DCT platform infrastructure sets within weeks and accelerates trial start-up by avoiding time-consuming customization, saving up to a month or more between kick-off meetings and the first patient enrolled."*
>
> ***- Supriya Lala, Best Practices Analyst***

Maintaining an excellent standing among its clients and outpacing its competitors, the company offers an end-to-end services ecosystem integrated into a one-stop solution, unlike plug-and-play standalone solutions provided by other vendors. Labcorp Drug Development's digital platform for DCT leverages the technology it acquired from SnapIoT in 2020. The low-code, drag-and-drop platform comprises highly-tailored, internationally-compliant clinical applications. Further, partnerships with technology vendor Oracle and DCT specialist Medable allow the company to provide an advanced DCT offering.

[1] *Global Decentralized Clinical Trial (DCT) Growth Opportunities*, (Frost & Sullivan, July 2021)
[2] https://drugdevelopment.labcorp.com/

Labcorp Drug Development's easily-configurable DCT platform infrastructure sets within weeks and accelerates trial start-up by avoiding time-consuming customization, saving up to a month or more between kick-off meetings and the first patient enrolled. In coordination with the proprietary Xcellerate Medical Review tool, the platform allows real-time oversight of pivotal participant-level trial data. The Xcellerate® Technology Suite enables adaptive clinical trial design, improving efficiencies and effectiveness.

The technology platform's seamless interface connects all aspects of the trial, optimizing digital workflows, linking service providers to investigator sites, and offering a range of remote, mobile, and virtual telehealth capabilities. Based on study need, clients can avail of simple solutions like eConsent, eCOA, ePRO, complex device integrations (for digital biomarkers), and connectivity to wearable health devices (e.g., continuous glucose meters), maximizing patient engagement.

The company's DCT solutions handle patient recruitment bottlenecks effectively. Its diagnostic database enables better genetic profile matching and patient targeting. Solutions such as Patient Direct blend proprietary databases to focus on unique enrollment goals. For example, the COVID-19 Clinical Trial Connect patient outreach program leverages direct outbound communications to potential patients in appropriate geographies. While improving patient reach and diversity, such solutions heighten patients' and sponsors' experience while streamlining enrollment and site identification.

Patient Engagement and Last-mile Connectivity

The DCT platform's patient-facing applications (apps) offer comprehensive digital tools such as online diaries, telehealth visits, and reminders supporting BYOD or provisioned device models to promote patient choice. The patient apps enable intuitive screens for alerts and dosing diaries and documenting dosing through photos and videos. Also, Labcorp Drug Development can overlay gamification to eCOA and ePRO through animations and data-driven screens for procedural guidance. Televisit capabilities enable screen and document sharing, holding multi-party conference calls, session recording, and instant messaging.

> *"Its DCT services provide clients with a seamlessly integrated solution that reduces the patient burden while enabling intuitive patient engagements. "High touch through high tech" site visit technologies such as at-home and digital clinical trials enhance patient convenience, improving trial compliance."*
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> ***Best Practices Analyst***

Well-suited for a COVID-19 setting, the DCTs solution works cohesively with its industry-leading global laboratory network and Mobile Clinical Services (MCS) global network to facilitate fully digital remote workflows. MCS (nurses, phlebotomists, and clinicians) provide clients with a best-in-class risk management solution toolkit and opportunities to continue and rescue studies. In-home services and access to more than 1,900 Labcorp Patient Service Centers for sample collection bolster patient convenience. Experienced mobile clinicians conduct clinical assessments and study drug administration based on patients' choice of timing and location (home, work, and school), making the experience genuinely patient-centric. The global clinician network provides patient education (on trial participation and application use), escorts patients to investigator site visits, and assists with questionnaire data collection.

Additionally, Labcorp Drug Development's investigational product (IP) logistics offer to compound, mix, and dispense in North America, the United Kingdom, and across the European Union. Its direct-to-patient (DTP) dispensing and IP distribution to investigator sites and access to its central pharmacy services streamline multi-sourced IP delivery. The global logistics support team monitors shipments to assure stable product delivery. With a decade of mobile healthcare experience, the company's 4,000-plus MCS providers and thousands of mobile clinicians support more than 350 Phase I to Phase IV trials in over 60 countries and expanding.[3]

With a legacy of DCT market leadership, Labcorp Drug Development's compelling value proposition underpins its sustained success. To summarize, its DCT services provide clients with a seamlessly integrated solution that reduces the patient burden while enabling intuitive patient engagements. "High touch through high tech" site visit technologies such as at-home and digital clinical trials enhance patient convenience, improving trial compliance. The built-to-connect DCT platform offers sponsors back-end connectivity through an external digital data capture system. Besides streamlining data capture and analysis workflow, richer trial data allows sponsors to make product-related decisions faster.

A Customer-centric Approach Drives Unmatched Client Experience

With its customer-centric corporate philosophy, Labcorp Drug Development operates on the central tenet that its success depends on customer and patient satisfaction. This philosophy permeates the company's daily practices.

In the past five years, Labcorp Drug Development's in-house services have supported over 300 studies across 55 countries. Covering more than 20,000 patients, the company conducted 68,000 home visits for these trials. The studies span 100 different disease indications, of which 58% comprise rare diseases.[4] The extensive MCS experience speaks of its unparalleled commitment to connecting patients to potentially life-saving research, particularly vital for rare disease patients who can suffer from limited mobility. Notably, Labcorp Drug Development leverages its rich diagnostic data and a proprietary database of over 125,000 "voice of the patient" survey data. It informs accurate trial designs and connects rare disease patients with relevant clinical trials proactively, improving participation.[5] Survey-based feedback also helps technology reviews for improvements, enhancing the user experience throughout the clinical development life cycle.

Similarly, the company collaborated with Circuit Clinical®, a network of physicians and clinical research professionals, to bring clinical trials closer to diverse patient groups and improve access to underrepresented populations. While improving trial diversity, the partnership aims to bring innovative drugs directly to patients and accelerate engagement and recruitment through DCT Investigator Network.[6] Moreover, it enables patient surveys on study progress to analyze and improve patients' experience.

[3] https://drugdevelopment.labcorp.com/content/covance/en/latest-thinking/explore-library/pdf-viewer.html/covance/assetLibrary/salessheets/MCS-Bringing-Clin-Trials-to-Patients-SSDCT005.pdf
[4] https://drugdevelopment.labcorp.com/services/clinical-development/virtualtrials.html
[5] https://ddblog.labcorp.com/2019/09/voice-of-the-patient/
[6] https://www.labcorp.com/newsroom/labcorp-and-circuit-clinical-collaborate-bring-clincial-trials-directly-patients-and-increase

Labcorp Drug Development meets with customers to assess their specific needs and develop tailored solutions with roadmaps for seamless execution. This foundational approach establishes ongoing trust with customers for long-lasting relationships extending throughout the product lifecycle. For example, the Xcellerate® Access Intelligence Dashboard (XAID) enhances patient journey visibility while monitoring customers' patient support program's performance metrics' around-the-clock insight.

XAID's artificial intelligence (AI) capability learns customer requirements to furnish data tailored to patient support programs' unique needs. Thus, it assists clients in customizing ad-hoc reports for transparent oversight and informed decision-making. Similarly, Global Specimen Solutions reduces specimen-tracking time, enabling a risk-based monitoring approach for clinical trials. It allows customers to expedite data-driven decision-making and respond to regulatory challenges, accelerating time-to-market.

Furthermore, the company's advanced Clinical Trial Operating Platform harmonizes data flow and integration. It propels sponsors' clinical trial quality and enhances their ability to obtain high-quality, audit-ready data and documentation in a single place, thus accelerating results. The advanced technologies enable clients to move data (from an electronic data capture) to a mobile setting and drive the behavioral changes facilitating site monitors to upgrade to site managers.

A Promising Outlook for 2022 and Beyond

Since its inception, Labcorp Drug Development's sterling reputation and customer-centric framework led to its coveted preferred partner status. Over the years, it added a range of new customers and employees to its established base.

With around 75,000 employees worldwide, Labcorp (parent company) reported annual revenues of $16.1 billion in 2021, a 15.3% increase from 2020; the drug development segment reported $5.8 billion in revenue. Noticeably, the revenues of the 2021 fourth-quarter drug development segment rose by 3.9% versus 2020.[7] Labcorp Drug Development has grown its overall awarded DCT studies by over 60%, year-over-year. The company anticipates continuing its DCT segment growth as DCT solutions are increasingly viewed as foundational to clinical research. [8]

On the therapeutic front, besides oncology and COVID-19 treatment-focused trials, the company concentrates on the central nervous system, especially relating to wearable devices usage. Furthermore, it explores digital mobile photography as part of its growth focus. In a current DCT implementation for a global phase III study, Labcorp Drug Development enabled mobile photography to support dermatology research and clinical assessments of medication efficacy on pathological indications; it is studying the implementation in Korea and Japan. Additionally, digital therapeutics, digital biomarkers, and AI applications are other growth areas. Due to DCT's high relevance in the real world evidence (RWE) space, the company focuses on prospective studies to collect health utilization and quality-of-life data through cost-effective DCTs.

The company is forging partnerships to develop advanced AI capabilities. Leveraging AI competencies, Labcorp Drug Development can mine data in a fit-for-purpose way to optimize precision oncology

[7] https://ir.labcorp.com/news-releases/news-release-details/labcorp-announces-2021-fourth-quarter-and-full-year-results
[8] Primary call

research and meet industry goals for diversity and digital enablement in its clinical development services. Labcorp Drug Development recently collaborated with ConcertAI, LLC, leveraging its software-as-a-service offerings to accelerate clinical trial design, optimize protocol, site selection, and study execution, maximize patient retention, and ensure equitable access to research as a care option using RWE and AI.

Frost & Sullivan believes Labcorp Drug Development is well-positioned to drive the DCT space into its next growth phase, capturing market share and sustaining its leadership in the coming years.

Conclusion

Labcorp Drug Development decentralized clinical trial (DCT) services provide a seamlessly integrated one-stop solution covering trial design, execution, and in-house data management. Supported by a range of high touch, high tech remote, mobile, and virtual telehealth capabilities, the platform optimizes digital workflows for fast, targeted, streamlined patient recruitment and study site identification. Further, the digitally connected infrastructure provides sponsors with high-quality trial data, supporting quicker decision making for improved oversight and patient safety.

Overall, Labcorp Drug Development addresses the market's unmet needs with strong leadership that incorporates customer-centric strategies and exemplifies best-in-class implementation. With a focus on reducing patient and investigator burden, the platform offers global Mobile Clinical Services, patient and site-facing applications, and patient service centers. The patient-centric services maximize patient engagement and experience, leading to improved trial compliance and decreased study dropouts.

The company’s innovative solutions at industry-wide and client-specific levels enable faster delivery and a differentiated trial experience. Its advanced technologies harmonize data flow and integration, improving study efficiency and accelerate the sponsor’s time to market with potentially life-saving therapies. Well-positioned to capitalize on new growth opportunities, Labcorp Drug Development is cementing its leadership position and remains a trusted partner, earning a reputation for offering the overall best in the DCT market.

With its strong overall performance, Labcorp Drug Development earns Frost & Sullivan’s 2022 Global Company of the Year Award in the decentralized clinical trial industry.

What You Need to Know about the Company of the Year Recognition

Frost & Sullivan's Company of the Year Award is its top honor and recognizes the market participant that exemplifies visionary innovation, market-leading performance, and unmatched customer care.

Best Practices Award Analysis

For the Company of the Year Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Visionary Innovation & Performance

Addressing Unmet Needs: Customers' unmet or under-served needs are unearthed and addressed by a robust solution development process

Visionary Scenarios Through Mega Trends: Long-range, macro-level scenarios are incorporated into the innovation strategy through the use of Mega Trends, thereby enabling first-to-market solutions and new growth opportunities

Leadership Focus: Company focuses on building a leadership position in core markets and on creating stiff barriers to entry for new competitors

Best Practices Implementation: Best-in-class implementation is characterized by processes, tools, or activities that generate a consistent and repeatable level of success

Financial Performance: Strong overall business performance is achieved in terms of revenue, revenue growth, operating margin, and other key financial metrics

Customer Impact

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and high quality

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty

About Frost & Sullivan

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The Growth Pipeline Engine™

Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.
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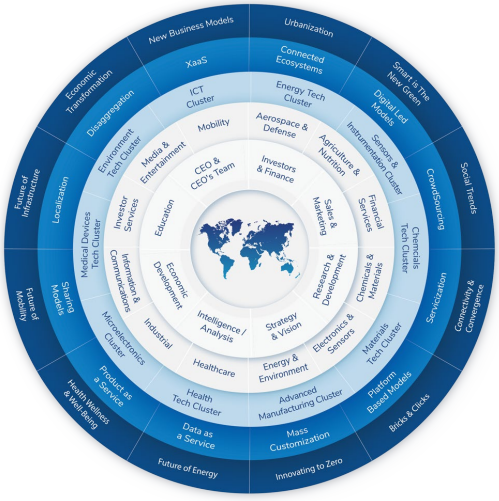
Key Impacts:

- **Growth Pipeline:** *Continuous Flow of Growth Opportunities*
- **Growth Strategies:** *Proven Best Practices*
- **Innovation Culture:** *Optimized Customer Experience*
- **ROI & Margin:** *Implementation Excellence*
- **Transformational Growth:** *Industry Leadership*

The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.



Analytical Perspectives:

- Mega Trend (MT)
- Business Model (BM)
- Technology (TE)
- Industries (IN)
- Customer (CU)
- Geographies (GE)