

— **Street Talk**

Quadrant buys a slice of clinical trials biz Southern Star Research

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Quadrant Private Equity has bought a stake in full-service contract research organisation (CRO) Southern Star Research.



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Southern Star Research provides clinical research services for pharmaceutical, medical device and biotechnology clinical trials.

It is headquartered in Sydney but has staff across other capital cities, New Zealand and the United Kingdom. It also has CRO partnerships in Europe, North America, Latin America and Asia, which it uses for multinational trials.

Clients include range across large multi-nationals, small biotechs and medical device start-ups.

Quadrant's investment was via its Growth Fund No.2, for which it raised \$530 million in August. Quadrant partner Simon Pither and investment director Peter Elkhouri will join Southern Star's board.

It joins Southern Star's co-founders Dr David Lloyd and Dr Tracey Frear.

"We are highly attracted by the calibre and experience of David, Tracey and the broader team at Southern Star who have established a successful and high quality CRO." Mr Pither said.

"Southern Star does not compromise on quality and that is fundamental to long-term value creation in healthcare services as can be seen across Quadrant's prior healthcare partnerships..."

Quadrant previous healthcare services investments include Icon Cancer Care, Qscan Radiology, and IVF player Virtus Health.

The deal is the latest in a string of clinical trials transactions.

In August, Australian medical research house Burnet Institute secured a \$300 million-odd payday for its clinical research testing spin-off 360biolabs, offloading its 75 per cent stake to PE-backed US testing business BioAgilytix.

In October, PE giant Blackstone picked up local PE firm Crescent Capital's stake in Nucleus Network from Australian private equity firm Crescent Capital. The 15-year-old Nucleus is understood to have been a \$40 million a year business in EBITDA terms.

Adelaide's Avance Clinical sold a stake to private equity firm The Riverside Company.

TPG Capital's Asian bigwig Novotech, which started in Australia and was formerly owned by Mercury Capital, was exploring a \$5 billion IPO.

Quadrant was advised by EY, Corrs Chambers Westgarth and L.E.K. Consulting. Southern Star used Novo Capital, Gilbert + Tobin and KPMG.

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