



Insights

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Why We Invested in Red Nucleus: A Pharma Commercialization Leader

Key Takeaways:



In October 2024, THL announced its investment in Red Nucleus, a leading provider of pharma commercialization services.



Pharma commercialization businesses are more critical than ever, as notable sector tailwinds – including the rise of complex therapies and a growing need for outsourced services – require specialized expertise to navigate market access, regulatory hurdles, and stakeholder engagement.



With a proven track record of building market leaders across Healthcare, THL is the right strategic partner to help Red Nucleus scale. Together, the firm and company have already made strides, with the addition of a new service line and a critical acquisition.

As science advances, overall drug spend is expected to grow ~9% through 2030, with complex therapeutic areas like oncology and rare disease and complex modalities like cell therapies, gene therapies, and mRNA expected to grow at double digit growth rates.¹

But developing new scientific breakthroughs is only the first challenge. Pharmaceutical and biotechnology companies must contend with more than the time and cost it takes to bring a new drug to market (which are, on average, 10-15 years and \$2.6 billion, respectively²). Successful drug launches also require a coordinated effort to secure regulatory approval, demonstrate value to payers, educate providers, and ensure patient access. These steps are essential to bringing a therapy from the lab to those who need it, and because drug makers aren't launching a new product every day, they often outsource these processes to leading pharma commercialization providers like Red Nucleus.

The trend towards outsourcing is also driven by the need for highly specialized knowledge in areas like market access and medical affairs. This shift not only helps pharma companies manage costs but also enhances their ability to adapt to market demands quickly, thus reinforcing the role of outsourced services as a critical component of the pharmaceutical value chain. Outsourced services are especially important in supporting the late clinical and post-approval phases of a product's life cycle.

Red Nucleus operates at the center of this ecosystem, specializing in medical affairs, market access, training, research and development, and regulatory support. Since its founding, we believe the company has built an industry-leading reputation for delivering strategic solutions that help life sciences organizations bring therapies to market efficiently and effectively. In October 2024, we **announced a strategic investment** in the company to help broaden its suite of commercialization services and ultimately help get more life-saving treatments to patients

“Advances in gene therapies, biologics, and other cutting-edge biopharmaceuticals are reshaping pharma commercialization, requiring deeper expertise in market access and stakeholder engagement,” said **Joshua Nelson**, Managing Director, Head of Healthcare, THL.

“We've been looking for an organization built for this future and Red Nucleus was the obvious choice.”

Red Nucleus' Comprehensive Pharma Commercialization Solutions

Red Nucleus operates at the center of pharma commercialization, offering multiple complementary services that help life sciences companies get their drugs to patients as quickly as possible:

01

Learning & Development:

Training programs for pharmaceutical sales representatives.

02

Medical Communications:

Educational materials for providers and patients.

03

Market Access:

Consulting services to help clients price new therapies and communicate their value to payers, providers, and patients.

04

Scientific Services & Advisory (R&D):

Subject matter experts who provide foundational support and advanced strategic services across key categories, including clinical, medical affairs, regulatory, quality, and safety.

05

Commercial Solutions:

A new service line, added since THL's acquisition, that blends data-based consultative insights with industry-leading marketing and customer engagement strategic solutions.

Red Nucleus currently supports 19 of the world's top 20 pharmaceutical companies, reflecting deep industry relationships and a broad client base that offers resilience in an evolving market landscape.

The company's operational momentum, client feedback, and new business growth further underscore its advantageous position, with strong demand for its services. Its client-centric solutions, such as customized scientific training and omnichannel medical communications, have garnered positive feedback from major customers. Clients have praised the company's ability to deliver high-quality, innovative solutions quickly, a key differentiator in a market where speed and adaptability are critical.

Additionally, Red Nucleus's global footprint, with offices in the U.S., Canada, LATAM, EMEA, and APAC, positions it well to support multinational pharmaceutical clients while maintaining a strong U.S. presence.





Beyond its standalone strengths, Red Nucleus provides an ideal foundation for THL to help build a broader pharma commercialization organization. The company's capabilities align with high-growth areas like Medical Affairs and Market Access, and its functional model fosters deeper, more integrated relationships with clients. With an experienced leadership team, we believe Red Nucleus is well-positioned to expand into adjacent service areas and create a best-in-class, differentiated company in the pharmaceutical services sector.

In identifying Red Nucleus as the right opportunity for THL, the firm partnered with industry veteran Mike Menta, who has spent the last 20 years in pharma services, most notably at the helm of the Consulting and Enterprise Solutions divisions at Syneos Health, a leading biopharmaceutical solutions organization. Menta helped THL source and develop the relationship with Red Nucleus, where he now serves as CEO, and partnered with the firm's Strategic Resource Group (SRG) to develop a multi-stage value creation plan.



“We spoke to over 100 companies and ultimately selected Red Nucleus because of the breadth of capabilities that exist within the organization,” Menta said.

“Their culture is strong, and we believe their services are in high growth areas. There’s a lot of potential, especially as treatments continue getting more complex and require a tremendous amount of expertise that we have.”

Market Dynamics Driving Pharma Commercialization

Pharma commercialization has been a large and growing market over the past decade, and, at THL, we expect that growth to continue, driven by two key trends:



Growing outsourcing trend:

As mentioned earlier, pharma companies and biotechs are not launching new drugs every day. Building in-house expertise for a process they execute maybe once or twice a year is neither cost-effective nor efficient. Instead, outsourcing to companies like Red Nucleus delegates vital commercialization steps to the experts who execute them daily. This model ultimately helps accelerate time to market and maximize launch success, allowing manufacturers to focus on innovation without building full-scale infrastructure.



Proliferation of new therapies and modalities:

The rise of complex new therapies and modalities has created a steep learning curve for manufacturers, payers, and other stakeholders. With specialized drugs targeting smaller patient populations, market access strategies are more intricate, requiring pharma and biotech companies to present compelling clinical and economic evidence to payers. As science becomes more nuanced, expert commercialization support is essential to navigate pricing, access, and stakeholder education.



“This is a capability where a manufacturer might have someone who’s in charge of launch, but they don’t have the expertise, and it’s not a good use of their money to develop that expertise for something they’re not going to do every day,” said Megan Preiner, Managing Director, THL.

“Providers like Red Nucleus are doing it every day, keeping up with what’s working, what’s not, what’s efficient, what’s not and developing that ongoing skill set as things change and become more complex.”



THL as Red Nucleus' Strategic Partner

THL's healthcare investment expertise spans nearly 40 years, more than 165 acquisitions and add-ons, \$7.3 billion in deployed capital, and \$29 billion in aggregated enterprise value. The firm's healthcare investment strategy focuses on mid-market growth companies across key subsectors – including pharma services and pharma commercialization – that are driving innovation, reshaping healthcare models, and improving patient access to life-saving treatments.

“We had a lot of people who were interested in Red Nucleus, but the synergies I felt with THL, the conviction they had in our organization, and the ability to utilize their Strategic Resource Group, it was a no brainer in my mind and that's why I'm so excited to now be a part of the THL family,” **said Ian Kelly, Founder and CRO, Red Nucleus.**

“THL has enormous credibility in the pharma services space and our partnership has been really strong out of the gate.”

THL's Value Creation Plan for Red Nucleus focuses on leveraging its strong foundation across its key business units and accelerating M&A activity by capitalizing on Red Nucleus's acquisition track record and a robust pipeline. The plan emphasizes enhancing go-to-market strategies while fostering above-market organic growth across other units through strategic SG&A investments. Investments in talent acquisition and organizational development are also key, with a focus on expanding capabilities and driving innovation. Finally, continued investment in technology, including automation and generative AI, can optimize Red Nucleus' operations and capabilities.

Since the investment closed in October 2024, THL has already helped Red Nucleus add a fifth service, Commercial Solutions – *strategic consulting and creative solutions for marketing and customer engagement teams*— and closed its first acquisition of COEUS, a multi-specialty, commercially aligned consultancy offering a comprehensive suite of informed solutions for successful engagement with organized customers, providers, and patients.



To learn more about THL's investment in Red Nucleus and its broader Pharma Services franchise, visit www.THL.com or contact our team today:

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¹ Bain & Company, Market Research, 2024 (proprietary research for THL)

² Research and Development Policy Framework. PhRMA. September 30, 2021.

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