

Scaling and Innovating: Part 4

The Vaccine Hangover and the Path Forward



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INTRODUCTION

In November 2023, Crio and Site Search published an e-book, "THE RISE OF THE CLINICAL TRIAL SITE MEGA NETWORK - Scaling and Innovating Part 3: Site Network Consolidation by the Numbers." In it, we reviewed Open Payments data collected and curated by Site Search through 2022 to analyze the degree and extent of site network consolidation among clinical trial sites.

Just over one year later, the landscape has shifted dramatically. This fourth installment in our Scaling and Innovating series presents a sobering reality check: **The site network segment experienced an 10.1% contraction in 2024**, marking the first significant decline since financial investors began their aggressive expansion into this space in 2016.

This ebook analyzes 72 major site networks across the 2022-2024 period, revealing a market correction and significant shift in therapeutic area (TA) revenue mix among networks. While we continue to believe our 2023 predictions about mega-network formation and market saturation are directionally correct, these past few years clearly represented a speed bump in the cycle, and we predict a "new normal" as networks adjust to the reality of an industry landscape with fewer mega-vaccine trials.

Key Findings:

- Total site network revenue declined from \$1.85 billion in 2023 to \$1.67 billion in 2024 (-10.1%), even after factoring in the growth effect of acquisitions.
- The drop in revenue stemmed almost entirely from the large drop in vaccine revenue, as site networks as a whole had over half their 2022 revenue in vaccines.
- Cardio-metabolic research grew for site networks during this period, but not enough to offset the drop in vaccine revenue.
- Of the 72 networks, 30 gained revenue and 42 lost revenue; the gainers had less vaccine exposure and higher cardio-metabolic exposure to begin with, positioning them better for the abrupt shift in TA spend that occurred.
- While site network revenue declined, overall site revenue actually increased; as a result, network share of overall site revenue decreased slightly, acquisitions notwithstanding.



RAYMOND NOMIZU
Co-CEO

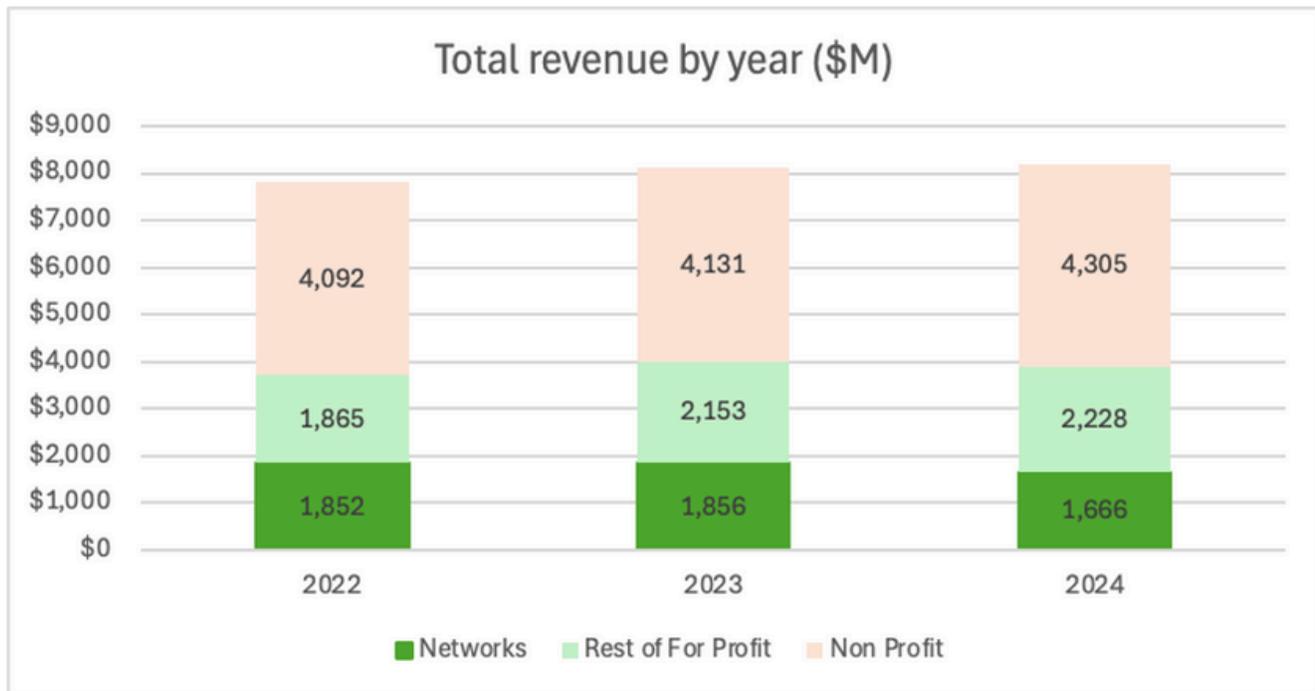


COLIN SHOLES
CEO



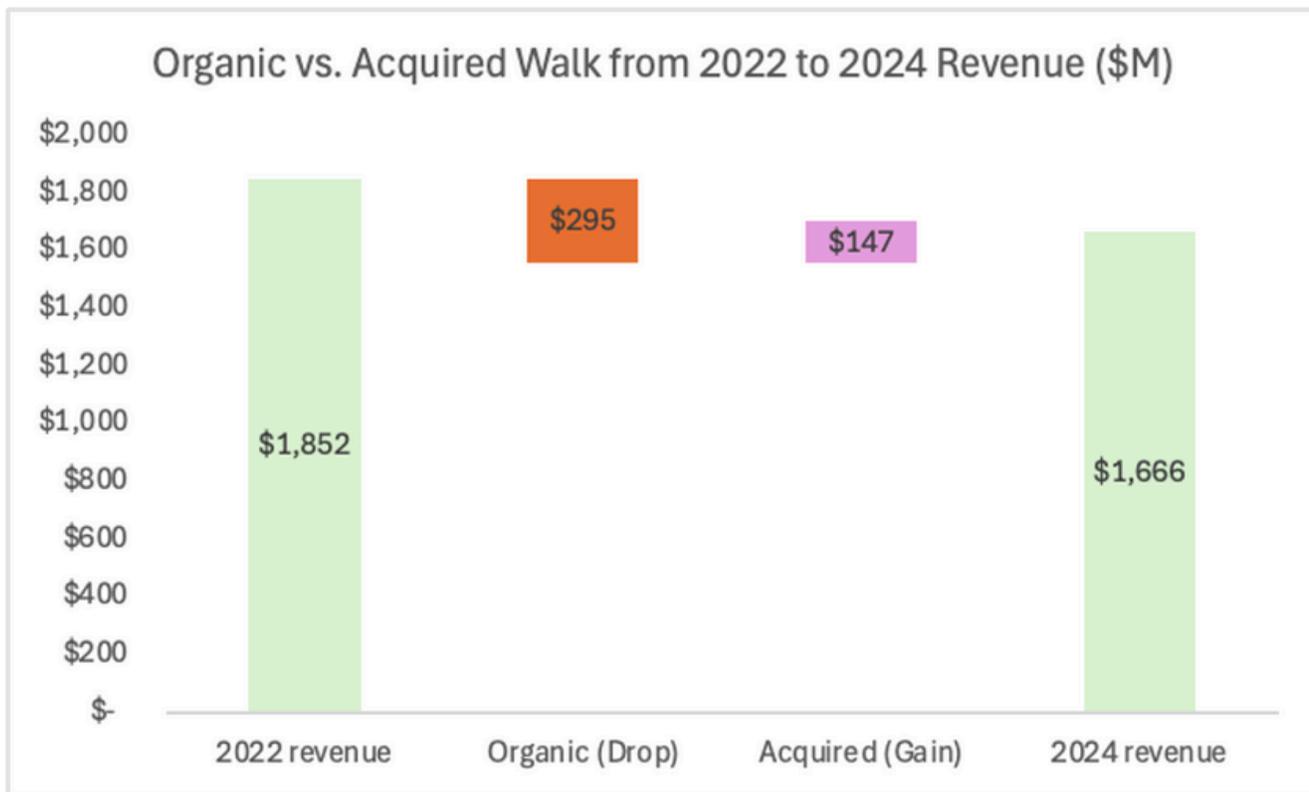
SITE NETWORK CONSOLIDATION TREND

We tracked 72 major site networks, representing a mix of financial, strategic and privately held institutions. The total revenue for this group declined by 10% during this period, from \$1.85B in 2022 to \$1.67B in 2024. However, the total revenue for all sites actually grew from this period by 5%, from \$7.81B to \$8.20B.

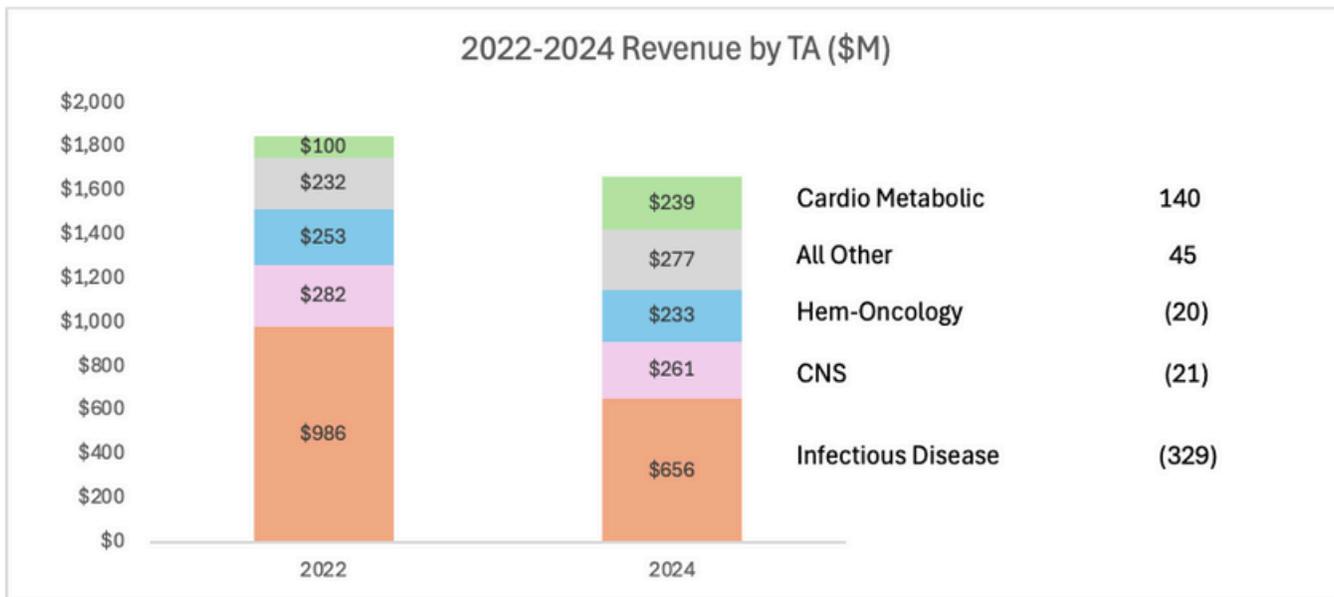


	2022 \$M %	2024 \$M %	Rev Change %
Networks	1,852 24	1,666 20	-10.1
Rest of For-Profits	1,865 24	2,228 27	19.5
All For-Profits	3,717 48	3,894 48	4.8
Non-Profits	4,092 52	4,305 52	5.2
	7,809	8,199	5.0

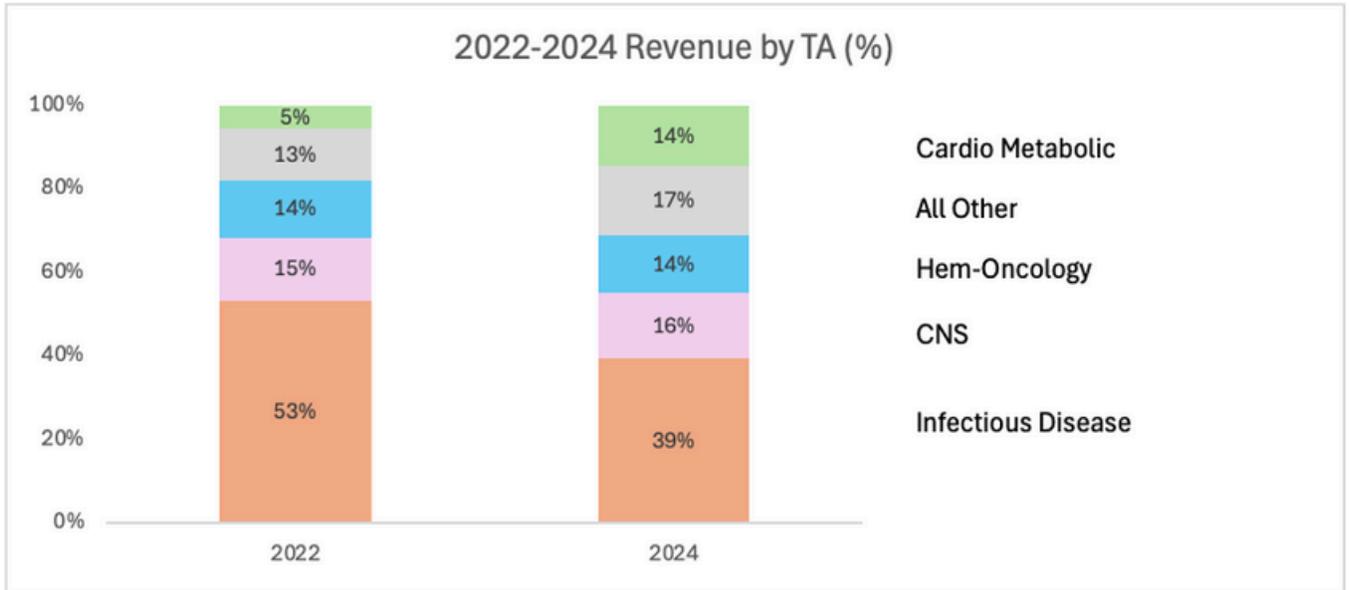
The site network decline was even more stark when excluding the impact of acquisitions. In a separate analysis, we broke out 2023 and 2024 revenue based on organic vs. acquired revenue. For this methodology, we treated the full year’s revenue of each site acquired as accretive in the year of acquisition (e.g., if a site was acquired in August, 2023, we captured all of that site’s 2023 and 2024 revenue into the network’s total, and all of that revenue was attributed to acquisition). The following chart shows that, excluding acquired revenue in 2023–2024, organic revenue declined 16% (\$295M against \$1,852M 2022 revenue) for networks:



What drove this decrease was a sharp decline in vaccine studies - captured therapeutically in the category Infectious Disease, which dropped from \$986M in revenue in 2022 (for site networks) to \$656M in 2024. Other TA's stayed relatively flat, except that Cardio Metabolic (cardiology and endocrinology) grew substantially, from \$100M in 2022 to \$239M in 2024. This reflects the increase in recent years in trials focusing on GLP-1 inhibitors.

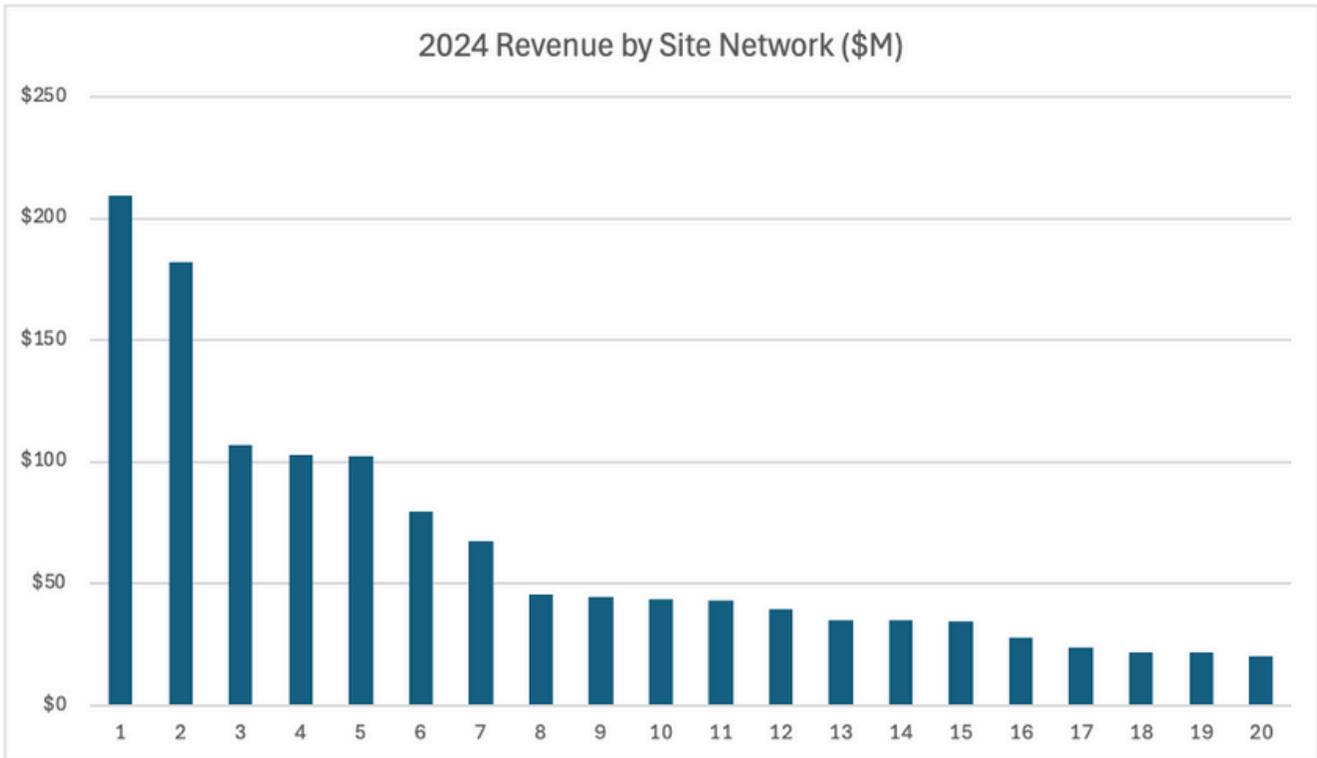


The sharp drop in vaccine revenue significantly impacted site network revenue since vaccines represented over half (53%) of network revenue in 2022. In 2024, vaccines still represented 39% of network revenue, with CNS (16%), Cardio Metabolic (14%) and Hem-Oncology (14%) being significant TAs. Needless to say, there is still a high degree of reliance on vaccines for network revenue, so continued vitality in this TA is essential for network success going forward.

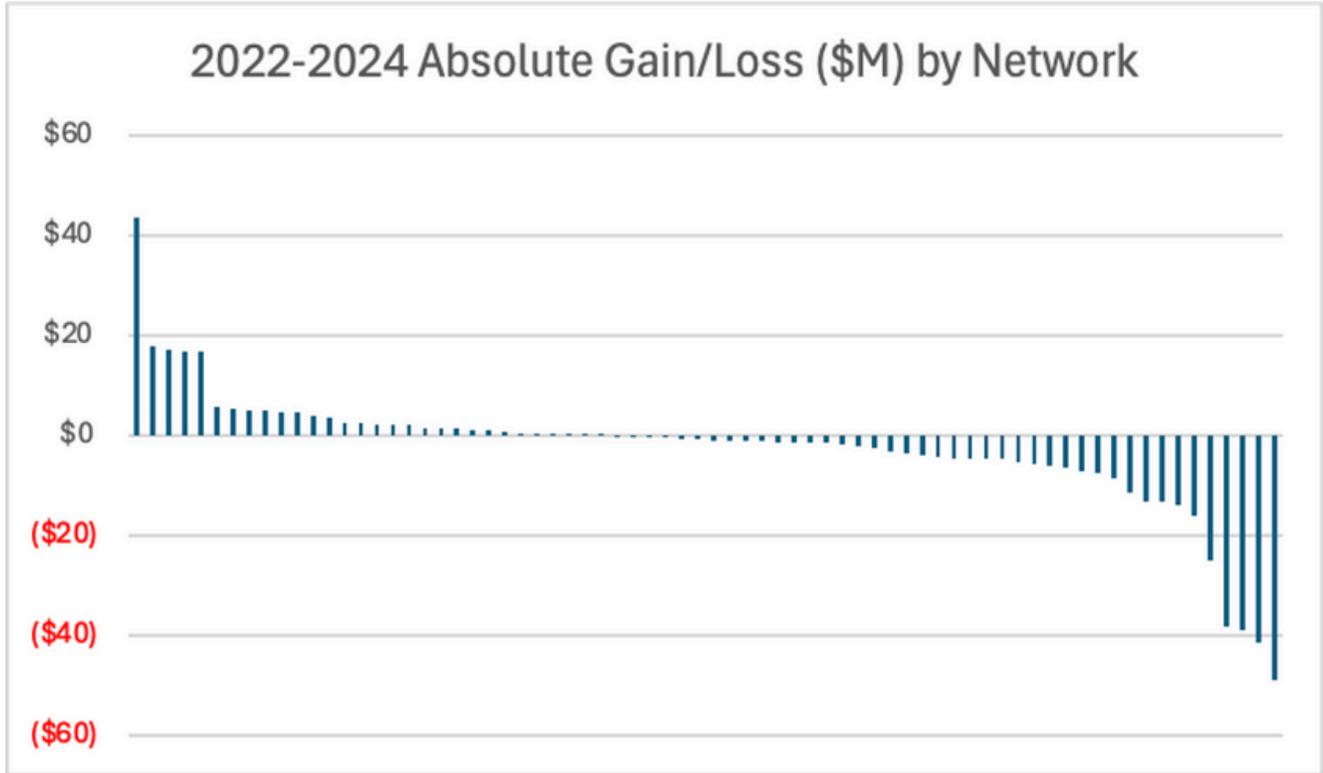


SITE NETWORK DISPERSION

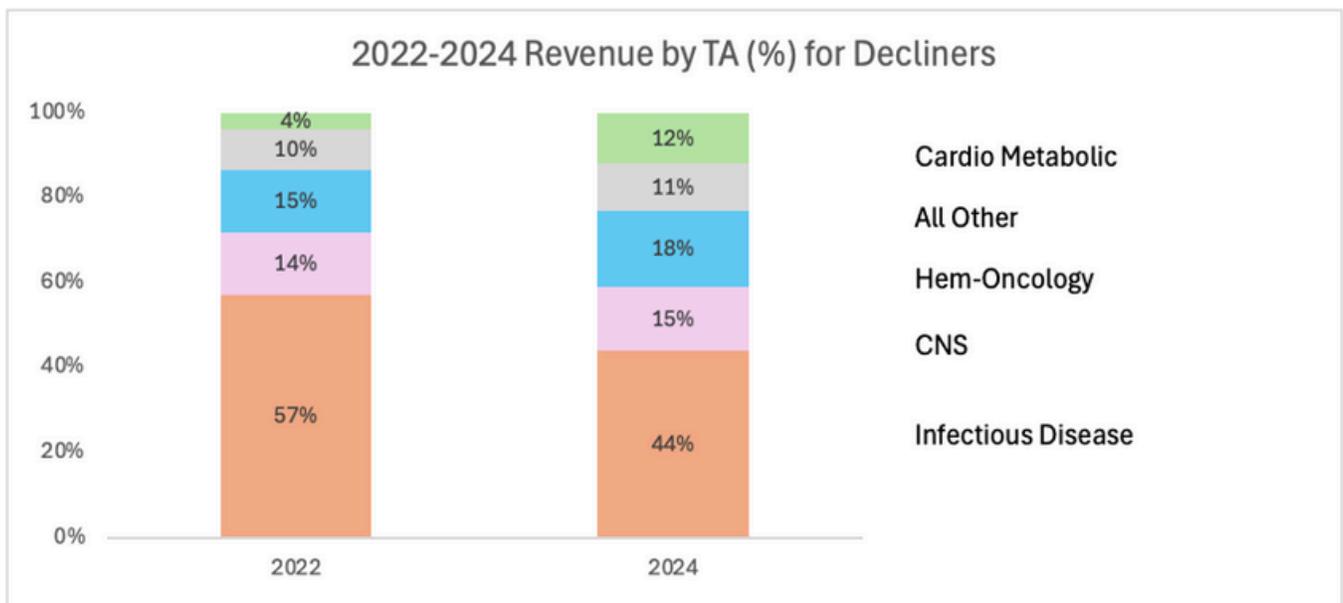
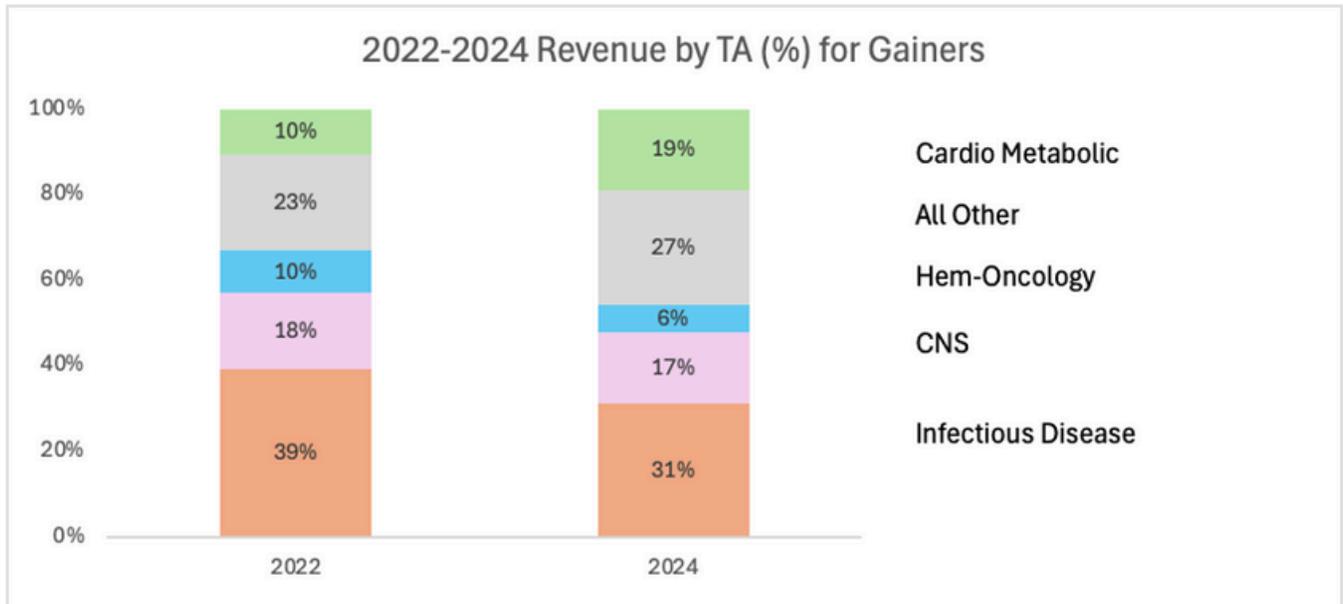
As before, there is significant top-heavy concentration within this mix, with the top 5 networks now exceeding \$100 million apiece (vs. 3 in 2022), and representing 42% of site network revenue, up from 40% in 2022.



Of the 72 networks, 30 gained revenue from 2022-2024 and 42 lost revenue from 2022-2024:



While both “gainers” and “decliners” had the same broad therapeutic exposure overall, the “gainers” had substantially less initial exposure to vaccines (39%) than “decliners” (57%), and more initial exposure to Cardio Metabolic (10% vs. 4%), positioning them for more gains as that TA grew.



SUMMARY: Where Do We Go From Here?

While recent years have flatlined a lot of networks' growth, it's important to remember that overall site payments continued to grow during this period at an annualized rate of 2.5%. Although this is typical of mature industries, it's well below the growth levels the industry is used to. In our last analysis, we calculated an annualized growth rate of 8.1% in investigator payments from 2019-2022, so it's possible that as the vaccine "hangover" subsides, the industry will resume a more robust growth rate.

Because of the flatlined growth, the general landscape of site network consolidation didn't change much in aggregate: Some acquisitions happened - accounting for 6% revenue growth for networks - but due to a larger organic drop stemming from the vaccine reversal, site networks as a whole represented a lower percentage of overall site revenue in 2024 (20%) than in 2022 (24%).

While there was some increased consolidation at the top of the pyramid (with 5 instead of 3 networks surpassing \$100 million in revenue), the number of networks stayed roughly the same, and no major network-to-network mergers happened during this period. On the flip side, no networks exited the market; there were no insolvencies or dissolutions.

As a result, the story for the site network consolidation trend has been one of stasis and retrenchment the last couple years as they've adjusted to the post-covid landscape. Assuming that the industry has stabilized, networks must focus on diversifying their TA exposure, building more "integrated research" capabilities that require deeper reach into institutional medical records and/or into community populations.

What are we going to look for in the 2025 data?

Here are the key numbers we'll analyze when the Site Search data for 2025 is out:

- Did overall site network revenue increase or decrease in 2025 and by how much?
- Did site network share of total US site revenue increase or decrease in 2025?
- What was the relative shift in revenue by TA, especially vaccines and Cardio-Metabolic?
- Was there a change in pace in the number of site acquisitions in 2025?

METHODOLOGY

As in 2023, the Site Search database utilizes a combination of Open Payments data reported under the Sunshine Act provisions of the Affordable Care Act, combined with other proprietary and public data sources. For detailed information on how the Open Payments data is obtained and organized, refer to our [2023 edition](#) of this analysis.

For this year’s analysis, we incorporated new information and sources including the following:

- Each year, CMS releases updated files for six prior payment years. New payments in these files include payments submitted by sponsors after deadline, and payments relating to drug development withheld by sponsors under provisions in the Sunshine Act meant to protect novel drugs and devices. We factored these new payments into the 2022 and 2023 calculations, increasing the totals over the previously-reported data.
- We updated our Therapeutic Area categorization framework to fully integrate the Clinical Trials Transformation Initiative (CTTI) AACT database, allowing for more granular classification of studies across multiple Therapeutic Areas. This, combined with updated data files and improved matching, increased the total YoY dollar amounts by TA categorized for this analysis.

Notes on the data:

- Open Payments data is reported at the time the payments are issued by sponsors, so it should be treated as cash-basis accounting. Future payments owed to sites by sponsors are credited to the year they are issued, not the point at which they are earned. For instance, many payments for late-2024 vaccine studies with net terms will appear in the 2025 data (based on payment issuance date), despite being booked by sites for the 2024 fiscal year.
- Revenue for all sites acquired by a site network include all payments received by said sites in the year of acquisition, irrespective of purchase date.

ABOUT CRIO

CRIO is a leading provider of eSource solutions for clinical research. Our platform streamlines data collection and management, ensuring protocol compliance and reducing errors. By eliminating paper binders and automating workflows, we help clinical sites and sponsors save time and money, improve data quality, and enhance patient safety.



ABOUT SITE SEARCH

Our data and insights help drive clinical research decisions at all levels across organizations. We have the most comprehensive database of for-profit and academic research spend in the United States. Our tools enable our clients to make better decisions informed by verifiable data. Read any of our industry trend reports or contact us to discuss how Site Search can help your organization.

