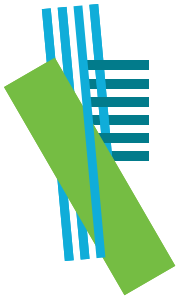


2024 Los Angeles Sector Snapshot



**CALIFORNIA
LIFE SCIENCES**



The Dark Horse

Los Angeles hosts an extremely diverse, dynamic and growing life sciences ecosystem, ranging from biotechnology manufacturing (Varda Space Industries, Wyatt Technology, Genoma Labs), to plasma-derived medicines (Takeda, Grifols), to tissue banking and cell therapies (Anja Health, Karma Biotechnologies, ZebraMD, Symphony Biosciences, Kite Pharma), to synthetic biology (Seed Health, OM Biome), to precision medicine (Gather Labs, Bionaut Labs, Forcyte Biotechnologies). Local government is working hard to attract and retain talent, investment and manufacturing – including \$10 million recently invested into the 20,000-square-foot BioscienceLA collaboration hub, which is housed in a former LA County courthouse in Culver City. The building is a central hub for biotech startups and entrepreneurs as they grow LA's life sciences economy.

Employment

Campaigns to attract and keep life sciences companies in the Los Angeles region seem to be working. The number of **life sciences establishments in LA and Ventura counties increased to 3,442** in the first three quarters of 2023, from 1,238 in the same period of 2019, more than doubling over the five-year period.

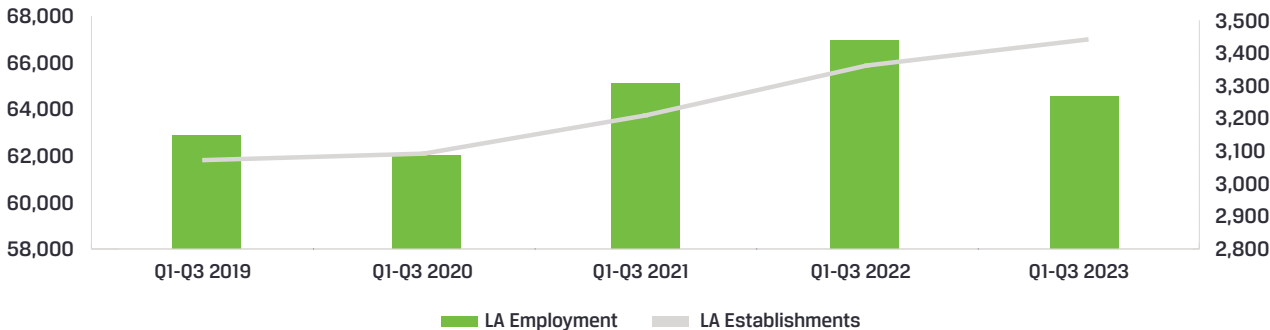
The LA region has been working to keep researchers from moving to other areas of California to start companies after leaving area academic institutions by contributing to funding in the sector. While the region has yet to emerge as a major life sciences hub, microclusters are popping up in the region around Caltech, UCLA and the Amgen campus in Thousand Oaks.

Employment dropped year-over-year by about 2,400 roles to 64,540 across all subsectors, including drug and pharmaceutical manufacturing, medical devices, biotech R&D, and bioscience distribution. Biotech R&D shed about 1,000 roles between Q3 2022 and Q3 2023. This is in line with broader industry trends that required companies to conduct layoffs to conserve cash amid a tough financing environment. Signs of a return to strength emerged broadly in early 2024 and are expected to continue throughout the year.

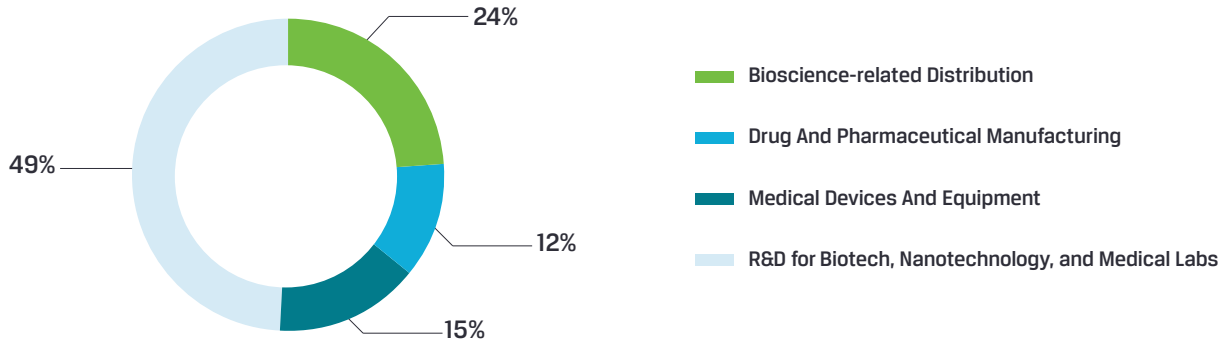
Wages have increased in the LA region. Average wages across the subsectors increased in 2023 to \$112,637* from \$88,624 in 2019.

Source: EY analysis of The Bureau of Labor Statistics Quarterly Census of Employment and Wages (BLS QCEW) data
 *Average wage for 2023 calculated based on data from Q1-Q3

Los Angeles 2023 Employment and Establishments



Los Angeles 2023 Employment Breakdown by Sector



Investment and Economic Growth

Venture funding in biotech and medical devices in the region surpassed \$335 million in 2023, with biotechs like neuroscience company Kernel bringing in \$53 million in venture funds. Venture capital in the LA Region was bolstered by government efforts to bring venture dollars into the region. The LA Region committed \$15 million in a matching fund loan to MarsBio, a bioscience venture fund that is promising to invest in the region. Other funding likely to bolster the life sciences presence in the region is the \$200 million Governor Gavin Newsom committed to funding the California Center for Immunology.

The LA region is working hard to set itself apart from other regions of California that typically attract biotech establishments. The region is hoping that new funding will help keep biotech companies and talent from relocating to other regions of the state with more established life sciences clusters. The LA region boasted the highest National Institutes of Health grant funding by county in the state in 2023, bringing in more than \$1.4 billion in awards to researchers.

Source: CapIQ, accessed March 2024; NIH database

Real Estate

With UCLA, USC and Caltech dotting Los Angeles County, the region is a hub of scientific discovery that attracts innovation from both the tech and biotech worlds. Yet, expansion by the academic community has meant leasing space in Los Angeles County has been constrained. There's currently 12 million square feet of laboratory space in LA County, according to real estate firm JLL, but a vacancy rate of only 2.6%. UCLA is taking over a former retail space of more than half a million square feet to house programs from a variety of departments, including the state-funded California Center for Immunology and Immunotherapy and the UCLA Center for Quantum Science and Engineering.

Two large incubator spaces are expected to open up this year that will provide space for emerging biotechs.

Source: JLL



California Stats



\$57 billion

Total estimated wages paid to life sciences employees in 2023

Average wage
\$166,538



\$5.03 billion

California biotechs garnered \$5.03 billion through 157 venture raises in 2023, up from \$4.03 billion in 2022.

Total number of
life sciences establishments
18,078



Total direct life sciences
employment (Q1-Q3 2023)

441,770



Life Sciences Definition

CLS asked Ernst & Young LLP to use the definition of life sciences sector and employment sharing factors for industries that are partially attributable to life sciences based on research conducted by TEconomy. Ernst & Young LLP did not perform independent research to verify the completeness or accuracy of the definition or the employment sharing factors, which were provided by TEconomy.

TEconomy's definition of life sciences includes 25 six-digit North America Industry Classification System (NAICS) industry codes. Out of the 25 NAICS industry codes, 6 of them were classified as partially attributable to life sciences, with less than 100.0 percent of Quarterly Census of Employment and Wages (QCEW) employment and wage attributable to the life sciences definition. The life sciences NAICS codes along with their respective "employment sharing" percentages are shown below.

2022 NAICS Code	NAICS Description	Category
311221	Wet Corn Milling and Starch Manufacturing	Agricultural Feedstock & Industrial Biosciences
311224	Soybean and Other Oilseed Processing	Agricultural Feedstock & Industrial Biosciences
325193	Ethyl Alcohol Manufacturing	Agricultural Feedstock & Industrial Biosciences
325311	Nitrogenous Fertilizer Manufacturing	Agricultural Feedstock & Industrial Biosciences
325312	Phosphatic Fertilizer Manufacturing	Agricultural Feedstock & Industrial Biosciences
325314	Fertilizer (Mixing Only) Manufacturing	Agricultural Feedstock & Industrial Biosciences
325320	Pesticide and Other Agricultural Chemical Manufacturing	Agricultural Feedstock & Industrial Biosciences
325411	Medicinal and Botanical Manufacturing	Drugs & Pharmaceuticals
325412	Pharmaceutical Preparation Manufacturing	Drugs & Pharmaceuticals
325413	In Vitro Diagnostic Substance Manufacturing	Drugs & Pharmaceuticals
325414	Biological Product (except Diagnostic) Manufacturing	Drugs & Pharmaceuticals
334510	Electromedical and Electrotherapeutic Apparatus Manufacturing	Medical Devices & Equipment
334516	Analytical Laboratory Instrument Manufacturing	Medical Devices & Equipment
334517	Irradiation Apparatus Manufacturing	Medical Devices & Equipment
339112	Surgical and Medical Instrument Manufacturing	Medical Devices & Equipment
339113	Surgical Appliance and Supplies Manufacturing	Medical Devices & Equipment
339114	Dental Equipment and Supplies Manufacturing	Medical Devices & Equipment
423450	Medical, Dental, and Hospital Equipment and Supplies Merchant Wholesalers	Bioscience-related Distribution
424210	Drugs and Druggists' Sundries Merchant Wholesalers	Bioscience-related Distribution
424910	Farm Supplies Merchant Wholesalers	Bioscience-related Distribution
541380	Testing Laboratories and Services	Research, Testing, & Medical Laboratories
541713	Research and Development in Nanotechnology	Research, Testing, & Medical Laboratories
541714	Research and Development in Biotechnology (except Nanobiotechnology)	Research, Testing, & Medical Laboratories
541715	Research and Development in the Physical, Engineering, and Life Sciences (except Nanotechnology and Biotechnology)	Research, Testing, & Medical Laboratories
621511	Medical Laboratories	Research, Testing, & Medical Laboratories

California Life Sciences (CLS) is the state's most impactful life sciences membership organization, advocating for the sector and its diverse innovation pipeline. For more than 30 years, CLS has served the community by supporting companies of all sizes, from early-stage innovators and startups to established industry leaders in the fields of biotechnology, pharmaceuticals, and medical technology. CLS also works closely with universities, academic and research institutions, the investment community, and other critical partners that promote this vibrant sector. CLS works to shape public policy, improve access to breakthrough technologies, educate lawmakers, and advance equity within our ecosystem by championing innovative solutions for some of the most pressing challenges of our times. In doing so, CLS fulfills its mission to protect and nurture California's life sciences industry, empowering discoveries that lead to healthier lives around the world.

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