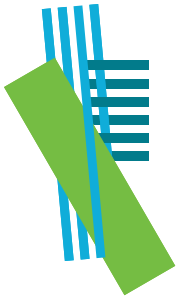


2024 Orange County Sector Snapshot



**CALIFORNIA
LIFE SCIENCES**



The Land of MedTech

A whopping 234 of California's 1,552 major **medical device and equipment companies** are located in Orange County – including both Masimo and Edwards Lifesciences, the global leader in patient-focused innovations for structural heart disease. Diagnostics is also one of the fastest-growing MedTech segments in Irvine. In addition to the dominance of the MedTech sector in Orange County, the region also hosts an array of neuroscience R&D activity that is paving the path for breakthrough mental health treatments.

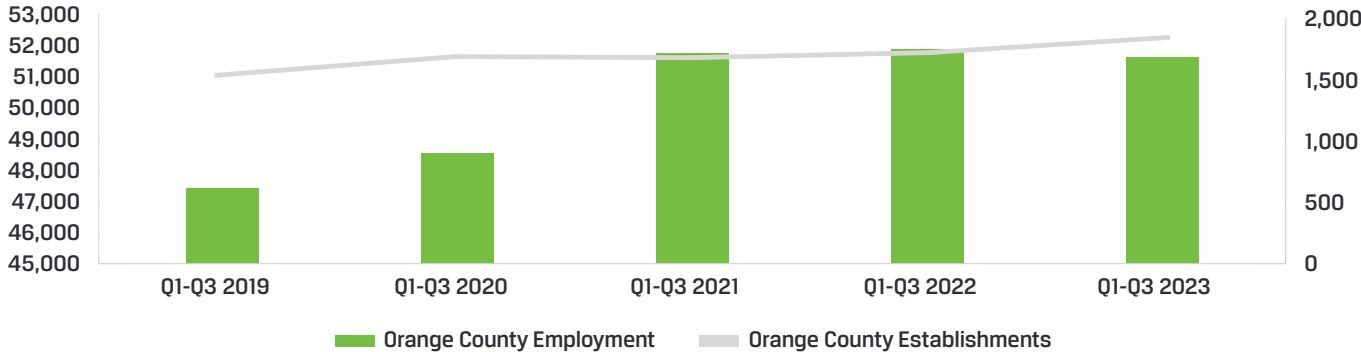
Employment

On trend with the industry as a whole, life sciences struggled a bit in Orange County, with employment and average wages declining slightly in 2023. The county lost almost 300 jobs, moving from **51,880 in the first three quarters of 2022 to 51,602 jobs in the same period of 2023**. The largest job losses came from bioscience-related distribution, which shed 1,200 roles by the end of the third quarter. Medical devices, which makes up about 44% of the life sciences companies in the region, were a bright spot, adding about 2,000 employees to the county's total 22,400. Average wages also went down, dropping to \$116,334* in 2023, from \$117,650 in 2022.

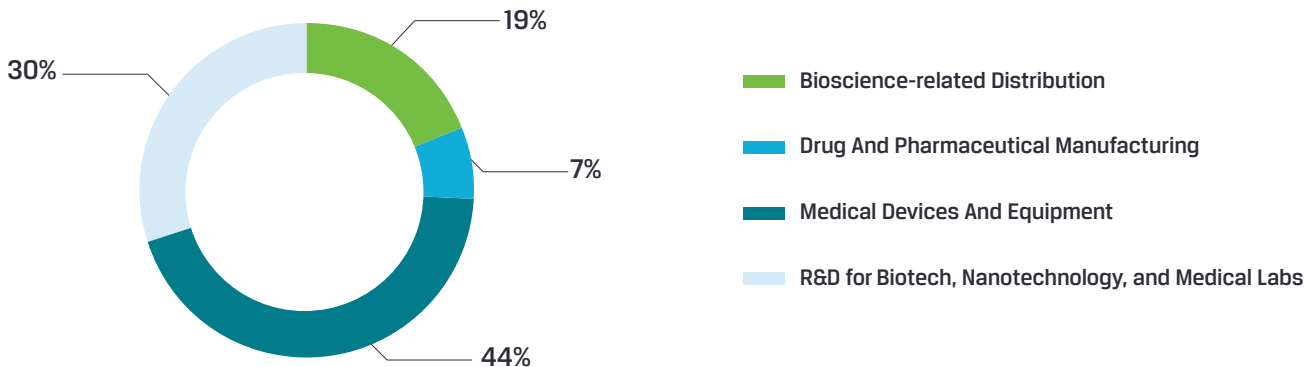
Despite drops in employment, the number of life sciences establishments in the county grew to 1,847 over the first three quarters of 2023 from 1,724 in the same period of 2022. Almost **40 new medical device businesses** entered the region during the period, bringing the total to 235, while 100 new R&D establishments opened their doors in Orange County in 2023.

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

Orange County 2023 Employment and Establishments



Orange County 2023 Employment Breakdown by Sector



Investment and Economic Growth

Medical devices also drove venture investment in Orange County, accounting for \$381 million of the **\$578 million total raised by biotechs and medical device makers in 2023**.

SpyGlass Pharma, an ophthalmic disease company, announced it raised \$90 million in its Series C round in July. Irvine-based Sayenza Biosciences raised \$2.5 million in its seed round to fund its regenerative medicine efforts.

CG Oncology, a late-stage biopharma, brought in \$105 million in a Series E round to fund its Phase 3 oncology trials. The Irvine-based company announced in January that it's planning for an IPO this year.

Stem cell biology company, XOSTem, raised \$1.85 million in February for its preclinical programs.

A bright spot for the county has been National Institutes of Health funding, which has consistently increased over the last five years. It reached \$246 million to 510 recipients in 2023, up from \$173 million to 375 recipients in 2019.

Source: CapIQ, accessed March 2024; NIH database

Real Estate

According to Cushman & Wakefield, there was 21,652,111 square feet of R&D inventory in the fourth quarter of 2023. There was about 78,300 square feet of sublet vacant space and 645,466 square feet of direct vacancy for an overall vacancy rate of 3.3%. The R&D vacancy rate was higher than the overall vacancy rate for the county, which came in at 2.8%. Trends show that Orange County – across all sectors – has had a negative net absorption rate as tenants return square footage and speculative construction projects delivering without tenant commitment continue to rise.

Source: Cushman & Wakefield



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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