



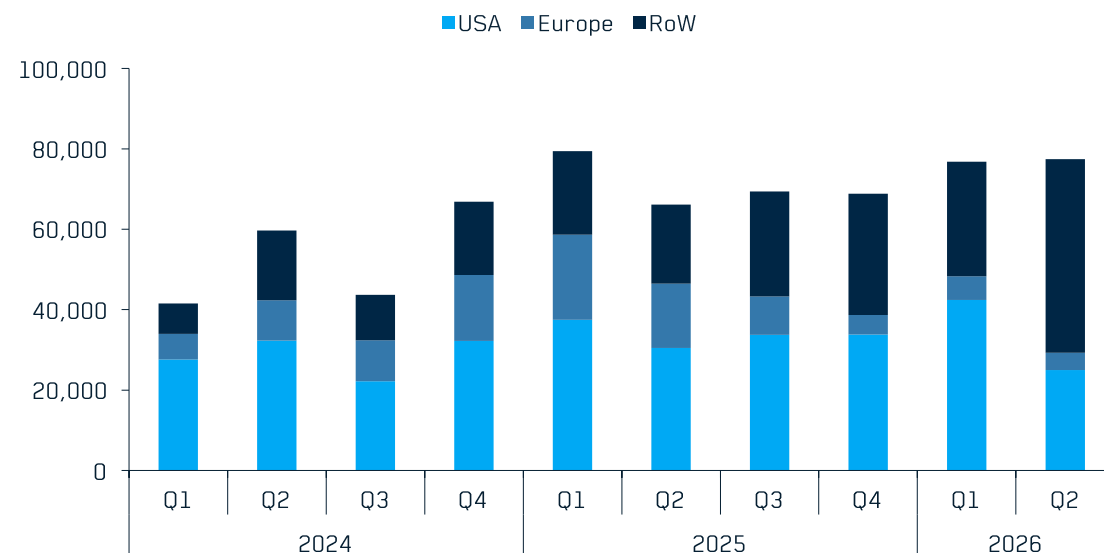
LIFE SCIENCES LICENSING DEALS REPORT

Q3 2026

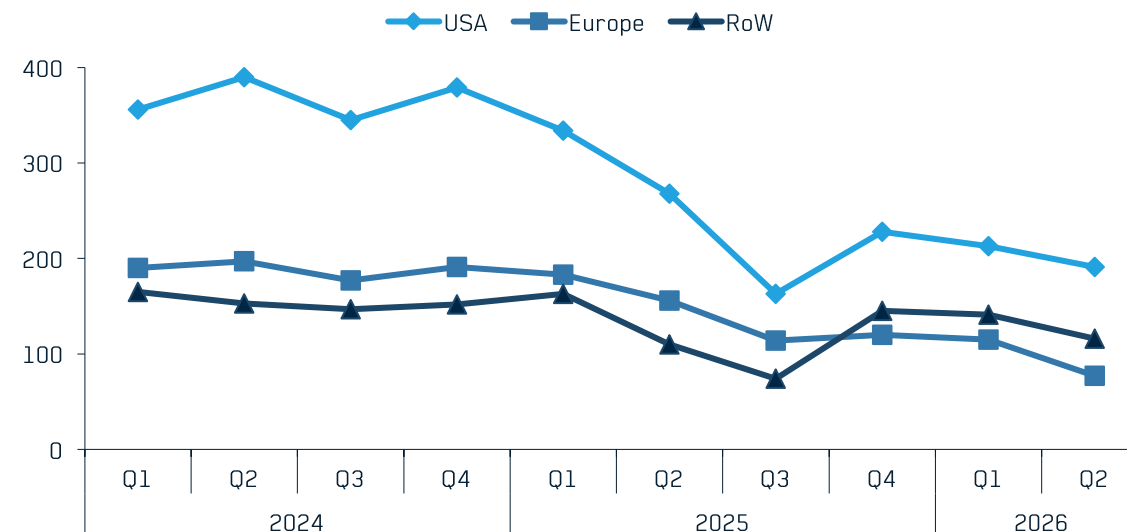
- 1** Deal value is climbing while volume declines. Q1 2026 licensing value is nearing its Q1 2025 peak even as deal counts moderate. This confirms a shift toward fewer, larger, higher-quality partnerships. Geographically, Rest of World (ex-US/Europe) licensors now capture 62% of total value versus just 18% two years ago.
- 2** Mega-deals of \$700m+ now account for over half of all deals (versus under 20% for \$1–100m deals), and activity is concentrating at both ends of the pipeline – marketed-therapy deals have grown to around 40% of share while preclinical deals have grown to over 30%, as companies pursue either derisked or high-upside assets.
- 3** Oncology remains the clear focus, commanding more than 4x the deal activity of the next-largest indication, while endocrinology/GLP-1 interest has cooled slightly after 2025's boom. Upfront cash remains a modest and unpredictable 9–19% of total deal value, occasionally spiking on royalty-financing or late-stage deal structures.
- 4** Licensing strategies among top players continue to diverge in 2026. AstraZeneca favours a high-value, lower-volume approach, while Eli Lilly leads on deal volume and geographic breadth, fuelled by GLP-1 cashflow.

Value up, volume down relative to 2024 while RoW captures a larger market share

Total deal value by licensor region, [\$m]



Number of licensing deals by region

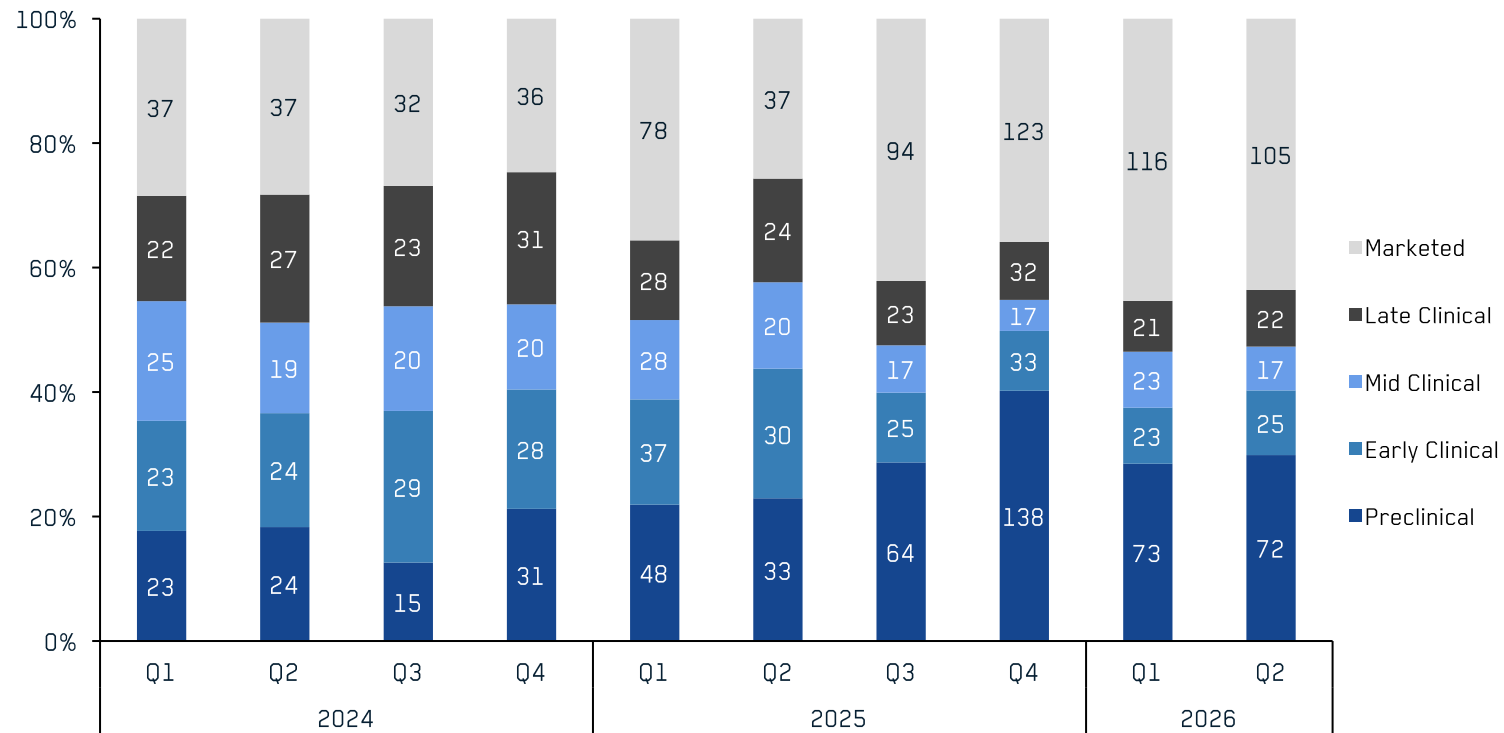


Comments

- **Long-term trend in deal value** – since 2024, deal value has trended upward, with Q2 2026 nearing the Q1 2025 peak, the highest level recorded to date. The most notable shift is RoW licensors' expanding share of total deal value, up from just 18% to 62% over the two-year period.
- **Long-term trend in deal volume** – deal counts have stayed broadly flat in both Europe and RoW, aside from occasional dips, while the US has declined over the same period.
- **Takeaway** – fewer deals, bigger tickets.

Deals are concentrating at both extremes of the clinical development spectrum

Proportion of licensing deals

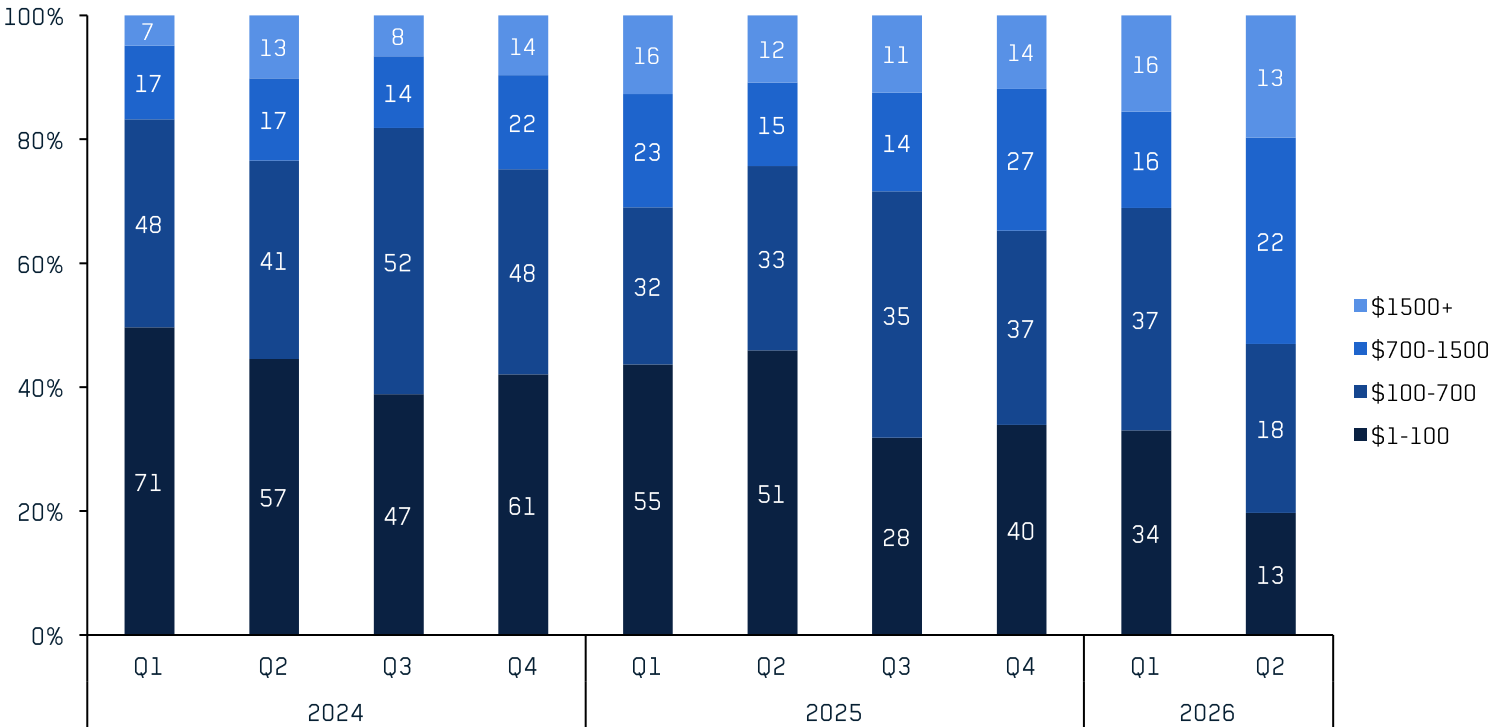


Comments

- The extremes are capturing a growing share of deals. Marketed therapy deals have risen from 25% to around 40% of total share over the last 10 quarters.
- At the same time, preclinical deals have grown from under 20% to over 30% of share, with the increase accelerating from Q3 2025 onward.
- Companies are pursuing two opposing portfolio strategies. High-risk, high-reward bets on early-stage assets, or risk-off licensing of marketed therapies.

Mega-deals are capturing an increasing share of total licensing deal value

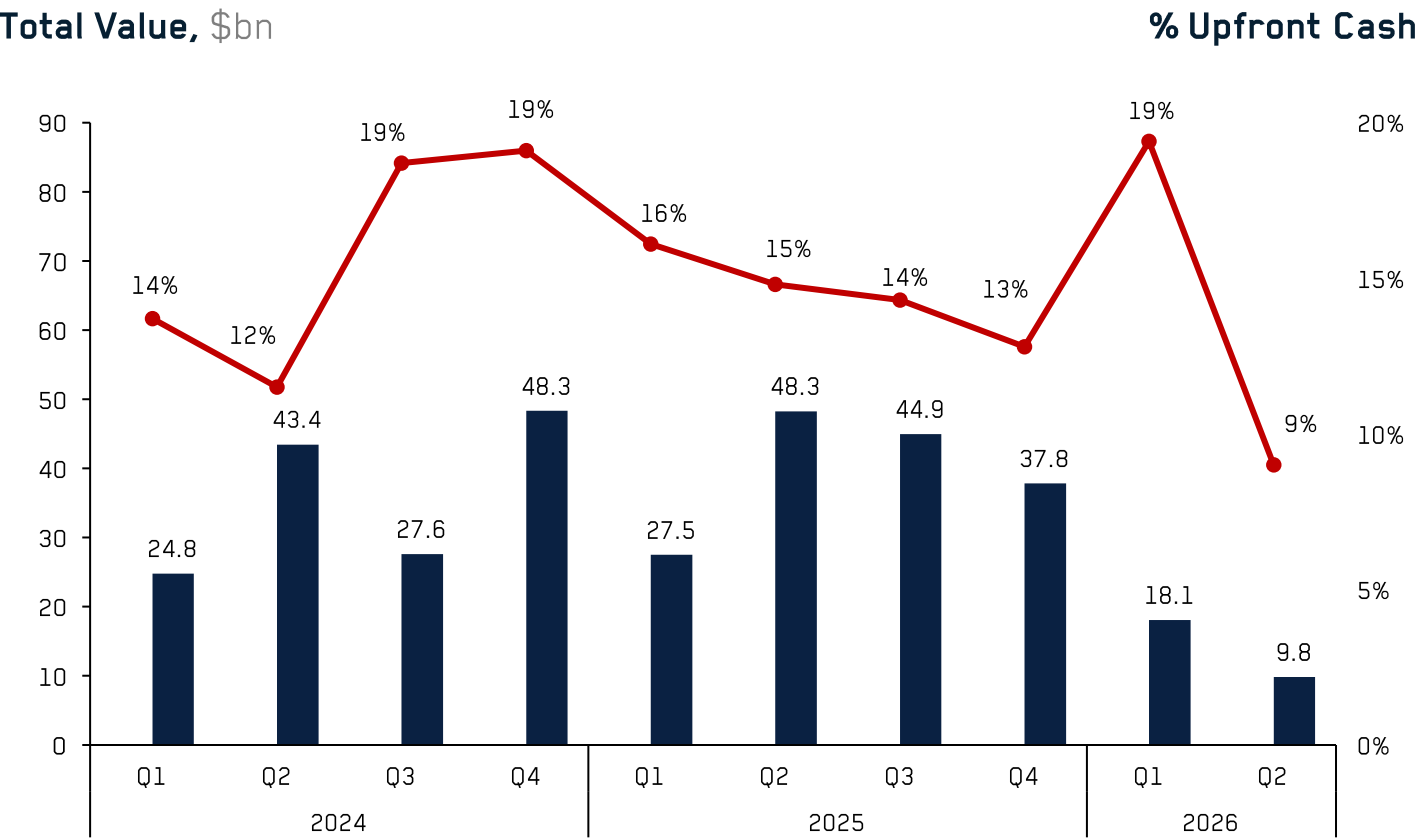
Proportion of licensing deals



Comments

- The \$1-100M bucket is shrinking, falling from 50% of total deal value at the start of 2024 to under 20% by the latest quarter of 2026.
- This corroborates the earlier deal-value chart, where rising total value alongside declining deal volume points to a larger average deal size.
- In fact, deals valued at \$700M+ (the top two buckets) now account for over half of all deals.
- EY's 2026 Firepower report confirms this shift industry-wide, finding that average alliance deal size rose 46% in 2025 as licensing values hit record levels.

Upfront cash remains a small, unpredictable share of total deal value



Comments

- Upfront cash as a share of total deal value has hovered between 9% and 19% over the last two years.
- Quarterly spikes are typically driven by royalty financing transactions, which prioritize immediate capital in exchange for existing revenue streams, naturally producing a much higher upfront-to-total-value ratio. Excluding royalty financing transactions, the average upfront-to-deal value share since 2024 is 13%.
- In the current quarter, a handful of deals exceeded 20%, typically aligned with later-stage deals such as Tanabe Pharma-Mineralys.

Oncology retains the top indication spot at more than 4x the runner-up

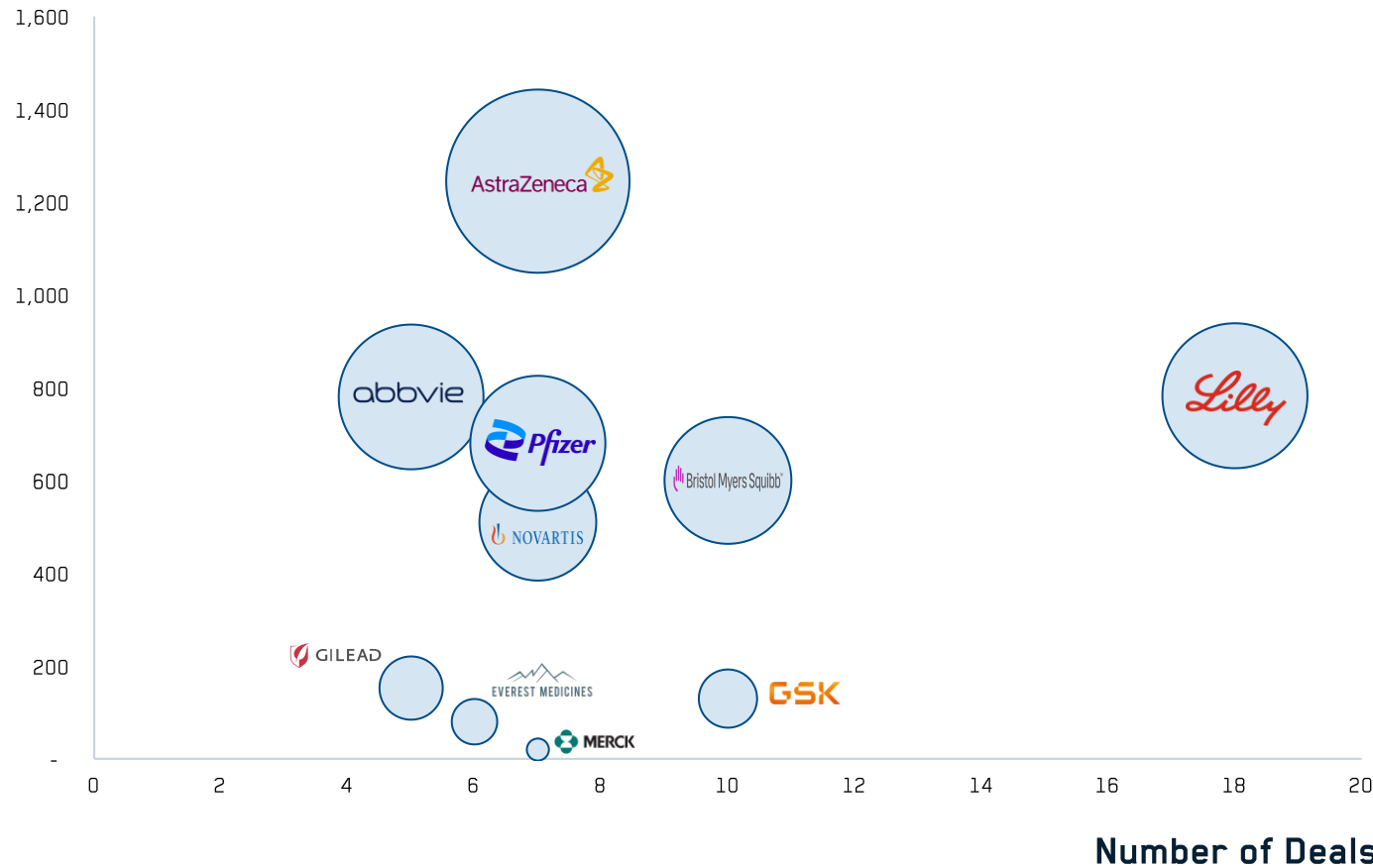
	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Total
Oncology	213	187	213	254	227	191	100	177	130	146	1838
Neurology	58	58	46	54	61	45	43	35	40	46	486
Infectious diseases	51	54	56	56	46	34	31	34	35	27	424
Endocrinology	38	36	30	41	34	32	25	46	47	22	351
Cardiology	31	32	36	33	31	35	33	18	31	27	307
Ophthalmology	17	21	20	17	22	16	33	36	16	16	214
Gastroenterology	21	31	21	24	21	13	11	29	20	11	202
Orthopedics	20	22	19	23	31	13	17	29	13	15	202
Dermatology	21	19	26	18	28	19	15	13	16	15	190
Pulmonology	16	16	16	23	21	21	17	19	11	13	173
Urology	13	21	19	13	14	11	9	14	18	19	151
Mental & behavioural disorders	15	20	13	16	15	13	4	7	9	9	121
Hematology & immunology	6	8	11	16	15	8	10	15	14	15	118
Toxicology	3	4	2	5	2	2	6	1	1	4	30

Comments

- Neurology and infectious diseases have maintained similar momentum.
- Endocrinology has declined in the last quarter versus prior quarters. J.P. Morgan's Q2 2026 biopharma report confirms this cooling, noting just two GLP-1/GIP deals in the quarter versus eight in all of 2025, as deal flow concentrates in a crowded, increasingly selective space.

Big Pharma's licensing strategies diverge between deal volume and deal value

Upfront Cash, \$m



Comments

- AstraZeneca combines the highest upfront value with the fewest deals, driven largely by its \$1,2bn upfront payment in the CSPC Pharmaceuticals deal.
- Lilly is the most active, with deals spanning multiple geographies and indications, including partnerships with Innovent, Insilico and Camurus. The company is on a spending spree both on the M&A and licensing side, driven by GLP-1 cashflows.
- The rest of the companies cluster around similar deal volumes (5–10 deals each) but split into two upfront tiers; a mid-tier group at \$510m–\$780m, and a lower tier below \$150m.
- Everest Medicines is a new entrant in the analysis, highlighting its increasingly licensing-led model, with multiple 2026 deals including DMX-200 from Dimerix and civorebrutinib from Travers.

Early-stage Chinese oncology assets are attracting larger licensing deals

Licensor	Licensor Country	Licensee	Licensee Country	Upfront (\$m)	Total Amount (\$m)	Phase	Indication
XXXXXX	USA	XXXXXX	Switzerland	700	3,000	XXXXXX	Multiple
XXXXXX	China	XXXXXX	USA	650	10,500	XXXXXX	Oncology
XXXXXX	China	XXXXXX	USA	600	15,200	XXXXXX	Multiple
XXXXXX	Japan	XXXXXX	USA	200	300	XXXXXX	Cardiology
XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX

Comments

- China-originated assets account for 2 of the 5 deals taking place in Q2. as well as having the two largest total deal values (\$10.5bn and \$15.2bn). This shows sustained Western pharma appetite for Chinese oncology pipelines even at early risk stages.
- Upfront payments average just 8% of total deal value across the five deals, with Tanabe-Mineralys the outlier at 67% upfront due to its marketed status. Most licensors are absorbing payment risk via milestones rather than securing cash today.

BMS-Hengrui licensing deal reinforces momentum for Chinese biotech



China's Hengrui, Bristol Myers Squibb
sign collaboration, licensing deals



Comments

- **The Assets:** Hengrui and BMS entered a strategic collaboration covering multiple oncology assets, including HRS-5346 (oral PRMT5 inhibitor) and HRS-5041 (DLL3-targeted ADC).
- **The Deal Structure:**
 - Up to \$15.2bn in aggregate deal value across the collaboration.
 - Hengrui is eligible for upfront payments, development, regulatory and commercial milestones, plus tiered royalties.
 - BMS obtains exclusive ex-China rights, while Hengrui retains Greater China rights.
- **Target Indications:** Multiple, including lung cancer and other solid tumours.
- **Strategic Significance:** The collaboration represents one of the largest licensing partnerships between a Chinese biotech and a global pharmaceutical company, underscoring the increasing attractiveness of Chinese-discovered oncology assets.

About this report



This analysis was conducted by our team of specialists at Venture Valuation. The data used in this analysis was acquired from our proprietary global life sciences database Biotechgate (if not explicitly stated otherwise), which is a popular source for company and licensing deal information. This report is published on a periodic basis and can be downloaded freely from the Biotechgate newsletter or the Biotechgate website. If you want to give us feedback regarding our monthly reports, please visit this [link](#).

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SUMMARY

Licensor	Licensor Country	Licensee	Licensee Country	Upfront (\$m)	Total Amount (\$m)	Phase
XXXXXX	China (Mainland)	XXXXXX	USA	XXXXXX	XXXXXX	n/a
XXXXXX	China (Mainland)	XXXXXX	USA	XXXXXX	XXXXXX	Research
XXXXXX	China (Mainland)	XXXXXX	USA	XXXXXX	XXXXXX	n/a
XXXXXX	USA	XXXXXX	Switzerland	XXXXXX	XXXXXX	n/a
XXXXXX	USA	XXXXXX	South Korea	XXXXXX	XXXXXX	Preclinical

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