



VENTURE VALUATION
GLOBAL VALUATION SERVICES



LIFE SCIENCES M&A SUMMARY

Q2 2026

Data collected from Biotechgate

Analysis conducted by Venture Valuation

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EXECUTIVE SUMMARY

The life sciences M&A market in the first quarter of 2026 sustained strong, high-value momentum despite a noticeable dip in overall transaction volume. Although the number of individual deals fell to a two-year low of 34, the total disclosed deal value reached a robust USD 47.3bn, marking the second-highest quarter over the past 24 months. This disparity reflects a distinct strategic shift among acquirers, who are increasingly moving away from high-frequency, smaller transactions in favour of large-scale, high-impact acquisitions. Consequently, mid-sized and large deals valued at over USD 100m accounted for approximately 60% of the total quarterly activity.

Financially, buyers are adopting a more conservative approach to front-loaded risk. After reaching a record median of USD 411m in Q4 2025, upfront cash payments experienced a sharp correction, dropping to a median of USD 117m at the start of 2026. Instead of paying hefty upfront premiums for early-stage R&D, companies are showing a clear preference for

specialized, commercial-stage, and de-risked assets that offer a faster path to market and immediate revenue generation. This industry-wide focus on immediate value is underscored by the top five M&A deals of the quarter, which alone generated USD 27bn.

In terms of therapeutic focus, oncology remains the undisputed market leader, driving eight deals in Q1 2026 and 58 total transactions over the past two years. However, acquirer interest is steadily diversifying into other high-demand areas, including large-population, inflammation-linked, and metabolism-linked sectors. Gilead Sciences emerged as the most active strategic buyer of the quarter, capitalizing heavily on targeted oncology and immunology assets. Geographically and sector-wise, the United States further solidified its market dominance, accounting for 91% of the global disclosed deal value at USD 43.0bn, while biotech therapeutics and diagnostics continued to command the vast majority of the industry's deal value.

Q1 2026 MAINTAINS MOMENTUM THROUGH CONCENTRATED LARGE-SCALE DEALS

The data for Q1 2026 confirms that the life sciences M&A market has sustained the high-value momentum established at the end of 2025, even as the number of individual transactions hits a two-year low.

While total deal volume declined slightly to 34 transactions in Q1 2026, the disclosed deal value remained robust at USD 47.3bn. This represents the second-highest quarterly value in the last 24 months, falling just short of the USD 51.8bn peak seen in Q4 2025. This performance is particularly

striking when compared to the 2024 landscape; Q1 2026 generated nearly triple the value of Q4 2024 (USD 16.9bn) with roughly half the number of deals.

This trend highlights a definitive shift in market behaviour as we enter 2026: acquirers have moved away from high-frequency, small-scale transactions in favour of large, high-impact strategic acquisitions. The concentration of capital into fewer, larger deals suggests a market that is both highly disciplined and increasingly confident in executing major capital deployments. (Figure 1).

Total value and number of M&A deals per quarter

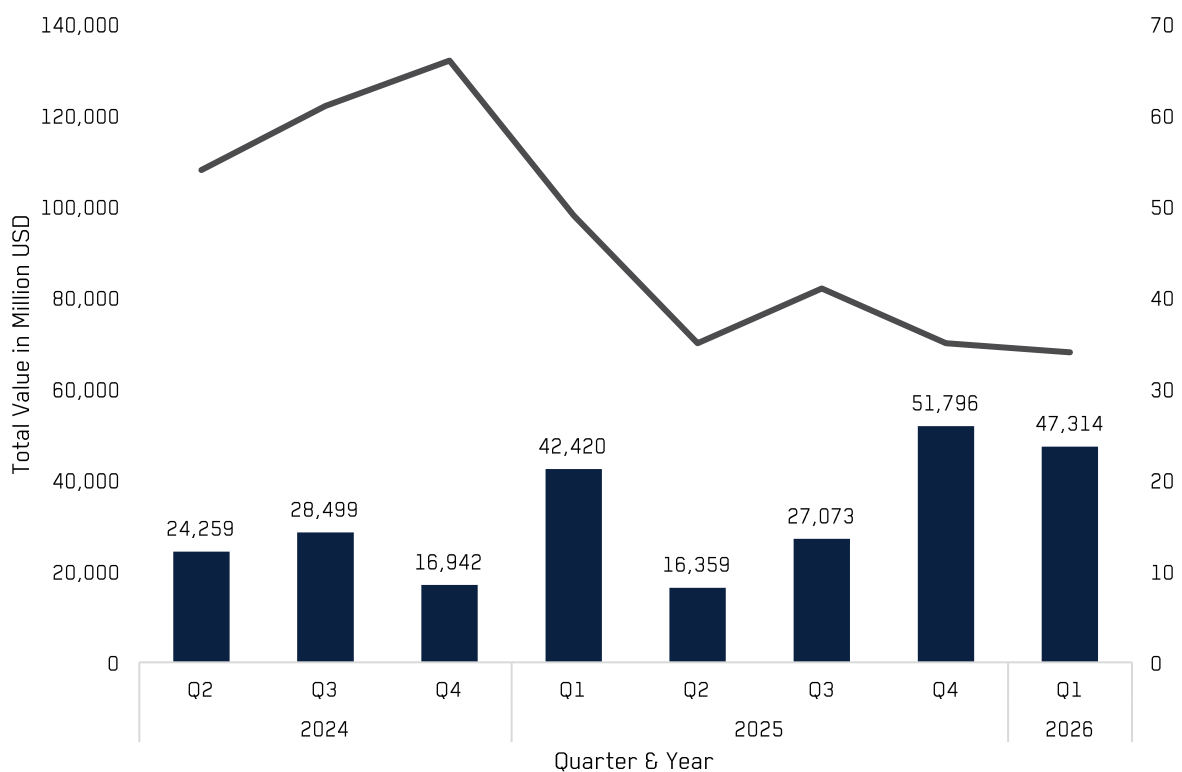


Figure 1. The graph illustrates the total value and number of M&A deals for the last 24 months, broken down by quarter.

Source: Biotechgate

BIOTECH M&A CONTINUES PIVOTING FROM VOLUME TOWARD HIGH VALUE TRANSACTIONS

The distribution of biopharma M&A transactions by deal size has shifted notably over the past eight quarters, reflecting a trend toward an increased appetite for larger acquisitions.

Throughout 2024, activity was dominated by smaller transactions in the USD 1-100m range. This trend peaked in Q4 2024, when this segment alone accounted for 44 transactions, representing nearly three-quarters of all deal flow for that period.

In contrast, 2025 saw a rise in the relative share of large-cap transactions (USD 1bn+), culminating in a

peak of 17 mega-deals in Q4 2025. While the total volume of deals fluctuated, the USD 100m+ category maintained a higher presence throughout 2025 compared to the previous year.

Data for Q1 2026 shows a cooling in total volume (31 deals). However, the composition remains more evenly distributed than in early 2024. Mid-sized and large-scale deals (USD 100m+) now represent roughly 60% of the total quarterly activity, suggesting that while the quantity of deals may have decreased, the strategic focus remains on higher-value assets (Figure 2).

M&A Deals by Size

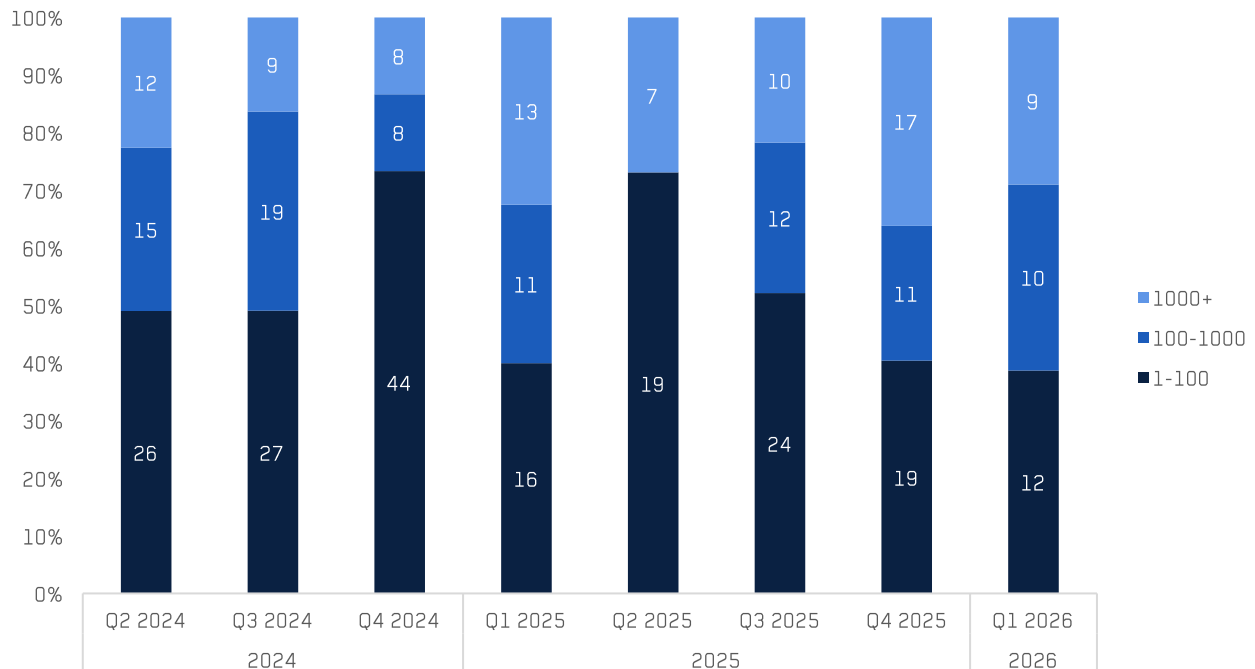


Figure 2. The graph illustrates the total number of M&A deals for the last 24 months, broken down by deal size.

Source: Biotechgate

UPFRONT CASH PAYMENTS REACHED RECORD HIGHS IN 2025 BEFORE EXPERIENCING A SHARP DECLINE AT THE START OF 2026

Median upfront cash payments in biopharma M&A displayed significant volatility over the last seven quarters, characterized by high-value peaks in 2025 followed by a sharp correction in early 2026.

Throughout the latter half of 2024, median upfronts grew steadily, rising from USD 149m in Q2 to USD 300m by Q4. This momentum carried into 2025, as payments hit USD 400m in Q1. Despite a mid-year softening where values dipped to USD 201m in Q3, the market rebounded to reach a period peak of USD

411m in Q4 2025. This represents a 37% increase in median upfront commitment compared to the same time the previous year.

However, the trend shifted abruptly in Q1 2026, with median upfront cash dropping to USD 117m. This is the lowest level recorded in the current data set, suggesting that the front-loaded deals seen in 2025 have given way to a more conservative approach (Figure 3).

Median M&A upfront cash

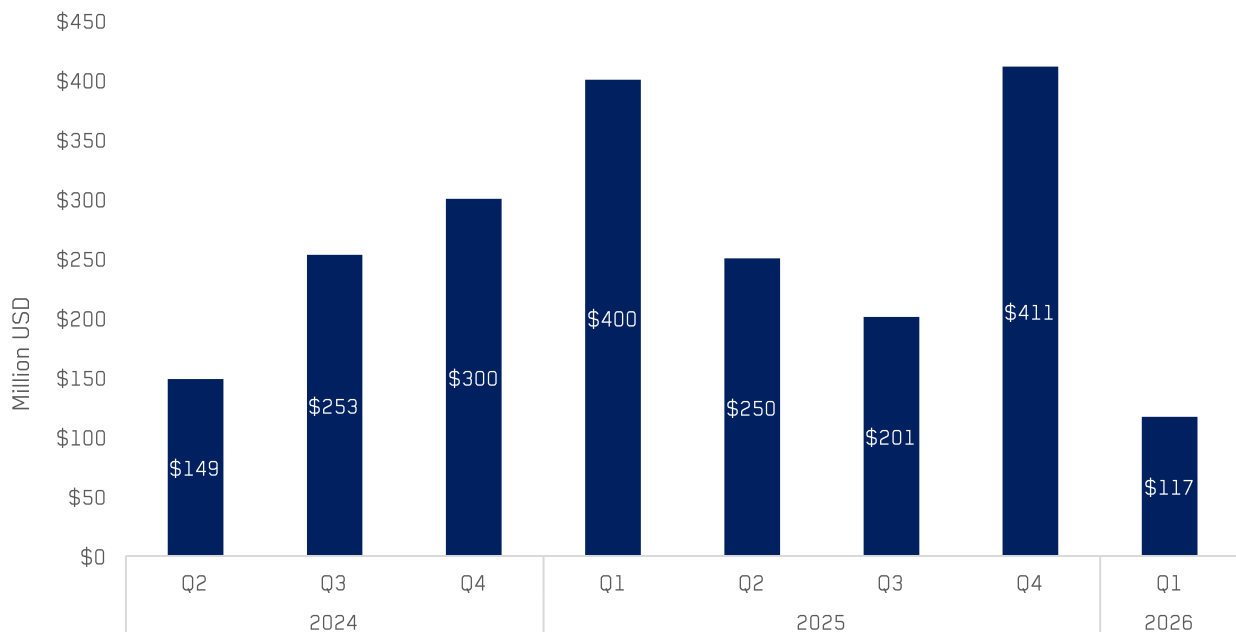


Figure 3. The graph illustrates the median upfront cash for M&A deals over the last 24 months, broken down by quarter.

Source: Biotechgate

ONCOLOGY REMAINS THE DOMINANT M&A FOCUS AS ACQUIRER INTEREST EXPANDS INTO DIVERSE THERAPEUTIC AREAS

Deal volume decreased, with total transactions dropping from 27 in Q4 2025 to 19 in Q1 2026.. Oncology remains the undisputed leader in deal flow with 58 total transactions over the last 24 months. With a total of 8 oncology deals in Q1 2026, the same momentum from Q4 2025 was maintained.

While some areas such as Ophthalmology and Neurology saw declines, the overall breakdown of therapeutic areas aligns with figures seen in Q1 2025. This suggests a broadening of acquirer focus within biotech therapeutics beyond oncology, with growing interest in large-population and inflammation- or metabolism-linked areas (Figure 4).

M&A Deals by Indication of Lead Asset

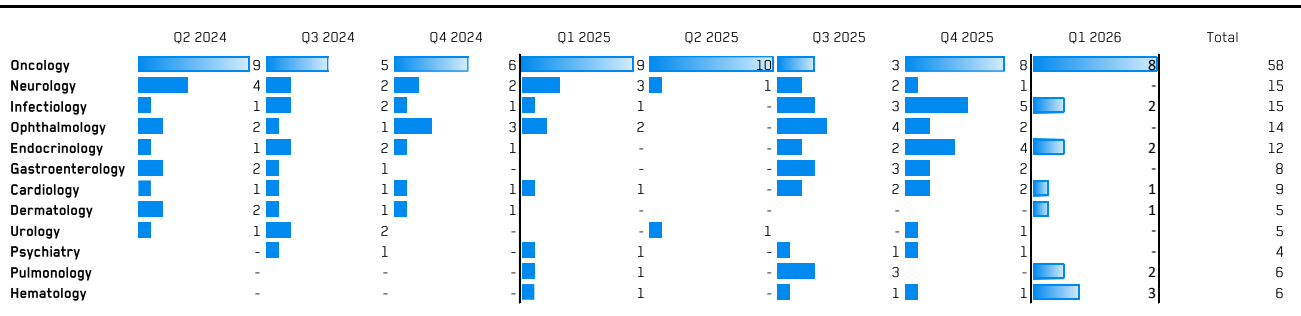


Figure 4. The graph illustrates the number of biotech therapeutics M&A deals in each indication for the last 24 months, broken down by quarter.

Source: Biotechgate

Q1 2026 ACTIVITY FOCUSED ON COMMERCIAL STAGE ASSETS

In Q1 2026, the top five M&A deals totalled USD 27bn and spanned five distinct therapeutic areas, reflecting a strategic pivot toward commercial-stage and de-risked assets.

While Novartis (USD 12bn) and MSD (USD 9.2bn) led in scale, the remaining transactions focused on immediate revenue and late-stage certainty. Sanofi bolstered its vaccine franchise with Dynavax's HEPLISAV-B, Alkermes entered the sleep market via Avadel's narcolepsy drug LUMRYZ, and Sobi expanded into inflammation with Arthro's Phase 3 gout candidate.

Collectively, these moves underscore an industry-wide preference for specialized, high-growth assets that offer a faster path to market than traditional early-stage R&D (Table 1).

Target company	Acquiring company	Country (Target co.)	Lead asset stage	Total amount (bn USD)	Therapeutic Area
XXXXXXX	XXXXXXX	USA	Filed	12.0	Neurology
XXXXXXX	XXXXXXX	USA	Phase III	9.2	Pulmonology
XXXXXXX	XXXXXXX	USA	Marketed	2.2	Infectiology
XXXXXXX	XXXXXXX	France	Marketed	2.1	Cardiology
XXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX

Table 1. The table shows the top five life science M&A deals that were closed during the first quarter of 2026.

Source: Biotechgate

USA REMAINS PRIMARY TARGET GEOGRAPHY FOR M&A DEALS

During Q1 2026, the USA intensified its lead in life science M&A activity, accounting for 91% of the total disclosed deal value. This represents USD 43.0 bn out of a global USD 47.1 bn quarterly total. This concentration underscores the continued resilience of the American market as the primary engine for large-scale transactions. Outside of the USA, France emerged as the second-largest market in Q1 2026, contributing USD 2.1 bn, followed by Germany and the United Kingdom.

Comparatively, while the Q1 2026 grand total of USD 47.1 bn represents a slight recovery from the USD 42.2 bn seen in Q1 2025, it remains significantly lower than the USD 95.1 bn peak recorded in the same period of 2024. However, the geographic distribution has shifted back toward extreme U.S. centralization. In Q1 2024, the USA held an 88% share, which dipped to approximately 72% in 2025 before surging to its current 91% dominance in the opening months of 2026 (Table 2).

M&A Deals by Target Company's Origin

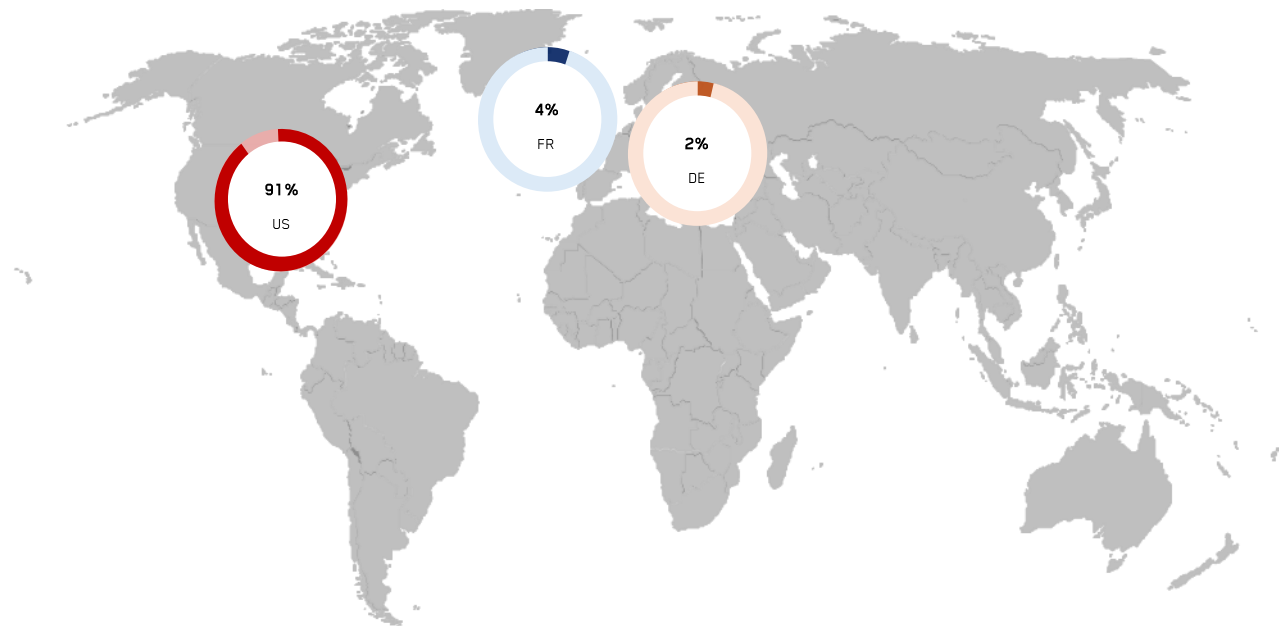


Figure 5. The map illustrates the distribution of M&A deal value by target country for Q1 2026.

Source: Biotechgate

Q1 2026		Q1 2025		Q1 2024	
Country of Target Company	Total Deal Value (bn USD)	Country of Target Company	Total Deal Value (bn USD)	Country of Target Company	Total Deal Value (bn USD)
XXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX
XXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX
XXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX
XXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX
XXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX
Grand Total	XXXXXXX	Grand Total	XXXXXXX	Grand Total	XXXXXXX

Table 2. The table presents a comparison of total M&A deal values by target country between the first quarters of 2024-2026, showing the distribution of transaction values across key markets during these periods.

Source: Biotechgate.com

CROSS BORDER TRANSACTIONS DOMINATED IN 2025 BEFORE DOMESTIC DEALS TOOK THE LEAD IN EARLY 2026

In 2025, cross-border M&A activity was a defining feature of the life sciences sector. Throughout the first three quarters of 2025, cross-border transactions represented a clear majority of total deal value, maintaining a high share between 76% and 86%.

Within cross-border M&A deals, the United States acts as both the most frequent target (40 deals) and acquirer (26 deals). This cross-border dominance is anchored by a highly integrated corridor with the United Kingdom, characterized by a "two-way street" where the U.S. is the primary buyer of British assets and the UK remains the second-largest foreign acquirer of U.S. firms. Switzerland ranks third alongside Germany and

Canada, as the country with the most deals as target.

However, cross-border dominance began to subside toward the end of the year and into early 2026. In Q1 2026, cross-border activity fell to 43%, marking the first time since late 2024 that domestic transactions accounted for the majority of deal value. Compared to the mid-2024 average, the recent data suggests a strategic pivot toward regionally driven opportunities and domestic portfolio strengthening (Figure 6).

Proportion of cross border M&A deals from the total deal volume

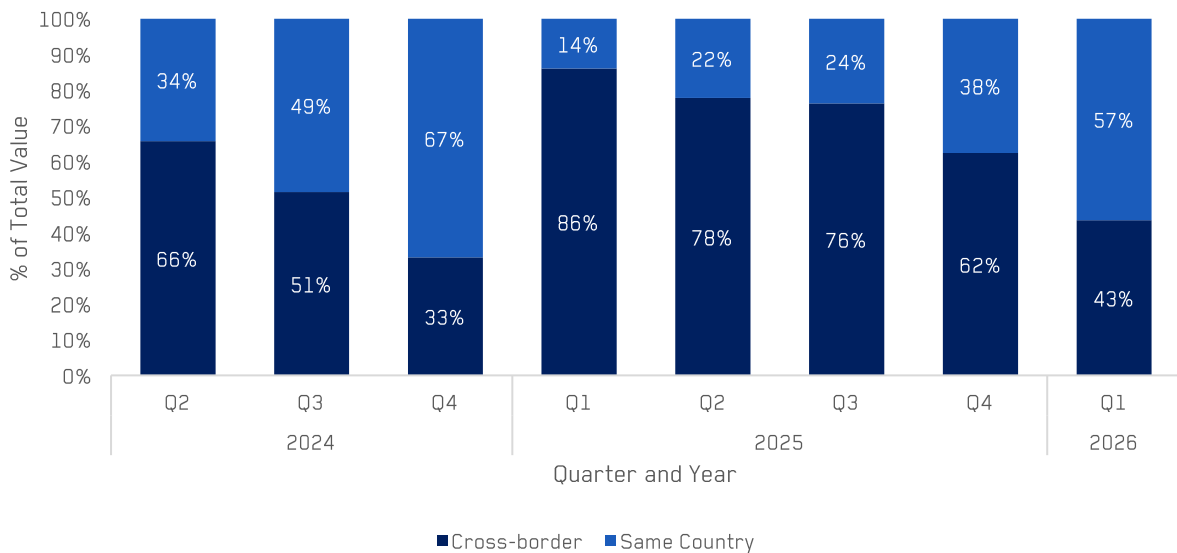


Figure 6. The chart illustrates the proportion of cross-border and domestic (same-country) M&A deal values in the life sciences sector, over the last 24 months, highlighting shifts in the geographic scope of transactions over time.

Source: Biotechgate

BIOTECH THERAPEUTICS DOMINATE THE DEAL LANDSCAPE WHILE MEDTECH RECLAIMED MARKET SHARE IN Q1 2026

M&A activity in the life sciences sector during 2025 has remained heavily concentrated in biotech, with transactions in biotech therapeutics and diagnostics consistently accounting for the majority of total deal value. In 2025, this segment represented between 60% and 90% of all disclosed amounts.

In contrast, medical technology deals maintained a much smaller share in 2025, ranging from 2% to

25%, while other categories, such as R&D services and digital health, saw little to no activity during this period.

However, Q1 2026 marked a significant shift in this trend. While biotech therapeutics remained the leader at 69% of deal value, medical technology experienced a major resurgence, climbing to 31%, its highest share of the total market in the last eight quarters. (Figure 7).

M&A Deals by Sector

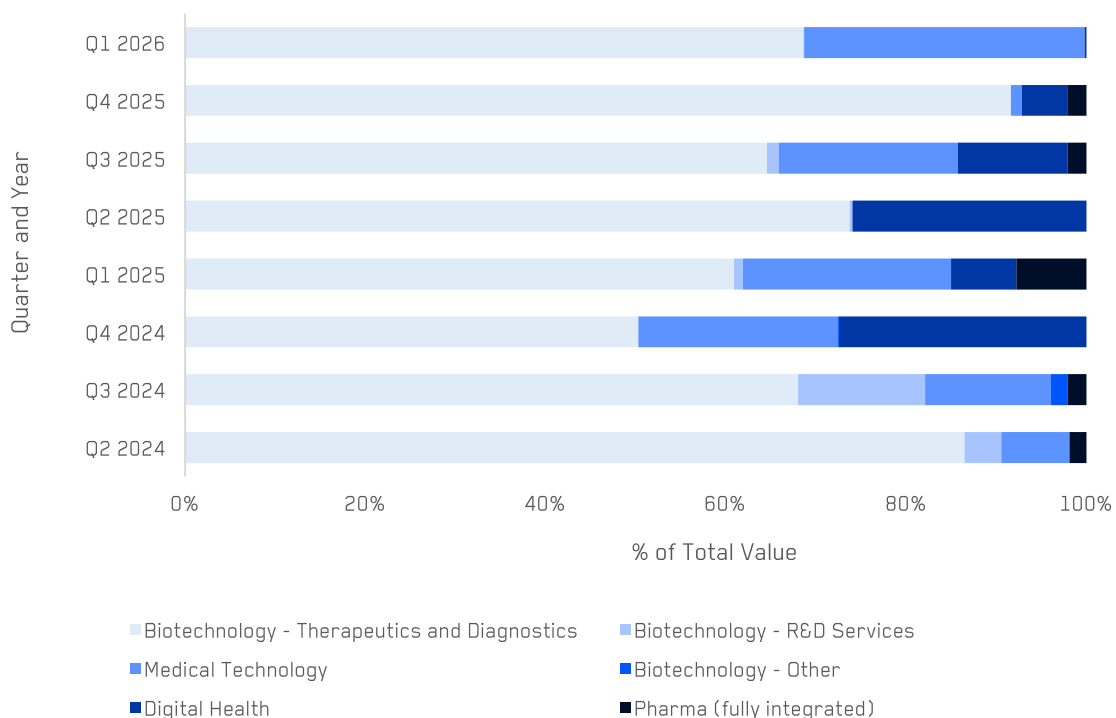


Figure 7. The chart presents the quarterly distribution of total M&A deal value by sector over the last 24 months.

Source: Biotechgate

GILEAD LEADS TARGETED ONCOLOGY AND IMMUNOLOGY ACQUISITIONS

The first quarter of 2026 marked a period of high-conviction pipeline building, with the five largest announced transactions reaching a combined value of USD 39.6 bn. While this total is down from the USD 52.7 bn peak seen in Q4 2025, it highlights a steady trend of major pharmaceutical players absorbing specialized biotech innovators to secure long-term growth. With the sole exception of the Boston Scientific/Penumbra medtech merger, these top-tier deals focused exclusively on pharma-biotech consolidations, with most expected to finalize by the end of the year (Table 3).

Gilead Sciences stood out as the quarter's most active strategic buyer, by acquiring Arcellx and Tubulis, taking full ownership of oncology assets previously developed under joint partnerships. Simultaneously, the company acquired Ouro Medicines, a move designed to pivot its T-cell engager expertise toward the treatment of chronic autoimmune diseases.

Target Company	Acquiring Company	Country (Target Company)	Expected Closing Date	Total Amount (bn USD)	Intersector
XXXXXXX	XXXXXXX	USA	H1 2026	14.5	Biotech - Therapeutics*/ Biotech - Therapeutics*
XXXXXXX	XXXXXXX	USA	Q2 2026	7.8	Biotech - Therapeutics*/ Pharma*
XXXXXXX	XXXXXXX	USA	H2 2026	6.7	Biotech - Therapeutics*/ Pharma*
XXXXXXX	XXXXXXX	USA	H2 2026	5.6	Biotech - Therapeutics* / Pharma*
XXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX

Biotech - Therapeutics*: Biotechnology - Therapeutics and Diagnostics. Pharma* = Pharma (fully integrated)

Table 3. The table shows the top five life science M&A deals that are expected to close in the coming months. Open deals from previous reports are not repeated in this table.

Source: Biotechgate.com

TOP 3 UPCOMING M&A DEALS

Boston Scientific to Acquire Penumbra for USD 14.5bn in H1 2026



Boston Scientific is set to acquire Penumbra in a USD 14.5bn transaction (USD 374 per common share), expected to close in 2026. Penumbra specializes in mechanical thrombectomy and neurovascular care, and this acquisition will bring the market-leading Lightning Bolt® and Lightning Flash® computer-assisted vacuum thrombectomy (CAVT™) systems into Boston Scientific's vascular and neurovascular portfolios. The transaction allows Boston Scientific to enter and lead new, fast-growing segments within the global vascular space. The deal reinforces Boston Scientific's strategic focus on high-growth medical technology, strengthening its leadership in interventional innovation and enhancing its capabilities in treating stroke, pulmonary embolism, and other complex vascular conditions.

[Source / Press release](#)

Gilead to Acquire Arcellx for up to USD 7.8bn



In a move to consolidate its leadership in oncology, Gilead Sciences has agreed to purchase Arcellx for up to USD 7.8bn. The transaction, valued at USD 115 per share plus a USD 5 contingent value right, is projected to close by the second quarter of 2026.

The acquisition brings the proprietary D-Domain CAR platform and the late-stage multiple myeloma therapy, anito-cel, entirely under Gilead's Kite portfolio. By removing previous profit-sharing and royalty hurdles, Gilead gains total oversight of a potential best-in-class BCMA-directed CAR T-cell therapy, reinforcing its ability to deliver transformative treatments for blood-based cancers.

[Source / Press release](#)

Merck to Acquire Terns for USD 6.7bn



Merck has reached a definitive agreement to purchase Terns Pharmaceuticals for an equity value of approximately USD 6.7bn, further diversifying its global oncology footprint. Expected to close in the second quarter of 2026, the all-cash deal is priced at USD 53 per share, representing a substantial premium for the clinical-stage biotech. At the centre of the transaction is TERN-701, a Phase 1/2 oral allosteric inhibitor targeting chronic myeloid leukemia (CML). By integrating this potential best-in-class candidate into its pipeline, Merck addresses a critical clinical need for therapies that offer deeper molecular responses for patients who have exhausted traditional treatments. The acquisition underscores Merck's strategic focus on high-impact hematology and provides the company with full control over a novel mechanism for treating blood-based cancers.

[Source / Press release](#)

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.



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