

LIFE SCIENCES M&A REPORT

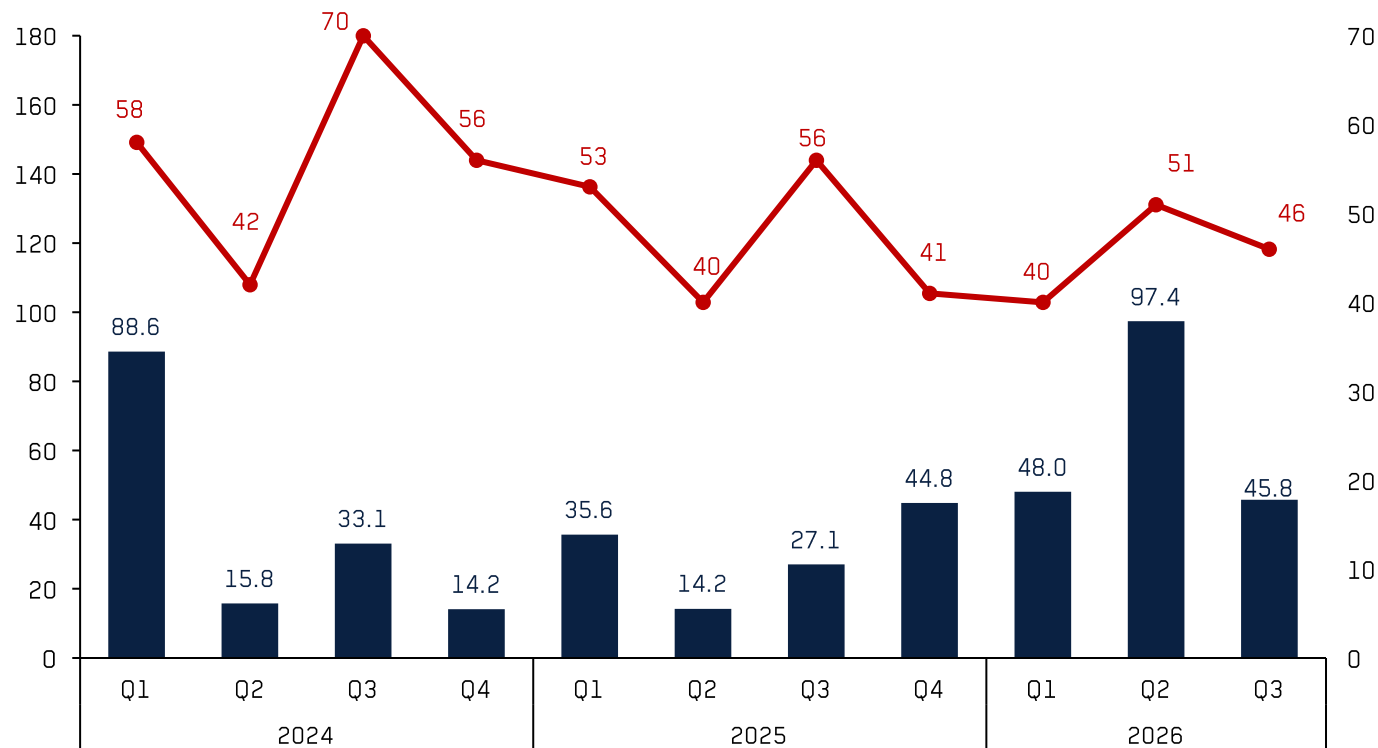
Q4 2026

- 1 Buyers are putting more money into fewer, larger M&A deals.** Q3 deal value fell from Q2's record, yet 2026 has already passed full-year 2024 and 2025. Deal counts barely moved, so the average deal roughly doubled, and mid-sized and USD 1bn+ transactions now crowd out small ones.
- 2 Acquirers pay more cash at signing, mostly for late-stage assets.** Median M&A upfronts have risen steadily since 2024, with spikes driven by a handful of multi-billion deals. The quarter's two largest closings, GSK–Nuvalent and Vertex–Crinetics, both bought approved or near-approval drugs.
- 3 Oncology, Therapeutics & Diagnostics and US targets dominate M&A.** Oncology has more than three times the M&A deals of the next indication since 2024, therapeutics and diagnostics took almost all Q3 activity, and US companies received nearly all Q3 deal value. Cross-border M&A deals regained the majority after a domestic first half.
- 4 Patent cliffs keep Big Pharma buying, and the pipeline is broadening.** Most large pharmas are acquiring, with Biogen a notable exception. Pending M&A deals lean towards devices and manufacturing, with private equity behind two of the five largest, while Lilly–AtaiBeckley opened a new psychedelics category.

Q3 deal value fell from Q2's record, yet 2026 already tops the past two years

Total Value, USD bn

of Deals

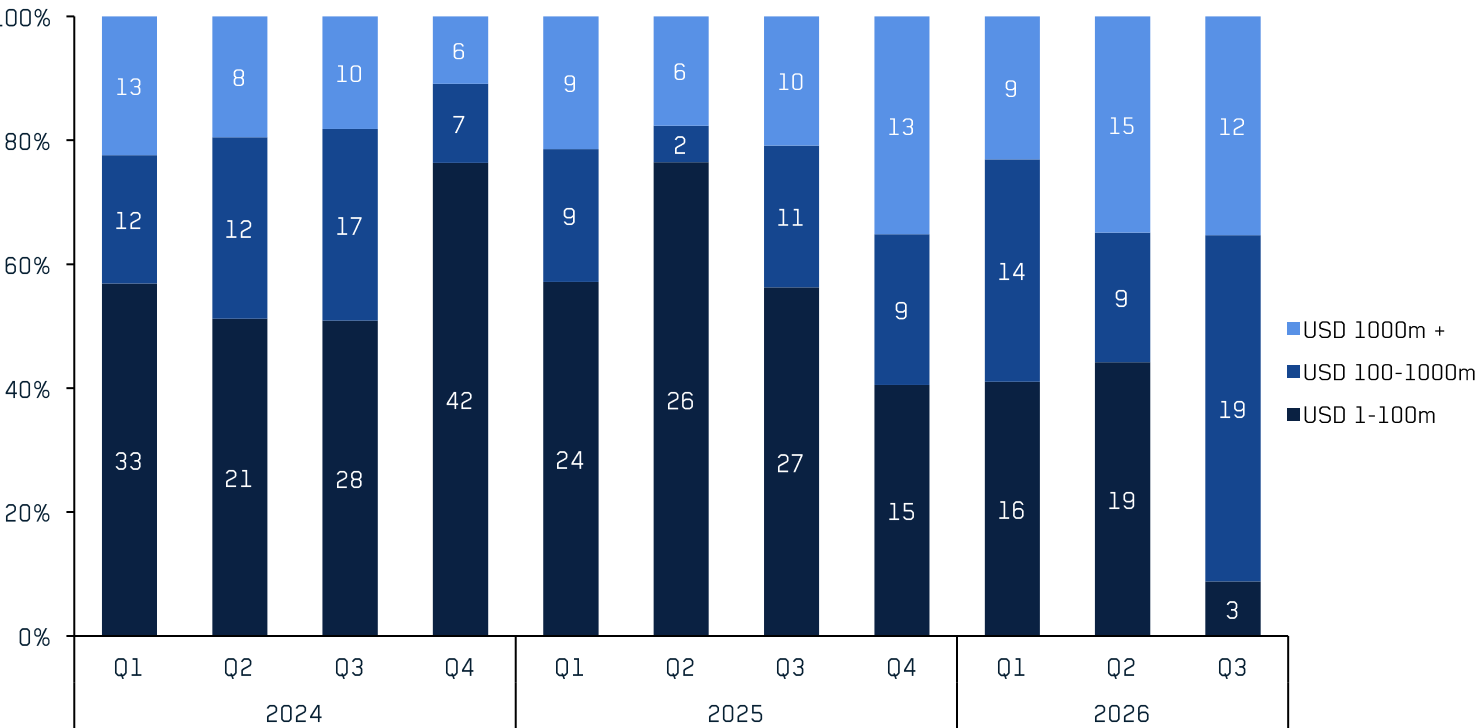


Comments

- Deal activity cooled in Q3 2026 after a record second quarter. Deal value reached USD 45.8bn, half of Q2's USD 97.4bn, but still around 70% above the same quarter last year.
- Deal count moved far less than value. The quarter saw 46 transactions against 56 a year earlier. The average deal roughly doubled in size to about USD 1bn. Buyers continue to favour fewer, larger acquisitions over a high volume of small ones.
- With one quarter left, 2026 has already reached USD 191bn in value, more than either 2024 or 2025.
- Q3 came in almost level with Q1, which might suggest Q2 was an outlier. Even so, a typical 2026 quarter of around USD 48bn is well above the 2025 average of about USD 30bn.

High value transactions continue to account for the majority of life science M&A

Proportion of deals

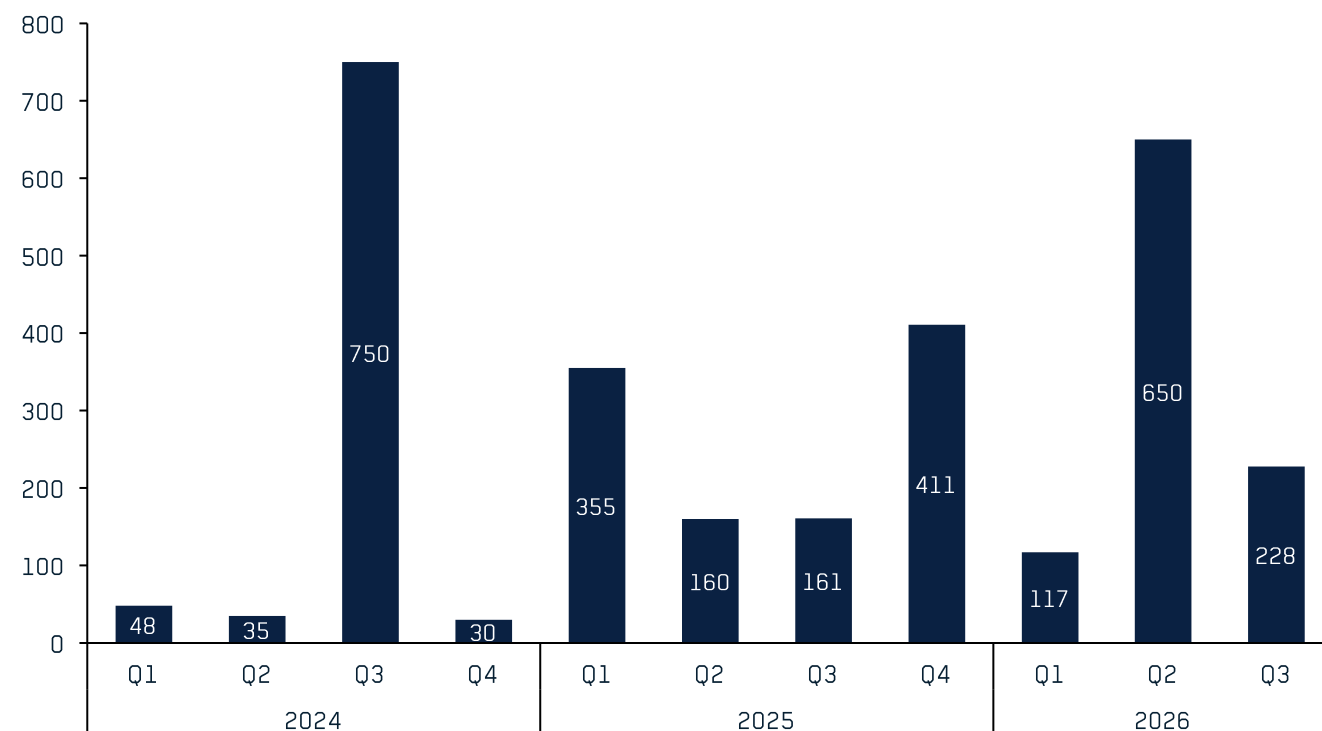


Comments

- Smaller deals of USD 1–100m dominated activity through 2024 and most of 2025. The segment peaked in Q4 2024 at 42 transactions, about three-quarters of disclosed deal flow that quarter.
- Small deals make up a third of disclosed transactions so far in 2026, and only 3 of 34 in Q3.
- Mid-sized deals of USD 100m–1bn drove the Q3 shift, with 19 transactions, the most of any quarter since 2024. Deals above USD 1bn held at 12, close to Q2's peak of 15.
- Together with the rising average deal size on the previous slide, this points to acquirers concentrating capital in fewer, higher-value assets.

Large deals drive the spikes, but typical upfronts have risen since 2024

Median Upfront, USD m



Comments

- The median upfront fell to USD 228m in Q3 2026, a third of the Q2 peak, but still double Q1 and 42% above Q3 2025.
- Upfronts have moved up since 2024, when three quarters sat below USD 50m. No quarter since 2025 has dropped below USD 100m.
- The median upfront jumped to USD 411m in Q4 2025 and USD 650m in Q2 2026, lifted by multi-billion USD upfronts: Roche-89bio and Sanofi-Vicebio in Q4, Lilly-Centessa and Gilead-Tubulis in Q2.

Oncology leads with 85 deals since 2024, more than 3x the runner-up

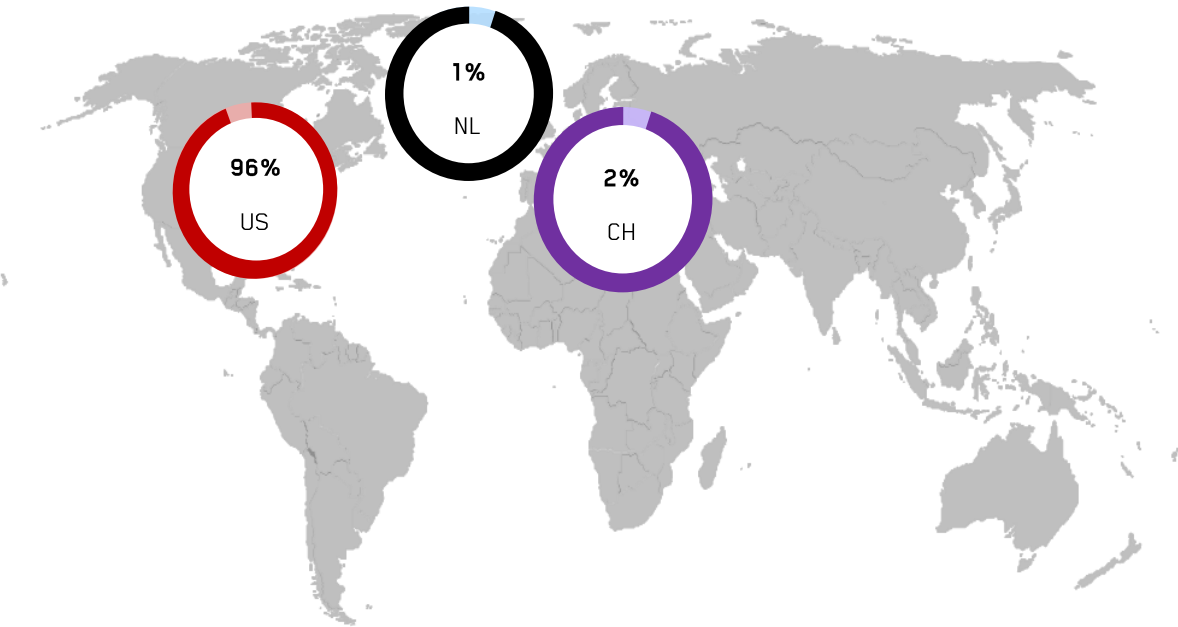
	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2026	Total
Oncology	13	6	4	5	9	10	5	8	5	11	9	85
Neurology	0	4	2	1	4	3	3	2	0	5	1	25
Endocrinology	4	1	4	1	2	1	1	1	4	1	3	23
Infectiology	3	0	3	0	1	0	2	3	2	2	2	18
Gastroenterology	3	2	1	0	2	0	3	2	0	1	2	16
Cardiology	0	1	1	1	1	0	2	1	2	2	4	15
Ophthalmology	0	1	3	2	2	0	4	2	0	0	1	15
Dermatology	2	2	1	1	0	0	0	1	1	1	1	10
Hematology	2	0	0	0	0	0	1	1	3	3	0	10
Orthopedics	0	0	0	0	2	0	1	0	3	0	1	7
Psychiatry	1	0	0	0	1	0	1	1	0	1	1	6
Urology	1	1	2	0	0	1	0	0	0	0	0	5
Toxicology	0	0	1	0	0	0	1	0	0	1	1	4
Pulmonology	0	0	0	0	0	0	1	1	1	0	1	4
Total	29	18	22	11	24	15	25	23	21	28	27	

Comments

- Oncology led again in Q3 with 9 of 27 deals, a third of the quarter, and has 25 deals so far in 2026 against 32 in all of 2025.
- Cardiology had its busiest quarter since 2024 with 4 deals, and endocrinology recovered to 3 deals from 1 in Q2.
- Neurology slowed to 1 deal after 5 in Q2, while infectious diseases held steady at 2 deals in each quarter of 2026.

US targets took 96% of Q3 2026 deal value, nearly double a year earlier

M&A deals by target company's origin



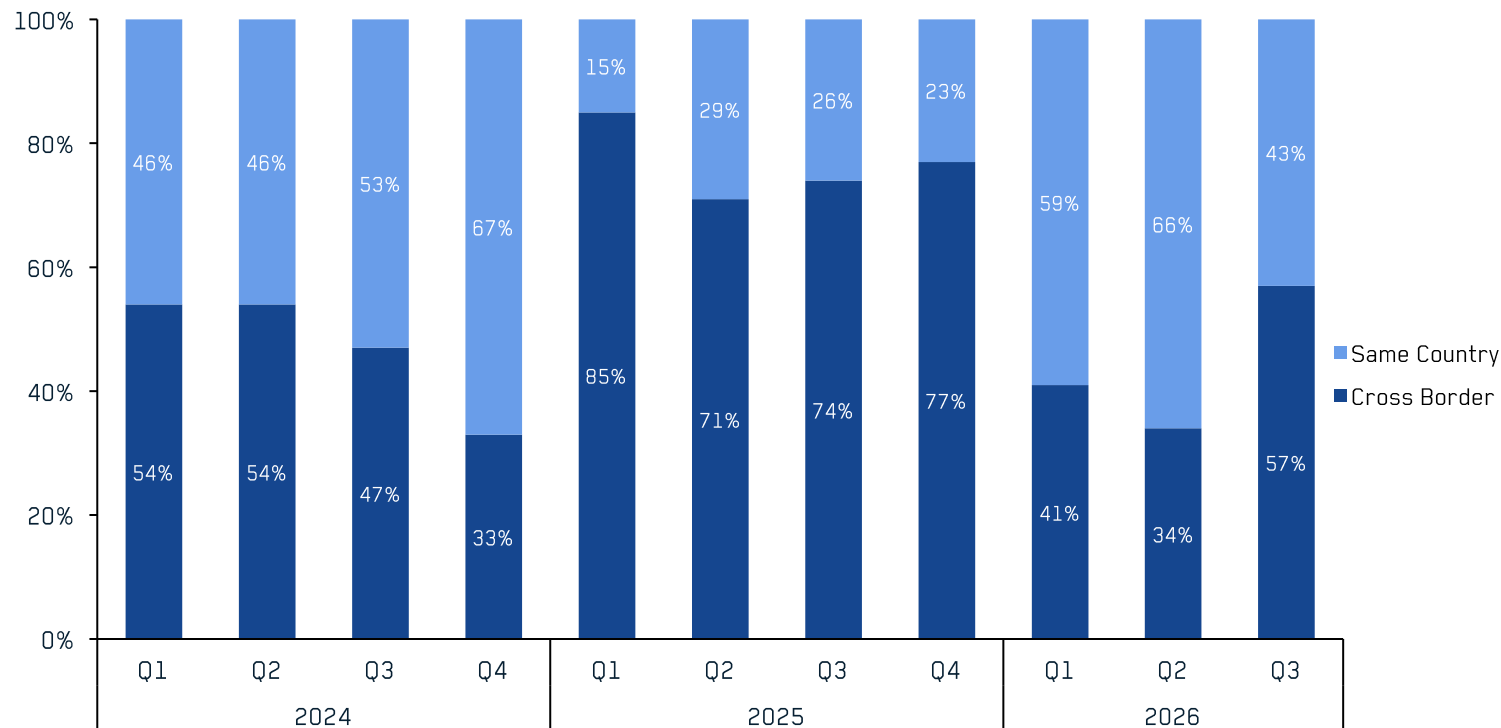
Q3 2024		Q3 2025		Q3 2026	
Target Country	Total Deal Value (bn USD)	Target Country	Total Deal Value (bn USD)	Target Country	Total Deal Value (bn USD)
USA	21.8	USA	24.1	USA	43.8
Sweden	4.9	UK	1.5	Switzerland	0.8
UK	3.0	Japan	1.1	Netherlands	0.5

Comments

- **US targets took 96% of Q3 2026 deal value:** USD 43.8bn of USD 45.8bn, nearly double a year earlier.
- **Switzerland followed at 2% and the Netherlands at 1% :** all other countries together took about 1.5%.
- **The runner-up market has shrunk every year:** from Sweden at USD 4.9bn in Q3 2024 to Switzerland at USD 0.8bn in Q3 2026.

Cross border deals take majority after domestic deals took the lead early in 2026

Proportion of deals

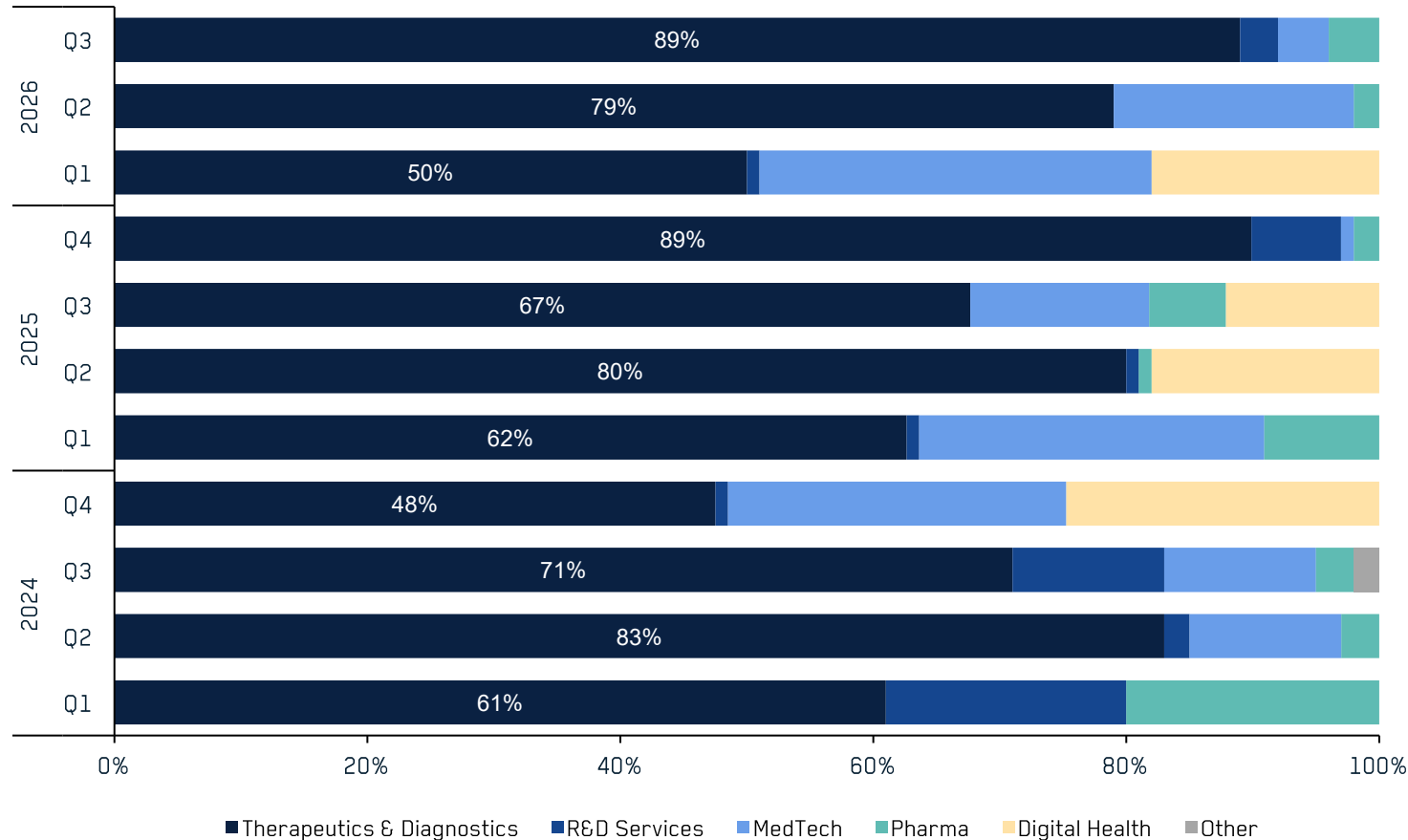


Comments

- Cross-border deals regained the majority in Q3 after domestic transactions led for the first half of the year.
- 2025 remains the outlier. Cross-border activity dominated every quarter that year, while 2026 so far looks closer to the even split seen in 2024.
- The split swings widely from one quarter to the next, so a handful of large transactions can tip the balance. This quarter's larger cross-border transactions included GSK–Nuvalent and Angelini–Catalyst.
- Buyers still look beyond their home markets for assets, but international dealmaking has not returned to its 2025 pace.

Biotech therapeutics continue to dominate the deal landscape

Proportion of deals



Comments

- Therapeutics and diagnostics took almost all of Q3 activity, matching its strongest quarter in the period. Drug pipelines remain the main target for acquirers.
- MedTech gained ground early in 2026 but faded in Q3. Its share tends to rise only in quarters where therapeutics slips, which points to occasional large device deals rather than a steady flow.
- Digital health appears in bursts and has been absent for two quarters. R&D services and pharma remain a small part of the market.

Three USD 10bn acquisitions of late-stage drugs lead Q3 2026 closed deals

Target	Target Country	Acquirer	Acquirer Country	Total Amount (bn USD)	Lead Stage	Indication	Press Release
XXXXXX	USA	XXXXXX	USA	XXXXXX	Phase II	Atopic dermatitis	XXXXXX
XXXXXX	USA	XXXXXX	United Kingdom	XXXXXX	FDA review	NSCLC	XXXXXX
XXXXXX	USA	XXXXXX	USA	XXXXXX	Marketed	Acromegaly	XXXXXX
XXXXXX	USA	XXXXXX	Italy	XXXXXX	Marketed	DMD	XXXXXX
XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX

Comments

- **GSK–Nuvalent:** GSK paid USD 124 per share in cash, about USD 9.4bn net of cash acquired, and closed on 15 July. The deal takes GSK into lung cancer with two ROS1 and ALK inhibitors: the FDA approved zidesamtinib in July and neladalkib is still under review.
- **Vertex–Crinetics:** Vertex paid USD 85 per share in cash, about USD 8.8bn net of cash, and closed on 1 September. It gains PALSONIFY, the first once-daily oral treatment for acromegaly, and a Phase 3 asset in congenital adrenal hyperplasia, together with around USD 5bn in peak sales potential.

Private equity backs two of the five largest pending deals

Target	Target Country	Acquirer	Acquirer Country	Expected Closing Date	Total Amount (bn USD)	Intersector
XXXXXX	USA	XXXXXX	USA	H1 2027	8.0	Biotech – Therapeutics / Pharma
XXXXXX	USA	XXXXXX	USA	Q4 2026	5.7	MedTech / Investor
XXXXXX	USA	XXXXXX	USA	Q4 2026	2.9	Biotech - Therapeutics / Pharma
XXXXXX	USA	XXXXXX	USA	Mid-2027	2.0	MedTech/Investor
XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX

Comments

- Most of the pipeline sits outside drug development: device manufacturing, orthopaedics and peptide production account for three of the five largest pending deals.
- Curium-Lantheus leads at up to USD 8bn, but USD 12 of the USD 114.50 per share depends on sales milestones; closing is expected in H1 2027.
- Three deals could close this quarter: KKR-Integer cleared US antitrust review early on 30 September, and Lilly-Merida and Samsung-PolyPeptide are also due.

Lilly's USD 3.8bn AtaiBeckley buyout is the largest psychedelics deal to date



Eli Lilly to buy psychedelics maker AtaiBeckley for \$2.8 billion as experimental treatments gain traction

The image shows the CNBC logo, which consists of the letters 'CNBC' in white, bold, sans-serif font, set against a dark blue rectangular background.

Comments

- **The Deal:** Lilly paid USD 2.8bn upfront (USD 6.75 per share, a 40% premium to the 30-day VWAP) plus up to USD 1bn in milestone CVRs. Closed 11 Sep 2026.
- **Lead Asset:** BPL-003 is a 5-MeO-DMT nasal spray in Phase 3 for treatment-resistant depression. Sessions last 1-2 hours, against up to 8 hours for psilocybin.
- **Precedent Deals:**
 - **AbbVie-Gilgamesh:** up to USD 1.2bn for bretisilocin in depression (Aug 2025)
 - **Otsuka-Transcend:** USD 700m for an MDMA analogue in PTSD (Mar 2026)
- **Who Could Benefit:**
 - **GH Research** develops the same 5-MeO-DMT class, and its shares rose 15% on the news.
 - **Compass Pathways** has COMP360 under rolling FDA review and targets a launch in H1 2027.
 - **Definium** is developing an LSD-based depression treatment and continues to report positive data.

Big Pharma is buying biotechs at a record pace while Biogen slows down M&A push

THE MARKET | FT, 21 Jul 2026

37

biotechs bought for USD 1bn+ in 2026, topping 2025's full-year record of 35

USD 139bn

revenue the largest biopharmas stand to lose to patent expiries through 2030

Drivers: patent cliffs, deep balance sheets, lighter FTC review, fear of missing out

BIOGEN | Fierce Biotech, 29 Jul 2026

"We have what we need to grow near term."

Chris Viehbacher, CEO, Q2 2026 earnings call

- **USD 15bn** spent on buyouts since 2023: Reata, HI-BIO, Apellis, RayThera
- **M&A becomes opportunistic;** any deals likely target assets between development and IND stage
- **Focus shifts to execution:** lupus data due by end-2026; kidney transplant and Dravet readouts in 2027

Comments

- **Biogen is the exception:** bankers say every large pharma is buying. Biogen is one of the few stepping back.
- **Away from the bidding wars:** buyers are paying up for late-stage, near-commercial assets (GSK–Nuvalent USD 10.6bn, AbbVie–Apogee USD 10.9bn). Early-stage targets draw fewer rival bids.
- **Pipeline now carries the story:** with few new deals planned, Biogen's growth case rests on its own clinical readouts.
- **More competition for assets:** mid-caps such as Servier and Ipsen have each struck two deals in 2026.

About this report



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With a dedicated focus on mergers and acquisitions in the life sciences space, Anthony Popescu serves as the Lead M&A Specialist at Venture Valuation. He holds a Doctor of Pharmacy (PharmD) and an MSc in Biotechnology & Pharmaceutical management. Anthony brings a strong background in Biotech Equity Research and has successfully overseen numerous valuation engagements in the Biotech Therapeutics, Medtech and Diagnostics fields.



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SUMMARY OF CLOSED DEALS Q3 2026

Target Company	Acquiring Company	Country (Target)	Lead Asset	Total Amount (m USD)
XXXXXX	XXXXXX	USA	Phase II	XXXXXX
XXXXXX	XXXXXX	USA	FDA review	XXXXXX
XXXXXX	XXXXXX	USA	On the market	XXXXXX
XXXXXX	XXXXXX	USA	On the market	XXXXXX
XXXXXX	XXXXXX	USA	Phase III	XXXXXX

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