



AN INDUSTRY IN TRANSITION

# Life Sciences Index 2026

CHAPTER TWO: BUSINESS MODES



# Business modes

Overall, revenue expectations are still positive – 92% of respondents predict some kind of business growth this financial year, compared to 95% in 2024 (**Figure 7**).

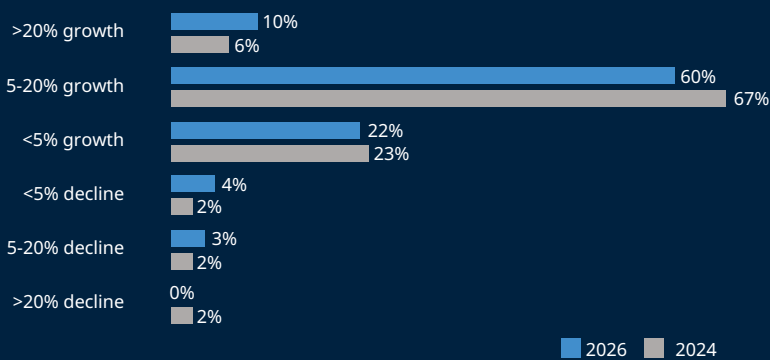
Expectations around the extent of revenue growth is very similar to our 2024 survey results, with some percentage-point differences. Most expect a 5-20% increase, though this is seven percentage points lower than in 2024.

The difference seems to be spread in both directions, with more respondents (4pp increase) expecting over 20% growth, and more expecting a revenue decline of less than 20% (3pp increase). This may reflect the winners and losers in the ongoing VUCA environment we’re experiencing. Business models, operational footprints and commercialisation strategies are more exposed, affecting top and bottom lines in different ways.

Life sciences innovators have a more targeted business mindset compared to 2024. When asked what mode their business function is in (**Figure 8**), 51% say they’re mostly in revenue growth and investment mode, while 20% say they’re mostly in cost-cutting mode.

Both modes are up eight percentage points on 2024, meaning businesses are much less focused on a mix of the two and making more concerted efforts in one direction: growth (top line) or efficiency and profitability (bottom line).

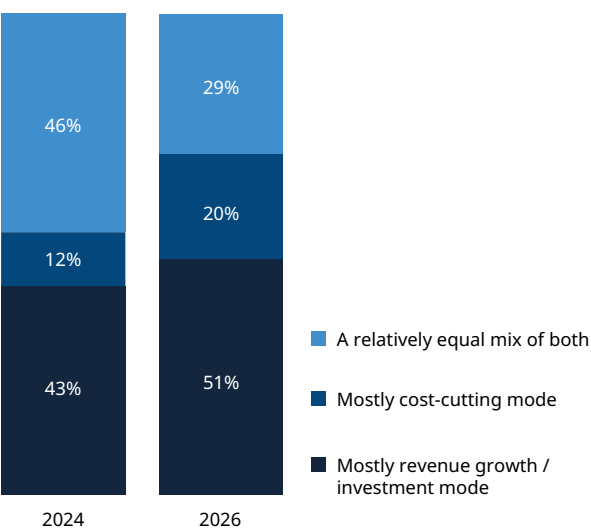
**Figure 7:** How much do you anticipate your business’ revenue to change this FY versus last FY?



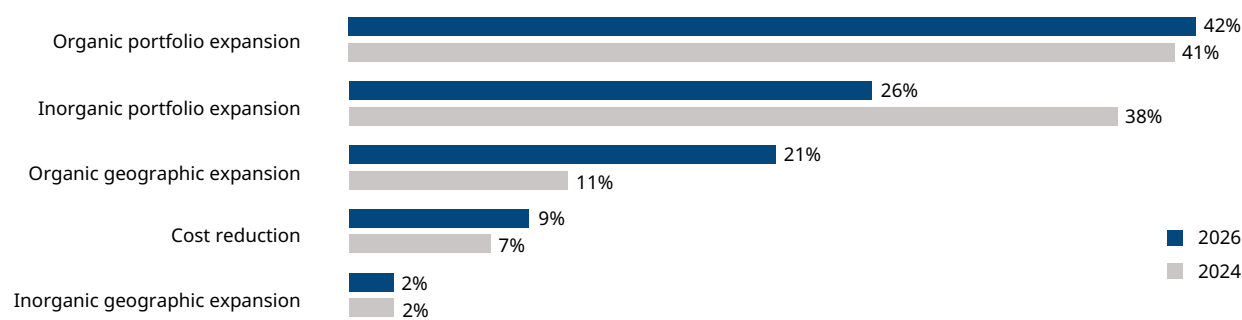
Organic portfolio expansion is still the most favoured path towards innovation and growth for life sciences businesses (**Figure 9**). While a quarter of respondents say doing so inorganically is the best path, this option has become less popular since 2024 (12pp decrease). More businesses instead prefer organic geographic expansion (10pp increase).

A greater emphasis on R&D productivity and pipeline optimisation – spurred on by intelligent technology – favours organic portfolio expansion. Meanwhile, heightened regulatory scrutiny and continued macroeconomic headwinds exacerbated by trade wars are affecting the cost and feasibility of cross-border deals, tempering enthusiasm for inorganic portfolio expansion.

**Figure 8:** What mode is your business function in?



**Figure 9:** What does your business currently consider to be the biggest path towards innovation and growth in the near term (ie within the next year)?





There's strong demand for de-risked, high-quality late-stage assets, causing valuations to rise and making deals more expensive and competitive. For early-stage and pre-commercial assets, valuation gaps between buyers and sellers are still a challenge. Some businesses are pausing dealmaking efforts, delaying certain deals as they seek to safeguard their position, or abandoning them altogether as they wait to see how the landscape evolves before committing.

**Tom Heylen**, our Co-Head of International Life Sciences M&A, says "this is reflected in DLA Piper's latest [Life Sciences M&A Supplement](#), where we've seen an overall reduction in appetite for M&A. The mid-market is showing greater resilience than larger deals but in all cases we're seeing a more cautious approach to M&A with more time spent diligencing targets and structuring transactions to reduce risk."

The name of the game is increasingly one of discipline. Innovators that combine this with strong integration capabilities are expected to outperform their peers.

Despite this backdrop, pipelines still need to be filled with promising innovations to protect long-term growth. And businesses need a mix of organic and inorganic approaches.

Inorganic growth can accelerate entry into high-growth therapeutic areas and provide instant access to novel technologies and platforms, such as antibody-drug conjugates (ADCs) and radioligand

therapies (RLTs) in the field of precision oncology. Indeed, our survey respondents think dealmaking is the top driver of innovation and growth.

What makes organic geographic expansion a more viable path to growth than in 2024? Trade uncertainty has forced many businesses to diversify their geographic footprint away from countries facing unfavourable tariffs to improve their operational resilience.

Governments are competing to become global life sciences leaders and world-class innovation hubs. They're offering innovators a range of incentives to invest in R&D and manufacturing activities on their soil. And maturing healthcare markets around the world are generating increased demand for innovation, making an operational or commercial presence in those markets more viable and valuable.

Finally, cutting-edge innovations like cell and gene therapies and RLTs need to get to patients as quickly as possible, forcing innovators to expand their geographical footprints from a manufacturing perspective.

### Key contacts



**Marco de Morpurgo**  
Global Co-Chair,  
Life Sciences  
marco.demorpurgo@dlapiper.com



**Emilio Ragosa**  
Global Co-chair,  
Life Sciences  
emilio.ragosa@us.dlapiper.com



**Dr Lyndsey Hudson**  
Head of Strategic Delivery,  
Life Sciences  
Author of Life Sciences Index 2026  
lyndsey.hudson@dlapiper.com

### Contributors

Thank you to our clients and the following members of our DLA Piper Life Sciences sector team for contributing to this report:



**Tom Heylen**  
Co-Head of International  
Life Sciences M&A



**Christopher Campbell**  
Co-Chair, US Product Liability,  
Mass Torts and Class Actions  
Litigation Group

*"We're putting an end to the hierarchical model and putting more power in the hands of the innovators and creators at Bayer. We call it Dynamic Shared Ownership. We redesigned Bayer around our mission: Health for all, Hunger for none. That began with an overhaul of our operating model: to deliver faster innovation for the farmers, patients and consumers who depend on #TeamBayer."*

**Dr. Edda Dolzer**  
Senior Litigation Counsel, Bayer AG

## About us

---

Our award winning lawyers combine subject matter expertise with deep sector knowledge to support all your legal needs. We provide comprehensive advice and representation across the full product lifecycle, including regulatory and strategic advice, corporate and commercial transactions, and disputes.

Our clients span the full life sciences ecosystem, from the largest pharmaceutical and medtech innovators, biotech and healthtech trailblazers, suppliers and distributors, to contract research organisations, diagnostic companies, care providers, investors and payers.

Working across more than 40 jurisdictions and always exposed to the latest innovations – including mRNA vaccines, cell and gene therapies and cutting-edge healthtech – our global team can help you succeed.

[dlapiper.com](https://dlapiper.com)