

AN INDUSTRY IN TRANSITION

Life Sciences Index 2026

EXECUTIVE SUMMARY

Introduction and key findings

Welcome to the second edition of the Life Sciences Index, which tracks perceptions of innovation and growth in the life sciences industry. The 2026 Index offers a first glimpse into how perceptions of the world's largest biopharma and medtech companies are changing over time.

The Index delves into the drivers of – and barriers to – innovation and growth, and the attractiveness of life sciences markets around the world. Given the trade turbulence we experienced in 2025, we explore how this is impacting operational resilience. We also track four themes – dealmaking, sustainability, intelligent technology and the future of care delivery.

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The Life Sciences Index 2026 reveals an industry navigating complexity with sharper strategies and bold technological aspirations. It's an industry in transition. Companies are having to harness scientific and technological innovation while adapting to new care models. Compliance, collaboration and agility are crucial.

Methodology and respondent profile

We surveyed 202 senior people from the world's largest biopharma (53%) and medtech (47%) innovator companies, according to FY23 annual revenues. We used revenue thresholds to ensure we sampled from the top 150 biopharma and top 150 medtech companies globally.

See the Appendix for more on sampling, methodology and respondent profiles.

Key findings



Life sciences sector attractiveness dips, but outlook is still positive – China chasing the US and Middle East gaining.

The 2026 Life Sciences Index score is 71%, down 5% since 2024. This shows the sector environment is still "somewhat attractive" for incentivising innovation and growth, but positive sentiment has declined. The most attractive market is still the US, but it's down 7% and China has closed the gap since 2024. The EU, Japan and Switzerland complete the top five. The Middle East is the biggest mover since 2024, increasing by 8%.



Innovator confidence is unshakable – 92% expect revenues to grow. Most respondents (60%) expect 5-20% growth, though this is down seven percentage points from 2024. Business functions are in a more growth-focused mindset versus 2024, with much less cost-cutting. The best way to innovate and grow is still considered to be via organic portfolio expansion; doing so inorganically is less favourable than in 2024, while there's increased focus on expanding geographic reach organically.



Dealmaking dominates as the biggest driver of innovation and growth. Pricing and reimbursement processes are still having a big impact, but they're currently considered more of a barrier. The geopolitical and trade environment is the biggest mover versus 2024 and a top barrier behind pricing and reimbursement processes. Respondents also say AI is driving innovation and growth.



But dealmaking sentiment has dropped since 2024. Nearly half of respondents (43%) expect dealmaking activity to increase over the next 12 months. But geopolitical and macroeconomic uncertainty is more of a concern than two years ago. Strategic partnerships for R&D purposes are the top priority deal type for business growth. Tuck-ins, bolt-ons and early stage/venture investments are more strategically important in 2026 than in-licensing. And asset/platform/division acquisitions have dropped down the list of priorities since 2024.



Tariff pressures are pushing businesses to invest in R&D and manufacturing operations. 47% of respondents are planning to invest and 37% are in watch-and-wait mode. But 78% of respondents think the effect on innovation and growth strategies is at least moderate.



ESG falls down the list of priorities. Only 9% of respondents see ESG as a strategic priority, down from 13% in 2024. The relative importance of each ESG pillar has changed completely since 2024: governance is now the top priority, followed by environmental then social elements. In 2024, social was most important and environmental was the least. Boards are increasingly ESG-ready – the percentage of respondents getting external ESG advice has halved since 2024.



Intelligent technology moves up the agenda. 48% of respondents say their business has integrated AI at a basic level but want to integrate it further, and 36% are at an advanced stage of AI integration. A clear strategy and planning are the critical success factors for AI adoption. The biggest barriers are a lack of appropriate IT infrastructure, regulations and a lack of skilled personnel.



AI adoption is accelerating across business functions. Life sciences businesses are using AI in operations and business support much more than two years ago. Patient screening and diagnosis is the top market opportunity and it seems to be growing in care delivery. But it's decreased in the health and wellness tracking space.



Decentralised, patient-centric care will surge in the next ten years. 78% of respondents think out-of-hospital care will increase significantly and businesses are better prepared to capture this opportunity than they were in 2024. Innovators still have a key role to play in delivering care throughout the patient journey.

Appendix

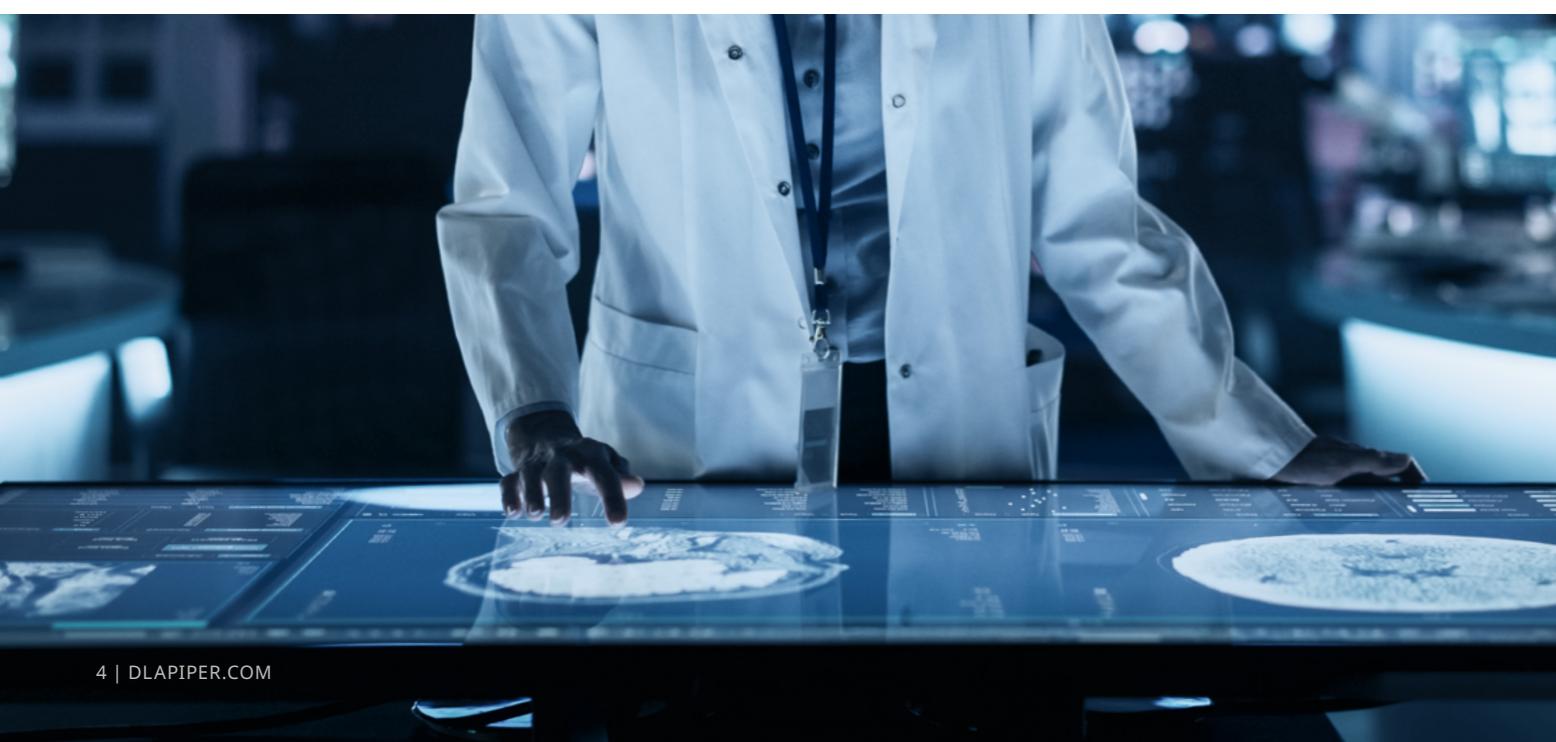
Sample and methodology

In mid-2025 DLA Piper instructed NewtonX to survey 200 senior respondents from approximately the top 150 innovative biopharma companies (annual revenue >USD400m) and top 150 innovative medtech companies (annual revenue >USD80m), according to global fiscal year 2023 revenues (data source: S&P Capital IQ Pro).

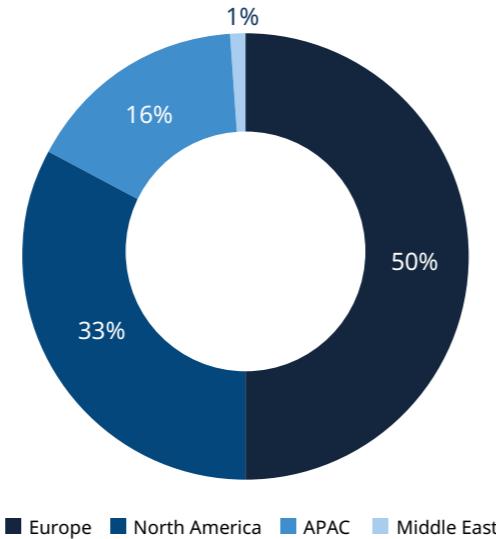
Respondents working for generics or biosimilars businesses, or businesses where the majority of manufactured goods are generics or biosimilars, were excluded. Also excluded were domestic businesses, and innovators with FY23 revenues below the thresholds.

The online survey comprised 24 quantitative questions with options for additional comments. NewtonX recruited respondents, programmed the survey and collated the results. DLA Piper designed the survey and analysed the results. All responses were anonymised and presented in aggregate. For all questions, N=202 unless otherwise specified.

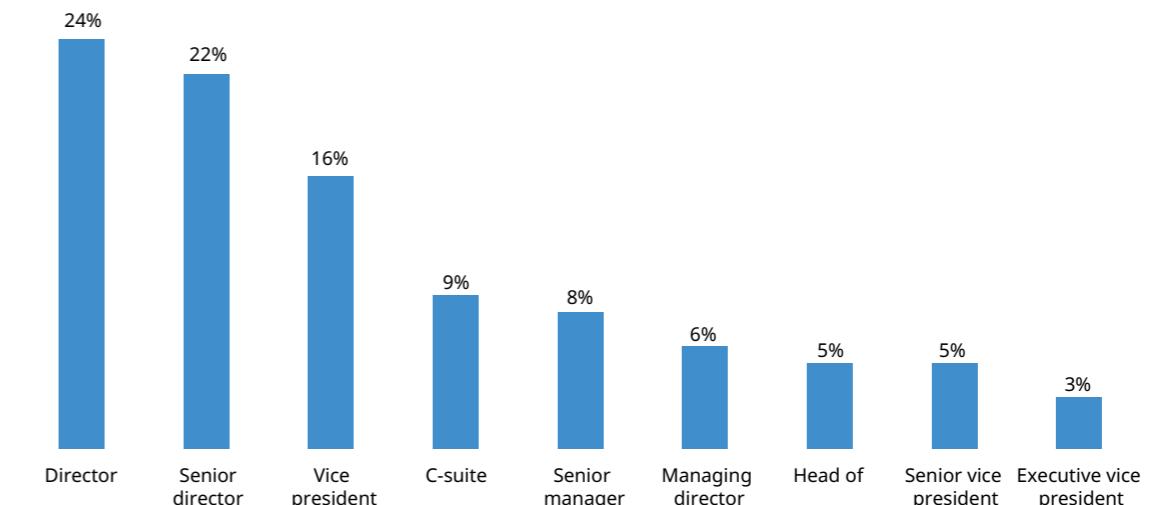
Of the 202 respondents, 53% worked for biopharma companies and 47% for medtech companies. Half of respondents were based in Europe, and 33% in North America. No respondents were based in Latin America or Africa. Seventy percent of respondents held roles with a global remit, 23% with a regional remit and 7% with a local remit. Please see figures for additional detail on respondents' profiles.



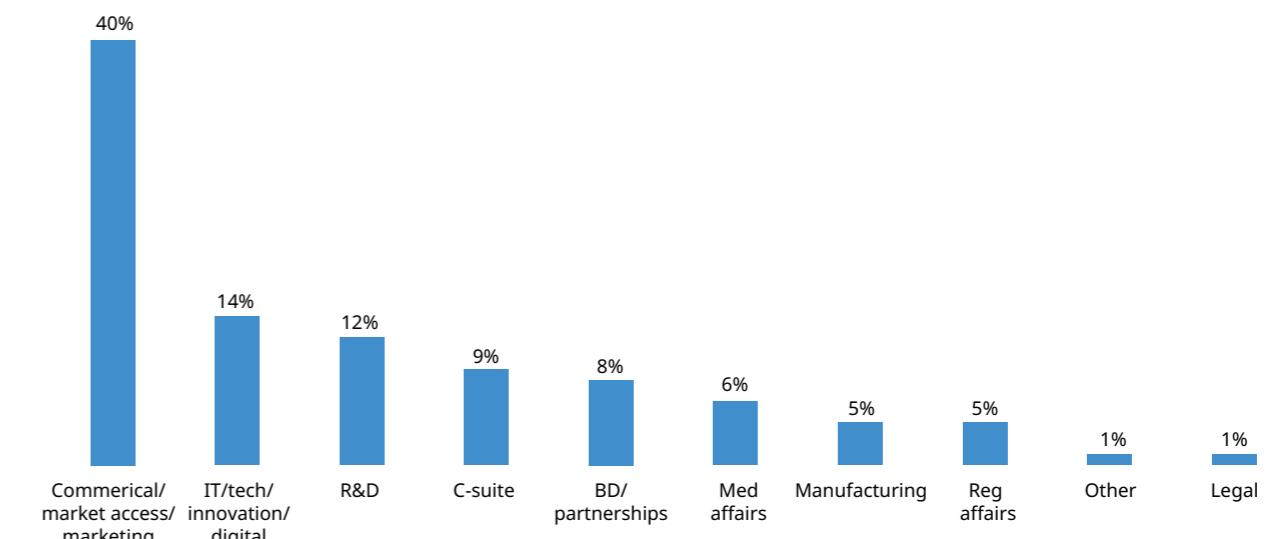
Location of respondents



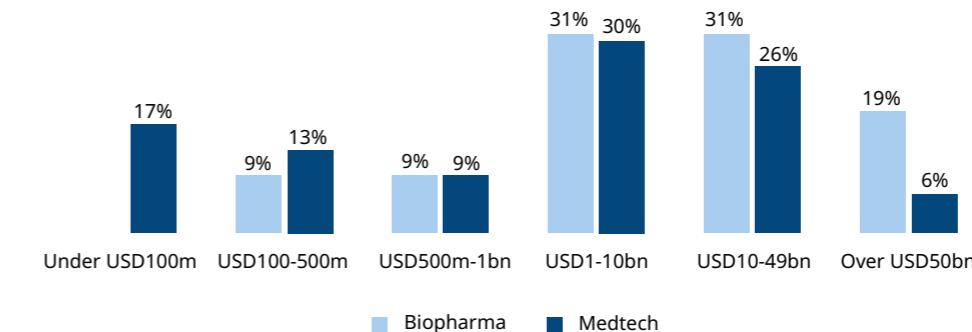
Role of respondents



Business function that respondents work in



Annual revenues of respondents' businesses



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.

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