Evaluate
a norstella company

HIGHLIGHTS
from BIO International 2025

Over 20,000 biopharma industry professionals converged in Boston at BIO International for four days of networking, learning and dealmaking.
What did we learn?

KEY TAKEAWAYS IN NUMBERS

39% of listed biotechs have a cash runway **of less than 12 months** (EY Biotech Beyond Borders report).

40% of licensing deals are expected to involve a Chinese company in 2025 – **up from 3% just five years ago.**

Worldwide pharma R&D spend is set to reach **$343bn in 2030**

$300bn patent cliff will drive dealmaking.

BIO BUZZWORDS 2025

- Optionality
- Uncertainty
- Nuclear Winter
- Discipline
- Tariffs
- Creative dealmaking
- Scenario planning

A CONSTRUCTIVE DEALMAKING LANDSCAPE

- Panelists expect M&A to come back in H2 2025 – in part driven by $300bn in at-risk revenue from loss of exclusivity – but IPOs won't return until at least next year.
- Uncertainty is not changing dealmaking strategy: focus and discipline are key to all M&A and licensing decisions.
- M&A is always on the table for Big Pharma but there is a limit to how much they can ingest at once. Creative deal structures rule.

> **"Dealmaking is a team sport."**
> – Flagship Pioneering

INVESTMENT NEEDS GREAT FUNDAMENTALS

- Investors need to see great science and great teams. Historically, many successful companies have grown out of tough times.
- Generalist investors left the market after the Covid "sugar high" passed – but the market needs some of them back to drive growth and fuel the ecosystem.
- VCs need to get better at communicating realistic timeframes of 10-13 years to realize value. Some investors got spoilt in the good times.

> **"Capital markets are very discerning at the moment, there are fewer, bigger rounds... There are over 700 listed biotechs in the US at the moment – it's too many."**
> – Oppenheimer & Co.

BIOTECHS MUST COMMUNICATE VALUE

- There are two critical factors in striking deals with Big Pharma; **relationships** and **data**. Biotechs need to know what Big Pharma wants from them, understand their risk profile and tell a story using data.
- Too much wishful thinking makes investors skeptical. Biotech CEOs need to overcome this **informational asymmetry** – speak to investors, find out what they want and set out to achieve it.
- Biotechs need to be clear about their **competitive landscape** and **true market size**. Investors know the peer groups and need to understand the risks and opportunities.

> **"Don't come to Big Pharma when you're ready to do a deal – come earlier and build a relationship."**
> – Pfizer

CHINA: MORE OPPORTUNITY THAN THREAT

- The rise of China's biotech industry is a huge upheaval to the global status quo but there was **not consensus on whether there is true innovation** coming from China yet.
- The speed and efficiency of conducting trials in China mean that US companies should consider running **Phase 1 trials in China** to stay ahead of the game.
- Data validation has improved so there is more trust. Patient access, trial structure, and regulatory hurdles are now all highly efficient.

> **"US primacy is under threat for the first time."**
> – Ikigai BioVentures

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