Deloitte.

Together makes progress

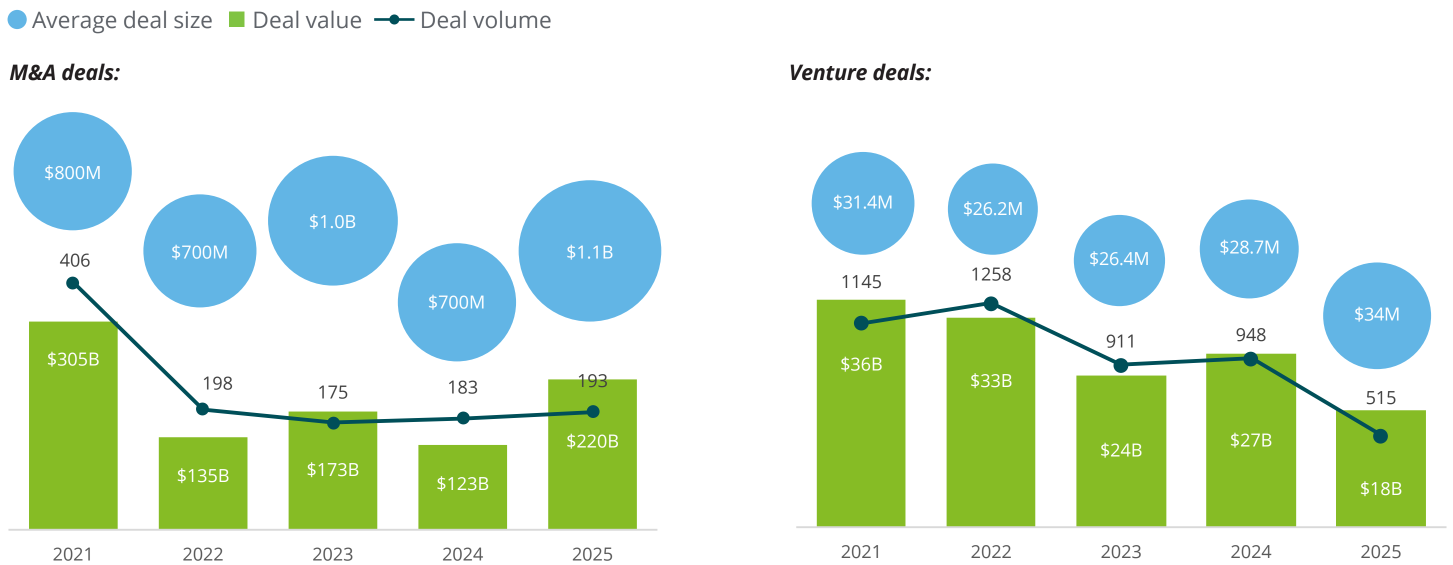
Life sciences mergers and acquisitions 2025 trends and the 2026 horizon

Weathering uncertainty: Life sciences M&A rebuilds its footing

Life sciences mergers and acquisitions (M&A) deal flow in 2025 experienced a dynamic shift between the first and second half of the year.

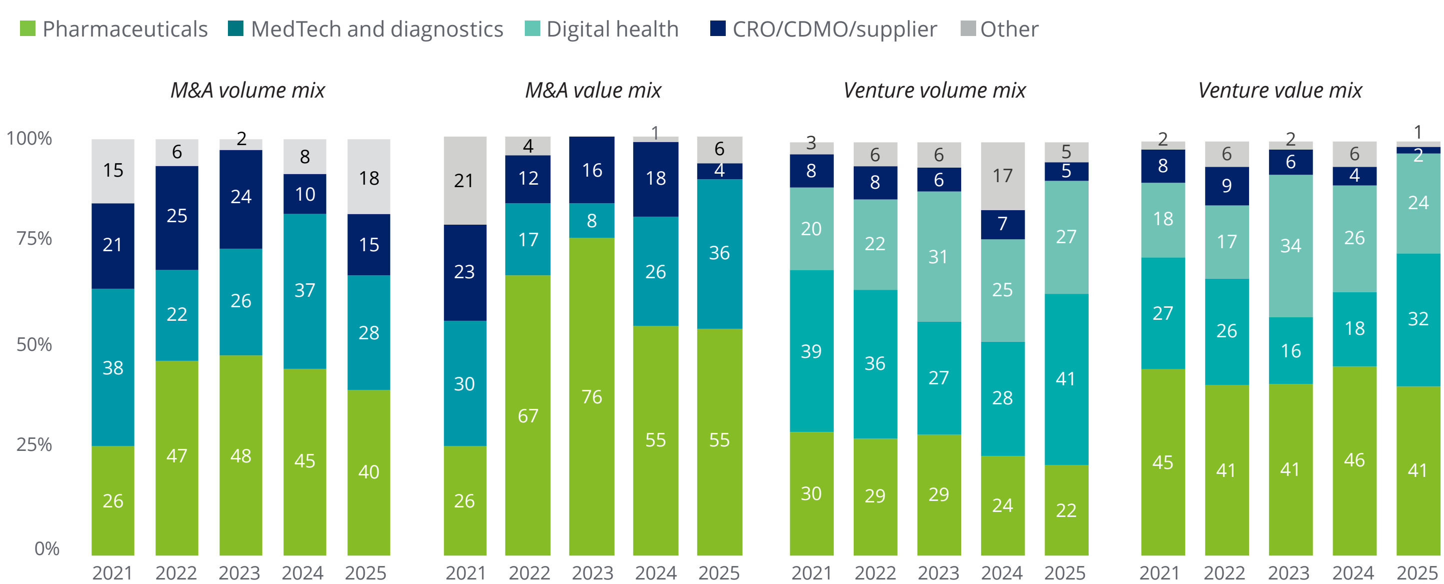
Limited dealmaking, driven by market uncertainty at the beginning of the year, was followed by a robust rebound in activity in late 2025. By the end of November, 193 transactions totaling $220 billion had taken place, surpassing 2024's total deal value (figure 1).

Figure 1. M&A and venture activity in life sciences (2021–2025)



Pharma led the charge, accounting for more than half of the year's deal value as companies pursued larger, more strategic transactions (figure 2). With the average deal size rising by $450 million year over year, a 70% increase over 2024, we observed a shift to derisked assets and deal activity in highly competitive disease areas (e.g., metabolic dysfunction-associated steatohepatitis or MASH) to drive the next phase of innovation and growth in life sciences.

Figure 2. M&A and venture activity in life sciences by subsector (2021–2025)



Note: Percentages may not total 100 due to rounding.
Source: Deloitte analysis of CapIQ and Crunchbase data on November 30, 2025.

The sluggish start to 2025 dealmaking was driven by lingering global economic turbulence, persistent inflation, and an unclear regulatory environment, which slowed both M&A and venture activity (figure 2). The combination of factors raised both cost and complexity, causing investors to be highly selective and more risk averse. However, as the year progressed, life sciences M&A showed renewed momentum with buyers looking at external innovation opportunities to replenish pipelines and reposition portfolio priorities. This late-year improvement suggests that the market is rebuilding its footing and points to a cautiously optimistic outlook for 2026, as investors continue stepping off the sidelines in search of derisked, growth-oriented opportunities and AI enabled assets.

Other signals revealed themselves during 2025, shaping deal activity:

1. A shift toward acquisitions of single or smaller portfolios of clinical assets, which are subsequently tucked into existing portfolios.

2. An uptick in MedTech and surge in diagnostics dealmaking, driving greater deal volume and value in 2025. A notable amount of diagnostic activity occurred as sellers divested noncore assets.

3. Lesser dealmaking in the CRO/CDMO subsector, which stalled in 2025, with deal value retrenching by more than 70% compared to 2024.

Figure 3. M&A deal characteristics in life sciences by buyer groups (2025)

Total deal value <$1B | Total deal value $1B–$5B | Total deal value >$5B

	Small/mid cap	Large/mega cap	Private equity	Private strategic
Pharmaceuticals	Novel therapeutics, gene therapies, and delivery systems focused on oncology and autoimmune conditions.	Precision medicine and specialty treatments for complex diseases—oncology, neuroscience, cardiovascular, and genetics.	Platforms targeting rare, infectious, or specialty diseases; focus on global commercialization and operational growth.	Therapies for neurological, cardiovascular, respiratory, women's health, and pain conditions—emphasizing portfolio growth and global reach.
MedTech and diagnostics	AI-driven solutions for patient monitoring, disease detection, and clinical support.	Advanced devices, imaging, and robotics, focused on diagnostics, surgery, and chronic care.	Advanced diagnostics, devices, and digital health; emphasis on imaging, minimally invasive technology, and home care.	Acquiring innovative devices and therapies—digital health, oncology, and chronic care—to service global hospitals and clinics.
CRO/CDMO/ supplier	Providing raw materials, bioservices, and equipment to support research, clinical, and therapeutic markets.	Operating in pharma manufacturing, drug discovery, and analytics—leveraging tech for life sciences and health care.	Building scale in biotech, pharma, clinical research, and analytics; focusing on development, trials, and consulting.	Acquiring biotechnology, pharma, and clinical research assets—often as subsidiaries—to drive drug development, delivery, and innovation.

Source: Deloitte analysis of CapIQ and Crunchbase data on November 30, 2025.

Before diving further into 2025's trends, we present our annual outlook for 2026 in an industry with innovation that is more geographically and technologically dispersed than ever.

Outlook for 2026

PHARMA CONTINUES TO EXPAND ON DEALMAKING BEYOND ONCOLOGY

Roughly one-third of all pharma M&A activity remains oncology-related. This level has been consistent since 2021. and we expect interest in oncology assets to continue, supported by advances in AI-driven innovation. Yet 2025 brought a clear rise in dealmaking in high-growth therapeutic areas like cardiology, metabolic, and neuroscience. Recent high-value acquisitions in cardiology and metabolic liver disease underscore a continuing trend of significant investments in therapeutic areas beyond oncology.

Impacted sector: Pharma

GLOBAL BIOPHARMA EXPANSION VIA LOCAL INNOVATION CHAMPIONS

While US-based targets continue to dominate, many clients are increasingly sourcing innovation outside the US, particularly in Japan, China, and Europe. Public-sector R&D incentives and biotech hubs are producing high-value assets in immunology, metabolic disease, and advanced biologics. Pharma players will acquire or co-develop with these local champions to secure differentiated technology and accelerate time-to-market.

Impacted sectors: Pharma, MedTech

TUCK-IN AND BOLT-ON DEALMAKING TAKES PRECEDENCE

As life sciences companies balance pipeline needs with capital discipline, M&A in 2026 will prioritize targeted transactions. Strategic tuck-in and bolt-on acquisitions will continue to be a preferred approach, offering faster integration, more transparent returns on investment, and reduced execution risk. We anticipate a rise in these types of acquisitions and asset deals to rapidly advance portfolio objectives. Furthermore, interest in AI-driven R&D capabilities will significantly influence strategic tuck-in and bolt-on acquisitions across all sectors.

Impacted sectors: All

PRIVATE EQUITY ACCELERATES BUY-SIDE ACTIVITY, CAPITALIZING ON STRATEGIC MEDTECH AND PHARMA DIVESTMENTS

Pharma's ongoing focus on portfolio simplification and manufacturing efficiency is creating a pipeline of divestment opportunities—ranging from legacy product portfolios to underutilized production assets. Asset categories likely to draw private equity investor attention include mature brands, CDMO/active pharmaceutical ingredients (API) units, and specialty product portfolios that no longer fit R&D priorities. We anticipate that this already prevalent trend in MedTech will be replicated across other segments.

Impacted sectors: Pharma, MedTech, CDMOs

DATA-DRIVEN CONSOLIDATION ACROSS DIAGNOSTICS

Diagnostics companies are converging around data, technology, and clinical activity. Companies are improving diagnostic accuracy and workflow efficiency, driving acquisitions that combine laboratory infrastructure with software and assay capabilities for commercial expansion. This collaborative approach between clinical labs and health data platforms is reshaping the landscape, allowing AI-driven platforms to expand access and improve disease detection outcomes.

Impacted sector: Diagnostics

Detailed trends analysis

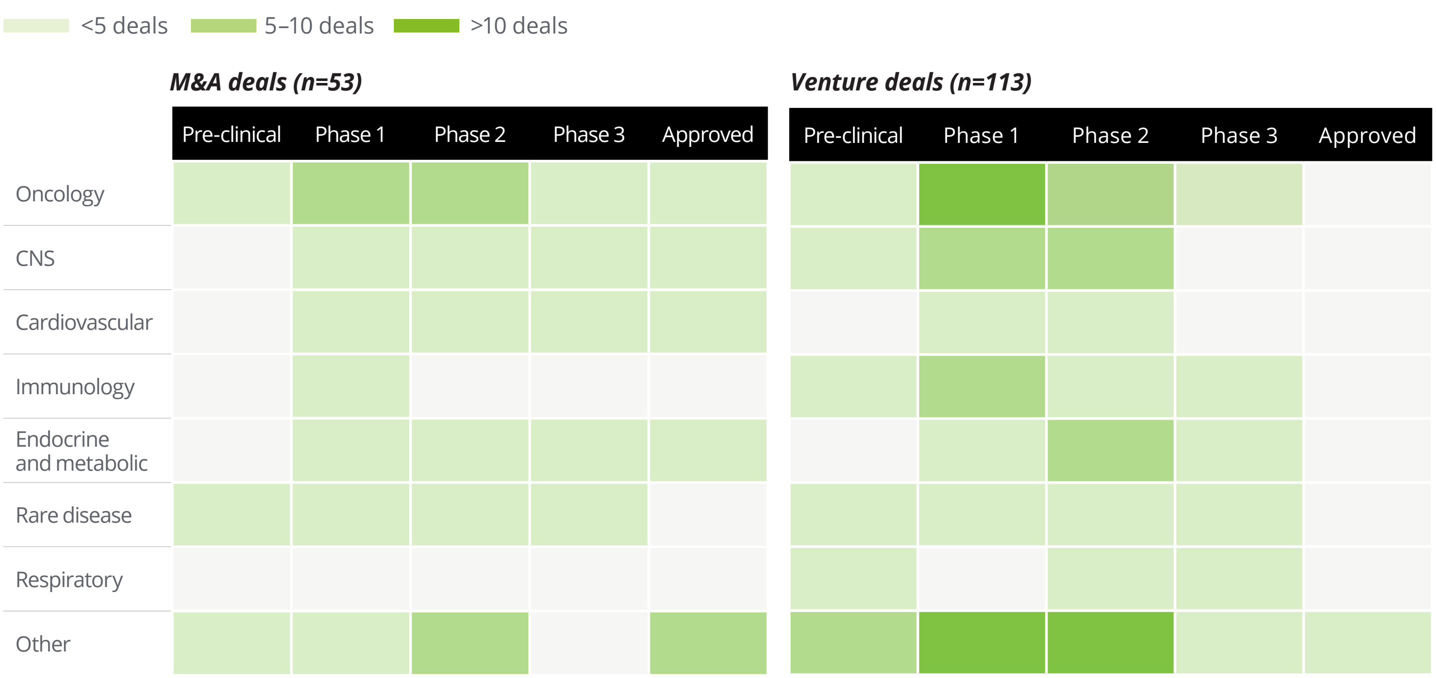
Venture value and volume

Life sciences venture deal activity declined in 2025, with completed deals down more than 30% from 2024 and total value at $18 billion through October. Pharma saw the largest drop, decreasing by $6 billion from 2024. This downturn reflects a shift toward greater capital discipline, as investors responded to volatile markets and tighter monetary policy. Over 60% of the deal value went to Series A-C funding, and 80% supported companies with lead assets in Phase 1 and Phase 2 clinical trials. Investors moved away from early-phase and transformative assets focusing instead on technologies with strong clinical evidence and clear commercialization paths. MedTech stood out, attracting nearly $5 billion in new capital and remaining the only sector to see venture capital growth in 2025.

Pharma

Pharma dealmaking focused on balancing established therapies with emerging innovations. Oncology remained the top investment area, accounting for 30% of the $120 billion in deals, with buyers pursuing advanced immune cell therapies, multi-specific antibody platforms, and radioligand technologies. Activity also increased in neurology, rare disease, and cardiovascular therapies driving $36 billion in transactions across those three areas. Buyers targeted brain-penetrant biologics and small molecules designed to overcome delivery challenges in neurological diseases. In cardiovascular, interest centered on novel drug delivery systems including nanoparticles, peptides, and polymer-based vehicles. Overall, these trends show a strategic shift toward programmable, modular, and highly targeted therapies for complex diseases. Buyers are building adaptable platforms to expand their focus beyond oncology to shape future portfolios.

Figure 4. M&A deal activity in pharma by phase and therapeutic areas (2025)

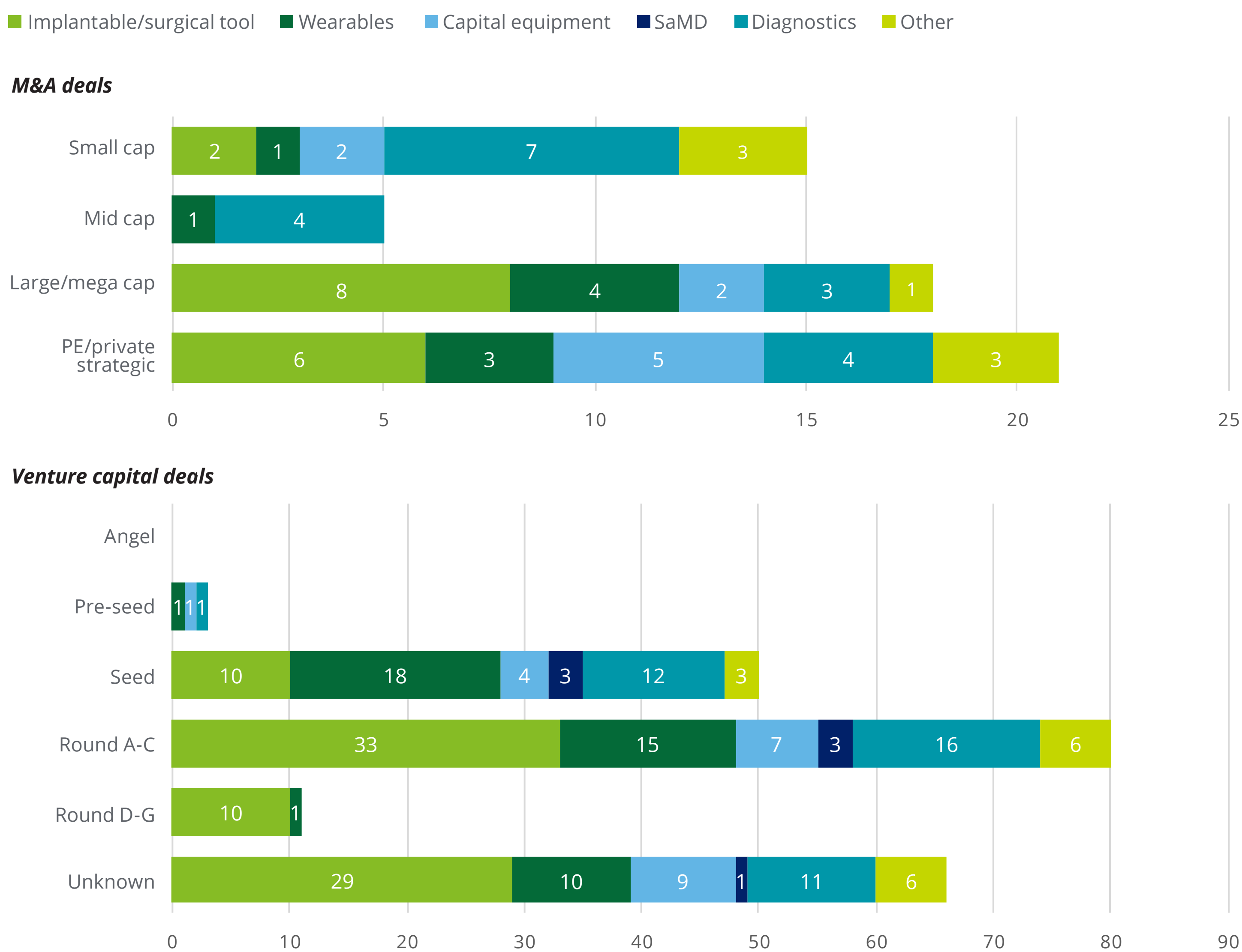


Source: Deloitte analysis of CapIQ and Crunchbase data on November 30, 2025.

MedTech and diagnostics

MedTech and diagnostics M&A delivered $78 billion in deals, reflecting a market focused on both scale and substance. Diagnostics saw notable growth in deal value and volume from 2024 reaching $42 billion through November, driven by advances in spatial multi-omics, AI-powered clinical bioinformatics, and scalable molecular diagnostics. The industry is shifting from laboratory essentials to commercially viable clinical services. In MedTech, portfolio optimization and consolidation continued, with larger players acquiring mature technologies in high growth areas to expand treatment options. Overall sector M&A deal value grew slightly from 2024, up 20% through November, despite financial and macroeconomic considerations. Buyers targeted assets in cardiovascular, oncology, and neurovascular diseases, seeking capabilities such as implantable devices and closed-loop neuromodulation for more precise interventions. These trends highlight a strategic focus on growth, with organizations seeking technologies and platforms that support long-term business resilience.

Figure 5. M&A deal activity in MedTech by subsector (2025)



Source: Deloitte analysis of CapIQ and Crunchbase data on November 30, 2025.

Contract research organizations (CROs), contract development and manufacturing organizations (CDMOs), and life sciences suppliers

CRO, CDMO, and life sciences supplier dealmaking declined to $8 billion through November, as the consolidation momentum from 2024 slowed amid global macroeconomic headwinds. High capital costs, trade friction, and operational challenges reduced deal activity, making inorganic growth a lower priority. Active buyers focused on advanced pharmaceutical manufacturing and integrated development platforms to enhance operational excellence and speed-to-market. Companies are building robust and digitally enabled partner networks to better manage complexity and support future growth in life sciences development.

Summary takeaway

In 2025, the life sciences deal landscape was shaped by strategic transactions targeting proven assets in oncology, diagnostics, and next-generation manufacturing. Across all segments, stakeholders prioritized clinical value, technological sophistication, and the ability to navigate regulatory and market uncertainty. In 2026, the environment is expected to remain bullish, with both public and private companies driving significant acquisitions.

Contacts

Need help evaluating a potential acquisition or ensuring your integration program creates the most value possible for your company? Let us know, and we'll be happy to discuss.

Varun Budhiraja
Principal
Deloitte Consulting LLP
+1 818 441 4455
vbudhiraja@deloitte.com

Michiel ten Broeke
Senior Manager
Deloitte Consulting LLP
+1 628 205 5950
mitenbroeke@deloitte.com

Chris Caruso
Partner
Deloitte & Touche LLP
+1 617 271 7876
ccaruso@deloitte.com

Bradley Campbell
Manager
Deloitte Consulting LLP
+1 412 338 7675
bracampbell@deloitte.com

Deloitte.

Together makes progress