



2025

Future Optimism Score

VINC European Small- and Mid-Market
Bio-Pharma CEO Barometer

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Imprint

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Preface



Thomas Kern \ Managing Partner
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Sound strategy in affronting key challenges: so is the philosophy for success in 2025, according to this year's report. Teaming up with Europharm SMC to assemble an all-encompassing forecast of what's to come has been nothing short of a pleasure. The result is an in-depth exploration of market nuances to date, and how they can help us unlock sparks of potential growth and make sound decisions as we navigate the upcoming year's investment patchwork.

Resounding de facto challenges, namely cost increases and price pressures, will burden SMEs in the coming year with reduced negotiating power in the direction of both customer and supplier. The path forward to a promising future involves pivotal activities such as nurturing of strategic partnerships, dialing up on direct collaboration, industry networking, and attention towards mergers and acquisitions.

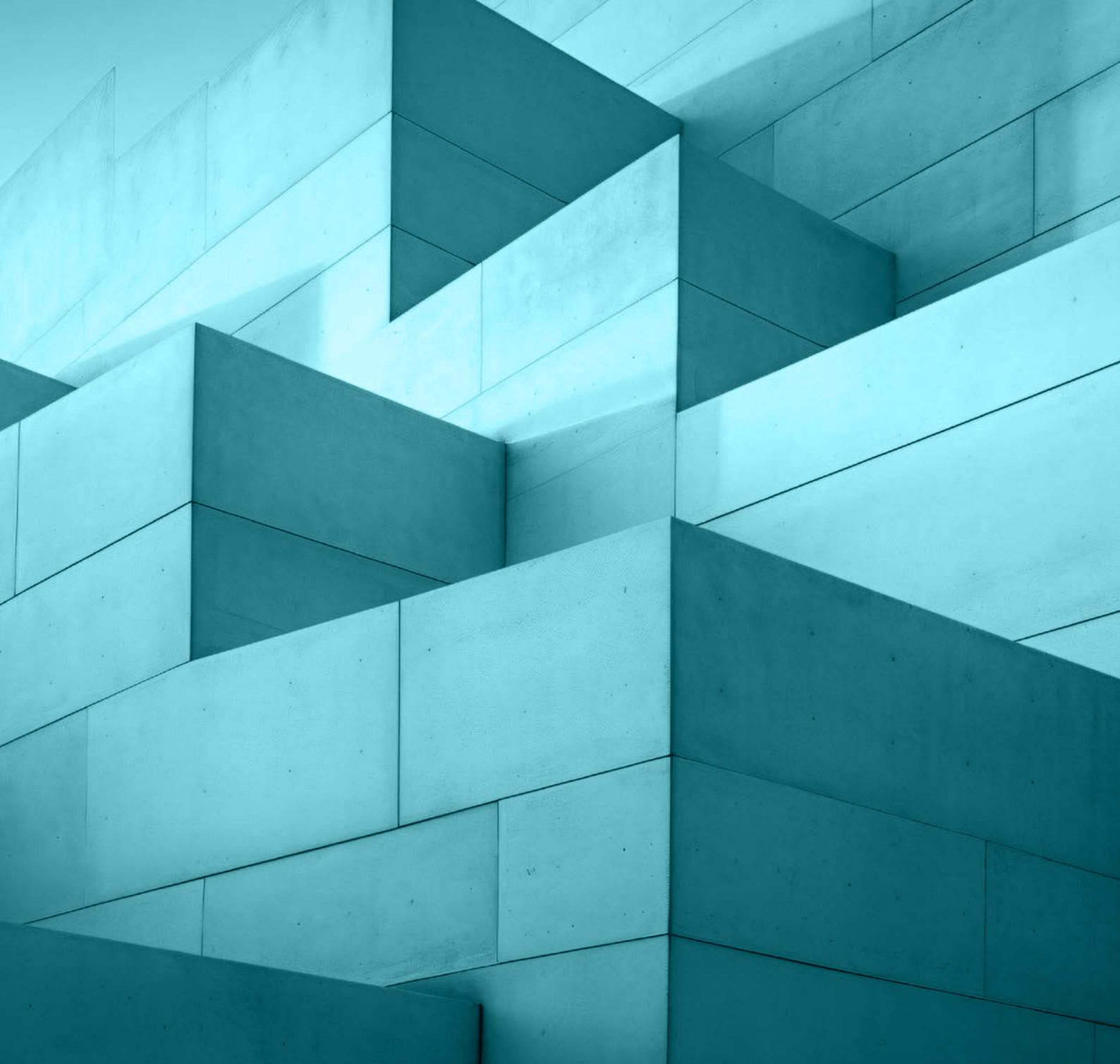
Investments are steadily on the rise, and key decision makers are looking to them with collective optimism—albeit overall tendency of investing less than in prior years—as a promising way to traverse rocky terrain. Not to mention the competitive and innovative edge they will bring to the table. As we brace for challenges that lay ahead, let us keep in mind that decision makers are optimistic, even if less so than in previous years. The CEOs' tactical mantra for positive strategic performance in 2025? Partnerships, innovation and staying competitive. Onward we go.



Telma Lapa Costa \ President
Europharm SMC

Europharm SMC is happy to support the “VINC Future Optimism Score 2025” survey which depicts the current understanding of the optimistic trends of CEOs from Biopharma and Pharma product and service companies. Main findings show that even though the trend is positive, companies are experiencing a slight decrease in the overall optimism score when compared to the previous year (3.6 vs 3.8). Factors such as cost increase, price pressure, organizational and supply chain issues are contributing to this downward trend with only 10% of the companies expecting growth in the near future. In 2025, companies will tend to invest less than in previous years; in 2023 40% increased their investment whereas, 31% reported they will do so now. The licensing trend is also flattening (3.7 compared to 3.3 for 2025); likewise, the partnership trend, which decreased from a 4.0 score in 2024 to a 3.6 in 2025 with large corporations and startups as favored partners.

It is key that decision makers in the European Pharma environment take the effort to interpret these results and find regulatory and economical pathways to promote a competitive environment for SME Pharma companies and put Pharma and Biopharma SMEs back on a positive track.



VINC Future Optimism Score 2025 – The third annual European Small- and Mid-Market Bio-Pharma CEO Barometer was conducted via an online survey in May and June 2024. Over 60 key decision makers from mid-sized (bio-) pharma product and service companies participated this year. The companies questioned are small and medium enterprises as well as startups. These industry leaders reflected on the state of the industry and its outlook and commented on upcoming trends and developments.

Executive Summary

Future Optimism Score (FOS) 2025



The general business sentiment is slightly optimistic across the (bio-) pharma industry. In 2025, a future optimism score of 3.6 (on a scale from 0 to 6) was reached – a value that declined compared to the previous year (3.8).

VINC Future Optimism Score 2025 is derived from the following four sub-categories:

- Business Future Optimism Score
- Financial Future Optimism Score
- Licensing Future Optimism Score
- Partnerships Future Optimism Score

The CEO respondents rated their outlook on each category. The results below reveal a strong positive outlook for the business in general but less optimistic feelings about Licensing and Partnerships than in the past.

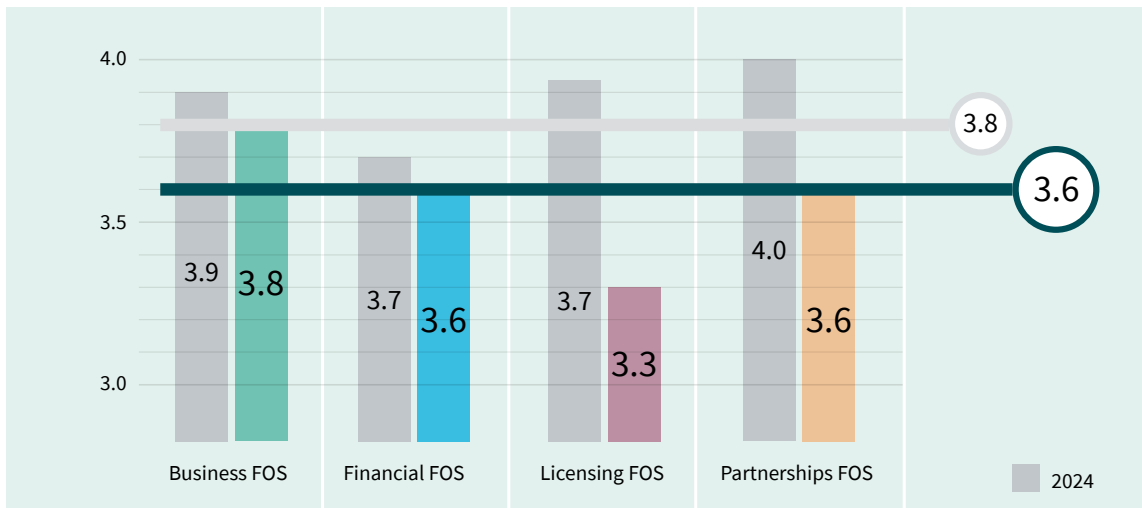
(Bio-) pharma industry sentiment and outlook in one single number.

The VINC Future Optimism Score 2025 (FOS 2025) combines the results from the four categories into one overall score (aggregated FOS).

? What is the Future Optimism Score?

Future Optimism Scores 2025

aggregated FOS



Business Sentiment & Challenges

Generally, the industry is constantly optimistic, with a Business FOS of 3.8 in 2025. Taking a closer look, it is visible that (bio-) pharma product companies are experiencing a positive trend and score high values up to 4.6, whereas (bio-) pharma service companies express less optimistic sentiments year by year – reaching only 3.6 in the current survey.

The industry is dealing with cost increases and price pressure. Still, almost 10% of the companies in the panel expect growth in the near future. In 2025, investment (45%) and growth (45%) are considered to be the key challenges. Biopharma product companies are also facing organizational as well as supply chain issues (60% each).

To stay competitive, investment, technology, and digitalization, as well as talent acquisition, are considered most important.

Investments & Finance

The financial situation is viewed without worries and consistently rather positive among all company types (Financial FOS 3.7 of 6). Startups are looking at the financial future more positively than other companies.

In 2025, around half of the questioned (bio-) pharma CEOs plan to increase their investment in new technology offering (Capability, +51%) or Capacity (+49%). From a clear preference for investments in Capability projects in the previous years (66% in 2024 and 68% in 2023), it shifted to a more evenly distributed preference (51% in 2025).

Overall, companies generally tend to invest less than in previous years. In 2023, 50% of respondents stated they planned to increase their investment in at least one of the mentioned areas. In 2024, this figure dropped to 40%, and now only 31% report the intention to do so.

Licensing

The licensing trend is flattening and is now viewed less optimistically than before. Licensing FOS 2025 is projected at 3.3, down from 3.7 in 2024. Only 37% of companies plan to increase their licensing activities soon, a significant decrease from 60% in 2024, when licensing was much more prominent, compared to 45% in 2023.

The optimism regarding the future of licensing is proportional to the plan to engage more in this area. Companies that are indifferent about the engagement stated a neutral Licensing FOS of 3. The more optimistic they are, the more they wish to extend the engagement: those who want to engage in licensing much more reached a higher Licensing FOS of 3.7.

For key decision makers it is challenging to find the right partner and products for Licensing; this was already mentioned in previous years and confirmed in the 2025 survey.

Partnerships

Companies are less optimistic about partnerships in 2025: a Partnerships Future Optimism Score of 3.6 was reached.

Compared to the survey carried out in 2024, when the Partnerships FOS was a tempered euphoric 4.0 (out of 6), the value is less optimistic now. Only biopharma product companies and startups feel more positive about partnering than before.

The main reason for going into a partnership or considering M&A is globalization (51% in 2025), which was expressed in all 3 surveys we carried out. Currently, the pressure for innovation (42%) also drives companies to find strategic partners.

The types of partnerships considered are Business Development (45% of the total, especially important for (bio-) pharma service companies) and Licensing partnerships (45%, mainly selected by pharma product companies.) Large corporations and startups are favored partners.

In this survey, we examined the four sub-categories for VINC Future Optimism Score FOS 2025: General Business, Financial Situation, Licensing, and Partnerships including Mergers and Acquisitions. In addition, we had a look at other interesting topics concerning the (bio-) pharma industry.

Succession and company sales are becoming less interesting for the industry. Around one-third (32%) of the questioned (bio-) pharma leaders are considering succession or a company sale currently or have done so in the past. In contrast, 15% have already resolved it.

In 2023, 77% of company leaders thought that succession might be relevant for their business. In the 2024 survey, only a little more than half of the panel considered succession (57%). Compared to 2025, the trend for succession is decreasing significantly. The most relevant types of succession are company sales (65%) and strategic partnerships (62%).

Company types and terminology

The companies whose managers participated in the survey can be differentiated by the following company types:

- **Biopharma product companies**
Businesses in the biopharma industry that offer their own products - focus on large molecules
- **Pharma product companies**
Businesses in the pharma industry, excluding those in the biopharma industry, that offer their own products - focus on small molecules
- **(Bio-) pharma service companies**
Business offering pharma services in the biopharma as well as in the (non bio-) pharma sector

(Bio-) pharma product companies is therefore referring to the total product companies in the biopharma as well as in the (non bio-) pharma sector.

(Bio-) pharma product and service companies includes the entire survey population.



1 \

Business Sentiment

The CEOs in the (bio-) pharma industry are optimistic about the future of their businesses. In particular, (bio-) pharma product companies have expressed positive sentiments. Despite facing numerous challenges similar to other industries — such as rising costs, price pressures, regulatory constraints, supply chain issues, and difficulties in finding and retaining a well-educated workforce — the key challenges for 2025 remain investments and growth.

\ Business Future Optimism Score

Constant optimism in the (bio-) pharma product and services industry

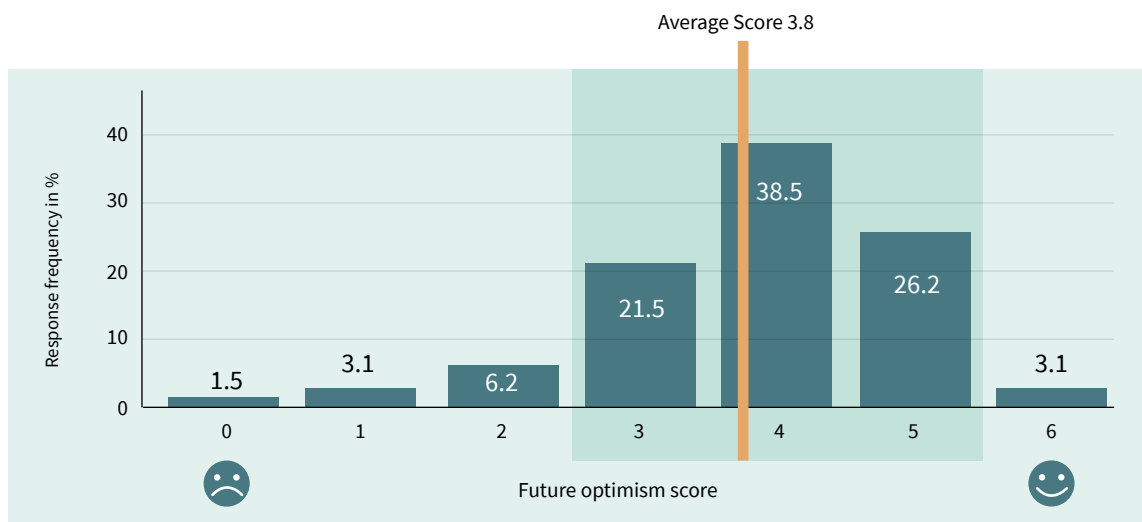
With an average Business Future Optimism Score (Business FOS) of 3.8, the (bio-) pharma industry is looking forward to a positive future. While last year saw the Future Optimism Score (“FOS”) rise from 3.7 to 3.9, it is projected to settle at 3.8 for the 2025 outlook.

Regarding the future of business, the five biopharma product companies that participated in the survey (8% of the total sample) are currently the most optimistic, with a Business FOS of 4.6. Last year, these companies reported the most negative outlook in the survey, with a Business FOS of 3.6 (sample size: 9, 15% of total).

Also, Business FOS per company type shows that pharma product companies generally tend to be more optimistic, reporting an average score of 4.1, slightly up from 4.0 in 2024. In contrast, (bio-) pharma service companies trail behind with the lowest score of 3.6, down from 3.8 in 2024.



? What is your outlook on the future (next 12–18 months) of your business sector?



Looking at the last 3 years, the overall Business FOS is almost constantly close to 4 (Fig. 2). But it is clear that optimism among (bio-) pharma product companies is increasing, while (bio-)pharma service companies are becoming increasingly pessimistic about the future of their business.

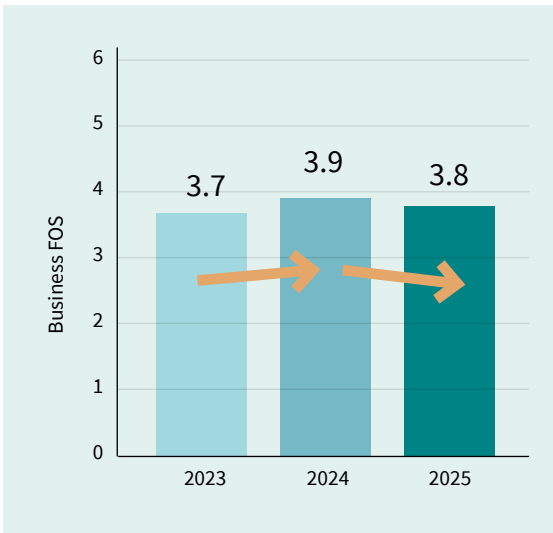
As in the previous FOS reports, this year's responses also underline that optimism increases in line with a company's growth. Companies reporting growth are more optimistic than those that are shrinking, also companies with negative growth have a less optimistic outlook on the

future and reach a FOS of only 3.4 (last year, the value was 3.7). In contrast, companies that report growth of 10% or more reach a score of 3.9 (compared to 2024 with a FOS of 4.2.)

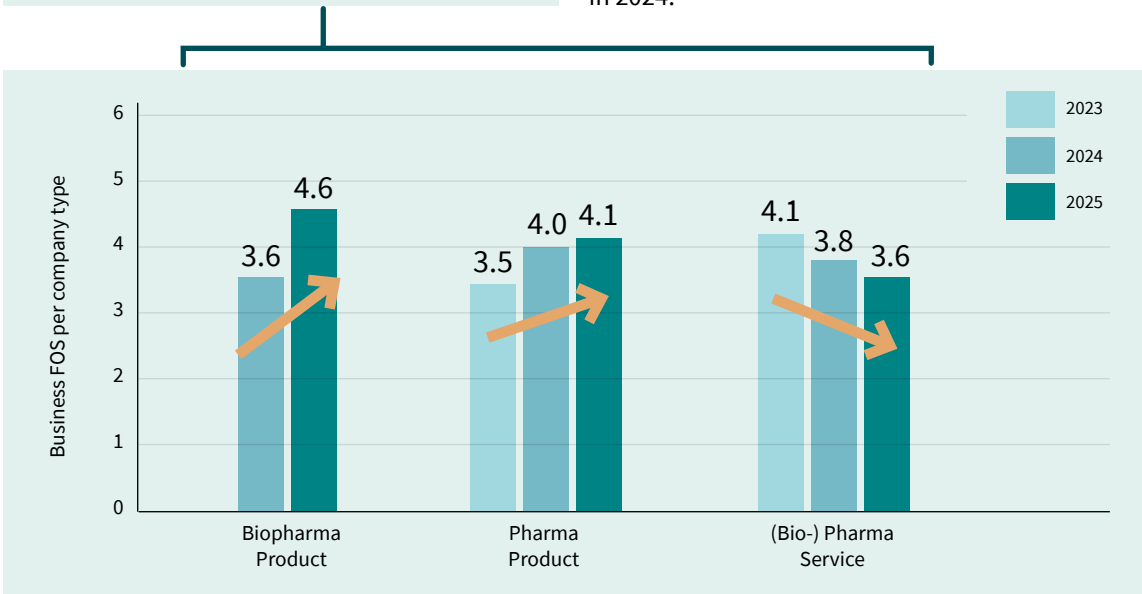
Most positive prospects can be found among startups with a Business Future Optimism Score of 4.4 (Sample size: 5/ 8% of total survey).

Industry leaders with the most positive outlook are again located in the UK (current value 5, the same result as in 2024), followed by South Eastern Europe (4.5) and Benelux (4.3). France registered the lowest value in the survey (only 2.7), indicating quite pessimistic views on future prospects.

Business FOS trend



Note: In the 2023 report, the survey differentiated only between pharma product and pharma service companies. A separate group for biopharma product companies was implemented in 2024.



\ Associations

(Bio-) pharma market in the next 18 months.

The industry is currently grappling with cost increases, inflation, and price pressure. Additionally, regulatory changes and constraints pose significant challenges for businesses. Despite these hurdles, nearly 10% of companies expect growth in the next 1 to 1.5 years.

The geopolitical situation, wars, and conflicts are affecting the market, alongside supply chain issues. Instability and uncertainty are concerns for 6% of the panel. In terms of biotech funding, it is notable that 3% believe the market is in the midst of a crisis, while another 3% anticipate improvement in the near future.

Compared to last year's report, mentions of supply chain issues have decreased from 11% to 5%. However, concerns about cost increases and price issues remain prominent among respondents.

extrinsic cost and price impacts	25%
financial impacts	23%
general macroeconomic and political factors	18%
regulatory and alike	12%
intrinsic expectation	11%
innovation, product development	11%

Answers given, grouped by their frequency (above) and graphically displayed (below)

? What comes to your mind when you consider the (bio-) pharma market in the next 12–18 months?




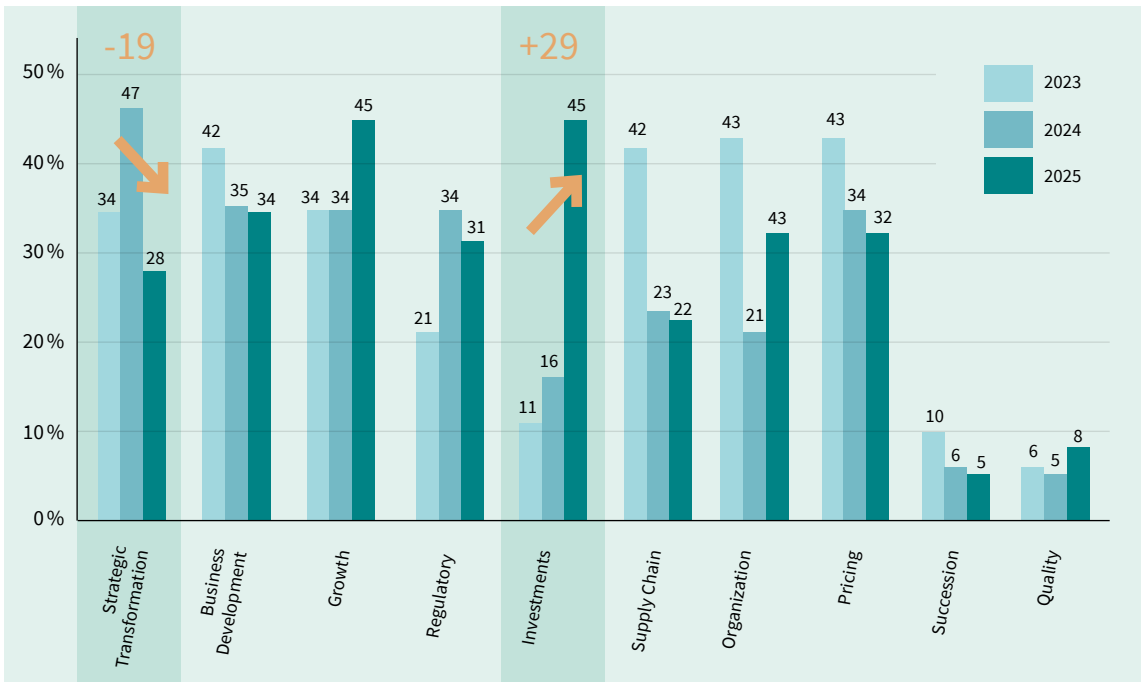
\ Main business challenges in the future

In 2025, Investment and Growth are the key challenges

Following the chart below, the main challenges anticipated for the next year are investment and growth, with nearly half of the respondents (45%, multiple selections possible) identifying these as key issues. Additionally, about one-third expect challenges in business development (34%), pricing, or organizational changes (32% each), with regulatory topics also being a significant concern (31%). Quality (8%) and succession (5%) are less frequently seen as primary challenges for the business year 2025.

 Strategic Transformation
 2025 vs. 2024: -19pp
 Investments
 2025 vs. 2024: +29pp

 What are the main challenges you anticipate in your line of business?



Looking ahead to 2025, a constant development can be observed. The share of respondents anticipating growth as a challenge has increased from around one-third to almost half of the sample. There is also a notable increase in the importance of investment challenges: starting from 11% in 2023, this figure has risen to 45% in 2025, making it the most important challenge identified by the respondents.

In contrast, business development, supply chain, and pricing remain challenging topics, but there is a clear trend of these issues being seen as less challenging than in previous years. While 47% reported strategic transformation as a main challenge in 2024, only 28% stated so in the current survey.

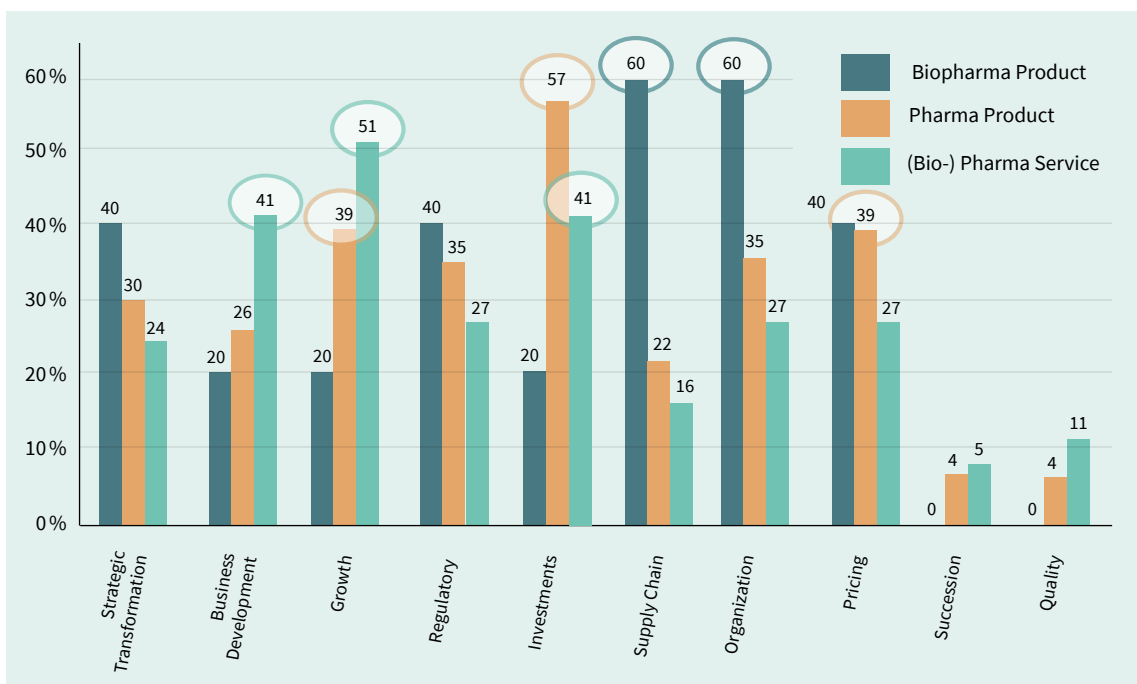
Results differ remarkably among the different company types.

Biopharma product companies are primarily facing organizational and supply chain issues, with 60% of respondents indicating each (total sample size 5). Pharma product companies are dealing with investment challenges (57%) as well as pricing and growth challenges (39% each). In contrast, (bio-)pharma service companies anticipate challenges mainly concerning growth (51%), investment (41%), and business development (41%).

Growth is especially challenging for companies in Central Eastern Europe, with 3 out of 4 respondents selecting it. Countries in Iberia are most challenged by regulatory issues, with 57% of 7 respondents indicating this, while Italy faces strategic transformation challenges, with 57% of 7 survey participants identifying it as their primary concern.

Main challenges (per company type)

Biopharma Product Companies	Pharma Product Companies	(Bio-)pharma Service Companies
Supply Chain 60%	Investment 57%	Growth 51%
Organization 60%	Growth 39%	Business Development 41%
	Pricing 39%	Investment 41%



\ Important factors maintaining a competitive edge in the future

Investment, cutting-edge technology and qualified staff are key to remain competitive

In alignment with the results of the previous questions, 9% of respondents stated that investment is key to maintaining a competitive edge in the future (open question). Additionally, digitalization and technological improvements, such as artificial intelligence and automation, are also viewed by 9% as important factors for future advantages.

8% of the panel responded that sourcing and retaining qualified personnel is essential for future competitiveness. Companies need a professional employer branding strategy, the ability to attract qualified staff, and the capacity to offer a pleasant working atmosphere, a range of benefits, and flexibility to retain specialists' know-how.

? What do you consider particularly important to maintain your competitive edge in the future?

Also, in 2025, human resources and innovation remained the top answers to this question, reinforcing the view that these factors are essential for a company to remain successful in the market.



investment	9%
technology & digitalization/ automation	9%
employer branding/ talent acquisition	8%
cost consciousness & control	6%
innovation	5%
regulatory compliance	5%
accelerate time-to-market/ short timelines	3%
choose the right strategy	3%
closeness to customers	3%
diversification leads to stability	3%
flexibility to adapt to markets needs	3%
networking/ find partners for business development	3%
new products	3%

Answers given, grouped by their frequency (above) and graphically displayed (previous page below)



2\

Investments and Finance

The financial situation is viewed rather positively among all company types, yet the startup sub-group of companies is looking at the financial future more positively than others.

Investment is seen as a key challenge in 2025, but overall, companies tend to invest less than in previous years. Half of the questioned (bio-) pharma CEOs plan to increase their investment in new technology offering (Capability) or Capacity.

\ Financial Future Optimism Score

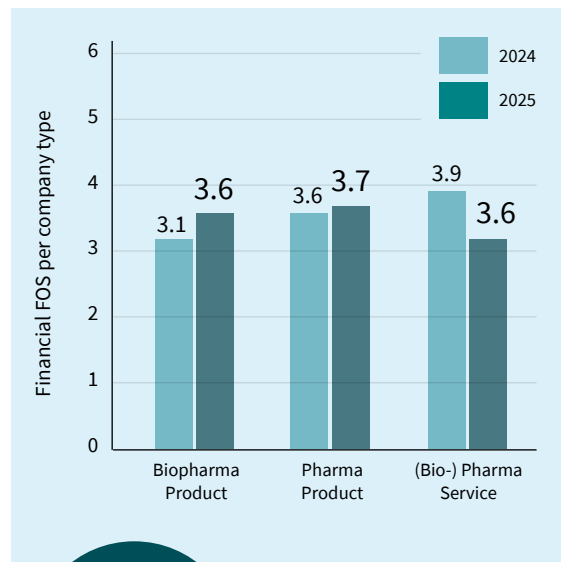
The (bio-) pharma industry is slightly optimistic regarding the Financial Future.

The CEOs surveyed reached a Financial Future Optimism Score of 3.6 (on a scale of 0-6), which is slightly optimistic and only a bit lower than the previous year's score of 3.7.

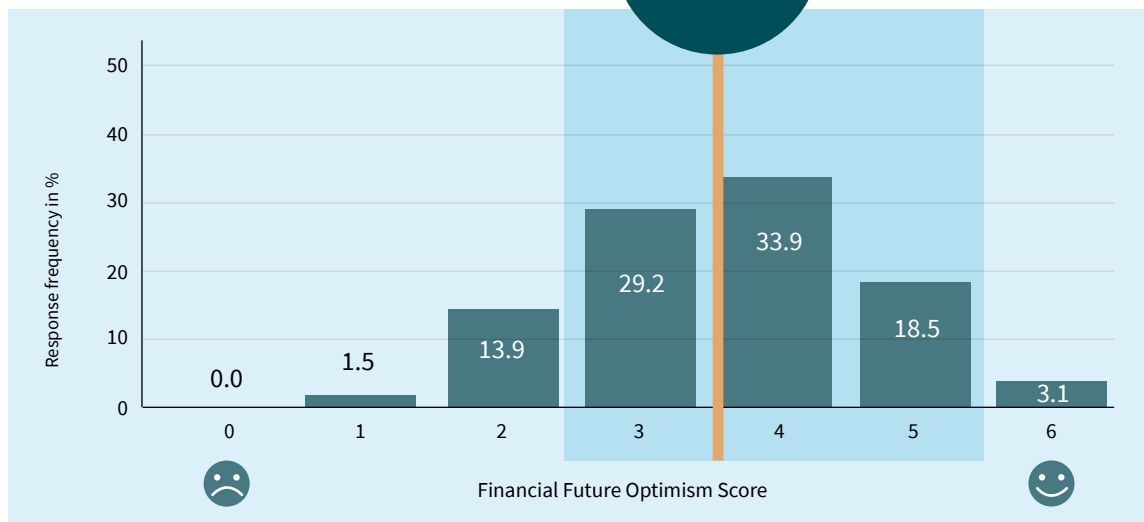
The value was implemented only in 2024. Therefore, a trend is only visible since last year's report. Interestingly, there is no divergent valuation among the different company types participating in the survey.

Also, the growth or company size does not show different results for this value. However, it is significant that startups are looking at the financial future more positively than other companies. In this survey, we questioned small and medium enterprises as well as a few startups. The panel of respondents contained 5 startups. It is interesting that within those 5 companies, a Financial FOS of 4 is reached.

? How do you think about the financial situation of your company in the next 12–18 months?

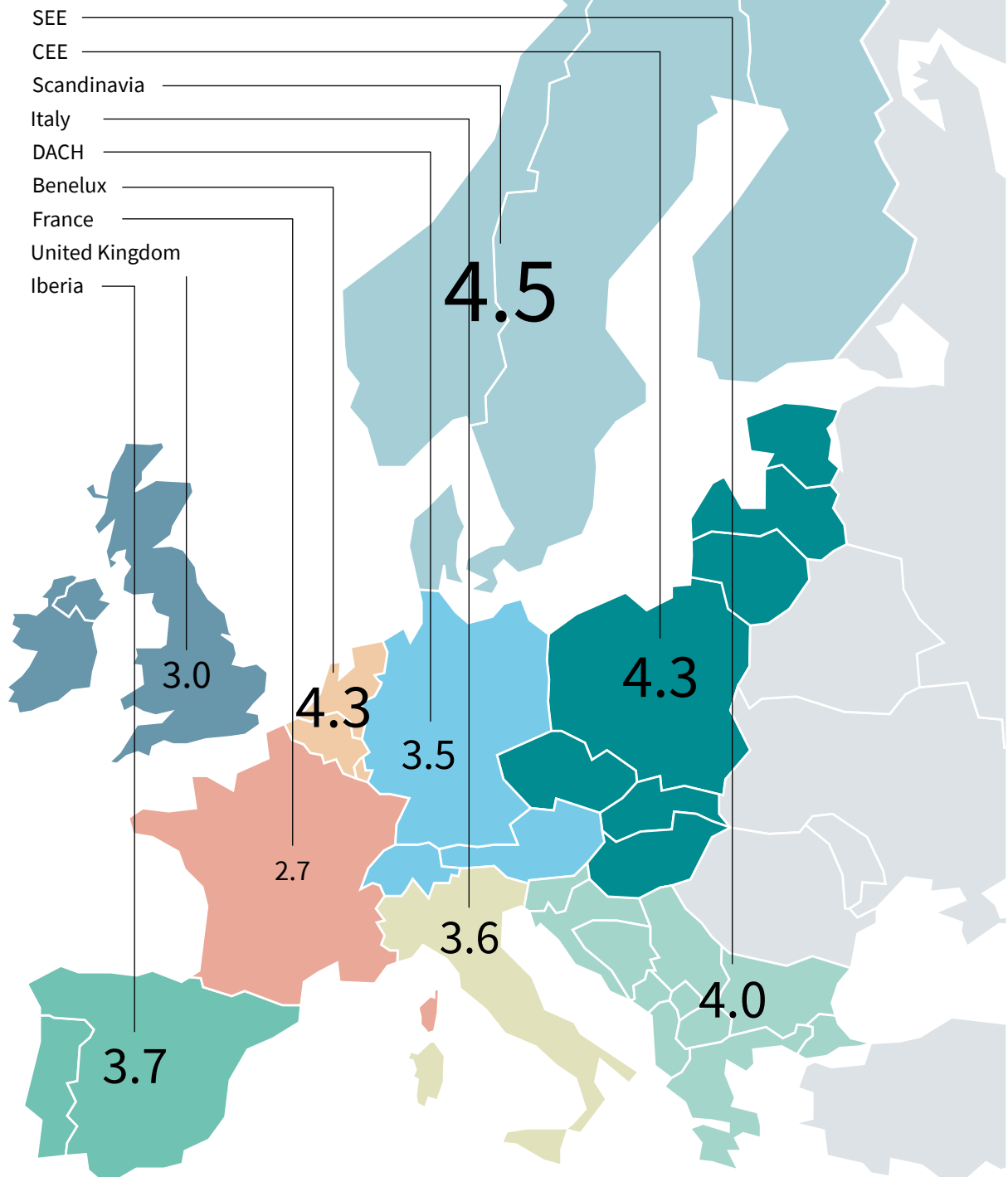


Average score
3.6



Looking more closely at individual European regions and countries, we find the DACH area (= Germanic region) has an average Financial FOS of 3.5; Scandinavia reports the highest score (4.5), while France indicates the lowest (2.7). This is opposite to last year's outcome, where France reported the highest score (4.3), while Scandinavia indicated the lowest (2).

Financial FOS by regions



\ Investment trends

A higher share of investment in Capability and Capacity is planned.

In 2025, around half of the questioned (bio-) pharma CEOs tend to increase their investment in new technology offering (Capability, +51%) or Capacity (+49%). In contrast, only one-third (31%) want to invest more in Regulatory areas.

? Do you plan to invest more or less in the next two years in the following areas?

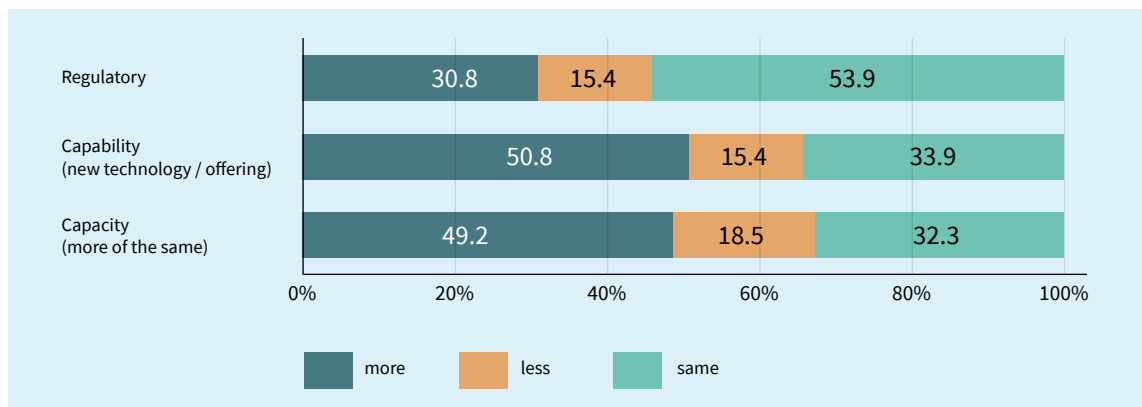
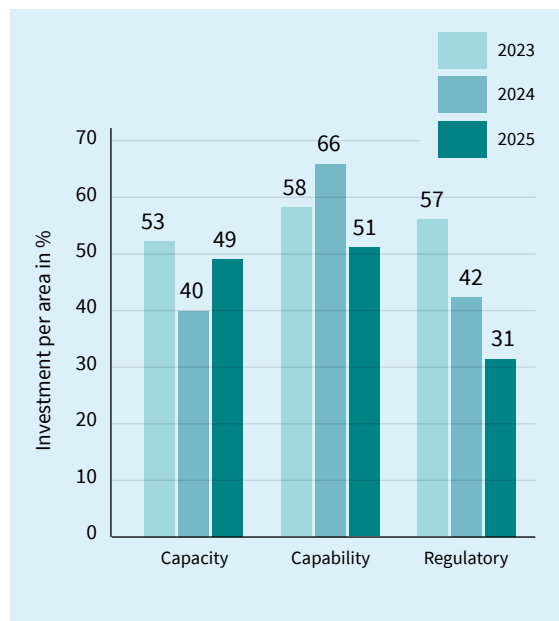
With very similar results for all 3 areas, around 15-19% of the respondents stated they plan to decrease their investment.

When comparing this to the previous years, it is visible that from a clear preference for investments in Capability projects (66% in 2024 and 68% in 2023), it shifted to a more evenly distributed (51% in 2025).

Overall, companies generally tend to invest less than in previous years.

In 2023, 50% of respondents stated they would increase their investment in at least one of the mentioned areas (capacity, capability, and regulatory).

In 2024, at least 40% planned to invest in capacity and regulatory, while over 60% intended to invest in capability. By 2025, the percentages varied: 49% for capacity, 51% for capability, and only 31% for regulatory. This indicates a yearly decrease of approximately 10pp in regulatory investment.





3 /

Product and/or IP Licensing

The survey detailed current licensing activities, attitudes, and primary challenges. The results reveal a declining interest in licensing activities in the (bio-) pharma market. Industry leaders feel that finding the right partners and products for licensing is challenging.

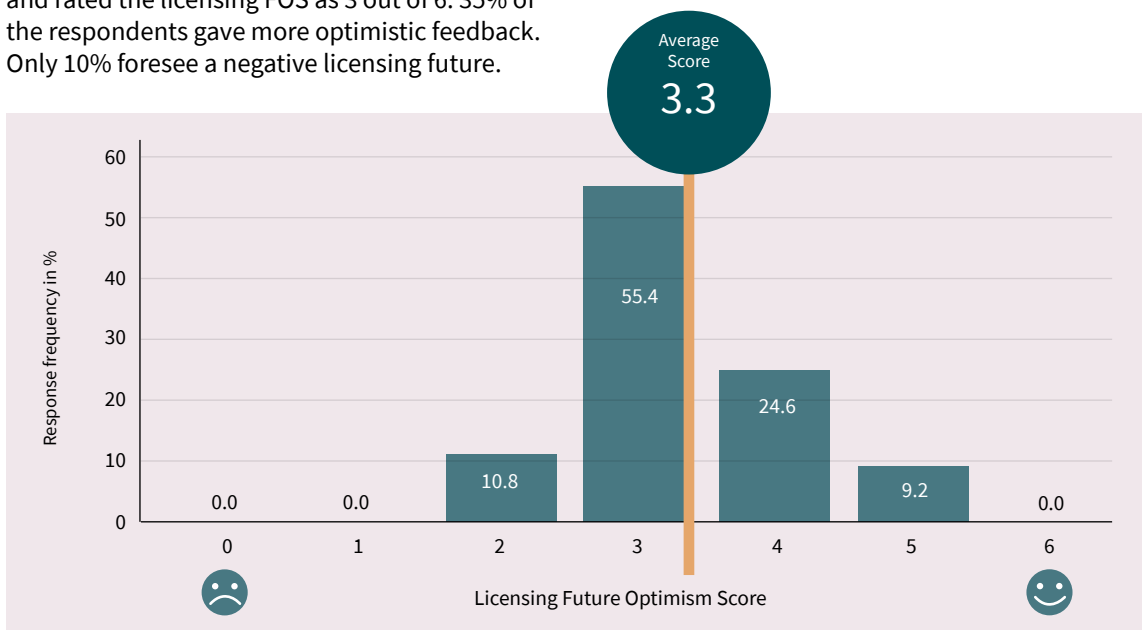
\ Licensing Future Optimism Score

Indifferent future outlook for licensing activities.

The near future of licensing is seen only slightly optimistic: on a scale from 0 to 6, the Licensing Future Optimism Score averages 3.3.

More than half of respondents were indifferent and rated the licensing FOS as 3 out of 6. 35% of the respondents gave more optimistic feedback. Only 10% foresee a negative licensing future.

? How do you view the future of licensing activities in the (bio-)pharma market? (in the next 12–18 months)

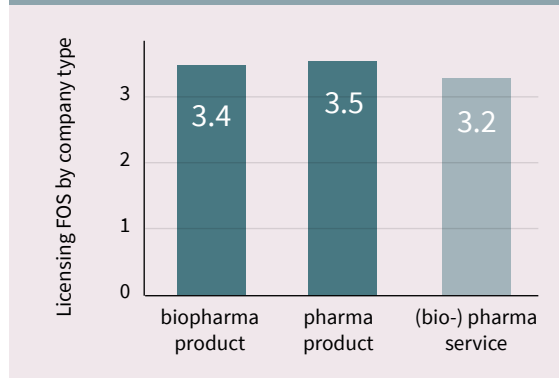


Compared to last year, where an average score of 3.7 was reached, a decrease is clearly visible.

Biopharma product and pharma product companies almost align in their evaluation of the optimism of the licensing future, with FOS(s) of 3.4 and 3.5.

In the Benelux countries, the future of licensing is rated most positive with a score of 3.8, followed by Spain and Iberia with 3.6. The lowest values are found in South Eastern Europe (2.5), where survey participants have an even slightly negative view of licensing.

Licensing is only relevant for (bio-) pharma product companies. Still, occasionally (bio-) pharma service companies offer a small number of products as well, even if they define themselves as a service company. Therefore, they are also included in the results and questioned about licensing.



\ Future licensing activity

Licensing trend is declining.

In the current survey, 37% of respondents indicated plans to increase licensing engagement within the next two years. This represents a significant decrease from 2024, when 60% of companies planned to expand their licensing efforts, reflecting a peak in importance compared to 45% in 2023.

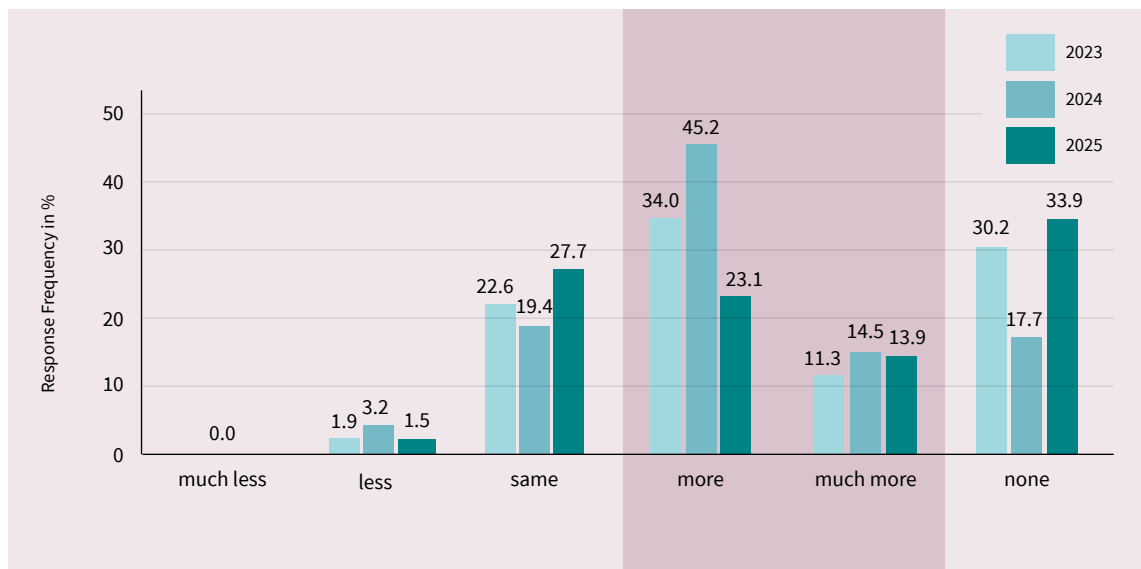
About one-third is indifferent about the engagement in licensing or at least does not plan a change of pace.

The optimism regarding the future of licensing is proportional to the plan to engage more in this area. Companies that are indifferent about the engagement stated a neutral Licensing FOS of 3. The more they wish to extend the engagement, the more optimistic they are: Those who want to engage in licensing much more reached a higher Licensing FOS of 3.7.

Especially pharma product companies plan to engage in licensing even more (65%).

? How much are you planning to engage in licensing (in and / or out) in the next two years compared to the previous two years?

Engagement in licensing



\ Challenges in licensing

Finding the right partner and products is key.

To meet market demands, companies launch new products and seek new partners. Finding the right opportunities and suitable companies to partner with has been, and continues to be, the primary challenge for all company leaders.

As in the 2024 CEO report, this year’s survey respondents also stated that the key challenge in licensing is to find a suitable opportunity. Finding the right products is the most difficult and important part for 9% of the CEOs.

However, the challenges are multifaceted: Our respondents cited particular concerns about finding the right partner, evaluating the deal, and performing the due diligence process.

All factors have already been mentioned in the previous surveys.

What do you consider the biggest challenges in engaging in licensing?

Biggest challenges in IN-licensing

When thinking about in-licensing, the most important considerations are finding a trustworthy partner with suitable products, regulatory topics, and profitability.

Finding the right products/ opportunities	9%
Regulatory / Resources to perform studies for regulatory needs	3%
Profitability	3%

Biggest challenges in OUT-licensing

Companies that engage in out-licensing are also concerned about partnering with the right corporation and fair calculation models and contracts.

Finding the right partner	5%
Find suitable & fair calculation models/ contracts	3%

(Open question, answer not obligatory. 37% did not answer the question. 12% stated that the topic of licensing was not of interest to their company and, therefore, did not give an opinion.)

4\

Partnerships and M&A

Strategic partnerships are helpful in reaching company goals, especially going global and meeting needs for innovation. However, it is not always easy to find the right partner; therefore, general optimism in this area is declining.

Companies mainly consider business development and licensing partnerships with large corporations or startups.

\ Partnerships Future Optimism Score

Companies are less optimistic about partnerships in 2025.

In this year's European Small- & Mid-Market Pharma & Biopharma CEO Barometer, the Partnerships Future Optimism Score of 3.6 was reached.

Compared to the survey carried out in 2024, the value is less optimistic: when the Partnerships FOS was a tempered euphoric 4.0 (out of 6), it declined by 10% to 3.6.

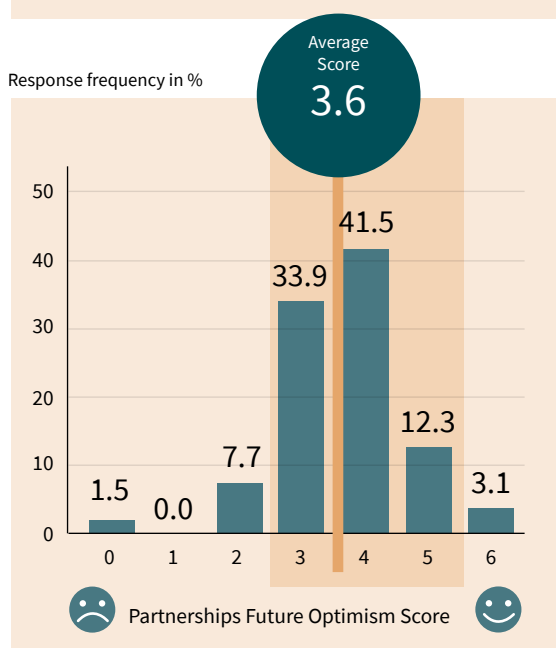
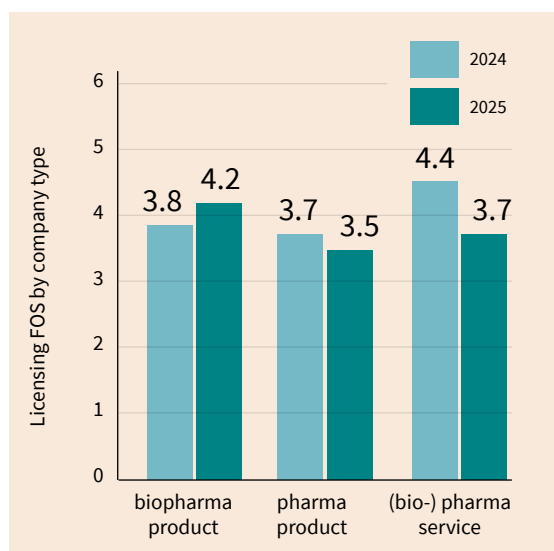
In 2024, 19% of the respondents stated a Partnerships FOS of 6, whereas, in the current survey, only 3% felt utmost happy about partnering within the next year and a half. Partnerships are unequivocally on the descending branch!

Examining the different company types, only biopharma product companies (n=5) are more optimistic about partnerships, with a score of 4.2 in 2025 compared to 3.8 in the previous survey. Pharma product companies feel slightly less favorable for going into relationships (decrease from 3.7 to 3.5). Looking at the (bio-) pharma service companies, a decrease of even more than 15% can be seen – with a very optimistic Partnerships FOS of 4.4 in 2024 and an average value of 3.7 only in 2025.

The 5 CEOs of startups that participated in the survey seem to be the only ones who believe in fulfilling relationships, reaching an average Partnerships Future Optimism Score of 4.8. Especially mid-sized companies with an annual turnover of 50–100 Mio. € seem to have embraced operating independently, relying on lone fighters to drive their success. Their outlook on partnerships is less positive than average, scoring only 3.2.

Almost half of the participating companies in this survey are located in the DACH area, where Partnerships Optimism aligns with the average score of 3.6. The highest optimism is found in Benelux (4.5), Scandinavia, SEE, and UK (4.0), whereas French companies gave the least optimistic statement in the whole survey and reached a value of 2.8 only.

? How optimistic do you feel about engaging in partnerships in the (bio-) pharma market in the near future? (12–18 months)



\ Reasons for strategic partnerships

Going global and the pressure for innovation are factors in considering strategic partnerships. All types of businesses are constantly developing and changing, which can be key motivators for entering partnerships, along with the valuable external input and structures available in foreign countries.

The goal of internationalization and a global setup is the most important reason why company leaders consider entering strategic partnerships (51%), followed by the pressure to provide innovative products or establish innovative technologies (42%). The third reason for merging with another business is size pressure (35%).

Globalization remains the main consideration factor for the third consecutive year, with a majority of 45% to 51% of respondents each year voting it as the most important. Finding a strong partner

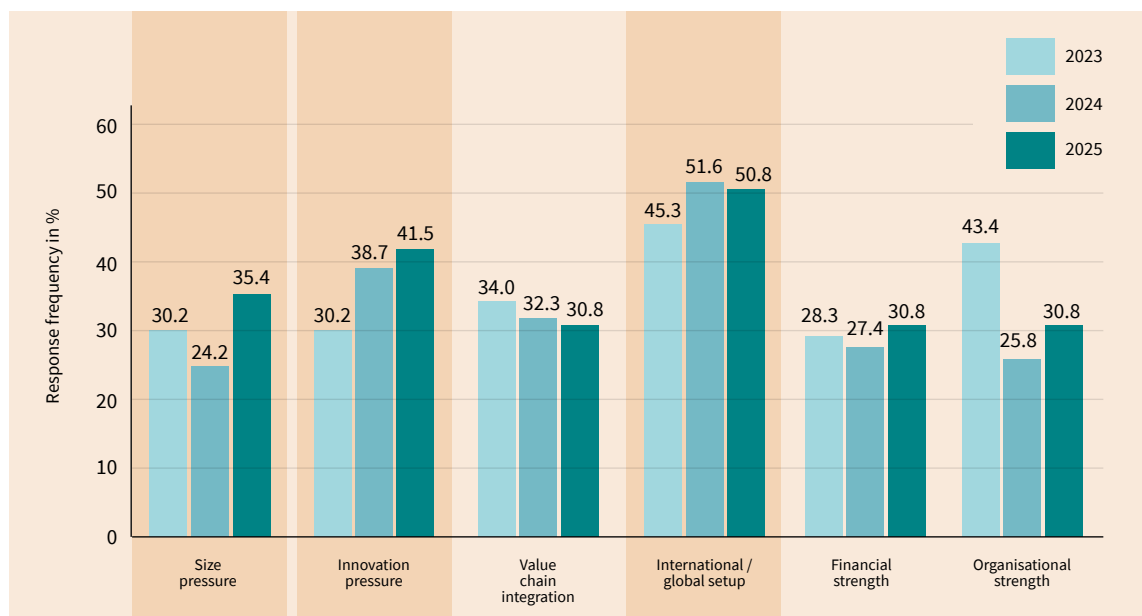
abroad helps companies expand globally. The pressure for innovation is increasingly becoming a driving factor, with 30% of participating CEOs citing it as a reason for considering partnerships in 2023, 39% in 2024, and 42% now.

Though rated slightly more important in FOS 2024, digitalization is rarely a key driver for entering partnerships (14.5% in 2024 vs. 9% in the year before and also the year after). Digitalization issues can mainly be solved by different means.

Main drivers for strategic partnerships and M&A

International / global setup	51%
Innovation pressure	42%
Size pressure	35%

? What are the main drivers in your view for considering strategic partnerships and/or M&A?



Looking at the Partnerships Future Optimism Score, companies that consider going into a partnership for the reason of international/global setup reach a value of 3.8, those who do it out of innovation pressure score 3.9, whereas companies considering partnerships to face size pressure are less optimistic with a score of 3.4 only.

60% of biopharma product companies consider partnerships due to the aim of internationalization or innovation pressure. In contrast, 52% of pharma product companies consider partnerships for internationalization, while innovation is selected by only 35%. Additionally, nearly half of the (bio-)pharma service companies (49%) state that internationalization is the primary reason for forming relationships.

In line with last year's results, 100% of the 5 start-up managers in the current survey panel stated that they are considering partnerships or M&A due to innovation pressure. Starting a company and launching products from scratch is challenging, and an experienced partner can help establish a foothold in the market.

Among the different company sizes, especially those with an annual revenue of 50 – 200 Mio. € are looking for a partner abroad (75%), while only one-third of the bigger companies are interested in a globalization partner.

Innovation pressure is most important in CEE countries (75%); Spanish companies are looking for someone to build organizational strength (71%).



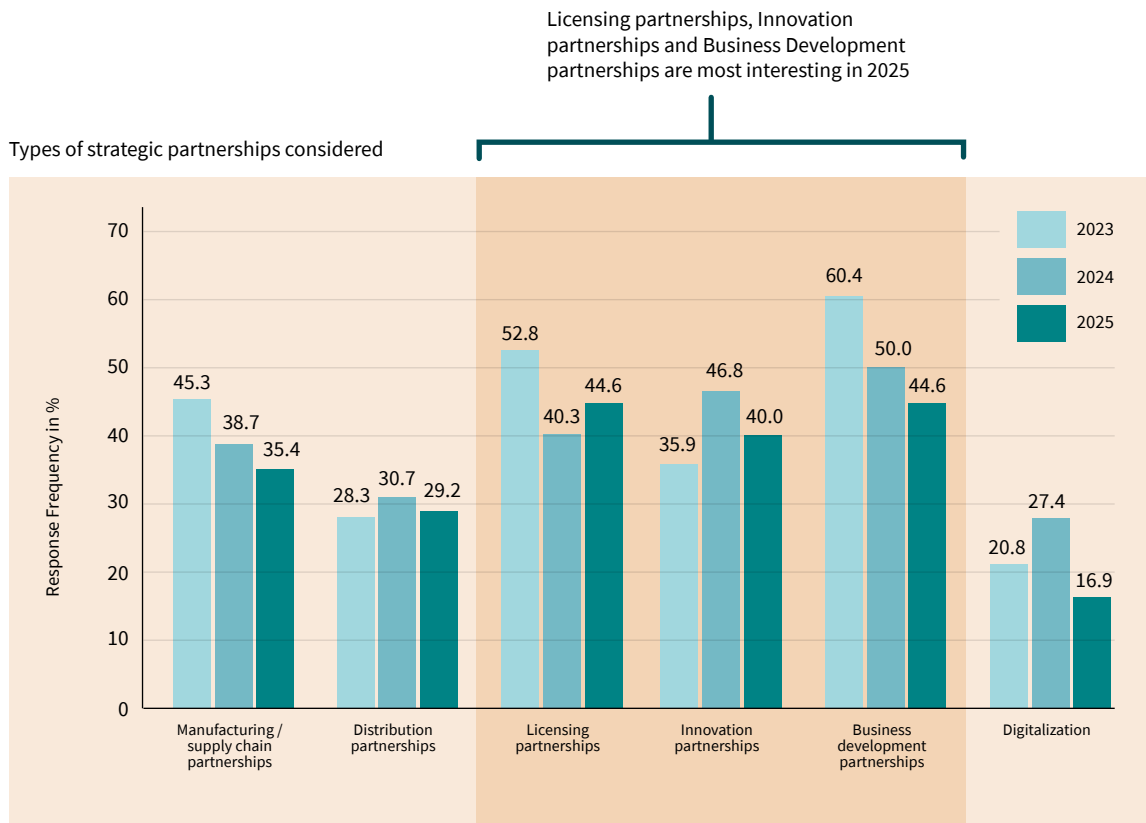
\ Types of partnerships considered

Licensing and Business Development are the main partnership drivers in 2025.

Consistent with the last two years' results, Business Development is still the main reason for (bio-) pharma companies to go into partnerships. Still, the number of respondents who selected it is declining from 60% in 2023 to 45% in the current survey.

In 2025, industry leaders also favor building relationships for licensing purposes (45%), a value that has grown from 40% in 2024 when licensing was only the third most important type of partnership. Last year, innovation pressure appeared to be increasing, and plans for innovation partnerships correspondingly rose to 47%. Although innovation partnerships now rank third, they are still considered important by 40% of the CEOs surveyed.

? What types of strategic partnerships do you plan to consider in the next years?



Only 17% stated that they were considering a partnership for digitalization purposes (last year's value was significantly higher: 27%).

Examining the different types of companies, notable differences in the considered partnerships can be found:

All 5 surveyed biopharma product companies (100%) consider a Manufacturing/Supply Chain partnership and 60% consider an Innovation partnership.

In 2024, the data clearly show that biopharma product companies favor Manufacturing/Supply Chain partnerships (67%), followed by Innovation partnerships (44%).

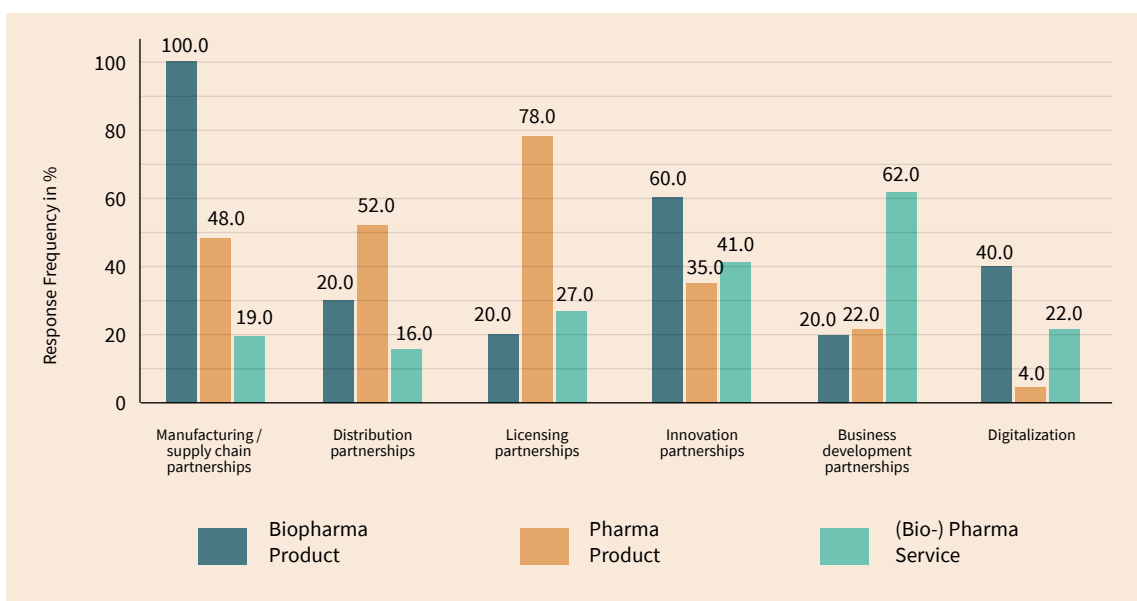
4 out of 5 pharma product companies (78%) are seeking a licensing partner. This is not surprising,

as pharma product companies typically favor licensing. Notably, this percentage has increased from 61% in 2024 to 78% in the current survey.

Even every second leader of a pharma product company is considering a distribution (52%) or manufacturing/supply-chain partnership (50% in 2024, 48% in 2025). Business development is the most attractive type of partnership for (bio-) pharma service companies (68% in 2024, 62% in 2025), whereas only 1 in 5 (bio-) pharma product companies indicated this in our CEO barometer.

Companies with declining results (negative YoY growth) are more likely to pursue business development partnerships (46%) than growing companies (40%). The highest share is found among startups (60%), with 80% of these startups also considering a licensing partnership in the near future.

Types of partnerships considered (by company type)



\ Importance of innovation partnerships & finding the right partner

Large corporations and startups favored for innovation partnerships.

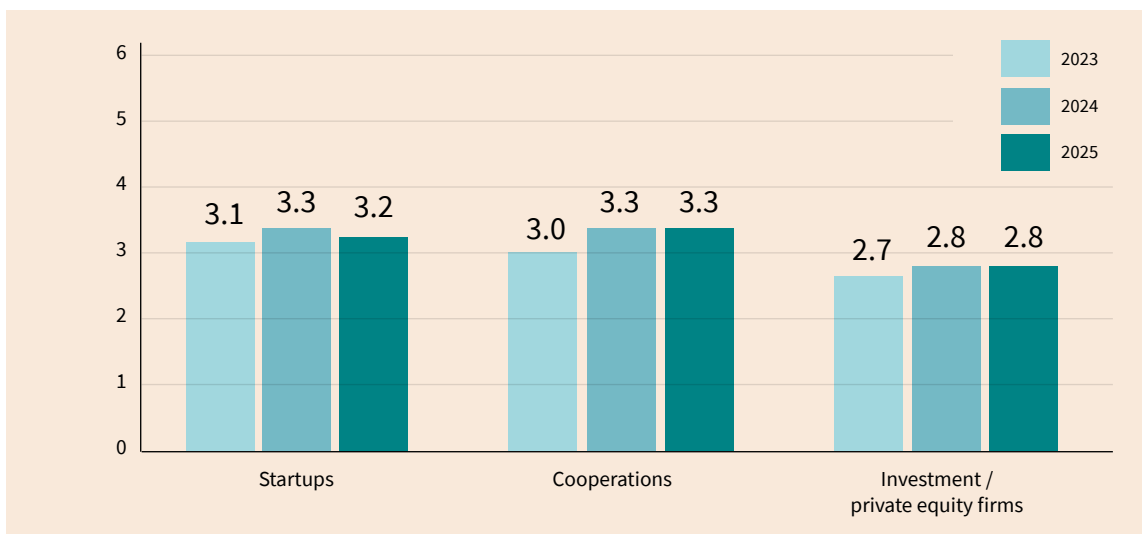
As already visible in the 2023 and 2024 results, Innovation partnerships with startups (rated 3.2 on a scale from 0 to 6) and large corporations (3.3) are considered of medium importance.

Innovation partnerships with investment/private equity firms are seen as an additional option (score 2.8).

The results reflect the general sentiment about innovation partnerships. While nearly every second company considered such partnerships last year, by 2025, 40% of respondents are still considering making the move in the near future. The importance of startups and large companies as innovation partners in this sector has grown slightly over the past few years (see graph comparison 2023–2025).

? How important do you deem innovation partnerships with the following companies?

Average (0-6)

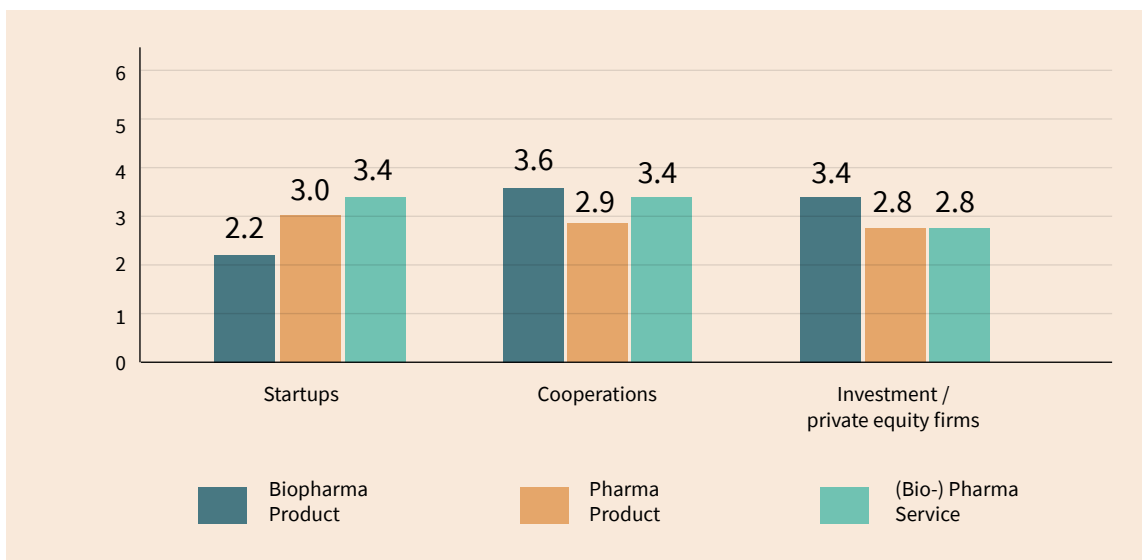


Some distinctions become apparent among the different types of companies. Biopharma product companies favor large corporations (3.6) and private equity firms (3.4) but do not consider startups as important (2.2). This contrasts with pharma product companies as well as (bio-) pharma service companies, which rated startups as important as large corporations.

Pharma product companies believe the importance of private equity firms is rising. Last year, they rated this importance at 2.2, but it increased to 2.8 in 2025.



Importance of innovation partners (by company type)





5/ Succession

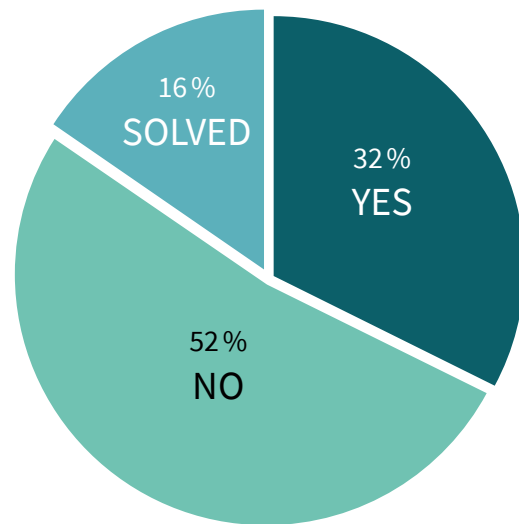
Company leaders reflect on the future of their business and who can take the lead and guarantee further success. Survey respondents tend to choose company sales and go into strategic partnerships to ensure that future goals are reached. Within their respective families, some company leaders report difficulties finding top talent ready and willing to take on the risks and responsibilities of leadership positions and therefore, they prefer external candidates.

\ Consideration of succession or company sale in the past

Succession and company sales are becoming less interesting.

Among the (bio-) pharma leaders surveyed, approximately one-third (32%) are currently considering or have previously considered succession or selling their company. 15% have already decided on this matter. However, for more than half of the respondents (52%), this is not a concern at the moment.

? Have you thought about or discussed a succession / company sale in the past two years?



Succession trend is flattening

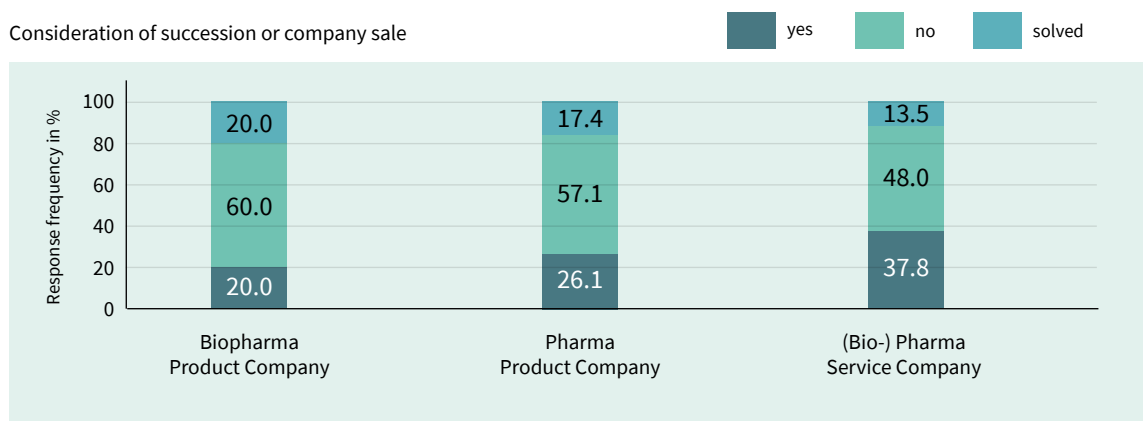
In 2023, 77% of company leaders believed that succession planning was relevant for their business. However, in the 2024 survey, only 57% of the panel considered succession important. This indicates a significant downward trend in the importance of succession planning, which is expected to continue into 2025.

Focusing on different company types, it is evident that (bio-) pharma service companies are particularly considering succession or company sales, with 38% currently evaluating these options, a significant decrease from 86% in the previous year. This is a company type where the least number of successions have been resolved, with only 14% having been addressed in the survey.

Additionally, only 20% of (bio-)pharma product company leaders and 26% of pharma product

company leaders are considering succession, down from 50% in the previous year. This declining trend in succession planning is noticeable across the various company types.

Consideration of succession or company sale



\ Relevant areas of succession

Family is still of interest, but external options are becoming more important for succession.

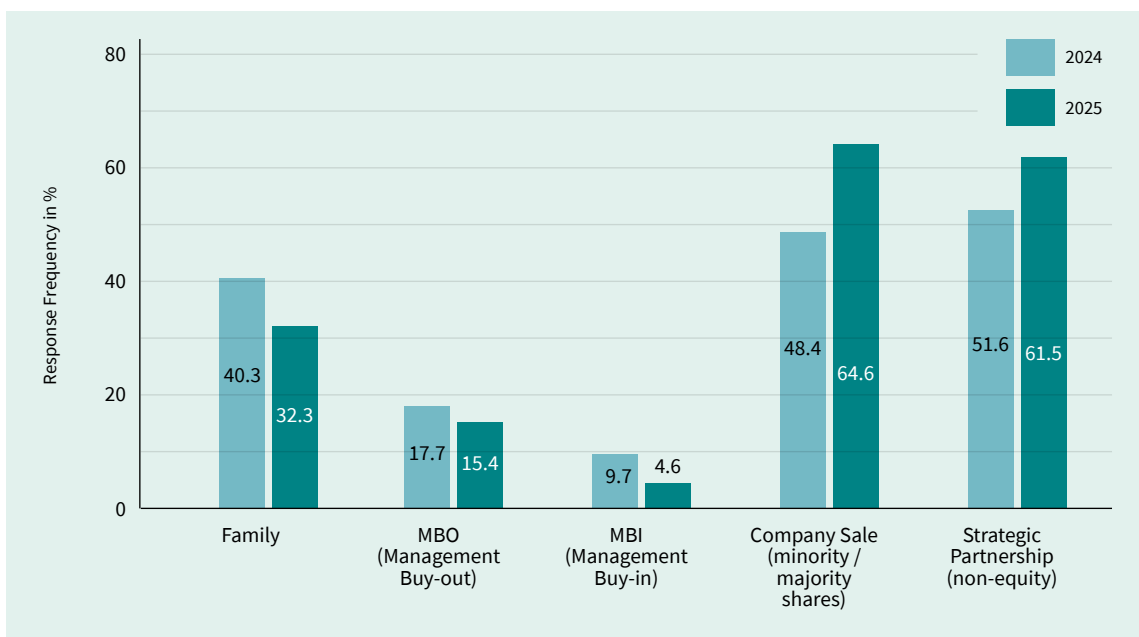
One-third of company leaders are considering transferring their business to family members, which has historically been and continues to be a significant option. However, for the (bio-)pharma companies that participated in the survey, this is not a viable choice at all, as none of the 5 companies selected “family” as an option.

? What areas of (shareholder) succession do you consider most relevant?

External options are in advance

In 2024, Strategic Partnerships were considered the most relevant for succession by 52% of company leaders, but in 2025, this figure rose to 62%, while 65% of leaders now view Company Sales as the most relevant option for succession.

Relevant areas of succession





Relevant areas of succession (by company type); multiple selection possible



Future Optimism Scores

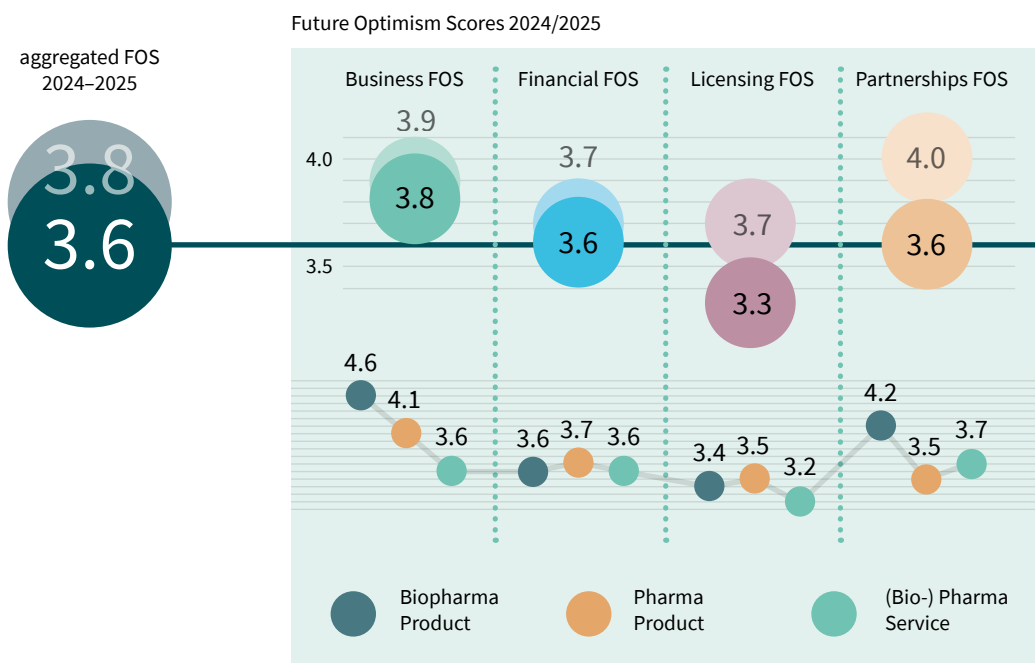
The industry’s future sentiment expressed in a score.

On a scale from 0 = very pessimistic to 6 = very optimistic, the participating (bio-) pharma company leaders evaluated the industry outlook in the areas of Business, Finance, Licensing, and Partnerships and rated each with a Future Optimism Score. Additionally, an aggregated overall Future Optimism Score was calculated.

Optimism in the industry is slightly going down. Generally, the pharma industry is quite optimistic, but there is a slight decline in overall positivity.

In 2024, the overall Future Optimism Score reached 3.8, but it has since decreased to 3.6, reflecting a slight decline in happiness. The most positive outlook remains in general business sentiment. However, a decline in optimism is evident in Licensing, which dropped from 3.7 in 2024 to 3.3 in 2025, and in the partnerships area, where the score fell from 4.0 to 3.6.

As already visible in 2024, in the current questioning, it turns out that (bio-) pharma product companies are more optimistic than service companies. A closer look at each area, however, reveals that biopharma product companies lead the pack in positivity: they achieve the highest Business Future Optimism Score in the survey at 4.6, a positive sentiment about Partnerships with a score of 4.2, and an overall Future Optimism Score of 4.0.



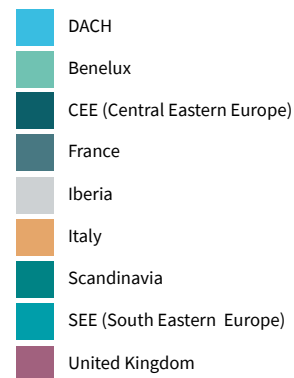
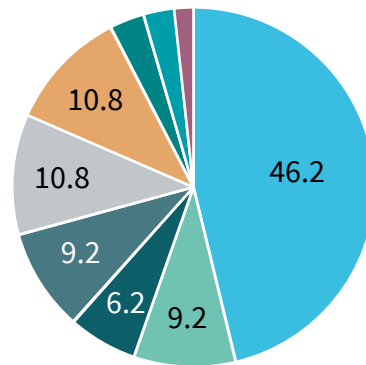


Statistics and Demography

Top-level management with a broad industry perspective.

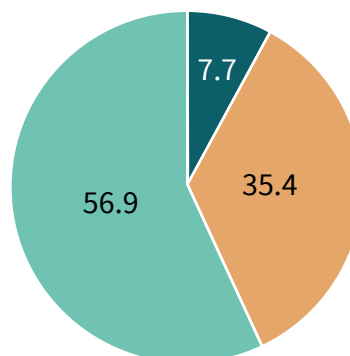
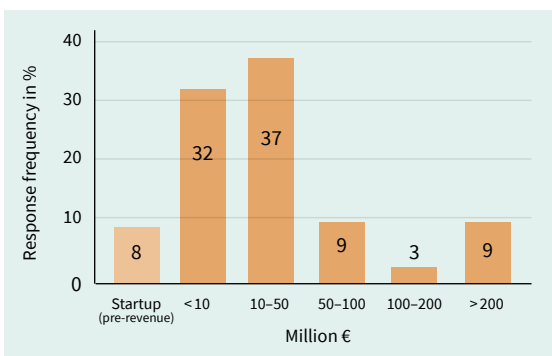
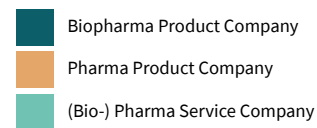
\ Survey statistics

- The VINC European Small- and Mid-Market Bio-Pharma CEO Barometer 2025 was carried out as an online survey in May and June 2024.
- Questionnaires were returned by 65 survey recipients, who provided insights into their businesses and the broader industry.
- All participants were top management – CEO, president, owner, or board member – in small or medium-sized European (bio-) pharma companies or startups.

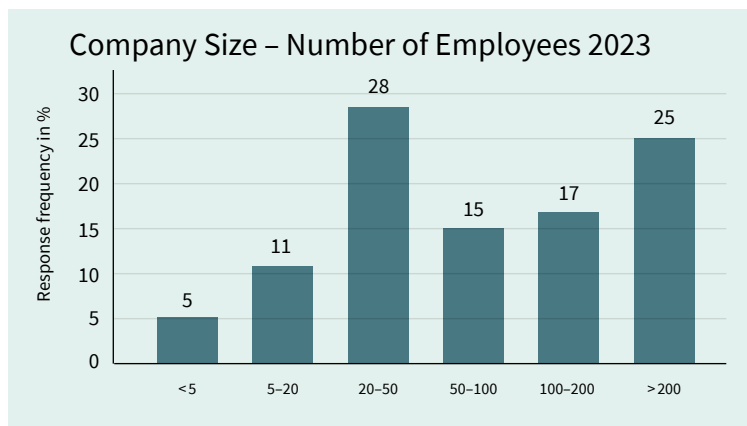
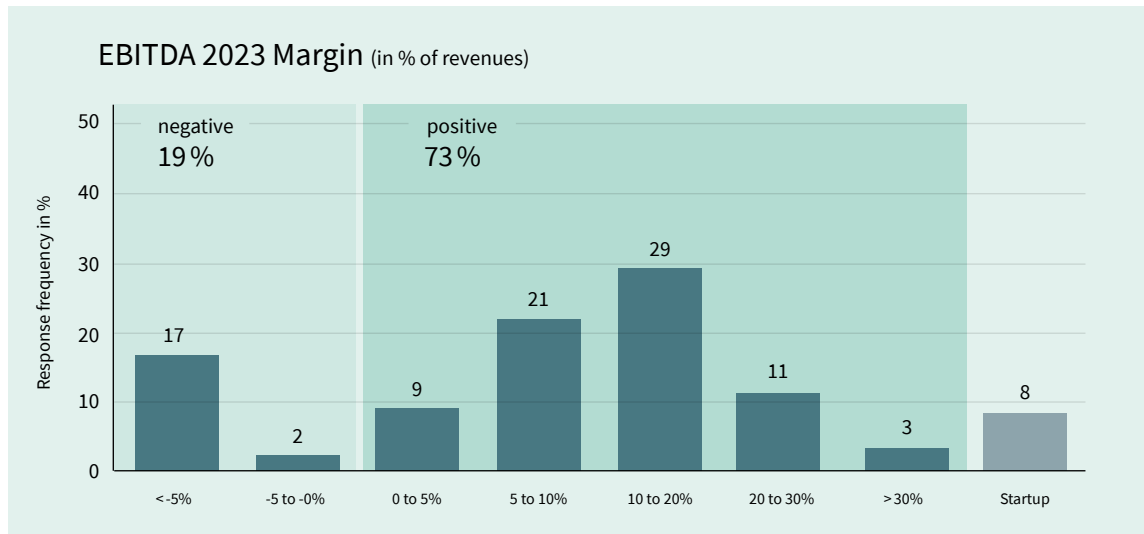
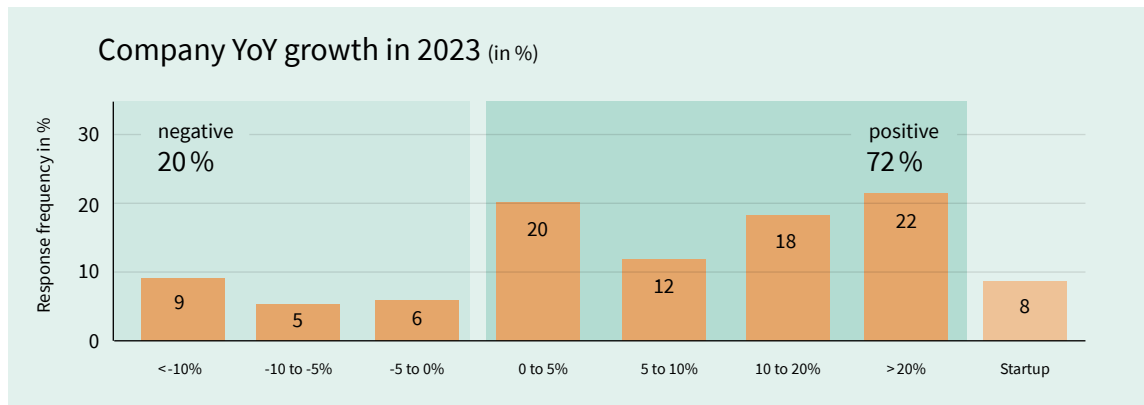


\ Demography

- 46% of the participating companies have headquarters situated in the DACH area.
- We questioned 57% (bio-) pharma service companies and 43% (bio-) pharma product companies (including 8% biopharma product companies)
- 35% of the companies stated their annual revenue was below € 10m. 9% reach a revenue of more than € 200m



- 72% of the companies reported that their business was growing in the last year. Only 20% report a declining business.
- 72% reported a positive EBITDA Margin in % of revenues in 2023. 43% of the companies reached a value of more than 10%
- Around 25% of the companies participating in the FOS 2025 survey employ over 200 people.



\ About Europharm SMC



Europharm SMC is the European Association of Small and Medium-sized pharmaceutical companies.

The Association supports and defends the interests of such firms in order to enhance their competitiveness within the global framework of the pharmaceutical industry. Whereas on the one hand, globalization and networking are key words for success, on the other, SMEs need additional factors to meet their challenges, such as swifter information exchange, new partners, logistic support in R&D, product registration, and pharmaceutical manufacture and distribution.

Europharm SMC's Mission

- To promote and assist companies in developing cooperation and synergies with partners in the EU and the rest of the world.
- To contribute to the achievement of a favourable economic and regulatory framework for the development of medium-sized pharmaceuticals companies in Europe.

For more information visit www.europharmsmc.org



\ About VINC – Healthcare Advisory

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VINC

VINC is a specialist consulting firm, supporting European small- and medium-sized companies and their entrepreneurs as well as owners concerning strategic topics. Our services are predominantly centered around **Internationalization, Value Creation and Growth.**

ADVISORY



Our Services: Mergers & Acquisitions, Succession Planning, Growth Capital, Corporate Finance, Company Sale, Carve-outs, Strategic Evaluations

Focus Geographies: Europe

LICENSING



Our Services: In-Licensing, Out-Licensing, Strategic Portfolio Review, Portfolio Divestment and Acquisition

Focus Geographies: Europe and MENA (specifically GCC)

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From AI-based biomarker discovery and software for doctors' centers, to gene testing and reagents, hip implants and operating tables, and Rx products and contract manufacturing services, our team is experienced across the industry which allows us to cover all the relevant sectors and sub-sectors. Our team includes strategy and financial consultants and industry veterans with

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\ About ISP HEALTHCARE

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Together with our clients we assess the attractiveness of potential investment opportunities and develop portfolio companies to their full potential. With our hand-picked team of life science, business and medical educated colleagues, we provide not only strategic but also tactical advice and support to company owners in creating and implementing great equity stories.

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We are niche-focused, and we strive to be the best in what we do.

Our stringent and deep sector focus enables us to provide highest quality advice in any situation, but especially when speed is of the essence – supporting you to seize opportunities in the right moment and spark change in the market.

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