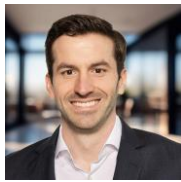




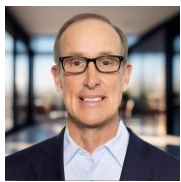
G-SIDE CAPITAL
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Healthcare & Life Sciences Perspectives

January 2026



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H&LS Deal Highlights

-17% Decrease in
YOY deal
volume

44% Increase in
YOY deal
value

46% Private
equity
involvement

Notable Quotes & Trends:

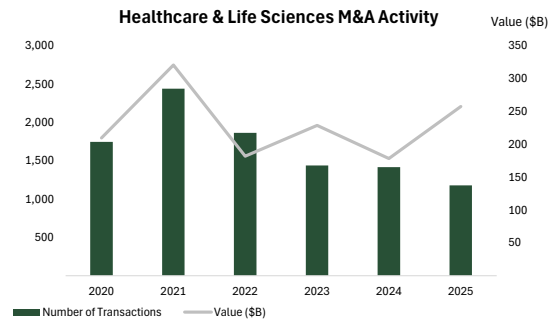
"This quarter, we actually bought an AI-powered imaging software company in Europe that specialize in interventional cardio preprocedure planning. I think that's going to be hugely important in this space. So we've added to that and integrating that team into our programs."— **Robert Ford, CEO, Abbott Laboratories**

"Obesity is a large and growing space with over 200 health conditions associated with it. The proposed acquisition of Metsera aligns with our focus on directing our investments to the most impactful opportunities and propels Pfizer into this key therapeutic area."— **Albert Bourla, CEO, Pfizer**

In the next 5 years, 20% of the U.S. population will be age 65 or older. Already, 1 in 10 Americans live with multiple chronic conditions, and this proportion is expected to increase.

HEALTHCARE & LIFE SCIENCES YEAR IN REVIEW

Throughout 2025, Healthcare & Life Sciences deal-making activities were significantly impacted by ongoing policy and regulatory challenges, including drug pricing reforms initiated by the Trump administration's Most-Favored-Nation order, tariffs on pharmaceutical imports, Medicaid reductions, and uncertainty stemming from restructuring at the FDA, CDC, and NIH. These factors contributed to valuation risks and a general sense of caution among buyers. Despite the macroeconomic and regulatory pressures that characterized early 2025, select areas of opportunistic dealmaking emerged as the year unfolded with buyers taking advantage of valuation adjustments and focusing on individual target attributes. For example, the rising incidence of cancer prompted major transactions in the diagnostics segment, most notably Abbott's \$23 billion acquisition of Exact Sciences, which illustrates the strategic intent of leading consolidators to acquire advanced capabilities in cancer screening, precision oncology, and genetic testing. The Biotech and Pharma sector also experienced significant M&A activity, including Merck's \$10 billion acquisition of Verona Pharma and Sanofi's \$9 billion purchase of Blueprint Medicines. These transactions enhanced the acquiring companies' pipelines and portfolios in rapidly growing therapeutic areas such as cardio-pulmonary and rare immunology diseases. Private equity also displayed increasing interest in behavioral health and home-based care models, seeking scalable opportunities in fragmented areas like home health, dental, and specialty care, with an emphasis on targets featuring clinical integration, AI-enabled technology, and regional concentration.



LOOKING AHEAD TO 2026

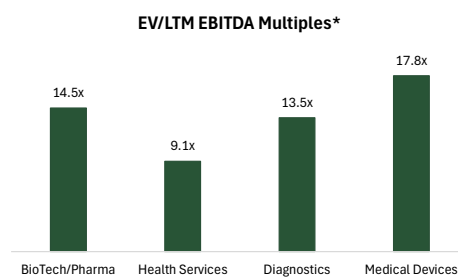
Since the end of the COVID-19 pandemic, the Healthcare & Life Sciences sector has faced sustained capital outflows and subdued M&A activity exacerbated by investor fatigue from prolonged product cycles. However, this downturn is poised to reverse in 2026, with early signs already emerging as Q4 2025 delivered the highest quarterly M&A value in over a year. Although policy and regulatory headwinds are expected to persist in 2026, buyers will prioritize resilient assets in drug delivery, digital health, home care, and physician specialties. The number of mega deals for established diagnostics and therapeutics companies will likely accelerate, especially for companies that focus on oncology, immunology, and cardiometabolic diseases. Small cap biotech takeovers should also see a spike in 2026 as targets look for much needed funding or a product development off ramp.

DEAL & VALUATION TRACKER

Recent Headline Deals

Acquirer	Target	Value (Billions)
ABBOTT	EXACT SCIENCES	\$23.0
Blackstone TPG	HOLOGIC	\$18.3
NOVARTIS	AVIDITY BIOSCIENCES	\$11.0
cencora	OneOncology	\$7.4
PATIENT SQUARE CAPITAL	PREMIER	\$2.6

Public Company Valuations



*As of 12/31/25

G-Side Capital Advisors provides independent M&A and ancillary investment banking advisory services to privately-held middle market businesses in a variety of industries. Learn more at www.g-sideca.com.