C-suite barometer: sector view

Life sciences & pharmaceuticals

forvis mazars

Contents

Foreword

At the end of 2024, we collected the views of leaders worldwide for our annual C-suite barometer. Over 1,700 executives from more than 35 countries contributed, revealing a determination to continue growing amid a more competitive and challenging environment.

The results of our C-suite barometer offer an opportunity to gain first-hand insights into the life sciences & pharmaceuticals sector. It identifies the opportunities and challenges leaders in the sector face and what they see as key strategic priorities over the next five years. Sharing such knowledge allows sector players to benchmark their concerns and strategic focus against their peers. At the same time, the results allow us to understand and support our clients in addressing their challenges and helping them achieve their objectives more effectively.

What is striking about this year's findings is the high levels of optimism in the life sciences & pharmaceuticals sector, with 98% of C-suite leaders indicating a positive growth outlook for their businesses in 2025. What is behind such optimism are robust drug pipelines and significant investments in research and development (R&D), allowing the sector to grow revenues that put it in a strong position to support future growth ambitions. Divesting non-core activities has also allowed companies to prioritise drug development and quickly bring new products to market. In addition, venture capitalists are investing in the sector, which is helping to fund R&D and clinical trials.

The goal is to develop tomorrow's blockbuster drugs as existing drugs reach the end of their ability to deliver significant growth. It is no surprise, therefore, that life sciences & pharmaceuticals sector executives now see delivering new products and services as their top strategic priority.

However, achieving growth is not without its challenges. Findings show that increased competition, supply chain restrictions and procurement issues will most likely keep executives awake at night. Other factors executives see as likely to hold back growth include political tensions and economic uncertainty.

Of course, the sector is no stranger to supply chain issues. The importance of supply chain continuity was severely tested during the Covid-19 pandemic. Yet, while the industry learned a number of lessons on improving supply chain continuity during this period, 2025 heralds a new phase of supply chain disruption. How sector leaders reassess their supply chain strategies will become clearer as escalating geopolitical tensions, sanctions and tariffs further impact the economic and political landscape. At the same time, the rise in climate-related natural disasters is likely to move supply chain location risk higher up the agenda.

As with other industries, IT transformation remains a top priority for the sector. Executives' most important digital transformation priorities are efficiency and productivity, with risk management, operational agility and international integration not far behind. However, the sector is also grappling with rapid technological advancements, particularly in artificial intelligence (AI), and stringent data security and governance regulations. How the sector deals with emerging technology will need to be factored into transformation plans or risk falling short of transformative goals.

Finally, it is encouraging to see that companies in the life sciences & pharmaceuticals sector continue to lead the way in complying with environmental, societal and governance (ESG) requirements. In particular, companies are setting tough sustainability targets for their suppliers, making sustainability a core business strategy. Reducing carbon emissions produced in the supply chain is a key focus. At a societal level, ensuring global access to medicines remains a key ESG target.

Foreword

However, as the sector adapts to evolving regulatory requirements and shifting market dynamics, the need for accurate and strategic reporting of ESG metrics is increasingly essential. In particular, the risk of negative publicity related to environmental pollution and labour practices requires a high level of reporting accuracy and transparency from suppliers. Reputational risks relating to drug failures or serious side effects are major concerns that will continue to require careful preventative planning.

As we wait and see whether the Draghi report recommendations published in September 2024 make an impact, the key message for C-suite leaders is to focus on priorities while at the same time maintaining the strategic agility to adapt to an evolving and complex market and regulatory landscape.

We hope that the internal and external contributions in this report offer valuable insights that can help guide strategic actions. We would particularly like to thank Damien Catoir of Servier and Cedric Moreau of Sofinnova Partners for their excellent contributions in helping us all understand the practical implications and dynamics of what is an exciting and evolving sector.

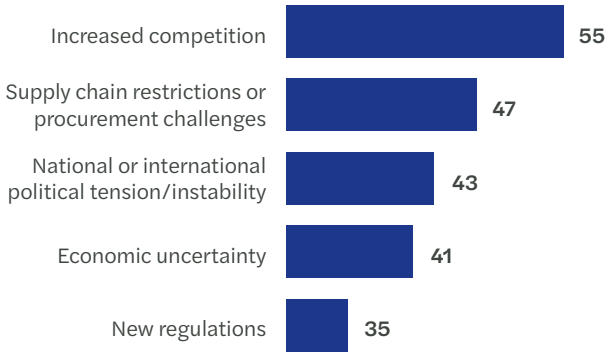
Nigel Layton
Partner, Head of Life Sciences
Forvis Mazars Group

Executive summary

Growth outlook and top sector priorities

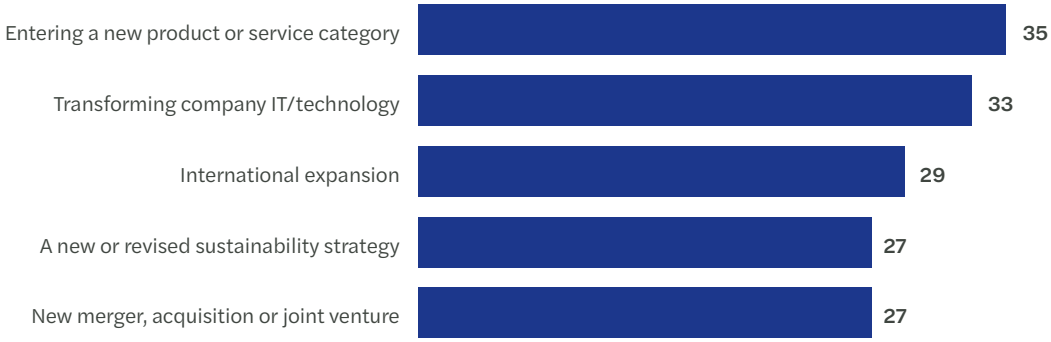
98% of leaders in the sector have a positive growth outlook for their businesses in 2025

Top factors holding back growth

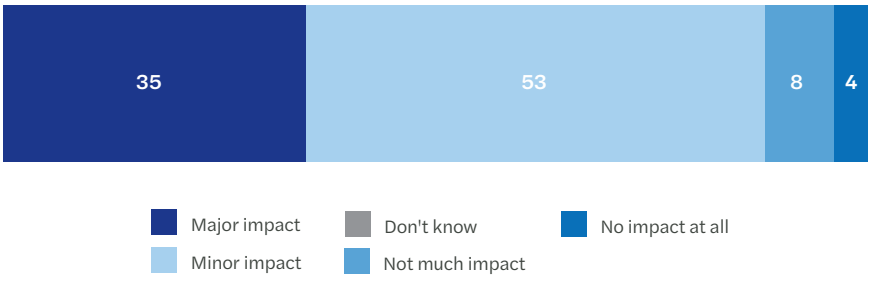


External trends impacting organisations in the next 12 months

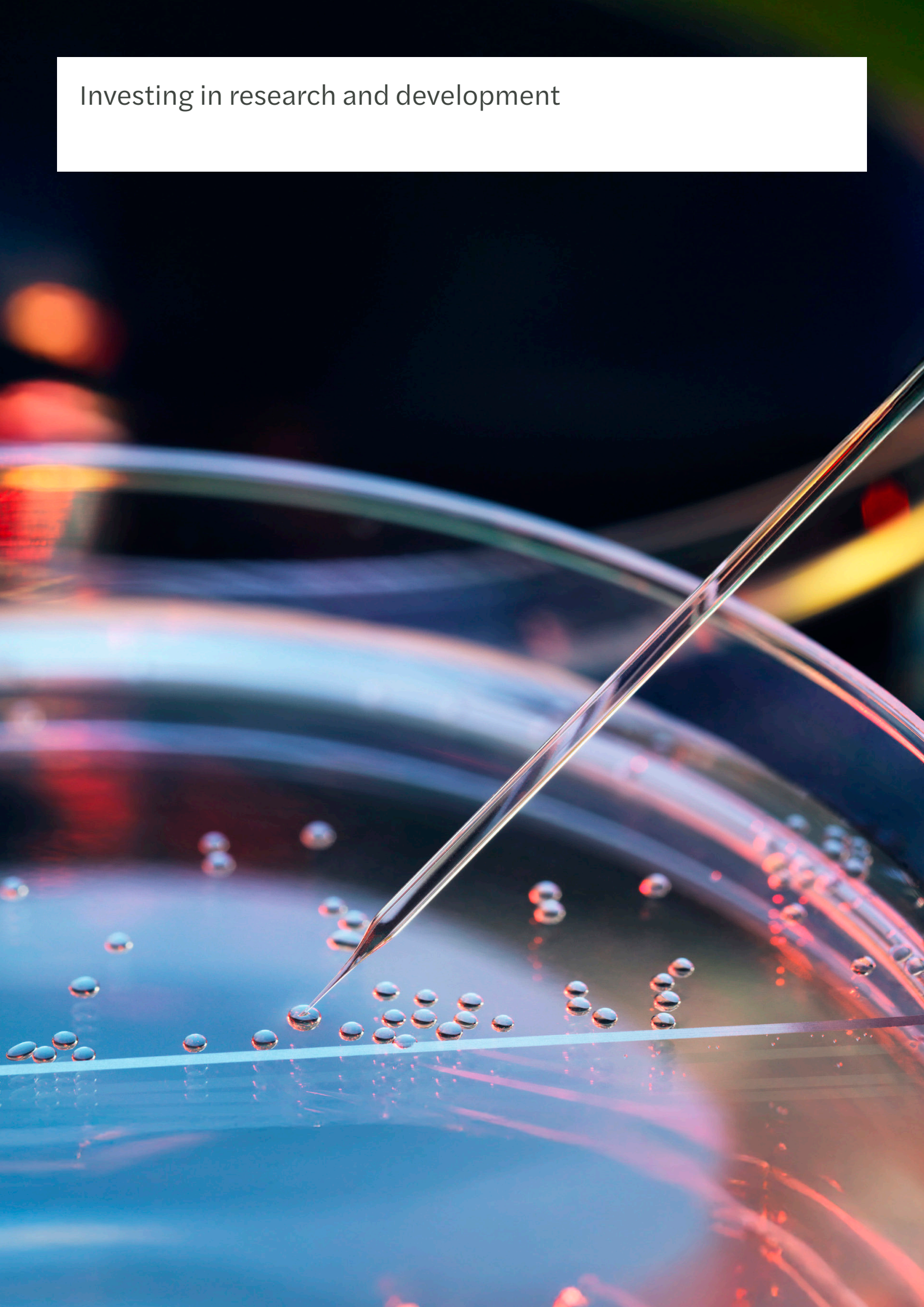
Top five strategic priorities for the C-suite in the next 3-5 years



Impact of generative AI on organisations



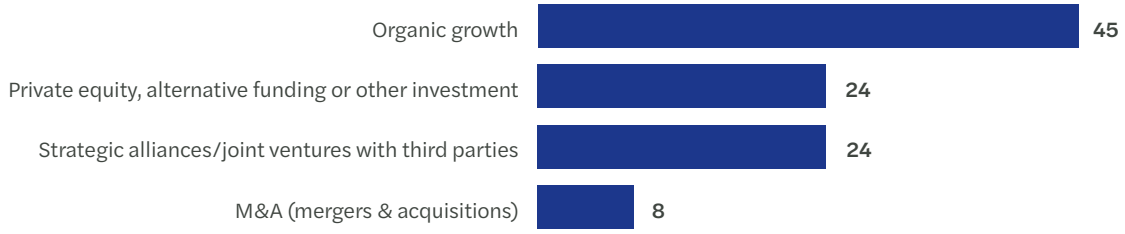
Investing in research and development



Investing in research and development

Investment in innovation and strong researching and development (R&D) pipelines are providing a powerful platform for new products and services. In particular, the industry is benefiting from a wave of innovative and next-generation therapies, particularly in oncology, immunology and metabolic diseases. What is also interesting about the survey's findings is that leaders see organic growth as an important part of their growth strategy, with many pharmaceutical companies now expanding the indications of existing blockbusters.

Key sources of organisational growth in 2025



Investing in research and development
Industry insight

Damien Catoir
Executive Vice President General Counsel and Corporate Secretary
Servier Group

Damien Catoir is an Executive Vice President General Counsel and Corporate Secretary at Servier Group, a global pharmaceutical group governed by a non-profit foundation. Servier focuses on research, development, manufacturing and marketing of medicines that aim to improve patient lives.

Building a platform for product innovation and growth

We have an ageing global population and with that comes the need for treatments that cater for changing demographics and evolving epidemiology challenges. As people live longer, cardiovascular and metabolic diseases such as strokes will continue to rise. At the same time cancers are not only impacting the older population but certain cancers such as glioblastoma and pancreatic are progressing in ages outside the normal range for those pathologies.

The good news is that, driven by innovation in R&D, there are new drugs being released, alongside some already on the market, that are more efficient and effective at treating these diseases. For example, innovation in oncology is now moving into the era of precision medicine where treatments are getting better at targeting cancer cells only, which limits many of the treatment side effects. There are also exciting advancements being made in gene therapy.

> “Innovation in oncology is now moving into the era of precision medicine where treatments are getting better at targeting cancer cells only.”

However, while our priority as a foundation is to find the best options for the patients as quickly as possible, the journey from product concept to patient can sometimes take up to 15 years. So, a key question for every player in the sector is the continual risk benefit analysis of pharmaceutical product development. A race to be first is always the goal, as this is the best way to provide solutions for patients and to ensure that very significant development costs can be amortised. But there are other constraints that can impact this risk benefit analysis, such as the supply chain and a complex regulatory environment.

In particular, identifying and scaling up manufacturing capabilities can take many years. So, while you can try to rationalise your supply chain and make it more resilient, sourcing raw materials and the long-time horizons involved in drug development make this difficult. At the same time, there is the constant need to continue developing and producing treatments. The reality is pharmaceutical companies have to explore options outside their domestic market, which includes identifying raw materials, research capabilities and development opportunities in the US, China, India as well as Europe. It is often the case that raw materials are sourced in one region, R&D elsewhere and sales in another. In particular, the US is an interesting destination for the pharmaceuticals sector. Why? Because at present the US is a country where companies can fund innovation, find scientific and research partnerships, identify promising molecules

Investing in research and development
Industry insight

and shorten time-to-market thanks to a regulatory environment favouring access to new treatments for patients, thereby making ambitious and costly R&D programmes viable.

However, it is a balancing act, as tapping into the US market increasingly requires ensuring a localised industrial footprint and supply chain. Of course, this is a balancing act that can have a detrimental impact on European reindustrialisation efforts and initiative to restore competitiveness, which is a key focus of the Draghi report's in-depth analysis of the pharmaceuticals sector. As well as R&D funding and approval delays, the report identifies different national pricing and reimbursement systems across the EU as the main obstacles to achieving a more competitive pharmaceuticals sector.

Yet potential solutions to funding issues are already on the table. Win-win strategies for European governments include investing in prevention therapies that can reduce the long-term financial burden on health services and systems. Another issue where attention is yet to be fully focused, and of a high cost to health services, is patient non-adherence to treatments prescribed by their doctors.

The good news is that solutions have been identified and that work on combining best-in-class molecules in one pill (so-called single pill combinations or SPCs) to reduce the number of medications patients have to take each day is already underway. This not only offers a huge cost benefit to governments but, importantly, helps save lives.

I firmly believe that the sector's focus on drug innovation and a patient-centric approach will continue to drive growth opportunities. However, without European action to provide a fair and flexible platform for the sector, there is a risk that pharmaceutical companies will see more opportunities to develop new drugs and treatments elsewhere.

Addressing the power of emerging technologies

Addressing the power of emerging technologies

Digital transformation is a key focus for the sector, with 33% of executives citing it as a top priority for the next three to five years and second only to developing new products and services. The most important digital transformation priorities for executives in the sector are efficiency and productivity. However, risk management, operational agility and international integration are not far behind.

"Amidst patent cliffs, regulatory changes and geopolitical challenges, life sciences companies must harness technology and AI to drive innovation and precision in medicine, biotech and medtech. International expansion will unlock new opportunities and strengthen existing collaborations. Ultimately, the key differentiator will be talent—fostering diverse leadership, encouraging innovation and prioritising continuous re/upskilling."

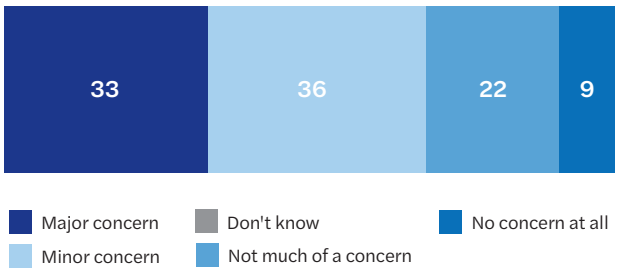
Aniqa Akram
Partner
Forvis Mazars, Switzerland

70% of life sciences & pharmaceuticals sector businesses have dedicated strategies both for technology transformation and implementing emerging technologies such as generative artificial intelligence (AI). Similar to other sectors, generative AI is mainly deployed to improve operational agility.

However, technology compliance is a rising issue, with executives highlighting data protection laws, integrating data sources and new software as their top data management and governance priorities. In addition, 69% of leaders express "major" or "minor" ethical concerns with AI and 86% view more AI regulation as essential or very important.

Interestingly, three in five executives in the sector expect AI to replace jobs in their organisations, which is much higher than reported globally.

Assessing the ethical and social concerns of generative AI



Expert view

Harnessing AI's potential

IT transformation remains a priority for the sector, with the adoption of emerging technologies such as artificial intelligence (AI) rapidly advancing. Most companies are currently prioritising internal efficiencies rather than external, revenue-generating applications.

"Organisations in this sector report higher levels of AI usage for internal processes (84%) than others globally, but lower levels of usage for commercial products/services (61%)."

For example, AI is being integrated into regulatory filings and compliance tracking to ensure evolving standards are met more efficiently. To move beyond internal process improvements, companies now need to focus on AI-assisted sales and marketing to transform commercial operations. For example, AI-driven analytics can help refine commercial strategies by identifying key healthcare providers (HCPs) and patient populations, analyse prescribing patterns, patient demographics and market trends to personalise efforts and optimise salesforce deployment.

Generative AI is being used to personalise digital interactions with HCPs and patients through chatbots and virtual assistants. Also, real-time market insights can be deployed to improve supply chain resilience and competitive intelligence to help companies react quickly to competitor moves, regulatory changes and emerging growth opportunities.

Considering AI as a full catalyst to transform and rethink business processes, rather than a cost-reduction tool will be essential to a company's ability to deliver better, higher quality treatments and support more patients. In particular, AI-driven platforms are accelerating the identification of new drug candidates and optimising clinical trials. This is an important step as the success rate of drug development from the start of clinical trials to receiving marketing approval can be less than 10%.

Despite the immense potential of AI in the pharmaceuticals industry, 69% express significant ethical concerns regarding its growing use. Key issues include the risk of misinformation, reduced human oversight, questions of liability, lack of transparency or accountability, as well as cybersecurity and privacy challenges. Getting the right balance between regulation and innovation can help ensure that the use of AI is not only cutting-edge but also responsible and ethical.

"86% view more AI regulation as "essential" or "very important".

As technology advances, developing robust governance frameworks that give the ability to comply with data protection laws and safeguard sensitive patient data while maintaining operational flexibility and digital competitiveness will be critical. Approaches include specialised data protection offices that work closely with IT departments to integrate privacy and security directly into digital initiatives, especially when adopting AI-driven systems for drug discovery or patient care. Also, implementing cloud-based solutions compliant with the General Data Protection Regulation (GDPR) and the Health Insurance Portability and Accountability Act (HIPAA) is key. Alongside secure data-sharing protocols, such an approach will help preserve patient confidentiality while fostering innovation and access to real-time data. Collaborating with regulatory bodies to stay ahead of rapidly changing regulatory landscapes is also essential, as is investing in employee training and awareness of the potential of emerging technologies.

François Delrot
Partner
Forvis Mazars, France

Exploring the international landscape

Exploring the international landscape

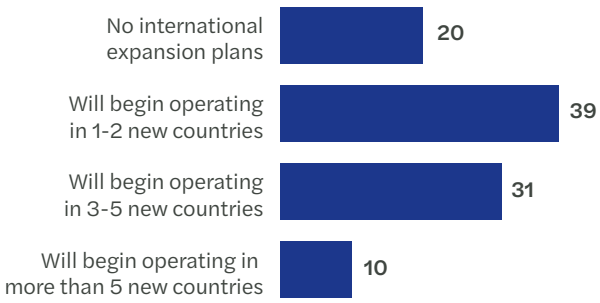
C-suite executives have high ambitions for international expansion. Four in five life sciences & pharmaceuticals sector businesses plan to expand internationally to achieve strategic growth ambitions in the next five years. The most targeted countries for expansion are the US, UK, China, Germany and India.

"US boardrooms have been actively debating the impact of tariffs on overseas-made pharmaceuticals, raising key questions about the country of origin, tariff rates and possible workarounds. Global pharmaceutical companies are reassessing supply chains amidst shifting US tariff policies, which have created significant uncertainty. This instability is also delaying clinical development, as companies hesitate to invest due to unclear US policies on R&D funding, Medicare, Medicaid and other federal programmes."

John Stewart
Partner, Head of Life Sciences
Forvis Mazars US

International expansion brings its own set of challenges that can vary by region, country and regulator. For C-suite executives who seek to expand internationally, diversifying products to suit new markets, establishing local supply chains, understanding local regulations and navigating compliance issues are the main international expansion challenges for the life sciences & pharmaceuticals sector.

Future international expansion plans



Expert view

M&A snapshot

The market dynamics for M&A remain favourable. Large pharmaceutical companies are acquiring biotech firms to replenish their drug pipelines, particularly in oncology, rare diseases and central nervous system (CNS) disorders, such as epilepsy and multiple sclerosis. Also, as major drugs face patent expirations, companies are looking to buy innovative biotechs to maintain revenue streams. Recent investments focusing on AI-powered clinical trials, automation in R&D and data-driven drug development point to AI-driven drug discovery and precision medicine gaining traction.

Also, with up to 40% of new innovative medicines approved at the European level not available in some countries due to health service mechanisms and pricing constraints, it is, therefore, no surprise that international expansion into markets such as the US continues to be an attractive option for pharmaceutical companies. As a result, the growth strategy in 2025 will continue to be a mix of organic expansion and strategic acquisitions both domestically and overseas.

The success of deals will depend on companies carefully navigating regulatory, financial and operational risks while ensuring sustainable innovation.

François Delrot
Partner
Forvis Mazars, France

Exploring the international landscape
Industry insight

Cédric Moreau
Partner
Sofinnova Partners

Sofinnova Partners is a leading European venture capital firm in life sciences, specialising in healthcare and sustainability. Its mission is to improve the lives of patients through science.

A strategy for transformational impact: invest, innovate and integrate

Innovation is the lifeblood of the industry and a critical driver of success. As nations worldwide grapple with complex health challenges, from rising obesity rates to emerging cancers, breakthrough products are more important than ever for the life sciences & pharmaceuticals sectors. Yet, innovation does not happen in isolation. The ability to deliver real impact requires an ecosystem built on strategic intent: to invest, innovate and integrate across every layer of the value chain.

In Europe, despite having an economy on par with the US, systemic fragmentation is holding us back. Too much bureaucracy and inconsistent access to public and private capital are dampening our innovation potential. The solution is not just more funding – it is smarter coordination and a shared willingness to build a cohesive, high-impact environment for life sciences to thrive.

Of course, the US has its own challenges. A more permissive regulatory environment has helped the life sciences and pharmaceuticals sectors to thrive, attracting significant capital and enabling rapid development. At the same time, recent policy shifts — including those announced by the Trump administration — have introduced a degree of unpredictability. Factors like evolving trade dynamics and inflationary pressures are adding complexity to the investment landscape, especially in biotech, where long-term planning is essential. While challenges exist on both sides of the Atlantic, they also create opportunities to rethink strategy, enhance resilience and build ecosystems that can adapt and grow over time.

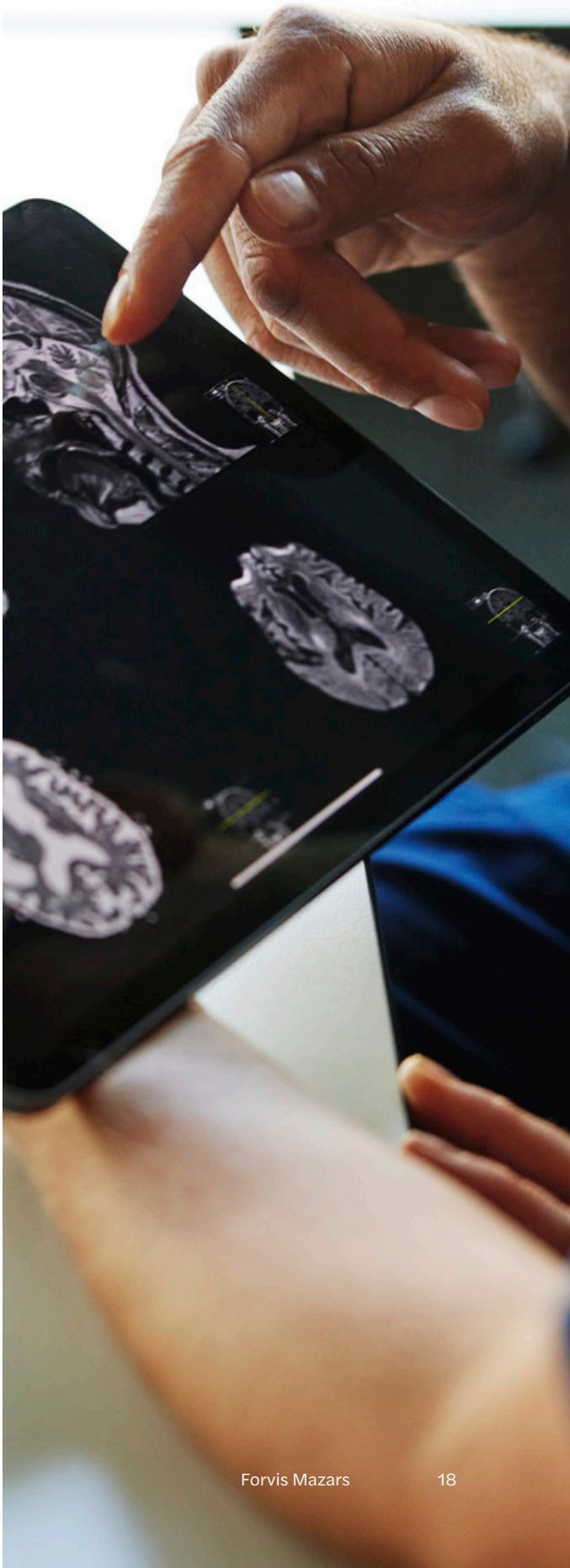
Across both markets, in the US and in Europe, one thing is clear: the sector needs stability, predictability, and policy alignment to flourish. Unfortunately, short-term political decisions often mean we take one step forward and two steps back. Taking a long-term view is essential for the sector's growth as it encourages risk-taking, rewards bold ideas and sustains next-generation drug development. Some bets will work, and some will not, but that is the game. A long-term approach supports innovation, rather than short-term reactive policies that may be more emotional than strategic. It is about achieving the right balance.

Exploring the international landscape
Industry insight

Emerging technologies also have a key role to play. Innovation attrition rates are high – only around 10% of new drugs and treatments reach the market. With such high risks, AI and predictive algorithms could be game changers, enabling better understanding of biological complexity, more reliable action mechanisms, and increased probability of success for delivering the big impact products we are all looking for.

For Europe, the priority now is to achieve integration and alignment so that initiatives taken unite rather than divide. Active discussions around the Biotech Act, pharmaceutical packaging and insights from the Draghi report show that the key sector constraints are known and that solutions are within reach. So, initiatives are on the table; what is next is finding the collective willingness to implement proposals and developing the right mindset to encourage change.

While the sector fundamentals are strong, we must find new ways to support the life sciences and pharmaceutical ecosystem. Whether that is by making the sector a more attractive proposition for pension funds and public savings to finance innovation, delivering smart policies that protect the supply chain, or encouraging pharmaceutical firms to increase their local footprint, the goal is the same: to future-proof our healthcare systems. Because with systems under strain, incremental change is not enough. We need a fundamental shift — and we need it now.



Expert view

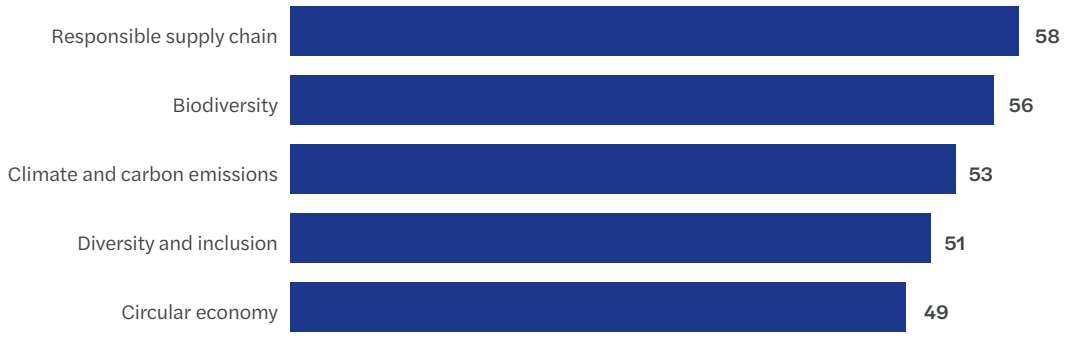
Sector spotlight on sustainability

The life sciences & pharmaceuticals sector considers sustainability a key priority and are one of the most engaged sectors we work with. Three in five organisations in our survey currently publish a sustainability report, and more than half report that their organisation is "completely" ready to meet sustainability reporting requirements. Responsible supply chain, biodiversity and carbon emissions are the biggest topics for ESG reports in the life sciences & pharmaceuticals sector. The UN's Sustainable Development Goals are the primary influence for sustainability reporting.

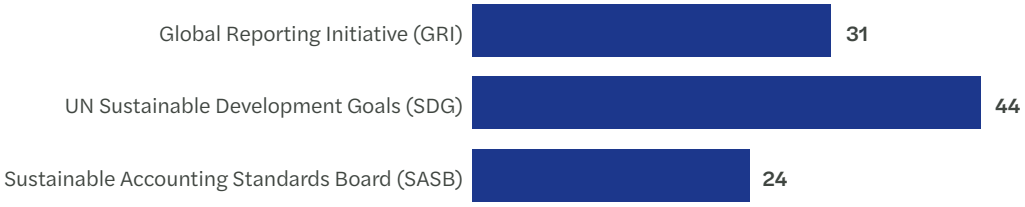
However, two-thirds of life sciences & pharmaceuticals sector executives (68%) consider ESG reporting requirements to be more of a cost than an opportunity. In addition, they are less likely than other sectors to integrate sustainability with financial reporting. Key reporting challenges include concerns about publicly highlighting areas for improvement and internal capabilities and expertise.

Nigel Layton
Partner, Head of Life Sciences
Forvis Mazars Group

ESG topics covered in organisational reporting



Regulatory frameworks shaping sustainability reporting



Expectations from current affairs

Life sciences & pharmaceuticals sector executives anticipated the impacts of 2024 elections around the world. These include regulation, exchange rates and funding. Given the economic and geopolitical instability, these are even more important today and enhance the challenges C-suite leaders in the sector face.

"The US elections will cause issues with currency exchange rates and a good deal of our supply chain and customer base is in North America."

C-suite pharmaceuticals leader, business $1bn+
UK

"The SAPC council may review the existing regulations. This might require a lot of internal work, and a person from my organisation who is well-skilled in dealing with the third party.

C-suite pharmaceuticals leader, business <$100m
South Africa

"There may be new changes in local policies, which is an uncontrollable factor."

C-suite life sciences leader, business $1bn+
Austria

"If the government prioritises industrial development after elections and allocate funding for compliance initiatives or infrastructure improvements, it can benefit us."

C-suite pharmaceuticals leader, business <$100m
Uganda

"The biggest impact will be keeping ahead of the competition with technological advancements that are evolving, to a greater extent, to affect business."

C-suite life sciences leader, business $1bn+
Canada

"Businesses may postpone investments due to uncertainty about election outcomes and future policies."

C-suite life sciences leader, business <$100m
India

Contacts

Nigel Layton
Partner, Head of Life Sciences
Forvis Mazars Group
nigel.layton@forvismazars.com

John Stewart
Partner, Head of Life Sciences
Forvis Mazars US
john.stewart@us.forvismazars.com

Aniqa Akram
Partner
Forvis Mazars, Switzerland
aniqa.akram@forvismazars.com

François Delrot
Partner
Forvis Mazars, France
francois.delrot@forvismazars.com

forvismazars.com