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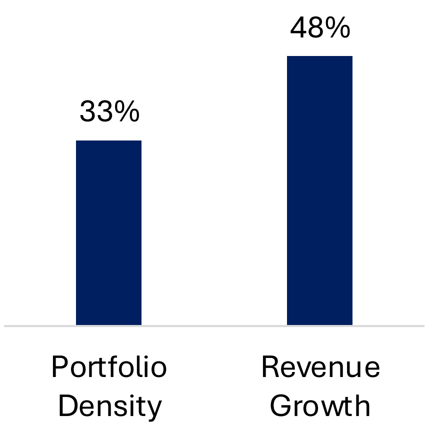
# The Scale Imperative in Biopharma

## Why Growth Is Concentrating and Where Opportunity Is Emerging

### Market Reality: Growth is Increasingly Concentrated

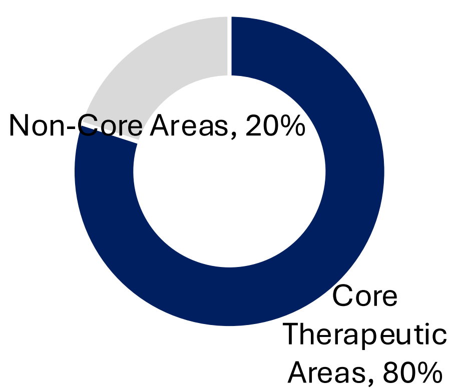
- ~100 assets are expected to drive ~80% of ~$200B in incremental revenue (2024–2030), reflecting a high concentration of value creation
- Multi-indication assets and in-line products (~70% of growth) are delivering disproportionate impact, reinforcing the importance of scale, lifecycle optimization, and indication expansion
- Growth is concentrated in core therapeutic areas, with external innovation and business development playing an increasingly critical role alongside internal R&D

**Multi-Indication Assets: Density vs. Growth Contribution**



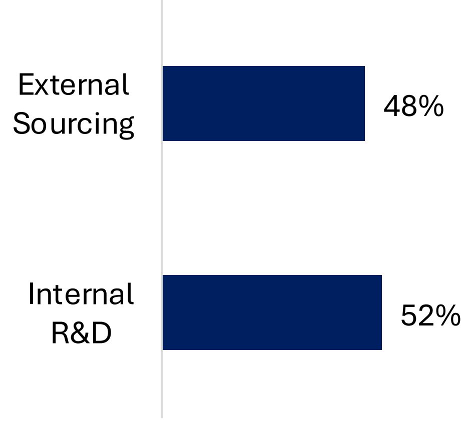

**Disproportionate Impact:** Just 13 therapies spanning 4+ indications drive drive ~20% of topline growth through through 2030.

**Share of Projected Revenue Growth Through 2030**




**Strategic Focus:** Investment is concentrated where commercial infrastructure already exists

**Projected Growth Contribution: Contribution: Internal vs. External Innovation**




**Forward Shift:** Growth mix expected to expected to tilt further toward externally sourced innovation

## Implication: Capital concentration is leaving viable assets behind

**Viable assets are being systematically overlooked**

As capital concentrates at the top end of the market, clinically validated and commercially viable programs are increasingly overlooked, not due to scientific limitations, but misalignment with scale requirements.

- Mid-sized and niche indications
- Single-indication or limited expansion assets
- Divested or deprioritized pharma programs
- Capital-constrained clinical-stage biotech

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# The Scale Imperative in Biopharma

## Why Growth Is Concentrating and Where Opportunity Is Emerging

### Capital is concentrating at the top of the market

| Large-Scale Assets | Underfunded Assets |
|---|---|
| • Multi-indication with platform expansion potential | • Single or limited indication scope |
| • Competitive auction dynamics among large pharma | • Limited competition despite clinical validation |
| • Premium valuations driven by scarcity and scale | • Discounted entry due to perceived lack of scale |
| • Prioritized to offset patent cliffs | • Deprioritized due to capital misalignment |

### Opportunity is shifting from scale to selectivity

*Why this matters: Capital concentration is creating investable inefficiencies*

- A meaningful set of clinically validated assets sits outside large-market competition
- These assets are overlooked due to limited perceived scalability
- Entry valuations reflect lack of competition, not lack of quality
- Value creation depends on selectively pursuing assets others overlook and developing them with right-sized capital and scope

### Conclusion

Scale is reshaping capital allocation in biopharma and creating structural gaps in the market. A growing set of viable assets is being overlooked. The advantage will go to those who can identify and act on these opportunities with discipline and precision.

Competing for large-scale assets is increasingly unlikely to drive differentiated growth for most companies

## Scale is driving strategy. Selectivity is creating opportunity.

Source: Company filings, consensus forecasts, and industry data (Evaluate Pharma, IQVIA, GlobalData),