VC funding in the biotech space will remain in line with 2017’s record-breaking levels. Venture capitalists will continue to invest similar amounts this year as cash-rich investors seek to fund companies before they go public or are acquired by large pharma conglomerates.

PREDICTION #1
VC FUNDING IN BIOTECH SPACE
$15.5B
$10.7B

PREDICTION #2
Biotech M&A will bounce back after a relatively slow 2017
This year should see deal activity soar as large pharma companies, helped by the reduced corporate tax rate and more favorable tax treatment for repatriating capital, seek to acquire targets with strong development pipelines of innovative therapies and devices. The main driver of deal activity is the need to replenish development pipelines as pharma companies face the loss of patent protections on their drugs.

"We only get rewarded if we actually create a lot of value for our investors by creating a lot of value in the healthcare system." – Bert Notini, Managing Director, New Mountain Capital

PREDICTION #3
Extremely expensive therapies will be measured and priced on a patient milestone-basis, with reimbursements based on the years of life the patient gains.

Some therapies for rare diseases or diseases that are difficult to treat are anticipated to cost more than $1 million. To make them more accessible to patients, new approaches such as "years of life" milestone-based reimbursements are being considered.

"The days of having an indication, and it covering everyone whether it works or not, [are] going away. You see it occurring in oncology. Oncology’s often a leader, but you have metrics there. Has there been tumor shrinkage? Has there been extension of life? It’ll work well in disease therapies where the treatments are very measurable as to their success.”
– Ann Kraft, Purdue Pharma

PREDICTION #4
Chinese Biotech companies will seek U.S. and European regulatory experts.

As China-based biotech companies seek to unlock the potential of the U.S. and European markets, they will increasingly rely on U.S.-based expertise and guidance to meet standards for safe and efficacious products.

"To sell products outside of China, there may be a higher regulatory bar and greater scrutiny by regulators. As China moves beyond manufacturers of API and generics to developing new products they will need to meet FDA [and EMA] regulations to obtain licensure and market their products to these geographies.”
– Susan Linna, Managing Director, BDO Life Sciences Specialty Services
People who know Life Sciences, know BDO.

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