2026 TRENDS

Life Sciences

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TREND 1

Embedding AI in R&D Workflows to Transform Processes and Skills

TREND 2

Accelerating Innovation in Cell and Gene Therapy Development

TREND 3

Surging Demand for Peptide Therapies Enhancing Longevity

TREND 4

Restructuring Supply Chains for Resiliency and Direct Access

TREND 5

Increasing M&A Activity Across the Pharmacy Sector

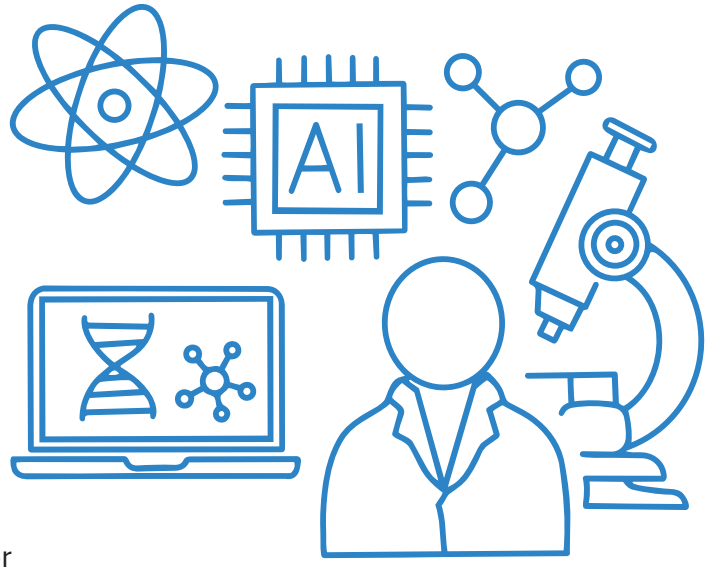
The life sciences industry is entering 2026 in a period of rapid transformation as organizations balance scientific progress with shifting global pressures. Artificial intelligence is becoming deeply embedded in daily research as organizations determine how to leverage it operationally, and the cell and gene therapy pipeline continues to expand at a rapid pace. Demand for peptide-based therapies is also rising as patients seek care options that are personalized and focused on longevity.

At the same time, companies must strengthen supply networks in response to geopolitical tension, tariff uncertainty, and the push for more direct access models. As firms pursue new capabilities and position themselves for long-term growth, M&A activity is gaining momentum.

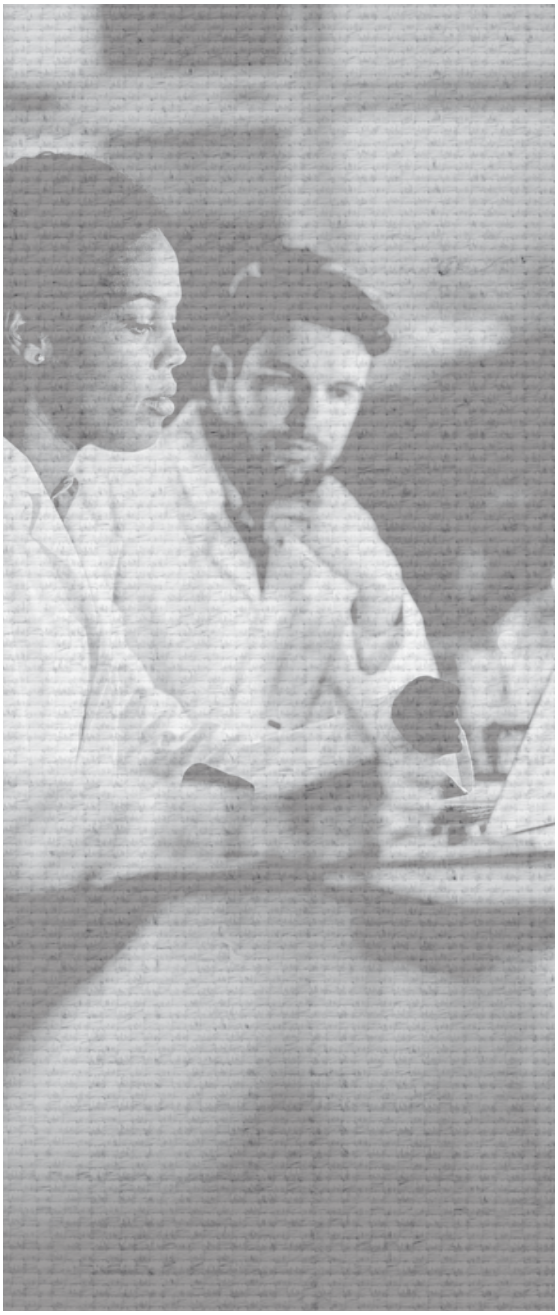
These forces create a landscape where adaptability is as essential as innovation moving forward. In this report, we outline the trends shaping the life sciences industry in 2026 and highlight areas of focus that will guide development and delivery.

TREND 1

Embedding AI in R&D Workflows to Transform Processes and Skills



94% of life sciences leaders expect AI to become crucial for building scalable operations, and it's essential to train the workforce during this transition. Beyond introducing new AI tools, companies are focused on preparing employees to use AI responsibly in regular tasks. 69% of companies plan to invest in digital fluency and AI upskilling, which is a 51% increase from 2023. This growth reflects how AI is enabling movement from manual to machine-augmented R&D workflows.



Companies will begin by utilizing AI to enable simple tasks, but these capabilities can mature to assist entire workflows. Automation is being incorporated directly into laboratory software like Electronic Lab Notebooks (ELN) and Laboratory Information Management Systems (LIMS). If set up properly, these developments can accelerate drug-discovery timelines due to rapid AI analysis of large datasets and predictions for drug-target interactions.

For instance, Insilico Medicine's Rentosertib, the world's first fully AI-discovered drug, shows major promise for lung disease treatment. Life sciences organizations must recognize that AI has crossed from theory into therapy, creating an array of opportunities to expand. In 2026, AI will be embedded across the value chain, from R&D to clinical trials to operations, reshaping the way companies get work done.

In 2026, life sciences companies will experience a shift from assessing AI readiness and capabilities to integrating it as a collaborative agent across everyday workflows. AI has remained a critical component in conversations over the past several years, but its role continues to evolve as it becomes more closely integrated with employee efforts.

TREND 2

Accelerating Innovation in Cell and Gene Therapy Development

The cell and gene therapy (CGT) market is rapidly expanding, with 4,418 gene, cell, and RNA therapies currently in the clinical and preclinical pipeline. This includes 2,154 gene therapies, 966 non-genetically modified cell therapies, and 1,298 RNA therapies. As the pipeline grows, agility is critical, especially as scaling pressures emerge in both manufacturing and commercialization. The CGT solutions market in North America is expected to rise to $11.34 billion, reflecting accelerating investment and development activity.

Alongside this expansion, rising demand for outsourced services and advancements in manufacturing technologies are driving growth in CDMO capacity. CDMOs enable large pharmaceutical companies to maintain agile, decentralized supply chains, offering flexibility as manufacturing requirements become more complex and time sensitive. These organizations are also critical for virtual and small pharma to get their drugs to the clinic and market without having to fully scale operations.

In response to rising costs and operational demands, companies are increasingly partnering or licensing to build CGT capacity and platforms rather than investing in standalone assets. This partnership-driven approach supports scalability while reducing financial and operational risk in the therapeutic landscape.

Scientific development continues to progress as trial activity rises. In Q3 of 2025, 80 gene therapy trials were initiated, with 64% focused on oncology indications, the highest proportion seen in the past year. AAV (adeno-associated virus) vectors continue to be dominant in the field, and new growth opportunities are emerging with next-gen capsids, tissue-specific expression systems, and RNA-editing platforms.

However, challenges persist across reimbursement, infrastructure, and geographic patient access. These barriers are becoming more visible as the market scales and as therapies move closer to commercialization. Tariff-driven uncertainty is adding another layer of complexity; 94% of biotech firms anticipate surging manufacturing costs due to tariffs on imports from the European Union. As a result, manufacturing may shift to the United States over time, and some biotech companies have already initiated domestic production because of time sensitivity and supply constraints.

TREND 3

Surging Demand for Weight-Loss and Peptide Therapies Enhancing Longevity

The peptide-based weight loss medication market is being propelled by the rising prevalence of obesity and social acceptance driven by strong celebrity endorsement. Peptide therapy, once considered niche in wellness circles, is now gaining traction and moving into the mainstream.

Peptides are increasingly being explored beyond traditional obesity treatment and into broader applications, including metabolic optimization, fat oxidation, mitochondrial health, and even longevity and anti-aging contexts. The oral peptide and small-molecule GLP-1 segment is expected to experience the most growth in 2026, despite injectables historically being the most common form.

As this market expands, access, pricing, reimbursement, and delivery models are evolving to provide greater convenience for consumers. Patients are demanding more personalized peptide protocols, leading clinics to combine peptide treatments with lab results and biomarker tracking. These tools enable them to tailor therapies for metabolism, recovery, and aging.

At the same time, compounding pharmacies are stepping in to address high patient demand. However, the FDA has flagged concerns around the quality and safety of compounded versions, which may prompt future regulatory changes regarding distribution.

Tariffs have also created supply chain and cost challenges amid rapid market expansion. Because the peptide industry depends heavily on imported raw materials, reagents, and specialized manufacturing inputs, many companies are reshoring production or building alternate supplier networks to mitigate tariff impacts.

Meanwhile, the market landscape is shifting as Ozempic and Wegovy, once dominant products, face increasing competition. Although there are no generic equivalents approved in the U.S., impending patent expirations are already putting price pressure on manufacturers to rethink their competitive positioning and supply strategies.

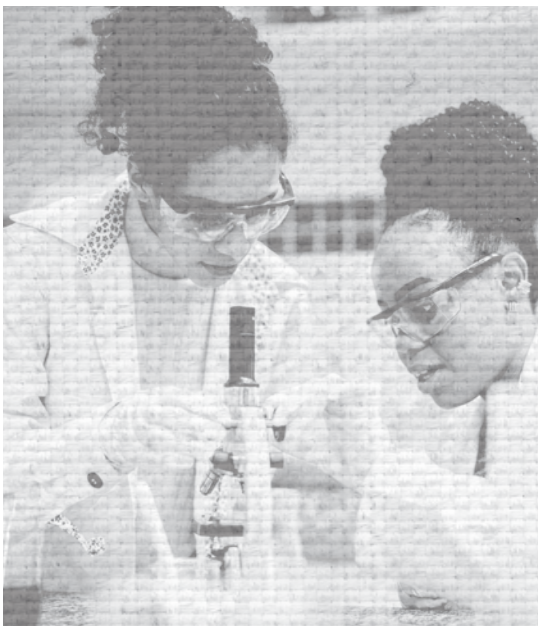
TREND 4

Restructuring Supply Chains for Resiliency and Direct Access

Global disruptions, tighter regulations, and rapid digital change are forcing life sciences organizations to become more proactive and agile. Trade tensions and inflation risks are leading causes of concern, and fewer than 8% of businesses believe they have full control over supply chain risks.

Strategic sourcing decisions have become essential for both drug manufacturers and medical device companies. To reduce dependence on single-country supply sources, organizations are increasingly pursuing near-shoring and domestic manufacturing. Domestic reshoring of manufacturing, especially for APIs and finished dosage forms, is rising as companies aim to support direct channel strategies.

Beyond manufacturing, supply chain technology investments have become essential for operational agility. Advanced therapies require specific environmental controls and timely handoffs, meaning that a single breakdown can hinder production or compromise product integrity. For these therapies, IoT-enabled tracking and end-to-end transparency are crucial for compliance and to prevent product loss. Many companies are also deploying supplier-risk dashboards and digital twin modeling to enable real-time visibility that helps them predict and address issues faster.

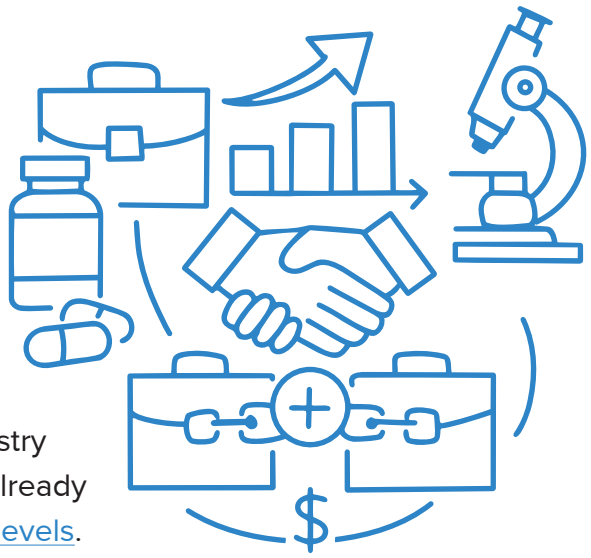


At the same time, pharmaceutical companies are embracing direct-to-patient (DTP) and direct-to-consumer (DTC) models to bypass traditional intermediaries. Nearly 75% of pharma companies are already running or planning DTP initiatives within the next year. Digital “front-door” models are gaining traction, from telehealth to e-script to home delivery. This movement reflects the broader trend that drug-pricing reforms such as MFN pricing are pushing pharma companies to own more of the patient journey.

Moving into 2026, logistics operations must support direct-to-patient fulfillment, enhanced last-mile delivery, and patient-centric supply chains.

TREND 5

Increasing M&A Activity Across the Pharmacy Sector



M&A activity in biopharma is expected to remain strong as the industry enters 2026. The number of announced transactions in 2025 has already exceeded the 15-year average, and total deal value is above 2024 levels.

In the third quarter of 2025, global pharma and biotech M&A value reached about $43.2 billion dollars, which represents a rise of more than 36 percent compared to the previous quarter. This level of activity signals continued interest in scaling capabilities and accelerating access to new therapeutic approaches.

Strategic transactions in 2026 will continue to concentrate on acquiring platform capabilities that help companies move faster in development and commercialization. Digital health, CDMO capacity, and biologics will be high-priority targets. Companies are pursuing these areas to strengthen technical foundations and improve the speed and reliability of complex programs. Activity is broad across regions, and cross-border transactions remain a major component of the overall market. This reflects ongoing efforts by global firms to expand their presence in new scientific and commercial hubs.

Venture activity is also recovering, which provides a larger pool of emerging companies with technologies that attract acquirers. Biotech venture financing rose more than 70% quarter-over-quarter in Q3 of 2025, which supports continued movement in the transaction pipeline. As early-stage platforms mature, buyers will continue to look for opportunities that offer scientific depth and the ability to accelerate long-term growth.

Looking Ahead

The trends influencing life sciences in 2026 reflect a period of significant evolution across research, manufacturing, commercial models, and organizational strategy. Therapeutic innovation is accelerating, but companies are also experiencing rising global uncertainty. AI and expanded delivery models create opportunities for continued development, hinging on integration into existing workflows. Organizations that align scientific objectives with consistent operations and execution will be best positioned to sustain growth in the year ahead.

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