



EXECUTIVE INSIGHTS

Overcoming the Biopharma Growth Gap

Key takeaways:

1. The top 15 biopharma companies face an estimated \$210 billion growth gap by 2032 relative to historical growth trajectories.
2. Most companies are concentrating investment in the same therapeutic areas, intensifying competition and crowding late-stage pipelines.
3. Closing the gap through a higher volume of “average” blockbuster launches is unlikely to be economically or operationally viable; as a result, transformational assets — products that generate more than \$5 billion in annual sales — remain the strongest path to sustained growth.
4. Success will require a step change in portfolio strategy, resource allocation and organizational agility to create and scale the transformational assets needed to close the growth gap.

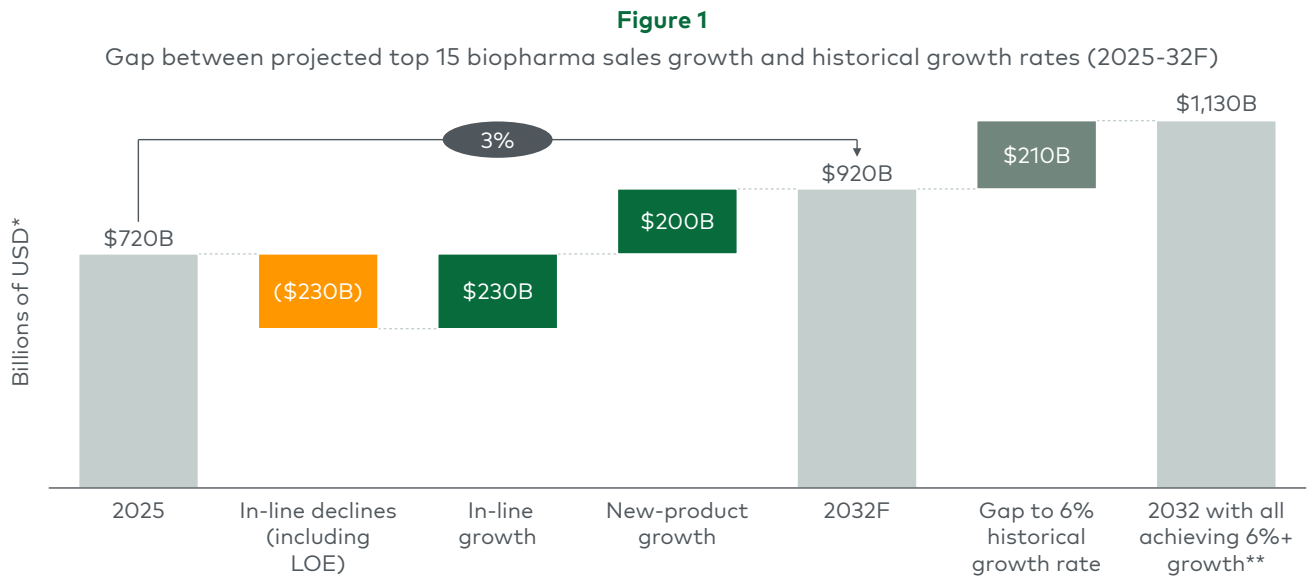
A \$210 billion problem

Large biopharma companies face a significant growth challenge over the coming decade. Based on independent analyst forecasts, the combined portfolios of the top 15 biopharma companies¹ are expected to generate approximately \$430 billion of sales

growth through 2032 from in-line product growth and new launches. Offset by \$230 billion in loss of exclusivity and sales declines from in-line products, the net \$200 billion growth equates to an approximately 3% compound annual growth rate. By contrast, most companies continue to guide toward

mid-to-high-single-digit growth, broadly in line with the sector’s historical roughly 6% annual growth trajectory. Sustaining that growth rate through 2032 would therefore

require materially more growth than current portfolios are projected to deliver, implying an estimated growth shortfall of approximately \$210 billion (see Figure 1).²



*Excludes over-the-counter, generic and biosimilar products
 **One of the top 15 companies has forecast growth greater than 6%, and that growth rate has been maintained for that company
 Note: LOE=loss of exclusivity
 Source: L.E.K. analysis of EvaluateGroup

The magnitude and timing of the challenge vary across companies, but the issue is broad-based. Relative to a 6% growth target, 14 of the 15 companies face a median sales gap of roughly \$13 billion. While some companies face more immediate pressure than others, the overall picture points to a sectorwide need to rethink how growth is generated.

The economics of thinking bigger

There are, in essence, only two ways to close a growth gap of this magnitude: Launch more assets or launch bigger ones. Bridging

a \$13 billion shortfall with \$1 billion to \$2 billion worth of products would require seven to 13 commercial successes, each with its own R&D investment, regulatory pathway, launch infrastructure and life-cycle management requirements. In practice, that level of parallel activity could strain capital allocation, dilute leadership focus and materially increase organizational complexity and execution risk.

The historical record strongly favors scale. Between 2015 and 2025, nearly 50% of revenue growth for large biopharma companies came from products generating

more than \$5 billion in annual sales, with products exceeding \$10 billion accounting for nearly one-third of total growth.³ These assets have consistently delivered disproportionate value through broad indications, strong clinical differentiation and global commercial reach — dynamics that are likely to become even more important over the next decade.

Transformational assets also create structural economic advantages. In 2025, the four highest-margin pharma companies derived approximately 40%-60% of revenue from a single scaled product, underscoring the operating leverage associated with these franchises.⁴ Beyond direct scale benefits, scaled franchises often create spillover advantages across adjacent products by leveraging shared commercial infrastructure, physician relationships, payer access and therapeutic expertise.

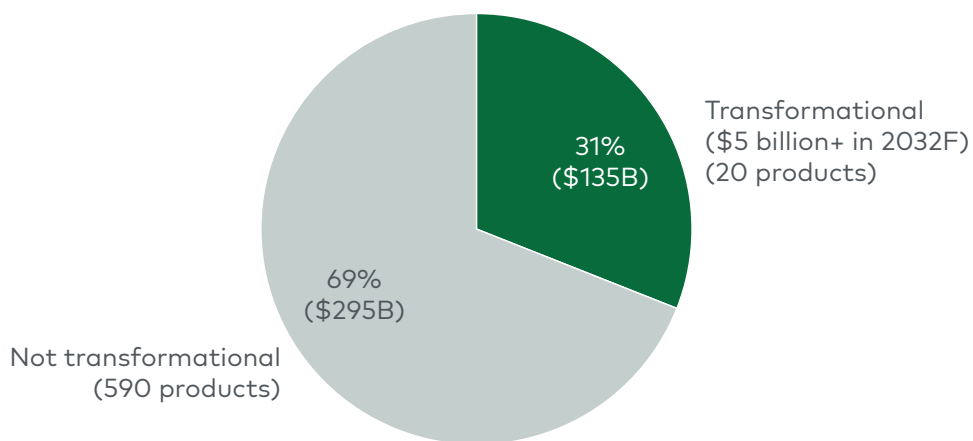
Looking ahead, the contribution from scaled assets remains a powerful engine of growth. Twenty transformational assets are projected to drive roughly 30% of growth, approximately \$135 billion of the \$430 billion in combined in-line and new-product sales expansion expected across the top 15 biopharma companies through 2032 (see Figure 2).

Yet this figure is likely understated by headline projections, which may not fully reflect the long-term contribution of many of these transformational assets. A number remain in active label expansions that could meaningfully broaden addressable markets. Equally, several of these assets show no signs of plateauing by 2032, with growth trajectories poised to extend well into the following decade.

Figure 2

\$430 billion 2025-32F growth pool distribution by 2032F asset sales

Percentage of growth*



*For products with sales growth between 2025 and 2032, includes in-line growth
 Source: L.E.K. analysis of EvaluateGroup

A more crowded competitive landscape

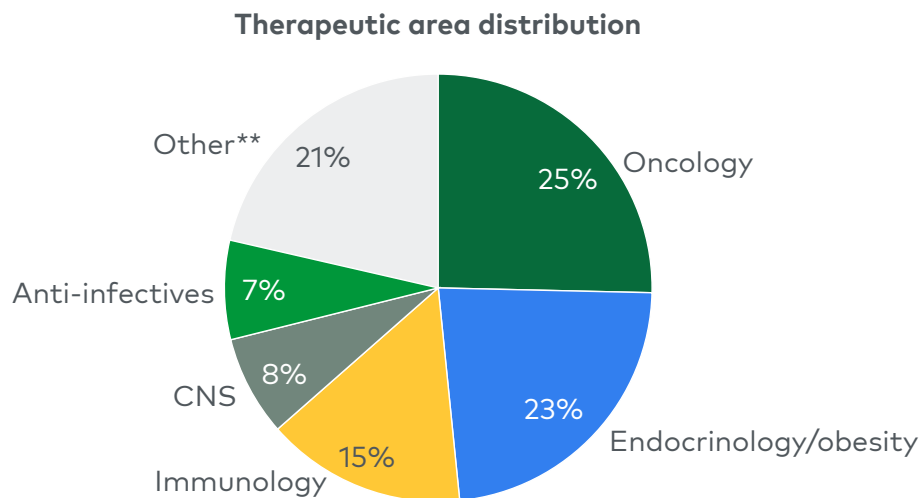
Five areas — oncology, endocrinology/obesity, immunology, central nervous system and anti-infectives — account for approximately 80% of the \$430 billion in projected in-line

and new-product growth through 2032 (see Figure 3). This concentration in a narrow set of high-value markets is intensifying competition, accelerating crowding and raising the bar for differentiation.

Figure 3

\$430 billion 2025-32F growth pool distribution by therapeutic area

Percentage of growth*



*For products with sales growth between 2025 and 2032, includes in-line growth

**Includes cardiovascular, respiratory, musculoskeletal, benign hematology, genitourinary, sensory organs, gastrointestinal, dermatology and various others

Note: CNS=central nervous system

Source: L.E.K. analysis of EvaluateGroup

The same dynamic is visible at the disease area (DA) level. Although the typical large pharma company has active late-stage programs across 25-35 DAs, roughly 70% of those programs compete in areas where at least three other large pharma companies also have active late-stage programs.⁵ Pipeline breadth alone has therefore not created meaningful differentiation; many companies are effectively investing behind the same opportunities.

In this environment, simply “thinking big” is not enough. Future growth will depend on identifying opportunities where companies can build a distinctive advantage before the rest of the market converges.

Enabling transformational innovation

Transformational assets are exceptionally rare: Just 3% of products on the market today generate more than \$5 billion in annual sales. The challenge for biopharma companies is therefore not simply to innovate but also to

maximize the probability of producing these outsize assets. Three principles stand out.

1. Develop portfolios around scaled outcomes

The objective of portfolio strategy should not be maximizing pipeline volume, but maximizing the number of credible transformational asset “shots on goal” on a risk-adjusted basis.

A critical starting point is establishing a disciplined framework for identifying and exiting subscale assets. Too often, organizations continue advancing programs with limited commercial potential because portfolio termination decisions are organizationally difficult. As a result, capital, scientific talent and management attention become tied up in assets unlikely to generate meaningful long-term value creation. Over time, this dynamic can materially reduce organizational agility and limit the ability to pursue more promising opportunities.

To fill their growth gaps, large biopharma companies must differentiate themselves through rigorous portfolio optimization processes that continuously assess strategic fit, commercial potential and probability of success across the pipeline. Rather than spreading resources thinly across a broad set of marginal programs, these organizations make deliberate decisions to prioritize high-

conviction opportunities early. They actively reallocate investment, talent and operational support toward assets with the potential to become transformative growth drivers while decisively deprioritizing lower-potential programs. This sharper focus not only improves capital efficiency but also increases the likelihood of accelerating innovation and maximizing long-term portfolio value.

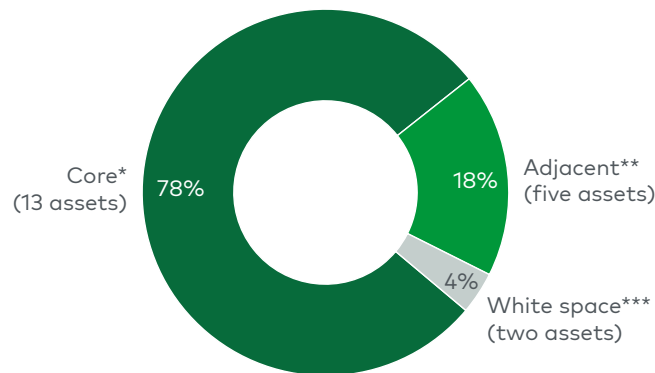
At the same time, companies need a realistic assessment of whether their core DAs and therapeutic areas can support the scale of growth required. If the portfolio cannot produce a sufficient number of credible transformational opportunities within existing areas of focus, expansion into adjacent areas may become necessary.

To date, the historical pattern has been one of concentration in the core rather than expansion beyond it. Of the 20 transformational assets expected to drive sales growth for the top 15 biopharma companies by 2032, 13 assets launched in core DAs where the company already had an established footprint at launch, accounting for nearly 80% of the projected \$135 billion in sales growth. Five were adjacent, in a new disease indication within an existing therapeutic franchise, and only two were in true white space, defined as a therapeutic area with little to no company experience (see Figure 4).

Figure 4

\$135 billion transformational asset 2025-32F growth pool, by core vs. adjacent vs. white space status

Percentage of growth



*Core: Assets in disease areas where company had an active commercial presence at the time of transformational asset launch

**Adjacent: Assets in disease areas where the company did not have an active commercial presence at the time of transformational asset launch but for which the company did have a significant presence in the broader therapeutic area

***White space: Assets for which companies did not have significant active presence in the disease or therapeutic area

Source: L.E.K. analysis of EvaluateGroup

This concentration reflects the compounding advantages of building from the core: established science, mature commercial infrastructure, deep physician relationships and hard-won payer access. Yet there is a natural ceiling to how far such concentration can be extended. Success in any therapeutic or disease area inevitably attracts new entrants, intensifying competition and gradually eroding the differentiation that made the core attractive in the first place. The strategic implication is a dual imperative: Companies must continue to mine and defend their core franchises while simultaneously laying the scientific and commercial foundations to extend into adjacent disease and therapeutic areas. Those that manage this balance effectively will be best positioned to generate above-market growth across the decade.

2. Build leadership in novel therapeutic paradigms

Even a disciplined core-and-adjacent strategy has limits when the underlying science matures. In categories where dominant mechanisms are well understood and standards of care are largely set, incremental innovation often does not produce transformational economics, and later entrants often compete on the margins.

The industry's most transformational assets have not always emerged from its most active markets. The assets are often the product of scientific frontiers and DAs the broader industry had yet to fully appreciate — developed by companies willing to enter DAs ahead of the field or those where breakthrough innovation had stalled, and in some cases these companies reimaged the commercial model entirely. For example,

Novo Nordisk invested heavily in obesity biology years before GLP-1 therapies evolved into one of the industry's largest commercial categories. Similarly, Regeneron and Sanofi expanded the Dupixent franchise across multiple type 2 inflammatory diseases by leveraging a shared underlying biological pathway and overlapping physician call points.

These companies do not simply follow the science; they shape it. By assuming early risk in areas of compelling biology and significant unmet need, they define standards of care and establish category leadership years before competitors can meaningfully respond — converting first-mover advantage into a structural position that followers can spend years trying to close.

The implication is clear: Disproportionate long-term returns require more than optimizing the existing portfolio. They require selective, courageous bets on novel therapeutic paradigms placed early enough to shape the market, not just participate in it.

3. Align capital and organization behind conviction

Portfolio strategy creates the conditions for success, but conviction determines whether breakout opportunities ultimately realize their potential. In large pharmaceutical organizations, transformative assets rarely advance on data alone; they require senior leaders willing to champion them before the evidence is fully established and sustain

support through scientific uncertainty, development setbacks and competing portfolio pressures.

This challenge is especially acute for opportunities outside the company's historical core. Leaders are often forced to choose between a higher-risk asset with transformative potential and lower-risk smaller investments with more predictable outcomes. Capturing breakout opportunities therefore requires a willingness to make and sustain difficult trade-offs over multiple years.

When a genuine breakout opportunity emerges, investment levels must match the scale of the ambition rather than the asset's stage of development. That often means allocating disproportionate resources, accelerating capability building and deprioritizing other parts of the portfolio to create room. Companies that apply standard resource-allocation approaches to exceptional opportunities frequently constrain their upside before the opportunity has fully developed.

The ability to reposition early as science evolves is equally important. Merck's transformation around Keytruda illustrates the point. In 2011, oncology represented less than 3% of company revenue⁶ and Keytruda had no late-stage trials. Within five years, however, the asset accounted for 40% of Merck's phase 2 and 3 trials.⁷ Achieving that shift required far more than reallocating capital; it required building new

capabilities, making explicit trade-offs across the portfolio and sustaining organizational commitment years before the commercial opportunity was fully validated.

Beyond the portfolio

For large biopharma companies facing a widening growth gap, the challenge is not simply one of portfolio composition. While getting the portfolio “geometry” right is an important first step, sustaining growth in a dynamic market also requires an operating model capable of reallocating resources toward emerging opportunities and away from subscale assets and increasingly exhausted areas of science. Underpinning both is a culture willing to tolerate risk, back conviction over consensus and support breakout opportunities through uncertainty.

Executing this shift is inherently difficult within large pharmaceutical organizations, where entrenched processes, budgeting cycles and competing stakeholder priorities often reinforce the status quo. Meaningful change

therefore requires sustained sponsorship from the C-suite, not only to reshape the portfolio but also to rethink how capital, talent and organizational attention are allocated across the business.

The companies best positioned to capture the next generation of transformational assets are unlikely to be those with the broadest pipelines, but those most capable of concentrating resources behind a small number of differentiated opportunities and adapting as the science evolves. In an increasingly crowded industry, competitive advantage will come less from participating in the same high-growth categories as peers and more from identifying and scaling emerging opportunities earlier than the rest of the market.

For more information, please [contact us](#).

The authors would like to thank [Izzy Wilson](#) for her contributions to this article.

Note: AI was used in the drafting of this piece

Endnotes

¹Based on 2025 total prescription sales excluding generics and biosimilars

²L.E.K. analysis of EvaluateGroup

³L.E.K. analysis of EvaluateGroup

⁴L.E.K. analysis of S&P Capital IQ and EvaluateGroup

⁵L.E.K. analysis of company-disclosed 2026 pipelines

⁶L.E.K. analysis of EvaluateGroup

⁷L.E.K. analysis of clinicaltrials.gov

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