

Ready, Set, Growth!

Biotech Benchmark
Report **2024**



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Message From the CEO

Dear Members of the Biotech Community,

When I joined Cure in October 2022, it was a difficult time for the biotech industry. Still reeling from the COVID-19 pandemic, stocks were floundering, new startups were going under and companies were cutting staff. Biotech's predicted big comeback never happened, and the sector-wide slump continued through 2023 as global market forces — including multiple foreign conflicts — led to some of the darkest days in our industry.

As we close the first half of the 2024, the clouds seem to be parting, bringing cautious optimism and hope for biotech and the broader healthcare industry. To get a real pulse on the current state of biotech, we asked experts: company founders, CEOs, investors and scientists. In partnership with the Deerfield Institute, Cure, an affiliate of Deerfield Management, launched its inaugural biotech industry survey.

The insights revealed an overwhelming sense of hope and optimism across the sector — **79 percent of people are betting on growth** about the state of biotech right now. They're excited about advances in science and investment opportunities in disease areas such as neurology, oncology and metabolic disease, propelled by cutting-edge technologies like cell and gene therapies and AI/machine learning.

While we're making advances in many key areas, innovation and investment in women's health, not surprisingly, is woefully lacking. The survey validates this sentiment, with compelling agreement across the board, that we need to do more to invest in women's health, which has long struggled with getting attention from investors. Nearly **65 percent of people were in support of more investment and focus in women's health**, a trend that is heartening to see with more [government](#) and [investor funds](#) finally going to women's health. In my opinion, this much needed investment in women founders and women's health, could be the foundation for biotech's big comeback and growth.

Will this trend continue and last? It is too soon to tell. But if we could nourish the green shoots of women's health to grow, we could see the turnaround that we want to see in the industry. I am hopeful for the future and I'm excited to see what comes next.

Sincerely,

Seema Kumar

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Ready, Set, Growth!

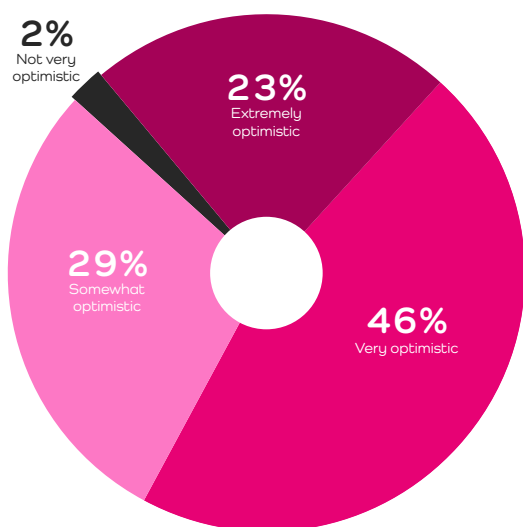
Biotech Benchmark Report 2024

Most people in the biotech industry will tell you: 2023 was a hard year. While much of the world was recovering from the COVID-19 pandemic, the biotech and pharma industries were in a downturn, much to the dismay of investors, founders, CEOs and patients. Partially propelled by the pandemic, the sector saw a record high level of activity in 2021 with a boom of more than 100 IPOs. Compare that to [fewer than 20 US-based IPOs in 2023](#), when companies were more preoccupied with saving capital and preventing layoffs when possible.

Yet in 2024, there is cause for optimism that biotech is on the rebound. In the first quarter of 2024, biotech IPOs bounced back to healthy pre-pandemic levels. The XBI, a key biotech stock indicator, has been slowly, but steadily, climbing upwards.

People within the biotech industry also feel that the heavy clouds of 2023 are finally parting.

Overall, these members of the biotech community are optimistic about the current state of biotech: **69 percent of survey respondents said they were either “very” or “extremely” optimistic** about the biotech industry right now. “The dark days of 2023 are over,” one wrote. Others cited emerging therapies including gene therapy and machine learning as cause for optimism and excitement. “I believe there is a lot of biotech industry innovation and growth that will happen in the next few years,” one survey respondent said, “fueled by technology improvements, an improved market, and access to investment.”



**“The dark days
of 2023 are over”**

69%

Either “very” or
“extremely” optimistic
about the biotech
industry

Biotech's Cutting Edge in 2024

The overall biotech market is looking up, but in the ever-changing healthcare landscape, some areas are always hotter than others. At the height of the pandemic, for example, digital health and telehealth became booming industries. But now there are new players in town.

Top Market Areas of Interest in Biotech

Cure asked survey respondents what their top areas of interest are in biotech right now. Unlike in years past, digital health wasn't among them.

The top interest was **drug discovery**, with **80 percent of survey respondents** saying they were either "very interested" or "extremely interested" in the space.

Other top interests included **clinical trials (63 percent)**, **drug delivery (57 percent)** and **MedTech devices and diagnostics (55 percent)**.

Along with **digital health (37 percent)**, areas of lower interest included **health services (35 percent)** and **payors (26 percent)**.



Drug discovery
was top market
area of interest in
biotech at 80%

Healthcare Areas	Level of Interest to current organizational focus						
Base: All Qualified (n=78)	Not at all interested	Not very interested	Somewhat interested	Very interested	Extremely interested	Top 2	
Clinical trials	3%	12%	22%	36%	27%	63%	
Digital health	8%	23%	32%	18%	19%	37%	
Drug discovery (Small molecules and	3%	7%	10%	39%	41%	80%	
Biologics)	5%	12%	26%	30%	27%	57%	
Drug delivery	9%	19%	28%	29%	14%	43%	
Vaccines	9%	14%	22%	20%	36%	55%	
MedTech (Devices and Diagnostics)	15%	22%	28%	16%	19%	35%	
Healthcare services	29%	16%	29%	15%	12%	26%	
Payors				1%	10%	11%	

Biotech's Cutting Edge in 2024

Top Therapeutic Areas of Interest in Biotech

When it comes to therapeutic areas, there were clear winners and losers as well. The top therapeutic areas of interest were **neurology and metabolic disease**, with **67 percent of respondents** saying they were “very interested” or “extremely interested” in these therapeutic areas.

These areas were followed closely by **oncology (66 percent)**, **immunology and infectious diseases (65 percent)**, and **cell and gene therapy (63 percent)**.

These results somewhat track with broader trends in healthcare M&A data — the most active therapeutic areas for biotech M&A in 2023, according to [data from Leerink Partners](#), included oncology, rare disease and immunology.

Other therapeutic areas had much less interest, notably **ophthalmology/vision (29 percent)** and **dentistry (15 percent)**. And although mental health was not given as an option in the survey, multiple commenters mentioned that they have lost interest in mental health as a therapeutic area.



Therapeutic Areas	Level of Interest to current organizational focus					
Base: All Qualified (n=46)	Not at all Interested	Not very Interested	Somewhat Interested	Very Interested	Extremely Interested	Top 2
Cardiovascular Diseases	8%	12%	23%	33%	23%	57%
Cell and Gene Therapy	4%	9%	24%	25%	38%	63%
Immunology & Infectious Diseases	7%	7%	21%	31%	34%	65%
Maternal/Reproductive Health	8%	13%	24%	34%	21%	55%
Metabolic Diseases	7%	5%	20%	41%	26%	67%
Neurology	5%	9%	19%	27%	40%	67%
Oncology	7%	6%	20%	20%	46%	66%
Ophthalmology/ Vision	10%	25%	37%	19%	9%	29%
Oral Health/Dentistry	24%	31%	30%	8%	7%	15%
Rare Disease	5%	18%	16%	29%	32%	61%
Regenerative medicine	4%	13%	27%	28%	27%	55%
Other, please specify					7%	7%

Biotech’s Cutting Edge in 2024

New Technologies Drive Innovation

One of biotech’s biggest drivers of innovation is its rapid embrace of cutting-edge technologies, from gene editing to artificial intelligence. Not all new technologies are created equal, however. Some technologies may sound innovative but have serious barriers in manufacturing, use or both.

Cure asked biotech stakeholders which new technologies are more influential to their current businesses, investments or research. **60 percent of respondents said cell and gene therapy was the top technology**, calling it “very” or “extremely” influential.

The next most influential technologies were **CRISPR/gene editing (56 percent)** and **AI/Machine Learning (50 percent)**.

Less influential technologies included **mRNA (46 percent)** and **telemedicine (23 percent)**, once again showing that digital health may be on a decline.

Healthcare Technologies	Level of Influence on current organizational focus					
Base: All Qualified (n=78)	Not at all influential	Not very influential	Somewhat influential	Very influential	Extremely influential	Top 2
Artificial intelligence/ Machine Learning	2%	11%	37%	18%	32%	50%
Cell and Gene Therapy	5%	13%	22%	32%	28%	60%
Gene editing/CRISPR/ Genomics	7%	12%	24%	24%	33%	56%
Telemedicine	15%	32%	30%	14%	10%	23%
mRNA	5%	14%	34%	23%	23%	46%
Other technologies, please specify				4%	4%	8%

Many of the top technologies are not only fascinating scientifically, but also projected to be big market growth opportunities. The cell and gene therapy manufacturing market is forecasted to blow past \$100 billion in the next 10 years, [according to Statista](#). And the [McKinsey Global Institute](#) estimates that generative AI could eventually generate up to \$110 billion annually in economic value for pharmaceutical and medtech companies, including up to \$28 billion in research and drug discovery.

Biotech Predictions for 2024 and Beyond

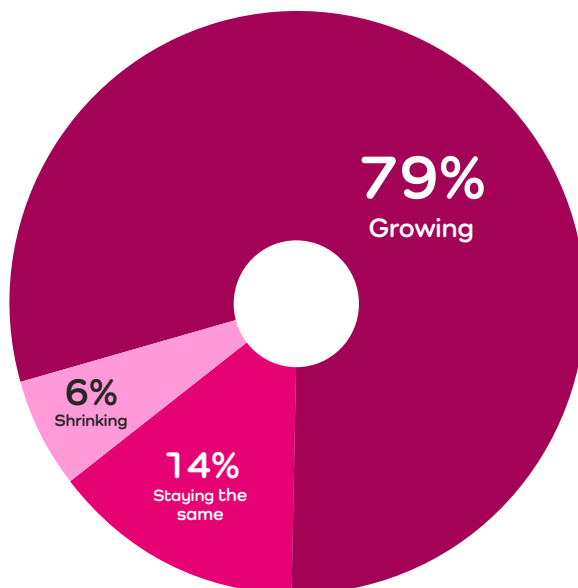
Biotech stakeholders aren't just excited about the current state of biotech — they are already betting on its future prospects.

After a down couple of years in 2022 and 2023, **79 percent of survey respondents** said they foresee the biotech industry growing in the next year.

"Industry has been in a downturn the past few years, but there have been some major shake-ups that have recently begun to cause major transitions and interest," one respondent said, "especially GLP-1 drugs and Alzheimer's treatments."

"Funding is coming back," another respondent said, "and the biotech industry is pretty resilient."

In the next year, I foresee the
biotech industry...



**"Funding is
coming back,
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pretty resilient."**

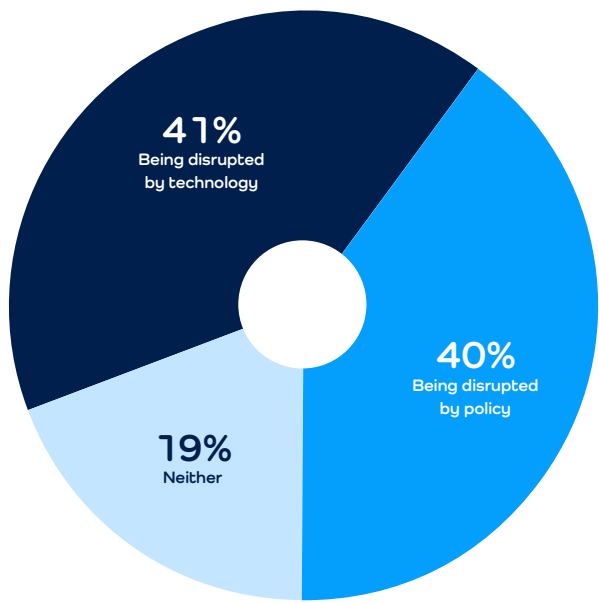
Biotech Predictions for 2024 and Beyond

Policy as a Future Disruptor

No matter how resilient the biotech industry is, it is prone to disruption — and there are many possible avenues for it to come down. We asked respondents what they foresee disrupting biotech the most in the coming year: policy or technology.

Multiple respondents mentioned that drug pricing constraints, through policy or other means, could continue to affect the entire biotech and pharmaceutical sector. The outcome of the 2024 presidential election could also have an impact on the biotech industry, one respondent noted.

In the next year, I foresee the biotech industry...



Inflation Reduction Act

In terms of biotech policy, multiple biotech stakeholders mentioned 2022's **Inflation Reduction Act** and concerns that it may stifle biotech innovation. Even though it was signed into law almost two years ago, the IRA's full impacts on the market may not yet be realized.

When asked about factors impacting the biotech industry, respondents ranked the implementation of the Inflation Reduction Rank last, behind Increased Drug Pricing, Additional Payor Hurdles and Increased R&D Costs.

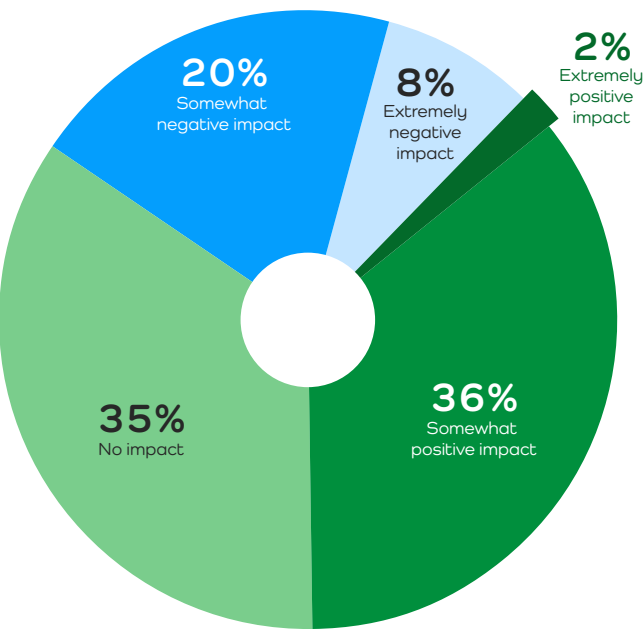
Biotech Predictions for 2024 and Beyond

Survey respondents were also asked about the BIOSECURE Act, currently still in Congress, and their opinion on whether or not passing the Act will have a positive or negative impact on the biotech industry.

Notably, **28 percent of respondents** said the **BIOSECURE Act would have an “extremely” or “somewhat” negative impact** on the American biotech industry, while **35 percent of respondents said that passing the Act would have no effect**. And **38 percent said that the BIOSECURE Act would have a “somewhat” or “extremely” positive impact** on the American biotech industry.

Those against the passage of the BIOSECURE Act felt limiting partnerships with Chinese companies would stifle innovation and slow progress. Several respondents noted that passage of the Act might require on-shoring more American biomanufacturing, which could take time. But proponents of the BIOSECURE Act said the end result could be a net benefit for Americans. “If the desired outcome takes place, this will have a positive impact by protecting American patient data and taxpayer dollars, while pouring funds back into the funding of biotech in the states,” one respondent said.

What type of impact, if at all, do you believe the Bio Secure Act will have on investment/funding strategies for the biotech industry?



“If the desired outcome takes place, this will have a positive impact by protecting American patient data and taxpayer dollars...”

Biotech Predictions for 2024 and Beyond

Opportunities for Hurdles and Opportunities for Growth

Despite new policies and technologies threatening to change the shape of the market, there are other hurdles for biotech companies that remain unchanged. The survey asked respondents about the top hurdles for the biotech industry as a whole, and the responses will be familiar to anyone in the space.

They include:

- Securing enough funding to last through a potentially lengthy drug or product development cycle.
- Going through the regulatory approval process.
- Finding investors.
- Recruiting for, funding and conducting clinical trials.

Hurdles	Level of Impact on Biotech Industry				
Base: All Qualified (n=73)	Not very impactful	Somewhat impactful	Very impactful	Extremely impactful	Top 2
Finding investors		17%	25%	58%	83%
Recruiting top talent	5%	27%	33%	35%	68%
Securing enough funding to last through a potentially lengthy drug or product development cycle		8%	29%	64%	92%
Going through the regulatory approval process if necessary	1%	14%	41%	43%	84%
Recruiting for, funding, and conducting clinical trials		17%	52%	31%	83%
Protecting intellectual property	10%	32%	32%	26%	57%
Weathering volatile market conditions	0%	30%	49%	21%	70%
Other, please specify				2%	2%

Biotech Predictions for 2024 and Beyond

Survey respondents were also asked what would make the biggest impact in terms of growth in the biotech market right now. They replied:

- More interest from other investors.
- An overall improvement in the economy.
- More money from the federal government.

Factors/market dynamics	Level of Impact on Biotech Industry					
Base: All Qualified (n=78)	Not at all impactful	Not very impactful	Somewhat impactful	Very impactful	Extremely impactful	Top 2
Fewer regulatory hurdles		0%	29%	50%	21%	70%
More money from the federal government		1%	25%	31%	44%	74%
An overall improvement of the economy			21%	46%	32%	77%
Decreased costs of key technologies including artificial intelligence and data automation	0%	3%	39%	39%	18%	57%
More goodwill from the general public	3%	19%	35%	28%	16%	43%
More interest from other investors		6%	15%	45%	33%	78%
Implementation of the Inflation Reduction Act (IRA)	6%	12%	42%	18%	22%	40%
	12%	13%	33%	27%	16%	43%
Increasing Drug Pricing	13%	5%	38%	30%	14%	44%
Additional Payor Hurdles	3%	2%	25%	44%	25%	70%
Increased R&D Costs		6%	24%	42%	27%	70%
Changing Legislative Policy Landscape	3%	12%	36%	32%	18%	50%
Increased Patient Advocacy/Activism	0%	10%	34%	31%	25%	56%
Increased Public-Private Partnerships		7%	26%	45%	20%	65%
Increased Talent Availability	5%	8%	33%	32%	22%	54%
Ongoing Public Mistrust		8%		1%	1%	2%

The State of Women's Health in 2024

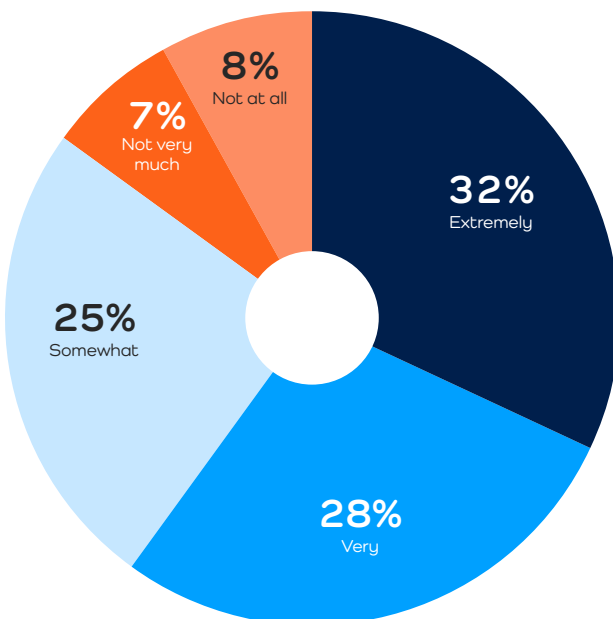
In 2024, the [United Nations' International Women's Day](#) launched a slogan: "Invest in Women: Accelerate progress." In the biotech industry, "invest in women" may need to be a literal directive.

[Funding for women's health is still lacking](#) in the federal and private sectors. As reproductive rights continue to be rolled back across the country, Cure asked survey respondents about their perspectives on women's health.

The majority — **60 percent** — of survey respondents said **women's health plays a factor in their interest level regarding therapeutic areas**. "Women's health continues to be underfunded, misunderstood and targeted," one respondent said, adding "reproductive and mental health are directly tied to the economy."

Yet some people said their personal interests don't align with their company. "As a woman, I personally factor this into my interest regarding therapeutic areas," one respondent said. "However, our company does not factor this into its interest beyond unmet needs and commercial considerations."

How much of a factor does women's health play in your interest level regarding therapeutic areas, if at all.



"Women's health continues to be underfunded, misunderstood and targeted..."

The State of Women’s Health in 2024

Women’s Health Funding in 2024

Current data are clear: women’s health companies generally get less funding. A [report from Deloitte](#) found that women’s health companies receive just 2 percent of venture funding allocated for the entire healthcare industry — even though women use more healthcare services than men, use preventative services at a higher rate, and control 80 percent of healthcare spending decisions, [according to Leerink Partners](#).

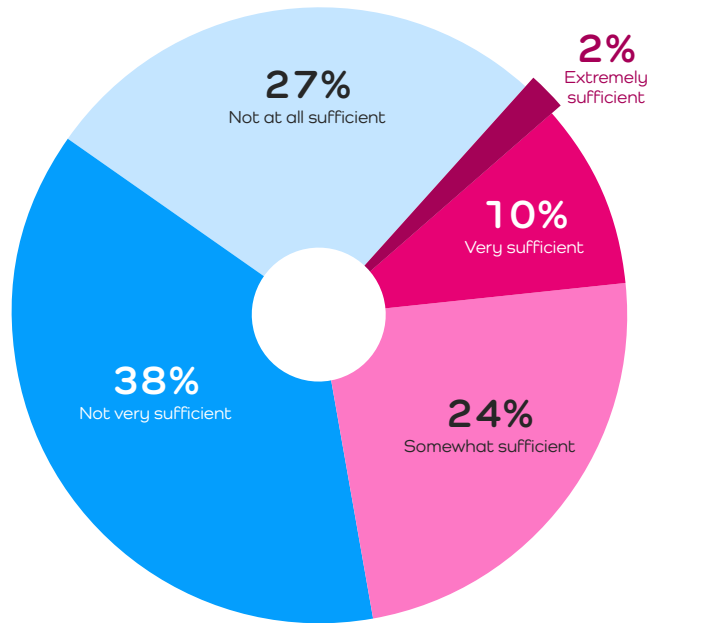
Survey respondents were generally attuned to this discrepancy, with **65 percent of respondents saying current funding for women’s health companies is “not at all” or “not very” sufficient**. Also, **24 percent of respondents said funding for women’s health companies is “somewhat sufficient,” while 12 percent said funding is “very” or “extremely” sufficient**.

“Women’s health-focused companies face a ton of barriers to attract funding,” one respondent said, “starting from often being led by women, who we know have a harder time raising money, to the fact that some investors do not see a mature enough market for a lot of the solutions in women’s health.”

Others noted that while women’s health has been historically underfunded, that trend is starting to — slightly — reverse course. “It’s still below what is needed, but it is currently a very hot area,” one respondent said, “so investment dollars are starting to flow. There will still be vastly underfunded areas within women’s health.”

Indeed, [Deloitte](#) found that although investments in health tech fell overall between 2022 and 2023, investments in innovations focused on women’s health rose 5 percent in the same time period.

How Sufficient is Funding for Women’s Health?



“Women’s health-focused companies face a ton of barriers to attract funding...”

The State of Women's Health in 2024

Sparking Innovation in Women's Health

Like the rest of the biotech and healthcare sector, the women's health space is keeping pace with rapid technological innovation. In recent years, women's health companies have incorporated advances in AI, telehealth and portable ultrasonography into their efforts.

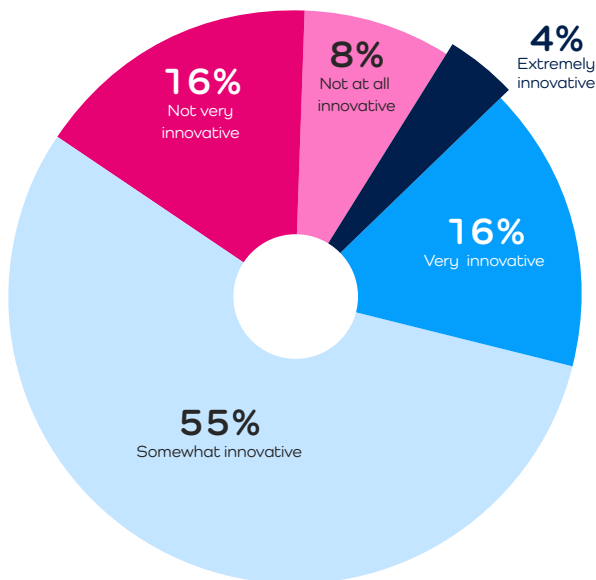
Yet more innovation in women's health can still take place. Survey respondents were asked what degree of innovation they believe is currently being funded for conditions that are mostly or entirely prevalent in women. **While 24 percent responded there was not much degree of innovation, 55 percent responded there was some innovation and 20 percent responded there was a lot of innovation.**

Several respondents mentioned innovations in the spaces of infertility/fertility and menopause.

"I see solutions addressing common women's health issues that have previously been largely ignored or lacking innovation of solutions developed decades ago by men or based on limited research," one respondent said.

Another respondent suggested a reason why innovation in women's health may be tough: "Most of the funded companies are doing low-risk work because of the difficulty in getting innovation funded." **One solution for sparking increased innovation in women's health may be simple: encourage more women in science.**

What degree of innovation do you believe is currently being funded for conditions that are mostly/entirely prevalent in women?



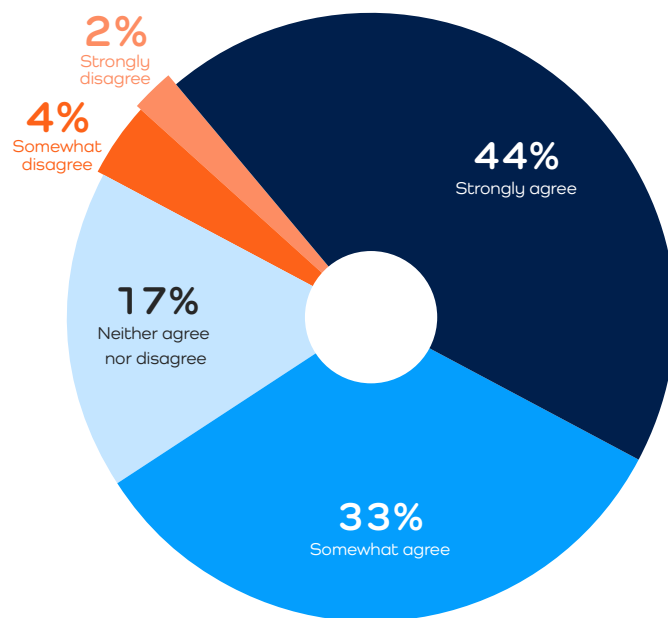
"I see solutions addressing common women's health issues that have previously been largely ignored or lacking innovation..."

The State of Women's Health in 2024

Many survey respondents — **77 percent** — **agreed with the statement**: “The greater the percentage of women in science leads to a greater percentage of companies being formed that focus on women’s healthcare initiatives.”

However, respondents noted that even if more women go into science or business and launch women’s health companies, they still need to overcome barriers that include access to investors, funding and broader market conditions. For those who do overcome the odds, however, the rewards could be great. Not only would they be helping countless patients, but they would also be gaining access to the [\\$100 billion market for women and family health](#).

Please rate your level of agreement with the statement: “The greater the percentage of women in science leads to a greater percentage of companies being formed that focus on women’s healthcare initiatives.”?



“Funded companies are doing low-risk work because of the difficulty in getting innovation funded....”

Biotech's Next Frontier

Though women's health is still critically underfunded, like the rest of the biotech market, it is trending in a positive direction. After the dark days of 2022 and 2023, 2024 feels like a fresh start for the biotech and healthcare industry — and it shows no signs of slowing down.

Despite some unnerving economic indicators in the macro economy, including [waning consumer confidence](#) and stubborn inflation, biotech seems to be on an upswing. There is no telling how long it will last, but innovations, including cell and gene therapy, machine learning and gene editing, promise to continue driving innovation for years into the future. Even if future policy decisions hamper the industry in the short term, stakeholders are confident that the market's resilient nature will shine through and continue its lifesaving work.



Research Methodology

To assess the current state of the biotech industry, Cure, in partnership with the Deerfield Institute, a division of Deerfield Management Company, surveyed more than 80 industry stakeholders. Cure is an affiliate of Deerfield Management.

The people surveyed included company founders and CEOs, managing directors, investors, scientists, and more. Each took the survey in May 2024.

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About Cure

Cure is a healthcare innovation campus in the heart of New York City that features laboratory and business facilities, a collaboration residency, office space and premium event venues, including an education center, conference center, and iconic rooftop facility, as well as tools, mentoring, networking, and other assistance to members of its ecosystem. Cure houses on-campus startups and established companies. Residents regularly create synergies and collaborative partnerships with peer organizations across the spectrum of healthcare, from academic or private to non-profit or government, and focus on diagnostic, device, drug or vaccine discovery, development and production as well as care delivery and public health. Cure also offers industry-leading event programming focused on critical health topics. Cure's mission is to foster and accelerate advances in health.

For more information, please visit wewillcure.com.

About Deerfield Institute

Established in 2006, the Deerfield Institute delivers sophisticated and timely market research, which enhances the insights available to the investment team and its partners. The Institute develops and analyzes data to advance understanding of innovations and emerging products, and it also informs on trends within the healthcare market. It has published important scientific findings in peer-reviewed journals to extend learnings to the scientific community and benefit public health at large—and ultimately patients in need. The Institute is guided by Deerfield's core values: integrity, the pursuit of objective and unbiased research, commitment to excellence, precision and accuracy.

For more information, visit <https://deerfield.com/deerfield-institute>

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