

HEALTHCARE AND LIFE SCIENCES

# Capital Markets Review

OCTOBER 2025



# Key Takeaways

This report surveys IPO and follow-on market activity from the third quarter of 2022 through the third quarter of 2025, including a total of 36 IPOs and 329 follow-on offerings. Below are some of the key observations of the review, including market trends and transaction structures:

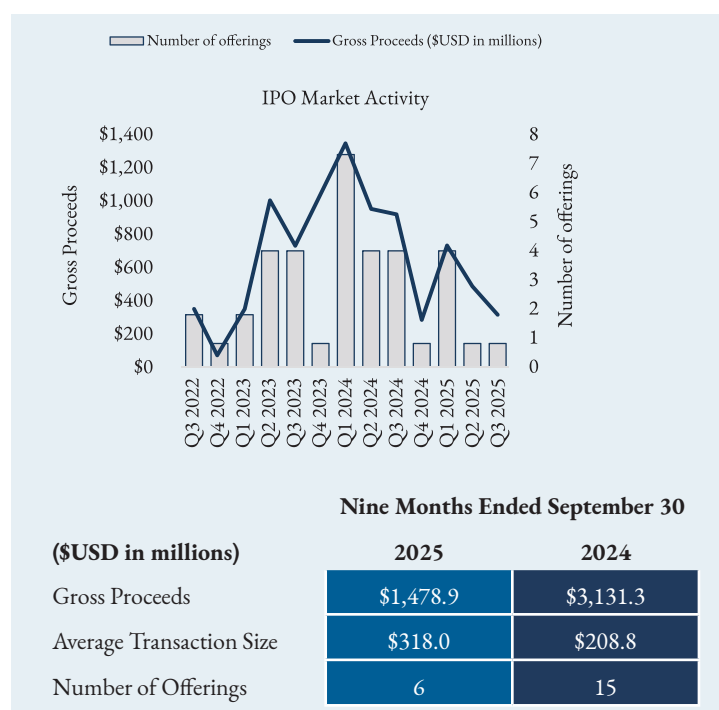
- Both IPO and follow-on market activity have increased since low levels in 2022. While the market was overall more active in the first nine months of 2024 than in the first nine months of 2025, market participants are increasingly optimistic about prospects for the fourth quarter of 2025 and into 2026. This outlook is supported by recent stock market performance. Additionally, hopes for potential interest rate cuts are fueling expectations for improved market conditions, increased investor confidence, and further growth in capital markets activity throughout the remainder of 2025 and into 2026.
- Life sciences follow-on activity was robust in the third quarter of 2025, even as IPO activity remained subdued. In the third quarter of 2025, there were 34 follow-on offerings, as compared to 23 follow-on offerings during the third quarter of 2024.
- IPO average deal size increased from 2022 to 2025. The average amount raised per initial public offering during the three-year period was approximately \$214 million, with offerings in the first nine months of 2025 averaging \$246 million.
- Many life sciences companies conducting follow-on offerings continue to rely on a use of pre-funded warrants in order to permit investors to make large investments while continuing to limit certain investors' beneficial ownership.
- Life sciences companies in the later stages of clinical development, or those with commercialized products, represented the largest portion of follow-on issuers in the first nine months of 2025. However, life sciences companies in the later stages of clinical development conducted an equal amount of initial public offerings during the year to date compared to companies in earlier stages of development.
- In addition, in the third quarter of 2025, 19 life sciences companies completed PIPE transactions, as compared to only 11 life sciences companies that completed PIPE transactions in the third quarter of 2024, indicating increased reliance on private placements.

# Initial Public Offerings

## Overview of Initial Public Offering Market Activity

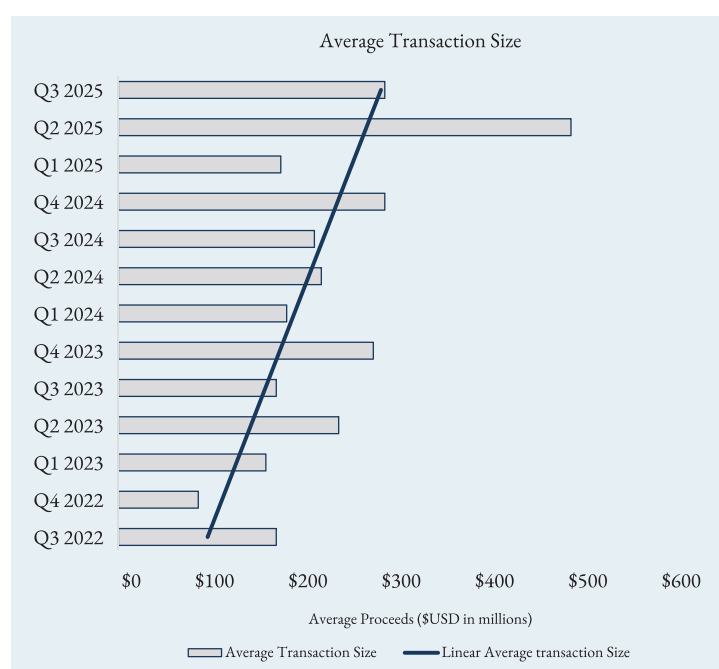
In the first nine months of 2025, there were a total of six life sciences IPOs, representing a 60% decrease as compared to 15 life sciences IPOs during the same period in 2024. A majority of these IPOs (four out of six) closed in the first quarter of 2025.

The six life sciences IPOs in the first nine months of 2025 raised aggregate gross proceeds of approximately \$1.5 billion, as compared to approximately \$3.1 billion raised in the first nine months of 2024.



## Average Transaction Size

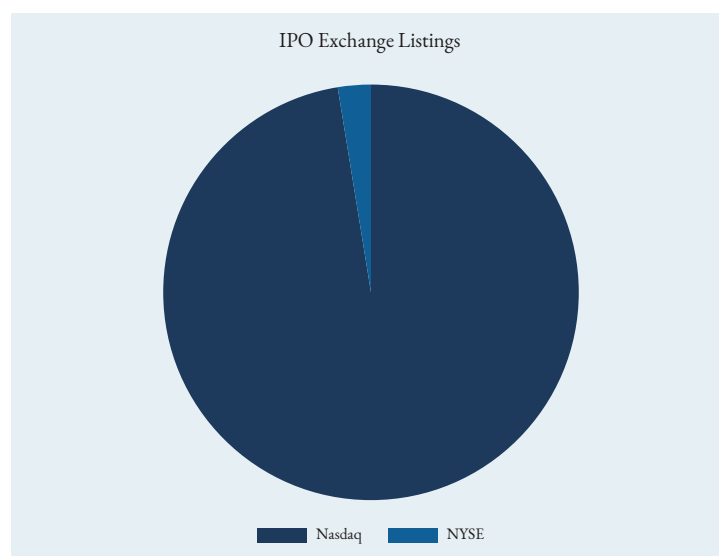
The six life sciences IPOs that closed in the first nine months of 2025 had an average transaction size of \$318.0 million. As shown by the linear trend, average deal size has generally increased since 2022.



# Initial Public Offerings

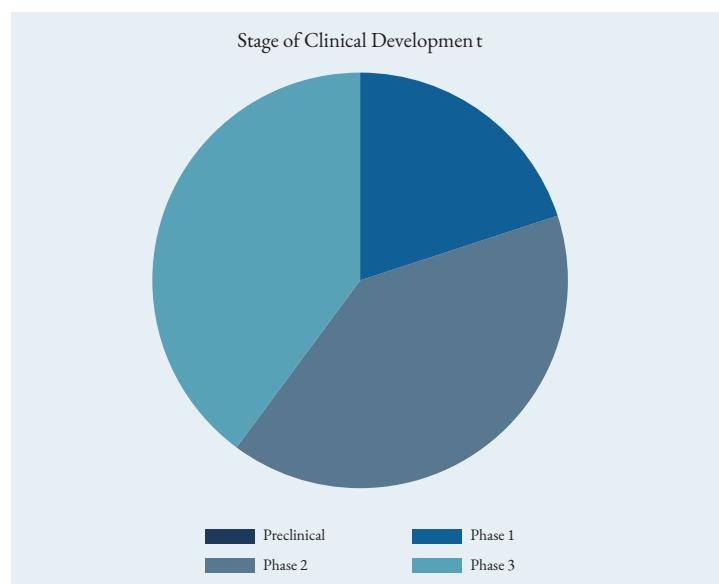
## IPO Exchange Listings

In the past 36 months, 35 out of 36 life sciences IPO issuers listed equity securities on the Nasdaq Stock Market, with only one life sciences IPO issuer that listed equity securities on the New York Stock Exchange.



## Stage of Clinical Development

In the first nine months of 2025, no life sciences IPO issuers were in the preclinical stage of development, one life sciences issuer had a lead product candidate in Phase 1 clinical development, two life sciences issuers had a lead product candidate in Phase 2 clinical development, two life sciences issuers had a lead product candidate in Phase 3 clinical development, and one life sciences issuer had a commercialized product.



## IPO Transaction Structure

Primary Offerings.

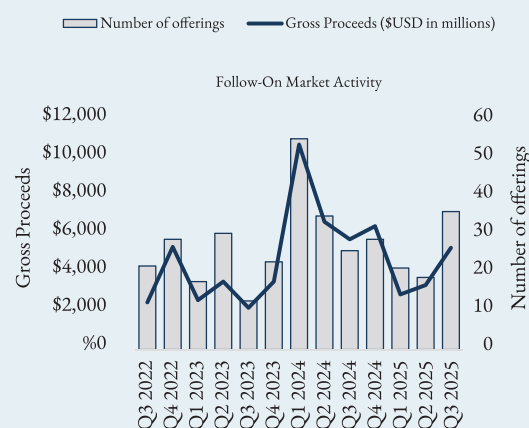
In the first nine months of 2025, 100% of life sciences IPOs were primary-only and did not include shares sold by any selling stockholders.

# Follow-On Offerings

## Overview of Follow-On Offering Market Activity

In the first nine months of 2025, there were a total of 72 follow-on offerings by life sciences companies, representing a 35% decrease as compared to 110 follow-on offerings by life sciences companies during the same period in 2024.

These 72 life sciences follow-on offerings raised aggregate gross proceeds of approximately \$11.1 billion, compared to approximately \$22.5 billion during the same period of 2024 and approximately \$11.5 billion during the same period of 2023.



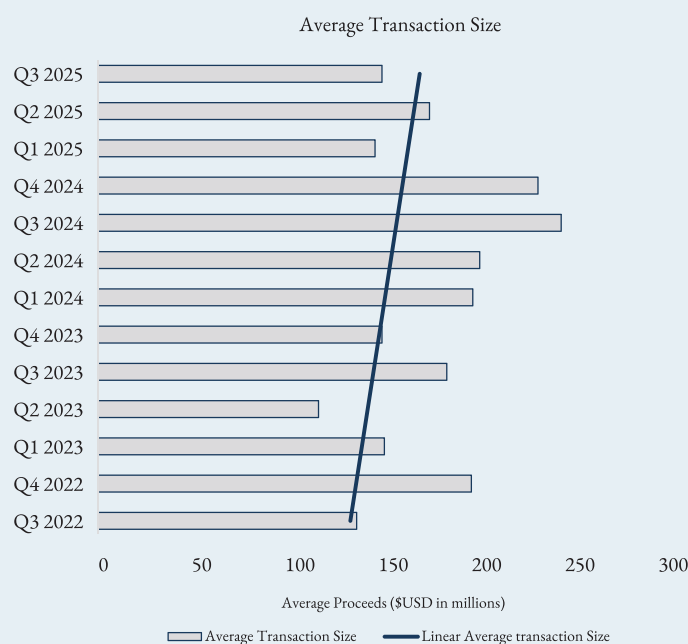
### Nine Months Ended September 30

(\$USD in millions)

	2025	2024
Gross Proceeds	\$11,052.3	\$22,491.4
Average Transaction Size	\$153.5	\$204.5
Number of Offerings	72	110

## Average Transaction Size

The 72 life sciences follow-on offerings that closed in the first nine months of 2025 had an average transaction size of \$153.5 million. Average follow-on deal size has generally increased since 2022.

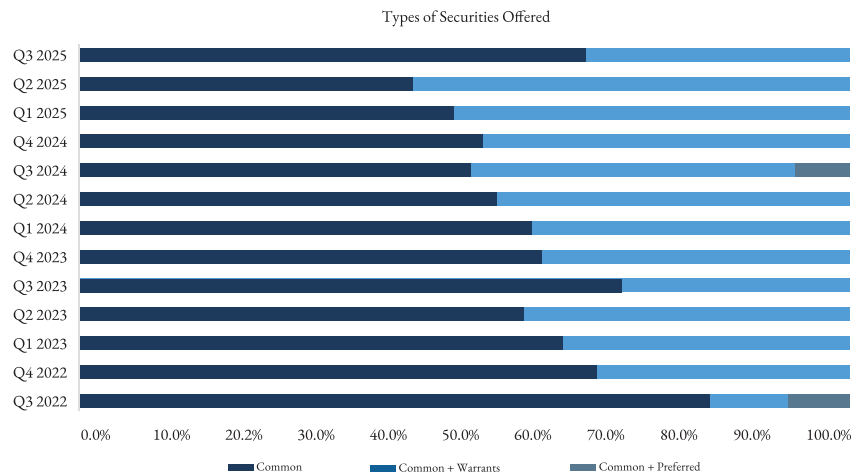


# Follow-On Offerings

## Types of Securities Offered

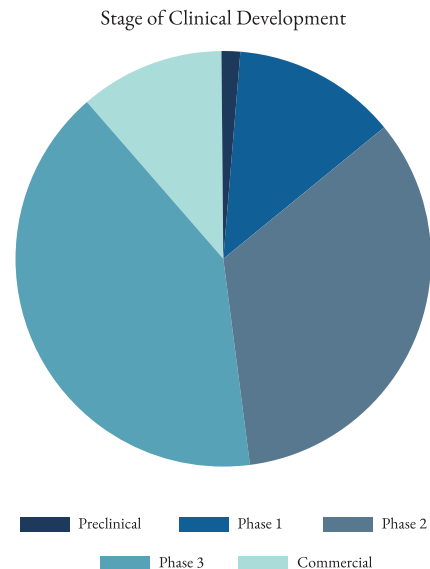
In the first nine months of 2025, 54.0% of life sciences follow-on offerings included common stock only and 46.0% included common stock and equity warrants. This represents a slight increase in prevalence of equity warrants as compared to prior periods.

Of the 33 follow-on offerings during this period that included equity warrants, 21 offerings included pre-funded warrants.



## Stage of Clinical Development

In the first nine months of 2025, 1.4% of life sciences follow-on issuers were in the preclinical stage of development, 12.7% of life sciences issuers had a lead product candidate in Phase 1 clinical development, 33.8% of life sciences issuers had a lead product candidate in Phase 2 clinical development, 40.8% of life sciences issuers had a lead product candidate in Phase 3 clinical development, and 11.3% of life sciences issuers had a commercialized lead product. The majority of life sciences follow-on offerings were conducted by companies in the late stages of clinical development (Phase 2 and Phase 3), representing 74.6% of all life sciences follow-on issuers during the period.

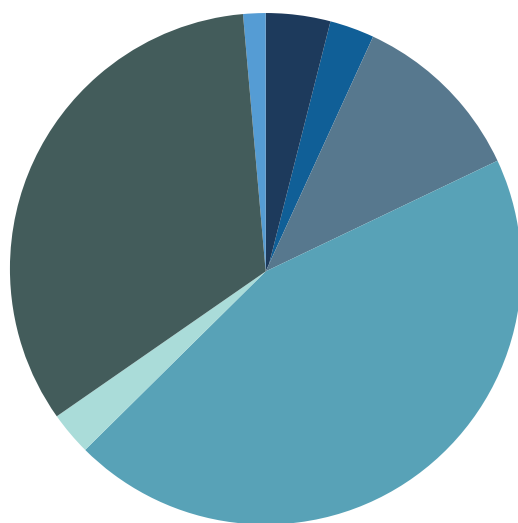


# Follow-On Offerings

## Lock-Up Agreement Terms

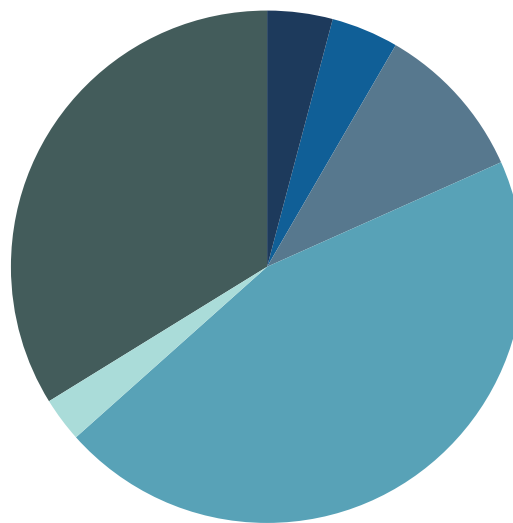
In the first nine months of 2025, the most common company lock-up period and director and officer lock-up period for life sciences follow-on offerings was 60 days, followed closely by 90 days. Out of 72 offerings in the first nine months of 2025, only seven included lock-up periods that differed between the company and directors and officers. In three of these offerings, the company lock-up period was shorter than the director and officer lock-up period and in four of these offerings, the company lock-up period was longer than the director and officer lock-up period.

Company Lockup Periods



No Lockup
  30 days
  45 days
  60 days
  75 days
  90 days
  180 days

Director and Officer Lock-up Periods



No Lockup
  30 days
  45 days
  60 days
  75 days
  90 days

# Methodology

- Market data for the Initial Public Offering data set was sourced from the S&P Capital IQ database, a product of S&P Global Market Intelligence, a division of S&P Global Inc. The industry classification utilized was “Pharmaceuticals, Biotechnology and Life Sciences (Primary).” Initial public offerings reviewed were limited to those with issuers listed on the Nasdaq Global Select Market, Nasdaq Global Market, Nasdaq Capital Market, New York Stock Exchange or NYSE American. To be included in the data set, an initial public offering had to have raised at least \$30 million in gross proceeds.
- Market data for the Follow-On Offering data set was sourced from the S&P Capital IQ database. The industry classification utilized was “Pharmaceuticals, Biotechnology and Life Sciences (Primary).” Follow-on offerings reviewed were limited to those with issuers listed on the Nasdaq Global Select Market, Nasdaq Global Market, Nasdaq Capital Market, New York Stock Exchange or NYSE American. To be included in the data set, a follow-on offering had to have raised at least \$30 million in gross proceeds.
- Market data for PIPE transactions was sourced from the PrivateRaise database. The industry classification was “Pharmaceuticals & Related”. PIPE offerings reviewed were limited to those with issuers listed on the Nasdaq Global Select Market, Nasdaq Global Market, Nasdaq Capital Market, New York Stock Exchange or NYSE American. To be included in the data set, a PIPE offering had to have raised at least \$30 million in gross proceeds.
- Additional data was sourced from company filings from the Securities and Exchange Commission’s EDGAR database (<https://www.sec.gov/edgar>).
- For Stage of Clinical Development charts and analysis, we looked to how far advanced an issuer’s lead product candidate was in its FDA clinical trial process at the time of the transaction, as disclosed in such issuer’s final prospectus or on its website during the third quarter of 2025. Certain issuers in our Follow-On Offering data sets were excluded for purposes of this chart because their services were not subject to the FDA approval process.

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For additional  
information on our IPO  
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