Terminations of Deals by Big Pharma

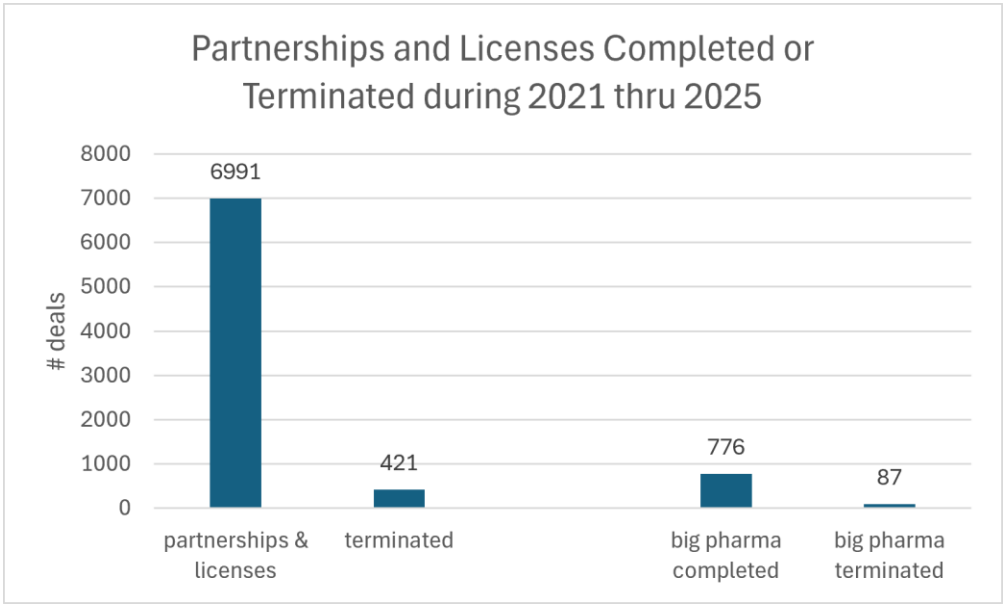
Pullan's Pieces #228 August 2026

Linda Pullan

linda@pullanconsulting.com

Small companies worry about big pharma shelving their assets, and we certainly work to get objective diligence standards to ensure that if development is stopped, the asset will be returned.

Big pharmas (>$25B revenue) do terminate partnerships and licensing deals more frequently than smaller companies (GlobalData)



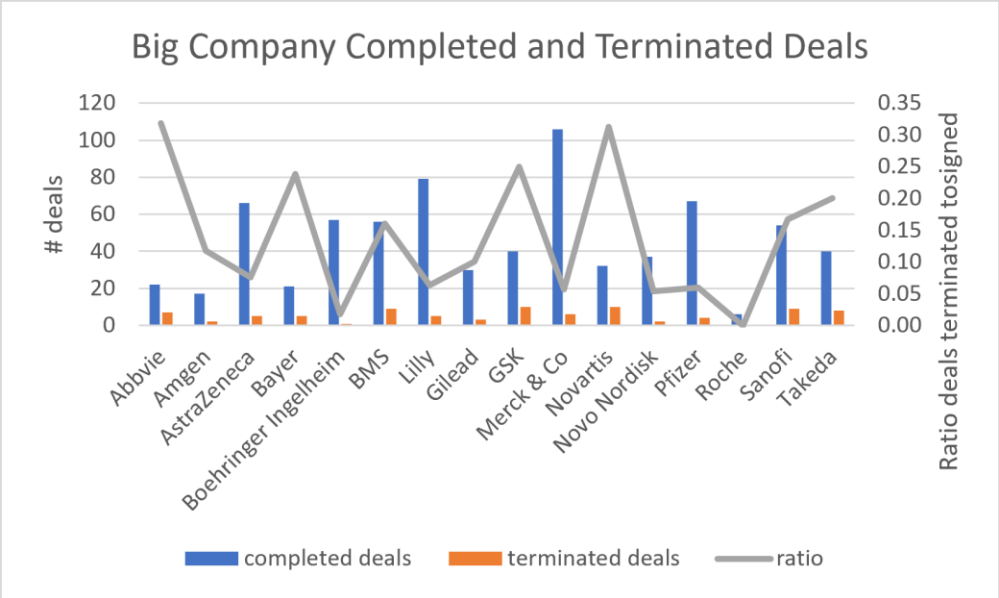
The data above (pulled from GlobalData) shows Big Pharma (with $25B or more in revenue) signed 776 partnerships and licenses in 2021 thru 2025. They terminated 87 in that same period. This is a higher proportion of terminations to signing than for all companies in the same period.

Note: the deals terminated in this period need not have been signed in this period.

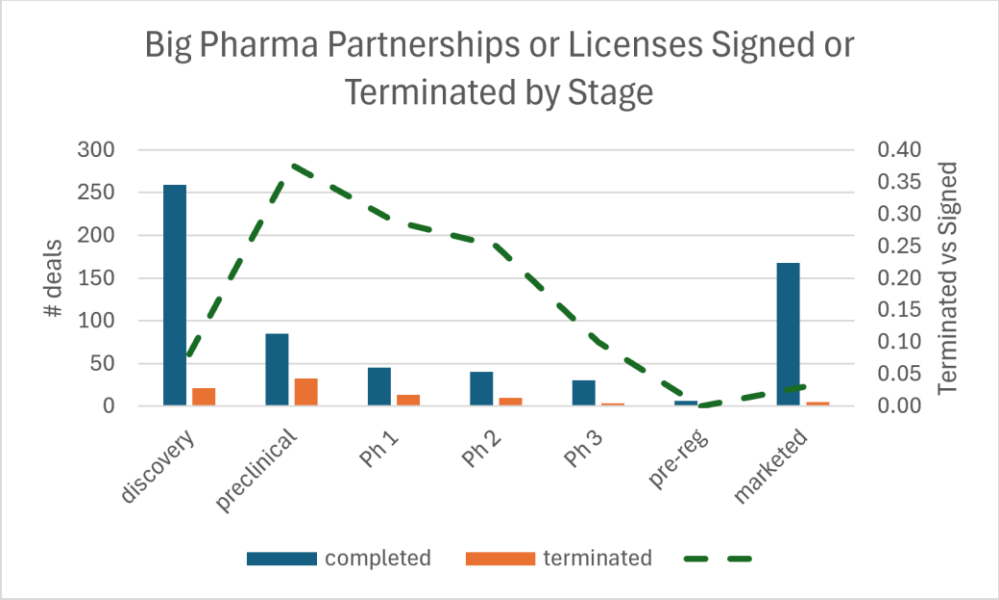
Big companies regularly conduct portfolio reviews and cut programs, due to reorganizations or due to market reassessments due to competition (internal and external). Smaller companies have fewer programs to choose from and therefore, logically, are less likely to terminate their in-licensed programs.

The value of Big Pharma partnerships and licenses signed in the period of 2021 thru 2025 for the deals with disclosed numbers was $52M as the median upfront and $665M for the median BioBucks. The value of terminated deals in the same period was similar with a median of $80M upfront and $683M.

The number of signed and terminated partnerships deals varies by company. (note the terminated deals could have been initially signed prior to the period of 2021-2025)

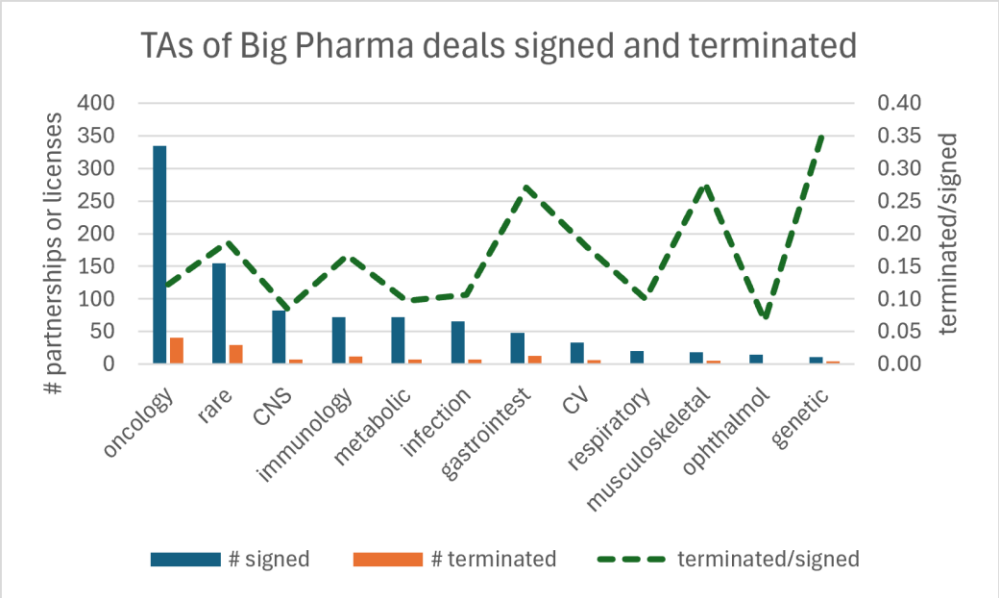


The likelihood of termination is biggest at preclinical and declines with advancement.

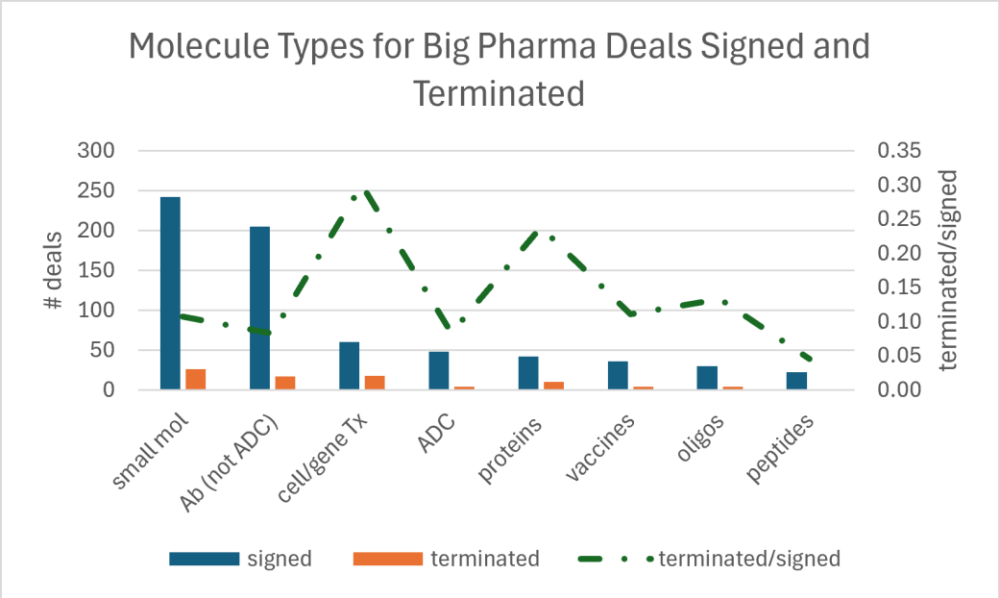


Fewer terminations with advancement of development stage makes sense as preclinical establishes conviction in the potential, Phase 1 finds toxicities and Phase 2 establishes efficacy.

The risk of termination is only somewhat correlated with Likelihood of Approval by TA (which is low for oncology and high for infection and ophthalmology).



Molecule types vary in risk of termination by Big Pharma, with cell and gene therapy the highest risk.



SO.....In the event of termination, it is also important to negotiate for what gets returned (everything needed for an orderly continuation vs just the IP in the two extremes).

The frequency of terminations by big pharma means negotiations on development plans and on diligence requirements is importance.

Because the big pharma favorite of Commercially Reasonable Efforts is very difficult to judge when it is not met, I generally push for (and mostly get) some sort of objective diligence standard such as

- no period of x months without a preclinical or clinical study or manufacturing activity,
- minimum annual spend, or
- a minimum annual payment,
- along with regular reporting of plans and progress.