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STRATEGY GROUP

2025 Trump-era Administration Drug Development & Outsourcing Impact Report

February 2025

Sample Pages

About the Authors

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Report Methodology

The primary research for this report was fielded via an internet survey in February 2025 and draws from N=200 biopharmaceutical industry professionals from the United States and Europe responsible for clinical development and services outsourcing across a variety of clinical activities. Respondent position titles include Scientist, Senior Manager, Director/Senior Director, Principal Investigator, Vice President and C-Suite with functional responsibilities in drug discovery, preclinical development, clinical development and/or commercial phases of development. All study participants were prescreened by LSSG to ensure a high level of involvement, knowledge, and decision-making influence or authority for clinical services outsourcing to CROs and CDMOs. This included confirming consistency of answers for related questions, validation of companies, and knowledge-based quality control questions.

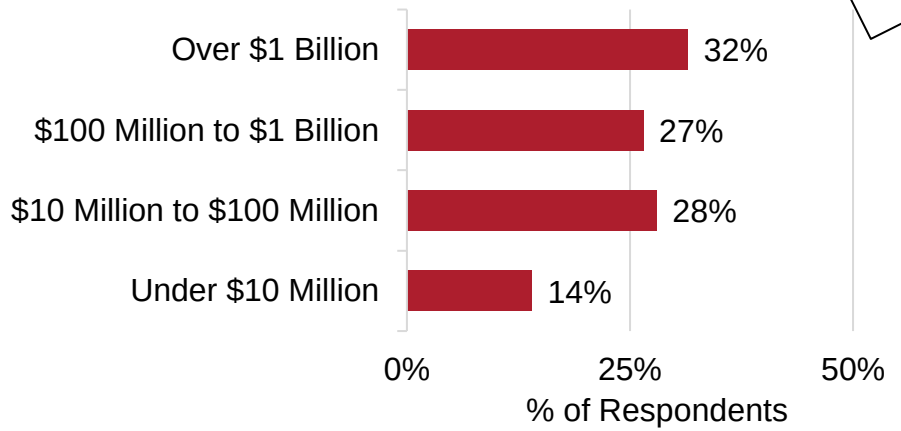
LSSG also included its experience and knowledge about the global biopharmaceutical, CRO and CDMO industries, preferences and outsourcing practices.

All data analysis and reporting was performed by LSSG consultants with significant segment data (geographic and company size) noted in the report.

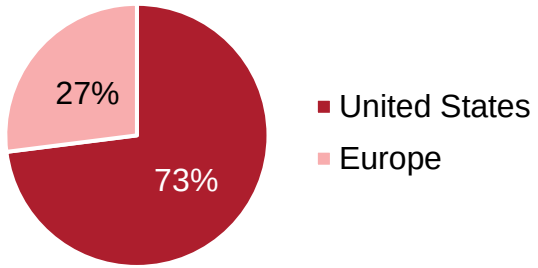
Respondent Demographics

- All respondents work in Biopharmaceutical companies.

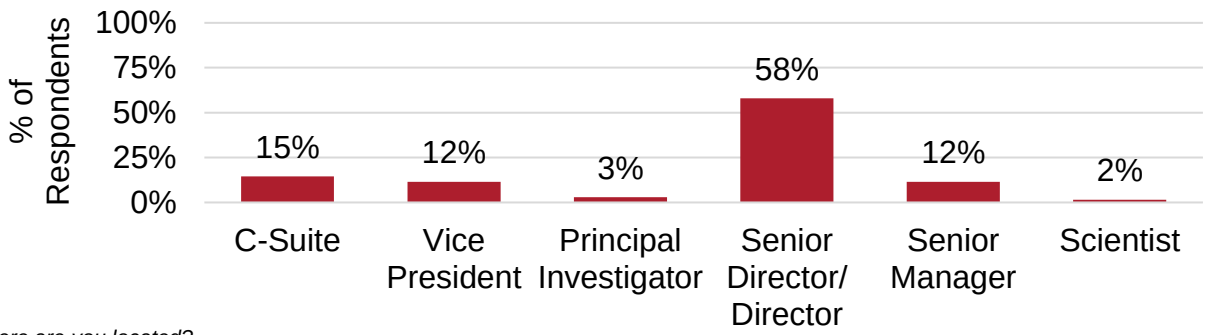
Company Size



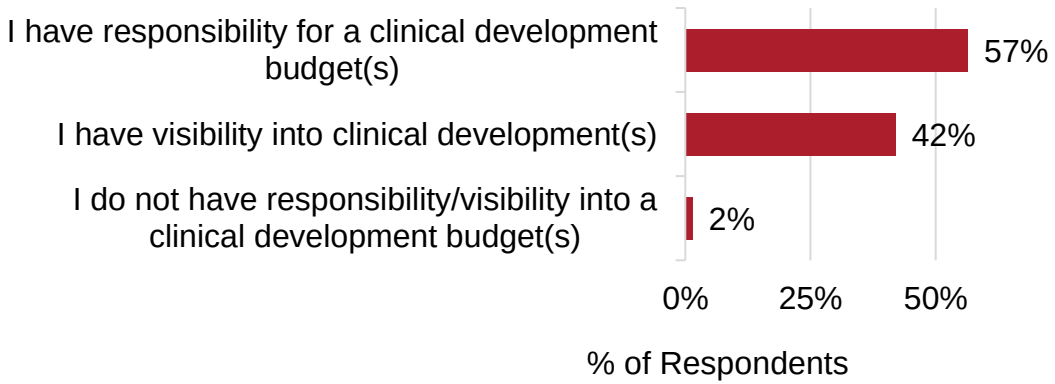
Company Headquarters Locations



Position Level



Visibility into Clinical Development Budget



N=200

S1. Where are you located?
S2. Where is your company's headquarters located?
S3: Which best describes the type of company that you currently work for?
S4. What is your company's approximate annual R&D spend?
S5. Please indicate your position level or equivalent?
S8. Which best describes your responsibility or visibility into a clinical development budget at your/your company?

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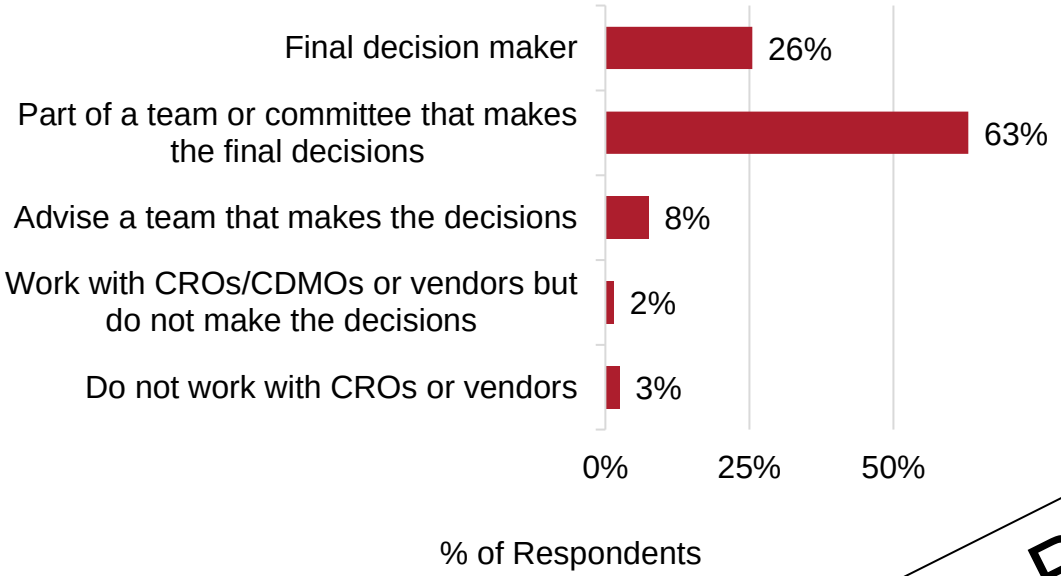
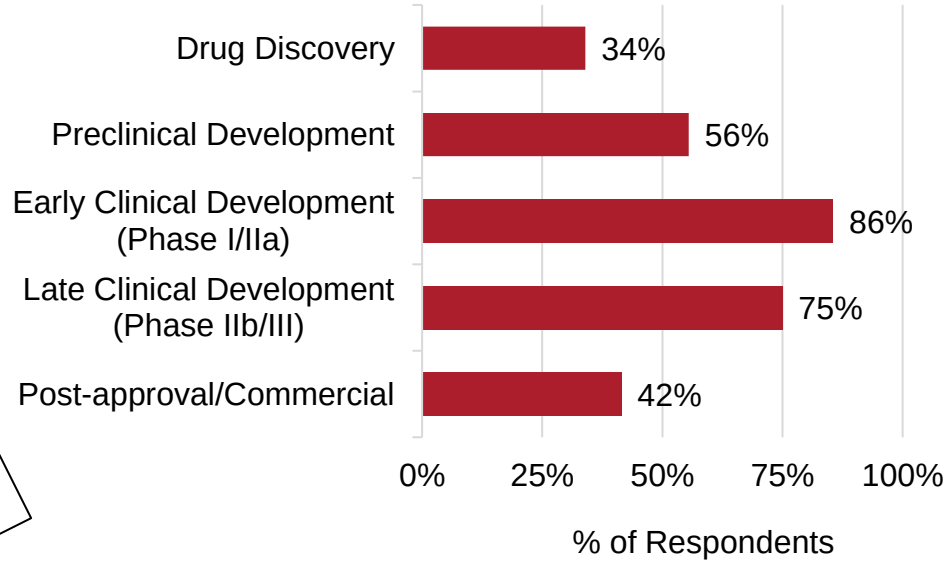
Respondent Demographics

Role in Identification, Selection, and Engagement with Drug Development Vendors



Developmental Stage of Functional Responsibilities



S6. Within what stage(s) of drug development and commercialization are you actively involved at your company/ institution? Please select all that apply.
S9. Which best describes your role as it relates to the identification, selection, and/or day-to-day interaction with CROs, CDMOs, or drug development vendors in your primary functional area(s) of responsibility?

N=200

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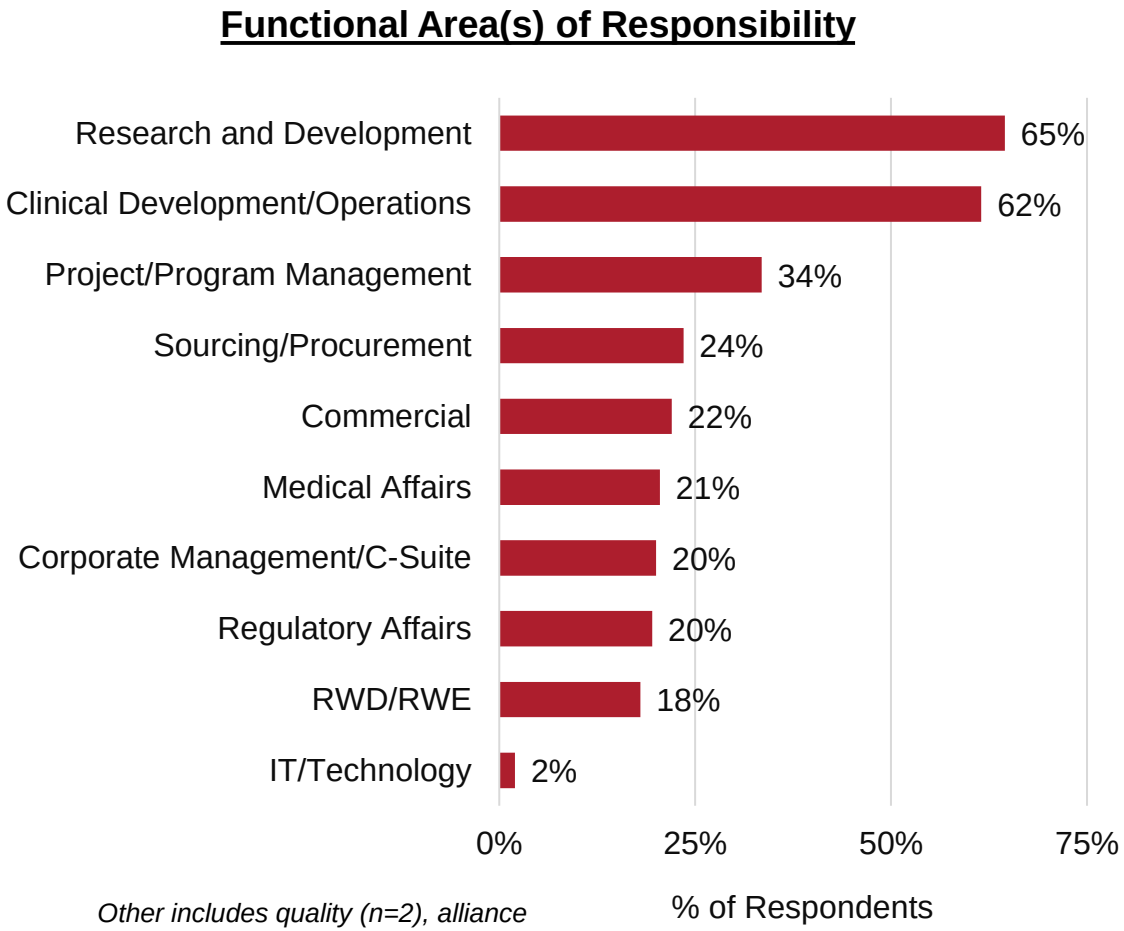
Respondent Demographics



Other includes quality (n=2), alliance management (n=1), manufacturing (n=1), CMC (n=1), and site engagement (n=1).

N=200

S7. Please indicate your primary functional area(s) of responsibility. Please select all that apply.

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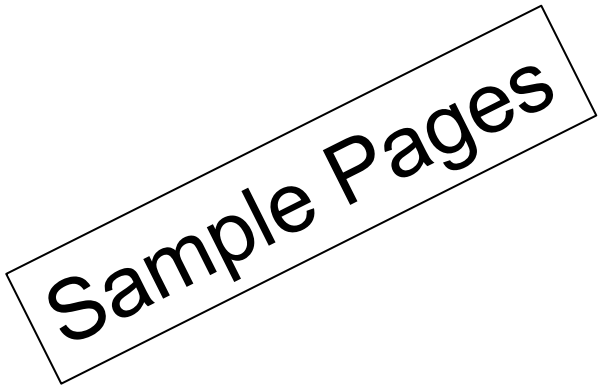
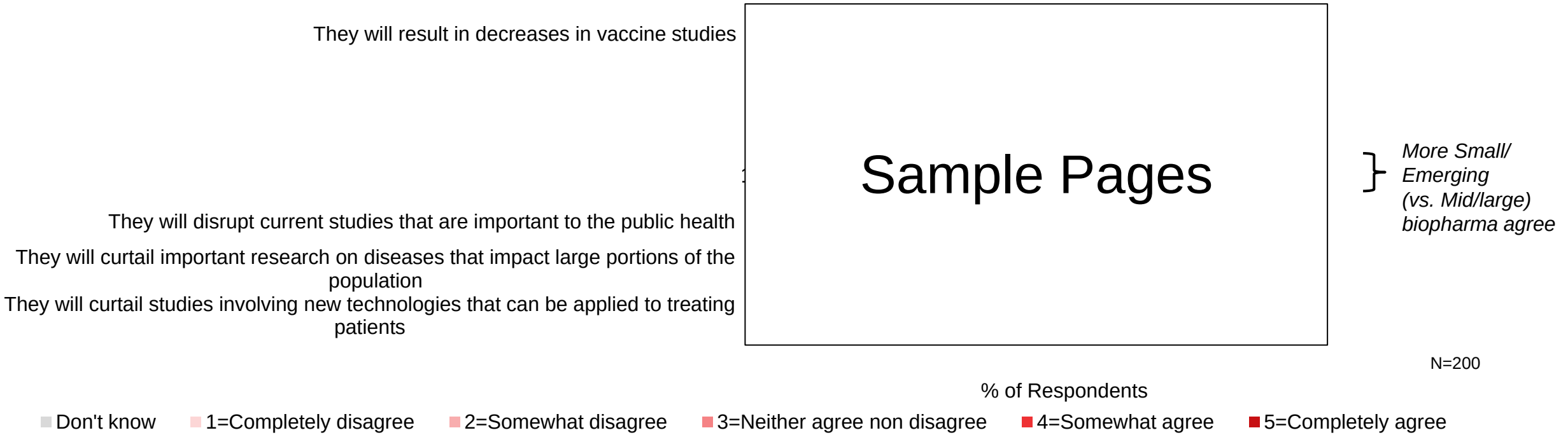
IV. Detailed Findings



Trump-era tariffs and policies are A, B and C with most X, Y and Z (e.g., vaccines, rare diseases, large population studies, studies with new tech, etc.) M, N, L public health and drug development.

General Impressions of Tariffs/Policies and Impact of NIH Budget Reduction/Refocus

- X% or more of respondents find Trump-era tariffs/policies A for biopharma drug development.



X and Y have the potential to A and B innovative research across the biopharma industry from A to B of the population.

Q1. What is your/your general perception regarding the impact of Trump-era administration, policies and appointments (e.g., tariffs, trade relations, RFK Jr.'s appointment, etc.) on biopharmaceutical drug development over the next 4 years? Q2. Please indicate your level of agreement/disagreement with each of the following statements about the impact of RFK Jr's promises to reduce the NIH budget and shift the focus of its research. Please indicate on a scale from 1 to 5 where 1= Completely disagree, 2= Somewhat disagree, 3=Neither agree nor disagree, 4= Somewhat agree, 5= Completely agree. Don't know.

*Top-2 Box = Sum of options 4 & 5.

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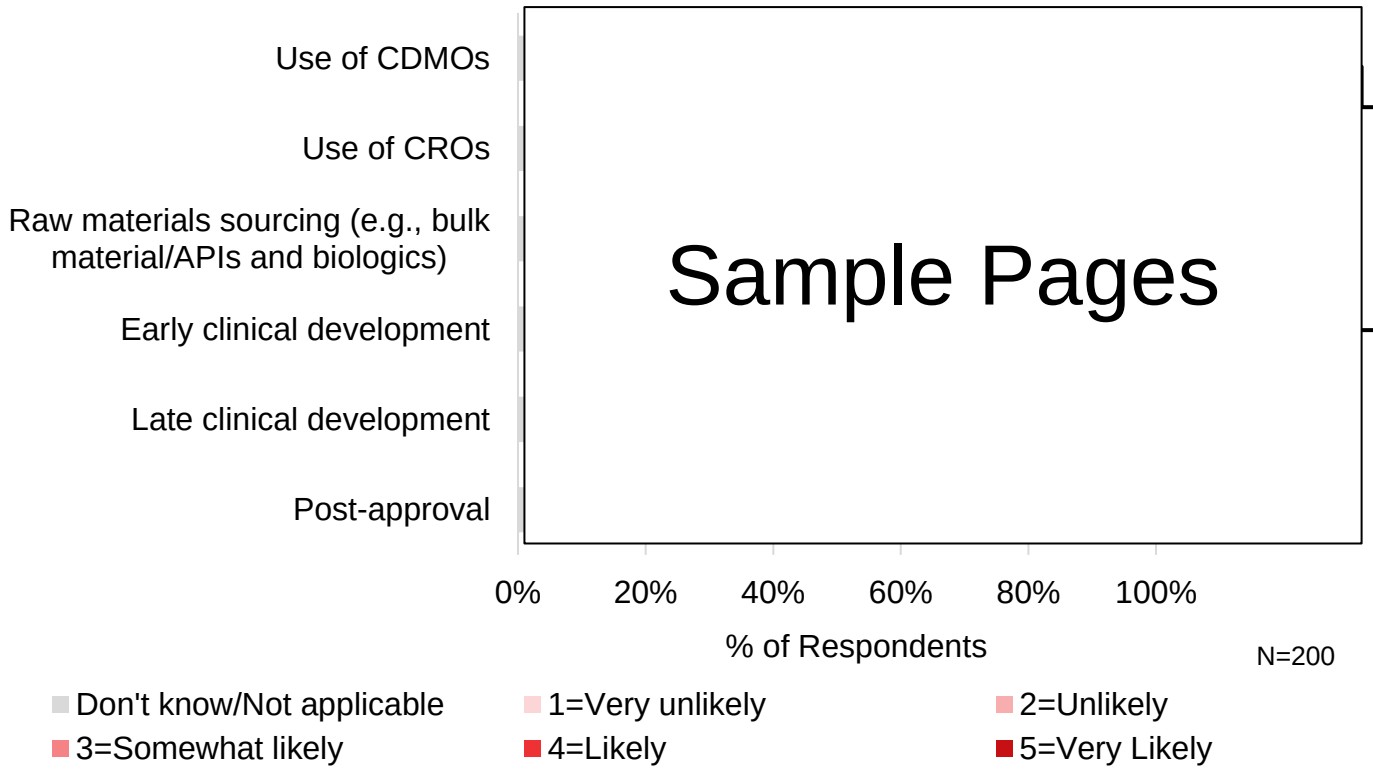
Beyond A, Trump-era tariffs and policies are also expected to A and B of CDMOs and CROs as Z and X of the country/region increase, BBB, and CCC causes general ZZZ.

Areas Likely to be Negatively Impacted by Tariffs/Policies

- Post-approval (Phase IV) is expected to be impacted less than early and late-stage clinical development.



No significant difference across segments

Rationale for Negative Impact on Use of CDMOs/CROs
(region agnostic)

- xxxxxx
- YYYYYY
- Use of Non-domestic/regional based CDMOs will be XXXXX
- xxxxxxx
- US lacks manufacturing capacity
- ZZZZZ

- AAAAA
- BBBB CCCC of services
- CCCCCC
- Uncertainty due to AAAAA
- ZZZZZ
- Less QQQQQQ
- Delays in BBBBB

"Trade policies, regulatory uncertainty, and funding decisions will likely make early drug development more challenging by increasing costs, creating workforce shortages, and introducing unpredictability into the approval process. These factors may delay clinical trials, reduce innovation, and discourage investment in new drug discovery."

- Small Biopharma, US

Q3. How likely is it that Trump-era administration, policies and appointments (e.g., tariffs, trade relations, RFK Jr.'s appointment, etc.) will negatively impact your/your company's/your institution's drug development activities in each of the following areas over the next 4 years? Please indicate on a scale from 1-5 where 1= Very unlikely, 2=Unlikely, 3=Somewhat likely, 4=Likely and 5=Very likely. Don't know. Not applicable.

*Top-2 Box = Sum of options 4 & 5.

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Trump-era tariffs and policies are expected to ZZZZ the biopharma industry including use of A and B (force Z), CCC (price increases) and BBB development (AAA and loss of MMMM).

Areas Likely to be Negatively Impacted by Tariffs/Policies – Supporting Quotes

Use of XXXX

YYY

"We expect a lot of price increases and delays in supplies of bulk material - since we get a lot of complex raw material from Europe and China, we expect significant hurdles. F al government purge and unce lso likely delay customs latory approval times."

- Large Biopharma, US

ZZZZ

"The USA is the biggest market for Pharma companies, and the increase in tariff on imports will make it less desirable, impacting overall development, consequently potentially less investment, less comprehensive early development studies."

- Large Biopharma, EU

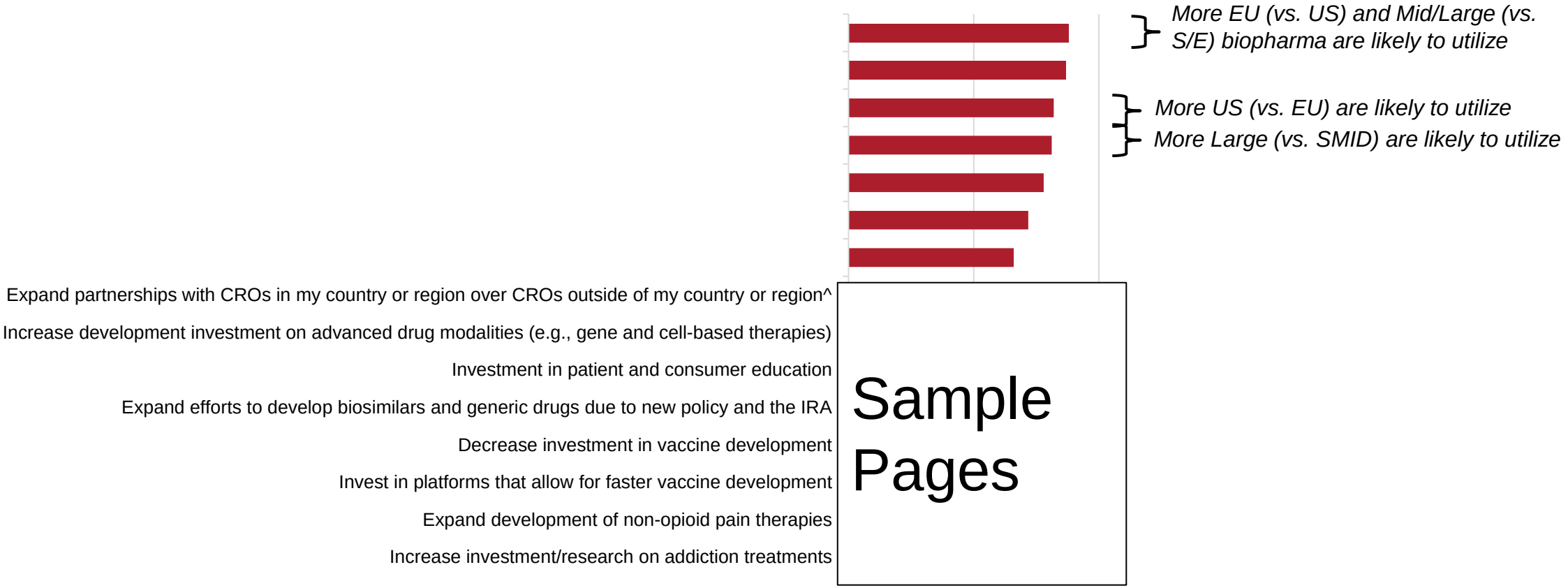
"We will have to switch some reliable e CDMOs to domestic partners or switch f term contracts to shorter contracts to be a adjust to the rapidly changing administrativ orders and tariff retaliations."

- Large Biopharma

Q3. How likely is it that Trump-era administration, policies and appointments (e.g., tariffs, trade relations, RFK Jr.'s appointment, etc.) will negatively impact your/your company's/your institution's drug development activities in each of the following areas over the next 4 years? Please indicate on a scale from 1-5 where 1= Very unlikely, 2=Unlikely, 3=Somewhat likely, 4=Likely and 5=Very likely. Don't know. Not applicable.

As a result of Trump-era policies and appointments, respondents are more likely to A and B while C with ZZZZ and sourcing XXXX, among other strategies.

Likely Drug Development/Commercialization Strategies to Use as a Result of Policy Changes



N=200
^n=60

* Additional option info: (i.e., partner with FDA or NIH to support research in areas prioritized by the administration)

Q13. Are you/is your company/your institution likely to utilize any of following drug development and commercialization strategies as a result of Trump-era administration, policies, and in particular, RFK Jr.'s appointment as HHS Secretary over the next four years? Please up to your top-5 options.

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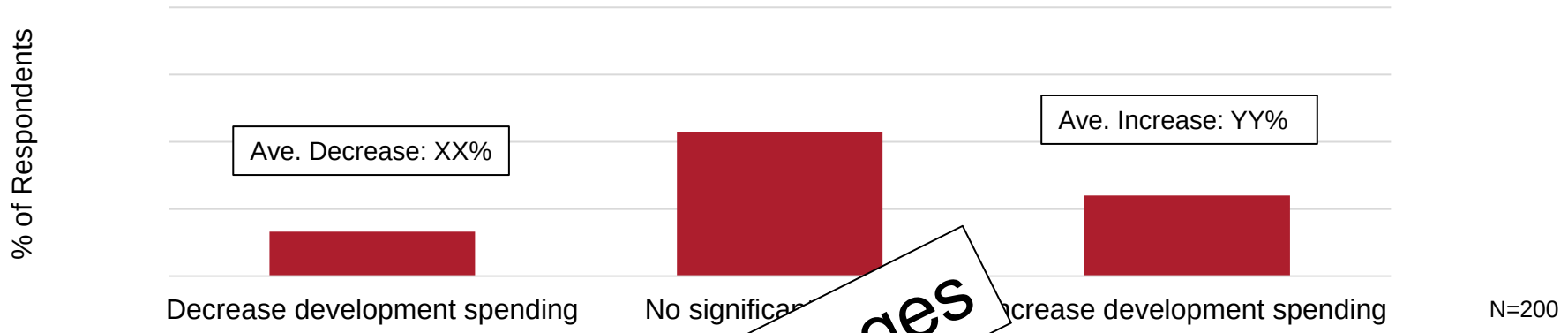
X of respondents (xx%) expect (~YY%) in drug development budgets resulting from tariffs and trade policies to offset rising costs. In particular, A and B development budgets will be impacted the most.

Impact of Policies on Drug Development Budget in 1-2 Years



Phases with Budgets Decreasing the Most

- **Early clinical development (76**
- **Preclinical development (64%)**
- **Late clinical development (61%**
- Post-approval/commercial (39%)

n=93

Phases with Budgets Increasing the Most

- **Late clinical development (85%)**
- **Early clinical development (77%)**
- Preclinical development (47%)
- Post-approval/commercial (37%)

n=93

Sponsors will be forced X and Y due to A and B and increasingly globalized nature.

Q5. How do you expect Trump-era administration, policies and appointments (e.g., tariffs, trade relations, RFK Jr.'s appointment, etc.) to impact your/your company's/your institution's overall drug development budget over the next 1-2 years?
Q6. You indicated Trump-era administration, policies and appointments (e.g., tariffs, trade relations, RFK Jr.'s appointment, etc.) are likely to impact you/your company's/your institution's drug development budget over the next 1-2 years. What area(s) do you anticipate will be impacted? Please select all that apply.

No significant difference across segments

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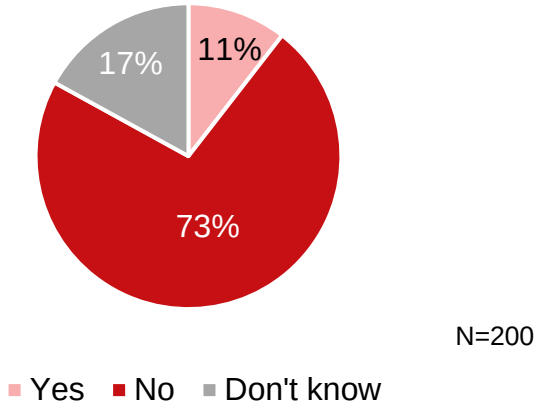
Even though many respondents expect to X and Y given Trump-era policies/tariffs, very few CROs/CDMOs have approached their biopharma clients to discuss information to prepare for upcoming challenges.

CROs/CDMOs Approaching Biopharma About Policy Impacts

Have CROs/CDMOs Approached You About Policy Changes?



N=200

No significant difference across segments

Top Mentioned CROs/CDMOs That Have Reached Out

- WuXi (n=7)
- Catalent (n=5)
- IQVIA (n=5)
- Charles River Laboratories (n=3)
- Fortrea (n=3)
- ICON (n=3)
- Lonza (n=3)
- Parexel (n=3)
- Syneos Health (n=2)
- Thermo Fisher Scientific (n=2)

Q10. Have any CROs or CDMOs approached you/your company/your institution to discuss the potential impact(s) of Trump-era administration, policies and appointments within the past year? Q11. What information would you like to receive from a CRO or CDMO to best prepare you/your company/your institution for Trump-era administration, policies and appointments (e.g., tariffs, trade relations, RFK Jr.'s appointment, etc.)? Please explain.

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Given Trump-era tariffs/policies, respondents would like their vendors to provide X, Y and Z.

Information Biopharma Wants from CROs/CDMOs About Policy Impacts

Top Requested Information From Vendors About Policy Impacts

-
-
-
-
-
-
-
-
- X

No significant difference across segments

"Comment." - Large Biopharma, US

"Comment." - Large Biopharma, EU

"Comment." - Mid-size Biopharma, EU

"Comment." - Mid-size Biopharma, US

"Comment." - Large Biopharma, US

"Comment." - Large Biopharma, EU

n=121

Q11. What information would you like to receive from a CRO or CDMO to best prepare you/your company/your institution for Trump-era administration, policies and appointments (e.g., tariffs, trade relations, RFK Jr.'s appointment, etc.)? Please explain.

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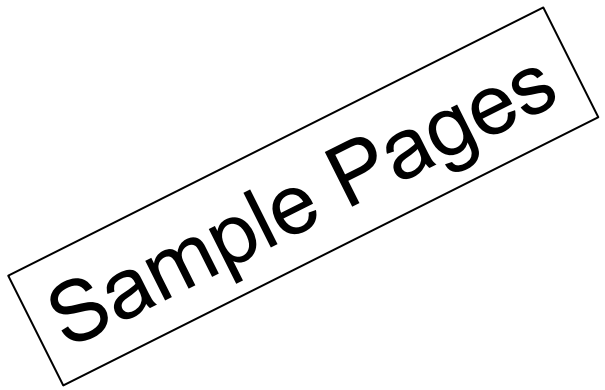
VI. About Life Science Strategy Group, LLC



About Life Science Strategy Group, LLC

Life Science Strategy Group, LLC (LSSG) is a life science consultancy specializing in strategic consulting and market research engagements across a variety of service, therapeutic and technology markets. Our core leadership team brings more than 30 years of combined experience conducting strategic consulting engagements in the following areas:

- Biopharmaceutical
- Contract Research
- Contract Drug Manufacturing
- Biotechnology
- Diagnostics
- Drug Discovery

LSSG brings extensive breadth and depth of life science knowledge combined with seasoned consultants specializing in the biopharmaceutical services industry market research and strategy. They provide actionable and insightful strategic consulting results backed by data–driven market research.

"Solid, responsive, and dependable. That´s why we work with LSSG."
VP Business Intelligence, Global Top-5 CRO

For more information on the Life Science Strategy Group's consulting and market research services, please contact us at info@lifesciencestrategy.com.

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