CDMO platforms will be the central arena for MedTech M&A in 2026

Strategics and sponsors will pursue growth, resilience, and regulatory know-how.

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Why 2026 will be the year for MedTech CDMOs

Public market volatility and valuation gaps have stabilized, making 2026 the decisive year to move from inquiry to acquisition or partnership before valuations fully re-rate

Stabilizing Markets Reset Valuation Expectations

- Projected improved interest rates and stabilization of credit markets supports a rebound in M&A activity.
- Narrowing in market volatility and clearer visibility on future financing costs help bridge the disconnect that plagued past negotiations.
- Private equity firms holding high levels of unspent capital are primed for a resurgence in investments.

Specialized Manufacturing Drives Platform-led Partnerships

- M&A being deployed to capture growth in areas like cardiac and specialized surgical devices
- Outsourcing relationships shifting to strategic partnerships to unlock internal resources for core R&D and commercialization efforts
- Strategic focus on acquiring differentiated “platform” CDMOs: multi-capability manufacturers that support the full product lifecycle through integrated, technology-led systems, protected by significant technical and regulatory barriers

Sources: Alira Health in collaboration with Massachusetts Medical Device Industry Council (The 2025 Global MedTech Contract Development and Manufacturing Report), Medical Product Outsourcing, Middle Market Information LLC, Pharma Source, A&M Analysis.

Three archetypes of "hot" CDMO platforms to watch in 2026

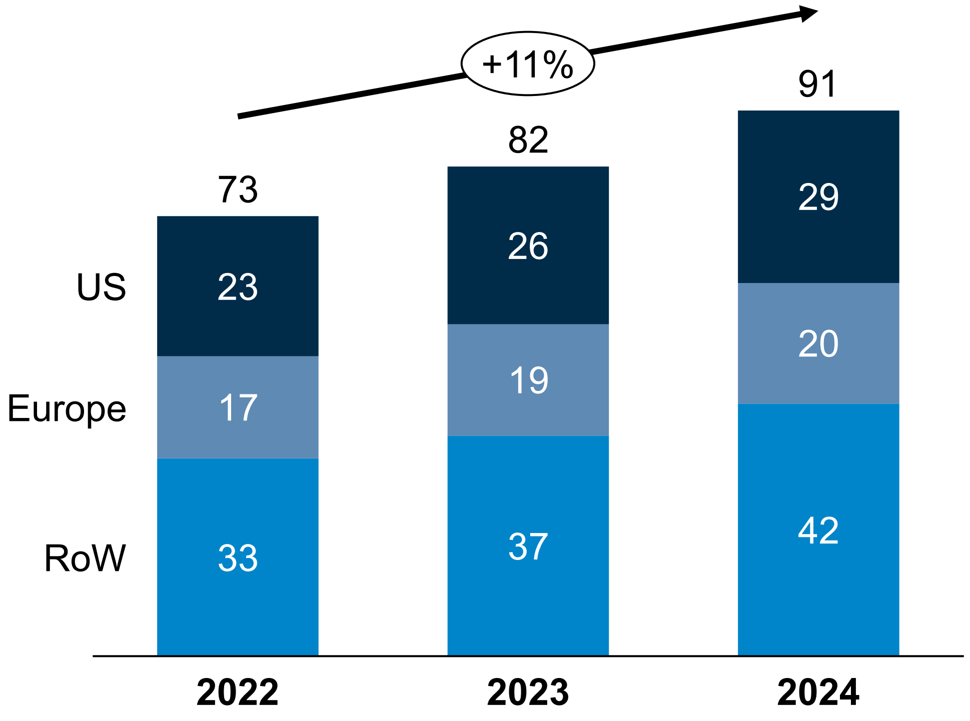
		Drivers of M&A activity	*Illustrative Examples*
Regenerative and Biomaterials Platforms	**Develop advanced materials and technologies for tissue engineering, wound healing, and organ regeneration.**	• Growing demand from cardio, ortho, and wound care applications • High-margin and innovative market • Regulatory tailwinds with pathways for expedited approvals	• Evergen • Regenity
Precision Manufacturing Platforms	**Specialize in high-precision manufacturing processes to develop specific components for OEM customers—e.g., machining, molding, and assembly.**	• Growth in minimally invasive surgical devices and complex implants • Fragmented market with smaller, specialized firms ripe for roll-ups • Technological advancements driving cost efficiency and differentiation	• Allegheny Performance Plastics • Cretex Medical • Forj Medical
Specialty and Modality Platforms	**Focus on specialized areas—e.g., radiopharmaceuticals and advanced imaging technologies.**	• Technical complexity establishing high barrier to entry • Rapid growth driven by applications in precision diagnostics and oncology • Opportunity for CDMO strategic differentiation in high-value categories	• Eckert & Ziegler • Nucleus RadioPharma • Triple Ring Technologies

Sources: Consegic Business Intelligence, Medical Device Market Moves, Medical Product Outsourcing, MMDI, SciSpot, A&M Analysis.

From outsourcing to platforms

MedTech CDMOs are in high demand as OEMs and PE increasingly view them as strategic platforms that aggregate capabilities and customer relationships, not just production lines

Global MedTech CDMO Market 2022–2024 (US $B)



Growth Drivers

Increased outsourcing in high-growth specialties

- Specialized manufacturing needs across cardiac, surgical (including robotic and minimally invasive procedures), and orthopedic devices drive demand for CDMO capabilities.
- Orthopedic medical device CDMO market is expected to rebound at ~8% CAGR (2024–2028) following post-COVID inventory normalization.

Shift toward end-to-end CDMO partnerships

- MedTech OEM-CDMO relationships have shifted from transactional manufacturing to end-to-end development and supply partnerships.
- OEMs increasingly look for CDMOs that can service needs across design, prototyping, regulatory, manufacturing, and supply chain management, freeing up OEM resources to focus on R&D.

Source: Alira Health in collaboration with Massachusetts Medical Device Industry Council (The 2025 Global MedTech Contract Development and Manufacturing Report), A&M Analysis.

Market trends to watch

Several trends will drive 2026 MedTech CDMO M&A, spanning top-down carve-outs (strategic divestitures) and bottom-up roll-ups (PE-backed platform consolidations)

OEMs are actively rewiring their portfolios.

- Facing slower growth, price pressure, and rising expectations for complex devices, MedTech OEMs are carving out OEM/Acute Care assets to refocus capital on higher-growth franchises (e.g., Teleflex).
- Offloading manufacturing complexity to CDMOs lets strategics focus capital on innovation, portfolio reshaping, and commercial investments while securing resilient, multi-site supply.

PE-backed CDMOs are aging into exits.

- A decade of sponsor-backed platform building across machining, molding, sterilization, and components is arriving at hold-period maturity, setting up a wave of exits from 2026 onward.
- Three credible exit paths are now visible: sale to OEMs building CDMO stacks, sale to infrastructure/strategic buyers targeting recurring regulated manufacturing, or public listings as standalone CDMOs.

Specialized platforms in regenerative and radiopharma are emerging as distinct archetypes.

- Evergen, Renegity, and peers are defining “regenerative CDMO” as a distinct segment differentiated by proprietary materials science and manufacturing, attracting capital as stand-alone platforms rather than bolt-ons.
- In parallel, radiopharma CDMOs are raising capital (e.g., Evergreen Theragnostics, SpectronRx), underscoring trend toward specialized, highly regulated platforms driven by modality-specific growth.

Marketwide activity will re-rate the space.

- Market activity in IPOs, carve-outs, and private transactions is beginning to re-rate the MedTech CDMO space, setting benchmarks for growth, margins, and customer diversification.
- A wave of private deals and platform expansions is reinforcing valuation frameworks, creating reference points for future exits and potential standalone public listings.

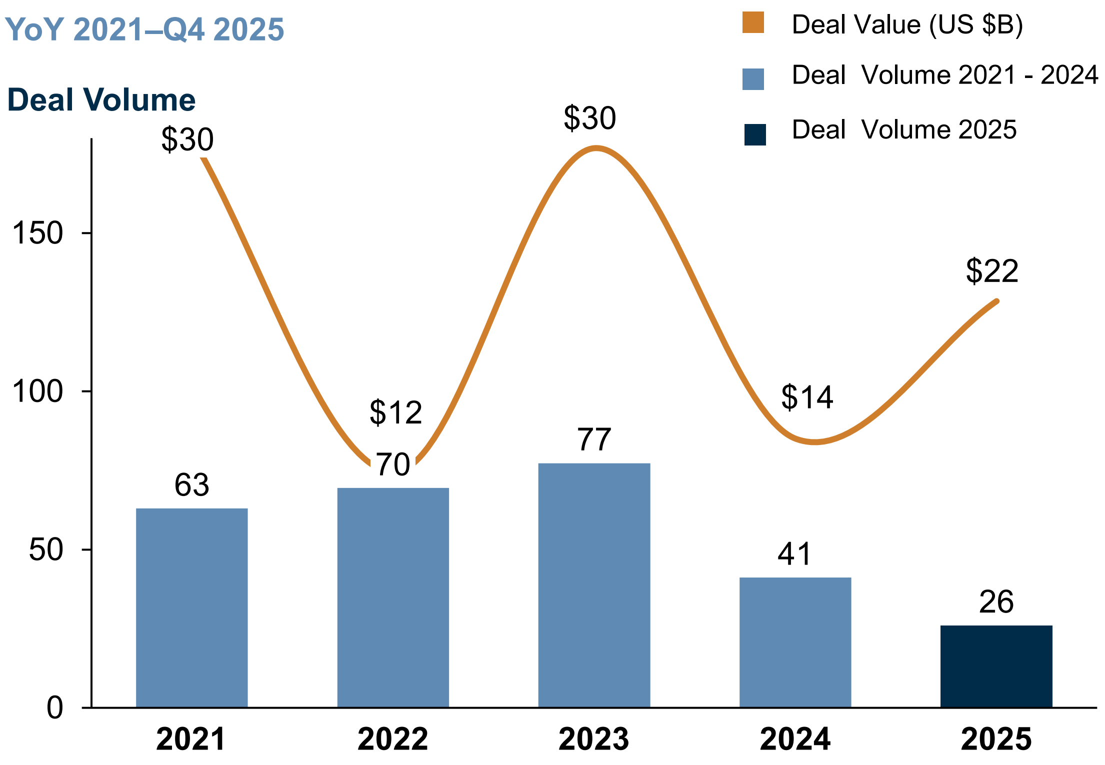
Sources: Company press releases, PharmaSource, A&M Analysis..

Why MedTech CDMO M&A by Strategics is poised to reaccelerate

Improved interest rates and stabilization of markets supports a rebound in M&A activity

MedTech CDMO Strategic M&A Deal Value and Volume [1]

YoY 2021–Q4 2025



[1] Data reflects CDMO deals where either the acquirer or target was tagged as a CDMO in the MedTech space based on commercial arrangements, or the counterparty in the deal is a MedTech company. Includes CDMOs backed by PE but excludes PE-PE deals.

Historic and Future Growth Drivers

Structural reset

- 2022–2024 was a structural reset: OEM outsourcing demand persisted, but financing constraints suppressed deal size and exit velocity. 2025's higher average deal size signals strategics are pursuing differentiated and critical CDMO capabilities.

Interest rates and equity sentiment

- Easier financing conditions and stronger market performance are unlocking increased activity as investors transition from pandemic volatility to securing supply-chain resilience.

Strategic pivots to MedTech

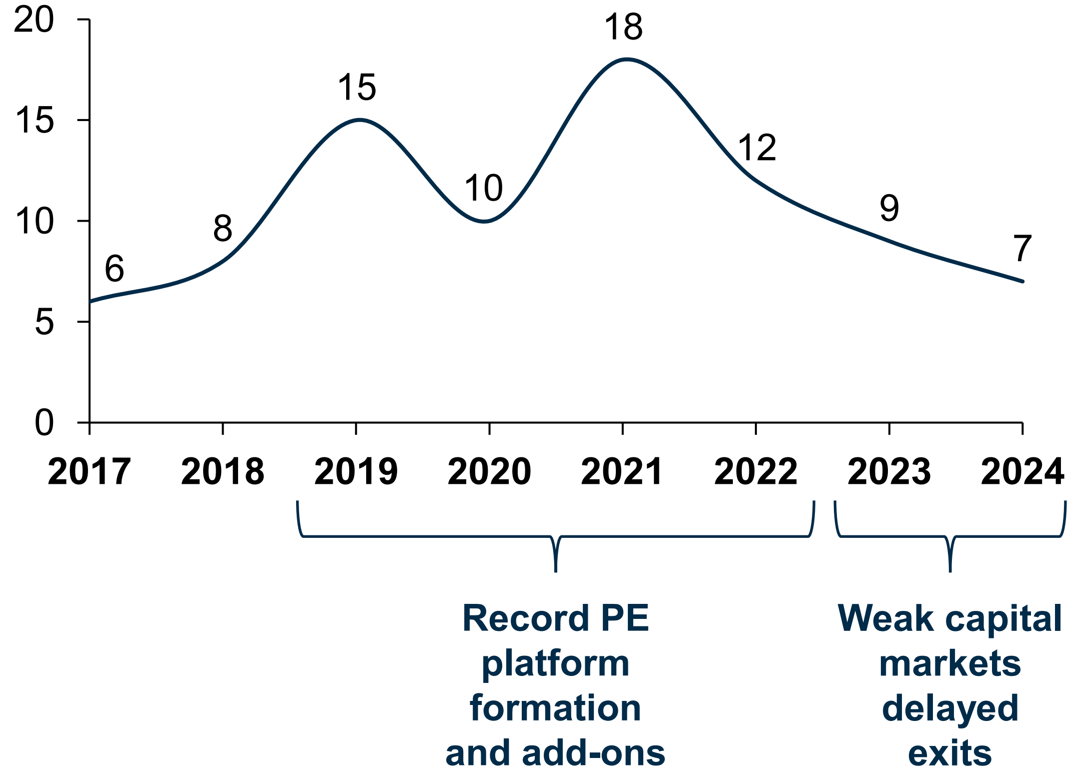
- Businesses previously focused on Aerospace, Defense, or Automotive (e.g., DuPont) pivoted to MedTech to escape cyclical volatility, rebranding precision manufacturing know-how as "MedTech-Focused" and tapping into attractive gross margins.

Sources: Deal Forma, Alira Health in collaboration with Massachusetts Medical Device Industry Council (The 2025 Global MedTech Contract Development and Manufacturing Report), JPMorgan, M&G Investments, Medical Device Network, Contract Pharma, A&M Analysis.

Why 2026 is the inflection point for PE investment

Expect to see an uptick in private equity activity in the MedTech CDMO sector in 2026

Number of MedTech CDMO PE Platforms by Foundation Year



Go-Forward Growth Drivers

Increased transaction and consolidation activity

Recent or expected activity across scaled CDMO carve-outs (e.g., Teleflex) and continued consolidation (e.g., Tyber Medical–Intech–Resolve Surgical Technologies combined by Montagu Private Equity) highlights growing buyer appetite for differentiated manufacturing platforms.

Macro pivot toward quality growth assets

Sell-side 2025 midyear outlooks highlight supportive earnings and selective rate cut paths, conditions that favor quality growth and defensible cash flows, tilting public and private capital toward scaled, resilient platforms such as MedTech CDMOs.

Accelerating PE-driven vertical integration

PE sponsors are increasingly pursuing vertical integration (e.g., SK Capital's launch of Precera Medical), accelerating capability expansion and strategically positioning CDMO assets.

Source: Alira Health in collaboration with Massachusetts Medical Device Industry Council (The 2025 Global MedTech Contract Development and Manufacturing Report), JPMorgan, M&G Investments, Medical Device Network, Contract Pharma, InTech, Company press releases, A&M Analysis.

How to win in MedTech CDMO deals in 2026

Strategics and private equity/infrastructure capital should capitalize on 2026 buying opportunities before valuations fully re-rate and explore selling opportunities in the longer-term once valuations have caught up

	In the near-term, buy.	**In the longer-term, sell.**
Strategic OEMs and Contract Manufacturers	• Use the 2026 window to acquire or partner with platforms in critical adjacencies (e.g., regenerative materials, MIS[1] tools, specialized disposables).	• Decide which manufacturing capabilities must remain core versus which can be migrated into CDMO partnerships or spun out.
Private Equity and Infrastructure Capital	• Prioritize regulatory moats (MDSAP[2], MDR[3] readiness, radiation-licensed sites, tissue establishment licenses) as defensible differentiators in diligence and valuation. • Build buy-and-build roadmaps around modality tailwinds (regenerative, radiopharma, neurovascular, structural heart).	• Identify aging platforms that can be combined into “infrastructure-scale” CDMOs with global footprints and multi-modality capabilities. • Identify CDMO assets that have been held through downturns and initiate sale readiness. • Prepare exit pathways (dual-track IPO/sale) pending observed performance of other CDMOs.

Source: A&M Analysis.
[1] Minimally Invasive Surgery, [2] Medical Device Single Audit Program, [3] Medical Device Regulation

Thank you

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Authors and Contributors

Mark Freitas

Managing Director
Boston

Marcos Cortes, M.Sc.

Managing Director
Miami

James Guyton

Managing Director
Washington, D.C.

Ryan Donovan

Managing Director
Boston

Simon Joyeux

Managing Director
New York

Anand Seshadri

Senior Director
Morristown

Megan Shea

Director
Boston

Debra Wawi

Associate
Dallas

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