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## A baptism of fire for listing medtechs



[Elizabeth Cairns](#)

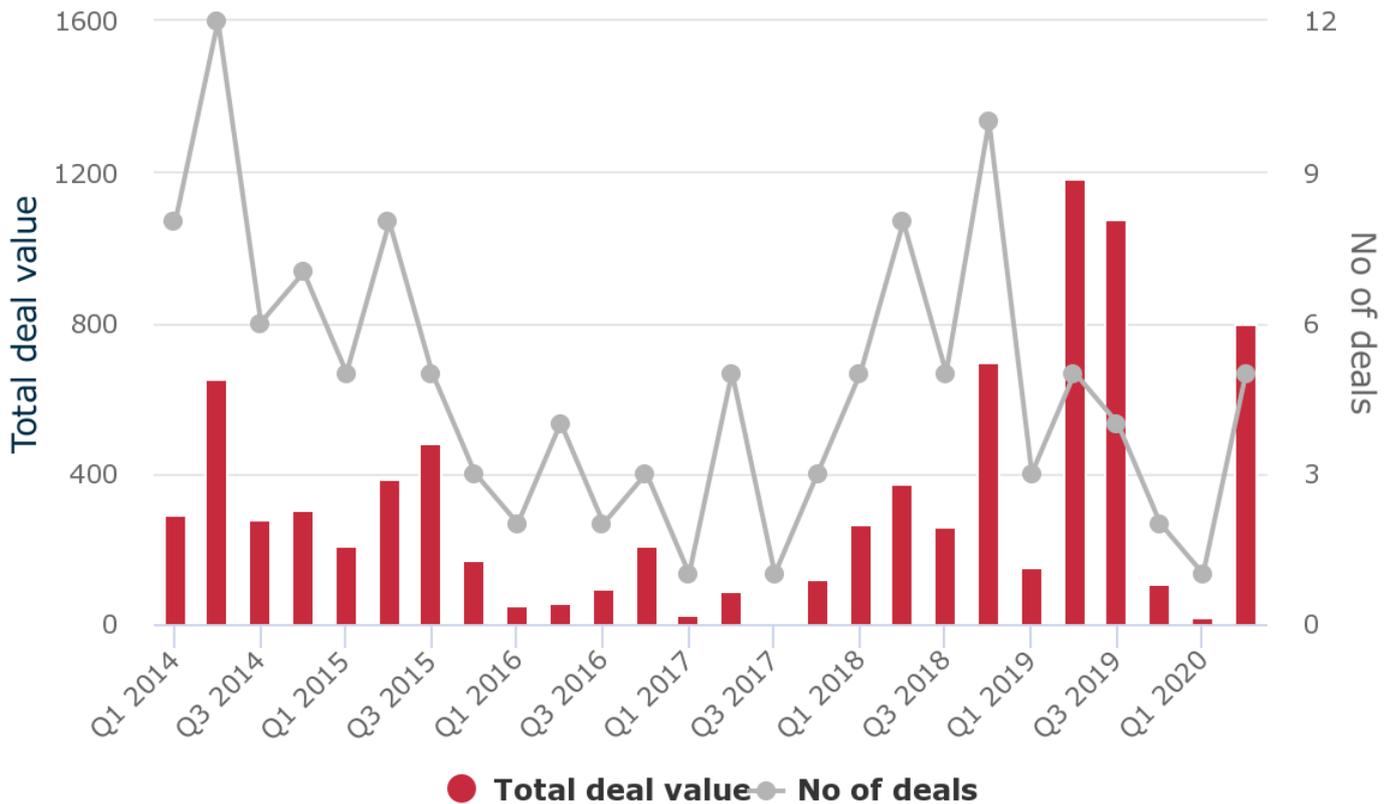


### **Medtechs going public in 2020 raised a decent amount of cash, but have had a turbulent time of it since.**

This year is not looking as strong as 2019 when it comes to medtech IPOs, but the showing in the first half has been within the range of the last few years. The second quarter in particular was strong, with five floats raising a total of \$800m, perhaps because companies fear that the opportunity to get these deals done will soon be snatched away.

If investors did regard these offerings as motivated more by desperation than cool-headed judgement, it might explain why shares in most of the newly-listed companies had drifted lower by the mid-year point.

## Medtech IPOs, 2014-2020



Highcharts.com

A look at exactly when 2020's listings occurred shows the effects of the pandemic. The liquid biopsy developer Anpac Bio-Medical Science went public in January, when Covid-19 was just beginning to ping on investors' collective radar. After that, no action for three full months as the equity markets plummeted. It is possible that some of these groups postponed IPOs originally scheduled for the first quarter, again contributing to the following period's impressive total.

But when the Nasdaq began to recover, private groups saw their chance. None of the floats in the last two months went out at a discount, and medtech's reputation as a safe and steady sector in times of turmoil might well have contributed to shareholders' desire for a piece of these companies.

As is often the case, particular technologies are cash magnets. 2020 has been the year of the liquid biopsy: as well as [Grail's huge VC funding round](#), Anpac, Burning Rock Biotech (formerly known as Guangzhou Burning Rock Dx) and Genetron are all focused on cancer blood tests.

### Medtech IPOs of H1 2020

Date	Company	Focus	Amount raised (\$m)	Discount/premium	SP change to June 30
Jan 30	Anpac Bio-Medical Science	In vitro diagnostics	16	(8%)	(57%)
May 1	Lyra Therapeutics	Ear, nose and throat	64	7%	(29%)
May 22	Inari Medical	Cardiology	156	9%	154%
Jun 12	Burning Rock Biotech	In vitro diagnostics	223	14%	64%
Jun 19	Genetron Holdings	In vitro diagnostics	256	28%	(25%)
Jun 20	Progenity	In vitro diagnostics	100	0%	(40%)

All listings on the Nasdaq. Source: EvaluateMedTech, company websites.

These three companies have another thing in common: despite their Nasdaq listings, all are based in China. Perhaps Chinese investors are less fired up about liquid biopsies than their counterparts in the US; it is also true that the market for IPOs in America has been incredibly strong this year, across all sectors.

### Big deal

One trend from 2019 that has continued into this year is that for huge deals. The five second quarter IPOs raised an average of \$160m, a figure higher than in any period since *Evaluate Vantage* started tracking listings, with the exceptions of the middle two periods of 2019.

This is likely motivated by the same considerations driving VCs to participate in ever-larger rounds: the need to get the company to the next big inflection point, and to raise money while the going is good. How long the going might remain good is another question.

## Average medtech IPO size, 2014-2020

