

Diabetes device makers lead the smaller medtechs



[Elizabeth Cairns](#)



Insulin pumps and glucose sensors flew off the shelves, whereas liquid biopsy developers both soared and sank.

Last year investors flocked to the medtech sector, lured by the promise medical devices held for treating and diagnosing Covid. Despite the great strides that have been taken in combating the coronavirus, excitement has since dimmed, and last year medical device makers whose market cap sits beneath \$10bn failed to see the enormous changes in valuation that they had enjoyed – or mourned – in 2020.

Indeed their 2021 performance was more muted even than in 2019, before the Covid pandemic made its devastating effects felt. Still, there were undeniable winners and losers.

The mid-caps were led by diagnostics group Fulgent Genetics, which nearly doubled in value – a poor showing compared with the 530% increase Korean diagnostics group [Seegene experienced in 2020](#).

Fulgent's 93% growth came partly as a result of its Covid tests; its PCR assay was [authorised in the US in May 2020](#) and the cash this generated enabled the company to [triple in size across 2020](#). Sales have continued to be strong, with the test bringing in roughly \$188m in the third quarter of 2021 – \$100m more than the company had expected. Fulgent launched an antibody test in October.

Its core cancer testing business has also done well, and the group added to this at the tail end of 2021 with the launch of Helioliver, a liquid biopsy for the early detection of hepatocellular carcinoma. The test was developed by Helio Health, with which Fulgent signed a \$20m deal in August.

Mid cap (\$2.5-10bn) medtech companies: top risers and fallers in 2021

	Share price 12-mth change	Market cap at Dec 31 (\$bn)	Market cap 12-mth change (\$bn)
<i>Top 5 risers</i>			
Fulgent Genetics (\$)	93%	3.0	1.7
Tandem Diabetes Care (\$)	57%	9.6	3.7
Envista (\$)	34%	7.3	1.9
Livanova (\$)	32%	4.7	1.4
Ypsomed (SFr)	28%	2.6	0.5
<i>Top 5 fallers</i>			
Invitae (\$)	(63%)	3.5	(3.9)
Novocure (\$)	(57%)	7.8	(9.8)
Haemonetics (\$)	(55%)	2.7	(3.3)
Nevro (\$)	(53%)	2.8	(3.1)
Irhythm Technologies (\$)	(50%)	3.5	(3.4)

A liquid biopsy group led the mid-cap fallers, too, though this is probably less to do with Invitae's technology as with the \$1.2bn debt financing it did in April, meaning it had taken on debt equal to around 15% of its market cap - a risky proposition. Shareholders were also unimpressed when Invitae admitted that the Stratafide liquid biopsy had little chance of obtaining US approval by April 2022, as had been promised.

A sweet showing

Insulin pump developers did well, with Tandem and Ypsomed among the five biggest mid-cap risers. The former rose steadily across the year as sales of its insulin pumps picked up as lockdowns were lifted. It also benefited late in the year from the [ongoing quality control nightmare](#) at Medtronic's diabetes pump manufacturing site.

And another diabetes player, Senseonics, led the pack among the small-caps. The company makes Eversense, a tiny blood glucose monitor that is implanted in a patient's upper arm and works for either three or six months. Senseonics had a rotten 2019 and a lacklustre 2020, but came roaring back in early 2021 as a distribution agreement with Ascensia began to bear fruit.

The stock was also boosted by anticipation of US approval of the six-month version of the Eversense blood glucose meter, which has been available in Europe since 2017. The FDA is to decide on the next-generation sensor in the coming weeks, according to Senseonics.

Overall 2021 was a relatively staid year for small and mid-cap device makers, with the huge gains of 2020 nowhere to be seen. Perhaps sentiment will pick up in 2022.

Small cap (\$250m-2.5bn) medtech companies: top risers and fallers in 2021

	Share price 12-mth change	Market cap at Dec 31 (\$m)	Market cap 12-mth change (\$m)
<i>Top 5 risers</i>			
Senseonics (\$)	207%	1,191	977
Iradimed (\$)	103%	570	290
Varex Imaging (\$)	89%	1,249	595
Angiodynamics (\$)	80%	1,066	484
Beyond Air (\$)	79%	251	160
<i>Top 5 fallers</i>			
Tactile Systems Technology (\$)	(58%)	377	(496)
Cardiovascular Systems (\$)	(57%)	762	(994)
Quotient (\$)	(50%)	265	(261)
Axogen (\$)	(48%)	389	(334)
Bonesupport (SKr)	(43%)	322	(238)

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