

Biopharma's stock market winners of 2021 revealed



Amy Brown



Lilly pips Pfizer to the big pharma top spot on share price performance, while Covid-19 drives the largest risers elsewhere.

Covid's ability to infect share prices remained intact last year: the pandemic spurred some of the best performances among biopharma stocks, but was also responsible for several fallers. Indeed, a few names appeared on the other side of [the leader boards compared with this time last year](#).

The bubble burst for Shin Poong, for example, the South Korean developer that had soared in 2020 on hopes that its repurposed malaria drug might play a big role in the pandemic. On the other hand, the big names in Covid vaccines were the clear 2021 winners, while Lilly deserves a mention for becoming the best-performing big pharma stock for the second year in the row.

Huge expectations for tirzepatide, a novel diabetes and obesity project, and the Alzheimer's contender donanemab drove Lilly's valuation to a record high. The group's market cap has doubled in the past two years, a remarkable advance for a company of this size.

This surge means that Lilly starts 2022 as the fourth largest big pharma company by market cap, despite being one of the smallest revenue generators of the 11-strong group.

Biopharma's biggest stock market winners in 2021

Company	2021 share price change	2021 market cap change (\$bn)	Market cap at Dec 30, 2021 (\$bn)
Big pharma			
Lilly	64%	103	264
Pfizer	60%	127	331
Abbvie	26%	50	239
Large cap (\$25bn+ market cap)			
Moderna	149%	62	103
Merck KGaA	59%	42	113
Novo Nordisk	57%	92	255
Mid cap (\$5-25bn market cap)			
Biontech	216%	42.9	62.5
Biohaven	61%	3.9	9.0
Horizon	51%	8.3	24.4
Small cap (\$250m-5bn market cap)			
Prothena	311%	1.8	2.3
Bicycle Therapeutics	239%	1.4	1.8
Anavex Life Sciences	221%	1.0	1.3
Arising from the nano caps (sub \$250m market cap)			
Bellus Health	180%	0.2	0.8
Bonus Biogroup	160%	0.1	0.5
Evolus	94%	0.1	0.4

Source: Evaluate Pharma. Note: companies were assigned these groupings based on year-end 2020 market cap.

Ending the year in fifth place in the biopharma market cap rankings was Novo Nordisk, a company not classified as “big pharma” in this analysis because of its focus on one therapeutic field: diabetes and related metabolic conditions. Mirroring Lilly, the Danish firm’s stock also recently hit record highs after doubling in two years, this time largely thanks to a very successful launch of its new obesity drug, Wegovy.

That Novo Nordisk ended the year worth more than the likes of Merck & Co and Novartis shows that a broad church is not necessarily a prerequisite for amassing the sort of valuation that traditionally was the realm of more diversified drug developers. Perhaps the booming diabetes space is an exception.

Percentage-wise, the Covid vaccine makers Moderna and Biontech saw the biggest valuation surges last year, something that the former managed despite leaking \$50bn in market cap in the final quarter. Elsewhere, Biohaven and Horizon’s successful transitions to commercial-stage developers continue to attract investors.

Small cap, big gain

Among the small caps, Prothena is a beneficiary of progress in Alzheimer’s disease, although it has other irons in the fire; Anavex is also probably benefitting from rising expectations of progress in the neurological field. Bicycle operates in the red-hot targeted oncology space, [where its work has shown early promise](#).

Finally, nano caps that saw big advances, sufficient for them to join the small caps in this year's analysis, included Bellus Health. The company's stock more than doubled towards the end of 2021 after a successful

phase 2b trial revived hopes for the company's chronic cough project, BLU-5937.

Other strong minnows included the Israeli developer Bonus Biogroup, which got a big lift in the early weeks of 2021 on hopes for its Covid treatment, Mesencure, a project that remains in mid-stage testing. The Botox competitor Evolus also had a good year after a patent lawsuit was resolved with Abbvie and Medytox, though the small company is heavily indebted and still has to prove it can generate demand for its lower-cost botulinum-based project, Jeuveau.

Wooden spoons

As for the fallers, among the big pharma names these single-digit retreats are unlikely to cause long-term investors too much concern; however, it is certainly true that all three companies are under pressure to replenish their late-stage pipelines.

The large-cap cohort is dominated by Asian developers, [many of which struggled in 2021](#), outside this top three. Celltrion was one of last year's biggest risers, having also received something of a Covid boost after developing an antibody therapy; investors remain unconvinced about demand for this and its wider biosimilar portfolio. Jiangsu Hengrui, meanwhile, has struggled to convince investors to back its transformation from a generics player into an innovative drug developer.

And among the smaller developers it is, as always, clinical blow-ups behind the catastrophic declines. Both [Allakos](#) and [Bridgebio](#) crashed out in the final days of 2021, providing investors with salient reminders of the risks of drug development.

Biopharma's biggest stock market losers in 2021

Company	2021 share price change	2021 market cap change (\$bn)	Market cap at Dec 30, 2021 (\$bn)
Big pharma			
Novartis	-7%	-19	196
Merck & Co	-6%	-13	194
Bristol Myers Squibb	1%	-2	138
Large cap (\$25bn+ market cap)			
Jiangsu Hengrui	-49%	-31	57
Celltrion	-45%	-19	23
Chugai	-32%	-33	55
Mid cap (\$5-25bn market cap)			
Allakos	-93%	-6.8	0.5
Bridgebio	-77%	-6.3	2.5
Shin Poong	-74%	-4.3	1.4
Small cap (\$250m-5bn market cap)			
Oncopeptides	-95%	-1.2	0.1
Sigilon Therapeutics	-94%	-1.3	0.1
Forte Biosciences	-94%	-0.4	0.0

Source: Evaluate Pharma. Note: companies were assigned these groupings based on year-end 2020 market cap.

This analysis was constructed by tracking pure-play drug developers, listed globally, with a market cap in excess of \$250m at the start of 2021. Companies were split into four cohorts and remained in the same group throughout the year. The 11 companies that comprise the big pharma group are: Johnson & Johnson, Roche,

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Evaluate HQ
[44-\(0\)20-7377-0800](#)

Evaluate Americas
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Evaluate APAC
[+81-\(0\)80-1164-4754](#)

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