

## Medical device groups float - then sink



[Elizabeth Cairns](#)



### Medtechs rushed for the markets last year, but had an uneasy time once there.

Last year was a tricky one on the public markets, but this did nothing to discourage private medical device developers from venturing into the choppy waters. In 2021 over \$5.5bn was raised across 28 deals, as companies sought capital from investors still eager to back healthcare – and particularly diagnostics – groups.

But there were limits to shareholders’ ardour. Many of the companies that went public last year had to accept lower valuations to get away, while more than two thirds of them had seen their share price decline by the end of the year.

Despite these risks, this strategy paid off in spades for some groups. The most remarkable case was that of Ortho Clinical Diagnostics, whose listing by its private equity owners in January was 2021’s biggest at \$1.5bn. Ortho Clinical was public for less than a year, however, before being [snapped up by Quidel for a startling \\$6bn](#).

## The 10 biggest medtech IPOs of 2021

Date	Company	Focus	Amount raised (\$m)	Premium/discount	Share price change to Dec 31
Jan 28	Ortho Clinical Diagnostics	In vitro diagnostics	1,486	(21%)	26%
Feb 11	Signify Health	Healthcare IT	649	17%	(41%)
Sep 30	Oxford Nanopore Technologies	In vitro diagnostics	442	3%	64%
May 27	Singular Genomics Systems	In vitro diagnostics	258	5%	(47%)
Feb 11	Talis Biomedical	In vitro diagnostics	254	7%	(9%)
Jul 15	Sight Sciences	Ophthalmics	240	2%	(27%)
Jul 23	Sophia Genetics	Healthcare IT	235	0%	(22%)
Sep 25	Cue Health	In vitro diagnostics	200	0%	(16%)
Feb 5	Lucira Health	In vitro diagnostics	176	6%	10%
Sep 15	Procept Biorobotics	Urology	164	9%	0%

*All listings on Nasdaq, except Signify on the NYSE and Oxford Nanopore on the LSE. Source: Evaluate Medtech & company websites. Premium/discount calculated from mid-point of initially proposed price range and final offer price.*

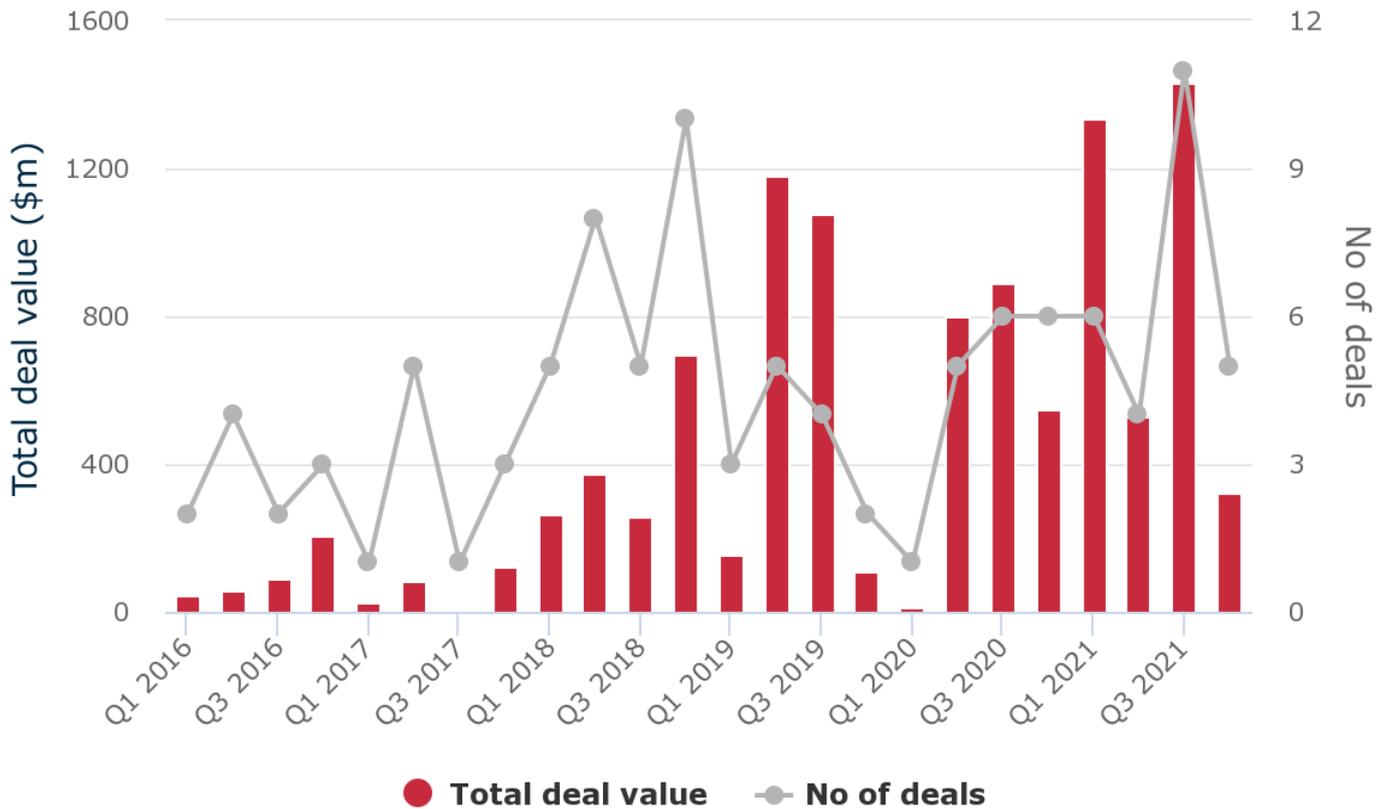
Apria, too, was bought less than a year after its IPO. Its flotation in February raised \$150m, putting it just outside the top 10, and by the end of 2021 its stock was up 63%, the third highest rise of 2021. Last week the hospital equipment supplier Owens & Minor pounced, paying \$1.5bn for the group which, as a maker of integrated home-based respiratory devices such as sleep apnoea products and negative pressure wound dressings, is a good fit with the buyer.

The deal also shows that the vogue for buying [developers of remote internet-enabled technologies](#) is continuing into this year.

The preponderance of diagnostics companies in the top 10 is a reflection of the broad popularity of this subsegment with investors of all kinds. Six of the top 10 venture rounds last year went to test companies, for instance. Even before the outbreak of the new coronavirus the technology was relatively fast and cheap to develop, and it has long been a favourite of both VCs and investors in the public markets.

The other clear message to come out of 2021's data is that the US is still seen as the land of opportunity. With two exceptions - Oxford Nanopore's flotation in London and Affluent Medical's €33m (\$30m) listing on the Euronext Paris - all last year's IPOs occurred in New York.

# Medtech IPOs, 2016-2021



graph does not include IPOs that raised more than \$1bn. Source: Evaluate Medtech

Cutting the data by quarter shows the action reaching fever pitch in the third period, with 12 deals raising \$1.9bn. The graph above does not include IPOs worth more than \$1bn, since they tend to distort the picture of underlying market trends. Without these megadeals, 2021 was the strongest year for total dollars raised since *Vantage* began tracking medtech IPOs in 2013.

Huge IPOs are still coming, however. Last week eye care group Bausch & Lomb filed with the SEC for an offering to raise \$100m – but this is surely a placeholder amount for a deal some industry experts estimate could raise up to \$3bn. The company is being spun out by its owner, Bausch Health, as a standalone business, and if a buyer does not emerge in the meantime this seems likely to be the biggest IPO of 2022.

*This article has been updated to include further deal details.*

[More from Evaluate Vantage](#)

Evaluate HQ  
[44-\(0\)20-7377-0800](tel:44-020-7377-0800)

Evaluate Americas  
[+1-617-573-9450](tel:+1-617-573-9450)

Evaluate APAC  
[+81-\(0\)80-1164-4754](tel:+81-080-1164-4754)

© Copyright 2022 Evaluate Ltd.