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Outside big pharma, life remains tough for listed developers



[Edwin Elmhirst](#)



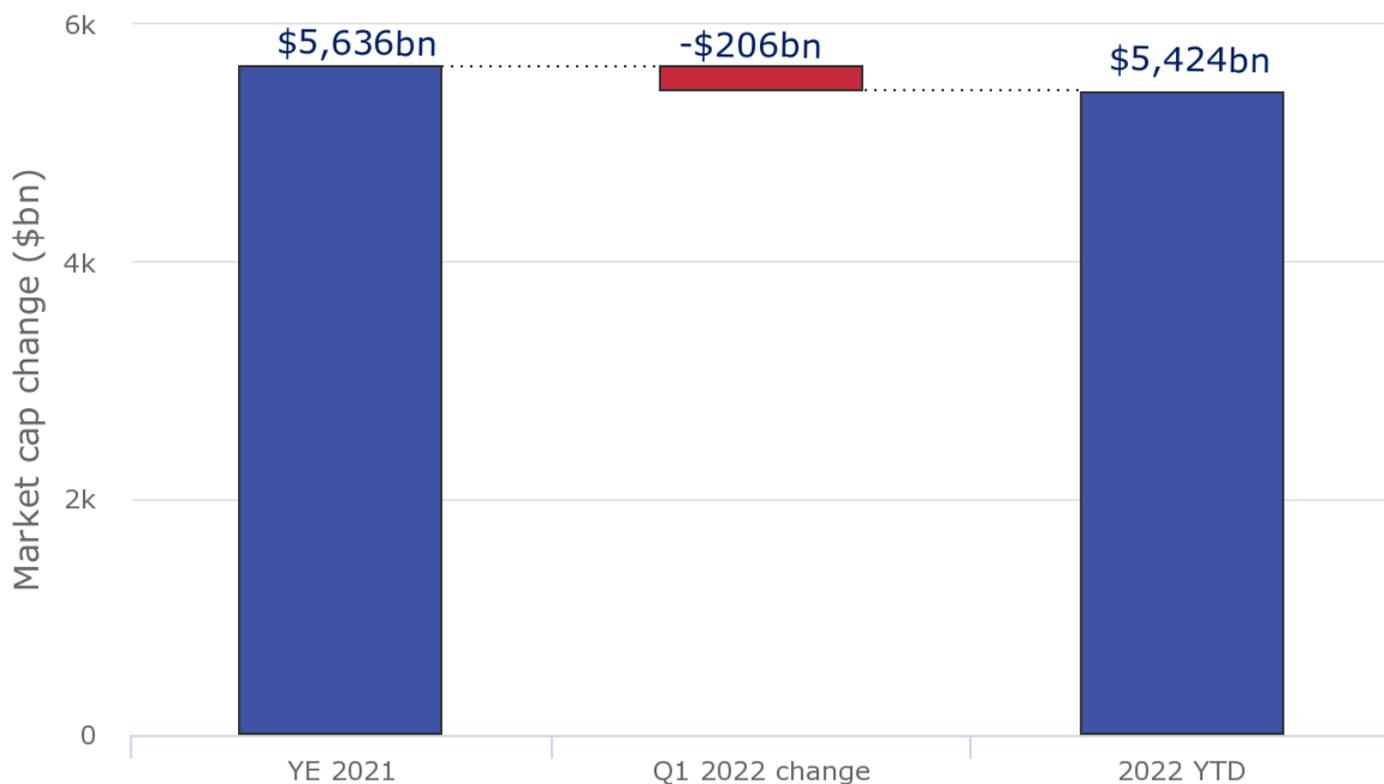
A look at stock performances over the first quarter of 2022 shows the extent to which investors have backed away from high-risk drug development.

Followers of the biotech market will be well aware of just how tough conditions for young developers are right now. That pain is not restricted to the small cap end of the market, *Evaluate Vantage's* quarterly look at global drug stocks shows.

With the exception of big pharma all market cap brackets suffered serious declines over the first quarter, in both absolute terms and percentage-wise. And while it was the big names in Covid vaccines that suffered the steepest drops, investors walked away from plenty of other non-pandemic stories.

This analysis is constructed from the almost 700 globally listed drug makers covered by *Evaluate Pharma*, sorted into four cohorts based on year-end 2021 valuations. Nano-caps worth less than \$250m are not considered; companies will remain in their assigned bucket for the whole of 2022.

The shifting valuation of global drug makers



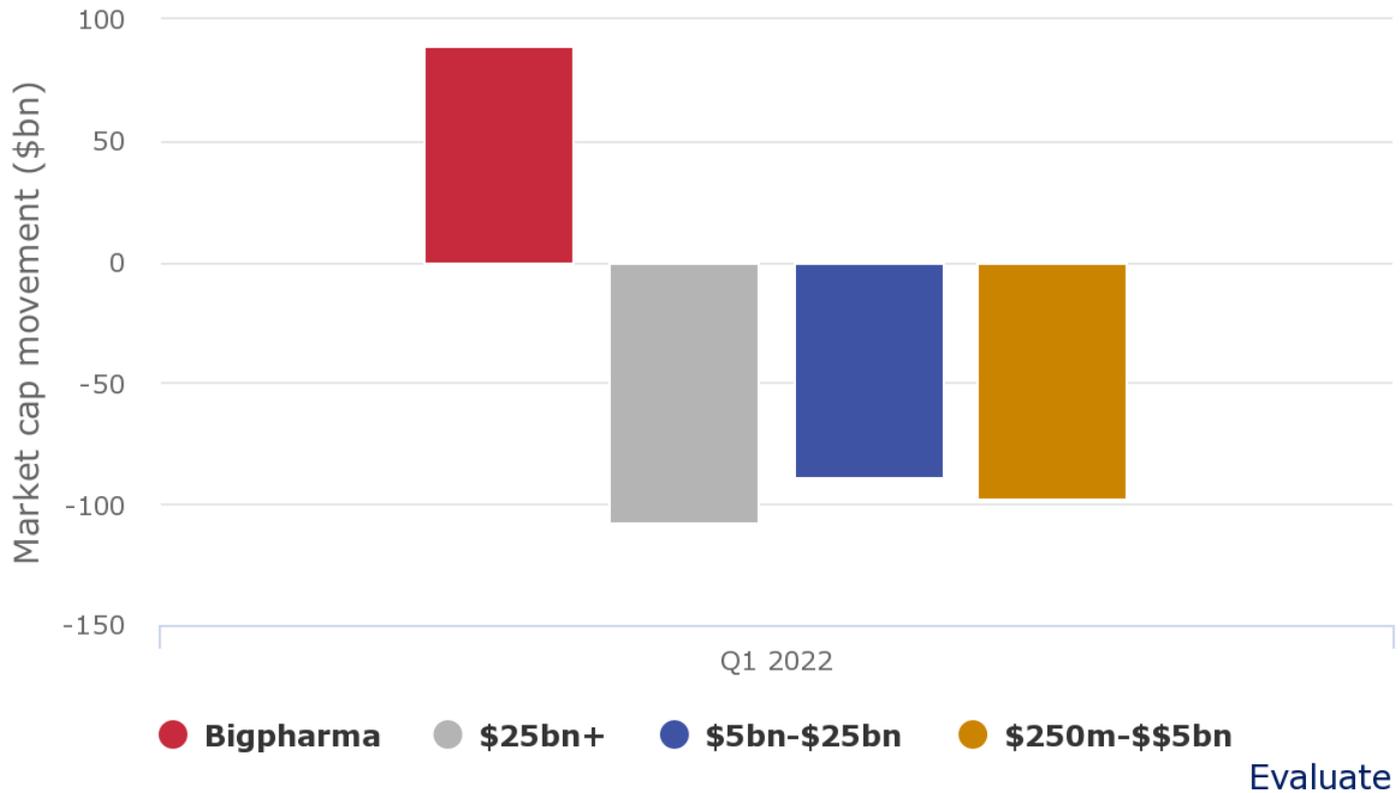
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The first chart, above, shows that this universe collectively lost more than \$200bn in market cap over the first three months of the year. To put that in perspective, last year the [biggest quarterly decline registered was \\$84bn](#), while the market crash of 2020, when the pandemic was declared, [amounted to a \\$448bn plunge](#) in the second quarter.

Splitting the universe by market cap, in the two charts below, further details the damage. Among the large caps Moderna and Biontech lost a combined \$55bn in value, while concerns about the potential delisting of Chinese biotechs sent several big dual-listed developers down.

Twelve of the 21 stocks that make up the big cap group fell over the quarter, which sounds pretty bad until the smaller cap brackets are considered. 75% of the 88 mid-cap stocks and 80% of the 550-odd small cap companies in this universe traded down in the opening months of the year.

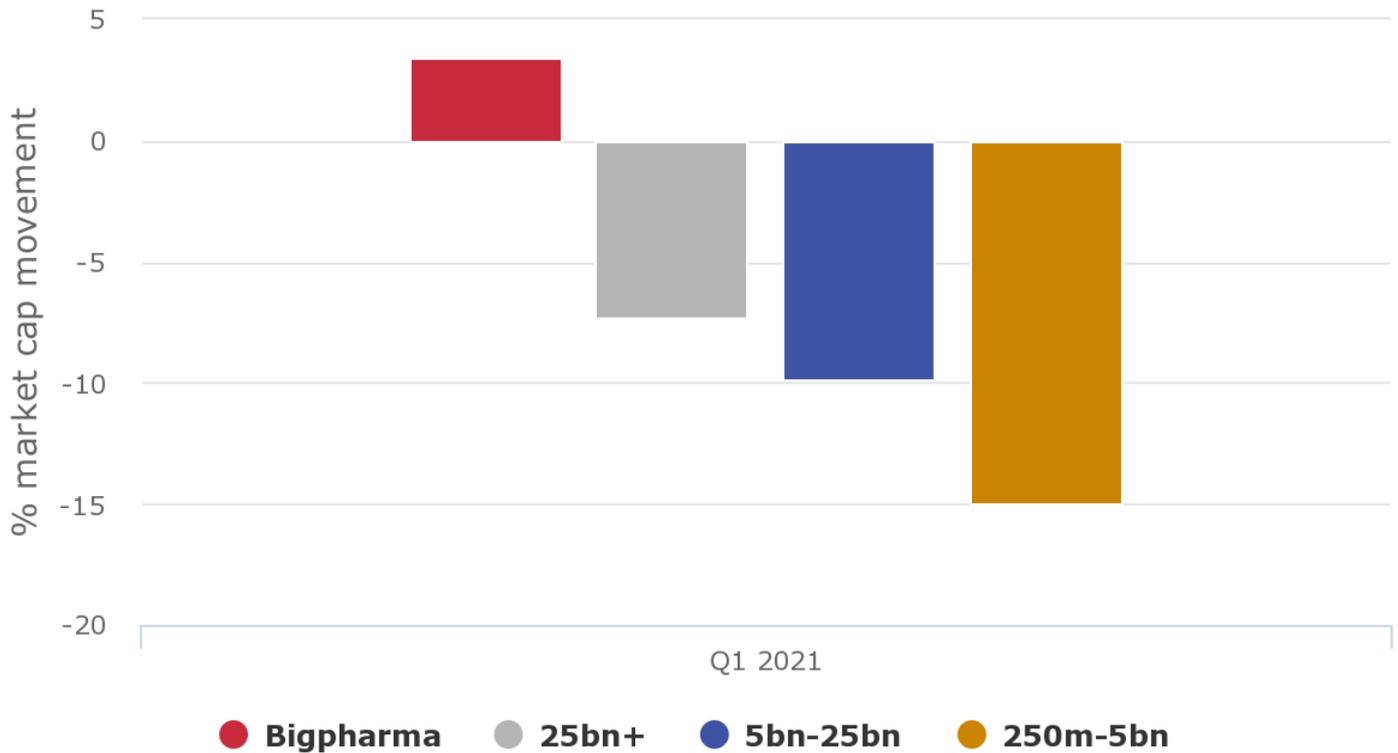
Absolute market cap gains and losses, by size bracket



Big pharma, which is considered something of a safe haven in more risk-averse times, was the only bright spot. Only two stocks ended March down on the year - Pfizer and Roche - with the former being this group's most notable decliner, shedding \$34bn in market cap.

It seems that Covid is over, for investors at least, many of whom continue to flee biotech for industries that are returning to post-pandemic growth. With inflation fears mounting and global instability seemingly worsening, life could remain tough for this high-risk sector for many months to come.

Percentage market cap gains and losses, by size bracket



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