

Few biopharma risers stand out at the half year



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A look for winners and losers finds a sector laid low by poor sentiment and Covid fatigue, with Lantheus, Vertex and Jazz providing a few bright spots.

Hopes that the bottom has been reached might be rising, but there is little to cheer in a close look at biopharma share price performances over the first half of 2022.

Only a fifth of the 660 global drug developers tracked by *Evaluate Vantage* ended June in positive territory. Among the winners Lantheus stands out as the only stock to produce a triple-digit gain, excluding takeover targets, while Covid fatigue caused valuations at the big pandemic plays to continue ebbing away.

Pfizer, Moderna, Biontech, Novavax and Curevac registered some of the biggest declines in their respective market cap brackets. Covid is far from over, but questions about the durability of revenues from vaccines and other treatments is causing investors to look for new growth stories.

The broader market declines no doubt exacerbated these losses. As our previous article looking at the sector-wide performance reported yesterday, global biopharma stocks shed another \$200bn of value in the second quarter, matching the \$200bn they had lost in the first three months of the year ([Are we there yet?, July 12, 2022](#)).

This latest analysis was constructed from the listed, global biopharma companies covered by *Evaluate Pharma* that were worth at least \$250m at the start of 2022. These stocks, sorted into four cohorts based on year-end 2021 valuations, will be tracked by *Evaluate Vantage* over the year.

Biopharma's biggest stock market winners in H1 2022

Company	H1 share price chg	H1 market cap chg (\$bn)	Market cap at June 30, 2022 (\$bn)
Big pharma			
Bristol Myers Squibb	23%	25.5	163.9
Merck & Co	19%	37.0	230.6
Lilly	17%	43.8	308.1
Large cap (\$25bn+ market cap)			
Vertex	28%	16.2	72.1
Takeda	22%	8.9	52.4
Bayer	21%	10.9	63.8
Mid cap (\$5-25bn market cap)			
Yakult Honsha	31%	2.6	11.6
Jazz Pharmaceuticals	22%	1.9	9.7
Ono Pharmaceutical	22%	2.4	15.6
Small cap (\$250m-5bn market cap)			
Lantheus	129%	2.6	4.5
Veru	92%	0.4	0.9
Pharmaessentia	77%	2.3	5.2

Source: Evaluate Pharma. Companies were assigned these groups based on year-end 2021 market caps, and will remain in the same groups for the rest of the year.

Several recovery stories feature in the risers. One example is Bristol Myers Squibb, which has struggled to keep up with other pharma stocks in recent years amid [concerns about its sales-replacement powers](#).

Strong data on its Tyk2 project deucravacitinib, which is expected to gain approval in September, have contributed to the recent uplift, though a major readout awaits in the form of milvexian data in the second half. The novel anticoagulant is pegged as a replacement for Eliquis.

Among the large caps, Vertex has staged quite the comeback after concerns about its pipeline sent the stock to two-year lows in late 2021. [Impressive data for its Crispr-originated sickle cell and beta-thalassaemia asset](#), exa-cel, have provided a boost.

The mid-cap gainers are dominated by Asian risers, though Jazz is an exception. The speciality pharma group has managed to keep investors on board with a strong performance from its handful of neurology and oncology products.

Lantheus has done well all year, largely thanks to the hugely successful launch of a novel prostate cancer diagnostic, Pylarify. The company is also active in radiopharmaceuticals, [a space that has seen a fair amount of deal-making](#) over the past 12 months or so.

Taiwan's Pharmaessentia has also ballooned on a successful launch. Besremi, a long-acting interferon for polycythemia vera, won US approval late last year. And finally Veru shows that there are still [gains to be made from success in Covid](#); the company filed an EUA last month, so it will soon be known what the FDA makes of the data.

Biopharma's biggest stock market losers in H1 2022

Company	H1 share price chg	H1 market cap chg (\$bn)	Market cap at June 30, 2022 (\$bn)
Big pharma			
Roche	-16%	-75.0	285.1
Pfizer	-11%	-37.3	294.2
Novartis	-3%	-8.6	187.0
Large cap (\$25bn+ market cap)			
Moderna	-44%	-46.2	56.8
Biontech	-42%	-26.3	36.2
Beigene	-40%	-11.0	16.7
Mid cap (\$5-25bn market cap)			
Bausch Health	-70%	-6.9	3.0
Novavax	-64%	-6.8	4.0
Curevac	-60%	-3.9	2.5
Small cap (\$250m-5bn market cap)			
Spero Therapeutics	-95%	-0.5	0.0
Mezzion Pharma	-92%	-1.3	0.4
Rubius Therapeutics	-91%	-0.8	0.1

Source: Evaluate Pharma. Companies were assigned these groups based on year end 2021 market caps, and will remain in the same groups for the rest of the year.

Among the fallers, Roche can thank the collapse of confidence in the Tigt anticancer mechanism for its demise. [Data at Asco this year laid bare the disappointment.](#)

Beigene has been hurt by [the FDA's reluctance to use China-only data](#) in approvals, as well as the broader malaise around high-risk biotechs. Bausch Health, meanwhile, became a smaller company after [IPO'ing its large eyecare division](#), Bausch + Lomb, in May.

Among the tiddlers, FDA decisions hobbled Spero and Mezzion. The US regulator turned down Spero's antibiotic and told South Korea's Mezzion that it needed to run another trial of its project for a rare heart condition. Finally, any lingering hopes around Rubius's red blood cell platform were [erased by a disappointing update at AACR.](#)

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