

## A year to forget for medtech stocks



[Madeleine Armstrong](#)



**The biggest surprise is that there were a handful of risers despite the widespread market turmoil.**

After a stormy start to 2022, things have not got much better for medtech players on the stock markets. The sector, once considered a safe haven compared with biotech, emerged from last year just as battered as its more risk-tolerant cousin.

True, a few companies managed to buck the trend and see share price gains, an improvement over the half-year point. But for most of the field 2022 will be a year to forget – and there will be hopes that things do not get worse in the year to come.

The full-year change in indices of listed device makers says it all. After several years of plenty there was a big reversal in 2022, with US stocks hit particularly hard.

Stock index	% change in 2022
Stoxx Europe 600 health care	-8%
Dow Jones US medical equipment index	-20%
S&P composite 1500 healthcare equipment & supplies	-23%

Still, US players accounted for the six big-cap groups that did not see a fall in their share price. Of these, five were risers, although their gains were much less impressive than those that have been seen in previous years.

This cohort includes only companies that obtain more than 40% of their revenues from the sale of diagnostic or therapeutic medical technologies.

Here, the top performer was Insulet, despite the departure of its chief executive officer, and rumours of a buyout by Dexcom that came to nothing. The group's Omnipod 5 is becoming the insulin pump of choice – which is seen as bad news for its rival, Tandem Diabetes Care, one of the mid-cap fallers.

Abiomed's gain was down to its [acquisition by Johnson & Johnson](#), while Boston Scientific was rewarded for strong financial execution.

Meanwhile, Henry Schein bucked the trend that saw large losses for other dental names like Align Technology and Straumann, which, after booming during the pandemic years, are contending with falling demand for transparent tooth aligners as consumers' purse strings tighten.

One of last year's big losers, Philips, made it onto the wrong end of the ledger again following the [woes with its sleep and respiratory care business](#). Its new chief exec, Roy Jakobs, will have his work cut out.

### Large cap (\$10bn+) medtech companies: top risers and fallers in 2022

	Share price 12-mth chg	Market cap 12-mth chg (\$bn)	Market cap at Dec 30, 2022 (\$bn)
<i>Top 5 risers</i>			
Insulet (\$)	11%	2.1	20.4
Boston Scientific (\$)	9%	5.7	66.3
Abiomed (\$)	6%	0.8	17.2
Henry Schein (\$)	3%	0.1	10.8
Becton Dickinson (\$)	1%	1.1	72.8
<i>Top 5 fallers</i>			
Align Technology (\$)	-68%	-35.3	16.5
Philips (€)	-57%	-19.5	13.4
Sysmex (¥)	-49%	-15.3	13.3
Straumann (SFr)	-45%	-15.7	17.8
Bio-Rad Laboratories (\$)	-44%	-10.0	12.5

The story was similar among the mid-caps, with most groups experiencing shrinking valuations. The hardest hit, the telemedicine player Teladoc, had also been a pandemic success story, but the company was punished for its [unsuccessful acquisition of Livongo](#).

Two liquid biopsy players also fared badly, with Natera [suffering from a short-seller's report](#) and Guardant torpedoed by [disappointing data from the Eclipse study of its colorectal cancer screen](#).

Haemonetics had been the lone riser in the first half of the year – albeit from a low bar – and the blood and plasma specialist continued to climb throughout 2022. It was joined by other players whose earnings impressed: Convatec, which also appears to be coming out of a funk, Merit Medical and Inspire Medical.

## Mid cap (\$2.5-10bn) medtech companies: top risers and fallers in 2022

	Share price 12-mth chg	Market cap 12-mth chg (\$bn)	Market cap at Dec 30, 2022 (\$bn)
<i>Top 5 risers</i>			
Haemonetics (\$)	48%	1.3	4.0
Weigao Group (RMB)	32%	1.7	7.4
Convatec (\$)	15%	0.9	6.1
Merit Medical Systems (\$)	13%	0.5	4.0
Inspire Medical Systems (\$)	9%	1.0	7.3
<i>Top 5 fallers</i>			
Teladoc Health (\$)	-74%	-10.9	3.8
Guardant Health (\$)	-73%	-7.4	2.8
Tandem Diabetes Care (\$)	-70%	-6.7	2.9
Natera (\$)	-57%	-4.9	3.9
Masimo (\$)	-49%	-8.4	7.8

The small-cap universe saw bigger gains than the mid and big-cap sectors, as is often the case for this high-risk, high-reward segment of the market. Natus and Meridian Bioscience were buyout stories, while EDAP TMS climbed in the second half of the year after [reimbursement was raised for its high-intensity focused ultrasound](#).

The falls seen by these small companies were also more dramatic than those suffered by their larger cousins. The genetic testing specialist Invitae will hope that cost-cutting efforts will pay off, while Caredx is contending with slowing growth in the organ transplant space.

With macroeconomic factors showing no signs of improving, life could become yet more precarious for many medtech players.

## Small cap (\$250m-2.5bn) medtech companies: top risers and fallers in 2022

	Share price 12-mth chg	Market cap 12-mth chg(\$m)	Market cap at Dec 30, 2022 (\$m)
<i>Top 5 risers</i>			
EDAP TMS (€)	88%	185	385
Bonesupport (SKr)	83%	221	543
Meridian Bioscience (\$)	63%	568	1,456
Natus Medical (\$)	39%	330	1,140
Apollo Endosurgery (\$)	18%	72	406
<i>Top 5 fallers</i>			
Invitae (\$)	-88%	-3,005	452
Caredx (\$)	-75%	-1,790	611
Fulgent Genetics (\$)	-70%	-2124	877
Pacific Edge (NZ\$)	-62%	-486	274
Senseonics (\$)	-61%	-698	493

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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)

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