

Companies edge out of closing IPO window



[Madeleine Armstrong](#)

A hat-trick of cut-price IPOs last week look like a symptom of recent market troubles – and it could leave other firms wishing they had taken their chances on the public markets sooner.

Six biotech and medtech companies have managed to get away since the beginning of September, but it has been a period of two halves. While two early offerings priced above expectations, more recently companies have been forced to slash their price targets (see table below). And, worryingly for those waiting in the wings, this is likely a harbinger of tougher times to come.

Biotech and medtech IPOs since September 1, 2015

Company	IPO date	Amount raised (\$m)	Offering price	Filed price range
Regenxbio	Sep 17	139	\$22	\$17-19
Penumbra	Sep 18	120	\$30	\$25-28
Nabriva Therapeutics*	Sep 18	92	\$10.25	\$15-17
Edge Therapeutics	Sep 30	80	\$11	\$14-16
Mirna Therapeutics	Sep 30	44	\$7	\$13-15
NovoCure	Oct 1	165	\$22	\$26-29

*ADS offering

Close to the Edge

In light of the biopharma stock market dip, maybe those that did float last week – Edge Therapeutics, Mirna Therapeutics and NovoCure – were lucky. But all had to take a haircut to do so.

The biggest discount was for the microRNA-based cancer therapy developer Mirna, which settled for around half of what it had originally expected.

The speciality pharma player Edge did better: although pricing 27% below its intended range, its stock has been on the rise since and ended the week up 59%.

Unusually, the biggest IPO of the week went to a medtech company as NovoCure bagged \$165m; this was also the second-largest medtech IPO this year so far. The group develops “tumour-treating fields” therapy for solid tumours, including the Optune system approved for recurrent glioblastoma.

But, although this sounds impressive on the surface, reality did not come close to expectations. NovoCure priced shares at \$22 instead of the expected \$26-29, and its stock fell further during its first day of trading, closing at \$18.28.

This contrasts with the second most recent medtech IPO, that of the vascular device specialist Penumbra. Although this brought in a smaller amount it was priced at a premium ([Penumbra emerges from the shadows, September 21, 2015](#)).

With investor confidence shaky, NovoCure’s might well be the last \$100m-plus medtech IPO for some time.

Top five medtech IPOs on US and pan-European stock exchanges in 2015 so far

Company	Date	Amount raised (\$m)	Offering price	Filed price range
Natera	Jul 1	180	\$18	\$15-17
NovoCure	Oct 1	165	\$22	\$26-29
ConforMIS	Jul 1	135	\$15	\$14-16
Penumbra	Sep 18	120	\$30	\$25-28
Biocartis	Apr 27	108.8	€11.50	€10.00-11.50

But at least the companies made it onto the public markets. Others have not been so fortunate, including the heart valve developer Symetis, which put its plans on hold at the end of September. The Swiss group had hoped to raise CHF80-105m (\$82-108m).

Several other companies were expected to price IPOs last week but have not yet done so, including the artificial heart specialist SynCardia Systems, Strongbridge Biopharma, which is focused on rare endocrine disorders, and neurological drug developer Cerecor. Others due to float this week include CytomX Therapeutics and Aclaris Therapeutics.

The choice seems stark: go public in spite of volatile conditions and take the hit. Or delay in the hope that things will get better soon – and take the chance that things could, in fact, get worse.

To contact the writer of this story email Madeleine Armstrong in London at madeleinea@epvantage.com or follow [@medtech_ma](https://twitter.com/medtech_ma) on Twitter