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Evaluate Vantage 2019 Review: Standout year for pharma, anchored by strong fourth quarter markets and dealmaking

LONDON, BOSTON, TOKYO (February 20, 2020) – Stock market gains and dealmaking activity in Q4 clinched the biopharma sector’s strong performance in 2019 – a stark reversal of the declines seen in the final months of 2018. Over the course of the year, several major biopharma companies showed double-digit share price growth, drug makers spent \$217bn on M&A deals and 55 companies floated on Western exchanges.

- AstraZeneca’s 31% increase in share price was the strongest of the large-caps, followed by Roche (29%) and Novartis (27%).
- Biotech IPOs raised an average of \$88m, the second highest average in the past eight years, with 17 IPOs raising over \$100m.
- Venture capital investments in biopharma totaled \$13.9bn across 396 rounds, down from 2018’s record levels, but the second highest total over the past five years.

In medtech, large- and mid-cap sector share prices outpaced even the best in biopharma; no large-cap device maker experienced share price decline. Medtech IPOs raised a total of \$2.5bn, although seven of the 13 listing companies saw valuations wither after floatation.

- Total M&A value grew to \$49.5bn from a measly \$29bn in 2018, but the number of deals fell sharply to 152, continuing the downward trend of previous years.
- Venture capital investment in private companies reached almost \$5bn, but the total number of deals declined for the sixth year in a row.
- 35 devices won premarket approval or humanitarian device exemption; however, the FDA’s 22 de novo clearances were only half the 44 seen in 2018.

The FDA continued to prove friendly to biopharma, with faster approval times; almost a quarter of 2019 submissions were approved in less than six months. While the 49 total approvals is lower than the 61 seen in 2018, the 2019 class’s fifth year sales potential is nearly equal, at \$27.1bn.

“Overall 2019 was a very successful year for the biopharma sector,” said Amy Brown, co-author of the Evaluate Vantage *Pharma, Biotech and Medtech 2019 in Review* report. “Cash remains plentiful for now so many of the trends that drove last year’s performance should continue, though US political uncertainty could mean investors and executives become more cautious.”

To download a complimentary copy of the report, visit <https://www.evaluate.com/2019Review>.

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Evaluate Vantage – our award-winning, independent editorial team – provides thought-provoking news and insights into the current and future developments in the industry.

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