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Evaluate Vantage 2020 Review: Biopharma IPOs and venture financing break records; global drug stocks add half a trillion dollars in market capitalization

LONDON, BOSTON, TOKYO (February 11, 2020) – The top 600 biopharma firms added \$487 billion in market capitalisation in 2020, according to the *Evaluate Vantage Pharma, Biotech & Medtech 2020 in Review* report, published today. Companies developing COVID-19 treatments experienced some of the largest gains; the greatest market cap increases by percentage were Novavax (2,702%) and South Korea’s Shin Poong (1,613%).

2020 also saw an unprecedented amount of cash flow into the sector. Drug developers raised a record-breaking \$12.7 billion via IPO. This was more than twice the total raised in 2019, and the average amount raised (\$167 million) nearly doubled. Private companies also broke records, with an astonishing \$20bn invested by venture financiers, although the total number of financing rounds was lower than in prior years.

For medical device makers, 2020 delivered split outcomes. The most successful large-cap companies like Teladoc and Novocure saw share prices double, but others like Boston Scientific and Becton Dickinson saw double-digit losses. Privately-held device companies benefitted from an influx of venture capital with a total of \$6.4 billion, and medtech IPOs were generally well-received.

“The pandemic shone a spotlight on the drug development sector and investor interest drove pharma and biotech to new heights in 2020,” said report author Amy Brown. “This has set expectations quite high, and many richly-valued companies are under pressure to deliver in 2021.”

Other Report Highlights:

- AbbVie saw the largest increase in market cap by value, adding \$58.2bn, followed by Eli Lilly (\$35.3bn) and Moderna (\$34.8bn).
- GlaxoSmithKline saw the greatest share price loss among big pharma (-25%), followed by Merck & Co (-12%) and Bristol Myers Squibb (-10%).
- Biopharma M&A transactions totaled \$130bn, with deals announced by AstraZeneca, Gilead and Bristol Myers Squibb compensating for a slow start.
- The FDA approved 57 novel medicines with \$21.6 billion in fifth-year sales potential.
- Medtech M&A continued to decline, closing 111 transactions totaling \$27.3 billion, the lowest value since 2013.
- The average size of medtech venture financing rounds reached a ten-year high at \$37.4 million, a 50% increase from 2019.
- The FDA approved 22 PMAs and 37 501(k) clearances, consistent with 2019 totals.

To download a complimentary copy of the report, visit <https://www.evaluate.com/2020Review>.

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

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