



Intelligent Life Science

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Fast pace of drug and device approvals in 2017 signals wider sector health for biopharma but medtech companies struggle

EP Vantage releases its annual analysis of sector performance: Pharma, Biotech and Medtech 2017 in Review

LONDON, BOSTON, SAN FRANCISCO, TOKYO (February 28, 2018) – Drug makers entered 2017 fearing the worst about retaining their US pricing power. They exited the year more jubilant, since on most measures, 2017 delivered a resurgence for pharma and biotech. The picture was similar for the medical technology industry, though life got tougher for smaller groups. In biopharma, drug approvals in the US jumped, the IPO window was thrown open and venture funding soared. However, concerns about the growth prospects of large drug developers led to a disappointing year for some big pharma groups. In the device sector M&A activity increased markedly and all the big players saw their share prices head skywards. However, it was a dismal story on the funding and IPO front, continuing a trend that has lasted for several years.

These findings and more were released today as part of the *Pharma, Biotech and Medtech 2017 in Review* report by [EP Vantage](#), the editorial arm of life science commercial intelligence firm [Evaluate](#).

“Biopharma investors started 2017 hoping for a market recovery, and by the end of the year their wish had pretty much been granted. The worst fears about the economic impact of Donald Trump’s US presidency failed to materialise, and low-tax rhetoric ensured that by the end of the year the markets presented a picture of health,” said Amy Brown, author of the pharma and biotech section.

“In medtech the funding crunch still exists for small companies,” said Elizabeth Cairns, author of the medtech section. “Last year so few venture deals were done, and so few IPOs got away, that there is a real possibility that the pool of start-ups could dry up completely if this trend is not reversed.”

Other key findings include:

- All major healthcare indices climbed in 2017, echoing wider stock market strength.
- The \$80bn spent on pharma & biotech acquisitions in 2017 makes it the slowest M&A year of the past five.
- With two record-breaking final quarters under its belt 2017 was a huge year for biotech venture funding. The total haul for 2017 hit \$11.3bn, putting it ahead of 2015’s previous record.
- The combined fifth-year projected US sales of the 57 drugs approved last year outstrip those of the class of 2015, positioning 2017 as a year to remember – if analyst forecasts hold up.
- In medtech, the total value of all mergers closed in 2017 came in just shy of \$100bn, the second-highest annual total after the bumper year that was 2015. But the number of deals is shrinking.
- Medtech companies raised a total of \$5.1bn in VC dollars 2017, the highest on record, driven by two enormous deals signed by Grail and Verily Life Sciences.
- The 50 premarket approvals and humanitarian device exemptions in 2017 fell just shy of 2015’s total. However, these 50 products were approved faster than ever before, at an average of just 14 months.

The report published today offers analysis and expert commentary on M&A deals, venture financing, initial public offerings and FDA approvals in the pharma and medtech sectors during 2017. The report is based on EvaluatePharma® and EvaluateMedTech® data. To download the report, please visit www.evaluate.com/2017Review.

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