



Armistice Capital - Enthusiasm for a Range of Biotech Offerings

Armistice Capital and Other Investors' Stock Holdings Suggest Enthusiasm for a Range of Biotech Offerings

Activity within the biotech sector has continued to progress in 2024 — and also attracted investors' attention.

(STLNews) In the first quarter of the year, venture investment in therapeutics totaled \$6.5 billion; investment was \$7.6 billion in the second quarter. In the first half of 2024, licensing deals worth \$76.3 billion were announced, and 10 biopharma IPOs were completed on NASDAQ and NYSE, totaling \$1.9 billion, according to a J.P. Morgan report.

A recent Ernst & Young LLP analysis referred to early 2024 **biotech dealmaking** as healthy, noting that considerable interest has been shown this year in cardio-metabolic products — particularly GLP-1 receptor agonists.

The demand has grown for glucagon-like peptide-1 medications — also referred to as GLP-1 medications, type 2 diabetes drugs that can improve blood sugar control and may also result in weight loss.

In 2023, the meds helped propel the weight loss market's value to an all-time-high of \$90 billion, according to analysis provider Marketdata LLC, which also said GLP-1 medications' popularity caused revenue reductions in non-medical segments of the industry, such as weight loss coaching.

A Kaiser Family Foundation poll released in May found roughly one in eight U.S. adults has taken a GLP-1 drug; while most (62%) said they took them to treat a chronic condition, such as diabetes or heart disease, nearly four in 10, 38%, reported taking the drugs exclusively to lose weight.

With the incidences of type 2 diabetes and obesity expected to increase in the next 10 years, the market for GLP-1 receptor agonists is also expected to grow; analytics provider GlobalData has forecast the market will reach more than \$125 billion in the seven major markets — the U.S., France, Germany, Italy, Spain, the U.K., and Japan — by 2033.

Following GLP-1 medication shortages that occurred last year in the U.S., Novo Nordisk — which manufactures the semaglutide Type 2 diabetes drug Ozempic and Wegovy, which is prescribed for weight loss — announced plans to invest \$6.8 billion in production this year, more than \$2 billion more than the company spent in 2023, CNBC reported in June.

Novo Nordisk comprises a significant portion of the market, according to Nasdaq, which in March said the healthcare company possessed more than 54% of the global market share for the meds.

Novo Nordisk has 788 institutional owners and shareholders, according to Fintel — including the Nuveen Multi-Asset Income Fund, Fidelity Series Opportunistic Insights Fund, and global value-oriented and event-driven hedge fund Armistice Capital[EB1], for instance, held 544,000 shares, as of its most recent 13F filing.

Additional Medical Product and Treatment Investments

Institutional investors and hedge funds have also sought other medical and **biotech-based** companies' stock this year.

Armistice Capital, for instance — along with Allspring Global Investments Holdings LLC — also invested in Thermo Fisher Scientific, Inc., which supplies life sciences solutions, analytical instruments, specialty diagnostics, and laboratory products and **biopharma** services in North America, Europe, the Asia-Pacific region, and other areas.

Armistice Capital currently has 56,158 shares of the company, an increase from the 14,976 it previously held, according to Fintel.

Allspring Global Investments Holdings LLC purchased 13,346 more shares of the company in the second quarter, increasing its stake by 10.6%, MarketBeat reported in August.

The Massachusetts-headquartered company reported a revenue of \$10.54 billion in the second quarter and was able to advance its growth strategy by launching a range of high-impact, innovative new products, according to a press release it issued in July.

Thermo Fisher Scientific also expanded its pharmaceutical product development clinical research business with a new 72,500-square-foot facility in Middleton, Wisconsin, that

will allow it to add approximately 350 scientists and laboratory support staff, according to the Wisconsin Economic Development Corporation.

In addition, MarketBeat recently reported that several institutional investors had added stock from Grifols, S.A. — whose offerings include immunoglobulin used to treat immunodeficiencies; albumin, which can help restore circulatory volume and protein loss relating to liver cirrhosis, cardiocirculatory failure, trauma and severe burns; and a plasma protein used to treat a genetic disease.

The \$4.94 billion biopharma and **healthcare** solutions company, which has locations in Spain, the United States, and Canada, also produces a spleen tyrosine kinase inhibitor called Fostamatinib and a product used to treat Alzheimer's disease.

In the first quarter of 2024, Cohen Investment Advisors LLC acquired a new position in Grifols that was valued at approximately \$80,000; Cetera Advisors LLC also attained a position that was estimated to total about \$147,000, and China Universal Asset Management Co. Ltd. increased its amount of shares in the company by 66.3%, according to MarketBeat.

In the most recent quarter, Armistice Capital also increased its Grifols stock holdings by more than 18%, according to Fintel — moving from 6,648,000 shares to 7,892,000 shares.

In July, Grifols reported a second quarter revenue growth of 9.3% and 7.5% revenue increase for the first half of 2024, compared to the same time period in 2023.