



RayzeBio, Neumora price some of biotech's largest IPOs this year

Both companies' offerings brought in significant funds, with RayzeBio raising \$311 million and Neumora getting \$250M.

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People are reflected in the window of the Nasdaq MarketSite in Times Square on July 30, 2018, in New York City Spencer Platt via Getty Images

Two biotechnology companies on Thursday priced large initial public offerings in a potential sign of returning investor demand for drugmaker stocks after a long dry spell.

Neumora sold 14.7 million shares at \$17 apiece to bring in \$250 million in gross proceeds from its IPO, according to the company. Shares will begin trading Friday on the Nasdaq stock exchange under the ticker symbol "NMRA."

RayzeBio, which filed its plans to go public one day before Neumora, sold 17.2 million shares at \$18 apiece for \$311 million in proceeds. The company will also start trading Friday on Nasdaq under the ticker symbol "RYZB."

RayzeBio's IPO is the second largest for a biotech this year, after Acelyrin raised \$540 million in May. In the broader life sciences, the largest IPO was from Kenvue, the consumer health spinout of Johnson & Johnson, which all told raised \$4.3 billion.

By and large, though, biotechs have struggled to complete IPOs this year. The companies that did so successfully have a profile RayzeBio and Neumora share: strong private investor backing, veteran leadership and at least one drug candidate in or close to clinical trials.

Their pricings could indicate a coming resurgence, according to Jordan Saxe, head of healthcare listings for the Nasdaq stock exchange.

“This week’s listings indicate that the appetite to invest in innovative healthcare companies is back, and the pipeline of biotech companies looking to tap the public markets is continuing to grow,” Saxe said.

RayzeBio also raised more funds in its stock sale than it had initially projected — a positive indicator for a queue of other young biotechs attempting to go public.

The San Diego-based company is developing an experimental radiopharmaceutical drug called RYZ101 for neuroendocrine tumors. The therapy, which is aimed at the same target as Novartis’ approved medicine Lutathera, entered Phase 3 testing in May.

RayzeBio previously raised \$418 million to fund its development of radiopharmaceuticals, which, though tricky to make, can more precisely deliver radiation into tumors. In its regulatory filing, RayzeBio wrote that it sees “an opportunity for innovative radiopharmaceutical therapeutics” to transform how cancer is treated.

Neumora, a brain drug developer, has advanced an experimental treatment for depression into late-stage testing, and has a second drug for Alzheimer’s agitation in a Phase 1 trial. It was backed by

Arch Venture Partners, Amgen and other venture investors while private, raising more than \$600 million.

Besides RayzeBio and Neumora, 13 other biotechs have priced IPOs so far this year, though nine raised less than \$100 million. The pace is in stark contrast to 2020 and 2021, when 183 biotech companies made their Wall Street debuts and raised nearly \$30 billion combined, according to BioPharma Dive data.

All but three of the biotechs that have gone public this year now trade below their offering price, most notably Acelyrin, which revealed a disappointing trial setback earlier this month.

Still, there have been some signs of a turnaround before Friday. Apogee Therapeutics and Sagimet Biosciences, which both went public in July, upsized their IPOs and offered more shares than originally planned. And on Wednesday, British chip designer Arm raised nearly \$4.9 billion in the largest IPO to list on Nasdaq this year — an event The New York Times likened to “Wall Street’s Groundhog Day.”

Arm’s double-digit stock gains on Thursday, along with the news from RayzeBio and Neumora, might indicate sunnier days ahead.

Yet, to Kevin Eisele, managing director at investment firm William Blair, IPO activity will still be “slow” compared to the boom times of years past. The fourth quarter is usually quiet, offering biotechs fewer “execution windows” to go public, he said.

“We also anticipate to see a continued uptick in biotech companies going public through reverse mergers ... given the number of small and micro-cap companies currently undergoing disclosed strategic review processes,” Eisele said.

Editor’s note: This story has been updated with additional detail and commentary.

