



## 3 BioPharm Stocks Yielding 100% Yearly Returns

### Description

Canadian pharmaceuticals are growing in demand worldwide. In the past 17 years, pharmaceutical exports rose 33% — higher than the 27% growth in imports in the same period. Canada's top customers in dollar value terms include the United States, Italy, Belgium, and Japan.

Moreover, the United States is interested in expanding imports from Canada to reduce prescription drug costs. Famous U.S. political figures believe that Canada will offer more favourable drug prices than other countries. The United States currently imports most of its pharmaceutical supply from Ireland and Germany.

If Canada increases exports to the United States, TSX biopharmaceutical stocks such as **Zymeworks** ([TSX:ZYME](#))(NYSE:ZYME), **Advanz Pharma** (TSX:ADVZ), and **Aurinia Pharmaceuticals** (TSX:AUP)([NASDAQ:AUPH](#)) may see a boost in market value.

### Zymeworks

Founded in 2003, Zymeworks is a prominent biopharmaceutical company in Canada boasting a multitude of strategic partnerships. These strategic partnerships include collaborations with Dohme Research, LEO Pharma A/S, and Janssen Biotech to develop next-generation drugs for the treatment of cancer.

Zymeworks trades at a below-average beta for the biotechnology sector, indicating that the stock is subject to much less speculation, day trading, and general volatility than its peers. In the past year, the lower volatility coincided with [higher returns](#).

Zymeworks avoided the significant capital losses some of its competitors experienced; the stock soared 100% in the past year — twice the average industry return of 50%. The company is now rolling in the money with a price-to-cash ratio of 23.17.

## Advanz Pharma

Founded in 1963, Advanz Pharma is a global specialty pharmaceutical company. The corporation began trading on the Toronto Stock Exchange in 2003 and boasts an extensive portfolio of branded and generic prescription drugs. In addition to cancer treatments, Advanz also manufactures medications for the treatment of more common ailments such as pain and rheumatoid arthritis.

Unfortunately, Advanz Pharma did not do as well as its competitor, Zymeworks, in terms of capital gains. This biopharmaceutical company went from \$69 in July 2018 to below \$20 as of July 2019. Given the natural volatility in an industry where clinical trials cause large movements in price, the stock [may correct upwards](#) in the next year on positive Brexit news.

## Aurinia Pharmaceuticals

Headquartered in Canada and founded in 1993, Aurinia Pharmaceuticals develops pharmaceutical drugs for export to the United States and China. This biopharmaceutical corporation researches treatments with a wide customer base including lupus nephritis, dry eye syndrome, among other conditions.

Aurinia gave investors capital gains of approximately 18% in the past year. With a low beta of .06 and a price-to-book (P/B) ratio of 5.4, this biopharmaceutical company may be underpriced relative to peers. Investors should watch this stock, as it is likely to surge in market value in the next year.

## Foolish takeaway

Biopharmaceutical companies typically experience more volatility than many investors are willing to risk in their portfolio. The volatility can either mean large downward movements or above-average market profits. If long-term investors are patient enough, biopharmaceutical stocks can yield up to 100% returns.

Alternatively, an investor can seek average industry level returns by investing in the top five companies by market value. With average returns of 50%, RRSP investors will be enjoying retirement in style.

### CATEGORY

1. Investing
2. Top TSX Stocks

### TICKERS GLOBAL

1. NASDAQ:AUPH (Aurinia Pharmaceuticals Inc.)
2. NASDAQ:ZYME (Zymeworks)

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