

7 November 2022

HBM Healthcare Investments

Switzerland

Other financials

Favorable entry point

YTD, HBM's shares plummeted ca. 33% (MSCI World Healthcare: -0.5%, Nasdaq Biotechnology: -4.0%), and the net asset value (NAV) lost 16.3%. The stock is trading at a discount to NAV of -18% (10Y average: -11%). The rising inflation, surging interest rates, and geopolitical risks continue to put downward pressure on the valuation of biotech stocks. The portfolio company Cathay Biotech, whose shares slipped more than 45% YTD, remains the major contributor to the overall performance of the fund.

- **2Q/1H22:** HBM reported a decrease in value of CHF 86mn and a 4.2% decline in net asset value (NAV) per share in the second quarter of the financial year, which translated into a loss of CHF 34mn for the first half-year ended 30 September.
- **Add rating/TP cut to CHF 270.00 (19% upside):** Our TP mirrors the calculated NAV for FY22/23E. For private companies and funds, we carry forward the last disclosed fair value reported (end-Sep 2022). For public companies, we use consensus target prices whenever six or more analysts cover the stock. Otherwise, we take the last closing price.
- **Investment case:** Over the past ten years, HBM shares and NAV returned 21% and 20% p.a., respectively. Therefore, we remain positive about the long-term potential of the stock, despite volatility. With its strong cash position, HBM is in a good position to provide follow on financing to its private companies, while also looking for attractive new investments to add to its public equities portfolio. With several portfolio catalysts on the horizon, we envision higher valuations and increased takeover activity over time.

	2020/21	2021/22	2022/23E	2023/24E	2024/25E
Sales (CHF mn)	911.3	-37.5	-9.2	192.9	163.3
EBITDA (CHF mn)	752.9	-75.2	-37.7	145.2	118.5
EBIT reported (CHF mn)	752.9	-75.2	-37.7	145.2	118.5
EBIT adjusted (CHF mn)	752.9	-75.2	-37.7	145.2	118.5
Net income (CHF mn)	750.4	-78.0	-40.4	142.5	118.5
EPS reported (CHF)	108.30	-11.22	-5.81	20.50	16.66
EPS adjusted (CHF)	108.31	-11.22	-5.81	20.50	16.66
DPS (CHF)	7.72	12.51	9.70	9.99	10.29
Dividend yield (%)	3.4	4.6	4.3	4.4	4.5
P/E adjusted (x)	2.1	-	-	11.1	13.6
P/BV (x)	0.7	1.0	0.8	0.8	0.8
EV/Sales (x)	1.4	-48.5	-173.5	8.8	10.5
EV/EBITDA (x)	1.7	-24.2	-42.6	11.7	14.5
EV/EBIT (x)	1.7	-24.2	-42.6	11.7	14.5
Net debt/EBITDA (x)	-0.4	1.0	-0.7	0.9	1.2

Source: Company data, Baader Helvea Equity Research

Add (prev. Add)

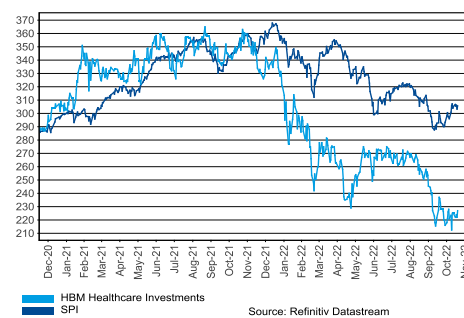
Closing price as of 04-Nov-22	CHF 227.00
High/Low (12M)	363.00/212.50
Target price (prev. CHF 292.00)	CHF 270.00
Upside to target price (%)	18.9
Expected dividend yield (%)	5.5
Total return potential (%)	24.4

Reuters/Bloomberg	HBMN.S/HBMN SE
Avg. daily turnover (CHF mn)	0.71
Free float (%)	82.7
Market cap. (CHF mn)	1,578
No. of shares issued (mn)	7.0

Events

Annual general meeting	May-2023
9M/3Q	20-Jan-2023
Shareholders	Nogra Pharma Invest 15-20%

Price relative to Index



Performance (%)	1M	3M	6M
Absolute	-4.2	-16.7	-4.2
rel. SMI	-5.7	-11.4	5.7
rel. STOXX Europe 600	-7.7	-11.7	1.3
rel. SXXP Financial Serv.	-5.0	-6.9	5.2

Changes in estimates

CHF mn	2022/23E Prev.	Delta (%)	2023/24E Prev.	Delta (%)
Sales	197.3	-104.7	248.1	-22.2
EBIT adj.	149.3	-125.2	194.0	-25.2
EPS adj. (CHF)	21.08	-127.6	27.52	-25.5
DPS (CHF)	9.70	0.0	9.99	0.0

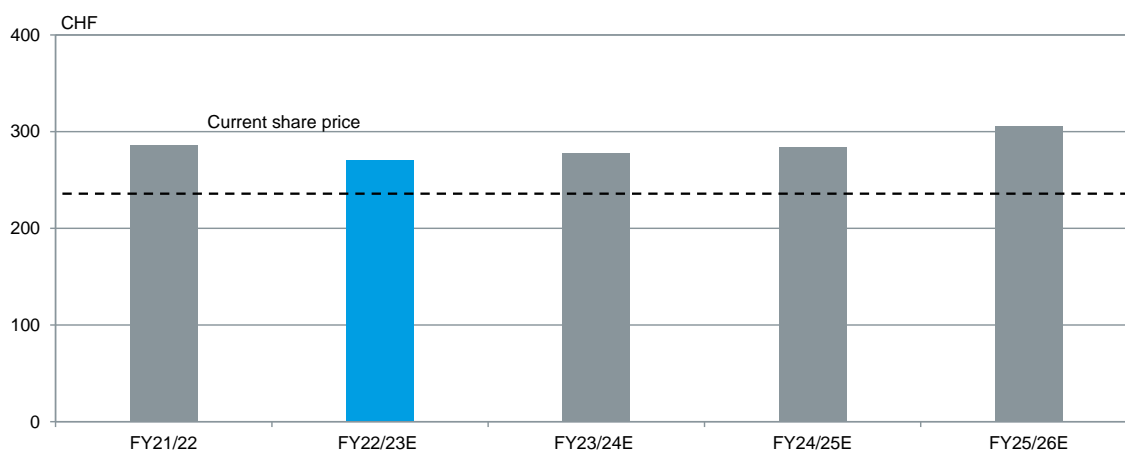
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HBM Healthcare Investments

VALUATION

As HBM is an investment fund, our valuation is based on its net asset value (NAV) development. Our updated price target of CHF 270.00 is based on the anticipated FY22/23E NAV.

Net asset value (NAV) per share



Source: Company data, Baader Helvea Equity Research

Components of the net asset value (NAV)

CHF mn	FY21/22	FY22/23E	FY23/24E	FY24/25E	FY25/26E
Cash	223.7	122.3	21.8	4.8	3.7
Other assets	28.1	28.1	28.1	28.1	28.1
Private companies	614.3	659.0	659.0	659.0	659.0
Funds	175.9	179.5	179.5	179.5	179.5
Public companies	1,130.2	1,072.7	1,265.6	1,323.9	1,493.2
Liabilities	-190.2	-187.5	-206.7	-203.8	-216.4
Net asset value (NAV)	1,982.0	1,874.2	1,947.3	1,991.5	2,147.1
Shares outstanding (mn)	6.9	6.9	6.9	6.9	6.9
NAV/Share (CHF)	285.6	270.0	280.5	286.9	309.3

Source: Company data, Baader Helvea Equity Research

Price target sensitivity as function of the share price-to-NAV premium (discount)

Premium (discount)	-10%	-5%	0%	5%	10%
Price target/share (CHF)	243.0	256.5	270.0	283.5	297.0

Source: Baader Helvea Equity Research

HBM Healthcare Investments

Valuation of public companies

We use consensus TP whenever six or more analysts cover the stock. Otherwise, we take the last closing price. Our model returns CHF 1,265.6mn. However, in FY22/23E, we anticipate that only 85% of the consensus fair value might be realized due to market uncertainties. Therefore, we arrive at a total valuation of CHF 1,072.7mn for the portfolio of public companies.

Holdings	NAV (%)	Current price (CHF)	Current mkt val. (CHF mn)	Cons. TP (CHF)	Val. at cons. TP (CHF mn)	Upside (%)
Cathay Biotech	17.5	9.3	366.7	9.3	366.7	0
Harmony Biosciences	7.0	58.1	176.2	62.7	190.1	8
Y-mAbs Therapeutics	3.0	3.3	12.9	11.8	45.8	256
Pacira BioSciences	1.3	49.2	23.4	73.0	34.7	48
Arcutis	1.0	17.7	18.0	50.3	51.0	184
Monte Rosa Therapeutics	0.8	8.1	16.0	20.7	40.9	155
BioAtla	0.6	7.5	10.1	21.7	29.5	191
Longboard Pharmaceuticals	0.4	4.3	7.2	19.2	32.3	348
IO Biotech	0.3	2.3	6.1	2.3	6.1	0
ALX Oncology	0.3	12.1	7.4	34.5	21.2	187
Instil Bio	0.3	2.5	2.7	2.5	2.7	0
Others, ex-private	0.6		11.9		11.9	
Biohaven Pharmaceuticals	3.6	15.3	7.4	15.3	7.4	0
BiolInvent	1.1	3.4	17.9	3.4	17.9	0
Argenx	1.1	356.2	22.4	384.7	24.2	8
Argenx (ADR)	1.1	361.5	22.5	435.3	27.1	20
Laurus Labs	0.8	5.7	13.2	6.5	15.2	15
Vicore Pharma	0.6	2.8	12.4	2.8	12.4	0
Zymeworks	0.6	7.9	13.6	11.4	19.5	44
Insmed	0.6	18.0	8.6	45.9	22.0	155
Seagen	0.5	125.6	9.4	162.9	12.2	30
Shenzhen Mindray	0.5	44.2	10.8	58.9	14.5	33
Viridian Therapeutics	0.5	19.4	9.3	39.5	18.9	103
Aurobindo Pharma	0.5	6.8	10.4	8.4	13.0	25
Blueprint Medicines	0.5	41.5	6.9	77.5	12.9	87
Rocket Pharmaceuticals	0.5	16.8	10.8	55.3	35.7	229
Natera	0.5	43.9	9.3	75.5	15.9	72
Traverse Therapeutics	0.5	20.5	7.9	35.0	13.4	71
Mirati Therapeutics	0.4	62.3	7.6	108.6	13.3	74
Iovance	0.4	8.8	7.2	24.7	20.3	181
BeiGene	0.4	14.2	9.4	2.7	1.7	-81
Dishman Carbogen	0.3	1.3	6.7	1.3	6.7	0
HUTCHMED China	0.3	1.8	6.8	1.8	6.8	0
CTI Biopharma	0.3	5.3	5.7	9.9	10.7	87
Polypeptide	0.3	27.3	5.9	27.3	5.9	0
Guangzhou Baiyunshan Pharmaceutical	0.3	3.5	9.0	3.5	9.0	0
Merus	0.3	16.8	5.7	38.0	12.8	126
Cogent Biosciences	0.3	12.0	4.4	21.7	7.9	81
Nicox	0.3	1.7	5.0	1.7	5.0	0
Others, various public	2.7		50.2		50.2	
Total public			975.1		1,265.6	30

Source: Company data, Refinitiv Datastream, Baader Helvea Equity Research

HBM Healthcare Investments

Valuation of funds

HBM has investments in healthcare-dedicated funds, granting access to private equities across non-core geographies such as Asia and India. HBM's participation in funds is, therefore a straightforward sourcing tool for new private equity investments, providing exposure to geographies typically difficult to cover for Europe-based investors. Due to their limited visibility, we carry those assets at reported fair value.

	Investment currency	NAV (%)	Total commit (1c mn)	Cumul. payments (1c mn)	Cumul. repayments (1c mn)	Fair value (CHF mn)
HBM Genomics	USD	1.7	24.4	24.4	3.5	31.3
MedFocus Fund II	USD	1.3	26.0	26.0	25.0	24.2
WuXi Healthcare Ventures II	USD	1.2	20.0	20.0	5.9	22.2
6 Dimensions Capital	USD	1.0	25.0	25.0	30.8	19.3
120 Capital	USD	0.9	25.0	18.8	0.0	17.7
C-Bridge Healthcare Fund IV	USD	0.6	10.0	9.7	0.2	12.0
HBM BioCapital II	EUR	0.4	42.0	46.1	23.7	8.3
HBM Genomics II	USD	0.4	15.0	8.0	0.0	7.4
LYZZ Capital Fund II	USD	0.4	15.0	6.5	0.0	6.7
C-Bridge Healthcare Fund V	USD	0.3	15.0	5.6	0.8	6.4
Tata Capital HBM Fund I	USD	0.3	10.0	9.9	6.9	5.3
Tata Capital Healthcare Fund II	USD	0.2	20.0	7.5	1.6	4.5
Hatteras Venture Partners III	USD	0.2	10.0	10.2	2.9	3.6
BioVeda China IV	USD	0.2	5.0	4.0	0.9	3.4
BioMedInvest II	CHF	0.1	10.0	10.0	3.9	2.8
Galen Partners V	USD	0.1	10.0	10.4	8.8	1.6
BioMedInvest I	CHF	0.1	26.0	26.0	28.0	1.3
Nordic Biotech	DKK	0.0	31.0	31.0	221.7	0.9
Others		0.0				0.6
Total funds	CHF mn					179.5

Source: Company data, Baader Helvea Equity Research

HBM Healthcare Investments

Valuation of private companies

Based on the historical trend, we see a substantial upside potential from private equities supported by trade sales and IPOs. However, due to their limited visibility we carry, conservatively, those assets at reported fair value.

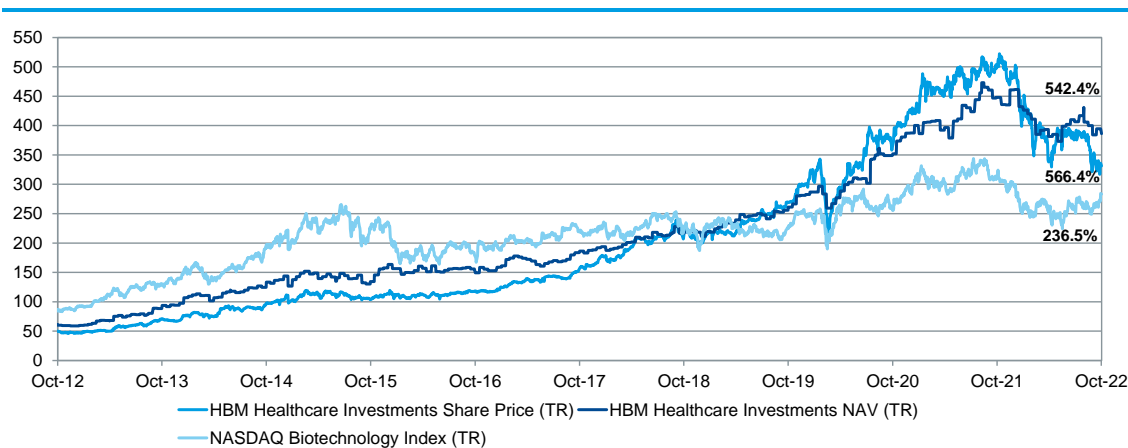
Private companies	Investment currency	NAV (%)	Amount disbursed (lc mn)	Ownership (%)	Fair value (lc mn)	Fair value (CHF mn)
Swixx BioPharma	EUR	7.3	34.8	26.3	141.7	137.1
Neurelis	USD	3.0	24.4	10.5	56.2	55.5
ConnectRN	USD	2.7	13.9	20.0	52.1	51.4
Mineralys Therapeutics	USD	1.4	19.0	10.1	27.1	26.8
NiKang Therapeutics	USD	1.3	20.0	5.3	25.2	24.9
Dren Bio	USD	1.2	15.0	7.8	22.7	22.4
Tata 1mg	INR	1.2	1,130.1	4.0	1,791.7	21.7
Farmalatam	USD	1.1	18.5	47.7	21.4	21.1
Fangzhou (Jianke)	USD	1.0	19.9	5.3	19.7	19.5
Nuance Pharma	USD	1.0	14.0	3.7	18.7	18.4
Odyssey Therapeutics	USD	0.9	13.0	2.9	17.5	17.3
Numab Therapeutics	CHF	0.9	17.0	6.5	17.0	17.0
SAI Life Sciences	INR	0.9	449.0	5.5	1,343.9	16.3
Karius	USD	0.8	15.0	4.9	15.0	14.8
Valo Health	USD	0.8	15.0	1.3	15.0	14.8
Adrenomed	EUR	0.8	15.2	10.5	15.2	14.7
River Renal	USD	0.7	14.0	12.5	14.0	13.8
Upstream Bio	USD	0.6	11.0	6.5	11.0	10.9
Neuron23	USD	0.6	8.0	2.2	10.8	10.7
Genalyte (BaseHealth)	USD	0.5	7.5	3.5	10.2	10.1
Shape Memory Medical	USD	0.5	10.1	16.8	10.1	10.0
Aculys Pharma	USD	0.5	6.0	4.8	9.9	9.8
Sphingotec	EUR	0.5	16.6	25.1	10.1	9.8
Valcare	USD	0.5	6.3	8.0	9.2	9.1
Fore Biotherapeutics (NovellusDx)	USD	0.5	9.0	12.7	9.0	8.9
Acrivon Therapeutics	USD	0.4	8.0	3.6	8.0	7.9
Arrakis Therapeutics	USD	0.4	7.0	4.6	7.0	6.9
eGenesis Bio	USD	0.4	7.0	2.0	7.0	6.9
Cure Everlife Holdings	USD	0.4	7.2	9.3	6.7	6.6
C Ray Therapeutics	USD	0.3	6.0	3.2	6.0	5.9
FogPharma	USD	0.3	5.0	1.9	5.0	4.9
Ignis Therapeutics	USD	0.2	4.2	1.2	4.2	4.1
Mahzi Therapeutics	USD	0.2	4.0	5.2	4.0	3.9
1000Farmacie	EUR	0.2	4.0	14.6	4.0	3.9
Others		1.1				21.2
Total private companies	CHF mn					659.0

Source: Company data, Baader Helvea Equity Research

HBM Healthcare Investments

APPENDIX

10 years of 20.4% p.a. total returns for HBM's NAV (incl. capital distributions)



Source: Company data, Baader Helvea Equity Research

Returns vs. Nasdaq Biotech Index

%	HBM share price (TR)	HBM NAV (TR)	Nasdaq Biotech Index (TR)
10Y CAGR	20.9	20.4	12.9
5Y CAGR	16.1	15.7	5.3
3Y CAGR	7.1	13.9	8.1
1Y	-33.9	-13.8	-9.4
YTD	-32.1	-16.3	-4.0

Note: Period ending in Oct-2022, TR: Total return

Source: Company data, Baader Helvea Equity Research

HBM shares trading below the 10-year average discount of 11%



Source: Company data, Baader Helvea Equity Research

HBM Healthcare Investments

Portfolio catalysts 2022/23

Important Clinical Results	
Phase I / II	
ALX Oncology*	Evorpacept + Azacitidine, MDS
Blueprint Medicines	Ayvakit, PIONEER data readout, indolent systemic mastocytosis
BioAtla*	BA3011 (CAB-AXL-ADC), NSCLC
BioAtla*	BA3011 (CAB-AXL-ADC), Soft-tissue sarcomas & bone sarcoma
BioAtla*	BA3021 (CAB-ROR2-ADC), NSCLC & melanoma
Biolnvent	BI-1808, safety and prem efficacy data, solid tumors
Biolnvent	BT-001, safety and prem efficacy data, solid tumors
Harmony*	Pitolisant (Wakix), Prader-Willi Syndrome
Harmony*	Pitolisant (Wakix), Myotonic dystrophy 1
InstilBio*	ITIL-168, R/R advanced melanoma trial
IOBiotech	IO102-IO103, Data readout for phase II basket trial (combined with PD-1 inhibitor)
Longboard Pharma*	LP352, DEEs and other refractory epilepsies
US Approvals	
Arcutis*	Roflumilast cream (ARQ-151), Plaque psoriasis
Beigene	Brukina, CLL
TurningPoint*	Pre-NDA meeting for Repotrectinib, ROS1+ NSCLC
YmAbs Therapeutics*	Omburtamab, neuroblastoma with CNS/leptomeningeal metastases
Note: * private / ex private company	
Phase I / II (continued)	
Mirati	Adagrasib, KRYSTAL-1 piv trial data & brain mets data, 2L+NSCLC
TurningPoint*	Elzovantininib, updated data from phase I portion of the phase I/II (SHIELD-1) study, NSCLC
TurningPoint*	Repotrectinib, updated data from NTRK+ cohorts of TRIDENT-1, NSCLC
TurningPoint*	TPX-0131 (FORGE-1), interim data, ALK+ NSCLC
Zymeworks	ZW49, HER2-expressing cancers
Zymeworks	Zanidatamab (ZW25), 1L HER2+ GEA
Zymeworks	Zanidatamab (ZW25), 1L HER2+ mBc
Phase III	
Arcutis*	Roflumilast foam (ARQ-154), Seborrheic Dermatitis
Arcutis*	Roflumilast cream (ARQ-151), Atopic Dermatitis
Argenx	Vyvgart (Efgartigimod), ADDRESS-SC data, Pemphigus Vulgaris (PV)
Argenx	Vyvgart (Efgartigimod) ADAPT-SC data, MG
Argenx	Vyvgart (Efgartigimod) ADHERE trial, CIPD
Beigene	Tislelizumab, 1L HCC
Beigene	Brukina, addtl phase III (ALPINE) trial (r/r CLL/SLL)
Biohaven	Troriluzole, Spinocerebellar ataxia (SCA)
Biohaven	Troriluzole, Obsessive-compulsive disorder (OCD)
Iveric	Zimura, GATHER2 trial, Geographic atrophy (dry AMD)
Pacira*	Exparel, data and NDA filing, sciatic and adductor canal nerve blocks

Source: Company data

HBM Healthcare Investments

CONSOLIDATED INCOME STATEMENT

CHF mn	FY19/20	FY20/21	FY21/22	FY22/23E	FY23/24E	FY24/25E	FY25/26E
Results from investment activities	232.5	911.3	-37.5	-9.2	192.9	163.3	289.3
<i>Change yoy (%)</i>	-11.7	291.9	-104.1	-75.3	-2186.1	-15.4	77.2
Management fee	-20.5	-26.3	-34.9	-27.3	-27.3	-27.3	-27.3
Performance fee	-24.7	-120.7	-1.7	0.0	-19.3	-16.3	-28.9
Personnel expenses	-3.5	-10.3	-1.1	-1.1	-1.1	-1.1	-1.1
Other Operating expenses	-1.3	-1.1	0.0	0.0	0.0	0.0	0.0
Operating costs	-50.0	-158.4	-37.7	-28.4	-47.7	-44.7	-57.3
<i>Change yoy (%)</i>	-8.3	217.0	-76.2	-24.7	67.9	-6.2	28.2
EBIT	182.6	752.9	-75.2	-37.7	145.2	118.5	232.0
<i>Change yoy (%)</i>	-12.6	312.4	-110.0	-49.9	-485.6	-18.4	95.7
Finance results	-2.4	-2.5	-2.7	-2.7	-2.7	-2.7	-2.7
<i>Change yoy (%)</i>	2.9	1.7	9.6	0.3	0.0	0.0	0.0
Net result for the year	180.1	750.4	-78.0	-40.4	142.5	115.8	229.3
<i>Change yoy (%)</i>	-12.8	316.6	-110.4	-48.2	-452.8	-18.7	98.0
Outstanding shares, time weighted (mn)	6.9	6.9	7.0	7.0	7.0	7.0	7.0
Basic EPS (CHF)	26.1	108.3	-11.2	-5.8	20.5	16.7	33.0

Source: Company data, Baader Helvea Equity Research

CONSOLIDATED BALANCE SHEET

CHF mn	FY19/20	FY20/21	FY21/22	FY22/23E	FY23/24E	FY24/25E	FY 25/26E
Cash and cash equivalents	224.2	429.2	223.7	122.3	21.8	4.8	3.7
Net working capital	0.2	0.2	0.0	0.0	0.0	0.0	0.0
Financial assets	15.5	38.3	28.1	28.1	28.1	28.1	28.1
Investments	1,336.3	2,067.0	1,920.5	1,911.2	2,104.1	2,162.4	2,331.7
Total assets	1,576.2	2,534.6	2,172.3	2,061.7	2,154.0	2,195.3	2,363.5
Total liabilities	29.4	132.0	2.8	0.0	19.3	16.3	28.9
Debt	99.6	99.8	148.9	148.9	148.9	148.9	148.9
Other provisions	17.2	153.6	38.5	38.5	38.5	38.5	38.5
Total shareholder's equity	1,430.1	2,149.2	1,982.0	1,874.2	1,947.3	1,991.5	2,147.1
Total liabilities and shareholder's equity	1,576.2	2,534.6	2,172.3	2,061.7	2,154.0	2,195.3	2,363.5
Shares outstanding (mn)	6.9	7.0	6.9	6.9	6.9	6.9	6.9
NAV per share (CHF)	208.5	309.2	285.6	270.0	280.5	286.9	309.3

Source: Company data, Baader Helvea Equity Research

Key data

HBM Healthcare Investments

Switzerland

Other financials

Reuters: HBMN.S Bloomberg: HBMN SE

Add

Price on 04-Nov-22 CHF 227.00

Target price CHF 270.00

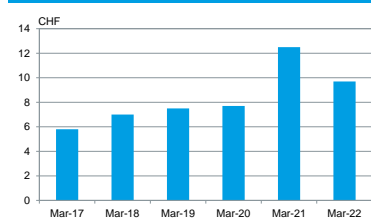
High/Low (12M) CHF 363.00/212.50

Market cap. CHF mn 1,578

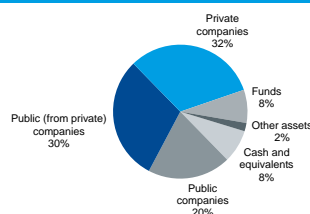
Company profile

HBM Healthcare Investments actively invests in the human medicine, biotechnology, medical technology and diagnostics sectors. The company holds and manages an international portfolio of companies (closed-end fund).

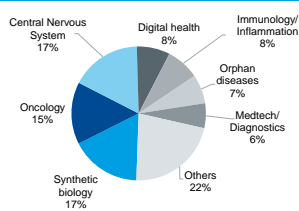
Capital distribution per share



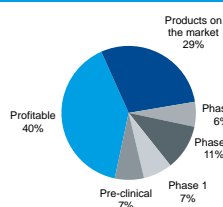
Allocation of assets (Sep-22)



Therapeutic areas (Sep-22)



Development stage (Sep-22)



Source: Company data, Refinitiv Datastream, Baader Helvea Equity Research

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FY 31 Mar.	2019/20	2020/21	2021/22	2022/23E	2023/24E	2024/25E
Share data						
EPS reported (CHF)	26.08	108.30	-11.22	-5.81	20.50	16.66
EPS adjusted (CHF)	26.07	108.31	-11.22	-5.81	20.50	16.66
Dividend (CHF)	7.50	7.72	12.51	9.70	9.99	10.29
Book value (CHF)	206.99	310.18	285.15	269.64	280.14	286.51
Free cash flow (CHF)	4.41	34.30	-22.07	-4.33	-4.09	24.90
Avg. no. of shares (mn)	6.9	6.9	7.0	7.0	7.0	7.0
Market cap. (avg./current; CHF mn)	1,395.6	1,572.9	1,892.2	1,577.9	1,577.9	1,577.9
Enterprise value (CHF mn)	1,271.0	1,243.5	1,817.5	1,604.5	1,705.0	1,722.0
Valuation						
P/E adj. (x)	7.7	2.1	-	-	11.1	13.6
P/BV (x)	1.0	0.7	1.0	0.8	0.8	0.8
FCF/EV (%)	2.4	19.1	-8.4	-1.9	-1.7	10.1
FCF yield (%) (FCF/Mcap.)	2.2	15.1	-8.1	-1.9	-1.8	11.0
Dividend yield (%)	3.7	3.4	4.6	4.3	4.4	4.5
EV/Sales (x)	5.5	1.4	-48.5	-173.5	8.8	10.5
EV/EBITDA adj. (x)	7.0	1.7	-24.2	-42.6	11.7	14.5
EV/EBIT adj. (x)	7.0	1.7	-24.2	-42.6	11.7	14.5
EV/CE (x)	1.0	0.6	0.9	0.8	0.8	-
ROCE/WACC adj. (x)	-	-	-	-	-	-
Key company data						
Sales growth (%)	-11.7	291.9	-104.1	-75.3	-2186.1	-15.4
EBITDA adj. growth (%)	-12.6	312.4	-110.0	-49.9	-485.6	-18.4
EBITDA adj. margin (%)	78.5	82.6	200.7	407.3	75.3	72.6
EBIT adj. margin (%)	78.5	82.6	200.7	407.3	75.3	72.6
Net adj. margin (%)	77.5	82.3	207.9	436.7	73.9	72.6
Free cash flow margin (%)	13.1	26.1	409.0	325.4	-14.7	106.0
Payout ratio (%)	28.8	7.1	-111.5	-167.0	48.7	60.4
Gearing (%) (net debt/equity)	-8.7	-15.3	-3.8	1.4	6.5	7.2
Net debt/EBITDA (x)	-0.7	-0.4	1.0	-0.7	0.9	1.2
Equity ratio (x) (equity/total assets)	90.7	84.8	91.2	90.9	90.4	90.7
Capital employed (CHF mn)	1,336.5	2,067.1	1,920.5	1,911.3	2,104.2	0.0
ROCE adj. (%)	13.7	36.4	-3.9	-2.0	6.9	-
Income statement (CHF mn)						
Turnover	232.5	911.3	-37.5	-9.2	192.9	163.3
EBITDA	182.6	752.9	-75.2	-37.7	145.2	118.5
EBITDA adj.	182.6	752.9	-75.2	-37.7	145.2	118.5
EBIT	182.6	752.9	-75.2	-37.7	145.2	118.5
EBIT adj.	182.6	752.9	-75.2	-37.7	145.2	118.5
EBT	180.1	750.4	-78.0	-40.4	142.5	118.5
Net profit after minorities	180.1	750.4	-78.0	-40.4	142.5	118.5
Net profit adj.	180.1	750.4	-78.0	-40.4	142.5	118.5
Balance sheet (CHF mn)						
Non-current assets	1,347	2,105	1,947	1,911	2,104	2,162
thereof goodwill	-	-	-	-	-	-
Current assets	229	429	225	122	22	5
Total assets	1,576	2,535	2,172	2,062	2,154	2,195
Shareholders' equity	1,430	2,149	1,982	1,874	1,947	1,992
Total equity and liabilities	1,576	2,535	2,172	2,062	2,154	2,195
Net debt	-125	-329	-75	27	127	144
Cash flow (CHF mn)						
Cash flow from operations	-58.0	-55.4	-167.1	-30.1	-28.4	68.1
of which change in working capital	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from investments	88.5	293.1	13.7	0.0	0.0	105.0
of which investment in fixed assets	-	-	-	-	-	-
Free cash flow	30.5	237.7	-153.4	-30.1	-28.4	173.1
Dividends paid	-51.8	-53.5	-87.0	-67.4	-69.4	-71.5
Cash flow from financing activities	-54.9	-33.6	-42.7	-70.1	-72.2	0.0
Change in cash position	-44.2	205.0	-205.5	-101.3	-100.6	-17.0

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Disclaimer

Important Notice and Disclosures pursuant to Art. 20 of the Regulation (EU) No 596/2014 of 16 April 2014 and the Commission Delegated Regulation (EU) 2016/958 of 9 March 2016 and pursuant to Art. 34, 36 and 37 of the Commission Delegated Regulation (EU) No 2017/565 of 25 April 2016**A. GENERAL STATEMENTS**

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Applicable Key Factors

Company	Key
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Company	Date	Rating	Currency	Target price	Closing price as of	Analyst	
HBM Healthcare Investments	30-May-22	Add	CHF	292.00	267.00	27-May-22	Leonildo Delgado, Ph.D.
HBM Healthcare Investments	10-Feb-22	Buy	CHF	370.00	294.50	09-Feb-22	Leonildo Delgado, Ph.D.

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Add	5%-20%
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