

Baader Helvea Equity Research

COMPANY FLASH

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18 July 2025

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HBM Healthcare Investments

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Closing price as of
17-Jul-25 CHF 167.00**Target price CHF 236.00**

High/Low (12M) CHF 206.00/159.60

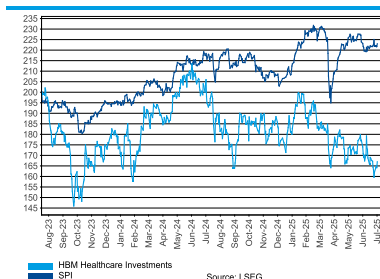
Market cap. CHF mn 1,124

Enterprise value CHF mn 1,122

Free float 82.9%

Avg. daily turnover CHF mn 0.89

Price relative to Index



Performance (%)	1M	3M	6M
Absolute	-2.2	-6.5	-8.6
rel. SPI	-2.8	-12.9	-13.1
rel. STOXX Europe 600	-3.1	-14.5	-13.1
rel. SXXP Financial Serv.	-7.6	-16.2	-9.8

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Currency volatility fogging the view

Our conclusion

- Despite a weak first 1Q25/26, our view on the fundamental value of the portfolio stands. In a largely uncertain biotech environment, HBM reported a net loss of CHF -140mn for 1Q25/26, reversing the FY24/25 profit (CHF +18.5mn), though this was fully driven by FX pressure (USD -10.3% vs. CHF). In local currencies, portfolio value increased by 0.5%, showing robustness amid global biotech uncertainty.
- The sharp drop in NAV/share (-8.4%) masks robust operational progress across both private and public holdings. We highlighted the Dren Bio cash exit (USD 44mn) and continued positive updates from Merus, ArriVent, and Mineralys with news flow driving recovery into 2Q25/26E and 2H.
- With 47% of assets in profitable companies, structurally de-risked and diversified holdings, HBM remains one of the few listed investors offering mature private exposure and public biotech optionality. **At a 21% NAV discount** (vs 18% at 1Q24/25), we continue seeing valuation support and upside from discount normalization and resumed M&A momentum into 2-4Q24/25E, driven by innovation growth needs and upcoming patent cliffs.

Facts & Analysis

- NAV/share declined to CHF 216.35 (-8.4% qoq); share price down to CHF 171.00 (-5.5% qoq), pushing the NAV discount to -21% (up from -25.9% at year start).
- Private portfolio:** Dren Bio offered some cash uplift with milestones optionality, Swixx continued its strong operating momentum. Odyssey Therapeutics was marked down by CHF -10mn following a down-round.
- Public portfolio:** CHF -79mn loss, driven by FX (CHF -83mn). Operationally, several holdings advanced such as Merus (promising interim Ph2 combo data), ArriVent (Ph3 recruitment completed for NSCLC; positive Ph1b data in EGFR-PACC) and Mineralys (multiple studies such as Ph3 "Launch-HTN", Ph2 "Advance-HTN", "Explore-CKD", confirmed lorundrostat's efficacy and safety for hypertension). We anticipate further momentum and positive reads in 2025/26E.
- No new positions:** CHF 7mn deployed in follow-on financing. Portfolio allocation unchanged: 33% private, 26% ex-private public, 22% public, 10% funds, 5% cash

Performance snapshot

CHF mn	1Q24/25 Actual	FY24/25 Actual	1Q25/26 Actual	FY25/26E Baader	FY26/27E Baader
Net result	25.5	18.5	-140.1	8.2	107.5
EPS	3.7	2.7	-20.9	1.2	16.0
NAV/Share	252.1	244.4	216.4	240.2	248.8
Share to NAV premium/ (-) discount	-18.7	-25.9	-21.0		

Source: Company data, Baader Helvea Equity Research

Key financials

CHF mn	2024/25	2025/26E	2026/27E	2027/28E	CAGR (%)
Sales	41.9	35.1	134.4	141.6	50.1
EBIT adj.	15.8	10.2	109.5	116.7	94.9
EPS adj. (CHF)	2.74	1.22	15.97	17.04	83.9

Source: Company data, Baader Helvea Equity Research

Valuation ratios

x	2024/25	2025/26E	2026/27E	2027/28E
EV/Sales	31.2	32.0	8.2	7.1
EV/EBIT adj.	82.8	110.0	10.1	8.6
P/E adj.	69.1	136.9	10.5	9.8

HBM Healthcare Investments

Key data

FY 31 Mar.	2022/23	2023/24	2024/25	2025/26E	2026/27E	2027/28E
Share data						
EPS rep. (CHF)	-20.98	-0.16	2.74	1.22	15.97	17.04
EPS adj. (CHF)	-20.98	-0.16	2.74	1.22	15.97	17.04
Dividend (CHF)	9.70	7.52	7.53	7.76	7.38	7.38
Book value (CHF)	255.02	248.10	244.41	240.18	248.78	258.44
Free cash flow (CHF)	12.87	13.51	-8.83	9.67	10.42	23.04
Avg. no. of shares (mn)	6.9	6.9	6.7	6.7	6.7	6.7
Market cap. (avg./current, CHF mn)	1,595.3	1,267.1	1,273.8	1,124.2	1,124.2	1,124.2
Enterprise value (CHF mn)	1,512.4	1,163.0	1,307.1	1,122.4	1,103.9	1,000.4
Valuation						
P/E adj. (x)	-	-	69.1	136.9	10.5	9.8
P/BV (x)	0.9	0.7	0.8	0.7	0.7	0.6
FCF/EV (%)	5.9	8.0	-4.5	5.8	6.4	15.5
FCF yield (%), (FCF/Mcap.)	5.6	7.3	-4.7	5.8	6.2	13.8
Dividend yield (%)	4.2	4.1	4.0	4.6	4.4	4.4
EV/Sales (x)	-13.0	48.9	31.2	32.0	8.2	7.1
EV/EBITDA adj. (x)	-10.4	-451.8	82.8	110.0	10.1	8.6
EV/EBIT adj. (x)	-10.4	-451.8	82.8	110.0	10.1	8.6
EV/CE (x)	0.9	0.7	0.8	0.7	0.7	0.6
ROCE/WACC adj. (x)	-	-	-	-	-	-
Key company data						
Sales growth (%)	210.8	-120.4	76.1	-16.3	283.1	5.4
EBITDA growth adj. (%)	94.1	-98.2	-713.0	-35.4	973.7	6.6
EBITDA margin adj. (%)	125.4	-10.8	37.7	29.1	81.5	82.4
EBIT margin adj. (%)	125.4	-10.8	37.7	29.1	81.5	82.4
Net margin adj. (%)	124.7	-2.0	37.7	29.1	81.5	82.4
Free cash flow margin (%)	-76.5	390.3	-141.8	185.6	52.2	109.5
Payout ratio (%)	-46.3	-10622.2	321.3	512.0	45.3	42.5
Gearing (%), (net debt/equity)	-4.7	-6.1	2.0	-0.1	-1.2	-7.1
Net debt/EBITDA (x)	0.6	40.4	2.1	-0.2	-0.2	-1.1
Equity ratio (x), (equity/total assets)	90.7	93.4	92.8	92.7	92.9	98.4
Capital employed (CHF mn)	1,693.1	1,578.2	1,662.2	1,607.3	1,646.7	1,608.3
ROCE adj. (%)	-8.6	-0.2	0.9	0.6	6.7	7.3
Income statement (CHF mn)						
Turnover	-116.5	23.8	41.9	35.1	134.4	141.6
EBITDA	-146.1	-2.6	15.8	10.2	109.5	116.7
EBITDA adj.	-146.1	-2.6	15.8	10.2	109.5	116.7
EBIT	-146.1	-2.6	15.8	10.2	109.5	116.7
EBIT adj.	-146.1	-2.6	15.8	10.2	109.5	116.7
EBT	-145.3	-0.5	15.8	10.2	109.5	116.7
Net profit after minorities	-145.3	-0.5	15.8	10.2	109.5	116.7
Net profit adj.	-145.3	-0.5	15.8	10.2	109.5	116.7
Balance sheet (CHF mn)						
Non-current assets	1,714	1,607	1,693	1,607	1,647	1,608
thereof goodwill	-	-	-	-	-	-
Current assets	232	205	70	101	120	124
Total assets	1,946	1,813	1,764	1,744	1,802	1,768
Shareholders' equity	1,765	1,693	1,637	1,617	1,675	1,740
Total equity and liabilities	1,946	1,813	1,764	1,744	1,802	1,768
Net debt	-83	-104	33	-2	-20	-124
Cash flow (CHF mn)						
Cash flow from operations	-29.5	-25.6	-26.0	-24.9	-24.9	-24.9
of which change in working capital	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from investments	118.7	118.5	-33.4	90.0	95.0	180.0
of which investment in fixed assets	-	-	-	-	-	-
Free cash flow	89.1	92.9	-59.4	65.1	70.1	155.1
Dividends paid	-67.2	-51.7	-50.7	-52.2	-49.7	-49.7
Cash flow from financing activities	-74.3	-122.3	0.0	0.0	0.0	0.0
Change in cash position	8.4	-28.6	-137.2	0.0	0.0	0.0

Source: Company data, Baader Helvea Equity Research

HBM Healthcare Investments**Disclaimer****Baader Bank AG, Weißenstephaner Strasse 4, 85716 Unterschleißheim, Germany****Baader Helvea AG, Freigutstrasse 12, 8002 Zurich, Switzerland****Baader Helvea Limited, 5 Royal Exchange Buildings, London EC3V 3NL, United Kingdom**

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