

Baader Helvea Equity Research

COMPANY FLASH

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15 May 2025

HBM Healthcare Investments

Switzerland

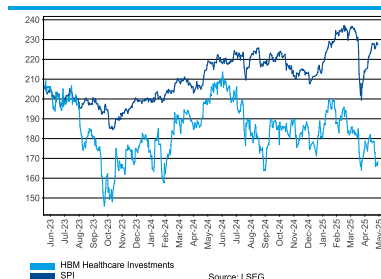
Other Financials

Reuters: HBMN.S Bloomberg: HBMN SE

Add

Closing price as of 14-May-25	CHF 168.40
Target price	CHF 236.00
High/Low (12M)	CHF 213.50/164.00
Market cap.	CHF mn 1,158
Enterprise value	CHF mn 1,028
Free float	82.9%
Avg. daily turnover	CHF mn 1.08

Price relative to Index



Performance (%)	1M	3M	6M
Absolute	-2.5	-10.4	-10.2
rel. SPI	-10.3	-8.1	-16.4
rel. STOXX Europe 600	-11.3	-8.9	-17.5
rel. SXXP Financial Serv.	-14.0	-7.8	-19.1

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Return to profit in a tough environment, CHF 18.5mn net result

Our conclusion

- **HBM reported a net profit of CHF 18.5mn for FY24/25, a clear recovery from last year's loss (CHF -1.1mn)**, though below our forecast of CHF 49.7mn. While public and fund investments were broadly flat, the performance was supported by strong private value creation.
- **Despite coming in below our net expectations**, this return to profitability underscores the resilience of the private portfolio, particularly in a year where Biopharma investments remained subdued, and private biopharma investments faced significant headwinds.
- Compared to some listed peers, HBM benefits from a **more balanced portfolio**, capturing opportunities in both private and public markets, with limited near-term IPO exposure and 47% of assets in profitable companies. While broader biotech sentiment remains cautious, the **significant NAV discount offers valuation support and potential upside** as market conditions normalize.

Facts & Analysis

- **Major positive drivers** included Yellow Jersey (CHF +59mn), Dren Bio (CHF +58mn), and Swixx BioPharma (CHF +53mn), underlining the strength of the private portfolio. Offsets came from ConnectRN (CHF -29mn) and markdowns in selected public holdings such as Y-mAbs (CHF -35mn) and Biohaven (CHF -21mn).
- NAV/share reportedly increased by 1.5% to CHF 244.41, while the share price declined to CHF 181.00, implying a growing discount to NAV (-26%). The Board proposes an unchanged cash distribution of CHF 7.50/share (4.1% yield).

Reported figures vs. Baader Helvea expectations

CHF mn	2023/24	2024/25	2024/25E	2025/26E
	Actual	Actual	Baader	Baader
Net results	-1.1	18.5	49.7	105.1
EPS (CHF)	-0.16	2.72	7.24	15.29
NAV/Share (CHF)	248.1	244.41	245.4	253.3

Source: Company data, Baader Helvea Equity Research

Key financials

CHF mn	2023/24	2024/25E	2025/26E	2026/27E	CAGR (%)
Sales	23.8	76.9	132.3	134.4	78.1
EBIT adj.	-2.6	51.7	107.1	109.3	-
EPS adj. (CHF)	-0.16	7.24	15.29	15.60	-

Source: Company data, Baader Helvea Equity Research

Valuation ratios

x	2023/24	2024/25E	2025/26E	2026/27E
EV/Sales	48.9	15.0	7.8	7.5
EV/EBIT adj.	-451.8	22.2	9.6	9.3
P/E adj.	-	25.5	11.0	10.8

HBM Healthcare Investments

Key data

FY 31 Mär.	2021/22	2022/23	2023/24	2024/25E	2025/26E	2026/27E
Share data						
EPS rep. (CHF)	-11.22	-20.98	-0.16	7.24	15.29	15.60
EPS adj. (CHF)	-11.22	-20.98	-0.16	7.24	15.29	15.60
Dividend (CHF)	12.51	9.70	7.52	7.19	7.38	7.38
Book value (CHF)	285.56	255.02	248.10	245.44	253.33	261.52
Free cash flow (CHF)	-22.07	12.87	13.51	9.44	9.44	10.16
Avg. no. of shares (mn)	7.0	6.9	6.9	6.9	6.9	6.9
Market cap. (avg./current, CHF mn)	2,296.4	1,595.3	1,267.1	1,267.8	1,157.8	1,157.8
Enterprise value (CHF mn)	2,221.6	1,512.4	1,163.0	1,150.3	1,028.1	1,011.0
Valuation						
P/E adj. (x)	-	-	-	25.5	11.0	10.8
P/BV (x)	1.2	0.9	0.7	0.8	0.7	0.6
FCF/EV (%)	-6.9	5.9	8.0	5.6	6.3	6.9
FCF yield (%), (FCF/Mcap.)	-6.7	5.6	7.3	5.1	5.6	6.0
Dividend yield (%)	3.8	4.2	4.1	3.9	4.4	4.4
EV/Sales (x)	-59.2	-13.0	48.9	15.0	7.8	7.5
EV/EBITDA adj. (x)	-29.5	-10.4	-451.8	22.2	9.6	9.3
EV/EBIT adj. (x)	-29.5	-10.4	-451.8	22.2	9.6	9.3
EV/CE (x)	1.2	0.9	0.7	0.7	0.6	0.6
ROCE/WACC adj. (x)	-	-	-	-	-	-
Key company data						
Sales growth (%)	-104.1	210.8	-120.4	223.2	72.1	1.6
EBITDA growth adj. (%)	-110.0	94.1	-98.2	-2110.2	107.1	2.0
EBITDA margin adj. (%)	200.7	125.4	-10.8	67.3	81.0	81.3
EBIT margin adj. (%)	200.7	125.4	-10.8	67.3	81.0	81.3
Net margin adj. (%)	207.9	124.7	-2.0	67.3	81.0	81.3
Free cash flow margin (%)	409.0	-76.5	390.3	84.4	49.0	52.0
Payout ratio (%)	-111.5	-46.3	-10622.2	95.5	47.3	46.4
Gearing (%), (net debt/equity)	-3.8	-4.7	-6.1	-6.9	-7.4	-8.1
Net debt/EBITDA (x)	1.0	0.6	40.4	-2.3	-1.2	-1.3
Equity ratio (x), (equity/total assets)	91.2	90.7	93.4	93.4	93.6	93.8
Capital employed (CHF mn)	1,920.5	1,693.1	1,578.2	1,565.0	1,607.3	1,646.7
ROCE adj. (%)	-3.9	-8.6	-0.2	3.3	6.7	6.6
Income statement (CHF mn)						
Turnover	-37.5	-116.5	23.8	76.9	132.3	134.4
EBITDA	-75.2	-146.1	-2.6	51.7	107.1	109.3
EBITDA adj.	-75.2	-146.1	-2.6	51.7	107.1	109.3
EBIT	-75.2	-146.1	-2.6	51.7	107.1	109.3
EBIT adj.	-75.2	-146.1	-2.6	51.7	107.1	109.3
EBT	-78.0	-145.3	-0.5	51.7	107.1	109.3
Net profit after minorities	-78.0	-145.3	-0.5	51.7	107.1	109.3
Net profit adj.	-78.0	-145.3	-0.5	51.7	107.1	109.3
Balance sheet (CHF mn)						
Non-current assets	1,947	1,714	1,607	1,565	1,607	1,647
thereof goodwill	-	-	-	-	-	-
Current assets	225	232	205	217	229	246
Total assets	2,172	1,946	1,813	1,813	1,867	1,924
Shareholders' equity	1,982	1,765	1,693	1,694	1,748	1,805
Total equity and liabilities	2,172	1,946	1,813	1,813	1,867	1,924
Net debt	-75	-83	-104	-117	-130	-147
Cash flow (CHF mn)						
Cash flow from operations	-167.1	-29.5	-25.6	-25.1	-25.1	-25.1
of which change in working capital	0.1	0.0	0.0	0.0	0.0	0.0
Cash flow from investments	13.7	118.7	118.5	90.0	90.0	95.0
of which investment in fixed assets	-	-	-	-	-	-
Free cash flow	-153.4	89.1	92.9	64.9	64.9	69.9
Dividends paid	-87.0	-67.2	-51.7	-49.4	-50.7	-50.7
Cash flow from financing activities	-42.7	-74.3	-122.3	0.0	0.0	0.0
Change in cash position	-205.5	8.4	-28.6	13.5	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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Company	Date	Rating	Currency Target price	Closing price as of	Analyst
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