

Release as at February 9, 2024

## Investor interest returns – dividend yield remains high for 2024

After a difficult 2023 stock market year, above all due to higher interest rates, the capital markets are now once again looking at biotech companies with interest. The prospect of falling interest rates has led to a rethink. While the majority of investors favor large biotech companies, the giants of this industry are competing for the acquisition of smaller biotech players in order to further expand their pipeline and access to technology. The latest rise in acquisition activity, combined with a stronger capital market that makes it easier for companies to procure operating capital again, is not only supporting the sector – it also shows that biotechs are very attractively valued and that impressive innovative strength remains an enduring feature of smaller and mid-cap biotech companies.

As a result of this recovery trend, the net asset value of BB Biotech showed a positive performance of 1.8% in terms of USD in 2023, although currency depreciation meant that the performance was negative in CHF (-7.4%) and EUR (-1.3%). The stock was unable to keep up with this development: its overall performance came in at -18.1% in CHF and -15.2% in EUR. As a consequence, the premium shrank over the course of the year to the point where the stock was trading at around book value at the year-end.

### Dividend remains high

The volatility of equity markets notwithstanding, BB Biotech is continuing its attractive dividend policy: A dividend of CHF 2.00 will be proposed at the upcoming Annual General Meeting on March 21, 2024, which corresponds to a dividend yield of 5% on the volume-weighted average stock price in December 2023. A dividend of this magnitude is exceptional not just in the Swiss equity market, but also in an international comparison.

### Numerous stimuli for 2024

The barometer is set fair for 2024. Whereas the US drug licensing authority (FDA) authorized just 37 medicinal products in 2022, this figure improved to 55 in 2023. Experts are anticipating similarly high approval figures for 2024 too. The Investment Management Team of BB Biotech perceives numerous stimuli that should prove positive not just for the industry but also for the portfolio companies – such as planned product launches, key results of clinical studies, licensing deals, and M&A activities.

A number of important milestones have already been reached by the BB Biotech portfolio in the first few weeks of the year. In January, leading company Vertex announced positive results from its Phase III studies involving VX-548 to treat acute post-operative and non-operative pain. An oral, selective NaV1.8 inhibitor, VX-548 has demonstrated a significant reduction in pain without the dependency risk of opioids, which is an important aspect given the backdrop of the opioid crisis in the US. The company is planning to submit an application for authorization to the FDA by mid-2024. This program should prove to be one of the next major commercial successes of Vertex following the very impressive success of the company's cystic fibrosis drug.

Meanwhile, Alnylam's HELIOS-B program to treat patients with transthyretin amyloidosis cardiomyopathy (ATTR-CM) should likewise prove very important in the fourth quarter of the year – and not just for Alnylam itself, but also for Ionis, BB Biotech's largest investment.

Another key milestone is the publication of the results of Intra-Cellular Therapies Phase III study on the treatment of severe depression. In addition, numerous potential product authorizations are on the cards,

Moderna being a good example. This company is expecting to receive authorization for its vaccine against respiratory-syncytial virus (RSV).

These promising fundamental stimuli, coupled with a constructive capital market environment, a pick-up in M&A activities and historically low valuations should offer investors an attractive entry point.

## BB Biotech key data

ISIN	CH0038389992
Dividend (proposed)	CHF 2.00
Dividend yield	5%*
General Meeting of Shareholders	21.03.2024
Ex-dividend	25.03.2024
Record date	26.03.2024
Payment	27.03.2024

\* Calculated on the volume-weighted average price of the stock in December of the fiscal year in question, the dividend being proposed by the Board of Directors of BB Biotech equates to a dividend yield of 5%.

## Further information:

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### Company profile

BB Biotech AG is an investment company with its registered office in Schaffhausen/Switzerland and listed on the Swiss and German stock exchanges. It has invested in innovative drug developers headquartered primarily in the US and Western Europe. BB Biotech is one of the world's largest investors in this sector. The competent Board of Directors with its long-standing experience set the investment strategy and guidelines. Investment decisions are taken by the experienced investment management team of Bellevue Asset Management AG based on their extensive investment research.

### Disclaimer

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