



BB Biotech: Underestimated opportunities are a chance!

In our view, biotechnology is on the brink of a revolution driven by the application of Artificial Intelligence (AI). AI has the potential to fundamentally transform research and development in the pharmaceutical and biotechnology sectors. It can uncover new diagnostic and therapeutic approaches, expand the range of potential drug candidates, and reduce the number of necessary lab tests. Especially in the early stages of therapy development projects, AI can provide significant added value. For companies in this industry, this means not only increased efficiency but also shorter development times for new medications, leading to substantial cost advantages.

The Role of AI in Drug Development

A look at the development pipeline of many pharmaceutical and biotech companies reveals that AI is already playing a crucial role. From identifying new target molecules to optimizing drug candidates, AI can be employed in nearly every phase of drug development. For example, AI enables the consideration of far more potential drug molecules than previously possible. These molecules are then screened more efficiently, ensuring that only the most promising ones proceed to clinical trials. The advantage is fewer projects being terminated in the clinical phase, leading to a higher success rate and faster time to market.

The Future Has Begun

A recent report indicates that AI-driven drugs often exhibit a promising safety profile and are typically developed more rapidly. Although these effects cannot yet be fully quantified, initial data suggest a positive trend. The potential of AI in pharmaceutical research and development is expected to continue unfolding over the next ten to twenty years, profoundly transforming the industry.

BB Biotech – A Winner of the AI Revolution?

BB Biotech is a leading investment company in the biotechnology sector, known for its focus on innovative companies with high growth potential. The company invests in a select number of biotech firms that are typically at the forefront of technological advancements. Historically, BB Biotech has delivered reliable returns, and there is reason to believe that the company will benefit from advancements in AI. With a concentrated portfolio that focuses on a few, but promising companies, BB Biotech has achieved above-average performance over the long term.

Long-Term Prospects and Challenges

While the outlook for the biotechnology sector is promising, challenges remain. Financing for young biotech start-ups continues to be difficult, and access to capital markets remains a hurdle, particularly during periods of higher financing costs. Biotech stocks will also reflect the interest rate environment, making it sensible to increase positions during weaker phases.

Investing in biotechnology requires not only expertise but also patience and a long-term perspective. Biotechnology companies often undergo lengthy development cycles, and not every project succeeds. Nevertheless, for long-term investors willing to take on risks, there are significant opportunities. The development and application of AI in biotechnology, along with demographic trends, promise immense advancements and opportunities. BB Biotech is well-positioned to benefit from these developments.

BB Biotech

Stock Check

Profit Growth:	Fluctuating, normal for investment companies	+ -
Debt:	Very Low	+
P/E Ratio Evaluation:	Fluctuating, in line with profit growth	+ -
Industry Outlook:	Above-average	+
Technical Analysis:	At a multi-year low	-
Market Leader:	Absolute in this form	+
Management Quality:	Very Good	+
Dividend Yield:	Excellent	+
Business Model:	Promising for the long term	+
Insider Buys/Sells:	No notable activity	+

BB Biotech in USD (5 years)



BB Biotech <https://www.bbbiotech.ch>

ISIN	CH0038389992
Current Price	39.85 CHF
Market Capitalization	2.15 billion CHF
Net Asset Value (NAV) as of 30.09.22	43.27 CHF
Dividend 2024e	2.60 CHF
Dividend Yield 2024e	6.3%
Earnings Per Share 2024e	3.74 CHF
P/E Ratio 2024e	11

Buy-Order

ISIN	CH0038389992
Transaction	Buy
Exchange	SIX / XETRA
Quantity	22
Current Price	39.85 CHF / 41.65 €
Buy-Limit	41.50 CHF / 43€

Our conclusion: A diversified investment strategy, such as the one pursued by BB Biotech, is the best way to capitalize on new trends. Picking individual stocks that appear to be the best, as practice shows, is often doomed to failure. In our LTP, we are taking advantage of the current low price level and purchasing an additional tranche.

You can buy the stock either on the swiss exchange (SIX) under the Ticker symbol BION or you can buy it on a german exchange (e.g. XETRA/ETR) under the ticker BBZA.