

INVESTMENT COMPANIES

17 September 2024

MARKETING COMMUNICATION

PH

DATA	HBMN SWX
RIC	HBMN.S
Price (13/9/2024)	CHF 164.0064
NAV	CHF229
Discount/Premium	-28%
12m Avg Discount/Premium	-24%
Market Cap	£1.0bn
30d avg daily traded value	£654k
Dividend yield	4.6%

Source: Morningstar, LSEG Data & Analytics, Peel Hunt

TEAM

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#Corporate client of Peel Hunt

HBM HEALTHCARE INVESTMENTS#

OUTPERFORM

A hybrid approach to healthcare

- HBM Healthcare Investments (HBMN) offers access to an internationally diversified portfolio of high-growth healthcare companies across public and private markets.
- Private equity represents c.48% of the portfolio, and roughly half of the public equity exposure (c.43%) was previously held via private equity.
- HBMN has a strong long-term performance record; however, China exposure has been a headwind more recently, and the discount has widened.

We see HBMN's blend of public and private equity as offering a unique exposure to multiple healthcare themes, with numerous portfolio company catalysts on the horizon and potential for a revival in IPO activity to enhance returns. We initiate coverage with an **Outperform** rating.

Hybrid public/private strategy. HBM Healthcare Investments is a SIX Swiss Exchange-listed investment company that launched in 2001 and listed in 2008. The strategy targets high-growth companies, both public and private, and is centred around the human medicine, biotechnology, medical technology and diagnostics sub-sectors. The fund has an international remit, though the portfolio is predominantly exposed to US and European companies, alongside Asia. Public equity positions held within the portfolio often began life as private investments, reflecting the long-term investment horizon the strategy applies.

Annual dividend from capital. The company typically pays an annual dividend distribution during 3Q of each year, set at 3-5% of the yearend share price, which has historically been funded from realised gains across the portfolio. This forms part of the company's ambition to return 5-8% a year to shareholders via a combination of share buybacks and dividends. Based on FY22-24 dividends being set at c.3% of yearend NAV, and the latest NAV of c.CHF229, we estimate HBMN offers a dividend yield on the current share price of c.4.2%.

Specialist and highly experienced manager. HBM Partners is a specialist Swiss healthcare asset manager with US\$2.1bn of AUM as at end-August 2024 (the bulk of which is represented by HBMN). Alongside HBMN, the team also manages sector (biotechnology and healthcare) and regional (China and India) open-ended equity funds. The investment team is comprised of c.20 investment professionals, including former industry executives and experienced investors, and is led by Dr. Matthias Fehr (Head of Private Equity) and Dr. Ivo Staijen (Head of Public Equity). The investment process is driven by in-house research and due diligence, particularly around assessing clinical data and market potential, alongside the quality of management leading the companies. The team also seeks to add value through active involvement with portfolio companies, which often includes board representation or observing rights, and advising on potential capital markets transactions (e.g., IPO strategy). Across private investments, this is supported by HBMN often taking minority equity positions in target investments. Across public investments, the team targets undervalued companies with strong growth prospects and/or upcoming clinical or regulatory milestones.

Portfolio

The global portfolio is diversified across public and private equity.

The portfolio is also diversified by sub-sector...

...and by maturity stage...

...with HBMN able to support a company's growth trajectory over the long term.

The portfolio comprised over 90 investments as of end-August 2024 (58 public equity holdings, 36 direct private equity investments), and has a meaningful exposure to US-listed business. As of end-June 2024, c.46% of the portfolio was invested in the Americas, c.29% in Asia (notably China and India), and c.25% in Europe. By currency, the portfolio is c.58% USD, c.12% EUR, c.11% CNY, c.9% CHF, c.5% INR and c.5% other currencies.

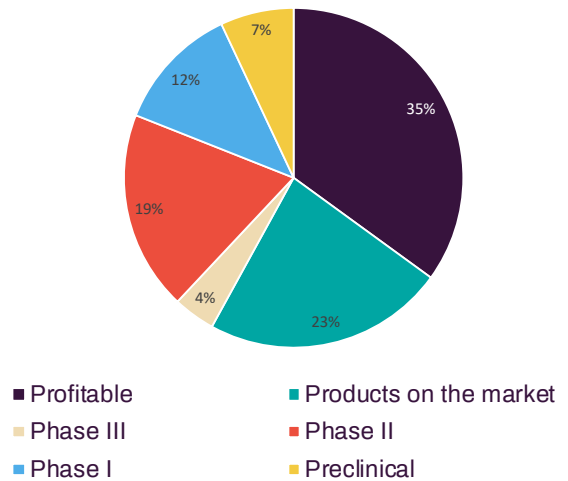
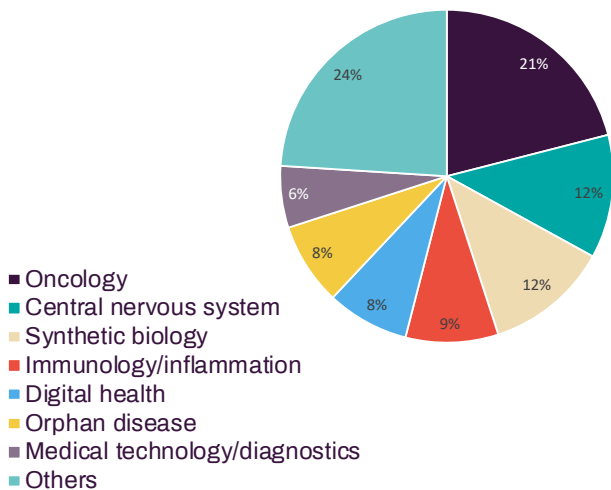
The portfolio is intentionally diversified by sub-sector, reflecting the team's opportunistic approach to stock selection, rather than solely focusing on certain themes or trends. At the company level, no single position can represent more than 10% of NAV at the time of investment, but the team is happy to run their winners – and top-performing holdings can represent a meaningful proportion of the portfolio (e.g., Cathay Biotech as highlighted below). There is no target allocation for the portfolio between public and private investments; new investments are driven by the opportunity set identified by the team's bottom-up investment process. For example, currently, the team sees greater value in discounted public investments rather than committing money to new private deals.

Additionally, the portfolio is spread across maturity stages, with approximately half either profitable (35%) or with product(s) on the market (23%), and the remainder either preclinical (7%) or going through Phase I, II, or III trials (35%). The team seeks to invest in relatively early-stage companies through later-stage venture rounds when a company might have one or more products in clinical development, but importantly, these companies have already achieved proof of concept. The team also considers providing growth capital to companies at the point of early/maturing clinical data, where funding near the time of product launch might be required.

Since HBMN invests for the long term, taking advantage of the fund's closed-ended structure (rather than being at the mercy of a fixed-life private equity fund), the team can support investments through subsequent funding rounds and potentially even continue holding through the exit event if the company should IPO. Indeed, much of the portfolio's public equity exposure is through companies HBMN has held from being a private equity investment.

Figure 1: Total assets by sub-sector

Figure 2: Total assets by development phase



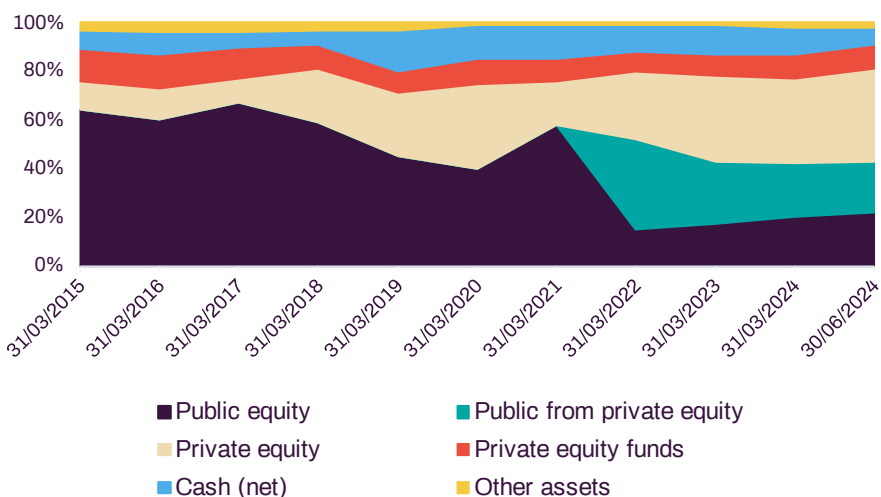
Source: Company data as at 30/06/2024, Peel Hunt

Source: Company data as at 30/06/2024, Peel Hunt

The current private equity portfolio appears to offer several realisation candidates.

The average holding period for companies sold directly from the private portfolio is c.2.5 years, private companies that went public c.1.5 years (from investment to IPO) and the private companies still held in the portfolio is c.4.7 years.

Figure 3: HBMN asset allocation – Private equity plays a significant role



Source: Company accounts, Peel Hunt

Private equity funds exposure within the portfolio has been decreasing over time.

The private equity funds exposure within the portfolio (c.10 funds that are predominantly vehicles not also managed by HBM Partners) is the predominant source of the portfolio's exposure to China and India, and has gradually been decreasing over time with limited outstanding commitments remaining (c.£12m as of end-June 2024). However, HBMN has selectively co-invested alongside some of the funds, which can act as a source of private investments deal flow over time.

Figure 4: HBMN top holdings

Name	Weight (%)	Type	Stage	Mkt cap (£m)*	HBMN ownership (%)	Core business
Cathay Biotech	10.8	Public from Private Equity	Profitable	2,880	6.1	Synthetic biology (long chain diacids, carbohydrates, special enzymes, green nylon)
Swixx BioPharma	9.4	Private Equity	Market	590	26.3	Full representation of biopharma companies in central and eastern Europe
Yellow Jersey (Numab)	4.4	Private Equity	Phase I	920	7.8	Next-generation multi-specific antibody platform for cancer and inflammation
Harmony Biosciences	3.2	Public from Private Equity	Profitable	1,510	3.8	Drug for the treatment of narcolepsy
Neurelis	2.7	Private Equity	Market	430	10.3	Nasal spray for the treatment of epileptic seizures

Source: Company data as at 30/06/2024, Peel Hunt. *Implied company valuation (for private companies). Yellow Jersey Therapeutics is a demerged subsidiary of Numab Therapeutics, which was acquired by J&J. HBMN continues to hold a stake of c.8% in Numab Therapeutics.

HBMN's largest investment, Cathay Biotech, has been owned since 2006.

The top holdings noted above highlight the diversification built into the portfolio, notably the spread across public and private equity investments, size and maturity of the company, and the different ownership stakes that HBMN has in each.

The largest portfolio investment, **Cathay Biotech**, has been held in the HBMN portfolio since May 2006, having originally been a private equity investment before successfully completing an IPO in August 2020. The company is profitable and a leader in the production of bio-based materials. HBMN remains restricted on the disposal of its stake, having sold one-seventh of the pre-IPO position to date (HBMN previously held a 7.1% ownership stake). HBM is still considered an insider with a shareholding above 5% and remains subject to blackout period/trading windows (determined by the Shanghai Stock Exchange) and disclosure requirements related to share disposal. Nonetheless, the HBMN team remains comfortable with the position in the portfolio, highlighting that the sector continues to attract a lot of interest and the company has a strong product offering, but continues to suffer from an overhang of poor investor sentiment towards China – that the team believes could reverse quickly in the future.

HBMN has one publicly traded bond outstanding, with July 2027 maturity.

Private equity valuations are conducted according to IPEV guidelines.

HBMN has delivered competitive long-term returns, supported by the private equity portfolio's performance.

Harmony Biosciences, a biotech company specialising in central nervous system (CNS) disorders, has been recognised for its potential in the narcolepsy market, reporting that Wakix was approved for paediatric patients six years and older. Alongside this positive, Harmony is looking at additional indication expansion sought across Prader-Willi Syndrome, fragile X syndrome and patients with myotonic dystrophy.

HBMN has one bond outstanding, also listed on the SIX Swiss Exchange (ISIN CH1109638499), with CHF100m par value (c.£90m) and coupon of 1.125% maturing in July 2027. HBMN had cash of CHF132m at end-June 2024, reducing net debt and providing liquidity for investment activity and to meet the dividend payment (the FY24 dividend was paid in early August 2024 for a total of c.CHF52m).

HBMN does not currently use short-NBI contracts but will consider using them in the future, depending on the market environment. These instruments are typically used when the index is deemed to be in higher territory.

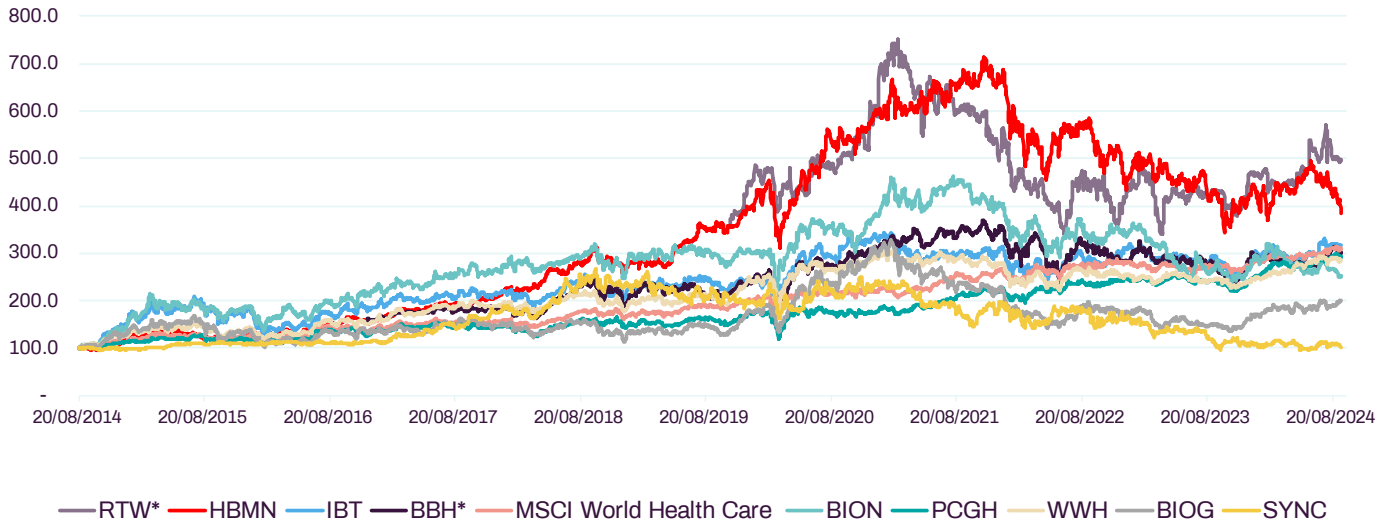
Valuation

Private companies held within the portfolio are either valued at cost, even where there may have been positive clinical progress, or, where companies have substantial sales and are profitable, valued on the basis of listed peer multiples with an appropriate discount applied. Companies that underperform expectations are progressively written down in steps of 25%. Valuation adjustments are made either as a result of a new financing round with external investors or when the performance of the company is significantly different from expectations. Valuations are conducted according to IPEV guidelines. If there is a need for valuation adjustments, the investment advisors will communicate that ad hoc or in the weekly meetings of the Private Equity team. In addition, the valuations of all private company holdings are reviewed proactively during the semi-annual portfolio review meeting. Of the 36 private equity investments in the portfolio, 10 have experienced a negative valuation adjustment, 10 are held at cost and 14 have been marked up.

Performance

HBMN has delivered competitive long-term returns, supported by the private equity portfolio's performance. From 2009 to end-December 2023, HBMN's overall multiple on private equity investments has been 2.0x with c.65% realised). Indeed, FY20 and FY21 saw the portfolio benefit from 17 IPOs from the private portfolio, alongside multiple acquisitions from the public portfolio, contributing to HBMN's outperformance during that period. However, the challenging environment for growth equities that began in 2022, against a backdrop of rising interest rates, hindered HBMN's performance in FY23 and FY24. This was further impacted by exposure to China (notably Cathay Biotech), as the Chinese market underperformed.

Figure 5: Share price total returns over the last 10 years, in GBP rebased to 100



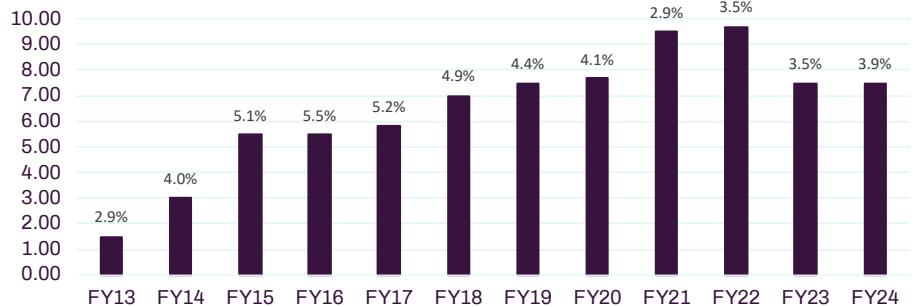
Source: Morningstar, Peel Hunt. * Rebased to HBMN performance series where launched during the last 10 years.

The IPO market remains challenging, but listed market performance has improved.

The manager notes the improvement in listed equity performance since late-2023 has been beneficial, although share price volatility around clinical events can be severe depending on the outcome, with disappointments punished. Additionally, despite HBMN’s track record benefitting from over 65 trade sales or IPOs since launch, the manager notes that the IPO market remains challenging, particularly the post-IPO share price performance. The improvement in listed market performance in the last 12 months has generally supported M&A activity, with the outcome of the US election and interest rate outlook identified by the manager as key factors likely to influence the exit environment going forward. HBMN has achieved an average realised multiple (proceeds vs. cost) of 3.81x (companies sold directly from private equity) and 1.90x (private – IPO – exit via public market).

Dividend and discount

Figure 6: HBMN dividend history, CHF per share declared, yield on yearend share price %

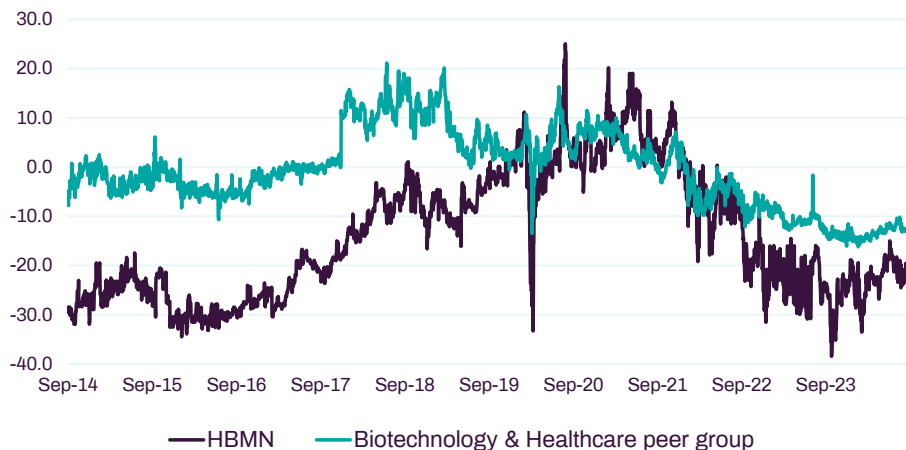


Source: Company data, Peel Hunt. The company also paid a special dividend of CHF3.00 in respect of FY21.

HBMN pays an annual dividend equivalent to a yield of 3-5% on the yearend share price.

Since FY13, the company has followed a policy of declaring an annual dividend equivalent to a yield of 3-5% on the yearend share price, averaging 3.5% over the last five financial years. Bumper returns from the portfolio in FY21 supported HBMN declaring total distributions of CHF12.50, including a special dividend of CHF3.00 – marking the fund’s 20th anniversary.

Figure 7: HBMN share price rating, discount/premium to NAV (%)



Source: Morningstar, Peel Hunt

HBMN utilises share buybacks, alongside the annual dividend, to manage the discount.

HBMN currently trades at a discount of c.28%. Aside from the annual dividend, the company also utilises share buybacks as a means of managing the discount. The last share buyback programme for up to 696k shares (10% of ISC at that time) was announced in June 2022, to run from 29 June 2022 to 27 June 2025. HBMN bought back 89k shares during FY24 (FY23: nil), representing 1.3% of the outstanding shares, for CHF15.6m.

Peers

HBMN has a variety of closed-ended peers that we have considered:

Figure 8: Closed-ended healthcare peer data

Ticker	Name	Strategy focus	Mkt cap (£m)	Rating (%)	Dividend yield (%)	NAV Total Returns			Discount control mechanism	Performance fee
						1Y	3Y	5Y		
BBH	Bellevue Healthcare Trust	Public healthcare	690	-8	3.3	10.6	-2.0	9.4	Buybacks, Annual redemption facility	No
PCGH	Polar Capital Global Healthcare Trust	Public healthcare	470	-5	0.6	17.1	9.6	12.4	Buybacks, Continuation vote	Yes
WWH	Worldwide Healthcare	Public healthcare	1,870	-10	0.8	18.0	3.7	9.1	Buybacks, Continuation vote	Yes
BION	BB Biotech AG	Public biotech	1,860	-10	6.7	3.1	-8.0	2.1	Buybacks	No
BIOG	Biotech Growth Trust	Public biotech	340	-8	0.0	35.1	-4.5	7.1	Buybacks, Continuation vote	Yes
IBT	International Biotechnology Trust	Public biotech	250	-10	4.1	14.4	3.8	8.6	Buybacks, Continuation vote	Yes
RTW	RTW Biotech Opportunities	Hybrid public/private	390	-26	0.0	20.9	5.7	0.0	Buybacks	Yes
HBMN	HBM Healthcare Investments AG	Hybrid public/private	1,020	-28	4.6	-4.2	-6.5	8.7	Buybacks	Yes
SYNC	Syncona	Private healthcare	720	-37	0.0	-2.8	0.0	-2.3	Buybacks	No

Source: Company data, Morningstar, LSEG Data & Analytics, Peel Hunt estimates. Data as of 16/09/2024.

HBMN sits within a diverse peer group.

The peer group ranges from those focused on listed healthcare (BBH, PCGH, WWH) and listed biotech (BION, BIOG, IBT), to those primarily focused on unlisted investments or that pursue a longer-term private-to-public strategy (RTW, SYNC). Additionally, whilst we categorise IBT as being focused on listed biotech, it is worth noting that IBT also has a limited exposure to unquoted investments, predominantly through two unquoted funds, which represented c.8% of total investments at the end of February 2024.

HBMN's closest comparables are RTW and SYNC, in our view.

HBMN's closest comparables are RTW and SYNC. However, these comparables have distinct strategies. RTW blends listed and unlisted investments (c.68% public equity, c.23% private equity, c.6% royalties, and c.3% cash as of end-July 2024) and focuses on the biotech and medtech sectors. Conversely, SYNC has a greater weighting to unlisted investments; the life science portfolio represented c.64% of NAV as of end-March 2024, split between c.23% listed holdings and c.33% private companies. The capital pool represents the balance of NAV and includes cash, treasury bills, and fund investments. However, SYNC's strategy involves building businesses through majority stakes and hands-on involvement

However, RTW has a narrower sector focus, and SYNC has a focus on building businesses through majority stakes.

HBMN is one of the largest funds and offers one of the highest dividend yields.

Double-digit discounts are common for those funds with private equity exposure, like HBMN.

Performance fees are common across the peer group.

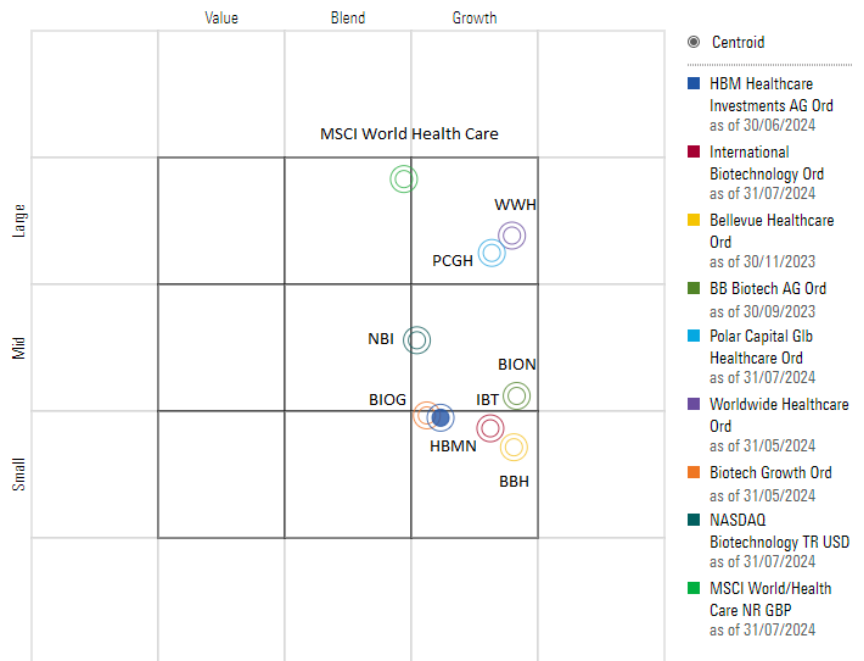
HBMN's long-term returns are competitive, however shorter time horizons have been less impressive.

from the SYNC management team led by CEO Chris Hollowood. Unsurprisingly, the SYNC portfolio is concentrated around 13 key investments, with a 10-year target to expand to 20-25 leading life science companies through investment funded by the capital pool. This is distinct from HBMN's significant minority position in unlisted investments, typically at a later stage in a company's life (i.e. HBMN is not typically involved in the creation of companies or seed investment rounds).

Alongside being one of the largest funds of the peer group, HBMN offers one of the highest dividend yields; and similar to other funds exposed to private equity (RTW and SYNC), it trades on a double-digit discount. We also note that performance fees are common across the peer group, with six of the nine companies highlighted having a performance fee element to the fee schedule. HBMN charges 15% of the increase in NAV at FY-end above the previous high water mark (HWM), provided NAV is more than 5% above the HWM, currently set at c.CHF298. In this regard, HBMN's latest NAV per share of c.CHF229 is c.24% below the last HWM+5% level (c.CHF301), which helps to partially reduce our concern around performance fee drag on a forward-looking basis. The use of share buybacks to manage discounts is common across the peer group, with only BBH offering investors a recurring liquidity event (through an annual redemption facility).

In the Performance section above, we highlighted HBMN's competitive long-term return profile. However, in Figure 8 we see that over comparatively shorter time horizons, HBMN's relative returns have been less impressive (one and three-year NAV total returns below the peer group average). Nonetheless, HBMN's annualised five-year NAV total return of +8.7% ranks competitively and includes the challenging period of performance where HBMN's allocation to China hindered performance.

Figure 9: Morningstar style box for the peer group – analysing public equity exposure



Source: Morningstar, Peel Hunt. Both RTW and SYNC were excluded where Morningstar's data is more than 12 months stale.

We can also see from the above Morningstar holdings-based style box that HBMN's public equity exposure is growth-biased, which is unsurprising given the sector focus, and has a small(er)-cap bias compared to both the MSCI World Health Care index and Nasdaq Biotechnology Index (NBI).

Conclusion

The backdrop for healthcare investing has been challenging since early 2022.

The combined effect of rising inflation, hawkish tones from central banks, and the rebasing of company valuations resulted in all but the most defensive healthcare subsectors being punished since January 2022. As a reminder of how much things have changed, c.30% of US Biotech IPOs in 2021 raised money on pre-clinical assets without a data readout being available for at least 12 months. This is almost unthinkable in the current environment, and we note that the US has seen just c.90 IPOs YTD vs. 1,035 in 2021. Many of these Biotech companies, and therefore Biotech indices, saw valuations halve between December 2021 and June 2022. This saw valuations (in high-growth companies) rapidly correct to 'price in' the risk that:

- These assets would not work;
- The price was wrong at the outset;
- Future cash flows, if the assets were successful, were worth less; and
- After an extended 'Biotech winter', many companies would be looking to recapitalise at the same time.

To make matters worse, much of the 'smart money' that cornerstoned many of the US deals/IPOs felt the pinch and were unable to follow their money. This was embodied by the collapse of Silicon Valley Bank (SVB) in March 2023, which worked with c.50% of life science-focused VC firms and life science companies in the US.

However, improvement in sentiment could be further supported by declining interest rates and potential political stability.

Despite a confirmed technical recession in 2H23 here in the UK and persistent challenges to inflows, as well as market wobbles on 'hard landings' in the US, we believe there is good reason to be more positive with central bank rates having turned the corner, or about to, and renewed political stability at home. Business optimism is also improving and there is broader understanding that some of the negativity from the Biotech Winter might have gone too far, especially on UK assets (US equities have rallied harder).

We believe the GFC represents the last similar period, from which healthcare outperformed.

We believe we would need to return to the Global Financial Crisis (GFC) to find a similarly challenging period, and note that healthcare dramatically outperformed the broader equity index (and all other sectors) following this difficult period. Where the coming of inflation in 2022/23 and central bank rate hikes depressed future earnings (and valuations), one of the biggest impacts on Healthcare & Life Sciences from the upcoming easing cycle, particularly in the small- to mid-cap space, should be to unwind some of these losses.

HBMN offers a unique exposure to multiple healthcare themes...

Whilst a Swiss-listed investment company denominated in CHF might not be investors' first port of call for exposure to the healthcare sector, we see HBMN's diversified blend of public and private equity as offering a unique exposure to multiple themes across the sector. Additionally, HBMN's portfolio has numerous catalysts that the manager expects to occur during the remainder of 2024 and into 2025, set against a favourable backdrop for FDA drug approvals. The portfolio of private equities should benefit from an eventual recovery in IPO activity – having been a key contributor to HBMN's returns in the past. We initiate coverage of HBMN with an **Outperform** rating.

...and the private equity portfolio should benefit from an eventual recovery in IPO activity.

Key information table

Figure 10: Morningstar style box for the peer group – analysing public equity exposure

Launch date	July 2001, listed in 2008.
Investment objective	To generate long-term capital gains through investments in private and public companies in the human medicine, biotechnology, medical technology and diagnostics sectors, and related areas.
Investment policy summary	<p>Within its target sector, HBMN invests predominantly in later-stage private companies that are attractively valued and have a convincing business model, including their product pipeline, technology and management. The initial investment is typically made in the later stages of clinical development, and where profitable or cash flow-neutral companies require financing for their expansion. There must be an attractive ratio between value-creation potential and the risk of the investment. HBMN may acquire majority participations in portfolio companies. Investments are made worldwide – primarily in Europe, Asia and North America.</p> <p>HBMN may use derivatives for portfolio and risk management purposes (e.g., short the NBI index to reduce overall market exposure). HBMN may also use derivatives unrelated to hedging (e.g., long options or short put options) up to 20% of net assets (selling uncovered call options is not permitted).</p>
Investment restrictions summary	No single investment will represent more than 10% of net assets at the time of acquisition.
Dividend target	The company typically seeks to return 5-8% to shareholders each year via dividends and share buybacks. Dividends for the last three financial periods amounted to c.3% of respective yearend NAVs.
NAV frequency	Fortnightly.
Currency hedging	The company may borrow in currencies other than sterling as part of its currency hedging strategy and uses forward FX contracts to mitigate the risk of short-term FX volatility on significant investment returns; however, the company does not hedge its exposure to FX in relation to foreign currency-denominated investment balance.
Gearing	Gearing is limited to no more than 20% of net assets at any time.
Investment adviser	HBM Partners AG – 18 months' notice.
Management fee	0.75% of net assets plus 0.75% of the company's market capitalisation.
Performance fee	15% of the increase in NAV at yearend (31 March) above the high water mark (HWM), providing NAV is more than 5% above the level at which the last performance fee was paid. The HWM is adjusted for dividend payments, and is currently set at a NAV per share of CHF290.57; therefore, the hurdle for payout is CHF301.10.
Ongoing charges	1.5% as per the latest key information document as at end-March 2024.
Discount management	The company typically seeks to return 5-8% to shareholders each year via dividends and share buybacks.
Board	<p>Non-executive independent board comprised of five NEDs and chaired by Hans Peter Hasler since 2009.</p> <p>Having previously received a percentage of the performance fee deducted from the amount payable to the investment adviser, this variable board compensation is no longer in place from FY24 onwards.</p>
Domicile / Listing / Life	Switzerland / Swiss SIX Exchange / Unlimited.
Website	https://www.hbmhealthcare.com/

Source: Morningstar, Peel Hunt. Both RTW and SYNC were excluded where Morningstar's data is more than 12 months stale.

Structure	Recommendation distribution at Today's Date					Recommendation distribution for publications in the last 90 days				
	Total	Investment Banking Clients		Other		Total	Investment Banking Clients		Other	
	No.	No.	%	No.	%	No.	No.	%	No.	%
Outperform	36	14	39	22	61	35	14	40	21	60
Neutral	16	1	6	15	94	16	1	6	15	94
Underperform	1	0	0	1	100	1	0	0	1	100
Under Review	0	0	0	0	0	0	0	0	0	0

Structure	Recommendation distribution at Today's Date					Recommendation distribution for publications in the last 90 days				
	Total	Investment Banking Clients		Other		Total	Investment Banking Clients		Other	
	No.	No.	%	No.	%	No.	No.	%	No.	%
Buy	225	115	51	110	49	309	175	57	134	43
Add	50	5	10	45	90	56	5	9	51	91
Hold	62	4	6	58	94	59	3	5	56	95
Reduce	5	0	0	5	100	7	0	0	7	100
Sell	0	0	0	0	0	0	0	0	0	0
Under Review	6	2	33	4	67	1	0	0	1	100

Peel Hunt's Recommendation Structure is as follows:

- Outperform Total shareholder return expected to outperform the peer group and/or benchmark over 12 months
- Neutral Total shareholder return expected to perform in line with the peer group and/or benchmark over 12 months
- Underperform Total shareholder return expected to underperform the peer group and/or benchmark over 12 months
- Buy, > +15% expected absolute price performance over 12 months
- Add, +5-15% range expected absolute price performance over 12 months
- Hold, +/-5% range expected absolute price performance over 12 months
- Reduce, -5-15% range expected absolute price performance over 12 months
- Sell, > -15% expected absolute price performance over 12 months
- Under Review (UR), Recommendation, Target Price and/or Forecasts suspended pending market events/regulation

NB The recommendation is the primary driver for analyst views. The target price may vary from the structure due to market conditions, risk profile of the company and capital returns

RESEARCH DISCLOSURES

Number Disclosure

1. Company is a corporate client of Peel Hunt
2. The Analyst has a shareholding in this Company
3. The Company holds >3% in Peel Hunt
4. Peel Hunt makes a market in this Company
5. Peel Hunt is Broker to this Company and therefore provides investment services to the Company
6. During the last 12 months Peel Hunt has received compensation from this company for the provision of investment banking services
7. During the last 12 months Peel Hunt has acted as a sponsor/broker/ NOMAD/ financial advisor for an offer of securities from this company
8. Peel Hunt holds >5% in Company (calculated under Market Abuse Regulation (EU) 596/2014)
9. 1% beneficial ownership (calculated for purposes of FINRA under Section 13(d)(g) of the Securities Exchange Act of 1934 and IROC Rule 3400)
10. Peel Hunt holds a net long position that exceeds 0.5% in the Company (calculated under Market Abuse Regulation (EU) 596/2014).
11. Peel Hunt holds a net short position that exceeds 0.5% in the Company (calculated under Market Abuse Regulation (EU) 596/2014).

Company	Date	Disclosures/Rating	Target Price	Price
Syncona	31 Jan 24	4 Buy	225p	118p

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