



TINSSA

# Swiss Biotechnology – Venture Capital

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**Johannesburg, October 2005**



# Agenda

- Venture Valuation
- Valuation
- Swiss Biotechnology
- Venture Capital in Switzerland



# Venture Valuation

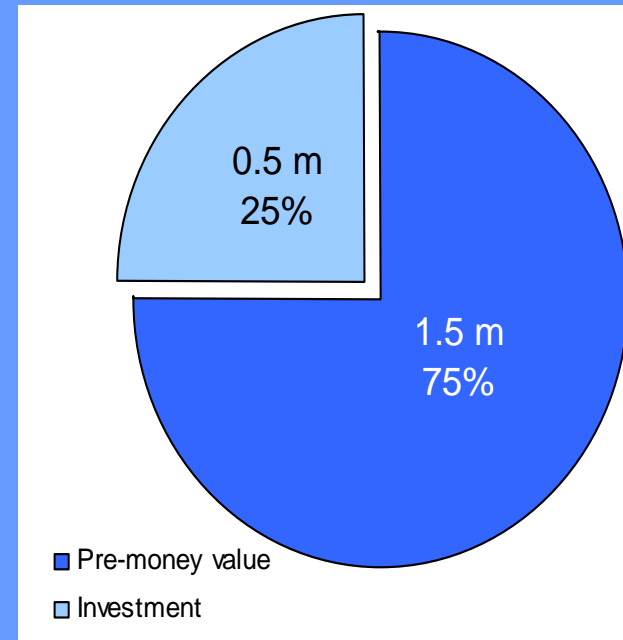
## Valuation Services

- Independent, third party Valuations
- Experts Finance / Industry
- Not a venture capitalist
- International experience (North America, Europe and Israel)
- Systematic / Validated Approach
- Track record of over 90 valued companies

# Why Valuations?

Multiple purposes

- Buy or sale (acquisition) or merger
- Extraction of key value drivers
- Needed for investment
- Basis for investment negotiations





## Price # Value



- **Value:** implies the inherent worth of a specific thing
- **Price:** depending on the market (supply / demand); whatever somebody is prepared to pay

“Price is what you pay. Value is what you get.”

By Warren Buffett



# Valuation Issues

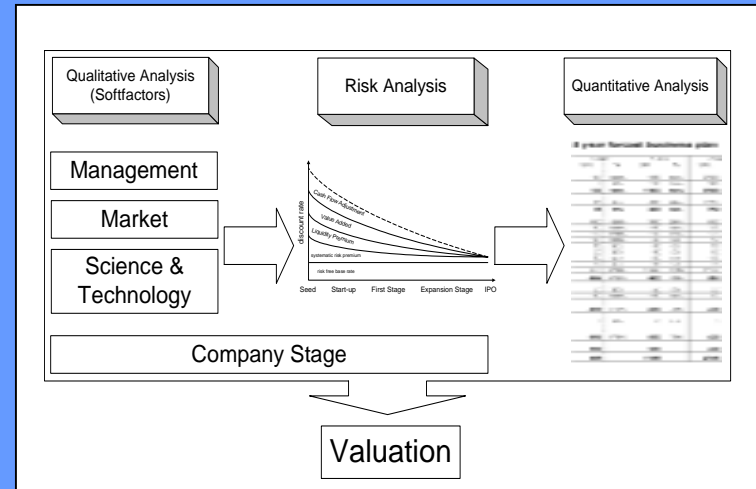


- Complex technology and IP situations
- Illiquidity of unquoted companies
- Long investment cycle
- Traditional valuation methods unsuited
- Industry lacks transparency
- Risk / Return



## Soft factors are essential ...

- Management
- Market
- Science & Technology
- ... and the company/product stage



to define the risk profile of company

# Biotechgate: a European Biotech Database

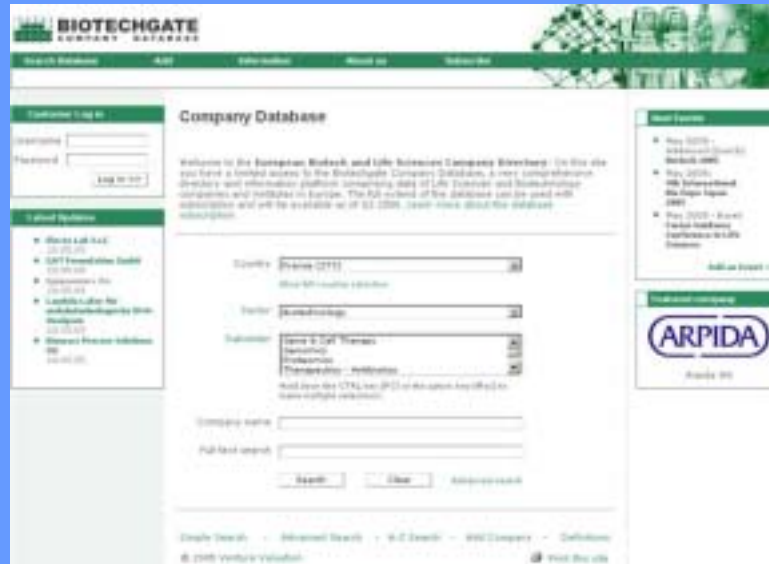
A European Biotech  
([www.biotechgate.com](http://www.biotechgate.com))  
database, fed by  
country Databases

[www.austrianbiotech.com](http://www.austrianbiotech.com)

[www.frenchbiotech.com](http://www.frenchbiotech.com)

[www.italianbiotech.com](http://www.italianbiotech.com)

[www.swisslifesciences.com](http://www.swisslifesciences.com)





# Biotechnology in selected EU countries

## Overview of some key figures

### Biotech Industry Overview

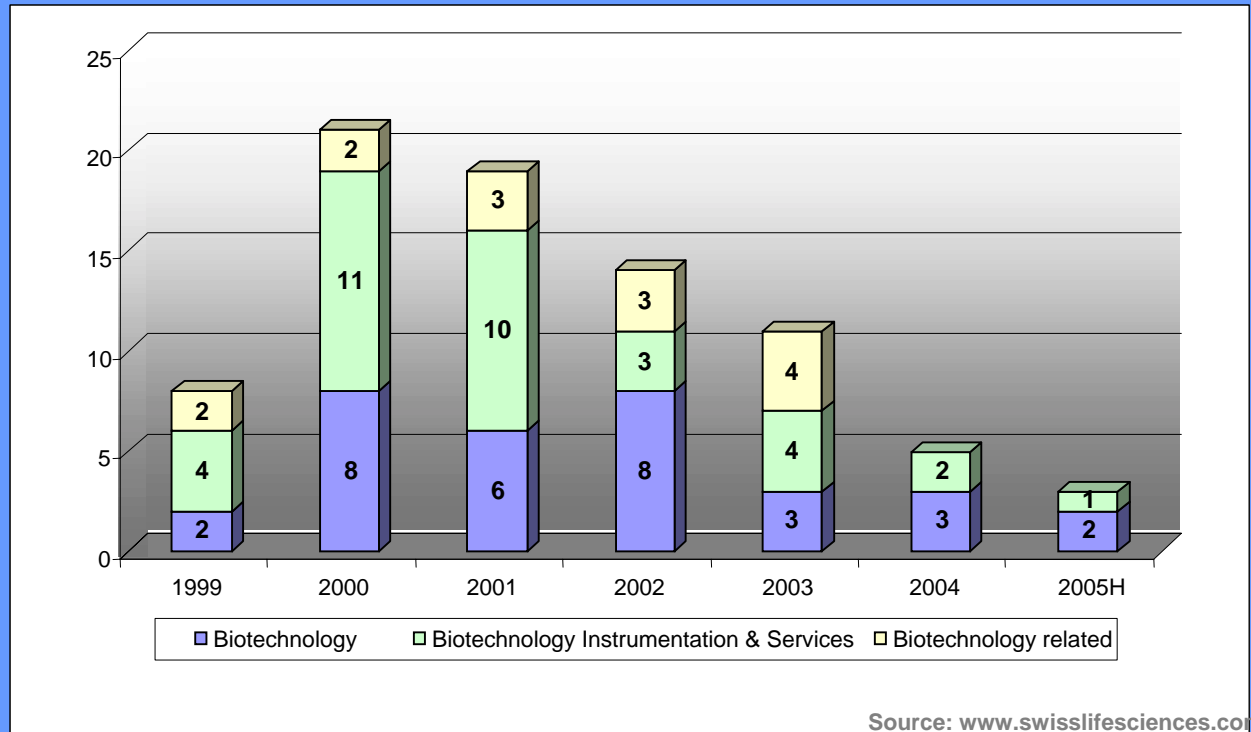
	Austria	France	Italy	Switzerland
Biotech Companies	<b>61</b>	<b>210</b>	<b>198</b>	<b>294</b>
Core Biotech Companies	<b>17</b>	<b>69</b>	<b>32</b>	<b>54</b>
New Comp. (2000-2005)	<b>16</b>	<b>68</b>	<b>33</b>	<b>76</b>
University spin-off	<b>66%</b>	<b>81%</b>	<b>52%</b>	<b>59%</b>
Up to 20 employee	<b>58%</b>	<b>62%</b>	<b>58%</b>	<b>52%</b>
# of clinical products	<b>5</b>	<b>58</b>	<b>39</b>	<b>67</b>

Comments: Based on information available on [www.biotechgate.com](http://www.biotechgate.com).

Biotech Industry  
In Switzerland



Swiss Biotech Companies 1999 – 2005 ((year founded)  
Breakdown by Main Categories

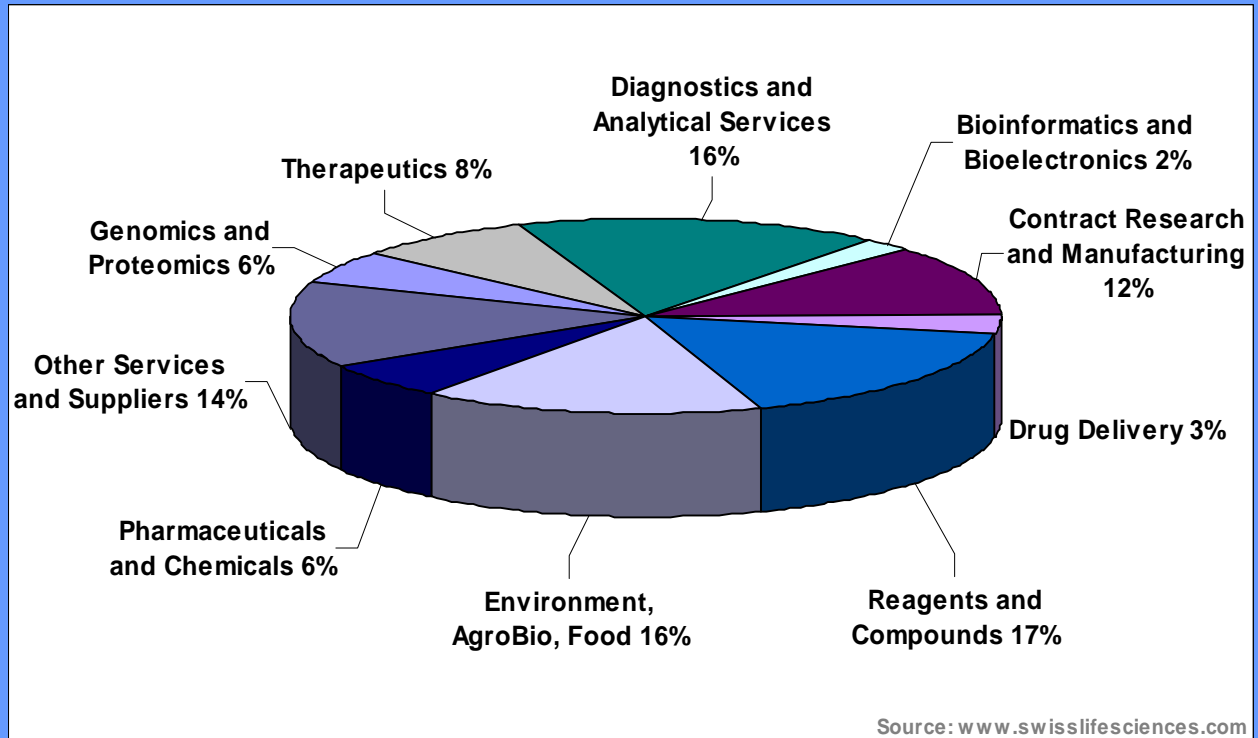


Comments: Total 81 foundations between 1999 - 2005.

Biotech Industry  
In Switzerland



Swiss Biotech Companies -  
Breakdown by Subcategories

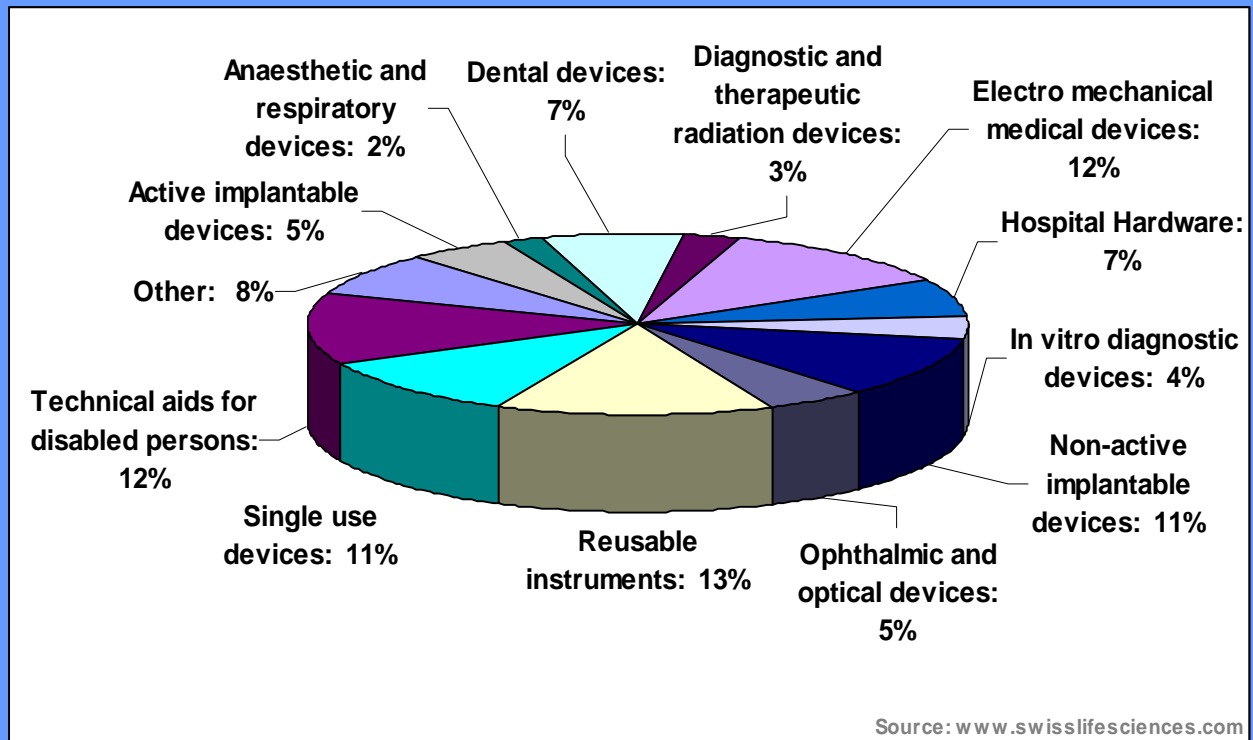


Comments: Based on the categorization of Swiss Life Sciences Database; Total of 288 companies.

## Medtech Industry In Switzerland



## Swiss Medtech Companies - Breakdown by Subcategories

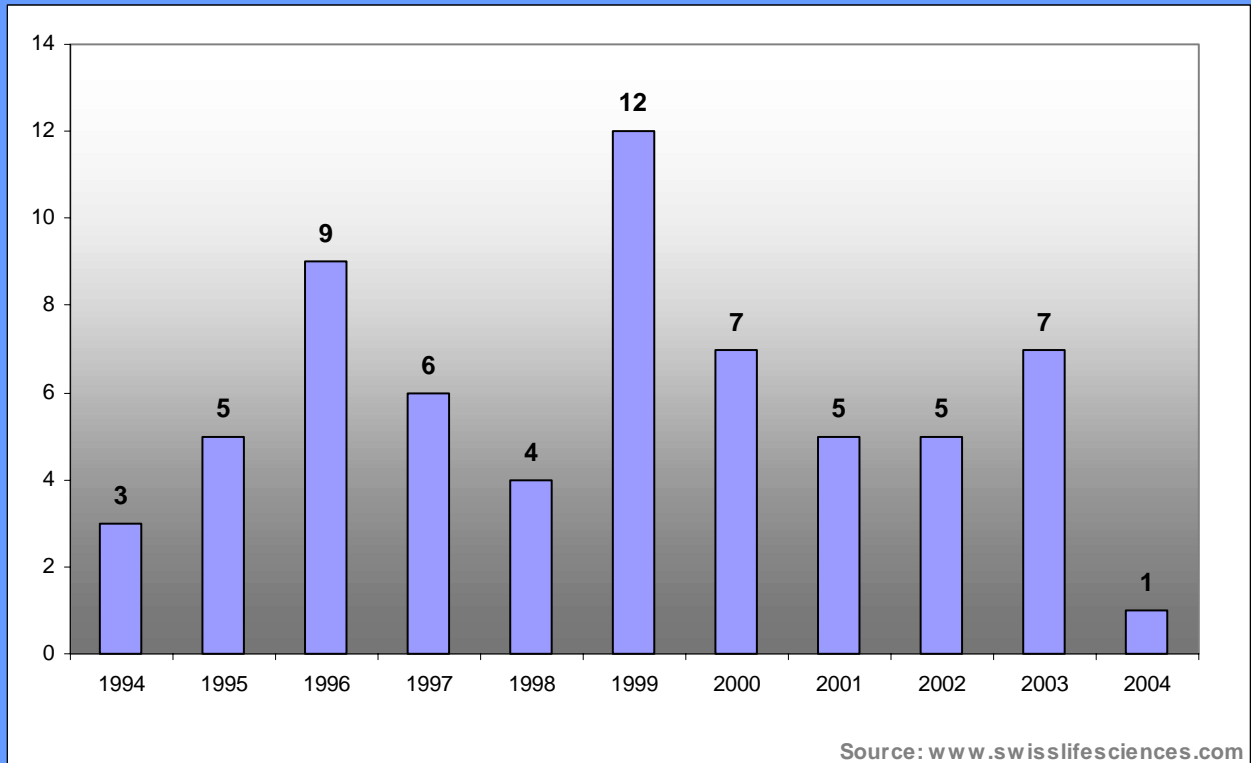


Comments: Based on the categorization of Swiss Life Sciences Database; Total of 327 companies.

## Medtech Industry In Switzerland



## Swiss Medtech Companies 1999 - 2005 (year founded)

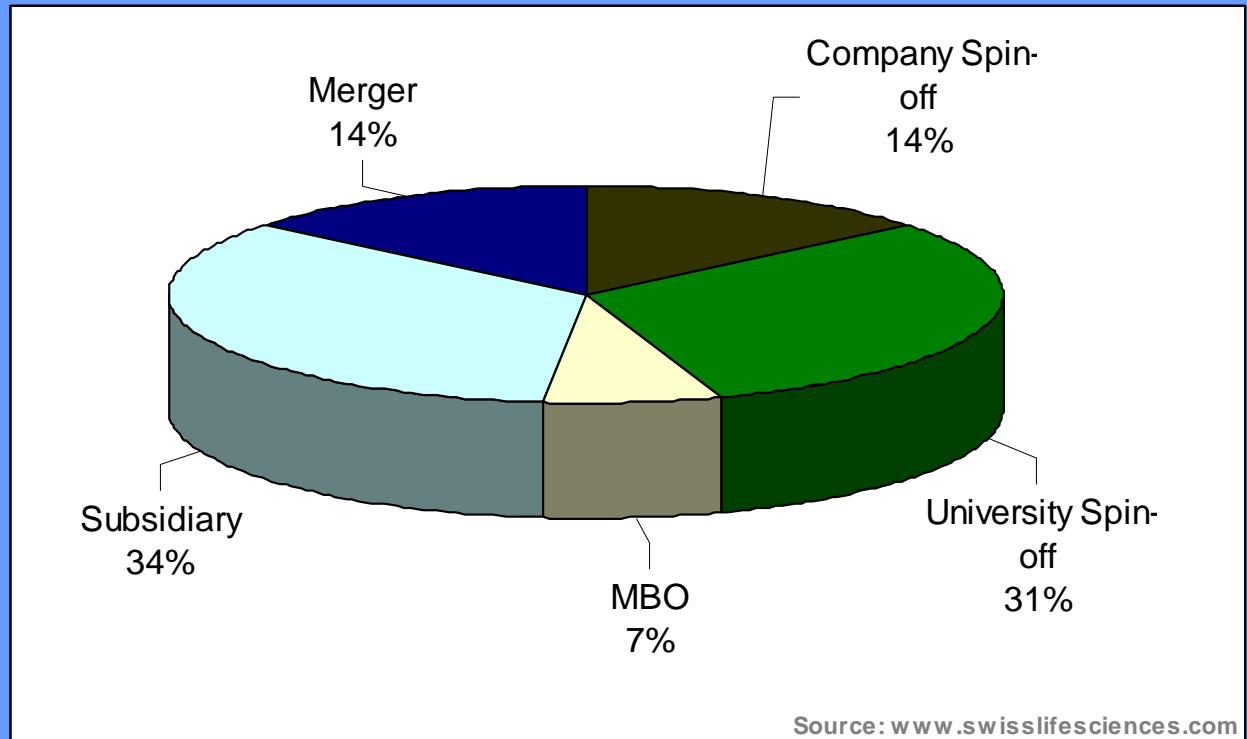


Comments: Based on the categorization of Swiss Life Sciences Database; Total of 64 companies.

## Medtech Industry In Switzerland




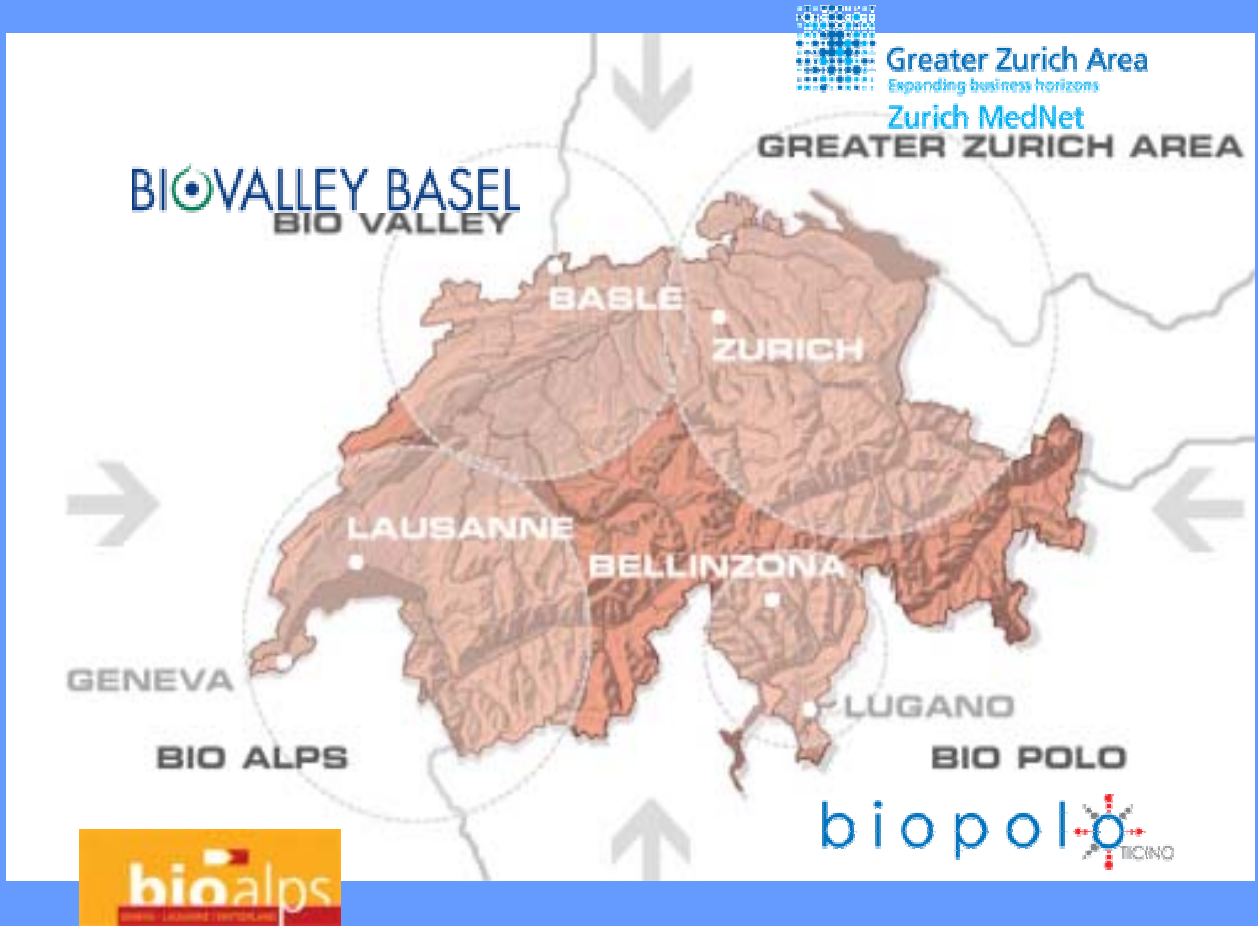
## Source of Foundation of Medtech Companies



Comments: Based on the categorization of Swiss Life Sciences Database; Total of 29 companies.

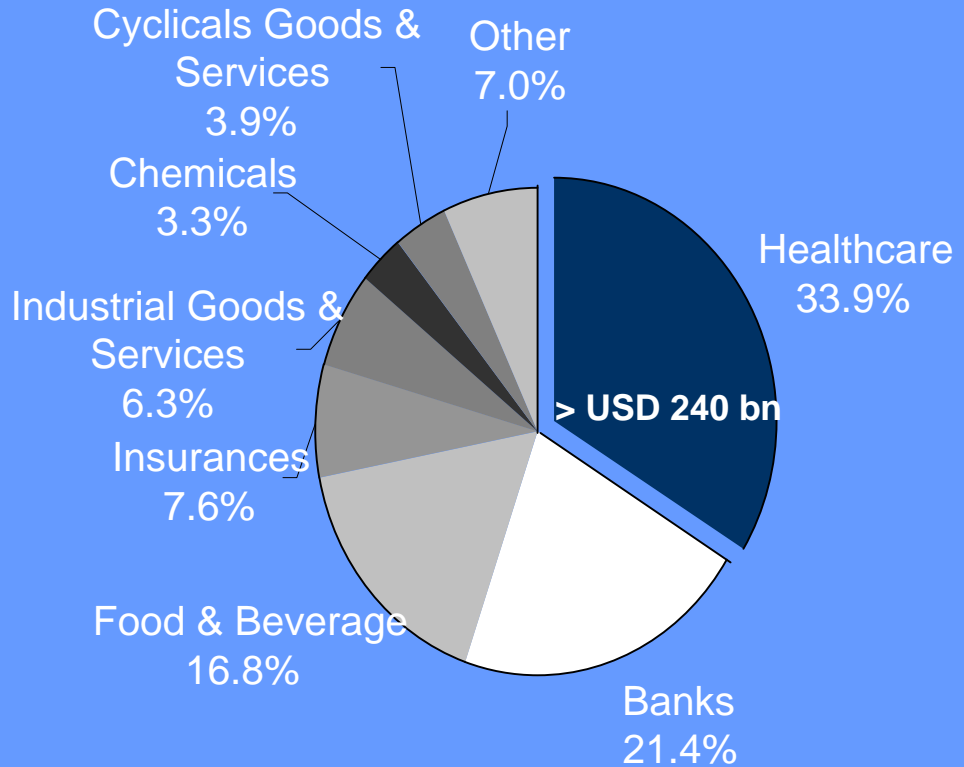
# Swiss Biotech and clusters

**SWISS**   
**BIOTECH**



# SPI industry breakdown 2005

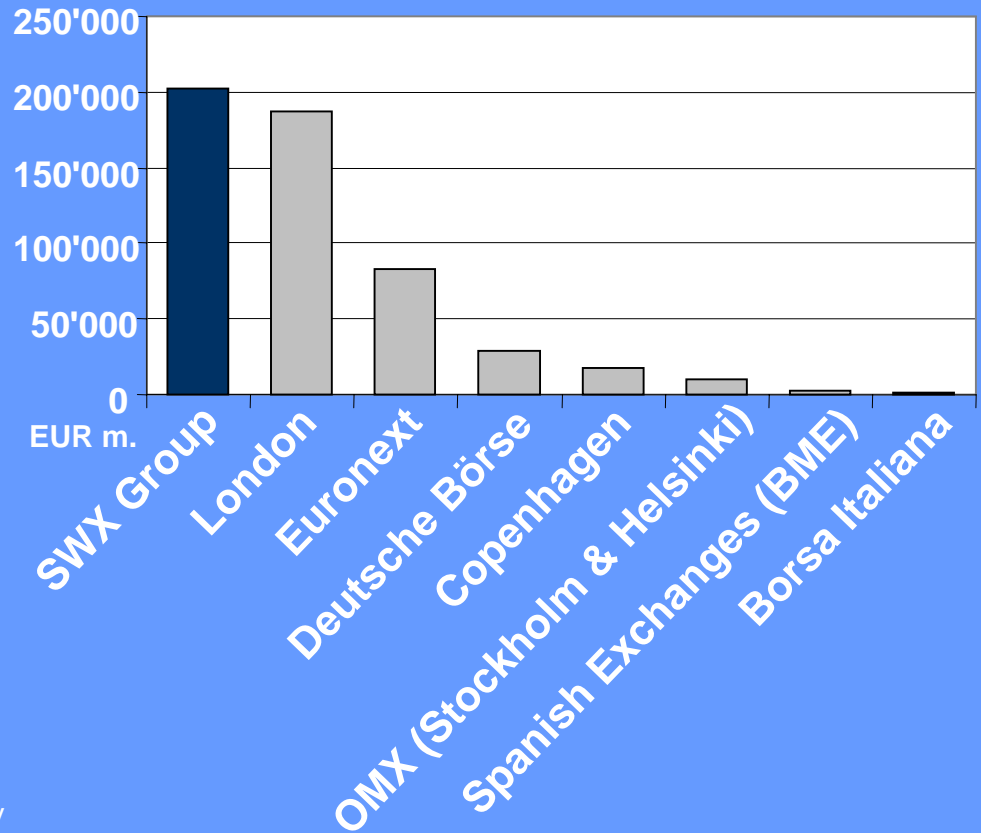
Breakdown as of  
September 2005



Source: SWX Swiss Exchange

# Major European exchanges

Market Cap. of  
Healthcare Companies

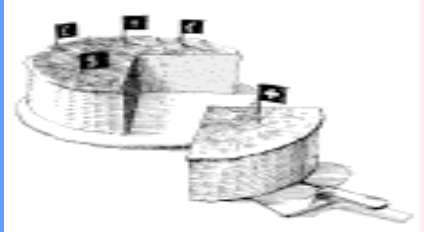


(Approximated by  
DJ STOXX TMI  
Companies applying  
ICB classification)

Status: July 2005

Source: FESE

# Financial centre Switzerland

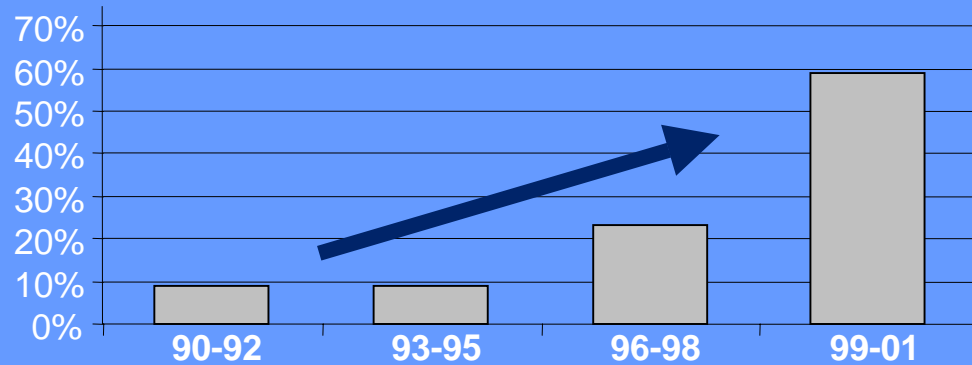


- International investor base and leading position in cross-border private banking:
  - Assets managed in Switzerland: CHF 3,459 bn\*
  - Proportion owned by foreign clients: 57%\*
  - Worldwide share of total assets managed abroad: 27%\*\*
- One of Europe's leading financial centres for equity-investing institutions
- High placing power
- High visibility of listed companies
- Further advantages of location:
  - High level of education
  - Some of the most liberal labour laws in the world
  - Very favourable tax law (private and corporate)
  - Political stability

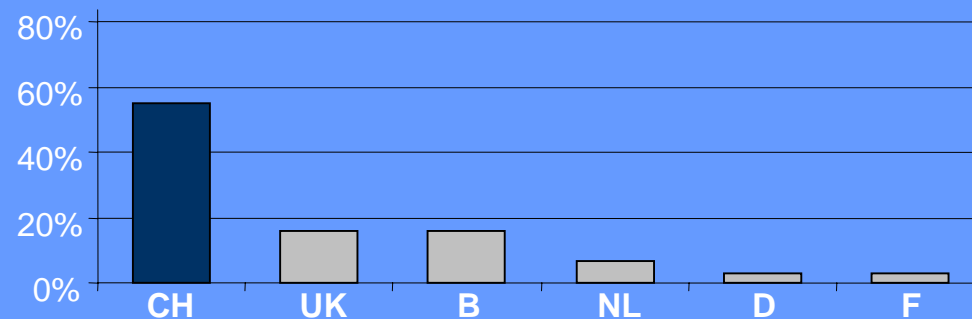
\* Source: Eidg. Finanzdepartement EFD, 2005 / \*\* Source: Geld, Bank- und Finanzmarkt-Lexika der Schweiz, 2002

Switzerland is the most attractive place for global/regional headquarters location

Growth of headquarters transfers to Switzerland 1990-2001 as % of total number of transfers



Destination of global headquarters that moved outside their country of origin as % of all global headquarters that moved



Source: Arthur D. Little



- IPO of Arpida (market cap. EUR 190 m)
- Sale of Glycard to Roche (EUR 160 m)
- IPO of Speedel (market cap. EUR 600 m)
- IPO of Ypsomed (market cap. EUR 1'113 m)



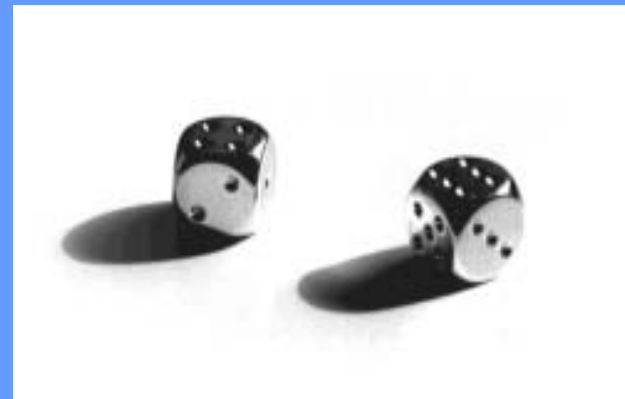
- Adamant Biomedical [www.adamantinvest.com](http://www.adamantinvest.com)
- Aravis [www.aravis.ch](http://www.aravis.ch)
- Aventic AG [www.aventic.com](http://www.aventic.com)
- BB Biotech Ventures [www.bbbiotechventures.com](http://www.bbbiotechventures.com)
- HBM Partners AG [www.hbmpartners.com](http://www.hbmpartners.com)
- Global Life Science [www.glsv-vc.com](http://www.glsv-vc.com)
- Nextech Venture Ltd. [www.nextechventure.com](http://www.nextechventure.com)
- New Venturetec [www.newventuretec.com](http://www.newventuretec.com)
- Novartis Venture Fund [www.venturefund.novartis.com](http://www.venturefund.novartis.com)



# Thank you

Slides available on  
[www.venturevaluation.com](http://www.venturevaluation.com)

your valuation expert



...and how do  
you value your  
projects?