

Investments - Flash



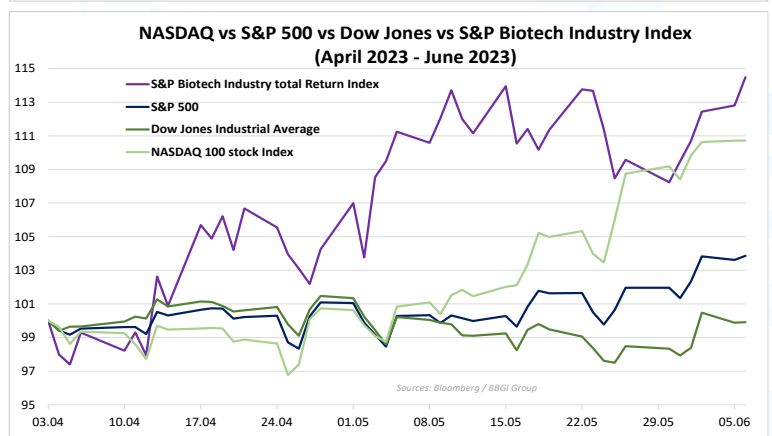
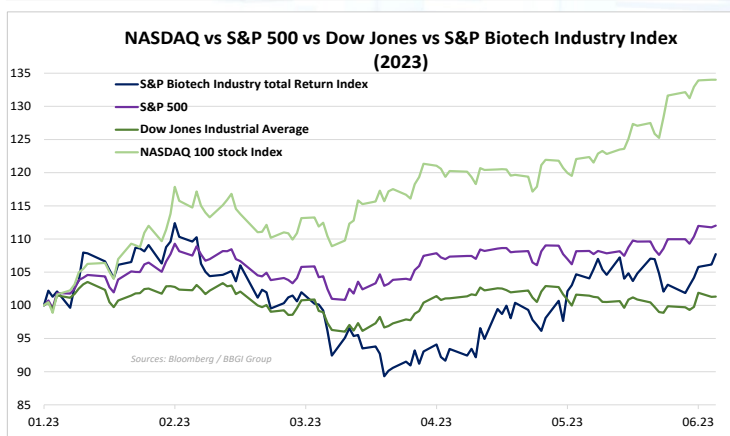
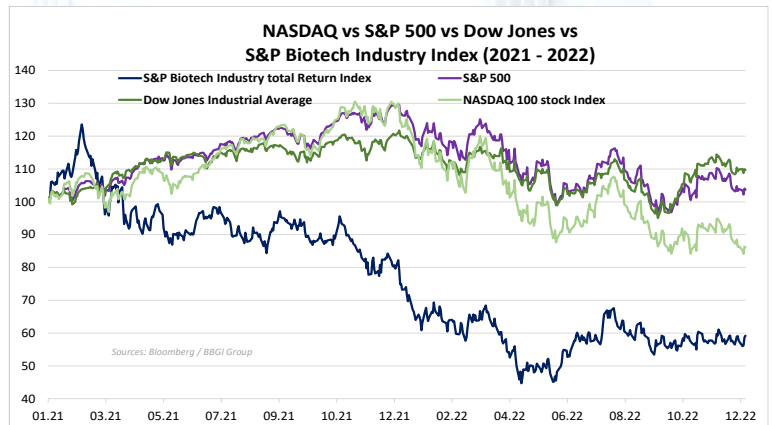
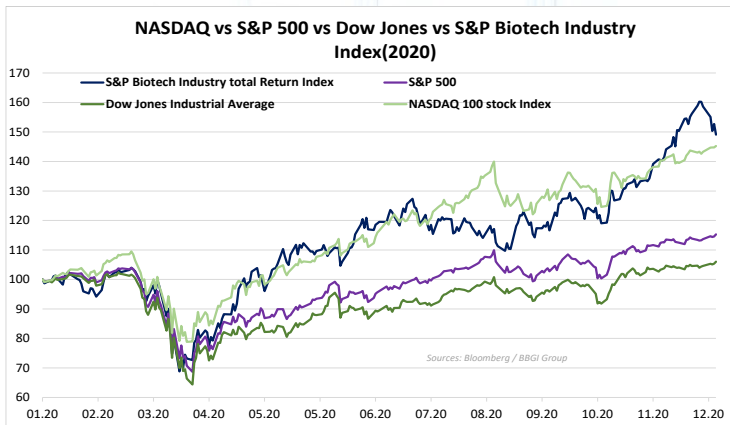
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US BIOTECH OUTPERFORMS AGAIN

The end of the desert crossing is in sight for the 2nd half of the year

After outperforming the S&P500 in 2020 and matching the Nasdaq, the Biotechnology sector experienced a long dry spell in 2021 and 2022. The S&P Biotechnology index's collapse of almost -41% in two years proved bloodier than the Nasdaq's -13.8% fall, and even more so in the face of the S&P500's +5% advance. Too many companies, too many development candidates and too many employees had finally pushed the sector into a long period of consolidation and much-needed restructuring. Today, the industry seems to have turned the corner that is essential if it is to gradually regain the favor of investors. The layoffs were particularly strong in the last quarter of 2022, but the expected mergers and acquisitions have yet to materialize at the beginning of 2023, perhaps because the economic scenarios are fluctuating too wildly.

But the big blue chips in healthcare are potentially in a position to 200 billion of liquidity in a biotech market estimated at around \$500 billion. The behavior of the US biotech sector may finally be suggesting a return to outperformance, as the 2nd quarter of 2023 shows an initial trend towards of outperformance for the biotech segment of the S&P500, which rose by +13.7% against an overall index up by just +4.5%. The valuation (PE 23) of major players such as Abbvie (12x), Amgen (12x) and Gilead (11x) seems attractive for a repositioning in a neglected sector with a brighter outlook for the second half of 2023.



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