BB Biotech

Share price resilience as portfolio is reshaped

Investment companies
Biotechnology equities

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BB Biotech (BION) delivered a resilient set of Q126 results, with a share price total return of +4.1% in Swiss francs, +5.2% in euros and +3.2% in US dollars, outperforming the Nasdaq Biotechnology Index across all three currencies. NAV was broadly stable, down just 0.6% in Swiss franc terms. Encouragingly, the discount to NAV also narrowed to 6.9% at 31 March 2026 (from 10.8% at end 2025), suggesting improved market recognition of the portfolio reset. The quarter was defined by one of the most active periods of portfolio repositioning in recent years. BION initiated 11 new investments, expanded the portfolio from 24 to 30 holdings and broadened its investment guidelines to 20–50 listed positions (from 20–35 positions previously). The rapid acquisition of new holding, Terns Pharmaceuticals, by Merck reinforces the continuing strategic appetite for differentiated biotech assets, and validates BION's stock-picking approach. With a broader portfolio, new large cap exposure, strengthened analytical resources and a dense 2026 catalyst calendar, BION enters Q226 with multiple potential value drivers.

Q126 marked a clear continuation of the improving trend highlighted in our February 2026 review note. After a strong FY25, BION has moved quickly to reshape the portfolio for a more complex macroeconomic environment, adding stability through Regeneron, Gilead and Amgen, while retaining exposure to mid- and small-cap innovation. These additions provide liquidity and commercial resilience, without diluting the company's focus on clinically differentiated biotech assets.

Portfolio activity was substantial. New positions included Crinetics, Enliven, Vaxcyte, Disc Medicine, Ultragenyx, Monte Rosa and Oruka, alongside the large cap additions. In parallel, capital was recycled from Neurocrine, Wave and Maze, while Amicus and Avidity were exited following completed takeovers and realisation of gains. Revolution Medicines and Ionis (previously high-weight, long-standing holdings) were reduced after strong performances, reflecting disciplined position sizing, rather than reduced strategic relevance.

The Terns acquisition by Merck, announced shortly after BION's initial investment, provides an immediate validation point for BION's stock selection process. It also supports the broader sector thesis that large pharmaceutical companies remain active buyers of external innovation, particularly as they seek to address approaching patent expiries and pipeline gaps.

BION's near-term catalyst calendar remains full. Key events include regulatory decisions for Viridian, argenx, Ionis and Scholar Rock, further Revolution Medicines data in pancreatic cancer, continued Alnylam commercial momentum and additional readouts from Krystal, Jade, Edgewise, Relay and Oruka.

The CHF2.25 dividend paid in March 2026 and BION's inclusion in the SPI Select Dividend 20 Index add further support to the shareholder return profile. For more information on BION, see our February 2026 review note.

Price		**CHF46.10**
Market cap		**CHF2,554m**
Total assets		**CHF2,641m**
NAV		CHF50.3
Discount to NAV		6.9%
[1]As of 31 March 2026		
Current yield		5.0%
Shares in issue		55.4m
Code/ISIN		BION/CH0038389992
Primary exchange		SWX
AIC sector		N/A
Financial year end		31 December
52-week high/low	CHF47.2	CHF25.0
NAV high/low	CHF56.0	CHF36.0
Gross gearing		13.3%

Fund objective

BB Biotech, a Swiss-based investment company (traded as a stock), targets long-term capital growth from biotech companies developing new drugs. At least 90% of the portfolio is held in listed companies, mainly those with marketed products or in advanced stages of development. BION is benchmarked against the Nasdaq Biotech Index (in CHF) but is managed on a bottom-up basis, with a focused c 20–50 stock portfolio.

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