

Vifor Pharma

Industry

Pharmaceuticals & Biotechnology

Rating

Hold

Price Target

CHF 157

Ticker

VIFN SE

Share price

CHF 156

Mkt cap. (mns)

CHF 10,140

Free float (%)

100.0 %

Trad. vol. (mns)

CHF 37.4

Investment Case

Vifor now a standalone company: In April 2017, the former Galenica Group IPO'ed Galenica Santé for CHF 2.3 bn in order to refinance the Relypsa acquisition. After the IPO, the Group was renamed to Vifor Pharma.

It's all about Veltassa: Veltassa was Relypsa's lead compound for the treatment of hyperkalemia (excessive potassium levels in the blood) which mainly affects CKD patients and patients on RAAS inhibitors (RAASi). The US launch was rather slow in the first 12 months (CHF 12 mn of sales in 2016). The issues were 1) black box warning, 2) no other drug was allowed to be taken 6hrs before and after Veltassa intake, and 3) prescription requires prior authorization from insurance, incl. relatively high co-pay. After the FDA reviewed drug-drug interaction data, the black box warning was removed as of November 2016 and administration now needs only 3hrs before and after intake.

Vifor FMC Renal Pharma (VFMCRP) JV of

paramount importance: The JV with FMC is the most important EBIT and cash flow generator in order to bridge the loss-making phase of Veltassa and Ferinject/Injectafer. Drugs in the JV are Venofer, Mircera, Velphoro, Retacrit, Veltassa (Europe) etc.

Recent Newsflow

15-03-2018 - FY17 results

Veltassa met its FY17 guidance but was slightly below expectations. Ferinject performance was very strong.

27-09-2017 - IR Day

Focus on Veltassa launch, clinical trials, and Ferinject potential in Asian markets.

08-08-2017 - 1H17 results

Vifor reported on a standalone basis for first time. Results were in line with expectations and strong outlook for 2H.

Next Catalysts & Events

08-08-2018 - 1H18 results

We expect strong growth in the Veltassa and Ferinject franchises.

Analyst

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Criteria analysis

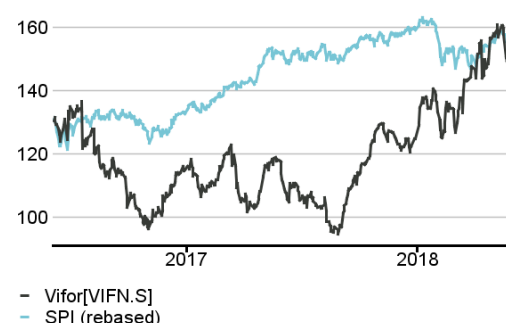
	Weak				Strong		Comment
Growth profile	1	2	3	4	5	6	– Strong growth of Veltassa, Ferinject, JV products
Pricing power	1	2	3	4	5	6	– Pricing pressure increasing in Pharma industry
Margin resilience	1	2	3	4	5	6	– Still good margins
Corporate governance	1	2	3	4	5	6	– Good corporate governance
Financial metrics	1	2	3	4	5	6	– Heavy investments in Veltassa and Ferinject
Valuation	1	2	3	4	5	6	– High valuation due to investment phase

Business description

Vifor Pharma: Vifor Pharma is a world leader in the discovery, development, manufacturing and marketing of pharmaceutical products for the treatment of iron deficiency. The company also offers a diversified portfolio of prescription medicines as well as over-the-counter (OTC) products. Key brands are Ferinject and Venofer.

VFMCRP: Vifor Fresenius Medical Care Renal Pharma (VFMCRP) is a common company of Vifor Pharma Group and Fresenius Medical Care. VFMCRP develops and commercializes innovative therapies in nephrology to improve the lives of patients suffering from chronic kidney disease (CKD) worldwide. The company was founded at the end of 2010 and is owned 55% by Vifor Pharma Group and 45% by Fresenius Medical Care.

Performance



Risks to our investment case

Upside risk: Veltassa uptake is faster than anticipated. New deals signed with VFMCRP for additional drugs.

Downside risk: Ferinject/Injectafer expansion slower or more expensive than expected. Same for Veltassa.

Sensitivity analysis

	Low				High		Comment
Cyclicality	1	2	3	4	5	6	– Low in pharma in general
Earnings visibility	1	2	3	4	5	6	– In the past, numbers were often surprising
Operating leverage	1	2	3	4	5	6	– Once market development is done, strong leverage
Dependence on FX movements	1	2	3	4	5	6	– Main exposure to EUR and USD
Dependence on raw material prices	1	2	3	4	5	6	– Low input costs
Dependence on key customers	1	2	3	4	5	6	– High dependence on FMC
Dependence on key suppliers	1	2	3	4	5	6	– Distribution deals in VFMCRP

Corporate governance

Investor communication

Good and very frequent interaction with investors. Management is available for investors.

Track record during last downturn

No cyclicalities. Old management always found ways to bridge cash intensive phases with good deals (Aspreva, Mircera, etc.)

Remuneration & incentives

Short-term bonus of 70-90% of base salary for CEO/COO and 30-50% for other Exec. Committee members. While 25% of bonus is based on personal objectives, 75% is related to ROIC. The long-term incentive (LTI) value is based on ROIC and the Vifor Pharma share price. Typical LTI cycle is three years, currently ROIC targets are set on a rolling annual basis due to transition period.

Management

Chairman

Etienne Jornod
since 1996

CEO

Stefan Schulze (COO)
since May 2017

CFO

Colin Bond
since 2016

SWOT analysis

STRENGTHS	<ul style="list-style-type: none"> – Very strong nephrology/dialysis franchise thanks to VFMCRP – Direct distribution in many markets, now also in the US thanks to Relypsa acquisition – Very agile organization as size is not too big yet 	WEAKNESSES	<ul style="list-style-type: none"> – Both Veltassa and Ferinject address markets that still need to be developed - lots of investment needed to drive sales – Owing to the smaller size of the company, new product introductions might take a bit longer
OPPORTUNITIES	<ul style="list-style-type: none"> – Relypsa salesforce could also start distributing Injectafer (US brand name for Ferinject) in the US in nephrology – Luitpold (Vifor's US distributor for Injectafer) could start distributing Veltassa in the US in cardiology – More deals on the VFMCRP platform would immediately increase profitability as organization is built up 	THREATS	<ul style="list-style-type: none"> – Oral high dose iron products – Reimbursement changes - increasing price pressure

Guidance vs Vontobel and consensus estimates

Guidance: FY18: net sales to grow more than 10% and EBITDA to increase by more than 20%.

Vs Vontobel estimates: FY18E: 13.3% reported sales growth and EBITDA up 27.1%

Vs consensus: FY18E: 15.8% reported sales growth and EBITDA up 33.0%

Divisions (all figures as % share of total)

Ferinject		Revenues FY18E	CHF 504 (33%)
Description	Vifor's main product is Ferinject, which is owned by a 100% by the Group. It is used to treat iron deficiency. The advantage over oral iron is that Ferinject is injected into the blood and hence larger quantities of iron can be delivered in one shot.		
Drivers	Growth: Increasing awareness of iron deficiency.		
	Profitability: Volumes are the main driver. Lower costs for clinical trials in the future will also improve profitability		
Market shares	>50% market share in i.v. iron		
Competitors	Sanofi (Ferrelecit), PharmaCosmos (Monofer, Cosmofer), AMAG Pharmaceuticals (FeraHeme)		
Customers	Hospitals, Physicians		
Suppliers	n.a.		

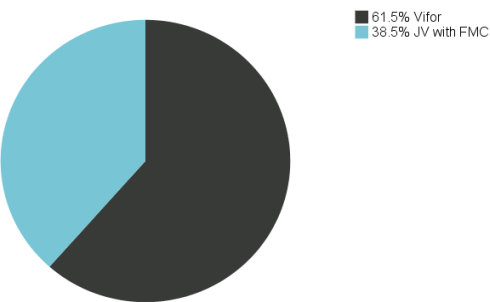
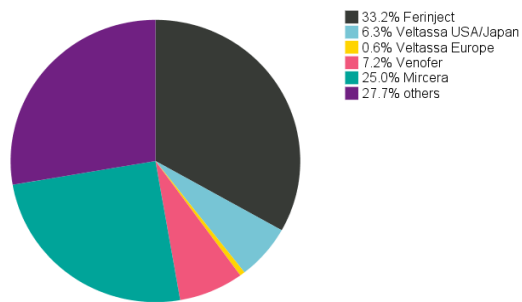
		Explicit forecast period				Transition period				Terminal	
DCF/EVA valuation		2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E
Invested capital (average)	CHF mns	3,098	3,037	2,954	2,881	2,827	2,801	2,792	2,799	2,821	2,838
ROIC	%	5.5	9.1	15.6	21.5	25.0	28.0	29.0	30.0	31.0	31.4
ROIC-WACC	%	-0.1	3.2	9.5	15.1	18.3	21.1	21.9	22.7	23.5	23.6
Economic profit (EVA)	CHF mns	-2.20	98.3	279	435	518	592	612	635	662	671
Discounted EVA	CHF mns	-2.12	89.3	238	346	383	405	387	369	352	326
NWC intensity	%	14.1	12.4	11.4	10.1	10.1	10.1	10.1	10.0	10.0	10.0
Implied P&L and FCF		2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E
Revenues	CHF mns	1,564	1,820	2,086	2,329	2,573	2,830	3,099	3,378	3,665	3,739
Revenues growth	%	9.1	16.3	14.6	11.7	10.5	10.0	9.5	9.0	8.5	2.0
EBIT	CHF mns	215	347	577	757	862	956	988	1,024	1,066	1,087
EBIT margin	%	13.7	19.0	27.7	32.5	33.5	33.8	31.9	30.3	29.1	29.1
Tax rate	%	20.0	20.0	20.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0
NOPLAT (Invested capital * ROIC)	CHF mns	172	277	461	620	707	784	810	840	874	891
Depreciation	CHF mns	141	162	161	153	149	141	135	131	128	130
Other non-cash items	CHF mns	39.2	59.7	25.8	54.0	54.0	54.0	54.0	54.0	54.0	54.0
Change in NWC	CHF mns	-3.17	-4.02	-12.0	1.58	-24.3	-25.5	-26.6	-27.5	-28.2	-6.72
Capex	CHF mns	-56.4	-66.2	-76.4	-81.0	-89.5	-98.5	-108	-118	-128	-130
FCF to the firm	CHF mns	293	429	560	748	796	855	864	879	900	938
Discounted FCF	CHF mns	191	390	477	594	589	586	547	511	479	455
Weighted cost of capital		2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E
Cost of equity	%	5.6	5.9	6.2	6.4	6.7	6.9	7.1	7.3	7.5	7.8
After-tax cost of debt	%	3.2	3.3	3.5	3.7	3.8	3.8	3.9	4.0	4.0	4.1
Market cap/EV	%	100	100	100	100	100	100	100	100	100	100
WACC	%	5.6	5.9	6.2	6.4	6.7	6.9	7.1	7.3	7.5	7.8
Net present value (NPV)	2018E	Sensitivity analysis for NPV per share (avg. WACC vs. term. EBIT margin)									
Explicit and transition period FCF	CHF mns	4,364	EBIT ^{WACC}		6.3%	6.8%	7.3%	7.8%	8.3%	8.8%	9.3%
Discounted cont. value of FCF	CHF mns	6,587	26.1%		188	167	150	136	124	113	105
Terminal value as % of EV	%	60.1	27.1%		193	171	154	139	127	116	107
Terminal rev. growth assumption	%	2.0	28.1%		198	176	157	142	130	119	109
Enterprise value (EV)	CHF mns	10,951	29.1%		203	180	161	146	133	122	112
Net debt	CHF mns	-169	30.1%		209	185	165	149	136	124	114
Minorities	CHF mns	1,624	31.1%		214	189	169	153	139	127	117
Associates	CHF mns	0.00	32.1%		219	194	173	156	142	130	119
Other adjustments to EV	CHF mns	-136									

Financials

Income Statement		2012	2013	2014	2015	2016	2017	2018E	2019E
Revenues	CHF mns	3,294	3,359	3,416	3,792	4,118	1,434	1,564	1,820
Gross profit	CHF mns	1,466	1,485	1,486	1,612	1,783	916	1,022	1,211
Total operating expenses	CHF mns	-1,041	-1,019	-1,039	-1,074	-1,293	-782	-807	-864
EBITDA	CHF mns	426	466	447	537	489	280	356	509
Depreciation of tangible assets	CHF mns	-55.1	-56.2	-58.2	-59.0	-62.5	-31.7	-33.2	-37.9
EBITA	CHF mns	371	410	389	478	427	NA	NA	NA
Amortization of intangibles	CHF mns	-20.9	-19.5	-18.4	-27.6	-65.1	-114	-108	-124
Impairment and amortization of goodwill	CHF mns	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EBIT	CHF mns	350	391	370	451	362	134	215	347
Total operating one-off items	CHF mns	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Adjusted EBIT	CHF mns	350	391	370	451	362	134	215	347
Net financial result	CHF mns	-31.0	-29.9	-16.7	-25.2	-30.7	-8.70	-1.67	-2.71
Extraordinary result	CHF mns	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Pretax profit	CHF mns	321	363	357	429	336	126	213	344
Taxes	CHF mns	-46.4	-28.4	-45.3	-59.0	-11.8	-1.60	-2.13	-6.88
Group net profit	CHF mns	275	335	312	370	324	124	211	337
Minority interests	CHF mns	-21.3	-38.7	-27.5	-68.9	-80.1	-89.9	-90.2	-113
Shareholders' net profit	CHF mns	253	296	284	301	244	59.1	121	224
Total one-off items	CHF mns	20.9	-24.8	18.4	27.6	65.1	139	108	124
Adjusted net profit	CHF mns	274	271	303	329	309	198	229	348
Growth		2012	2013	2014	2015	2016	2017	2018E	2019E
Revenues	%	3.4	2.0	1.7	11.0	8.6	-65.2	9.1	16.3
Organic revenues	%	2.8	1.8	1.7	7.0	9.4	3.3	13.2	17.3
Gross profit	%	7.2	1.3	0.1	8.5	10.6	-48.6	11.6	18.5
EBITDA	%	6.6	9.5	-4.2	20.3	-9.0	-42.7	27.1	42.9
EBIT	%	6.9	11.7	-5.2	21.8	-19.8	-62.9	60.0	61.3
Net profit	%	13.6	16.8	-4.0	5.8	-19.1	-75.7	104.6	84.9
Net profit adjusted	%	13.3	-1.1	11.6	8.5	-6.1	-35.7	15.4	52.0
Margin analysis		2012	2013	2014	2015	2016	2017	2018E	2019E
Gross margin	%	44.5	44.2	43.5	42.5	43.3	63.9	65.4	66.6
EBITDA margin	%	12.9	13.9	13.1	14.2	11.9	19.6	22.8	28.0
EBITA margin	%	11.2	12.2	11.4	12.6	10.4	NA	NA	NA
EBIT margin	%	10.6	11.6	10.8	11.9	8.8	9.4	13.7	19.0
Adjusted EBIT margin	%	10.6	11.6	10.8	11.9	8.8	9.4	13.7	19.0
Tax rate	%	14.4	7.8	12.7	13.7	3.5	1.3	1.0	2.0
Net profit margin	%	7.7	8.8	8.3	7.9	5.9	4.1	7.7	12.3
Adjusted net profit margin	%	8.3	8.1	8.9	8.7	7.5	13.8	14.6	19.1

Revenues by product 2018E

Revenues by ownership 2018E



Balance Sheet		2012	2013	2014	2015	2016	2017	2018E	2019E
Cash and cash equivalents	CHF mns	348	216	239	422	181	425	538	837
Marketable securities	CHF mns	8.96	0.39	0.00	0.25	2.14	1.50	1.50	1.50
Inventories	CHF mns	341	353	376	384	432	232	258	303
Accounts receivable	CHF mns	633	634	688	615	773	435	450	489
Prepayment and accrued income	CHF mns	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other current assets	CHF mns	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total current assets	CHF mns	1,331	1,203	1,302	1,422	1,389	1,094	1,248	1,630
Tangible assets	CHF mns	477	479	441	450	475	246	269	297
Other intangible assets	CHF mns	1,252	1,261	1,285	1,601	3,403	2,651	2,593	2,469
Goodwill	CHF mns	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial assets	CHF mns	65.7	84.8	135	126	121	136	136	136
Other non-current assets	CHF mns	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total non-current assets	CHF mns	1816	1866	1906	2218	4043	3032	2998	2901
Total assets	CHF mns	3,147	3,069	3,208	3,640	5,432	4,126	4,245	4,532
Accounts payable	CHF mns	395	402	407	444	511	174	187	215
Short-term interest-bearing debt	CHF mns	283	115	108	145	1,829	140	140	140
Accrued expenses and deferred income	CHF mns	242	233	170	215	297	275	300	352
Other current liabilities/provisions	CHF mns	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total current liabilities	CHF mns	920	750	685	804	2,637	589	627	706
Long-term interest-bearing debt	CHF mns	755	632	608	669	275	155	155	155
Pension liabilities (long-term portion)	CHF mns	0.00	53.6	79.8	101	65.9	7.80	7.80	7.80
Other non-current liabilities	CHF mns	74.0	73.9	80.6	86.4	151	41.8	41.8	41.8
Provisions	CHF mns	20.1	4.60	4.38	4.15	1.38	0.20	0.20	0.20
Total non-current liabilities	CHF mns	849	764	773	860	493	205	205	205
Total liabilities	CHF mns	1,769	1,514	1,458	1,664	3,130	793	832	911
Total interest-bearing debt	CHF mns	1,038	747	716	814	2,105	294	294	294
Ordinary share capital	CHF mns	257	257	257	257	259	260	25.9	259
Share premium & retained earnings	CHF mns	1,089	1,249	1,455	1,622	1,865	2,813	3,128	3,102
Shareholders' equity	CHF mns	1,346	1,506	1,712	1,879	2,124	3,073	3,154	3,361
Minority interests	CHF mns	32.3	49.4	38.1	97.1	177	259	259	259
Group equity	CHF mns	1,378	1,555	1,750	1,976	2,301	3,332	3,414	3,621
Total liabilities and equity	CHF mns	3,147	3,069	3,208	3,640	5,432	4,126	4,245	4,532
Balance sheet analysis		2012	2013	2014	2015	2016	2017	2018E	2019E
Net working capital (NWC)	CHF mns	337	352	487	340	398	218	221	225
NWC/revenues	%	9.0	10.3	12.3	10.9	9.0	21.5	14.0	12.2
NWC/total assets	%	10.7	11.5	15.2	9.3	7.3	5.3	5.2	5.0
Inventory days	days	57	58	61	59	60	234	165	168
Receivables days	days	67	69	71	63	62	154	103	94
Payables days	days	76	67	68	67	70	242	122	121
Net debt (+) / net cash (-)	CHF mns	681	531	477	391	1,921	-132	-245	-544
Equity/total assets	%	43.8	50.7	54.6	54.3	42.4	80.8	80.4	79.9
Net debt/equity (gearing)	%	49.4	34.2	27.3	19.8	83.5	-4.0	-7.2	-15.0
Net debt/EBITDA	x	1.6	1.1	1.1	0.7	3.9	-0.5	-0.7	-1.1

Cash flow statement		2012	2013	2014	2015	2016	2017	2018E	2019E
Group profit	CHF mns	275	335	312	370	324	124	211	337
Depreciation + Amortization	CHF mns	76.1	75.7	76.6	86.6	128	146	141	162
Goodwill impairment	CHF mns	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non-cash financial income (-)/expenses (+)	CHF mns	33.6	-32.3	7.42	50.9	3.86	-65.0	0.00	0.00
Inc. (+)/decr.(-) in deferred taxes	CHF mns	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Inc. (+)/decr.(-) in pension provisions	CHF mns	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Inc. (+)/decr.(-) in other provisions	CHF mns	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other non-cash changes/adjustments	CHF mns	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operation cash flow (before chng in NWC)	CHF mns	384	378	396	508	455	205	352	499
Inc. (-)/decr. (+) in NWC	CHF mns	-92.7	-49.2	-40.2	14.7	-190	-145	-3.17	-4.02
CF from operating activities	CHF mns	292	329	356	522	266	60.3	349	495
Capex	CHF mns	-52.0	-50.0	-50.9	-68.5	-74.1	-49.8	-56.4	-66.2
Operating free cash flow (FCF)	CHF mns	240	279	305	454	192	10.5	293	429
Invest.(-)/disp.(+) of tang./intang.	CHF mns	3.41	-68.4	-10.0	-129	-207	-38.1	-50.0	0.00
Invest.(-)/disp.(+) of associates	CHF mns	2.96	-16.8	-0.05	-4.72	-0.53	-0.70	0.00	0.00
Invest.(-)/disp.(+) of non-core assets	CHF mns	0.00	-23.1	-96.6	37.7	-5.88	2,188	0.00	0.00
Acquisitions	CHF mns	0.00	0.00	0.00	0.00	-1,254	0.00	0.00	0.00
Other adjustments	CHF mns	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CF from investing activities	CHF mns	-45.6	-158	-158	-165	-1,542	2,099	-106	-66.2
Proceeds from issue of share capitals	CHF mns	-7.97	-13.9	-5.92	-10.2	-8.32	3.90	0.00	0.00
Disposal (+)/ purchase (-) of shares	CHF mns	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Inc. (+)/decr. (-) in equity	CHF mns	-7.97	-13.9	-5.92	-10.2	-8.32	3.90	0.00	0.00
Dividend paid	CHF mns	-92.6	-92.6	-129	-102	-117	-130	-130	-130
Inc. (+)/decr.(-) in interest bearing debt	CHF mns	-136	-246	-39.9	-60.6	1,168	-1,790	0.00	0.00
Other adjustments	CHF mns	-0.69	-0.19	0.00	0.00	0.00	0.00	0.00	0.00
CF from financing activities	CHF mns	-237	-353	-175	-173	1,043	-1,916	-130	-130
Translation impact	CHF mns	0.03	0.07	0.01	-0.44	-0.03	0.50	0.00	0.00
Inc. (+)/decr. (-) in cash	CHF mns	9.23	-182	22.9	184	-234	244	113	299
Cash flow analysis		2012	2013	2014	2015	2016	2017	2018E	2019E
Operating cash flow margin	%	8.9	9.8	10.4	13.8	6.5	4.2	22.3	27.2
Capex/revenues	%	1.6	1.5	1.5	1.8	1.8	3.5	3.6	3.6
Capex/depreciation	%	68.4	66.1	66.4	79.1	58.1	34.1	39.9	40.8

Price		2012	2013	2014	2015	2016	2017	2018E	2019E
Price (year-end or current)	CHF	53.05	89.80	79.20	157.40	114.90	124.90	156.45	156.45
High	CHF	62.20	91.40	95.65	160.00	157.40	129.70	160.75	NA
Low	CHF	48.05	53.05	72.85	71.60	96.30	94.60	125.05	NA
Average basic shares outstanding	('000)	64,620	64,787	64,776	64,793	64,767	64,810	64,810	64,810
Year-end basic shares outstanding	('000)	64,241	64,241	64,241	64,241	64,793	64,977	64,810	64,810
Average fully diluted shares	('000)	64,241	64,908	64,880	64,906	64,867	64,918	64,918	64,918
Market capitalization	CHF mns	3,408	5,769	5,088	10,111	7,445	8,116	10,140	10,140
Enterprise value	CHF mns	4,249	6,865	5,858	11,556	10,603	9,466	11,383	11,502
Per-share data		2012	2013	2014	2015	2016	2017	2018E	2019E
EPS (reported)	CHF	3.92	4.57	4.39	4.65	3.76	0.91	1.87	3.45
EPS (adjusted)	CHF	4.27	4.18	4.67	5.06	4.76	3.06	3.53	5.36
FCF	CHF	3.71	4.31	4.71	7.00	2.96	0.16	4.52	6.62
Net cash (+) / net debt (-)	CHF	-10.6	-8.27	-7.43	-6.09	-29.7	2.04	3.78	8.40
BVPS (reported)	CHF	20.9	23.4	26.7	29.3	32.8	47.3	48.7	51.9
Dividend	CHF	1.10	1.40	1.50	1.80	2.00	2.00	2.00	2.00
Payout ratio	%	28.0	30.6	34.2	38.7	53.2	219	107	58.0
Valuation		2012	2013	2014	2015	2016	2017	2018E	2019E
P/E (reported)	x	13.5	19.6	18.0	33.9	30.5	137	83.9	45.4
P/E (adjusted)	x	12.4	21.5	17.0	31.1	24.1	40.9	44.4	29.2
P/Op. free cash flow	x	14.3	20.8	16.8	22.5	38.9	771	34.6	23.6
P/Book (reported)	x	2.53	3.83	2.97	5.38	3.50	2.64	3.21	3.02
EV/Sales	x	1.29	2.04	1.71	3.05	2.57	6.60	7.28	6.32
EV/EBITDA	x	9.98	14.7	13.1	21.5	21.7	33.8	32.0	22.6
EV/EBIT	x	12.2	17.6	15.8	25.6	29.3	70.5	53.0	33.2
EV/Op. free cash flow	x	17.7	24.6	19.2	25.5	55.4	902	38.9	26.8
EV/Equity free cash flow	x	17.3	40.2	29.5	32.3	-8.31	4.38	46.9	26.8
EV/Invested Capital	x	2.06	3.28	2.65	4.83	2.48	3.04	3.69	3.85
FCF yield	%	7.03	4.84	5.99	4.49	2.57	0.13	2.89	4.23
Dividend yield	%	2.07	1.56	1.89	1.14	1.74	1.60	1.28	1.28
Profitability ratios & ROIC		2012	2013	2014	2015	2016	2017	2018E	2019E
Average invested capital	CHF mns	2,038	2,079	2,153	2,303	3,334	3,695	3,098	3,037
NOPLAT	CHF mns	280	312	296	361	289	107	172	277
Economic profit (EVA)	CHF mns	60.1	88.4	64.2	113	-70.0	-291	-162	-49.9
ROIC	%	13.7	15.0	13.8	15.7	8.7	2.9	5.5	9.1
ROE	%	20.3	20.8	17.7	16.8	12.2	2.3	3.9	6.9
ROA	%	8.8	10.8	9.9	10.8	7.1	2.6	5.0	7.7
Enterprise value		2012	2013	2014	2015	2016	2017	2018E	2019E
Market capitalization	CHF mns	3,408	5,769	5,088	10,111	7,445	8,116	10,140	10,140
Net Debt (+) / net cash (-)	CHF mns	681	531	477	391	1,921	-132	-245	-544
Value of minorities	CHF mns	256	696	496	1,241	1,442	1,618	1,624	2,043
Value of associates	CHF mns	-30.8	-46.8	-68.2	-62.2	-84.5	0.00	0.00	0.00
Other adjustments for EV calculation	CHF mns	-65.7	-84.8	-135	-126	-121	-136	-136	-136
Enterprise value	CHF mns	4,249	6,865	5,858	11,556	10,603	9,466	11,383	11,502

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	VT Research universe No.	VT Research universe As %	Share of VT IB clients in rating category As %
Buy	34	31	21
Hold	73	67	26
Reduce	2	2	0

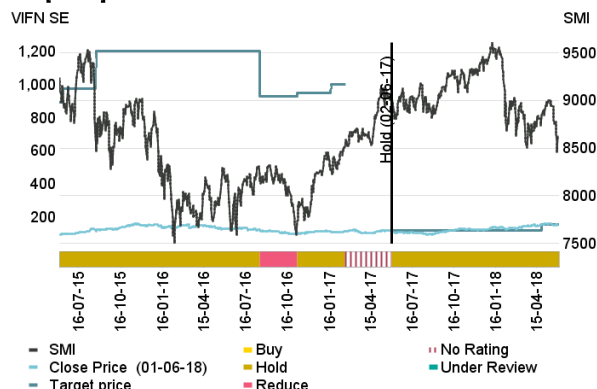
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Vifor[VIFN.S] on 03-06-18



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Rating	Definition
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Hold	Price target (when set) implies 0-10% upside on a 12-month horizon
Reduce	Price target (when set) implies downside on a 12-month horizon
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