



# Basic financials for investing

PPIP, 1/23/20

# Some Reminders

- Fill out survey!
- Breakdown of DD teams and screener criteria in the coming weeks
- Once selected, DD process in full swing
- Let me know if not on email chain!

# Industry update

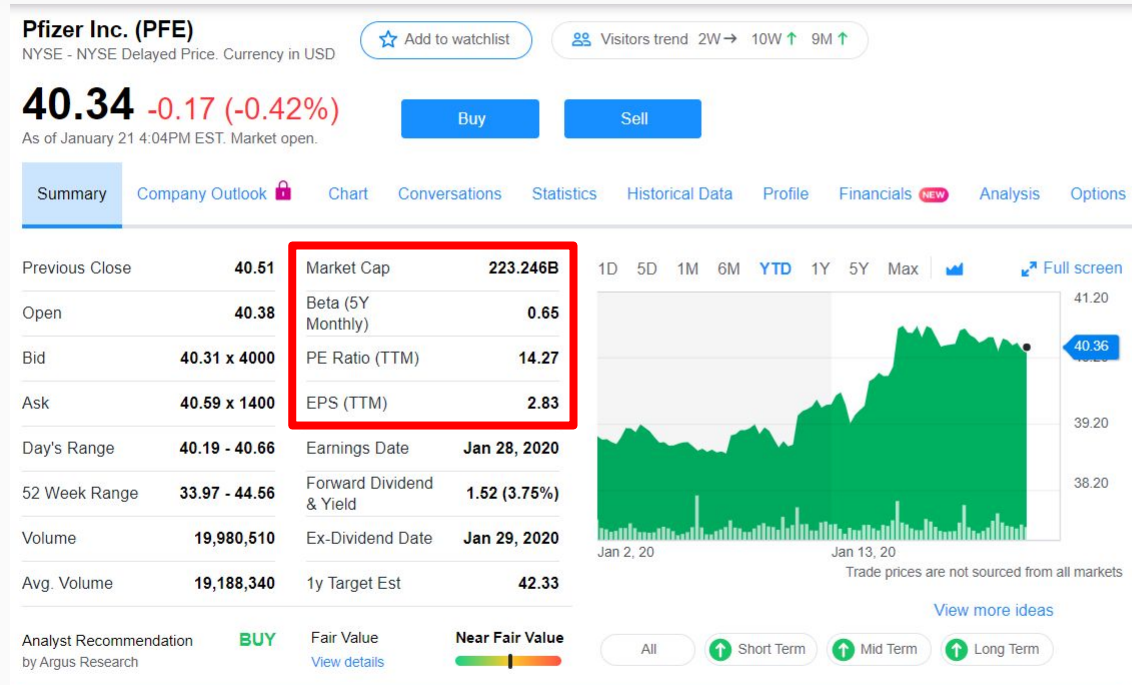
- FDA launching study into the effect brand names have on pt's and docs
- Research initiated into Wuhan corona virus vaccine
  - Moderna, company to watch
- Thermo-Fischer to help Civica Rx produce generic molecules
- Novo's Ozempic gets CV risk reduction approval - on par w/Farxiga
- Hospital in Columbus, OH is developing a commercial gene therapy manufacturing facility
  - Naming project Andelyn Biosciences and it will it be a for-profit enterprise.

# Some quick definitions

- Publicly held company- a company whose ownership is organized via shares of stock that freely traded on a stock exchange
- Share- a unit of ownership that represents an equal part of a company's capital
- Equity- the amount of money that would be returned to a company's shareholders if all of the assets were liquidated and all of the company's debt was paid off.

# Overview of a publicly-held company

- Market cap
- EPS
  - 5 year, Qs above
- PE ratio
- Book value/share
- Beta



# Some ways that biotech is different

- Most small biotech/pharma companies are non-revenue
  - They are in debt and not earning any money yet
  - May not have an EPS or Debt-to-Equity ratio, or it may be negative
- Typically don't see a dividend
- Stock performance generally follows the drug development process

# Growth stocks vs. revenue stocks



VS.



# In Summary:

- Know your basic finances. Don't worry about advanced stuff yet
  - We are pharmacists, our knowledge and focus is in the science and the pipeline
  - If you want to learn more, check out some videos
- YahooFinance and FinViz are good resources