

Veeva Systems Inc Class A

US Satellite*

Recommended since 04.12.2024

04.12.2024



Country US	Market capitalization (bn) USD 37.7	Perf. since reco. (%)
Sector Technology	Free float 91.1%	Veeva Systems Inc Class A 0.0
Factset VEEV-US	Closing price USD 226.46	Sector 0.0
ISIN US9224751084	ESG Risk score* 14.7 Low risk	

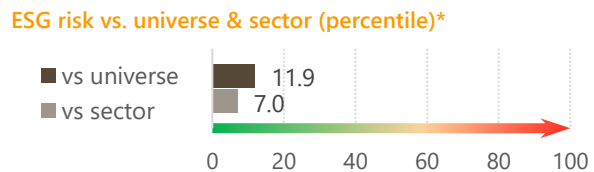


Profile
Veeva Systems, founded in 2007, is a leader in cloud solutions for companies in the life sciences and healthcare industries. The company offers a comprehensive suite of products to manage development, commercialization, and data needs, addressing the demands of the pharmaceutical, biotechnology, and healthcare sectors. Its integrated Vault platform unifies content and data management, enabling process optimization, regulatory compliance, and supporting the digital transformation of these highly regulated industries.

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| <p>Strengths/opportunities</p> <ul style="list-style-type: none"> Leader in cloud solutions for life sciences and healthcare. Integrated Vault platform ensuring compliance and efficiency. Growth supported by increasing R&D spending in life sciences. | <p>Weaknesses/threats</p> <ul style="list-style-type: none"> Dependency on R&D spending cycles of major pharmaceutical players. Potential saturation in mature markets, requiring expansion. |
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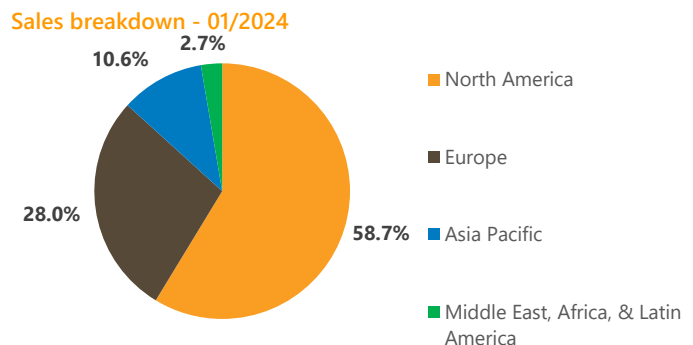
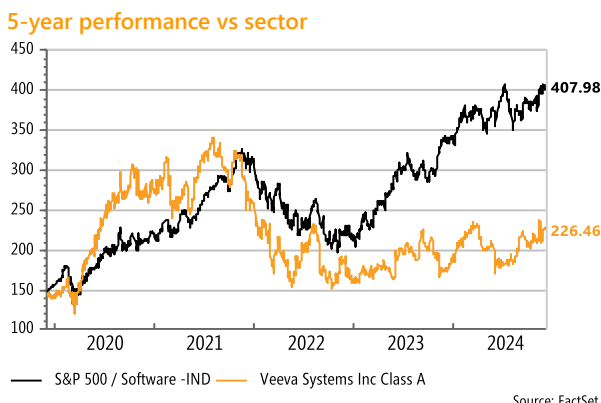
- Investment case**
- Veeva Systems is a key player in cloud solutions specialized for the life sciences and healthcare sectors, industries characterized by complex needs and strict regulatory requirements. Its leadership position, combined with a diversified client base that includes pharmaceutical giants and emerging biotechs, gives it a durable competitive advantage in a growing market estimated at \$20 billion (with half of the expected growth driven by already established products).
 - The Vault platform, at the core of Veeva's offering, ensures seamless integration of critical processes from R&D to commercialization while meeting regulatory standards. This technological differentiation positions Veeva as an indispensable strategic partner, fostering long-term relationships with its clients.
 - The rise in R&D spending within the pharmaceutical and biotechnology industries drives structural demand for solutions like Veeva's. By addressing the growing needs for digitalization and compliance, the company is well-positioned to capture an increasing share of this market.
 - Veeva is also expanding into new segments, such as medical devices and diagnostics, while penetrating underexploited geographic markets. These strategic initiatives, coupled with its strong capacity for innovation, are expected to ensure sustainable growth in the medium to long term while mitigating risks associated with sector concentration.

Valuation
Veeva trades at a forward EV/Sales ratio of 10.5x, reflecting a discount compared to other SaaS software providers. We estimate that Veeva will trade at a premium by the end of 2025.



USD	01/2024	01/2025e	01/2026e
Sales revenue (mio)	2 364	2 708	3 039
Sales growth	9.7%	14.6%	12.2%
EBIT adjusted (mio)	429	1 082	1 221
% of sales	18.2%	39.9%	40.2%
Net income (mio)	526	1 028	1 140
Net income growth	7.8%	95.5%	10.9%
FCF/Sales	37.4%	38.1%	39.3%
Net debt/Ebitda	-8.5x	-4.5x	-4.9x
Dividend yield	0.0%	0.0%	0.6%
PE	64.5x	36.3x	33.1x
P/BV	7.2x	6.5x	5.5x

- ESG - risks and key points**
- Veeva plays a critical role in managing sensitive data for the pharmaceutical and biotechnology industries. Its ability to ensure compliance with strict regulations (such as GDPR and HIPAA) enhances its credibility in governance and privacy standards.
 - Veeva prioritizes collaborations with partners adhering to high ethical standards, particularly in clinical research, further strengthening its social responsibility and governance practices.



*: see overleaf

Source: Factset, Sustainalytics

Glossary

Satellite

From 2015, B&Cie separates its investment recommendations into Core Holdings (higher organic growth potential, high free cash flow, ROCE in excess of the cost of capital and balance sheet efficiency throughout the cycle) and Satellite Recommendations, which do not meet the above criteria but are likely to outperform in the short-to-medium term.

ESG Risk Score

At B&Cie, we take particular care to ensure that the companies in which we recommend investing are sustainable. Accordingly, our selection process takes account of risks relating to environmental, social and governance (ESG) issues. This approach is underpinned by research from Sustainalytics, the global leader in ESG and corporate governance analysis, whose methodology aims to identify major controversies and risks and assess a company's ESG risks relative to both its sector and the investment universe as a whole. The corresponding score is expressed as a percentile: the lower the overall risk score, the lower the risk within the investment universe.

b-Digital, b-Transition & b-Well

Over and above the conventional geographical and sectoral approaches to asset management, at B&Cie we believe the world of tomorrow is being shaped by structural trends. We have identified three main megatrends: ongoing digital globalisation of the economy; economic transition, particularly in the energy sector; and the quest for wellness. We believe selecting and investing in companies that play an active role in these transformations should lead to more resilient portfolios that generate higher long-term returns. Our investment recommendations in the digital globalisation space are labelled "b-Digital", those in the economic transition space "b-Transition" and those in the wellness space "b-Well". A given recommendation may fall under more than one theme, in which case it will carry the relevant matching labels.

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