

Market Minute

Swiss equities conferences / Focus on small caps

26.01.2026

At a number of Swiss equities conferences in mid-January, companies reported a persistently cautious investment and demand environment. However, most seem to be more upbeat about a more positive trend in 2026. Many companies are well positioned in growth markets (AI/data centres, electrification, e-commerce, pharmaceuticals) and have crisis-proof cost management in place in order to adapt their business structures rapidly to the new market and tariff environment. We expect to see operational progress in 2026 among Swiss small caps in particular and that this will result in improved profits. This outlook and an average valuation level militate in favour of further upside potential. Factoring in the valuation and short-term business trend, we see small caps Siegfried (top pick) and Landis+Gyr as well as the large cap Roche (top pick) as particularly interesting investment ideas. By contrast, we are adopting a more cautious stance on Interroll and Sonova shares.

Small caps category

Siegfried

Conference feedback: POSITIVE

Siegfried is seeing a persistently strong trend towards outsourcing in the global pharmaceutical industry. In view of its broad technology portfolio and customer base, the company is very well positioned to achieve a level of growth well above that of the market in the long term. With major investments at three production sites over the past two years and new supply contracts, Siegfried is confident about 2026 and also as regards its medium-term goals: annual sales growth of at least 6% and an annual margin improvement of around 1%. Given the forecast of annual double-digit earnings growth, the Siegfried stock is very attractively valued with a P/E ratio of 17.

Bachem (on top picks list)

Conference feedback: POSITIVE

The CFO emphasises that the construction of new production facilities and the ramp-up of production – with production start in the first half of 2026 – are proceeding apace. Certification of the first part of the new production was successfully completed at the end of 2025. This expansion in capacity is set to enable a doubling of sales in the 2023-2027 strategy period to over one billion Swiss francs. The expanded capacity

is already fully utilised, thanks to contracts to supply peptides for weight-loss drugs. Bachem is on track to lift growth considerably to over 30% in 2026.

In the long term, the company also expects the market for peptide-based molecules (in-house and outsourced production) to triple by 2030, shored up by investments and announcements in the pharmaceutical sector (e.g. Roche as runner-up in the market for weight-loss drugs). Bachem is very well positioned to benefit to an above-average extent from the market growth. It is also negotiating with several partners to achieve the next large-scale project as of 2030 (investment volume of over CHF 1.5 billion). The current valuation with a P/E ratio of around 25 and the prospects of earnings growth of 15-20% per year until 2028-2029 make Bachem an attractive growth stock.



“Growth markets, improved cost structures and tariff deal improve the outlook for Swiss small caps in 2026.”

Reto Amstalden,
Investment Advisor

Georg Fischer (on top picks list)**Conference feedback: NEUTRAL**

2025 was a transition year in organisational terms. At the same time, the market environment in the second half of 2025 remained challenging and mixed across the infrastructure, industrial and construction sectors. In Germany there are signs of a bottoming phase with potential for the residential construction and infrastructure sectors thanks to the government's investment programme as of 2026, whereas industry remains weak. The North American infrastructure business is developing well, while commercial and residential new-build activity is sluggish. In Asia, investment in industrial applications remain solid and infrastructure is at a high level. Georg Fischer sees new short-term growth opportunities, particularly in cooling systems for state-of-the-art data centres. Although there is a lack of short-term growth momentum for the first half of 2026, there are signs of a growth recovery and margin improvement in the second half of the year. Georg Fischer has a strong market position that will enable it to benefit in 2026 from a new investment cycle in the semiconductor industry and from government investment programmes in Germany and the US. This growth outlook and higher earnings quality after the portfolio transformation are attractively valued with a P/E ratio that is more than 15% below the long-term average of 20.

Landis+Gyr**Conference feedback: POSITIVE**

The strategic transformation of Landis is proceeding apace. With the sale of the European business to Aurelius (Germany) and return of the proceeds to shareholders via a buyback programme, Landis+Gyr can now focus fully on its highly profitable US business. The long-term outlook for the US business has improved considerably over the past two years. In addition to the huge demand for optimising the energy efficiency of buildings and infrastructure, there will be a sharp increase in demand for electricity from data centres and due to the reshoring trend in the US. This is driving utility companies' investments and is reflected in a record order backlog for Landis+Gyr (around three times annual sales). The transformation will be completed in 2027 with the planned new listing of the shares in the US, resulting in a dual listing. The shares will remain listed in Switzerland (i.e. no risk for Swiss private investors owing to the US inheritance tax law). In our opinion, Landis+Gyr has an increasingly attractive risk-return profile. With its strategy of focusing on the

US market, Landis+Gyr is regaining attractive long-term earnings and dividend prospects, which is not adequately reflected in the valuation with a P/E ratio of under 20.

SKAN**Conference feedback: POSITIVE**

SKAN is a leading manufacturer of sterile bottling equipment for oncological, injectable drugs and is confident that it can return to its long-term growth trajectory and beat the sales record of 2024 in 2026. Following project shifts – primarily as a result of the US tariff and healthcare policy – SKAN had to issue a profit warning for 2025 in November of last year. It now expects a drop in sales of over 5% for 2025, compared with the original growth target of 5-10%. However, the persistently good order situation indicates that the project delay is more of a temporary problem than a drop-off in demand.

SKAN sees the medium- and long-term growth outlook as still positive, driven by structural market growth, the strong global competitive position and a solid project pipeline. The company is confirming its optimistic medium-term goals and expects an annual increase in net sales in the mid to upper teens range and an EBITDA margin that should gradually reach the upper teens range (2024: 16%).

Company presentations attended and feedback (green: positive; red: cautious)

	Price (in CHF)	Perf. (YTD)	Market value (in CHF m)	P/E ratio 2026E	Growth markets (% of sales)	Comments/argument (+) positive / (-) negative
Small caps						
Siegfried	87.1	17%	3,940	20.7	Pharma (100%)	(+) Cyclical resistance; (+) valuation
Bachem	70.7	18%	5,303	29.3	Pharma (100%)	(+) Leap in growth in 2026 (GLP-1/weightloss drugs)
Georg Fischer	52.3	-2%	4,290	17.9	Data centres (10%)	(=) Transformation on track ; (-) demand cycle sluggish
Landis+Gyr	51.7	1%	1,495	21.6	Energy (100.0%)	(+) Strategic transformation on track (new focus on US/Asia)
SKAN	60.0	14%	1,349	31.5	Pharma (100 %)	(+) Return to high long-term growth in 2026
Bossard	156.8	0%	1,254	14.2	Electrification, AI (30%)	(=) Cycle bottomed out; (-) lack of recovery
Interroll	2115.0	-4%	1,806	25.4	E-commerce (40%)	(=) Cycle bottomed out; (-) lack of recovery
Large caps						
Geberit	601.2	-3%	20,394	30.1	-	(=) Slow recovery in demand in Europe
VAT	511.0	32%	15,330	55.3	AI, computer centres (> 50%)	(=) New growth cycle as of 2026; (-) valuation
Sonova	222.4	7%	13,261	20.1	Pharmaceuticals/medtech (100%)	(=) Low stable growth; (-) ambitious guidance for 2026
Roche	347.9	6%	282,404	17.0	Pharmaceuticals(100%)	(=) Stable short-term growth; (+) upgrade of growth pipeline
Sika	148.8	-8%	23,879	19.3	Data centres (10%), electrification (15%)	(=) Mixed demand picture; (-) China weak; (+) valuation
Straumann	98.0	5%	15,623	28.8	Pharmaceuticals/medtech (100%)	(=) stable double-digit growth
SGS	94.3	4%	18,367	23.0	Data centres, connectivity (20%)	(=) Stable demand growth

Source: Zuger Kantonalbank

Large caps category

Geberit

Conference feedback: NEUTRAL

Despite cautious market demand in the European residential construction sector, Geberit succeeded in achieving sales growth of 5% in 2025. Thanks to innovations (e.g. shower toilet), the company thus outperformed the market and gained further share in a period of industry downturn. Owing to its high cost and price discipline, Geberit is generating a high operating profit margin of around 30% – consistently and independently of the economic cycle.

As regards the outlook for the current year, Geberit is slightly more optimistic than it was 12 months ago with its outlook for 2025. The company is expecting slight growth in the renovations segment and stable new-build activity for 2026. This outlook seems rather conservative. Building permits in the residential sector have started to recover strongly in its major sales market, Germany, in recent months. With a P/E ratio of 30 and a valuation premium of 20 compared with the long-term average, the high earnings quality and positive earnings outlook are, however, largely reflected in the price.

VAT

Conference feedback: NEUTRAL

The company confirms that the order situation improved greatly towards the end of 2025, especially in December. Order intake in the fourth quarter rose by 30% to CHF 305 million compared with the previous quarter. VAT is seeing initial clear signs of a turning point towards a new investment cycle in the global semiconductor industry. In the key memory chips segment in particular, a major shortage has developed unexpectedly quickly owing to the explosion in demand due to AI. The expectation is that investment in new production capacity will increase by over 20% in 2026. As AI calls for state-of-the-art, powerful chips that require considerably more production steps in a vacuum environment, VAT's vacuum valves are likely to see above-average growth.

With the recent price increase of over 40% with a P/E valuation of 45 based on sales growth of 50% over the next two years, we view the VAT share as fairly valued.

Sonova

Conference feedback: NEUTRAL

As a global leading manufacturer of hearing aids, Sonova is benefiting from the long-term stable growth driver of a rapidly ageing global population. With its recent launch of a new product platform (Infinio Ultra),

Sonova demonstrated its innovation leadership, meaning that further gains in market share and growth above that of the market can be expected. The hearing aid market is likely to remain challenging in the short term, however, with growth set to be in the low single-digit percentage range. Against this backdrop, Sonova will find it challenging to achieve its sales guidance with an increase in growth in the second half to around 10% (first half: 5% growth). Moreover, the strategy and financial targets are being reviewed, as Sonova now has a new executive board and a new chairman of the Board of Directors. The update will be communicated in the spring.

With a P/E ratio of around 20, Sonova is attractively valued, both in absolute terms and relative to Swiss quality stocks. Against the backdrop of the ambitious guidance and the strategy update, however, we remain cautious vis-à-vis Sonova.

Sika (on top picks list)

Conference feedback: NEUTRAL

Sika emphasises that the sales performance in the final quarter of 2025 was weak and that zero growth at the Group level resulted from a sharp drop in sales in the Chinese residential construction business. By contrast, Sika achieved positive growth in the US and Europe, indicating further gains in market share in a weak, slightly declining construction market.

Moreover, the company points out that it intends to focus on its new and extensive cost-cutting programme and that a clear recovery in margins should become visible in 2026, regardless of presumptions of persistently sluggish market demand. In our opinion, Sika remains an attractive investment idea. The company's uninterrupted structural strengths and growth opportunities as well as the attractive valuation – a P/E ratio of below 20, resulting in a discount of over 30% compared with Swiss quality stocks – militate in favour of significant upside potential over the next 12-18 months.

Roche (on top picks list)

Conference feedback: POSITIVE

The CEO emphasised that Roche has never before had a more valuable development pipeline. This is directly related to the new breast cancer drug Giredestrant, which may be brought to market at the end of 2026. The drug has sales potential of over CHF 10 billion. In addition, this could lead to further potential from combination therapies. Roche's drug developments in the fields of multiple sclerosis and obesity also promise further significant sales potential.

Furthermore, Roche has signed an agreement with the Trump administration relating to the future pricing for drugs. In this way it will avoid punitive tariffs and can thus recreate planning and investment certainty.

In the past 24 months, Roche has successfully addressed the weakness of an inefficient and moderate development pipeline. The success rate for drugs in phase 3 of clinical development was increased to 75% in 2025, compared with 60% in recent years. At the same time, peak sales per drug in the pipeline (phase 3) were lifted by 60%. Given this positive growth outlook, the Roche shares remain attractively valued with a P/E of 16.

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