

8th April 2016

Healthcare

bioMérieux

Price EUR107.75

Four panels now approved for use with FilmArray Torch

Fair Value EUR115 (+7%)

BUY

Bloomberg	BIM FP
Reuters	BIOX.PA
12-month High / Low (EUR)	118.7 / 90.8
Market Cap (EURm)	4,251
Avg. 6m daily volume (000)	50.20

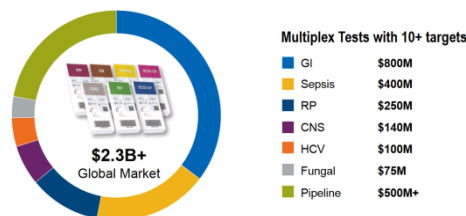
ANALYSIS

- The FDA approved the Sepsis, Gastro-Intestinal and Meningitis-Encephalitis panels for use with BioMérieux' FilmArray Torch. Once again, the clearance of these panels came shortly after their filing (2nd half of March). The instrument should be made available in the US and in Europe by the summer and in autumn respectively, enabling bioMérieux to benefit from US hospital orders ahead of the 2016/2017 flu season.
- The recent clearance of the FilmArray Torch and its four panels alongside a push on S&M and to a lesser extent, R&D expenses, should enable bioMérieux to 1/ benefit from the window of opportunity left by GenMark to rapidly increase its footprint with a coverage that we estimate at around ~15% of targeted US hospitals. Note that GenMark has yet to communicate on the filing of its ePlex platform expected during Q2. 2/ be less dependent on volatility in the flu season from one year to the next with the ramp-up of other panels. As a reminder, sales from the GI panel which are somewhat marginal at the moment compared to the respiratory ones should fuel growth at BioFire.

	1 M	3 M	6 M	31/12/15
Absolute perf.	7.1%	-0.2%	14.6%	-2.0%
Healthcare	0.4%	-6.8%	-4.7%	-10.1%
DJ Stoxx 600	-3.8%	-5.3%	-9.1%	-10.3%

	2015	2016e	2017e	2018e
P/E	38.5x	26.3x	22.2x	18.9x
Div yield (%)	0.9%	1.0%	1.1%	1.3%

The Infectious Disease Market (in USDm)



- Turning to Q1, we would expect the pace of sales growth in the quarter to be slightly softer in view of the demanding comparison basis in Q1 2015. Note that growth in China was dynamic in the first half of 2015 and that BioFire benefited from a very intense flu season. However, we would not expect this to come as a major surprise.

VALUATION

- We reiterate our BUY rating and EUR115 Fair Value (down from EUR118 following changes in our risk free rate and equity risk premium assumptions).

NEXT CATALYSTS

- 21st April: Q1 sales

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Distribution of stock ratings

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