

11th July 2016

Healthcare

**Ipsen**

Price EUR52.29

**Ipsen appoints former Head of Oncology at Baxalta as new CEO**

**Fair Value EUR63 (+20%)**

**BUY-Top Picks**

Bloomberg	IPN.FP
Reuters	IPN.PA
12-month High / Low (EUR)	62.0 / 47.1
Market Cap (EUR)	4,353
Avg. 6m daily volume (000)	87.00

	1 M	3 M	6 M	31/12/15
Absolute perf.	-8.4%	0.3%	-10.3%	-14.3%
Healthcare	1.8%	5.9%	0.3%	-4.8%
DJ Stoxx 600	-5.0%	-1.4%	-4.1%	-10.5%

  

	2015	2016e	2017e	2018e
P/E	18.8x	18.0x	15.5x	12.8x
Div yield (%)	1.6%	1.6%	2.1%	2.3%

#### ANALYSIS

- Earlier today Ipsen announced that it has appointed David Meek as the company's new CEO. Ipsen was looking for an experienced Senior Executive with background in commercial operations in the US and experience in Specialty Care areas and in business development. This is the case with David Meek who is American by citizenship, worked for J&J in the US for 15 years and then moved to Novartis where he headed several businesses in Basel, was head of Pharma in Canada and then head of Oncology in Northern, Central and Eastern Europe. He was then chief commercial officer at Endocyte and lastly head of Oncology at Baxalta until the company was acquired by Shire.
- We do not know David Meek but he looks highly qualified for the job and fits with Ipsen's criteria including a deep understanding of the oncology business across several geographies, drugs and companies. At Baxalta, he was the architect of the oncology franchise that was created after the spin-off from Baxter through the acquisition of Oncaspar (from Sigma Tau, for USD900m) and licensing-in of ex-US rights of Onyvive from Merrimack (USD100m upfront). David Meek has expertise in M&A deals in oncology although it could also be debated whether these drugs are strategic to Shire or could be discussed for another transaction with Ipsen, especially since Shire is considering divestitures to reduce its debt while staying very much focused. Of course, the new CFO will be instrumental in coordinating Cabometyx and telotristat launches outside the US too.
- David Meek will join Ipsen in about a week and should therefore be present for the first half results to be disclosed on 28th July 2016.

#### VALUATION

- No change but PEG ratio still looks very attractive to us (1.2x based on P/E 2017).

#### NEXT CATALYSTS

- 28th July 2016: First-half results

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## Distribution of stock ratings

BUY ratings 57.4%

NEUTRAL ratings 33.1%

SELL ratings 9.5%

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