

25th August 2016

Healthcare

Ipsen

Price EUR59.17

Key takeaways from discussion with new CEO

Fair Value EUR66 (+12%)

BUY-Top Picks

Bloomberg	IPN.FP
Reuters	IPN.PA
12-month High / Low (EUR)	61.9 / 47.1
Market Cap (EURm)	4,927
Avg. 6m daily volume (000)	87.80

	1 M	3 M	6 M	31/12/15
Absolute perf.	6.9%	5.4%	13.9%	-3.0%
Healthcare	-3.8%	0.8%	6.7%	-6.9%
DJ Stoxx 600	1.4%	0.2%	7.7%	-5.7%

	2015	2016e	2017e	2018e
P/E	21.3x	20.4x	17.5x	14.5x
Div yield (%)	1.4%	1.4%	1.9%	2.0%

ANALYSIS

- In order to introduce its new CEO to the sell-side community, Ipsen organised an informal meeting yesterday.
- Although it is still very early days since David Meek has only been in place for a few weeks, we consider that he is determined to build on the existing strong foundations but at the same time to add fresh impetus and if possible, introduce some changes and improvements to the organisation that is described as complex. Mr Meek is to continue visiting subsidiaries around the globe and is soon to head to China and Russia with the CFO, with the aim of trying to simplify the organisation.
- Nothing is set in stone and while Ipsen preferred not to support the thesis of an ongoing strategic review, nothing has been ruled out for instance in terms of how to do research at Ipsen or what Primary Care to keep within the group over the long term. One of the objectives is to boost the group's operating profitability and close the gap vs competition in specialty care on that front.
- What is very clear is the personal implication of the new CEO in BD and M&A. He is convinced that results can be obtained only if the CEO himself is closely involved in the process and he has had several personal interactions with other CEOs recently to discuss partnerships or acquisitions. One of the key objectives here is to leverage existing infrastructure and try to maximise synergies with existing products. It was interesting to hear that being a family-owned company could help by ensuring continuity in the strategy and providing stability to a potential partner. We would be surprised if efforts in terms of BD/M&A do not translate into a deal over the next few months. However, short-term accretion is less clear than we previously understood.

NEXT CATALYSTS

- Early October: ESMO meeting – new data on cabozantinib (including CABOSUN phase II data in 1L)
- [Click here to download document](#)

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Distribution of stock ratings

BUY ratings 72%

NEUTRAL ratings 0%

SELL ratings 28%

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