

31st October 2016

Healthcare

**QIAGEN**

Price EUR22.58

**A look ahead of Q3 results**

**Fair Value EUR26 (+15%)**

**BUY-Top Picks**

Bloomberg	QIA GR
Reuters	QGEN.DE
12-month High / Low (EUR)	25.3 / 17.8
Market Cap (EURm)	5,411
Avg. 6m daily volume (000)	393.9

	1 M	3 M	6 M	31/12/15
Absolute perf.	-6.3%	7.9%	11.3%	-10.1%
Healthcare	-7.6%	-11.5%	-6.8%	-14.6%
DJ Stoxx 600	-0.5%	0.4%	-2.3%	-6.8%

	2015	2016e	2017e	2018e
P/E	23.5x	22.7x	19.7x	17.8x
Div yield (%)	NM	NM	NM	NM

**ANALYSIS**

- QIAGEN is due to release Q3 2016 numbers on Wednesday evening. We anticipate 8.5% growth rate at CER for the quarter (vs. CS at 8.2% CER). Growth over the quarter should be driven by an acceleration from the Academic (20% of group sales) and Molecular Diagnostic businesses (50% of total group sales). Note that the latter should be boosted by QuantiFERON-TB sales (10% of sales) which are expected to continue growing above 25% in Q3, helped by the grade B recommendation recently issue.
- From a profitability standpoint, this quarter should see a sequential improvement in Adj. Operating Income margin which we anticipate at 24.1% of sales (Q1 17.9% and Q2 20.7% of sales). Our EPS for the quarter stands at 0.27/share (vs. 0.28/share for the consensus).

In USDm (exc. per share data)	2015	Q3	Q4	2016e	2017e
Revenues BGe	1281	339	375	1346	1432
Revenues CSS	1291	336	375	1345	1428,2
Delta	-0,8%	0,7%	-0,1%	0,1%	0,2%
Operating Profit BGe	314	81	115	319	369
Operating Margin BGe %	24,6%	24,1%	30,6%	23,7%	25,8%
Operating Margin CSS	320	82	112	319	353
Operating Margin CSS %	24,8%	24,3%	29,9%	23,7%	24,7%
Delta	-2%	0%	2%	0%	5%
Net Profit BGe	249	65	92	257	296
Net Profit CSS	254	66	91	258	283
Delta	-2%	-2%	1%	0%	4%
EPS BGe	1,05	0,27	0,39	1,09	1,25
EPS CSS	1,07	0,28	0,38	1,09	1,22
Delta	-2%	-1%	1%	0%	3%

Source : Company Data; Bryan Garnier & Co. ests.

- Note that we would expect comments on the GeneReader from the management to be part of a presentation during the IR DAY more than during Q3 results publication.

**VALUATION**

- We reiterate our BUY rating and EUR26 fair value

**NEXT CATALYSTS**

- Nov. 2<sup>nd</sup>, 9.00pm CET : Q3 results, followed by a conference call a 10.00pmCET (US +1 631 302 6547, UK +44 203 059 8128).
- Nov. 15<sup>th</sup>: IR DAY

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## Distribution of stock ratings

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