

bioMérieux

Price EUR139.55

Good set of Q3 sales. Management mischievously raises sales' guidance

Fair Value EUR130 (-7%)

NEUTRAL

Bloomberg	BIM FP
Reuters	BIOX.PA
12-month High / Low (EUR)	140.5 / 98.0
Market Cap (EURm)	5,506
Ev (BG Estimates) (EURm)	5,906
Avg. 6m daily volume (000)	31.80
3y EPS CAGR	29.6%

BIM released Q3 sales which came 180bp above consensus growing 9.1% CER to EUR510.8m vs 7.2% CER or EUR504.1m as anticipated. The US with FilmArray and Immunoassays sales as well as better than anticipated performance in APAC are driving growth. From "at or above the high end of 6-8% organic growth" FY2016 sales guidance is raised to "above 8% organic growth". Confcall this afternoon at 3.00pm.

	1 M	3 M	6 M	31/12/15
Absolute perf.	2.9%	11.9%	27.0%	27.0%
Healthcare	-2.8%	-6.6%	-2.7%	-10.5%
DJ Stoxx 600	1.4%	1.1%	-0.5%	-6.4%

BIM (in EURm) Q3	Q3 2015	Q3 2016	Q3 2016 CSS	Delta
Sales	478,3	510,8	504,1	1,3%
% CER	8,8%	9,1%	7,2%	180bp
% growth	16,1%	6,8%	5,4%	

BIM (in EURm) 9M	9M 2015	9M 2016	9M 2016 CSS	Delta
Sales	1 411,5	1 512	1 505,0	0,5%
% CER	8,3%	10,3%	9,7%	60bp
% growth	18,3%	7,1%	6,6%	

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

YEnd Dec. (EURm)	2015	2016e	2017e	2018e
Sales	1,965	2,096	2,259	2,420
% change		6.7%	7.8%	7.1%
EBITDA	380	427	469	545
EBIT	260.0	290.3	321.9	387.2
% change		11.7%	10.9%	20.3%
Net income	110.3	164.3	194.4	239.9
% change		49.0%	18.3%	23.4%

	2015	2016e	2017e	2018e
Operating margin	13.2	13.9	14.3	16.0
Net margin	5.6	7.8	8.6	9.9
ROE	7.3	10.1	11.0	12.3
ROCE	8.2	8.5	9.2	10.8
Gearing	14.9	24.6	19.0	10.8

(EUR)	2015	2016e	2017e	2018e
EPS	2.80	4.16	4.93	6.08
% change	-	49.0%	18.3%	23.4%
P/E	49.9x	33.5x	28.3x	23.0x
FCF yield (%)	1.3%	NM	2.3%	3.6%
Dividends (EUR)	1.00	1.04	1.23	1.52
Div yield (%)	0.7%	0.7%	0.9%	1.1%
EV/Sales	2.9x	2.8x	2.6x	2.4x
EV/EBITDA	15.1x	13.8x	12.5x	10.5x
EV/EBIT	22.0x	20.3x	18.1x	14.8x

ANALYSIS

- BIM released Q3 sales growing 9.1% CER to EUR510.8m vs 7.2% CER or EUR504.1m as anticipated by the consensus. **North America and the US especially drove growth which sales up 18.4% organic** q-o-q to EUR179.1m. FilmArray instrument sales surged 78% and sales push in Immunoassays enabled the company to boost VIDAS reagent sales. No comments on the instrument sales trend as Roche entered the market. **APAC grew 11.6% organic over the quarter**, (EUR91m) keeping up with strong H1. Increased reagents in the sales mix pointed toward a stabilisation, however, management comments with regards to what happened last year (deceleration in H2) prompted for conservatism. Note that China, India and Korea together grew over 15% in the quarter driven by increased sales of immunoassays and microbiology. Management stated that it expects a slowdown in the fourth quarter. European picture is mixed with western European sales growth almost flat to 0.7% organic, driven down by France. Eastern European sales are up 2.7% organic. All in All, **European sales increased 1.7% to EUR619m in Q3**
- By applications, **Molecular biology sales are leading the trend with sales up 48% to EUR73.5m**. Installed base is now close to 3,500 units (+200 in Q1, +400 in Q2 and +400 in Q3). Share of the GI panel starts to take-off. Recall that while the respiratory panel represents +/-80% of FilmArray reagent sales, it only represents 10% of the market vs 30% for the GI panel. **Immunoassays sales are up 4.4% driven by VIDAS sales** growing 6.7% while **Microbiology and Industrial Applications are up 4.2% and 8.7% respectively**.
- After having narrowed its FY2016 sales and EBIT guidance to "at or above 8% organic growth" for sales and the "high end of the EUR265-290m" for EBIT, sales guidance is raised again and FY2016 sales are now expected to exceed 8%. Our 2016 ests. points to 9.4% organic growth.

VALUATION

- We stick to our NEUTRAL rating

NEXT CATALYSTS

- Today 3.00pm: conference call on Q3 sales

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