

9th November 2016

Healthcare

QIAGEN

Price EUR24.63

GeneReader's US sales to be resumed in late 2016

Fair Value EUR28 (+14%)

BUY-Top Picks

Bloomberg	QIA GR
Reuters	QGEN.DE
12-month High / Low (EUR)	25.3 / 17.8
Market Cap (EURm)	5,903
Avg. 6m daily volume (000)	405.6

	1 M	3 M	6 M	31/12/15
Absolute perf.	0.8%	2.0%	29.6%	-2.0%
Healthcare	-6.8%	-11.6%	-3.4%	-16.1%
DJ Stoxx 600	-1.4%	-1.9%	1.0%	-8.4%

	2015	2016e	2017e	2018e
P/E	25.9x	25.0x	21.4x	19.1x
Div yield (%)	NM	NM	NM	NM

ANALYSIS

- QIAGEN announced that US commercial activities for the GeneReader should be resumed in late 2016 for selected customers, shortly followed by a broader launch in Q1 2017. This is a positive news which confirms the company's commitment in making its GeneReader available to US customers in the need for alternative to TMO and Illumina sequencers.
- In early September 2016, the US Court prompted QIAGEN to halt US sales of the company for the GeneReader by granting a motion for preliminary against the company as part of a patent infringement lawsuit filed by Illumina in May 2016. The patent at stake describes a method of labelling nucleotides as part of the sequencing (please see our note [here](#)). QIAGEN already announced that R&D investments have been made to upgrade its GeneReader and following today's news, it appears that what we should expect from the trial in November 2017 would "only" be the payment of damages to Illumina for 9 months of commercial activities in the US.
- The company is set to host its IR day in NYC on Tuesday next week. With the preliminary injunction hangover now behind in our view, we would expect the company to give more detail on pricing model for the GeneReader and potentially be able to provide investors with a long term guidance (?).

VALUATION

- We reiterate our BUY rating and EUR28 fair value.
- Note that QIAGEN derives 48% of its sales from Americas (out of which close to 90% in the US)

NEXT CATALYSTS

- Nov. 15th: IR Day in NYC

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