

**Actelion**

Price CHF208.50

**JNJ has left the bidding process. SAN still in play****Fair Value CHF194 (-7%)****BUY**

Bloomberg	ATLN VX
Reuters	ATLN.VX
12-month High / Low (CHF)	210.4 / 122.5
Market Cap (CHFm)	22,468
Avg. 6m daily volume (000)	596.9

	1 M	3 M	6 M	31/12/15
Absolute perf.	47.1%	27.6%	33.5%	49.4%
Healthcare	1.3%	-3.2%	-1.8%	-12.2%
DJ Stoxx 600	5.9%	5.5%	9.4%	-2.3%

  

	2015	2016e	2017e	2018e
P/E	33.8x	25.5x	28.1x	26.1x
Div yield (%)	0.7%	0.7%	0.7%	0.7%

**ANALYSIS**

- JNJ has decided to stop the discussions with ATLN due to conditions that could not be values creative for its shareholders. ATLN takes notice and reports that it is now in discussions with another party. The WSJ is quite unambiguous to say SAN is currently in talks with ATLN, and even an USD30Bn figure is said to be on the table (and that would be much higher than the previous one they got from JNJ)... which is also unexpected given SAN's conservative reputation when it comes to M&A pricing.
- **ATLN: a nice fit within SAN's portfolio.** We believe ATLN would be a very good fit within the French pharma's portfolio as it 1/ would speed up its recovery from 2018 onwards; and 2/ helps its transition phase with a greater specialty care profile, while reinforcing its rare disease franchise with the current PAH portfolio as well as more early-stage assets (e.g. lucerastat in Fabry disease).
- **But talks are likely to be more challenging.** Admittedly, 1/ JP Clozel has never seen SAN as an ideal partner; and 2/ we lack details regarding the eventual structure of the deal (split into two parts? Whole acquisition?). But ATLN's board cannot ignore an offer that would be much superior to JNJ's... so we believe a deal is still likely at a price of c.CHF250, though with a slightly lower PoS.

**VALUATION**

- We stick to our BUY rating.

**NEXT CATALYSTS**

- Update on discussions with SAN or another big pharma at any time.

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### Distribution of stock ratings

BUY ratings 72%

NEUTRAL ratings 0%

SELL ratings 28%

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