

Life Sciences Tools & Services

| Healthcare

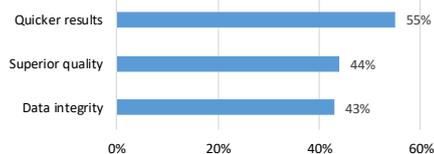
AGILENT's industry survey bodes well for QIAGEN and BIOCARTIS

Time-to-result is #1 concern

Agilent (A:US ; MCap USD23.1bn) released earlier this month the results from a survey carried out among 650 pharma, biopharma and CRO's lab managers across Western Europe, the US and APAC, involved in disease research and manufacturing. Interestingly - albeit not surprisingly -, we note that achieving quicker time to results ranks first (55%) among the major concerns for lab managers across the industry as it has a direct impact on their ability to bring innovative medicines faster to the market. Moreover, 65% of them say that the most important type of innovations are those that increase efficiency.

BG Coverage

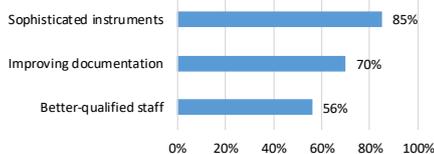
BIOCARTIS | BUY | EUR17
 QIAGEN | BUY | EUR36,5
 BIOMERIEUX | NEUTRAL | EUR66 vs. EUR70
 ONCIMMUNE | CORPORATE | 168p



Sources: Agilent, Frost & Sullivan.

Achieving greater specificity by streamlining workflows

While buying more sophisticated instruments seems to be the preferred strategy (85%) to improve the workflow, it also implies the hiring of better qualified staff (56%) driving higher R&D costs. We believe that taking out some of the human error from the workflow (e.g. sample prep steps) could drive a greater specificity, ultimately leading to faster time to results. To achieve this, ease-of-use is necessary in our view and we are surprised that only 32% of respondent stated that this could improve their workflow. We would expect this number to increase in the coming years.



Sources: Agilent, Frost & Sullivan.

QIAGEN and BIOCARTIS well positioned

QIAGEN (Buy | FV EUR46.5) is well positioned, notably to cope with the increasing demand for sophisticated instruments. The assay technology segment for PCR and NGS has been highlighted by the group during its CMD as one of the key driver for its LifeSciences business. We also note the development of a dPCR platform to be launched in 2020.

BIOCARTIS (Buy | FV EUR17) recently attracted several pharma (BMS, GILEAD) as its fully automated Idylla platform could be used to help the penetration of new drugs (CDx). In the development/research process we see upside from the NGS prep panel which could standardize the sample prep and target enrichment steps hereby reducing the manual work, footprint and cost of a NGS run.

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