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PRESENTATION

Operator

Good day, and welcome to the bioMérieux First Quarter 2021 Business Review. Today's conference is being recorded. At this time, I would like to turn the conference over to Franck Admant. Please go ahead, sir.

Franck Admant - *bioMérieux S.A. - Director of IR*

Thank you, Kim. Good afternoon, and thank you for joining us to review bioMérieux's performance for the first quarter of 2021. As usual, I am online with Alexandre Mérieux, Chairman and CEO; as well as Guillaume Bouhours, the CFO. Before handing the call over to Alexandre for preliminary remarks, please note that this conference call will include forward-looking statements.

I would like to remind you of the usual disclaimer saying that forward-looking statements are based entirely and partially on assessments or judgments that may change or be modified. Due to uncertainties and risks related to the company's environment, notably we described it in the 2020 registration document, including but not limited to, economic conditions, financial exposure to currency exchange fluctuations, change in government policies or regulations, third-party reimbursement policies, timing on the onsets, length and severity of the flu season and competition.

Accordingly, we cannot give any assurance as to whether we will achieve with these objectives. I also remind you that today's call is being recorded, and that a replay will be available on our website. I'll now hand the call over to Alexandre Mérieux, and then we will open the call to discussion and questions.

Alexandre Mérieux - *bioMérieux S.A. - Chairman & CEO*

Thank you, Franck, and good day to everyone. Thank you for joining this call. So let's start with the overview of the activity for the first quarter before we take your questions. So in Q1, we recorded sales of EUR 845 million, which represents an organic growth of 16.5% compared to last year.

The reported growth reached almost 10%, and this was mainly due to currency fluctuations year-on-year. So this growth has been driven by our molecular biology solutions, growing at 19% despite the slowdown in respiratory demand in the U.S. by the end of the quarter. And driven also

by solid performances, both in immunoassay, displaying plus 28%, also industrial applications at plus 14%, whereas microbiology came back to growth at a rate of 3%.

I would also like to highlight the good performance across all regions and particularly in Asia Pacific, at plus 27%; and Latin America, plus 25%; while North America and Europe and Middle East grew at solid mid double-digit rates. Now let's dig more into details for each range of product, and we'll start with the molecular range.

So on the molecular front, BIOFIRE FILMARRAY product line enjoyed a strong performance with sales of EUR 295 million booked over the quarter versus EUR 255 million in Q1 '20, implying an organic growth of 19.4%.

Respiratory panels still presents a significant part of our sales but the non-respiratory panels enjoyed a sharp increase, such as gastrointestinal at plus 33%, and BCID at plus 61%, allowing also for us to come back to a more balanced mix with 65% of sales linked to respiratory panels and 35% linked to non-respiratory panels.

However, the nice improvement of the sanitary situation in the U.S. is driving down (inaudible) physicians and it's also impacted the demand for RP panels, particularly at the end of the quarter. As you know, we are quite exposed to the U.S. market with ourselves on RP panel. On the other side, I would say the sanitary situation is evolving differently in other regions of the world.

For example, in Europe, BIOFIRE Panel sales delivered a 35% sales growth, mainly driven by RP panel. And for example, also, we saw a strong evolution of the demand in Japan. I would say that the evolution of the pandemic is contrasted and evolutive, bringing some uncertainties on business trends and demand.

Today, we are out of back orders for BIOFIRE FILMARRAY. We can supply the full range of panels. I would say that the almost 10,000 additional units that we have installed over the last 15 months are a strong base to grow the promotion and the adoption of the syndromic approach. Regarding immunoassays, you have seen that immunoassay displayed a very nice growth of plus 28%.

This performance was mainly driven by a recovery in most of the regions, and also by COVID-related assays, such as antibodies, IgG and IgM, but also D-dimer, which is used for COVID patients monitoring testing. And so a strong contribution for immunoassay to the growth of the company. On the VIDAS PCT test in the U.S., we still see price erosion and also volume decrease, which have affected negatively overall our U.S. immunoassay business.

Would say that VIDAS remains a key pillar in bioMérieux's strategy, and we feel encouraged by the recent important launches that we could do successfully on time, such as NEPHROCHECK for acute kidney injury. Latent TB or (inaudible) with dengue, keeping us differentiated through the high medical value menu.

Moving now to microbiology. Microbiology showed a very decent performance at about 3% growth. And this growth was fueled by sales in both VITEK and BACT/ALERT ranges, with also a nice recovery in ASPAC and Latin America. Why routine activities have still not come back to the pre pandemic levels? We believe that we are very well positioned to lead the fight against AMR, thanks to our comprehensive portfolio of solutions.

Looking now at industry, to close these opening remarks. The industry, microbiology unit demonstrated a very strong start of the year with a 14% growth versus 2020. On the both food and health care businesses, I've have seen the growth driven by equipment sales across the various regions. So I would like to conclude this short introduction on an annual perspective.

Our strategy, focusing on several applications and well-balanced geographically-wise are bringing solidity and resilience to potential headwinds. And as I mentioned it earlier, health situation is evolving in a very contrasted mode. The demand for BIOFIRE respiratory panels is decreasing in the U.S. All in all, we have to monitor things cautiously and with pragmatism as we have thousands of new units that have been installed over the last 15 months, on other panels that have to be, keep on being promoted.

Also, it's worth noticing also that the other parts of the business, such as the non-respiratory panels and BIOFIRE, immunoassay and industry are displaying a nice performance in Q1. So overall, the first half sales are now expected to grow at around 10% at constant exchange rates and scope of consolidation. And I would say that in an unpredictable environment, which contracted evolution of the pandemic, full year sales are now expected to grow organically at neutral to mid-single digit rates and annual guidance for contributive operating income is maintained. With this being said, I propose that we leave the floor to the Q&A session.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) We can now take our first question from Patrick Wood from Bank of America.

Patrick Andrew Robert Wood - *BofA Securities, Research Division - Director in Equity Research and Head of the EMEA MedTech & Services Team*

Perfect. I have essentially 2 questions, please. The first on the BIOFIRE side of things. The system placements were quite good, but obviously, you then have the growth begin to drop off. How should we reconcile the strong system placements with the slightly fading demand that we saw through the quarter? So that's question one.

Question 2, on a generally similar topic. Just curious on your thoughts of what, if any, impact do you think that could be on the multiplexing world and molecular in general, the Luminex and GenMark takeouts could mean for you guys? And then last one, just curious, could you give us a few details on -- obviously, you're keeping the sort of guidance for EBIT essentially flat. Just curious, what are the actions you are taking in the background to offset some of the slightly softer top line?

Alexandre Mérieux - *bioMérieux S.A. - Chairman & CEO*

Thank you. So I will take your first question on the BIOFIRE system placement. It's true that I think we had more than 2,200 system installed and placed in Q1 so far. So for us, it's a strong signal. When we add that also to the close to 7,000 systems we had last year. So the placement, it's a worldwide placement. It's what we saw, I think at the end of the first quarter is less demand coming on respiratory panels in the U.S., maybe a bit in advance. I like to compare to what we had estimated.

But for us, it's -- the placement is a good signal, as I mentioned. For us, it's a base to keep on -- in the future, to keep on growing and promoting the syndromic approach also beyond respiratory. Your question around multiplexing, I won't comment about competition. I just believe that syndromic is also a very nice medical value proposition, which meets strong medical demand.

And it's here to grow, it's here to stay also in a post pandemic world also, where we'll have to face more than one virus. I would say, maybe a question on the EBIT, Guillaume, center it on EBIT.

Guillaume Bouhours - *bioMérieux S.A. - Executive VP of Purchasing and Information Systems & CFO*

Thank you for the question. Of course. So we maintain our target to have an EBIT that is around the level of last year, so let's say, around EUR 600 million. We believe we have a number of levers to, let's say, somehow offset some of the slightly lower sales targets. First, the current environment presents, unfortunately, travel in a big way. And in some ways, the marketing and congress, promotional costs.

So we have significant savings that were, let's say, clear last year and that are actually continuing more than we thought this year and will continue. We clearly have some levers also around the variable cost and, let's say, valuable compensation as well overall. I can mention that the phantom shares, you remember this subject, that we had the last tranche of this phantom share program, that actually ended, end of March.

And we have a few millions of savings there compared to what we had forecasted due to the share price, slightly lower at the end of March and the end of December. And again, the cost base would be a key subject as well to reach these targets. So overall, we maintain our target, as mentioned.

Operator

We can now take our next question from Maja Pataki of Kepler.

Maja Pataki - *Kepler Cheuvreux, Research Division - Head of Med Tech Devices Sector*

I will start with one on BIOFIRE. In the press release, you stated that you've been able to work down the back order that you had in BIOFIRE. Would you be able to give us an indication how much this added to revenues to get a feeling for the underlying demand in the market? That will be my first question.

The second question relates to microbiology. You state strong instrument sales in the quarter that were helping to return to growth. How shall we think about the quarters going forward since this is a rather lumpy business? Do you think that there is a high demand that needs to be met over the next couple of quarters? Or do you think that the reagent sales will start to pull through? And then on BIOFIRE pricing, has there been a change in the ASP for BIOFIRE over the last 12 months based on the geographic mix or pricing pressure in one specific market?

Alexandre Mérieux - *bioMérieux S.A. - Chairman & CEO*

Okay. I will take -- the BIOFIRE pricing, we have not seen changes overall on the ASP and on this, say, at a worldwide level. Your question on microbiology. I believe we are not yet back to the prepandemic level. It's good that we had a good level of sales of equipment this quarter.

Things are progressing. As you know, it's a very contrasted depending on the countries and depending on the other regions. But what we believe is that today, it's about COVID, but we believe that AMR antibiotic resistance is and will be a key topic, and we are ready to cope with the activity when it comes back.

Your question on back order, back order, in fact, it's more the ability that we have now to better fully serve, I would say, the customers. And also to be able to promote a bit more the nonrespiratory panels such as gastrointestinal, meningitis and BCID. I'm not sure we can relate, the end of the back order to extra sales. That's not the point, I believe.

Operator

We can now take our next question from Scott Bardo from Berenberg.

Scott Bardo - *Joh. Berenberg, Gossler & Co. KG, Research Division - Analyst*

Yes. So first question on BIOFIRE, please. Appreciate we're in a quite unusual market environment with COVID-19, but I think this is the first time I can recall that the company has negatively revised guidance so early on in the year. So I'm assuming that BIOFIRE did not live up to expectation. Can you help us understand what sort of growth trends you saw in month-by-month in the first quarter? To give us some flavor for how much the business stalled in the month of March.

And following on from that, is it now the anticipation that you're in year-over-year declines for BIOFIRE in the second quarter and beyond? I just wonder if you could help explain that a little bit within the context of your half year and full year guidance, please. Just so that we can understand the trends you're witnessing. The second question -- sorry, go ahead. I have some follow ups I was asking.

Alexandre Mérieux - *bioMérieux S.A. - Chairman & CEO*

No, no. (inaudible). No, your first question, yes. First, you're right to notice it's an unstable environment. What we saw linked to BIOFIRE. So first, this is quite linked to the U.S. -- the demand in the U.S. And what we saw was the first signal came in March, where we got the signal. So also, I think this is linked first to the improvement of the sanitary situation in the U.S. Maybe the fact also that people are also less (inaudible).

So maybe people are more using single play type of test. So these are signals that we are monitoring. This is why also we have tried to work on the projections and revise the H1 perspective, but it's moving. Market is moving. But I would say the decrease we saw in March is linked to respiratory in the U.S.

Guillaume Bouhours - *bioMérieux S.A. - Executive VP of Purchasing and Information Systems & CFO*

And Scott, you might remember that when we discussed our guidance -- our initial guidance 2 months ago, some people were surprised about the implied negative in H2 and actually, we were already maybe expecting at some point to have a kind of slowdown, and we will discuss that together, I think. So what came in March and that was a surprise that it came, let's say earlier, and maybe stronger than expected. But I would say the slowdown was to come at some point. And again, the intra-quarter was strong in January, February.

And as Alexandre said, the signals of weakening demand in March, in the U.S. on our (inaudible) on the risk chart.

Scott Bardo - *Joh. Berenberg, Gossler & Co. KG, Research Division - Analyst*

Indeed, and I appreciate those comments. I mean, is there any sense of magnitude that you can give us? I guess we're all trying to work out now what the new normal is. So I mean are we likely to see, in what was also a very strong prior year, BIOFIRE down say, 30% or so year-over-year into the next quarter? I mean, I'm just trying to understand what your current data in the month of April is sort of highlighting for you.

Guillaume Bouhours - *bioMérieux S.A. - Executive VP of Purchasing and Information Systems & CFO*

It's very difficult for us because again, you understand that this change is pretty recent. And then the evolution is going fast because we are thinking about the U.S., but we all see other parts of the planet where the (inaudible) situation is going the other way around. We all read today about India, which seem to be or thought to be out of the pandemic only 2 months ago, is now at a terrible, terrible situation.

So again, things are moving fast. It's an incredibly uncertain environment. So we took, of course, let's say, a view on -- the best possible view on what we see as demand in the last weeks, both on the BIOFIRE RP U.S., but also the strong positive demand on non RP, on immuno and industrial applications as Alexandre highlighted. All this is in our guidance for H1, around 10%, the best we could see. And even more difficult, of course, to see. But in our, let's say, broad guidance on the full year.

Scott Bardo - *Joh. Berenberg, Gossler & Co. KG, Research Division - Analyst*

Okay. That's very helpful. And maybe just following on from the first question on profitability. Remarkable job that BIOFIRE has done in maintaining high levels of profitability, given the volatility in the top line. I go back to some comments that Alexandre made, I think, about 12 months ago, which was highlighting that you would expect a resumption of selling a marketing cost, travel cost, conference costs and so forth. So is it fair to say that these high levels of profit that the company sees today, in some instances, is a little abnormal and would be at lower levels going forwards. If you can make any comment there, that would be helpful.

And the last question, please. And Alexandre, you touched upon this. You note that there's been more demand for the low plex tests, so to say. And also the environment for multiplexing has rapidly consolidated in the last 4 weeks or so with larger competitors stepping in.

Is this in any way making you revise your long-term expectations for what you can do with BIOFIRE? Or has it triggered any sort of strategic review for you to be more exposed to the low plexing market? If you could comment there, please?

Alexandre Mérieux - *bioMérieux S.A. - Chairman & CEO*

No. The recent moves we have seen in the field of multiplex, it's seems, I would say, a recognition of the value of syndromic and multiplexing by other key players. So that's the way that's the way I see it. So yes, so it's prepared. This company we acquired, it was completion, which was existing before. So no, no, for us, (inaudible), syndromic approach is the way to go. And the goal for us is to keep on, I would say, reinforcing our advance in terms of the new panels and the evolution of the platform.

So we are confident in the value and on the future of the syndromic approach. And then we know that the molecular goes also beyond multiplexing. There are needs for molecular, low plex, single plex and multiplex. But so far, we are promoting and keep on pushing the syndromic approach. And again, it was a very important installed base, which could be a good base for the future.

And I believe I missed the first part of your question on profitability and spending, sales and marketing spending. So yes, we have said, of course, that we are in an abnormal underspend on travel and marketing and promotional spend. Again, as I said a few minutes ago, given the environment, this underspend will continue this year.

We continue more than expected, and is a way to, let's say, offset. And is one of the levers that will help us to keep our EBIT at the levels we expected. Then that being said, in the -- I understand your question is more beyond the current year. We should expect (inaudible) point in some way, to spend more on sales and marketing and travel and going to our customers.

But of course, this is also a lever for growth, because having the sales force not being able to access customers is also somehow limiting in some parts, the growth. So it's -- yes, so it's both effects, right? The spend, but also the growth at site.

Operator

We can now take our next question from Alex Gibson from Morgan Stanley.

Alexander Matthew Gibson - *Morgan Stanley, Research Division - Equity Analyst*

I have 2 questions. My first one is just on the guidance for the first half year. It implies a very sharp falloff in molecular biology. If I just take the run rate of sales for the rest of the businesses, then it could imply probably a 20%, 25% decline in Q2. Could you confirm that's kind of what you're baking in as a base case situation in your first half guidance?

And then the second question is just around M&A. Others in the diagnostic space have started to be very active here. You have a good balance sheet. Are you going to be ready to deploy that anytime soon? Are you looking at potential bolt-on M&As or strategic acquisitions? And if so, what areas of focus would you look at today?

Alexandre Mérieux - *bioMérieux S.A. - Chairman & CEO*

Yes. Your question on M&A, yes, it's true that we are a debt-free company, which will give us a rule of valuers, as we say as usual, and we'll keep on looking on targeted acquisition, which makes sense for the portfolio. We like a new addition of technology. So these are the things we are, I would say, addressing. At the right time with the right target, that is some things we are assessing.

Q2, (inaudible), you projected, again, yes, there will be a fall in molecular, again because the demand on RPU is going down. You remember that last year, we had actually, especially very strong end of Q2 in molecular when we launched RP 2.1 at the end of May. Very strong June, fueled by

RP2.1, so the RP with COVID. So certainly, on the trend, it's -- I won't confirm the precise figure, but definitely, the decline on respiratory with still growth again on the nonrespiratory. Again, very good trend on nonrespiratory in Q1, but we expect to be pursued in the rest of the year.

Alexander Matthew Gibson - *Morgan Stanley, Research Division - Equity Analyst*

Yes. Maybe just a follow-up on that. Is there anything else in the other businesses that would be an incremental impact from Q1 to Q2? Because it seems like you got quite a lot of momentum. So if you do the numbers, it feels like molecular biology is the only business that could really drive that or has to be that negative to get to your guidance. Is there anything that we should consider in Q1 maybe that happened in the other businesses, which are maybe less recurring? And if so, what is it? How big are they?

Guillaume Bouhours - *bioMérieux S.A. - Executive VP of Purchasing and Information Systems & CFO*

The -- we said the only other nonrecurring part is maybe the -- it's always the equipment part, which, as you've seen, we highlight in different parts that we had a very strong Q1 in equipment, which is very good news for the installed base and future for microbiology for industrial applications. But obviously, the state itself of equipment is by essence, somehow lumpy. And yes, it's more difficult to forecast for the coming quarters. It can happen, but not so sure. So that's maybe the only other elements to answer your question, is equipment sales.

Alexander Matthew Gibson - *Morgan Stanley, Research Division - Equity Analyst*

Okay. And on the M&A one, just while we hit, do you think anything would be done this year? Do you anticipate to do a deal this year? Or is it opportunistic as it comes up?

Guillaume Bouhours - *bioMérieux S.A. - Executive VP of Purchasing and Information Systems & CFO*

It's difficult to predict it. We don't control this type of -- we don't control timing and the target.

Operator

(Operator Instructions) We can now take our next question from Maja Pataki from Kepler.

Maja Pataki - *Kepler Cheuvreux, Research Division - Head of Med Tech Devices Sector*

Yes, perfect. Alexandre, as you can see, we're all trying to get some numbers out of you with regards to the slowdown in March, what you've seen in the U.S. Can you maybe just give us some indication on how much respiratory was down in Q1 in the U.S. I guess, respiratory in the U.S. was accounting last year this time around, probably for around 75% of the BIOFIRE revenues and that was the majority of BIOFIRE sales. So are we looking at a 30% decline in respiratory or less or more?

And the second question is just on the tax rate. With the U.S. tax likely to increase going forward, what would that do to your group taxes if the U.S. tax were to increase to 28%?

Alexandre Mérieux - *bioMérieux S.A. - Chairman & CEO*

I don't have this one. Guillaume, you have it for the tax? What could be indication?

Guillaume Bouhours - *bioMérieux S.A. - Executive VP of Purchasing and Information Systems & CFO*

Yes, it will indeed impact us because we have a significant base of profit in the U.S. and so taxable profits in the U.S. So certainly, about 23% average tax rate would move by several percentage points, probably to 25%, 26% in the U.S. tax rate was to move, let's say, as expected. At this stage, it's -- I think it's announcement, not yet built. But yes, it would definitely impact us a few percentage points.

On RP U.S., we -- yes, again, as we said, we have January and February where we're still strong. And actually, yes, that's what we were saying when we discussed together early March. And the decrease came really strongly in March.

Alexandre Mérieux - *bioMérieux S.A. - Chairman & CEO*

We are monitoring. I think we are monitoring at this stage. It's people to tell you what will be the decrease in Q2 because it's on job monitoring, I would say, at this stage.

Maja Pataki - *Kepler Cheuvreux, Research Division - Head of Med Tech Devices Sector*

Right. Then just a quick follow-up. You've mentioned the 10,000 instruments that you've been able to place in the more recent past. What is your internal assumption as a percentage of those instruments that will stay in use going forward, 50% of those 10,000? Or given the fact that you have been selling to quite a bit to existing customers throughout 2020, and I understand also in Q1 2021, how are you internally thinking about the installed base as a realistic number?

Alexandre Mérieux - *bioMérieux S.A. - Chairman & CEO*

It's very difficult to predict. I think we will have to monitor this maybe in a post-pandemic situation, if it happens. Hopefully, it will. Difficult to predict, sort on this one. But then again, we will insist on the fact that, yes, RP will be impacted, because we hope that to get out of this pandemic situation. But we -- the job we have to do this year or maybe earlier next year is to evaluate the potential we have on (inaudible) and non (inaudible) on this new platform.

I think this is still a work in progress at this stage. Sorry for the lack of it, but it's really moving in a different -- in a contracted way in different parts of the world.

Maja Pataki - *Kepler Cheuvreux, Research Division - Head of Med Tech Devices Sector*

No, I understand. I was just thinking that probably you should have also kind of an assumption for your budget or knowing your hospitals. I was wondering whether you were just excluding 50% or all those instruments that you've placed to existing customers as, a, okay, that's not going to be in use, and then only base your budgeting or forecast on new account instruments.

Alexandre Mérieux - *bioMérieux S.A. - Chairman & CEO*

(inaudible)

Operator

We can now take our next question from Scott Bardo of Berenberg.

Scott Bardo - *Joh. Berenberg, Gossler & Co. KG, Research Division - Analyst*

And sorry, again, to focus on BIOFIRE. I know it's been an important growth driver for you guys. I'd just like to understand then, please. With respect to your comments for the other panels outside of respiratory. Were there any particular panels that were showing disproportionate growth? Or were they all sort of growing the same? And perhaps you can give us, as of Q1, what the current mix is, please, between respiratory and nonrespiratory. That would be helpful.

Related question, please. You've spent, obviously, a lot of time and high degrees of CapEx in significant manufacturing expansions in Salt Lake City now for BIOFIRE. That looked very prudent a few quarters ago, very sensible. I wonder, is there any concerns now that in the sense that the market demand is falling away and that there wouldn't be the requirement for those capacities. So I wonder if you could help me with those two, please.

Alexandre Mérieux - *bioMérieux S.A. - Chairman & CEO*

And now, CapEx in Salt Lake, we invested for the future. We have decided this investment before the pandemic situation. So we -- it was helpful in -- it was -- it is helpful in the current context. But we did for the future, it's having, I think a long-term view on the potential of syndromic. So no, nothing to say there. And that we also keep on working on the more automation of our production. So this is still ongoing work and investment on that part.

And sorry, I don't (inaudible). I forgot the first question.

Guillaume Bouhours - *bioMérieux S.A. - Executive VP of Purchasing and Information Systems & CFO*

So the first question was on the other panels, so just to -- Alexandre, some of the GI and BCID growth. We can say that the RP was 2/3 of BIOFIRE in H -- in Q1, sorry.

Alexandre Mérieux - *bioMérieux S.A. - Chairman & CEO*

Worldwide.

Guillaume Bouhours - *bioMérieux S.A. - Executive VP of Purchasing and Information Systems & CFO*

Worldwide and non RP was 1/3. In terms of growth, it was 38% growth for non RP and 6% growth. But of course, the 6% is inside that contrasted between U.S. and U.S. and of course, early in the quarter and late in the quarter. But 6% overall for respiratory in Q1.

Scott Bardo - *Joh. Berenberg, Gossler & Co. KG, Research Division - Analyst*

That's very helpful. And last follow-up from me then, please, just relating to your immunoassay business. I know that you had some nice contribution from serology testing this quarter for COVID. Is this the start of things to come, maybe? Or is this just a one-off in your mind? And lastly, very pleasing to see you launch the QuantiFERON type or latent tuberculosis test, your own test, of course.

Can you give us some sense as to the market response and reception to that test? And maybe some indication of magnitude that you're expecting from a revenue perspective?

Alexandre Mérieux - *bioMérieux S.A. - Chairman & CEO*

So early days for TBI growth because it was launched for CE mark, I believe, 2 weeks ago or a few weeks ago. Early days, so it's more the, I would say, the early adoption with some customers, but good. (inaudible), it's a good test. That was a good performance with a good level of automation.

Otherwise, regarding the serology test for COVID, we see it has been helpful in the growth, in Q1, it was helpful also in Q4 to grow immunoassay. We'll see, it will depend also on the guidelines, which will be given on the use of serology, linked to vaccination. But we believe it's -- it's a good offer, and we see this traction right now on our immunoassay range, with SARS-COVID test, but also with the associated test such as D-dimer or Ferritin, which are also used or tested with -- for patients, which are in a difficult situation in the hospital.

Operator

We can now take our next question from Louise Boyer from Stifel.

Louise Boyer Gräbeldinger - *Stifel, Nicolaus & Company, Incorporated, Research Division - Research Analyst*

I have 3. And if I may, I'd like to go one by one. Firstly, if I'm correct, 7% of the sales are still made in the U.S. Look, talking about BIOFIRE, obviously. Some could assume that the COVID crisis has accelerated some buying decision. I understand that for the end of the year, the visibility is reduced. But if we try to look at a more normative year, what can we expect in number of machines sold in the U.S. market and from the rest of the world?

Are you expecting to go back to the 2,000 units per year rhythm or stay somewhere between the 7,000 and 2,000?

Alexandre Mérieux - *bioMérieux S.A. - Chairman & CEO*

Well, it's a bit early to say. There was a sharp increase this year linked to COVID. I believe things will also depend on when, if the flu season comes back, is active or not, it could a bit depend on this. It's difficult to talk about the normative, I would say at this stage.

Guillaume Bouhours - *bioMérieux S.A. - Executive VP of Purchasing and Information Systems & CFO*

And just to add, you remember that we were self limiting our own installations in the past few quarters due to our own back orders on reagents. So I would say part of the good news now with no back order is that we will be able to deliver our customers. And therefore, to basically deliver in terms of instruments and reagents, any potential new customers.

Louise Boyer Gräbeldinger - *Stifel, Nicolaus & Company, Incorporated, Research Division - Research Analyst*

Okay. My second question is about the quantity of reagents sold per machine. So another way to see it is like out of the 9,000 equipment that you sold since the beginning of the crisis, how much were sold? How much were leased? And out of the total, how much were sold or leased to the existing clients?

Guillaume Bouhours - *bioMérieux S.A. - Executive VP of Purchasing and Information Systems & CFO*

So yes, to try to answer that, among the new units in Q1, in the U.S., we sold at a high level, actually, 83%. And outside of the U.S., 87%, so a very high level, actually, a very high percentage of sold versus placed. And then your question was about the new capacity. So for example, on the U.S. part, which is, as you know, where we monitor maybe thinner on the additional units in the U.S. in Q1, 65% was capacity increase and 35% was with new customers, to answer your question on this.

Louise Boyer Gräbeldinger - *Stifel, Nicolaus & Company, Incorporated, Research Division - Research Analyst*

And would you say that the 65% were kind of a norm through this crisis?

Guillaume Bouhours - *bioMérieux S.A. - Executive VP of Purchasing and Information Systems & CFO*

Yes, sorry, a norm?

Louise Boyer Gräbeldinger - *Stifel, Nicolaus & Company, Incorporated, Research Division - Research Analyst*

Yes. Were the Q1, 2, 3 and 4 of 2020, about the same?

Guillaume Bouhours - *bioMérieux S.A. - Executive VP of Purchasing and Information Systems & CFO*

No, really, I think, as Alexandre said, but there's no norm in this crisis. And there's nothing normative. It moves, and again, as we just described, from one month to the next, from one country to the next. I think it's difficult to describe normal. Yes, okay.

Louise Boyer Gräbeldinger - *Stifel, Nicolaus & Company, Incorporated, Research Division - Research Analyst*

Okay. If I may, last one for me. Looking at Roche acquisition of GenMark, I know there are still more than 10x smaller than you with the ePlex instrument. But are you expecting that kind of consolidation to bring price pressure on BIOFIRE?

Have you already seen anything? Or is it not in the environment right now, something that we should see?

Alexandre Mérieux - *bioMérieux S.A. - Chairman & CEO*

No, we have not seen specific pressure on price right now. I don't know what they will do. I believe that we have to grow the menu and develop so that will be in their hands. But syndromic, it's a value player. So it's a medical value this time. So we will see what happen. But at this stage, no specific or pressure coming from GenMark or Roche. I'm not sure it's been finalized yet, but wait and see.

Louise Boyer Gräbeldinger - *Stifel, Nicolaus & Company, Incorporated, Research Division - Research Analyst*

To date, can you share with us a quick recap of how many panels are your competitors offering versus what you have and you can offer?

Alexandre Mérieux - *bioMérieux S.A. - Chairman & CEO*

No, I can talk about mine. I can -- I'm not so sure about theirs. I don't know, we are down 2 or 3, I might say (inaudible) -- it's available on the website, I'm sorry, for us...

Guillaume Bouhours - *bioMérieux S.A. - Executive VP of Purchasing and Information Systems & CFO*

For us, it's 5. For our competitors, I guess, maybe 2 or 3. Most of them, they are 2 or 3. For us, it's 5, currently. Plus, we announced that we have filed with the FDA the joint infection panel that should be, therefore, launched, hopefully, in a few months, yes.

Operator

We can now take our next question from Del Louet from Societe Generale.

Delphine Le Louet - *Societe Generale Cross Asset Research - Equity Analyst*

Delphine speaking here. I'd like to come back on the pattern that we have seen in molecular biology over the quarter. Alexandre say we were lending 2/3 respiratory panel and 1/3 for non-respiratory panel and the 4 other panels. How that's evolved over January, February, if we say we had a very strong growth of at least 2 first months and then the collapse on the RP in -- by the end of March. So can we get a figure of what was the growth, January, February for RP, just for us to get an idea?

And how much compared to Q1 last year, RP is representing? Meaning that we had very strong growth already last year, but that was more into research than anything else. But just for us to give a sort of flavor and trying to get better visibility on -- or being in a position to make more accurate forecast. Second question...

Alexandre Mérieux - *bioMérieux S.A. - Chairman & CEO*

So yes. As you would, not easy, maybe last year, remember, we didn't get the RP with COVID. End of March, we were promoting the respiratory without COVID.

Delphine Le Louet - *Societe Generale Cross Asset Research - Equity Analyst*

But let's say, COVID-related, yes. If we open up and say COVID-related.

Guillaume Bouhours - *bioMérieux S.A. - Executive VP of Purchasing and Information Systems & CFO*

Yes, RP went up to 80%, 80% of our sales of the BIOFIRE panels in Q4 2020 versus back to 65% in Q1, 2021. So I hope that answers your question. And then again, in January, February, without giving a figure, we were on a very similar trend to what we saw -- what we saw in Q4, which was basically our, let's say, our discussion and our assumption for H1, but we had a very strong trend in molecular, in January, February, quite similar to Q4. But we also able also to better sales on the GI and the BCID and meningitis market because before it was also -- the priority was to respiratory. So now we're also back to be able to serve a bit more this syndromic need.

Delphine Le Louet - *Societe Generale Cross Asset Research - Equity Analyst*

Yes. Very useful. Okay. Regarding the order book evolution in the quarter, anything specific that we have to keep in mind looking forward into Q2?

Guillaume Bouhours - *bioMérieux S.A. - Executive VP of Purchasing and Information Systems & CFO*

But the big difference in, as you said, order book is actually that this back order issue that we had in the U.S., and I think we commented through the last 3 or 4 quarters that we won -- we had back orders on the respiratory reagents overall, and we were not pleased to not be able to serve our customers, one, it was not a good situation. We now have, let's say, sold, of course, we are not pleased either to have a reduced demand. But at least now we have no back order, we can serve our customers on their demand of RP, but also of GI, of meningitis, of blood culture, and of pneumonia panels.

Delphine Le Louet - *Societe Generale Cross Asset Research - Equity Analyst*

Okay. Fair enough. A question has been asked already regarding the reimbursement on BIOFIRE on the different panels. Any major events regarding reimbursement to come or any major discussion on any of these panels in the next 12 to 18 months is scheduled? Do you have any idea on this one?

Alexandre Mérieux - *bioMérieux S.A. - Chairman & CEO*

Nothing planned, to my knowledge.

Guillaume Bouhours - *bioMérieux S.A. - Executive VP of Purchasing and Information Systems & CFO*

No, nothing that we have in our radar.

Delphine Le Louet - *Societe Generale Cross Asset Research - Equity Analyst*

And another question regarding VIDAS and the new tests that you've been launching, can we get an idea about the pricing or the premium of this dengue test, just compared to the current offer of, let's say, the average price for a VIDAS test?

Alexandre Mérieux - *bioMérieux S.A. - Chairman & CEO*

For the gear, I don't think I have a specific, I think I don't know.

Guillaume Bouhours - *bioMérieux S.A. - Executive VP of Purchasing and Information Systems & CFO*

I don't know the acceptable market price in the value. And it will be mainly dengue will be mainly sold and promoted in -- that's not for every country, that's for South countries or some developing countries. But so no, I think it would be acceptable. It's also a public health need. It should be in line with our VIDAS current portfolio. And just to remember, because there was a question earlier on the mix also. I think regarding our profitability, we mentioned a lot that BIOFIRE is at a higher-than-average gross margin, but we can also say that VIDAS, which is performing very well right now, is also one of the stronger contributor in terms of margin.

Operator

We can now take our next question from Alex Gibson from Morgan Stanley.

Alexander Matthew Gibson - *Morgan Stanley, Research Division - Equity Analyst*

Okay. Last follow-up from me is on the backlog that we keep on talking about. Can you specify how much of the sales in molecular biology were backlog in the quarter? How many million of sales that was? And then secondly, on the BIOFIRE installations as well, 2,200, how many of those systems were also backlog related, so where you took the order before the quarter? And how much were made in the quarter? I think that also would be helpful to understand the underlying dynamics that you're seeing.

Alexandre Mérieux - *bioMérieux S.A. - Chairman & CEO*

Sorry, it's difficult. We don't track that exactly this way because we, let's say, for example, reagents, we were -- of course, we had a significant backorder in early January. So when we deliver in January, we deliver orders that are pre-opening and some that are also taken during the quarter. So I don't think we have this split, actually.

Alexander Matthew Gibson - *Morgan Stanley, Research Division - Equity Analyst*

Okay. On that and the installations as well?

Alexandre Mérieux - *bioMérieux S.A. - Chairman & CEO*

And on the instruments, neither. We don't -- sorry, but we don't track it this way, yes. And going forward, obviously, no backorders.

Operator

We can now take our next question from Hugo Solvet from Exane BNP Paribas.

Hugo Solvet - *Exane BNP Paribas, Research Division - Research Analyst*

Two on immunoassays. And sorry if I missed that earlier in the call, but could you help us quantify or give an indication of the impact of antibody COVID-19 testing in Q1. Just trying to -- wanted to know more about the underlying ex COVID growth on that business.

And second, you mentioned in the press release that if the pricing has been declining similarly to volumes, which is a bit of the reversal of the trend that we were seeing before COVID and last year, if I'm not mistaken. So what triggered this trend? And would you expect stabilization to come shortly? And lastly, I think Guillaume, you mentioned when answering a question that you're working on different scenarios for the installed base of the FILMARRAY.

Does that imply that one scenario would be that part of the installed base, will not be used at all anymore, and that you could redeploy it? And is that something you could actually do?

Alexandre Mérieux - *bioMérieux S.A. - Chairman & CEO*

I will take some of the questions. So yes, PCT in the U.S., we saw pressure on price, and we saw also a decreasing in volume. So that's a trend that we are, that we are monitoring. We were used to the price, so it's the volume and maybe a bit different. That's under investigation, I would say. It's only a quarter. That's something we are monitoring, and we can come back to you in the future calls.

Immunoassay, I know if you (inaudible) it. The sort of growth in Q1 was at plus 28%. SARS-COVID test was helpful. I'm not sure you know, do we...

Guillaume Bouhours - *bioMérieux S.A. - Executive VP of Purchasing and Information Systems & CFO*

5 million.

Alexandre Mérieux - *bioMérieux S.A. - Chairman & CEO*

Okay. 5 million sales for SARS-COVID, but I would say what has been also useful with VIDAS is also the associated tests such as D-dimer, which are being used also to monitor patients, which are impacted by COVID. So (inaudible) SARS-COVID, there's also the other ranges of tests which are helpful in the current context.

And the question on the...

Guillaume Bouhours - *bioMérieux S.A. - Executive VP of Purchasing and Information Systems & CFO*

Yes, I'm not sure if you can repeat your question, Hugo, I'm not sure about the scenarios of installed base that I mentioned.

Hugo Solvet - *Exane BNP Paribas, Research Division - Research Analyst*

You alluded to the fact that you were looking at your installed base to see what type of customers can order what and when and just wanted to know if considering the installed base, which has been increasing massively in 2020, this could -- and with lower RP sales in 2021 that could imply that some instruments will not be used at all anymore. And if that's the case, could you redeploy them?

Guillaume Bouhours - *bioMérieux S.A. - Executive VP of Purchasing and Information Systems & CFO*

So, yes. Okay. One of the answers is that there is a work that in line with our strategy of a broad menu on the syndromic approach. In line with the strategy to actually make sure that we have a multi-panel consumption by our customers, that actually they use at least a part or a significant part of the menu. At the end of Q1, I can tell you that close to 60% of our customers are multi-panel users, so more than 1 panel. And of course, we need to work on all the others that are single-panel users, not always on ERP, by the way, to convince them that they can use their installed base for other uses.

This is a method that is not new for us, not for BIOFIRE. Of course, we need access to the customer for this. It's a midterm effort. And that's something to be worked on and with some potential upside. Not short term, again, but upside and confidence on the way we can work on installed base in the midterm.

Operator

We can now take our next question from Scott Bardo of Berenberg.

Scott Bardo - *Joh. Berenberg, Gossler & Co. KG, Research Division - Analyst*

Alexandre, you've kept R&D levels as a priority, high innovation expenditure for the group. And I think you've discussed some of the testing menu and reagents that you are creating and commented on those. I wonder if you could talk to a little bit about the investments you're making in automation infrastructure. Has the time come for another platform for BIOFIRE? I think that platform is now some 10 years old or so. Do you need to further innovate the platform? Or do you think that, that is in the sense, perfectly acceptable for your future growth?

And also similarly, in microbiology, I believe that you have expressed an interest on more rapid, phenotypic type identification and antibiotic susceptibility testing. Is this an area where you're making any progress internally?

Alexandre Mérieux - *bioMérieux S.A. - Chairman & CEO*

Yes, we invest in our (inaudible) but we are a company which invest in R&D. And this is one of our motto, because it's -- that's part of bringing innovation. Yes, we investigate all these areas. Maybe to come back on BIOFIRE and FILMARRAY, I think we always mentioned, it's an evolutive platform.

But we have already brought some evolution on the FILMARRAY. And we started with the FILMARRAY 2.0, then we added a new version. We launched the Torch, which is also an evolution of the FILMARRAY. On the yes, FILMARRAY is also an (inaudible) platform. I believe in all the space that we are addressing in tissue disease, what is needed is automation and fast time to results. Now these are things that we are working on, investing on, yes. Nothing to announce at this stage. This is -- we have a lot of R&D projects on this topic.

Operator

(Operator Instructions) We can now take our next question from Bertrand Casalis from Trusteam Finance.

Bertrand Casalis

I was wondering whether we could say that with the vaccination in the U.S., the need for COVID tests was coming to an end, or if it comes to what's happening in the U.K., the number of tests performed per head is increasing and is very rapidly whereas the vaccination is -- was ended. So what do you think of the future evolution, considering the number of tests which will be needed?

Alexandre Mérieux - *bioMérieux S.A. - Chairman & CEO*

I don't know the number of tests, but what I believe that you need a different approach and you need prevention, you need diagnostic and you need treatment so it won't be only a vaccine strategy. It will be vaccine with testing and the social distancing. And hopefully, soon also drugs and treatment. I believe fighting a pandemic, but also the same, fighting tissue disease. You need a combination of prevention, diagnostics and treatment. So no, I believe diagnostic is here to stay.

Again, it won't be a one-size-fits-all and you will need rapid test, you will need a single plex, you will need low plex, you will need multiplex. I think the more the offer is completed, the better it is to fight the pandemic and other potential infectious disease, which might reoccur. The strategy to fight a pandemic will be based on the different pillars.

Operator

It appears there are no further questions at this time. I'd like to now pass the call back over to Mr. Admant for any additional or closing remarks.

Franck Admant - *bioMérieux S.A. - Director of IR*

Thank you. So well, thanks to all for your -- for participating to this call and for your questions. Our next formal release will be on September 1 with a webcast to present the (inaudible) results, both sales and financial performance. While then, we remain at your disposal if you have any questions. Thank you very much. Bye-bye.

Alexandre Mérieux - *bioMérieux S.A. - Chairman & CEO*

Thank you.

Operator

This concludes today's call. Thank you for your participation. You may now disconnect.

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