

15th January 2016

Healthcare

Genomic Vision

Price EUR8.15

Launch of a trial by Quest for the BRCA test

Fair Value EUR23

CORPORATE

Bloomberg	GV FP
Reuters	GV.PA
12-month High / Low (EUR)	15.9 / 8.2
Market Cap (EURm)	36
Avg. 6m daily volume (000)	4.00

	1 M	3 M	6 M	31/12/14
Absolute perf.	-10.4%	-18.5%	-40.9%	-28.3%
Healthcare	-0.9%	0.3%	-12.8%	7.3%
DJ Stoxx 600	-2.9%	-4.6%	-14.8%	-0.9%

	2014	2015e	2016e	2017e
P/E	x	x	x	x
Div yield (%)	NM	NM	NM	NM

ANALYSIS

- Genomic Vision and its partner Quest Diagnostic have announced that they are to launch a study to determine the extent to which molecular combing can identify BRCA gene variants missed by other test methods. Both companies are to finance this trial, which should readout in mid-2016 and help Quest to prove the clinical value of molecular combing. Note that the cost incurred by Genomic Vision should be marginal with 1 to 2 FTE and limited instruments needed to process the samples. We do not expect any delay for projects conducted in-house by GV nor any delays in ongoing trials at Quest necessary to evaluate LDTs.
- However, we remain sceptical concerning Quest's decision to run a trial just ahead of a potential launch, which could well conceal a delay. Note that Genomic Vision's partner raised its royalty rate for the company in early 2015 (12% to 17%) a fact that we viewed as increased confidence in the company's technology. If the outcome of the trial proves negative, it might cause a significant setback for the companies.

VALUATION

- The 3-6 month delay in the effective launch of the BRCA test that may result from this study does not impact our fair value. As a reminder, we expected the initial launch by Quest in late 2015/early2016.

NEXT CATALYSTS

- Q1: transfer of the HNPCC test to Quest Diagnostic

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Distribution of stock ratings

BUY ratings 72%

NEUTRAL ratings 0%

SELL ratings 28%

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