

19th January 2016

Healthcare

Genomic Vision

Price EUR8.18

Q4/FY sales highlighted by the transfer of the HNPCC test to Quest Diagnostic

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	31/12/15
Absolute perf.	-10.1%	-17.4%	-41.1%	-6.9%
Healthcare	-6.3%	-4.4%	-15.4%	-9.0%
DJ Stoxx 600	-8.3%	-8.6%	-17.5%	-9.8%

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

ANALYSIS

- Genomic Vision has reported sales of EUR2.359m for the year (vs. EUR3.455m in 2014) of which EUR2.066 from R&D recognition for partner Quest and EUR292m from sales at the Timone hospital, to research labs as well as royalties paid by Quest. Q4 made up for almost half of R&D recognition over the year with EUR936k from Quest while product sales stood at EUR51k. As a reminder, over H2 2015 and Q4 especially, the company accelerated its developments with **(i)** the delivery of a DNA extractor which, incorporated into the platform, should enable Quest to develop the LDT version of the BRCA test, **(ii)** transfer of the HNPCC test and **(iii)** initiation of a study on the SMA test.
- Genomic Vision had EUR15.6m in cash and cash equivalent at the end of 2015. We would expect its cash burn to be ~EUR8m for FY2016 with a decrease in revenues derived from R&D recognition.
- Launch of the BRCA test by Quest Diagnostics in the US should be the next major milestone for Genomic Vision. As a reminder, we expect EUR68m in peak sales, of which EUR15.5m recognised by Genomic Vision (BGe) based on an increased royalty rate (please see [here](#)) which we believe is now at around 17% (vs. 10%). However, we would also highlight the risk carried by clinical studies (re. next catalysts) and should the results not demonstrate the clinical value of the test, our estimates would be significantly impacted.

VALUATION

- We are making no change to our estimates and FV which stands at EUR23;

NEXT CATALYSTS

- 30th April 2016: 2015 GY results
- Mid-2016: results from study conducted by Quest and GV, which aims to demonstrate the clinical value of the BRCA test before launch.

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Distribution of stock ratings

BUY ratings 72%

NEUTRAL ratings 0%

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