

## Genomic Vision

Price EUR8.55

## Feedback from Investor Day

FAIR VALUE EUR23

CORPORATE

Bloomberg	GV.FP
Reuters	GV.PA
12-month High / Low (EUR)	15.9 / 6.3
Market Cap (EURm)	38
Avg. 6m daily volume (000)	4.80

## ANALYSIS

- Genomic Vision (GV) hosted an Investor Day during which management gave an update on its partnership with US diagnostic company, Quest, as well as proprietary projects, and highlighted its new strategy to address the Life Science Research Tools market (biopharma, research labs).
- Interactions with Genomic Vision's management gave us the feeling that Quest is committed to penetrating the BRCA test market in the US after suffering a lack of differentiation relative to competitors. GV's technology could overcome the limitations of currently available tests by its ability to accurately detect rearrangements hard to sequence. GV and Quest jointly launched a trial for the BRCA test set to readout in H2 2016 and which aims at better assessing the clinical value-added of the molecular combing technology to support launch. As a reminder, both companies are shouldering the cost, with marginal costs incurred to GV. Positioning and commercial strategy should therefore be determined by Quest in H2 2016 with an effective launch expected in late 2016. HNPCC launch in the US initially expected in 2017 is likely to face a slight delay with Quest that might follow the same pathway as for the BRCA test i.e. study to support launch. However, GV is preparing for a launch in Europe. A clinical study for the SMA test which includes an African-American cohort (samples provided by Quest) is ongoing at the Rouen University Hospital and should readout in early 2017. In Europe, GV should use its own sales force to sell the tests.
- GV expects to reshuffle the cards in the HPV testing market as its test could potentially avoid colposcopies (50% of colposcopy results are neg. for HPV and 95% of HPV+ patients outgrow the virus). A large study which aims at recruiting >3,500 patients is ongoing in 11 French hospitals. We would expect a partner to back GV in this indication as the group's ability to gain reimbursements outside of France (potentially Europe) might be limited without the inclusion of a US population in the study.
- Management highlighted its new strategy to broaden commercial reach to biopharma companies and research labs either with a partner or on a standalone basis. In order to do so, we would expect the company to leverage 1/ its European sales force already in place 2/ recently recruited top executives and 3/ its in-depth relationship with leading hospital laboratories and collaborations with research clusters. The customer oriented work force has been allocated to answering needs and prioritising the orders that should arise from these new customers. On top of that, management expects to stream revenues from the on-demand development of detection software as well as gene editing quality control (albeit a long term opportunity). Dr JB Vannier (Imperial College London) highlighted the advantages of the technology and also underlined that after the placement of an instrument, it takes around five years for the lab to use it on a regular basis. Given that few details were provided regarding the new platform due to be launched in 2017 featuring a reduced footprint, we have not integrated any additional sales from new client typologies of yet.

## VALUATION

- We have not added any potential sales in the Life Science Tool market at this stage and would wait for more details on the new platform set to be launched by GV towards 2017.

## NEXT CATALYSTS

- 10th May 10 2016: Q1 sales
- Mid-2016: Results from the BRCA trial to support the test's launch by Quest in the US

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## Distribution of stock ratings

BUY ratings 64.4%

NEUTRAL ratings 28.1%

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