

27th July 2016

Healthcare

## Genomic Vision

Price EUR5.08

H1 results in-line; looking forward to the results from the BRCA study

Fair Value EUR23

CORPORATE

Bloomberg	GV.FP
Reuters	GV.PA
12-month High / Low (EUR)	14.6 / 5.0
Market Cap (EURm)	23
Avg. 6m daily volume (000)	3.90

### ANALYSIS

- Genomic Vision reported H1 2016 revenues from activity of EUR1.273m (vs. EUR1.436m in H1 2015) with a strong increase in product sales and other revenues, which did not offset R&D collaboration revenues drop. Product Sales are up 55% from EUR176k to EUR273k with growth in Genomic Vision's two main markets being the IVD (+40%; CombHelix FSHD sales and Royalties from Quest) and the Life Science Research Tools ones (+59%; consumables and instruments to research labs mainly). With the company's technology gaining recognition and a new strategy focused on these two markets, we do not rule out that the positive momentum seen on Product Sales in H1 should be confirmed throughout H2. We would highlight that research labs benefitted from a budget increase in 2016 and should have cash in hand in H2 which might benefit GV. Other Revenues, which consist of tax credit and R&D subsidies, stand at EUR847k vs EUR745k. Note that the recognition of milestone payments from Quest was front-end loaded in 2015, setting a challenging comparison basis for H1 2016 and explaining the expected 70% drop in R&D Collaboration Revenues (EUR154k vs. EUR515k).
- Turning to OPEX, they grew at a slower pace than Product Sales to EUR5.293m (+44%) driven by a two-fold increase in S&M expenses to EUR1,078m. This bodes well with GV's strategy of inking partnership in its addressed markets. R&D cost of EUR2.876m reflect the ongoing SMA and BRCA studies. G&A stands at EUR1.339m. Bottom line, operating loss is EUR4.020 which compares to EUR2.240m in H1 2015.
- With EUR11m in Cash at the end of H1 2016, Genomic Vision has around one year of financial visibility. Results from the BRCA trial conducted with Quest to support the launch of the test in the US should be the next important milestone.

### NEXT CATALYSTS

- H2 2016: Results from the BRCA trial to support test's launch in the US by Quest.

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## Distribution of stock ratings

BUY ratings 72%

NEUTRAL ratings 0%

SELL ratings 28%

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