

14:15 08 Feb 2019

No brainer: IXICO offers enticing combination of a strong order book and a healthy pipeline

- Data analytics services to interpret data from brain scans
- Contract wins last year worth over £15m in total
- Full-year revenue rose 32% to £5.39m, up from £4.10m
- Net cash at end-September totalled £7.9m, up from £2.4m

What IXICO does:

IXICO PLC (LON:IXI) data analytics services are used by the global biopharmaceutical industry to interpret data from brain scans and digital biosensors to enable better trial design, site qualification, patient selection and clinical outcomes.

The company's digital platform and Artificial Intelligence (AI) software manages and helps interpret images from MRI (magnetic resonance imaging) and PRT (positron emission tomography) scanners as well as collating and making sense of Real World data from wearable biosensors.

How is it doing:

IXICO announced several contract wins last year worth over £15m in total, including a £9.1m deal to provide insight from MRI data to assist in Phase III clinical trial for a drug to treat Huntington's disease.

The group also saw the scope of a current contract with a top 10 biopharmaceutical company enlarged, increasing the value by US\$2.4m, or 89% over the remaining six-year term of the agreement to US\$5.1m.

Results for the year to the end of September, published in December, saw IXICO's revenue rise by 32% to £5.39m from £4.10m the year before, while gross margin improved to 58.8% from 56.4%.

The group's full-year loss before tax narrowed to £793,000 from £1.91m the previous year.

Net cash at the end of September totalled £7.9m (2017: £2.4m), reflecting an oversubscribed £5.5m placing back in May as well as an R&D tax credit receipt of £0.4m.

This week, IXICO announced the appointment of Grant Nash, currently finance director of the UK Biobank - a national and international health research data resource - as its chief financial officer. Grant will join the company on 29 April 2019 and the group said it is anticipated that he will join the board in due course.

The company added that Conor Woolfson, who assumed the role of interim head of finance in December 2018 after the departure of previous CFO Susan Lowther, will continue to perform those duties prior to Grant's appointment, at which time he will then continue in his role of group financial controller, reporting to Grant.

What the boss says - Giulio Ceroni:

Price: 31p

Market Cap: £14.5M

1 Year Share Price Graph



Share Information

Code: IXI

Listing: AIM

52 week **High** **Low**
4,200.00p 18.78p

Sector: Pharma & Biotech

Website: www.ixico.com

Company Synopsis:

IXICO is dedicated to delivering insights in neuroscience. The company's mission is to transform the advancement of investigational therapies for neurological diseases through the application of medical image analysis and digital health technologies, bringing safe and effective treatment to patients sooner.

Author:

Proactive Investors Ltd

+44 (0)207 989 0813

action@proactiveinvestors.com

"The combination of a strong order book and a healthy pipeline, in conjunction with senior management hires to execute our strategy, provides a solid foundation for continued growth momentum.

"With a successful capital placing to invest in new market and product development, we go into the new financial year with increased commercial traction, ambitious growth plans and a strengthened organisation focused on delivering technology-driven data analytics to our global biopharmaceutical clients."

Blue Sky:

House broker Shore Capital said the full-year performance represented ongoing momentum from earlier reporting periods, with IXICO having now delivered more than 25% in reported revenue growth in the previous four reporting periods.

"Importantly, the revenue growth has been delivered from a strong performance across all of the business divisions, namely clinical trials services, Assessa PML, wearables projects and licensing revenue," it added.

The broker pointed out that the contract wins in the last reporting period also highlighted the ongoing diversification of IXICO's business as it moves away from a historical and predominant focus on Alzheimer's disease to include several other neurological conditions, including Huntington's disease and progressive supranuclear palsy, and the use of innovative technology for novel applications - wearable biosensors in psychiatric and neurological disorders.

At 33.50p a share currently, IXICO is valued at £15.67mln.

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

No investment advice

Proactive Investors is a publisher and is not registered with or authorised by the Financial Conduct Authority (FCA). You understand and agree that no content published constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value or suitability of any particular security, portfolio of securities, transaction, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including company related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.