

# Senseonics™

## Senseonics Research

Description: A medical technology company, designs, develops, and commercializes continuous glucose monitoring (CGM) systems for people with diabetes

Ticker: SENS

Price: \$3.16

Market Cap: \$558M

Performance: Down 20% since Nov 8 and up 19% YTD

### Financials:

Revs are around \$12M YTD

Cash balance of \$163M

Debt of \$54.1M

This is a tough call. Sorry for taking a while but these biotechs require a lot of research as you need to also do some homework on what they heck they're creating. So the good news is that their product Eversense is FDA approved. How it works is you go to your doctor/physician and they insert this monitor into your arm. Then you place this little black transmitter over it (ill drop pics below). It's good for 3 months and is waterproof and all and warns you when your

glucose levels are not where they're supposed to be. There's also an app they have that goes along with it.

The company just posted their Q3 results and rev came in at \$5.3M, up 147% Y/Y but the stock is down 20% since the call. Why? SENS is bullish on Eversense but they don't expect any meaningful growth from it until the second half of 2019 and i think investors were hoping for a quicker turnaround. They plan on hiring 10 more sales reps this quarter which would make 25 to get physicians to learn how to install it. Their goal is 50 reps in 2019 and they hope to have 10,000 patients by end of 2019. Of the \$5.3M in sales, \$530K came from the United States. The rest comes from their partnership with this company Roche in Europe.

Every single analyst on the recent call asked about the partnership and how its going because their partnership ends Dec 31st and the company has yet to renew it. This probably also worried investors. From the sound of it, management is going to renew the contract but it seems as though it will prob be in the last couple weeks of December. Overall, what you're looking at here is a company with some promise and tackling an industry in which 23M people have diabetes. CGM's are not the most popular way of keeping an eye on glucose levels but SENS is trying to bring it back in style with their new proprietary technology and formula.

As is usually the case, the company is no where near profitability and people are banking on a homerun with Eversense. This pullback may be a good opportunity to scoop but i dont see the rush. Personally if it was us I'd prob wait and see the partnership with Roche goes through first or like hop in in a few weeks and play the news if you think they'll sign it. The company isn't just risky because its young its also risky because its a new product and you never know what can happen in biotech.



**Sensor**

Fully implanted  
Small size  
Up to 180 days



**Smart Transmitter**

On-body vibe alerts  
Removable/Rechargeable  
Gentle adhesive



**Mobile App**

Real-time readings every 5 mins  
No extra receiver  
Trends, alerts w/ predictive alerts



A lot of investors are hoping this pulls a Dexcom (DXCM). It was \$3 back in 2008 and is now \$140 and is also in the same field. Let's see if SENS can grab market share from them and if so, let's see if DXCM decides to perhaps even buy them out the way we saw ILMN buyout PACB.