

## NanoString

### Pre-Announces FY13 Revenues in Line with Estimates - ALERT

This morning, NanoString pre-announced 4Q13 and FY13 revenues of ~\$10.1M and ~\$31.4M, respectively, which were in line with both JPMe (\$9.8M and \$31.1M) and consensus (\$9.6M and \$30.9M), while we note that FY13 revenues came in at the top end of guidance (\$30M-31.5M). We continue to see room for upside, as Prosigna and an expanding base of nCounter systems should drive strong growth in 2014. Maintain Overweight rating.

- **FY13 revenues are in line with estimates.** 4Q13 and FY13 revenues came in at ~\$10.1M and ~\$31.4M, respectively, which is in line with both JPMe (\$9.8M and \$31.1M) and consensus (\$9.6M and \$30.9M), while we note that FY13 revenues came in at the top end of guidance (\$30M-31.5M). The company also noted that it is pleased with the 4Q instrument revenue and believes this to be a leading indicator for future consumables and Prosigna kit revenue generation. We look for additional color at our conference this week.
- **Questions for the presentation/call.** We expect NSTG to provide further detail on the results and 2014 outlook when the company presents at our healthcare conference on Wednesday, January 15, at 7:00pm ET. Key questions for the presentation will be focused on: (1) color on competitive dynamics in the breast cancer assay market, particularly, with regard to GHDX and Agendia.; (2) commentary on the Prosigna rollout (especially, in light of the LabCorp and Quest announcements); (3) expectations regarding reimbursement coverage and guidelines; and (4) a potential update on the Gen 3 system, which is expected to be launched in 2014.

## Overweight

**NSTG, NSTG US**

Price: \$19.50 (intraday - 11:05 AM)

**13 January 2014**

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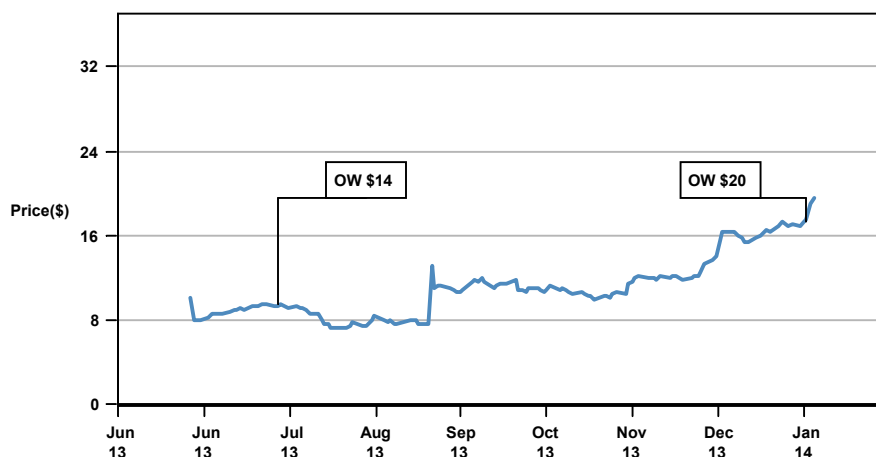
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NanoString (NSTG, NSTG US) Price Chart



Date	Rating	Share Price (\$)	Price Target (\$)
22-Jul-13	OW	9.44	14.00
07-Jan-14	OW	17.32	20.00

Source: Bloomberg and J.P. Morgan; price data adjusted for stock splits and dividends.  
Initiated coverage Jul 22, 2013.

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