

Advanced Oncotherapy PLC

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Advanced Onco gearing up for commercialisation of its LIGHT proton beam therapy system

- Developing a smaller, more affordable proton beam therapy system called LIGHT
- Gearing up for commercialisation
- First patient set to be treated at Harley Street building next year
- Technology based on work by ADAM, a spin-off of CERN

What it does

Advanced Oncotherapy PLC (LON:AVO) is developing a state-of-the art, affordable proton beam therapy system called LIGHT.

The technology is based on work by ADAM, which AVO bought in 2013 from CERN - the world's largest particle physics lab that built the Hadron collider.

The major plus point of proton therapy is that it can pinpoint tumours more precisely, which means less damage to surrounding healthy tissues.

Proton therapy facilities have traditionally been pricey and large, requiring a space the size of a football pitch to run.

But AVO thinks it has solved that problem, and LIGHT is being built to fit in the basement of a townhouse in Harley Street, central London.

Its modular design, lighter weight and better proton efficiency also helps to keep costs down, which should open proton therapy up to many more patients.

How it's doing

Building work at the Harley Street facility is expected to finish later this year, with the first patient on track to be treated at the facility in the second half of 2020.

AVO has managed to strike a deal with the freeholder of the building, the Howard de Walden Estate, which is covering the cost of all the construction work.

As the company moves nearer to treating the first patient, it has started to gear up its commercial infrastructure with the appointment of an experienced chief commercial officer.

Moataz Karmalawy is a "veteran in the commercialisation of PBT technology", according to research house Hardman & Co, given his previous jobs at Varian and Philips Medical.

Financially, the company appears well set after raising more than £12m in a debt (£10m) and equity, with much of cash coming out of Switzerland. The debt facility is over two years and carries a coupon of two points over LIBOR.

What bosses are saying

Price: 46.75p

Market Cap: £93.7M

1 Year Share Price Graph



Share Information

Code: AVO

Listing: LSE

52 week High Low
60.00p 33.00p

Sector: Health Care, Equipment & Services

Website: www.avopl.com

Company Synopsis:

Advanced Oncotherapy is a specialist developer and provider of a breakthrough proton therapy system, the LIGHT system, which is the result of 25 years of work at CERN and ADAM. Our focus is on developing and supplying technologies to maximise the destructive effect of radiation on tumours whilst minimising damage to the patient's healthy tissues.

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"We are delighted with the progress we have made," said chief executive Nicolas Serandour, speaking back at the interim results.

"We have strengthened the board with some key changes and we have total confidence in our ability as a team to deliver on our milestones.

"The sub-structural work at the Harley Street facility remains on schedule and we are pleased with the progress at the site.

"We have exciting plans for the future commercialisation of the LIGHT system once completely developed, and our discussions with potential partners around the world are ongoing."

What analysts are saying

"Demand for PBT is increasing worldwide, and the need for a small, flexible, affordable and close-to-patient system is desirable," said Hardman & Co in a recent note to clients.

"With LIGHT, AVO is aiming to provide customers with a fully integrated PBT solution.

"AVO's market capitalisation of £78m equates only to the amount of money invested into LIGHT to date, which does not reflect either the enormous technical challenges that have been overcome, or the large market potential."

Speaking about the appointment of new CCO Moataz Karmalawy, Hardman added: "The appointment of such an experienced executive from a major competitor is a major coup for the company and should provide the market with greater confidence in LIGHTS's commercial prospects."

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