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Genomic Health Inc. Q1 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions). Your first question comes from line of Bruce Cranna.

Bruce Cranna - Leerink Swann & Company

Hi, good afternoon.

Randy Scott

Hi, Bruce.

Brad Cole

Hi, Bruce.

Bruce Cranna - Leerink Swann & Company

I guess first question from me, the -- I am just curious last quarter you guys gave us some guidance on test volume expectations and revenue for the year. This quarter to me looks to be pretty solid and I am wondering are you still thinking for the year, I guess Brad or Randy or Kim or anyone, 34,000 to 37,000 tests still kind of a good test volume number and the \$100 million to \$110 million in revenue still appropriate?

Randy Scott

Yes, Bruce, as we have indicated in years passed, Q4 and Q1 seem to be our greatest sequential growth months. So we would expect, as we have seen in the past, to see slower growth rates in Q2 and Q3, just like we did last year, and then some pickup again in Q4. So we are pleased with Q4, we had what I thought was a great San Antonio Breast Cancer conference and a lot of positive momentum coming off of the ASCO and NCCN guidelines, which led to a strong Q1, but we would expect to see a pullback in the rate of growth in Q2 and Q3. That, in essence, follows a traditional vacation pattern for both in the patients and physicians taking vacations in the spring and in the summer.

Brad Cole

And as far as our full year guidance goes, we still believe that is the proper guidance.

Bruce Cranna - Leerink Swann & Company

Okay, yes, I seem to think -- or I seem to recall last year was kind of flattish 2Q and then 3Q and then ticking up in 4Q, but I guess I tend to give a little bit of a higher number for the year, but if you think the 34 to 37 are still reasonable that's okay with me?

Brad Cole

Yes, obviously we will learn more with each passing quarter, but we fully expect that you are not going to see those types of growth rates in Q2, Q3, we have got several years of now of experience seeing, those pullbacks in early diagnosis in those months.

Bruce Cranna - Leerink Swann & Company

Okay. And then Brad, the 50% accrual rate in the quarter that looks like a big jump to me also from last year, I know this is a tough questions, but how should we think about this about the accrual rate going forward. It's kind of a key factor of the model here?

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