

# Founding CEO Tina “Super” Nova Keeps Genoptix On a Roll

[Bruce V. Bigelow 3/18/10](#)

It must be nice to be the CEO of a life sciences company that sells itself.

When Tina Nova stepped up to the microphone at the Roth Capital Partners Growth Stock Conference in Laguna Niguel, CA, yesterday, the Genoptix CEO was playing to a nearly full house. Investors and analysts occupied all but two or three seats, which wasn't the case in many of the other presentations given on the last day of the three-day conference (even though it drew a record total of more than 3,000 attendees, according to organizers).

Carlsbad, CA-based Genoptix (NASDAQ: [GXDX](#)), as Nova succinctly puts it, “delivers personalized and comprehensive diagnostic services to community-based hematologists and oncologists.” Doctors who specialize in blood malignancies, such as leukemias and lymphomas, send samples of their patients' bone marrow to Genoptix. Community-based, Nova explains, simply means that most of these patients are treated in specialized neighborhood facilities instead of hospitals. The company, which operates a variety of diagnostic equipment and currently has 33 blood pathologists on staff, helps oncologists determine the best course of treatment.



“What we return to physicians is not individual test results, but a comprehensive diagnosis that enables the doctor to get that patient on the proper cancer drug at the right time,” Nova says. The company uses FedEx to deliver patient samples within 24 hours, whether they're from Maine or San Francisco, and provides its diagnoses online through a secure, Web-based patient reporting system, or by fax, courier, mail, or other methods.

Genoptix by the numbers, though, may be the real draw for investors. Among the numbers that Nova highlighted:

—The Deloitte accounting firm ranked Genoptix at No. 15 on its 2009 list of the 500 fastest-growing companies in North America.

—Annual revenue grew by almost 59 percent in 2009, from nearly \$116.2 million in 2008 to \$184.4 million in the year that ended Dec. 31. The company estimates its 2010 revenue will fall between \$235 million and \$240 million, a roughly 30 percent increase.

—Genoptix has been profitable since the first quarter of 2007. Net income, which was \$30.6 million (or \$1.71 per share) in 2009, is projected to be about \$33 million (or \$1.80 per share) in 2010.

—The company’s gross profit margin was about 62 percent last year, although Nova says that is expected to decline to about 50 percent this year as Genoptix begins construction on a new \$30 million facility and expands its sales force, middle management ranks, and staff of blood pathologists. “We plan to strategically expand our facilities infrastructure to meet our growing organic and case demands,” she explains.

—Genoptix estimates there are about 850,000 patients in the U.S. with blood cancer or related malignancies, with about 150 new cases diagnosed each year. About 375,000 bone marrow tests are performed each year in the U.S., which is estimated to be a \$1 billion-a-year market. Genoptix currently has a 7 percent share of the market, which Nova hopes to increase to 15 percent or more over the next two to three years. Local pathology laboratories are its main competition.

Genoptix was founded in 1999, and went public in October 2007 at an initial public offering price of \$17 a share. The IPO opened at \$25 a share, marking an immediate 47 percent gain, and now trades at about \$36 a share—which yields a market cap of about \$625 million.

Before joining Genoptix, Nova was a rising life sciences executive at San Diego-based Ligand Pharmaceuticals, Nanogen, and Hybritech, where she helped figure out how to obtain and stabilize the prostate-specific antigen the company was developing to help diagnose prostate cancer. In a [2005 profile of “Super” Nova](#), the San Diego Union-Tribune quoted Genoptix board chairman (and San Diego Xconomist) Drew Senyei, who praised Nova for “a combination of what I think is the key to being a success in the biotech space: a deep technical understanding, the leadership and management skills, and she knows how to motivate people and make things happen in a very complex environment.”

Nova says that Genoptix has a number of advantages over local pathology laboratories, but the key differences lie in its comprehensive and centralized approach to specialized diagnostic services. With 120 subtypes of blood cancers and related diseases, Nova says it’s easy to understand why a recent study of leukemia cases referred to Houston’s M.D. Anderson Cancer Center found that 27 percent were misdiagnosed. Confusion also can arise over the appropriate tests, which Nova says is why a staff blood pathologist assesses each case that comes in and determines which diagnostic tests should be used.

Genoptix, has placed increasing emphasis in recent years on expanding its online capabilities by also providing a comprehensive assessment that charts a patient’s progress over time, and by offering a similar comprehensive one-stop diagnosis shop for colo-rectal cancer patients. Nova says she views Genoptix as a “personalized-service diagnostics company,” but she can understand why some people might see it as healthcare IT. As she puts it, any company that places a premium on the quality of its comprehensive diagnostic services “also is an information technology company by default.”

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