

Oncology Pharmaceutical

INDUSTRY SUMMARY

COGENT VALUATION identified **Oncology Pharmaceutical** publicly traded companies, IPOs, and recent M&A transactions within the Oncology Pharmaceutical industry, which provides a basis for market and transaction pricing that can be used by your firm in estimating market sentiment and its impact on your firm's value. Over the last year since June 30, 2016, the median 52-week share price return of the Oncology Pharmaceutical industry was 13.4%. Between June 30, 2015 and June 30, 2017, the median EV/EBITDA multiple decreased from 18.0 to 10.9. Furthermore, the median price-to-earnings multiple decreased from 36.4 to 15.2 over the same period.

Public Company Key Statistics

Median 52-Week
Return

13.4%

Median 3-Year CAGR
Return

15%

Median EV/Revenue
Multiple

3.4x

Median EV/EBITDA
Multiple

10.9x

Median Price/Earnings
Multiple

15.2x

Median EV/Gross CF
Multiple

11.6x

Comparable Public Company Market Price Returns as of June 30, 2017

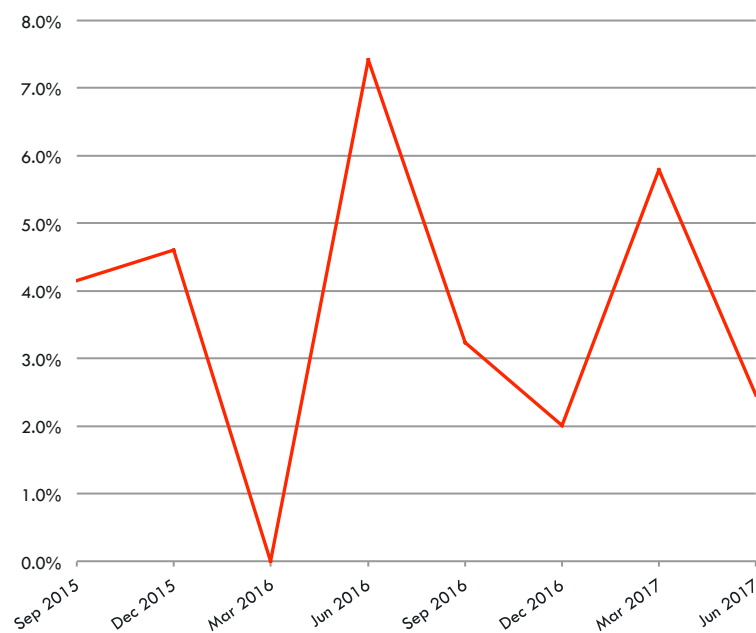
	YTD	3 Month	1 Year	2 Year	3 Year	2016	2015	2014
Affimed N.V.	13.9%	-10.9%	-17.3%	-61.0%	N/A	-74.7%	14.8%	N/A
Bellicum Pharmaceuticals, Inc.	-14.2%	-5.3%	-9.9%	-25.9%	N/A	-32.8%	-12.0%	N/A
Calithera Biosciences, Inc.	356.9%	28.6%	300.3%	44.2%	N/A	-57.6%	-62.1%	N/A
Globelimmune, Inc.	75.9%	34.2%	-73.7%	-55.8%	N/A	-92.5%	-49.0%	N/A
Incyte Corporation	25.6%	-5.8%	57.4%	9.9%	30.7%	-7.5%	48.3%	44.4%
Kite Pharma, Inc.	131.2%	32.1%	107.3%	30.4%	53.0%	-27.2%	6.8%	N/A
Loxo Oncology, Inc.	149.7%	90.6%	245.9%	110.9%	N/A	12.9%	142.1%	N/A
Luye Pharma Group Ltd.	-7.6%	-9.3%	-10.5%	-28.4%	N/A	-43.1%	-19.1%	N/A
Merrimack Pharmaceuticals, Inc.	-69.6%	-59.7%	-77.0%	-68.3%	-44.6%	-48.4%	-30.1%	112.0%
Nektar Therapeutics	59.3%	-16.7%	37.4%	25.0%	15.1%	-27.2%	8.7%	36.6%
SciClone Pharmaceuticals, Inc.	1.9%	12.2%	-15.8%	5.8%	27.9%	17.4%	5.0%	73.8%
Seattle Genetics, Inc.	-2.0%	-17.7%	28.0%	3.4%	10.6%	17.6%	39.7%	-19.5%
Spectrum Pharmaceuticals, Inc.	68.2%	14.6%	13.4%	4.4%	-2.9%	-26.5%	-13.0%	-21.7%
Sucampo Pharmaceuticals, Inc.	-22.5%	-4.5%	-4.3%	-20.1%	15.0%	-21.6%	21.1%	51.9%
Vertex Pharmaceuticals Incorporated	74.9%	17.9%	49.8%	2.2%	10.8%	-41.5%	5.9%	59.9%
Median of Industry Public Companies	25.6%	-4.5%	13.4%	3.4%	15.0%	-27.2%	5.9%	48.2%

Multiple year periods are calculated as the average annual return.

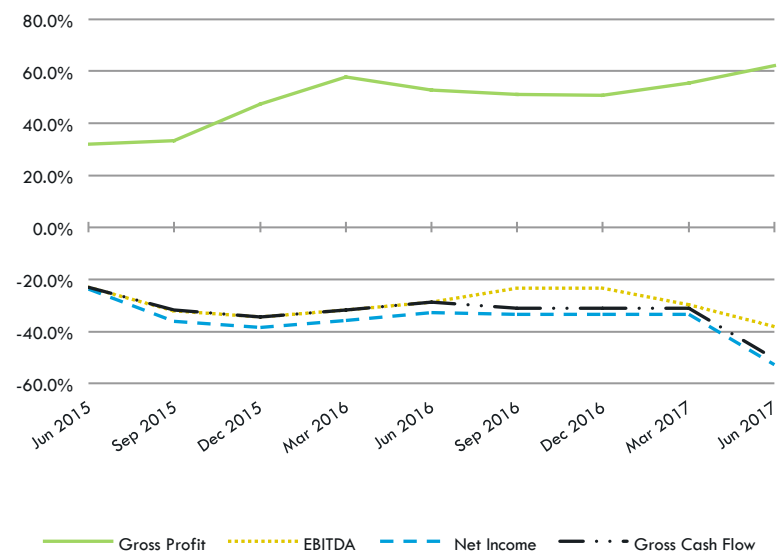
■ Highest Return
 ■ Lowest Return
 ■ Median Return

Industry Revenue Growth and Profit Margins for the Past Two Years

Median Quarterly Revenue Growth of All Oncology Pharma Companies



Median Gross Profit, EBITDA, Net Income, and Gross Cash Flow Margins



Median Public Companies

The chart below illustrates Public Company Multiples.

	6/30/17	3/31/17	12/31/16	9/30/16	6/30/16	3/31/16	12/31/15	9/30/15
EV/Revenues Multiple	3.4x	3.6x	3.8x	4.6x	3.4x	5.2x	5.0x	4.8x
EV/EBITDA Multiple	10.9x	7.6x	8.2x	9.5x	12.0x	10.6x	13.2x	17.5x
Price/Earnings Multiple	15.2x	16.3x	16.5x	18.2x	20.4x	18.5x	23.8x	25.8x
EV/Gross Cash Flows Multiple	11.6x	13.2x	12.3x	15.1x	14.6x	15.1x	20.2x	24.9x

■ Highest Multiple
 ■ Lowest Multiple
 ■ Median Multiple

Industry Initial Public Offerings—Industry: Oncology Pharmaceutical (dollars in millions, except share prices)

Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
4/6/17	BerGenBio ASA	\$2.90	16.0	\$46.4	\$20.3	\$0.0	\$0.0	(\$15.3)	(\$15.1)	(\$15.2)
2/14/17	Inventiva S.A.	\$8.99	5.7	\$50.8	\$48.9	\$0.6	\$14.3	(\$11.1)	(\$7.0)	(\$10.2)
11/23/16	Alligator Bioscience AB (publ)	\$3.50	12.9	\$45.3	\$383.3	\$0.0	\$54.1	(\$40.2)	(\$68.5)	(\$37.5)
9/23/16	NOXXON Pharma N.V.	\$0.00	0.1	\$3.2	N/A	N/A	N/A	N/A	N/A	N/A
8/8/16	Noxopharm Limited	\$0.15	30.0	\$4.6	\$787.6	\$142.0	\$884.5	\$157.7	\$86.4	\$177.9
7/11/16	Race Oncology Limited	\$0.15	21.5	\$3.2	\$787.6	\$142.0	\$884.5	\$157.7	\$86.4	\$176.7
5/18/16	Merus N.V.	\$10.00	5.5	\$55.0	\$786.5	\$173.4	\$865.3	\$156.2	\$87.5	\$175.2
	Median IPO	nm	nm	\$45.3	\$584.9	\$71.3	\$459.7	\$72.5	\$39.7	\$82.5

Multiple year periods are calculated as the average annual return.

■ Highest Return
 ■ Lowest Return
 ■ Median Return

Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
4/3/17	Merrimack Pharmaceuticals	Ipsen S.A.	\$1,025.0	100%	N/A	N/A
3/16/17	Thallion Pharmaceuticals, Inc.	Taro Pharmaceuticals Inc.	\$2.0	100%	\$2.3	0.9x
2/15/17	ARIAD Pharmaceuticals, Inc.	Takeda Pharmaceuticals	\$5,451.5	100%	\$186.2	27.6x
12/29/16	Tetralogic Pharmaceuticals	Medivir AB	\$195.8	100%	N/A	N/A
11/29/16	Kolltan Pharmaceuticals, Inc.	Celldex Therapeutics, Inc.	\$373.3	100%	N/A	N/A
10/29/16	Infinity Pharmaceuticals	Verastem, Inc.	\$28.0	100%	N/A	N/A
10/21/16	Genesis Care Ltd	Macquarie Group Limited	\$1,700.0	74%	N/A	N/A
9/27/16	Medivation, Inc.	Pfizer Inc.	\$14,330.9	100%	\$1,021	13.6x
9/7/16	Sequenom Inc.	Laboratory Corp. of America	\$426.1	100%	\$114.6	3.2x
7/14/16	RedoxTherapies Inc.	Juno Therapeutics, Inc.	\$10.0	100%	N/A	N/A
7/5/16	Cormorant Pharmaceuticals AB	Bristol-Myers Squibb	\$520.0	100%	N/A	N/A

■ USA
 ■ International
 ■ Highest
 ■ Lowest
 ■ Median

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Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

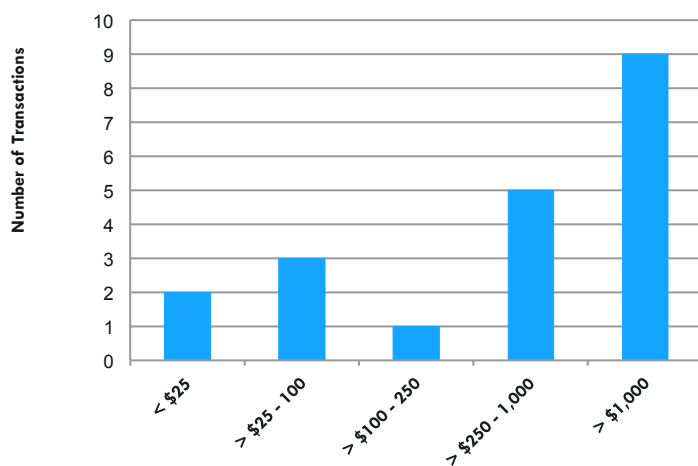
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Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/ Revenues
6/3/16	Baxalta Incorporated	Shire plc	\$36,219.9	100%	\$6,148	5.7x
12/4/15	DARA BioSciences, Inc.	Midatech Pharma Plc	\$30.7	100%	\$2.4	8.8x
10/7/15	AstraZeneca PLC, Caprelsa	Genzyme Corporation	\$300.0	100%	\$48.0	6.3x
7/23/15	Sigma-Tau Pharma	Baxter International Inc.	\$900.0	100%	\$100.0	9.0x
5/26/15	Pharmacyclics, Inc.	AbbVie Inc.	\$21,053.4	100%	\$816.1	24.7x
3/20/15	EUSA Pharma, Inc.	Essex Woodlands Health	\$34.0	100%	\$27.0	1.3x
2/28/14	Paladin Labs Inc.	Endo International plc	\$1,777.9	100%	\$263.0	5.8x
12/4/13	Agila Specialties Private	Mylan, Inc.	\$1,850.0	100%	\$255.0	7.3x
6/3/16	Baxalta Incorporated	Shire plc	\$36,219.9	100%	\$186.2	7.3x
Median of the 19 M&A Transaction Targets			\$30.7	100%	\$182.2	5.7x

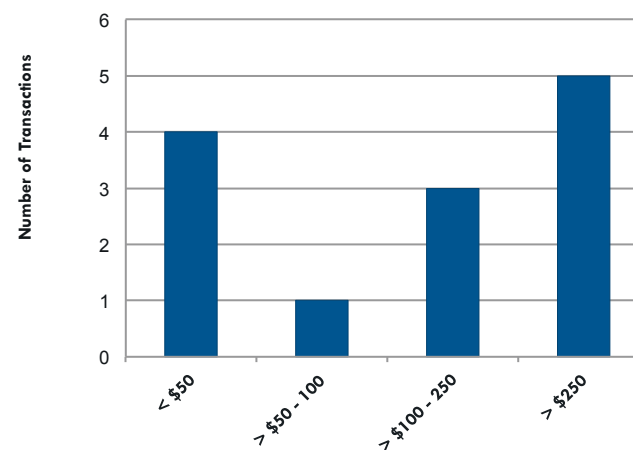
USA
 International
 Highest
 Lowest
 Median

Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions) as of June 30, 2017

Size of M&A Transactions



LTM Revenues Reported



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Definitions of Financial Terms Used in this Quarterly Industry Update: Enterprise Value (EV): Market Value of Equity + Market Value of Debt
—Cash Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA): Profitability metric sometimes also referred to as operating profit or operating earnings.

Gross Cash Flows: Net Income + Depreciation and Amortization Expense Latest Twelve Months (LTM): Financial information is as of the latest twelve months through the date of this Quarterly Industry Update.

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