

Quarterly Industry Update

As of September 30, 2015

Industry: 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 September 30, 2014, the median 52-week share price return of the Oncology Pharmaceutical industry was -1.2%. Between September 30, 2013 and September 30, 2015, the median EV/EBITDA multiple increased from 10.6 to 16.6. However, the median price-to-earnings multiple decreased from 26.9 to 21.3 over the same period.

Comparable Public Company Key Statistics

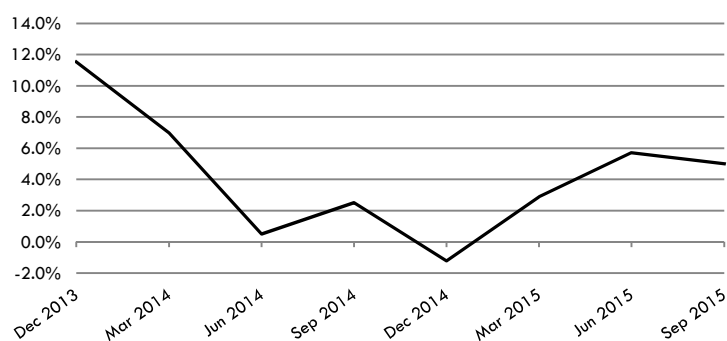
Median 52-Week Return	-1.2%	Median EV/Revenue Multiple	5.4x	Median Price/Earnings Multiple	21.3x
Median 3-Year CAGR Return	4.3%	Median EV/EBITDA Multiple	16.6x	Median EV/Gross CF Multiple	22.0x

Comparable Public Company Market Price Returns As of September 30, 2015

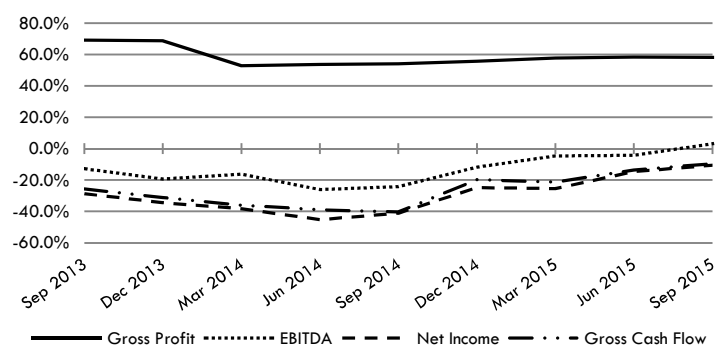
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2014	2013	2012	2011	2010
Ariad Pharmaceuticals Inc.	0.7%	-29.4%	8.1%	-43.7%	-37.8%	8.9%	0.7%	-64.4%	56.6%	140.2%	123.7%
Incyte Corporation	44.4%	5.9%	124.9%	70.1%	82.8%	47.2%	44.4%	204.8%	10.7%	-9.4%	81.8%
Merrimack Pharmaceuticals, Inc.	112.0%	-31.2%	-3.1%	49.8%	-3.2%	N/A	112.0%	-12.5%	N/A	N/A	N/A
Nektar Therapeutics	36.6%	-12.4%	-9.2%	2.4%	0.9%	-5.8%	36.6%	53.2%	32.4%	-56.5%	37.9%
SciClone Pharmaceuticals, Inc.	73.8%	-29.3%	0.7%	17.0%	7.7%	21.3%	73.8%	16.9%	0.5%	2.6%	79.4%
Seattle Genetics, Inc.	-19.5%	-20.3%	3.7%	-6.2%	12.7%	19.9%	-19.5%	72.2%	38.6%	11.8%	47.1%
Sequenom Inc.	58.1%	-42.4%	-41.1%	-19.0%	-20.9%	-24.2%	58.1%	-50.3%	5.8%	-44.6%	94.0%
Spectrum Pharmaceuticals, Inc.	-21.7%	-12.6%	-26.5%	-15.5%	-20.0%	7.5%	-21.7%	-20.9%	-23.5%	113.0%	54.7%
Sucampo Pharmaceuticals, Inc.	51.9%	20.9%	205.7%	78.4%	58.1%	39.6%	51.9%	91.8%	10.6%	15.4%	-5.0%
Vertex Pharmaceuticals Incorporated	59.9%	-15.7%	-7.3%	17.2%	23.1%	24.7%	59.9%	77.3%	26.2%	-5.2%	-18.2%
Median of Industry Public Companies	48.2%	-18.0%	-1.2%	9.7%	4.3%	19.9%	48.2%	35.1%	10.7%	2.6%	54.7%

(Multiple year periods are calculated as the average annual return.)

Median Quarterly Revenue Growth of All Oncology Pharmaceutical Companies



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



Median Public Company Multiples of the Oncology Pharmaceutical Industry

Date:	9/30/2013	12/31/2013	3/31/2014	6/30/2014	9/30/2014	12/31/2014	3/31/2015	6/30/2015	9/30/2015
EV/Revenues Multiple	2.8x	4.0x	3.3x	3.0x	2.8x	4.4x	6.1x	5.1x	5.4x
EV/EBITDA Multiple	10.6x	15.6x	15.2x	13.6x	14.7x	21.8x	15.7x	16.4x	16.6x
Price/Earnings Multiple	26.9x	21.5x	34.7x	27.2x	33.2x	20.5x	34.9x	27.7x	21.3x
EV/Gross Cash Flows Multiple	22.4x	17.3x	28.0x	21.1x	27.5x	15.5x	38.5x	23.9x	22.0x

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Industry Initial Public Offerings (dollars in millions, except share prices)

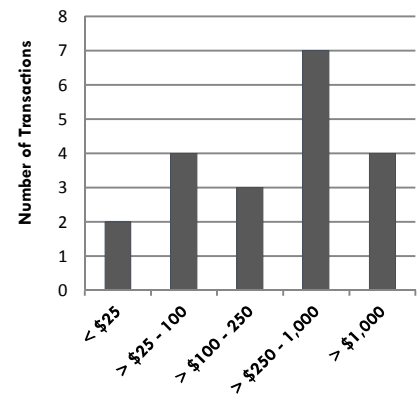
Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
7/8/2014	Luye Pharma Group Ltd.	\$0.76	999.6	\$763.6	\$559.5	\$123.1	\$415.4	\$77.8	\$51.3	\$87.3
8/2/2007	Sucampo Pharmaceuticals, Inc.	\$11.50	3.8	\$43.1	\$62.2	\$0.0	\$48.1	\$2.5	\$9.0	\$2.6
5/31/2007	Jazz Pharmaceuticals Public Limited Company	\$18.00	6.0	\$108.0	\$197.9	\$77.5	\$49.1	(\$67.5)	(\$56.6)	(\$66.7)
12/6/2005	Ipsen S.A.	\$26.17	14.6	\$387.3	\$925.0	\$235.8	\$984.3	\$265.9	\$147.3	\$265.9
8/9/2005	Coley Pharmaceutical Group, Inc.	\$16.00	6.0	\$96.0	\$28.5	\$4.8	N/A	N/A	N/A	N/A
11/5/2003	Pharmion LLC	\$14.00	6.0	\$84.0	\$80.5	\$13.6	\$10.8	(\$46.2)	(\$47.7)	(\$45.1)
Median of All IPOs		nm	nm	\$102.0	\$139.2	\$45.6	\$49.1	\$2.5	\$9.0	\$2.6

nm: not meaningful, N/A: not applicable

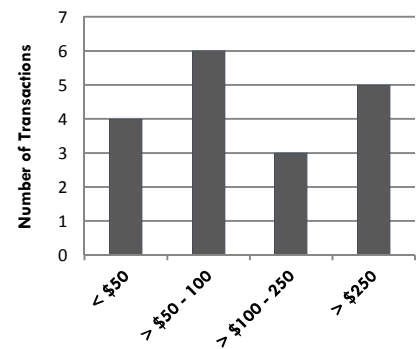
Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought	LTM Revenues	EV/Revenues
7/28/2015	TeOra Health Ltd.	Aequus Pharmaceuticals Inc.	\$1.5	100%	N/A	N/A
7/23/2015	Sigma-Tau Pharma	Baxter International Inc.	\$900.0	100%	\$100.0	9.0x
6/1/2015	X-BODY, Inc.	Juno Therapeutics Inc.	\$42.8	100%	N/A	N/A
3/20/2015	EUSA Pharma, Inc.	Essex Woodlands Health	\$34.0	100%	\$27.0	1.3x
10/1/2014	Omega Laboratories Ltd	Sagent Pharmaceuticals	\$83.1	100%	\$32.6	2.5x
2/28/2014	Paladin Labs Inc.	Endo Health Solutions	\$1,777.9	100%	\$263.0	5.8x
12/4/2013	Agila Specialties	Mylan, Inc.	\$1,850.0	100%	\$255.0	7.3x
10/24/2013	Optimer Pharmaceuticals	Cubist Pharmaceuticals	\$773.8	100%	\$76.9	9.1x
9/2/2013	Open Stock Company	GardenHills OOO	\$215.6	52%	\$142.4	2.4x
7/16/2013	Cipla Medpro	Cipla Limited	\$538.5	100%	\$259.6	2.0x
6/12/2012	EUSA Pharma, Inc.	Jazz Pharmaceuticals	\$700.0	100%	\$95.0	7.4x
1/23/2012	Ascent Pharmahealth Ltd	Watson Pharmaceuticals	\$392.7	100%	\$157.1	2.5x
12/22/2011	Lundbeck Inc.	Oak Pharmaceuticals Inc.	\$60.0	100%	\$34.8	1.7x
4/7/2011	Laboratorio Quimico	Amgen Inc.	\$215.0	100%	\$80.0	2.7x
10/15/2010	Abraxis BioScience	Celgene Corporation	\$3,659.6	100%	\$447.5	7.8x
6/7/2010	OSI Pharmaceuticals	Astellas US Holding, Inc.	\$3,946.4	100%	\$441.0	7.7x
1/29/2010	Enzon Pharmaceuticals	Sigma-Tau Pharmaceuticals	\$330.0	100%	\$135.2	2.4x
3/18/2009	Indevus Pharmaceuticals	Endo Pharmaceuticals	\$825.5	100%	\$87.8	8.0x
12/15/2008	Amgen Inc.	Biovitrum AB	\$150.3	100%	\$70.0	2.1x
5/8/2008	Jazz Pharmaceuticals	EUSA Pharma, Inc.	\$22.6	100%	\$20.2	0.7x
Median of the 20 M&A Transaction Targets			\$361.4	100%	\$97.5	2.6x

Size of M&A Transactions



LTM Revenues Reported



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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