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#### Reason for Report:

Change in Price Target

Changes	Previous	Current
Rating	--	Overweight
Price Tgt	\$14.00	\$11.00
FY11E Rev (mil)	--	\$15.5
FY12E Rev (mil)	--	\$50.6
FY11E EPS	\$(2.74)	\$(2.51)
FY12E EPS	\$(1.82)	\$(1.28)
Price		\$7.15
52 Week High		\$15.34
52 Week Low		\$6.16
12-Month Price Target		\$11.00
9x our 2014 EPS est. of \$1.41, disc. at 15%		
Shares Out (mil)		25.3
Market Cap. (mil)		\$180.9
Avg Daily Vol (000)		224
Book Value/Share		\$0.81
Net Cash Per Share		\$2.24
Debt to Total Capital		37%
Yield:		0.00%
Est LT EPS Growth		NA
P/E to Est LT EPS Growth		NM
Fiscal Year End:		Dec

Rev (mil)	2010A	2011E	2012E
Mar	--	\$3.9A	\$6.6E
Jun	--	\$3.6A	\$10.2E
Sep	--	\$4.0A	\$15.2E
Dec	\$2.2A	\$4.0E	\$18.6E
FY	\$14.6A	\$15.5E	\$50.6E
CY	\$14.6A	\$15.5E	\$50.6E
FY RM	12.4x	11.7x	3.6x
CY RM	12.4x	11.7x	3.6x

EPS	2010A	2011E	2012E
Mar	--	\$(0.98)A	\$(0.68)E
Jun	--	\$(0.51)A	\$(0.28)E
Sep	--	\$(0.55)A	\$(0.17)E
Dec	\$(12.27)A	\$(0.47)E	\$(0.15)E
FY	\$(47.29)A	\$(2.51)E	\$(1.28)E
CY	\$(47.29)A	\$(2.51)E	\$(1.28)E
FY P/E	NM	NM	NM
CY P/E	NM	NM	NM

For 2010, actuals are reported for 4Q10 and full year, however prior quarters were not broken out

## Pacira Pharmaceuticals Overweight

(PCRX – \$7.15)

### Confident in Successful Exparel Launch Following Recent Approval

#### CONCLUSION:

On 10/31/11, Pacira received FDA approval for Exparel, a long-acting formulation of bupivacaine for post-surgical pain. Importantly, the labeled indication is broad, covering post-surgical analgesia (i.e., the indication does not specify approved procedure types). We continue to believe that Exparel has the potential to provide more optimal, longer-lasting pain relief than short-acting bupivacaine, and should be more efficient and cost-effective than elastomeric bags. We believe Exparel sales of over \$200M by 2015 are realistic. Further, given the complexity associated with this liposome-based formulation, we believe the risk of challenges from generic manufacturers is low, providing the foundation for sustainable cash flow generation. We reiterate our Overweight rating and are lowering our PT from \$14 to \$11 to reflect the dilution from the recent share offering.

- **Broad label for Exparel as we had expected.** The labeled indication is "for administration into the surgical site to produce postsurgical analgesia." Though the dosing and administration section specifies the dosing for hemorrhoidectomy and bunionectomy procedures (recall that the placebo-controlled Phase III studies were run in these surgical settings), it should be fairly straightforward for anesthesiologists to determine the proper dosing for other procedures given that the amount of bupivacaine needed is based on the "surgical site and volume required to cover the area." In other words, we would not interpret the references to these surgical settings as translating into a narrower label.
- **Exparel unlikely to have paragraph IV (PIV) risks.** We believe that the complexities surrounding this liposome-based formulation reduce the risk of generic competition, largely owing to the complex processes associated with manufacturing Exparel. As such, in contrast to a product like Cadence's intravenous version of acetaminophen Ofirmev, which was approved in late 2010 and now has two abbreviated NDA filings by generic players pending, Exparel in our view is unlikely to see PIV filings for a number of years, if ever.
- **Launch on track for early 2012.** PCRX will launch Exparel with a sales force of 63 reps. The company will target around 1,200 hospitals and will be able to cover north of 80% of abdominal soft tissue procedures performed in the U.S., as well as north of 80% of cosmetic/plastic surgeries performed by high-decile surgeons. The latter setting could be a source of early adoption since procedures like breast augmentation and liposuction are cash pay, providing a way for PCRX to avoid having to navigate the formulary approval process.

#### INVESTMENT RECOMMENDATION:

We believe the risk/reward profile for PCRX is favorable given Exparel's value proposition. We base our \$11 PT (from \$14) on our 2014 EPS of \$1.41 (down from \$2.11, reflecting the higher share count), times a P/E of 9x discounted at 15% (down from 25%, reflecting the removal of Exparel regulatory risk).

#### RISKS TO ACHIEVEMENT OF TARGET PRICE:

Risks include competitive and reimbursement risks associated with Exparel.

#### COMPANY DESCRIPTION:

Pacira is focused on hospital-based products for pain management.

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**3Q11 Summary: Actual Results vs. PJC/Consensus Estimates**

<i>\$ in millions, except per share</i>	<b>Actual</b>	<b>PJC Estimates</b>	<b>Consensus<sup>(1)</sup></b>
<i>Revenue</i>			
Exparel sales (U.S.)	\$0.0	\$0.0	
Other revenue	\$4.0	\$4.0	
<b>Total Revenues</b>	<b>\$4.0</b>	<b>\$4.0</b>	<b>\$4.0</b>
<i>Expenses</i>			
COGS	\$3.4	\$3.4	
R&D	\$4.3	\$4.4	
SG&A	\$5.0	\$5.0	
Operating Income	(\$8.7)	(\$8.9)	
Net Income	(\$9.5)	(\$9.9)	
<b>EPS</b>	<b>(\$0.55)</b>	<b>(\$0.57)</b>	<b>(\$0.59)</b>
Shares outstanding, diluted	17.2	17.3	

(1) Consensus estimates prior to 3Q11 call

Source: Company reports, First Call, and PJC estimates

**Pacira - Upcoming Events**

<b>Product/Program</b>	<b>Event</b>	<b>Expected Date</b>
Exparel	Final analysis from retrospective health economics studies	4Q11
Exparel	Hire 63-person sales force	Dec-11
Exparel	U.S. commercial launch	Jan-12
Exparel - nerve block	Potential sNDA filing Phase II/III studies	2013
Exparel - epidural injection	Advancement into mid-stage clinical studies	2013
DepoMethotrexate	Possible advancement into trials in rheumatoid arthritis	2013
DepoNSAID	Possible advancement into trials for for pain	2013

Abbreviations: NSAID non-steroidal anti-inflammatory drug

Source: Company reports and PJC estimates

## Summary of PCRX Projections

\$ in millions, except per share	2011E		2012E		2013E		2014E		2015E	
	Current	Prior	Current	Prior	Current	Prior	Current	Prior	Current	Prior
<i>Revenues</i>										
Exparel sales (U.S.)	\$0	\$0	\$35	\$35	\$87	\$87	\$142	\$142	\$216	\$216
Other revenue	\$15	\$15	\$15	\$15	\$14	\$14	\$15	\$15	\$15	\$15
<b>Total Revenues</b>	<b>\$15</b>	<b>\$15</b>	<b>\$51</b>	<b>\$51</b>	<b>\$100</b>	<b>\$100</b>	<b>\$157</b>	<b>\$157</b>	<b>\$231</b>	<b>\$231</b>
Consensus <sup>(1)</sup>	\$15		\$45		\$100		\$192		\$286	
<i>Expenses</i>										
COGS <sup>(2)</sup>	\$14	\$14	\$43	\$43	\$40	\$40	\$42	\$42	\$53	\$53
Research & development	\$17	\$17	\$8	\$8	\$6	\$6	\$6	\$6	\$7	\$7
Selling, general and administrative	\$20	\$20	\$35	\$35	\$42	\$42	\$50	\$50	\$53	\$53
Other income (expense), net	(\$5)	(\$5)	(\$4)	(\$4)	(\$2)	(\$2)	\$1	\$1	\$2	\$2
Operating Income	(\$35)	(\$35)	(\$36)	(\$36)	\$12	\$12	\$58	\$58	\$118	\$118
Net Income	(\$40)	(\$40)	(\$40)	(\$40)	\$10	\$10	\$59	\$59	\$114	\$114
Diluted share count	17.4	15.5	33.2	22.4	41.8	27.7	42.3	28.2	42.8	28.7
<b>EPS</b>	<b>(\$2.51)</b>	<b>(\$2.74)</b>	<b>(\$1.28)</b>	<b>(\$1.82)</b>	<b>\$0.25</b>	<b>\$0.37</b>	<b>\$1.41</b>	<b>\$2.11</b>	<b>\$2.65</b>	<b>\$3.96</b>
Consensus <sup>(1)</sup>	(\$2.76)		(\$2.33)		\$0.31		\$2.42		\$4.34	

(1) Consensus prior to 3Q11 earnings call

(2) COGS reflect \$10M milestone payment to SkyePharma in 1Q12 related to the Exparel U.S. launch

Source: Company reports and PJC estimates

## Pacira - Quarterly and Annual Income Statement

Fiscal Year Ends December 31  
(\$ In millions, except for EPS)

	2011E							2012E							
Fiscal Year Ends December 31 (\$ In millions, except for EPS)	2009A	2010A	1QA	2QA	3QA	4QE	2011E	1QE	2QE	3QE	4QE	2012E	2013E	2014E	2015E
Revenues															
Exparel U.S. sales								\$2.9	\$6.4	\$11.4	\$14.7	\$35.4	\$86.6	\$142.5	\$215.5
Exparel ex-U.S. revenue												0.0	0.0	0.0	0.0
(DepoCyte/DepoDur) <sup>(1)</sup>	10.4	11.3	2.9	2.8	2.6	3.1	11.4	3.2	3.3	3.3	3.4	13.2	13.9	14.6	15.3
Milestone revenue/other <sup>(2)</sup>	4.6	3.2	0.9	0.9	1.4	0.9	4.1	0.5	0.5	0.5	0.5	2.0	0.0	0.0	0.0
Total revenue	\$15.0	\$14.6	\$3.9	\$3.6	\$4.0	\$4.0	\$15.5	\$6.6	\$10.2	\$15.2	\$18.6	\$50.6	\$100.5	\$157.0	\$230.8
Cost of sales <sup>(3)</sup>	12.3	12.3	3.7	3.1	3.4	3.5	13.7	14.2	6.6	9.9	12.1	42.8	40.2	42.4	53.1
Gross Profit	\$2.7	\$2.3	\$0.2	\$0.5	\$0.6	\$0.5	\$1.8	(\$7.6)	\$3.6	\$5.3	\$6.5	\$7.8	\$60.3	\$114.6	\$177.7
Research & development	26.2	18.6	3.5	4.4	4.3	4.6	16.8	3.0	2.0	1.5	1.9	8.4	6.0	6.3	6.9
Selling, general, and administrative	5.0	6.0	3.8	4.7	5.0	6.8	20.3	8.6	8.8	8.8	9.1	35.4	42.2	50.2	53.1
Total expenses	\$43.6	\$36.9	\$11.0	\$12.2	\$12.7	\$14.9	\$50.8	\$25.8	\$17.5	\$20.2	\$23.1	\$86.6	\$88.4	\$98.9	\$113.1
Operating Income	(\$28.5)	(\$22.4)	(\$7.1)	(\$8.5)	(\$8.7)	(\$10.9)	(\$35.3)	(\$19.2)	(\$7.3)	(\$5.0)	(\$4.5)	(\$36.0)	\$12.0	\$58.1	\$117.7
Interest income	0.1	0.1	0.0	0.0	0.0	0.2	0.3	0.3	0.3	0.3	0.3	1.0	1.3	1.6	1.8
Interest expense	(3.6)	(4.0)	(2.5)	(0.7)	(0.9)	(1.2)	(5.3)	(1.4)	(1.4)	(1.4)	(1.4)	(5.5)	(3.0)	(0.2)	0.0
Other income (expense) <sup>(4)</sup>	0.4	(1.0)	(0.2)	0.4	0.1	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other income (expense), net	(3.2)	(4.8)	(2.7)	(0.2)	(0.8)	(1.1)	(4.7)	(1.1)	(1.1)	(1.1)	(1.1)	(4.5)	(1.7)	1.4	1.8
Income (loss) before taxes	(\$31.7)	(\$27.1)	(\$9.8)	(\$8.8)	(\$9.5)	(\$12.0)	(\$40.1)	(\$20.3)	(\$8.4)	(\$6.1)	(\$5.6)	(\$40.4)	\$10.3	\$59.5	\$119.5
Income tax provision	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(6.0)
Net income (loss)	(\$31.7)	(\$27.1)	(\$9.8)	(\$8.8)	(\$9.5)	(\$12.0)	(\$40.1)	(\$20.3)	(\$8.4)	(\$6.1)	(\$5.6)	(\$40.4)	\$10.3	\$59.5	\$113.5
EPS, basic	(\$3.60)	(\$47.29)	(\$0.98)	(\$0.51)	(\$0.55)	(\$0.47)	(\$2.51)	(\$0.68)	(\$0.28)	(\$0.17)	(\$0.15)	(\$1.28)	\$0.28	\$1.60	\$3.04
EPS, diluted	(\$3.60)	(\$47.29)	(\$0.98)	(\$0.51)	(\$0.55)	(\$0.47)	(\$2.51)	(\$0.68)	(\$0.28)	(\$0.17)	(\$0.15)	(\$1.28)	\$0.25	\$1.41	\$2.65
Shares outstanding, basic <sup>(5)</sup>	8.5	0.6	10.0	17.2	17.2	25.3	17.4	29.8	30.3	36.4	36.5	33.2	36.8	37.1	37.4
Shares outstanding, diluted <sup>(5)</sup>	8.5	0.6	10.0	17.2	17.2	25.3	17.4	29.8	30.3	36.4	36.5	33.2	41.8	42.3	42.8
Expenses as % of sales:															
COGS	82.0%	84.3%	94.9%	85.7%	84.9%	88.0%	88.4%	215.0%	65.0%	65.0%	65.0%	84.6%	40.0%	27.0%	23.0%
R&D		127.9%	90.9%	120.5%	109.8%	115.0%	108.9%	45.0%	20.0%	10.0%	10.0%	16.6%	6.0%	4.0%	3.0%
SG&A		41.4%	98.5%	128.5%	126.1%	170.0%	131.1%	131.0%	86.0%	58.0%	49.0%	69.9%	42.0%	32.0%	23.0%
Margins:															
Gross margin								NM	35.0%	35.0%	35.0%	15.4%	60.0%	73.0%	77.0%
Operating margin													12.0%	37.0%	51.0%
Net income													10.3%	37.9%	49.2%
Income Tax													0.0%	0.0%	5.0%
Y-O-Y Growth rates:															
Exparel U.S. sales													144.6%	64.5%	51.3%
Total revenue			-6.3%	-11.8%	-4.1%	82.6%	6.1%	70.9%	180.5%	284.2%	365.2%	227.5%	98.5%	56.3%	47.0%
R&D			-29.5%	-12.1%	-12.9%	25.2%	-9.6%	-15.5%	-53.4%	-65.0%	-59.5%	-50.2%	-28.2%	4.2%	10.3%
Selling, general, and administrative			189.6%	255.6%	279.7%	225.5%	236.1%	127.2%	87.8%	76.7%	34.1%	74.5%	19.4%	19.1%	5.7%
Operating profit														382.2%	102.7%
Net income														475.0%	90.9%

(1) Reflects manufacturing and supply revenue and royalties from third parties on DepoCyte and DepoDur

(2) Includes collaborative licensing and development revenue; 2011 and beyond reflects milestone payments from NovoNordisk related to DepoFoam partnership

(3) Includes \$10M milestone payment in 1Q12 to Skye Pharma related to the first commercial sale of Exparel

(4) Includes royalty interest obligation and loss on early extinguishment of debt

(5) Follow-on offering of 8.05M shares in November 2011

Proprietary to Piper Jaffray & Co. November 28, 2011

PCR: David Amsellem 212.284.9455

Current disclosure information for this company can be found at

<http://www.piperjaffray.com/researchdisclosures>

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# Pacira - Annual Cash Flow Statement

(\$ in millions)

	2008A	2009A	2010A	2011E	2012E	2013E	2014E
<b>Beginning Cash &amp; Equivalents</b>	<b>\$7.2</b>	<b>\$12.4</b>	<b>\$7.1</b>	<b>\$26.1</b>	<b>\$72.6</b>	<b>\$55.8</b>	<b>\$63.1</b>
<b>Operating Activities</b>							
Net Income (Loss)	(\$41.9)	(\$31.7)	(\$27.1)	(\$40.1)	(\$40.4)	\$10.3	\$59.5
Depreciation & Amortization	\$3.8	\$4.4	\$4.1	\$4.0	\$4.4	\$4.8	\$5.3
Other	(\$4.8)	\$1.9	(\$0.5)	\$0.5	\$0.5	\$0.5	\$0.5
Stock-based Compensation	\$0.2	\$0.5	\$0.0	\$0.6	\$0.8	\$1.1	\$1.2
Net Change in Assets and Liabilities	\$13.4	\$4.0	(\$1.3)	(\$0.6)	(\$10.0)	(\$0.8)	(\$4.1)
<b>Cash From Operations</b>	<b>(\$29.2)</b>	<b>(\$20.8)</b>	<b>(\$24.9)</b>	<b>(\$35.6)</b>	<b>(\$44.7)</b>	<b>\$15.9</b>	<b>\$62.4</b>
<b>Investing Activities</b>							
Capital Expenditures	(\$5.8)	(\$5.5)	(\$6.8)	(\$5.0)	(\$5.0)	(\$3.0)	(\$3.0)
Short-Term Investments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Acquisition of Tangible Assets	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Acquisition of Intangibles	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other Investment <sup>(1)</sup>	(\$0.0)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Cash From Investing Activities</b>	<b>(\$5.9)</b>	<b>(\$5.5)</b>	<b>(\$6.8)</b>	<b>(\$5.0)</b>	<b>(\$5.0)</b>	<b>(\$3.0)</b>	<b>(\$3.0)</b>
<b>Financing Activities</b>							
Debt Issuance <sup>(1)</sup>	\$0.0	\$21.3	\$63.8	\$0.0	\$5.0	\$0.0	\$0.0
Debt Repayments <sup>(1)</sup>	\$0.0	\$0.0	(\$11.3)	\$0.0	(\$15.0)	(\$8.7)	(\$7.0)
Dividends	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Share Repurchases	\$0.0	\$0.0	(\$0.0)	\$0.0	\$0.0	\$0.0	\$0.0
Stock and Option Issuances <sup>(2)</sup>	\$40.2	\$0.0	\$0.0	\$87.0	\$43.0	\$3.0	\$3.0
Other, Net	(\$0.0)	(\$0.2)	(\$1.8)	\$0.0	\$0.0	\$0.0	\$0.0
<b>Cash From Financing Activities</b>	<b>\$40.1</b>	<b>\$21.0</b>	<b>\$50.7</b>	<b>\$87.0</b>	<b>\$33.0</b>	<b>(\$5.7)</b>	<b>(\$4.0)</b>
Net Change In Cash	\$5.1	(\$5.3)	\$19.1	\$46.4	(\$16.7)	\$7.2	\$55.4
<b>Year End Cash &amp; Equivalents</b>	<b>\$12.4</b>	<b>\$7.1</b>	<b>\$26.1</b>	<b>\$72.6</b>	<b>\$55.8</b>	<b>\$63.1</b>	<b>\$118.4</b>

(1) Reflects the impact of \$26.25M of long-term debt borrowed under the Hercules Credit Facility, plus issuance of \$7.5M convertible note. Also includes repayment of \$11.25M under the GECC Credit Facility in 2010

(2) Reflects net proceeds of \$37M from February 2011 IPO and net proceeds of \$49M from November 2011 offering  
Also assumes an additional share offering in 2012 (estimated \$40M in proceeds)

Proprietary to Piper Jaffray & Co. November 28, 2011

PCR: David Amsellem 212.284.9455

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# **Pacira - Annual Balance Sheet**

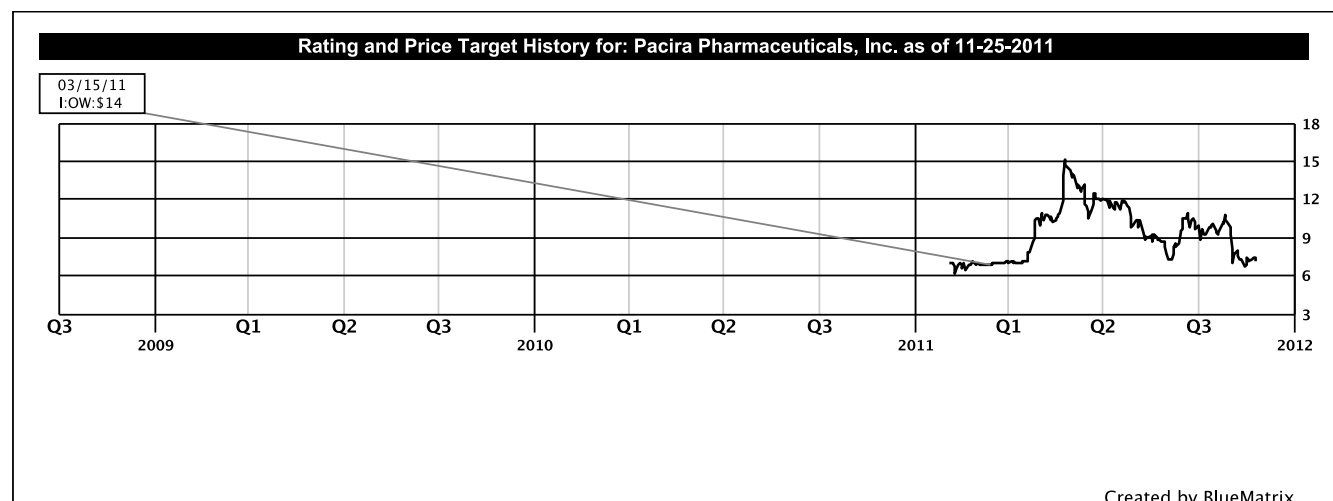
(\$ in millions)

	2008A	2009A	2010A	2011E	2012E	2013E	2014E
<b>Current Assets</b>							
Cash & Equivalents	\$12.4	\$7.1	\$26.1	\$72.6	\$55.8	\$63.1	\$118.4
Short-term invsetments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Accounts Receivable, net	\$2.6	\$1.5	\$1.2	\$2.5	\$10.4	\$12.4	\$17.2
Inventories	\$2.0	\$1.7	\$1.6	\$1.7	\$4.7	\$4.4	\$4.6
Other Current Assets	\$2.4	\$2.3	\$2.1	\$2.2	\$2.3	\$2.5	\$2.6
<b>Total Current Assets</b>	<b>\$19.4</b>	<b>\$12.5</b>	<b>\$31.1</b>	<b>\$79.0</b>	<b>\$73.3</b>	<b>\$82.3</b>	<b>\$142.9</b>
Property, Plant & Equipment, Net	\$18.0	\$19.6	\$24.0	\$25.0	\$25.6	\$23.7	\$21.4
Intangible Assets, Net	\$13.1	\$11.2	\$8.9	\$8.9	\$8.9	\$8.9	\$8.9
Other Assets	\$0.1	\$0.7	\$2.6	\$2.6	\$2.6	\$2.6	\$2.6
<b>Total Assets</b>	<b>\$50.5</b>	<b>\$44.0</b>	<b>\$66.6</b>	<b>\$115.5</b>	<b>\$110.4</b>	<b>\$117.6</b>	<b>\$175.8</b>
<b>Liabilities &amp; Equity</b>							
Current Liabilities	\$17.0	\$14.4	\$16.3	\$17.1	\$18.0	\$18.9	\$19.8
Total Debt	\$0.0	\$22.2	\$71.7	\$71.7	\$61.7	\$53.0	\$46.0
Other Liabilities	\$26.0	\$30.3	\$27.0	\$27.8	\$28.6	\$29.5	\$30.3
Equity (deficit)	\$7.5	(\$22.9)	(\$48.4)	(\$1.0)	\$2.1	\$16.3	\$79.7
<b>Total Liabilities &amp; Equity</b>	<b>\$50.5</b>	<b>\$44.0</b>	<b>\$66.6</b>	<b>\$115.5</b>	<b>\$110.4</b>	<b>\$117.6</b>	<b>\$175.8</b>

Proprietary to Piper Jaffray & Co. November 28, 2011

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Notes: The boxes on the Rating and Price Target History chart above indicate the date of the Research Note, the rating, and the price target. Each box represents a date on which an analyst made a change to a rating or price target, except for the first box, which may only represent the first Note written during the past three years.

Legend:

I: Initiating Coverage

R: Resuming Coverage

T: Transferring Coverage

D: Discontinuing Coverage

S: Suspending Coverage

OW: Overweight

N: Neutral

UW: Underweight

B: Buy (Piper Jaffray discontinued use of the B, N, and S ratings on June 30, 2009)

N: Neutral

S: Sell

AL On/AL Off: Placed on/removed from the Alpha List maintained by Piper Jaffray (AL use discontinued March 2010)

NA: Not Available

UR: Under Review

Distribution of Ratings/IB Services Piper Jaffray				
Rating	Count	Percent	IB Serv./Past 12 Mos.	
			Count	Percent
BUY [OW]	359	54.60	62	17.27
HOLD [N]	262	39.80	23	8.78
SELL [UW]	37	5.60	0	0.00

Note: Distribution of Ratings/IB Services shows the number of companies currently in each rating category from which Piper Jaffray and its affiliates received compensation for investment banking services within the past 12 months. FINRA rules require disclosure of which ratings most closely correspond with "buy," "hold," and "sell" recommendations. Piper Jaffray ratings are not the equivalent of buy, hold or sell, but instead represent recommended relative weightings. Nevertheless, Overweight corresponds most closely with buy, Neutral with hold and Underweight with sell. See Stock Rating definitions below.

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### Analyst Certification — David Amsellem, Sr. Research Analyst — Traver A. Davis, Research Associate

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- **Overweight (OW):** Anticipated to outperform relative to the median of the group of stocks covered by the analyst.
- **Neutral (N):** Anticipated to perform in line relative to the median of the group of stocks covered by the analyst.
- **Underweight (UW):** Anticipated to underperform relative to the median of the group of stocks covered by the analyst.

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