



## FIRST GLANCE | COMMENT

FEBRUARY 29, 2012

## Sagent Pharmaceuticals Inc (NASDAQ: SGNT; 21.98)

### Highlights from Sagent CBO Ron Pauli's Presentation at our Conference

#### Outperform Above Average Risk

#### Impact

Highlights from our HC Conference

#### First Impression

**Initial 2013 goals reaffirmed.** Pauli reiterated the 2013 goals of Revenues in excess of \$400mn, gross margins of approximately 30% and 20-25% EBITDA margins that Sagent had initially communicated during the company's IPO. Driving those goals is the company's expectation for 18 new product launches in 2012 with 8 products already approved. With Sagent's partnered facilities coming online in 2012 new product launches are expected to be back half weighted. The annualization of those launches coupled with the benefit of additional launches in 2013 provides a solid opportunity to grow the topline and expand both gross and operating margins.

**Near term launches target shortage drugs driving higher margins and helping Sagent build customer relationships.** Sagent has 76 ANDAs on 41 products either awaiting FDA approval or pending launch, 20 of which are currently in shortage. That said Pauli also commented that the timing of FDA approvals and supply of shortage drugs is difficult to predict.

**Sagent expects pricing dynamics in the generic injectables market to improve over the next five years.** Pauli conveyed the company's view the customers, including hospitals and Group Purchasing Organizations now understand that to ensure consistent supply of key products profitability for the manufactures will need to improve. Further he sees hurdles only getting higher for manufacturers, which should improve pricing dynamics for many injectable products over time.



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All values in USD unless otherwise noted.

## Company Description

Sagent is a generics injectable company that develops and sources products to sell in the United States. The company currently offers a portfolio of products across a range of therapeutic areas, including anti-infectives, oncology, and critical care in a variety of preparations. Sagent has developed an extensive international network of collaborations, which involves more than 60 worldwide manufacturing and development facilities. While a fairly new company, Sagent has developed or licensed more than 100 ANDAs and launched 24 products in the last three years, a testament to management's execution abilities.

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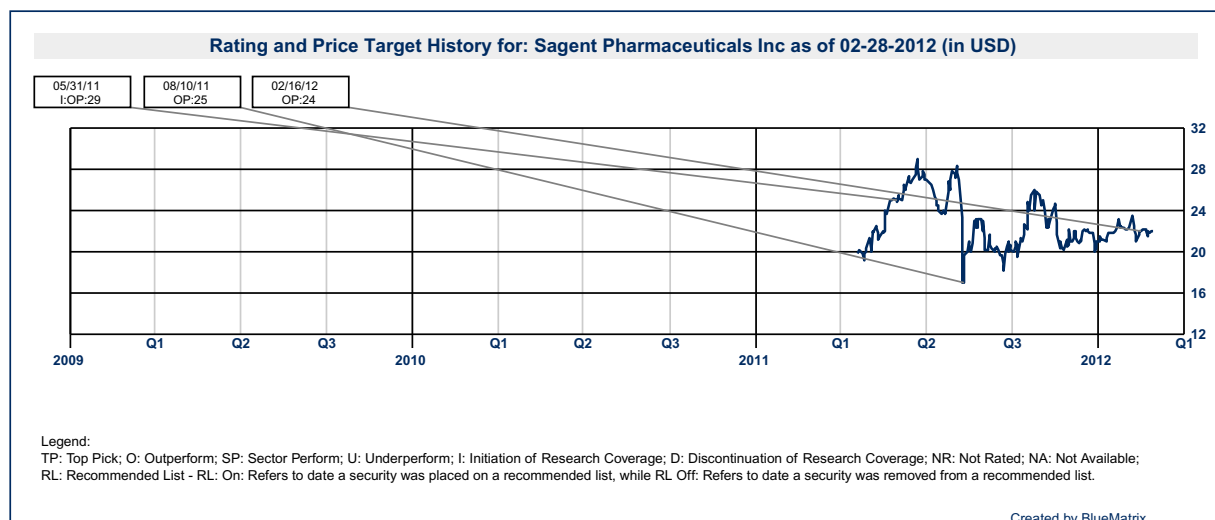
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