



Rating
Buy

North America
United States

Health Care
Biotechnology

Company
Tesaro Alert

Reuters
TSRO.OQ

Bloomberg
TSRO US

Exchange
NMS

Ticker
TSRO

Date
24 June 2013

Breaking News

Price at 21 Jun 2013 (USD)	32.22
Price target	80.00
52-week range	46.22 - 11.25

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TSRO enters diagnostic agreement with Myriad. PARP timelines on track

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TSRO just announced that it is entering a companion diagnostic agreement with Myriad genetics for Niraparib phase III trials. Under this agreement, Myriad will conduct BRCA1 & BRCA2 mutation testing on patients before enrolling patients in Niraparib phase III studies. This was expected as Tesaro is conducting phase III studies for Niraparib in BRCA mutation patients in Breast and Ovarian cancer.

In addition, Myriad is the only company offering this test, hence it was the obvious choice. We also note that such an agreement will avoid patients doing home testing which will make BRCA screening more robust.

According to PR the timelines for these studies remain intact. Ovarian cancer study will begin enrollment in mid-2013 while Breast cancer study is planned to initiate in 2H'13.

We reiterate BUY with \$80 TP.

Stock & option liquidity data

Market cap (USD)	1,024.5
Shares outstanding (m)	31.8
Free float (%)	100
Volume (21 Jun 2013)	294,605
Option volume (und. shrs., 1M avg.)	–

Key data

FYE 12/31	2012A	2013E	2014E
1Q EPS	–	–	–
2Q EPS	–	–	–
3Q EPS	–	–	–
4Q EPS	–	–	–
FY EPS (USD)	-4.53	-2.85	-3.44
P/E (x)	–	–	–

* Includes the impact of FAS123R requiring the expensing of stock options.

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