

## Puma Biotechnology, Inc.

### *Dropping Coverage of PBVI*

We are dropping coverage of Puma Biotechnology due to the departure of the analyst. The last rating on the stock was Neutral. Research issued before July 2, 2013, the date of coverage termination, should not be relied upon going forward.

July 2, 2013

### **PBYI**

Price (Jul. 1, 2013) \$47.48  
Mkt. Cap. (mil.) NA

### **Biotechnology**

Rating: **Discontinued**  
Price Target: **NA**  
Risk Rank: **NA**  
Sector Rating: **Market Weight**

Research Department

Research Department

### Market Data:

52-Week Range \$47.48-\$11.00  
Shares Out. (mil.) NA  
Float (mil.) NA  
Avg. Daily Vol. (000) 0  
Dividend/Yield NA/NA

### Financial Highlights:

Long-Term Debt (mil.) NA  
Debt/Cap. NA  
Debt/EBITDA NA  
ROE NA  
Book Value/Share NA  
Free Cash Flow/Share NA  
Net Cash/Share NA  
Shareholders' Equity (mil.) NA  
Est. 5-Year EPS Growth NA  
Convertible No  
Key Indices

| <u>EPS Est. Changes</u> | <u>2013</u> | <u>2014</u> |
|-------------------------|-------------|-------------|
| 07/02/13                | NA          | NA          |
| 05/09/13                | -\$2.63     | NA          |
| 04/02/13                | -\$2.91     | -\$0.68     |

| FYE – Dec.        | 2012    | 2013     |         | 2014     |         |
|-------------------|---------|----------|---------|----------|---------|
| EPS               | Current | Previous | Current | Previous | Current |
| 1Q                | NA      | NA       | NA      | NA       | NA      |
| 2Q                | NA      | NA       | NA      | NA       | NA      |
| 3Q                | NA      | NA       | NA      | NA       | NA      |
| 4Q                | NA      | NA       | NA      | NA       | NA      |
| Year              | NA      | NA       | NA      | NA       | NA      |
| P/E               | NA      |          | NA      |          | NA      |
| Mean EPS Estimate | NA      |          | NA      |          | NA      |
| Revenue (mil.)    | Current | Previous | Current | Previous | Current |
| 1Q                | NA      | NA       | NA      | NA       | NA      |
| 2Q                | NA      | NA       | NA      | NA       | NA      |
| 3Q                | NA      | NA       | NA      | NA       | NA      |
| 4Q                | NA      | NA       | NA      | NA       | NA      |
| Year              | NA      | NA       | NA      | NA       | NA      |
| EV/EBITDA         | NA      |          | NA      |          | NA      |
| Operating Margin  | NA      | NA       | NA      | NA       | NA      |

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## Comments

Please see bullets above.

## Company Description

Puma Biotechnology is a development-stage biopharmaceutical company that acquires and develops innovative products for the treatment of various forms of cancer. The company is focused on in-licensing drug candidates that are undergoing or have already completed initial clinical testing for the treatment of cancer and then seek to further develop those drug candidates for commercial use.

## Analyst Certification

By issuing this research report, each SunTrust Robinson Humphrey analyst named in this report hereby certifies that the recommendations and opinions expressed accurately reflect the research analyst's personal views about any and all of the subject securities or companies discussed herein and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

## Important Disclosures

- SunTrust Robinson Humphrey, Inc. makes a market in the following companies at the time of this report: Puma Biotechnology, Inc.

Analyst compensation is based upon quality of analysis, communication skills, stock price performance and the overall revenue and profitability of the firm, including investment banking revenue.

As a matter of policy and practice, the firm prohibits the offering of favorable research or a specific research rating as consideration or inducement for the receipt of business or compensation. In addition, analysts and associated persons preparing research reports are prohibited from owning securities in the subject companies.



### Rating And Price Target History (PBYI)

| Date       | Rating       | Target  | Closing |
|------------|--------------|---------|---------|
| 06/14/2012 | Buy          | \$19.00 | \$12.00 |
| 11/15/2012 | Neutral      |         | \$18.59 |
| 07/02/2013 | Discontinued | NA      |         |

## Definition of Ratings

SunTrust Robinson Humphrey assigns one of three ratings to stocks covered by our Research Department: **Buy, Neutral, or Reduce.**

In addition, we assign a risk rank to each stock based on a combination of fundamental and stock volatility factors:

**Low** = Low stock price volatility reflected by high predictability of financial results.

**Moderate** = Moderate stock price volatility reflected by medium predictability of financial results.

**High** = High stock price volatility reflected by inconsistent predictability of financial results.

**Speculative** = Greatest stock price volatility reflected by low predictability of financial results.

**Venture** = Recommended only for maximum risk oriented and well-diversified portfolios.

Our ratings are a function of the risk ranking (higher return expectations for higher risk) and the absolute expected total return (price appreciation plus dividends) that result in our estimated 12-month price target. Please refer to the grid below for additional detail.

| Performance Definition Scale   |              |               |               |               |
|--|--------------|---------------|---------------|---------------|
| <i>Total return (capital gain/loss + dividends) expected over the next 12 months</i> |              |               |               |               |
| Rating   | Low Risk     | Moderate Risk | High Risk     | Speculative   |
| Buy  | Over 10%     | Over 15%      | Over 20%      | Over 25%      |
| Neutral  | -5% to 10%   | -5% to 15%    | -10% to 20%   | -10% to 25%   |
| Reduce   | -5% or Worse | -5% or Worse  | -10% or Worse | -10% or Worse |

SunTrust Robinson Humphrey assigns one of three ratings to industries/sectors covered by our Research Department: Overweight, Market Weight or Underweight. These terms are relative to the appropriate S&P 500 industries/sectors.

Deviations from expected price targets due to price movement and/or volatility will be reviewed by the analyst and research management on a timely basis. Price targets are only required on Buy rated stocks; the analyst may choose to have price targets on Neutral or Reduce rated stocks, but it is not required. Action taken by an investor should be based upon their personal investment objectives and risk tolerance compared to a stock's expected performance and risk ranking.

#### SunTrust Robinson Humphrey ratings distribution as of 07/02/2013:

| Coverage Universe |       |         | Investment Banking Clients Past 12 months |       |          |
|-------------------|-------|---------|---|-------|----------|
| Rating            | Count | Percent | Rating                                    | Count | Percent* |
| Buy               | 163   | 48      | Buy                                       | 51    | 15       |
| Hold/Neutral      | 169   | 49      | Hold/Neutral                              | 28    | 8        |
| Sell/Reduce       | 11    | 3       | Sell/Reduce                               | 0     | 0        |

\*Percentage of Investment Banking clients in Coverage Universe by rating

## Financial Definitions

Average Daily Volume = The cumulative number of shares traded over 200 days ÷ number of trading sessions in that period

Book Value/Share = Shareholders' equity ÷ shares outstanding

Debt/Cap. = Debt ÷ shareholders' equity + debt

Debt/EBITDA = Long-term debt ÷ earnings before interest, tax, depreciation, and amortization

Dividend/Yield = Annual dividend per share ÷ share price

Est. 5-Year EPS Growth = Expected 5-year CAGR from latest actual

Float = Number of shares outstanding available for public trading

Free Cash Flow/Share = Trailing four quarters cash flow from operations - yearly CAPEX ÷ shares outstanding

Long-Term Debt = Loans and financial obligations extending beyond one year

Net Cash/Share = Cash + liquid securities - total debt (short and long term) ÷ shares outstanding

ROE (last year actual) = Net income ÷ shareholders' equity

Shareholders' Equity = Share capital + retained earnings - treasury shares

#### Key Indices:

DJIA – Dow Jones

RUI – Russell 1000

RUT – Russell 2000

MID – S&P MidCap 400

SPX – S&P 500

## Other Disclosures

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