

Rating Buy

Company Tesaro Alert

North America **United States**

Health Care Biotechnology

Reuters

Exchange Ticker TSRO.OQ TSRO US NMS

Nothing fundamental driving weakness from speaking to mgmt

We spoke to mgmt and there is nothing fundamental driving the stock

We spoke to mgmt, and there is nothing fundamental as it relates to Tesaro or its competitors in the space driving the weakness late in afternoon.

Our checks suggest that roughly 75% of fund distributions are completed in 2 days

We have gotten questions around whether the weakness today is driven by the earlier distribution (1.6M shares) from NEA that started on June 5. Ultimately, we don't know when the entire distribution is completed. checks suggest that this typically happens in first 2 days. Avg 30D/90D trading volume for TSRO is 439k/225k shares.

We would be buyers on the weakness & see big catalysts in 2H13. We reiterate our \$80 TP & Buy rating.

We came out of ASCO more confident that Rolapitant has a good chance to hit on nausea from looking at a similar drug's data set. We assume that it hits on nausea & our peak market share for Rolapitant is 50% in all eligible CINV patients and see peak sales at ~\$1B. This contributes \$35 to our DCF and we now see FV at \$80/share for TSRO.

Date 18 June 2013

Company Update

Price at 17 Jun 2013 (USD)	38.73
Price target	80.00
52-week range	46.22 - 11.25

Robyn Karnauskas

Research Analyst (+1) 212 250-7591 robyn.karnauskas@db.com

Alethia Young

Research Analyst (+1) 212 250-5751 alethia.young@db.com

Stock & option	liquidity data		
Market cap (US	D)		1,231.5
Shares outstand	ding (m)		31.8
Free float (%)			100
Volume (17 Jun	2013)		44,077
Option volume avg.)	(und. shrs., 1N	Л	-
Key data			
EVE 12/21	20124	2012E	20145

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

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