

June 22, 2015
Topics: RDUS, Retail Register
Rating Changes:

Radius Health, Inc. (RDUS - \$60.00 - Hold - NA PT): Downgrading to Hold, from Buy, and Removing Prior Price Target of \$50; Fully Valued Now. (Analyst: Jason McCarthy, Ph.D.) [\[Full Summary\]](#)

Industry Updates:

Retail Register: Rick's Retail Register (Analyst: Rick Snyder) [\[Full Summary\]](#)

Corporate Events (Call your Maxim salesperson for more information.)

TECHNOLOGY/MEDIA/TELECOM

- **Maxim's Senior Enterprise & Consumer Technology Analyst, Nehal Chokshi, Marketing in NYC, Boston and CT:** Monday, June 22, 2015 - Wednesday, June 24, 2015
- **WNS Holdings Limited (WNS) Non Deal Roadshow in Chicago:** Wednesday, July 1, 2015
- **Silicon Valley Bus Tour with Maxim Group LLC and Executives from: VMEM, NMBL, CSCO, NTAP & HPQ:** Tuesday, July 7, 2015 - Group Dinners Monday & Tuesday, July 6 & 7 at 5:45pm
- **Digital Media Long/Short Idea Dinner in NYC:** Wednesday, July 15, 2015
- **Leo Hindery Media Industry Executive Lunch with Maxim Group:** Wednesday, July 22, 2015
- **Dot Hill Systems Corp. (HILL) Non Deal Roadshow with CEO, Dana Kammergard and CFO, Hanif Jamal in Virginia:** Tuesday, August 18, 2015
- **Dot Hill Systems Corp. (HILL) Non Deal Roadshow with CEO, Dana Kammergard and CFO, Hanif Jamal in Boston:** Wednesday, August 19, 2015
- **Perficient Inc. (PRFT) Non Deal Roadshow with CEO, Jeff Davis in Boston:** Thursday, August 20, 2015
- **Dot Hill Systems Corp. (HILL) Non Deal Roadshow with CEO, Dana Kammergard and CFO, Hanif Jamal in NYC:** Thursday, August 20, 2015
- **Perficient Inc. (PRFT) Non Deal Roadshow with CEO, Jeff Davis in Atlanta:** Thursday, August 27, 2015

HEALTHCARE

- **Adamas Pharmaceuticals, Inc. (ADMS) Small Group Dinner with CEO, Gregory T. Went:** Tuesday, June 23, 2015
- **Epizyme Inc. (EPZM) Small Group Dinner with CEO, Robert Gould, and CFO, Andrew Singer in NYC:** Thursday, July 9, 2015- 5:30pm Cocktails, 6:00pm Dinner

ENERGY

- **Energy Idea Dinner with Maxim Group in Dallas:** Thursday, June 25, 2015- 5:30pm Cocktails, 6:00pm Dinner
- **Unconventional Basin & Well Economics with Reservoir Specialist, Dr. James Rector in NYC:** Tuesday, July 21, 2015, 12pm Lunch

INDUSTRIALS & INFRASTRUCTURE

- **Sterling Construction Company, Inc. (STRL) CEO, Paul Varello in Boston:** Wednesday, July 8, 2015
- **Sterling Construction Company, Inc. (STRL) CEO, Paul Varello in NYC:** Thursday, July 9, 2015

CONSUMER

- **Handbag & Accessories Store Tours & Meetings with Industry Executive, Suzanne Torrison, available for 1on1 meetings in London:** Tuesday, June 30, 2015 - Wednesday, July 1, 2015
- **The New Wave of Off-Price Competition - Retail Industry Specialist Meeting & Call with Jan Kniffen in NYC:** Wednesday, July 8, 2015, 12PM ET

- **Back to School & Women's Retail - Industry Executive Meeting & Conference Call with Marc Heller in NYC:** Tuesday, July 14, 2015

Maxim Research: Detailed Summary

Retail

Companies mentioned:

JCP	Sell
Target Price:	\$4.00
Closing Price:	\$8.50
Market Cap (M):	\$2,596
Avg. Daily Volume:	12,753

JWN	Hold
Target Price:	\$63.00
Closing Price:	\$75.22
Market Cap (M):	\$14,332
Avg. Daily Volume:	1,182

KORS	Hold
Target Price:	\$42.00
Closing Price:	\$46.60
Market Cap (M):	\$9,304
Avg. Daily Volume:	4,962

KSS	Buy
Target Price:	\$77.00
Closing Price:	\$63.81
Market Cap (M):	\$12,626
Avg. Daily Volume:	3,218

M	Hold
Target Price:	\$60.00
Closing Price:	\$69.85
Market Cap (M):	\$23,498
Avg. Daily Volume:	4,926

RL	Hold
Target Price:	\$130.00
Closing Price:	\$140.24
Market Cap (M):	\$8,469
Avg. Daily Volume:	885

URBN	Hold
Target Price:	\$32.00
Closing Price:	\$35.08
Market Cap (M):	\$4,495
Avg. Daily Volume:	2,670

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Rick's Retail Register

Summary:

- Anthropologie dresses still promotional.
- Kors online sale inventory saw a 2015 high this week.
- Macy's was more promotional this week, versus the same week last year.

Details:

Anthropologie was nominally less promotional this week, vs. the same week last year. The chain did not anniversary a 20% off select tops and full-price shorts promotion that ran on a few weekdays last year. Still, as we have mentioned in recent editions of the Register, Anthropologie has run several new promotions not featured in the comparable period last year. These have included promotions, which, more importantly, have run over periods including weekends, for 20% off full-price tops and bottoms (shorts and short rompers), 25% off full-price and sale dresses, and more.

The Summer Tag Sale of up to 50% off was advertised at the same depth as last year and was also advertised as starting on the same comparable day of this week last year. Online sale inventory of dresses saw more markdowns, but inventory increased to levels roughly in line with recent highs. The same happened with sale accessories, which have been clearing. Sale inventory of bags and wallets saw a notable increase. Sale inventory in blouses and button downs, jeans, pants, and shorts also increased to levels greater than any recent high. As we noted last week, blouses and button downs were included in the recent 20% off full-price tops and bottoms promotion.

Kors online sale inventory saw a 2015 high this week. This was driven by an increase in sale bags, small leather goods, footwear, watches, and jewelry. We mentioned last week that watches saw some progress in clearing. After the new markdowns this week, watches continued to clear, and online sale inventory was below the 2015 high from several weeks ago.

Continued promotions and price matching in wholesale accounts. A few days after Lord & Taylor concluded its 25% off Friends and Family (leading Nordstrom to price match), Bloomingdale's started its Extra Haute June Sale, featuring 20% off (versus 15% off in the same week last year). Michael Kors, Marc Jacobs, and Rebecca Minkoff were included in the sale, while Tory Burch was excluded. While Marc Jacobs was included this year, it was not last year. JWN price matched with 20% off select styles.

J. C. Penney's coupons were more promotional this week, versus the same week last year. Earlier this week, JCP ran a Dad's VIP event featuring 20% off in store and online. It continued the rest of the week with coupons for in store-only \$10 off \$25+, and online-only 15% off less than \$100, 20% off \$100+, or 25% off \$200+. On a comparable day to the Dad's VIP event, the department store ran an online-only 20% off \$75+ discount last year. Then, for fewer comparable days last year, the chain ran coupons for 15% off in store and online, or 20% off \$100+ online only. JCP also continued Bonus Cash this week, which it did not run the same week last year.

Macy's was more promotional this week, versus the same week last year. Macy's featured a Preview Day and One Day Sale with 25%-65% off select styles on Friday and Saturday this week. This compared to a Friday-through-Sunday Summer Sale with 25%-60% off last year. The department store did not repeat an Icons promotion for 25% off \$100+ earlier in the week that was featured last year. Still, this week, Macy's ran in-store and online coupons Tuesday through Sunday for an extra 20% or 15% off, and \$10 off \$25+ or \$20 off \$50+ select sale and clearance. Last year, Macy's featured only the extra 20% or 15% off coupons Wednesday through Sunday. In the comparable week last year, Macy's also ran its women's Great Shoe and Sandal Sale with an extra 30% off on a purchase of three or more items. The sale this year, which ran in previous weeks, featured "BOGO 50% off."

[\[Click HERE for Full Note\]](#)

Biotechnology

RDUS - NASDAQ

June 22, 2015

Closing Price 06/19/2015**\$60.00**

Rating: (prior Buy) Hold

12-Month Target Price: (prior \$50.00) NA

52-Week Range: \$8.08 - \$63.52

Market Cap (M): \$2,273

Shares O/S (M): 38

Float: 70.7%

Avg. Daily Volume (000): 472

Dividend: \$0.00

Dividend Yield: 0.00%

Risk Profile: High

Fiscal Year End: December

Total Revenues ('000)

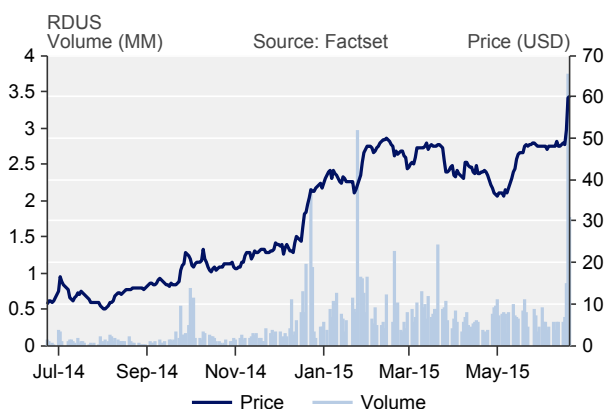
	2015E	2016E	2017E
1Q	0A	21,531	43,899
2Q	0	24,340	49,626
3Q	0	22,468	45,808
4Q	0	25,276	51,534
FY	0	93,615	190,867
Prior	—	—	178,466

GAAP Net Income (loss) ('000)

	2015E	2016E	2017E
1Q	(17,057)A	(275)	16,337
2Q	(17,500)	(311)	18,468
3Q	(18,000)	(287)	17,047
4Q	(18,550)	(323)	19,178
FY	(70,365)	(1,195)	71,031
Prior	(71,815)	(5,195)	54,673

GAAP EPS

	2015E	2016E	2017E
1Q	(0.47)A	(0.01)	0.45
2Q	(0.48)	(0.01)	0.50
3Q	(0.50)	(0.01)	0.47
4Q	(0.51)	(0.01)	0.52
FY	(1.96)	(0.03)	1.94
Prior	(2.00)	(0.14)	1.49

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Radius Health, Inc.**Hold****Downgrading to Hold, from Buy, and Removing Prior Price Target of \$50; Fully Valued Now.****Summary:**

- Radius' stock has exceeded our prior price target of \$50 quicker than we anticipated when we launched coverage in April 2015. Additionally, the stock rose another \$10 through \$60 on what we view as expected positive six-month data from the ACTIVEExtend study.
- At this juncture, we believe Radius is fully valued. We believe Radius will likely gain approval for abaloparatide and launch in the U.S. and Europe in mid-late 2016. We see few near-term catalysts that could drive valuation higher, maybe a small incremental increase in valuation with the announcement of a European partner (maybe) or NDA submission, but we suspect the threat of a biosimilar version of Lilly (LLY-\$83.01-NR) will keep interest contained.
- Our view remains unchanged...Radius should launch against Forteo in the U.S. and Europe (probably with a partner). However, we believe that the launch ramp-up may be slow in a mature market that only generates \$700M (US) for Lilly today.

Details:

ACTIVEextend extends the results from the ACTIVE trial. The phase III ACTIVE study showed reductions in new vertebral fractures by 86% versus placebo and non-vertebral fractures by 43%, as well as BMD increases of 9.2%, 2.9% and 3.44% for spine, femoral neck and total hip, respectively. Following six months (25 months of total fracture data) of alendronate treatment in the ACTIVEExtend study, reduction in new vertebral fractures improved to 87% and non-vertebral fractures to 52%. Additionally there was a 48% reduction in clinical fractures, 58% reduction in major osteoporotic fractures, and continued statistically significant increases in BMD across spine, femoral neck and total hip. Radius also showed in an exploratory endpoint a statistically significant reduction of 67% in major osteoporotic fractures versus placebo and 53% versus Forteo. Radius believes the totality of the data should support NDA and MAA submissions. We believe that abaloparatide will be approved in mid-late 2016.

Phase III is factored in, but what about approval and launch? If approved, we expect to see a shift to concerns over a launch in 2016. Radius's abaloparatide story becomes even more intriguing when Forteo's patent expires in 2018 and biosimilars are likely launched. The German generics manufacturer STADA Arzneimittel (private) has stated that its Forteo biosimilar will be ready to launch throughout Europe by 2018. However, osteoporosis therapy lends itself to moving patients to incrementally better therapies. The key for Radius will be driving patient and physician conversion based on incremental improvements and using promotional dollars to expand the fractured market in front of Forteo's patent expiring. By 2018 the questions will be: Are the incremental improvements enough? Will physicians and payers treat patients with the abaloparatide brand over a cheaper biosimilar of a relatively comparable and mature (>12 years) product like Forteo?

Valuation. We expect abaloparatide-SC to launch in mid-late 2016 in the U.S. and Europe. We believe that Radius is now fully valued and do not see any near-term catalysts to drive stock value higher.

[\[Click HERE for Full Note\]](#)

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