

Equity Research

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## Radius Health, Inc. (RDUS-\$12.50)

**Rating: BUY**

**Target Price: \$20.00**

### Focused on Abaloparatide Phase III Data this Year - Maintain BUY

<u>EPS</u>	<u>1Q</u>	<u>2Q</u>	<u>3Q</u>	<u>4Q</u>
2014E	(50.48)A	(2.22)A	(2.41)E	(2.95)E
2015E	—	—	—	—
2016E	—	—	—	—
<u>REV</u>	<u>1Q</u>	<u>2Q</u>	<u>3Q</u>	<u>4Q</u>
2014E	0.0A	0.0A	0.0E	0.0E
2015E	—	—	—	—
2016E	—	—	—	—
<u>FY</u>	<u>2014E</u>	<u>2015E</u>	<u>2016E</u>	
EPS	(11.75)E	(9.36)E	(6.13)E	
Prev	(188.00)E	(1.23)E	(0.01)E	
REV	0.0E	0.0E	43.9E	
Prev	—	—	43.2E	

- **2Q:14 EPS Results Reflect R&D Focus.** Radius reported 2Q:14 EPS of (\$2.22), reflecting the company's R&D spending of \$10.6 million, and SG&A of \$3.1 million. The company's spending reflects the stage of development of abaloparatide-SC (Phase III), activities related to demonstrating bioequivalence for a patch formulation of the drug, and initial studies for RAD1901. We have adjusted our 2014 EPS forecast to reflect 2Q:14's results.
- **Proximity to FDA Filing.** Radius' Phase III study of abaloparatide-SC, for the treatment of osteoporosis is near completion, and initial 18-month fracture data should be available in 4Q:14 (December), followed by 24-month fracture data from a six-month extension study shortly thereafter. Assuming that the Phase III trial results follow the strong Phase II data that demonstrated rapid increases in bone mineral density with low side effects, we expect that the company will begin regulatory filings in 2015, with potential commercialization in 2016. The company will also be presenting data at ASBMR in September.
- **Additional Formulation in the Works.** In addition to the current subcutaneous formulation of abaloparatide, Radius is developing a transdermal formulation, and that could be on the market shortly after the approval of the subcutaneous formulation. We like the potential for life cycle management and product differentiation, and expect news on this formulation in 1H:15.
- **Better Mousetrap?** The ultimate potential of abaloparatide, we believe, rests with the ability to demonstrate advantages over Forteo (teriparatide, Eli Lilly). Because abaloparatide is a synthetic peptide analog of parathyroid hormone-related protein, it may confer advantages in terms of building bone faster with less hypercalcemia, a known adverse effect of Forteo.
- **RAD901 is in the Wings.** RAD1901, a selective estrogen receptor degrader (SERD) is being explored for the treatment of bone metastases associated with breast cancer and menopausally-related vasomotor symptoms, though the latter indication is likely to be outlicensed. Reports from an MTD study are due out this year, and a formal Phase I trial is expected to also be initiated. This focus on product portfolio diversification is a dynamic we like.

### Current Statistics

Market Cap (\$Mil)	\$371.8
Avg. Daily Trading Volume (3 mo.):	NA
Shares Out (Mil):	29.747
52 Wk. Range	\$17.32-\$7.46

## Summary

Radius Health (Radius) is a development-stage company focused on commercializing treatments for osteoporosis and other serious endocrine-mediated disorders. The company has a portfolio of compounds in development for a variety of disorders predominantly affecting women, including a Phase III candidate for the treatment of osteoporosis, a major cost to the healthcare system, with over 40 million individuals in the U.S. alone considered to have osteoporosis or be at risk of fracture due to low bone mineral density (BMD). But what we find most compelling about Radius is the proximity to commercialization, as the company's Phase III trial of abaloparatide-SC is anticipated to produce data by the end of 2014 and could represent a replacement for Forteo, a \$1+ billion drug for the treatment of severe osteoporosis. With the potential to have clinically meaningful differentiation versus Forteo and a transdermal line extension (abaloparatide-TD), and a relatively short time to commercialization, we believe the opportunity for valuation expansion is high. In addition, the company is developing RAD-1901, a SERD for the treatment of hormonally receptive breast cancers. Our \$20 price target is based on a discounted revenue and EPS calculation, based on U.S. revenues of abaloparatide-SC and abaloparatide-TD in 2020. We have not incorporated revenue from Europe or other sources in our model.

### Exhibit 1: Upcoming Milestones

Date	Candidate	Indication	Milestone
4Q:14	Abaloparatide-SC	Osteoporosis	Phase III Data Readout
4Q:14	RAD1901	BCBM	Initiate Phase I study in Breast Cancer
Mid-15	Abaloparatide-SC	Osteoporosis	NDA Submission
2016	Abaloparatide-SC	Osteoporosis	FDA Approval

Source: Radius Health, Cantor Fitzgerald research

### Abaloparatide

Abaloparatide is a synthetic peptide analog of parathyroid hormone-related protein (PTHrP) that functions as a bone anabolic treatment (grows bone). The Phase III program is currently being conducted in 2,468 patients across 28 sites in the U.S., Europe, Asia, and Latin America, and results are expected by the end of 2014. The company's two formulations (subcutaneous, consistent with Eli Lilly's Forteo, and transdermal) are in clinical testing, with Phase II results of the abaloparatide-SC (subcutaneous) demonstrating an advantageous safety profile (lower hypercalcemia vs. Forteo) and efficacy (faster and greater bone growth vs. Forteo). The drug's profile, we believe, is directly tied to its mechanism as a regulator of bone formation and its selectivity for receptor conformation (R<sup>0</sup>, RG), suggesting it has the ability to activate the parathyroid hormone receptor but with less downstream signaling than Forteo, a 34 N-terminal amino acid sequence of human parathyroid hormone. Forteo is able to stimulate new bone formation, but in addition to binding with high affinity to osteoblast receptors in bone, also binds to cell surface receptors in the kidney. Forteo is able to build bone but is also associated with hypercalcemia, a condition in which excess calcium remains in the bloodstream.

Abaloparatide-SC is currently being tested in a Phase III trial designed to show that the drug is able to prevent new vertebral fractures versus placebo. The trial, which completed enrollment in 2013, is expected to report top-line, 18-month fracture data by the end of 2014. The trial will include data from 2,463 patients randomized to receive either abaloparatide (80 mcg), placebo, or Forteo (20 mcg) for 18 months. Following the initiation of the trial, the FDA informed Radius that 24-month fracture data would be required for approval, and subsequently agreed to accept an NDA that included (and preserved the integrity of) the Phase III 18-month endpoint, plus data from a 6-month extension study (to collect fracture at 24-months) that will support an NDA. The primary endpoint of the study is new vertebral fractures associated with abaloparatide vs. placebo at 18 months, with secondary measures including non-vertebral fractures vs. placebo, BMD (lumbar spine, hip, femoral neck) vs. Forteo,

number of hypercalcemic events vs. Forteo, and 24-month fracture data. The trial is 90% powered for the primary endpoint of new vertebral fractures versus placebo.

### Potential of Abaloparatide

We are intrigued by the potential of abaloparatide as a replacement for Forteo, as well as the opportunity to expand the market for anabolic bone agents. In simplest terms, abaloparatide may offer unique advantages to Forteo that make it more physician- and patient-friendly. For example, unlike Forteo, abaloparatide-SC will not need refrigeration. In addition, abaloparatide-SC may be able to build bone faster than Forteo, as demonstrated in Phase II testing, without the concern of hypercalcemia. While Forteo also carries a warning regarding concern of osteosarcoma, this is largely seen as an observed effect in rats, and abaloparatide's carcinogenicity studies suggest the same.

### Valuation

We believe shares of Radius have the potential for valuation expansion to \$20, based on a positive Phase III outcome for abaloparatide.

- **Discounted revenue** – Based on the possibility of revenues from U.S. sales of abaloparatide-SC and abaloparatide-TD beginning in 2016, we are forecasting 2020 sales of approximately \$425 million. Using an 8x multiple on revenue and a 30% discount rate, Radius shares could be worth \$20 per share.
- **Discounted EPS** – Based on the possibility of positive EPS in 2018 driven by U.S. revenue of abaloparatide-SC and abaloparatide-TD, we are forecasting using a 40x P/E multiple, discounted at 50%.

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### Risks

Radius Health is a development-stage company, and investment is subject to risk. These risks include but are not limited to:

- Development of new drugs carries a high failure rate, either because the drug in question fails to show efficacy, or significant safety issues arise during the clinical trial process. Additionally, regulatory authorities such as the Food & Drug Administration (FDA) and European Medicines Agency (EMA) may delay the approval process or reject Radius' clinical findings.
- The clinical landscape is crowded with hundreds of clinical trials. It is possible that other drugs will show greater benefit to patients than Radius' candidates, thus rendering potential products obsolete or non-competitive. Additionally, drug development is inherently risky, and it is possible that Radius' proprietary and partnered candidates will not be associated with successful clinical outcomes.
- Radius has rights and patents for its technologies and compounds, many of which have been licensed from third parties. There can be no assurances that such patents will not be subject to challenges, though none are known at this time.
- Radius is not cash flow positive and has not generated profits. There is no guarantee that the company will do so in the near future. The company has roughly \$50 million in cash and has stated that current development plans should allow cash to last into 2015.
- The market is competitive, and we expect potential competitor drugs to abaloparatide to lose exclusivity while Radius' drugs are commercially available. There are no assurances that payors, either public or private, will adopt Radius' products over generic drugs.
- The market for Radius stock can be volatile, particularly because there is limited history as a publicly-traded company.

**Exhibit 2: Annual Sales and Earnings**
**Radius Health, Inc.**

<i>All figures in millions, fiscal year ended June 30</i>	2020E	2019E	2018E	2017E	2016E	2015E	2014E
<b>Revenue</b>	<b>\$424.52</b>	<b>\$281.41</b>	<b>\$204.21</b>	<b>\$100.36</b>	<b>\$43.91</b>	<b>\$0.00</b>	<b>\$0.00</b>
Cost of Goods Sold	53.49	36.86	31.92	17.36	12.30	0.00	0.00
<b>Gross Profit</b>	<b>\$371.03</b>	<b>\$244.54</b>	<b>\$172.29</b>	<b>\$82.99</b>	<b>\$31.62</b>	<b>\$0.00</b>	<b>\$0.00</b>
<i>Gross Profit Margin</i>	87.40%	86.90%	84.37%	82.70%	72.00%	NM	NM
Operating Expenses							
G&A	45.01	40.55	36.21	31.00	26.91	18.76	13.16
R&D	72.00	64.80	58.91	52.93	45.63	39.71	53.02
Total Operating Expenses	117.01	105.36	95.12	83.93	72.54	58.47	66.17
<b>Profit (Loss) from Operations</b>	<b>\$254.02</b>	<b>\$139.19</b>	<b>\$77.17</b>	<b>(\$0.94)</b>	<b>(\$40.92)</b>	<b>(\$58.47)</b>	<b>(\$66.17)</b>
<i>Operating Profit Margin</i>	60%	49%	38%	NM	NM	NM	NM
Interest Income (Expense)	(1.03)	(0.98)	(0.94)	(0.89)	(0.85)	(1.35)	(1.08)
Other Income (Expense)	1.53	1.46	1.39	1.32	1.26	0.90	(0.87)
<b>Income (Loss) from Continuing Operations</b>	<b>\$254.52</b>	<b>\$139.66</b>	<b>\$77.62</b>	<b>(\$0.51)</b>	<b>(\$40.51)</b>	<b>(\$58.92)</b>	<b>(\$68.12)</b>
Pretax Margin	59.95%	49.63%	38.01%	-0.50%	NM	NM	NM
Income Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tax Rate	NM	NM	NM	NM	NM	NM	NM
Net Income	<b>\$254.52</b>	<b>\$139.66</b>	<b>\$77.62</b>	<b>(\$0.51)</b>	<b>(\$40.51)</b>	<b>(\$58.92)</b>	<b>(\$68.12)</b>
<i>Loss attributable to common, basic &amp; diluted</i>							<b>(\$73.12)</b>
<b>Diluted Earnings (Net Loss) Per Share</b>	<b>\$29.70</b>	<b>\$17.93</b>	<b>\$10.31</b>	<b>(\$0.07)</b>	<b>(\$6.13)</b>	<b>(\$9.36)</b>	<b>(\$11.75)</b>
Shares Outstanding	8.57	7.79	7.53	6.94	6.61	6.29	5.80

Source: Radius Health, Cantor Fitzgerald research

Exhibit 3: Select Biotechnology Stocks

Biotechnology	Mara Goldstein - 212.610.2215
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Mkt Cap. Range	Company (a)	Ticker	Rating	Price 8/12/14	Market Cap. (mil)	52-Week		Performance (b)			Earnings Per Share (c)			Revenue Per Share (c)			Per Share Cash	EV (mil)	Short Interest
						High	Low	YTD	QTD	1-Year	2013A	2014E	2015E	2013A	2014E	2015E			
Small Cap	Ambit	AMBI	NC	\$5.78	103.9	21.44	4.80	-41.6%	-15.5%	-56.6%	(\$1.15)	(\$2.20)	(\$2.19)	1.51	0.05	0.09	3.44	42.0	180,971
	Curis	CRIS	NC	1.68	144.5	4.74	1.60	-41.5%	-13.4%	-55.7%	(0.15)	(0.19)	(0.18)	0.17	0.13	0.23	0.69	115.2	4,168,464
	Cyclacel	CYCC	NC	3.24	73.5	5.50	2.75	-22.3%	3.8%	10.2%	(1.28)	(1.07)	(1.03)	0.05	0.02	0.00	1.24	45.3	1,527,416
	Galena Biopharma	GALE	SELL	2.79	329.3	7.77	1.66	-45.1%	-14.2%	43.1%	(0.46)	(0.35)	(0.28)	0.02	0.12	0.21	0.44	283.9	22,376,227
	Heat Biologics	HTBX	BUY	3.90	25.2	15.29	3.60	-46.6%	-24.6%	-60.2%	(2.42)	(1.56)	(1.71)	0.00	0.00	0.00	3.01	5.4	65,574
	ImmunoCellular	IMUC	NC	0.92	55.8	4.00	0.65	-6.1%	-18.2%	-71.7%	(0.16)	(0.22)	(0.25)	0.00	0.00	0.00	0.42	30.2	2,076,368
	Oncothyreon	ONTY	HOLD	2.94	208.0	4.08	1.67	61.5%	-7.0%	69.9%	(0.62)	(0.51)	(0.45)	0.00	0.00	0.00	0.83	149.4	5,601,501
	Stemline	STML	NC	11.28	149.4	47.25	10.68	-44.6%	-22.3%	-66.0%	(2.35)	(2.81)	(2.84)	0.01	0.01	0.00	1.83	125.2	860,859
	Sunesis Pharma	SNSS	BUY	6.74	407.4	7.49	3.84	44.6%	-0.6%	35.9%	(0.66)	(0.76)	(0.76)	0.13	0.10	0.32	0.97	362.6	7,080,685
	Synta	SNTA	NC	4.03	420.6	7.30	3.70	-23.4%	-1.7%	-39.6%	(1.27)	(1.00)	(1.01)	0.00	0.00	0.00	1.07	308.5	13,447,187
	Verastem	VSTM	BUY	8.54	220.7	16.60	7.10	-31.6%	-5.7%	-42.0%	(1.82)	(1.99)	(2.13)	0.00	0.00	0.00	4.26	110.7	2,682,947
	<b>Average</b>				<b>\$194.4</b>			<b>-17.9%</b>	<b>-10.8%</b>	<b>-21.2%</b>	<b>(\$1.12)</b>	<b>(\$1.15)</b>	<b>(\$1.12)</b>	<b>\$0.17</b>	<b>\$0.04</b>	<b>\$0.08</b>	<b>\$1.65</b>	<b>\$143.5</b>	<b>5,460,745</b>
Mid Cap	Agios Pharmaceuticals	AGIO	NC	\$38.92	\$1,341.11	\$50.37	\$15.77	62.0%	-14.7%	29.7%	(\$2.83)	(\$1.87)	(\$1.53)	\$0.74	\$1.06	\$1.69	\$7.58	\$1,080.0	3,094,255
	Ariad	ARIA	NC	5.68	1,062.2	23.00	2.15	-21.8%	-11.1%	-69.2%	(1.49)	(1.15)	(0.71)	0.24	0.33	0.86	1.66	752.2	50,995,853
	Array Biopharma	ARRY	BUY	3.89	490.1	6.66	3.39	-21.1%	-15.8%	-37.6%	(0.47)	(0.69)	(0.65)	0.55	0.33	0.39	0.89	482.4	18,395,604
	Celldex	CLDX	BUY	14.66	1,310.7	38.84	10.76	-40.4%	-15.4%	-22.6%	(1.02)	(1.16)	(0.86)	0.05	0.01	0.00	2.82	1058.3	20,137,749
	Clovis Oncology	CLVS	NC	41.89	1,422.8	93.33	35.33	-29.2%	1.0%	-42.9%	(2.95)	(3.98)	(4.99)	0.00	0.35	0.00	8.04	1149.5	3,967,953
	Endocyte	ECYT	NC	6.68	277.6	33.70	5.91	-38.0%	1.2%	-59.2%	(0.50)	(0.03)	(1.26)	1.56	1.71	0.22	NA	58.4	6,791,868
	Epizyme	EPZM	NC	35.02	1,161.1	42.71	18.10	72.9%	11.0%	-0.3%	(0.22)	(1.67)	(1.94)	2.07	1.25	1.32	7.15	924.0	3,035,647
	Exelixis	EXEL	NC	4.15	809.7	8.41	3.02	-32.8%	20.6%	-16.2%	(1.33)	(1.55)	(1.37)	0.16	0.13	0.34	NA	809.7	50,541,127
	Immunogen (d)	IMGN	HOLD	11.20	957.4	18.34	10.28	-25.2%	-6.3%	-33.1%	(0.87)	(0.83)	(0.69)	0.42	0.70	1.16	1.66	815.1	10,058,615
	Incyte	INCY	NC	48.01	8,085.5	70.86	26.45	-6.3%	-15.2%	75.9%	(0.56)	(0.37)	0.16	2.11	2.95	4.01	3.03	8249.3	9,831,454
	Infinity Pharm	INFI	NC	11.09	538.8	21.60	8.40	-17.5%	-14.1%	-40.9%	(2.64)	(3.43)	(2.90)	0.00	0.00	1.00	2.92	397.1	4,128,364
	Medivation	MDVN	NC	83.24	6,391.9	88.20	48.15	31.2%	6.1%	48.5%	(0.57)	2.38	3.00	3.55	8.27	10.35	3.78	6334.2	4,060,327
	Merrimack Pharm.	MACK	NC	6.67	689.7	8.25	2.05	19.3%	-7.6%	53.0%	(1.32)	(1.02)	(1.11)	0.46	0.65	0.73	0.90	597.0	18,109,548
	NewLink Genetics	NLNK	BUY	23.27	648.8	53.48	15.61	8.8%	-14.3%	33.5%	(1.23)	(2.03)	(1.21)	0.04	0.04	1.86	2.77	578.6	4,681,589
	Oncomed	OMED	NC	17.91	533.0	42.34	12.07	-38.9%	-25.4%	-9.7%	(1.93)	(1.29)	(0.84)	1.27	1.72	3.02	8.95	266.7	2,162,404
	Pharmacylics	PCYC	NC	118.72	8,936.1	154.89	82.51	9.5%	32.5%	6.5%	0.87	0.50	0.73	3.46	8.84	13.58	9.17	8246.0	6,475,147
	Seattle Genetics	SGEN	SELL	40.66	5,009.7	55.99	32.35	1.2%	4.2%	-2.1%	(0.51)	(0.87)	(0.49)	2.19	2.10	2.80	2.83	4660.5	17,414,172
	<b>Average</b>				<b>\$2,333.3</b>			<b>-3.9%</b>	<b>-3.7%</b>	<b>-5.1%</b>	<b>(\$1.15)</b>	<b>(\$1.12)</b>	<b>(\$0.98)</b>	<b>\$1.11</b>	<b>\$1.79</b>	<b>\$2.55</b>	<b>\$4.28</b>	<b>\$2,144.6</b>	<b>13,757,746</b>
Large Cap	Alexion	ALXN	NC	\$160.62	\$31,773.03	\$185.43	\$100.89	20.4%	-1.3%	40.8%	\$3.08	\$5.02	\$5.80	\$7.84	\$11.10	\$13.60	\$8.06	\$30,260.2	3,955,671
	Amgen	AMGN	NC	126.32	95,953.6	131.24	103.88	9.1%	5.0%	15.2%	7.60	8.38	9.00	24.59	25.93	26.63	34.48	103,093.6	9,538,010
	Biogen Idec	BIIB	NC	324.96	76,737.7	358.89	203.55	15.9%	0.1%	53.0%	8.96	12.99	16.07	29.36	40.69	46.82	6.66	75,758.0	2,963,165
	Celgene	CELG	BUY	86.45	71,835.8	90.50	65.76	0.6%	-2.3%	21.7%	2.98	3.70	4.82	7.81	8.99	11.16	7.04	72,924.1	13,239,439
	Gilead	GILD	NC	93.36	141,129.5	94.34	55.96	24.1%	9.5%	57.7%	2.04	7.86	9.25	7.41	15.90	18.17	5.82	142,209.6	98,473,543
	Regeneron	REGN	NC	338.15	34,175.5	352.49	227.64	23.1%	11.5%	35.3%	8.17	10.07	12.21	20.83	27.70	34.59	8.08	33,876.4	4,285,140
	Vertex	VRTX	NC	85.41	20,334.6	99.74	58.06	15.7%	-10.9%	10.7%	(1.98)	(2.89)	0.44	5.09	2.31	5.83	5.12	19,653.5	7,434,292
	<b>Average</b>				<b>\$67,420.0</b>			<b>15.6%</b>	<b>1.6%</b>	<b>33.5%</b>	<b>\$4.41</b>	<b>\$6.45</b>	<b>\$8.23</b>	<b>\$14.70</b>	<b>\$18.95</b>	<b>\$22.40</b>	<b>\$10.75</b>	<b>\$33,400.0</b>	<b>19,984,180</b>
Indices	S&P 500	SP50	NA	1,933.8	NA	1,991.39	1,627.47	5.6%	-2.0%	14.3%	NA	118.97	132.81	NA	NA	NA	NA	NA	NA
	Dow Jones Ind	DJII	NA	16,570.0	NA	17,151.56	14,719.43	0.8%	-2.3%	7.4%	NA	1,136.57	1224.40	NA	NA	NA	NA	NA	NA
	NASDAQ Comp	COMP	NA	4,389.3	NA	4,485.93	3,573.57	5.9%	-1.6%	19.9%	NA	217.40	247.22	NA	NA	NA	NA	NA	NA
	Amex Biotech Index	BTX	NA	2,805.6	NA	2,963.54	1,990.53	19.8%	-1.1%	33.3%	NA	135.30	165.96	NA	NA	NA	NA	NA	NA
	NASDAQ Biotech	NBI	NA	2,635.2	NA	2,872.29	1,953.67	11.0%	-4.1%	29.2%	NA	97.90	126.27	NA	NA	NA	NA	NA	NA
Mkt Cap. Range	Company	Ticker	Rating	Price Change From		P/E			Price/Sales			Price/				EV/			
				High	Low	2013A	2014E	2015E	2013A	2014E	2015E	Cash	Debt	BV	EBITDA	Net Inc.	FCF	Sales	BV
Mid	Medivation	MDVN	NC	-5.6%	72.9%	NA	35.0	27.8	23.42	10.07	8.04	22.04	27.52	82.00	(337.1)	(144.7)	NA	34.9	81.3
Large	Alexion	ALXN	NC	-13.4%	59.2%	52.1	32.0	27.7	20.48	14.47	11.81	19.93	389.85	0.28	53.7	49.7	77.8	26.7	0.3
Large	Amgen	AMGN	NC	-3.7%	21.6%	16.6	15.1	14.0	5.14	4.87	4.74	3.66	2.88	4.31	182.9	17.9	24.6	6.0	4.6
Large	Biogen Idec	BIIB	NC	-9.5%	59.6%	36.3	25.0	20.2	11.07	7.99	6.94	48.78	130.18	NA	25.0	35.8	46.6	13.7	NA
Large	Celgene	CELG	BUY	-4.5%	31.5%	29.0	23.4	17.9	11.06	9.61	7.74	12.29	10.36	12.67	31.1	29.4	38.2	13.2	12.9
Large	Gilead	GILD	NC	-1.0%	66.8%	45.8	11.9	10.1	12.60	5.87	5.14	16.04	NM	12.60	28.7	46.1	50.8	14.7	12.7
Large	Regeneron	REGN	NC	-4.1%	48.5%	41.4	33.6	27.7	16.24	12.21	9.78	41.84	66.00	26.42	42.3	41.03	NA	24.6	26.2
Large	Vertex	VRTX	NC	-14.4%	47.1%	NA	NA	195.0	16.78	36.97	14.66	16.68	37.79	18.57	(130.1)	(41.7)	99.9	12.9	NA
Large Cap Only						36.9	20.1	44.7	13.3	13.1	8.7	\$22.74	\$49.44	23.05	(0.4)	25.5	56.3	16.0	23.0

(a) All companies listed on NASDAQ

(b) NA values returned for public companies with less than one year trading history. Figures reflect most current available time period.

(c) All figures consensus estimates except for rated companies. Rated companies are Cantor Fitzgerald estimates. EPS and revenue per share exclude option expense and other one-time items, when available, otherwise EPS actual and estimates reflect non GAAP format.

(d) Immunogen CY estimates represent fiscal year-end (June) figures.

Source: Cantor Fitzgerald research, FactSet

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## Company Description

*Radius Health is a development-stage biopharmaceutical firm focused on the commercialization of therapeutics for the treatment of osteoporosis and other serious endocrine-mediated disease.*

## Companies Mentioned:

Agiros Pharmaceuticals, Inc. (AGIO - NASDAQ): NC  
Alexion Pharmaceuticals Inc. (ALXN - NASDAQ): NC  
Ambit Biosciences Corporation (AMBI - NASDAQ): NC  
Amgen Inc. (AMGN - NASDAQ): NC  
Ariad Pharmaceuticals Inc. (ARIA - NASDAQ): NC  
Array BioPharma, Inc. (ARRY - NASDAQ): BUY  
Biogen Idec (BIIB - NASDAQ): NC  
Celgene Corporation (CELG - NASDAQ): BUY  
Celldex Therapeutics, Inc. (CLDX - NASDAQ): BUY  
Clovis Oncology Inc. (CLVS - NASDAQ): NC  
Curis Inc. (CRIS - NASDAQ): NC  
Cyclacel Pharmaceuticals, Inc. (CYCC - NASDAQ): NC  
Eli Lilly and Company (LLY - NYSE): NC  
Endocyte, Inc. (ECYT - NASDAQ): NC  
Epizyme, Inc. (EPZM - NASDAQ): NC  
Exelixis Inc. (EXEL - NASDAQ): NC  
Galena Biopharma (GALE - NASDAQ): SELL  
Gilead Sciences Inc. (GILD - NASDAQ): NC  
Heat Biologics, Inc. (HTBX - NASDAQ): BUY  
ImmunoCellular Therapeutics Ltd. (IMUC - NASDAQ): NC  
ImmunoGen, Inc. (IMGN - NASDAQ): HOLD  
Incyte Corporation (INCY - NASDAQ): NC  
Infinity Pharmaceuticals, Inc. (INFI - NASDAQ): NC  
Medivation Inc. (MDVN - NASDAQ): NC  
Merrimack Pharmaceuticals Inc. (MACK - NASDAQ): NC  
NewLink Genetics Corporation (NLNK - NASDAQ): BUY  
OncoMed Pharmaceuticals, Inc. (OMED - NASDAQ): NC  
Oncothyreon Inc. (ONTY - NASDAQ): HOLD  
Pharmacyclics Inc. (PCYC - NASDAQ): NC  
Regeneron Pharmaceuticals Inc. (REGN - NASDAQ): NC  
Seattle Genetics, Inc. (SGEN - NASDAQ): SELL  
Stemline Therapeutics, Inc. (STML - NASDAQ): NC  
Sunesis Pharmaceuticals, Inc. (SNSS - NASDAQ): BUY  
Synta Pharmaceuticals Corp. (SNTA - NASDAQ): NC  
Verastem, Inc. (VSTM - NASDAQ): BUY  
Vertex Pharmaceuticals Inc. (VRTX - NASDAQ): NC  
Bone Therapeutics SA (Private)  
Nordic Bioscience (Private)  
Seragon Pharmaceuticals, Inc. (Private)  
Zosano Pharma Corp. (Private)

## Disclosures Appendix

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Rating	Cantor		IB Serv./Past 12 Mos.	
	Count	Percent	Count	Percent
BUY [B]	80	58.39	22	27.50
HOLD [H]	47	34.31	7	14.89
SELL [S]	10	7.30	1	10.00