

## Equity Research

### Flexion Therapeutics, Inc.

FLXN:Valuation Range Increased Due To Accelerated FX006 Timeline

• **Summary:** We are increasing our FLXN valuation range from \$24-26 to \$29-31, due to revisions to our model driven by FLXN's acceleration of its FX006 development timeline. Following a recent FDA meeting, FLXN has decided to move up the start of its Phase 3 study to late 2014 (versus our prior assumed H2 2015), which we see as a clear positive in shortening the timeline to filing and launch and removing a study from the critical path. We have consequently moved our assumed launch from late 2017 to early 2017, resulting in earlier revenues, partly offset by an earlier increase in S&M expenses, and a modestly slower rate of penetration growth in 2017-18 due to the decision to move the repeat-dose safety study completion to post-approval and the consequent likely lack of prescribed repeat use in the initial label (until FLXN has the opportunity to add it post-approval). 2015E EPS move to -\$3.29 from -\$3.32.

• **Revenue revisions:** We move our assumed launch date of FX006 from late 2017 to early 2017, which has been enabled by FLXN's decision to move up the start of the Phase 3 trial to late 2014, versus our prior assumption of H2 2015 (see below for background). Our peak revenue estimate of \$1.1 B now occurs in 2023 versus our prior 2024E. A modest offset to this positive in our model revisions is somewhat slower rate of penetration growth in 2017-18, since the initial label is now not likely to have repeat dosing prescribed in it (since the repeat-dose safety study will now finish after potential NDA approval). Our revenues in 2017E-2018E are raised, because the impact of an earlier launch exceeds the impact of not having repeat-dose safety data in the initial label, in our view. Post approval, the lack of prescribed repeat dosing language in the label upon approval may turn out to have limited impact, since if FX006 shows strong efficacy in Phase 3 and in post-approval use, and if the label language is silent (or at least benign) regarding repeat dosing, we'd expect physicians to use repeat doses in their patients as they see fit.

• **Expense revisions:** We increase our sales and marketing estimates in 2016E and modestly thereafter due to the acceleration of FX006 launch date. Our R&D expenses remain unchanged, since the Phase 3 timing is essentially being flipped with that of the repeat-dose safety study.

• **Next financing still assumed for Q3 2015, after Phase 2b confirmatory study data.** Our model has always assumed that FLXN will execute an equity financing in Q3 2015. We continue to model a \$75MM issuance, after the release of Phase 2b confirmatory data.

• **Continued on page 2**

#### Valuation Range: \$29.00 to \$31.00 from \$24.00 to \$26.00

Our valuation range of \$29-\$31 is DCF-based and assumes WACC=15% and no terminal value. Risks to our valuation pertain to FLXN's ability to successfully develop and commercialize FX006, including product concentration, clinical, regulatory, commercial, intellectual property, and future financing risk.

#### Investment Thesis:

We believe that FX006 can generate strong revenue and earnings growth due to 3 key positives: a large and growing market opportunity in OA; the potential to address an unmet medical need; and the opportunity for self-commercialization and strong revenue growth to drive operating margin expansion.

**Please see page 9 for rating definitions, important disclosures and required analyst certifications**

**All estimates/forecasts are as of 09/08/14 unless otherwise stated.**

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**Outperform / V**

Sector: Specialty Pharmaceuticals

Overweight

#### Earnings Estimates Revised Up

	2013A	2014E		2015E	
		Curr.	Prior	Curr.	Prior
EPS					
Q1 (Mar.)	(\$5.92)	(\$0.86) A	NC	(\$0.76)	NC
Q2 (June)	(6.07)	(0.38) A	NC	(0.88)	NC
Q3 (Sep.)	(6.38)	(0.66)	NC	<b>(0.84)</b>	<b>(0.85)</b>
Q4 (Dec.)	(4.66)	(0.80)	NC	<b>(0.81)</b>	<b>(0.82)</b>
FY	(\$23.02)	(\$2.59)	NC	<b>(\$3.29)</b>	<b>(3.32)</b>
CY	(\$23.02)	(\$2.59)		(\$3.29)	
FY P/EPS	NM	NM		NM	
Rev.(MM)	\$0	\$0		\$0	

Source: Company Data, Wells Fargo Securities, LLC estimates, and Reuters  
NA = Not Available, NC = No Change, NE = No Estimate, NM = Not Meaningful  
V = Volatile, \* = Company is on the Priority Stock List

Quarterly 2014 EPS do not add to FY2014 EPS due to change in share counts and February 2014 IPO

Ticker	FLXN
Price (09/05/2014)	\$14.06
52-Week Range:	\$11-21
Shares Outstanding: (MM)	15.6
Market Cap.: (MM)	\$219.3
S&P 500:	2,007.71
Avg. Daily Vol.:	30,189
Dividend/Yield:	\$0.00/0.0%
LT Debt: (MM)	\$4.0
LT Debt/Total Cap.:	27.0%
ROE:	NM
3-5 Yr. Est. Growth Rate:	NM
CY 2014 Est. P/EPS-to-Growth:	NM
Last Reporting Date:	08/07/2014

Source: Company Data, Wells Fargo Securities, LLC estimates, and Reuters

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Together we'll go far



**Company Description:**

Flexion Therapeutics, Inc. is a development stage specialty pharmaceutical company, focused on osteoarthritis (OA) pain treatments. The lead product candidate, FX006, is a sustained-release intra-articular steroid injection in Phase 2b trials for the treatment of moderate to severe OA pain in the knee. FLXN is also developing FX007 for post-operative pain, and FX005 for end stage OA pain.

**Continued from cover page:**

- **Background—acceleration of FX006 development plan enables early 2017E launch instead of late 2017E.** FLXN recently met with FDA (see our September 3 note for details) and the most important takeaway in our view was that FDA will allow an FX006 NDA filing without requiring completion of the repeat-dose safety study as a prerequisite. Consequently, the critical path (to NDA filing) will change, from running through completion of both the Phase 3 and the repeat-dose safety study, to running through completion of only the Phase 3 study. FLXN has decided to capitalize on this change by moving up the Phase 3 study to start in late 2014, partly concurrent with the ongoing Phase 2b study. The new plan will position FLXN to potentially file an NDA in early 2016E (versus our previously assumed late 2016E), for single-use administration, and to augment the label post-approval with the results of the repeat-dose safety study, now slated to start in late 2015E, complete in 2017E, and enable a 2017E sNDA filing.

**New Clinical Development Plan Potentially Accelerates FX006 Launch from Late 2017E to Early 2017E**

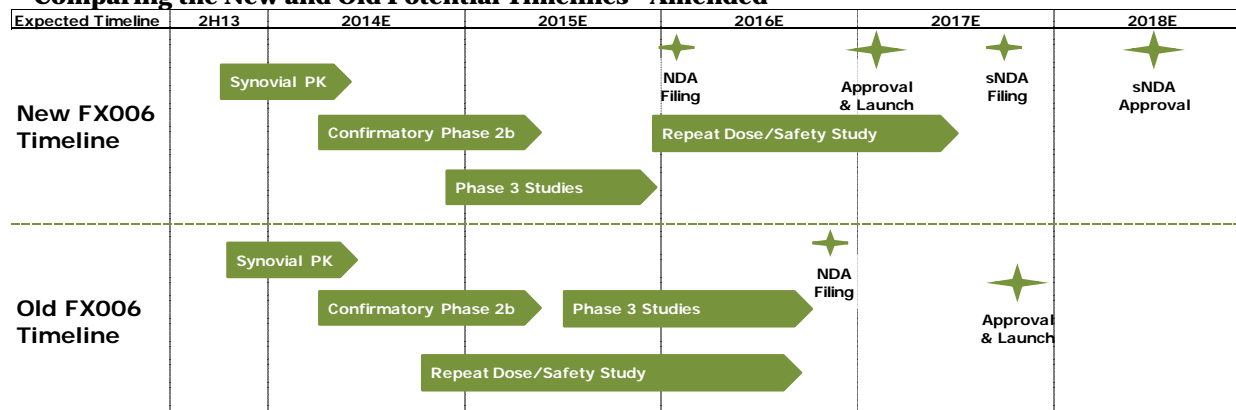
Due to FDA now allowing FLXN to apply for approval (on a single use basis) without results from repeat-dose safety study, FLXN has altered their development plan and will now move up the Phase 3 study to start in late 2014E, which combined with removing the safety study from the critical path, results in moving potential launch from late 2017E to early 2017E (Exhibit 1).

**Old timeline**

- Phase 3 follows Phase 2b confirmatory
- Repeat-dose safety study, also on the critical path to NDA filing with the Phase 3 study, starts in late 2014E to allow completion no later than Phase 3 completion
- NDA filing in late 2016E and potential approval in late 2017E
- NDA filing would include data from safety study thus label could potentially include language for repeat use

**New timeline**

- Phase 3 is moved up to start in late 2014E
- Repeat-dose safety study starts in late 2015E and is off the critical path for NDA filing
- NDA filing in early 2016E and potential approval in early 2017E, for single dose use. Remains to be seen how a potential label would treat repeat dosing (possibilities include no language, language specifically limiting one use, or other)
- sNDA filing for repeat use to be filed in 2017E after completion of the repeat-dose safety study.

**Exhibit 1. FX006 Development Plan Is Expected to Accelerate Following a Recent FDA Meeting – Comparing the New and Old Potential Timelines - Amended**

Source: Wells Fargo Securities, LLC estimates and Company reports

**Exhibit 2. FLXN Estimate Revisions Summary**

FLXN - Estimate Revision Summary (In MM except per share data)				2014										CAGR
	FY 2011	FY 2012	FY 2013	Mar-14 1QA	Jun-14 2QA	Sep-14 3QE	Dec-14 4QE	FY 2014E	FY 2015E	FY 2016E	FY 2017E	FY 2018E	14E - 18E	
<b>Total Sales</b>														
Old	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$21.0	\$86.5	NM	
Revised	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$42.0	\$108.2	NM	
Change	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$21.0	\$21.6		
<b>S&amp;M</b>														
Old	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.4	1.9	14.1	40.5	44.8	236.3%	
Revised	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.4	1.9	20.6	40.6	45.4	237.5%	
Change	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.5	0.1	0.7		
<b>G&amp;A</b>														
Old	3.0	3.9	6.7	2.3	2.2	2.6	2.7	9.8	11.7	12.8	14.1	15.5	12.3%	
Revised	3.0	3.9	6.7	2.3	2.2	2.6	2.7	9.8	11.7	12.8	14.1	15.5	12.3%	
Change	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
<b>R&amp;D</b>														
Old	8.2	11.1	11.1	4.2	3.6	7.8	9.8	25.3	48.5	51.2	38.4	42.3	13.7%	
Revised	8.2	11.1	11.1	4.2	3.6	7.8	9.8	25.3	48.5	51.2	38.4	42.3	13.7%	
Change	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
<b>Operating Income</b>														
Old	(\$11.3)	(\$15.0)	(\$17.8)	(\$6.4)	(\$5.8)	(\$10.5)	(\$12.7)	(\$35.5)	(\$62.1)	(\$78.2)	(\$74.3)	(\$25.6)	NM	
Revised	(\$11.3)	(\$15.0)	(\$17.8)	(\$6.4)	(\$5.8)	(\$10.5)	(\$12.7)	(\$35.5)	(\$62.1)	(\$84.6)	(\$55.7)	(\$7.0)	NM	
Change	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	(\$6.5)	\$18.6	\$18.6		
<b>EPS</b>														
Old	\$0.00	(\$27.59)	(\$23.02)	(\$0.86)	(\$0.38)	(\$0.66)	(\$0.80)	(\$2.59)	(\$3.32)	(\$3.22)	(\$2.39)	(\$0.80)	NM	
Revised	\$0.00	(\$27.59)	(\$23.02)	(\$0.86)	(\$0.38)	(\$0.66)	(\$0.80)	(\$2.59)	(\$3.29)	(\$3.47)	(\$1.87)	(\$0.22)	NM	
Change	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.00)	\$0.00	\$0.00	\$0.03	(\$0.24)	\$0.52	\$0.58		
<b>Weighted average shares outstanding</b>														
Old	0.0	0.5	0.8	7.6	15.6	15.7	15.8	13.7	18.6	24.2	31.0	31.6		
Revised	0.0	0.5	0.8	7.6	15.6	15.7	15.8	13.7	18.8	24.3	29.6	30.2		
Change	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2	(1.4)	(1.4)		

Source: Wells Fargo Securities, LLC estimates and Company reports

## Financial Model

ELVN - Revenue Forecast (In MM except price per injection)																					
	FY 2013A	FY 2014E	FY 2015E	FY 2016E	FY 2017E	FY 2018E	FY 2019E	FY 2020E	FY 2021E	FY 2022E	FY 2023E	FY 2024E	FY 2025E	FY 2026E	FY 2027E	FY 2028E	FY 2029E	FY 2030E	FY 2031E	FY 2032E	FY 2033E
US Market																					
Overall Patient Pool																					
Number of patients with knee OA diagnosis	12.0	12.3	12.7	13.1	13.5	13.8	14.2	14.7	15.1	15.5	16.0	16.4	16.9	17.4	17.9	18.4	19.0	19.5	20.1	20.7	21.3
Growth, y/y	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
Number of patients with knee OA and IA steroid Rx																					
Growth, y/y	3.0	3.1	3.2	3.3	3.4	3.5	3.6	3.7	3.8	3.9	4.0	4.1	4.2	4.4	4.5	4.6	4.7	4.9	5.0	5.2	5.3
Avg No. of steroid injections/patient	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Total number of steroid injections	3.3	3.4	3.5	3.6	3.7	3.8	3.9	4.0	4.1	4.3	4.4	4.5	4.7	4.8	4.9	5.1	5.2	5.4	5.5	5.7	5.8
Number of patients with knee OA and HA Rx																					
Growth, y/y	1.0	1.0	1.1	1.1	1.1	1.2	1.2	1.2	1.3	1.3	1.3	1.4	1.4	1.5	1.5	1.5	1.6	1.6	1.7	1.7	1.7
Avg No. of HA injections/patient	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Total number of HA injections	1.2	1.2	1.3	1.3	1.3	1.4	1.4	1.5	1.5	1.6	1.6	1.6	1.7	1.7	1.8	1.8	1.9	2.0	2.0	2.1	2.1
Total patients - steroid and HA																					
Growth, y/y	4.0	4.1	4.2	4.4	4.5	4.6	4.7	4.9	5.0	5.2	5.3	5.5	5.6	5.8	6.0	6.1	6.3	6.5	6.7	6.9	7.1
Total injections - steroid and HA	4.5	4.6	4.8	4.9	5.0	5.2	5.3	5.5	5.7	5.8	6.0	6.2	6.3	6.5	6.7	6.9	7.1	7.3	7.5	7.7	8.0
Growth, y/y	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
FX006 Market Opportunity																					
Based on steroid injection volumes and FX006 pricing																					
Total injections - steroid	3.3	3.4	3.5	3.6	3.7	3.8	3.9	4.0	4.1	4.3	4.4	4.5	4.7	4.8	4.9	5.1	5.2	5.4	5.5	5.7	5.8
FX006 price/injection	\$500	\$500	\$500	\$500	\$500	\$510	\$520	\$531	\$541	\$552	\$563	\$574	\$586	\$598	\$609	\$622	\$634	\$647	\$660	\$673	\$673
Market opportunity - FX006	\$1,650.0	\$1,697.9	\$1,747.1	\$1,797.8	\$1,849.9	\$1,903.5	\$1,957.9	\$2,009.0	\$2,061.0	\$2,110.1	\$2,154.6	\$2,204.8	\$2,251.0	\$2,803.4	\$2,942.4	\$3,083.3	\$3,241.4	\$3,402.1	\$3,570.8	\$3,747.8	\$3,933.6
Growth, y/y	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
FX006 Penetration and Volumes																					
Number of patients receiving IA steroid	3.0	3.1	3.2	3.3	3.4	3.5	3.6	3.7	3.8	3.9	4.0	4.1	4.2	4.4	4.5	4.6	4.7	4.9	5.0	5.2	5.3
Est. % penetration of FX006	0.0%	0.0%	0.0%	0.0%	1.3%	3.1%	6.9%	11.9%	16.3%	21.3%	25.0%	23.1%	20.6%	19.4%	18.1%	16.9%	15.6%	15.0%	6.3%	3.1%	1.3%
Est. no. of FX006 injections/patient	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Total no. FX006 injs. (steroid group)	-	-	-	-	0.1	0.2	0.4	0.7	0.9	1.2	1.5	1.4	1.3	1.3	1.2	1.2	1.1	1.1	0.5	0.2	0.1
Number of patients receiving HA	1.0	1.0	1.1	1.1	1.1	1.2	1.2	1.2	1.3	1.3	1.3	1.4	1.4	1.5	1.5	1.5	1.6	1.6	1.7	1.7	1.8
Est. % penetration of FX006	0.0%	0.0%	0.0%	0.0%	1.3%	3.1%	6.9%	11.9%	16.3%	21.3%	25.0%	23.1%	20.6%	19.4%	18.1%	16.9%	15.6%	15.0%	6.3%	3.1%	1.3%
Est. no. of FX006 injections/patient	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Total no. FX006 injs. (HA group)	-	-	-	-	0.0	0.1	0.1	0.2	0.3	0.4	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.2	0.1	0.0
Total FX006 injections	-	-	-	-	0.1	0.2	0.5	0.9	1.2	1.6	2.0	1.9	1.7	1.7	1.6	1.6	1.5	1.5	0.6	0.3	0.1
Growth, y/y	NM	NM	NM	NM	NM	157.3%	126.4%	77.7%	40.8%	34.6%	21.1%	(4.8%)	(8.2%)	(3.3%)	(3.7%)	(4.2%)	(4.7%)	(1.2%)	(57.1%)	(46.6%)	(58.8%)
FX006 Pricing and Revenues																					
FX006 price/injection	\$500	\$500	\$500	\$500	\$500	\$510	\$520	\$531	\$541	\$552	\$563	\$574	\$586	\$598	\$609	\$622	\$634	\$647	\$660	\$673	\$673
Price increase, y/y	0.0%	0.0%	0.0%	0.0%	0.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
FX006 revenues	\$0	\$0	\$0	\$0	\$42.0	\$108.2	\$249.7	\$452.8	\$650.3	\$892.5	\$1,102.1	\$1,070.0	\$1,001.6	\$987.6	\$969.7	\$947.5	\$920.9	\$927.8	\$405.8	\$712.9	\$89.4
Growth, y/y	NM	NM	NM	NM	NM	157.3%	130.9%	81.3%	43.6%	37.3%	23.5%	(2.9%)	(6.4%)	(1.4%)	(1.8%)	(2.3%)	(2.8%)	0.6%	(56.3%)	(47.5%)	(58.0%)
Source: Wells Fargo Securities, LLC estimates and company reports																					

Source: Wells Fargo Securities, LLC estimates and company reports

FLXN - INCOMESTATEMENT (In MM except per share data)													2014 Mar-14Jun-14Sep-14Dec-14													CAGR (E) '14E-'17E																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
	FY 2011A	FY 2012A	FY 2013A	1QA	2QA	3QE	4QE	FY 2014E	FY 2015E	FY 2016E	FY 2017E	FY 2018E	FY 2019E	FY 2020E	FY 2021E	FY 2022E	FY 2023E	FY 2024E	FY 2025E	FY 2026E	FY 2027E	FY 2028E	FY 2029E	FY 2030E	FY 2031E	FY 2032E	FY 2033E	FY 2034E	FY 2035E	FY 2036E	FY 2037E	FY 2038E	FY 2039E	FY 2040E	FY 2041E	FY 2042E	FY 2043E	FY 2044E	FY 2045E	FY 2046E	FY 2047E	FY 2048E	FY 2049E	FY 2050E	FY 2051E	FY 2052E	FY 2053E	FY 2054E	FY 2055E	FY 2056E	FY 2057E	FY 2058E	FY 2059E	FY 2060E	FY 2061E	FY 2062E	FY 2063E	FY 2064E	FY 2065E	FY 2066E	FY 2067E	FY 2068E	FY 2069E	FY 2070E	FY 2071E	FY 2072E	FY 2073E	FY 2074E	FY 2075E	FY 2076E	FY 2077E	FY 2078E	FY 2079E	FY 2080E	FY 2081E	FY 2082E	FY 2083E	FY 2084E	FY 2085E	FY 2086E	FY 2087E	FY 2088E	FY 2089E	FY 2090E	FY 2091E	FY 2092E	FY 2093E	FY 2094E	FY 2095E	FY 2096E	FY 2097E	FY 2098E	FY 2099E	FY 2100E	FY 2101E	FY 2102E	FY 2103E	FY 2104E	FY 2105E	FY 2106E	FY 2107E	FY 2108E	FY 2109E	FY 2110E	FY 2111E	FY 2112E	FY 2113E	FY 2114E	FY 2115E	FY 2116E	FY 2117E	FY 2118E	FY 2119E	FY 2120E	FY 2121E	FY 2122E	FY 2123E	FY 2124E	FY 2125E	FY 2126E	FY 2127E	FY 2128E	FY 2129E	FY 2130E	FY 2131E	FY 2132E	FY 2133E	FY 2134E	FY 2135E	FY 2136E	FY 2137E	FY 2138E	FY 2139E	FY 2140E	FY 2141E	FY 2142E	FY 2143E	FY 2144E	FY 2145E	FY 2146E	FY 2147E	FY 2148E	FY 2149E	FY 2150E	FY 2151E	FY 2152E	FY 2153E	FY 2154E	FY 2155E	FY 2156E	FY 2157E	FY 2158E	FY 2159E	FY 2160E	FY 2161E	FY 2162E	FY 2163E	FY 2164E	FY 2165E	FY 2166E	FY 2167E	FY 2168E	FY 2169E	FY 2170E	FY 2171E	FY 2172E	FY 2173E	FY 2174E	FY 2175E	FY 2176E	FY 2177E	FY 2178E	FY 2179E	FY 2180E	FY 2181E	FY 2182E	FY 2183E	FY 2184E	FY 2185E	FY 2186E	FY 2187E	FY 2188E	FY 2189E	FY 2190E	FY 2191E	FY 2192E	FY 2193E	FY 2194E	FY 2195E	FY 2196E	FY 2197E	FY 2198E	FY 2199E	FY 2200E	FY 2201E	FY 2202E	FY 2203E	FY 2204E	FY 2205E	FY 2206E	FY 2207E	FY 2208E	FY 2209E	FY 2210E	FY 2211E	FY 2212E	FY 2213E	FY 2214E	FY 2215E	FY 2216E	FY 2217E	FY 2218E	FY 2219E	FY 2220E	FY 2221E	FY 2222E	FY 2223E	FY 2224E	FY 2225E	FY 2226E	FY 2227E	FY 2228E	FY 2229E	FY 2230E	FY 2231E	FY 2232E	FY 2233E	FY 2234E	FY 2235E	FY 2236E	FY 2237E	FY 2238E	FY 2239E	FY 2240E	FY 2241E	FY 2242E	FY 2243E	FY 2244E	FY 2245E	FY 2246E	FY 2247E	FY 2248E	FY 2249E	FY 2250E	FY 2251E	FY 2252E	FY 2253E	FY 2254E	FY 2255E	FY 2256E	FY 2257E	FY 2258E	FY 2259E	FY 2260E	FY 2261E	FY 2262E	FY 2263E	FY 2264E	FY 2265E	FY 2266E	FY 2267E	FY 2268E	FY 2269E	FY 2270E	FY 2271E	FY 2272E	FY 2273E	FY 2274E	FY 2275E	FY 2276E	FY 2277E	FY 2278E	FY 2279E	FY 2280E	FY 2281E	FY 2282E	FY 2283E	FY 2284E	FY 2285E	FY 2286E	FY 2287E	FY 2288E	FY 2289E	FY 2290E	FY 2291E	FY 2292E	FY 2293E	FY 2294E	FY 2295E	FY 2296E	FY 2297E	FY 2298E	FY 2299E	FY 2300E	FY 2301E	FY 2302E	FY 2303E	FY 2304E	FY 2305E	FY 2306E	FY 2307E	FY 2308E	FY 2309E	FY 2310E	FY 2311E	FY 2312E	FY 2313E	FY 2314E	FY 2315E	FY 2316E	FY 2317E	FY 2318E	FY 2319E	FY 2320E	FY 2321E	FY 2322E	FY 2323E	FY 2324E	FY 2325E	FY 2326E	FY 2327E	FY 2328E	FY 2329E	FY 2330E	FY 2331E	FY 2332E	FY 2333E	FY 2334E	FY 2335E	FY 2336E	FY 2337E	FY 2338E	FY 2339E	FY 2340E	FY 2341E	FY 2342E	FY 2343E	FY 2344E	FY 2345E	FY 2346E	FY 2347E	FY 2348E	FY 2349E	FY 2350E	FY 2351E	FY 2352E	FY 2353E	FY 2354E	FY 2355E	FY 2356E	FY 2357E	FY 2358E	FY 2359E	FY 2360E	FY 2361E	FY 2362E	FY 2363E	FY 2364E	FY 2365E	FY 2366E	FY 2367E	FY 2368E	FY 2369E	FY 2370E	FY 2371E	FY 2372E	FY 2373E	FY 2374E	FY 2375E	FY 2376E	FY 2377E	FY 2378E	FY 2379E	FY 2380E	FY 2381E	FY 2382E	FY 2383E	FY 2384E	FY 2385E	FY 2386E	FY 2387E	FY 2388E	FY 2389E	FY 2390E	FY 2391E	FY 2392E	FY 2393E	FY 2394E	FY 2395E	FY 2396E	FY 2397E	FY 2398E	FY 2399E	FY 2400E	FY 2401E	FY 2402E	FY 2403E	FY 2404E	FY 2405E	FY 2406E	FY 2407E	FY 2408E	FY 2409E	FY 2410E	FY 2411E	FY 2412E	FY 2413E	FY 2414E	FY 2415E	FY 2416E	FY 2417E	FY 2418E	FY 2419E	FY 2420E	FY 2421E	FY 2422E	FY 2423E	FY 2424E	FY 2425E	FY 2426E	FY 2427E	FY 2428E	FY 2429E	FY 2430E	FY 2431E	FY 2432E	FY 2433E	FY 2434E	FY 2435E	FY 2436E	FY 2437E	FY 2438E	FY 2439E	FY 2440E	FY 2441E	FY 2442E	FY 2443E	FY 2444E	FY 2445E	FY 2446E	FY 2447E	FY 2448E	FY 2449E	FY 2450E	FY 2451E	FY 2452E	FY 2453E	FY 2454E	FY 2455E	FY 2456E	FY 2457E	FY 2458E	FY 2459E	FY 2460E	FY 2461E	FY 2462E	FY 2463E	FY 2464E	FY 2465E	FY 2466E	FY 2467E	FY 2468E	FY 2469E	FY 2470E	FY 2471E	FY 2472E	FY 2473E	FY 2474E	FY 2475E	FY 2476E	FY 2477E	FY 2478E	FY 2479E	FY 2480E	FY 2481E	FY 2482E	FY 2483E	FY 2484E	FY 2485E	FY 2486E	FY 2487E	FY 2488E	FY 2489E	FY 2490E	FY 2491E	FY 2492E	FY 2493E	FY 2494E	FY 2495E	FY 2496E	FY 2497E	FY 2498E	FY 2499E	FY 2500E	FY 2501E	FY 2502E	FY 2503E	FY 2504E	FY 2505E	FY 2506E	FY 2507E	FY 2508E	FY 2509E	FY 2510E	FY 2511E	FY 2512E	FY 2513E	FY 2514E	FY 2515E	FY 2516E	FY 2517E	FY 2518E	FY 2519E	FY 2520E	FY 2521E	FY 2522E	FY 2523E	FY 2524E	FY 2525E	FY 2526E	FY 2527E	FY 2528E	FY 2529E	FY 2530E	FY 2531E	FY 2532E	FY 2533E	FY 2534E	FY 2535E	FY 2536E	FY 2537E	FY 2538E	FY 2539E	FY 2540E	FY 2541E	FY 2542E	FY 2543E	FY 2544E	FY 2545E	FY 2546E	FY 2547E	FY 2548E	FY 2549E	FY 2550E	FY 2551E	FY 2552E	FY 2553E	FY 2554E	FY 2555E	FY 2556E	FY 2557E	FY 2558E	FY 2559E	FY 2560E	FY 2561E	FY 2562E	FY 2563E	FY 2564E	FY 2565E	FY 2566E	FY 2567E	FY 2568E	FY 2569E	FY 2570E	FY 2571E	FY 2572E	FY 2573E	FY 2574E	FY 2575E	FY 2576E	FY 2577E	FY 2578E	FY 2579E	FY 2580E	FY 2581E	FY 2582E	FY 2583E	FY 2584E	FY 2585E	FY 2586E	FY 2587E	FY 2588E	FY 2589E	FY 2590E	FY 2591E	FY 2592E	FY 2593E	FY 2594E	FY 2595E	FY 2596E	FY 2597E	FY 2598E	FY 2599E	FY 2600E	FY 2601E	FY 2602E	FY 2603E	FY 2604E	FY 2605E	FY 2606E	FY 2607E	FY 2608E	FY 2609E	FY 2610E	FY 2611E	FY 2612E	FY 2613E	FY 2614E	FY 2615E	FY 2616E	FY 2617E	FY 2618E	FY 2619E	FY 2620E	FY 2621E	FY 2622E	FY 2623E	FY 2624E	FY 2625E	FY 2626E	FY 2627E	FY 2628E	FY 2629E	FY 2630E	FY 2631E	FY 2632E	FY 2633E	FY 2634E	FY 2635E	FY 2636E	FY 2637E	FY 2638E	FY 2639E	FY 2640E	FY 2641E	FY 2642E	FY 2643E	FY 2644E	FY 2645E	FY 2646E	FY 2647E	FY 2648E	FY 2649E	FY 2650E	FY 2651E	FY 2652E	FY 2653E	FY 2654E	FY 2655E	FY 2656E	FY 2657E	FY 2658E	FY 2659E	FY 2660E	FY 2661E	FY 2662E	FY 2663E	FY 2664E	FY 2665E	FY 2666E	FY 2667E	FY 2668E	FY 2669E	FY 2670E	FY 2671E	FY 2672E	FY 2673E	FY 2674E	FY 2675E	FY 2676E	FY 2677E	FY 2678E	FY 2679E	FY 2680E	FY 2681E	FY 2682E	FY 2683E	FY 2684E	FY 2685E	FY 2686E	FY 2687E	FY 2688E	FY 2689E	FY 2690E	FY 2691E	FY 2692E	FY 2693E	FY 2694E	FY 2695E	FY 2696E	FY 2697E	FY 2698E	FY 2699E	FY 2700E	FY 2701E	FY 2702E	FY 2703E	FY 2704E	FY 2705E	FY 2706E	FY 2707E	FY 2708E	FY 2709E	FY 2710E	FY 2711E	FY 2712E	FY 2713E	FY 2714E	FY 2715E	FY 2716E	FY 2717E	FY 2718E	FY 2719E	FY 2720E	FY 2721E	FY 2722E	FY 2723E	FY 2724E	FY 2725E	FY 2726E	FY 2727E	FY 2728E	FY 2729E	FY 2730E	FY 2731E	FY 2732E	FY 2733E	FY 2734E	FY 2735E	FY 2736E	FY 2737E	FY 2738E	FY 2739E	FY 2740E	FY 2741E	FY 2742E	FY 2743E	FY 2744E	FY 2745E	FY 2746E	FY 2747E	FY 2748E	FY 2749E	FY 2750E	FY 2751E	FY 2752E	FY 2753E	FY 2754E	FY 2755E	FY 2756E	FY 2757E	FY 2758E	FY 2759E	FY 2760E	FY 2761E	FY 2762E	FY 2763E	FY 2764E	FY 2765E	FY 2766E	FY 2767E	FY 2768E	FY 2769E	FY 2770E	FY 2771E	FY 2772E	FY 2773E	FY 2774E	FY 2775E	FY 2776E	FY 2777E	FY 2778E	FY 2779E	FY 2780E	FY 2781E	FY 2782E	FY 2783E	FY 2784E	FY 2785E	FY 2786E	FY 2787E	FY 2788E	FY 2789E	FY 2790E	FY 2791E	FY 2792E	FY 2793E	FY 2794E	FY 2795E	FY 2796E	FY 2797E	FY 2798E	FY 2799E	FY 2800E	FY 2801E	FY 2802E	FY 2803E	FY 2804E	FY 2805E	FY 2806E	FY 2807E	FY 2808E	FY 2809E	FY 2810E	FY 2811E	FY 2812E	FY 2813E	FY 2814E	FY 2815E	FY 2816E	FY 2817E	FY 2818E	FY 2819E	FY 2820E	FY 2821E	FY 2822E	FY 2823E	FY 2824E	FY 2825E	FY 2826E	FY 2827E	FY 2828E	FY 2829E	FY 2830E	FY 2831E	FY 2832E	FY 2833E	FY 2834E	FY 2835E	FY 2836E	FY 2837E	FY 2838E	FY 2839E	FY 2840E	FY 2841E	FY 2842E	FY 2843E	FY 2844E	FY 2845E	FY 2846E	FY 2847E	FY 2848E	FY 2849E	FY 2850E	FY 2851E	FY 2852E	FY 2853E	FY 2854E	FY 2855E	FY 2856E	FY 2857E	FY 2858E	FY 2859E	FY 2860E	FY 2861E	FY 2862E	FY 2863E	FY 2864E	FY 2865E	FY 2866E	FY 2867E	FY 2868E	FY 2869E	FY 2870E	FY 2871E	FY 2872E	FY 2873E	FY 2874E	FY 2875E	FY 2876E	FY 2877E	FY 2878E	FY 2879E	FY 2880E	FY 2881E	FY 2882E	FY 2883E	FY 2884E	FY 2885E	FY 2886E	FY 2887E	FY 2888E	FY 2889E	FY 2890E	FY 2891E	FY 2892E	FY 2893E	FY 2894E	FY 2895E	FY 2896E	FY 2897E	FY 2898E	FY 2899E	FY 2900E	FY 2901E	FY 2902E	FY 2903E	FY 2904E	FY 2905E	FY 2906E	FY 2907E	FY 2908E	FY 2909E	FY 2910E	FY 2911E	FY 2912E	FY 2913E	FY 2914E	FY 2915E	FY 2916E	FY 2917E	FY 2918E	FY 2919E	FY 2920E	FY 2921E	FY 2922E	FY 2923E	FY 2924E	FY 2925E	FY 2926E	FY 2927E	FY 2928E	FY 2929E	FY 2930E	FY 2931E	FY 2932E	FY 2933E	FY 2934E	FY 2935E	FY 2936E	FY 2937E	FY 2938E	FY 2939E	FY 2940E	FY 2941E	FY 2942E	FY 2943E	FY 2944E	FY 2945E	FY 2946E	FY 2947E	FY 2948E	FY 2949E	FY 2950E	FY 2951E	FY 2952E	FY 2953E	FY 2954E	FY 2955E	FY 2956E	FY 2957E	FY 2958E	FY 2959E	FY 2960E	FY 2961E	FY 2962E	FY 2963E	FY 2964E	FY 2965E	FY 2966E	FY 2967E	FY 2968E	FY 2969E	FY 2970E	FY 2971E	FY 2972E	FY 2973E	FY 2974E	FY 2975E	FY 2976E	FY 2977E	FY 2978E	FY 2979E	FY 2980E	FY 2981E	FY 2982E	FY 2983E	FY 2984E	FY 2985E	FY 2986E	FY 2987E	FY 2988E	FY 2989E	FY 2990E	FY 2991E	FY 2992E	FY 2993E	FY 2994E	FY 2995E	FY 2996E	FY 2997E	FY 2998E	FY 2999E	FY 3000E	FY 3001E	FY 3002E	FY 3003E	FY 3004E	FY 3005E	FY 3006E	FY 3007E	FY 3008E	FY 3009E	FY 3010E	FY 3011E	FY 3012E	FY 3013E	FY 3014E	FY 3015E	FY 3016E	FY 3017E	FY 3018E	FY 3019E	FY 3020E	FY 3021E	FY 3022E	FY 3023E	FY 3024E	FY 3025E	FY 3026E	FY 3027E	FY 3028E	FY 3029E	FY 3030E	FY 3031E	FY 3032E

FLXN - BALANCE SHEET (In MM except per share data)										
	2014					2015				
	FY 2011A	FY 2012A	FY 2013A	Mar-14 1QA	Jun-14 2QA	Sep-14 3QE	Dec-14 4QE	FY 2014E	FY 2015E	FY 2016E
<b>Current Assets</b>										
Cash and Equivalents	\$3.4	\$12.8	\$16.2	\$35.8	\$12.0	\$21.9	\$29.0	\$29.0	\$58.5	\$45.7
Restricted Cash and Restricted Cash Equivalents	\$0.0	\$0.0	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1
Marketable securities	\$7.2	\$16.5	\$0.3	\$42.7	\$60.0	\$40.0	\$20.0	\$20.0	\$0.0	\$0.0
Accounts Receivable		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Inventories, net		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Prepaid expenses and other assets	\$0.3	\$0.5	\$1.8	\$0.8	\$0.7	\$1.7	\$1.8	\$1.8	\$2.2	\$2.3
<b>Total Current Assets</b>	<b>\$10.8</b>	<b>\$29.9</b>	<b>\$18.4</b>	<b>\$79.5</b>	<b>\$72.8</b>	<b>\$63.8</b>	<b>\$50.9</b>	<b>\$50.9</b>	<b>\$60.8</b>	<b>\$48.1</b>
<b>Long-term Assets</b>										
Property and equipment, net	\$0.1	\$0.1	\$0.4	\$0.4	\$0.4	\$0.4	\$0.3	\$0.3	\$0.2	\$0.1
Other assets	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total Assets</b>	<b>\$10.9</b>	<b>\$30.0</b>	<b>\$18.8</b>	<b>\$79.9</b>	<b>\$73.2</b>	<b>\$64.2</b>	<b>\$51.3</b>	<b>\$51.3</b>	<b>\$61.1</b>	<b>\$48.3</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>										
<b>Current Liabilities</b>										
Accounts payable	\$0.7	\$0.5	\$1.3	\$1.8	\$1.0	\$1.8	\$1.8	\$1.8	\$2.2	\$2.3
Accrued expenses and other current liabilities	\$1.1	\$2.2	\$2.3	\$1.6	\$1.5	\$2.5	\$2.7	\$2.7	\$3.2	\$3.4
<b>Current portion of long-term debt</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$1.5</b>	<b>\$2.0</b>	<b>\$2.0</b>	<b>\$2.0</b>	<b>\$2.0</b>	<b>\$2.0</b>	<b>\$1.5</b>	<b>\$0.0</b>
<b>Total Current Liabilities</b>	<b>\$1.8</b>	<b>\$2.7</b>	<b>\$5.0</b>	<b>\$5.4</b>	<b>\$4.4</b>	<b>\$6.3</b>	<b>\$6.5</b>	<b>\$6.5</b>	<b>\$7.0</b>	<b>\$5.7</b>
<b>Long-term Liabilities</b>										
<b>Long-term debt</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$3.5</b>	<b>\$3.1</b>	<b>\$2.6</b>	<b>\$2.1</b>	<b>\$1.6</b>	<b>\$1.6</b>	<b>\$0.0</b>	<b>\$0.0</b>
Other Long-term Liabilities	\$0.0	\$0.0	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1
<b>Total Long-term Liabilities</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$3.6</b>	<b>\$3.1</b>	<b>\$2.6</b>	<b>\$2.1</b>	<b>\$1.6</b>	<b>\$1.6</b>	<b>\$0.1</b>	<b>\$0.1</b>
<b>Shareholders' Equity</b>										
Preferred Stock	\$41.8	\$74.8	\$74.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Common stock	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Additional paid-in capital	\$0.3	\$0.4	\$1.5	\$144.1	\$144.7	\$144.7	\$144.7	\$144.7	\$217.5	\$290.2
Accumulated other comprehensive income	\$0.0	\$0.0	(\$0.0)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Deficit accumulated during the development stage	(\$33.0)	(\$48.0)	(\$66.2)	(\$72.7)	(\$78.6)	(\$89.0)	(\$101.6)	(\$101.6)	(\$163.5)	(\$247.8)
<b>Total Stockholders' Equity</b>	<b>\$9.2</b>	<b>\$27.3</b>	<b>\$10.1</b>	<b>\$71.4</b>	<b>\$66.1270</b>	<b>\$55.7</b>	<b>\$43.1</b>	<b>\$43.1</b>	<b>\$54.1</b>	<b>\$42.5</b>
<b>Total Liabilities &amp; Stockholders' Equity</b>	<b>\$10.9</b>	<b>\$30.0</b>	<b>\$18.8</b>	<b>\$79.9</b>	<b>\$73.2</b>	<b>\$64.2</b>	<b>\$51.3</b>	<b>\$51.3</b>	<b>\$61.1</b>	<b>\$48.3</b>
<b>Total Liabilities &amp; Stockholders' Equity</b>	<b>\$10.9</b>	<b>\$30.0</b>	<b>\$18.8</b>	<b>\$79.9</b>	<b>\$73.2</b>	<b>\$64.2</b>	<b>\$51.3</b>	<b>\$51.3</b>	<b>\$61.1</b>	<b>\$48.3</b>

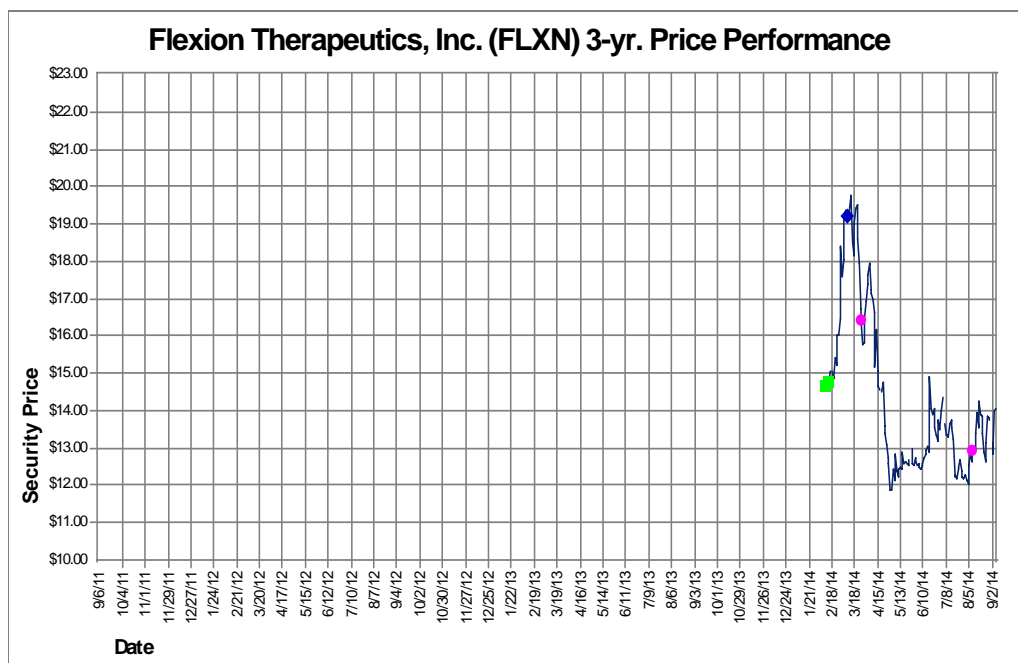
Source: Wells Fargo Securities, LLC estimates and company reports

FLXN - CASH FLOW STATEMENT (In MM except per share data)											
	FY 2011A	FY 2012A	FY 2013A	2014				Dec-14	3Q	4Q	FY 2018E
				Mar-14	Jun-14	Sep-14	Dec-14				
				1Q	2Q	3Q	4Q				
Net Income (Loss)	(\$11.4)	(\$15.0)	(\$18.2)	(\$6.5)	(\$5.9)	(\$10.4)	(\$12.6)				(\$6.8)
<b>Adjustments to Net Income</b>											
Depreciation	\$0.1	\$0.0	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0				\$0.1
Stock-based Compensation	\$0.1	\$0.1	\$0.8	\$0.4	\$0.7	\$0.0	\$0.0				\$0.0
Amortization of premium (discount) on marketable securities	\$0.1	\$0.1	\$0.1	\$0.0	\$0.1	\$0.0	\$0.0				\$0.0
Loss on disposal of property and equipment	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0				\$0.0
Other	\$0.0	\$0.0	\$0.0	\$0.0	\$0.7	\$0.0	\$0.0				\$0.0
Changes in operating assets and liabilities											
Prepaid Expenses and other assets	\$0.2	(\$0.2)	\$0.0	(\$0.7)	(\$0.5)	(\$1.0)	(\$0.1)				(\$0.8)
Accounts Payable, accr. Exps., and other curr. liab	\$0.4	\$0.9	(\$0.4)	\$0.2	(\$0.8)	\$1.8	\$0.2				\$0.3
<b>Net Cash From Operations</b>	(\$10.4)	(\$14.0)	(\$17.6)	(\$6.5)	(\$5.8)	(\$9.6)	(\$12.5)				(\$65.9)
<b>Cash from Investing Activities</b>											
Purchases of property and equipment	(\$0.0)	(\$0.0)	(\$0.4)	(\$0.0)	(\$0.0)	\$0.0	\$0.0				(\$0.4)
Change in restricted cash	\$0.0	\$0.0	(\$0.1)	\$0.0	\$0.0	\$0.0	\$0.0				\$0.0
Purchases of marketable securities	(\$16.8)	(\$28.5)	(\$15.0)	(\$42.7)	(\$19.5)	\$0.0	\$0.0				\$0.0
Redemption of marketable securities	\$12.8	\$19.0	\$31.1	\$0.3	\$2.1	\$20.0	\$20.0				\$0.0
Other	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0				\$0.0
<b>Cash from Investing Activities</b>	(\$4.1)	(\$9.5)	\$15.6	(\$42.5)	(\$17.4)	\$20.0	\$20.0				(\$1.1)
<b>Cash from Financing Activities</b>											
Proceeds from borrowings under term loan	\$0.0	\$0.0	\$5.0	\$0.0	\$0.0	(\$0.5)	(\$0.5)				\$0.0
Proceeds from issuance of Series A Cvt Pfd Stock, net	\$13.0	\$13.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0				\$0.0
Proceeds from issuance of Series B Cvt Pfd Stock, net	\$0.0	\$19.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0				\$0.0
Proceeds from common stock issuance	\$0.0	\$0.0	\$0.0	\$69.5	\$0.0	\$0.0	\$69.5				\$0.0
Proceeds from exercise of stock options	\$0.0	\$0.0	\$0.0	\$0.2	\$0.0	\$0.0	\$0.2				\$0.0
Other	\$0.0	(\$0.0)	(\$0.1)	(\$1.1)	(\$0.7)	\$0.0	(\$1.8)				\$0.0
<b>Cash from financing</b>	\$13.0	\$33.0	\$4.9	\$68.6	(\$0.6)	(\$0.5)	(\$0.5)				\$0.0
Increase/(decrease) in cash and cash equivalents	(\$1.5)	\$9.5	\$3.0	\$19.6	(\$23.8)	\$9.9	\$7.0				(\$22.6)
Beginning cash balance	\$4.8	\$3.4	\$12.8	\$16.2	\$35.8	\$12.0	\$21.9				\$45.7
<b>Ending cash balance</b>	\$3.4	\$12.8	\$15.8	\$35.8	\$12.0	\$21.9	\$29.0				\$23.1
Average cash balance	\$4.1	\$8.1	\$14.3	\$26.0	\$23.9	\$17.0	\$25.5				\$48.9

Source: Wells Fargo Securities, LLC estimates and company reports. Note: Quarterly cash flow statement historical figures for 1Q-3Q:2013 not available.



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	Date	Publication Price (\$)	Rating Code	Val. Rng. Low	Val. Rng. High	Close Price (\$)
	2/12/2014		IPO at \$13.00			
	3/10/2014		Faerm			
◆	3/10/2014	19.26	1	24.00	26.00	19.22
◆	3/26/2014	15.76	1	23.00	25.00	16.43
◆	8/8/2014	12.93	1	24.00	26.00	12.95

Source: Wells Fargo Securities, LLC estimates and Reuters data

### Symbol Key

- ▼ Rating Downgrade
- ▲ Rating Upgrade
- ◆ Valuation Range Change
- ◆ Initiation, Resumption, Drop or Suspend
- ◆ Analyst Change
- Split Adjustment

### Rating Code Key

- 1 Outperform/Buy
- 2 Market Perform/Hold
- 3 Underperform/Sell
- SR Suspended
- NR Not Rated
- NE No Estimate

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