

## Dermira, Inc.

## DERM - BUY - 3Q14 Updates Underscore DERM Prepared for Busy '15

November 12, 2014

*Reminder: Be sure to register for the 2014 Guggenheim Securities Life Sciences Day on Tuesday, December 16 in Boston, by contacting your Guggenheim institutional sales representative. This event will consist of a full day of one-on-one meetings with senior management from more than 35 large-, mid-, and small-cap life sciences companies.*

- We are reiterating our BUY rating post 3Q14 results. Our investment thesis on DERM is three-fold: 1) We expect total company sales to reach ~\$500MM by 2021, from DERM's portfolio of 3 late-stage assets; 2) These drugs address large unmet needs in the \$21B dermatology market; 3) DERM is an attractive company in a consolidating industry (supports our valuation).
- 3Q14 positives:** 1) As of 9/30/14, DERM had cash & equivalents of \$50.8MM. This does not include \$120MM in net IPO proceeds received from IPO & private placement in Oct.; 2) On track to start Cimzia psoriasis P3 program 1H15; 3) DERM completed enrollment in its ongoing, second P2b for DRM04 (hyperhidrosis), data are expected 1H15; 4) On track to file an IND to initiate P2b for DRM01 (acne) 1H15; 5) After speaking with CEO & CFO post the earnings release, we remain confident they can successfully execute on all of their stated objectives in '15.
- DERM reported 3Q14 adjusted EPS of (\$0.57), which was \$0.26 better than our estimate. Our Variance Analysis has details. Since DERM is a development-stage company, we think that pipeline advancements are more important than earnings results. We have updated our model for the 3Q14 beat, which increased our '14 EPS estimate.

LOUISE CHEN	ANALYST
<a href="mailto:louise.chen@guggenheimpartners.com">louise.chen@guggenheimpartners.com</a>	212 381 4195
SWATI KUMAR	ANALYST
<a href="mailto:swati.kumar@guggenheimpartners.com">swati.kumar@guggenheimpartners.com</a>	212 918 8754
BRANDON FOLKES	ASSOCIATE
<a href="mailto:brandon.folkes@guggenheimpartners.com">brandon.folkes@guggenheimpartners.com</a>	212 518 9976

## DERM BUY

### EARNINGS RELEASE

#### Investment Thesis: Growth

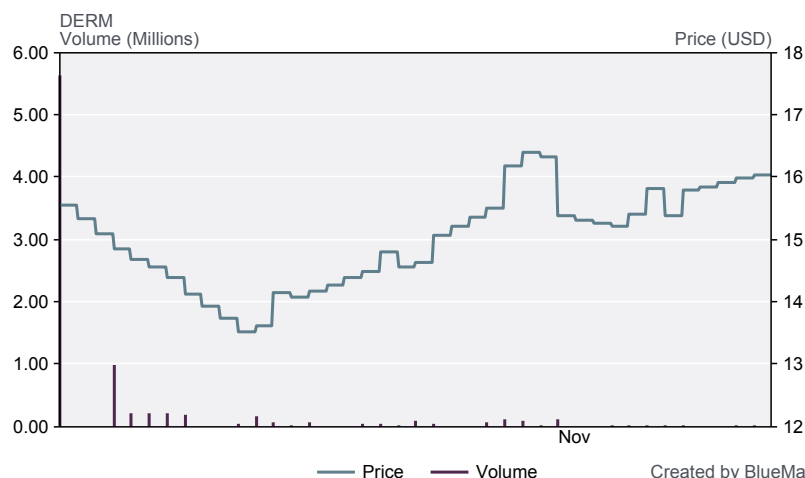
SHARE PRICE	\$16.25
PRICE TARGET	\$22.00

Revenue (\$M) (FY Dec)	1Q	2Q	3Q	4Q	FY
2013	—	—	—	—	0.0
2014	0.0	0.0	0.0	0.0E	0.0E
2015	—	—	—	—	12.0E

Adjusted EPS (\$)	1Q	2Q	3Q	4Q	FY
2013	—	—	—	—	(2.31)
P/E					NM
2014	(0.82)	(0.80)	(0.57)	(0.70)E	(2.89)E
Prior	—	—	(0.83)	(0.55)E	(3.01)E
P/E					NM
2015	—	—	—	—	(2.68)E
P/E					NM

#### Market Data & Valuation Multiples

52-Week Range	\$12.68 - \$18.50
Shares Out (M)	24.6
Market Cap (M)	\$400



SCENARIO	VALUATION	INVESTMENT THESIS
<b>Bull Case</b>	<b>2021E EPS:</b> \$6.00 <b>12-Month Bull-Case Scenario:</b> \$35 <b>Probability:</b> 14% <b>Upside/Downside Potential:</b> 115%	<ul style="list-style-type: none"> <li>• Cimzia launch in 2018, 2021 sales of \$140.7 million</li> <li>• DRM04 launch in 2018, 2021 sales of \$145.3 million</li> <li>• DRM01 launch in 2019, 2021 sales of \$330.1 million</li> <li>• Accretive business development and/or M&amp;A</li> </ul>
<b>Base Case</b>	<b>2021E EPS:</b> \$4.83 <b>12-Month Bull-Case Scenario:</b> \$22 <b>Probability:</b> 73% <b>Upside/Downside Potential:</b> 35%	<ul style="list-style-type: none"> <li>• Cimzia launch in 2018, 2021 sales of \$113.5 million</li> <li>• DRM04 launch in 2018, 2021 sales of \$127.7 million</li> <li>• DRM01 launch in 2019, 2021 sales of \$241.7 million</li> <li>• No business development and/or M&amp;A</li> </ul>
<b>Bear Case</b>	<b>2021E EPS:</b> \$4.00 <b>12-Month Bull-Case Scenario:</b> \$12 <b>Probability:</b> 13% <b>Upside/Downside Potential:</b> -26%	<ul style="list-style-type: none"> <li>• Cimzia launch in 2018, 2021 sales of \$95.2 million</li> <li>• DRM04 launch in 2018, 2021 sales of \$110.3 million</li> <li>• DRM01 launch in 2019, 2021 sales of \$180.7 million</li> <li>• No business development and/or M&amp;A</li> </ul>

Source: Guggenheim Securities, LLC

### VALUATION METHODOLOGY AND RISKS

We use Discounted Cash Flow (DCF) to get to our 12-month price target of \$22. We use a WACC of 20% and an exit multiple of 6 times forward EBIT. Risks to our valuation include: 1) Larger companies with more resources developing dermatology products that compete with DERM; 2) Pipeline setbacks; 3) Actions taken by development partners on collaborations; and 4) Competition to Cimzia, DRM 01 and DRM04 coming to market before DERM's products.

## VARIANCE ANALYSIS

(in millions of \$US, except per share amounts)

	Actual 3Q14		Guggenheim Estimate 3Q14		Variance	Comments
	Amount	% Change YOY	Amount	% Change YOY		
Total Revenue	0.0	NM	0.0	NM	-	
COGS	0.0	NM	0.0	NM	-	
Gross Profit	0.0	NM	0.0	NM	-	
SG&A	1.7	NM	3.0	NM	(1.3)	Timing of spend
R&D	6.0	NM	8.5	NM	(2.5)	Timing of spend
Other Operating Expenses	0.0	NM	0.0	NM	-	
Operating Income	(7.7)	NM	(11.5)	NM	3.8	
Non Operating Items	(0.1)	NM	0.0	NM	(0.1)	
Pre-Tax Income	(7.8)	NM	(11.5)	NM	3.7	
Taxes	0.0	NM	0.0	NM	-	
Tax Rate	0.0%	NM	0.0%	NM	0.0%	
Net Income	(7.8)	NM	(11.5)	NM	3.7	
Averages Shares	13.7	NM	13.7	NM	-	
Operating EPS	(\$0.57)	NM	(\$0.83)	NM	\$0.26	
<b>Margin Analysis</b>						
Revenues	NM		NM			
COGS	NM		NM			
Gross Margin	NM		NM			
SG&A	NM		NM			
R&D	NM		NM			
Net Income	NM		NM			

Source: Guggenheim Securities, LLC and Company reports

## CATALYST CALENDAR

Date	Driver	Upcoming Event
<b>2014</b>		
2014	DRM04	Completed bridging study
<b>2015</b>		
1H15	Cimzia	Initiate P3 trials
1H15	DRM04	Report P2b HH02data
1H15	DRM01	Initiate P2b program
2H15	DRM04	Initiate P3 trials
2015	DRM02	Assess preclinical data and determine next steps
2015	DRM05	Assess preclinical data and determine next steps
2H15	DRM01	Complete enrollment of P3 trials
<b>2016+</b>		
1H16	DRM01	Report P2b data
Mid-16	Cimzia	Complete enrollment of P3 trials
2H16	DRM04	Complete enrollment of P3 trials and P3 data
1H17	DRM01	Initiate P3 trials
2017	DRM04	Complete carcinogenicity study
2017	Cimzia	P3 data (our assumption)
2017	DRM04	FDA Submission
2H17	Cimzia	FDA Submission
2018	Cimzia	FDA Approval (our assumption)
2018	DRM04	FDA Approval (our assumption)
1H18	DRM01	Complete enrollment of P3 trials
2018	DRM01	Report P3 data
2018	DRM01	FDA Submission
2019	DRM01	FDA Approval (our assumption)

Source: Guggenheim Securities, LLC, Company reports and Dermira S-1

## FINANCIAL MODEL

Dermira - Quarterly Income Statement Analysis 2013-2021E

(\$ in Millions)																	
(Year Ended December 31)	2013	1Q14A	2Q14A	3Q14A	4Q14E	2014E	1Q15E	2Q15E	3Q15E	4Q15E	2015E	2016E	2017E	2018E	2019E	2020E	2021E
Total Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	12.0	12.0	12.0	12.0	23.1	138.7	281.8	496.2
COGS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.9	14.7	31.3	56.1
Gross Profit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	12.0	12.0	12.0	12.0	20.3	124.0	250.5	440.2
SG&A	4.4	1.8	1.7	1.7	5.4	10.6	3.1	3.3	3.3	3.9	13.6	17.0	34.8	87.5	96.3	101.1	104.1
R&D	17.9	6.7	7.0	6.0	12.2	31.9	15.3	15.9	16.3	18.9	66.4	68.0	52.2	38.0	45.0	47.0	49.0
Other (Income)/Expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Operating Expense	22.3	8.5	8.7	7.7	17.6	42.5	18.4	19.2	19.7	22.7	80.0	85.0	87.0	125.5	141.3	148.1	153.1
Operating Income	(22.3)	(8.5)	(8.7)	(7.7)	(17.6)	(42.5)	(18.4)	(19.2)	(19.7)	(10.7)	(68.0)	(73.0)	(75.0)	(105.2)	(17.2)	102.4	287.1
Interest and Other Income (Expense)	(0.0)	(0.0)	(0.0)	(0.1)	0.3	0.2	0.4	0.4	0.4	0.4	1.5	0.8	2.8	2.1	1.0	0.7	1.1
Interest Expense	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Non-Operating Items	(0.0)	(0.0)	(0.1)	(0.1)	0.3	0.1	0.4	0.4	0.4	0.4	1.4	0.7	2.7	2.0	0.9	0.6	1.0
Pre-tax Income	(22.4)	(8.5)	(8.8)	(7.8)	(17.3)	(42.4)	(18.0)	(18.8)	(19.3)	(10.4)	(66.6)	(72.3)	(72.3)	(103.3)	(16.3)	103.0	288.1
Tax Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	40.0%	40.0%
Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	41.2	115.2
Net Income	(22.4)	(\$8.5)	(\$8.8)	(\$7.8)	(\$17.3)	(\$42.4)	(\$18.0)	(\$18.8)	(\$19.3)	(\$10.4)	(\$66.6)	(\$72.3)	(\$72.3)	(\$103.3)	(\$16.3)	\$61.8	\$172.9
Average Shares Diluted	9.7	10.4	11.0	13.7	24.6	14.7	24.7	24.8	24.9	25.0	24.9	34.3	34.6	34.9	35.2	35.5	35.8
Adjusted Diluted EPS	(\$2.31)	(\$0.82)	(\$0.80)	(\$0.57)	(\$0.70)	(\$2.89)	(\$0.73)	(\$0.76)	(\$0.78)	(\$0.41)	(\$2.68)	(\$2.11)	(\$2.09)	(\$2.96)	(\$0.46)	\$1.74	\$4.83
%Change YOY																	
Total Revenue						NM	NM	NM	NM	NM	NM	0.0%	0.0%	92.9%	499.2%	103.2%	76.1%
COGS						NM	NM	NM	NM	NM	NM	NM	NM	NM	410.9%	113.3%	79.2%
Gross Profit						NM	NM	NM	NM	NM	NM	0.0%	0.0%	69.0%	511.6%	102.0%	75.7%
SG&A						143.4%	72.6%	87.6%	98.2%	-28.3%	28.0%	25.0%	104.7%	151.4%	10.0%	5.0%	3.0%
R&D						77.7%	128.5%	128.9%	171.0%	54.6%	108.3%	2.4%	-23.2%	-27.2%	18.4%	4.4%	4.3%
Operating Income						NM	NM	NM	NM	NM	NM	7.4%	2.7%	40.3%	-83.6%	-694.2%	180.3%
Non-Operating Items						NM	NM	NM	NM	14.2%	1666.5%	-49.0%	269.7%	-27.2%	-54.2%	-38.1%	87.6%
Pre-tax Income						NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	179.8%
Tax Rate						NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0.0%
Taxes						NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	179.8%
Net Income						NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	179.8%
Adjusted Diluted EPS						NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	177.5%

Source: Guggenheim Securities, LLC and Company Reports

(1) To be conservative, we assume a 40% tax rate upon profitability.

(2) Assume share dilution in 2016 from additional equity raise.

## Dermira - Quarterly Margin Analysis 2013-2021E

	2013	1Q14A	2Q14A	3Q14A	4Q14E	2014E	1Q15E	2Q15E	3Q15E	4Q15E	2015E	2016E	2017E	2018E	2019E	2020E	2021E
Total Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
COGS	NM	NM	NM	NM	NM	NM	NM	NM	NM	0.0%	0.0%	0.0%	0.0%	12.4%	10.6%	11.1%	11.3%
Gross Margin	NM	NM	NM	NM	NM	NM	NM	NM	NM	100.0%	100.0%	100.0%	100.0%	87.6%	89.4%	88.9%	88.7%
SG&A	NM	NM	NM	NM	NM	NM	NM	NM	NM	32.2%	113.3%	141.7%	290.0%	378.0%	69.4%	35.9%	21.0%
R&D	NM	NM	NM	NM	NM	NM	NM	NM	NM	157.1%	553.3%	566.7%	435.0%	164.2%	32.4%	16.7%	9.9%
Operating Income	NM	NM	NM	NM	NM	NM	NM	NM	NM	-89.3%	-566.7%	-608.3%	-625.0%	-454.6%	-12.4%	36.3%	57.8%
Pretax Income	NM	NM	NM	NM	NM	NM	NM	NM	NM	-86.4%	-554.8%	-602.3%	-602.5%	-446.1%	-11.8%	36.5%	58.1%
Net Income	NM	NM	NM	NM	NM	NM	NM	NM	NM	-86.4%	-554.8%	-602.3%	-602.5%	-446.1%	-11.8%	21.9%	34.8%

Source: Guggenheim Securities, LLC and Company Reports

## Dermira - Quarterly Revenue Model 2013-2021E

(\$ in Millions)																	
(Year Ended December 31)	2013	1Q14A	2Q14A	3Q14A	4Q14E	2014E	1Q15E	2Q15E	3Q15E	4Q15E	2015E	2016E	2017E	2018E	2019E	2020E	2021E
Cimzia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.7	34.1	74.5	113.5
DRM04	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.5	37.0	79.4	127.7
DRM01	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	54.3	114.5	241.7
DRM02	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DRM05	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Milestones	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	12.0	12.0	12.0	12.0	0.0	13.4	13.4	13.4
<b>TOTAL REVENUES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>12.0</b>	<b>12.0</b>	<b>12.0</b>	<b>12.0</b>	<b>23.1</b>	<b>138.7</b>	<b>281.8</b>	<b>496.2</b>
<b>%Change YOY</b>																	
Cimzia						NM	NM	NM	NM	NM	NM	NM	NM	NM	192.2%	118.7%	52.4%
DRM04						NM	NM	NM	NM	NM	NM	NM	NM	NM	222.0%	114.6%	60.9%
DRM01						NM	NM	NM	NM	NM	NM	NM	NM	NM	111.1%	111.1%	111.1%
DRM02						NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
DRM05						NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Other						NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
<b>TOTAL REVENUES</b>						<b>NM</b>	<b>NM</b>	<b>NM</b>	<b>NM</b>	<b>NM</b>	<b>NM</b>	<b>0.0%</b>	<b>0.0%</b>	<b>92.9%</b>	<b>499.2%</b>	<b>103.2%</b>	<b>76.1%</b>

Source: Guggenheim Securities, LLC and Company Reports

## Dermira - Annual Revenue Model 2013-2021E

(\$ in Millions)		Year Ended December 31st,									2014E/	2015E/	2016E/	2017E/	2018E/	2019E/	2020E/	2021E/	CAGR
		2013	2014E	2015E	2016E	2017E	2018E	2019E	2020E	2021E	2013	2014E	2015E	2016E	2017E	2018E	2019E	2020E	16E-21E
<b>Late Stage Pipeline Drug Sales</b>																			
Cimzia	0.0	0.0	0.0	0.0	0.0	11.7	34.1	74.5	113.5		NM	NM	NM	NM	NM	192.2%	118.7%	52.4%	NM
DRM04	0.0	0.0	0.0	0.0	0.0	11.5	37.0	79.4	127.7		NM	NM	NM	NM	NM	222.0%	114.6%	60.9%	NM
DRM01	0.0	0.0	0.0	0.0	0.0	0.0	54.3	114.5	241.7		NM	NM	NM	NM	NM	NM	111.1%	111.1%	NM
<b>Total Late Stage Pipeline Drug Sales</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>23.1</b>	<b>125.3</b>	<b>268.4</b>	<b>482.9</b>		<b>NM</b>	<b>NM</b>	<b>NM</b>	<b>NM</b>	<b>NM</b>	<b>441.4%</b>	<b>114.2%</b>	<b>79.9%</b>	<b>NM</b>
<b>Early Stage Pipeline Drug Sales</b>																			
DRM02	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		NM	NM	NM	NM	NM	NM	NM	NM	NM
DRM05	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		NM	NM	NM	NM	NM	NM	NM	NM	NM
<b>Total Early Stage Pipeline Drug Sales</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		<b>NM</b>	<b>NM</b>	<b>NM</b>	<b>NM</b>	<b>NM</b>	<b>NM</b>	<b>NM</b>	<b>NM</b>	<b>NM</b>
Other Drug Sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		NM	NM	NM	NM	NM	NM	NM	NM	NM
Milestones	0.0	0.0	12.0	12.0	12.0	0.0	13.4	13.4	13.4		NM	NM	0.0%	0.0%	-100.0%	NM	0.0%	0.0%	2.2%
<b>TOTAL REVENUES</b>	<b>0.0</b>	<b>0.0</b>	<b>12.0</b>	<b>12.0</b>	<b>12.0</b>	<b>23.1</b>	<b>138.7</b>	<b>281.8</b>	<b>496.2</b>		<b>NM</b>	<b>NM</b>	<b>0.0%</b>	<b>0.0%</b>	<b>92.9%</b>	<b>499.2%</b>	<b>103.2%</b>	<b>76.1%</b>	<b>110.5%</b>

Source: Guggenheim Securities, LLC and Company Reports



## Dermira - Cash Flow Analysis 2013-2021E

(\$ in Millions)									
(Year ended December 31)	2013	2014E	2015E	2016E	2017E	2018E	2019E	2020E	2021E
<b>Cash flows provided by Operating Activities:</b>									
Net Income	(22.4)	(42.4)	(66.6)	(72.3)	(72.3)	(103.3)	(16.3)	61.8	172.9
Depreciation and Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.3	-	-	-	-	-	-	-	-
Net Changes in Working Capital	9.9	(4.3)	(2.4)	-	-	(2.2)	(17.0)	(12.1)	(9.8)
<b>Net cash provided by Operating Activities</b>	<b>(12.2)</b>	<b>(46.7)</b>	<b>(68.9)</b>	<b>(72.2)</b>	<b>(72.3)</b>	<b>(105.5)</b>	<b>(33.3)</b>	<b>49.7</b>	<b>163.0</b>
<b>Cash flows from Investing Activities</b>									
Purchases of PP&E	(0.1)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)
Net proceeds from sale of assets	-	-	-	-	-	-	-	-	-
Acquisitions, net of cash acquired	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Net cash used in Investing Activities</b>	<b>(0.1)</b>	<b>(1.0)</b>	<b>(1.0)</b>	<b>(1.0)</b>	<b>(1.0)</b>	<b>(1.0)</b>	<b>(1.0)</b>	<b>(1.0)</b>	<b>(1.0)</b>
<b>Cash flows from Financing Activities</b>									
(Repayment) or Issuance of long term debt	2.0	0.1	-	-	-	-	-	-	-
Cash dividends paid	-	-	-	-	-	-	-	-	-
Other	24.5	178.9	-	270.0	-	-	-	-	-
<b>Net cash (used in) provided by Financing Activities</b>	<b>26.5</b>	<b>179.1</b>	<b>-</b>	<b>270.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net (decrease) increase in cash and equivalents</b>	<b>14.3</b>	<b>131.4</b>	<b>(69.9)</b>	<b>196.8</b>	<b>(73.3)</b>	<b>(106.5)</b>	<b>(34.3)</b>	<b>48.7</b>	<b>162.0</b>
Cash and equivalents at beginning of year	7.9	22.1	153.5	83.5	280.3	207.0	100.5	66.3	115.0
<b>Cash and equivalents at end of year</b>	<b>22.1</b>	<b>153.5</b>	<b>83.5</b>	<b>280.3</b>	<b>207.0</b>	<b>100.5</b>	<b>66.3</b>	<b>115.0</b>	<b>277.0</b>

Source: Guggenheim Securities, LLC and Company Reports

## Dermira - Balance Sheet Analysis 2013-2021E

(\$ in Millions)										
(Year ended December 31)	2013	Pro Forma 6/30/14	2014E	2015E	2016E	2017E	2018E	2019E	2020E	2021E
<b>Assets</b>										
Cash and Cash Equivalent	22.1	58.6	153.5	83.5	280.3	207.0	100.5	66.3	115.0	277.0
Accounts Receivable, less allowance for doubtful accounts	-	-	-	2.4	2.4	2.4	4.6	24.3	44.0	69.9
Inventories	-	-	-	-	-	-	1.4	5.4	9.2	13.7
Other current assets	0.3	0.7	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
<b>Total Current Assets</b>	<b>22.5</b>	<b>59.3</b>	<b>153.8</b>	<b>86.3</b>	<b>283.0</b>	<b>209.8</b>	<b>107.0</b>	<b>96.4</b>	<b>168.6</b>	<b>360.9</b>
Plant, Property & Equipment	0.1	0.1	1.0	2.0	3.0	4.0	5.0	5.9	6.9	7.9
Identifiable intangibles	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Goodwill	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Other assets	0.0	1.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Other Assets</b>	<b>4.4</b>	<b>6.1</b>	<b>5.4</b>	<b>6.3</b>	<b>7.3</b>	<b>8.3</b>	<b>9.3</b>	<b>10.3</b>	<b>11.2</b>	<b>12.2</b>
<b>TOTAL ASSETS</b>	<b>26.9</b>	<b>65.3</b>	<b>159.2</b>	<b>92.6</b>	<b>290.4</b>	<b>218.1</b>	<b>116.2</b>	<b>106.6</b>	<b>179.8</b>	<b>373.2</b>
<b>Liabilities &amp; Shareholder's Equity</b>										
Accounts Payable and Accrued Expenses	4.3	6.0	-	-	-	-	1.4	8.2	19.6	40.1
Other	0.2	0.5	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
<b>Total Current Liabilities</b>	<b>4.5</b>	<b>6.5</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>1.6</b>	<b>8.3</b>	<b>19.8</b>	<b>40.3</b>
Long term debt	1.8	1.4	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
Other liabilities	10.8	10.8	10.8	10.8	10.8	10.8	10.8	10.8	10.8	10.8
<b>Total Liabilities</b>	<b>17.1</b>	<b>18.7</b>	<b>12.9</b>	<b>12.9</b>	<b>12.9</b>	<b>12.9</b>	<b>14.3</b>	<b>21.1</b>	<b>32.5</b>	<b>53.0</b>
Shareholders Equity	9.8	46.7	146.3	79.7	277.4	205.1	101.9	85.6	147.3	320.2
<b>Total Stockholder's Equity</b>	<b>9.8</b>	<b>46.7</b>	<b>146.3</b>	<b>79.7</b>	<b>277.4</b>	<b>205.1</b>	<b>101.9</b>	<b>85.6</b>	<b>147.3</b>	<b>320.2</b>
Noncontrolling Interest	-	-	-	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>	<b>26.9</b>	<b>65.3</b>	<b>159.2</b>	<b>92.6</b>	<b>290.4</b>	<b>218.1</b>	<b>116.2</b>	<b>106.6</b>	<b>179.8</b>	<b>373.2</b>

Source: Guggenheim Securities, LLC and Company Reports

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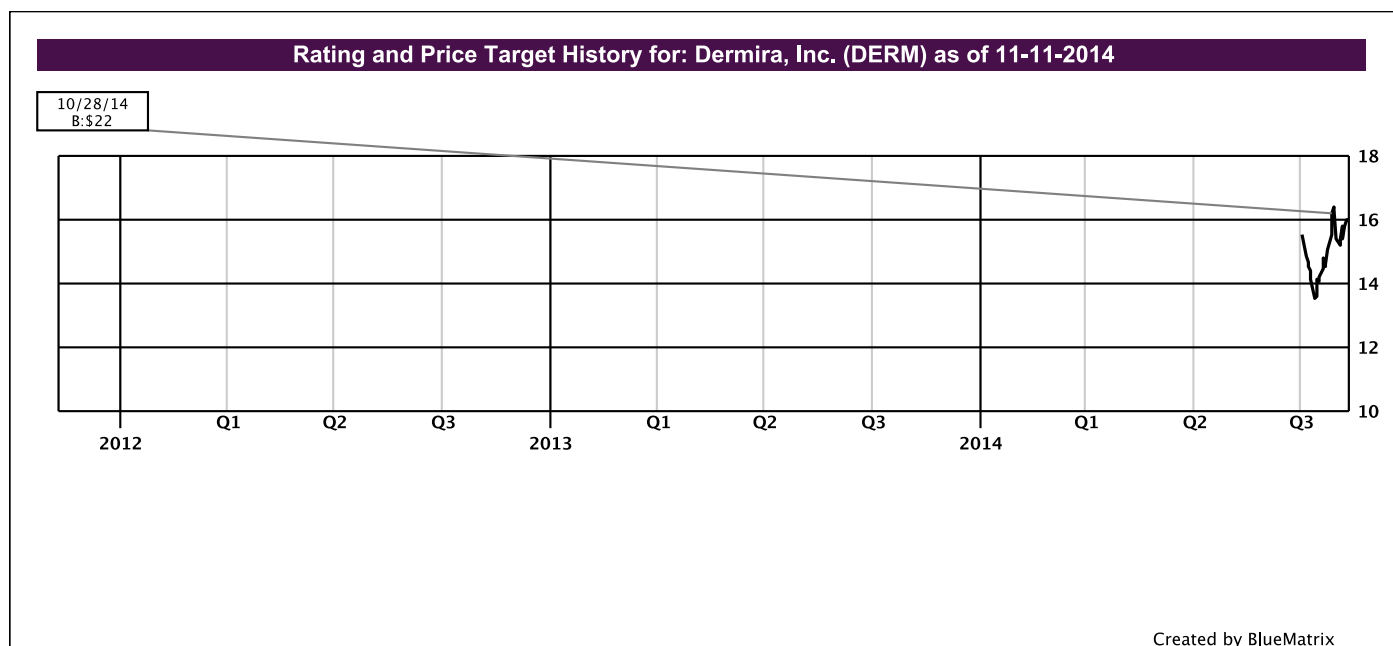
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## Contact Information

## NEW YORK SALES &amp; TRADING DESK

212 292 4700

## EQUITY TRADING DESK

212 292 4701

## MEDIA INQUIRIES

310 367 6567

## EMAIL

general@guggenheimcm.com

## Locations

## NEW YORK

330 Madison Avenue  
New York, NY 10017

## WASHINGTON, DC

1055 Thomas Jefferson Street, NW  
Suite 450  
Washington, DC 20007

## BOSTON

500 Boylston Street, 13<sup>th</sup> Floor  
Boston, MA 02116

## LOS ANGELES

601 South Figueroa Street  
Suite 4005  
Los Angeles, CA 90017

## DALLAS

1717 McKinney Avenue  
Suite 870  
Dallas, TX 75202

## SAN FRANCISCO

50 California Street  
Suite 1515  
San Francisco, CA 94111

## NASHVILLE

104 Woodmont Blvd  
Suite 203  
Nashville, TN 37205

## RICHMOND

919 East Main Street  
Suite 1605  
Richmond, VA 23219

## Guggenheim Equity Research

## ENERGY: EXPLORATION &amp; PRODUCTION

## Rob Cordray, Analyst

robert.cordray@guggenheimpartners.com  
972 638 5509

## ENERGY: OIL SERVICES &amp; EQUIPMENT

## Darren Gacicia, Analyst

darren.gacicia@guggenheimpartners.com  
212 293 3054

## Michael LaMotte, Analyst

michael.lamotte@guggenheimpartners.com  
972 638 5502FINANCIAL SERVICES: BUSINESS  
DEVELOPMENT COMPANIES,  
COMMUNITY AND REGIONAL BANKS

## Taylor Brodarick, Analyst

taylor.brodarick@guggenheimpartners.com  
615 208 1222FINANCIAL SERVICES: CARD NETWORKS,  
COMMUNITY AND REGIONAL BANKS

## David Darst, Analyst

david.darst@guggenheimpartners.com  
615 208 1224

## Ryan Strain, Associate

ryan.strain@guggenheimpartners.com  
615 208 1226

## HEALTHCARE: BIOPHARMA

## Tony Butler, Analyst

tony.butler@guggenheimpartners.com  
212 823 6540

## HEALTHCARE: BIOTECH

## Bret Holley, Analyst

bret.holley@guggenheimpartners.com  
212 293 2820

## HEALTHCARE: PHARMACEUTICALS

## Louise Chen, Analyst

louise.chen@guggenheimpartners.com  
212 381 4195

## Swati Kumar, Analyst

swati.kumar@guggenheimpartners.com  
212 918 8754

## Brandon Folkes, Associate

brandon.folkes@guggenheimpartners.com  
212 518 9976

## RETAIL &amp; CONSUMER

## John Heinbockel, Analyst

john.heinbockel@guggenheimpartners.com  
212 381 4135

## Steven Forbes, Associate

steven.forbes@guggenheimpartners.com  
212 381 4188TMT: MEDIA & ENTERTAINMENT,  
CABLE & SATELLITE TV

## Michael Morris, Analyst

michael.morris@guggenheimpartners.com  
804 253 8025

## Curry Baker, Associate

curry.baker@guggenheimpartners.com  
804 253 8029