

Specialty Pharmaceuticals

Price:	\$9.82
Fair Value Estimate:	\$17.00
52-Week Range:	\$5.05 - \$12.55
Market Cap (MM):	\$183
Shr.O/S-Diluted (mm):	18.6
Average Daily Volume:	33,720
Yield:	0.0%
Cash/Share:	\$(1.03)
FCF Yield:	(14.5)%
Debt/Cap:	117%

FYE: Dec	2013E	2014E	2015E
EPS:	(1.59)A	(1.25)E	(1.53)E
Prior EPS:		NC	NC
Consensus	NM	NM	-1.25
P/E Ratio:	NA	NA	NA

Quarterly EPS:

Q1	--	0.09A	(0.42)E
Q2	--	(0.46)A	(0.41)E
Q3	--	(0.34)A	(0.38)E
Q4	--	(0.41)E	(0.32)E

Quarterly Revenue (M):

Q1	--	0E	0E
Q2	--	0E	0E
Q3	--	0E	0E
Q4	--	0E	0E
Year:	0E	0E	0E



February 25, 2015

Agile Therapeutics, Inc.

(AGRX) - BUY

AGRX: Weather Stalls Trial Enrollment, Refi Benefits Balance Sheet

Flash Takeaways

After the close last night, AGRX provided a clinical update for its Phase 3 trial in Twirla, a once-weekly contraceptive patch. Due to the recent inclement weather on the east coast, trial enrollment has slowed. Considering, the onboarding process patients must go through to be accepted into the trial, this should not be too surprising. Completed enrollment is now expected in 3Q15, with top-line data pushed to 3Q16. The silver lining is that AGRX also refinanced its debt, allowing for additional working capital and a stronger balance sheet.

Analysts Notes

- Thanks for nothing, Mother Nature! Over the whole month of February, much of the East Coast and Midwest has been crushed by a borage of winter storms. With impassable roadways, the closing of public transportation and multiple snow days, it's not surprising that enrollment in the Twirla Phase 3 trial stalled out. The onboarding process is quite extensive with several office visits required for screening and blood tests that the weather has had a negative effect on. Ultimately, patient quality counts and AGRX management is willing to push back the timelines in order to secure and maintain enrollment quality.
- Pushing back the timelines: Due to this encumbrance, AGRX management has announced that they now expect the Phase 3 to complete enrollment in 3Q15, where previously it had been expected in 1H15. This also means that top-line data will be pushed back as well, putting that expectation at 3Q16.
- The Silver lining - Loan Refinancing: AGRX also announced the refinancing of its current \$15M debt obligation. The loan, now through Hercules allows for up to \$25M in additional cash, though the first \$16.5M will go to paying off the original loan which will allow AGRX to have not only better terms on its debt, but also additional working capital. An additional \$8.5M is also available to be drawn down on mid-2016. This move provides some incremental strength to the balance sheet and AGRX has funding to get through YE2016 and its Phase 3 data.

IMPORTANT DISCLOSURES

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I, Chiara Russo, the Primarily Responsible Analyst for this research report, hereby certify that all of the views expressed in this research report accurately reflect my personal views about any and all of the subject securities or issuers. No part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views I expressed in this research report.

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Janney Montgomery Scott LLC currently acts as a market-maker in the securities of Agile Therapeutics, Inc..

Janney Montgomery Scott LLC managed or co-managed a public offering of securities for Agile Therapeutics, Inc. in the past 12 months.

Janney Montgomery Scott LLC received compensation for investment banking services from Agile Therapeutics, Inc. in the past 12 months.

Janney Montgomery Scott LLC intends to seek or expects to receive compensation for investment banking services from Agile Therapeutics, Inc. in the next three months.

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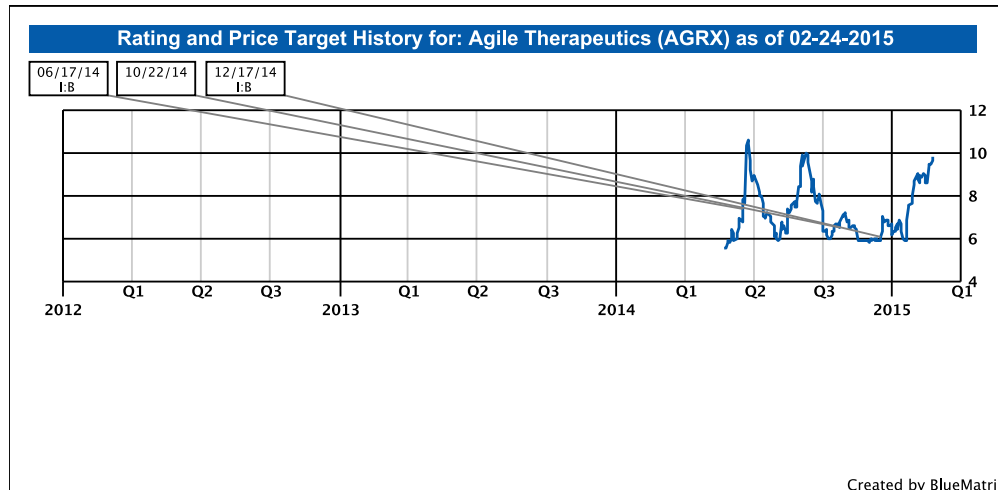
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BUY: Janney expects that the subject company will appreciate in value. Additionally, we expect that the subject company will outperform comparable companies within its sector.

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Price Charts



Janney Montgomery Scott Ratings Distribution as of 12/31/14

Rating	Count	Percent	IB Serv./Past 12 Mos.	
			Count	Percent
BUY [B]	138	51.30	15	10.87
NEUTRAL [N]	131	48.70	5	3.82
SELL [S]	0	0.00	0	0.00

*Percentages of each rating category where Janney has performed Investment Banking services over the past 12 months.

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