Akebia Therapeutics Inc

An Opportunity Ahead of Full Data at ISN

Conclusion: Full phase-2b may improve the way investors view AKB-6548

On Monday 3/16, full data from the AKB-6548 phase-2b study in non-dialysis anemia will be presented at the ISN conference in South Africa. Akebia will host a call with the lead investigator, who will present the slides to investors (Monday @ 8:30am ET; dial-in HERE). In our view, the key point of debate has been the imbalance in serious adverse events (SAE's) reported in October, which to some, suggests a high level of clinical risk to the program. However, mgmt. sees a lot of support among clinical experts who've seen the data, suggesting a disconnect between investors and the key opinion leaders (KOL's). Hence we see the presentation as an opportunity to re-assess KOL opinion and the probability of success (POTS) for the program, which we think could drive upside.

Key debates: SAE imbalance a Red Herring? See more commentary inside (p3)

[1] SAE's. Recall top-line data showed the rate of total AE's were comparable in the 2 arms, but higher SAE's on drug. Interestingly, progression to dialysis favored drug (9.7% on placebo vs, 7.2% on drug), but for some reason it was scored as an SAE more often on the drug arm, driving the SAE imbalance. We think it may have been accidental unblinding by Hb levels, though expert opinion at ISN may shed light on that. **[2] Deaths.** Recall amid 2:1 randomization, there were 3 deaths on drug vs. 0 in placebo, 1 of which was "possibly drug-related" but had multiple confounding factors. **[3] Efficacy.** The efficacy clearly showed significant benefit on the primary endpoint.

Consensus view is safety is bad: Favorable risk-reward? More events 2H15e

We think the stock is currently reflecting ~20% POTS, considering the imbalance in SAE's. We believe that *if* the KOL's view the imbalance in SAE reporting as an artifact of unblinding (or other investigator bias), then POTS should rise toward our PT. Confidence could also come from ph2 dialysis data (3Q15e) and advancement to ph3 (2H15e), which we'd view as an implicit validation from the FDA. Lastly, a partnership based on analysis of the full patient-level detail could also lower the risk profile.

Valuation: Buy, $24 PT by SOTP supported by DCF (assumes 35% POTS)

Unrelated, we update our model to reflect lower expense trends and shares out.

Equities

Americas
Biotechnology

12-month rating	**Buy**
12m price target	**US$24.00**
Price	**US$11.43**

RIC: AKBA.O **BBG:** AKBA US

Trading data and key metrics

52-wk range	US$29.17-8.81
Market cap.	US$0.23bn
Shares o/s	19.8m (COM)
Free float	32%
Avg. daily volume ('000)	131
Avg. daily value (m)	US$1.4
Common s/h equity (12/15E)	US$0.19bn
P/BV (12/15E)	1.4x
Net debt / EBITDA (12/15E)	NM

EPS (UBS, diluted) (US$)

	12/15E			
	From	To	% ch	Cons.
Q1E	-	(0.54)	-	(0.60)
Q2E	-	(0.74)	-	(0.54)
Q3E	-	(0.75)	-	(0.70)
Q4E	-	1.94	-	(0.99)
12/15E	0.42	(0.09)	-122.31	(2.83)
12/16E	(0.62)	(0.55)	11.72	(1.40)
12/17E	(1.13)	(1.04)	7.50	(3.10)

Matthew Roden, PhD
Analyst
matthew.roden@ubs.com
+1-212-713 2491

Andrew Peters
Associate Analyst
andrew.peters@ubs.com
+1-212-713 3241

Jeffrey Hung
Associate Analyst
jeffrey.hung@ubs.com
+1-212-713 3982

Highlights (US$m)	-	12/13	12/14	12/15E	12/16E	12/17E	12/18E	12/19E
Revenues	-	0	0	84	83	86	99	469
EBIT (UBS)	-	(16)	(38)	14	(16)	(31)	(57)	201
Net earnings (UBS)	-	(13)	(690)	(2)	(15)	(30)	(56)	196
EPS (UBS, diluted) (US$)	-	(24.20)	(44.82)	(0.09)	(0.55)	(1.04)	(1.65)	5.35
DPS (US$)	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net (debt) / cash	-	21	84	193	179	149	277	191

Profitability/valuation	-	12/13	12/14	12/15E	12/16E	12/17E	12/18E	12/19E
EBIT margin %	-	-	-	16.9	-19.8	-36.4	-57.8	42.9
ROIC (EBIT) %	-	-	(481.3)	390.5	>500	>500	>500	<-500
EV/EBITDA (core) x	-	-	-9.0	6.1	-2.5	-2.0	-0.2	0.1
P/E (UBS, diluted) x	-	-	(0.5)	NM	(21.0)	(11.0)	(6.9)	2.1
Equity FCF (UBS) yield %	-	-	(31.5)	7.0	(6.5)	(13.0)	(24.3)	87.1
Net dividend yield %	-	-	0.0	0.0	0.0	0.0	0.0	0.0

Source: Company accounts, Thomson Reuters, UBS estimates. Metrics marked as (UBS) have had analyst adjustments applied. Valuations: based on an average share price that year, (E): based on a share price of US$11.43 on 12 Mar 2015 18:42 EDT

Investment Thesis

Akebia Therapeutics Inc

12-month rating **Buy**

12m price target **US$24.00**

Investment case

The key tenets of our Buy rating on AKBA are: [1] HIF activators could become the standard of care in the anemia market if they are approved without the same black box warnings as injectable erythropoiesis-stimulating agents (ESAs) and hence are perceived to be safer than ESAs. The safety of AKB-6548 is supported by clinical and pre-clinical data and the high-altitude literature, which shows no untoward effect of HIF activation. [2] We see blockbuster potential for '6548 if it is found to be safe and effective. It would be second to market but would be well-positioned among competitors due to attractive once-daily dosing and still be ahead of two additional competitors in a multi-billion dollar market. [3] Near term ph2b data (March 2015e) and ph2 dialysis data (3Q15e) could reverse negative sentiment on AKB-6548. [4] Management has extensive knowledge and experience executing in the CKD segment.

Upside scenario

Our $49 upside scenario reflects a higher probability of success, 65%, in dialysis and non-dialysis patients as a result of successful completion of the ph2 program.

Downside scenario

Our $4 downside scenario assumes that '6548 fails. We estimate this represents the value/share of residual assets and cash.

Upcoming catalysts

[1] Phase-2b data for '6548 in 4Q14; [2] Feedback from end-of-ph2 meeting with FDA in 2015; [3] Initiate '6548 Phase-3 in mid-2015

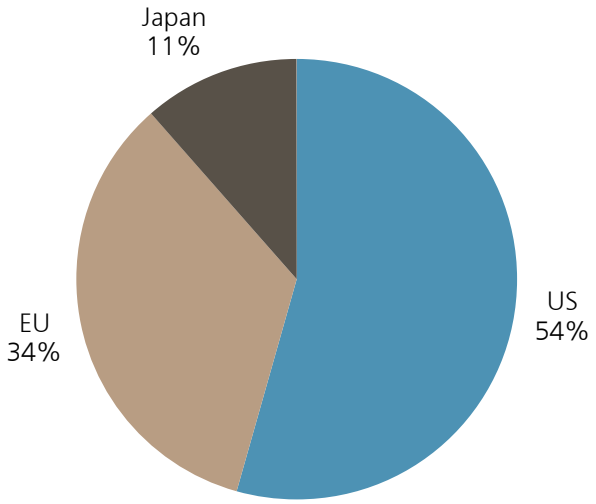
Business description

Akebia Therapeutics is a clinical-stage company that focuses on the development of treatments for kidney disease based on hypoxia inducible factor biology. The company is developing AKB-6548 for anemia secondary to chronic kidney disease. This once-daily oral therapy has been shown in clinical studies to increase hemoglobin levels with a better safety profile than current erythropoiesis-stimulating agents used to treat anemia, while potentially restoring normal diurnal erythropoietin patterns. In addition, Akebia is studying AKB-6899 for oncology and ophthalmology.

Industry outlook

While we expect large cap biotech to continue positive momentum on strong earnings growth, the smid cap universe will continue to be very data-driven and tightly correlated to market risk appetite. Many smid-cap names have gotten credit for pipeline optionality during the recent biotech rally, but we believe AKBA can be an outperformer of peers based on pipeline development and potential partnering.

Revenues by region (%) (2019E)



Source: UBS estimates

US Revenues by segment

($ millions)	2014e	2015e	2016e	2017e	2018e
Non-dialysis	-	-	-	-	6
Dialysis	-	-	-	-	13
Total	**-**	**-**	**-**	**-**	**19**

Source: UBS estimates

Matthew Roden, PhD, Analyst, matthew.roden@ubs.com, +1-212-713 2491

Full presentation of phase-2b AKB-6548

At the International Society of Nephrology (ISN) meeting, Dr. Bruce Spinowitz will present the full phase-2b data of the AKB-6548 study in patients with anemia of chronic kidney disease (CKD). Top line data were presented on October-27, 2014.

On Saturday (3/14) morning, Dr. Spinowitz will present an overview of the data as part of the ISN program overview, but the details will be in a moderated poster session on Monday (3/16) morning. ***A press release is expected around 7am, and Akebia will host an investor call with the poster converted to slides to be presented by Dr. Spinowitz at 8:30am ET.***

The dial in is **(877) 458-0977** (domestic) or (484) 653-6724 (international); the passcode is **3832469**.

Key safety findings on AKB-6548

The phase-2b topline data were announced in October 2014 (see HERE). The study enrolled 209 patients, randomized 2:1 to AKB-6548 vs. placebo. *The efficacy data were unambiguously positive, with 55% hitting the primary endpoint on drug, vs. 10% on placebo (p<0.0001), with only 4% experiencing Hb excursions.* **However, the debate was from the safety findings.** Indeed, AKBA shares are down significantly since the disclosure that the phase-2b data showed an unfavorable imbalance in SAE's. Here are the key points on safety:

Overall TEAE's balanced, but SAE's favored placebo

The company reported the total treatment-emergent AE's were balanced between arms, as was overall frequency of AE's on trial. However, the frequency of SAE's was higher number on drug (24% vs. 15% for placebo). Of the 49 events, one case (angioedema) was considered "probably-related".

Imbalance in deaths

Amid 2:1 randomization of a rather comorbid patient population, there were 3 patient deaths on drug vs. 0 in placebo. One was "possibly drug-related" but was in a patient with multiple risk factors for heart disease and complications, including atherosclerotic disease. The death was ruled as ischemic heart disease, but since an autopsy was not performed, the investigator took a conservative stance and reported it as "possibly" related. We aren't particularly worried about the implications since death amid several risk-factors is highly confounded.

Akebia management suggests KOL's don't have undue concern on AKB-6548 safety

Is the SAE imbalance a Red Herring?

According to the company, the key driver of the imbalance in SAE's was renal-related, specifically, progression to dialysis. In the study, 10% of placebo patients progressed to dialysis, vs 7% on drug. **Despite this favorable trend, progression to dialysis was reported as an SAE more frequently in the placebo arm than on the drug arm.** *We suspect rising Hb levels may have unmasked which patients were on drug, and that investigators may have been biased to be more likely to report dialysis as an SAE, whereas progression in a patient with stable or lower Hb would be seen as routine worsening.* Either way, the imbalance was driven by investigator adjudication, which will be eliminated from the phase-3 trial design (the central DSMC will adjudicate SAE's).

We suspect Hb rises in patients on drug functionally unblinding investigators and biased the reporting of SAE's

We seek expert opinion on the data to categorize the safety findings. Given low expectations, we see the potential to reverse sentiment on AKB-6548 risk.

Updating numbers following last reporting

We're updating our expense and shares outstanding estimates following the latest quarterly numbers, which shows expenses lower than we'd expected. Hence we've updated our 205-17 estimates, which we don't view as material to the stock. The changes to operating income estimates are minimal. We continue to assume a partnership later in 2015, which changes whether basic or fully diluted shares out are used to calculate EPS. Given the lumpy q/q EPS trends, we've changed our EPS estimate from a full-year calculation to a sum of individual quarters. This was the principal driver in the 2015 EPS change, and overstates the actual change to our operating forecasts.

Akebia Therapeutics Inc (AKBA.O)

Income statement (US$m)	-	12/13	12/14	12/15E	% ch	12/16E	% ch	12/17E	12/18E	12/19E
Revenues	-	**0**	**0**	**84**	-	**83**	-1.7	**86**	**99**	**469**
Gross profit	-	-	-	-	-	-	-	-	97	426
EBITDA (UBS)	-	**(15)**	**(38)**	**14**	-	**(16)**	-	**(31)**	**(56)**	**202**
Depreciation & amortisation	-	(1)	0	0	116.5	0	56.5	0	(1)	(1)
EBIT (UBS)	-	**(16)**	**(38)**	**14**	-	**(16)**	-	**(31)**	**(57)**	**201**
Associates & investment income	-	0	0	0	-	0	-	0	0	0
Other non-operating income	-	0	0	0	-	0	-	0	0	0
Net interest	-	3	1	1	5.8	1	0.0	1	1	1
Exceptionals (incl goodwill)	-	0	0	0	-	0	-	0	0	0
Profit before tax	-	**(13)**	**(37)**	**15**	-	**(15)**	-	**(30)**	**(56)**	**202**
Tax	-	0	0	0	-	0	-	0	0	(6)
Profit after tax	-	**(13)**	**(37)**	**15**	-	**(15)**	-	**(30)**	**(56)**	**196**
Preference dividends	-	0	0	0	-	0	-	0	0	0
Minorities	-	0	0	0	-	0	-	0	0	0
Extraordinary items	-	0	(87)	0	-	0	-	0	0	0
Net earnings (local GAAP)	-	**(13)**	**(124)**	**15**	-	**(15)**	-	**(30)**	**(56)**	**196**
Net earnings (UBS)	-	**(13)**	**(690)**	**(2)**	99.7	**(15)**	NM	**(30)**	**(56)**	**196**
Tax rate (%)	-	0.0	0.0	0.0	-	0.0	-	0.0	0.0	3.0

Per share (US$)	-	12/13	12/14	12/15E	% ch	12/16E	% ch	12/17E	12/18E	12/19E
EPS (UBS, diluted)	-	(24.20)	(44.82)	(0.09)	99.8	(0.55)	NM	(1.04)	(1.65)	5.35
EPS (local GAAP, diluted)	-	(24.20)	(8.04)	0.61	-	(0.55)	-	(1.04)	(1.65)	5.35
EPS (UBS, basic)	-	(24.20)	(44.82)	(0.10)	99.8	(0.55)	NM	(1.04)	(1.65)	5.35
Net DPS (US$)	-	0.00	0.00	0.00	-	0.00	-	0.00	0.00	0.00
Cash EPS (UBS, diluted)[1]	-	(22.80)	(44.81)	(0.08)	99.8	(0.53)	NM	(1.03)	(1.63)	5.37
Book value per share	-	1.68	4.56	8.17	79.0	6.18	-24.3	4.92	7.80	4.75
Average shares (diluted)	-	0.54	15.41	24.85	61.3	28.37	14.1	29.17	33.97	36.64

Balance sheet (US$m)	-	12/13	12/14	12/15E	% ch	12/16E	% ch	12/17E	12/18E	12/19E
Cash and equivalents	-	21	84	193	131.3	179	-7.6	149	277	191
Other current assets	-	12	13	15	11.3	16	9.2	17	19	20
Total current assets	-	**33**	**97**	**208**	114.9	**195**	-6.4	**166**	**295**	**211**
Net tangible fixed assets	-	0	1	2	116.5	4	56.5	5	6	8
Net intangible fixed assets	-	0	0	0	0.0	0	0.0	0	0	0
Investments / other assets	-	1	1	1	0.0	1	0.0	1	1	1
Total assets	-	**35**	**99**	**212**	113.5	**200**	-5.7	**172**	**303**	**220**
Trade payables & other ST liabilities	-	4	9	17	84.7	24	41.7	29	38	46
Short term debt	-	0	0	0	0.00	0	0.00	0	0	0
Total current liabilities	-	**4**	**9**	**17**	84.6	**24**	41.7	**29**	**38**	**46**
Long term debt	-	0	0	0	0.0	0	0.0	0	0	0
Other long term liabilities	-	0	0	0	-	0	-	0	0	0
Preferred shares	-	0	0	0	-	0	-	0	0	0
Total liabilities (incl pref shares)	-	**4**	**9**	**17**	84.6	**24**	41.7	**29**	**38**	**46**
Common s/h equity	-	31	90	194	116.5	175	-9.9	143	265	174
Minority interests	-	0	0	0	-	0	-	0	0	0
Total liabilities & equity	-	**35**	**99**	**212**	113.5	**200**	-5.7	**172**	**303**	**220**

Cash flow (US$m)	-	12/13	12/14	12/15E	% ch	12/16E	% ch	12/17E	12/18E	12/19E
Net income (before pref divs)	-	(13)	(124)	15	-	(15)	-	(30)	(56)	196
Depreciation & amortisation	-	1	0	0	116.5	0	56.5	0	1	1
Net change in working capital	-	2	0	0	-41.5	0	20.4	0	0	0
Other operating	-	(1)	2	2	3.1	2	3.6	2	2	2
Operating cash flow	-	**(11)**	**(122)**	**17**	-	**(13)**	-	**(28)**	**(54)**	**199**
Tangible capital expenditure	-	0	(1)	(1)	-20.0	(1)	-5.0	(1)	(1)	(1)
Intangible capital expenditure	-	0	0	0	-	0	-	0	0	0
Net (acquisitions) / disposals	-	0	0	0	-	0	-	0	0	0
Other investing	-	(11)	0	0	-	0	-	0	0	0
Investing cash flow	-	**(11)**	**(1)**	**(1)**	-20.0	**(1)**	-5.0	**(1)**	**(1)**	**(1)**
Equity dividends paid	-	0	0	0	-	0	-	0	0	0
Share issues / (buybacks)	-	0	99	94	-4.9	0	-	0	183	0
Other financing	-	0	0	0	-	0	-	0	0	0
Change in debt & pref shares	-	43	0	0	-	0	-	0	0	0
Financing cash flow	-	**42**	**99**	**94**	-4.9	**0**	-	**0**	**183**	**0**
Cash flow inc/(dec) in cash	-	**20**	**(24)**	**110**	-	**(15)**	-	**(30)**	**128**	**197**
FX / non cash items	-	-	87	0	-	0	-	0	0	(283)
Balance sheet inc/(dec) in cash	-	**-**	**62**	**110**	75.9	**(15)**	-	**(30)**	**128**	**(86)**

Source: Company accounts, UBS estimates. (UBS) metrics use reported figures which have been adjusted by UBS analysts.[1]Cash EPS (UBS, diluted) is calculated using UBS net income adding back depreciation and amortization.

Akebia Therapeutics Inc (AKBA.O)

Valuation (x)	-	12/13	12/14	12/15E	12/16E	12/17E	12/18E	12/19E
P/E (local GAAP, diluted)	-	-	NM	18.7	NM	NM	NM	2.1
P/E (UBS, diluted)	-	-	(0.5)	NM	(21.0)	(11.0)	(6.9)	2.1
P/CEPS	-	-	NM	NM	NM	NM	NM	2.1
Equity FCF (UBS) yield %	-	-	(31.5)	7.0	(6.5)	(13.0)	(24.3)	87.1
Net dividend yield (%)	-	-	0.0	0.0	0.0	0.0	0.0	0.0
P/BV x	-	-	4.5	1.4	1.8	2.3	1.5	2.4
EV/revenues (core)	-	-	-	1.0	0.5	0.7	0.1	0.0
EV/EBITDA (core)	-	-	-9.0	6.1	-2.5	-2.0	-0.2	0.1
EV/EBIT (core)	-	-	NM	6.2	NM	NM	NM	0.1
EV/OpFCF (core)	-	-	NM	6.7	NM	NM	NM	0.1
EV/op. invested capital	-	-	NM	NM	NM	NM	NM	NM

Enterprise value (US$m)	-	12/13	12/14	12/15E	12/16E	12/17E	12/18E	12/19E
Market cap.	-	-	391	226	226	226	226	226
Net debt (cash)	-	(21)	(52)	(139)	(186)	(164)	(213)	(213)
Buy out of minorities	-	0	0	0	0	0	0	0
Pension provisions/other	-	0	0	0	0	0	0	0
Total enterprise value	**-**	**-**	**339**	**88**	**40**	**63**	**14**	**14**
Non core assets	-	0	0	0	0	0	0	0
Core enterprise value	**-**	**-**	**339**	**88**	**40**	**63**	**14**	**14**

Growth (%)	-	12/13	12/14	12/15E	12/16E	12/17E	12/18E	12/19E
Revenue	-	-	-	-	-1.7	4.1	14.2	NM
EBITDA (UBS)	-	-	-149.4	-	-	-92.2	-82.3	-
EBIT (UBS)	-	-	-138.1	-	-	-91.1	-81.5	-
EPS (UBS, diluted)	-	-	-85.2	99.8	NM	-91.3	-58.0	-
Net DPS	-	-	-	-	-	-	-	-

Margins & Profitability (%)	-	12/13	12/14	12/15E	12/16E	12/17E	12/18E	12/19E
Gross profit margin	-	-	-	-	-	-	NM	NM
EBITDA margin	-	-	-	17.1	NM	NM	NM	43.1
EBIT margin	-	-	-	16.9	-19.8	-36.4	-57.8	42.9
Net earnings (UBS) margin	-	-	-	NM	NM	NM	NM	41.8
ROIC (EBIT)	-	-	(481.3)	390.5	>500	>500	>500	<-500
ROIC post tax	-	-	NM	NM	NM	NM	NM	NM
ROE (UBS)	-	-	<-500	(1.6)	(8.4)	(19.1)	(27.4)	89.3

Capital structure & Coverage (x)	-	12/13	12/14	12/15E	12/16E	12/17E	12/18E	12/19E
Net debt / EBITDA	-	1.4	2.2	(13.4)	11.1	4.8	4.9	(0.9)
Net debt / total equity %	-	(68.9)	(93.1)	(99.4)	(102.0)	(104.0)	(104.5)	(109.6)
Net debt / (net debt + total equity) %	-	NM	NM	NM	NM	NM	NM	NM
Net debt/EV %	-	-	(24.7)	NM	NM	NM	NM	NM
Capex / depreciation %	-	NM	NM	NM	NM	NM	NM	190.4
Capex / revenue %	-	-	-	1.5	1.6	1.6	1.4	0.3
EBIT / net interest	-	5.8	41.8	NM	17.1	32.7	59.3	NM
Dividend cover (UBS)	-	-	-	-	-	-	-	-
Div. payout ratio (UBS) %	-	-	-	-	-	-	-	-

Revenues by division (US$m)	-	12/13	12/14	12/15E	12/16E	12/17E	12/18E	12/19E
Others	-	0	0	84	83	86	99	469
Total	**-**	**0**	**0**	**84**	**83**	**86**	**99**	**469**

EBIT (UBS) by division (US$m)	-	12/13	12/14	12/15E	12/16E	12/17E	12/18E	12/19E
Others	-	(16)	(38)	14	(16)	(31)	(57)	201
Total	**-**	**(16)**	**(38)**	**14**	**(16)**	**(31)**	**(57)**	**201**

Source: Company accounts, UBS estimates. (UBS) metrics use reported figures which have been adjusted by UBS analysts.

Forecast returns

Forecast price appreciation	+110.0%
Forecast dividend yield	0.0%
Forecast stock return	+110.0%
Market return assumption	5.7%
Forecast excess return	+104.3%

Statement of Risk

We see several risks to AKBA shares, including clinical, regulatory, IP, competitive, and commercial. Clinical risks include if AKB-6548 results in unforeseen safety, tolerability, or toxicity signals, or fails to yield positive clinical results. Regulatory risks include the regulatory agencies not approving the drug candidate after completing clinical trials. Competitive risks include Akebia not being the only company developing treatments for anemia secondary to chronic kidney disease, and new treatments coming to market will all compete with currently available erythropoiesis-stimulating agents. Branded and generic competitors could challenge Akebia's patent estate.

Required Disclosures

This report has been prepared by UBS Securities LLC, an affiliate of UBS AG. UBS AG, its subsidiaries, branches and affiliates are referred to herein as UBS.

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UBS Investment Research: Global Equity Rating Definitions

12-Month Rating	Definition	Coverage[1]	IB Services[2]
Buy	FSR is > 6% above the MRA.	47%	37%
Neutral	FSR is between -6% and 6% of the MRA.	42%	32%
Sell	FSR is > 6% below the MRA.	11%	21%
Short-Term Rating	**Definition**	**Coverage[3]**	**IB Services[4]**
Buy	Stock price expected to rise within three months from the time the rating was assigned because of a specific catalyst or event.	less than 1%	less than 1%
Sell	Stock price expected to fall within three months from the time the rating was assigned because of a specific catalyst or event.	less than 1%	less than 1%

Source: UBS. Rating allocations are as of 31 December 2014.
1:Percentage of companies under coverage globally within the 12-month rating category. 2:Percentage of companies within the 12-month rating category for which investment banking (IB) services were provided within the past 12 months.
3:Percentage of companies under coverage globally within the Short-Term rating category. 4:Percentage of companies within the Short-Term rating category for which investment banking (IB) services were provided within the past 12 months.

KEY DEFINITIONS: Forecast Stock Return (FSR) is defined as expected percentage price appreciation plus gross dividend yield over the next 12 months. **Market Return Assumption (MRA)** is defined as the one-year local market interest rate plus 5% (a proxy for, and not a forecast of, the equity risk premium). **Under Review (UR)** Stocks may be flagged as UR by the analyst, indicating that the stock's price target and/or rating are subject to possible change in the near term, usually in response to an event that may affect the investment case or valuation. **Short-Term Ratings** reflect the expected near-term (up to three months) performance of the stock and do not reflect any change in the fundamental view or investment case. **Equity Price Targets** have an investment horizon of 12 months.

EXCEPTIONS AND SPECIAL CASES: UK and European Investment Fund ratings and definitions are: Buy: Positive on factors such as structure, management, performance record, discount; **Neutral:** Neutral on factors such as structure, management, performance record, discount; **Sell:** Negative on factors such as structure, management, performance record, discount. **Core Banding Exceptions (CBE):** Exceptions to the standard +/-6% bands may be granted by the Investment Review Committee (IRC). Factors considered by the IRC include the stock's volatility and the credit spread of the respective company's debt. As a result, stocks deemed to be very high or low risk may be subject to higher or lower bands as they relate to the rating. When such exceptions apply, they will be identified in the Company Disclosures table in the relevant research piece.

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UBS Securities LLC: Matthew Roden, PhD; Andrew Peters; Jeffrey Hung.

Company Disclosures

Company Name	Reuters	12-month rating	Short-term rating	Price	Price date
Akebia Therapeutics Inc[2, 4, 6, 16]	AKBA.O	Buy	N/A	US$11.43	12 Mar 2015

Source: UBS. All prices as of local market close.
Ratings in this table are the most current published ratings prior to this report. They may be more recent than the stock pricing date

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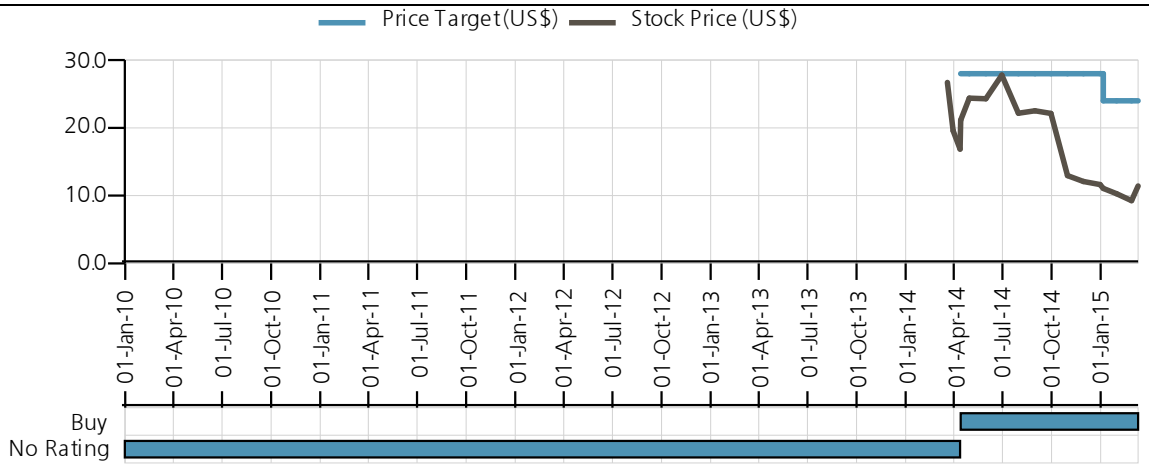
Akebia Therapeutics Inc (US$)



Source: UBS; as of 12 Mar 2015

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