

Jazz Pharmaceuticals [NASDAQ: JAZZ] is a leading U.S.-based specialty pharmaceutical company with a direct sales presence in North America and Europe. Historically, it has focused on the sleep and hematology/oncology markets, with its key product Xyrem (~75% of revenue) used to treat excessive daytime sleepiness (EDS) associated with narcolepsy.

This has been shortlisted as an important deal for our company. As part of constructing our DCF, we need to find comparables for JAZZ. We have already filled in part of our model - you may need these details (i.e. valuation date) as you fill in the rest of the sheet. Please take care of the following items:

- 1.) We have extracted an Initial List of US-based pharmaceutical companies with over \$500 million in LTM revenue from CapIQ, which is available in the Screener.xlsx file. Now, we need to screen for a shorter list of comparables while keeping the following criteria in mind:

- We want to look at companies with between \$1B to \$5B in LTM Revenue
- We want companies that sell branded products (patents) and that have a portfolio rather than just a single product. We want to eliminate royalty-based companies, ones that sell animal drugs, and services/diagnostics companies

Remove the appropriate companies and rows from the Excel file, leaving only the relevant companies we have screened for.

- 2.) We want to spread the comparables because existing platforms such as CapIQ often misclassify non-recurring charges and have minimal value about how the Enterprise Value calculations were derived, which can be especially important in the pharmaceutical industry. We want to start off by calculating our comparable data for BioMarin [NASDAQ:BMRN]. Fill in the relevant information for BMRN on the Public_Comps Data section of the InitState.xlsx file. Here are a few notes:

- The RSUs should include performance-based vesting conditions, RSUs from any other performance targets, and market-based vesting conditions
- As we are calculating public comps, we want to use the options exercisable at the end of the year for the options and warrants
- Make sure to include the senior subordinated convertible notes issued in 2017 as part of your Convertible Bonds calculation
- For the number of shares outstanding, it is important that we use the most recent information available in BMRN's financial filings. For the Market Val., we want to use BMRN's most recent 10-Q as of August 30 2021.
- Numbers are non-recurring if they are very rare (e.g., it recurs in 1 / 5 years or less) or noncore or non-repeatable.
- To calculate our Non-Recurring Items below EBIT, we want to use the Unrealized foreign exchange loss line item from the company financials

- To calculate our Convertible Bonds Cash Interest and Conv. Discount & Fee Amortization, we amortize the bonds by tranche, making sure to account for partial periods

Make sure to round all numbers to two decimal places.