



Model updated: 27 May 2015

Running the numbers

North America

United States

Biotechnology

Retrophin

Reuters: RTRX.OQ

Bloomberg: RTRX US

Buy

Price (26 May 15) USD 26.87

Target Price USD 52.00

52 Week range USD 8.09 - 26.98

Market Cap (m) USDm 949

EURm 871

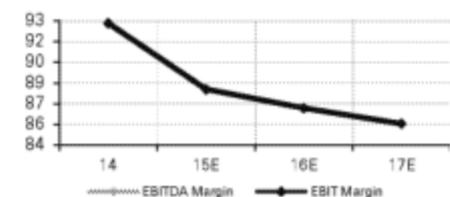
Company Profile

Retrophin is a biopharmaceutical company focused on discovering, developing and marketing innovative therapies for debilitating and often life-threatening diseases.

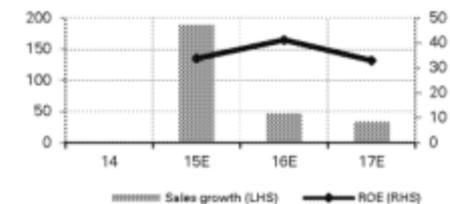
Price Performance



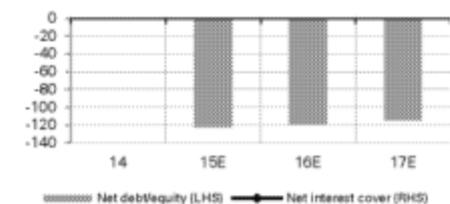
Margin Trends



Growth & Profitability



Solvency



Robyn Karauskas

+1 212 250-7591

robyn.karuskas@db.com

Fiscal year end 31-Dec

2014 2015E 2016E 2017E

Financial Summary

DB EPS (USD)	-2.51	1.65	1.00	1.08
Reported EPS (USD)	0.84	0.63	2.13	2.19
DPS (USD)	0.00	0.00	0.00	0.00
BVPS (USD)	-1.49	6.07	7.88	9.86

Valuation Metrics

Price/Sales (x)	11.2	11.6	8.0	5.9
P/E (DB) (x)	nm	16.3	26.9	24.8
P/E (Reported) (x)	15.0	42.6	12.6	12.3
P/BV (x)	nm	4.4	3.4	2.7
FCF yield (%)	29.3	4.9	13.7	13.2
Dividend yield (%)	0.0	0.0	0.0	0.0
EV/Sales	10.2	8.3	5.0	3.3
EV/EBITDA	11.0	9.4	5.8	3.8
EV/EBIT	11.0	9.4	5.8	3.8

Income Statement (USDm)

Sales	28	81	119	160
EBITDA	26	72	103	136
EBIT	26	72	103	136
Pre-tax profit	29	72	103	136
Net income	31	30	103	108

Cash Flow (USDm)

Cash flow from operations	96	50	139	137
Net Capex	-4	-4	-4	-4
Free cash flow	92	46	135	133
Equity raised/(bought back)	38	150	0	0
Dividends paid	0	0	0	0
Net inc/(dec) in borrowings	38	0	0	0
Other investing/financing cash flows	-33	0	0	0
Net cash flow	135	196	135	133
Change in working capital	60	-4	10	2

Balance Sheet (USDm)

Cash and cash equivalents	18	262	342	420
Property, plant & equipment	1	5	8	11
Goodwill	0	0	0	0
Other assets	117	109	109	109
Total assets	135	375	459	541
Debt	0	0	0	0
Other liabilities	173	161	171	173
Total liabilities	173	161	171	173
Total shareholders' equity	-37	214	288	368
Net debt	-18	-262	-342	-420

Key Company Metrics

Sales growth (%)	nm	189.0	46.3	33.8
DB EPS growth (%)	na	na	-39.4	8.2
Payout ratio (%)	0.0	0.0	0.0	0.0
EBITDA Margin (%)	92.8	88.0	86.7	85.5
EBIT Margin (%)	92.8	88.0	86.7	85.5
ROE (%)	nm	33.8	41.2	32.9
Net debt/equity (%)	nm	-122.2	-118.8	-114.3
Net interest cover (x)	nm	nm	nm	nm

DuPont Analysis

EBIT margin (%)	92.8	88.0	86.7	85.5
x Asset turnover (x)	0.2	0.3	0.3	0.3
x Financial cost ratio (x)	1.0	1.0	1.0	1.0
x Tax and other effects (x)	1.2	0.4	1.0	0.8
= ROA (post tax) (%)	22.9	11.7	24.8	21.6
x Financial leverage (x)	-3.6	2.9	1.7	1.5
= ROE (%)	-83.2	33.8	41.2	32.9
annual growth (%)	na	na	27.9	-20.1
x NTA/share (avg) (x)	-1.0	1.9	5.2	6.7
= Reported EPS	0.84	0.63	2.13	2.19
annual growth (%)	na	-24.6	237.1	2.7

Source: Company data, Deutsche Bank estimates