



RTRX DCF

Figure 1: RTRX DCF

DB BIOTECH: RETROPHIN DCF																
DCF = \$52																
DB BIOTECH: RTRX - DISCOUNTED CASH FLOW																
	2015E	2016E	2017E	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	TV
EBT	\$127	\$49	\$82	\$43	\$174	\$219	\$305	\$413	\$529	\$660	\$865	\$546	\$364	\$582	\$358	
less: Taxes	(\$44)	\$0	(\$29)	(\$15)	(\$61)	(\$77)	(\$107)	(\$144)	(\$185)	(\$231)	(\$303)	(\$191)	(\$197)	(\$204)	(\$125)	
tax rate	35.0%	0.0%	35.0%	33.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	
add: D&A	\$0	\$0	\$1	\$1	\$1	\$2	\$2	\$2	\$2	\$2	\$3	\$3	\$3	\$3	\$3	
less: Net working capital	(\$3)	\$10	\$2	\$11	\$8	\$1	\$17	\$13	\$12	\$11	(\$10)	(\$67)	\$0	\$0	(\$13)	
less: Capital Expenditures	(\$3)	(\$4)	(\$4)	(\$4)	(\$4)	(\$4)	(\$4)	(\$4)	(\$4)	(\$4)	(\$4)	(\$4)	(\$4)	(\$4)	(\$4)	
Operating Free Cash Flow	\$76	\$55	\$52	\$36	\$119	\$141	\$214	\$279	\$354	\$439	\$550	\$287	\$366	\$378	\$218	\$2,785
Growth		-28%	-6%	-30%	228%	18%	52%	31%	27%	24%	26%	-48%	28%	3%	-42%	
Discount Period	0	0.75	1.75	2.75	3.75	4.75	5.75	6.75	7.75	8.75	9.75	10.75	11.75	12.75	13.75	13.75
Discount Factor	1.00	0.93	0.85	0.77	0.70	0.64	0.58	0.53	0.48	0.43	0.39	0.36	0.33	0.30	0.27	0.27
Present value of Cash Flows	\$76	\$51	\$44	\$28	\$83	\$90	\$123	\$147	\$169	\$190	\$217	\$103	\$119	\$112	\$58	\$751
Terminal growth rate =	2.0%															
Discount Rate	10.0%															
NPV Cash Flows (\$M)	\$1,612															
NPV TV (\$M)	\$751															
NPV Total (\$M)	\$2,364															
Net Cash/(Debt)	\$85															
Net cash/share	\$2															
\$/ Share of terminal value	\$16															
TV as % of total value	31%															
NPV Cash Flows + TV	\$52															
Shares outstanding	47															

Source: Deutsche Bank