

April 25, 2019

Jazz pharmaceutical.

Victor Secco

**BJORKLUND** 

Sector: Pharmaceutical Industry: Healthcare Current Price: \$128.53 Target Price: \$167.2

**Company Description** 

Jazz Pharmaceuticals Public Limited Company is a specialty biopharmaceutical company focused on improving patients' lives by identifying, developing and commercializing innovative products that address unmet medical needs. The Company has a diverse portfolio of products in the areas of narcolepsy, oncology, pain and psychiatry.

# Market BUY

Current Price:\$128.53Target Price:\$167.2Market Cap:\$7BTarget Dividends:\$0.0Other key Metrics/Ratios

# product in phase 3: 5 Passing rate from phase 2 to 3: 25% YTD  $\triangle$  of phase 2 products : 130%



**Thesis:** I am initiating a BUY at \$128.53 on Jazz. The company has proven capacity to push its pipeline project through FDA phases efficiently. Their main field of study is currently oncology, especially Leukemia. I believe that their latest drug to fight leukemia is a market breaker and give Jazz a high growth potential.

# **Catalysts:**

- JZP-258 treatment for narcolepsy
- JZP-258 application into recombinant.
- Vyxeo treatment for leukemia





# **Earnings & Financials**

For my competitors, I compared Jazz to six companies. Beside Avadel Pharmaceutical, all of the competitors are a lot bigger than JAZZ. The reason why I decided to use them regardless is that they have the financial maturity of those competitors and the potential to grow at their level in the long run.

Name		Mkt Cap	P/E Las	t Px	Rev - 1 Yr Gr:Y	/	GM:Y
Median		101.21B		9.16	3.76%		71.95%
100) JAZZ PHARMACEUTICAL				8.53	16.82%		93.57%
101) AVADEL PHARMACEUTIC		40.72M		1.09	-40.39		83.04%
102) MERCK & CO. INC.		197 <b>.</b> 19B		6.34	5.41%		75.43%
103) SANOFI				3.62	-1.50%		67.95%
104)NOVARTIS AG-REG		204.92B		1.98	6.66%	k	68.13%
105) GLAXOSMITHKLINE PLC		100.08B		5.20	2.10%	5 8	68.48%
100 BAYER SCHERING PHAR							
In Millions of USD	2015 Y	2016 Y	/ 2017	Y 2018	Y Current/LTM	2019 Y Est	2020 Y Est
12 Months Ending	12/31/2015	12/31/2016	5 12/31/20	17 12/31/201	8 12/31/2018	12/31/2019	12/31/2020
Market Capitalization	8,617.0	6,522.2			2 7,333.4		
📶 - Cash & Equivalents	988.8	426.0	601	.0 824.	6 824.6		
📶 + Preferred & Other	0.0	0.0		.0 0.			
📶 + Total Debt	1,188.4	2,029.6					
<b>Interprise Value</b>	8,816.7	8,125.8	9,045	.3 7,900.	0 8,105.2		
🔟 Revenue, Adj	1,324.8	1,488.0	1,618	.7 1,890.	9 1,890.9	2,073.6	2,308.3
Growth %, YoY	13.0	12.3		.8 16.		9.7	11.3
Gross Profit, Adj	1,222.8	1,382.7				1,949.1	2,169.2
Margin %	92.3	92.9				94.0	94.0
EBITDA, Adj	692.6	763.1			943.8	1,115.1	1,264.4
Margin %	52.3	51.3				53.8	, 54.8
Net Income, Adj	390.1	444.1				851.9	984.8
Margin %	29.4	29.8				41.1	42.7
EPS, Adj	6.19	7.17				14.52	17.00
Growth %, YoY	59.9	15.9				65.2	17.1
	554.0	500	(0)				
Cash from Operations	531.9	592.4					00.0
Capital Expenditures	-36.0	-9.7	-29			-21.4	-23.3
Image: style="text-align: center;">Image: style="text-align: center;"/>Image: style="text-align: center;"///Image: style="text-align: center;"///Image: style="text-align: center;"//Image: style="text-align: center;"/>Image: style="text-align: center;"/>Image: style="text-align: center;"//Image: style="text-align:	496.0	582.7 Earnings &		1	5 778.3	946.5	950.4
Jazz Pharmaceuticals PLC		Source Standard	Cur USD - Jazz Phar	Equity 97) Actions + maceuticals PLC	Periodicity 🕻		Earnings & Estimates
D Earnings History   ERN »     2 Co Next Announcement     (C) 05/07/19     Trail Prior Announcement     02/26/19     Forw	nsensus Overview   EEO » ling 12M P/E 14.71 vard 12M P/E 8.88	3 Analyst Coverage Buy/Hold/Sell Current Price	ANR » 14/6/0 128.53 D Earning Next Anno Drior Anno	s History   ERN » ouncement (C) 05/ ouncement 02/	2) Consensus Over 107/19 Trailing 12M P/E 126/19 Forward 12M P/E	view   EEO » 3) Ana 14.71 Buy/ 8.88 Curre	lyst Coverage   ANR » Hold/Sell 14/6/0 nt Price 128.53
Avg/Implied 1 Day Move 5.17% / 6.44% Est.	LTG (EPS) 6.75%	Target Price	172.88 Avg/Impl	ied 1 Day Move 5.17% /	6.44% Est. LTG (EPS)	6.75% Targe	t Price 128.53
Measure Q1/19 Est	rrent Period Overview (Q1/19) 4Wk Chg YoY Gr Growth -0.08% 5.5% Stronge	27) Prior Period Analys vs Comps Past Sur r Beat 5 c	prise Measur	us Overview   EEO » e	Q1/19 Est 4Wk Chg	Verview (Q1/19) 20 Prior YoY Gr Growth vs Comps	Past Surprise
12 EPS, GAAP 2.410	-0.08% 5.5% Stronge -10.52% 221.3% Stronge -0.23% 4.8% In-line	m Missed 5	of 8 17 EPS GA	j+ AP	3.143 -0.08% 2.410 -10.52%	5.5% Stronger 221.3% Stronger	Beat 5 of 8 Missed 5 of 8 Missed 5 of 8
13 Revenue         466.000M           14 Net Income, Adj+         185.533M           19 Operating Profit         229.583M	-0.29% 1.7% Stronge -0.36% -0.29%	er Beat 5 c	f 8 14 Net Inc	e ome, Adj+ no Profit	466.000M -0.23% 185.533M -0.29% 229.583M -0.36%	4.8% In-line 1.7% Stronger	Missed 5 of 8 Beat 5 of 8
10 EBITDA 245.667M		Testimoto o d	19 Operati		245.667M -0.29%		
Earnings Trends   EM » Q1S Only @ Bloomberg Interest Earnings Trends   EM » Jazz's Blood-Sal Jazz's Blood-Sal Sleep Launch Ke	les Struggles Make	arnings Estimates Graph	5) Earning:	Trends   EM » Q1s Only	Bloomberg Intelligence Prev Jazz's Blood-Sales Struggles Sleep Launch Key: 10 Preview	Make Income, Ad	imates Graph   EEG »
Growth of Jazz's narcoleosy. coul	a lead asset, Xyrem for d normalize in 10,	/1 8			Growth of Jazz's lead asset, narcolepsy, could normalize in	(yrem for	- 200
<sup>xxx</sup> placing a greate <sub>xxx</sub> cancer franchise	r onus on the blood-	My h	mm to		placing a greater onus on the cancer franchise to deliver. W	blood-	many 28
expect a season	al 1Q dip in sales vs. to expect pressure on ed uptake in the U.S.	Lot	(r = e		expect a seasonal 1Q dip in se 4Q. We continue to expect pre	ales vs. 🗰 issure on	1 1 200 100
ve con con con con con con limite	ed uptake in the U.S.	of New Dec Jain Reb 2018 2019	Am 04.73 05.78 05	18 QU'18 Qu'18 QU'10 QU'18 QU'18	Vyxeos on limited uptake in the	he U.S. doi nov bec	Jan fiel nur Apr 2007

Jazz have strong financials for a biotech company. They maintain relatively flat gross margin roughly of 92% and are projected to remain around this level in the future. The median gross profit margin for biotech is 72% which means that Jazz is doing a lot better than 50% of the industry. Jazz also have a better net income margin of 25% while most biotech have no earnings. Jazz have been the company constantly met or exceeded estimates in revenues and net income for the past 5 years. Projections show constant increase every year for revenue and net income.





# Product growth potential

• JZP-258 treatment for narcolepsy

"The mechanism by which sodium oxybate produces its anti-cataplectic effects is unknown. Gamma hydroxybutyrate is a CNS depressant that produces dose-dependent sedation and anesthesia. GHB is also an endogenous compound that is widely found throughout the body although its function outside of the CNS is essentially unknown. Endogenous GHB appears to fulfill the criteria necessary to be considered a neurotransmitter or neuromodulator. " (Jazz product description)

This drug is currently used in France and Canada under the name Xyrem. The JZP-258 Is the same principle of action but with a lower quantity of sodium reducing the risk of heart

• Vyxeo treatment for leukemia

Vyxeos belongs to a group of medicines called 'antineoplastics' used in cancer. It contains two active substances, called 'daunorubicin' and 'cytarabine', in the form of tiny particles known as 'liposomes'. These active substances act in different ways to kill cancer cells by stopping them from growing and dividing. Packaging them in liposomes prolongs their action in the body and helps them to enter and kill the cancer cells. I see a lot of growth potential from this drug as the clinical trial shows great efficiency and is unique in its mechanism of action.

## Section 5: Threats/ Downside

Firstly, if the FDA calls one of the drugs produced by Jazz back after suspicion of dangerous side effect, the company will call back products. In this scenario, the company will suffer important losses, which will tank the price. Secondly, if a new drug issued beat the effectiveness of Jazz products, the losses on revenue for Jazz will destroy shareholder wealth.



# Section 6: Ownership

Compare Current Stats Against		<mark>.8</mark> 🖽						
				Insider - Based on Last 6 Months 🔹 🔽				
51) Institutional	04/22/18	Curr	Change	52) Insider	04/22/18	Curr	Change	
11) % of Shares Held	115.53	118.88	+3.35 🜌	21) % of Shares Held	2.9	3.02	+0.12 🜌	
12) % of Float Held	119.05	122.93		22) % Chg Insider Positions	+6.37	+7.08	+0.71 🜌	
13) # of Institutions	576	690	+19.798 🜌	23) # of Insiders	20	20	0.00% 🜌	
14) # of Buyers	160	241	+50.63% 🜌	24) # of Buyers Opn Mkt	0	1	~	
15) # of Sellers	159	191	+20.13% 🜌	25) # of Sellers Opn Mkt	7	5	-28.57% 🜌	
16) # of New Buyers	96	130	+35.42% 🛃	26) # of Shrs Bought Opn Mkt	0	50,000	~	
17) # of Selloffs	63	86	+36.51% 🜌	27) # of Shrs Sold Opn Mkt	36,109	18,202	-49.59% 🜌	
18) % Chg in Inst Positions	+8.25	+8.97	+0.72 🜌	28) Avg Opn Mkt Buy Price	0	144.56	+144.56 🜌	
				29) Avg Opn Mkt Sell Price	143.34	141.08	-2.26 🜌	
Top Geographic Ownership (%	)	• <b>0</b>		Top Ownership Type (%)				
53) Geographic	04/22/18	Curr	Change	54) Ownership Type	04/22/18	Curr	Change	
31) UNITED STATES	83.72	82 <b>.</b> 45	-1.27 🜌	41) Investment Advisor	81.13	83.4	+2.27 🜌	
32) UNITED KINGDOM	2.86	3.14	+0.28 🜌	42) Hedge Fund Manager	10.1	7.4	-2.70 🜌	
33) Unknown	2.45	2.63	+0.18 🜌	43) Individual	2.45	2.63	+0.18 🜌	
34) LUXEMBOURG	1.6	2.18	+0.58 🜌	44) Pension Fund	2.07	2.52	+0.45 🜌	
35) SWITZERLAND	1.49	1.53	+0.04 🜌	45) Bank	0.96	1.12	+0.16 🜌	
36) BERMUDA	1.27	1.21	-0.06 🜌	46) Sovereign Wealth Fund	0.74	0.95	+0.21 🜌	
37) CANADA	0.84	1.11	+0.27 🜌	47) Government	0.94	0.91	-0.03 🜌	
38) JAPAN	1.22	1.07	-0.15 🜌	48) Brokerage	0.13	0.43	+0.30 🜌	
39) NORWAY	0.7	1.01	+0.31	49) Venture Capital	0.31	0.32	+0.01	

Over 80% of the shares are U.S owned, the remaining shares are mostly owned by European countries. A majority of that is via investment advisors. All type of investor increased their position in the company to the exception of the hedge funds. My explanation of this decrease is simply because the company reached target price from precedent years and the future project in pipeline still need to be valuated.







The short interest for Jazz is on the rise since the last two month, this is probably due to the decrease in volume, making easier prices fluctuations.

## **Base/Best/Worst case**

Given the mature profile of my company and its historical financial performances, all my forecast are based on DCF valuation.

My base case is \$36.89 | Bull case \$38.9 | Bear case is \$29.37

# Intrinsic Value Distribution--Probability (Upside)=85%

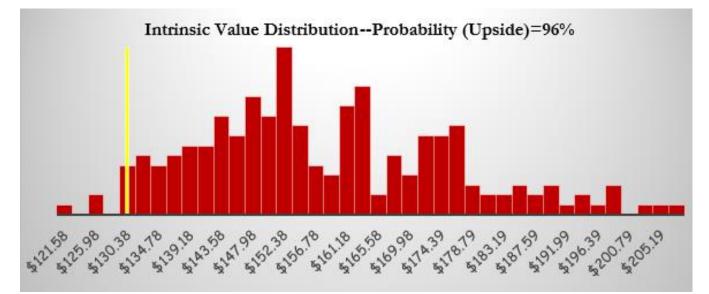
# Bear case outcome

• Growth pegged to current growth for 5 years, gradually decline toward 3%



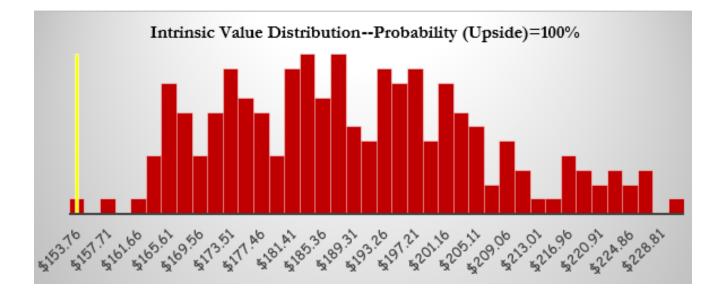


# Base case outcome



• Used analyst estimates

# Bull case outcome



• Growth pushed up to 9% for the next 6 years





# **Conclusion:**

The main value driver for the company come from the potential market shares that can be acquired by Jazz pharmaceutical. Based on the technology they are currently developing for narcolepsy and oncology, the products in pipeline could be market breaker. All of the products from Jazz have a unique selling proposition, which is key to raise important cash flow in the future. Jazz is also one of the rare biotech company with stable financial cash flow and have better margins that most of its peers.

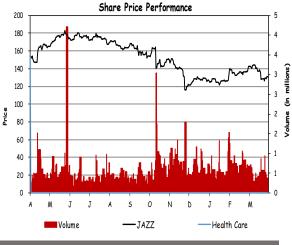


# **BJORKLUND** FUND

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#### CENTER FOR GLOBAL FINANCIAL STUDIES

Jazz Pharmaceuticals plc	Symbol: JAZZ
Analyst	Victor Secco
Buy below	\$134.28
Sell above	\$187.05
Probability of Price Increase	96%
Last Price	\$130.99
Intrinsic Value	\$149.64
Target Dividends	\$0.00
Target Price	\$167.86



#### Description

People

Top Competitors Horizon Pharma plc

Endo International plc

Mallinckrodt plc

Cozadd, Bruce, Co-Founder, Chairman & CEO Young, Matthew, Executive VP & CFO Swisher. Daniel. President & COO

Wilson, Karen, Senior VP of Finance & Principal Accounting Off Treacy, Paul, Senior Vice President of Technical Operations Littrell. Katherine. Vice President of Investor Relations

Jazz Pharmaceuticals plc, a biopharmaceutical company, identifies, develops, and commercializes pharmaceutical products for various unmet medical needs in the United States, Europe, and internationally.

Sector	Health Care
Industry	Pharmaceuticals
Last Guidance	December 11, 2018
Next earnings date	May 7, 2019

Allergan plc

Teva Pharmaceutical Industries Limited

Hikma Pharmaceuticals PLC

## Sunday, April 28, 2019

#### Investment Thesis

#### JAZZ PHARMACEUTICALS IS SPEEDING UP THE TEMPO

I am initiating a BUY at \$128.53 on Jazz. The company has proven capacity to push its pipeline project through FDA phases efficiently. Their main field of study is currently oncology, especially Leukemia. I believe that their latest drug to fight leukemia is a market breaker and give Jazz a high growth potential.

#### For the long:

JAZZ

#### <u>1. JZP-258 treatment for narcolepsy:</u>

This narcolepsy medicine is being marketed in the US. This drug is currently used in France and Canada under the name Xyrem. The JZP-258 Is the same principle of action but with a lower quantity of sodium reducing the risk of heart. This will provide an important additional cash flow.

#### 2. Unique selling proposition for leukemia treatment :

Vyxeos belongs to a group of medicines called 'antineoplastics' used in cancer. It contains two active substances, called 'daunorubicin' and 'cytarabine', in the form of tiny particles known as 'liposomes'. These active substances act in different ways to kill cancer cells by stopping them from growing and dividing. I see a lot of growth potential from this drug as the clinical trial shows great efficiency and is unique in its mechanism of action.

#### For the short:

1. Call back of drug:

If the FDA calls one of the drugs produced by Jazz back after suspicion of dangerous side effect, the company will call back products. In this scenario, the company will suffer important losses, which will tank the price <u>2. Market product changes</u>:

If the company were to enact its margin initiatives at a slower pace than I anticipate, it could pose a risk to my estimates.

#### Key Catalysts for price change

- o JZP-258 treatment for narcolepsy
- o JZP-258 application into recombinant.
- o Vyxeo treatment for leukemia

#### Valuation

My \$167.86 price target is derived from Discounted Unlevered Free Cash Flow estimates (75%) and 25% using P/BV

Amneal Pharmaceuticals, Inc.	Ipsen S.A.			
H. Lundbeck A/S Shandong Buchar		ceuticals Co., L		
Market Statistics		Ownership	·	Change in Ownership ("Input"mor
Market Capitalization (mil)	\$7,473.73	Shares outstanding (mil)	57.06	
Last Price per share	\$130.99	Diluted shares outstanding (mil)	61.22	
52 week high	\$184.00	Options and Warrants (Shares equivalent)	1.58	
52-week low	\$113.52	% shares held by institutions	97%	19.79%
Volatility	33.15%	% shares held by investments Managers	79%	0.71%
Daily volume (mil)	0.38	% shares held by hedge funds	8.89%	-2.70%
Short interest	4.10%	% shares held by VC/PE firms	0.442%	0.01%
Days to cover short interest	3.58	% shares held by insiders	2.70%	10.89%
Beta	1.16	Poison Pill Type	FALSE	



# **BJORKLUND** FUND

CENTER FUR OLUD	R GLOBAL FINANCIAL STUDIES			JAZZ				Sunday, April 28, 2019 Pag				Page
Jazz Pharmaceuticals plc			ymbol: JAZZ		Financials							
Analyst			ictor Secco		Profitability	у		JAZZ (LTM)	JAZZ H	listorical	Peers' Median (LTM)	
Buy below			134,28		Return on Ca	•		12.1%	21.92%		14.81%	
Sell above			187.05			BITDA Margin		41.0%	47.87%		31.64%	
Probability of Price Increas	se		6%		Return on Eq	5		17.0%	25.0%		17.4%	
Last Price			130.99		Adjusted Ne			38.3%	34.8%		17.0%	
Intrinsic Value			149.64		Invested Fu			JAZZ (LTM)		listorical	Peers' Median (LTM)	
Target Dividends			0.00							iistoricai		
•					Cash/Capital			10.1%	30.0%		10.6%	
Target Price		ţ	167.86		NWC/Capita			1.8%	3.0%		3.2%	
						Issets/Capital		70.2%	47.0%		54.3%	
Quarterly Earning Surprises	(Actual Vs. Median	Estimates)			Goodwill/Ca			17.9%	19.9%		17.7%	
Revenue				1	Capital Stru			JAZZ (LTM)		listorical	Peers' Median (LTM)	
12/31/2017		-	1.24%		Total Debt//	Market Cap.		0.22	0.15		0.56	
3/31/2018		2	.28%		Reported Co	ost of Borrowi	ng	4.9%			8.0%	
6/30/2018		6	.46%		Cash Interes	st/Total Debt		2.7%			13.0%	
9/30/2018		-	2.84%		CGFS Credit	t Rating		BB			CC	
12/31/2018		<u>3</u>	.63%		Credit Mode	el Rating		۵-			bbb-	
Mean (Standard Error)		1	.66% (1.01%)		Probability o	of Default		0.13%			0.37%	
EBITDA					Cost of Cap	pital						
12/31/2017		-	34.05%					CGFS Credit Rating	Credit N	Aodel Rating	Probability of Default	
3/31/2018		2	38.15%		Implied Cost	t of Borrowing	(JAZZ)	5.2%	4.8%	-	5.6%	
6/30/2018		-	15.93%			t of Borrowing		6.6%	5.6%		8.1%	
9/30/2018			14.61%		<u> </u>	v Debt Estimat		6.0%				
12/31/2018			15.33%			Premium Estir		6.1%				
Mean (Standard Error)		-	.66% (4.12%)		Cost of Equi			12,1%				
Mean (Shandar a Error)		<b>^</b>	.00% (4.12%)		WACC Estim			10.0%				
Valuation					WACE LSIIN	lule		10.0 %				
DCF Valuation	_					_	_					
	Revenues	EBITDA Margin	UFCF	WACC	RO	DIC	Price Per S	Share				
Base Year (Actual)	\$1,890.92	41%	\$427.55	8.76%	12.1	.12%	\$131.73			Constitution A	htuihutian Analusia	
year 1	\$2,067.20	52%	\$688.34	9.98%		.38%	\$148.75		1	Sensitivity A	ttribution Analysis	
year 2 year 3	\$2,321.40 \$2,476.75	53% 56%	\$779.10 \$954.35	10.12% 10.26%		.02% .76%	\$166.48 \$184.96					
year 4	\$2,719.24	61%	\$1,198.09	10.20%		.24%	\$204.02		Revenue	20.0%		
year 5	\$2,457.30	64%	\$1,162.67	10.52%		62%	\$223.47		Г			
year 6	\$2,406.00	65%	\$1 167 92	10.61%	10	4 70/						
year 7	\$2,574.05		\$1,167.83			.17%	\$243.39					
		63%	\$1,202.30	10.70%	9.7	77%	\$263.75		EBITDA	1.9%		
•	\$2,142.00	66%	\$1,202.30 \$1,083.20	10.70% 10.76%	9.7 6.9	77% 93%	\$263.75 \$284.64		EBITDA	1.9%		
year 9			\$1,202.30	10.70%	9.7 6.9 6.4	77%	\$263.75					
year 9 year 10	\$2,142.00 \$2,110.25	66% 69%	\$1,202.30 \$1,083.20 \$1,079.57	10.70% 10.76% 10.82%	9.7 6.9 6.4 4.2	77% 93% 47%	\$263.75 \$284.64 \$306.23		EBITDA CAPEX	1.9% 17.5%		
year 8 year 9 year 10 year 11 year 12	\$2,142.00 \$2,110.25 \$2,005.00 \$1,867.21 \$1,703.69	66% 69% 48% 50% 52%	\$1,202,30 \$1,083,20 \$1,079,57 \$803,94 \$775,58 \$732,48	10.70% 10.76% 10.82% 10.85% 10.89% 10.91%	9.7 6.9 6.4 4.2 3.7 3.1	77% 93% 47% 28% 70% 12%	\$263.75 \$284.64 \$306.23 \$328.69 \$352.47 \$377.74					
year 9 year 10 year 11 year 12 year 13	\$2,142,00 \$2,110,25 \$2,005,00 \$1,867,21 \$1,703,69 \$1,522,38	66% 69% 48% 50% 52% 54%	\$1,202.30 \$1,083.20 \$1,079.57 \$803.94 \$775.58 \$732.48 \$678.05	10.70% 10.76% 10.82% 10.85% 10.89% 10.91% 10.93%	9.7 6.9 6.4 4.2 3.7 3.1 2.5	77% 93% 47% 28% 70% 42% 58%	\$263.75 \$284.64 \$306.23 \$328.69 \$352.47 \$377.74 \$404.75					
year 9 year 10 year 11 year 12 year 13 year 14	\$2,142,00 \$2,110,25 \$2,005,00 \$1,867,21 \$1,703,69 \$1,522,38 \$1,331,67	66% 69% 48% 50% 52% 54% 56%	\$1,202.30 \$1,083.20 \$1,079.57 \$803.94 \$775.58 \$732.48 \$678.05 \$614.48	10.70% 10.76% 10.82% 10.85% 10.89% 10.91% 10.93% 10.95%	9.7 6.9 6.4 4.2 3.7 3.1 2.5 2.0	77% 93% 47% 28% 70% 42% 58% 06%	\$263.75 \$284.64 \$306.23 \$328.69 \$352.47 \$377.74 \$404.75 \$433.79		CAPEX		60.73	6
year 9 year 10 year 11 year 12 year 13 year 14 year 15	\$2,142.00 \$2,110.25 \$2,005.00 \$1,867.21 \$1,703.69 \$1,522.38 \$1,331.67 \$1,139.75	66% 69% 48% 50% 52% 54%	\$1,202.30 \$1,083.20 \$1,079.57 \$803.94 \$775.58 \$732.48 \$678.05 \$614.48 \$542.81	10.70% 10.76% 10.82% 10.85% 10.89% 10.91% 10.93%	9.7 6.9 6.4 4.2 3.7 3.1; 2.5 2.0 1.5	77% 93% 47% 28% 70% 42% 58%	\$263.75 \$284.64 \$306.23 \$328.69 \$352.47 \$377.74 \$404.75		CAPEX Discount		60.75	6
year 9 year 10 year 11	\$2,142,00 \$2,110,25 \$2,005,00 \$1,867,21 \$1,703,69 \$1,522,38 \$1,331,67	66% 69% 48% 50% 52% 54% 56% 57%	\$1,202.30 \$1,083.20 \$1,079.57 \$803.94 \$775.58 \$732.48 \$678.05 \$614.48	10.70% 10.76% 10.82% 10.85% 10.89% 10.91% 10.93% 10.95% 10.96%	9.7 6.9 6.4 4.2 3.7 3.1; 2.5 2.0 1.5 10.1	77% 93% 47% 28% 70% 42% 58% 96%	\$263.75 \$284.64 \$306.23 \$328.69 \$352.47 \$377.74 \$404.75 \$433.79 \$486.11		CAPEX Discount		60.75	6
year 9 year 10 year 11 year 12 year 13 year 13 year 14 year 15 Continuing Period Relative Valuation Multiple	\$2,142,00 \$2,110,25 \$2,005,00 \$1,867,21 \$1,703,69 \$1,522,38 \$1,331,67 \$1,139,75 \$1,168,84 EV/Rev (FW)	66% 69% 48% 50% 52% 54% 56% 56% 57% 41% EV/EBITDA (FW	\$1,202.30 \$1,083.20 \$1,079.57 \$803.94 \$775.58 \$732.48 \$678.05 \$614.48 \$542.81 \$1,674.88	10.70% 10.76% 10.82% 10.85% 10.99% 10.91% 10.95% 10.96% 10.96% 10.97%	9.7 6.9 6.4 4.2 3.7 3.1; 2.5 2.0 1.5; 10.: <b>Ass</b> <b>Rec</b>	77% 93% 47% 28% 70% 58% 96% 99% 97% set Based Vo covery Rate	\$263.75 \$284.64 \$306.23 \$328.69 \$352.47 \$377.74 \$404.75 \$433.79 \$486.11		CAPEX Discount Rate	17.5%	60.79 ionProbability (Upside)	
year 9 year 10 year 11 year 12 year 13 year 14 year 15 Continuing Period Relative Valuation Multiple Median (Peers)	\$2,142.00 \$2,110.25 \$2,005.00 \$1,867.21 \$1,703.69 \$1,522.38 \$1,331.67 \$1,139.75 \$1,168.84 <b>EV/Rev (FW)</b> 3.0×	66% 69% 48% 50% 52% 54% 56% 57% 41% EV/EBITDA (FW 9.0×	\$1,202.30 \$1,083.20 \$1,079.57 \$803.94 \$775.58 \$732.48 \$678.05 \$614.48 \$542.81 \$1,674.88 <b>7 / P/BV (TTM)</b> 2.9x	10.70% 10.76% 10.82% 10.85% 10.99% 10.91% 10.95% 10.96% 10.96% 10.97% <b>P/E (FW)</b> 10.8×	9.7 6.9 6.4 4.2 3.7 3.1; 2.5 2.0 1.5; 1.5; 10.9 6 8 8 8 8 8 8 8 8 8 8 6 9 7 8 9 7 8 9 7 8 9 7 8 9 7 8 9 7 8 9 7 8 9 7 8 9 7 8 9 7 8 9 7 8 9 7 8 9 7 8 9 7 8 9 8 9	77% 93% 47% 28% 70% 12% 58% 96% 99% 99% 99% 997% set Based Vo covery Rate pital	\$263.75 \$284.64 \$306.23 \$328.69 \$352.47 \$377.74 \$404.75 \$403.79 \$486.11 100% \$12,582.27	, 1	CAPEX Discount Rate	17.5%		
year 9 year 10 year 11 year 12 year 13 year 13 year 15 Continuing Period Relative Valuation Multiple Median (Peers) Base	\$2,142.00 \$2,110.25 \$2,005.00 \$1,867.21 \$1,703.69 \$1,522.38 \$1,331.67 \$1,139.75 \$1,168.84 EV/Rev (FW) 3.0× Revenue (NTM)	66% 69% 48% 50% 52% 54% 56% 57% 41% EV/EBITDA (FW 9.0× EBITDA (NTM)	\$1,202.30 \$1,083.20 \$1,079.57 \$803.94 \$775.58 \$732.48 \$678.05 \$614.48 \$542.81 \$1,674.88 \$1,674.88 \$1,674.88 \$1,674.88	10.70% 10.76% 10.82% 10.85% 10.99% 10.91% 10.95% 10.96% 10.96% 10.96% <b>P/E (FW)</b> 10.8× <b>Net Income</b>	9.7 6.9 6.4 4.2 3.7 3.1 1.1 2.5 2.0 1.5 1.5 1.0 1.0 1.0 2 <b>.0</b> 6 <b>.0</b> 2.0 0.0 2 0.0 2 0.0 2 0.0 1.5 1.5 1.5 1.5 2.0 0 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5	77% 33% 47% 28% 70% 58% 58% 56% 99% 99% 99% 99% set Based Vo covery Rate pital tangibles	\$263.75 \$284.64 \$306.23 \$328.69 \$352.47 \$377.74 \$404.75 \$4433.79 \$486.11 <b>Iduation</b> 100% \$12,582.27 \$3,658.96	, 1	CAPEX Discount Rate	17.5%		
year 9 year 10 year 11 year 12 year 13 year 14 year 15 Continuing Period Relative Valuation Multiple Median (Peers) Base JAZZ	\$2,142.00 \$2,110.25 \$2,005.00 \$1,867.21 \$1,703.69 \$1,522.38 \$1,331.67 \$1,139.75 \$1,168.84 <b>EV/Rev (FW)</b> 3.0×	66% 69% 48% 50% 52% 54% 56% 57% 41% EV/EBITDA (FW 9.0×	\$1,202.30 \$1,083.20 \$1,079.57 \$803.94 \$775.58 \$732.48 \$678.05 \$614.48 \$542.81 \$1,674.88 <b>7 / P/BV (TTM)</b> 2.9x	10.70% 10.76% 10.82% 10.85% 10.99% 10.91% 10.95% 10.96% 10.96% 10.97% <b>P/E (FW)</b> 10.8×	9.7 6.9 6.4 4.2 3.7 3.1 1.1 2.5 2.0 1.5 1.5 1.0 1.0 1.0 2 <b>.0</b> 6 <b>.0</b> 2.0 0.0 2 0.0 2 0.0 2 0.0 1.5 1.5 1.5 1.5 2.0 0 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5	77% 93% 47% 28% 70% 12% 58% 96% 99% 99% 99% 997% set Based Vo covery Rate pital	\$263.75 \$284.64 \$306.23 \$328.69 \$352.47 \$377.74 \$404.75 \$403.79 \$486.11 100% \$12,582.27	, 1	CAPEX Discount Rate	17.5%		
year 9 year 10 year 11 year 12 year 13 year 14 year 15 Continuing Period Relative Valuation Multiple Median (Peers) Base JAZZ Implied EV	\$2,142.00 \$2,110.25 \$2,005.00 \$1,867.21 \$1,703.69 \$1,522.38 \$1,331.67 \$1,139.75 \$1,139.75 \$1,139.75 \$1,168.84 EV/Rev (FW) 3.0× Revenue (NTM) \$2,149.38	66% 69% 48% 50% 52% 54% 56% 57% 41% EV/EBITDA (FW 9.0× EBITDA (NTM) \$1,124.48	\$1,202.30 \$1,083.20 \$1,079.57 \$803.94 \$775.58 \$732.48 \$678.05 \$614.48 \$542.81 \$1,674.88 \$1,674.88 \$1,674.88 \$1,674.88	10.70% 10.76% 10.82% 10.85% 10.99% 10.91% 10.95% 10.96% 10.96% 10.96% <b>P/E (FW)</b> 10.8× <b>Net Income</b>	9.7 6.9 6.4 4.2 3.7 3.1 1.1 2.5 2.0 1.5 1.5 1.0 1.0 1.0 2 <b>.0</b> 6 <b>.0</b> 2.0 0.0 2 0.0 2 0.0 2 0.0 1.5 1.5 1.5 1.5 2.0 0 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5	77% 33% 47% 28% 70% 58% 58% 56% 99% 99% 99% 99% set Based Vo covery Rate pital tangibles	\$263.75 \$284.64 \$306.23 \$328.69 \$352.47 \$377.74 \$404.75 \$4433.79 \$486.11 <b>Iduation</b> 100% \$12,582.27 \$3,658.96	, 1	CAPEX Discount Rate	17.5%		
year 9 year 10 year 11 year 12 year 13 year 14 year 15 Continuing Period Relative Valuation Multiple Median (Peers) Base JAZZ Implied EV Total Net Claims Implied EQ	\$2,142.00 \$2,110.25 \$2,005.00 \$1,867.21 \$1,703.69 \$1,522.38 \$1,331.67 \$1,139.75 \$1,168.84 EV/Rev (FW) 3.0× Revenue (NTM) \$2,149.38 \$6,502.36	66% 69% 48% 50% 52% 54% 56% 57% 41% EV/EBITDA (FW 9.0× EBITDA (NTM) \$1,124.48 \$10,159.23	\$1,202.30 \$1,083.20 \$1,079.57 \$803.94 \$775.58 \$732.48 \$678.05 \$614.48 \$542.81 \$1,674.88 \$1,674.88 \$1,674.88 \$1,674.88	10.70% 10.76% 10.82% 10.85% 10.99% 10.91% 10.95% 10.96% 10.96% 10.96% <b>P/E (FW)</b> 10.8× <b>Net Income</b>	9.7 6.9 6.4 4.2 3.7 3.1 1.1 2.5 2.0 1.5 1.5 1.0 1.0 1.0 2 <b>.0</b> 6 <b>.0</b> 2.0 0.0 2 0.0 2 0.0 2 0.0 1.5 1.5 1.5 1.5 2.0 0 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5	77% 33% 47% 28% 70% 58% 58% 56% 99% 99% 99% 99% set Based Vo covery Rate pital tangibles	\$263.75 \$284.64 \$306.23 \$328.69 \$352.47 \$377.74 \$404.75 \$4433.79 \$486.11 <b>Iduation</b> 100% \$12,582.27 \$3,658.96	, 1	CAPEX Discount Rate	17.5%		
year 9 year 10 year 11 year 12 year 13 year 14 year 15 Continuing Period Relative Valuation Multiple Median (Peers) Base JAZZ Implied EV Total Net Claims Implied EQ Valuation Summary	\$2,142.00 \$2,110.25 \$2,005.00 \$1,867.21 \$1,703.69 \$1,522.38 \$1,331.67 \$1,139.75 \$1,168.84 <b>EV/Rev (FW)</b> 3.0× <b>Revenue (NTM)</b> \$2,149.38 \$6,502.36 \$230.03 \$6,272.33	66% 69% 48% 50% 52% 54% 56% 57% 41% EV/EBITDA (FM 9.0× EBITDA (NTM) \$1,124.48 \$10,159.23 \$230.03 \$9,929.20	\$1,202.30 \$1,083.20 \$1,079.57 \$803.94 \$775.58 \$732.48 \$678.05 \$614.48 \$542.81 \$1,674.88 /) P/BV (TTM) 2.9× Book Value (LTM) \$4,704.10	10.70% 10.76% 10.82% 10.85% 10.99% 10.91% 10.95% 10.96% 10.96% 10.97% <b>P/E (FW)</b> 10.8× <b>Net Income</b> \$1,034.06	9.7 6.9 6.4 4.2 3.7 3.1 1.1 2.5 2.0 1.5 1.5 1.0 1.0 1.0 2 <b>.0</b> 6 <b>.0</b> 2.0 0.0 2 0.0 2 0.0 2 0.0 1.5 1.5 1.5 1.5 2.0 0 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5	77% 93% 47% 28% 70% 22% 88% 99% 99% 99% 99% 99% 99% 99% 06% 59% 99% 99% 99% 99% 90% 10% 10% 10% 10% 10% 10% 10% 10% 10% 1	\$263.75 \$284.64 \$306.23 \$328.69 \$352.47 \$377.74 \$404.75 \$433.79 \$486.11 100% \$12.582.27 \$3,658.96 \$3,972.89 \$4,950.42	, 1	CAPEX Discount Rate	17.5%		
year 9 year 10 year 11 year 12 year 13 year 14 year 15 Continuing Period Relative Valuation Multiple Median (Peers) Base JAZZ Implied EV Total Net Claims Implied EQ Valuation Summary Model	\$2,142.00 \$2,110.25 \$2,005.00 \$1,867.21 \$1,703.69 \$1,522.38 \$1,331.67 \$1,139.75 \$1,168.84 <b>EV/Rev (FW)</b> 3.0× <b>Revenue (NTM)</b> \$2,149.38 \$6,502.36 \$230.03 \$6,272.33 <b>Intrin</b>	66% 69% 48% 50% 52% 54% 56% 57% 41% EV/EBITDA (FM 9.0× EBITDA (NTM) \$1,124.48 \$10,159.23 \$230.03 \$9,929.20	\$1,202.30 \$1,083.20 \$1,079.57 \$803.94 \$775.58 \$732.48 \$678.05 \$614.48 \$542.81 \$1,674.88 <b>/)</b> P/BV (TTM) 2.9× Book Value (LTM) \$4,704.10	10.70% 10.76% 10.82% 10.85% 10.99% 10.91% 10.95% 10.96% 10.97% <b>P/E (FW)</b> 10.8× <b>Net Income</b> \$1,034.06	9.7 6.9 6.4 4.2 3.7 3.1 1.1 2.5 2.0 1.5 1.5 1.0 1.0 1.0 2 <b>.0</b> 6 <b>.0</b> 2.0 0.0 2 0.0 2 0.0 2 0.0 1.5 1.5 1.5 1.5 2.0 0 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5	77% 33% 47% 88% 70% 12% 58% 58% 56% 99% 99% 99% 99% 99% 99% 99% 99% 99% 9	\$263.75 \$284.64 \$306.23 \$328.69 \$352.47 \$377.74 \$404.75 \$433.79 \$486.11 100% \$12,582.27 \$3,658.96 \$3,972.89 \$4,950.42 \$4,950.42	, 1	CAPEX Discount Rate	17.5%		
year 9 year 10 year 11 year 12 year 13 year 14 year 15 Continuing Period Relative Valuation Multiple Median (Peers) Base JAZZ Implied EV Total Net Claims Implied EQ Valuation Summary Model DCF Valuation	\$2,142.00 \$2,110.25 \$2,005.00 \$1,867.21 \$1,703.69 \$1,522.38 \$1,331.67 \$1,139.75 \$1,168.84 <b>EV/Rev (FW)</b> 3.0× <b>Revenue (NTM)</b> \$2,149.38 \$6,502.36 \$230.03 \$6,272.33 <b>Intrin</b> \$	66% 69% 48% 50% 52% 54% 56% 57% 41% EV/EBITDA (FM 9.0× EBITDA (NTM) \$1,124.48 \$10,159.23 \$230.03 \$9,929.20	\$1,202.30 \$1,083.20 \$1,079.57 \$803.94 \$775.58 \$732.48 \$678.05 \$614.48 \$542.81 \$1,674.88 // P/BV (TTM) 2.9× Book Value (LTM) \$4,704.10 \$13,715.74	10.70% 10.76% 10.82% 10.85% 10.99% 10.91% 10.95% 10.96% 10.96% 10.97% <b>P/E (FW)</b> 10.8× <b>Net Income</b> \$1,034.06	9.7 6.9 6.4 4.2 3.7 3.1 1.1 2.5 2.0 1.5 1.5 1.0 1.0 1.0 2 <b>.0</b> 6 <b>.0</b> 2.0 0.0 2 0.0 2 0.0 2 0.0 1.5 1.5 1.5 1.5 2.0 0 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5	77% 33% 47% 28% 70% 58% 58% 56% 59% 97% sset Based Vo covery Rate pital tangibles nims V 7	\$263.75 \$284.64 \$306.23 \$328.69 \$352.47 \$377.74 \$404.75 \$433.79 \$486.11 100% \$12.582.27 \$3,658.96 \$3,972.89 \$4,950.42	, 1	CAPEX Discount Rate	17.5%		
year 9 year 10 year 11 year 12 year 13 year 13 year 15 Continuing Period Relative Valuation Multiple Median (Peers) Base JAZZ Implied EV Total Net Claims Implied EQ Valuation Summary Model DCF Valuation EV/Rev (FW)	\$2,142.00 \$2,110.25 \$2,005.00 \$1,867.21 \$1,703.69 \$1,522.38 \$1,331.67 \$1,139.75 \$1,168.84 <b>EV/Rev (FW)</b> 3.0× <b>Revenue (NTM)</b> \$2,149.38 \$6,672.33 <b>EV/Rev (FW)</b> 3.0× <b>Revenue (NTM)</b> \$2,149.38 \$6,272.33	66% 69% 48% 50% 52% 56% 56% 57% 41% EV/EBITDA (FM 9.0× EBITDA (NTM) \$1,124.48 \$10,159.23 \$230.03 \$9,929.20 msic Value 131.73	\$1,202.30 \$1,083.20 \$1,079.57 \$803.94 \$775.58 \$732.48 \$678.05 \$614.48 \$542.81 \$1,674.88 // P/BV (TTM) 2.9× Book Value (LTM) \$4,704.10 \$13,715.74	10.70% 10.76% 10.82% 10.85% 10.99% 10.91% 10.93% 10.95% 10.96% 10.96% 10.97% P/E (FW) 10.8× Net Income \$11,034.06 \$11,133.91 yet Price 148.75	9.7 6.9 6.4 4.2 3.7 3.1 1.1 2.5 2.0 1.5 1.5 1.0 1.0 1.0 2 <b>.0</b> 6 <b>.0</b> 2.0 0.0 2 0.0 2 0.0 2 0.0 1.5 1.5 1.5 1.5 2.0 0 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5	77% 33% 47% 28% 70% 58% 58% 56% 56% 59% 59% set Based Vo covery Rate pital tangibles mims	\$263.75 \$284.64 \$306.23 \$328.69 \$352.47 \$404.75 \$4433.79 \$486.11 100% \$12,582.27 \$3,658.96 \$3,972.89 \$4,950.42 <b>/eight</b> 5.00%	, , ,	CAPEX Discount Rate	17.5% alue Distribut	ionProbability (Upside)	=96%
year 9 year 10 year 11 year 12 year 13 year 14 year 15 Continuing Period Relative Valuation Multiple Median (Peers) Base JAZZ Implied EV Total Net Claims Implied EQ Valuation Summary Model DCF Valuation EV/Rev (FW) EV/EBITDA (FW) P/BV (TTM)	\$2,142.00 \$2,110.25 \$2,005.00 \$1,867.21 \$1,703.69 \$1,522.38 \$1,331.67 \$1,139.75 \$1,168.84 EV/Rev (FW) 3.0x Revenue (NTM) \$2,149.38 \$6,502.36 \$230.03 \$6,272.33 Intriv \$ \$ \$	66% 69% 48% 50% 52% 54% 56% 57% 41% EV/EBITDA (FW 9.0× EBITDA (NTM) \$1,124.48 \$10,159.23 \$230.03 \$9,929.20 msic Value 131.73 \$99.87 158.10 218.39	\$1,202.30 \$1,083.20 \$1,079.57 \$803.94 \$775.58 \$732.48 \$678.05 \$614.48 \$542.81 \$1,674.88 <b>/) P/BV (TTM)</b> 2.9× <b>Book Value (LTM)</b> \$4,704.10 <b>\$13</b> ,715.74	10.70% 10.76% 10.82% 10.85% 10.99% 10.91% 10.95% 10.96% 10.96% 10.96% 10.96% 10.96% 10.97% P/E (FW) 10.8× Net Income \$1,034.06 \$11,133.91 et Price 148.75 109.84 173.88 240.19	9.7 6.9 6.4 4.2 3.7 3.1 1.1 2.5 2.0 1.5 1.5 1.0 1.0 1.0 2 <b>.0</b> 6 <b>.0</b> 2.0 0.0 2 0.0 2 0.0 2 0.0 1.5 1.5 1.5 1.5 2.0 0 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5	77% 33% 47% 28% 70% 58% 58% 56% 99% 97% Seet Based Vo covery Rate pital tangibles aims V 7 ( ( 2 2 2 2 2 2 2 2 2 2 2 2 2	\$263.75 \$284.64 \$306.23 \$328.69 \$352.47 \$377.74 \$404.75 \$433.79 \$486.11 100% \$12,582.27 \$3,658.96 \$3,972.89 \$4,950.42 \$4,950.42 \$4,950.42 \$2,00% \$0.0% \$0.0% \$0.0% \$0.0%	, , ,	CAPEX Discount Rate	17.5% alue Distribut	ionProbability (Upside)	=96%
year 9 year 10 year 11 year 12 year 13 year 14 year 15 Continuing Period Relative Valuation	\$2,142.00 \$2,110.25 \$2,005.00 \$1,867.21 \$1,703.69 \$1,522.38 \$1,331.67 \$1,139.75 \$1,139.75 \$1,139.75 \$1,139.75 \$1,139.75 \$3.0x <b>Revenue (NTM)</b> \$2,149.38 \$6,502.36 \$230.03 \$6,272.33 <b>Intrin</b> \$ \$ \$	66% 69% 48% 50% 52% 54% 56% 57% 41% EV/EBITDA (FW 9.0× EBITDA (NTM) \$1,124.48 \$10,159.23 \$230.03 \$9,929.20 msic Value 131.73 i99.87 158.10	\$1,202.30 \$1,083.20 \$1,079.57 \$803.94 \$775.58 \$732.48 \$678.05 \$614.48 \$542.81 \$1,674.88 7 7 7 8 8 9 7 7 8 8 9 7 7 8 8 9 7 8 9 7 8 9 7 7 8 8 9 7 7 8 8 7 7 8 8 7 7 8 7 8	10.70% 10.76% 10.82% 10.85% 10.99% 10.91% 10.93% 10.95% 10.96% 10.96% 10.97% P/E (FW) 10.8× Net Income \$1,034.06 \$11,133.91 ret Price 148.75 109.84 173.88	9.7 6.9 6.4 4.2 3.7 3.1 1.1 2.5 2.0 1.5 1.5 1.0 1.0 1.0 2 <b>.0</b> 6 <b>.0</b> 2.0 0.0 2 0.0 2 0.0 2 0.0 1.5 1.5 1.5 1.5 2.0 0 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5	77% 33% 47% 28% 70% 12% 58% 06% 99% 99% 99% set Pased Va covery Rate pital tangibles aims V 0 ( 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	\$263.75 \$284.64 \$306.23 \$328.69 \$352.47 \$377.74 \$404.75 \$433.79 \$486.11 100% \$12,582.27 \$3,658.96 \$3,972.89 \$4,950.42 \$4,950.42 \$4,950.42	, , ,	CAPEX Discount Rate	17.5% alue Distribut	ionProbability (Upside)	