



April 27, 2021

## RBC Capital Markets U.S. Small Cap Growth Idea List April Update

RBC Capital Markets US Research is updating its Small Cap Growth Idea list. This is a quarterly list of our highest conviction Small Cap Growth recommendations. The list is an opportunity to highlight companies that have either an attractive normalized growth story or strong durable growth characteristics. We feature companies with market capitalizations below \$5 billion (as of joining the list), and a minimum average daily trading value of \$10 million.

Our updated list includes four software names: **JAMF Holdings**, **SailPoint**, **Rapid7**, and **Olo**, a new addition, given our bullish view on the company's opportunity to consolidate spend in the up to \$40 B global on-demand restaurant commerce market. Rounding out technology is **Rackspace Technology**, an end-to-end multicloud technology services provider that advises on, designs, builds, operates, and optimizes its customers' cloud environments. In biotech we add **Intra-Cellular Therapies** where we model >\$600M in out-year worldwide revenues for Caplyta in schizophrenia, a clean and potentially differentiated label—particularly on safety. We also add **Sarepta** where we see the company's best-in-class therapies for both Duchenne and limb girdle muscular dystrophy, as a combined multi-billion dollar opportunity. **Dicerna**, **Global Blood Therapeutics**, and **Pacira Biosciences** remain high conviction biopharma ideas. In healthcare technology, we add **OptimizeRX**, a leading digital communications solutions platform helping life sciences companies to optimize the growing proportion of S&M spend being directed through digital channels. **Tabula Rasa** remains on the list for its growth in IT solutions aimed at reducing the financial and medical burdens of adverse drug events. **SelectQuote** also remains, an attractive play on the aging U.S. demographic and growing penetration of Medicare Advantage, but without any medical underwriting exposure. In Financials, joining **Goosehead Insurance** on the list, we add specialty insurer **Kinsale Capital Group** whose technology platform positions the company to better serve its distribution partners and in turn drives its opportunity to profitably increase market share within focused customer segments. Permian Basin operator **Matador Resources** adds energy exposure to the list, a name we have conviction in given its strong operating track record, high core acreage concentration and ability to generate economic growth rates averaging 5-10% while generating FCF. We remove Agios Pharmaceuticals, American Eagle, Shift4, and STAG Industrial given recent performance has moved closer to our current price targets.

**Additions (6):** Intra-Cellular Therapies, Kinsale Capital Group, Matador Resources, Olo, OptimizeRx, Sarepta

**Deletions (5):** Agios Pharmaceuticals, American Eagle, Shift4, STAG Industrial, Varonis

### Exhibit 1 - RBC Capital Markets Small Cap Growth Idea List

Company	Pricing Symbol	Analyst	Rating	Trading Currency	Closing Price (04/26/2021)	Market Cap (MM)	Price Target	Dividend Yield (%)	Implied All-in Return (%)
Intra-Cellular Therapies, Inc.	ITCI US	Brian Abrahams	Outperform	USD	33.13	2,896	44.00	0.0	32.8
Sarepta Therapeutics, Inc.	SRPT US	Brian Abrahams	Outperform	USD	73.30	5,717	133.00	0.0	81.5
Pacira Biosciences, Inc.	PCRX US	Daniel Busby	Outperform	USD	64.67	2,755	86.00	0.0	33.0
OptimizeRx Corporation	OPRX US	Sean Dodge	Outperform	USD	51.16	921	65.00	0.0	27.1
Tabula Rasa HealthCare, Inc.	TRHC US	Sean Dodge	Outperform	USD	44.00	990	70.00	0.0	59.1
Goosehead Insurance Inc	GSHD US	Mark Dwelle	Outperform	USD	108.68	3,945	177.00	0.0	62.9
Kinsale Capital Group, Inc.	KNSL US	Mark Dwelle	Outperform	USD	175.72	4,059	235.00	0.3	34.0
Matador Resources Company	MTDR US	Scott Hanold	Outperform	USD	24.71	2,885	26.00	0.4	5.6
Jamf Holding Corp.	JAMF US	Matthew Hedberg	Outperform	USD	37.36	4,573	49.00	0.0	31.2
Olo Inc.	OLO US	Matthew Hedberg	Outperform	USD	30.02	5,584	35.00	0.0	16.6
Rapid7, Inc.	RPD US	Matthew Hedberg	Outperform	USD	87.39	4,806	110.00	0.0	25.9
SailPoint Technologies Holdings, Inc.	SAIL US	Matthew Hedberg	Outperform	USD	52.61	4,814	71.00	0.0	35.0
Dicerna Pharmaceuticals, Inc.	DRNA US	Luca Issi	Outperform *	USD	29.37	2,173	35.00	0.0	19.2
SelectQuote Inc	SLQT US	Frank Morgan	Outperform	USD	31.01	5,045	33.00	0.0	6.4
Rackspace Technology Inc	RXT US	Daniel R. Perlin	Outperform	USD	24.93	5,158	29.00	0.0	16.3
Global Blood Therapeutics, Inc.	GBT US	Gregory Renza	Outperform	USD	43.42	2,683	75.00	0.0	72.7

Note: \*Denotes Speculative Risk

Source: RBC Capital Markets estimates, Bloomberg

Priced as of market close on April 26, 2021, unless otherwise indicated.  
All values in USD unless otherwise noted.

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## Changes to the list

### Recurring names

Company	Pricing Symbol	Analyst	Rating	Trading Currency	Closing Price (04/26/2021)	Price Target	Added to the List
Dicerna Pharmaceuticals, Inc.	DRNA US	Luca Issi	Outperform *	USD	29.37	35.00	02/03/2021
Global Blood Therapeutics, Inc.	GBT US	Gregory Renza	Outperform	USD	43.42	75.00	02/03/2021
Goosehead Insurance Inc	GSHD US	Mark Dwelle	Outperform	USD	108.68	177.00	02/03/2021
Jamf Holding Corp.	JAMF US	Matthew Hedberg	Outperform	USD	37.36	49.00	10/13/2020
Pacira Biosciences, Inc.	PCRX US	Daniel Busby	Outperform	USD	64.67	86.00	04/08/2020
Rackspace Technology Inc	RXT US	Daniel R. Perlin	Outperform	USD	24.93	29.00	10/13/2020
Rapid7, Inc.	RPD US	Matthew Hedberg	Outperform	USD	87.39	110.00	02/03/2021
SailPoint Technologies Holdings, Inc.	SAIL US	Matthew Hedberg	Outperform	USD	52.61	71.00	04/08/2020
SelectQuote Inc	SLQT US	Frank Morgan	Outperform	USD	31.01	33.00	02/03/2021
Tabula Rasa HealthCare, Inc.	TRHC US	Sean Dodge	Outperform	USD	44.00	70.00	07/08/2020

Note: \*Denotes Speculative Risk  
Source: RBC Capital Markets estimates, Bloomberg

### Additions to the U.S. Small Cap Growth Idea List

Company	Pricing Symbol	Analyst	Rating	Trading Currency	Closing Price (04/26/2021)	Price Target	Added to the List
Intra-Cellular Therapies, Inc.	ITCI US	Brian Abrahams	Outperform	USD	33.13	44.00	04/27/2021
Kinsale Capital Group, Inc.	KNSL US	Mark Dwelle	Outperform	USD	175.72	235.00	04/27/2021
Matador Resources Company	MTDR US	Scott Hanold	Outperform	USD	24.71	26.00	04/27/2021
Olo Inc.	OLO US	Matthew Hedberg	Outperform	USD	30.02	35.00	04/27/2021
OptimizeRx Corporation	OPRX US	Sean Dodge	Outperform	USD	51.16	65.00	04/27/2021
Sarepta Therapeutics, Inc.	SRPT US	Brian Abrahams	Outperform	USD	73.30	133.00	04/27/2021

Source: RBC Capital Markets estimates, Bloomberg

### Deletions from the U.S. Small Cap Growth Idea List

Company	Pricing Symbol	Analyst	Rating	Trading Currency	Closing Price (04/26/2021)	Price Target	Added to the list	Removed from the list
Agios Pharmaceuticals, Inc.	AGIO US	Kennen MacKay	Outperform	USD	56.11	59.00	04/08/2020	04/27/2021
American Eagle Outfitters, Inc.	AEO US	Beth Reed	Outperform	USD	35.53	37.00	02/03/2021	04/27/2021
Shift4 Payments, Inc.	FOUR US	Daniel R. Perlin	Outperform	USD	101.01	86.00	07/08/2020	04/27/2021
STAG Industrial, Inc.	STAG US	Michael Carroll	Outperform	USD	36.35	36.00	04/08/2020	04/27/2021
Varonis Systems, Inc.	VRNS US	Matthew Hedberg	Outperform	USD	57.19	72.00	07/08/2020	04/27/2021

Source: RBC Capital Markets estimates, Bloomberg

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## Investment Summaries – Technology

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## Jamf Holding Corp. (NASDAQs: JAMF)

Matthew Hedberg (Analyst)

(612) 313-1293

[matthew.hedberg@rbccm.com](mailto:matthew.hedberg@rbccm.com)

**Rating: Outperform**

**Closing Price: \$37.36**

**Price Target: \$49.00**

**Implied All-in Return: 31.2%**

**Most recent company note: [link](#)**

### Investment summary

**We see Jamf's primary mission as being to help organizations succeed with Apple.** As the standard in Apple enterprise management, we think Jamf is in a strong position to leverage the growing preference for Apple in the enterprise. In addition to a TAM that is likely to expand more quickly than previously expected in a post-COVID world, the company's financial profile is unique given rapid growth and high profitability.

**Apple innovation has transformed the technology landscape.** What started off as a consumer revolution to Apple devices has steadily made its way to the enterprise. As such, there has been a substantial share shift in operating system usage since 2009, with iOS representing 32% of Internet traffic in the US and macOS 12%, for a total of 43%, which is significantly higher than Windows at 31%. To put that into perspective, in 2009 Windows-based devices drove 88% of Internet traffic vs. iOS at 1% and macOS at 10%. Jamf currently manages over 17 million Apple Devices for over 40,000 customers in over 100 countries.

**Expanding the TAM.** The company has provided a bottom-up estimate of \$10.3 billion TAM in 2019, growing at a CAGR of 17.8% to \$23.4 billion by 2024.

### Potential growth catalysts:

- A growing acceptance of Mac and iOS in the enterprise (see IBM example).
- Growing preference for BYOD.
- Consumerization of IT.
- Shifting demographics in the workforce to Millennials.
- COVID changes everything as enterprises and employees re-think the value/importance of WFH.
- The launch of additional Apple products or ability to monetize the Apple Watch.
- Vertical specific tailwinds in education from e-learning and healthcare from telehealth.

### Valuation

Our \$49 price target is based on shares trading at 17.5x CY/21E EV/S and 14.5x CY/22E EV/S. This is a slight premium to similar growing SaaS peers on both CY/21E and CY/22E, which we think is warranted due to a unique investment opportunity, potential conservatism to our published estimates, and ESG characteristics. Revenue growth for Jamf in 2019 was 39%. If ARR growth in 2021 were to stay at +30% vs. our current estimate of 27%, one could argue for additional multiple expansion based on peers. Our price target supports an Outperform rating.

### Risks to rating and price target

Risks to our price target and rating could include changes in the macro environment including COVID-19 that could continue on longer than expected, moderating IT spending, a change to Jamf's relationship with Apple, changes in renewal rates, or should acceptance of the company's products change relative to new entrants and established competitors.

## Olo Inc. (NYSE: OLO)

Matthew Hedberg (Analyst)

(612) 313-1293

[matthew.hedberg@rbccm.com](mailto:matthew.hedberg@rbccm.com)

**Rating: Outperform**

**Closing Price: \$30.02**

**Price Target: \$35.00**

**Implied All-in Return: 16.6%**

**Most recent company note: [link](#)**

### Investment summary

**We believe Olo is well positioned to capitalize on a post-COVID push for off-premise dining and multi-channel ordering in a TAM that could be +\$40B.** We believe Olo's SaaS restaurant e-commerce platform is well positioned to benefit from a changing restaurant landscape, as more customers utilize online ordering and off-premise dining options like delivery, take-out and drive-up, which accelerated during COVID. We believe Olo has a unique opportunity to help restaurants: 1) drive efficiencies and simplify restaurant operations through integrations with marketplaces, POS and legacy systems; 2) utilize data to perform analytics on customers' buying patterns and customize offerings; and 3) reduce the reliance on third-party marketplaces (like UberEats, Doordash, etc.) for delivery and online ordering and improve margins by eliminating/reducing large commissions paid to these marketplaces. While there remains a large underpenetrated restaurant opportunity domestically, we believe that longer term, expansion into other verticals like grocery chains and convenience stores as well as international markets could further expand their TAM.

### Potential growth catalysts

- Popularity of off-premise dining options accelerated by COVID.
- Increase in the complexity of restaurant operations, given the backdrop of multi-channel ordering including online, phone, mobile apps, in-person or through kiosks.
- Heavy reliance on marketplaces for delivery/ordering, which could drive the restaurants to consider other options.
- Increasing utilization of technology in the restaurant industry to drive efficiencies and stay competitive.
- International expansion, expansion into SMB restaurants and expansion through new products around payment (Olo Pay), on-premise dining and data analytics.

### Valuation

We calculate our base-case price target of \$35 by applying a 33.5x multiple to our CY/22 revenue estimate. Our target multiple is a premium to +30% growing (based on CY/21E) SaaS peers at 22.7x CY/22E EV/S, in our view warranted due to the potential for upside to estimates, better profitability and a large and expanding TAM. Our price target supports our Outperform rating.

### Risks to rating and price target

- The risk a customer chooses to DIY vs leveraging Olo.
- Impact from COVID-19, given the impact on the restaurants.
- Reliance on partnerships with aggregators and DSPs, which could become competitive.
- Lower transaction fees, as in-person dining returns.
- Loss of large customer (one customer ~21% of revenues).
- Business is dependent on the ability to land new customers and retain and expand within the base.

## Rackspace Technology Inc. (NASDAQ: RXT)

Daniel Perlin (Analyst)  
(410) 625-6130  
[daniel.perlin@rbccm.com](mailto:daniel.perlin@rbccm.com)

**Rating: Outperform**  
**Closing Price: \$24.93**  
**Price Target: \$29.00**  
**Implied All-in Return: 16.3%**  
**Most recent company note: [link](#)**

### Investment summary

Our positive thesis on RXT shares is rooted in a belief that current valuation only gives credit to where the company is today in its transition, but does not underwrite the positive mix shifts that are occurring in the underlying business.

Our thesis is predicated on three key points: 1) the strategic shift to multicloud managed services drives improving growth and ultimately better margins long term; 2) its business is tethered to a large addressable growth market, which should support its growth agenda; and 3) the positive mix shift dynamics in its financial model should support a higher valuation as the company continues to effectuate its strategic shift.

Although the strategic shift has largely been structurally consummated, we believe the financial model, which has two layers of mix shift, has several years before hitting a cross-over point, whereby both revenues and margins can expand concurrently. Nevertheless, we believe as the financial model transition continues to produce results, as illustrated by the early proof-points in bookings and sales growth, we believe the stock can re-rate higher to fit a superior growth model.

### Valuation

Our price target of \$29 is ~11x our FY22 EV/EBITDA estimate, a discount to peers. We believe the current multiple discount vs. peers is a function of RXT being relatively early in its transition to multicloud managed services, and as additional proof-points emerge over the next several quarters we believe the multiple can begin to converge closer to peers. Our price target supports our Outperform rating.

### Risks to rating and price target

We believe there are three broad risk categories: (1) the strategic mix shift to multicloud managed services vs. its legacy OpenStack business is crucial to achieving the company's growth forecasts and any such disruption/delay could materially impact revenues and adjusted EBITDA; (2) the inability to move upstream to larger enterprise clients from its historically focused SMB portfolio could cause estimates to adjust lower; and (3) the company carries a fair amount of leverage, as defined by net-debt-to-TTM EBITDA, which can reduce financial flexibility.

## Rapid7 Inc. (NASDAQ: RPD)

Matthew Hedberg (Analyst)

(612) 313-1293

[matthew.hedberg@rbccm.com](mailto:matthew.hedberg@rbccm.com)

**Rating: Outperform**

**Closing Price: \$87.39**

**Price Target: \$110.00**

**Implied All-in Return: 25.9%**

**Most recent company note: [link](#)**

### Investment summary

#### High-level investment thesis

Rapid7 is a cyber-security vendor with a unique data- and analytics-driven approach to SecOps. Its value proposition is to utilize massive amounts of data collected from the network and endpoints to drive automation and productivity to help customers proactively prevent security breaches. ARR growth is the key metric, and management expects it to remain at or above 20% through 2022.

We are confident about the opportunity in the core-VM market, which is currently over half of the business, with above market growth rates, consistent competitive win rates and minimal pricing pressure while longer-term success in IDR, AppSec and Connect should drive a unique position in the DevSecOps market.

The company has multiple product drivers over multiple years that should help sustain durable growth and measured operating margin expansion. Currently base growth is via VM with IDR providing higher levels of growth that longer term should be buoyed by AppSec and Connect. The company is looking for ARR to grow at 20%+ through 2022 with 200–300 bps of annual margin expansion expected with ARR growth in the low- to mid-20% range, 100–200 bps of annual margin expansion with ARR growth in the mid- to high-20% range, and <100 bps of annual margin expansion with ARR growth >30%.

#### Potential catalysts

1) Acceleration of new customer additions; 2) increasing dollar renewal rates; 3) increased focus on leveraging data analytics with a growing security-risk landscape (i.e., differentiating Rapid7 from other VM vendors); 4) additional channel investments and international expansion; and 5) potential from IDR, AppSec and Connect.

#### Potential take-out candidate

While we do not have any knowledge of a transaction, given the strategic nature of its solutions, we believe Rapid7 could be one of the more attractive acquisition candidates in security and could be a nice fit for a larger security or IT infrastructure vendor.

#### Where we could be wrong

1) Increased competition in a highly fragmented market; 2) security stocks could go out of favor; 3) the company is running near break-even; 4) a decline in renewal rates could adversely affect growth; and 5) COVID-19 could impact company operations or customer demand.

#### Valuation

We calculate our base-case price target of \$110 using an 11.7x CY/22E EV/S multiple. This is in line with security peers, which we believe is reasonable with an above-average growth rate but less profitability. Our price target supports an Outperform rating.

#### Risks to rating and price target

Risks to our price target and rating could include changes in the macro environment including COVID-19 that could continue on longer than expected, moderating IT spending, limited operating history, or should acceptance of the company's products change.

## SailPoint Technologies Holdings, Inc. (NYSE: SAIL)

Matthew Hedberg (Analyst)

(612) 313-1293

[matthew.hedberg@rbccm.com](mailto:matthew.hedberg@rbccm.com)

**Rating: Outperform**

**Closing Price: \$52.61**

**Price Target: \$71.00**

**Implied All-in Return: 35.0%**

**Most recent company note: [link](#)**

### Investment summary

**Large and growing market opportunity that is underpenetrated:** We believe the company targets \$10B in TAM. Its biggest opportunity is the \$8.8B Identity and Access Management (IAM) market, growing at an estimated 11% through 2020, where it is a market leader competing with CA, IBM, and Oracle which still control the majority of market share but next-gen solutions like Predictive Identity could accelerate share shift. The other is the \$1.2B Data Access Management (DAG) market, growing at an estimated 20% rate. Of the ~80K target customers, ~65K are located in countries where SailPoint has customers today and, as a result, we believe it remains penetrated at only ~1% of potential customers as international continues to be an opportunity. We believe SailPoint is well positioned for the fastest expanding areas of its TAM; with its mix-shift toward SaaS and Predictive Identity Platform, they could benefit from trends toward more remote workers, a dissolving network perimeter, increasing endpoints and the complexity of hybrid environments. Additionally, in a world post COVID-19 that likely moves towards SaaS at a quicker pace, we believe SailPoint could be in a good position to help CIOs with an increasing governance risk for app usage and access.

**Increasing regulatory pressures:** New and evolving regulations and compliance standards for cyber security, data protection, privacy, and internal IT controls are often created in response to the tide of cyber attacks and will likely increasingly impact organizations. Existing regulatory standards require that organizations implement internal controls for user access to applications and data. In addition, data breaches are driving a new wave of regulation similar to GDPR, with stricter enforcement and higher penalties, such as the California Consumer Privacy Act.

### Valuation

Our base-case price target of \$71 assumes shares trade at 14x CY/22E EV/S, which to us is a fair multiple for the company's revenue growth rate and is essentially in line with security peers and below the range for faster growing security peers. Our price target supports an Outperform rating.

### Risks to rating and price target

Risks to our price target and rating could include 1) a large portion of revenue is still license-based, which can have more volatility than SaaS-based models; 2) as they transition to more SaaS revenue, execution will be key; 3) larger and more diverse legacy vendors such as IBM, CA, or ORCL, or smaller-adjacent peers such as OKTA, VRNS, and CYBR could slow sales cycles; 4) the potential for increased macro pressure particularly on the license-based on-premise portion of the business in a weakening macro environment potentially impacted by, among other things, COVID-19.

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## Investment Summaries – Biopharma

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## Dicerna Pharmaceuticals Inc. (NASDAQ: DRNA)

Luca Issi (Analyst)

(212) 266-4089

[luca.issi@rbccm.com](mailto:luca.issi@rbccm.com)

**Rating: Outperform, Speculative Risk**

**Closing Price: \$29.37**

**Price Target: \$35.00**

**Implied All-in Return: 19.2%**

**Most recent company note: [link](#)**

### Investment summary

**De-risked technology, differentiated pipeline and undemanding valuation** – We believe the current stock price substantially underappreciates: 1) a de-risked technology (RNAi has been shown safe/effective in multiple indications and ALNY charting a path to a top-5 Biotech company serves as a nice tailwind), 2) a differentiated pipeline (potential for best in class for PH/HBV and an overlooked opportunity in A1AT), and 3) an undemanding valuation at a 10x discount vs ALNY.

**Potential best in class for primary hyperoxaluria** – We view nedosiran as best in class given: 1) broader commercial opportunity (DRNA can tackle all PH subtypes, ALNY only PH1), 2) superior dosing (fixed-monthly vs ALNY's weight-based loading/maintenance), and 3) directionally superior efficacy (more patients achieved a more stringent definition of near normalization vs ALNY). Pivotal data is expected in mid-2021 and we like risk/reward given data seen to date and a \$500m+ revenue opportunity.

**Differentiated profile and \$500m peak royalty opportunity for HBV** – We think HBV program (partnered with Roche) has a differentiated profile given sAg reductions on par with ARWR/JNJ but a longer duration of effect. While path to approval remains a key topic of debate, we believe RNAi will ultimately be the backbone of therapy that cures HBV (only therapy to date to substantially knock down sAg) and see \$500m peak royalty opportunity for DRNA. We think program was partnered on favorable economics and like that DRNA may opt back in post Phase II for enhanced royalties.

**DRNA could be the runner-up for A1AT, an indication that unlocked \$4b value/\$1b partnership for ARWR** – DRNA is moving forward with their internally developed asset belcesiran and we believe the program is being overlooked by the Street as DRNA can be the runner-up for an indication that: 1) unlocked \$4b in value for ARWR upon POC in just 4 patients, 2) allowed ARWR to partner the asset for \$1b+ with TAK and 3) is a large indication (~50k in the US) where we think RNAi and correctors (VRTX) can co-exist.

**Key Upcoming Catalysts** – 1) Pivotal data for PH (mid-21), 2) disclosure of novel first-in-class target for a large indication (mid-21), 3) NDA filing for PH (3Q21) and 4) further updates on HBV and A1AT.

### Valuation

Our base case DCF-derived valuation of \$35 is based on PoS adjusted NPV of PH1 (85% PoS, ~\$350m peak sales), PH2 (85% PoS, ~\$300m peak sales), PH3 (65% PoS, ~\$150m peak sales), HBV (25% PoS, ~\$500m peak royalties from Roche) and A1AT (20% PoS, ~\$1b peak sales). We utilize a 10% discount rate (same for all stocks in our coverage and in line with SMid-cap Biotech) and 0% terminal growth rate (with a 0-2% range applied to our coverage depending on the relative maturity of the platform). This PT supports our Outperform rating and we assign a Speculative Risk qualifier given unpredictability of future revenues and expenses, non-revenue generating status, and stock price volatility that could result in substantial upside/downside swings not anticipated in our valuation.

### Risks to rating and price target

Risks include clinical program execution (HBV, PH1, A1AT), regulatory uncertainties, intellectual property risk, failure to demonstrate sustained efficacy in trials, potential emergence of a safety signal, competition (lumasiran, ARO-HBV), and long-term pricing pressure in the space. The ongoing COVID-19 pandemic may disrupt or delay clinical, commercial and regulatory execution.

## Global Blood Therapeutics, Inc. (NASDAQ: GBT)

Gregory Renza (Analyst)  
(212) 858-7065  
[gregory.renza@rbc.com](mailto:gregory.renza@rbc.com)

**Rating: Outperform**  
**Closing Price: \$43.42**  
**Price Target: \$75.00**  
**Implied All-in Return: 72.7%**  
**Most recent company note: [link](#)**

### Investment summary

**We believe Oxbryta, GBT's first-in-class FDA-approved sickle hemoglobin (HbS) polymerization inhibitor, could address the unmet need of sickle cell disease patients without suitable donors for hematopoietic stem cell transplant.** We see Oxbryta's potential to become SOC in SCD from favorable long-term efficacy and safety profile and enthusiasm from HCP, coupled with the potential label expansion into pediatric population aged 4+ and in ex-U.S. regions which could also contribute to share appreciation potential.

**We expect to see continued market uptake for the Oxbryta launch, while COVID-19 headwinds are real though temporary.** We continue to see the value of Oxbryta in the long term with peak global sales potential of over \$1.6B in age 12+ in the late 2020s with potential additional sales opportunities from label expansion – though we look to the progress on the clinical and regulatory fronts, as well as receptivity of the company's marketing efforts.

**Development efforts of P-selectin antibody inclacumab, next-gen HbS polymerization inhibitor GBT021601 and HbF-inducing gene therapy could contribute to upside potential.** The pipeline assets complement Oxbryta in SCD management, add to the revenue of GBT, as well as contribute to the long-term life-cycle management and pipeline diversity of the company, in our view.

**Key positives:** (1) Valid scientific and biological rationale demonstrated from favorable efficacy and safety profiles; (2) Strong enthusiasm from physicians around the clinical profile of Oxbryta with potential as SOC; (3) Continued marketing efforts could drive increased market uptake despite temporary COVID-19 headwinds; (4) Pipeline assets could generate additional revenue comp; (5) Experienced management team and investor base with proven track record in drug development.

**Key potential catalysts:** (1) Initiate two inclacumab pivotal studies (1H2021); (2) Update from MAA review in SCD patients aged 12+ (2021E); (3) NDA submission to FDA in SCD patients aged 4-11 (mid-2021); (4) Initiate ph.I trial of GBT021601 in SCD patients (1H2021).

### Valuation

Our \$75 price target is based on a blend of DCF (using 10% discount rate and 0.5% terminal growth rate) and probability-adjusted multiples (20x on 2025E adjusted EPS with a 10% discount) analyses. Our valuation supports an Outperform rating.

### Risks to rating and price target

Risks include regulatory risk, commercial development risk, pricing pressure, clinical program execution, intellectual property risk, failure to demonstrate sustained efficacy in trials, potential emergence of a safety signal, competition risk, and risk of potential disruptions of COVID-19.

## Intra-Cellular Therapies, Inc. (NGS: ITCI)

Brian Abrahams (Analyst)  
(212) 858-7066  
[brian.abrahams@rbc.com](mailto:brian.abrahams@rbc.com)

**Rating: Outperform**

**Closing Price: \$33.13**

**Price Target: \$44.00**

**Implied All-in Return: 32.8%**

**Most recent company note: [link](#)**

### Investment summary

Based on unique pharmacology enabling broad activity across a spectrum of brain receptors, a clean safety profile, and positive physician feedback that supports use in schizophrenia, we believe Caplyta could be a highly differentiated schizophrenia treatment. Following approval in schizophrenia and with what we view as a clean and potentially differentiated label—particularly regarding the safety profile—we model >\$600M in out-year WW revenues for Caplyta in schizophrenia. With lumateperone's commercial potential in schizophrenia and positive data in bipolar depression, we believe shares are undervalued and have upside potential into commercial updates in schizophrenia, regulatory updates in bipolar depression, and further '214 PD readouts.

**Key positives:** (1) Recent approval in schizophrenia, following mixed ph.III efficacy data; (2) lumateperone may be uniquely useful against the negative and cognitive schizophrenia symptoms, due to distinct pharmacological properties that enable activity across a number of brain receptors; (3) positive recent BPD data in adjunctive setting; (4) schizophrenia approval may reduce risk to path forward in BPD, given ability to file sNDA; and (5) blockbuster potential of a drug with broad applicability across psychiatric conditions.

**Potential catalysts:** (1) Continued launch dynamics of Caplyta in schizophrenia (2021); (2) PDUFA for Caplyta in BPD (2H21); (3) data from ITI-333 opioid abuse study (2021); and (4) initiation of adjunctive trials testing lumateperone in MDD (2021).

### Valuation

Our \$44 price target blends DCF (using a 10% discount rate and 1% terminal growth rate) and probability-adjusted multiples (30x on 2024E adjusted EPS with a 10% discount) analyses. Our price target supports an Outperform rating.

### Risks to rating and price target

- If Caplyta fails to differentiate itself in an increasingly crowded generics space, opportunity in schizophrenia may be more limited;
- ITCI needs to continue to build commercial infrastructure prior to launch, which carries inherent risk for a smaller company;
- Failure to receive regulatory approval in BPD may limit commercial opportunity;
- ITI-214 is relatively early-stage with limited data—clinical failure of this compound would reduce revenue potential post-lumateperone patent expiry;
- Potential COVID-19 impacts on clinical trial conduct and Caplyta launch.

## Pacira Biosciences, Inc. (NASDAQ: PCRX)

Daniel Busby (Analyst)  
(212) 301-1619  
[daniel.busby@rbc.com](mailto:daniel.busby@rbc.com)

**Rating: Outperform**  
**Closing Price: \$64.67**  
**Price Target: \$86.00**  
**Implied All-in Return: 33.0%**  
**Most recent company note: [link](#)**

### Investment summary

We think PCRX is well positioned to drive continued growth from its flagship product, EXPAREL, with several expansion opportunities that can maintain momentum. As it starts to transition away from its partnership with DPS, we will be watching for any disruption to its ortho franchise. More near term, we expect impact on volume from COVID-19, which for now we assume normalizes in 2021. Our thesis is focused on the following points:

**(1) Near-term focus will remain on the impact of COVID-19, though rebound is under way.** We expect the largest impact to have been in 2Q20, with continued recovery beyond, and also note that EXPAREL is used in essential surgeries (e.g., C-section). As we look to 2021 and beyond, we expect some modest impact from recession and specifically higher unemployment impacting insurance coverage and thus elective procedures.

**(2) 2021 termination of DPS agreement will remove royalty and accelerate operating margin inflection.** Pacira's reps had been focused on soft tissue, nerve block, and oral/maxillofacial opportunities; however, despite a short-term increase in spend as it builds out its own sales force, we expect this transition to ultimately help drive faster operating leverage. The Iovera acquisition is early in its "relaunch," but the company sees an attractive growth trajectory and a synergistic offering.

**(3) There is an opportunity for it to grow through business development, in which it has a stated interest.** PCRX is well capitalized and management has noted that there is interest in deals, and given the sharp sell-off in the market there could be potential for opportunistic deals to further augment the pipeline.

**Potential catalysts:** (1) Top-line data from the Phase 3 lower extremity nerve block trial (STRIDE); (2) further Phase IV trials including spine (FUSION)/hip fracture; and (3) updates around competitive entry from HRTX's HTX-011 following second CRL and PDUFA goal date of May 12, 2021.

### Valuation

Our \$86 price target is based equally on our discounted cash flow (DCF) analysis and discounted P/E. Our DCF yields \$77 per share and reflects explicit forecasts through 2028E with a 9% WACC and a -2% terminal growth rate beyond. Our P/E gets us to \$95 per share on our 2023E EPS forecast. The implied return to our price target supports an Outperform rating.

### Risks to rating and price target

Key potential downside risks to our price target and rating arise from: (1) pricing risk, which is a key concern that may impede adoption and greater utilization of the product; (2) regulatory/bundling risk from CMS bundled payments in orthopedic procedures; (3) competitive risk; (4) data risk from Ph IV read-outs, or pipeline products in development; and (5) deeper recessionary risk from COVID-19 impacting elective surgery volumes.

## Sarepta Therapeutics, Inc. (NGS: SRPT)

Brian Abrahams (Analyst)  
(212) 858-7066  
[brian.abrahams@rbc.com](mailto:brian.abrahams@rbc.com)

**Rating: Outperform**

**Closing Price: \$73.30**

**Price Target: \$133.00**

**Implied All-in Return: 81.5%**

**Most recent company note: [link](#)**

### Investment summary

We believe the key value driver for shares going forward will be progress toward the multibillion-dollar opportunity we see for Sarepta's two most advanced muscular dystrophy gene therapy programs. Based on the robust expression, biomarker and safety data for both programs to date—along with highly encouraging functional gains—we believe SRPT could have the best-in-class therapy for both Duchenne and limb girdle muscular dystrophy. Underpinning the significant promise of its gene therapy pipeline are two approved drugs (Exondys 51 and Vyondys 53) addressing a subgroup of DMD patients, and a strong balance sheet recently bolstered by what we view as a highly validating ex-U.S. microdystrophin DMD gene therapy commercialization deal with Roche. Given Exondys's strong launch, Vyondys's recent approval, positive initial PPMO data, and our increasing optimism around microdystrophin and limb girdle muscular dystrophy gene therapy programs, we believe shares are currently undervalued.

**Key positives:** (1) potentially transformative clinical-stage DMD gene therapy programs represent a substantial opportunity; (2) strong U.S. Exondys 51 launch, with quick uptake and high visibility for growth; and (3) regulatory success with Vyondys 53 accelerated approval.

**Key potential catalysts:** (1) data from crossover cohort in Study 102 (4Q21); (2) dosing and data from open-label Study 103 with SRP-9001 in mid-21; (3) initiate pivotal study with LGMD2E gene therapy SRP-9003 in 2021.

### Valuation

Our \$133 price target blends DCF (using a 10.5% discount rate and a 3.0% terminal growth rate) and probability-adjusted multiples (30x on 2025E adjusted EPS discounted at 10.5%) analyses. Our price target supports an Outperform rating.

### Risks to rating and price target

Risks include clinical, manufacturing, or regulatory setbacks in DMD or LGMD gene therapy programs. Slower-than-anticipated growth or other commercial setbacks for Exondys 51 and Vyondys 53. Failure to successfully develop and gain regulatory approval for follow-on exon-skipping drugs, including PPMOs and casimersen. Poor performance in confirmatory study leading to market removal or increased patient discontinuations.

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## Investment Summaries – Healthcare Technology

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## OptimizeRx Corp (NASDAQ: OPRX)

Sean Dodge (Analyst)  
(615) 372-1322  
[sean.dodge@rbccm.com](mailto:sean.dodge@rbccm.com)

**Rating: Outperform**

**Closing Price: \$51.16**

**Price Target: \$65.00**

**Implied All-in Return: 27.1%**

**Most recent company note: [link](#)**

### Investment summary

OPRX is a leading digital communications solutions platform helping life sciences companies to optimize the growing proportion of marketing spend being directed through digital channels. We expect revenue to grow at a 30%+ CAGR over the next 3+ years, driven by a combination of: (1) strong macro tailwinds—an increasing proportion of the \$20B+ spent annually by pharma companies on S&M is being diverted to digital channels; (2) deepening integration of OPRX into its clients' commercial planning processes; (3) ongoing transition to more Enterprise-type engagements, which both acts as a multiplier on revenue and increases client "stickiness"; (4) cross-selling into its existing client base—adding both new brands and indications; and (5) signing new clients. Further, a majority of OPRX's revenue is driven by solutions that use a combination of algorithms and EHR integrations to intelligently deliver relevant content to docs at the point of care, meaning that they are very scalable. Consequently, we expect the incremental margins on revenue growth to be very high (i.e., 50%+), helping to drive EBITDA margins to 30%+ at maturity.

### Potential catalysts

**Signing Additional Enterprise Clients.** Signing enterprise deals is important for OPRX for several reasons: (1) It creates a higher value offering—converting OPRX's first client from a single solution to an enterprise deal increased annual revenue from ~\$775K to ~\$4M. (2) It is also a much stickier approach, as it consolidates vendors by replacing a number of point solutions. Lastly, (3) it further solidifies OPRX as a partner in the commercialization process rather than a tactical marketing vendor. Increasing the relative mix of these multi-product clients should have a sharp and lasting impact on the business.

**Adding New Client Brands and Drug Indications.** OPRX has a significant opportunity (\$180M pipeline as of 4Q20) to add more branded drugs both inside and outside its client base. Pharmaceutical manufacturers have a different marketing team for each branded drug. Within that, each indication (FDA approved use case) for each drug can have a separate marketing campaign targeting different physicians. Therefore, OPRX has opportunities to win new business with new indications within an existing drug and significant opportunity to expand to other branded drugs manufactured by the parent company through internal referrals.

### Valuation

Our \$65 price target is based on a trading comparable analysis of OPRX vs. its HCIT and Technology peers. OPRX exhibits all of the "tech"-like attributes we look for in digital health companies: big/under-penetrated TAM, steep revenue growth trajectory, and a scalable model. Its Healthcare peers currently trade at an average of 7x '22E revenue while its Technology peers trade closer to 15x (ranging from 5x to 27x). OPRX shares currently trade at 10x our '22 revenue estimate and our \$65 price target is based on a 14x multiple—as the company's mix of the more recurring/sticky Enterprise deals continues to grow, we expect it to trade closer to the Tech group. Our valuation work and price target support our Outperform rating.

### Risks to rating and price target

Risks to our rating and price target include the loss of provider network exclusivity, direct and indirect competition for pharmaceutical marketing dollars, significant customer concentration, and client brands losing exclusivity/facing competition from generics.

## SelectQuote Inc. (NYSE: SLQT)

Frank Morgan (Analyst)  
(615) 372-1331  
[frank.morgan@rbccm.com](mailto:frank.morgan@rbccm.com)

**Rating: Outperform**  
**Closing Price: \$31.01**  
**Price Target: \$33.00**  
**Implied All-in Return: 6.4%**  
**Most recent company note: [link](#)**

### Investment summary

We view SelectQuote as an attractive play on the aging U.S. demographic and growing penetration of Medicare Advantage, but without any medical underwriting exposure. We also view the stock as one of the few ways to gain exposure to the healthcare sector with little to no impact from COVID-19. With focus on the growing Medicare-eligible population, which statistics show is particularly susceptible to severe COVID-related illness, we would expect the pandemic to only heighten the urgency for seniors to find the right plan for their unique health needs. Furthermore, the pandemic has actually strengthened SLQT's competitive position against one its traditional competitors, the field agent segment, wherein agents sell MA insurance face-to-face, typically in the home of the beneficiary. With the COVID pandemic, the elderly are less likely to allow visitors into their home to consider buying an MA plan and are more likely to accept telephonic sales instead. With no exposure to the employer market, we see SelectQuote as largely immune to widespread unemployment. In fact, the softer job market may actually provide a tailwind for the company's agent recruiting effort in support of future growth.

With approximately 10,000 seniors per day aging into the Medicare program, and Medicare Advantage penetration expected to eventually reach ~50% from ~33% currently, the company's addressable market is set for continued growth, which is further bolstered by rapid changes in plan design and increasing complexity, which make plan comparison tools and expert guidance more valuable to prospective buyers of MA plans.

With a formidable technology platform backing its salesforce of skilled agents, SelectQuote uses data and analytics to continuously maximize value from its customer leads while continuously improving the productivity of its agents. We believe this virtuous cycle of efficiency gain accounts for SelectQuote's superior margin profile versus that of its largest public peer.

SelectQuote operates in arguably the most attractive part of the insurance value chain, focused only on distribution and retention. In addition to upfront commissions, sales result in recurring cash flow streams from carrier partners as customers renew their health plans. Furthermore, SelectQuote bears no underwriting or balance sheet risk associated with the customer's plan, as all typical insurance-related loss risk remains with the carrier.

### Valuation

Our price target of \$33 per share is based on an enterprise multiple of approximately 20x our CY21E adj EBITDA. Our enterprise multiple represents a premium to our target for peer EHTH given SLQT's established member retention capabilities, as well as superior unit economics. As a secondary valuation method, our PT is equivalent to an approximate 5.5x EV multiple on CY21E revenue. Our price target supports our Outperform rating.

### Risks to rating and price target

- Growing competition in the DTC insurance distribution segment
- Dependence on a limited number of carrier partners
- Potential for competition with carrier partners
- Potential for LTV weakness on increased customer churn
- Cash flow risk as the company invests in rapid growth
- Frequent market confusion concerning ASC 606 accounting

## Tabula Rasa HealthCare Inc. (NASDAQ: TRHC)

Sean Dodge (Analyst)

(615) 372-1322

[sean.dodge@rbccm.com](mailto:sean.dodge@rbccm.com)

**Rating: Outperform**

**Closing Price: \$44.00**

**Price Target: \$70.00**

**Implied All-in Return: 59.1%**

**Most recent company note: [link](#)**

### Investment summary

Tabula Rasa's (TRHC) solutions aim to reduce the financial and medical burdens associated with adverse drug events, which are costly to treat and, worse, are now a leading cause of death. TRHC is a leader in the PACE market, which consists primarily of elderly patients taking 5+ medications per week (i.e., at high risk for ADEs). Our confidence that TRHC can continue to grow 20%+ in this market is based on: (1) the extent to which it has established itself as a trusted partner—90% of existing PACE orgs use a TRHC solution; (2) strengthening regulatory support for the program—namely the intro of 2.0; and (3) the significant white space that remains for cross-selling alone—fully penetrating just existing PACE clients would nearly double its current revenue base. Beyond PACE, TRHC is building solutions to push further into the payer and pharmacy markets. With its unique combination of science and engagement capabilities (via its call centers and growing footprint of pharmacies), TRHC believes it is well positioned to help these “payviders” and pharmacists save money and develop new lines of revenue by improving the health of their patients. Although the pandemic is causing some near-term challenges, we believe it will ultimately be a net tailwind and TRHC will return to its pre-COVID organic revenue growth rate of 20%+.

### Potential catalysts

**Leveraging success in the CMS EMTM pilot.** TRHC's early success demonstrates both the effectiveness and competitive superiority of its approach. Management is working to convert (i.e., upsell) its 350+ MTM clients (acquired via Sinfonia) to a more EMTM-like model. Traction here would instill confidence in TRHC's ability to penetrate the \$6B payer market.

**Opportunities in PACE 2.0.** The 2.0 initiative increases PACE eligibility and the NPA expects it to drive member enrollment from ~52k up to 200k by '28. Newly eligible members will join existing PACE orgs first (of which TRHC is 85% penetrated), leading the initial wave of growth. By '24, the NPA expects newly added orgs/capacity to further accelerate enrollment.

**Peer-reviewed articles.** Potential customers often want to see scientific validation of the effectiveness of TRHC's proprietary risk matrix, which is at the core of its solutions. To address this, management plans to publish a number of peer-reviewed articles. Credibility here would likely positively impact sales.

### Valuation

Our \$70 price target is based on the blended 5x EV/'21E sales multiple we derive from our sum-of-the-parts analysis. Our SOP values the CareVention medication fulfillment business at 2.5x NTM sales and the rest of TRHC's software/engagement capabilities at 7.5x—the latter representing a slight discount to similarly growing and profitable digital health peers given TRHC's recent execution hiccups. Our valuation work and price target support our Outperform rating.

### Risks to rating and price target

Risks to our Outperform rating and price target include dependence on government programs, customer concentration, competition, prolonged impact from the COVID-19 pandemic and reliance on a single drug vendor for fulfillment services.

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## Investment Summaries – Financials

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## Goosehead Insurance Inc. (NASDAQ: GSHD)

Mark Dwelle (Analyst)  
(804) 782-4008  
[mark.dwelle@rbccm.com](mailto:mark.dwelle@rbccm.com)

**Rating: Outperform**

**Closing Price: \$108.68**

**Price Target: \$177.00**

**Implied All-in Return: 62.9%**

**Most recent company note: [link](#)**

### Investment summary

Goosehead is an innovative player in the personal lines brokerage industry. Its fully integrated sales and service platform is a sizeable competitive advantage relative to other independent agents and captive agents and gives them a cost and efficiency edge which is likely to prove sustainable for some time. Equally, its innovative Corporate/Franchise model allows the company the opportunity to significantly leverage its technology edge and is a coiled economic spring for revenue and earnings growth. We see a long runway of growth ahead and expect under normalized conditions the company can sustain revenue growth of 25-30% for the next three to five years with even higher growth rates for earnings and EBITDA as operating leverage and the benefit of its franchise model earn in. Our Outperform rating reflects its attractive high cash flow business model and the long-term growth characteristics of the business model.

### Investment points

**Technology edge:** The company's IT platform has three main advantages competitors cannot easily match, in our view – an integrated sales and service platform, proprietary data and advanced analytics to drive superior lead generation. The system was built from the ground up to support high service levels and high sales productivity.

**Franchise model:** The company's franchise model allows growth with minimal investment. The company earns 20% of commissions on new and 50% on recurring business for providing technology and service support to its franchise agents.

**High cash flow and recurring revenue visibility:** About 85-90% of customers renew and a service culture drives high retention. Homeowners insurance is a required purchase and premiums are usually escrowed, which improves retention even during difficult economic conditions. The business already delivers EBITDA margins near 30% and we expect this to climb as more scale is achieved.

### Valuation

Our price target of \$177 is based on approximately 120x 2022E earnings (100x 2022E EBITDA). We believe our price target and implied return are consistent with our Outperform rating. Our multiple considers the company's strong expected growth rates over the next three to five years, rising EBITDA growth as a result of business leverage implicit in the company's franchise model and the company's capital light operating model. We view the multiple as consistent with multiples for other high growth, high cash flow companies, but a premium multiple to traditional broker peers.

### Risks to rating and price target

The insurance brokerage industry presents a range of unique business risks, many of which could impact our investment rating, the most foreseeable of which include the following: Key man risk, information security risk and regulatory risk in the various states in which the company operates. The company is also exposed to certain economic and recession risks particularly related to the US housing market and any changes in competition or pricing of industry commissions.

A more comprehensive list of potential risk exposures is included in the company's 10-K and other recent filings.

## Kinsale Capital Group Inc (NGS: KNSL)

Mark Dwelle (Analyst)  
(804) 782-4008  
[mark.dwelle@rbccm.com](mailto:mark.dwelle@rbccm.com)

**Rating: Outperform**  
**Closing Price: \$175.72**  
**Price Target: \$235.00**  
**Implied All-in Return: 34.0%**  
**Most recent company note: [link](#)**

### Investment summary

Kinsale is the rare P&C insurer with the ability to achieve strong premium growth while at the same time delivering above-average underwriting margins. The company's technology platform is a key differentiator against all but its largest peers, which positions Kinsale to better serve its distribution partners and in turn drives its opportunity to profitably increase market share within focused customer segments while still maintaining a low expense ratio. Focusing on hard-to-place risks in the E&S market, Kinsale has a long runway available for future growth. We expect the company to continue to achieve strong premium growth near term while generating mid-80s combined ratios and steady reserving. Management's experience in building specialty insurance organizations is also a unique feature that gives us confidence that the company can manage growth as it executes its business strategy. Our Outperform rating reflects these attributes and is premised on three main points:

**A platform for growth:** We believe Kinsale can achieve a normalized double-digit organic growth rate through a continued focus on hard-to-place risk and a willingness to offer terms on risks requiring more extensive underwriting.

**Demonstrated underwriting skill:** Management has demonstrated the ability to underwrite profitably with combined ratios in the mid-80s (or better). We expect this will continue over the near term.

**Technology supporting a low expense ratio:** Kinsale's expense ratio is several points better than peers, reflecting lower acquisition costs and a technology-aided expense structure. We anticipate this advantage will persist as the company continues to expand its distribution.

### Valuation

Our \$235 price target is based on approximately 8.2x estimated full-year 2021 book value. While this multiple is above many specialty peers, we believe it is supported by a superior combined ratio performance and promising long-term growth potential. Our price target considers Kinsale's operating ROE, premium growth rate and above-average combined ratio, all of which are better than peers. We also consider the company's comparatively shorter operating history. Our price target is consistent with our Outperform rating.

### Risks to rating and price target

The company faces a variety of macro and business-specific risks as described in its annual 10-K. In our view, those which have the greatest impact include: Industry pricing cycles, unexpected changes in loss frequency and severity, changes in regulatory requirements and equity and bond market volatility. The company is also impacted by macroeconomic factors that can impact business volumes which include changes in GDP, unemployment and credit availability.

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## Investment Summaries – Energy

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## Matador Resources Company (NYSE: MTDR)

Scott Hanold (Analyst)  
(512) 708-6354  
[scott.hanold@rbccm.com](mailto:scott.hanold@rbccm.com)

**Rating: Outperform**

**Closing Price: \$24.71**

**Price Target: \$26.00**

**Implied All-in Return: 5.6%**

**Most recent company note:** [link](#)

### Investment summary

Management built a large Permian Basin position of 125,000 net acres with an identified core drilling inventory that is over a decade. Additionally, the company is advantaged with in-basin Permian gathering, transportation, and processing through the San Mateo Midstream business it built and currently owns a 51% stake. MTDR is the operator on the majority of its core acreage development and the company has a track record of exceeding investors' operational and financial expectations and we believe that trend should continue.

- Management and insider ownership is high relative to peers. The management team insider ownership of MTDR is nearly 6.5%, which is more than 3x its peers. Current ESG efforts include reducing air emissions and water usage, increasing corporate diversity, Board of Director independence, and high insider ownership.
- MTDR is differentiated from SMid-cap peers with the high core acreage concentration and ability to generate economic growth rates averaging 5-10% while generating FCF. MTDR has initiated a dividend, differentiated from SMid-cap peers.
- Balance sheet leverage ratios should remain well within covenants and peak at 2.5-3.0x. We forecast a 1.5-2.0x ratio by late 2021. Management has a long-term goal of 1.5-2.0x. There are no significant debt maturities until 2026, when we expect a refinancing and/or paid down in part or full.
- The San Mateo Midstream is accretive for the upstream business through its low-cost structure and access to key sales points. Third-party revenues provide added value. San Mateo should generate FCF moving forward. Drilling incentives related to the midstream business provide a separate source of cash flow to MTDR that could amount to \$35-40 million in 2021.

### Valuation

Our \$26/share price target is derived from a combination of evaluating forward EBITDA multiples, relative FCF levels, and our Net Asset Value (NAV). Our price target reflects a 10-15% premium to our \$23/share NAV, versus the 0-5% SMid peer average due to operational execution, acreage quality, and the midstream advantage. Our NAV is a risked assessment of 3P reserves using the long-term RBC commodity price outlook of \$50/bbl (WTI), \$55/bbl (Brent), and \$2.50/Mcf (HH); and a 6.5x multiple on our 2021 EBITDA estimate, a premium to the 5.5x peer average, warranted given the depth of its inventory, midstream ownership, and higher growth rates. Our price target, NAV upside opportunity, and cash flow outlook support our Outperform rating.

### Risks to rating and price target

MTDR value proposition relies on executing its unconventional resource development strategy, specifically in the Permian Basin. Well results and operational execution below expectations would have an adverse effect on the stock performance. Weaker-than-expected commodity prices could also cause performance below expectations and impede achievement of objectives.

Regulatory changes including limits on federal land could adversely impact the company's development opportunities and economics. MTDR is exposed on 28% of its Permian Basin, which is also among the company's best acreage.

Energy producers continue to battle unprecedented global oil & gas market conditions amid the COVID-19 pandemic that caused a historical demand reduction. If demand-related issues persist, our expectations for commodity prices and corporate cash flows could be reduced, thus challenging our share price outlook.

## Contributing Authors

### RBC Capital Markets, LLC

Brian Abrahams (Analyst)	(212) 858-7066	brian.abrahams@rbc.com
Daniel Busby (Analyst)	(212) 301-1619	daniel.busby@rbc.com
Michael Carroll (Analyst)	(440) 715-2649	michael.carroll@rbccm.com
Sean Dodge (Analyst)	(615) 372-1322	sean.dodge@rbccm.com
Mark A. Dwelle (Analyst)	(804) 782-4008	mark.dwelle@rbccm.com
Scott Hanold (Analyst)	(512) 708-6354	scott.hanold@rbccm.com
Matthew Hedberg (Analyst)	(612) 313-1293	matthew.hedberg@rbccm.com
Luca Issi (Analyst)	(212) 266-4089	luca.issi@rbccm.com
Kennen MacKay (Analyst)	(212) 905-5980	kennen.mackay@rbccm.com
Frank G. Morgan (Analyst)	(615) 372-1331	frank.morgan@rbccm.com
Daniel R. Perlin (Analyst)	(410) 625-6130	daniel.perlin@rbccm.com
Beth Reed (Analyst)	(212) 428-6966	beth.reed@rbccm.com
Gregory Renza (Analyst)	(212) 858-7065	gregory.renza@rbc.com

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<b>Distribution of Ratings</b>				
<b>RBC Capital Markets, Equity Research</b>				
<b>As of 03-31-2021</b>				
<b>Rating</b>	<b>Count</b>	<b>Percent</b>	<b>Investment Banking Serv./Past 12 Mos.</b>	
			<b>Count</b>	<b>Percent</b>
<b>BUY[O]</b>	<b>762</b>	<b>55.46</b>	<b>299</b>	<b>39.24</b>
<b>HOLD[SP]</b>	<b>559</b>	<b>40.68</b>	<b>179</b>	<b>32.02</b>
<b>SELL[U]</b>	<b>53</b>	<b>3.86</b>	<b>4</b>	<b>7.55</b>

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