

# SEQUENOM INC

NASDAQ: SQNM  
Industry: Life Sciences Tools & Services

**SABRIENT**  
**STRONG**  
**SELL**  
**RATING**

## Stock Fundamentals as of April 27, 2009

Sabrient Rating	<b>Strong Sell</b>
Ticker	<b>SQNM</b>
Market Cap Designation	<b>Small-cap</b>
Market Capitalization (Millions)	<b>\$863.4</b>
Price	<b>\$14.13</b>
52-Week High/Low	<b>\$29.14/5.65</b>
EPS (TTM)	<b>\$-0.83</b>
P/E Ratio (TTM)	<b>N/A</b>
Dividend Yield	<b>N/A</b>
S&P 500 P/E Ratio	<b>16.1</b>
Price/Book Ratio	<b>7.4</b>
Price/Sales Ratio	<b>18.3</b>
30-Day Average Volume (Millions)	<b>1.2</b>
Beta	<b>1.09</b>
Current Ratio	<b>6.4</b>
Short Interest Ratio	<b>13.0</b>
Shares Outstanding (Millions)	<b>61.1</b>

## Sabrient Ratings

Sabrient's Buy/Hold/Sell ratings are based on a combination of dynamic filters that determine which attributes of a stock are most predictive in the prevailing market and which stocks best reflect those attributes but are not yet rewarded.

Sabrient starts with an "extraction" process that uses the best performing filters to identify stocks having certain compelling attributes currently sought by the market. Then, a composite scoring process uses a weighted average of several key scores to quantify the relative likelihood of upside or downside price action. As a result, the Buy/Hold/Sell rating may, in certain cases, seem inconsistent with a simple average of the scores cited in this analysis.

A BUY rating means the stock is expected to outperform its relevant benchmark substantially over the next 6 months. A SELL rating means the stock is expected to underperform its relevant benchmark substantially over the next 6 months. A HOLD rating means the stock is expected to perform in line with its relevant benchmark over the next 6 months.

If a stock is rated HOLD, the investor should review the stock's history of Sabrient ratings to see if it has recently changed to HOLD from BUY or SELL. If so, this indicates one of the following: (1) there has been a significant change in the stock's fundamentals, (2) the stock is already appropriately rewarded or punished by the market, or (3) there simply has been some recent price consolidation that warrants attention. A reading of Sabrient's analysis should identify which it is.

More about Sabrient on Page 4

## Sabrient's Market Cap Designations

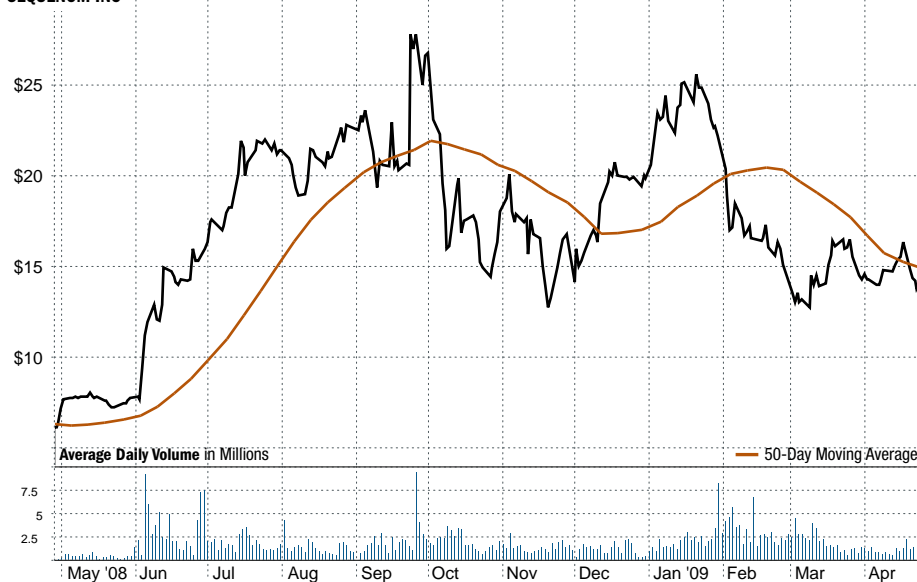
Large Cap	> \$5.0 Billion
Mid Cap	\$1.0 - \$5.0 Billion
Small Cap	\$150 Million - \$1.0 Billion
Micro Cap	< \$150.0 Million

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Please see important disclaimer on page 5 of this report.

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## SEQUENOM INC



## Company Profile

Sequenom, Inc. provides products, services, diagnostic testing, applications, and genetic analysis products that translate genomic science into solutions for biomedical research, translational research, molecular medicine, and agricultural and livestock applications.

**Earnings and Revenue Update:** For the quarter ended December 31, 2008, Sequenom reported earnings of \$-15.4 million or \$-0.25 per share compared with \$-10.4 million or \$-0.18 per share for the prior quarter and \$-7.9 million or \$-0.18 per share for the same quarter one year ago. Revenues were \$12.2 million for the quarter ended December 31, 2008 compared with \$11.6 million for the prior quarter and \$11.1 million for the same quarter one year ago. Last twelve months' earnings were \$-0.83 per share compared with \$-0.57 per share a year ago. Last twelve months' revenues were \$47.1 million compared with \$41.0 million a year ago.

## Sabrient Analysis

Sabrient rates SQNM a Strong Sell based on its overall inferior scores on important metrics that point to weak future market performance.

- **Value:** SQNM is an unlikely candidate for traditional value investors, based on its Sabrient Value Score of 11.2. A mark this low indicates that the stock is overvalued based on its current price and historical earnings. Additional downside risk is likely.
- **Momentum:** With regard to momentum, the stock rates near the bottom of the market with a Sabrient Momentum Score of 19.8. Such a score is generally predictive of underperformance in the near term. The score reflects price, earnings and group momentum.
- **Growth:** SQNM posts a Sabrient Growth Score of 67.4, indicating good growth potential for the stock. This score is based on historical and projected earnings growth and other growth metrics.

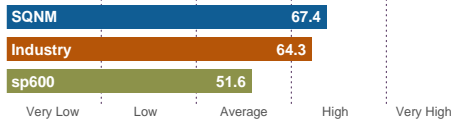
Sabrient Analysis continued on Page 3

**Sabrient**  
Leaders In Investment Research

## Current Sabrient Scores Compared with Industry and Relevant Benchmark

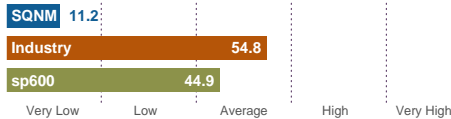
These Sabrient scores compare various aspects of SEQUENOM INC with its industry and relevant benchmarks. The scores are percentile rankings from 0 to 99.9. Higher scores are better. We use a weighted average of several key scores to quantify the relative likelihood of upside or downside price action. Therefore, the Sabrient rating may seem inconsistent with a simple average of the scores cited in this analysis.

### Growth Score: 67.4



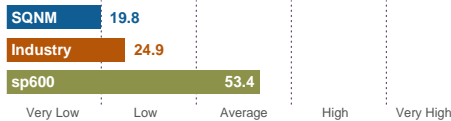
The Sabrient Growth Score reflects a company's historical and projected earnings growth, revenue and sales growth, projected cash flow, analyst activity, and changes in earnings estimates, each over various time periods. The higher the score, the better the combined performance of these key measures. With a Sabrient Growth Score of 67.4, Sequenom is marginally higher than the average of its industry group, which has a Sabrient Growth Score of 64.3.

### Value Score: 11.2



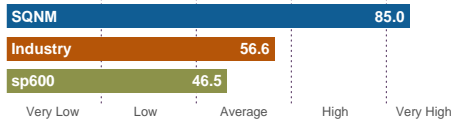
The Sabrient Value Score measures the relationship between a company's stock price and its intrinsic value, as indicated by earnings and balance sheet attributes, with an emphasis on earnings. Also considered are cash flow measures and fundamental valuation ratios. With a Sabrient Value Score of 11.2, Sequenom is significantly lower than the average of its industry group, which has a Sabrient Value Score of 54.8.

### Momentum Score: 19.8



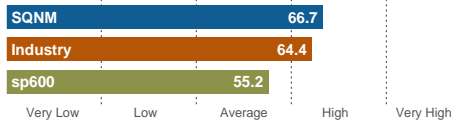
The Sabrient Momentum Score measures a company's earnings and price momentum, evenly weighted, and augmented by group strength, money flow, and relative volume. Core technical factors include current price relative to periodic highs and moving averages. With a Sabrient Momentum Score of 19.8, Sequenom is marginally lower than the average of its industry group, which carries a Sabrient Momentum Score of 24.9.

### Earnings Score: 85.0



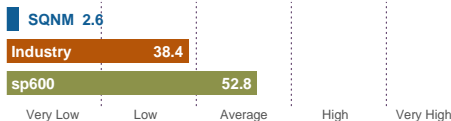
The Sabrient Earnings Score assesses a company's overall earnings performance and projected outlook. Time periods include an average look-back of three years with an emphasis on the past four quarters and a forward look of one to five years. With a Sabrient Earnings Score of 85.0, Sequenom is considerably higher than the average of its industry group, which has a Sabrient Earnings Score of 56.6.

### Balance Sheet Score: 66.7



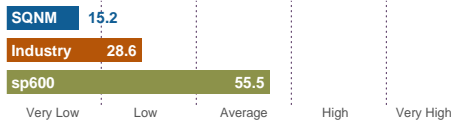
The Sabrient Balance Sheet Score measures a company's liquidity and debt issues, as well as receivables and inventory quality. This score is used to assess relative risk associated with a stock: the lower the score, most likely the higher the inherent risk. With a Sabrient Balance Sheet Score of 66.7, Sequenom is marginally higher than the average of its industry group, which carries a Sabrient Balance Sheet Score of 64.4.

### Fundamental Score: 2.6



The Sabrient Fundamental Score is the broad measure of a company's financial health, including its balance sheet, cash flow, revenue, and earnings quality. With a Sabrient Fundamental Score of 2.6, Sequenom is well below the average of its industry group, which carries a Sabrient Fundamental Score of 38.4.

### Timeliness Score: 15.2



The Sabrient Timeliness Score is an assessment of a stock's short and long-term price strength as determined by various chart-based indicators and measures of group momentum and relative price performance. With a Sabrient Timeliness Score of 15.2, Sequenom is moderately lower than the average of its industry group, which carries a Sabrient Timeliness Score of 28.6.

## Peer Analysis

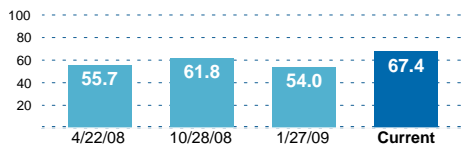
This table compares SQNM with other similar-sized companies in the same industry group, focusing on Sabrient's growth, momentum and value scores, which represent the three main investing styles. The Peer Analysis chart compares SQNM's 2-year total return with the average 2-year total return of these companies.



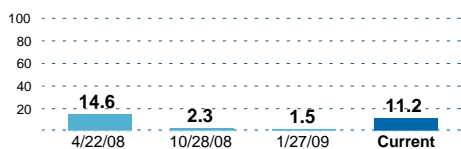
## Historical Sabrient Scores

The recent histories of key Sabrient scores provide insight into the stock's trends -- whether they are increasing or decreasing in strength in a particular area or simply holding steady. The Sabrient scores are percentile rankings from 0 to 99.9, with higher scores better. Keep in mind that Sabrient ratings may seem inconsistent with a simple average of these key scores because a weighted average of several key scores is used to quantify the relative likelihood of upside or downside price action.

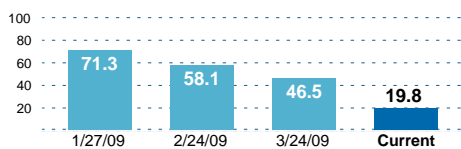
### Growth Score: 67.4



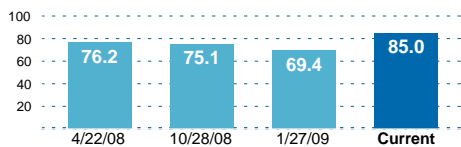
### Value Score: 11.2



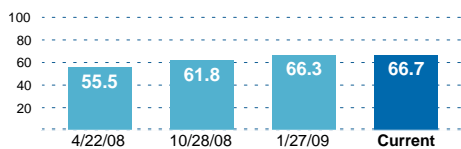
### Momentum Score: 19.8



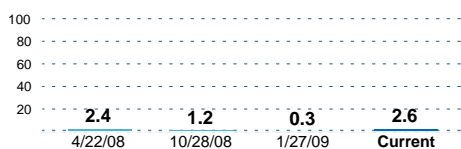
### Earnings Score: 85.0



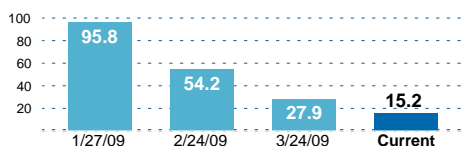
### Balance Sheet Score: 66.7



### Fundamental Score: 2.6



### Timeliness Score: 15.2



Sabrient Analysis continued from Page 1

- **Timeliness:** This stock has a Sabrient Timeliness Score of 15.2. This measures technical strength based on short-term and long-term price performance and long-term group strength.
- **Best Performing Filters:** To determine the likelihood of near-term performance, Sabrient builds and backtests "Smart Filters" to establish which caps, styles and attributes are drawing a premium in today's market. Currently, the three most predictive filters for the relevant segment are:

*Primary Value Filter:* The Primary Value Filter measures key growth and valuation ratios, both long-term and short-term. It is currently one of our best-performing filters, showing a significant premium to its small-cap benchmark for the past three months. SQNM scores 15.8 for this filter.

*Turnaround Filter:* The Turnaround Filter gives high scores to stocks that exhibit low relative valuations and relatively stagnant EPS growth over the last three years, but have favorable EPS projections that have not yet been rewarded by the market. The filter dramatically outperformed its small-cap benchmark during the last three months. SQNM scores 18.8 for this filter.

*GARP Filter:* The GARP Filter is a proxy for growth at a reasonable price (GARP). A high score indicates a reasonable price for the growth potential; a low score suggests the growth potential may be overpriced. During the past three months, the filter has shown a substantial premium to its small-cap benchmark. SQNM scores 85.2 for this filter.

In summary, SQNM's Strong Sell rating is based on a profile of forward-looking metrics which show this stock could significantly underperform the broader markets.

## What the Market Wants: April 2009

[Note: 'What the Market Wants' is based on the market behavior and Sabrient's filter backtesting results for the previous month.]

### SPRING BRINGS HOPE TO MARKET

By David Brown, Chief Market Strategist

(April 2, 2009 5:25 pm PST) The first week of March spawned a terrible market, chiefly caused by Moody's downgrading the creditworthiness of J.P. Morgan and threatening to do the same to others. On March 6, the S&P 500 hit a low of 683, its lowest level in nearly 13 years. As so often happens when clouds are the darkest, the market recovers, and indeed, it did so this time, starting the second week of March.

Based on comments from Citibank, J.P. Morgan and other banks that they had indeed made profits for the first two months of the year, the market roared back with one of its best weeks since last November. That was followed with two more weeks of positive performance, caused by a plethora of leading indicators, such as durable goods orders, new housing sales, personal income, consumer confidence, reporting poor but better than expected numbers. In some cases, such as retail sales, there were small gains.

To be sure, the unemployment reports and jobless claims continued to report downright frightening numbers, but it seemed that those who were employed were finally starting to come back into the economy and spend some money.

So March ended as the first positive month since December, with the Nasdaq leading the way, up nearly 11%. All of the indices we follow were up 8% or more, except for the Dow Jones Industrial Average, which gained 7.7%. It is very hard to say whether large-caps, small-caps or mid-caps did better, since they were all quite similar, but growth clearly outperformed value in each style/cap.

Granted, the first quarter ended up negative with the Russell MidCap Growth Index, the best style/cap, losing a little over 3%, and the Russell 2000 Value Index, the worst style/cap losing over 20%. The Nasdaq itself lost only 3% for the quarter, while the S&P 500 lost nearly 12%, so we should hold off on our celebrations until this rally extends further.

Some fairly violent down days have proved that we're not out of the woods yet. This past Monday (3/30), the Administration came down pretty hard on the auto industry, and the market pulled back sharply. It pulled back sharply another day when a Treasury auction did not go well.

So the market is still a dangerous place, and the bear is not yet dead, but the breadth and continuity of this rally gives us some hope that the worst is over. Indeed, respectable economists are forecasting the economy to turn positive either late this year or early next. The market normally discounts 6 to 9 months ahead, so we are cautiously optimistic that we'll see a number of positive market weeks in the months ahead.

This is the time for prudent building of your portfolio. The market is still awash with deep bargains, many not seen in the past 20 or 30 years, with a lot of excellent companies selling for 5 times earnings or less. Growth metrics are the clear favorite of this market and have been since the first of the year. Growth at a reasonable price and with strong cash flow is the favored characteristic of winners.

Historically, it is a sign of the end of a bear market when investors begin showing a clear preference for growth as opposed to value. That appears to be the case, at least for now.

Next update: First week of May.

## Company Description

Sequenom, Inc. provides products, services, diagnostic testing, applications, and genetic analysis products that translate genomic science into solutions for biomedical research, translational research, molecular medicine, and agricultural and livestock applications. It offers MassARRAY system, a high performance nucleic acid analysis platform that measures genetic target material and variations. The company offers its MassARRAY system for various DNA/RNA analysis applications, including single nucleotide polymorphism (SNP), genotyping detection of mutations, analysis of copy number variants, and other structural genome variations, as well as quantitative gene expression analysis, quantitative methylation marker analysis, comparative sequence analysis of haploid organisms, SNP discovery, and oligonucleotide quality control. Sequenom also provides the iPLEX multiplexing assay reagents and chips, which permits multiplexed SNP analysis using a similar amount of reagents and chip surface area. In addition, the company engages in the research, development, and the commercialization of various non-invasive molecular diagnostic tests for prenatal genetic disorders and diseases, oncology, and infectious diseases. It offers its products through direct sales and support personnel to clinical research laboratories, bio-agriculture, bio-technology and pharmaceutical companies, academic institutions, and government agencies worldwide. Sequenom has a collaboration agreement with the Immune Tolerance Institute to develop an advanced newborn screening test for severe combined immunodeficiency. The company was founded in 1994 and is headquartered in San Diego, California with additional offices in Queensland, Australia; Beijing, China; and Newton, Massachusetts.

## About Sabrient

Sabrient Systems is an independent research firm providing statistical analysis of a company's fundamental data to investment professionals. We use a computer-driven, quantitative methodology to identify stocks that appear poised to outperform or underperform the market.

The Sabrient methodology was developed by an experienced research team led by David Brown, a former NASA scientist and retired CEO of Telescan and designer of its premier stock search program, ProSearch. The research team employs a scientific approach to the creation and testing of multi-factor filters. Each filter targets a key area of traditional stock analysis, including value, growth, momentum, fundamentals, earnings, balance sheet, and group strength. Using an adaptive process, filters are continually tested and monitored to ensure that only the best performing filters are at work.

Sabrient's ratings begin with an extraction process in which each of the few best-performing filters scans the universe of equities to identify stocks having certain compelling attributes sought, but not sufficiently rewarded, by the current market. Then, a composite scoring system employs a broader set of "weighting" filters to rank the extracted stocks. To support individual investors, Sabrient uses the same sophisticated methodology to provide individual stock reports on a universe of approximately 5,600 stocks.

Sabrient regularly tests the performance of its stock selections, using its primary list of published rankings and statistical techniques it believes appropriate. These recommendations have consistently outperformed relevant benchmarks across a broad range of investing styles, market caps, time frames and market conditions, demonstrating the robustness of Sabrient's proprietary methodology. While past performance is no guarantee of future results, Sabrient believes it can maintain its strong performance through its rigorous, scientific approach to filter construction and ongoing backtesting within a dynamic and adaptive composite scoring system.

For more information on Sabrient and its performance, go to [www.sabrient.com](http://www.sabrient.com)

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