

## PTC Therapeutics (PTCT : US\$25.08)

### PTC Therapeutics continues uptrend, now soars 50% and in top 5% of the market

PTC Therapeutics, Inc., NASDAQ's 4th largest biotechnology company by market cap, has now soared US\$8.34 (or 49.8%) year to date in 2014 to close at US\$25.08. This gain means the stock is among the top 5% of NASDAQ-listed stocks in 2014. The volume YTD has been 1.4 times average trading of 248,176 shares. Compared with the NASDAQ-100 Index which has risen 6.0% YTD, this represents a relative price increase of 43.9%. In 2014 the market cap has jumped US\$337.2 million.

### Introduction

**We are currently bullish on this stock in the short-term based on technical indicators, but are more bearish in the long-term based on fundamental metrics**

**What makes us most bullish on the stock is the following:**

- Its Moving Average Convergence Divergence indicators are rising, with its 12-day EMA higher than its 26-day EMA.
- It is beating 93% of the market the past 6 months.
- The price to 50-day EMAP ratio is 1.2, a bullish indicator. The 50-day EMAP has increased to US\$21.84.

**However, there are some reasons why we remain bearish on the stock for the long-term:**

- The Price to Book of 5.5 higher than average of 5.1 for the Biotechnology sector.
- The Q Ratio, defined by James Tobin as MCap divided by Total Assets, is 5. Compared with the rest of the market the stock is overvalued and ranks in the bottom 8% of stocks by value of Q Ratio.

### Stock Summary

<b>Sector</b>	Biotechnology
<b>Market Cap</b>	US\$754.3 million
<b>Shares Outstanding</b>	30,076,773
<b>ISIN</b>	US69366J2006
<b>Relative Strength (3 mo)</b>	17

### MCap: A Historical Perspective

	Share Price (USD)	Market Cap (\$)
Last	25.1	754.3 million

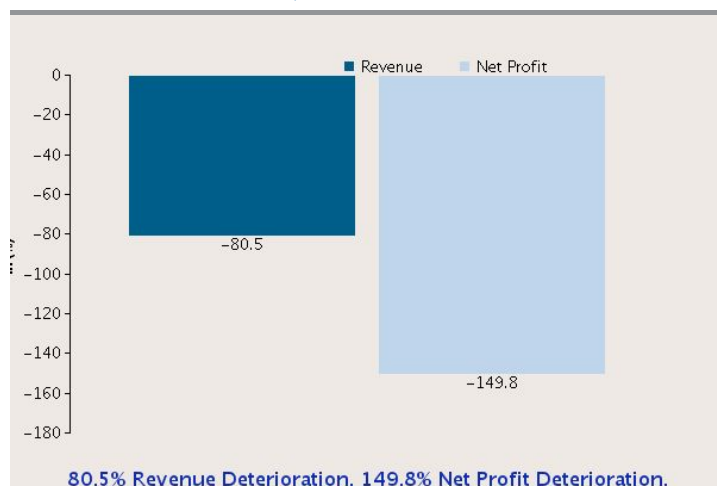
## Analysis

### Bullish Signals

- In the last 17 trading sessions there has been a net rise of 65.33%; the stock has advanced eleven times and the biggest one day rise was 29.5% on May 23.
- In the NASDAQ market of 2,339 stocks traded today, the stock has a 6-month relative strength of 93 which means it is beating 93% of the market.
- The Moving Average Convergence Divergence (MACD) indicator of 12-day Exponential Moving Average (EMA) of 23.77 minus the 26-day EMA of 22.09 is positive suggesting a bullish signal. Both the 12-day EMA as well as the 26-day EMA are rising, another bullish signal.
- The Price/MAP of 0.97 for PTCT is higher than the Price/MAP for the NASDAQ-100 Index of 0.6.

### Other Bullish Signals:

### % Growth Y.O.Y, Revenue & Net Profit



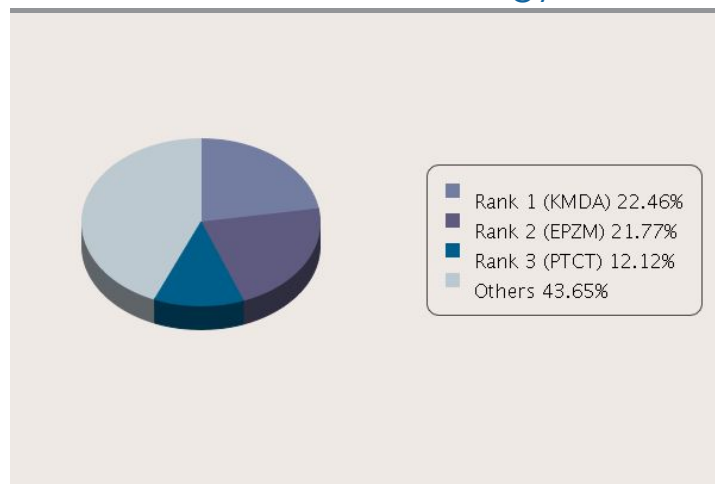
Also, the following criteria set by Benjamin Graham:

- "Current ratio of two or more"; current assets are 11 times current liabilities.

### Bullish Indicators and Rank in Market:

Description	Value	Rank In Market
%Prem To Vol Wtd Price	21.4	In Top 3%
Relative Strength (6M)	93	In Top 8%

### Revenue Share Biotechnology



### Bearish Signals

- The price is at a premium of 21.4% to the 1-month volume weighted average price of US\$20.65. Given that this premium has been under 21.4% two hundred one times and over 21.4% sixteen times in the last year, the downside:upside probability is estimated at 201:16 or 12.6:1.
- Falls to Rises: In the last three months the number of falls outnumbered rises 39:26 or 1.5:1.
- The price to 200-day MAP ratio is 0.97. In the past 200 days this ratio has been under 0.97 40 times suggesting downside.
- The stock is overbought according to the Williams % R indicator of -14.2.
- In the NASDAQ Short Selling market of 2406 stocks, short selling as a % of issued shares ranked 505th and within the top quartile of stocks. This means it was higher than market average of 0.52%, a bearish indicator.
- The current short volume is 1.4 times its own historical average of 0.5%. It soared 15.9% from the previous day, soared 27.1% from a week ago and soared 20.7% from a month ago, a significant bearish indicator.

### Overvaluation:

- The Price to Book of 5.5 higher than average of 5.1 for the Biotechnology sector.
- The Q Ratio, defined by James Tobin as MCap divided by Total Assets, is 5. Compared with the rest of the market the stock is overvalued and ranks in the bottom 8% of stocks by value of Q Ratio.

## Analysis (continued)

### Other Bearish Signals:

The stock has a score of merely 1 out of 9 set by Joseph Piotroski [pass mark  $\geq 5$ ]:

Improvement in current ratio from 0.2 to 1.1.

### Bearish Indicators and Rank in Market:

Description	Value	Rank In Market
Price to Book Value	5.5	In Bottom Quartile
Annual Revenue	US\$38.1 million	In Bottom Quartile
Price Change %	-1.1	In Bottom Quartile
Price/MAP50	0.79	In Bottom Quartile
Volatility %	6.3	In Bottom 9%
Price to Sales	19.8	In Bottom 1%

## Note

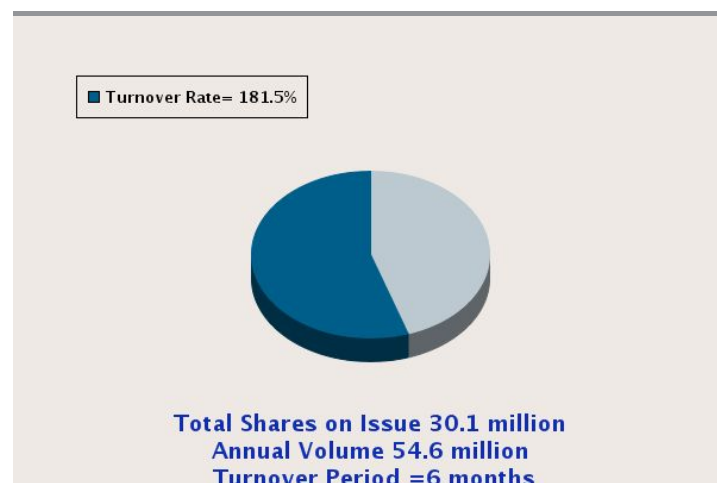
### Neutral Indicators and Rank in Market:

Description	Value	Rank In Market
Turnover in Quarter	US\$584.6 million	In 2nd Quartile
MCap	US\$754.3 million	In 2nd Quartile

## Insider Trades



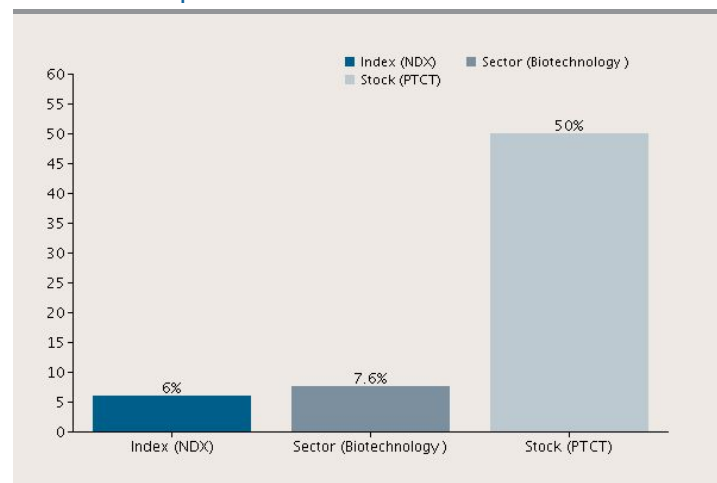
## Turnover Rate & Turnover Period



## Trailing 3 months

Turnover	US\$584.6 million
Volume	27,137,434
Volume Index (1 is avg)	1.7

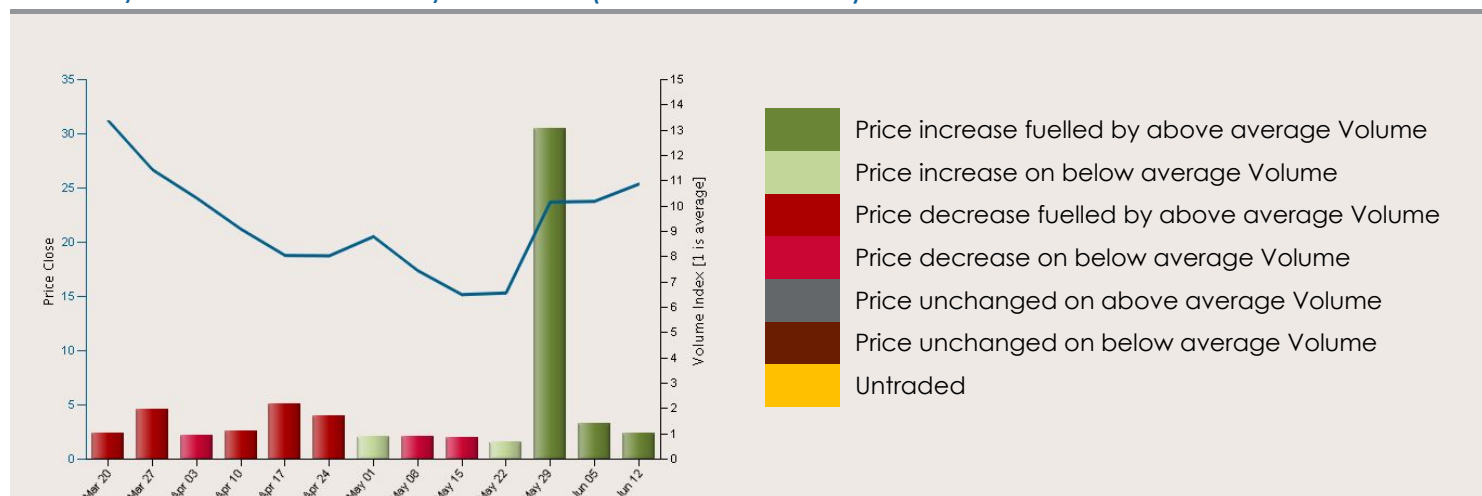
## YTD Comparison Stock Sector Index



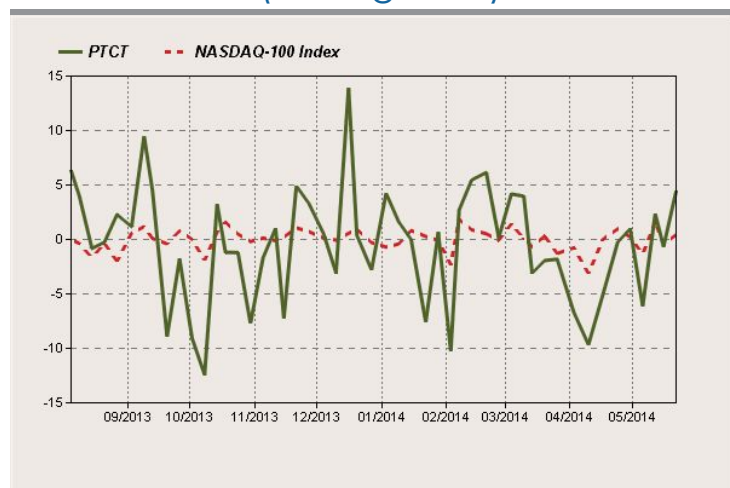
## Price Volume Trend: Trailing Quarter



## Weekly Price Volume Dynamics (Last 12 Weeks)



## Stock v Index (Trailing Year)



## Price/Moving Average Price [P/MAP]



## Peer Group Analysis

[Sector sorting](#)

Name	Last Price	Relative strength (6-months)	MCap (Millions)	PV \$1000 (1 yr)	Revenue (Millions)	Net Profit (Millions)	Total Assets (Millions)
Portola Pharmaceuticals	26.31	69	1,081	1,205	11	-83	326
Epizyme	26.45	85	877	-	73	-3	163
Receptos	37.88	91	840	1,997	4	-62	71
PTC Therapeutics	25.08	93	754	-	38	-66	152
Bluebird Bio	25.89	82	635	-	20	-25	224
Oncomed Pharmaceuticals	21.18	23	625	-	38	-26	334
Zeltiq Aesthetics	15.56	21	579	2,762	-	-	-

## Recent Analyst Recommendations

Date	Brokerage	Action	Past Rating	Current Rating	Prev Target	Price Target
23-May-2014	Credit Suisse	Boost Price Target	-	-	35	40
22-May-2014	Zacks	Upgrade	Underperform	Neutral	-	15
23-Apr-2014	Zacks	Downgrade	Neutral	Underperform	-	19.7

## Reported Buying Selling by Insiders

Insider	Date	Transaction Type	No. of Shares	Price, US\$	Value, US\$
Kovacs Shane William Charles	May 22, 2014	Sold	1,650	14.74	24,321
Hirawat Claudia De Oliveira Ribeiro	Mar 21, 2014	Sold	15,320	30.02	459,906
Southwell David P	Mar 21, 2014	Sold	2,317	30.94	71,688
Boulding Mark Elliott	Mar 20, 2014	Sold	10,049	30.96	311,117
Almstead Neil Gregory	Mar 19, 2014	Sold	10,859	32.06	348,140
Jacobson Allan Steven	Mar 18, 2014	Sold	7,616	31.18	237,467

## Company Overview

### Activities

PTC Therapeutics, Inc. provides biopharmaceutical products. The Company develops orally administered and small-molecule drugs for genetic disorders, oncology, and infectious disease. PTC Therapeutics operates in the United States.

Further details can be found at [www.ptcbio.com](http://www.ptcbio.com).

### Regulatory Announcements

To view Recent Company Headlines, [click here](#)

June 11: PTC Therapeutics appoints Director  
 June 10: PTC Therapeutics Reports Inducement Grants Under NASDAQ Listing Rule 5635(c)(4)  
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 May 23: PTC Therapeutics insider sells  
 May 23: PTC Therapeutics Provides EMA Update  
 May 23: PTC Therapeutics Receives Positive Opinion from CHMP for Translama(TradeMark) (ataluren)  
 May 21: PTC Therapeutics to Present at the Jefferies 2014 Global Healthcare Conference

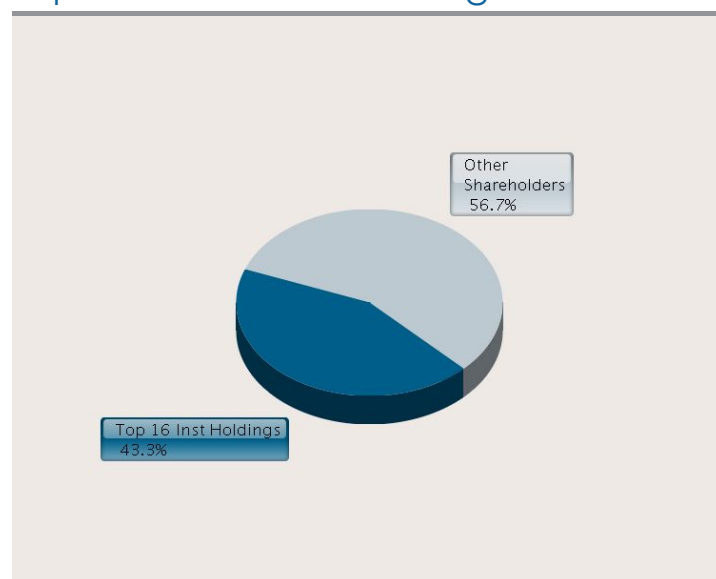
### Issued Capital

Based on 30,076,773 issued equity shares the market capitalisation is US\$754.3 million. It is NASDAQ's 5th largest Biotechnology company by assets.  
 The top sixteen shareholders hold 43.3% of the issued capital leaving a float of 56.7%.

### Top 10 Shareholders

Name of Shareholder	No. of Shares	% Held
Fmr Llc	4,511,515	15
Credit Suisse Ag/	2,268,899	7.54
Ra Capital Management Llc	981,761	3.26
Granahan Investment Management Inc/Ma	901,423	3
Orbimed Advisors Llc	830,100	2.76
Blackrock Fund Advisors	675,013	2.24
Janus Capital Management Llc	610,421	2.03
Westfield Capital Management Co Lp	491,140	1.63
Loomis Sayles & Co L P	473,215	1.57
Franklin Resources Inc	397,800	1.32
<b>Total</b>	<b>12,141,287</b>	<b>40.37</b>

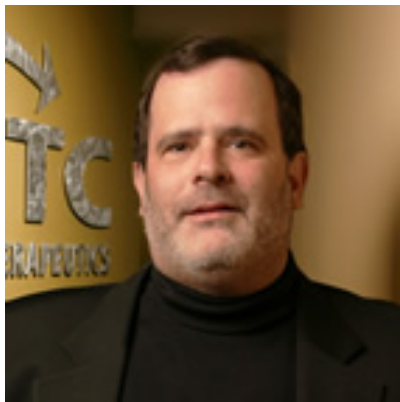
### Top 16 Institutional Holdings





## Board and Management

### Stuart W. Peltz CEO



Stuart W. Peltz, Ph.D. is a co-founder of PTC and has served as Chief Executive Officer and a member of the board of directors since the company's inception in 1998. Prior to founding PTC, Dr. Peltz was a Professor in the Department of Molecular Genetics & Microbiology at the Robert Wood Johnson Medical School, Rutgers University. Dr. Peltz has published over 80 publications in the area of post-transcriptional control processes and has received a number of scientific awards, including being elected as a Fellow of the American Academy for the Advancement of Science. Dr. Peltz received a Ph.D. from the McArdle Laboratory for Cancer Research at the University of Wisconsin.

### Kovacs Shane William Charles CFO

Mr. Shane Kovacs has been appointed as Chief Financial Officer of PTC Therapeutics Inc., with effect from 3 June 2013. Prior to joining us, Mr. Kovacs served in positions of increasing responsibility at Credit Suisse, an investment banking firm, from March 2004 to May 2013, including most recently as a Managing Director. From July 2002 to March 2004, Mr. Kovacs served as an associate at National Bank Financial, a diversified financial services firm. Mr. Kovacs received a B.Eng. and a B.S. in Chemical Engineering and Life Sciences from Queen's University and an M.B.A. from the University of Western Ontario. Mr. Kovacs is a Chartered Financial Analyst.

### Ronald C. Renaud, Jr. Director

#### **Creation of shareholder value in PTC Therapeutics:**

Since appointment as Director: The present value of USD1,000 invested on the appointment date of June 11, 2014 at close price of US\$25.87 is US\$969, for a capital loss of US\$31.

# Financial Results (Quarterly)

31 March, 2014

## INCOME STATEMENT

Currency in Thousand of USD	2014-03-31	2013-03-31	Change %
<b>Revenues:</b>			
Collaboration revenue	9,147	6,072	Up 50.6
Grant revenue	70	1,070	Down 93.5
Total revenues	9,217	7,142	Up 29.1
<b>Operating expenses:</b>			
Research and development	15,889	11,257	Up 41.1
General and administrative	7,540	4,461	Up 69.0
Total operating expenses	23,429	15,718	Up 49.1
Loss from operations	-14,212	-8,576	Deterioration 65.7
Interest income (expense), net	171	-6,162	Recovery
Other (expense) income, net	-57	54	Deterioration
Net loss	-14,098	-14,684	Reduced 4.0
Deemed dividend		-18,249	
Gain on exchange of convertible preferred stock in connection with recapitalization		3,391	
Net loss attributable to common stockholders	-14,098	-29,542	Reduced 52.3
<b>Weighted-average shares outstanding:</b>			
Basic and diluted (in shares)	24,492,487	4,526	Up 541,050.8
Net loss per share applicable to common stockholders-basic and diluted (in dollars per share)	-58.0c	-652,730.0c	Reduced 100.0

## BALANCE SHEET

Currency in Thousand of USD	2014-03-31	2013-12-31	Change %
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents	115,855	15,414	Up 651.6
Marketable securities	130,730	127,053	Up 2.9
Prepaid expenses and other current assets	1,957	1,599	Up 22.4
Grant and collaboration receivables, net	838	958	Down 12.5
Total current assets	249,380	145,024	Up 72.0
Fixed assets, net	6,328	6,730	Down 6.0
Deposits and other assets	132	149	Down 11.4
Total assets	255,840	151,903	Up 68.4
<b>Liabilities and stockholders' equity</b>			
<b>Current liabilities:</b>			
Accounts payable and accrued expenses	8,735	12,207	Down 28.4
Current portion of long-term debt	12	49	Down 75.5
Deferred revenue	492	878	Down 44.0
Total current liabilities	9,239	13,134	Down 29.7
Other long-term liabilities	2,259	2,227	Up 1.4
Total liabilities	11,498	15,361	Down 25.1
<b>Stockholders' equity:</b>			



# Financial Results (Quarterly) (continued)

31 March, 2014

Preferred stock, 0.001 par value. Undesignated 5,000,000 shares; issued and outstanding 0 shares at March 31, 2014 and December 31, 2013

Common stock, 0.001 par value. Authorized 125,000,000 shares; 30 issued and outstanding 29,325,997 shares at March 31, 2014. Authorized 125,000,000 shares; issued and outstanding 23,803,282 shares at December 31, 2013

	24	Up 25.0
Additional paid-in capital	587,128	465,246 Up 26.2
Accumulated other comprehensive loss	80	70 Up 14.3
Accumulated deficit	-342,896	-328,798 Deterioration 4.3
Total stockholders' equity	244,342	136,542 Up 79.0
Total liabilities and stockholders' equity	255,840	151,903 Up 68.4

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