

Equity Research

June 19, 2014

Price: \$10.32 (06/18/2014)

Price Target: NA

OUTPERFORM (1)

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Key Data

Symbol	NASDAQ: BIND
Market Cap (MM)	\$169.8

Company Quick Take

Roche Becomes The Latest Accurin Partner

The Cowen Insight

Roche joins Amgen, AstraZeneca, and Pfizer in signing a collaboration to discover and develop novel Accurins. Financial terms of the collaboration are undisclosed, and likely modest. However, Roche is bringing novel targeting ligands to the table that are uniquely compatible with BIND's nanoparticle platform, and could allow BIND/Roche to direct Accurins to therapeutic categories outside oncology.

The News: This morning, BIND Therapeutics announced a research collaboration with Roche to develop novel Accurins (targeted, programmable, nanoparticle-based therapeutics) in areas outside of oncology. The broad, early-stage collaboration will focus on combining BIND's Accurin technology with proprietary therapeutic payloads and targeting ligands supplied by Roche. Financial terms are not disclosed, and therefore immaterial, though Roche will pay all costs associated with early research and development. Assuming success, the companies will negotiate a license to any product rights down the road.

Our Take: Roche becomes BIND's fourth pharmaceutical collaborator, providing incremental support for our view that BIND has the leading nanoparticle delivery platform. Roche is contributing novel targeting ligands that can be attached to the surface of Accurins for the purpose of directing them toward unique locations in the body, and appears to have chosen BIND based upon the versatility of its technology. This is BIND's first foray outside of oncology, as Roche's ligands could open up new therapeutic opportunities not previously addressable by Accurins.

Our Thesis On BIND Shares: We view Accurins as the leading nanoparticle delivery platform and expect shares to outperform as lead candidate BIND-014 (nanoparticle taxotere) progresses in development. Early data suggest BIND-014 is differentiated from docetaxel, and ongoing Phase II trials could produce data in H2:14 to support an improved efficacy profile. Should BIND-014 achieve its target profile of superiority to docetaxel, the rewards to BIND, which owns 100% rights, could be enormous: docetaxel sales peaked at over \$3B in 2009. Bind has \$69MM in cash, enough to fund operations well into 2015.

Valuation Methodology And Risks

Valuation Methodology

Biotechnology:

In calculating our 12-month target price, we employ one or more valuation methodologies, which include a discounted earnings analysis, discounted cash flow analysis, net present value analysis and/or a comparable company analysis. These analyses may or may not require the use of objective measures such as price-to-earnings or price-to-sales multiples as well as subjective measures such as discount rates.

We make investment recommendations on early stage (pre-commercial) biotechnology companies based upon an assessment of their technology, the probability of pipeline success, and the potential market opportunity in the event of success. However, because these companies lack traditional financial metrics, we do not believe there are any good methodologies for assigning a specific target price to such stocks.

Investment Risks

Biotechnology:

There are multiple risks that are inherent with an investment in the biotechnology sector. Beyond systemic risk, there is also clinical, regulatory, and commercial risk. Additionally, biotechnology companies require significant amounts of capital in order to develop their clinical programs. The capital-raising environment is always changing and there is risk that necessary capital to complete development may not be readily available.

Risks To The Price Target

Bind Therapeutics has no approved products, limited revenue, and will likely need to raise additional capital from the public markets prior to turning profitable. There is limited clinical trial experience on lead candidate BIND-014, or BIND's Accurin platform more broadly. Moreover, BIND-014 faces a number of clinical, regulatory, and commercial hurdles prior to becoming successful, and projecting any future sales for BIND-014 is inherently difficult.

Addendum

Stocks Mentioned In Important Disclosures

Ticker	Company Name
BIND	BIND Therapeutics

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Cowen and Company Rating System effective May 25, 2013

Outperform (1): The stock is expected to achieve a total positive return of at least 15% over the next 12 months

Market Perform (2): The stock is expected to have a total return that falls between the parameters of an Outperform and Underperform over the next 12 months

Underperform (3): Stock is expected to achieve a total negative return of at least 10% over the next 12 months

Assumption: The expected total return calculation includes anticipated dividend yield

Cowen and Company Rating System until May 25, 2013

Outperform (1): Stock expected to outperform the S&P 500

Neutral (2): Stock expected to perform in line with the S&P 500

Underperform (3): Stock expected to underperform the S&P 500

Assumptions: Time horizon is 12 months; S&P 500 is flat over forecast period

Cowen Securities, formerly known as Dahlgren Rose & Company, Rating System until May 25, 2013

Buy – The fundamentals/valuations of the subject company are improving and the investment return is expected to be 5 to 15 percentage points higher than the general market return

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Hold – The fundamentals/valuations of the subject company are neither improving nor deteriorating and the investment return is expected to be in line with the general market return

Cowen And Company Rating Definitions

Distribution of Ratings/Investment Banking Services (IB) as of 03/31/14

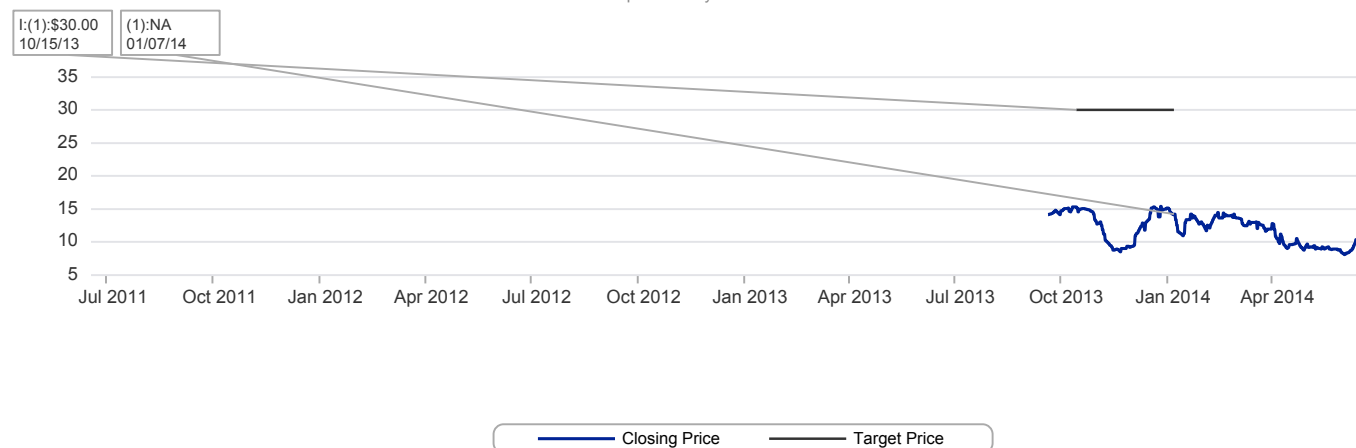
Rating	Count	Ratings Distribution	Count	IB Services/Past 12 Months
Buy (a)	407	57.08%	85	20.88%
Hold (b)	288	40.39%	8	2.78%
Sell (c)	18	2.52%	1	5.56%

(a) Corresponds to "Outperform" rated stocks as defined in Cowen and Company, LLC's rating definitions. (b) Corresponds to "Market Perform" as defined in Cowen and Company, LLC's ratings definitions. (c) Corresponds to "Underperform" as defined in Cowen and Company, LLC's ratings definitions.

Note: "Buy", "Hold" and "Sell" are not terms that Cowen and Company, LLC uses in its ratings system and should not be construed as investment options. Rather, these ratings terms are used illustratively to comply with FINRA and NYSE regulations.

BIND Therapeutics Rating History as of 06/18/2014

powered by: BlueMatrix



Legend for Price Chart:

I = Initiation | 1 = Outperform | 2 = Market Perform | 3 = Underperform | UR = Price Target Under Review | T = Terminated Coverage | \$xx = Price Target | NA = Not Available | S=Suspended

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