

Heat Biologics (HTBX : US\$4.59)

Heat Biologics tumbles 37% in 2014, in bottom 6% of the market

Heat Biologics, Inc., NASDAQ's 23rd largest biotechnology company by market cap, has now tumbled US\$2.71 (or 37.1%) year to date in 2014 to close at US\$4.59. This loss means the stock has underperformed 94% of NASDAQ-listed stocks in 2014. The volume YTD has been 0.7 times average trading of 27,666 shares. Compared with the NASDAQ-100 Index which has risen 6.0% YTD, this represents a relative price change of -43.1%. In 2014 the market cap has declined US\$16.9 million.

Introduction

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

There are some reasons why we remain neutral on the stock for the short-term:

- Its Moving Average Convergence Divergence indicators are falling, with its 12-day EMA lower than its 26-day EMA.
- The price to 200-day MAP ratio is 0.47, a bearish indicator.

Stock Summary

Sector	Biotechnology
Market Cap	US\$29.6 million
Shares Outstanding	6,452,341
ISIN	US42237K1025
Relative Strength (3 mo)	13

MCap: A Historical Perspective

	Share Price (USD)	Market Cap (\$)
Last	4.6	29.6 million

Analysis

Bullish Signals

- In the last 20 trading sessions there has been a net rise of 16.2%; the stock has advanced twelve times and the biggest one day rise was 14.7% on May 22.

Undervaluation:

- The Price to Book of 1.4 lower than average of 5.1 for the Biotechnology sector and 6.1 for the Total NASDAQ Market.
- The company is cash rich with Cash to Market Capitalisation at 15.4%.
- The Q Ratio, defined by James Tobin as MCap divided by Total Assets, is 1.3. Compared with the rest of the market the stock is undervalued.

Other Bullish Signals:

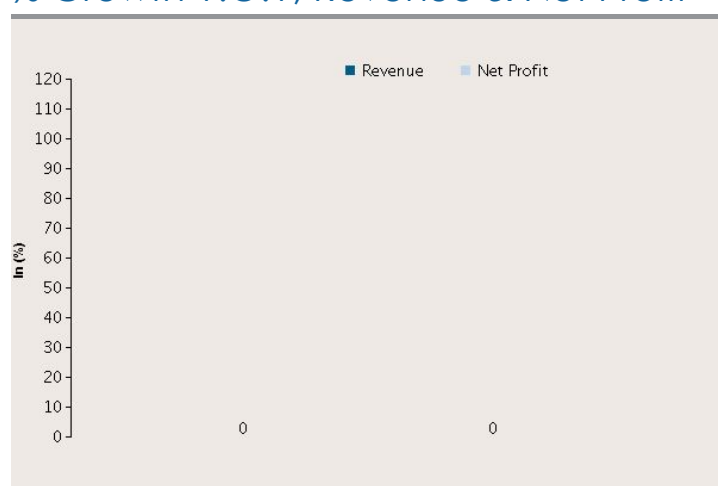
- Return on Assets is negative but improving in recent years.

Annual Trend:

[Year ended, all figures in %]:

Year	ROE	ROA
Dec 13	-41.3	-39.4
Dec 12	-	-1,639.9

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



Also, the following criteria set by Benjamin Graham:

- "Current ratio of two or more"; current assets are 19.4 times current liabilities.

Bearish Signals

- The price is at a premium of 5.0% to the 1-month volume weighted average price of US\$4.37. Given that this premium has been under 5.0% one hundred ninety-six times and over 5.0% twenty-one times in the last year, the downside:upside probability is estimated at 196:21 or 9.3:1.
- Falls to Rises: In the last three months the number of falls outnumbered rises 33:30 or 1.1:1.
- In the NASDAQ market of 2,339 stocks traded today, the stock has a 6-month relative strength of 3 indicating it is trailing 97.0% of the market.
- The Moving Average Convergence Divergence (MACD) indicator of 12-day Exponential Moving Average (EMA) of 4.48 minus the 26-day EMA of 4.58 is negative suggesting a bearish signal.
- The Price/MAP of 0.47 for HTBX is lower than the Price/MAP for the NASDAQ-100 Index of 0.6.
- The price to 200-day MAP ratio is 0.47, a bearish indicator. In the past 200 days this ratio has been under 0.47 23 times suggesting further downside. The 200-day MAP has decreased to US\$9.73. A decrease is another bearish indicator.

Other Bearish Signals:

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

Improvement in current ratio from 0.1 to 19.4.

Bearish Indicators and Rank in Market:

Description	Value	Rank In Market
MCap	US\$29.6 million	In Bottom 6%
Relative Strength (6M)	3	In Bottom 2%
Price/MAP200	0.47	In Bottom 2%
Price/MAP50	0.39	In Bottom 1%

Note

Neutral Indicators and Rank in Market:

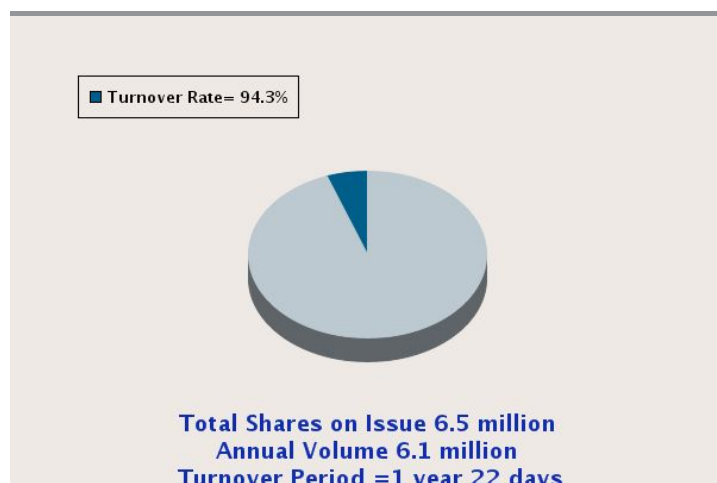
Description	Value	Rank In Market
Turnover in Quarter	US\$7.2 million	In 3rd Quartile

Analysis (continued)

Insider Trades



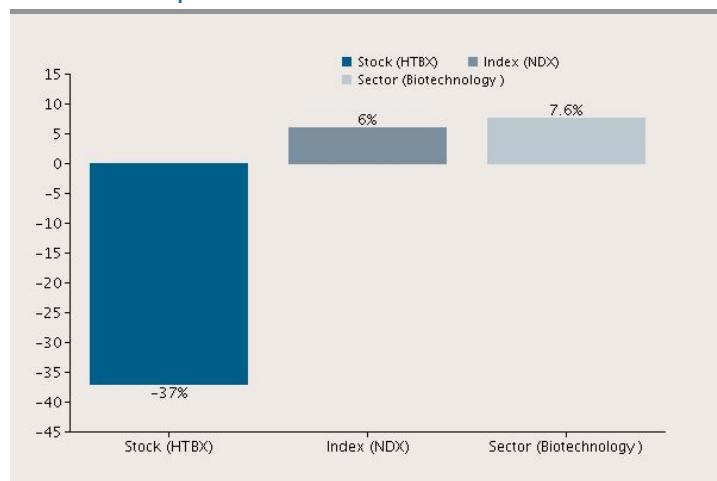
Turnover Rate & Turnover Period



Trailing 3 months

Turnover	US\$7.2 million
Volume	1,266,975
Volume Index (1 is avg)	0.7

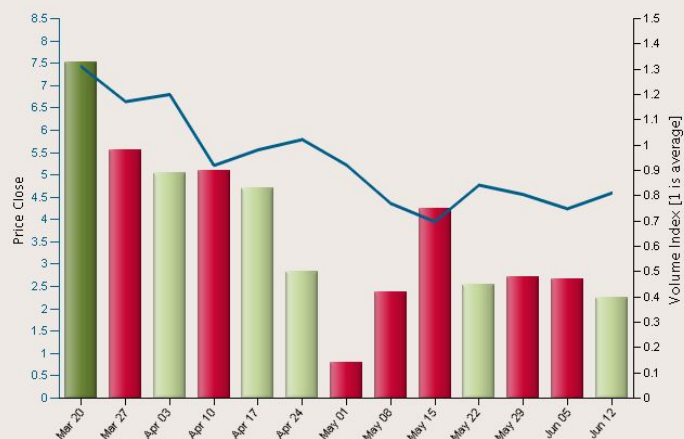
YTD Comparison Stock Sector Index



Price Volume Trend: Trailing Quarter

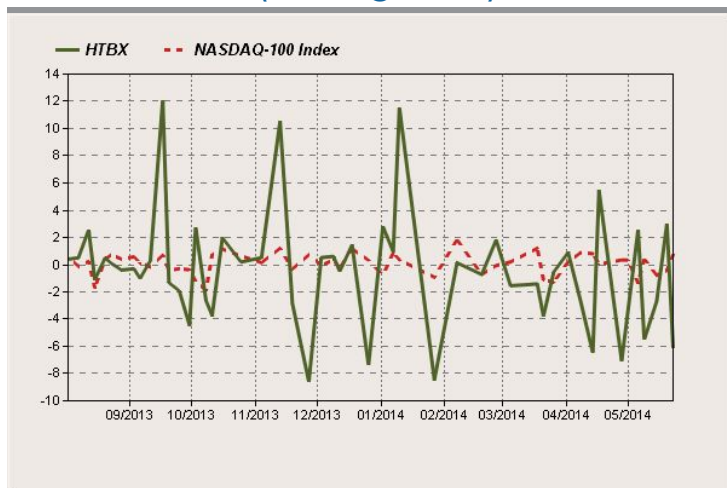


Weekly Price Volume Dynamics (Last 12 Weeks)



- Price increase fuelled by above average Volume
- Price increase on below average Volume
- Price decrease fuelled by above average Volume
- Price decrease on below average Volume
- Price unchanged on above average Volume
- Price unchanged on below average Volume
- Untraded

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)
Onconova Therapeutics	4.91	1	106	-	5	-65	105
GenVec	2.34	73	40	5,330	4	-10	7
Heat Biologics	4.59	3	30	-	-	-9	23

Reported Buying Selling by Insiders

Insider	Date	Transaction Type	No. of Shares	Price, US\$	Value, US\$
Price Melissa	Jun 05, 2014	Bought	692	4.3	2,976
Seed-one Holdings Vi, Llc	May 19, 2014	Bought	2,500	4.1	10,250
Belsky Paul	May 16, 2014	Bought	2,500	4.11	10,275

Company Overview

Activities

Heat Biologics, Inc. is a biopharmaceutical company. The Company develops drugs to treat a variety of cancers, viral, and autoimmune diseases. Heat Biologics manufactures antibodies to treat asthma, inflammatory bowel disease, and rheumatoid arthritis.

Source: www.BuySellSignals.com

Further details can be found at www.heatbio.com.

Regulatory Announcements

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

June 06: Heat Biologics insider buys
May 30: Heat Biologics Receives Green Light to Expand Enrollment of Its Phase 1/2 Study of HS-410 in Bladder Cancer Based on Encouraging Preliminary Safety Results
May 29: Heat Biologics, Inc. to Present at the LD MICRO Fourth Invitational Conference on Wednesday, June 4, 2014
May 22: Heat Biologics, Inc. to Present at the Third Annual Marcum MicroCap Conference on Thursday, May 29, 2014
May 20: Heat Biologics insider buys; shares at an 11-day high
May 16: Heat Biologics insider buys
May 13: Heat Biologics, Inc. Reports 2014 First Quarter Financial Results

To view 8-K other news for Heat-Biologics, [click here](#)

May 28: Heat Biologics: Regulation FD Disclosure
May 13: Heat Biologics: Results of Operations and Financial Condition
April 01: Heat Biologics: Results of Operations and Financial Condition
March 31: Heat Biologics: Shareholder Director Nominations
March 20: Heat Biologics: Regulation FD Disclosure
January 21: Heat Biologics: Entry into a Material Definitive Agreement
January 13: Heat Biologics: Regulation FD Disclosure

Issued Capital

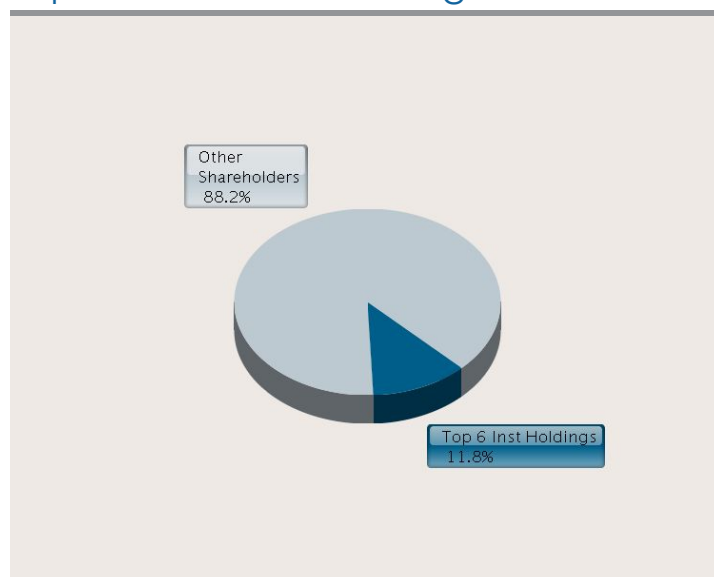
Based on 6,452,341 issued equity shares the market capitalisation is US\$29.6 million. It is NASDAQ's 19th largest Biotechnology company by assets.

The top six shareholders hold 11.8% of the issued capital leaving a float of 88.2%.

Top 6 Shareholders

Name of Shareholder	No. of Shares	% Held
Franklin Resources Inc	697,200	10.81
Vanguard Group Inc	29,200	0.45
Lmr Partners Llp	17,541	0.27
Trellus Management Company Llc	11,500	0.18
Morgan Stanley	4,881	0.08
Tower Research Capital Llc	1,089	0.02
Total	761,411	11.8

Top 6 Institutional Holdings



Board and Management

Louis C. Bock Director

Creation of shareholder value in Heat Biologics:

Since appointment as Director: The present value of USD1,000 invested on the appointment date of September 25, 2013 at close price of US\$11.80 is US\$389, for a capital loss of US\$611.

Financial Results (Quarterly)

31 March, 2014

INCOME STATEMENT

Currency in USD	2014-03-31	2013-03-31	Change %
Grant awards			
Operating expenses:			
Research and development	533,628	440,289	Up 21.2
Clinical and regulatory	846,384	62,057	Up 1,263.9
General and administrative	1,014,870	268,136	Up 278.5
Total operating expenses	2,394,882	770,482	Up 210.8
Loss from operations	-2,394,882	-770,482	Deterioration 210.8
Interest income	10,975	1	Up 1,097,400.0
Other (expense) income	-39,059	10,362	Deterioration
Interest expense		28,342	
Total non-operating expenses	-28,084	-17,979	Deterioration 56.2
Loss from continuing operations	-2,422,966	-788,461	Deterioration 207.3
Loss from discontinued operations			
Net loss	-2,422,966	-788,461	Deterioration 207.3
Net loss - non-controlling interest	-92,369	-24,605	Deterioration 275.4
Beneficial conversion charge		-2,300,000	
Preferred stock dividend			
Net loss attributable to common stockholders	-2,330,597	-3,063,856	Reduced 23.9
Net loss per share attributable to common stockholders-basic and diluted	-36.0c	-166.0c	Reduced 78.3
Weighted-average number of common shares used in net loss per share attributable to common stockholders-basic and diluted	6,412,504	1,859,929	Up 244.8

BALANCE SHEET

Currency in USD	2014-03-31	2013-12-31	Change %
Assets			
Current Assets			
Cash and cash equivalents	2,690,251	4,566,992	Down 41.1
Short term investments	16,749,543	17,297,165	Down 3.2
Related party receivable	30,092	24,946	Up 20.6
Prepaid expenses and other current assets	862,882	1,066,638	Down 19.1
Total Current Assets	20,332,768	22,955,741	Down 11.4
Property and Equipment, net	56,738	53,753	Up 5.6
Other Assets			
Restricted cash	1,252	1,252	Steady
Deposits	9,320	9,320	Steady
Total Other Assets	10,572	10,572	Steady
Total Assets	20,400,078	23,020,066	Down 11.4
Liabilities and Stockholders' Equity			

Financial Results (Quarterly) (continued)

31 March, 2014

Current Liabilities			
Accounts payable	378,399	651,917	Down 42.0
Accrued expenses and other payables	378,471	503,050	Down 24.8
Accrued interest		25,364	
Total Current Liabilities	756,870	1,180,331	Down 35.9
Long Term Liabilities			
Stock warrants liability		122,590	
Total Liabilities	756,870	1,302,921	Down 41.9
Stockholders' Equity			
Additional paid in capital	34,686,606	34,337,591	Up 1.0
Deficit accumulated during the development stage	-14,677,227	-12,346,630	Deterioration 18.9
Total Stockholders' Equity- Less Non-Controlling Interest	20,010,354	21,991,922	Down 9.0
Non-Controlling Interest	-367,146	-274,777	Deterioration 33.6
Total Stockholders' Equity	19,643,208	21,717,145	Down 9.5
Total Liabilities and Stockholders' Equity	20,400,078	23,020,066	Down 11.4

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