

BIND Therapeutics (BIND : US\$8.73)

BIND Therapeutics tumbles 29.5% in third quarter, in bottom 9% of the market

BIND Therapeutics Inc, NASDAQ's 55th largest medical company by market cap, tumbled US\$3.66 (or 29.5%) in the quarter ended September 30 to close at US\$8.73. This loss means the stock has underperformed 91% of NASDAQ-listed stocks in quarter ended September 30. The volume in the quarter was 0.8 times the average trading of 112,156 shares. Compared with the NASDAQ-100 Index which rose 150.2 points (or 3.8%), this represents a relative price change of -33.4%. In the third quarter the market cap declined US\$37.3 million.

Introduction

We are currently bearish on this stock, both in the short-term based on technical indicators, as well as in the long-term based on fundamental metrics

What makes us most bearish on the stock is the following:

- 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 0.71, a bearish indicator.
- In the last three months the number of falls outnumbered rises 28:19 or 1.47:1.

However, there are some reasons why some in the market are more bullish on the stock:

- The stock is oversold according to the Williams % R indicator of -90.6.
- The Price to Book of 2.1 lower than average of 7.9 for the Medical sector and 6.6 for the Total NASDAQ Market.

Stock Summary

Sector	Medical
Market Cap	US\$144.4 million
Shares Outstanding	16,542,422
ISIN	US05548N1072
Relative Strength (3 mo)	9

Financial Summary

Year ended	Dec 2013	Dec 2012	Dec 2011
Sales (USD)	11.04M	1.147M	910,000
Pretax (USD)	-	-	(16.86M)
Net (USD)	(31.367M)	(24.207M)	(19.82M)
EPS (USD)	(5.19)	(11.7)	-

MCap: A Historical Perspective

	Share Price (USD)	Market Cap (US\$)
Last	8.7	144.4 million

Analysis

Bearish Signals

- Falls to Rises: In the last three months the number of falls outnumbered rises 28:19 or 1.47:1.
- In the last 18 trading sessions there has been a net decline of 16.06%; the stock has retreated fifteen times and the biggest one day decline was 5.7% on Sep 19.
- In the NASDAQ market of 2,413 stocks traded today, the stock has a 6-month relative strength of 15 indicating it is trailing 85.0% of the market.
- The Moving Average Convergence Divergence (MACD) indicator of 12-day Exponential Moving Average (EMA) of 9.2 minus the 26-day EMA of 9.5 is negative suggesting a bearish signal. Both the 12-day EMA as well as the 26-day EMA are falling, another bearish signal.
- The 200-day MAP has decreased to US\$12.29. A decrease is another bearish indicator.
- The price to 200-day MAP ratio is 0.71, a bearish indicator.
- The current short volume is 1.1 times its own historical average of 0.5%.

Overvaluation:

- Price/Sales of 13.54 versus sector average of 2.5 and market average of 2.3. We estimate the shares are trading at a current year Price/Sales of 12.4 and a forward year Price/Sales of 11.8.

Other Bearish Signals:

The stock has a score of merely 2 out of 9 set by Joseph Piotroski [pass mark ≥ 5]:

Improvement in current ratio from 1.1 to 5.4; improvement in asset turnover [growth in revenue of 829.7% exceeded growth in assets of 597.8%].

Bearish Indicators and Rank in Market:

Description	Value	Rank In Market
Relative Strength (6M)	15	In Bottom Quartile
Price/MAP200	0.71	In Bottom Quartile
Annual Revenue	US\$10.7 million	In Bottom 6%
Price to Sales	13.5	In Bottom 2%
Price/MAP50	0.45	In Bottom 2%

Note

Neutral Indicators and Rank in Market:

Description	Value	Rank In Market
Turnover in Quarter	US\$59.8 million	In 3rd Quartile
MCap	US\$144.4 million	In 3rd Quartile

Bullish Signals:

- The price is at a discount of 10.7% to the 1-month volume weighted average price of US\$9.78, which may appeal as a value proposition.
- The Price/MAP of 0.71 for BIND is higher than the Price/MAP for the NASDAQ-100 Index of 0.3.
- The stock is oversold according to the Williams % R indicator of -90.6.

Undervaluation:

- The Price to Book of 2.1 lower than average of 7.9 for the Medical sector and 6.6 for the Total NASDAQ Market.
- The company is cash rich with Cash to Market Capitalisation at 35.7%.
- The Q Ratio, defined by James Tobin as MCap divided by Total Assets, is 1.6. Compared with the rest of the market the stock is undervalued.

Other Bullish Signals:

- Net Profit margin is negative but improving in recent quarters.

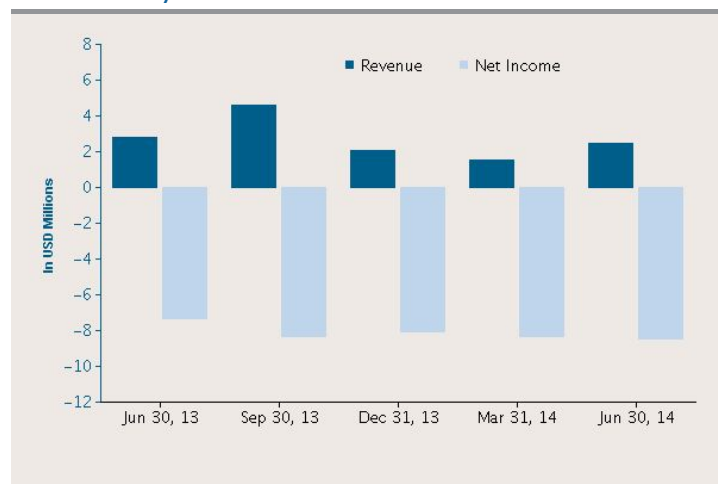
Quarterly Trend:

[Quarter ended, all figures in %]:

Qtr	Revenue Growth	Net Profit Margin
Jun 14	57.1	-343.4
Mar 14	-	-531.8

Analysis (continued)

Quarterly Revenue & Net Income



- Net Profit margin is negative but improving in recent years.

Annual Trend:

[Year ended, all figures in %]:

Year	Net Profit Margin
Dec 13	-284.1
Dec 12	-2,110.5

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



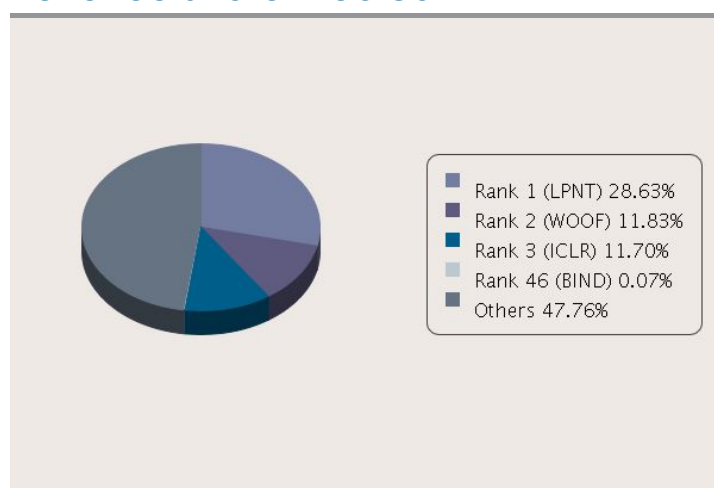
Also, the following criteria set by Benjamin Graham:

- "Total debt less than tangible book value"; total debt of \$US4.7 Million is less than tangible book value of \$US69.3 Million.
- "Current ratio of two or more"; current assets are 5.4 times current liabilities.
- "Total debt equal or less than twice the net quick liquidation value"; total debt of USD4.7 Million is 0.1 times the net liquidation value of USD60.11 Million.

Bullish Indicators and Rank in Market:

Description	Value	Rank In Market
Cash to MCap %	35.7	In Top 8%
Total Debt to Equity	0.1	In Top Quartile

Revenue Share Medical

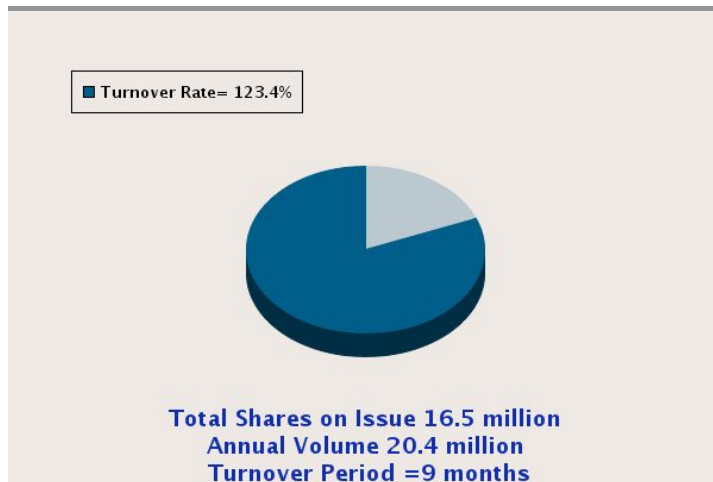


Short Selling to MCap



Analysis (continued)

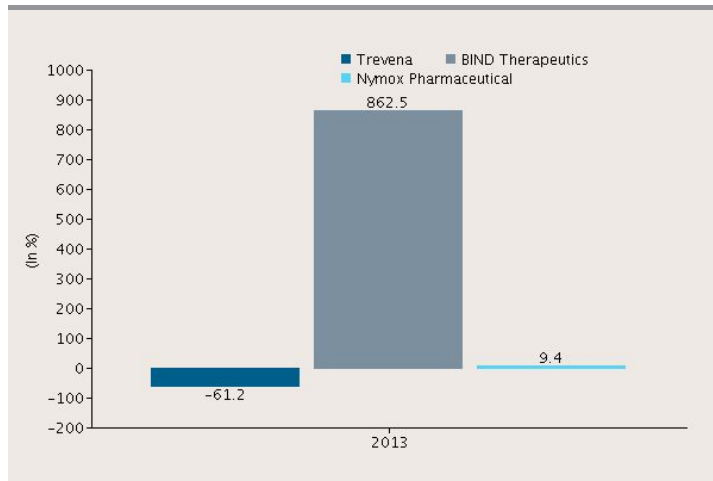
Turnover Rate & Turnover Period



Trailing 3 months

Turnover	US\$59.8 million
Volume	5,898,175
Volume Index (1 is avg)	0.8

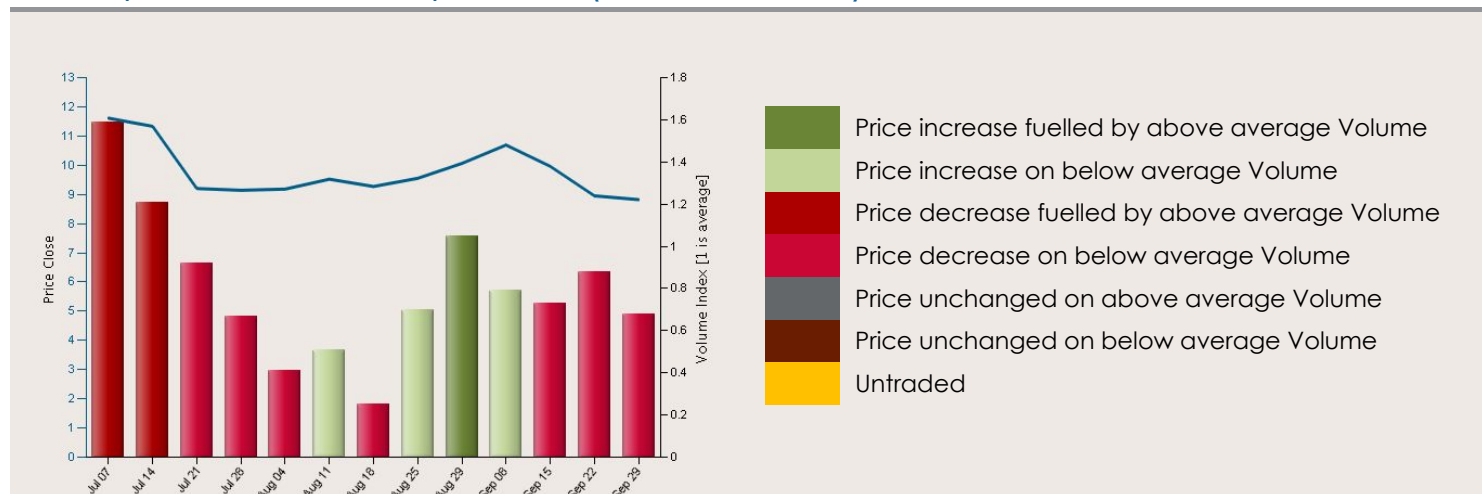
Peer Comparison Revenue Growth (%)



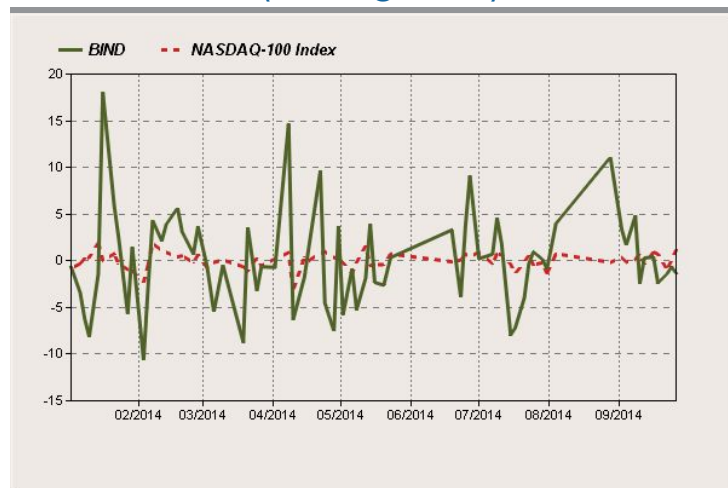
Price Volume Trend: Trailing Quarter



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 ()	PV \$1000 (1 yr)	Revenue ()	Net Profit ()	Total Assets ()
uniQure	9.0	0	158.9M	0	4.6M	-33,852,204	49.2M
Nymox Pharmaceutical	4.2	22	149.4M	648	3.4M	-4,908,603	966,385
BIND Therapeutics	8.7	15	144.4M	0	10.7M	-33,186,000	88.4M
Lifevantage	1.2	39	117.8M	494	214.4M	11.4M	54M

Recent Analyst Recommendations

Date	Brokerage	Action	Past Rating	Current Rating	Prev Target	Price Target
19-Aug-2014	Stifel Nicolaus	Initiated Coverage	-	Buy	-	20

Company Overview

Regulatory Announcements

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

September 04: BIND Therapeutics appoints Director
September 03: BIND Therapeutics appoints Director
August 26: BIND Therapeutics to Present Data at the 26th EORTC-NCI-AACR Symposium
July 30: BIND Therapeutics to Present at Wedbush 2014 Life Sciences Management Access Conference
July 24: BIND Therapeutics to Report Second Quarter 2014 Financial Results on August 7, 2014
June 19: BIND Therapeutics and Roche Collaborate on Discovery of Novel Nanomedicines
June 12: BIND Therapeutics to Present at JMP Securities Healthcare Conference

To view 8-K people news for BIND-Therapeutics, [click here](#)

April 15: BIND Therapeutics appoints Andrew Hirsch as COO

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

August 07: BIND Therapeutics: Results of Operations and Financial Condition
July 02: BIND Therapeutics: Termination of a Material Definitive Agreement
May 08: BIND Therapeutics: Results of Operations and Financial Condition
April 15: BIND Therapeutics: Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers
April 04: BIND Therapeutics: Other Events
March 25: BIND Therapeutics: Results of Operations and Financial Condition

Conference Call-transcripts

To view Conference Call-transcripts, [click here](#)

10 Aug, 2014: BIND Therapeutics' (BIND) CEO Scott Minick on Q2 2014 Results - Earnings Call Transcript

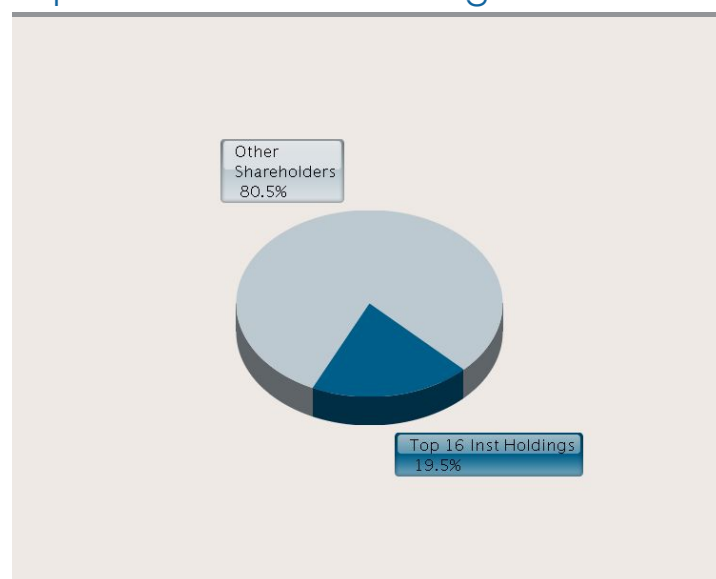
Issued Capital

Based on 16,542,422 issued equity shares the market capitalisation is US\$144.4 million. It is NASDAQ's 46th largest Medical company by total revenue.
The top sixteen shareholders hold 19.5% of the issued capital leaving a float of 80.5%.

Top 10 Shareholders

Name of Shareholder	No. of Shares	% Held
Polaris Venture Management Co. V L.L.C.	2,018,253	12.2
Franklin Resources Inc	361,700	2.19
Putnam Investments Llc	244,100	1.48
Vanguard Group Inc	141,342	0.85
Bvf Inc/ll	116,000	0.7
Barclays Global Investors Uk Holdings Ltd	80,715	0.49
Rhenman & Partners Asset Management Ab	60,000	0.36
Credit Suisse Ag/	44,747	0.27
Emerald Advisers Inc/Pa	42,123	0.25
Raymond James & Associates	32,790	0.2
Total	3,141,770	18.99

Top 16 Institutional Holdings



Board and Management

Andrew Hirsch CFO & Chief Operating Officer

Mr. Hirsch, age 43, has served as the Company's Chief Financial Officer since July 2012. From June 2011 to May 2012, he was Vice President of Finance and Chief Financial Officer at Avila Therapeutics, Inc., a biotechnology company, until its acquisition by Celgene Corporation. From 2002 to 2011, Mr. Hirsch served in roles of increasing responsibility at Biogen Idec, a biotechnology company, including the most recent role from 2010 to 2011 as Vice President, Corporate Strategy and M&A. From 2007 to 2010, Mr. Hirsch held various positions in the finance organization at Biogen Idec including leading the company's Business Planning and Investor Relations functions. In addition, he served as Program Executive in neurology, leading the development teams at Biogen Idec for the BG-12 (now marketed as Tecfidera), Avonex and Tysabri programs.

Dr. Hrkach, age 48, served as the Company's Senior Vice President, Technology, Research and Development since January 2010. From August 2009 to January 2010, he served as the Company's interim President, and from July 2007 to August 2009, he served as the Company's Vice President of Pharmaceutical Sciences.

Creation of shareholder value in BIND Therapeutics:

Since appointment as COO: The present value of USD1,000 invested on the appointment date of February 15, 2014 at close price of US\$13.62 is US\$641, for a capital loss of US\$359.

Eric K. Rowinsky Director

Eric K. Rowinsky, M.D., has served as the Head of Research and Development and Chief Medical Officer of Stemline Therapeutics, Inc., since January 2012 and as a board member of Biogen Idec since 2010. Dr. Rowinsky is also an Adjunct Professor of Medicine at New York University and has been an independent consultant since January 2010. Prior to that, he was the Chief Medical Officer of Primrose Therapeutics, Inc. from August 2010 until its acquisition in September 2011. From 2005 to December 2009, he served as the Chief Medical Officer and Executive Vice President of ImClone Systems Incorporated. From 1996 to 2004, Dr. Rowinsky held several positions at the Cancer Therapy & Research Center's Institute for Drug Development, including Director of the Institute and Director of Clinical Research. From 1988 to 1996, Dr. Rowinsky was an Associate Professor of Oncology at the Johns Hopkins School of Medicine and on the staff of the Johns Hopkins Hospital. Dr. Rowinsky is also a member of the boards of directors of Coronado Biosciences, Inc. and Navidea Biopharmaceuticals, Inc. Dr. Rowinsky earned his medical degree from Vanderbilt University School of Medicine and a fellowship in medical oncology from the Johns Hopkins University.

Creation of shareholder value in BIND Therapeutics:

Since appointment as Director: The present value of USD1,000 invested on the appointment date of September 03, 2014 at close price of US\$10.19 is US\$857, for a capital loss of US\$143.

Amy W. Schulman Director

Amy W. Schulman joined Arsia Therapeutics as Chief Executive Officer in August of 2014, at the same time she began her role as a Venture Partner at Polaris Partners. Ms. Schulman is also a Senior Lecturer at Harvard Business School, where she was appointed to the faculty in July of 2014. Prior to this, she joined Pfizer Inc. in 2008 and served as Executive Vice President and General Counsel and the Business Unit Lead for Pfizer's Consumer Healthcare business until December 2013. Before joining Pfizer, she was a partner at DLA Piper, where she was a member of the Board and Executive Policy Committees. Ms. Schulman is a Phi Beta Kappa graduate of Wesleyan University and earned her J.D. from Yale Law School in 1989. She serves on the Board of Directors of Alnylam, The Brookings Institution and Wesleyan University.

Creation of shareholder value in BIND Therapeutics:

Since appointment as Director: The present value of USD1,000 invested on the appointment date of September 03, 2014 at close price of US\$10.19 is US\$857, for a capital loss of US\$143.

Board and Management (continued)

Charles A. Rowland, Jr. Director

Mr. Rowland has more than 30 years of experience in financial management and strategic business operations. He served as the Vice President and Chief Financial Officer of ViroPharma Incorporated, an international biopharmaceutical company, until it was acquired by Shire plc in January 2014. He also served as senior vice president of finance, with responsibilities for leading the treasury, tax, investor relations and business planning groups. Prior to joining ViroPharma in 2008, Mr. Rowland was the Executive Vice President and Chief Financial Officer, as well as the interim Co-Chief Executive Officer, for Endo Pharmaceuticals Inc., a specialty pharmaceutical company with a primary focus in pain management, where he served from 2006 to 2008. At Endo, Mr. Rowland drove the strategic planning process, including the design and implementation of the company's mid and long-term strategy. From 2004 to 2006, Mr. Rowland was the Senior Vice President and Chief Financial Officer of Biovail Corporation, an international pharmaceutical company, where he directed all financial activities for the company including tax, treasury, accounting, financial analysis, investor relations as well as all aspects of information technology. Mr. Rowland previously held positions of increasing responsibility at Breakaway Technologies, Inc., Pharmacia Corporation, Novartis AG and Bristol-Myers Squibb Co.

Financial Results (Half Year)

30 June, 2014

INCOME STATEMENT

Currency in Thousand of USD	2014-06-30	2013-06-30	Change %
Revenue	4,024	4,265	Down 5.7
Operating expenses:			
Research and development	13,724	11,617	Up 18.1
General and administrative	7,035	4,416	Up 59.3
Total operating expenses	20,759	16,033	Up 29.5
Loss from operations	-16,735	-11,768	Deterioration 42.2
Other income (expense)			
Interest expense, net	156	104	Up 50.0
Other income (expense), net	125	-336	Recovery
Total other income (expense)	-31	-440	Reduced 93.0
Net loss	-16,766	-12,208	Deterioration 37.3
Accretion of redeemable convertible preferred stock		-2,749	
Net loss attributable to common stockholders	-16,766	-14,957	Deterioration 12.1
Net loss per share attributable to common stockholders:			
Basic and diluted	-102.0c	-683.0c	Reduced 85.1
Weighted average common shares outstanding:			
Basic and diluted	16,444,210	2,190,479	Up 650.7

BALANCE SHEET

Currency in Thousand of USD	2014-06-30	2013-12-31	Change %
ASSETS			
Current assets:			
Cash and cash equivalents	28,940	51,612	Down 43.9
Short-term investments	29,736	10,384	Up 186.4
Accounts receivable	2,107	1,269	Up 66.0
Prepaid expenses and other current assets	1,118	1,532	Down 27.0
Total current assets	61,901	64,797	Down 4.5
Property and equipment, net	6,475	6,079	Up 6.5
Long-term investments		15,387	
Restricted cash	2,109	2,084	Up 1.2
Other assets	30	61	Down 50.8
Total	70,515	88,408	Down 20.2
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Current portion of long-term debt	1,908	1,411	Up 35.2
Accounts payable	1,113	2,643	Down 57.9
Accrued expenses	3,534	2,408	Up 46.8
Current portion of deferred revenue	4,383	5,086	Down 13.8
Current portion of deferred rent	403	513	Down 21.4
Total current liabilities	11,341	12,061	Down 6.0

Financial Results (Half Year) (continued)

30 June, 2014

Long-term liabilities:			
Long-term debt, less current portion	2,401	3,274	Down 26.7
Deferred revenue, less current portion	1,538	2,384	Down 35.5
Deferred rent, less current portion	1,233	1,375	Down 10.3
Total long-term liabilities	5,172	7,033	Down 26.5
Total liabilities	16,513	19,094	Down 13.5
Commitments and contingencies			
Stockholders' equity:			
Preferred stock, 0.0001 par value=10,000,000 shares authorized, no shares issued and outstanding at June 30, 2014 and December 31, 2013			
Common stock, 0.0001 par value=200,000,000 shares authorized, 16,541,970 shares issued and outstanding at June 30, 2014; 16,438,706 shares issued and 16,410,840 shares			
outstanding at December 31, 2013	2	2	Steady
Additional paid in capital	176,147	174,468	Up 1.0
Accumulated deficit	-121,509	-104,742	Deterioration 16.0
Accumulated other comprehensive loss	-638	-414	Deterioration 54.1
Total stockholders' equity	54,002	69,314	Down 22.1
Total	70,515	88,408	Down 20.2

PERFORMANCE RATIOS

	2014-06-30	2013-06-30	Change %
Return on Equity(%)	-31.05	-21.58	Deterioration 43.9
Return on Assets(%)	-23.78	-16.92	Deterioration 40.5

PER SHARE FIGURES

	2014-06-30	2013-06-30	Change %
EPS	-102.0c	-683.0c	Reduced 85.1

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