

BIND Therapeutics (BIND : US\$13.18)

BIND Therapeutics climbs 13.6% in second quarter, outperforming 85% of the market

BIND Therapeutics Inc, NASDAQ's 45th largest medical company by market cap, climbed US\$1.58 (or 13.6%) in the quarter ended June 30 to close at US\$13.18. This gain means the stock has outperformed 85% of NASDAQ-listed stocks in quarter ended June 30. The volume in the quarter was 1.0 times the average trading of 120,911 shares. Compared with the NASDAQ-100 Index which rose 191.1 points (or 5.2%), this represents a relative price increase of 8.4%. In the second quarter the market cap jumped US\$8.2 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:

- The price has risen above the upper Bollinger band of US\$13.05.
- The Q Ratio, defined by James Tobin as MCap divided by Total Assets, is 2.4. Compared with the rest of the market the stock is overvalued and ranks in the bottom quartile of stocks by value of Q Ratio.
- Amongst stocks that are shorted, it was in the top quartile as a percentage of stock shorted, suggesting that there are many confident bears of the stock.
- The stock is overbought according to the Williams % R indicator of -1.3.

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

- Its Moving Average Convergence Divergence indicators are rising, with its 12-day EMA higher than its 26-day EMA.
- The Price to Book of 3.1 lower than average of 7.2 for the Medical sector and 6.2 for the Total NASDAQ Market.

Stock Summary

Sector	Medical
Market Cap	US\$215.7 million
Shares Outstanding	16,367,865
ISIN	US05548N1072
Relative Strength (3 mo)	85

Financial Summary

Year ended	Dec 2013	Dec 2012	Dec 2011
Sales (USDm)	11	1.1	0.9
Pretax (USDm)	-	-	(16.9)
Net (USDm)	(31.4)	(24.2)	(19.8)
EPS (USD)	(5.19)	(11.7)	-

MCap: A Historical Perspective

	Share Price (USD)	Market Cap (\$)
Last	13.2	215.7 million

Analysis

Bullish Signals

- In the last 20 trading sessions there has been a net rise of 63.52%; the stock has advanced thirteen times and the biggest one day rise was 9.1% on Jun 27.
- The Moving Average Convergence Divergence (MACD) indicator of 12-day Exponential Moving Average (EMA) of 11.27 minus the 26-day EMA of 10.44 is positive suggesting a bullish signal. Both the 12-day EMA as well as the 26-day EMA are rising, another bullish signal.
- The stock traded at a five-month high of US\$13.23 today.

Undervaluation:

- The Price to Book of 3.1 lower than average of 7.2 for the Medical sector and 6.2 for the Total NASDAQ Market.
- The company is cash rich with Cash to Market Capitalisation at 23.9%.

Other Bullish Signals:

- 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:

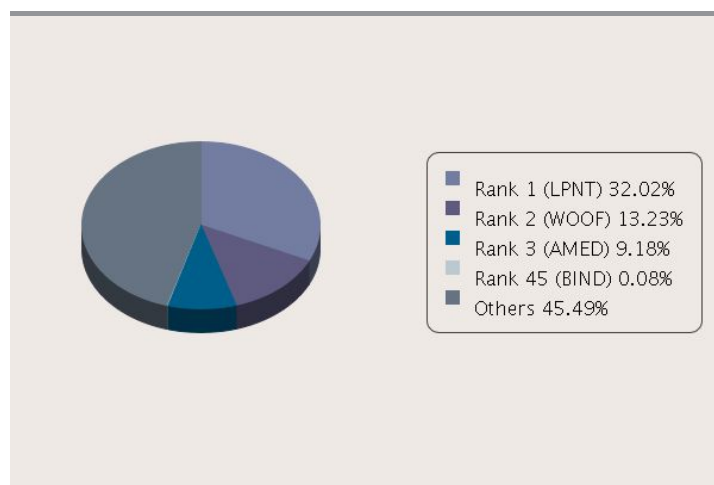
- "Total debt less than tangible book value"; total debt of \$US4.7 Million is less than tangible book value of \$US69.3 Million.
- "Current ratio of two or more"; current assets are 5.4 times current liabilities.

- "Total debt equal or less than twice the net quick liquidation value"; total debt of \$US4.7 Million is 0.1 times the net liquidation value of \$US60.11 Million.

Bullish Indicators and Rank in Market:

Description	Value	Rank In Market
%Prem To Vol Wtd Price	27.5	In Top 1%
Price Change %	6.4	In Top 5%
Cash to MCap %	23.9	In Top Quartile
Total Debt to Equity	0.1	In Top Quartile

Revenue Share Medical



Bearish Signals

- The price is at a premium of 27.5% to the 1-month volume weighted average price of US\$10.34.
- The price has risen above the upper Bollinger band of US\$13.05; the stock is also overbought according to the Williams % R indicator of -1.3.
- In the NASDAQ Short Selling market of 2430 stocks, short selling as a % of issued shares ranked 535th and within the top quartile of stocks. This means it was higher than market average of 0.43%, a bearish indicator.
- The current short volume is 1.5 times its own historical average of 0.4%.

Overvaluation:

- Price/Sales of 19.54 versus sector average of 2.7 and market average of 2.2.
- The Q Ratio, defined by James Tobin as MCap divided by Total Assets, is 2.4. Compared with the rest of the market the stock is overvalued and ranks in the bottom quartile of stocks by value of Q Ratio.

Analysis (continued)

Other Bearish Signals:

Bearish Indicators and Rank in Market:

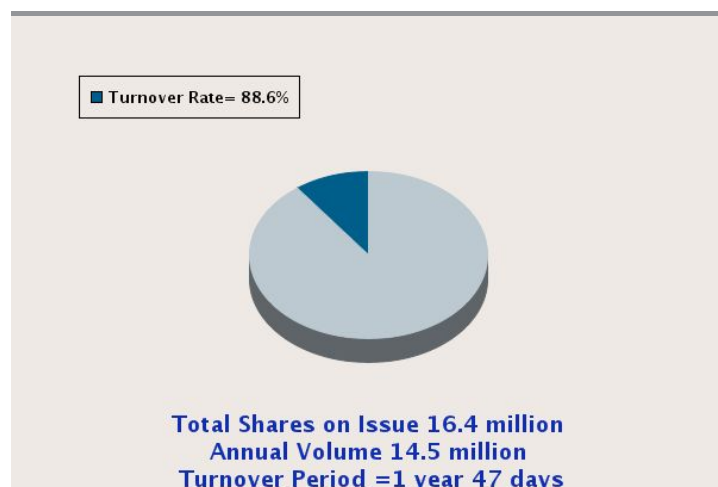
Description	Value	Rank In Market
Price/MAP50	0.69	In Bottom Quartile
Annual Revenue	US\$11 million	In Bottom 6%
Volatility %	10.0	In Bottom 6%
Price to Sales	19.5	In Bottom 1%

Note

Neutral Indicators and Rank in Market:

Description	Value	Rank In Market
Turnover in Quarter	US\$74 million	In 3rd Quartile
MCap	US\$215.7 million	In 3rd Quartile

Turnover Rate & Turnover Period



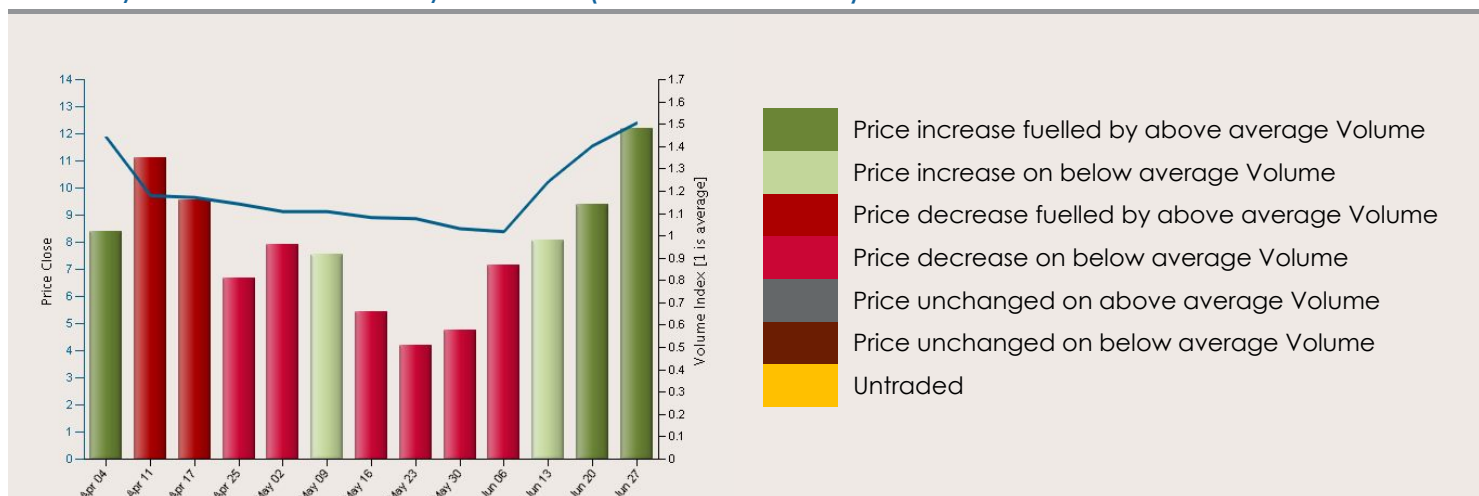
Trailing 3 months

Turnover	US\$74 million
Volume	7,354,860
Volume Index (1 is avg)	1.0

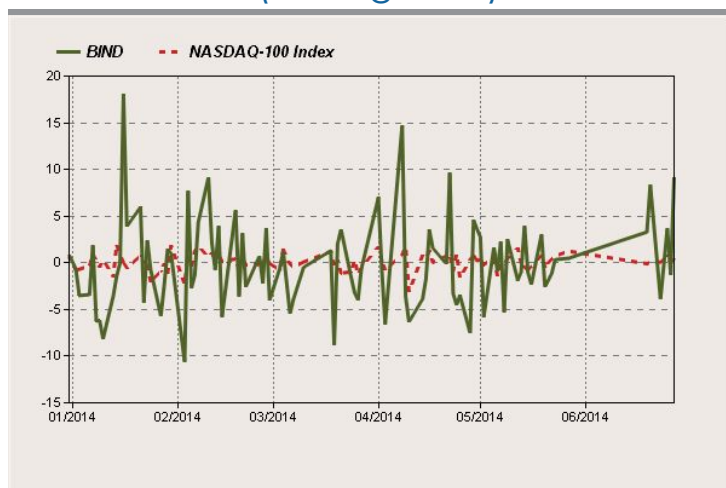
Price Volume Trend: Trailing Quarter



Weekly Price Volume Dynamics (Last 12 Weeks)



Stock v Index (Trailing Year)



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)
Alimera Sciences	5.98	89	241	1,248	4	-53	20
PhotoMedex	12.25	43	232	796	218	11	221
Egalet	13.12	-	226	-	-	-20	20
BIND Therapeutics	13.18	-	216	-	11	-31	88
Eleven Biotherapeutics	13.18	-	213	-	1	-22	11
Flexion Therapeutics	13.48	-	210	-	-	-18	19
Eagle Pharmaceuticals	14.33	-	199	-	14	-10	18

Company Overview

Activities

BIND Therapeutics Inc researches and produces biopharmaceutical products. The Company develops selective targeted and programmable therapeutics to maximize active pharmaceutical ingredients concentrations in diseased tissues. BIND Biosciences serves patients worldwide.

Further details can be found at bindtherapeutics.com.

Regulatory Announcements

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

June 19: BIND Therapeutics and Roche Collaborate on Discovery of Novel Nanomedicines

June 12: BIND Therapeutics to Present at JMP Securities Healthcare Conference

May 28: BIND Therapeutics appoints Director

May 19: BIND Therapeutics to Present at Jefferies 2014 Global Healthcare Conference

May 05: BIND Therapeutics to Present at UBS Global Healthcare Conference

May 01: BIND Therapeutics to Report First Quarter 2014 Financial Results on May 8, 2014

April 07: BIND Therapeutics Presents Clinical Data Highlighting Unique Attributes of Lead Cancer Drug Candidate, BIND-014, at AACR 2014 Annual Meeting

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](#)

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](#)

08 May, 2014: BIND Therapeutics' (BIND) CEO Scott Minick on Q1 2014 Results - Earnings Call Transcript

Issued Capital

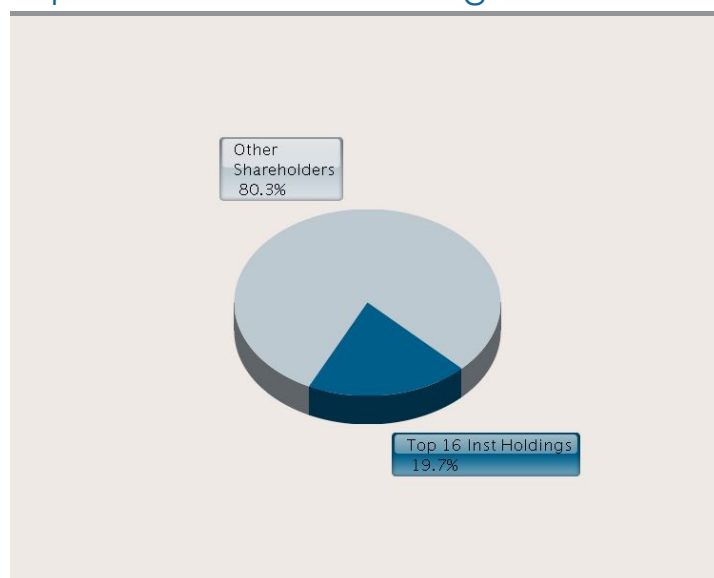
Based on 16,367,865 issued equity shares the market capitalisation is US\$215.7 million. It is NASDAQ's 45th largest Medical company by total revenue.

The top sixteen shareholders hold 19.7% of the issued capital leaving a float of 80.3%.

Top 10 Shareholders

Name of Shareholder	No. of Shares	% Held
Polaris Venture Management Co. V L.L.C.	2,018,253	12.33
Franklin Resources Inc	361,700	2.21
Putnam Investments Llc	244,100	1.49
Vanguard Group Inc	141,342	0.86
Bvf Inc/II	116,000	0.71
Barclays Global Investors Uk Holdings Ltd	80,715	0.49
Rhenman & Partners Asset Management Ab	60,000	0.37
Credit Suisse Ag/	44,747	0.27
Emerald Advisers Inc/Pa	42,123	0.26
Raymond James & Associates	32,790	0.2
Total	3,141,770	19.19

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\$968, for a capital loss of US\$32.

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.

Creation of shareholder value in BIND Therapeutics:

Since appointment as Director: The present value of USD1,000 invested on the appointment date of May 28, 2014 at close price of US\$8.73 is US\$1,510, for a capital gain of US\$510.

Financial Results (Quarterly)

31 March, 2014

INCOME STATEMENT

Currency in Thousand of USD	2014-03-31	2013-03-31	Change %
Revenue	1,565	1,488	Up 5.2
Operating expenses:			
Research and development	6,823	5,657	Up 20.6
General and administrative	3,261	1,967	Up 65.8
Total operating expenses	10,084	7,624	Up 32.3
Loss from operations	-8,519	-6,136	Deterioration 38.8
Other income (expense)			
Interest expense, net	84	53	Up 58.5
Other income (expense), net	281	-100	Recovery
Total other income (expense)	197	-153	Recovery
Net loss	-8,322	-6,289	Deterioration 32.3
Accretion of redeemable convertible preferred stock		-1,335	
Net loss attributable to common stockholders	-8,322	-7,624	Deterioration 9.2
Net loss per share attributable to common stockholders:			
Basic and diluted	-51.0c	-351.0c	Reduced 85.5
Weighted average common shares outstanding:			
Basic and diluted	16,423,795	2,170,827	Up 656.6

BALANCE SHEET

Currency in Thousand of USD	2014-03-31	2013-12-31	Change %
ASSETS			
Current assets:			
Cash and cash equivalents	26,549	51,612	Down 48.6
Short-term investments	42,159	10,384	Up 306.0
Accounts receivable	1,045	1,269	Down 17.7
Prepaid expenses and other current assets	764	1,532	Down 50.1
Total current assets	70,517	64,797	Up 8.8
Property and equipment, net	6,122	6,079	Up 0.7
Long-term investments		15,387	
Restricted cash	1,971	2,084	Down 5.4
Other assets	53	61	Down 13.1
Total	78,663	88,408	Down 11.0
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Current portion of long-term debt	1,854	1,411	Up 31.4
Accounts payable	1,278	2,643	Down 51.6
Accrued expenses	2,508	2,408	Up 4.2
Current portion of deferred revenue	4,977	5,086	Down 2.1
Current portion of deferred rent	524	513	Up 2.1
Total current liabilities	11,141	12,061	Down 7.6

Financial Results (Quarterly) (continued)

31 March, 2014

Long-term liabilities:			
Long-term debt, less current portion	2,843	3,274	Down 13.2
Deferred revenue, less current portion	2,233	2,384	Down 6.3
Deferred rent, less current portion	1,242	1,375	Down 9.7
Total long-term liabilities	6,318	7,033	Down 10.2
Total liabilities	17,459	19,094	Down 8.6
Commitments and contingencies			
Stockholders' equity:			
Preferred stock, 0.0001 par value10,000,000 shares authorized, no shares issued and outstanding at March 31, 2014 and December 31, 2013			
Common stock, 0.0001 par value200,000,000 shares authorized, 2 16,441,972 shares issued and 16,437,114 shares outstanding at March 31, 2014; 16,438,706 shares issued and 16,410,840 shares outstanding at December 31, 2013		2	Steady
Additional paid in capital	175,318	174,468	Up 0.5
Accumulated deficit	-113,064	-104,742	Deterioration 7.9
Accumulated other comprehensive loss	-1,052	-414	Deterioration 154.1
Total stockholders' equity	61,204	69,314	Down 11.7
Total	78,663	88,408	Down 11.0

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