

BIND Therapeutics (BIND : US\$10.23)

BIND Therapeutics tumbles 32% in 2014, in bottom 10% of the market

BIND Therapeutics Inc, has now tumbled US\$4.76 (or 31.8%) year to date in 2014 to close at US\$10.23. This loss means the stock has underperformed 91% of NASDAQ-listed stocks in 2014. The volume YTD has been 0.9 times average trading of 116,868 shares. Compared with the NASDAQ-100 Index which has risen 6.0% YTD, this represents a relative price change of -37.7%.

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 rising, with its 12-day EMA higher than its 26-day EMA.
- The price has risen above the upper Bollinger band of US\$10.20.
- In the last three months the number of falls outnumbered rises 34:28 or 1.21:1.

Stock Summary

| | |
|---------------------------------|---------------------|
| Sector | Total NASDAQ Market |
| Market Cap | US\$167.4 million |
| Shares Outstanding | 16,367,865 |
| ISIN | US05548N1072 |
| Relative Strength (3 mo) | 18 |

MCap: A Historical Perspective

| | Share Price (USD) | Market Cap (\$) |
|------|-------------------|-----------------|
| Last | 10.2 | 167.4 million |

Analysis

Bullish Signals

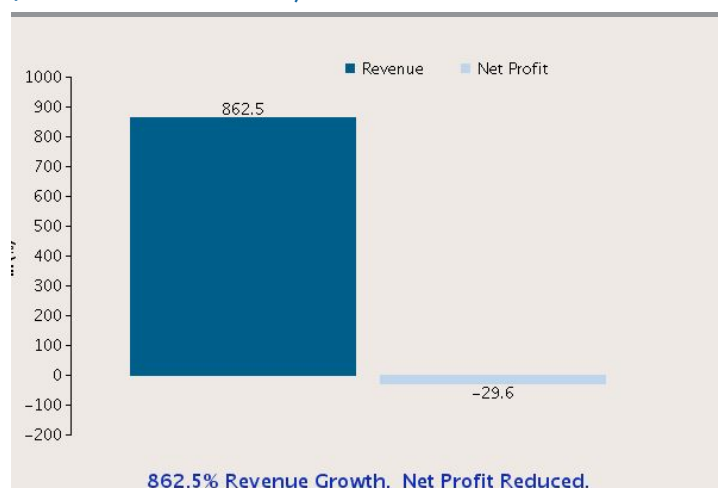
- In the last 4 trading sessions there has been a net rise of 10.95%; the stock has advanced twelve times and the biggest one day rise was 6.8% on Jun 09.
- The Moving Average Convergence Divergence (MACD) indicator of 12-day Exponential Moving Average (EMA) of 9.28 minus the 26-day EMA of 9.14 is positive suggesting a bullish signal. Both the 12-day EMA as well as the 26-day EMA are rising, another bullish signal.

Undervaluation:

- The Price to Book of 2.4 lower than average of 6.1 for the Total NASDAQ Market and 6.1 for the Total NASDAQ Market.
- The company is cash rich with Cash to Market Capitalisation at 30.8%.
- The Q Ratio, defined by James Tobin as MCap divided by Total Assets, is 1.9. Compared with the rest of the market the stock is undervalued.

Other Bullish Signals:

% 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 | 12.8 | In Top 8% |
| Cash to MCap % | 30.8 | In Top Quartile |
| Total Debt to Equity | 0.1 | In Top Quartile |

Bearish Signals

- The price is at a premium of 12.8% to the 1-month volume weighted average price of US\$9.07. In the past year the premium has been greater than 12.8% just once, suggesting a topish level and cautious buying at the current price.
- The price has risen above the upper Bollinger band of US\$10.20; the Stochastic indicator of 86.9 has broken through the overbought line of 80.
- The current short volume is 1.2 times its own historical average of 0.4%. It climbed 5.8% from the previous day, a bearish indicator.

Overvaluation:

- Price/Sales of 15.17 versus market average of 2.2.

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 862.5% exceeded growth in assets of 597.8%].

Bearish Indicators and Rank in Market:

| Description | Value | Rank In Market |
|----------------|----------------|--------------------|
| Price Change % | -1.4 | In Bottom Quartile |
| Volatility % | 4.9 | In Bottom Quartile |
| Annual Revenue | US\$11 million | In Bottom 6% |
| Price/MAP50 | 0.55 | In Bottom 4% |
| Price to Sales | 15.2 | In Bottom 2% |

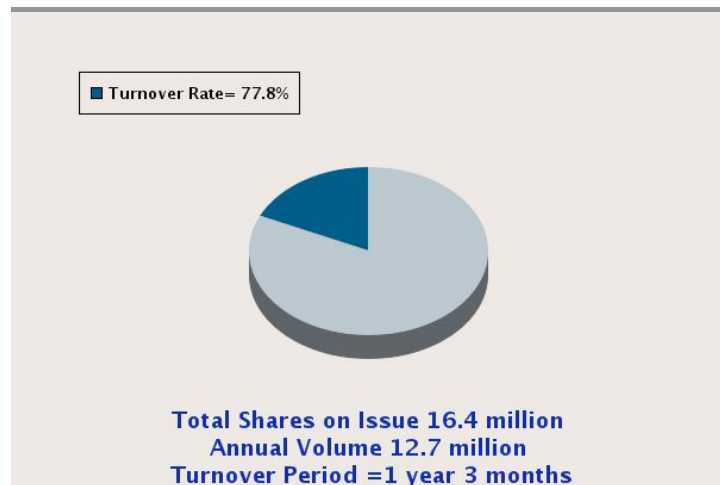
Note

Neutral Indicators and Rank in Market:

| Description | Value | Rank In Market |
|---------------------|-------------------|-----------------|
| Turnover in Quarter | US\$73.2 million | In 3rd Quartile |
| MCap | US\$167.4 million | In 3rd Quartile |

Analysis (continued)

Turnover Rate & Turnover Period



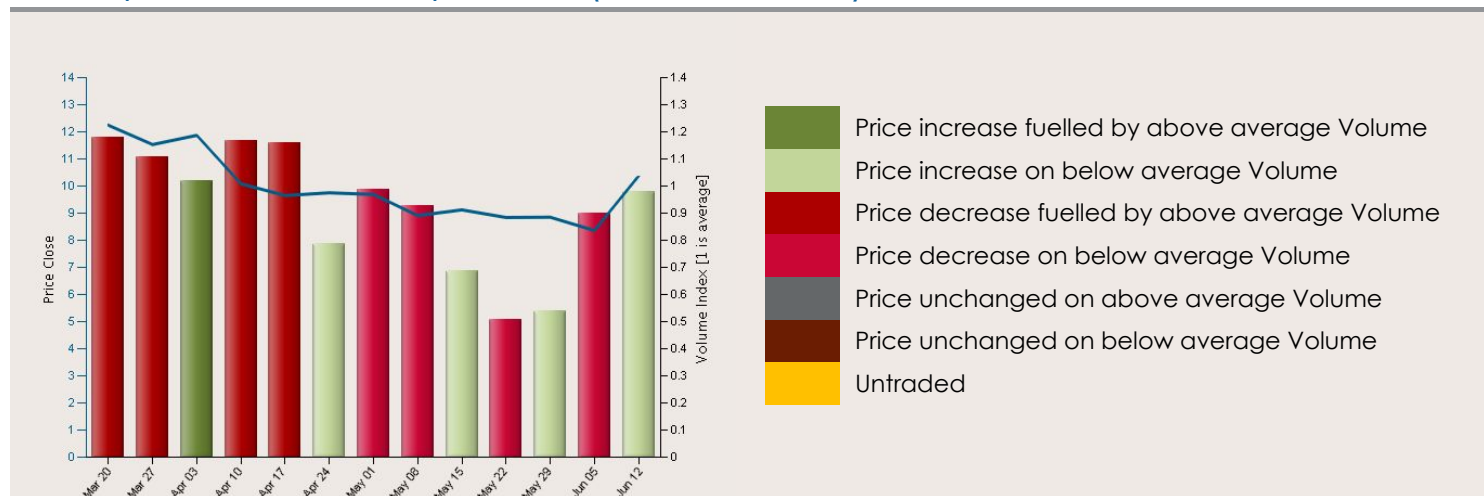
Trailing 3 months

| | |
|-------------------------|------------------|
| Turnover | US\$73.2 million |
| Volume | 7,202,744 |
| Volume Index (1 is avg) | 1.0 |

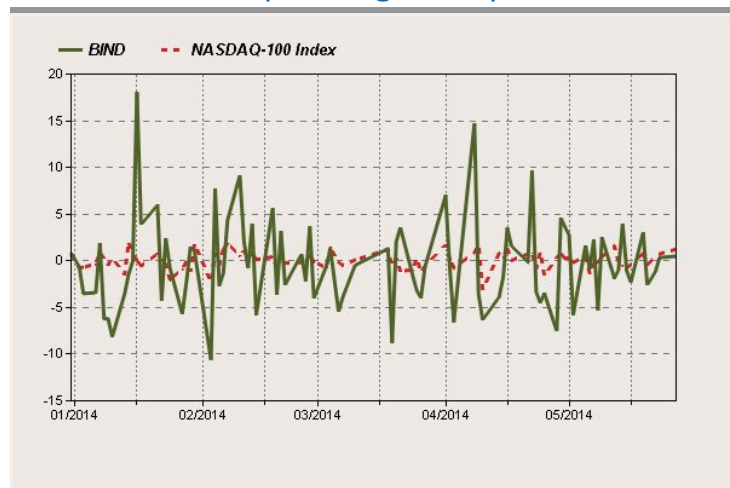
Price Volume Trend: Trailing Quarter



Weekly Price Volume Dynamics (Last 12 Weeks)



Stock v Index (Trailing Year)



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

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

Issued Capital

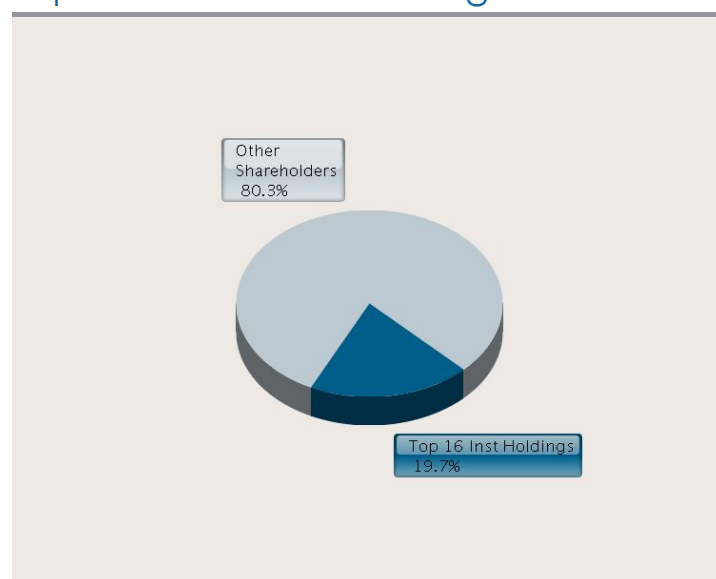
Based on 16,367,865 issued equity shares the market capitalisation is US\$167.4 million.

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/ll | 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\$751, for a capital loss of US\$249.

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\$1,172, for a capital gain of US\$172.

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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