

Revance Therapeutics (RVNC : US\$34.0)

Revance Therapeutics climbs 10.3% in second quarter, outperforming 80% of the market

Revance Therapeutics Inc, NASDAQ's 15th largest medical company by market cap, climbed US\$3.18 (or 10.3%) in the quarter ended June 30 to close at US\$34.0. This gain means the stock has outperformed 80% of NASDAQ-listed stocks in quarter ended June 30. The volume in the quarter was 0.9 times the average trading of 190,504 shares. Compared with the NASDAQ-100 Index which rose 191.1 points (or 5.2%), this represents a relative price increase of 5.1%. In the second quarter the market cap jumped US\$3.4 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 stock is overbought according to the Williams % R indicator of -3.3.
- In the last three months the number of falls outnumbered rises 34:26 or 1.31:1.

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.

Stock Summary

Sector	Medical
Market Cap	US\$634.2 million
Shares Outstanding	18,651,754
ISIN	US7613301099
Relative Strength (3 mo)	80

Financial Summary

Year ended	Dec 2013	Dec 2012	Dec 2011
Sales (USDm)	0.6	0.7	0.6
Pretax (USDm)	(52.4)	(58.3)	(44.9)
Net (USDm)	(74.6)	(58.3)	(44.9)

MCap: A Historical Perspective

	Share Price (USD)	Market Cap (\$)
Last	34.0	634.2 million

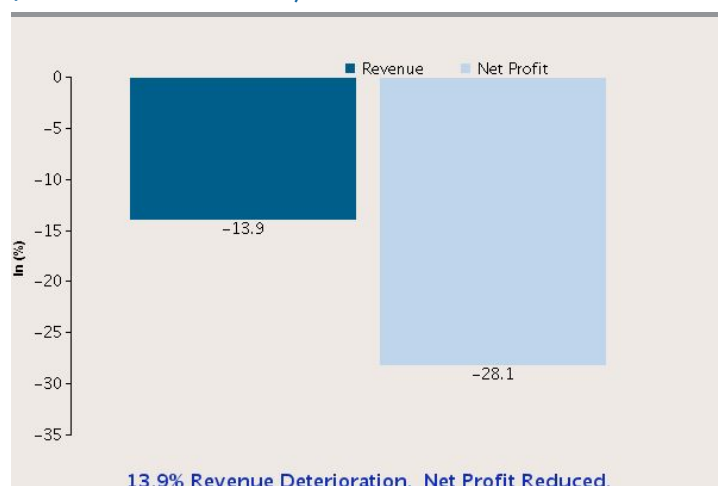
Analysis

Bullish Signals

- In the last 12 trading sessions there has been a net rise of 12.84%; the stock has advanced eleven times and the biggest one day rise was 7.2% on Jun 10.
- The Moving Average Convergence Divergence (MACD) indicator of 12-day Exponential Moving Average (EMA) of 32.45 minus the 26-day EMA of 31.89 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 three-month high of US\$34.20 today.

Other Bullish Signals:

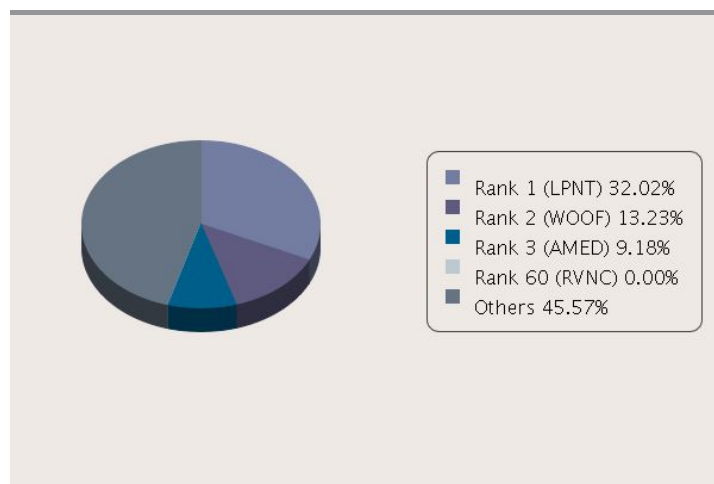
% Growth Y.O.Y, Revenue & Net Profit



Bullish Indicators and Rank in Market:

Description	Value	Rank In Market
%Prem To Vol Wtd Price	7.4	In Top Quartile
Price Change %	1.3	In Top Quartile

Revenue Share Medical



Bearish Signals

- The price is at a premium of 7.4% to the 1-month volume weighted average price of US\$31.64. Given that this premium has been under 7.4% seventy times and over 7.4% sixteen times in the last year, the downside:upside probability is estimated at 70:16 or 4.4:1.
- The stock is overbought according to the Williams % R indicator of -3.3.
- The current short volume is 2.3 times its own historical average of 0.2%.

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 0 to 0.1; Total shares on issue unchanged.

Bearish Indicators and Rank in Market:

Description	Value	Rank In Market
Price/MAP50	0.63	In Bottom 8%
Annual Revenue	US\$620,000	In Bottom 1%

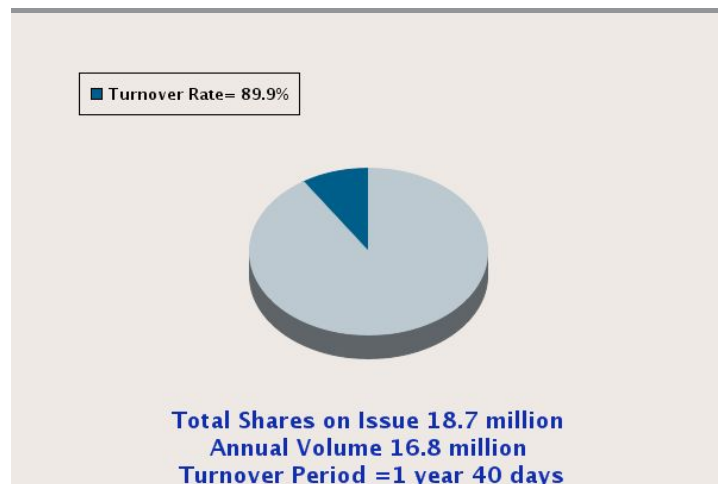
Note

Neutral Indicators and Rank in Market:

Description	Value	Rank In Market
Turnover in Quarter	US\$346.9 million	In 2nd Quartile
MCap	US\$634.2 million	In 2nd Quartile

Analysis (continued)

Turnover Rate & Turnover Period



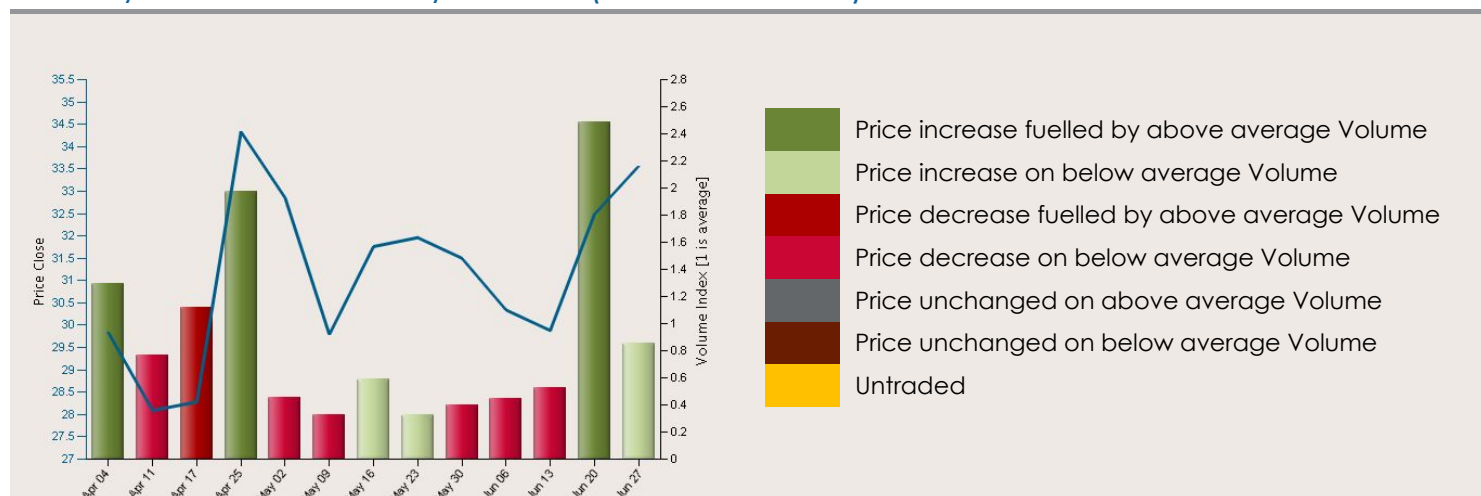
Trailing 3 months

Turnover	US\$346.9 million
Volume	10,852,115
Volume Index (1 is avg)	0.9

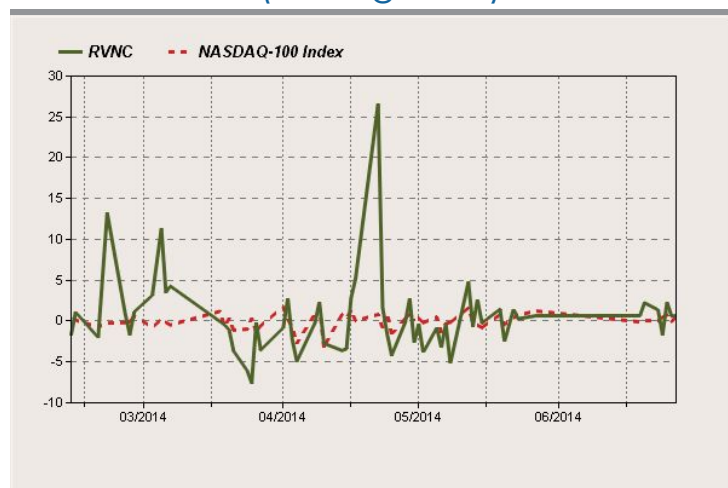
Price Volume Trend: Trailing Quarter



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)
Ensign Group	30.96	8	681	881	926	50	760
Revance Therapeutics	34.0	-	634	-	1	-75	23
LDR Holding	25.01	58	602	-	117	-30	128
MacroGenics	21.73	16	597	-	57	-0	126
Chimerix	22.1	92	592	951	3	-46	113

Company Overview

Activities

Revance Therapeutics, Inc. produces biopharmaceutical products. The Company develops drug delivery and treatments for dermatology and aesthetic medicine. Revance Therapeutics serves patients and doctors throughout the United States.

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

Regulatory Announcements

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

June 24: Revance Therapeutics Announces Closing of Its Follow-on Public Offering and Full Exercise of Underwriters' Option to Purchase Additional Shares
June 16: Revance Therapeutics Announces Proposed Public Offering of Common Stock
May 21: Revance Therapeutics, Inc. Announces Participation in Jefferies 2014 Global Healthcare Conference
May 13: Revance Therapeutics Releases First Quarter 2014 Financial Results
May 12: Revance Therapeutics appoints Director
April 29: Revance Therapeutics to Release First Quarter 2014 Financial Results and Host Conference Call on Tuesday, May 13, 2014
April 21: Revance Therapeutics Announces Positive Results From the RT002 Phase 1/2 Study in Glabellar Frown Lines

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

March 26: Revance Therapeutics: Results of Operations and Financial Condition
March 04: Revance Therapeutics: Entry into a Material Definitive Agreement
February 11: Revance Therapeutics: Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year

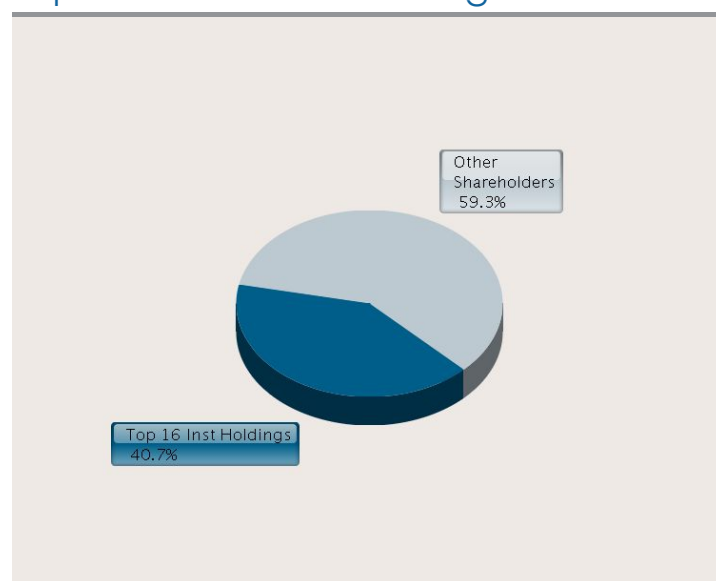
Issued Capital

Based on 18,651,754 issued equity shares the market capitalisation is US\$634.2 million. It is NASDAQ's 60th largest Medical company by total revenue.
The top sixteen shareholders hold 40.7% of the issued capital leaving a float of 59.3%.

Top 10 Shareholders

Name of Shareholder	No. of Shares	% Held
Essex Woodlands Health Ventures Inc.	4,592,047	24.62
Waddell & Reed Financial Inc	529,757	2.84
Millennium Management Llc	321,082	1.72
Rs Investment Management Co Llc	316,000	1.69
Camber Capital Management Llc	300,000	1.61
Jpmorgan Chase & Co	269,200	1.44
Polar Capital Llp	247,453	1.33
Blackrock Fund Advisors	189,747	1.02
Jennison Associates Llc	174,972	0.94
Barclays Global Investors Uk Holdings Ltd	151,593	0.81
Total	7,091,851	38.02

Top 16 Institutional Holdings



Board and Management

Angus C. Russell Chairman

Creation of shareholder value in Revance Therapeutics:

Since appointment as Chairman: The present value of USD1,000 invested on the appointment date of March 05, 2014 at close price of US\$31.61 is US\$1,076, for a capital gain of US\$76.

Mark A. Prygocki Director

Mr. Prygocki is a pharmaceutical industry leader with over 20 years of experience, specializing in corporate finance, commercial operations, and manufacturing and distribution. He was employed by Medicis Pharmaceutical Corporation for more than 20 years and served as President from July 2010 to December 2012. Prior to July 2010, Mark Prygocki held several senior-level positions at Medicis, including Chief Operating Officer, Executive Vice President, and Chief Financial Officer and Treasurer. From July 1990 through October 1991, he was employed by Citigroup, an investment banking firm, in the regulatory reporting division. Prior to that, Mr. Prygocki spent several years in the audit department of Ernst & Young, LLP. He is certified by the Arizona State Board of Accountancy and the New York Society of CPAs. During his tenure at Medicis, Mark played a pivotal role in the launch and commercial success of a vast portfolio of dermatological products, including RESTYLANE(Registered), PERLANE(Registered), DYSPOORT(Registered), SOLODYN(Registered), ZIANA(Registered), VANOS(Registered), and LOPROX(Registered). Under his leadership, Medicis grew to become a multi-billion dollar enterprise and was acquired by Valeant Pharmaceuticals International in 2012 for \$2.6 billion.

Creation of shareholder value in Revance Therapeutics:

Since appointment as Director: The present value of USD1,000 invested on the appointment date of May 12, 2014 at close price of US\$31.21 is US\$1,089, for a capital gain of US\$89.

Financial Results (Quarterly)

31 March, 2014

INCOME STATEMENT

Currency in Thousand of USD	2014-03-31	2013-03-31	Change %
Revenue	158	75	Up 110.7
Cost of revenue			
Gross profit	158	75	Up 110.7
Operating expenses:			
Research and development	7,551	7,527	Up 0.3
Sales, general and administrative	4,093	2,225	Up 84.0
Total operating expenses	11,644	9,752	Up 19.4
Loss from operations	-11,486	-9,677	Deterioration 18.7
Interest income	2		
Interest expense	9,841	12,624	Down 22.0
Change in fair value of derivative liabilities associated with convertible notes	4,032	1,800	Up 124.0
Changes in fair value of derivative liabilities associated with Medicis settlement	-416		
Change in fair value of common stock warrant liability	-2,151		
Change in fair value of convertible preferred stock warrant liability	-210	-1,158	Reduced 81.9
Loss on settlement of preferred stock warrant	-1,356		
Other income, net		2	
Loss before income taxes	-21,426	-21,657	Reduced 1.1
Benefit from income taxes			
Net and comprehensive loss	-21,426	-21,657	Reduced 1.1
Net income (loss) attributable to common stockholders:			
Basic	-21,426	5,216	Deterioration
Diluted	-21,426	13,349	Deterioration
Net income (loss) per share attributable to common stockholders:			
Basic	-193.0c	US\$25.54	Deterioration
Diluted	-193.0c	US\$21.0	Deterioration
Weighted-average number of shares used in computing net income (loss) per share attributable to common stockholders:			
Basic	11,092,471	204,220	Up 5,331.6
Diluted	11,092,471	635,726	Up 1,644.9

BALANCE SHEET

Currency in Thousand of USD	2014-03-31	2013-12-31	Change %
ASSETS			

Financial Results (Quarterly) (continued)

31 March, 2014

CURRENT ASSETS			
Cash and cash equivalents	87,853	3,914	Up 2,144.6
Restricted cash, current portion	75	75	Steady
Prepaid expenses and other current assets	3,244	825	Up 293.2
Total current assets	91,172	4,814	Up 1,793.9
Property and equipment, net	15,150	14,315	Up 5.8
Restricted cash, net of current portion	435	510	Down 14.7
Other non-current assets	155	3,006	Down 94.8
TOTAL ASSETS	106,912	22,645	Up 372.1
LIABILITIES, CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY (DEFICIT)			
CURRENT LIABILITIES			
Accounts payable	3,689	5,526	Down 33.2
Accruals and other current liabilities	5,515	4,161	Up 32.5
Deferred revenue, current portion		83	
Derivative liabilities associated with convertible notes, current portion		4,890	
Derivative liabilities associated with Medicis settlement, current portion		6,684	
Convertible notes, current portion		12,157	
Notes payable, current portion	13,405	10,702	Up 25.3
Common stock warrant liability		3,358	
Total current liabilities	22,609	47,561	Down 52.5
Convertible preferred stock warrant liability		1,233	
Note payable, net of current portion and discount	400	2,632	Down 84.8
Derivative liabilities associated with Medicis settlement, net of current portion	1,637	1,610	Up 1.7
Deferred rent	3,579	3,176	Up 12.7
TOTAL LIABILITIES	28,225	56,212	Down 49.8
Commitments and Contingencies			
Convertible preferred stock, par value 0.001 per share 5,000,000 shares and 145,010,269 shares authorized as of March 31, 2014 and December 31, 2013, respectively; 0 shares and 8,689,999 shares issued and outstanding as of March 31, 2014 and December 31, 2013, respectively (aggregate liquidation preference of 0 and 215,264 as of March 31, 2014 and December 31, 2013, respectively)		123,982	
STOCKHOLDERS' EQUITY (DEFICIT)			
Common stock, par value 0.001 per share 95,000,000 and 19,224,000,000 shares authorized as of March 31, 2014 and December 31, 2013, respectively; 18,653,301 and 260,789 shares issued and outstanding as of March 31, 2014 and December 31, 2013, respectively			
Additional paid-in capital	295,974	38,331	Up 672.2
Deficit accumulated during the development stage	-217,306	-195,880	Deterioration 10.9
TOTAL STOCKHOLDERS' EQUITY (DEFICIT)	78,667	-157,549	Recovery
TOTAL LIABILITIES, CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY (DEFICIT)	106,912	22,645	Up 372.1

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