

## Ultragenyx Pharmaceutical (RARE : US\$53.36)

### Ultragenyx Pharmaceutical adds US\$374.1 million in MCap in August, leads Healthcare-Products sector gains

Ultragenyx Pharmaceutical Inc, NASDAQ's largest healthcare-products company by market cap, soared US\$11.81 (or 28.4%) in the month ended August 29 to close at US\$53.36. This gain makes the stock the highest rising one in the Healthcare-Products sector which is up 20.0%. The volume in the month was 1.8 times the average trading of 247,054 shares. Compared with the NASDAQ-100 Index which rose 123.5 points (or 3.1%), this represents a relative price increase of 25.3%. In the August the market cap jumped US\$374.1 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 rising, with its 12-day EMA higher than its 26-day EMA.
- 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.
- In the last three months the number of rises outnumbered falls 28:22 or 1.3:1.
- It has underperformed 54.49% of the market the past 6 months.

### Stock Summary

<b>Sector</b>	Healthcare-Products
<b>Market Cap</b>	US\$1.7 billion
<b>Shares Outstanding</b>	31,673,167
<b>ISIN</b>	US90400D1081
<b>Relative Strength (3 mo)</b>	97

### Financial Summary

Year ended	Dec 2013	Dec 2012	Dec 2011
Pretax (USD)	-	-	(6.85M)
Net (USD)	(50.289M)	(19.561M)	(7.47M)
EPS (USD)	(14.87)	(14.2)	(0.26)

### MCap: A Historical Perspective

	Share Price (USD)	Market Cap (US\$)
Last	53.4	1.7 billion

## Analysis

### Bullish Signals

- In the last 20 trading sessions there has been a net rise of 26.85%; the stock has advanced four times and the biggest one day rise was 13.8% on Aug 28.
- The Moving Average Convergence Divergence (MACD) indicator of 12-day Exponential Moving Average (EMA) of 52.85 minus the 26-day EMA of 50.62 is positive suggesting a bullish signal. Both the 12-day EMA as well as the 26-day EMA are rising, another bullish signal.

### Other Bullish Signals:

Also, the following criteria set by Benjamin Graham:

- "Current ratio of two or more"; current assets are 9.3 times current liabilities.

### Bullish Indicators and Rank in Market:

Description	Value	Rank In Market
Turnover in Quarter	US\$1 billion	In Top Quartile
MCap	US\$1.7 billion	In Top Quartile
%Prem To Vol Wtd Price	6.8	In Top Quartile

### Bearish Signals

- The price is at a premium of 6.8% to the 1-month volume weighted average price of US\$49.96. Given that this premium has been under 6.8% eighty times and over 6.8% fifty-three times in the last year, the downside:upside probability is estimated at 80:53 or 1.5:1.
- In the NASDAQ market of 2,422 stocks traded today, the stock has a 6-month relative strength of 46 which means it has underperformed 54.0% of the market.
- In the NASDAQ Short Selling market of 2469 stocks, short selling as a % of issued shares ranked 477th and within the top quartile of stocks. This means it was higher than market average of 0.53%, a bearish indicator.
- The current short volume is 3.0 times its own historical average of 0.2%. It soared 24.5% from the previous day, a bearish indicator.

### Other Bearish Signals:

- Return on Assets has seen consecutive falls and seems to be on a slippery slope in recent years.

### Annual Trend:

[Year ended, all figures in %]:

Year	ROA
Dec 13	-84.3
Dec 12	-22.1

### Bearish Indicators and Rank in Market:

Description	Value	Rank In Market
Volatility %	4.0	In Bottom Quartile
Price Change %	-0.9	In Bottom Quartile
Price/MAP50	0.63	In Bottom 7%

### Short Selling to Mcap

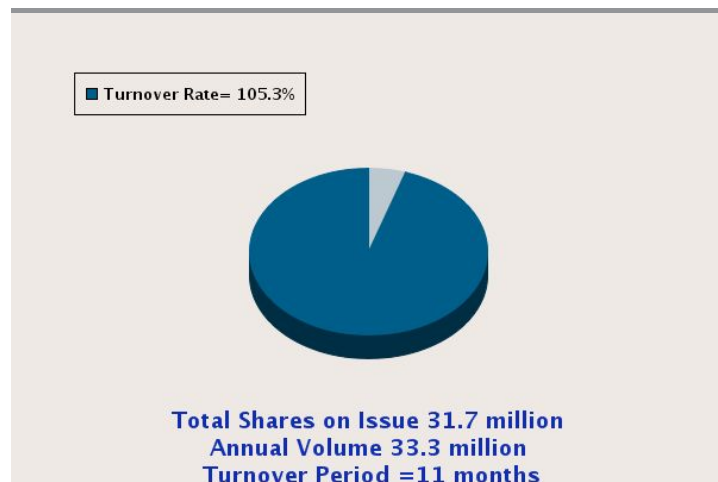


### Insider Trades



## Analysis (continued)

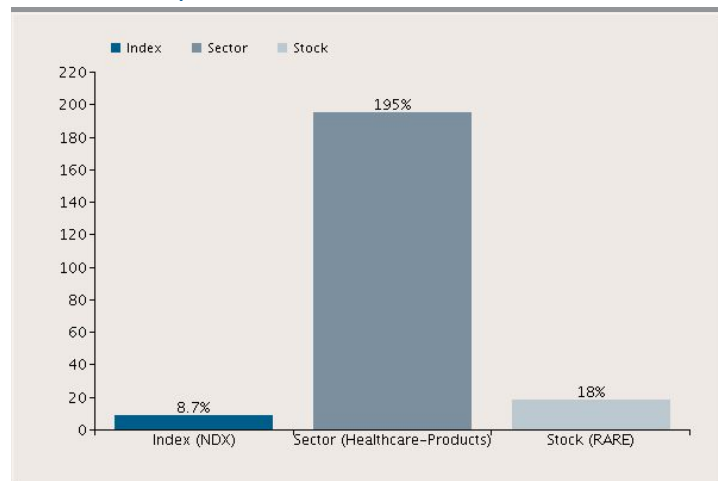
### Turnover Rate & Turnover Period



### Trailing 3 months

<b>Turnover</b>	US\$1 billion
<b>Volume</b>	21,454,023
<b>Volume Index (1 is avg)</b>	1.3

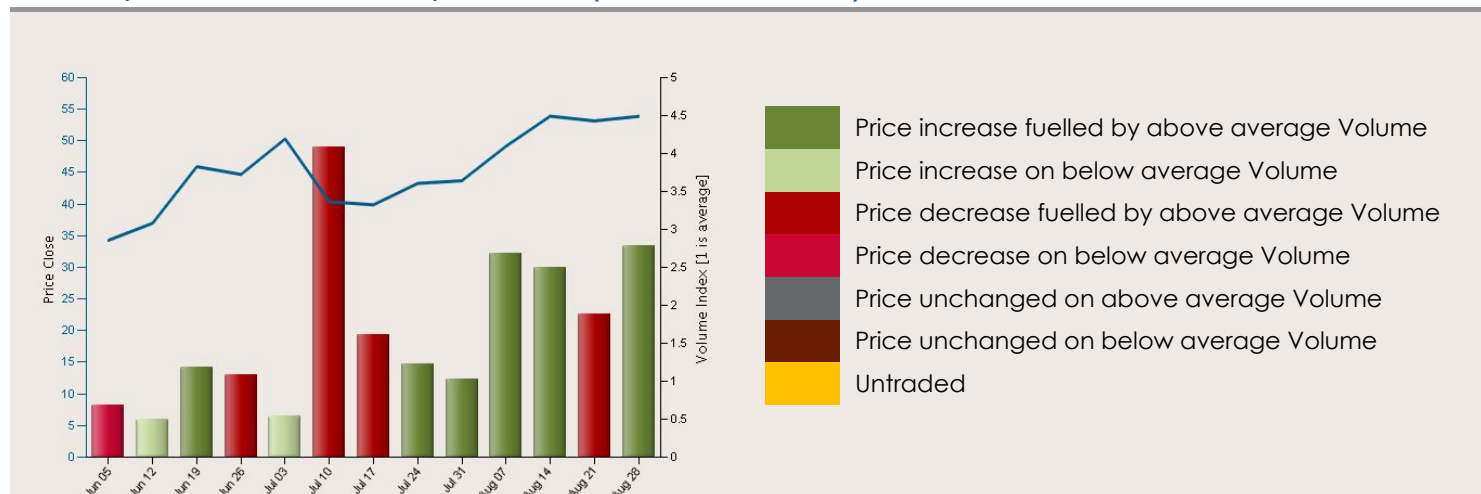
### YTD Comparison Stock Sector Index



## Price Volume Trend: Trailing Quarter



## Weekly Price Volume Dynamics (Last 12 Weeks)



## Recent Analyst Recommendations

Date	Brokerage	Action	Past Rating	Current Rating	Prev Target	Price Target
15-Jul-2014	Robert W. Baird	Initiated Coverage	-	Outperform	-	64

## Reported Buying Selling by Insiders

Insider	Date	Transaction Type	No. of Shares	Price, US\$	Value, US\$
Sharp Shalini	Aug 18, 2014	Sold	4,000	53.97	215,880
Coulter James G	Jul 14, 2014	Sold	488,820	37.6	18,379,632

## Company Overview

### Activities

Ultragenyx Pharmaceutical Inc. provides biotechnology services. The Company develops therapeutics and sialic acid for treating metabolic, body myopathy, glucuronidase, and rare genetic diseases. Ultragenyx Pharmaceutical conducts its business in the United States.

Further details can be found at  
[www.ultragenyx.com](http://www.ultragenyx.com).

### Regulatory Announcements

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

August 27: Ultragenyx to Present at the Baird Health Care Conference

August 19: Ultragenyx Pharmaceutical insider sells; shares at a six-month high

August 11: Ultragenyx Reports Second Quarter 2014 Financial Results and Corporate Update

August 06: Ultragenyx to Present at Upcoming Investor Conferences

August 05: Ultragenyx Announces License of Intellectual Property for the Treatment of Epilepsy and Other Seizure-Related Disorders With Triheptanoin

July 23: Ultragenyx Appoints Sunil Agarwal, M.D. as Chief Medical Officer and Senior Vice President

July 14: Ultragenyx Pharmaceutical insider sells; shares at a six-day high

### Issued Capital

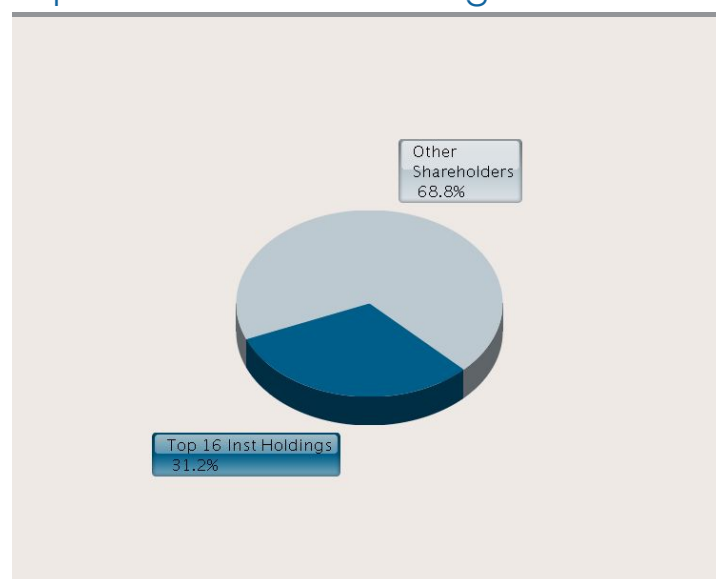
Based on 31,673,167 issued equity shares the market capitalisation is US\$1.7 billion.

The top sixteen shareholders hold 31.2% of the issued capital leaving a float of 68.8%.

### Top 10 Shareholders

Name of Shareholder	No. of Shares	% Held
Fmr LLC	3,600,488	11.37
Capital Research Global Investors	2,063,176	6.51
Columbia Wanger Asset Management LLC	1,795,482	5.67
Wellington Management Co Llp	632,419	2
Capital World Investors	361,987	1.14
Alliancebernstein L.P.	247,097	0.78
Vanguard Group Inc	213,887	0.68
Rs Investment Management Co LLC	179,100	0.57
Blackrock Fund Advisors	164,642	0.52
Federated Investors Inc /Pa/	141,300	0.45
<b>Total</b>	<b>9,399,578</b>	<b>29.68</b>

### Top 16 Institutional Holdings



## Board and Management

**Emil D. Kakkis**  
CEO & President & Director

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**Eran Nadav**  
Chairman

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**Shalini Sharp**  
CFO

Ms. Shalini Sharp is Chief Financial Officer and Senior Vice President of the company. She has served as our Chief Financial Officer and Senior Vice President since May 2012. Prior to Ultragenyx, Ms. Sharp served in various executive capacities, and ultimately as Chief Financial Officer, of Agenesis Inc., a biotechnology company, from August 2003 until May 2012. Prior to Agenesis, Ms. Sharp held strategic planning and corporate finance roles and ultimately served as chief of staff to the chairman of the board at Elan Pharmaceuticals, a biotechnology company, from August 1998 to August 1999 and September 2001 to August 2003. Prior to Elan, Ms. Sharp was a management consultant at McKinsey & Company and an investment banker at Goldman Sachs, specializing in pharmaceuticals and medical devices. Ms. Sharp has also served as a board member of Agenesis since May 2012. Ms. Sharp holds a B.A. and an M.B.A. from Harvard University.

## Financial Results (Quarterly)

31 March, 2014

### INCOME STATEMENT

Currency in Thousand of USD	2014-03-31	2013-03-31	Change %
Operating expenses:			
Research and development	8,353	5,664	Up 47.5
General and administrative	1,986	1,083	Up 83.4
Total operating expenses	10,339	6,747	Up 53.2
Loss from operations	-10,339	-6,747	Deterioration 53.2
Other income (expense), net:			
Interest income	93	26	Up 257.7
Interest expense			
Other expense, net	-3,384	-14	Deterioration 24,071.4
Total other income (expense), net	-3,291	12	Deterioration
Net loss	-13,630	-6,735	Deterioration 102.4
Net loss attributable to common stockholders	-18,438	-8,205	Deterioration 124.7
Net loss per share attributable to common stockholders, basic and diluted	-85.0c	-284.0c	Reduced 70.1
Shares used in computing net loss per share attributable to common stockholders,			
basic and diluted	21,582,435	2,893,997	Up 645.8

### BALANCE SHEET

Currency in Thousand of USD	2014-03-31	2013-12-31	Change %
Assets			
Current assets:			
Cash and cash equivalents	55,447	7,427	Up 646.6
Short-term investments	109,950	45,950	Up 139.3
Prepaid expenses and other current assets	4,239	1,848	Up 129.4
Total current assets	169,636	55,225	Up 207.2
Property and equipment, net	1,777	1,325	Up 34.1
Restricted cash	744	451	Up 65.0
Other assets	550	2,648	Down 79.2
Total assets	172,707	59,649	Up 189.5
Liabilities, Convertible Preferred Stock and Stockholders' Equity (Deficit)			
Current liabilities:			
Accounts payable	3,495	1,437	Up 143.2
Accrued liabilities	3,238	4,406	Down 26.5
Deferred rent-current portion	78	78	Steady
Total current liabilities	6,811	5,921	Up 15.0
Convertible preferred stock warrant liability		3,419	
Other liabilities	182	200	Down 9.0
Total liabilities	6,993	9,540	Down 26.7



## Financial Results (Quarterly) (continued)

31 March, 2014

### Commitments and contingencies

Series A redeemable convertible preferred stock, par value of 0.001 per share-nil and 35,377,566 shares authorized; nil and 34,349,894 shares issued and outstanding as of March 31, 2014 and December 31, 2013

51,001

Series B convertible preferred stock, par value of 0.001 per share-nil and 27,081,680 shares authorized, issued and outstanding as of March 31, 2014 and December 31, 2013

73,929

### Stockholders' equity (deficit):

Preferred stock, par value of 0.001 per share-25,000,000 shares authorized; nil outstanding as of March 31, 2014 and December 31, 2013

Common stock, par value of 0.001 per share-250,000,000 shares authorized; 30,049,650 and 3,766,289 shares issued and outstanding as of March 31, 2014 and December 31, 2013

4

Up 650.0

Additional paid-in capital

258,599

Accumulated other comprehensive income (loss)

-46

11

Deterioration

Deficit accumulated during the development stage

-92,869

-74,836

Deterioration 24.1

Total stockholders' equity (deficit)

165,714

-74,821

Recovery

Total liabilities, convertible preferred stock and stockholders' equity (deficit)

172,707

59,649

Up 189.5



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