

Recro Pharma (REPH : US\$2.89)

Recro Pharma continues downtrend, now plummets 67% in 2014

Recro Pharma Inc, NASDAQ's 25th largest biotechnology company by market cap, has now plummeted US\$5.81 (or 66.8%) year to date in 2014 to close at US\$2.89. This loss means the stock is amongst the bottom 5% of NASDAQ-listed stocks in 2014. The volume YTD has been 0.7 times average trading of 43,766 shares. Compared with the NASDAQ-100 Index which has risen 20.2% YTD, this represents a relative price change of -87%. In 2014 the market cap has declined US\$39.9 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 -17.2.
- The price to 200-day MAP ratio is 0.41, a bearish indicator.
- In the last three months the number of falls outnumbered rises 34:22 or 1.55:1.

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	Biotechnology
Market Cap	US\$22.3 million
Shares Outstanding	7,707,600
ISIN	US75629F1093
Relative Strength (3 mo)	37

MCap: A Historical Perspective

	Share Price (USD)	Market Cap (US\$)
Last	2.9	22.3 million

Bearish Signals

- The price is at a premium of 8.1% to the 1-month volume weighted average price of US\$2.67. Given that this premium has been under 8.1% one hundred seventy-eight times and over 8.1% fifteen times in the last year, the downside:upside probability is estimated at 178:15 or 11.9:1.
- Falls to Rises: In the last three months the number of falls outnumbered rises 34:22 or 1.55:1.
- In the NASDAQ market of 2,417 stocks traded today, the stock has a 6-month relative strength of 3 indicating it is trailing 97.0% of the market.
- The Price/MAP of 0.41 for REPH is lower than the Price/MAP for the NASDAQ-100 Index of 1.1.
- The price to 200-day MAP ratio is 0.41, a bearish indicator. In the past 200 days this ratio has been under 0.41 25 times suggesting further downside.
- The Stochastic indicator of 84.7 has broken through the overbought line of 80; the stock is also overbought according to the Williams % R indicator of -17.2.

Other Bearish Signals: Bearish Indicators and Rank in Market:

Description	Value	Rank In Market
Turnover in Quarter	US\$3.9 million	In Bottom Quartile
Volatility %	6.6	In Bottom Quartile
MCap	US\$22.3 million	In Bottom 5%
Price/MAP200	0.41	In Bottom 3%
Relative Strength (6M)	3	In Bottom 2%
Price/MAP50	0.36	In Bottom 1%

Note

Bullish Signals:

- In the last 13 trading sessions there has been a net rise of 9.06%; the stock has advanced eight times and the biggest one day rise was 12.1% on Dec 16.
- The Moving Average Convergence Divergence (MACD) indicator of 12-day Exponential Moving Average (EMA) of 2.8 minus the 26-day EMA of 2.77 is positive suggesting a bullish signal. Both the 12-day EMA as well as the 26-day EMA are rising, another bullish signal.
- In the NASDAQ Short Selling market of 2417 stocks, short selling as a % of issued shares ranked 1867th and within the bottom quartile of stocks. This means it was lower than market average of 0.5%, a bullish indicator.

- The current short volume is 0.5 times its own historical average of 0.05%. It plummeted 22.7% from the previous day, plummeted 18.8% from a week ago and plummeted 46.5% from a month ago, a significant bullish indicator.

Other Bullish Signals:

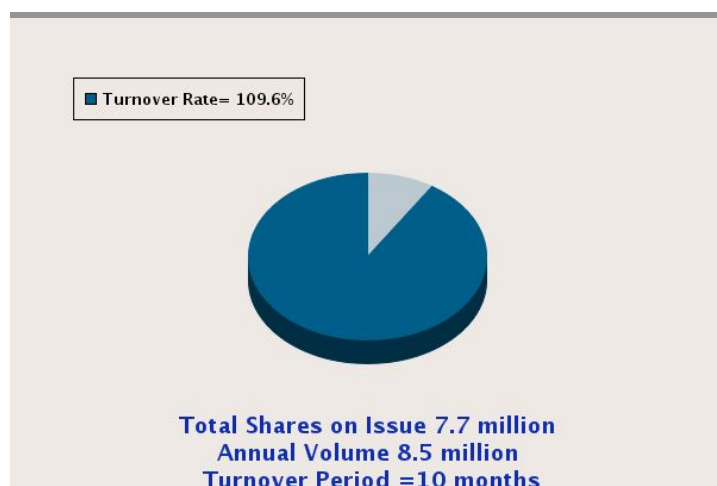
Bullish Indicators and Rank in Market:

Description	Value	Rank In Market
P/E * P/NTA	2.83	In Top 4%
%Prem To Vol Wtd Price	8.1	In Top Quartile

Insider Trades



Turnover Rate & Turnover Period



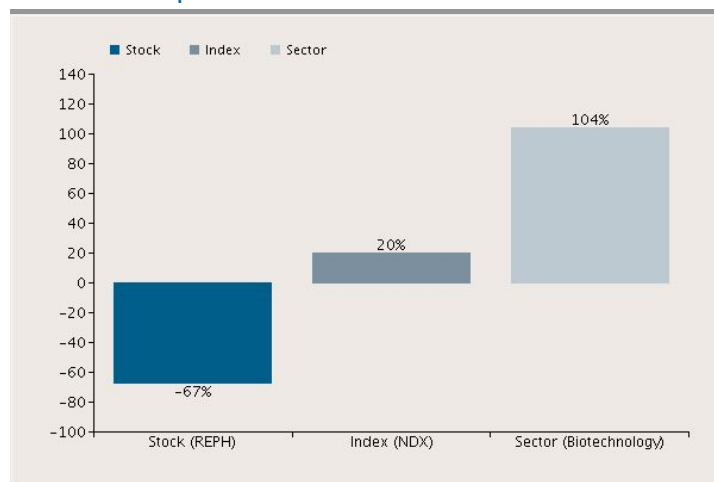
Trailing 3 months

Turnover	US\$3.9 million
Volume	1,438,954
Volume Index (1 is avg)	0.5

MCap: A Historical Perspective

	Share Price (USD)	Market Cap (US\$)
Last	2.9	22.3 million

YTD Comparison Stock Sector Index



Activities

Recro Pharma, Inc. is a specialty pharmaceutical company. The Company develops non-opioid therapeutics for the treatment of pain in the post-operative setting. Recro Pharma offers its products to the medical industry.

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

Economic Sector	Healthcare
Business Sector	Pharmaceuticals & Medical Research
Industry Group	Biotechnology & Medical Research
Industry	Biotechnology & Medical Research

Regulatory Announcements

Financial Results

November 10 2014: Recro Pharma Reports Third Quarter 2014 Financial Results

[News Story]

<http://www.nasdaq.com/aspx/stockmarketnewsstoryprint.aspx?storyid=recro-pharma-reports-third-quarter-2014-financial-results-20141110-00244>

Source: Nasdaq Stock Exchange
For more details [click here](#).

October 29 2014: Recro Pharma Announces Dosing of First Patient in Phase II REC-14-013 Clinical Trial of Dex-IN for Treatment of Acute Pain on Day 1 Following Surgery

[News Story] MALVERN, Pa., Oct. 29, 2014 Recro Pharma, Inc. (Nasdaq:REPH), a clinical stage specialty pharmaceutical company developing non-opioid therapeutics for the treatment of pain, initially for acute pain following surgery, today announced dosing of the first patient in a Phase II clinical trial of Dex-IN in patients who initiate dosing of study medication on Post Op Day 1, following bunionectomy surgery.

"The Day 1 post-operative setting is one where pain is generally stable or declining, while still having significant pain levels present, and provides a valuable intervention point for the reduction or elimination of opioids," said Gerri Henwood, Recro Pharma's President and Chief Executive Officer. [For more details click here.](#)

Conferences/Exhibitions

September 08 2014: Recro Pharma to Present at the 2014 Aegis Healthcare & Technology Conference

MALVERN, Pa., Sept. 8, 2014 - Recro Pharma, Inc. (Nasdaq:REPH), a clinical stage specialty pharmaceutical company developing non-opioid therapeutics for the treatment of pain, initially for acute pain following surgery, today announced that Gerri Henwood, Recro's President and Chief Executive Officer, will be presenting at the 2014 Aegis Healthcare & Technology Conference on Friday, September 12th at 11:25am PST at The Encore at Wynn Las Vegas.

Live and archived webcasts of the presentation will be available on the Presentations page of the company's website at <http://recropharma.com>.

Source: Company Website

Financial Results

August 12 2014: Recro Pharma Reports Second Quarter 2014 Financial Results

[Company Release]

recropharma.com/wp-content/uploads/2014/03/Recro-Pharma-Reports-Second-Quarter-2014-Financial-Results.pdf

Source: Company Website

June 30 2014: Recro Pharma Added to Russell Microcap(R) Index

[Company Release] MALVERN, Pa., June 30, 2014 Recro Pharma, Inc. (Nasdaq:REPH), a clinical stage specialty pharmaceutical company developing non-opioid therapeutics for the treatment of pain, initially for acute pain following surgery, today announced that it was added to the Russell Microcap(Registered) Index following market close on June 27, 2014.

The Russell Microcap(Registered) Index measures the performance of the microcap segment of the U.S.

June 17 2014: Recro Pharma Announces Dosing of First Patient in Phase IIb Clinical Trial of Dex-IN for Treatment of Acute Pain Following Surgery

[Company Release] MALVERN, Pa., June 17, 2014 Recro Pharma, Inc. (Nasdaq:REPH), a clinical stage specialty pharmaceutical company developing non-opioid therapeutics for the treatment of pain, initially for acute pain following surgery, today announced dosing of the first patient in a Phase IIb clinical trial of Dex-IN in patients undergoing bunionectomy surgery.

"This trial is designed to explore Dex-IN in a robust post-operative setting," said Gerri Henwood, Recro Pharma's President and Chief Executive Officer.

Board and Management

March 13 2014: Recro Pharma appoints Director

Recro Pharma has appointed Alfred F. Altomari as a Director. The effective date is March 13, 2014.

8-K other news

November 10: Recro Pharma: Results of Operations and Financial Condition

[News Story]

http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1588972_000119312514404681_0001193125-14-404681.txt

Source: 8-K United States Securities and Exchange Commission

October 30: Recro Pharma: Other Events

[News Story]

http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1588972_000119312514388596_0001193125-14-388596.txt

Source: 8-K United States Securities and Exchange Commission

September 09: Recro Pharma: Other Events

[News Story]

http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1588972_000119312514336846_0001193125-14-336846.txt

Source: 8-K United States Securities and Exchange Commission

September 04: Recro Pharma: Other Events

[News Story]

http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1588972_000119312514332301_0001193125-14-332301.txt

Source: 8-K United States Securities and Exchange Commission

August 12: Recro Pharma: Results of Operations and Financial Condition

[News Story]

http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1588972_000119312514305840_0001193125-14-305840.txt

Source: 8-K United States Securities and Exchange Commission

July 01: Recro Pharma: Other Events

[News Story]

http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1588972_000119312514256886_0001193125-14-256886.txt

Source: 8-K United States Securities and Exchange Commission

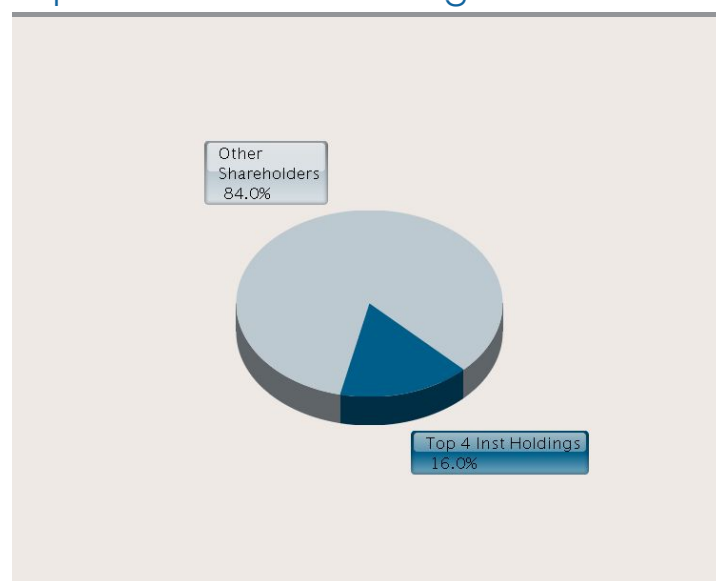
June 17: Recro Pharma: Other Events

[News Story]

http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1588972_000119312514239070_0001193125-14-239070.txt

Source: 8-K United States Securities and Exchange Commission

Top 4 Institutional Holdings



Issued Capital

Based on 7,707,600 issued equity shares the market capitalisation is US\$22.3 million.

The top four shareholders hold 16.0% of the issued capital leaving a float of 84.0%.

Source

Www.BuySellSignals.com

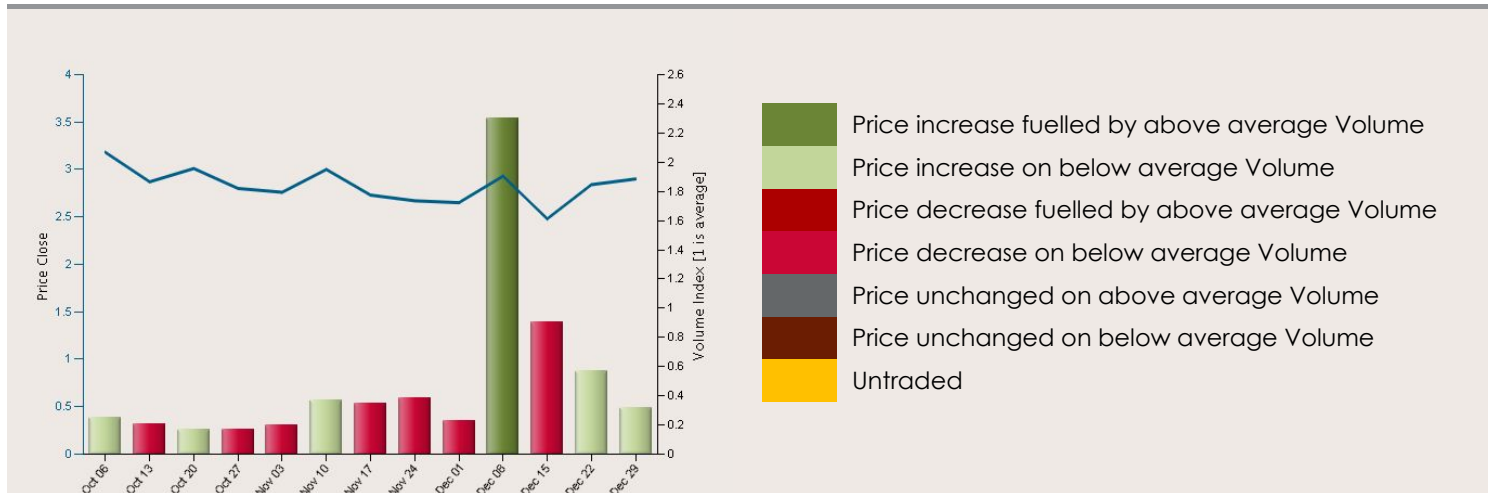
Top 4 Shareholders

Name of Shareholder	No. of Shares	% Held
Broadfin Capital Llc	630,000	8.17
Cormorant Asset Management Llc	500,000	6.49
Verition Fund Management Llc	106,346	1.38
Morgan Stanley	9	0
Total	1,236,355	16.04

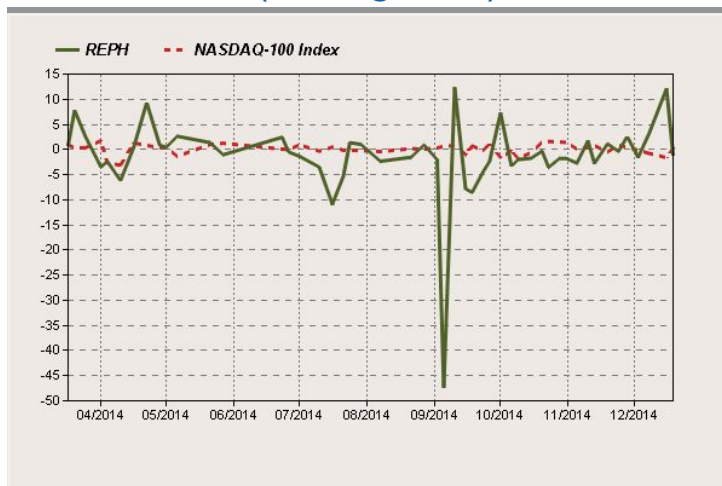
Price Volume Trend: Trailing Quarter



Weekly Price Volume Dynamics (Last 12 Weeks)



Stock v Index (Trailing Year)



Price/Moving Average Price [P/MAP]





Recent Analyst Recommendations

Date	Brokerage	Action	Past Rating	Current Rating	Prev Target	Price Target
09-Dec-2014	Aegis	Downgrade	Buy	Hold	-	-

Board and Management

Michael Berelowitz Director

Dr. Berelowitz brings over 30 years of clinical development and academic research experience, including 15 years of pharmaceutical development experience with Pfizer, Inc. While at Pfizer, Dr. Berelowitz was Senior Vice President and Head of Clinical Development and Medical Affairs in the Specialty Care Business Unit. He held various other roles at Pfizer, beginning as a Medical Director in the Diabetes Clinical Research team and then assuming positions of increasing responsibility. Prior to that, Dr. Berelowitz spent a number of years in academia. Dr. Berelowitz currently serves as a biopharmaceuticals consultant, and is a member on several Boards of Directors or Scientific Advisory Boards, including the Endocrine Fellows Foundation, Metacure, Ltd. and Haptocure, Ltd. and Oramed Pharmaceuticals. Additionally, Dr. Berelowitz has also served on the Board of Directors of the American Diabetes Association, the Clinical Initiatives Committee of the Endocrine Society, and has chaired the Task Force on Research of the New York State Council on Diabetes. He has also served on several editorial boards, including the Journal of Clinical Endocrinology and Metabolism, Endocrinology, Reviews in Endocrine and Metabolic Disorders and Clinical Diabetes. Dr. Berelowitz has authored and co-authored more than 100 peer-reviewed journal articles and book chapters in the areas of pituitary growth hormone regulation, diabetes and metabolic disorders.

Creation of shareholder value in Recro Pharma:

Since appointment as Director: The present value of USD1,000 invested on the appointment date of March 13, 2014 at close price of US\$8.28 is US\$349, for a capital loss of US\$651.

Alfred F. Altomari Director

Mr. Altomari brings over 25 years of operational and commercial pharmaceutical experience to Recro's Board. He currently serves as President and Chief Executive Officer and member of the Board of Directors of Agile Therapeutics. He also serves on the Board of Directors of Insmed Incorporated. Previously, Mr. Altomari was Chief Executive Officer of Barrier Therapeutics, and was a member of Barrier's Board of Directors where he led the successful sale of Barrier to Stiefel Laboratories, which was subsequently acquired by GlaxoSmithKline plc. Prior to Barrier Therapeutics, Mr. Altomari held numerous executive roles in general management, commercial operations, business development, product launch preparation, and finance with Johnson & Johnson. He received an M.B.A. from Rider University and his B.S. from Drexel University.

Creation of shareholder value in Recro Pharma:

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Financial Results (Half Year)

30 June, 2014

INCOME STATEMENT

Currency in USD	2014-06-30	2013-06-30	Change %
Operating expenses:			
Research and development	2,064,170	359,163	Up 474.7
General and administrative	1,605,260	295,218	Up 443.8
Total operating expenses	3,669,430	654,381	Up 460.7
Other income (expense): Interest income	2,491	20	Up 12,355.0
Interest expense	-4,272,919	-415,761	Deterioration 927.7
	-4,270,428	-415,741	Deterioration 927.2
Net loss Accretion of redeemable convertible preferred stock and deemed dividend	-7,939,858	-1,070,122	Deterioration 642.0
	-1,270,057	-216,873	Deterioration 485.6
Net loss applicable to common shareholders	-9,209,915	-1,286,995	Deterioration 615.6
Basic and diluted net loss per common share	-194.0c	-827.0c	Reduced 76.5
Weighted average basic and diluted common shares outstanding.	4,745,213	155,600	Up 2,949.6
Unaudited pro forma net loss	-3,666,939		
Unaudited pro forma net loss per share	-0.61		
Unaudited pro forma weighted average basic and diluted common shares outstanding	6,001,517		

BALANCE SHEET

Currency in USD	2014-06-30	2013-12-31	Change %
Assets			
Current assets:			
Cash and cash equivalents	27,832,369	12,828	Up 216,865.8
Other receivables		38,418	
Prepaid expenses	269,957	15,689	Up 1,620.7
Deferred offering costs		784,177	
Total current assets	28,102,326	851,112	Up 3,201.8
Total assets	28,102,326	851,112	Up 3,201.8
Liabilities and Shareholders' Equity (Deficit)			
Current liabilities:			
Convertible notes payable		11,907,198	
Accounts payable	400,245	434,244	Down 7.8
Accrued expenses	937,335	589,532	Up 59.0
Total current liabilities	1,337,580	12,930,974	Down 89.7
Total liabilities	1,337,580	12,930,974	Down 89.7
Series A redeemable convertible preferred stock, 0.01 par value.			
Authorized, 2,000,000 shares, issued and outstanding 2,000,000 shares		5,880,037	

Financial Results (Half Year) (continued)

30 June, 2014

Shareholders' equity (deficit): Preferred stock, 0.01 par value.
Authorized, 10,000,000 shares; none issued and outstanding

Common stock, 0.01 par value. Authorized, 50,000,000 shares, issued and outstanding, 7,707,600 shares at June 30, 2014 and 155,600 shares at December 31, 2013	77,076	1,556	Up 4,853.5
Additional paid-in-capital	52,588,983		
Accumulated deficit	-25,901,313	-17,961,455	Deterioration 44.2
Total shareholders' equity (deficit)	26,764,746	-17,959,899	Recovery
Total liabilities and shareholders' equity (deficit)	28,102,326	851,112	Up 3,201.8

PERFORMANCE RATIOS

	2014-06-30	2013-06-30	Change %
Return on Equity(%)	-34.41	7.17	
Return on Assets(%)	-32.77	-151.21	Reduced 78.3

PER SHARE FIGURES

	2014-06-30	2013-06-30	Change %
EPS	-194.0c	-827.0c	Reduced 76.5

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