

## Trevena (TRVN : US\$4.34)

### Trevena continues downtrend, now tumbles 38% in 2014

Trevena Inc, has now tumbled US\$2.68 (or 38.2%) year to date in 2014 to close at US\$4.34. 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 95,840 shares. Compared with the NASDAQ-100 Index which has risen 6.7% YTD, this represents a relative price change of -44.9%. In 2014 the market cap has declined US\$66.9 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:**

- Its Moving Average Convergence Divergence indicators are falling, with its 12-day EMA lower than its 26-day EMA.
- The Q Ratio, defined by James Tobin as MCap divided by Total Assets, is 2.7. Compared with the rest of the market the stock is overvalued and ranks in the bottom quartile of stocks by value of Q Ratio.
- In the last three months the number of falls outnumbered rises 39:19 or 2.05:1.

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

- "Current ratio of two or more"; current assets are 15.3 times current liabilities.

### Stock Summary

<b>Sector</b>	Total NASDAQ Market
<b>Market Cap</b>	US\$113.7 million
<b>Shares Outstanding</b>	26,208,754
<b>Relative Strength (3 mo)</b>	2

### MCap: A Historical Perspective

	Share Price (USD)	Market Cap (\$)
Last	4.3	113.7 million

## Analysis

### Bullish Signals

- The price is at a discount of 3.2% to the 1-month volume weighted average price of US\$4.48, which may appeal as a value proposition.
- The Stochastic indicator of 7.9 has broken through the oversold line of 20.

### Undervaluation:

- The company is cash rich with Cash to Market Capitalisation at 33.4%.

### Other Bullish Signals:

Also, the following criteria set by Benjamin Graham:

- "Current ratio of two or more"; current assets are 15.3 times current liabilities.

### Bullish Indicators and Rank in Market:

Description	Value	Rank In Market
Price Change %	5.6	In Top 5%
P/E * P/NTA	6.7	In Top 8%
Cash to MCap %	33.4	In Top 9%

### Bearish Signals

- In the last 12 trading sessions there has been a net decline of 2.67%; the stock has retreated thirteen times and the biggest one day decline was 3.9% on Jun 16.
- The Moving Average Convergence Divergence (MACD) indicator of 12-day Exponential Moving Average (EMA) of 4.36 minus the 26-day EMA of 4.5 is negative suggesting a bearish signal. Both the 12-day EMA as well as the 26-day EMA are falling, another bearish signal.
- The current short volume is 1.6 times its own historical average of 0.1%.

### Overvaluation:

- Price/Sales of 300.45 versus market average of 2.2.
- The Q Ratio, defined by James Tobin as MCap divided by Total Assets, is 2.7. Compared with the rest of the market the stock is overvalued and ranks in the bottom quartile of stocks by value of Q Ratio.

### Other Bearish Signals:

- Net Profit margin has seen consecutive falls and seems to be on a slippery slope in recent years.

### Annual Trend:

[Year ended, all figures in %]:

Year	Net Profit Margin
Dec 13	-6,229.8
Dec 12	-1,634.9

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



The stock has a score of merely 1 out of 9 set by Joseph Piotroski [pass mark  $\geq 5$ ]:

Improvement in current ratio from 1.8 to 15.3.

### Bearish Indicators and Rank in Market:

Description	Value	Rank In Market
Volatility %	10.6	In Bottom 5%
Price/MAP50	0.43	In Bottom 1%
Annual Revenue	US\$378,587	In Bottom 1%

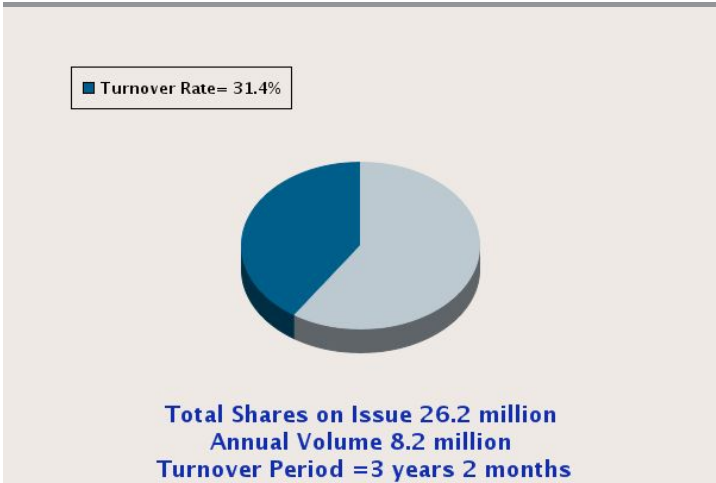
### Note

### Neutral Indicators and Rank in Market:

Description	Value	Rank In Market
MCap	US\$113.7 million	In 3rd Quartile
Turnover in Quarter	US\$30.9 million	In 3rd Quartile

# Analysis (continued)

## Turnover Rate & Turnover Period



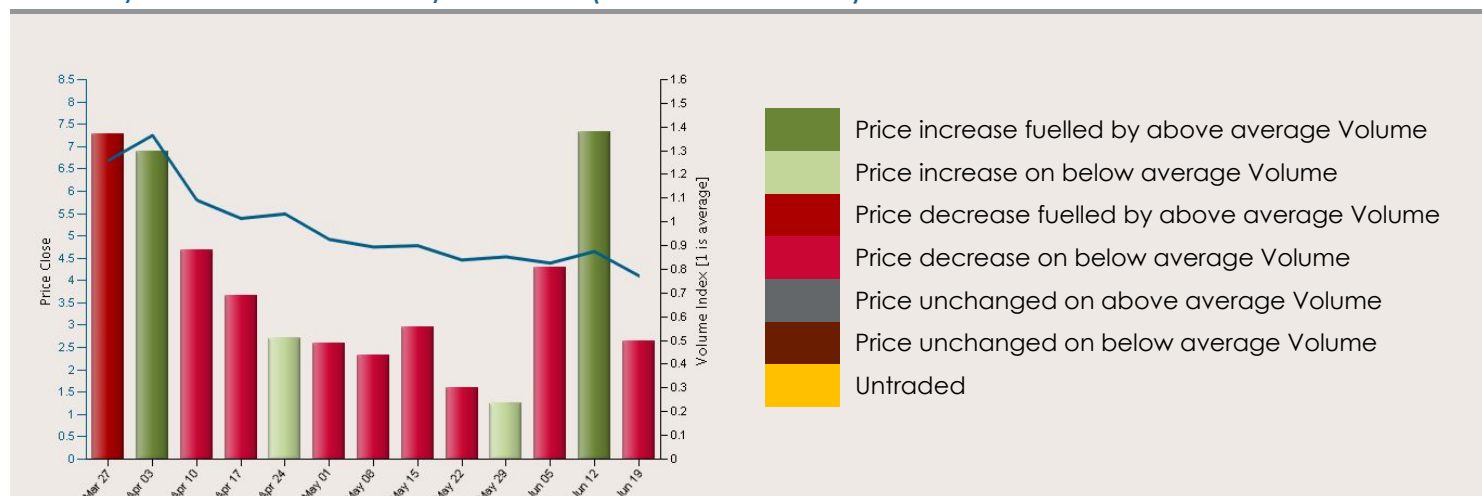
## Trailing 3 months

Turnover	US\$30.9 million
Volume	5,362,000
Volume Index (1 is avg)	0.9

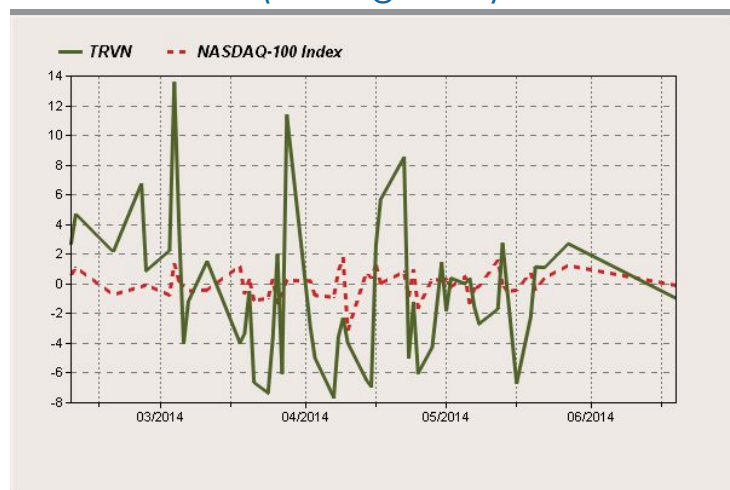
## Price Volume Trend: Trailing Quarter



## Weekly Price Volume Dynamics (Last 12 Weeks)



## Stock v Index (Trailing Year)



## Company Overview

### Activities

Trevena, Inc. develops pharmaceutical products. The Company offers discovery and development of agents targeting G-protein coupled receptors and therapies and drugs that treat acute heart failure, post-operative pain, acute and chronic pain, and depression. Trevena serves customers throughout the United States.

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

### Regulatory Announcements

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

June 18: Trevena CEO to Present at the 9th Annual JMP Securities Healthcare Conference  
May 27: Trevena CEO to Present at the Jefferies 2014 Global Healthcare Conference  
May 09: Trevena Reports First Quarter 2014 Financial Results  
May 02: Trevena Presents Results from Phase 1b Trial of Injectable Analgesic TRV130 at American Society of Pain Annual Meeting  
May 02: Trevena to Host Conference Call on May 9th to Discuss First Quarter 2014 Financial Results and Recent Highlights  
April 01: Trevena CEO to Present at the 13th Annual Needham Healthcare Conference  
April 01: Trevena Appoints Robert Prachar as Senior Vice President, Commercial and Corporate Strategy

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

May 09: Trevena: Results of Operations and Financial Condition  
March 20: Trevena: Results of Operations and Financial Condition  
February 05: Trevena: Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year

### Issued Capital

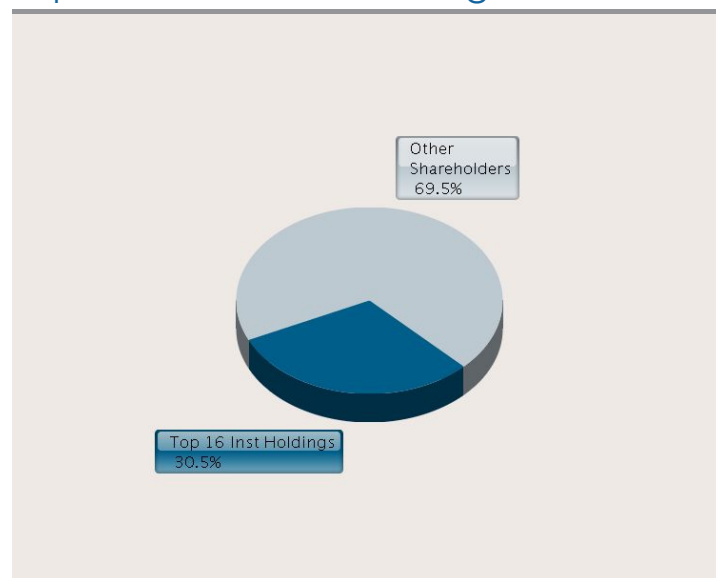
Based on 26,208,754 issued equity shares the market capitalisation is US\$113.7 million.

The top sixteen shareholders hold 30.5% of the issued capital leaving a float of 69.5%.

### Top 10 Shareholders

Name of Shareholder	No. of Shares	% Held
Nea Management Company LLC	3,811,691	14.54
Wellington Management Co Llp	1,105,455	4.22
Brookside Capital Management Llc	799,998	3.05
Jpmorgan Chase & Co	629,575	2.4
Putnam Investments Llc	556,184	2.12
Bvf Inc/ll	350,000	1.34
Alyeska Investment Group L.P.	236,126	0.9
Vanguard Group Inc	135,620	0.52
California Public Employees Retirement System	125,000	0.48
Panagora Asset Management Inc	91,515	0.35
<b>Total</b>	<b>7,841,164</b>	<b>29.92</b>

### Top 16 Institutional Holdings



## Board and Management

### Maxine Gowen CEO & President & Director

Dr. Gowen has served as our President and Chief Executive Officer and Director. Prior to joining our company, Dr. Gowen was Senior Vice President for the Center of Excellence for External Drug Discovery at GlaxoSmithKline plc, or GSK, where she held a variety of leadership positions during her tenure of 15 years. Before GSK, Dr. Gowen was Senior Lecturer and Head, Bone Cell Biology Group, Department of Bone and Joint Medicine, of the University of Bath, U.K. From 2008 until 2012, Dr. Gowen served as a director of Human Genome Sciences, Inc., a public biopharmaceutical company. Our board of directors believes that Dr. Gowen's detailed knowledge of our company and her over 20 years in the pharmaceutical industry, including her roles at GSK, provide a critical contribution to our board of directors.

### Leon O. Moulder Independent Chairman

Mr. Leon O. Moulder, Jr., is Independent Chairman of the Board of Trevena Inc. Since June 2010, Mr. Moulder has served as Chief Executive Officer and a member of the board of directors of TESARO, Inc., or TESARO, a public biopharmaceutical company. From April 2009 to January 2010, Mr. Moulder served as Vice Chairman, President and Chief Executive Officer of Abraxis BioScience, Inc., or Abraxis, a biotechnology company. Before that, Mr. Moulder served as Vice Chairman of Eisai Corporation, North America, or Eisai, a pharmaceutical company and wholly owned subsidiary of Eisai Co., Ltd., a Japanese pharmaceutical company, from January 2008 until January 2009, after Eisai acquired MGI PHARMA, Inc., a biopharmaceutical company, where he had served as President and Chief Executive Officer since May 2003. Mr. Moulder currently serves on the board of directors of Cubist Pharmaceuticals, Inc. and also serves on the Board of Trustees of Temple University as well as the Board of Visitors of the Temple University School of Pharmacy. Our board of directors believes that Mr. Moulder's significant operational and senior management experience in the pharmaceutical and biotechnology industries, as well as his extensive experience serving on boards of directors of public and private companies in the life sciences industry, allow him to make valuable contributions to the board.

### Roberto E. Cuca CFO & Senior Vice President

Mr. Roberto E. Cuca is Chief Financial Officer, Senior Vice President of Trevena, Inc. Prior to joining us, he held various leadership positions in the finance organization of Endo Health Solutions Inc., a pharmaceutical company, from March 2010 to August 2013, including, most recently, Treasurer and Senior Vice President, Finance. Prior to that, he was Director, Corporate and Business Development, at moksha8 Pharmaceuticals, Inc., an emerging markets focused pharmaceutical company, from March 2008 until February 2010. From 2005 until 2008, he worked at JPMorgan Chase & Co. as an equity analyst covering U.S. pharmaceutical companies. Mr. Cuca received an M.B.A. from the Wharton School of The University of Pennsylvania, a J.D. from Cornell Law School, an A.B. from Princeton University and he is a CFA charterholder.



# Financial Results (Quarterly)

31 March, 2014

## INCOME STATEMENT

Currency in USD	2014-03-31	2013-03-31	Change %
Revenue:			
Grant revenue		41,201	
Collaboration revenue			
Total revenue		41,201	
Operating expenses:			
General and administrative	2,020,865	761,437	Up 165.4
Research and development	7,633,509	2,115,066	Up 260.9
Total operating expenses	9,654,374	2,876,503	Up 235.6
Loss from operations	-9,654,374	-2,835,302	Deterioration 240.5
Other income (expense):			
Change in fair value of warrant liability	98,922	10,255	Up 864.6
Miscellaneous income	176,015		
Interest income	6,023		
Interest expense		58,241	
Total other income (expense)	280,960	-47,986	Recovery
Net loss and comprehensive loss	-9,373,414	-2,883,288	Deterioration 225.1
Accretion of redeemable convertible preferred stock	-28,521	-79,161	Reduced 64.0
Net loss attributable to common stockholders	-9,401,935	-2,962,449	Deterioration 217.4
Per share information:			
Net loss per share of common stock, basic and diluted	-59.0c	-430.0c	Reduced 86.3
Weighted average shares outstanding, basic and diluted	16,023,497	689,266	Up 2,224.7

## BALANCE SHEET

Currency in USD	2014-03-31	2013-12-31	Change %
Assets			
Current assets:			
Cash and cash equivalents	91,344,666	37,965,198	Up 140.6
Prepaid expenses and other current assets	3,395,364	1,957,765	Up 73.4
Offering costs		1,999,279	
Total current assets	94,740,030	41,922,242	Up 126.0
Property and equipment, net	257,864	343,059	Down 24.8
Restricted cash	112,000	112,000	Steady
Other assets	45,300	15,625	Up 189.9
Total assets	95,155,194	42,392,926	Up 124.5
Liabilities, redeemable convertible preferred stock and stockholders' (deficit) equity			

# Financial Results (Quarterly) (continued)

31 March, 2014

Current liabilities:			
Accounts payable	3,084,016	545,053	Up 465.8
Accrued expenses and other current liabilities	1,775,505	2,158,792	Down 17.8
Deferred rent	34,707	33,114	Up 4.8
Total current liabilities	4,894,228	2,736,959	Up 78.8
Deferred rent, net of current portion	307,374	313,919	Down 2.1
Warrant liability	106,341	350,519	Down 69.7
Total liabilities	5,307,943	3,401,397	Up 56.1
Commitments and contingencies			
Redeemable convertible preferred stock:			
Series A convertible preferred stock, 0,001 par value; 25,074,999 and 0 shares authorized, 25,074,999 and 0 shares issued and outstanding at December 31, 2013 and March 31, 2014 respectively, (liquidation preference of 25,074,999 at December 31, 2013)		25,024,373	
Series B convertible preferred stock, 0,001 par value; 35,500,000 and 0 shares authorized, 30,800,000 and 0 shares issued and outstanding at December 31, 2013 and March 31, 2014, respectively (liquidation preference of 30,800,000 at December 31, 2013)		30,778,700	
Series B-I convertible preferred stock, 0,001 par value; 6,000,000 and 0 shares authorized, 4,750,000 and 0 shares issued and outstanding at December 31, 2013 and 2014, respectively (liquidation preference of 4,200,000 at December 31, 2013)		4,823,079	
Series C convertible preferred stock, 0,001 par value; 37,000,000 and 0 shares authorized, 36,764,704 and 0 shares issued and outstanding at December 31, 2013 and March 31, 2014, respectively (liquidation preference of 59,999,997 at December 31, 2013)		59,935,986	
Total redeemable convertible preferred stock		120,562,138	
Stockholders' (deficit) equity:			
Common stock, 0,001 par value; 132,000,000 shares authorized, 26,233 957,756 and 26,232,941 shares issued and outstanding at December 31, 2013 and March 31, 2014, respectively		958	Up 2,638.3
Additional paid-in capital	181,463,282	697,283	Up 25,924.3
Deficit accumulated during the development stage	-91,642,264	-82,268,850	Deterioration 11.4
Total stockholders' (deficit) equity	89,847,251	-81,570,609	Recovery
Total liabilities, redeemable convertible preferred stock and stockholders' (deficit) equity	95,155,194	42,392,926	Up 124.5



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