

Ultragenyx Pharmaceutical (RARE : US\$44.75)

Ultragenyx Pharmaceutical climbs 12% in 2014, but lagging Healthcare-Products sector

Ultragenyx Pharmaceutical Inc, NASDAQ's 2nd largest healthcare-products company by market cap, has now climbed US\$4.62 (or 11.5%) year to date in 2014 to close at US\$44.75. This gain makes the stock the lowest rising one in the Healthcare-Products sector which is up 181.2% in 2014. The volume YTD has been 0.7 times average trading of 162,629 shares. Compared with the NASDAQ-100 Index which has risen 7.9% YTD, this represents a relative price increase of 3.6%. In 2014 the market cap has jumped US\$177.9 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.
- In the last three months the number of falls outnumbered rises 34:30 or 1.13:1.

Stock Summary

Sector	Healthcare-Products
Market Cap	US\$1.3 billion
Shares Outstanding	30,035,894
ISIN	US90400D1081
Relative Strength (3 mo)	26

Financial Summary

Year ended	Dec 2013	Dec 2012	Dec 2011
Pretax (USDm)	-	-	(6.8)
Net (USDm)	(50.3)	(19.6)	(7.5)
EPS (USD)	(14.87)	(14.2)	(0.26)

MCap: A Historical Perspective

	Share Price (USD)	Market Cap (\$)
Last	44.8	1.3 billion

Analysis

Bullish Signals

- In the last 11 trading sessions there has been a net rise of 19.16%; the stock has advanced twelve times and the biggest one day rise was 14.3% on Jun 18.
- The Moving Average Convergence Divergence (MACD) indicator of 12-day Exponential Moving Average (EMA) of 43.48 minus the 26-day EMA of 41.13 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
%Prem To Vol Wtd Price	9.6	In Top Quartile
MCap	US\$1.3 billion	In Top Quartile

Bearish Signals

- The price is at a premium of 9.6% to the 1-month volume weighted average price of US\$40.81. Given that this premium has been under 9.6% seventy times and over 9.6% nineteen times in the last year, the downside:upside probability is estimated at 70:19 or 3.7:1.
- The current short volume is 2.6 times its own historical average of 0.1%. It soared 10.2% from the previous day, lifted 2.9% from a week ago and soared 269.8% from a month ago, a significant 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:

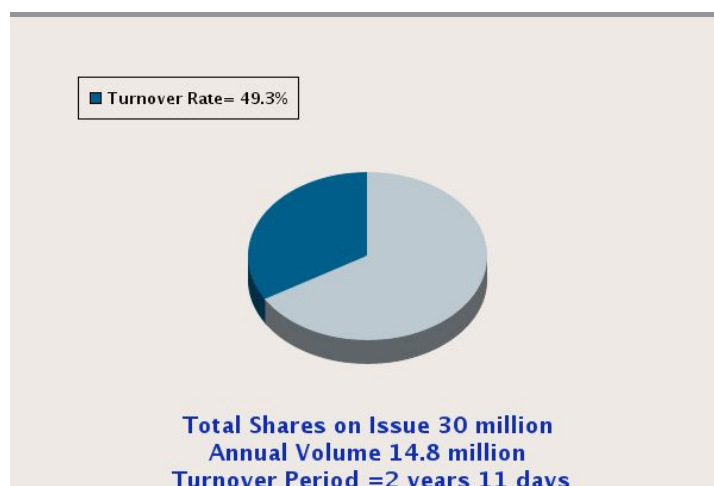
Description	Value	Rank In Market
Price/MAP50	0.6	In Bottom 7%
P/E * P/NTA	480.07	In Bottom 1%

Note

Neutral Indicators and Rank in Market:

Description	Value	Rank In Market
Turnover in Quarter	US\$467.7 million	In 2nd Quartile

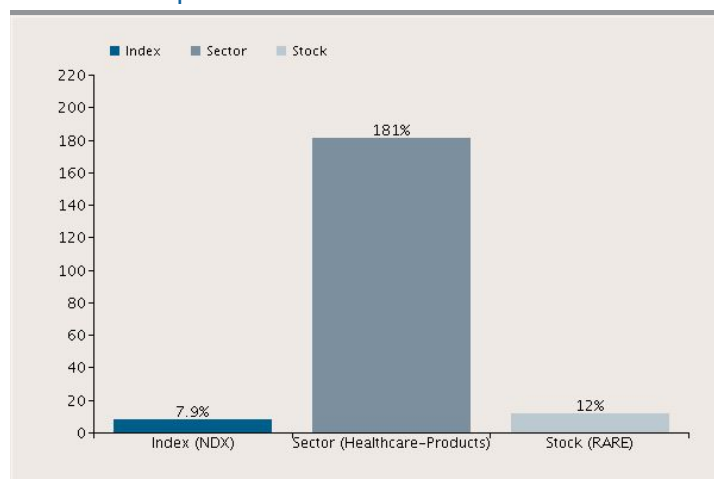
Turnover Rate & Turnover Period



Trailing 3 months

Turnover	US\$467.7 million
Volume	10,760,404
Volume Index (1 is avg)	1.0

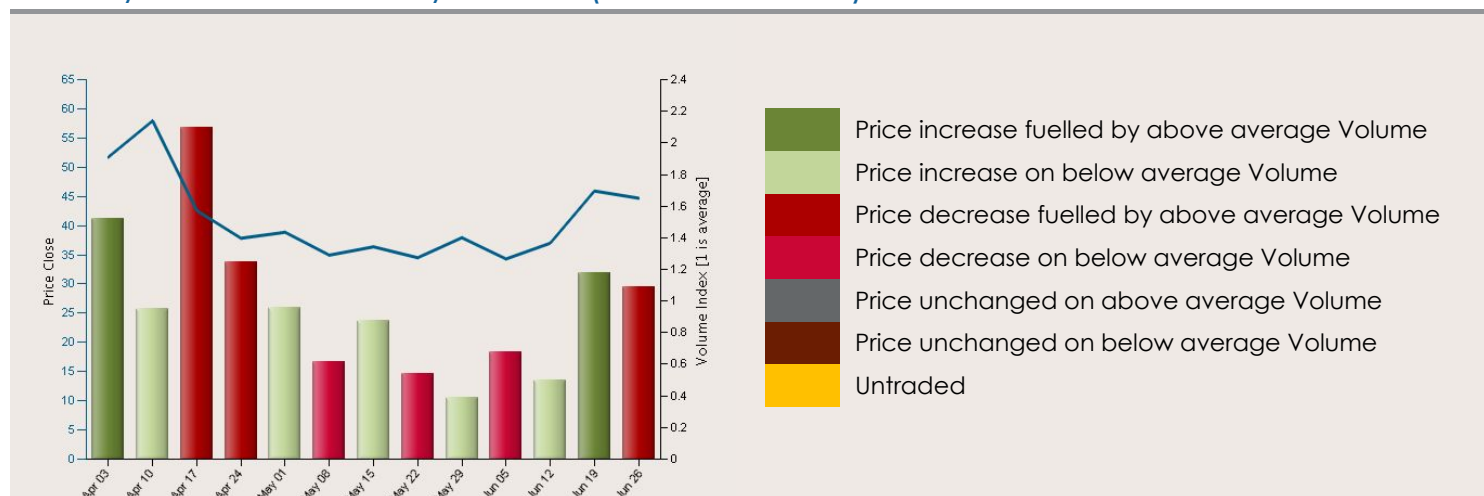
YTD Comparison Stock Sector Index



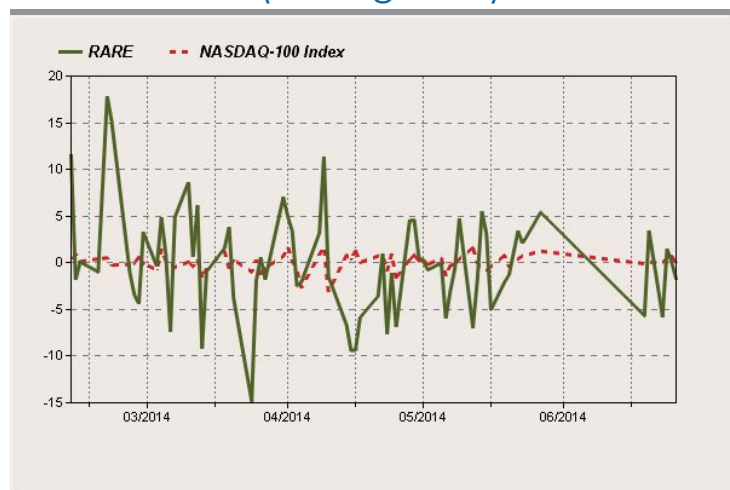
Price Volume Trend: Trailing Quarter



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)
Agios Pharmaceuticals	45.9	98	1,557	-	26	-44	201
Ultragenyx Pharmaceutical	44.75	-	1,344	-	-	-50	60
Versartis	28.55	-	691	-	-	-18	15

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.

Regulatory Announcements

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

June 24: Ultragenyx Announces Results From Phase 1/2 Study of KRN23 in X-linked Hypophosphatemia in Adults

June 18: Ultragenyx to Present at the JMP Securities Healthcare Conference

June 04: Ultragenyx to Present at the Goldman Sachs Global Healthcare Conference

May 27: Ultragenyx to Present at the Jefferies 2014 Global Healthcare Conference

May 19: Ultragenyx Announces KRN23 Phase 1/2 Study Data to be Presented at ICE/ENDO Meeting on June 23rd and June 24th

May 12: Ultragenyx Reports First Quarter 2014 Financial Results and Corporate Update

March 27: Ultragenyx Announces Preliminary Data From Phase 1/2 Study of Recombinant Human Beta-Glucuronidase in Mucopolysaccharidosis 7

Issued Capital

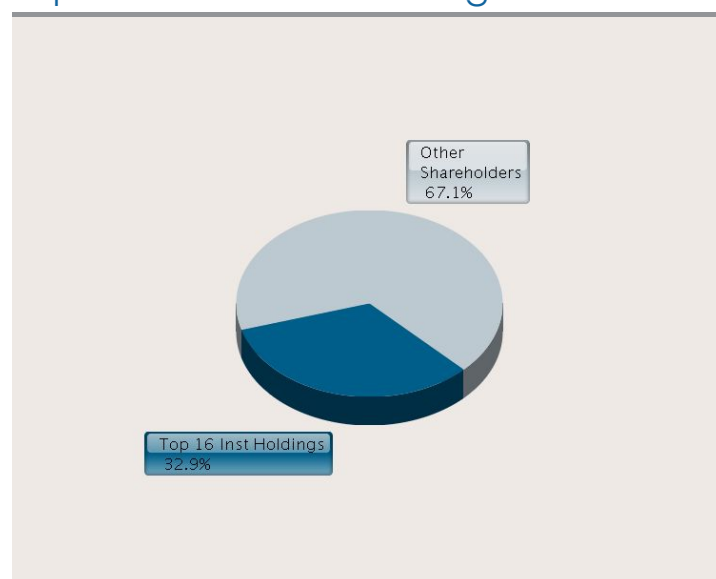
Based on 30,035,894 issued equity shares the market capitalisation is US\$1.3 billion.

The top sixteen shareholders hold 32.9% of the issued capital leaving a float of 67.1%.

Top 10 Shareholders

Name of Shareholder	No. of Shares	% Held
Fmr LLC	3,600,488	11.99
Capital Research Global Investors	2,063,176	6.87
Columbia Wanger Asset Management LLC	1,795,482	5.98
Wellington Management Co Llp	632,419	2.11
Capital World Investors	361,987	1.21
Alliancebernstein L.P.	247,097	0.82
Vanguard Group Inc	213,887	0.71
Rs Investment Management Co LLC	179,100	0.6
Blackrock Fund Advisors	164,642	0.55
Federated Investors Inc /Pa/	141,300	0.47
Total	9,399,578	31.29

Top 16 Institutional Holdings





Board and Management

Emil D. Kakkis
CEO & President & Director

Eran Nadav
Chairman

Shalini Sharp
CFO

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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