

Kite Pharma (KITE : US\$25.26)

Kite Pharma tumbles 21% in 2014

Kite Pharma Inc, NASDAQ's 6th largest healthcare-products company by market cap, has now tumbled US\$6.89 (or 21.4%) year to date in 2014 to close at US\$25.26. The volume YTD has been 0.3 times average trading of 377,404 shares. In 2014 the market cap has declined US\$228.2 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:

- In the last three months the number of falls outnumbered rises 27:17 or 1.59:1.

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.
- "Current ratio of two or more"; current assets are 16.6 times current liabilities.

Stock Summary

Sector	Healthcare-Products
Market Cap	US\$967.8 million
Shares Outstanding	38,314,098
ISIN	US49803L1098

MCap: A Historical Perspective

	Share Price (USD)	Market Cap (US\$)
Last	25.3	967.8 million

Analysis

Bullish Signals

- The price is at a discount of 3.5% to the 1-month volume weighted average price of US\$26.18, which may appeal as a value proposition.
- In the last 20 trading sessions there has been a net rise of 14.51%; the stock has advanced eight times and the biggest one day rise was 21.5% on Aug 28.
- The Moving Average Convergence Divergence (MACD) indicator of 12-day Exponential Moving Average (EMA) of 26.02 minus the 26-day EMA of 25.36 is positive suggesting a bullish signal.

Other Bullish Signals:

Also, the following criteria set by Benjamin Graham:

- "Current ratio of two or more"; current assets are 16.6 times current liabilities.

Bearish Signals

- The current short volume is 1.8 times its own historical average of 0.2%. It soared 13.4% from the previous day, soared 49.1% from a week ago and soared 159.4% from a month ago, a significant bearish indicator.

Other Bearish Signals:

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

Improvement in current ratio from 14.4 to 16.6.

Bearish Indicators and Rank in Market:

Description	Value	Rank In Market
Price Change %	-3.2	In Bottom Quartile
Price/MAP50	0.62	In Bottom 8%
Price to Book Value	44.8	In Bottom 1%

Note

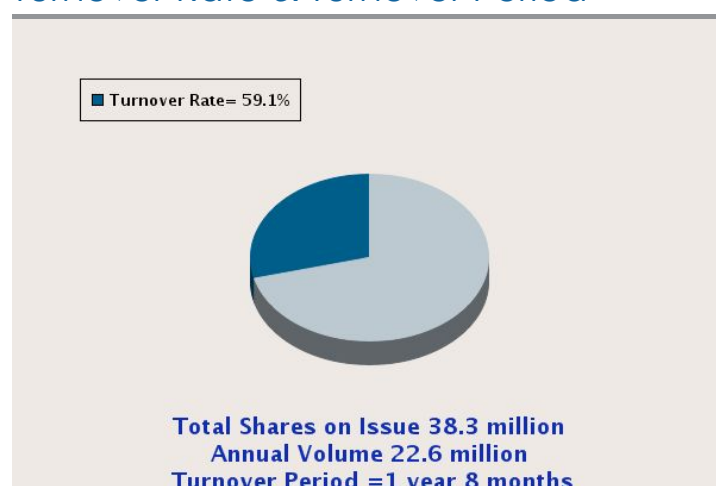
Neutral Indicators and Rank in Market:

Description	Value	Rank In Market
MCap	US\$967.8 million	In 2nd Quartile

Short Selling to MCap



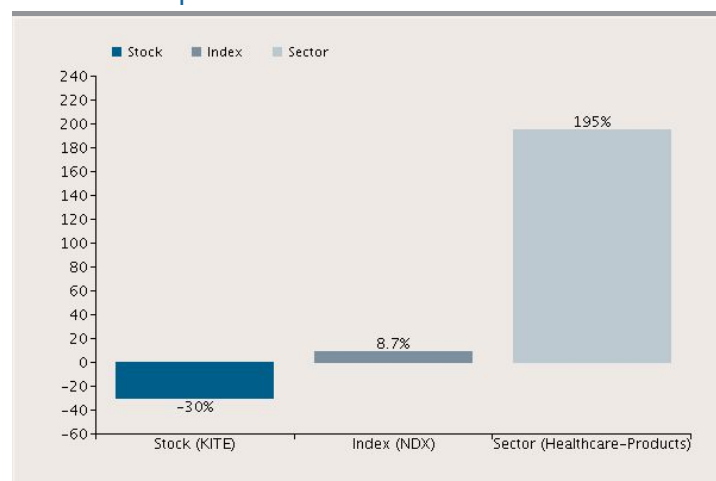
Turnover Rate & Turnover Period



Trailing 3 months

Turnover	US\$589.7 million
Volume	22,643,477
Volume Index (1 is avg)	0.9

YTD Comparison Stock Sector Index



Price Volume Trend: Trailing Quarter



Recent Analyst Recommendations

Date	Brokerage	Action	Past Rating	Current Rating	Prev Target	Price Target
19-Aug-2014	Stifel Nicolaus	Initiated Coverage	-	Buy	-	31
15-Jul-2014	Jefferies Group	Initiated Coverage	-	Buy	-	35
15-Jul-2014	Stifel Nicolaus	Initiated Coverage	-	Buy	-	31
15-Jul-2014	Credit Suisse	Initiated Coverage	-	Outperform	-	34
15-Jul-2014	Cowen and Company	Initiated Coverage	-	Outperform	-	-
15-Jul-2014	Citigroup Inc.	Initiated Coverage	Buy	Outperform	31	24.05

Company Overview

Activities

Kite Pharma Inc. develops and manufactures pharmaceuticals. The Company offers and designs cancer immunotherapeutic products and therapy designed to restoring the patient's immune system to recognize and eradicate tumors.

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

Regulatory Announcements

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

September 16: Kite Pharma to Present at the 21st Annual NewsMakers in the Biotech Industry Investment Conference on Friday, September 26

August 26: Kite Pharma to Present at the Citi 9th Annual Biotech Conference on Wednesday, September 3

August 25: Kite Pharma Announces Patients With Aggressive Non-Hodgkin's Lymphoma Experience Positive Results After Receiving Anti-CD19 Chimeric Antigen Receptor (CAR) T Cells at the National Cancer Institute (NCI)

August 14: Kite Pharma Reports Second Quarter 2014 Results

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

August 15: Kite Pharma: Results of Operations and Financial Condition

Issued Capital

Based on 38,314,098 issued equity shares the market capitalisation is US\$967.8 million.

Board and Management

Arie Beldegrun
CEO & President &
Chairman & Director



Dr. Beldegrun has been closely involved with the founding and advancement of several successful private and public biopharmaceutical companies. In 1996 he founded Agensys, Inc., a biotechnology company, and served as its founding Chairman of the board of directors and as a board member until 2007, when it was acquired by Astellas Pharma Inc. Dr. Beldegrun was also the founding Vice-Chairman of the board of directors and Chairman of the scientific advisory board of Cougar Biotechnology, Inc., a biotechnology company, from 2003 to 2009 when it was acquired by Johnson & Johnson. He currently serves as Chairman of Arno Therapeutics, Inc., Two River Group, and TheraCoat Ltd., and as a board member of SonaCare Medical, LLC and Teva Pharmaceutical Industries Ltd. Dr. Beldegrun is Professor of Urology, holds the Roy and Carol Doumani Chair in Urologic Oncology, and Director of the UCLA Institute of Urologic Oncology at the David Geffen School of Medicine at UCLA. Prior to joining UCLA, he was at the National Cancer Institute/NIH, as a research fellow in surgical oncology and immunotherapy under Dr. Steven A. Rosenberg. Dr. Beldegrun completed his M.D. at the Hebrew University Hadassah Medical School in Jerusalem, his post graduate studies in Immunology at the Weizmann Institute of Science, and his residency in Urologic Surgery at Harvard Medical School. He has authored several books in Oncology and more than 400 scientific and medical papers related to urological cancers, immunotherapy, gene therapy, and cancer vaccines. He is certified by the American Board of Urology, and is a Fellow of the American College of Surgeons and the American Association of Genitourinary Surgeons (AAGUS).

Cynthia M. Butitta
CFO & Chief Operating
Officer



Ms. Butitta has over 20 years of leadership experience in both the biotechnology and high-technology industries. She was most recently Senior Vice-President and Chief Financial Officer of NextWave Pharmaceuticals, Inc., which was recently acquired by Pfizer in 2012 for \$700 million. Prior to NextWave, Ms. Butitta served as Chief Operating Officer from 2001 to 2010 and Chief Financial Officer from 1998 to 2010 of Telik Inc., a public biotechnology company focused on the development of small molecule drugs for the treatment of cancer. While at Telik, Ms. Butitta was responsible for securing over \$450 million through an IPO and subsequent follow-on offerings. In addition to capital raising, she also was responsible for SEC Reporting, financial controls, investor relations, information technology, manufacturing, quality, project management and commercial operations. Ms. Butitta also served as Vice President of Finance and Administration and Chief Financial Officer from 1995 to 1997 for Connetics, Inc., a public biotechnology company. Ms. Butitta received a B.S. degree with honors in Business and Accounting from Edgewood College in Madison, Wisconsin and a MBA degree in Finance from the University of Wisconsin, Madison.

Steven Ruchefsky
Director

Mr. Ruchefsky is President of Commercial Street Capital LLC, a private investment company and significant stockholder in Kite Pharma. For the last decade, Mr. Ruchefsky has been working as a private investment manager for the founder and CEO of a multi-billion dollar hedge fund. Mr. Ruchefsky began his career at a prominent New York City law firm where he became a partner, member of management and chair of a specialized litigation group. Upon leaving his law firm and prior to his current employment, Mr. Ruchefsky was a principal of an early stage venture capital operation. Mr. Ruchefsky currently sits on the boards of several public and private companies, including Arno Therapeutics Inc., MD Solar Sciences and Energy Pioneer Solutions. Mr. Ruchefsky is a graduate of The George Washington University Law School.

Board and Management (continued)

Roy Doumani Director

Roy Doumani is Executive Director of the Business of Science Center and a professor at the David Geffen School of Medicine at UCLA teaching "The Business of Science", "Advancing Bioengineering Innovations", and "Healthcare Technology" to graduate students. He currently serves as Co-Chairman of the Zhejiang California NanoSystems Institute in the People's Republic of China.

With a background in international finance and banking, Roy holds an equity position in and served as Vice Chairman of the first joint venture bank in the PRC, Xiamen International Bank and has been involved with numerous financial institutions: Founder and Director of First Los Angeles Bank; Chairman of First Interstate Bank of Hawaii; Director of HonFed Bank; one of the Founders of Agensys, Inc.; Investor and Board Member of Kite Pharma; Chairman of World Trade Bank in Los Angeles. Roy has served as a board member and advisor to companies in the United States, Asia, Europe and the Middle East.

Roy is a member of RAND's Center for Asia Pacific Policy's advisory board and Chairman of the Pacific Pension Institute's advisory board. He has established endowed chairs at UCLA, in the Departments of Medical and Molecular Pharmacology and Urological Oncology. Roy is also a Trustee at the Norton Simon Museum.

Roy Doumani graduated from the University of California at Los Angeles (UCLA) with a degree in Business and Finance and received a law degree from the University of Southern California.

David Bonderman Director

David Bonderman is a founding partner of TPG, one of the world's largest private equity investment firms. TPG generally makes significant investments in operating companies through acquisitions and restructurings across a broad range of industries throughout the United States, Europe and Asia.

Prior to forming TPG in 1992, Mr. Bonderman was Chief Operating Officer of the Robert M. Bass Group, Inc. (now doing business as Keystone Group, L.P.) in Fort Worth, Texas. Prior to joining RMBG in 1983, Mr. Bonderman was a partner in the law firm of Arnold & Porter in Washington, D.C., where he specialized in corporate, securities, bankruptcy and antitrust litigation. From 1969 to 1970, Mr. Bonderman was a Fellow in Foreign and Comparative Law in conjunction with Harvard University, and from 1968 to 1969, he was Special Assistant to the U.S. Attorney General in the Civil Rights Division. From 1967 to 1968, Mr. Bonderman was Assistant Professor at Tulane University School of Law in New Orleans. Mr. Bonderman graduated magna cum laude from Harvard Law School in 1966. He was a member of the Harvard Law Review and a Sheldon Fellow. He is a 1963 graduate of the University of Washington in Seattle. In addition to serving on the board of directors of several private and public companies, Mr. Bonderman also serves on the boards of The Wilderness Society, the Grand Canyon Trust, The University of Washington Foundation and the American Himalayan Foundation.

Ran Nussbaum Director

Ran Nussbaum is a managing partner and the co-founder of The Pontifax Group, who has established three funds with over \$220M under management and over 30 portfolio companies. Over the past ten years, Mr. Nussbaum has been managing the group's activity alongside Mr. Tomer Kariv. He also served as CEO of Biomedix and Spearhead Ltd. as well as Ocon chairman of the board. Mr. Nussbaum's real life experience in the life sciences arena coupled with a 10-year experience in the business intelligence field create a unique blend of skills, enabling him to support companies from inception to commercialization. His work revolves around constant and active involvement in companies, providing them with strategic and business development oversight. Mr. Nussbaum serves as a board member of many of the group's portfolio companies including, c-CAM, Insuline (public co.), Eloxx, Bioblast, TheraCoat, CollPlant (public), Protab, Quiet, Fusimab Ltd and Ocon.

Board and Management (continued)

Jon Peacock Director

Jon Peacock was chief financial officer of Amgen from 2010 to 2014. In this role, he was responsible for finance, investor relations, strategy, corporate development and procurement.

Prior to Amgen Mr. Peacock served as chief financial and administration officer for Novartis Pharmaceutical AG since 2005. He was responsible for Finance, strategic planning, mergers and acquisitions, IT and procurement. In addition, Mr. Peacock was responsible for Novartis' malaria program, a corporate citizenship initiative in conjunction with the major donor organizations, to supply the company's malaria medicine at cost to countries throughout Africa.

Previously, Mr. Peacock was a partner at McKinsey and Company, working for the consulting firm's Amsterdam, Zurich and London offices. He also was a partner at Price Waterhouse in New York and London. He has an MA degree in Economics from the University of St. Andrews in Scotland and is a chartered accountant.

Farah Champsi Director

Farah Champsi is a Managing Director at Alta Partners. She also currently serves on the board of directors of Chimerix, Trevena and Allakos. Prior to joining Alta in 2000, Ms. Champsi was an investment banker at Robertson Stephens & Company where she focused on biotechnology and other life sciences companies. She was elected a General Partner in 1992 and head of the global life sciences investment banking group in 1995. During that time, she was responsible for building one of the most successful life sciences investment banking franchises on Wall Street. She holds a Master of Business Administration from Stanford University and a Bachelor of Arts in Economics from Smith College.

Joshua Kazam Director

Joshua Kazam is a director and co-founder of Kite, which was incorporated in 2009 by Two River, a New York merchant bank that focuses on the life science sector. Mr. Kazam is a co-founder and managing member of Two River. Prior to Two River, Mr. Kazam served as the Director of Investment Management for the Orion Biomedical Fund, a New York based private equity fund focused on biotechnology investments. Mr. Kazam is a member of the Board of Directors of Capricor Therapeutics (NASDAQ:CAPR), Tranzutary Holdings LLC and also serves as an Officer and Director of Riverbank Capital Securities, Inc., a FINRA member broker dealer. Mr. Kazam holds a BsC in Economics from Wharton School of the University of Pennsylvania, and currently resides in New York City.

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