

Loxo Oncology

Loxo Oncology climbs 10% in 2015

Loxo Oncology Inc., NASDAQ's 31st largest Healthcare-Products company by market cap, climbed US\$1.15 (or 9.7%) year to date in 2015 to close at US\$13.02. Compared with the NASDAQ-100 Index which has risen 4.4% YTD, this is a relative price increase of 5.3%. The volume YTD has been 0.8 times the average trading of 37,067 shares. In 2015 the market cap has jumped US\$19.1 million.

Introduction with Trends

We are currently bullish on this stock in the short-term based on technical indicators, but are more bearish in the long-term based on fundamental metrics

What makes us most bullish on the stock is the following:

- In the last three months the number of rises outnumbered falls 37:25 or 1.5:1.
- It has outperformed 60% of the market the past 6 months.
- The price to 50-day EMAP ratio is 1.0, a bullish indicator. The 50-day EMAP has increased to US\$12.75.

Stock Summary

Sector	Healthcare-Products
Market Cap	US\$216.5 million
Shares Outstanding	16,629,590
ISIN	US5488621013
Relative Strength (3 mo)	79

MCap: A Historical Perspective

	Share Price (USD)	Market Cap (US\$)
Last	13.0	216.5 million

Bullish Signals

- In the NASDAQ market of 2,406 stocks and 1 unit traded today, the stock has a 6-month relative strength of 60 which means it has outperformed 60% of the market.

Undervaluation:

- The company is cash rich with Cash to Market Capitalisation at 20.3%.
- The Q Ratio, defined by James Tobin as MCap divided by Total Assets, is 1.9. Compared with the rest of the market the stock is undervalued.

Other Bullish Signals:

Bullish Indicators and Rank in Market:

Description	Value	Rank In Market
Cash to MCap %	20.3	In Top Quartile

Bearish Signals

- In the last 19 trading sessions there has been a net decline of 5.65%; the stock has retreated forty times and the biggest one day decline was 7.8% on Mar 27.
- The Moving Average Convergence Divergence (MACD) indicator of 12-day Exponential Moving Average (EMA) of 12.76 minus the 26-day EMA of 12.8 is negative suggesting a bearish signal.
- The Price/MAP of 0.72 for LOXO is lower than the Price/MAP for the NASDAQ-100 Index of 0.9.
- The price to 200-day MAP ratio is 0.72, a bearish indicator. In the past 200 days this ratio has been under 0.72 just seven times suggesting a support level.
- The current short volume is 2.2 times its own historical average of 0.1%. It increased 0.8% from the previous day, climbed 4.1% from a week ago and soared 70.3% from a month ago, a significant bearish indicator.

Other Bearish Signals:

Bearish Indicators and Rank in Market:

Description	Value	Rank In Market
Price/MAP200	0.72	In Bottom Quartile
Price/MAP50	0.59	In Bottom 8%

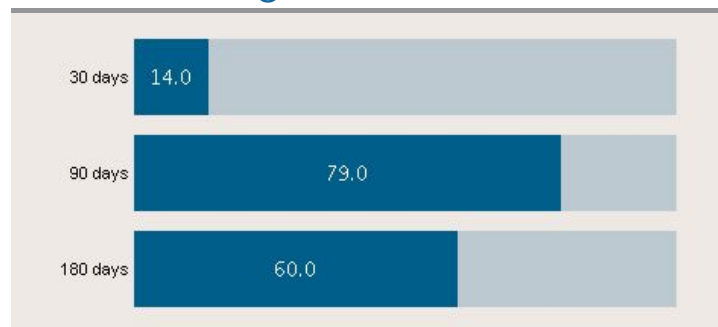
Note

Neutral Indicators and Rank in Market:

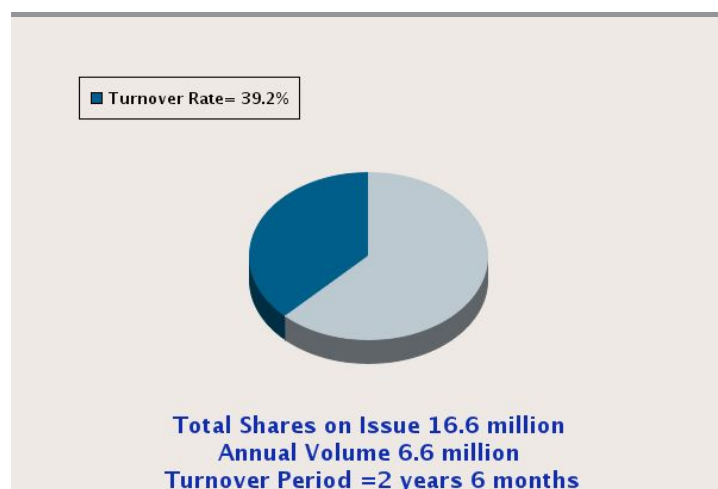
Description	Value	Rank In Market
MCap	US\$216.5 million	In 3rd Quartile
Turnover in Quarter	US\$26.5 million	In 3rd Quartile

Loxo Oncology (continued)

Relative Strength



Turnover Rate & Turnover Period



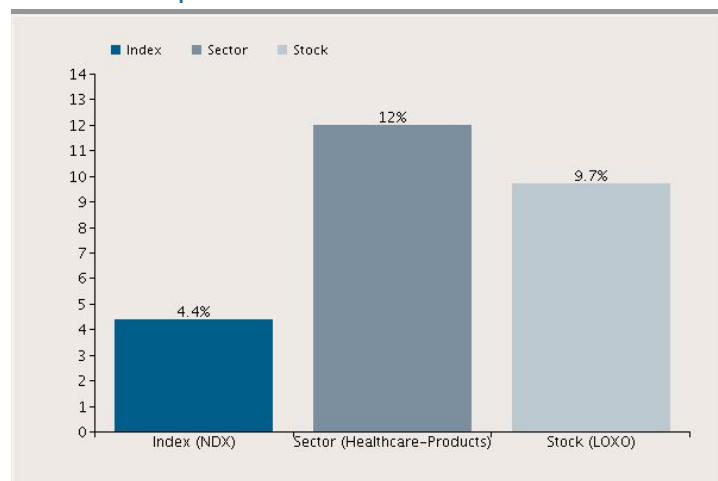
Trailing 3 months

Turnover US\$26.5 million

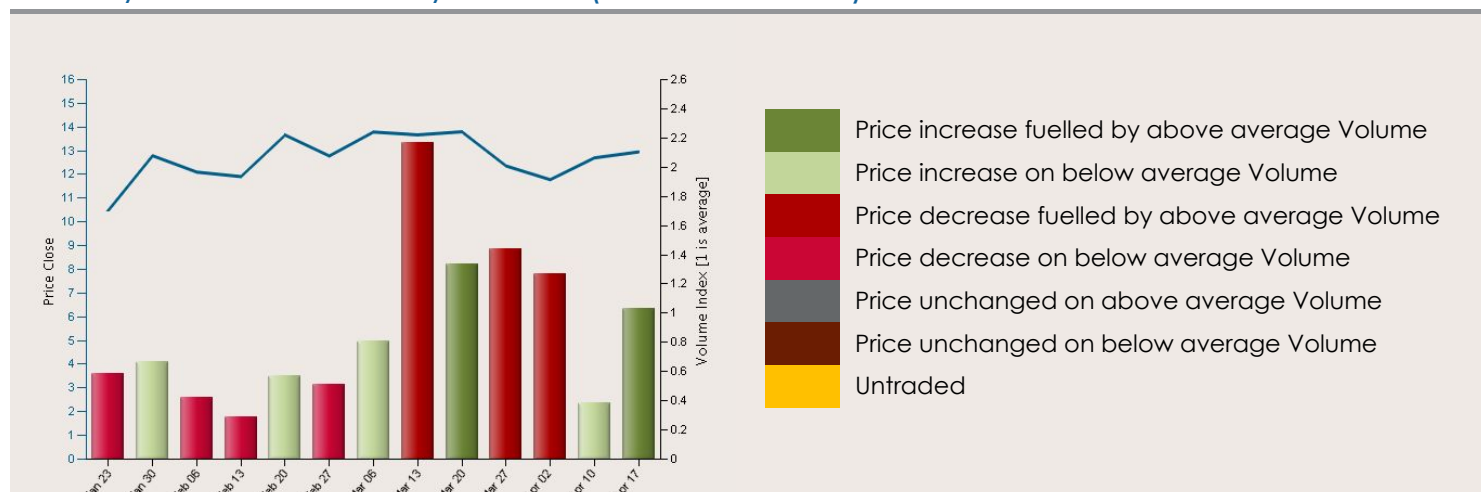
Volume 2,040,773

Volume Index (1 is avg) 0.9

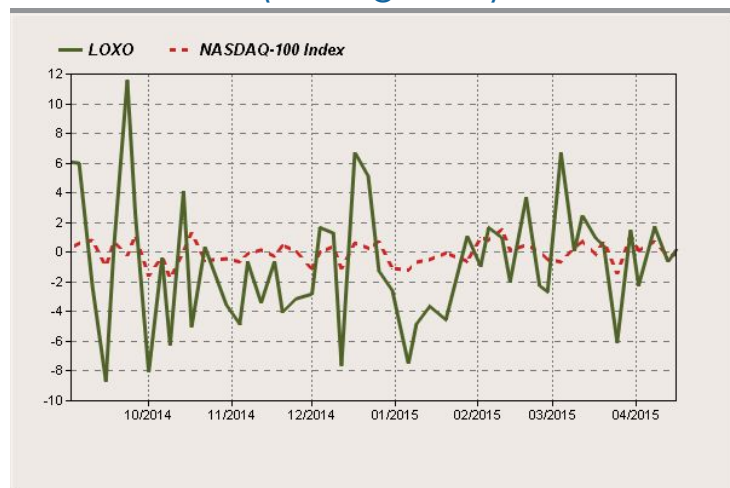
YTD Comparison Stock Sector Index



Weekly Price Volume Dynamics (Last 12 Weeks)



Stock v Index (Trailing Year)



Price/Moving Average Price [P/MAP]



Peer Group Analysis

Name	Last Price	Relative strength (6-months)	MCap (USD)	PV \$1000 (1 yr)	Revenue (USD)	Net Profit (USD)	Total Assets (USD)
Oxford Immunotec Global	US\$13.72	25	308.8M	768	38.8M	(8.7M)	92.7M
Agile Therapeutics	US\$12.32	95	272.9M	0		(16.1M)	54.8M
Ardelyx	US\$12.77	5	236.7M	0			
Loxo Oncology	US\$13.02	60	216.5M	0		(20.7M)	114.5M
Nanostring Technologies	US\$11.74	57	215.6M	742	47.6M	(50M)	102.7M
Ignitya	US\$10.38	90	203.2M	1,552		(14.2M)	53.3M
TriVascular Technologies Inc	US\$8.93	4	181.3M	0	31.8M	(57.4M)	108.5M

Recent Analyst Recommendations

Date	Brokerage	Action	Past Rating	Current Rating	Prev Target	Price Target
03-Mar-2015	Oppenheimer	Set Price Target	-	Buy	-	20

Company Overview

Activities

Loxo Oncology Inc researches and develops cancer drugs. The company focuses on building small molecule cancer drugs for genetically defined patient subsets.

Further details can be found at
www.loxooncology.com/.

Economic Sector

Healthcare

Regulatory Announcements

April 21: Loxo Oncology LOXO-101 Demonstrates Encouraging Initial Results From Ongoing Phase 1a Dose Escalation Study

[News Story] STAMFORD, Conn., April 21, 2015 (GLOBE NEWSWIRE) -- Loxo Oncology, Inc. (Nasdaq:LOXO), a biopharmaceutical company focused on the discovery, development, and commercialization of targeted cancer therapies, today announced the presentation of initial Phase 1a safety and pharmacokinetic data for LOXO-101, the only selective inhibitor of the TRK family of tyrosine kinase receptors in clinical development, in a poster session at the American Association for Cancer Research (AACR) 2015 Annual Meeting in Philadelphia, PA.

[For more details click here.](#)

Financial Results

March 27: Loxo Oncology Announces Fourth Quarter and Year-End 2014 Financial Results

[News Story] STAMFORD, Conn., March 27, 2015 (GLOBE NEWSWIRE) -- Loxo Oncology, Inc. (Nasdaq:LOXO), a biopharmaceutical company focused on the discovery, development, and commercialization of targeted cancer therapies, today reported fourth quarter and year-end 2014 financial results. Loxo Oncology will not be conducting a conference call in conjunction with this earnings release.

[For more details click here.](#)

March 03: Loxo Oncology Announces 2015 Program Guidance and Reveals Selected Pipeline Programs

[News Story] STAMFORD, Conn., March 2, 2015 -- Loxo Oncology, Inc. (Nasdaq:LOXO), a biopharmaceutical company focused on the discovery, development, and commercialization of targeted cancer therapies, today provided updated 2015 program guidance and unveiled molecular targets for three of its active preclinical programs.

[For more details click here.](#)

Conferences/Exhibitions

February 23: Events Calendar: Loxo Oncology Announces Date of 2015 Program Guidance Webcast and Conference Call

[News Story] STAMFORD, Conn., Feb. 23, 2015 Loxo Oncology, Inc. (Nasdaq:LOXO), a biopharmaceutical company focused on the discovery, development, and commercialization of targeted cancer therapies, today announced that the Company's management team will host a webcast and conference call on Monday, March 2, 2015 at 8:00 am ET to discuss the Company's program guidance for 2015.

[For more details click here.](#)

Conferences/Exhibitions

February 04: Loxo Oncology to Present at Upcoming Investor Conferences

[News Story] STAMFORD, Conn., Feb. 4, 2015 Loxo Oncology, Inc. (Nasdaq:LOXO), a biopharmaceutical company focused on the discovery, development, and commercialization of targeted cancer therapies, today announced that Joshua H. Bilenker, M.D., Chief Executive Officer will present a corporate overview at two upcoming conferences.

Details of the conferences are as follows:

2015 Leerink Global Healthcare Conference, February 11, 2015 at 3:05 pm ET, The Waldorf Astoria Hotel, New York, NY Cowen & Co.

[For more details click here.](#)

Board and Management

January 12: Loxo Oncology appoints Independent Director

Loxo Oncology has appointed Alan Fuhrman as Independent Director. The effective date is January 12, 2015.

Conferences/Exhibitions

November 12 2014: Loxo Oncology to Present at Upcoming Investor Conferences

[News Story] STAMFORD, Conn., Nov. 12, 2014 Loxo Oncology, Inc. (Nasdaq:LOXO), a biopharmaceutical company focused on developing targeted cancer therapies for genetically-defined populations, today announced that Joshua H. Bilenker, M.D., Chief Executive Officer, will present a corporate overview at several upcoming conferences.

Details of the conferences are as follows:

Stifel 2014 Healthcare Conference, November 19 at 11:30 AM, New York Palace Hotel, New York, NY Piper Jaffray 26th Annual Healthcare Conference, December 2 at 9:00 AM, New York Palace Hotel, New York, NY Oppenheimer 25th Annual Healthcare Conference, December 11 at 1:35 PM, Crowne Plaza Hotel, New York, NY

Webcast links for all presentations can be found at <http://ir.loxooncology.com/>.

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

Company Overview (continued)

8-K people news

October 28: Dov A. Goldstein - Loxo Oncology director resigns 29 October 2014

Dov A. Goldstein has resigned from Loxo Oncology as Director. The resignation takes effect from Oct 23, 2014.

October 28: Loxo Oncology appoints Lori Kunkel as director 29 October 2014

Loxo Oncology has appointed Lori Kunkel as Director. The appointment takes effect from Oct 23, 2014.

8-K other news

March 27: Loxo Oncology: Results of Operations and Financial Condition

[News Story]

http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1581720_000110465915023228_0001104659-15-023228.txt

Source: 8-K United States Securities and Exchange Commission

November 14: Loxo Oncology: Results of Operations and Financial Condition

[News Story]

http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1581720_000110465914080641_0001104659-14-080641.txt

Source: 8-K United States Securities and Exchange Commission

September 12: Loxo Oncology: Results of Operations and Financial Condition

[News Story]

http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1581720_000110465914065966_0001104659-14-065966.txt

Source: 8-K United States Securities and Exchange Commission

Issued Capital

Based on 16,629,590 issued equity shares the market capitalisation is US\$216.5 million.

The top sixteen shareholders hold 44.8% of the issued capital leaving a float of 55.2%.

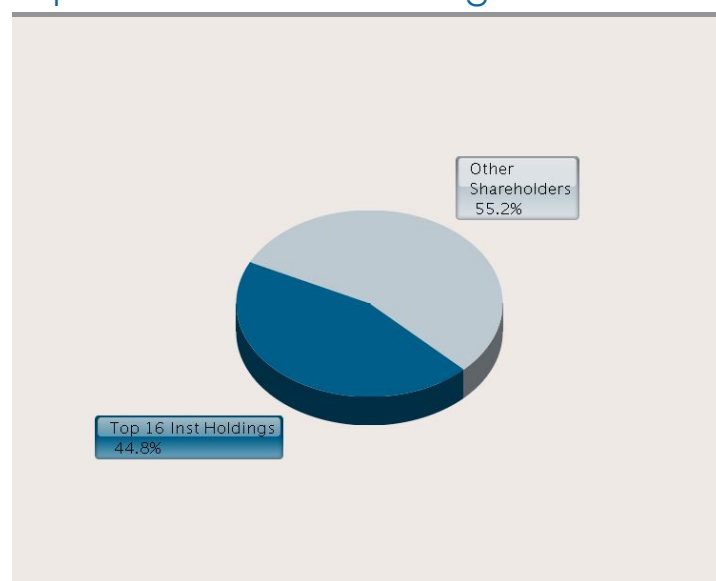
Source

Www.BuySellSignals.com

Top 10 Shareholders

Name of Shareholder	No. of Shares	% Held
Aisling Capital LLC	3,452,493	20.76
Nea Management Company LLC	1,792,207	10.78
Bvf Inc/II	1,190,702	7.16
Visium Asset Management Lp	400,000	2.41
Redmile Group LLC	137,681	0.83
Baker Bros. Advisors Lp	100,000	0.6
Awm Investment Company Inc.	75,000	0.45
Alyeska Investment Group L.P.	68,649	0.41
Nicholas Investment Partners Lp	60,505	0.36
Northern Trust Corp	37,266	0.22
Total	7,314,503	43.98

Top 16 Institutional Holdings



Board and Management

Lori Kunkel Director

Prior to Loxo, Dr. Kunkel served as CMO at Pharmacyclics from November 2011 until August 2013 where she was responsible for building and leading an integrated clinical development and medical affairs organization highlighted by the approval of IMBRUVICA. Previously she served as CMO at Proteolix, acquired by Onyx, where she oversaw the clinical development of KYPROLIS. She has held senior roles at ACT Therapeutics, Syndax, Xencor, and Genitope. Dr. Kunkel trained in internal medicine at Baylor College of Medicine, and in hematology-oncology at University of Southern California (USC) and University of California Los Angeles earning board certification in these specialties. Dr. Kunkel received her M.D. from USC and her B.A. degree from University of California San Diego.

Creation of shareholder value in Loxo Oncology:

Since appointment as Director: The present value of USD1,000 invested on the appointment date of October 23, 2014 at close price of US\$11.21 is US\$1,178, for a capital gain of US\$178.

Alan Fuhrman Independent Director

Mr. Fuhrman was CFO of Ambit Biosciences from October 2010 until its recent sale to Daiichi Sankyo for up to \$410 million. Prior to this role, he served as CFO of Naviscan, Inc., a privately-held medical imaging company from November 2008 until September 2010, and as CFO of Sonus Pharmaceuticals from September 2004 until August of 2008. Mr. Fuhrman received B.S. degrees in both business administration and agricultural economics from Montana State University.

Creation of shareholder value in Loxo Oncology:

Since appointment as Independent Director: The present value of USD1,000 invested on the appointment date of January 12, 2015 at close price of US\$11.35 is US\$1,164, for a capital gain of US\$164.

Financial Results (Annual)

31 December, 2014

Annual Report for the year ended December 31, 2014

year-on-year comparisons with previous corresponding period

Favourable Changes

- EPS continued to be negative like in the previous year
- However, there was an improvement from \$US-70.79 in the previous year to \$US-3.06.

Unfavourable Changes

- Operating cash flow is negative.

Major Common Size Ratios

- Total current assets to total assets down from 99.9% to 94.2%
- Cash to total assets down from 99.8% to 38.4%.

INCOME STATEMENT

Currency in Thousand of USD	2014-12-31	2013-12-31	Change %
Operating expenses:			
Research and development with related party	7,568	9,384	Down 19.4
Research and development	6,947	323	Up 2,050.8
General and administrative	6,175	583	Up 959.2
Total operating expenses and loss from operations	-20,690	-10,290	Deterioration 101.1
Interest income, net	18		
Net loss	-20,672	-10,290	Deterioration 100.9
Accretion of redeemable convertible preferred stock	-34	-12	Deterioration 183.3
Net loss attributable to common stockholders	-20,706	-10,302	Deterioration 101.0
Per share information:			
Net loss per share of common stock, basic and diluted	-306.0c	-7,079.0c	Reduced 95.7
Weighted average shares outstanding, basic and diluted	6,773,673	145,528	Up 4,554.5

BALANCE SHEET

Currency in Thousand of USD	2014-12-31	2013-12-31	Change %
Assets			
Current assets:			
Cash and cash equivalents	43,930	14,994	Up 193.0
Short-term investments	62,362		
Prepaid expenses with related party and other current assets	1,484	17	Up 8,629.4
Total current assets	107,776	15,011	Up 618.0
Long-term investments	6,648		
Property and equipment	12		
Security deposits	23	11	Up 109.1
Total assets	114,459	15,022	Up 661.9

Financial Results (Annual) (continued)

31 December, 2014

Liabilities, redeemable convertible preferred stock and stockholders' -deficit equity

Current liabilities:

Accounts payable	239	221	Up 8.1
Accrued expenses and other current liabilities	1,548	189	Up 719.0
Total liabilities	1,787	410	Up 335.9

Commitments and contingencies

Redeemable convertible preferred stock:

SeriesA, 0.0001 par value; 5,156,250 and 0 shares authorized at December31, 2013 and 2014, respectively; 2,812,497 and 0 shares issued and outstanding at December31, 2013 and 2014, respectively; -liquidation preference of 18,000 and 0 at December31, 2013 2014, respectively	17,799		
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SeriesA-1, 0.0001 par value; 500,704 and 0 shares authorized at December31, 2013 and 2014, respectively; 500,704 and 0 shares issuedand outstanding at December31, 2013 and 2014, respectively; -liquidation preference of 12,000 and 0 at December31, 2013 and 2014, respectively	7,044		
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Total redeemable convertible preferred stock	24,843		
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Stockholders' -deficit equity:

Common stock, 0.0001 par value; 9,375,000 and 125,000,000 shares 2 authorized at December31, 2013 and 2014, respectively; 452,896 and 16,644,229 shares issued and 452,896 and 16,634,063 outstanding at December31, 2013 and 2014, respectively			
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Additional paid-in capital	143,660	59	Up 243,391.5
Accumulated deficit	-30,962	-10,290	Deterioration 200.9

Accumulated other comprehensive loss	-28		
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Total stockholders' -deficit equity	112,672	-10,231	Recovery
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Total liabilities, redeemable convertible preferred stock and stockholders' -deficit equity	114,459	15,022	Up 661.9
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CASH FLOW

Currency in Thousand of USD	2014-12-31	2013-12-31	Change %
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Operating activities:

Net loss	-20,672	-10,290	Deterioration 100.9
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Adjustments to reconcile net loss to net cash used in operating activities:

Depreciation and amortization	30		
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Stock-based compensation	3,049	70	Up 4,255.7
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Issuance of redeemable convertible preferred stock in connection with collaboration agreement		7,044	
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Financial Results (Annual) (continued)

31 December, 2014

Changes in operating assets and liabilities:			
Prepaid expenses and other current assets	-1,244	-17	Deterioration 7,217.6
Security deposits	-12	-11	Deterioration 9.1
Accounts payable	18	221	Down 91.9
Accrued expenses and other current liabilities	1,136	189	Up 501.1
Net cash used in operating activities	-17,695	-2,794	Deterioration 533.3
Investing activities:			
Purchases of available-for-sale securities	-74,566		
Proceeds from maturing available-for-sale securities	5,500		
Purchase of property	-14		
Net cash used in investing activities	-69,080		
Financing activities:			
Proceeds from issuance of redeemable convertible preferred stock, net	43,178	17,787	Up 142.8
Proceeds from the issuance of common stock	74,331	1	Up 7,433,000.0
Payment of deferred financing fees	-1,798		
Net cash provided by financing activities	115,711	17,788	Up 550.5
Net increase in cash and cash equivalents	28,936	14,994	Up 93.0
Cash and cash equivalentsbeginning of period	14,994		
Cash and cash equivalentsend of period	43,930	14,994	Up 193.0

PERFORMANCE RATIOS

	2014-12-31	2013-12-31	Change %
Return on Equity (%)	-18.38		
Return on Assets (%)	-18.09	-68.58	Reduced 73.6
Total Liabilities to Operating Cash Flow	-0.1	-0.15	Reduced 31.2
Total Liabilities/Total Assets	0.02	0.03	Down 42.8

PER SHARE FIGURES

	2014-12-31	2013-12-31	Change %
Cash	US\$6.49	US\$103.03	Down 93.7
Shareholders' Funds	US\$16.63	-7,030.26c	Recovery
Total Liabilities	26.38c	US\$2.82	Down 90.6
Total Assets	US\$16.90	US\$103.22	Down 83.6
Net Tangible Assets	US\$16.63	-7,030.26c	Recovery
EPS Final	-306.0c	-7,079.0c	Reduced 95.7

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