

Egaleet (EGLT : US\$14.36)

Egaleet climbs 18% in 2014, outperforming 80% of the market

Egaleet Corporation, has now climbed US\$2.14 (or 17.5%) year to date in 2014 to close at US\$14.36. This gain means the stock has outperformed 80% of NASDAQ-listed stocks in 2014. The volume YTD has been 0.6 times average trading of 58,383 shares. Compared with the NASDAQ-100 Index which has risen 6.7% YTD, this represents a relative price increase of 10.8%. In 2014 the market cap has jumped US\$68.7 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 30:26 or 1.15:1.

Stock Summary

| | |
|---------------------------------|---------------------|
| Sector | Total NASDAQ Market |
| Market Cap | US\$247.8 million |
| Shares Outstanding | 17,258,663 |
| Relative Strength (3 mo) | 20 |

MCap: A Historical Perspective

| | Share Price (USD) | Market Cap (\$) |
|------|-------------------|-----------------|
| Last | 14.4 | 247.8 million |

Analysis

Bullish Signals

- In the last 20 trading sessions there has been a net rise of 21.18%; the stock has advanced eleven times and the biggest one day rise was 12.1% on Jun 03.
- The Moving Average Convergence Divergence (MACD) indicator of 12-day Exponential Moving Average (EMA) of 14.32 minus the 26-day EMA of 13.45 is positive suggesting a bullish signal.

Other Bullish Signals:

Bullish Indicators and Rank in Market:

| Description | Value | Rank In Market |
|------------------------|-------|-----------------|
| %Prem To Vol Wtd Price | 8.7 | In Top Quartile |

Bearish Signals

- The price is at a premium of 8.7% to the 1-month volume weighted average price of US\$13.21. Given that this premium has been under 8.7% fifty-two times and over 8.7% twenty-five times in the last year, the downside:upside probability is estimated at 52:25 or 2.1:1.
- The current short volume is 1.6 times its own historical average of 0.04%. It soared 11.6% from the previous day, a bearish indicator.

Other Bearish Signals:

Bearish Indicators and Rank in Market:

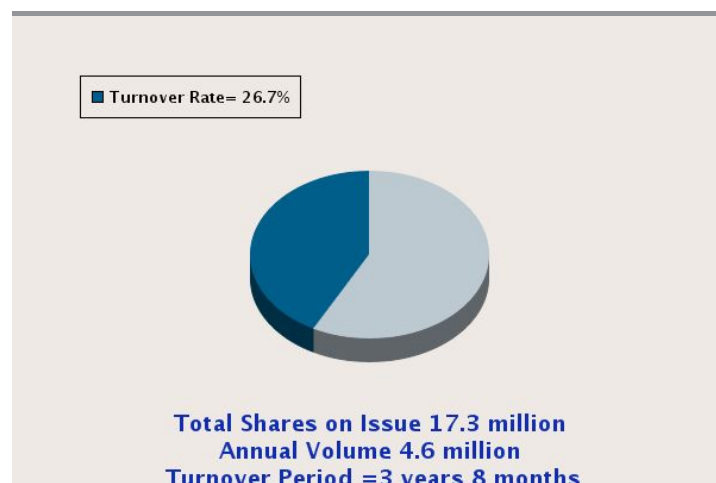
| Description | Value | Rank In Market |
|----------------|-------|--------------------|
| Volatility % | 6.5 | In Bottom Quartile |
| Price/MAP50 | 0.64 | In Bottom 8% |
| Price Change % | -4.6 | In Bottom 3% |

Note

Neutral Indicators and Rank in Market:

| Description | Value | Rank In Market |
|---------------------|-------------------|-----------------|
| MCap | US\$247.8 million | In 3rd Quartile |
| Turnover in Quarter | US\$32.3 million | In 3rd Quartile |

Turnover Rate & Turnover Period



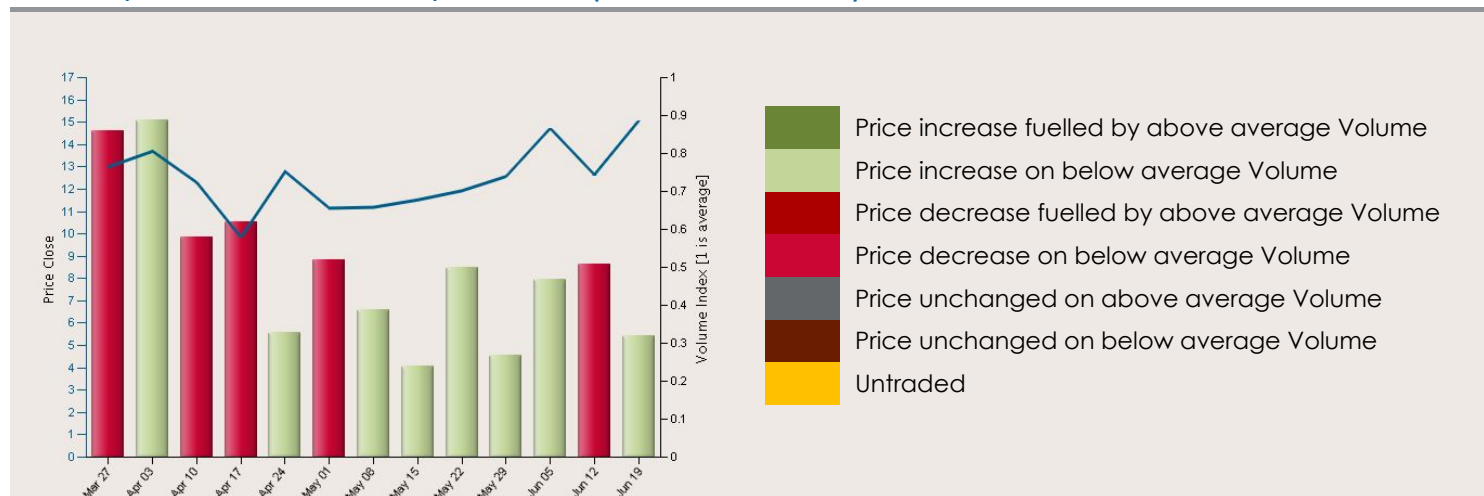
Trailing 3 months

| | |
|-------------------------|------------------|
| Turnover | US\$32.3 million |
| Volume | 2,500,871 |
| Volume Index (1 is avg) | 0.7 |

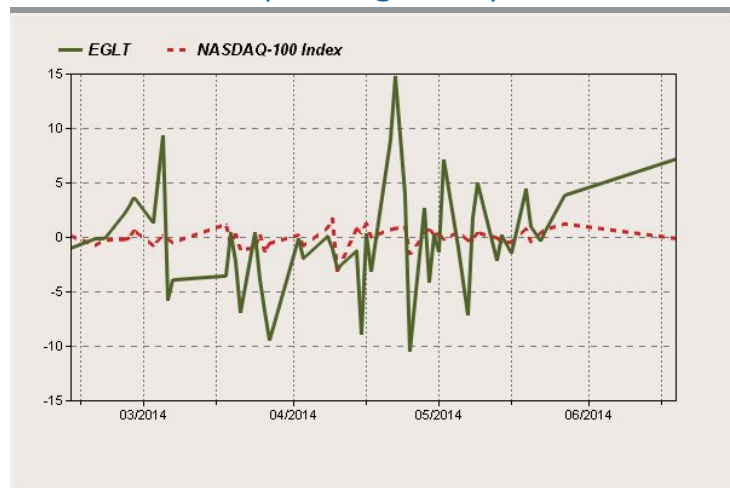
Price Volume Trend: Trailing Quarter



Weekly Price Volume Dynamics (Last 12 Weeks)



Stock v Index (Trailing Year)



Company Overview

Activities

Egalet Corporation is a specialty pharmaceutical company. The Company develops and markets oral products for the treatment of pain and in other indications.

Source: www.BuySellSignals.com

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

Regulatory Announcements

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

May 22: Egalet to Present at Upcoming Investor Conferences in June

May 13: Egalet Reports First Quarter 2014 Financial Results and Provides Business Update

April 29: Egalet to Host Conference Call and Webcast to Discuss First Quarter 2014 Financial Results on May 13, 2014

April 02: Egalet to Present at the 13th Annual Needham Healthcare Conference on April 9

April 01: Egalet Added to Russell 3000, Russell 2000 and Russell Global Indexes

March 31: Egalet Reports Positive Outcome of First Phase of Category 1 Abuse Deterrence Studies for Egalet-001

March 26: Egalet Reports Full Year 2013 Financial Results and Provides Business Update

To view 8-K people news for Egalet, [click here](#)

February 11: Egalet appoints Gregory Weaver as director

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

May 13: Egalet: Results of Operations and Financial Condition

March 31: Egalet: Other Events

March 26: Egalet: Results of Operations and Financial Condition

February 20: Egalet: Other Events

Issued Capital

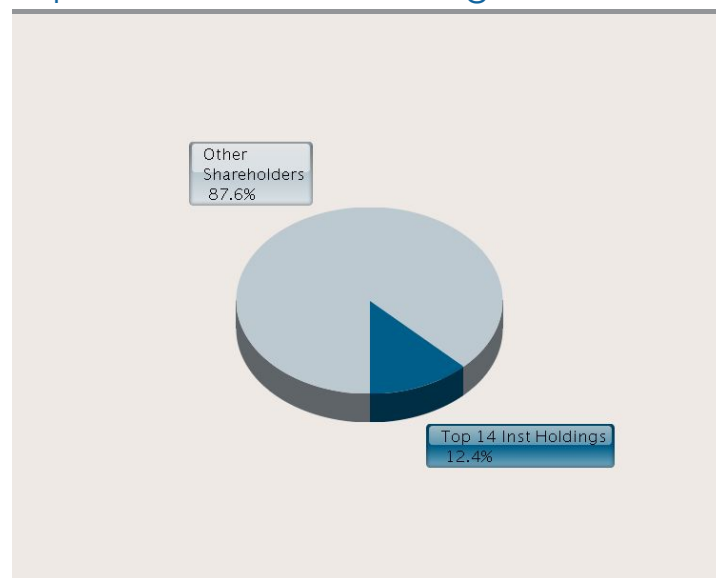
Based on 17,258,663 issued equity shares the market capitalisation is US\$247.8 million.

The top fourteen shareholders hold 12.4% of the issued capital leaving a float of 87.6%.

Top 10 Shareholders

| Name of Shareholder | No. of Shares | % Held |
|----------------------------------|------------------|--------------|
| Federated Investors Inc /Pa/ | 1,458,800 | 8.45 |
| Jpmorgan Chase & Co | 235,925 | 1.37 |
| Tiverton Asset Management Llc | 150,000 | 0.87 |
| Iguana Healthcare Management Llc | 100,000 | 0.58 |
| Wells Fargo & Company/Mn | 70,052 | 0.41 |
| Sac Capital Advisors Lp | 31,594 | 0.18 |
| Northern Trust Corp | 23,310 | 0.14 |
| Geode Capital Management Llc | 20,160 | 0.12 |
| Vanguard Group Inc | 19,756 | 0.11 |
| Nationwide Fund Advisors | 14,530 | 0.08 |
| Total | 2,124,127 | 12.31 |

Top 14 Institutional Holdings



Board and Management

Gregory Weaver
Director

Timothy P. Walbert
Director

Creation of shareholder value in Egalet:

Since appointment as Director: The present value of USD1,000 invested on the appointment date of March 11, 2014 at close price of US\$18.61 is US\$772, for a capital loss of US\$228.

Financial Results (Quarterly)

31 March, 2014

INCOME STATEMENT

| Currency in USD | 2014-03-31 | 2013-03-31 | Change % |
|--|-------------|------------|---------------------|
| Related party revenues | 256,000 | | |
| Operating expenses: | | | |
| General and administrative | 3,269,000 | 855,000 | Up 282.3 |
| Research and development | 2,780,000 | 963,000 | Up 188.7 |
| Total operating expenses | 6,049,000 | 1,818,000 | Up 232.7 |
| Loss from operations | -5,793,000 | -1,818,000 | Deterioration 218.6 |
| Other (income) expense: | | | |
| Interest expense | 7,092,000 | | |
| Gain on foreign currency exchange | -4,000 | -22,000 | Reduced 81.8 |
| | 7,088,000 | -22,000 | Recovery |
| Loss before provision for income taxes | -12,881,000 | -1,796,000 | Deterioration 617.2 |
| Provision for income taxes | 35,000 | | |
| Net loss | -12,916,000 | -1,796,000 | Deterioration 619.2 |
| Per share information: | | | |
| Net loss per share of common stock, basic and diluted | -134.0c | -139.0c | Reduced 3.6 |
| Weighted average shares outstanding, basic and diluted | 9,638,260 | 1,292,307 | Up 645.8 |

BALANCE SHEET

| Currency in USD | 2014-03-31 | 2013-12-31 | Change % |
|--|------------|------------|-----------|
| Assets | | | |
| Current assets: | | | |
| Cash | 77,450,000 | 15,700,000 | Up 393.3 |
| Related party receivable | 141,000 | | |
| Prepaid expenses | 659,000 | 1,774,000 | Down 62.9 |
| Other receivables | 231,000 | 231,000 | Steady |
| Total current assets | 78,481,000 | 17,705,000 | Up 343.3 |
| Property and equipment, net | 2,292,000 | 2,378,000 | Down 3.6 |
| Intangible asset | 209,000 | 209,000 | Steady |
| Deposits and other assets | 182,000 | 71,000 | Up 156.3 |
| Total assets | 81,164,000 | 20,363,000 | Up 298.6 |
| Liabilities, redeemable convertible preferred stock and stockholders' (deficit) equity | | | |

Financial Results (Quarterly) (continued)

31 March, 2014

| | | | |
|---|-------------|-------------|--------------------|
| Current liabilities: | | | |
| Related party senior convertible debt, net of discount | | 17,209,000 | |
| Accounts payable | 1,378,000 | 1,046,000 | Up 31.7 |
| Accrued expenses | 680,000 | 1,755,000 | Down 61.3 |
| Deferred revenue | 551,000 | | |
| Other current liabilities | 80,000 | 55,000 | Up 45.5 |
| Total current liabilities | 2,689,000 | 20,065,000 | Down 86.6 |
| Deferred income tax liability | 21,000 | 22,000 | Down 4.5 |
| Deferred revenue non-current portion | 9,334,000 | 10,149,000 | Down 8.0 |
| Total liabilities | 12,044,000 | 30,236,000 | Down 60.2 |
| Commitments and contingencies | | | |
| Redeemable convertible preferred stock: | | | |
| Redeemable convertible Series A-1 preferred stock-0.01 par value; 1,406,894 shares and 0 shares issued and outstanding at December 31, 2013 and March 31, 2014, respectively | | 1,443,000 | |
| Redeemable convertible Series A-2 preferred stock-0.01 par value; 593,106 shares and 0 shares issued and outstanding at December 31, 2013 and March 31, 2014, respectively | | 770,000 | |
| Redeemable convertible Series B preferred stock-0.01 par value; 2,327,301 shares and 0 shares issued and outstanding at December 31, 2013 and 2014, respectively | | 12,628,000 | |
| Redeemable convertible Series B-1 preferred stock-0.01 par value; 113,916 shares and 0 shares issued and outstanding at December 31, 2013 and March 31, 2014, respectively | | 116,000 | |
| Total redeemable convertible preferred stock | | 14,957,000 | |
| Stockholders' (deficit) equity: | | | |
| Common stock-0.01 par value and 0.001 par value at December 31, 2013 and March 31, 2014, respectively; 75,000,000 shares authorized at March 31, 2014; 1,292,307 and 17,000,863 shares issued and outstanding at December 31, 2013 and March 31, 2014, respectively | 17,000 | 13,000 | Up 30.8 |
| Additional paid-in capital | 114,189,000 | 7,431,000 | Up 1,436.7 |
| Accumulated other comprehensive income | 1,229,000 | 1,125,000 | Up 9.2 |
| Accumulated deficit | -46,315,000 | -33,399,000 | Deterioration 38.7 |
| Total stockholders' (deficit) equity | 69,120,000 | -24,830,000 | Recovery |
| Total liabilities, redeemable convertible preferred stock and stockholders' (deficit) equity | 81,164,000 | 20,363,000 | Up 298.6 |

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