

## Aldeyra Therapeutics (ALDX : US\$10.52)

### Aldeyra Therapeutics soars 44% in 2015

Aldeyra Therapeutics Inc, NASDAQ's 54th largest healthcare-products company by market cap, has now soared US\$3.22 (or 44.1%) year to date in 2015 to close at US\$10.52. The volume YTD has been 1.4 times average trading of 16,862 shares. Compared with the NASDAQ-100 Index which has risen 4.0% YTD, this represents a relative price increase of 40.1%. In 2015 the market cap has jumped US\$17.9 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:**

- The Q Ratio, defined by James Tobin as MCap divided by Total Assets, is 15.7. Compared with the rest of the market the stock is overvalued and ranks in the bottom 2% of stocks by value of Q Ratio.

**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 5.4 times current liabilities.

### Stock Summary

|                                 |                     |
|---------------------------------|---------------------|
| <b>Sector</b>                   | Healthcare-Products |
| <b>Market Cap</b>               | US\$58.5 million    |
| <b>Shares Outstanding</b>       | 5,565,413           |
| <b>ISIN</b>                     | US01438T1060        |
| <b>Relative Strength (3 mo)</b> | 94                  |

### Financial Summary

| Year ended   | Dec 2013 | Dec 2012 | Dec 2011 |
|--------------|----------|----------|----------|
| Pretax (USD) | 13.06M   | (23.07M) | (2.38M)  |
| Net (USD)    | 1.11M    | (39.13M) | (2.59M)  |
| EPS (USD)    | 0.18     | (6.26)   | (0.42)   |

### MCap: A Historical Perspective

|      | Share Price (USD) | Market Cap (US\$) |
|------|-------------------|-------------------|
| Last | 10.5              | 58.5 million      |

## Analysis

### Bearish Signals

- In the last 17 trading sessions there has been a net decline of 7.31%; the stock has retreated eleven times and the biggest one day decline was 13.1% on Feb 20.

### Overvaluation:

- The earnings yield of 1.9% below 10-year bond yield of 2.12%.
- The Q Ratio, defined by James Tobin as MCap divided by Total Assets, is 15.7. Compared with the rest of the market the stock is overvalued and ranks in the bottom 2% of stocks by value of Q Ratio.

### Other Bearish Signals:

The stock has a score of merely 2 out of 9 set by Joseph Piotroski [pass mark >=5]:

Positive net income; Total shares on issue unchanged.

### Bearish Indicators and Rank in Market:

| Description         | Value            | Rank In Market     |
|---------------------|------------------|--------------------|
| Volatility %        | 4.7              | In Bottom Quartile |
| MCap                | US\$58.5 million | In Bottom Quartile |
| Price/MAP50         | 0.73             | In Bottom Quartile |
| Turnover in Quarter | US\$13.1 million | In Bottom Quartile |
| Price Earnings      | 52.8             | In Bottom 7%       |

## Note

### Bullish Signals:

- The price is at a discount of 4.3% to the 1-month volume weighted average price of US\$11.0, which may appeal as a value proposition.
- Rises to Falls: In the last three months the number of rises outnumbered falls 33:28 or 1.2:1.
- In the NASDAQ market of 2,420 stocks traded today, the stock has a 6-month relative strength of 99 which means it is beating 99% of the market.
- The Moving Average Convergence Divergence (MACD) indicator of 12-day Exponential Moving Average (EMA) of 10.54 minus the 26-day EMA of 10.45 is positive suggesting a bullish signal.
- The Price/MAP of 1.01 for ALDX is higher than the Price/MAP for the NASDAQ-100 Index of 0.9.

- The price to 200-day MAP ratio is 1.01, a bullish indicator. In the past 200 days this ratio has exceeded 1.01, 53 times suggesting further upside. The 50-day MAP of US\$14.33 is higher than the 200-day MAP of US\$10.45, a bullish indicator. The 200-day MAP has increased to US\$10.45. An increase is another bullish indicator.

### Other Bullish Signals:

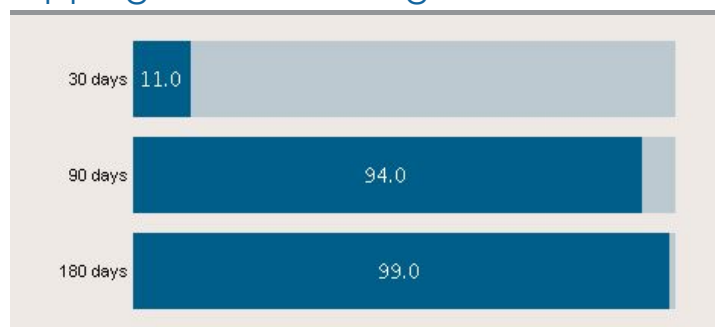
Also, the following criteria set by Benjamin Graham:

- "Current ratio of two or more"; current assets are 5.4 times current liabilities.
- "Total debt equal or less than twice the net quick liquidation value"; total debt of USD1.5 Million is 0.9 times the net liquidation value of USD1.74 Million.

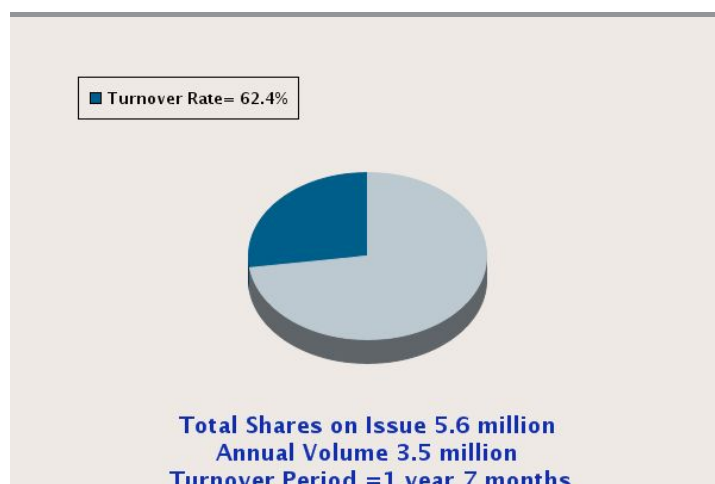
### Bullish Indicators and Rank in Market:

| Description              | Value | Rank In Market |
|--------------------------|-------|----------------|
| Relative Strength (6M)   | 99    | In Top 2%      |
| Return on Assets [ROA] % | 29.7  | In Top 2%      |

### Slipping Relative Strength



### Turnover Rate & Turnover Period



## Analysis (continued)

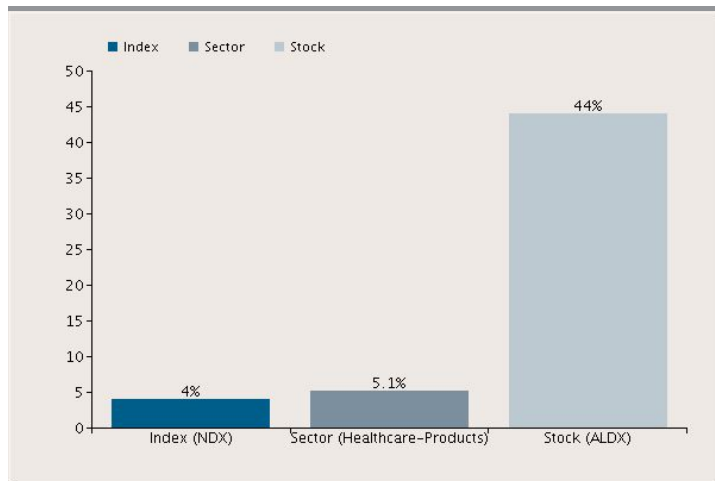
### Trailing 3 months

**Turnover** US\$13.1 million

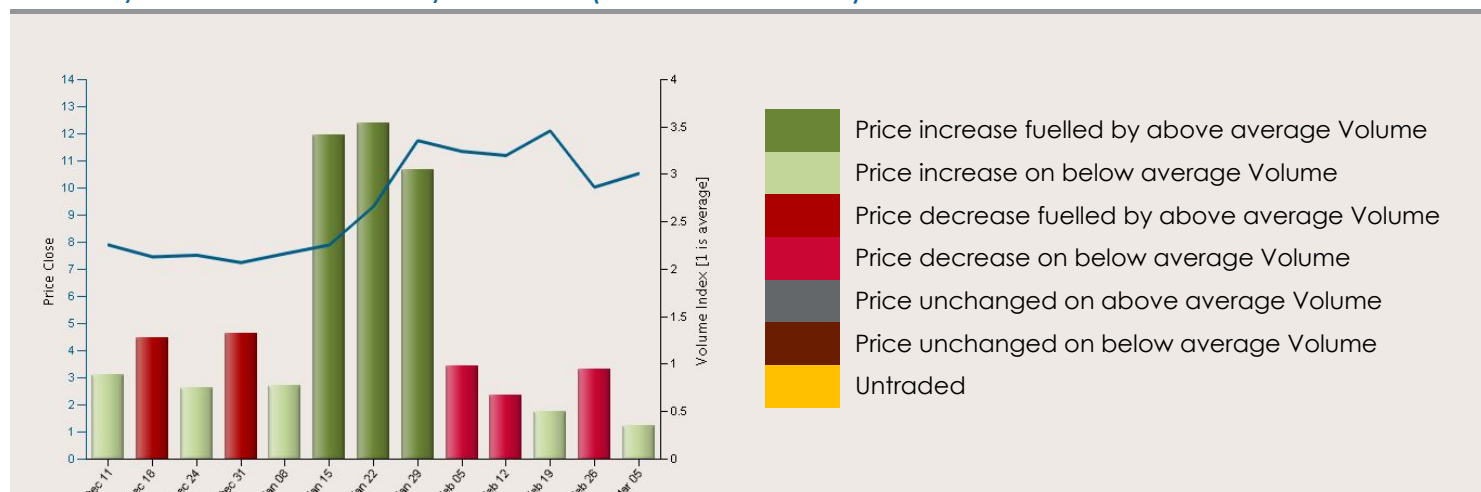
**Volume** 1,392,480

**Volume Index (1 is avg)** 1.4

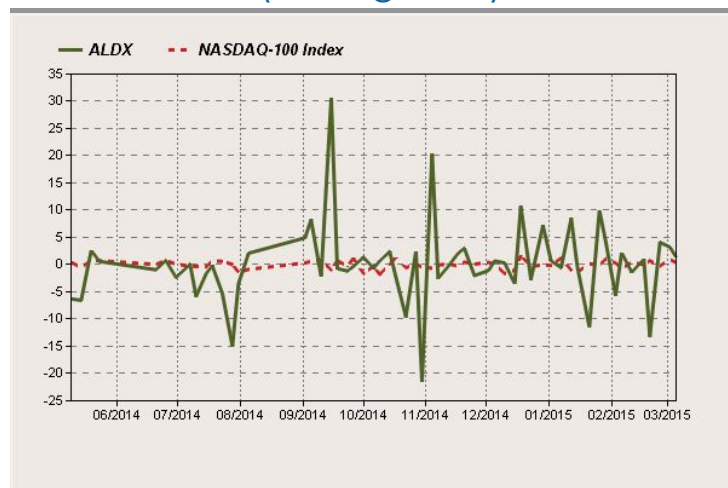
### YTD Comparison Stock Sector Index



## Weekly Price Volume Dynamics (Last 12 Weeks)



## Stock v Index (Trailing Year)



## Price/Moving Average Price [P/MAP]



## Recent Analyst Recommendations

| Date        | Brokerage | Action             | Past Rating | Current Rating | Prev Target | Price Target |
|-------------|-----------|--------------------|-------------|----------------|-------------|--------------|
| 26-Jan-2015 | Laidlaw   | Initiated Coverage | -           | Buy            | -           | 30           |

## Company Overview

### Activities

Aldeyra Therapeutics Inc. develops drugs designed to treat immune-mediated, inflammatory, orphan, and other diseases through capturing and eradicating toxic chemical species within effected patients.

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

Economic Sector

Healthcare

### Regulatory Announcements

#### March 02: Aldeyra Therapeutics Provides Update on NS2 Clinical Program

[Company Release] LEXINGTON, Mass., March 2, 2015 Aldeyra Therapeutics, Inc. (Nasdaq:ALDX) (Aldeyra), a biotechnology company focused on the development of products to treat diseases related to free aldehydes, today provided an update on its planned clinical trial programs in noninfectious anterior uveitis and Sjogren-Larsson Syndrome, as part of its webcast presentation at the Cowen and Company 35th Annual Healthcare Conference on Monday, March 2, 2015 at 4:50 p.m.

#### Conferences/Exhibitions

#### February 23: Events Calendar: Aldeyra Therapeutics to Present at Cowen and Company 35th Annual Health Care Conference

LEXINGTON, Mass., Feb. 23, 2015 (GLOBE NEWSWIRE) -- Aldeyra Therapeutics, Inc. (Nasdaq:ALDX) (Aldeyra), a biotechnology company focused on the development of products to treat diseases related to free aldehydes, today announced that Todd C. Brady, M.D., Ph.D., President and CEO of Aldeyra, will present a corporate overview at the 35th Annual Cowen and Company Annual Health Care Conference, taking place March 2, 2015 through March 4, 2015 in Boston, Massachusetts.

Details of the presentation is as follows:

35th Annual Cowen and Company Annual Health Care Conference

Date: Monday, March 2, 2015

Time: 4:50 - 5:20 p.m.

[For more details click here.](#)

#### February 02: Aldeyra Therapeutics Abstracts Accepted for Presentation at the 2015 Annual Meeting of the Association for Research in Vision and Ophthalmology

[Company Release] LEXINGTON, Mass., Feb. 2, 2015- Aldeyra Therapeutics, Inc. (Nasdaq:ALDX) (Aldeyra), a biotechnology company focused on the development of products to treat diseases related to free aldehydes, today announced that novel data on its lead product candidate, NS2, has been accepted for two poster presentations at the upcoming Association for Research in Vision and Ophthalmology (ARVO) 2015 Annual Meeting, being held May 3-7, 2015 in Denver, Colorado.

Aldeyra will present the objectives, methods and results of studies evaluating a small molecule aldehyde trapping agent, NS2, an investigational drug in development for acute noninfectious anterior uveitis.

The abstract presentation titles are as follows:

The Aldehyde Trap NS2 Mitigates Dense Haze in a Rabbit Model of Photorefractive Keratectomy

The Aldehyde Trap NS2 Reduces Ocular Inflammation in an Endotoxin-Induced Model in Rats

Todd C.

[For more details click here.](#)

#### January 29: Aldeyra Therapeutics to Present Novel Data on a Potential Treatment for Sjogren-Larsson Syndrome at the 2015 Society for Inherited Metabolic Disorders Annual Meeting

[News Story] LEXINGTON, Mass., Jan. 29, 2015 Aldeyra Therapeutics, Inc. (Nasdaq:ALDX) (Aldeyra), a biotechnology company focused on the development of products to treat diseases related to free aldehydes, today announced that novel data on the potential of its lead product candidate, NS2, to treat Sjogren-Larsson Syndrome (SLS) has been accepted for a poster presentation at the upcoming 2015 Society for Inherited Metabolic Disorders (SIMD) Annual Meeting, being held March 28-31, 2015 in Salt Lake City, Utah.

SLS is a rare disease caused by mutations in an aldehyde-metabolizing enzyme, fatty aldehyde dehydrogenase.

[For more details click here.](#)

#### January 26: Aldeyra Therapeutics to Participate in Canaccord Genuity Rare Disease, BioPharma One-on-One Day

[Company Release] LEXINGTON, Mass., Jan. 26, 2015 -- Aldeyra Therapeutics, Inc. (Nasdaq:ALDX) (Aldeyra), a biotechnology company focused on the development of products to treat diseases related to free aldehydes, today announced that Todd C. Brady, M.D., Ph.D., President and Chief Executive Officer and Mr.

[For more details click here.](#)

## Company Overview (continued)

### January 22: Aldeyra Therapeutics Completes \$2.0 Million Private Placement

[Company Release] LEXINGTON, Mass., Jan. 22, 2015-- Aldeyra Therapeutics, Inc. (Nasdaq:ALDX) (Aldeyra), a biotechnology company focused on the development of products to treat diseases related to free aldehydes, today announced the closing of its previously announced \$2.0 million private placement of common stock and a warrant to purchase common stock.

Pursuant to the terms of the private placement, Aldeyra sold an aggregate of 211,528 shares of common stock at a price of \$9.33 per share and a warrant to purchase up to 211,528 shares of common stock at a price of \$0.125 per share subject to the warrant.

[For more details click here.](#)

### January 20: Aldeyra Therapeutics Announces \$2.0 Million Private Placement

[Company Release] LEXINGTON, Mass., Jan. 20, 2015 Aldeyra Therapeutics, Inc. (Nasdaq:ALDX) (Aldeyra), a biotechnology company focused on the development of products to treat diseases related to free aldehydes, today announced that it has entered into a definitive purchase agreement with a leading financial services company to raise approximately \$2.0 million in a private placement of common stock and a warrant to purchase common stock (the Purchase Agreement).

## 8-K other news

### March 02: Aldeyra Therapeutics: Regulation FD Disclosure

[News Story]  
[http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=\\_Archives\\_edgar\\_data\\_1341235\\_000119312515071900\\_0001193125-15-071900.txt](http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1341235_000119312515071900_0001193125-15-071900.txt)

Source: 8-K United States Securities and Exchange Commission

### January 22: Aldeyra Therapeutics: Entry into a Material Definitive Agreement

[News Story]  
[http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=\\_Archives\\_edgar\\_data\\_1341235\\_000119312515016937\\_0001193125-15-016937.txt](http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1341235_000119312515016937_0001193125-15-016937.txt)

Source: 8-K United States Securities and Exchange Commission

### January 20: Aldeyra Therapeutics: Entry into a Material Definitive Agreement

[News Story]  
[http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=\\_Archives\\_edgar\\_data\\_1341235\\_000119312515014115\\_0001193125-15-014115.txt](http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1341235_000119312515014115_0001193125-15-014115.txt)

Source: 8-K United States Securities and Exchange Commission

### January 15: Aldeyra Therapeutics: Entry into a Material Definitive Agreement

[News Story]  
[http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=\\_Archives\\_edgar\\_data\\_1341235\\_000119312515011408\\_0001193125-15-011408.txt](http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1341235_000119312515011408_0001193125-15-011408.txt)

Source: 8-K United States Securities and Exchange Commission

### January 13: Aldeyra Therapeutics: Entry into a Material Definitive Agreement

[News Story]  
[http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=\\_Archives\\_edgar\\_data\\_1341235\\_000119312515008866\\_0001193125-15-008866.txt](http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1341235_000119312515008866_0001193125-15-008866.txt)

Source: 8-K United States Securities and Exchange Commission

### January 02: Aldeyra Therapeutics: Other Events

[News Story]  
[http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=\\_Archives\\_edgar\\_data\\_1341235\\_000119312515000074\\_0001193125-15-000074.txt](http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1341235_000119312515000074_0001193125-15-000074.txt)

Source: 8-K United States Securities and Exchange Commission

### December 18: Aldeyra Therapeutics: Other Events

[News Story]  
[http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=\\_Archives\\_edgar\\_data\\_1341235\\_000119312514446163\\_0001193125-14-446163.txt](http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1341235_000119312514446163_0001193125-14-446163.txt)

Source: 8-K United States Securities and Exchange Commission

### November 12: Aldeyra Therapeutics: Entry into a Material Definitive Agreement

[News Story]  
[http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=\\_Archives\\_edgar\\_data\\_1341235\\_000119312514407879\\_0001193125-14-407879.txt](http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1341235_000119312514407879_0001193125-14-407879.txt)

Source: 8-K United States Securities and Exchange Commission

### September 05: Aldeyra Therapeutics: Regulation FD Disclosure

[News Story]  
[http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=\\_Archives\\_edgar\\_data\\_1341235\\_000119312514332978\\_0001193125-14-332978.txt](http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1341235_000119312514332978_0001193125-14-332978.txt)

Source: 8-K United States Securities and Exchange Commission



## Company Overview (continued)

### September 02: Aldeyra Therapeutics: Other Events

[News Story]

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Source: 8-K United States Securities and Exchange Commission

### August 04: Aldeyra Therapeutics: Results of Operations and Financial Condition

[News Story]

[http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=\\_Archives\\_edgar\\_data\\_1341235\\_000119312514292484\\_0001193125-14-292484.txt](http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1341235_000119312514292484_0001193125-14-292484.txt)

Source: 8-K United States Securities and Exchange Commission

## Issued Capital

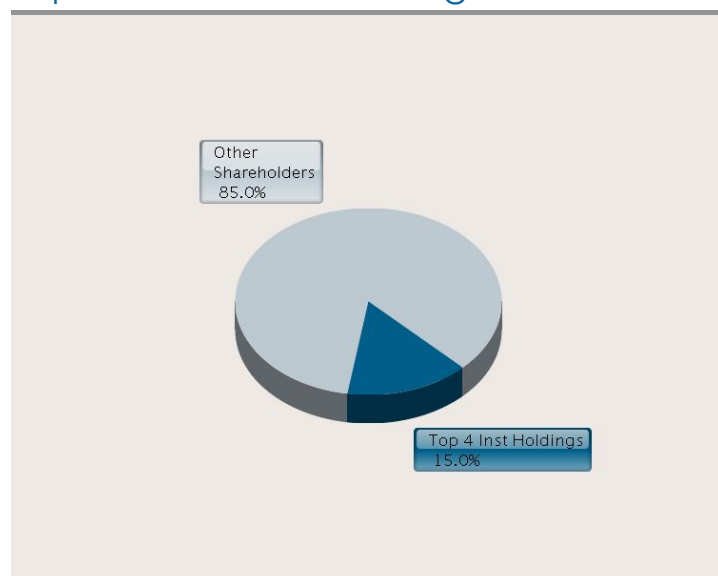
Based on 5,565,413 issued equity shares the market capitalisation is US\$58.5 million.

The top four shareholders hold 15.0% of the issued capital leaving a float of 85.0%.

### Top 4 Shareholders

| Name of Shareholder                      | No. of Shares  | % Held       |
|--|----------------|--------------|
| Fmr Llc                                  | 834,811        | 15           |
| Ubs Ag                                   | 921            | 0.02         |
| Manufacturers Life Insurance Company The | 364            | 0.01         |
| Citigroup Inc                            | 42             | 0            |
| <b>Total</b>                             | <b>836,138</b> | <b>15.02</b> |

### Top 4 Institutional Holdings



## Board and Management

**Todd C. Brady**  
CEO & President

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**Stephen Tulipano**  
CFO

**Creation of shareholder value in Aldeyra Therapeutics:**

Since appointment as CFO: The present value of USD1,000 invested on the appointment date of June 23, 2014 at close price of US\$7.44 is US\$1,414, for a capital gain of US\$414.

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**Scott L Young**  
Chief Operating Officer



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