Zacks Small-Cap Research

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Neurocrine Biosciences, Inc.

(NBIX-NASDAQ)

NBIX: Big Second Half of 2015 Planned At Neurocrine Bio…

Current Recommendation	**Buy**
Prior Recommendation	Neutral
Date of Last Change	06/16/2010
Current Price (04/30/15)	$36.42
Target Price	**$44.00**

UPDATE

Neurocrine Biosciences is expecting data from eight clinical trials in 2015. The first came earlier in the year when elagolix partner AbbVie reported positive top-line data from the Violet Petal study. That leaves another seven trials to read out in the next seven months! Key data read outs include Phase 3 results from the Solstice study and Phase 2b results from the uterine fibroids study with elagolix, Phase 3 data from Kinect 3 and Phase 1b data from T-Force with NBI-98854, and Phase 1 data from NBI-77860.

We continue to believe that Neurocrine represents an attractive long-term investment in the biotech sector. Our sum-of-parts valuation pegs fair value at $44 per share.

SUMMARY DATA

52-Week High	**$44.25**
52-Week Low	**$12.78**
One-Year Return (%)	**164.84**
Beta	**-0.33**
Average Daily Volume (sh)	**672,177**
Shares Outstanding (mil)	**83**
Market Capitalization ($mil)	**$3,097**
Short Interest Ratio (days)	**5.70**
Institutional Ownership (%)	**91**
Insider Ownership (%)	**2**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**N/A**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/M**
P/E using 2015 Estimate	**N/A**
P/E using 2016 Estimate	**N/A**

Risk Level	**Below Avg.**
Type of Stock	**Small-Growth**
Industry	**Med-Drugs**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2014	0 A	0 A	0 A	0 A	0 A
2015	19.8 A	0 E	0 E	0 E	19.8 E
2016					50.0 E
2017					50.0 E

Earnings per Share
(EPS is operating earnings before non recurring items)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2014	-$0.17 A	-$0.18 A	-$0.21 A	-$0.26 A	-$0.81 A
2015	-$0.01 A	-$0.26 E	-$0.29 E	-$0.34 E	-$0.91 E
2016					-$0.50 E
2017					-$0.56 E

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WHAT'S NEW

First Quarter Financial Review

On April 30, 2015, Neurocrine Biosciences, Inc. (NBIX) reported financial results for the first quarter ended March 30, 2015. The company reported $19.8 million in revenue during the first quarter resulting from recognition of approximately two-thirds of the $30 million upfront payment received from Mitsubishi Tanabe Pharma for the license of NBI-98854 (VMAT-2 inhibitor) for the development and commercialization in Japan and other select Asian markets. We discuss this transaction in greater detail below. Management recognized only $19.8 of the $30 million upfront payment because Neurocrine may use the remaining amount to fund a Phase 3 study with NBI-98854 in chorea associated with Huntington's disease. We should know more about this in the coming quarters following the release of the Phase 3 data in tardive dyskinesia (TD) this summer.

Operating expenses totaled $22.1 million in the first quarter 2015, consisting of $16.6 million in R&D and $5.5 million in G&A. Both were in-line with expectations. The R&D expense has soared over the past year, up nearly double from the first quarter 2014 on the backs of several new programs underway at the company, including the NBI-98854 Phase 3 TD study and Phase 1b Tourette study, along with the Phase 1b NBI-77860 study. Reported operating loss for the quarter totaled $2.3 million.

Net loss for the quarter totaled $1.2 million, or $0.01 per share. Neurocrine exited the first quarter ended March 30, 2015 with approximately $490.3 million in cash and investments. Besides the $30 million received from Mitsubishi Tanabe Pharma in March 2015, back in February 2015 the company closed a very successful public offering whereby the company sold approximately 7.99 million shares of common stock at $36.00 per share net roughly $270 million in cash. Management expects total cash burn in 2015 to be between $80 and $85 million, with total operating expenses in the range of $106 to $111 million. As such, we see the current cash balance as sufficient to fund all operating activities to commercialization of NBI-98854.

NBI-98854 (VMAT-2) Update

The Phase 3 Kinect 3 (NCT02274558) study of NBI-98854 for the treatment of tardive dyskinesia (TD) continues on plan, with top-line data expected in the third quarter 2015. As a reminder, the trial opened for enrollment in October 2014, with a target of 240 patients with moderate to severe tardive dyskinesia and an underlying diagnosis of mood disorder, schizophrenia, or schizoaffective disorder. The Phase 3 trial is a randomized, parallel-group, double-blind, placebo-controlled study assessing either 40 mg or 80 mg of NBI-98854 dosed once daily against placebo.

The primary endpoint for the Kinect 3 study is change from baseline in the Abnormal Involuntary Movement Score (AIMS) as measured by blinded central raters, just as was done in Neurocrine's previous and successful Kinect 2 study (see our analysis of Kinect 2 here) at six weeks. We expect enrollment to complete in June or July, with data approximately two months thereafter. As a reminder, patients completing Kinect 3 will be eligible to enroll into an open-label, 48-week, long-term safety assessment study called Kinect 4, where all study subjects will be randomized in a blinded fashion to either 40 mg or 80 mg NBI-98854.

The Kinect 3 study, along with the previous efficacy studies of NBI-98854, is designed to complete the clinical efficacy evaluation of the drug in tardive dyskinesia. Alongside the Kinect 3 pivotal trial and open-label Kinect 4 assessment, Neurocrine is planning to perform additional Phase 1 work that includes a QTc study, a study involving patients with renal impairment, and another drug interaction study. Assuming the Kinect 3 study is successful, we believe the company will be in position to file the NDA in TD in 2016.

…FDA Awards Breakthrough Therapy Designation in TD…

On October 30, 2014, Neurocrine announced that the U.S. Food and Drug Administration (FDA) has granted Breakthrough Therapy Designation for NBI-98854 in tardive dyskinesia. The breakthrough therapy designation is granted for a drug that is intended to treat a serious or life-threatening disease or condition and preliminary clinical evidence indicates that the drug may demonstrate substantial improvement on clinically significant endpoints over available therapies. The FDA had previously granted Fast Track status to NBI-98854 for tardive dyskinesia. Breakthrough therapy designation is quite similar to the Fast Track designation in that both programs are designed to expedite the development and review of drugs, which includes the following:

- ✓ Increased number of meetings with the FDA throughout the development of the drug,
- ✓ Maintaining an interactive dialogue with the FDA regarding drug development to ensure the sponsor is obtaining the proper nonclinical and clinical data necessary for approval expeditiously,
- ✓ Working with the FDA to ensure the clinical trials are being run as efficiently as possible,
- ✓ Rolling review and priority review.

…Phase 1 Tourette Syndrome…

On October 2, 2014, Neurocrine announced the initiation of a Phase 1b clinical trial called T-FORCE (NCT02256475) of NBI-98854 in both children and adolescents with Tourette syndrome. The T-FORCE study is an open-label, multiple ascending dose, two-week study of 36 subjects with Tourette syndrome. The study participants will receive once-daily dosing of NBI-98854 during a two-week treatment period to assess both the safety and tolerability of NBI-98854 in Tourette patients followed by seven days off-drug. The study is taking place at approximately 10 centers in the U.S.

The study will be divided into two dosing groups: children (ages 6-11) and adolescents (ages 12-18). Each group will then be divided into three dosing cohorts of six patients each. Following the initial two weeks of dosing with the first adolescent cohort, an independent review of both safety and pharmacokinetic results will occur prior to escalating the dose level for the second cohort of adolescents. Concurrently, when the second group of adolescents is dosed the first group of children will be administered NBI-98854. Continued dose escalations for both children and adolescents will be contingent upon the pharmacokinetic and safety data from the previous cohort in each age group. Lastly, each patient's Tourette symptoms will be evaluated weekly using the Yale Global Tic Severity Scale, the Premonitory Urge for Tics Scale, and the Clinical Global Impression in Tourette syndrome Scale. However, management indicated during the third quarter conference call that this study is not powered to show efficacy in treating Tourette syndrome, but is rather a pharmacokinetic and pharmacodynamics focused study. Data from the T-FORCE study should be available in the second half of 2015 (guidance is this fall).

…Partnership with Mitsubishi Tanabe…

On March 31, 2015, Neurocrine entered into an exclusive collaboration and licensing agreement for the development and commercialization of NBI-98854 in Japan and other select Asian markets with Mitsubishi Tanabe Pharma Corporation. Under the terms of the agreement, Neurocrine received an initial payment of $30 million and is eligible to receive up to $85 million in additional milestone payments associated with the development and commercialization of NBI-98854 in Asia. Upon commercialization, Neurocrine will also receive royalties on product sales from select territories in Asia.

Neurocrine will also support Mitsubishi Tanabe's clinical efforts in developing NBI-98854 for patients suffering from the chorea associated with Huntington's disease and tardive dyskinesia. This may (management is still looking into this) include conducting a Phase 3 study in the U.S. in patients with chorea associated with Huntington's disease. Neurocrine will pay for this study, which they estimate will cost roughly $12 million to complete, if necessary. Management plans to use the $30 million upfront payment to fully fund this trial if requested by Mitsubishi Tanabe. At this point, we believe it is prudent to assume they have to do the study, and believe that management likely believes that will be the case and this is why they only recognized $19.8 million of the $30 million upfront payment in the first quarter 2015 financial results.

…Teva Acquisition of Auspex Validates the Market …

In March 2015, Teva Pharmaceuticals and Auspex Pharmaceuticals announced that they have entered into a definitive merger agreement under which Teva will acquire Auspex at $101.00 per share in cash, representing total consideration of approximately $3.2 billion in enterprise value. Auspex lead pipeline candidate, SD-809, is a deuterium substituted version of tetrabenazine that recently completed a positive Phase 3 trial for chorea associated with Huntington's disease, and is in Phase 3 for tardive dyskinesia and Phase 2 for Tourette syndrome.

Neurocrine's NBI-98854 is also an improved version of tetrabenazine. The drug is the primary active metabolite in the (+)-alpha isomer (valbenazine). We think Neurocrine's valbenazine may have some safety advantages over SD-809, but will likely be priced significantly less for the tardive dyskinesia market than what we suspect Teva will ask for the drug in Huntington's chorea. As such, we think NBI-98854 will win the market share game, and if Auspex is worth $3.2 billion based largely on SD-809, then Neurocrine's NBI-98854 should be worth a similar amount post the Phase 3 data coming this summer.

Elagolix Update

On January 8, 2015, AbbVie Inc. reported positive top-line data from a Phase 3 trial evaluating the safety and efficacy of elagolix in the treatment of endometriosis in premenopausal women. Violet Petal (NCT01620528) was a 24-week, multinational, randomized, double-blind, placebo-controlled study designed to evaluate the safety and efficacy of elagolix in 872 women, age 18 to 49, with moderate-to-severe endometriosis-associated pain. The trial was conducted at approximately 160 sites in the United States, Puerto Rico and Canada.

According to the AbbVie press release, results from the Phase 3 trial, dubbed Violet Petal (NCT01620528), show that after three and six months of treatment, both doses of elagolix (150 mg once daily and 200 mg twice daily) met the study's co-primary endpoints ($p<0.001$) of reducing scores of non-menstrual pelvic pain (NMPP) and menstrual pain (or dysmenorrhea), associated with endometriosis as measured by the Daily Assessment of Endometriosis Pain scale. If you're scoring at home, that's eight total endpoints that all hit statistical significance.

Unfortunately, no actual figures on efficacy were reported in the press release, protecting the data we suspect from competitors' eyes and so that AbbVie can present full results at a medical meeting later this year. However, a brief summary of the safety data and adverse event profile was presented in the release. According to AbbVie, the observed safety profile of elagolix in this Phase 3 trial was consistent with observations from prior studies (which we discuss below). The most common adverse events (AEs) were hot flush, headache, nausea and fatigue. Adverse events, particularly hot flush, were dose-dependent. No DXA scan data was presented in the press release, only the mention that bone mineral density (BMD) loss was dose-dependent and the 150 mg results were similar to the results for the 150 mg cohort seen in the previous Phase 2b studies (< 0.5% change). A six month follow-up / open-label analysis from Violet Petal is still going, with data expected in May / June 2015.

Discontinuation rates specifically due to AEs for the trial are presented below:

Discontinuation Rates Phase 3 Violet Petal	
Placebo	*5.9%*
150 mg QD	*6.4%*
200 mg BID	*9.7%*

A second Phase 3 trial, Solstice (NCT01931670), is ongoing. This study is similar in design to the Violet Petal Study and will assess 788 women, age 18 to 49, with moderate to severe endometriosis-associated pain at more than 200 sites globally. Data from Solstice is expected late 2015. We continue to believe that elagolix is roughly a one billion drug in the U.S. based on the following key pieces of information and market dynamics:

- ✓ AbbVie is a pioneer and market leader in GnRH agonists with Lupron for the treatment of hormone-responsive cancers such as prostate cancer or breast cancer.
  - → We believe that AbbVie will look to replace Lupron in the Ob/Gyn market with elagolix thanks to superior efficacy and tolerability, as well as patent protection.

- ✓ Prevalence of endometriosis at around 10% of the general female population between the ages of 18 and 49. This is roughly 10 million women in the U.S.
  - → 25% of these women are asymptomatic.
  - → In 2009, Datamonitor cited 7.5 million women in the U.S. suffer from clinically significant endometriosis.

- ✓ Neurocrine notes that 75% of endometriosis sufferers have symptoms defined as moderate or severe.
  - → Data from IMS Health suggests that 10-20% of all oral contraceptive prescriptions are written off-label for endometriosis,
  - → Ob/Gyn's prescribe NSAIDs and opioids off-label to approximately 25% of their endometriosis patients.

- ✓ Approximately 400,000 hysterectomies per year are attributed to endometriosis.
  - → We suspect that another 300-400,000 women are to the point that they are failing these other medications and nearing a hysterectomy (essentially pulling forward one year all the women that are heading towards a hysterectomy next year).

- ✓ As such, we believe there are approximately 750,000 women in the U.S. that are ideal potential candidates for elagolix. We think it is realistic for AbbVie to penetrate 30% of this market.

- ✓ We believe that elagolix will launch competitively priced with branded neurological or fibromyalgia pain medications such as Cymbalta or Lyrica, or around $12-15 per day.

- ✓ We believe a typical course of treatment will include eight months on therapy.

Multiplying all this through, we arrive at a peak U.S. opportunity for elagolix in endometriosis of $825 million (750k patients x 30% penetration x $15 per day x 245 days).

…Uterine Fibroid Trial Continues…

We remind investors that AbbVie is also evaluating elagolix in women with uterine fibroids (UF). AbbVie is conducting a Phase 2b clinical trial (NCT01817530) evaluating the change in menstrual blood loss of 520 women, age 18-51, with heavy menstrual bleeding associated with uterine fibroids. Management described this as an "add back" study because women in the study will also be receiving low dose oral contraceptives. The goal of the study is to fine the right balance of dosing between elagolix and oral contraceptives, while mitigating risk on bone mineral density. Data on this study is expected in the third quarter of 2015. The doses for the trial have not been disclosed, but Neurocrine describes them as a broad range with previous work done in Phase 1 and Phase 2a programs.

Also, we think this is an important step forward for AbbVie and Neurocrine because development of elagolix outside the U.S. will probably focus on uterine fibroids. The opportunity in uterine fibroids may be as large as in endometriosis. As such, globally, we think elagolix is a blockbuster drug, with peak sales that could eclipse $2.5 billion if the drug is approved for both endometriosis and uterine fibroids.

NBI-77860 Update

On January 16, 2015, Neurocrine Bio announced that NBI-77860, the company's proprietary corticotropin releasing factor 1 (CRF-1) receptor antagonist, has been granted orphan drug status by the U.S. FDA for the treatment of congenital adrenal hyperplasia (CAH). CRF is a peptide released directly from the hypothalamus in the central nervous system into a discrete network of blood vessels where it functions via specific G-Protein Coupled Receptors on cells in the anterior pituitary gland to regulate the release of pituitary hormones. One such hormone is adrenocorticotropic hormone (ACTH), the primary role of which is the stimulation of synthesis and release of adrenal steroids including cortisol.

In late 2014, Neurocrine announced it had successfully completed the 1501 study in adult females with classic CAH. This was a small, single-dose pilot study designed to show that a single dose of NBI-77860 results in a pharmacokinetic/pharmacodynamic effect on key biomarkers of interest. The study was not designed as an efficacy trial, and management obviously received no information about chronic repeated dose exposure or what happens in children with CAH, which ultimately are the target population, but they were very pleased with what they saw with respect to the biomarker levels. Management has also confirmed with the U.S. FDA that these biomarkers are indeed the appropriate endpoints for this stage of clinical development. A full description of the study results and related data was presented at the Endocrine Society's 97th Annual Meeting in San Diego on March 5, 2015.

Specifically, eight study participants visited the investigative site for three separate overnight visits consisting of bedtime dosing with placebo or one of two active doses of NBI-77860. Each of the visits was separated by a three-week washout period. Key biomarker measurements included ACTH, 17-hydroxyprogesterone (17-OHP), androgen, and cortisol levels collected in the morning after dosing. Data from this initial single dose exploratory study demonstrated a robust decrease in ACTH and 17-OHP.

Neurocrine has recently initiated a second repeat dose study with NBI-77860. The 1401 study is a Phase 1/2 open-label, sequential cohort, single ascending dose pharmacokinetic/pharmacodynamic study assessing three doses of NBI-77860. The fifteen adolescent females with classic CAH will be split into three cohorts and each will receive one dose of NBI-77860 at bedtime. Biomarker measurements include ACTH, 17-OHP, androgen, and cortisol levels collected the morning after dosing. Data from this Phase 1/2 study is expected later in 2015.

NBI-77860 is a drug that the company has studied extensively under its previous collaboration with Glaxo looking at the potential role for CRF-1 antagonists in the treatment of depression and anxiety. Although no meaningful efficacy was seen with the drug in anti-depression studies, Neurocrine amassed significant exposure data with the drug showing excellent safety and tolerability. As a result of the significant exposure data generated in previous studies, management believes they will be in position to hold a Type-B (end of Phase 2) meeting with the U.S. FDA later this year. The goal is to start Phase 3 trials with NBI-77860 in 2016. We suspect that management will engage with and even looking to collaborate with the CARES Foundation for development of NBI-77860.

As noted above, Neurocrine has been granted Orphan Drug status for NBI-77860 for the treatment of CAH. The company believes the U.S. CAH population is between 20,000 and 30,000 individuals. However, this number would encompass all CAH patients including both male and female from young to old. In the Phase 1 pilot study noted above the company enrolled only adult female CAH patients. In the Phase 1/2 1401 study the company is targeting fifteen adolescent females with classic CAH. Ultimately the target population for the company may be around 10,000 patients in the U.S. We are anticipating learning more about NBI-77860, the target population, and development pathway prior to the initiation of the Phase 2 studies later this year. However, given the potential for strong pricing and limited competition, we believe NBI-77860 could have peak sales in the billion-dollar range (5,000 patients x$200,000 per year).

Conclusion: Valuation and Recommendation

Neurocrine is off to a solid start to 2015. AbbVie reported positive data from the first Phase 3 elagolix trial in January 2015 and this spring boarded the company to a higher valuation and allowed them to raise $270+ million in cash in February 2015 at $36 per share.

Up next from AbbVie with elagolix is another Phase 3 trial in endometriosis called Solstice and the Phase 2b uterine fibroid trial. We expect data from both these studies in the second half of the year. We expect that AbbVie will be in position to file the New Drug Application (NDA) on elagolix late 2016. Our model assumes commercial launch for endometriosis in the U.S. in early 2018.

Back in Neurocrine's internal pipeline, results from the Phase 3 Kinect 3 study are expected this fall. Management is also conducting an open-label study called Kinect 4, as well as some Phase 1 safety and drug-drug interaction studies. We believe the company will be in position to file the NDA on NBI-98854 for tardive dyskinesia during the second half of 2016. We see tardive dyskinesia as a meaningful market opportunity for Neurocrine. There are an estimated 500,000 TD patients in the U.S. with no real treatment options besides tetrabenazine. For valuation purposes, we assume U.S. approval of NBI-98854 in tardive dyskinesia will target roughly 150,000 of the total TD patients in the U.S. that are moderate-to-severe in disease state. We assume Neurocrine will charge pricing comparable to atypical antipsychotics, or around $15,000 per year. If Neurocrine can capture 33% market share, which we believe is reasonable given the superior characteristics of NBI-98854 (valbenazine) vs. generic tetrabenazine, then peak sales estimates are approximately $1.0 billion in this indication in the U.S. alone. We remind investors that NBI-98854 has received breakthrough designation from the U.S. FDA for the treatment of TD. Neurocrine is also pursuing development of NBI-98854 in Tourette syndrome. Phase 1b data are expected this fall. We believe the opportunity for NBI-98854 in TS is another billion-dollar opportunity.

We have also begun to factor NBI-77860 into our valuation model. Data from a pilot study reported late last year gave encouraging pk/pd results. We will have a better sense of the true efficacy and market opportunity for the drug after results from the Phase 1/2 1401 study reports out later in 2015. However, just given the potential for orphan disease pricing in the $200,000 range and a target population of approximately 10,000 in the U.S., Neurocrine looks to have another potential blockbuster in its hands, albeit still in very early-stage development.

We continue to be positive on the Neurocrine story. The chart below shows all the pending catalysts that could help drive the shares higher over the next 12-18 months. The company is one-for-one so far in 2015 with clinical trial read-outs. Management plans to offer-up data from another seven studies in 2015. Our sum-of-parts analysis pegs fair-value at $44 per share. Teva's acquisition of Auspex certainly validates the market for Neurocrine with NBI-98854 and with elagolix looking like a blockbuster for AbbVie, we believe a deal to acquire Neurocrine likely makes sense for AbbVie at some point in the future.

Neurocrine Biosciences Inc.
Upcoming Events

Catalyst	Timing
Elagolix	
Phase 3 Endometriosis (Solstice) Data	Q3-2015
Phase 2b Uterine Fibroids Data	Q4-2015
Elagolix NDA filing at AbbVie	Mid-2016
NBI-98854	
Phase 3 Tardive Dyskinesia (Kinect-3) Data	Mid-2015
Phase 1b Tourette (T-Force) Data	Q4-2015
NBI-98854 NDA filing	Mid-2016
NBI-77860	
Phase 1/2 Data	Q3-2015
Initiate Phase 2/3 Trial	Mid-2016
Undisclosed	
File IND on new candidate	Mid-2015

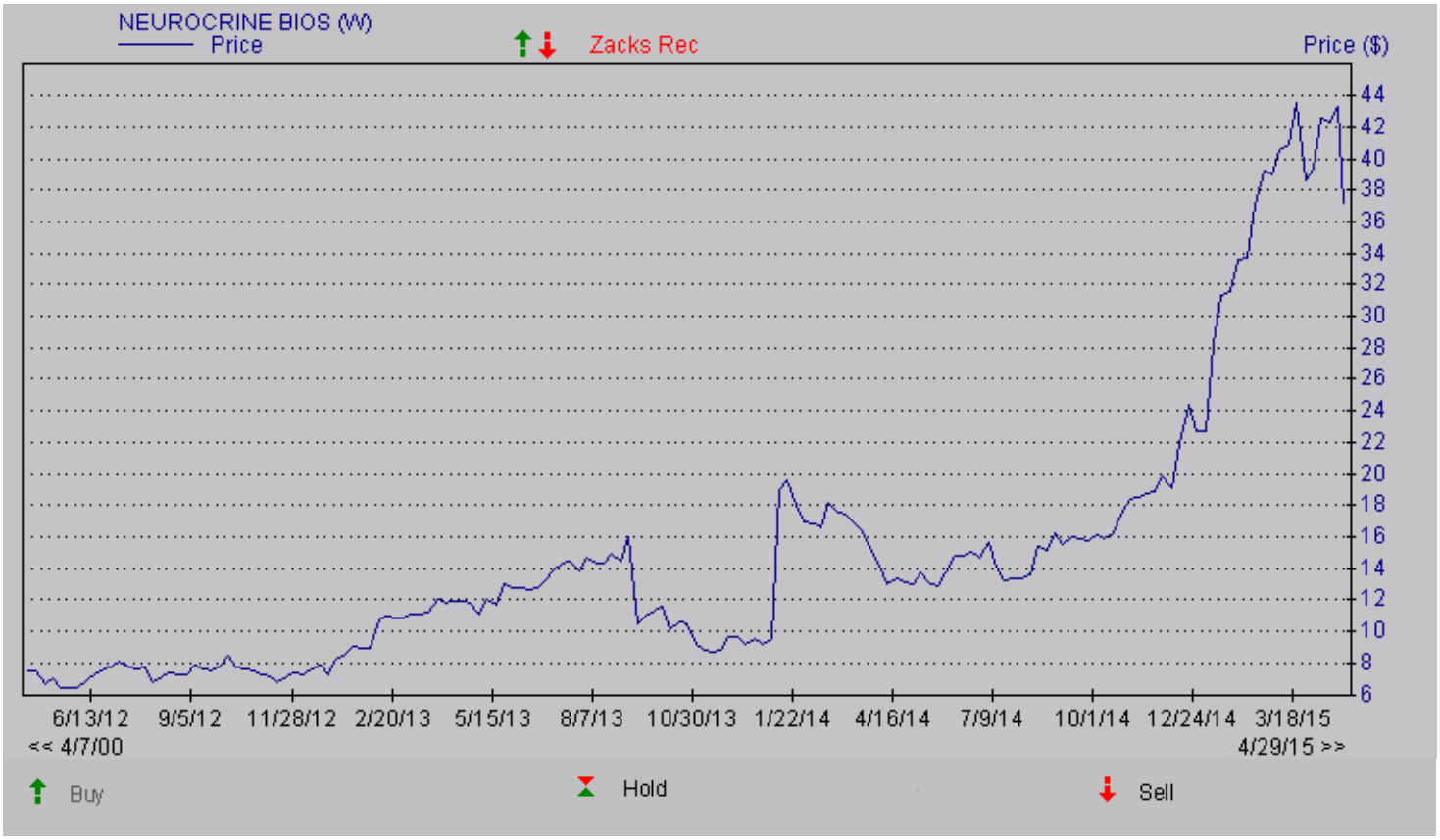
Source: Zacks / Napodano & Neurocrine Bio guidance

Neurocrine Biosciences Inc.
Income Statement

Neurocrine Bio	2014 A	Q1 A	Q2 E	Q3 E	Q4 E	2015 E	2016 E	2017 E
R&D / Milestones & Fees	**$0**	**$19.8**	**$0**	**$0**	**$0**	**$19.8**	**$50.0**	**$50.0**
YOY Growth	-	-	-	-	-	-	-	-
elagolix Royalties	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
YOY Growth	-	-	-	-	-	-	-	-
NBI-77860 (CRF1)	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
YOY Growth	-					-	-	-
NBI-98854 (VMAT2)	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
YOY Growth	-	-	-	-	-	-	-	-
Total Revenues	**$0**	**$19.8**	**$0**	**$0**	**$0**	**$19.8**	**$50.0**	**$50.0**
YOY Growth	-	-	-	-	-	-	-	*0.0%*
CoGS / Royalties	$0	$0	$0	$0	$0	$0	$0	$0
Gross Margin	-	-	-	-	-	-	-	-
SG&A	$18.0	$5.5	$5.7	$6.0	$6.3	$23.5	$25.0	$30.0
R&D	$46.4	$16.6	$17.5	$20.0	$23.5	$77.6	$75.0	$75.0
Operating Income	($64.4)	($2.3)	($23.2)	($26.0)	($29.8)	($81.3)	($50.0)	($55.0)
Operating Margin	-	-	-	-	-	-	-	-
Interest / Other Income	$3.9	$1.1	$1.2	$1.2	$1.1	$4.6	$4.0	$4.0
Pre-Tax Income	($60.5)	($1.2)	($22.0)	($24.8)	($28.7)	($76.7)	($46.0)	($51.0)
Taxes	$0	$0	$0	$0	$0	$0	$0	$0
Tax Rate	*15%*	*0%*	*0%*	*0%*	*0%*	*30%*	*30.0%*	*30.0%*
Net Income	($60.5)	($1.2)	($22.0)	($24.8)	($28.7)	($76.7)	($46.0)	($51.0)
YOY Growth	-	-	-	-	-	-	-	-
Net Margin	-	-	-	-	-	-	-	-
Reported EPS	**($0.81)**	**($0.01)**	**($0.26)**	**($0.29)**	**($0.34)**	**($0.91)**	**($0.53)**	**($0.57)**
YOY Growth	-	-	-	-	-	-	-	-
Shares Outstanding	74.6	80.3	85.2	85.3	85.5	84.1	87.5	90.0

Source: Zacks Investment Research, Inc. *Jason Napodano, CFA*

HISTORICAL ZACKS RECOMMENDATIONS



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Buy/Outperform: The analyst expects that the subject company will outperform the broader U.S. equity market over the next one to two quarters.
Hold/Neutral: The analyst expects that the company will perform in line with the broader U.S. equity market over the next one to two quarters.
Sell/Underperform: The analyst expects the company will underperform the broader U.S. Equity market over the next one to two quarters.

The current distribution is as follows: Buy/Outperform- 17.2%, Hold/Neutral- 76.5%, Sell/Underperform – 5.6%. Data is as of midnight on the business day immediately prior to this publication.