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Zacks Small-Cap Research

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CryoPort Inc (CYRX-OTCQB)

CYRX: Another Great Quarter. DHL Deal A Big Win…

Current Recommendation	**Outperform**
Prior Recommendation	Neutral
Date of Last Change	08/20/2013
Current Price (08/01/14)	$0.46
Target Price	**$1.50**

OUTLOOK

Following a change in management and additions to the Board, CYRX recently revamped their offerings from a one-sized fits all approach to a more tailored, yet sill comprehensive and turn-key solution to appeal to a broader and more diverse set of customers. With eleven straight quarters of sequential revenue growth, a recent doubling of the customer base, and consummation of key relationships, these changes are clearly already paying dividends. We expect this record revenue steak to continue. While the company will need to raise additional capital in the near term, we feel that the recent changes, substantial operational progress and improvement in financial results is helping to de-risk an investment in CYRX. We are maintaining our Outperform rating.

SUMMARY DATA

52-Week High	**$0.59**
52-Week Low	**$0.23**
One-Year Return (%)	**77.58**
Beta	**-1.09**
Average Daily Volume (sh)	**14,597**
Shares Outstanding (mil)	**60**
Market Capitalization ($mil)	**$27**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**0**
Insider Ownership (%)	**9**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**83.5**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/A**
P/E using 2015 Estimate	**N/A**
P/E using 2016 Estimate	**N/A**
Zacks Rank	**N/A**

Risk Level	**High,**
Type of Stock	**N/A**
Industry	**Rubber&Plastics**

ZACKS ESTIMATES

Revenue
(in '000s of $)

	Q1 (June)	Q2 (Sep)	Q3 (Dec)	Q4 (Mar)	Year (Mar)
2014	$488 A	$580 A	$757 A	$834 A	2,660 A
2015	936 A	1080 E	1210 E	1431 E	4,657 E
2016					15,185 E
2017					40,148 E

Earnings per Share

	Q1 (June)	Q2 (Sep)	Q3 (Dec)	Q4 (Mar)	Year (Mar)
2014	-$0.03 A	-$0.38 A	-$0.03 A	-$0.02 A	-$0.40 A
2015	-$0.05 A	-$0.02 E	-$0.02 E	-$0.02 E	-$0.10 E
2016					-$0.01 E
2017					$0.06 E

Zacks Projected EPS Growth Rate - Next 5 Years % **N/A**

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WHAT'S NEW....

Q1 2015: Record Revenue Streak Extended On Growth of Customer Base and Shipping Volumes…

CYRX announced results for their 2015 fiscal first quarter. Results continue to come in within our expectations with revenue climbing nicely q-to-q. Q1 marked the 11th straight quarter of sequential revenue growth and we expect this to continue to be the case for the foreseeable future as the top line is fueled by growth in both the customer base and shipping volumes. Q1 revenue of $937k set a new all-time record and represented year-over-year and sequential growth of 92% and 12%, respectively. Revenue has consistently grown both quarter-over-quarter and year-over-year since fiscal Q3 2012 (ending 12/31/2011).

Importantly, growth in revenue means the fixed expense base in cost of sales is now more easily absorbed, resulting gross margin expansion. Gross margin has grown from negative 44% for the fiscal year ending March 2013 to positive 16% for the fiscal year ending March 2014 to positive 36% at the most recent quarter end. CYRX is also starting to see greater leverage in operating expenses - which were 5.3x revenue for the fiscal year ending March 2013, dropping to 2.15x revenue for the fiscal year ending March 2014 and were down to 1.6x revenue at the most recent quarter end. We continue to think that quarterly break-even can happen before the end of fiscal 2016 (3/31/2016).

Customer stickiness, growth in the customer base, increase in per-customer shipping volumes and larger contribution from both the Zoetis and FedEx channels all appear to be facilitators of the revenue growth. We also believe implementation of more tailored offerings has both increased adoption and significantly broadened CYRX's target market. This has almost certainly contributed to the recent ramp-up in the customer base as well as facilitated scoring recent engagements with the likes of Zoetis, OCASA, and Liventa. We expect an increase in activity from some of these key customers, most notably Zoetis and Liventa, as well as initial contribution from even more recently consummated customer agreements (i.e. - European Mouse Mutant Archive, Glaukos Corp, Cenetron and Immudex) to be significant drivers of revenue in the current fiscal year.

However, the recently penned agreement with DHL is clearly the most compelling recent event in terms of potential to significantly steepen the shipping volume rate. DHL, with a massive international presence, appears highly committed to growing its cold-chain shipping segment and with CYRX chosen as their sole cryogenic shipping option, we think this partnership could be a big win for CYRX. And while we think there will be a runway for integration, awareness building and customer adoption via the DHL channel, this relationship has the potential to be a major contributor to CYRX's revenue over the mid-to-long term.

The company has previously noted that they are generating revenues from several end-user segments including reproductive medicine and in-vitro fertilization, in addition to the animal husbandry area. This is in addition to numerous life sciences companies with various product lines as well as freight forwarders that have shown interest in CYRX's shipping and logistics services. So while increasing the customer count is of obvious importance, this broadening of end-user segmentation perhaps provides the best insight into the wide applicability of CYRX's offerings. Prior to the company's shift in strategy from a one-size fits all approach to a more customer-centric and customized solutions type business, there was little diversity in the customer make-up. That has rapidly changed since CYRX has rolled out a much more comprehensive set of offerings and solutions allowing the company to score business in segments that previously would have effectively been out of their scope of expertise. We expect this to set the stage for an accelerated pace of customer wins, contract closes and revenue ramp.

In fact the recent agreement with Cenetron Diagnostics is an example of how CYRX was able to score additional business with their more customer-centric approach. Cenetron, which provides biological sample storage and supplies for clinical trials, will hold a certain amount of CYRX's uncharged shippers on-site and will use and charge them as needed. This arrangement would have been outside the scope of CYRX's prior one-size-fits all business model which involved sending single shippers pre-charged - and would have likely resulted in loss of a potential customer.

Financials

Q1 revenue of $937k was up 92% yoy and 12% sequentially and slightly lower than our $974k estimate. Q1 marked the fifth straight quarter that revenue covered COGS. Gross margin was 36%, an all-time high and meaningfully better than our 22% estimate. We continue to expect gross margin to benefit over the long-term with an increase in revenue.

Q1 operating expenses of $1.5M were in-line with our $1.5M estimate. As noted, CYRX is not only seeing consistent growth in revenue and gross margin, they are also experiencing consistent improvement in operating expense leverage.

Excluding non-cash expenses related to derivative valuation and the conversion of debt to preferred stock, Q1 net income and EPS were approximately ($1.2)M and ($0.02), compared to our ($1.4)M and ($0.02) estimates.

CYRX exited Q1 with $170k in cash and equivalents, down from $370k at the end of fiscal 2014. Subsequent to quarter end CYRX raised approximately $264k (net) via the sale of convertible preferred with warrants.

CYRX will look to issue a larger financing in the near term. We note that CYRX and Emergent Financial have been very successful in raising capital in the past. The company's improving financial results, committed larger shareholder base, increasing customer count and operational progress with hopefully bode well for a successful near-term larger capital raise.

Recent New Revenue Opportunities

CryoPort continues to be very active in expanding their network of customers and increasing their revenue opportunities. This includes over the last several quarters;

> In July 2014 CYRX announced that DHL's cold-chain shipping arm, LifeConEx, has chosen CYRX as their sole cryogenic shipping option. Unlike FedEx, DHL has a massive international presence with 220 locations and covering ~120k locations. And since international shipments often involve several days more travel time and additional handling compared to domestic shipments, CYRX's logistics expertise and dewar with 10+ days holding time seems a perfect fit for DHL's customers. For CYRX, this not only adds another potential significant source of revenue, it also speaks to the credibility of the quality of their services and products and ability to meet the requirements and demands of DHL. While we think there will be a runway for integration, awareness building and customer adoption via the DHL channel, this relationship has the potential to be a major contributor to CYRX's revenue over the mid-to-long term.

> In June 2014 CYRX announced that Immudex, a supplier of reagents and diagnostic kits for immunotherapy and vaccine development, will utilize CYRX for shipping of patient blood samples. Immudex indicated that they chose CYRX for their comprehensive shipping solution as well as because they needed a trustworthy shipper that would ensure no loss of integrity of biological samples.

> In May CYRX announced Cenetron Diagnostics, which provides biological sample storage and supplies for clinical trials, will use a tailored solution to meet its cryogenic shipping needs. Cenetron will hold a certain amount of CYRX's uncharged shippers on-site and will use and charge them as needed. This is an example of how CYRX has been able to score additional business by providing a more ala carte menu of services options - this arrangement with Cenetron would have been outside the scope of CYRX's prior one-size-fits all business model which involved sending single shippers pre-charged - and would have likely resulted in loss of a potential customer.

> In May 2014 CYRX announced that Glaukos Corp has chosen CYRX's shipping solution for international transport of tissue samples which are being collected and analyzed as part of a clinical trial for Glaukos' iStent device. iStent, which Glaukos notes is the smallest medical device ever approved by the FDA, has been developed to reduce eye pressure in people with glaucoma undergoing cataract surgery. Tissue samples for the clinical trial will be collected in Armenia and shipped via CYRX's shippers to Glaukos' lab in California.

> In April 2014 CYRX penned an agreement with European Mouse Mutant Archive (EMMA) whereby EMMA will use CYRX's shippers and logistics services for domestic and international transport (with an expected particular focus on Europe) of its mutant mouse strains. EMMA's mouse strains, which are used for biomedical research, have been shipped to over 40 countries.

> In February 2014 a services agreement with Liventa Bioscience, a privately held biotech company. Liventa's lead product, called AmnioClear is a placenta-derived (i.e. - natural) tissue covering used for treatment of difficult to heal wounds, including burns, chronic wounds and surgical openings. AmnioClear differs from many other tissue covering products which are synthetic (i.e. - not human body derived) and can be more prone to rejection. Liventa recently partnered with Medline Inc and CrossLink Orthopaedics which significantly beefed up distribution of AmnioClear. Medline is the U.S.'s largest privately held manufacturer and distributor of health care products and will sell Liventa's products to VA hospitals, non-VA hospitals, home health care and wound centers, among others. CrossLink, which is the largest distributor of orthopaedic implants in the U.S. with over 500 sales reps, is expected to be a key partner in Liventa tapping the massive orthopaedic channel.

Liventa will use CryoPort's shippers and logistic management platform for transportation of AmnioClear and their other cellular products to the U.S. based orthopaedic point of care channel. Liventa's CEO, Robin Young, a leading expert in stem cells, noted, " After careful research, we concluded that Cryoport's logistics solutions, which include both shipping and information logistics, was by far the most advanced solution available for both our AmnioClear cryopreserved tissue products and other cryopreserved cellular products. Cryoport's system opens up every corner of the orthopedic industry to advanced biologic tissue and cell forms."

We think this partnership with Liventa has the potential to be significant in terms of contribution to CYRX. CYRX notes Liventa's target market in the orthopaedic space represents approximately 108 million patients annually. We also view consummation of this partnership as meaningful from the standpoint of validation of CYRX's cryogenic shipping and logistics as well as validation that management's efforts in scoring high potential customers are paying dividends.

> In September 2013 a master services agreement signed with OCASA Inc (Organizacion Courier Argentina SA). OCASA has a global network and accesses wide reaches of the world including the U.S., Latin America, Europe and Asia. The company provides importing/exporting, temperature controlled warehousing, fulfillment and other services to the biotech/pharmaceutical industry. Under the agreement, OCASA will have access to CYRX's full suite of services and shippers and CYRX will be able to leverage OCASA's global logistics network. Both parties will be involved in sales and marketing.

> CYRX is seeing increased interest from the reproductive medicine market and now appears to have an even greater focus to exploit the potential opportunity in this segment. In particular, in-vitro fertilization which requires eggs to be frozen at cryogenic temperatures for storage and transport and where there exists a need for reliable, long cryogenic holding time shipping. Reproductive medicine and in-vitro fertilization is a fast growing market especially overseas which is ideal for CYRX. In August 2013 CYRX showcased its shipping offerings at the European Society of Human Reproduction and Embryology in London where they noted they generated several customer leads. Subsequently CYRX announced an agreement with The World Egg Bank. The World Egg Bank, which provides the world's largest service to match egg donors with recipients, could be a key partner for CYRX in introducing the company to IVF firms.

> The agreement with Zoetis, which was initially penned in December 2012 and included managing domestic and some international shipments of a poultry vaccine, was expanded in July 2013 to now include all domestic and international shipments. In October 2013 it was amended further to include a second poultry vaccine. As we noted following announcement of the initial agreement, given Zoetis' stature as one of the largest animal health businesses in the world, we view this relationship as a meaningful vote of confidence in CryoPort's offerings. This is likely now contributing to CYRX's revenue. We expect a greater contribution from this agreement in fiscal 2015.

DHL Deal A Great Fit For Both Parties

CryoPort Inc's (CYRX) deal with LifeConEx, DHL's cold-chain shipping division, was consummated after an apparent warm reception at DHL's Life Sciences & Healthcare Global Conference in China where CYRX presented last week. Under the agreement (specific terms of which were not disclosed) CYRX will act as LifeConEx's sole cryogenic shipping provider.

CYRX can now count two (FedEx and DHL) of the largest freight forwarders as partners, and like FedEx, DHL sees temperature-controlled shipping, particularly as it relates to the life sciences industry, as a major opportunity for growth.

LifeConEx cites some compelling estimates relative to expected growth of life sciences cold-chain shipping - which we accept as a fairly clear indication that they are focused on exploiting this opportunity. These estimates include that;

> by the year 2030, approximately 44% of product shipments will be related to the specialty pharmaceutical market, up from just 14% in 2006

> ~70% of global pharma products require cold chain shipping

> the current market for cold-chain logistics services are worth $7.5B - this is expected to grow to $9.3B by 2017

Interesting to note is that DHL's cold-chain shipping arm is relatively new - established in 2005 - and not until 2011 did DHL take full ownership of it (it had previously been a joint venture between DHL and Lufthansa Cargo). DHL has since dedicated more effort into growing this business, including adding additional service offerings and enhancements. We think DHL likely viewed CYRX as another significant enhancement as CYRX will be the sole cryogenic shipping option for LifeConEx customers.

Unlike FedEx, DHL has a massive international presence with 220 locations and covering ~120k locations. And since international shipments often involve several days more travel time and additional handling compared to domestic shipments, CYRX's logistics expertise and dewar with 10+ days holding time seems a perfect fit for DHL's customers.

And where specifically does LifeConEx see near-term growth? In a recent interview David Bang, CEO of LifeConEx indicated that shipping from ex-U.S. pharmaceutical and biotech companies working to develop biosimilars and generics is an area of opportunity. Also noting that pharma/biotech-related demand to and from companies in Asia, the Middle East and South America are attractive areas for growth. This is what we have historically viewed as one of CYRX's sweet-spots. That is, long travel times and the biosimilars market, which often requires the cargo to be kept in a cryogenic state.

To help meet the expected increase in demand DHL expects to add another 20 life sciences forwarding stations throughout the globe by the end of 2014, an increase from 45 to 65.

We see the DHL relationship as a potential excellent fit for both parties. DHL is looking to expand their cold-chain shipping division where they clearly see significant opportunities for growth - we think they chose CYRX given the company's reputation as the leader in cryogenic shipping, their ultra-reliable and long-hold time dewar, logistics platform and ability to seamlessly integrate a turnkey cryogenic shipping solution.

And for CYRX, this not only adds another potential significant source of revenue, it also speaks to the credibility of the quality of their services and products and ability to meet the requirements and demands of DHL.

CYRX To Manage Pfizer's Animal Vaccines Shipments

In December 2012 CYRX announced an agreement with Pfizer Inc (PFE) whereby CryoPort will manage all domestic and international frozen shipments of their "primary animal vaccines" for Zoetis, which is the name of PFE's animal health business. In the Q3 10-Q (filed Feb 14, 2013), CYRX notes that the agreement is to manage Zoetis' "key poultry vaccine". In October 2013 this was amended to include a second poultry vaccine. Initially the relationship involves CYRX having two of their employees on site at of one of Zoetis' manufacturing sites and managing domestic and international shipments utilizing Zoetis' liquid nitrogen dewars (CYRX noted that Zoetis has about 650 dewars). CYRX will integrate their CryoPortal system with PFE's software. The longer-term plan is for CYRX to systematically phase in their own dry vapor shipper as they phase out use of PFE's liquid nitrogen dewars.

Pfizer's animal health business, named Zoetis and which PFE spun off a portion of through an IPO in early February, is significant with annual revenue of over $4 billion and employing about 3,400 people. The IPO valued the business at about $13B. Zoetis is the largest stand-alone animal health business in existence and sells a variety of products aimed at a diverse market base spanning household pets to livestock in about 70 countries including those in Europe, Asia and Africa. CYRX's dewars, with the longest functional holding times in the passive cryogenic container market, are ideally suited for international shipments - which seems like it may be a perfect fit for Zoetis' international vaccine shipping needs.

CryoPort noted that PFE approached them for help in managing their dewar fleet - which, given PFE's stature as one of the largest pharma's and animal health businesses in the world, is what we view as a meaningful vote of confidence in CryoPort's offerings. We currently have no idea what this relationship will mean in terms of financial contribution for CYRX as the company has not provided details relative to terms of the agreement (i.e. - revenue model) or estimates of things such as shipping volumes, timelines for phasing in their shippers, or anticipated incremental costs among other things (although we do believe this is now contributing to CYRX's revenue). Nonetheless we view this agreement as a potentially very meaningful win for CYRX as we think it provides additional significant credibility to their services and product. CYRX can now count the world's top air freight company (FedEx) and the world's largest pharmaceutical/animal health (PFE) company as partners.

New and updated customer offerings

As CryoPort first announced on their 9/20/12 Business Update call, the company recently expanded their service offerings in order to appeal to a broader, more diverse customer base and one that is tailored, comprehensive and turn-key. The company's value proposition has evolved into one that is complete solution that covers the entire logistics transportation process and one that can be tailored to the specific needs of a diverse customer base. This is in contrast to only offering customers their full-service CryoPort Express Shipper plus CryoPortal logistics service which had been the case in the past and may have left potential customers on the sideline as that one-size fits all approach didn't always fit with customer needs.

The shift to tailored and comprehensive solutions have already had the effect of significantly increasing the customer base and likely facilitated the consummation of recent engagements with the likes of Zoetis, OCASA, Liventa and Cenetron. It has also had a direct positive impact on the company's recent financial results.

Expanded Service Offerings encompass: (per company filings)

- **Cryoport Express Solution**: Cryoport's liquid nitrogen dry vapor shippers (Cryoport Express Shippers) including the Standard shipper (holds 75 2.0 ml vials) and the High Volume shipper (holds 500 2.0 ml vials). The service part of this offering is Cryoport's fully outsourced turn-key logistics solution which provides direct access to the cloud-based Cryoportal for order entry (which can also be done by contacting Cryoport client Care), 24/7/365 logistics services through its Client Care Team, and complete training and process management for each customer.
- **Customer-Staged Solution**: Cryoport ships an inventory of Cryoport Express Shippers to the customer (uncharged and in bulk) enabling the customer to charge the shippers at their facility, process their orders through the Cryoportal which permits Cryoport Client Care to oversee the logistics of each shipment and the return of the shippers to Cryoport for cleaning, testing and refurbishing. Cryoport Client Care provides the 24/7/365 logistics services utilizing its Cryoportal logistics platform.
- **Customer-Managed Solution**: Cryoport ships a fully-charged Cryoport Express Shipper(s) to the customer enabling them to utilize their internal expertise and manage all or a portion of the logistics services. As with the above solutions, the shippers are returned to Cryoport for cleaning, testing and refurbishing within a pre-determined time period.
- **Customer Integrated Logistics**: The Cryoport logistics team provides a tailored and full range of logistics support solutions. In addition to tailoring a management solution, the robust, enterprise grade Cryoportal is used to provide complete logistics services while enabling the customer to utilize their own packaging solutions or Cryoport Express Shippers. Cryoport can provide onsite logistics personnel allowing the customer to fully outsource their cold chain logistics needs to Cryoport and focus on its core competencies.
- **Distribution Partnerships**: "Powered by Cryoport" is an important partnership arrangement with integrators, freight forwarders and other logistics providers, enabling partners to expand their solutions offering by adding the total Cryoport Express Shipper solution to their customer offering.

VALUATION / RECOMMENDATION

Through the most recent reporting period CYRX extended the streak on revenue growth, on both a yoy as well as sequential basis, to eleven straight quarters (from fiscal Q3 2012 through Q1 2015) indicating that shipping volume is gaining positive traction, albeit at a modestly increasing rate. We remind investors of the company's business update call back in September 2012 when management indicated that they believed, based on recent trends of customer growth, customer stickiness and shipping volumes along with ironing out certain issues hampering sales through the FedEx channel, and implementation of a more customer-centric and tailored menu of offerings to appeal to a larger and broader customer base, that revenue would continue to grow sequentially for the foreseeable future. With eleven quarters of sequential growth, management's efforts are clearly paying dividends and we expect this streak to continue. We think a large part of this success has been implementation of the expanded and tailored, yet comprehensive and turn-key offerings that the company first announced and began rolling out in calendar 2012. Increasing the customer base, broadening customer segmentation, increasing shipments per customer, and customer "stickiness" should all bode well for continued growth.

Recent highlights include partnerships and agreements with Zoetis, Liventa, EMMA, Glaukos and DHL. We view these as a testament to management's efforts in scoring high potential customers as well as validation of CYRX's cryogenic shipping and logistics.

CYRX continues to score customers and build the customer base. This acceleration in customer wins in a relatively short period of time is likely a direct result of CryoPort recently expanding their service offerings in order to appeal to a broader, more diverse customer base and one that is tailored, comprehensive and turn-key. The company's value proposition has evolved into one that is complete solution that covers the entire logistics transportation process and one that can be tailored to the specific needs of a diverse customer base. This has allowed expansion of their target market, provided more shots on goal and appears to be resulting in more shots going in the net.

We look for revenue of $4.7 million in fiscal 2015 and for this to grow to about $59 million in the year 2018.

We continue to value the company based on an industry P/E multiple (currently 19x) and discount this back to the present at 15% / year. We look for EPS of $0.13 in 2018 - based our valuation methodology, this values the stock at approximately $1.50 / share. We remain steadfast believers in CryoPort's potential and think there's significant upside to the share price, particularly over the longer-term. We are maintaining our Outperform rating.

FINANCIAL MODEL

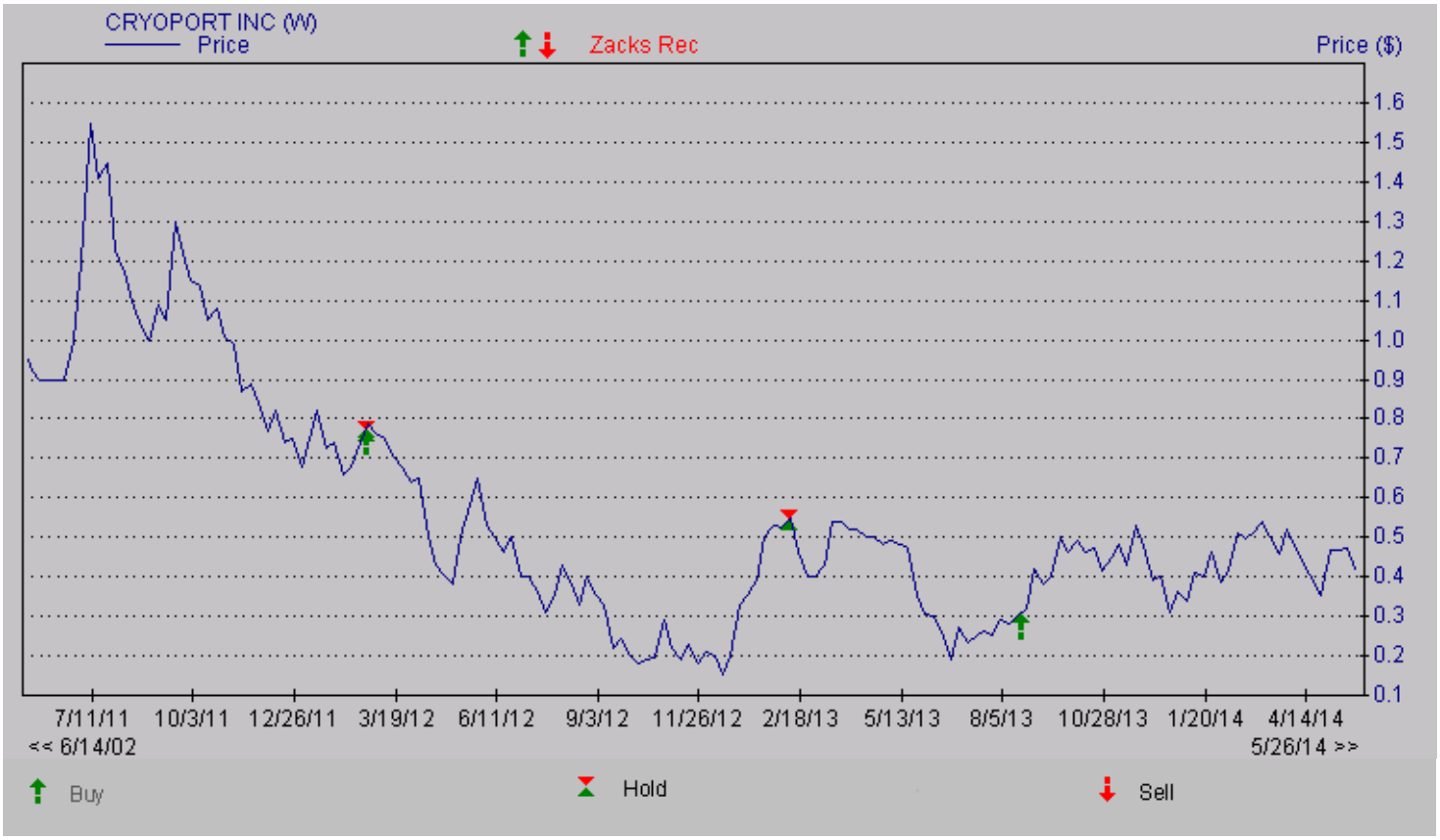
CryoPort Inc.

	2014 A	Q1 A	Q2 E	Q3 E	Q4 E	2015 E	2016 E	2017 E	2018 E
Total Revenues	$2,659.9	$936.6	$1,080.0	$1,210.4	$1,430.6	$4,657.6	$15,184.5	$40,147.5	$59,227.5
YOY Growth	*141.6%*	*91.9%*	*86.3%*	*59.8%*	*71.4%*	*75.1%*	*226.0%*	*164.4%*	*47.5%*
Cost of Revenues	$2,223.0	$597.2	$807.8	$882.4	$1,022.9	$3,310.3	$8,651.2	$17,629.1	$23,691.0
Gross Income	$437.0	$339.4	$272.2	$328.0	$407.7	$1,347.3	$6,533.3	$22,518.4	$35,536.5
Gross Margin	*16.4%*	*36.2%*	*25.2%*	*27.1%*	*28.5%*	*28.9%*	*43.0%*	*56.1%*	*60.0%*
SG&A	$5,106.2	$1,427.9	$1,395.0	$1,440.0	$1,444.0	$5,706.9	$6,605.3	$15,336.3	$20,433.5
% SG&A	*140.0%*	*152.5%*	*129.2%*	*119.0%*	*100.9%*	*49.0%*	*43.5%*	*38.2%*	*34.5%*
R&D	$409.1	$79.2	$111.0	$96.0	$102.0	$388.2	$625.0	$840.0	$1,055.0
% R&D	*15.4%*	*8.5%*	*10.3%*	*7.9%*	*7.1%*	*8.3%*	*4.1%*	*2.1%*	*1.8%*
Operating Income	($5,078.4)	($1,167.7)	($1,233.8)	($1,208.0)	($1,138.3)	($4,747.8)	($696.9)	$6,342.0	$14,048.0
Operating Margin	*-190.9%*	*-124.7%*	*-114.2%*	*-99.8%*	*-79.6%*	*-101.9%*	*-4.6%*	*15.8%*	*23.7%*
Interest income, net	($784.5)	($1,128.9)	($34.0)	($82.0)	($116.0)	($1,360.9)	($212.0)	($41.0)	$18.0
Loss on asset sale	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Change in derivative value	$20.8	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Pre-Tax Income	($19,563.8)	($2,295.7)	($1,267.8)	($1,290.0)	($1,254.3)	($6,108.7)	($908.9)	$6,301.0	$14,066.0
Taxes	$1.6	$1.6	$0.0	$0.0	$0.0	$0.0	$0.0	$1,178.3	$4,360.5
Tax Rate	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*18.7%*	*31.0%*
Preferred Stck Conversion Charge		($741.8)				($741.8)			
Net Income	($19,565.4)	($3,066.8)	($1,327.8)	($1,357.0)	($1,324.3)	($7,075.2)	($908.9)	$5,122.7	$9,705.5
YOY Growth	*206.6%*	*-131.7%*	*91.1%*	*26.3%*	*8.2%*	*-63.8%*	*-87.2%*	*-663.6%*	*89.5%*
Net Margin	*-735.6%*	*-327.4%*	*-122.9%*	*-112.1%*	*-92.6%*	*-151.9%*	*-6.0%*	*12.8%*	*16.4%*
EPS	($0.40)	($0.05)	($0.02)	($0.02)	($0.02)	($0.10)	($0.01)	$0.06	$0.12
YOY Growth	*137.0%*	*-45.9%*	*94.8%*	*38.0%*	*26.7%*	*-74.0%*	*-88.8%*	*-642.7%*	
Diluted Shares O/S	48,851	60,443	66,215	70,214	74,655	67,882	78,000	81,000	84,000

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HISTORICAL ZACKS RECOMMENDATIONS



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