Zacks Small-Cap Research

February 8, 2013
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Neurocrine Biosciences, Inc.

(NBIX-NASDAQ)

NBIX: Elagolix, VMAT-2, and a Solid Balance Sheet Keep Us Bullish…

Current Recommendation	**Buy**
Prior Recommendation	Neutral
Date of Last Change	06/16/2010
Current Price (02/08/13)	$10.19
Target Price	**$14.00**

UPDATE

We remain optimistic on Neurocrine Bio and believe the company is on track with key pipeline products elagolix and NBI-98854. We have previously written that the collaboration with Abbott Labs (now AbbVie) for endometriosis and uterine fibroid drug elagolix was a "homerun" deal for the company. We think NBI-98854 for tardive dyskinesia and other related disorders could be a meaningful driver of shareholder value over the next few quarters.

At the end of 2012, Neurocrine held $173 million in cash and investments. With a strong pipeline, plenty of cash, and great collaboration partners in AbbVie and Boehringer Ingelheim, we think Neurocrine makes sense for a long-term investment in biotech.

SUMMARY DATA

52-Week High	**$10.63**
52-Week Low	**$6.45**
One-Year Return (%)	**19.65**
Beta	**0.56**
Average Daily Volume (sh)	**602,247**
Shares Outstanding (mil)	**66**
Market Capitalization ($mil)	**$680**
Short Interest Ratio (days)	**8.24**
Institutional Ownership (%)	**82**
Insider Ownership (%)	**1**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**36.2**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**13.9**
P/E using 2013 Estimate	**N/A**
P/E using 2014 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)
2012	11.3 A	10.6 A	9.4 A	21.9 A	53.1 A
2013	0.8 E	0.8 E	0.8 E	0.8 E	3.0 E
2014					5.0 E
2015					50.0 E

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

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2012	-$0.01 A	-$0.01 A	-$0.05 A	$0.14 A	$0.08 A
2013	-$0.18 E	-$0.19 E	-$0.19 E	-$0.18 E	-$0.74 E
2014					-$0.50 E
2015					-$0.02 E

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WHAT'S NEW

Recent Financial Results

On February 8, 2013, Neurocrine Bio reported financial results for the fourth quarter and full year ended 2012. The company reported total revenues in the quarter of $21.9 million, far above our expectations at $9.0 million. Management noted on their update call that AbbVie paid the final installment of the collaboration payment on elagolix in the fourth quarter, ahead of expectations for early 2013. Revenues consisted of $14.0 million in sponsored research and development and $8.0 million in milestones and licensing fees. For the full year 2012, Neurocrine reported $53.1 million in total revenues, consisting of $18.9 million in sponsored R&D and $34.2 million in milestones and licensing fees. Sponsored R&D comes from AbbVie Pharmaceuticals, Boehringer Ingelheim (BI), and Dainippon Sumitomo Pharma (DSP).

For the fourth quarter 2012, Neurocrine reported net gain of $9.4 million, or $0.14 per share. This was well ahead of our estimate due to the higher than expected revenues resulting from the final AbbVie collaborative payment. For the full year, net gain was $5.0 million, or $0.08.

…Financial Guidance…

The company's balance sheet on December 31, 2012 reflected total assets of $196.0 million, including cash and short-term investments of $173.0 million and current assets of $189.3 million. Management provided financial guidance for 2013, expecting to have a net cash burn from operations of approximately $50 to $55 million in 2013. Revenue is expected to approximate $3 million which consists solely of the amortization of up-front license fees. Expenses for 2013 should approximate $55 to $60 million. Net loss for 2013 is expected to be $50 to $55 million, or $0.75 to $0.83 loss per share based on 66.5 million basic shares outstanding. The company expects to end 2013 with in excess of $130 million in cash, investments and receivables.

INVESTMENT OVERVIEW

Elagolix Development Continues At AbbVie

In Endometriosis

In June 2012, Abbott (now AbbVie) initiated a phase 3 trial with elagolix to evaluate the safety and efficacy in female patients with endometriosis. The phase 3 trial, called Violet Petal (ClinicalTrial.gov identifier: NCT01620528) is a 24-week, multinational, randomized, double-blind, placebo-controlled study designed to evaluate the safety and efficacy of elagolix in 875 women, age 18 to 49, with moderate-to-severe endometriosis-associated pain. It is being conducted at approximately 160 sites in the United States, Puerto Rico and Canada. As of February 2013, AbbVie reports being pleased with the patient recruitment and enrollment to date. Almost all sites are online and Neurocrine management continues to believe that top-line data will be available in early 2014.

The primary endpoint will be a dual-endpoint in reduction in dysmenorrhea and non-menstrual pelvic pain (NMPP) for women on two doses of elagolix (150 mg and a yet unannounced higher dose) vs. placebo in a 1-1-2 randomization over 6 months. We have heard some rumblings around the endpoints from investors, some noting that a subjective pain endpoint will be difficult to hit and others commenting that dysmenorrhea does not adequately signal efficacy due to the disruption of ovarian stimulation. However, we note the protocol for the trial has been well vetted by Neurocrine, AbbView, and the U.S. FDA. AbbVie stopped short of seeking a Special Protocol Assessment (SPA) with the FDA, but Neurocrine management tells us all aspects of an SPA agreement are in place for Violet Petal. Plus, efficacy will be assessed by a responder analysis for statistical evaluation. The inclusion of a higher dose of elagolix, perhaps 250mg or 300mg (150mg BID) is intriguing. It allows for a potential full label with dose titration and prescribing options post approval.

Arms	Assigned Interventions
Experimental: Elagolix Dose 1 Elagolix Dose 1	Drug: Elagolix Elagolix Dose 1 for 6 month treatment period Other Name: ABT-620, elagolix sodium
Experimental: Elagolix Dose 2 Elagolix Dose 2	Drug: Elagolix Elagolix Dose 2 for 6 month treatment period Other Name: ABT-620, elagolix sodium
Placebo Comparator: Placebo Placebo	Other: Placebo Placebo for 6 Month Treatment Period

An electronic diary will be dispensed to participants in the trial and training provided to record endometriosis-associated pain, uterine bleeding, and analgesic medication use for endometriosis-associated pain on a daily basis. Pregnancy testing will be performed monthly throughout the study. Subjects will be required to use non-hormonal dual contraception during the study, and will be counseled on appropriate and effective forms of birth control to promote pregnancy prevention.

Responder analysis from the phase 2b trial showed an 85% response rate with 150mg elagolix. We believe AbbVie is looking for greater than 90% response rate in the phase 3 trial through the inclusion of a higher dose. Secondary endpoints include Dyspareunia and Patient Global Impression of Change (PGIC), as well as analgesic use. Following the 6 month controlled portion of the trial, patients will enroll in a 6 month open-label extension study where AbbVie will look for signs of persistent efficacy. For the safety analysis, patients will be followed for an additional 12 months, after which AbbVie will conduct a DXA scan to assess changes in bone mineral density.

AbbVie plans to conduct a second confirmatory phase 3 trial mirroring the Violet Petal trial expected to start in 2013. We expect that this program will include sites outside North America, with an emphasis on Western Europe. Full analysis from the second trial is expected in 2016, along with the New Drug Application (NDA) planned for 2016.

…Confident In Design…

We are confident in the design of the phase 3 trials, and the efficacy and safety previously seen with elagolix. In total, Neurocrine has presented data from 12 phase 1 programs and 6 phase 2 programs (2 phase 2a and 4 phase 2b) on roughly 1,000 patients. Results from the phase 2b (n=137) Daisy Petal (Study-901) program first released in May 2010 provide the best proof-of-concept data for the planned phase 3 trials. Final results, released in November 2010, were statistically significant in all primary and secondary endpoints.

The phase 3 program will seek to enroll patients with more severe disease and employ a two-cycle (two-month) run-in period both designed to mitigate the placebo response. We note the 33% placebo response on both primary endpoints in the Daisy Petal program was rather high, but elagolix at 63% for both was statistically significant at a p-value less than 0.01. All AbbVie needs to do is replicated these results in the two phase 3 trials noted above and then show no clinically meaningful changes in bone mineral density and we think approval is likely.

In Uterine Fibroids

On September 13, 2011, Abbott Labs announced it had commenced a phase 2a clinical trial to evaluate elagolix in an exploratory trial for the treatment of uterine fibroids (ClinicalTrial.gov identifier: NCT01441635). The trial is expected to enroll women with heavy uterine bleeding associated with uterine fibroids at clinical sites around the U.S. for a total of 3 months. The doses for the trial have not been disclosed, but Neurocrine describes them as a broad range with previous work done in phase 1 trial. ClinicalTrial.gov notes four doses in the trial. AbbVie is analyzing the data from each dosing cohort looking signs of safety and efficacy. We expect to begin to see data over the summer of 2013. The primary endpoint will be quantified blood loss assessed by alkaline hematin.

However, based on the data that AbbVie is seeing, the company has made a decision to progress into a phase 2b study in 2013. We believe the fact that AbbVie is seeing the kind of safety and efficacy signals necessary to make this jump into phase 2b before the phase 2a completes is clearly a good sign for Neurocrine investors.

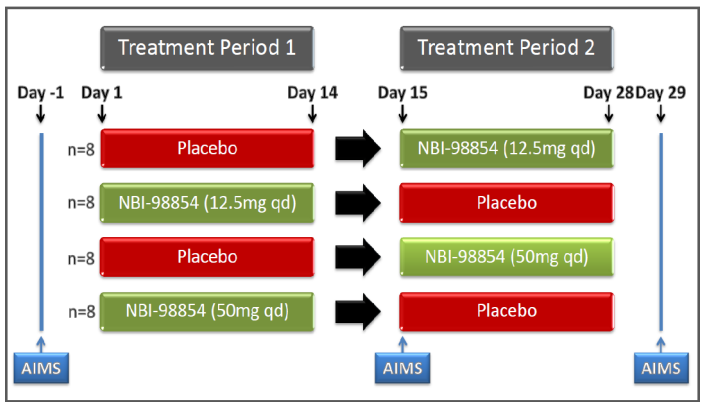
Focus Turns Squarely Toward VMAT2

On March 26, 2012, Neurocrine Bio announced results from the company's phase 2a program with NBI-98854, a VMAT2 inhibitor for the treatment of tardive dyskinesia (TD). We believe the results were overall a positive for the company, despite what management referred to as "inconsistent and incorrect application of the efficacy assessment protocol" at one of the eight sites used during the trial. When this site was removed (post-hoc), analysis of the primary and secondary endpoints showed encouraging results, we believe strong enough to warrant movement into a larger-scale phase 2b study.

…The Design…

The trial was a double-blind, placebo-controlled, design in which patients were randomized to receive either 12.5mg or 50mg of NBI-98854 or placebo for 14 days, then crossed-over to the placebo or active 12.5mg or 50mg arm for another 14 days.

The primary efficacy endpoint in the trial was the change in Abnormal Involuntary Movement Scale (AIMS) from active to placebo groups. AIMS assessments were taken at baseline (Day-1), after the first period (Day-15) and after the second period (Day-29). The trial was powered to detect a 3 point change in AIMS from active to placebo group.



Secondary endpoints included the Clinical Global Impression of Tardive Dyskinesia (CGI-TD) and the Patient Global Impression of Change (PGIC) questionnaire. Management also measured adverse events, Brief Psychiatric Rating Scale (BPRS), Columbia Suicide Severity Rating Scale (CSSRS), Calgary Depression Scale for Schizophrenia (CDSS), Barnes Akathisia Rating Scale (BARS), and the Simpson-Angus Scale (SAS).

…Inconsistencies Found At One Site Lead To Post-Hoc Analysis…

Following analysis of the unblinded data, management found inconsistent application of the AIMS efficacy assessment at one of the eight clinical sites. Management noted that the issues were not a result of randomization or dosing errors, but rather incorrect application of the AIMS assessment that lead to discrepancies between the clinical scores and the video record of the analysis. Application of the AIMS assessment at the other seven sites was found to be consistent with the video record.

Neurocrine performed two analyses of the primary AIMS endpoint, one that included all eight sites and one post-hoc analysis that included only the seven sites in which the AIMS assessment was performed correctly. We present the results below on the primary AIMS endpoint for the active vs. placebo periods.

AIMS – All 8 Sites			
Baseline = 14.7	**Placebo**	**12.5mg**	**50mg**
…LS Mean	9.9	9.1	8.8
…Difference		-0.7	-1.1
…p-value		0.59	0.42

AIMS – 7 Site Post-Hoc			
Baseline = 14.9	**Placebo**	**12.5mg**	**50mg**
…LS Mean	10.3	9.9	6.1
…Difference		-0.4	-4.2
…p-value		0.68	0.002

Analysis of the primary endpoint was also assessed on a change in baseline. The data below shows the post-hoc analysis including both crossover periods. The data show a significant reduction from baseline in subjects randomized to the 50mg dose, which we believe is clinically meaningful for patients with Tardive Dyskinesia.

Change From Baseline			
	Placebo	**12.5mg**	**50mg**
…Change	-4.7	-4.9	-9.2
…Difference		-0.2	-4.5
…p-value		0.79	0.0004

Responder analysis of the secondary efficacy endpoints conducted post-hoc showed strong trends in favor of both the 12.5mg and 50mg doses.

Responder Rates By Treatment			
	Placebo	**12.5mg**	**50mg**
CGI-TD …"much or very much improved"	46%	67%	80%
PGIC …much or very much improved"	38%	62%	80%

…Good Safety Profile…

Data from the trial showed that NBI-98854 was generally safe and well tolerated. The most common adverse event was headache. Treatment-emergent adverse events were limited, a surprise to management given the severity of the underlying schizophrenia and the rigorous trial protocol (patients had to come into the study center for several hours, once per day for 29 days). There were no serious adverse events during the active portion of the trial. One patient in the 50mg group discontinued due to akathisia (restless leg). One patient with a history of emphysema experienced an acute exacerbation of COPD after the trial completed. However, investigators deemed the episode not related to NBI-98854.

Safety & Tolerability			
	Placebo	**12.5mg**	**50mg**
Treatment-Emergent Adverse Events	17%	24%	32%
Serious Adverse Events (Days 1-29)	-	-	-
Serious Adverse Events (Day 29+)	-	-	1
Discontinuations (Days 1-29)	-	-	1

We note there was no drug-drug interactions seen during the study, a very encouraging sign considering patients were on a mix of typical and atypical antipsychotic drugs. Analysis showed no gender, smoking, or body weight impact on the results. Patients were assessed for depression, suicidal ideation, and parkinsonism, with no affect found attributed to NBI-98854. A total of 37 patients were randomized for treatment, and 32 were included in the ITT database. 31 patients completed the study.

…Phase 2b – KINECT-1 Enrolling…

Despite the inconsistencies found at one of the eight clinical sites, we believe the trial was a success. We remind investors that the ultimate goal of a phase 2a program is to confirm proof-of-concept, safety, and help design the protocol for a larger-scale phase 2b trial designed to truly assess efficacy. We believe Neurocrine clearly accomplished this goal.

Management is currently screening patients for the phase 2b trial, called KINECT-1, which will assess NBI-98854 in patients with confirmed moderate-to-severe schizophrenia and tardive dyskinesia. Neurocrine invested significantly in the training and certification of AIMS readers for KINECT-1 (ClinicalTrial.gov identifier: NCT01688037). The company is also employing a group of independent readers to assess entry criteria prior to enrollment. For example, patients are video-taped during the screening process and the videos are sent to an independent reader to confirm moderate-to-severe TD. Neurocrine's Chief Medical Officer, Chris O'Brien, is also viewing the video tapes to QC the enrollment process. As of February 2013, the company reported being very pleased with how this process is proceeding. The screen to enrollment rate is around 50%, with the majority of patients failing because they either do not have moderate-to-severe disease or have some other type of movement disorder besides TD associated with schizophrenia or schizoaffective disorder. We are pleased to see the design holding up, albeit early in the patient recruitment and enrollment process.

The trial will seek to enroll approximately 120 patients in a placebo-controlled, double-blind, parallel group, multiple dose format. Management plans to test 25mg and 50mg NBI-98854 over a 12 week treatment period, with six weeks of placebo-controlled dosing followed by six-weeks of active treatment. The trial will incorporate a new capsule formulation of NBI-98854 and each patient will be on a fixed dose of the drug during the 12 week treatment period. We remind investors that the 50mg dose was the dose that showed efficacy in the phase 2a study.

Management claims to have learned a great deal from the phase 2a study. We expect that the AIMS assessment in the phase 2b program will be altered slightly to separate the clinician and the reader, with added certification training and monitoring. Scoring will be done by an independent AIMS reader at the clinical site. The rater will have no other contact with the patient other than the live scoring. The rating will be video-taped for quality control. We expect this trial to offer data in the second quarter 2013.

...KINECT-2 Up Next…

Neurocrine is currently conducting a second phase 2b study with NBI-98854, to be called KINECT-2 (ClinicalTrial.gov identifier: NCT01733121). This trial will seek to enroll up to 90 patients at 30 sites with moderate-to-severe TD, only in patients with bipolar disorder, mood disorder, or metoclopramide-induced TD, and potentially some patients with schizophrenia or schizoaffective disorder that did not qualify for KINECT-1. Management believes that the pathophysiology of TD is similar in each patient, but wants to generate appropriate safety data in each potential patient population before proceeding into a phase 3 program. We note that KINECT-2 will be a dose-titration program where patients will start off on 25 mg and escalate up to 75 mg if tolerable. This is in contrast to the fixed dose KINECT-1 program. Patient screening for KINECT-2 began in December 2012 and show offer data in the third quarter 2013.

In total the phase 2b KINECT program will enroll 210 patients with moderate-to-severe TD and various underlying conditions, testing doses ranging from 25 mg to 75 mg. Understanding this full range of dosing options in various patient populations should help management design a highly effective phase 3 trial for the drug. Neurocrine's goal is to schedule an end of phase 2 meeting with the U.S. FDA in late 2013. We note there remains some preclinical and phase 1 work that needs to be completed before the initiation of a phase 3 trial in 2014. This includes the six and nine month toxicology and carcinogenicity work, as well as a thorough QTc prolongation and hepatic impairment analysis. In previous phase 1 work with NBI-98854 patients were required to wear a Holter monitor to detect potential cardiovascular affects and the safety profile looked clean.

…Background on VMAT2 & TD…

VMAT-2 is a protein concentrated in the human brain that is primarily responsible for re-packaging and transporting monoamines (dopamine, norepinephrine, serotonin, and histamine) among nerve cells. Neurocrine's molecule, NBI-98854, is a novel, highly-selective VMAT2 inhibitor that modulates presynaptic dopamine release during nerve communication, while at the same time having minimal impact on the other monoamines thereby reducing the likelihood of "off target" side effects. NBI-98854 is designed to provide low, sustained, plasma and brain concentrations of the active drug to minimize side effects associated with excessive dopamine depletion.

We see TD as a meaningful market opportunity for Neurocrine. There are an estimated 500,000 TD patients in the U.S. with no real treatment options. In January 2012, the U.S. FDA granted "Fast Track" designation to NBI-98854 for neuroleptic-induced tardive dyskinesia. NBI-98854 is patent protected until May 2029. In addition, NBI-98854 may well be useful in other disorders, such as Huntington's chorea, schizophrenia, Tourette's syndrome, and Tardive Dystonia. We expect that management will move into a second indication, most likely Tourette's, during the second half of 2013. Tourette's is a disease that primarily affects adolescents starting at the age of six. Before this trial can begin, management must complete some additional toxicology work and an adolescent bridging study.

We are particularly excited about the VMAT-2 program at Neurocrine. It represents significant upside and diversification from elagolix. We note that management plans to retain the North American rights to NBI-98854 all the way to commercialization, but may seek a rest of world (ROW) partnership for the initiation of phase 3 in 2014.

IND's In 2013

In June 2010, Neurocrine Bio announced a worldwide collaboration with Boehringer Ingelheim to research and develop small molecule GPR119 agonists for the treatment of Type-2 diabetes and other indications, with BI responsible for the global development and commercialization. BI is currently conducting preclinical studies looking at candidate selection for an IND. We anticipate an IND in 2012.

Management also noted that it has several neuroscience compounds in the discovery stage. We are expecting to see the first IND on one of these novel compounds perhaps during 2013.

RECOMMENDATION

Neurocrine Looks Well Positioned for the Future

We continue to very positive on Neurocrine Bio. The basis for our optimism is our belief that the collaboration deal with Abbott Labs, now AbbVie, for elagolix was a 'Homerun'. Neurocrine received $75 million upfront and has the potential to earn an additional $530 million in future milestones, of which CEO Kevin Gorman noted the "vast majority" are for development. This gives us confidence that Neurocrine will recognize a significant portion of these milestones prior to potential FDA approval in 2017. To date, roughly $70 million has been received.

The company has also signed a second deal with Boehringer Ingelheim and successfully completed phase 2a studies on internal candidate, NBI-98854, VMAT-2 inhibitor for tardive dyskinesia. The collaboration with BI focuses on the research and development of G-protein coupled receptor (GPCR) small molecules for the treatment of Type-2 diabetes. The activation of GPR119 receptors located in the digestive system stimulates incretins, resulting in increased insulin production, while activation of GPR119 receptors located on pancreatic islet beta cells also stimulates insulin secretion. As part of terms of the collaboration, Neurocrine received another $10 million upfront milestone payment for research funding, and is eligible to receive up to $225 million in future milestone payments based on the achievement of development, regulatory and commercial goals. Again, CEO Kevin Gorman noted that a "substantial amount" can be achieved in clinical development.

The company's balance sheet on December 31, 2012 reflected total assets of $196.0 million, including cash and short-term investments of $173.0 million and current assets of $189.3 million. The company expects to end 2013 with in excess of $130 million in cash, investments and receivables. The company's lead product candidate, elagolix, recently entered phase 3 trials during the second quarter 2012 at AbbVie. Our market research shows elagolix as a $1.5 billion drug worldwide. Meanwhile, two phase 2b trials on VMAT-2 inhibitor, NBI-98854, called KINECT-1 and KINECT-2, are underway with data expected in the second and third quarter, respectively.

We believe Neurocrine is in an outstanding position to build shareholder value over the next several years based on these factors. We recommend accumulating the stock at today's price, up to our $14 target.

PROJECTED FINANCIALS

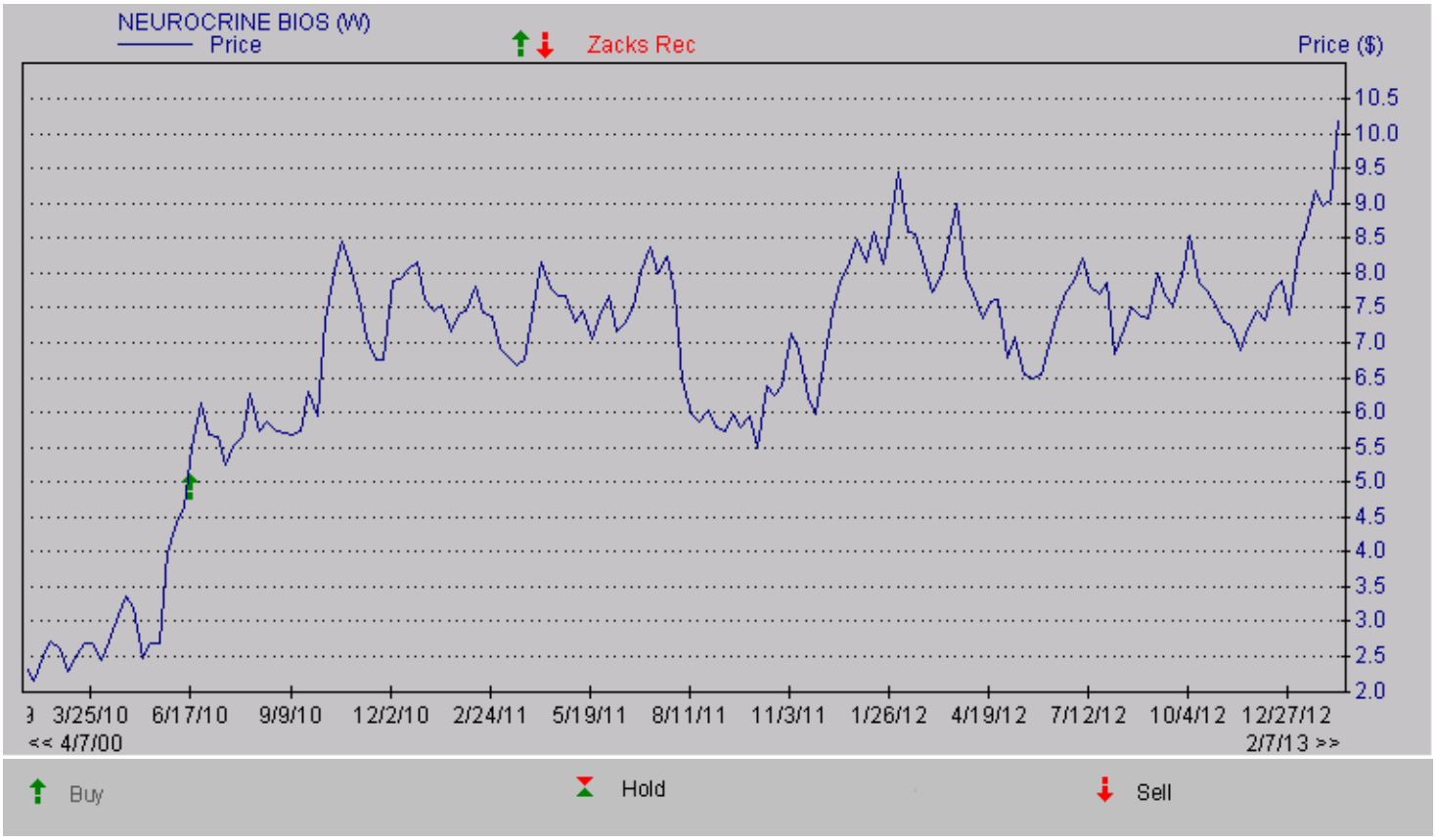
Neurocrine Biosciences Inc.
Income Statement

Neurocrine Bio	2011 A	2012 A	Q1 E	Q2 E	Q3 E	Q4 E	2013 E	2014 E	2015 E	2016 E
R&D / Milestones & Fees	**$77.4**	**$53.1**	**$0.8**	**$0.8**	**$0.8**	**$0.8**	**$3.0**	**$5.0**	**$50.0**	**$50.0**
YOY Growth	*131.1%*	*-31.4%*	*-93.3%*	*-92.9%*	*-92.0%*	*-96.6%*	*-94.4%*	*66.7%*	*900.0%*	*0.0%*
elagolix Royalties	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
YOY Growth	-	-	-	-	-	-	-	-	-	-
VMAT-2	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
YOY Growth	-	-	-	-	-	-	-	-	-	-
Total Revenues	**$77.4**	**$53.1**	**$0.8**	**$0.8**	**$0.8**	**$0.8**	**$3.0**	**$5.0**	**$50.0**	**$50.0**
YOY Growth	*131.1%*	*-31.4%*	*-93.3%*	*-92.9%*	*-92.0%*	*-96.6%*	*-94.4%*	*66.7%*	*900.0%*	*0.0%*
CoGS / Royalties	$0	$0	$0	$0	$0	$0	$0	$0	$0.0	$0.0
Gross Margin	*100.0%*	*100.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*
SG&A	$12.4	$14.5	$3.6	$3.3	$3.5	$3.6	$14.0	$14.5	$15.0	$15.5
% SG&A	*16.0%*	*27.3%*	*480.0%*	*440.0%*	*466.7%*	*480.0%*	*466.7%*	*290.0%*	*30.0%*	*31.0%*
R&D	$31.0	$37.2	$10.0	$11.0	$11.0	$10.5	$42.5	$35.0	$40.0	$40.0
% R&D	*40.0%*	*69.9%*	*1333.3%*	*1466.7%*	*1466.7%*	*1400.0%*	*1416.7%*	*700.0%*	*80.0%*	*80.0%*
Operating Income	$34.1	$1.4	($12.9)	($13.6)	($13.8)	($13.4)	($53.5)	($44.5)	($5.0)	($5.5)
Operating Margin	*44.0%*	*2.7%*	-	-	-	-	*-1783.3%*	*-890.0%*	*-10.0%*	*-11.0%*
Interest / Other Income	$3.6	$3.6	$1.0	$1.0	$1.0	$1.0	$4.0	$3.5	$2.5	$2.5
Pre-Tax Income	$37.6	$5.0	($11.9)	($12.6)	($12.8)	($12.4)	($49.5)	($41.0)	($2.5)	($3.0)
Taxes	$0	$0	$0	$0	$0	$0	$0	$6.2	$0.8	$0.9
Tax Rate	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*5%*	*15.0%*	*30.0%*	*30.0%*
Net Income	$37.6	$5.0	($11.9)	($12.6)	($12.8)	($12.4)	($49.5)	($34.9)	($1.8)	($2.1)
YOY Growth	-	-	-	-	-	-	-	-	-	-
Net Margin	*48.5%*	*9.5%*	-	-	-	-	*-1650.0%*	*-697.0%*	*-3.5%*	*-4.2%*
Reported EPS	**$0.67**	**$0.08**	**($0.18)**	**($0.19)**	**($0.19)**	**($0.18)**	**($0.74)**	**($0.50)**	**($0.02)**	**($0.03)**
YOY Growth	-	*-88.5%*					*-1068.3%*	*-32.9%*	*-95.2%*	*16.0%*
Shares Outstanding	56.3	65.6	66.6	66.6	66.8	67.0	66.8	70.0	72.5	75.0

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

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HISTORICAL ZACKS RECOMMENDATIONS



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