Zacks Small-Cap Research

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NeoGenomics Inc. (NGNM-OTC)

NGNM: Focused pure play cancer genetics testing lab with competitive advantages and huge potential to grow - Outperform

Current Recommendation	**Outperform**
Prior Recommendation	N/A
Date of Last Change	10/09/2011
Current Price (01/06/12)	$1.43
Twelve- Month Target Price	**$3.00**

OUTLOOK

NeoGenomics is a pure play cancer genetics testing lab with competitive advantages. The Company's industry leading turn-around times, unique tech-only business model, state of the art lab information system, and extensive client education programs are key factors to attract clients.

Total revenue will grow at 25.6% CAGR from 2010 to 2015. Meanwhile, increased operating leverage will ultimately contribute to the bottom line. The Company will turn profitable in 4Q2011 and EPS will grow to $0.17 per share in 2015.

We rate NGNM shares Outperform based on the Company's strong fundamentals.

SUMMARY DATA

52-Week High	**$1.56**
52-Week Low	**$1.01**
One-Year Return (%)	**24.35**
Beta	**0.93**
Average Daily Volume (sh)	**22,113**
Shares Outstanding (mil)	**43**
Market Capitalization ($mil)	**$62**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**1**
Insider Ownership (%)	**43**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**51.6**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/A**
P/E using 2011 Estimate	**N/A**
P/E using 2012 Estimate	**25**
Zacks Rank	**N/A**

Risk Level	**Above Avg.,**
Type of Stock	**Small-Growth**
Industry	**Med-Biomed/Gene**
Zacks Rank in Industry	**N/A**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2010	8.4 A	8.5 A	8.7 A	8.8 A	34.4 A
2011	8.8 A	10.5 A	11.3 A	11.5 E	42.1 E
2012					49.0 E
2013					61.3 E

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

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2010	-$0.02 A	-$0.03 A	-$0.03 A	-$0.01 A	-$0.09 A
2011	-$0.02 A	-$0.01 A	-$0.00 A	$0.00 E	-$0.03 E
2012					$0.04 E
2013					$0.07 E

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

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WHAT'S NEW

Recent Significant Developments

NeoGenomics announced two important events on Jan 9, 2012.

- The Company appointed Dr. Maher Albitar as Chief Medical Officer and Director of Research & Development, and
- The Company entered into an agreement with Health Discovery Corporation (HDC) providing the Company with exclusive worldwide rights to develop cancer diagnostics and other products using HDC's pattern recognition technologies

Dr. Maher Albitar is world renowned for his expertise in Hematopathology and Molecular Oncology. During his career, he has served as Medical Director for Hematopathology and Oncology, and Chief of Research and Development, for Quest Diagnostics Nichols Institute. Dr. Albitar has held various faculty positions at The University of Texas MD Anderson Cancer Center where he also served as Director of the Leukemia and Molecular Laboratory in the Division of Laboratory Medicine and Pathology Medicine. He was also a tenured full professor in the Departments of Leukemia and Pathology. He has been responsible for the development of numerous tests and inventions in molecular testing and plasma-based testing, and is passionate about innovation and molecular test development.

The agreement with HDC is also a milestone event for NeoGenomics. With this Agreement, NeoGenomics has exclusive worldwide rights to utilize HDC's extensive intellectual property portfolio to develop laboratory developed tests and other products relating to hematopoietic and solid-tumor cancers. Initially, the Company plans to focus on developing tests for the detection of prostate, pancreatic and colon cancer. The Company also plans to develop interpretation software targeted at automating cytogenetics and flow cytometry analysis.

Dr. Albitar recently served as Chief Medical Officer for HDC and has significant experience working with HDC's technology. His leadership, along with the agreement with HDC, will significantly enhance NeoGenomics' ability to develop and launch novel new tests targeting a variety of cancers.

We believe innovation and the launch of proprietary products is an important driver of future growth for the NeoGenomics, and will allow the Company to further differentiate itself in the marketplace.

Financial Performance for 3Q11 was Strong, Revenue for 4Q11 Upwardly Revised

Revenue for the third quarter 2011 increased $2.6 million, to $11.3 million, from the $8.7 million reported in the third quarter 2010. This is a tremendous increase of 30% year over year. On the sequential basis, revenue increased 8.2% from second quarter's $10.5 million. Third quarter revenue also beat our estimate of $10.5 million by $0.8 million.

Revenue increase in third quarter of 2011 was mainly driven by test volume increase, and offset by declining average test price. Test volume increased by approximately 38%. Average revenue per test of $567 declined approximately 6% from last year's level, but was in line with the level reported in the second quarter of 2011.

Average cost of goods sold per test for the quarter improved by approximately 6% from last year and offset the reduction in average revenue per test. As a result, gross margin of 44.8% in the quarter was essentially unchanged from the 44.7% reported in last year's third quarter. But gross margin has been steadily improving in the first three quarters of 2011 from 43.9% for the 1Q11 to 44.8% for the 3Q11.

In spite of a 30% revenue growth and 38% test volume increase, selling, general and administrative (SG&A) expenses increased only by 2.7%, or $130,000, from last year's third quarter. Due to continued

operating leverage, SG&A as a percentage of revenue continue to fall to 44.4% from 56.3% last year and from 45.6% from 2Q11.

Net loss for the quarter was $143,000 or ($0.00)/share versus a net loss of $1,198,000 or ($0.03)/share in the third quarter 2010. Net loss also beat our estimate of $160,000 for the third quarter.

The Company achieved operating income of $42, 000 in 3Q11. Adjusted EBITDA for the quarter increased by $1.1 million to $693,000 versus ($398,000) in the third quarter 2010.

Balance sheet is strong. As of September 30, 2011, the Company had cash and cash equivalents of $3.1 million with little debt. The Company also has approximately $3.8 million line of credit backed by accounts receivables.

On the business development front, NeoGenomics is opening a small lab facility in Tampa, FL to attract additional laboratory technologists to help keep up with growth and to reduce the number of tests the Company has to send out. This will reduce costs associated with sample transportation. By year end, the Company will have launched twelve new molecular genetic tests. In addition, the Company has begun to expand immunohistochemistry product line, and is investing in new capabilities for digital pathology and image analysis.

NGNW also revised upward its previously issued revenue guidance for 4Q11. The Company now expects revenue of approximately $12.0 - $12.5 million in the fourth quarter, an increase from the original guidance of $11.4 - $12.0 million released on October 19, 2011. The Company also re-iterated that it expects to be profitable in Quarter 4 with net income of $0.00 to $0.01 per share.

($, 000's)	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11E
Total Revenue	8,418	8,490	8,708	8,755	8,805	10,466	11,320	12,200
% Growth	21.8%	13.8%	19.3%	12.3%	4.6%	23.3%	30.0%	39.3%
Gross Margin	48.4%	46.1%	44.7%	44.6%	43.9%	44.5%	44.8%	44.8%
SG&A as a % of Revenue	55.4%	55.5%	56.3%	51.0%	52.0%	45.6%	44.5%	38.9%
Net Income (Loss)	($750.0)	($978.0)	($1,198.0)	($377.0)	($893.0)	($293.0)	($143.0)	$518.4
Diluted EPS	($0.02)	($0.03)	($0.03)	($0.01)	($0.02)	($0.01)	($0.00)	$0.01
Adjusted EBITDA		($149.0)	($398.0)	($97.0)	$29.0	$483.0	$693.0	$880.0
Summary Testing Metrics								
% Growth in tests performed		27.8%	29.4%	12.9%	9.6%	26.9%	38.0%	40.0%

Our Key Takeaways From The Financial Report

We are impressed by NeoGenomics' strong financial performance for the 3Q11. For the second quarter in a row, the Company posted the largest year over year and sequential increases in quarterly revenue in the Company's history. The sequential revenue growth of 8% for the 3Q11 was even more impressive as normal seasonal reductions were offset by strong organic growth.

We are pleased to see the average price per test stabilized. Although average price in 3Q11 declined 5.8% year over year, sequential average price declined only 0.5%. We believe average price per test will remain stable at about $565 level in the coming quarters.

We are encouraged by the continued increases in the number of new clients as well as additional work from existing clients. The Company's sales and marketing team is more productive and cost control is successful. As a result, SG&A expense as percentage of total revenue continued to decrease. We believe operating leverage will continue to increase and will contribute to the bottom line.

Although gross margin for the quarter remained unchanged year over year, sequentially, gross margin has been improving since the beginning of the year. The Company remains focused on initiatives to improve gross margin and we expect continued incremental gross margin increase in the coming quarters.

We believe new initiatives taken by NeoGenomics will increase the top line dramatically in the coming quarters and the Company is on track to achieve profitability in 4Q11. We continue to rate NeoGenomics an Outperform and reiterate our 12-month price target of $3.00.

KEY POINTS

- We maintain our Outperform rating on NeoGenomics (NGNM) and reiterate our 12-month price target of $3.00 per share.

- NGNM is targeting the rather large clinical lab testing market with a focus on genetic/molecular cancer testing services, which has been growing rapidly in recent years due to rapid advancement in genomics and proteomics research. This market continues to grow dramatically due to the rapid growth of personalized medicine.

- NGNM holds numerous competitive advantages over its competitors. We are especially impressed by its industry leading turn- around times, unique tech-only business model, state of the art lab information system, and extensive clients education programs, all of which are key factors to attract clients to use its services.

- Financial performance has been solid in the last five years and outlook is very strong in the next five years. Top line will grow from $41.3 million in 2011 to $107.5 in 2015, a CAGR of 25.6%. At the same time, the Company has achieved operating leverage with reduced SG&A expense as a percentage of total revenue. NGNM will turn profitable in 4Q2011 and EPS will grow to $0.17 per share in 2015.

- It looks like NGNM's growth strategy has been well executed in the past and we have a high confidence in management's ability to lead NGNM to the next level of growth in the next five years.

- The Company's shares are currently trading at about 1.4x estimated 2011 revenue of $42.8 million. Based on the Company's strong fundamentals, we think its shares are significantly undervalued. Downside risk is low at this point and upside potential is high. We encourage investors to accumulate NGNM shares at current level.

OVERVIEW

NeoGenomics (NGNM) is a laboratory testing services provider specifically focused on high revenue, high complexity cancer genetics testing services. The Company operates a network of **cancer-focused testing laboratories** whose mission is to improve patient care through exceptional cancer genetic diagnostic, prognostic and predictive testing services.

The Company operates clinical laboratories in Fort Myers, Florida, Nashville, Tennessee, and Irvine, California. All laboratories are licensed as required by the states in which they are located. In addition, the laboratories in Florida and Tennessee are licensed by the State of New York as they accept clinical specimens obtained in New York.

All of NeoGenomics' laboratories are certified in accordance with **the Clinical Laboratory Improvement Amendments (CLIA).** Under CLIA, the U.S. Department of Health and Human Services (HHS) establishes quality standards for each category of testing performed by the laboratory. The categories of testing include waived, moderate complexity, and high complexity. NeoGenomics' laboratories are categorized as high complexity.

NeoGenomics' laboratories are also accredited by **the College of American Pathologists (CAP)** and actively participate in CAP's proficiency testing programs for all tests offered by the Company. Proficiency testing programs require the participating laboratories to test specimens that they receive from the testing entity and return the results. The testing entity, conducting an approved program, analyzes the results returned and provides to the Company a quality control report assessing the results. An important component of a quality assurance program is to establish whether the laboratory's test results are accurate and valid.

NeoGenomics' vision is to become America's premier cancer testing laboratory by delivering uncompromising quality, exceptional service and innovative products and solutions. The Company's laboratory network currently offers the following types of testing services:

Category of Testing	Analysis
Cytogenetics	Analysis of human chromosomes
Fluorescence In-Situ Hybridization (FISH)	Analysis of abnormalities at the chromosomal and gene levels
Flow Cytometry	Analysis of gene expression of specific markers inside cells and on cell surfaces
Immunohistochemistry	Analysis of the distribution of tumor antigens in specific cell and tissue types
Molecular Testing	Analysis of DNA and RNA to diagnose and predict the clinical significance of various genetic sequence disorders

Source: Company filings and Zacks Investment Research

All of these testing services are widely utilized in the diagnosis and prognosis of various types of cancer and to help predict a patient's potential response to specific therapies.

Services performed in-house include cytogenetics, FISH, flow cytometry, morphology, immunohistochemistry, and some molecular testing. Molecular testing currently comprises less than 10% of the Company's testing volume and the Company currently outsources approximately a third of this molecular testing to third parties. NeoGenomics expects to validate and perform the majority of this currently outsourced testing in-house to better meet client demands and quality requirements.

NeoGenomics is a Nevada corporation headquartered in Fort Myers, Florida. The Company currently employs about 203 full-time equivalent employees.

INVESTMENT THESIS

NeoGenomics Targets The Large Medical Diagnostic Market

NeoGenomics is a pure play laboratory testing service provider specifically focused on high complexity, high revenue cancer genetics testing. Recent advances in the genomic and proteomic research, combined with the complete sequencing of the human genome, have made sophisticated new scientific testing tools to diagnose and treat diseases possible, and therefore boosted the lab testing market dramatically.

Currently, the medical diagnostic/testing market consists of three primary segments:

- Clinical Pathology (CP) lab testing,
- Anatomic Pathology (AP) testing, and
- Genetic/Molecular Diagnostic (GM) testing

CP testing is typically engaged in high volume, highly automated, lower complexity tests on easily procured specimens such as blood and urine. Clinical lab tests often involve testing of a less urgent nature such as cholesterol testing and testing associated with routine physical exams. CP testing yields relatively low average revenue per test.

AP testing involves evaluation of tissues, as in surgical pathology, or cells as in cytopathology and usually seeks to answer the question: is it cancer? The most widely performed AP procedures include the preparation and interpretation of pap smears, skin biopsies, and tissue biopsies. AP tests are typically more labor and technology intensive than clinical lab tests and have higher average revenue per test than clinical lab tests.

GM testing typically involves analyzing chromosomes, genes or DNA/RNA sequences for abnormalities. The past decade has witnessed the rapid progress in this emerging market due to the tremendous advances made in genomics and proteomics research, as well as the completion of human genome project. New tests continue to be developed at an accelerated pace in recent years, thus this segment continues to expand rapidly. Genetic and molecular testing requires highly specialized equipment and credentialed individuals (typically MD or PhD level) to certify results and typically yields the highest reimbursement levels of the three market segments.

The clinical lab testing industry consists primarily of three types of providers: hospital-based laboratories, physician office laboratories and independent clinical laboratories. The total medical testing market is a multi-billion dollar business with estimated total revenue of about $57 billion in 2010 and hospital affiliated labs account for 50% of the market share.

NeoGenomics is an independent lab testing provider and it targets the **genomic/molecular testing** segment with a focus on **cancer diagnostics.** It is estimated that the genetic/molecular testing segment is growing 20% to 25% per year as new applications are developed and commercialized. The market for cancer testing is also growing rapidly due to the following key factors:

- Cancer is the leading cause of death in the US and one in 4 deaths in the United States is due to cancer. A total of 1,596,670 new cancer cases and 571,950 deaths from cancer are projected to occur in the United States in 2011;
- Cancer is primarily a disease of the elderly and now that the baby boomer generation has started to turn sixty, the U.S. is experiencing a significant increase in the number of senior citizens; The American Cancer Society estimates that one in four senior citizens will develop some form of cancer during the rest of their lifetime;

- Every year more and more genes are implicated in development and/or clinical course of cancer. These associations fuel the development of new genetic or molecular tests.

The total cancer testing market is about $10 billion to $12 billion in the US, and grows very rapidly. NeoGenomics currently addresses approximately 40% - 50% of this market, approximately $4.0 billion to $6.0 billion market opportunity, about half of which is derived from genetic and molecular testing with the other half derived from more traditional anatomic pathology testing services that are complementary to and often ordered with the genetic testing services.

NeoGenomics' primary focus is to provide **high complexity** and **high revenue** cancer laboratory testing for hospitals and community-based pathology practices throughout the United States. The cancer testing services the Company offers to community-based pathologists and hospitals are designed to be a natural extension of, and complementary to, the services that the Company's pathologist clients perform within their own practices. NeoGenomics currently performs analyses of bone marrow and/or peripheral blood for the diagnosis of blood and lymphoid tumors (leukemias and lymphomas) and archival tissue referred for analysis of solid tumors such as breast, lung and colon cancer.

In geographic areas where NeoGenomics does not provide services to the community based pathology practice, the Company may call directly on community based oncology, dermatology and urology practices. NeoGenomics serves community-based urologists by providing a FISH-based genetic test for the diagnosis of bladder cancer and early detection of recurrent disease. It serves community based dermatologists by providing a FISH-based genetic test for the diagnosis of malignant melanoma. The Company also believes that it can provide a competitive choice to those larger oncology practices that prefer to have a direct relationship with a laboratory for cancer genetic testing services. NeoGenomics' regionalized approach allows it strong interactions with clients and its innovative Genetic Pathology Solutions (GPS) report summarizes all relevant case data on one summary report.

NeoGenomics' Competitive Advantages

Quick Turn-around Times

One of NeoGenomics key competitive strengths is its industry leading turn-around times to its clients nationwide. The Company is the market leader in this regard and provides information so that physicians can provide their patients with the correct treatment as soon as possible.

The Company typically returns results from cytogenetics testing services in 4-5 days versus an estimated industry average of 7-14 days. FISH results are typically delivered in 3-4 days and Flow Cytometry results are usually delivered within 12-24 hours. These turn-around times continue to be industry-leading benchmarks for national laboratories.

We think NeoGenomics' fast turn-around times are significant differentiator when everything else holds the same. The consistent timeliness of results is a competitive strength in cytogenetics and FISH testing and a driver of additional testing requests by the Company's referring physicians. Quick turn-around times for cytogenetics and FISH testing allows for the performance of other tests to augment or confirm results and improve patient care. Without rapid turn-around times, there is an increased chance that the test results will not be returned within an acceptable diagnostic window when other adjunctive diagnostic test results are required. NeoGenomics' quick turn-around times result in referring physicians requesting more of its testing services and give the Company a significant competitive advantage in marketing its services against those of other competing laboratories.

The timeliness of results continues to increase the usage patterns of clients and acts as a driver for other add-on testing requests to the Company.

Unique Business Model

NeoGenomics services oncologists, pathologists, urologists and hospitals throughout the United States offering superior service and faster turn-around times. The Company has established a unique business model to better compete in the lab testing market.

About 80% of NeoGenomics' lab tests are billed off the physician fee schedule with the remainder billed off the clinical lab fee schedule. Lab tests billed off the physician fee schedule usually have two separable billing components: the **technical component** consisting of sample treatment and testing, and the **professional component** for interpretation of the test results.

Realizing the different needs from the market, NeoGenomics has developed two reporting solutions to meet different needs of its professional clients. The Company currently provides two reporting solutions to its clients: the global reporting solution and the tech-only reporting solution.

Global (Full Service) Reporting Solution

NeoGenomics offers a full set of global services to meet the needs of its clients to improve patient care. In its global service offerings, the Company's lab performs the **technical component** of tests, and the in-house MDs and PhDs interpret the test results for clients (the **professional component**). This product line provides a comprehensive testing service to those clients who are not credentialed and trained in interpreting genetic and molecular tests. Global products also allow NeoGenomics to derive a higher level of reimbursement than would otherwise be possible with a tech-only test. This product also services the needs of physicians who are looking for ways to save their time.

NeoGenomics currently employs four full-time MDs as its medical directors and pathologists, two PhDs as its scientific directors and cytogeneticists, and a variety of part-time MD as consultants and backup pathologists for case sign out purposes. The Company plans to contract with more pathologists as its testing menu continues to expand and overall testing volumes increase.

Tech-Only Reporting Solution

In 2006, NeoGenomics launched the first technical component only (tech-only) FISH product offering in the United States. Tech-only products allow the Company's community-based pathology clients that are properly trained and credentialed to provide services to clinicians based on established and trusted relationships. These pathologist clients perform the professional interpretation of results themselves and bill for such work under the physician fee schedule. For tech-only FISH, NeoGenomics performs the technical component of the test (specimen set-up, staining, sorting and categorization of cells, chromosomes, genes or DNA, etc.) and the pathology client performs the professional component. This allows NeoGenomics to partner with its pathology clients and provides for close collaboration in meeting market needs. Prior to the advent of tech-only products, pathologists who did not have a genetic lab would have had to send all genetic testing work out to a reference lab. Under the tech-only reporting solution, pathologist clients are empowered to extend the outreach efforts of their practices and exert a high level of involvement in the delivery of high quality patient care.

The tech-only product is specifically designed to allow pathologists and providers to capture the professional interpretation component of the revenue stream that labor-intensive tests provide. Pathologists have the option of receiving a comprehensive report, which includes an in-house pathologist's interpretation of the test results or a technical report without the interpretation. The tech-only option allows community pathologists to retain the professional interpretation portion of the revenue stream and compete with large lab competitors, yet still have access to NeoGenomics' global reporting solution for difficult or complex cases.

This innovative business model has turned these types of customers into strategic partners as they have direct financial incentives to keep using the Company's services. This tech-only strategy gives NeoGenomics a strong advantage, as many of its competitors only offer the comprehensive reporting model. The Company's relationship as a non-competitive partner to the community-based pathologists

empowers these pathologists to expand their breadth of testing and provide a menu of services that matches or exceeds the level of service found in academic centers of excellence around the country.

Extensive Client Education Programs

NeoGenomics has the most extensive client education programs in place in the lab testing industry. The Company has spent a lot of efforts in the education programs to teach pathologists about the efficacy and accuracy of its testing products.

The Company has established numerous programs to train pathologists through on-demand training, on-site training, online courses and NeoUniversity. It also regularly sponsors seminars and webinars each year.

The Company's on-site training program is held at its Florida laboratory headquarters and is hosted multiple times quarterly. The on-site training program gives pathologists the opportunity to collaborate with NeoGenomics Medical Staff and their peers in an educational environment and is appropriate for M.D., Ph.D, and C-level execs. Custom tailored training and curriculum allow for participants to leave feeling refreshed and prepared to participate in the TC/PC Program.

Preferable Geographic Location and State of the Art Laboratory Information System (LIS)

Most of the cancer tests from NeoGenomics are performed in its three major labs located in Ft. Myers, FL, Irvine, CA and Nashville, TN, while many high complexity laboratories within the cancer testing niche have frequently operated a core facility on one or both coasts to service the needs of their customers around the country.

We think NeoGenomics' geographic location, which integrates a national breadth with a local presence, is more favorable than most of its competitors. All three labs of NeoGenomics have the appropriate state licenses and Clinical Laboratory Improvement Act (CLIA), and College of American Pathologists (CAP) accreditations and are currently receiving specimens.

More importantly, in order to improve its operating efficiency, NeoGenomics uses a state of the art laboratory information system (LIS) that interconnects its locations and provides flexible reporting options, including images, to clients. This system allows the Company to deliver uniform test results throughout its network, regardless of where the lab that performs any specific test is located. This allows the Company to move specimens between locations to better balance its workload. The LIS also allows the Company to offer highly specialized services to certain sub-segments of its client base. For instance, the tech-only NeoFISH ™ and NeoFLOW ™ applications allow the Company's community-based pathologist clients to tailor individual reports to their own customizable report templates. This feature has been well-received by the Company's tech-only clients.

As situations dictate and opportunities arise, the Company plans to continue to develop and open new laboratories, linked together by the Company's optimized LIS, to better meet the regionalized needs of its clients.

National Direct Sales Force and Outstanding Client Care

NeoGenomics has assembled a direct sales force. Sales representatives (Territory Business Managers) are organized into three regions (Northeast, Southeast, and West). These sales representatives are trained extensively in cancer genetic testing and consultative selling skills.

Currently, NeoGenomics' sales and marketing team totals 39 individuals, including a vice president of sales and marketing, 20 Territory Business Managers, three Regional Managers, five marketing and management professionals and 10 customer care specialists.

NeoGenomics Customer Care Specialists (CCS) are organized by region into territories that service not only its external clients, but also work very closely with and support its sales team. A client receives personalized assistance when dealing with their dedicated CCS because each CCS understands their clients' specific needs. CCS's handle everything from arranging specimen pickup to delivering the results to fulfill NeoGenomics' objective of delivering exceptional services to clients.

The investment in sales and marketing has resulted in continued growth in testing volumes and revenues in the past few years and we believe the Company will continue to benefit from these investments in the coming years.

Diversified Product Portfolio And Strong Pipeline Development

Currently, NeoGenomics provides clients **over 200 cancer tests** in five categories (Cytogenetics, FISH, Flow Cytometry, Immunohistochemistry and molecular testing). This well diversified product offering gives NeoGenomics the opportunity to meet various medical needs of its clients and patients.

Realizing that the field of cancer genetics is rapidly evolving, management of NeoGenomics is committed to developing and offering new tests to meet the needs of the marketplace based on the latest scientific discoveries.

One of the fastest growing areas of cancer diagnostic testing is in the area of **personalized medicine** or **pharmacogenomics**. The past few years have witnessed a rapid increase in tests that are tied to a therapeutic (companion diagnostics). Although for many years clinicians and researchers alike have known that not all drugs are equally effective in all individuals, the molecular basis for these differences have not been well understood. This is changing very dramatically. Pharmacogenomics is the study of how genetic variation affects a patient's response to a treatment. Thus, increasingly, genetic tests are used to predict a response to a specific type of treatment.

During 2010, in addition to the validation work performed for its exclusive **Melanoma FISH test**, the Company introduced two molecular tests, **KRAS** and **BRAF**, which help predict a patient's response to a certain class of drugs called tyrosine kinase inhibitors (TKIs). By adding additional personalized medicine tests to its product offering, the Company will be able to increase its testing volumes through its existing client base as well as more easily attract new clients via the ability to package its testing services more appropriately to the needs of the market. The Company has also launched several new molecular tests in 2011 including but not limited to EGFR Mutation Analysis for lung cancer and JAK2-Exon12, MPL W515 Mutation Analysis for myeloproliferative neoplasms, and Her2 testing for various non-breast cancers. Management expects to continue to add several new tests each year to complement its current menu.

In order to further strengthen its pipeline, In July 2009, NeoGenomics entered into a strategic supply agreement with **Abbott Molecular, Inc**, a wholly-owned subsidiary of Abbott Laboratories. Under the terms of this agreement, NeoGenomics has the rights to develop and launch three laboratory developed tests (LDTs) based on intellectual property developed and/or licensed by Abbott. The Company launched the first of these tests in February 2010, a FISH test for the diagnosis of melanoma (called **Melanosite™**). Melanosite has an 84% sensitivity and 98% specificity. The Company is currently working on other two potential new FISH assays under the agreement and the second product is expected to launch in Q42011.

All Tests Are Reimbursed

An important factor impacting top line growth of a biotech/diagnostics company is reimbursement for its products and services. For NeoGenomics, all of its cancer tests are under appropriate health insurance coverage mainly by Medicare and commercial insurance.

Currently, approximately 50% of its revenue was derived from Medicare claims, 25% from commercial insurance companies, 24% from clients such as hospitals and other reference laboratories, and 1% from all others including patients. This payer mix is favorable and there is no significant concentration in revenue generation.

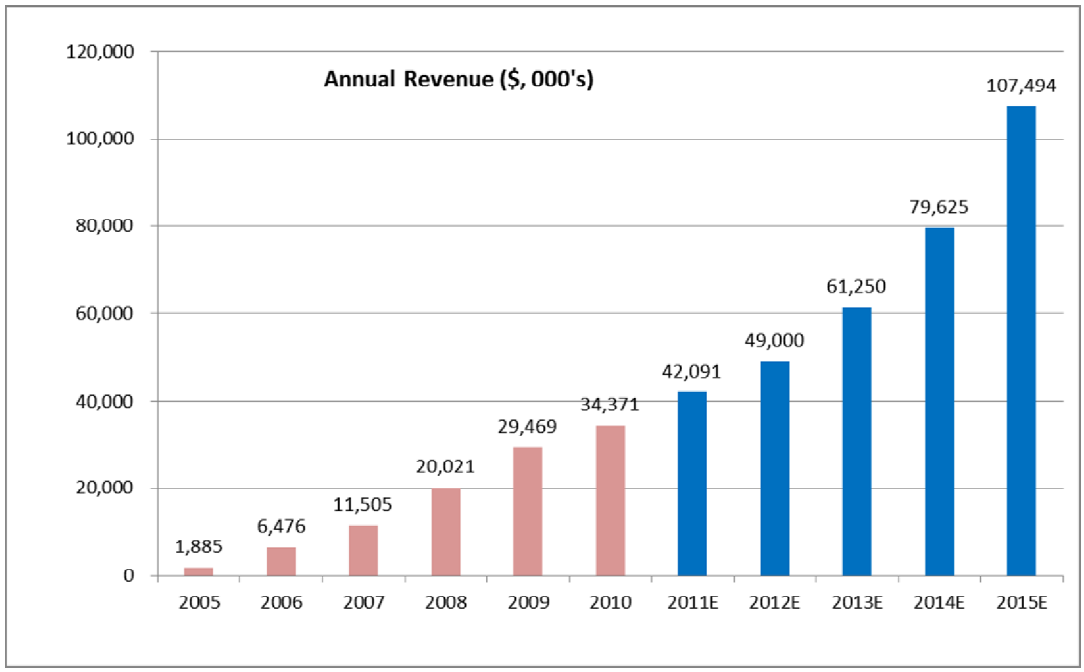
So, what are the implications of these advantages? We understand that most of NeoGenomics cancer tests are not proprietary and are used regularly by other genetic/molecular labs. Then, why should clients send their samples to NeoGenomics for testing and reporting?

Apparently, NeoGenomics' value proposition lies in its competitive advantages. The Company operates in a favorable market environment with huge potential to grow its business in the next few years. We believe NeoGenomics' competitive advantages, especially the Company's fast turn-around times, and tech-only reporting solutions, are what makes clients want to send their samples to NeoGenomics.

Solid Financial Performance, Outlook Is Strong

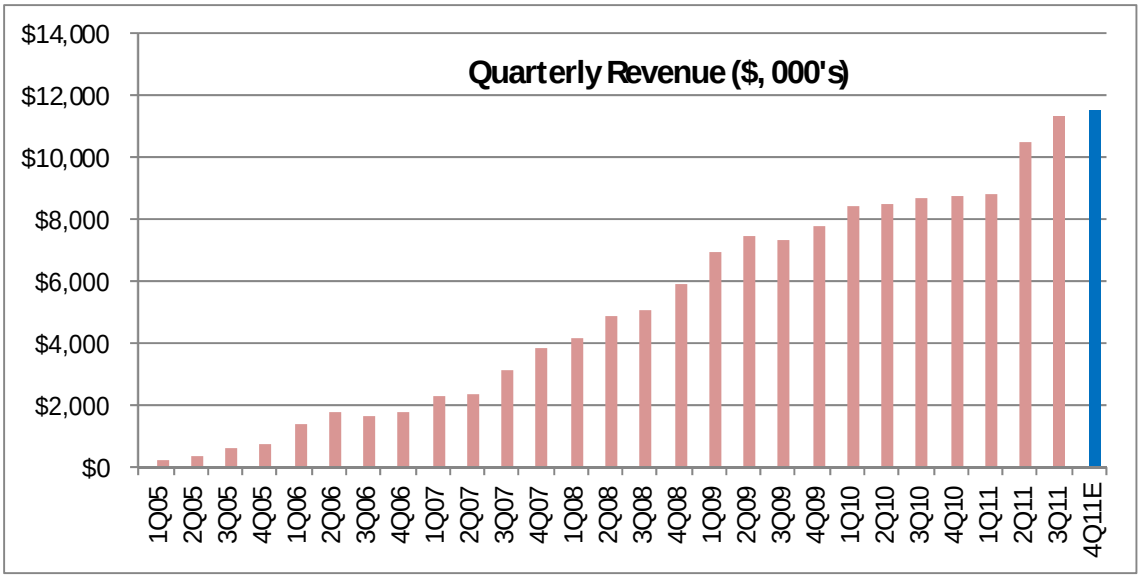
Total Revenue Increased Dramatically And Will Continue To Grow

Revenue grew from $1.9 million in 2005 to $34.4 million in 2010, a tremendous 78.7% compound annual growth rate (CAGR) for the five year period. We estimate revenue will further grow to $107.5 million in 2015, which implies a CAGR of 25.6% from 2010 to 2015. Average CAGR from 2005 to 2015 will be at 50%. This is amazing considering the relatively short history of the operations and the small size of the Company.



Source: Company filings and Zacks Investment Research

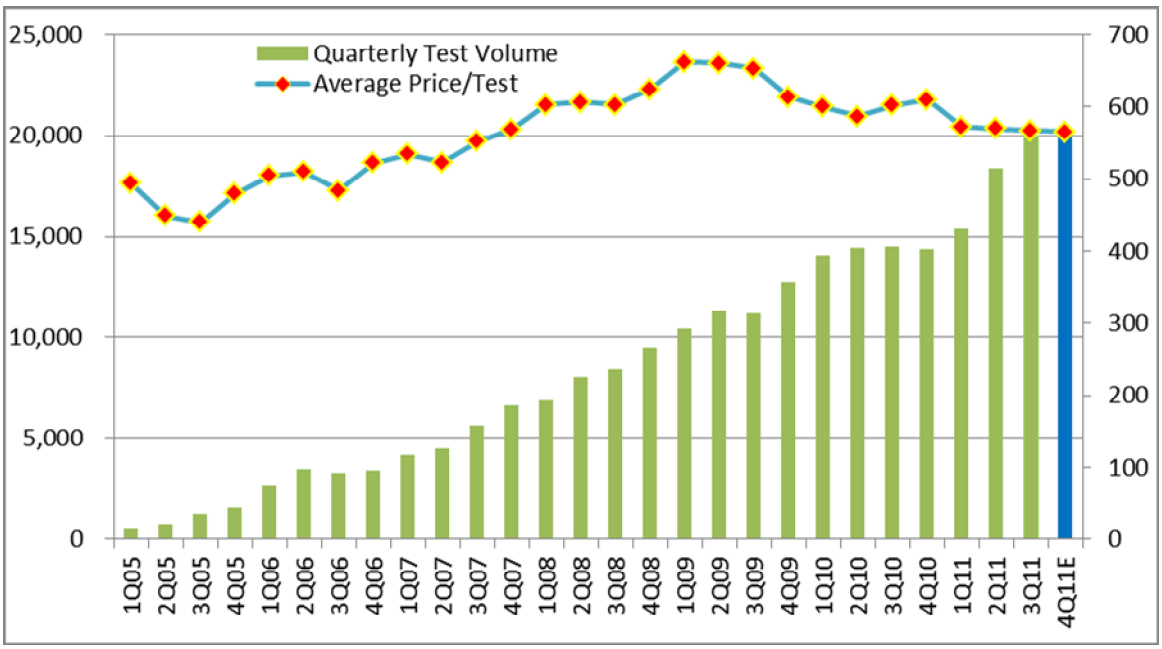
On a quarterly basis, revenue increased from $0.2 million in 1Q05 to $11.3 million in 3Q11.



Source: Company filings and Zacks Investment Research

Revenue Growth Will Be Mainly Driven By Test Volume Growth In The Future

Revenue growth had been driven by both volume and price increase before 3Q09. Since 4Q09, average price per test has declined. This decrease in average price per test was largely the result of the Company deciding to go in-network with managed care provider. When a lab contracts with a managed care provider, there are usually substantial declines in average reimbursement, but the lab is usually able to access a greater volume of testing and there is more certainty in the timing and amount of payments. Therefore, even with the price decrease, the Company still achieved rapid revenue growth due to increase in test volume. We estimate average price per test will remain stable at about $565 in the next few years, but volume will continue to grow due to the Company's new product offering and focused marketing efforts. Therefore, revenue will continue its current growth momentum.



Source: Company filing and Zacks Investment Research

Economies Of Scale Leads To Operational Leverage

NeoGenomics has achieved economies of scale as product offerings continue to expand and revenue continues to grow. This has led to increased operating leverage evidenced by decreased SG&A expense as percentage of total revenue. Quarterly SG&A expense as percentage of revenue has been declining dramatically year over year since 1Q10. The Company has achieved positive EBITDA in the first two quarters of 2011. NeoGenomics will achieve profitability in 4Q11 according to our model.

$, 000's	2007	2008	2009	2010	2011E	2012E	2013E	2014E	2015E
Total Revenue	11,505	20,015	29,469	34,371	42,091	49,000	61,250	79,625	107,494
% Growth	78.0%	74.0%	47.2%	16.6%	22.5%	16.4%	25.0%	30.0%	35.0%
Gross Margin	52.0%	53.3%	51.6%	45.9%	44.5%	45.9%	46.9%	47.9%	49.3%
SG&A as a % of Revenue	79.3%	57.7%	57.5%	54.5%	45.4%	40.8%	40.0%	40.0%	40.0%
Net Income (Loss)	(3,380.0)	(1,383.0)	(2,243.0)	(3,303.0)	(1,124.3)	1,700.0	3,250.0	5,475.0	9,296.3
Diluted EPS	(0.11)	(0.04)	(0.06)	(0.09)	(0.03)	0.04	0.07	0.11	0.17
Adjusted EBITDA	(1,017.0)	809.0	103.0	(566.0)	2,085.0	3,200.0	4,750.0	6,975.0	10,796.3
Summary Testing Metrics									
% Growth in tests performed	63.7%	55.7%	39.7%	25.5%	23.6%	30.0%	30.0%	30.0%	30.0%

Source: Company presentation and Zacks Investment Research,

Total revenue will continue to grow dramatically in the next 5 years from 2011 to 2015, while NeoGenomics will continue to control SG&A expenses. SG&A expense will continue to decline as a percentage of total revenue in the next 5 years. Cost control will increase productivity and ultimately drive the bottom line, in our view.

Experienced Management

Douglas VanOort, Chairman & Chief Executive Officer

Mr. VanOort has served as Chairman and Chief Executive Office since joining NeoGenomics in March 2009. Prior to that, he held executive leadership positions with several Fortune 500 firms and rapidly-growing ventures during his 30-year career. He spent over 10 years in health-care services, first as Executive Vice President and Chief Financial Officer of Corning Life Sciences, Inc. and then as Senior Vice President, Operations at Quest Diagnostics, Inc.

At Corning Life Sciences, he helped build and engineer the spinoff of two leading publically-traded NYSE life-science companies, Quest Diagnostics, Inc. and Covance, Inc, ultimately joining Quest at the time of the spin-off. During his tenure with Corning Life Sciences and then Quest, he was part of the team that successfully transformed the company into the largest independent clinical laboratory testing company in the United States, growing it from approximately $500 million in revenue in 1989 to approximately $1.5 billion in revenue in 1998.

During the past 10 years, Mr. VanOort founded, invested in, and built businesses in a variety of industries. In addition, he has served as an Operating Partner at Summer Street Capital Partners since 2003. Mr. VanOort received his B.S. in Accounting from Bentley University.

Robert Gasparini, M.S., CLSp(CG), CLDir, Chief Science Officer; Board Member

Mr. Gasparini has served as Chief Science Officer and a member of our Board of Directors since joining NeoGenomics in January 2005. He also held the position of President from January 2005 until April 2011. Prior to joining NeoGenomics, Mr. Gasparini was Director of the Genetics Division for US Labs, and prior to that was the Molecular Marketing Manager for Ventana Medical Systems.

Prior to Ventana, Mr. Gasparini was the Assistant Director of the Cytogenetics Laboratory for the Prenatal Diagnostic Center an affiliate of Mass General Hospital. While at the Prenatal Diagnostic Center, Mr. Gasparini was also an Adjunct Professor at Harvard University.

Mr. Gasparini is a licensed Clinical Laboratory Director and an accomplished author in the field of Cytogenetics and Fluorescence In-Situ Hybridization (FISH) testing. He received his B.S. in Biological Sciences from the University of Connecticut and his Master of Health Science from Quinnipiac University in Laboratory Administration.

Maher Albitar, Chief Medical Officer and Director of Research & Development

Dr. Maher Albitar is world renowned for his expertise in Hematopathology and Molecular Oncology. During his career, he has served as Medical Director for Hematopathology and Oncology, and Chief of Research and Development, for Quest Diagnostics Nichols Institute. Dr. Albitar has held various faculty positions at The University of Texas MD Anderson Cancer Center where he also served as Director of the Leukemia and Molecular Laboratory in the Division of Laboratory Medicine and Pathology Medicine. He was also a tenured full professor in the Departments of Leukemia and Pathology. He has been responsible for the development of numerous tests and inventions in molecular testing and plasma-based testing, and is passionate about innovation and molecular test development.

Steven Jones, EVP, Finance and Director of Investor Relations; Board Member

Mr. Jones has served as our Executive Vice President, Finance and Director of Investor Relations since November 2009 and as a member of our Board of Directors since October 2003. From April 2003 until November 2009, he served as our Chief Financial Officer. Prior to that Mr. Jones was chief financial officer at various public and private companies and was a Vice President in the Investment Banking Division of Merrill Lynch & Co.

Mr. Jones is also a Managing Director in Medical Venture Partners, LLC, which serves as the general partner for Aspen Select Healthcare, LP, a large shareholder of the Company. Mr. Jones received his B.S. in Computer Engineering from the University of Michigan and his M.B.A. from the Wharton School of the University of Pennsylvania.

George Cardoza, Chief Financial Officer

Mr. Cardoza has served as Chief Financial Officer since joining NeoGenomics in November 2009. Prior to joining NeoGenomics, he served as Chief Financial Officer of Protocol Global Solutions, Inc., a privately held international marketing company from March 2008 until November 2009. From March 2006 to March 2008, Mr. Cardoza served as Controller of Protocol Global Solutions. From April 1991 to March 2006, Mr. Cardoza was employed by Quest Diagnostics Inc., a diagnostic testing and services company, in a number of positions, including the position of Controller—Central Region from 2001 to March 2006. In his last position at Quest, Mr. Cardoza was responsible for overseeing all the financial operations of the Central Region, which had revenue of over $1.2 billion in 2006.

Prior to his time with Quest, he worked for Sony Music Entertainment Inc. and the Continental Grain Company in various financial roles. Mr. Cardoza received his B.S. in Finance and Accounting from Syracuse University and received his M.B.A. from Michigan State University.

Robert Horel, Vice President, Sales & Marketing

Mr. Horel joined NeoGenomics in December 2006 and has served as Vice President, Sales and Marketing since May 2011. From December 2006 until May 2011, he served as the Regional Sales Director for NeoGenomics' Southeastern Region. Prior to joining NeoGenomics, Mr. Horel held sales and marketing positions of increasing prominence with Ventana Medical Systems, a manufacturer of certain medical tests and instruments; US Labs, an anatomic pathology and genetic testing laboratory; and Radiometer America, a medical testing and instrumentation company.

Mr. Horel graduated from the United States Naval Academy, earning a B.S. with Distinction in Mechanical Engineering, and he served as a pilot in the US Navy before beginning his business career in 1998.

INDUSTRY OUTLOOK

We think there are a number of strong secular growth drivers that still power the biotech industry-namely, an aging population and an enormous research and development (R&D) effort to bring new, better drugs to market. People are living longer, and many have prescription pharmaceuticals to thank for it.

Recent breakthroughs in oncology, neurology, and cardiology offer sizable market opportunities. Biotechnology research is finally starting to deliver. Expanded knowledge of genomics and proteomics is attracting significant attention from some of the industry's larger players. Drug companies are finding ways to reformulate and enhance current products. This is clearly a positive for the biotech industry. Demand for innovative medicines remains strong and biotechnology should deliver the next wave of pharmaceutical products to the market. This should allow the group to outperform the broader sector.

We are especially optimistic about molecular diagnostics, a subgroup of biotech industry. Molecular diagnostics group has enjoyed rapid growth in the past decade due to the breakthrough in genomics and proteomics. Personalized medicine has played a critical and important role to improve the effectiveness of therapeutic agents and reduce whole healthcare costs. We are positive about the molecular diagnostics industry in general and think consolidation is necessary to achieve economies of scale and sustainable growth for the diagnostics subgroup.

We expect further consolidation throughout the lab testing subgroup because we believe that current market environment is favorable for M&A activities. Over the last two years, there have been eighteen major acquisitions in the lab testing industry including two pending transactions (see table below).

Lab testing industry recent M&A transactions

Close Date	Target Company	Acquiror	Enterprise Value (EV)	EV/ Sales	EV/ EBITDA
Pending	Caris Diagnostics	Miraca	$725.0	3.5x	21.3x
Pending	Orchid Cellmark	LabCorp	65.8	1.0x	21.1x
Jun-11	Rules-Based Medicine	Myriad Genetics Inc.	80.0	3.2x	NM
May-11	Celera	Quest Diagnostics	330.4	2.6x	NM
Apr-11	Athena Diagnostics	Quest Diagnostics	740.0	6.8x	13.4x
Apr-11	Lancaster Laboratories	Eurofins Scientific	200.0	1.8x	8.6x
Mar-11	Genoptix, Inc.	Novartis AG	331.4	1.7x	7.0x
Dec-10	Physicians Automated Laboratory	Sonic Healthcare	30.0	1.5x	NA
Dec-10	Clarient, Inc.	GE Healthcare Ltd.	580.6	5.8x	NM
Dec-10	CBLPath, Inc.	Sonic Healthcare	123.5	1.5x	> 12x
Dec-10	Genzyme Genetics	LabCorp	925.0	2.5x	> 12x
Jun-10	DCL Medical Laboratories	LabCorp	NA	1.5x	> 12x
May-10	Signature Genomic Laboratories	PerkinElmer	90.0	3.1x	NA
Jan-10	PathGroup	Primus Capital	180.0	1.8x	9.0x
Dec-09	Carilion Labs	Spectrum Laboratory Network	100.0	0.8x	9.0x
Dec-09	Spectrum Laboratory Network	Welsh, Carson, Anderson & Stowe	230.0	1.4x	9.6x
Oct-09	Pathology Inc.	ABS Capital Partners	NA	1.3x	7.0x
Aug-09	Monogram Biosciences	LabCorp	155.0	2.5x	NM
Median				**1.8x**	**9.0x**
Mean				**2.5x**	**11.8x**

Source: Company filings and Lazard compiling

VALUATION AND RECOMMENDATION

We maintain our Outperform rating on NeoGenomics (NGNM) and we reiterate our 12-month price target of $3.0 per share.

NeoGenomics is an emerging leader in the genetic/molecular cancer testing market. The Company holds numerous competitive advantages over its competitors. We are especially impressed by the Company's fast turn-around times, tech-only reporting solution and state of the art laboratory information system (LIS), which are key elements that drive top line growth.

NeoGenomics has achieved strong financial performance. Revenue grew from $1.9 million in 2005 to $34.4 million in 2010, a tremendous 78.7% compound annual growth rate (CAGR) for the five year period. We estimate revenue will further grow to $107.5 million in 2015 in the next five year period, at a CAGR of 25.6% from 2010 to 2015. Average CAGR from 2005 to 2015 will be at 50%. This is amazing considering the relatively short history of the operations and the small size of the Company.

With strong revenue growth and increased operating leverage, the bottom line will grow accordingly. We estimate the Company will become profitable in 4Q11 when positive cash flow will be generated from operations.

We are also impressed by the Company's strong balance sheet, which is in contrast with most small cap biotech companies. NeoGenomics held $3.1 million in cash as of September 30, 2011 with little debt. With profitability at its fingertips, the Company should be able to focus on its long term strategic development plan without fearing short term cash strains.

Based on NeoGenomics strong fundamentals, we think the shares of NeoGenomics are undervalued. Currently, NGNM is trading at about $1.40 per share which values the Company at $60 million in terms of market cap based on 43.1 million shares outstanding. This is a deep discount compared to its peers. Based on our financial model, revenue will grow at amazing 25.6% CAGR from 2011 to 2015. NGNM will become profitable in 4Q2011. We think NGNM should trade at 35 x P/E multiple. If we use this P/E multiple, coupled with our estimated EPS of $0.17 in 2015, discounted at 25% for three years, we come up with a price target of $3 per share.

We think at this time, downside risk for NGNM is relatively low while upside potential is high. One short term potential catalyst is the possible upgrade of NGNM shares from current OTC trading to major exchange such as AMEX or NASDAQ. Management indicated that they are making progress to list NGNM shares on either exchange. This upgrade will significantly increase the Company's visibility and attract institutional investors.

One wild card for NGNM valuation is that the Company may be an acquisition target for big players. The genetic/molecular industry is quite fragmented currently, but merger & acquisition activity is looming. We all know that big players LabCorp and Quest Diagnostics are increasingly acquiring smaller players in this field. Qiagen NV, a research service company based in Netherland, entered into genetic/molecular testing market in 2007 by acquiring Digene Corp. Since then, Qiagen has been quite aggressive in acquisition of other small genetic/molecular testing companies.

In December 2010, GE Healthcare acquired NeoGenomics' largest competitor Clarient Inc. at 5.8 x EV/LTM Revenue. Clarient Inc. is similar to NeoGenomics in terms of business and operations and is NeoGenomics' largest competitor, therefore, Clarient is the closest comparable for NeoGenomics. With the increased activity in M&A in the industry, NGNM could be an easy target for acquisition. If acquired by big players, share price of NGNM may soar.

RISKS

Competition is a Little Concern

The market for genetic/molecular testing services is highly competitive and competition is expected to continue to increase. NGNM competes with other commercial medical laboratories in addition to the in-house laboratories of many major hospitals and physician practices. Currently, there are about 360 labs engaged in genetic/molecular testing business in the US. Approximately 80% of these laboratories are attached to academic institutions and primarily provide clinical services to their affiliate university hospitals. The remaining 20% is quite fragmented and that less than 20 laboratories market their services nationally.

Currently, the lab testing market is dominated by Quest Diagnostics Inc. and Laboratory Corporation of America Holdings (LabCorp), which are the two largest clinical labs in the US. Quest Diagnostics and LabCorp together make up approximately 40% of the cancer genetics testing market.

The lucrative business and large market of lab testing has attracted new players into the market every year, which makes the market even more competitive. Recently, two large competitors have entered the testing community. General Electric Healthcare purchased Clarient, Inc. during 2010 and in March, 2011 Novartis AG acquired Genoptix, Inc.

In addition, technologies advance very rapidly in the genetic/molecular testing field due to rapid advancement in genetic/molecular research. New testing methods may render NGNM's products obsolete, less effective or uneconomical.

NeoGenomics intends to continue to gain market share by offering industry-leading turnaround times, a broad service menu, high-quality test reports, bringing new tests to market, and enhanced post-test consultation services through its direct sales force. In addition, the Company has a fully integrated and interactive internet-enabled LIS that enables the Company to report real time results to clients in a secure environment.

Trading on the OTC Market May be Volatile and Sporadic

There is currently a limited market for the Company's common stock, which is quoted on the over-the-counter market. Trading in stock quoted on the over-the-counter market is often thin and characterized by wide fluctuations in trading prices, due to many factors that may have little to do with the Company's operations or business prospects.

Moreover, the over-the-counter market is not a stock exchange, and trading of securities there is often more sporadic than the trading of securities listed on a quotation system like NASDAQ or a stock exchange like NYSE. There is no assurance that a sufficient market will develop or remain stable in the stock, in which case it could be difficult for stockholders to resell their stocks. Liquidity may be an issue for institutional investors.

However, we are happy to know that management is addressing this issue. Management stated that they are making progress to list NGNM shares on either NASDAQ or NYSE/AMEX exchange by year end. This upgrade will significantly increase the Company's visibility and attract institutional investors, therefore increase the liquidity of the Company's shares.

PROJECTED INCOME STATEMENT

	2010A (Dec)					2011E (Dec)					2012E (Dec)	2013E (Dec)	2014E (Dec)	2015E (Dec)
$ in million except per share data	Q1	Q2	Q3	Q4	FYE	Q1	Q2	Q3	Q4E	FYE	FYE	FYE	FYE	FYE
Total Revenues	**$8.42**	**$8.49**	**$8.71**	**$8.76**	**$34.37**	**$8.81**	**$10.47**	**$11.32**	**$12.20**	**$42.79**	**$49.00**	**$61.25**	**$79.63**	**$107.49**
YOY Growth	-	-	-	-	16.6%	4.6%	23.3%	30.0%	39.3%	24.5%	14.5%	25.0%	30.0%	35.0%
CoGS	4.34	4.58	4.82	4.85	18.59	4.94	5.81	6.25	6.73	23.73	26.50	32.50	41.50	54.50
Gross Income	**$4.07**	**$3.92**	**$3.89**	**$3.90**	**$15.78**	**$3.87**	**$4.66**	**$5.07**	**$5.47**	**$19.06**	**$22.50**	**$28.75**	**$38.13**	**$52.99**
Gross Margin	48.4%	46.1%	44.7%	44.6%	45.9%	43.9%	44.5%	44.8%	44.8%	44.6%	45.9%	46.9%	47.9%	49.3%
SG&A	$4.67	$4.71	$4.90	$4.47	$18.75	$4.58	$4.77	$5.03	$4.75	$19.13	$20.00	$24.50	$31.85	$43.00
% SG&A	55.4%	55.5%	56.3%	51.0%	54.5%	52.0%	45.6%	44.5%	38.9%	44.7%	40.8%	40.0%	40.0%	40.0%
Other	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
% Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Income	**($0.6)**	**($0.8)**	**($1.0)**	**($0.6)**	**($3.0)**	**($0.7)**	**($0.1)**	**$0.0**	**$0.7**	**($0.1)**	**$2.5**	**$4.3**	**$6.3**	**$10.0**
Operating Margin	-	-	-	-	-	-	-	0.4%	5.9%	-0.2%	5.1%	6.9%	7.9%	9.3%
Other Net	($0.2)	($0.2)	($0.2)	$0.2	($0.3)	($0.2)	($0.2)	($0.2)	($0.2)	($0.7)	($0.8)	($1.0)	($0.8)	($0.5)
Pre-Tax Income	**($0.8)**	**($1.0)**	**($1.2)**	**($0.4)**	**($3.3)**	**($0.9)**	**($0.3)**	**($0.1)**	**$0.5**	**($0.8)**	**$1.7**	**$3.3**	**$5.5**	**$9.5**
Income taxes(benefit)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.2
Tax Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.1%
Reported Net Income	**($0.8)**	**($1.0)**	**($1.2)**	**($0.4)**	**($3.3)**	**($0.9)**	**($0.3)**	**($0.1)**	**$0.5**	**($0.8)**	**$1.7**	**$3.3**	**$5.5**	**$9.3**
YOY Growth	-	-	-	-	-	-	-	-	-	-75.5%	-309.7%	91.2%	-	69.8%
Net Margin	-	-	-	-	-	-	-	-	-	-1.9%	3.5%	5.3%	6.9%	8.6%
Shares Out	37.2	37.3	37.4	37.4	37.3	41.7	42.9	43.1	43.5	42.8	46.0	50.0	52.0	54.0
Reported EPS	**($0.02)**	**($0.03)**	**($0.03)**	**($0.01)**	**($0.09)**	**($0.02)**	**($0.01)**	**($0.00)**	**$0.01**	**($0.02)**	**$0.04**	**$0.07**	**$0.11**	**$0.17**
One time charge	*$0.00*	*$0.00*	*$0.00*	*$0.00*	*$0.00*	*$0.00*	*$0.00*	*$0.00*	*$0.00*	*$0.00*	*$0.00*	*$0.00*	*$0.00*	*$0.00*
Non GAAP Net Income	**($0.8)**	**($1.0)**	**($1.2)**	**($0.4)**	**($3.3)**	**($0.9)**	**($0.3)**	**($0.1)**	**$0.5**	**($0.8)**	**$1.7**	**$3.3**	**$5.5**	**$9.3**
Non GAAP EPS	**($0.02)**	**($0.03)**	**($0.03)**	**($0.01)**	**($0.09)**	**($0.02)**	**($0.01)**	**($0.00)**	**$0.01**	**($0.02)**	**$0.04**	**$0.07**	**$0.11**	**$0.17**

Source: Company filings and Zacks Investment Research

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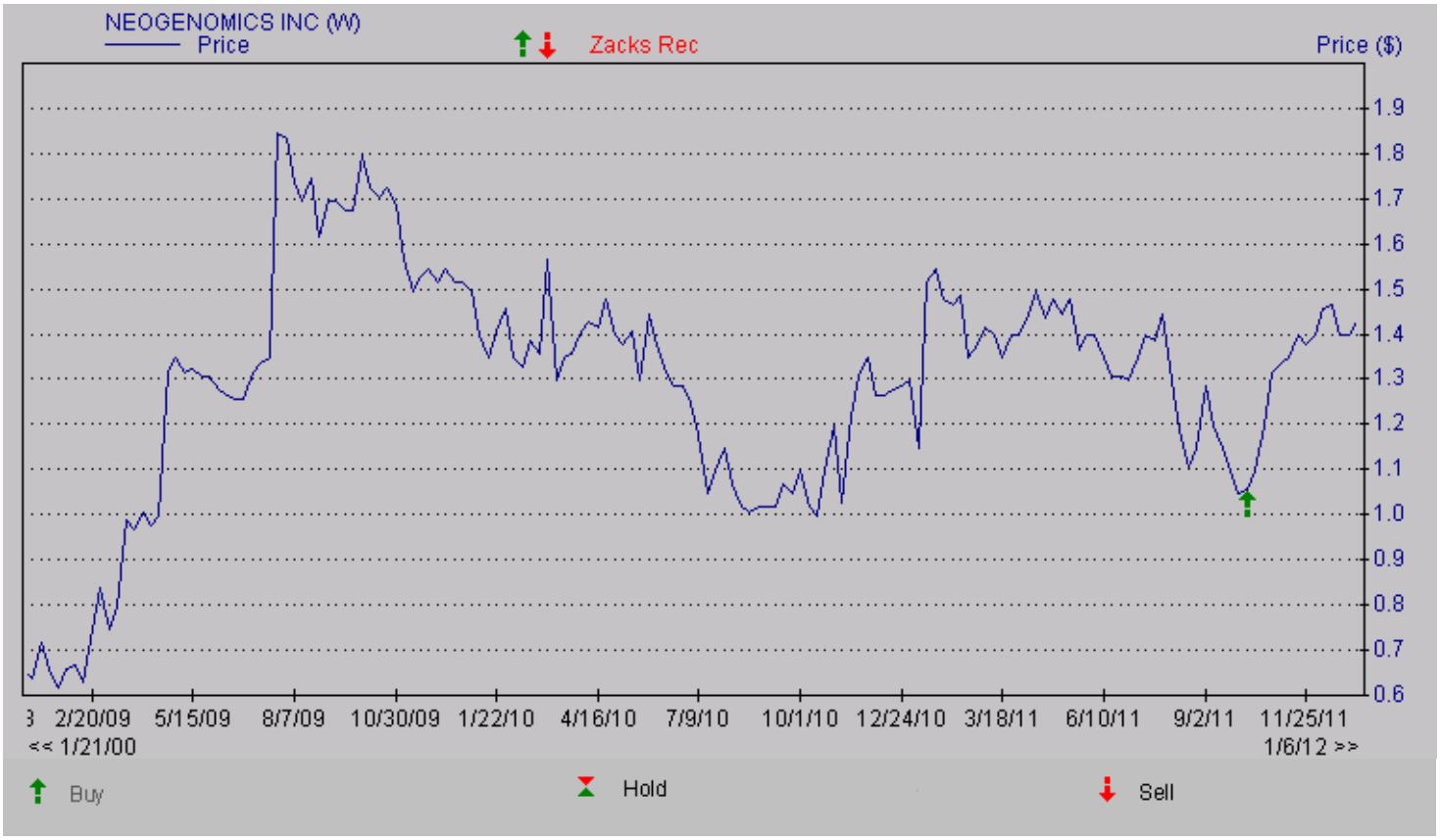
HISTORICAL ZACKS RECOMMENDATIONS



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