Zacks Small-Cap Research

June 17, 2014
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Aastrom Biosciences, Inc. (ASTM-NASDAQ)

ASTM: Upgrading Aastrom To Buy – Taking A Chance On CTRM and Ixmyelocel-T.

Current Recommendation	**Buy**
Prior Recommendation	Neutral
Date of Last Change	6/16/2014
Current Price (06/16/14)	$4.26
Target Price	**$6.50**

UPDATE

We believe ixmyelocel-T for ischemic DCM is worth $30 million in value, valued based on a probability-adjusted NPV analysis. Management has laid out an aggressive yet comprehensive plan to turn around the newly acquired CTRM business. If guidance and our projections hold, and the company can generate $5+ million in positive cash flow in 2015, then CTRM could be worth another $25 to $50 million in value. The current market capitalization is only $27 million, making the stock attractive for share accumulation in our view.

As such, we are upgrading our rating on the shares from 'Neutral' to 'Buy' with a target of $6.50 per share.

SUMMARY DATA

52-Week High	**$15.48**
52-Week Low	**$3.21**
One-Year Return (%)	**-75.15**
Beta	**0.82**
Average Daily Volume (sh)	**524,936**
Shares Outstanding (mil)	**6**
Market Capitalization ($mil)	**$22**
Short Interest Ratio (days)	**0.98**
Institutional Ownership (%)	**10**
Insider Ownership (%)	**22**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**N/A**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/A**
P/E using 2014 Estimate	**N/A**
P/E using 2015 Estimate	**N/A**

Risk Level	**Above Average**
Type of Stock	**Small-Growth**
Industry	**Med-Biomed/Gene**

ZACKS ESTIMATES

Revenue

(In millions of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2013	0 A	0 A	0 A	0 A	0 A
2014	0 A	2.5 E	9.0 E	10.0 E	21.5 E
2015					40.5 E
2016					43.0 E

Earnings per Share

(EPS is operating earnings before non-recurring items)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2013	-$3.03 A	-$2.14 A	-$0.75 A	-$0.65 A	-$5.18 A
2014	-$1.02 A	-$1.59 E	-$0.81 E	-$0.79 E	-$4.10 E
2015					-$2.44 E
2016					-$1.17 E

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WHAT'S NEW

Aastrom Maps Out Future For CTRM Business

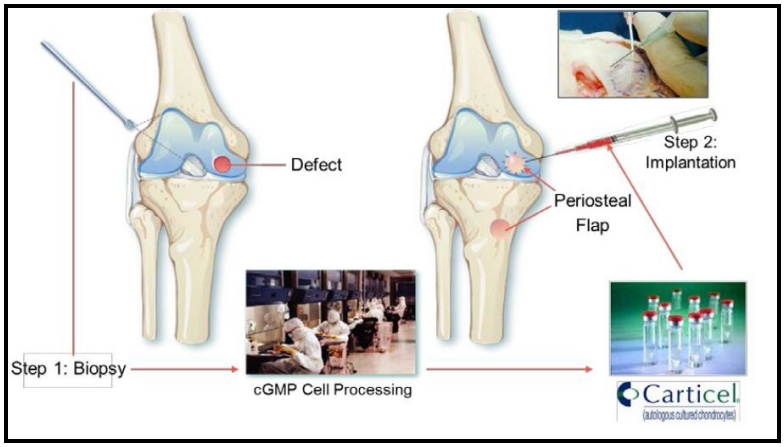
On June 16, 2014, Aastrom Biosciences (ASTM) held a conference call to discuss the company's strategy plan for the recently acquired Cell Therapy and Regenerative Medicine ("CTRM") business from Sanofi (SNY), previously known as Genzyme Biosurgery Aps. The deal closed on May 30, 2014. The deal came at a purchase price of $6.5 million, with $4.0 million payable in cash from Aastrom to Sanofi at closing and $2.5 million payable in the form of a promissory note. On the call, management outlined an aggressive yet comprehensive action plan designed to result in CTRM generating positive cash flow from operations in 2015.

…What They Got…

Before we get into Aastrom's comprehensive action plan, below we provide a quick background on the three products and key assets that Aastrom acquired from Sanofi. Through the CTRM acquisition, Aastrom acquired global commercial rights to three marketed autologous cell therapy products:

Carticel® if a first generation, FDA approved autologous chondrocyte implant ("ACI") product for the treatment and repair of cartilage defects in the knee. Carticel® is indicated for the repair of symptomatic cartilage defects of the femoral condyle (medial, lateral or trochlea) caused by acute or repetitive trauma, in patients who have had an inadequate response to a prior arthroscopic or other surgical repair procedure such as debridement, microfracture, drilling/abrasion arthroplasty, or osteochondral allograft/autograft. The product received U.S. Biologics License Application (BLA) approval in 1997, and is currently marketed in the United States through a sales force of roughly 25 representatives. Since approval, over 20,000 patients have been treated with Carticel® in the U.S.

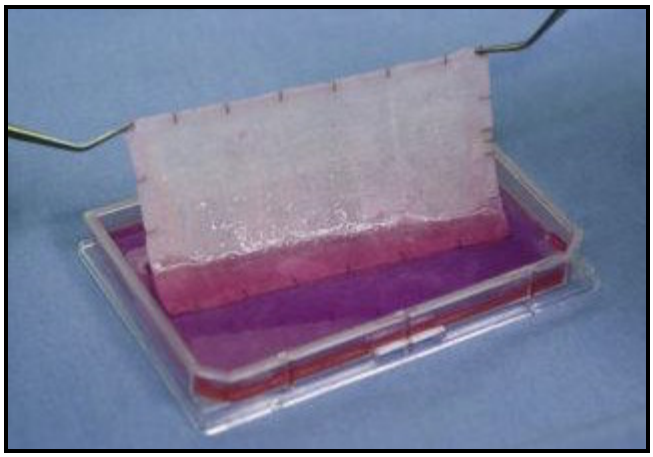
Carticel® is implanted by orthopedic surgeons after obtaining a cartilage biopsy during an initial arthroscopic procedure. The patient's chondrocytes, which are the cells that produce cartilage, are isolated and expanded in a current Good Manufacturing Practices (cGMP) manufacturing process. During a second surgical procedure, the cells are implanted in the cartilage defect under a sutured periosteal flap, where they produce new hyaline cartilage. The therapeutic advantage of this approach relative to other approaches, such as microfracture, is that the autologous chondrocytes produce the hyaline cartilage that is naturally present in the knee, rather than fibrous cartilage which lacks durability and the wear characteristics of hyaline cartilage. Carticel® has demonstrated long-term durability up to four years and statistically significant and clinically meaningful reductions in pain and improvement in function. Efficacy data demonstrating durability of repair are now out to 20 years for Carticel®.



Source: Aastrom Biosciences, Inc.

Carticel® sales in 2013 totaled $35.2 million. Sales in the first quarter 2014 totaled $7.9 million. Revenues have been relatively stable for the past several years. Revenue is facilitated by widespread coverage reimbursement, including the top fifteen national plans representing 132 million (98%) of commercial lives in the U.S. Use of the product is primarily from a small, dedicated number of orthopedic surgeons with subspecialty in cartilage repair and sports medicine. The typical target patient for Carticel® is a younger and more active patient than traditional knee repair. There is limited ACI competition to Carticel® and Aastrom management sees no immediate generic threat.

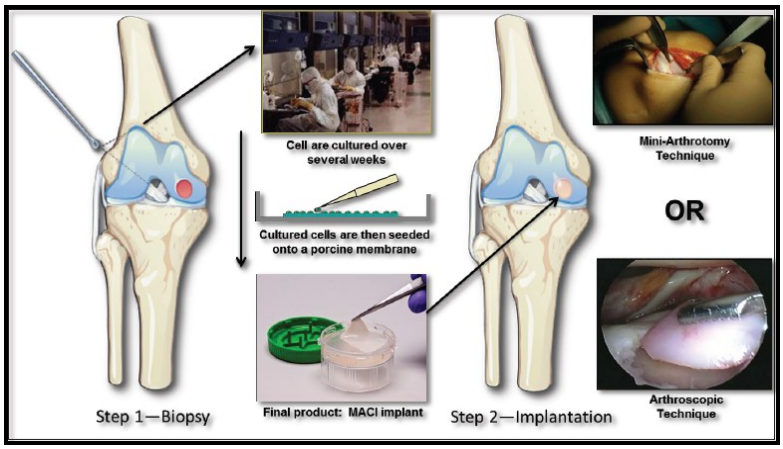
Epicel® (cultured epidermal autografts) is a permanent skin replacement for full thickness burns greater than or equal to 30% of total body surface area. It is the only approved autologous epidermal product available for large total surface area burns. Epicel® is the only FDA-approved autologous epidermal product available for large total surface area burns. We see the product as an important treatment option for severe burn patients when there is little skin is available for traditional meshed autografts. Epicel® is produced by isolating and expanding keratinocytes, which are the predominant cell type in the epidermis or outer layer of the skin, obtained from a biopsy of a patient's healthy skin.



Source: Aastrom Biosciences, Inc.

The product was approved in the U.S. as a Humanitarian Use Device ("HUD") in 2007, and is supplied outside the U.S. on a named-patient basis. According to Aastrom, a small number of physicians drive the majority of use. Only approximately 100 patients are treated with Epicel® in the U.S. each year. As a HUD product, Epicel® cannot be sold for an amount that exceeds the costs of research and development, manufacturing/fabrication, and distribution. Revenues in 2013 totaled $7.1 million. Revenues in the first quarter 2014 totaled $2.5 million.

MACI® (matrix-induced autologous chondrocyte implant) is a third-generation ACI product currently marketed for the treatment of focal chondral cartilage defects in the knee in the European Union since 1998. The product is manufactured similarly to Carticel® whereby chondrocytes are isolated from a cartilage biopsy and expanded after which they are on to a collagen membrane. The seeded membrane is trimmed to the size of the cartilage defect and fixed in the defect with fibrin glue.



Source: Aastrom Biosciences, Inc.

According to Aastrom, the advantage of MACI® is that it delivers the efficacy of Carticel®, with a dramatic improvement in ease of use for the physician and a reduced rehabilitation protocol for the patient. The implant procedure for MACI® is much less invasive and thus results in a meaningful reduction in the post-operative recovery time for the patient. Specifically, the implant procedure involves only a mini-arthrotomy or arthroscopic delivery, eliminating the need for a periosteum harvest and sutures.

There have been roughly 10,000 patients treated with MACI® to since first approved outside the U.S. in 1998. In July 2013, MACI® received Marketing Authorization in Europe by meeting the requirements of the Advanced Therapy and Medicinal Product ("ATMP") guidelines, the first and only tissue engineered ATMP product approved by the European Commission. However, because of a difficult reimbursement environment in Europe, sales of MACI® are rather small, only $1.6 million in all of 2013 and $0.1 million in the first quarter 2014. MACI® commercial manufacturing takes place in a cGMP manufacturing facility in Copenhagen, Denmark.

Revenues of these three products totaled $43.9 million in 2013. Besides revenues and the three aforementioned products, Aastrom also acquired two manufacturing facilities, one in Cambridge, MA and the other in Copenhagen, Denmark, 242 employees, and $4.3 million in positive working capital. As a reminder, Aastrom will pay a total of $6.5 million to Sanofi for CTRM. However, backing out the positive $4.3 million in working capital and the company's net payment totaled only $2.2 million.

…What They Plan To Do…

Aastrom management laid out a number of strategic initiatives they plan to undertake over the next several months to drive CTRM to cash flow positive operations in 2014. We discuss these below:

1) Reduce Costs: Step No. 1 of the process is to reduce operating costs associated with the business. Revenues in 2013 totaled $43.9 million, but operating costs totaled $77.5 million! This resulted in an operating loss of $33.6 million in 2013. Things got a little better during the first quarter 2014. Revenues totaled $10.4 million and expenses totaled $15.8 million, resulting in an operating loss of $5.4 million. Not all the operating loss is cash however. For example, in 2013, $13.2 million in loss is non-cash amortization, depreciation, impairment, and stock-based compensation. Actual cash burn from the business in 2013 totaled $20.4 million. In the first quarter 2014, actual cash burn was less than $5.0 million. Below are a list of potential ways management plans to reduce actual cash burn in 2014 and 2015:

- Discontinue manufacturing of MACI® in Denmark and temporarily cease sales of MACI® in Europe. MACI® has been struggling in Europe due to a lack of reimbursement. Sales of $0.1 million in the first quarter 2014 will hardly be missed. However, closing the manufacturing facility will save Aastrom an estimated $7.0 million per year. Aastrom plans to sell the cGMP facility, which we believe could fetch meaningful cash used to net the cost of the entire CTRM business down to zero.

- Significantly reduce MACI®-related R&D expenses as a result of the substantial completion of the research activities required to support the U.S. BLA filing (more on this below). R&D expense on MACI® in 2013 totaled $9.0 million. R&D expense on MACI® in the first quarter 2014 totaled $2.0 million.

- Reduce full-time staff by 80 employees (242 to ~160), resulting in annual costs savings of around $4.0 million.

These three steps alone are expected to reduce yearly operating burn by approximately $20 million, which is darn close to what the company lost on a cash basis in 2013. We believe there are additional significant allocated costs that Aastrom can trim now that the business will be run with its own P&L. In our last article we reported that CTRM had serious accountability issues lost within the larger Sanofi organization. For example, CTRM manufacturing reported up the manufacturing line of command, MACI® R&D flowed into Sanofi's larger R&D budget, and sales was not incentivized for division profitability. We believe there are additional redundancies that Aastrom can eliminate and operating efficiencies the company can realize once CTRM starts reporting as a standalone division.

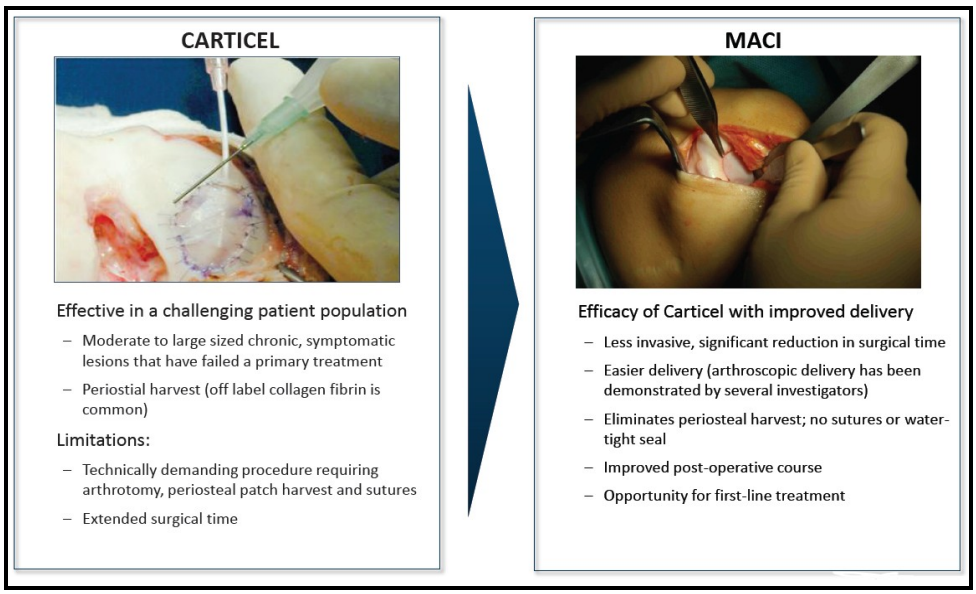
2) Optimize Revenue: Besides reducing costs, Aastrom will focus on growing CTRM revenues over the next several quarters. Revenues of $43.9 million have been relatively stable, with little strategic initiative to grow the business. Revenues of $10.4 million in the first quarter 2014 were flat with the $10.3 million reported in the first quarter 2013. Initiatives to drive revenue and net profitability include:

- Sales force territory realignment to optimize Carticel® sales potential. Aastrom will also revamping the Carticel® sales incentive compensation plan to drive improved profitability.

- Increasing the price of Epicel® to the maximum allowed under HUD. Based on conversations with management, this should result in a roughly 30% increase in price by the second half of the year. Epicel® sales in 2013 totaled $7.1 million. Stable operations and a 30% price increase should add over $2.0 million in to the top-line numbers in 2015.

- Improve manufacturing efficiencies by using existing data to expand the existing Carticel® biopsy shelf-life. We believe this will improve the biopsy-to-implant ratio, thus reducing costs and improving net revenue per patient.

3) Get MACI® Approved in the U.S.: The opportunity for MACI® in the U.S., where reimbursement procedures are already in place, is significant. MACI® looks like a superior version of Carticel®, a product doing $35+ million in revenues for CTRM right now. Based on the product characteristics, we believe MACI® could effectively double the revenue opportunity to Aastrom from CTRM. We believe MACI® has improved economics to Aastrom as well, which should allow for greater profitability as sales ramp.



Source: Aastrom Biosciences, Inc.

To get MACI® on the market in the U.S., Aastrom must first meet with the U.S. FDA and verify the path to the BLA filing. A discussion of the existing Phase 3 data on MACI® will take place at that time. The pivotal clinical trial supporting MACI® registration in Europe was called SUMMIT (Superiority of MACI Implant to Microfracture Treatment). SUMMIT was completed in 2012. Analysis of this 144 patient superiority study demonstrated that there is a statistically significant and clinically meaningful improvement in the co-primary endpoint of pain and function for those patients treated with MACI® implant compared to microfracture.

The results of SUMMIT were published in the Orthopaedic Journal of Sports Medicine in September 2013 (Saris, 2013). Response rates for the overall and subgroup analyses are shown in the table below. The incidence of adverse events was similar between the treatment groups and no unexpected safety findings were reported. The authors of the study concluded that clinically and statistically significantly better results in knee injury and osteoarthritis outcome score (KOOS) pain and function were observed with the MACI® implant versus microfracture for treating cartilage defects of the knee two years following surgery. Additionally, more patients responded with the MACI® implant compared with microfracture when their lesions were >4 cm2, on the femoral condyles, and not of osteochondritis dissecans etiology.

	Response rates, % patients (n/N)		
	MACI implant	MFX	*P*-value
Overall	86.1 (63/72)	66.7 (49/72)	0.011
Lesion characteristics			
>4cm^2	97.1 (34/35)	77.4 (24/31)	0.015
>5 cm^2	95.2 (20/21)	76.2 (16/21)	0.081
MFC	87.0 (47/54)	66.0 (35/53)	0.034
LFC	92.3 (12/13)	73.3 (11/15)	0.199
Trochlea	80.0 (4/5)	75.0 (3/4)	0.866
OCD	87.5 (7/8)	91.7 (11/12)	0.767

Source: Saris, 2013; Orthopaedic Journal of Sports Medicine

Aastrom plans to meet with the U.S. FDA later in 2014. At this time it is not known if the FDA will request additional clinical data to support approval of a BLA in the U.S.

…Who Will Get It Done…

In terms of Aastrom leaders, new CEO Dominick Colangelo brings direct experience in acquisitions, development, and commercialization in fibrovascular, metabolic and cardiovascular diseases during his tenure at Eli Lilly (LLY). Mr. Colangelo was Director of Strategy and Business Development for Lilly's Diabetes Product Group and also served as a founding Managing Director of Lilly Ventures. COO Daniel Orlando brings more than 20 years of commercial product preparation and launch experience. His previous role was Vice President of Business Development for North and South America at Takeda Pharmaceuticals.

CMO Dr. David Recker brings more than 20-years of drug development experience, previously serving as Senior Vice President of clinical sciences at Takeda Global Research and Development. However, the recent hire we find most interesting is Dr. Ross Tupo to the role of CSO. Dr. Tupo served as Vice President of Stem Cell and chemokine biology at Genzyme, where he directed R&D programs for Carticel® and Epicel®. On Aastrom's first quarter conference call, CEO Colangelo noted that Dr. Tupo, "Now has the opportunity 20-years later to support the products he developed early in his carrier and rejoined a business that he helped to create."

…How This Might Turn Out…

Below we've built a quick P&L for the CTRM business based on management's proposed strategic plan. It shows the business losing $33.6 million in income in 2013, roughly $20.4 million of which was pure cash. In 2015, management believes they can turn this around and generate positive cash flow from CTRM.

In Millions	2013		2015
Carticel®	$35.2	*Improve efficiency*	$40.5
Epicel®	$7.1	*Increase price*	$9.2
MACI®	$1.6	*Eliminate >>>>>>>*	$0.0
TOTAL REVENUES	**$43.9**		**$49.7**
Non-Cash Items (A&D, SBC)	$13.2		$13.2
MACI® R&D	$9.0	*Eliminate >>>>>>>*	-
Denmark Facility	$7.0	*Eliminate >>>>>>>*	-
Staff	$4.0	*Eliminate >>>>>>>*	-
TOTAL EXPENSES	**$77.5**		**$57.5**
CASH FLOW	**($20.4)**		**$5.4**

Source: Jason Napodano, CFA

…What CTRM Might Be Worth…

Valuing a division within a larger organization is a daunting task. Even if Aastrom management can get CTRM to cash flow positive operations in 2015 to the tune of $5+ million, that will not be enough to drive the entire organization to cash flow positive operations considering the research and development programs for ixmyelocel-T are costing an estimated $15 to 20 million per year to fund. And, because of the significant non-cash expense associated with CTRM (mainly depreciation and amortization), the division will not show a profit even if cash flow turns positive in 2015.

Below we present two commonly used applied valuation multiples based on comparisons with some of the pharmaceutical and biotechnology industry's largest players. Based on the table below, which includes some "high flyers" like Gilead, Biogen, Celgene, and Allergan, the average Price / Sales ratio for the top players in the industry is around 5.5x. On a Price / Cash Flow basis, the average is 16.4x. To be conservative, we've chosen not to value Aastrom on a Price / Sales ratio because the division is not profitable. However, as a point of reference, based on Aastrom's current market capitalization of $27 million, the stock is currently trading at 0.6x sales. If Aastrom were able to generate $5.4 million in positive cash flow from CTRM in 2014, as outline in our rudimentary P&L above, applying a Price / Cash Flow multiple of 10x, which is roughly were the lowest quartile of companies in our valuation comparison table are trading, CTRM might be worth $50 million in value.

Company	Price / Sales	Price / Cash Flow
Eli Lilly and Co	2.9	9.8
GlaxoSmithKline plc	3.0	9.4
Sanofi-aventis	3.2	10.5
Pfizer Inc.	3.7	8.4
Merck & Co. Inc.	3.9	10.5
Johnson & Johnson	4.0	12.3
Amgen Inc.	4.6	11.5
Cubist Pharma	4.8	34.4
Bristol-Myers Squibb	4.8	18.5
Valeant Pharma	6.1	12.3
Allergan Inc.	7.4	22.6
Gilead Sciences Inc.	9.1	17.5
Celgene Corporation	9.5	29.1
Biogen Idec Inc.	9.6	22.1
AVERAGE	**5.5**	**16.4**

Source: Jason Napodano, CFA

We admit $50 million in value seems aggressive, especially considering Aastrom has yet to demonstrate it can achieve $5+ million in positive cash flow per year from CTRM and the company only paid $6.5 million in cash – actually only $2.2 million net – to Sanofi. However, based on the company's strategic plan, we do believe this level of financial achievement is possible in 2015. It looks like CTRM has been rather poorly run and/or neglected at Sanofi since the merger with Genzyme in 2011. We believe Aastrom has a good strategic plan to turn the operations around and significant "low-hanging fruit" exists to get the company started.

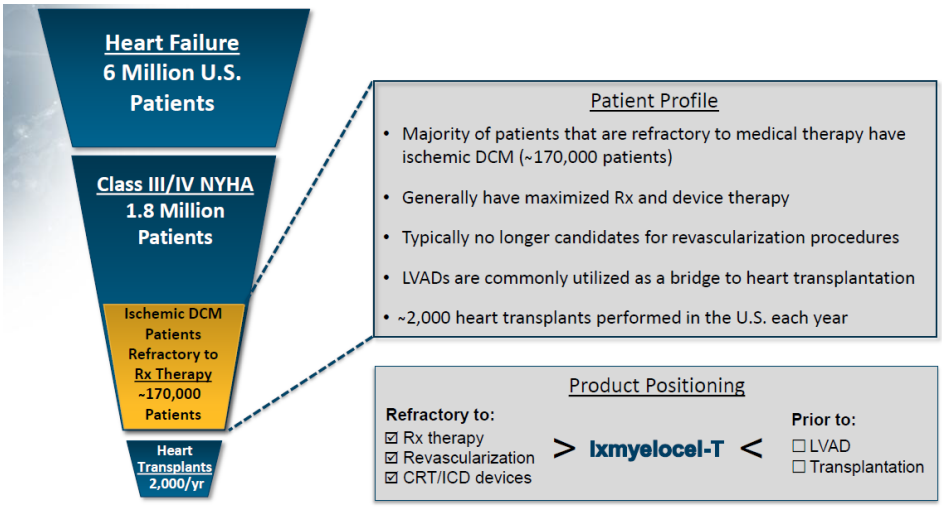
Obvious risks include key employee attrition and a disruption of the business during the transition period. But even if Aastrom can only achieve breakeven operations on a cash flow basis in 2015, there's still significant value here not being assigned to Aastrom at today's stock price. For example, below we outline why we believe ixmyelocel-T in DCM is worth $30 million in value, essentially where Aastrom's stock is trading right now; and the stock is up only $0.50 per share (around $3 million in value) since Aastrom first announced the CTRM deal in April 2014. We think CTRM, if our projections hold, are clearly worth more than is being assigned to the overall Aastrom valuation today.

DCM Program Continues

Not much new to update shareholders on with respect to the Phase 2b ixCELL-DCM active clinical program with ixmyelocel-T. Enrollment has progressed at 30+ centers so far, and we believe will be completed by the middle of 2014. DSMB clearance for the first group of patients enrolled took place in April 2014, with the committee recommending no changes to the protocol. This is a good sign.

Aastrom has previously generated strong proof-of-concept in ischemic DCM. A twelve month follow-up analysis from the company's phase 2a Catheter-DCM study was presented at the Society for Cardiovascular Angiography and Interventions (SCAI) in May 2012. We learned that management will publish the combined data from both Phase 2a DCM studies, Impact and Catheter, sometime during the second quarter 2014. We believe publishing this data in a respected, peer-reviewed journal will help drive interest and awareness to Aastrom and the potential for ixmyelocel-T in this indication.

It is clear to us based on the data Aastrom has generated to date that ixmyelocel-T has utility in ischemic DCM. Management was clearly excited about the potential for the drug given the large market opportunity, with an estimated 170,000 patients seeking treatment, and "sweet-spot" focus for ixmyelocel-T positioned as an alternative to LVAD or heart transplantation. We expect top-line data from ixCELL-DCM around the middle of 2015.



Sources: Heidenreich et al. Circulation 2011;123:933-944; Health Research International; America Heart Association

Assuming this data are positive, we believe Aastrom will be able to partner the drug for a Phase 3 trial to start in 2016. We believe the Phase 3 trial will take a similar two years to enroll and report data, putting the potential NDA in 2018 and approval in 2019. Approximately 0.6% of the U.S. adult population is classified NYHA Class III/IV. Approximately 15% of these patients have DCM and approximately 60% are considered ischemic in nature (source: American Heart Association). This equates to a target patient population of around 170,000, consistent with the graphic shown above.

If we model 5% peak market penetration in 2024, with ixmyelocel-T priced at $75,000 per course of treatment, this equates to peak U.S. sales of $600 million. We believe sales outside the U.S. will total $400 million, bringing peak worldwide sales of ixmyelocel-T in DCM to $1.0 billion. Given the suspected commercialization price for DCM around $75,000 per treatment, a bargain compared to the $150,000+ for implantation of an LVAD, ixmyelocel-T will carry greater than 90% gross margin once commercialized. That's the beauty of having an orphan drug designation. Those impressive economics are sure to attract a pharmaceutical partner if the data is good. We believe Aastrom can partner for this indication for $25 million upfront, $75 million regulatory, and $250 million in backend milestones plus 20% royalty on sales. We apply a 25% discount rate and 20% probability of success to arrive at a current NPV for the program of $30 million. Aastrom's market capitalization is only $27 million.

Conclusion

We believe ixmyelocel-T for ischemic DCM is worth $30 million in value, valued based on a probability-adjusted NPV analysis. Management has laid out an aggressive yet comprehensive plan to turn around the newly acquired CTRM business. If guidance and our projections hold, and the company can generate $5+ million in positive cash flow in 2015, then CTRM could be worth another $25 to $50 million in value. The current market capitalization is only $27 million, making the stock attractive for share accumulation in our view. As such, we are upgrading our rating on the shares from 'Neutral' to 'Buy' with a target of $6.50 per share.

PROJECTED FINANCIALS

Aastrom Biosciences
Income Statement

Aastrom Biosciences	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Dec-14	Dec-15	Dec-16
	2013 A	Q1 A	Q2 E	Q3 E	Q4 E	2014 E	2015 E	2016 E
R&D Agreements / Grants	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
YOY Growth	*0%*	-	-	-	-	*0.0%*	*0%*	*0%*
Carticel	*$35.2*	*$7.9*	**$8.5**	**$9.0**	**$10.0**	**$35.4**	**$40.5**	**$43.0**
YOY Growth	*0.0%*	-	-	-	-	*0.0%*	*0.0%*	*0.0%*
Epicel	*$7.1*	*$2.5*	**$2.0**	**$2.0**	**$2.0**	**$8.5**	**$9.2**	**$10.0**
YOY Growth	-					-	-	-
MACI	*$1.6*	*$0.1*	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
YOY Growth	-					-	-	-
Ixmyelocel-T	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
YOY Growth	-					-	-	-
Total Revenues	**$0**	**$0**	**$2.5**	**$9.0**	**$10.0**	**$21.5**	**$40.5**	**$43.0**
YOY Growth	-	-	-	-	-	-	-	-
Cost of Product Sales & Rentals	$0	$0	$5.0	$5.0	$5.5	$15.5	$18.2	$17.2
Product Gross Margin	-	-	-	*44.4%*	*45.0%*	*27.9%*	*55.0%*	*60.0%*
Research & Development	$15.1	$3.3	$4.0	$4.0	$4.0	$15.3	$20.0	$15.0
% R&D	-	-	-	-	-	-	-	-
Selling, General, and Admin	$5.9	$1.4	$4.0	$5.5	$6.0	$16.9	$25.0	$26.5
% SG&A	-	-	-	-	-	-	-	-
Operating Income	($21.0)	($4.6)	($10.5)	($5.5)	($5.5)	($26.1)	($22.7)	($15.7)
Operating Margin	-	-	-	-	-	-	-	-
Other Income (Expenses)	$5.3	($1.4)	$0.0	$0.0	$0.0	($1.4)	$2.0	$4.0
Pre-Tax Income	($15.6)	($6.0)	($10.5)	($5.5)	($5.5)	($27.5)	($20.7)	($11.7)
Taxes	$0	$0	$0	$0	$0	$0	$0	$0
Tax Rate	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*
Net Income	($15.6)	($6.0)	($10.5)	($5.5)	($5.5)	($27.5)	($20.7)	($11.7)
Net Margin	-	-	-	-	-	-	-	-
Reported EPS	**($5.18)**	**($1.02)**	**($1.59)**	**($0.81)**	**($0.79)**	**($1.73)**	**($2.44)**	**($1.17)**
YOY Growth	-	-	-	-	-	-	-	-
Weighted Ave. Shares Out	3.0	5.9	6.6	6.8	7.0	6.7	8.5	10.0

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

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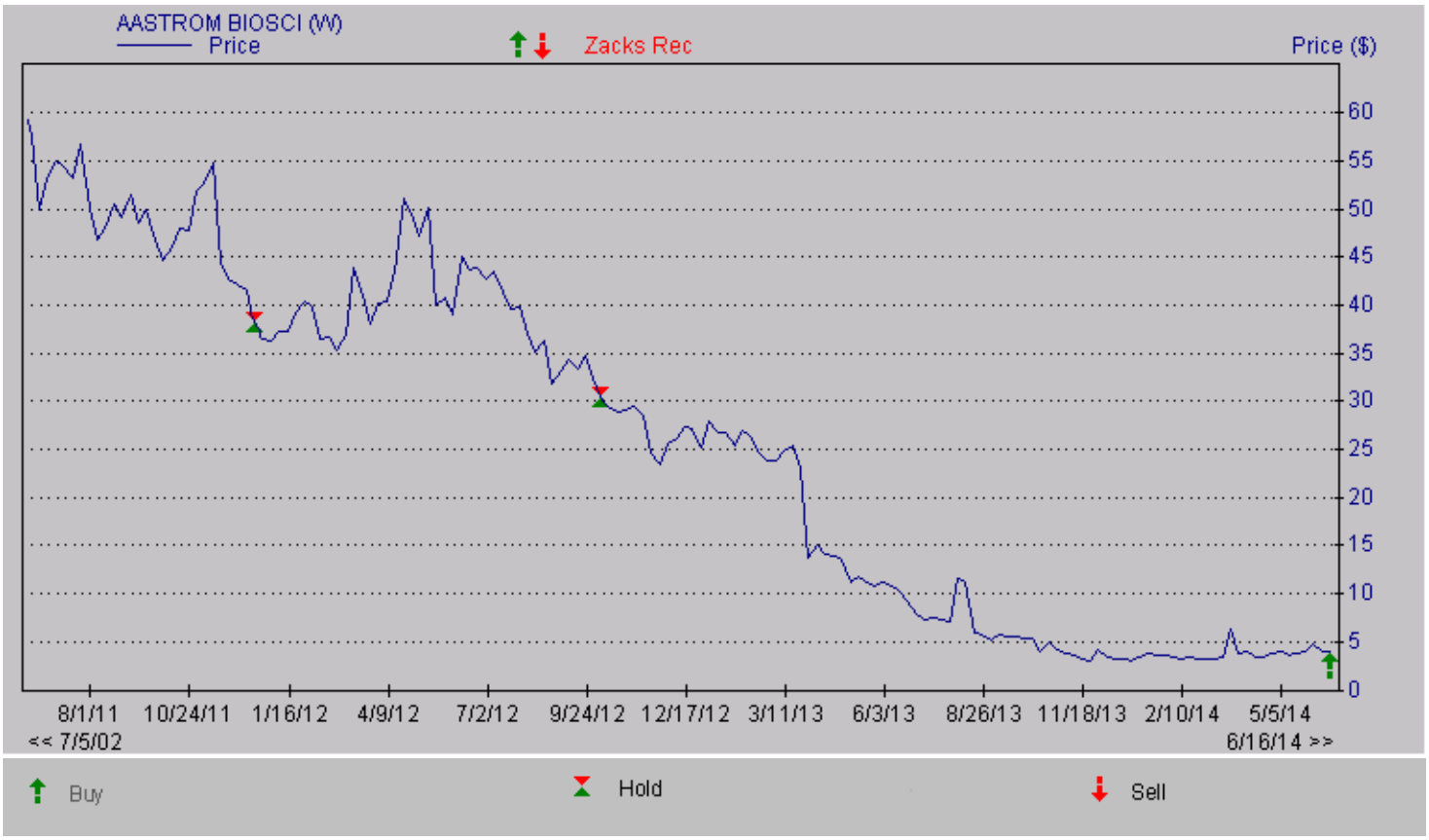

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