Zacks Small-Cap Research

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Arrowhead Pharm (ARWR-NASDAQ)

ARWR: Zacks Company Report

ARWR: Phase I/II ARC-521 initiated, New data presented for ARC-520, multiple Phase IIb studies initiated, new candidate nominated

Current Price (08/22/16)	$7.75
Valuation	**$15.00**

OUTLOOK

ARWR is a clinical stage biotech company focused on RNAi targeted therapy using DPC platform technology. We are optimistic about the Company's lead program ARC-520/521 for HBV.

ARC-520/521 are in multiple Phase II trials. The Company also initiated Phase I trial of its second clinical candidate ARC-AAT for liver disease and expanded its pipeline. The acquisition of Novartis' RNAi assets expands and complements its current RNAi estate.

We maintain optimistic about Arrowhead shares.

SUMMARY DATA

52-Week High	**$7.75**
52-Week Low	**$3.18**
One-Year Return (%)	**54.69**
Beta	**2.41**
Average Daily Volume (sh)	**825,954**
Shares Outstanding (mil)	**68**
Market Capitalization ($mil)	**$544**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**N/A**
Insider Ownership (%)	**N/A**
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 2013 Estimate	**N/A**
P/E using 2014 Estimate	**N/A**
Zacks Rank	**N/A**

Risk Level	**High,**
Type of Stock	**Small-Growth**
Industry	**Biotechnology**
Zacks Rank in Industry	**N/A**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Dec)	Q2 (Mar)	Q3 (Jun)	Q4 (Sep)	Year (Sep)
2015	0.17 A	0.04 A	0.12 A	0.04 A	0.38 A
2016	0.04 A	0.04 A	0.04 A	0.04 E	0.17 E
2017					0.50 E
2018					5.00 E

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

	Q1 (Dec)	Q2 (Mar)	Q3 (Jun)	Q4 (Sep)	Year (Sep)
2015	-$0.37 A	-$0.50 A	-$0.27 A	-$0.51 A	-$1.64 A
2016	-$0.32 A	-$0.35 A	-$0.32 A	-$0.34 E	-$1.34 E
2017					-$1.51 E
2018					-$1.23 E

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

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WHAT'S NEW

Arrowhead Exited Third Quarter with a Strong Balance Sheet

Total revenue for the fiscal second quarter was $39,583, as compared to $123,750 for the same period last year. Revenue was primarily related to licensed technology in both periods.

R&D expenses for fiscal 3Q16 were $9.4 million, as compared to $7.5 million for fiscal 2Q15.

The R&D costs were related to the Company's on-going research and development efforts, primarily related to program costs, composed primarily of outsourced costs related to the manufacturing of clinical supplies, toxicity/efficacy studies and clinical trial expenses. Internal costs primarily relate to operations at the company's research facility in Madison, Wisconsin, including facility costs and laboratory-related expenses.

SG&A expenses for fiscal 3Q16 were $6.4 million, as compared to $5.4 million for the same period of last year.

Net loss for the fiscal 3Q16 was $19.4 million ($0.32 per share), as compared to $15.9 million ($0.27 per share).

As of June 30, 2016, Arrowhead has $44.5 million in cash and investment。

On August 12, Arrowhead closed a private offering with a select group of investors including Orbimed, RA Capital Management, Perceptive Advisors, RTW Investments and certain other institutional investors. Gross proceeds were $45 million. Approximately 7.63 million shares of common stock were issued at a price of $5.90 per share.

Current cash plus the new proceeds can support the company's operations into late calendar 2017 according to our financial model.

We think the earnings report is a non-event for Arrowhead. Investors instead should be focused on the progress the company has made to advance its clinical programs. In this regard, we think Arrowhead has made great progress in the past quarter.

Arrowhead Initiates Phase I/II Study of ARC-521

On June 9, Arrowhead announced that it initiated a **Phase I/II** study of **ARC-521**, the company's second RNAi-based candidate for the treatment of chronic hepatitis B virus **(HBV)** infection.

The study is designed to evaluate the safety, tolerability, and pharmacokinetics of single doses of ARC-521 in healthy volunteers and the safety, tolerability, and antiviral activity of single and multiple doses of ARC-521 in patients with chronic HBV. This study may have multiple readouts, including single dose safety data, single dose antiviral activity data, and multiple dose safety and antiviral activity data.

The ARC-521 study **(ARC5211001)** is a multicenter, placebo-controlled, double-blind, dose escalation study of ARC-521 in healthy volunteers including a sequential, multiple dose, open label part in patients with chronic HBV. Normal healthy volunteers will enroll sequentially into a total of 6 escalating dose levels (6 subjects per dose level), randomized to receive a single dose of ARC-521 or placebo. Chronic HBV patients that are negative for Hepatitis B e-antigen (HBeAg) at screening will enroll sequentially into 3 dose levels (8 patients per dose level) to receive 3 monthly doses of open label ARC-521. The study is currently recruiting at a single center in **New Zealand** and the company plans to add additional centers in other countries.

ARC-521 is being developed to target both cccDNA and also integrated DNA, which appears to be a more significant producer of HBsAg in patients who have been treated with NUCs or who are **e-antigen negative**.

ARC-521 is also derived from the company's DPC platform; therefore, its safety profile is expected to be similar to ARC-520. While ARC-520 is designed to target cccDNA, ARC-521 is designed to target both cccDNA and integrated DNA. Therefore, ARC-521 is a complement to ARC-520.

In HBeAg-negative chimps predicted to have higher levels of integrated DNA, administration of ARC-521 led to 99% (2 logs) of additional HBsAg reduction.

The initiation of the Phase I/II trial of ARC-521 is a significant milestone for Arrowhead in the development of HBV infection. ARC-521 increases the company's leadership position in the HBV space and the race to a functional cure.

Updated Data on ARC-520 Presented at the ILC 2016

The company made **three presentations** on ARC-520 at The International Liver Congress™ 2016 (ILC 2016), in Barcelona, Spain, April 13-17, 2016.

Collectively, these presentations demonstrated several important findings from Arrowhead's clinical and nonclinical studies of ARC-520, including the following:

- ARC-520 and entecavir produced rapid HBV DNA suppression with all hepatitis B e-antigen (HBeAg) positive, treatment naïve patients achieving serum HBV DNA reductions of up to 5.5 log (99.9997%), and all HBeAg negative, treatment naïve patients achieving reductions that put them below the limit of quantitation;
- ARC-520 effectively inhibited HBV cccDNA-derived mRNA with observed viral protein reduction in HBV patients of up to 2.0 log (99%) after a single dose;
- ARC-520 had a long duration of effect with HBsAg still reduced by 83% after 2 months and 75% after 3 months, which is the final time point of the study, after a single dose;
- Based on HBsAg epitope profile analysis, poster authors and Arrowhead collaborators had previously identified a predictive hepatitis B surface-antigen (HBsAg) Clearance Profile associated with HBsAg clearance in antiviral therapy cohorts;
- There was a significant association between the development of an HBsAg Clearance Profile and ARC-520 therapy in HBV patients;
- Complexed HBsAg antibodies (anti-HBs) were developed and detected in HBV patients treated with ARC-520, which may represent a recovery of the immune system response;
- After monthly administration of 6-11 doses of ARC-520 in chimpanzees chronically infected with HBV, the ARC-520 target site sequences remained virtually unchanged, indicating that no drug resistance developed during the treatment period;

Update on Phase IIb of ARC-520 for HBV

Arrowhead already began dosing patients in **three Phase IIb studies**: the Heparc-2008 (MONARCH) study, the Heparc-2007 long-term extension, and the Heparc-2001 open-label extension.

The Heparc-2008 (Monarch) Study

The MONARCH study is a multicenter, open-label study to evaluate ARC-520 administered alone and in combination with other therapeutics in patients with chronic hepatitis B virus infection. The primary outcome measure is the percentage of patients achieving a 1-log reduction in hepatitis B surface antigen (HBsAg) compared to baseline. Secondary outcome measures include the percentage of patients achieving HBsAg loss and time to HBsAg loss based on qualitative assay, percentage of patients

achieving anti-HBs seroconversion and time to anti-HBs seroconversion (antibody to HBsAg), percentage of patients achieving a 1-log reduction in HBsAg and achieving a HBsAg level less than 100 IU/L, as well as other outcome measures.

The initial **six cohorts** are each planned to consist of up to twelve treatment naïve patients. Patients in cohort 1 will receive ARC-520 as monotherapy once every 4 weeks for 48 weeks (13 doses). Patients in cohorts 2-6 will be stratified by e-antigen status and HBV genotype. They will receive the same regimen of ARC-520 for 48 weeks in combination with daily entecavir for 60 weeks and pegylated interferon alpha 2a (PEG IFN) for 48 weeks. MONARCH is designed to allow for new cohorts to be added that test additional dosing regimens and different combinations as new agents become available for study.

On Jan 7, 2016, the company dosed the first patient in the Phase IIb MONARCH combination study of ARC-520 for the treatment of chronic HBV infection. The clinical trial is currently enrolling patients at multiple centers in Australia and New Zealand. This study is intended to identify one or more combinations of ARC-520 and other therapeutic agents that can potentially lead to a functional cure of chronic HBV.

We expect to see deep knockdown of all gene products, especially in HBeAg positive patients.

It is estimated in the U.S. that 95% of people chronically infected with HBV are currently NUC-naïve and at least 50% of them are likely to be HBeAg-positive. In West Europe, 90% of estimated CHB patients are naïve, and about 33% of them are HBeAg positive. The effect on HBsAg in NUC-naïve HBeAg-positive patients makes this group especially attractive to study and a key focus for multi-dose studies going forward.

Update on the ARC-AAT Program

In late February 2015, Arrowhead initiated a **Phase I** clinical trial of ARC-AAT for the treatment of liver disease associated with Alpha-1 Antitrypsin Deficiency (AATD) in **Australia**.

The Phase I trial is a multi-center, randomized, placebo-controlled, double-blind, single dose-escalation study to evaluate the safety, tolerability, pharmacokinetics of ARC-AAT and the effect on circulating alpha-1 antitrypsin (AAT) levels. The study plans to enroll in dose cohorts of six participants each, with participants randomized at a ratio of 2:1 (active:placebo) to receive a single intravenous injection of either ARC-AAT or placebo (normal saline). The study will consist of **two parts**, with **Part A** planned to be conducted in healthy volunteers and **Part B** planned to be conducted in patients with PiZZ genotype AATD. In Part A, dose escalation will proceed until the achievement of certain target knockdown parameters. That target is at least 30% reduction of serum AAT levels in 3 subjects or greater than 60% reduction in a single subject. When these AAT knockdown parameters are achieved, dose escalation in healthy volunteers (Part A) is planned to stop and dosing in patients with AATD (Part B) is planned to begin at the highest dose level used in Part A and then dose escalation will proceed. Participants will be evaluated for 28 days following dosing with additional follow-up every 2 weeks until AAT levels return to baseline.

The company has completed enrollment in Part A of the study in healthy volunteers and will report top-line data from Part A **later in the year.**

In early July 2015, Arrowhead began dosing the first patient in Part B of the Phase I clinical trial.

While the Phase I continues, Arrowhead is also preparing to begin a pilot **Phase IIa** multiple dose study. This study will look at the effect on circulating levels of AAT after multiple doses of ARC-AAT. The company also intends to take biopsies to determine the effect on the hepatocyte level.

The company already received approval from regulatory authorities in Canada, Ireland, and Sweden to begin the Phase II study which should get underway later this year.

ARC-AAT has been granted orphan drug designation (ODD) by both the FDA and the European Medicines Agency.

Arrowhead has signed an agreement with the Alpha-1 Project (TAP), a subsidiary of the **Alpha-1 Foundation**. Under the terms of the agreement, TAP will partially fund the development of ARC-AAT. In addition to the funding, TAP will make its scientific advisors available to Arrowhead, assist with patient recruitment for clinical trials thanks to the Alpha-1 Foundation Patient Research Registry, and engage in other collaborative efforts that support the development of ARC-AAT.

ARC-AAT is Arrowhead s second clinical candidate, which further de-risks its pipeline. In the absence of specific therapy other than liver transplant for AATD associated liver disease, we believe RNAi holds great potential.

Update on ARC-HIF2 for Kidney Cancer

In September, 2015, Arrowhead nominated **ARC-HIF2** as its first therapeutic candidate delivered using a new Dynamic Polyconjugate™ (DPC™) designed to target tissues outside of the liver. Arrowhead believes that ARC-HIF2, which uses RNA interference to silence transcription factor hypoxia-inducible factor 2α (HIF-2α), is a promising new candidate for the treatment of clear cell renal cell carcinoma **(ccRCC).**

ARC-HIF2 is designed to inhibit the production of HIF-2α, which has been linked to tumor progression and metastasis in ccRCC. Using ARC-HIF2 in a preclinical ccRCC tumor model, mice treated with weekly injections led to greater than 80% knockdown of HIF-2α mRNA in tumors. Furthermore, tumors from treated mice exhibited statistically significant reductions in size and weight, extensive tumor cell death, reduction in the tumor-expressed VEGF-A biomarker, and destruction of the blood vessels feeding the tumors.

The company presented positive preclinical data at the European Cancer Congress 2015 (ECC2015) in Vienna on September 27, 2015 in a poster titled "HIF-2α targeting with a novel RNAi delivery platform as therapy for renal cell carcinoma," (abstract #353).

The company further presented positive preclinical data on ARC-HIF2 at AACR2016.

The poster presentation described data from various stages of development of ARC-HIF2, including RNAi trigger selection, HIF2-α target validation, delivery and targeting ligand validation, and multiple RCC tumor models. These data show that important advancements are being made in this program and for Arrowhead's Dynamic Polyconjugate™ (DPCTM) delivery platform generally, including the following key findings:

- Proof-of-concept ligand dependent, functional delivery was demonstrated using the DPC targeted delivery platform
- Silencing HIF2-α expression by RNA interference resulted in reduction of HIF-2α regulated genes
- In two different RCC tumor bearing mouse models, ARC-HIF2 inhibited tumor growth and promoted tumor cell death and structural degeneration

The company is in the process of manufacturing scale up to allow for initiation of IND-enabling studies. Timing for anticipated regulatory submission will be announced in the future.

Update on ARC-LPA for Cardiovascular Disease

Arrowhead's RNAi-based candidate ARC-LPA is in preclinical development as a potential treatment for cardiovascular diseases. ARC-LPA is designed to reduce production of apolipoprotein(a), a key component of lipoprotein(a), or Lp(a). Lp(a) levels in humans are genetically defined and higher levels

correlate with increased risk of **cardiovascular diseases**, independent of cholesterol and LDL levels. ARC-LPA is Arrowhead's first drug candidate to use a subcutaneously administered delivery construct.

In May 2016, Arrowhead presented additional promising preclinical data on ARC-LPA at the Arteriosclerosis, Thrombosis and Vascular Biology | Peripheral Vascular Disease (ATVB|PVD) 2016 Scientific Sessions in Nashville.

The poster presentation described data from **in vitro** screening of RNAi triggers and multiple in vivo models, including transiently transgenic mice, transgenic mice (Tg), and non-human primates (NHPs). Key findings from these studies include the following:

- Screening of RNAi triggers in Tg mice identified those that exhibited substantial and sustained knockdown of serum apo(a) and Lp(a) levels
- RNAi trigger sequences were active in both intravenous and SQ platforms
- Structure activity relationship (SAR) studies looking at chemical modifications to the RNAi trigger identified a lead that demonstrated **greater than 98%** maximum knockdown after a single 3 mg/kg SQ dose in transgenic mice
- Duration of effect gains were also made with greater than 85% knockdown still seen at 6 weeks post dose
- In NHPs, 85-90% reduction of serum Lp(a) levels was observed after three weekly 3 mg/kg SQ doses
- Duration of effect in NHPs was long, with Lp(a) levels still reduced by 75% 6 weeks after the final dose

Update on ARC-F12 for Hereditary Angioedema

Arrowhead is also developing a preclinical program **ARC-F12** for hereditary angioedema. ARC-F12 is in preclinical development as a potential treatment for **factor XII (F12) mediated diseases**. There are clear unmet needs in hereditary angioedema (HAE) and thromboembolic diseases. The biology of factor 12 as part of the coagulation cascade and the kinin-kallikrein system suggest that its reduction through RNAi may present opportunities in both disease areas.

In May 2016, Arrowhead presented promising preclinical data on ARC-F12 at AAAAI 2016.

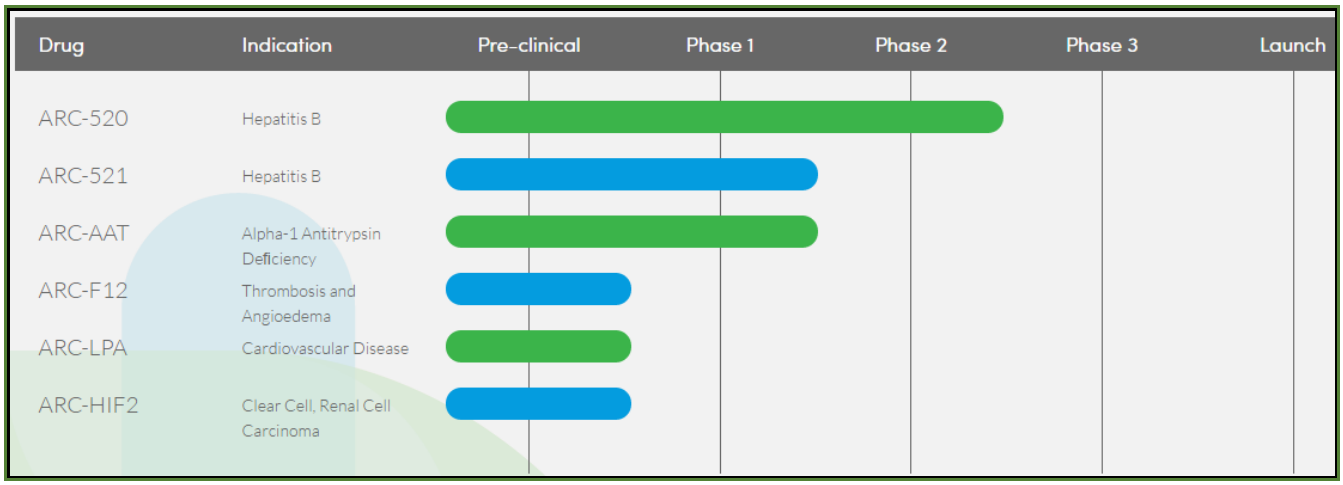
In a carrageenan-induced paw edema model in rats, treatment with ARC-F12 seven days prior to carrageenan challenge led to a significant reduction in edema ($p < 0.001$). The reduction in swelling in ARC-F12 treated rats is similar to that seen in rats treated with a kallikrein-targeted antibody. This supports Arrowhead's position that F12 inhibition could be an attractive target for the rare genetic disorder, hereditary angioedema (HAE).

In a mouse model of **thrombosis**, a dramatic increase in occlusion times was observed in mice receiving ARC-F12. The time to blood flow occlusion is measured as a clinically relevant indicator of physiological response to F12 knockdown and is a measure of the inhibition of thrombus formation. Further, in multiple relevant models of bleeding risk, ARC-F12 did not cause an increase in bleeding times or bleeding risk. Anticoagulants can be used to reduce thrombus formation and thromboembolism occurrence, but also can cause an increase in serious bleeding risk. ARC-F12 may be able to reduce the risk of blood clot formation, without the undesirable bleeding risk caused by anticoagulants.

In vivo studies in wild type mice showed that a single 2 mg/kg dose of ARC-F12 achieved greater than 95% knockdown of F12 levels. In multi-dose primate studies, a 4 mg/kg dose resulted in greater than 90% knockdown with even greater knockdown following subsequent doses. Knockdown was also highly durable with greater than 80% reduction maintained between monthly doses. ARC-F12 appeared to be generally well-tolerated and no drug-related changes in toxicity markers were observed as measured by clinical chemistry and hematologic parameters.

The company is currently conducting studies in order to advance ARC-F12 into **clinical trials**.

With a platform technology, we believe the pipeline can be further expanded with ease.



We Remain Bullish on Arrowhead's Shares

We continue to be optimistic about the prospect of Arrowhead and maintain our valuation at $15 per share based on the progress the company has made in the past quarter.

Arrowhead has been busy recently to move forward with its clinical programs. We believe the company's lead HBV program ARC-520 is a viable drug for chronic HBV patients and the addition of ARC-521 further expands its HBV franchise.

In the area of HBV therapy under development, we think Arrowhead is substantially ahead of its competitors. The company's ARC-520 has the strong advantage of positive data from the long term chimp study and dozens of patients. ARC-520 also has a favorable safety profile. Given the ongoing Phase II studies, we believe that if a breakthrough in HBV is going to occur in the next 12 months it should come from Arrowhead.

The acquisition of Novartis' RNAi development portfolio significantly expands and complements the company's current RNAi assets and will provide the opportunity to rapidly expand its clinical pipeline in the coming years.

We believe current market price of Arrowhead shares does not reflect the intrinsic value of the company.

Based on the current development plan, we expect Arrowhead will be able to initiate **pivotal Phase III** trial of ARC-520 in 2017, and data should be available in late 2017. NDA could be filed in late 2017, and the FDA approval is in late 2018 or early 2019.

We estimate Arrowhead will become profitable in fiscal 2019 with an EPS of $0.68 based on revenue of $210 million. We think a P/E ratio of 38x is appropriate for Arrowhead considering its growth in the next few years. Based on this P/E multiple, we think Arrowhead should be valued at $15.00 per share using 20% discount for 3 years. Our price target values Arrowhead at $1 billion in market cap, which we think is appropriate and fare compared to its peers.

We think ARC-520/ARC-521 is the primary value driver in near- and mid-term for Arrowhead. The successful development of ARC-520/ARC-521 is critical to Arrowhead because the HBV market offers opportunities for substantial revenues, and because validation of the Company's RNAi delivery technology opens broad opportunities both for other therapeutic programs and licensing opportunities.

In this regard, the initiation of the multiple Phase IIb studies of ARC-520 and the initiation of Phase I/II ARC-521 represent an important milestone for Arrowhead in achieving its long term growth goal. One of the attractive features of RNAi and of DPCs specifically is once the safety profile in man for the delivery system has been established; additional targets and candidates can be studied rapidly. Therefore, the Phase II trials of ARC-520 will provide the company with the data needed to accelerate the development of its pipeline and bring additional candidates into the clinic.

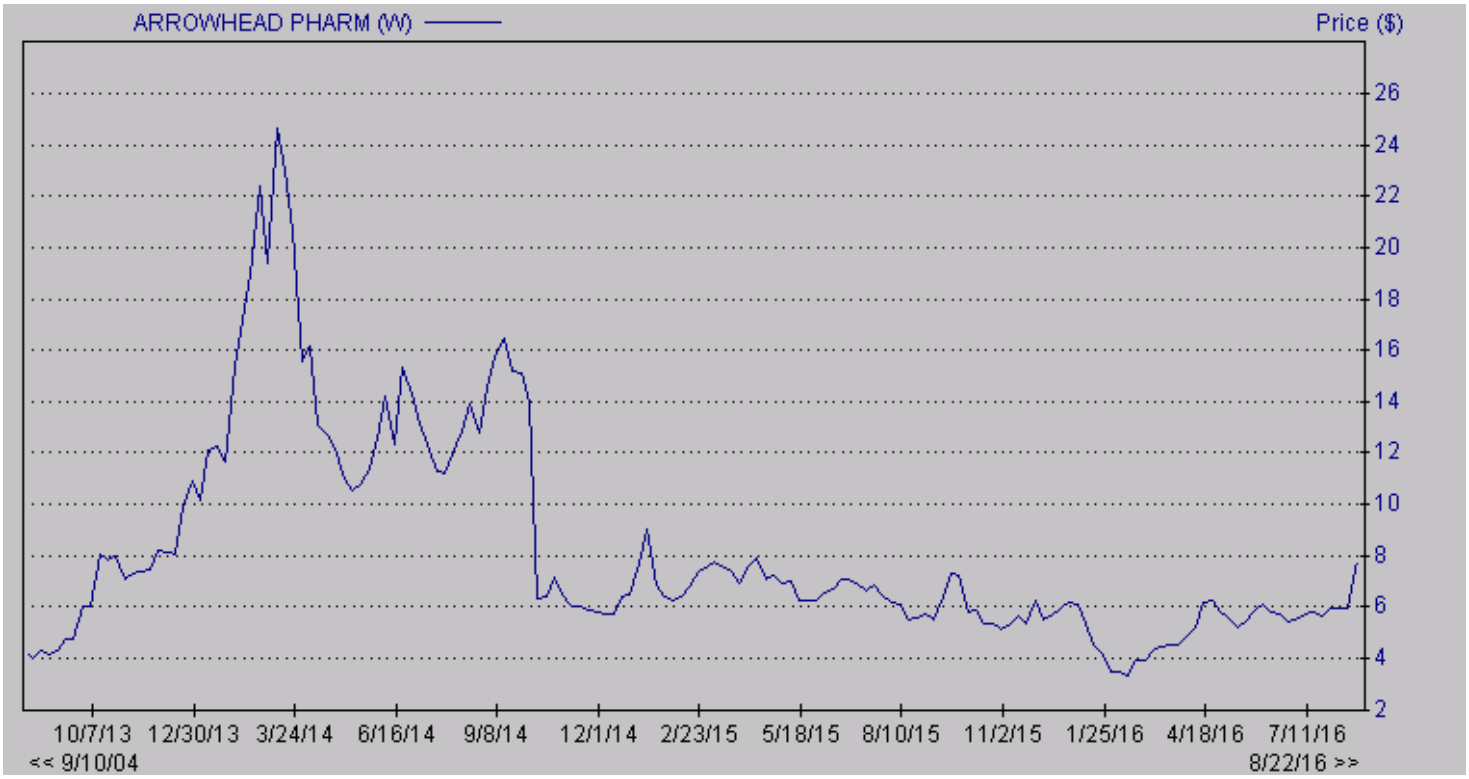
PROJECTED INCOME STATEMENT

	2015 (Sept)					2016 (Sept)					2017 (Sept)	2018 (Sept)	2019 (Sept)
$ in millions except per share data	Q1	Q2	Q3	Q4	FYE	Q1	Q2	Q3	Q4	FYE	FYE	FYE	FYE
Revenue	$0.17	$0.04	$0.12	$0.04	$0.38	$0.04	$0.04	$0.04	$0.04	$0.17	$0.50	$5.00	$210.00
YOY Growth						-	-	-	-	-	*199.3%*	*900.0%*	*4100.0%*
Total Revenues	**$0.17**	**$0.04**	**$0.12**	**$0.04**	**$0.38**	**$0.04**	**$0.04**	**$0.04**	**$0.04**	**$0.17**	**$0.50**	**$5.00**	**$210.00**
YOY Growth	*297.1%*	*0.0%*	*182.9%*	*-1.7%*	*118.3%*	*-74.4%*	*0.0%*	*-68.0%*	*-8.6%*	*-56.3%*	*199.3%*	*900.0%*	*4100.0%*
Cost of Revenue	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.1	$0.8	$29.4
Gross Income	**$0.2**	**$0.0**	**$0.1**	**$0.0**	**$0.4**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.2**	**$0.4**	**$4.3**	**$180.6**
Gross Margin	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*100.0%*	*85.0%*	*85.0%*	*86.0%*
R&D	$17.7	$21.8	$7.5	$10.4	$57.4	$10.3	$10.0	$9.4	$12.0	$41.8	$75.0	$55.0	$60.0
% R&D	*10392.0%*	*49791.0%*	*6052.8%*	*23752.8%*	*15028.8%*	*23631.6%*	*22904.8%*	*23806.2%*	*30000.0%*	*25007.3%*	*15000.0%*	*1100.0%*	*28.6%*
Salary and G&A	$5.2	$5.2	$5.4	$8.6	$24.5	$5.9	$8.1	$6.4	$7.5	$27.8	$30.0	$37.5	$50.0
% SG&A	*3067.0%*	*11973.2%*	*4363.6%*	*19680.4%*	*6409.7%*	*13420.6%*	*18438.9%*	*16141.4%*	*18750.0%*	*16655.1%*	*6000.0%*	*750.0%*	*23.8%*
Other expenses	$2.3	$2.7	$3.2	$4.4	$12.6	$3.2	$3.2	$3.6	$3.7	$13.7	$8.5	$10.0	$12.0
% Other	*1349.9%*	*6067.7%*	*2607.8%*	*10017.0%*	*3290.3%*	*7256.4%*	*7361.7%*	*9016.5%*	*9250.0%*	*8178.2%*	*1700.0%*	*200.0%*	*5.7%*
Operating Income	**($25.1)**	**($29.6)**	**($16.0)**	**($23.3)**	**($94.1)**	**($19.3)**	**($21.3)**	**($19.3)**	**($23.2)**	**($83.1)**	**($113.1)**	**($98.3)**	**$58.6**
Operating Margin	-	-	-	-	-	-	-	-	-	-	-	-	*27.9%*
Other Income (Net)	$2.5	$0.9	$0.1	($5.4)	($1.9)	$0.1	$0.4	($0.1)	($0.1)	$0.3	($0.5)	($0.5)	($0.5)
Pre-Tax Income	**($22.6)**	**($28.7)**	**($15.9)**	**($28.8)**	**($96.0)**	**($19.3)**	**($20.8)**	**($19.4)**	**($23.3)**	**($82.8)**	**($113.6)**	**($98.8)**	**$58.1**
Net Taxes (benefit)	$0.0	$0.0	$0.0	($4.0)	($4.0)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Tax Rate	*0.0%*	*0.0%*	*0.0%*	*14.0%*	*4.2%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Reported Net Income	**($22.6)**	**($28.7)**	**($15.9)**	**($24.7)**	**($91.9)**	**($19.3)**	**($20.8)**	**($19.4)**	**($23.3)**	**($82.8)**	**($113.6)**	**($98.8)**	**$58.1**
YOY Growth	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Margin	-	-	-	-	-	-	-	-	-	-	-	-	-
Weighted avg. Shares Out	*54.7*	*55.7*	*59.5*	*59.5*	*57.4*	*59.5*	*59.8*	*60.0*	*68.0*	*61.8*	*75.0*	*80.0*	*85.0*
Reported EPS	**($0.41)**	**($0.51)**	**($0.27)**	**($0.42)**	**($1.60)**	**($0.32)**	**($0.35)**	**($0.32)**	**($0.34)**	**($1.34)**	**($1.51)**	**($1.23)**	**$0.68**
YOY Growth	-	-	-	-	-	-	-	-	-	-	-	-	-
One-time charge	$2.54	$0.95	$0.06	($5.44)	($1.89)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Non GAAP Net Income	**($20.0)**	**($27.7)**	**($15.9)**	**($30.2)**	**($93.8)**	**($19.3)**	**($20.8)**	**($19.4)**	**($23.3)**	**($82.8)**	**($113.6)**	**($98.8)**	**$58.1**
Non GAAP EPS	**($0.37)**	**($0.50)**	**($0.27)**	**($0.51)**	**($1.64)**	**($0.32)**	**($0.35)**	**($0.32)**	**($0.34)**	**($1.34)**	**($1.51)**	**($1.23)**	**$0.68**

Source: Company filing and Zacks estimates

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HISTORICAL ZACKS RECOMMENDATIONS



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