Zacks Small-Cap Research

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Cryoport Inc (CYRX-NASDAQ)

CYRX: Raising PT To $9.50/Share on CAR-T Forecast

Average comparable PE/G (excluding high and low outliers) is 1.81 which is applied to our forecasted revenue growth rate of CYRX of 57% through fiscal 2021. The result, $13.9/share, is discounted back to the present at a CAPM-calculated discount rate of 13.7% to come to present value of approximately $9.50/share.

Current Price (08/15/17)	$7.59
Valuation	**$9.50**

OUTLOOK

Financial results continue to impress as revenue set another new high, extending that streak to 11 straight quarters. Consistent increases in the number of clinical trials that the company supports remains the major catalyst to the topline growth. That metric (i.e. # of clinical trials supported) has proven to be a highly accurate predictor of revenue from CYRX's biopharma segment, which represents the largest contributor to total revenue as well as the highest growth segment. Importantly, the rapid revenue growth is not coming at the expense of margins or profitability - in fact gross margin and operating loss have both shown fairly regular improvement for the last six consecutive quarters. And while financial results have been relatively very strong as of late, another upward inflection could be looming given the (likely) impending U.S. regulatory approvals of two cancer immunotherapy candidates that CYRX has supported in clinical studies and will support (if and) when commercialized. In aggregate, commercialization support for just the initial indications could represent $15M or more in annual revenue opportunity for CYRX. This has resulted in our price target moving from $8 to $9.50/share.

SUMMARY DATA

52-Week High	**$7.84**
52-Week Low	**$1.80**
One-Year Return (%)	**269.00**
Beta	**0.61**
Average Daily Volume (sh)	**134,480**
Shares Outstanding (mil)	**25**
Market Capitalization ($mil)	**$183**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**10**
Insider Ownership (%)	**13**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**66.7**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/A**
P/E using 2017 Estimate	**N/A**
P/E using 2018 Estimate	**N/A**
Zacks Rank	**N/A**

Risk Level	**High,**
Type of Stock	**Small-Growth**
Industry	**Shipping**

ZACKS ESTIMATES

Revenue
(in '000s of $)

	Q1 (Mar)	Q2 (June)	Q3 (Sep)	Q4 (Dec)	Year (Mar)
2016	1556 A	1918 A	1977 A	2229 A	7,679 A
2017	2712 A	2917 A	3136 E	3722 E	12,488 E
2018					21,767 E
2019					37,472 E

Earnings per Share

	Q1 (June)	Q2 (Sep)	Q3 (Dec)	Q4 (Mar)	Year (Mar)
2016	-$0.26 A	-$0.28 A	-$0.14 A	-$0.25 A	-$0.93 A
2017	-$0.10 A	-$0.08 A	-$0.08 E	-$0.07 E	-$0.32 E
2018					-$0.24 E
2019					-$0.12 E

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

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Q2 2017: Ramping Biopharma Revenue Continues, Raising PT on CAR-T Opportunity…

CYRX reported Q2 2017 financial results. Results continue to impress as revenue set another new high, extending that streak to 11 straight quarters. Consistent increases in the number of clinical trials that the company supports remains the major catalyst to the topline growth. That metric (i.e. # of clinical trials supported) has proven to be a highly accurate predictor of revenue from CYRX's biopharma segment, which represents the largest contributor to total revenue as well as the highest growth segment. Importantly, the rapid revenue growth is not coming at the expense of margins or profitability - in fact gross margin and operating loss have both shown fairly regular improvement for the last six consecutive quarters.

And while financial results have been relatively very strong as of late, another upward inflection could be looming given the (likely) impending U.S. regulatory approvals of two cancer immunotherapy candidates that CYRX has supported in clinical studies and will support (if and) when commercialized. In aggregate, commercialization support for just the initial indications could represent $15M or more in annual revenue opportunity for CYRX. As we explain in more detail below, additional upward revisions to our revenue estimates (as well as price target) reflect more insight gleaned on the call relative to the scope and opportunity of these contracts.

Q2 revenue, at $2.9M, was up 52% yoy and inline with our $2.9M estimate. It is also a new record and up almost 8% sequentially from Q1 (the prior best). This is the fifth consecutive quarter in which revenue came in slightly better and operating loss much better than our respective estimates. The $60k revenue difference in Q2 compared to our estimate relates to $36k beat ($2.22M A vs. $2.19M) in biopharma and $25k ($426k A vs. $401k E) beat in reproductive medicine, partially offset by $20k miss ($263k A vs. $283k E) in animal health.

Relative to biopharma, revenue increased 69% yoy and was up 10% sequentially. This segment, which now accounts for 76% of total revenue, up from an average of 69% in 2016, continues to be the main driver of the top-line. As has become clear by now, onboarding of new biopharma clients and clinical trials has been the major catalyst driving revenue of this segment. CYRX added a net 33 clinical trials in Q2 and now supports a total of 172 – up from approximately 90 one-year earlier.

Noteworthy is that the 33 net additions during Q2 were well-ahead of our estimated 17 and appear to be the greatest quarterly increase since CYRX began publicly reporting this metric in early 2015. Given the historical very high correlation between biopharma revenue and the number of clinical trials supported (with one-quarter lag), we now think total revenue will grow sequentially from Q3 to Q4 of this year by almost 20% (revised up from 13%).

Meanwhile, the animal health segment, which saw revenue tick down 1% for the full year 2016, posted yoy growth of 15% in Q2 and 21% through first half of 2017. Management has noted that animal health, which accounts for about 10% of total revenue, is benefitting from the recent addition of clinical trials, their partnership with Zoetis and from recent growth in demand for veterinary vaccines and certain regenerative medicines – which we think indicates that the ramping interest in and development of biologics is not just contained in the human-use segment but also spilling over to the animal market. CYRX expects to see additional demand for their animal health-related services including in the form of onboarding more clinical trials.

Reproductive medicine, which saw revenue increase 19% in 2016, currently accounts for 15% of total revenue. Revenue grew 15% yoy and was up 2% sequentially through Q2. While U.S. revenue remains very strong – up on a yoy basis by 57% in Q2 and 54% in 1H 2017 and catalyzed by CYRX's growth in the domestic IVF segment and targeted marketing campaigns, this has been partially offset by softness in international markets due to headwinds from adverse changes to medical tourism-related regulations in certain countries. Nonetheless, we think this business has some room to grow given CYRX's active measures to accelerate activity of the segment which included the deployment of additional shippers, targeted awareness-building campaigns and the new CryoStork Next Flight Out service, which launched earlier in 2017.

Relative to the rest of the income statement…Q2 gross margin was 47.8% - an all-time high and 160 basis points wider than the prior best (Q1 2017). Gross margin improved 700 basis points over the last 12 months. It was also well ahead of our 44% estimate. Given that GM has widened further and faster than we had expected over the last several quarters, we have made some upward revisions to this line item in every period in our model. Margin improvement has been attributed to a combination of pricing increases and operational efficiencies leveraged with higher business volumes. Management continues to guide for GM to eventually reach 60%.

Meanwhile, operating expenses were $3.3M - dead-on with our $3.3M estimate. And while this is up from $3.0M in Q1, as a percent of total revenue, OpEx was near an all-time low. As we have noted on a regular basis, management has been diligent on watching costs and their efforts have been obvious. SG&A and total operating expenses represented 104% and 112% of total revenue in Q2 – almost identical to what they were in Q1 of this year, which was (at that time) by far the lowest level in company history. OpEx as a percent of revenue has been falling on a fairly consistent basis since Q1 of last year and, combined with growth in revenue and widening of gross margin has also resulted in regular improvement in operating loss. And while we still expect operating expenses may move around, particularly as the company makes additional preparations to support commercialized products, we think there are a lot of positive signs that suggest CYRX is creeping ever closer to the inflection point where operating income begins to improve on a regular basis.

Cash

Cash used in operating activities was $568k and $1.4M ($855k and $1.7M ex-changes in working capital) in the three and six months ending 6/30/2017. Capex, which included the purchase of shippers and Smart Pak II monitoring systems, consumed another $641k and $1.0M over those same periods (other signs of increasing capacity and preparing for increasing business). Pro forma for $1.8M in proceeds from the exercise of warrants subsequent to quarter-end, cash balance was approximately $14.7M at the close of Q2. With the April repayment of remaining outstanding notes, the company is now debt-free.

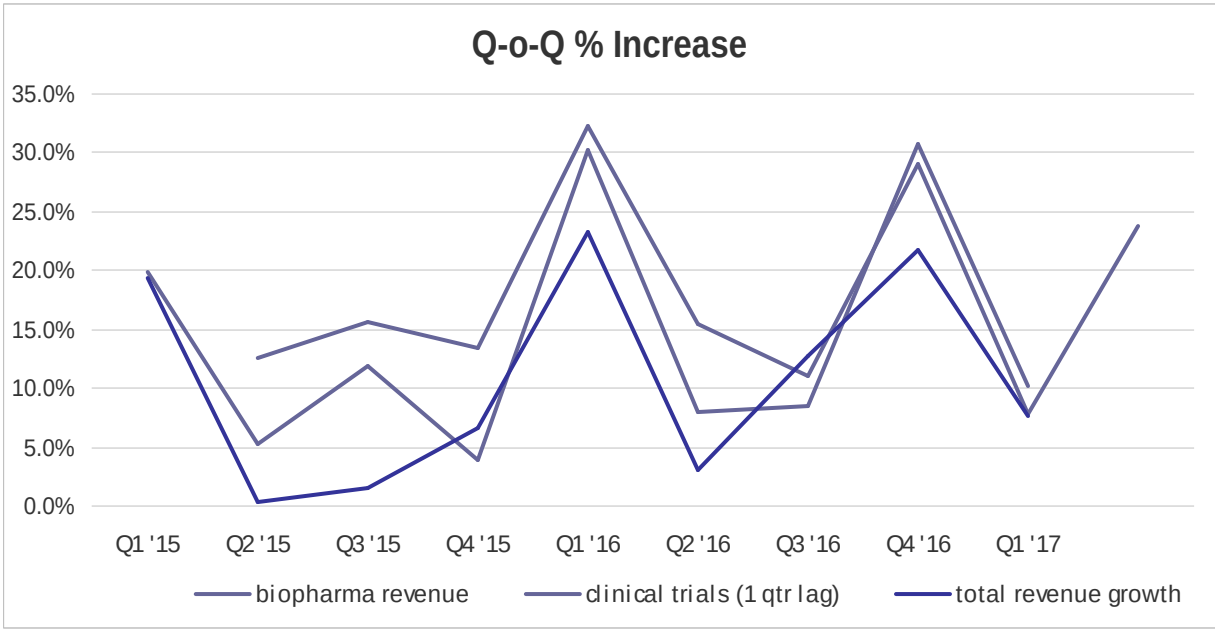
Operational Update:

Biopharma: As we illustrate below, a very strong correlation remains between the growth in the number of clinical trials (with one-quarter lag) that CYRX supports at a given point in time and growth in both biopharma and total revenue. The correlation between clinical trial growth and biopharma revenue remained high with the inclusion of Q2 results, at 0.920.

Assuming the correlation remains strong and there is not significant deviation in what we term the 'clinical trial revenue multiple' – that is, our calculated average revenue per clinical trial (which on a 1-quarter lag basis, is currently ~$75k annualized), then biopharma revenue should continue to grow (both yoy and sequentially) with continued growth in the number of net clinical trials supported. Of course, biopharma revenue will also benefit – and likely to a much greater degree – once CYRX is supporting a commercialized product. That prospect is coming closer to fruition with several of the company's clients nearing FDA approval of their respective cancer immunotherapy candidates (more detail below).

As the biopharma segment has been the catalyst to the top-line growth, it should come as no surprise that this also marks the 11th straight quarter of consecutive revenue growth of that segment. The importance of the biopharma segment, which is where management has turned the majority of its focus, is also highlighted by its contribution to overall revenue. In the quarter ending September 30, 2014 (i.e. 2.75 years ago) the biopharma segment accounted for 50% of total revenue – that proportional contribution has grown almost every quarter since and now sits at 76%. Not coincidentally, the number of clinical trials that CYRX supports has also grown quarter-over-quarter – from about 40 in the quarter ending March 31, 2015 (the earliest date that we were able to find when trial customer counts were disclosed) to 172 today.

Interestingly, overlaying the trends in growth of the clinical trial customer count (with a one-month lag), to growth in biopharma and total revenue produces a very close correlation (chart below). In fact we ran a correlation function comparing the quarter-over-quarter growth in the number of clinical trials that CYRX is supporting (with one-month lag) to the growth in biopharma revenue beginning with the quarter ending June 30, 2015 and concluding with the quarter ending June 30, 2017. The result is a correlation of 92%. We have utilized this correlation to estimate revenue for the last few quarters – and while we have been slightly low, only missed by 4% in the last four quarters combined. CYRX added 33 new clinical trials in Q2 '17 - which looks to be the most added in any quarter since CYRX began publicly reporting this metric in early 2015. This suggest that biopharma revenue could grow sequentially from Q3 to Q4 of this year by almost 20%, which is reflected in our updated model.



Of the current 172 clinical trials that CYRX is currently supporting, the majority are in the regenerative medicine space – the outsized growth of that market over just the last few years has clearly created demand-pull for cryogenic shipping and related servicesAnd clearly CYRX, with their expertise in cryogenic shipping and logistics including their real-time temperature monitoring and tracking capabilities, has been the beneficiary of the strict requirements aimed at ensuring the safety and viability of biological material during handling, transport and storage. Current estimates are that 900 regenerative-medicine clinical trials are now ongoing.

Importantly, CYRX not only continues to grow the number of clinical trials they are supporting, but also continues to consistently grow the number of late-stage trials it supports – they now support 17 phase III trials, which is up from about 14 just 12 months ago. CYRX expects to add additional phase III programs over the course of 2017. Later stage trials, which typical have significantly larger patient enrollments than earlier phases, offer similarly greater revenue potential to CYRX.

And while supporting clinical trials can be a meaningful revenue contributor, logistics and shipping support for a commercialized product could be much more significant. For reference management estimates that the potential revenue range for support of a phase I program is $15k - $75k, phase II is $75k - $125k, phase III is $200k - $1M and for a commercialized product is $2M - $20M.

NVS', KITE's CAR-T Candidates Present New Revenue Inflection Opportunity for CYRX

In July an FDA advisory panel voted unanimously (10-0) to approve CTL019 (tisagenlecleucel-T), a novel CAR-T cell immunotherapy developed by Novartis, for the treatment of children and young adults (ages 3 - 25) with relapsed or refractory B-cell acute lymphoblastic leukemia (ALL). B-cell ALL is a form of Leukemia (i.e. blood cancer) in which lymphoblasts (i.e. immature white blood cells) are overproduced in the bone marrow, resulting in the production of abnormal (cancerous) blood cells and inhibiting the production of other, healthy cells.

As a reminder, CYRX recently revealed that they have been chosen to support the commercialization of CTL019. CTL019 therapy requires blood cells to be extracted from the patient, cryopreserved and shipped to Novartis' laboratories where they are re-engineered. The cells are then refrozen and shipped back to the treating physician. These complex processes can create logistical challenges and, coupled with critical importance of maintaining the integrity of the cells at all times, are some of the reasons why we believe NVS has teamed up with CYRX.

Relative to the role that CYRX will play, management noted on the Q2 call that, "Our role is to support Novartis by providing cryogenic logistics including distribution and real-time monitoring to ensure the environments in which our logistics services are provided satisfactory to support the delivery of the efficacy of this therapies and that those logistics environments are not compromised during transportation."

Annual U.S. incidence of B-cell ALL is estimated at approximately 6k cases, roughly 60% of which are under the age of 20. Prevalence in the U.S. is believed to be about 30k. While the 5-year survival rate of B-cell ALL patients, at approximately 85%, is relatively high, that is not the case for those patients that are refractory (i.e. resistant) or

have relapsed from treatment. In these r/r patients, 5-year survival falls to just 16% - 30%. In NVS' pivotal study, 83% of r/r B-cell ALL patients achieved remission at 90 days and remained cancer-free at six months. In addition, the probability of being relapse-free was 75% at six months and 64% at 12 months among those patients that responded. Finally, the probability of survival was 89% at six months and 79% at 12 months. The results are considered remarkable and potentially revolutionary in terms of progress towards an eventual cure for cancer.

CTL019 has breakthrough status from the FDA for this r/r B-cell ALL indication. Despite an adverse event profile that includes certain and potentially serious risks, such as cytokine release syndrome (i.e. extreme inflammatory reaction), given the extraordinary clinical data and unanimous vote in favor of approval by the FDA panel, we think U.S. regulatory approval of CTL019 is all but guaranteed.

While we had previously presumed that the relatively small size of the r/r B-cell ALL market - which we estimate at ~1k patients in the U.S. (and, perhaps another 1k in Europe), might mean that it might not represent an overly significant initial opportunity for CYRX in terms of revenue, management dispelled that assumption with their comments on the Q2 call - noting that they believe this CTL019-related contract, for the initial indication alone, could generate $8M to $10M in annual revenue for the company. We have since made fairly significant upward revisions to our modeled revenue - which mostly impacts our 2019 and later estimates.

We also note that given rumored potential per-treatment pricing of CTL019 is as high as $600k (or more) and expectations that it reaches blockbuster status ($1B+ annual sales), there should be no lack of financial resources to support the critical cryopreservation, shipping and logistics functions.

CTL019 Label Expansion Could Offer Additional Upside…
NVS hopes to expand the CTL019 label to include the treatment of other cancers including relapsed or refractory diffuse large B-cell lymphoma (r/r DLBCL), for which it has also received breakthrough therapy status by the FDA. Interim results of their phase II study, announced in early June 2017, were positive. NVS hopes to file for approval in both the U.S. and Europe for the treatment of r/r DLBCL. Approximately 20k Americans are diagnosed with DLBCL each year, of which about 7k will either not respond to initial treatment or will relapse. As such, and estimating the European market represents another ~7k potential patients, an r/r DLBCL indication could significantly increase CYRX's total revenue opportunity related to this therapy.

And additional indications related to CTL019 could follow. Additionally, NVS has other CAR-T cell programs ongoing which, presumably, CYRX could also eventually be engaged in supporting. This includes CTL119 for r/r chronic lymphocytic leukemia - in late May NVS announced positive results of a pilot study of CTL119 in combination with ibrutinib.

Supporting CTL019 Provide Compelling Marketing Message for CYRX…
The other likely, and perhaps even more valuable, benefit of providing support of CTL019 is the awareness and validation that that it provides to CYRX as the leader in cryopreservation/logistics/transport/chain-of-custody of cell-based therapies. One of the challenges with immunotherapies is minimizing the amount of time that it takes to transport (and all the functions that are involved in that) the cells from the patient to the lab and back to the patient again. Time is of the essence as; these are very sick patients in most cases and time is the enemy of cell viability.

The positive expert FDA advisory panel recommendations and comments relative to the extraordinary efficacy of CTL019 - which included a comment by one panel member that it was the most exciting thing he had seen in his career - received widespread news coverage. FDA approval and launch is almost certain to elicit another wave of mass-publicity and enthusiasm. We believe that this early publicity and clinical success of CTL019 may provide CYRX with perhaps their single-most significant marketing message as it relates to customers entrusting them with these cryopreservation/logistics/transport/chain-of-custody functions that are so critical in the therapeutic supply chain. Given the recent and growing massive inflow of investment dollars targeting immunotherapy development, we think CYRX's commercialized support of CTL019 (and possibly Kite's KTE-C19 as well) could represent the beginning of the next inflection in demand growth for CYRX's services.

Kite's KTE-C19 Could Be Next
CYRX is also supporting Kite Pharma's KTE-C19 (axicabtagene ciloleucel) candidate, a chimeric antigen receptor developed to treat aggressive non-Hodgkin lymphoma. In December 2015 axicabtagene ciloleucel received Breakthrough designation by FDA for DLBCL, transformed follicular lymphoma (TFL) and primary mediastinal B-cell lymphoma (PMBCL). In February 2017 they announced positive data from their pivotal study (dubbed ZUMA-1), which is supporting the BLA filing for r/r non-Hodgkin lymphoma. Kite completed their BLA submission to FDA at the end of March 2017, which was subsequently granted priority review by FDA with a PDUFA date of November

29, 2017 - approximately two months after that of NVS's for CTL019. Kite expects to submit for European regulatory approval as well.

Kite also recently announced positive data from a Phase 1 study of KTE-C19 in adult patients with r/r acute lymphoblastic leukemia. A phase 2 study is planned for later this year. CYRX noted that they are supporting all of Kite's current seven clinical trials including for their T cell receptor candidate being developed for the treatment of solid tumors. The initial market for KTE-C19 (in DLBCL) is expected to be similar to that for CTL019's similar (i.e. second) indication (~7k U.S. and ~7k in EU) and the revenue opportunity for CYRX may be similar (i.e. $8M - $10M per year) as well. There is also the potential for relatively rapid expansion of the label of KTE-C19 in NHL, which also offers the potential for additional upside.

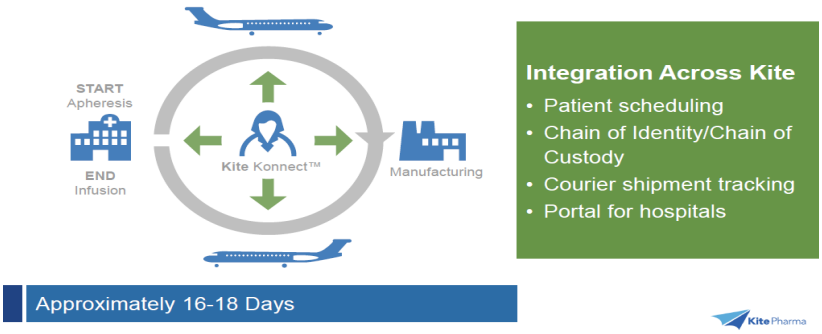
Transport/Chain-of-Custody Is A "Complicated Process" Requiring "Special Solutions"…

We reiterate the critical nature that transport and chain of custody plays in cell-based therapies and there is significant complexity in many of these functions. At a recent investor presentation Kite's management touched on the complexity involved in transportation, noting that (slide below from presentation), "the manufacturing is just one piece of the puzzle - it starts at the hospital with the leukapharesis, it has to go to the manufacturing and back. This is a complicated process that we had to come up with some special solutions. It needs to integrate the patient scheduling, the chain of identity, chain of custody, it has to bring into consideration the shipment in and out and the portals of the hospitals so the patient can receive it on time."

We think this, again, speaks to validation and trustworthiness of CRYX's expertise and abilities. But it also speaks to why we believe there is a significantly high barrier to entry and provides CYRX with a substantial competitive advantage.

Transportation a "Complicated Process"

Market Setting Integrated Delivery Solution for ***axi-cel***



SOURCE: Kite Pharma, Jefferies Global HC Conf June 2017

Valuation: $9.50/share

As CYRX's clinical customer pipeline grows, including into later stages, so does their shots on goal and opportunities for additional revenue growth. And, as we have illustrated in recent reports, CYRX's revenue growth has closely track growth in their clinical trial customer base.

Cryoport estimates that there are 900 ongoing clinical trials in the regenerative medicine space – approximately 15% of which we estimate that CYRX is currently supporting. We think the double-digit growth in the number of regenerative medicine clinical trials that the company supports over the last 12+ months speaks to validation of the company's offerings. This is also a major component driving our modeled continued growth of the number of supported clinical trials – which in turn, drives our modeled revenue growth.

We are now modeling meaningful contribution from the expected support of NVS's and Kite's CAR-T cell candidates. We model initial and more incremental contribution during 2018 with a much more substantial ramp in related revenue contribution in 2019. This update to our model has resulted in our target price increasing from $8.00 to $9.50/share.

We recently updated our valuation methodology to what we believe best represents publicly traded industry comparables of companies in the delivery and logistics/transportation sectors. Our list does not include peers solely focused on cold/cryogenic shipping of biological materials or any logistics organizations primarily operating in the biotechnology/pharmaceutical space – the reason is that, other than CYRX, there are no publicly traded companies with viable operations solely focused on those areas. We do believe, however, that there is enough crossover among our list and CYRX in terms of industry fundamentals, challenges and opportunities that it is a fair representation for comparable valuation purposes.

Average comparable PE/G (excluding high and low outliers) is 1.81 which is applied to our forecasted revenue growth rate of CYRX of 57% through fiscal 2021. The result, $13.9/share, is discounted back to the present at a CAPM-calculated discount rate of 13.7% to come to present value of approximately $9.50/share.

	P/E		P/S							
Delivery	1yr trailng	1yr frwrd	1yr Tr	1yr Fr	5yr G	P/E 4yr Fr	P/S 4yr Fr	PE/G	P/B	EV/EBITDA
FDX	19.04	13.56	0.93	0.85	12.1%	10.75	0.53	1.32	3.55	11.7
UPS	28.45	17.22	1.56	1.43	8.4%	19.02	1.04	2.27	181	14.03
DPSGY	16.13	14.15	0.68	0.62	15.5%	7.85	0.33	~~0.51~~	3.5	9.96
ABC	17.58	14.26	0.13	0.12	8.9%	11.48	0.08	1.78	7.82	8.95
Logist/Transp										
CHRW	19.19	18.34	0.073	0.7	7.3%	13.50	0.05	2.85	7.45	12.54
RLGT	80.3	19.63	0.34	0.32	24.6%	10.15	0.11	0.80	2.08	13.03
RRTS	10.94	10.26	0.14	0.13	NA	NA	NA	NA	0.43	6.49
JANL	1.87	NA	0.07	NA	NA	NA	NA	NA	0.43	5.15
EXPD	22.55	20.08	1.54	1.46	3.6%	18.87	1.29	~~4.12~~	5.19	11.96
HUBG	18.4	17.06	0.34	0.33	24.0%	6.29	0.12	NA	1.97	8.02
LSTR	26.13	21.55	1.13	1	13.4%	13.94	0.60	1.83	6.36	12.88
Average								**1.81**		

Inputs			**CYRX**				
Treasury	Disc Rate	Ind. PE/G	Beta	5yr G	Yr5 EPS	Yr5 Value	PV
2.40%	13.7%	1.81	1.49	57%	$0.14	$13.9	**$9.46**

FINANCIAL MODEL

CryoPort Inc.

	2015 A	Q1A	Q2A	Q3A	Q4A	2016 A	Q1 A	Q2 A	Q3 E	Q4 E	2017 E	2018 E	2019 E
Total Revenues	$5,525.2	$1,555.5	$1,917.6	$1,976.8	$2,228.9	$7,678.8	$2,712.2	$2,917.4	$3,136.4	$3,722.3	$12,488.3	$21,766.5	$37,472.3
YOY Growth	*54.7%*	*29.8%*	*34.0%*	*37.6%*	*52.8%*	*39.0%*	*74.4%*	*52.1%*	*58.7%*	*67.0%*	*62.6%*	*74.3%*	*72.2%*
Cost of Revenues	$3,846.6	$973.7	$1,135.6	$1,180.0	$1,288.0	$4,577.4	$1,458.7	$1,524.2	$1,630.9	$1,917.0	$6,530.8	$10,012.6	$16,188.0
Gross Income	$1,678.6	$581.8	$782.0	$796.8	$940.8	$3,101.4	$1,253.5	$1,393.2	$1,505.5	$1,805.3	$5,957.5	$11,753.9	$21,284.3
Gross Margin	*30.4%*	*37.4%*	*40.8%*	*40.3%*	*42.2%*	*40.4%*	*46.2%*	*47.8%*	*48.0%*	*48.5%*	*47.7%*	*54.0%*	*56.8%*
SG&A	$8,997.6	$3,061.4	$2,625.4	$2,743.0	$2,839.6	$11,269.4	$2,773.0	$3,026.3	$3,236.8	$3,342.6	$12,378.7	$17,173.8	$23,682.5
% SG&A	*162.8%*	*196.8%*	*136.9%*	*138.8%*	*154.0%*	*146.8%*	*102.2%*	*103.7%*	*103.2%*	*89.8%*	*99.1%*	*78.9%*	*63.2%*
R&D	$490.8	$144.5	$135.8	$214.7	$103.1	$598.1	$249.8	$230.7	$234.0	$228.0	$942.6	$958.0	$984.0
% R&D	*8.9%*	*9.3%*	*7.1%*	*10.9%*	*4.6%*	*7.8%*	*9.2%*	*7.9%*	*7.5%*	*6.1%*	*7.5%*	*4.4%*	*2.6%*
Operating Income	($7,809.8)	($2,624.1)	($1,979.3)	($2,160.8)	($2,001.9)	($8,766.1)	($1,769.3)	($1,863.9)	($1,965.3)	($1,765.3)	($7,363.8)	($6,377.9)	($3,382.2)
Operating Margin		*-168.7%*	*-103.2%*	*-109.3%*	*-89.8%*	*-89.8%*	*-65.2%*	*-63.9%*	*-62.7%*	*-47.4%*	*-59.0%*	*-29.3%*	*-9.0%*
Other income, net	($6.5)	($4.9)	($1,931.7)	($1.4)	$1.5	($1,936.6)	$0.0	$3.5	$0.0	$0.0	$3.5	($12.0)	($15.0)
Interest income, net	($1,227.4)	($81.2)	($21.2)	($19.3)	($17.7)	($139.4)	($15.7)	($0.0)	$0.0	$0.0	($15.7)	$0.0	$2.0
Loss on asset sale	$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
Change in derivative value	$0.0	$0.0	$0.0	$0.0	($2,265.4)	($2,265.4)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Pre-Tax Income	($9,043.7)	($2,710.2)	($3,932.2)	($2,181.6)	($4,283.5)	($13,107.5)	($1,785.0)	($1,860.5)	($1,965.3)	($1,765.3)	($7,376.0)	($6,389.9)	($3,395.2)
Taxes	$3.6	$0.0	$2.5	$2.9	$0.0	$5.4	$4.2	$0.0	$0.0	$0.0	$4.2	$0.0	$0.0
Tax Rate	*0.0%*	*0.0%*	*0.1%*	*0.0%*	*0.0%*	*0.0%*	*-0.2%*	*0.0%*	*0.0%*	*0.0%*	*-0.1%*	*0.0%*	*0.0%*
Preferred Stck Conversion Charge	($6,376.9)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Net Income	($9,845.0)	($2,785.6)	($3,934.7)	($2,184.5)	($4,283.5)	($13,188.4)	($1,789.2)	($1,860.5)	($1,965.3)	($1,765.3)	($7,380.3)	($6,389.9)	($3,395.2)
YOY Growth		*-29.5%*	*-40.4%*	*-18.0%*	*42.8%*	*34.0%*	*-35.8%*	*-52.7%*			*-44.0%*	*-13.4%*	*-46.9%*
Net Margin		*-179.1%*	*-205.2%*	*-110.5%*	*-192.2%*	*-171.7%*	*-66.0%*	*-63.8%*			*-59.1%*	*-29.4%*	*-9.1%*
EPS	($1.65)	($0.26)	($0.28)	($0.14)	($0.25)	($0.93)	($0.10)	($0.08)	($0.08)	($0.07)	($0.32)	($0.24)	($0.12)
YOY Growth		*-66.6%*	*-78.8%*	*-64.7%*	*-38.8%*	*-43.8%*	*-61.3%*	*-72.0%*			*-65.4%*	*-42.2%*	*-71.8%*
Diluted Shares O/S	5,951	10,601	14,200	15,120	16,847	14,192	17,604	23,966	24,600	25,600	22,943	27,000	29,000

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