Zacks Small-Cap Research

December 15, 2017
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Biopharmx Corp (BPMX-NYSE MKT)

BPMX: Zacks Company Report

BPMX: Positive feedback from the FDA received with respect to the Phase III design, Positive data from Phase IIb of BPX01 for acne announced, Phase III planned; Strong balance sheet.

Current Price (12/14/17)	$0.11
Valuation	**$3.00**

OUTLOOK

BPMX is a specialty pharma with a focus on women's health and dermatology. The company's VI_2OLET is a commercially available OTC for breast discomfort associated with FBC. BPX03, a prescription iodine for FBC, will enter Phase III trial in 2018. BPX01, a topical minocycline, for acne, will enter Phase III trial soon. By 2019, BPMX will become a key player in the targeted markets of women's health and dermatology with 3 products commercially available targeting FBC and acne respectively.

We are optimistic about BPMX prospect.

SUMMARY DATA

52-Week High	**$0.85**
52-Week Low	**$0.20**
One-Year Return (%)	**-59.29**
Beta	**-0.61**
Average Daily Volume (sh)	**671,348**
Shares Outstanding (mil)	**154**
Market Capitalization ($mil)	**$15**
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 2015 Estimate	**N/A**
P/E using 2016 Estimate	**N/A**
Zacks Rank	**N/A**

Risk Level	**N/A**
Type of Stock	**N/A**
Industry	**Med-Biomed/Gene**
Zacks Rank in Industry	**N/A**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Apr)	Q2 (Jul)	Q3 (Oct)	Q4 (Jan)	Year (Jan)
2017	$0.03 A	$0.02 A	$0.03 A	$0.02 A	$0.10 A
2018	$0.02 A	$0.02 A	$0.02 A	$0.50 E	$0.55 E
2019					$15.0 E
2020					$62.5 E

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

	Q1 (Apr)	Q2 (Jul)	Q3 (Oct)	Q4 (Jan)	Year (Jan)
2017	-$0.17 A	-$0.18 A	-$0.12 A	-$0.09 A	-$0.52 A
2018	-$0.08 A	-$0.05 A	-$0.05 A	-$0.06 E	-$0.23 E
2019					-$0.15 E
2020					$0.25 E

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

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WHAT'S NEW

Update on Fiscal Third Quarter 2018 Financial Results

Biopharmx recently reported financial results for the fiscal third quarter ended October 31,2017.

Revenue for the fiscal third quarter ended October 31, 20157 was $18,000, as compared to $33,000 for the same quarter 2016.

R&D expenses for the fiscal third quarter 2018 was $2.1 million, as compared to $2.5 million for the fiscal third quarter 2017.

G&A expenses for the fiscal third quarter 2018 was $1.6 million, compared to $1.7 million for the same period of fiscal 2017.

Total operating expenses for the third quarter of 2018 were $3.7 million, compared with total operating expenses of $4.2 million for the same period in fiscal 2017. The decrease was mainly due to reduced spending for the company's acne drug clinical trials.

Net loss for the third quarter of 2018 was $3.7 million ($0.05 per share), compared with a net loss of $3.9 million ($0.12 per share) for the fiscal third quarter of 2017.

Adjusted non-GAAP net loss for the third quarter of 2018 was $3.3 million ($0.04 per share), compared to non-GAAP net loss of $3.9 million ($0.12 per share) for the fiscal third quarter of 2017.

As of October 31, 2017, Biopharmx had cash and cash equivalents of $1.6 million.

In November 2017, the company raised approximately $11 million gross proceeds by offering 73.5 million common shares and accompanying warrants.

The new financing immediately boosted the company's balance sheet.

Update on BPX-01 for Acne

BioPharmX is developing **BPX01**, a non-lipophilic, topical antibiotic for the treatment of **acne**. BPX01 utilizes a **transepidermal delivery mechanism** for minocycline and other APIs that has the potential to kill p. acnes bacteria without the systemic side effects of orally-administered antibiotics.

Phase III Study Planned in early 2018

The company plans to use the completed **Phase IIb** data for the design and powering of **Phase III** trial.

In November 2017, the company received positive feedback from the FDA with respect to the design of the planned **Phase III** clinical trial for BPX-01 for the treatment of inflammatory lesions of acne vulgaris. The company also received clear guidance with respect to the requirements for clinical, non-clinical, and chemistry, manufacturing and controls (CMC) needed to support a NDA submission.

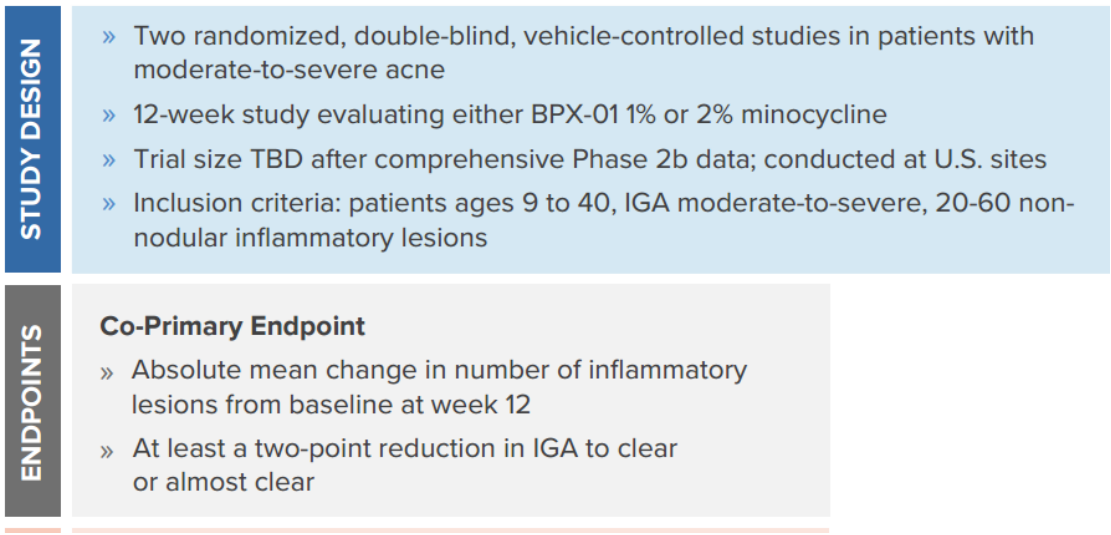
The company plans to use an Investigator's Global Assessment (IGA) scale specific to inflammatory lesions to measure treatment success in the co-primary efficacy endpoint. The FDA concurred with the company's proposal to use an inflammatory lesion IGA as a co-primary endpoint along with inflammatory lesion reduction.

Further, the company plans to pursue an intended label indication of treatment of inflammatory lesions of acne vulgaris. An indication specific to inflammatory lesions is consistent with the indication for oral minocycline for acne.

With the feedback from the FDA, the company continues to consider various options as it finalizes the Phase III study design and works on additional program requirements needed for an NDA submission.

The company is also considering partnership to fund the Phase III clinical trial and expects to begin the trial soon.

Here is the temporary design of the planned Phase III study.



BPMX intends to pursue regulatory approval of BPX01 under Section 505(b)(2) of the FDC Act. The 505(b)(2) regulatory pathway may reduce the drug development risks and costs by using prior findings of safety and/or efficacy for an approved product. In BPX01 case, part of the safety and efficacy data from the oral formulation of minocycline may be used for the filing of a NDA for BPX01.

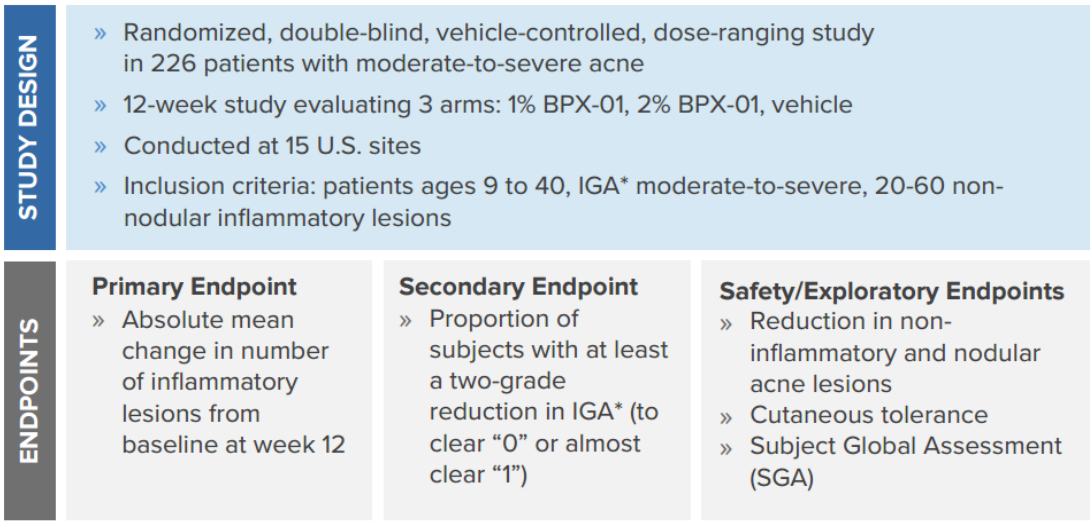
If everything goes well, we estimate BPX01 will be approved by the FDA in calendar 2019. Peak sales of BPX01 should be around $450 million.

Comprehensive Phase IIb Data

On June 1, 2017, BPMX reported comprehensive data from its **Phase IIb** clinical trial assessing the efficacy and safety of **BPX-01** for the treatment of **acne vulgaris**. The study is formally known as the **OPAL** (tOPicAL Minocycline Gel) study.

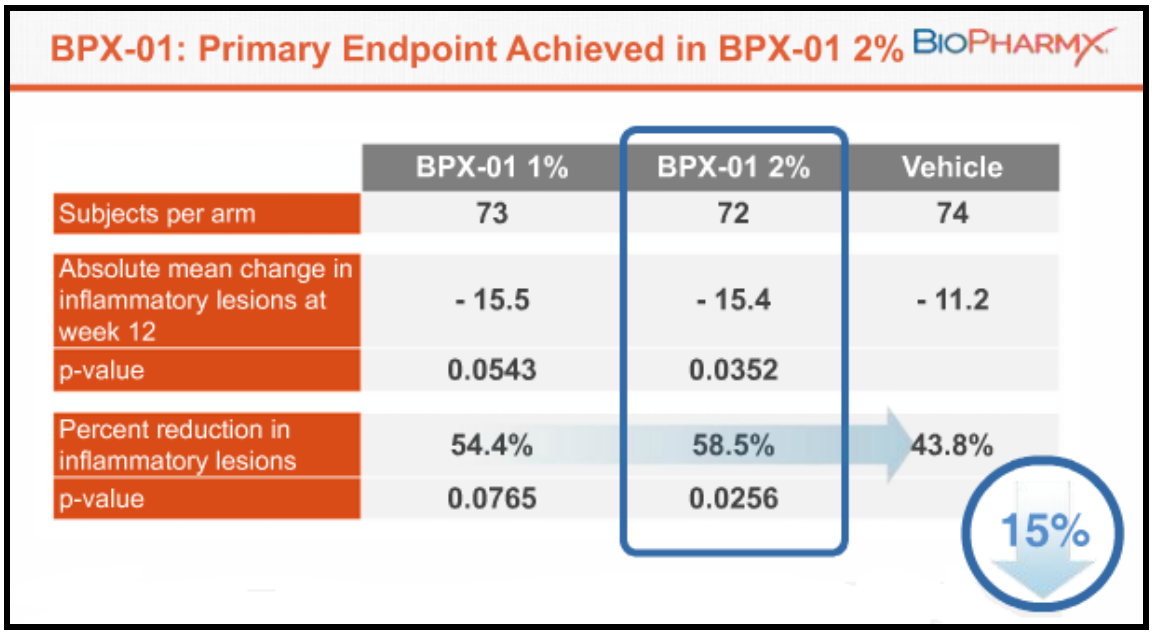
The **12-week**, multi-center, double-blind, three-arm, vehicle controlled OPAL study evaluated **226 people**, aged 9 to 40, who have moderate-to-severe inflammatory, non-nodular acne vulgaris. Safety was assessed by physical examination, clinical laboratory tests, cutaneous tolerance scores and incidence of adverse events.

- The primary efficacy endpoint for the study is mean change from baseline in inflammatory lesion counts at Week 12.
- The secondary efficacy endpoint is achievement of at least a two-grade reduction in Investigator Global Assessment (IGA) at Week 12 compared to baseline.

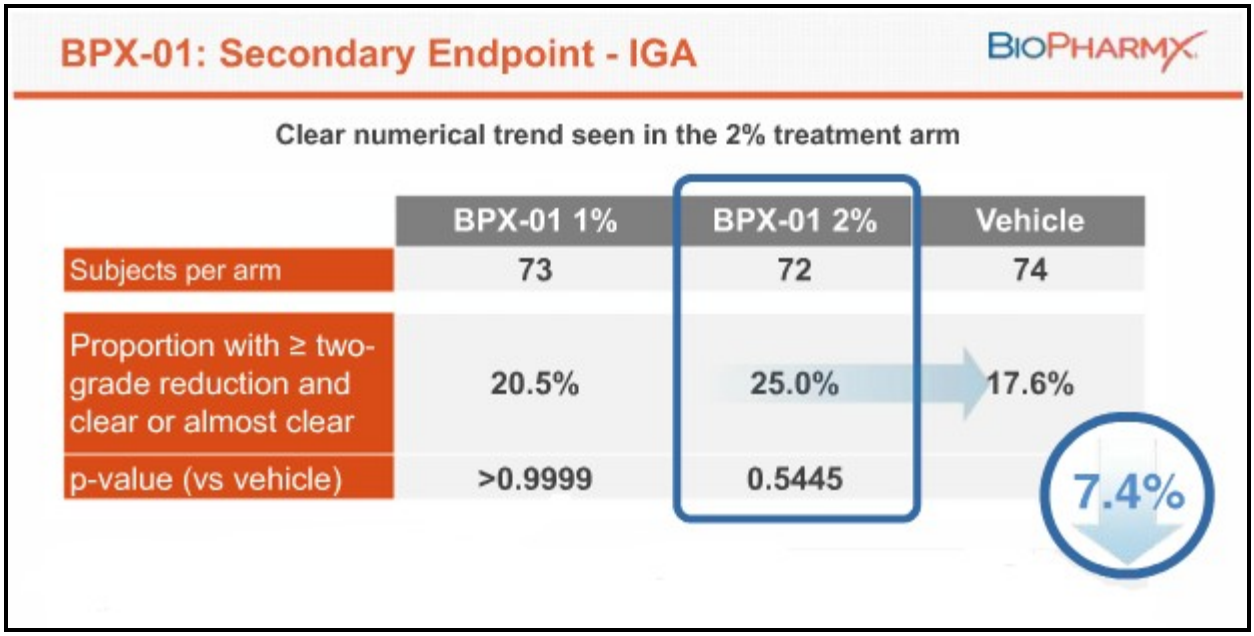


The principal investigator is Joely Kaufman, a board-certified dermatologist at The Skin Research Institute in Miami and fellow of the American Academy of Dermatology.

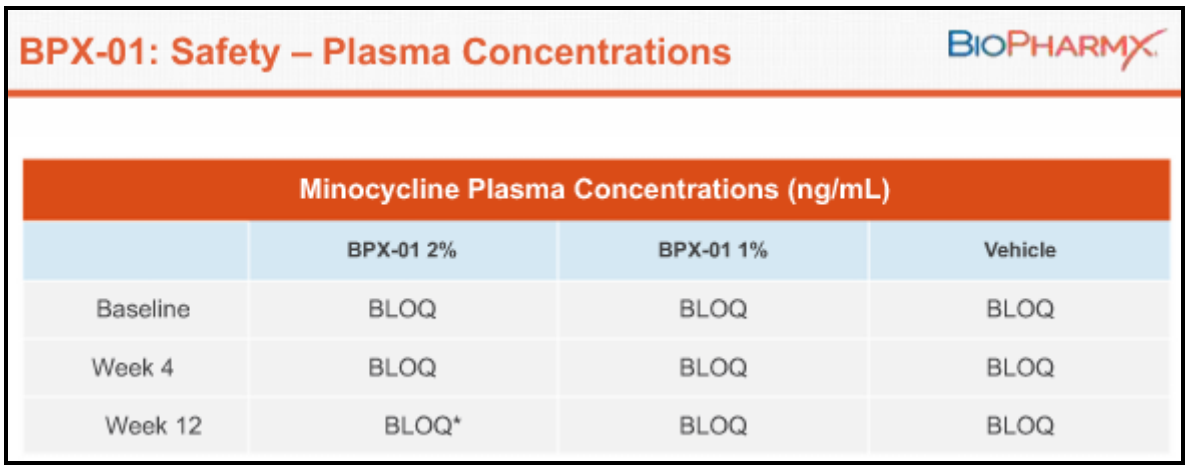
In the Phase IIb study, the **2% concentration** achieved statistical significance for its reduction in inflammatory lesion count at **week 12,** the primary endpoint, as well as inflammatory lesion reduction percentage. The 1% concentration was not statistically significant on the primary endpoint of lesion count reduction or lesion reduction percentage. Analysis reflects the intent to treat (ITT) population of 219 and imputation for the last observation carried forward (LOCF) was applied.



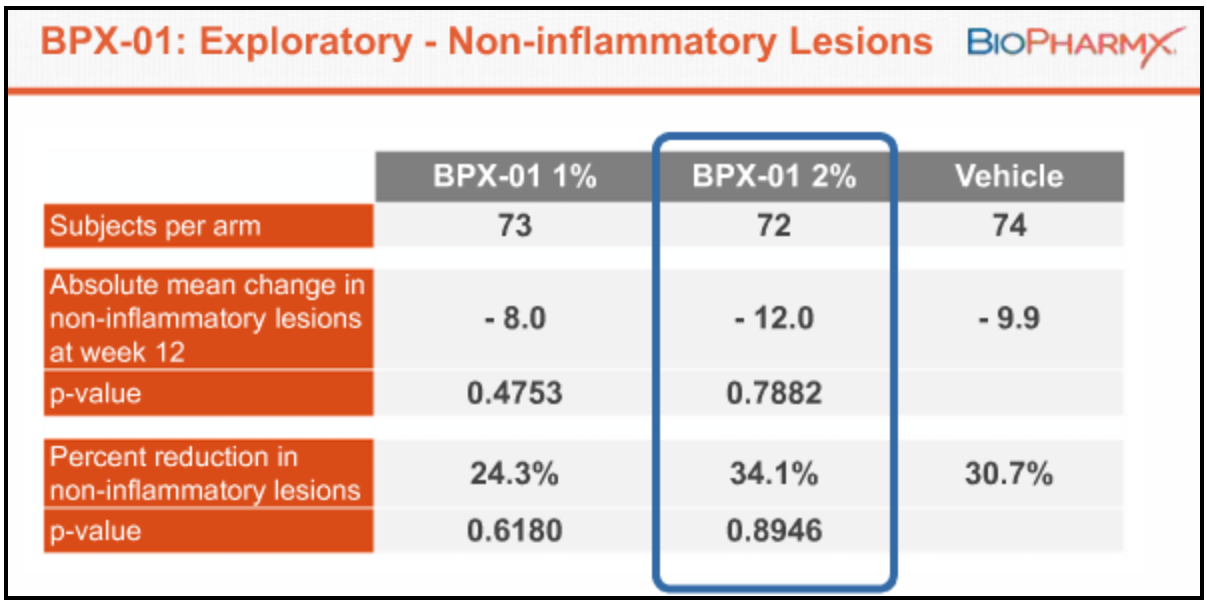
A two-grade reduction in IGA score to clear "0" or almost clear "1" will be required in the planned Phase III study, therefore the company included **IGA as a secondary endpoint** in its Phase IIb study to help inform the design of the pivotal Phase III program. The trial was not powered for statistical significance for IGA, however, BioPharmX observed a clear numerical trend in the BPX-01 2% arm compared to vehicle. Comprehensive results included imputation for the LOCF, consistent with primary endpoint analysis.



BPX-01 appeared to be generally well tolerated. There were no serious drug-related adverse events (AEs). The most common adverse events reported across all three treatment arms were upper respiratory infection (2.7%), nasopharyngitis (2.7%) and mild headache (1.8%). The BPX-01 Phase IIb study measured minocycline plasma concentrations based on a limit of quantification (LOQ) of 10 ng/ML. No detectable levels of minocycline were found in the bloodstream of patients using the topical minocycline with the exception of a single patient whose plasma minocycline level was 42 ng/mL with no reported adverse events.



Non-inflammatory (NIN) lesion counts were studied only as an exploratory endpoint as they were not part of the label claim of the reference listed drug. In the BPX-01 2% arm, NIN lesion counts (-12.0 vs. -9.9, p=0.7882) and percentage changes (34.1% vs. 30.7%, p=0.8946) were observed. In the BPX-01 1% arm, NIN lesions counts (-8 vs. -9.9, p=0.4753) and percentage changes (24.3% vs. 30.7%, p=0.6180) were observed.



	BPX-01 1%	BPX-01 2%	Vehicle
Subjects per arm	73	72	74
Absolute mean change in non-inflammatory lesions at week 12	- 8.0	- 12.0	- 9.9
p-value	0.4753	0.7882	
Percent reduction in non-inflammatory lesions	24.3%	34.1%	30.7%
p-value	0.6180	0.8946	

A Revisit to the Phase IIa Study

In March 2016, the company initiated a **Phase IIa** clinical study for BPX-01. The Phase IIa clinical study, conducted by KGL Skin Center, a Philadelphia-based independent clinical research facility, will assess the safety of BPX-01 in **30 patients** randomized to 30 days of treatment with either BPX-01 or a placebo. The endpoints of this study include reduction of Propionibacterium acnes (P. acnes) and cutaneous tolerance of the BPX-01 formulation. This is the first clinical study in the clinical development program for BPX-01.

The principal investigator is Dr. Stuart Lessin, a board-certified dermatologist who serves as KGL's medical director.

On April 25, 2016, BioPharmX announced that it has **completed enrollment** for the Phase IIa study.

On August 22, 2016, the company released **final findings** from the Phase IIa study.

Daily application of BPX-01 resulted in a statistically significant reduction of P. acnes at four weeks compared to baseline. The reduction at four weeks was also statistically significant between BPX-01 and the vehicle control. No adverse cutaneous effects were observed, no clinically significant hematologic or chemistry alterations occurred, and no minocycline was detected in the plasma at any timepoint.

The reduction of P. acnes was **91 percent** after four weeks of using BPX-01, a significant improvement for a topical formulation.

The reduction in P. acnes achieved in the Phase IIa study is similar to that reported in a 1996 study that effectively defined oral minocycline as the superior antimicrobial to fight P. acnes.

RESULTS

Primary Endpoint Achieved

	Log_{10} mean change from Baseline at 4 weeks	Log_{10} mean change from Baseline % at 4 weeks
BPX-01 Minocycline (n=17)	-1.04	-90.9%
Vehicle (n=7)	-0.46	-65.3%

Secondary/Safety Endpoints

- No drug-related adverse events
- No detectable minocycline in plasma
- No cutaneous toxicity
- 100% patient satisfaction

BPX-01 is the first **topical gel** formulation of minocycline that can penetrate the skin to deliver the antibiotic to the site of acne development in the pilosebaceous unit. BPX-01 is the first and only stable hydrophilic (non-oil-based) topical gel with fully solubilized minocycline. The study's patient exit survey indicated 100 percent satisfaction with BPX-01's usability and tolerability.

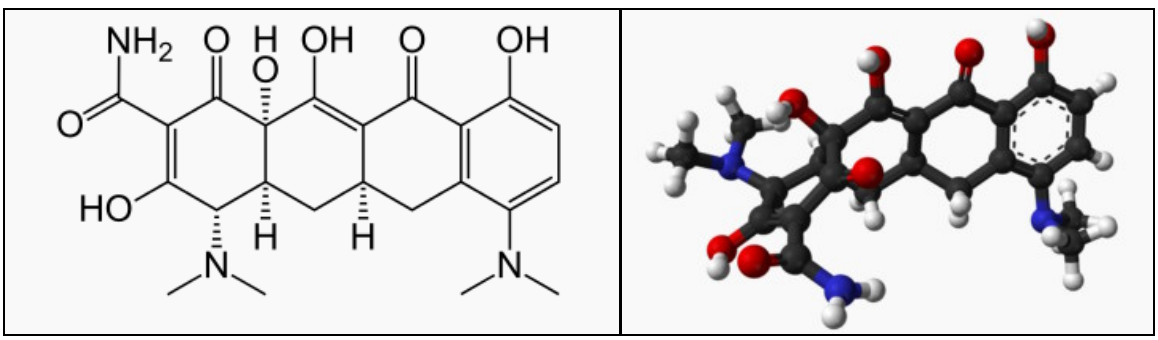
One recognized issue with oral minocycline is that – even though it is the antibiotic most commonly prescribed for the treatment of P. acnes – it enters the patient's bloodstream and can cause unwanted side effects. The BPX-01 Phase IIa study found no detectable levels of minocycline in the bloodstream of patients using the topical minocycline. The study also found no cutaneous toxicity and no adverse effects.

Further, results of a 28-day clinical PK study found no detectable minocycline in skin after two weeks of daily oral treatment with a 1-2 mg/kg dose, but did show minocycline concentrations in the plasma. A separate oral gavage versus BPX-01 minipig study also found minocycline in the plasma for minipigs in the oral group, but no minocycline in the plasma for the topical group. At the same time, the minipig study detected minocycline in the skin of the topical group, but found no minocycline in the skin of the oral group.

Background on Minocycline

Minocycline is a broad-spectrum tetracycline antibiotic, and has a broader spectrum than the other members of the group. It is a bacteriostatic antibiotic, classified as a long-acting type. As a result of its long half-life it generally has serum levels 2–4 times that of the simple water-soluble tetracyclines.

Minocycline is the most lipid-soluble of the tetracycline-class antibiotics, giving it the greatest penetration into the prostate and brain, but also the greatest amount of central nervous system (CNS)-related side effects, such as vertigo. A common side effect is diarrhea. Uncommon side effects (with prolonged therapy) include skin discoloration and autoimmune disorders that are not seen with other drugs in the class.



Structure of Minocycline

Minocycline and doxycycline are the two most frequently used oral antibiotics for the treatment of acne vulgaris. Both of these closely related antibiotics have similar levels of efficacy, although doxycycline has a slightly lower risk of adverse side effects.

The most common **side effects** of minocycline include upset stomach, diarrhea, dizziness, unsteadiness, drowsiness, mouth sores, headache and vomiting. Occasionally minocycline therapy may result in autoimmune disorders such as drug related lupus and auto-immune hepatitis. Minocycline can cause *vestibular disturbances* with dizziness, ataxia, vertigo and tinnitus. These effects are again thought to be related to minocycline's greater penetration into the central nervous system. Vestibular side effects are much more common in women than in men, occurring in 50% to 70% of women receiving minocycline. As a result of the frequency of this bothersome side effect, minocycline is rarely used in female patients.

BPX01's Advantages over Oral Minocycline

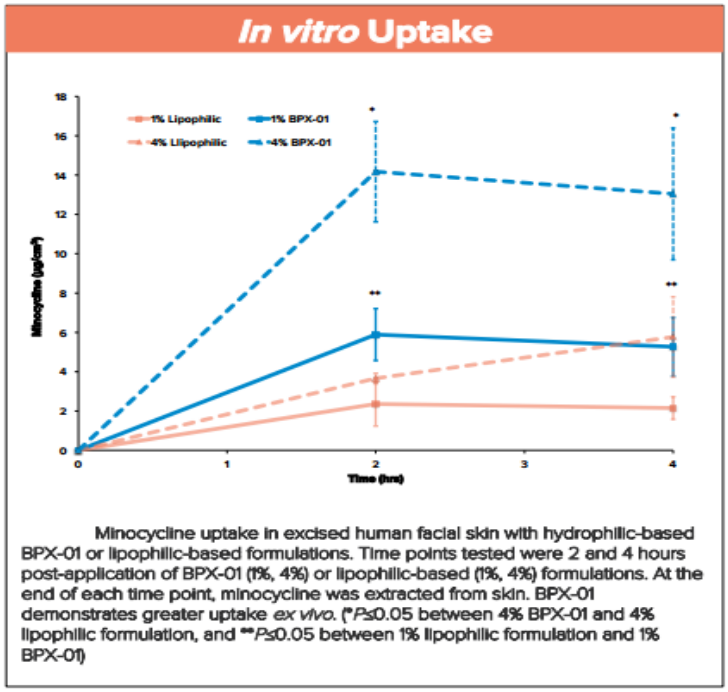
All the side effects discussed above limit the use of **oral minocycline** for the treatment of acne. As a result, BioPharmX formulated BPX01 as a topical cream using a proprietary drug delivery technology. BPX01 is a new anhydrous, non-oil based topical antibiotic targeting acne bacteria.

BPX01 is designed to have several advantages compared to both orally-administered and other topically-administered retinoid- and antibiotic-based solutions. Advantages of BPX01 include:

- topical delivery of minocycline,
- controlled dosages targeted directly to affected area,
- increased delivery of API at low dosages,
- non-lipophilic design allowing for faster absorption by the skin,
- potential lower risk of systemic side effects common to orally administered antibiotics,
- Gel-like form rubs on like a sanitizer.

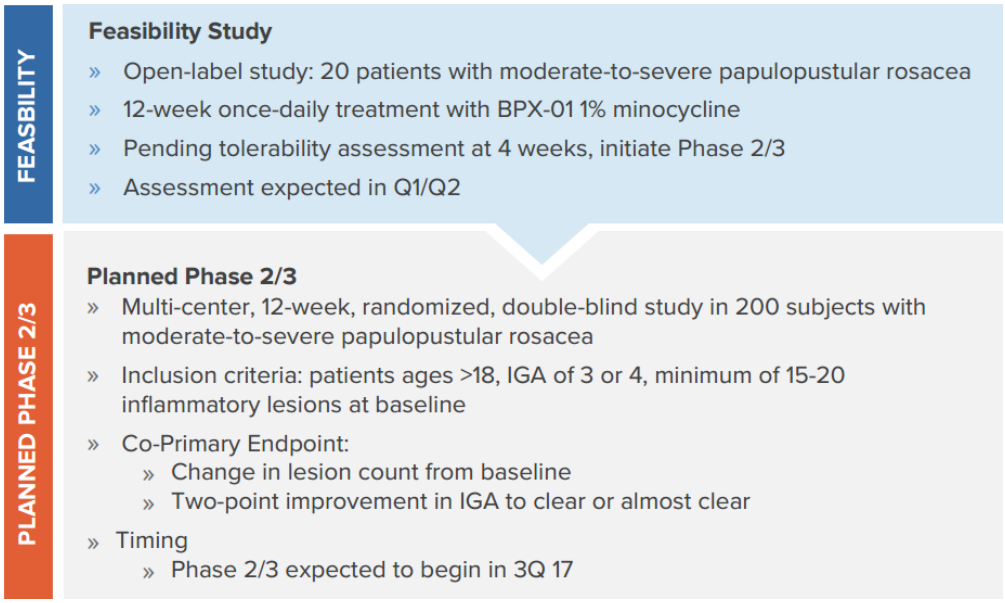
In addition, BPX01 has been shown in pre-clinical studies to possess **anti-inflammatory** properties, which reduce swelling and slow hyper-cornification.

During the third quarter, the company presented pre-clinical data at three key dermatology seminars suggesting that a 1% dose of minocycline in BPX-01 can work as well as the 4% topical products that are under development by competitors, lowering the likelihood of side effects.



Update on Feasibility Study of BPX-01 for Rosacea.

Recently, Biopharmx initiated a 12-week feasibility study of BPX-01 for the treatment of **rosacea.**



This is an open-label study of BPX-01 in 20 patients with moderate to severe papulopustular rosacea. If the feasibility study is positive, the company plans to initiate a **Phase II/III study in 3Q17**.

On Sept. 12, 2017, BioPharmX announced **preliminary data** from the above feasibility study of BPX-01 topical gel at both the 1% and 2% doses for the treatment of rosacea. The preliminary data from the ongoing study suggest good tolerability and promising efficacy of BPX-01 in this indication.

This feasibility study enrolled **20 subjects** with moderate-to-severe **papulopustular rosacea**, who applied BPX-01 once daily. Safety was assessed by reviewing treatment emergent adverse events, shifts from baseline in hematology and chemistry laboratory tests as well as cutaneous tolerance scores as assessed both by study subjects and investigators.

The preliminary data showed that BPX-01 was well tolerated in all subjects treated to date. No adverse events were determined to be treatment related and there were no clinically significant shifts from baseline in hematology and chemistry laboratory tests.

- The primary efficacy endpoint from this study is change in Investigator's Global Assessment (IGA) of rosacea at 12 weeks.
- The secondary efficacy endpoint is change in facial lesion count from baseline at 12 weeks.

The preliminary data obtained to date suggest a positive effect on rosacea lesions. Of the 15 subjects that have completed 12 weeks of treatment in the study, 100% have IGA scores of clear (0) or almost clear (1), compared to their baseline scores of moderate (3) or severe (4). Investigators also observed a 93% reduction in total inflammatory lesions from baseline to week 12 in the same subjects who have completed the 12-week study.

Management said they expect to pursue additional research to evaluate the efficacy of BPX-01 in rosacea.

Rosacea is a common skin disease. It often begins with a tendency to blush or flush more easily than other people. The redness can slowly spread beyond the nose and cheeks to the forehead and chin. Even the ears, chest, and back can be red all the time. With time, people who have rosacea often see permanent redness in the center of their face.

Update on BPX02, A Biologic for Dermatology

BioPharmX has a collaboration and supply agreement with **NuTech**, a private biologics company specializing in the spinal and orthopedics market. This agreement describes the collaboration between Nutech and BioPharmX to develop products in the field of dermatology. Products and intellectual property developed under this agreement are exclusively owned by BioPharmX and licensed to NuTech for use in indications outside of dermatology. In exchange for an exclusive license to NuTech's intellectual property in the field of dermatology, BioPharmX will pay to NuTech a royalty of 3% of net sales on product sold in the field of dermatology. In exchange for granting NuTech an exclusive license to BioPharmX IP and IP developed in collaboration with NuTech in indications outside of dermatology, BioPharmX shall receive from NuTech a royalty of 3% of net sales on products sold by them.

BPX02, which is developed in collaboration with NuTech, is a biologic for the dermatology indications. This candidate is still in R&D stage as the company continues to make progress in the development of a prescription drug formulating biologics materials for a dermatology application.

We believe BPX02 will further strengthen the company’s dermatology franchise. We will keep investors posted when we have any update on this product development.

Valuation Attractive

We adjust our fair value for Biopharmx at $3.0 per share post the share offering in November 2017.

BPMX is a specialty pharmaceutical company with a focus on **women’s health** and **dermatology**. We believe that the industry dynamics in the areas of women's health and dermatology represent significant opportunities for innovative new products to emerge as attractive solutions for unmet needs in multi-billion dollar therapeutic categories. In particular, we believe that both the women's health and dermatology markets are large specialty markets with significant global patient demand.

On the front of **women's health**, BPMX is marketing an OTC molecular **VI_2OLET** for the treatment of fibrocystic breast condition (FBC). Although sales of VI_2OLET have been minimal so far since it was launched at the end of 2014, we believe sales could pick up steam soon due to the company's focused and integrated marketing strategy and expected positive **Phase IV** data in 2017.

In addition to the marketed OTC product VI_2OLET, BioPharmX is also developing BPX03, the company's prescription molecular iodine, for FBC. **BPX03** will enter pivotal **Phase III** trial soon, which we expect will be approved in 2018. If approved, BPX03 will complement the company's currently marketed OTC molecular Iodine VI_2OLET. With both OTC and prescription Iodine, BPMX is poised to become the market leader in FBC market.

The multibillion-dollar **acne market** is the next target for BioPharmX. The company's **BPX01,** a topical formulation of minocycline, has entered to Phase II study. If everything goes well, we expect BPX01 to be approved in 2019. The company's dermatology franchise will be further boosted by the successful development of **BXP02**, a biologic under R&D stage for the dermatology indications.

With three products on the market in 2019, BioPharmX will become a key player in the two targeted markets of women's health and dermatology.

We are also happy with the company's development strategy. BPMX utilizes a unique strategy designed to bring new products to market by identifying optimal delivery mechanisms and/or alternative applications for FDA-approved active pharmaceutical ingredients (APIs). A big advantage of the company's strategy is that it can reduce the time, costs and risks typically associated with new product development by repurposing drugs with demonstrated safety profiles, taking advantage of the regulatory approval pathway under Section **505(b)(2)** of the Federal Food, Drug and Cosmetic Act available for repurposed/reformulated drugs.

With all that said, when it comes to the company's valuation, we believe the company's shares still have enough room for further appreciation. Currently the company's shares are trading at about $0.11 per share, which values the company at $15 million in market capitalization based on 154 million outstanding shares. This is certainly a deep discount.

As we discussed above, by 2019, BioPharmX will have three commercially available products targeting the two big markets: women's health and acne. Based on our financial model, BPMX will become profitable in fiscal 2020 with an earnings per share (EPS) of $0.13 based on total revenue of $62.5 million. Considering the company's growth potential, we think a P/E multiple of 35, which is the biotech industry's average P/E ratio, should be used to value the company. Therefore, we come up with our price target of $2.50 per share based on the 35x P/E ratio, discounted at 25% for two years. Our price target of $3.00 per share values the company at $342 million in market cap, which is still conservative in our view.

But keep in mind the **risks**.

Our model assumes product approval of BPX03 and BPX01 in 2018 and 2019 respectively. Investors should know that any drug development is a high risk business that will navigate through both clinical and regulatory hurdles, which has proven to be high. Although the company's development strategy reduces risks associated with drug development, **a failure of clinical trial or/and regulatory approval** can't be completely ruled out. This will make the company's shares to decline dramatically.

Another concern we have is the company's **cash balance**. Although recent financings boosted its balance sheet, we believe the company may need to raise new funds to advance its pipeline, specifically for the Phase III study of BPX01 and Phase III study of BPX03. We remind investors that any equity financing will dilute existing shareholder base, and cause share price to decline.

But overall, we think BPMX is a name with relatively favorable risk/reward profile for investors with a long-term investment horizon.

INCOME STATEMENT

	Jan2017					Jan2018					2019	2020
$ in millions except per share data	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FYE	FYE	FYE
License Revenue	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
YOY Growth	-	-	-	-	-	-	-	-	-	-	-	-
Grant/contract Revenue	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
YOY Growth	-	-	-	-	-	-	-	-	-	-	-	-
Product Sales	$0.03	$0.02	$0.03	$0.02	$0.10	$0.02	$0.02	$0.02	$0.50	$0.55	$15.00	$62.50
YOY Growth	*725.0%*	*280.0%*	*65.0%*	*-57.1%*	*56.3%*	-	-	-	-	-	-	-
Total Revenues	**$0.03**	**$0.02**	**$0.03**	**$0.02**	**$0.10**	**$0.02**	**$0.02**	**$0.02**	**$0.50**	**$0.55**	**$15.00**	**$62.50**
YOY Growth	*725.0%*	*280.0%*	*65.0%*	*-57.1%*	*56.3%*	*-42.4%*	*-10.5%*	*-45.5%*	*3233.3%*	*454.0%*	*2607.6%*	*316.7%*
Cost of Revenue	$0.02	$0.02	$0.03	$0.45	$0.52	$0.01	$0.01	$0.01	$0.01	$0.04	$3.00	$12.50
Gross Income	**$0.01**	**$0.00**	**$0.01**	**($0.44)**	**($0.42)**	**$0.01**	**$0.01**	**$0.01**	**$0.49**	**$0.51**	**$12.00**	**$50.00**
Gross Margin	*39.4%*	*10.5%*	*15.2%*	*-2906.7%*	*-416.0%*	*42.1%*	*47.1%*	*55.6%*	*97.6%*	*92.8%*	*80.0%*	*80.0%*
R&D	$2.2	$3.0	$2.5	$2.5	$10.2	$2.9	$2.4	$2.1	$3.0	$10.5	$9.5	$11.5
% R&D	*6584.8%*	*15647.4%*	*7536.4%*	*16833.3%*	*10158.0%*	*15478.9%*	*14194.1%*	*11727.8%*	*600.0%*	*1889.0%*	*63.3%*	*18.4%*
SG&A	$2.3	$2.1	$1.7	$1.8	$7.9	$2.1	$1.9	$1.6	$2.1	$7.7	$15.0	$17.0
% SG&A	*6969.7%*	*10863.2%*	*5100.0%*	*12033.3%*	*7852.0%*	*11052.6%*	*10976.5%*	*9077.8%*	*420.0%*	*1389.9%*	*100.0%*	*27.2%*
Other expenses	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
% Other	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Operating Income	**($4.5)**	**($5.0)**	**($4.2)**	**($4.8)**	**($18.4)**	**($5.0)**	**($4.3)**	**($3.7)**	**($4.6)**	**($17.7)**	**($12.5)**	**$21.5**
Operating Margin	-	-	-	-	-	-	-	-	-	-	-	-
Other Income (Net)	$0.0	$0.0	$0.3	($0.3)	$0.0	($0.4)	$0.5	$0.0	$0.0	$0.2	$0.0	$0.0
Pre-Tax Income	**($4.5)**	**($5.0)**	**($3.9)**	**($5.0)**	**($18.4)**	**($5.4)**	**($3.7)**	**($3.7)**	**($4.6)**	**($17.5)**	**($12.5)**	**$21.5**
Net 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
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%*
Reported Net Income	**($4.5)**	**($5.0)**	**($3.9)**	**($5.0)**	**($18.4)**	**($5.4)**	**($3.7)**	**($3.7)**	**($4.6)**	**($17.5)**	**($12.5)**	**$21.5**
YOY Growth	-	-	-	-	-	-	-	-	-	-	-	-
Net Margin	-	-	-	-	-	-	-	-	-	-	-	-
Weighted avg. Shares Out	*26.2*	*28.7*	*31.3*	*56.8*	*35.7*	*67.7*	*74.4*	*79.7*	*150.0*	*92.9*	*155.0*	*160.0*
Reported EPS	**($0.17)**	**($0.18)**	**($0.12)**	**($0.09)**	**($0.52)**	**($0.08)**	**($0.05)**	**($0.05)**	**($0.03)**	**($0.19)**	**($0.08)**	**$0.13**
YOY Growth	-	-	-	-	-	-	-	-	-	-	-	-
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
Non GAAP Net Income	**($4.5)**	**($5.0)**	**($3.9)**	**($5.0)**	**($18.4)**	**($5.4)**	**($3.7)**	**($3.7)**	**($4.6)**	**($17.5)**	**($12.5)**	**$21.5**
Non GAAP EPS	**($0.17)**	**($0.18)**	**($0.12)**	**($0.09)**	**($0.52)**	**($0.08)**	**($0.05)**	**($0.05)**	**($0.03)**	**($0.19)**	**($0.08)**	**$0.13**

Source: company filings and Zacks estimates

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