Zacks Small-Cap Research

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Brian Marckx, CFA
bmarckx@zacks.com
Ph (312) 265-9474

scr.zacks.com

10 S. Riverside Plaza, Chicago, IL 60606

iCAD Inc (ICAD-NASDAQ)

ICAD: NMSC Utilization Revenue Ramp Taking Longer, Look For Tomo in U.S. This Year!

Based on the average of the EV/S multiples iCAD is valued at $7.40/share. Based on the average of the P/S multiples iCAD is valued at ~$7.50/share. We use the approximate average of the two which values iCAD at about $7.50/share.

Current Price (03/14/17)	$4.28
Valuation	**$7.50**

OUTLOOK

2016 was a disappointing year in terms of revenue with Therapy revenue falling 59%, largely as a result of the unfavorable change to reimbursement of non-melanoma skin cancer. Detection revenue has fared much better, but still fell 11% over the same period, hampered by the loss of ICAD's MRI distribution agreement (as of August 2015). And delays to FDA clearance and U.S. launch of the 3D tomosynthesis product were also a disappointment in 2016. While we have made further adjustments to our model which had the effect of trimming Detection revenue in 1H 2017, we think that segment returns to yoy and sequential growth in 2H 2017 catalyzed by the U.S. tomo launch.

We have Therapy revenue growing by 26% in 2017, catalyzed by gains in both the user base and aggregate utilization in NMSC as well as more moderate growth in IORT on both the product and services/supply side. Meanwhile, we have Detection revenue contracting 3% - as noted this is not adjusted for the MRI CAD revenue that will not repeat in 2017. And importantly, we show Detection exhibiting relatively very strong growth on both a yoy and sequential basis starting in Q3 '17 – which, again, is when we model initial substantive revenue from tomo in the U.S.

SUMMARY DATA

52-Week High	**$6.49**
52-Week Low	**$2.82**
One-Year Return (%)	**-13.80**
Beta	**1.17**
Average Daily Volume (sh)	**36,317**
Shares Outstanding (mil)	**16**
Market Capitalization ($mil)	**$65**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**26**
Insider Ownership (%)	**19**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**5.2**
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	**Average,**
Type of Stock	**Small-Blend**
Industry	**Comp-Software**
Zacks Rank in Industry	**N/A**

ZACKS ESTIMATES

Revenue
(in '000 of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2016	6038 A	7369 A	6003 A	6928 A	26338 A
2017	6224 E	6881 E	7332 E	7829 E	28256 E
2018					40563 E
2019					51783 E

Earnings per Share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2016	-$0.16 A	-$0.10 A	-$0.17 A	-$0.20 A	-$0.63 A
2017	-$0.19 E	-$0.15 E	-$0.14 E	-$0.13 E	-$0.61 E
2018					-$0.23 E
2019					$0.14 E

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

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Q4 2016 Results: NMSC Utilization Revenue Ramp Taking Longer, Look For Tomo in U.S. This Year!...

iCAD reported results for the fourth quarter ending December 31st. Revenue, while down 9% yoy, was up 15% sequentially. Almost all of the $925k revenue growth from Q3 relates to an $886k increase in Therapy product sales (i.e. Axxent system sales). Meanwhile, Therapy services/supply revenue as well as Detection product and services/supply revenue was mostly flat on a sequential basis.

Relative to our estimates, revenue in Q4 was about 5% better – but the reason for the beat to our estimate was somewhat of a mix-bag in terms of fundamentals. While more Axxent systems were sold than we were expecting (4 A vs. 1 E), this was partially offset by lower than anticipated services and supply revenue, particularly in the Therapy segment. All of the system placements relate to IORT (i.e. breast cancer therapy) which we think speaks to the re-awakening of that segment, which has been particularly healthy as of late in overseas markets but has experienced firming up in the U.S. as well (two of the four systems sales were in the U.S.). And while system sales can be lumpy q-to-q, it's encouraging that the $909k in therapy product sales was the highest since Q3 2015.

But on perhaps the less-than-encouraging side was that Therapy services and supply revenue, which includes therapy consumables (such as IORT balloons and the x-ray source) and is a rough proxy for utilization in NMSC and IORT, was essentially flat throughout 2016 (Q1: $1.88M, Q2: $1.84M, Q3: $1.85M, Q4: $1.85M). This is despite ~23% growth in IORT balloon sales from 2015 to 2016 and the NMSC user base, per management's comments on the Q4 call, growing from 13 "active sites" in Q1 '16 to 71 in "various stages of treating" at the end of Q4.

Management had indicated on a prior call that each skin site could be expected to eventually generate ~$100k in annualized recurring revenue. But the implication on the Q4 call for the lack of growth in utilization-related revenue (the majority of which still relates to NMSC) was that many of the recently onboarded NMSC sites (~60% of which are subscription, as opposed to capital purchase, customers) are still treating at relatively low levels and some have yet to treat at all ("a substantial number of them are slated for first patient treatment in Q1 '17").

As ICAD had previously indicated that new sites typically need ~60 – 90 days to get up to speed before they see much in the way of patient flow, we had expected to see a more obvious revenue contribution in Q4 from sites that had come online earlier in the year (the user base had increased to ~35 sites at end of Q2). While another confounding factor appears to be the loss of a significant number of legacy customers over the last ~12 – 18 months, clearly our modeled ramp in utilization among new sites was too aggressive. And management said on the Q4 call that among their subscription customers (~35 of the total 71) the number of skin treatments increased from ~150 in Q2 '16 to ~1,000 in Q4 '16, they also noted that they believe it will take a few more quarters for subscription-related revenues to begin making a more meaningful impact on total revenue. We have since made some downward adjustments to our near-term Therapy service/supply revenue.

On the positive side as we look ahead is that recent growth in onboarding appears to be related to providers' increasing comfort level with the NMSC skin reimbursement picture. And while indications are that incremental utilization gains at new sites may be somewhat elongated, net growth in the user base is clearly a positive signal. ICAD, which recently added sales personnel, will be directly involved in helping to stoke NMSC procedural volume and grow their customer base. We also remain positive on the growth prospects for IORT, particularly in international territories and think Therapy product sales could show incremental growth in 2017.

Relative to the Detection business, Q4 revenue – on both the product and services side - were largely inline with our numbers. Detection product revenue was $2.1M (vs. $2.1M E) with services/supplies also coming in at approximately $2.1M (vs. $2.2M E) – both segments contracted by about 3% yoy. For the full year, Detection revenue was down about 11%, although most of the contraction relates to roll-off of the distribution agreement with Invivo for the MRI CAD products.

As a reminder, Invivo was ICAD's distribution partner for their MRI CAD assets (VersaVue Software and DynaCAD product) until they exercised their right to a fully paid-up license in August 2015. Since then, the only revenue that ICAD had been recognizing related to these products was amortization of the $2M paid-up license fee (amortization of which was slated to end July 2017). Subsequent to 2016 year-end ICAD sold their MRI CAD assets to Invivo for $3.2M. The deal closed on January 31st. The sale further bolsters the company's cash position and while it should have no meaningful adverse impact on cash revenue, removal of amortization of the license-fee will impact non-cash revenue.

We reiterate that while mammography, including PowerLook upgrades and iReveal, has performed very well as of late and Q2 '16 included the first sale of the breast tomo product in Europe, we are modeling roughly flat sequential growth (ex-MRI CAD) of Detection until the 3D tomosynthesis software gains FDA clearance and launches in the U.S. This could prove conservative, particularly if the pace of the ongoing roll-out of 3D tomo in Europe exceeds our expectations. Nonetheless, we continue to expect significant steepening of Detection product sales in 2H 2017 (ex-MRI CAD) on the back of the initial 3D tomo product in the U.S. In addition initial contribution from the next-gen tomo product could happen in 2017, although we now think it is more likely a 2018 event. Another potential near-term catalyst in Detection is iReveal 3D, a 510k application for which was filed in early November 2016.

And while we had not been modeling much in the way of incremental contribution from VeraLook (CTC), we did see this product as having potential meaningful upside – which was largely dependent on the availability of Medicare reimbursement (the lack of which has been an impediment to uptake). The USPSTF's recommendation in June 2016 for CTC as an acceptable option for colorectal cancer screening had us hopeful that CMS would respond by updating their policy and begin reimbursing for the procedure. But, in a surprise move (Medicare typically follows USPSTF recommendations), in December 2016 CMS announced that they would not re-examine their non-coverage of CTC (which they base on inadequate evidence that CTC is appropriate for colorectal cancer screening). So while 33 states and the District of Columbia mandate that private insurers cover CTC, many (perhaps, most) people in the age group (50 – 75 years) most likely to benefit from the procedure rely on Medicare and therefore will not be covered (at least as of now). However, we expect there will be continued pressure from industry advocates of CTC, including the American College of Radiology, USPSTF, FDA and other organizations including private insurers, for CMS to again revisit their policy. As such, Medicare reimbursement may still materialize in the future.

Revenue
Q4 revenue of $6.9M (vs. $6.6M estimate) was down 9% yoy and up 15% sequentially

- **Cancer Detection(Q4):** $4.2M (vs. $4.3M estimate): -3% yoy, +1% sequentially
  - MRI products had been a big driver of Cancer detection over the recent past. However, with Invivo having exercised their right (in return for a $2M payment) to distribute the current version of the respective MRI product, these related revenues dissipated. This was been a major contributor to yoy decline in Detection revenue since Q3 2015.

    In July 2015 ICAD announced the launch of iReveal breast density software, the latest addition to the PowerLook line. The timing was good as at the time almost one-half of all states already enacted some form of legislation supporting breast density screening. Today that number is 28 states and more are likely to follow. Management indicated that there has already been significant interest in iReveal. If and when mandated and widespread insurance coverage follows, breast density screening would almost certainly be fueled even further. ICAD is also developing iReveal 3D - expected to be available later this year and be able to integrate with the 3D tomo products, it provides another growth opportunity.

    Breast density and tomosynthesis are the major growth areas in mammography and ICAD has been positioning their Detection product line to ride this burgeoning wave. Initial sale in Europe of the 3D breast tomosynthesis product came in Q2 2016 and it appears sales are accelerating with management noting on the Q4 2016 call (March 8, 2017) that 6 or 7 orders had already been placed in Q1 '17. We model additional traction in European tomo sales throughout 2017 and think Detection will see a significant acceleration once the products are in both the U.S. and Europe.

    The European and U.S. reader studies demonstrated a reduction in reader times of 24% and 29%, respectively. Additional analysis demonstrated savings in reader time of closer to 30%. Feedback from radiologists, including that they would not want to read another exam with ICAD's tomo product, has been encouraging.

    ICAD filed the final PMA module for U.S. clearance in April 2016 and noted on the Q3 '16 call that FDA responded in October with additional questions. Management noted that the questions did not relate to performance demonstrated in the reader study but instead required ICAD to do some more data analysis which they completed in January 2017. This was submitted to FDA and, per management on the Q4 call, *"On March 6th we received positive feedback from the FDA technical review team that they had completed their review of our amendment and that they were satisfied with our response and had no further issues or questions with our application. As a result, we anticipate a favorable recommendation*

from the technical review team to FDA management to clear our device. We expect to hear something final on our application in the very near future."

ICAD's initial 3D tomo product was designed specifically for GE's 3D breast tomosynthesis machines, which has a current installed base of approximately 600 units (300 U.S., 300 OUS). ICAD has received several orders in Europe and GE's machines represent ICAD's initial (2017) U.S. target market. Just how substantive U.S.-related revenue of 3D tomo will be in 2017 is largely dependent on ultimate timing of (if and) when ICAD receives FDA clearance. Prior to this recent update we had been modeling an assumed launch in the U.S. of the 3D tomo software in Q2 2017. While we still do not have any particular insight into when FDA will come back with a decision, we think our Q2 launch estimate is still reasonable – although we now do not model any significant related revenue until Q3 of this year.

GE's stand-alone 3D imager, SenoClair, received FDA clearance in August 2014 but as they look to capitalize on the demand for 3D tomosynthesis, GE is already on the cusp of rolling out a next-gen mammography platform, called Senographe Pristina. Pristina, which performs both 2D and 3D mammography, received FDA clearance in November 2016 and on March 6, 2017 received FDA clearance for digital breast tomosynthesis.

Pristina should provide another opportunity for ICAD's Detection segment. As should ICAD's follow-on, next-gen tomo product which is already in the works. This product is not only expected to reduce reading time but to also further improve on accuracy to the point where radiologists will only need to read abnormal exams – this combination could prove of significant value in reducing reading time and, potentially, reduce staffing needs – thereby having a potentially significant benefit in lowering related costs. It is also being developed for use on all manufacturers' machines which would massively increase the (low-hanging fruit) upgrade opportunity (ICAD's worldwide mammography installed base is ~5k units).

ICAD had been shooting to have development and testing completed and have the product launched in Europe as soon as early/mid 2017 – that timeline has since moved to late 2017. U.S. launch had been ballparked for possibly late-2017, but management noted on the Q4 call that they are now shooting for mid-2018. U.S. clearance, similar to the initial tomo product, will follow a PMA pathway and must be supported by a reader study. Given the swift industry shift from 2D to 3D and wider breadth of machines that this second-gen product has availability for and its enhanced features, introduction of this could result in another, and potentially much steeper, new wave of Detection segment growth. However the recent slippage in the anticipated approval timelines has similarly pushed back our initial contribution estimates.

- **Cancer Therapy (Q4):** $2.8M (vs. $2.4M estimate): -17% yoy, +47% sequentially

The non-melanoma skin cancer reimbursement issue looked to have taken its biggest toll in Q1 '16 since it first began to impact Therapy revenue back in Q2 2015. Management noted on the Q1 '16 call that they believed that there was enough evidence of positive and sufficient reimbursement for NMSC to entice a large portion of their existing customer base to restart using Axxent for this indication and to onboard new customers.

While there was little evidence of financial progress related to skin in the through the Q4 '16 numbers, management has indicated that the groundwork has started including making progress in restarting skin sites and attracting new customers. And with an expected 2 - 3 month lag between when a site goes live and when it shows up in ICAD's revenue, we had hoped to see a more obvious revenue contribution by now from sites that had come online earlier in 2016 (the user base had increased from ~13 in Q1 to ~35 in Q2 and ~71 at Q4 '16).

Management had indicated on a prior call that each skin site could be expected to eventually generate ~$100k in annualized recurring revenue. But the implication on the Q4 call for the lack of growth in utilization-related revenue (the majority of which still relates to NMSC) was that many of the recently onboarded NMSC sites (~60% of which are subscription, as opposed to capital purchase, customers) are still treating at relatively low levels and some have yet to treat at all ("a substantial number of them are slated for first patient treatment in Q1 '17").

Another confounding factor appears to be the loss of a significant number of legacy customers over the last ~12 – 18 months. While utilization does appear to be increasing - management said on the Q4 call that

among their subscription customers (~35 of the total 71) the number of skin treatments increased from ~150 in Q2 '16 to ~1,000 in Q4 '16 - they also noted that they believe it will take a few more quarters for subscription-related revenues to begin making a more meaningful impact on total revenue. We have since made some downward adjustments to our near-term Therapy service/supply revenue.

On the positive side as we look ahead is that recent growth in onboarding appears to be related to providers' increasing comfort level with the NMSC skin reimbursement picture. And while indications are that incremental utilization gains at new sites may be somewhat elongated, net growth in the user base is clearly a positive signal. ICAD, which recently added sales personnel, will be directly involved in helping to stoke NMSC procedural volume and grow their customer base. We also remain positive on the growth prospects for IORT, particularly in international territories and think Therapy product sales could show incremental growth in 2017.

And another potential catalyst which could help restart activity at existing sites and to score new accounts is ICAD's new SMART (Streamlined Module for Advanced Radiation Therapy) solution and extended x-ray source – both of which are aimed at increasing efficiency and reducing cost of using the Axxent system. ICAD believes this could improve efficiency (i.e. reduce cost) by as much as 40% - which we think could be enticement given the recent downward pressure on margins from the NMSC reimbursement problem.

Clinical data continues to show excellent outcomes including superior cosmetic results and patient satisfaction as compared to surgery, which should help support the quest for favorable insurance reimbursement. And in the meantime ICAD will pursue a CPT I code – granting of which would all but eliminate ambiguity or significant differences in reimbursement policy and values. In November 2015 the company initiated a retrospective study of ~500 patients, results of which they hope to use to support an eventual CPT I code application. While the study will follow patients for five years, they will be able to include patients that completed treatment in 2013. If all goes well, ICAD believes they could have the data published and submitted to CMS in support of a CPT I application.

Relative to IORT, which has recently been much more stable than that of skin, ICAD continues to see contribution in both the U.S. and internationally. While international sales continue to be the main impetus to IORT consumables growth, U.S. remains the most significant market in terms of total sales. Of the four Axxent system sales in Q4, all were for IORT with two going to the U.S. market and two OUS. For the full year 2016, balloon applicator sales grew approximately 23% (1,300 to 1,600). We continue to believe that clinical evidence supporting the use of the procedure should help to buoy the opportunity for domestic market growth. Meanwhile, we also expect international growth to continue – which should be further catalyzed by ICAD's impending entry into new overseas territories.

ICAD's success in building their IORT business has been to drive sales in the U.S. on the back of positive clinical data and to continue to expand internationally. They will continue that strategy, with data from ongoing studies expected to be available in the near term. ICAD's 1,000-patient ExBRT (Safety and Efficacy Study of Intra-Operative Radiation Therapy (IORT) Using the Xoft Axxent eBx System at the Time of Breast Conservation Surgery for Early-Stage Breast Cancer) study recently completed enrollment. Following analysis, ICAD will look to have the data published. The study is being conducted at 20+ sites in the U.S. and Canada and is evaluating safety, efficacy, cosmetic outcomes and quality of life of patients for 10 years post-treatment.

Model Updates

We have made updates to our financial model following Q4 results. On the Therapy side, we have made some small downward adjustments to our assumed near-term utilization growth rate in NMSC, which is partially offset by slightly greater assumed Axxent system IORT sales.

On the Detection side, we have removed remaining amortization of the MRI CAD paid-up license, pushed back initial meaningful U.S. tomo revenue from Q2 to Q3 '17, delayed launch of next-gen tomo launch in Europe from 2H 2017 to 1H 2018 and in the U.S. from 1H 2018 to 2H 2018 (our timelines are admittedly slightly more conservative than management's). And while we had only modeled modest contribution from VeraLook, we have since trimmed those estimates as a result of CMS' recent decision regarding reimbursement of CTC.

We have Therapy revenue growing 26% in 2017, catalyzed by gains in both the user base and aggregate utilization in NMSC as well as more moderate growth in IORT on both the product and services/supply side. Meanwhile, we

have Detection revenue contracting 3% - as noted this is not adjusted for the MRI CAD revenue that will not repeat in 2017. And importantly, we show Detection exhibiting relatively very strong growth on both a yoy and sequential basis starting in Q3 '17 – which, again, is when we model initial substantive revenue from tomo in the U.S.

ICAD was quick to cut costs following revelation of the NMSC reimbursement change. While they have recently added some sales personnel to help facilitate uptake and utilization in NMSC, we expect the company will be diligent on cost control.

We model 2017 EPS of ($0.61).

VALUATION

We value iCAD based on competitor price/sales (P/S) and enterprise value /sales (EV/S) multiples. Using analyst's revenue estimates for the years 2017 and 2018, we calculated P/S and EV/S ratios from imaging (HOLX) as well as surgical (VAR, ISR, EKTAF) companies. These companies currently trade at an average P/S-2017 of 3.6x and P/S-2018 of 3.3x and average EV/S-2017 of 3.6x and EV/S-2018 of 2.9x.

Based on the average of the EV/S multiples iCAD is valued at $7.40/share. Based on the average of the P/S multiples iCAD is valued at ~$7.50/share. We use the approximate average of the two which values iCAD at about $7.50/share.

FINANCIAL MODEL

iCAD Inc.

	2016 A	Q1E	Q2E	Q3E	Q4E	2017 E	2018 E	2019 E
Cancer Detection	$17,133.0	$3,742.0	$3,846.0	$4,232.0	$4,804.0	$16,624.0	$27,186.7	$35,068.1
YOY Growth	*-11.0%*	*-4.8%*	*-21.5%*	*2.4%*	*15.1%*	*-3.0%*	*63.5%*	*29.0%*
% of total revenue	*65.1%*	*60.1%*	*55.9%*	*57.8%*	*61.4%*	*58.8%*	*67.0%*	*67.7%*
Therapy	$9,205.0	$2,482.0	$3,035.0	$3,090.0	$3,025.0	$11,632.0	$13,377.0	$16,715.0
YOY Growth	*-58.7%*	*17.7%*	*22.8%*	*65.3%*	*9.8%*	*26.4%*	*15.0%*	*25.0%*
% of total revenue	*34.9%*	*39.9%*	*44.1%*	*42.2%*	*38.6%*	*41.2%*	*33.0%*	*32.3%*
Total Revenues	$26,338.0	$6,224.0	$6,881.0	$7,322.0	$7,829.0	$28,256.0	$40,563.7	$51,783.1
YOY Growth	*-36.6%*	*3.1%*	*-6.6%*	*22.0%*	*13.0%*	*7.3%*	*43.6%*	*27.7%*
Cost of Revenues	$7,820.0	$1,970.6	$2,067.7	$2,164.9	$2,219.4	$8,422.6	$10,910.5	$13,359.1
Gross Income	$18,518.0	$4,253.4	$4,813.3	$5,157.1	$5,609.6	$19,833.4	$29,653.2	$38,424.0
Gross Margin	*70.3%*	*68.3%*	*70.0%*	*70.4%*	*71.7%*	*70.2%*	*73.1%*	*74.2%*
R&D	$9,518.0	$2,441.0	$2,362.0	$2,284.0	$2,414.0	$9,501.0	$9,575.0	$10,101.0
% R&D	*36.1%*	*39.2%*	*34.3%*	*31.2%*	*30.8%*	*33.6%*	*23.6%*	*19.5%*
Selling & Mktg	$10,179.0	$2,614.1	$2,683.6	$2,862.9	$3,006.3	$11,166.9	$13,304.9	$14,188.6
% Sell&Mktg	*38.6%*	*42.0%*	*39.0%*	*39.1%*	*38.4%*	*39.5%*	*32.8%*	*27.4%*
G&A	$8,791.0	$2,191.0	$2,265.0	$2,260.0	$2,351.0	$9,067.0	$10,864.0	$11,744.0
% G&A	*33.4%*	*35.2%*	*32.9%*	*30.9%*	*30.0%*	*32.1%*	*26.8%*	*22.7%*
Operating Income	($9,970.0)	($2,992.7)	($2,497.3)	($2,249.8)	($2,161.7)	($9,901.5)	($4,090.7)	$2,390.4
Operating Margin	*-37.9%*	*-48.1%*	*-36.3%*	*-30.7%*	*-27.6%*	*-35.0%*	*-10.1%*	*4.6%*
Other income	$9.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Interest income, net	($62.0)	($4.0)	($2.0)	($2.0)	($8.0)	($16.0)	$16.2	$44.0
Pre-Tax Income	($10,023.0)	($2,996.7)	($2,499.3)	($2,251.8)	($2,169.7)	($9,917.5)	($4,074.5)	$2,434.4
Taxes	$76.0	$24.0	$20.0	$18.0	$17.4	$79.3	$0.0	$0.0
Tax Rate	*-0.8%*	*-0.8%*	*-0.8%*	*-0.8%*	*-0.8%*	*-0.8%*	*0.0%*	*0.0%*
Net Income	($10,099.0)	($3,020.7)	($2,519.3)	($2,269.8)	($2,187.1)	($9,996.8)	($4,074.5)	$2,434.4
YOY Growth	*69.0%*	*-19.3%*	*-60.0%*	*15.1%*	*34.0%*	*1.0%*	*59.2%*	*159.7%*
Net Margin	*-38.3%*	*-48.5%*	*-36.6%*	*-31.0%*	*-27.9%*	*-35.4%*	*-10.0%*	*4.7%*
EPS	($0.63)	($0.19)	($0.15)	($0.14)	($0.13)	($0.61)	($0.23)	$0.14
YOY Growth	*69.5%*	*-16.3%*	*-55.1%*	*18.4%*	*36.3%*	*4.2%*	*61.6%*	*158.7%*
Pro-forma adjustments	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Pro-forma EPS	($0.63)	($0.19)	($0.15)	($0.14)	($0.13)	($0.61)	($0.23)	$0.14
Diluted Shares O/S	15,975	16,230	16,400	16,600	16,800	16,508	17,500	17,800

Brian Marckx, CFA

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