Zacks Small-Cap Research

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Tenax Therapeutics, Inc. (TENX-NASDAQ)

Update

TENX: FDA Approves Phase 3 LEVO-CTS Protocol Amendment…

We continue to believe that Tenax's (NASDAQ:TENX) lead asset, levosimendan, is a relatively de-risked clinical development opportunity for the indication of low cardiac output syndrome (LCOS). On October 8, 2015, Tenax provided a clinical progress update on levosimendan that included FDA's approval of its amended Phase 3 LEVO-CTS trial, which could potentially expedite trial enrollment.

Levosimendan has FDA Fast Track status, and the ongoing Phase 3 LEVO-CTS trial has Special Protocol Assessment (SPA) designation. Trial data is expected in the latter part of 2016, and we see potential FDA approval occurring in 2017.

At the current price, we still view Tenax shares as undervalued, and as providing significant long-term upside potential. We initiated coverage of Tenax Therapeutics, Inc. on September 16, 2015, and are maintaining our "Buy" rating and a price target of $10.00 per share.

Current Recommendation	**BUY**
Prior Recommendation	N/A
Date of Last Change	09/16/2015
Current Price (10/08/15)	$3.43
Target Price	**$10.00**

SUMMARY DATA

52-Week High	**$4.01**
52-Week Low	**$2.88**
One-Year Return (%)	**-9.97**
Beta	**0.31**
Average Daily Volume (sh)	**34,199**
Shares Outstanding (mil)	**28**
Market Capitalization ($mil)	**$94**
Short Interest Ratio (days)	**31.15**
Institutional Ownership (%)	**39**
Insider Ownership (%)	**16**
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**

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

ZACKS ESTIMATES

Revenue

(In millions of $)

	Q1 (Sep)	Q2 (Dec)	Q3 (Mar)	Q4 (Jun)	Year (Jun)
2014	$0.19 A	$0.06 A	$0.04 A	-$0.01 A	$0.29 A
2015	$0.00 A	$0.00 A	$0.00 A	$0.05 A	$0.05 A
2016	$0.00 A	$0.00 E	$0.00 E	$0.00 E	$0.00 E
2017					$25.25 E

Earnings per Share

(EPS is operating earnings before non-recurring items)

	Q1 (Sep)	Q2 (Dec)	Q3 (Mar)	Q4 (Jun)	Year (Jun)
2014	-$2.06 A	-$1.23 A	-$0.43 A	-$0.52 A	-$2.71 A
2015	-$0.08 A	-$0.14 A	-$0.14 A	-$0.14 A	-$0.50 A
2016	-$0.11 A	-$0.13 E	-$0.15 E	-$0.18 E	-$0.57 E
2017					$0.07 E

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WHAT'S NEW

On October 8, 2015, Tenax Therapeutics, Inc. (NASDAQ:TENX) provided a clinical progress update for the ongoing development of its lead product candidate, levosimendan. Tenax is currently evaluating levosimendan in a Phase 3 trial for low cardiac output syndrome (LCOS) in cardiac surgery and a Phase 2 trial for septic shock (*below*). Levosimendan has been granted Fast Track status by the U.S. Food and Drug Administration (FDA), which approved Tenax's Phase 3 LEVO-CTS clinical trial protocol under a Special Protocol Assessment (SPA) in 2012.



Source: Tenax Therapeutics, Inc.

FDA Approves Phase 3 LEVO-CTS Protocol Amendment

In the clinical progress update, Tenax announced that the FDA approved its requested protocol amendment for the Phase 3 LEVO-CTS trial. Under the previous protocol, patients undergoing only a coronary artery bypass grafting (CABG) procedure were limited to those with a left ventricular ejection fraction (LVEF) of ≤ 25%. This amendment changes the inclusion criteria for the trial to cardiac surgery patients with a LVEF of ≤ 35% undergoing CABG, CABG and an aortic valve procedure, and CABG and/or a mitral valve procedure. Entry criteria was also clarified so that unjustified patient exclusions do not occur. Tenax believes that this amendment will significantly increase the potential patient population that is eligible for enrollment in the trial. We see the approval of the protocol amendment by the FDA as good news for the company as it will simplify the enrollment process and could potentially expedite enrollment since more patients will now be eligible for the study.

Levosimendan in Cardiac Surgery: Ongoing Phase 3 LEVO-CTS in LCOS Trial

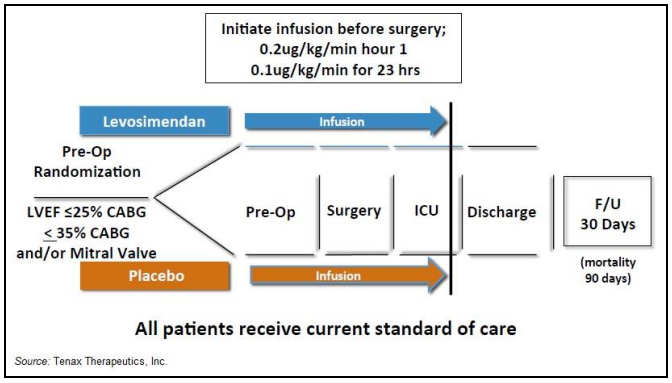
As per the clinical update, Tenax achieved the first milestone in its ongoing Phase 3 LEVO-CTS trial following the enrollment of its 200th patient on October 1, 2015. The LEVO-CTS trial is a double-blind, randomized, placebo-controlled study that is evaluating the use of levosimendan administered before and during cardiac surgery to reduce the incidence of low cardiac output syndrome and associated morbidity and mortality.

As of October 8, 2015, 67 out of 70 total cardiac surgical sites are activated, including seven in Canada. Patient enrollment began in September 2014, and as of October 8, 2015, a total of 206 patients are enrolled. We believe that the goal is to enroll approximately 760 patients undergoing coronary artery bypass graft or mitral valve surgery who are at a risk of developing LCOS. We believe that management continues to remain focused on increasing enrollment efforts, and continues to take numerous steps in order accelerate the process. For instance, these efforts include identifying additional sites for the trial (for example, by expanding to Canada), and increasing communication with current clinical sites by hiring two field based associates who will be in direct contact with the sites. Submission of the protocol amendment to the FDA to adjust inclusion criteria was one of these steps.

More on Phase 3 LEVO-CTS

In 2014, Tenax initiated "*Levosimendan in Patients With Left Ventricular Systolic Dysfunction Undergoing Cardiac Surgery On Cardiopulmonary Bypass*" (LEVO-CTS) Phase 3 trial to evaluate the efficacy of levosimendan in the reduction of the incidence of morbidity and mortality in cardiac surgery patients at risk of LCOS when levosimendan is administered before and during cardiopulmonary bypass. The study looks at the 30-day composite event rate of all-cause death, perioperative myocardial infarction, the need for dialysis, or the use of mechanical assist (intra-aortic balloon pump [IABP], left ventricular assist device [LVAD], extracorporeal membrane oxygenation [ECMO]) in

patients with left ventricular systolic dysfunction (reduced ejection fraction) preoperatively undergoing cardiac surgery via cardiopulmonary bypass. Duke Clinical Research Institute (DCRI) is conducting the trial, and helped design the Phase 3 protocol.



The trial has two arms, and in the experimental arm, patients will be administered 0.2 µg/kg/min of levosimendan for the first hour, followed by 0.1 µg/kg/min of levosimendan for an additional 23 hours (with infusion being initiated prior to surgery). In the placebo comparator arm, patients will be given 0.2 µg/kg/min of placebo for the first hour, followed by 0.1 µg/kg/min of placebo for an additional 23 hours (*above*). We would like to mention that endpoints of the trial were selected based on available clinical scientific evidence. Cardiac surgery patient criteria now includes: (1) Isolated CABG LVEF ≤ 35% ; (2) ≤ 35% CABG and/or mitral valve surgery; and (3) EF ≤ 35% CABG and aortic valve surgery (which is a recent amendment, and is expected to increases patient pool by 25%). The inclusion parameters above are intended to enhance the event rate and treatment effect. As per Tenax, a 32% event rate appears conservative, and a 35% treatment effect is conservative relative to 60-80% relative risk reduction in low EF clinical trials (DCRI Meta-analysis; Levin *et al.*, 2012; Baysal *et al.*, 2014).

Co-primary endpoints in the trial include: (1) "Dual": death or mechanical assist (IABP, LVAD) through day 5, $p<0.04$ sufficient, and (2) "Quad": death (through day 30), perioperative non-fatal MI (day 5), renal dialysis (day 30), or mechanical assist (day 5), $p<0.01$ sufficient, while secondary endpoints, which also intend to show the pharmacoeconomic benefit of the drug, include duration of ICU/CCU stay following surgery, and the incidence of LCOS. The safety endpoint is all-cause mortality through day 90, and since this an event-driven trial, there will be an event rate check at 200 patients with interim analysis at 50% and 70% total events to ensure anticipated event rate. The trial may be stopped for profound efficacy in "dual" endpoint.

It appears that low left ventricular ejection fraction (LVEF) cardiac surgery patients represent a high-risk population that experiences a higher incidence of LCOS and more severe outcomes. Based on levosimendan's established clinical profile that has demonstrated potential benefits in LCOS, we see the potential in the drug to reduce mortality and morbidity in cardiac surgery patients at risk for LCOS, as well as lowering hospital related / pharmacoeconomic costs. In our opinion, the data that is available appears to be promising; however we do believe larger multi-site randomized controlled trials, like LEVO-CTS, with the proper dosage protocols in place will offer much needed data to confirm the benefit of levosimendan in cardiac surgery patients. We view levosimendan as potentially being able to address an unmet need with the dual value proposition mentioned above.

As per management, the FDA has provided guidance that a single successful trial will be sufficient to support approval of the drug for this particular indication. The LEVO-CTS data readout is expected during the second half of calendar year 2016, and we are looking forward to reviewing the results once available. From start to finish, we believe that the trial will cost approximately $18 to $20 million. If all goes well, the company plans to request FDA Priority Review (6 months), and we think approval could occur at some point during the first half of calendar 2017. We are very much interested in watching the Tenax story unfold.

Levosimendan in Septic Shock: Phase 2b LeoPARDS trial

In August 2014, Tenax announced a collaboration with the Imperial College London to provide an additional $0.5 million funding for the ongoing Phase 2 LeoPARDS trial ("Levosimendan for the Prevention of Acute oRgan Dysfunction in Sepsis") in the UK evaluating levosimendan in sepsis. The trial is being managed by NIHR, and led by the Imperial College London, with Tenax helping to accelerate the enrollment process. The trial is designed to evaluate if levosimendan reduces the incidence and severity of acute organ dysfunction in adult patients with septic

shock, the effect of the drug on organ function, in addition to evaluation of the drug's safety profile in sepsis. The trial was initiated in the first quarter 2014, and as of October 8, 2015, 445 out of 516 patients are enrolled. Management believes that enrollment will be complete before the end of calendar year 2015 with data expected in calendar year 2016.

LeoPARDS is a randomized, double-blind, placebo-controlled multi-center trial based on previous smaller studies that have evaluated levosimendan as it pertains to sepsis. Adult patients with suspected or confirmed infection and 2 or more SIRS (systemic inflammatory response syndrome) criteria [fever or hypothermia: temp >38°C/100.4°F or <36°C/96.8°F; tachycardia: heart rate >90bpm; tachypnea or need for mechanical ventilation: respiratory rate >20 or PaCO2 <32mmHg; leukocyte count (>12,000cells/mm3, <4000cells/mm3, or >10% immature band forms)] who are dependent on vasopressors to maintain their blood pressure are eligible for LeoPARDS enrollment. Once eligibility criteria are met there is a 24 hour window for recruitment to the trial, and enrolled patients are randomized to receive either levosimendan (0.05 to 0.20µg/kg/min) or placebo for 24 hours in addition to the standard of care.

The primary outcome measure will be the mean SOFA (sequential organ failure assessment) score on ICU after randomization between treatment groups. Secondary outcomes that are also being evaluated include oxygen delivery (ScvO2) & cardiac output; incidence & duration of renal failure (AKIN criteria); serum bilirubin; time to extubation; 28-day, hospital and three & six-month survival; ICU and hospital length of stay, and ICU-free days; duration of renal replacement therapy; and days free from catecholamine therapy.

LeoPARDS data are expected in early calendar year 2016. The data collected from the LeoPards trial will help guide Tenax regarding the future plans for U.S. development. We believe that positive LeoPARDs data could support an NDA filing. If all goes well and the data are positive, Tenax plans to file an NDA in late 2017, and management believes that it may not be required to conduct a Phase 3 trial. At this point, we are taking a wait and see approach in regards to levosimendan in septic shock.

As an aside, in November 2014, Tenax had a meeting with the FDA regarding the development of levosimendan in septic shock, and received guidance on how LeoPARDS data might be analyzed to support regulatory filing. As per management, the Imperial College London recently submitted the statistical analysis plan (SAP), with an addendum from Tenax, to the FDA. The SAP included additional secondary endpoints around clinically-meaningful measurements. We believed that this submission was going to occur by the end of the third quarter 2015, and so it is nice to see its submission earlier than expected. We look forward to receiving more updates on the clinical and regulatory path forward in the near future.

Background on Levosimendan

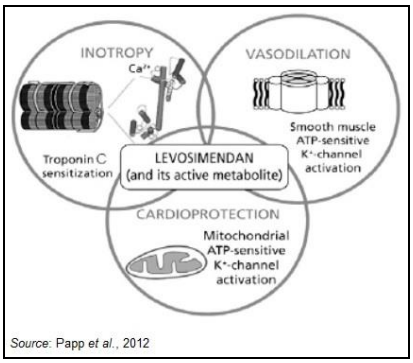
There are currently no pharmacologic agents that are approved for the management, prevention and/or treatment of post-cardiac surgery LCOS. To address the issues outlined above surrounding LCOS, Tenax hopes to offer a solution with levosimendan, and believes that if administered pre- and peri-operatively, the incidence of LCOS and the associated morbidity and mortality could be decreased. Tenax is currently developing the drug in the U.S. and Canada for the reduction of morbidity and mortality in cardiac surgery patients at risk for developing low cardiac output syndrome (LCOS).

Tenax's lead asset, levosimendan, is a novel, first-in-class calcium sensitizer/K-ATP activator for intravenous (IV) use in hospitalized patients, originally developed by Orion Corporation in Finland, and first launched in the EU in 2000 for the short-term treatment of acute decompensated heart failure (ADHF) where conventional therapy is not sufficient, and in cases where inotropic support is considered appropriate. Outside of the U.S., the drug is currently approved and marketed as Simdax® (levosimendan i.v.) in more than 60 countries around the globe for patients with ADHF. According to the company, over 1 million patients worldwide have been prescribed the drug, with significant off-label use of the drug in the EU. The patent for the Simdax® molecule in Europe expired in September 2015, and the product generated revenues in 2014 of approximately €47 million Euros (approximately $53 million USD at the exchange rate as of August 20, 2015).

Phyxius was granted the North American rights to levosimendan in 2011, and Tenax went on to acquire Phyxius in 2013. Tenax currently holds a license from Orion to develop and commercialize pharmaceutical products that contain levosimendan 2.5 mg/ml concentrate for solution for infusion / 5 ml vial in North America, under the brand name Simdax®. Tenax initiated a Phase 3 trial, which we will address in further detail below, in the third quarter of calendar year 2014. Under the terms of the agreement, Tenax must pay Orion a $2 million milestone payment upon FDA approval, $1 million upon Canadian approval, up to $13 million in potential commercial milestones payments based on achieving certain cumulative sales amounts, as well as tiered royalties based on net sales.

As mentioned above, levosimendan has been granted Fast Track status by the U.S. Food and Drug Administration (FDA), which has approved Tenax's Phase 3 LEVO-CTS clinical trial protocol under a Special Protocol Assessment (SPA). Tenax is also pursuing an additional indication for levosimendan as it pertains to septic shock.

Triple Mechanism of Action of Levosimendan



Source: Papp *et al.*, 2012

Levosimendan is a calcium sensitizer/K-ATP activator, and the therapeutic effects are achieved via a triple mechanism of action (MOA) through increased force of muscular contractions (positive inotropic effect), vasodilation, and cardioprotection (*above*). The triple MOA of action helps differentiate levosimendan from other inodilators such as milrinone, dobutamine, and dopamine. It has been proposed that this triple MOA also helps to preserve heart function during cardiac surgery, and studies have demonstrated that levosimendan protects the heart and improves tissue perfusion while minimizing tissue damage during cardiac surgery. In the body, levosimendan is completely metabolized and about 5% of the dose infused is first converted to OR-1855 in the large intestine, and then subsequently acetylated to the active metabolite OR-1896 in the liver. OR-1896 is 40% bound to plasma proteins and has an elimination half-life of 75-80 hours vs. levosimendan, which is 98% bound to plasma proteins and only has a half-life of 1 hour. OR-1896 reaches a peak plasma concentration approximately 2 days after the termination of infusion, and it exhibits similar hemodynamic effects to levosimendan through calcium sensitization and vasodilation. Because of the extended half-life of OR-1896, these effects can last up to 7 to 9 days after infusion has been terminated (Nieminen *et al.*, 2009).

- **Levosimendan as a Calcium Sensitizer (*Contractility*)**

Levosimendan is a calcium sensitizer and increases the sensitivity of the heart to calcium. By doing this, it is able to increase cardiac contractility by targeting contractile proteins in cardiomyocytes, or heart muscle cells, without increasing intracellular calcium levels and without substantial increases in oxygen demand. Levosimendan has a positive inotropic effect by selectively binding to cardiac troponin C that is saturated with calcium (*see figure on the right*). In other words, levosimendan can improve contraction of the heart with low energy costs, and since it does not disrupt calcium levels, unlike other ionotropic agents, it does not cause cardiomyocyte dysfunction. Increased calcium levels can cause arrhythmias (Kasikcioglu *et al*., 2006). On the other hand, inotropes such as dobutamine (stimulate β1 receptors) and milrinone (inhibits phosphodiesterase) also increase cardiac output but do so via increased heart rate and myocardial oxygen demand.

- **Levosimendan as a Potassium Channel Activator (*Vasodilation*)**

Levosimendan is a potassium channel activator and opens adenosine triphosphate (ATP)-sensitive potassium channels in vascular smooth muscle. This results in smooth muscle relaxation or a vasodilatory effect on all vascular beds (Nieminen *et al.*, 2013), including venous, arterial, and coronary vasodilation (Figgitt *et al*., 2001).

- **Levosimendan as a Potassium Channel Activator (*Cardioprotection*)**

Levosimendan is a potassium channel activator and also opens mitochondrial adenosine triphosphate (ATP)-sensitive potassium channels in cardiomyocytes, resulting in a cardioprotective effect (Pollesello *et al.*, 2007). In addition, the vasodilating effects of the K-ATP mechanism produces a reduction in both preload and afterload (Harkin *et al.*, 1995), and an increase in coronary blood flow (Kaheinen *et al*., 2001) with overall improved myocardial tissue perfusion.

Many researchers believe that levosimendan's triple mechanism of action may provide cardiac surgery patients with several benefits, and the rationale for use in the setting is summarized below:

Levosimendan Mechanism	Physiologic Effect	Potential Benefits for Cardiac Surgery Patients
Calcium Sensitizer	Oxygen Sparing Increase in Cardiac Output (1,2)	Oxygen Efficient Increase in Post-Op Cardiac Reserve/Output
K-ATP Channel Activator-Mitochondria	Protects Cardiac Cells During Ischemia (3,4)	Reduced Peri-Op Myocardial Infarction
K-ATP Channel Activator-Vascular Smooth Muscles Cells	Improved microcirculatory blood flow (5,6)	Improved Post Op Organ Perfusion

Improved Outcomes

Source: Tenax Therapeutics, Inc.

1. De Hert et al., 2007; 2. Eriksson et al., 2009; 3. Zangrillo et al., 2009; 4. Tritapepe et al., 2009; 5. Bragadottir et al., 2013; 6. Baysal et al, 2014

Conclusion & Valuation

In our opinion, the Tenax development portfolio includes a product candidate that has the potential to address various critical care conditions with high unmet medical need. Currently, there are no approved drugs indicated for the prevention and/or treatment of LCOS. We view levosimendan as a relatively de-risked clinical development opportunity for the indication of LCOS due to the usage of the drug in over 1 million patients outside of North America. There is extensive scientific evidence that supports the use of levosimendan in cardiovascular surgery, with over 35 published clinical trials, meta-analyses, and articles. We also believe that the interest surrounding the drug continues to increase. We also view septic shock as an area of unmet clinical need, as the condition is often associated with high mortality, morbidity and critical care costs. In our opinion, LCOS and septic shock are potential large market opportunities because of the present day high mortality rates and insufficient standard of care practices in these patients. We think there is a demand for superior therapeutics in order to improve patient outcomes in both LCOS and septic shock, in addition to reducing the high costs associated with complications surrounding cardiac surgical patients.

We believe that the Tenax management team has the critical care, clinical, and commercial experience necessary to obtain North American approval of levosimendan. However, we do believe it is taking longer than initially expected to enroll patients in the Phase 3 LEVO-CTS trial. Although the LEVO-CTS trial timeline has been adjusted from when the first patient was enrolled back in September 2014, we are hoping that by continuing to focus efforts on accelerating patient enrollment that the company stays on track with the currently projected second half of 2016 trial completion date, with data readout expected in the latter part of 2016. We view the recent news of the FDA approving the protocol amendment to be good news for the company, and hopefully should help expedite the enrollment process.

Valuation Methodology

We assume approval of levosimendan in the U.S. during calendar year 2017, with product launch later in the year. We believe there is a high probability of approval given the success of the drug outside of the U.S, but will be dependent on positive Phase 3 data. In our opinion, Tenax shares remain significantly undervalued given the potential market opportunity for levosimendan.

For valuation purposes, we utilize a full DCF model based on some reasonable estimates of revenues with the following parameters:

Levosimendan Assumptions:

- *Target Population & Revenue Assumptions:*

We have assumed a current target population of 320,000 cardiac surgical procedures in the U.S., which is predominantly made up of approximately 280,000 major procedures and approximately 25,000 congenital procedures tracked using 2014 data from the Society of Thoracic Surgeon's (STS) Database. We have assumed this surgical patient population is growing in line with historical norms of approximately 0.6% per year, and that about 50% of this group would be the appropriate target for levosimendan.

We believe levosimendan usage can lead to significantly improved outcomes and reduced post-operative hospital costs associated with complications of between $6,000 and $15,000 per patient. In our opinion, this translates into an attractive dual-value proposition in a clinical setting.

We have conservatively estimated that Tenax will be able to charge approximately $2,700 per patient, growing at approximately 2.5% per year. We assume initial penetration of approximately 6% in 2017, growing to a max penetration of 40% by 2024. We have also assumed that levosimendan receives Canadian approval in 2018, which represents an additional 10% of the previous year U.S. revenues.

- *Margin/Expense & DCF Assumptions:*

Our DCF model further makes the following assumptions in regards to expenses:

We have assumed long-term gross margins in the area of 80%. We have assumed operating expenses consisting primarily of R&D of approximately $10 million and G&A expenses of $6.5 million for fiscal year 2016. We assume long-term operating expenses and taxes (after taking into account net operating losses) to run around 12% of sales. We believe there is an 80% probability of success for levosimendan, given the success of the drug outside of the U.S. To take into account the cumulative risks discussed above, we have used a 15% discount rate. Since we are valuing cash flows, we are adding in the cash and marketable securities balance of $43.9 million at July 31, 2015.

Based on our assumptions, we calculate fair value for levosimendan and Tenax to be approximately $310 million. With a fully diluted share count of 34.6 million, this equates to a fair value target price of approximately $10 per share. If levosimendan proves to be successful in the cardiac surgical market, and if the company makes further progress with additional indications, including septic shock, we believe that there is the possibility for significant upside to this valuation.

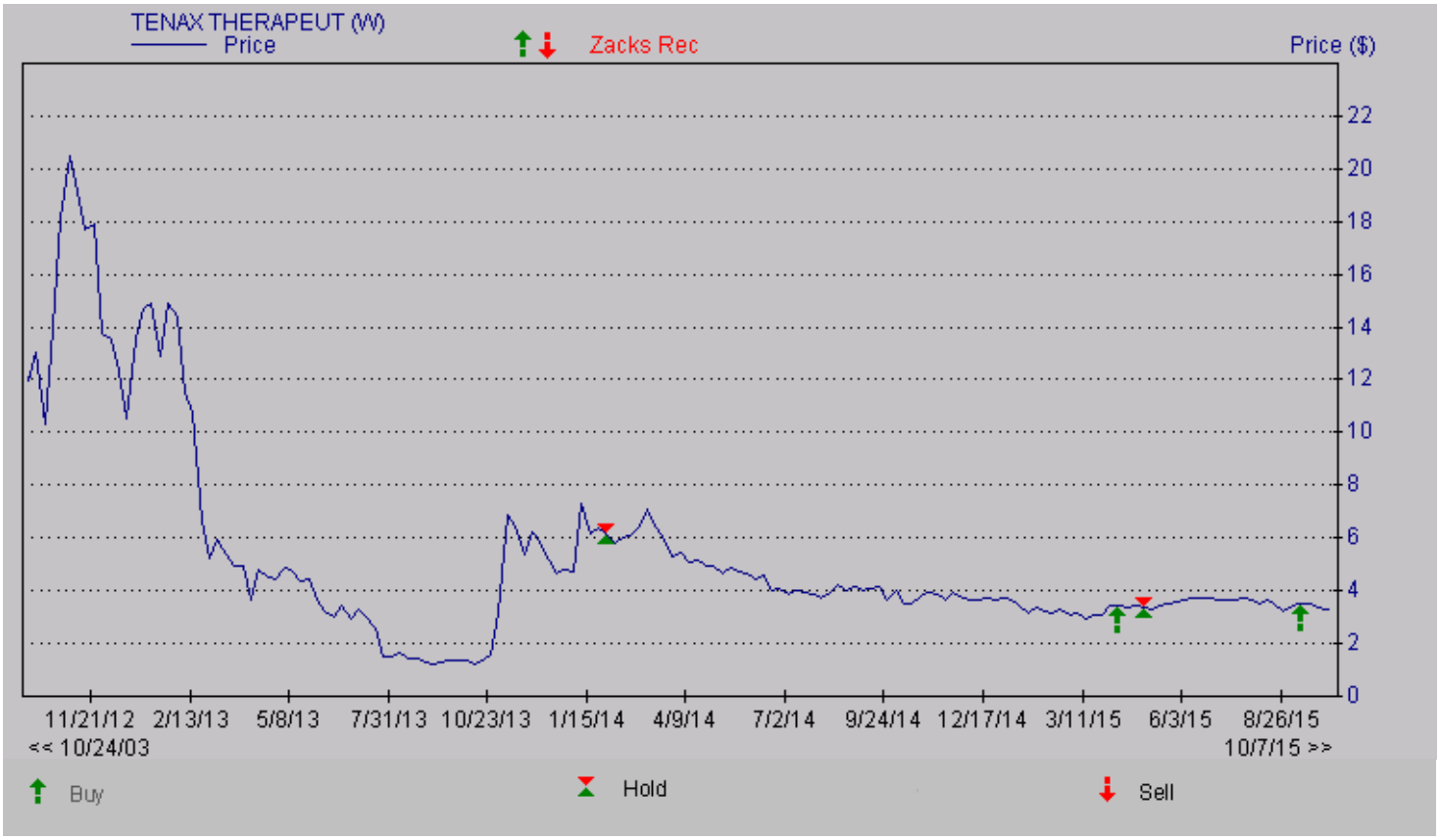
PROJECTED FINANCIALS

Tenax Therapeutics, Inc. - Income Statement

Tenax Therapeutics, Inc.	2015 A	Q1 A	Q2 E	Q3 E	Q4 E	2016 E	2017 E	2018 E
Product Revenue	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$25.3	$54.6
YOY Growth	*-100%*							*116%*
Government Grant Revenue	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
YOY Growth	*-81%*				*0%*	*-100%*		
Total Revenues	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$25.25**	**$54.6**
YOY Growth	*-83%*							*116%*
Cost of goods sold	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$5.1	$10.9
Product Gross Margin							*80%*	*80%*
Research and development	$6.7	$1.7	$2.1	$2.6	$3.2	$9.6	$10.1	$10.6
General & administration	$7.2	$1.4	$1.6	$1.8	$1.9	$6.6	$8.0	$8.4
Restructuring & Other Opex	$1.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Finance costs	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Operating Margin							*8%*	*45%*
Interest Income (expense)	($0.0)	($0.0)	$0.0	$0.0	$0.0	($0.0)	$0.0	$0.0
Other expense	($0.8)	($0.0)	$0.0	$0.0	$0.0	($0.0)	$0.0	$0.0
Pre-Tax Income	($14.1)	($3.1)	($3.7)	($4.4)	($5.1)	($16.3)	$2.1	$24.7
Income Taxes Paid	$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%*
Net Income	**($14.1)**	**($3.1)**	**($3.7)**	**($4.4)**	**($5.1)**	**($16.3)**	**$2.1**	**$24.7**
Net Margin							*8%*	*45%*
Reported EPS	**($0.50)**	**($0.11)**	**($0.13)**	**($0.15)**	**($0.18)**	**($0.57)**	**$0.07**	**$0.80**
YOY Growth	*-81%*	*36%*	*-9%*	*13%*	*25%*	*14%*	*-112%*	*1013%*
Basic Shares Outstanding	28.08	28.12	28.25	28.50	28.75	28.40	29.00	31.00

Source: Company Filing // Zacks Investment Research, Inc. Estimates

HISTORICAL ZACKS RECOMMENDATIONS



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Buy/Outperform: The analyst expects that the subject company will outperform the broader U.S. equity market over the next one to two quarters.
Hold/Neutral: The analyst expects that the company will perform in line with the broader U.S. equity market over the next one to two quarters.
Sell/Underperform: The analyst expects the company will underperform the broader U.S. Equity market over the next one to two quarters.

The current distribution is as follows: Buy/Outperform- 25.5%, Hold/Neutral- 51.1%, Sell/Underperform – 20.3%. Data is as of midnight on the business day immediately prior to this publication.