Zacks Small-Cap Research

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Pure Bioscience, Inc. (PURE-OTC)

PURE: Business is going to take off in calendar 2014, a reborn company with new focus on food safety—Outperform

Current Recommendation	**Outperform**
Prior Recommendation	Neutral
Date of Last Change	10/16/2013
Current Price (12/20/13)	$1.20
Twelve- Month Target Price	**$2.50**

OUTLOOK

PURE develops and markets SDC-based antimicrobial products that provide non-toxic solutions to numerous global health challenges. SDC is a novel, patented platform technology with superior efficacy and low toxicity and can be used in diverse markets including food safety, personal care, preservatives, industrials, agriculture and pharmaceuticals.

After recent massive management change, PURE is refocusing on the food safety industry. We expect growth will resume in fiscal 2014, and upgrade its shares to Outperform.

SUMMARY DATA

52-Week High	**$1.65**
52-Week Low	**$0.28**
One-Year Return (%)	**36.36**
Beta	**0.43**
Average Daily Volume (sh)	**124,614**
Shares Outstanding (mil)	**25.4**
Market Capitalization ($mil)	**$31**
Short Interest Ratio (days)	**3.92**
Institutional Ownership (%)	**9**
Insider Ownership (%)	**13**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**36.6**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/A**
P/E using 2011 Estimate	**N/A**
P/E using 2012 Estimate	**N/A**
Zacks Rank	**N/A**

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

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Oct)	Q2 (Jan)	Q3 (Apr)	Q4 (Jul)	Year (Jul)
2013	0.11 A	0.26 A	0.26 A	0.19 A	0.82 A
2014	0.12 A	0.30 E	0.40 E	0.50 E	1.32 E
2015					5.50 E
2016					12.00 E

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

	Q1 (Oct)	Q2 (Jan)	Q3 (Apr)	Q4 (Jul)	Year (Jul)
2013	-$0.25 A	-$0.17 A	-$0.14 A	-$0.17 A	-$0.71 A
2014	-$0.06 A	-$0.06 E	-$0.05 E	-$0.05 E	-$0.21 E
2015					-$0.14 E
2016					-$0.03 E

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

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WHAT'S NEW

- Fiscal 1Q14 financials were not strong, but growth is expected to resume in the rest of fiscal 2014;
- Balance sheet boosted by recent financing;
- Experienced, results—oriented new management team;
- New board will provide strategic insight to accelerate near term market penetration;
- Laser focused on food safety segment;
- Valuation very attractive; maintain Outperform rating;

1Q14 financials not strong, but Growth Expected to Resume in the rest of fiscal 201

Pure Bioscience recently reported its fiscal 2014 first quarter financials for the three months ended October 31, 2013.

Net product sales were $115,000 and $110,000 for the three months ended October 31, 2013 and 2012, respectively. The increase of $5,000 was primarily attributable to sales fluctuations within existing customer base.

For the three months ended October 31, 2013, three individual customers each accounted for 10% or more of net product sales. One customer accounted for 33%, another for 23%, and the other for 19%. No other individual customer accounted for 10% or more of net product sales. For the three months ended October 31, 2012, two individual customers each accounted for 10% or more of net product sales. One customer accounted for 47% and the other for 16%.

Gross margin was 69% and 72% for the three months ended October 31, 2013 and 2012, respectively. This decrease in gross margin percentage was primarily attributable to the sale of higher margin formulations and packaging configurations of products during the quarter ended October 31, 2012 as compared to current year.

Selling, general and administrative expense was $993,000 and $1,476,000 for the three months ended October 31, 2013 and 2012, respectively. The decrease of $483,000 was primarily attributable to reductions in personnel and related costs, facility costs, professional services, and stock based compensation expense related to employees, directors, and consultants supporting Selling, General and Administrative functions.

Research and development expense was $234,000 and $395,000 for the three months ended October 31, 2013 and 2012, respectively. The decrease of $161,000 was primarily attributable to decreases in personnel costs and related expenses, third-party research and testing activities, and stock option expense.

Restructuring expense was $2,684,000 and zero for the three months ended October 31, 2013 and 2012, respectively.

The financials for fiscal first quarter of 2014 were certainly not satisfactory to us and investors. But we remind investors PURE has just completed the restructuring, and is reborn as a new company with refocused strategy.

Recently, PURE has established two agreements with its partners to distribute its products. One is with Brenntag Specialities, Inc., and another one is with Intercon Chemical Company. These two new agreements along with existing distribution agreements should help boost sales in the coming quarters.

With new management and new strategy, we believe revenue will resume growing in second half of 2014. We estimate total revenue for fiscal 2014 will reach $1.3 million, representing an increase of 60% over fiscal 2013. PURE will become profitable in fiscal 2017 based on total revenue of $22 million according to our financial model. Earnings per share will reach $0.13 in by fiscal 2017.

Balance Sheet Boosted by Recent Financing

As of October 31, 2013, PURE has cash and cash equivalents of $1.1 million, compared with cash balance of $32,000 on July 31, 2013.

However, new management has been working diligently to strengthen PURE's balance sheet since they took office. Specific measures included raising new funds and reducing non-core operating activities.

On August 13, 2013, PURE raised $1.1 million in aggregate proceeds and during **October, 2013** it raised an additional $2.00 million through private equity placements to fund the change in its business strategy and near-term operations.

Accrued liabilities have been reduced significantly as a result of implementing its new business strategy and securing new equity capital.

By reducing its non-core operating activities, PURE should be able to reduce its burn rate significantly in the next few quarters.

By increasing its revenue and reducing costs, combined with further financing, balance sheet should be further strengthened in the near future.

The process to restore PURE's financial condition will take several steps and we are pleased to see that the company has already made significant strides. We believe the fiscal year 2014 will be both challenging and rewarding as the company sharply focuses on commercializing its patented SDC-based products in the food industry.

Subsequent to fiscal quarter ended October 31, 2013, PURE received approximately $1,438,800 from the sale of 1,536,817 shares of common stock in private placements.

Current cash balance should last through the fiscal third quarter of 2014.

PURE Is Reborn With New Management and Board

Recently, PURE has undergone a comprehensive corporate governance change, resulting in the appointment of six new board members, and a new CEO and CFO, and the resignations of the prior management team and remaining board members.

On May 17, 2013, PURE appointed food industry leader **Dave Pfanzelter** as chairman of the board. Pfanzelter has been a member of the board since February 2013 and had previously served on the PURE Bioscience Advisory Panel. The position of chairman had been held by PURE's president and CEO, Michael L. Krall, since 1993.

Previously Mr. Pfanzelter was senior vice president, Kellogg Company, president, Kellogg's Specialty Channels and president, Kellogg Canada while also serving as part of the Kellogg Executive Committee and Global Leadership Team. Mr. Pfanzelter began his food service career in 1975 with Oscar Mayer Foods Corporation serving in several key sales and marketing positions, including director of marketing and national sales manager. In 1995, he was appointed vice president, sales of Kraft Foodservice, representing the combined manufactured brands of Oscar Mayer, General Foods and Kraft Foods. In 1998 Mr. Pfanzelter joined Keebler, serving as vice president and general manager of the food service division prior to Keebler's acquisition by Kellogg in 2001.

Since 1998, Mr. Pfanzelter has been on the board of directors of Doctor's Associates, the parent company of Subway Restaurants, the nation's largest restaurant chain. In February 2012, Dave joined Wrigley Foods Advisory Board of Directors. He also served on the Board of the International Food Service Manufacturer's Association as chairman and member of its executive committee.

On September 10, 2013, PURE appointed **Hank Lambert** as its new **Chief Executive Officer**. Mr. Lambert, who also serves as a company **director**, is an accomplished food industry and consumer products executive with broad management skills, including strategic planning and business development, go-to-market execution, business integration and food safety. With over 35 years of industry experience, Mr. Lambert has established a proven track record of growing both revenues and earnings at public and private companies such as Heublein Inc., RJ Reynolds, Nabisco, Inc. and Pinnacle Foods. Mr. Lambert most recently served as the General Manager, Global Food and Water Businesses, at UL LLC (Underwriters Laboratories), and has held various business unit leadership positions servicing the foodservice and leading consumer food brands markets. Mr. Lambert has also served on boards and as a member of various food industry associations, including the International Foodservice Manufacturers Association (IFMA), Institute of Food Technologists and Safe Supply of Affordable Food Everywhere (SSAFE).

On August 13, 2013, PURE appointed **Peter C. Wulff**, the company's former chief financial officer, as both its CFO and chief operating officer. In addition, the company has appointed **Gary Cohee** to the board of directors.

On October 01, 2013, PURE appointed **Dr. David Theno, Jr.** as a new member of its Board of Directors. David Theno, Jr., PhD, a widely respected food safety expert, previously served on the Company's Advisory Panel. Dr. Theno is currently the Chief Executive Officer of Gray Dog Partners, Inc., a technical consulting firm specializing in food safety and manufacturing, restaurant operations, supply chain management, strategic planning and facility design. Gray Dog Partners has also provided consultation to federal, state and local regulatory bodies. From 1993 to 2008, Dr. Theno was employed by Jack in the Box, Inc. where he last served as the Senior Vice President and Chief Food Safety Officer and previously served as Corporate Vice President Technical Services. Dr. Theno has two Doctorate Degrees in Food Science and Animal Science and also Master's Degrees in Animal Science and Veterinary Pharmacology from the University of Illinois.

On October 3, 2013, PURE appointed **Craig C. Culver** to its Board of Directors. Mr. Culver is the Co-Founder and Chief Executive Officer of Culver Franchising System, Inc., a quick-service restaurant chain with over 490 locations in 21 states, started almost 30 years ago. Mr. Culver has a long-standing track record of business building and community philanthropy. Notable achievements include recognition by the Wall Street Journal as one of 25 high-performing franchises in the US, Consumer Choice Award as #1 rated US burger chain for food quality, service, convenience and cleanliness among other attributes and the Ernst & Young Wisconsin-State Consumer Products / Retail Entrepreneur of the Year. Recent community achievements include commendation by the State of Wisconsin for workforce development for people with disabilities and the American Red Cross Circle of Humanitarian Award for community flood and storm relief.

On October 8, 2013, PURE appointed **William Otis** to its Board of Directors. Mr. Otis is the sixth member to join the Company's Board of Directors. Mr. Otis is currently the President and Chief Operating Officer of Patrick Cudahy, LLC and Saratoga Food Specialties. Both companies are food manufacturing companies of John Morrell Food Group and Smithfield Foods. Mr. Otis began his career in 1980 with Oscar Mayer Foods Corporation serving in several operations, finance and marketing positions. In 1995, Mr. Otis joined Patrick Cudahy, serving as Vice President of Sales and Marketing and in 2004 was promoted to President and COO. Mr. Otis also took over the President and COO role at Saratoga Food Specialties in 2012. Mr. Otis earned his Master's Degree in Business Management from the University of Wisconsin-Madison.

The new management team and board have rich experience in food industry which is the current focus of the company. The new management is an experienced, disciplined and results--□oriented executive team. New board will play key incremental role providing strategic insight to accelerate near term market penetration.

The Refocused Strategy

The management change is part of its previously announced reorganization establishing new and experienced leadership focused on commercialization of SDC technology in the food industry as a unique and proprietary antimicrobial agent to protect consumer safety against various pathogens.

The Company's near-term business focus is to drive customer adoption of its products in the **food safety industry**. Its proprietary SDC-based products uniquely address food safety issues across the supply chain and help to prevent or mitigate food contamination and the potential for food-borne illness. The Company's target customers will be foodservice operators, food processors and food manufacturers.

As part of its new commercialization focus on food safety segment, PURE also strengthened its sales and marketing leadership team. In late August 2013, PURE appointed **Cliff Wechsler** as its new Executive Vice President of Sales, and **Tom Myers** assumed the position of Executive Vice President of Marketing and Product Development.

Mr. Wechsler brings over 30 years of experience, having previously served in a variety of high level sales management positions with Kraft Foods. During his tenure at Kraft Foods Mr. Wechsler shaped and developed the business strategy for their Quick Service Restaurant (QSR) market segment.

Mr. Myers will now lead the company's marketing and product development, having previously joined PURE in May 2011 as Executive Vice President of Sales and Marketing. Mr. Myers brings over 40 years of food industry experience, with emphasis on both food science and food processing where he served in senior leadership positions in marketing, product development and technical operations.

With the new strategy and focus, PURE has reduced costs and personnel in all departments other than sales and marketing as the company continues the push toward meaningful revenues. The company has also established high-capacity outsourcing options for manufacturing to remain positioned to timely fill orders as necessary.

PURE has cut total wage expenditures by more than 30% through the elimination of manufacturing, research and development, administrative and executive positions. The company has also reduced G&A expenses related to professional services, including legal and consulting fees, public relations and investor relations. Furthermore, PURE's corporate officers and directors have elected to defer the majority of cash compensation, effective immediately.

In summary, with the change in governance, PURE Bioscience implemented a new business strategy focused on:

- Commercialization of its SDC-based products as a food safety solution, with a focus on foodservice and food processing;
- Optimization of operations and termination of non-core activities;
- Implementation of a lean organization with the relevant experience to drive commercialization and accelerate growth;
- Active and experienced board members contributing incremental insight and guidance on business strategy and execution.

Valuation Very Attractive

We maintain our Outperform rating on PURE shares and reiterate our 12-month price target of $2.50 per share.

Our call is based on the recent management change and refocused strategy as well as the attractive valuation.

PURE is a technology-based bioscience company that provides solutions to numerous global health challenges. PURE's proprietary high efficacy/low toxicity **SDC-based antimicrobials** represent innovative advances in diverse markets and lead today's global trend toward industry and consumer use of **"green" products**. Patented SDC is an electrolytically generated source of stabilized ionic silver, which formulates well with other compounds. As a platform technology, SDC is distinguished from competitors in the marketplace because of its **superior efficacy**, **reduced toxicity** and the **inability of bacteria to form a resistance** to it.

PURE's SDC is the first new disinfectant registered with EPA in over 30 years. SDC's competitive advantages in efficacy and safety make it outstanding among its competitors and represent a **paradigm shift** in the disinfectant/sanitizer market place.

Another key feature of SDC is that SDC-based products have broad applicability in diverse markets. The Company's current focus is to expand distribution of currently approved **disinfectant/sanitizer** products to consumers in the **food safety industry**.

Recent corporate governance change led to a new management, which is experienced, disciplined and results—oriented. New board will play key incremental role providing strategic insight to accelerate near term market penetration.

In terms of valuation, currently, the Company trades around $1.20 per share with a market cap of $30 million based on 25.4 million shares outstanding. We think this is a discount based on its fundamentals. According to our model, revenue will grow at 128% CAGR in the next fiscal 4 years. PURE will become profitable in fiscal 2017 with an EPS of 0.13 based on total revenue of $22.0 million. With this in mind, we think PURE shares should be traded at a P/E ratio of 30 x. Applying this P/E multiple with our estimated EPS of $0.13 per share in fiscal 2017, discounted at 20% for 3 years, we come up with a target price of $2.50. This values PURE at $64 million in market cap, which we think is conservative.

But keep in mind the risks. Although its lead product PURE Hard Surface is increasingly gaining recognition, sales may take longer time to gain traction since PURE is still in its early stage of commercialization of its SDC technology. Sales so far have not been impressive. SDC technology is quite new to most customers in the disinfectant market, and the costs for SDC are also higher than those for most existing technologies. Therefore, rollout of the SDC platform will take time.

Cash burn is another concern. Current cash will only last through the third quarter of fiscal 2014 and the Company needs to tap the capital market again. Equity financing will dilute existing shareholder base. A financing deal with a strategic partner should be positive to the Company's long term growth.

COMPANY OVERVIEW

SDC Represents A Paradigm Shift For Antimicrobial Disinfectant/Sanitizer

Silver Dihydrogen Citrate (SDC) represents a **paradigm shift** for antimicrobial disinfectant and sanitizer active ingredients. It is the first new active disinfectant ingredient to be registered with the US EPA in over 35 years. SDC is an effective antimicrobial, exhibiting **broad spectrum activity with fast kill times** against bacteria (gram□positive and gram□negative), viruses (enveloped and

non-enveloped) and fungi. SDC has a long shelf life and its low toxicity profile does not sacrifice efficacy. It is active against some of the most concerning pathogens in the high density living areas and community settings including MRSA, Norovirus, Influenza, *Acinetobacter*, *Klebsiella*, Vancomycin-resistant *Enterococci*, coliforms (fecal and total), *Legionella*, *E coli* O157:H7, HIV, *Salmonella*, Rotavirus, H1N1, etc.

SDC is used to disinfect and/or sanitize hard, nonporous surfaces. The PURE Hard Surface formulation is a stable, non-toxic, odorless and colorless solution which may be used in the presence of people and animals. This SDC based **Ready to Use** formulation has demonstrated 24 hour residual activity after application to a surface, and requires no rinse after application, saving time and money. And this SDC disinfectant and sanitizer formulation is classified in the US EPA's lowest toxicity category, **Category IV**. A Category IV rating by the US EPA means the Agency considers this formulation relatively non-toxic and they do not require any signal word or precautionary statements on the product label. Compare this to other disinfectants and sanitizers on the market that in their concentrated forms and some in their Ready to Use concentrations are rated as Category I or II with Danger or Warning statements, SDC represents a new generation of microbial control.

Advantages of SDC include:

- Powerful broad spectrum protection as a disinfectant, fungicide and virucide
- Faster kill times (kills germs in 30 seconds)
- Provides residual protection for 24 hours
- Effective against resistant bacteria such as MRSA and VRE
- Lowest toxicity rating available
- Labeled for use in diverse environments including restaurants, homes, medical facilities, institutions, day care facilities and on children's toys and play areas
- Does not induce bacterial resistance
- Formulates well with other products
- Stable in solution
- Tasteless, odorless, and colorless
- Non-corrosive, non-flammable
- Doesn't stain or bleach fabric

Table 1: SDC-based Axen-30 has unparalleled efficacy and low toxicity

Unparalleled Efficacy		
Category	**PURE Hard Surface™**	**Leading Brands**
Active Ingredient	**Silver dihydrogen citrate**	**Ethanol/Ammonium Chloride**
EPA Safety Category	IV	II
Standard Bacteria Kill Time	30 sec	10 min
Resistant Bacteria Kill Time	2 min	None
Fungal/Virus Kill Time	10 min	10 min
Residual Protection	24 hour	None
Rinse Required	No	Yes
Irritating Fumes	No	Yes
Skin Irritation	No	Yes
Flammable	No	Yes

Table 2: SDC's strong efficacy against microbes

	MIC of SDC	MBC of SDC
Microorganism	**%SDC (ppm Ag+)**	**%SDC (ppm Ag+)**
Corynebacterium xerosis ATCC 373	0.12 (2.88 ppm)	
Corynebacterium minutissimum ATCC 23348	0.12 (2.88 ppm)	0.16 (3.84 ppm)
Propionibacterium acnes ATCC 6919	0.25 (6.00 ppm)	
Staphylococcus aureus ATCC 6538	0.16 (3.84 ppm)	0.31 (7.44 ppm)
Escherichia coli ATCC 10536	0.08 (1.92 ppm)	0.16 (3.84 ppm)
Pseudomonas aeruginosa ATCC 15442	0.16 (3.84 ppm)	0.08 (1.92 ppm)
Candida albicans ATCC 10231	0.12 (2.88 ppm)	>1.25 (30 ppm)
Malassezia furfur DSM 6171	0.25 (6.00 ppm)	
Aspergillus niger ATCC 16404	0.50 (12 ppm)	>2.5 (60 ppm)
Trichophyton mentagrophytes ATCC 9533	0.50 (12 ppm)	0.08 (1.92 ppm)
Klebsiella pneumonia ATCC 4352		0.16 (3.84 ppm)
Epidermophyton floccosum DSM 10709		0.63 (15.12 ppm)

MIC: Minimal Inhibitory Concentrations; MBC: Minimal Bactericidal Concentrations

Table 3: SDC has broad spectrum activity with fast kill times

Axen 30® EPA Registered Disinfection Claims	
Organism	**Kill Time**
Pseudomonas aeruginosa	30 seconds
Staphylococcus aureus	30 seconds
Salmonella choleraesuis	30 seconds
Listeria monocytogenes	30 seconds
Vancomycin resistant *Enterococcus faecium*	2 minutes
Methicillin resistant *Staphylococcus aureus (MRSA)*	2 minutes
***Escherichia coli* 0157:H7**	2 minutes
***Trichophyton mentagrophytes* (Athlete's Foot Fungus)**	10 minutes
HIV type 1- Strain HTLV IIIB	30 seconds
Herpes Simplex Type 1 VR-733 F(1) Strain	1 minute
Influenza A VR-544, Hong Kong strain	10 minutes
Rhinovirus R37 VR-1147, Strain 151-1	10 minutes
Human Coronavirus	3 minutes
Respiratory Syncytial Virus	3 minutes
Adenovirus Type 2	3 minutes
Murine Norovirus	10 minutes
Norovirus	10 minutes
Acinetobacter baumannii	2 minutes
Swine Influenza A (H1N1)	60 seconds
Influenza A (H1N1)	60 seconds
Rotavirus	3 minutes
Campylobacter jejuni	2 minutes
Community Associated Methicillin resistant Staphylococcus aureus (CA□MRSA□PVL)	2 minutes
Community Associated Methicillin resistant Staphylococcus aureus (CA□MRSA)	2 minutes
Avian Influenza A	10 minutes
Polio Type 2, VR-1002, Lansing Strain	10 minutes

PROJECTED INCOME STATEMENT

	2013A (Jul)					2014E (Jul)					2015E (Jul)	2016 (Jul)	2017 (Jul)
$ in million except per share data	Q1A	Q2A	Q3A	Q4A	FYA	Q1A	Q2E	Q3E	Q4E	FYE	FYE	FYE	FYE
Total Revenues	**$0.11**	**$0.26**	**$0.26**	**$0.19**	**$0.82**	**$0.12**	**$0.30**	**$0.40**	**$0.50**	**$1.32**	**$5.50**	**$12.00**	**$22.00**
YOY Growth	*-57.2%*	*19.0%*	*24.6%*	*-52.4%*	*-24.2%*	*4.5%*	*14.1%*	*55.0%*	*164.6%*	*60.4%*	*318.3%*	*118.2%*	*83.3%*
CoGS	0.03	0.06	0.07	0.41	0.57	0.04	0.08	0.10	0.13	0.34	1.24	2.40	4.40
Gross Income	**$0.08**	**$0.21**	**$0.19**	**($0.22)**	**$0.26**	**$0.08**	**$0.23**	**$0.30**	**$0.38**	**$0.98**	**$4.26**	**$9.60**	**$17.60**
Gross Margin	*71.8%*	*78.3%*	*74.0%*	*-116.9%*	*31.1%*	*68.7%*	*75.0%*	*75.0%*	*75.0%*	*74.4%*	*77.5%*	*80.0%*	*80.0%*
R&D	$0.40	$0.41	$0.30	$0.22	$1.33	$0.23	$0.25	$0.26	$0.28	$1.02	$1.40	$1.50	$1.75
% R&D	*359.1%*	*154.4%*	*117.8%*	*116.4%*	*161.6%*	*203.5%*	*83.3%*	*65.0%*	*56.0%*	*77.9%*	*25.5%*	*12.5%*	*8.0%*
SG&A	$1.48	$1.61	$1.46	$1.17	$5.72	$0.99	$1.30	$1.35	$1.40	$5.05	$7.00	$9.00	$11.00
% SG&A	*1341.8%*	*612.2%*	*567.4%*	*618.0%*	*697.3%*	*863.5%*	*433.3%*	*338.5%*	*280.0%*	*383.8%*	*127.3%*	*75.0%*	*50.0%*
Other	$0.00	$0.00	$0.00	$0.55	$0.55	$2.68	$0.00	$0.00	$0.00	$2.68	$0.00	$0.00	$0.00
% Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Income	**($1.8)**	**($1.8)**	**($1.6)**	**($2.2)**	**($7.3)**	**($3.8)**	**($1.3)**	**($1.3)**	**($1.3)**	**($7.8)**	**($4.1)**	**($0.9)**	**$4.9**
Operating Margin	-	-	-	-	-	-	-	-	-	-	-	*-7.5%*	*22.0%*
Other Net	($0.4)	($0.0)	$0.0	$0.0	($0.3)	($0.0)	$0.0	$0.0	$0.0	($0.0)	$0.0	$0.0	$0.0
Pre-Tax Income	**($2.2)**	**($1.8)**	**($1.6)**	**($2.1)**	**($7.7)**	**($3.8)**	**($1.3)**	**($1.3)**	**($1.3)**	**($7.8)**	**($4.1)**	**($0.9)**	**$4.9**
Income 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	$0.0
Tax Rate	-	-	-	-	-	-	-	-	-	-	-	-	-
Reported Net Income	**($2.2)**	**($1.8)**	**($1.6)**	**($2.1)**	**($7.7)**	**($3.8)**	**($1.3)**	**($1.3)**	**($1.3)**	**($7.8)**	**($4.1)**	**($0.9)**	**$4.9**
YOY Growth	-	-	-	-	-	-	-	-	-	-	-	-	*-638.9%*
Net Margin	-	-	-	-	-	-	-	-	-	-	-	*-7.5%*	*22.0%*
Shares Out	*8.7*	*11.0*	*11.3*	*12.4*	*10.8*	*20.7*	*25.4*	*26.0*	*27.0*	*24.8*	*30.0*	*34.0*	*36.0*
Reported EPS	**($0.25)**	**($0.17)**	**($0.14)**	**($0.17)**	**($0.71)**	**($0.19)**	**($0.05)**	**($0.05)**	**($0.05)**	**($0.31)**	**($0.14)**	**($0.03)**	**$0.13**
YOY Growth	-	-	-	-	-	-	-	-	-	-	-		
One time charge	*$0.00*	*$0.00*	*$0.00*	*$0.00*	*$0.00*	*$2.68*	*$0.00*	*$0.00*	*$0.00*	*$2.68*	*$0.00*	*$0.00*	*$0.00*
Non GAAP Net Income	**($2.2)**	**($1.8)**	**($1.6)**	**($2.1)**	**($7.7)**	**($1.2)**	**($1.3)**	**($1.3)**	**($1.3)**	**($5.1)**	**($4.1)**	**($0.9)**	**$4.9**
Non GAAP EPS	**($0.25)**	**($0.17)**	**($0.14)**	**($0.17)**	**($0.71)**	**($0.06)**	**($0.05)**	**($0.05)**	**($0.05)**	**($0.21)**	**($0.14)**	**($0.03)**	**$0.13**

Source: Company filing and Zacks estimates

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HISTORICAL ZACKS RECOMMENDATIONS



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