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Zacks Small-Cap Research

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O2Micro International Ltd (NASDAQ: OIIM)

O2Micro Continued to Improves Margins, Profits, and EBITDA in Q4

Using an industry average value to trailing 12-month sales of 11.4 times and OIIM's $78 m trailing 12-month revenue, we would calculate an enterprise value of $892 million, a market cap of $940 million and a price of **$30.00 per share**.

Current Price (02/05/21)	$9.16
Valuation	**$30.00**

OUTLOOK

O_2Micro International is a fabless semiconductor firm that designs, develops and markets high performance integrated circuits primarily for power management and battery management for TV backlighting, LED lighting, and portable tools and appliances. It had struggled to reach profitability and cash flow breakeven but is now there. The company trades at an **enterprise value of $233 million well below its peers**. Its right-sizing efforts combined with a surge in demand for high end TVs and battery-operated devices is accelerating its growth and producing higher and higher margins.

SUMMARY DATA

52-Week High	**$10.60**
52-Week Low	**$1.00**
One-Year Return (%)	**459**
Beta	**0.8**
Average Daily Volume (sh)	**506,946**
Shares Outstanding (mil)	**27.2**
Market Capitalization ($mil)	**$249**
Short Interest Ratio (days)	**0.8**
Institutional Ownership (%)	**39**
Insider Ownership (%)	**8**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**4.4**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**31.5**
P/E using 2021 Estimate	**21.3**
P/E using 2022 Estimate	**17.0**

Risk Level	**High**
Type of Stock	**Small-Blend**
Industry	**Elec Comp-Semis**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2019	12.8 A	14.3 A	16.0 A	17.9 A	61 A
2020	15.6 A	17.3 A	22.2 A	23.2 A	78 A
2021	23.5 E	24.5 E	25.5 E	25.5 E	99 E
2022					109 E

Earnings Per Share
(non-GAAP EPS before non-recurring items)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2019	-$0.13 A	-$0.08 A	-$0.02 A	$0.05 A	-$0.18 A
2020	-$0.00 A	$0.03 A	$0.12 A	$0.13 A	$0.29 A
2021	$0.10 E	$0.10 E	$0.11 E	$0.11 E	$0.43 E
2021					$0.54 E

Zacks Projected EPS Growth Rate - Next 5 Years % **10**

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WHAT'S NEW

Q4 Revenues Increase 30% as High End TV Sales and Battery Powered Devices Boom

Friday O2Micro announced another quarterly revenue record and could beat that number again in Q1. As a result, we are raising estimates for 2021. For Q1 2021 revenues O2Micro expects revenues between $22.3 million and $24.6 million or a midpoint of $23.5 million, which would be growth of over 50% year over year. Usually Q1 revenues decline from Q4 due to seasonality, but this year growth in battery-powered devices may make up for the typical dip in TV sales. As a result our 2021 estimate is being raised to $99 million (up 26%) and a non-GAAP EPS of $0.41, from $94 million in sales and $0.35 non-GAAP fully diluted EPS.

EBITDA Surged as Costs Remained Flat

The company managed to bring operating costs down another $139,000 sequentially as a benefit of its restructuring and EBITDA surged to $5.6 million or 22% of sales, up from Q3 2021 as well as Q4 2020. O2Micro added $5.6 million in cash from operating activities in Q4.

Chip Shortages from Limited Industry Capacity Could Affect Orders in 2021

While demand remains strong for O2Micro, investors should keep an eye on industry supply constraints for other components that go into end user products. If customers cannot get all the parts they need to build a TV or monitor or any other product, that will reduce demand for O2Micro. The company is keeping close watch over build rates and the potential for double ordering this year. On the positive side, demand seems to be as good or even better than last year as the use on lithium battery powered products continues to increase and even accelerate boding well for O2Micro sales. And as batteries power larger products, O2Micro stands to sell higher voltage, higher ticket items. For example, going from ebikes to evehicles, requires larger batteries, which generate a higher ASP per battery pack. Design wins in battery management continue and battery operated tools and appliances continue to grow all the way from vacuums to chain saws to ebikes with no sign of abating.

Demand continues strong across most of O2Micro's product lines. High end 4k and 8k TVs provided most of the growth, but low end TVs also continue to sell. The global 4K TV market size is expected to reach a $380 billion by 2025, at a compound annual growth rate of 21.2% and we expect O2Micro to benefit from that market growth. Coming up, Mini LEDs are the next technology trend for TVs. These will enable finer resolution with a much higher contrast ratio as well as reduce motion blur and halo effect. This technology is starting being used in professional monitors and as its cost declines, it will find its way into TVs. This will also increase O2Micro's ASP per TV. The company expects industrial and automotive lighting to also grow and cites design wins in advanced products for robotics and autonomous driving applications, which will provide revenues in the future.

Operating Leverage Continues to Accelerate Earnings

Although the company faces some headwinds from a weaker dollar and increased airfreight costs, it still expects to increase operating margins this year and beyond. The tax rate should remain low as most sales go through the tax-free Cayman Islands and the company is only paying $250,000 to $300,000 of tax per quarter on service fees generated by its O2 subsidiary.

Q4 Results

Revenues were $23.2 million compared with $17.9 million in Q4 a year ago, up 30%.
For Q4, the gross margin was 51.3% compared to 56.7% a year ago and 51.8% in Q3 2020. Last year's margin was boosted by the one time license fee from FEIT. The company said to expect the Q1 2021 gross margin to again be in the range of 50-52%.

Revenue By Segment

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
Consumer	46-48%	43-45%	44-46%	43-45%	44-46	47-49	42-44	41-43
Computer	6-8	6-8	6-8	5-7	5-7	5-7	5-7	2-4
Industrial	45-47	47-49	47-49	48-50	48-50	45-47	50-52	53-55
Communications	0	0	0	0	0	0	0	0

Reported total operating expenses were $8.3 million in the quarter compared to $9.2 million a year ago and down from $8.4 in Q3 2020. The company went from 370 employees in Q1 to 289 in Q2, 298 in Q3 and was at 303 in Q4. R&D expense was down year over year in the quarter to $3.9 million from $4.4 million. SG&A was $4.4 million down from $4.8 million in Q4 2019 and up from $4.3 million in Q3 2020.

Operating income in Q4 was $3.7 million versus $0.9 million last year. Adding back depreciation and amortization ($981,000) and stock-based compensation ($364,000,) and adding the rental income, the adjusted **EBITDA looks to be a positive $5.1 million** compared to $4.6 million in Q3 2020 and $1.8 million in Q4 2019 which was helped by the one-time license fee.

Total other income was $920,000 versus $1.1 million last year. This year included a $133,000 gain on the company holding in Excelliance MOS stock, while last year the holding showed a $245,000 gain. In Q4 O2Micro sold all of its remaining 424,000 shares of Excelliance MOS stock for proceeds of $1.6 million at an average price of $3.90 per share. It had a cost basis of $0.53 per share. All told the company made $12.9 million on its $2 million investment in the stock. For the first time the company broke out government grant income. In Q4 2020 it received $666,000 from a PPP loan while in Q4 2019 it was granted $129,000.

The company reported a GAAP net income of $4.4 million versus last year's $1.8 last year. This yielded a fully diluted GAAP EPS of $0.14 versus $0.07 a year ago.

Non-GAAP income was $4.0 million, versus $1.4 last year. This yielded a **non-GAAP EPS of $0.13, versus $0.05 last year**.

ADS outstanding were 27.2 million and fully diluted they stood at 30.7 million compared with 26.3 and 27.1 respectively a year ago.

Balance Sheet

On December 31, 2020, the company had $47.8 million in cash and equivalents (or $1.76 per ADS), up $7.0 million sequentially with $1.6 million coming from the sale of EMC stock. Net cash generated by operating activities in the quarter was $5.6 million. Capital expenditures were $1.2 million for R&D and IT equipment, and depreciation and amortization was $981,000.

During the Quarter

On Oct. 01, 2020 O2Micro announced it was granted of a patent for circuits that drive light sources, along with a light source module. It was issued 21 claims under US patent **US 10,757,770 B2** on Aug 25, 2020. The module supports dual light sources, along with a current allocation unit. The allocation unit adjusts the current through each light source based on the output. This light source driver fills the need for multi-color lighting applications through our intelligent current-allocation technique providing color adjustments. This technology will allow for light output temperature **adjustment between Pure White Light and more traditional Warm Light without changing bulbs**.

On Dec. 14, 2020 O2Micro announced the grant of a patent for a system and method for controlling battery current. It was issued 25 claims under US patent **US 10,348,101 B2** for the invention of a system and method for controlling battery current. This patent applies to a battery system comprised of multiple battery packs, voltage sense circuitry, control circuitry, control switch, and current regulation circuitry. This system understands the unique attributes of each battery pack and monitors both current and charging voltage in real time to safely charge and balance battery packs, improve performance and preserve longevity of the battery cells in both conventional and harsh environments. This invention enables safe and efficient charging, flexible battery pack pre-conditioning, pack balancing, and hot-swap capability to many **cordless applications**. This technology will **allow cordless devices to operate longer and charge more efficiently without adversely affecting battery longevity**. It also supports **hot swap and preconditioning capabilities** for next generation applications.

VALUATION

Company Has Significant Upside As Operating Margins Improve

The company trades at an **enterprise value of $233 million**, up from $114 million at our last report as investors begin to believe in its sustainable profitability. The company is again generating cash. At the end of Q4 2020, the company had $47.8 million (or $1.76 per ADS) in cash and equivalents, no debt, and valuable real estate in China and California. In California it owns a 37,180 square foot building where it has its USA operations, which was bought for $4.6 million in May 2004 and believe it is now easily worth more than $9 million. Plus it also owns other real estate in China and Taiwan.

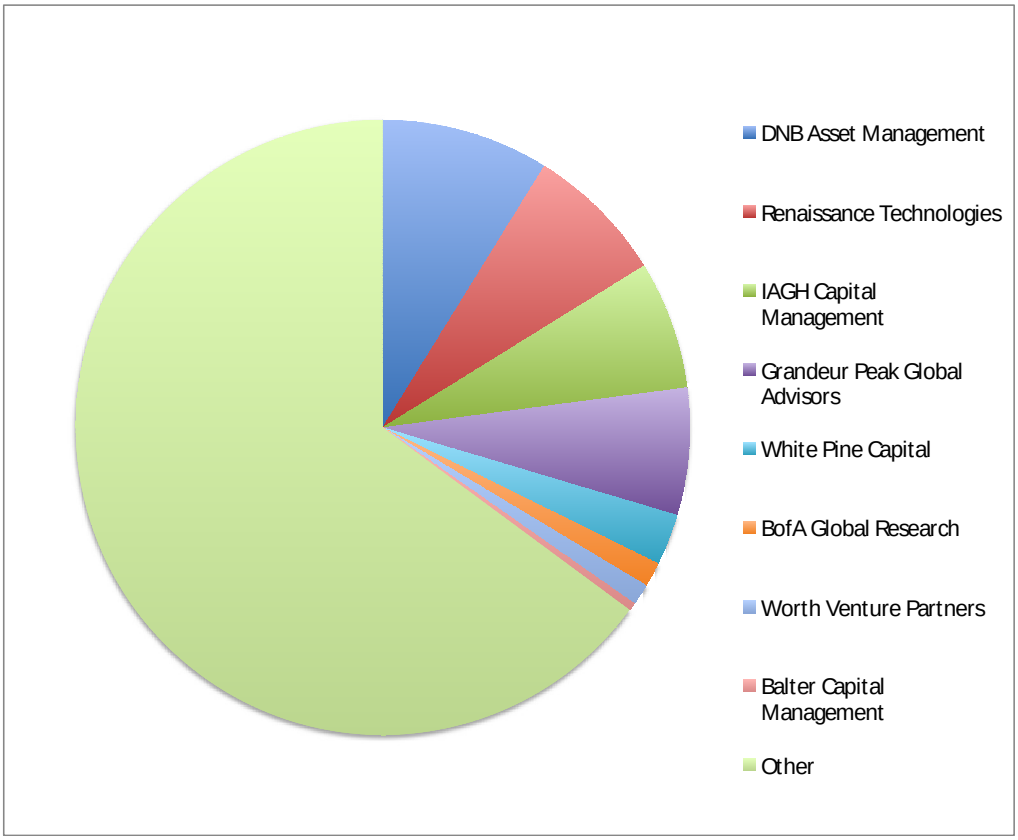
Looking at O2 Micro from an M&A prospective we can look at other fabless semiconductor transactions. In May 2018, Microchip Technology bought Microsemi for $10.15 billion, which was a valuation of 5.5 times its trailing twelve-month revenues of $1.845 billion. Two other comparable companies we had been using, Intersil and Linear Technology, were acquired at very high valuations. Intersil was acquired by Renesas for $3.2 billion at a valuation of 5.9xs the company's trailing $542.1 million in revenue. Analog Devices acquired linear Technology for $14.8 billion. This was 9.9 times its trailing four quarters of revenue of $1.5 billion.

Were we to use the current average enterprise value to trailing twelve-month sales of 11.4 times and apply it to OIIM's trailing 12-month $78 million revenues, we would calculate an enterprise value of $892 million. Adding to it $47.8 million in cash and equivalents gives us a market cap of $940 million or **$30.66 per share** using fully diluted shares.

As it is now generating profits, we can even look at the stock on a PE basis. It currently trades at 17.0 times 2022 estimated EPS and we expect 53% EPS growth from 2020 to 2021 or a PE to growth of 0.3 times.

Competitors	EV	TTM Sales	EV/Sales
MPWR	16,000	778	20.6
CREE	12,800	898	14.3
MCHP	47,400	5,230	9.1
MXIM	23,700	2,350	10.1
TXN	155,900	14,460	10.8
CRUS	4,900	1,350	3.6
Average			11.4

OWNERSHIP



RISKS

- O_2Micro has high exposure to the global demand for TVs, particularly those sold in China. It is depending on free dimming and high power LED lighting, 4K and 8K and other high end TVs and monitors, lithium ion battery powered tools and appliances, and IoT to give it revenue and margin growth.

- In 2019, two customers accounted for 26% of revenues and their loss could cause a meaningful decline in revenues. 86% of revenues were from China. Without the FEIT license fee, we believe that number would be 89%. We do not yet have 2020 numbers.

- The company is still somewhat affected by the proliferation of the coronavirus in China as their production and most of their customers are located in China and sell to the Chinese market. Right now is unknown how restrictions and health concerns will affect commerce in both the short and long term.

- There are chip shortages in throughout the industry, which could affect O2Micro's customers' ability to complete building products, which could suppress orders for O2Micro's products.

- Given its large number of patents, litigation risk is a possibility as the company enforces its patents.

INCOME STATEMENT

	March Q1 19	June Q2 19	Sept Q3 19	Dec Q4 19	March Q1 20	June Q2 20	Sept Q3 20	Dec Q4 20	March Q1 21E	June Q2 21E	Sept Q3 21E	Dec Q4 21E	2019	2020	2021E	2022E
REVENUE																
Net Revenue	12.8	14.3	16.0	17.9	15.6	17.3	22.2	23.2	23.4	24.5	25.5	25.5	60.9	78.3	98.9	108.8
Yr-to-yr Gr.	-10%	-6%	-5%	8%	22%	21%	39%	30%	50%	42%	15%	10%		29%	26%	10%
OPERATING EXPENSES																
Cost of goods sold	6.3	7.1	7.8	7.7	7.5	8.4	10.7	11.3	11.5	11.9	12.3	12.3	29.0	38.0	48.0	52.5
Gross Margin	6.4	7.1	8.2	10.1	8.1	8.9	11.5	11.9	11.9	12.6	13.2	13.2	32.0	40.4	50.9	56.3
% of Sales	50.5%	50.1%	51.4%	56.7%	51.9%	51.2%	51.8%	51.3%	51.0%	51.6%	51.6%	51.7%	52.5%	51.6%	51.5%	51.7%
R&D	5.1	4.8	4.7	4.4	4.1	4.1	4.1	3.9	4.4	4.6	4.7	4.9	19.1	16.2	18.6	20.0
SG&A	5.0	4.9	4.6	4.8	4.5	4.3	4.3	4.4	4.8	4.9	5.1	5.2	19.3	17.5	20.0	21.5
One-time expenses & Adj.	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	0.0	0.0	0.0
Tot Operating Exp.	10.0	9.7	9.4	9.2	8.7	8.4	8.4	8.3	9.1	9.5	9.8	10.1	38.4	33.7	38.5	41.6
Operating Income	(3.6)	(2.6)	(1.1)	0.9	(0.6)	0.5	3.1	3.7	2.8	3.1	3.4	3.1	(6.4)	6.7	12.4	14.7
Operating margin	-28%	-18%	-7%	5%	-4%	3%	14%	16%	12%	13%	13%	12%	-10%	9%	13%	14%
Interest income	0.1	0.1	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.5	0.5	0.3	0.8
Net gain recognized on LT investments	0.0	(0.2)	0.7	0.2	(1.1)	1.1	(0.2)	0.1	0.0	0.0	0.0	0.0	0.8	(0.1)	0.0	0.8
Foreign exchange loss	(0.1)	0.1	0.0	(0.1)	0.0	(0.1)	(0.1)	(0.1)	0.0	0.0	0.0	0.0	(0.2)	(0.2)	0.0	(0.2)
Gain on sale of real estate	0.0	0.0	0.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.0	0.0	0.5
Government grants	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.7	0.0	0.0	0.0	0.0	0.2	0.8	0.0	0.2
Other (rent) - net	0.1	0.1	0.4	0.1	0.1	0.2	0.3	0.1	0.1	0.1	0.1	0.1	0.6	0.5	0.4	1.0
One-time charge	0.0	0.0	0.0	0.0	0.0	(1.2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(1.2)	0.0	0.0
Total other Income	0.1	0.1	1.2	1.1	(0.8)	0.2	0.1	0.9	0.2	0.2	0.2	0.2	2.5	0.4	0.7	3.0
Pretax Income	(3.5)	(2.5)	0.1	2.0	(1.3)	0.6	3.2	4.6	3.0	3.3	3.5	3.3	(3.9)	7.1	13.1	17.8
Pretax margin	-27.6%	-17.4%	0.8%	11.3%	-8.6%	3.7%	14.3%	19.7%	13.0%	13.5%	13.9%	12.8%	-6.3%	9.0%	13.3%	16.3%
Taxes	0.3	0.3	0.3	0.3	0.2	0.3	0.3	0.2	0.3	0.3	0.3	0.3	1.2	0.9	1.1	1.2
Tax Rate	-8.5%	-11.6%	251.5%	12.4%	-15.4%	40.8%	8.0%	4.7%	8.2%	8.2%	8.2%	8.2%	-30.3%	13.3%	8.2%	6.8%
GAAP Net Income	(3.8)	(2.8)	(0.2)	1.8	(1.5)	0.4	2.9	4.4	2.8	3.0	3.2	3.0	(5.0)	6.1	12.1	16.6
Non-GAAP Net Income	(3.5)	(2.2)	(0.5)	1.4	(0.0)	0.8	3.4	4.0	3.2	3.4	3.6	3.3	(4.8)	8.2	13.4	16.8
GAAP EPS-Basic	($0.15)	($0.11)	($0.01)	$0.07	($0.06)	$0.01	$0.11	$0.16	$0.10	$0.11	$0.12	$0.11	($0.19)	$0.23	$0.44	$0.61
GAAP EPS-Fully dil.	($0.14)	($0.11)	($0.01)	$0.07	($0.06)	$0.01	$0.10	$0.14	$0.09	$0.10	$0.10	$0.10	($0.19)	$0.21	$0.39	$0.53
Non-GAAP	**($0.13)**	**($0.08)**	**($0.02)**	**$0.05**	**($0.00)**	**$0.03**	**$0.12**	**$0.13**	**$0.10**	**$0.11**	**$0.12**	**$0.11**	**($0.18)**	**$0.29**	**$0.43**	**$0.54**
Share Out	26.3	26.4	26.3	26.3	26.7	27.0	27.0	27.2	27.2	27.2	27.3	27.3	26.3	27.0	27.2	27.3
Fully diluted shares	26.9	26.4	26.3	27.1	26.7	27.7	28.9	30.7	30.8	30.9	31.0	31.0	26.3	28.7	30.9	31.0
Yr-to-yr Gr.	2%	0%	0%	2%	-1%	5%	10%	13%	15%	11%	7%	1%	-1%	9%	8%	0%

BALANCE SHEET

	Dec 31, 2020	Sept 30, 2020	Qtr-to-Qtr % Change	Dec 31, 2019	Yr-to-Yr % Change
CURRENT ASSETS					
Cash and cash equivalents	$18,752	$11,032	70.0%	$10,696	75.3%
Restricted cash	37	36	2.8%	35	5.7%
Short-term investments	29,054	29,732	-2.3%	35,693	-18.6%
Accounts receivable, net	16,430	16,797	-2.2%	10,335	59.0%
Inventories	12,588	12,919	-2.6%	8,796	43.1%
Prepaid expenses and other current assets	2,548	1,666	52.9%	1,295	96.8%
Total current assets	**79,409**	**72,182**	10.0%	**66,850**	18.8%
LONG-TERM INVESTMENTS	992	2,507	-60.4%	4,172	-76.2%
PROPERTY AND EQUIPMENT, NET	17,266	15,888	8.7%	15,551	11.0%
OTHER ASSETS	4,369	4,975	-12.2%	2,426	80.1%
Total other assets	22,627	23,370	-3.2%	22,149	2.2%
TOTAL ASSETS	102,036	95,552	6.8%	88,999	14.6%
CURRENT LIABILITIES					
Notes and accounts payable	7,995	7,935	0.8%	4,867	64.3%
Income tax payable	272	421	-35.4%	611	-55.5%
Lease liabilities	865	692	25.0%	827	4.6%
Accrued expenses and other current liabilities	5,934	5,414	9.6%	4,839	22.6%
Total current liabilities	15,066	14,462	4.2%	11,144	35.2%
OTHER LONG-TERM LIABILITIES					
Accrued pension liabilities	177	191	-7.3%	214	-17.3%
Deferred tax liabilities	545	689	-20.9%	589	-7.5%
Lease liabilities	2,091	1,772	18.0%	1,932	8.2%
Other liabilities	68	67	1.5%	65	4.6%
Total long-term liabilities	2,881	2,719	6.0%	2,800	2.9%
Total liabilities	17,947	17,181	4.5%	13,944	28.7%
SHAREHOLDERS EQUITY					
Ordinary shares	33	33	0.0%	33	0.0%
Additional paid-in capital	143,422	143,213	0.1%	143,484	0.0%
Accumulated deficits	(46,744)	(51,101)	-8.5%	(51,773)	-9.7%
Accumulated other comprehensive income	5,740	5,149	11.5%	4,654	23.3%
Treasury stock	(18,362)	(18,923)	-3.0%	(21,343)	-14.0%
Total shareholders equity	84,089	78,371	7.3%	75,055	12.0%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	102,036	95,552	6.8%	88,999	14.6%
Cash and equivalents	$47,806	$40,764	17.3%	$46,389	3.1%
Change in cash and equivalents	7,042	(596)	-1281.5%	11,142	-36.8%
Market value	321,358,720	154,304,640	108.3%	45,248,650	610.2%
Enterprise value	273,515,720	113,504,640	141.0%	(1,175,350)	-23371.0%
DSO	64	58	10.3%	57	12.3%
Inventory Days	101	106	-4.7%	108	-6.5%

ANNUAL CASH FLOW

	2019	2018	2017	2016	2015
OPERATING ACTIVITIES					
Net loss	$ (5,039)	$ 2,088	$ (6,145)	$ (2,986)	$ (21,095)
Adjustments to reconcile net loss to net cash used in operating activities:					
Depreciation and amortization	1,780	1,641	1,667	1,682	2,446
Stock-based compensation	1,462	1,421	1,589	1,606	1,912
Loss on asset write-off	0	0	0	0	0
Inventory write-downs	1,359	1,328	642	1,527	913
Net gain recognized on LT investments	(788)	(9,916)	0	0	0
Gain on sale of long-term investments	(500)	0	(20)	(948)	(8)
Impairment loss on long-term investments	0	0	0	0	4,953
Gain on disposal of property & eqt, net	2	(6)	(137)	(1,726)	(738)
Deferred income taxes	(133)	(155)	40	(1,231)	1,989
Other, net	0	0	0	0	0
Changes in operating assets and liabilities:					
Accounts receivable, net	1,053	(2,204)	(1,979)	(2,008)	1,592
Inventories	133	(2,286)	(697)	(1,140)	(1,933)
Prepaid expenses and other current assets	981	(1,031)	(139)	(6)	191
Deferred charges	(571)	(983)	(553)	(375)	(416)
Operating lease right of use assets	(1,477)	0	0	0	0
Notes and accounts payable	285	2,122	(1,869)	996	1,202
Income tax payable	198	72	161	(2,065)	1,595
Accrued expenses and other current liabilities	661	(105)	186	(1,064)	(1,039)
Operating lease liabilities	1,494	0	0	0	0
Accrued pension liabilities	(42)	(20)	13	(4)	(11)
Other liabilities	3	(1)	3	(56)	(168)
Net cash used in operating activities	861	(8,035)	(7,238)	(7,798)	(8,615)
Acquisition of:					
Short-term investments	(34,649)	(11,197)	(8,505)	(28,797)	(7,128)
Long-term investments	0	0	0	0	0
Property and equipment	(1,672)	(1,272)	(704)	(673)	(724)
Decrease (increase) in:					
Restricted assets	0	0	0	0	0
Restricted cash	0	0	0	0	132
Other assets	6	(12)	22	40	82
Proceeds from:					
Sale of short-term investments	4,953	22,540	12,635	18,331	16,755
Sale of long-term investments	7,061	2,582	0	5,982	167
Return of capital from LT investment	0	0	1,163	17	370
Sale of real estate	2,169				
Disposal of property and equipment	1	16	145	3,837	3,205
Net cash provided by investing activities	(22,131)	12,657	4,756	(1,263)	12,859
FINANCING ACTIVITIES					
Acquisition of treasury stock	(510)	(451)	(708)	(619)	(3,233)
Proceeds from:					
Exercise of stock options	7	10	29	2	31
Issuance of ordinary shares under the ESP Plan	109	86	84	73	180
Net cash used in financing activities	(394)	(355)	(595)	(544)	(3,022)
EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATE	(53)	(374)	268	(261)	(1,092)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIV.	(21,717)	3,893	(2,809)	(9,866)	130
CASH & CASH EQUIV. AT BEGINNING OF YR	32,448	28,555	31,364	41,230	41,069
CASH & CASH EQUIVALENTS AT END OF YR	10,731	32,448	28,555	31,364	41,199
Cash paid for tax	$ 1,171	$ 1,218	$ 818	$ 4,349	$ 1,068
Cash Flow	(1,857)	(3,599)	(2,364)	(2,076)	(9,628)
Free cash flow	(3,529)	(4,871)	(3,068)	(2,749)	(10,352)

HISTORICAL STOCK PRICE



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