

Healthcare: Biotechnology

Evotec AG | EVT.GR - €3.72 - FSE | Buy

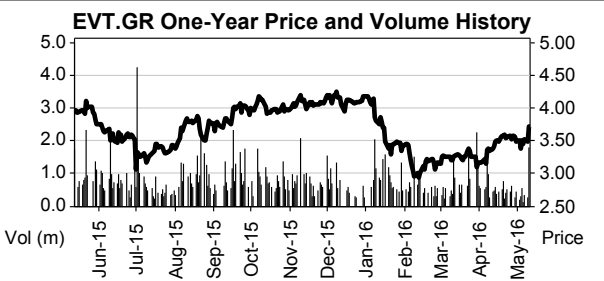
Company Update

Target Price Changed

Stock Data	
52-Week Low - High	€2.86 - €4.31
Shares Out. (mil)	132.64
Mkt. Cap.(mil)	€493.4
3-Mo. Avg. Vol.	626,112
12-Mo.Price Target	€5.50
Cash (mil)	€122.5
Tot. Debt (mil)	€22.6
Est. 3Yr. EPS Growth	27%

EPS €						
Yr Dec	—2015—		—2016E—		—2017E—	
			Curr	Prev	Curr	Prev
1Q	(0.01)A	(0.01)A	(0.01)A	-	-	-
2Q	0.11A	0.00E	0.00E	-	-	-
3Q	(0.02)A	0.00E	0.00E	-	-	-
4Q	0.04A	(0.01)E	0.02E	-	-	-
YEAR	0.13A	(0.02)E	0.02E	0.12E	0.10E	-
P/E	0.0x	NM	0.0x	0.0x	0.0x	-

Revenue (€ millions)						
Yr Dec	—2015—		—2016E—		—2017E—	
			Curr	Prev	Curr	Prev
1Q	21.5A	37.5A	34.1E	-	-	-
2Q	33.4A	35.5E	35.5E	-	-	-
3Q	33.2A	38.5E	38.5E	-	-	-
4Q	39.5A	40.0E	40.0E	-	-	-
YEAR	127.7A	151.5E	148.1E	169.7E	165.9E	-



EVT.GR: Strong Q1 and Strong Fundamentals; Raising PT to €5.50

Evotec reported Q1'16 revenues of €37.5M vs. consensus of €34.4M and our estimate of €34.1M, with EPS of (€0.01) in line with expectations. Upside was driven by stronger core operations, as shown in the EVT Execute business, including the milestone in the Padlock Therapeutics' collaboration. While we hope to see continued expansion of the core drug discovery business from the "free publicity" following Padlock's acquisition by Bristol-Myers (BMJ-NC), we've maintained our quarterly revenue estimates in 2016.

Strong start to 2016; Lifting PT to €5.50

- While Q1 is typically Evotec's weakest quarter, the quarter produced the company's second highest quarter of revenues (next to 4Q'15). Given the potential for QoQ volatility and mgt's maintenance of 2016's financial guidance (see Exhibit 1), we are holding our revenue and expense estimates steady.
- We have brought our long-term estimates in line with the sustained trends, which has lifted our PT from €5 to €5.50.
- We continue to look for a relatively flat, steady bottom line in 2016. With 2013-'15 net margins improving from ~30% to breaking even in 2016, we see 2012's "2016 Action Plan" as having been a successful strategy and believe the company is at a pivotal inflection point.
- We believe 2016 may finally be the year where Evotec may become more valuable to generalists in the U.S. and Europe that are looking for strong bottom line growth, as well as those investors interested in Evotec's emerging biotech pipeline that should be producing an increasing number of clinical assets from here forward. Quarterly variability may deter some investors, buy may also provide entry points for those with a mandate for low trading turnover. From our perspective, it's good to see that the board has rewarded Evotec's mgt team with contract extensions.

Strong business fundamentals

- As described in previous notes, over that past five years there has been an increasing rate of R&D investment into CNS disorders, such as Alzheimer's, Parkinson's and Huntington's disease. Evotec's strategic focus on these disorders, as well as in immune-oncology (where EVT601, '701 and '801 have moved into pre-clinical development) are important for Evotec's long-term growth outlook.

(continued on page 2)

Strong business fundamentals (continued)

- On March 8, Tufts Center for the Study of Drug Development noted, "...the number of I/O alliances between pharma/big biotech and small enterprises grew at a torrid pace, from 6 in 2013 to 58 in 2015, accounting for \$39 billion in research commitments over the three years". With the cost of an approved drug reaching \$2.9B in 2013, up from \$800M in 2000, Evotec's top-line growth has been benefiting from strong, underlying industry growth.
- According to Evotec, it has recently reached another compound management agreement. Since last fall, we find four such agreements, including: a five year Sanofi agreement; agreement with the NIH's NCI; Pierre Fabre; and Bayer. We believe these agreements are primarily being conducted at its Toulouse facility. As of April 1, it's been one year since Evotec and Sanofi reached a five year, €250M strategic alliance.
- Per mgt comments, appears we may see some cash being used to pay down some of the €22.6M in debt. While mgt notes that interest rates are low, we speculate that the company may have less interest in conducting a larger, strategic agreement than previously.
- Upside to Evotec's valuation would include another spinout like Topas (private) or the introduction of a clinical asset from its pipeline in 2016. Mgt is not encouraging investors to look for either of these developments, but to us its worth considering given mgts' more conservative guidance.

Exhibit 1: Evotec's 2016 guidance vs. ROTH's estimates

	Guidance 2016	Actual 2015	Implied 2016	ROTH 2016
Base revenues ¹⁾	>15%	€115.4M	>€132.7M	€151.5M
Adjusted Group EBITDA ²⁾	Positive and significantly improved to prior year	€8.7M	€8.7M	na
R&D expenses	~€20M	€18.3M	~€20M	~€20M
Liquidity ³⁾	Similar level to prior year	€134.5M	~€134.5M	€132.6M
Capex investments	≤€10M	€11.2M	≤€10M	~€10M

¹⁾ Excluding milestones, upfronts and licences
²⁾ Before contingent considerations, income from bargain purchase and excluding impairments on goodwill, other intangible and tangible assets as well as the total non-operating result
³⁾ Excluding M&A and related payments

Sources: Evotec financial releases and ROTH Capital Partners' estimates

Exhibit 2: Valuation matrix

2018		Discount rate						
		0%	5%	10%	15%	20%	25%	30%
Multiple	5	€ 0.71	€ 0.68	€ 0.65	€ 0.62	€ 0.60	€ 0.57	€ 0.55
	10	€ 1.43	€ 1.36	€ 1.30	€ 1.24	€ 1.19	€ 1.14	€ 1.10
	15	€ 2.14	€ 2.04	€ 1.95	€ 1.86	€ 1.79	€ 1.72	€ 1.65
	20	€ 2.86	€ 2.72	€ 2.60	€ 2.49	€ 2.38	€ 2.29	€ 2.20
	25	€ 3.57	€ 3.40	€ 3.25	€ 3.11	€ 2.98	€ 2.86	€ 2.75
	30	€ 4.29	€ 4.08	€ 3.90	€ 3.73	€ 3.57	€ 3.43	€ 3.30
	35	€ 5.00	€ 4.76	€ 4.55	€ 4.35	€ 4.17	€ 4.00	€ 3.85
	40	€ 5.72	€ 5.45	€ 5.20	€ 4.97	€ 4.76	€ 4.57	€ 4.40

2019		Discount rate						
		0%	5%	10%	15%	20%	25%	30%
Multiple	5	€ 0.87	€ 0.79	€ 0.72	€ 0.66	€ 0.60	€ 0.55	€ 0.51
	10	€ 1.73	€ 1.57	€ 1.43	€ 1.31	€ 1.20	€ 1.11	€ 1.03
	15	€ 2.60	€ 2.36	€ 2.15	€ 1.97	€ 1.81	€ 1.66	€ 1.54
	20	€ 3.47	€ 3.14	€ 2.87	€ 2.62	€ 2.41	€ 2.22	€ 2.05
	25	€ 4.33	€ 3.93	€ 3.58	€ 3.28	€ 3.01	€ 2.77	€ 2.56
	30	€ 5.20	€ 4.72	€ 4.30	€ 3.93	€ 3.61	€ 3.33	€ 3.08
	35	€ 6.07	€ 5.50	€ 5.01	€ 4.59	€ 4.21	€ 3.88	€ 3.59
	40	€ 6.93	€ 6.29	€ 5.73	€ 5.24	€ 4.82	€ 4.44	€ 4.10

2020		Discount rate						
		0%	5%	10%	15%	20%	25%	30%
Multiple	5	€ 1.04	€ 0.90	€ 0.78	€ 0.68	€ 0.60	€ 0.53	€ 0.47
	10	€ 2.08	€ 1.80	€ 1.57	€ 1.37	€ 1.21	€ 1.07	€ 0.95
	15	€ 3.12	€ 2.70	€ 2.35	€ 2.05	€ 1.81	€ 1.60	€ 1.42
	20	€ 4.17	€ 3.60	€ 3.13	€ 2.74	€ 2.41	€ 2.13	€ 1.90
	25	€ 5.21	€ 4.50	€ 3.91	€ 3.42	€ 3.01	€ 2.67	€ 2.37
	30	€ 6.25	€ 5.40	€ 4.70	€ 4.11	€ 3.62	€ 3.20	€ 2.84
	35	€ 7.29	€ 6.30	€ 5.48	€ 4.79	€ 4.22	€ 3.73	€ 3.32
	40	€ 8.33	€ 7.20	€ 6.26	€ 5.48	€ 4.82	€ 4.27	€ 3.79

		2018	2019	2020		
EPS:		€ 0.14	€ 0.17	€ 0.21		
Years:		1	2	3		
Estimate					Growth	
€ 0.14		2018	10%	15%	20%	na
		20	€ 2.60	€ 2.49	€ 2.38	
		25	€ 3.25	€ 3.11	€ 2.98	
		30	€ 3.90	€ 3.73	€ 3.57	
€ 0.17		2019	10%	15%	20%	21%
		20	€ 2.87	€ 2.62	€ 2.41	
		25	€ 3.58	€ 3.28	€ 3.01	
		30	€ 4.30	€ 3.93	€ 3.61	
€ 0.21		2020	10%	15%	20%	20%
		20	€ 3.13	€ 2.74	€ 2.41	
		25	€ 3.91	€ 3.42	€ 3.01	
		30	€ 4.70	€ 4.11	€ 3.62	
na		Mean Price Target, 2017-2018			21%	
			10%	15%	20%	
		20	€ 2.73	€ 2.55	€ 2.40	
		25	€ 3.42	€ 3.27	€ 2.99	
		30	€ 4.10	€ 3.83	€ 3.59	

Earnings value/share	€ 3.27
Cash & equivalents (€M, YE17)	€ 137.1
Debt (€M, YE17)	€ 23.8
Net cash position (€M, YE17)	€ 113.3
Diluted share count (M, YE17)	132.3
Net cash per share (€M, YE17)	€ 0.86
EPS + Cash (€M, YE17)	€ 4.13
Pipeline value (€M, YE17)	€ 129.4
Pipeline value/share	€ 1.48
2016s' 1yr Price target	€ 5.60

Sources: Evotec financial releases and ROTH Capital Partners' estimates

VALUATION

We reiterate our Buy rating and increase our price target to €5.50. Our PT is derived from our 2018 to 2020 EPS estimates, discounted by 15% to account for Evotec's steady operations and apply a 25X PE multiple to account for the high rate of growth during these forecasted years. We include our YE17 net cash estimate of €0.86/share, plus €1.48/share for the rNPV of Evotec's pipeline. Factors that may impede shares of EVT.GR from achieving our price target include currency and trading risks, as well as execution risks that may be related to the integration of the Sanofi employees.

RISKS

Drug discovery and research risks: While Evotec AG is an experienced drug discovery company there is no assurance that the company can and will be able to continue to provide research services that outside parties will agree to, and pay for. We cannot define the explicit value that investors are attributing to Evotec's more stable, research services business versus the potential of its pipeline. If the expected value of Evotec's future revenue and profitability potential falls, investors should expect the value of their holdings could decline.

Currency and trading risks: Geographically, 57% of Evotec's 2015 revenues were generated with customers in Europe and 42% in the US. Because Evotec offers its services to worldwide customers there are currency risks to all investors and as such, investors may experience detrimental currency changes which may cause the value of their holdings to decline.

Partnering risks: Because Evotec AG's operating model relies on the initiation and continuation of partnerships with outside parties in mixed and fluctuating degrees of research efforts, Evotec and its shareholders are reliant upon the continued "best efforts" of outside parties. These parties may change their previous intentions towards the development agreements with Evotec and/or may fail in the quality and timeliness of their own execution efforts that may be detrimental to Evotec shareholders.

COMPANY DESCRIPTION

Evotec AG is a drug discovery company headquartered in Hamburg, Germany with operations and customers worldwide. The company is strategically focused on the discovery of novel drugs and drug targets. By design, Evotec is on the cutting edge of discovering the tools, targets and etiologies of undertreated diseases. As a result, Evotec's unique expertise in drug discovery produces scientific methods that are valued by pharmaceutical and biotechnology companies worldwide. Strategically, this 22-year-old company evolves with the biotechnology and drug discovery industries. While continuing to operate a profitable drug discovery services business, in the late 2000s the company began a strategic effort to retain an interest in the clinical assets that it had primarily discovered. These cores competencies are not mutually exclusive as Evotec executes similar services in its core "services business" called EVT Execute as it does in developing clinical assets that the company retains ownership of, called EVT Innovate. This overlap contributes to the high net margins (~30%) on its EVT Execute segment yet provides the company an increased opportunity to develop assets to be funded and developed by outside partners.

Evotec AG																		
Income Statement, in € (000)																		
Michael Higgins Senior Research Analyst ROTH Capital Partners mhiggins@roth.com																		
Fiscal Period:	Actual										Projected							
	2011	2012	2013	2014	Q115	Q215	Q315	Q415	2015	Q116	Q216	Q316	Q416	2016	2017	2018	2019	2020
Total Revenue	80,128	87,265	85,938	89,496	21,542	33,416	33,240	39,479	127,677	37,479	35,545	38,507	39,988	151,520	169,703	188,030	206,307	226,360
Cost of revenue	(45,143)	(56,242)	(54,716)	(60,118)	(14,919)	(24,273)	(22,837)	(27,661)	(89,690)	(25,008)	(24,349)	(25,800)	(26,792)	(101,949)	(109,458)	(119,945)	(130,109)	(141,084)
Gross Profit	34,985	31,023	31,222	29,378	6,623	9,143	10,403	11,818	37,987	12,471	11,197	12,707	13,196	49,571	60,244	68,086	76,198	85,276
Operating income and (expenses)																		
Research & development	(8,437)	(8,340)	(9,664)	(12,404)	(3,834)	(4,672)	(4,995)	(4,842)	(18,343)	(4,386)	(4,621)	(5,397)	(5,846)	(20,250)	(20,364)	(22,564)	(24,757)	(27,163)
Selling, general & administrative	(15,760)	(16,301)	(16,597)	(17,990)	(5,118)	(7,268)	(6,661)	(6,119)	(25,166)	(5,367)	(6,754)	(8,001)	(8,667)	(28,789)	(27,152)	(29,483)	(31,702)	(34,088)
Other operating (expenses)	(5,581)	(9,584)	(26,312)	(5,365)	(971)	19,019	616	(1,502)	17,162	26	630	634	740	2,030	3,792	4,171	4,588	5,047
Amortization of intangible rights	(1,703)	(2,768)	(3,222)	(2,462)	(587)	(877)	(709)	(687)	(2,860)	0	(903)	(730)	(708)	(2,341)	(2,575)	(2,833)	(3,116)	(3,428)
Impairment of intangible assets	(2,058)	(3,505)	(22,023)	(14,967)	0	(69)	0	(7,173)	(7,242)	(1,417)	0	0	0	(1,417)	0	0	0	0
Income from bargain purchase	0	0	0	0	0	18,476	0	2,938	21,414	0	0	0	0	0	0	0	0	0
Other operating income	1,426	2,202	4,410	15,352	1,258	3,224	3,486	6,385	14,353	4,403	3,321	3,591	3,771	15,086	16,594	18,254	20,079	22,087
Other operating expenses	(4,747)	(5,513)	(1,980)	(9,732)	(1,642)	(1,735)	(2,161)	(2,965)	(8,503)	(2,960)	(1,787)	(2,226)	(2,324)	(9,297)	(10,227)	(11,250)	(12,375)	(13,612)
Total operating expenses	(29,778)	(34,225)	(52,573)	(35,759)	(9,923)	7,079	(11,040)	(12,463)	(26,347)	(9,727)	(10,744)	(12,763)	(13,774)	(47,008)	(43,725)	(47,875)	(51,870)	(56,204)
Operating income	5,207	(3,202)	(21,351)	(6,381)	(3,300)	16,222	(637)	(645)	11,640	2,744	453	(56)	(578)	2,563	16,520	20,210	24,327	29,073
Other non-operating income (expenses)																		
Interest income	413	655	261	469	178	82	120	153	533	227	84	124	158	593	605	617	629	642
Interest expense	(1,858)	(1,859)	(1,870)	(1,621)	(406)	(340)	(458)	(522)	(1,726)	(434)	(350)	(472)	(538)	(1,794)	(1,829)	(1,866)	(1,903)	(1,941)
Loss from equity investments	0	0	0	(10)	0	(6)	(10)	2,060	2,044	(2,128)	0	0	0	(2,128)	0	0	0	0
Total non-operating income (expense)	49	(1,812)	(2,297)	1,222	1,932	(746)	(594)	259	851	(2,335)	(266)	(348)	(380)	(3,329)	(1,225)	(1,249)	(1,274)	(1,300)
Income before taxes	5,256	(5,014)	(23,648)	(5,159)	(1,368)	15,476	(1,231)	(386)	12,491	409	187	(404)	(958)	(766)	15,295	18,961	23,053	27,773
Total tax gain (expenses)	1,395	7,492	(1,785)	(1,819)	296	(849)	(1,655)	6,233	4,025	(1,581)	0	0	0	(1,581)	0	0	0	0
Net Income (loss)	6,651	2,478	(25,433)	(6,978)	(1,072)	14,627	(2,886)	5,847	16,516	(1,172)	187	(404)	(958)	(2,347)	15,295	18,961	23,053	27,773
Average basic & diluted shares (000)	116,022	117,296	121,215	131,291	131,451	131,489	131,545	132,230	131,679	132,334	132,398	132,462	132,526	131,968	132,307	132,645	132,984	133,323
Net Income (loss) per share (basic)	€ 0.06	€ 0.02	(€ 0.21)	(€ 0.05)	(€ 0.01)	€ 0.11	(€ 0.02)	€ 0.04	€ 0.13	(€ 0.01)	€ 0.00	(€ 0.00)	(€ 0.01)	(€ 0.02)	€ 0.12	€ 0.14	€ 0.17	€ 0.21
Net Income (loss) per share (diluted)	€ 0.06	€ 0.02	(€ 0.21)	(€ 0.05)	(€ 0.01)	€ 0.11	(€ 0.02)	€ 0.04	€ 0.13	(€ 0.01)	€ 0.00	(€ 0.00)	(€ 0.01)	(€ 0.02)	€ 0.12	€ 0.14	€ 0.17	€ 0.21

Sources: Company financial reports and ROTH Capital Partners

Evotec AG																Michael Higgins		
Balance Sheet, in € (000)																Senior Research Analyst		
																ROTH Capital Partners		
																mhiggins@roth.com		
Fiscal Period:	Actual								Projected									
	2011	2012	2013	2014	Q115	Q215	Q315	Q415	2015	Q116	Q216	Q316	Q416	2016	2017	2018	2019	2020
ASSETS																		
Current assets:																		
Cash and cash equivalents	17,777	39,065	45,644	48,710	49,284	59,060	49,359	44,497	44,497	49,153	49,340	48,936	47,978	47,978	63,273	82,234	105,287	133,059
Investments	44,651	25,094	50,499	40,112	46,490	81,816	89,463	89,443	89,443	73,329	73,402	73,476	73,549	73,549	73,843	74,139	74,435	74,733
Trade accounts receivables	10,393	15,053	17,777	25,259	13,804	18,985	17,527	20,933	20,933	19,013	19,203	19,395	19,589	19,589	19,981	20,381	20,788	21,204
Receivables from associated companies	0	0	0	0	0	9	23	136	136	126	127	129	130	130	0	0	0	0
Inventories	3,556	2,445	2,358	3,111	3,772	3,255	3,689	3,133	3,133	3,701	3,738	3,775	3,813	3,813	3,889	3,967	4,047	4,127
Current tax receivables	201	480	433	887	1,535	2,243	2,266	1,121	1,121	1,067	1,078	1,088	1,099	1,099	1,121	1,144	1,167	1,190
Other current financial assets	1,355	1,478	1,995	1,094	1,908	1,137	839	1,018	1,018	2,175	2,197	2,219	2,241	2,241	2,286	2,331	2,378	2,426
Prepaid expenses and other current assets	2,965	4,489	3,820	6,127	7,049	7,694	8,173	6,659	6,659	10,212	10,314	10,417	10,521	10,521	10,732	10,946	11,165	11,389
Total current assets	83,333	88,104	122,526	125,300	123,842	174,199	171,339	166,940	166,940	158,776	159,399	159,435	158,921	158,921	175,125	195,142	219,267	248,128
Non-current assets:																		
Property, plant and equipment	24,946	27,181	24,239	24,045	25,816	38,241	36,901	38,334	38,334	36,360	36,724	37,091	37,462	37,462	38,211	38,975	39,755	40,550
Intangible assets, excluding goodwill	67,652	63,266	39,826	30,210	30,968	31,836	30,940	25,154	25,154	22,209	22,431	22,655	22,882	22,882	23,340	23,806	24,283	24,768
Goodwill	42,202	42,342	40,136	44,815	47,192	46,271	45,221	45,648	45,648	44,008	44,448	44,893	45,341	45,341	46,248	47,173	48,117	49,079
Deferred tax asset	0	2,815	0	0	0	0	0	8,812	8,812	8,680	8,767	8,854	8,943	8,943	9,122	9,304	9,490	9,680
Non-current tax receivables	0	0	0	0	0	0	0	2,068	2,068	2,348	2,371	2,395	2,419	2,419	2,468	2,517	2,567	2,619
Other non-current financial assets	70	75	77	78	78	78	78	80	80	80	81	82	82	82	84	86	87	89
Other non-current assets	0	1,634	566	139	96	52	10	1,502	1,502	2,502	2,527	2,552	2,578	2,578	2,629	2,682	2,736	2,790
Total non-current assets	134,880	137,323	104,854	99,300	104,155	116,478	113,150	121,598	121,598	116,187	117,349	118,522	119,708	119,708	122,102	124,544	127,035	129,575
Total assets	218,213	225,427	227,380	224,600	227,997	290,677	284,489	288,538	288,538	274,963	276,748	277,958	278,629	278,629	297,227	319,686	346,301	377,704
LIABILITIES																		
Current Liabilities																		
Current loan liabilities	13,174	13,223	17,222	13,363	13,512	13,886	14,031	14,213	14,213	14,345	14,488	14,633	14,780	14,780	15,075	15,377	15,684	15,998
Trade accounts payable	10,134	6,363	6,653	9,450	6,822	12,203	9,341	12,171	12,171	10,631	10,737	10,845	10,953	10,953	11,172	11,396	11,624	11,856
Advanced payments received	782	232	232	542	284	475	1,172	97	97	650	657	663	670	670	683	697	711	725
Provisions	11,045	6,914	5,788	3,694	4,618	13,982	15,383	16,694	16,694	6,055	6,116	6,177	6,238	6,238	6,363	6,491	6,620	6,753
Deferred revenues	5,875	5,548	6,051	2,806	2,439	23,980	18,327	8,763	8,763	7,283	7,356	7,429	7,504	7,504	7,654	7,807	7,963	8,122
Current income tax payables	492	502	741	1,046	850	257	1,038	232	232	246	248	251	253	253	259	264	269	274
Other current financial liabilities	1,147	234	342	1,384	998	197	320	633	633	1,263	1,276	1,288	1,301	1,301	1,327	1,354	1,381	1,409
Other current liabilities	152	865	1,919	783	1,294	1,392	2,787	3,597	3,597	8,659	8,746	8,833	8,921	8,921	9,100	9,282	9,467	9,657
Total current liabilities	42,833	33,882	38,953	33,068	30,817	66,372	62,399	56,400	56,400	49,132	49,623	50,120	50,621	50,621	51,633	52,666	53,719	54,794
Non-current liabilities																		
Non-current loan liabilities	2,359	4,178	0	8,186	8,719	8,676	8,900	8,730	8,730	8,278	8,361	8,444	8,529	8,529	8,699	8,873	9,051	9,232
Deferred tax liabilities	9,904	2,099	1,245	1,583	1,643	1,963	1,719	1,538	1,538	1,377	1,391	1,405	1,419	1,419	1,447	1,476	1,506	1,536
Provisions	14,618	18,817	18,586	17,957	18,900	29,620	27,734	27,342	27,342	27,516	27,791	28,069	28,350	28,350	28,917	29,495	30,085	30,687
Deferred revenues	9	12,516	8,382	4,344	3,550	2,496	5,390	6,509	6,509	5,099	5,150	5,201	5,254	5,254	5,359	5,466	5,575	5,687
Other non-current financial liabilities	1,244	1,388	1,233	1,079	1,041	1,002	964	925	925	886	895	904	913	913	931	950	969	988
Total non-current liabilities	28,135	38,998	29,460	33,149	33,853	43,757	44,707	45,044	45,044	43,156	43,588	44,023	44,464	44,464	45,353	46,260	47,185	48,129
STOCKHOLDERS EQUITY																		
Share capital	118,316	118,547	131,460	131,711	131,735	131,783	132,364	132,584	132,584	132,587	133,913	135,252	136,605	136,605	137,810	139,025	140,252	141,489
Additional paid-in capital	663,820	665,918	686,767	688,669	689,082	691,042	692,554	693,740	693,740	694,358	695,112	694,680	694,244	694,244	695,313	696,125	696,963	697,826
Accumulated other comprehensive income	(25,995)	(25,501)	(27,410)	(23,169)	(17,590)	(17,004)	(19,376)	(18,510)	(18,510)	(22,378)	(22,602)	(22,828)	(23,056)	(23,056)	(23,517)	(23,988)	(24,467)	(24,957)
Accumulated deficit	(608,895)	(606,417)	(631,850)	(638,828)	(639,900)	(625,273)	(628,159)	(622,312)	(622,312)	(623,073)	(622,886)	(623,290)	(624,248)	(624,659)	(609,364)	(590,403)	(567,350)	(539,578)
Equity attributable to shareholders	147,245	152,547	158,967	158,383	163,327	180,548	177,383	185,502	185,502	181,494	183,537	183,814	183,544	183,544	200,241	220,759	245,397	274,781
Non-controlling interest	0	0	0	0	0	0	0	1,592	1,592	1,181	0	0	0	0	0	0	0	0
Total Stockholders' equity	147,245	152,547	158,967	158,383	163,327	180,548	177,383	187,094	187,094	182,675	183,537	183,814	183,544	183,544	200,241	220,759	245,397	274,781
Total liabilities and stockholders' equity	218,213	225,427	227,380	224,600	227,997	290,677	284,489	288,538	288,538	274,963	276,748	277,957	278,629	278,629	297,227	319,685	346,301	377,703

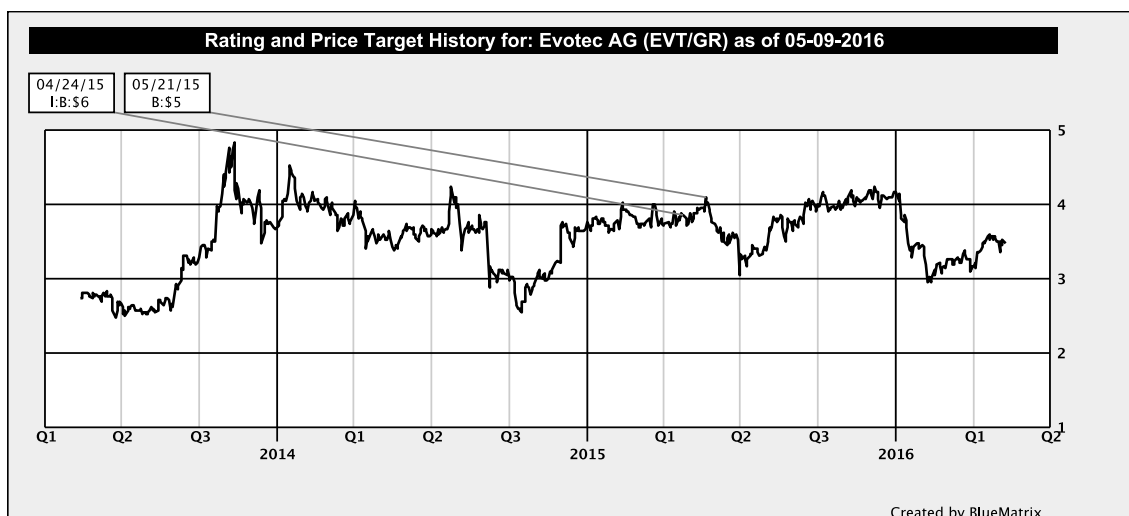
Sources: Company financial reports and ROTH Capital Partners

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Disclosures:

On September 28, 2010, ROTH changed its rating system in order to replace the Hold rating with Neutral.

On May 26, 2011, ROTH changed its rating system in order to incorporate coverage that is Under Review.



Each box on the Rating and Price Target History chart above represents a date on which an analyst made a change to a rating or price target, except for the first box, which may only represent the first note written during the past three years. **Distribution Ratings/IB Services** shows the number of companies in each rating category from which Roth or an affiliate received compensation for investment banking services in the past 12 month.

Distribution of IB Services Firmwide

Rating	Count	Percent	IB Serv./Past 12 Mos. as of 05/11/16	
			Count	Percent
Buy [B]	223	75.34	129	57.85
Neutral [N]	41	13.85	23	56.10
Sell [S]	4	1.35	0	0
Under Review [UR]	27	9.12	17	62.96

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Sell: A rating, which at the time it is instituted and or reiterated, that indicates an expectation that the price will depreciate by more than 10% over the next 12 months.

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