

August 11, 2022

KAIVAL BRANDS INNOVATIONS GROUP, INC.

(NasdaqCM: KAVL)

Kaival Brands Innovations Group Inc. focuses on growing innovative products into dominant brands. The company is the exclusive U.S. distributor of all products manufactured by Bidi Vapor, a leader in disposable electronic nicotine delivery systems (ENDS). Bidi Vapor's product portfolio is led by BIDI® Stick, a closed, tamper-resistant vaping product. Kaival Brands distributes these products to wholesalers and retailers, and sells directly to consumers through a partnership with GoPuff.com. The product is also launching internationally via a license agreement with Philip Morris International, under the brand name VEEBA. Kaival Brands Innovations Group was founded in 2018 and is based in Grant, Florida.

COMPANY HIGHLIGHTS

- * KAVL: Exclusive Distributor for Market Leading ENDS Product, BIDI® Stick
- * Following its U.S. launch in early 2020, BIDI® Stick became the market leader in its disposable electronic nicotine delivery systems (ENDS) category, in both market and dollar share. However, the market was disrupted in September 2021, as the U.S. FDA issued Market Denial Orders (MDO) to the entire product class after failing to meet a court-ordered deadline to issue marketing authorizations on these products.
- * In February 2022, Bidi Vapor was granted a judicial stay from the U.S. Court of Appeals, which allowed the nine flavored BIDI® Stick offerings to remain on the market, while the company proceeds with a merits-based lawsuit to secure formal authorization. Although revenue growth following this judicial action has been modest, we expect BIDI® Stick to more broadly re-enter the supply chain and for its sales trajectory to increase, as regulatory clarity and enforcement against illegally marketed products containing synthetic nicotine recalibrate the market.
- * Ultimately, we see the FDA's rescission of an MDO for industry peer Turning Point Brands as positioning BIDI® Stick for a similar outcome, given a common commitment to rigorous scientific study and marketing for responsible adult use. Kaival/Bidi Vapor have worked to prevent sales to minors and have focused on environmentally friendly manufacturing, which we believe supports full marketing authorization.

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PRICE CHART



KEY STATISTICS

Key Stock Statistics

Recent price (8/10/22)	\$1.07
Fair Value Estimate	\$6.50
52 week high/low	\$13.38 - \$0.52
Shares outstanding (M)	31.2
Market cap (M)	\$33
Dividend	Nil
Yield	Nil

Sector Overview

Sector	Consumer Discretionary
Sector % of S&P 500	11.6%

Financials (\$M, as of 4/30/22)

Cash & Mkt Securities	4.7
Debt	0.1
Working Capital (\$M)	13.1
Current Ratio	2.2
Total Debt/Equity (%)	0.4%
Payout ratio	NM
Revenue (M) TTM	9.2
Net Income (M) TTM	NM
Net Margin	NM

Risk

Beta	2.4
Inst. ownership	3%

Valuation

P/E forward EPS	9.7
Price/Sales (TTM)	3.6
Price/Book (TTM)	2.6

Top Holders

Vanguard Group Inc.
Geode Capital Management LLC

Management

President/COO	Mr. Eric Mosser
Chief Science Officer	Mr. Nirajkumar Patel
Company website	https://kaivalbrands.com

COMPANY SPONSORED REPORT. SEE LAST PAGE FOR DISCLOSURES.

- * We are encouraged by Philip Morris International's (PMI) recent licensing of Bidi's ENDS products, and by its initial launch in Canada under the brand name VEEBA. We view PMI as an ideal partner for the product, as it should expand product reach significantly in new markets. We expect the agreement to provide incremental, and largely cost-free, royalty revenues to Bidi/Kaival, compared with a go-alone strategy.
- * We expect Kaival Brands to return to generating positive operating cash flow as its U.S. regulatory issues are resolved. Over the long-term, we think that its 2021 uplist of the stock to the Nasdaq will enhance the company's access to capital and help it to execute its expansion strategy.
- * We think that Kaival Brands' market cap around \$35 million does not adequately reflect prospects for BIDI® Stick to re-establish a market presence in the U.S. or to benefit from VEEBA's sale in international markets. Based on our EV/sales multiple analysis, our fair value estimate for KAVL is \$6.50 per share, well above current levels near \$1.00.

INVESTMENT THESIS

Kaival Brands Innovations Group, Inc. is the exclusive global distributor of products manufactured by Bidi Vapor, a privately held company founded and controlled by Kaival's founder and former CEO Raj Patel. Given Mr. Patel's majority shareholder status at both companies, Bidi Vapor is considered a related party. Over the longer-term, we expect Kaival to diversify its product offerings beyond those developed by Bidi Vapor.

Kaival distributes products through retail channel partners and to nonretail customers through a partnership with GoPuff.com. As a distributor, Kaival Brands does not assume risk over unsold or damaged inventory, which is under Bidi's control. Internationally, the product is being sold as VEEBA, under a licensing agreement with Philip Morris International.

Bidi Vapor focuses on the development of cigarette alternatives for adult smokers, and products are supported by a strong IP portfolio that should help to drive superior long-term results. Importantly, the firms are committed to being leaders in corporate responsibility, exceeding regulatory guidelines for the safe and appropriate usage of the products, and using recyclable materials in their production.

The primary product, BIDI® Stick, is a closed, tamper-resistant system with various flavor options, and is protected by patents that, in management's view, help to resolve a range of industry "pain points." Since its U.S. launch in early 2020, BIDI® Stick generated more than \$100 million in revenue and gained a leading 30%+ share of the more than \$500 million disposable ENDS market, which, in our view, accounted for approximately 10%-15% of the overall e-cigarette industry by September 2021. For the year ended January 29, 2022, BIDI® Stick was the top-selling disposable ENDS product in the United States, according to Nielsen data.

Over the long-term, we expect to see disposable products such as BIDI® Stick taking market share from refillable products. We also expect BIDI® Stick's addressable market to expand significantly over the coming years, boosted by the possible removal of JUUL products from the market over safety concerns, as recently ordered by the FDA, and by FDA enforcement against a marketing ban of products containing synthetic nicotine.

The market for the entire ENDS category, including BIDI® Stick, was negatively impacted by FDA's failure to meet its September 2021 court-ordered deadline for reviewing Premarket Tobacco Product Applications (PMTA) and, instead, issued a Market Denial Order (MDO) to the entire category. Bidi Vapor had submitted timely detailed applications for its 11 BIDI® Stick varieties, which includes the nine flavors that were subject to the MDO. The applications contained robust supporting documentation, highlighting steps to protect public health, and for its intended use among adult cigarette smokers and tobacco users aged 21 and over. The companies promptly challenged the FDA's ruling.

In February 2022, a U.S. Court of Appeals issued a judicial stay of the MDO, allowing BIDI® Stick to remain on the market, while Bidi continues with a merits-based lawsuit to have the PMTA formally reviewed. We are encouraged by FDA's rescission of its MDO for industry peer Turning Point Brands, and think that bodes well for a similar outcome for BIDI® Stick, given the similar commitment to scientific rigor and responsible marketing.

While the judicial ruling has started to restore distributor and retailer confidence and re-establish BIDI® products in the U.S. marketplace, we note that such progress has remained modest. Prior to the MDO, Kaival Brands signed contracts with multiple retailers that expanded the distribution of Bidi Vapor products to more than 54,000 stores by mid-2021, up from approximately 10,000 at the end of 2020. In April 2022, Kaival Brands expanded its wholesale and retail networks, which it expected would add approximately 28,000 additional stores. Kaival has pursued contracts with large national retailers, wholesalers, and distributors, who are better able to ensure the appropriate use of the products than are smaller organizations.

In our view, Kaival Brands is poised to gain market share upon receipt of formal marketing authorization, as well as through increased regulation and enforcement against products that are being sold illegally through the retail channel. In July 2022, a policy granting FDA authority to remove illegal ENDS devices using synthetic nicotine from the U.S. market formally took effect. We expect Kaival Brands to help retailers replenish their inventories, as enforcement efforts take hold.

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PEER COMPARISON

Company	Ticker	Recent Price (\$)	52-Week High (\$)	52-Week Low (\$)	Mkt. Cap (\$ML)	1-yr Price Change (%)	1-yr Rev Growth (%)	1 YR EPS Growth (%)	P/E Ratio	Beta	Yield (%)
KAIVAL BRANDS INNOVATION GRP INC	NASDAQ: KAVL	1.07	13.38	0.52	33	-82	-9	NA	NM	2.38	NM
RLX TECHNOLOGY INC	NYSE: RLX	1.61	7.34	1.16	2430	-66	123	NM	7.7	NA	NM
TURNING POINT BRANDS INC	NYSE: TPB	24.56	52.17	22.04	435	-50	10	36	9.7	0.45	1.0
SMOORE INTERNATIONAL HOLDINGS LTD	SEHK: 6969	17.34*	53.50*	14.22*	104013*	-61	37	103	17.3	-0.10	2.0

* Statistics in HKD

While many larger retailers have been shifting inventory to legal products, the market has remained saturated with cheaper and inferior products that, in our view, has slowed the re-penetration of products utilizing naturally-derived nicotine, such as BIDI® Stick, into these channels. In our view, clear signs of enforcement by FDA would boost demand for these products and provide a tailwind to the KAVL shares.

Internationally, Kaival Brands had previously secured approval to distribute BIDI® products in 11 countries, including several in Europe, as well as Australia, and Russia. Amid the U.S. market uncertainty, Kaival accelerated plans to launch BIDI® Stick internationally. These efforts culminated in the June 2022 agreement with Philip Morris International (PMI) for the international distribution of Bidi/Kaival products. PMI's license covers BIDI® Stick, as well as potentially newly developed devices over which PMI retains right of first refusal. We expect Bidi and Kaival to each receive double-digit royalties on each stick sold, providing largely cost-free revenue, while benefiting from PMI's robust global reach.

We see PMI as an attractive partner to maximize on the BIDI® Stick opportunity, given its interest to replace revenues from the possible removal of JUUL products from the U.S. market. PMI's parent company Altria, had acquired a 35% stake in JUUL for \$12.8 billion in December 2018. We estimate that JUUL revenues peaked at roughly \$4 billion, but declined significantly over the past few years, amid product safety concerns and increased regulatory oversight. Altria has already written down most of this investment.

In our view, customer dissatisfaction across the vaping industry should provide opportunity for BIDI® Stick to penetrate new and existing markets. In November 2021, Bidi Vapor announced results of a published pharmacokinetics study that showed that BIDI® Stick mimicked the blood levels of nicotine when subjects smoked their usual brand of combustible cigarette. Importantly, the study also elicited favorable subjective effects similar to combustible products, such as satisfaction and relief. Kaival Brands/Bidi Vapor has submitted this data as part of its Premarket Tobacco Product Application (PMTA) as further scientific support that BIDI® Stick can represent a safer, yet equally satisfying alternative to combustible nicotine products.

In our view, Kaival Brands/Bidi Vapor's commitment to ensuring the appropriate use of products, including preventing sales to minors, are likely to promote a favorable marketing decision in the U.S. In 4Q20, the BIDI® product line was repackaged to incorporate new product names and designs that better-align with FDA Enforcement Priorities Guidance. This guidance calls for manufacturers to distinguish their products from those that might appeal to and be marketed to children, while also protecting adult consumers from potentially hazardous counterfeit products.

Kaival Brands and Bidi Vapor are differentiated further from peer companies in that they do not use social media, influencers or sponsorships for consumer marketing, and place the same restrictions on marketing by third parties. We note that smokeless tobacco companies such as JUUL have come under scrutiny and faced fines for marketing practices in recent years, which we think has dampened investor interest in the industry. Kaival and Bidi Vapor also have taken steps to make their products environmentally

friendly. More than 85% of product components can be recycled, including the BIDI® Stick battery, which is ESC-compliant. The products also use recyclable packaging.

Kaival Brands has also pledged to sell BIDI® products only through distributors and retailers that comply with the FDA's Prevent All Cigarette Trafficking Act (PACT), and has pulled inventory from companies that have failed to comply with the Act's youth-access prevention measures. In addition, it uses a state-of-the-art authentication system to ensure supply-chain security and prevent counterfeit, subpar, and potentially dangerous products from reaching consumers. As noted above, the company is also emphasizing sales through large national retailers with strong compliance procedures. In March 2021, it made GoPuff the exclusive online DTC retailer of Bidi Vapor products. GoPuff has a long record of securely distributing adult-authorized products and a strict compliance program, which includes PACT Act compliance and "age-gating" procedures such as face-to-face ID verification and adult signature on delivery.

Management believes that the BIDI® Stick is superior to competing products, as its housing provides users with feedback and gives them more control over the device. The BIDI® Stick also features a heating component and a unique mouthpiece that deliver vapor at a safe and consistent temperature, prevent the inhalation of condensation, and provide a consistent experience for users. These features are covered by four U.S. patents (as of July 2021).

Bidi Vapor has also been granted two patents in China, which Kaival Brands/Bidi Vapor view as vital to competing in the world's largest vaping market. The companies have applied for additional patents in the United States and abroad that will expand their IP moat and enhance their reputation for innovation in the fast-growing vape pen market, which Facts & Figures expects to reach \$45 billion by 2026. Statista estimates the combustible cigarette market in China at more than \$220 billion, with vaping products accounting for a modest, but growing market share. As such, we see China as a much larger opportunity than the United States, where Grandview Research estimates a \$7.4 billion market for vaping products. The company has begun discussions with potential distribution partners in China.

Kaival also has a second product, BIDI® Pouch, in its developmental pipeline. Like BIDI® Stick, the pouch uses naturally-derived nicotine. We think the market for this product will become more clearly defined as BIDI® Stick's PMTA lawsuit is resolved, and that a PMTA for the pouch's pod system could be expedited and streamlined by a favorable outcome on the former, as the tests underpinning the safety of the products are largely similar.

In our view, the pouch market category is experiencing strong growth, as evidenced by its nearly 60%-unit sales growth in U.S. convenience stores in the year ended June 19, 2021, according to Nielsen data. Growth is also expected to be strong outside the U.S. MarketResearch.com expects the global market for nicotine pouch products to approach \$33 billion by the end of 2026, implying compound annual growth of nearly 55%.

We believe that Kaival Brands and Bidi Vapor are well positioned to use their distribution infrastructure to launch additional product lines. In July 2021, the companies announced plans to launch a proprietary, hemp CBD product, as part of a portfolio of

CBD vape products. Data Bridge Market Research forecasts a total addressable CBD vape market of \$28 billion by 2027, while Global Market Insights projects a global CBD market of more \$100 billion by the end of the decade. Kaival Brands recently identified a production partner, with whom it will produce internally branded hemp products as well as white-label products for other manufacturers.

RECENT DEVELOPMENTS

On July 29, 2021, Kaival Brands shares began trading on Nasdaq Capital Market under the ticker KAVL. Over the balance of 2021, the stock declined by nearly 90%, compared with an 8% increase for the S&P 500. To date in 2022, the stock has increased by approximately 50% from its post-PMTA lows, compared with a decline of 12% for the S&P 500.

In June 2022, Kaival Brands reported financial results for the second quarter of fiscal 2022 (ending April 30, 2022). Revenues declined 83% to \$3.1 million. However, on a sequential basis, revenue growth resumed, with 11% growth, which we attribute to the stay on FDA's Market Denial Order issued in February 2022. For the quarter, net loss was \$5.0 million, or \$0.16 per share, compared with a net loss of \$4.3 million, or \$0.11 per share, in the prior-year period.

In July 2022, Kaival Brands announced that Phillip Morris launched VEEBA, its custom branded, self-contained product based on Bidi Vapor/Kaival intellectual property, in Canada.

In June 2022, Kaival Brands announced that Chief Operating Officer Eric Mosser assumed the additional roles of president and principal executive officer, in taking the lead on the U.S. distribution for Bidi Vapor products. Founder Niraj Patel transitioned from CEO to the role of chief science and regulatory officer, and remains on the board of directors.

In June 2022, Kaival Brands reached an agreement with Philip Morris Products S.A. for the development and distribution of Kaival/Bidi's electronic nicotine delivery system (ENDS) products in markets outside of the U.S.

In April 2022, Kaival Brands announced the expansion of additional wholesaler and retailer accounts, which, together, are expected to reach approximately 28,000 additional stores.

In February 2022, a U.S. Court of Appeals issued a judicial stay on the FDA's Market Denial Order (MDO), allowing BIDI®-Stick to remain on the market, while Kaival/Bidi Vapor proceed with a lawsuit to compel FDA to place its products back under scientific review under the previously filed PMTA.

In October 2021, the US FDA issued an administrative stay on its Market Denial Order on BIDI® Stick (as well as the entire electronic nicotine delivery system (ENDS) product category), allowing the product to stay on the market, pending formal review.

In July 2021, Kaival Brands announced the receipt of four patents covering various features of the BIDI® Stick product.

In January 2021, the company said that the BIDI® Stick was the number-one offering in the ENDS category in the United States in 4Q20.

EARNINGS & GROWTH ANALYSIS

We forecast fiscal 2022 revenue of \$28 million, a 52% decline over fiscal 2021, but fiscal 2023 revenue of \$175 million, representing

525% growth. Although revenue growth resumed during the second quarter of fiscal 2022 (ended April 30, 2022), we expect BIDI® Stick to re-establish a U.S. market presence at a moderate pace, pending FDA clarity on formal authorization on its PMTA, which we think should take place before the end of calendar 2022. We also think the sales growth trajectory could be boosted meaningfully by signs of FDA enforcement against illegal products utilizing synthetic nicotine on the market. We also view initial PMI launches outside the U.S. as a likely fiscal 2023 revenue growth catalyst.

We believe that Kaival Brands should be able to maintain gross margins near 20% for its core U.S. business as its sales normalize across a wider geographic footprint. We note that fiscal 2022 results to date have been hampered by increased credits/discounts/rebates given to customers. As the company executes on its long-term strategy, we look for operating expenses to be fairly stable at around 20%-25% of revenues, with royalty revenues from international sales boosting these results.

Given the market disruptions related to FDA regulatory issues and planned investments by the company in expanding its operating footprint, we expect higher operating expenses as a percentage of sales in the near-term, with G&A costs of approximately \$19 million in fiscal 2022 and \$37 million in fiscal 2023, representing 68% and 21% of sales, respectively.

We forecast a net loss of \$0.48 per share in fiscal 2022, and EPS of \$0.11 in fiscal 2023. The company has approximately 31 million shares outstanding as of July 2022, and, as such, we see considerable EPS leverage for Kaival.

FINANCIAL STRENGTH & DIVIDEND

Our financial strength rating on Kaival Brands is Medium-Low. As of April 30, 2022, the company had \$4.7 million in cash and restricted cash, and working capital of \$13.4 million (a current ratio of 4.2, up from 2.2 at the end of fiscal 2021). In October 2021, the company raised more than \$8 million in proceeds from an equity and warrant offering, and we expect its July 2021 uplist to the Nasdaq to enhance access to capital over time, as clarity emerges into the U.S. regulatory landscape.

In fiscal 2021 (ended October 31, 2021), Kaival used \$9.3 million in cash from operations, compared with net cash generated from operations of \$7.6 million in the prior year. We attribute this reversal to the sales disruption resulting from the FDA's MDO issued in September 2021. In fiscal 2021, net cash generated from financing activities was \$9.7 million, driven by the equity/warrant offering mentioned above, compared with outflows of \$0.2 million in the prior year.

Kaival Brands does not pay a dividend, and we do not expect it to initiate one in the near term.

MANAGEMENT

Mr. Eric Mosser serves as Kaival Brands' president, COO, secretary and as a director. He was appointed president and primary executive officer in June 2022, adding to the previous roles held since February 2019. Mr. Mosser has extensive corporate and entrepreneurial experience in various ancillary electronic cigarette businesses including as founder and CEO of Lasermcycig LLC, a specialized custom laser-engraving service for electronic cigarettes

and vaporizers. In addition, Mr. Mosser founded and serves as CEO of Chillcorp LTD., a full-service corporation dedicated solely to the complete internal and external operations of Just Chill Products LLC, Relax Lab Inc., RLX Lab LLC, and KC Innovations Lab INC, entities founded by Raj Patel.

Nirajkumar “Raj” Patel is the founder of Kaival Brands and Bidi Vapor. In June 2022, Mr. Patel transitioned from CEO to the role of chief science and regulatory officer, under which he will focus on developing new products and expanding the Bidi Vapor product portfolio. Mr. Patel received a Bachelor of Science degree in Pharmacy from AISSMS College of Pharmacy in Pune, India in 2004 and a Master’s Degree in Chemistry from the Florida Institute of Technology in 2009.

Kaival’s board has five members, including three independent directors, which we view favorably. Risks include Kaival’s status as a “controlled company,” as Mr. Patel and COO Eric Mosser together control more than 50% of the company’s stock.

RISKS

Risks to an investment in Kaival Brands includes its reliance on Mr. Patel and Mr. Mosser, who hold multiple leadership positions at Kaival Brands and Bidi Vapor. In addition, Kaival Brands is also reliant on the U.S. FDA and other global jurisdictions to approve its products and regulate their use, and to help prevent the sale of counterfeit products. Lastly, Kaival/Bidi Vapor must strive to maintain favorable consumer sentiment towards its products, including product design and user experience, if it is to expand in its target markets.

COMPANY DESCRIPTION

Kaival Brands Innovations Group Inc. focuses on growing innovative products into dominant brands. The company is the exclusive U.S. distributor of all products manufactured by Bidi Vapor, a leader in disposable electronic nicotine delivery systems (ENDS). Bidi Vapor’s product portfolio is led by BIDI® Stick, a closed, tamper-resistant vaping product. Kaival Brands distributes these products to wholesalers and retailers, and sells directly to consumers through a partnership with GoPuff.com. The product is also launching internationally, via a license agreement with Philip Morris International, under the brand name VEEBA. Kaival Brands Innovations Group was founded in 2018 and is based in Grant, Florida.

VALUATION

We think that Kaival Brands’ market cap of about \$35 million overly emphasizes the near-term uncertainty over the re-establishment of BIDI® Stick in the U.S. market, which was disrupted by the FDA’s issuance of a Market Denial Order in September 2021. Although a favorable appeals court ruling in February 2022 allowed BIDI products to remain on the market, pending the outcome of an ongoing lawsuit, revenue growth has been modest in the ensuing months.

We think Philip Morris International announcing plans to launch BIDI Stick in new markets outside the United States will represent a share catalyst, likely in 2023 (beginning November 1, 2022). In addition, we think Phillip Morris is likely to devote substantial resources to build a market for BIDI Stick outside the U.S., given its large write-off on its stake in JUUL, which it acquired in 2018. We also expect the launch of a CBD product line and new ENDS products to support a robust long-term revenue growth thesis.

Although we think that the late-2021 FDA rescission of its marketing denial order for products from rival Turning Point Brands should serve as a reliable proxy for a similar ultimate FDA action on BIDI® Stick, we expect the shares to remain volatile as regulatory clarity emerges. We also see the possible market removal of vaping products from JUUL, as ordered by FDA in June 2022 (currently under appeal), creating some near-term headline risk for the class. But it likely is a tailwind for BIDI® Stick over the longer-term, based on the opportunity to convert former JUUL customers.

We compare Kaival Brands with a hybrid basket of global distributor and tobacco stocks, which carry a forward EV/Revenue multiple of 0.5-times and 3.6-times, respectively. Applying a modest premium, we arrive at a blended multiple of 3-times, which reflects a multiple of 1.0 for distributors, weighted at 35%, and a multiple of 4 for tobacco, weighted at 65%.

Applying this multiple to our fiscal 2023 revenue estimate of \$175 million, discounted at 30% to reflect the U.S. regulatory overhang, we arrive at a fair value estimate for KAVL of \$6.50 per share. Our analysis assumes approximately 56 million shares outstanding, on a fully diluted basis.

Steve Silver,
Argus Research Analyst

INCOME STATEMENT

Growth Analysis (\$MIL)	2020	2021	Q1 2022	Q2 2022	Q3 2022E	Q4 2022E	2022E	Q1 2023E	Q2 2023E	Q3 2023E	Q4 2023E	2023E
Revenue	64.3	58.8	2.8	3.1	6.0	16.1	28.0	24.0	33.0	50.0	68.0	175.0
Gross Profit	10.1	11.9					4.0					41.0
SG&A	4.7	22.4					19.0					37.0
R&D	NA	NA					NA					NA
Operating Income	5.4	-10.5					-15.0					3.9
Interest Expense	0.0	0.0					0.0					0.0
Pretax Income	5.4	-10.5					-15.0					3.9
Tax Rate (%)	28.0	NM					NM					NM
Net income	3.8	-9.0					3.6					3.9
Diluted Shares	43.0	24.0					31.0					34.8
EPS	0.09	-0.38	-0.09	-0.16	-0.14	-0.09	-0.48	-0.04	-0.03	0.06	0.12	0.11
Dividend	NA	NA					NA					NA
Growth Rates (%)												
Revenue	NM	-9					-52					525
Operating Income	NM	NM					NM					NM
Net Income	NM	NM					NM					NM
EPS	NM	NM					NM					NM
Valuation Analysis												
Price (\$): High	NA	NA					NA					NA
Price (\$):Low	NA	NA					NA					NA
PE: High	NA	NA					NA					NA
PE: Low	NA	NA					NA					NA
PS: High	NA	NA					NA					NA
PS: Low	NA	NA					NA					NA
Yield: High	NA	NA					NA					NA
Yield: Low	NA	NA					NA					NA
Financial & Risk Analysis (\$MIL)												
Cash/Restricted Cash	2.1	7.8					NA					NA
Working Capital	9.2	16.3					NA					NA
Current Ratio	1.2	2.2					NA					NA
LTDebt/Equity (%)	0.0	0.0					NA					NA
Total Debt/Equity (%)	0.0	0.0					NA					NA
Ratio Analysis												
Gross Profit Margin	16%	20%					14%					23%
Operating Margin	8%	NA					NM					2%
Net Margin	6%	NA					NM					2%
Return on Assets (%)	NA	NA					NA					NA
Return on Equity (%)	NA	NA					NA					NA
Op Inc/Int Exp	NA	NA					NA					NA
Div Payout	NA	NA					NA					NA

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