

UK – Food Processing

February 9, 2022

BUY

SPECULATIVE  
RISK

Objective: €1.00

❖ Our discounted cash flow (DCF) analysis derives a fair value of €1.00/share using a weighted average cost of capital (WACC) of 9.5% and a terminal EBITDA multiple of 8.0x

**Positives —**

- ❖ Good industry outlook
- ❖ Good management
- ❖ Strong brand presence
- ❖ Strong client relationship

**Negatives —**

- ❖ Low market penetration
- ❖ Inflation
- ❖ Competition risk
- ❖ Limited pricing power
- ❖ Low liquidity

# Rapid Nutrition PLC

## Emerging Growth – €1.00

- **Investment Rating and Price Objective.** We predict that Rapid Nutrition PLC (ALRPD.PA) should garner strong investor attention as a result of a strong management team which has developed a solid brand recognition in the estimated \$1.8 trillion global herbal supplemental market, which is expected to grow by a CAGR of 5.7% by 2025. **We rate the shares BUY SPECULATIVE RISK with a €1.00 price objective.**
- **Accelerating Growth.** The company recently extended the *SystemLS* product line by launching two protein bars (*Keto Cookie & Keto Vegan*). The *SystemLS* lines provides an organic alternative to weight loss and herbal nutrition. Expect new products launch to enhance growth in 2022.
- **Market Expansion.** In Addition to the company strong presence in North America, Australia and Europe, 2022-to date, the company has expanded into Asia (South Korea), following market expansion in Saudi Arabia and Ghana in Q421. **Market expansion should continue in its core market with the Asia hub been viewed as a strong catalyst for the company in 2022 & beyond.**
- **The 2022 Sweet Spot.** According to industry sources, the on-line / live-streaming fitness market size was approximately \$5 billion in 2019 and is expected to be a 25-30% CAGR from 2020-2026 based on rising demand and the growing adoption of consumers in Asia. **The company's DiCED on-line fitness streaming, which is currently available in approximately 54 countries, is a sweet-spot.**

Earnings/Share	Mar.	Jun.	Sep.	Dec.	Year	P/E Ratio
	2021E	\$-	\$-	\$-	\$-	\$0.01
2022E	-	-	-	-	0.01	N/Ax
2023E	-	-	-	-	0.01	N/Ax

**Market Profile**

52-Week Range	€0.02-0.14	EPS Growth Rate (3-Yrs)	N/A%
Avg. Volume (3 Month)	66,881	EBITDA Growth Rate (3-Yrs)	N/A%
Shares Outstanding	44.6 MM	ROE (LTM)	N/A%
Market Capitalization	€1.2 MM	Debt to Total Cap.	44.6%
Floating Market Cap.	€0.2 MM	Book Value Per Share	€0.06
Institutional Owner.	N/A%	Indicated Dividend/Yield	€0.00/0.0%
Insider Holdings	N/A%	Revenue (LTM)	\$A2,808 MM
Shares Float	64.0%	Shares Short	---

ALRPD.PA: €0.02

N100: 1,319.05

CAC40: 7,028.41

ALASI\*: 1,275.00

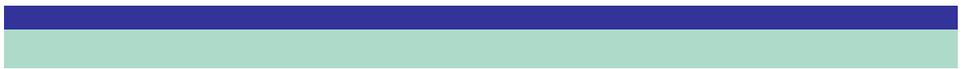
\*Alternext All Share Index

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Please refer to the global disclaimer of this research at the end of document.



*We are initiating coverage on Rapid Nutrition PLC with a BUY SPECULATIVE RISK with a price objective of €1.00 per share.*

## Investment Thesis

**We are initiating coverage on Rapid Nutrition PLC (ALRPD.PA) with a BUY SPECULATIVE RISK, and with a price objective of €1.00 per share.** ALRPD.PA has a strong management team that has developed a solid brand recognition with the *Leisa's Secret* which provides protein and energy drinks, the *SystemLS* that provides an organic alternative to weight loss and herbal nutrition, *Azurene* for the prevention of common cold and flu and *DiCED*, on-line fitness streaming that is available in approximately 54 countries. The company recently extend the *SystemLS* product line by launching two protein bars *Keto Cookie & Keto Vegan*. **We expect new products launch to enhance growth in 2022.** Following the company's operational marketing expansion into South Korea (*January 2022*), Saudi Arabia (*December 2021*), Ghana (*October 2021*), the company plans to launch in other markets in 2022. In our view, the company has made meaningful strides that position it well for growth in 2022 and beyond. **The herbal supplement and nutrition health space is the ALRPD.PA's primary area of focus, comprising an estimated \$1.8 trillion global market by 2025, and growing an average by 2-5% annually, producing a run rate that ALRPD should exceed on a total revenues basis.**

We note that the company's brand (*SystemLS*) is becoming popular across the globe given the company's recent expansion into new markets and potential new markets in Asia which should continue to be a catalyst for growth in 2022. Further, we note that the brand has strong visibility in Australia, North America and Europe. In Australia, the company has a distribution agreement with Sigma Healthcare Ltd. (*ASX: SIG – Not Rated*) wholesale and distribution of pharmaceutical, and in North America with specialty retailers of health, wellness, and performance products. In Europe they have agreements with Cloud 9 Switzerland, a life science company for the wellness and pharmaceuticals market. The following Exhibit 1 highlights the current international distribution network.

### Exhibit 1. Rapid Nutrition PLC International Distribution Network

Region	Network	Brand
Australia	5	<i>Leisa's Secret &amp; SystemLS</i>
North America	4	<i>SystemLS</i>
Europe	3	<i>SystemLS</i>
Africa	2	<i>SystemLS</i>
The Caribbean	1	<i>SystemLS</i>

Source: Company data and The Zephyrin Group, Inc. research

Asia is a new potential growth market for the company with the recent market expansion in South Korea. Potential additional markets in the Asia hub would include China, Hong Kong (China) & Japan as it relates to rising wellness awareness. As mentioned, expansion into the Asia hub should be viewed as a strong catalyst for the company in 2022 & beyond.

### Live Streaming Fitness

It is our view that a return to pre-COVID-19 conditions is unlikely in the near-to-mid-term, and perhaps beyond. Many gym customers have re-thought the club and studio experience and have migrated to the on-line/livestreaming fitness. The online fitness option is not new, however; but COVID-19 has accelerated demand and we believe that the company's *DiCED* - which is offered via the *SystemLS* is a sweet-spot for the company

*COVID-19 has accelerated demand....*



in 2022, and beyond as many are more comfortable working out in the privacy of their home versus the public gym. On-line exercise live-streaming are offers via several numbers of *fitness apps, Facebook Live, Instagram, Zoom and YouTube*. According to industry sources, the on-line/livestreaming fitness estimated market size was approximately \$5 billion in 2019 and is expected to be a 25-30% CAGR from 2020-2026 based on rising demand and the growing adoption of consumers in Asia.

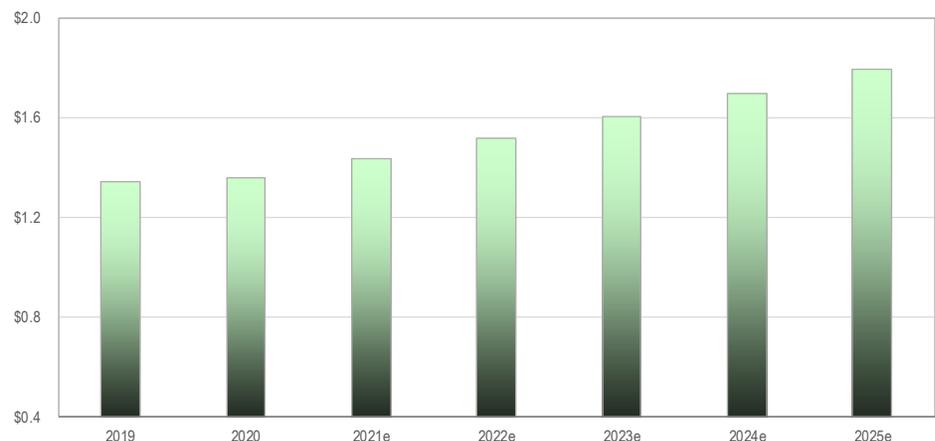
## The Market

*The global nutrition supplement industry is projected to grow at 5.7% CAGR by 2025 to \$1.8 trillion.*

According to the Global Wellness Institute (GWI), the projected growth of the global nutrition supplement industry is projected to grow at 5.7% CAGR (compound annual growth rate) by 2025 to \$1.8 trillion from 2020. In addition, by our estimates, the combined United States, European and Australian herbal (dietary) market currently stands at \$32.7 billion and is projected to grow at 7.2% CAGR by 2025 to \$43.2 billion. The driver of this significant growth is a shift of consumer health, lifestyle and COVID-19 which has brought attention to consumer health and wellness. **Presently based on the aforementioned growth, Rapid Nutrition PLC is well positioned with the company SystemLS that provides an organic solution for weight loss, the improvement of wellness and lifestyle.**

According to data from the Nutrition Business Journal (NBJ), total U.S. retail sales of herbal supplements increased to \$11.3 billion in 2020, up by \$2.2 billion or by 24.3% from 2019. We note that the compound annual growth rate (CAGR) for U.S. retail sales is approximately 5.0% from 2000-2020. For 2021 U.S. retail sales of herbal supplements is estimated to increase by \$1.8 billion to \$13.1 billion or by 16.0% year-over-year. Based on demand as a result of COVID-19 and individuals looking for alternative supplements, we expect U.S. sales of herbal supplement to increase to \$16.7 billion by 2025. In Europe, according to industry sources, retail sales of dietary and supplemental increased by 7.3% in 2020 to \$16.2 billion, up by \$1.1 billion. The CAGR from 2000-2020 is approximately 2.7%. Based on this shift to consumer wellness, we expect sales of dietary and supplemental products in Europe to increase to \$24.3 billion by 2025. In Australia, according to industry sources, retail sales of dietary and supplemental increased by 4.1% in 2020 to \$1.9 billion. We expect Australia to grow to \$2.2 billion by 2025.

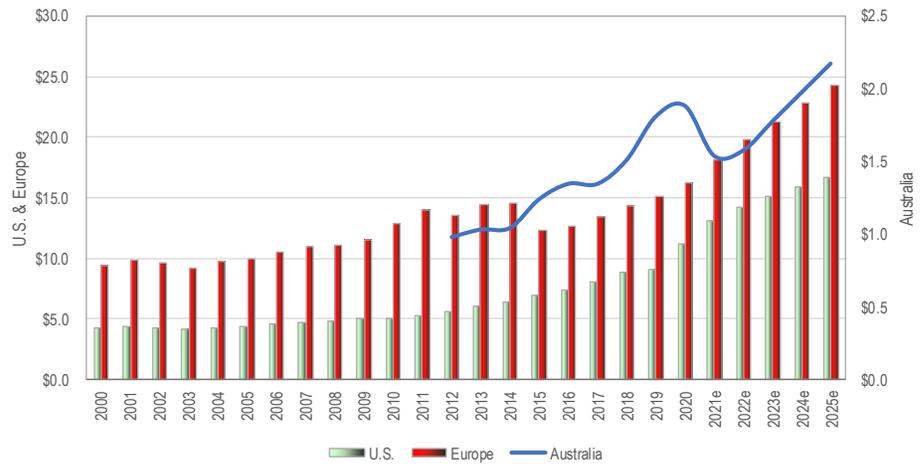
**Exhibit 2. Global Retail Sales of Herbal (Dietary) Supplemental 2019 – 2025e**



Source: Global Wellness Institute and The Zephyrin Group, Inc. research estimates



### Exhibit 3. U.S. & Europe Australia Retail Sales Herbal (Dietary) Supplemental 20 – 2025e



Source: Nutrition Business Journal, WHO, EOCED and The Zephyrin Group, Inc. research estimates

*The management team have an average working experience of approximately 27.3 years.*

## Management’s commitment apparent...!

The company is currently led by the Executive Director and CEO Simon St. Ledger. Members of the management team have an average working experience of approximately 27.3 years.

### Exhibit 4. Rapid Nutrition PLC Management

Name	Role	Background	Experience Years
Simon St. Ledger	Director/CEO	Director/CEO & Dietary Fitness Consultant	30
Leisa St. Ledger	Brand Mgr.	Founder/Creator <i>Leisa’s Secret®</i> & <i>SystemLS</i>	22
Ruth Kendon	Head of R&D	R&D Practicing Naturopath & Herbalist	30

Source: Company data

## Earnings Outlook

### 2022 Earnings Outlook

*The company has been constantly focusing on brands innovation and market expansion for its product offerings in order to accelerate its revenue growth trajectory.*

The company strategy is to expand and enhance the appeal of its core offerings, leverage its industry-leading sales force, and build customer loyalty with these capabilities, helping it to capture incremental market share. Rapid Nutrition PLC has been constantly focusing on brands innovation and market expansion for its product offerings in order to accelerate its revenue growth trajectory. For 2022, we are forecasting total revenues of \$2,252.3MM, an EBITDA of \$473.0MM with an EBITDA margin of 19%. This compared to 2021 estimates total revenues of \$2,050.3MM, an EBITDA of \$389.3MM with an EBITDA margin of 19%. We view 2021 as less reflective of the company’s long-term revenue growth and we believe 2022 and beyond should provide an exceptional outlook for the company through a mix of marketing initiatives, market expansion and online / livestreaming adoption.



### Exhibit 5. Rapid Nutrition PLC Financial Summary (in A\$ AUD = M {Thousands})

	6/30/20	6/30/21	2021	2022	2023	2024	2025	2026
Total Revenue	\$2,228.0	\$1,899.8	\$2,050.3	\$2,252.2	\$2,545.6	\$2,963.7	\$3,475.0	\$3,989.9
Gross Profit	1,407.3	1,119.4	1,148.4	1,261.2	1,425.5	1,659.7	1,946.0	2,234.3
EBITDA (Adj.)	825.2	360.3	389.3	473.0	534.6	622.4	729.7	837.9
Net Income	825.2	360.3	389.3	473.0	534.6	622.4	729.7	837.9
<b>EPS</b>	<b>\$0.02</b>	<b>\$0.01</b>	<b>\$0.01</b>	<b>\$0.01</b>	<b>\$0.01</b>	<b>\$0.02</b>	<b>\$0.02</b>	<b>\$0.02</b>
EBITDA per share	\$0.02	\$0.01	\$0.01	\$0.01	\$0.01	\$0.02	\$0.02	\$0.02
CFPS	\$0.02	\$0.01	\$0.01	\$0.01	\$0.01	\$0.02	\$0.02	\$0.02
<b>Profit &amp; Loss Statement</b>								
Revenues	\$2,018.8	\$1,405.7	\$1,546.4	\$1,733.0	\$2,010.7	\$2,412.7	\$2,907.3	\$3,407.9
Closing Inventory	209.2	494.0	503.9	519.2	534.8	551.0	567.7	581.9
Total Revenue	\$2,228.0	\$1,899.8	\$2,050.3	\$2,252.2	\$2,545.6	\$2,963.7	\$3,475.0	\$3,989.9
Operating Expenses	820.6	780.4	901.9	991.0	1,120.0	1,304.0	1,529.0	1,755.6
Gross Profit	1,407.3	1,119.4	1,148.4	1,261.2	1,425.5	1,659.7	1,946.0	2,234.3
SG&A	582.1	759.1	759.1	788.3	890.9	1,037.3	1,216.2	1,396.5
<b>EBITDA (Adj.)</b>	<b>\$825.2</b>	<b>\$360.3</b>	<b>\$389.3</b>	<b>\$473.0</b>	<b>\$534.6</b>	<b>\$622.4</b>	<b>\$729.7</b>	<b>\$837.9</b>
EBIT	825.2	360.3	389.3	473.0	534.6	622.4	729.7	837.9
Net Int. Exp.	-	-	-	-	-	-	-	-
<b>PBT</b>	<b>\$825.2</b>	<b>\$360.3</b>	<b>\$389.3</b>	<b>\$473.0</b>	<b>\$534.6</b>	<b>\$622.4</b>	<b>\$729.7</b>	<b>\$837.9</b>
Income Tax	-	-	-	-	-	-	-	-
<b>Net Inc. from Op.</b>	<b>\$825.2</b>	<b>\$360.3</b>	<b>\$389.3</b>	<b>\$473.0</b>	<b>\$534.6</b>	<b>\$622.4</b>	<b>\$729.7</b>	<b>\$837.9</b>
<b>Cash Flow</b>								
Net Income	\$825.2	\$360.3	\$389.3	\$473.0	\$534.6	\$622.4	\$729.7	\$837.9
Other	(1,052.3)	(534.1)	(540.0)	(541.0)	(542.0)	(543.0)	(544.0)	(545.0)
<b>Cash From Operations</b>	<b>(\$227.1)</b>	<b>(\$173.8)</b>	<b>(\$150.7)</b>	<b>(\$68.0)</b>	<b>(\$7.4)</b>	<b>\$79.4</b>	<b>\$185.7</b>	<b>\$292.9</b>
Capital Expenditures	-	-	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)
Dividend	-	-	-	-	-	-	-	-
<b>Free Cash Flow</b>	<b>(\$227.1)</b>	<b>(\$173.8)</b>	<b>(\$160.7)</b>	<b>(\$78.0)</b>	<b>(\$17.4)</b>	<b>\$69.4</b>	<b>\$175.7</b>	<b>\$282.9</b>
Cash From Financing	-	(191.1)	-	-	-	-	-	-
<b>Net Change in Cash</b>	<b>(\$227.1)</b>	<b>(\$364.9)</b>	<b>(\$160.7)</b>	<b>(\$78.0)</b>	<b>(\$17.4)</b>	<b>\$69.4</b>	<b>\$175.7</b>	<b>\$238.1</b>
<b>Balance Sheet</b>								
Cash	\$456.0	\$91.1	(\$69.6)	(\$248.5)	(\$316.4)	\$21.9	\$318.9	\$557.0
Total Assets	4,961.9	5,146.4	4,955.3	5,857.9	6,883.5	7,495.8	8,880.4	9,672.9
Total Debt	2,023.7	1,832.5	1,641.4	1,641.4	1,641.4	1,641.4	1,641.4	1,641.4
Shareholders' Equity	1,341.0	2,279.1	2,279.1	3,181.7	4,207.3	4,819.7	6,204.2	6,996.8
Debt/Cap	60.1%	44.6%	41.9%	34.0%	28.1%	25.4%	20.9%	19.0%
Debt/EBITDA	0.6x	1.3x	1.1x	3.5x	0.8x	0.7x	0.6x	0.5x
EBITDA/Interest Paid	-	-	-	-	-	-	-	-
<b>Rate of Return</b>								
BV/PS	\$0.03	\$0.06	\$0.06	\$0.08	\$0.11	\$0.12	\$0.16	\$0.18
Return on Average Equity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Return on Average Assets	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Return on Invested Capital	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Operating Margins</b>								
Gross Margin	63.2%	58.9%	56.0%	56.0%	56.0%	56.0%	56.0%	56.0%
EBITDA Margin	37.0%	19.0%	19.0%	21.0%	21.0%	21.0%	21.0%	21.0%
Operating Margin	37.0%	19.0%	19.0%	21.0%	21.0%	21.0%	21.0%	21.0%

Source: Company data and The Zephirin Group, Inc. (ZGI) estimates

## Valuation

*We do not believe that that current valuation fully reflects the strong wellness/herbal supplemental industry fundamentals.*

We do not believe the current valuation fully reflects the strong wellness / herbal supplemental industry fundamentals, the company's competitive advantages based on management initiatives, the positive news flow from recent market expansion, or the meaningful profit opportunity in the coming years.



To determine our price objective, we employ a discounted-cash-flow (DCF) method that quantifies what an investor should be willing to pay for a company that specialize in the herbal / wellness services base over a five-year period of internally-generated free cash flow (FCF). We value Rapid Nutrition PLC on a DCF basis and capitalize year five at a terminal value. The terminal growth rate we apply is based on the long-term industry growth rates, and weighted by their contribution to average total EBITDAs. We apply a weighted average cost of capital (WACC) of 9.5% and a terminal value EBITDA of 8.0x (the industry average multiples range from 6-18.5x) – from the aforementioned; we derive an implied DCF price objective of €1.00 per share. The basis assumption underpinning our base case DCF estimate are highlighted in Exhibit 7. **We rate the shares of Rapid Nutrition PLC., a BUY SPECULATIVE RISK with a price objective of €1.00 per share.**

#### Exhibit 6. Peer Current Capitalization Analysis (€ Millions)\*

Ticker	ALRPD	SISI	BIO	NGVC	HLF
Current Share Price	€ 0.03	€ 3.38	€ 0.07	€ 14.52	€ 36.91
Shares Outstanding	44.6	9.4	199.9	22.7	102.1
<b>Market Capitalization</b>	<b>€ 1.2</b>	<b>€ 31.7</b>	<b>€ 13.7</b>	<b>€ 329.5</b>	<b>€ 3,768.5</b>
- Cash & Short Term Investments	0.4	7.2	0.4	22.1	593.0
+ Total Debt	1.1	16.8	0.0	348.2	2,626.2
<b>Total Enterprise Value (TEV)</b>	<b>€ 2.0</b>	<b>€ 41.4</b>	<b>€ 13.3</b>	<b>€ 655.6</b>	<b>€ 5,801.6</b>
Book Value of Common Equity	1.4	32.4	1.0	130.8	(1,166.0)
+ Pref. Equity	-	(0.3)	-	-	9.3
+ Total Debt	1.1	16.8	0.05	348.2	2,626.2
<b>Total Capital</b>	<b>€ 2.6</b>	<b>€ 49.2</b>	<b>€ 1.0</b>	<b>€ 479.0</b>	<b>€ 1,460.2</b>
<b>Share Statistics</b>					
Float	28.6	7.5	110.0	8.5	78.0
% Held by Insiders	35.9%	20.2%	45.0%	47.5%	1.3%
<b>% Held by Institutions</b>	<b>-</b>	<b>1.9%</b>	<b>-</b>	<b>33.5%</b>	<b>76.9%</b>
% Float	64.1%	79.8%	55.0%	37.6%	76.4%

\*Prices as of February 8, 2022. Peers: Shineco, Inc. (SISI), Biome Australia Limited (ASX: BIO), Natural Grocers by Vitamin Cottage, Inc. (NGVC) and Herbalife Nutrition Ltd. (HLF). \$1 = €0.87; 1AUD = €0.62. Source: Company data and The Zephirin Group, Inc. (ZGI) research

#### Exhibit 7. Rapid Nutrition PLC, DCF Analysis

Year	2021	2022	2023	2024	2025	2026	Terminal Value
<b>Free Cash Flow</b>							
EBITDA	\$223.7	\$473.0	\$534.6	\$622.4	\$729.7	\$837.9	
Less: Tax on EBIT	0.0	0.0	0.0	0.0	0.0	0.0	
Less: Cap-x	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	
Less: Dividend	-	-	-	-	-	-	
<b>Free Cash Flow</b>	<b>\$213.7</b>	<b>\$463.0</b>	<b>\$524.6</b>	<b>\$612.4</b>	<b>\$719.7</b>	<b>\$827.9</b>	
<b>FCF per share</b>	<b>\$0.00</b>	<b>\$0.01</b>	<b>\$0.01</b>	<b>\$0.01</b>	<b>\$0.02</b>	<b>\$0.02</b>	
<b>Est. WACC</b>	<b>9.50%</b>						
<b>NPV of FCF</b>		<b>\$422.8</b>	<b>\$437.5</b>	<b>\$466.4</b>	<b>\$500.6</b>	<b>\$525.9</b>	<b>\$2,353.2</b>
Terminal Value EBITDA							8.0x
Terminal Value							€ 4,161.7
NPV of FCF							€ 2,353.2
NPV of Terminal OCF							2,644
<b>Total NPV</b>							<b>€ 4,996.9</b>
Add: Net Debt							(1,711.0)
<b>Equity Value</b>							<b>€ 3,285.9</b>
Shares Out.							44.6
<b>Equity Value Per Share</b>							<b>€ 1.00</b>

(In A\$ AUD = M {Thousands}) Source: Zephirin Group, Inc. (ZGI) research estimates



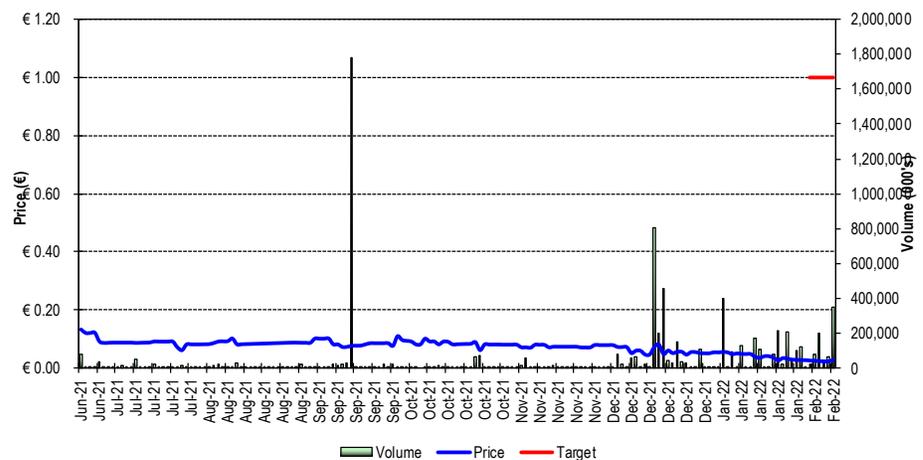
## Company Description

Rapid Nutrition PLC, a natural healthcare company, researches, develops, and produces a range of science-based health and wellness products in the United Kingdom, Australia, the United States, and the rest of Europe. The company offers scientific-based health food supplements under the *Leisa's Secret* and *SystemLS'* brands. The company also provides oral anti-viral therapy products to combat flu and common cold under the name *Azurene*. In addition, the company offers online fitness streaming services under the name *DICED* which is currently available in approximately 54 countries. As of the end of June 2021, direct sales accounted for approximately 68.1% of total revenues. The company distributes its products in the United Kingdom, Australia, the United States, Brazil, France, Italy, Switzerland, Saudi Arabia, Ghana, South Korea, Jamaica, and in the Caribbean. The company Australian subsidiaries (Rapid Nutrition Pty Ltd.) was incorporated in 2001. The U.K parent company was incorporated in 2012 and is based in London, the United Kingdom.

## Risk

Risk to our investment conclusion and price objectives include: 1- a sharp decline of the global economy, 2- adverse consumer behavior change, 3- lower than expected market expansion, 4- liquidity and 5- high dependence on one market.

**Exhibit 8. Rapid Nutrition PLC Rating Price Volume Chart**



Source: Company data, MSNMoney Central and The Zephyrin Group, Inc. (ZGI) research

Date	Price	Target	Rating	Notable Reports
09-Feb-22	€0.03	€1.00	Buy SR	Emerging Growth – €1.00...!

## Companies Mentioned \*As of February 8, 2022

Name	Ticker	Price*	Rating
Shineco, Inc.	SISI	\$3.87	Not Rated
Natural Grocers by Vitamin Cottage, Inc.	NGVC	16.60	Not Rated
Herbalife Nutrition Ltd.	HLF	42.21	Not Rated
Biome Australia Ltd.	BIO.AX	0.11	Not Rated
Sigma Healthcare Ltd.	SIG.AX	0.48	Not Rated



## IMPORTANT GLOBAL DISCLAIMER:

**This research is only an opinion and should not be construed as a suggestion. The opinion is provided without any kind of warranty.**

**Rating System:** STRONG BUY — The stock, securities or shares are expected to achieve a total return of 20% or more over the next 12-18 months, or are expected to outperform its industry and the S&P 500. BUY — The stock, securities or shares are expected to achieve a total return of 15% or more over the next 12-18 months, or are expected to outperform its industry peers and the S&P 500. HOLD — The stock, securities or shares are expected to achieve a total return of 10% or less, or are expected to perform in-line with its industry peers and the S&P 500 over the next 12-18 months. SELL — The stock, securities or shares are expected to underperform its industry peers and the S&P 500 over the next 12-18 months. STRONG SELL — The stock, securities or shares are expected to underperform its industry peers and the S&P 500 over the next 6-12 months. SUSPENDED — The stock, securities or shares are temporarily suspended due to market events that made coverage impracticable.

**Risk Rating:** LOW RISK (LR) — Return of 0-10%; MEDIUM RISK (MR) — Return of 0-20%; HIGH RISK (HR) — Return of 0-30% and SPECULATIVE RISK (SR) — Return of 0-50%. **Distribution of Rating:** Strong Buy = 0 (0.0%); Buy = 10 (24.4%); Hold = 9 (22.0%); Sell = 10 (24.4%); Strong Sell = 0 (0.0%), Suspended = 12 (29.3%).

All of the recommendation and views about the securities and companies in this report accurately reflect the personal views of the research analyst named on the cover of this report. In particular the report intended to promote the integrity of research including those designed to ensure the identification and avoidance of conflict of interest.

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