IPO ANALYSIS

Research on potential upcoming IPOs from selected candidate companies.

Huami

Cardlytics

Evolus

February 2018

VentureDeal

Huami Readies $110 Million U.S. IPO

Quick Take

Huami (HMI) intends to sell 10 million ADSs (representing Class A shares) at a midpoint price of $11.00 per ADS from a U.S. IPO, according to an F-1/A registration statement.

The firm provides wearable devices that connect biomechanical signals and daily activities with smart data services to promote healthy living.

HMI has ambitious plans to build on its Xiaomi relationship and expand its in-house brand internationally with the backdrop of a dramatically growing wearable market.

Based on reasonable valuation and its growth prospects, my opinion on the IPO is a BUY within the proposed price range of $10.00 to $12.00 per ADS.

Company

Hefei, China-based Huami was founded in 2014 to create activity trackers and smartwatches that are effective but fashionable. The biometric and activity data-driven company has sold over 50 million units worldwide.

Management is headed by Founder and CEO Huang Wang. Wang has over 15 years of research and development experience in the consumer electronics industry. Wang also pioneered embedded systems for Linux.

Brands include Amazfit which includes products such as Pace, Arc, Cor, Bip, Moonbeam and Equator. The company also provides wearable technology for Xiaomi (a mobile Internet company and global consumer electronics brand) and produces the popular Mi Band.

Although historically focused primarily in China, the company intends to expand its brand focus to North America, Japan, Korea, India, and Southeast Asia.

Principal shareholders of the company include HHtech Holdings, Shunwei High Tech, People Better, Banyan Capital, Fandler, Forest Mountain and Wenshui.

Strategic partner Xiaomi is a large shareholder and may be included in one of the above-listed entities.

Technology

Huami has developed smart wearable technology under the brands Mi Fit and AmazFit. With the mission 'to make the world more connected,' the company provides users with analytics of their biometric and activity data.

Additional facts about the company include:

- #1 market share in units shipped
- 11.6 million devices shipped in first nine months of 2017
- 70+ ecosystem partners
- 37% revenue growth
- Xiaomi strategic partnership

Huami designs and manufactures Amazfit (self-branded wearable products) and Xiaomi Wearable Products. The company is the sole partner of Xiaomi Corporation creating Xiaomi Wearable Products such as smart bands, watches, scales and associated accessories.

Amazfit products include the Amazfit Health Band (with Cardiovascular Health Index, HRV Fatigue Monitoring, and ECG ID Identification), the Pace (GPS Smartwatch), Arc (Heart Rate, Activity, & Sleep Tracker), Stratos (Smartwatch), Cor (Smartwatch), Bip (Smartwatch - not yet in English), and Amazfit (Activity & Sleep Tracker).

The company has sold over 45 million units worldwide. Huami also had 49.6 million registered users or their mobile apps in September 2017. These mobile apps measure ECG, heart rate, weight, steps, sleep, etc.

Market

According to a 2017 market research report by Research and Markets, the global wearable electronic device market size was $22.0 billion in 2016 and is projected to grow to $97.8 billion by 2023, representing a CAGR of 24.1% during the forecast period of 2017 to 2023.

The main factors driving market growth are growing demand for IoT and connected devices, significant growth prospects on next-generation displays in wearable devices through innovations, increasing consumer preference for sophisticated devices, and easy communication convenience.

Increasing number of apps, fashionable designs, health monitoring, and the potential for data collection for this market are also predicted to be factors driving market growth.

Also, China is the largest smart wearables market in regards to shipping volume, overtaking the U.S. in 2015. This major growth is expected to continue.

Competition

Major competitive vendors that are developing consumer wearable electronics include:

- Fitbit (FIT)
- Apple (AAPL)
- Samsung Electronics (OTC:SSNLF)
- LG Electronics (LG)
- Sony Corporation (SNE)
- Google (GOOG)
- Garmin (GRMN)
- Nokia (NOK)

Management lists its large database and powerful algorithms, strong research and development capability, a broad range of application scenarios, efficient supply chain management and a mutually beneficial relationship with Xiaomi as competitive strengths.

Huami also believes that the large registered user base, a large amount of data collected, their plan to establish lifestyle brands (along with leveraging Xiaomi's brand), and the power of efficient proprietary chips that the company has developed make the company competitive in the market.

Financials

Huami's recent financial results can be summarized as follows:

- Growing topline revenue, although at a decreasing rate
- Increasing gross margin percentage
- Increasing gross profit dollars
- Dramatically growing cash flow from operations

Below are the company's operational results for the past two and ¾ years (Audited GAAP for full years):

	For the Year Ended December 31,			For the Nine Months Ended September 30,		
	2015	2016		2016	2017	
	RMB	RMB	US$	RMB	RMB	US$
	(in thousands, except for per share data)					
Selected Consolidated Statements of Operating Data:						
Revenues[1]	896,458	1,556,476	233,940	943,511	1,296,248	194,828
Cost of revenues[2]	785,867	1,280,324	192,434	791,212	968,369	145,547
Gross profit	110,591	276,152	41,506	152,299	327,879	49,281
Operating expenses:						
Research and development expenses[3]	61,553	132,304	19,885	98,008	108,590	16,321
General and administrative expenses[3]	69,984	102,644	15,428	69,043	82,474	12,396
Selling and marketing expenses	19,168	27,821	4,181	14,801	29,680	4,461
Total operating expenses	150,705	262,769	39,494	181,852	220,744	33,178
Operating (loss)/income	(40,114)	13,383	2,012	(29,553)	107,135	16,103
Other income and expenses:						
Realized gain from investments	—	—	—	—	2,335	351
Interest income	255	754	113	646	1,463	220
Other income	1,109	14,726	2,213	7,287	1,066	160
(Loss)/income before income tax	(38,750)	28,863	4,338	(21,620)	111,999	16,834
Income tax benefit/(expense)	897	(3,088)	(464)	3,731	(15,462)	(2,324)
(Loss)/income before loss from equity method investments	(37,853)	25,775	3,874	(17,889)	96,537	14,510
Loss from equity method investments	—	(1,829)	(275)	(1,156)	(1,422)	(214)
Net (loss)/income	(37,853)	23,946	3,599	(19,045)	95,115	14,296
Less: net loss attributable to non-controlling interest	—	—	—	—	(263)	(39)
Net (loss)/income attributable to Huami Corporation	(37,853)	23,946	3,599	(19,045)	95,378	14,335

(Source: F-1/A statement)

Revenue ($)

- Through Sept 30, 2017: $194.8 million, 30% increase vs. prior
- 2016: $233.9 million, 64% increase vs. prior
- 2015: $142.5 million

Gross Margin (%)

- Through Sept 30, 2017: 25.3%
- 2016: 17.7%
- 2015: 12.3%

Gross Profit ($)

- Through Sept 30, 2017: $49.3 million
- 2016: $41.5 million
- 2015: $17.6 million

Cash Flow from Operations ($)

- Through Sept 30, 2017: $50.5 million cash flow from operations
- 2016: $2.6 million cash flow from operations
- 2015: $1.1 million cash used in operations

As of September 30, 2017, the company had $75.8 million in cash and $91.3 million in total liabilities.

IPO Details

Huami intends to raise $110 million in gross proceeds from an IPO of its ADSs.

It is selling 10 million ADSs representing 40 million underlying Class A shares. The Class A shares will have one vote per share.

There will be 197,736,467 Class B shares outstanding after the IPO. Class B shareholders will be entitled to have ten votes per share and each Class B share is convertible into one Class A share.

The effect of this dual-class share structure is for management and certain existing shareholders to retain voting control over the company, even if they no longer have economic rights control.

Assuming a successful IPO and the underwriters exercising their over-allotment options in full, the firm will have a post-IPO market capitalization of approximately $654 million.

Management says it will use the net proceeds from the IPO as follows:

[i] research and development of products, services and technologies,

[ii] selling and marketing, and

[iii] general corporate purposes and working capital and potential strategic investments and acquisitions.

So, management hasn't divulged what it plans to do with the proceeds in any meaningful detail.

Management's presentation of the company roadshow is not currently available.

Listed bookrunners of the IPO are Credit Suisse, Citigroup, and China Renaissance.

Valuation

Below is a table of capitalization and relevant valuation metrics for HMI:

Measure	Valuation
Market Capitalization at IPO	$653,775,284
Enterprise Value	$669,714,284
Price/Sales	2.28

Price/Book	9.01
Enterprise Value / Revenue	2.33
Enterprise Value / EBITDA	29.69
Earnings Per Share - TTM	$0.09
Total Debt To Equity	1.26
DCF Valuation per Share	$1.64
IPO Midpoint Price per Underlying Share	$2.75

(Source: Company Prospectus and IPO Edge)

By way of comparison, HMI's clearest public competitor would be Fitbit (FIT); below is a comparison of their primary valuation metrics:

- Price/Sales: FIT 0.77 vs. HMI 2.28
- Price/Book: 1.49 vs. 9.01
- EV/Revenue: 0.35 vs. 2.33
- EV/EBITDA: -1.76 vs. 29.79
- EPS: -$1.65 vs. $0.09

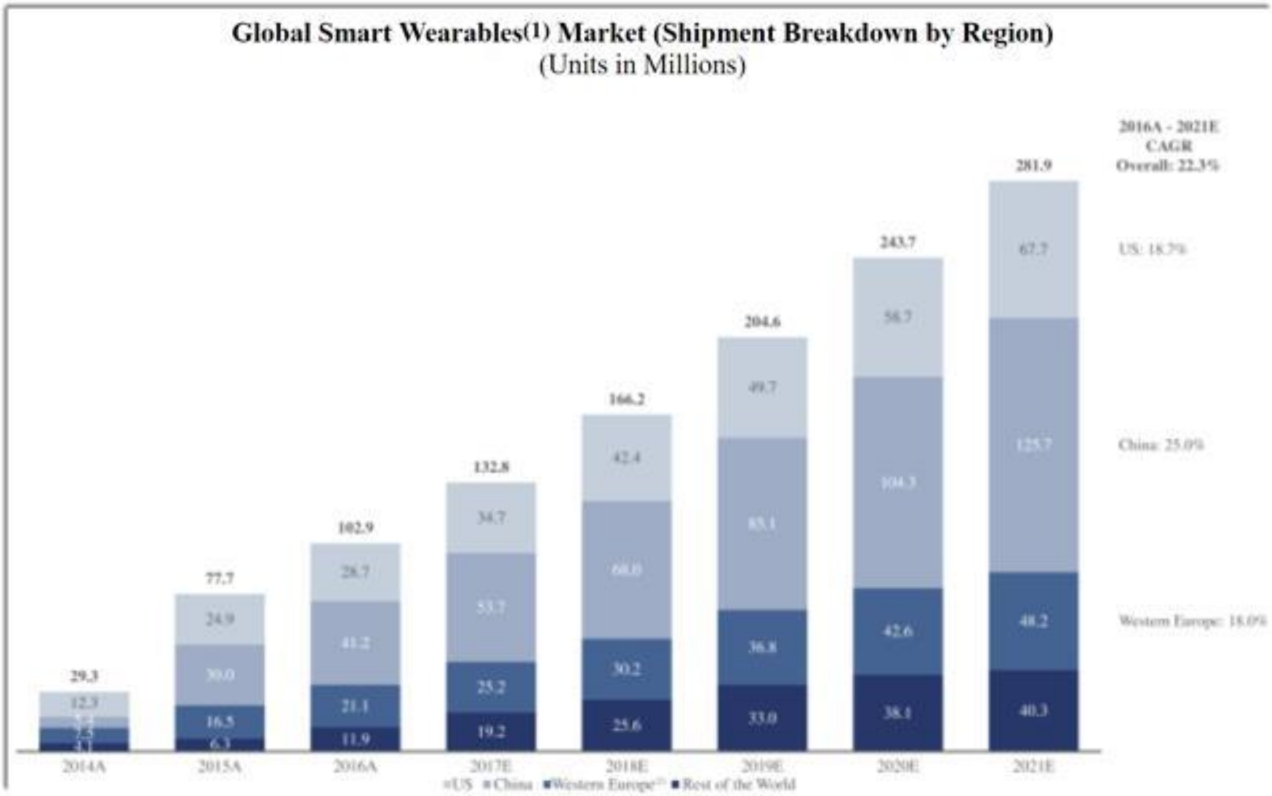
Functionally, the two firms are comparable. However Fitbit's recent poor performance explains the variance in valuation metrics since the firm is seeing revenue contraction vs. Huami's revenue growth.

On sales and revenue metrics, Huami's valuation appears reasonable given its stronger growth profile than FIT.

Commentary

Huami wants to raise U.S. funding in order to finance its growth initiatives, especially in the 'lifestyle' segment.

Management cites a Frost & Sullivan report that shows significant shipment growth over the next few years, as the graphic below shows:



The firm wants to take advantage of the major trends it sees, including a growing health and fitness consciousness, healthcare and medical applications and Internet of Things devices.

It has earned its reputation based on its deep, strategic relationship with Xiaomi. However, that relationship also presents a risk, in the event of divergence of goals between the two firms. Should Xiaomi wish to pursue markets that conflict with Huami, the risk to Huami's business would be considerable.

Another risk investors should note is the 'VIE' corporate structure. The company that is going public in the U.S. (HMI) does not own the underlying assets located in China. Rather, HMI has executed a contract for the economic benefits from those assets. The risk is that the contract terms may be changed by management or by the Chinese government, thus altering the potential shareholder benefits for HMI.

The firm's valuation on a revenue basis appears within range of a high tech startup with significant growth prospects in a booming industry.

The bull case for Huami is that it can continue to build on its relationship with Xiaomi and branch out into other lifestyle wearables with its in-house brand Amazfit, expanding internationally in the process as a provider of lower cost alternatives to western products such as those made by Apple or FitBit.

It's a compelling opportunity with significant upside to investors as long as they can stomach the 'VIE' legal structure gray area.

On valuation and growth prospects, my opinion on the IPO is a BUY within the proposed range of $10.00 to $12.00 per ADS.

Expected IPO Pricing Date: Wednesday, February 7, 2018

Cardlytics Files Terms For $75 Million IPO

Quick Take

Cardlytics (CDLX) intends to raise $75 million in a U.S. IPO by selling 5.4 million shares of its common stock at a midpoint price of $14.00 per share.

The firm has developed software that helps marketers analyze prospective customer behavior via historical purchase data and analytics.

CDLX is attempting a strategic transition, but management hasn't described where it intends to transition, a time frame or any other details.

Given the firm's full IPO valuation expectations and uncertain future, my opinion on the IPO is NEUTRAL.

Company

Atlanta, Georgia-based Cardlytics was founded in 2008 as a firm focused on improving the marketing process within the banking vertical. It has since expanded its original technology into other solutions.

Management is headed by co-founder and CEO Scott Grimes, who was previously Senior Vice President at Capital One Financial (COF).

Cardlytics is backed by investors including Canaan Partners, Polaris Venture Partners, Aimia, Discovery Capital and Fidelity Information Services.

The firm has raised approximately $200 million in several rounds of private investment.

Technology

Cardlytics originally created a marketing analytics system based on its Cardlytics Direct system, from which it has derived most of its revenue.

It then expanded by creating a managed Other Platform Solutions system, which was later discontinued in July 2017.

The firm's focus is on what it calls Purchase Intelligence. It has developed relationships with over 2,000 financial institutions from whom it aggregates purchase data.

Market

According to a 2017 report by Transparency Market Research, the global market for marketing analytics is expected to grow at a CAGR of 14.3% for the period from 2017 to 2022.

Total market value is forecasted to reach $4.1 billion by the end of 2022.

A key driver for the growth of the market, according to a Mordor Intelligence report, is an increasing need for companies to be able to accurately quantify their ROI on marketing investment.

As marketers transition their marketing spend from analog to digital channels, they are demanding more visibility into those channels.

Marketing analytics also informs many areas of a customer's business, including 'industry trends, product design, customer surveys, and customer support.

Competition

Major competitive vendors that provide marketing analytics include:

- Google (GOOG)
- Tableau Software (DATA)
- GoodData
- Adobe Systems (ADBE)
- Salesforce (CRM)
- IBM (IBM)
- Oracle (ORCL)

- Teradata (TDC)
- Neustar

Management says that concerning its flagship system, Cardlytics Direct, 'we believe that we are the only company that enables marketing through FI (Financial Institution) channels at scale.'

So, in effect, management believes that it doesn't have direct competition at this time.

Financials

Cardlytics' recent financial results can be summarized as follows:

- Growing topline revenue, though at a decreasing rate
- Increasing gross profit dollars
- Increasing gross margin percentage
- Uneven cash flow used in operations, decreasing in 2017

Below are the company's operational results for the past two and ¾ years (Audited GAAP for full years):

	Year Ended December 31, 2015	Year Ended December 31, 2016	Nine Months Ended September 30, 2016	Nine Months Ended September 30, 2017
	(in thousands, except per share data)			
Condensed Consolidated Statement of Operations:				
Revenue	$ 77,634	$ 112,821	$ 76,400	$ 91,099
Costs and expenses:				
FI Share and other third-party costs	47,691	66,285	44,986	50,886
Delivery costs(1)	4,803	6,127	4,729	5,095
Sales and marketing expense(1)	32,784	31,261	22,850	23,454
Research and development expense(1)	11,604	13,902	11,101	9,527
General and administrative expense(1)	18,197	21,355	16,240	14,738
Depreciation and amortization expense	2,194	4,219	3,432	2,303
Termination of U.K. agreement expense	—	25,904	25,904	—
Total costs and expenses	117,273	169,053	129,242	106,003
Operating loss	(39,639)	(56,232)	(52,842)	(14,904)
Interest expense, net	(1,484)	(6,170)	(3,623)	(6,427)
Change in fair value of warrant liability	914	(32)	639	(412)
Change in fair value of convertible promissory notes	—	(786)	(819)	(1,244)
Change in fair value of convertible promissory notes—related parties	—	(10,091)	(10,280)	6,213
Other income (expense), net	(432)	(2,385)	(1,726)	1,189
Loss before income taxes	(40,641)	(75,696)	(68,651)	(15,585)
Income tax benefit	16	—	—	—
Net loss	$ (40,625)	$ (75,696)	$ (68,651)	$ (15,585)
Adjustments to the carrying value of redeemable convertible preferred stock	(1,001)	(982)	(741)	(5,383)
Net loss attributable to common stockholders	$ (41,626)	$ (76,678)	$ (69,392)	$ (20,968)
Net loss per share attributable to common stockholders, basic and diluted(2)	$ (19.91)	$ (32.48)	$ (30.34)	$ (6.68)

(Source: Cardlytics S-1/A)

Revenue ($)

- Through Sept 30, 2017: $91.1 million, 19.2% increase vs. prior
- 2016: $112.8 million, 45.3% increase vs. prior.
- 2015: $77.6 million

Gross Profit ($)

- Through Sept 30, 2017: $40.2 million
- 2016: $46.5 million
- 2015: $30 million

Gross Margin (%)

- Through Sept 30, 2017: 44%

- 2016: 41%
- 2015: 39%

Cash Flow from Operations ($)

- Through Sept 30, 2017: $16.6 million cash used in operations
- 2016: $32.5 million cash used in operations
- 2015: $29.2 million cash used in operations

As of Sept 30, 2017, the company had $28.2 million in cash and $102.6 million in total liabilities.

IPO Details

CDLX intends to raise $75.6 million in gross proceeds from an IPO of its common stock. The firm plans to sell 5.4 million shares at a midpoint price of $14.00 per share.

Assuming a successful IPO and the underwriters exercising the over-allotment options in full, the firm will have a post-IPO market capitalization of approximately $273 million.

Management says it will use the net proceeds from the IPO as follows:

Although we have not yet determined with certainty the manner in which we will allocate the net proceeds of this offering, we expect to use the net proceeds from this offering for working capital and other general corporate purposes.

So, unfortunately, management has provided no meaningful information on how they intend to use the IPO proceeds.

Management's presentation of the company roadshow is available at https://www.retailroadshow.com/presentation/#/pres?presid=472316

Listed bookrunners of the IPO are BofA Merrill Lynch, J.P. Morgan, Wells Fargo Securities, SunTrust Robinson Humphrey, Raymond James and KeyBanc Capital Markets.

Valuation

Below is a table of capitalization and relevant valuation metrics for CDLX:

Measure	Valuation
Market Capitalization at IPO	$273,274,666
Enterprise Value	$337,633,666
Price/Sales	2.14
Price/Book	314.11

Enterprise Value / Revenue	2.65
Enterprise Value / EBITDA	31.55
Earnings Per Share - TTM	-$3.95
DCF Valuation per Share	$0.13
Proposed IPO Midpoint Price per Share	$14.00

(Source: Company Prospectus and IPO Edge)

As to valuation, CDLX' clearest public comparable would be data analytics firm Teradata (TDC); below is a comparison of their primary valuation metrics:

- Price/Sales: TDC 2.30 vs. CDLX 2.14
- EV/Revenue: 2.13 vs. 2.65
- EV/EBITDA: 27.07 vs. 31.55
- EPS: $0.50 vs. -$3.95

So, on primary sales and revenue multiples, the Cardlytics IPO appears to be valued in line with TDC. For other comparisons, the IPO is overvalued. This isn't surprising given CDLX' growth profile, which tends to sacrifice earnings for revenue and market share growth.

Commentary

Cardlytics is in a transition period. Its flagship system, Cardlytics Direct, which it calls a 'proprietary native advertising channel,' has provided the bulk of its revenues, but the firm has recently discontinued its managed Other Platform Solutions system.

Management is coy about its plans, but says it is 'extending the power of our platform beyond Cardlytics Direct.' It also says that in the interim, its revenues and growth may suffer as it navigates a transition.

What I can't figure out is whether the firm intends to double down on the financial sector and expand its offerings to financial institutions, or if it intends to expand outside the financial vertical and offer capabilities to others, or to expand geographically outside its current offering areas of the U.S. and the UK.

In any event, the firm has developed a significant asset by aggregating purchase data from over 2,000 financial institutions. The market for marketing analytics is experiencing a high growth rate, but there are major competitors working hard to provide vertical and horizontal solutions for marketers.

CDLX financials are typical of a high growth technology startup in that they feature revenue growth at the expense of earnings.

However, its revenue growth rate has slowed dramatically, likely from the discontinued Other Platform Solutions managed system and a reduction in revenues.

So, this presents IPO investors with an added risk, that of investing in a company that wants to go public in the middle of a strategic transition that management has fully described.

In my view, given the firm's rather full IPO valuation expectations, this risk is significant.

Accordingly, my opinion on the IPO is NEUTRAL.

Expected IPO Pricing Date: Thursday, February 8, 2018

Evolus To Raise $65 Million In U.S. IPO

Quick Take

Evolus (EOLS) intends to raise $65 million in its IPO through the sale of 5 million shares of common stock at a midpoint price of $13.00 per share.

The firm is developing a competitor to BOTOX, which is used to reduce 'frown lines' between the eyebrows.

EOLS has met its primary endpoints for Phase III trials in the U.S., Canada and the EU, so upon presumed regulatory approval for marketing, it is gearing up to begin selling into those enticing markets.

Despite the recent healthcare stock downdraft, my opinion on the IPO is a BUY within the proposed range of $14.00 to $16.00 per share.

Company Recap

Irvine, California-based Evolus was formed within lifestyle healthcare parent company ALPHAEON to develop and commercialize DWP-450, or PrabotulinumtoxinA, an injectable 900 kilodalton form of toxin for improving facial aesthetics.

Management is headed by CEO Murthy Simhambhatla, who has been President and CEO of parent company ALPHAEON since August 2016. He was previously President, Abbott Medical Optics and Senior Vice President, Abbott Laboratories (ABT), where he held senior roles in the firm's diagnostics and stent businesses.

Evolus has licensed DWP-450 from Daewoong Pharmaceuticals in South Korea for the territories of the USA, the EU, Canada, Australia, Russia, C.I.S., South Africa. For Japan, it has co-exclusive distribution rights with Daewoong.

DWP-450 will be manufactured by Daewoong in South Korea at its recently-built facility and the firm plans to comply with current Good Manufacturing Practice [cGMP] requirements for the FDA and EMA.

The market backdrop for Evolus is favorable. A 2016 Technavio research report forecasted a CAGR of 10% from 2016 to 2020, where the global market for facial aesthetics is expected to exceed $5.5 billion.

Within the self-pay aesthetic market, management says,

...the global aesthetic neurotoxin market was estimated to generate approximately $1.8 billion of revenue in 2017 and is estimated to grow to approximately $2.3 billion in 2020. The United States is the largest portion of this market and was estimated to generate approximately $941 million of revenue in 2017 and is expected to grow to approximately $1.2 billion in 2020. We believe the continued growth of the aesthetic neurotoxin market will be driven by an aging population, increased use by individuals between the ages of 19 and 34, whom we refer to as Millennials, rising disposable income, improved accessibility to these products and treatments due to an increase in the number of physicians who perform these procedures, continued innovation, and an increasing acceptance and utilization of elective or minimally invasive aesthetic procedures.

Parent company ALPHAEON owns 100% of Evolus and is turn 76% majority owned by private equity firm SCH-AEON, previously known as Strathspey Crown Holdings.

IPO Details

EOLS intends to sell 5 million shares of common stock at a midpoint price of $13.00 per share for gross proceeds of approximately $65 million.

Assuming a successful IPO, the company's post-IPO market capitalization would be approximately $316, including the effects of underwriter over-allotment options.

Management plans to use the net proceeds as follows:

We intend to use the net proceeds from this offering to fund commercialization activities for DWP-450, for the payment of certain milestone payments owed upon marketing approval of DWP-450 in the United States and EU, to reimburse ALPHAEON for the related party borrowings that are not being offset or forgiven as part of this offering, and for other general corporate purposes.

Listed bookrunners of the IPO are Cantor, Mizuho Securities, SunTrust Robinson Humphrey and JMP Securities.

Management's presentation of the company roadshow is not currently available.

Valuation

Below is a table of capitalization and relevant valuation metrics for EOLS:

Measure	**Valuation**
Diluted Market Capitalization	$316,457,375
Enterprise Value at IPO	$336,059,375
Price/Book	-4.39
Enterprise Value / EBITDA	-27.43
Earnings Per Share - TTM	-$0.52
Total Debt To Equity	0.50
Proposed IPO Midpoint Price per Share	$13.00

(Source: Company Prospectus and IPO Edge)

Evolus is still a clinical stage firm with no revenues and losses due to R&D and G&A expenses typical for product development expenses, so valuation comparables based on revenues and other common operating stage metrics are not relevant.

Commentary

I previously wrote about Evolus' IPO prospects in my analysis, *First Look | Botox Biosimilar Firm Evolus Plans $75 Million IPO*.

In that piece, I highlighted the potential upside for Evolus by developing a potentially improved version of BOTOX.

Management said that its version incorporates the 'potential of the accessory proteins to increase the effectiveness of the active toxin portion of the complex.'

If so, its DWP-450 formulation may provide an improved alternative to the existing market leader.

With a license coverage area of the U.S., the EU, Canada and Australia, Evolus has some of the largest markets in the world to operate in, should it achieve regulatory approval.

Management said that it has ' successfully completed a comprehensive five-study DWP-450 clinical development program in the United States, EU and Canada to meet the regulatory requirements for a BLA in the United States, a MAA in the EU and a NDS in Canada...All three Phase III studies successfully met their respective primary endpoints.'

It appears that the regulatory process is nearing its final phase, although management hasn't provided an estimated time frame that it expects to receive marketing approval.

As to valuation, for a late-stage biopharma firm that has successfully completed its Phase III trials and is gearing up for commercialization, a market capitalization of $316 million is reasonable.

Given the firm's market opportunity in several of the world's largest markets, this IPO is essentially funding its 'success' phase, that of ramping up its sales, marketing and operations efforts to sell its BOTOX competitor in the U.S., Canada, Australia and the EU.

Although the recent announcement in the U.S. of a joint healthcare venture between Amazon (AMZN), JPMorgan (JPM) and Berkshire Hathaway (BRK.B) has spooked healthcare stocks in the short term, I'm bullish on Evolus' prospects.

Accordingly, my opinion on the IPO is a BUY within the range of $12.00 to $14.00 per share.

Expected IPO Pricing Date: Wednesday, February 7, 2018.