IPO ANALYSIS

Research on potential upcoming IPOs from selected candidate companies.

Coupa Software

Novan

The Trade Desk

Everbridge

Thar Pharmaceuticals

September, 2016

IPOInsights

Coupa Software Is A Unicorn IPO To Spend Time On

Summary

Coupa Software (Private:CSOFT) aims to raise $75 million in an IPO.

The company provides a spend management suite of software to organizations wanting greater control over procurement and expenses.

Coupa is really building a "Procurement Network", enabled by its software suite. With powerful network effects as evidenced by the dramatic increase in Spend under Management, the IPO stock is definitely worth considering, once valuation estimates become known.

Background

San Mateo, California-based Coupa Software was founded in 2006 by software executives Dave Stephens and Noah Eisner, who both had a background in enterprise procurement solutions at Oracle (NASDAQ:ORCL).

Current CEO Rob Bernshteyn has been with the firm since 2011, and was previously VP Global Product Marketing at SuccessFactors, a SaaS human capital management software company.

Prior to Coupa's founding, CommerceOne and Ariba were early pioneers for the concept of cloud-based procurement and represented an advance over the previous EDI (Electronic Data Interchange) standard that was difficult to implement between a company and their suppliers.

Technology

In response to these early attempts, Coupa has developed a cloud-based SaaS (Software as a Service) procurement suite of applications that enables organizations to better manage their expenses and procurement processes.

While most of the company's software has been built in-house, Coupa has also acquired companies to fill the gaps in its technology offerings, with the following four acquisitions:

Acquisition Date	**Company**	**Product**
Jan 14, 2016	Contractually	Contract Management
Jul 20, 2015	TripScanner	Travel Expense Analysis
Jul 6, 2015	InvoiceSmash	E-Invoicing
Apr 10, 2013	Xpenser	Mobile Expense App

Coupa's core value proposition is that by making the expense and procurement process easier to control, it reduces "maverick" or inefficient spending by individuals, thereby improving a company's bottom line.

Coupa's offering is called the "Unified Spend Suite", which is comprised of the following modules:

Procurement Invoices Expensing Sources Inventory Contract Lifecycle Management Budgeting Analytics Open Business Network Supplier Information Management Storefront Coupa Advantage

Market

As recently as 2014, the global procurement software market was growing at an annual rate of 10.8%, exceeding that of most other software sectors.

In 2014, organizations spent $9.9 billion on procurement and expense tracking software worldwide. According to Sandler Research, the procurement software industry is expected to achieve a 10% CAGR through 2019. Research firm IDC projects by 2019 the industry will grow to $11.3 billion worldwide.

Competition

Coupa's competition includes a range of publicly-held and private companies, encompassing both legacy incumbents and newer upstarts:

Legacy Incumbents

- SAP Ariba (NYSE:SE)
- Basware Oracle
- Manhattan Associates (NASDAQ:MANH)
- JDA Software
- Epicor
- BuyerQuest

Coupa says that its advantages include an easy-to-use integrated suite which generates higher employee engagement and usage, reducing rogue spending while providing management with better insight into spend and resulting in better control.

Financials

Coupa is a member of the "unicorn" club, having raised $169 million in seven rounds from 11 investors, including active late stage investor T. Rowe Price.

Its most recent funding round was for $80 million in June 2015 at a private valuation of $1 billion.

(Source: [WSJ Online](#))

Coupa's revenues have seen increasing growth in recent years, coinciding with greater corporate acceptance of off-premise software delivered via the cloud.

Revenues

- Six months ended 7/31/2016: $60 million, 75% increase
- 1Y ended 1/31/2016: $83.7 million, 65% increase
- 1Y ended 1/31/2015: $50.8 million

In the current fiscal year, Coupa is operating at an annual revenue run rate of $120 million. Gross margin is currently 61%, and is marked by a slight downward trend over the past three reporting periods.

Gross Margin

- Six months ended 7/31/2016: 61%, 1% decrease
- 1Y ended 1/31/2016: 62%, 1% decrease
- 1Y ended 1/31/2015: 63%

In the current reporting period of six months ended 7/31/2016, Coupa had a net decrease in cash of $12.4 million. There were no financing sources during the period, so this figure gives a good picture of the company's current cash burn rate.

Coupa has had a steady increase in backlog and deferred revenues, which are amounts clients are contractually obligated to pay, but have not been invoiced yet (backlog) or have been invoiced but not recognized as revenue (deferred revenues).

Backlog and Deferred Revenues as of July 31, 2016

- Backlog: $145.1 million
- Deferred revenues: $72.1 million

The company had $80 million in cash as of July 31, 2016.

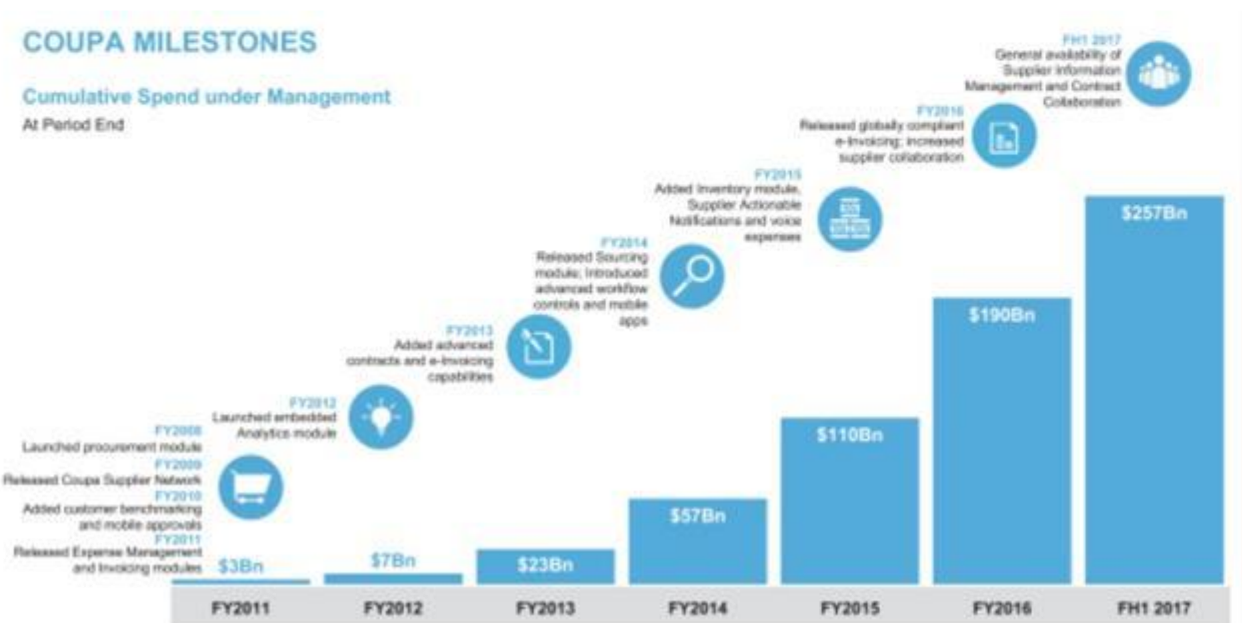
IPO Details and Discussion

Coupa wants to raise $75 million in its IPO, subject to customary over-allotments to the underwriters.

The company did not disclose a price range for the IPO stock, although given typical industry benchmarks, I would not be surprised to see a 5 million share offering at a midpoint of $15 per share.

It claims in its S-1 filing that its platform "connects more than 460 organizations [clients] with more than 2 million suppliers globally".

Coupa calculates that it currently accounts for more than $256.8 billion in Spend under Management and estimates using industry benchmarks that it "has resulted in more than $8 billion of customer savings to date".



(Source: Coupa S-1 Filing)

Thus, the company is showing dramatic growth since 2011 in the network effects of its share of the spend management market.

And this is what makes Coupa such an interesting play: it offers a software solution, but is really building a "Procurement Network", which to me is a much bigger value proposition to investors.

By developing a network of buyers and suppliers through its easy-to-adopt system, the company is creating a defensible moat around its system. As more buyers adopt the platform, more suppliers come with them and the network grows, becoming more valuable in the process. Something like Facebook (NASDAQ:FB) for procurement.

If Coupa was just another expense software company without a network approach, I wouldn't be as interested. Because it is building a procurement network and growing revenues at an increasing rate, I'm bullish on its IPO, depending of course on valuation.

Although we will have to wait for valuation numbers from the company as it gets closer to its IPO, I would recommend you seriously consider the IPO as and when more information becomes available.

Novan IPO: Don't Go It Alone

Summary

Novan (Pending:NOVN) aims to raise $60 million in gross proceeds from its upcoming IPO. The company has had favorable Phase 2 trial results for its lead candidate nitric oxide gel treatment of adolescent acne.

With an increasingly crowded market of large competitors, Novan may win FDA marketing approval, but have difficulty commercializing its acne treatment amid increasing market noise.

Absent a partnership with a major pharma to help with commercialization, I recommend avoiding the IPO stock.

Company Background

Founded in 2006, Durham, NC-based Novan is a late-stage company developing treatments for five dermatological conditions based on its proprietary nitric oxide platform. Nathan Stasko, PhD is co-founder, CEO and inventor of the company's core technology.

Novan has raised in excess of $100 million in private financings from institutional and individual investors including Ireland-based Malin Life Sciences Holdings and founding investor Neal Hunter.

Technology

Novan has developed a platform it calls NITRICIL that enables the delivery of nitric oxide in precise quantity, location and rate of release. Nitric oxide is believed to operate as an anti-bacterial, anti-viral and anti-fungal treatment to the body's immune system inflammation response to microbial pathogens.

The company is developing a number of drug candidates to treat patients with a variety of skin diseases. It is currently in clinical stage development for three candidates and preclinical stage for two candidates:

(Source: Novan)

Novan's lead candidate, SB204 topical gel for acne vulgaris, has successfully completed Phase 2 clinical trials for adolescents aged 9 to 17, and the company expects pivotal Phase 3 trial top line results in 1H 2017 for its SB204 4% once-daily treatment.

Phase 2 trials indicated that Novan's SB204 4% treatment was its fastest acting treatment, with a "time-to-median reduction of 4.1 weeks [of at least 35% reduction in the number of inflammatory lesions]...compared to 11.6 weeks" for the control.

Market

The market sizes for various conditions that the company hopes to treat are variable. However, the near-term market opportunity is for SB204, Novan's late stage potential treatment for acne.

According to a 2014 GlobalData acne therapeutics market report, the worldwide market size is forecasted to reach $2.8 billion by 2018, representing a CAGR of 3.9%.

The U.S. represents 91% of the worldwide market. GlobalData estimated the 2012 global acne prescription treatment population at 104 million.

The report's author, Heather Leach, said, "Historically, pharmaceutical companies have been reluctant to enter the acne treatment market due to topicals being viewed as inexpensive and providing a poor return on investment."

The rise in disposable income has enabled consumers to spend more on optional personal and cosmetic care treatments. The report cites the introduction of new, novel drugs as the catalyst for market growth after a period of stagnation.

Competition

There are four principal competitors to Novan's acne treatment candidate SB204:

- Valeant Pharmaceuticals (NYSE:VRX): Onexton gel, FDA market approval.
- Allergan (NYSE:AGN): ACZONE gel, FDA market approval.
- Dermira (NASDAQ:DERM): DRM01 topical, completed Phase 2 trials.
- Foamix Pharmaceuticals (NASDAQ:FOMX): Minocycline Foam 4%, FMX101 Phase 3 trials.

Historically, acne has been treated by topical retinoids to stop the narrowing of the follicle and inhibit the inflammatory response that causes acne.

Novan believes that its nitric oxide treatment can be active against acne (and other skin conditions) while avoiding skin dryness, bleaching and irritation of other prescribed treatments.

Financials

Novan is a pre-revenue company and has operating losses as follows:

- 1H 2016: $29.2 million (Unaudited)
- 2015: $25.8 million
- 2014: $11.8 million

It has received approximately $105 million in investment, including its most recent funding of $30.4 million in December 2015. Novan has also received $11.8 million from government research grants and contracts.

Novan had $19.6 million in cash as of June 30, 2016 (Unaudited).

The company does not expect to receive U.S. FDA regulatory for its lead candidate until the end of 2018 at the earliest.

As a result, Novan will need "substantial additional funding" to accomplish the following top priorities:

- SB204 acne treatment Phase 3 clinical trials.
- SB208 genital warts Phase 2 clinical trials.
- Commercialize SB204 acne treatment upon late 2018 FDA approval.

IPO Details and Discussion

Novan wants to raise $60 million in its IPO, at an undetermined share price and valuation.

The company intends to use the IPO proceeds to fund development of its lead candidate SB204 through NDA submission with the U.S. FDA, platform expansion and Phase 2 trials for its SB206 and SB208 candidates and pre-clinical development for its SB414 candidate.

Phase 2 trial results for its lead acne treatment candidate are promising, but there is the pivotal Phase 3 trial now in process, with top line results expected in 1H 2017. Assuming favorable Phase 3 results, Novan will have a differentiated approach to a common problem.

Even with a successful treatment approach, the company faces significant competition from large incumbents such as Valeant and Allergan, both of whom have FDA approved products in the market.

Additionally, there are two other companies with late-stage development acne treatments, Dermira and Foamix.

Novan may have an efficacious acne treatment on its hands, but have a hard time commercializing it due to the increased noise from several publicly-held competitors with approved and possibly soon-to-be-approved treatments.

The company is hedging its bets by developing other nitric oxide treatment candidates which is smart, but any IPO investment now is really a bet on its acne treatment.

I'm concerned less about the treatment's efficacy and more about Novan's ability to successfully commercialize it in an increasingly crowded and competitive market. Going up against new treatments from large and established pharmaceuticals is a tough prospect.

If Novan announced a major partnership with a top-tier pharma firm that could provide commercialization support, I might be more inclined to recommend the IPO stock. In the absence of that, I'm negative on the IPO stock opportunity.

It's Time To Trade The Trade Desk's IPO

Summary

The Trade Desk provides a programmatic advertising buying platform for agencies and brands.

TTD has announced its IPO pricing range at a 3.2x my projected sales valuation.

The IPO is a compelling buy opportunity for this fast-growing company.

The Trade Desk (Pending:TTD) is a programmatic advertising platform provider aimed at advertising agencies and brand marketers.

I recently analyzed the company and its prospective IPO offering in my piece entitled *The Trade Desk Is A High Growth IPO Candidate*.

At the time of writing, the company had not announced a price range for its IPO. Now it has provided an expected price range in its most recent S-1/A filing and it has come in significantly lower than my recommendation, making it a compelling buy.

The offering will be for 4.66 million shares at between $14.00 and $16.00 per share of Class A common stock, subject to a 700,000 additional share over-allotment available to the underwriters.

If TTD prices its IPO at the midpoint of the proposed range, it will generate gross proceeds of approximately $80.4 million, valuing the company at around $573 million.

The reason for the divergence of valuation between my previous $1 billion valuation and the company's IPO price range is effectively a difference in the forward price/sales valuation multiple.

My valuation of $1 billion assumed a 7x forward sales valuation, given the company's high revenue growth trajectory.

TTD's 2015 revenues of $114 million were 2.5x that of 2014's $44.5 million.

However, at my forward revenue projection for 2016 of $175 million, the company is apparently valuing itself at only 3.2x projected sales.

TTD has significant competition, such as AOL (NYSE:VZ), DataXu, Turn, AppNexus and Google (NASDAQ:GOOG) (NASDAQ:GOOGL).

TTD's solution came in third in a Forrester survey of the top nine programmatic platforms, behind only AOL and DataXu.

Given TTD's high revenue growth rate, 95% client retention rates and increasing client spend combined with the larger macro-industry shift to programmatic advertising, this is a bargain IPO stock and I reiterate my previous buy recommendation.

While its two-tier stock structure won't give Class A holders much in the way of voting power, acquiring a company that is growing faster than a rapidly growing industry segment at only 3.2x projected sales is a compelling proposition.

It's time to make the trade to The Trade Desk.

The Everbridge IPO Doesn't Communicate Well

Summary

Everbridge (Pending:EVBG) provides a mass notification and related communications software platform to enterprises and governments worldwide.

The global mass notification market is projected to grow at a CAGR of 18.4% through 2021, reaching $9.69 billion.

While Everbridge provides a suite of offerings and is growing, its growth appears capital inefficient and not what I would expect from a small player with such a large addressable opportunity.

I don't recommend the IPO stock at this time.

Company Background

Everbridge was founded in 2002 and has developed a global unified communications platform for enterprises and organizations that enables them to communicate with employees and other stakeholders during a critical event and regardless of where the intended recipient is.

The company's Chairman and CEO is Jaime Ellertson and has been with the firm since 2011, when his previous company CloudFloor was acquired by the firm.

Everbridge says it has more than 3,000 clients worldwide and delivered 1.1 billion messages to more than 100 million contacts in 2015 across 100+ different devices in 200 countries.

Technology

Everbridge's technology is a real-time alert management platform that allows each organization to create a rules-based communications system customized for its own employee and stakeholder community.

In the event of an emergency, the system utilizes all available avenues of communication such as SMS, email, voice, chat and other methods to continue to contact each recipient until they confirm receipt of the message.

Notably, the City of Boston used Everbridge's system for its emergency communications immediately after the Boston Marathon bombings in 2013.

(Source: Everbridge YouTube)

The company provides its system as a suite of modules:

- Safety Connection
- Mass Notification
- Incident Management
- IT Alerting
- Secure Messaging
- Community Engagement

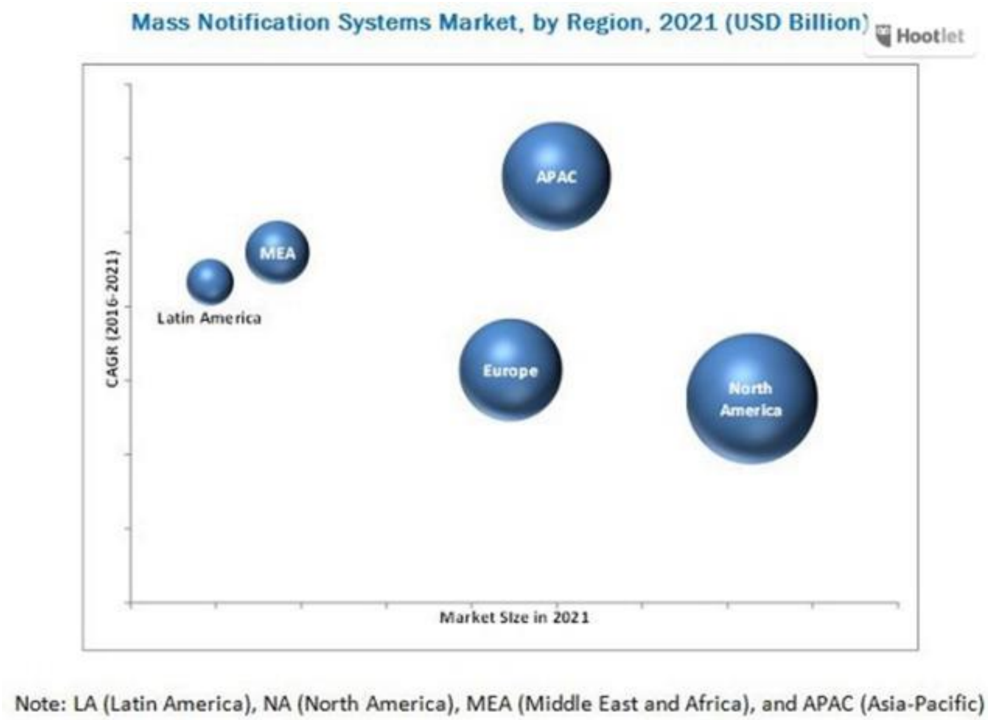
In addition, Everbridge sells professional services to help clients with custom integration requirements.

Market

Everbridge is focused on selling its communications capabilities to the following verticals:

Government & Public Safety Healthcare Information Technology Corporate & Global Enterprise Higher Education Transportation

According to a July 2016 market analysis on the Mass Notification Systems sector, the worldwide market is expected to more than double from $4.16 billion in 2016 to $9.69 billion in 2021, a CAGR (Compound Annual Growth Rate) of 18.4%.



(Source: Markets and Markets)

The report indicates that North America presents the largest single market, followed by the regions of Europe and APAC. The "MEA" region of Middle-East and Africa is forecasted to be the next largest market with Latin America in last place among the major world regions.

Competition

The market for mass notification solutions is extremely fragmented, with many vendors providing a single product or focused on a single market segment.

Everbridge cites a variety of competitors, each based on its different service modules. Some of the more well-known names for its mass notification system are:

- Nuance Communications (NASDAQ:NUAN)
- BlackBerry (NASDAQ:BBRY)
- SunGard Data Systems
- xMatters

Everbridge's competitive differentiator is that it provides a suite of interoperable capabilities that clients can choose from as their needs change.

Having a suite of communication options to offer clients is also favorable from a cross-selling standpoint. Successful SaaS providers are noted for their ability to increase and maximize revenues from each customer, which also aids in long term retention.

Financials

Revenues

Everbridge has shown solid revenue growth for its recent reporting periods:

- 1H 2016: $35.6 million, 30% YoY increase
- 2015: $58.7 million, 38% YoY increase
- 2014: $42.4 million, 41% YoY increase
- 2013: $30.0 million, 30% YoY increase
- 2012: $23.3 million

Of concern is the apparent slowing revenue growth rate since 2015, especially in light of increasing operating expense as detailed below.

Gross Margin

Gross margins have remained high, in a range of 66% to 71% over the past five years.

- 1H 2016: 69%
- 2015: 66%
- 2014: 71%
- 2013: 71%
- 2012: 67%

In 2015, the company's operating expenses ballooned to 84% of revenues vs. previous years typical 73% results. 2016's operating expense was 85%, so it appears the company is continuing to rapidly add employees.

Cash Flow From Operations has fluctuated as follows:

- 2015: $4.45 million
- 2014: $7.72 million
- 2013: $3.99 million

However, outside of the CFFO calculation, the company refers to a material use of funds as "Investing Activities", which includes investing in software development for its system.

So the positive CFFO numbers are really not that impressive, since they don't include cash required to continue upgrading its software, a central component of its continued competitive position.

Everbridge had $1 million in cash as of June 30, 2016 (unaudited).

IPO Details and Discussion

Everbridge plans to sell 6.25 million shares and its selling stockholders want to sell 1.25 million shares in an expected price range of between $11 and $13 per share, subject to the usual over-allotments to the underwriters, for gross expected proceeds of $90 million.

The company says it will use $11.6 million of the proceeds to pay all outstanding principal and interest on its revolving line of credit and term loan. It will have approximately $4 million in debt after the retirement of these facilities. The remainder of the proceeds will be used for general corporate purposes and potential acquisitions.

Everbridge has earned significant customer wins in the sectors that it operates in, providing its SaaS solution to some of the largest companies in banking, consulting, automobile manufacturers, accounting firms, healthcare providers and large U.S. cities and U.S. airports.

It also touts a 112% revenue retention rate, which is one measure of its ability to retain and upsell customers, a critical aspect of any subscription software service business.

However, the company hasn't really articulated a differentiated growth trajectory. It appears to have made some small acquisitions in recent years to expand its capabilities in certain areas and geographies, but its discussion of where it wants to take the business is perfunctory.

Its year over year revenue growth as a percentage is dwindling, from 41% YoY in 2014 to 30% in 1H 2016. Given that it has ramped up hiring in 2015, resulting in a dramatic increase in operating expenses vs. revenues, we should have seen better revenue growth results in 1H 2016.

Lastly, its positive CFFO performance, when looked at more closely, doesn't include costs to upgrade its software. With those costs included, the CFFO drops dramatically.

While the global market for mass notification systems is growing quickly and Everbridge has a suite of offerings to address it, I'm concerned about their revenue growth trend despite increasing operating expenses, which indicates capital inefficient management.

I do not recommend acquiring this IPO stock.

Thar Pharmaceuticals Is A Capital Efficient Pain Drug IPO Candidate

Summary

Founded in 2006, Thar Pharmaceuticals (Pending:THAR) is a clinical stage biopharmaceutical firm that is developing a treatment for the management complex regional pain syndrome, CRPS.

The company is pursuing a capital efficient development and regulatory approach to target a large potential c hronic pain market.

With no apparent direct competition and a head start on a promising treatment candidate, I would consider buying the IPO stock if offered at a company valuation of $200 million.

Company Background

Pittsburgh, Pennsylvania-based Thar Pharmaceuticals was spun out from Thar Technologies in order to transform IV-delivered drugs into oral drugs.

Company CEO is Raymond Houck, previously of Automated Cell and Suprex. Mr. Houck has over 25 years experience in the chemistry and biotech industries.

Thar aims to repurpose existing drugs as well as their delivery via its Enhance chemistry technology that it says solves "clinical limitations such as bioavailability, safety, efficacy and stability". The system impacts the absorption of drug delivery approaches, but does not change the "distribution, metabolism or excretion of the drug."

The company is using the U.S. FDA's 505(b)(2) new regulatory pathway, which reviews already-approved drugs with small changes to them and via a bridging study enables the new drug version to be approved more quickly and less costly than a standard 505(b)(1) approach. If done correctly, these 'new' drugs can make it to market in as little as three years.

Technology

Thar's lead candidate is T121, an orally delivered form of IV-only zoledronic acid, currently marketed as Zometa by Novartis.

Zometa is frequently used as a support medication for patients undergoing chemotherapy who experience tumor-induced hypercalcemia or other advanced malignancies involving bone.

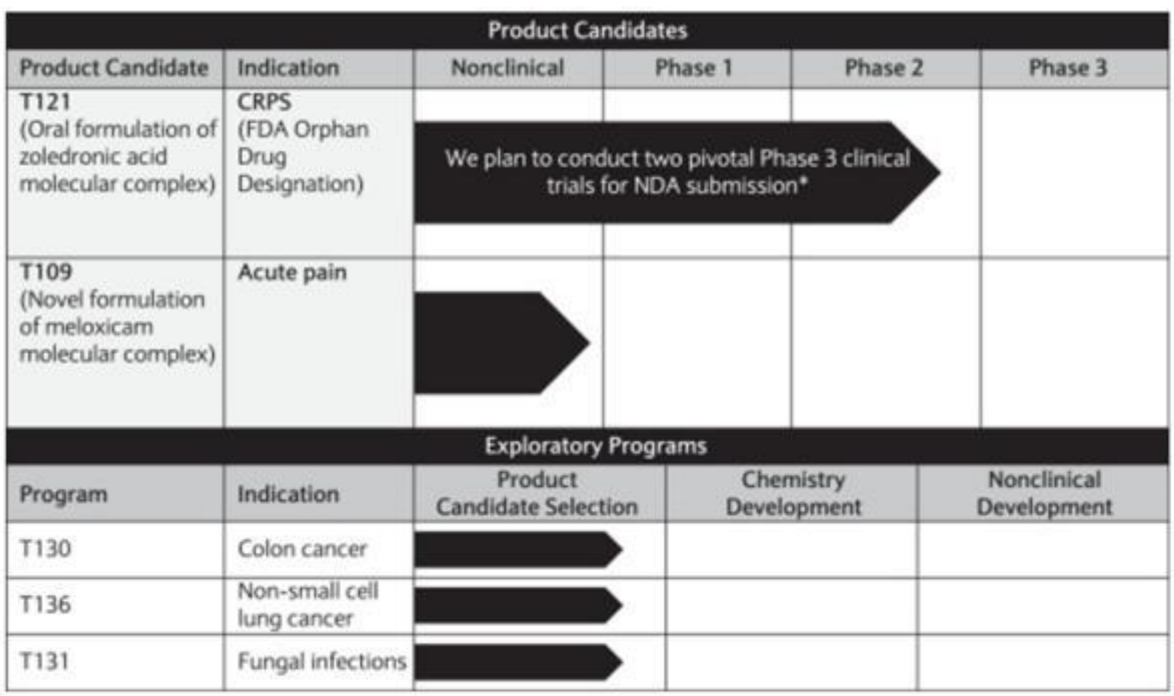
Thar is attempting via its "Enhance" technology platform to re-purpose zoledronic acid for the treatment of complex regional pain syndrome, or CRPS.

Being able to deliver a CRPS treatment orally promises to increase patient compliance and convenience.

The company says it has been granted orphan drug designation by the U.S. FDA and "granted composition-of-matter protection IP until 2030 with extensions to 2035 pending." T121 is currently in Phase 3 program status, with multisite clinical trials expected to be initiated in Q1 2017.

Thar also says that its T109 acute pain candidate is in preclinical development. This drug is being repurposed from a chronic pain treatment to a fast-acting acute pain option for patients experiencing back pain, dysmenorrhea or post-operative pain.

Thar Pharmaceuticals drug pipeline:



Product Candidates					
Product Candidate	Indication	Nonclinical	Phase 1	Phase 2	Phase 3
T121 (Oral formulation of zoledronic acid molecular complex)	CRPS (FDA Orphan Drug Designation)	We plan to conduct two pivotal Phase 3 clinical trials for NDA submission*			
T109 (Novel formulation of meloxicam molecular complex)	Acute pain				

Exploratory Programs				
Program	Indication	Product Candidate Selection	Chemistry Development	Nonclinical Development
T130	Colon cancer			
T136	Non-small cell lung cancer			
T131	Fungal infections			

(Source: Thar Pharmaceuticals S-1 Filing)

Market

According to a 2015 market research report by Life Science Industry Research, pain the leading cause of disability in the U.S., affecting more people than heart disease, diabetes and cancer combined. The global pain market size exceeded $50 billion in 2013 and is expected to grow.

In the U.S. alone, nearly 80,000 people are diagnosed each year with CRPS, which is defined as a loss of motor function with changes in skin color and severe extremity pain.

Thar says there are 4,000 pain specialists in the U.S. and if T121 is approved, it will market to these pain specialists via a 50-person direct sales force.

Upon U.S. FDA approval, the company also intends to pursue registration of T121 in the European Union in order to pursue further geographic expansion.

Competition

Currently, the FDA has not approved any pharmacological therapies specifically for CRPS, although physicians prescribe a number of off-label therapies in order to help patients with unmanageable pain.

Thar said that as part of its market research, it surveyed 100 CRPS-treating physicians and 13 commercial third-party payors.

The results of the survey "indicated a significant unmet need for more effective management of pain associated with CRPS, as none of the current therapies used off label consistently provide meaningful analgesic relief."

However, since the company is pursuing the streamlined FDA 505(b)(2) regulatory pathway, it is reasonable to assume that any success will be quickly followed by other market participants.

Financials

Thar has received $17.2 million in equity and debt investment to-date.

The company has generated $200,000 in research contract revenue and says any near-term revenues will be from this research contract, which in my view will likely be minimal vs. its capital requirements.

As of June 30, 2016, Thar had $1.46 million in cash, $5.4 million in debt and an accumulated deficit of $17 million. A portion of the debt is valued based on the fluctuating enterprise value of the company, and is convertible into equity at a later date.

An accumulated deficit of only $17 million is fairly low, especially when compared to other pre-IPO, mid-stage biopharma drug developers. It is not uncommon to see deficits in the $50 million to $80 million range due to much higher development costs.

I attribute this to the company's capital efficient approach of repurposing existing drug compounds and pursuing approval through the streamlined FDA 505(b)(2) pathway.

IPO Details and Discussion

Thar Pharmaceuticals wants to raise $50 million in an IPO to fund development of its T121 CRPS pain treatment and to begin commercialization in the U.S.

The company intends to initiate pivotal Phase 3 trials in Q1 2017 for its T121 candidate.

We won't know until later in 2017 whether T121 will succeed in clinical trials. So the question is whether this stock will be a good buy upon IPO, especially given the company's statements that it will need further capital to fully commercialize its product portfolio.

Thar has not provided an IPO valuation in its S-1 filing. However, recent biopharma IPOs have retained their value with market caps in the range of $150 million to $300 million.

The company has shown an ability to navigate a relatively new regulatory process and has the potential to quickly bring to market a needed pain treatment. Management has identified the target physician universe and has concrete plans to sell direct.

Given Thar's capital efficient development and regulatory approach, large CRPS chronic pain market potential and no apparent direct competition, I would look favorably on the IPO stock with a valuation of $200 million.