

## Athenex Inc. (ATNX - \$16.19)

### 4Q17: All Eyes are Focusing on 3Q18 with Two Critical Phase III Data Readouts

This morning, ATNX reported 4Q17 financial results with a net loss of (\$28.0MM) vs. Laidlaw (\$26.4MM) and the Street (\$2.1MM) estimates. Net loss/share was (\$0.49) vs. (\$0.47) for Laidlaw and \$0.39 for the Street. Combined with the recent offering of \$68MM, we estimate ATNX currently should have cash of ~\$85MM (proforma) excluding the \$30MM upfront payments from Almirall, which to be recognized in 1Q18, enough to support its operations into 2H19, in our opinion.

- Oraxol in mBC Phase III trial 2<sup>nd</sup> interim data readout on track.** Management indicated that the 2<sup>nd</sup> interim data readout by the DSMB of the Oraxol in mBC Phase III trial is on track in 3Q18. Recall that the Phase III (KX-ORAX-001) study will enroll 360 mBC patients with primary endpoint of potentially superior ORR vs. IV paclitaxel. The second interim analysis will be triggered once 180 patients have received four months of treatment. ATNX reported the completion of enrollment of the 180<sup>th</sup> patient in mid-February. In addition, the clinical study in China is also underway. A recently enacted regulation in China potentially permits clinical data from ex-Chinese studies to be used for approval filings in China. It will be interesting to monitor the developments on both sides of the Pacific whether this new regulatory environment could possibly accelerate Oraxol's filing process in China.
- KX-01 development updates.** ATNX also indicated that the patient enrollment of KX-01 in actinic keratosis Phase III study is on track for data readout in 3Q18. We remain confident that the Phase III trial readout could be on par with the recently reported (at the AAC meeting) Phase II outcome, and if so, we believe there is a high likelihood of approval.
- Revenue guidance of \$100MM-\$125MM in 2018.** ATNX's revenue guidance includes the potential \$55MM payments from the Almirall partnership, with the first \$30MM to be recognized in 1Q18. The guidance, we believe, also suggests a very healthy growth of the APD and APS sales as they are continuing to add new products to their offering. As such, we project the commercial business could have a 78%+ Y/Y growth in 2018.
- Action.** We are reiterating our Buy rating and our target price of \$38 to reflect our bullish view on two promising lead late stage products and multiple potentially positive catalysts over the next 12 months. Our valuation is based on peer comparable, probability adjusted DCF and sum-of-the-parts analyses.

### Earnings Estimates: (per share)

(Dec)	1Q	2Q	3Q	4Q	FY	P/E
<b>FY-18E</b>	-0.05	-0.54	-0.50	-0.10	-1.37	NM
<b>FY-17A</b>	-1.01	-0.88	-0.41	-0.49	-2.63	NM
<b>FY-16A</b>	-0.27	-0.31	-0.61	-0.96	-2.19	NM
<b>FY-15A</b>	N.A.	N.A.	N.A.	N.A.	-1.50	NM

Source: Laidlaw & Company estimates

### Healthcare/Biotechnology

Ticker:	<b>ATNX</b>
Rating:	<b>Buy</b>
Price Target:	<b>\$38.00</b>

### Trading Data:

Last Price (3/23/2018)	\$16.19
52-Week High (7/5/2017)	\$20.79
52-Week Low (6/14/2017)	\$11.21
Market Cap. (MM)	\$921
Shares Out. (MM)	57.24

### Yale Jen, Ph.D.

Managing Director /  
Senior Biotechnology Analyst  
(212) 953-4978  
yjen@laidlawltd.com

FOR ANALYST CERTIFICATION AND DISCLOSURES, PLEASE SEE DISCLOSURES SECTION AT THE END OF THIS REPORT. This report has been prepared by Laidlaw & Co (UK), Ltd. Investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision. All prices are those current at the end of the previous trading session unless otherwise indicated. Prices and consensus estimates are sourced from a reliable market source

**Table 1: Estimated and reported 4Q17 results**

<b>4Q17 Estimates and Reported Results</b>			
<b>(\$,000)</b>	<b>Laidlaw Estimate</b>	<b>Actual</b>	<b>Consensus</b>
<b>Total revenue</b>	<b>\$11,950</b>	<b>\$14,873</b>	<b>\$28,500</b>
<b>Total op. profit (loss)</b>	<b>(\$19,631)</b>	<b>(\$28,356)</b>	<b>\$1,500</b>
R&D	\$12,900	\$20,848	
SG&A	\$10,675	\$12,317	
<b>EPS</b>	<b>(\$0.47)</b>	<b>(\$0.49)</b>	<b>\$0.39</b>
Net income (loss)	(\$26,442)	(\$28,017)	(\$2,100)

Source: Bloomberg, SEC filings and Laidlaw and Co.

## Anticipated milestones in 2018 and beyond

Product	Indication	Event	Timing	Importance
Oraxol	Metastatic breast cancer	Potential second interim (n=180) Phase III trial data readout	Mid- to 3Q18	****
		Potential topline Phase III trial data readout	4Q19	****
KX-01	Actinic keratosis (AK)	Potential topline Phase III trial data readout	Mid- to 3Q18	****
		Potential NDA filing	2H18	***
		Potential approval	2H19	****
Additional pipeline development of the Orascovery platform	Oncology	Potentially advancing into Phase I studies	2018	***

\*\*\*\* / \*\*\*\*\* Major catalyst event that could impact share price very significantly while \*\*\* event is more informative

Source: Laidlaw & Company estimates and company presentation.

## Major risks

---

**Clinical study failure could have a major negative impact on ATNX share value.** Despite ATNX's two lead products have demonstrated different degrees of promising efficacy and safety, clinical risks remain for either drug or future pipeline products as they might fail in the late stage clinical trials. For Oraxol, it is still too early to determine whether the drug can demonstrate a better safety or more efficacious vs. IV paclitaxel given the superiority in ORR is the primary endpoint of the Phase III trial. Further, the outcome might not be available until the topline data readout later unless the DSMB has decided to un-blind the results. Although the risk-reward profile of KX-01 in AK could be more favorable with reported positive Phase II results, it remains possible that the Phase III trial fails due to recognized and unidentifiable factors. Since the major value drivers for drug development company is the success of late stage clinical trials and drug approvals by regulatory agencies, unable to achieve such goal would usually impair the share value very significantly.

**Commercial risks remain difficult to handicap.** Although the potential benefits of ATNX's products in development can be easily recognized and appreciated, it is still too early to determine their commercial potential more accurately. For Oraxol, the balance between the safety and efficacy would likely to determine uptake of the drug by physicians and patients. A safer but less robust medication might not gain greater market shares since eradication of cancer cells remain the main objective of a cancer therapy. In addition, various types of modified chemotherapies are in development globally, while novel non-chemo treatment modalities are coming to the market. Such rapidly evolving cancer treatment market could further limit the market expansion of Oraxol. For KX-01, given the current AK topical treatment market has multiple lower cost medications available, it might be challenging for a more premium-priced product to gain greater market shares despite the drug might be better overall. Together, if the company's sales substantially fall short, we believe shareholder disappointment could negatively impact the company's valuation.

**Yet-to-be-clinically-validated technology platforms could impact on future pipeline developments.** Although ATNX's two technology platforms: Orascovey and Src kinase inhibition, have helped to create promising drug candidates currently in development, it remains too early to judge the validity of the platform of whether they can generate approvable clinical therapeutics. If such validation cannot be achieved, the value of these platforms could be in question. Such scenario can also diminish shareholder value.

**Commercial infrastructure might not create high margin for ATNX unless it starts selling proprietary products.** Although ATNX's commercial infrastructure could provide positive strategic value near term as well as later when the company's proprietary products are approved and launched, it remains uncertain as whether this scenario could be realized in a reasonable timeframe. If proprietary high margin products are not available for long period, the valuation

metric of the company could be shifted to the lower multiples specialty pharma group. As such, the shareholders might not gain the potential upsides anticipated.

**Additional financings could dilute shareholder value.** The company had ~\$85MM (proforma) total cash currently. As such, ATNX would most likely need more financial resources going forward if they want to expand and further develop their pipeline unless the company can successfully explore non-dilutive financial sources. With additional equity offerings, the value of current shareholder might be reduced unless the share price increase if the upsides created due to greater financial source could offset the dilution of current shareholders.

Figure 1: Income Statement

Athenex Inc. – Income Statement																			
(\$'000)	2015	2016	2017				2017	2018				2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E
			1Q17	2Q17	3Q17	4Q17		1Q18E	2Q18E	3Q18E	4Q18E								
<b>Revenue</b>																			
Oraxol revenues														95,430	222,146	385,352	574,494	775,746	959,574
KX-01 in actinic keratosis revenues														12,682	33,440	52,890	71,198	92,785	114,401
<b>Total proprietary product revenues</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	<b>108,112</b>	<b>255,586</b>	<b>438,242</b>	<b>645,692</b>	<b>868,530</b>	<b>1,073,975</b>
Other product revenues	12,816	19,394	3,900	4,416	13,662	14,128	36,106	15,117	15,722	16,351	16,841	64,030	69,793	72,585	75,488	78,507	81,648	84,914	88,310
License fees and consulting revenue	314	392	598	98	60	349	1,105	30,110	120	125	25,130	55,485	501	511	521	532	542	553	564
Grant revenue	814	765	83	81	272	396	832	380	480	520	580	1,960	330	337	340	343	347	350	
<b>Total revenue</b>	<b>13,944</b>	<b>20,551</b>	<b>4,581</b>	<b>4,595</b>	<b>13,994</b>	<b>14,873</b>	<b>38,043</b>	<b>45,607</b>	<b>16,322</b>	<b>16,996</b>	<b>42,551</b>	<b>121,475</b>	<b>70,624</b>	<b>181,541</b>	<b>331,932</b>	<b>517,621</b>	<b>728,226</b>	<b>954,344</b>	<b>1,163,200</b>
<b>COGS</b>	<b>13,153</b>	<b>19,718</b>	<b>2,839</b>	<b>4,137</b>	<b>8,082</b>	<b>10,064</b>	<b>25,122</b>	<b>12,547</b>	<b>12,892</b>	<b>13,244</b>	<b>13,473</b>	<b>52,156</b>	<b>55,834</b>	<b>58,075</b>	<b>60,406</b>	<b>62,829</b>	<b>65,349</b>	<b>67,971</b>	<b>70,696</b>
<b>Total gross profit</b>	<b>791</b>	<b>833</b>	<b>1,742</b>	<b>458</b>	<b>5,912</b>	<b>4,809</b>	<b>12,921</b>	<b>33,060</b>	<b>3,430</b>	<b>3,752</b>	<b>29,078</b>	<b>69,320</b>	<b>14,790</b>	<b>123,466</b>	<b>271,526</b>	<b>454,792</b>	<b>662,876</b>	<b>886,373</b>	<b>1,092,504</b>
Research and development	24,463	60,624	26,408	17,597	11,944	20,848	76,797	23,141	24,298	22,111	21,426	90,977	106,443	110,701	129,520	138,587	144,130	139,806	125,826
Selling, general, and administrative expenses	27,036	25,956	9,799	13,632	10,364	12,317	46,112	12,687	13,067	13,459	13,863	53,076	57,852	74,051	79,235	83,196	87,356	91,724	96,310
<b>Total operating expenses</b>	<b>51,499</b>	<b>86,580</b>	<b>36,207</b>	<b>31,229</b>	<b>22,308</b>	<b>33,165</b>	<b>122,909</b>	<b>35,828</b>	<b>37,365</b>	<b>35,571</b>	<b>35,289</b>	<b>144,053</b>	<b>164,296</b>	<b>184,752</b>	<b>208,755</b>	<b>221,783</b>	<b>231,486</b>	<b>231,530</b>	<b>222,136</b>
<b>Operating Incomes (losses)</b>	<b>(50,708)</b>	<b>(85,747)</b>	<b>(34,465)</b>	<b>(30,771)</b>	<b>(16,396)</b>	<b>(28,356)</b>	<b>(109,988)</b>	<b>(2,768)</b>	<b>(33,936)</b>	<b>(31,819)</b>	<b>(6,211)</b>	<b>(74,733)</b>	<b>(149,506)</b>	<b>(61,286)</b>	<b>62,771</b>	<b>233,009</b>	<b>431,390</b>	<b>654,842</b>	<b>870,368</b>
<b>Other Income/(Expense)</b>																			
Interest expense (income)	1	1,891	2,376	3,281	353	98	6,108	140	125	110	98	473	520	572	630	693	762	838	922
Unrealized loss on derivative liability	0	533	4,276	4,587	6,548	0	15,411	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total other income (expense), net</b>	<b>1</b>	<b>2,424</b>	<b>6,652</b>	<b>7,868</b>	<b>6,901</b>	<b>98</b>	<b>21,519</b>	<b>140</b>	<b>125</b>	<b>110</b>	<b>98</b>	<b>473</b>	<b>520</b>	<b>572</b>	<b>630</b>	<b>693</b>	<b>762</b>	<b>838</b>	<b>922</b>
<b>Pretax income</b>	<b>(50,709)</b>	<b>(88,171)</b>	<b>(41,117)</b>	<b>(38,639)</b>	<b>(23,297)</b>	<b>(28,454)</b>	<b>(131,507)</b>	<b>(2,908)</b>	<b>(34,061)</b>	<b>(31,929)</b>	<b>(6,309)</b>	<b>(75,206)</b>	<b>(148,986)</b>	<b>(60,714)</b>	<b>63,401</b>	<b>233,701</b>	<b>432,152</b>	<b>655,680</b>	<b>871,290</b>
Tax on income	(54)	(265)	(92)	29	11	137	85	23	25	26	29	103	100	110	(23,458)	(186,469)	(159,896)	(242,602)	(322,377)
<b>Net Income (Loss)</b>	<b>(50,655)</b>	<b>(87,906)</b>	<b>(41,025)</b>	<b>(38,668)</b>	<b>(23,308)</b>	<b>(28,395)</b>	<b>(131,396)</b>	<b>(2,931)</b>	<b>(34,086)</b>	<b>(31,955)</b>	<b>(6,338)</b>	<b>(75,309)</b>	<b>(149,086)</b>	<b>(60,824)</b>	<b>86,859</b>	<b>320,171</b>	<b>592,048</b>	<b>898,282</b>	<b>1,193,667</b>
net loss attributable to non-controlling interests	(55)	(191)	(37)	(43)	(34)	(112)	(226)	(41)	(42)	(39)	(40)	(162)	(161)	(163)	(166)	(168)	(169)	(169)	(171)
<b>Net loss attributable to Athenex</b>	<b>(50,600)</b>	<b>(87,715)</b>	<b>(40,988)</b>	<b>(38,625)</b>	<b>(23,274)</b>	<b>(28,283)</b>	<b>(131,170)</b>	<b>(2,890)</b>	<b>(34,044)</b>	<b>(31,916)</b>	<b>(6,298)</b>	<b>(75,147)</b>	<b>(148,925)</b>	<b>(60,661)</b>	<b>87,023</b>	<b>320,337</b>	<b>592,215</b>	<b>899,421</b>	<b>1,193,838</b>
Unrealized gain (loss) on investment, net of income taxes	91	(33)	3	(37)	4	4	(26)	1	2	2	4	9	8	8	8	8	8	8	8
Foreign currency translation adjustment, net of income taxes	(397)	(1,048)	499	181	242	262	1,184	200	210	197	194	801	915	924	933	943	952	962	971
<b>Net Income (Loss)</b>	<b>(50,906)</b>	<b>(88,796)</b>	<b>(40,486)</b>	<b>(38,481)</b>	<b>(23,028)</b>	<b>(28,017)</b>	<b>(130,012)</b>	<b>(2,689)</b>	<b>(33,832)</b>	<b>(31,717)</b>	<b>(6,100)</b>	<b>(74,337)</b>	<b>(148,002)</b>	<b>(59,729)</b>	<b>87,965</b>	<b>321,288</b>	<b>593,176</b>	<b>899,421</b>	<b>1,194,818</b>
Basic and diluted net loss per share	(\$1.50)	(\$2.19)	(\$1.01)	(\$0.88)	(\$0.41)	(\$0.49)	(\$2.63)	(\$0.05)	(\$0.54)	(\$0.50)	(\$0.10)	(\$1.37)	(\$2.44)	(\$0.99)	\$1.40	\$5.13	\$9.41	\$14.16	\$18.67
Shares outstanding: basic and undiluted	33,766	40,121	40,693	43,741	57,135	58,275	49,961	63,040	63,340	63,640	63,890	54,961	60,961	61,461	61,961	62,461	62,961	63,461	63,961
<b>Margin Analysis (% of Sales/Revenue)</b>																			
Costs of goods	94%	96%	62%	90%	58%	68%	66%	83%	82%	81%	80%	43%	80%	32%	18%	12%	9%	7%	6%
R&D	175%	295%	576%	383%	85%	140%	202%	51%	149%	130%	50%	75%	151%	61%	39%	27%	20%	15%	11%
SG&A	194%	126%	214%	297%	74%	83%	121%	28%	80%	79%	33%	44%	82%	41%	24%	16%	12%	10%	8%
Operating Income (loss)	-364%	-417%	-752%	-670%	-117%	-191%	-289%	-6%	-208%	-187%	-15%	-62%	-212%	-34%	19%	45%	59%	69%	75%
Pretax	-364%	-429%	-898%	-841%	-166%	-191%	-346%	-6%	-209%	-188%	-15%	-62%	-211%	-33%	19%	45%	59%	69%	75%
Tax Rate	37%	37%	37%	37%	37%	37%	37%	37%	37%	37%	37%	37%	37%	37%	37%	37%	37%	37%	37%
Net Income	-363%	-427%	-895%	-841%	-166%	-190%	-345%	-6%	-209%	-188%	-15%	-62%	-211%	-33%	26%	62%	81%	94%	103%
<b>Financial Indicator Growth Analysis (YoY%)</b>																			
Total Revenue	47%	-1%	-12%	149%	191%	85%	896%	255%	21%	186%	219%	-42%	157%	83%	56%	41%	31%	22%	
Gross Profit	5%	258%	28%	2856%	-2358%	1451%	1798%	649%	-37%	505%	436%	-79%	735%	120%	67%	46%	34%	23%	
Cost of Goods	50%	-31%	-14%	49%	89%	27%	342%	212%	64%	34%	108%	7%	4%	4%	4%	4%	4%	4%	
R&D	148%	291%	104%	-34%	-23%	27%	-12%	38%	85%	3%	18%	17%	4%	7%	4%	4%	-3%	-10%	
SG&A	-4%	126%	58%	53%	20%	78%	29%	-26%	30%	13%	15%	9%	28%	7%	5%	5%	5%	5%	
Operating Income (Losses)	68%	227%	136%	-10%	-11%	42%	-1%	20%	59%	6%	17%	14%	12%	13%	6%	4%	0%	-4%	
Pretax Income	74%	290%	199%	-5%	-29%	49%	-93%	-12%	37%	-78%	-43%	98%	-59%	-204%	269%	85%	52%	33%	
Net Income	74%	280%	202%	-7%	-31%	46%	-93%	-12%	38%	-78%	-43%	99%	-60%	-247%	265%	85%	52%	33%	
EPS	46%	269%	183%	-33%	-50%	20%	-95%	-39%	23%	-80%	-48%	79%	-60%	-242%	265%	83%	51%	32%	

Yale Jen, Ph.D. 212-953-4978

Source: Bloomberg LP; Company reports; Laidlaw & Company estimates.

## DISCLOSURES:

### ANALYST CERTIFICATION

The analyst responsible for the content of this report hereby certifies that the views expressed regarding the company or companies and their securities accurately represent his personal views and that no direct or indirect compensation is to be received by the analyst for any specific recommendation or views contained in this report. Neither the author of this report nor any member of his immediate family or household maintains a position in the securities mentioned in this report.

### EQUITY DISCLOSURES

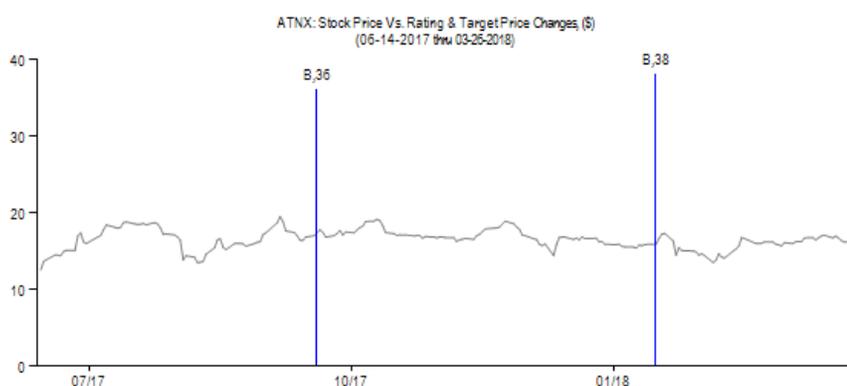
For the purpose of ratings distributions, regulatory rules require the firm to assign ratings to one of three rating categories (i.e. Strong Buy/Buy-Overweight, Hold, or Underweight/Sell) regardless of a firm's own rating categories. Although the firm's ratings of Buy/Overweight, Hold, or Underweight/Sell most closely correspond to Buy, Hold and Sell, respectively, the meanings are not the same because our ratings are determined on a relative basis against the analyst sector universe of stocks. An analyst's coverage sector is comprised of companies that are engaged in similar business or share similar operating characteristics as the subject company. The analysis sector universe is a sub-sector to the analyst's coverage sector, and is compiled to assist the analyst in determining relative valuations of subject companies. The composition of an analyst's sector universe is subject to change over time as various factors, including changing market conditions occur. Accordingly, the rating assigned to a particular stock represents solely the analyst's view of how that stock will perform over the next 12-months relative to the analyst's sector universe.

*Additional information available upon request.*

# Laidlaw & Co (UK) Ltd. has not provided any investment banking services for the company (ies) mentioned in this report over the last 12 months.

### RATINGS INFORMATION

#### Rating and Price Target Change History



#### 3 Year Rating Change History

Date	Rating	Closing Price (\$)
09/19/2017	Buy (B )	17.42

#### 3 Year Price Change History

Date	Target Price (\$)	Closing Price, (\$)
09/19/2017	36.00	17.42
01/16/2018	38.00	15.95

Source: Laidlaw & Company

Created by: Blue-Compass.net

Laidlaw & Company Rating System*		% of Companies Under Coverage With This Rating	% of Companies for which Laidlaw & Company has performed services for in the last 12 months	
			Investment Banking	Brokerage
<b>Strong Buy (SB)</b>	Expected to significantly outperform the sector over 12 months.	0.00%	0.00%	0.00%
<b>Buy (B)</b>	Expected to outperform the sector average over 12 months.	65.38%	26.92%	3.85%
<b>Hold (H)</b>	Expected returns to be in line with the sector average over 12 months.	0.00%	0.00%	0.00%
<b>Sell (S)</b>	Returns expected to significantly underperform the sector average over 12 months.	0.00%	0.00%	0.00%

### ADDITIONAL COMPANIES MENTIONED

Almirall SA (ALM – Not Rated)

### ADDITIONAL DISCLOSURES

As of the date of this report, neither the author of this report nor any member of his immediate family or household maintains an ownership position in the securities of the company (ies) mentioned in this report.

This report does not provide individually tailored investment advice and has been prepared without regard to the individual financial circumstances and objectives of persons who receive it. Laidlaw & Co (UK), Ltd. recommends that investors independently evaluate particular investments and strategies, and encourages investors to seek the advice of a financial adviser. The appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives. The securities, instruments, or strategies discussed in this report may not be suitable for all investors, and certain investors may not be eligible to purchase or participate in some or all of them. This report is not an offer to buy or sell or the solicitation of an offer to buy or sell any security/instrument or to participate in any particular trading strategy.

Associated persons of Laidlaw & Co (UK), Ltd not involved in the preparation of this report may have investments in securities/instruments or derivatives of securities/instruments of companies mentioned herein and may trade them in ways different from those discussed in this report. While Laidlaw & Co (UK), Ltd., prohibits analysts from receiving any compensation. Bonus or incentive based on specific recommendations for, or view of, a particular company, investors should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest.

With the exception of information regarding Laidlaw & Co (UK), Ltd. this report is based on public information. Laidlaw & Co (UK), Ltd makes every effort to use reliable, comprehensive information, but we make no representation that it is accurate or complete and it should not be relied upon as such. Any opinions expressed are subject to change and Laidlaw & Co (UK), Ltd disclaims any obligation to advise you of changes in opinions or information or any discontinuation of coverage of a subject company. Facts and views presented in this report have not been reviewed by, and may not reflect information known to, professionals in other Laidlaw & Co (UK), Ltd business areas. Laidlaw & Co (UK), Ltd associated persons conduct site visits from time to time but are prohibited from accepting payment or reimbursement by the company of travel expenses for such visits. The value of and income from your investments may vary because of changes in interest rates, foreign exchange rates, default rates, prepayment rates, securities/instruments prices, market indexes, operational or financial conditions of companies or other factors. There may be time limitations on the exercise of options or other rights in securities/instruments transactions. Past performance is not necessarily a guide to future performance. Estimates of future performance are based on assumptions that may not be realized. If provided, and unless otherwise stated, the closing price on the cover page is that of the primary exchange for the subject company's securities/instruments.

Any trademarks and service marks contained in this report are the property of their respective owners. Third-party data providers make no warranties or representations of any kind relating to the accuracy, completeness, or timeliness of the data they provide and shall not have liability for any damages of any kind relating to such data. This report or any portion thereof may not be reprinted, sold or redistributed without the written consent of Laidlaw & Co (UK), Ltd. This report is disseminated and available primarily electronically, and, in some cases, in printed form.

The information and opinions in this report were prepared by Laidlaw & Co (UK), Ltd. For important disclosures, please see Laidlaw & Co (UK), Ltd.'s disclosure website at [www.Laidlawltd.com](http://www.Laidlawltd.com), or contact your investment representative or Laidlaw & Co (UK), Ltd at 546 Fifth Ave, 5th Floor, New York, NY 10036 USA.

© 2018 Laidlaw & Co. (UK), Ltd.

**NOTES:**