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### Analysts' Ideas of the Week – Trxade Reports Record Revenues

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### Trxade Reports Record Revenues

In Q1-2016, Trxade Group Inc. (OTC: TRXD) reported a 165% YOY increase in revenue from \$0.70 million to \$1.85 million. Approximately 65% of the revenues came from the new wholesaling division (“Westminster”).

Revenues	2014	2015	Q1-2015	Q1-2016
Trxade	\$974,049	\$2,745,589	\$483,527	\$641,826
Westminster	\$191,241	\$2,079,678	\$127,639	\$1,202,636
	\$1,165,290	\$4,825,267	\$611,166	\$1,844,462

Trxade had reported record revenues of \$4.99 million in 2015, up by 234% from \$1.50 million in 2014.

Trxade reported a net loss of \$1.12 million (EPS: -\$0.04) in 2015, versus \$2.01 million (EPS: -\$0.07) in 2014. In Q1-2016, the company reported a net loss of \$0.37 million (EPS: -\$0.01) versus \$0.44 million (EPS: -\$0.01) in Q1-2015.

The company’s platform surpassed 5,000 independent pharmacies members by the end of 2015, up from the 4,400 reported at the time of our initiating report in September, 2015. In Q1-2016, the company added over 441 new members, and the count currently stands at over 5,500. Trxade’s market share has now exceed 20% as there are approximately 24,000 independent pharmacies in the U.S. Management’s goal is to reach 7,500 members by the end of 2016.

In Q1-2016, the company announced that it has launched the generic drug HCTZ (Hydrochlorothiazide) as part of an agreement with ScieGen Pharmaceuticals Inc., wherein Westminster will semi-exclusively market and distribute ScieGen's product in the U.S. ScieGen Pharmaceuticals, based out of Hauppauge, NY, develops, manufactures, and distributes generic pharmaceutical products. The HCTZ drug treats fluid retention (edema) in people with congestive heart failure, cirrhosis of the liver, kidney disorders, or edema caused by taking steroids or estrogen. The drug is also used to treat high blood pressure (hypertension).

At the end of Q1-2016, the company had \$0.51 million in cash. Working capital and the current ratio were \$0.65 million, and 1.6x, respectively.

Liquidity Analysis	2014	2015	Q1-2016	Industry
Cash	\$705,602	\$860,132	\$508,279	
Working Capital	\$664,639	\$975,405	\$651,541	
Current Ratio	2.20	1.93	1.56	1.6
Debt / Capital	0.0%	80.6%	107.1%	14.40%
LT Debt / Capital	0.0%	51.5%	67.0%	4.80%
EBIT Interest Coverage Ratio	(344.6)	(7.6)	(4.9)	10.5

  

Activity Analysis	2014	2015
Days Accounts Receivable	55.48	30.97
Days Inventory	37.24	31.34
Days Accounts Payable	188.03	61.26
<b>Cash Conversion Cycle</b>	<b>(95.30)</b>	<b>1.05</b>

We will be issuing a detailed update report, including our revised forecasts and fair value estimate, on the company shortly.

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