



# OxySure Systems, Inc.

OTCQB: OXYS

**November 14, 2014**  
**Target Price: \$2.20**  
**Recent Price: \$0.66**

## Market Data

Fiscal Year	December
Industry	Medtech
Market Cap	\$17.7M
Price/Earnings (ttm)	N/A
Price/Book (mrq)	17.1x
Price/Sales (ttm)	7.4x
Insider Ownership	62.2%
Shares Outstanding	26.9M
Equity Float	3.3M
Avg. Volume (3 mo.)	19,439

*As of November 14, 2014*

## Income Statement Snapshot

TTM

Revenue	\$2.4M
Gross Profit	\$1.4M
Gross Margin	59.6%
Net Income	(\$1.4M)

## Balance Sheet Snapshot

MRQ

Cash	\$8,654
Debt	\$0.5M

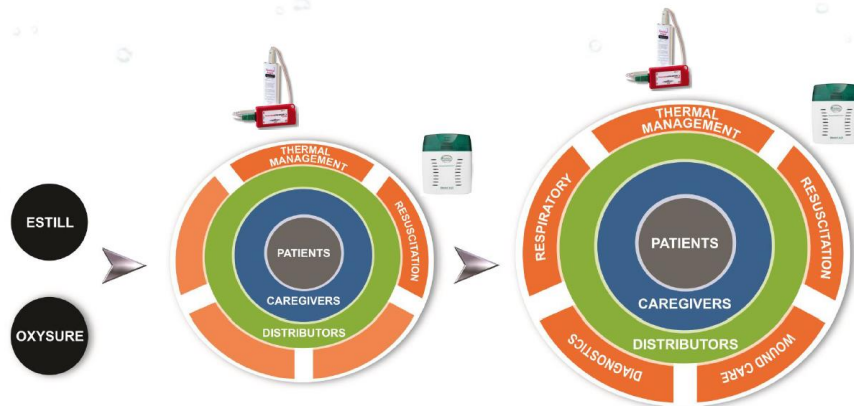
## Revenue Up 50% YoY; 9<sup>th</sup> Straight Qtr of Double-Digit Growth

**Revenue up 50% YoY; 9<sup>th</sup> straight quarter of double-digit growth.** OXYS reported revenue of \$818,456 in 3Q14, a 50% YoY increase from \$545,820 in 3Q13. Gross profit was \$496,524, and gross margins were 60.7%. Net loss for the quarter was (\$462,349). These results were in line with expectations. Revenue should show strong acceleration in 4Q14, as this will be the first quarter that OXYS reports revenue following its merger with Estill Medical.

**Shipments of replacement cartridges for the OxySure Model 615 represented about 195% of base units shipped.** The significant level of replacement cartridges shipped per base unit is indicative of the growing nature of the Company's recurring revenue stream. It also indicates the usefulness and stickiness of the OxySure Model 615 in the marketplace.

**Long-term strategy involves building a medical device platform company through organic and inorganic growth.** OXYS plans to grow itself through both organic growth and acquisitions. The following diagram indicates what the Company's vision is for its long-term growth plan:

## Platform Vision



Long-term, OXYS plans to enter into respiratory, diagnostics, and wound care, in addition to its current areas of thermal management and resuscitation. Acquisitions, when prudent, can grow revenue faster and allow for faster market entry. Company management has already identified acquisition targets, and the current plan is to complete 3 acquisitions in the next 2 years. At a minimum, OXYS plans to complete 1 or 2 acquisitions next year.

**Maintain price target at \$2.20.** We are applying a 2.5x P/S multiple to our revenue per share estimate of \$0.89.



## **Additional Information**

**Legal:** K&L Gates, The Law Firm of Gregory G. Jones, P.C., The Johnson Firm, Horzepa Spiegel & Associates, PC

**Auditor:** Sadler, Gibb & Associates, LLC

**Transfer Agent:** Action Stock Transfer

### **Company Website**

### **Additional Company Information**

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