

FOREVERGREEN WORLDWIDE CORPORATION

Strong Top-Line for Q2; Stock is an Easy Three-Bagger

Rob Goldman
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FOREVERGREEN WORLDWIDE CORPORATION (OTC:QB – FVRG - \$0.93)

Price Target: \$3.80

Rating: Speculative Buy

COMPANY SNAPSHOT

ForeverGreen Worldwide Corporation develops, manufactures and distributes an expansive line of all natural whole foods and products to North America, Australia, Europe, Asia, South America and Africa. Offerings include their new global offering, PowerStrips. Additionally, they offer Azul and FrequenSea™ whole-food beverages with industry exclusive Marine Phytoplankton, Versativa line of hemp-based whole-food products, A.I.M. Transfer Factor immune support, 03World™ weight management products, Pulse-8 powdered L-arginine formula, TRUessence™ Essential Oils and Apothecary, 24Karat Chocolate®, and an entire catalogue of meals, snacks, household cleaners and personal care products.

KEY STATISTICS

Price as of 8/16/13	\$0.93
52 Week High – Low	\$2.00 – 0.45
Est. Shares Outstanding	21.9M
Market Capitalization	\$20.4M
3 Mo Avg Vol	41,000
Exchange	OTC:QB

COMPANY INFORMATION

ForeverGreen Worldwide Corporation
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KEY TAKEAWAYS

Stellar Results for Q2: Late last week, FVRG reported strong financial results for 2Q14, affirming our thesis that this stock could reach the \$3.80 mark. A conference call is scheduled for Tuesday, August 19, 2014, where we expect to glean additional information and we plan to issue a revised forecast in the near future. Therefore, our projections are under review.

Revenue up Big: Revenue of \$14.1M was 252% higher than 2Q13 and 34% higher than 1Q13. Plus, it was 4% higher than our forecast of \$13.5M. Gross margin increased markedly and operating income rose by 345% but net income was a bit light relative to our forecast. SG&A expenses were the culprit as this line item amounted to 76% of sales versus our 68% estimate. We are not concerned at all as it is not uncommon for expenses to occasionally grow at an accelerated rate during a hyper-top-line growth phase and a move to a new HQ. We are confident that management can right-size the situation in the coming quarters.

Enviably Metrics: In addition to the metrics above, FVRG has now sold product in 174 countries, and enjoyed its fifth straight quarter of operating profitability.

Stock is Incredibly Undervalued: Management maintains it is on target to achieve \$41-50M in revenue this year, compared with \$17.8M in 2013. Based on 1H14 results, if quarterly sales remain flat for the next two quarters, FVRG would actually record over \$50M in total revenue. The stock currently trades at a market cap of around \$20M, or .4x the potential \$50M in revenue figure for 2014. Even at our target price of \$3.80, the shares would trade at a reasonable 1.6x the \$50M in revenue number. Therefore, we continue to rate these shares Speculative Buy.

RECENT TRADING HISTORY FOR FVRG

(Source: Stockta.com)





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Senior Analyst: Robert Goldman

Rob Goldman founded Goldman Small Cap Research in 2009 and has over 20 years of investment and company research experience as a senior research analyst and as a portfolio and mutual fund manager. During his tenure as a sell side analyst, Rob was a senior member of Piper Jaffray's Technology and Communications teams. Prior to joining Piper, Rob led Josephthal & Co.'s Washington-based Emerging Growth Research Group. In addition to his sell-side experience Rob served as Chief Investment Officer of a boutique investment management firm and Blue and White Investment Management, where he managed Small Cap Growth portfolios and *The Blue and White Fund*.

Analyst Certification

I, Robert Goldman, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report.

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