

## BioCorRx Inc.

### Innovative Company Hitting on All Cylinders; Best is Yet to Come

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September 8, 2014

#### BioCorRx Inc. (OTC:QB - BICX - \$0.1089)

Price Target: \$0.40

Rating: Speculative Buy

#### COMPANY SNAPSHOT

BioCorRx Inc. is a healthcare solutions company on the leading edge of substance abuse addiction treatment. BioCorRx developed the highly effective Start Fresh Program™ which is sold to and used by addiction clinics across the U.S. The first component of the program consists of an outpatient implant procedure performed by a physician that delivers therapeutic levels of the drug Naltrexone, an opioid antagonist that significantly reduces physical cravings for alcohol and opioids, into the body. The second component is a one-on-one coaching program specifically tailored for the treatment of alcoholism and other substance abuse addictions.

#### KEY STATISTICS

Price as of 9/5/14	\$0.1089
52 Week High – Low	\$0.31 – \$0.03
Est. Shares Outstanding	140M
Market Capitalization	\$15.3M
3 Mo Avg Vol	71,000
Exchange	OTC:QB

#### COMPANY INFORMATION

##### BioCorRx Inc.

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#### KEY TAKEAWAYS

**Conclusion:** As reported collectively by the clinics using the Start Fresh Program, there was a patient treatment growth of roughly 300% for 2Q14 versus 2Q13 and this appears to be just the beginning of a major upside trend. Therefore, BICX is on track to reach our \$0.40 price target by the turn of the year.

##### Huge Patient Growth in Q2

With the opening of new clinics in recent months, the number of patients treated during the period nearly tripled as compared with 2Q13, according to the clinics. Plus, BioCorRx reported net profit of over \$300,000 in Q2, aided by favorable non-operating items.

##### Twelve Clinics Will be Operational by Year-End

We should note that BICX only had more than one clinic actively treating patients for 5 months this year up to end of Q2 so we expect future growth to be similar in magnitude to Q2. With 8 clinics open now and 12 becoming operational by year-end, *the number of patients treated for Q2 could quickly become the same number of patients treated on a monthly basis*, dramatically increasing BICX's revenue.

##### Q3 Results Will Illustrate Solid Financials

Third quarter initiatives to expand the number of clinics in operation and improve the Company's balance sheet, including hundreds of thousands in debt reduction, will be on display when BICX reports Q3 results in November.

##### New Nevada Clinic Could Be a Sleeper This Year

Known for its casinos, Nevada also has a high rate of residents addicted to alcohol and drugs, such as opiates. Treatment for this addiction is difficult and the Company's Start Fresh program is well-suited to the task. Therefore, this clinic could provide major upside.

##### Early 2015 Should Drive Big Results

With many Americans engaging in New Year's resolutions in January, the early part of 2015 could prove to be a big driver of sales for BICX, due to this seasonality.

## INVESTMENT SUMMARY

**The alcohol and substance addiction treatment market is huge, with \$23 billion spent annually.** According to the Centers for Disease Control and Prevention, 38 million Americans are considered heavy drinkers, consuming more than three drinks per day. The impact of this disease on our economy is staggering. The CDC estimates that alcoholism costs the U.S. economy \$220 billion each year.

**BioCorRx may have developed the holy grail of alcohol treatment, known as the Start Fresh Program, which is used by clinics across the country.** The program combines an outpatient procedure with one-on-one life coaching specifically tailored for the treatment of alcoholism and other substance abuse addictions. As the number of success stories grows, BioCorRx's Start Fresh Program could become the go-to addiction treatment program of choice.

**The Company's business model should result in major operating profits beginning next year as meaningful market penetration occurs.** Revenue is generated via program sales on a per-patient basis and BICX benefits from clinics' advertising and marketing campaigns.

**Our current projections call for \$2.6M in revenue this year, jumping to \$10.5M in 2015 and \$22.8M in 2016.** Net profit should be recorded in 1H15, with EPS of \$0.02 for the year. We note that these projections assume limited market penetration of just 30 clinics in the next 2 ½ years; the greater the penetration the greater the profits, and thus the valuation.

**In our view, the BICX model is compelling given the top-line growth opportunities and its high operating margins.** Our 12-month price target of \$0.40 is based upon a conservative P/E multiple of 20x the expected \$0.02 in EPS for 2015, although we note that this figure could be shattered if the growth in treated patients exceeds our forecast. Even at \$0.40, the stock could be considered inexpensive, as the price/sales multiple would hover around 1.4x. Plus, given the BioCorRx model, operating and net margins of 30+%, the shares could ultimately be afforded a premium valuation. We rate these shares Speculative Buy.

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**Recent Trading History For BICX**

(Source: [www.Stockta.com](http://www.Stockta.com))





## BioCorRx Inc. (OTCQB - BICX)

### 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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