|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Stock** | **Buy/ Short** | **Thesis** | **Current Price** | **Target Price** |
| Activision Blizzard, Inc. $ATVI | Buy | Activision Blizzard is a company that is well known and established in the video game software industry. With titles like the Call of Duty series and Destiny, the company is virtually guaranteed to have solid revenues each and every year. However, the market is wrong because it is not factoring in the added value of Activision Blizzard bringing back the Guitar Hero franchise. This wildly popular game will bring better margins than normal games because of the peripherals that come with the game. Its long-anticipated return will result in very high sales that the company hasn’t been getting for several years. | $23.00 | $31.03 |
| Akamai Technologies, Inc.AKAM | Buy  | Akamai Technologies Inc. is a BUY as of May 2nd, 2015 due to the increasing demand for their services, a growing cloud-based network globally, and their position of market leader in a sector that will be growing faster than expected. Mobile networking, from the increasing numbers of mobile devices to laptops/PCs, is becoming more and more congested. Users are now accessing the internet on multiple devices, while more and more users are entering the mobile network with the purchase of a smartphone, tablet, or laptop/PC. Due to the number of people using the internet, there is congestion and ultimately leads to slower service. AKAM recognizes this issue and continues to develop faster, more reliable, safe network trafficking. AKAM also provides the safest internet security, tackling a growing issue with Ecommerce sites, and other sites that demand secure delivery of content/information. AKAM is the largest provider of these services, and will continue to increase revenues, as the demand for their services increases, of which it will much faster than the market is expecting. | $74.25 | $89.51 |
| Balchem Corporation$BCPC | Buy | Balchem Corporation is one of the largest ingredient suppliers in the food and beverage industry. In the past years the company focused on sales growth and margin improvements. Balchem is heavily investing into diversifying their product portfolio through recent acquisitions and continuous investments into the development of new technologies. The restructuring of the management team will provide a basis for future growth of the company. News reports in recent months have impacted Balchem Corporation’s stock price negatively and led to a share price decline of 15.35% in the past three months. There is no sufficient justification of this price decline evident and the company continuous to provide revenue and EBITDA growth while keeping operating costs stable. The company is prepared well for the future and will benefit further from manufacturing products in a growing industry. Currently, Balchem Corporation is trading at a discount of 35%-50% taking into consideration the historical two-year average of their trading multiples in comparison to its competitors. A BUY of Balchem Corporation (BCPC) is therefore recommended with a one-year target price of $76.90. Currently trading at $52.42, it has an upside potential of 46.70%.  | $52.42 | $76.90 |
| Denbury Resources Inc.$DNR | Buy | Denbury Resources is the leader in enhanced oil recovery utilizing carbon dioxide. They have a competitive advantage due to their large inventory of oil fields specifically well suited for CO2 enhanced recovery, their extensive pipeline infrastructure and their strategic CO2 supply. With the decrease in commodity prices Denbury is reshaping the way they operate by decreasing their costs and creating efficiency programs across all aspects of the company. This will ultimately lead to increasing margins for Denbury. Lastly, with an anticipated increase in commodity prices over the next year, this will fuel top line revenue growth and allow Denbury to be more profitable than ever with their new efficiencies. | $8.10 | $9.82 |
| DepoMed Inc.$DEPO | Buy | As stated above, earnings are coming 5/11/15, and $33.9 million in revenues are expected. Over the past seven quarters, DEPO beat sales 7/7 times, and the price was higher one month after 6/7 times (Q1 2014 was down 0.40%). I expect DEPO to again beat conservative first quarter estimates. There is an upcoming catalyst his half year in the licensing department regarding IW-3718. Phase IIa trials began in March and results will be coming. I trust Mr. Rao and his expertise to choose a drug he thinks will make it to market and generate cash flows going forward. With moderate base sales growth forecasts and three quarters of tapentadol sales ($200 m last year, sales team tripled at DEPO), I see no reason DEPO can’t surpass $330 million. With $330 million which is a -15% revenue growths and conservative sales growth into the long term, as well as operating costs that are increasing towards peer medians, based on an ROIC model the firm is currently valued at $33.3. Based on an ROE model the firm is valued at $36.6. I see no reason why the stock has fallen from $27 a few weeks ago other than that it’s a repeating the fade into earnings it has shown in recent quarters. Lower bound one year targets are lower than the intrinsic value most likely due to the great parity between last year’s revenue growth (+191%) and this years projected of -21%. But this does not reflect the true growth last year because of the one-time payment, so I am referring more to the intrinsic value. I felt using peer medians for current and long term betas were better because companies dealing with pain medications are more similar than pharmaceuticals in general. I am pitching a buy before earnings with a price target of $36.6, but would carefully watch how Nucynta goes to market in June 2015 and reassess my position based on this. | $23.86 | $33.29 |
| Criteo SAFEYE | Buy | FireEye Inc. is a leader in the ever-expanding Cyber Security Sector. They have grown rapidly in the past ten years to now employ over 1,000 people and maintain a very prominent customer base. The Cyber Security sector is continuing to grow and become extremely important in our technological age of computers and hackers. Nothing is more important to people than their security and privacy and that is exactly what FireEye Inc. prides themselves on. Their business model not only defends their customers against present attacks, but they actually identify and defend against attacks before they even happen. Their innovative business model has been proven by their record growth and recent partnerships with some of the most prominent technological companies in the computer industry. FireEye’s management team is led by men and women who have worked with some of those same computer technology giants have continue to bring their experience and intelligence to grow the company. As a result of FireEye’s innovative business model, continuous expected growth, promising recent partnerships, and extremely intelligent management team, FrieEye Inc is recommended as a strong buy with a one-year price target in the area of $50.00 | $43.31 | $49.19 |
| iRobot Corporation$IRBT | Buy | iRobot Corporation is the biggest and most advanced player in the fast growing vacuum cleaning robots space. The company leverages from its early market entry and proprietary technologies to remain the leader in North America but also in the EMEA and Asia-Pacific regions. The company also sells unmanned ground vehicles to foreign governments through its Defense and ASecurity segment. iRobot is building a strong brand that will allow the company to keep its leadership position in the robotic industry. The company’s third segment targets businesses and health services industry with video collaboration and Telemedicine products. iRobot has an impressive intellectual property portfolio and has made the protection of this latter on of its top priority. The company is experiencing fast growth in revenues, especially outside North America, and the increasing gross and operating margins will attract many investors towards this undervalued and growing company. | $32.43 | $40/7 |
| Lionbridge Technologies Inc.$LIOX | Buy | Lionbridge Technologies is currently priced at $5.61 a share by the market, however there are several key factors that the Siena Bjorklund Fund feels the market has underestimated Lionbridge’s Future revenue growth, Ebitda Margin Expansion, and has undervalued the growth Lionbridge will obtain due to their competitive advantage as the industries overall market share grows due to increased demand as the technology usage continues to grow in the world. Lionbridge’s CEO Rory Cowan has stated in recent earnings calls on how all the structuring and acquisitions the company has been making over the past 3 years were all made with the expectation that they would pay off and show value creation in 2015 and the years beyond that. The company had been focused on making moves back then to create value for now and the Siena Bjorklund Fund feels very strongly that now is the time these moves will pay off and show the value they created for the company. | $5.61 | $7.63 |
| Marathon Patent Group Inc MARA | Buy | Marathon group is looking for opportunity as it develops patents and licenses intellectual properties. The company patent acquisition and monetization generates revenues through diverse patent licensing programs across multiple industries. MARA is a very dynamic IP company that had increased significantly its portfolio of patents during year 2014 only from 118 patents at the begging of the year and ended with 378 patents across 19 portfolios. The management is very dynamic with an experienced team with track record of success in patent asset monetization. The company just hired two IP specialist in licensing agreement that would augment and maximize return with the current patents portfolio. From 2013 to 2014 the company focused on adding patent to their portfolio and now have asset that cover 14 distant areas of technologies including approximately 49% of the patent covering foreign jurisdiction. The growth in revenue is about 15% and his promised to be about 22% for 2015. The interesting part is about 12 patents that have been depreciated in about 11 months, and will start to generate a net positive return. The company has been created in 2012 and was not mature last years in the life cycle with negative revenue of negative $300,000 in 2013 because of expensive acquisition of intellectual properties in 2013. The current situation with $3.4 million in revenue. In addition the recent bond debt of $50 million permitted the acquisition of a wholly owned operating subsidiaries with 260 patents and patents right. The company is moving forward to target the world of patents with the lunch of OPUS patent analysis Platform, their own proprietary IP analysis offering. The cash position of the company is growing with 5.1 million in cash and approximately 17.8 million weighed shares outstanding.  | $5.52 | $9.50 |
| Mylan N.V$MYL | Buy | As a leader in the field of generic pharmaceuticals, Mylan is a BUY with a target price of $90/share. The bullish recommendation is a result of not only Mylans diverse and expanding portfolio and pipeline of generic pharmaceuticals, but also its position as a sought after acquisition target, and even a recent offer of $82/share from Teva. If Mylan chooses not to be acquired there are opportunities to grow both organically and through acquisitions.  | $72.56 | $90.00 |
| Pacific Ethanol, inc. $PEIX | Buy | Pacific Ethanol inc. lost almost half of its value in less than seven months and is now undervalued. The stock has been oversold because of low oil prices as it is a substitute for ethanol. A possible increase in oil prices would increase PEIX’s return to investors making the company a possible long term investment opportunity. An increase in ethanol prices (lowest price in 5 year) will increase the company’s revenue. PEIX has been investing in new technologies allowing costs reduction; margins should increase, therefore increasing the value of the company. PEIX successfully restarted Malta plant and should increase their revenue more than expected. A Merger with Aventine will diversify PEIX geography, technology and product platforms. | $11.96 | $17.21 |
| Scorpio Bulkers Inc. | Buy | Scorpio Bulker Inc. is a relatively new company first having gone public in December of 2013. The inception of this company came at time when there was thought to be reprieve from the long-term bottoming of the market following the 2008 financial crisis, when global shipping virtually came to a standstill. Since the IPO, the stock price has fall 70%, and the market has simply counted the company out. What they aren’t seeing is that the upswing for this beleaguered industry, (with a number of possible catalysts, some of which are occurring right now), is right around the corner. Combined with the revenues and cost savings that come from the most modern fleet in the industry and deep discounting compared to peers, we are looking at a company that has a distinct possibility to take flight, or perhaps more appropriately, become buoyant, very, very quickly. | $2.41 | $3.46Se |
| Seaworld Entertainment inc $SEAS | Buy | SeaWorld Entertainment, Inc. is a BUY because they are currently undervalued. SEAS is undervalued because of the Blackfish documentary, which has imaged the brand of SeaWorld Entertainment, Inc. SEAS will also see its price driven up because their market share is bottoming and the multiple they trade at has upside due to their poor performance against competitors, since their IPO. In addition, the new CEO Joel Manby has a good understanding of the challenges SeaWorld’s brand is facing. Finally, the amusement park industry is attractive because it is set up to do well due to the positive outlook on the economy, which will help SEAS even more. | $24.87 | $24.99 |
| Simulation Plus inSLP | Buy | I believe that Simulations Plus, Inc. develops software which will become an industry standard within the next five years. With a market cap of approximately $99M the company is a small fish in a highly competitive pond, which has scared some risk-averse investors away, resulting in a largely undervalued stock. I believe that their smaller size is less of a risk and more of an opportunity. The company will continue to further penetrate their current primary market of pharmaceuticals while also expanding their product line to new markets. Revenues will continue to grow as pharmaceutical testing shifts towards computer simulations and modeling. | $5.78 | $7.42 |
| Townsquare Media inc$TSQ | Buy | TSQ recently became publicly traded, with hopes to capitalize on the company’s growth opportunities. The firm was created through the sale of small and mid-sized radio stations from several players in the market. Under the support of Oaktree Capital Management LLC., the company has grown rapidly in the past 4 years. Following the company’s public offering, the firm’s highly-levered capital structure raised concern from investors. Unlike many highly-levered peers, TSQ has not only the growth potential but also the management to restructure these debts in an effective manner. Many growth opportunities will become present for the company over the next twelve months, and the firm’s increasingly diversifying revenue model will provide additional stability to growth. For these reasons, a BUY is recommended for TSQ with a target price of $17.51. | $13.66 | $17.51 |
| Trinity Industries $TRN | Buy | Trinity’s recent decline in their stock price has been due to two factors – the lawsuit against them and the decline in oil prices. Trinity has consistently denied any liability in the lawsuit and appealed the verdict upon being found guilty. As part of the appeal Trinity’s products had to undergo a number of safety tests which they easily passed. They are currently waiting on the results from the final test which will prove their innocence and alleviate them of any charges. Additionally, I feel that the decline in energy prices will actually be a tailwind rather than a headwind as it will delay the implementation of a pipeline which would take a significant portion of their business from them. My final point is that Trinity is a market leader and has a very attractive valuation relative to their peers. | $28.96 | $52.01 |