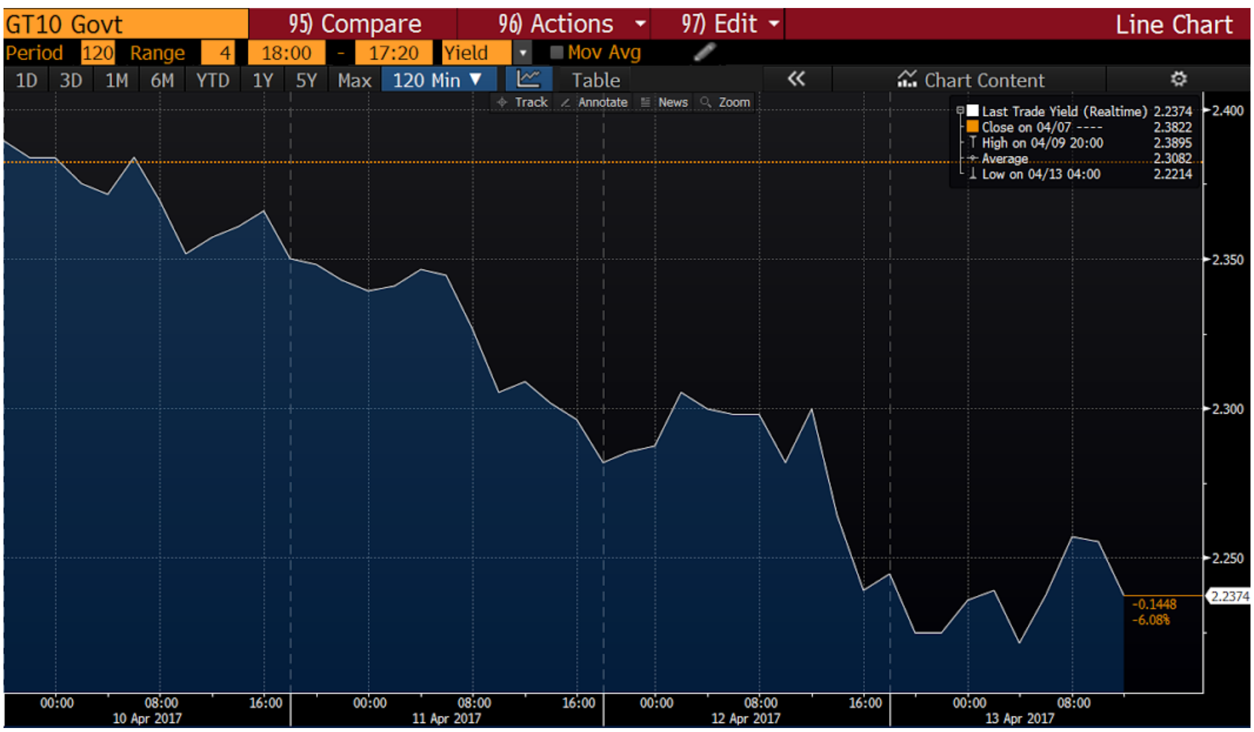
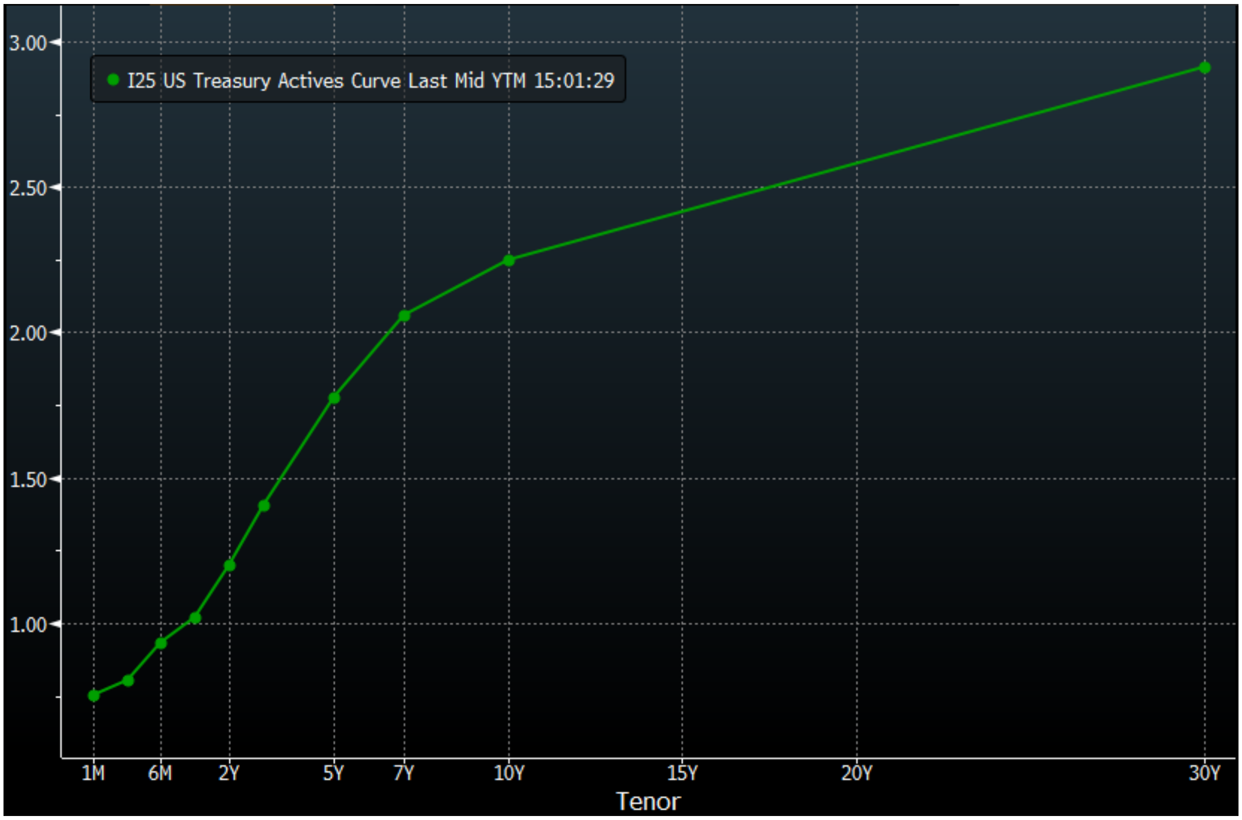
Bond Report

Over the week, the main concern of the market was geopolitical tensions and the confidence in the Trump administration. High demand in the market led to higher prices consistently throughout the week. On Monday, investors' confidence in Trump and his policies fell and with it went the Treasury yields. Trump's delay for tax reform and trade reformation are moving slow, against campaigned promises, and that is effecting the market. The yields on the 2, 10 and 30 year notes all fell around a basis point during trading hours. Tuesday was riddled with further yield slides, as geopolitical tensions rose, leading investors to scramble for safety in the bond market. Problems with Syria and North Korea led Trump to retaliate, and the inflow of demand affected yields sharply. The 10-year Treasury note most notably dropped 6.3 basis points. Wednesday's trading had residual impact from geopolitical tensions as investors still pooled to "safer" investments. News of Russian-US relationship at a low also helped drive yields lower during market hours. On Thursday, the last trading day of this holiday week, yields continued to fall to the near low of pre-election levels. The US Air Force dropped the biggest non-nuclear bomb ever dropped on an ISIS tunnel system mid trading day, leaving investors to fear of greater conflict to come. On top of that, confidence in President Trump is at an all-time low for America and global tensions are forcing investors to worry and invest into safer alternatives. Over the week, the 2-year Treasury note closed down 7.6 basis points for the week. The 10-year note fell 13.8 basis points by the end of the short trading week. Lastly, the 30 year note also finished in the red, down 10.4 basis points by Thursday's closing bell.





What's next and key events

This coming week, expect consistent volatility, as we have seen in the past few weeks. As tensions flair, investors must react on that information, which may lead to further demand in the Treasury notes market. For certainty, there are a few important events to look out for this week. On Tuesday, new housing starts data will be released for March. The trend has been going up, showing confidence in the market and income growth, both signs of an expanding market, so we hope to see that continuing pattern. As always, the Petroleum status is a key for oil prices to be released and what to expect for the effects of that data. Thursday is filled with key events like the leading indicators release, which has shown strong support of a growing economy and a confident one. Bloomberg's Consumer Confidence index and Jobless claims should be watched as well. Overall, there is events every week to track the economy, although mostly lagging, they are beneficial and need to be closely accounted for. However, this upcoming week and weeks to come, investors need to track outside factors like geopolitical tension and the Trump administration, because those are key momentum movers for the bond market lately. Uncertainty is to come and the bond market may liven up as investors seek safety.

Macroeconomic Overview

Sell-off Spurred by Low bond yields

The major indices have been steadily selling off for a little over a week now and that has been driven primarily by the falling 10-year treasury rates. The flattening of the yield curve indicates a reduction in inflationary expectations which is what drove rates up and was boosting the market post-election. Inflation, which is the expected byproduct of Trumps fiscal policy, isn't expected to rise as fast as previously forecasted because of the apparent inability of our government to push through new policy as fast as expected. Ultimately, the primary indicator pointing to expected economic growth is now pointing towards slower growth which will undoubtedly cause the Fed not to continue to raise rates and now that Trump has expressed new interest in keeping rates low is more of a possibility. The slew of weak economic data in the first quarter of the year indicates that we are off to a slow start but historically Q1 has been softer than the rest of the year so there is also reason not to be concerned because you could argue that it is just a secular trend that will shift more growth to later in the year. Going forward, the key metrics to keep an eye on will be the 10-year rate, business loan activity, employment rate/participation rate (which continue to improve), and also watch the Fed and their statements. The Fed plans to raise the federal funds rate 3 more times this year which signals they expect higher growth and inflation but if their position becomes dovish and they don't decide to continue on the same path of raising rates, it is likely that markets will sell off.

Geopolitical Risk Continues to Grow

Tensions are rising between the US and North Korea, Syria, Russia, and ISIS in the middle east. The President has begun to take action by launching a few missiles with targets in Afghanistan and Syria which has slightly increased tensions with Russia but helped our negotiating strength with China. I do not believe the conflict with North Korea will have any impact on the markets unless a nuclear bomb actually detonates. At this point in North Korea is slightly irrelevant from an economic standpoint but does give us negotiating leverage with China. On the other hand, our relationship with Russia due to these strikes is starting to head south; Russia has stated that they condemn the actions taken by the US. This is a relationship that could potentially hurt us if direct conflict breaks out and I am not in a position to say what is most likely to happen but we need to keep a close eye on talks with Russian officials and feel out the tone to make sure the possibility of real conflict will remain low.

Not only do we have military conflicts possibly arising but we still have major elections happening throughout Europe and the uncertainty pertaining to these elections is being discounted by the markets. Especially in France, the race is close and each candidate will bring the country in a different election. There is a possibility that the EU will not exist in a few years is a potential result from candidates like Le Pen, especially after the UK has already begun to finalize their departure. The EU is in a fragile state because it is mostly a group of underperforming countries being artificially propped up by a few outperforming countries including Germany who could also potentially leave the EU following the result of their upcoming election.

The Start of Earnings Season

Earnings season will be in full swing the upcoming week with major banks like BofA and Goldman reporting this week. As we go through this week we want to pay attention to the guidance they give because ultimately, they are on the "front lines" and are a definitive sign of what is actually going on. From the banks we want to see loan growth in the private sector and continued cost discipline. The flattening of the yield curve is cause for concern for the banks as the spread between the rates they borrow at and what they loan out is where they make a large portion of their money. The downfall of brick and mortar retail is in progress and we will be able to see how bad things actually are for them on the back of Amazons current success.

April 14th, 2017

AMC Entertainment Holdings: AMC

Analyst: Joseph Nastasi

Sector: Services

Industry: Movie Production

Company Description:

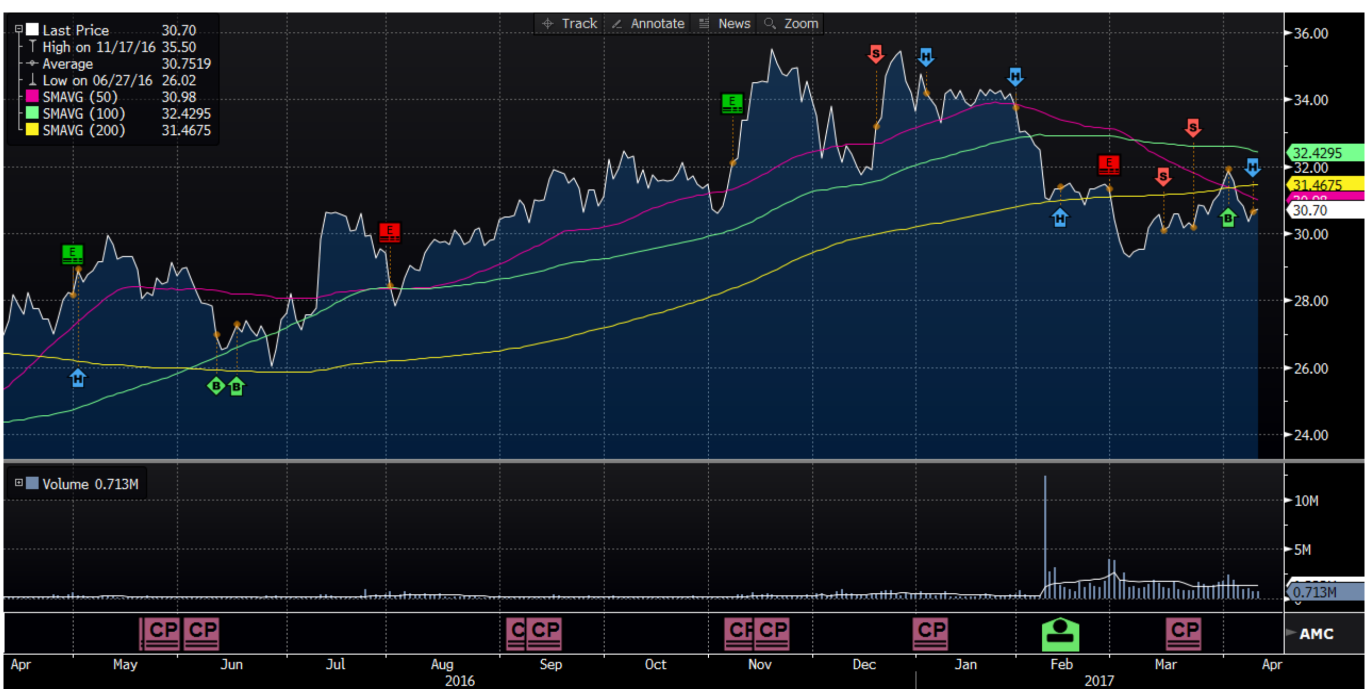
AMC Entertainment Holdings operates in the theatrical business and owns, operates, or has interests in theatres primarily located in the United States and Europe. AMC has the #1 or #2 market share position in 22 of the 25 largest metropolitan areas of the United States. Through its Odeon subsidiary, AMC is the #1 theatre chain in the UK, Ireland, Italy, and Spain. AMC serves approximately 200 million guests each year with industry-leading guest satisfaction ratings. Approximately 52% of the U.S. population lives within 10 miles of one of AMC's theaters. AMC is an indirect subsidiary of Dalian Wanda Group, a Chinese private conglomerate, which owns about 68% of AMC's outstanding common stock. AMC was founded in 1920 and was incorporated in 2013.

BUY

Current Price:	$30.30
Target Price:	$37.69
Market Cap:	4.02B
Volume:	712,543
S&P Debt Rating:	B+
Ke:	10.2%
ROE:	6.30%
Net Income Margin:	3.45
Total Asset Multiplier:	0.47
Equity Multiplier:	3.87
Cash/Total Assets:	2.4%

Catalysts:

- **Short Term (within the year):** Q1 2017 Earnings on May 4th, 2017.
- **Mid Term(1-2 years):** Synergies obtained from implementing the acquisitions of Odeon, Carmike, and Nordic into operations
- **Long Term(3+):** Greater geographical presence in suburban and rural United States, Western and Southern Europe, and Scandinavia, Nordic, and the Baltic Regions

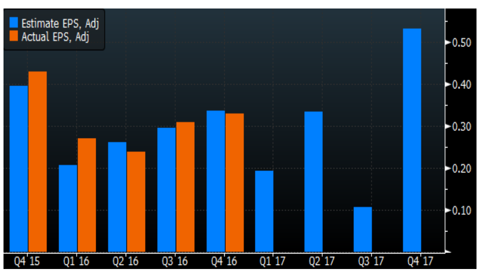


Thesis:

AMC Entertainment Holdings is the largest theater exhibitor in the United States, in Europe, and in the World. The movie industry in North America has consistently had record box office years and the line-up of upcoming movie releases should ensure that trend. AMC's 4th quarter earnings resulted in all-time records for all of its revenue segments. AMC has a competitive advantage due to its well located and highly productive theaters and substantial operating cash flow. The company's enhanced food and beverage strategies like the MacGuffins Bars, Dine-In-Theaters, and revamped menus with margins of 86% are areas of value creation. The AMC Stubs are a highly successful marketing strategy, which contains the highest customer membership in the industry. AMC's acquisitions of Odeon, Carmike, and Nordic will allow its operations to reach suburban and rural United States, western and southern Europe, and Scandinavia, Nordic, and the Baltic Region. With these acquisitions, AMC is able to implement its highly successful strategy of a premium movie experience to its customers around the globe.

4th Quarter Earnings Performance:

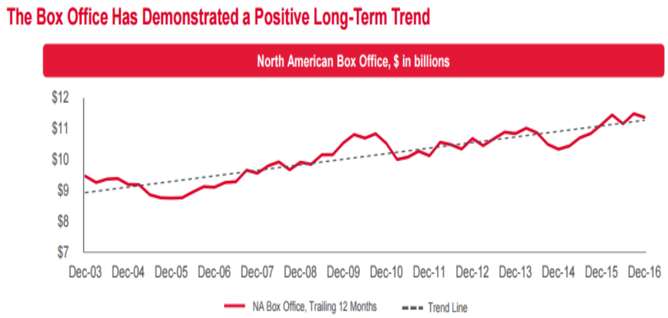
AMC Entertainment Holdings' CEO, Adam Aron, stated, "AMC set new all-time high records for every revenue segment and adjusted EBITDA exceeding $3 billion in total revenues for the first time ever, growing nearly 10% to a record $3.2 billion with revenues in 2017 likely to exceed $5 billion." Adam Aron also stated, "AMC has never been better positioned to leverage our proven strategic initiatives across a growing platform both here in the U.S. and across the globe."

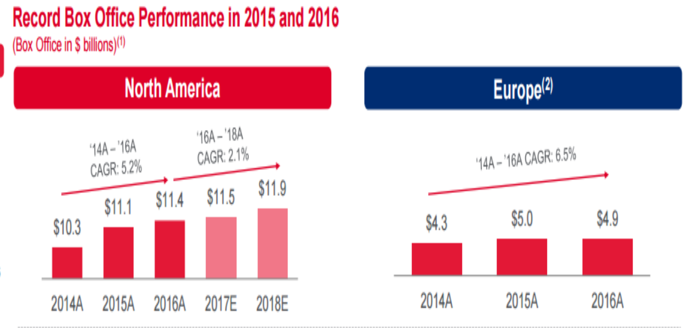


For the 4th Quarter, AMC set records for all revenue categories: admissions, food and beverage, and other. From the previous 4th quarter, total revenues increased 18.1% to $926.1 million. Admission revenues increased 18.1% to $588.9 million. Food and beverage revenues increased 16.6% to $282.5 million. Total attendance increased 21.5% to $62 million and average ticket price decreased 2.8% to $9.50. Adjusted EBITDA increased 17.9% to $181.6 million. For the fiscal year, AMC also set records for all revenue categories: admissions, food and beverage, and other. Admissions revenue increased 8.3% to $2 billion. Food and beverage revenue increased 12% to exceed $1 billion. Food and beverage net margin increased slightly to 86%. Net earnings increased 7.5% to $111.7 million. Diluted EPS increased 6.6% to $1.13. During 2016, AMC opened 2 new theatres with a total of 17 screens and acquired 520 theatres with 5,201 screens. Aron stated, "AMC would have set revenue and adjusted EBITDA records even without the December contributions that came from Odeon and Carmike."

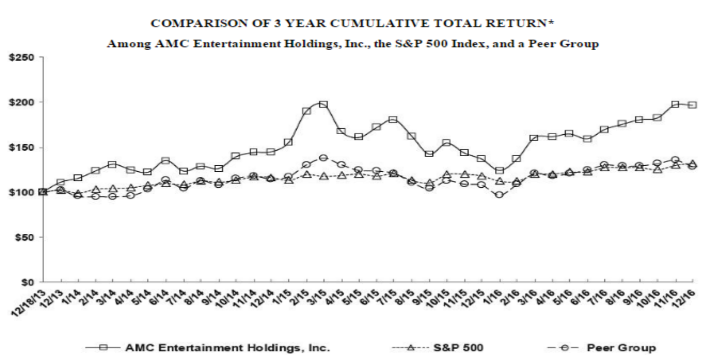
Industry Outlook:

AMC's CEO Adam Aron stated, "The movie industry in North America also notched another record year, the fourth record, the fourth record year in the last five, with gross domestic box office growing 2% year-over-year to $11.4 billion." The chart below shows the positive 14-year trend of the North American Box Office. The other chart shows the North American CAGR at 5.2% from 2014 to 2016 and the European CAGR at 6.5% in Box Office Earnings. European theatre attendance has been steadily growing especially in the UK, German, Italy, and Spain where AMC is the #1 theater chain with its Odeon subsidiary.





The Movie Production Industry is highly dependent on motion picture production and performance. Also, the industry is highly seasonal with the most marketable motion pictures usually released during the summer and year-end holiday seasons. There is optimism in the industry with upcoming film releases such as Wonder Woman, Justice League, Star Wars: Han Solo, Jurassic World 2, and Avatar 2. The industry is highly competitive on numerous factors including attracting patrons, licensing motion pictures, and theater locations. The movie production industry is highly concentrated with Regal Entertainment Group, AMC Entertainment, Cinemark Holdings, and Cineplex generating approximately 65% of box office revenues in 2016 and this is up from 35% in 2000. The 3 year cumulative total returns chart below shows how AMC has outperformed its peer group and the market. Starting in December 2013 with an initial investment of



$100 would have grown to $196.23 for AMC, $132.31 for the S&P 500, and $128.15 for the peer group in December 2016. AMC has outperformed its competitors due to its competitive strengths of a leading market in diverse markets, well located and highly productive theaters (Five of the ten highest grossing theaters in the U.S. were legacy AMC theaters), substantial operating cash flow, experiences and dynamic team, film content, and food and beverage.

Business Model:

AMC Entertainment Holdings operates under two principle categories: (1) Box Office Admissions and (2) Food and Beverage. Box office admissions offer consumers a borad range of entertainment alternatives including traditionmal film programing, independent and foreign fiilms, performing arts, music and sports. Admission revenue has been increasing, but represents a decreaing share of AMC's total revenues. Food and beverage alterantives exist beyond traditional concession itemss, including made-to-order-meals, customized coffee, healthy snacks, beer, wine, premium cocktails and dine-in theatre options. This revenue category has been rapidly increasing to over $1 billion representinting 31.5% of total revenue. The other revenue comes from on-screen advertising, fees earned from AMC Stubs customer lotyalty program, rental of theatre auditoriums, and on-line ticketing fees. This revenue category has been increasing in recent years.

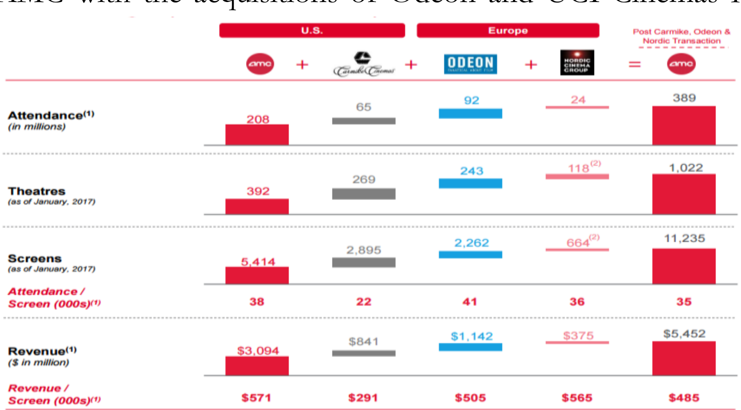
In Millions of USD except Per Share	FY 2013		FY 2014		FY 2015		FY 2016	
12 Months Ending	12/31/2013		12/31/2014		12/31/2015		12/31/2016	
Revenue	2,749.4	100.0%	2,695.4	100.0%	2,946.9	100.0%	3,235.8	100.0%
Admissions	1,847.3	67.2%	1,765.4	65.5%	1,892.0	64.2%	2,049.4	63.3%
Food and Beverage	786.9	28.6%	797.7	29.6%	910.1	30.9%	1,019.1	31.5%
Other Theatre	115.2	4.2%	132.3	4.9%	144.8	4.9%	167.3	5.2%

The 2016 revenue composition by currency are 72% USD, 13% Euro, 11% GBP, and 4% SEK. AMC classifies its theaters as AMC Theaters, AMC Classic Theaters, and AMC Dine-In Theaters. AMC's aims to maintain and increase its leadership position and competitive advantage through the following five strategies: more comfort and convenience, enhanced food and beverage, greater engagement and loyalty, premium sight and sound, and targeted programming.

- **More Comfort and Convenience:** Recliner seat innovations and recliner seat renovations account for a majority of capital investments. Results in significant personal space gains from ample row depths, ability to recline or stretch legs, and oversized armrests leads to 40% to 60% increase in attendance at these innovative recliner chair locations. Extensive online ticketing allows guest greater convenience and a guaranteed seat. Reserved seating creates anxiety free movie-going.
- **Enhanced Food and Beverage:** There is 19 Dine-In Theaters offering dinner and a movie with luxury seats, a full menu, and seat-side service. AMC MacGuffins bars allow AMC to engage its over-21 customers with 244 locations and an expected 44 more locations worldwide. Coca Cola Freestyle with more than 100 different soft drink choices and free refills, which increases guest satisfaction and decreases labor expense. AMC has introduced the largest menu revamp including stone-fired flatbread pizzas, gourmet popcorn in Cheese with salted caramel, gluten free pre-packaged snacks, cheeseburger sliders, chicken & waffle sandwiches, etc.
- **Greater Engagement and Loyalty:** AMC Stubs is a customer loyalty program which allows members to earn rewards, receive discounts, and participate in exclusive members-only offerings. There is a paid tier called AMC Stubs Premiere ($15 annual membership fee) and a new non-paid tier called AMC Stubs Insider. AMC Stubs has crossed the 6 million members mark with sign-up rates of 400 to 500 thousand members each month. AMC's website AMCTheatres.com has generated approximately 420 million visits per year and its Facebook page has more than 5.2 million likes.
- **Premium Sight and Sound:** AMC's premium large formal (PLF) auditoriums generate the highest satisfaction scores. Expanded agreements with IMAX and Dolby Cinema. AMC is the largest IMAX exhibitor in the U.S. Dolby Cinema at AMC presents movies with Dolby Vision laser projections and Dolby Atmos sound. All theaters have RealID 3d capabilities and featuring 4k resolution by Sony Digital Cinema. These services allow for an attractive 70% ticket price premium in return.
- **Targeted Programming:** AMC Independent reaches into the independent production and distribution community and has generated $76 million in U.S. box office revenue. Theatrical special events including live opera, ballet, red carpet events, and TV series premieres.

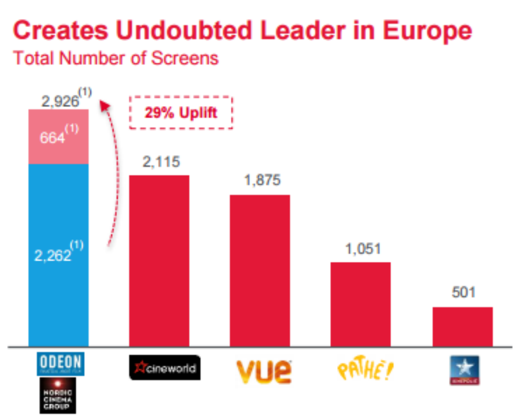
Acquisitions:

AMC with the acquisitions of Odeon and UCI Cinemas Holdings, Carmike Cinemas, and Nordic Cinema Group has made AMC the largest exhibitor in the US, Europe, and in the World. AMC acquired the 5th largest exhibitor in Carmike, 8th largest in Odeon, and 13th largest in Nordic. AMC is now 50% larger than the next largest competitor in Regal Entertainment Group. AMC has created a much larger platform to leverage its scale for growth and benefit its



guests, associates, and shareholders. The M&A transactions have resulted in AMC having 389 million in attendance, over 1 thousand theaters, over 11 thousand screens, and approximately $5.45 billion in revenue.

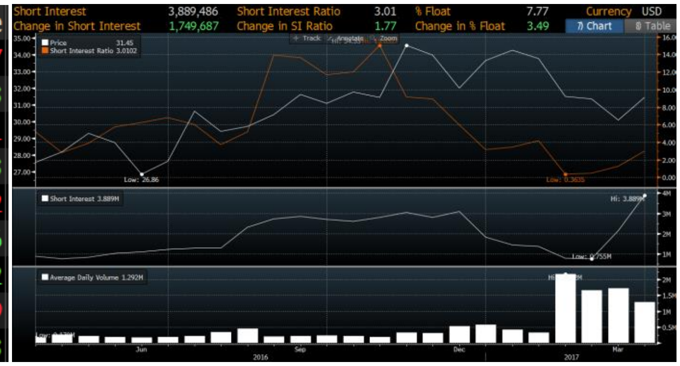
- **Odeon and UCI Cinemas Holdings:** On November 30, 2016 the Odeon acquisition was complete for approximately $617.1 million. Consisting of cash in the amount of $468 million and shares of common stock valued at $156.7 million. Odeon is a leading European cinema operator with 243 cinemas and 2,262 screens. Odeon operates in four major markets: the UK, Spain, Italy, and Germany. Cost synergies are estimated at $10 million. Odeon is operating in some of the best locations in the UK and Europe, but the theaters are in need of AMC's renovation expertise. AMC estimates expected attendance to increase at Odeon theaters such that adjusted EBITDA could grow as much as 50% for the next four to five years.
- **Carmike Cinemas:** On December 21, 2016 the Carmike acquisition was complete for approximately $858.2 million. Consisting of cash in the amount of $584 million and shares of common stock valued at $273.9 million. Carmike is a U.S. leader in digital cinema and 3-D cinema development. The acquisition offers AMC complementary markets in suburban and rural regions of the country. Carmike has 269 theaters with 2,895 screens. Cost synergies are estimated at $35 million. To receive regulatory approval, AMC agreed to divest 17 theaters in 15 local markets where there was an overlap with Carmike. Carmike theaters will be rebranded under AMC Theaters or AMC Classic Theaters.
- **Nordic Cinemas:** On January 20, 2017 the Nordic acquisition was set forth for approximately $631 million in an all-cash transaction. Nordic is the leading theater operator in Scandinavia, and the Nordic and Baltics. Nordic has the #1 market share position in Sweden, Finland, Estonia, Latvia, and Lithuania. Consisting of 118 theaters and 664 screens. The combination of Odeon and Nordic makes AMC the leader in Europe as shown by chart to the left with 2,926 screens. Cost synergies are estimated at $5 million. Nordic's theaters are truly modern and up-to-date, unlike Odeon's theaters. Nordic has operating margins above Odeon and even above AMC theaters. Nordic has theaters in premium locations in prime and mid-sized cities.



Management/Ownership:

The ownership type chart is shown below. Investment advisors own 67.52%, hedge fund managers own 14.96%, and unclassified own 12.09% of common shares outstanding. There has been an increasing position in shares outstanding held by hedge fund managers and the holding company, since the beginning of the fiscal year. The short interest is at approximately 3.9 million, which is a 1.7 million positive change in short interest. This large amount of change is due to the recent equity offering by AMC drastically increasing the volume of its stock. The short interest ratio is at 3.01, which is near AMC's lowest SI ratio; however, there has been an increase of 1.77 in the SI ratio. There is an average of 2.85 days to cover the short interest for AMC.

54) Ownership Type	01/01/17	Curr	Change
Investment Advisor	68.79	67.52	-1.27
Hedge Fund Manager	13.53	14.96	+1.43
Unclassified	14.30	12.09	-2.21
Holding Company	0.00	2.03	+2.03
Insurance Company	1.32	1.20	-0.12
Individual	0.80	1.06	+0.26
Pension Fund	0.46	0.48	+0.02
Bank	0.46	0.37	-0.09
Brokerage	0.14	0.17	+0.03



As of December 31, 2016, Dalian Wanda Group, one of the largest privately-held conglomerates in China, has a 68.83% ownership stake in AMC and owns more than 86% of the combined voting power. Wanda is the largest theater exhibition operator in China. Dalian Wanda acquired AMC in May 2012, which was the largest Chinese acquisition of an American company. The company made major changes in AMC's theater design and layout, including reclining seats, waiter service, and expanded food and drink offerings. Ticket sales at AMC nearly doubled in the 18 months following the acquisition. Dalian Wanda is listed as a key strategic shareholder and as a competitive strength for AMC. It enables AMC to enhance relationships and obtain better terms from food and beverage, lighting, and theater supply venders, and to expand their strategic relationship with IMAX and Dolby. On February 13, 2017, AMC completed an additional public offering of 19,047,619 shares of Class A common stock at a price of $31.50, resulting in net proceeds of $579 million. On February 17, 2017, AMC completed another additional public offering of 1,283,255 shares of Class A common stock resulting in net proceeds of $39 million. Last January, AMC's public float was 21.6 million shares and now it is more than doubled to 55.7 million shares. Adam Aron is the Chief Executive Officer, President and Director of AMC since January 2016. Aron was CEO of Starwood Hotels and Resorts Worldwide and served as CEO of World Leisure Partners. Key executive compensation has been steadily increasing and has rapidly increased with the approximately $11 million for the CEO. Adam Aron showed confidence in AMC by recently purchasing $1 million worth of AMC stock personally.

Key Executive Compensation AMC

Name/Title	2012	2013	2014	2015	2016
Key Executive Compensation	7,748,161	11,000,954	7,470,242	7,661,887	20,206,368
Adam M. Aron/Chief Executive Officer and President	-	-	-	-	10,932,004
Craig R. Ramsey/Executive Vice President and Chief Financial Officer	2,755,943	2,960,646	1,882,940	2,624,733	2,659,220
John D. Mcdonald/Executive Vice President, North American Operations	1,683,416	2,785,546	1,994,992	1,750,734	2,320,247
Mark A. Mcdonald/Executive Vice President, Global Development	1,263,992	2,587,303	1,860,863	1,586,673	2,180,109

Capital Allocation Comparison:

AMC Entertainment Holdings has a large amount of debt due to its acquisitions of Odeon, Carmike, and Nordic. AMC, pushed by its majority stakeholder the Dalian Wanda Group, has made numerous acquisitions to expand its growth. AMC acquired Odeon for approximately $617 million, Carmike for $858 million and Nordic for $631 million. On November 8, 2016, AMC issued $595 million aggregate principal amount of its 5.875% Senior Subordinated Notes due 2026 and $250 million of its 6.375% Senior Subordinated Notes due 2024. AMC also completed an additional public offering (discussed above) resulting in net proceeds of $618 million. AMC's high amount of operating cash flow will also be used to fund the acquisitions. Management discussed how the $0.80 annual dividend per share should not be affected. Moody assigned B2 for AMC is under review due to its increasing amount of debt undertaken from the transactions resulting in a material rise in leverage and the increased exposure to currency risk. AMC's increase in total debt, capitalization, and cost of debt, WACC, and ROC/WACC compared to its competitors are shown below.

In Millions of USD	FY 2013	FY 2014	FY 2015	FY 2016
12 Months Ending	12/31/2013	12/31/2014	12/31/2015	12/31/2016
Market Capitalization	2,001.2	2,549.6	2,337.7	3,707.1
- Cash & Equivalents	546.5	218.2	211.3	207.1
+ Preferred & Other	0.0	0.0	0.0	0.0
+ Total Debt	2,195.0	1,900.3	2,014.7	4,436.4
Enterprise Value	3,649.7	4,231.7	4,141.1	7,936.4

Capitalization (Debt/Equity)	History	LFY
AMC	0.86	1.20
Competitors	0.43	0.42

Kd	History	LFY
AMC	5.9%	3.8%
Competitors	6.1%	5.4%

WACC	History	LFY
AMC	8.0%	7.8%
Competitors	9.6%	8.7%

ROC /WACC	History	LFY
AMC	0.54	0.72
Competitors	1.10	1.21

AMC's total debt has increased from approximately 2.01 billion in FY 2015 to $4.44 billion in FY 2016. As expected, AMC's last fiscal year capitalization is at 1.20 and much higher than its competitors of 0.42. AMC's cost of debt at 3.8% is lower than its competitors; this could be due to its large size and better credit rating. Its WACC at 7.8% is also lower than its competitors. However, AMC's ROC to WACC at 0.72 is smaller than its competitors. AMC's low cost of debt and WACC allow for these acquisitions to be profitable.

Profitability Comparison:

AMC Entertainment Holdings' revenue, gross profit, EBITDA, Net Income, and EPS are shown below with their respective margin. Revenue has increased at 9.8% to $3.2 billion in FY 2016. Gross profit has increased 11% to $2 billion with a margin 61.9%. EBITDA has increased 11% to 536.7 million with a margin of 16.6%. Net Income has increased 26% to 147.9 million with a margin of 4.6%. EPS has increased 25% to 1.50. AMC is less profitable compared to its competitors. AMC's ROE at 8.33%, ROA at 2.16%, profit margin at 4.57%, and EBITDA margin at 7.45% is below its competitors' median. AMC's gross margin at 61.94% is above its competitors' median. AMC also manages its resources less efficiently than its competitors since its activity ratios are lower. AMC's asset turnover rate at 0.47, A/R turnover rate at 20.28, and A/P turnover rate at 3.02 are worse than its competitors' median. The financial leverage ratio is at 3.87, which is above its competitors. AMC has seen an increasing trend in its profitability; however its profitability ratios are below its competitors. AMC is well positioned to increase its profitability ratios with its recent acquisitions enabling it to become the largest exhibitor, have an increased geographical presence, and obtain acquisition synergies.

In Millions of USD	FY 2013	FY 2014	FY 2015	FY 2016
12 Months Ending	12/31/2013	12/31/2014	12/31/2015	12/31/2016
Revenue, Adj	2,749.4	2,695.4	2,946.9	3,235.8
Growth %, YoY	3.6	-2.0	9.3	9.8
Gross Profit, Adj	1,665.2	1,649.2	1,796.9	2,004.2
Margin %	60.6	61.2	61.0	61.9
EBITDA, Adj	394.1	395.7	480.1	536.7
Margin %	14.3	14.7	16.3	16.6
Net Income, Adj	368.0	61.1	117.4	147.9
Margin %	13.4	2.3	4.0	4.6
EPS, Adj	4.80	0.62	1.20	1.50
Growth %, YoY	-74.8	-87.0	92.2	24.9

Name	ROE:Y	ROA:Y	GM:Y	PM:Y	EBITA Mrgn:Y	Ast TO:Y	A/R Trnovr:Y	A/P Turnover:Y	Finl Lev:Y
Median	10.48%	5.54%	57.05%	6.27%	11.81%	0.69	31.87	8.79	2.81
AMC ENTERTAINMENT HL...	8.33%	2.16%	61.94%	4.57%	7.45%	0.47	20.28	3.02	3.87
READING INTERNATION...	8.52%	3.03%	23.26%	4.36%	7.73%	0.70	28.76	20.97	2.81
CINEMARK HOLDINGS INC	23.63%	6.62%	61.73%	9.56%	14.56%	0.69	39.10	10.21	3.57
REGAL ENTERTAINMENT...	--	6.66%	61.63%	5.47%	10.73%	1.22	20.99	5.77	--
TIX CORP	15.52%	13.51%	52.48%	14.19%	14.38%	0.95	514.55	9.07	1.15
MARCUS CORPORATION	10.48%	4.47%	46.88%	7.07%	12.88%	0.63	34.98	8.50	2.34

Summary:

In conclusion, AMC Entertainment Holdings is a buy at its current price due to its upward growth potential. AMC has the competitive advantage of offering its customers the best movie-going experience with its film content, comfort and convenience with recliner seating, superior food and beverage with MacGuffins and expanded food offerings, and premium sight and sound with its partnership with IMAX and Dolby Cinema. This superior movie-going experience will be expanded globally due to the acquisitions of Odeon, Carmike, and Nordic. This will lead to greater theater attendance by international customers due to this superior experience and will result in greater revenue growth for AMC. With these acquisitions, AMC is well positioned for continued success as the #1 operator in the U.S., Europe, and the World. AMC Entertainment Holdings' one-year target price of $37.69, a 28.52% price return, is reasonable due to their upward growth potential.

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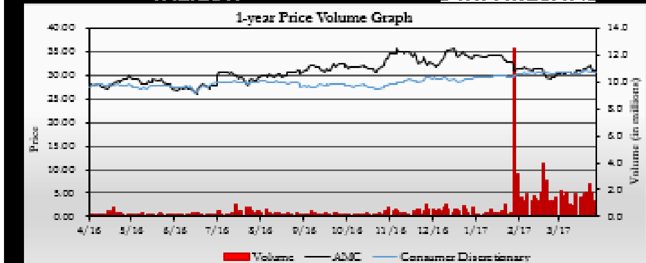
AMC Entertainment Holdings, Inc. (AMC)

CENTER FOR GLOBAL FINANCIAL STUDIES

BULLISH

Analysis by Joseph Nastasi	Current Price:	$30.30	Intrinsic Value	$33.75	Target 1 year Return: 28.52%
4/12/2017	Divident Yield:	4.1%	Target Price	$37.69	Probability of Price Increase: 69.2



Description

AMC Entertainment Holdings, Inc., through its subsidiaries, operates in the theatrical exhibition business.

General Information

Sector	Consumer Discretionary
Industry	Media
Last Guidance	November 3, 2015
Next earnings date	May 4, 2017
Estimated Country Risk Premium	6.20%
Effective Tax rate	39%
Effective Operating Tax rate	28%

Market Data

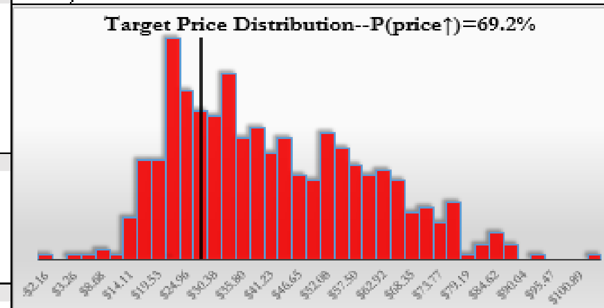
Market Capitalization	$4,016.18
Daily volume (mil)	0.84
Shares outstanding (mil)	130.62
Diluted shares outstanding (mil)	98.87
% shares held by institutions	28%
% shares held by investments Managers	22%
% shares held by hedge funds	2%
% shares held by insiders	0.40%
Short interest	2.97%
Days to cover short interest	2.85
52 week high	$35.65
52-week low	$25.75
Levered Beta	1.55
Volatility	0.00%

Past Earning Surprises

Quarter ending	Revenue	EBITDA
12/31/2015	-3.32%	-18.61%
3/31/2016	-4.10%	-12.22%
6/30/2016	-5.69%	-16.33%
9/30/2016	-1.00%	-7.33%
12/31/2016	0.44%	-14.92%
Mean	-2.85%	-13.88%
Standard error	1.1%	1.9%

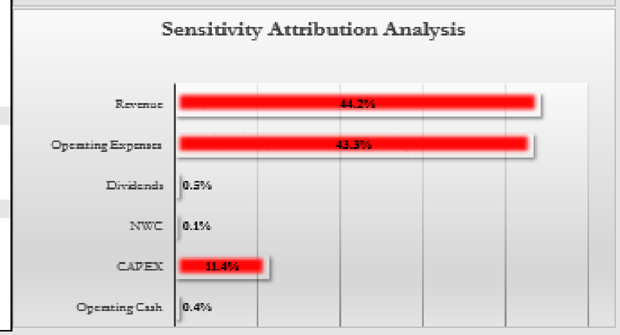
Peers

- Regal Entertainment Group
- Cinemark Holdings, Inc.
- Lions Gate Entertainment Corp.
- Viacom, Inc.
- IMAX Corporation
- Reading International, Inc.
- Time Warner Inc.

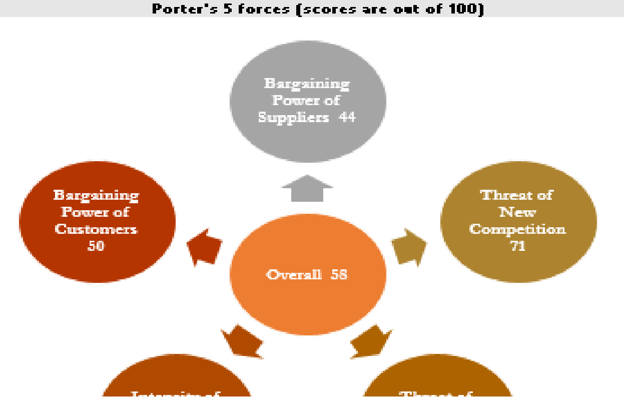


Management	Position	Total compensations growth	Total return to shareholders
Aron, Adam	Chief Executive Officer, Pre	N/M	N/M
Ramsey, Craig	Chief Financial Officer and	11.95% per annum over 6y	N/M
McDonald, John	Executive Vice President of	9.43% per annum over 6y	N/M
McDonald, Mark	Executive Vice President of	11.52% per annum over 5y	N/M
Frank, Elizabeth	Chief Content & Programming	0.68% per annum over 5y	N/M
Cox, Chris	Chief Accounting Officer and	N/M	N/M

Profitability	AMC (LTM)	AMC (5 years historical ave	Industry (LTM)
ROIC	14.6%	14.62%	9.88%
NOPAT Margin	13%	6.89%	14.2%
Revenue/Invested Capital	1.12	2.12	0.70
ROE	-16.5%	-1.78%	12.50%
Adjusted net margin	9%	1.63%	13.0%
Revenue/Adjusted Book Value	-1.94	-1.09	0.96
Invested Funds	**AMC (LTM)**	**AMC (5 years historical ave**	**Industry (LTM)**
Total Cash/Total Capital	2.2%	4.2%	9%
Estimated Operating Cash/Total Capital	2.2%	3.6%	N/A
Non-cash working Capital/Total Capital	-6.8%	-7.3%	1%
Invested Capital/Total Capital	48.6%	46.5%	88%
Capital Structure	**AMC (LTM)**	**AMC (5 years historical ave**	**Industry (LTM)**
Total Debt/Common Equity (LTM)	2.10	1.28	0.37
Cost of Existing Debt	4.31%	5.24%	4.53%
Estimated Cost of new Borrowing	1.21%	1.80%	4.53%
CGFS Risk Rating	AA	BBB	B
Unlevered Beta (LTM)	0.67	0.82	1.18
WACC	6.13%	8.69%	10.11%



Porter's 5 forces (scores are out of 100)



Valuation

Period	Revenue growth	NOPAT margin	ROIC/WACC
Base Year	9.8%	13.1%	2.38
12/31/2017	55.5%	10.7%	1.93
12/31/2018	3.3%	7.6%	1.06
12/31/2019	3.4%	8.2%	0.80
12/31/2020	8.7%	9.5%	0.97
12/31/2021	8.1%	10.0%	1.05
12/31/2022	7.4%	10.5%	1.08
12/31/2023	6.7%	11.0%	1.10
12/31/2024	6.0%	11.6%	1.15
12/31/2025	5.3%	12.3%	1.21
12/31/2026	4.7%	13.1%	1.27
Continuing Period	4.0%	13.7%	1.31

Period	Invested Capital	Net Claims	Price per share
Base Year	$3,802.16	$7,391.79	$32.35
12/31/2017	$3,852.43	$8,859.78	$35.37
12/31/2018	$286.16	$11,381.37	$39.38
12/31/2019	$2,959.48	$11,591.05	$45.13
12/31/2020	$2,900.51	$11,617.44	$51.44
12/31/2021	$4,505.75	$12,449.61	$58.31

April 16, 2017

TransDigm Group Inc: TDG

Andrew Cote

Sector: Industrials
Industry: Aircraft Parts Manufacturing
Current Price: $233.76
Target Price: $160

Company Description:
TransDigm Group Incorporated is a designer, producer and supplier of engineered aircraft components for use on commercial and military aircraft in service. The company operate through three main segments including, Power and Control, Airframe, and Non-Aviation. Their largest customers include Boeing, Airbus, and the US military.

Short

Volume:	1.5 M
Market Cap:	12.6B
Gross Margin:	56%
Comp	24%
Net Debt/EBITDA:	6.6
Short interest:	15.8%

Thesis:

Since inception, TransDigm Group has perfected the strategy of debt fueled acquisitions followed by aggressive price increases, lay-offs, and avoiding cost transparency that ultimately inflated margins. Not only is their strategy unsustainable, but TransDigm is believed to be engaging in illegal business tactics to keep prices that, if publicized, could effectively bring their "value driving" strategy to an end.

Catalysts:

- **Investigation by government to find proof of shady/illegal business tactics**
- **Boeing, Airbus, and the Dept. of Defense's need for cost saving inhibits large price increase / possible margin compression**
- **Alternatives to their "proprietary" parts becoming available**

Unsustainable Strategy

TransDigm has been able to grow their gross margins consistently despite no organic growth in their core business; which is aftermarket parts mostly for commercial aviation. Their growth strategy is to acquire companies that produce aftermarket parts for aircraft, cut costs, and raise prices. TransDigm's integration strategy typically includes firing several employees then subsequently raising prices by 100% or more. They basically have cornered the market on aftermarket parts by acquiring companies with patents and taking advantage of the intellectual property. In the latest earnings call it seems as though CEO Walter Howley is bragging about the monopolistic activities he has been engaging in which is very unsettling. The flowing quote is directly from the latest earnings call transcript;

"*If you're a PE firm that is looking in a proprietary aerospace business and you're outbidding us, you got to be pretty worried, right, because the only way you're going to do that is to be making a higher bet on the margin improvement. And the other thing is a couple have started it and frankly, we bought them. Odyssey started a roll up and we bought it." – Walter Howley*

It is highly unlikely that TransDigm will be able to continue this strategy from a regulatory standpoint. These actions are monopolistic in nature which will eventually lead to regulatory scrutiny.
There are only so many aftermarket aircraft parts (commercial and military) and even less with intellectual protection which means less opportunities for M&A. They will not be able to sustain their typical strategy of acquisitions for growth but instead on organic growth which has ironically been declining.

Inability to Continue Price Gouging

TransDigm's largest customer is the Department of Defense followed by Boeing and Airbus. Even though margins have increased, the price of Transdigm's products will undoubtedly will be under pressure because the current regulatory environment involving aggressive price increases on products containing intellectual property protection, brought about by recent pricing disputes in the pharmaceutical industry, will most definitely reduce management's ability to continue raising prices especially on aftermarket parts supplied to the Department of Defense.

In a report by Citron Research released on January 20th, Citron analysts dug through a leading defense parts and logistics management system and found some of the parts being sold under TransDigm and their prices pre and post-acquisition. The percentage increase in the prices of these items ranged from a low of 100% to a high of 736%.

Given the fact that President Trump was able to successfully negotiate the price reduction of Air Force One with Boeing and the F-35 program with Lockheed Martin, it is reasonable to assume that Boeing will pressure its suppliers to lower prices to reduce their production cost which should put more pressure on the price TransDigm's commercial products

Donald Trump has vowed to make government more efficient which means it is likely that TransDigm could be in his crosshairs soon. According to the report by Citron Research, the Department of Defense had already launched an investigation into TransDigm in 2008 for the same reasons but no action was taken then but it is

clear that Trump can and will. Recently, Democratic Congressmen from California, Rohit Khanna, called for another investigation into TransDigm's business practices. Their military segment has grown to 55% of total sales and I do not see that as a coincidence. The government and their frivolous spending habits make them the perfect customer to continue to raise prices which is why I believe CEO, Walter Howley, has targeted military aircraft parts suppliers as their M&A targets to take advantage of the obvious ability to overcharge the government.

Illegal Business Tactics!

The strategy used by Howley to circumvent the fair bidding process of the US Government involves selling through twelve subsidiaries that lie about their relationship with TransDigm to prevent bulk orders which would save the government money and reduce TransDigm's margins. According to research done by Citron, Bratenahl Capital Partners is a private equity firm founded in 2003 by Nick Howley, CEO Walter Howley's son, of which Walter is on the board of. The research states that Nick was born in November of 1982 which would make him 21 and still attending university at that time. Also, there are only 2 investors in Bratenahl one of which is called W.N.H., LLC which could very likely stand for Walter Nicholas Howley.

The evidence is strong that Walter could be the real owner behind this specific subsidiary which could prove that they are using illegal tactics. As more evidence comes to light the government will be able to build a case and request information which Walter is avoiding giving to the public (ie. Cost breakdown, distribution strategies, subsidiaries) and not only might that cause the government to cancel their contracts, which they can do at any time, but would cause them to go into bankruptcy within a year or two!

Over Levered

Howley's strategy consists of highly leveraging the company in order to complete these acquisitions and share repurchases which isn't sustainable in this rising interest rate environment. TransDigm currently has **$10.6** Billion in long term debt, which is over 90% of total debt outstanding, with December 2016 EBITDA of **$1,701.7** bringing their Net Debt/ EBITDA to a historical high of 6.6. Not only is debt outgrowing earnings, but the majority of their outstanding debt (59%) is variable rate.

If TransDigm is not able to continue finding new M&A opportunities, loses their ability to aggressively raise prices, or lose a government contract their liquidity and solvency will be called into question as its current assets only cover current liabilities three times. Also, they barely have enough cash to cover current liabilities. As time goes on, there is a greater possibility of default on current obligations. The credit rating agencies know this as well which explains why some of their debt is rated CCC+ (Junk).

Shady Management:

Going through TransDigm's last earnings call transcript I noticed that Walter Howley could offer little guidance for the next quarter, full year, or about current industry trends. It seemed as though he knew nothing about his own industry given the fact that he said, "I don't know" over 15 times to questions asked by analysts and the ones he did answer he gave a vague answer. He couldn't even offer an explanation to why the acquisitions he recently made were skewed towards military parts. Not only does the CEO not divulge any useful information but apparently, according to an audit report, it is company policy not to disclose any cost breakdown of their products. It is difficult to trust a CEO, let alone a company, when they refuse to be transparent and it baffles me that investors are still flooding into their stock.

The primary form of compensation TransDigm uses is restricted stock options that pay out when management reaches high EPS goals of which the executives have taken full advantage of by taking on excessive risk. Typically, stock options are used to align the interest of shareholders and management and you could make that argument here but when management is using unsustainable and possibly illegal business practices to boost margins you have to question their motives especially when TransDigm's CEO has taken home over $275 million in the past 5 years which makes him once of the highest paid CEO's is the U.S.

Why Has This Gone Unnoticed?

TransDigm would seem an investors best friend as it frequently repurchases shares and pays out substantial dividends to its shareholders. Or you could say that TransDigm is paying off its shareholders to not ask any questions which is what I believe since Mr. Howley doesn't answer questions anyway. Its easy for shareholders to look the other way when a company has paid out over $4.6 Billion in dividends since 2013. It is also very difficult to maintain a short position when the company engages is massive debt fueled share repurchases. The ride up has been very profitable for investors but once TransDigm's "value driving" strategy drives them into bankruptcy then the ride back can be equally as entertaining and profitable too… if you are on the right side.

Below, insert a screenshot of your "OUTPUT" page from the Pro-Forma. Or, if you built your own model, insert screenshot of it here.

April 14th, 2017

Dycom Industries, Inc.: DY

Michael Capozzi

Sector: Industrial Goods
Industry: Heavy Construction
Current Price: 93.31
Target Price: 133.15

Founded in 1969 in Palm Beach Gardens, Florida, Dycom Industries Inc. provides specialty-contracting services in the United States and Canada. These specialty contracting services include engineering, construction, maintenance, and installation for telecommunications providers. They provide services for telecommunication, gas, electric, and cable television. The company also offers underground facility location services.

BUY

Current Price:	$93.31
Target Price:	$133.15
Market Cap:	2.93B
Beta:	1.54
52 week range:	65.79-98.47
Average Volume:	451,149
WACC:	9.6%
EBITDA Margin LTM:	13.9%
D/E ratio:	0.3

Thesis:

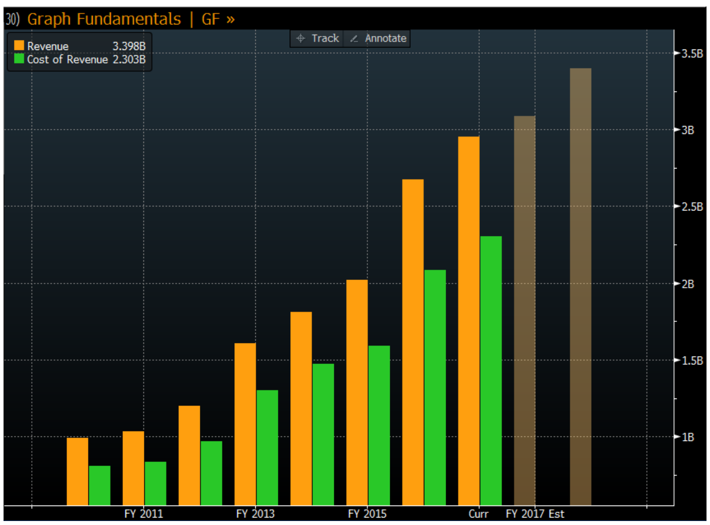
Dycom is on a hot streak and has continued to beat earnings. The stock has been able to create significant value for its investor through its ability to create new opportunities in a growing industry. 2016 was a great year for Dycom and the company shows that they are on their way to finish 2017 on a positive note as well. A positive earning call for Q3 could potentially spike the stock price like it did when they beat Q2 earnings. For the long run, Dycom has been able to lock down major players such as AT&T and CenturyLink to service their switch from 4G LTE to 5G. According to the CEO, Steven Nielson, Dycom is expected to increase wireless revenues significantly over the next few years. In comparison with competitors, Dycom has been able to create more value for their investors. Dycom has been able to increase revenue growth, EBITDA growth, NI growth, and ROE better than their competitors.

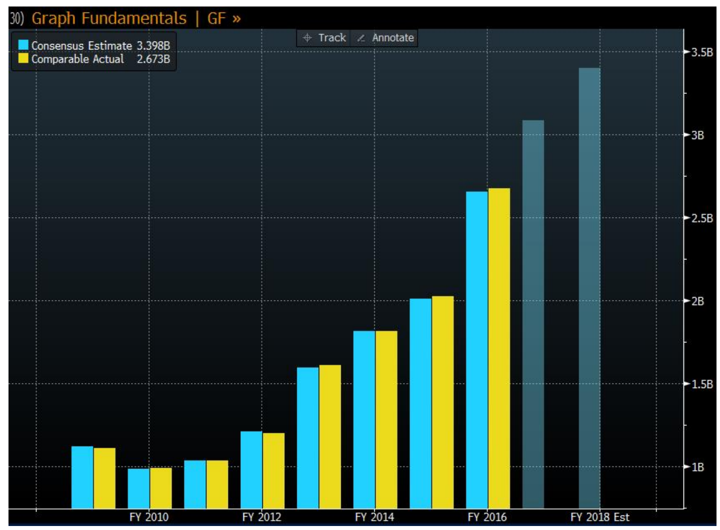
Catalysts:

- Short Term (within the year): Positive Q3 Earnings
- Mid Term (1-2 years): Transition from 4G LTE to 5G will increase wireless revenue
- Long Term (3+): A consistently growing industry will support company growth for years to come. Trump's corporate tax cuts will bout well for Dycom for the next four years

Earnings Performance:

Dycom Industries (DY) beat analysts' forecast estimates for Q2 2017 earnings. Their earnings of $0.82 a share beat out Zacks Consensus Estimate of $0.69. Another successful earning call continued the company's hot streak and the stock saw a sharp spike because of it. Revenues increased from $2022.3M in 2015 to $2672.5 in 2016 a 32% increase and revenues have also increased 122% in the last 5 years. DY's earnings per share has also been impressive. EPS has increased $1.74 to $4.02 in the last year and has increased 373% in the last five years. Their recent earnings success has increased shareholders' wealth over the last few years. In regards to margins. The company has also been successful in consistently finding ways to lower costs. EBITDA margins increased from 12.4% to 13.9%. Gross margins also increased from 21.2% to 22%. In regards to future earnings, analysts are optimistic the company can continue its hot streak. Investors are hopeful in another spike due to a successful earnings call.





4G LTE to 5G:

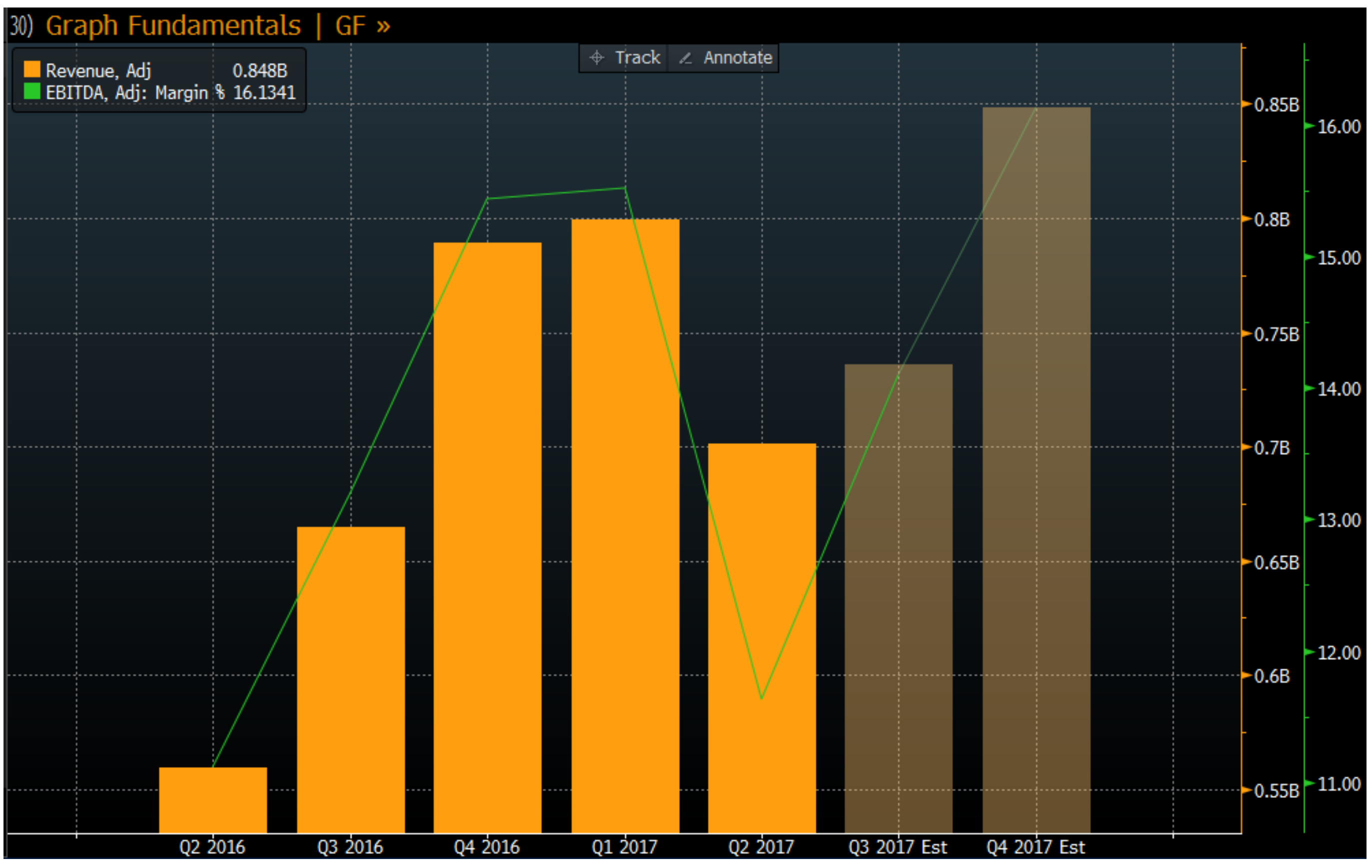
Three of Dycom's largest customers, AT&T, CenturyLink, and Comcast, are all beginning to roll out their 1 Gbps FTTH to 5G. Dycom's responsibilities are and will be to provide project management, engineering and design, aerial and underground construction and fulfillment services for the deployments of 1 Gbps. Currently, AT&T announced they have 4 million people connected to its FTTH network and is ahead of its goal to reach 12.5 million locations. CenturyLink and Comcast are both just as aggressive in expanding and increasing the speed of their network. Dycom's top 5 customers make up 76.2% of their revenue so this increase in business will see significant growth in the company. Mr. Steven E. Nielson, CEO of Dycom, told investors the expansion of 5G will increase its wireless

Exhibit A

revenue potential for the next few years. Exhibit A shows how revenue from telecommunications has increased significantly due to the introduction and demand for new technology. In 2016, revenue from telecommunications rose to $2,424M making up 90.7% of their revenue.

Q3 Earning Results:

Investors expect another successful quarter from Dycom. If numbers are met, DY could see another spike in price, similar to what it did after it Q2 release. Revenue in quarter 3 is expected to grow 10.7% to $735.7M. Forecasters also believe the company will have the ability to increase gross margins to 22% in comparison to the 19.9% in Q2. EBITDA margins are also expected increase from 11.6% to 14.1%. EPS are also expected to increase from 0.71 to 1.19. After the Q2 earnings spike the stock has not seen much movement, this leads me to believe that the market hasn't reacted to the positive forecasts for the company. Due to the increased demand in the telecommunication services, Dycom should be able to make Q3 earnings, which may cause a spike in price for investors. Q3 earning will be released on 5/23/2017.



Beating Competitors:

As discussed earlier, Dycom has tremendous growth opportunities presently and ahead of them. Dycom is taking advantage of the new opportunities in the market. Because of this, they are growing at a faster rate than any of their competitors. Dycom's customers are some of the biggest players in the telecommunication industry. These include AT&T, CenturyLink, Comcast, and Google. As these company's expand, this means more revenue growth for Dycom. Out of the 10 competitors sampled, the median sales growth is 6.06% for the last twelve months. Dycom is not only significantly beating the competitor median, but leading the group at 29.03%. As you can see in exhibit B, Dycom has been able to decrease their costs better than almost all of their competitors in the last twelve months. This is key indicator that Dycom is able to create more profit than their competitors. They are also to return more on equity, invested capital, and assets than their competitors.

Exhibit B

Name (BICS Best Fit)	Sales Growth (%)	EBITDA Growth (%)	Net Income Growth (%)	Return on Equity	Return on Invested Capital	Return on Assets
Median	6.06%	1.58%	0.53%	7.00%	5.73%	3.45%
100) DYCOM INDUSTRIES INC	29.03%	35.09%	41.29%	25.54%	12.85%	9.21%
101) AMERICAN TOWER CORP	21.25%	16.58%	24.92%	17.92%	6.26%	3.31%
102) CROWN CASTLE INTL CORP	7.02%	4.11%	-20.71%	6.01%	5.13%	1.99%
103) SBA COMMUNICATIONS C...	-0.33%	-0.95%	--	--	3.34%	1.07%
104) MASTEC INC	22.01%	25.91%	131.25%	13.98%	8.26%	4.65%
105) PRIMORIS SERVICES CORP	3.50%	-8.28%	-27.89%	5.94%	4.63%	2.53%
106) FLUOR CORP	5.09%	-6.42%	-25.06%	14.23%	10.86%	5.17%
107) MYR GROUP INC/DELAWARE	7.61%	-29.27%	-19.67%	7.00%	6.57%	3.78%
108) KBR INC	-16.25%	-63.59%	--	-2.63%	-0.67%	-0.63%
109) QUANTA SERVICES INC	1.04%	9.60%	20.72%	5.90%	5.20%	3.59%

Management:

Dycom is led by their CEO, Steven Nielsen. Nielsen has been with the company since 1996 when he served as the company's COO. His guidance and vision has lead the company to new opportunities and growth in the company. Nielson is hopeful the deployment of 1 Gbps will increase wireless revenue for the next few years. His drive for growth has led to the impressive numbers shown through the company's earning calls. As for now management is not a concern for the company in the near future.

Ownership:

A number of hedge funds and institutional investors have changed their positions on DY. Since January 8th, 2017, The number of buyers has increased 28.82% and the amount of sellers has decreased 30,73%. Advisors Asset Management Inc. has increased its position in DY 0.6% in the third quarter. Alpine Woods Capital Investors LLC, Geneva Advisors LLC, Intrust Bank NA, and Baird Financial Group Inc. amongst others have all increased positions in the third quarter as well.

Compare Current Stats Against 01/08/17

Institutional - Based on Current Filings

51) Institutional	01/08/17	Curr	Change
11) % of Shares Held	111.64	128.01	+16.37
12) % of Float Held	116.55	133.59	+17.04
13) # of Institutions	460	434	-5.65%
14) # of Buyers	118	152	+28.81%
15) # of Sellers	192	133	-30.73%
16) # of New Buyers	92	72	-21.74%
17) # of Selloffs	67	85	+26.87%
18) % Chg in Inst Positions	+4.33	+5.66	+1.33

Conclusion:

Due to the catalysts discussed, DY seems like it has the potential to be a serious growth stock for the next few years. They are growing at a faster rate than any of their current competitors. They have serious opportunities to grow their wireless service revenues due to the switch from 4G LTE to 5G. They have locked in customers such as AT&T, Comcast, and CenturyLink, just to name a few. The industry they find themselves in is a forever-growing market and will allow Dycom to continue to grow as a company. If everything falls into place they should be able to reach their target price of $133.15.

Current Price	$93.31
Intrinsic Value	$116.45
Target Price	$133.15
Target 1 Yr Return	42.69%

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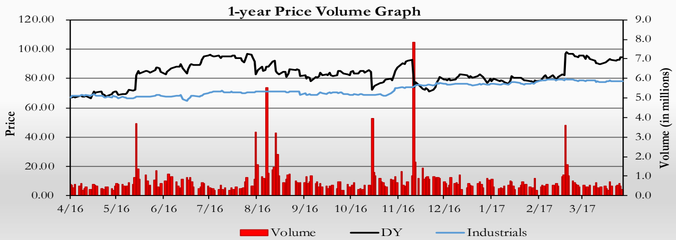
Dycom Industries, Inc. (DY) — CENTER FOR GLOBAL FINANCIAL STUDIES — BULLISH

Analysis by Michael Capozzi	Current Price:	$93.31	Intrinsic Value	$116.45	Target 1 year Return: 42.69%
4/13/2017	Divident Yield:	0.0%	Target Price	$133.15	Probability of Price Increase: 99.6%

1-year Price Volume Graph



Description

Dycom Industries, Inc. provides specialty contracting services in the United States and Canada.

General Information

Sector	Industrials
Industry	Construction and Engineering
Last Guidance	November 3, 2015
Next earnings date	May 18, 2017
Estimated Country Risk Premium	6.25%
Effective Tax rate	25%
Effective Operating Tax rate	23%

Market Data

Market Capitalization	$2,931.98
Daily volume (mil)	0.45
Shares outstanding (mil)	31.42
Diluted shares outstanding (mil)	32.35
% shares held by institutions	73%
% shares held by investments Managers	81%
% shares held by hedge funds	25%
% shares held by insiders	4.46%
Short interest	24.25%
Days to cover short interest	12.73
52 week high	$98.47
52-week low	$65.79
Levered Beta	1.31
Volatility	40.44%

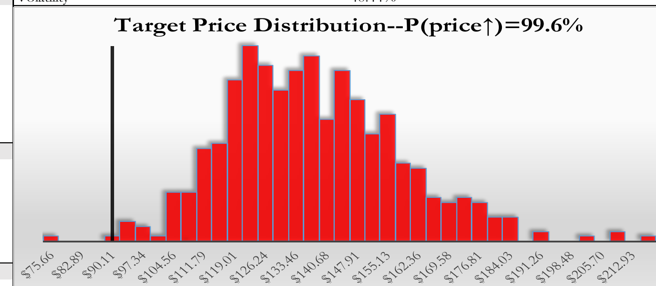
Past Earning Surprises

Quarter ending	Revenue	EBITDA
1/23/2016	1.91%	-10.16%
4/23/2016	9.86%	9.92%
7/30/2016	1.21%	-3.10%
10/29/2016	-1.10%	-5.68%
1/28/2017	4.65%	0.58%
Mean	3.31%	-1.69%
Standard error	1.9%	3.4%

Peers

MasTec, Inc.
Primoris Services Corporation
KBR, Inc.
Granite Construction Incorporated
EMCOR Group, Inc.
Tetra Tech, Inc.
Quanta Services, Inc.
AECOM

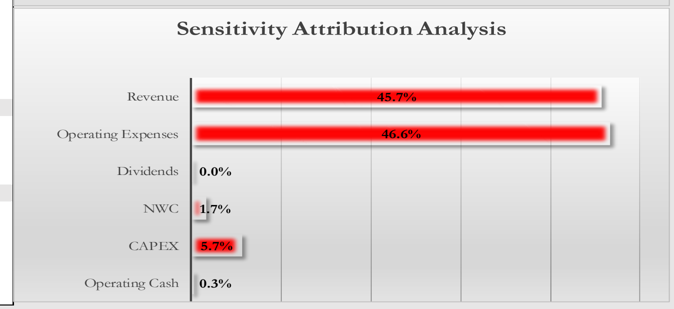
Target Price Distribution--P(price↑)=99.6%



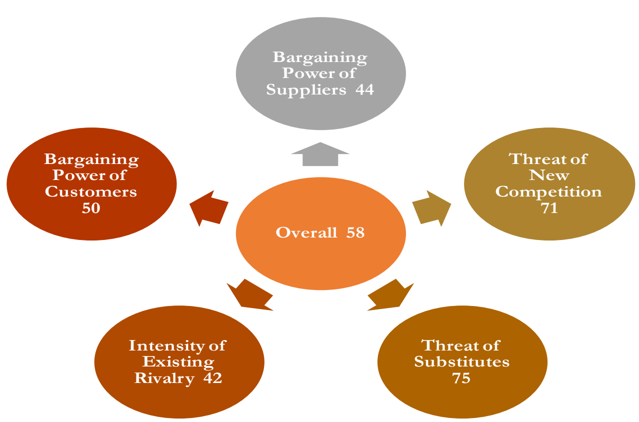
Management	Position	Total compensations growth	Total return to shareholders
Nielsen, Steven	Chairman, Chief Executive Of	8.42% per annum over 5y	3.96% per annum over 5y
DeFerrari, H.	Chief Financial Officer, Sen	12.45% per annum over 5y	3.96% per annum over 5y
Estes, Timothy	Chief Operating Officer and	7.92% per annum over 5y	3.96% per annum over 5y
Vilsoet, Richard	Vice President, General Coun	6.69% per annum over 5y	3.96% per annum over 5y
Dickens, Kimberly	Chief Human Resources Office	9.49% per annum over 1y	47.18% per annum over 1y
Roach, Rebecca	Chief Accounting Officer and	N/M	N/M

Profitability	DY (LTM)	DY (5 years historical average)	Industry (LTM)
ROIC	22.3%	20.45%	8.73%
NOPAT Margin	10%	8.25%	3.4%
Revenue/Invested Capital	2.34	2.48	2.54
ROE	85.5%	55.27%	9.42%
Adjusted net margin	8%	6.93%	3.2%
Revenue/Adjusted Book Value	10.34	7.97	2.94
Invested Funds	**DY (LTM)**	**DY (5 years historical average)**	**Industry (LTM)**
Total Cash/Total Capital	1.5%	1.6%	20%
Estimated Operating Cash/Total Capital	1.5%	1.6%	N/A
Non-cash working Capital/Total Capital	31.1%	30.1%	11%
Invested Capital/Total Capital	74.8%	71.5%	75%
Capital Structure	**DY (LTM)**	**DY (5 years historical average)**	**Industry (LTM)**
Total Debt/Common Equity (LTM)	0.43	0.52	0.12
Cost of Existing Debt	5.12%	6.64%	3.73%
Estimated Cost of new Borrowing	5.03%	4.79%	3.73%
CGFS Risk Rating	C	CC	C
Unlevered Beta (LTM)	1.05	1.07	1.21
WACC	10.10%	10.95%	11.37%

Sensitivity Attribution Analysis



Porter's 5 forces (scores are out of 100)



Valuation

Period	Revenue growth	NOPAT margin	ROIC/WACC
Base Year	29.0%	9.5%	2.21
1/28/2018	10.8%	9.3%	2.06
1/28/2019	10.3%	9.7%	2.19
1/28/2020	9.6%	9.7%	2.16
1/28/2021	8.9%	9.7%	2.17
1/28/2022	8.2%	9.7%	2.17
1/28/2023	7.5%	9.7%	2.16
1/28/2024	6.8%	9.7%	2.15
1/28/2025	6.1%	9.7%	2.14
1/28/2026	5.4%	9.7%	2.13
1/28/2027	4.7%	9.7%	2.12
Continuing Period	4.0%	9.7%	2.10

Period	Invested Capital	Net Claims	Price per share
Base Year	$549.78	$1,334.63	$114.64
1/28/2018	$751.15	$1,137.03	$130.92
1/28/2019	$934.45	$921.12	$148.67
1/28/2020	$1,059.84	$650.19	$167.56
1/28/2021	$1,259.85	$352.64	$187.59
1/28/2022	$1,477.47	$17.41	$208.83
1/28/2023	$1,606.72	-$360.46	$231.38
1/28/2024	$1,778.87	-$801.44	$255.82
1/28/2025	$1,929.95	-$1,203.97	$278.99
1/28/2026	$2,092.53	-$1,639.64	$303.08
1/28/2027	$2,255.88	-$2,107.16	$328.05
Continuing Period			

April 14th, 2017

Louisiana-Pacific Corporation: LPX (Long)

John Garrity

Sector: Materials / Industrials
Industry: Forest Products / Building Products
Current Price: $25.71
Target Price: $30.10

Company Description:

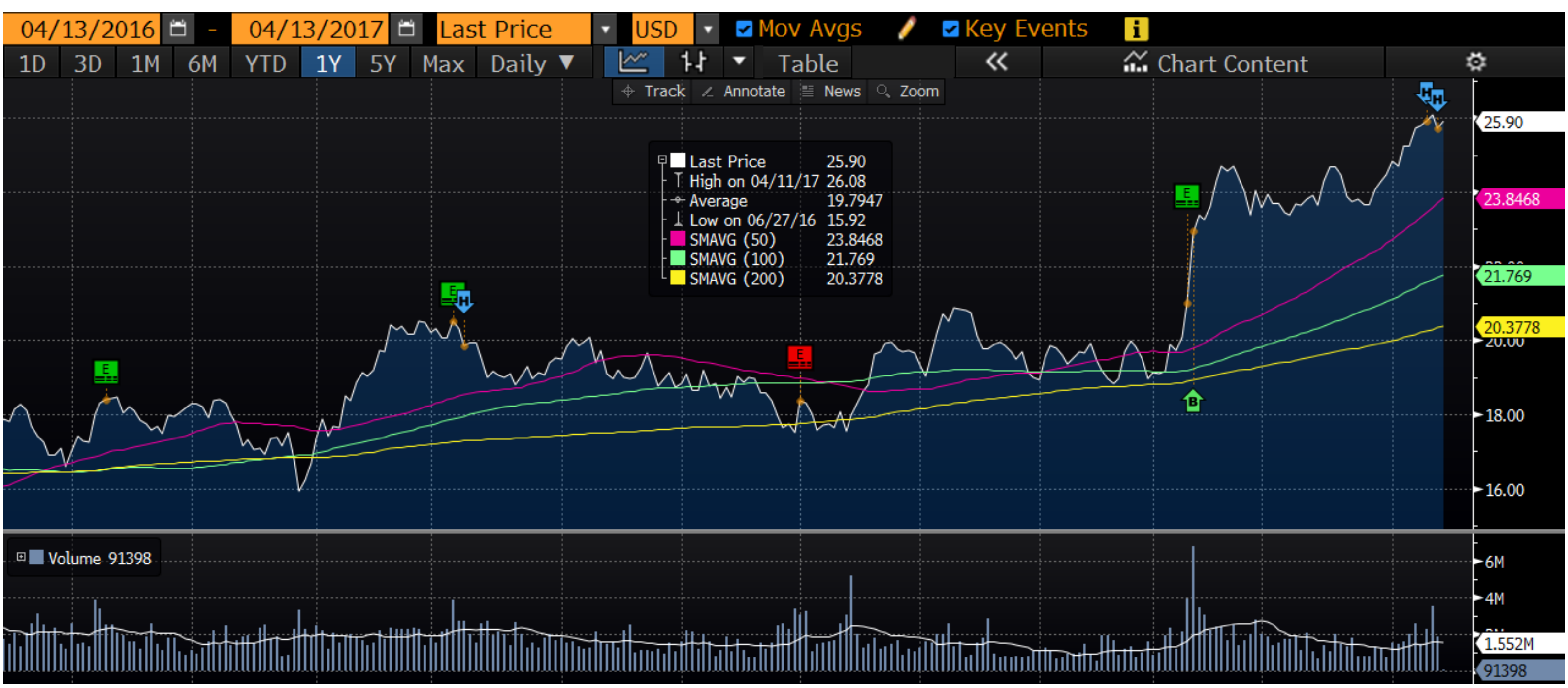
Louisiana-Pacific Corporation was founded on January 5th 1973, in Nashville, Tennessee and manufactures building materials and engineered wood products in the United States, Canada, Chile, and Brazil and have production facilities throughout North and South America. Their products are used by homebuilders and light commercial builders, which include oriented strand board (OSB) sheathing, flooring, radiant barrier panels, siding and trim, I-Joists, and laminated veneer lumber. Louisiana Pacific specializes in manufacturing products for floor, walls, and roofs. These products are used in new home and manufactured housing construction, repair, and remodeling. LP sells its products to distributers, dealers, professional lumberyards, and retail home center including The Home Depot. Louisiana-Pacific is trading near their 52 week high.

Key Statistics:

Market Price:	$25.71	ROE:	13.54%
Market Cap:	$3,720.2M	Net Income Margin:	6.7%
WACC:	9.05%	P/E:	24.07 x
ROIC:	11.01%	Volume:	1.54 M
EBITDA Margin:	14.18%	Effective Tax:	11.6%
Ke:	9.84%		

Catalysts:

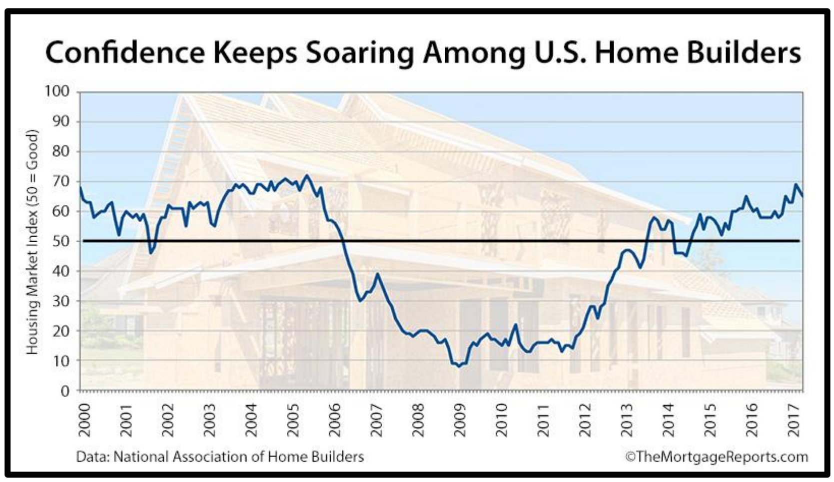
> Growing housing starts (ST)
> Existing & new home sales (ST)
> Builder confidence strong (ST)
> Job growth (MT)
> Low cost of ownership vs rental (MT)
> New housing starts (LT)



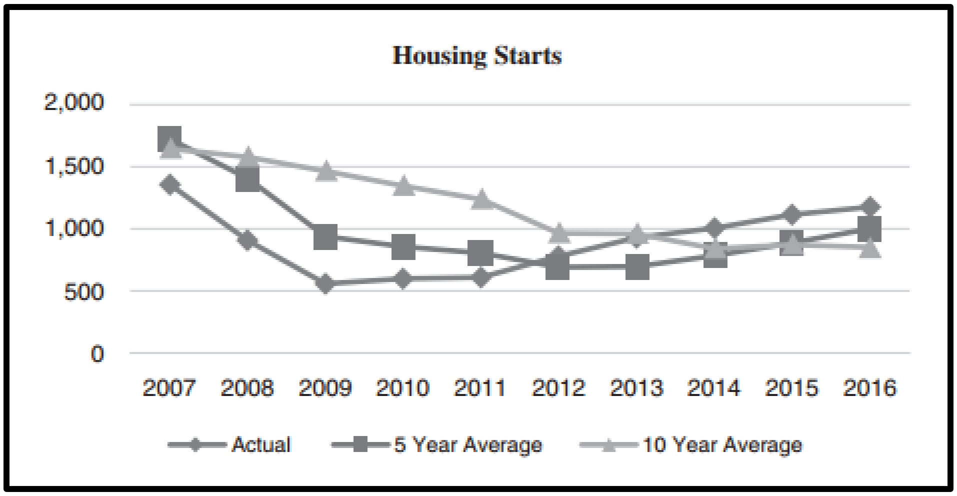
Thesis:

Louisiana-Pacific is a leading manufacturer of building products throughout North and South America with 20 modern facilities in the U.S. and Canada, two facilities in Chile with one under construction, and a single facility in Brazil. In both the short and long term, the homebuilding products industry presents significant growth opportunities, and LP seeks to deliver innovative, high-quality commodity and specialty building products to retail, wholesale, homebuilding, and industrial customers. LP will be positively impacted by many economic factors affecting the housing industry. Recently there has been an increase in housing demand due to the availability of lots and labor. The reasonable credit environment coupled with employment and job growth further make the case. So far in 2017, the existing new home sales are up and builder confidence is rising along with the number of housing formations. LP also competes in the repair and remodeling industry, which is recovering since 2008. LP is the leading producer of OSB in North America and the only producers of OSB and OSB siding in South America, mainly fueled by their competitive delivery cost. Drivers of the demand of OSB are new residential construction, repair and remodeling, industrial / light commercial needs, and opportunistic exports. LP is positioned for upside as the housing market continues to recover. LP is a leading participant in the upturn of the housing market shown by strong sales and marketing, and enhanced operational productivity. LP is an important supplier to industrial, non-residential, and R&R markets and look to diversify geographically. LP's strategy is to grow their OSB business further, continue to offer superior quality and service to customers, maintain their competitive delivery costs to meet the needs of their customers.

Industry Outlook:



In the latest Monthly New Residential Sales by the U.S. Census Bureau and the U.S. Department of Housing and Urban Developmentwas released on March 23rd, which is based on information up until March. Sales of new single-family houses in February 2017 were 592,000 using a seasonally adjusted annual rate. This is a 6.1 percent increase from January 2017 and 12.8 percent increase from February 2016 estimate for 2017. The median sales price of new houses sold was $296,200 and the average price was $390,400 for February 2017. The improving macroeconomic enviornment following the election brings renewed optimism, wage and job growth, and consumer confidence. Barclays economist Rob Martin wrote in a new home sales report that the housing market has seen significant improvement and expects further gains this year. The new construction market is not at peaks seen in 2007, and not at the lows of 2010, which points to good opportunities due to improving economic conditions. With the Federal Reserve raising interest rates, mortgage rates will be on the rise, but Redfin Chief Economist does not see the 30-year fixed rate to reach higher than 4.3 percent, which is still lower than rates proir to 2010. Though rate my rise, mortgage credit will be more available, which would lower fees charged to first-time buyers by the Federal



Housing Administration. As of the turn of the year, Fannie May and Freddie Mac have begun backing larger mortgages for the first time in over a decade, which would allow easier financing. Top-tier economic cities like New York and San Francisco can't keep up with the demand for new construction due to geographic constraints and local government regulations. This leaves younger buyers to move to medium-sized cities, which have recently seen building permit insurance soar over the past six years. Builders are calling for fast home sales, in other words higher prices, in the upcoming year. Many buyers may not know what a mortgage exactly is and it's calculations, but rents are rising and buying a home could be cheaper than renting in 2017. For this, builders have optimism that this summer and fall could be one of the strongest buying seasons in more than a decade.

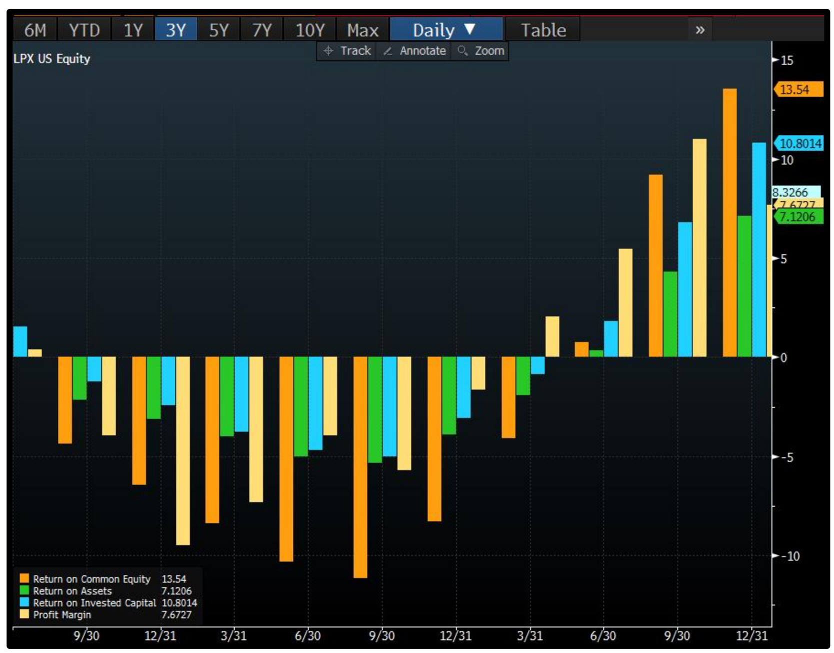
Products:


I-Joists

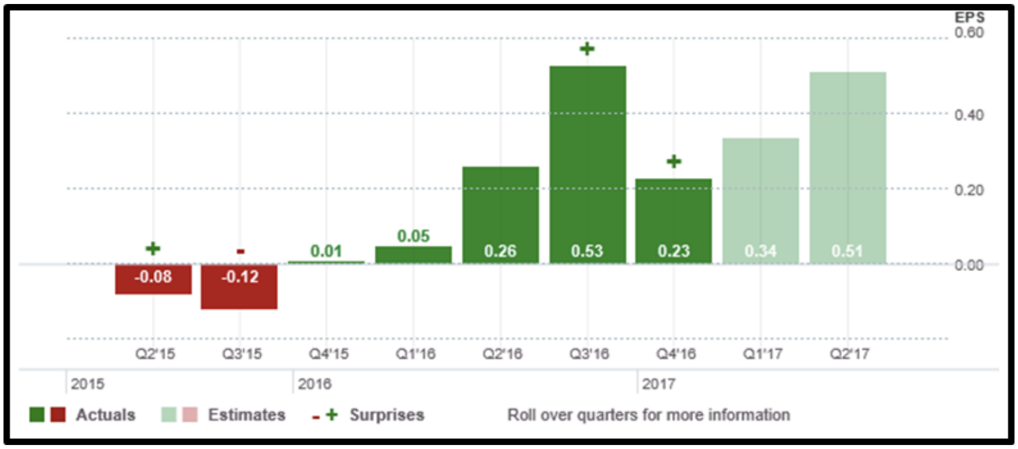
Oriented strand board is an innovative, affordable, and environmentally friendly product made from wood strands arranged in layers and bonded with resin. OSB sales accounted for 46 percent of LP's revenue in 2016. OSB serves many of the same purposes as plywood, including roof decking, sidewall sheathing, and floor underlayment, but can be produced at a significantly lower cost. In 2016, OSB accounted for approximately 65 percent of the structural panel consumption in North America, with plywood making up the rest. LP makes up for 21 percent of the OSB market, and 14 percent of the overall North American structural panel market. LP looks to enhance their leading position by leveraging their expertise in OSB to capitalize on new opportunities for revenue growth through value-added lines, deliver superior quality and service, and reduce costs by focusing on efficiency, raw materials, and logistics. Siding makes up just under 34 percent of LP's revenues for 2016. LP offers 3 siding offerings; SmartSide and CanExel. SmartSide products have quality and performance characteristics similar to solid wood, but at cheaper prices. CanExel sidings and accessories come pre-finished and are used in new home construction, remodeling, and outdoor structures like sheds. LP intends to increase these product offerings and production capacity of higher margin products through the addition of lower cost plants and the conversion of OSB plants to OSB-based exterior siding products. The engineered wood products (EWP) segment makes up a little over 13 percent of LP's revenue by manufacturing and distributing laminated veneer lumber (LVL), I-Joists, laminated strand lumber (LVL), among others. LP claims that their engineered I-Joists, which are used in residential and commercial flooring and roofing systems, are stronger, lighter, and straighter than conventional construction joists. LP intends to enhance their name in the EWP market by enhancing quality their product mix and quality, providing superior technical support, and to leverage their sales and marketing relationships to cross-sell their EWP products. LP's South American segment makes up about 6 percent of total revenue for 2016. This South American segment is focused on manufacturing and distributing OSB and siding products, as they are the only producer of such products in all of South America and intend to capitalize on the growing demand for wood-based residential construction in this region. In 2016, the top ten customers made up roughly 41 percent of LP's sales in 2016. The main customers include wholesale distribution companies who supply building materials to retailers, two-step distributers who provide building materials to smaller retailers and contractors, building materials professional dealers who specialize in sales to professional builders, remodeling firms, and trade contractors that are involved in residential and light commercial building. LP also has customers from retail home centers that provide access to consumer markets with a broad selection of home improvement materials and shed producers, which design, construct, and distribute fully manufactured structures for consumer and professional.

Revenue:

During the fiscal year of 2016, LP recorded $2.23 billion in revenue, which was up 18 percent from a year ago. Part of LP's overall strategy is to eliminate costs to maximize margins, and they have been able to do so. While sales went up over 18 percent, the cost of goods sold has only increased at 2.45% over the same period. This extreme improvement in efficiency has more than doubled the gross profit margin from 11.1% in 2015 to 22.8 in 2016. Since 2007, LP has only posted positive net income in the years ending for 2012, 2013, and now 2016, mainly due to their ability to maintain low costs. In 2014, COGS represented 90.9 percent of all revenue, and 88.9 percent in 2015, and down to 77.2 percent in 2016. For the fiscal year of 2017, LP expects to have $2.55 billion in sales, which would be an increase of 14 percent, and expects prices to increase slightly more than in the past at 12 percent. Even with the projected increase in costs, the gross profit margin is expected to increase to 612.3 million, increase of 20.2 percent. Net income increased $237.9 out of the negatives, almost four times than the amount of the loss suffered back in 2015. As with most of their



margins and ratios, the profitability ones are quite dramatic. With all of the optimism with LP's recent performance, earnings are expected to increase by 81 percent to $1.61 by the start of 2018, when they expected to return to normal growth. Thanks to The first positive net income since 2013, the earnings per share has bounced out of the red. For the year 2016, LP saw earnings per share jump from negative $0.60 per share in 2015 to $1.03 in 2016. In February 2017, the company posted 4th quarter earnings of 23 cents per share, beating the analysts' estimates of 19 cents per share. LP also beat 2016 earnings per share by 22 cents over 4 quarters. The next earnings announcement is expected on May 8th, 2017.



Company Ownership:

Over 72 percent of Louisiana-Pacific is owned by investment advisors, with hedge fund managers and pensions funds making up 17.5 percent and 6.4 percent, respectfully. Investment managers make up 90.2 percent of the business.

Cash Flows:

In the past year, LP generated $342 million cash from operations; significantly more than any of the past years since the housing crisis. The most recent profitable year for obtaining cash from operations was 2013, when LP generated $243 million in cash. As LP is able to decrease their cost of revenue, their fixed costs are rising, mainly due to the purchase of fixed assets or capital expenditures. Since 2012, LP has been purchasing fixed assets at a CAGR of 32.16%. A recent example of their purchases is the current development of a third facility in Chile. LP posted the first positive year for cash from investing activities, as they received over $410 million of payments for notes receivable. 2016 was also the first year since 2012 that LP has issued any long term debt. Last year they issued $350 million at 4.875% interest of Senior Notes due in 2024. Also included in the cash flow from financing activities was the substantial payment of long term debt. Last year, LP retired exactly half of their total debt, as total debt went from $754 million to $377 million. On the statement of cash flows, LP paid 392.5 million to repay outstanding debt. This is a positive sign when looking into the near future, as LP intends to increase their exposure to South America and further across North America.

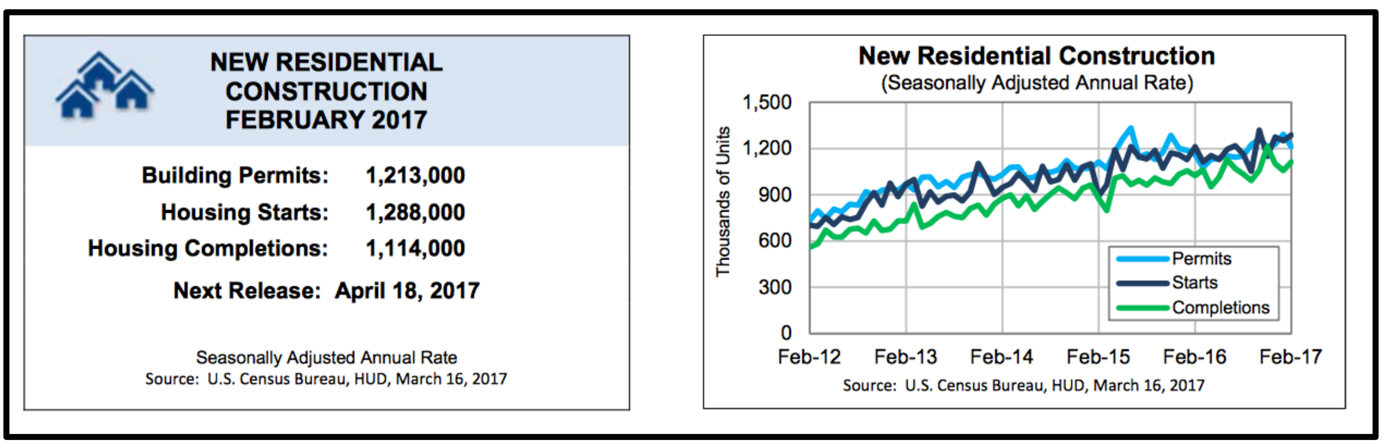
Competitors:

The incising aspect of Louisiana-Pacific is that they have no competitors in the OSB business in South America. They are the only ones who manufacture and sell oriented strand board, which means large growth in such areas can be expected. LP is more liquid than its competitors, as they have a current ratio of 4.4 and a quick ratio of 3.4. Comparable peers average current and quick ratios of 1.9 and 1.3 respectively. LP also beats the liquidity industry averages of 2.5 current ratio and a 1.6 quick ratio. LP has seen faster sales growth, better returns on assets, and higher gross margins than the industry and competitors. A similar competitor to LP in

North America is the Canadian company Norbord (NYSE: OSB). Norbord has a market capitalization of $2.6b and has slightly higher margins in 2016. But Norbord is traded at almost 200 times less on the NYSE than LP, as Norbord is traded, on average, 15k times a day compared to over 3 million for Louisiana-Pacific. Another competitor to LP is Universal Forest Products Inc, which has a market capitalization of $1.9b, but are traded 94.5k times a day on the NASDAQ. UFPI has operations in the United States, mainly on the east coast, China, India, Australia, and a single location in the UK. UFPI has an extremely diversified product portfolio, but do not manufacture OSB and have extremely low margins. LP has double the profit margin, and UFPI has a higher WACC than ROIC. LP is different than many of their competitors, because of their concentration in new home construction and renovation

Conclusion:

Louisiana-Pacific Corporation has seen the lows that the 2007 housing crisis brought. It has taken some time to recover out of the industry rut, but LP is in a prime position for significant growth within the next 24 months. They post impressive margins against their competitors and industry, as well have an improving balance sheet with the amount of debt they have retired and issued. The main factors that will drive their growth is the demand and use for OSB in the new housing market. OSB is stronger and more durable hybrid of wood and will be used more in the building process. This is important because they are one of the few who make this product, and LP considers themselves as the best provider of OSB. Another intriguing aspect of LP is their interest in the South American market. They currently have a strong hold in South America as they are the only producer of OSB, and believe they have the best quality products available. As consumer confidence grows into the summer, many first time buyers will look to build a new house or buy a “fixer-upper”. As this happens, expect Louisiana –Pacific to gain a larger market capitalizatio



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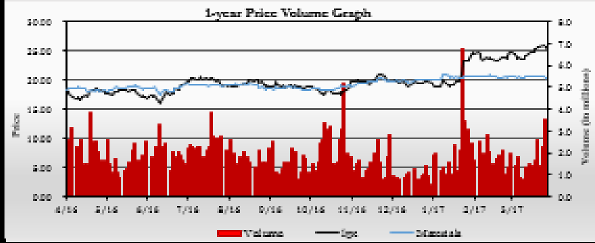
CENTER FOR GLOBAL FINANCIAL STUDIES

Louisiana-Pacific Corporation (lpx) | **BULLISH**

Analysis by John Garrity	Current Price:	$25.71	Intrinsic Value	$29.21	Target 1 year Return: 27.06%
4/17/2017	Divident Yield:	0.5%	Target Price	$32.54	Probability of Price Increase: 9



Description

Louisiana-Pacific Corporation, together with its subsidiaries, manufactures and sells building products primarily for use in new home construction, repair and remodeling, and outdoor structures, as well as light industrial and commercial construction.

General Information

Sector	Materials
Industry	Paper and Forest Products
Last Guidance	November 3, 2015
Next earnings date	May 5, 2017
Estimated Country Risk Premium	8.42%
Effective Tax rate	29%
Effective Operating Tax rate	60%

Market Data

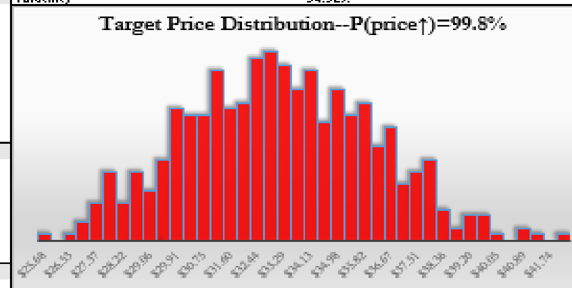
Market Capitalization	$3,607.92
Daily volume (mil)	1.94
Shares outstanding (mil)	144.32
Diluted shares outstanding (mil)	145.30
% shares held by institutions	74%
% shares held by investments Managers	73%
% shares held by hedge funds	17%
% shares held by insiders	0.49%
Short interest	1.57%
Days to cover short interest	1.26
52 week high	$26.31
52-week low	$15.74
Levered Beta	1.13
Volatility	34.32%

Past Earning Surprises

Quarter ending	Revenue	EBITDA
12/31/2015	-5.53%	-40.49%
3/31/2016	-11.32%	3.08%
6/30/2016	-2.61%	-9.56%
9/30/2016	-5.66%	-19.64%
12/31/2016	1.87%	-21.30%
Mean	-4.65%	-17.58%
Standard error	2.2%	7.2%

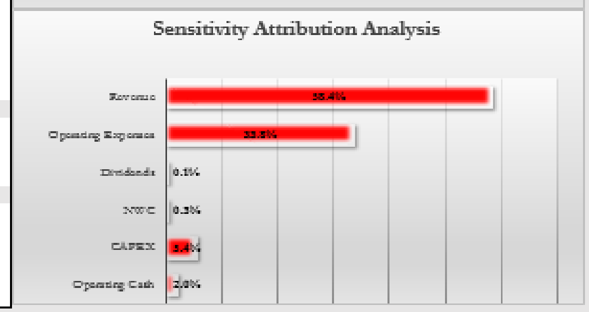
Peers

Boise Cascade Company
Weyerhaeuser Co.
Deltic Timber Corporation

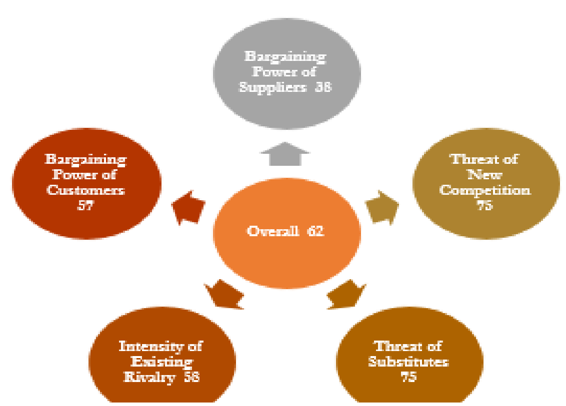


Management	Position	Total compensation growth	Total return to shareholders
Stevens, Curtis	Chief Executive Officer and	14.53% per annum over 6y	0.21% per annum over 6y
Bailey, Sallie	Chief Financial Officer and	64.57% per annum over 5y	18.73% per annum over 5y
Southern, William	Chief Operating Officer and	22.25% per annum over 4y	-1.43% per annum over 4y
Sims, Michael	Senior Vice President of Sal	109.87% per annum over 1y	5.11% per annum over 1y
Crowe, David	Vice President of Corporate	N/M	N/M
Kinney, Michael	Head of Investor Relations	N/M	N/M

Profitability	lpx (LTM)	lpx (5 years historical average)	Industry (LTM)
ROIC	1.1%	2.64%	#DIV/0!
NOPAT Margin	1%	1.29%	#DIV/0!
Revenue/Invested Capital	1.11	2.04	#DIV/0!
ROE	-0.3%	1.98%	#DIV/0!
Adjusted net margin	0%	-0.49%	#DIV/0!
Revenue/Adjusted Book Value	1.83	-4.00	#DIV/0!
Invested Funds	**lpx (LTM)**	**lpx (5 years historical average)**	**Industry (LTM)**
Total Cash/Total Capital	38.1%	27.7%	#DIV/0!
Estimated Operating Cash/Total Capital	36.5%	26.0%	N/A
Non-cash working Capital/Total Capital	7.6%	10.4%	#DIV/0!
Invested Capital/Total Capital	100.4%	97.9%	#DIV/0!
Capital Structure	**lpx (LTM)**	**lpx (5 years historical average)**	**Industry (LTM)**
Total Debt/Common Equity (LTM)	0.14	0.31	#DIV/0!
Cost of Existing Debt	5.76%	5.25%	#DIV/0!
Estimated Cost of new Borrowing	5.07%	4.90%	#DIV/0!
CGFS Risk Rating	C	C	#DIV/0!
Unlevered Beta (LTM)	0.94	1.62	#DIV/0!
WACC	11.43%	16.87%	#DIV/0!



Porter's 5 forces (scores are out of 100)



Valuation

Period	Revenue growth	NOPAT margin	ROIC/WACC
Base Year	18.0%	1.0%	0.10
12/31/2017	9.5%	8.7%	1.04
12/31/2018	6.0%	7.5%	0.90
12/31/2019	6.9%	11.7%	1.46
12/31/2020	6.5%	12.5%	1.61
12/31/2021	6.2%	13.2%	1.77
12/31/2022	5.8%	13.9%	1.94
12/31/2023	5.5%	14.7%	2.13
12/31/2024	5.1%	15.4%	2.34
12/31/2025	4.8%	16.1%	2.57
12/31/2026	4.4%	16.8%	2.82
Continuing Period	4.1%	17.5%	3.12

Period	Invested Capital	Net Claims	Price per share
Base Year	$1,841.02	$405.68	$28.62
12/31/2017	$1,980.28	$348.01	$31.90
12/31/2018	$2,190.82	$321.63	$35.03
12/31/2019	$2,134.52	$253.18	$37.99
12/31/2020	$2,006.84	$245.73	$40.50
12/31/2021	$1,736.14	$280.40	$42.64
12/31/2022	$1,830.72	$333.69	$44.56
12/31/2023	$1,866.07	$376.10	$46.43
12/31/2024	$1,909.99	$372.84	$48.45

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April 14th, 2017

Manchester United plc: MANU

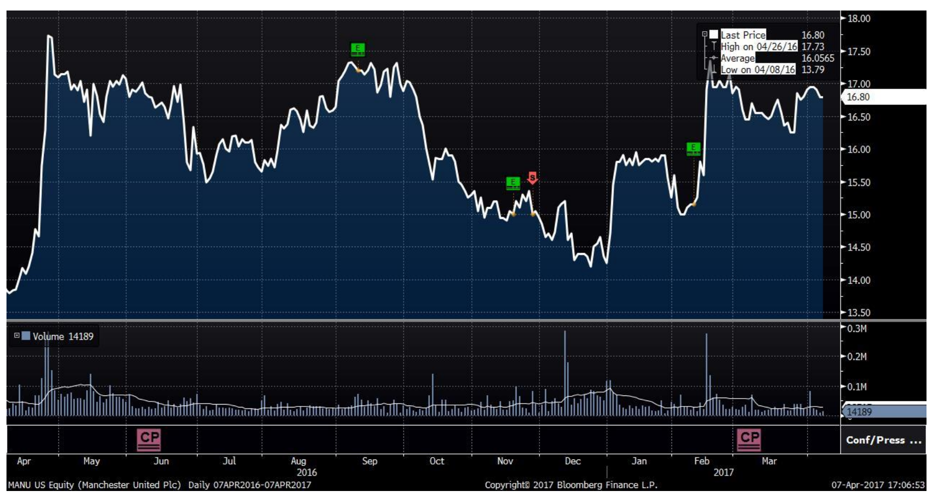
Mateo Valdivieso

Sector: Consumer Discretionary
Industry: Media
Current Price: $16.79
Target Price: $20.50

Manchester United Plc operates and manages professional sports team. It operates business through the following principal streams: Commercial, Broadcasting and Matchday. The Commercial streams engages in sponsorship, retail, merchandising, apparel and product licensing, and new media and mobile. It markets and sells competitive sports apparel, training and leisure wear and other clothing featuring the Manchester United brand on a global basis. It also sells other licensed products from coffee mugs to bed spreads, featuring the Manchester United brand and trademarks. The Broadcasting stream engages in the distribution and broadcasting of live football content directly and indirectly through increased global exposure for their commercial partners. The Matchday stream conducts all domestic and European match day activities from Manchester United games at Old Trafford. The company was founded on April 30, 2012 and is headquartered in Manchester, the United Kingdom

BUY

Current Price:	$16.79
Target Price:	$20.50
Market Cap:	2.7B
Beta:	.60



Thesis:

Currently Manchester United sits in 6th in the English premier league. They are currently in the quarter finals of the Europa League, this being said Manchester United have a chance to capitalized on these two opportunities to reach the UEFA Champions league which will have a substantial impact on club overall. Potential superstar players are set to join the club such as Antoine Griezmann and Neymar Jr. This will add to United revamped squad as they continue to make their way to the top, like the glory days when Sir Alex Ferguson was still the coach.

Catalysts:

- Qualification for the UEFA Champions League
- Constant Revenue
- Broadcasting rights
- Summer tour in United States

Broadcasting Rights Potential:

Manchester United is the biggest club within the Premier League; However the Premier league is a worldwide brand and is seen all over the world. Recently 20 premier league teams including Manchester United have learned that they would be sharing more than £8.3b from the new broadcasting contracts they've achieved, this contract is set to be for three seasons before they can retain a new one. The latest deal represented a 50% increase on the previous deal. As the developing world becomes economically stronger, and as the middle classes and mobile and subscription television increases in these territories increases a conservative estimate would see the next TV deal increase by at least 25%, meaning another £2b to be shared between 20 clubs over three seasons.TV rights are split between clubs, but commercial sponsorship is something each club claims for itself. Taking just their shirt sponsorship, there is obvious scope for similar rates of increase. United's total sponsorship has quadrupled from 2010 to 2016, to £160m per year. Shirt sponsorship alone brings in £47m per year, which was an increase per year of £27 on the previous deal. This expires in 2019. For similar reasons as described regarding television income, another 25% increase in the next deal looks probable. The premier league is really the most watched sports entertainment that has global reach, as seen in Figure 1. With a global reach it's expected that the broadcasting value of the Premier League is greater than any other leagues, actually for the 2015/16 season the value of the Premier League was £1.7b as compared to other leagues, Figure 2. These broadcasting rights also allow for Manchester United to increase its brand worldwide where games are watched over 150 countries, but also because of the popularity the Premier league has, Manchester United still continues to have the largest amount viewers in comparison to other shows worldwide, Figure 3. Manchester United commands more than 51% of the premier leagues entire global TV Audience.

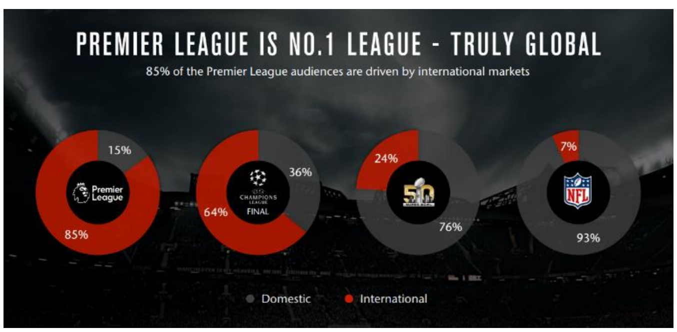


Figure 1

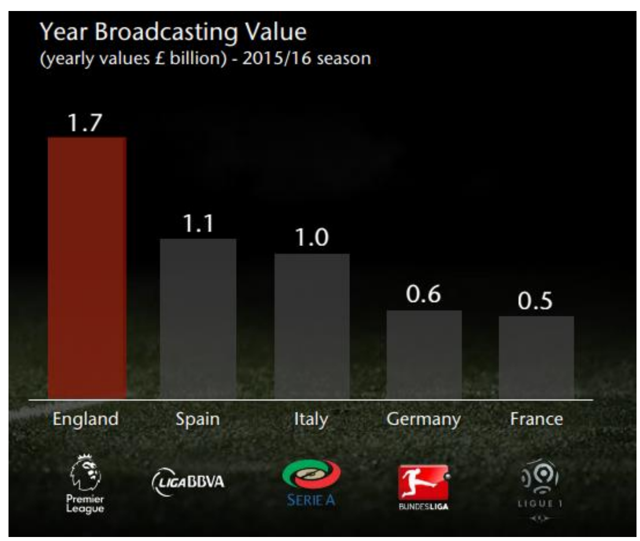
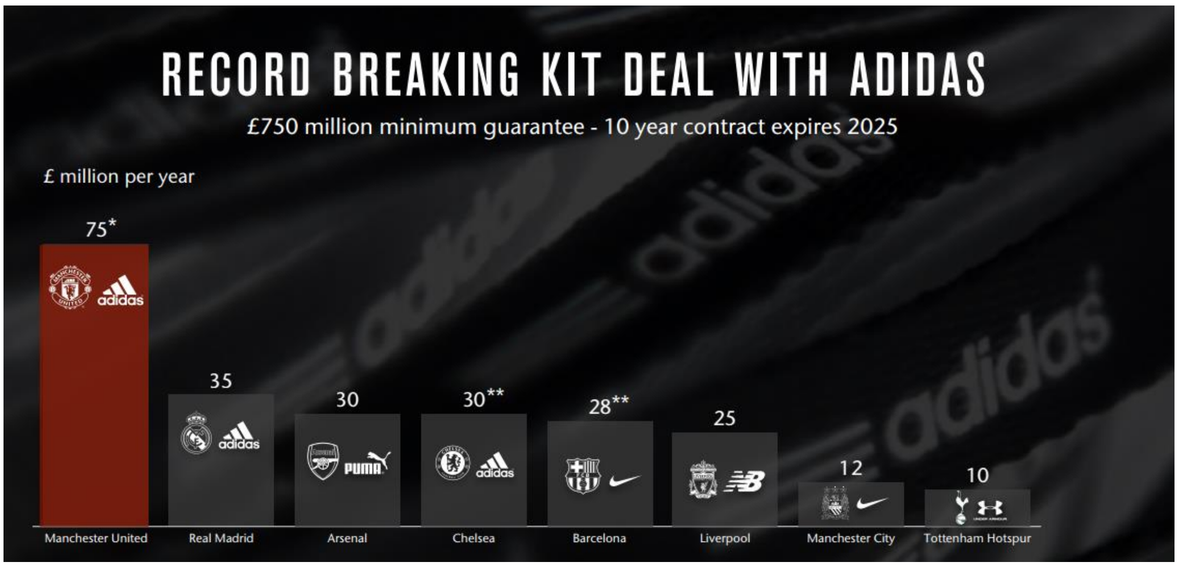


Figure 2

Figure 3

Adidas & Chevrolet Sponsorship:

In 2016 Manchester United signed a £750 million deal with Adidas for the next ten years which is the biggest sponsorship deal in sports. Figure 1. The breakdown of the sponsorship is as follows Manchester United will be given £75 million yearly from Adidas for sponsorship however as part of the contract Adidas is allowed to reduce the payment of £75 million by 30% if United fail to qualify for the Champions League. In addition United also have attained a deal with Chevrolet up until 2021, which is worth £70million a year which could see the club receive around £559m until the contract ends.



Consistent Revenue:

United is made up of three main areas of business that have allowed it to grow incrementally throughout the last couple of years. Leading the growth is Commercial revenue which has had CAGR of 22.9% since 2012 Figure 2. United continue to show strengths in Sponsorship which us the main leader in terms of Commercial revenue. Commercial Revenue accounts for more than 50% of total revenues with comparison to the average of the Top 7 teams in the premier league, Figure1. This shows Manchester United as a brand has done well in attracting sponsors from all over the world who feel like partnering with united would only help there company name, brand. This segment I expect will continue to grow as United continues to work in gaining more sponsorships. United have also had success in there broadcasting area of business as we seen in figure three its CAGR has been 11,5% when compared to revenues from broadcasting in 2006, Figure 3. As mentioned before with the new broadcasting contracts in being signed United will be able to benefit from this which I believe has potential to Increase this business segment of the club. Matchday revenues has also been impressive due to the attendance that United is able to attract. There stadium has capacity of 75,669, annual attendance is two million and has a 99% occupancy since 1998/99 for premier league games. Even though the match day revenues have had a significant growth, Figure 3, I feel like the revenues can be increased tremendously if the club Qualifies for the champions league so it will be able to play more games which will help Matchday revenues increase.

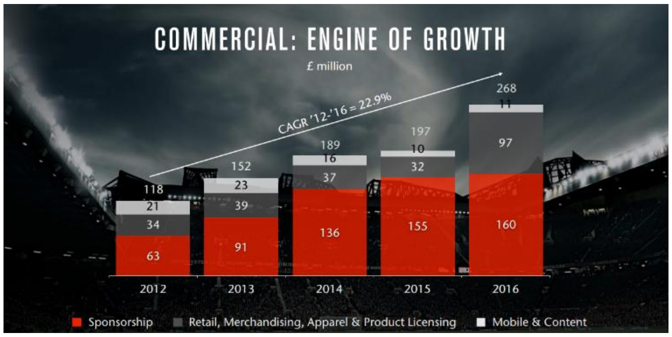


Figure 2

Figure 1

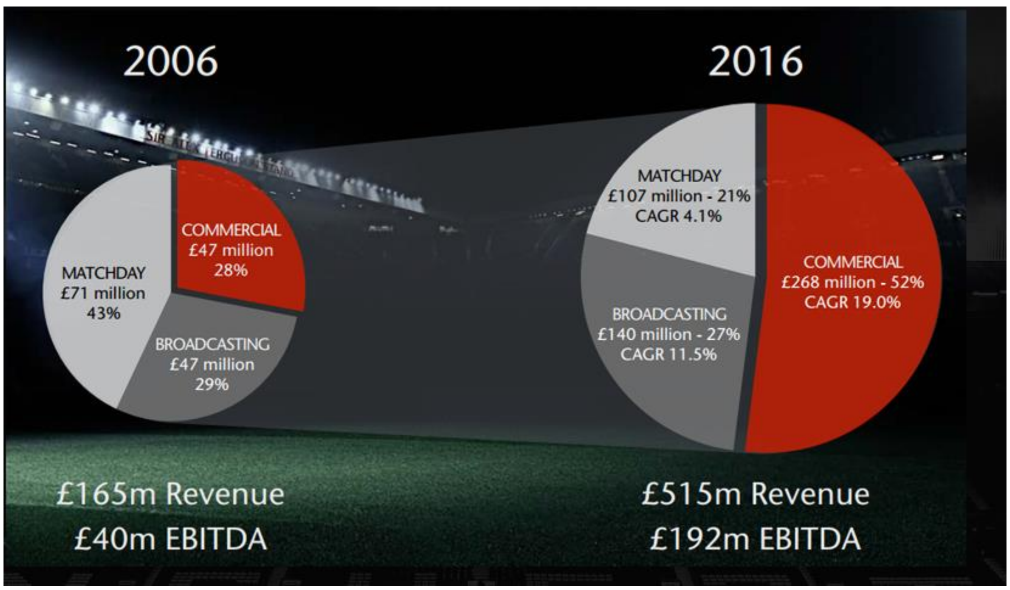
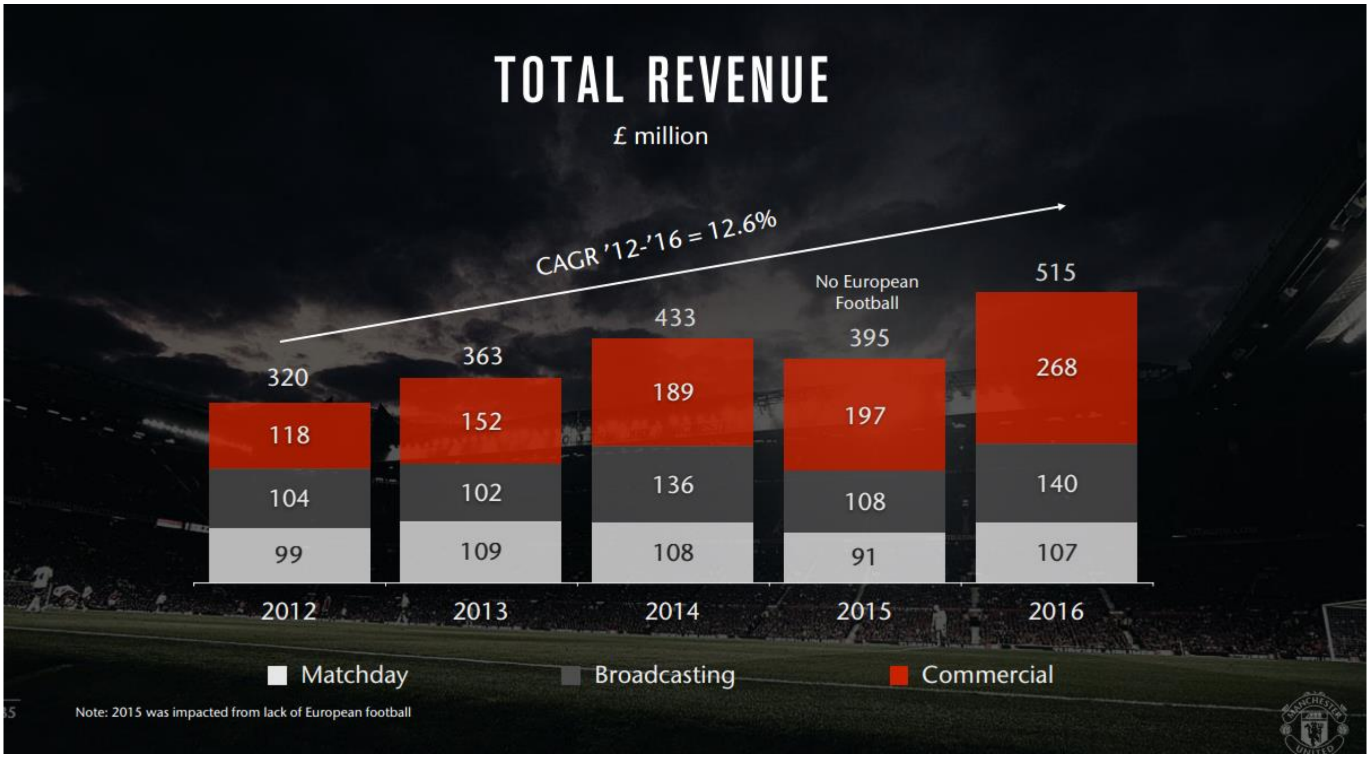


Figure 3

Total Revenue:

United has had some consist growths within all of their segments of business that have propelled them for continued growth. Thus Total Revenues have increased significantly since 2012, let me mention also that as of 2012 Manchester United did partake in the European football and as of 2015 season they did not qualify for any European Football. That being said United has still been able to generate growth from their streams of revenue, thus making it clear they don't need European football to continue with strong revenue grows but would definitely benefit from it as we see the change in Total Revenue from 2015, that had no European football when compared to 2016 which did there is a significant growth. Thus it's important to take into consideration of what qualification to the Champions League can do to all of these segments, for Matchday it would allow for more games to be played more tickets to be sold, broadcasting would create another contract with the UEFA organization for TV broadcasting which would excel their commercial sponsorship further thus generating an increase in both broadcasting an commercial revenues.



Summer Tour:

According to Forbes, "soccer" popularity is on the rise in the US. The United States is considered the fastest growing Premier League TV audience market in the world. Manchester United is targeting the attractive US football market and thus have organized summer tour of America every year, in the past this has proven to be a success with United only playing a couple matches they have had been able to attract more than 360,000 fans. However for this upcoming summer I would expect Manchester United to have exceptional tour growth and increase their popularity with United playing against other football giants like Real Madrid, Manchester City and Barcelona.

Conclusion:

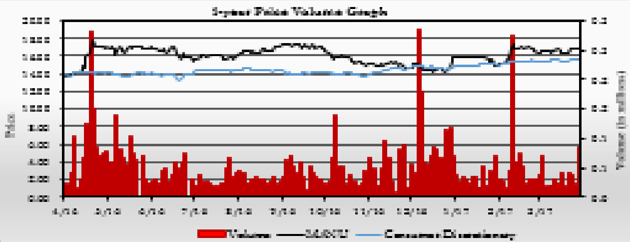
United has continued to be one of the most famous clubs around the world, and thus has attained millions of fans, there push to make it back to the top of the football chain continues as they have been heavily invested in getting the best players and managers. I believe they will continue doing this as they want to be able to reach qualification for the Champions League which I think will help the overall segments of their business. Continued growth in all segments of business have seen constant drive and have also proven that even without competing in European football they are a viable club making consistent revenue, I believe an investor who is interested in short term gains, should buy into MANU now because if how cheap they are without European football and thus when they qualify it will propel the club, business to a range of my target price of around $20.00.

Manchester United plc (MANU)

CENTER FOR GLOBAL FINANCIAL STUDIES

BULLISH

Analysis by:	Current Price:	$16.79	Intrinsic Value	$19.30	Target 1 year Return: 22.4%
4/7/2017	Divident Yield:	0.7%	Target Price	$20.50	Probability of Price Increase: 9



Description

Manchester United plc, together with its subsidiaries, engages in the ownership and operation of a professional sports team in the United Kingdom.

General Information

Sector	Consumer Discretionary
Industry	Media
Last Guidance	November 3, 2015
Next earnings date	May 14, 2017
Estimated Country Risk Premium	6.25%
Effective Tax rate	40%
Effective Operating Tax rate	17%

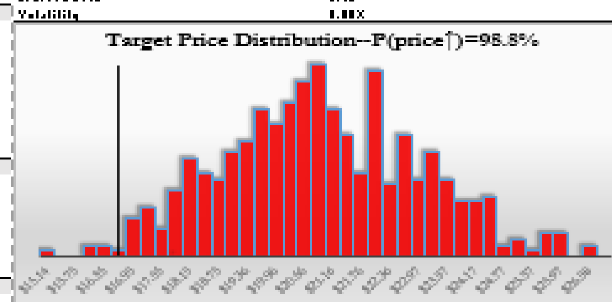
Market Data

Market Capitalization	$2,755.62
Daily volume (mil)	0.01
Shares outstanding (mil)	164.03
Diluted shares outstanding (mil)	164.49
% shares held by institutions	74%
% shares held by investments Managers	14%
% shares held by hedge funds	4%
% shares held by insiders	29.70%
Short interest	0.30%
Days to cover short interest	14.00
52 week high	$17.83
52-week low	$13.72
Levered Beta	0.46
Volatility	0.00%

Past Earning Surprises

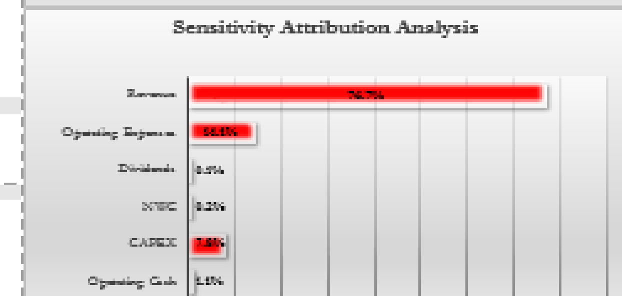
Quarter ending	Revenue	EBITDA
12/31/2015	3.20%	16.46%
3/31/2016	-7.54%	-7.70%
6/30/2016	4.92%	-15.06%
9/30/2016	3.63%	13.00%
12/31/2016	4.40%	0.06%
Mean	1.63%	2.35%
Standard error	2.3%	6.3%

Peers

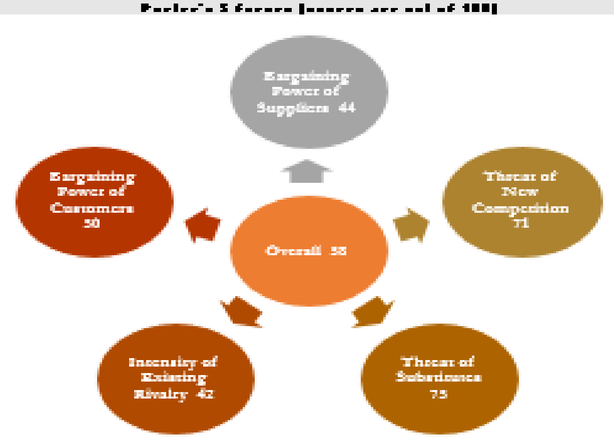


Management	Position	Total compensation growth	Total return to shareholders
Glazer, Joel	Executive Co-Chairman and Pr	N/M	N/M
Glazer, Avram	Executive Co-Chairman	N/M	N/M
Woodward, Edward	Executive Vice Chairman	N/M	N/M
Daly, John	Chief Financial Officer	N/M	N/M
Townsend, Philip	Director of Communications	N/M	N/M
Arnold, Richard	Group Managing Director and	N/M	N/M

Profitability	MANU (LTM)	MANU (5 years historical .	Industry (LTM)
ROIC	26.2%	-23.00%	3.70%
NOPAT Margin	36%	-3.14%	13.3%
Revenue/Invested Capital	0.72	3.64	0.70
ROE	430.1%	20.31%	12.07%
Adjusted net margin	34%	-0.17%	12.4%
Revenue/Adjusted Book Value	13.31	-3.34	0.37
Invested Funds	**MANU (LTM)**	**MANU (5 years historical .**	**Industry (LTM)**
Total Cash/Total Capital	3.6%	10.0%	3%
Estimated Operating Cash/Total Capital	3.6%	10.0%	N/A
Non-cash working Capital/Total Capital	-13.0%	-16.3%	0%
Invested Capital/Total Capital	66.0%	31.5%	03%
Capital Structure	**MANU (LTM)**	**MANU (5 years historical .**	**Industry (LTM)**
Total Debt/Common Equity (LTM)	0.24	0.23	0.35
Cost of Existing Debt	3.30%	4.44%	4.33%
Estimated Cost of new Borrowing	3.63%	3.43%	4.33%
CGFS Risk Rating	BB	BB	BB
Unlevered Beta (LTM)	0.40	0.30	1.17
WACC	5.31%	7.00%	10.27%



Porter's 5 forces (scores are out of 100)



Valuation

Period	Revenue growth	NOPAT margin	ROIC/WACC
Base Year	17.0%	36.3%	4.49
12/31/2017	5.5%	24.5%	2.73
12/31/2018	7.2%	24.3%	2.63
12/31/2019	7.5%	23.0%	2.66
12/31/2020	5.7%	23.0%	2.66
12/31/2021	5.4%	24.5%	2.70
12/31/2022	5.2%	25.4%	2.30
12/31/2023	5.0%	26.2%	3.02
12/31/2024	4.0%	27.0%	3.14
12/31/2025	4.5%	27.3%	3.26
12/31/2026	4.3%	28.7%	3.30
Continuing Period	4.1%	23.6%	2.33

Period	Invested Capital	Net Claims	Price per share
Base Year	$303.06	$553.26	$13.30
12/31/2017	$445.32	$555.11	$20.32
12/31/2018	$533.62	$490.31	$21.41
12/31/2019	$613.31	$443.15	$22.55
12/31/2020	$743.07	$385.50	$23.72
12/31/2021	$853.74	$303.64	$24.33
12/31/2022	$340.03	$220.20	$26.17
12/31/2023	$370.05	$116.73	$27.44
12/31/2024	$1,032.00	-$1.24	$28.74
12/31/2025	$1,076.55	-$135.42	$30.06
12/31/2026	$1,121.07	-$285.06	$31.33
Continuing Period			

April 14th, 2017

Newell Brands: NWL

Alexandre Thiam

Sector: Consumer Goods
Industry: Conglomerates
Current Price: $46.17
Target Price: $67.40

Newell Brands is an American company marketer of consumer goods and commercial products which owns a portfolio of brands. The company was founded in 1903 by Edgar Newell in Ogdensburg, New York. The firm started as manufacturer of metal curtain rods, and started to acquire other businesses in order to grow. The headquarters are now located on Hoboken, New Jersey after relocating in 2016 from Atlanta. Newell Brands owns companies like Rubbermaid food storage, PaperMate, Waterman etc. and operates within a multitude a markets ranging from hair care, beverage containers, to printers and fragrances.

BUY

Current Price:	$46.17
Target Price:	$67.40
Market Cap:	22B
Beta:	1.16
P/E:	38.88
EPS:	1.25

Thesis:

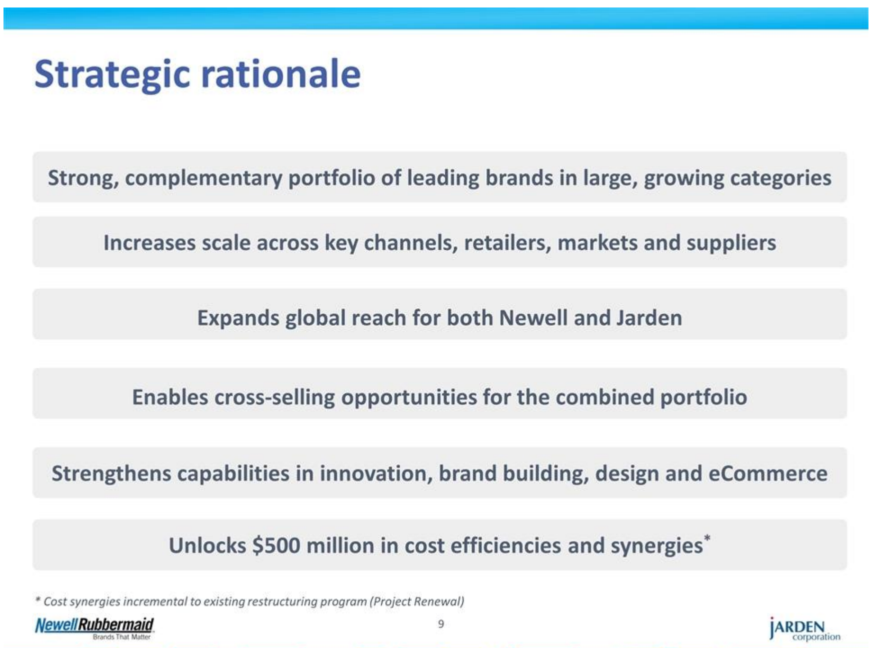
It is tough to navigates in times where markets are fluctuating around all-time highs. The reason being that investors using past and historical data see their metrics becoming obsolete. Yet, it remains obvious that investments opportunities are there somewhere. Hence the reason why, it is always good to look at consumer staples suppliers, in other words companies that sell products with an inelastic demand and see if they are planning at becoming better. Newell Brands appeared to me as a good bet in this period due to fact that the company acquired multiple strategic acquisition and will see the payoffs rather soon. The company has been doing good over the last 10 years and is set to perform even better in the coming years. The company showed impressive sales CAGR well above 30% in the last decade. P/E is currently high at 38 which is due to the several acquisition the company made recently, the forward P/E is standing at 14 which is below industry average. Even though P/E is high the company is still a good value.

Catalysts:

- Debt Payments will show more attractiveness to investors with the company deleveraging
- Acquisition will show payoffs in a near future.
- Growth Game Plan is aiming at creating more and more value over the long term.

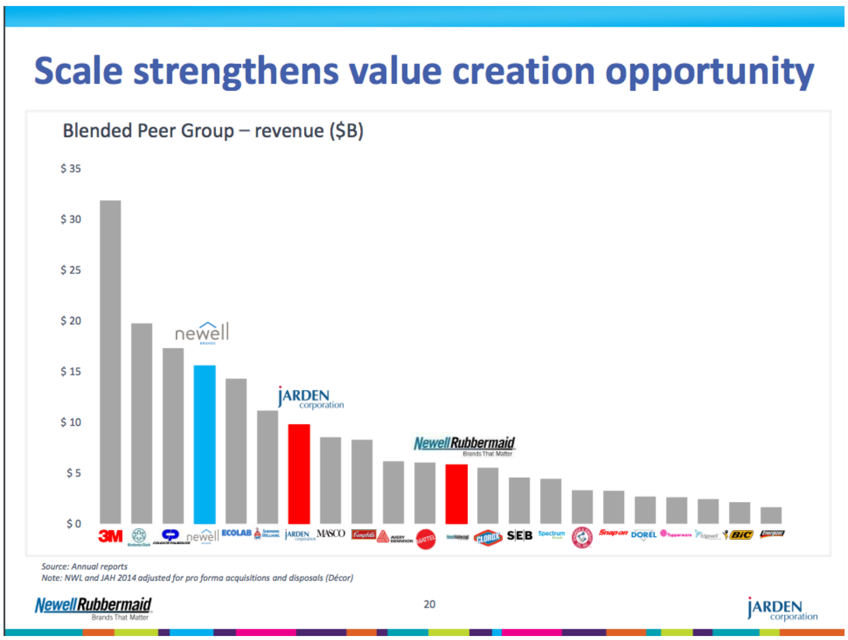
Business Model's Rebirth:

I believe that one of the main driver for the coming increase in value would be innovation of products but also in terms of business model . Indeed, NWL has decided to launch a new wave of innovation within its range of product and intends to flood the markets with using it but the company also announced in October 2016, its Growth Game plan detailing actions attempted in order to further innovate. The core idea behind this plan is to shift from a holding company to an operating company. In other words, Newell tends towards the consolidation of all of its businesses and form a united front. The company set new investment priorities and directions, as well a simplifying and sharpening the portfolio of businesses. The company will simplify its portfolio of 32 units and break them into 16 operating divisions. Furthermore, I found interesting that the company was willing the get rid of some of its business that shown the least relevance regarding the company's new plan. With the cash collected from the sales, Newell is planning the accelerate the down payments of its debt. More recently, the company agreed upon the sale of two of its businesses: Pine Mountains and Diamond matches. The company will sell these units to Royal Oaks for an undisclosed amount. The company held about 10% of its portfolio for sale. In 2015, the company sold $1.5 billion worth of assets. The company also sold Rubbermaid consumer storage business to United Solutions . In addition Newell agreed upon the sale of its European Teutonia stroller unit to a single private investor. "We will drive growth acceleration over time through more effective and scaled commercial operations, increased investment in our brands and capabilities, and the delivery of bigger, better innovation across a broader set of categories." Said Michael Polk, Newell Brands CEO. This shows the company's plans to skim its portfolio but also acquire smarter business in parallel. In 2016, the company also announced another major program, the project renewal which goes along with the Growth Game Plan. The company claim to have delivered over $210 million of cost saving due to synergies and project renewal. The management plans is to utilize most of the savings to accelerate business growth and therefore CAPEX. The company expected the savings to reach $500 million ultimately by the end of 2017 and the remaining is expected to be reflected in earnings.



Merger, Acquisition, and Consolidation:

Accordingly, with the plans mentioned above, Newell Brands has agreed on the sale but also acquisition of businesses. Currently being a holding, Newell has been acquiring several businesses in the last 20 years. It is important to note that before becoming Newell "Brands" the company was solely focusing on manufacturing metal curtain rods. The company slowly acquired companies in the 1920's to serve the single purpose of creating a vertical integrated system. It is in 1965 that the company opted for an acquisition based strategy slowly drifting towards becoming a multi-sector conglomerate. In 1999, the company merged with Rubbermaid in a $5.8 billion deal resulting in the creation of a single company called Newell Rubbermaid. More recently, the company acquired Jarden Corp creating a giant consumer goods company. Jarden Corp is focusing on the outdoor and home appliance markets. The company generated more than $8 billion during the last fiscal year and had 30,000+ employees. Total assets of the company were valued at $10.8 billion. This shows the considerable size of the deal. Newell agreed on a $15.4 billion deal and pay $60 per share which represented a 25% premium based on Jarden stock price. "The combination of our two great organizations creates a powerhouse consumer goods company and sets up a very exciting long-term growth and value creation story. I am honored to have the opportunity to lead Newell Brands and the development of our business. We expect Newell Brands to unlock far greater upside than either company could have on their own. I want to thank Martin Franklin, Ian Ashken and Jim Lillie for their achievements and leadership at Jarden and for the role they have played in helping us bring our companies together. Our immediate focus will be to deliver our 2016 financial objectives, start the work of integrating the two companies and develop the long term corporate and portfolio strategy that will guide the choices we make and the realization of the company's full potential." said Michael Polk, Newell Brands Chief Executive Officer. The combination between the two holdings created an unprecedented platform of innovative value creation and both the Growth Game Plan, and the Project Renewal Program, will support and strengthens this creation. The company merged into one entity in 2015 and the management strongly believe that the operation will yield in the coming quarters. Earlier this month the freshly formed conglomerate acquired Sistema a New Zealand based firm for $460 million. Sistema Plastics is manufacturer and marketer of food storage containers and will therefore open the doors of the Australian, U.K. and European markets for Newell. This acquisition expected to be directly accretive to normalized earnings. All in all the company created a lot of value through mergers and acquisitions.



Financials:

Newell Brand currently owns too much debt to be attractive at the present moment. The current Debt-to Equity ratio is at 1.05 meaning that the firms holds debt as much as equity. Nonetheless, I found interesting the plan currently undertaken. The company is currently selling and hopes to complete the divestiture of assets before the end of Q2 2017. To resolves the current debt issue the company will use the proceeds to accelerate the debt disbursements in order to achieve a target leverage ratio of 3.5 times EBITDA. In other words, the company wants strong cash flow and aim at deleveraging. As shown in the table below free cash flow drastically increased during the last two fiscal years due the synergy and assets divestitures.

Cash from Operations	602.8	582.6	561.3	618.5	605.2	634.1	565.8	1,828.5	1,828.5		
Capital Expenditures	-153.3	-164.7	-222.9	-177.2	-138.2	-161.9	-211.4	-441.4	-444.0	-437.3	-423.0
Free Cash Flow	449.5	417.9	338.4	441.3	467.0	472.2	354.4	1,387.1	1,384.5	1,128.3	1,728.5

CAPEX also increased logically with the merger with Jarden announced in 2015. The company is in a restructuring era but is still willing to grow considerably and create value. As I mentioned earlier the leftovers of the divesture are expected to reflect in earnings and returned to shareholders in cash. At the present moment, the company pays dividends of 1.61% but plans to increase dividends in the coming years as well repurchase so share with cash in order to avoid too much dilution.

Equity Valuation | CDS Spreads | Profitability | Balance Sheet | ESG

Name (BICS Best Fit)	Sales Growth (%)	EBITDA Growth (%)	EBITDA Margin	Operating Income Margin	Net Income Growth (%)	Net Profit	ex/Sales (%)	Return on Invested	Return on Assets
Average	21.08%	25.66%	12.88%	11.02%	38.83%	7.55%	3.02%	12.88%	8.49%
100) NEWELL BRANDS INC	124.22%	142.86%	17.70%	14.40%	106.64%	8.50%	3.33%	8.01%	5.48%
101) DONG YI RI SHENG HOME...	34.79%	--	--	7.87%	75.74%	5.85%	1.53%	15.76%	7.24%
102) TUPPERWARE BRANDS CO...	-3.10%	-3.51%	17.40%	14.80%	5.61%	9.53%	2.78%	26.25%	13.24%
103) TTK PRESTIGE LTD	9.86%	18.24%	11.98%	10.60%	24.38%	7.53%	1.13%	15.66%	12.07%
104) MAISONS DU MONDE SA	--	--	--	--	--	1.97%	4.89%	--	--
105) GLARUN TECHNOLOGY CO...	21.10%	--	--	20.30%	31.30%	18.08%	2.98%	13.73%	11.28%
106) TAKARA STANDARD CO LTD	2.58%	-2.81%	9.38%	6.50%	8.97%	4.71%	3.74%	5.24%	3.73%
107) KOKUYO CO LTD	1.10%	19.91%	7.13%	5.02%	58.14%	3.68%	0.85%	4.46%	3.90%
108) LEGGETT & PLATT INC	-4.27%	0.19%	16.62%	13.55%	4.35%	9.45%	3.31%	18.49%	11.90%

The table above shows the profitability adjusted to the merger with Jarden Corp. with sales amount being 2x bigger (Jarden total sales = $8b) I believe that the merger created a consumer good giant that is managed by competent executive that will make the company strive in the rather difficult environment. EBITDA Margins shows a slightly higher figure than peers with 17.70% against 12.88%.

Conclusion:

On top of the relevant and consistent restructuring plans, the company also decided to focus a little bit more on product innovation. Hence the reason why the company build in early 2015 a brand-new Design Center located in Michigan. "The opening of our new Design Center represents another step forward in our ambition to become a design and innovation led company," said Michael Polk, President and Chief Executive Officer. I believe that all the necessary ingredients are present for the company to create adequate value and therefore send the share price up north. Newell is one of those companies whose decided to make change not because the company was close to bankruptcy or was performing badly, but because management saw an opportunity to grow differently than using the existing model. Based on the chart above the company lost 25 % of its value last year and I believe that when the new structure will yield investors will jump back in the boat immediately. Hence the reason I see an opportunity in Newell Rubbermaid Jarden

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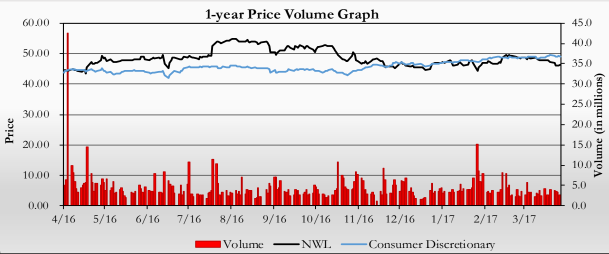
Newell Brands Inc. (NWL) — CENTER FOR GLOBAL FINANCIAL STUDIES — BULLISH

Analysis by Alexandre Thiam	Current Price:	$46.17	Intrinsic Value	$58.52	Target 1 year Return: 48.2%
4/12/2017	Divident Yield:	2.2%	Target Price	$67.40	Probability of Price Increase: 95.6%



Description

Newell Brands Inc. designs, sources, and distributes consumer and commercial products worldwide.

General Information

Sector	Consumer Discretionary
Industry	Household Durables
Last Guidance	November 3, 2015
Next earnings date	May 8, 2017
Estimated Country Risk Premium	5.05%
Effective Tax rate	30%
Effective Operating Tax rate	-128%

Market Data

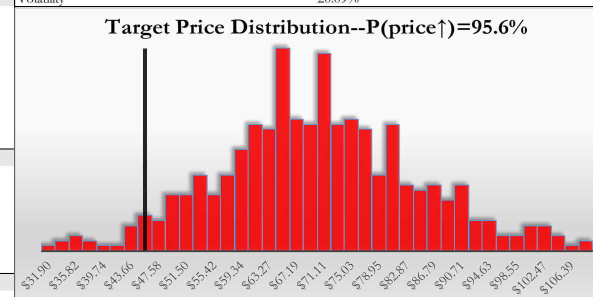
Market Capitalization	$22,272.41
Daily volume (mil)	2.48
Shares outstanding (mil)	482.40
Diluted shares outstanding (mil)	423.10
% shares held by institutions	62%
% shares held by investments Managers	85%
% shares held by hedge funds	3%
% shares held by insiders	0.93%
Short interest	3.70%
Days to cover short interest	4.46
52 week high	$55.45
52-week low	$43.20
Levered Beta	0.93
Volatility	20.09%

Past Earning Surprises

Quarter ending	Revenue	EBITDA
12/31/2015	N/A	N/A
3/31/2016	-1.51%	-3.69%
6/30/2016	-2.72%	-7.36%
9/30/2016	-4.86%	-11.68%
12/31/2016	-7.56%	11.76%
Mean	-4.16%	-2.74%
Standard error	1.3%	5.1%

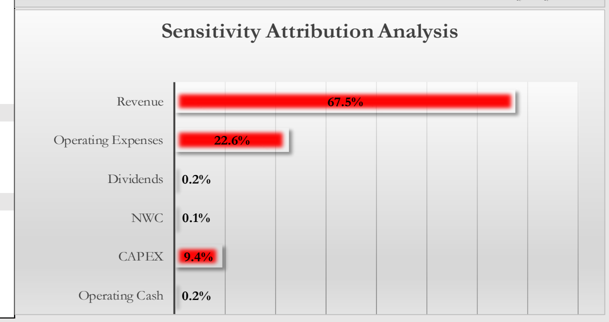
Peers

The Estée Lauder Companies Inc.
Colgate-Palmolive Company
Church & Dwight Co., Inc.
The Procter & Gamble Company
Libbey Inc.
Tupperware Brands Corporation
Lifetime Brands, Inc.
CTI Industries Corporation

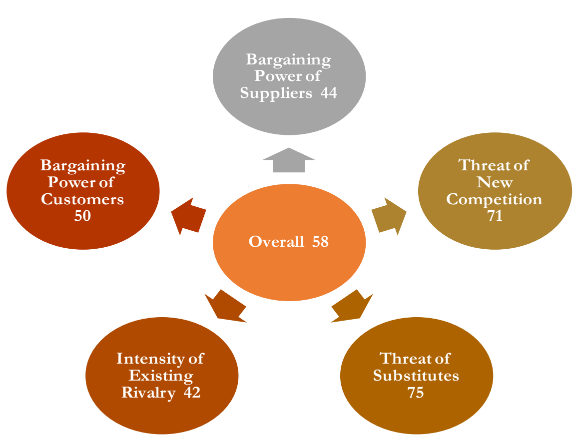


Management	Position	Total compensations growth	Total return to shareholders
Polk, Michael	Chief Executive Officer and	118.26% per annum over 6y	-0.08% per annum over 6y
Tarchetti, Mark	President	32.64% per annum over 3y	9.62% per annum over 3y
Nicoletti, Ralph	Chief Financial Officer and	N/M	N/M
Burke, William	Chief Operating Officer and	22.02% per annum over 6y	-0.08% per annum over 6y
Laird, Fiona	Chief Human Resources & Comm	N/M	N/M
Cunningham, James	Chief Accounting Officer and	N/M	N/M

Profitability	NWL (LTM)	NWL (5 years historical average)	Industry (LTM)
ROIC	286.3%	30.21%	10.46%
NOPAT Margin	88%	16.75%	9.6%
Revenue/Invested Capital	3.24	1.80	1.09
ROE	2302.7%	238.31%	12.79%
Adjusted net margin	86%	15.53%	8.6%
Revenue/Adjusted Book Value	26.87	15.34	1.48
Invested Funds	**NWL (LTM)**	**NWL (5 years historical average)**	**Industry (LTM)**
Total Cash/Total Capital	1.8%	2.5%	11%
Estimated Operating Cash/Total Capital	1.5%	2.2%	N/A
Non-cash working Capital/Total Capital	10.0%	9.8%	36%
Invested Capital/Total Capital	24.0%	35.9%	84%
Capital Structure	**NWL (LTM)**	**NWL (5 years historical average)**	**Industry (LTM)**
Total Debt/Common Equity (LTM)	0.56	0.31	0.31
Cost of Existing Debt	9.14%	3.82%	4.28%
Estimated Cost of new Borrowing	3.29%	4.23%	4.28%
CGFS Risk Rating	BBB	CCC	CCC
Unlevered Beta (LTM)	0.77	1.25	0.95
WACC	8.14%	9.42%	8.18%



Porter's 5 forces (scores are out of 100)



Valuation

Period	Revenue growth	NOPAT margin	ROIC/WACC
Base Year	124.2%	88.4%	35.16
12/31/2017	9.4%	7.6%	1.82
12/31/2018	0.3%	8.7%	1.66
12/31/2019	3.4%	9.7%	1.83
12/31/2020	4.7%	12.6%	2.44
12/31/2021	2.5%	13.8%	2.64
12/31/2022	2.5%	13.8%	2.64
12/31/2023	2.6%	13.7%	2.66
12/31/2024	2.6%	13.7%	2.70
12/31/2025	3.0%	13.7%	2.78
12/31/2026	3.5%	13.7%	2.89
Continuing Period	4.0%	13.8%	3.05

Period	Invested Capital	Net Claims	Price per share
Base Year	$2,772.52	$12,228.68	$57.89
12/31/2017	$2,541.14	$12,230.39	$66.69
12/31/2018	$3,320.19	$10,843.53	$75.68
12/31/2019	$3,503.26	$9,079.00	$84.79
12/31/2020	$4,094.59	$7,156.99	$93.94
12/31/2021	$7,717.97	$4,784.01	$103.58
12/31/2022	$9,665.30	$2,679.65	$112.56
12/31/2023	$10,163.73	$632.58	$121.43
12/31/2024	$10,345.70	-$1,350.10	$130.18
12/31/2025	$10,745.07	-$3,270.84	$138.80
12/31/2026	$10,995.60	-$5,128.99	$147.26
Continuing Period			

April 17, 2017

Vail Resorts: MTN

James Hannahs

Sector: Consumer Discretionary
Industry: Hotels, Restaurants, and Leisure

Vail Resorts (MTN) owns and operates recreational and urban ski areas throughout the United States, and more recently, Australia and Canada. They generate revenue through season pass sales, lift tickets, ski school, dining, retail, lodging, rental income, and the sale of real estate property.

BUY

Current Price:	$189.51
Entry Range:	$180-185
Target Price:	$215
Market Cap:	$7.5B
Credit Profile:	
WACC:	8.2%
Beta:	.88

Thesis: Vail's exceptional ability to acquire various properties and resorts has catapulted them above the competition within their niche and has generated some serious value. Their most recent quarterly performance proves their ability to achieve year-round growth in an industry that is heavily dependent on seasonal weather. Vail's strategic hedging techniques, access to capital, organic growth, and earnings performance constitute their valued position in any long-term growth portfolio. In addition, catalysts maturing within two years will strengthen their financial abilities to acquire resorts and strategically offset slow performance caused by seasonal effects in the weather. Although Vail may be on the pricey side (especially with a PE multiple of roughly 40), we expect the stock to grow according to company guidance and overall industry outlook. Long position, entry-range $180-$185.

Catalysts: The heavy-hitting catalysts focus on a high-impact 2017 investment plan, further strategic hedging, and a new addition to the Vail family of resorts:

- 2017 CapEx Deployment: $106m throughout 2017
- 2017 Launch of summer program Epic Discovery
- Acquisition of Stowe Mountain in Vermont

Revenue Outlook:

Summary

Headquartered in Broomfield, Colorado, Vail Resorts was founded in 1997 and is the world's largest operator of ski-resorts. The company operates across three main segments: Mountain, Lodging, and Real Estate.

Mountain: Ten premier recreational mountains, three urban areas.
→Global presence: Whistler Blackcomb, British Columbia. Perisher, Australia
→Includes lift tickets, ski-school, dining, retail & rental
Lodging: Focused on hospitality aspect of visitation
→Luxury hotels, Condominiums, Destination resorts, Golf courses
Real Estate: Profitable side-segment capitalizing from visitation as well
→Buys/Holds/Sells real estate parcels in surrounding resort communities

Segment Analytics

Segments as % of Sales (000s)

Mountain
2017 Q2:
654.1/725.2 = ***90%***
2016 Q2
532.9/599.4 = ***89%***

Lodging
2017 Q2:
65.9/725.2 = ***9%***
2016 Q2:
62.8/599.4 = ***10%***

Real Estate
2017 Q2:
5.2/725.2 = ***1%***
2016 Q2:
3.7/599.4 = ***1%***

Quarterly Performance Details

Vail's fiscal second quarter performance experienced double digit growth on the earnings and revenue fronts. Revenue grew 21% since 2016 Q2 bolstered by heavy segment growth all around. Net Income attributable to Vail rose 27.5% and beat earnings by $0.17, all while segment operating costs decreased. Most of the growth figures have been attributed to the success of the Whistler Blackcomb acquisition in 2016.

The Mountain segment boasted increased lift revenue of 24.5% Y/Y, increased ski-school growth to 25.9%, a 21.5% spike in dining revenue, and retail/revenue growth of 19.7%. Thanks to the recent acquisition of Blackcomb, Vail has been able to spread out the sources of revenue while maintaining cost control. Overall, the mountain segment reported increased operating costs of 19.9% due to one-time costs incurred from the acquisition while Mountain EBITDA increased by 26.4%, indicating a source of value generation. With costs growing at a slower rate than EBITDA, Vail recognizes a higher return on their invested capital as incremental costs grow at a slower rate.

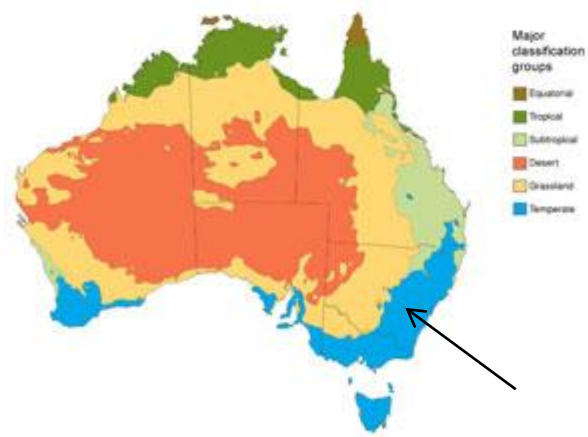
The Lodging segment net revenue grew by 4% Y/Y bolstered by cost reductions, since the segment's EBITDA increased by 12.8%. Lodging operating costs declined from 9.6% of sales, to 8.2% Y/Y, indicating another situation of value generation within this segment. Combing both the Mountain and Lodging segments together, the resort's net revenue figures climbed 20.9% while respective EBITDA grew 26.1%.

The Real Estate segment experienced monumental growth reporting a 41.6% growth, mostly due to selling an inn at Keystone Resort. Also, net cash flows for the segment increased by 130% with a $2.2m gain from this point last year.

Strategic Hedging:

Curbing the Effects of the Environment and Foreign Exchange

One of Vail's remarkable qualities is their ability to merge their acquisition capabilities with strategic hedging opportunities. For example, when MTN acquired Perisher Mountain in New South Wales, Australia in 2015, it was more than just another asset to add to the portfolio. The key component of this deal is that Australia's seasons are the inverse of ours in North America. Their winter season begins in June and ends in September, just as we begin and end our summer season. MTN strategically hedged against headwind faced in the off season by purchasing an asset that delivers the most return during the slowest earnings season of their core business. In doing so, Vail hoped not to gain returns based on the mountain itself, but on the expansion of their brand. Since Perisher is the most frequently visited mountain in Australia, CEO Robert Katz reportedly hoped that the well-versed skiers traveling to Australia would join the conglomerate of mountains that Vail offers through their version of a season's pass. He's hoping that once skiers realize that the mountains in the Northern Hemisphere are larger, more luxurious, and superior quality, they will also realize they can ski for free through the pass. In doing so, Vail has indirectly publicized themselves through their hedging techniques.



Moving up north, the Whistler Blackcomb acquisition brought a Canadian favorite into Vail's portfolio. Although there are no major environmental differences in British Columbia versus the core geography of Vail's business (CO, UT, IL, etc.), the weaker Canadian Dollar remains attractive compared to the USD. The strength of the dollar naturally wards away much of the international travel as well as trading, but MTN's strategic position in a nation with a weaker currency helps offset the lack of travel into the United States. In their quarterly earnings report, Blackcomb delivered higher than expected results as it bolstered nearly every financial metric within the whole company.

No Snow? No Problem.

Epic Discovery Pass Generates Off-Season Demand

Vail takes advantage of their terrain as they established the Epic Discovery program throughout their mountains. The program offers everything from zip-lining to gondola rides throughout the mountain scenery and lakes.

On a cost basis, the model of the program generates more predictable cash flow because of the associated fixed costs. Mostly, the company has to prioritize labor payments, COGS, and insurance, all of which are primarily fixed.

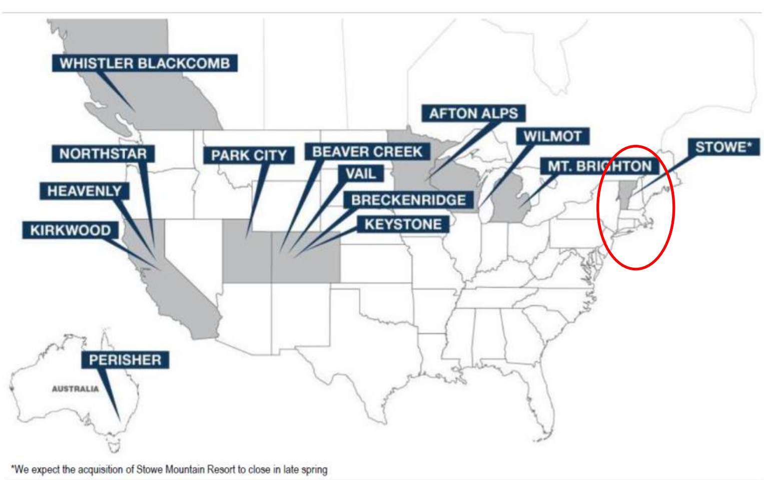
Since the initial outlay in 2013, Vail unloaded approximately $41m in CapEx just in order to get it on its feet. From 2017 into 2020, the company guided that an additional $39-$44m will be spent totaling CapEx to approximately $80-$85m. In doing so, MTN expects a $15m addition to incremental EBITDA for Vail Mountain and two other resorts.

Within the current calendar year, we can expect $6m directly funding the expansion of the Breckridge program with a focus primarily on marketing. The company's priority is to educate everyone on Epic Discovery and build awareness to the program. In doing so, investors can expect a $10-$12m EBITDA figure just for the Epic program itself, implicitly showing that the revenue figures are much higher than the capital spending figures, and therefore establishing another source of value generation.

In addition to the value generation, the company is expanding their impact of strategic hedging, again against the environmental headwinds faced in the summertime. Exposing the mountains for summer exploration opens up another avenue of revenue for the company. Pairing this with the Perisher acquisition, Vail Resorts is poised to generate increased revenue throughout the winter.

Stowe Acquisition:

In February of this year, MTN announced they would be acquiring the Vermont based Stowe Mountain from AIG Global Real Estate. Stowe sits as a regional destination for the Northeast skiing market as well as a travel destination for West Coast skiers.



What makes Stowe so attractive is its established brand. The mountain has already developed a rich heritage and an expansive customer base whose demographics complement Vail's network already. In doing so, the company can transition this expansion more seamlessly and dedicate less effort to building awareness in their brand. With Stowe in their portfolio, Vail can reach out to customers in NYC and Boston and tie them into the season pass network that would build incentive to travel to the rest of the portfolio's destinations. Vail would capitalize on the lodging and the mountain fees, greatly enhancing their earnings potential.

Guidance suggests that Vail expects to generate an incremental $5M+ addition to Resort EBITDA in FY18. If the Stowe acquisition generates anything similar to Blackcomb, the earnings will greatly expand. The company also suggested that larger upside benefits will be captured over the long term.

2017 CapEx Program

High Impact, High ROI

Vail's focus on capital outlay is no secret considering their record for acquisitions, but their 2017 CapEx program will be geared towards discretionary improvements. Approximately $65m over CY17 will be deployed in order to upgrade the busiest chairlifts to increase capacity, and therefore efficiency. Being able to offer an expedited travel time and thereby increasing the amount of time that the guest can ski generates a preference to Vail's mountains. Also, Vail is expanding their busiest restaurant and dining room to increase guest capacity, and therefore turnover. This allows for additional revenue attributed to food & beverage.

In addition, the $6m previously discussed with Epic Discovery will be deployed this summer. It will expand the program's capabilities at Breckenridge as it launches at this resort in the summertime. The company plans to synchronize the opening and the expansion to seamlessly enhance revenue attributable to Epic Discovery this summer.

Other investments at Blackcomb will integrate the software of the mountain with the primary system used throughout the rest of the business as well as more expansionary and discretionary implementations to the resort's capability of the Epic Discovery program. Opening up more resorts to the summer program will greatly increase the demand of the mountains and would be on-track to rake in more revenue. Thanks to the nature of the Epic program, the low variable costs help maintain bottom line growth. Therefore, a CapEx program deployed to enhance the capabilities of Epic Discovery and more efficient machinery will enhance Net Profit margins, and therefore ROI.

Conclusion:

Vail has been able to build value into their market position throughout the last year and continue to strategically strengthen their position. Their hedging efforts ward off headwinds faced during the off-season and adverse foreign exchange rates on the USD. In doing so, the company experienced double digit growth throughout all segments of their revenue streams and sourced various aspects of value generation. As they continue into the rest of 2017 and beyond, their CapEx programs geared towards the expansion of Epic Discovery and building awareness of their brand will enhance off-season demand.

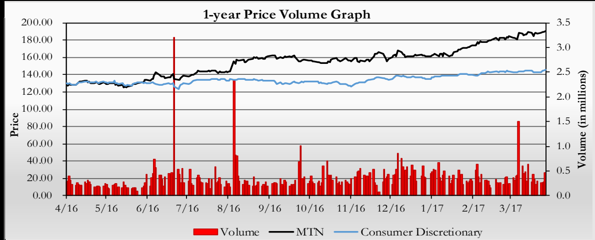
Vail's hedging efforts have clearly carried their earnings and their performance as a business. As far as the valuation, the price point is above our recommended entry level. We would like to see the price below $180, ideally, and with the off-season coming up, that may be plausible. Although analysts agree that the price is too high, we would expect to see an entry point in the low $180s by mid-to end summer. If you're option savvy, look into call options below $180. If you're not, add it to your watch list and wait until it gets a little warmer outside. The summer should offset the price, at least until Vail comes up with another idea to hedge against seasonal headwinds, which is only a matter of time.

SIENA college

BJORKLUND FUND

Vail Resorts, Inc. (MTN) — CENTER FOR GLOBAL FINANCIAL STUDIES — NEUTRAL

Analysis by James Hannahs	Current Price:	$191.90	Intrinsic Value	$197.88	Target 1 year Return: 11.37%
4/2/2017	Divident Yield:	1.8%	Target Price	$210.25	Probability of Price Increase: 100%



Description

Vail Resorts, Inc., through its subsidiaries, operates mountain resorts and urban ski areas in the United States.

General Information

Sector	Consumer Discretionary
Industry	Hotels, Restaurants and Leisure
Last Guidance	November 3, 2015
Next earnings date	June 7, 2017
Estimated Country Risk Premium	6.25%
Effective Tax rate	40%
Effective Operating Tax rate	27%

Market Data

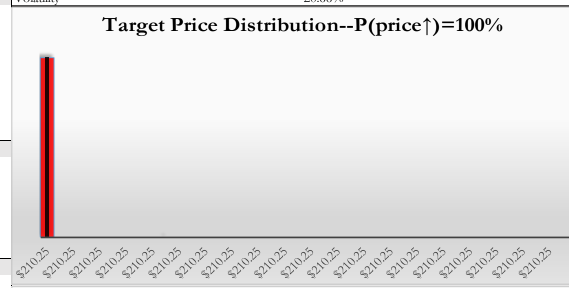
Market Capitalization	$7,686.74
Daily volume (mil)	0.27
Shares outstanding (mil)	40.06
Diluted shares outstanding (mil)	38.40
% shares held by institutions	100%
% shares held by investments Managers	88%
% shares held by hedge funds	7%
% shares held by insiders	1.08%
Short interest	3.63%
Days to cover short interest	3.84
52 week high	$194.05
52-week low	$124.00
Levered Beta	0.45
Volatility	20.66%

Past Earning Surprises

Quarter ending	Revenue	EBITDA
1/31/2016	-5.29%	-2.60%
4/30/2016	-3.39%	-4.08%
7/31/2016	-1.81%	-215.49%
10/31/2016	-7.23%	-237.02%
1/31/2017	-0.11%	0.17%
Mean	-3.57%	-91.80%
Standard error	1.3%	55.0%

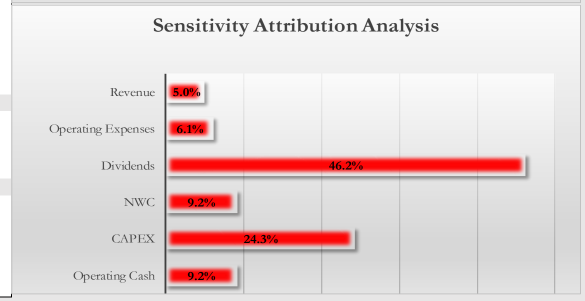
Peers

- SeaWorld Entertainment, Inc.
- Six Flags Entertainment Corporation
- Cedar Fair, L.P.
- Intrawest Resorts Holdings, Inc.
- ClubCorp Holdings, Inc.
- Boyd Gaming Corporation
- Hyatt Hotels Corporation
- Marriott International, Inc.



Management	Position	Total compensations growth	Total return to shareholders
Katz, Robert	Chairman and Chief Executive	15.13% per annum over 5y	4.39% per annum over 5y
Barkin, Michael	Chief Financial Officer and	5.96% per annum over 3y	17.49% per annum over 3y
Shapiro, David	Executive Vice President, Ge	698.01% per annum over 1y	33.38% per annum over 1y
Lynch, Kirsten	Chief Marketing Officer and	40.01% per annum over 2y	40.78% per annum over 2y
Campbell, Patricia	President of Mountain Divisi	N/M	0% per annum over 0y
Siurek, Ryan	Chief Accounting Officer, Vi	N/M	N/M

Profitability	MTN (LTM)	MTN (5 years historical average)	Industry (LTM)
ROIC	23.0%	7.66%	12.59%
NOPAT Margin	20%	9.66%	12.6%
Revenue/Invested Capital	1.16	0.79	1.00
ROE	59.8%	14.98%	15.77%
Adjusted net margin	18%	7.11%	11.1%
Revenue/Adjusted Book Value	3.33	2.11	1.42
Invested Funds	**MTN (LTM)**	**MTN (5 years historical average)**	**Industry (LTM)**
Total Cash/Total Capital	4.1%	3.6%	13%
Estimated Operating Cash/Total Capital	4.1%	3.3%	N/A
Non-cash working Capital/Total Capital	-10.4%	-7.9%	-14%
Invested Capital/Total Capital	54.7%	67.5%	92%
Capital Structure	**MTN (LTM)**	**MTN (5 years historical average)**	**Industry (LTM)**
Total Debt/Common Equity (LTM)	0.23	0.30	0.31
Cost of Existing Debt	4.94%	6.54%	3.97%
Estimated Cost of new Borrowing	3.63%	3.96%	3.97%
CGFS Risk Rating	BB	B	BB
Unlevered Beta (LTM)	0.41	0.94	0.73
WACC	6.20%	9.49%	7.58%



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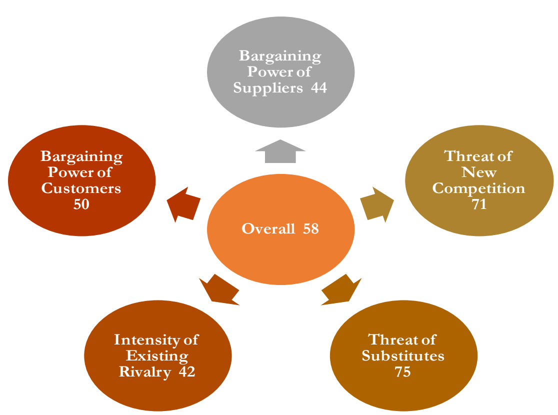

Valuation

Period	Revenue growth	NOPAT margin	ROIC/WACC
Base Year	14.2%	19.9%	3.71
1/31/2018	11.4%	13.4%	2.23
1/31/2019	5.0%	14.2%	#VALUE!
1/31/2020	4.9%	15.0%	#VALUE!
1/31/2021	4.8%	16.0%	#VALUE!
1/31/2022	4.7%	16.9%	#VALUE!
1/31/2023	4.6%	17.8%	#VALUE!
1/31/2024	4.4%	18.6%	#VALUE!
1/31/2025	4.3%	19.4%	#VALUE!
1/31/2026	4.2%	20.2%	#VALUE!
1/31/2027	4.1%	20.9%	#VALUE!
Continuing Period	4.0%	21.6%	#VALUE!

Period	Invested Capital	Net Claims	Price per share
Base Year	$1,415.14	$2,059.93	$197.31
1/31/2018	$1,556.64	#VALUE!	$208.47
1/31/2019	$1,453.39	#VALUE!	$221.32
1/31/2020	$1,598.08	#VALUE!	$234.84
1/31/2021	$1,497.70	#VALUE!	$248.54
1/31/2022	$1,885.79	#VALUE!	$269.62
1/31/2023	$1,983.68	#VALUE!	$283.39
1/31/2024	$2,191.74	#VALUE!	$297.09
1/31/2025	$2,205.49	#VALUE!	$310.66
1/31/2026	$2,198.55	#VALUE!	$324.11
1/31/2027	$2,181.08	#VALUE!	$337.42
Continuing Period			

Below, insert a screenshot of your “OUTPUT” page from the Pro-Forma. Or, if you built your own model, insert screenshot of it here.

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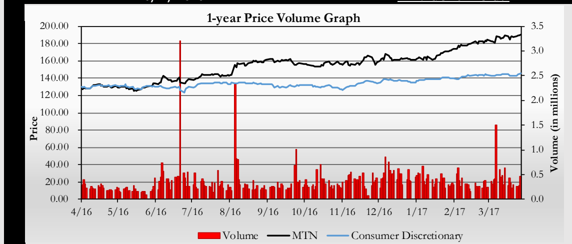

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% shares held by insiders	1.08%
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ROE	59.8%	14.98%	15.77%
Adjusted net margin	18%	7.11%	11.1%
Revenue/Adjusted Book Value	3.33	2.11	1.42
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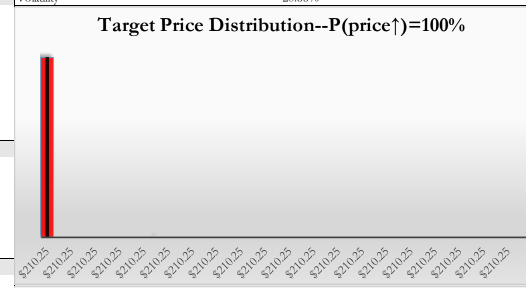
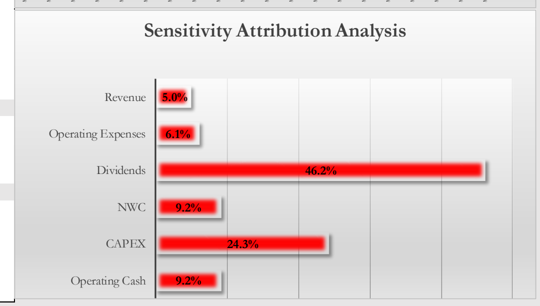
Cost of Existing Debt	4.94%	6.54%	3.97%
Estimated Cost of new Borrowing	3.63%	3.96%	3.97%
CGFS Risk Rating	BB	B	BB
Unlevered Beta (LTM)	0.41	0.94	0.73
WACC	6.20%	9.49%	7.58%





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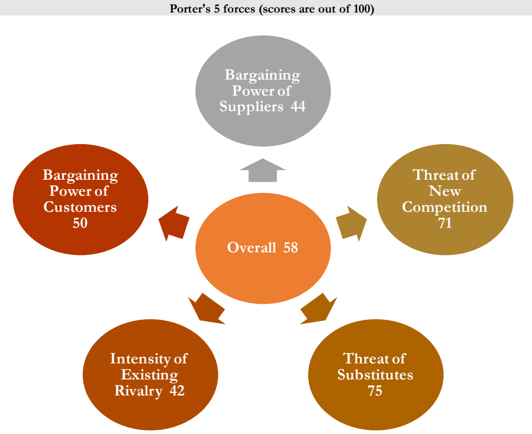

Valuation

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Base Year	14.2%	19.9%	3.71
1/31/2018	11.4%	13.4%	2.23
1/31/2019	5.0%	14.2%	#VALUE!
1/31/2020	4.9%	15.0%	#VALUE!
1/31/2021	4.8%	16.0%	#VALUE!
1/31/2022	4.7%	16.9%	#VALUE!
1/31/2023	4.6%	17.8%	#VALUE!
1/31/2024	4.4%	18.6%	#VALUE!
1/31/2025	4.3%	19.4%	#VALUE!
1/31/2026	4.2%	20.2%	#VALUE!
1/31/2027	4.1%	20.9%	#VALUE!
Continuing Period	4.0%	21.6%	#VALUE!

Period	Invested Capital	Net Claims	Price per share
Base Year	$1,415.14	$2,059.93	$197.31
1/31/2018	$1,556.64	#VALUE!	$208.47
1/31/2019	$1,453.39	#VALUE!	$221.32
1/31/2020	$1,598.08	#VALUE!	$234.84
1/31/2021	$1,497.70	#VALUE!	$248.54
1/31/2022	$1,885.79	#VALUE!	$269.62
1/31/2023	$1,983.68	#VALUE!	$283.39
1/31/2024	$2,191.74	#VALUE!	$297.09
1/31/2025	$2,205.49	#VALUE!	$310.66
1/31/2026	$2,198.55	#VALUE!	$324.11
1/31/2027	$2,181.08	#VALUE!	$337.42
Continuing Period			