Stock	Buy / Sell	Thesis	Current Price	Target Price
TLRD	Sell	Jos A. Bank acquisition through debt has failed to generate expected return and led the company in a complicated financial situation. Revenue, Earning per Share and NOPAT growth seem compromised given debt structure and financial results in Q4. Two possible solutions for the company to recover: liquid assets or reduce considerably its expenses, and so its expansion strategy. Given Tailored Brands Inc. financial results, I do not expect the price to rise in the short-term or longterm, I then recommend that we sell the stock.	$ 16.02	$ (180.10)
CUB	Buy	New policy regarding critical aspects of the company will lead to gain in efficiency and profitability in 2017. The shift in the Cubic Mission Support division's focus to the C4ISR market ensures strategic opportunities to the company. The transportation division ensure Cubic Corporation long-term growth sales thanks to its expertise in intermodal projects, fare toll collection and data management.	$ 40.03	$ 49.26
PLAY	Hold	Dave & Buster's Entertainment Inc. (NASDAQ:PLAY) has established itself as a popular business for all ages giving the customer the ability to "Eat, Drink, Play and Watch!" D&B has impressive margins and a great competitive advantage over competitors mostly because of its growing gaming segment. In addition, there is plenty of room for growth because they only own 81 stores in 30 states and Canada. If D&B achieve their target store growth rate of 10% while keeping high margins, we expect to see immense growth in revenues in the long run. D&B is currently trading at $41.11, and I would consider it a HOLD. A target price of $54.06 and an upside potential of 31.5% can be seen.	$ 41.11	$ 54.06
LOPE	Buy	Grand Canyon University (GCU) is a very competitive leader when it comes to online education. It's dominance in online educational programs in Phoenix, Arizona should cause this stock to grow. Online education is the core of LOPE and as technology advance, LOPE advances. This company has expanded tremendously since 2012 and has spent millions of dollars into new programs around campus and online.	$ 40.70	$ 46.07

GME	Hold	GameStop is a highly recognized store primarily known by loyal gamers that come to buy or sell preowned video games. The organization has crafted a unique experience that have attracted loyal customers over the past few years. Over the past two years the company has turned from its no debt history to assume a small amount of debt in an attempt to increase enterprise value and maximize shareholder wealth. The company has dropped in the profit from the 2000s because of a change in the gaming industry. GameStop and other companies like now out-of-business Circuit City used to profit heavily from selling this physical video games discs. However, with the technological advancement of gaming consoles, video games can be purchased digitally. Sales have dropped entering the new decade but the company has still remained to outperform expectations and keep revenue afloat. For these reasons, GameStop's success is stationed at the mercy of these video game suppliers current method of offering some physical products to be purchased from stores. However, the advancement of technology and the reliance of GameStop on video game suppliers of distributed games through stores is reason that the stock will not change too much in value.. The company does not show large enough margins of return to try to invest substantial amounts of additional capital. The company does show modest levels of growth, but modest enough to have a position of "hold".	$ 25.47	$ 28.74
SWKS	Hold	Skyworks success is completely dependent on the success of its cellular device customers like Apple and Samsung. Oppenheimer & Co analyst Richard Schafer estimates that Apple orders generate 35% to 40% of Skyworks revenue. Apple is currently priced at 117.61 and has surged due to the popularity of the iPhone 7 which will enable Skyworks to beat earning not only for quarter 4 of 2016, but for the following two quarters after as well. In the long run Skyworks will be able to sustain revenue through other technologies due being a major player in "the internet of things". Despite a disappointing fiscal year for Skyworks the future is optimistic. This along with ongoing expansion of the cellular industry will increase demand of Skyworks products, which will result in an upward jolt of the stock price	$ 77.41	$ 86.53

SAVE	Buy	Spirit Airlines, Inc. is the best in class when it comes to ultra low-cost airlines. Not only does Spirit offer conscious travelers the lowest base fare possible, they have also managed to more than quadruple their earnings since they went public in 2011. Revenues from base fares alone have almost doubled over the past five years and non-ticket revenues have nearly tripled. Although the price of oil could potentially decrease, Spirit's operating expenses due to fuel was at its lowest since 2011 at the end of 2015, amounting to $461,447. Although operating costs have continuously increased since 2011, operating income was at an all-time high at the end of 2015. According to Mr. Botimer, at the end of Q2, Spirit is very positive about their operational performance and how over time it will yield cost benefit. Spirit has made recent investments in the company in order to produce better operational outcomes. Most recently, Spirit has begun initiatives to expand its market reach. Not only is Spirit scheduled to fly to Havana, Cuba starting December 1st, the company intends to take full advantage of seasonal travelers and the markets they create. Because Spirit tends to look for high demand markets, the company plans to launch initiatives to take advantage of seasonal valleys to maximize peak travel periods and base their services on where the highest demand markets are at any given point. On top of maximizing peak seasons, Spirit has also announced multiple new routes scheduled to begin throughout the rest of this current.	$ 43.58	$ 49.60
LIOX	Buy	Lionbridge technologies, Inc. (NASDAQ: LIOX) is the world's largest localization firm and continues to grow each year. As digital, social, and mobile content remain on the rise Lionbridge technologies continues to outperform their competition and continue to introduce new and innovative software to their clients. Lionbridge combines both language expertise and operational capabilities that any global corporation needs to maintain their domestic and foreign clients. Partnering with thousands of corporations, Lionbridge has reduced the complexities of multilingual content management, increased production, and accelerated global growth. The company has shown notable year to year growth for the past 7 years and has an optimistic outlook for the coming years. Compared to the industry competition, Lionbridge Technology has been ranked as one of the top 20 outsourcing companies every year since 2006 and was named 2016 CUSTOMER Magazine product of the year, hitting major milestones in their journey as a corporation. Due to their large client base and accredited status, I believe Lionbridge Technologies has a promising future.	$ 4.75	$ 10.86

Macroeconomic Overview

U.S. Markets

	Index	Weekly % Change	YTD % Change
SPX Index	S&P 500	-0.96%	4.36%
INDU Index	Dow Jones Industrial	-0.56%	4.09%
CCMP Index	NASDAQ Composite	-1.48%	4.13%
RTY Index	Russell 2000	-1.95%	6.74%
VIX Index	VIX	25.55%	-11.48%

U.S equity markets followed the downward trend that started last week. Equity indexes conceded more this week with a drop of 0.6% for the Dow Jones Industrial, 1.0% for the S&P 500, 1.5% for the NASDAQ and almost 2% for the Russell 2000. Despite the lack of economic report releases this week, the indexes had their worst daily performance in a month on Tuesday. Indeed, the earnings season started with a disappointing release by Alcoa, and an important increase in the U.S dollar index. This index, which values the greenback against a basket of six currencies, reached its highest level since March. The increase is mainly due

by the drop of the euro and the pound against the dollar, which represent respectively 57% and 12% of the index's weight. The pound fell amid investors' concerns about the economic implications of hard Brexit, which could lead British companies to lose access to the European single market. In addition, to the concerns brought by the Brexit, China reported a slowdown in its exports (-10% vs. -3% expected). Investors' fear of a slowing global growth was palpable with the VIX gaining almost 20% over the week, and the release of the Retail Sales and Core Retail sales reports, with the largest rebound in the last three months, were not enough to bring the markets up on Friday.

Commodities: The West Texas Intermediate oil futures for delivery in December stayed above $50 this week even after the weekly loss of 2.01%. Nonetheless, investors are worried about the future of the OPEC deal that capped the production at 32.5M barrels a day. The current price could lead the U.S shale producers to consolidate their operations, and hence increase the supply. Gold finished the week at $1257.08/ounce, its lowest level in three years, for a 4.16% weekly loss. Silver ended the week on a 6.75% loss at $17.54/ounce.

Specific news: Following the recent scandal about its sales strategies and the congressional hearings, Wells Fargo's CEO, John Stumpf, surprisingly stepped down on Wednesday. The stock lost 1.3% over the week. Samsung announced that it stopped its production of the Galaxy Note7 permanently. Citigroup, JP Morgan Chase and Wells Fargo all beat expectations for their earnings.

Next week ahead: Despite earnings, investors are expecting the Building Permits release on Wednesday and the Fed Manufacturing Index, the Existing Home Sales report on Thursday. However, the most decisive piece of information of the week will be the release of the year on year inflation rate on Tuesday.

International Markets

	Index	Weekly % Change	YTD % Change
BE500 Index	BE 500	0.31%	-7.77%
SXXP Index	Stoxx Europe 600	0.09%	-7.07%
DAX Index	DAX	0.85%	-1.51%
UKX Index	FTSE 100	-0.44%	12.35%
CAC Index	CAC 40	0.47%	-3.58%
NKY Index	Nikkei 225	-0.25%	-11.44%
SHCOMP Index	Shanghai Composite	1.97%	-13.43%
SZCOMP Index	Shenzhen Composite	2.56%	-11.35%

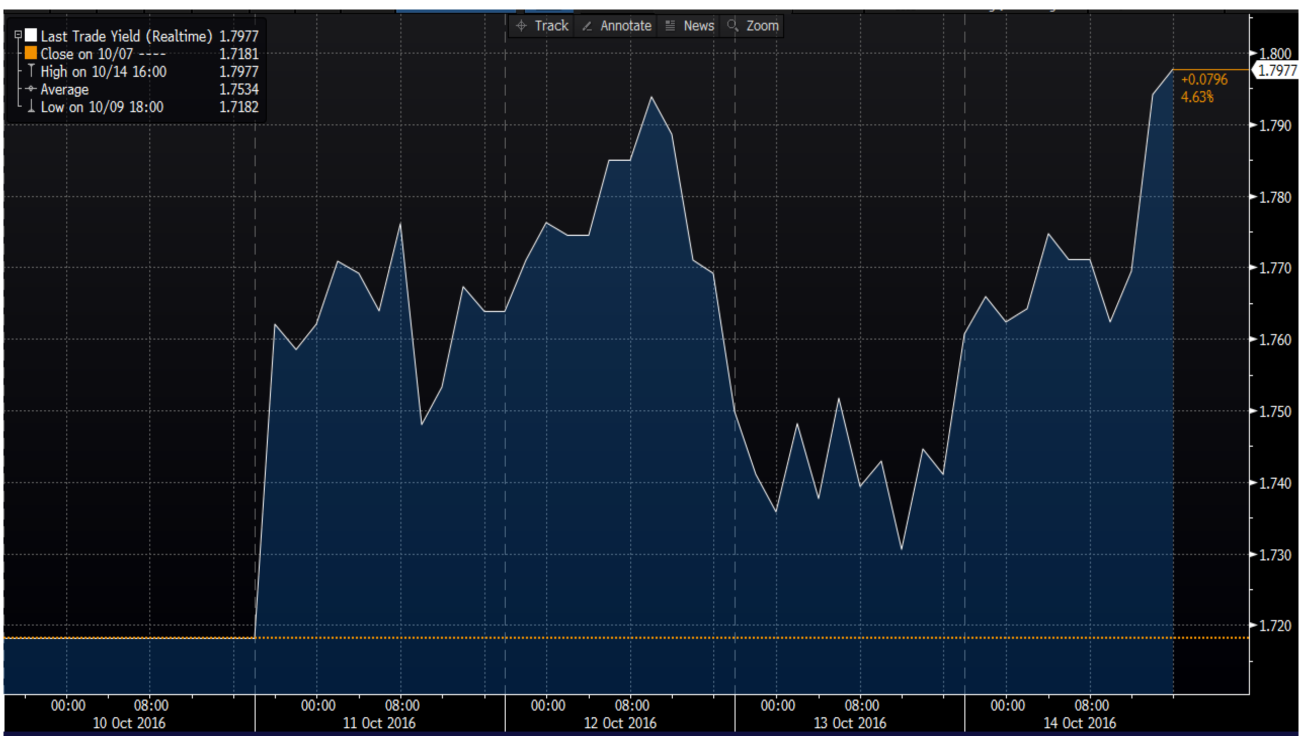
Europe: The Bloomberg European 500 and the Stoxx Europe 600 ended the week in positive territory closing at .31% and .09% respectively. The SXXP had experienced a volatile week due mostly to the decrease in Chinese exports but managed to bounce back after positive inflation data reported from China. The UK suffered in negative grounds reporting -.44% and the CAC index rose .47%. The DAX index ended in positive territory as German exports increased 5.1%, the largest increase since 2010. To accompany the export climb, economic sentiment rose 5.7 points to 6.2, a heavy increase from September quotes. ZEW president Achim Wambach urges that the interpretation of the increase must be weighed with risks associated with their banking sector, especially speculations around Deutsche Bank. The bank faces the realization of cutting costs across multiple segments, including axing an additional 10,000 jobs following the 9,000 announced in 2015. Share prices for the German bank have plummeted since the U.S. Justice Department slapped them with a $14B settlement bill last month concerning malpractice leading to the global financial crisis.

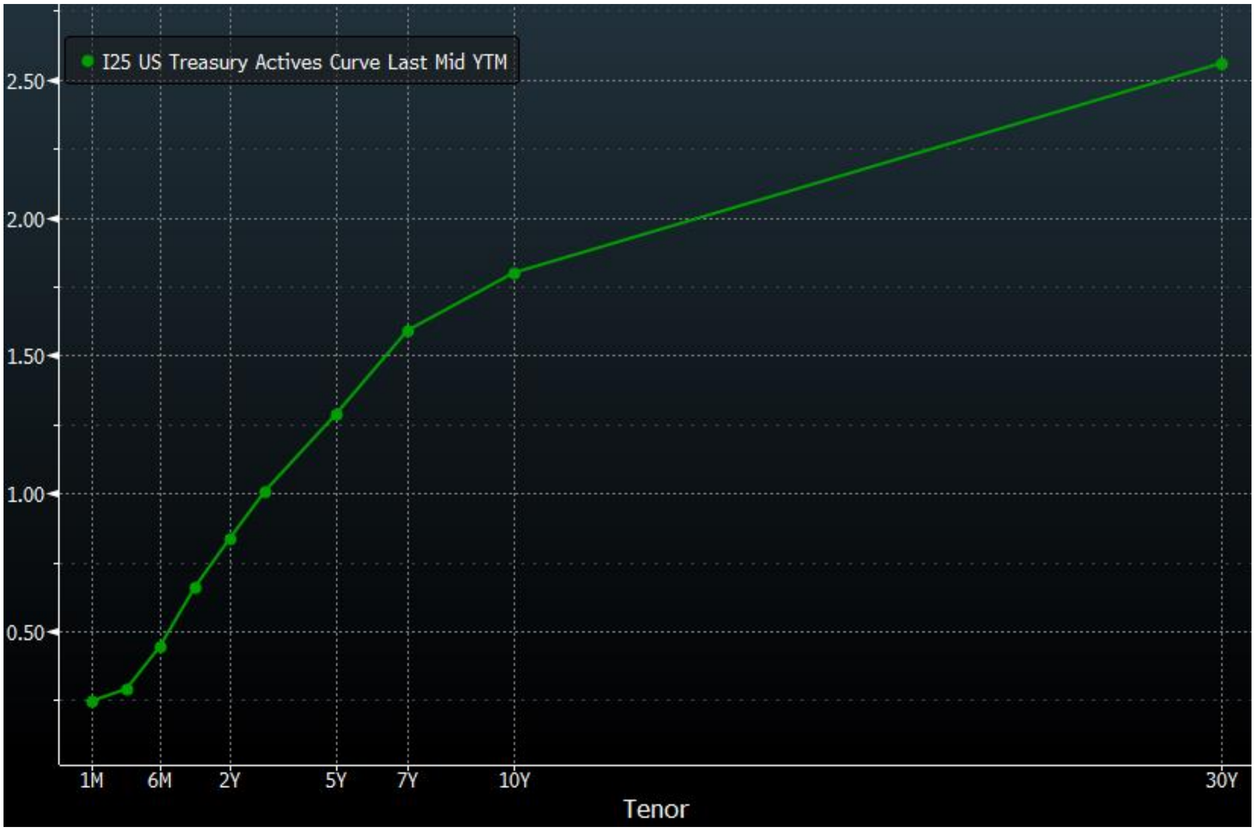
Asia: The Nikkei 225 closed out the week negatively at -.25%. In light of BoJ decisions to effectively cap interest rates on sovereign bond yields, corporate bond yields are appearing more attractive because of the opportunity for a higher spread, which sit around .30% higher than government issues. China experienced positive ground this week as they reported an end to a producer price slump since January 2012. Prices rose .1%, offsetting the poor export data.

Next week ahead: President Weidmann of Deutsche Bank is holding two speeches next week. Economists expect comments will remain dovish in light of the ECB meeting on October 20 and address further concerns and outlook of the bank's intentions. The UK releases their CPI, PPI, and RPI reports on Tuesday, further aiding outlook in light of Brexit. UK earnings index will be released on Wednesday. China releases GDP figures for Q3 on Tuesday outlining the decline of exports. Japan's BoJ governor Kuroda speaks on Friday to provide insight on further movement to put upward pressure on the far end of the yield curve to stabilize interest rates.

Bond Report

This week, the US Treasury yields climbed to their highest levels in four months. This is a result of positive economic data strengthening the Federal Reserve's case for raising interest rates in December. Currently the Fed predicts a 65% to 70% chance of a rate increase in December. Yields could be pushed even higher as worries that central bank's' quantitative easing programs had reached the limits of their effectiveness, which has helped to stall buying. On Tuesday, investors were pressed by wide selling across all asset classes, including equities and commodities, as a result yields were pushed to four month highs. This synchronized selloff of global assets could have been the result of risk-parity funds deleveraging, according to some analysts. On Wednesday, yields continued the upward trend as the Fed released minutes from its September meeting. Investors were proven right anticipating a hawkish tone in the minutes when three officials voted to raise interest rates in defiance of Fed Chairwoman Janet Yellen. New York Fed President William Dudley commented that the economic growth anticipated path should allow the Fed. On Thursday, it was reported that trade data from China was weaker than expected. In response, investors hurried out of risky assets such as global equities and into the safety assets, such as government bonds and the yen. This pushed Treasury yields lower on Thursday. Also there was a $15 billion auction for 30-year bonds later in the day that was well received with fair bidding. On Friday, Treasury yields improved from the previous day and were climbed to their highest levels in four months. This was as a result of Fed Chairwoman Janet Yellen comments suggesting that there may be benefits in letting inflation climb higher than the current target of 2.0% in order to stimulate the economy. Although this caused inflation expectations to move higher it did not have a great impact on interest rate expectations. Overall, the two-year Treasury ended flat at 0.838%, over the course of the week, and was most sensitive to changes in interest rate expectations. The 10-year Treasury rose 5.3bps to 1.792%, a high since June 2 of this year. While the 30-year Treasury is up 8.5bps to 2.553%, the highest level since June 23rd.





What's next and key earnings

On Tuesday, the labor market conditions index was released coming in at minus 2.2 in September. The soft trend in the labor market was supported with job openings falling a sharp 7.3% in August, the lowest openings number is the lowest since December of last year. Hiring also slowed 0.9%; however, is still the fourth highest report this year. The lack of openings and hiring are consistent with the slowing job growth scene throughout August and September. On Thursday, jobless claims report was released and unemployment claims remain near historic lows. This indicates a lack of layoffs and quick turnaround for those who lose their jobs. Although, this report initial claims came in near the low end of expectations in Week of October 8th. Export and import price report was released showing optimistic data. Import prices rose 0.1% and export prices went up 0.3% in September. A rise in petroleum prices helped pull import prices up rose 1.2% last month, but are down 2.4% on the year. Natural gas in storage rose to 3,759 bcf in the week of October 7th. Overall, the over the course of the year natural gas stored is shrinking to smaller weekly builds than last year. Gas stocks stand 5.4% above the 5-year average. On Friday, retail sales report showed solid September data, and up 0.6%. This report will give a lift to GDP, providing a quarter-end rise to consumer spending. Consumer sentiment index fell so far in the month of October to 87.9, this is the weakest report since September of last year. Lastly, one-year inflation expectations are unchanged at a very low 2.4%.

Siena Market Line
2nd week of October 2016

Tailored Brands, Inc.

NYSE:TLRD

Analyst: Cindy Missaoui
Sector: Consumer Discretionary

SELL

Price Target: $-180.1

Key Statistics as of 10/12/2016

Market Price:	$16.02
Industry:	Specialty Retail
Market Cap:	$791.77M
52-Week Range:	$9.95-44.68
Beta:	1.46

Catalysts:

- Jos. A. Bank acquisition in 2014 for $1.8 entirely financed by debt led the company into financial suffering.
- Men's Wearhouse revenue dropped by 3.2% principally due to Jos. A. bank Acquisition.
- Dangerous catalysts drive stock price down

Company Description:

Effective January, 31 2016, Tailored Brands Inc. (NYSE), a Texas Corporation became the successor reporting company to Men's Wearhouse. The company, created in 1973 by George Zimmer, is the largest specialty retailer of men's suits and largest provider of rental products in the United States and Canada. It serves customers through an expansive network including 1,700 locations in the United States and Canada as well as the brand e-commerce Website. Tailored Brands includes Men's Warehouse, Jos. A. Bank, Joseph Abboud, More Clothing for Men and K&G Fashion Superstores.

Thesis

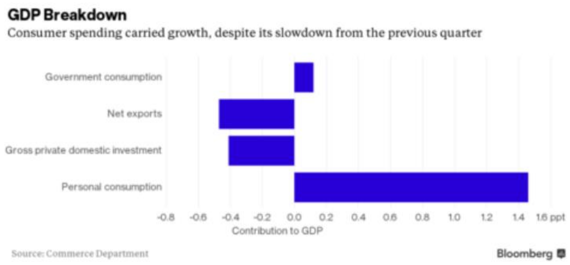
- Jos A. Bank acquisition through debt has failed to generate expected return and led the company in a complicated financial situation.
- Revenue, Earning per Share and NOPAT growth seem compromised given debt structure and financial results in Q4.
- Two possible solutions for the company to recover: liquid assets or reduce considerably its expenses, and so its expansion strategy

Given Tailored Brands Inc. financial results, I do not expect the price to rise in the short-term or long-term, I then recommend that we sell the stock.

Macro Environment

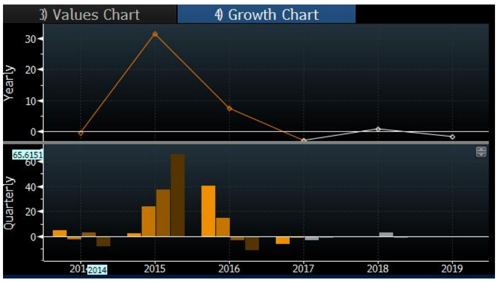
When looking at the macro environment, GDP growth in the United States is adjusted downward to 1.4% due to weak results in Q1 and Q2 2016. One of the driver of GDP growth has been consumer spending as it increased from $11365.20B in Q1 2016 to $11484.90B in Q2 2016 a record high in the United States.

However, weak results in the first two quarters of 2016 can be explained by companies' slow down on investments in equipment and structure. It remains a key issue in the United States growth, as it slow down productivity growth.



On the Bankruptcy Road?

Because of the significant amount of debt the company has contracted to acquire Jos. A. Bank, its financial health is critical. The acquisition in 2014 for $1.8B financed by debt, which is more than two times what the company is worth today, plunged the company into financial distress. In 2016, Tailored Brands. Inc. planned to change drastically its marketing strategy and to close 250 stores after Jos. A. Bank sales plunged 32%. The acquisition does not add the expected value to the company, and even worse leads Tailored Brands Inc. in a position where revenue and earnings per share growth seem unachievable. In fact, when analyzing Tailored Brand. Inc. growth compared to its peers, it seems clear that the company's growth seems compromised, and so the likelihood for the company to recover is significantly low even impossible.



Furthermore, the heavy debt the company took to acquire Jos. A. Bank has hampered earnings. Since FY 2014, Tailored Brands operating margin decreased leading its EBITA Margin to decrease and be significantly low compared to its peers. Finally, since FY 2014, which directly relates to the acquisition of Jos. A. Bank, the company records EBITA and operating Income negative while it used to record operating income gains from 2011 to 2013.

EBITA Margin		
	History	***LFY***
TLRD	**7.1%**	**6.4%**
Competitors	**8.9%**	**8.0%**

In Millions of USD except Per Share	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
12 Months Ending	01/29/2011	01/28/2012	02/02/2013	02/01/2014	01/31/2015
1 Year Growth					
Revenue	10.11	13.32	4.43	-0.60	31.51
EBITDA	9.60	37.46	7.44	-19.63	-12.11
Operating Income	46.55	82.38	7.08	-34.72	-43.52

Brand New Management

George Zimmer, the founder of Men's Wearhouse had been fired from his own company in 2013 because of disagreements with the Board of Management. He asked for more control and did not see Jos. A. Bank acquisition as a good strategy, which eventually led to his termination. In March 2016, Douglas S. Ewert was appointed President and Chief Executive Officer of Tailored Brands Inc. He actively took part in the company's activities since 2008. The Board of Management is now searching for strategic and financial solutions to survive from their investment strategies.

Porters Five Forces

Bargaining Power of Suppliers: High – 63

Because Tailored Brands belongs to the retail industry, it highly depends on suppliers. With a result of 63, the company does not have as much as bargaining power with its suppliers.

Bargaining Power of Customers: Low – 39

When it comes to price, customers does not have a lot of bargaining power. However, they have the power to buy items from competitors if prices do not please them. As an example, when the company decided to stop the discount strategy of Jos Bank 'buy one get three-free suits', sales dropped consequently because the strategy was attractive for a lot of customers.

Intensity of Existing Rivalry: Medium - 50

Tailored Brands mains competitors are Abercrombie & Fitch, American Eagle and Ascena Group. In order to survive in the retail industry, companies such as Tailored Brand might have a strong competitive advantage. In fact, because they are in a slow growth market, the only way to grow is to capture market share from each other, which obviously increases competition.

Threat of Substitutes: Medium – 58

On the retail industry, customers have access to a diversified choice of substitutes. One of the major issue associated with goods substitutions is the fact that customers can choose to purchase the substitutes instead of the industry's product, which can drive the price and so profitability down.

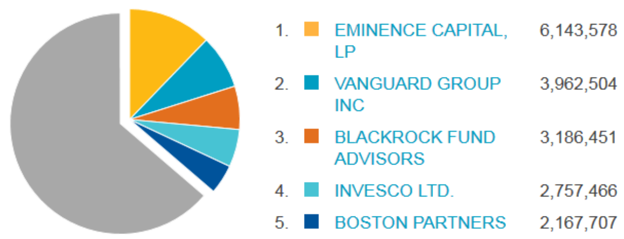
Threat of New Competition: Medium - 58

Tailored Brands faces many competitors on the market for goods and services. Even if the opportunity to enter the market might be complicated, few brands succeed to become unavoidable.

Ownerships

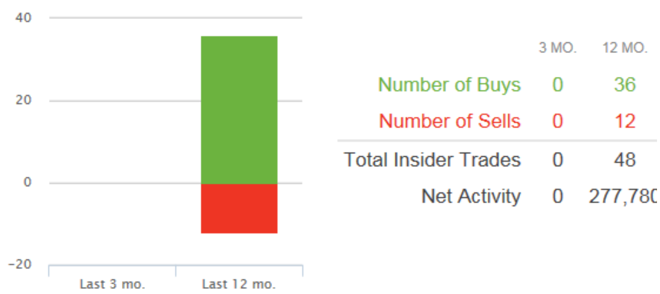
Tailored Brands is mainly owned by institutions such as Eminence Capital LP, Vanguard group, BlackRock, Invesco LTD and Boston Partners, hedge funds and Insiders.

Top 5 Holders of Institutional Holdings



Regarding at the Insider Trades Summary, there is no activity recorded for the last three months either in the number of buys or sells.

Insider Trades Summary as filed in the Forms 3 and 4 filings

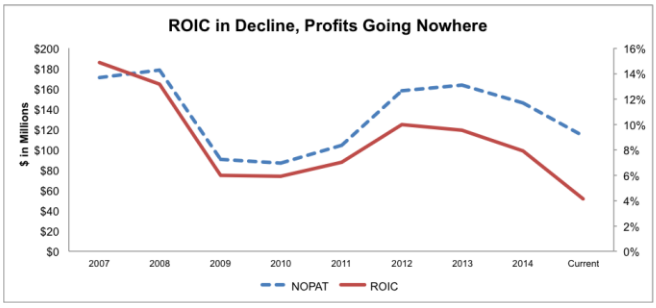


Financials

Tailored Brands Inc. financial health weakness can be seen in multiple areas. First, as explained before, Jos. A. Bank acquisition was probably the worse investment made by the company: its acquisition price was too high compared to its performance capacity. Moreover, Tailored Brands Inc. ROIC and WACC ratios highlight the company incapacity to generate return on invested capital.

ROIC /WACC			ROIC		
	History	*LFY*		*History*	*LFY*
TLRD	0.84	1.35	**TLRD**	11.7%	8.8%
Competitors	1.24	1.16	Competitors	15.7%	14.6%

From 2009 to 2013, the company's net-operating profit after tax (NOPAT) increased by 16% principally due to an increase in revenue and a fall in expenses. Nevertheless, since 2013 NOPAT decreased by 10% due to a significant increase in operating expenses and capital expenditure. As reported in the 10-K, cost of retails goods sold increased by 47%, advertising expenses increased by 88% while sales only increased by 35%. The company's expenses were tremendously too high to keep a sustainable growth, and so led ROIC and profits to drop consequently.



Over the last three years, Tailored Brands. Inc. entered into a lot of debt agreements in order to finance Jos. A. Bank acquisition. First, they agreed on a $1.1B Term Loan due June 2021 (LIBOR: 3.5%). Then, they entered into a $500M ABL Facility Loan due 2019, and a $600M in 7% Senior Notes due 2022. Consequently, the company's Debt to Equity ratio approaches 168.87, which theoretically means, bankruptcy. As known, retail industry is quiet challenging and makes it harder for Tailored Brands to recover.

Finally, as can be seen, Tailored Brand stock price falls by 75% between November 2015 and September 2016 (from $55/share to $13.70/share). The stock price valuation started to get ahead of itself right after the acquisition of Jos. Bank. In addition to that, short interest ratio is about 18% with seven days to cover short interest. Finally, few volumes of shares are traded on a daily basis, and most of them are sold shares (87,069 shares) or call options.

Important Dates and Catalysts

On September 2016, the company announced that its Board of Director declared a quarterly cash dividend of $0.18 per share payable on December 23, 2016. However, given the company's tremendous debt, lack of cash and weak cash flow, it should be a better solution to keep the money to pay down debt. In fact, shareholders are expecting more from the company as they are waiting for company's recovery and new strategy.

Summary

Tailored Brands Inc. has been in difficulty during the last two years. Regarding its current situation, and the fierce competition in the retail industry, it seems complicated to predict a potential growth for the company. In fact, even Men's Wearhouse which is Tailored Brands most efficient segment, missed on revenue this quarter, and has done it for the past two quarters since Jos. A. Bank acquisition. As a matter of fact, the likelihood for the price to rise seems unrealistic on the short and long-term.

Siena Market Line
2nd week of October 2016

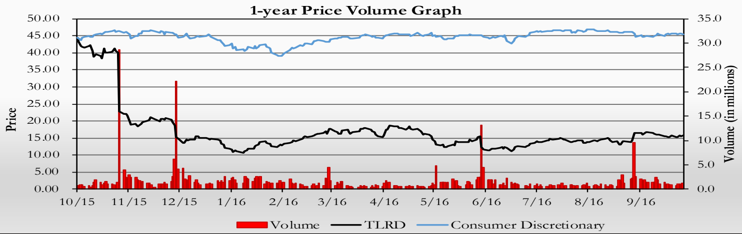
Tailored Brands, Inc. (TLRD)

CENTER FOR GLOBAL FINANCIAL STUDIES

BEARISH

Analysis by Cindy Missaoui	Current Price:	$16.02	Intrinsic Value	-$253.24
10/13/2016	Divident Yield:	4.4%	Target Price	-$180.10

Target 1 year Return: -1219.8%
Probability of Price Increase: 0%



Description

Tailored Brands, Inc. operates as a specialty apparel retailer in the United States, Puerto Rico, and Canada.

General Information

Sector	Consumer Discretionary
Industry	Specialty Retail
Last Guidance	November 3, 2015
Next earnings date	December 7, 2016
Estimated Country Risk Premium	6.29%
Effective Tax rate	38%
Effective Operating Tax rate	37%

Market Data

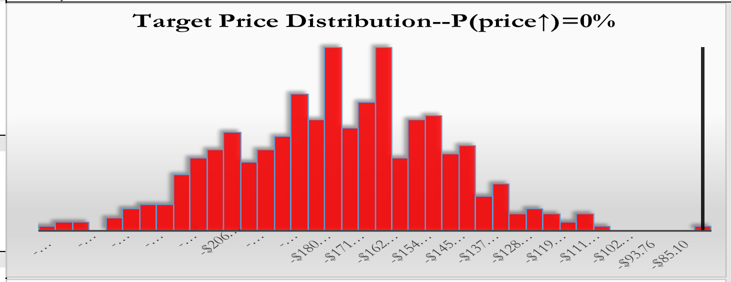
Market Capitalization	$791.77
Daily volume (mil)	0.68
Shares outstanding (mil)	48.69
Diluted shares outstanding (mil)	48.44
% shares held by institutions	94%
% shares held by investments Managers	72%
% shares held by hedge funds	29%
% shares held by insiders	0.86%
Short interest	17.48%
Days to cover short interest	6.95
52 week high	$44.68
52-week low	$9.95
Levered Beta	1.46
Volatility	50.68%

Past Earning Surprises

Quarter ending	Revenue	EBITDA
8/1/2015	-4.06%	-3.51%
10/31/2015	-3.33%	-7.54%
1/30/2016	-2.70%	10.30%
4/30/2016	-3.96%	-14.38%
7/30/2016	1.30%	-7.59%
Mean	-2.55%	-4.54%
Standard error	1.0%	4.1%

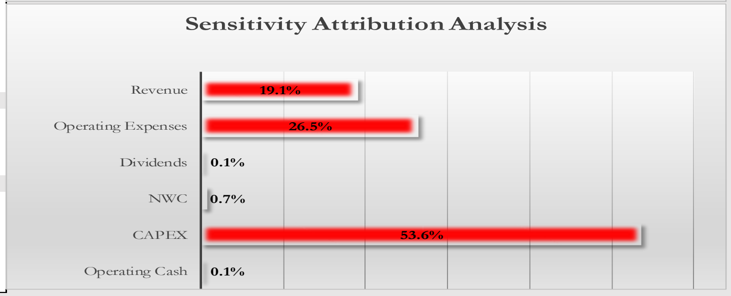
Peers

Abercrombie & Fitch Co.
American Eagle Outfitters, Inc.
Chico's FAS Inc.
Urban Outfitters Inc.
DSW Inc.
Express Inc.
Foot Locker, Inc.
Guess?, Inc.

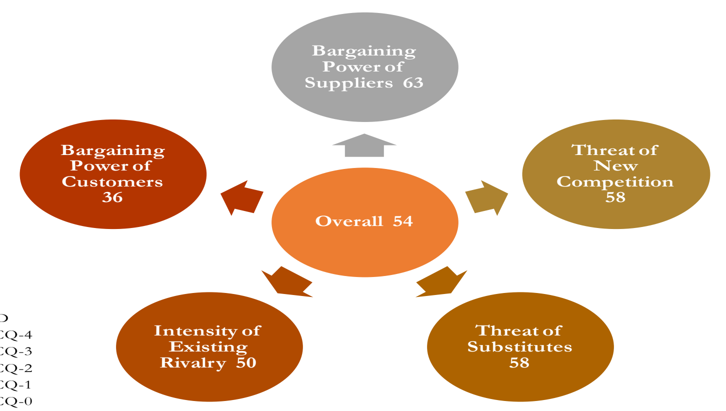


Management	Position	Total compensations growth	Total return to shareholders
Ewert, Douglas	Chief Executive Officer, Pre	-100% per annum over 4y	-4.18% per annum over 4y
Kimmins, Jon	Chief Financial Officer, Exe	-100% per annum over 2y	-44.77% per annum over 2y
Thorn, Bruce	Chief Operating Officer and	N/M	0% per annum over 0y
Rhodes, A.	Chief Compliance Officer, Ex	N/M	0% per annum over 0y
Baum, Benjamin	Chief Digital Officer and Ex	N/M	0% per annum over 0y
Vaclavik, Brian	Chief Accounting Officer and	N/M	N/M

Profitability	TLRD (LTM)	TLRD (5 years historical average)	Industry (LTM)
ROIC	5.0%	13.76%	21.18%
NOPAT Margin	7%	12.38%	7.2%
Revenue/Invested Capital	0.67	1.11	2.93
ROE	4.7%	18.06%	25.16%
Adjusted net margin	4%	11.09%	6.9%
Revenue/Adjusted Book Value	1.23	1.63	3.62
Invested Funds	**TLRD (LTM)**	**TLRD (5 years historical average)**	**Industry (LTM)**
Total Cash/Total Capital	0.2%	1.5%	19%
Estimated Operating Cash/Total Capital	0.2%	1.2%	N/A
Non-cash working Capital/Total Capital	11.1%	14.5%	19%
Invested Capital/Total Capital	100.0%	99.8%	82%
Capital Structure	**TLRD (LTM)**	**TLRD (5 years historical average)**	**Industry (LTM)**
Total Debt/Common Equity (LTM)	3.36	1.37	0.24
Cost of Existing Debt	8.54%	5.69%	7.24%
Estimated Cost of new Borrowing	14.18%	7.16%	7.24%
CGFS Risk Rating	F	B	AA
Unlevered Beta (LTM)	0.46	1.04	0.95
WACC	7.05%	9.74%	9.28%



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



D
CQ-4
CQ-3
CQ-2
CQ-1
CQ-0

Valuation

Period	Revenue growth	NOPAT margin	ROIC/WACC
Base Year	-5.4%	7.4%	0.71
7/30/2017	-2.4%	6.4%	0.45
7/30/2018	-0.2%	8.7%	0.73
7/30/2019	0.7%	8.7%	0.61
7/30/2020	0.5%	8.9%	0.57
7/30/2021	1.0%	10.0%	0.59
7/30/2022	1.5%	11.1%	0.63
7/30/2023	2.0%	12.1%	0.65
7/30/2024	2.5%	13.2%	0.70
7/30/2025	3.0%	14.3%	0.75
7/30/2026	3.6%	15.4%	0.82
Continuing Period	4.1%	16.6%	0.89

Period	Invested Capital	Net Claims	Price per share
Base Year	$2,120.38	$2,400.47	$11.73
7/30/2017	$2,209.23	$1,395.65	$41.86
7/30/2018	$2,389.20	$1,180.82	$70.31
7/30/2019	$4,349.05	$707.54	$97.60
7/30/2020	$5,117.95	$238.13	$123.28
7/30/2021	$6,516.31	-$266.22	$147.42
7/30/2022	$6,969.24	-$801.73	$169.87
7/30/2023	$8,226.02	-$1,386.57	$190.57
7/30/2024	$9,099.82	-$1,991.04	$209.31
7/30/2025	$9,860.52	-$2,639.34	$225.96
7/30/2026	$10,504.63	-$3,337.07	$240.37
Continuing Period			

Cubic Corporation
NYSE:CUB

Analyst: Lionel Krupka
Sector: IT and Defense

BUY

Price Target: $49.26

Key Statistics as of 10/13/2016

Market Price:	$40.03
Industry:	Defense & Transportation
Market Cap:	$1.09 B
52-Week Range:	$30.11 – $49.78
Beta:	1.12

Catalysts:

- **Short term (within 3 months):** Stock price fell after announcement of DoD funding delays
- **Mid-term (1 to 2 years):** Increase in volume across all divisions, Operating costs reduction, Acquisitions of new contracts
- **Long-term (over 2 years):** Infrastructure spending increase, Shift towards Smart city policies across the globe

Company Description:

Sturm, Ruger & Co. Inc. (Ruger) is company with a 67 years history. It was founded in 1949 by Alexander Sturm and William Ruger with a $50,000 capital. Since its humble start in Connecticut, the company has grown and become one of the major players of the firearms manufacturing industry. It went public in 1969 and started to be traded on the New York Stock Exchange in 1990. Its leading position in the market today has not altered the quality of its products and its brand image. Ruger remains the only firearms manufacturer that have all of its production facilities still located in the United States. It operates in two different segments: firearms manufacturing and casting. Most of the revenues come from three different lines of firearm products: rifles (single-shot, autoloading, bolt-action, modern sporting categories), pistols (rimfire and centerfire autoloading) and single or double-action revolvers and accessories.

Thesis

- New policy regarding critical aspects of the company will lead to gain in efficiency and profitability in 2017
- The shift in the Cubic Mission Support division's focus to the C4ISR market ensures strategic opportunities to the company
- The transportation division ensure Cubic Corporation long-term growth sales thanks to its expertise in intermodal projects, fare toll collection and data management

One Cubic Initiative

One of the five strategic objectives unveiled in the 2020 Goal strategy is the One Cubic initiative. The initiative is a reorganization of the structure of the company. Management envisioned a new corporate culture and structure to facilitate adaptability of the production and technological processes and to decrease inefficiency and ineffectiveness. Cubic Corporation started an update of its information systems in 2015 with the launch of a new enterprise resource planning system. A second deployment of an updated version of the ERP, which includes cash functionalities and program management, is planned in October. The company forecasted to complete its implementation by mid-2017, and it is on budget and schedule for the moment. According to management, investors can expect an improvement in margin within the coming year between 2% and 2.5%.

Restructuring of the Defense division

Cubic Corporation has reorganized itself into three core divisions: Cubic Global Defense (CGD), Cubic Mission Solutions (CMS) and Cubic Transportation System (CTS). The Cubic Global Defense division was born from the convergence of the Defense Service and Defense System Units in February 2015. This division represented 60% of sales in 2015. The restructuring is still recent even though some signs of improved profitability and efficiency are already visible. Net income margin has increased by 0.4% between 2015 and Q3 2016, and gross margin reached 27.29 in Q3 2016 compared to 22.45 in Q3 2015.

Upper management nominations

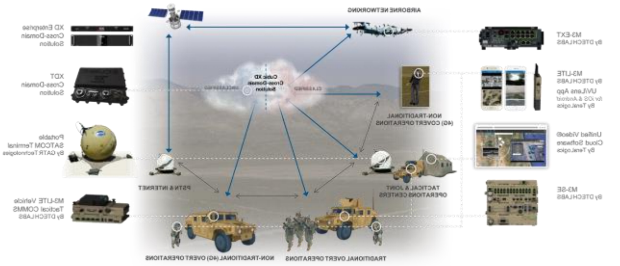
On May 25, the company announced the nomination of the former Navy Vice Adm. David H. Buss as the president of its Global Defense Division. He was the commander of all U.S naval aviation units, or "Air Boss", from October 2012 to January 2015. The "Air Boss" is responsible of the naval aviation training, inspection, operational readiness and administration of all naval aviation units. Buss also served two tours at the Pentagon in the Navy transformation business. Those former responsibilities are in total adequacy with the spectrum of activities (training systems, range design solutions, mission support) of the division and will lead to cutting edge initiatives and to the acquisitions of new contracts. Indeed, on October 4, thanks to his management, the CGD division was awarded with a $5.75 billion multiple award, indefinite delivery, indefinite quantity contract. In addition, Mike Twyman, who is responsible for the new C4ISR (Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance) strategy and oversaw the acquisitions of DTECH, GATR and TeraLogics. He worked in upper management roles for 30 years at Northrop Grumman and represents a decisive asset to the integration of the new acquisitions.

Department of Defense's budget/focus

In 2015, Cubic made 53.5% of its sales in the United States. Therefore, it is important to analyze the future of the Defense spending in the U.S to understand the environment in which Cubic is evolving. The U.S military spending will increase from $580 billion in 2016 to $583 billion in 2017 according to the Office of the Under Secretary of Defense. The Defense budget for 2017 also defined new focuses. For instance, the budget includes an allocation of $65 billion FYDP (Future Years Defense Program, which includes current year, budget year and the following four years) to "fund science and technology to further innovation". The Department of Defense wants to "emphasize innovation and lethality and capability of the force rather than size" and want to expand its focus on the army of the future. With its Next Training initiative, Cubic is well positioned to obtain new contracts. Indeed, the initiative is founded on the enhancement of human skills thanks to virtual training, to constructive gaming solutions and on electronic warfare. On another hand, Cubic has acquired different companies in the last few years to secure business opportunities.

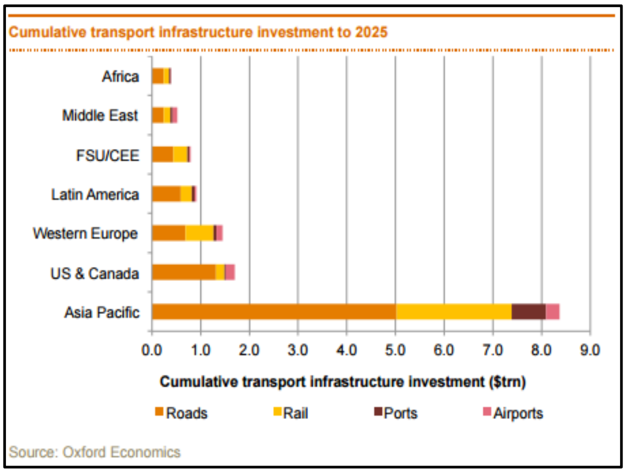
Acquisitions

In 2014, Cubic acquired DTECH, a company specialized in modular and miniaturized tactical communications products. DTECH started to deliver some of its network on the move products for the Warfighter Information Network-Tactical program of the U.S Army. These products are currently in low-rate initial production, but are expected to pass the test phase and enter full production rate in 2017. In 2015, Cubic concluded the acquisition of GATR, which is specialized in portable satellite communication solutions, and TeraLogics, which produces full-motion streaming video, authentication and video management solutions. Those key acquisitions has led Cubic to enter the C4ISR system market with a strong proposition. Its products are expeditionary and flexible solutions that can be sold as integrated system, stand-alone or within pre-existent systems. There are also compatible with products of competitors. Management expects to create a niche proposition within the C4ISR market solutions, and a study of Research and Markets forecasts the C4ISR market to grow by 3.78% (CAGR) from 2016 to 2020. All those factors and the increase use of Special Operations Forces on the ground is going to lead the CMS division to a sustainable high demand on products with good margins.

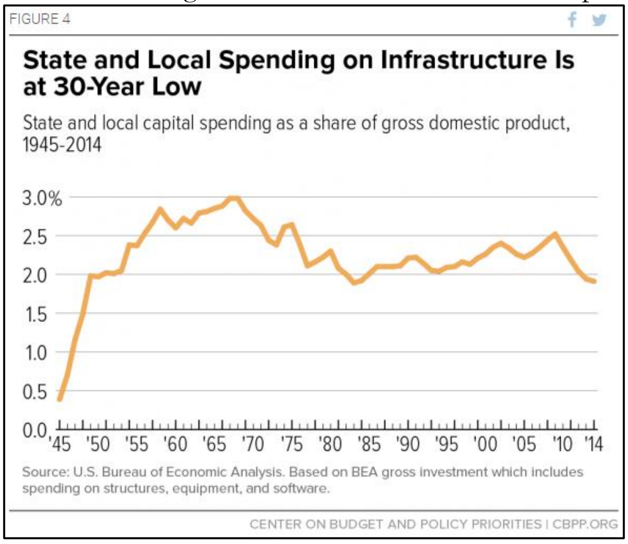


Infrastructure Investments

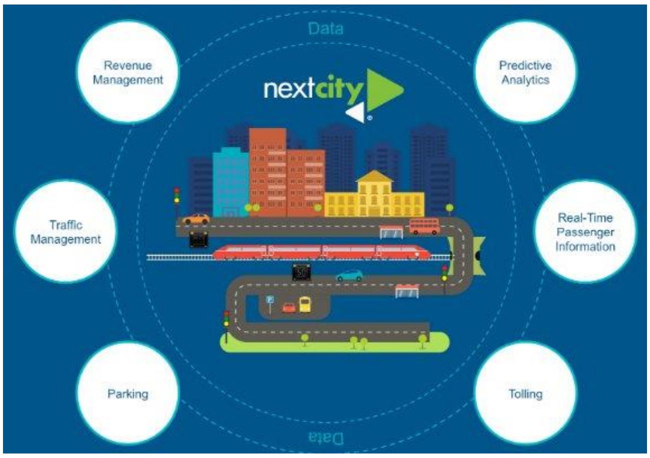
First of all, it is important to note that the long term infrastructure gap have increased with the decrease in government spending across the world. This gap will have to be shorten in the next years to come. In the U.S, state and local spending on infrastructure reached a 30 year low in 2014 while U.S spending are projected to be $1.9 trillion short of the $3.3 trillion needed according to the American Society of Civil Engineers. However, decision makers around the world have taken the measure of the emergency of investing.



According to PwC's "Assessing the global transport infrastructure market: Outlook to 2025", investments in transport infrastructure are expected to increase by 5% per year from 2014 to 2025. The three biggest areas of future investment are Asia Pacific, North America and Western Europe, three areas where Cubic Corporation already has on-going operations. Both American presidential candidates also announced important investment plans. Trump announced a $500 billion infrastructure, financed through new debt, while Clinton proposed a $275 billion plan on direct investment and $275 billion in loans and loan-guarantee programs. While, presidential candidates' promises can be taken with care, Congress passed a $305 billion infrastructure plan in 2015, the largest in more than a decade, showing a renewed interest for this topic.



Next City strategy



In February 2016, the Congressional Budget Office also made recommendation regarding the productivity of federal investments for highway infrastructure. The first recommendation of its report was to allow states or private businesses to charge drivers more frequently. Cubic Corporation is an expert in automated fare collection operation, a market that is expected to reach $7.8 billion by 2020. The market in China is forecasted to grow at 19.5% CAGR until 2020, and it could represent an important future growth opportunity for the Cubic Transportation Systems (CTS) division. However, public investors are looking at new ways of developing infrastructure and are trying to find alternative to building more capacity and gain in efficiency with existing infrastructure. As the urban population keeps growing and number of different transport options exists, the journeys have become more and more intermodal. Cubic has developed a singular solution to answer this trend. This solution, called Next City, is based on its current areas of expertise, open payment system, predictive analytics, traffic management, real-time passenger information, tolling, parking and revenue management. It aims at delivering cities with real-time information about how populations moves and why while delivering passengers with travel recommendations and information.

CTS president, Mr. Matt Cole, as well as Elon Musk (CEO at Tesla) and Travis Kalanick (CEO at Uber), was recently recognized by the ENO Center for Transportation, one the most influential transportation think tank, for its efforts to address most present transportation challenges. Cubic is looking at a potential $10 billion market according to management, and the demand for its services and solutions have been growing. New York City, Boston, Seattle, San Francisco, Brisbane have all expressed their interest to Cubic for an upgrade from stored value systems to an open payment system paired up with cloud management. For instance, the company is deploying a pilot solution in Sydney for a potential contract of $100 million. On August 2nd, it earned a $33 million contract upgrade for the Miami Beach transit system. On September 15, it won a $35.5 million contract to deliver the design, development, test and integration of the fare collection system of the future Thomson-East rail line in Singapore. On September 22, Cubic announced the opening of its Global Operations Centre for Operations Services that will deliver 24/7 assistance to its customers while ensuring a centralization of its resources and hence a reduction of its costs. Regarding the reduction of its costs, Cubic have also developed the next generation of its transportation solutions with a code that is reusable from one system to another while improving its cost estimating process with a focus on non-recurring engineering metrics.

Conclusion

Cubic Corporation is currently trading at a bargain price. Investors entering the position at these levels are looking at a potential 20%-23% 1-year return.

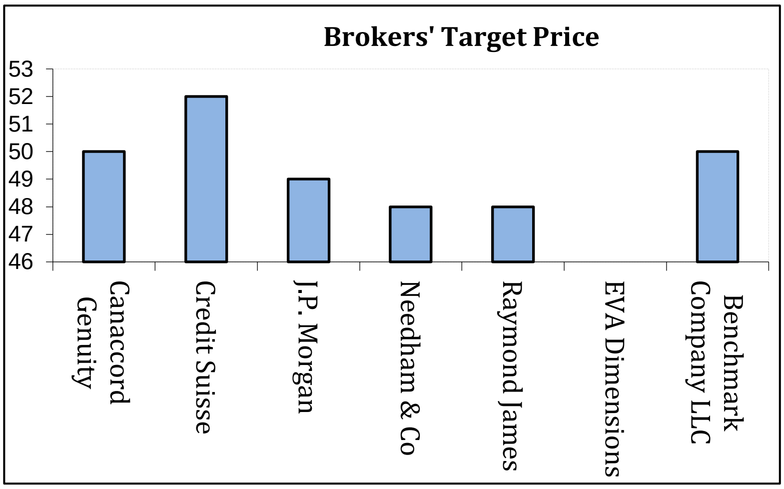
- Entry point range: $40-$40.50
- Price target: $49.30
- Target 1-year return: 20%-25% range

Catalysts:

- **Short term (within 3 months):** Stock price fell after announcement of DoD funding delays
- **Mid-term (1 to 2 years):** Increase in volume across all divisions, Operating costs reduction, Acquisitions of new contracts
- **Long-term (over 2 years):** Infrastructure spending increase, Shift towards Smart city policies across the globe

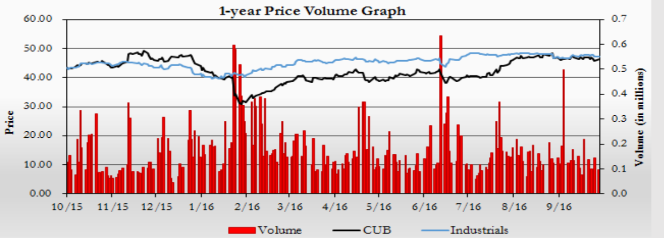
Risks:

- Public spending cuts and change in allocation of public spending
- Incapacity to win new contracts and retain existing ones
- Lack of innovation in the product offering
- Ineffectiveness in production management
- Exchange rate instability, new domestic and international regulations
- Highly competitive environment



Cubic Corporation (CUB) — **CENTER FOR GLOBAL FINANCIAL STUDIES** — **BULLISH**

Analysis by Lionel Krupka	Current Price:	$40.03	Intrinsic Value	$38.98	Target 1 year Return: 23.79%
10/13/2016	Divident Yield:	0.7%	Target Price	$49.26	Probability of Price Increase: 83%



Description

Cubic Corporation designs, develops, manufactures, and sells mass transit fare collection systems, air and ground combat training systems, and secure communications products for various federal and regional government agencies in the United States and internationally.

General Information	
Sector	Industrials
Industry	Aerospace and Defense
Last Guidance	November 3, 2015
Next earnings date	November 23, 2016
Estimated Country Risk Premium	6.79%
Effective Tax rate	32.32%
Effective Operating Tax rate	26.61%

Market Data	
Market Capitalization	$1,080.48
Daily volume (mil)	1.20
Shares outstanding (mil)	26.99
Diluted shares outstanding (mil)	27.00
% shares held by institutions	83%
% shares held by investments Managers	73%
% shares held by hedge funds	10%
% shares held by insiders	7.87%
Short interest	5.66%
Days to cover short interest	10.47
52 week high	$49.79
52-week low	$30.11
Levered Beta	1.19
Volatility	25.06%

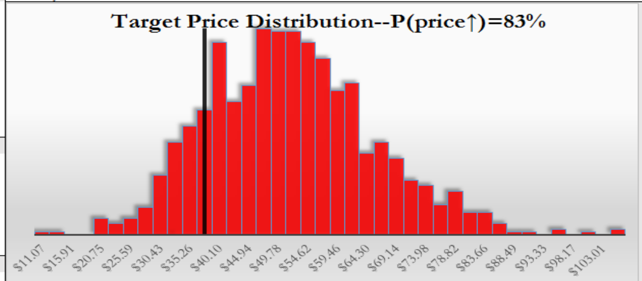
Past Earning Surprises

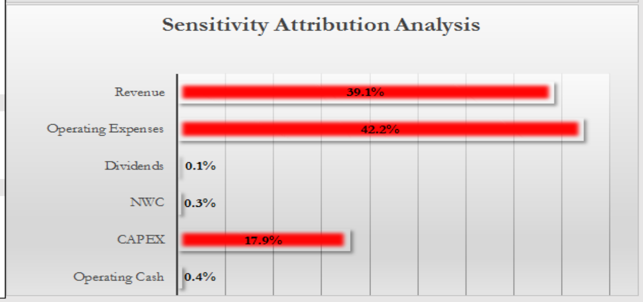
Quarter ending	Revenue	EBITDA
6/30/2015	-2.03%	-33.80%
	3.15%	17.87%
12/31/2015	-4.50%	-81.20%
3/31/2016	3.89%	-37.39%
6/30/2016	-3.16%	-24.87%
Mean	-0.53%	-31.88%
Standard error	1.7%	15.8%

Peers
Aerojet Rocketdyne Holdings, Inc.
Esterline Technologies Corp.
FLIR Systems, Inc.
HEICO Corporation
AAR Corp.
Hexcel Corp.
Curtiss-Wright Corporation
Teledyne Technologies Inc.

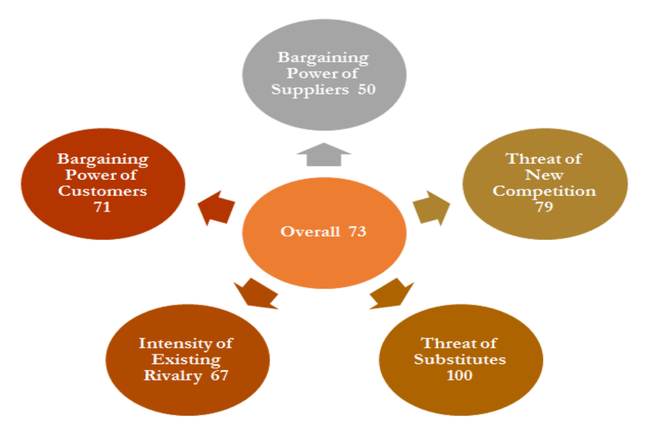
Management	Position	Total compensations growth	Total return to shareholders
Feldmann, Bradley	Chief Executive Officer, Pre	3.96% per annum over 2y	-11.1% per annum over 2y
Thomas, John	Chief Financial Officer and	16.46% per annum over 5y	0.42% per annum over 5y
Marshall, Jan	Chief Information Officer an	N/M	N/M
Dyer, Diane	Director of Investor Relatio	N/M	N/M
Edwards, James	Senior Vice President, Gener	N/M	N/M
Hatcher, Suzanne	Director of Corporate Commun	N/M	N/M

Profitability	CUB (LTM)	CUB (5 years historical average)	Industry (LTM)
ROIC	9.2%	20.34%	15.88%
NOPAT Margin	9%	10.74%	10.6%
Revenue/Invested Capital	1.00	1.89	1.49
ROE	10.1%	17.26%	19.20%
Adjusted net margin	9%	10.51%	9.0%
Revenue/Adjusted Book Value	1.17	1.64	2.13
Invested Funds	**CUB (LTM)**	**CUB (5 years historical average)**	**Industry (LTM)**
Total Cash/Total Capital	10.0%	15.2%	17%
Estimated Operating Cash/Total Capital	8.7%	11.0%	N/A
Non-cash working Capital/Total Capital	16.5%	19.0%	16%
Invested Capital/Total Capital	99.2%	96.3%	82%
Capital Structure	**CUB (LTM)**	**CUB (5 years historical average)**	**Industry (LTM)**
Total Debt/Common Equity (LTM)	0.47	0.14	0.26
Cost of Existing Debt	3.73%	4.74%	4.43%
Estimated Cost of new Borrowing	2.89%	2.55%	4.43%
CGFS Risk Rating	A	A	BBB
Unlevered Beta (LTM)	1.03	0.83	0.76
WACC	10.34%	9.47%	8.57%





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



Valuation

Period	Revenue growth	NOPAT margin	ROIC/WACC
Base Year	5.7%	9.2%	0.89
6/30/2017	6.9%	7.6%	0.69
6/30/2018	5.4%	8.0%	0.76
6/30/2019	5.2%	7.7%	0.76
6/30/2020	5.1%	7.4%	0.75
6/30/2021	4.9%	7.1%	0.75
6/30/2022	4.8%	7.1%	0.78
6/30/2023	4.6%	7.1%	0.82
6/30/2024	4.5%	7.1%	0.85
6/30/2025	4.4%	7.0%	0.87
6/30/2026	4.2%	7.0%	0.91
Continuing Period	4.1%	7.0%	0.94

Period	Invested Capital	Net Claims	Price per share
Base Year	$525.69	$490.07	$37.27
6/30/2017	$878.11	$258.46	$47.95
6/30/2018	$1,236.29	$65.41	$57.52
6/30/2019	$1,359.96	-$119.61	$66.84
6/30/2020	$1,478.54	-$305.30	$75.90
6/30/2021	$1,858.72	-$488.87	$84.63
6/30/2022	$1,894.63	-$679.05	$93.35
6/30/2023	$1,949.10	-$868.33	$102.05
6/30/2024	$2,002.75	-$1,063.30	$110.62
6/30/2025	$2,045.08	-$1,260.45	$119.00
6/30/2026	$2,078.02	-$1,460.47	$127.19
Continuing Period			

Dave & Buster's Entertainment, Inc.

NASDAQ:PLAY

Analyst: Brandon Casey
Sector: Consumer Disc.

HOLD

Price Target: $54.06

Key Statistics as of 10/13/2016

Market Price:	$41.11
Industry:	Hotels, Restaurants and Leisure
Market Cap:	$1.73B
52-Week Range:	$29.54-49.90
Beta:	N/A

Catalysts:

- Ability to continue growing throughout North America and overseas
- Ongoing promotions increase total reveneus
- Outstanding margins prove how D&B has a competitive advantage against competitors

Company Description:

Dave & Buster's Entertainment Inc. (D&B) combines dining, gaming and entertainment to create a unique and different experience for adults and families. They have a total of 81 stores located in the United States and Canada. Each store offers full menus for food and beverages, and a wide variety of entertaining video game attractions that are frequently updated to approve customer appeal. The CEO is Stephen M. King, who has been in charge since September of 2016.

Thesis

Dave & Buster's Entertainment Inc. (NASDAQ:PLAY) has established itself as a popular business for all ages giving the customer the ability to "Eat, Drink, Play and Watch!" D&B has impressive margins and a great competitive advantage over competitors mostly because of its growing gaming segment. In addition, there is plenty of room for growth because they only own 81 stores in 30 states and Canada. If D&B achieve their target store growth rate of 10% while keeping high margins, we expect to see immense growth in revenues in the long run. D&B is currently trading at $41.11, and I would consider it a HOLD. A target price of $54.06 and an upside potential of 31.5% can be seen.

Porters Five Forces

Bargaining Power of Suppliers: Low
For all their products, such as food, drinks, and games, D&B have many suppliers to choose from. Because of this, suppliers will compete with each other in order to supply for the company. It is easy to switch suppliers if their current supplier is not available, giving suppliers less bargaining power.

Threat of New Competition: Medium
Customers tend to be loyal to existing name brands. For a new competitor to gain customer loyalty similar to an existing company, much capital is needed. In addition, extra capital is needed to begin operations, buy stores, or advertise.

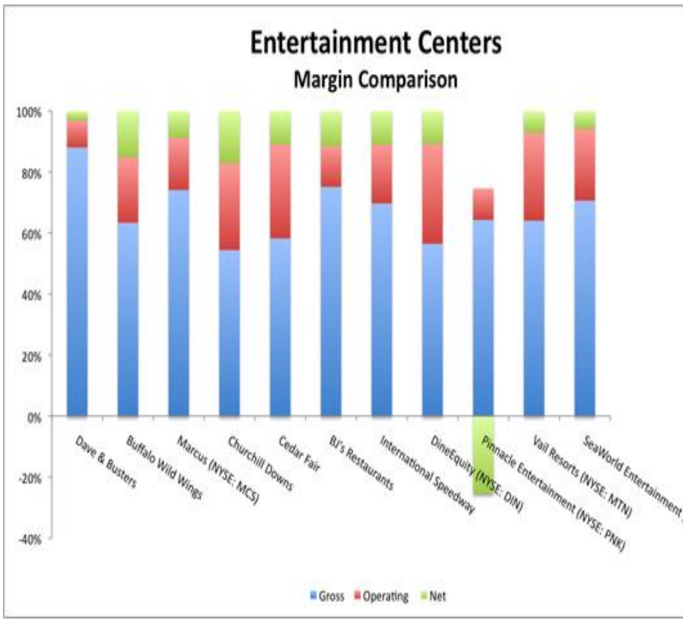
Bargaining Power of Customers: Low
D&B is known throughout North America for its unique experience. There are a large number of customers that walk through the doors, and the more customers D&B have, the less bargaining power each individual customer has. However, if customers are only looking for a place to eat, they could easily choose another restaurant.

Intensity of Existing Rivalry: Medium
D&B competes with all restaurants, movie theaters, and arcades because of their product differentiation. However, D&B has an edge on competitors since it offers what most restaurants cannot.

Threat of Substitutes: High
Customers can choose different places to eat at free will and no cost to them. Because of the product differentiation D&B has, their prices are significantly higher compared to fast food chains or other family owned restaurants.

Price Drivers

D&B thrives off of their arcade and gaming segment. In fiscal 2015 gaming accounted for 53.2% of total revenues. This is an increase compared to 2014, in which gaming accounted for 51.9% of total revenues. The gross margins on 2015 gaming revenues was 87.4%, which has also increase from 86% in the prior fiscal year. D&B margins give them huge advantages over almost every restaurant it competes with.



Comparing D&B to popular entertainment centers, such as Buffalo Wild Wings, Churchill Downs, and even SeaWorld Entertainment, we see that that D&B gross margins on entertainment are greater than other successful entertainment centers. In addition to being the leaders in gross margins among competitors, D&B are quick to implement new entertainment options to appeal to customers. For example, they have recently implemented use of virtual reality games. The video game industry is growing rapidly due to more advanced technology. D&B is doing well to keep up with the rapidly growing technology of video games. If D&B continues to use new technology in their entertainment industry, there is no doubt that their most profitable business segment will continue to grow.

Growth Potential

Aside from D&B's impressive margins and upside potential, they have not been able to grow how they desired. Management is hopeful that they can continue opening stores at an annual growth rate of 10% of the existing store base.

D&B currently owns 81 store locations in only 30 different states and in Canada. In fiscal 2015, 10 new stores were opened. In 2014, they opened 8 new stores. D&B also has conducted a study that suggests a total store potential in the United States and Canada of about 200 stores. There is plenty of room for expansion, both domestically and overseas. They have a complex store expansion strategy that aims for achieving high store revenues and store-level EBITDA margins, with a target year one cash-on-cash returns in excess of 35% and EBITDA margins of 29% in all stores. In October 2015, they signed a seven store franchising agreement for new stores in six countries in the Middle East. With their goal of 10% store growth and their efficient strategy, once D&B expands they will continue to increase margins.

Promotions

The ability to attract and retain customers is vital for D&B. Customers could easily choose another restaurant to dine at, so D&B host special events and run promotions as well. In fiscal 2015, special events accounted for 10.8% of total revenues. In addition to this, stores run promotions to retain customers. The "Everyone's a Winner" promotion offers free prizes to purchases of $10 or more. On Sunday's and Monday's they offer $5 appetizers. On Wednesdays games are 50% off. They offer multiple combos for eating and playing in order to give the customer a full experience. Also, free game play promotions to introduce new games. Through these special offers and events, it is safe to say D&B is successfully attracting and retaining customers.

Competitors

D&B has a competitive advantage because of their gaming segment. In fiscal 2015, amusement and other revenues accounted for 53.2% of total revenues. So D&B are growing heavily due to a segment of business that most of their competitors do not have. In addition,

D&B continues to have higher margins than competitors and the margins are continually growing. From fiscal 2010 to fiscal 2015, EBITDA margins grew 830 basis points. They have entertainment margins of approximately 87.4% in fiscal 2015. Since 53.2% of total revenues came from entertainment, they have less exposure to food and drink costs compared to their competitors.

Conclusion

At a price of $41.11, I would consider HOLDING D&B in our portfolio. There may be an existing threat of substitutes to D&B, however the upside of this company outweighs the downside significantly. D&B has plenty of room to continue developing stores in the North America and around the world. Additionally, D&B is able to retain and attract customers with ongoing promotions and special events. Finally, they have a huge competitive advantage because of their rapidly growing gaming segment. If D&B keeps updating their gaming segment as much as technology allows them to, they will continue to beat out competitors and continue growing their currently high margins.

Siena Market Line
2nd week of October 2016

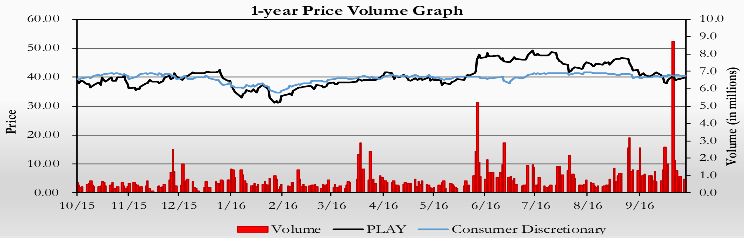
Dave & Buster's Entertainment, Inc. (PLAY)

CENTER FOR GLOBAL FINANCIAL STUDIES

BULLISH

Analysis by Brandon Casey	Current Price: $41.11	Intrinsic Value $47.12	Target 1 year Return: 31.5%
10/13/2016	Divident Yield: 0.0%	Target Price $54.06	Probability of Price Increase: 98.2%

1-year Price Volume Graph



Description

Dave & Buster's Entertainment, Inc. owns and operates entertainment and dining venues for adults and families in North America.

General Information

Sector	Consumer Discretionary
Industry	Hotels, Restaurants and Leisure
Last Guidance	November 3, 2015
Next earnings date	December 7, 2016
Estimated Country Risk Premium	6.25%
Effective Tax rate	40%
Effective Operating Tax rate	54%

Market Data

Market Capitalization	$1,698.65
Daily volume (mil)	0.71
Shares outstanding (mil)	42.07
Diluted shares outstanding (mil)	43.13
% shares held by institutions	74%
% shares held by investments Managers	80%
% shares held by hedge funds	16%
% shares held by insiders	1.35%
Short interest	11.38%
Days to cover short interest	4.38
52 week high	$49.90
52-week low	$29.54
Levered Beta	1.00
Volatility	0.00%

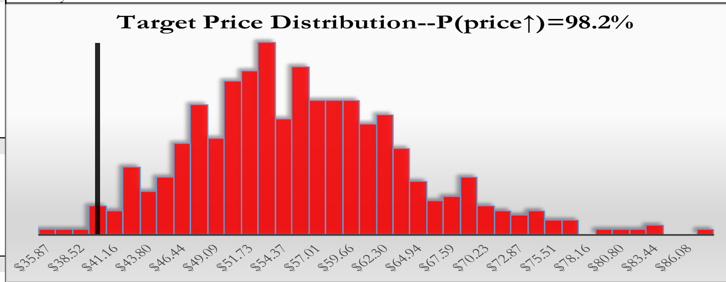
Past Earning Surprises

Quarter ending	Revenue	EBITDA
8/2/2015	4.59%	2.89%
11/1/2015	0.24%	-4.87%
1/31/2016	1.88%	-3.51%
5/1/2016	3.14%	5.39%
7/31/2016	-1.04%	0.76%
Mean	1.76%	0.13%
Standard error	1.0%	1.9%

Peers

BJ's Restaurants, Inc.
Dunkin' Brands Group, Inc.
Texas Roadhouse, Inc.
Six Flags Entertainment Corporation
SeaWorld Entertainment, Inc.
Buffalo Wild Wings Inc.
Cedar Fair, L.P.
Fiesta Restaurant Group, Inc.

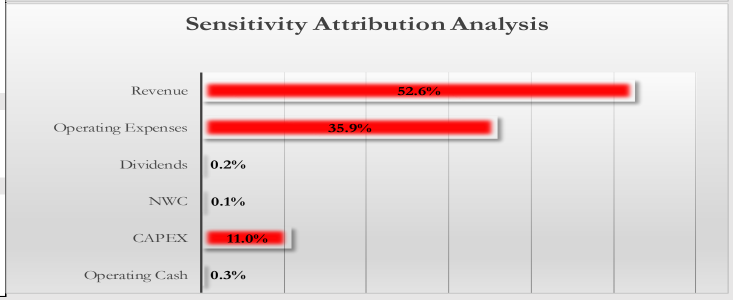
Target Price Distribution--P(price↑)=98.2%



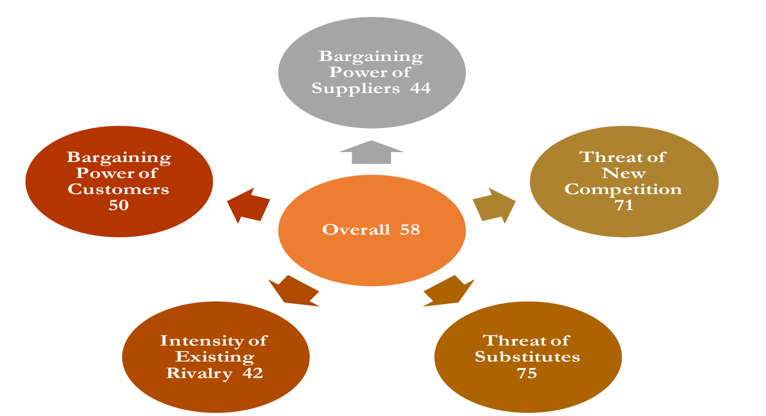
Management	Position	Total compensations growth	Total return to shareholders
King, Stephen	Chief Executive Officer and	-100% per annum over 4y	N/M
Berle, Dolf	President and Chief Operatin	-100% per annum over 4y	N/M
Jenkins, Brian	Chief Financial Officer and	-100% per annum over 4y	N/M
Tobin, Jay	Senior Vice President, Gener	-100% per annum over 3y	N/M
Mulleady, John	Senior Vice President of Rea	-100% per annum over 3y	N/M
Metzinger, Michael	Vice President of Accounting	N/M	N/M

Profitability	PLAY (LTM)	PLAY (5 years historical average)	Industry (LTM)
ROIC	7.1%	9.83%	20.95%
NOPAT Margin	6%	10.15%	12.1%
Revenue/Invested Capital	1.10	0.97	1.73
ROE	55.6%	-83.20%	27.50%
Adjusted net margin	5%	5.57%	10.2%
Revenue/Adjusted Book Value	11.67	-14.93	2.69
Invested Funds	**PLAY (LTM)**	**PLAY (5 years historical average)**	**Industry (LTM)**
Total Cash/Total Capital	1.9%	3.4%	21%
Estimated Operating Cash/Total Capital	1.9%	3.0%	N/A
Non-cash working Capital/Total Capital	-9.0%	-5.5%	-30%
Invested Capital/Total Capital	71.8%	68.1%	87%
Capital Structure	**PLAY (LTM)**	**PLAY (5 years historical average)**	**Industry (LTM)**
Total Debt/Common Equity (LTM)	0.41	0.31	0.35
Cost of Existing Debt	3.44%	6.26%	3.98%
Estimated Cost of new Borrowing	4.16%	4.07%	3.98%
CGFS Risk Rating	B	B	CCC
Unlevered Beta (LTM)	0.76	0.92	0.80
WACC	7.52%	9.63%	8.17%

Sensitivity Attribution Analysis



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



Valuation

Period	Revenue growth	NOPAT margin	ROIC/WACC
Base Year	15.1%	6.5%	0.94
7/31/2017	13.1%	12.2%	1.87
7/31/2018	12.4%	12.6%	1.92
7/31/2019	11.5%	12.6%	1.80
7/31/2020	10.5%	12.7%	1.80
7/31/2021	9.6%	12.8%	1.77
7/31/2022	8.7%	12.9%	1.74
7/31/2023	7.8%	13.0%	1.71
7/31/2024	6.8%	13.1%	1.67
7/31/2025	5.9%	13.2%	1.61
7/31/2026	5.0%	13.3%	1.57
Continuing Period	4.1%	13.3%	1.50

Period	Invested Capital	Net Claims	Price per share
Base Year	$616.19	$767.85	$46.02
7/31/2017	$630.37	$770.12	$50.74
7/31/2018	$680.04	$813.06	$55.94
7/31/2019	$782.03	$798.42	$61.45
7/31/2020	$850.83	$802.12	$66.94
7/31/2021	$893.14	$808.45	$72.47
7/31/2022	$1,015.73	$820.98	$78.13
7/31/2023	$1,204.94	$833.99	$84.08
7/31/2024	$1,346.56	$845.93	$90.52
7/31/2025	$1,507.47	$813.85	$97.59
7/31/2026	$1,673.70	$744.98	$105.43

Siena Market Line
2nd Week of October 2016

Grand Canyon Education, Inc.

NASDAQ:LOPE

Analyst: Peter Gadze
Sector: Consumer Staples

Buy

Price Target: $46.07

Key Statistics as of 10/11/2016

Market Price:	$40.70
Industry:	Education Services
Market Cap:	1.92B
52-Week Range:	$31.12 - 45.02
Beta:	1.32

Catalysts:

- LOPE will report Q3 Earnings on 11/02/16
- Advanced Technology
- More Revenue from Investors

Company Description:

Grand Canyon Education, Inc. is a regionally accredited provider of postsecondary education services focused on offering graduate and undergraduate degree programs. Their education is mostly focused on the core of education, healthcare, business, and liberal arts. This company offers programs online, on ground at campus in Phoenix, Arizona, and onsite at facilities it leases and at facilities owned by third party employers. Grand Canyon Education was founded in 1949.

Thesis

Grand Canyon University (GCU) is a very competitive leader when it comes to online education. It's dominance in online educational programs in Phoenix, Arizona should cause this stock to grow. Online education is the core of LOPE and as technology advance, LOPE advances. This company has expanded tremendously since 2012 and has spent millions of dollars into new programs around campus and online.

People

Brent D. Richardson has been serving as the Executive Chairman of LOPE since July 1, 2008. Mr. Richardson was previously a Chief Executive Officer and Director from 2004 to July 2008. Mr. Richardson served as Chief Executive Officer of Masters Online, LLC, a company that provided educational online programs and marketing services in many regions over the nation.

Brian E. Mueller has been serving as our Chief Executive Officer since July 1, 2008, as a director since March 2009 and as the president of GCU since Sept. 1, 2012. Mr. Mueller has been serving as the President of the Grand Canyon University Foundation, a foundation formed to benefit public charities.

Dr. Stan Meyer, the Chief Operating Officer, joined GCU in 2008 with more than 25 years of experience in higher education.

Dan Bachus, Chief Financial Officer, joined GCU in 2008 and brings more than eight years of executive-level finance and leadership experience to his position.

Porters Five Forces

Threat of New Entrants would be medium in this department. There are many schools that are already settled in online educational programs in that region. LOPE is already a big Industry in Phoenix, Arizona and only few entrants have competed among them. The other big programs are Arizona State University, Northern Arizona University and University of Arizona. It's more expensive to get an education online than it is for a student that's on GCU. Most students at GCU take classes online while the other top Universities have more people taking class on campus.

Bargaining Power of Suppliers is at a medium/low. GCU is the same as all of the other Universities because they are providing the same services. All of these universities, including GCU can't change their prices for students. If GCU were to increase and make education more expensive for students, suppliers would want to benefit as well and increase their price of supplies.

The Threat of Substitutes are low for this department. There aren't any substitutes when it comes to getting an education. Even though most students get their diploma through online education on GCU, there are students that commute and take classes on campus. That isn't a substitute that threatens GCU because they are already giving students an option to take classes on campus instead of online.

Bargaining Power of Buyers is at a medium status. Universities and Colleges supply students with scholarships that they derived/earned from their prior years. Students take advantage of the scholarships they can get so they pay less money. By doing this, students lower their price for education and GCU would make less profit.

Rivalry in the education department is always about whether people can afford it. The lower the cost, the more likely a student would attend that University. But as our country is developing and becoming more advance, technology can in cause more competition. Since GCU's has a strong online educational program, they are already up to date with the technology.

Product Differentiation

GCU has grew tremendously the past few years. They continue to make profit each year, increase the number of students in each year, developed more advanced departments for students, and accepted to become an NCAA Division 1 University the past few years. They use a hybrid model that combines traditional and online campuses producing a high quality education. In 2012 they had approximately 6,500 students on campus and their goal was to bring that number up to 17,500. LOPE enrolls 60,000 students annually and 83% are in online programs. Since the population of the students has grew, most of the spending is going to classroom facilities, residence halls, and the cafeteria for the students that've decided to stay on campus. The increasing number of full time students has also increased the year to year retention rates. Students that work full time in the fall continue to do so until the next fall semester. The cost for a student to attend GCU is approximately $7,800 a year. In comparison with other top competitors in the area, the cost is between $25,000-40,000. Arizona (competitor) has a tuition rate of $10,000 a year which is also above GCU by some amount. Along with this organizational model, technology has provided a structure to help manage students' progress daily. Up to $85 million have been spent on technology to stay up to date with advancement and to view students' progress.

Important Dates and Catalysts

According to the LOPE's Earnings Call, on November 2nd, people will be given further information regarding the 3rd quarters Earnings. In the previous quarter earnings, there has been in an increase in revenue. Enrollments grew from 7.1% to 9.5%. LOPE's online persistence has grew 10 basis points since its previous rate of 91.8%. In 2008 the persistence rate was in the mid 70%s and it grew a tremendous amount till this year. Although the operating margin decreased from the previous quarter by 0.8%, net income has increased from $25.8 million to $27.6 million in the prior year period.

The Advancement of Technology would be a strong driver for LOPE. Since 83% use online education to get their degree, it is important to be up to date with the new technology. As stated in above, $85 million have been spent on technology. Students will be able to adapt well in society once given the best technological advancement.
The more people that invest in LOPE, the more revenue will be put into action for this company. Every company need money to deal with financial issues but with more money, there is more comfortability. The Board of Trustees won't just take the money to hold on to it. LOPE will grow as a campus and online so that more students get enrolled causing the stock price to go up.

Summary

While many education industries continue to struggle, the value of GCU becomes stronger. Although there hasn't been any new technology on the up rise, LOPE will gradually grow. There should be no selling of the stock, at least hold on to it. GCU hasn't fully grown to its potential and their online programs are the core to this investment. In the previous statistic above, the number of students attending GCU have nearly doubled. The more students that sign up to get an education at GCU, the more revenue gets put into the industry to grow even larger. LOPE's value is calculated at $39.96 per share and the 1 year target rate price is $46.07 per share. This shows a roughly 15% growth in LOPE. Buy.

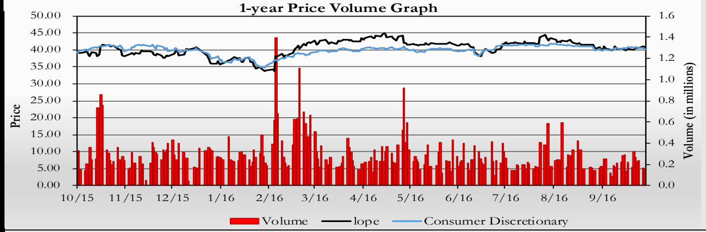
Grand Canyon Education, Inc. (lope)

CENTER FOR GLOBAL FINANCIAL STUDIES

NEUTRAL

Analysis by Peter Gadze	Current Price: $40.55	Intrinsic Value $39.96	Target 1 year Return: 13.62%
10/14/2016	Divident Yield: 0.0%	Target Price $46.07	Probability of Price Increase: 96.2%

1-year Price Volume Graph



Description

Grand Canyon Education, Inc., together with its subsidiaries, provides postsecondary education services in the United States and Canada.

General Information

Sector	Consumer Discretionary
Industry	Diversified Consumer Services
Last Guidance	November 3, 2015
Next earnings date	November 2, 2016
Estimated Country Risk Premium	6.25%
Effective Tax rate	40%
Effective Operating Tax rate	41%

Market Data

Market Capitalization	$1,911.24
Daily volume (mil)	0.14
Shares outstanding (mil)	47.13
Diluted shares outstanding (mil)	47.13
% shares held by institutions	101%
% shares held by investments Managers	87%
% shares held by hedge funds	10%
% shares held by insiders	1.76%
Short interest	5.26%
Days to cover short interest	11.13
52 week high	$45.02
52-week low	$31.12
Levered Beta	1.32
Volatility	31.33%

Past Earning Surprises

Quarter ending	Revenue	EBITDA
6/30/2015	0.71%	-4.56%
9/30/2015	0.71%	-2.76%
12/31/2015	1.62%	0.48%
3/31/2016	1.14%	-2.72%
6/30/2016	0.89%	-1.55%
Mean	1.01%	-2.22%
Standard error	0.2%	0.8%

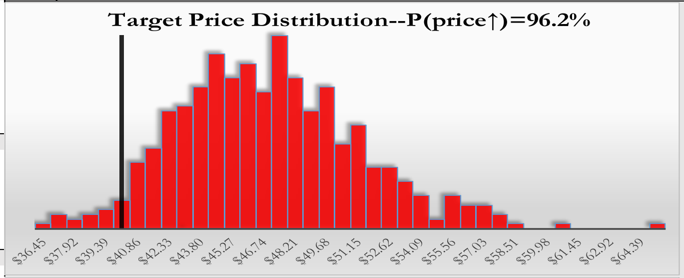
Peers

Strayer Education Inc.
Career Education Corp.
Capella Education Co.
Bridgepoint Education, Inc.
DeVry Education Group Inc.
American Public Education, Inc.
K12, Inc.
Apollo Education Group, Inc.

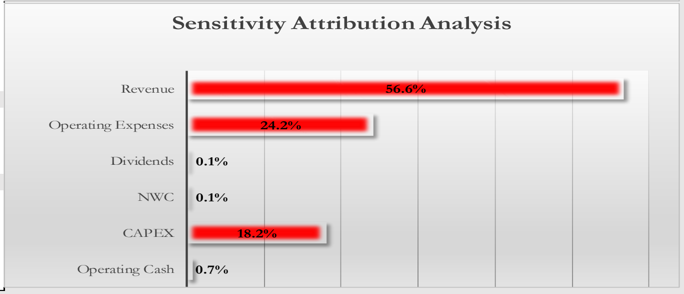
Management	Position	Total compensations growth	Total return to shareholders
Mueller, Brian	Chief Executive Officer, Pre	6.88% per annum over 5y	-1.2% per annum over 5y
Bachus, Daniel	Chief Financial Officer	9.86% per annum over 5y	-1.2% per annum over 5y
Meyer, W.	Chief Operating Officer	9.72% per annum over 5y	-1.2% per annum over 5y
Mildenhall, Joseph	Chief Information Officer	14.2% per annum over 5y	-1.2% per annum over 5y
Roberts, Brian	Senior Vice President, Gener	33.59% per annum over 3y	21.24% per annum over 3y
	0 0	N/M	N/M

Profitability	lope (LTM)	lope (5 years historical average)	Industry (LTM)
ROIC	16.5%	29.52%	28.89%
NOPAT Margin	19%	22.47%	13.8%
Revenue/Invested Capital	0.89	1.31	2.10
ROE	17.5%	35.44%	36.18%
Adjusted net margin	18%	22.18%	12.4%
Revenue/Adjusted Book Value	0.95	1.60	2.93
Invested Funds	**lope (LTM)**	**lope (5 years historical average)**	**Industry (LTM)**
Total Cash/Total Capital	8.4%	15.2%	24%
Estimated Operating Cash/Total Capital	4.0%	5.6%	N/A
Non-cash working Capital/Total Capital	-8.5%	-7.8%	-24%
Invested Capital/Total Capital	95.9%	90.5%	100%
Capital Structure	**lope (LTM)**	**lope (5 years historical average)**	**Industry (LTM)**
Total Debt/Common Equity (LTM)	0.09	0.09	0.30
Cost of Existing Debt	2.55%	3.34%	7.00%
Estimated Cost of new Borrowing	2.89%	3.66%	7.00%
CGFS Risk Rating	A	BB	CC
Unlevered Beta (LTM)	1.26	1.09	0.60
WACC	11.53%	10.18%	7.18%

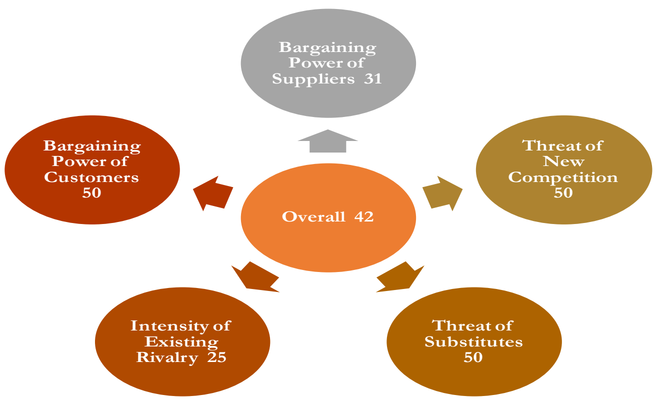
Target Price Distribution--P(price↑)=96.2%



Sensitivity Attribution Analysis



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



Valuation

Period	Revenue growth	NOPAT margin	ROIC/WACC
Base Year	12.8%	18.6%	1.43
6/30/2017	9.7%	18.7%	1.41
6/30/2018	8.7%	18.8%	1.39
6/30/2019	7.6%	18.6%	1.42
6/30/2020	6.3%	18.4%	1.43
6/30/2021	4.1%	17.8%	1.40
6/30/2022	4.1%	17.6%	1.42
6/30/2023	4.1%	17.4%	1.45
6/30/2024	4.1%	17.3%	1.49
6/30/2025	4.1%	17.2%	1.53
6/30/2026	4.5%	17.2%	1.59
Continuing Period	4.1%	17.1%	1.50

Period	Invested Capital	Net Claims	Price per share
Base Year	$320.72	$173.68	$38.81
6/30/2017	$469.22	$94.23	$44.46
6/30/2018	$575.44	-$56.06	$50.56
6/30/2019	$738.26	-$220.68	$56.87
6/30/2020	$932.71	-$450.61	$64.42
6/30/2021	$1,078.36	-$646.91	$70.88
6/30/2022	$1,210.61	-$848.00	$77.36
6/30/2023	$1,292.57	-$1,055.14	$83.86
6/30/2024	$1,371.42	-$1,265.13	$90.38
6/30/2025	$1,445.57	-$1,480.25	$96.90
6/30/2026	$1,495.04	-$1,697.74	$103.40
Continuing Period			

GameStop Corp.
NASDAQ:GME

Analyst: Christian Henderson
Sector: Services

HOLD

Price Target: $28.74

Key Statistics as of 10/13/2016

Market Price:	$25.47
Industry:	Electronics Retailer
Market Cap:	$2,680M
52-Week Range:	$25.06-46.98
Beta:	1.42

Catalysts:

- Short Term (less than a year) any change in the distribution methods of video game and console suppliers
- Mid Term Company(1 – 2 years) hold little debt, any change in capital structure could have an unpredictable effect on EPS
- Long term (over 2 year's) Steady growth in Operating Costs are not taking value from the company.

Company Description:

GameStop Corp. operates primarily as a video game retailer and has been publicly traded since 2002. It sells new and pre-owned video game products and software, accessories, digital products such as network cards, prepaid subscription cards, and downloadable software. The company also sells new and pre-owned personal electronics, such as smart phones, laptops, PCs, tablets, headphones and accessories to complement this person products. In addition, it operates website that also sells video game products. As of this year GameStop operates approximately 7,117 stores in the North America, Australia, and Europe. The company, formerly known as GSC Holdings Corp., was founded in 1994 and is headquartered in Grapevine, Texas. The company has a free cash flow of $321 million on sales of $9.3 billion.

Thesis

GameStop is a highly recognized store primarily known by loyal gamers that come to buy or sell preowned video games. The organization has crafted a unique experience that have attracted loyal customers over the past few years. Over the past two years the company has turned from its no debt history to assume a small amount of debt in an attempt to increase enterprise value and maximize shareholder wealth. The company has dropped in the profit from the 2000s because of a change in the gaming industry. GameStop and other companies like now out-of-business Circuit City used to profit heavily from selling this physical video games discs. However, with the technological advancement of gaming consoles, video games can be purchased digitally. Sales have dropped entering the new decade but the company has still remained to outperform expectations and keep revenue afloat.

For these reasons, GameStop's success is stationed at the mercy of these video game suppliers current method of offering some physical products to be purchased from stores. However, the advancement of technology and the reliance of GameStop on video game suppliers of distributed games through stores is reason that the stock will not change too much in value.. The company does not show large enough margins of return to try to invest substantial amounts of additional capital. The company does show modest levels of growth, but modest enough to have a position of "hold".

Business Model

GameStop's business model includes offering various products in services. These products range from video games, video game hardware, mobile phones and accessories and laptops and computers. The company has thousands of locations based in the United States, but also have a significant amount of stores throughout Canada, Europe and Australia. GameStop also operates an online website where consumers can purchase online without having to walk in store. The company prides itself on offering a unique walk-in and social experience for gamers that want a face to face connection in selling and buying video games. However, with the increase of digital download the business model has been recently tweaked to focus on clearing retail and store space to sell merchandise for electronics and try to gain a new consumer base. This new business model is still being remodeled as the new merchandise only make up less than 15% of profits.

Industry Outlook

Video Game companies have begun to provide their platforms to sell their products. This is decreasing the need for middleman stores such as GameStop. GameStop gets is biggest sales from the sale of games for Xbox and PlayStation game consoles, however these systems now operate their own virtual stores. The video game retailing industry has advanced substantially. GameStop is one of the few survivors because of the unique successful tactic of selling and buying preowned video games. The video game retailing industry became smaller with the exit of retail stores, but also grew when PlayStation and Xbox vertically integrated to sell their game products straight to consumers. It is a logical prediction that the future of the industry is should continue to offer products straight from virtual stores on games console to consumer purchase. Unless GameStop can find a way to broaden its products or services, in the ways Best Buy has, the company is only growing to a close ceiling of performance.

Dependence on video game releases

GameStop's sales and profits are based too near on the availability of video games and game consoles. Dates for these releases have a big impact on the success of the company. This is a huge worrying factor for GameStop because a small amount of profits come from video game accessories, digital software and Mobile & Consumer Electronics. There are two potential that deter the option of further investment. The first risk is from Amazon that offers a more convenient and larger platform for selling and purchasing pre owned video games. The second risk that was stated before is the potential

Product Differentiation:

GameStop's largest competitors are among Best Buy, Wal-Mart and Amazon. GameStop offers a service that is well differentiated than its competitors. What differentiates GameStop from the other stores is the experience of consumers going in to sell and purchase used video games. In 2015, 44.1% of profit was made from pre-owned and value video game products. Offering the experience where consumer come in store to buy and trade used games based on a trust system with the high reputation of GameStop gives the company its competitive edge.

Porter's Fiver Forces

Intensity of competition

There is high intensity amongst existing competitors within the gaming industry. This includes the platform of selling preowned video game products on the Amazon website that gives GameStop the majority of its success. Amazon allows customers to sell and purchase games at the convenience of their own home and any hour of the day. In respects to selling video game consoles and new video games Best Buy and Walmart are big competitors. They offer bigger marketing campaigns and competitive prices.

Threat of Substitution

The threat of substitution is high because game consoles are creating their own platforms to distribute their products. Sony's PlayStation network and Microsoft's Xbox market have their own methods of distributing their product digitally. This method delivers the game right to the console of the consumer in real time.

Barriers to New Entry

The threat of new competition is low. There is a high initial investment capital requirement to enter the market. Also, with the threat of technology it will hard to develop longevity

Bargaining power of suppliers

Bargaining power of suppliers is moderate. There is low cost of switching suppliers which makes supplier competition high. The volume of games is also is very important, as a high volume need to be sold from suppliers to make substantial profit.

Bargaining power of consumers

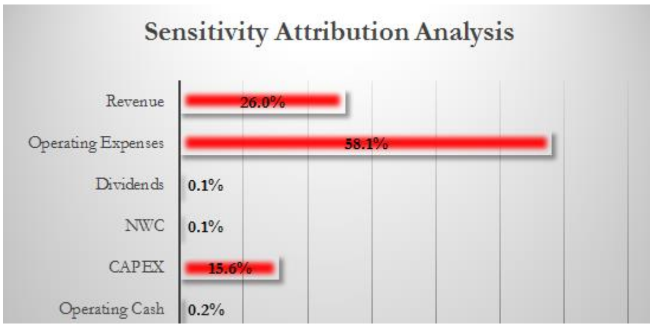
Bargaining power of consumers is moderate. Customers don't much ability to push prices down on games and systems, however they have the power to not buy products if they are priced ridiculously high.

Valuation

This company can be valued to have insignificant intrinsic value. Based on forecasted 1 year target price of $28.74 this company does not spark interest. Dividend yield is 5.8% which is solid but based on the financials of the company the value will be more or less the same. The past year 3 years the company has been trying to achieve the same level of revenues as it did prior to 2012. The environment surrounded the industry can lead one to err on the side of caution with investing in this opportunity.

Important Dates and Catalysts

The company produces high percentage revenue from the release of cyclical video games and game consoles. Important dates vary based on game release from consoles such as PS3, Xbox and Wii. Game releases are also big revenue boosts for the company. As previously the dependency on these video game suppliers is a deterrent.



The most sensitive driver that will cause a change in stock price is operating expenses. If operating expenses increase which they are scheduled, then present value will suffer. Unless, GameStop releases plans to lower operating expenses then this only further supports the decision to hold.

Conclusion

In conclusion avoiding investments in this stock in the immediate future is recommended. If the option is available to short for long term two or more years if available that may prove to be a better option. On paper this company has potential for redemption. Though, the ball is in the court of video game suppliers such as Microsoft and Sony. In any point in time video games could be released solely through their channel of the digital online network. This would slash the profit margin of GameStop in half. The company also had to assume debt within the last three years, this was a huge shock on its financial statements. The company had low to no debt the years prior to 2013, the newly borrowed debt is an uncertain sign of the future of the company.

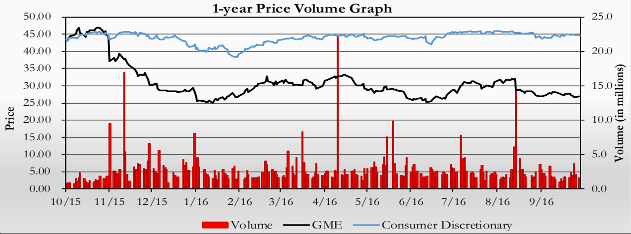
GameStop has been a strong company and outperformed the low expectations that have been set upon it but the company in its current state does not have high room for grow

GameStop Corp. (GME) — CENTER FOR GLOBAL FINANCIAL STUDIES — NEUTRAL

Analysis by P.C. Principal	Current Price:	$25.47	Intrinsic Value	$27.34
10/13/2016	Divident Yield:	5.8%	Target Price	$28.74

Target 1 year Return: 18.61%
Probability of Price Increase: 66.8%

1-year Price Volume Graph



Description

GameStop Corp. operates as an omnichannel video game retailer.

General Information

Sector	Consumer Discretionary
Industry	Specialty Retail
Last Guidance	November 3, 2015
Next earnings date	November 19, 2016
Estimated Country Risk Premium	6.46%
Effective Tax rate	40%
Effective Operating Tax rate	40%

Market Data

Market Capitalization	$2,648.41
Daily volume (mil)	2.68
Shares outstanding (mil)	103.98
Diluted shares outstanding (mil)	104.90
% shares held by institutions	115%
% shares held by investments Managers	87%
% shares held by hedge funds	15%
% shares held by insiders	2.15%
Short interest	28.50%
Days to cover short interest	11.38
52 week high	$47.62
52-week low	$24.33
Levered Beta	0.94
Volatility	38.36%

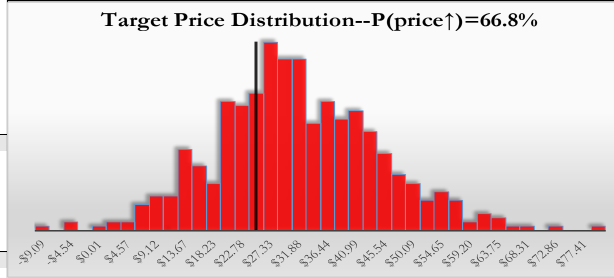
Past Earning Surprises

Quarter ending	Revenue	EBITDA
8/1/2015	-3.51%	-1.96%
10/31/2015	-9.58%	-18.88%
1/30/2016	-3.06%	-0.65%
4/30/2016	-5.85%	0.33%
7/30/2016	-10.54%	-0.89%
Mean	-6.51%	-4.41%
Standard error	1.5%	3.6%

Peers

Activision Blizzard, Inc.
Best Buy Co., Inc.
AutoZone, Inc.
Electronic Arts Inc.
Staples, Inc.
hhgregg, Inc.
Zynga, Inc.

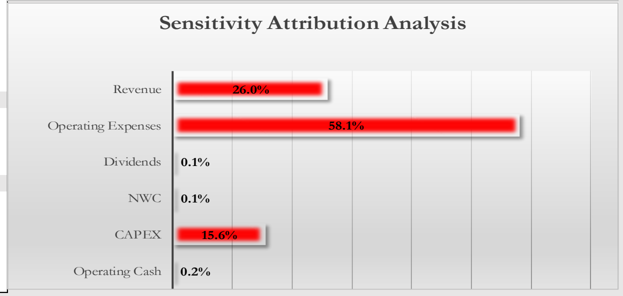
Target Price Distribution--P(price↑)=66.8%



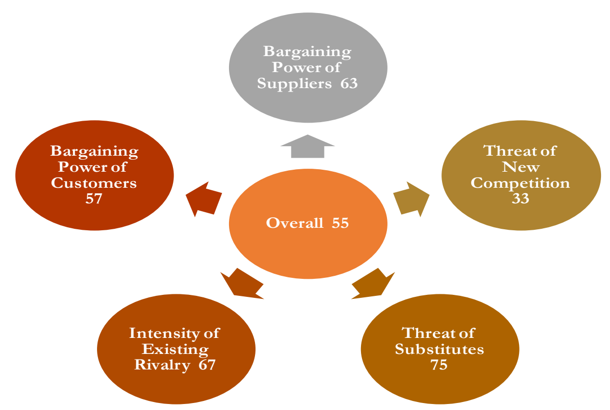
Management	Position	Total compensations growth	Total return to shareholders
DeMatteo, Daniel	Co-Founder and Executive Cha	-100% per annum over 4y	3.78% per annum over 4y
Raines, J.	Chief Executive Officer and	-100% per annum over 4y	3.78% per annum over 4y
Lloyd, Robert	Chief Financial Officer and	-100% per annum over 4y	3.78% per annum over 4y
Bartel, Tony	Chief Operating Officer	-100% per annum over 4y	3.78% per annum over 4y
Mauler, Michael	Executive Vice President and	-100% per annum over 3y	9.83% per annum over 3y
Crawford, Troy	Chief Accounting Officer and	N/M	N/M

Profitability	GME (LTM)	GME (5 years historical average)	Industry (LTM)
ROIC	8.1%	7.90%	20.49%
NOPAT Margin	7%	7.34%	7.0%
Revenue/Invested Capital	1.19	1.08	2.93
ROE	14.4%	12.74%	24.29%
Adjusted net margin	6%	6.97%	6.7%
Revenue/Adjusted Book Value	2.37	1.83	3.61
Invested Funds	**GME (LTM)**	**GME (5 years historical average)**	**Industry (LTM)**
Total Cash/Total Capital	3.6%	5.8%	19%
Estimated Operating Cash/Total Capital	3.6%	4.4%	N/A
Non-cash working Capital/Total Capital	4.2%	-1.4%	19%
Invested Capital/Total Capital	100.0%	98.6%	82%
Capital Structure	**GME (LTM)**	**GME (5 years historical average)**	**Industry (LTM)**
Total Debt/Common Equity (LTM)	1.29	1.07	0.24
Cost of Existing Debt	2.75%	2.09%	7.24%
Estimated Cost of new Borrowing	2.02%	1.85%	7.24%
CGFS Risk Rating	AA	AA	AA
Unlevered Beta (LTM)	0.51	0.64	0.95
WACC	5.12%	6.15%	9.43%

Sensitivity Attribution Analysis



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



Valuation

Period	Revenue growth	NOPAT margin	ROIC/WACC
Base Year	-2.6%	6.8%	1.58
7/30/2017	-1.1%	5.8%	1.17
7/30/2018	-0.3%	5.6%	1.07
7/30/2019	0.2%	5.6%	1.09
7/30/2020	0.7%	5.5%	1.05
7/30/2021	1.2%	5.4%	1.02
7/30/2022	1.7%	5.3%	0.99
7/30/2023	2.1%	5.2%	0.97
7/30/2024	2.6%	5.2%	0.96
7/30/2025	3.1%	5.1%	0.93
7/30/2026	3.6%	5.1%	0.91
Continuing Period	4.1%	5.0%	0.90

Period	Invested Capital	Net Claims	Price per share
Base Year	$6,617.46	$4,168.96	$31.38
7/30/2017	$7,068.42	$3,775.94	$34.91
7/30/2018	$7,522.96	$2,812.45	$38.48
7/30/2019	$7,687.60	$2,213.22	$41.97
7/30/2020	$7,696.58	$1,645.79	$45.49
7/30/2021	$8,145.40	$1,110.31	$49.01
7/30/2022	$8,234.62	$606.63	$52.55
7/30/2023	$7,725.16	$133.94	$56.11
7/30/2024	$7,586.50	-$220.66	$59.76
7/30/2025	$7,473.44	-$640.40	$63.48
7/30/2026	$7,386.57	-$1,026.17	$67.25
Continuing Period			

Spirit Airlines, Inc.

NASDAQ:SAVE

Analyst: Kara Carman
Sector: Industrials

BUY

Price Target: $49.60

Key Statistics as of 10/13/2016

Market Price:	$43.58
Industry:	Airlines
Market Cap:	3.06B
52-Week Range:	32.73-53.53
Beta:	1.18

Catalysts:

- Initiatives to be more tactical on a seasonal basis and offering new routes
- Furthering un-bundled services with increased ancillary initiatives
- Investments in operational improvement

Company Description:

Spirit Airlines, Inc. (NASDAQ:SAVE) is an airline company headquartered in Miramar, Florida. Each day Spirit operates approximately 385 flights traveling to 56 destinations not only within the United States but also to locations in the Caribbean, Mexico, South America, and Latin America. As of December, 2015, Spirit had a fleet consisting of about 80 aircrafts. Spirit is known for its Ultra Low-Cost Carrier business model, which allows the organization to offer low, unbundled base fares in comparison to its competitors which include JetBlue Airways, Southwest Airlines, and American Airlines. The company's Bare Fare provides customers with a variety of options to customize their base ticket price to accommodate their needs.

Thesis

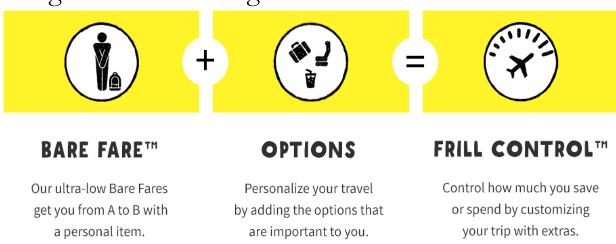
Spirit Airlines, Inc. is the best in class when it comes to ultra low-cost airlines. Not only does Spirit offer conscious travelers the lowest base fare possible, they have also managed to more than quadruple their earnings since they went public in 2011. Revenues from base fares alone have almost doubled over the past five years and non-ticket revenues have nearly tripled. Although the price of oil could potentially decrease, Spirit's operating expenses due to fuel was at its lowest since 2011 at the end of 2015, amounting to $461,447. Although operating costs have continuously increased since 2011, operating income was at an all-time high at the end of 2015. According to Mr. Botimer, at the end of Q2, Spirit is very positive about their operational performance and how over time it will yield cost benefit. Spirit has made recent investments in the company in order to produce better operational outcomes. Most recently, Spirit has begun initiatives to expand its market reach. Not only is Spirit scheduled to fly to Havana, Cuba starting December 1st, the company intends to take full advantage of seasonal travelers and the markets they create. Because Spirit tends to look for high demand markets, the company plans to launch initiatives to take advantage of seasonal valleys to maximize peak travel periods and base their services on where the highest demand markets are at any given point. On top of maximizing peak seasons, Spirit has also announced multiple new routes scheduled to begin throughout the rest of this current.

Industry Outlook

In the U.S. alone, airlines transport about 2 million passengers every day. In 2015 the airlines industry experienced a flourishing year, primarily due to the decrease of oil prices. Last year the airline industry experienced an all-time-high profit of $33 billion. However, in the event of an abrupt increase in oil prices airlines could face a major loss. Because Spirit is increasingly broadening their markets, they will be less susceptible to negative impacts such as the increase in oil prices. That being said, currently jet fuel price per barrel has been increasing gradually since January 2016. All airlines are affected by lag months, due in large part to seasonal travelers and school vacation times. Because of Spirit's new initiatives to maximize peak travel according to seasonal trends, they are in a great position to outperform their competitors. One recent issue that could potentially negatively affect the airline industry as a whole, is the increase of terrorism across the globe. If people aren't willing to travel, the demand for flying would decrease across the board, therefore affecting all airline companies.

Business Model

By unbundling services such as checked luggage, soft beverages, and advanced seat selection, Spirit is able to achieve an ultra low-cost carrier, or ULCC, business model. Spirit charges for traditional airline services separately, therefore they are able to offer an airline ticket with a cheaper base price than that of its competitors. Aside from the base price, everything is recorded as non-ticket revenue. Price-conscious customers or travelers paying for their ticket out of their own pocket are very attracted Spirit's "Bare Fares." Not only does this model offer customers a low base fare, they also have the flexibility to upgrade to optional services that they find more valuable. Spirit's ULCC business model is driven by their low cost structure that allows them to maintain high profit margins while offering travelers favorable base fares.



People

Robert L. Fornaro was appointed to CEO of Spirit Airlines on January 5, 2016, replacing Ben B. Baldanza. Prior to being elected to the Board of Directors of Spirit Airlines in May, 2014, Fornaro was the chairman, president, and CEO of AirTran Holdings, Inc. and its subsidiary, AirTran Airways. In May, 2011 AirTran merged with Southwest Airlines and Fornaro sat on the integration board. Prior to joining AirTran in 1999 as president and CFO, Fornaro had decades of experience with marketing planning, international alliances, airline partner relationships, route planning, pricing and revenue management, and overall corporate strategy during his years as Trans World Airlines, Braniff, Inc., Northwest Airlines, and US Airways. Top management at Spirit commented about the continuous approach to meet mutually beneficial contracts with pilots and flight attendants. In doing so, Spirit not only keeps their employees happy, but they also can ensure efficient productivity.

Porters Five Forces

Bargaining Power of Suppliers: **Medium/High** (63)
Spirit is eminently dependent on suppliers. Its primary supplier is Airbus. If manufacturing costs or raw material costs increase for Airbus, the costs of the airplanes are essentially going to rise. Other suppliers include oil and maintenance companies.

Bargaining Power of Customers: **Medium** (57)
Customers have a fairly large bargaining power when it comes to the airline industry. Price conscious customers seek an airline offering the lowest ticket price. Because of their ULCC business model, Spirit can offer customers a very low ticket price which creates a competitive advantage.

Threat of Substitutes: **Medium** (58)
In the airline industry, there are a lot of substitutes because there are so many different airlines offering different services, destinations and prices. Spirit's increase in destinations and its Bare Fare offer customers with a variety of services.

Intensity of Existing Rivalry: **Medium** (42)
Currently, Spirit's existing rivalry is medium. There are not many airlines with a similar ultra low-cost business model and the ones that do exist do not match Spirit's fares as aggressively as they probably could.

Threat of New Competition: **Medium** (58)
Entering the airline industry would be rather difficult starting from scratch, therefore Spirit doesn't face any immediate threat. However, an existing airline could modify their cost structure and business model in order to match that of Spirit's which would create a reasonable threat.

Product Differentiation

Other airlines, such as Southwest, advertise "free bags" but have already included the cost of checked luggage in the total ticket price. However, Spirit offers a low, favorable base fare that is attractive to price sensitive customers. Customers have the ability to pay for additional ancillary services as they deem necessary. Spirit's low base fares help increase passenger volume and other factors such as non-ticket revenue on each flight they operate. Not only is the ULCC model different relative to competitors, Spirit operates aircrafts with high density. As a part of their "Plane Simple" strategy, the high-density seating configuration paired with a simplified onboard product, helps achieve lowers costs. On top of this, Spirit operates a "Fit Fleet," the youngest fleet of any major U.S. airline, made up of all Airbus aircrafts.

Corporate Responsibility

Robert Fornaro has been addressing Spirit's corporate responsibility since he first became CEO in January of this year. Fornaro's immediate focus was and has continued to be transparency. As an ultra low-cost carrier, Fornaro and other top management, find it crucial that each customer is fully aware of what they are paying for and the services that come along with it. Spirit is planning on launching a website redesign in Q4 of this year. In hopes of improving merchandising and non-ticket revenue, Fornaro also plans to maintain transparency, ensuring customers know what each ancillary service costs.

Financials

For Q2 2016 Spirit's total operating revenue increased 5.5% compared to Q2 2015, and was $584.1. This is primarily attributed to the increase in flight volume and a decrease in operating yields. The adjusted operating margin for Q2 was 22.3%. Compared to Q2 2015, airline fuel expense decreased by $14.7 million. However, Spirit offset the decrease in fuel expenses with an increase in fuel gallons consumed. Operating expenses increased by 4.5% on a capacity increase of 23.1% year over year. Spirit is expanding their capacity by entering new markets and broadening their array of services and at the same time, they are managing operating costs. Due to the increased mix of leased and purchased aircraft, Spirit has been able to decrease cost per available seat mile (ASM). CFO, Ted Christie, believes that investments in new aircrafts, whether they're purchased or leased, and drives operational improvement allowing Spirit to maintain its ultra-low unit costs. For Q2 Spirit's return on invested capital was 27.6% and its WACC was 5.79%. Spirit's ROIC/WACC is greater than 1 which suggests the value is being created. Value creation is a sign that a company has a promising future and can continue to grow while generating profit.

Important Dates and Catalysts

Spirit announced more 14 new services that will be starting on October 30, 2016. A major one to look out for is Havana, Cuba which is intended to start on December 1st. Revenues will see an increase after the start of each new service between now and early 2017.

Initiatives regarding ancillary services, such as checked luggage and seat preference, are expected to be rolled out towards the end of Q4. Benefits from these initiatives are expected to be seen in 2017. The website redesign, intended to improve merchandising, is expected to launch during Q4.

Summary

Spirit is a company with competitive advantage over others in the industry. No other airline offers a Bare Fare, allowing passengers to have complete Frill Control. Other airlines generate revenue by baking services such as checked baggage, complimentary beverages, and seat assignments into their ticket prices.

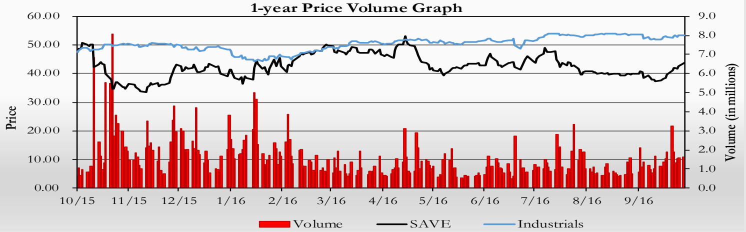
On top of that, Spirit is broadening and expanding its array of services and destinations which creates even more opportunity for growth. With its seasonal initiative, Spirit will capitalize on seasonal valleys, generating the highest possible revenue. Spirit's operational improvements further strengthens its competitive advantage. With new initiatives, such as ancillary services, along with its competitive advantage, Spirit's revenues are destined to increase, driving the stock price upwards.

Siena Market Line
2nd Week of October 2016

Spirit Airlines, Inc. (SAVE) — CENTER FOR GLOBAL FINANCIAL STUDIES — NEUTRAL

Analysis by Kara Carman	Current Price:	$42.99	Intrinsic Value	$41.35	Target 1 year Return: 15.38%
10/13/2016	Divident Yield:	0.0%	Target Price	$49.60	Probability of Price Increase: 87.6%

1-year Price Volume Graph



Description

Spirit Airlines, Inc. provides low-fare airline services.

General Information

Sector	Industrials
Industry	Airlines
Last Guidance	November 3, 2015
Next earnings date	October 27, 2016
Estimated Country Risk Premium	6.79%
Effective Tax rate	39%
Effective Operating Tax rate	34%

Market Data

Market Capitalization	$3,022.10
Daily volume (mil)	0.65
Shares outstanding (mil)	70.02
Diluted shares outstanding (mil)	71.56
% shares held by institutions	75%
% shares held by investments Managers	90%
% shares held by hedge funds	9%
% shares held by insiders	0.36%
Short interest	5.74%
Days to cover short interest	3.13
52 week high	$53.53
52-week low	$32.73
Levered Beta	0.90
Volatility	39.60%

Past Earning Surprises

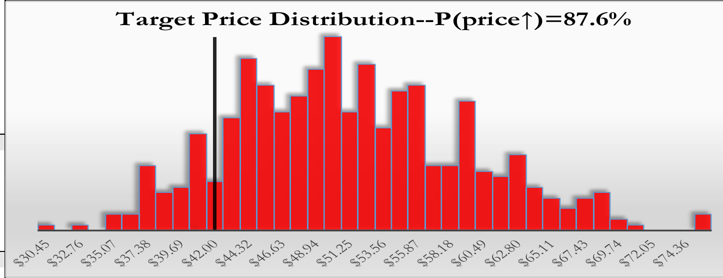
Quarter ending	Revenue	EBITDA
6/30/2015	-0.16%	-25.75%
9/30/2015	0.13%	-22.65%
12/31/2015	-0.30%	-25.56%
3/31/2016	0.01%	-22.16%
6/30/2016	-1.20%	-24.24%
Mean	-0.30%	-24.07%
Standard error	0.2%	0.7%

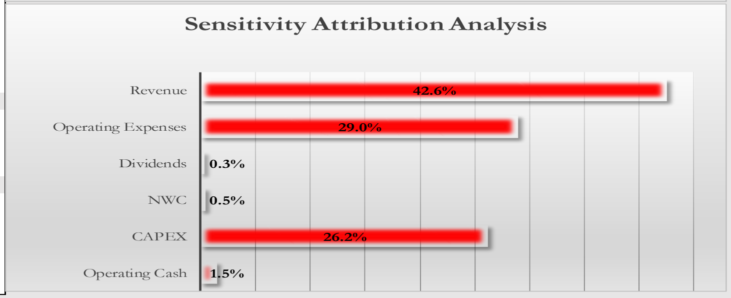
Peers

Virgin America Inc.
Hawaiian Holdings Inc.
JetBlue Airways Corporation
Allegiant Travel Company
Copa Holdings SA
Alaska Air Group, Inc.
Southwest Airlines Co.
SkyWest Inc.

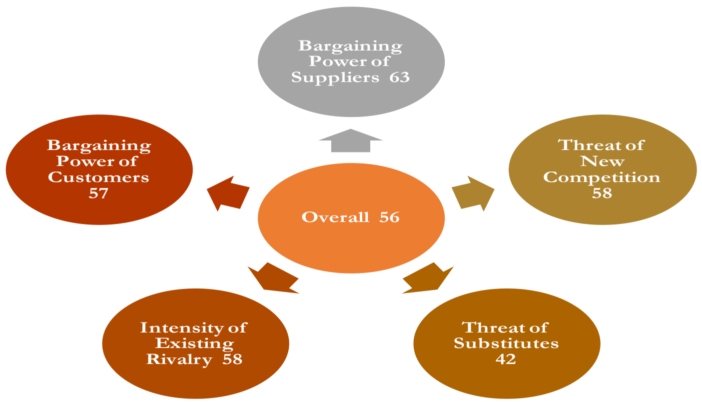
Management	Position	Total compensations growth	Total return to shareholders
Fornaro, Robert	Chief Executive Officer, Pre	56.43% per annum over 1y	-47.27% per annum over 1y
Christie, Edward	Chief Financial Officer and	-34.48% per annum over 3y	33.87% per annum over 3y
Bendoraitis, John	Chief Operating Officer and	-35.55% per annum over 2y	-6.32% per annum over 2y
Canfield, Thomas	Senior Vice President, Gener	15.22% per annum over 5y	N/M
Miranda, Edmundo	Principal Accounting Officer	N/M	N/M
Wiggins, Rocky	Chief Information Officer an	N/M	N/M

Profitability	SAVE (LTM)	SAVE (5 years historical average)	Industry (LTM)
ROIC	14.6%	22.75%	21.31%
NOPAT Margin	28%	25.59%	11.9%
Revenue/Invested Capital	0.51	0.89	1.80
ROE	29.3%	49.12%	29.88%
Adjusted net margin	26%	24.14%	11.3%
Revenue/Adjusted Book Value	1.13	2.03	2.64
Invested Funds	**SAVE (LTM)**	**SAVE (5 years historical average)**	**Industry (LTM)**
Total Cash/Total Capital	19.7%	19.9%	29%
Estimated Operating Cash/Total Capital	14.5%	12.1%	N/A
Non-cash working Capital/Total Capital	-7.0%	-6.8%	-46%
Invested Capital/Total Capital	94.9%	92.3%	100%
Capital Structure	**SAVE (LTM)**	**SAVE (5 years historical average)**	**Industry (LTM)**
Total Debt/Common Equity (LTM)	0.91	0.63	0.46
Cost of Existing Debt	4.42%	3.28%	4.20%
Estimated Cost of new Borrowing	4.16%	3.33%	4.20%
CGFS Risk Rating	B	BBB	BB
Unlevered Beta (LTM)	0.59	1.01	0.67
WACC	6.74%	8.47%	7.66%





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



Valuation

Period	Revenue growth	NOPAT margin	ROIC/WACC
Base Year	8.6%	28.5%	2.17
6/30/2017	10.1%	26.0%	1.94
6/30/2018	15.6%	25.8%	2.01
6/30/2019	7.5%	24.7%	1.77
6/30/2020	7.1%	23.7%	1.57
6/30/2021	6.6%	22.9%	1.45
6/30/2022	6.2%	22.0%	1.34
6/30/2023	5.8%	21.2%	1.24
6/30/2024	5.3%	20.3%	1.14
6/30/2025	4.9%	19.5%	1.05
6/30/2026	4.5%	18.8%	0.98
Continuing Period	4.1%	17.9%	0.89

Period	Invested Capital	Net Claims	Price per share
Base Year	$1,479.66	$2,648.41	$40.09
6/30/2017	$1,634.85	$2,139.36	$48.12
6/30/2018	$2,128.69	$1,817.45	$56.67
6/30/2019	$2,826.95	$1,487.68	$65.75
6/30/2020	$4,319.56	$993.35	$75.34
6/30/2021	$4,878.73	$477.22	$85.37
6/30/2022	$5,209.01	-$57.44	$95.85
6/30/2023	$5,839.81	-$610.05	$106.80
6/30/2024	$6,483.23	-$1,179.06	$118.29
6/30/2025	$6,977.90	-$1,762.23	$130.35
6/30/2026	$7,472.66	-$2,292.43	$143.06
Continuing Period			

Siena Market Line
2nd Week October 2016

Skyworks

NASDGS:SWKS

Analyst: David Itoafa
Sector: Technology

Hold

Price Target: $86.53

Key Statistics as of 11/29/2015

Market Price:	$77.41
Industry:	Semiconductors
Market Cap:	$14.78B
52-Week Range:	$54.50-$88.52
Beta:	1.25

Catalysts:

- Q4 2016 Earnings report on November 11
- Technological Advancements (“ Internet of Things”)
- Kris Sennesael’s impact as CFO

Company Description:

Skyworks Solutions Inc., is at the forefront of the Semiconductor industry due to its high performance analog and mixed signal semiconductors which are used to link various applications including automotive, broadband, wireless, infrastructure, GPS, medical military, networking, smartphones, and tablets. Their product portfolio consists of amplifiers, attenuators, circulators, demodulators, detectors, diodes, directional couplers. Although Skyworks chips are utilized in various markets, the main driver of revenue for this company is mobile devices. While Apple Intel and Samsung are their main clients The company offers the majority of its products in Europe, North American, China, and Taiwan.

Thesis

Skyworks success is completely dependent on the success of its cellular device customers like Apple and Samsung. Oppenheimer & Co analyst Richard Schafer estimates that Apple orders generate 35% to 40% of Skyworks revenue. Apple is currently priced at 117.61 and has surged due to the popularity of the iPhone 7 which will enable Skyworks to beat earning not only for quarter 4 of 2016, but for the following two quarters after as well. In the long run Skyworks will be able to sustain revenue through other technologies due being a major player in "the internet of things". Despite a disappointing fiscal year for Skyworks the future is optimistic. This along with ongoing expansion of the cellular industry will increase demand of Skyworks products, which will result in an upward jolt of the stock price

Porters Five Forces

Competitive Rivalry: Medium

There are many different companies that specialize in semiconductor chips; however, Skyworks differentiates itself by being able to produce high quality and has had long lasting relations with cellular companies like Samsung and apple ever since 2g,3g,4g, and LTE technologies. There is a possibility that their customers devise their own divisions to create these semiconductors, but for the time being it is too expensive.

Threat of Substitute Products and Services: Low

Skyworks customizes its chips for each individual customer and is at no risk of being beaten out by any product or services. Since many customers require Skyworks chips for very complex devices they need a high quality service from a high quality company.

Bargaining Powers of Buyers: Low

Skyworks Solutions has complete leverage over their buyers because of having a substantial amount of different types of contracts with many different companies. Since each of them require chips for different reasons, Skyworks ability to customize their chips enables them to have leverage.

Bargaining Power of Suppliers: Low

Skyworks Solutions has been a reliable revenue stream for a majority of their major clients. Since they have been at the forefront of the industry and have constantly satisfied massive customers like Apple and Samsung's the bargaining power of these companies is low.

Threat of new entrants: Low

Since Skyworks has over 50 product patents there is no way that a company can replicate a similar product. Also, in order for a company to succeed in the semiconductor industry they must invest a substantial amount of money to get up to speed from a technological standpoint, but also sign contracts quickly to survive and create revenue

Acquisition

Skyworks has not made any major acquisitions in the past 6 months. However, for some reason they seem to be sitting on roughly 27% of excess cash and had appointed Kris Sennesael as Chief Financial Officer & Senior Vice President in late august. There is reason to believe that Skyworks is looking to make another acquisition soon. In the most recent earnings call report Liam K. Griffin, President and CEO, said that acquisition targets could include Macom Technology Solutions (MTSI), Maxim Integrated Products and Silicon Laboratories (SLAB). Acquiring any of these companies would increase the stock price.

Emerging Markets

There are two main markets that are growing rapidly, which Skyworks is positioned remarkably to control. Skyworks chips are vital for the internet of things because it enables network connectivity between various home devices. Not only are we seeing an increase of smartphones demanded, but also home appliances that are connected to smartphones. Companies are continuing to buy more and more components for Skyworks.

Source: Skyworks Investor Presentation

Skyworks is hoping to get more money per device in the future and this along with the continuing expansion of the "the internet of things" market will enable the company to sustain growth.

Important Dates and Catalysts

In the near future there are three main catalysts that coincide with each other that will drastically affect the valuation of this stock The first one will be the earnings report on November 11th. This will be the first time that we will see CFO Kris Sennesael's ability to deal with the questions at the end of the earning call. Moreover, if he and Skyworks overall will be able to along with his ability to overcome the current opportunity cost of excess cash. This date will give investors insight to if the problems in spiking inventory have been quelled. During the last earning call this information made investors hesitate because it signaled there were possible problems with a customer. Management obviously ensured is not the case and investors will seek more information in the earning call. This earnings report will also show if Skyworks is consistently dependent on cellular devices or if any progress has been made in becoming more reliant on "the internet of things".

Summary

Skyworks Solutions seems to be turning the corner and regain ground that it has lost. The future is optimistic for Skyworks due to the success of major customers like Apple and its constant expansion in the cellar market Skyworks will not only beat earnings this upcoming quarter, but continue to grow from an "internet of things standpoint," which will allow them to continue to grow at a substantial rate. The stock is however still risky due to inventory spiking in the Q3 earning report. They also have an excess amount of cash on hand, which enables them to make quick acquisitions when they see fit. Overall, Skyworks seems to be a company prepared for the future and ongoing technological advancements in the world. As more people switch to smartphones and more people utilize internet connectivity through their home appliances, there will be more demand for Apple, Samsung, Panasonic, and other top name electronic products. This will increase demand for Skyworks chips will increase from their clients and permit the stock to reach analysts forecasts.

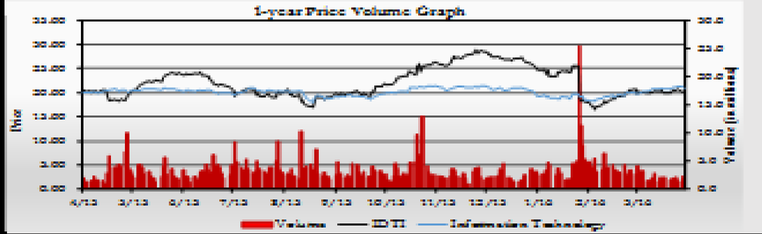
Siena Market Line
2nd week of October 2016

CENTER FOR GLOBAL FINANCIAL STUDIES

Integrated Device Technology, Inc. (IDTI)

BULLISH

Analysis by Austin Bitzan	Current Price:	$19.26	Intrinsic Value	$18.39	Target 1 year Return: 24.14%
4/9/2016	Dividend Yield:	0.0%	Target Price	$23.91	Probability of Price Increase: 99.5%



Description

Integrated Device Technology, Inc. designs, develops, manufactures, and markets a range of semiconductor solutions for the communications, computing, and consumer industries worldwide.

General Information

Sector	Information Technology
Industry	Semiconductors and Semiconductor Equipment
Last Guidance	November 2, 2015
Next earnings date	May 4, 2016
Estimated Country Risk Premium	6.56%
Effective Tax rate	28%
Effective Operating Tax rate	16%

Market Data

Market Capitalization	$2,607.29
Daily volume (mil)	2.96
Shares outstanding (mil)	135.37
Diluted shares outstanding (mil)	151.82
% shares held by institutions	101%
% shares held by investments Managers	81%
% shares held by hedge funds	11%
% shares held by insiders	0.46%
Short interest	5.07%
Days to cover short interest	1.87
52-week high	$29.04
52-week low	$14.20
Levered Beta	2.15
Volatility	41.29%

Past Earning Surprises

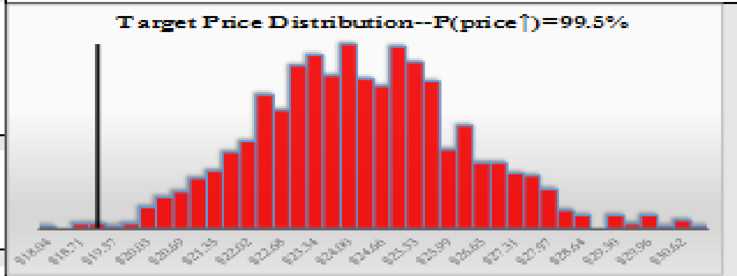
Quarter ending	Revenue	EBITDA
12/28/2014	5.96%	-9.66%
3/29/2015	0.29%	-6.46%
6/28/2015	0.40%	-14.57%
9/27/2015	1.80%	-7.35%
1/3/2016	1.52%	-20.08%
Mean	2.05%	-13.46%
Standard error	1.0%	4.1%

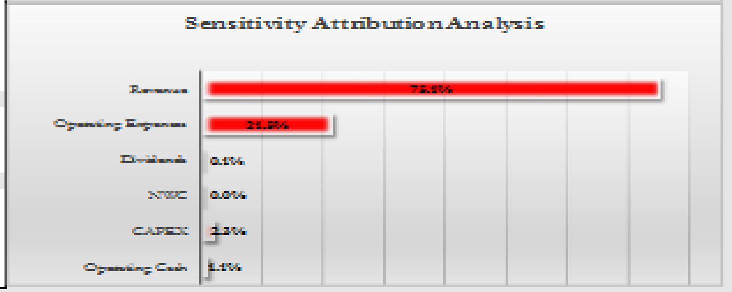
Peers

Cavium, Inc.
Cirrus Logic Inc.
Silicon Laboratories Inc.
Intersil Corporation
Skyworks Solutions Inc.
Microsemi Corporation
Lattice Semiconductor Corporation
Fairchild Semiconductor International Inc.

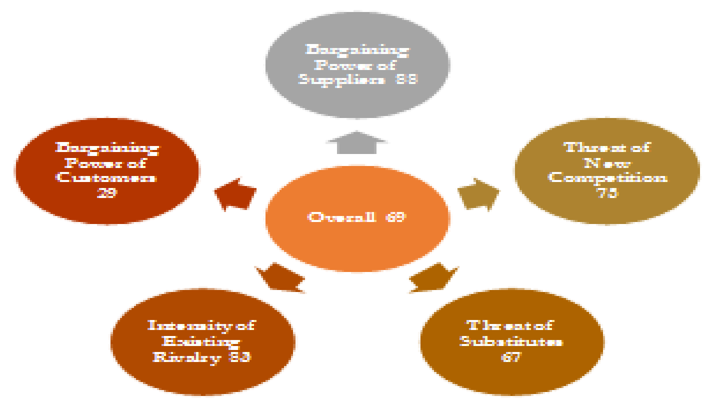
Management	Position	Total compensations growth	Total return to shareholders
Waters, Gregory	Chief Executive Officer, Pre	106.42% per annum over 1y	66.7% per annum over 1y
White, Brian	Chief Financial Officer and	148.24% per annum over 1y	66.7% per annum over 1y
Chittipeddi, Sailesh	Chief Technology Officer and	N/M	0% per annum over 0y
Fu, Xiaohi	Vice President and General M	28.9% per annum over 1y	66.7% per annum over 1y
Naghavi, Arman	Consultant	20.76% per annum over 3y	4.66% per annum over 3y
Brandolini, Matthew	Vice President, General Coun	N/M	N/M

Profitability	IDTI (LTM)	IDTI (5 years historical average)	Industry (LTM)
ROIC	37.2%	11.00%	14.77%
NOPAT Margin	26%	10.55%	20.5%
Revenue/Invested Capital	1.42	1.04	0.72
ROE	19.6%	7.16%	16.65%
Adjusted net margin	26%	10.45%	19.1%
Revenue/Adjusted Book Value	0.75	0.60	0.58
Invested Funds	**IDTI (LTM)**	**IDTI (5 years historical average)**	**Industry (LTM)**
Total Cash/Total Capital	54.5%	47.9%	45%
Estimated Operating Cash/Total Capital	14.5%	15.9%	N/A
Non-cash working Capital/Total Capital	2.4%	5.9%	9%
Invested Capital/Total Capital	78.9%	66.2%	50%
Capital Structure	**IDTI (LTM)**	**IDTI (5 years historical average)**	**Industry (LTM)**
Total Debt/Common Equity (LTM)	0.07	0.01	0.15
Cost of Existing Debt	15.96%	4.55%	4.20%
Estimated Cost of new Borrowing	24.0%	1.31%	5.15%
CGFS Risk Rating	15.96%	AAA	B
Unlevered Beta (LTM)	0.00%	1.79	1.19
WACC	15.96%	17.55%	12.92%





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



Valuation

Period	Revenue growth	NOPAT margin	ROIC/WACC
Base Year	25.0%	26.2%	1.75
1/3/2017	16.2%	20.9%	0.97
1/3/2018	8.5%	21.0%	0.99
1/3/2019	15.0%	21.9%	1.17
1/3/2020	14.5%	22.7%	1.32
1/3/2021	14.0%	24.2%	1.52
1/3/2022	13.2%	26.5%	1.80
1/3/2023	12.2%	28.8%	2.11
1/3/2024	11.2%	30.9%	2.41
1/3/2025	8.5%	30.9%	2.50
1/3/2026	5.7%	30.2%	2.79
Continuing Period	3.0%	30.2%	3.03

Period	Invested Capital	Net Claims	Price per share
Base Year	$450.11	$132.30	$18.67
1/3/2017	$460.33	$99.01	$22.85
1/3/2018	$391.45	-$5.57	$27.31
1/3/2019	$457.06	-$84.28	$31.98
1/3/2020	$468.47	-$224.30	$37.42
1/3/2021	$522.23	-$360.81	$42.95
1/3/2022	$697.16	-$526.82	$48.77
1/3/2023	$1,022.65	-$822.84	$54.77
1/3/2024	$1,148.24	-$1,161.46	$60.82
1/3/2025	$1,290.98	-$1,572.28	$66.76
1/3/2026	$1,446.83	-$2,058.28	$72.45
Continuing Period			

Lionbridge Technologies, Inc.

NASDAQ:LIOX

Analyst: Thomas Marano
Sector: Technology

BUY

Price Target: $10.86

Key Statistics as of 10/13/2016

Market Price:	$4.75
Industry:	IT Services
Market Cap:	$278.49M
52-Week Range:	$3.90- $6.26
Beta:	1.39

Catalysts:

- Recently Awarded Patent
- Milestones in Second Quarter

Company Description:

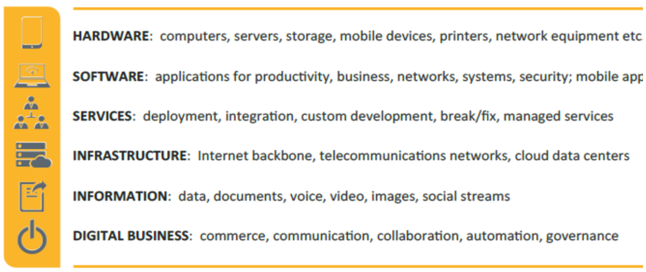
Lionbridge Technologies Inc. was founded in 1996 by Rory Cowan in Waltham, Massachusetts and is the world's number one globalization corporation. Lionbridge provides services to clients such as Microsoft, Google, Adobe systems, and Samsung Group. Lionbridge provides the world's top brands with resolutions to translation and localization, global marketing, and website translation complications. Translating in over 380 languages across over 100 markets Lionbridge is extremely efficient to global corporations. Their most popular service being translation, allows business to grow internationally without having a language barrier to worry about. Lionbridge tailors to the client's native language and culture, making the corporation to client services flow much smoother. The software provided also has the ability to translate voicemails, emails, training videos, applications, overall websites and much more.

Thesis

Lionbridge technologies, Inc. (NASDAQ: LIOX) is the world's largest localization firm and continues to grow each year. As digital, social, and mobile content remain on the rise Lionbridge technologies continues to outperform their competition and continue to introduce new and innovative software to their clients. Lionbridge combines both language expertise and operational capabilities that any global corporation needs to maintain their domestic and foreign clients. Partnering with thousands of corporations, Lionbridge has reduced the complexities of multilingual content management, increased production, and accelerated global growth. The company has shown notable year to year growth for the past 7 years and has an optimistic outlook for the coming years. Compared to the industry competition, Lionbridge Technology has been ranked as one of the top 20 outsourcing companies every year since 2006 and was named 2016 CUSTOMER Magazine product of the year, hitting major milestones in their journey as a corporation. Due to their large client base and accredited status, I believe Lionbridge Technologies has a promising future.

Industry Outlook

2016 is predicted to be a massive year for digital transformation. With employment from 2015 growing by an annual rate of nearly 40%, the IT industry is thriving with job opportunities and continues to expand as an industry. The US IT sector on average employs 5.9 million workers in both technical and non-technical roles. Such as software developers, network administrators, human resources, or marketing. Information Technology can be broken down into 6 segments, Hardware, Software, Services, Infrastructure, Information, and Digital Business.



Since the start of the year Lionbridge as a corporation has been at their peak of diversification, employing approximately 50% of the workforce in technical roles and 50% in non-technical roles.

With potential to record the highest job growth rate in over a decade, the IT workforce consists of workers spanning across every sector of the economy. This shows how diversified the Technology/IT industry is. Overall the technology industry has been thriving and shows a very promising future.

This year, revenue is expected to reach 3.8 trillion, up from 3.7 trillion in 2015, with the United States accounting for nearly 31%, South America 9%, Europe 24%, Africa 7%, and finally China with 29%. The vast majority of spending stems from purchases by business/enterprises and a small portion of consumer spending. However similar to most industries within the US economy, the IT sector is dominated by small businesses.

Porters Five Forces

Porter's five forces is a powerful tool that is useful for understanding where power lies within a business. This tool is used to determine if new products have to potential to be profitable.

Bargaining power of supplier: **Medium – 50**

Lionbridge Technologies is highly dependent on its suppliers. Due to their extensive global clients, Lionbridge is extremely dependent on their suppliers to consistently produce quality software and computer programs. Although they have solution centers in 27 countries, the buyers are still expecting a quality software that will last.

Bargaining power of customers: **Medium- 50**

Consumers do not have a strong bargaining power when it comes to prices. Lionbridge has consistently outperformed the competition and have had an extremely high retention rate. If customers are not willing to pay the standard price, they can potentially face the consequences associated with a lower quality service.

Intensity of existing rivalry: **Medium- 42**

Lionbridge Technologies has many competitors such as SDL PLC, Translations.com INC., and Wipro Technologies. Rivalry among these competitors is high however Lionbridge has consistently outperformed by offering multiple services. In contrast to the rest of the competition that specialize in one or two of the many areas Lionbridge covers. Lionbridge Technologies software is essential to many global corporations, therefore most customers are loyal and do not seek out rival competitors.

Threat of new competition: **Medium/High-67**

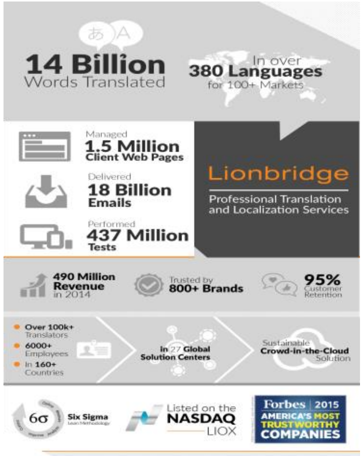
Entering this industry is extremely challenging. To be successful companies must provide a similar if not more superior software. In regards to Lionbridge technologies, it would be extremely challenging to compete with them due to the plethora of solution services they provide such as language translation services, global marketing service, website translation and localization service, engineering technical publications and training, enterprise crowdsourcing, and testing service. All of which can be broken down into further subservices.

Threat of substitutes: **High- 75**

With the technology sector being on the rise there is a high threat of substitutes. More college students are studying computer programing and technology, which could possibly lead to the creation a superior program. However, similarly to what was said earlier, Lionbridge Technologies differentiates its self from competitors by the quality and versatility of their services. It would be challenging to substitute a consistent service.

Product Differentiation

Rated as one of Americas Most Trustworthy Companies by Forbes in 2015, Lionbridge has consistently proved that they provide their clients with superior technology that makes the day to day running of their business more efficient. Lionbridge has a plethora of product lines and services that focus on making activities easier for corporations. They service in three main areas, Language Translation Services, Global marketing Services, and Website Translation and Localization Services. Specializing in language translation for these industries: Technology, Life Sciences, Financial Services and Banking, Automotive, Industrial Manufacturing, Travel and Hospitality, and Video Games. They consistently outperform competition by translating over 380 languages and offering solution centers in 27 countries, providing convenience for global corporations. Lionbridge has an outstanding customer retention rate of 95%, proving that they have a quality service that consistently keeps their customers satisfied.



Financials and Ratios

Multiple things stand out when viewing Lionbridge Technologies financials. Financial highlights for the second quarter include, record revenue of 144.2 Million, an increase of $7.7 million (6%) compared to Q1 of 2016. GAAP net of $.06 has increased compared to the start of 2016. As well as non-GAAP earnings of $.14 per share or a $.05 increase from Q1 of 2016. Lionbridge also had a 53% ($7.8 million) improvement in cash flow operations compared to Q2 of 2015. Gross margin was up 50% as well, showing signs of their revenue increase.

On a year to year basis there has been an increase of $428,000 compared to Q2 2015. Compared to 2011, revenue has grown from $428 million to $560 million in 2015. This growth shows an increase in profit and therefore an increase in purchased product from consumers. EBITDA has also increased these past 5 years from $11 million to $31 million. Earnings per share have significantly rose during 2011-2015 from .03 to .24, which overall acts as an indicator for Lionbridge Technologies profitability.

Important Dates and Catalysts

Lionbridge Technologies was awarded a patent for real-time translation solutions on August 10th 2016. The patent was received for its GeoFluent real-time translation solution that enables contact centers to conveniently provide consistent multilingual communication across all channels. Lionbridge Technologies received this patent due to two unique features that support corporations across multiple nations without having to establish new in-country operations or hire multilingual agents. Lionbridge also received this because they support approximately 95% of the world's GDP languages. This patent is extremely useful in valuing Lionbridge Technology. It is a clear sign that Lionbridge provides a quality service and this patent can be used as a reference in assessing the quality of their service.

Lionbridge Technologies services over 800 brands, including some big name corporations. Such brands include, Microsoft, Nikon, Audi, Dell, and Deutsch Bank. Due to the brand recognition, quality, and overall use of software, Lionbridge has attracted new customers that further add to their positive image. In the Q2 2016 earning call CEO Rory Cowan clarified that Lionbridge Technologies hit very strong milestones during the past quarter. They've remained on track with their overall goal of reaching $100 million this year and secured very large scale wins with consumer cloud companies such as Netflix, Airbnb, and Amazon. Overall they increased shares with many of their large existing accounts with new programs at Google, Apple, and VMWare. Finally maintaining stability and securing a number of new wins with their largest company, Microsoft. In fact, they have been recently discussing a deal in the gaming sector of Microsoft which has the potential to lead to huge growth.

Summary

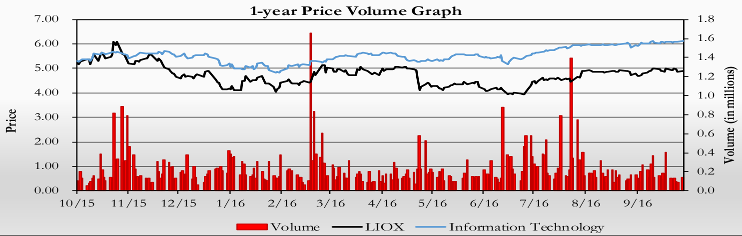
Lionbridge Technology has consistently outperformed both domestic and international competitors with their global marketing and language service and definitely has growth opportunities. They continue to grow year after year which proves that their services are consistent and useful. Which has been noted with their patents and awards. As Lionbridge attracts larger companies, this will further add to its accredited status, potentially leading to an increase in revenue. With the technology industry booming and as more corporations expand and grow internationally, I believe Lionbridge's software will prove its self very useful. Overall keeping their status as the number one globalization corporation. I recommend buy because I believe that this stock is undervalued and will grow in the upcoming months. CEO Rory Cowan has hit his targeted goals set and is on track for hitting his future milestones. Again, I recommend buy due to the potential this corporation has, the milestones they've hit, and the consistency they have provided.

Siena Market Line
2nd week of October 2016

CENTER FOR GLOBAL FINANCIAL STUDIES

Lionbridge Technologies Inc. (LIOX) — **BULLISH**

Analysis by Thomas Marano	Current Price:	$4.76	Intrinsic Value	$2.44	Target 1 year Return: 128.41%
10/13/2016	Divident Yield:	0.0%	Target Price	$10.86	Probability of Price Increase: 100%



Description

Lionbridge Technologies, Inc., together with its subsidiaries, provides language, content, and testing solutions worldwide.

General Information

Sector	Information Technology
Industry	IT Services
Last Guidance	November 3, 2015
Next earnings date	November 5, 2016
Estimated Country Risk Premium	10.25%
Effective Tax rate	25%
Effective Operating Tax rate	25%

Market Data

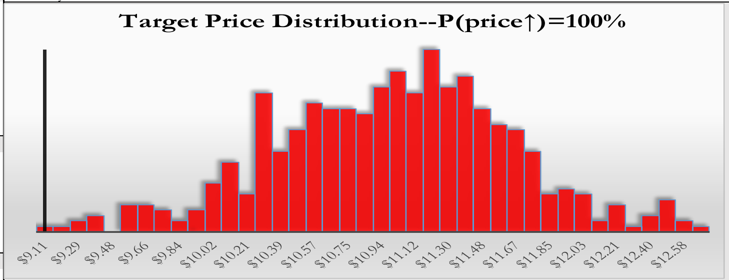
Market Capitalization	$278.49
Daily volume (mil)	0.06
Shares outstanding (mil)	58.14
Diluted shares outstanding (mil)	61.30
% shares held by institutions	57%
% shares held by investments Managers	50%
% shares held by hedge funds	29%
% shares held by insiders	15.11%
Short interest	1.30%
Days to cover short interest	3.26
52 week high	$6.26
52-week low	$3.90
Levered Beta	1.39
Volatility	41.16%

Past Earning Surprises

Quarter ending	Revenue	EBITDA
6/30/2015	-0.89%	-18.25%
9/30/2015	-5.84%	-30.75%
12/31/2015	-0.49%	-47.22%
3/31/2016	-1.58%	-31.91%
6/30/2016	-2.24%	-31.57%
Mean	-2.21%	-31.94%
Standard error	1.0%	4.6%

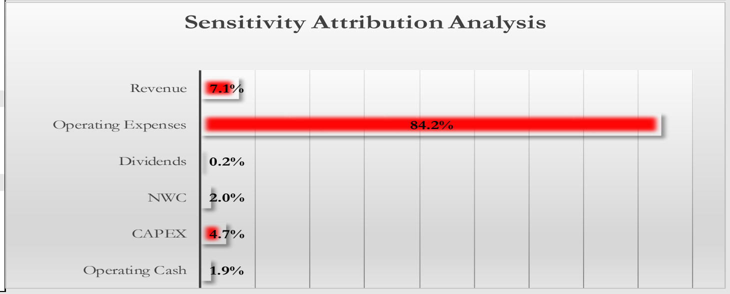
Peers

Virtusa Corporation

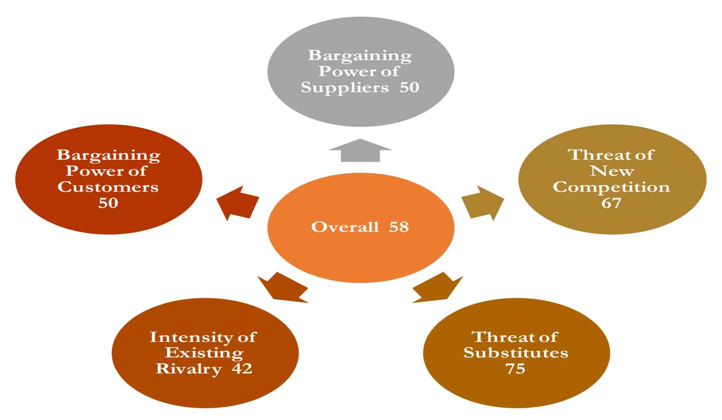


Management	Position	Total compensations growth	Total return to shareholders
Cowan, Rory	Founder, Chairman, Chief Exe	6.12% per annum over 5y	-6.04% per annum over 5y
Litz, Marc	Chief Financial Officer and	N/M	0% per annum over 0y
Shannon, Paula	Chief Sales Officer and Seni	-3.05% per annum over 5y	-6.04% per annum over 5y
Osofsky, Marc	Senior Vice President and Ge	11.47% per annum over 3y	10.4% per annum over 3y
Tobin, Richard	Senior Vice President of Glo	49.4% per annum over 2y	-9.24% per annum over 2y
Buda, Sara	Vice President of Investor R	N/M	N/M

Profitability	LIOX (LTM)	LIOX (5 years historical average)	Industry (LTM)
ROIC	10.6%	17.52%	17.81%
NOPAT Margin	7%	9.00%	18.6%
Revenue/Invested Capital	1.58	1.95	0.96
ROE	15.2%	24.64%	22.09%
Adjusted net margin	6%	8.78%	16.3%
Revenue/Adjusted Book Value	2.42	2.81	1.35
Invested Funds	**LIOX (LTM)**	**LIOX (5 years historical average)**	**Industry (LTM)**
Total Cash/Total Capital	6.7%	10.6%	27%
Estimated Operating Cash/Total Capital	6.7%	9.7%	N/A
Non-cash working Capital/Total Capital	12.3%	11.2%	-1%
Invested Capital/Total Capital	100.1%	99.2%	75%
Capital Structure	**LIOX (LTM)**	**LIOX (5 years historical average)**	**Industry (LTM)**
Total Debt/Common Equity (LTM)	0.60	0.27	0.32
Cost of Existing Debt	2.78%	2.24%	5.71%
Estimated Cost of new Borrowing	2.03%	1.24%	5.71%
CGFS Risk Rating	AA	AAA	B
Unlevered Beta (LTM)	1.06	1.03	0.92
WACC	13.58%	13.32%	12.91%



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



Valuation

Period	Revenue growth	NOPAT margin	ROIC/WACC
Base Year	7.6%	6.7%	0.78
6/30/2017	0.7%	4.8%	0.54
6/30/2018	1.0%	4.6%	0.52
6/30/2019	1.4%	4.5%	0.55
6/30/2020	1.7%	4.4%	0.56
6/30/2021	2.0%	4.3%	0.58
6/30/2022	2.4%	4.3%	0.61
6/30/2023	2.7%	4.2%	0.64
6/30/2024	3.1%	4.1%	0.68
6/30/2025	3.4%	4.1%	0.73
6/30/2026	3.7%	4.0%	0.78
Continuing Period	4.1%	4.1%	0.86

Period	Invested Capital	Net Claims	Price per share
Base Year	$180.17	$143.21	$2.06
6/30/2017	$217.38	$93.95	$2.92
6/30/2018	$237.35	$32.02	$3.83
6/30/2019	$254.88	-$27.48	$4.72
6/30/2020	$354.98	-$87.08	$5.58
6/30/2021	$383.84	-$146.99	$6.45
6/30/2022	$379.51	-$204.34	$7.26
6/30/2023	$363.51	-$260.73	$8.04
6/30/2024	$349.49	-$316.16	$8.78
6/30/2025	$334.45	-$370.61	$9.49
6/30/2026	$319.46	-$424.05	$10.15
Continuing Period			