

1-page summaries of every position currently held in the Titan Core Equity & Titan Alternative strategies; including the positive, negatives, and overall value.

Titan – Equity List

Tear Sheet Review 1H 2021

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Adobe Inc		ADBE
Market Cap.	ROIC/WACC	Industry
\$226.2B	3.0x	Information Technology

Company Description

Adobe Systems is the house that desktop publishing software built, and now it helps customers create, distribute, and manage digital content from the cloud. One of the top publishing software providers, it has been known for brands such as Acrobat, Photoshop, Flash, and Dreamweaver. Adobe serves customers such as content creators and web application developers with its digital media products, and marketers, advertisers, publishers, and others with its digital marketing business. A long-time publisher of traditional software packages, Adobe is moving its products to cloud-based versions. Subscriptions account for about 80% of revenue.

The Good

- Revenue continues to grow double digits as the number of single account subscriptions (highest margin) are on the rise. This largely stems from education and students who are being forced to adopt e-learning on all levels from Kindergarten to High Education and Professional programs.
- Despite COVID limiting travel, the sales channel of ADBE has lost little steam despite sales costs falling on less travel and conferences. This provides a lift to margins on the cost side as well as hiring taking a step back.
- Adobe finds itself becoming a staple for firms to measure marketing and digital advertisement effectiveness, which is paramount to success. In addition, the firm's migration to CRM is further insulating revenue from the cyclicity of advertising.

The Bad

- Salesforce is a worthy competitor in the CRM space. Despite both firms exhibiting impressive growth trends, it could erupt into a price war and limit margin expansion.
- The lack of global commerce may limit growth for the time being as firms around the world face logistical issues that may incentivize less spending on global advertising.

The Value

Adjusted Present Value

Equity Snapshot	5YR CAGR				
Growth	4.75%	21.82%			
Discount	6.52%				
Time	1	2	3	4	5
Discount Factor	0.94111598	0.885513	0.827429	0.762381	0.70412286
Free Cash Flow	\$6,388	\$5,230	\$6,033	\$7,119	\$7,960
Discounted FCF	\$6,012	\$4,631	\$4,992	\$5,428	\$5,605
Terminal Value					\$332,580
Enterprise Value	\$359,247				Terminal Weight
Outstanding Debt	\$4,150				92.58%
Equity Value	\$355,097				
Shares Outstanding	478.7				
Share Price	\$741.80				

Current Share Price \$472.44

	Sensitivity Analysis								
	5.59%	5.84%	6.09%	6.34%	6.59%	6.84%	7.09%	7.34%	7.59%
3.75%	\$707.20	\$628.23	\$566.14	\$516.03	\$474.75	\$440.14	\$410.72	\$385.39	\$363.37
4.00%	\$812.84	\$708.79	\$629.63	\$567.39	\$517.16	\$475.78	\$441.09	\$411.60	\$386.21
4.25%	\$957.90	\$814.68	\$710.38	\$631.03	\$568.64	\$518.29	\$476.81	\$442.04	\$412.47
4.50%	\$1,169.50	\$960.08	\$816.52	\$711.97	\$632.44	\$569.89	\$519.42	\$477.84	\$442.99
4.75%	\$1,507.05	\$1,172.18	\$962.27	\$818.36	\$713.56	\$633.84	\$571.14	\$520.55	\$478.87
5.00%	\$2,130.65	\$1,510.53	\$1,174.87	\$964.45	\$820.20	\$715.15	\$635.24	\$572.39	\$521.68
5.25%	\$3,671.34	\$2,135.62	\$1,514.02	\$1,177.55	\$966.64	\$822.04	\$716.75	\$636.64	\$573.65
5.50%	\$13,771.35	\$3,679.94	\$2,140.58	\$1,517.50	\$1,180.24	\$968.82	\$823.89	\$718.34	\$638.04
5.75%	-\$7,691.18	\$13,803.87	\$3,688.55	\$2,145.54	\$1,520.98	\$1,182.92	\$971.00	\$825.73	\$719.93

Upside/Downside Capture	
U/D Capture	(74.8)x
FV Discount	63.69%

Amazon		AMZN
Market Cap.	ROIC/WACC	Industry
\$1,651.9B	1.5x	Consumer Discretionary

Company Description

What began as Earth's biggest bookstore has become Earth's biggest everything store. Expansion has propelled Amazon.com in innumerable directions. While the website still offers millions of books, movies, games, and music, and other items (ordered and delivered in as short as 1-day), the company has become much more. It is the dominant cloud service provider, and influential entertainment company, and recently grocer with the acquisition of Whole Foods. Lastly, the firm has become a leader in digital personal assistant devices with Alexa and its Echo product line.

The Good

- Amazon dominates pretty much all facets of retail with only a few niche categories remaining. This has created such buyer power that brand name retailers are begging to be sold directly through Amazon, increasing margins. Amazon is set on expanding this power to India and emerging markets.
- COVID has resulted in e-commerce (which was already taking market share from brick and mortar) accelerating its market share weight. This has resulted in a spike in orders from non-Prime members and margins.
- Amazon Web Services is at the forefront of artificial intelligence and machine learning. Revenue is growing at 29% with over 500K SMB clients reporting record sales. This highlights the "need" of cloud servers and lays the ground work for growth and margin to expand.
- Management has accelerated CAPEX in the face of COVID to build up capacity for both logistics and distribution. This has now set a lower CAPEX bar heading into 2021 and provides the means to accelerate free cash flow.

The Bad

- Management is taking on more labor and overhead to meet the demands from e-commerce. This will be a delicate balancing act as it runs the risk of overspending on something that could fade.
- The FTC is gearing up to investigate the firm over fears that Amazon has too much power at the detriment of its competitors. This could cause a catalyst of the firm divesting, but would also expose politicians to SMBs facing higher costs.

The Value

Adjusted Present Value

Equity Snapshot	SYR CAGR					
Growth	4.50%	28.29%				
Discount	6.55%					
Time	1	2	3	4	5	
Discount Factor	0.94099546	0.88517074	0.8265292	0.7607666	0.70226368	
Free Cash Flow	\$22,501	\$25,963	\$36,365	\$55,290	\$67,698	
Discounted FCF	\$21,173	\$22,982	\$30,057	\$42,063	\$47,542	
Terminal Value					\$2,426,311	
Enterprise Value	\$2,590,128	Leases				Terminal Weight
Outstanding Debt	\$32,250	\$85,650				93.68%
Equity Value	\$2,557,878	\$2,504,478				
Shares Outstanding	501.8	501.8				
Share Price	\$5,097.40	\$4,990.99				

Current Share Price \$3,292.23

	Sensitivity Analysis								
	5.58%	5.83%	6.08%	6.33%	6.58%	6.83%	7.08%	7.33%	7.58%
3.50%	\$4,976.55	\$4,470.71	\$4,062.91	\$3,727.16	\$3,445.91	\$3,206.89	\$3,001.26	\$2,822.47	\$2,665.59
3.75%	\$5,633.53	\$4,987.93	\$4,480.88	\$4,072.09	\$3,735.53	\$3,453.60	\$3,214.00	\$3,007.87	\$2,828.65
4.00%	\$6,498.41	\$5,646.47	\$4,999.32	\$4,491.04	\$4,081.27	\$3,743.90	\$3,461.29	\$3,221.12	\$3,014.49
4.25%	\$7,688.44	\$6,513.40	\$5,659.41	\$5,010.71	\$4,501.21	\$4,090.45	\$3,752.27	\$3,468.98	\$3,228.23
4.50%	\$9,429.41	\$7,706.25	\$6,528.39	\$5,672.35	\$5,022.09	\$4,511.37	\$4,099.63	\$3,760.64	\$3,476.67
4.75%	\$12,219.16	\$9,451.35	\$7,724.06	\$6,543.38	\$5,685.30	\$5,033.48	\$4,521.54	\$4,108.81	\$3,769.00
5.00%	\$17,413.87	\$12,247.70	\$9,473.28	\$7,741.87	\$6,558.38	\$5,698.24	\$5,044.87	\$4,531.71	\$4,117.99
5.25%	\$30,479.34	\$17,454.71	\$12,276.24	\$9,495.21	\$7,759.68	\$6,573.37	\$5,711.18	\$5,056.26	\$4,541.87
5.50%	\$125,204.02	\$30,551.12	\$17,495.54	\$12,304.77	\$9,517.14	\$7,777.49	\$6,588.36	\$5,724.13	\$5,067.64

Upside/Downside Capture	
U/D Capture	194.5x
FV Discount	64.59%

Apple		AAPL
Market Cap.	ROIC/WACC	Industry
\$2.34T	3.5x	Information Technology

Company Description

Ask Siri to name the most successful company in the world and it might respond: Apple. In terms of profit, revenue, market capitalization, and consumer cache it certainly ranks right up there. The iPhone, in its ninth and eighth generation, has been the company's golden goose. In addition to the iPhone, other familiar Apple products and services include MacBook computers and iPad tablets, as well as iTunes, the App store, and Apple Music. Primarily a consumer-oriented company, Apple has inked alliances with IBM, Accenture, General Electric, and Cisco Systems to deepen its penetration of the enterprise market. About 60% of revenues come from outside the Americas.

The Good

- While most know Apple for the iPhone, it's the iOS that will drive the company forward. The iOS operating system is growing over 16% and provides substantial barriers to entry all the while creating an annuity like stream of cash for the firm.
- The more users on iOS only increase the network effect of the operating system. This will give Apple the leverage with both buyers and suppliers of services as it constantly launches new iPhones, iPads, Macs, and iWatch.
- Apple Pay is now outpacing Paypal in terms of currency and volume. Lastly, management noted an increase in technology spending in the face of COVID that will benefit hardware.

The Bad

- Despite the iPhone 12 being released in October of 2020 management would not issuance guidance. This could be a function of simply the unknown or management indirectly acknowledging the rollout has been slower than expected.
- Management noted that foot traffic in Apple stores has still not returned to pre-COVID levels. This exposure headwind will most likely weigh on iPhone sales as consumers opt to hold onto their legacy iPhone.
- Shares have appreciated 131% since March of 2020. This has been justified by the sheer growth and trends of consumer spending, however, the valuation has become elevated.

The Value

Adjusted Present Value

Equity SnapShot	SVR CAGR				
Growth	3.50%	6.22%			
Discount	7.07%				
Time	1	2	3	4	5
Discount Factor	0.93805155	0.878894	0.817698	0.750506	0.6904716
Free Cash Flow	\$69,616	\$68,887	\$74,625	\$82,818	\$89,065
Discounted FCF	\$65,303	\$60,544	\$61,021	\$62,156	\$61,497
Terminal Value					\$1,784,098
Enterprise Value	\$2,094,619				Terminal Weight
Outstanding Debt	\$105,450				85.18%
Equity Value	\$1,989,169				
Shares Outstanding	17,001.8				
Share Price	\$117.00				

Current Share Price \$139.07

	Sensitivity Analysis								
	6.06%	6.31%	6.56%	6.81%	7.06%	7.31%	7.56%	7.81%	8.06%
2.50%	\$116.21	\$109.37	\$103.38	\$98.08	\$93.37	\$89.14	\$85.33	\$81.88	\$78.74
2.75%	\$124.34	\$116.46	\$109.61	\$103.60	\$98.29	\$93.57	\$89.33	\$85.51	\$82.05
3.00%	\$133.81	\$124.62	\$116.71	\$109.85	\$103.83	\$98.50	\$93.76	\$89.52	\$85.69
3.25%	\$144.97	\$134.11	\$124.89	\$116.97	\$110.08	\$104.05	\$98.71	\$93.96	\$89.71
3.50%	\$158.30	\$145.29	\$134.40	\$125.16	\$117.22	\$110.32	\$104.27	\$98.92	\$94.16
3.75%	\$174.52	\$158.65	\$145.61	\$134.70	\$125.44	\$117.48	\$110.56	\$104.49	\$99.13
4.00%	\$194.67	\$174.91	\$159.01	\$145.93	\$135.00	\$125.71	\$117.73	\$110.80	\$104.72
4.25%	\$220.39	\$195.11	\$175.30	\$159.36	\$146.25	\$135.29	\$125.98	\$117.98	\$111.03
4.50%	\$254.36	\$220.89	\$195.55	\$175.69	\$159.71	\$146.58	\$135.59	\$126.26	\$118.24

Upside/Downside Capture	
U/D Capture	1.9x
FV Discount	118.87%

Autozone Inc.		AZO
Market Cap.	ROIC/WACC	Industry
\$27.9B	3.9x	Consumer Discretionary

Company Description

With 5,885 stores in the US, AutoZone is one of the nation's leading auto parts chains. It also has more than 620 stores in Mexico and about 35 in Brazil. AutoZone stores sell failure parts (alternators, engines, batteries) maintenance items (oil, antifreeze), and discretionary merchandise and accessories (car stereos, floor mats) under brands names and private labels. AutoZone's commercial sales program provides credit and distributes parts and other products to garages, dealerships, and other businesses. The company operates an electronic parts catalogue, Z-net, that provides a wide range of information on parts for employees and customers.

The Good

- Both the retail and commercial auto market are ripe for growth. Miles driven and the average car age are at all-time highs. In addition, COVID has caused a catalyst or migration from metropolitan areas to suburbia. This will also create incremental demand from retail as public transportation will be limited.
- Commercial demand is growing at 12% as management has now fitted the majority of stores to act as a distribution center for commercial clients.
- The growth in EV will force the firm to adopt a new product set and clientele. Management is one of the few auto parts providers that has the ability to quickly achieve scale with this new client.
- Management has accrued an all-time high of cash on the balance sheet. This is setting the stage for management to take shareholder friendly activity in the form of a buyback, dividend, and/or some other activity.

The Bad

- Management has done an excellent job of building out its e-commerce presence. Nonetheless, competitors such as AMZN will always be present and limit the ability to push prices higher.
- Mother nature is an unfortunate variable that sales can fall victim to with little hedge in place. Thus, a mild winter may prevent car maintenance as cold weather tends to highlight auto needs.

The Value

Adjusted Present Value

Equity Snapshot	5YR CAGR				
Growth	1.50%	4.40%			
Discount	6.35%				
Time	1	2	3	4	5
Discount Factor	0.9429449	0.8884243	0.830831	0.766133	0.707974
Free Cash Flow	\$1,801	\$1,743	\$1,900	\$1,922	\$2,156
Discounted FCF	\$1,699	\$1,548	\$1,578	\$1,472	\$1,527
Terminal Value					\$31,941
Enterprise Value	\$39,765	Leases			Terminal Weight
Outstanding Debt	\$5,425	\$8,425			80.32%
Equity Value	\$34,340	\$31,340			
Shares Outstanding	22.8	22.8			
Share Price	\$1,506.13	\$1,374.55			

Current Share Price \$1,227.16

	Sensitivity Analysis								
	5.31%	5.56%	5.81%	6.06%	6.31%	6.56%	6.81%	7.06%	7.31%
0.50%	\$1,504.13	\$1,435.01	\$1,372.40	\$1,315.42	\$1,263.35	\$1,215.57	\$1,171.58	\$1,130.94	\$1,093.29
0.75%	\$1,584.49	\$1,507.60	\$1,438.32	\$1,375.55	\$1,318.43	\$1,266.23	\$1,218.33	\$1,174.23	\$1,133.49
1.00%	\$1,674.18	\$1,588.16	\$1,511.08	\$1,441.62	\$1,378.71	\$1,321.44	\$1,269.11	\$1,221.10	\$1,176.88
1.25%	\$1,774.91	\$1,678.06	\$1,591.83	\$1,514.56	\$1,444.93	\$1,381.86	\$1,324.45	\$1,271.99	\$1,223.86
1.50%	\$1,888.87	\$1,779.04	\$1,681.95	\$1,595.50	\$1,518.04	\$1,448.24	\$1,385.01	\$1,327.47	\$1,274.87
1.75%	\$2,018.82	\$1,893.26	\$1,783.16	\$1,685.83	\$1,599.17	\$1,521.52	\$1,451.55	\$1,388.16	\$1,330.48
2.00%	\$2,168.41	\$2,023.53	\$1,897.65	\$1,787.28	\$1,689.71	\$1,602.84	\$1,525.00	\$1,454.86	\$1,391.31
2.25%	\$2,342.45	\$2,173.47	\$2,028.23	\$1,902.05	\$1,791.40	\$1,693.60	\$1,606.51	\$1,528.48	\$1,458.16
2.50%	\$2,547.44	\$2,347.92	\$2,178.53	\$2,032.93	\$1,906.44	\$1,795.53	\$1,697.48	\$1,610.19	\$1,531.96

Upside/Downside Capture	
U/D Capture	9.9x
FV Discount	81.48%

Brighthouse Financial Inc.		BHF
Market Cap.	ROIC/WACC	Industry
\$3.6B	7.4x	Financials

Company Description

Brighthouse Financial Inc. provides insurance and investment management services. The company offers shield, variable, guaranteed, income, and fixed annuities, as well as life insurance, retirement planning, and financial advisory services. Brighthouse Financial serves customers in the United States.

The Good

- While advertised as an investment management service, management's primary focus (60% of sales) is selling annuities. These are high margin products (hence while they are pushed so much) and become even more accretive to margin as yields rise.
- The other portion of revenue, life insurance (17%) also benefits as interest rates rise. This is especially the case as the yield curve steepens and provides the opportunity for management to invest premiums into higher yielding bonds.
- Annuities and life insurance are more insulated from consumer demand than mortgages. All else equal, consumer demand may take a step back in mortgages as the cost of financing rises.

The Bad

- Annuities are incredibly opaque in terms of fees. Fees can be anywhere from 1 – 10% of the annuity value on an annual basis. This is incredibly expensive. This is especially the case when comparing to investment management.
- Annuities and life insurance are simply products. These products have no fiduciary obligation and could quickly fall out of favor if consumers become aware of this fact.
- A drop in yields across the board would be a net negative to the firm. This would force premium dollars to be invested into a lower interest rate environment and thereby limit the net interest margin.

The Value

Adjusted Present Value

Equity Snapshot	SYR CAGR					
Growth	0.75%	-3.24%				
Discount	6.98%					
Time	1	2	3	4	5	
Discount Factor	0.9381571	0.87741	0.817412	0.745549	0.679532	
Free Cash Flow	\$645	\$671	\$869	\$928	\$942	
Discounted FCF	\$605	\$588	\$710	\$692	\$640	
Terminal Value					\$10,355	
Enterprise Value	\$13,591	Collateral				Terminal Weight
Outstanding Debt	\$4,955	\$9,346				76.19%
Equity Value	\$8,636	\$4,245				
Shares Outstanding	89.5	89.5				
Share Price	\$96.49	\$47.43				

Current Share Price \$40.56

	Sensitivity Analysis								
	6.00%	6.25%	6.50%	6.75%	7.00%	7.25%	7.50%	7.75%	8.00%
-0.25%	\$94.96	\$90.57	\$86.51	\$82.73	\$79.22	\$75.94	\$72.87	\$69.99	\$67.29
0.00%	\$100.02	\$95.25	\$90.85	\$86.77	\$82.99	\$79.46	\$76.17	\$73.10	\$70.21
0.25%	\$105.51	\$100.32	\$95.54	\$91.12	\$87.04	\$83.24	\$79.71	\$76.41	\$73.33
0.50%	\$111.51	\$105.83	\$100.62	\$95.82	\$91.40	\$87.30	\$83.50	\$79.96	\$76.65
0.75%	\$118.07	\$111.83	\$106.14	\$100.91	\$96.11	\$91.67	\$87.57	\$83.75	\$80.20
1.00%	\$125.30	\$118.42	\$112.16	\$106.45	\$101.21	\$96.40	\$91.95	\$87.83	\$84.01
1.25%	\$133.28	\$125.65	\$118.76	\$112.48	\$106.76	\$101.51	\$96.68	\$92.22	\$88.10
1.50%	\$142.15	\$133.66	\$126.01	\$119.10	\$112.81	\$107.07	\$101.81	\$96.97	\$92.50
1.75%	\$152.06	\$142.55	\$134.03	\$126.37	\$119.44	\$113.14	\$107.38	\$102.11	\$97.25

Upside/Downside Capture	
U/D Capture	(4.2)x
FV Discount	42.04%

C.H. Robinson Worldwide Inc.		CHRW
Market Cap.	ROIC/WACC	Industry
\$13.3B	2.7x	Industrials

Company Description

C.H. Robinson Worldwide is a third-party logistics (3PL) provider. The company contracts with more than 76,000 carriers, including trucks, trains, ships, and airplanes, to arrange freight transportation for its 124,000-plus customers in the food and beverage, manufacturing, and retail industries. Using its proprietary Navishpere platform, the company handles about 18 million shipments annually. Besides C.H. Robinson also offers logistics, supply chain management, and transportation management services. It operates worldwide but generates about 85% of its revenue in the US.

The Good

- Revenue increased 9.6% as the demand for distribution across the world escalated in the face of COVID. COVID has accelerated the trend towards e-commerce and provides a long-term tailwind to the 3PL market.
- The spot market for distribution is near an all-time high on the back of demand. Management has 60% of its contracts coming due and will have the ability to lock in this revenue at a higher rate.
- Management's focus on automation will see some of the first automated trucks traveling across state borders. This technology will be a massive cut to the largest expense, labor.

The Bad

- While demand is rising, so are costs. Expenses grew 15% as management is paying a premium for labor as driver shortages continue to plague the industry.
- As long as COVID and tariffs limit international trade, Air & Ocean freight will most likely remain weak. Both Air & Ocean come with high overhead and need volume to achieve a point of scale.

The Value

Adjusted Present Value

Equity Snapshot	SYR CAGR					
Growth	1.75%	3.20%				
Discount	5.75%					
Time	1	2	3	4	5	
Discount Factor	0.9479585	0.8983353	0.845832	0.784492	0.729133	
Free Cash Flow	\$631	\$761	\$879	\$795	\$711	
Discounted FCF	\$599	\$684	\$743	\$623	\$518	
Terminal Value					\$13,193	
Enterprise Value	\$16,360	Leases				Terminal Weight 80.64%
Outstanding Debt	\$1,100	\$1,375				
Equity Value	\$15,260	\$14,985				
Shares Outstanding	135.9	135.9				
Share Price	\$112.29	\$110.27				

Current Share Price \$97.80

	Sensitivity Analysis								
	4.78%	5.03%	5.28%	5.53%	5.78%	6.03%	6.28%	6.53%	6.78%
0.75%	\$110.57	\$105.00	\$100.05	\$95.61	\$91.61	\$88.00	\$84.70	\$81.70	\$78.94
1.00%	\$117.13	\$110.81	\$105.22	\$100.26	\$95.81	\$91.80	\$88.18	\$84.88	\$81.86
1.25%	\$124.62	\$117.38	\$111.04	\$105.45	\$100.47	\$96.01	\$91.99	\$88.36	\$85.05
1.50%	\$133.25	\$124.89	\$117.63	\$111.28	\$105.67	\$100.68	\$96.21	\$92.18	\$88.54
1.75%	\$143.30	\$133.54	\$125.16	\$117.89	\$111.52	\$105.89	\$100.89	\$96.41	\$92.37
2.00%	\$155.16	\$143.62	\$133.83	\$125.43	\$118.14	\$111.75	\$106.12	\$101.10	\$96.61
2.25%	\$169.37	\$155.51	\$143.93	\$134.12	\$125.70	\$118.39	\$111.99	\$106.34	\$101.31
2.50%	\$186.69	\$169.75	\$155.85	\$144.25	\$134.41	\$125.97	\$118.64	\$112.23	\$106.56
2.75%	\$208.28	\$187.11	\$170.12	\$156.19	\$144.56	\$134.70	\$126.24	\$118.90	\$112.46

Upside/Downside Capture	
U/D Capture	5.9x
FV Discount	87.09%

Church & Dwight Co.		CHD
Market Cap.	ROIC/WACC	Industry
\$21.1B	3.4x	Consumer Staples

Company Description

Whether you call it sodium bicarbonate or plain old baking soda, Church & Dwight manufactures and market a broad range of consumer household and personal care products and specialty products under the ARM & HAMMER brand and over 10 other brands. The company's household products and specialty products include laundry detergent (the company's top consumer business by sales), fabric softener sheets, cat litter, antiperspirants, oral care products, depilatories, reproductive health products, oral analgesics, nasal saline moisturizes, and dietary supplements. Beyond ARM & HAMMER, the company's top brands include XTRA and Oxiclean detergents, Nair depilatories, First Response pregnancy tests, Orajel toothpaste, L-il Critters, and Vitafusion gummy vitamin, SpinBrush toothbrushes, FLAWLESS hair removal products, and Trojan-brand condoms. More than 80% of sales are from the US.

The Good

- 50% of product sales come in the form of vitamins despite the consumer focus on brands such as Arm & Hammer. This creates a unique opportunity in a world defined by COVID. Consumers will most likely become health conscience and vitamins are a perfect catalyst for that trend as well as American's desire for pills.
- Management recently purchased Zicam (76% of the cough drop market). The focus will be to not only scale this brand, but also take advantage of consumers being proactive with their day to day remedies.
- Management has been incredibly disciplined with sales increasing 10% in 2020. This was especially impressive given the lack of foot traffic at discount stores.

The Bad

- The industry of baking soda, detergent, and toothpaste is fairly commoditized. Consumers can be fickle with brand preference and leave the industry susceptible to promotions and price wars.
- Despite the increase in sales witnessed in 2020, margins only saw a mild increase. This was a function of logistics and promotions, but highlights the sensitive nature to cost inputs.

The Value

Adjusted Present Value

Equity SnapShot	SYR CAGR				
Growth	1.75%	7.17%			
Discount	4.62%				
Time	1	2	3	4	5
Discount Factor	0.9578972	0.918414	0.873554	0.8191	0.76982
Free Cash Flow	\$876	\$818	\$1,033	\$1,105	\$1,135
Discounted FCF	\$840	\$751	\$902	\$905	\$874
Terminal Value					\$31,005
Enterprise Value	\$35,277				Terminal Weight
Outstanding Debt	\$1,825				
Equity Value	\$33,452				87.89%
Shares Outstanding	248.5				
Share Price	\$134.62				

Current Share Price \$85.54

	Sensitivity Analysis								
	3.68%	3.93%	4.18%	4.43%	4.68%	4.93%	5.18%	5.43%	5.68%
0.75%	\$130.72	\$121.22	\$113.10	\$106.09	\$99.97	\$94.58	\$89.79	\$85.52	\$81.69
1.00%	\$142.33	\$131.02	\$121.50	\$113.36	\$106.33	\$100.19	\$94.79	\$89.99	\$85.71
1.25%	\$156.32	\$142.66	\$131.32	\$121.77	\$113.62	\$106.57	\$100.41	\$95.00	\$90.19
1.50%	\$173.52	\$156.68	\$142.98	\$131.62	\$122.05	\$113.87	\$106.80	\$100.64	\$95.21
1.75%	\$195.18	\$173.92	\$157.04	\$143.31	\$131.92	\$122.33	\$114.13	\$107.04	\$100.86
2.00%	\$223.28	\$195.63	\$174.33	\$157.40	\$143.64	\$132.22	\$122.60	\$114.38	\$107.28
2.25%	\$261.20	\$223.80	\$196.09	\$174.73	\$157.77	\$143.97	\$132.52	\$122.88	\$114.64
2.50%	\$315.20	\$261.82	\$224.32	\$196.54	\$175.13	\$158.13	\$144.29	\$132.82	\$123.16
2.75%	\$398.23	\$315.95	\$262.43	\$224.85	\$197.00	\$175.53	\$158.49	\$144.62	\$133.12

Upside/Downside Capture	
U/D Capture	81.1x
FV Discount	63.54%

Citrix Systems		CTXS
Market Cap.	ROIC/WACC	Industry
\$15.7B	8.2x	Information Technology

Company Description

Software and devices from Citrix Systems make seamless connections between its customers' computer systems and networks and their employees' computer and mobile devices. With Citrix products, PCs, IP phones, smartphones, and other devices can get remote and secure access to applications across wired and wireless networks. Its product line includes application virtualization software (Citrix Virtual Apps and Desktops), networks access devices (Citrix ADC), cloud computing connectivity, and mobility applications (Citrix Endpoint Management). Citrix also offers managed online collaboration services for meetings, technical support, and remote desktop access. The US accounts for more than 50% of revenue.

The Good

- The modern employee is working remotely more and more often. This remote location requires connectivity and seamless integration into an employer portal and other documents. Citrix serves as this remote connector whether from home or working across the globe.
- Integration into large corporations equip management with data stemming from loyalty programs to employee productivity. This data is then monetized to create more efficient employees as well as promotions.
- Subscriptions are growing at over 150% with ARR up 40%. This not only highlights the transition from license to subscription, but also that re-occurring customers are trading up for more sophisticated products.
- Management will be lapping a promotion period in early 2020 that offered free licenses. A strong conversion to subscriptions will further boost revenue and margin.

The Bad

- Management recently acquired Wrike (cross collaboration and app delivery) in a move that seems to be reactive from CRM acquiring Slack. This seems indirect evidence that management knew they had some holes in their product offering and didn't seek to engage until competition arose.
- The shift from license to subscription is ongoing and does provide an opportunity for the client to reexamine other options. Fortunately, revenue has not turned south, but this risk remains.
- The combination of CRM and Slack creates a new competitor in the industry. While the industry is growing at large, this could result in a promotion environment that limits margin growth.

The Value

Adjusted Present Value

Equity SnapShot	SYR CAGR				
Growth	3.00%	-0.37%			
Discount	5.56%				
Time	1	2	3	4	5
Discount Factor	0.9497209	0.901692	0.849762	0.789809	0.735853
Free Cash Flow	\$909	\$1,031	\$1,159	\$1,314	\$1,299
Discounted FCF	\$863	\$929	\$985	\$1,037	\$956
Terminal Value					\$38,386
Enterprise Value	\$43,157	Leases			Terminal Weight
Outstanding Debt	\$1,750	\$1,951			88.95%
Equity Value	\$41,407	\$41,205			
Shares Outstanding	123.1	123.1			
Share Price	\$336.36	\$334.73			

Current Share Price \$127.46

	Sensitivity Analysis								
	4.64%	4.89%	5.14%	5.39%	5.64%	5.89%	6.14%	6.39%	6.64%
2.00%	\$324.49	\$298.55	\$276.73	\$258.13	\$242.09	\$228.11	\$215.81	\$204.92	\$195.20
2.25%	\$356.68	\$325.23	\$299.22	\$277.35	\$258.70	\$242.62	\$228.61	\$216.28	\$205.36
2.50%	\$396.39	\$357.49	\$325.96	\$299.89	\$277.97	\$259.28	\$243.15	\$229.10	\$216.75
2.75%	\$446.61	\$397.30	\$358.31	\$326.70	\$300.56	\$278.58	\$259.85	\$243.69	\$229.60
3.00%	\$512.13	\$447.63	\$398.21	\$359.12	\$327.43	\$301.23	\$279.20	\$260.42	\$244.22
3.25%	\$601.22	\$513.31	\$448.66	\$399.11	\$359.93	\$328.17	\$301.90	\$279.82	\$260.99
3.50%	\$729.39	\$602.62	\$514.50	\$449.69	\$400.02	\$360.74	\$328.91	\$302.58	\$280.44
3.75%	\$929.57	\$731.09	\$604.02	\$515.68	\$450.71	\$400.93	\$361.56	\$329.64	\$303.25
4.00%	\$1,286.13	\$931.75	\$732.80	\$605.41	\$516.86	\$451.74	\$401.83	\$362.37	\$330.38

Upside/Downside Capture	
U/D Capture	(17.1)x
FV Discount	37.89%

Colgate-Palmolive		CL
Market Cap.	ROIC/WACC	Industry
\$67.1B	4.5x	Consumer Staples

Company Description

Colgate-Palmolive takes a bite out of grime. The company is a top global maker and marketer of toothpaste and soap and cleaning products. Colgate-Palmolive also offers pet nutrition products through subsidiary, Hill's Pet Nutrition, which makes Science Diet and Prescription Diet pet foods. Many of its oral care products fall under the Colgate brand and include toothbrushes, mouthwash, and dental floss. Its Tom's of Maine unit covers the natural toothpaste niche. Personal and home care items include Ajax brand household cleaner, Palmolive dishwashing liquid, Soft soap shower gel, and Sanex and Speed Stick deodorants. The company has operations in 80-plus countries and sells its products in more than 200 countries.

The Good

- Revenue is growing north of 5% while margins also increased 220bp. This comes as management raised prices, but saw no drop-off in demand, highlighting brand equity.
- As long as COVID keeps consumers at home more than usual the demand for household products will remain elevated. The shift in staying at home is expected to last longer than originally expected given the vaccine rollout and viral mutations.
- Management is pushing more and more into skincare and premium pet food. Both sectors are growing well above legacy channels and could unlock future growth.

The Bad

- There are no FX hedges, and prevented margins from being 250bp higher. Management does not plan on hedging this risk and will leave sales susceptible to the US Dollar.
- Management will continue to escalate spending on digital advertising. Given the strength in sales and margins, this is clearly paying off, but could quickly dissipate given the environment.

The Value

Adjusted Present Value

Equity SnapShot	SYR CAGR					
Growth	1.00%	0.25%				
Discount	5.44%					
Time	1	2	3	4	5	
Discount Factor	0.9508681	0.90415	0.852453	0.79313	0.730383	
Free Cash Flow	\$3,653	\$3,716	\$3,790	\$3,912	\$4,146	
Discounted FCF	\$3,474	\$3,359	\$3,231	\$3,102	\$3,028	
Terminal Value					\$68,862	
Enterprise Value	\$85,056	Leases				Terminal Weight
Outstanding Debt	\$8,660	\$9,313				80.96%
Equity Value	\$76,396	\$75,743				
Shares Outstanding	857.2	857.2				
Share Price	\$89.12	\$88.36				

Current Share Price \$78.56

	Sensitivity Analysis								
	4.49%	4.74%	4.99%	5.24%	5.49%	5.74%	5.99%	6.24%	6.49%
0.00%	\$87.46	\$83.31	\$79.58	\$76.20	\$73.13	\$70.33	\$67.76	\$65.40	\$63.22
0.25%	\$92.31	\$87.66	\$83.50	\$79.76	\$76.37	\$73.29	\$70.48	\$67.91	\$65.54
0.50%	\$97.76	\$92.52	\$87.86	\$83.69	\$79.93	\$76.54	\$73.45	\$70.64	\$68.06
0.75%	\$103.95	\$97.99	\$92.73	\$88.05	\$83.87	\$80.11	\$76.71	\$73.62	\$70.79
1.00%	\$111.02	\$104.18	\$98.21	\$92.94	\$88.25	\$84.06	\$80.29	\$76.88	\$73.78
1.25%	\$119.18	\$111.27	\$104.42	\$98.43	\$93.14	\$88.45	\$84.25	\$80.46	\$77.05
1.50%	\$128.70	\$119.45	\$111.52	\$104.66	\$98.65	\$93.35	\$88.64	\$84.43	\$80.64
1.75%	\$139.97	\$129.00	\$119.72	\$111.78	\$104.89	\$98.87	\$93.56	\$88.84	\$84.62
2.00%	\$153.49	\$140.29	\$129.29	\$120.00	\$112.03	\$105.13	\$99.09	\$93.77	\$89.04

Upside/Downside Capture	
U/D Capture	4.9x
FV Discount	88.15%

Facebook		FB
Market Cap.	ROIC/WACC	Industry
\$788.7B	2.1x	Information Technology

Company Description

When it comes to social networking, it's wise to put your best face forward. Facebook, the social networking juggernaut, lets users share information, post photos and videos, play games, and otherwise connect with one another through online profiles. The site, which allows outside developers to build apps that integrate with Facebook, boasts more than a billion total users. The firm was launched in 2004 by Harvard student Mark Zuckerberg as online version of the Harvard Facebook. In 2012 Facebook began publicly trading after filing one of the largest IPOs in US history.

The Good

- DAU are now growing faster than MAU indicating the frequency of visiting a Facebook platform is on the rise. This has also correlated with ARPU up 8.7% indicating better ad monetization.
- Impressions remain strong at 35%, indicating the strength that SMB garners from digital advertising. This highlights the value management brings to the table in a COVID world dominated by e-commerce.
- Management is piling more and more resources into AR/VR. This technology is expected to provide consumers the ability to shop in store without actually being in the store. This type of technology would be a massive boom to small businesses who cannot afford the breakthrough.

The Bad

- The US Government and the FTC has emerged as the biggest threat to management. If the company is forced to break up, scale is lost, and it would shake SMB to the core.
- Fears will always be present in terms of hacking and regulation limiting the ability for firms to collect data on individuals in the name of privacy. In addition, politicians will use FB to manipulate policies.
- Management no longer discloses the user growth between Instagram and Facebook. This could be a function of size or one platform clearly outperforming the other.

The Value

Adjusted Present Value

Equity SnapShot	5YR CAGR				
Growth	4.50%	18.64%			
Discount	7.92%				
Time	1	2	3	4	5
Discount Factor	0.928785319	0.862642168	0.795654	0.723773	0.659935
Free Cash Flow	\$23,159	\$24,177	\$31,286	\$36,167	\$42,092
Discounted FCF	\$21,509	\$20,856	\$24,893	\$26,177	\$27,778
Terminal Value					\$849,397
Enterprise Value	\$970,610	Leases			Terminal Weight
Outstanding Debt	\$0	\$10,797			87.51%
Equity Value	\$970,610	\$959,813			
Shares Outstanding	2,404.0	2,404.0			
Share Price	\$403.75	\$399.26			

Current Share Price \$276.95

	Sensitivity Analysis								
	6.92%	7.17%	7.42%	7.67%	7.92%	8.17%	8.42%	8.67%	8.92%
3.50%	\$400.11	\$376.29	\$355.51	\$337.22	\$321.00	\$306.51	\$293.50	\$281.74	\$271.07
3.75%	\$428.60	\$400.96	\$377.08	\$356.25	\$337.91	\$321.65	\$307.13	\$294.09	\$282.30
4.00%	\$461.97	\$429.51	\$401.80	\$377.87	\$356.98	\$338.60	\$322.30	\$307.75	\$294.67
4.25%	\$501.59	\$462.96	\$430.42	\$402.65	\$378.65	\$357.72	\$339.30	\$322.96	\$308.37
4.50%	\$549.39	\$502.67	\$463.95	\$431.34	\$403.49	\$379.44	\$358.46	\$339.99	\$323.61
4.75%	\$608.20	\$550.58	\$503.75	\$464.94	\$432.25	\$404.34	\$380.23	\$359.19	\$340.68
5.00%	\$682.33	\$609.53	\$551.77	\$504.83	\$465.93	\$433.16	\$405.18	\$381.01	\$359.93
5.25%	\$778.66	\$683.84	\$610.86	\$552.97	\$505.91	\$466.92	\$434.07	\$406.02	\$381.80
5.50%	\$908.91	\$780.39	\$685.34	\$612.20	\$554.16	\$506.99	\$467.90	\$434.98	\$406.87

Upside/Downside Capture	
U/D Capture	107.6x
FV Discount	68.59%

Fortinet		FTNT
Market Cap.	ROIC/WACC	Industry
\$24.6B	7.6x	Information Technology

Company Description

Fortinet provides computer and network security through hardware and software products. The company makes network security appliances (sold under its FortiGate line) and software that integrates antivirus, firewall, content filtering, intrusion prevention systems (IPS), and anti-spam functions to protect against computer viruses, worms, and inappropriate web content. Its FortiGuard subscription services offer continuous updates on all new threats to provide real-time network protection. Fortinet also makes its own specialized security computer processors. They also offer complementary products that include its FortiManager security management and FortiAnalyzer event analysis systems.

The Good

- Cybersecurity spending is north of 10% and management serves as one of the foremost experts in the space. Thus, products are being offered to both large and small corporations.
- The world is only moving more and more assets to the cloud and online ecosystems. This increases the demand for SD-WAN (secure platform to connect users with certain databases).
- Management has the most independent recommendations for cybersecurity in the industry. In addition, security solutions deployed has been north of 20% while most peers hover around 10%.

The Bad

- COVID has caused seven figure cybersecurity deals to be put off. However, the increasing dependence on e-commerce plus countries infiltrating companies will create a tailwind of demand.
- Cybersecurity requires constant innovation. This will keep expenses growing all the while increasing CAPEX. If sales were to turn south, free cash flow could quickly turn negative.

The Value

Adjusted Present Value

Equity SnapShot	5YR CAGR				
Growth	4.25%	20.39%			
Discount	6.65%				
Time	1	2	3	4	5
Discount Factor	0.9398282	0.883277	0.824305	0.758564	0.699728
Free Cash Flow	\$814	\$802	\$903	\$954	\$1,071
Discounted FCF	\$765	\$708	\$744	\$724	\$750
Terminal Value					\$32,532
Enterprise Value	\$36,223				
Outstanding Debt	\$0				
Equity Value	\$36,223				Terminal Weight
Shares Outstanding	162.3				89.81%
Share Price	\$223.19				

	Sensitivity Analysis								
	5.68%	5.93%	6.18%	6.43%	6.68%	6.93%	7.18%	7.43%	7.68%
3.25%	\$219.01	\$200.70	\$185.52	\$172.72	\$161.79	\$152.34	\$144.10	\$136.84	\$130.40
3.50%	\$242.05	\$219.49	\$201.13	\$185.91	\$173.09	\$162.13	\$152.66	\$144.39	\$137.12
3.75%	\$271.05	\$242.58	\$219.96	\$201.56	\$186.31	\$173.45	\$162.46	\$152.97	\$144.69
4.00%	\$308.69	\$271.65	\$243.11	\$220.44	\$202.00	\$186.70	\$173.81	\$162.80	\$153.29
4.25%	\$359.49	\$309.38	\$272.25	\$243.64	\$220.91	\$202.43	\$187.10	\$174.17	\$163.14
4.50%	\$431.81	\$360.30	\$310.07	\$272.85	\$244.17	\$221.39	\$202.86	\$187.49	\$174.54
4.75%	\$543.02	\$432.79	\$361.11	\$310.75	\$273.45	\$244.70	\$221.86	\$203.29	\$187.88
5.00%	\$736.00	\$544.26	\$433.77	\$361.91	\$311.44	\$274.05	\$245.23	\$222.34	\$203.72
5.25%	\$1,153.36	\$737.70	\$545.50	\$434.75	\$362.72	\$312.13	\$274.64	\$245.76	\$222.81

Upside/Downside Capture	
U/D Capture	47.1x
FV Discount	67.95%

Current Share Price \$151.65

Hanesbrands Inc.		HBI
Market Cap.	ROIC/WACC	Industry
\$5.4B	1.8x	Consumer Discretionary

Company Description

Hanesbrands Inc. is a leading marketer of basic apparel. It designs, manufactures, and sells bras, hosiery, men's and women's underwear, socks, and other intimate apparel under brand names such as Hanes, Champion, Bali, Just My Size, L'eggs, Playtex, and Wonderbra. Hanesbrands is a socially responsible leading marketer of everyday basic innerwear and active wear apparel in the Americas, Europe, Australia, and Asia/Pacific. Hanesbrands also makes basic outerwear, such as T-shirts and licensed logo apparel for college bookstores under the Champion and Gear for Sports labels, and has a license agreements with Polo Ralph Lauren. The lineup is sold to wholesalers, major retail chains (Walmart and target), and through Hanesbrand's own outlet stores and Internet sites. Operations in the US account for almost 65% of the company's total sales.

The Good

- Management is expanding into active wear. This industry was fairly sluggish over the past year as consumers remained indoors in the face of COVID. However, delay in demand is creating a coiled spring for the future.
- The new CEO is the former CMO of Walmart (Stephen Bratspies). Mr. Bratspies was at the helm of shifting Walmart to digital and largely responsible for the 100% increase in share price.
- Despite a solid balance sheet and stable revenue, shares are trading at a historically low multiple.

The Bad

- Competition has increased in active wear as L Brands, Athleta, Under Armor, etc. all vie for market share. This will most likely limit price increases.
- The flagship brand of Hanes has been under threat as new forms of inner wear have emerged. This has resulted in scale taking a step back over the past 5 years and needs to be corrected.

The Value

Adjusted Present Value

Equity Snapshot	SYR CAGR					
Growth	1.25%	2.96%				
Discount	5.94%					
Time	1	2	3	4	5	
Discount Factor	0.9469582	0.895755	0.840423	0.776633	0.722518	
Free Cash Flow	\$716	\$594	\$772	\$891	\$683	
Discounted FCF	\$678	\$532	\$649	\$692	\$494	
Terminal Value					\$10,666	
Enterprise Value	\$13,712	Pension				Terminal Weight
Outstanding Debt	\$4,025	\$4,545				77.79%
Equity Value	\$9,687	\$9,167				
Shares Outstanding	348.3	348.3				
Share Price	\$27.81	\$26.32				

	Sensitivity Analysis								
	4.97%	5.22%	5.47%	5.72%	5.97%	6.22%	6.47%	6.72%	6.97%
0.25%	\$27.30	\$25.79	\$24.42	\$23.17	\$22.04	\$21.00	\$20.04	\$19.16	\$18.34
0.50%	\$29.06	\$27.38	\$25.86	\$24.48	\$23.24	\$22.10	\$21.05	\$20.10	\$19.21
0.75%	\$31.04	\$29.14	\$27.45	\$25.93	\$24.55	\$23.30	\$22.16	\$21.11	\$20.15
1.00%	\$33.26	\$31.12	\$29.22	\$27.53	\$26.00	\$24.62	\$23.37	\$22.22	\$21.17
1.25%	\$35.78	\$33.35	\$31.20	\$29.30	\$27.60	\$26.07	\$24.69	\$23.43	\$22.28
1.50%	\$38.66	\$35.87	\$33.44	\$31.29	\$29.38	\$27.68	\$26.14	\$24.76	\$23.50
1.75%	\$41.99	\$38.76	\$35.97	\$33.52	\$31.37	\$29.46	\$27.75	\$26.21	\$24.82
2.00%	\$45.88	\$42.10	\$38.86	\$36.06	\$33.61	\$31.46	\$29.54	\$27.83	\$26.28
2.25%	\$50.48	\$46.00	\$42.21	\$38.96	\$36.16	\$33.70	\$31.54	\$29.62	\$27.90

Upside/Downside Capture	
U/D Capture	(12.3)x
FV Discount	55.74%

Current Share Price \$15.50

HP Inc		HPQ
Market Cap.	ROIC/WACC	Industry
\$32.3B	7.9x	Information Technology

Company Description

Just about every office, from home to big business has two basic items: a computer and printer. That's pretty much the business of HP Inc., one of two companies created from the breakup of Hewlett-Packard Co. in 2015. HP makes a full line of computing devices from desktops and laptops for commercial and consumer use to tablets and point-of-sale systems. Its printers include large format commercial printers and inkjet and laser printers as well as 3D printers. And do not forget printer supplies such as ink cartridges. HP ranks as one of the top two PC makers and the No. 1 printer company in the world.

The Good

- The demand for home office hardware continues to drive growth for the firm. Management expects this to continue as remote work will become more and more acceptable even after COVID.
- Expenses have been cut \$1B while management has increased share buybacks by \$1B. This not only leads to a higher margin, but also a lower multiple.
- Computers have shifted to a staple product from a discretionary product. While a recession would weigh on demand, it would not be nearly as material as it would have been 20 years ago.

The Bad

- The days of printing and mailing are increasingly becoming a thing of the past with email. COVID will only accelerate this trend for both consumers and commercial.
- Supply lines are running thin from COVID restrictions. This exposes the firm to paying more for raw materials without the ability to raise prices.
- Computers and printers are fairly commoditized. Thus, little in terms of differentiation can be offered between competitors.

The Value

Adjusted Present Value

Equity SnapShot	5YR CAGR				
Growth	0.00%	1.94%			
Discount	7.90%				
Time	1	2	3	4	5
Discount Factor	0.92876	0.862595	0.797462	0.723695	0.659846
Free Cash Flow	\$2,512	\$3,814	\$3,634	\$3,042	\$4,391
Discounted FCF	\$2,333	\$3,290	\$2,898	\$2,201	\$2,898
Terminal Value					\$36,681
Enterprise Value	\$50,301	Pension			Terminal Weight
Outstanding Debt	\$5,700	\$7,334			72.92%
Equity Value	\$44,601	\$42,967			
Shares Outstanding	1,373.5	1,373.5			
Share Price	\$32.47	\$31.28			

Current Share Price \$25.02

	Sensitivity Analysis								
	6.84%	7.09%	7.34%	7.59%	7.84%	8.09%	8.34%	8.59%	8.84%
-1.00%	\$32.41	\$31.58	\$30.81	\$30.08	\$29.39	\$28.74	\$28.13	\$27.54	\$26.99
-0.75%	\$33.35	\$32.47	\$31.65	\$30.87	\$30.14	\$29.45	\$28.80	\$28.18	\$27.60
-0.50%	\$34.36	\$33.42	\$32.54	\$31.71	\$30.94	\$30.20	\$29.51	\$28.86	\$28.24
-0.25%	\$35.45	\$34.44	\$33.49	\$32.61	\$31.78	\$31.00	\$30.26	\$29.57	\$28.92
0.00%	\$36.61	\$35.52	\$34.51	\$33.56	\$32.67	\$31.84	\$31.06	\$30.33	\$29.63
0.25%	\$37.86	\$36.69	\$35.60	\$34.58	\$33.63	\$32.74	\$31.91	\$31.12	\$30.39
0.50%	\$39.21	\$37.94	\$36.76	\$35.67	\$34.65	\$33.70	\$32.81	\$31.97	\$31.19
0.75%	\$40.67	\$39.29	\$38.02	\$36.84	\$35.74	\$34.72	\$33.77	\$32.88	\$32.04
1.00%	\$42.25	\$40.75	\$39.37	\$38.10	\$36.92	\$35.82	\$34.80	\$33.84	\$32.94

Upside/Downside Capture	
U/D Capture	(8.7)x
FV Discount	77.05%

KLA-Tencor		KLAC
Market Cap.	ROIC/WACC	Industry
\$31.3B	2.2x	Information Technology

Company Description

Its customers pay KLA-Tencor a ton of money to point out their flaws, but it saves them even more money when they get better yields on computer chips. The company is one of the world's largest makers of process control equipment for the semiconductor, related nanoelectronics, and other technology industries. It makes yield management systems that monitor and analyze materials during the entire fabrication process, inspecting reticles (which make circuit patterns) and measuring microscopic layers. KLA-Tencor has long dominated the market for equipment that inspects semiconductor photomasks and reticles.

The Good

- KLAC is one of the few firms that has the research to handle high end chip diagnostics. This is especially the case as chipmakers are growing increasingly sophisticated in memory and bandwidth.
- The unique ability to optimize sophisticated tools creates a back and forth between end market peers. In other words, if one chip is outperforming another it creates a need for peers to replicate that strategy.
- Whether integrated circuits, digital systems, or storage, all are growing. This provides the means for management to scale in the face of ongoing demand from 5G.

The Bad

- The sheer amount of resources that will be needed to keep up with chipmakers will elevate CAPEX.
- The semiconductor industry has significant exposure to markets outside the US. KLAC generates 87% of their revenue from outside the US.
- New models were introduced in 2020 and will be lapped in 2021. This will limit the ability to demand a higher price to drive growth and volume will become more important.

The Value

Adjusted Present Value

Equity Snapshot	SYR CAGR				
Growth	3.25%	15.59%			
Discount	7.65%				
Time	1	2	3	4	5
Discount Factor	0.9313343	0.866817	0.800248	0.731696	0.666254
Free Cash Flow	\$2,218	\$2,410	\$2,328	\$2,330	\$2,548
Discounted FCF	\$2,065	\$2,089	\$1,863	\$1,705	\$1,698
Terminal Value					\$39,810
Enterprise Value	\$49,230	Leases			
Outstanding Debt	\$3,450	\$3,630			
Equity Value	\$45,780	\$45,600			
Shares Outstanding	154.5	154.5			
Share Price	\$296.31	\$295.15			
			Terminal Weight	80.87%	

Current Share Price \$306.68

	Sensitivity Analysis								
	6.65%	6.90%	7.15%	7.40%	7.65%	7.90%	8.15%	8.40%	8.65%
2.25%	\$294.02	\$280.29	\$267.96	\$256.83	\$246.73	\$237.52	\$229.09	\$221.35	\$214.21
2.50%	\$310.07	\$294.65	\$280.88	\$268.52	\$257.36	\$247.24	\$238.01	\$229.56	\$221.80
2.75%	\$328.17	\$310.73	\$295.27	\$281.47	\$269.08	\$257.90	\$247.75	\$238.49	\$230.02
3.00%	\$348.76	\$328.88	\$311.39	\$295.89	\$282.06	\$269.64	\$258.43	\$248.25	\$238.98
3.25%	\$372.37	\$349.51	\$329.58	\$312.05	\$296.52	\$282.65	\$270.20	\$258.96	\$248.76
3.50%	\$399.72	\$373.17	\$350.26	\$330.28	\$312.72	\$297.14	\$283.24	\$270.77	\$259.50
3.75%	\$431.80	\$400.60	\$373.98	\$351.01	\$330.99	\$313.38	\$297.77	\$283.84	\$271.33
4.00%	\$469.93	\$432.75	\$401.47	\$374.79	\$351.77	\$331.69	\$314.04	\$298.39	\$284.43
4.25%	\$516.00	\$470.96	\$433.69	\$402.34	\$375.60	\$352.52	\$332.40	\$314.70	\$299.02

Upside/Downside Capture	
U/D Capture	2.3x
FV Discount	103.50%

MarketAxess Holdings Inc.		MKTX
Market Cap.	ROIC/WACC	Industry
\$19.3B	4.5x	Financials

Company Description

A little creative spelling never got in the way of a good bond trade. MarketAxess offers an electronic multi-dealer platform for institutional traders buying and selling US corporate, high-yield, and emerging market bonds, as well as Eurobonds. Over 1,700 institutional investors and broker-dealer firms are active users of the company patent trading technology. The company also provides real-time ability to view indicative prices from its broker-dealer clients' inventory available on its platform, access to real-time pricing information and analytical tools available through its Corporate BondTicker service. Majority of its revenue are in the US.

The Good

- Management brings transparency and sophistication to an industry long overdue. Bond trading has historically been done over the phone and resulted in time wasted as well as opaque pricing.
- Fixed income trading volumes have been increasing well over 10% and will continue as traders not only become more engrained in electronic platforms, but COVID forces electronic exchange.
- More room to grow exists in municipal bonds and MBS. As more and more products are added to the platform it will quickly balloon the network effect for traders.

The Bad

- To stay ahead of the innovation curve, management has seen expenses actually grow faster than revenue as of late. This has limited margin expansion.
- Competitors are slowly emerging in the form of TradeWeb. So far peers are trailing in terms of sophistication, but this could quickly change given the dynamic nature of the industry.
- If interest rates remain fairly static and result in little trading, this would limit growth opportunities for the industry at large.

The Value

Adjusted Present Value

Equity Snapshot	SYR CAGR				
Growth	4.00%	N/A			
Discount	5.76%				
Time	1	2	3	4	5
Discount Factor	0.9477775	0.898282117	0.845348	0.78437	0.729538
Free Cash Flow	\$330	\$379	\$426	\$357	\$484
Discounted FCF	\$313	\$340	\$360	\$280	\$353
Terminal Value					\$20,869
Enterprise Value	\$22,515				
Outstanding Debt	\$0				
Equity Value	\$22,515				
Shares Outstanding	38.0				
Share Price	\$592.50				

Current Share Price \$509.19

	Sensitivity Analysis									
	4.76%	5.01%	5.26%	5.51%	5.76%	6.01%	6.26%	6.51%	6.76%	
3.00%	\$587.22	\$519.57	\$466.89	\$424.70	\$390.16	\$361.35	\$336.96	\$316.05	\$297.92	
3.25%	\$678.81	\$588.54	\$520.73	\$467.92	\$425.63	\$391.00	\$362.12	\$337.68	\$316.71	
3.50%	\$806.74	\$680.35	\$589.86	\$521.89	\$468.95	\$426.56	\$391.84	\$362.90	\$338.39	
3.75%	\$998.01	\$808.59	\$681.89	\$591.18	\$523.04	\$469.98	\$427.48	\$392.68	\$363.67	
4.00%	\$1,315.11	\$1,000.31	\$810.43	\$683.43	\$592.50	\$524.20	\$471.00	\$428.41	\$393.53	
4.25%	\$1,943.09	\$1,318.17	\$1,002.61	\$812.28	\$684.97	\$593.82	\$525.35	\$472.03	\$429.33	
4.50%	\$3,778.72	\$1,947.64	\$1,321.22	\$1,004.91	\$814.12	\$686.51	\$595.14	\$526.51	\$473.06	
4.75%	\$97,395.87	\$3,787.65	\$1,952.20	\$1,324.28	\$1,007.21	\$815.96	\$688.04	\$596.46	\$527.67	
5.00%	-\$4,022.71	\$97,628.21	\$3,796.59	\$1,956.75	\$1,327.34	\$1,009.51	\$817.81	\$689.58	\$597.78	

Upside/Downside Capture	
U/D Capture	(21.5)x
FV Discount	85.94%

Masco Corp.		MAS
Market Cap.	ROIC/WACC	Industry
\$15.1B	3.4x	Industrials

Company Description

Masco's ideal customer is a home improvement junkie with a thing for cabinets and plumbing fixtures. It is a leading manufacturer of a variety of home improvement and building products, with cabinet and plumbing products accounting for more than 60% of its sales. Cabinet brands include KraftMaid, Cardell, Quality Cabinets, and Merillat in the US and The Moores Group in Europe. Faucets and bath and shower accessories are sold under the Delta and Peerless brands in the US and as Hansgrohe in Europe. Masco also makes BEHR paints and stains, windows, doors, staple guns, locksets, and HVAC products. It spun off its installation services business as TopBuild in 2015.

The Good

- Sales are up 15% as consumers allocate leisure spending to home renovation projects. As long as COVID impacts travel this tailwind will continue.
- More and more consumers are purchasing homes for the first time. This comes as people leave metropolitan areas for suburbia. This is creating a whole new buyer looking to renovate their first home.
- Plumbing and Decorative are 90% remodels. Thus, if interest rates were to rise and new homes stumbled, management has limited exposure to this channel.

The Bad

- Tariffs are affecting nearly 25% of the total cost structure. Management is in the process of restructuring supply lines, but at the very least will introduce ongoing elevated logistic cost.
- BEHR focuses more on the do-it-yourself segment. While this has worked in the past, rising oil could cause higher prices for the consumer to embrace.
- Masco is relying more and more on growth from Europe. If Brexit causes any sort of indigestion it could have a short term impact on growth.

The Value

Adjusted Present Value

Equity SnapShot	5YR CAGR				
Growth	2.25%	0.14%			
Discount	7.23%				
Time	1	2	3	4	5
Discount Factor	0.9351969	0.874069	0.810751	0.741172	0.678771
Free Cash Flow	\$1,021	\$1,041	\$1,144	\$1,158	\$1,167
Discounted FCF	\$955	\$910	\$927	\$858	\$792
Terminal Value					\$16,269
Enterprise Value	\$20,712	Pension			Terminal Weight
Outstanding Debt	\$2,560	\$3,110			
Equity Value	\$18,152	\$17,602			
Shares Outstanding	261.7	261.7			
Share Price	\$69.36	\$67.26			

	Sensitivity Analysis								
	6.21%	6.46%	6.71%	6.96%	7.21%	7.46%	7.71%	7.96%	8.21%
1.25%	\$68.97	\$66.00	\$63.31	\$60.85	\$58.60	\$56.53	\$54.62	\$52.86	\$51.22
1.50%	\$72.41	\$69.12	\$66.15	\$63.45	\$60.99	\$58.73	\$56.66	\$54.74	\$52.97
1.75%	\$76.23	\$72.57	\$69.27	\$66.30	\$63.59	\$61.12	\$58.86	\$56.78	\$54.86
2.00%	\$80.51	\$76.40	\$72.73	\$69.43	\$66.44	\$63.73	\$61.25	\$58.98	\$56.90
2.25%	\$85.33	\$80.69	\$76.57	\$72.89	\$69.58	\$66.59	\$63.87	\$61.38	\$59.11
2.50%	\$90.80	\$85.52	\$80.87	\$76.74	\$73.05	\$69.73	\$66.73	\$64.00	\$61.52
2.75%	\$97.06	\$91.01	\$85.71	\$81.05	\$76.91	\$73.21	\$69.88	\$66.88	\$64.14
3.00%	\$104.30	\$97.28	\$91.21	\$85.91	\$81.23	\$77.08	\$73.37	\$70.04	\$67.02
3.25%	\$112.75	\$104.53	\$97.50	\$91.41	\$86.10	\$81.41	\$77.25	\$73.53	\$70.19

Upside/Downside Capture	
U/D Capture	8.6x
FV Discount	83.07%

Current Share Price \$57.62

MasterCard		MA
Market Cap.	ROIC/WACC	Industry
\$328.2B	5.1x	Information Technology

Company Description

Surpassing Visa in market share, now that would be priceless. Serving about 22,000 member financial institutions around the world, MasterCard is the #2 payment system in the US. The company does not issue credit or its namesake cards; rather, it markets the MasterCard (credit, debit, and prepaid cards) and Maestro (debit and prepaid cards, mainly in Europe) brands, provides a transaction authorization network, establishes guidelines for the US and collects fees from members. The company provides its services in more than 210 countries and territories, and its cards are accepted at more than 35 million locations around the globe. MasterCard also operates the Cirrus ATM network.

The Good

- Spending plummeted as COVID took hold, but the most recent trends highlight that spending has stabilized and ticking back up.
- MasterCard accrues a large amount of consumer data in terms of purchasing information. This will continue to be monetized and create a diversified stream of revenue outside of payments.
- China and India have been slow to adopt payment systems, relying more on paper and crypto currency. However, the tides are beginning to change and will provide a huge tailwind for the payment industry.

The Bad

- Regulation such as the Durbin Amendment has increased the costs of maintaining electronic payment systems, but merchants have thus far been able to pass on this cost to consumers.
- Cross border transactions yield the highest take rate for management. As long as international travel is limited so will the growth of the firm.

The Value

Adjusted Present Value

Equity Snapshot	5YR CAGR				
Growth	4.00%	10.67%			
Discount	7.97%				
Time	1	2	3	4	5
Discount Factor	0.928443379	0.862007	0.794059	0.721848	0.657255
Free Cash Flow	\$9,132	\$9,838	\$10,881	\$11,439	\$12,452
Discounted FCF	\$8,478	\$8,481	\$8,640	\$8,257	\$8,184
Terminal Value					\$214,211
Enterprise Value	\$256,251	Leases			
Outstanding Debt	\$12,675	\$13,256			
Equity Value	\$243,576	\$242,995			
Shares Outstanding	988.5	988.5			
Share Price	\$246.41	\$245.82			
			Terminal Weight	83.59%	

	Sensitivity Analysis								
	6.96%	7.21%	7.46%	7.71%	7.96%	8.21%	8.46%	8.71%	8.96%
3.00%	\$245.05	\$232.27	\$220.91	\$210.76	\$201.64	\$193.39	\$185.89	\$179.05	\$172.79
3.25%	\$260.12	\$245.58	\$232.76	\$221.38	\$211.20	\$202.05	\$193.78	\$186.27	\$179.42
3.50%	\$277.37	\$260.68	\$246.10	\$233.25	\$221.84	\$211.64	\$202.47	\$194.18	\$186.65
3.75%	\$297.30	\$277.97	\$261.24	\$246.62	\$233.74	\$222.30	\$212.08	\$202.89	\$194.58
4.00%	\$320.60	\$297.95	\$278.57	\$261.80	\$247.14	\$234.23	\$222.77	\$212.52	\$203.31
4.25%	\$348.20	\$321.30	\$298.59	\$279.16	\$262.35	\$247.67	\$234.72	\$223.23	\$212.96
4.50%	\$381.41	\$348.97	\$322.00	\$299.24	\$279.76	\$262.91	\$248.19	\$235.22	\$223.70
4.75%	\$422.13	\$382.25	\$349.73	\$322.70	\$299.88	\$280.36	\$263.47	\$248.71	\$235.71
5.00%	\$473.24	\$423.07	\$383.09	\$350.49	\$323.40	\$300.53	\$280.96	\$264.03	\$249.24

Upside/Downside Capture	
U/D Capture	0.9x
FV Discount	133.59%

Current Share Price \$329.19

Motorola Solutions Inc.		MSI
Market Cap.	ROIC/WACC	Industry
\$29.5B	4.5x	Information Technology

Company Description

“Do you copy?” and “Roger that” might be snippets of conversation heard over two-way radios and other devices made by Motorola Solutions. The company’s radios and wireless broadband products are used by government, public safety, and first-responder agencies for communications and personnel deployment. Commercial and industrial customers use products from Motorola to stay in touch with mobile work forces. Besides two-way radios, the company makes vehicle-mounted radios, body cameras, headsets, and other devices and develops software systems to connect them. Some 60% of sales are to customers in the US. Motorola Solutions goes back to the late 1920s when the company made radios for police cars.

The Good

- While radios are increasingly obsolete, the growth in surveillance equipment is not. The world is unfortunately moving to a place where surveillance will become a normal part of life.
- Radios while sluggishly growing have held up well in the face of COVID. Given they are a “need-based” product for municipalities, this is not expected to change.
- A coiled spring of demand exists in Mission Critical Systems for municipalities. COVID delayed this large ticket items, but as the virus wanes and fiscal stimulus takes hold, these expenses are expected to be prioritized.

The Bad

- PCR is often tied to tourism and hotels. As long as tourism remains weak, so will this channel of revenue for the firm.
- If innovation replaces radio all together, management will see a significant decline in revenue and scale as this legacy channel is the foundation of the firm.
- Management is subject to the will of municipalities. If municipalities elect to delay spending another year for whatever cause it will weigh on growth.

The Value

Adjusted Present Value

Equity SnapShot	SYR CAGR				
Growth	2.25%	7.10%			
Discount	6.93%				
Time	1	2	3	4	5
Discount Factor	0.9388601	0.8813005	0.8211056	0.7549275	0.6952397
Free Cash Flow	\$1,904	\$1,642	\$1,467	\$1,883	\$2,293
Discounted FCF	\$1,787	\$1,447	\$1,205	\$1,421	\$1,594
Terminal Value					\$34,838
Enterprise Value	\$42,293	Pension			
Outstanding Debt	\$5,300	\$7,314			
Equity Value	\$36,993	\$34,979			
Shares Outstanding	169.5	169.5			
Share Price	\$218.25	\$206.37			

	Sensitivity Analysis								
	5.97%	6.22%	6.47%	6.72%	6.97%	7.22%	7.47%	7.72%	7.97%
1.25%	\$214.48	\$204.33	\$195.16	\$186.82	\$179.21	\$172.24	\$165.83	\$159.91	\$154.43
1.50%	\$226.29	\$214.98	\$204.81	\$195.61	\$187.25	\$179.62	\$172.63	\$166.20	\$160.27
1.75%	\$239.50	\$226.82	\$215.48	\$205.28	\$196.06	\$187.68	\$180.03	\$173.03	\$166.58
2.00%	\$254.38	\$240.06	\$227.35	\$215.98	\$205.75	\$196.51	\$188.11	\$180.44	\$173.42
2.25%	\$271.25	\$254.97	\$240.62	\$227.87	\$216.48	\$206.23	\$196.96	\$188.54	\$180.85
2.50%	\$290.56	\$271.88	\$255.56	\$241.18	\$228.40	\$216.97	\$206.70	\$197.41	\$188.97
2.75%	\$312.86	\$291.23	\$272.52	\$256.16	\$241.73	\$228.92	\$217.47	\$207.17	\$197.86
3.00%	\$338.91	\$313.59	\$291.91	\$273.15	\$256.75	\$242.29	\$229.45	\$217.97	\$207.65
3.25%	\$369.76	\$339.71	\$314.32	\$292.59	\$273.78	\$257.34	\$242.85	\$229.98	\$218.47

Upside/Downside Capture	
U/D Capture	10.2x
FV Discount	79.60%

Current Share Price \$173.72

NetApp Inc.		NTAP
Market Cap.	ROIC/WACC	Industry
\$14.7B	2.9x	Information Technology

Company Description

NetApp makes hardware and software for storing, managing, accessing, and analyzing data. Its products extend customers IT infrastructure to the cloud environments of Amazon Web Services, Google, IBM, and Microsoft. NetApp's Data Fabric platform is designed to simplify and automate data for companies working in multiple cloud environments. The company's products are gathered under its cloud data services, cloud infrastructure, and storage systems and software business. NetApp's customers are in the energy, financial services, government, health care, life sciences, manufacturing, IT, and other sectors. US customers generate about half of the company's sales.

The Good

- Management is the #1 provider of multi-cloud data storage. This has come with deep relationships with AWS, Azure, and Google.
- All-flash array (AFA) is only growing as employment shifts to home offices and equipping personal computers with the hardware to store company data.
- ARR is up over 200% as clients shift to subscriptions and trade up to higher product levels. This will only increase as cloud demand and storage are set to increase.

The Bad

- Historically, management has tried to move outside cloud storage via cybersecurity. Despite this high growth sector, the effort largely fell on deaf ears indicating a misstep by management.
- Management is ramping up hiring while most slow hiring. This will come with higher costs, but the potential opportunity of getting in front of new clients looking to transition to the cloud.
- Shares have been on a tear as of late, rising nearly 50% in the past 3 months. This appreciation has largely removed the massive discount the shares exhibited 6 months ago.

The Value

Adjusted Present Value

Equity Snapshot	SYR CAGR				
Growth	1.50%	0.19%			
Discount	7.10%				
Time	1	2	3	4	5
Discount Factor	0.9358914	0.876385	0.814013	0.745189	0.684377
Free Cash Flow	\$1,306	\$827	\$1,095	\$1,258	\$1,122
Discounted FCF	\$1,222	\$725	\$891	\$938	\$768
Terminal Value					\$13,916
Enterprise Value	\$18,460	Pension			Terminal Weight
Outstanding Debt	\$2,650	\$3,200			75.39%
Equity Value	\$15,810	\$15,260			
Shares Outstanding	222.0	222.0			
Share Price	\$71.22	\$68.74			

	Sensitivity Analysis								
	6.10%	6.35%	6.60%	6.85%	7.10%	7.35%	7.60%	7.85%	8.10%
0.50%	\$70.60	\$67.95	\$65.51	\$63.27	\$61.19	\$59.27	\$57.49	\$55.82	\$54.26
0.75%	\$73.66	\$70.75	\$68.09	\$65.65	\$63.40	\$61.33	\$59.40	\$57.61	\$55.94
1.00%	\$77.02	\$73.82	\$70.91	\$68.24	\$65.79	\$63.54	\$61.46	\$59.52	\$57.73
1.25%	\$80.73	\$77.19	\$73.98	\$71.06	\$68.39	\$65.94	\$63.68	\$61.59	\$59.65
1.50%	\$84.84	\$80.91	\$77.36	\$74.15	\$71.22	\$68.54	\$66.08	\$63.81	\$61.72
1.75%	\$89.43	\$85.03	\$81.09	\$77.53	\$74.31	\$71.37	\$68.68	\$66.22	\$63.95
2.00%	\$94.57	\$89.63	\$85.22	\$81.27	\$77.70	\$74.47	\$71.52	\$68.83	\$66.36
2.25%	\$100.38	\$94.78	\$89.83	\$85.41	\$81.44	\$77.87	\$74.63	\$71.68	\$68.98
2.50%	\$107.00	\$100.61	\$94.99	\$90.02	\$85.60	\$81.62	\$78.04	\$74.79	\$71.83

Upside/Downside Capture	
U/D Capture	3.6x
FV Discount	92.18%

Current Share Price \$65.65

NVR Inc.		NVR
Market Cap.	ROIC/WACC	Industry
\$16.7B	2.1x	Consumer Discretionary

Company Description

From finished lot to signed mortgage, NVR offers homebuyers everything, including the kitchen sink. The company builds single-family detached homes, townhomes, and condominiums mainly for first-time and move-up buyers primarily in the eastern US. NVR's houses range in size from 1,000 sq. ft. to 9,500 sq. ft. and sell for an average price of around \$380,000. The company's brands include Ryan Homes, Heartland Homes, and NVHomes. Its largest markets are the Washington, DC and Baltimore areas; together they account for around 40% of sales. Its subsidiary NVR Mortgage Finance offers mortgage and title services. The builder was founded in 1980 as NVHomes.

The Good

- Historically low interest rates plus the virus have created an incentive for first time home buyers to get out of apartments and purchase their first home.
- New orders are up 40% with the average sales price up 4%. This provides a massive catalyst to scale homebuilding and generate more cash flow.
- Management's primary exposure is the suburbs of the East Coast. This is a positive for two reasons: the migration from metropolitan to suburbia and little risk of wildfires and hurricanes.

The Bad

- The increase in student debt has been a major hindrance for Millennials to purchase their first home. This trend in student debt has shown little signs of stopping.
- Elevated unemployment weighs on the ability for homebuyers to make a 6-digit purchase. Housing in general will most likely exhibit a negative correlation with unemployment.
- Rising interest rates increase the cost of home buying all else equal. Thus, if interest rates appreciated it may limit new orders.

The Value

Adjusted Present Value

Equity Snapshot	5YR CAGR				
Growth	3.00%	7.03%			
Discount	7.95%				
Time	1	2	3	4	5
Discount Factor	0.9285002	0.861559	0.795688	0.722891	0.657884
Free Cash Flow	\$946	\$1,048	\$1,137	\$1,167	\$1,238
Discounted FCF	\$879	\$903	\$905	\$844	\$814
Terminal Value					\$16,940
Enterprise Value	\$21,285				
Outstanding Debt	\$1,500				
Equity Value	\$19,785				
Shares Outstanding	3.7				
Share Price	\$5,347.33				
		Terminal Weight			
		79.59%			

	Sensitivity Analysis								
	6.87%	7.12%	7.37%	7.62%	7.87%	8.12%	8.37%	8.62%	8.87%
2.00%	\$5,377.90	\$5,152.85	\$4,948.76	\$4,762.82	\$4,592.72	\$4,436.52	\$4,292.58	\$4,159.51	\$4,036.13
2.25%	\$5,639.21	\$5,389.19	\$5,163.59	\$4,959.00	\$4,772.61	\$4,602.10	\$4,445.51	\$4,301.22	\$4,167.82
2.50%	\$5,930.42	\$5,651.12	\$5,400.49	\$5,174.34	\$4,969.25	\$4,782.40	\$4,611.47	\$4,454.50	\$4,309.85
2.75%	\$6,256.97	\$5,943.01	\$5,663.02	\$5,411.79	\$5,185.08	\$4,979.49	\$4,792.19	\$4,620.84	\$4,463.49
3.00%	\$6,625.71	\$6,270.32	\$5,955.60	\$5,674.93	\$5,423.08	\$5,195.83	\$4,989.74	\$4,801.98	\$4,630.21
3.25%	\$7,045.38	\$6,639.92	\$6,283.67	\$5,968.18	\$5,686.84	\$5,434.38	\$5,206.57	\$4,999.98	\$4,811.77
3.50%	\$7,527.32	\$7,060.58	\$6,654.14	\$6,297.03	\$5,980.77	\$5,698.75	\$5,445.68	\$5,217.32	\$5,010.22
3.75%	\$8,086.49	\$7,543.64	\$7,075.77	\$6,668.35	\$6,310.38	\$5,993.36	\$5,710.65	\$5,456.97	\$5,228.06
4.00%	\$8,743.07	\$8,104.12	\$7,559.96	\$7,090.97	\$6,682.57	\$6,323.73	\$6,005.95	\$5,722.56	\$5,468.27

Upside/Downside Capture	
U/D Capture	8.3x
FV Discount	84.90%

Current Share Price \$4,540.00

Regeneron Pharmaceuticals		REGN
Market Cap.	ROIC/WACC	Industry
\$59.0B	3.5x	Healthcare

Company Description

Regeneron is fighting some serious enemies. Regeneron Pharmaceuticals develops protein-based drugs used to battle a variety of diseases and conditions, including cancer, high cholesterol, inflammatory ailments, and eye diseases. The biotechnology company has a handful of products on the market, including eye disease treatment EYLEA, cholesterol lowering drug Praluent, rare inflammatory disease treatment ARCALYST, rheumatoid arthritis drug KEVZARA, and cancer treatment ZALTRAP. Regeneron has 15 more candidates in clinical development.

The Good

- EYLEA is the leading drug to combat dry eyes and other ophthalmology markets. It makes up 60% of the market, growing at 11%, and carries the highest margins for the drug company.
- Dupixent (eczema) grew 100% and is getting more and more traction as the drug is being approved for dermatitis and other forms of allergies and inflammation.
- Praluent, Arcalyst, Kevzara, and Zaltrap are all new drugs that are making their way down the pipeline. This will not only diversify revenue, but also set the stage for growth in the long term.

The Bad

- EYLEA is 60% of revenue and will begin to come off patent in 2023. This will most likely see the introduction of biosimilars that could result in a price war.
- While management's pipeline is targeting high patient pools that also comes with competition. Multiple peers are developing similar drugs that could ultimately dilute future growth.
- Cancer drugs such as Libtayo are having a harder time being administered in a COVID environment. If hospitals continue to push off treatment, it will weigh on financials.

The Value

Adjusted Present Value

Equity SnapShot	SYR CAGR				
Growth	2.75%	15.56%			
Discount	5.87%				
Time	1	2	3	4	5
Discount Factor	0.9469399	0.89642	0.842342	0.780669	0.725249
Free Cash Flow	\$1,978	\$1,793	\$2,464	\$3,013	\$3,220
Discounted FCF	\$1,873	\$1,607	\$2,076	\$2,352	\$2,335
Terminal Value					\$76,818
Enterprise Value	\$87,062				Terminal Weight
Outstanding Debt	\$2,720				88.23%
Equity Value	\$84,342				
Shares Outstanding	104.9				
Share Price	\$804.03				

Current Share Price \$550.77

	Sensitivity Analysis								
	4.92%	5.17%	5.42%	5.67%	5.92%	6.17%	6.42%	6.67%	6.92%
2.00%	\$849.36	\$788.03	\$735.67	\$690.44	\$650.98	\$616.25	\$585.45	\$557.95	\$533.25
2.25%	\$924.25	\$851.26	\$789.79	\$737.30	\$691.96	\$652.40	\$617.59	\$586.71	\$559.14
2.50%	\$1,014.62	\$926.34	\$853.17	\$791.54	\$738.92	\$693.47	\$653.82	\$618.92	\$587.97
2.75%	\$1,125.82	\$1,016.92	\$928.42	\$855.08	\$793.30	\$740.55	\$694.99	\$655.24	\$620.26
3.00%	\$1,265.97	\$1,128.38	\$1,019.22	\$930.51	\$856.98	\$795.05	\$742.18	\$696.51	\$656.66
3.25%	\$1,448.08	\$1,268.87	\$1,130.95	\$1,021.52	\$932.59	\$858.89	\$796.81	\$743.80	\$698.02
3.50%	\$1,694.32	\$1,451.41	\$1,271.77	\$1,133.51	\$1,023.82	\$934.68	\$860.79	\$798.56	\$745.43
3.75%	\$2,045.78	\$1,698.23	\$1,454.75	\$1,274.66	\$1,136.08	\$1,026.12	\$936.76	\$862.70	\$800.32
4.00%	\$2,588.26	\$2,050.54	\$1,702.15	\$1,458.08	\$1,277.56	\$1,138.64	\$1,028.42	\$938.84	\$864.60

Upside/Downside Capture	
U/D Capture	116.3x
FV Discount	68.50%

Sealed Air Corp.		SEE
Market Cap.	ROIC/WACC	Industry
\$6.9B	2.7x	Materials

Company Description

Sealed Air is a leading maker of packaging processes and materials, offering brands that include Bubble Wrap, Cryovac, and Instapak foam. The company's products are used for a variety of purposes, from protecting meat, poultry, and other foods to packaging for medical devices and pharmaceuticals to e-commerce shipments. Sealed Air has customers in about 125 countries, but roughly 60% of its revenues comes from customers in the US. Among its customers are food processors, e-commerce shippers, and industrial and electronics manufactures.

The Good

- The diverse nature of packaging has held up in the face COVID and is overall exhibiting growth from e-commerce.
- Management is shifting its focus to equipment sales for restaurants and the leisure industry as they look to rebuild post COVID. This equipment will keep production stable despite the volatility in labor conditions post COVID.
- Guidance seems very conservative given the strength in e-commerce. The firm's multiple is currently trading near a 5-year low.

The Bad

- The longer restaurants put off equipment purchases, the longer management will have to wait to achieve stronger sales growth.
- If regulation is pushed forward on medical and/or food transportation it will increase costs all else equal. This will eat into scale and thus drive margin lower.

The Value

Adjusted Present Value

Equity Snapshot	5YR CAGR				
Growth	1.75%	-0.24%			
Discount	6.18%				
Time	1	2	3	4	5
Discount Factor	0.9441429	0.890455	0.836351	0.771672	0.712953
Free Cash Flow	\$610	\$587	\$255	\$628	\$618
Discounted FCF	\$576	\$523	\$214	\$485	\$440
Terminal Value					\$10,115
Enterprise Value	\$12,352	Pension			Terminal Weight 81.89%
Outstanding Debt	\$3,735	\$3,918			
Equity Value	\$8,617	\$8,434			
Shares Outstanding	155.2	155.2			
Share Price	\$55.52	\$54.34			

Current Share Price **\$44.56**

	Sensitivity Analysis								
	5.19%	5.44%	5.69%	5.94%	6.19%	6.44%	6.69%	6.94%	7.19%
0.75%	\$54.74	\$51.31	\$48.22	\$45.44	\$42.90	\$40.60	\$38.48	\$36.54	\$34.74
1.00%	\$58.75	\$54.90	\$51.46	\$48.37	\$45.57	\$43.03	\$40.72	\$38.60	\$36.65
1.25%	\$63.27	\$58.92	\$55.06	\$51.61	\$48.51	\$45.71	\$43.17	\$40.84	\$38.72
1.50%	\$68.40	\$63.45	\$59.09	\$55.22	\$51.76	\$48.65	\$45.85	\$43.30	\$40.97
1.75%	\$74.28	\$68.60	\$63.63	\$59.26	\$55.38	\$51.91	\$48.80	\$45.98	\$43.43
2.00%	\$81.08	\$74.49	\$68.79	\$63.81	\$59.43	\$55.54	\$52.06	\$48.94	\$46.12
2.25%	\$89.04	\$81.31	\$74.70	\$68.98	\$63.99	\$59.60	\$55.70	\$52.22	\$49.09
2.50%	\$98.48	\$89.28	\$81.53	\$74.90	\$69.17	\$64.17	\$59.77	\$55.86	\$52.37
2.75%	\$109.85	\$98.74	\$89.52	\$81.75	\$75.11	\$69.37	\$64.35	\$59.94	\$56.02

Upside/Downside Capture	
U/D Capture	6.7x
FV Discount	80.25%

VeriSign		VRSN
Market Cap.	ROIC/WACC	Industry
\$21.9B	9.0x	Information Technology

Company Description

VeriSign helps companies and consumers connect the dots with the coms and the nets. The company operates two of the world's 13 root zone servers, which assign internet protocol (IP) addresses to devices communicating across the internet. VeriSign is also the only issuer of the desired .com and .net domain names that are sold to users by companies. The company also operates the registry for the .tv and .cc country code top-level domains and the back-end registry systems for .gov, .jobs, .edu. About 65% of sales are from the US.

The Good

- Domain growth has been incredibly stable both prior and during COVID. This highlights insulation of cash flow as well as the annuity like nature of the firm.
- Renewal rates remain historically high at 75.4%. This highlights that management is not dependent on new domains, typically tied to new businesses for their income.
- The monopoly like nature of their firm provides the means of exceptional scale on low cost and little CAPEX demand.

The Bad

- ICANN (government representation of .com and .net) can largely change the terms of management's agreement. Thus, management cannot be aggressive in pricing or face the risk of regulation.
- More concentrated ownership or domain names could result in buyers exhibiting more leverage on management. This seems unlikely given the growth of SMB around COVID.

The Value

Adjusted Present Value

Equity SnapShot	5YR CAGR				
Growth	3.00%	3.56%			
Discount	5.29%				
Time	1	2	3	4	5
Discount Factor	0.952232	0.906563	0.856648	0.797674	0.746866
Free Cash Flow	\$773	\$792	\$845	\$863	\$868
Discounted FCF	\$736	\$718	\$724	\$688	\$648
Terminal Value					\$29,173
Enterprise Value	\$32,687				Terminal Weight
Outstanding Debt	\$1,800				89.25%
Equity Value	\$30,887				
Shares Outstanding	114.1				
Share Price	\$270.70				

Current Share Price \$191.79

	Sensitivity Analysis								
	4.34%	4.59%	4.84%	5.09%	5.34%	5.59%	5.84%	6.09%	6.34%
2.00%	\$262.55	\$238.66	\$218.98	\$202.47	\$188.44	\$176.37	\$165.86	\$156.64	\$148.49
2.25%	\$292.84	\$263.16	\$239.21	\$219.47	\$202.93	\$188.87	\$176.76	\$166.23	\$156.99
2.50%	\$331.36	\$293.52	\$263.77	\$239.76	\$219.97	\$203.39	\$189.29	\$177.16	\$166.60
2.75%	\$381.99	\$332.13	\$294.20	\$264.37	\$240.31	\$220.47	\$203.85	\$189.72	\$177.55
3.00%	\$451.51	\$382.88	\$332.90	\$294.88	\$264.98	\$240.85	\$220.97	\$204.31	\$190.14
3.25%	\$552.93	\$452.57	\$383.78	\$333.67	\$295.56	\$265.59	\$241.40	\$221.47	\$204.77
3.50%	\$714.71	\$554.23	\$453.63	\$384.67	\$334.45	\$296.24	\$266.19	\$241.95	\$221.97
3.75%	\$1,013.59	\$716.40	\$555.53	\$454.69	\$385.56	\$335.22	\$296.92	\$266.80	\$242.50
4.00%	\$1,751.99	\$1,015.99	\$718.09	\$556.83	\$455.75	\$386.45	\$335.99	\$297.60	\$267.41

Upside/Downside Capture	
U/D Capture	36.0x
FV Discount	70.85%

Vertex Pharmaceuticals		VRTX
Market Cap.	ROIC/WACC	Industry
\$62.0B	8.8x	Healthcare

Company Description

Vertex Pharmaceuticals is focused on developing treatments for cystic fibrosis (CF) and other life-threatening diseases. The biotechnology firm has four commercial drugs-Trikafta, Orkambi, Kalydeco, and Symdeko-used to treat CF. Vertex has other drugs in development including additional CF treatments and medications addressing sickle cell diseases, beta thalassemia, alpha-1 antitrypsin deficiency, and pain. The company's medicines are sold in North America, Europe, and Australia; the US accounts for about 75% of revenue.

The Good

- Management has effectively cornered the CF market. This provides the ability to not only achieve indications, but also the ability to be more proactive with pricing.
- The bulk of drugs target genetic disorders like CF. These diseases cannot be fixed with a change in lifestyle and require pharmaceuticals to combat.
- A Medicare for All option would increase the patient pool all else equal. Thus, if public healthcare grows so will the patient pool of the firm.

The Bad

- Medicare for All also comes with the drawback of price negotiation. A large buyer (such as Medicare) could argue for lower pricing.
- The genetic nature of CF has resulted in a flat case rate. Unlike cancer, which has grown despite the amount of treatments available, CF has not materially increased or decreased over the years.
- Genetic editing and mapping increase the awareness of carriers of the genetic mutation. This may incentivize those to not procreate and thus result in less CF cases going forward.

The Value

Adjusted Present Value

Equity SnapShot	SYR CAGR					
Growth	3.25%	42.77%				
Discount	6.82%					
Time	1	2	3	4	5	
Discount Factor	0.9383842	0.880565	0.82052	0.753945	0.694419	
Free Cash Flow	\$3,120	\$3,346	\$3,667	\$3,889	\$4,137	
Discounted FCF	\$2,928	\$2,946	\$3,009	\$2,932	\$2,873	
Terminal Value					\$83,173	
Enterprise Value	\$97,860	Leases				Terminal Weight
Outstanding Debt	\$2,000	\$2,623				84.99%
Equity Value	\$95,860	\$95,237				
Shares Outstanding	260.0	260.0				
Share Price	\$368.69	\$366.30				

Current Share Price \$238.57

	Sensitivity Analysis								
	5.92%	6.17%	6.42%	6.67%	6.92%	7.17%	7.42%	7.67%	7.92%
2.25%	\$356.63	\$337.00	\$319.72	\$304.40	\$290.71	\$278.42	\$267.32	\$257.24	\$248.05
2.50%	\$379.94	\$357.38	\$337.70	\$320.38	\$305.02	\$291.30	\$278.98	\$267.85	\$257.75
2.75%	\$406.93	\$380.75	\$358.14	\$338.41	\$321.05	\$305.65	\$291.90	\$279.54	\$268.39
3.00%	\$438.54	\$407.80	\$381.56	\$358.89	\$339.11	\$321.71	\$306.27	\$292.49	\$280.11
3.25%	\$476.06	\$439.48	\$408.67	\$382.36	\$359.64	\$339.82	\$322.37	\$306.90	\$293.08
3.50%	\$521.34	\$477.10	\$440.43	\$409.54	\$383.17	\$360.39	\$340.52	\$323.03	\$307.52
3.75%	\$577.06	\$522.48	\$478.13	\$441.37	\$410.41	\$383.98	\$361.15	\$341.23	\$323.69
4.00%	\$647.28	\$578.33	\$523.63	\$479.17	\$442.32	\$411.28	\$384.79	\$361.90	\$341.93
4.25%	\$738.53	\$648.72	\$579.60	\$524.77	\$480.20	\$443.27	\$412.16	\$385.59	\$362.65

Upside/Downside Capture	
U/D Capture	(52.8)x
FV Discount	64.71%

Waters Corp		WAT
Market Cap.	ROIC/WACC	Industry
\$16.8B	4.5x	Healthcare

Company Description

Waters Corp. makes high-performance liquid chromatography instruments used by researchers, scientists, and engineers to separate and identify chemicals. Water also makes mass spectrometers that helps identify chemical compounds. Its products are used in applications that include drug development, food testing, and air and water quality testing. Waters TA Instruments Division makes thermal analyzers and rheometry instruments used to determine the physical characteristics of polymers and other materials. Customers are in the academic, government, and industrials sectors. About 70% of the company's sales are in international markets.

The Good

- The ongoing increase in vaccine development around COVID is creating more and more demand for chromatography. This demand shows little signs of weakness given the rollout and potential COVID mutations.
- Prior to COVID, sales had been weak as management leaned into pharmaceuticals. This industry was fairly stagnate and has set a low bar going forward.
- New CEO (Dr. Udit Batra) comes from MRK where he grew its life sciences division 2x faster than WAT. Thus, the track record of new management is impressive.

The Bad

- Exposure to oil & gas has hurt growth as that industry has been incredibly weak as of late. As long as oil prices remain low so will production and the demand for chemicals.
- Any change in consumer focus from "pill/vaccine" solutions to more proactive care will weigh on management. There is little evidence of this trend taking shape, but this would amount to a significant headwind.

The Value

Adjusted Present Value

Equity SnapShot	SYR CAGR					
Growth	2.75%	2.31%				
Discount	6.27%					
Time	1	2	3	4	5	
Discount Factor	0.942915	0.890023	0.833481	0.76947	0.711927	
Free Cash Flow	\$735	\$701	\$618	\$637	\$793	
Discounted FCF	\$693	\$624	\$515	\$490	\$564	
Terminal Value					\$16,471	
Enterprise Value	\$19,356	Leases				Terminal Weight
Outstanding Debt	\$1,165	\$1,319				85.09%
Equity Value	\$18,191	\$18,037				
Shares Outstanding	62.0	62.0				
Share Price	\$293.41	\$290.92				

Current Share Price \$270.42

	Sensitivity Analysis								
	5.30%	5.55%	5.80%	6.05%	6.30%	6.55%	6.80%	7.05%	7.30%
1.75%	\$288.65	\$271.49	\$256.44	\$243.14	\$231.31	\$220.71	\$211.16	\$202.50	\$194.63
2.00%	\$309.10	\$289.29	\$272.08	\$257.00	\$243.67	\$231.81	\$221.18	\$211.61	\$202.93
2.25%	\$332.91	\$309.79	\$289.93	\$272.68	\$257.56	\$244.20	\$232.31	\$221.66	\$212.06
2.50%	\$360.97	\$333.66	\$310.48	\$290.57	\$273.28	\$258.13	\$244.73	\$232.81	\$222.13
2.75%	\$394.53	\$361.78	\$334.40	\$311.17	\$291.21	\$273.88	\$258.69	\$245.26	\$233.31
3.00%	\$435.39	\$395.42	\$362.60	\$335.15	\$311.86	\$291.85	\$274.48	\$259.25	\$245.79
3.25%	\$486.21	\$436.38	\$396.32	\$363.41	\$335.90	\$312.55	\$292.50	\$275.08	\$259.81
3.50%	\$551.15	\$487.32	\$437.37	\$397.21	\$364.22	\$336.64	\$313.24	\$293.14	\$275.68
3.75%	\$637.04	\$552.41	\$488.43	\$438.36	\$398.10	\$365.03	\$337.39	\$313.93	\$293.78

Upside/Downside Capture	
U/D Capture	4.8x
FV Discount	92.17%

Xilinx Inc.		XLNX
Market Cap.	ROIC/WACC	Industry
\$35.6B	2.0x	Information Technology

Company Description

Xilinx gives chip control to the programmer on the ground. The company is a top supplier of field-programmable gate arrays (FPGAs) and complex programmable logic devices (CPLDs). Customers program and reprogram these integrated circuits (ICs) to perform specific functions, providing greater design flexibility and cutting time to market. Xilinx also offers a broad range of design software and intellectual property used to customize its chips. The company, which contracts with third-party manufacturers for production, sells to the automotive, aerospace, broadcast, consumer, data processing, and wired and wireless communications markets. About three-quarters of revenue comes from international customers.

The Good

- Management is currently in the process of being purchased by AMD for 1.7324 AMD shares. This amounts to a \$164.47 share price, well below the current price of ~\$146.18.
- FPGAs are seeing demand quickly pick up from data centers and autos. The growth of the cloud and autonomous vehicle will both be tailwinds for the firm.
- 5G integration as well as scale will boost the overall margin profile of XLNX/AMD post-merger. Thus, both growth and scale have room to run.

The Bad

- Management relies on 3rd parties for manufacturing. Whether factories get shut down or face regulatory issues, management can do little to offset.
- Chips, ICs, and related technology is always innovating. This will force management to spend on CPAEX to keep up with peers and ultimately limit FCF.
- Aerospace will most likely remain sluggish as long as air travel is weak. There is little management can do to speed up this industry and thus fall victim to variables out of their control.

The Value

Adjusted Present Value

Equity Snapshot	5YR CAGR					
Growth	3.25%	6.62%				
Discount	7.02%					
Time	1	2	3	4	5	
Discount Factor	0.93706702	0.877157	0.815512	0.74721	0.68669226	
Free Cash Flow	\$1,332	\$1,105	\$1,197	\$1,278	\$1,455	
Discounted FCF	\$1,248	\$970	\$976	\$955	\$999	
Terminal Value					\$27,367	
Enterprise Value	\$32,515	Leases				Terminal Weight
Outstanding Debt	\$1,750	\$2,800				84.17%
Equity Value	\$30,765	\$29,715				
Shares Outstanding	245.1	245.1				
Share Price	\$125.52	\$121.23				

	Sensitivity Analysis								
	5.97%	6.22%	6.47%	6.72%	6.97%	7.22%	7.47%	7.72%	7.97%
2.25%	\$125.93	\$118.87	\$112.65	\$107.12	\$102.18	\$97.74	\$93.72	\$90.07	\$86.74
2.50%	\$134.29	\$126.20	\$119.13	\$112.89	\$107.35	\$102.40	\$97.95	\$93.92	\$90.26
2.75%	\$143.96	\$134.59	\$126.47	\$119.38	\$113.13	\$107.58	\$102.62	\$98.15	\$94.11
3.00%	\$155.25	\$144.28	\$134.88	\$126.75	\$119.64	\$113.37	\$107.81	\$102.83	\$98.36
3.25%	\$168.63	\$155.60	\$144.59	\$135.17	\$127.02	\$119.90	\$113.61	\$108.04	\$103.05
3.50%	\$184.70	\$169.00	\$155.94	\$144.91	\$135.47	\$127.30	\$120.15	\$113.86	\$108.26
3.75%	\$204.40	\$185.11	\$169.37	\$156.28	\$145.23	\$135.76	\$127.57	\$120.41	\$114.10
4.00%	\$229.10	\$204.86	\$185.53	\$169.75	\$156.63	\$145.54	\$136.06	\$127.84	\$120.67
4.25%	\$260.97	\$229.62	\$205.32	\$185.94	\$170.12	\$156.97	\$145.86	\$136.35	\$128.12

Upside/Downside Capture	
U/D Capture	1.9x
FV Discount	116.46%

Current Share Price \$146.18

Pacira Biosciences		PCRX
Market Cap.	ROIC/WACC	Industry
\$3.1B	1.7x	Healthcare

Company Description

Pacira Biosciences, Inc. operates as a pharmaceutical company. The Company offers non-opioid pain management and regenerative health solutions. Pacira Biosciences serves customers in the US.

The Good

- Exparal is the name of the game with the firm's patented technology of providing a 72hr release of the pain control drug for patients across a wide swath of surgeries.
- Revenue grew 12% despite elective procedures falling 26% on the back of COVID fears. Thus, while management has done an excellent job of continuing to grow, COVID will limit the upside.
- Given the ongoing opioid crises, this drug combo stands at the forefront of being the solution for those experiencing pain post-surgery.

The Bad

- Management is largely reliant on indications being approved as the drug pipeline has little depth to it.
- Collaborations are increasingly being adopted with larger pharmaceutical firms. While this is a positive for revenue growth, it will come with lower margins.

The Value

Adjusted Present Value

Equity SnapShot	5YR CAGR				
Growth	5.00%	9.39%			
Discount	7.42%				
Time	1	2	3	4	5
Discount Factor	0.9339504	0.870911	0.805846	0.735348	0.672263
Free Cash Flow	\$86	\$116	\$120	\$115	\$197
Discounted FCF	\$80	\$101	\$96	\$85	\$132
Terminal Value					\$5,744
Enterprise Value	\$6,239	Convert			
Outstanding Debt	\$748	\$403			
Equity Value	\$5,492	\$5,837			
Shares Outstanding	43.4	54.2			
Share Price	\$126.54	\$107.76			
					Terminal Weight
					92.06%

	Sensitivity Analysis								
	6.40%	6.65%	6.90%	7.15%	7.40%	7.65%	7.90%	8.15%	8.40%
4.00%	\$126.32	\$113.85	\$103.54	\$94.86	\$87.46	\$81.07	\$75.50	\$70.60	\$66.26
4.25%	\$142.04	\$126.64	\$114.14	\$103.80	\$95.10	\$87.68	\$81.28	\$75.69	\$70.78
4.50%	\$161.89	\$142.39	\$126.95	\$114.43	\$104.06	\$95.34	\$87.90	\$81.49	\$75.89
4.75%	\$187.77	\$162.29	\$142.75	\$127.27	\$114.72	\$104.33	\$95.58	\$88.13	\$81.69
5.00%	\$222.88	\$188.23	\$162.70	\$143.10	\$127.59	\$115.00	\$104.59	\$95.83	\$88.35
5.25%	\$273.26	\$223.42	\$188.69	\$163.10	\$143.46	\$127.91	\$115.29	\$104.85	\$96.07
5.50%	\$351.62	\$273.92	\$223.97	\$189.15	\$163.50	\$143.81	\$128.22	\$115.58	\$105.11
5.75%	\$490.27	\$352.47	\$274.58	\$224.51	\$189.61	\$163.90	\$144.17	\$128.54	\$115.87
6.00%	\$802.23	\$491.45	\$353.32	\$275.25	\$225.06	\$190.08	\$164.30	\$144.52	\$128.86

Upside/Downside Capture	
U/D Capture	178.4x
FV Discount	55.60%

Current Share Price \$70.36

Palo Alto Networks		PANW
Market Cap.	ROIC/WACC	Industry
\$34.4B	-0.6x	Information Technology

Company Description

Palo Alto Networks offers enterprise-wide Internet security (including security measures for mobile devices) to protect companies from breaches in their corporate networks. Its hardware and software security products, which account for most of the company revenue, identify traffic in detail and provide the ability to control access by user. In the past, a company could either allow its employees access to applications like Oracle, Skype, and YouTube or not. But as more work is done online and in the cloud, that's not always practical. Palo Alto Networks designs its products to identify and manage threats rather than simply blocking access. It sells products outright as well as through a growing subscription business. Competitors include Juniper Networks and Cisco Systems.

The Good

- Prisma is the only one stop cybersecurity platform for corporations. This is not only growing north of 20%, but is also providing Cortex, a one stop solution to secure any firm's IT application.
- The transition to 5G will open a whole new revenue opportunity for Strata and next-gen firewalls. In addition, this will result in clients trading up to higher margin products.
- Billings popped 21% in the latest quarter as management is seeing very large 8 and 7 figure deals. It seems COVID is creating the catalyst for large firms to rethink their cybersecurity platform.
- The recent Russian hack on both US servers as well as corporations was another reminder that cybersecurity cannot wait. Expect the industry at large to continue to grow as assets shift to the digital world.

The Bad

- Management cannot have clients get hacked. If a large client finds fault with the firm, it will not take long for this word of mouth to spread.
- The increasing growth and reliance on technology will only increase the incentive to commit cybercrimes. Thus, management will be forced to elevate R&D to keep up with criminals.

The Value

Adjusted Present Value

Equity Snapshot	SYR CAGR					
Growth	5.00%	29.72%				
Discount	7.07%					
Time	1	2	3	4	5	
Discount Factor	0.9367902	0.8766672	0.814156	0.745432	0.683347	
Free Cash Flow	\$864	\$679	\$770	\$967	\$1,304	
Discounted FCF	\$810	\$595	\$627	\$721	\$891	
Terminal Value					\$45,278	
Enterprise Value	\$48,921	Convert				Terminal Weight
Outstanding Debt	\$3,700	\$0				92.55%
Equity Value	\$45,221	\$48,921				
Shares Outstanding	95.2	108.3				
Share Price	\$475.01	\$451.63				

Current Share Price \$359.88

	Sensitivity Analysis								
	6.09%	6.34%	6.59%	6.84%	7.09%	7.34%	7.59%	7.84%	8.09%
4.00%	\$465.12	\$415.37	\$375.22	\$342.13	\$314.41	\$290.83	\$270.53	\$252.88	\$237.39
4.25%	\$529.67	\$466.24	\$416.37	\$376.12	\$342.96	\$315.16	\$291.53	\$271.19	\$253.49
4.50%	\$614.52	\$530.94	\$467.36	\$417.37	\$377.02	\$343.78	\$315.92	\$292.23	\$271.84
4.75%	\$731.03	\$615.99	\$532.22	\$468.48	\$418.37	\$377.93	\$344.61	\$316.68	\$292.93
5.00%	\$900.98	\$732.77	\$617.46	\$533.49	\$469.60	\$419.37	\$378.83	\$345.43	\$317.43
5.25%	\$1,172.09	\$903.12	\$734.52	\$618.93	\$534.76	\$470.72	\$420.37	\$379.73	\$346.25
5.50%	\$1,672.95	\$1,174.87	\$905.27	\$736.26	\$620.41	\$536.03	\$471.84	\$421.37	\$380.64
5.75%	\$2,910.38	\$1,676.92	\$1,177.66	\$907.42	\$738.01	\$621.88	\$537.30	\$472.96	\$422.37
6.00%	\$11,022.43	\$2,917.26	\$1,680.88	\$1,180.44	\$909.56	\$739.76	\$623.35	\$538.57	\$474.08

Upside/Downside Capture	
U/D Capture	87.1x
FV Discount	75.76%

Southwest Airlines Co.		LUV
Market Cap.	ROIC/WACC	Industry
\$27.0B	-0.9x	Industrials

Company Description

Southwest Airlines is the largest carrier of US domestic passengers and has enjoyed almost half a century of straight profitable years amid the airline industry's ups and downs. The airline employs a single aircraft type, the Boeing 737 and offers first-come, first-served seating. Sticking with what has worked, the company has expanded its low-cost, no-frills, and no-reserved-seats approach to air travel through North America, Mexico, and the Caribbean to serve more than 100 destinations. Southwest's fleet numbers around 750 Boeing 737s.

The Good

- Passenger traffic is slowly coming back (35% capacity) with management adding 9 new destinations, the 737MAX, and opening the middle seat. All provide the means to achieve scale.
- Airline financials tend to be messy at best. However, management has the cleanest dirty shirt among peers. Thus, however long air travel remains depressed, management has the best ability to absorb the indigestion.
- Domestic air travel will most likely see an uptick before international. Management has little to no exposure to international air traffic and should be one of the first beneficiaries of air travel picking back up.

The Bad

- Airlines have obviously taken it on the chin from COVID. A 3rd wave or spike with the seasonal flu would keep air traffic depressed for the foreseeable future.
- Rising oil prices would ultimately result in higher costs to the firm. Fortunately, oil prices remain depressed, but could pick up with air travel.
- Shares have nearly rallied 100% since the bottom. While indicative of an improving industry, any more appreciation could quickly lead to the industry getting ahead of itself.

The Value

Adjusted Present Value

Equity Snapshot	SYR CAGR				
Growth	2.50%	-13.94%			
Discount	7.94%				
Time	1	2	3	4	5
Discount Factor	0.9297257	0.863239	0.794101	0.719519	0.652412
Free Cash Flow	-\$724	\$368	\$2,259	\$2,786	\$3,391
Discounted FCF	-\$673	\$317	\$1,794	\$2,005	\$2,212
Terminal Value					\$41,697
Enterprise Value	\$47,352	U/Con/Pen			Terminal Weight
Outstanding Debt	\$9,015	\$8,690			88.06%
Equity Value	\$38,337	\$38,662			
Shares Outstanding	590.3	642.3			
Share Price	\$64.94	\$60.19			

Current Share Price \$45.66

	Sensitivity Analysis								
	6.95%	7.20%	7.45%	7.70%	7.95%	8.20%	8.45%	8.70%	8.95%
1.50%	\$64.11	\$61.05	\$58.24	\$55.66	\$53.29	\$51.09	\$49.04	\$47.14	\$45.37
1.75%	\$67.64	\$64.28	\$61.21	\$58.40	\$55.82	\$53.43	\$51.23	\$49.18	\$47.27
2.00%	\$71.54	\$67.82	\$64.45	\$61.38	\$58.56	\$55.97	\$53.58	\$51.37	\$49.31
2.25%	\$75.84	\$71.73	\$68.00	\$64.62	\$61.54	\$58.71	\$56.12	\$53.72	\$51.51
2.50%	\$80.64	\$76.04	\$71.92	\$68.18	\$64.80	\$61.70	\$58.87	\$56.27	\$53.87
2.75%	\$86.00	\$80.85	\$76.24	\$72.11	\$68.36	\$64.97	\$61.87	\$59.03	\$56.42
3.00%	\$92.04	\$86.22	\$81.06	\$76.44	\$72.29	\$68.54	\$65.14	\$62.03	\$59.19
3.25%	\$98.89	\$92.27	\$86.44	\$81.27	\$76.64	\$72.48	\$68.73	\$65.31	\$62.20
3.50%	\$106.74	\$99.15	\$92.51	\$86.67	\$81.48	\$76.84	\$72.67	\$68.91	\$65.48

Upside/Downside Capture	
U/D Capture	210.5x
FV Discount	70.31%

Thor Industries Inc.		THO
Market Cap.	ROIC/WACC	Industry
\$6.7B	0.8x	Consumer Discretionary

Company Description

Thor Industries is a recreation vehicle builder that makes and sells a range of RVs, from motor homes to travel trailers, as well as related parts. Brands include Airstream, Thor Motor Coach, Compass, Sunlight, and Dutchmen. The company's RV manufacturing plants generally produce vehicles to dealer order. Thor sells through some 3,300 independent dealers throughout the US, Canada, and Europe. The company has domestic facilities in Idaho, Indiana, Michigan, Ohio, and Oregon. The US is its largest market, accounting for 65% of total sales. In 2019, Thor completed the acquisition of Germany-based RV manufacturer, Erwin Hymer Group.

The Good

- Revenue is growing nearly 20% at a point in time where seasonality usually results in sluggish sales. COVID is forcing consumers to rethink vacations and an outdoor RV largely solves the issues plaguing traditional ideas of leisure.
- The backlog is the largest in company history. This also comes as dealer inventories are near historic lows. This provides further evidence that demand is showing no signs of slowing.
- A pickup in demand was witnessed in 2016. Surveyed RV owners look to trade up 5-7 years after their initial purchase, further soaking management in demand.

The Bad

- One of the costs of RV maintenance is gas. If gas prices quickly accelerate higher it could result in less demand.
- Forest River has recently taken market share from management. Management seems to be dealing with supply issues, but have not been as nearly resilient as their closest peer.

The Value

Adjusted Present Value

Equity SnapShot	5YR CAGR				
Growth	3.00%	15.31%			
Discount	9.16%				
Time	1	2	3	4	5
Discount Factor	0.9200282	0.84438	0.765892	0.68695	0.619578
Free Cash Flow	\$676	\$430	\$786	\$880	\$948
Discounted FCF	\$622	\$363	\$602	\$604	\$588
Terminal Value					\$9,818
Enterprise Value	\$12,597				
Outstanding Debt	\$1,830				
Equity Value	\$10,767				
Shares Outstanding	55.4				
Share Price	\$194.36				

Terminal Weight
77.94%

	Sensitivity Analysis								
	8.26%	8.51%	8.76%	9.01%	9.26%	9.51%	9.76%	10.01%	10.26%
2.00%	\$189.96	\$183.32	\$177.17	\$171.47	\$166.15	\$161.19	\$156.55	\$152.20	\$148.11
2.25%	\$197.59	\$190.38	\$183.73	\$177.57	\$171.85	\$166.52	\$161.55	\$156.89	\$152.53
2.50%	\$205.88	\$198.03	\$190.80	\$184.13	\$177.96	\$172.22	\$166.88	\$161.90	\$157.23
2.75%	\$214.92	\$206.34	\$198.47	\$191.23	\$184.54	\$178.35	\$172.60	\$167.25	\$162.25
3.00%	\$224.83	\$215.41	\$206.80	\$198.91	\$191.65	\$184.95	\$178.74	\$172.98	\$167.61
3.25%	\$235.72	\$225.33	\$215.89	\$207.26	\$199.35	\$192.07	\$185.36	\$179.14	\$173.36
3.50%	\$247.76	\$236.25	\$225.84	\$216.37	\$207.72	\$199.79	\$192.50	\$185.76	\$179.53
3.75%	\$261.13	\$248.32	\$236.78	\$226.34	\$216.85	\$208.18	\$200.23	\$192.92	\$186.17
4.00%	\$276.07	\$261.72	\$248.87	\$237.31	\$226.84	\$217.33	\$208.64	\$200.68	\$193.35

Upside/Downside Capture	
U/D Capture	(5.7)%
FV Discount	62.32%

Current Share Price \$121.13

Wix.com		WIX
Market Cap.	ROIC/WACC	Industry
\$13.9B	-1.6x	Information Technology

Company Description

With Wix.com, you don't need to be a computer whiz to have a cool website. The company offers an affordable web development platform for small business owners and entrepreneurs to create professional-quality websites. Its drag-and-drop editing tool features templates, graphics, image galleries, and fonts, while its App Market offers more than 140 different apps, such as social plug-ins, online marketing, and CRM tools, contact forms, and e-commerce capabilities. Altogether Wix.com counts 33 million registered users in about 190 countries.

The Good

- Revenue increased 29% despite the number of new COVID cases falling in early Fall. This was an important trend as it answered fears that growth could slow as the economy reopened.
- The e-commerce plug-in is growing at 58% indicating that not only new customers, but legacy customers are adopting the strategy. This will increase the network effect of the firm and cost of substitution.
- Monthly rates for e-commerce users tend to hover around 2x non e-commerce users. Thus, the shift into digital and e-commerce will only accelerate growth for the foreseeable future.

The Bad

- Expenses are largely growing at the same rate of revenue preventing any sort of margin expansion. Management needs to turn a corner for the sake of boosting cash flow.
- Rival SquareSpace is expected to go public soon and provide competition in website designers available to be traded.

The Value

Adjusted Present Value

Equity SnapShot	SYR CAGR									
Growth	6.00%	137.00%								
Discount	7.96%									
Time	1	2	3	4	5	6	7	8	9	
Discount Factor	0.9332537	0.870694	0.806422	0.736802	0.67427	0.614592	0.566094	0.5219	0.486175	
Free Cash Flow	\$112	\$66	\$70	\$125	\$303	\$525	\$700	\$819	\$958	
Discounted FCF	\$104	\$58	\$56	\$92	\$204	\$322	\$396	\$427	\$466	
Terminal Value									\$12,262	
Enterprise Value	\$14,388	Convert:								Terminal Weight
Outstanding Debt	\$1,025	\$0								85.22%
Equity Value	\$13,363	\$14,388								
Shares Outstanding	55.6	60.1								
Share Price	\$240.34	\$239.40								

Current Share Price \$250.30

	Sensitivity Analysis								
	6.96%	7.21%	7.46%	7.71%	7.96%	8.21%	8.46%	8.71%	8.96%
5.00%	\$238.05	\$213.36	\$193.69	\$177.65	\$164.32	\$153.06	\$143.44	\$135.11	\$127.83
5.25%	\$270.55	\$238.57	\$213.82	\$194.10	\$178.03	\$164.66	\$153.38	\$143.73	\$135.38
5.50%	\$314.18	\$271.14	\$239.09	\$214.28	\$194.52	\$178.40	\$165.01	\$153.70	\$144.02
5.75%	\$375.84	\$314.88	\$271.74	\$239.61	\$214.74	\$194.93	\$178.78	\$165.35	\$154.02
6.00%	\$469.62	\$376.68	\$315.58	\$272.34	\$240.13	\$215.20	\$195.35	\$179.15	\$165.69
6.25%	\$629.44	\$470.68	\$377.53	\$316.27	\$272.93	\$240.65	\$215.66	\$195.76	\$179.53
6.50%	\$962.97	\$630.87	\$471.74	\$378.37	\$316.97	\$273.53	\$241.16	\$216.12	\$196.17
6.75%	\$2,090.64	\$965.19	\$632.31	\$472.80	\$379.21	\$317.67	\$274.12	\$241.68	\$216.59
7.00%	\$10,877.48	\$2,095.49	\$967.40	\$633.74	\$473.86	\$380.05	\$318.37	\$274.72	\$242.20

Upside/Downside Capture	
U/D Capture	(90.9)x
FV Discount	104.14%

Zuora Inc.		ZUO
Market Cap.	ROIC/WACC	Industry
\$1.8B	-3.4x	Information Technology

Company Description

Zuora, Inc. develops cloud based software. The Company offers an online subscription billing and management platform that provides pricing subscription orders, rating, accounting, and payment services. Zuora operates worldwide.

The Good

- As big and small companies shift to e-commerce, subscriptions are increasingly growing. Management stands at the forefront of this compensation shift and are set to help all firms navigate through the process.
- ACVs north of \$100K are growing over 10%. This is indicative of larger firms beginning the subscription process and more scale for management.
- The young company currently has no debt and is expected to turn FCF positive in 2021.

The Bad

- Management noted that spending from small companies took a step back as clients look for some transparency around COVID.
- Share price can be incredibly volatile, rising and/or falling over 20% in a given day.
- Technology proficient firms could bring the subscription model in house to save on cost. A perfect example of this type of model is CANOO.

The Value

Adjusted Present Value

Equity SnapShot	5YR CAGR				
Growth	6.00%	#DIV/0!			
Discount	9.18%				
Time	1	2	3	4	5
Discount Factor	0.9186828	0.843211	0.767938	0.689258	0.620921
Free Cash Flow	-\$3	\$22	\$28	\$31	\$53
Discounted FCF	-\$3	\$18	\$21	\$21	\$33
Terminal Value					\$1,107
Enterprise Value	\$1,199				
Outstanding Debt	\$0				
Equity Value	\$1,199				
Shares Outstanding	108.2				
Share Price	\$11.08				

Terminal Weight	92.37%
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	Sensitivity Analysis								
	8.18%	8.43%	8.68%	8.93%	9.18%	9.43%	9.68%	9.93%	10.18%
5.00%	\$10.97	\$10.23	\$9.59	\$9.04	\$8.55	\$8.11	\$7.73	\$7.38	\$7.06
5.25%	\$11.86	\$10.99	\$10.25	\$9.62	\$9.06	\$8.57	\$8.13	\$7.74	\$7.39
5.50%	\$12.92	\$11.89	\$11.02	\$10.28	\$9.64	\$9.08	\$8.58	\$8.15	\$7.76
5.75%	\$14.19	\$12.95	\$11.91	\$11.04	\$10.30	\$9.66	\$9.10	\$8.60	\$8.17
6.00%	\$15.76	\$14.22	\$12.97	\$11.94	\$11.07	\$10.32	\$9.68	\$9.12	\$8.62
6.25%	\$17.73	\$15.79	\$14.25	\$13.00	\$11.96	\$11.09	\$10.34	\$9.70	\$9.14
6.50%	\$20.28	\$17.77	\$15.83	\$14.28	\$13.03	\$11.99	\$11.11	\$10.37	\$9.72
6.75%	\$23.74	\$20.33	\$17.81	\$15.86	\$14.32	\$13.06	\$12.02	\$11.14	\$10.39
7.00%	\$28.65	\$23.79	\$20.37	\$17.85	\$15.90	\$14.35	\$13.09	\$12.04	\$11.16

Upside/Downside Capture	
U/D Capture	1.8x
FV Discount	132.58%

Current Share Price	\$14.69
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