Applied Investment Management (AIM) Program

AIM Class of 2018 Equity Fund Reports
Spring 2017

Date: Friday, May 5th | ***Time:*** *2:30 – 4:00* p.m. | ***Location: AIM Research Room 488***

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These student presentations are an important element of the applied learning experience in the AIM program. The students conduct fundamental equity research and present their recommendations in written and oral format – with the goal of adding their stock to the AIM Equity Fund. Your comments and advice add considerably to their educational experience and is greatly appreciated. Each student will spend about 5-7 minutes presenting their formal recommendation, which is then followed by about 8-10 minutes of Q & A.

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Transportadora de Gas del Sur SA (TGS)
May 5, 2017

Thomas Dietz International Utilities

Transportadora de Gas del SUR SA (NYSE: TGS) is an Argentine natural transportation gas company that operates through three main segments: gas processing (64% revenue, 53% EBITDA), gas transportation (28%, 36%), and other services (7%, 11%). Within those segments, TGS also deals in midstream servicing including gas treatment and purification and in pipeline and wellhead construction. TGS began in 1992 as part of Gas del Estado when the Argentine state natural gas enterprise was privatized. TGS currently produces 61% of Argentina's natural gas consumption, mainly focused in servicing the southern and western parts of the country in addition to Buenos Aires. Transportadora de Gas del Sur currently operates three main pipelines, including the massive San Martine pipeline that is over 2300 miles long. TGS went public in 1994 and is headquartered in Buenos Aires.

Price ($): (5/2/17)	15.20
Price Target ($):	19.71
52WK H-L ($):	$17.35/$5.85
Market Cap (mil):	1,261.00
Float (mil):	-
Short Interest (%):	0.0%
Avg. Daily Vol (k):	263.4
Dividend ($):	0.60
Yield (%):	4.0

Beta:	1.01
WACC:	11.9%
M-Term Rev. Gr Rate Est:	13.5%
M-Term EPS Gr Rate Est:	26.1%
Debt/Equity:	153.0%
Debt/EBITDA (ttm):	1.4x
ROA:	17.1%
ROE:	42.9%
ROIC:	16.6%

FY: Dec	2016A	2017E	2018E	2019E
Revenue (mil)	496.24	534.54	823.41	799.92
% Growth	8.74%	7.16%	35.08%	-2.94%
Gross Margin	39.41%	47.91%	61.14%	64.21%
Operating Margir	31.06%	44.37%	59.65%	64.16%
EPS (Cal)	$0.77	$1.96	$3.97	$4.02
FCF/Share	$0.60	$0.29	$1.31	$1.36
P/E (Cal)	19.8	10.0	10.0	10.0
EV/EBITDA	5.9	3.2	1.7	1.6

Recommendation

TGS is uniquely positioned to capitalize on major government energy policy changes in Argentina. After a history of heavily subsidizing energy costs, the newly elected Argentine government, led by Mauricio Macri, has chosen to eliminate the subsidies in favor of mandatory natural gas price increases from 200-400% over time. The magnitude of the change will depend on the consumer's income and whether the consumer is retail or commercial. The goal of the tariff is to encourage oil and gas exploration to stimulate economic growth - and the government wants to move from being a natural gas importer to a natural gas exporter by 2021. The price increases will be implemented as a tariff in three parts, 30% on April 1, 2016, an additional 40% in December 2017, and another 30% in April 2018. After the major increases, the tariff will be increased by the inflation rate every six months. This counters Argentina's inflation rate that has ranged from 10-40% over the past three years and is currently near 20%. This structure effectively allows investment in Argentina, which has stable projected GDP growth rates from 2.5-3.5% over the next five years, with no inflation risk. The subsidy that previously offset low gas prices will continue through 2019 in most of the Argentina, expect for the southern region where TGS operates, which will receive the subsidy through 2022. With the combination of government backing, no inflation risk, and significant market power, it is recommended that TGS be added to the AIM portfolio with a target price of $19.71, representing an upside of 29.7% The firm pays a 4.0% dividend yield.

Investment Thesis

- **Strong government backing.** Argentina has seen a shift away from its state-run tendencies in recent decades. In the early 1990s, the Argentine government privatized both Gas de Estado, TGS' beginning, and YPF, one of TGS' competitors. Argentina has also given massive amounts of power to their president in recent years, allowing them to legally bypass congressional approval and act in the best interest of the country. President Macri has pledged to make natural gas more profitable and wants to capitalize on the world's fourth largest natural gas supply that resides below Argentina.

- **Increasing FCF per share and dividend potential.** Many South American utility companies, TGS included, have seen negative earnings and low FCF in recent years. The implementation of the tariff combined with the continuation of the government subsidies through 2022 will generate increased FCF per share and investors will be expecting significant dividends once TGS' stock price growth slows to more standard utility growth. Management has indicated that they recognize this and are expecting to start paying larger dividends starting in 2018. Historical dividends have been 33% of net income, which translates to a 4-4.5% yield. Analysts who have spoken with management optimistically predict the yield could be as high as 11%.
- **Price insensitivity of natural gas.** Initial public reactions to the tariff were understandable, but demand is not projected to decrease significantly due to the necessity of natural gas in everyday household life. Furthermore, production is expected to increase due to the strong projected GDP growth over the coming years.

Valuation

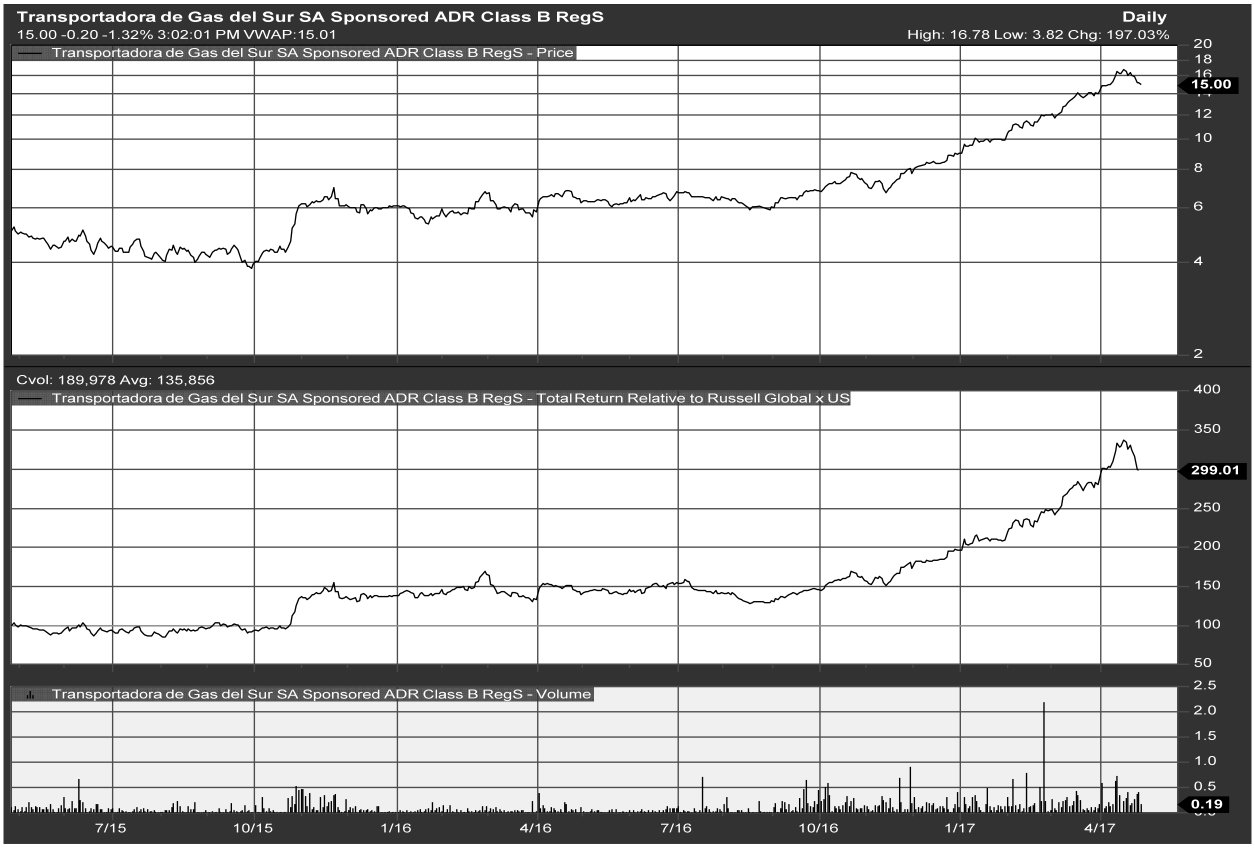
To determine the present value of Transportadora de Gas del Sur, a five-sum-of-the parts DCF was constructed. Management guidance on segement profitability and future segment growth was made to project revenues, margins, and allocation of depreciation. With a WACC of 11.88% and segment terminal growth rates of 1.5%, 2.5%, and 2.25% for production, transportation, and other; a terminal value of $20.82 was reached. A sensitivity analysis with the weighted growth rate ranging from 2.06-2.86% and a WACC from 10.38-13.38% resulted in valuations from $17.98-22.29. Additionally, an next twelve months P/S multiple valuation was built resulting in a target price of $16.37. Using a weights of 75/25, a price target of $19.71 was obtained, representing an upside of 29.7%.

Risks

- **Delay of tariff implementation.** The president of Argentina has a formidable amount of power, but courts in the past have scaled down past government mandated energy tariffs. Macri has held the necessary public hearings to enact these tariffs unlike past leaders, but the left-leaning mindset of many Argentine citizens and court officials may slow the implementation of the tariff.
- **Large short term capital expenditures.** TGS predicts an increase in capex over the next three years to $150 mm per year and $110 mm per year thereafter to construct more pipelines, up from a previous average of $43 mm per year. This increase in capex is to build more pipeline and increase gas transportation revenues. The company will not feel the full benefit of the tariff increase until 2018, so the noticeably lower FCF per share in 2017 comes from the increased capex and not yet materialized tariff revenue.
- **Exchange rate risk.** After a long history of currency protection, Argentina deregulated its currency controls and saw a large decrease of its peso vs the USD. Exchange rates have been realtively stable, at 0.063-0.067 pesos per 1 USD over the past year; however, Argetina's high inflation and slight poltical instability could be worrisome for the peso's exchange rate.
- **Dependence on President Macri.** President Macri is the linchpin in the success of the tariff implementation to make gas exploration and production more profitable. Loss of public approval or corruption charges that lead to impeachment could eliminate most of the future revenue growth.

Management

Jorge Javier Gremes Cordero has served as CEO of TGS since November 2012 after serving as the CEO of a Petrobras subsidiary. Mr. Gremes Cordero's enire career has been in energy related accounting and finance. Gustavo Mariani is the chairman of the board and president of TGS, and in addition is the co-CEO of Pampa Energia, one of TGS' competitors. Mr. Mariani is a CFA charter holder and involved in numerous other South American energy companies.



Source: FactSet

Ownership

% of Shares Held by All Insider and 5% Owners:	50.92%
% of Shares Held by Institutional & Mutual Fund Owners:	41.97%

Source: FactSet

Top 5 Shareholders

Holder	Shares	% Out
The Vanguard Group Inc.	6,485,000 ▼	3.80
Invesco Advisers, Inc.	4,639,000 ▲	2.72
Edge Asset Management, Inc.	4,069,000 ▲	2.39
BlackRock Fund Advisors	3,699,000 ▲	2.17
RBC Global Asset Management Fund (US)	3,522,000 ▲	2.07

Source: FactSet

Peer Analysis

Name	Ticker	Market Cap (mil)	Net Income (mil)	D/E	P/E	EV/ EBITDA
Transportadora de Gas de la Sur de SA	TGS	1261.00	62	1.5	19.5	10.4
Pampa Energia SA	PAM	4337.00	-1	2.3	—*	24.1
Empresa de Energia de Bogota SA	EEB	5890.00	422	0.7	12.93	16.3
Yacimientos Petroliferos Fiscales SA	YPF	10123.00	-1,903	1.3	—*	4.0
Compania de Gas de Sao Paolo	CGAS5	1770	258	1.6	6.49	3.9
Peer Averages		5,530	-306	1.5	9.71	12.1

*Values are negative

Source: FactSet

Ingersoll-Rand (IR)

May 5, 2017

Matthew Holland — International Industrials

Ingersoll-Rand plc (NYSE: IR) is a diversified global company that provides products, services, and solutions to enhance the quality, energy efficiency and comfort of air in homes and buildings, transport and protect food and perishables, and increase industrial productivity and efficiency. The firm operates out of two business segments: Climate and Industrial. Their Climate segment (78% of revenues) delivers heating, ventilation, and air conditioning (HVAC) systems, parts, and services to commercial and residential clients, as well as energy services, building automation, and temperature control solutions. Their Industrial segment (22% of revenues) provides products and services that enhance energy efficiency and productivity. IR was founded in 1905 and is headquartered in Swords, Ireland.

Price ($): 4/28/2017	$ 88.75
Price Target ($):	$ 107.17
52WK H-L ($):	$ 89.75-59.10
Market Cap (mil):	22,722
Float (mil):	255.5
Short Interest (%):	1.4
Avg. Daily Vol (mil):	1.9
Dividend ($):	1.60
Yield (%):	1.8

Beta:	1.18
WACC	9.30%
M-Term Rev. Gr Rate Est:	3.2%
M-Term EBIT Gr Rate Est:	4.9%
Debt/Equity:	61.3%
Debt/EBITDA (ttm):	2.05
ROA (%):	8.46
ROE (%):	23.17
ROIC (%):	14.50

FY: Dec	2015	2016	2017E	2018E
Revenue (Mil)	13,300.7	13,508.9	14,049.3	14,590.2
% Growth	3.2%	1.6%	4.0%	3.9%
Gross Margin	30%	31%	32%	32%
Operating Margin	11.2%	11.9%	13.1%	13.8%
EPS (Cal)	$ 2.68	$ 5.56	$ 5.28	$ 5.95
FCF/Share	$ 4.93	$ 6.68	$ 6.53	$ 7.24
P/E (Cal)	22.03x	13.16x	16.76x	14.89x
EV/ EBITDA	9.7x	11.2x	9.9x	9.1x

Recommendation

World population has increased by nearly 23% since the start of the century, and growth is expected to continue for the foreseeable future. Coinciding with this rapid growth in population is an urbanization movement. 2007 marked the first time in history that more people lived in cities than other settings, and this trend is expected to increase. With these trends expected to continue, the demand for high-quality, efficient air and fresh food will increase. One beneficiary of these trends could be IR, as they supply these products and services on a global scale: Americas (68.5% of revenues), Asia (15.6%), Europe (12.2%), and Africa and the Middle East (3.7%). IR offers a portfolio of nearly 70 products and services under the brands of Ingersoll-Rand, Thermo King, Trane, Club Car, American Standard, and ARO. Many of these brands are leading names in their respective industries, including Trane in the HVAC industry and Thermo King in the refrigerant transportation industry. IR has also made environmental safety a priority. By diligently working to not only meet regulations, but surpass them, they have set themselves apart from competition in terms of environmental safety. In addition to their current brands, IR continues to make strategic acquisitions in order to increase market share and improve efficiency. This includes recent acquisitions of Frigoblock, Cameron International, and Thermocold Costruzioni. With proven experience, IR has the potential to make further acquisitions with strong synergetic capabilities. Due to global trends, a robust portfolio of brand names, a proactive approach to environmental regulations, and acquisition success and capabilities, it is recommended that IR be added to the AIM International Fund with a target price of $107.17, representing an upside of 20.75%.

Investment Thesis

- **In Position to Capitalize on Global Trends.** The current world population is about 7.5 billion people, and this number is projected to increase by nearly 2.5 billion by 2050. Urbanization has also increased at an accelerated rate. By 2050, it is estimated 66% of the world's population will live in urban environments. As these numbers increase, the demand for products such as IR's HVAC systems and refrigerants will increase, providing IR the opportunity to capitalize. The HVAC industry is expected to increase at a CAGR of 4.34% through 2022. This can lead to incremental revenue of $7 billion dollars for IR. Additionally, the refrigeration transportation industry is expected to increase to $10.2 billion by 2022. Considering IR's position as a major player in this industry, IR has plenty of room to capitalize on this expected increase in revenues.

- **Ahead of the Curve.** In a regulated market, IR and competitors need to be conscious of regulations that will impact the products they can sell and their current operations. IR is currently ahead of the curve in regard to regulation, and they continue to invest in research and development costs to improve their products and beat regulatory guidelines by greater margins. They currently have $500 million invested over the next five years specifically on this goal. This proactive approach by IR will allow them to gain market share when further guidelines limit competitors' ability to deliver products to the market.
- **Acquisition History and Opportunities.** IR has a history of acquisitions, including recent acquisitions of Frigoblock and Cameron International's centrifugal compression division in 2015. The Frigoblock acquisition provides the opportunity to expand IR's refrigerated transport business in Europe. It will also strengthen their research and development potential. The Cameron International acquisition can expand the industrial segment, providing additional compressed air and gas offerings. In 2017, IR acquired Thermocold Costruzioni, which can help to strengthen IR's HVAC portfolio. Thermocold's innovative multi-pipe HVAC system can help drive incremental revenue. Based on recent success, IR has shown the capability to acquire synergetic companies in order to expand and increase efficiency. With capital expenditures expected to increase over the next three years, another acquisition may be on the horizon.

Valuation

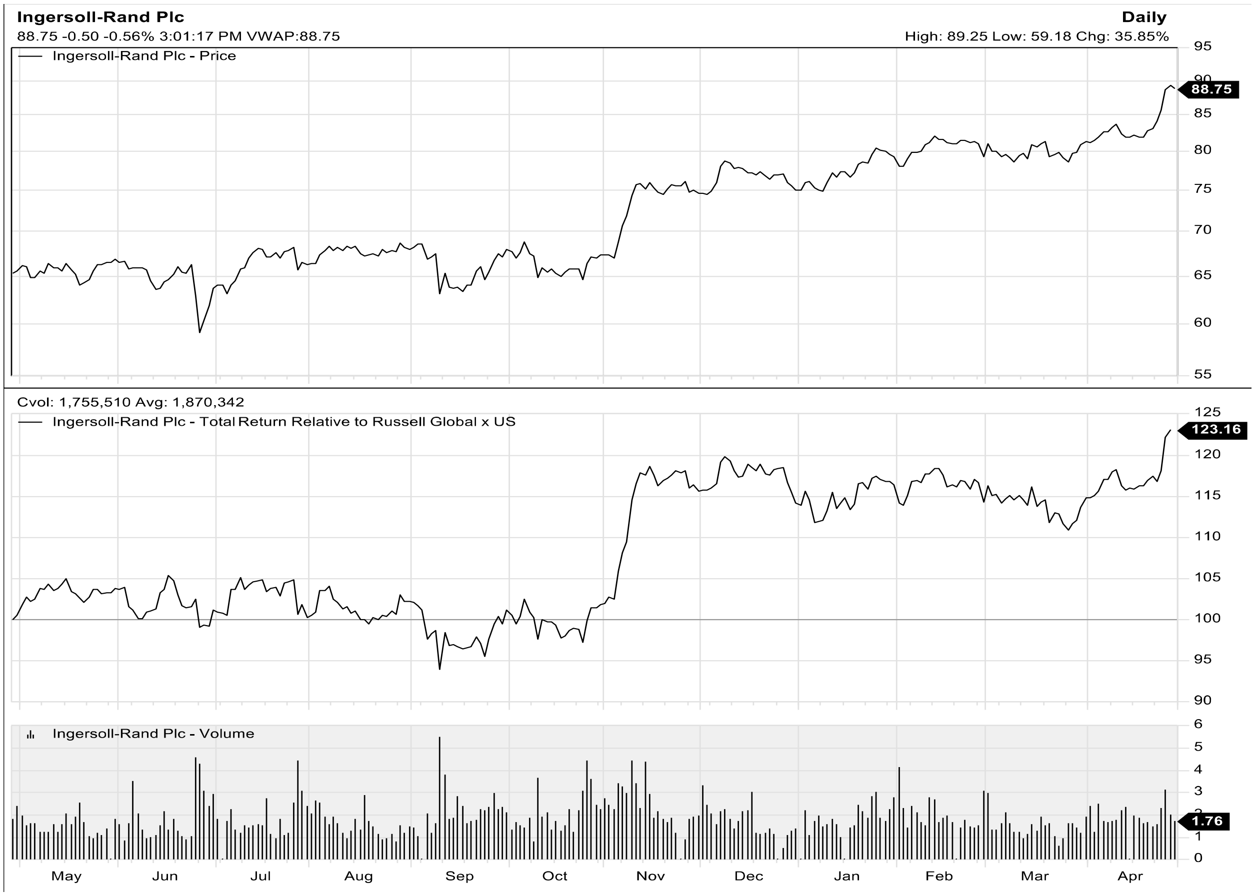
In order to reach an intrinsic value for IR, a five year DCF model was constructed. Using a terminal growth rate of 2.0% and a WACC of 9.30%, an intrinsic value of $108.03 was reached. A ± 0.5% sensitivity analysis on the terminal growth rate and WACC resulted in a price range of $99.27-119.67. Additionally, a P/E multiple valuation was constructed using an expected 2017 EPS of $5.28 and a comparable average P/E (NTM) of 19.46x, resulting in an intrinsic value of $102.82. Furthermore, an EV/EBITDA multiple valuation was constructed using an expected EBITDA of $2,209.15 million and a comparable average EV/EBITDA of 13.91x, resulting in an intrinsic value of $110.66. Weighting these models equally, a price target of $107.17 was reached, representing a 20.75% upside. IR pays a $1.60 dividend, yielding 1.80%.

Risks

- **Reliance of Commodities.** IR relies on many commodities, specifically steel and non-ferrous metals, for many of their products. Volatility in commodity prices could increase costs, which could decrease margins if IR is unable to pass these down to customers. Additionally, IR relies on petroleum-based fuel to operate. Higher energy costs could increase operating costs and decrease margins.
- **Foreign Currency Risks.** As a global company, IR has exposure to foreign currencies. About 30% of IR's revenues is denominated in foreign currencies that could fluctuate materially against the U.S. dollar. Approximately 10% of this exposure is to the euro, with the majority of the rest coming from the Canadian dollar, British pound, Australian dollar, Japanese yen, Brazilian real, and Malaysian ringgit. Strong fluctuations in currency prices can affect sales and production costs.
- **Global Climate Change and Related Regulations.** As global climate change continues to be prevalent, regulations will continue to affect IR's operations. IR currently has $500 million invested in product related research and development to help combat the current regulatory environment, but new regulations could still create restrictions on IR's current operations.

Management

Michael Lamach is the President (2009), Chairman (2010), and CEO (2010). He has been with IR since 2009. Prior to joining IR, he was vice president and managing director for the European, Asian, South African, and South American businesses of Johnson Control's Automotive Group.



Ownership

% of Shares Held by All Insider Owners:	0.23%
% of Shares Held by Institutional & Mutual Fund Owners:	89.24%

Source: FactSet

Top 5 Shareholders

Holder	Shares	% Out
The Vanguard Group, Inc.	16,193 ▲	6.24
SSgA Funds Management, Inc.	14,056 ▲	5.42
Blackrock Fund Advisors	12,814 ▲	4.94
Capital Research and Management Co.	8,209 ▲	3.16
Fidelity Management and Research Co.	7,359 ▲	2.84

Source: FactSet

Peer Analysis

Name	Ticker	Market Cap (mil)	Sales (mil)	EV/EBITDA	P/E (NTM)	Price/Book
Ingersoll Rand	IR	22,850.00	13,509.00	12.93	19.10	2.93
Dover Corp	DOV	12,397.60	6,794.30	13.65	19.50	3.07
Assa Abloy AB	ASSA.B-SE	24,319.60	8,326.90	17.75	23.40	3.98
Textron	TXT	12,602.80	13,788.00	10.07	17.60	2.35
Atlas Copco AB	ATCO.A-SE	43,979.20	11,838.00	15.33	22.70	6.35
SPX Corporation	SPXC	1,039.00	1,473.30	12.77	14.10	5.19
Peer Averages		18,867.64	8,444.10	13.91	19.46	4.19

Farmland Partners, Inc. (FPI)
May 5, 2017

Justine Shanner Domestic Financial Services

Farmland Partners, Inc. (NYSE: FPI) is the largest public farmland REIT in the United States, specializing in acquiring and maintaining high-quality row crop farmland. The firm owns 152,000 acres, and serves over 100 tenants. FPI collects rent from farmers on a triple-net basis, a structure in which the tenant pays nearly all operating expenses while renting from FPI. The land is allocated across 17 states, and has a collective $968 million in net asset value. FBI's farmland portfolio is segmented by the following regions: Corn Belt (32%), Delta + South (19%), High Plains (19%), Southeast (25%), and West Coast (5%). The land includes 26 major crop types, strategically matching demand for food, fiber, and fuel. Crop segmentation is devised of 75% row crop land, suitable for soybeans, corn, wheat, and other grains, and 25% specialty crops, such as fruit, vegetables, and tree nuts. Farmland Partners was founded in September 2013 in Denver, CO and became public in April 2014.

Price ($): (3/30/15)	10.76	Beta:	0.81	FY: Dec	2015A	2016E	2017E	2018E
Price Target ($):	13.96	WACC	5.74%	Revenue (000)	13,570	30,929	43,609	50,587
52Wk H-L ($):	10.00-11.96	Cost of Equity	8.03%	% Growth	221.70%	127.93%	41.00%	16.00%
Market Cap (mil):	352.3	M-Term Rev. Gr Rate Est:	12.0%	FFO (000)	2582	7553	11772	12895
Float (%):	93.8%	Debt/Assets:	47.1%	EPS	0.08	0.09	0.33	0.41
Short Interest (%):	3.42%	FFO/Total Debt:	0.3x	P/E	137.10	124.0	35.10	27.20
Avg. Daily Vol (000):	265.25	ROA (%):	0.24%	P/B	1.21	1.21	1.20	1.19
Dividend ($):	0.51	ROE (%):	0.87%	AFFO/Share	0.31	0.58	0.69	0.78
Yield (%):	4.70%	Occupancy Rate:	100.0%	P/FFO	40.9	19.2	20.2	17.8

Recommendation

In an environment where 87% of U.S. farms are owned by families or individuals, 8% by partnerships, and 4% by corporations, capitalizing on farmland fragmentation is a new and relatively untouched concept. Farmland Partners, Inc. became the second agricultural REIT to go public in 2014, and has since captured 73% of market share by participating in rapid and strategic acquisitions. At the close of FY2016, YoY growth demonstrated FPI's ability to accelerate their asset base and overcome their initial cost structure. Net income had reached 250% YoY, revenue was up 125% YoY, and AFFO produced a 172% YoY growth. This impressive improvement from disappointing margins in FPI's early years, specifically 2014, welcomes the opportunity for FPI to gradually become less levered. Management is targeting a 40% debt capitalization, while simultaneously increasing scale. United Nations Food and Agriculture Organization (UNFAO) projects world population to grow 12% by 2020, and reach 9.7 billion by 2050. Subsequently, a drastic increase in global food demand drives FPI's strategy. UNFAO predicts a requirement of one billion additional tons of grain to satisfy population growth, doubling the 475 million tons of grain produced in 2014. Additonally, there is $20mm-$40mm billion of farmland for sale annually in the U.S. alone, and FPI's impressive performance in FY15 and FY16 position the firm to continue to be a top player in a market that traditionally operates farmer-to-farmer. FPI's triple-net basis business model implies a low requirement for capital expenditure, as FPI does not directly incur the opreational expenses of agribusiness. A 5 year CAGR of 81.9% and 95.3% for revenue and FFO, respectively, demonstrates an expansionary period in FPI's young, yet optimistic stage. As a result, it is proposed that Farmland Partners, Inc. be added to the AIM Equity Fund, at a price target of $13.96, with an upside of 29.26%.

Investment Thesis

- **Legislative Support.** President Trump signed an Executive Order on April 25, 2017, creating a Interagency Task Force on Agriculture and Rural Prosperity, intented to significantly decrease regulatons on agricultural practices, as well as introduce substantial tax cuts to the American farmer. Additionally, recent discussions regarding a 20% border tax has the potential to shift consumer behavior to domestically grown produce due to a reduction in imports, and consumer trends to buy local.

- **M&A Activity Offers Diversification and Synergy.** FPI completed their merger with American Farmland Compnay (AFCO) in 1Q17, acquiring 17,817 acres. This merger increased diversification, scale, average cap rate, and generated significant synergies. $253 asset value was added to FPI, and AFCO's tenants will provide an additional ~12.4mm of annual rental income. The AFCO acquisition enhances FPI's tenant mix, crop type, geographic spread, and introduces new prospects in previously untapped regions, specifically the West Coast. FPI was able to avoid $8mm in expense with a $160,000 termination fee, enabling the firm to acquire high quality assets that were depressed under a faulty cost structure.
- **Market Share in Niche Environment.** Management holds deep expertise in agribusiness, and FPI has been able to acquire market share at a rapid pace due to extensive knowledge on soil requirements, production limits, and irrigation technology. This optimizes the longevity of the land FPI acquires, and positions the firm as a top player in a highly specialized niche market with a near zero-vacancy rate.

Valuation

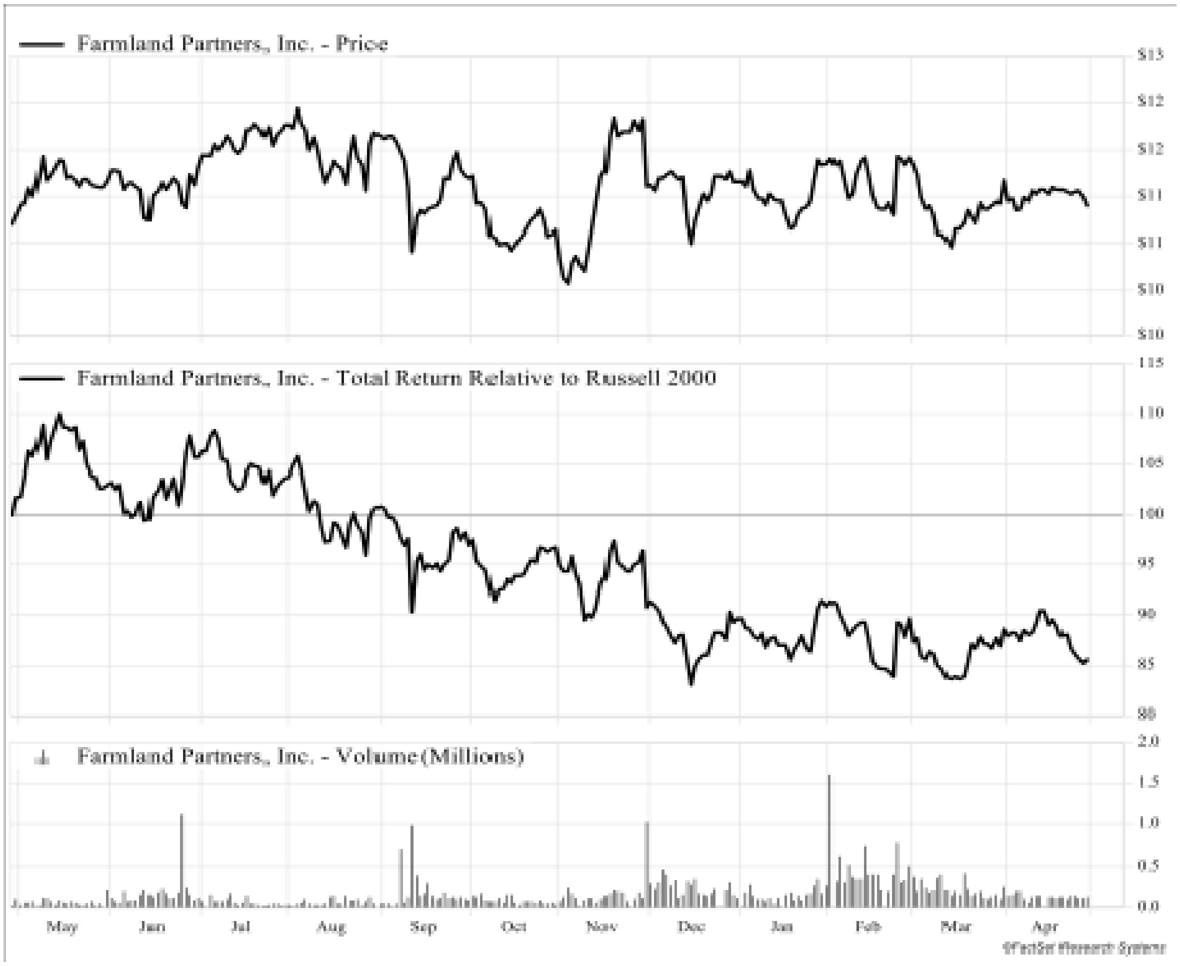
Two valuation methods were utilized to reach FPI's intrinsic value. A five-year dividend discount model was constructed using a WACC of 5.74% and a 2.50% stable growth rate, yeilding an intrinsic value of $16.80. Predicted multiples for price to book, as well as price to funds from operations (FFO) were also used for FPI's valuation. A P/FFO multiple and P/B multiple of 17.12x and 1.44x, respectively, were utilized, providing an intrinisc value of $11.11. Weighing the valuations 50/50, a final estimated intrinsic value of $13.96 was reached, yielding a 29.26% upside.

Risks

- **Commodity Price Risk.** Row crops are primarily commodity products, meaning 75% of FPI's tenants are exposed to commodity price volatility. FPI does not directly take on commodity risk, as it would take many consecutive periods of commodity price decline to require a decrease in rent value. When drastic drops in commodity prices occurred in 2015 and 2016, land values remained steady despite struggling agribusiness.
- **Expansion into Specialty Crops.** FPI's plans to expand into farmland with permanent crops, specifically fruit trees, increases climate risk that has been previously avoided by concentrating farmland in the Corn Belt. As FPI shifts away from its previous Midwest structure, the tenant portfolio will now include farmers operating in a more capital intensive environment, with significantly higher replacement cost in the event of a natural disaster or draught.
- **Farmer Default.** 13% of FPI's leases are contracted on a variable basis, based on revenue and crop yeilds generated during the harvest period. Additionally, in 2015, FPI introduced the FPI Loan Program, providing lending to third-party farmers for working capital financing, operational farming activies, and significant infrastructure projects. This exposes FPI to default risk, as 87% of U.S. farms are operated by families or individuals, with traditionally high amounts of debt.

Management

Paul A. Pittman has been the CEO, President, and Chairman since FPI's founding. He was previously President at American Agriculture Corp., and President of Pittman Hough Farms, LLC. Pittman is a self-proclaimed "farmer who understands the capital markets," as he has extensive career experience in investment banking and corporate finance. Luca Fabbri has served FPI as the CFO, Secretary, and Treasurer for four years.



Ownership

% of Shares Held by All Insider and Owners:	6.20%
% of Shares Held by Institutional & Mutual Fund Owners:	26.56%

Source: Factset

Top 5 Shareholders

Holder	Shares	% Out
Justice James C II	1,097,000 ▲	3.39%
BlackRock Fund Advisors	242,000 ▲	2.52%
Uniplan Investment Counsel, Inc.	9,000 ▲	1.90%
The Vanguard Group, Inc.	139,000 ▲	1.80%
Paul A. Pittman	1,000 ▲	1.68%

Source: Factset

Peer Analysis

Name	Ticker	Market Cap (mil)	Revenue (mil)	P/FFO	P/B	Dividend Yield
Farmland Partners, Inc.	FPI	**352.3**	31.0	16.1	1.2	4.7%
Gladstone Land Corp.	LAND	131.9	17.32	19.20	1.5	4.7%
Landmark Infrastructure Partners	LMRK	357	40.96	15.73	1.09	8.9%
Hannon Armstrong	HASI	1,134	35.96	12.80	1.8	6.0%
Rayonier Inc.	RYN	3,634	788.30	16.20	2.5	3.5%
	Peer Averages	1,314	220.64	15.98	1.7	5.8%

Source: Factset

SunOpta Inc. (STKL)
May 5, 2017

Justin Amakil International Consumer Discretionary

SunOpta Inc. (NASDAQ: STKL) is a company that focuses on a healthy products portfolio consisting of organic, non-genetically modified ("GMO") and specialty foods. It places a strong emphasis on sourcing non-GMO and organic ingredients, as well as manufacturing healthy food and beverage products. The company operates through the segments of Consumer Products (57.36% of revenue), Global Ingredients (42.64%), and Corporate Services. Consumer Products is comprised of three main platforms: Healthy Beverages, Healthy Fruit, and Healthy Snacks. Global Ingredients focuses on the procurement and sale of specialty and organic grains and seeds, raw material ingredients, value-added grain and cocoa-based ingredients, and organic commodities. The company operates 24 processing and packaging facilities, all mainly located in North America and Europe. Founded in 1973, SunOpta has more than 2,000 employees and is headquartered in Mississauga, Canada.

Price ($): (5/2/17)	7.15	Beta:	1.49	FY: Dec	2016	2017E	2018E	2019E
Price Target ($):	9.07	WACC	9.3%	Revenue (Mil)	1,346.73	1,380.50	1,495.50	1,615.80
52WK H-L ($):	3.16-7.70	M-Term Rev. Gr Rate Est:	6.6%	% Growth	17.60%	2.51%	8.33%	8.04%
Market Cap (mil):	630	M-Term EPS Gr Rate Est:	25.2%	Gross Margin	8.66%	11.75%	12.08%	12.24%
Float (%):	1.0	Debt/Equity:	97.0%	Operating Margin	1.45%	2.75%	4.08%	4.24%
Short Interest (%):	4.30%	Debt/EBITDA (ttm):	8.04	EPS (Cal)	$ (0.57)	$ 0.29	$ 0.46	$ 0.52
Avg. Daily Vol (mil):	0.57	ROA:	-4.3%	FCF/Share	$ (0.25)	$ 0.13	$ 0.48	$ 0.57
Dividend ($):	0.00	ROE:	-11.7%	P/E (Cal)	$ (12.6)	24.8	15.4	13.7
Yield (%):	0.00%	ROIC:	-3.98%	EV/EBITDA	20.8	16.0	11.5	10.4

Recommendation

From Generation Z to Baby Boomers, people are willing to pay more for "healthy" foods than ever before. In 2014, the U.S. had $53.5 billion in retail sales of healthy foods and beverages. Healthy eating, nutrition, and weight loss accounted for 17.5% of the $3.7 trillion global wellness economy in 2015. Healthy snacks are the leading segment of the entire food and beverage market, projected to yield a 5.7% CAGR between 2016 and 2020. Healthy-ingredient snack sales are also expected to reach $25.4 billion in 2020. With the increased demand for healthy products, companies must reevaluate key ingredients in order to provide products to mitigate health and obesity concerns among customers. STKL has the capability to capitalize on this market and meet demand. The company has had increased sales by 17.6% in 2016 from 2015, growing at a much faster pace than its competitors: Yasheng Group, AGT Food and Ingredients, and Indofood Agri Resources Ltd. In FY2016, revenue was comprised from Canada (2.3%), Europe and other (17.2%), and the U.S. (80.5%). STKL is also evaluating strategies to maximize shareholder value, recently having announced their strategic partnership with Oaktree Capital Management L.P., their biggest shareholder. Oaktree helps STKL in the review of operations, management, and governance for long-term growth. Given the upcoming transformation of STKL with its planned expenditures and wide leadership, STKL is expected to show increased profitability long-term. Due to the implementation of its new value creation plan with expected EBITDA enhancements of $30 million, management initiatives, and strong supplier network, it is recommended that SunOpta Inc. be added to the AIM International Fund with a target price of $8.91, representing 22.08% upside. STKL does not pay a dividend.

Investment Thesis

- **Value creation plan.** Over the next 18 months, management seeks to implement $30 million of annualized EBITDA growth and $20 million of working capital efficiencies. Structural investments in people, process, and technology seeking to support long-term growth will offset current-year outlays. Under a targeted gross margin of 16%, an SG&A ratio of 8%, and depreciation and amortization expense of 3%, management seeks to improve EBITDA margin up to 10% from 6% in 2017. With $10 million expected to be saved in 2017, the rest of the $20 million is expected to fall to the bottom line in 2018. The plan focuses on four pillars: portfolio optimization, operational excellence, go-to-market effectiveness, and process sustainability. Strategies consists of investing in its higher margin segments, exiting lower margin businesses, driving down cost structure, optimizing its product mix, customers, and channels.

- **Management initiatives.** David Colo was appointed CEO in 2017, bringing 30 years of leadership experience in general management, operations and supply chain management. He previously worked at Diamond Foods where he was tasked with managing marketing, innovation, R&D, operations, supply chain, procurement, quality, food safety, grower services, and contract manufacturing. Within two months of Colo's new role, STKL has had new heads of supply chain, operations and engineering, information technology, human resources, and foodservice. Management seeks to improve food safety and efficiencies with $15MM on capital upgrades, $20MMfor non-structural costs like consulting fees and severance expense, and $8MM into SG&A. With the increase expenditures, management forecasts positive revenue growth with a more effective cost structure, focused sales teams, and a more reliable manufacturing network.
- **Supply of global ingredients.** STKL's primary competitive advantage is its vast global sourcing network. The scarcity of organic ingredients has significantly increased the demand for healthy foods and beverages. With more than 10,000 growers and 5,000 supply relationships across 65 countries, STKL owns one of the largest organic raw material ingredient sourcing systems in the world. The company works closely with growers, streamlines the organic certification process, and provides other services to aid yields. Independently, STKL maintains processing, storage, sorting, and sizing facilities for global ingredients such as grains, cocoa, and seeds. STKL looks to expand with new geographies, products, and processing capabilities.

Valuation

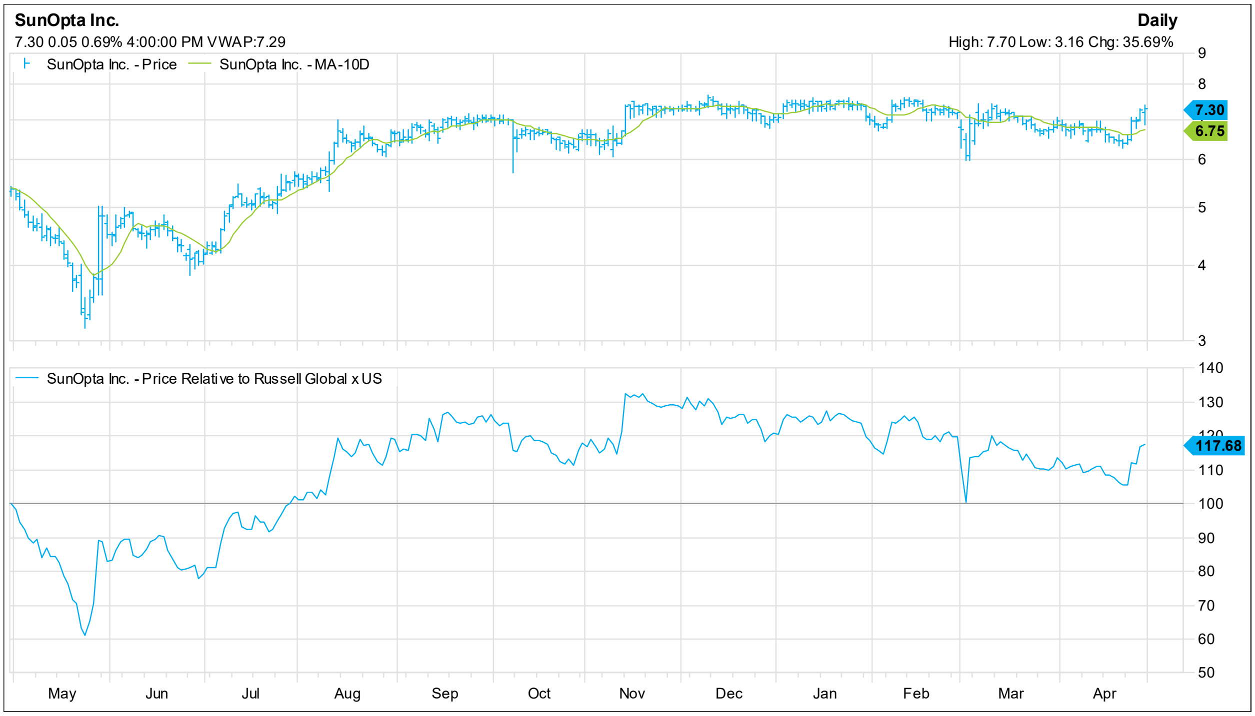
In order to reach an intrinsic value for STKL, a five year DCF model was constructed. Using a terminal growth rate of 2.5%, WACC of 9.33%, an intrinsic value of $9.40 was reached. A sensitivity analysis expressed a range from $8.80-10.36. In addition to the DCF, an EV/EBITDA multiple valuation was calculated using a 2017 EBITDA estimate of $65.66 million and a peer comparable multiple of 12.0x. This resulted in a valuation of $8.57. Weighing the DCF and EV/EBITDA 60/40% respectively, the price target was found to be $9.07, resulting in a 26.83% upside. STKL does not pay a dividend.

Risks

- **Currency risk.** STKL is at high risk for foreign exchange rate fluctuations. Relative to USD, EUR depreciated 2.81% in 2016 and CAD appreciated 3.08% in 2016. STKL holds long-term assets in these countries as well: Canada: (2.06%), Europe and other (15.75%), and the U.S. (82.19%). Since a considerable amount of operations are in Europe, currency fluctuations can significantly affect the business.
- **Significant food and health regulations.** STKL is subject to a wide range of governmental regulations in Canada, the U.S., Mexico, and in Europe. Changes in NAFTA proposed by President Trump in the U.S. will also significantly affect operations in Mexico and Canada. The offset of free trade could negatively impact the flow of goods in North America for the business.
- **Fierce competition.** STKL operates in extremely competitive geographic markets in the U.S., Canada, Europe, and other countries. Competitors are also involved in the development and sale of natural and organic foods. If these companies prosper from economies of scale, pricing advantages, and greater resources, STKL will be unfavorably impacted.

Management

David Colo has been the new CEO since February 2017, previously having been the COO of Diamond Foods. In addition, the board has selected four new independent directors: Dean Hollis, previous COO of the consumer foods division of ConAgra and chairman of AdvancePierre Foods; Al Bolles, previous CTO of ConAgra Foods; Gregg Tanner, previous CEO of Dean Foods; and Brendan Springstubb of Engaged Capital.



Source: FactSet

Ownership

% of Shares Held by All Insider Owners:	2.97%
% of Shares Held by Institutional & Mutual Fund Owners:	96.45%

Source: FactSet

Top 5 Shareholders

Holder	Shares	% Out
Oaktree Capital Management LP	69,019,000 ▲	16.67
Tourbillon Capital Partners LP	8,450,000 ▬	9.83
Morgan Stanley & Co. LLC	7,987,000 ▲	9.29
Engaged Capital LLC	6,515,000 ▲	7.58
Dimensional Fund Advisors, L.P.	5,668,000 ▲	6.59

Source: FactSet

Peer Analysis

Name	Ticker	Market Cap (mil)	Net Income (mil)	D/E	P/S	EV/ EBITDA
SunOpta	STKL	620	-51	97	0.46x	21.1
Fresh Del Monte Produce	FDP	3,110	225	13.0	0.80x	9.73x
Seneca Foods A	SENEA	371	28	91.5	0.29x	9.53x
AGT Food & Ingredients	AGXXF	525	16	187.6	0.38x	11.14x
Calavo Growers	CVGW	1,150	37	27.5	1.19x	17.67x
Peer Averages		1,289	76	79.9	0.67x	12.0x

Source: FactSet

Industrial and Commercial Bank of China (IDCBY)
May 5, 2017
Mitchell Beine — International Financial Services

Industrial and Commercial Bank of China (NASDAQ: IDCBY) is China's largest provider of commercial banking and financial services. IDCBY operates through four business segments: Corporate Banking (49.0% of revenue), Personal Banking (37.1%), Treasury Operations (13.2%), and Other (<1%). Through these services, IDCBY provides loans, financing, credit cards, and wealth management to businesses and individual consumers alike. Despite the bank's presence in over 40 countries, over 95% of its revenue comes from China. With assets totaling over $3.3 trillion, IDCBY is the largest bank in China and one of the largest in the world. They have seen their assets grow quickly, as the bank's assets totaled roughly $2.6 trillion as recently as 2012. Industrial and Commercial Bank of China was founded in 1984 and is headquartered in Beijing, China. The bank employs more than 460,000 employees.

Price ($): (5/2/17)	13.07
Price Target ($):	16.05
52Wk H-L ($):	(9.86 - 13.44)
Market Cap (bil):	247.4
Float	100%
Short Interest	42.00%
Avg. Daily Vol:	33,074
Dividend ($):	0.59
Yield	4.50%

Beta:	1.22
WACC	8.25%
M-Term Rev. Gr Rate Est:	8.70%
M-Term EPS Gr Rate Est:	8.94%
Debt/Equity	1.51x
ROA:	1.20%
ROE:	14.80%
Tier 1 Capital Ratio	13.40%
Credit Provisions/Loans	0.69%

FY: Dec	12/31/2015	12/31/2016	12/31/2017	12/31/2018
Interest Income (bil)	139.25	118.70	126.42	135.90
% Growth	0.86%	-14.75%	6.50%	7.50%
Net Interest Margin	2.47%	2.16%	2.59%	2.59%
Pretax Margin	34.22%	36.41%	35.32%	35.32%
EPS	$2.46	$2.31	$2.47	$2.69
P/E	5.0	5.3	5.3	5.5
BVPS	14.8	15.4	17.3	19.4
P/B	0.82	0.78	0.76	0.76

Source: Factset

Recommendation

In the world's most heavily populated country, the Industrial and Commercial Bank of China stands as the largest financial services firm. IDCBY benefits from imposing economies of scale that its competitors cannot match. It is difficult for new firms to enter the market, as the political connections and capital required to compete with IDCBY in such a crowded country are too large to be overcome. The bank also benefits from its significant devotion of time and resources into technological advancements. IDCBY's management fully realizes that 'fintech' innovation is reshaping the operating and developing model of banks and their competitive landscape. In addition, China's surprising recent interest rate increase bode well for the country's economic outlook and furthers recent positive momentum for the country. Concerns over the Trump administration's extreme disdain for China were a bit exaggerated to begin with and have cooled off slightly as the two countries try to work together to resolve the North Korea situation. Although there is a slight concern for the economy's recent stagnation and tendency for corrupt practices, it is believed that the Industrial and Commercial Bank of China is being docked too significantly given its economic moat, technological advancements, and prominence in the world's second largest economy. As a result, it is recommended that IDCBY be added to the AIM International Portfolio with a target price of $16.05 representing 22.8% upside. The bank pays a dividend that yields 4.50%.

Investment Thesis

- **Large Market Share Serves as Barrier to Entry.** As China's largest commercial bank, IDCBY is able to enjoy economies of scale to a greater extent than its competitors. IDCBY currently holds a 13.5% market share of total deposits in China. Not only is the bank larger than its current competitors, it's size also serves as a detriment to new/smaller banks wishing to enter the market in this country. With a population of almost 1.4 billion, the sheer size and volume of people makes it very difficult to break into the position that IDCBY has carved out given the large up-front investments in branding, network, capital, etc. that the banking business requires. This economic moat serves as a safety net and provides tremendous value to the bank.
- **Technology Development and Implementation.** China's largest bank does not lag behind in developing new technologies to improve its business. Management reported in 2016 that seven new innovation labs have been set up within the company to keep IDCBY at the forefront of new developments in the banking industry. These labs cover internet-based finance, big data, cloud

computing, block chain, and other forward looking practices that may soon become the industry norm. Also, at the end of 2016 the bank's open online banking platform ICBC Mobile had 253 million customers, including 66 million active mobile users. This represents an increase of 64.2% over the prior year, and played a major role in increasing internet financing almost 6-fold to just over $90 billion, making IDCBY the largest internet financing bank in the world.

- **China's Economy Remains Strong.** In 2016, China experienced what was considered by many to be a down year. GDP growth rates reached their lowest levels since the global financial crisis (6.7%) which played a major role in IDCBY losing revenue. However, this could very well be the bottom of the barrel for China which bodes well for the bank and country as a whole. GDP for Q1 2017 beat market expectations and rose 6.9% YoY. This was the strongest expansion since September 2015 and is supported by a rise in industrial output and a surge in fiscal spending. Also, China raised its interest rates by 10 bps in February, a move that came as an unexpected surprise to the market. Not only does this increase margins for banks such as IDCBY, but it signifies that China's economy is rebounding strongly after a brief dip.

Valuation

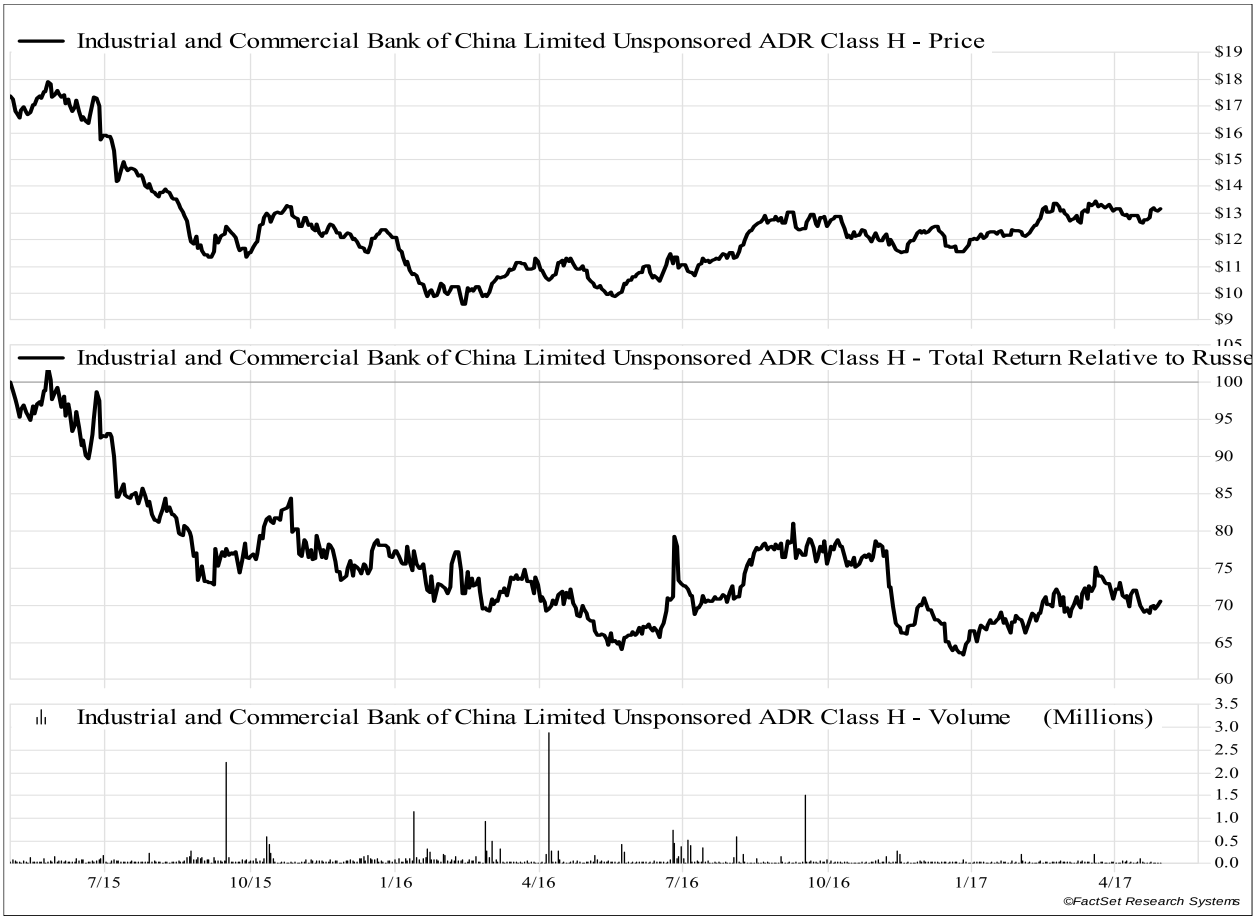
To find IDCBY's intrinsic value, a five-year discounted dividend model and P/B valuation was used. Using a terminal growth rate of 3% and a WACC of 8.25%, the DDM produced a value of $16.53 yielding 26.49% upside. A sensitivity analysis of the WACC and terminal growth rate produced a price range of $10.10 to $22.74. To compare IDCBY to its peers, a P/B valuation model was created. Using a peer average P/B of 0.76x and an estimated 2017 BVPS of $17.29, a value of $15.57 was found. This produces an upside of 19.2%. Weighing the DDM and Multiple valuations 50/50, an intrinsic value of $16.05 is found, yielding 22.82% upside.

Risks

- **U.S. – China Relations.** Recently elected President Trump has made his disdain for China quite clear. If the administration follows through on its willingness to start a trade/tax war, this could have negative consequences for China's economy and IDCBY as a result. As recently as last month, however, President Trump has acquired 38 new trademarks for personal business in the country, suggesting that he recognizes the country's economic potential for business.
- **Risky Environment.** China is well known for the increased prevalence of corrupt practices both in government and in business. If IDCBY was found to be misleading investors or working behind the scenes with the government in a corrupt way, this would put a dent in IDCBY's share price. Fortunately, IDCBY uses KPMG as its auditor and has not switched its accounting firm within the past 5 years, mitigating this risk.
- **Governance.** Because a majority of IDCBY's shares are held by the government, it is state-controlled. This creates the possibility of common shareholders not having a voice in the company as the country owns the bank. Shareholders may just be along for the ride, but this has not stopped the bank from serving its shareholders well in the past.

Management

Huiman Yi is Chairman of the Board at the Industrial and Commercial Bank of China. He joined IDCBY in 1985 and has held many positions over this time including Senior Executive Vice President and President. Mr. Yi received his MBA in Executive Business Administration from Guanghua School of Management at Peking University. Joining him at the head of IDCBY is Gu Shu who serves as Vice Chairman and Executive Director since December 2016 as well as President since October 2016. Mr. Gu obtained a Doctorate degree in Economics from Dongbei University of Finance and Economics and a Bachelor's Degree in Engineering from Shanghai Jiao Tong University.



Ownership

% of Shares Held by All Insider and Owners	<1.00%
% of Shares Held by Institutional & Mutual Fund Owners	46.56%

Source: Thomson One

Top 5 Shareholders

Holder	Shares		% Out
Central Huijin Investment Ltd.	123,717,852,951	—	45.89
Ministry of Finance of the People's Republic of China	123,316,451,864	—	45.74
Ping An Life Insurance Company of China, Ltd.	8,682,954	—	1.60
Wutong Tree Investment Platform, Co., Ltd.	8,663,703	—	0.53
Central Huijin Asset Management Co., Ltd.	4,697,562	—	0.38

Source: Thomson One

Peer Analysis

Name	Ticker	Market Cap (bil)	Net Income (mil)	Div. Yld. %	P/B	D/E
Commercial and Industrial Bank of China	IDCBY	247.4	41,799	4.50	0.78	1.51x
China Construction Bank Corp	CICHY	203.7	34,770	5.11	0.86	1.79x
Agricultural Bank of China Ltd	ACGBY	158.3	27,632	4.92	0.75	1.78x
Bank of China	BACHY	150.2	24,723	4.49	0.69	2.19x
Bank of Communications	BCMXY	61.2	10,096	4.99	0.66	4.42x*
Peer Averages		143.4	24,305	4.88	0.74	1.82x

*Removed for Relative Valuation Analysis

Source: FactSet

China Biological Products, Inc. (CBPO)
May 5, 2017

Brian Holland — International Healthcare

China Biological Products, Inc. (NASDAQ: CBPO) is a fully integrated plasma-based biopharmaceutical that focuses on plasma collection, research and development, production, and commercialization of their products. CBPO has one operating segment fully focused on plasma-based products. In this segment, CBPO has a diversified portfolio of over 20 biopharmaceutical products across nine categories. CBPO has two main products, human albumin and immunoglobulin for intravenous injection or IVIG. Human albumin and IVIG make up about 39% and 35% of total revenues respectively. CBPO sells both directly to hospitals and inoculation centers (~60% Net Sales) as well as through a distributor (~40% Net Sales) CBPO is headquartered in Beijing, China and was founded in 1989.

Price ($): (2/6/15)	118
Price Target ($):	162.93
52WK H-L ($):	.99-137.38
Market Cap (mil):	3,208
Float (mil):	85.1
Short Interest (%):	7.30%
Avg. Daily Vol (mil):	0.21
Dividend ($):	0.00
Yield (%):	0.00%

Beta:	1.31
WACC	6.7%
M-Term Rev. Gr Rate Est:	15.0%
M-Term EPS Gr Rate Est:	13.5%
Debt/Equity:	0.0%
Debt/EBITDA (ttm):	0.00
ROA:	17.6%
ROE:	24.1%
ROIC:	24.1%

FY: Dec	2016	2017E	2018E	2019E
Revenue (Mil)	341,169.42	392,344.84	451,196.57	518,876.05
% Growth	15.00%	15.00%	15.00%	15.00%
Gross Margin	64.00%	64.00%	65.00%	65.00%
Operating Margin	44.00%	41.00%	43.00%	43.00%
EPS (Cal)	$3.74	$4.30	$5.16	$5.85
FCF/Share	$2.71	$4.35	$5.47	$6.19
P/E (Cal)	31.13x	27.4x	22.9x	20.2x
EV/EBITDA	19.77x	56.01x	67.34x	77.44x

Recommendation

As consumers become more informed about the uses of plasma-based products in the biopharmaceutical arena, companies with effective and proven products have a large opportunity for growth. The Chinese plasma-based market has lagged behind more developed nations, but is pushing to catch-up to deliver better medicine and care for their people. CBPO is a leading player in the market, offering over 20 products, including human albumin, IVIG, and factor VIII products. They are the only company that is in the top three in these products. CBPO has grown at rapidly over the past 3 years and has the opportunity to continue this growth into the foreseeable future. In FY14, FY15, and FY16, CBPO has posted YoY growth of 20%, 22% and 15%, respectively. In addition, CBPO has maintained steady margins throughout their growth, maintaining little to no debt along the way. As a percent of revenue over the past three years, gross margins and operating margins were 67%, 64%, 64% and 45%, 45% and 42%, respectively. With restrictions coming to increase safety in plasma collection centers, large players in this market are expected to see increases in revenue and are likely to push out smaller competitors. Furthermore, the growing trend in albumin and IVIG markets shows signs of great growth. CBPO has a unique sales structure, allowing them to sell directly to hospitals as well as to distributors to maximize their sales potential. Due to the growing trend in the market for plasma-based products, CBPO's strong and diversified portfolio and China's new regulations, it is recommended that China Biological Products, Inc. be added to the AIM International Equity Fund with a target price of $168.70, representing 43% upside.

Investment Thesis

- **High Human Albumin Demand.** CBPO's major source of revenue is their human albumin product. The demand for human albumin in China continues to grow as a result of a high incidence of hypo-albuminemia from liver cirrhosis, cancer and cardiac surgeries. CBPO is one of the top three domestic human albumin manufactures, holding 6.5% of the 20% shared by the largest three firms. With revenues in human albumin reaching $1.57 billion in 2015 and growing at a CAGR of 25.3% since 2009, the growing demand can lead to a big spike in revenue.

- **Increasing Knowledge of IVIG Benefits.** CBPO's second largest source of revenue is their IVIG product. The top players in China's IVIG market hold 48.5% of IVIG revenue, with CBPO holding 14.7%. The IVIG market in more developed countries is more mature, with per capita consumption of IVIG in the United States of over 200 grams compared to China's 15 grams per 1000 inhabitants. As plans to increase knowledge of IVIG benefits continue to expand, the use and sales of IVIG should rise. These sales have increased at a CAGR of approximately 14.5% since 2009 and had sales revenue of $671 million in China in 2015.
- **Increased Regulation Pushing out Players.** In December 2016, the National Health and Family Planning Commision (NHFPC) and China Food and Drug Administration (CFDA) released a new regulation on plasma collection stations. The new regulations will strengthen oversight of collectionstations and approval requirements for new plasma collections stations. The Chinese government should give priority to larger companies with strong research and development abilities and proven utilization and management practice. This should push out smaller players in the Chinese market and increase sales and market share for larger companies.

Valuation

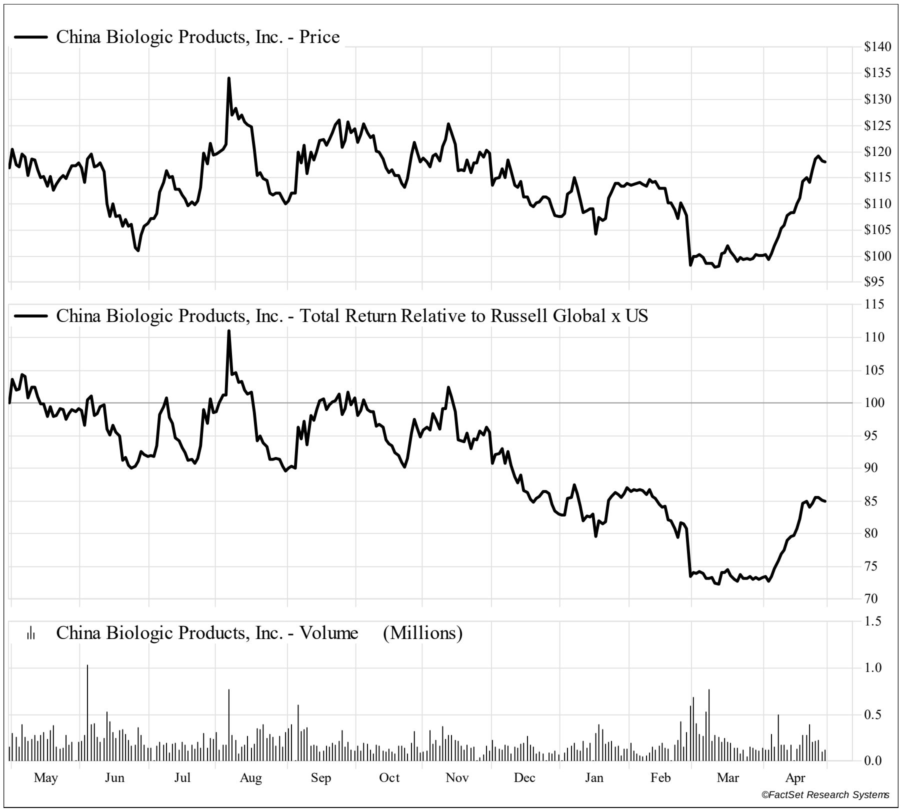
In order to reach an intrinsic value for CBPO, a five year DCF model was constructed. Using a terminal growth rate of 2.0%, WACC of 6.7%, an intrinsic value of $162.93 was reached. Additionally, an EV/Sales multiple approach was employed. Using a multiple of 13.6x and estimated 2017 sales of 392,344, an enterprise value of 5,334,600 was obtained; which resulted in an intrinsic value per common share of $191.79. Weighing the DCF 80% and the EV/Sales 20%, an intrinsic value of $168.70 was obtained, yielding a 43% upside. The firm does not pay a dividend.

Risks

- **Supply of Plasma.** CBPO uses the raw material of plasma as their key to revenue and business operations. Because plasma cannot be made, the company relies on the human supply of plasma heavily. If the supply were to decrease or change, the business would be effected dramatically
- **Currency Exchange.** CBPO's products are paid for in the Chinese currency renminbi or CNY. The company then reports their financials in US dollars; therefore, if the RMB were to appreciate or depreciate in value relative to the US dollar, it would influence the company.
- **Human Albumin Outsiders.** China allows for foreign shipments of human albumin products to come into their country. Currently, imports of albumin make up for 56.2% of the Chinese albumin market. If CBPO cannot begin to take over their own market, they may be pushed out of that market.

Management

Xiao Ying Gao is the current chairman, President and Chief Executive Officer of China Biological Products. He has been with the company for 6 years. The Chief Financial Officer is Ming Yang, and he has been with the company for 5 years. Overall there are 5 members of management and 8 members on the board.



Source: FactSet

Ownership

% of Shares Held by All Insiders and 5% Owners	14.94	▼
% of Shares Held by Insitutional & Mutual Fund Owners	75.95	▲

Top 5 Shareholders

Holder	Shares		% Out
Capital Research & Management Co. (Global Investors)	3,256	▲	131
Capital Research & Management Co. (World Investors)	2,274	▼	106
CHAN MARC/ GCL POLY ENERGY/	1,637	▼	676
GL Capital Group	1,605	–	0
Fidelity Management & Research Co.	1,448	▲	152

Source: FactSet

Peer Analysis

Name	**Ticker**	**Market Value**	**NI**	**D/E**	**P/E**	**EV/Sales**	**EV/EBITDA**
China Biologic Products	CBPO-US	3,214.6	101.8	0.0%	31.18x	9.05x	19.82x
Shanghai RAAS Blood Prods A	002252-CN	14,608.0	227.3	3.0%	63.75x	42.36x*	--
Hualan Biological A	002007-CN	4,899.5	125.1	0.0%	39.17x	16.11x	--
Jiangxi Boya Bio-pharma A	300294-CN	2,287.4	44.8	14.6%	50.80x	15.35x	--
Peer Averages		7,265.0	132.4	5.9	51.24X	31.5x	--

Notes: Shanghai RAAS Blood Prods A's EV/Sales was excluded for vaulation purposes

Source: FactSet