

WIC Minutes

10.4.17

12:06- Matthias : call meeting to order

motion to approve last week's minutes

passes

motion to approve agenda

passes

Lukas: Investopedia- Pete still winning, Marian knocked out of second place

CFA- locked in current people, lots of interest

WIC @ BAM- \$50 deposit, 1 page summary required, money will be returned at the end of trip

FireEye stock pitch

Industry: CAGR = 9.8%, cybercrime driving growth,

Competitors: both large tech companies with specialized "branches" and firms that just do cybersecurity, stock underperforming industry

Porters 5 forces: lots of competition and competing against big names, significant barriers to entry, significant substitute of threats

Products: appliances that detect and protect against threats, transitioning to software and subscription based services, works mostly with large businesses,

Model: revenue from selling physical products and subscription services, 90% renewal rate last year,

Financials: 3.2 billion market cap, debt is mostly convertible,

Valuation: Profitability- growing revenue through subscription service, ROA and ROE increasing but still negative, Growth- significantly through acquisitions \$1.4-\$1.5 billion over past 5 years, Piotroski score: 5/9

Management: CEO started in 2016, most management are from high up in companies acquired

Strengths/weaknesses: growing, new CEO, mostly in US but expanding abroad,

No Specific valuation: analysts- majority say hold, a third say buy

Discussion on presentation: completion against big firms?, specialized means more risk, time horizon?, When/how will they be profitable,

12:52-Matthias: motion to adjourn

passes