



# Investment Club Meeting

Friday 14th, 2018



# Quick Info

## Opportunities for Lafayette students

- Credit Suisse Diversity program for sophomores- deadline October 5th
- Credit Suisse Asset Management Internship- deadline September 16th
- Barclays opportunities available on CareerSpot- deadline September 15th
- BNY Mellon, SocGen, and EY- deadlines late September
- You must apply on CareerSpot AND Company website to be considered



# Reminder Stock League

Launches Today

Prizes

Will go to December



# Agenda

1. Market Update
2. VICOR Buy Pitch
3. Tesla News



# Market Update

Greg Giraldo and Brett Berger

# Market Overview

Dow Jones closed at 25,857.07, was 25,919.86 (-0.2%)    S&P 500 Closed at 2,904.27, was 2,872.11 (+1.12%)

## Dow Jones: 5 Day Index



## S&P 500: 5 Day Index



# Apple's unveiling

- Apple unveiled the “XS Max”, its largest smartphone ever, at a starting price point of \$1,099.
- It also revealed the new “Series 4 Watch” with an EKG heart monitor. Following the announcement, Fitbit’s stock fell more than 6%
- Apple’s stock is currently up 2.42% as of 9/13/18 at 5:20pm



# NIO

- Chinese electric carmaker NIO did not reach its desired value of \$20B instead being valued at around 6.42B
- Chinese EV market is still growing twice as fast as America's
- China has 7 EV companies valued at over \$1B





# Alibaba Executive Chairman/Founder announces resignation (2019)

- Volatility may be induced by changes around the corner
- Founder - i.e. Tim Cook vs. Steve Jobs
- Then again, consumer perspective: Walmart vs. Amazon (Alibaba)
- Public image
- Daniel Zhang - 2007



Jack Ma



# Tencent Shuts Videogame as Beijing Crackdown

Continues



- Legality can have huge impacts
  - Car Seats
- Eyesight and video game addiction problems
  - Youth
- 61% vs. 86%
  - But no scientific evidence...
    - Which makes you wonder...
- Falun Gong vs. Video games
  - Hypocritical



# VICOR Buy Pitch

Keon Modeste and Colin Evanko



# Snapshot of Vicor Corporation

- Headquartered in Andover, Massachusetts
- **52 Week Range:** \$16.30-\$64.50
- Revenue Per Employee: \$260,000
- **Industry:** Industrial Electronics
- **Sector:** Industrial Goods
- **2017 Sales Growth:** 13.8%

<https://finance.yahoo.com/quote/VICR>



# About Vicor

- Founded in 1981
- Produces modular power components (Devices that regulate electrical current)
- Develops Custom power systems as well as selling packages
- Develops Electronics for independent manufacturers as well as its contractors
- Markets Vicor operates within
  - Aerospace and aviation, defense electronics, industrial automation and equipment, medical diagnostics, rail transportation, and test and measurement instrumentation, as well as the computing, networking equipment, solid state lighting, and transportation markets.
- International corporation
- 2.11 Billion Market Cap

# Executives

Dr Patrizio Vinciarelli:



James A Simms:



Sean Crilly:



Alex Gusinov:

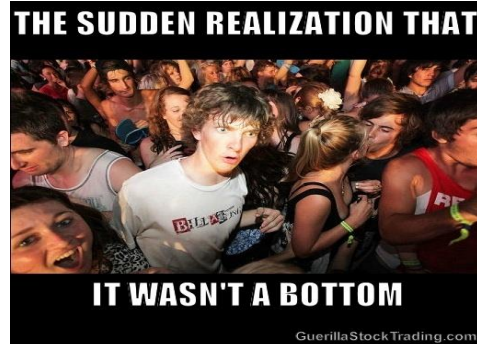




# So why should I care about Vicor?

- In the modern age, technology is advancing rapidly, becoming portable, and more powerful. Which means the power conversion system needed to power these device should also be more efficient, stronger, scalable and cost effective.
- Vicor's newly launched power component technology (which is called the Converter housed in a Package or ChiP for short embodies all of these characteristics and many more .
- Vicor's growing backlog was achieved by their new products being designed into servers from Alphabet, IBM, Nvidia, Cray and Pezy.
- Nvidia's newest V100 GPU's use the Vicor power converters and these converters are enabling higher performance computers.
- The IBM Power 9 Open Power servers are using Vicor converters.

# The Future of Vicor? Buy or Sell?



- Revenues for the second quarter ended June 30, 2018 increased 28.6% to \$74,196,000, from \$57,709,000 for the corresponding period a year ago, and increased 13.7% sequentially from \$65,269,000 for the first quarter of 2018. Second quarter bookings increased 47.3% to \$87,448,000, from \$59,387,000 for the corresponding period a year ago, and increased 6.8% sequentially from \$81,907,000 for the first quarter of 2018.
- Currently in the process of building a 250,000 square foot facility capable of producing \$500 million a year in revenue
- Predicted to produce \$1 billion in revenue a year after facility is built, five times what they produced in 2017

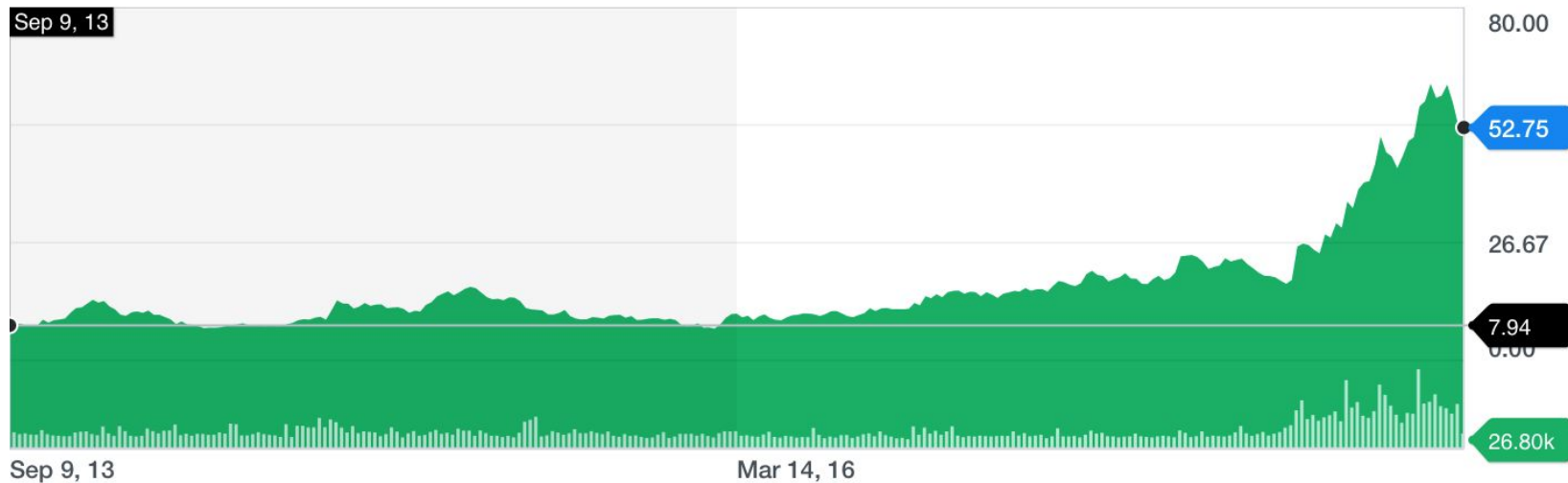


# Stock Price

1D 5D 1M 6M YTD 1Y 5Y Max



[Full screen](#)





# Elon Musk & Tesla Turbulence



A Snapshot of 2018

Emma Bodner & Michael Frohwein



# Musk's odd moves

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**January 27** - Elon Musk's Boring Company launches a \$500 flamethrower. Critics say it is more like a gun-shaped blow torch than a flamethrower

**February 6** - SpaceX, Musk's upstart rocket company, fires a midnight cherry Tesla Roadster out of Earth's orbit into space

# Tesla Issues

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**March 3rd** - Model X crashes and kills driver

**March 27th** - Moody's downgrades Tesla stock because of production issues and tight financial situation

- Tesla recalls 123,000 Model S cars over a “corroding bolt” issue **-18%**

**April 17th** - Production of the model 3 is halted

# Musk's Powerful Quotes

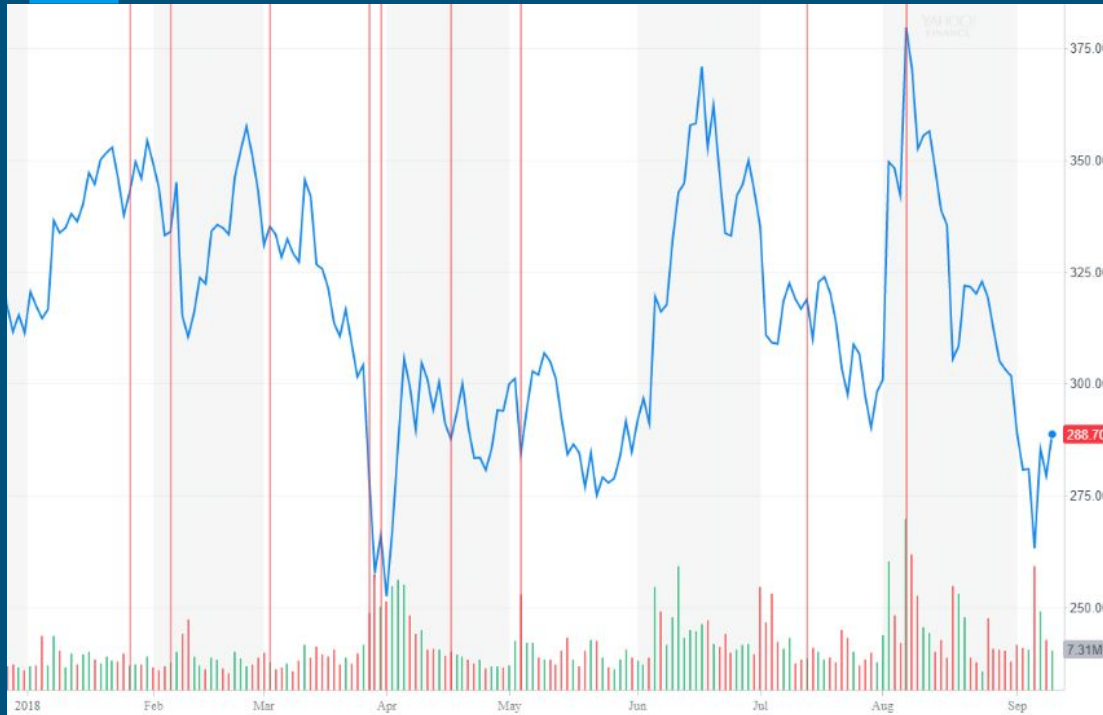
**April 1** -Musk tweets “We are sad to report that Tesla has gone completely and totally bankrupt. So bankrupt, you can’t believe it.” It was a joke – sort of. Two days later, Musk tweets: “I’m back to sleeping at factory. Car biz is hell ...” **+21%**

**May 3** - Musk slams analysts on an earnings call. Asked to detail Tesla’s cash position, Musk tells Sanford Bernstein analyst Toni Sacconaghi: “Excuse me. Next. Boring, bonehead questions are not cool. Next?” **-5%**

**July 15** - Musk accuses Vern Unsworth (a British cave diver helping with the rescue of a Thai football team and their coach stuck in a cave) of being a “pedo” in a now-deleted tweet. Unsworth says he is considering legal action. Musk apologizes. **-2%**

**August 7** - Musk tweets: “Am considering taking Tesla private at \$420. Funding secured.” **+11%**

# Tesla performance on key dates



- What is Musk's future with Tesla?
- Is Musk too unstable to run a major company?
- Can Tesla become a mainstream car manufacturer?