



# Rocky Mountain Model Investment Club

January 22, 2025  
6:45 – 8:15pm MT

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1

1




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2

2




## Catalyst Pharmaceuticals, Inc. (CPRX)

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### Stock Watcher Carol Haverty

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16



## What Does Catalyst Pharmaceuticals Do?

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- Develop and commercialize innovative therapies for treating rare and debilitating chronic neuromuscular and neurological diseases.
  - **FIRDAPSE**® a proprietary form of amifampridine phosphate for the treatment of patients with Lambert-Eaton mygasthenk syndrome.
  - **Fycompa**, for treating epilepsy
  - **Agamree**, for treating Duchenne muscular dystrophy

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17



18

## Making Money in the Future – News, Value Line, Morningstar

- Catalyst Pharmaceuticals has a strong cash flow and is poised to acquire other new drugs, when they appear.
- Catalyst Pharmaceuticals **Reports Strong** growth of 20% sales and eps for the foreseeable future.

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18



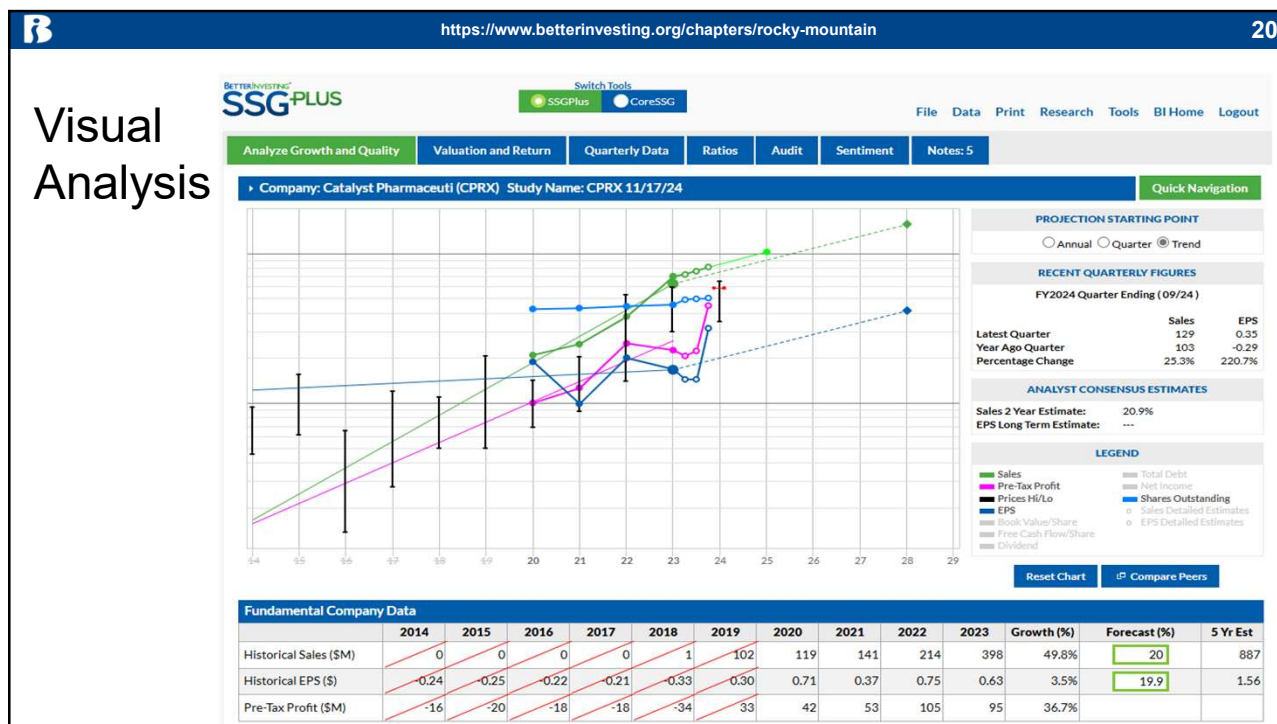
19

## Breaking news on Firdapse

- Catalyst Pharmaceuticals (NASDAQ:CPRX) stock jumped 15% Wednesday, January 8, 2025, on news the company had reached an agreement with Teva (TEVA) that would delay the launch of a generic version of its drug Firdapse until at least 2035.
- Under the settlement, Teva (TEVA) has agreed not to market the proposed generic if it receives FDA approval until at least Feb. 25, 2035. The settlement also calls for Catalyst (NASDAQ:CPRX), its licensor SERB and Teva (TEVA) to terminate all ongoing patent litigation over Firdapse patents pending before a U.S. district court in New Jersey

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19



20

**Evaluate Management - SSG Page 1**

Company: Catalyst Pharmaceuti (CPRX) Study Name: CPRX 11/17/24

3. PRICE EARNINGS HISTORY as an indicator of the future

CURRENT PRICE (01/10/25): 21.92 52-WEEK HIGH: 24.27 52-WEEK LOW: 13.12

Year	Price High	Price Low	Earnings Per Share	Price Earnings Ratio High A / C	Price Earnings Ratio Low B / C	Dividend Per Share	% Payout F / C * 100	% High Yield F / B * 100	
2019	7.7	1.9	0.30	25.6	6.2	0.00	0.0%	0.0%	
2020	5.3	2.5	0.71	7.4	3.6	0.00	0.0%	0.0%	
2021	7.6	3.3	0.37	20.5	8.8	0.00	0.0%	0.0%	
2022	19.8	5.2	0.75	26.4	7.0	0.00	0.0%	0.0%	
2023	22.1	11.2	0.63	35.1	17.8	0.00	0.0%	0.0%	
5 YEAR AVERAGE		5.6		26.9	9.9		0.0%		
CURRENT/TTM			1.18	20.6	11.1	0.00	0.0%		
5 YEAR AVERAGE PRICE EARNINGS RATIO:	18.4			CURRENT PRICE EARNINGS RATIO:			18.6		

21

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## SSG section 4: P/E Judgement- Evaluating Risk Reward

**A. HIGH PRICE - NEXT 5 YEARS**  
 Avg. High P/E: 32.0 X Estimate High Earnings / Share: 1.56 = Forecasted High Price: 49.9

**B. LOW PRICE - NEXT 5 YEARS**  
 (a) Avg. Low P/E: 19.0 X Estimate Low Earnings/Share: 0.34 = Forecasted Low Price: 10.3  
 (b) Avg. Low Price of Last 5 Years: 3.6  
 (c) Recent Market Low Price: 5.2  
 2022 Low Stock Price: 3.2      52 Week Low Stock Price: 13.1  
 2023 Low Stock Price: 11.2  
 (d) Price Dividend Will Support: Indicated Dividend = 0.00 = ---  
 High Yield = ---

Selected Forecasted Low Price: 16.2

**C. ZONING** using 25%-50%-25% (click to toggle)  
 Forecasted High Price: 49.9 Minus Forecast Low Price: 16.2 = 33.7 Range: 25% of Range: 8.4  
 Buy Zone: 16.2 to 24.6  
 Hold Zone: 24.6 to 41.3  
 Sell Zone: 41.3 to 49.9  
 Current Stock Price of 21.92 is in the **BUY** Zone.

[Show / Hide Gain vs Loss Chart](#)

### SSG Results Summary

**Zone:** BUY

**Upside Downside Ratio:** 4.9 To 1

**Total Return (High P/E):** 17.9%

**Projected Return (Avg. P/E):** 12.7%

**Buy price to satisfy US/DS of 3 to 1 and 15% total return:** 24.6

**Buy Below price based on zoning selection:** 24.6

**Current Price (01/10/25):** 21.92

22

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## CATALYST PHARMA. NDQ-CPRX

RECENT PRICE **21.65** P/E RATIO **15.7** (Trailing: 18.0 Median: NMF) RELATIVE P/E RATIO **0.84** DIVD YLD **Nil** VALUE LINE

		High:	3.7	3.5	5.8	2.4	4.5	4.1	7.7	5.3	7.6	19.8	22.1	24.3	Target Price Range	
		Low:	0.4	1.7	2.3	0.5	1.0	1.9	1.9	2.6	3.3	5.2	11.1	13.1	2027	2028
<b>TIMELINESS</b>	2 Raised 8/23/24															
<b>SAFETY</b>	4 Lowered 6/30/23															
<b>TECHNICAL</b>	2 Raised 12/13/24															
<b>BETA</b>	1.15 (1.00 = Market)															
<b>18-Month Target Price Range</b>																
Low-High	Midpoint (% to Mid)															
\$18-\$50	\$34 (55%)															
<b>2027-29 PROJECTIONS</b>																
	Price	Gain	Ann'l Total													
High	45	(+110%)	20%													
Low	25	(+15%)	3%													
<b>Institutional Decisions</b>																
	1022024	2022024	3022024													
to Buy	155	126	166													
to Sell	109	117	124													
Mid's(000)	96354	97341	114201													
	Percent	45														
	shares	30														
	traded	15														

% TOT. RETURN 11/24		
THIS STOCK	VL ARITH' INDEX	
1 yr.	53.6	32.1
3 yr.	216.6	28.2
5 yr.	377.6	88.1

23

**Catalyst Pharmac.** NASDAQ: CPRX

ESTIMATES

CPRX will report 2023 earnings on 03/13/2025

Click icons to view commentaries. Color indicates the number of commentaries.

	2022	2023	2024	2025
High	0.77	1.18	1.85	2.29
Low	0.71	0.57	0.81	1.50
Average	0.73	0.78	1.37	1.94

2025

Rank & rating changes: 0

**Jan 1, 2025 Commentary**

What does Catalyst Pharmaceuticals do? It buys the rights to manufacture and sell late-stage drugs, specifically (if it can get them), orphan (rare) drugs. The company then completes the late-stage clinical trials (if necessary) and presents them to the FDA for approval. If approved, Catalyst then tries to expand the drug's indications for the alleviation of other maladies. This method of doing business keeps the company's R&D expenses much lower than its larger pharmaceutical peers. Indeed, R&D expense was only 2.6% of 2024 nine-month sales. This leaves a lot of cash on the balance sheet (see Current Position box), which can be used to buy more rights to manufacture more drugs. So far, this way of doing business has worked out very well. Indeed, the company has procured the rights to produce and sell three winners. Catalyst's flagship drug is Firdapase, which is used to treat Lambert Eaton Myasthenic Syndrome, or LEMS. Next comes the epilepsy medicine Fycompa, and third is a rare-disease fighter called Agamree. This medicine tackles Duchenne muscular dystrophy. For 2024, we estimate that these three medications should rack up sales of \$300 million, \$120 million, and \$65 million, respectively. And there ought to be more to come in 2025. That's because Catalyst has only just tapped the global markets for these three musketeers, especially core treatment Firdapase. As a result, we expect to see full-year 2025 revenue rise by 9.3%, to \$530 million. This should generate share net of \$1.45. In addition, if Catalyst is able to use its growing cash hoard to acquire rights to more orphan drugs, as well as expand the indications for use of its current elixirs, sales could be even higher. So why isn't the stock selling at a greater multiple? The main problem here is that Catalyst is limited to buying what's actually for sale. Biopharma entities are unlikely to sell the rights of one of their drugs to Catalyst if they feel it will be a success. Catalyst therefore has to hope that the cast-offs it acquires will surprise on the upside. As such, since there's no guarantee that Catalyst will acquire another successful product, this equity should only be bought for the short term. Jeremy J. Butler December 27, 2024

24

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25

## Compared to competitors


**Profitability**

	CPRX	SLRN	TERN
Return on Assets (Normalized)	41.15%	-28.46%	-27.05%
Return on Equity (Normalized)	48.22%	-31.93%	-28.31%
Return on Invested Capital (Normalized)	47.89%	-37.42%	-31.93%

**Return on Assets**

■ CPRX ■ SLRN ■ TERN

25



## Darling Ingredients (DAR)


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### Stock Watcher Joan Loken

26

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26



## What Does Darling Do?


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- Develops and manufactures sustainable ingredients in the pharmaceutical, food, pet food, fuel, and fertilizer industries
- **Leader across key products**
- Collects and transforms animal by-product streams into ingredients, including gelatin, fats, proteins, pet food ingredients, fertilizers
- Recovers and converts used cooking oil and bakery remnants into feed and fuel ingredients
- Three primary business segments: **feed ingredients** contributing the majority of revenue, **food ingredients**, and **fuel ingredients**
- Majority of its revenue from customers in North America.

27

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27



## Making Money in the Future – Value Line 11.15.2024

- Improvement is probable in the next year
- Company’s targeted cost controls and debt reduction efforts expected to support a gradual profit recovery in 2025
- Long-term business prospects look promising
- Focus on innovative collagen-based health solutions should gradually pave the way for long-term growth
- Airlines further solidifies its leadership position in renewable aviation fuel
- Equity has above-average 18-month and long-term capital appreciation potential

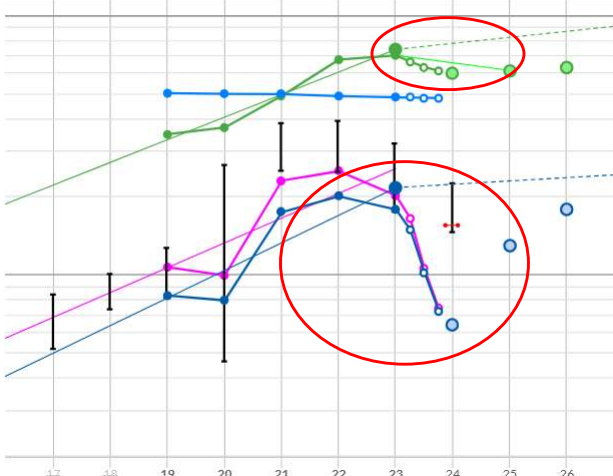
28
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28

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29

## Visual Analysis – SSG Page 1

ng Ingredients (DAR) Study Name: DAR 9/14/24



**Sales declining**

**EPS & PTP declining**

**DAR is buying back shares**

RECENT QUARTERLY FIGURES

FY2024 Quarter Ending (09/24)

	Sales	EPS
Latest Quarter	1,422	0.11
Year Ago Quarter	1,623	0.77
Percentage Change	-12.5%	-85.7%

ANALYST CONSENSUS ESTIMATES

Sales 2 Year Estimate:	-6.5%
EPS Long Term Estimate:	---

**Qtly figures and analysis estimates do not meet expectations for mid-sized co. of 7-12%**

29



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## Evaluate Management – SSG Page 1

Evaluate Management												
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	5 Yr Avg	Trend
% Pre-Tax Profit on Sales	2.1%	2.9%	3.6%	1.8%	3.5%	11.3%	9.9%	17.3%	13.7%	10.6%	12.6%	DOWN
% Return on Equity	3.3%	4.4%	5.1%	6.0%	4.4%	13.2%	10.4%	19.7%	20.1%	14.5%	15.6%	DOWN
% Debt To Capital	52.4%	51.2%	47.0%	43.3%	42.4%	40.9%	36.4%	33.1%	48.4%	50.2%	41.8%	UP

Management Comparisons		DAR
% Pretax Profit on Sales (Last 5 Year Average)		12.6%
% Earned on Equity (Last 5 Year Average)		15.6%
% Debt to Capital (Last 5 Year Average)		41.8%

Industry Average  
Medical Devices

% Pretax Profit on Sales (Last 5 Year Average)	11.7%
% Earned on Equity (Last 5 Year Average)	18.2%
% Debt to Capital (Last 5 Year Average)	29.1%

**DAR beats PTP  
Worst ROE and  
Debt**

**Trends going wrong way**

30

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## Pre-Tax Profit Quarterly Growth Trend Graph

03/23	4.4
06/23	9.6
09/23	-7.8
12/23	-19.4
03/24	-34.1
06/24	-60.0
09/24	-67.9

**PTP - Is it the growing, staying even or declining?**  
**Sales drives PTP, PTP drives EPS, EPS drive Price**

31

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## Section 3: Earnings History

▶ 3. PRICE EARNINGS HISTORY as an indicator of the future

CURRENT PRICE (01/03/25): 34.69      52-WEEK HIGH: 49.89      52-WEEK LOW:

<input checked="" type="radio"/> 5 Years <input type="radio"/> 10 Years		A	B	C	D	E	F
Year	Price		Earnings	Price Earnings Ratio		Dividend	
	High	Low	Per Share	High A / C	Low B / C	Per Share	
2019	28.3	18.2	1.86	15.2	9.8	0.00	
2020	59.0	10.3	1.78	33.1	5.8	0.00	
2021	85.9	56.2	3.90	22.0	14.4	0.00	
2022	87.6	55.7	4.49	19.5	12.4	0.00	
2023	71.6	39.0	3.99	17.9	9.8	0.00	
<b>5 YEAR AVERAGE</b>			35.9	<b>17.6</b>	<b>10.4</b>		
CURRENT/TTM			1.62	30.8	20.1	0.00	
<b>5 YEAR AVERAGE PRICE EARNINGS RATIO: 14.0</b>				<b>CURRENT PRICE EARNINGS RATIO: 21.4</b>			

32

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## SSG section 4: P/E Judgement- Evaluating Risk Reward

▶ 4. EVALUATING RISK and REWARD over the next 5 years

**A. HIGH PRICE - NEXT 5 YEARS**

Avg. High P/E: 17.6 X Estimate High Earnings / Share: 5.62 = Forecasted High Price: 98.9

**B. LOW PRICE - NEXT 5 YEARS**

(a) Avg. Low P/E: 9.8 X Estimate Low Earnings/Share: 1.62 = Forecasted Low Price: 15.9

(b) Avg. Low Price of Last 5 Years: 35.9

(c) Recent Market Low Price: 32.5

2022 Low Stock Price: 55.7      52 Week Low Stock Price: 32.5

2023 Low Stock Price: 39.0

(d) Price Dividend Will Support:  $\frac{\text{Indicated Dividend}}{\text{High Yield}} = \frac{0.00}{\text{---}} = \text{---}$

Selected Forecasted Low Price: 15.9

**C. ZONING** using 25%-50%-25% (click to toggle)

Forecasted High Price: 98.9 Minus Forecast Low Price: 15.9 = 83.0 Range. 25% of Range: 20.8

Buy Zone: 15.9 to 36.7

Hold Zone: 36.7 to 78.2

Sell Zone: 78.2 to 98.9

Current Stock Price of 34.69 is in the **BUY** Zone.

Evaluating Risk At A Glance

Zone: BUY

Forecasted High Price: **98.9**

Forecasted Low Price: **15.9**

Current Price (01/03/25): **34.69**

Upside Downside Ratio: 3.4 To 1

Potential Price Appreciation: **185.1%**

**P/Es**  
Used the Lowest of:  
**Last year**  
**5-year Avg.**  
**Current/TTM**

33

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## SSG Section 5: Five-Year Potential

### SSG Results Summary

Zone: **BUY**

Upside Downside Ratio: **3.4 To 1**

Total Return (High P/E): **23.3%**

Projected Return (Avg. P/E): **17.3%**

Buy price to satisfy US/DS of 3 to 1 and 15% total return: **36.7**

Buy Below price based on zoning selection: **36.7**

Current Price (01/03/25): **34.69**

### Value Line

2027-29 PROJECTIONS			
	Price	Gain	Ann'l Total Return
High	85	(+115%)	21%
Low	60	(+50%)	11%

*November 15, 2024*

### Manifest Investing

Company	Ticker	Sector   Industry	Quality	PAR
Darling Ingredients	DAR	Staples   Packaged Foods	43	<b>14.1%</b>

34

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## EPS projection Next Year - Value Line 11.15.2024


Cal-endar	EARNINGS PER SHARE <sup>AL</sup>				Full Year
	Mar.Per.	Jun.Per.	Sep.Per.	Dec.Per.	
2021	.91	1.17	.88	.94	3.90
2022	1.14	1.23	1.17	.96	4.49
2023	1.14	1.55	.77	.52	3.99
2024	.50	.49	.11	.75	1.85
2025	.60	.70	.80	.90	3.00

**62.1%**

**DAR = Medium Company Sales & EPS 7% to 12% Projected EPS growth for next year in line with company size**

**Recommendation: HOLD, consider selling if earnings don't show improvement or better return BUY is identified**

35



## Edwards Lifesciences (EW)


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### Stock Watcher Joan Loken

36

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36



## What Does Edwards Do?

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- Designs, manufactures, and markets medical devices and equipment for advanced stages of heart disease
- It is a leader across key products
  - Surgical tissue heart valves, transcatheter valve technologies, surgical clips, catheters
  - Monitoring systems to measure a patient's heart function during surgery
- Sales 55% from outside the U.S

37

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37



## Making Money in the Future – Value Line

- The company’s largest unit, Transcatheter Aortic Valve Replacement (TAVR), grew at ~12%
- Launch of the SAPIEN Ultra RESILIA valve in the U.S. helped drive the solid showing
- Surgical Structural Heart and Critical Care segments posted decent gains
- Company’s smallest unit, Transcatheter Mitral and Tricuspid Therapies (TMTT) continued to deliver impressive increase
- Future Potential: TAVR should grow at a solid pace and the potential for TMTT could boost results in a few years

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38

38

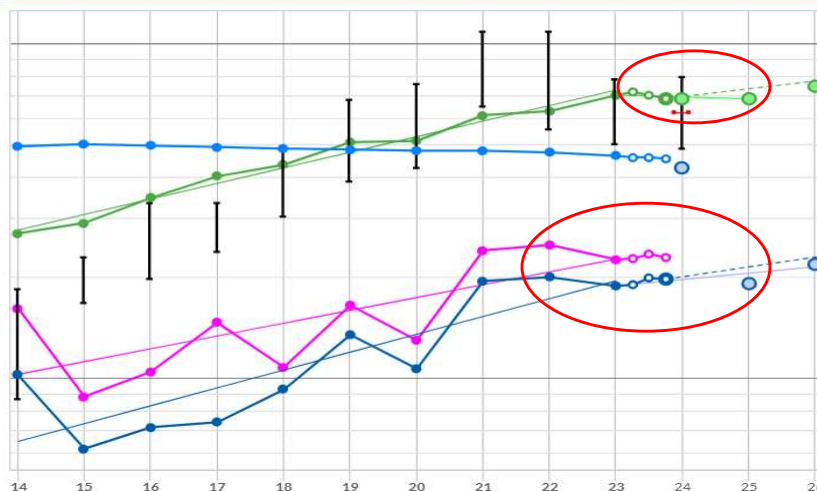


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39

## Visual Analysis – SSG Page 1

Company: Edwards Lifesciences (EW) Study Name: EW 9/14/24



### RECENT QUARTERLY FIGURES

FY2024 Quarter Ending (09/24)

	Sales	EPS
Latest Quarter	1,354	0.61
Year Ago Quarter	1,481	0.63
Percentage Change	-8.5%	-3.2%

### ANALYST CONSENSUS ESTIMATES

Sales 2 Year Estimate:	-1.2%
EPS Long Term Estimate:	4.5%

39

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## Evaluate Management – SSG Page 1

Evaluate Management												2023 Avg.		
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	5 Yr Avg	Trend		
% Pre-Tax Profit on Sales	49.2%	25.0%	24.9%	30.1%	20.5%	26.8%	20.9%	32.5%	32.8%	26.6%	27.9%		26.7%	Up
% Return on Equity	39.5%	20.0%	20.5%	17.9%	20.9%	27.0%	19.3%	26.8%	23.9%	20.8%	23.5%		23.6%	Even
% Debt To Capital	21.4%	19.3%	23.9%	26.0%	15.9%	14.1%	13.2%	10.6%	10.6%	9.5%	11.6%		12.9%	Down

Management Comparisons		EW
% Pretax Profit on Sales (Last 5 Year Average)		27.9%
% Earned on Equity (Last 5 Year Average)		23.6%
% Debt to Capital (Last 5 Year Average)		11.6%

Industry Average  
Medical Devices

14.6%	<b>EW beats Industry Average</b>
10.9%	
33.6%	

40

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## Pre-Tax Profit Quarterly Growth Trend Graph

03/23	-1.1
06/23	-3.9
09/23	-2.9
12/23	-9.6
03/24	-7.0
06/24	3.3
09/24	-0.9

**PTP - Is it the growing, staying even or declining?**  
**Sales drives PTP, PTP drives EPS, EPS drives Price**

41

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## Section 3: Earnings History

3. PRICE EARNINGS HISTORY as an indicator of the future

CURRENT PRICE (01/02/25): 72.59      52-WEEK HIGH: 96.12      52-WEEK LOW: 58.93

<input checked="" type="radio"/> 5 Years <input type="radio"/> 10 Years		A	B	C	D	E	F	G	H
Year	Price		Earnings	Price Earnings Ratio		Dividend	% Payout	% High Yield	
	High	Low	Per Share	High A/C	Low B/C	Per Share	F/C*100	F/B*100	
2019	82.5	47.0	1.64	50.2	28.6	0.00	0.0%	0.0%	
2020	92.1	51.5	1.30	70.8	39.6	0.00	0.0%	0.0%	
2021	131.7	78.4	2.38	55.3	33.0	0.00	0.0%	0.0%	
2022	131.1	67.1	2.44	53.7	27.5	0.00	0.0%	0.0%	
2023	94.9	60.6	2.30	41.2	26.3	0.00	0.0%	0.0%	
5 YEAR AVERAGE		60.9		45.7	26.9			0.0%	
CURRENT/TTM			2.41	39.9	24.5	0.00		0.0%	
5 YEAR AVERAGE PRICE EARNINGS RATIO: 36.3					CURRENT PRICE EARNINGS RATIO: 30.1				

42

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## SSG section 4: P/E Judgement- Evaluating Risk Reward

4. EVALUATING RISK and REWARD over the next 5 years

**A. HIGH PRICE - NEXT 5 YEARS**

Avg. High P/E: 32.0 X Estimate High Earnings / Share: 3.88 = Forecasted High Price: 124.2

**B. LOW PRICE - NEXT 5 YEARS**

(a) Avg. Low P/E: 24.0 X Estimate Low Earnings/Share: 2.41 = Forecasted Low Price: 57.8

(b) Avg. Low Price of Last 5 Years: 60.9

(c) Recent Market Low Price: 58.9

2022 Low Stock Price: 67.1      52 Week Low Stock Price: 58.9

2023 Low Stock Price: 60.6

(d) Price Dividend Will Support:  $\frac{\text{Indicated Dividend}}{\text{High Yield}} = \frac{0.00}{---} = ---$

Selected Forecasted Low Price: 54.0

**C. ZONING** using 25%-50%-25% (click to toggle)

Forecasted High Price: 124.2 Minus Forecast Low Price: 54.0 = 70.2 Range. 25% of Range: 17.6

Buy Zone: 54.0 to 71.6

Hold Zone: 71.6 to 106.7

Sell Zone: 106.7 to 124.2

Current Stock Price of 72.59 is in the HOLD Zone.

Evaluating Risk At A Glance

Zone: HOLD

Forecasted High Price: 124.2

Forecasted Low Price: 54.0

Current Price (01/02/25): 72.59

Upside Downside Ratio: 2.8 To 1

Potential Price Appreciation: 71.1%

**Since P/Es declining:**  
Lowered High P/E from 39.9 TTM to 32 estimate

**Lowered Low P/E from 24.5 TTM to 24.0 estimate**

43

<https://www.betterinvesting.org/chapters/rocky-mountain> 44

## SSG Section 5: Five-Year Potential

### SSG Results Summary

Zone:	<b>HOLD</b>
Upside Downside Ratio:	2.8 To 1
Total Return (High P/E):	<b>11.3%</b>
Projected Return (Avg. P/E):	8.4%
Buy price to satisfy US/DS of 3 to 1 and 15% total return:	61.8
Buy Below price based on zoning selection:	71.6
Current Price (01/02/25):	72.59

### Value Line

2027-29 PROJECTIONS			
	Price	Gain	Ann'l Total Return
High	125	(+80%)	<b>23%</b>
Low	85	(+25%)	10%

*November 8, 2024*

### Manifest Investing

Company	Ticker	Sector   Industry	Quality	PAR
Edwards Lifesciences	EW	Healthcare   Medical Devices	95	<b>7.4%</b>

44

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## Comments about Future - Value Line 11.24.2024

- Company's largest segment, Transcatheter Aortic Valve Replacement (TAVR).
- Edwards smallest unit, Transcatheter Mitral and Tricuspid Therapies (TMTT).
- TMTT could be a game changer down the road. Although the treatment only accounts for roughly 6% of revenues at present
- TMTT could be \$3 billion in the next few years

45



**B** <https://www.betterinvesting.org/chapters/rocky-mountain> 46

## EPS projection Next Year - Value Line 11.24.2024


Cal-endar	EARNINGS PER SHARE A				Full Year
	Mar.31	Jun. 30	Sep. 30	Dec. 31	
2021	.54	.64	.54	.51	2.22
2022	.60	.63	.61	.64	2.48
2023	.62	.66	.59	.64	2.51
2024	.66	.70	.67	.56	2.40
2025	.60	.70	.65	.70	2.65

**10.4%**

**EW = Medium Company  
Sales & EPS 7% to 12%  
Projected EPS growth  
for next year in line  
with company size**

**Recommendation: HOLD, consider selling if a better return BUY is identified**

46



## Green Brick Partners, Inc. (GRBK)

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### Stock Watcher Ross Meredith

<https://www.betterinvesting.org/chapters/rocky-mountain>

47



48

## What Does Green Brick Partners Do?

GRBK is a diversified homebuilding and land development company operating under eight brand names in Texas, Florida and Georgia. It operates in select markets within these locales.

It is involved in all aspects of the process from land acquisition to design, construction and sales for residential neighborhoods.

The company has grown sales strongly during its ten years of operation.

<https://www.betterinvesting.org/chapters/rocky-mountain>

48



49

## Making Money in the Future

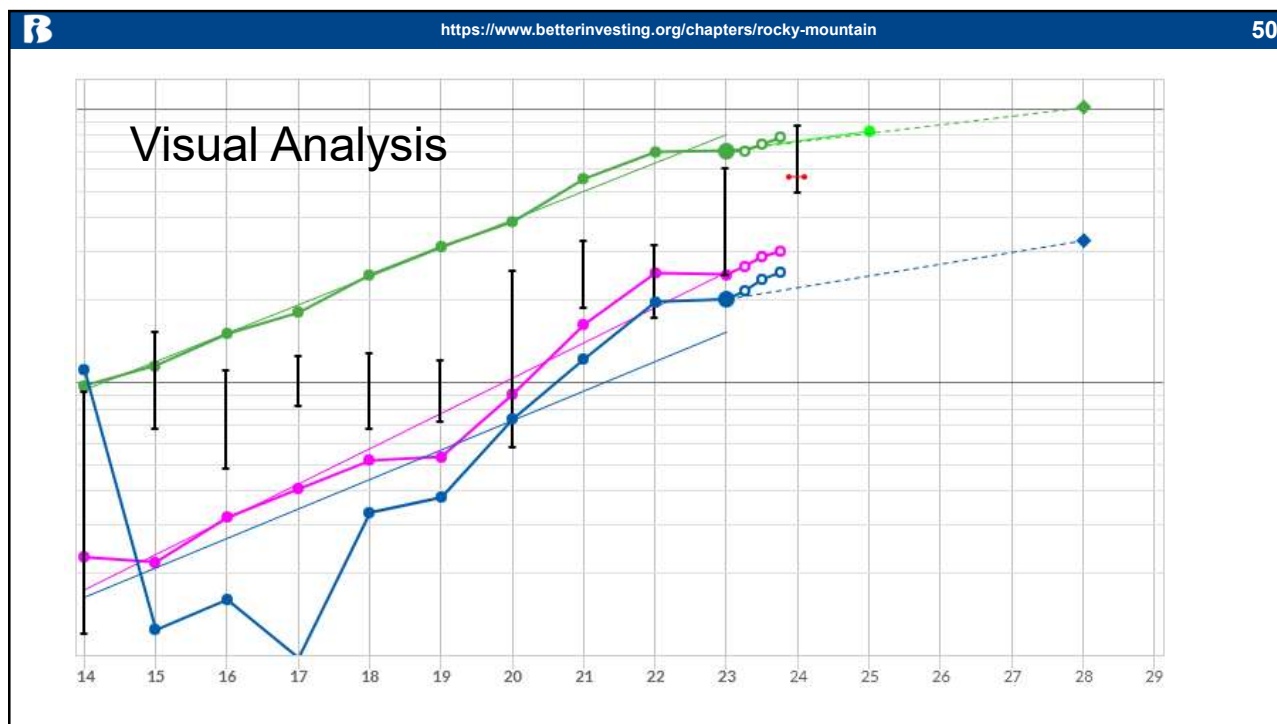
Home builders are subject to the vagaries of markets for labor, building materials and mortgage funding. New home builders have benefitted from few existing home sellers and a large unfilled demand.

Green Brick has navigated these risks well enough the two years to have maintained its very good profit margin and cash flow.

TTM earnings have risen 34% to \$7.71 over the prior twelve months and GRBK's cash flow has enabled buyback of 3.9% of shares and 16.6% reduction of debt over last two years.

<https://www.betterinvesting.org/chapters/rocky-mountain>

49



50

**B** **51**

## Evaluate Management – SSG Page 1

Fundamental Company Data													
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Growth (%)	Forecast (%)	5 Yr Est
Historical Sales (\$M)	246	291	380	454	624	792	976	1,403	1,758	1,778	27.0%	7.5	2,552
Historical EPS (\$)	3.40	0.38	0.49	0.30	1.02	1.16	2.24	3.72	6.02	6.14	28.2%	10.4	10.07
Pre-Tax Profit (\$M)	36	35	51	64	82	84	143	257	396	391	34.6%		

Evaluate Management												
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	5 Yr Avg	Trend
% Pre-Tax Profit on Sales	14.7%	11.9%	13.3%	14.1%	13.1%	10.7%	14.6%	18.3%	22.6%	22.0%	17.6%	
% Return on Equity	739.6%	5.3%	6.4%	3.6%	11.3%	11.5%	18.6%	24.6%	28.8%	23.1%	21.3%	
% Debt To Capital	50.6%	13.8%	18.3%	21.9%	30.0%	31.6%	25.8%	28.0%	25.9%	21.4%	26.5%	

51

**B** <https://www.betterinvesting.org/chapters/rocky-mountain> **52**

## Section 3: Earnings History

▶ 3. PRICE EARNINGS HISTORY as an indicator of the future

CURRENT PRICE (01/09/25): 55.47      52-WEEK HIGH: 84.66      52-WEEK LOW: 48.38

<input checked="" type="radio"/> 5 Years <input type="radio"/> 10 Years	A	B	C	D	E	F	G	H
Year	Price		Earnings	Price Earnings Ratio		Dividend	% Payout	% High Yield
	High	Low	Per Share	High A / C	Low B / C	Per Share	F / C * 100	F / B * 100
2019	11.8	7.0	1.16	10.1	6.1	0.00	0.0%	0.0%
2020	25.1	5.7	2.24	11.2	2.5	0.00	0.0%	0.0%
2021	32.3	18.3	3.72	8.7	4.9	0.00	0.0%	0.0%
2022	30.9	16.8	6.02	5.1	2.8	0.00	0.0%	0.0%
2023	59.3	24.2	6.14	9.7	3.9	0.00	0.0%	0.0%
<b>5 YEAR AVERAGE</b>		<b>14.4</b>		<b>9.0</b>	<b>4.0</b>		<b>0.0%</b>	
CURRENT/TTM			7.71	11.0	6.3	0.00	0.0%	
<b>5 YEAR AVERAGE PRICE EARNINGS RATIO: 6.5</b>				<b>CURRENT PRICE EARNINGS RATIO: 7.2</b>				

52

**B** <https://www.betterinvesting.org/chapters/rocky-mountain> **53**

## S&S section 4: P/E Judgement- Evaluating Risk Reward

**A. HIGH PRICE - NEXT 5 YEARS**  
 Avg. High P/E: 10.1 X Estimate High Earnings / Share: 10.07 = Forecasted High Price: **101.7**

**B. LOW PRICE - NEXT 5 YEARS**  
 (a) Avg. Low P/E: 2.5 X Estimate Low Earnings/Share 5.74 = Forecasted Low Price: 14.4  
 (b) Avg. Low Price of Last 5 Years: 14.4  
 (c) Recent Market Low Price: 16.8  
 2022 Low Stock Price: 16.8      52 Week Low Stock Price: 48.4  
 2023 Low Stock Price: 24.2  
 (d) Price Dividend Will Support:  $\frac{\text{Indicated Dividend}}{\text{High Yield}}$  =  $\frac{0.00}{\text{---}}$  = ---

Selected Forecasted Low Price: **37.8**

**C. ZONING** using **25%-50%-25%** (click to toggle)  
 Forecasted High Price: 101.7 Minus Forecast Low Price: 37.8 = 63.9 Range. 25% of Range: 16.0  
 Buy Zone: 37.8 to 53.8  
 Hold Zone: 53.8 to 85.7  
 Sell Zone: 85.7 to 101.7  
 Current Stock Price of 55.47 is in the **HOLD** Zone.  
 Show / Hide Gain vs Loss Chart

**D. UPSIDE DOWNSIDE RATIO (POTENTIAL GAIN VS. RISK OR LOSS)**  
 $\frac{\text{Forecasted High Price} - \text{Current Price}}{\text{Current Price} - \text{Forecasted Low Price}} = \frac{(101.7 - 55.47)}{(55.47 - 37.8)} = \frac{46.24}{17.67} = 2.6 \text{ To } 1$

**E. PRICE TARGET** (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)  
 $\frac{\text{Forecasted High Price}}{\text{Current Price}} = \frac{101.7}{55.47} = (1.8335 \times 100) = (183.35 - 100) = 83.4\% \text{ Appreciation}$

53

**B** <https://www.betterinvesting.org/chapters/rocky-mountain> **54**

## SSG Section 5: Five-Year Potential

**A. CURRENT YIELD**

$$\frac{\text{Indicated Annual Dividend}}{\text{Current Price}} = \frac{0.00}{55.47} = 0.0000 = 0.0\%$$

**B. AVERAGE YIELD - USING FORECAST HIGH P/E**

$$\frac{\text{Avg. \% Payout}}{\text{Forecast High P/E}} = \frac{0}{10.1} = 0.0\%$$

**AVERAGE YIELD - USING FORECAST AVERAGE P/E**

$$\frac{\text{Avg. \% Payout}}{\text{Forecast Average P/E}} = \frac{0}{6.30} = 0.0\%$$

**C. COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E**

Annualized Price Appreciation	12.9%
Average Yield	0.0%
Annualized Rate of Return	12.9%

**COMPOUND ANNUAL RETURN - USING FORECAST AVERAGE P/E**


Annualized Price Appreciation	2.7%
Average Yield	0.0%
Annualized Rate of Return	2.7%

54

**B** <https://www.betterinvesting.org/chapters/rocky-mountain> **55**

# Thank You

55



**International Money Express Inc.  
(IMXI)  
a/k/a Intermex**

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**Stock Watcher**  
Betsy Wills

56 <https://www.betterinvesting.org/chapters/rocky-mountain>

56



**What Does International Money Express Do?**

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- Processes money transfer services from the US and Canada to the Latin America Corridor (LAC)
  - Offers services in approximately 50 states and Latin America countries
  - Most remittance services are from the US and Canada to Mexico, Guatemala and other LAC countries, but also to Africa and Asia
- Services include wire transfer, money order, foreign exchange and cash checking
  - Majority of revenues come from wire transfer and money order fees

57 <https://www.betterinvesting.org/chapters/rocky-mountain>

57



58

## What Does International Money Express Do?

- Extensive network:
  - Third party-operated locations across the United States and Canada
  - Also company-operated stores in the US
- In December 2023, teamed up with Visa allowing the company's customers to transfer money to 20 countries previously unserved by Intermex
  - Transfer money to Visa cards and bank accounts

<https://www.betterinvesting.org/chapters/rocky-mountain>

58



59

## Making Money in the Future

- Revenue is driven by immigration and the desire/need to “send money home”
  - Remittance fees are paid by consumers initiating transactions, which is then shared with agents involved in both the originating and destination
- 12/4/24: IMEX announced plans to acquire Guatemala-based remittance company Amigo Paisano S.A.
  - Expected to add an additional \$5 million to adjusted EBITDA
- Debt reduction and share repurchases helping improve profitability

<https://www.betterinvesting.org/chapters/rocky-mountain>

59



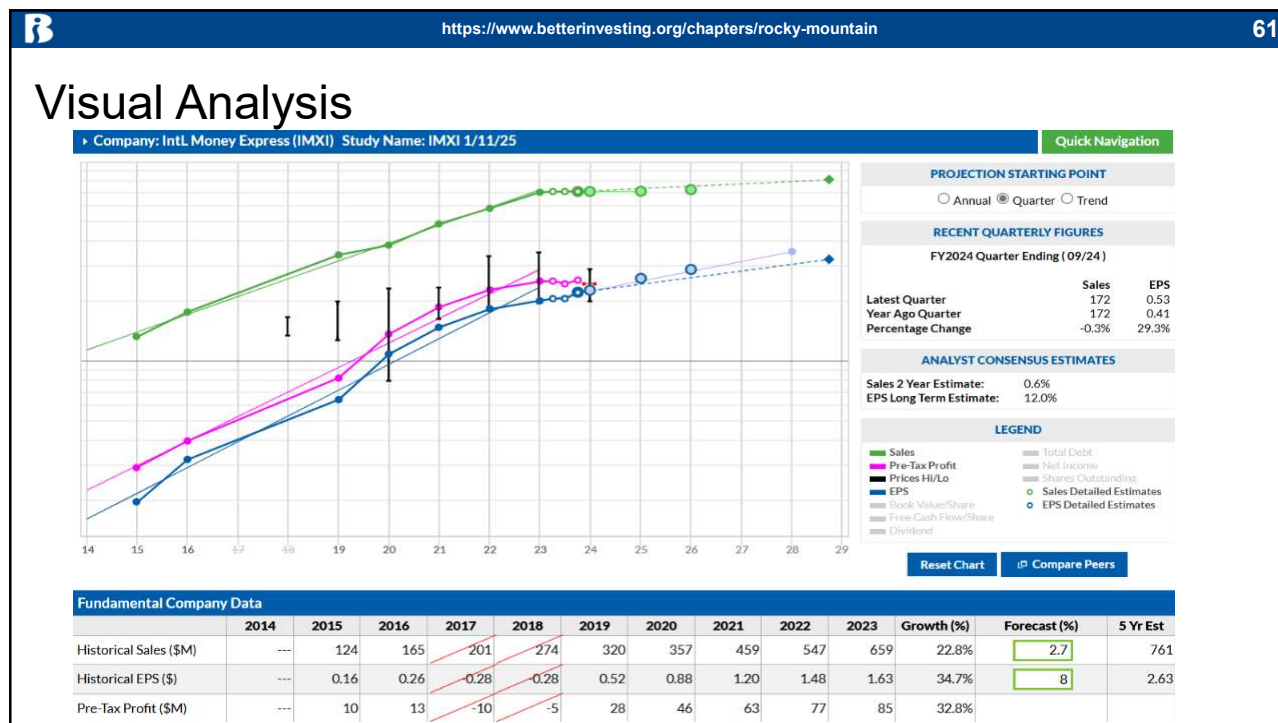
## Possible Sale Creates Uncertainty

- 11/8/24: Company announced positive Q324 numbers but that it was “assessing strategic initiatives”
  - Two activist shareholders – possible sale of the Company to private equity firm
  - Industry is early stages of digitization so IMEX attractive acquisition
- 12/4/24: IMEX announced partnership with another company to provide cross-boarder mobile top-up
  - Allows a person in one country to pay for prepaid mobile service for friends and family in another country, represents an expansion of IMEX’s product offerings

60

<https://www.betterinvesting.org/chapters/rocky-mountain>

60



61



**B** <https://www.betterinvesting.org/chapters/rocky-mountain> **62**

## Evaluate Management – SSG Page 1

Evaluate Management												
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	5 Yr Avg	Trend
% Pre-Tax Profit on Sales	---	8.0%	8.2%	-4.8%	-2.0%	8.7%	13.0%	13.8%	14.1%	12.9%	12.5%	
% Return on Equity	---	---	---	---	-26.7%	39.9%	41.0%	34.9%	37.4%	35.0%	37.6%	
% Debt To Capital	---	---	96.0%	---	72.5%	62.8%	48.2%	36.7%	55.1%	59.2%	52.4%	

Management Comparisons	IMXI	Industry Avg. – Software Infrastructure
% Pretax Profit on Sales (Last 5 Year Average)	12.5%	28.4%
% Earned on Equity (Last 5 Year Average)	37.6%	30.2%
% Debt on Capital (Last 5 Year Average)	52.4%	61.1%

62

**B** <https://www.betterinvesting.org/chapters/rocky-mountain> **63**

## Section 3: Earnings History

3. PRICE EARNINGS HISTORY as an indicator of the future

CURRENT PRICE (01/10/25): 19.91    52-WEEK HIGH: 23.28    52-WEEK LOW: 16.17

<input checked="" type="radio"/> 5 Years <input type="radio"/> 10 Years	A	B	C	D	E	F	G	H
Year	Price		Earnings	Price Earnings Ratio		Dividend	% Payout	% High Yield
	High	Low	Per Share	High A/C	Low B/C	Per Share	F/C * 100	F/B * 100
2019	16.1	10.3	0.52	31.0	19.9	0.00	0.0%	0.0%
2020	18.7	6.5	0.88	21.2	7.3	0.00	0.0%	0.0%
2021	19.0	13.1	1.20	15.8	11.0	0.00	0.0%	0.0%
2022	27.2	15.1	1.48	18.4	10.2	0.00	0.0%	0.0%
2023	28.2	15.8	1.63	17.3	9.7	0.00	0.0%	0.0%
5 YEAR AVERAGE		12.2		20.7	11.6		0.0%	
CURRENT/TTM			1.79	13.0	9.0	0.00	0.0%	
5 YEAR AVERAGE PRICE EARNINGS RATIO: 16.2				CURRENT PRICE EARNINGS RATIO: 11.1				

63

**B** <https://www.betterinvesting.org/chapters/rocky-mountain> **64**

## SSG Section 4: P/E Judgement- Evaluating Risk Reward

4. EVALUATING RISK and REWARD over the next 5 years

**A. HIGH PRICE - NEXT 5 YEARS**  
 Avg. High P/E: 17.0 X Estimate High Earnings / Share: 2.63 = Forecasted High Price: 44.7

**B. LOW PRICE - NEXT 5 YEARS**  
 (a) Avg. Low P/E: 12.0 X Estimate Low Earnings/Share 1.67 = Forecasted Low Price: 20.0  
 (b) Avg. Low Price of Last 5 Years: 12.2  
 (c) Recent Market Low Price: 15.1  
 2022 Low Stock Price: 15.1      52 Week Low Stock Price: 16.2  
 2023 Low Stock Price: 15.8  
 (d) Price Dividend Will Support:  $\frac{\text{Indicated Dividend}}{\text{High Yield}} = \frac{0.00}{---} = ---$

Selected Forecasted Low Price: 15.1

**C. ZONING** using 25%-50%-25% (click to toggle)  
 Forecasted High Prices: 44.7 Minus Forecast Low Price: 15.1 = 29.6 Range. 25% of Range: 7.4  
 Buy Zone: 15.1 to 22.5  
 Hold Zone: 22.5 to 37.3  
 Sell Zone: 37.3 to 44.7  
 Current Stock Price of 19.91 is in the **BUY** Zone.  
Show / Hide Gain vs Loss Chart

**D. UPSIDE DOWNSIDE RATIO (POTENTIAL GAIN VS. RISK OR LOSS)**  
 $\frac{\text{Forecasted High Price} - \text{Current Price}}{\text{Current Price} - \text{Forecasted Low Price}} = \frac{(44.7 - 19.91)}{(19.91 - 15.1)} = \frac{24.80}{4.84} = 5.1 \text{ To } 1$

**E. PRICE TARGET** (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)  
 $\frac{\text{Forecasted High Price} - \text{Current Price}}{\text{Current Price}} = \frac{44.7 - 19.91}{19.91} = (2.2456 \times 100) = (224.56 - 100) = 124.6\% \text{ Appreciation}$

Evaluating Risk At A Glance

Zone: **BUY**

Forecasted High Price: 44.7

Forecasted Low Price: 15.1

Current Price (01/10/25): 19.91

Upside Downside Ratio: 5.1 To 1

Potential Price Appreciation: 124.6%

M\*

Undervalued (20% Discount)

Fair Value<sup>Q</sup>  
24.92

Uncertainty  
Medium

Close Price  
19.91  
Jan 10, 2025

★★★★★

64

**B** <https://www.betterinvesting.org/chapters/rocky-mountain> **65**

## SSG Section 5: Five-Year Potential

5. FIVE-YEAR POTENTIAL

**A. CURRENT YIELD**

$$\frac{\text{Indicated Annual Dividend}}{\text{Current Price}} = \frac{0.00}{19.91} = 0.0000 - 0.0\%$$

**B. AVERAGE YIELD - USING FORECAST HIGH P/E**

$$\frac{\text{Avg. \% Payout}}{\text{Forecast High P/E}} = \frac{0}{17.0} = 0.0\%$$

**AVERAGE YIELD - USING FORECAST AVERAGE P/E**

$$\frac{\text{Avg. \% Payout}}{\text{Forecast Average P/E}} = \frac{0}{14.50} = 0.0\%$$

**C. COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E**

Annualized Price Appreciation	17.6%
Average Yield	0.0%
Annualized Rate of Return	17.6%

**COMPOUND ANNUAL RETURN - USING FORECAST AVERAGE P/E**

Annualized Price Appreciation	13.9%
Average Yield	0.0%
Annualized Rate of Return	13.9%

SSG Results Summary

Zone: **BUY**

Upside Downside Ratio: 5.1 To 1

Total Return (High P/E): 17.6%


Projected Return (Avg. P/E): 13.9%

Buy price to satisfy US/DS of 3 to 1 and 15% total return: 22.2

Buy Below price based on zoning selection: 22.5

Current Price (01/10/25): 19.91

65



# Monster Beverage (MNST)


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## Stock Watcher Jessilyn Hampton

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<https://www.betterinvesting.org/chapters/rocky-mountain>

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## What Does Monster Beverage Do?


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- Monster Beverage is a leader in the Energy Drink subsegment of the Energy Drink Market, generating 2/3 of the revenue in US and Canada.
- The well-known Monster Trademark includes Brands such as Monster Energy, Monster Ultra, Java Monster, and Juice Monster.
- The firm owns other energy drink brands such as Reign, NOS, Burn, Bang, and Mother, and brews and distributes beers and flavored Malt Beverages following the acquisition of a craft-brewer in 2022.
- Monster controls branding and innovation but outsources beverage manufacturing and packaging to co-packers and finished goods distribution to bottlers in the Coca-Cola system (pursuant to a 20-year agreement inked in 2015). Coke is the largest share-holder of Monster with a 19.5% stake.

67

<https://www.betterinvesting.org/chapters/rocky-mountain>

67




## Making Money in the Future – Value Line




- New alcohol facility was affected due to the hurricane floods in North Carolina. and there is a small amount Of debt carried over from acquiring Bang
- It's has not met earnings per share EPS with losses of 2,4 and 5 cents in last three quarters
- Rising costs of aluminum and raw ingredients
- Monster varieties are seen in dollar stores selling for \$1.25 versus \$3.25
- Safety rating of A+ and strong balance sheet**
- Patient investors should consider MNST stock as part of a diversified portfolio since capital appreciation potential out to 2027-2029 is appealing**

<https://www.betterinvesting.org/chapters/rocky-mountain>


68





<https://www.betterinvesting.org/chapters/rocky-mountain>
69

## Evaluate Management – SSG Page 1


Evaluate Management												
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	5 Yr Avg	Trend
% Pre-Tax Profit on Sales	30.3%	32.7%	35.4%	35.7%	34.0%	33.7%	35.4%	32.5%	24.9%	29.0%	31.1%	
% Return on Equity	33.5%	12.4%	19.8%	21.3%	24.6%	26.5%	30.1%	21.8%	17.1%	20.4%	23.2%	
% Debt To Capital	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	

**Trends holding steady 2024 should improve**



Management Comparisons		MNST	Industry Average Beverages – Non-Alcoholic
 % Pretax Profit on Sales (Last 5 Year Average)		31.1%	16.5%
 % Earned on Equity (Last 5 Year Average)		23.2%	35.2%
 % Debt to Capital (Last 5 Year Average)		0.0%	51.2%

**MNST management better than Industry on all measures**



69



70

https://www.betterinvesting.org/chapters/rocky-mountain 71

## Section 3: Earnings History

3. PRICE EARNINGS HISTORY as an indicator of the future

CURRENT PRICE (01/17/25): 49.42    52-WEEK HIGH: 61.23    52-WEEK LOW: 43.32

<input checked="" type="radio"/> 5 Years <input type="radio"/> 10 Years		A	B	C	D	E	F	G	H
Year	Price		Earnings	Price Earnings Ratio		Dividend	% Payout	% High Yield	
	High	Low	Per Share	High A / C	Low B / C	Per Share	F / C * 100	F / B * 100	
2019	33.2	23.9	1.01	32.7	23.6	0.00	0.0%	0.0%	
2020	46.3	25.0	1.32	35.1	19.0	0.00	0.0%	0.0%	
2021	49.9	40.8	1.28	38.9	31.8	0.00	0.0%	0.0%	
2022	52.3	35.9	1.11	46.9	32.2	0.00	0.0%	0.0%	
2023	60.5	47.1	1.54	39.3	30.6	0.00	0.0%	0.0%	
5 YEAR AVERAGE		34.6		38.6	27.4		0.0%		
CURRENT/TTM			1.56	39.3	27.8	0.00	0.0%		
5 YEAR AVERAGE PRICE EARNINGS RATIO: 33.0				CURRENT PRICE EARNINGS RATIO: 31.7					

**Earning 2024 YTD flat, Current/TTM P/E's outlier- flat earnings, Current P/E above Average**

71

**B** <https://www.betterinvesting.org/chapters/rocky-mountain> **72**

## SSG section 4: P/E Judgement- Evaluating Risk Reward

4. EVALUATING RISK and REWARD over the next 5 years

**A. HIGH PRICE - NEXT 5 YEARS**  
 Avg. High P/E: 38.0 X Estimate High Earnings / Share: 2.19 = Forecasted High Price: **83.2**

**B. LOW PRICE - NEXT 5 YEARS**  
 (a) Avg. Low P/E: 26.7 X Estimate Low Earnings / Share: 1.11 = Forecasted Low Price: **29.6**  
 (b) Avg. Low Price of Last 5 Years: 34.6  
 (c) Recent Market Low Price: 35.9  
 2022 Low Stock Price: 35.9      52 Week Low Stock Price: 43.3  
 2023 Low Stock Price: 47.1  
 (d) Price Dividend Will Support:  $\frac{\text{Indicated Dividend}}{\text{High Yield}} = \frac{0.00}{\dots} = \dots$

Selected Forecasted Low Price: **29.6**

**C. ZONING** using **25%-50%-25%** (click to toggle)  
 Forecasted High Price: **83.2** Minus Forecast Low Price: **29.6** = **53.6** Range. 25% of Range: **13.4**  
 Buy Zone: **29.6** to **43.0**  
 Hold Zone: **43.0** to **69.8**  
 Sell Zone: **69.8** to **83.2**  
 Current Stock Price of **49.42** is in the **HOLD** Zone.  
[Show / Hide Gain vs Loss Chart](#)

**D. UPSIDE DOWNSIDE RATIO (POTENTIAL GAIN VS. RISK OR LOSS)**  
 $\frac{\text{Forecasted High Price} - \text{Current Price}}{\text{Current Price} - \text{Forecasted Low Price}} = \frac{(83.2 - 49.42)}{(49.42 - 29.6)} = \frac{33.80}{19.82} = 1.7 \text{ To } 1$

**E. PRICE TARGET** (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)  
 $\frac{\text{Forecasted High Price}}{\text{Current Price}} = \frac{83.2}{49.42} = (1.6839 \times 100) = (168.39 - 100) = 68.4\% \text{ Appreciation}$

**Evaluating Risk At A Glance**

Zone: **HOLD**

Forecasted High Price: **83.2**

Forecasted Low Price: **29.6**

Current Price (01/17/25): **49.42**

Upside Downside Ratio: **1.7 To 1**

Potential Price Appreciation: **68.4%**

**U/D Ratio in HOLD range**

72

**B** <https://www.betterinvesting.org/chapters/rocky-mountain> **73**

## SSG Section 5: Five-Year Potential

**SSG Results Summary**

Zone:	<b>HOLD</b>
Upside Downside Ratio:	<b>1.7 To 1</b>
Total Return (High P/E):	<b>11.0%</b>
Projected Return (Avg. P/E):	<b>7.5%</b>
Buy price to satisfy US/DS of 3 to 1 and 15% total return:	<b>41.4</b>
Buy Below price based on zoning selection:	<b>43.0</b>
Current Price (01/17/25):	<b>49.42</b>

**Value Line**  
**Likes 2027-2029**  
**returns**

**Manifest Investing**

Company	Ticker	Sector   Industry	Quality	PAR
Monster Beverage	MNST	Staples   Beverages - Non-Alcoholic	<b>97</b>	<b>10.5%</b>
Projected Return on Value (PROVE)				<b>7.3%</b>

73

**B** <https://www.betterinvesting.org/chapters/rocky-mountain> **74**


## EPS projection Next Year - Value Line 01.10.2025

Cal-endar	EARNINGS PER SHARE <sup>A</sup>				Full Year
	Mar.31	Jun. 30	Sep. 30	Dec. 31	
<b>2021</b>	.29	.38	.32	.30	1.29
<b>2022</b>	.28	.25	.30	.29	1.12
<b>2023</b>	.38	.39	.43	.35	1.54
<b>2024</b>	.42	.41	.38	<b>.44</b>	<b>1.65</b>
<b>2025</b>	<b>.45</b>	<b>.50</b>	<b>.43</b>	<b>.47</b>	<b>1.85</b>

**MNST= Medium Company  
Sales & EPS 5 - 12%**

**Recommendation: HOLD, consider BUYING when price comes in the BUY range**

74



# EPLUS (PLUS)

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## Stock Watcher

### Tom DeVries

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75

**BETTER INVESTING**  
Rocky Mountain Chapter

## What Does EPlus Do?

**Operates through two primary business segments:**

- 1. Technology Segment:**  
This segment provides a wide range of technology products, software, and services. It includes the sale of IT infrastructure, cloud computing, cybersecurity solutions, data center optimization, and managed services. Generated \$2,175.9 million, for approximately 97.8% of total net sales
- 2. Financing Segment:**  
This segment offers leasing and financing solutions for technology and other equipment. It supports customers in acquiring technology solutions by providing tailored financial services such as leasing, lifecycle management, and asset disposition services. Generated \$49.4 million, representing about 2.2% of total net sales

**Comprehensive Set of Solutions & Services**

**SERVICES**  
PROFESSIONAL SERVICES | MANAGED SERVICES  
ADVISORY & CONSULTING SERVICES  
STRATEGIC TECHNOLOGY STAFFING  
LIFECYCLE CX SOLUTIONS | SOFTWARE LICENSE OPTIMIZATION

**AI**  
ASSESS, ENABLE, SECURE, IMPLEMENT, AMPLIFY

**SECURITY**  
SECURITY SOLUTIONS | SECURITY ADVISORY SOLUTIONS  
SECURITY OPERATIONS & ANALYTICS

**FINANCING**  
FINANCING | CONSUMPTION STRUCTURES | PAYMENT PLANS

76
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76

**BETTER INVESTING**  
Rocky Mountain Chapter

## Making Money into the Future

**Growth Drivers and Future Outlook**

ePlus has identified several catalysts for future growth, including:

- **Expansion of Cloud Services:** Leveraging the increasing demand for cloud solutions to drive revenue.
- **Cybersecurity Offerings:** Enhancing security services to meet the growing need for robust IT security measures.
- **Strategic Partnerships:** Forming alliances with leading technology providers to broaden service offerings and reach new markets.

**Fiscal Year 2025 Guidance**

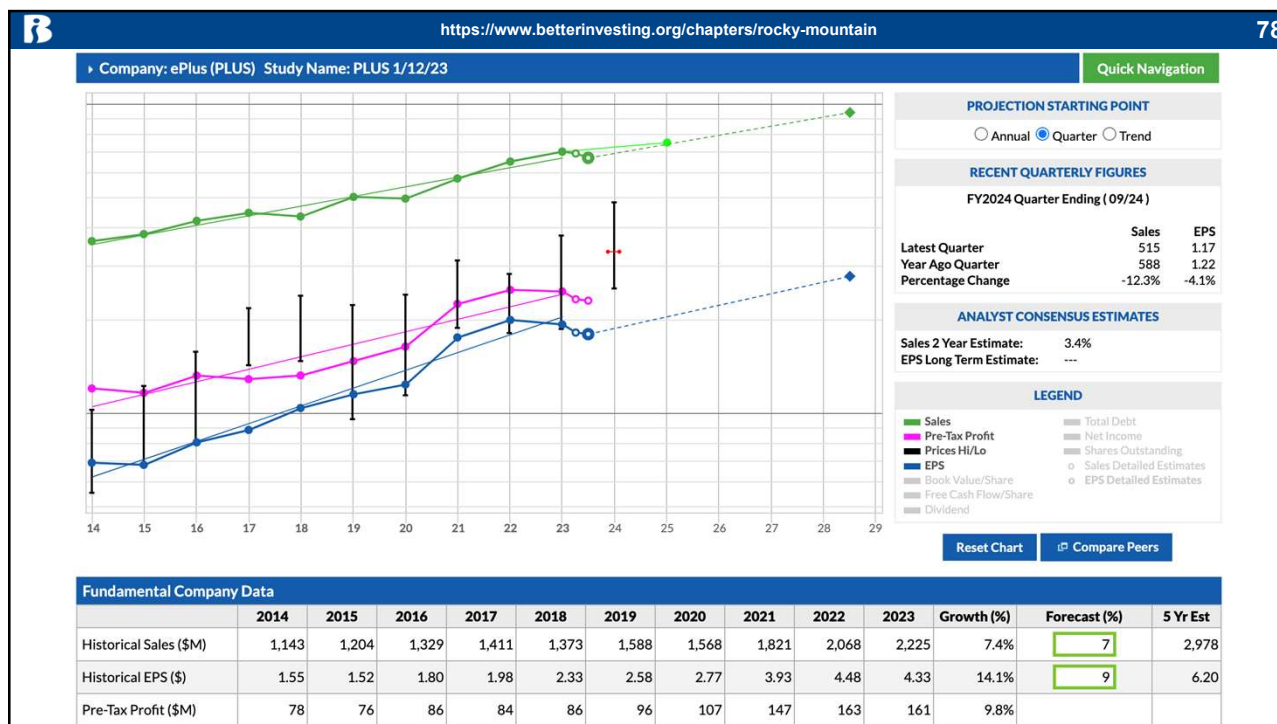
ePlus has provided the following guidance for fiscal year 2025:

- **Net Sales:** Expected to be similar to fiscal year 2024, indicating a stabilization in revenue following previous growth periods.
- **Adjusted EBITDA:** Projected to range between \$195 million and \$205 million, reflecting the company's focus on maintaining profitability and operational efficiency.

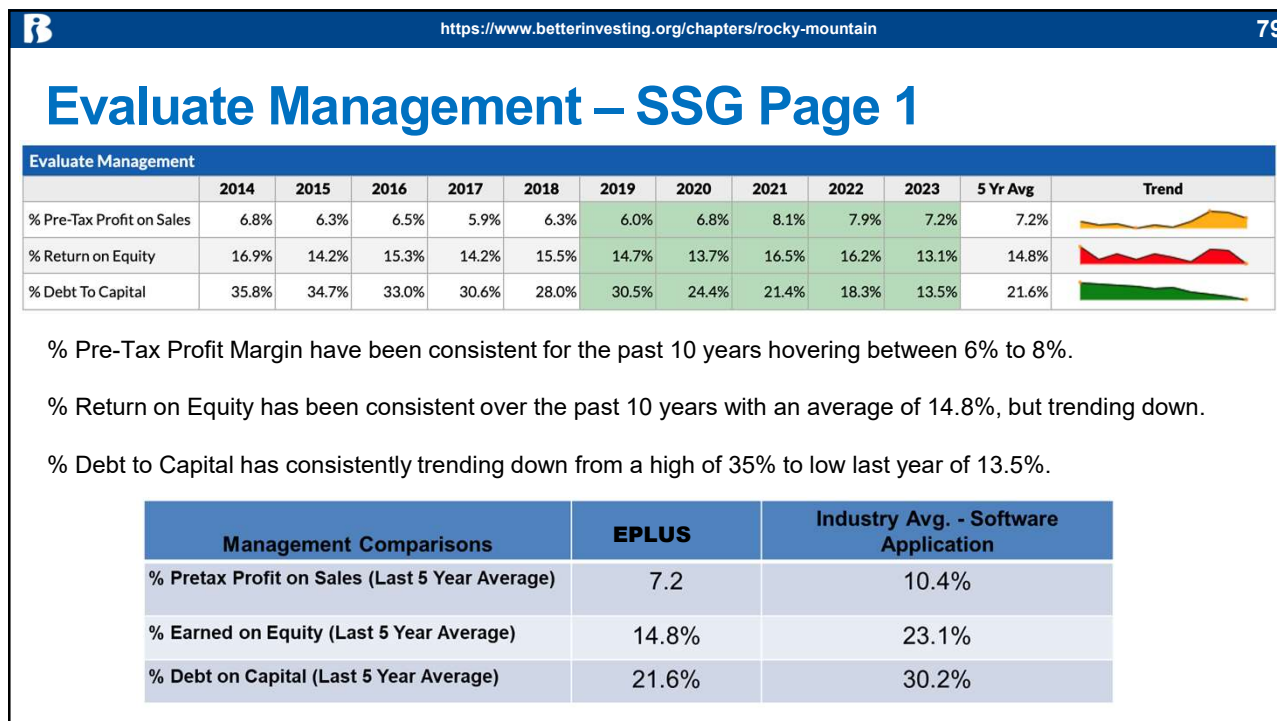
77
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77





78



79

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## Section 3: Earnings History

3. PRICE EARNINGS HISTORY as an indicator of the future

		CURRENT PRICE (01/07/25): 74.43		52-WEEK HIGH: 106.98		52-WEEK LOW: 56.33			
<input checked="" type="radio"/> 5 Years	<input type="radio"/> 10 Years	A	B	C	D	E	F	G	H
Year		Price		Earnings	Price Earnings Ratio		Dividend	% Payout	% High Yield
		High	Low	Per Share	High A / C	Low B / C	Per Share	F / C * 100	F / B * 100
2019		49.8	21.3	2.58	19.3	8.3	0.00	0.0%	0.0%
2020		53.8	25.4	2.77	19.4	9.2	0.00	0.0%	0.0%
2021		69.7	42.0	3.93	17.7	10.7	0.00	0.0%	0.0%
2022		62.8	40.4	4.48	14.0	9.0	0.00	0.0%	0.0%
2023		83.6	41.7	4.33	19.3	9.6	0.00	0.0%	0.0%
<b>5 YEAR AVERAGE</b>			<b>34.2</b>		<b>18.0</b>	<b>9.4</b>		<b>0.0%</b>	
CURRENT/TTM				4.03	26.5	14.0	0.00	0.0%	
5 YEAR AVERAGE PRICE EARNINGS RATIO: 13.7					CURRENT PRICE EARNINGS RATIO: <b>18.5</b>				

- Strengths: Steady EPS growth reflects strong operational execution. EPS has grown from \$2.58 in 2019 to \$4.33 in 2023, reflecting a compound annual growth rate (CAGR) of approximately 13.7%.
- Risks: The current P/E of 18.5, above the five-year average, may indicate potential overvaluation if future earnings do not meet expectations.
- Opportunities: Continued investment in high-growth segments and potential market share gains.

Overall, ePlus has demonstrated robust earnings growth over the past five years, with the stock price and valuation metrics reflecting its strong performance and growth potential.

80

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## SSG section 4: P/E Judgement- Evaluating Risk Reward

4. EVALUATING RISK and REWARD over the next 5 years

**A. HIGH PRICE - NEXT 5 YEARS**  
Avg. High P/E: 18.0 X Estimate High Earnings / Share: 6.20 = Forecasted High Price: **111.6**

**B. LOW PRICE - NEXT 5 YEARS**  
(a) Avg. Low P/E: 9.4 X Estimate Low Earnings/Share: 3.80 = Forecasted Low Price: 35.7  
(b) Avg. Low Price of Last 5 Years: 34.2  
(c) Recent Market Low Price: 40.4  
2022 Low Stock Price: 40.4      52 Week Low Stock Price: 56.3  
2023 Low Stock Price: 41.7  
(d) Price Dividend Will Support: \_\_\_\_\_ Indicated Dividend = \_\_\_\_\_ 0.00 = ---  
High Yield: \_\_\_\_\_ ---  
Selected Forecasted Low Price: **35.7**

**C. ZONING** using **25%-50%-25%** (click to toggle)  
Forecasted High Price: 111.6 Minus Forecast Low Price: 35.7 = 75.9 Range. 25% of Range: 19.0  
Buy Zone: 35.7 to 54.7  
Hold Zone: 54.7 to 92.6  
Sell Zone: 92.6 to 111.6  
Current Stock Price of 74.43 is in the **HOLD** Zone.

**D. UPSIDE DOWNSIDE RATIO (POTENTIAL GAIN VS. RISK OR LOSS)**  
$$\frac{\text{Forecasted High Price} - \text{Current Price}}{\text{Current Price} - \text{Forecasted Low Price}} = \frac{(111.6 - 74.43)}{(74.43 - 35.7)} = \frac{37.17}{38.73} = 1.0 \text{ To } 1$$

**E. PRICE TARGET** (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)  
$$\frac{\text{Forecasted High Price}}{\text{Current Price}} = \frac{111.6}{74.43} = (1.4996 \times 100) = (149.96 - 100) = 50.0\% \text{ Appreciation}$$

Evaluating Risk At A Glance

Zone: **HOLD**

Forecasted High Price: **111.6**  
Forecasted Low Price: **35.7**  
Current Price (01/07/25): **74.43**  
Upside Downside Ratio: **1.0 To 1**  
Potential Price Appreciation: **50.0%**

Potential Gain vs Loss

81

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82

## SSG Section 5: Five-Year Potential

5. FIVE-YEAR POTENTIAL

**A. CURRENT YIELD**

$$\frac{\text{Indicated Annual Dividend}}{\text{Current Price}} = \frac{0.00}{74.43} = 0.0000 = 0.0\%$$

**B. AVERAGE YIELD - USING FORECAST HIGH P/E**

$$\frac{\text{Avg. \% Payout}}{\text{Forecast High P/E}} = \frac{0}{18.0} = 0.0\%$$

**AVERAGE YIELD - USING FORECAST AVERAGE P/E**

$$\frac{\text{Avg. \% Payout}}{\text{Forecast Average P/E}} = \frac{0}{13.70} = 0.0\%$$

**C. COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E**

Annualized Price Appreciation	8.4%
Average Yield	0.0%
Annualized Rate of Return	8.4%

**COMPOUND ANNUAL RETURN - USING FORECAST AVERAGE P/E**

Annualized Price Appreciation	2.7%
Average Yield	0.0%
Annualized Rate of Return	2.7%

SSG Results Summary

Zone:	<b>HOLD</b>
Upside Downside Ratio:	<b>1.0 To 1</b>
Total Return (High P/E):	<b>8.4%</b>
Projected Return (Avg. P/E):	<b>2.7%</b>
Buy price to satisfy US/DS of 3 to 1 and 15% total return:	<b>54.7</b>
Buy Below price based on zoning selection:	<b>54.7</b>
Current Price (01/07/25):	<b>74.43</b>

Fair Value Assessment

**Fairly Valued**

<b>Close Price</b>	★
76.34	★★
Jan 10, 2025	★★★
<b>Fair Value</b>	★★★★★
74.55	★★★★★
<b>Uncertainty</b>	★★★★★
High	

82

BETTER INVESTING  
Rocky Mountain Chapter

# Qualys, Inc. (QLYS)

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## Stock Watcher

### Lisa Campbell

83
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83

Rocky Mountain Chapter  
BetterInvesting

35



84

## What Does Qualys Do?

- Software-as-a-service (SaaS) business model
- Qualys, Inc. is a provider of cloud-based platform, delivering IT, security and compliance solutions
  - Qualys' Enterprise TruRisk Platform enables customers to do a wide variety of tasks, including measuring and Identifying their IT assets across various environments; communicate and analyze large amounts of data; articulate risk posture/eliminate critical risks

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84



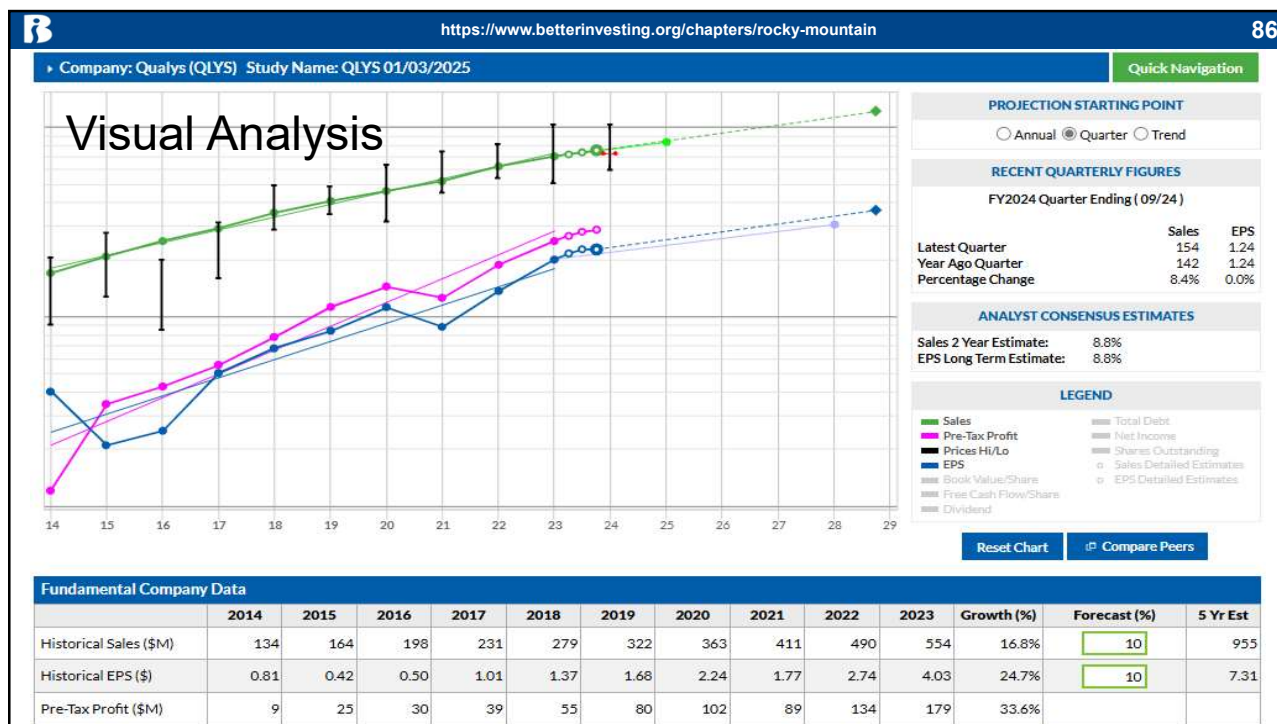
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## Making Money in the Future

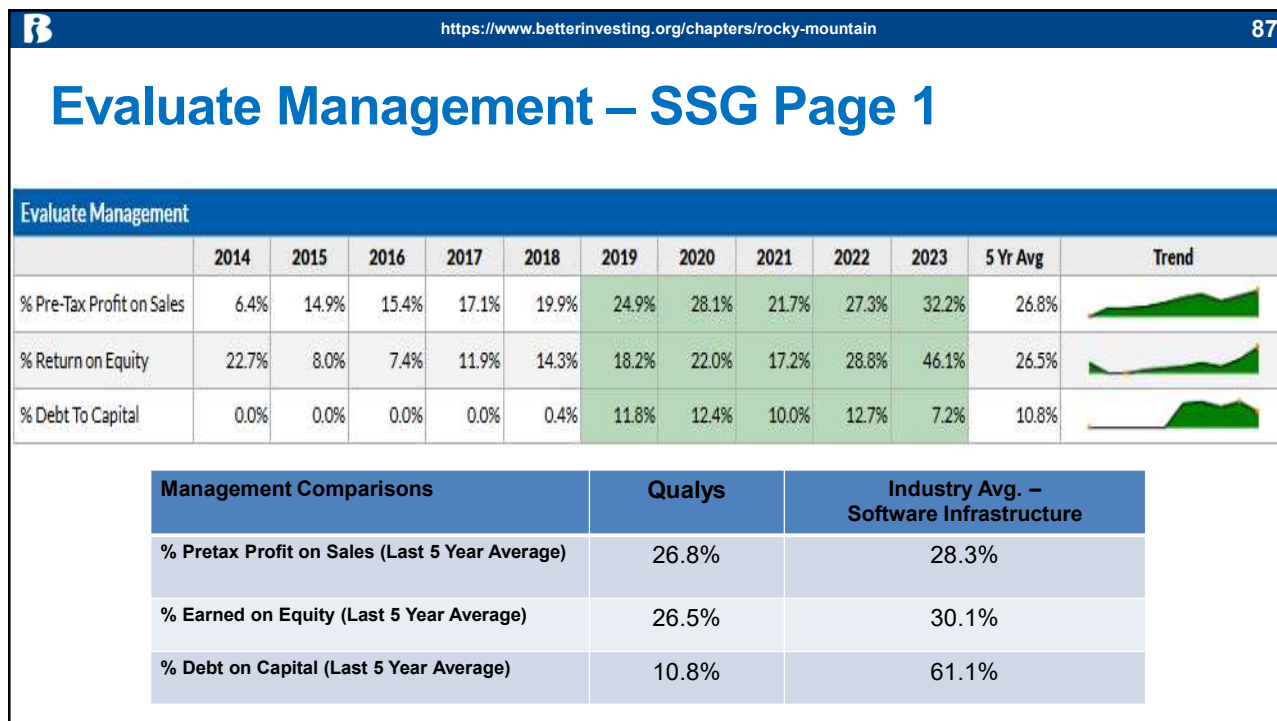
- Qualys requires a consistent stream of recurring revenue from subscription contracts
  - Qualys net retention rate (NRR) is 102% over the trailing 12 months
- Opportunities:
  - Surface area for cyberattacks continues to expand rapidly
  - Explosion of corporate IT, applications and IoT devices has increased complexity of network security = increased demand for Qualys

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85



86



87

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## Section 3: Earnings History

▶ 3. PRICE EARNINGS HISTORY as an indicator of the future

CURRENT PRICE (11/15/24): 145.52      52-WEEK HIGH: 206.35      52-WEEK LOW: 119.17

<input checked="" type="radio"/> 5 Years <input type="radio"/> 10 Years	Price		Earnings	Price Earnings Ratio		Dividend	% Payout	% High Yield
Year	High	Low	Per Share	High A / C	Low B / C	Per Share	F / C * 100	F / B * 100
2019	97.1	69.3	1.68	57.8	41.3	0.00	0.0%	0.0%
2020	126.3	63.4	2.24	56.4	28.3	0.00	0.0%	0.0%
2021	148.8	90.3	1.77	84.1	51.0	0.00	0.0%	0.0%
2022	162.4	107.7	2.74	59.3	39.3	0.00	0.0%	0.0%
2023	206.3	101.1	4.03	51.2	25.1	0.00	0.0%	0.0%
<b>5 YEAR AVERAGE</b>		<b>86.4</b>		<b>56.2</b>	<b>33.5</b>		<b>0.0%</b>	
CURRENT/TTM			4.54	45.5	26.2	0.00	0.0%	
<b>5 YEAR AVERAGE PRICE EARNINGS RATIO: 44.8</b>				<b>CURRENT PRICE EARNINGS RATIO: 32.1</b>				

[Show / Hide Price/Earnings Chart](#)    [Compare Peers](#)

88

**B** <https://www.betterinvesting.org/chapters/rocky-mountain> **89**

## SSG section 4: P/E Judgement- Evaluating Risk Reward

▶ 4. EVALUATING RISK and REWARD over the next 5 years

**A. HIGH PRICE - NEXT 5 YEARS**  
 Avg. High P/E: 56.0 X Estimate High Earnings / Share: 7.31 = Forecasted High Price: **409.4**

**B. LOW PRICE - NEXT 5 YEARS**  
 (a) Avg. Low P/E: 33.5 X Estimate Low Earnings/Share: 4.54 = Forecasted Low Price: 152.1  
 (b) Avg. Low Price of Last 5 Years: 86.4  
 (c) Recent Market Low Price: 101.1  
 2022 Low Stock Price: 107.7      52 Week Low Stock Price: 119.2  
 2023 Low Stock Price: 101.1  
 (d) Price Dividend Will Support:  $\frac{\text{Indicated Dividend}}{\text{High Yield}} = \frac{0.00}{---} = ---$

Selected Forecasted Low Price: **101.1**

**C. ZONING** using 25%-50%-25% (with 10% buffer)  
 Forecasted High Price: 409.4 Minus Forecast Low Price: 101.1 = 308.3 Range. 25% of Range: 77.1  
 Buy Zone: 101.1 to 178.2  
 Hold Zone: 178.2 to 332.3  
 Sell Zone: 332.3 to 409.4  
 Current Stock Price of 145.52 is in the **BUY** Zone.

[Show / Hide Gain vs Loss Chart](#)

**D. UPSIDE DOWNSIDE RATIO (POTENTIAL GAIN VS. RISK OR LOSS)**  
 $\frac{\text{Forecasted High Price} - \text{Current Price}}{\text{Current Price} - \text{Forecasted Low Price}} = \frac{(409.4 - 145.52)}{(145.52 - 101.1)} = \frac{263.84}{44.42} = \mathbf{5.9 \text{ To } 1}$

**E. PRICE TARGET** (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)  
 $\frac{\text{Forecasted High Price}}{\text{Current Price}} = \frac{409.4}{145.52} = (2.8131 \times 100) = (281.31 - 100) = \mathbf{181.3\% \text{ Appreciation}}$

Evaluating Risk At A Glance

Zone: **BUY**

Forecasted High Price: 409.4  
 Forecasted Low Price: 101.1  
 Current Price (11/15/24): 145.52  
 Upside Downside Ratio: 5.9 To 1  
 Potential Price Appreciation: 181.3%

89

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90

## SSG Section 5: Five-Year Potential

▶ 5. FIVE-YEAR POTENTIAL

**A. CURRENT YIELD**

$$\frac{\text{Indicated Annual Dividend}}{\text{Current Price}} = \frac{0.00}{145.52} = 0.0000 = 0.0\%$$

**B. AVERAGE YIELD - USING FORECAST HIGH P/E**

$$\frac{\text{Avg. \% Payout}}{\text{Forecast High P/E}} = \frac{0}{56.0} = 0.0\%$$

**AVERAGE YIELD - USING FORECAST AVERAGE P/E**

$$\frac{\text{Avg. \% Payout}}{\text{Forecast Average P/E}} = \frac{0}{44.75} = 0.0\%$$

**C. COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E**

Annualized Price Appreciation	23.0%
Average Yield	0.0%
Annualized Rate of Return	23.0%

**COMPOUND ANNUAL RETURN - USING FORECAST AVERAGE P/E**

Annualized Price Appreciation	17.6%
Average Yield	0.0%
Annualized Rate of Return	17.6%

SSG Results Summary

Zone:	BUY
Upside/Downside Ratio:	5.9 To 1
Total Return (High P/E):	23.0%
Projected Return (Avg. P/E):	17.6%
Buy price to satisfy US/DS of 3 to 1 and 15% total return:	178.2
Buy Below price based on zoning selection:	178.2
Current Price (11/15/24):	145.52

90

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91

## Rollins (ROL)

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### Stock Watcher

### Lisa Campbell

Rocky Mountain Chapter

91

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91



92

## What Does Rollins Do?

Rollins, Inc. owns and operates Orkin LLC Exterminating, one of the worlds largest pest- and termite-control service providers.

Rollins serves customers directly, as well as through franchisee operations. Residential and commercial pest control account for 81% of revenues, and the balance is mainly from the termite business

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92



93

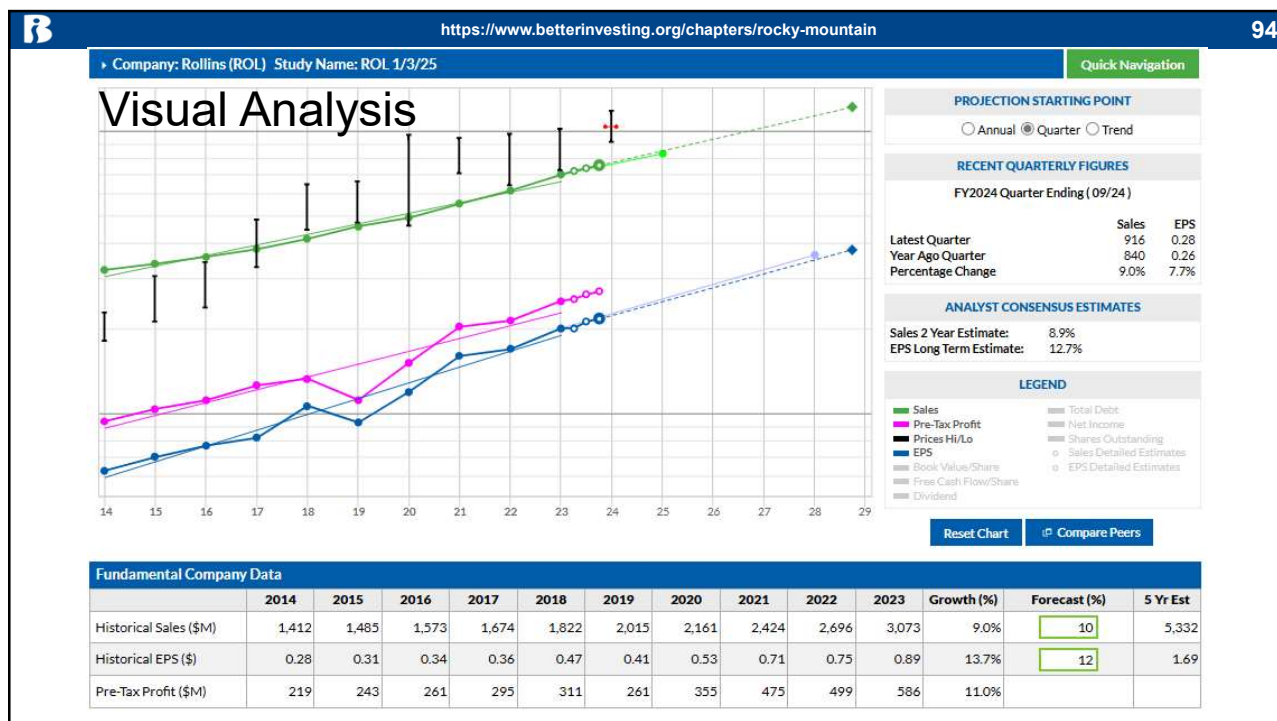
## Making Money in the Future

- Demand remains strong in both residential and commercial segments (47% and 33% of Rollins' total revenue)
- Bottom line growth bolstered by ongoing pricing strategies that more than offset inflation
- Value-Line expects share earnings to advance 15% in 2025 (represents an increase of 3% over 2024)
- 10% YOY increase in the quarterly dividend

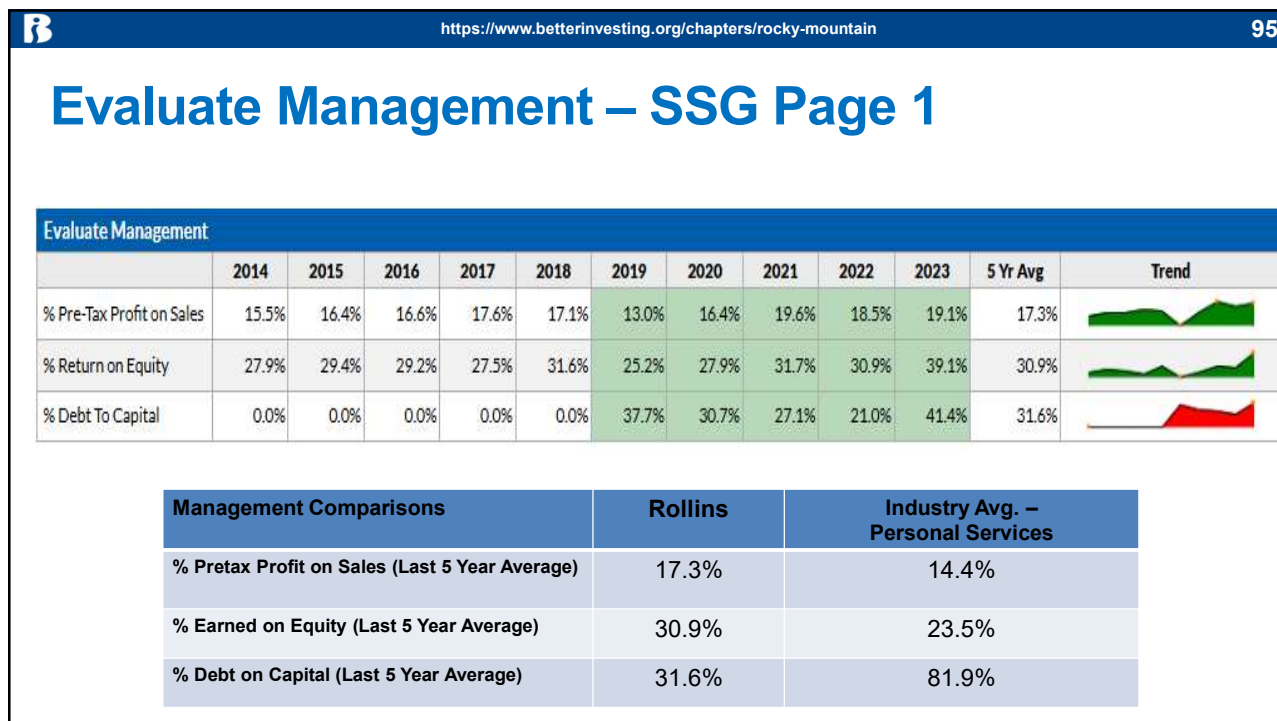
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93





94



95

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## Section 3: Earnings History

▶ 3. PRICE EARNINGS HISTORY as an indicator of the future

CURRENT PRICE (01/02/25): 46.04      52-WEEK HIGH: 52.16      52-WEEK LOW: 40.41

5 Years <input checked="" type="radio"/> 10 Years <input type="radio"/>		A		B		C		D		E		F		G		H	
Year		Price		Earnings		Price Earnings Ratio		Dividend		% Payout		% High Yield					
		High	Low	Per Share		High A / C	Low B / C	Per Share		F / C * 100		F / B * 100					
2019		29.3	20.9	0.41		70.9	50.6	0.28		67.7%		1.3%					
2020		43.0	20.5	0.53		81.1	38.6	0.24		45.3%		1.2%					
2021		41.8	31.4	0.71		58.9	44.3	0.34		47.9%		1.1%					
2022		43.1	28.5	0.75		57.4	38.0	0.43		57.3%		1.5%					
2023		45.0	32.2	0.89		50.6	36.2	0.54		60.7%		1.7%					
5 YEAR AVERAGE		26.7				59.5	39.3			55.8%							
CURRENT/TTM				0.96		54.3	42.1	0.66		68.8%							
5 YEAR AVERAGE PRICE EARNINGS RATIO: 49.4						CURRENT PRICE EARNINGS RATIO: 48.0											

Show / Hide Price/Earnings Chart      Compare Peers

96

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## SSG section 4: P/E Judgement- Evaluating Risk Reward

▶ 4. EVALUATING RISK and REWARD over the next 5 years

**A. HIGH PRICE - NEXT 5 YEARS**  
 Avg. High P/E: 59.5 X Estimate High Earnings / Share: 1.69 = Forecasted High Price: 100.6

**B. LOW PRICE - NEXT 5 YEARS**  
 (a) Avg. Low P/E: 39.3 X Estimate Low Earnings/Share: 0.96 = Forecasted Low Price: 37.7  
 (b) Avg. Low Price of Last 5 Years: 26.7  
 (c) Recent Market Low Price: 28.5  
 2022 Low Stock Price: 28.5      52 Week Low Stock Price: 40.4  
 2023 Low Stock Price: 32.2  
 (d) Price Dividend Will Support:  $\frac{\text{Indicated Dividend}}{1.7\%} = \frac{0.66}{1.7\%} = 39.3$

Selected Forecasted Low Price: 37.7

**C. ZONING** using 25%-50%-25%  
 Forecasted High Price: 100.6 Minus Forecast Low Price: 37.7 = 62.9 Range. 25% of Range: 15.7  
 Buy Zone: 37.7 to 53.4  
 Hold Zone: 53.4 to 84.8  
 Sell Zone: 84.8 to 100.6  
 Current Stock Price of 46.04 is in the **BUY** Zone.

Show / Hide Gain vs Loss Chart

**D. UPSIDE DOWNSIDE RATIO (POTENTIAL GAIN VS. RISK OR LOSS)**  
 $\frac{\text{Forecasted High Price} - \text{Current Price}}{\text{Current Price} - \text{Forecasted Low Price}} = \frac{(100.6 - 46.04)}{(46.04 - 37.7)} = \frac{54.51}{8.34} = 6.5 \text{ To } 1$

**E. PRICE TARGET** (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)  
 $\frac{\text{Forecasted High Price}}{\text{Current Price}} = \frac{100.6}{46.04} = (2.1841 \times 100) = (218.41 - 100) = 118.4\% \text{ Appreciation}$

Evaluating Risk At A Glance

Zone: **BUY**

Forecasted High Price: 100.6  
 Forecasted Low Price: 37.7  
 Current Price (01/02/25): 46.04  
 Upside Downside Ratio: 6.5 To 1  
 Potential Price Appreciation: 118.4%

97

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## SSG Section 5: Five-Year Potential

**5. FIVE-YEAR POTENTIAL**

**A. CURRENT YIELD**

$$\frac{\text{Indicated Annual Dividend}}{\text{Current Price}} = \frac{0.66}{46.04} = 0.0143 = 1.4\%$$

**B. AVERAGE YIELD - USING FORECAST HIGH P/E**

$$\frac{\text{Avg. \% Payout}}{\text{Forecast High P/E}} = \frac{55.8}{59.5} = 0.9\%$$

**AVERAGE YIELD - USING FORECAST AVERAGE P/E**

$$\frac{\text{Avg. \% Payout}}{\text{Forecast Average P/E}} = \frac{55.8}{49.40} = 1.1\%$$

**C. COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E**

Annualized Price Appreciation	16.9%
Average Yield	0.9%
Annualized Rate of Return	17.8%

**COMPOUND ANNUAL RETURN - USING FORECAST AVERAGE P/E**

Annualized Price Appreciation	12.6%
Average Yield	1.1%
Annualized Rate of Return	13.8%

**SSG Results Summary**

Zone:	<b>BUY</b>
Upside Downside Ratio:	<b>6.5 To 1</b>
Total Return (High P/E):	<b>17.8%</b>
Projected Return (Avg. P/E):	<b>13.8%</b>
Buy price to satisfy US/DS of 3 to 1 and 15% total return:	<b>52.1</b>
Buy Below price based on zoning selection:	<b>53.4</b>
Current Price (01/02/25):	<b>46.04</b>

98



# United States Lime & Mineral, Inc. (USLM)

## Stock Watcher

### Shirley Pfister

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99



100

## What Does United States Lime Do?

- Manufactures & supplies lime & limestone products in US
- Supplies products to construction companies, metal producers, environmental customers & oil & gas companies
- The Natural Gas segment holds various royalty interests with respect to oil & gas rights

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100



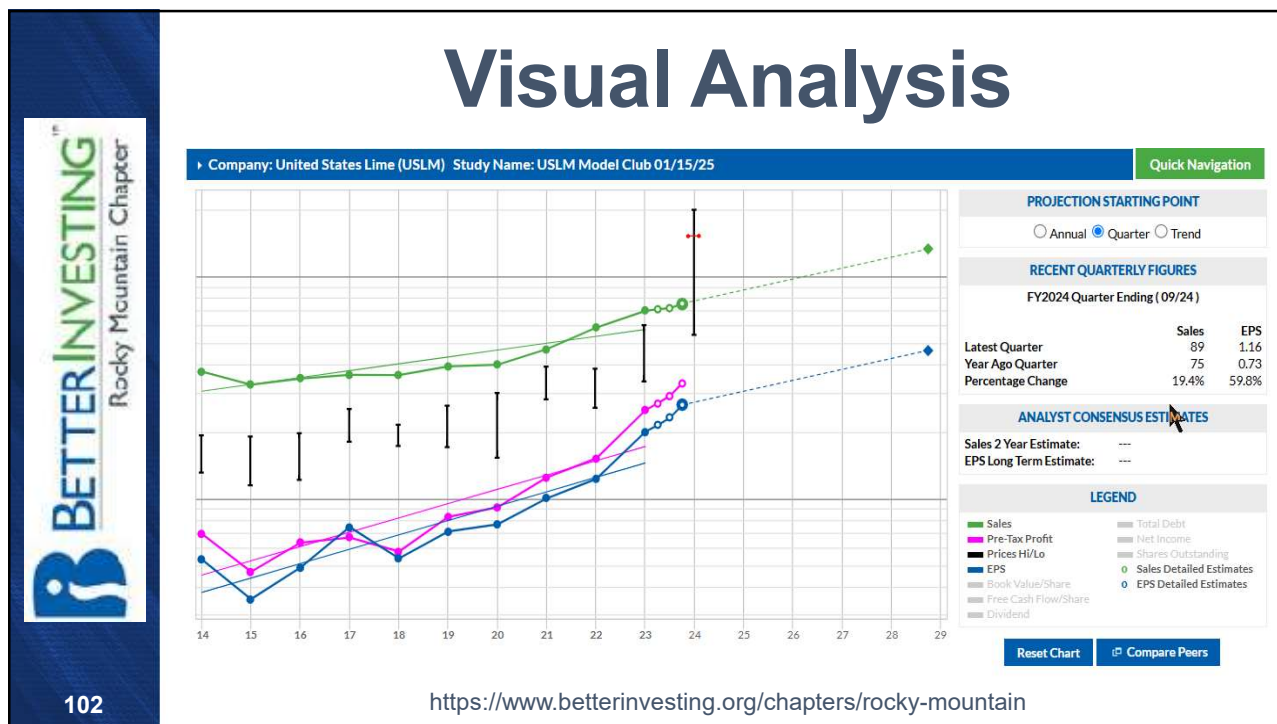
101

## Making Money in the Future – Value Line

- Extracts limestone from open pits & underground mines = pulverized limestone, quicklime, hydrated lime & lime slurry.
- Supplied to construction customers, metal producers, environmental customers, water treatment facilities, oil & gas companies, paper & glass manufacturers, roof shingle manufacturers, & cattle feeders
- Natural Gas Interests segment holds royalty interests & non-operating interests with respect to oil & gas rights on 4,100 acres of land in Texas.

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101



102

# Fundamental Company Data

**BETTER INVESTING**  
Rocky Mountain Chapter

Fundamental Company Data													
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Growth (%)	Forecast (%)	5 Yr Est
Historical Sales (\$M)	150	131	139	145	144	158	161	189	236	281	7.4%	12	535
Historical EPS (\$)	0.69	0.46	0.64	0.97	0.70	0.93	1.00	1.31	1.60	2.61	16.1%	12	6.08
Pre-Tax Profit (\$M)	26	17	24	25	22	31	34	47	57	93	16.0%		

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103

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# Evaluate Management

Evaluate Management												
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	5 Yr Avg	Trend
% Pre-Tax Profit on Sales	17.3%	13.4%	17.0%	17.2%	14.9%	19.5%	21.2%	24.6%	24.0%	33.2%	24.5%	
% Return on Equity	12.8%	7.8%	10.1%	14.0%	9.0%	10.8%	11.9%	13.6%	14.6%	19.7%	14.1%	
% Debt To Capital	9.7%	0.0%	0.0%	0.0%	0.0%	1.4%	0.9%	1.1%	1.7%	1.4%	1.3%	

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104

104

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# Section 3: Earnings History

▶ 3. PRICE EARNINGS HISTORY as an indicator of the future

CURRENT PRICE (01/14/25): 122.06    52-WEEK HIGH: 159.53    52-WEEK LOW: 43.63


<input checked="" type="radio"/> 5 Years <input type="radio"/> 10 Years	A Price		B Earnings	D Price Earnings Ratio		E Dividend	F % Payout	H % High Yield	
Year	High	Low	Per Share	High A / C	Low B / C	Per Share	F / C * 100	F / B * 100	
2019	20.8	13.6	0.93	22.4	14.7	0.11	11.6%	0.8%	
2020	23.8	12.2	1.00	23.8	12.2	0.13	12.8%	1.0%	
2021	31.2	22.4	1.31	23.9	17.1	0.13	9.8%	0.6%	
2022	30.8	20.4	1.60	19.3	12.8	0.16	10.0%	0.8%	
2023	48.1	26.9	2.61	18.4	10.3	0.16	6.1%	0.6%	
5 YEAR AVERAGE		19.1		21.6	13.4		10.1%		
CURRENT/TTM			3.45	46.2	12.6	0.20	5.8%		
5 YEAR AVERAGE PRICE EARNINGS RATIO: 17.5				CURRENT PRICE EARNINGS RATIO: 35.4					

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105

105

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## Section 4: Risk & Reward

▶ 4. EVALUATING RISK and REWARD over the next 5 years

**A. HIGH PRICE - NEXT 5 YEARS**  
Avg. High P/E: 21.6 X Estimate High Earnings / Share: 6.08 = Forecasted High Price: 131.3

**B. LOW PRICE - NEXT 5 YEARS**  
(a) Avg. Low P/E: 13.4 X Estimate Low Earnings/Share: 3.45 = Forecasted Low Price: 46.2  
(b) Avg. Low Price of Last 5 Years: 19.1  
(c) Recent Market Low Price: 20.4  
2022 Low Stock Price: 20.4      52 Week Low Stock Price: 43.6  
2023 Low Stock Price: 26.9  
(d) Price Dividend Will Support:  $\frac{\text{Indicated Dividend}}{\text{High Yield}} = \frac{0.20}{1.0\%} = 19.1$

Selected Forecasted Low Price: 46.2

**C. ZONING** using 25%-50%-25% (click to toggle)  
Forecasted High Price: 131.3 Minus Forecast Low Price: 46.2 = 85.1 Range. 25% of Range: 21.3  
Buy Zone: 46.2 to 67.5  
Hold Zone: 67.5 to 110.0  
Sell Zone: 110.0 to 131.3  
Current Stock Price of 122.06 is in the **SELL** Zone.  
Show / Hide Gain vs Loss Chart

**D. UPSIDE DOWNSIDE RATIO (POTENTIAL GAIN VS. RISK OR LOSS)**  
 $\frac{\text{Forecasted High Price} - \text{Current Price}}{\text{Current Price} - \text{Forecasted Low Price}} = \frac{(131.3 - 122.06)}{(122.06 - 46.2)} = \frac{9.27}{75.86} = 0.1 \text{ To } 1$

**E. PRICE TARGET** (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)  
 $\frac{\text{Forecasted High Price} - \text{Current Price}}{\text{Current Price}} = \frac{131.3 - 122.06}{122.06} = (1.0759 \times 100) = (107.59 - 100) = 7.6\% \text{ Appreciation}$

Evaluating Risk At A Glance


Zone:	<b>SELL</b>
Forecasted High Price:	131.3
Forecasted Low Price:	46.2
Current Price (01/14/25):	122.06
Upside Downside Ratio:	0.1 To 1
Potential Price Appreciation:	7.6%

106

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106

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## 5 Year Potential

▶ 5. FIVE-YEAR POTENTIAL

**A. CURRENT YIELD**  
 $\frac{\text{Indicated Annual Dividend}}{\text{Current Price}} = \frac{0.20}{122.06} = 0.0016 = 0.2\%$

**B. AVERAGE YIELD - USING FORECAST HIGH P/E**  
 $\frac{\text{Avg. \% Payout}}{\text{Forecast High P/E}} = \frac{11.9}{21.6} = 0.6\%$

**AVERAGE YIELD - USING FORECAST AVERAGE P/E**  
 $\frac{\text{Avg. \% Payout}}{\text{Forecast Average P/E}} = \frac{11.9}{17.50} = 0.7\%$

**C. COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E**  
Annualized Price Appreciation: 1.5%  
Average Yield: 0.6%  
Annualized Rate of Return: 2.0%

**COMPOUND ANNUAL RETURN - USING FORECAST AVERAGE P/E**  
Annualized Price Appreciation: -2.7%  
Average Yield: 0.7%  
Annualized Rate of Return: -2.0%


SSG Results Summary

Zone:	<b>SELL</b>
Upside Downside Ratio:	0.1 To 1
Total Return (High P/E):	2.0%
Projected Return (Avg. P/E):	-2.0%
Buy price to satisfy US/DS of 3 to 1 and 15% total return:	66.9
Buy Below price based on zoning selection:	67.5
Current Price (01/14/25):	122.06

107

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107




## Added Data

- Bought 10 shares 4/23/2023 @ \$1540.00
- Shares split on 7/15/2024 and we have 50 shares
- Market value = \$6637.00
- % Of Club portfolio = 20.8%
- % Total gain = 331%
- % Gain = \$4726.00

108

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108



## Added Data

- No Information on MorningStar
- Manifest Investing:
  - PAR = 6.5%
  - Sales forecast = 14.4%
  - EPS in 5 yrs = \$3.86
  - No debt

109

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109



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# Questions/Comments



110

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110

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# Western Alliance (WAL)

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## Stock Watcher

Debie Monax

111

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111



112

## What Does Western Alliance Do?

- Las Vegas-based holding company with **regional banks** operating in Nevada, Arizona, and California
- Offers **retail banking services and focuses on mortgages** for retail customers and commercial loans, mainly for real estate to small and middle-market businesses,
- **Investment advisory business** that manages investment portfolios for Western clients and clients of other banks
- **Other financial services:** Internet banking, wire transfers, electronic bill payment, lock box services, courier, and cash management services

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112



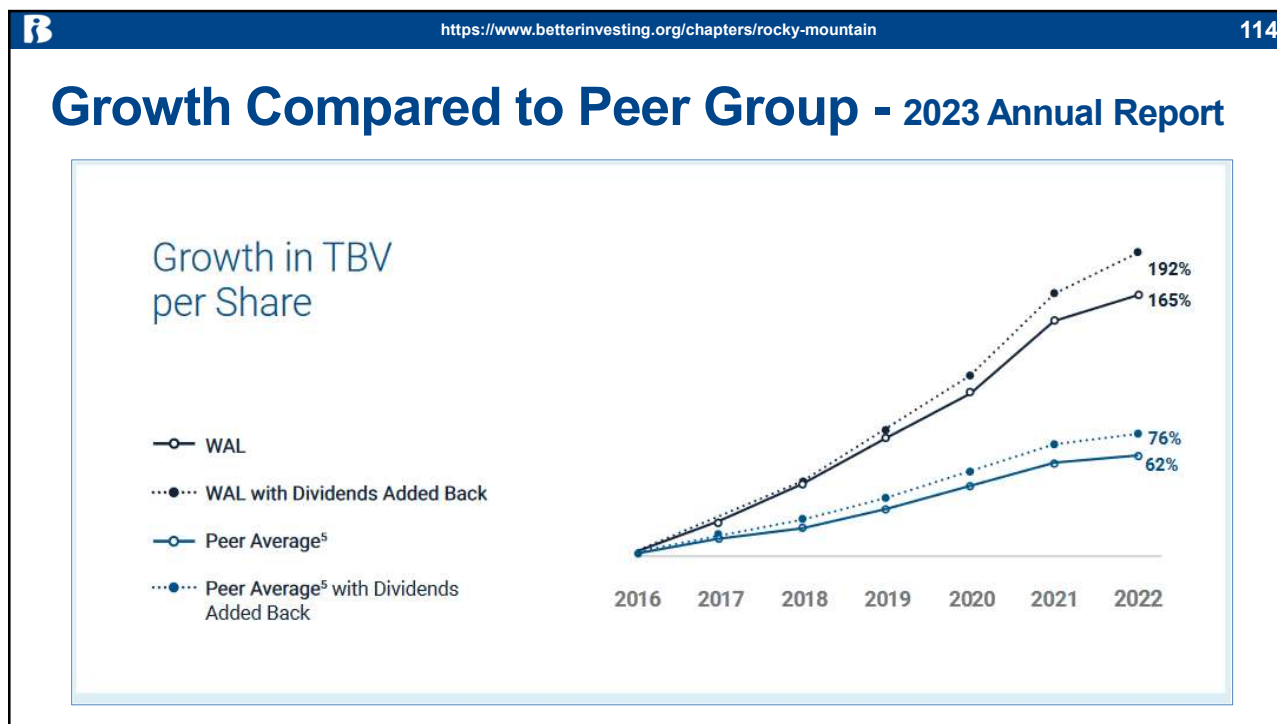
113

## Making Money in the Future – Annual Report

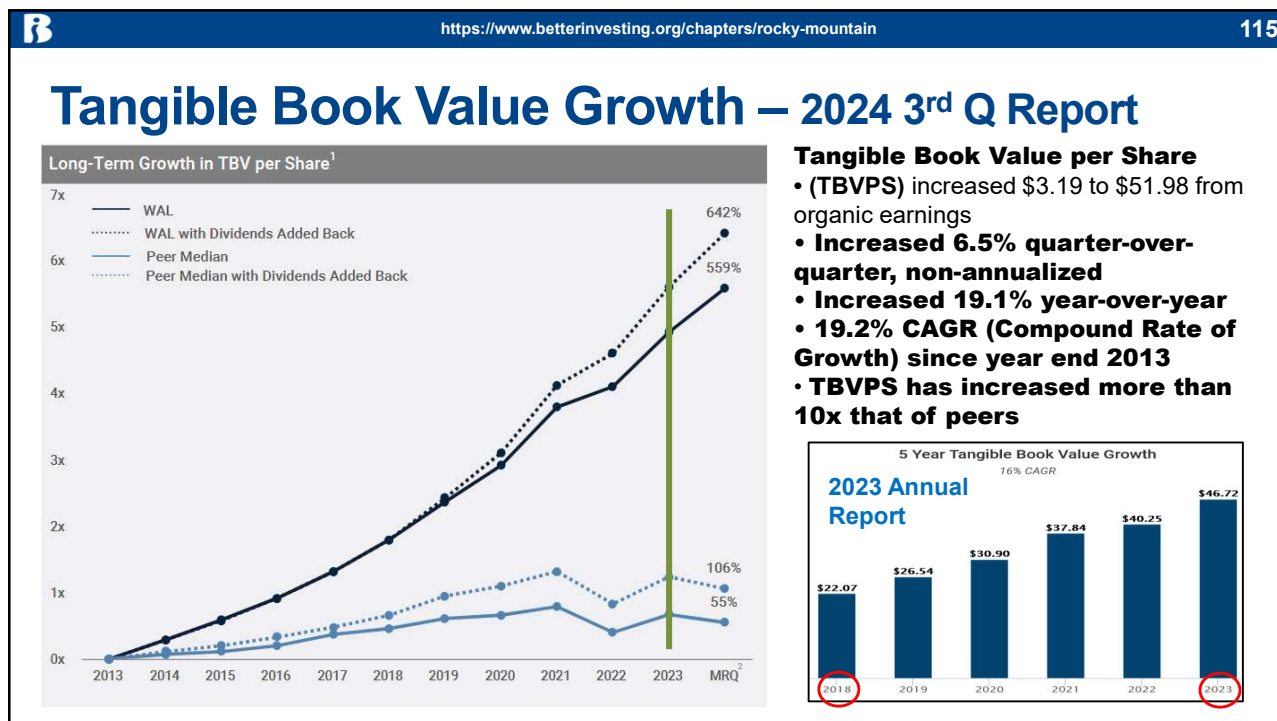
- Focus on **diversified deposit business** with small and mid sized companies
- Diverse retail banking **deposits, loans, investment advisory service and other financial services**
  - - Commercial and Industrial, Construction and Land Development
  - - Residential, and Consumer
- **Expanded to Colorado and Chicago**, opened office in New York in 2022
- **Maintains stable asset quality**, reduces loan losses

<https://www.betterinvesting.org/chapters/rocky-mountain>

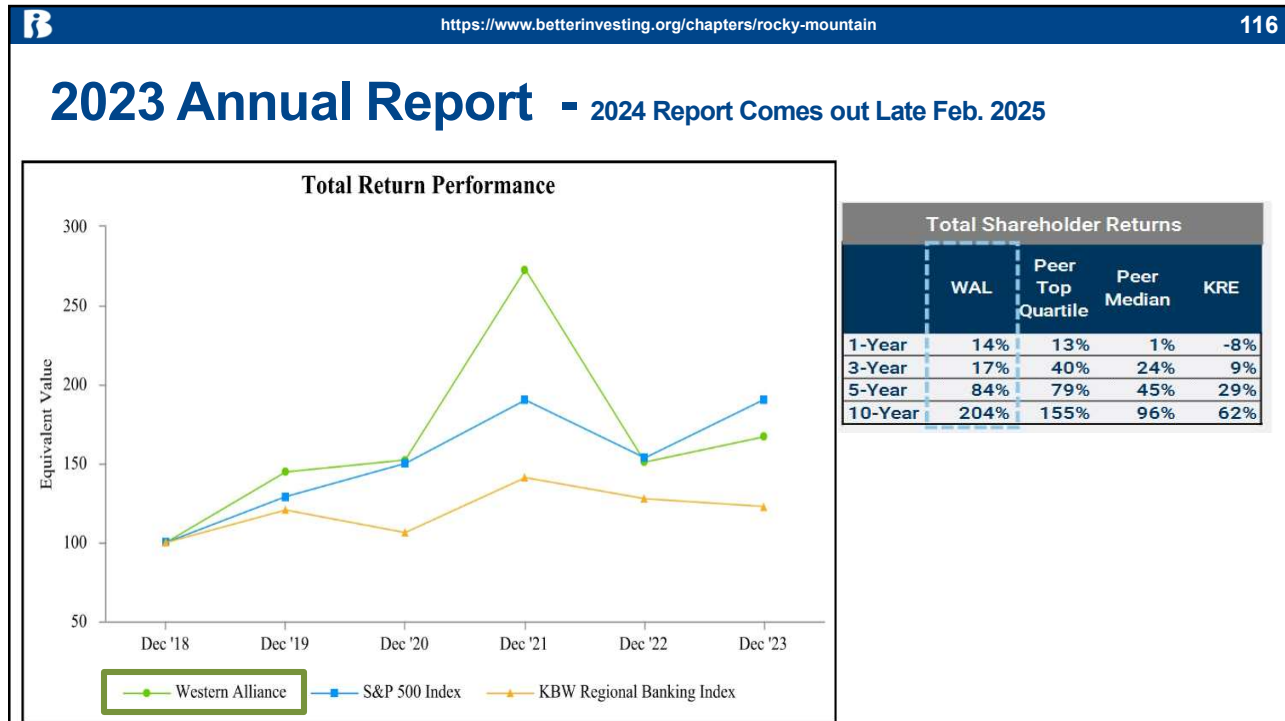
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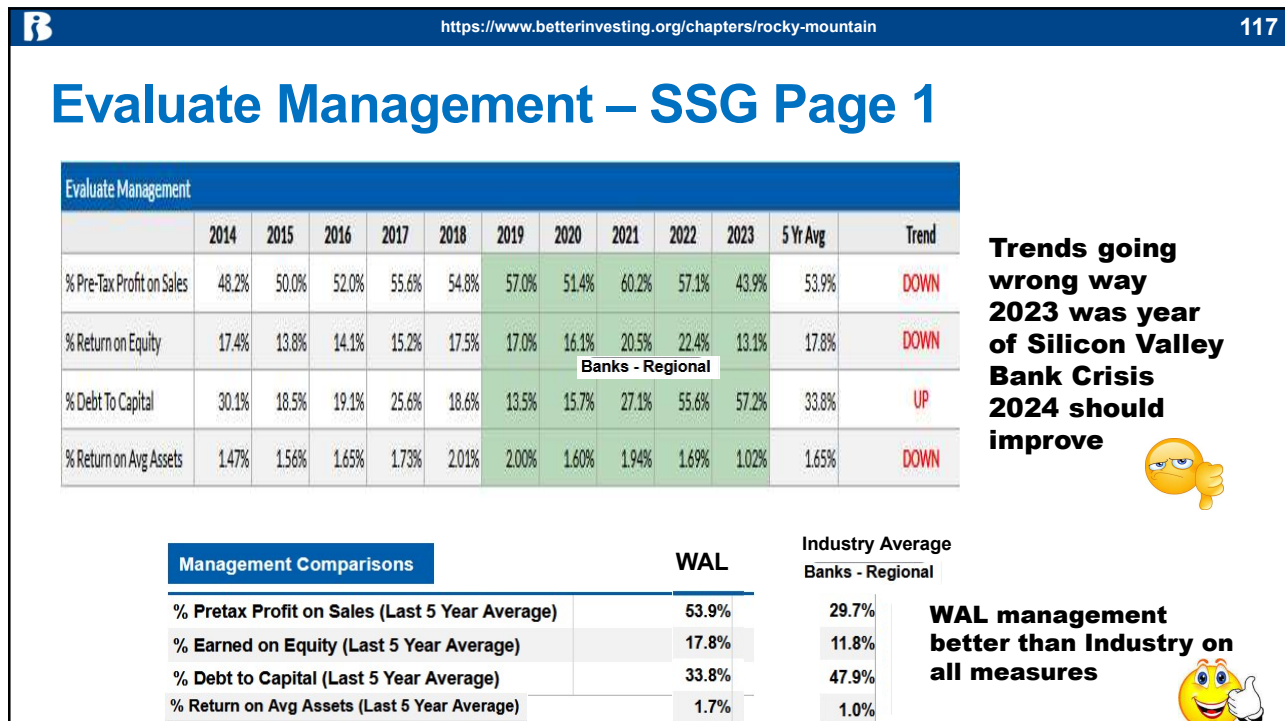
114



115



116



117



118

https://www.betterinvesting.org/chapters/rocky-mountain 119

## Section 3: Earnings History

3. PRICE EARNINGS HISTORY as an indicator of the future

CURRENT PRICE (01/06/25): 83.68    52-WEEK HIGH: 98.10    52-WEEK LOW: 53.75

Year	Price		Earnings	Price Earnings Ratio		Dividend	% Payout
	High	Low	Per Share	High A / C	Low B / C	Per Share	F / C
2019	57.6	38.5	4.84	11.9	8.0	0.50	
2020	61.2	20.9	5.04	12.1	4.1	1.00	
2021	124.9	58.0	8.67	14.4	6.7	1.20	
2022	124.9	54.9	9.70	12.9	5.7	1.42	
2023	81.2	7.5	6.54	12.4	1.1	1.45	
5 YEAR AVERAGE		36.0		12.3	5.5		
CURRENT/TTM			6.48	15.1	8.3	1.52	
5 YEAR AVERAGE PRICE EARNINGS RATIO: 8.9			CURRENT PRICE EARNINGS RATIO: 12.9				

**Earning 2024 YTD flat, Current/TTM P/Es outlier- flat earnings, Current P/E above Average**

119

**B** <https://www.betterinvesting.org/chapters/rocky-mountain> 120

## SSG section 4: P/E Judgement- Evaluating Risk Reward

4. EVALUATING RISK and REWARD over the next 5 years

**A. HIGH PRICE - NEXT 5 YEARS**  
 Avg. High P/E: 12.3 X Estimate High Earnings / Share: 13.26 = Forecasted High Price: **163.1**

**B. LOW PRICE - NEXT 5 YEARS**  
 (a) Avg. Low P/E: 5.5 X Estimate Low Earnings/Share: 6.48 = Forecasted Low Price: 35.6  
 (b) Avg. Low Price of Last 5 Years: 36.0  
 (c) Recent Market Low Price: 7.5  
 2022 Low Stock Price: 54.9      52 Week Low Stock Price: 53.8  
 2023 Low Stock Price: 7.5  
 (d) Price Dividend Will Support:  $\frac{\text{Indicated Dividend}}{\text{High Yield}} = \frac{1.52}{19.4\%} = 7.8$

Selected Forecasted Low Price: **35.6**

**C. ZONING** using **25%-50%-25%** (click to toggle)  
 Forecasted High Price: 163.1 Minus Forecast Low Price: 35.6 = 127.5 Range. 25% of Range: 31.9  
 Buy Zone: 35.6 to 67.5  
 Hold Zone: 67.5 to 131.2  
 Sell Zone: 131.2 to 163.1  
 Current Stock Price of 83.68 is in the **HOLD** Zone.

**P/Es Used the 5-year average**

**Evaluating Risk At A Glance**

Zone: **HOLD**

Forecasted High Price: 163.1

Forecasted Low Price: 35.6

Current Price (01/06/25): 83.68

Upside Downside Ratio: **1.7 To 1**

Potential Price Appreciation: 94.9%

**U/D Ratio in HOLD range**

120

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## SSG Section 5: Five-Year Potential

**SSG Results Summary**

Zone: **HOLD**

Upside Downside Ratio: **1.7 To 1**

Total Return (High P/E): **15.6%**

Projected Return (Avg. P/E): **8.9%**

Buy price to satisfy US/DS of 3 to 1 and 15% total return: 67.5

Buy Below price based on zoning selection: 67.5

Current Price (01/06/25): 83.68

**Value Line Limited coverage does not project in future like the full coverage does**

**Manifest Investing**

Company	Ticker	Sector   Industry	Quality	PAR
Western Alliance*	WAL	Financials   Banks - Regional	94	14.9%
Projected Return on Value (PROVE)				<b>12.1%</b>

121

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## EPS projection Next Year - Value Line 01.03.2025

Fiscal Year	EARNINGS PER SHARE				Full Year
	1Q	2Q	3Q	4Q	
12/31/21	1.90	2.17	2.28	2.32	8.67
12/31/22	2.22	2.39	2.42	2.67	9.70
12/31/23	1.28	1.96	1.97	1.33	6.54
12/31/24	1.60	1.75	1.80	1.93	7.08
12/31/25	1.93	2.11			8.25%

**20.0% 20.5%**  
**2025 6-month estimates**

**WAL= Medium Company**  
**Sales & EPS 5 - 12%**

**Projected EPS growth**  
**for next year in line with**  
**company size**

**Recommendation: HOLD, consider BUYING when price comes in the BUY range**

122



# Rocky Mountain Model Investment Club



Please join us for our next meeting on

**Wednesday, February 19, 2025**

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128

128