

# FORCEFIELD ENERGY, INC.

## M&A to Drive Huge Revenue Growth; Major Short Squeeze in the Cards

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### FORCEFIELD ENERGY, INC (NASDAQ - FNRG - \$5.50)

Price Target: \$7.00

Rating: Speculative Buy

#### COMPANY SNAPSHOT

ForceField Energy Inc. and its subsidiaries comprise a global company whose products and solutions focus on sustainable energy solutions and improved energy efficiency. ForceField is a distributor of LED lighting products for a number of premier LED lighting manufacturers; and through its subsidiary American Lighting, is an award winning-contractor that has completed lighting installations for numerous high profile concerns in a variety of industries. ForceField is also a licensee of modular, heat recovery systems that convert waste heat into clean electricity. Its patented technology is based upon the Organic Rankine Cycle (ORC) and uses proprietary, multiple-component fluids that are environmentally sound.

#### KEY STATISTICS

Price as of 8/12/14	\$5.50
52 Week High – Low	\$6.98 – \$4.44
Est. FD Shares Outstanding	16M
Market Capitalization	\$88M
3 Mo Avg Vol	14,500
Exchange	NASDAQ

#### COMPANY INFORMATION

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#### INVESTMENT HIGHLIGHTS

**Conclusion:** While FNRG's stock has been relatively flat for the past few months, two near term events could dramatically boost FNRG's share price.

**Catalyst #1:** The first upcoming event is the closing of a critical acquisition in the energy efficiency products and services space that should contribute \$10M+ in annual revenue. ESCO Energy Services has a big presence on the East Coast and complements the fast-growing American Lighting subsidiary which has a footprint on the West Coast.

Once closed, FNRG could record an estimated \$14-16M in revenue this year compared with a few hundred thousand in 2013. Next year, we preliminarily forecast sales of \$25M+ with greater operating efficiency through high profile projects.

**Catalyst #2:** Buyins.net, which specializes in short sale trading statistics, just released a report which indicates 855,000 shares have been shorted since May 2013. An average of 28% of all daily volume each day is short selling, much of it naked short selling.

*The report notes that a short squeeze could begin once the stock breaks above \$5.53 which we believe could occur in conjunction with the ESCO acquisition closing and/or the closing of new business.*

**Looking Ahead:** On top of previous guidance over \$111 million in revenues could be generated over a multi-year period if the current LED and ORC projects under signed initial agreements, Letters of Intent (LOI), bids and trials are successfully financed and completed. With a series of positive events on the horizon, it is likely that a huge run in the stock could occur as short sellers who previously did not give credence to the FNRG model, frantically cover their positions.

### Recent Trading History For FNRG

(Source: Stockta.com)





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### Senior Analyst: Robert Goldman

Rob Goldman founded Goldman Small Cap Research in 2009 and has over 20 years of investment and company research experience as a senior research analyst and as a portfolio and mutual fund manager. During his tenure as a sell side analyst, Rob was a senior member of Piper Jaffray's Technology and Communications teams. Prior to joining Piper, Rob led Josephthal & Co.'s Washington-based Emerging Growth Research Group. In addition to his sell-side experience Rob served as Chief Investment Officer of a boutique investment management firm and Blue and White Investment Management, where he managed Small Cap Growth portfolios and *The Blue and White Fund*.

### Analyst Certification

I, Robert Goldman, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report.

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