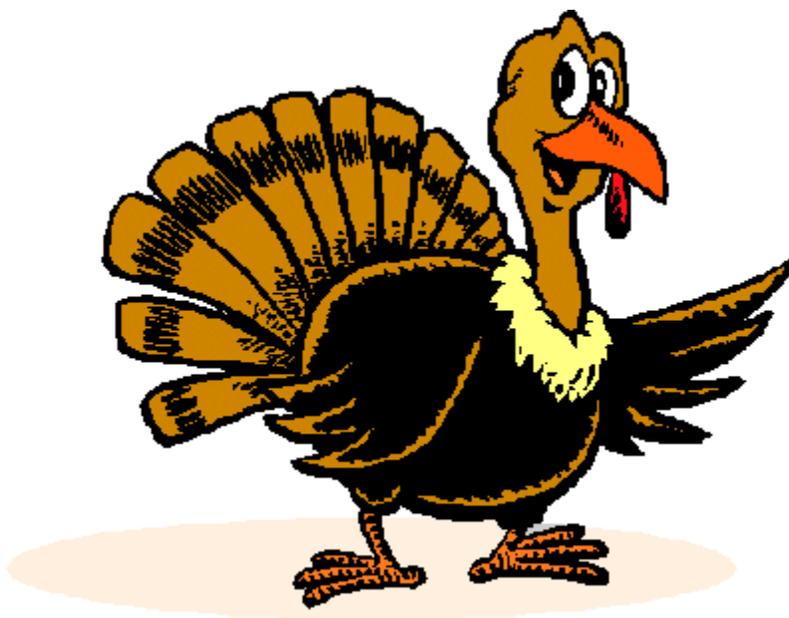


November 25, 2015

5th Annual Treats & Turkeys



Buys and Sells for Your Portfolio

Introduction

Welcome to Goldman Small Cap Research's *5th Annual Thanksgiving Treats & Turkeys Report*. Before we start cooking and then engage in our post-Thanksgiving diet, we give you 3 stocks to buy and 3 stocks to sell. Historically, these selections have performed remarkably well. However, I confess that last year's returns were mixed, with the sells faring better than the buys, for a change. For example, while our ALGT pick was up 40%, BTU completely collapsed and after moving up sharply, SKUL is now down. On the sell side, we were on target on NTLS as it dropped by more than 50% before its recent rise, while TCO and DSPG are both down 10%. We believe that this year's picks are on much stronger footing and that there will be less volatility, given the relative size of most of the profiled stocks. Like last year, this year's picks come in all shapes and sizes, including an OTC name. As usual, all charts are courtesy of www.Stockta.com. Have a Happy Thanksgiving and profitable trading!

THE BUYS

Cabela's Inc. (NYSE – CAB - \$46.99, Range: \$53.90 - \$33.03)

The Skinny: Tracing its roots to 1961, **Cabela's Incorporated (NYSE – CAB - \$46.99)** operates as a specialty retailer and direct marketer of hunting, fishing, camping, and related outdoor merchandise. The company operates through three segments: Retail, Direct, and Financial Services. The Retail segment sells products



and services through its retail stores. The Direct segment sells products through its e-commerce Websites, such as Cabelas.com and Cabelas.ca, as well as direct mail catalogs. The Financial Services segment issues Cabela's CLUB Visa credit card, a reward based credit card program; and certificates of deposits, as well as underwrites credit statistics. The company's product

portfolio includes hunting equipment, such as firearms, ammunition, optics, archery products, and related accessories and supplies; and clothing and footwear products comprise field-wear apparel and footwear, sportswear apparel and footwear, and workwear products, as well as casual apparel and footwear. The company operates 71 stores in North America.

Key Fact: Activist investors are trying to affect a sale of Cabela's. While there is a definite disagreement on price (some want a price in the \$70's, others are happy with \$60 or so), activist investing has proven to be very successful of late and such an event could lead to big gains. Separately, a strong holiday season could serve as a trigger for these shares in the near term.

Stats to Know: The stock is 20% off of its year high and trades 14.6x 2016 EPS estimates, a projected 11% rise from 2015 forecasts. These shares trade above their 20 and 50 DMAs and at the "low sale price of \$60", the stock would represent an 18x P/E, a 27% rise from current prices.

Target: \$62 (19x 2016 EPS)

Quad/Graphics, Inc. (NASDAQ – QUAD - \$9.90, Range: \$24.13 - \$8.81)

The Skinny: Industry leader **Quad/Graphics, Inc. (NYSE – QUAD - \$9.90)** is a major global provider of print and media solutions. The Company is redefining print in today's multichannel media world by helping marketers and publishers capitalize on print's ability to complement and connect with other media channels.

Key Fact: QUAD is the perfect example of a stock that has completely slashed future financial projections, and is now engaged in major cost reductions, making it one of the first stocks to be a victim of major year-end selling. It has since bounced off of its year low and is trying to find a base. With the selling largely over, incremental buying could result in a nice short term rise and if QUAD can achieve success on new initiatives, it could be a big winner 6-12 months from now.



Stats to Know: Sales and earnings estimates are not really much value at this stage, but it is important to note that the stock trades at only 10% of its more than \$4 billion in annual revenue and although it has a good deal of long term debt on the books, it is generating hundreds of millions in adjusted EBITDA. By the way, Quad/Graphics' next quarterly dividend of \$0.30 per share will be payable on 12/18/15, to shareholders of record as of 12/7/15. At current prices, if the dividend stays unchanged going forward, the annual yield is over 12%, a great bonus.

Scott's Liquid Gold Inc. (OTC - SLGD - \$1.30, Range: \$1.66 - \$0.63)

The Skinny: Denver-based **Scott's Liquid Gold Inc. (OTC – SLGD - \$1.30)** has been turning its business around since 2012. It develops, manufactures, markets and sells skin and hair care products as well as household products via its subsidiaries. Skin and hair care products accounted for 75.8% of its consolidated net sales in the year ended December 31, 2014. The Skin and Hair Care segment's key product is Batiste Dry Shampoos, a hair spray that comes in various scents and hair colors. While SLGD does not manufacture Batiste Dry Shampoo, it was the exclusive distributor in the United States except for certain warehouse stores and governmental entities previously. Since 2014, however, it entered a more limited distribution agreement

with the shampoo's manufacturer, Church & Dwight Co. Inc. through the end of 2016.

Stats to Know: Although SLGD had negative annual operating margins from 2005 to 2012 these margins have been positive and accelerating ever since. In 2012, Barry Levine joined SLGD as CFO. SLGD subsequently sold its most valuable asset, its headquarters and plant in Denver, in February 2013. Consequently, SLGD paid off all its interest-bearing debt,

increased its inventory, and significantly increased cash on its balance sheet. Around the same time, combined annual sales of Montagne Jeunesse and Batiste Dry Shampoo began accelerating: by 44% from 2012 to 2013, and then by 56.8% from 2013 to 2014. In the first nine months of 2015 alone, Net Sales of the Skin and Hair Care Products segment already account for almost 93% of those for the same period of 2014.

Target: \$2.60 (Similar to industry comparable valuations)



THE SELLS

GameStop, Inc. (NYSE – GME - \$37.91, Range: \$47.83 - \$31.69)

The Skinny: GameStop (NYSE – GME - \$37.91)

is a global, multichannel video game, consumer electronics and wireless services retailer. GameStop operates more than 6,900 stores across 14 countries. Aside from the flagship GameStop stores, the company's consumer product network includes Simply Mac and Spring Mobile stores. Simply Mac operates 76 stores, selling the full line of Apple products, including laptops, tablets, and smartphones



and offering Apple certified warranty and repair services. Spring Mobile, sells post-paid AT&T services and wireless products through its 687 AT&T branded stores and offers pre-paid wireless services, devices and related accessories through its 71 Cricket branded stores in select markets in the U.S. Since its core business is having some issues as users migrate to pure wireless games rather than hardware consoles and DVDs, it expanded into these other areas.

Stats to Know: On the surface the stock appears cheap, with a P/E of 10x. However, management provided EPS guidance of \$3.66 - \$3.86 for 2015 and we believe it could end up in the low-end of the range. Moreover, we believe there is risk to next year's forecasts. The Street is projecting a 3% top-line growth yet 13% growth in EPS. A breakdown of the high estimate for this year and the low estimate for next year illustrates an exact same figure--\$4.00. That indicates to us that the EPS forecast range is too wide and subject to future reductions. Moreover, we believe EPS could be roughly flat with 2015 keeping the stock relatively unchanged at best.

Target: \$32 (just above its 52 week low)

Manhattan Associates, Inc. (NASDAQ – MANH - \$73.88, Range: \$76.49 - \$37.81)

The Skinny: Founded in 1990, **Manhattan Associates, Inc. (NASDAQ – MANH - \$73.88)** develops, sells, deploys, services, and maintains software solutions to manage supply chains, inventory, and omni-channel operations for retailers, wholesalers, manufacturers, logistics providers, and other organizations. The company operates in three segments: the Americas; Europe, Middle East, and Africa; and Asia Pacific. It provides distribution management, transportation management, supply chain convergence, and visibility solutions; inventory optimization and planning solutions; and omni-channel central and local solutions. The company's

Manhattan SCALE offers a portfolio of logistics execution solutions that provides trading partner management, yard management, optimization, warehouse management, and transportation execution services.

Stats to Know: It is no secret that stocks that led the market in returns and performance one year, rarely do so the next and often take a tumble. That is what we forecast for MANH, which trades at a P/E of 45 next



year's EPS despite its anemic 12% projected EPS growth rate. Since it is in software profits margins are high. However, top-line growth seems to be peaking near term at 10% per annum. With MANH trading just below its 52-week high, this is a sell candidate for next year.

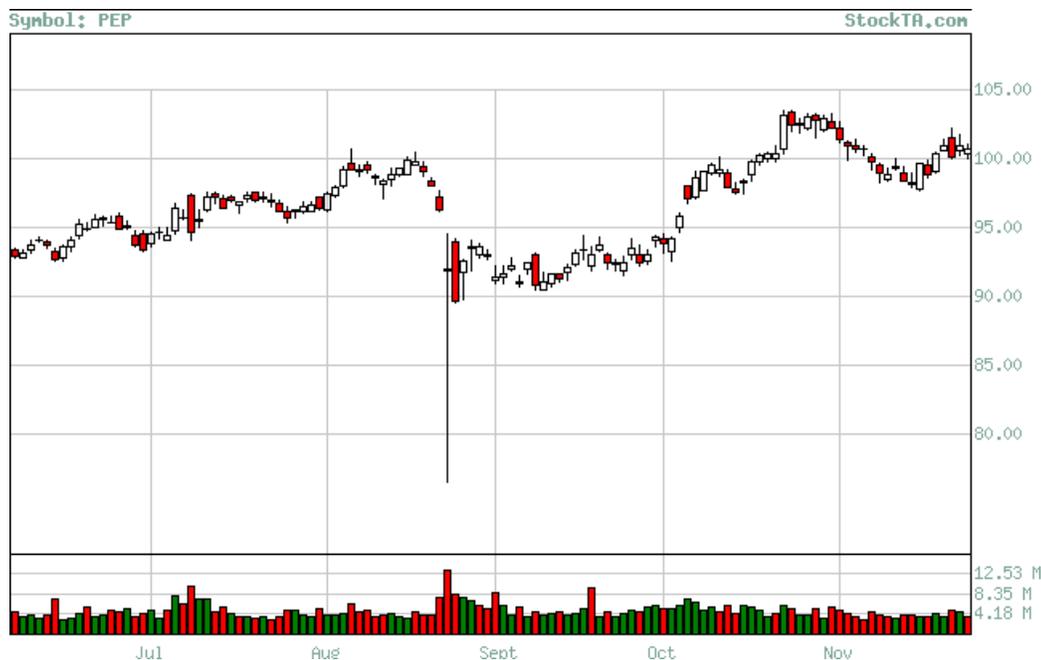
Target: \$58 (35x 2016 EPS)

PepsiCo, Inc. (NYSE – PEP – \$100.63, Range: \$103.44- \$76.48)

The Skinny: At the risk of overstating the obvious, **PepsiCo (NYSE – PEP - \$100.63)** products are enjoyed by consumers one billion times a day in more than 200 countries and territories around the world. PepsiCo generated more than \$66 billion in net revenue in 2014, driven by a complementary food and beverage portfolio that includes Frito-Lay, Gatorade, Pepsi-Cola, Quaker and Tropicana. PepsiCo's product portfolio includes a wide range of enjoyable foods and beverages, including 22 brands that generate more than \$1 billion each in estimated annual retail sales.

Stats to Know: The stock is up roughly 25% from its year-low and with basically flat sales and incremental EPS growth, the stock seems primed to be range-bound next year, as Americans eat healthier, and margins are squeezed.

Target: \$82 (17x 2016 EPS forecast)



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.

Disclaimer

This *Select Research Special Report* was prepared for informational purposes only.

Goldman Small Cap Research, (a division of Two Triangle Consulting Group, LLC) produces research via two formats: *Goldman Select Research* and *Goldman Opportunity Research*. The *Select* format reflects the Firm's internally generated stock ideas along with economic and stock market outlooks. *Opportunity Research* reports, updates and Microcap Hot Topics articles reflect sponsored (paid) research but can also include non-



sponsored micro cap research ideas that typically carry greater risks than those stocks covered in the *Select Research* category. It is important to note that while we may track performance separately, we utilize many of the same coverage criteria in determining coverage of all stocks in both research formats. Research reports on profiled stocks in the *Opportunity Research* format typically have a higher risk profile, and may offer greater upside. *Goldman Small Cap Research* was not compensated by any of the profiled companies or any third parties for any research written on the companies featured herein. All information contained in this report was provided by the featured Companies via filings, press releases or their website, or through our own due diligence. Our analysts are responsible only to the public, and are paid in advance to eliminate pecuniary interests, retain editorial control, and ensure independence. Analysts are compensated on a per report basis and not on the basis of his/her recommendations.

Goldman Small Cap Research is not affiliated in any way with Goldman Sachs & Co.

The information used and statements of fact made have been obtained from sources considered reliable but we neither guarantee nor represent the completeness or accuracy. *Goldman Small Cap Research* did not make an independent investigation or inquiry as to the accuracy of any information provided by the Company, or other firms. *Goldman Small Cap Research* relied solely upon information provided by the Company through its filings, press releases, presentations, and through its own internal due diligence for accuracy and completeness. Such information and the opinions expressed are subject to change without notice. A *Goldman Small Cap Research* report or note is not intended as an offering, recommendation, or a solicitation of an offer to buy or sell the securities mentioned or discussed.

Any opinions we may offer about the Companies profiled herein are solely our own, and are made in reliance upon our rights under the First Amendment to the U.S. Constitution, and are provided solely for the general opinionated discussion of our readers. Our opinions should not be considered to be complete, precise, accurate, or current investment advice. Such information and the opinions expressed are subject to change without notice.

This report does not take into account the investment objectives, financial situation, or particular needs of any particular person. This report does not provide all information material to an investor's decision about whether or not to make any investment. Any discussion of risks in this presentation is not a disclosure of all risks or a complete discussion of the risks mentioned. Neither *Goldman Small Cap Research*, nor its parent, is registered as a securities broker-dealer or an investment adviser with FINRA, the U.S. Securities and Exchange Commission or with any state securities regulatory authority.

ALL INFORMATION IN THIS REPORT IS PROVIDED "AS IS" WITHOUT WARRANTIES, EXPRESSED OR IMPLIED, OR REPRESENTATIONS OF ANY KIND. TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, *TWO TRIANGLE CONSULTING GROUP, LLC* WILL NOT BE LIABLE FOR THE QUALITY, ACCURACY, COMPLETENESS, RELIABILITY OR TIMELINESS OF THIS INFORMATION, OR FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES THAT MAY ARISE OUT OF THE USE OF THIS INFORMATION BY YOU OR ANYONE ELSE (INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, LOSS OF OPPORTUNITIES, TRADING LOSSES, AND DAMAGES THAT MAY RESULT FROM ANY INACCURACY OR INCOMPLETENESS OF THIS INFORMATION). TO THE FULLEST EXTENT PERMITTED BY LAW, *TWO TRIANGLE CONSULTING GROUP, LLC* WILL NOT BE LIABLE TO YOU OR ANYONE ELSE UNDER ANY TORT, CONTRACT, NEGLIGENCE, STRICT LIABILITY, PRODUCTS LIABILITY, OR OTHER THEORY WITH RESPECT TO THIS PRESENTATION OF INFORMATION.



For more information, visit our Disclaimer: www.goldmanresearch.com