

# Transformative Tech

*Companies Changing Everything*



*Exclusively for Clients of  
Interactive Brokers*

**June 26, 2019**



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Several dozen Best-in-Breed companies are *reinventing our world...*



**Changing How we Communicate**



**Changing How we Consume**



**Changing How we Think**

We will identify WHO they are and WHAT they do differently... *they can potentially make us \$\$\$*



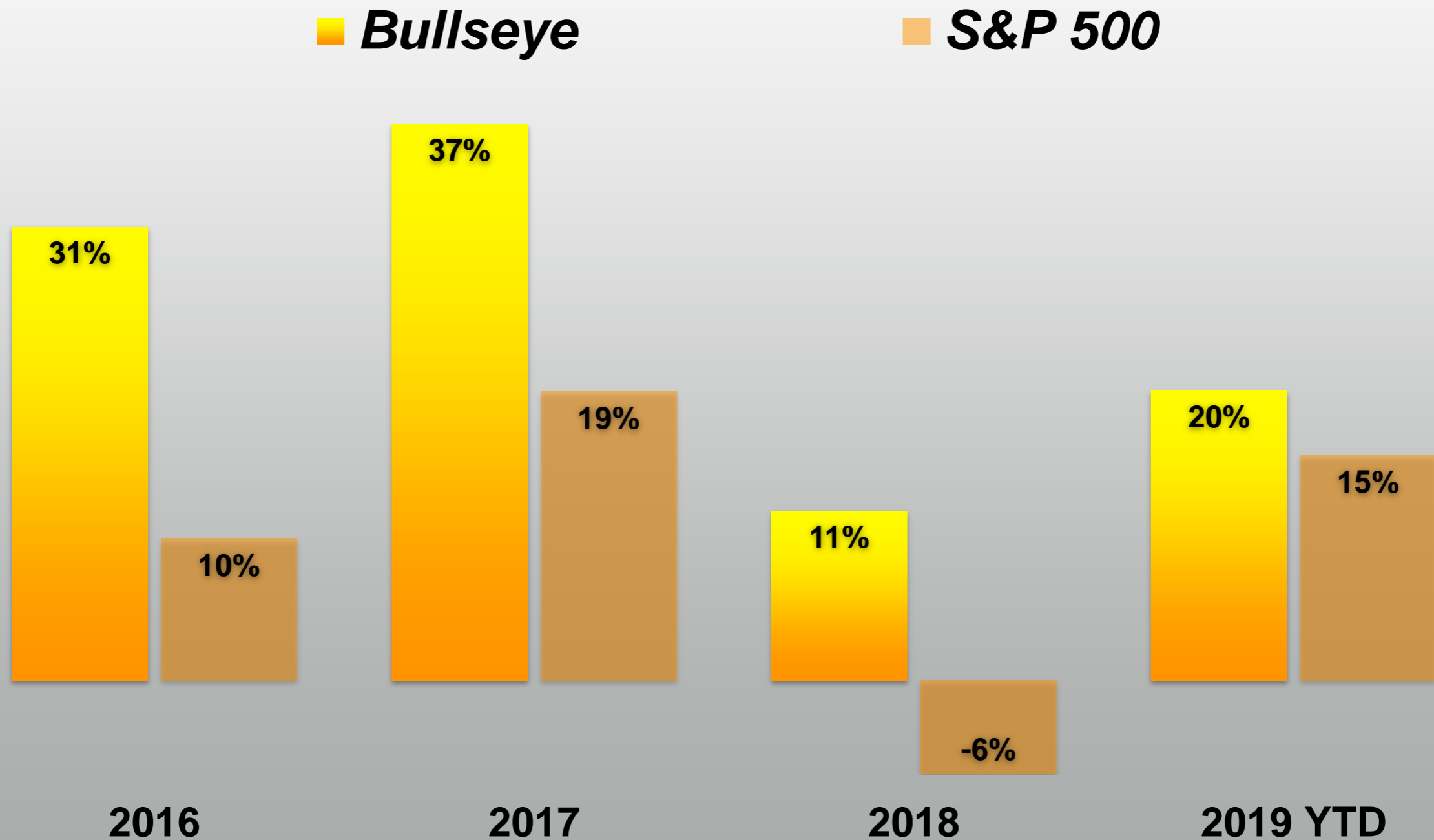
***Q: Why do I do this?***

***A: Because I LOVE it.***

- 20-yr Money Manager (**Merrill, Dreyfus, ING**)
- **Bloomberg** Anchor in the Financial Crisis
- **Princeton** Economics Major



# Our Goal: Outperformance





# Let's Talk Growth...

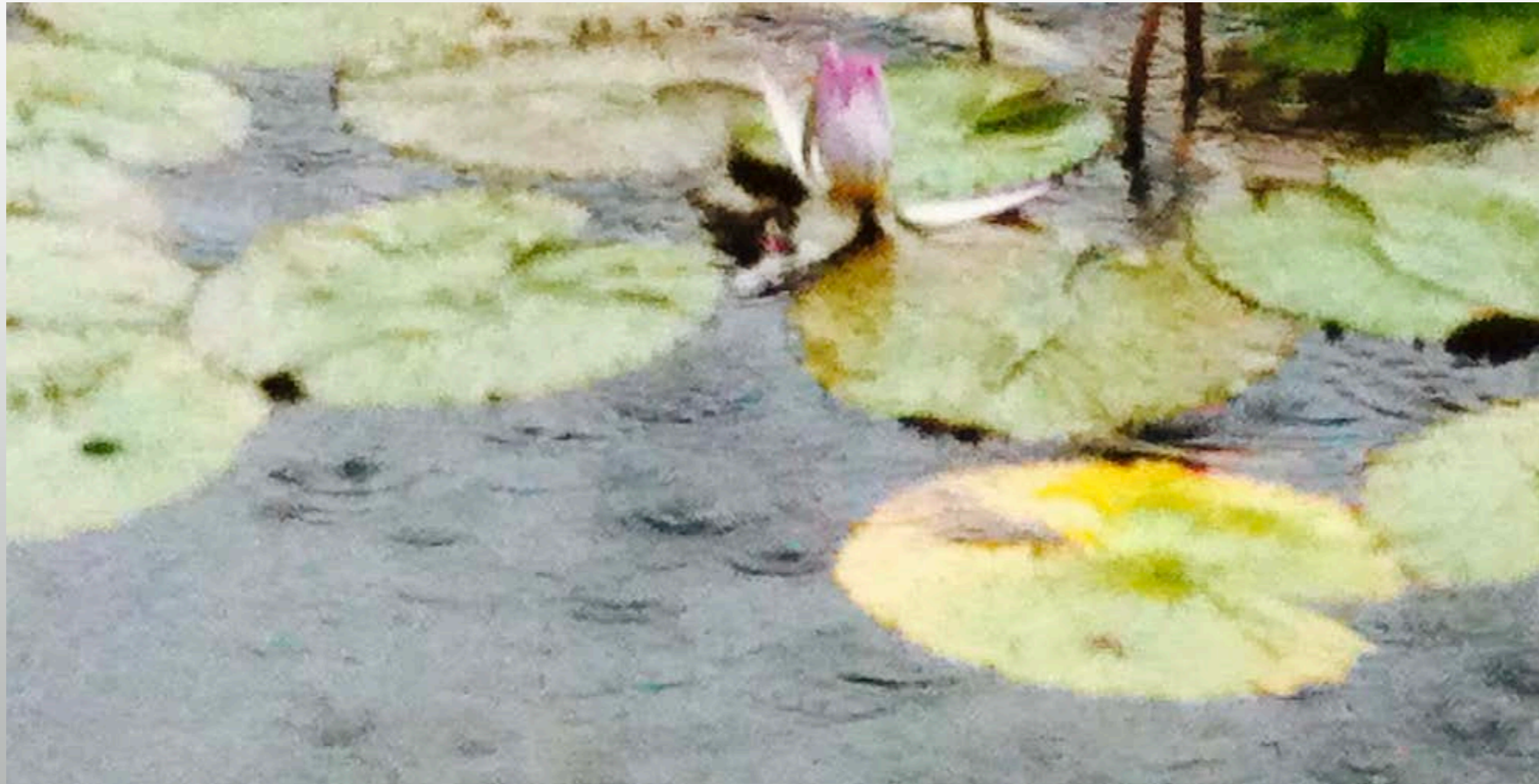


Day 1

One lily pad... covers one one-billionth of a pond



# But Lily Pads Grow Quickly...



**Day 20**

**Lily pads now cover 1% of the pond**



# What Exponential Growth Looks Like



**Day 30**

**Lily pads now cover THE ENTIRE pond**





**We Are Looking  
for Lily Pads**



# American Ingenuity

**People and Companies  
changing the world**

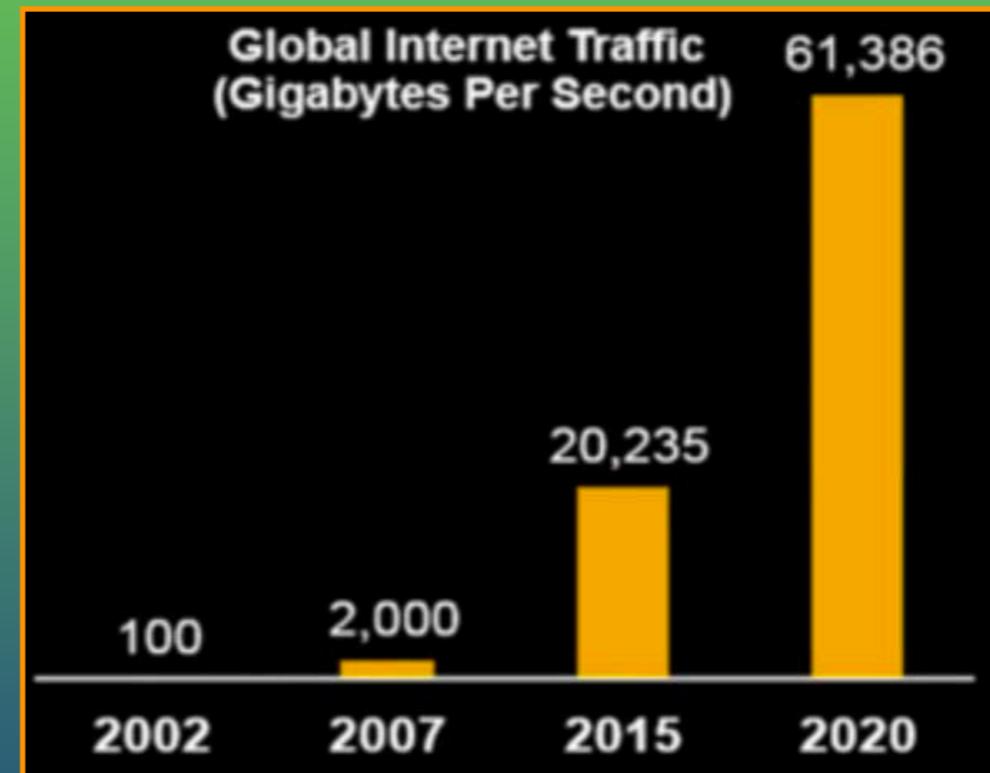
*... and we can buy them*



# Lily Pad #1... DATA



Source: Bloomberg Intelligence



Source: Bloomberg Intelligence



# Data Visualization...

## Why Salesforce.com is Buying Tableau

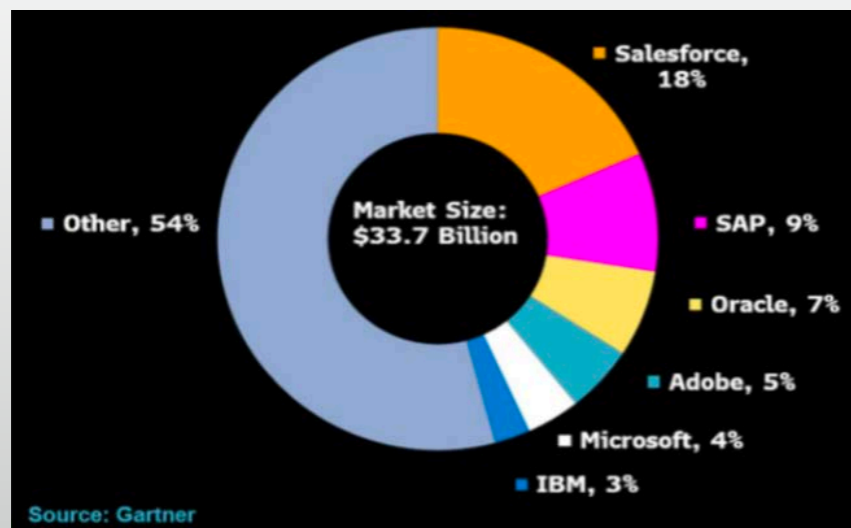


*“Businesses capture maybe 1-2% of the data available to them.”*

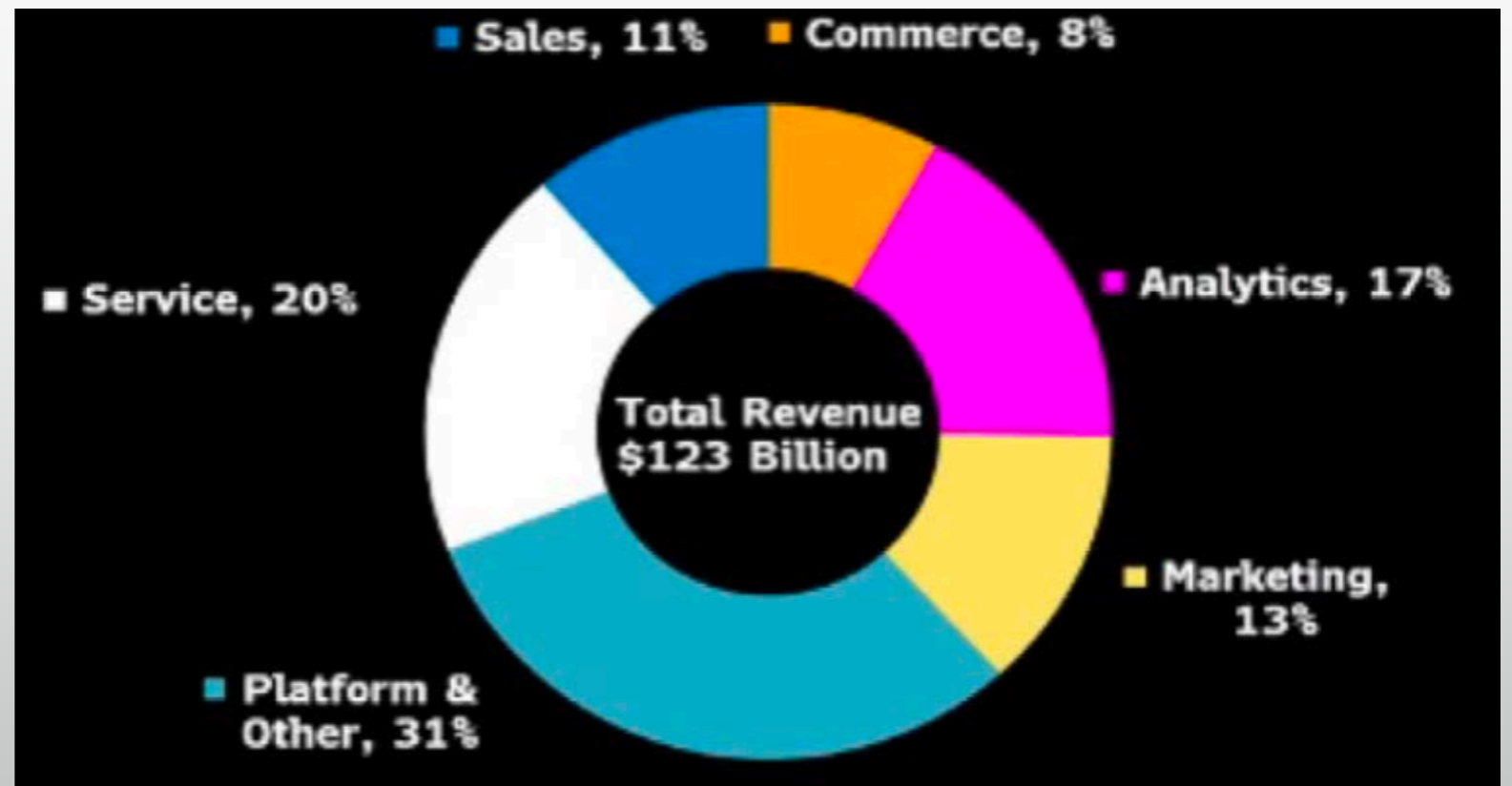
*-Vala Afshar, CMO Salesforce.com*



# Where Customer Relationship Management is Going



2019



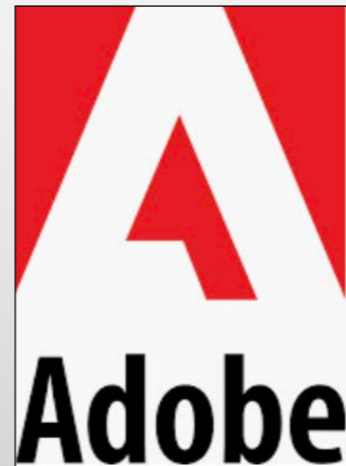
2023

*“I’ve just returned from meetings around the world, and every CEO I met wants to talk about digital transformation.”*

***-Mark Benioff, Founder Salesforce.com***



# Who Else Slices Data?



***...to help other businesses grow.***



# What Growth Companies Do



**Identify Needs We All Have**



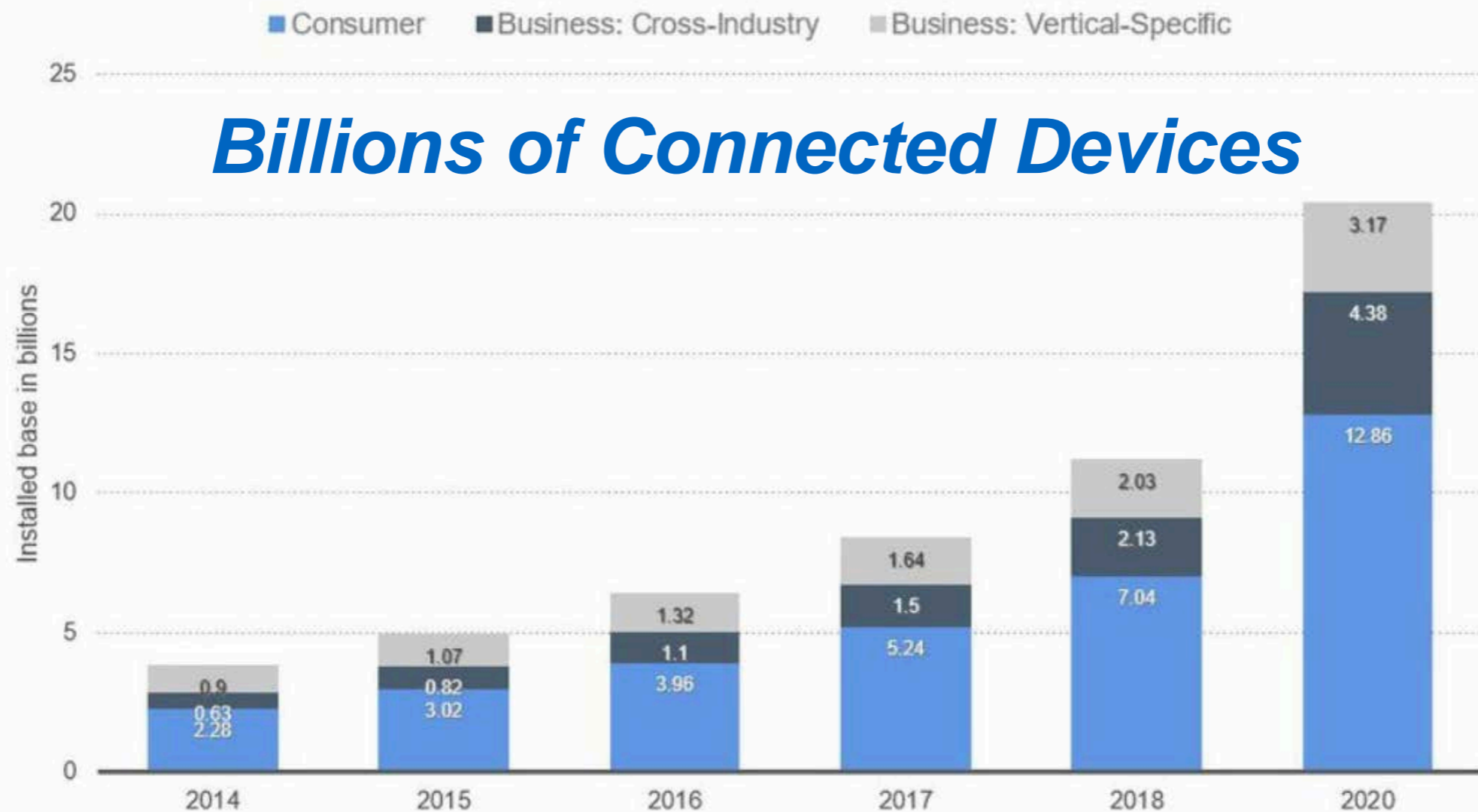
**Create Solutions We All Want**



**Provide Services We All Love**



# Lily Pad #2: Internet of Things (IoT)

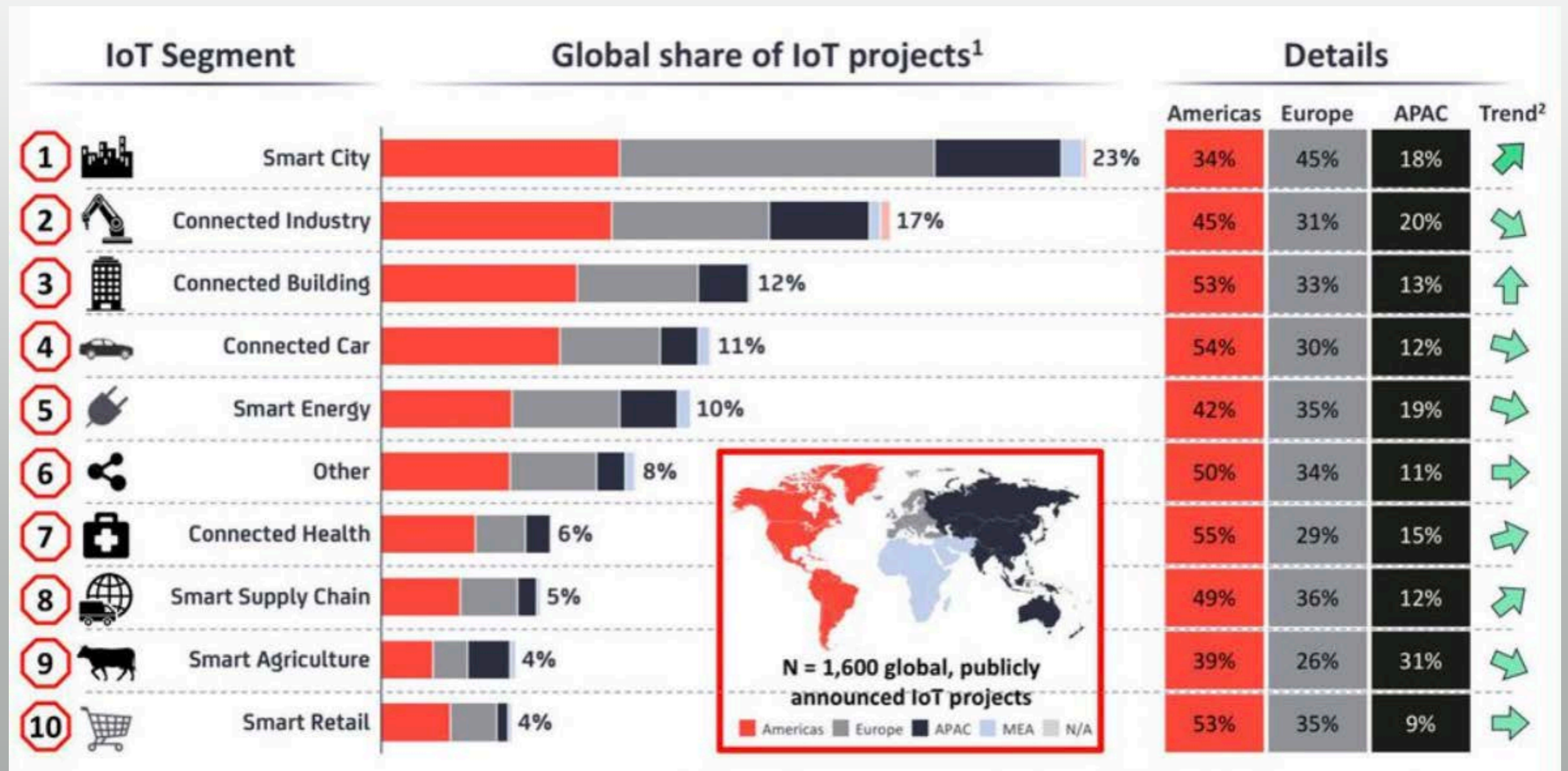


Source: Statista





# Where IoT is Happening



Source: IoT Analytics



# Keys to the Kingdom...

## Global IoT Patent Leaders



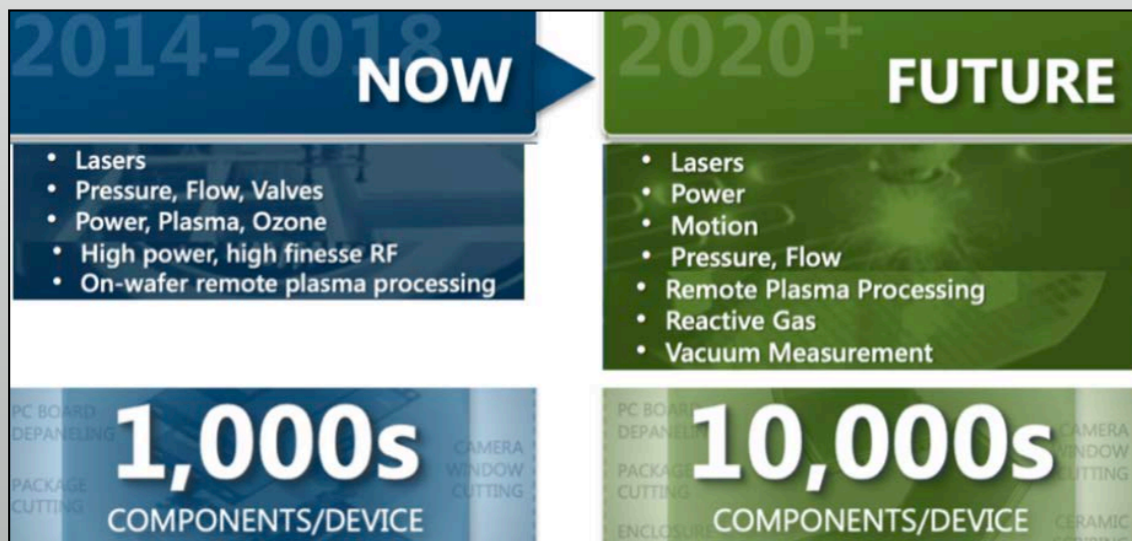
Source: Bloomberg Intelligence



# Two IoT Picks

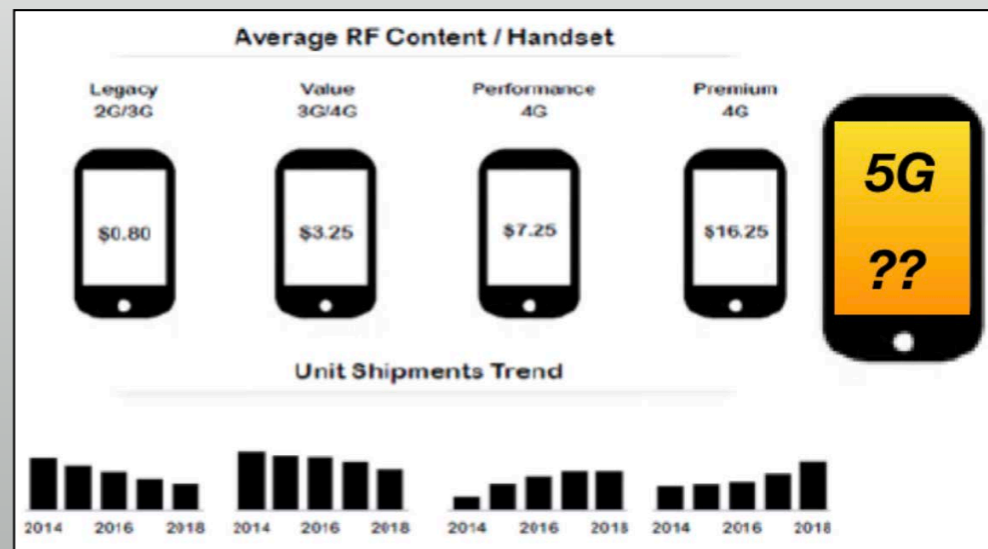
## MKS Instruments (MKSI)

- Nano-manufacturing equipment
- Trades at 12.6x earnings
- 30% 3-yr growth rate



## Qorvo Inc. (QRVO)

- Radio-Frequency devices
- Trades at 12.5x earnings
- 10% 3-yr growth rate



Utility and Smart Energy	Consumer Electronics	Medical, Fitness, and Healthcare	Retail	Remote Device Management	Industrial Controls
<ul style="list-style-type: none"> <li>Thermostats</li> <li>Lighting Controls</li> <li>EV-Chargers</li> <li>Smart Meters</li> </ul>	<ul style="list-style-type: none"> <li>Remote Control</li> <li>Internet Radio</li> <li>Home Security</li> <li>Toys</li> </ul>	<ul style="list-style-type: none"> <li>Patient monitors</li> <li>Fitness Equipment</li> <li>Real-time location systems</li> </ul>	<ul style="list-style-type: none"> <li>POS Terminals</li> <li>Wireless Price Tags</li> <li>Digital Remote Signage</li> </ul>	<ul style="list-style-type: none"> <li>Location and Asset Tracking</li> <li>Automotive</li> <li>Code Update</li> </ul>	<ul style="list-style-type: none"> <li>Chemical Sensors</li> <li>Wireless controller</li> <li>Security Systems</li> <li>M2M Communication</li> </ul>



# What We're Doing Here



**Finding a Theme**



**Leveraging It**



**Buying companies with upside**

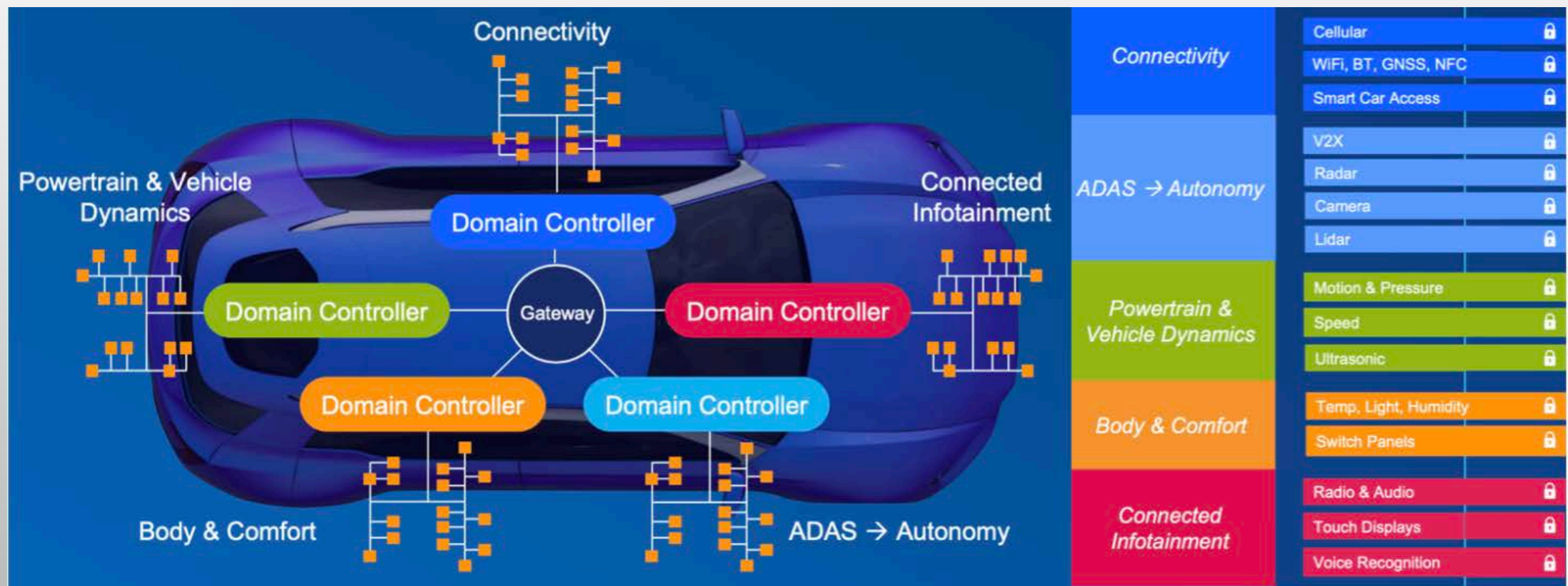


# Lily Pad #3: Electric Vehicles (EV)

<b>Mercedes</b>	<i>EV option on every model by 2022</i>
<b>Land Rover</b>	<i>EV option on every model by 2023</i>
<b>Nissan</b>	<i>EV target 50% of sales by 2025</i>
<b>Volkswagon</b>	<i>EV target 30% of sales by 2026</i>
<b>Ford</b>	<i>40 EV models by 2022</i>
<b>GM</b>	<i>20 EV models by 2023</i>
<b>Volvo</b>	<i>5 EV models by 2020</i>



# EVs... Everything Is Different



*4x the sensors... 4x the copper*



# Two EV Picks

## NXP Semi (NXPI)

- World #1 in Auto (47% share)
- Trades at 11.6x earnings
- Still 35% below the QCOM bid



## Aptiv (APTV)

- World #1 in EV harness wiring
- Serves all 25 largest automakers
- Trades at 14.3x earnings





***Let's keep this simple...***





# Look for Lily Pads...



**Big ideas that multiply fast**  
**Companies that make it happen**



# ***Q&A Session***



***Thanks for your time today.  
Let me know if you have any questions***