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Stealth Growth Insider

6/8/2016

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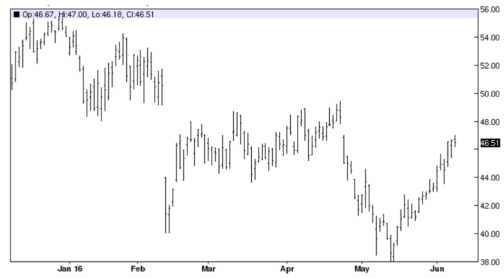
As the S&P continues to churn near its prior high of 2132, we're seeing fewer research notes on catalyst driven growth. Today though, we have 2 great companies: one company with an expanding pipeline and acquisition synergies to be absorbed (**MYL**) and one rapid growth company that could benefit from reduced GDP growth yet still has excess capacity to expand (**QTS**).

Mylan (MYL)

- Possible EPS upside near term as Epipen market remains more robust than described in guidance and sell side estimates
- Two catalysts to contribute within the next 12 months, Meda consolidation and Generic Advair, due to be launched in early 2017
- Bargain basement P/E makes this company a "safer" biotech



This week Epipen competitor, Adamis, received a second CRL letter from the FDA. The FDA had is requesting Adamis expand its human factors study and reliability study which were already a part of its NDA. Adamis intends to finish these studies and resubmit an NDA in the 2H16. This does not eliminate the competition but it could benefit EPS over the next few quarters.

MYL has been in the dog house since avoiding the TEVA acquisition in July '15 and disappointing investors with 4Q results in February. Looking ahead though there are reasons to be excited about the company. The Meda acquisition appears to be on track to close in 3Q and the company has a strong pipeline with Generic Advair on the horizon in early 2017. Combine this with the EPS upside from Epipen over the next two quarters (at least) and Mylan has a good outlook.

Mylan earnings are expected to grow 18.4% in 2017 and the stock is trading at a forward PE of only 9.4. If it holds this valuation, showing no upside to estimates, the stock should appreciate to $55 for an 18% return.

QTS Realty Trust (QTS)

- Emerging REIT at the center of the datacenter/cloud outsourcing trend
- Scale and Focus helps differentiate itself from competitors
- Valuation is high but business stable

QTS is the youngest of the six publicly traded US based data center REITs. QTS has targeted “mega” data centers by investing in industrial facilities that required substantial power availability, acquiring these assets at far below replacement costs and converting the facilities to large-scale data centers. Examples include the 110MW Richmond and 140MW Dallas facilities (both former semiconductor plants) and the company’s new 55MW Chicago asset (the former Chicago Sun-Times plant). The low cost basis, mega scale assets give QTS a price advantage for wholesale leases and boost the company’s return on invested capital. These facilities are a key driver of the $233M in 2016E growth capex and that is targeting a 15% ROIC.

QTS completed the $326M acquisition of Carpathia Hosting, a DC-based managed services provider that targeted customers with high-level security and compliance needs, including government agencies and healthcare providers. The deal added 13 properties and 9mW of power, with Carpathia’s IBX Vault providing synergies with QTS Richmond, particularly for federal government customers.

The mega data center model will be evident later this year when the newest acquisition comes online, the former Chicago Sun-Times printing plant. By leveraging the existing infrastructure, the new data center will be able to support 55mW of power across a span of 14ksf. The company is guiding analysts to expect partial capacity in 3Q16.

In my humble opinion, the beauty of this business is that the cost savings model applies in a down economy. At a time when tax revenues may shrink, cloud outsourcing can reduce SG&A for corporate and government entities.