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Issue XV Excerpt — Investor Profile

Spring 2012

Alex Roepers — Concentration Key to Outperformance



Alex Roepers

Alexander J. Roepers is the founder and Chief Investment Officer of Atlantic Investment Management. Previous employers include Thyssen-Bornemisza Group and Dover Corporation, where he was responsible for acquisitions and divestitures. Alexander holds a Master of Business Administration from Harvard Business School and a Bachelor of Business Administration from Nijenrode University, the Netherlands School of Business, which he obtained in 1984 and 1980 respectively. Alexander is fluent in Dutch, German and French.

G&D: Following your time at Harvard Business School, you worked for Thyssen-Bornemisza Group, an industrial conglomerate. What triggered that decision?

AR: While still at Harvard Business School, I spent my summer interning at Dover Corporation, a publicly listed conglomerate where I was involved in mergers & acquisitions analysis. I really became intrigued by what it took to buy a company from the perspective of a business owner. So, during my second year of business school, I focused on any classes related to buying and selling companies – tax factors and business decisions, real estate, corporate finance and others.

I immediately looked for a career opportunity where I could do the same thing. My boss at Dover had previously worked at Europe-based Thyssen-Bornemisza Group, which was a larger company than Dover but privately held. My background was quite suitable for Thyssen-Bornemisza. They had offices in Monaco, Amsterdam and New York. I wanted to work in New York but I would also be able to use my Dutch, French, German and English. Dover was oper-

ating highly efficiently whereas Thyssen-Bornemisza was twice the size of Dover but had a more complex portfolio. Thyssen-Bornemisza owned 80 different companies that operated in 40 different industries on two continents. I arrived at Thyssen-Bornemisza and spent four years helping the top management in Monaco rationalize its portfolio of companies. My official title was Director of Corporate Development but I was basically Mr. Divestiture. Every time I showed up at a subsidiary company, the employees knew their company was for sale. I was involved in a lot of transactions where we were selling companies in order to pay down debt and streamline the company. I held that role during the bull market of 1984 to 1988, which was a period of a tremendous number of IPOs and corporate activity. Specifically, private equity activity also increased greatly during these years. Thyssen-Bornemisza was basically a large private equity portfolio that was selling its portfolio companies into a favorable market. I learned a lot about valuing companies but I also learned to dislike a few

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things. For example, when we bought companies, we had to pay a premium for control. Further, one has to consider that financial buyers typically add significant financial leverage to a company, on top of introducing an illiquidity factor and are more likely to buy-in at the “high point” of the cycle regarding valuation. This is because banks lend procyclically and are unlikely to extend loans at an economic trough. This formula really didn’t appeal to me. Additionally, as I knew well from my experience with divestitures, once you own a company it takes a long time, usually a year, to sell it. These were two things – high entry valuation multiples and the difficulty to exit – that I really didn’t like about the private equity business.

G&D: Did these experiences shape your decision to move to the investment business?

AR: Beginning in about ’86 or ’87, I started to present ideas outside of my normal areas of divestitures and acquisitions of entire companies for the portfolio. I started to present ideas about taking smaller, “toehold” interests – two to five percent positions – in much larger publicly traded companies that I identified as being very attractively valued. In these situations, we wouldn’t have to pay a control premium and we

wouldn’t have the illiquidity that came from being a majority shareholder. Further, we also didn’t lever the positions. I presented 26 of those ideas over two years. The market crashed in ’87 and eventually 10 of the 26 companies were acquired by other companies. They indeed had very attractive sum-of-the-parts characteristics whereby a private equity firm or another corporate buyer could acquire the companies and profitably break them into smaller pieces. So I demonstrated that even in the public markets, I was able to identify companies that represented solid value. Additionally, the other 16 companies which were not taken over performed quite well as many had specific identifiable catalysts ahead of them.

I measured my pro forma record from the 26 companies I had recommended, which was good enough such that it allowed me to go out and raise some money at the age of 28. Raising money after the crash in ’87 was like trying to raise money in 2009. It was very hard, particularly as I didn’t have much money of my own and no record other than this pro forma record with the 26 stocks. I did, however, get backing from the CEO of Thyssen-Bornemisza. In addition, my former manager at Thyssen moved to Geneva and became the head deal-maker for Carlo de Benedetti, who was the equivalent of Carl

Icahn at that time. That led to additional funding. After convincing a Dutch bank to provide backing, I officially launched Atlantic Investment Management. I raised eight million dollars in total, which wasn’t a lot, but still felt like quite a success and was certainly enough to get going. My stated approach was to invest in a limited part of the universe of publicly traded stocks -- in a very concentrated manner, with position sizes equivalent to two to five percent ownership-- in companies that specifically demonstrated features that would be attractive to private equity firms or strategic buyers. To put some generic labels on the strategy, the goal was to be a really concentrated, value-oriented stock picker in the mid-cap arena. The portfolio was fully up and running in the middle of 1989.

Fairly quickly after officially launching the fund, the junk bond market collapsed and Drexel-Burnham went into bankruptcy. The fuel for private equity disappeared and investor interest in mid-cap, “LBO-able” companies dissipated. So my portfolio went quickly out of favor in late 1989 and money rotated into defensive names like Phillip-Morris and Procter and Gamble. It was a prelude to what was coming. 1990 was an economic disaster: we had the Savings and Loan Crisis, a huge recession, a 30-40% decline in

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the housing market, followed by an oil shock and the Iraq War. It was several years of misery leading into 1992 and people became disillusioned with equities. That set up a 200% rally in the S&P and a phenomenal five year period of activism, takeovers, and corporate action. My approach did very well from 1992 to 1997. In fact, the conditions today seem quite similar to those of 1992. I believe that 2012 to 2017 could be another phenomenal period for the equity markets, for activism, takeovers and corporate action because we have had, similarly, several years of misery since late 2007.

G&D: What about macro concerns such as the historically high debt levels for the major sovereigns? Could something like this provide a strong enough overhang to impede a potential bull market?

AR: It certainly is an issue. Let's not forget, though, that we have historically very low interest rates. So if you look at the total debt service burden in relation to GDP, it's not much different than it was in 1982. The market is staring at the debt to GDP figure a bit too much. The aggregate amount of debt is certainly a concern. I'm all in favor of politicians who try to reduce spending and bring the budget in line. This is an issue, but it's primarily an

issue for people who hold bonds. Eventually, it does become an issue for all asset classes if it spirals out of

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control. That is an assessment we have to make. I do not think however that a major problem like the events of 2008 is likely in

the foreseeable future.

If you look at the European sovereign debt situation, it's primarily an issue for the bond holders in those countries as well as the banks and insurance companies that hold the bonds. From day one -- I learned this in the '80s -- we have not invested in levered entities that lack transparency, which include banks, brokerage firms and insurance companies. What you really have to watch for is if there's a tsunami effect that could result from failures related to sovereign debt that will affect the economy and corporate earnings via a credit crunch. We monitor these issues daily. From our perspective, however, we are investing in very solid companies that are always profitable, even though they can be impacted during particularly fearful periods. I've dealt with a fair number of market conditions over the past 23 years and in our main fund, we've returned 9x the S&P 500 returns, net of fees, with a long-only portfolio of US stocks. This performance was achieved without tech companies, IPOs, over-levered companies or any pure commodity oriented exposure, but just with companies that you and I can understand.

G&D: Do you still form the core of your portfolio with a keen eye toward takeover targets or has that

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shifted a bit over time?

AR: A primary determinant of which stocks become a core holding in the portfolio and receive a higher capital allocation are the predictability and reliability of the company's cash flows. A lot of qualitative thinking goes into our stock selection process, including a thorough understanding of what the company does, how many customers they have, how many regions, how many products, what kind of products and whether or not the product has a revenue stream derived from a large installed base. For example, if you sell an elevator, you have a contract to maintain the elevator. A mature elevator company gets 75% of its earnings from the installed elevators that operate whether the building is half empty or not. So I'd much rather invest in an elevator company than in an office furniture maker, which doesn't have a revenue stream derived from an installed base. If we find companies trading at a low valuation on predictable and reliable cash flows, with a strong balance sheet, it will become a large percentage of our portfolio. Then we're looking for multiple catalysts. An elevator company that we like, Schindler Elevator, is insider controlled so it's not a takeover candidate and therefore becomes a smaller percentage of the portfolio. At present, Schindler is too expensive for our valuation metrics, but we constantly

monitor it should it become cheap enough. In general, nine out of ten companies that we own have no insider control and as such they're more likely to be taken over

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if they stay at a low valuation for an extended period of time. Thus passage of time at a low valuation, assuming reliable cash flows and a durable franchise, ranks as an important cata-

lyst. However, we look for other catalysts as well, including asset divestitures, smart synergistic acquisitions, share buyback programs, dividend initiations, analyst upgrades, insider buying, judicious capacity expansion in growth markets and others - the more catalysts the better.

G&D: You broadly outlined the types of companies that you like and the ones you avoid. Could you talk a little more about your investment philosophy and how you construct your portfolio?

AR: The first part of our investment philosophy, which is very important, is concentration of capital in high conviction ideas. A lot of people pay lip service to that and end up having portfolios with 100 stocks, with the top 10 each representing maybe 4% of the portfolio. In our case, the core activity is typically 6 stocks, with a range of 5 – 8 stocks. We understand that such concentration is often perceived as being "too risky" for many investors. However, we feel that it is actually less risky because we know our portfolio inside and out. Six stocks require a tremendous amount of focus and research, as well as universe definition and discipline to avoid the risk that comes with concentrating capital. Therefore, we avoid roughly 80% of the public

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stock universe by excluding financials and high tech, high product liability-related companies, small companies due to the liquidity risk issues, and the very large companies because we don't have any significant edge. Our edge and our ability to do due diligence is really concentrated in this well-defined universe of companies with a \$1 to \$30bn market cap.

Concentration is a core aspect of our philosophy, and very important to out-performance over time. Quite often we have 20 good ideas but we believe that we're going to do better with the top five than the next 15. Our flagship Cambrian Fund typically holds six stocks. That certainly restricts the amount of capital we can manage, but we are comfortable with that; in fact, we've had to close our funds to new capital in the past. We are most focused on compounding capital over time, making money for our clients, and we are working to create a 30+ year record that will establish a legacy that can stand up well against the great investment track records out there.

G&D: How does your philosophy differ on the short side?

AR: We have a long / short fund called AJR, which is our other US product. The fund has been around for 18

years and has compounded at 13% vs. 8% for the S&P

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since inception. In this fund we have 15-16 long positions and 25 - 30 short positions. The 15 long positions

are 80-100% of capital, with no leverage used, and the top 6 of those companies are the same 6 holdings in our long only Cambrian product. The other 9-10 long names are value-oriented ideas that we like but which didn't make it into the core long group because they're either not as diversified, they have significant insider ownership or they have enough financial leverage such that we are not comfortable making it a core position.

On the short side, we are diversified and the portfolio is actively traded. We find short ideas from our long universe. While doing peer analysis, we will find companies that are over-levered, poorly run, overpaid for a poor acquisition or ran up to the high end of their valuation range. Sometimes they are pair trades and sometimes they're stand-alone ideas that come from the analysis of our long ideas. These positions are actively traded, with a stop-loss to ensure appropriate risk management and with a typical position size of one to two percent. While on the long side we're concentrated with a one to two year time horizon, on the short side we're diversified with a time horizon of two weeks to two months.

G&D: You mentioned Cambrian and your US-focused hedge fund AJR.

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Could you talk more about how your firm developed and the various funds that you offer?

AR: The strategy has been the same since day one. I started the firm with a sharp focus on US stocks because that's all I was able to focus on at the time. I was basically by myself and then I added one analyst and then another. The late 1990s tech bubble was a challenging period for our funds. I had clients telling me that they didn't understand why our fund was flat, so I had to ask them if they knew what they were invested in. I remember asking them if they thought it was a good idea that Cisco was trading at 25x revenues. I've saved a lot of clients a lot of money by asking them to simply relate the market capitalization of the companies they were investing in to the revenues of those companies. I would point out that IBM has traded between 1-3x revenues for the past 20 years. They could see that an investment in Cisco at that time was merely speculation, not a sound investing strategy. I engaged in these discussions with clients partially to justify why I was severely underperforming and partially to warn them about the companies in which they were investing. In '99, we actually managed to do surprisingly well and even made some money on our shorts. In fact, we were rated number one by Nelson's ranking

of money managers.

The inflection point came in March of 2000. It's very important to understand that when there is a commodity boom or a technology boom it draws the wind out of other market seg-

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ments; in this case value stocks. The NASDAQ was up 25% in the first three months of 2000 and we were down 10%, so we had underperformed by 35% against this index. By the end of the year, we were up 55% and the NASDAQ was down 40%. In the last nine months of 2000, our out-performance was massive, and our strong performance continued into 2001 and 2002. That really helped

launch our business. We grew from \$100M AUM in 2000 to \$1.5B AUM by mid-2003. We closed our U.S. funds in July 2003. Soon after, I hopped on a plane to Asia with one of my analysts. I had never been there before but knew it was important to understand the significance of China. By late 2004 we started a fund to focus on Japanese and European companies. Within six months we had raised \$1.5B in AUM for this new fund.

G&D: Can we talk a bit about the 2008 downturn and how you positioned the fund at that time?

AR: We foresaw many of the issues that caused the crisis, though we never envisioned it was going to be as vicious as it was. We were early in betting against Fannie Mae and Freddie Mac, as we started these short positions in 2003. These companies lacked transparency and had only 1.5% equity against a giant pile of mortgages. Additionally, the implicit government guarantee was for mortgage holders, not the equity holders. While we had these positions right and were short all the way to the bottom, our long-bias in mid-cap companies obviously hurt us in the late 2008 and early 2009 period. Money was coming out of the market and whatever stayed in the market rotated to the largest of large

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caps. We had disproportionate underperformance as this occurred, but then disproportionate outperformance as we came out of it. The one thing that we learned after the crisis was that we could better manage our exposure. When volatility in the form of the VIX is high, it creates a lot of opportunities, whereby one can buy good companies at cheap prices. During the 2008-09 crisis, the S&P was down 40%, but the top 30 stocks, which make up roughly one-third of the market cap of the index, were only down 18%. The rest of the S&P was down on average over 50%. A lot of people were gun-shy going into 2009. We ended up with a defensive portfolio coming out of the crisis. Everything came down so hard and indiscriminately that we were able to buy great companies cheaply at that time. We bought Smuckers and Thermo-Fisher Scientific – these are companies that hold their own very well even in a bad economy. We were able to buy these companies for 6-7x EBIT while they were still growing earnings in a down economy. 2009 favored highly levered, deep cyclical companies. Companies like Caterpillar were up 140% from March to September 2009, but more defensive companies were flat. Nonetheless, we were up 60% in 2009 with our concentrated long only fund and we did it with a more defensive portfolio. This allowed us to outper-

form in 2010. Over the past three years, our concentrated long-only fund has compounded at 38%.

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G&D: Can we talk about a few of your current investments?

AR: One of our larger holdings today is Joy Global. It is a Milwaukee-based company that makes high productivity coal-mining and surface mining equipment. Coal is not everyone's favorite fuel, but it provides 40% to 50% of the fuel for electricity generation in this country. Right now there is weakness in the U.S. coal market because we had a mild winter and natural gas prices are super-low thanks to the shale boom and the advancement of hydraulic fracturing. As a result, utilities are switching from coal to natural gas when it's possible. However, coal will continue to be a very important fuel not only in the United States but globally. According to BP, coal accounts for 30% of global energy consumed (including transportation) and it will continue to take share over the next few years as global electrical demand grows, particularly in emerging economies such as China and India. Peabody Energy says that global coal demand will grow by 1.3 billion tonnes over the next five years, which is more coal than the United States produces in a year. China is a big part of the story, as 70% of its electricity needs come from coal. China has gone from being a net exporter to a net importer of coal. Also, Joy Global's earnings were flat in the 'Great Recession.' It's hard to find another

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capital goods company that weathered the storm this well. That is because Joy generates about 60% of its revenues from an installed base worth tens of billions of dollars. That equipment operates in extreme conditions and has wear and tear and constantly needs to be rebuilt with strong, recurring spare parts demand. Joy also has thousands of employees around the globe supporting the equipment of the BHPs and Peabodys, among others. Joy Global makes sure the equipment is up and running but they don't take on the risk of operating it. All the company needs to grow EPS is for worldwide coal production to continue to increase. Finally, Joy Global has a strong competitive position with enormous barriers to entry. Two Milwaukee-based companies, the other being Caterpillar subsidiary Bucyrus International, control the market – it's a duopoly. No one else in the world can make these pieces of equipment. At Joy's factory, in order to support the stamping equipment used to construct the equipment, JOY has a 200 feet deep concrete foundation beneath their machines. Regulators will not provide approval today for a plant requiring 200 feet of concrete.

G&D: In a recent interview for *Graham & Doddsville*, Jim Chanos talked about his negative view of the coal

industry due to fracking. How do you respond?

AR: I would say that he is very focused on the U.S. I have great respect for Jim Chanos but I do believe natural gas prices will not stay low forever. Additionally, there is a ton of U.S.

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electricity production that is tied to coal and there will continue to be a large amount of coal production to support this. The U.S. is also exporting much of its coal production. While Joy Global's U.S. business is down, its total business is up because its international

side is strong. I think people overestimate the impact of the warm winter and extrapolate low natural gas prices into perpetuity, which I see as the primary reason for lower coal production. Natural gas production can change very quickly. For starters, there is a lot of environmental backlash against fracking. Any significant legislation (although none is expected until after the November 2012 election at the earliest) could impact the price of natural gas. Second, natural gas trades for several multiples of the US price in markets such as Europe and Asia. It will take time for this arbitrage to close.

G&D: How much of Joy Global's sales and earnings are tied to China?

AR: Direct China sales are only 15% of the Joy Global story at this point. The China real estate boom is an issue for investors in real estate companies and developers, and for those companies making wheel loaders and other products directly tied into Chinese construction. China's electricity need is un-mistakenly tied to GDP, growth in its total population, a rising middle class and salary inflation, which allows people to buy more things like air conditioners that require a lot of energy. Electricity use in China overtime will go up, therefore coal production

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and use of coal will go up. Coal production is an issue in China because the government has decided to go from 11,000 mines to 4,000 mines by 2015, by shutting the least productive and most dangerous mines that lacked proper structural support. The remaining top tier mines need the automated equipment that Joy Global and Bucyrus supply. Joy is also supplying mid tier mines with equipment from a China based company it recently acquired. Caterpillar, incidentally, agreed to buy Bucyrus for 10x forward EBITDA vs. the 6x EBITDA multiple that JOY trades at today. In our view, it would make strategic sense for a company like Komatsu to buy Joy, or perhaps later on for Joy to buy Komatsu. It's a chicken and egg game that will go on for the next few years as Joy works to become bigger than Komatsu in terms of market cap. Of course, it's hard for a non-Japanese company to buy a Japanese company, but they want to stay out of the hands of Komatsu. Komatsu would be smart to pay attention to the current weakness in Joy's share price. Joy is not insider controlled. We have seen the industry consolidate in the past few years. Terex, a company out of Westport, was involved with heavy equipment and had become a big competitor to Caterpillar in some areas.

Terex got into some trouble due to high leverage and put its hydraulic excavator

“Now Joy remains standing as the only pure play mining equipment business that is a perfect fit for Komatsu or one or two other strategic buyers. Joy should have \$1.4 billion in operating profit for FY 2013 and the company is valued at \$9.5 billion or 6.8x EBIT. This is a very attractive valuation for this franchise.”
Bucyrus was bought for more than 12x EBIT.”

unit on the market. Caterpillar looked at it, Joy looked at it, and Bucyrus ended up buying this prized Terex unit. At that point, we invested in Bucyrus, sensing that eventually Cat-

erpillar could acquire Bucyrus. Now Joy remains standing as the only pure play mining equipment business that is a perfect fit for Komatsu or one or two other strategic buyers. Joy should have \$1.4 billion in operating profit for FY 2013 and the company is valued at \$9.5 billion or 6.8x EBIT. This is a very attractive valuation for this franchise. Bucyrus was bought for more than 12x EBIT.

GD: So assuming there's no strategic buyer, what do you think the market is missing in this story?

AR: People are expecting that earnings will come down for the cyclical (not secular) challenges Mr. Chanos mentioned. For the bears, Joy's shares are pricing in peak earnings per share of \$7 or \$8, so it's trading at 10x peak earnings. But, in our view, these are not peak earnings. We see Joy's earnings trending up over time. They had one flat year in earnings in the Great Recession. Caterpillar earnings were down 60%. Sales were down nearly 40% at Caterpillar, while sales at Joy were flat.

GD: Is there another company you could tell us about?

AR: Owens Illinois is another large holding that we've had for awhile. They

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are the largest maker of glass bottles in the world. It is a very unique franchise and a take out candidate. The most likely buyer for this company would be someone like Berkshire Hathaway. OI owns 81 glass plants. The glass bottle is used for food, beer and wine and other high end drinks. Everyone agrees glass is the preferred packaging for consumers. Glass is used to package something like 98% of wine, 80% of liquor, and 50% of beer in mature markets. These numbers switch around a bit depending on the economic environment, but the changes are relatively minor. Depending on where you build it, it can take up to \$200 million to build a new plant. You can't ship glass more than 300 miles because it's prohibitively expensive, so geographical coverage and distribution are quintessential. Owens Illinois has 19 plants in the U.S., 30% market share globally and 40% to 100% market share in key markets.

GD: Hasn't there been any secular decline in glass usage?

AR: Yes – it has been massive. There were advances in plastic bottling technology in the 1980s which led to a surplus of glass bottlers in the market at that time, and industry consolidated from 20 suppliers to 3 that control more than 90% of the

US market. Volumes are pretty stable now, however. In wine for example, you

“Overall glass packaging usage trends are very favorable in emerging markets and stable in developed markets. Pira, a consultant, projects that glass packaging will grow more rapidly than beverage cans or metal packaging through 2015.”

aren't going to switch to plastic. Even 'new age' drinks are in glass, because glass has a premium feel. Overall glass packaging usage trends are very favorable in emerging markets and stable in developed markets. Pira, a consultant, projects that glass packaging will grow more rapidly than beverage cans or metal packaging through 2015. The industry's pricing power is solid and it has high EBITDA margins.

It's a matter of good execution and smart acquisitions, and it helps to have the

winds of a strong economy at your back. We have invested in OI four times over the past 20 years, and we have made money every time on it. This stock cratered during the financial crisis and we invested in the stock at \$13, after which it ran to \$38. We are now one of the largest shareholders of the company. It has had a tough run recently, but that's why it's one of our largest holdings again. If you look at earnings now, this company is getting treated as if it's an airline stock that is going from high profits to massive losses. This company has always been profitable. Currently, it is making more than \$800 million in EBIT and that can go to \$1.2 billion annually. The problem in 2011 was that they finally saw higher volumes, yet were caught with having a reduced manufacturing footprint and inventory. As a result, they were forced to ship glass over greater distances, which increased shipping costs significantly and really damaged the second quarter of 2011. This did not change our thesis at all. Their earnings were \$2.37 per share last year. I think they will have \$3.00 in earnings in 2012 and we see this company getting \$3.40 in earnings the next year. The company has more than \$4 in earnings power and it's share price could potentially double in the next year.

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GD: So you think the market is singularly focused on current earnings and not its future potential?

AR: I think there are few people who appreciate this unique franchise as we do. It's not a growth business, but it's a great moneymaker. We try to evaluate high

“We try to evaluate high quality companies with strong franchises that make money in any kind of environment, and I believe Owens Illinois and Joy are two examples of that.”

quality companies with strong franchises that make money in any kind of environment, and I believe Owens Illinois and Joy are two examples of that.

GD: You've seen a number of different market cycles. What advice do you have for younger analysts?

AR: The four letter word that messes up households, governments, and companies is “debt”. If you can

stay away from debt you will be much better off. Of course, there are some situations where it makes sense to take on a reasonable level of debt. For example, a fixed rate mortgage that costs no more than 25% of your income, to buy your first house makes sense. But many of the financial problems in the world have been due to entities taking on way too much debt. In terms of managing money, don't use margin debt. The companies that we own have very manageable debt, if any. I always look closely at the interest costs on the debt related to EBITDA. Many refer to this as the interest coverage ratio. Our companies must have at least 4x EBITDA as compared with net interest expense, and most have a far greater cushion than that.

GD: What kind of qualities do you look for in your analysts?

AR: I always look for honest people who enjoy the research process. In fact, we have six Columbia MBAs on our team. I think Columbia Business School does a nice job training its students. There is a strong focus on value investing that breeds strong analysts. I am always looking for an analyst that has a private equity investment mentality on publicly traded companies. We do intense research and get to know the customers, the plants and everything

else we can before we buy shares in a company. In order to get conviction on an investment idea, you need to do a lot of work. So I look for people that really want to do this work and who are intellectually curious about this.

GD: Any parting words of wisdom for our readers?

AR: Do something that you really enjoy, and be honest, hardworking, and trustworthy, and things should work out very well for you. You should do something you love to do, because you're much more likely to succeed at it. There's nothing like having a spring in your step on your way to work because you like what you're doing.

G&D: Thank you very much.

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