

2/2/2021

Tuesday Night Stock Club

BY DOUG GERLACH, PRESIDENT, ICLUBCENTRAL INC. | FEBRUARY 2021



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WELCOME TO OUR NEW WEBINAR SERIES

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About Toolkit 6 & This Webinar



- Toolkit 6 is nearing its official sunset (though no date or timeframe is yet determined).
- Highly unlikely any new features or updates will be provided in future.
- ICLUBcentral will continue to support TK6 users for indefinite period.
- As a result, Toolkit 6 User Group webinar is discontinued.

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About This Webinar



- Lunchtime Stock Club webinar was suspended at beginning of 2021.
- Monthly Toolkit 6 webinar time slot will continue (1st Monday of each month).
- Topic has been given over to the **Tuesday Night Stock Club**.

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What This Webinar Will Cover



- Market commentary & stock discussions (from Lunchtime Stock Club).
- Demonstrations of Toolkit 6.
- Features of other ICLUBcentral tools.
- Guest presenters.
- Highlights from Investor Advisory Service & SmallCap Informer newsletters.
- Q&A about ICLUBcentral tools & market topics.

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To Continue Participating



- All Toolkit 6 users are automatically registered for the new webinar.
- To unregister, click link at bottom of webinar reminder email.
- Archived & new webinars will be available on ICLUBcentral channel on YouTube.
- Please let email me with any comments & suggestions at gerlach@iclub.com.

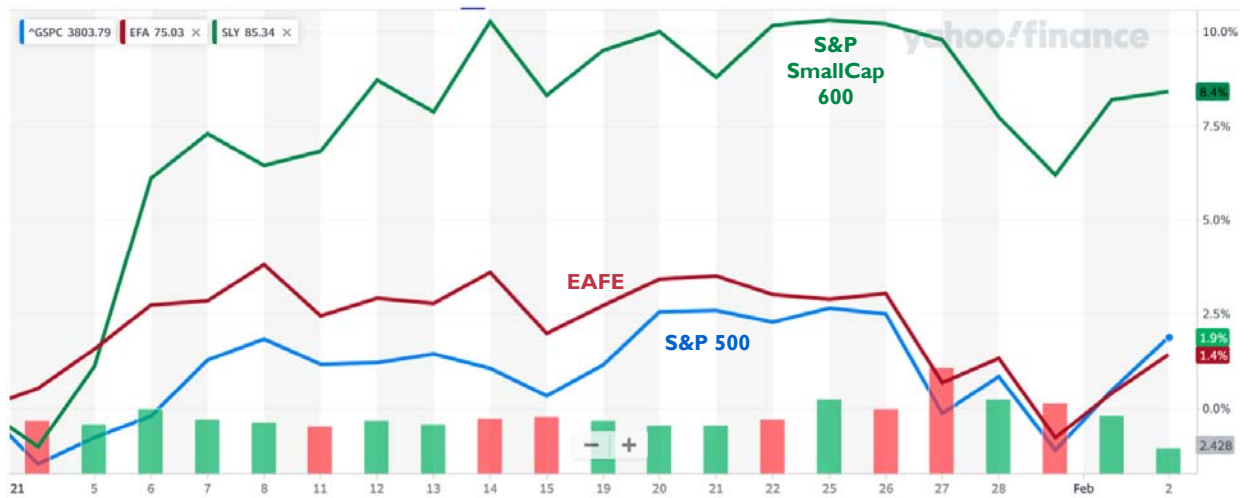
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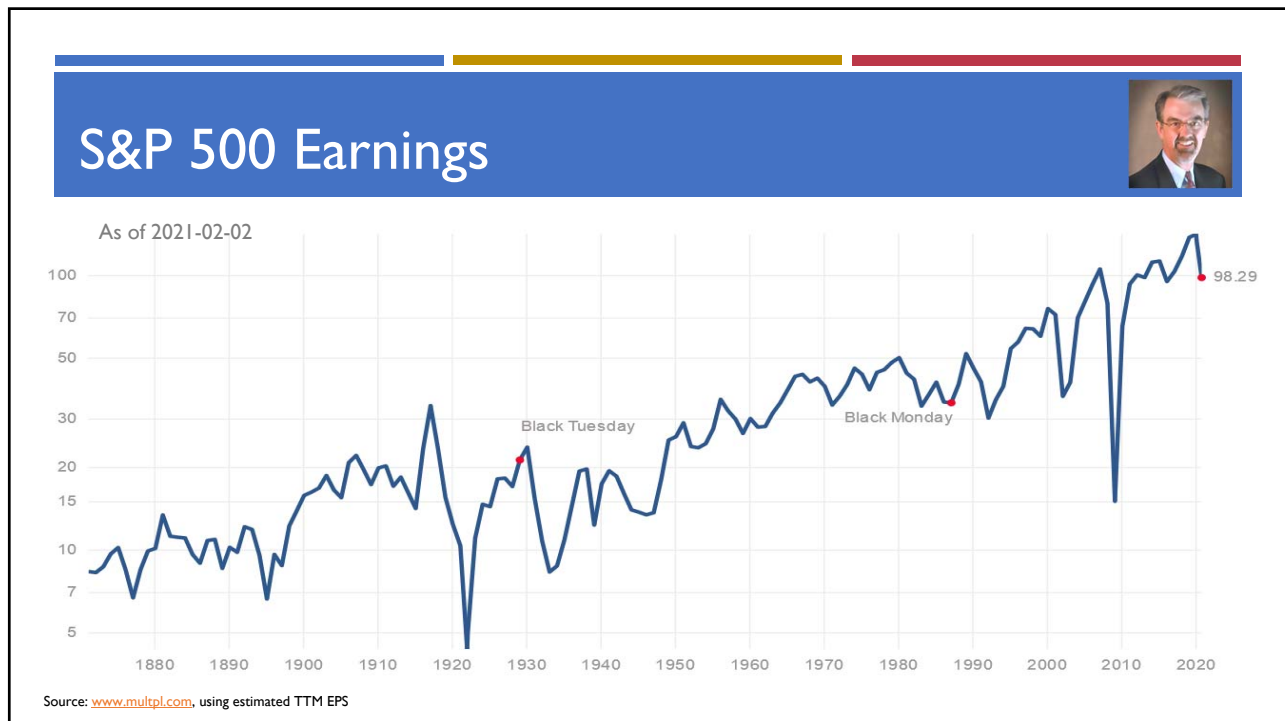
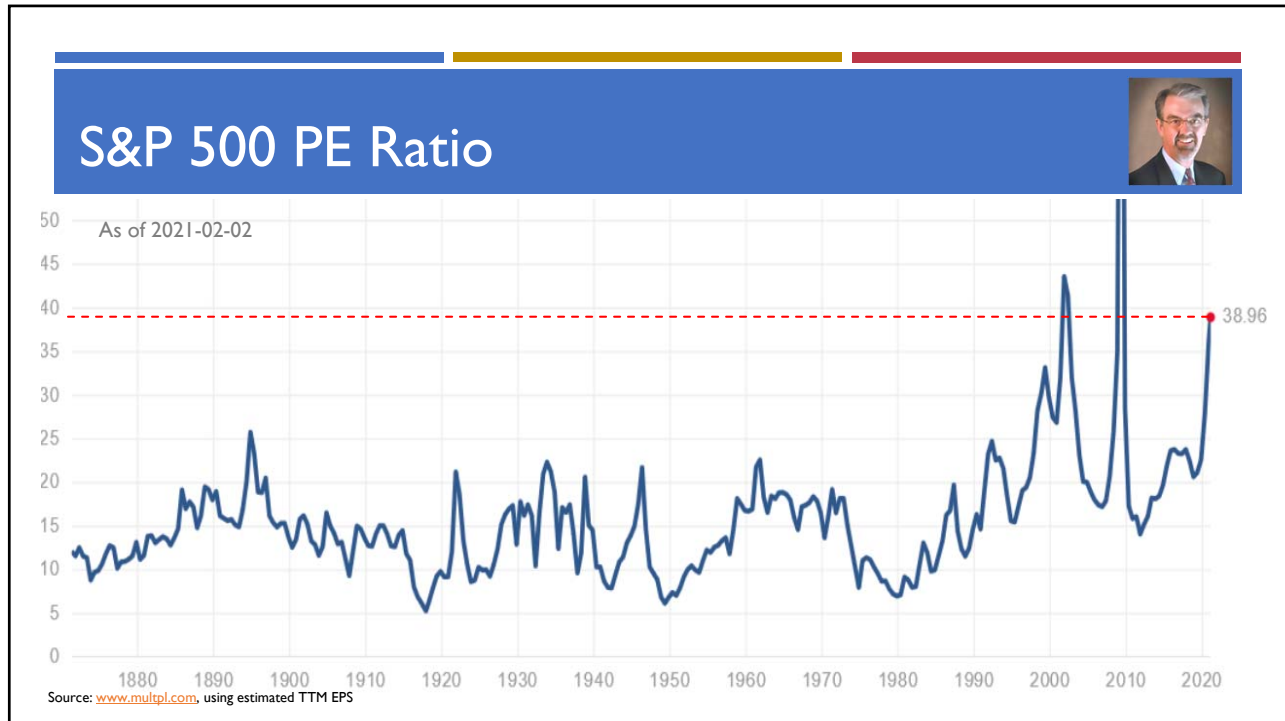
MARKET MUSINGS

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2021 Market Performance YTD



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GAMESTOP STOCK GAMES

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Playing Dangerous Games on Wall Street



- Short squeeze on GameStock (GME) pitted hedge funds against individual traders from Reddit message board.
- As shorts rushed to cover, GME price leapt from \$17 to \$428.
 - Other heavily-shorted stocks also saw squeezes: AMC, BB, NOK
- Hedge funds involved needed emergency infusions of capital.
- Many brokerage firms faced liquidity crunch, restricted trading in GME & other heavily-shorted stocks, & also sought additional capital.

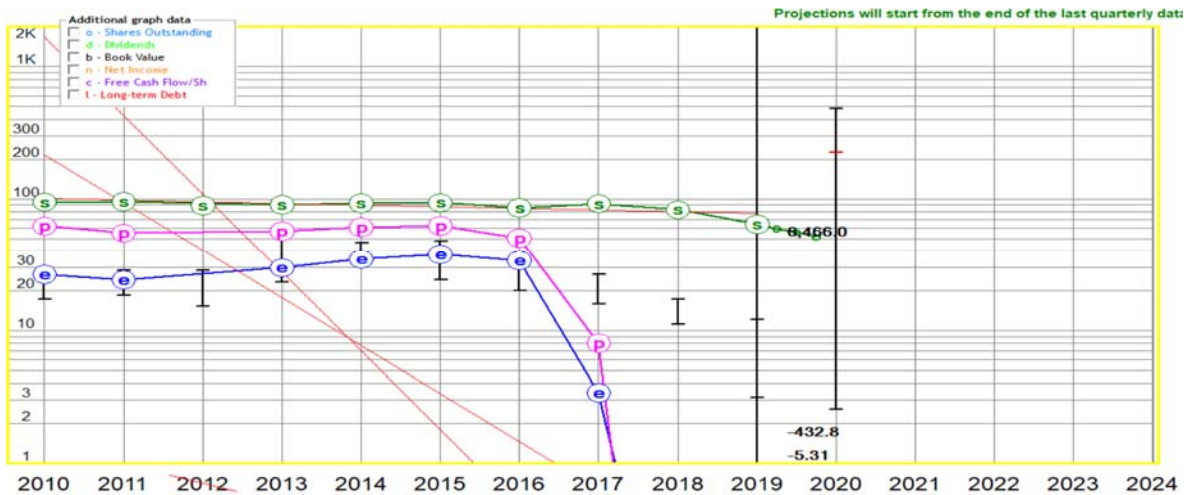
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GME Year-To-Date



GME Has Been Losing Money Since 2018



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Sweeping Up the GME Mess



- Regulators, media, politicians all chiming in with opinions.
- Investigations & lawsuits possible, though may be tough to prosecute.
- Clash of traditional Wall Street vs. average Americans makes good copy.
- Robinhood received particular ire of customers as it restricted trading.
 - Robinhood founder will testify before Congress later in month.
- Questions why hedge funds weren't hedging their short positions still unanswered.
- Many individuals caught up in mania lost money

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Key GME Takeaways



- In long-term, fundamentals & EPS growth drive prices.
- In short-term, all kinds of irrational factors drive prices.
 - Nearly all are unpredictable, which is why market timing is almost always futile.
- Focusing on good stocks at great prices & long-term potential remains optimal investing technique for most individual investors.
- Read more on the [SmallCapInformer.com](https://www.SmallCapInformer.com) blog.

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BREAKING NEWS

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Jeff Bezos Stepping Down as Amazon CEO



- Effective Q3 2021, will be replaced by Andy Jassy, current head of Amazon Web Service (AWS) & 24-year Amazon veteran.
- Bezos will become executive chair & remain engaged.
- One reason to sell according to BetterInvesting principles is “adverse change in management.”
- Will Bezos’ departure affect AMZN stock?

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Management Change at Amazon



- AWS under Jassy has been increasingly strong profit generator for AMZN.
 - AWS revenues grew 28% in Q4.
- AMZN recently changed CFOs without a hitch & has depth in management team.
- Bezos is still significant shareholder & will likely remain involved.
- Company is at record levels of EPS & revenues.
- IMHO, likely that this change will not be seen as negative.

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SMALLCAP INFORMER SPECIAL REPORT

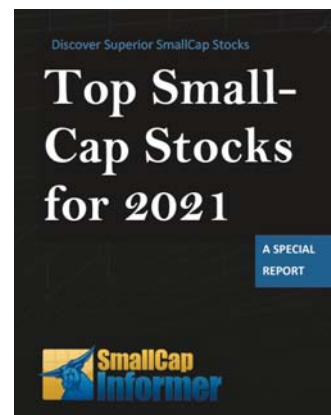
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SmallCap Informer Special Report



- Special subscriber benefit released, **“Top Small-Cap Stocks for 2021.”**
- Identifies top 10 stocks w/best prospects for total return in 2021.
- Available in subscribers section of SmallCapInformer.com website.

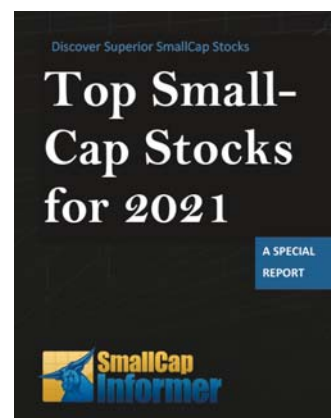


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SmallCap Informer Special Offer



- Not a subscriber? Try an online subscription risk-free & receive your copy.
- Use promo code TUESDAY at SmallCapInformer.com to subscribe to online edition for \$92/year.



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STOCK COMPARISON IN TOOLKIT 6

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Small Residential Construction Stocks

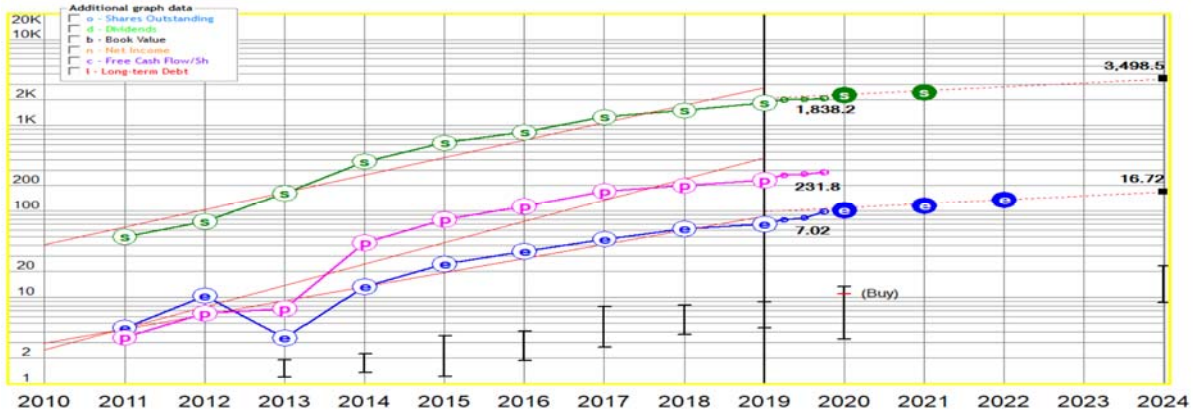


- SmallCap Informer covers 2 residential homebuilders:
 - Century Communities (CCS)
 - LGI Homes (LGIH)
- Both are fast growing, high-quality businesses.
- Both have performed well for subscribers.
- Outlook for entry-level homebuilders for 2021 is strong.

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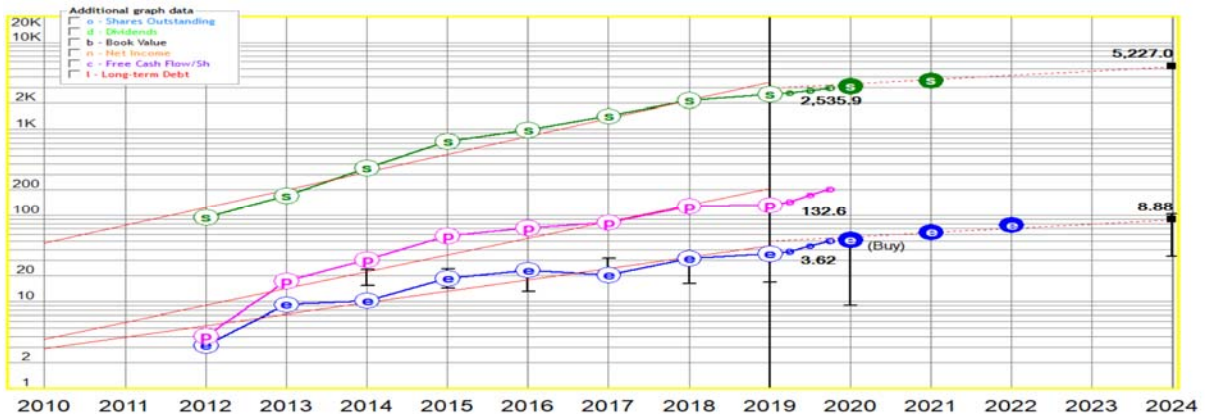
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LGIH



(1) Historical Sales Growth	_____	60.0 %	(3) Historical Earnings Per Share Growth	_____	45.6 %
(2) Estimated Future Sales Growth	_____	11.0 %	(4) Estimated Future Earnings Per Share Growth	_____	11.0 %
(5) Sales Growth R ²	_____	0.95	(6) Earnings Per Share Growth R ²	_____	0.86

CCS



(1) Historical Sales Growth	_____	60.9 %	(3) Historical Earnings Per Share Growth	_____	35.4 %
(2) Estimated Future Sales Growth	_____	12.0 %	(4) Estimated Future Earnings Per Share Growth	_____	12.0 %
(5) Sales Growth R ²	_____	0.96	(6) Earnings Per Share Growth R ²	_____	0.86

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Growth & Management Comparisons



GROWTH COMPARISONS (From Section 1 of the Stock Study)

	Century Co CCS	LGI Homes LGIH			
X (1) Historical % of Sales Growth	60.9 %	60.0 %			
X (2) Projected % of Sales Growth	12.0 %	11.0 %			
X (3) Historical % of Earnings Per Share Growth	35.4 %	45.6 %			
X (4) Projected % of Earnings Per Share Growth	12.0 %	11.0 %			

MANAGEMENT COMPARISONS (From Section 2 of the Stock Study)

X (5) % Profit Margin Before Taxes (Average for last 5 Years)	(2A) Trend	6.4 DOWN	13.2 DOWN		
X (6) % Earned on Equity (Average for last 5 Years)	(2B) Trend	12.1 UP	28.8 DOWN		
(7) % of Common Owned by Management		3.3	4.3		

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Price Comparisons



PRICE COMPARISONS

(From Section 3-5 of the Stock Study)

X (8) Current Price / Total Est EPS For Next 5 Years		1.3	1.6		
(9) Price Range Over Last 5 Years	High (3A) Low (3B)	13.10~36.00	12.20~89.00		
(10) Current Price		47.61	109.30		
X Price Earnings Ratio Range Last 5 Years	(11) Highest (3D)	15.70	16.50		
	(12) Average High (3D7)	11.80	13.80		
	(13) Average (3-8)	9.20	9.80		
	(14) Average Low (3E7)	6.60	5.70		
	(15) Lowest (3E)	4.70	5.00		
X (16) Current Price Earnings Ratio	(3-9)	9.40	11.00		
Estimated Price Zones	(17) Lower-Buy (4C2)	33.30~51.18	87.01~122.93		
	(18) Middle-Maybe (4C3)	51.18~86.93	122.93~194.78		
	(19) Upper-Sell (4C4)	86.93~104.80	194.78~230.70		
X (20) Current Price Range	(4C5)	-Buy-	-Buy-		
X (21) Reward/Risk Ratio	(4D)	4.0	5.4		
X (22) Current Yield	(5A)	0.0	0.0		
X (23) Total Return	(5C)	17.1	16.1		

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Other Comparisons



OTHER COMPARISONS

(24) Number of Common Shares Outstanding	33.35	25.09		
X (25) Potential Dilution from Debentures, Warrants, Options	0.01	0.01		
X (26) Percent Payout (3G7)	0.0	0.0		
X (27) Relative Value	102.2 %	112.2 %		
X (28) Earnings Stability (R2)	0.86	0.86		
(29) Date of Source Material	2/1/2021	2/1/2021		
(30) Exchange	NYS	NAS		

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OUR OFFICES ARE MOVING

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Effective February 1, 2021



- ICLUBcentral & BetterInvesting moved headquarters to:
 - 570 Kirts Boulevard, Suite 237
Troy, MI 48084
- Use this address for mailed renewals & other correspondence.
- Offices remain closed to non-essential personnel & visitors pursuant to local & state guidelines.
- Phone numbers remain same.

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Where's Doug?



- February 16-18, 2021 - [The MoneyShow](#)
- March 16-18, 2021 - [The MoneyShow](#)
- March 27, 2021 - [South Florida BetterInvesting Chapter](#)
- April 17, 2021 - [NE Ohio BetterInvesting Chapter](#)
- April 20-22, 2021 - [The MoneyShow](#)
- May 8 - [West Texas BetterInvesting Chapter](#)
- June 15-17, 2021 - [The MoneyShow](#)
- June 29-July 1, 2021 - [The MoneyShow](#)
- July 12, 2021 - [Research Triangle AAll Chapter](#)
- July 13-15, 2021 - [The MoneyShow](#)
- August 10-12, 2021 - [The MoneyShow](#)
- August 24-26, 2021 - [The MoneyShow World of ETF](#)
- October 5-7, 2021 - [The MoneyShow](#)
- August 21, 2021 - [Georgia BetterInvesting Chapter](#)
- October 8-10, 2021 - [American Association of Individual Investors \(AAll\) National Conference](#), Las Vegas
- October 21-24, 2021 - [BetterInvesting National Convention](#), Dallas
- December 14-16, 2021 - [The MoneyShow](#)

Most upcoming events are presented online. Confirm details with presenting organization.

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Questions?

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**KEEP
CALM
AND
STAY THE
COURSE**