



Alphabet (GOOG)

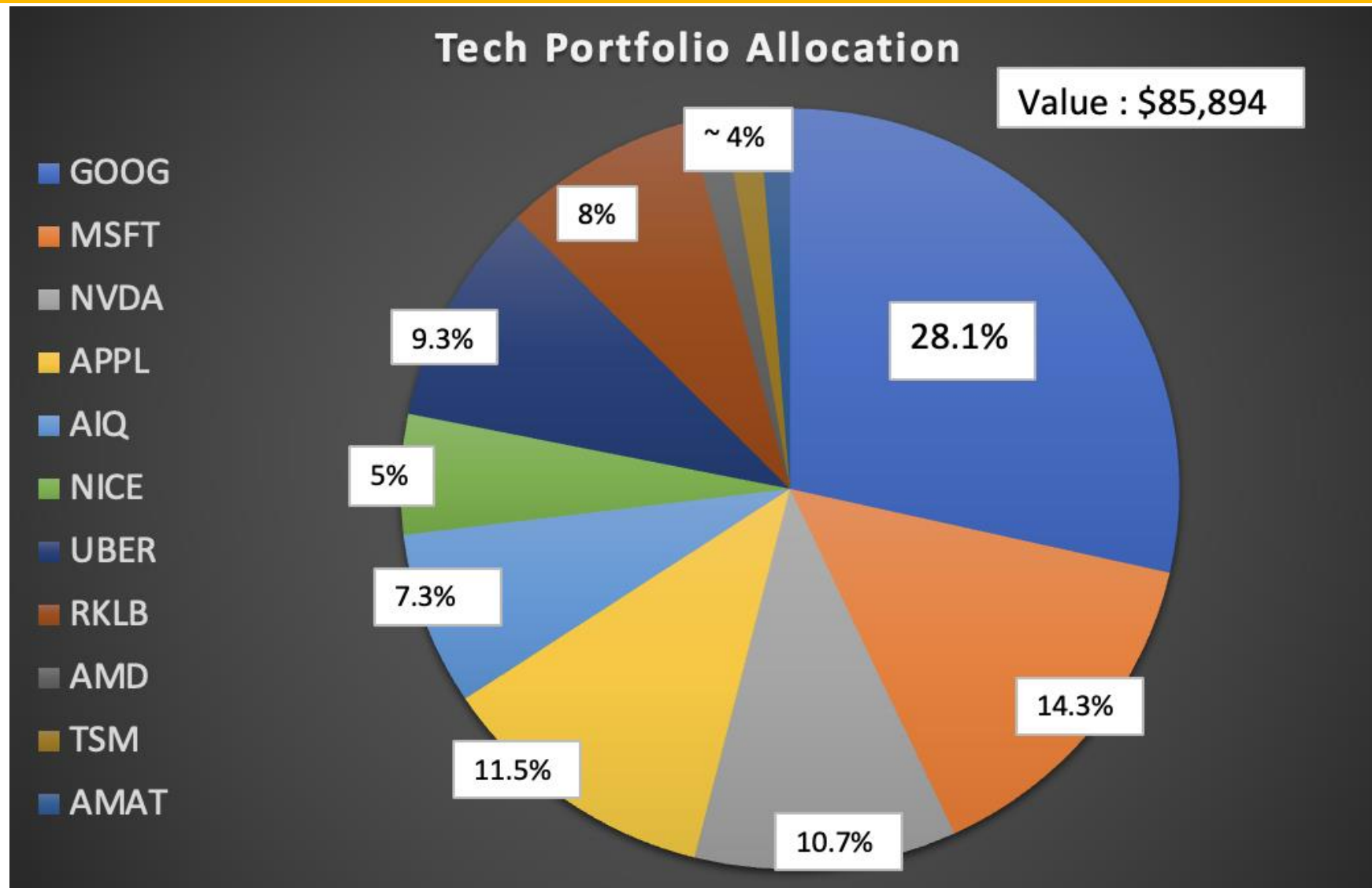
Technology/Consumer Discretionary Sector

February 2025 - Sell Recommendation

Senior Analyst: Graham Roberts Analysts: Thomas Shea, Tyler Kirk, Jack Shea , Ryan

Herbst, Alex Hebenstreit, Matt Wilson, Josh Lopez

Tech's Portfolio – Google Dominant



Selling 40% of Our Position

Sell Recommendation	
Current shares	130.0
Endowment Shares	(35.0)
Unrestricted Shares	(18.0)
Total Shares Sold	(53.0)
Total Shares Remaining	77.0
Market Price	\$185.45
Purchase Price	\$151.10
Upside %	22.7%
Cost Basis	(8,008.3)
Market Value	9,828.9
Total Realized Gains	\$1,820.6
Unrestricted Gains	936.3
Endowment (2/3)	589.5
Endowment (1/3)	294.8
SIMM Realized Gains	\$1,231.0
Years held	0.9 Years
Annualized Return	25.9%
% change in Portfolio	(1.5%)
% remainder of Portfolio	2.1%

Let's trim some of these gains and not get greedy

This will free up ~ \$9,800 towards a new security

Cashin' in \$1,800 of gains for the portfolio in under a year





Iron Mountain Inc.(IRM)

Technology/Consumer Discretionary Sector

February 2025 - Buy Recommendation

Senior Analyst: Graham Roberts Analysts: Thomas Shea, Tyler Kirk, Jack Shea , Ryan

Herbst, Alex Hebenstreit, Matt Wilson, Josh Lopez

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Section I. Company Overview

Analyst(s): Alex Hebenstreit, Josh Lopez, Thomas Shea



Company Summary

IRM Inc.

- Headquarters: Boston, Massachusetts
- Founded in 1951
- **CEO – William L. Meaney**
- Serves over **240,000 customers** across 60 countries, including approximately **95%** of Fortune 1000.
- IRM has over 1,500 locations.
- IRM Inc. has a market cap of **\$28.00 Billion, \$6.1 Billion in revenue**
- IRM provides solutions in **information and cloud management along with digital security.**
- **IRM** helps corporations, SMBs, government, non-profit, media, and IT firms with managing sensitive information, transition to digital workflows, ensuring compliance, and minimizing operational risk on a day-to-day basis.

Financial Summary

Current Price	\$93.26
Dividend Payout Ratio	0.0%
52-week high	\$130.24
52-week low	\$70.00
Fully Diluted Shares Outstanding (in millions)	293.7

Enterprise Value (in millions)

Market Cap	\$27,394.2
Add: Total Debt	16,370.0
Add: Minority Interest	276.6
Less: Cash & S.T Investment	155.7
Enterprise Value	\$44,196.5

Capital Structure	Value	%
Debt	16,370.0	37.4%
Equity	27,394.2	62.6%
Total Capitalization	\$43,764.2	100.0%

Financial Summary (in millions)					
	2021A	2022A	2023A	2024A	2025E
Revenue	\$4,492.0	\$5,104.0	\$5,480.0	\$6,149.9	\$6,641.9
YOY Growth		13.6%	7.4%	12.2%	8.0%
EBIT	\$1,054.0	\$1,127.0	\$825.6	\$980.7	\$487.0
YOY Growth		6.9%	(26.7%)	18.8%	(50.3%)
EBITDA	\$1,751.0	\$1,873.0	\$1,618.0	\$1,907.0	\$2,480.0
YOY Growth		7.0%	(13.6%)	17.9%	30.0%
Net Income	\$556.9	\$562.1	\$187.3	\$184.0	-
YOY Growth		0.9%	(66.7%)	(1.8%)	#VALUE!
Fully Reported EPS	\$1.55	\$1.90	\$0.63	\$0.61	\$0.36
YOY Growth		22.6%	(66.8%)	(3.2%)	(41.0%)

Fun Facts – "The Fort Knox of Documents"

- **Security features include**
 - Multi ton steel slabs
 - Vault doors
 - Biometric checkpoints
 - Armed guards
- **Cultural and historical artifacts**
 - Super Bowl halftime show props
 - Master recordings from Frank Sinatra, The Beatles, Prince, etc.
 - Speeches and documents from the Abraham Lincoln foundation
 - Wills of Princess Diana, Charles Dickens, Charles Darwin.
- **Government Applications**
 - Stores employee records
 - Processes all federal retirements.
 - Contract is speculated to be worth more than \$100 million.
- **Other clients include**
 - Bank of America
 - Microsoft
 - WWE
 - Pfizer

Visuals





Annotated Price Chart

Stock Chart



Major Events

1. July 22, 2024: Announces the Election of Andre Maciel to the Board of Directors
2. August 5, 2024: New Digital Experience Platform – **Iron Mountain InSight® Digital Experience Platform (DXP)**
3. November 18, 2024: Expands Planned Data Center Capacity in Virginia by more than 350 Megawatts
4. December 9, 2024: Announces the election of June Yee Felix to the Board of Directors
5. Feb 13, 2025: Iron Mountain Increases Quarterly Dividend per Share by 10%

ESG

- Environmental**

- Iron Mountain is a member of the RE100 Initiative. Have already achieved 69% **renewable energy - 100% of electricity from renewable sources by 2050**
- Green Power Pass

- Social**

- Engages in community service, offers financial grants, and services to nonprofits
- Inclusive and Diverse workplace.
- Improved employee safety metrics

- Governance**

- Emphasis of ethics and anti-corruption training
- Prioritization of data privacy
- Named one of America's most responsible companies by Newsweek multiple times

ESG Risk Rating COMPREHENSIVE ?

14.2 **Low Risk**



Ranking

Industry Group (1st = lowest risk)

Real Estate **289** out of 994

Universe

Global Universe **1336** out of 14916

Section II. Industry Overview

Analyst(s): Tyler Kirk



Storage/Information Management and Cybersecurity Industry Overview

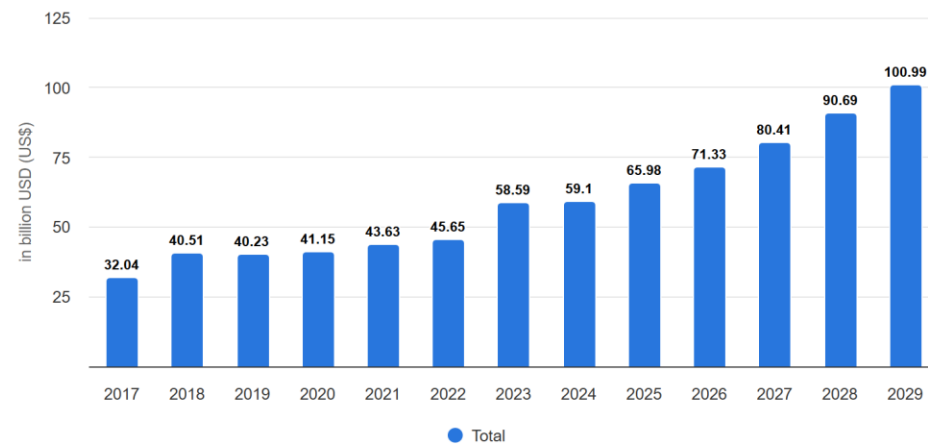


Market Size and Growth

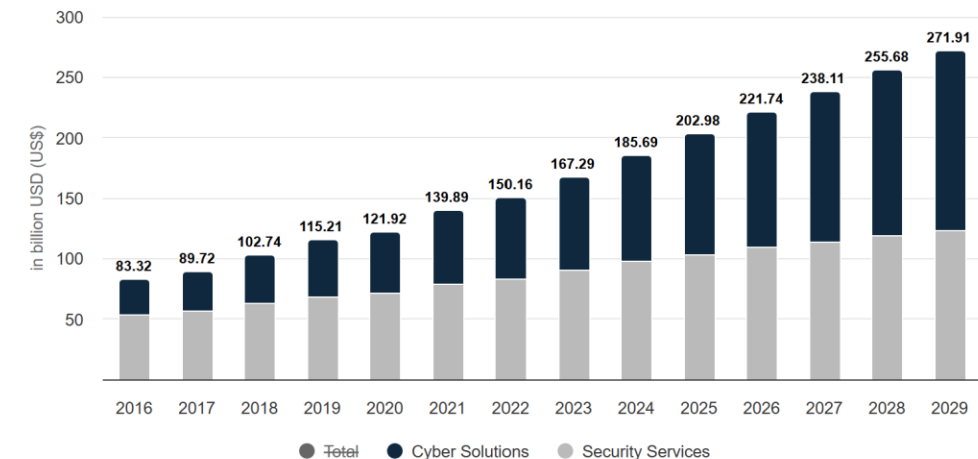
- The Data Storage market was valued around \$59 billion in 2024 with expectations of reaching \$100 billion by 2029, CAGR 2025-2029=11.23%
- Global Cybersecurity market was valued around \$185 billion in 2024 with expectations of reaching \$271 billion by 2029, CAGR 2025-2029=7.58%

- The Data storage and Cybersecurity industries are growing extremely fast
- Amount of Data generated has increased around 25% each year, over the last 5 years
- Cybercrime was predicted to cost the world \$9.5 trillion in 2024

Revenue Revenue Change



Revenue by Segment Revenue Change by Segment





Competitors



Where Does IRM Stand?

- Holds approximately 25.6% of global RIM market shares
- Leading with about 32.4% RIM market share in North America
- Document Management Services (U.S.): Account for an estimated 21.7% of total industry revenue
- 92.8% customer retention rate
- #1 global player in physical records storage
- Provides services for approximately 95% of the fortune 1000 companies



Section III. Risks & Catalysts

Analyst(s): Matt Wilson & Jack Shea

Risks

- **Recent Stock Volatility:** The stock has experienced notable fluctuations, including an 11% decline over the previous week.
 - One of its storage facilities that the federal government uses drew a negative mention from Elon Musk.
 - Public comments highlighting operational inefficiencies.
- **High Debt Levels:** As of September 30, 2024, Iron Mountain reported a net debt of approximately \$13.31 billion.
 - With interest rates rising, this debt burden could limit financial flexibility and hinder sustainable growth.
- **Valuation Concerns:** IRM has a trailing twelve-month (TTM) price-to-earnings (P/E) ratio of 150.46, which is significantly higher than the industry average. (Information management: 30-40 Cybersecurity: 30-40)
 - Some believe that the stock is overvalued because of this high P/E ratio.
- **Market Sensitivity:** With a beta of 1.02, Iron Mountain's stock is slightly more volatile than the overall market.
 - Increased volatility could pose risks for investors seeking stability in their portfolios.

Catalysts

- **Analyst Confidence:** Despite recent stock fluctuations, analysts maintain a positive outlook.
 - JPMorgan's Andrew Steiner reiterated an "overweight" rating and placed IRM on "Positive Catalyst Watch," adjusting the price target to \$112.
- **Dividend Increase:** Iron Mountain recently raised its quarterly dividend by 10%.
 - A dividend increase shows management's confidence in the company.
- **Data Center Expansion:** The company's growth in data center services is a significant driver.
 - Plans to expand capacity in Virginia by over 350 megawatts, positioning Iron Mountain to capitalize on the increasing demand for data storage solutions.
- **Positive Analyst Ratings:** The stock holds a "Strong Buy" consensus among six analysts, with an average 12-month price target of \$129.17, suggesting a potential upside of approximately 36% from the current price.
 - On Feb. 13, analyst Brendan Lynch maintained a "Buy" rating on IRM with a price target of \$130.

Section IV. Valuation

Analyst: Thomas Shea, Graham Roberts

Comparable Company Analysis



Comparable Company Analysis

Company	Stock Price as of 2/23/2025	Stock Performance YTD	Stock Price 52 Week Range	Market Value of Equity	Enterprise Value	EV / LTM			Margins / LTM			2023-2024 EPS Growth	PEG Ratio	Total Debt / EBITDA	Levered Betas	Price / Book
						Sales	EBITDA	PE	Gross	EBITDA	EBIT					
Equipment																
CDW Corp (CDW)	\$186.50	7.2%	\$168.43-\$263.37	\$ 25,690	\$ 28,980	1.4x	18.6x	23.4x	22.3%	7.7%	6.5%	(1.7%)	2.9x	2.7x	1.05	10.50x
Leidos Holdings Inc (LDOS)	\$126.82	(11.5%)	\$123.33-\$202.90	\$ 16,630	\$ 20,980	1.1x	10.1x	14.2x	7.5%	12.9%	9.6%	8.3%	1.0x	2.2x	1.08	3.77x
Booz Allen Hamilton Holding Corp (BAH)	\$112.30	(12.4%)	\$106.69-\$190.59	\$ 14,220	\$ 17,370	1.2x	11.2x	16.8x	7.4%	11.3%	13.8%	126.0%	1.54x	3.3x	0.55	12.3x
					Mean	1.2x	13.3x	18.1x	12.4%	10.6%	10.0%	0.4x	1.0x	3.3x	0.9x	12.3x
					Median	1.2x	11.2x	16.8x	7.5%	11.3%	9.6%	0.1x	1.0x	3.3x	1.1x	12.3x
Iron Mountain (IRM)	\$91.78	(12.4%)	\$72.31 - \$130.24	\$ 26,960	\$ 43,180	4.3x	22.6x	150.5x	56.4%	38.3%	19.6%	(3.2%)	1.2x	8.1x	1.04x	1.52x

Source: SEC Filings 10K, 10Q and Yahoo Finance





Tax Rate

17.5%

Discounted Cash Flows (#s In Millions, except per share data)	Period Ended Dec. 31st					
	2024A	2025E	2026E	2027E	2028E	2029E
EBITDA	\$2,114.0	\$2,464.0	\$2,704.0	\$2,875.0	\$3,101.0	\$3,467.0
Less: Depreciation & Deductible Amortization	900.9	(1,104.0)	(1,109.0)	(1,223.0)	(1,286.0)	(1,472.0)
EBIT	\$1,213.1	\$1,360.0	\$1,595.0	\$1,652.0	\$1,815.0	\$1,995.0
Taxes	(\$212)	(238.0)	(279.1)	(289.1)	(317.6)	(349.1)
Tax-Effectuated Unlevered Taxable Income	\$1,001	\$1,122.0	\$1,315.9	\$1,362.9	\$1,497.4	\$1,645.9
Plus: Depreciation & Deductible Amortization	901	1,104.0	1,109.0	1,223.0	1,286.0	1,472.0
Plus: Working Capital Surplus / (Deficiency)	(\$210)	(51.0)	2.0	(76.0)	(150.0)	(136.0)
Less: Capital Expenditures	(1,792)	(1,567.0)	(1,488.0)	(1,956.0)	(1,950.0)	(1,950.0)
Unlevered Free Cash Flow	(\$100)	\$608.0	\$938.9	\$553.9	\$683.4	\$1,031.9
Discount Periods - Mid Year Convention	(0.5)	0.5	1.5	2.5	3.5	4.5
Discount Rate - WACC	8.4%					
Present Value of ULFCF		\$584.0	\$831.9	\$452.7	\$515.3	\$717.8
Sum of Present Value of ULFCF	\$3,101.7					
NPV	\$2,979.1					

DCF

Perpetuity Growth Method						
Current Price (USD)						93.52
Consensus Price Target						116.33
DCF Estimated Value per Share (USD)						65.04
DCF Estimated Upside						-30%
Perpetuity Growth						
		4.0%	4.5%	5.0%	5.5%	6.0%
Discount Rate (WACC)	6.9%	69.44	93.41	129.91	192.25	322.89
	7.4%	50.59	67.22	90.74	126.57	187.75
	7.9%	36.57	48.72	65.04	88.14	123.30
	8.4%	25.74	34.96	46.89	62.92	85.59
	8.9%	17.12	24.34	33.39	45.11	60.84
		4.0%	4.5%	5.0%	5.5%	6.0%
6.9%		-26%	0%	39%	106%	245%
7.4%		-46%	-28%	-3%	35%	101%
7.9%		-61%	-48%	-30%	-6%	32%
8.4%		-72%	-63%	-50%	-33%	-8%
8.9%		-82%	-74%	-64%	-52%	-35%

EBITDA Multiple Method						
Current Price (USD)						93.52
Consensus Price Target						116.33
DCF Estimated Value per Share (USD)						116.12
DCF Estimated Upside						24%
Terminal EBITDA Multiple						
		16.5x	18.0x	19.5x	21.0x	22.5x
Discount Rate (WACC)	6.9%	98.32	111.18	124.04	136.90	149.76
	7.4%	94.90	107.46	120.03	132.59	145.16
	7.9%	91.57	103.85	116.12	128.40	140.68
	8.4%	88.34	100.33	112.33	124.32	136.32
	8.9%	85.19	96.91	108.63	120.35	132.08
		16.5x	18.0x	19.5x	21.0x	22.5x
6.9%		5%	19%	33%	46%	60%
7.4%		1%	15%	28%	42%	55%
7.9%		-2%	11%	24%	37%	50%
8.4%		-6%	7%	20%	33%	46%
8.9%		-9%	4%	16%	29%	41%

Weighted Average Cost of Capital - WACC	
Stock Price	\$93.59
Fully Diluted Shares Outstanding	293.74
Equity Value	\$27,491.13
Current Debt	1,637
Cash	156
Minority Interest	0
Enterprise Value	\$29,283.85
Equity	\$27,491.13
Debt	1,637
Total Capitalization	\$29,128.13

Capital Asset Pricing Model - CAPM	
30 year T-Bill / Risk Free Rate	4.54%
Equity Risk Premium	3.96%
Beta	1.04
Cost of Equity	8.7%
Tax Rate	17.5%
Cost of Debt	6.0%
Cost of Preferred Stock	0
WACC	8.4%
WACC Driver	8.4%

1) JP Morgan	Andrew C Steiner	overweight	112	02/18/25
2) Ameriprise Advisor	Frederick M Schultz	buy		02/14/25
3) Wells Fargo	Eric Luebchow	overweight	125	02/14/25
4) Goldman Sachs	George K Tong	buy	117	02/13/25
5) RBC Capital	Jonathan Atkin	outperform	139	02/13/25
6) Stifel	Shlomo H Rosenbaum	buy	140	02/13/25
7) BNP Paribas Exane	Nathan Crossett "N..."	outperform	133	02/13/25
8) Barclays	Brendan Lynch	overweight	130	02/13/25
9) Zacks	Team Coverage	neutral	107	02/03/25

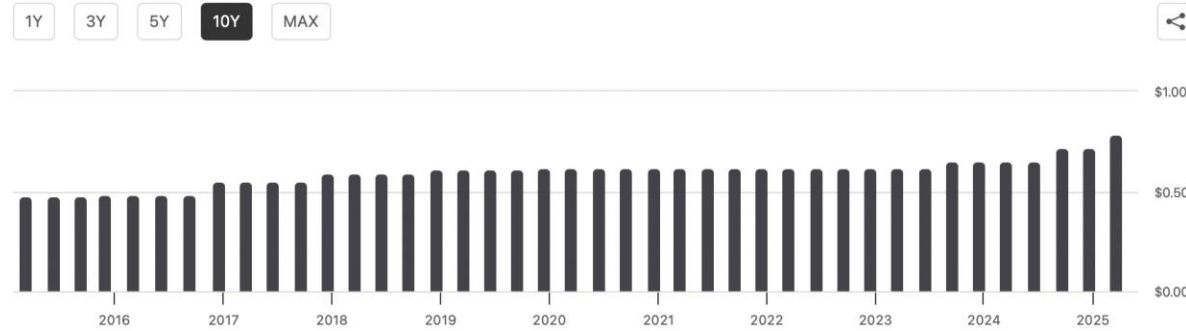
DCF

Perpetuity Method		Terminal EBITDA Method	
Unlevered Free Cash Flow	\$1,031.9	Exit Year EBITDA	\$3,467.0
Growth Rate	5.0%	Multiple	23.5x
Terminal Value	\$31,866.7	Terminal Value	81,474.5
WACC / Discount Rate	8.4%	WACC / Discount Rate	8.4%
Discount Period	4.5	Discount Period	4.5
Net Present Terminal Value	\$22,166.9	Net Present Terminal Value	\$56,674.8
Present Value of ULFCF	3,101.7	Present Value of ULFCF	3,101.7
Implied Enterprise Value	\$25,268.6	Implied Enterprise Value	\$59,776.5
Current Debt	1,637	Current Debt	1,637
Cash	156	Cash	156
Minority Interest	0	Minority Interest	0
Net Debt	1,793	Net Debt	1,793
Implied Equity Value	\$23,475.9	Implied Equity Value	\$57,983.8
Diluted Shares Outstanding	293.74	Diluted Shares Outstanding	293.74
Implied Share Price	\$79.92	Implied Share Price	\$197.40

Taking the Avg between those two implied values we get a target price of around \$130

Important Figures

IRM Dividend History



REITs Use Debt Differently

- Unlike typical companies, REITs must distribute 90% of taxable income as dividends, meaning they rely more on debt to fund growth.
- IRM has been shifting toward data centers, which require massive upfront capital but generate stable cash flows long-term.

Iron Mountain Incorporated (IRM)

91.53 -0.25 (-0.27%)

=



Total Debt / EBITDA
2.7x
2.2x
3.3x
3.3x
3.3x
8.1x

PE
23.4x
14.2x
16.8x
18.1x
16.8x

- P/E isn't useful for REITs because net income includes high non-cash depreciation expenses that artificially lower earnings.
- The true payout ratio (based on AFFO) is 63%, which means IRM can safely cover its dividend.

150.5x

Section V. Investment Thesis

Analyst(s): Graham Roberts



Recommendation



Buy Recommendation

Endowment Shares	20.0
Unrestricted Shares	30.0
Total Shares	50.0
Market Price	\$91.78
Price Target	\$130.00
Potential Upside %	41.6%
Cost Basis	(4,589.0)
Potential Market Value	6,500.0
Potential Return	\$1,911.0
% of Portfolio	0.7%

*“We want to initiate a **0.7%** position in **Iron Mountain Inc.** at a price target of \$130, representing a 41.6% potential upside from the current market price.*

Also implementing a trailing stop loss of 25%.”

Works Cited

- "Analyst brushes aside 'DOGE' jitters surrounding Iron Mountain's stock." *MarketWatch*, 18 Feb. 2025, <https://www.marketwatch.com/story/analyst-brushes-aside-doge-jitters-surrounding-iron-mountains-stock-28ff4412>. Accessed 19 Feb. 2025.
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