

A man with long brown hair is shown in profile, wearing a black smartwatch on his left wrist and a black leather glove on his left hand. He is also wearing a black head-mounted display (HMD) or smart glasses. The background is a plain white wall with a wooden beam visible at the top.

25 Stocks for The Wearables Revolution

By Cody Willard
and Lucy Bottrell

From the publishers of:
TradingWithCody.com
and Scutify

Introduction

First, a note about Revolution Investing.

If you haven't been in the markets, but you're sick of getting 0% on your CDs, Treasuries, savings, checking, etc., while the markets have been continually hitting all-time highs this year, what should you do now?

First, step back and catch your breath before moving any money anywhere and make sure you're not about to make any emotional moves.

If you haven't yet read "Everything You Need to Know About Investing," (You can get it for free just by joining Scutify, the #1 financial social network and simply asking me for it on there), then spend a couple of hours doing so, please. It's a quick read, but chock full of important ideas, concepts and strategies that amateurs and pros alike should understand.

Then if you do decide you want to invest in some of the Wearables, Drones and Robotics Revolutions, you should consider slowly starting to scale into some of the ones you like best and/or the ones we have rated highest.

I wouldn't rush into a full position all at once in any of these stocks or any other position you'll ever buy. Patience and allowing the market and time to work to your advantage by buying in tranches is key. Maybe one-third or one-fifth of whatever you might consider to be a "full position" in any particular stock. And I wouldn't ever have more than 5%-15% of your portfolio in any one stock position at any given time. The younger you are and/or the higher the trajectory of your career income, the more concentrated and risky you can be with weighting in your portfolio. But spread your purchases and your risk out over time and over a several positions, no matter your age or risk-aversion level.

We're trying to find the most innovative companies in the most disruptive and revolutionary industries before the rest of Wall Street catches up to the trend. And more specifically, in today's markets with the Fed's endless money-printing and lending at 0%

rates to banks and all the other artificial help of QE, stimuli, targeted tax breaks for giant corporations, etc.

Some of our past successes have included getting into Google on its IPO day, Apple at \$7 a share, getting us positioned to profit in front of the ongoing bubble blowing bull market five years ago, loading up Facebook after it crashed post-IPO in 2012, and the booming App Revolution Bubble that is also still continuing.

But that doesn't mean we just blindly plow into the stocks in those Revolution Investing sectors. We have to be careful about who we're betting on individually, in addition to managing our portfolios with time, price and Fed ramifications.

One of the most depressing aspects of this ongoing bubble-blowing bull market is how retail investors are once again blindly plowing into what they think are Revolution Investing sectors, such as the current fuel-cell stock frenzy and the legalized marijuana penny stock frenzy. I've been loudly bashing many of the stocks in those sectors that are currently up 1,000% or more over the past few weeks as the frenzy has built up. I agree that fuel cells will someday be huge and profitable, but that's still probably a few years off before the technologies are truly competitive to the traditional gas and oil energy plays. And legalized marijuana is going to be Revolution Investing growth industries over the next decade or two.

And like I said that doesn't mean you just blindly go out and buy every stock you can find that says its going to be huge in those sectors. Much like I've spent and continue to spend endless amounts of time trying to make sure we're got the best and safest stocks in these Revolution Investing sectors like 3-D printing, each individual stock or fund you ever buy must be researched continuously.

It's easy to get lost in the back and forth of the near-term action of the markets. And I, for one, do think it's wise for even long-term investors to take some stock exposure off the table when markets are at all-time highs (as I was suggesting and doing myself back when the markets were at all-time highs a couple months ago).

But in the end, the key to long-term outperformance and making big money in the stock market is find and own the best and most revolutionary companies who are disrupting or

creating new marketplaces that will have huge growth ahead. Say, like Apple and Google were positioned to do back when the smartphone/tablet and search markets were just being created. Indeed, were you aware that as of this week, Apple and Google, respectively, are the two most valuable companies in the U. S.? That means, I've owned the two largest market-cap stocks in the U.S. for more than a decade, having first bought Apple at \$7 and Google the day it came public at \$95 in the open market after it started trading.

With this Revolution Investing approach, we're trying to find the next Apple and Google like I did the first Apple and Google.

The Wearables Revolution

When you're looking at long-term, revolutionary-type investments, you're obviously trying to find markets and companies that are growing quickly and with huge potential in front of them.

There are two types of growth, secular and cyclical. Cyclical growth happens when a company and/or a market see upside along with the broader economic cycle. Energy companies, metals markets, chemicals, housing and many commodities fall into this type of category. That is, when times are good, so too will their businesses likely be good and when times are bad, all the boats sink together.

Secular growth, on the other hand, happens when a nascent industry is taking off, about to grow into revolutionary proportions as it displaces old business models and technologies. Two factors contribute to an industry's secular growth: Entirely new demand is created and demand from other industries is taken. Netflix, YouTube and other web/app video sites, for example, are contributing to more people consuming more video than ever before. But people are also spending some of the time that they used to spend watching network and cable television on Netflix and YouTube. That's a double shot of growth for the web/app video industry.

Likewise, wearables, robots and drones are going to be secularly-growing, eventually reaching new revolutionary proportions, creating new end-markets, consumption habits and prosperity for our economy as well as our society at large.

How many wearable computing devices do you own right now? None, is the most likely answer. How many times a day do you interact with a drone right now? Unless you're in Afghanistan, Syria or somewhere like that being targeted by the Republican/Democrat regime or a [hobbyist with a quadcopter camera](#), your answer is most likely, never.

And robots? Factories are filled with robots, but our day to day consumer doesn't interact with robots much just yet.

Meanwhile, over the next five to 10 years, billions of new wearable gadgets in hundreds of new form factors with millions of new applications will be sold to consumers and enterprises around the world. Drones — from Google’s and other’s driverless cars to pilotless aircraft to quadcopter package delivery — will be everywhere in our daily lives within the next decade too. Facebook and Google will be using Drones to deliver Internet access. Robots, which, if they’re fully mobile, would also be known as drones, are going to sell us routine tickets, provide safety checks and who knows what else over the next decade.

The wearable/drone/robot revolutions get even better for investors who are willing to do their homework because each and every one of those wearables, drones and robots needs ever more computing power and sensors.

The first iteration of the iPhones and Android smartphones had about three sensors each, including accelerometer, proximity and light sensors. Today’s smartphones and tablets have 10 to 15 sensors each, including the three already mentioned along with 3- or 6-axis gyroscopes, fingerprint, gesture and even heart-rate sensors.

Each wearable, drone and robot will likewise have 10 times or more as many sensors as these early versions of wearables, drones and robots that we see coming out today.

So if you can find a market that will grow from almost nothing currently to selling billions of units a year in the next decade, you’re probably onto some good investments. But if you can find component plays in that industry that will sell 10 or 20 or 100 components into each one of those units, you’re probably onto the kind of investment that Intel was when PCs were nascent and before it went up 1,000-fold from 1970s to the 1990s.

Wearables are going to be so much bigger than anybody realizes. What you see and consider a “wearable computer” today isn’t what the “Wearables Revolution” is all about.

People hear the word wearable and they think of Fitbit or Samsung’s SmartWatch if they think of anything at all. I’ve used both products and they’re neat — but far from

revolutionary. I can see why most investors are ho-hum about the prospects of investing in wearables if that's their knowledge of them.

Let's peer into the future of [wearables](#) and ponder just how big a market they really will become.

If you want to be a successful tech investor, you've got to get ahead of the technology curve, not just take linear extrapolations from the technology you see around you right now.

It reminds me of when I used to do a man-on-the-street report for CNBC's Kudlow & Company. I asked people about watching any video they ever wanted on demand from the cloud back in 2006. As I told Larry, (when we discussed this [Cody Cam video clip](#) live on air), nobody had any idea what I was talking about. I told him that within a few years, they surely would be familiar with watching TV from the cloud. Netflix, Hulu, et al, anyone?

So here's what I want you to think about today, and we'll call it out Investor's Deep Thought of the Day too. Imagine the medical, health and training applications from having non-invasive wearable sensors on your body to track your blood, hormones, or whatever other levels you need tracked. It's not even that far out there.

The University of New Mexico, where I proudly serve on the alumni board's finance committee, is about to start testing a prototype sensor with thousands of microneedles that monitor a person's blood levels and transmits the data to their smartphone. Here's a couple interesting articles about it.

[The Real Wearable Tech to Get Excited About](#) and [Prototype Sensor May Cut Trips to the Doctor](#)

And if, like me, you're really interested in investing in and learning about how humans-wearing-computers/sensors is going to work in the future, here's the original write up from the creators at Sandia Labs themselves.

[Microneedle-Based Transdermal Sensor for On-Chip Potentiometric Determination of \$K_2^+\$](#)

The wearables revolution isn't about Fitbit tracking how far your walk and how many calories you burn. And it's not about a Smartwatch that tracks your heartbeat while letting you read your emails or talk on the phone.

The wearables revolution is about health monitors. It's about having a video recorder on you at all times if you so desire (and millions of people will desire such record-ability). It's about keeping track of your kids and your pets (and your spouse, etc). It's about logistics and data and streamlining efficiencies in your workforce. It's about safety and accountability.

Wearables and what people do with them will change society. Invasion of privacy is going to be an ever bigger issue with wearables and drones and robots and their ability to track and keep data, video and other private information.

The uses/marketplace/applications for wearables don't even exist yet. The Fitbit and the Nike wearables you see around today are like 8-track players before anybody had even invented the Walkman. People like to live better, longer and easier lives. That's what the future of wearables promises to deliver. Get on board now before you look back in eight years and wonder why you didn't see it coming like the people on my Cody Cam didn't see the online video revolution coming eight years ago.

Does anyone out there actually doubt that wearables (and drones and robotics) are going to create whole new billion dollar markets for chip vendors, software and application companies, gadget makers, and so on?

I received hundreds of skeptical and often ad hominem emails and thousands of comments from readers and viewers when I used to tout the coming App Revolution and the billion-dollar market places it would create back when I was predicting such things in 2009-2011.

Our job as analysts and investors isn't to judge what people do, but to analyze the trends of what they are doing and what they will be doing in the future, whether we approve or not. I'm not sure I want to be [filmed everywhere](#) I go by people wearing cameras all over their bodies to record their lives, but it's going to happen whether I like it or not. I don't like all the cameras I get filmed with in public places on a daily basis already, but that doesn't mean I ignore it in my analysis.

So with robots, drones and wearables all set to become recording devices, I analyze the best ways to profit from those trends as an investor. I know already that I'll get hundreds of skeptical and often ad hominem emails and thousands of comments from readers and viewers when I tout the wearables, drones and robotics revolutions and the billion-dollar market places they will create.

Looking past how annoying and invasive all these *Little Brothers* watching you will be as robots, wearables and drones record our every moves in public and often in private, you can't help but see the coming explosion in demand for the components that record, store and transmit that video. I picture a company taking the YouTube model to the next level and enabling nearly real-time and constant streaming of all those recording devices. I sure hope GoPro is starting to think about these kinds of models as it [pivots to media](#).

You can imagine the consumer demand for such a feature being provided on athletes, performers and even TV news field reporters as they compete/performance/report, can't you? I'll have much more on this centralized broadcasting/streaming concept in coming months and years as it develops.

You should be very excited about the profits that are about to be made in this Wearables Revolution. The reality of these coming marketplaces is just now about to start hitting the markets and will likely build to a frenzy over the next handful of years, following a similar pattern as the aforementioned App Revolution.

There are hundreds of companies already developing new apps for Google Glasses. There are hundreds of new form factors from Android in particular that will be act as mini-server stations working off a primary base like a smartphone or tablet coming to market in the next decade. Each will provide opportunities for app developers to create new services and businesses. Google and Broadcom are probably the best plays on this trend for now but there will be dozens of other companies coming public in this sector in the next handful of years. Size of this market today? \$0. Size 10 years from now? \$500 billion

Google Glass isn't available to the mainstream public yet — and I paid a full \$1,500 to purchase a set.

There's no way that Google will be expecting the public to pay more than a few hundred dollars a pair for these things when they do release them to the public. More likely, I expect a \$200 or so price point which might even be subsidized by your wireless carrier.

Google's likely presently selling a few thousand of these Google Glass units each quarter. That's not moving the needle for many of the suppliers into Google Glass, especially when you're a behemoth like, say, Texas Instruments. Texas Instruments makes the primary computer chip (aka, Central Processing Unit or CPU) that makes Google Glass run in the same way an Intel Chip makes your Windows PC run. TXN also makes the chip that takes your voice and turns it into digital bits and bytes. SanDisk supplies the memory chips for Google Glass.

I expect that Google will end up selling millions of Google Glass and similar type wearables over the next five years, and if they do move millions of units of these things, Texas Instruments and SanDisk will both benefit. Even as large as they are — TXN will do \$13 billion and SanDisk will do \$6 billion in sales this year — a few more million chips being sold into Google Glass and other wearables will be plenty big enough to move the needle for each company.

I already own SanDisk and have for years and plan to continue to own it partly because it will benefit from the Wearables Revolution along with so many other

memory-intensive tech trends. Texas Instruments is a good investment too, though I don't own it.

A much more risky way to get exposure to Google Glass and the potential for Google to sell millions of units of them is Himax. Himax makes the eye piece in the Google Glass wearable that I keep raving about. [Google actually bought about 6% of Himax](#) back last year when they started buying the eye pieces from the company.

In 2009, I started writing columns about what I was calling the App Revolution. I made predictions about the potential size, scope and growth of apps, smartphones and tablets, and how they would change our lives forever.

Most of my predictions like “the ultimate size of a market that will entail billions of people using trillions of apps” from back then seemed outrageous at the time.

Now they seem prescient:

When you find the single largest target market in the history of the planet, it's time to get excited — perhaps even consumed — by apps. I've certainly been obsessed with all things apps since I started looking at the growth ahead and the ultimate size of a market that will entail billions of people using trillions of apps. Seriously, those are real numbers, and as I wrote in “[Invest in the app revolution any way you can](#),” I'm not only obsessed with finding the best publicly traded plays on the app revolution, but I'm even launching app companies like [Scutify](#).

I explained to people that apps were going to become the “largest target market in the history of the planet.” Even though we all use apps and even though the App Revolution did indeed change everything and become the largest target market in the history of the world, I've just come to the realization that the App Revolution is actually just getting started. The Wearables Revolution, which only works because we've become such an app-centric economy, is going to make an even bigger impact than the Smartphone and Tablet Revolutions did with apps.

That is, wearables are to the smartphone and tablet what the smartphone and tablet were to PCs. Wearable technology that keeps people and companies connected to the

Internet through simple-to-use apps is the single most evolutionarily revolutionary technology to hit since the smartphone was first rolled out.

I've been testing out Google Glass for the last few weeks, and I have seen the future. The future is one where you will talk and/or tap on your Smartglasses and Smartwatches and Smartrings and other smart jewelry (i.e., wearables) to interact with the data, information and personal content with more ease than ever before.

The reason apps for wearables is so important is because of the very simple interfaces required by the wearable-form factor. When you want to control and manipulate your data, information and content deeply, you'll go to your PC. In the same way that it's much easier to sign up for and type and view on your Facebook profile page or your Google Analytics on your PC than it is on your smartphone, the same is true for wearables. Wearables won't "replace" your smartphone entirely in the same way that your smartphone didn't "replace" your PC entirely.

You can still record a video with a camera accessory to your desktop computer and upload it to YouTube or Facebook. For another decade at least, you'll always have the option of pulling out your smartphone or tablet to record a video and upload it to YouTube or Facebook. But do you have any idea how much easier it is to simply tap your Google Glass and say "OK, glass, record a video," and then to say "OK, glass, share this with YouTube (or Facebook)"? It is so much easier.

With holographic projectors and wearable eyepieces and other display-form factors coming out as the wearable technology polishes itself up for primetime, the possibilities and potential for wearable technology is unrivaled.

The Wearables Revolution is going to make a lot of people a lot of fortunes over the next five to 10 years, as people start buying three, five or even 10 wearable computers for every one smartphone they have.

So without any further ado, let's jump in and look at 20 of the best positioned stocks to invest in the Wearables Revolution.

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Texas Instruments Inc.- TXN

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Price: \$48.95 (Market cap \$52.70B)

Net cash per share: \$3.74

2014 Revenue: \$12.30 Billion

Revolution Investing revenue growth rate estimates for next three years (annualized): 5-15%

2014 Earnings per share (consensus): \$2.03

Revolution Investing EPS estimates for the next three years: \$2.32, \$2.62, \$2.94

Texas Instruments is purest of the Levi Strauss's of the WRD Revolutions. The company's chips, processors and other semiconductor products go into cheap products in your house that connect to the Internet (ie, Internet of Things) as well as most every wearable, robot and drone that will be built over the next ten years. The only semiconductor companies that are bigger than Texas Instruments are Intel and Samsung. TI is the second largest supplier of chips for cellular handsets after Qualcomm. And most importantly, TI's the largest producer of digital signal processors (DSPs) and analog semiconductors.

Google's likely presently selling a few thousand of these Google Glass units each quarter. That's not moving the needle for many of the suppliers into Google Glass, especially when you're a behemoth like, say, Texas Instruments. Texas Instruments TXN makes the primary computer chip (aka, Central Processing Unit or CPU) that makes Google Glass run in the same way an Intel Chip makes your Windows PC run. TXN also makes the chip that takes your voice (that DSP again) and turns it into digital bits and bytes that Google uses for Glass.

DSPs is are key to all unmanned vehicles, robotic end-products and wearables as they are what actually measure, filter and/or compress continuous real-world inputs and turn them into the bites and bits that the network and end-user devices can understand and eventually turn back into real-world text, audio, video, data, etc.

TI already does \$12 billion in annual sales, so it will take a lot of growth in the WRD Revolutions to move the needle. Then again, I do happen to think that the WRD Revolutions will indeed provide that very kind of growth.

Silicon Motion Technology - SIMO

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Price: \$21.75 (Market cap \$773.50M)

Net cash per share: \$4.78

2014 Revenue: \$225.3 million

Revolution Investing revenue growth rate estimates for next three years (annualized): 10-25%

2014 Earnings per share (consensus): \$0.76

Revolution Investing EPS estimates for the next three years: \$1.17, \$1.46, \$1.88

It's a fabless semi company in storage and communications, and Samsung accounts for 35% of revenues. The good news is that Samsung is probably the best customer in the tech world these days. The bad news is that I think Samsung is presently being knocked off that throne and that means SIMO would get hurt if Samsung's growth starts to falter.

Silicon Motion appears to be teed up for a big run. The company is a great play on mobile storage and 4g growth. Its controllers for ssd and embedded nand keep taking share inside a rapidly growing business. If you want to play growth in ssd biz, here's a great play that's only 10x's my estimate for next year. With a probable growth spurt of 15%+ on the top line and better growth in eps, the stock has major upside potential. The upside catalysts for Silicon Motion in the next couple years ahead include: 1) a probable return to the LTE transceiver biz with Samsung, 2) a big new eMMC customer for embedded business, 3) the SSD business mass production ramp with a \$5-10 part which is getting excellent customer reviews, and 4) perhaps even a recovery in the card biz with more NAND flash making it to market. And of course there's the strong growth in the existing eMMC business.

Revolution Investing Rating: 7/10

InvenSense Inc- INVN

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Price: \$23.59 (Market cap \$2.04B)

Net cash per share: \$1.33

2014 Revenue: \$208.6 million

Revolution Investing revenue growth rate estimates for next three years (annualized): 25-40%

2014 Earnings per share (consensus): \$0.07

Revolution Investing EPS estimates for the next three years:: \$0.71, \$0.97, \$1.15

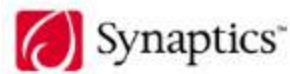
InvenSense, which, makes and sells micro-electro-mechanical system (MEMS) gyroscopes for motion tracking devices for all kinds of applications including smartphones, tablets...and drones. Drone growth, again, will be huge over the next five to ten years, and this is a company that is likely to have a component or two in many of the drones that will be sold and developed. The company's got a \$1.9BB market cap and there's a lot of potential upside from there, but with \$150MM cash along with \$125 million in long-term debt, this stock isn't as clean as the prior two picks. On the other hand, I'm looking at long-term revenue growth of at least 30% per year and potentially \$3 earnings per share by 2017.

The company's near-term business is being fueled primarily by their gyroscopic motion sensor technologies that they sell into consumer hand-held devices like smartphones and tablets. I think they'll be a huge direct beneficiary from the Drone Revolution, which is quietly becoming the most important investible trend for Revolution Investors like us.

Revolution Investing Rating: 8/10

Synaptics, Incorporated- SYNA

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Price: \$89.06 (Market cap \$3.19B)

Net cash per share: \$10.87

2014 Revenue: \$663.6 million

Revolution Investing revenue growth rate estimates for next three years (annualized): 15-30%

2014 Earnings per share (consensus): \$1.59

Revolution Investing EPS estimates for the next three years:: \$4.17, \$4.87, \$5.52

Sensors and interfaces. That's what every drone and robot and wearable has to have, if they're going to provide any interaction with the real world and real human beings, after all. As one of the leading developer and vendors of chips that interact with human touch, Synaptics products are on many of your notebooks, tablets, smartphones, and all kinds of digital devices. The company's capacitive touch sensing technologies include gestures, momentum and movement sensors and interfaces.

Revolution Investing Rating: 7/10

Micron Technology, Inc.- MU

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Price: \$33.73 (Market cap \$36.04B)

Net cash per share: \$4.00

2014 Revenue: \$14.97 Billion

Revolution Investing revenue growth rate estimates for next three years (annualized): 10-30%

2014 Earnings per share (consensus): \$2.48

Revolution Investing EPS estimates for the next three years:: \$3.21, \$3.45, \$3.67

Micron has survived fifteen years of brutal oversupply in a very competitive and low-margin business of selling a commoditized DRAM product to computer vendors. After years of steady consolidation in the industry, Micron's now got the most cutting edge data and memory retrieval processors (ie, the latest versions of DRAM, called DDR4, DDR3, and DDR2 that offer high speed and high bandwidth) and they've also got economies of scale in NAND flash data storage chips, and they're able to sell these things at higher margins than they have in decades. Meaning that earnings are scaling higher as revenues climb. I don't think the earnings growth on the out years is exciting enough to get me into this stock after this huge run its had in the last few years, up 1000%.

Revolution Investing Rating: 6/10

Intel Corporation- INTC

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Price: \$31.14 (Market cap \$156.58B)

Net cash per share: \$3.85

2014 Revenue: \$52.89 Billion

Revolution Investing revenue growth rate estimates for next three years (annualized): 5-10%

2014 Earnings per share (consensus): \$1.87

Revolution Investing EPS estimates for the next three years:: \$2.03, \$2.13, \$2.33

Intel needs mobile traction and needs it sooner rather than later. If they don't win some major tablet and/or smartphone supply business in the next six months or so, their window into that market gets smaller. It's high time for Intel's huge investments in this area over the last handful of years to start paying off for shareholders. Or else it'll be time to move on. Intel's actively in the midst of investing tens of billions of dollars in mobile/tablet/wearable and other secular growth industries and if they catch any traction in those marketplaces in the next few years, there's going to be big upside in both the stock price and the dividend they pay out. In the meantime, you're making nearly 4x as much interest in INTC as you'd make in a Treasury, and I think INTC's safer on the downside price risk anyway. Certainly Intel's potential to triple over the next decade gives you much more potential upside than Treasuries can.

Revolution Investing Rating: 8/10

SanDisk Corporation- SNDK

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Price: \$106.76 (Market cap \$23.95B)

Net cash per share: \$12.40

2014 Revenue: \$6.34 Billion

Revolution Investing revenue growth rate estimates for next three years (annualized): 10-20%

2014 Earnings per share (consensus): \$4.81

Revolution Investing EPS estimates for the next three years:: \$6.08, \$6.60, \$7.33

The company's near-term business is being driven primarily by simple NAND flash memory sales, which are what your smartphones, tablets and many laptops and cable set top boxes use to store data. SanDisk has many patents and receives nice royalties from those patents from Samsung, Micron and others who also sell NAND flash memory components. But, SanDisk has been actively investing in creating ever better, newer ways of applying their NAND flash technologies to make enterprise networking and computing systems work faster and more efficiently.

Their coming ULLtraDIMM solid state drive "closes the last performance gap in current storage infrastructures by placing flash (memory) as close as possible to the CPU (central processing unit) and applications," SanDisk says. That is going to be a huge business, likely driving billions in new sales in coming years for SanDisk, and at higher margins than their existing businesses. I'm holding my SanDisk and continuing to receive my dividend payments, which are currently yielding 1% a year. I expect that dividend payments will climb over the next few years and I plan to be there along the way for a long while still, as this Revolution Investment that I used to recommend on my TV show when it was at \$10, is still positioned for the trends ahead.

Revolution Investing Rating: 8/10

NXP Semiconductors NV- NXPI

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Price: \$67.36 (Market cap \$16.70B)

Net cash per share: \$2.86

2014 Revenue: \$4.98 Billion

Revolution Investing revenue growth rate estimates for next three years (annualized): 5-15%

2014 Earnings per share (consensus): \$1.84

Revolution Investing EPS estimates for the next three years:: \$4.40, \$5.03, \$5.99

NXP has the small mission of trying to connect: Energy Efficiency, Connected Devices, Security and Health through their chipsets. Really, what that means for Wearables Revolutions investors is that they are one of the leading providers of secure connections for a car systems, the limited existing markets for wearables, and the Internet of Things. Industries that NXP sells into includes automotive, security, connected devices, lighting, industrial and infrastructure. The company's ten largest customers: Apple, Bosch, Continental, Delphi, Gemalto, Giesecke & Devrient, Huawei, Nokia, Siemens Network, Samsung and ZTE. NXP's got topline growth and expanding margins and if they can continue to develop leading edge connectivity chips, there's still a lot of upside to come over the long-term.

Revolution Investing Rating: 7/10

QUALCOMM, Inc.- QCOM

[Overview](#) / [Financials](#) / [Scuttles](#) / [Tweets](#) / [News](#) / [Sentiment](#) / [Price Targets](#)



[Price](#) / [Balance Sheet](#) / [Cash Flow Statement](#) / [Income Statement](#)

Price: \$80.68 (Market cap \$134.08B)

Net cash per share: \$9.85

2014 Revenue: \$25.71 Billion

Revolution Investing revenue growth rate estimates for next three years (annualized): 5-15%

2014 Earnings per share (consensus): \$3.99

Revolution Investing EPS estimates for the next three years:: \$5.17, \$5.74, \$6.33

There are many commoditized chip makers who churn out single-purpose chips for cars, refrigerators, set-top boxes, wi-fi, radios, and so on. Those kinds of chips, while incredible all the same, are commoditized because it's not hard to set up a company, hire a few engineers, subcontract out the manufacturing of the chips to a giant chip factor company in Asia, get some distribution and viola, you got a chip company.

Qualcomm, AMD, Intel, Arm Holdings, Samsung and a few other companies play in a much higher margin business of making much smarter chips that enable computers and smartphones and tablets to do all the widely disparate, wildly innovative things they do. They call these chips "central processing units" or CPUs because they, like a human being's central nervous system, are able to be adapted to many different functions and applications.

We've seen a few companies over the years try to build a CPU business from the ground up, but the cost of making these chips, because you typically can't just subcontract out such a highly technically difficult manufacturing process, is huge. Especially the up front costs. Intel spends \$10-15 billion a year on the equipment to make their chips. Samsung too. Meanwhile, companies like ARM Holdings design chip architecture that companies like Qualcomm use to design their own smartphone/tablet chips which are then manufactured by Taiwan Semiconductor (which spends \$5-10 billion a year on building factories and new chip fab equipment). Qualcomm become by far the dominant player in market share in smartphone application processor market.

How long can Qualcomm remain the dominant player in mobile processors?

Revolution Investing Rating: 7/10

Ambarella Inc- AMBA

[Overview](#) / [Financials](#) / [Scuttles](#) / [Tweets](#) / [News](#) / [Sentiment](#) / [Price Targets](#)



[Price](#) / [Balance Sheet](#) / [Cash Flow Statement](#) / [Income Statement](#)

Price: \$32 (Market cap \$

Net cash per share: \$7

2014 Revenue: \$183 million

Revolution Investing revenue growth rate estimates for next three years (annualized): 15-30%

2014 Earnings per share (consensus): \$1.17

Revolution Investing EPS estimates for the next three years:: \$1.50, \$1.80, \$2.20

Ambarella makes chipsets and software that record and transmit/upload HD video. The company's system-on-a-chip designs integrated HD video, image, and audio processing onto a single chip for delivering video and image quality, differentiated functionality, features, etc.

AMBA is trading at 4x sales and at 25x forward P/E. With topline growth of 20%-30% a year for the last few and for the next few years. Investors are paying up a bit for this name as video capture and sharing is likely to become a bigger part of just about every connected device we use and own. The company does have nearly \$7 a share in net cash, which gives management some financial flexibility. To be clear though, it's a long way down to "cheap" if the company doesn't deliver more topline growth in coming years.

AMBA's chips (which GoPro GPRO cameras use) are less of a commodity than GoPro's cameras and the other devices you'll find Ambarella's chips in. Picture Ambarella as the Intel of HD video recording. Look at the gross margins of Ambarella vs. GoPro to garner an idea of how commoditized their product is. The more commoditized, the lower the gross margins. Ambarella's gross margins are steady at nearly 70%, while GoPro's own gross margins have been falling: 52% in 2011, 43% in 2012, and 37% in 2013.

Revolution Investing Rating: 8/10

Himax Technologies, (ADR)- HIMX

[Overview](#) / [financials](#) / [Scuttles](#) / [Tweets](#) / [News](#) / [Sentiment](#) / [Price Targets](#)



[Price](#) / [Balance Sheet](#) / [Cash Flow Statement](#) / [Income Statement](#)

Price: \$6.56 (Market cap \$1.13B)

Net cash per share: \$0.82

2014 Revenue: \$789.65 Million

Revolution Investing revenue growth rate estimates for next three years (annualized): 15-50%

2014 Earnings per share (consensus): \$0.37

Revolution Investing EPS estimates for the next three years: \$0.51, \$0.62, \$0.78

A risky way to get exposure to Google Glass and the potential for Google to sell millions of units of them is Himax. Himax makes the eye piece in the Google Glass wearable that I keep raving about. Google actually bought about 6% of Himax back last year when they started buying the eye pieces from the company.

The stock is down 60% this year. While I don't expect that growing eye piece demand from Google Glass is going to change the direction of the company's fundamental outlook in the next six months, I do like the risk/reward potential here, as Himax would see its sales and profits explode if it can keep Google's business as Glass hits the market in the next year or two.

Himax gets most of its revenues right now from selling 3G chipsets to Chinese handset vendors. China is moving to 4G and while Himax does make 4G chipsets, they're not getting the traction in the 4G market in China that they did in the 3G. I do think there's a chance that the company's also catching some traction in the China LTE component market as Chinese smartphone vendors take market share there, but that's another risk to this investment.

Revolution Investing Rating: 8/10

ARM Holdings plc (ADR)- ARMH

[Overview](#) / [Financials](#) / [Scuttles](#) / [Tweets](#) / [News](#) / [Sentiment](#) / [Price Targets](#)



[Price](#) / [Balance Sheet](#) / [Cash Flow Statement](#) / [Income Statement](#)

Price: \$47.25 (Market cap \$20.18B)

Net cash per share: \$2.11

2014 Revenue: \$714.6 million

Revolution Investing revenue growth rate estimates for next three years (annualized): 15-25%

2014 Earnings per share (consensus): \$.41

Revolution Investing EPS estimates for the next three years:: \$1.20, \$1.53, \$1.95

Arm Holdings is in the very high margin business of designing and patenting cutting edge low-power-consumption processors and then licensing those designs out. That is, the company's chip designs have become the de facto system for the smartest chips in your phones and tablets that enable those smartphones and tablets to do all the widely disparate, wildly innovative things they do. They call these chips "central processing units" or CPUs because they, like a human being's central nervous system, are able to be adapted to many different functions and applications, and almost every major mobile processor vendor is licensing the ARMH platform to build their products. Intel's just about the last processor company standing that's not using ARMH's platform.

Put another way, Meanwhile, companies like ARM Holdings design chip architecture that companies like Qualcomm use to design their own smartphone/tablet chips which are then manufactured by Taiwan Semiconductor (which spends \$5-10 billion a year on building factories and new chip fab equipment).

Revolution Investing Rating: 8/10

Part II. Software and apps



Oracle Corporation- ORCL

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[Price](#) / [Balance Sheet](#) / [Cash Flow Statement](#) / [Income Statement](#)

Price: \$41.34 (Market cap \$181.16B)

Net cash per share: \$8.72

2014 Revenue: \$38.28 Billion

Revolution Investing revenue growth rate estimates for next three years (annualized): 10-15%

2014 Earnings per share (consensus): \$2.39

Revolution Investing EPS estimates for the next three years:: \$3.17, \$3.45, \$3.76

The Wearable Revolution isn't about Fitbit tracking how far your walk and how many calories you burn. And it's not about a Smartwatch that tracks your heartbeat while letting you read your emails or talk on the phone.

It's about health monitors. It's about having a video recorder on you at all times if you so desire (and millions of people will desire such record-ability). It's about keeping track of your kids and your pets (and your spouse, etc). It's about logistics and data and streamlining efficiencies in your workforce. It's about safety and accountability.

Wearables and what people do with them will change society. Invasion of privacy is going to be an ever bigger issue with wearables and drones and robots and their ability to track and keep data, video and other private information.

All those apps and all that data and information will be increasingly complex to manage. Oracle's database is the de facto standard and best of for handling that kind of mess.

Revolution Investing Rating: 8/10.

Adobe Systems Incorporated- ADBE

[Overview](#) / [Financials](#) / [Scuttles](#) / [Tweets](#) / [News](#) / [Sentiment](#) / [Price Targets](#)



[Price](#) / [Balance Sheet](#) / [Cash Flow Statement](#) / [Income Statement](#)

Price: \$73.57 (Market cap \$36.25B)

Net cash per share: \$6.70

2014 Revenue: \$4.11 Billion

Revolution Investing revenue growth rate estimates for next three years (annualized): 10-20%

2014 Earnings per share (consensus): \$.52

Revolution Investing EPS estimates for the next three years:: \$1.23, \$2.09, \$2.86

Adobe's heavily investing in creating new software and platforms for wearables like Google Glass and others that aren't yet even here yet. The company's video software nearly became a de facto standard until Steve Jobs and Apple decided it was too processor-intensive for the iOS operating system and platform. Adobe strives to get back to that place where its software would be as ubiquitous in the wearables world as their .pdf platform which, if you're reading this book as an ebook, you're probably reading this ebook on a .pdf format. I wouldn't bet against the outsize profit margins and potential growth for this software-centric company.

Revolution Investing Rating: 7/10

Nuance Communications-NUAN

[Overview](#) / [Financials](#) / [Scuttles](#) / [Tweets](#) / [News](#) / [Sentiment](#) / [Price Targets](#)



[Price](#) / [Balance Sheet](#) / [Cash Flow Statement](#) / [Income Statement](#)

Price: \$18.90 (Market cap \$5.74B)

Net cash per share: \$2.55

2014 Revenue: \$1.89 Billion

Revolution Investing revenue growth rate estimates for next three years (annualized): 10-15%

2014 Earnings per share (consensus): \$-0.52

Revolution Investing EPS estimates for the next three years: \$1.14, \$1.24, \$1.33

Keyboards will increasingly seem antiquated in coming years as we move towards voice recognition and gesture recognition technologies.

Voice recognition and interaction with our gadgets is everywhere. I saw my mother-in-law using Google Translate on her iPhone to translate her words into Spanish so the lady helping take care of her 96-year old father can understand her better when they get confused with each.

Voice interaction with our gadgets will indeed continue to grow exponentially. Nuance is the purest play on this, but I lost faith in management's ability to execute and create shareholder value a long time ago. Microsoft, Google and Apple are all investing billions in voice interaction and there's no doubt that we'll all be talking to our devices just like Captain Kirk used to do on the Starship Enterprise.

Revolution Investing Rating: 6/10

Salesforce.com, Inc.- CRM

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[Price](#) / [Balance Sheet](#) / [Cash Flow Statement](#) / [Income Statement](#)

Price: \$58.76 (Market cap \$33.60B)

Net cash per share: \$1.43

2014 Revenue: \$4.41 Billion

Revolution Investing revenue growth rate estimates for next three years (annualized): 20-30%

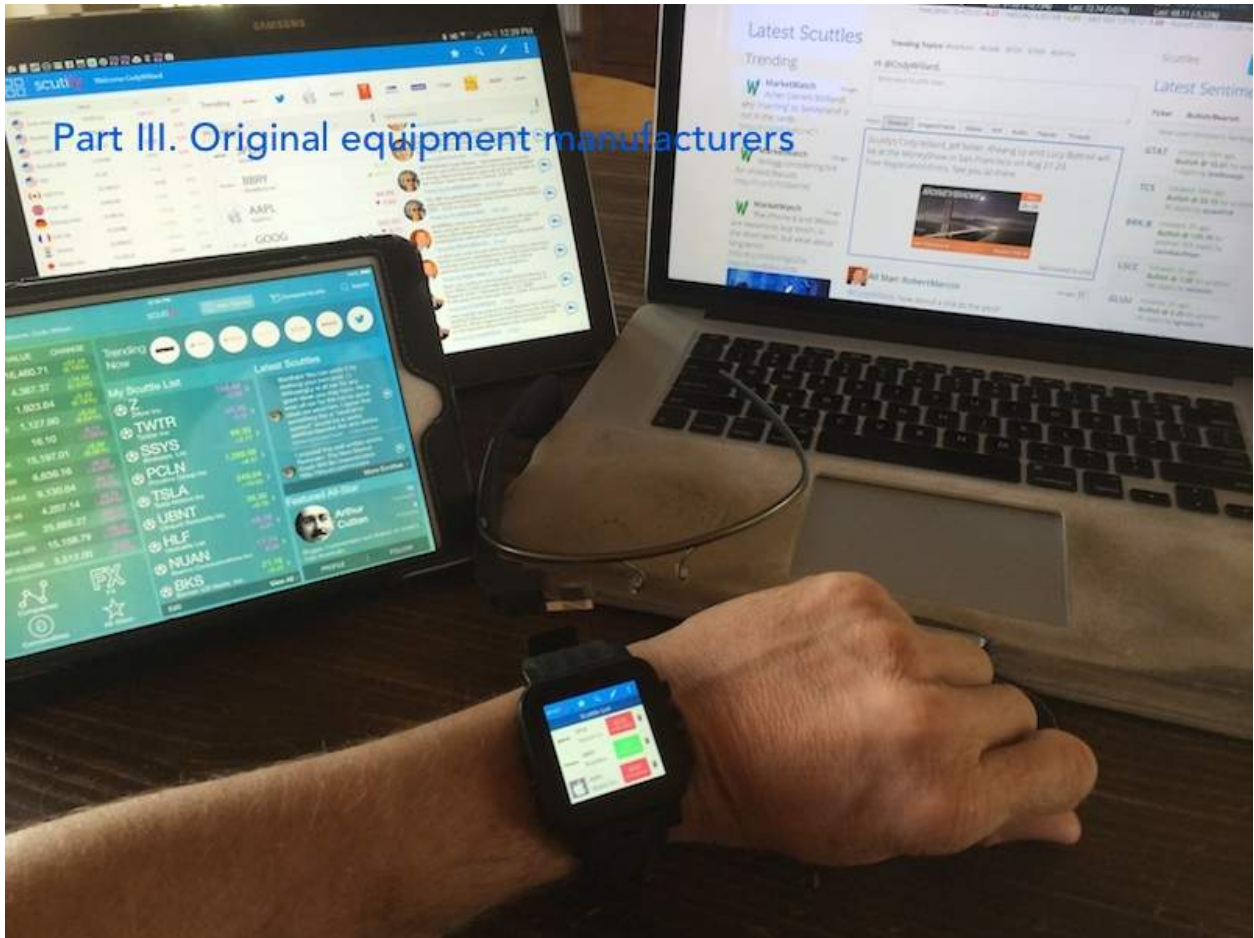
2014 Earnings per share (consensus): \$-0.43

Revolution Investing EPS estimates for the next three years:: \$.51, \$.71, \$1.03

What started as a simple spreadsheet database software company has, over the last decade or so, morphed into the world's leading enterprise cloud ecosystem. Industries and companies of all sizes are using CRM's platform to connect to their customers mobile, social, and cloud.

Salesforce.com announced Salesforce Wear, a developer platform for wearable devices such as Google Glass and Samsung Gear. The heart of Salesforce Wear is a collection of open-source reference apps -- called the "Salesforce Wear Developer Pack" -- that helps developers build wearable apps that connect to the company's Salesforce mobile app platform. The two most well-known devices on the Salesforce Wear platform are the Samsung Gear 2 smartwatch and Google Glass.

Revolution Investing Rating: 6/10



Sony Corp - ADR- SNE

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SONY

[Price](#) / [Balance Sheet](#) / [Cash Flow Statement](#) / [Income Statement](#)

Price: \$16.84 (Market cap: \$17BB)

Net cash per share: \$7.62

2014 Revenue: \$75.93 Billion

Revolution Investing revenue growth rate estimates for next three years (annualized): 10-15%

2014 Earnings per share (consensus): \$-1.22

Revolution Investing EPS estimates for the next three years:: \$-0.36, \$Z, \$Y

As recently as the 1990s, the Sony name conjured up thoughts of cutting edge technology and high quality products. Walkman is now the butt of jokes. As in, you're so young, you probably don't even know what a Walkman is. Sony now is trying to recapture some of those good times with new wearables like smartwatches and Personal 3D viewers. If they'd thought of it ten years ago, they might have been able to leverage the runaway success of the Sony Playstation to create their own operating system platform for mobile, TV, tablets and smartwatches, etc. Too late now, and maybe that's best, because Sony is at its heart a hardware company, not a software company. I wouldn't be surprised to see Sony displace Samsung as the go-to high quality Android gadget and device (including wearables) manufacturer. With market cap that's equal to 1/4 of revenue, if the company could ever return to some decent form of profitability, the stock could be a ten bagger. That's a big if though.

Revolution Investing Rating: 7/10

Nike Inc- NKE

[Overview](#) / [Financials](#) / [Scuttles](#) / [Tweets](#) / [News](#) / [Sentiment](#) / [Price Targets](#)



[Price](#) / [Balance Sheet](#) / [Cash Flow Statement](#) / [Income Statement](#)

Price: \$78.45 (Market cap \$68.02B)

Net cash per share: \$5.89

2014 Revenue: \$27.80 Billion

Revolution Investing revenue growth rate estimates for next three years (annualized): 5-10%

2014 Earnings per share (consensus): \$2.93

Revolution Investing EPS estimates for the next three years:: \$3.40, \$3.92, \$4.46

Wearables are going to be so much bigger than anybody realizes. What you see and consider a "wearable computer" today isn't what the Wearable Revolution is all about. People hear the word wearable and they think of Fitbit or Samsung's SmartWatch if they think of anything at all. I've used both products and they're neat. But they're far from revolutionary and I can see why most investors are ho-hum about the prospects of investing in wearables if that's their knowledge of them. The fitbit and the Nike wearables you see around today are like 8-track players before anybody had even invented the Walkman. Nike is not the right company to drive the wearables revolution. Wearables will be much bigger than just "Hey, my shirt can track how far I ran." Three to five years out for them to go mainstream at least though.

Revolution Investing Rating: 5/10

Luxottica Group SpA (ADR)- LUX

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[Price](#) / [Balance Sheet](#) / [Cash Flow Statement](#) / [Income Statement](#)

Price: \$58.20 (Market cap \$26.47B)

Net cash per share: \$3.37

2014 Revenue: \$9.91 Billion

Revolution Investing revenue growth rate estimates for next three years (annualized): 5-15%

2014 Earnings per share (consensus): \$1.54

Revolution Investing EPS estimates for the next three years: \$2.02, \$2.19, \$2.39

Luxottica Group S.p.A. is the world's largest eyewear company, controlling over 80% of the world's major eyewear brands. Its best known brands are RayBan and Oakley. It also makes sunglasses and prescription frames for a multitude of designer brands such as Chanel and Prada, whose designs and trademarks are used under license. Luxottica also makes sunglasses branded Giorgio Armani, Burberry, Stella McCartney, Versace, Vogue, and Donna Karan.

In March of 2014, LUX and GOOG announce strategic partnership for Glass to develop innovative iconic wearable devices. It was announced that Luxottica would partner with Google on the development of Google Glass and its integration into Luxottica's eyewear.

With net sales of more than Euro 7.3 billion in 2013, over 73,000 employees and a strong global presence, Luxottica is a leader in the design, manufacture, distribution and sales of premium, luxury and sports eyewear. This company will be a powerhouse in the Wearables Revolution, owning most of the brands of eyewear that will be used for Glass.

Revolution Investing Rating: 6/10

Garmin Ltd.- GRMN

[Overview](#) / [Financials](#) / [Scuttles](#) / [Tweets](#) / [News](#) / [Sentiment](#) / [Price Targets](#)



[Price](#) / [Balance Sheet](#) / [Cash Flow Statement](#) / [Income Statement](#)

Price: \$57.86 (Market cap \$11.29B)

Net cash per share: \$6.68

2014 Revenue: \$2.68Billion

Revolution Investing revenue growth rate estimates for next three years (annualized): 5-15%

2014 Earnings per share (consensus): \$3.28

Revolution Investing EPS estimates for the next three years:: \$2.78, \$2.96, \$3.14

The Wearables, Drones and Robotics Revolutions create a course-changing opportunity for Garmin with completely new markets for them to go after. A friend of mine asked me about other possible applications for drones so I reminded him of the times we felt lost in the wilderness in upstate New York while camping and hiking. [Will lost hikers become mostly be a thing of the past?](#) In a few years, campers and hikers will throw a drone up in the air to get a visual on their surroundings and routes. The cost will be less than \$100 for a cheap aerial hiking drone that takes snapshots and you'll be able to get a really advanced one from Garmin and others in a few years for \$1,000 or more if you want all the features they'll have by then. Garmin Drones and Garmin Wearables could bring 20% annual topline growth back to the company if the company starts investing and positioning for these markets in the next year or two. If not, the stock's not a lot of long-term upside to the broader markets.

Revolution Investing Rating: 6/10 for now (8/10 if they start investing in Wearables and Drones)

GoPro Inc- GPRO

[Overview](#) / [Financials](#) / [Scuttles](#) / [Tweets](#) / [News](#) / [Sentiment](#) / [Price Targets](#)



[Price](#) / [Balance Sheet](#) / [Cash Flow Statement](#) / [Income Statement](#)

Price: \$43.39 (Market cap \$5.02B)

Net cash per share: \$0.92

2014 Revenue: \$985.7 million

Revolution Investing revenue growth rate estimates for next three years (annualized): 10-15%

2014 Earnings per share (consensus): N/A

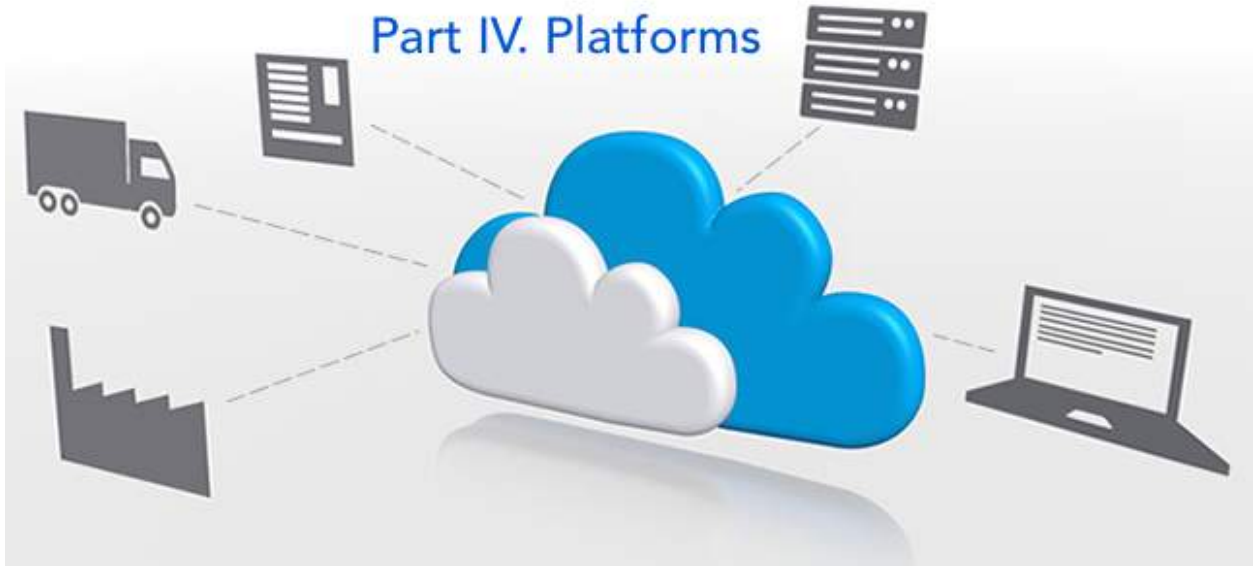
Revolution Investing EPS estimates for the next three years:: \$X, \$Z, \$Y

The valuation of this thing now that it's popped another 35% over its IPO price, is a whopping \$4 billion. Meanwhile, the company's admitted that they are pivoting to become less of a hardware company and more of a media company. So you're betting on a business model that they haven't even developed yet, much less successfully employed. I don't like speculating on a management that's not yet even proven themselves fully in one business to successfully pivot into another business. And again, it doesn't bolster confidence seeing how these guys didn't even understand how to maximize the value of their IPO for shareholders.

GoPro is a low margin hardware gadget dealer -- it's not a platform (think iOS, Windows, Android, Twitter, Facebook, YouTube, etc). To be sure, I own and use GoPro cameras. I've even built a custom-GoPro camera holder for my Great Pyreneese's dog collar and we have a blast watching a dog's POV provided by the GoPro cameras. If GoPro were a platform instead of just a camera hardware vendor with a popular youtube channel, there might be something more sustainable and investable long-term. GoPro is cool, but it's not a platform.

Revolution Investing Rating: 4/10

Part IV. Platforms



Apple Inc.- AAPL

[Overview](#) / [Financials](#) / [Scuttles](#) / [Tweets](#) / [News](#) / [Sentiment](#) / [Price Targets](#)



[Price](#) / [Balance Sheet](#) / [Cash Flow Statement](#) / [Income Statement](#)

Price: \$93.51 (Market cap \$576.59B)

Net cash per share: \$19.92

2014 Revenue: \$176.04 Billion

Revolution Investing revenue growth rate estimates for next three years (annualized): 10-20%

2014 Earnings per share (consensus): \$5.96

Revolution Investing EPS estimates for the next three years: \$6.89, \$7.45, \$8.03

With Steve Jobs gone, Apple has lost a bit of its cutting edge and technological trailblazing. That said, the Apple platforms are still very dominant. iOS long ago hit critical mass and any serious app maker makes their app or game available on the iOS platform. Most wearables, robots and pretty much all drones will be compatible with Apple's consumer and business end user products. Apple's own wearables, including the iWatches and other still under development and/or yet-to-be-conceived devices will likely be dominant in their own right too. I use the word "likely" because without Jobs' vision and guidance, I have less confidence in that part of their business over the next decade. Still plenty of growth and reasons to own Apple here, as I have personally since March 2003 when I bought it at \$1.

Revolution Investing Rating: 8/10

Google Inc- GOOGL

[Overview](#) / [Financials](#) / [Scuttles](#) / [Tweets](#) / [News](#) / [Sentiment](#) / [Price Targets](#)



[Price](#) / [Balance Sheet](#) / [Cash Flow Statement](#) / [Income Statement](#)

Price: \$591.04 (Market cap \$398.13B)

Net cash per share: \$135.98

2014 Revenue: \$62.29 Billion

Revolution Investing revenue growth rate estimates for next three years (annualized): 10%-15%

2014 Earnings per share (consensus): \$6.26

Revolution Investing EPS estimates for the next three years:: \$26.83, \$31.82, \$36.91

There's a lot to be said for betting on wildly successful companies that are still run by their wildcat founders. Google's long-term technological investments and willingness to gamble with wide ranging business plans and acquisitions is part of why they've maintained their dominance as the world have moved beyond their old core businesses of search and Internet ads. If they can maintain 20% plus topline growth with the wide margins of their businesses, there's still a lot of upside to the stock as earnings growth and eventually, (yes) dividends for shareholders. Google Glasses are part of that vision, but more importantly for Google is its Android and Chrome platforms. Darn near every app, wearable and drone will be compatible if not outright built upon Google's Android operating system. I consider the Google Unmanned Car technology to be a Drone Revolution business. It will likely end the low-end cabbie and limo and delivery businesses entirely and make city street grids incredibly more efficient as it reduces gridlock and butterfly effects on the streets. Probably will be at least 10 years before it'll be mainstream in downtown NYC and downtown Rome, etc. The stock's not cheap, but rarely has it been since I first bought it the day it came public at \$40. When it does get overloved, it can get hit hard near-term, as it can when the markets tank too. Long-term though, this remains a must-own for Revolution Investors.

Revolution Investing Rating: 9/10

Microsoft Corporation- MSFT

[Overview](#) / [Financials](#) / [Scuttles](#) / [Tweets](#) / [News](#) / [Sentiment](#) / [Price Targets](#)



[Price](#) / [Balance Sheet](#) / [Cash Flow Statement](#) / [Income Statement](#)

Price: \$45.19 (Market cap \$373.33B)

Net cash per share: \$10.61

2014 Revenue: \$83.35B

Revolution Investing revenue growth rate estimates for next three years (annualized): 5-10%

2014 Earnings per share (consensus): \$2.67

Revolution Investing EPS estimates for the next three years: \$2.69, \$2.86, \$3.06

Microsoft's new CEO Satya Nadella and the leadership/vision he brings to the table is the big gamble for Softee investors. There's little question that Microsoft's Windows dominance in the personal computer business will remain for a long time to come. Likewise their large market share in enterprise server software, database software and application software. Some wearables, robots and drones will even be built using Microsoft Windows or other Microsoft platforms, but the question is will they ever catch dominance in those areas? Color me skeptical about Microsoft being able to turn their lost momentum as a tech leader around. The stock is "cheap" as it often is, and the dividend is nice. Not sure there's much upside in Microsoft over and above the broader markets though.

Revolution Investing Rating: 6/10

Amazon.com, Inc.- AMZN

[Overview](#) / [Financials](#) / [Scuttles](#) / [Tweets](#) / [News](#) / [Sentiment](#) / [Price Targets](#)



[Price](#) / [Balance Sheet](#) / [Cash Flow Statement](#) / [Income Statement](#)

Price: \$337.49 (Market cap \$162.33B)

Net cash per share: \$18.83

2014 Revenue: \$78.12 Billion

Revolution Investing revenue growth rate estimates for next three years (annualized): 15-25%

2014 Earnings per share (consensus): \$.64

Revolution Investing EPS estimates for the next three years:: \$1.05, \$3.07, \$3.89

Amazon's the world's largest retailer and a large part of their success has been their free two-day and very cheap overnight delivery services. The company spends billions of dollars and untold resources every year paying UPS and FedEx to deliver all those packages to people's houses, apartments, offices and even campsites. Amazon's Jeff Bezos has famously stated his intention to start using drone delivery systems and that will cut their costs and result in immediate higher margins and profits for shareholders. Likewise, Bezos has long invested heavily in technology including robotics in his warehouses. There's much more cost-savings to be created using drones and robots and wearables at company's willing to make the investments now. Knowing Bezos and Amazon's consumer-oriented approach to everything they do, I wouldn't be surprised to see some Amazon branded wearables selling hot off the presses a few years out too.

Revolution Investing Rating: 8/10

The Wear-Dex Wearables Stock Index

Go to [#WearDex on Scutify.com](#) to see the latest charts and performance numbers of the Wear-Dex Wearables Stock Index.

Wear-dex \$24,380
 Edit | Rename \$352 (1.5%)

ANALYTICS 1w 1m 3m 1y YTD

Performance vs benchmarks
 ■ You ■ DJIA ■ S&P 500
+30.9% **+7.2%** **+14.1%**

Account value over time

Gainers

Portfolio Breakdown

Gains	+\$5,671.39
Deposits	\$0.00
Dividends	\$0.00
Interest	\$0.00
Fees	\$0.00
Other	\$0.00
Total	+\$5,671.39

Portfolio Stats & Ratios

Stat	Value
P/E	28.9
P/B	3.4
ROA	9.3%
ROE	14.8%
PEG	0.7
EV/EBITDA	11.7
Beta	1.2
Dividend Yield	1.2%

All Holdings: \$24,369 Today: \$341 • 1.4%

Ticker	Shares	\$ Basis	\$ Basis / Share	Mkt Cap	52 Wk Range	1d 5d 1m Chart
AMZN Amazon.com Inc.	3	1,068.00	356.00	153B	\$279 - \$408	
SIMO Silicon Moti...	44	1,012.00	23.00	883M	\$10 - \$27	
SNE Sony Corpora...	60	960.00	16.00	18.7B	\$15 - \$22	
MU Micron Techn...	30	990.00	33.00	33.8B	\$13 - \$35	
INVN InvenSense, ...	44	1,012.00	23.00	2.2B	\$15 - \$27	
AMBA Ambarella, Inc.	33	990.00	30.00	867M	\$13 - \$36	
GPRO GOPRO INC-CL...	24	984.00	41.00	4.8B	\$29 - \$50	
GOOG GOOGLE INC-CL C	2	1,150.00	575.00	192.2B	\$503 - \$605	
SNDK SanDisk Corp.	11	1,045.00	95.00	20.7B	\$53 - \$108	
ADBE Adobe System...	14	1,008.00	72.00	34.7B	\$45 - \$75	
LUX Luxottica Gr...	18	990.00	55.00	25.5B	\$48 - \$59	
SYNA Synaptics Inc.	12	1,008.00	84.00	2.9B	\$38 - \$93	
INTC Intel Corpor...	30	990.00	33.00	166.2B	\$21 - \$35	
NKE Nike Inc.	13	988.00	76.00	67.1B	\$62 - \$80	
MSFT Microsoft Co...	23	1,035.00	45.00	362B	\$30 - \$46	
AAPL Apple Inc.	11	1,034.00	94.00	580B	\$62 - \$99	
NXPI NXP Semicond...	15	975.00	65.00	15B	\$35 - \$68	
CRM salesforce.c...	18	972.00	54.00	32.6B	\$42 - \$67	
GRMN Garmin Ltd.	18	1,008.00	56.00	10.7B	\$36 - \$62	
QCOM QUALCOMM Inc...	13	1,027.00	79.00	124.4B	\$65 - \$82	
ARMH ARM Holdings...	23	989.00	43.00	21B	\$39 - \$55	
NUAN Nuance Commu...	60	1,134.00	18.90	5.2B	\$13 - \$20	
TXN Texas Instru...	22	1,076.90	48.95	50.3B	\$37 - \$49	
HIMX Himax Techno...	135	931.50	6.90	1.3B	\$5.33 - \$15.46	

Cody Willard is the chairman of [Scutify](#), writes [The Cody Word](#) and [Revolution Investing](#) for the WSJ's MarketWatch and posts the trades from his personal account at [TradingWithCody.com](#). At time of publication, Cody was net long some of the stocks mentioned in this report.

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