

This week's IPOs could create hot streak

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The IPOs of debit card provider Green Dot Corp., Chinese software services supplier Camelot Information Systems Inc. and clean technology company Ameresco Inc., expected this week, could extend Friday's strong performance into a hot streak.

Shares of RealD Inc. and Qlik Technologies Inc. both soared more than 20 percent in their market debuts Friday after pricing above expectations. That kind of showing was rare in the second quarter as turbulent stock markets left investors wary about riskier investments. While 17 companies canceled IPOs from April through June, only 20 closed their first day of trading above their offering price.

So far, it appears that investors are clamoring for shares of at least two of this week's expected offerings. Late Monday, Green Dot increased its offering to 4.2 million shares from 3.9 million shares, suggesting the stock is in high demand. IPOBoutique, which tracks investor interest in IPOs, said there is strong demand for Camelot's shares, with more bids for stock than the number of shares being offered.

Green Dot says it is the country's leading supplier of reloadable Visa and MasterCard branded debit cards, which can be used for online shopping, bill payment, store purchases and ATM withdrawals. Reloadable debit cards don't create credit risk, because consumers put their own cash on them, but they have the convenience of using a card. The cards became increasingly popular during the recession as banks tightened lending standards, and Green Dot expects growth to continue as technology improves and it waives fees to encourage more frequent use.

The company also managed to link up with a big and powerful partner. It recently extended an exclusive deal with Wal-Mart Stores Inc. to sell its cards in the discount retail giant's stores until 2015.

New restrictions on debit card fees in recently passed legislation don't apply to its business, Green Dot says. Other card issuers predict big revenue losses — Bank of America Corp., for example says it could lose up to \$2.3 billion in yearly revenue because of the new rules.

Other points that make Green Dot attractive to investors: It has no long-term debt and its net income, excluding dividend payments and preferred stock, soared more than sevenfold in the two years through July 2009, despite the recession and a severe pullback in consumer spending.

Still, all is not perfect. Green Dot warned that a recent increase in the sales commission it pays Wal-Mart for card sales — from between 5 and 8 percent to 22 percent — will weigh on net income through next year, at least. Green Dot said it hopes that extending the partnership and boosting Wal-Mart's take will galvanize

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the chain to sell more of its cards, so that increased volume would make up for lower margins.

The Monrovia, Calif., company could raise as much as \$146 million if shares price at the top of the expected \$32 to \$35 range. It will not receive any of the proceeds from the offering, because only shareholders, including CEO Steven Streit and other executives, are selling stock.

Also expected to debut this week is Camelot Information Systems, a profitable provider of software support and consulting to the financial sector in the fast-growing Chinese market. The company is looking to raise about \$160 million.

Camelot posted net income of \$13 million in 2009, up nearly 40 percent from 2008. Its revenue rose 30 percent to \$118 million.

Another profitable company hoping to come to market is Ameresco, a Framingham, Mass., company that designs and installs projects that help heating, ventilation, air conditioning and lighting systems in customers' buildings. Ameresco's tools and services help clients cut energy consumption and costs. The company also builds small renewable energy plants.

Ameresco and its shareholders expect to raise about \$160 million, using proceeds to pay off debt and for working capital.

Ameresco has posted a yearly profit since 2002. It earned \$19.9 million in 2009, up from \$18.3 million the previous year. Revenue grew to \$428.5 million from \$395.9 million.

SurgiVision Inc., a Memphis, Tenn., health care device maker, also hopes to raise about \$35 million this week. SurgiVision makes devices to help physicians see inside a patient's body using MRI technology.

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