

Analyst Color | Downgrades | Upgrades | Initiations | Price Target

EUR/USD 1.3125 ↓ -0.0004 (-0.03%) | Dow 17,024.59 ↓ -73.86 (-0.43%) | S&P 500 1,996.65 ↓ -6.72 (-0.34%) | NASDAQ 4,581.20 ↑ +0.93 (+0.02%) | 30yr T-Bond 3.16 ↑ +0.08 (+2.50%)

Tickers, Articles & Keywords

Raymond James: Hewlett Packard Likely On The Hunt For Acquisitions

Jayson Derrick, Benzinga Staff Writer

August 25, 2014 2:50 PM

+ Follow

Tickers: ANET, FEYE, FTNT, HPQ, PANW

f 11 | t 17 | in 4 | g+ 0 | r 0 | v 0 | c 0 | Follow 37.3K followers



For the first time in 11 quarters, **Hewlett Packard** (NYSE: **HPQ**) reported positive revenue growth when the company reported its third quarter results and a strong free cash flow with a \$5 billion net cash position.

The question investors are now asking is: Who might Hewlett Packard buy, and why?

Analysts at Raymond James pondered the same question and came up with an answer.

Related [HPQ](#)

[Fast Money Picks For August 26](#)

[S&P 500 Hits 2,000 Milestone As Bullish Momentum Continues](#)

[Good Time to Buy Avago Technology? \(FoxBusiness\)](#)

In a note to clients on Monday, **Brian Alexander** of Raymond James identifies the most likely candidates that Hewlett Packard may look to acquire.

"H-P management has indicated its readiness and willingness to make acquisitions following a three-year hiatus that can only be described as an Autonomy hangover," Alexander wrote. "Interestingly, H-P did not repurchase as much stock as it intended in the most recent quarter because management was 'in possession of material, non-public information,' which we assume relates to a pending acquisition."

Related Link: [Analyst Notes Key Recent Cash Flow Gains For Hewlett Packard](#)

Alexander speculates that Hewlett Packard will shop around for a deal size of roughly \$3 billion to \$5 billion and acquire a company that has a clear path to profitability and does not have an excessive valuation.

The top 10 acquisition targets according to Alexander are:

1. **Privately held Sumo Logic** could help strengthen Hewlett Packard's ability to compete with Splunk.
2. **Privately held Hortonworks** is already entered in a partnership with Hewlett Packard, and an acquisition could help Hewlett Packard participate in "big data" deployments.
3. **Palo Alto Networks** (NASDAQ: **PANW**) could provide Hewlett Packard with an aggressive move into network security and add marketing and distribution "muscle" versus **Cisco**. Alexander notes that the company's management "would likely not sell."
4. **Fortinet** (NASDAQ: **FTNT**) could also add further marketing and distribution muscle versus Cisco. Alexander notes that the company's CEO has sold multiple companies in the past and may be more

f Like 4701 | t Follow 36.9K | g+1 284

ANET 84.98 1.13(1.35%)

ANET is up 1.13 today, but where's it headed in October?

Zacks Investment Research is releasing its 1-3 month forecast for (ANET) based on the nearly market-tripling system that averages +26% per year (independently verified).

[Download free \(ANET\) analysis now »](#)

Get Benzinga's Newsletters

Email Address

Most Read	Most Recent
1 AAPL: Top 6 iPhone 6 Leaks And Concept Art	
2 SHLD, AMZN: Who's Going To Shop At Sears?	
3 USG, SYNA: Barron's Recap: Work Is For Squares	
4 FB, JWN: Instagram Shopping Just Got A Lot Easier	
5 TOL, ZQK: Earnings Expectations For The Week Of...	
6 CIEN, UTIW: Benzinga Weekly Preview: Economic Da...	
7 WSM, BBBY: Study: This Retailer Dominates Online...	

open to an acquisition.

Catch an **EARLY FLIGHT** Sample 3 Wines for \$20.

Available now for a limited time.

5. **FireEye** (NASDAQ: **FEYE**) is "hot" in the security category, and its incident response fits well with Hewlett Packard's Services group.
6. **Arista Networks** (NASDAQ: **ANET**) complements Hewlett Packard's networking and SDN efforts; however, given the company's recent IPO, the company is unlikely to sell.
7. **Privately held Cumulus Networks** supports Hewlett Packard's SDN objectives and could leverage Hewlett Packard's platform further.
8. **Privately held Adara Networks** also supports Hewlett Packard's SDN/NFV objectives, and the companies have worked together in the past.
9. **Privately held SimpliVity** and its Omnicube deduplication and compression technologies could enhance Hewlett Packard's converged offering and further leverage its platform.
10. **Privately held Actifio** provides a "leading edge" secondary storage technology for backup and recovery, archiving, and disaster recovery. An acquisition would give Hewlett Packard "instant mindshare lead" in the market and better compete against legacy storage vendors.

3 Must-Own Stocks

Over the past 90 years, there have been thousands of academic studies published that all point to one conclusion: *Over time, value investing will outperform the markets.* Discover the **3 Must-Own Stocks** for value investors looking to bank HUGE profits, and learn why these low-risk, high-yield companies could produce the "Trade of the Decade!"

Download **3 High Yield, Low Risk Stocks for the Trade of the Decade** now.

Email

Click here to get yours now!



- Posted In: [Actifio](#)
- [Adara Networks](#)
- [Arista Networks](#)
- [Brian Alexander](#)
- [Analyst Color](#)
- [Previews](#)
- [Analyst Ratings](#)
- [Trading Ideas](#)
- [Best of Benzinga](#)

© 2014 Benzinga.com. Benzinga does not provide investment advice. All rights reserved.

Related Articles (FEYE + ANET)

- [3 Cybersecurity Firms To Watch Amid JP Morgan Breach](#)
- [Stocks Hitting 52-Week Highs](#)
- [UPDATE: Stifel Initiates Coverage On FireEye](#)
- [Benzinga's Top #PreMarket Gainers](#)
- [S&P 500 Hits 2,000 Milestone As Bullish Momentum Continues](#)
- [Raymond James: Hewlett Packard Likely On The Hunt For Acquisitions](#)

[View upcoming Earnings, Ratings, Dividend and Economic Calendars.](#)

Latest Headlines From...

[Want to be a Great Leader? You Need to Fail First](#)
The best way to learn to be a terrific leader isn't reading career adv...

[Want to be a Great Leader? You Need to Fail First](#)
The best way to learn to be a terrific leader isn't reading career adv...

[New Tech to Help Curb Distracted Driving, T for a \\$15 Minimum-Wage?](#)
Morning outlook: Distracted driving technology, mini wage battle



benzinga | pro
profitable streaming news **First Month \$1**

1:56 AM	Nikkei steady into the close via ForexLive
1:45 AM	Swiss Q2 GDP qq 0.0% vs +0.5% exp via ForexLive
1:17 AM	Data coming up in this session via ForexLive