ChatGPT

Deep research shortlist: choosing seven stocks from your screenshots

Scope and important caveats

You asked for a research-based way to select **7 companies** from the two screenshots (24 companies total) and to explain **both**: why the seven were chosen, and why the others were not.

This is **general investment research**, not personal financial advice. The right shortlist depends on your full situation (emergency fund, debt, time horizon, job stability, whether you already hold broad ETFs, etc.). Where I make judgement calls (for example, "too cyclical" or "too much regulatory risk"), those are **risk-management preferences**—not predictions.

Because you're investing from Australia [1] into mostly US-listed equities, your result in A$ can be meaningfully affected by **currency movements** (AUD/USD can amplify or reduce returns). [2] If you hold US stocks that pay dividends, the common workflow for many brokers is to use a W-8BEN so that dividend withholding reflects the treaty rate (often discussed as **15%** for Australian tax residents when properly documented, instead of a default higher rate). [3]

Selection framework and market context

I screened the 24 companies using a "**core-growth shortlist**" lens—aiming for a set of seven that can be held for years with a sensible balance of:

- **Durable business models** with clear customer value and evidence of execution (financial results, backlog/order visibility, repeatable economics).
- **Profitability and cash generation** (or a credible path to it that's already visible in reported numbers).
- **Diversification of drivers** (so one single policy decision, single product, or a single country/ regulatory environment is less likely to dominate outcomes).
- **Avoiding "binary" risk** where one event can halve the investment (common in single-asset biopharma, catastrophe-heavy insurers, or geopolitically sensitive ADRs).

Diversification does not eliminate risk, but it can reduce **idiosyncratic risk** (the risk of a single company blowing up the portfolio). [4]

Seven stocks selected and rationale

Below are the seven I would prioritise **from your list**, with emphasis on **recent trend**, **multi-year operating performance**, and "what would have to stay true" for the thesis to work.

Comfort Systems USA [5] **(FIX)**
This is a mechanical and electrical contracting business (HVAC and related services) that has recently shown unusually strong operating momentum and backlog expansion. In full-year 2025 it reported **$9.10bn revenue** (up from $7.03bn in 2024) and **$1.02bn net income** (up from $522m), with operating

cash flow also above $1bn. [6] The most important "trend" metric here is **backlog**: it reported **$11.94bn backlog** at 31 Dec 2025 versus $5.99bn a year earlier (same-store backlog $11.58bn vs $5.99bn). [6] That backlog surge indicates unusually strong near-term demand visibility (though it can still be cyclical). Market commentary in early 2026 frames much of the strength as tied to the build-out of AI/data-centre and related infrastructure, which has helped several "picks-and-shovels" contractors outperform. [7]
Why it made the cut: among your industrial names, this has one of the clearest "evidence-based" demand signals (backlog + cash flow + profit expansion). [8]

Kinsale Capital [9] **(KNSL)**
This is a property & casualty insurer focused exclusively on the US **excess and surplus (E&S)** market (hard-to-place risks, placed via brokers). [10] In 2025 it reported **$503.6m net income** (vs $414.8m in 2024), **$1.6bn net written premiums** (up 9.4%), and a **75.9% combined ratio** for the year (71.7% in Q4). [11] A combined ratio below 100% is widely used to indicate underwriting profitability (before investment income). [12]
Why it made the cut: in your insurance cluster, this appears "best-in-class" on underwriting profitability metrics and has a clearly defined niche (E&S) described in its filings. [13] The main watch-out is that competition and pricing conditions can change over cycles (noted in its own disclosures and commentary). [11]

Monolithic Power Systems [14] **(MPWR)**
This is a power-semiconductor company focused on energy-efficient power management solutions. [15] For 2025 it reported **$2.8bn revenue**, up **26.4%** versus 2024, with gross margin roughly **mid-55%** and materially higher operating income versus 2024. [16] The company has been explicitly associated with power-control modules used in AI/data-centre build-outs in prior reporting and coverage, and management's commentary shows end-market growth across multiple verticals (reducing single-market dependence). [17]
Why it made the cut: among your "tech-ish" names, this one combines (a) a clear product category with structural tailwinds (power efficiency), and (b) strong, recent full-year growth shown in the company's own earnings materials. [18]

First Solar [19] **(FSLR)**
This is a US-headquartered solar technology and manufacturing company, positioned as a domestic manufacturing alternative in utility-scale solar. [20] In Q3 2025 it reported **$1.6bn net sales**, record volume sold (5.3 GW), and a contracted sales backlog of **53.7 GW** valued at **$16.4bn** (as of 30 Sept 2025), alongside a **net cash** position cited at **$1.5bn**. [20] The key "trend" indicator is that backlog/booking engine—because it drives multi-year revenue visibility in a manufacturing business. But it has also shown that backlog can change: Reuters reported it lowered full-year sales/volume guidance due to reduced international volumes and customer terminations, and noted backlog reduction tied to a contract dispute (including litigation context). [21]
Why it made the cut: it gives your shortlist exposure to an energy transition theme with unusually visible order-book disclosures, while reported liquidity appears strong relative to many cyclicals. [20]

Halozyme Therapeutics [22] **(HALO)**
This one is structurally different from "single drug" biotechs. It commercialises and licenses an enzyme-based drug delivery platform (ENHANZE/rHuPH20) that enables subcutaneous delivery and generates royalty revenue tied to partner product sales. [23] In full-year 2025 it reported **$1.397bn total revenue** (+38% YoY) and **$868m royalty revenue** (+52% YoY), and reiterated 2026 guidance for **$1.71–$1.81bn revenue** and **$1.13–$1.17bn royalties**. [24]
Why it made the cut: among your healthcare names, this has a more "platform/royalty" profile (multiple

products/partners can contribute) rather than being dominated by a single clinical readout. The company's own guidance frames continued growth driven by ENHANZE royalties. [25]

UFP Technologies [26] **(UFPT)**
This is a contract development and manufacturing organisation (CDMO) specialising in **single-use / single-patient medical devices** and components—a part of the medtech supply chain that can benefit from outsourcing and programme wins (including robotic surgery components). [27] In Q3 2025 it reported **$154.6m sales** (up from $145.2m), and year-to-date sales **$453.9m** (up from $360.4m), with commentary pointing to programme transfers, robotic-surgery launches expected to drive 2026 revenue, and an acquisition-led expansion strategy. [28]
Why it made the cut: it diversifies your shortlist away from pure "macro" cyclicals and away from binary biotech risk, while still showing strong recent revenue momentum and a defined pipeline of programme ramps (a tangible "trend" to monitor quarter to quarter). [28]

Powell Industries [29] **(POWL)**
This is an electrical equipment and systems company focused on the management/control/distribution of electrical energy—exposed to grid, industrial electrification, and reliability upgrades. [30] In fiscal 2025 it reported **$1.1bn revenue** (+9%), **$181m net income** (+21%), and **$1.4bn backlog** at year end (Sept 30, 2025), plus strong gross margin levels (~29% for the year). [30] Management explicitly highlighted encouraging customer activity in the **data-centre** market as opportunities grow in size and volume, which is notable because it connects the company's offering to a powerful capex cycle beyond traditional oil & gas. [30] Subsequent filings also referenced backlog increases into late 2025 (record backlog cited as of Dec 31, 2025 in an 8-K excerpted source). [31]
Why it made the cut: within your industrial set, this offers a credible "electrification + infrastructure capex" angle with strong recent profitability and backlog support, while still being understandable and monitorable through orders/backlog disclosures. [32]

Why the other stocks were not selected

The following companies can still succeed, but they did not make the "top seven" for a **core-growth shortlist** because their risk profiles are (in my view) either **more binary**, **more geopolitically exposed**, **more catastrophe-tailed**, or **more dependent on one variable** (commodity pricing, licensing catch-ups, one product).

China ADR and regulatory/geopolitical exposure
Full Truck Alliance [33] reported Q3 2025 revenue growth (RMB3,358m total net revenues, +10.8% YoY) driven by transaction services, but this is still a China-based platform business with governance/geopolitical layers that can matter for foreign holders; Reuters has also reported discussion of a second listing outside the US as part of risk management. [34] Kanzhun [35] (BOSS Zhipin) posted Q3 2025 revenue growth (RMB2,163m, +13.2% YoY), but it shares the broader "China platform" risk bucket where regulatory and macro conditions can dominate equity outcomes. [36] China [37] is central to both theses, which increases single-country exposure. [38]

High-beta consumer-credit fintech
NU Holdings [39] is operationally impressive (Q3 2025: 127m customers; >$4bn revenue; $783m net income) and has been framed by Reuters as producing record profitability and strong ROE, but it remains materially exposed to credit cycles, funding conditions, and macro/currency dynamics typical of consumer lending. [40] Sezzle [41] has shown very rapid growth and improving profitability in reported periods (for example, revenue growth and EBITDA expansion cited in an earnings summary), but BNPL models are typically more sensitive to consumer stress and competitive pricing pressure, which makes

it higher-volatility than what I would put into a “core seven” unless you explicitly want a high-risk/high-upside allocation. [42]

Additional insurers where risk concentration is harder to justify versus one “best-in-class” pick

Palomar [43] delivered very strong 2025 profitability and premium growth (for example, 2025 gross written premiums $2.0bn and combined ratio 76.9%), but parts of its book relate to catastrophe-sensitive specialty property lines that can produce “tail risk” outcomes. [44] Skyward Specialty Insurance Group [45] showed Q4 2025 revenue growth and a combined ratio around 88.5% in a widely circulated metrics recap, but it has a shorter public-market operating history than the top pick in this space and therefore less “through-cycle” evidence. [46] Hamilton Insurance Group [47] reported record 2025 earnings with a 92.9% combined ratio and strong book value growth, but reinsurance and global specialty property books can be more exposed to large-loss years than E&S small commercial focus. [48] HCI Group [49] is explicitly Florida-based in its core insurance activity per its filing, which increases hurricane/regulatory concentration (even with reinsurance). [50]

Single-product or binary-event biopharma risk

Krystal Biotech [51] has shown strong commercial traction (with full-year 2025 revenue reported at ~$389m in a recent summary and filings emphasising dependence on VYJUVEK cash generation), but this remains closer to a “single franchise” risk profile than the platform/royalty structure of my selected name. [52] Catalyst Pharmaceuticals [53] has grown revenues across product lines (annual report discusses growth drivers including AGAMREE commercialisation and FIRDAPSE growth), yet company filings have also indicated that product revenue concentration is a key feature of the model—still more idiosyncratic than I want for a core seven. [54] Harmony Biosciences [55] disclosed in its 10-K that 2024 net product revenue related to WAKIX was $714.7m—again highlighting that one product is central even as the pipeline expands. [56] Corcept Therapeutics [57] shows why binary risk matters: Reuters reported the U.S. Food and Drug Administration [58] declined to approve relacorilant for a Cushing-related indication at the end of 2025, driving a very sharp share price move, while filings also stress dependence on Korlym revenue. [59]

Commodity/food businesses where one external variable dominates outcomes

Cal-Maine Foods [60] produced extraordinary fiscal 2025 profits (net income ~$1.2bn) driven largely by egg pricing and demand, but it has also confirmed a U.S. Department of Justice [61] antitrust investigation into egg price increases—these are not the kinds of “steady compounding” characteristics I prioritise for a core seven. [62] Vital Farms [63] has built a strong brand and exceeded $600m net revenue in 2024 with a stated $1bn sales target by 2027, but it disclosed a **material weakness** in internal controls in its 2024 annual report and has also navigated tariff/cost-related pricing pressures—governance plus margin sensitivity pushed it outside the top list for now. [64]

Business-model complexity or lumpy revenue recognition

Hamilton Lane [65] reported fiscal 2025 results including $138bn AUM and growth in management and advisory fees, but the Financial Times has scrutinised aspects of the firm’s private-assets fund valuation practices and fee structure changes (“NAV squeezing”/unrealised gains), which increases complexity and reputational/governance risk for a simple seven-stock basket. [66] InterDigital [67] explicitly derives revenue primarily from licensing patented innovations, and its reported results can include “catch-up” revenue, which makes forecasting more idiosyncratic than operating businesses with steady unit economics. [68] Argan [69] has meaningful backlog disclosures (over $1.3bn backlog at Jan 31, 2025) and large project wins, but EPC/project businesses are inherently lumpy and can be sensitive to project timing and execution in ways that can surprise investors. [70]

How to implement with a weekly contribution

If you're contributing **A$200 per week**, the most robust implementation for a seven-stock shortlist is usually:

- **Use recurring/automatic buys** (dollar-cost averaging), because it reduces the behavioural pressure of trying to "time" entries and mechanically buys more shares when prices are lower and fewer when prices are higher. [71]
- Consider **equal-weight flows** initially (1/7 each) to avoid accidental concentration, then rebalance with new contributions if one position runs far ahead.
- If these seven stocks are *not* your whole portfolio (for example, you also hold broad ETFs), keep this seven-stock basket as a **satellite** allocation; if this basket is your *entire* equity exposure, you are taking **single-stock risk** that broad ETFs are designed to diversify away. [72]

A practical routine is to review weights quarterly and rebalance using fresh contributions (rather than selling) unless one position becomes clearly oversized.

Monitoring checklist for the next year

For a seven-stock basket like this, the goal is to track a small set of "thesis KPIs" rather than reading everything:

- For the **contracting/backlog-driven businesses**: backlog growth/decline, backlog conversion into revenue, and margin sustainability as labour and project mix change. [73]
- For the **specialty insurer**: combined ratio/underwriting profitability, premium growth, and whether competition is eroding underwriting discipline. [74]
- For the **power semiconductor name**: revenue growth by end-market and whether margin structure holds in different demand environments. [75]
- For the **solar manufacturer**: bookings/backlog evolution, module volumes, and whether guidance changes are driven by temporary timing versus structural demand changes. [76]
- For the **royalty-led drug delivery platform**: royalty growth trajectory, partner product momentum, and whether guidance remains supported by partner launches and tech adoption. [25]
- For the **medtech CDMO**: customer concentration, successful ramp of new programmes (especially large platform launches), and whether acquisitions integrate without margin compression. [28]

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