



Chris Krug

Chatham Harbor Capital

For this week's Top 50 Microcap Investors we present Chris Krug, President of Chatham Harbor Capital, LLC.

Chatham Harbor Capital, LLC, based in New York City, is a concentrated small cap strategy focused on all industries in Europe, North America, and Australia. Chris graduated from Clemson University with degrees in both Financial Management and Business Management.

As Peter Lynch once said, "The person that turns over the most rocks wins the game." While Chris gravitates more heavily toward the teachings of John Neff and Carl Icahn, this Lynch quote speaks volumes to his process and dedication. Chris began his career working fifteen-hour days and aimed to read at least one book per day. Seven years later, Chris wakes up at 4 am and meets with fifteen different management teams daily. Chris uses management as a source for idea generation. As a result of this rigorous process, he has studied a wide variety of industries.

Chris is a growth investor, but not a typical one. He finds companies that are growing and trading at high FCF yields to the equity value. These companies tend to have short-term depressed valuations. This could be for reasons such as the market's concern with the companies' ability to pay off their debt (Chris loves balance sheets that have significant refinance opportunities), political pressure in the industry, lawsuits against the company, poor security screenings, short-term declining margins, or a U.S. company listed on a foreign exchange. Chris believes the most money to be made in stocks is when you buy a horrible situation that can stabilize or get back to growth. Chris likes to buy companies trading at sub 3x FCF, where there is an opportunity to have multiple expansion, margin expansion, and topline growth leading to 5-10x+ returns in 3-5 years. The simple question Chris asks is, "How bad is the situation and will the company go bankrupt as a result?" His reasoning is that if it doesn't, not much has to happen when you buy companies at such low multiples to make 5-10x your money in 3-5 years.

We are excited to present Chris Krug, a premium member. As we look forward to next week's feature, you can keep up to date with his most recent endeavors via [LinkedIn](#) or his personal [Twitter](#) account.