



WNY stock values climb in 2010

Dec 10, 2010, 6:00am EST

By Allissa Kline

A change in business operations – including the mid-2009 decision to shut down commercial print operations – may be paying off for [Mod-Pac Corp.](#)

The Buffalo-based manufacturer, in response to a series of quarterly losses in recent years, restructured itself. It focused on growing its custom folding-carton business and improving productivity levels.

Investors, in turn, watched stock values continue to climb in 2010. Mod-Pac's top executive said the changes signal a "turnaround" for a company whose stock price fell under \$2 per share two years ago and now approaches \$5 per share.

"We had a turnaround in the last few years where we had to focus on ... getting our costs in line with current revenues, and I think that's driving the stock's performance," President and CEO [Daniel Keane](#) said. "It's been a good year."

Stock values in general rose from 2009 to 2010 for many publicly traded companies based in Western New York. Financial experts say the rising values, in many cases, reflect momentum in current sales and the promise of future sales as the marketplace slowed its steep descent of 2008 and 2009. Still, the economy isn't out of the dumps.

"There are a lot of indicators that would say, as we look back over 2010, that things were definitely improving this year," said investment relations specialist [Deborah Pawlowski](#) of [Kei Advisors](#) LLC. "But there's still a lot of hesitation in corporate America. People are not jumping up and down and saying things are great."

[Gibraltar Industries Inc.](#), a residential and commercial building products manufacturer, continues to struggle as the construction industry remains stagnant. Its stock price, not surprisingly, reflects the difficult conditions: It dropped 25.6 percent from December 2009.

"That industry is going to continue to be challenging," said [Christopher Carosa](#), founder of the Bullfinch Fund Greater Western New York Series mutual fund. "There's just no two bones about it, and I know Gibraltar management understands that. So what they're doing is navigating through stormy water and making sure the ship stays afloat and

becoming as efficient as possible. Gibraltar is a lot leaner now and should be able to turn around more quickly compared to the rest of the industry when it turns around.”

At the other end of the line is [Astronics Corp.](#), the East Aurora-based manufacturer of lighting, electrical power and automated test systems for the defense and aerospace industries. Its year-over-year stock value significantly increased in 2010, from the \$8 range a year ago to \$22 in December. Pawlowski, who handles investment relations for the company, said it is doing well because sales of its in-seat power systems for aircraft are rising. Sales are driving revenue, which in turn affects the stock price, she said.

Also performing well in 2010 is [Cleveland BioLabs Inc.](#) The biotechnology company founded in Cleveland pointed to three key events this year that boosted stock values: its receipt of Fast Track status from the [U.S. Food and Drug Administration](#) for a drug that treats radiation poisoning, a \$45 million contract from the U.S. [Department of Defense](#) to develop and stockpile the drug and its notification of “orphan drug status” by the FDA.

“Those three events significantly drove the stock (price) from the \$3.50 range to the \$6 or \$7 range,” spokesperson [Rachel Levine](#) said. “It’s been a fortunate year. I think investors are looking kindly at the bioscience sector and people are looking at Cleveland BioLabs as another future potential player.”

Another leading performer, [Financial Institutions Inc.](#), appears to be sticking to the basics in order to grow, said [Anthony Ogorek](#), founder and principal of [Ogorek Wealth Management](#) LLC in Amherst. He called 2010 a “banner year” for the Warsaw-based parent company of [Five Star Bank](#).

“Their strategy is to look at contiguous counties as opposed to larger geographic footprints,” Ogorek said. “It’s the old story of the growth curve for companies and how it’s easier to move the needle with a small company. They seem to just be taking ... not an exotic approach to banking, but rather basic blocking and tackling and trying to control their expenses.”

Carosa said his Greater Western New York Series mutual fund, which includes 12 locally based public companies, is up more than 20 percent this year. Unemployment rates will continue to be difficult to surmount if companies don’t “grow for real,” he said.

“A lot of the good we’ve seen in companies comes from tightening the belt, but they can only tighten the belt so much,” Carosa said. “The chances of growing for real ... are going to be tough with high unemployment rates.”