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## CompuDyne looks beyond bull run CEO says investors are buying 'real company'

By [Michael Baron](#), [CBS.MarketWatch.com](#)  
Last Update: 1:32 PM ET Sept. 21, 2001

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NEW YORK (CBS.MW) –CompuDyne was among the top Nasdaq percentage gainers again Friday as investors once more bought into the idea that demand for the Hanover, Md.-based company's public security products will surge following the Sept. 11 terrorist attacks.

Chairman and CEO Martin Roenigk agrees that this goes part of the way toward explaining the stock's dizzying 100 percent-plus rise this week. But he also believes that shares of CompuDyne ([CDCY news](#), [chart](#), [profile](#)) were undervalued prior to the attacks due to a lack of recognition.

"We had absolutely no following on Wall Street before this," he told [CBS.MarketWatch.com](#), explaining that he joined the company in 1995 when it was at the brink of bankruptcy. "No analysts, no institutional ownership, nothing. Now, of course, some of the interest is a result of the tragedy, but people will also find out this is a real company."

CompuDyne's businesses include corrections products and services and bullet- and blast-resistant windows and doors.

Its shares soared more than 70 percent Monday, reaching \$13 when the public markets opened for the first time following the attacks, but they pulled back on Tuesday and Wednesday before resuming their advance Thursday. Trading has been volatile with a high of \$18.10 on Monday and a low of \$9.33 on Wednesday.

In Friday's action, the shares recently changed hands at \$15.89, up \$3.54, or 28 percent.

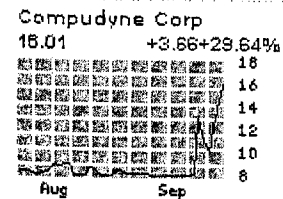
### Higher profile

Roenigk is already fielding customer inquiries, a pattern that the company has seen before following the bombing attacks on two U.S. embassies in Africa in 1998. In the past, funding for the company's high-end explosion-resistant products has been a sketchy proposition for would-be customers, but he doesn't expect that to such be a problem from here on.

"Everyone knows now that the need is there," he said, noting that CompuDyne's Norshield Security products meet the highest standards of the State Department, providing not only resistant glass but entire frames.

"It will take some time for customers to line up the funding, but they'll get it and we'll be ready when they do," said Roenigk.

As of now, CompuDyne's biggest business is corrections, and Roenigk believes a new pre-fabricated jail cell product will provide a boost.



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Another area of optimism for Roenigk and CompuDyne is its acquisition of private software firm Tiburon. The deal was announced in July and Roenigk expects it to be completed by the end of the year at the latest.

With revenue of \$47.9 million in the fiscal year ended June 30, Tiburon's addition will make CompuDyne the leader in the market for automated public safety software, which encompasses computer-aided dispatch for emergency and police services, suspect database search applications, and records management, according to Roenigk.

Revenue is expected to reach \$135 million in 2001, without Tiburon. For 2002, the company is targeting revenue of more than

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\$200 million, including Tiburon's contribution. Backlog for CompuDyne stood at \$131 million as of June 30, while Tiburon's backlog is between \$40 million and \$45 million.

On Aug. 13, CompuDyne forecast a profit of 72 cents a share before items for fiscal 2001, up from 69 cents a share earned in the prior year – a projection Roenigk is sticking with.

"Our business tends to be predictable, and we're not that sensitive to the economy," Roenigk added. "The problem up until now was we simply hadn't been discovered."

Michael Baron is a reporter for CBS.MarketWatch.com based in New York.

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