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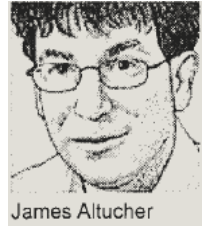
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Three Tech Companies I Like Better Than Apple

BY JAMES ALTUCHER

OK, let's say Apple (AAPL) is the greatest company ever and over the long haul its stock is going a lot higher.

But Apple just had a huge party by releasing the iPad and iPhone 4. No doubt another iPad is coming out soon and who knows how many other releases. But this iPhone 4 antenna problem is causing headline risk for shareholders and there is potential risk that Google's (GOOG) Android-powered phones are gaining on iPhones.



I love the iPad, perhaps more than any other inanimate object ever. But this summer I like the three stocks listed below more than I like Apple. Enjoy the summer, enjoy your iPad and hopefully we'll all make some money.

- O2Micro International (OIM) does the LED lighting in the iPad. The more iPads Apple sells, the better O2Micro will do. The main thing is, O2Micro is much smaller than Apple. So even selling a few million iPads makes an enormous difference in its ultimate revenues and profits. And the company trades as if it were a virtual bankruptcy. It trades for only two times cash. For more on O2Micro, Cody Willard had [an excellent article](#) on it over at Marketwatch.

- KLA-Tencor (KLAC). I agree with the blog Crossing Wall Street that we can [expect good earnings from Intel](#). KLA-Tencor is a beneficiary of that. Intel recently decided to stick with KLA-Tencor for chiptesting when Nanometrics (NANO) didn't quite pass every test. Meanwhile, Credit Suisse just upgraded them, giving them a price target of \$40 (35% from here). The company trades for less than 10 times forward earnings and has an extra \$800mm cash lying around.

- Yahoo (YHOO). This might seem like blasphemy to like Yahoo better for the short-term than Apple. In mid 1997, split adjusted they were roughly the same price (Yahoo was a little less at about \$3 and Apple was between \$4-5, accounting for all splits). Now Apple's stock is over 250 and Yahoo is... \$15. But I stand by my article from February 19 (when Yahoo was...\$15) where I said [Yahoo was the cheapest Internet stock](#). I don't know about this quarter but I wouldn't be surprised to see earning spike by the end of the year thanks to Yahoo outsourcing their search to Microsoft (MSFT). This is a deal that the media didn't seem to like but I think will be an enormous win for Yahoo in the long run. More on Yahoo in a future article.

James Altucher is a managing partner of Formula Capital, an alternative asset management firm, and an author on investment strategies. Unlike Dow Jones reporters, he may have positions in the stocks he writes about.