CJS SECURITIES

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Additions to Coverage List and Company Updates - 12/12/24

Please note our 25th Annual "New Ideas For The New Year" Virtual Investor Conference on Tuesday, January 14th 2025. If you have not indicated an RSVP or 1/1s to the conference we would encourage you to do so. If you have not received an invitation please contact us.

Additions to Coverage List

Brightspring Health

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Initiating on Updates	Δ YTD
BTSG	Rating: MO	**$18.37**	**$27**	**12x CY26 EBITDA**	**47%**	**$3,858**	**$2,506**	**$6,363**	**4.4x**	**2.1x**	**0.0%**	**41.3%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
LS	210.0	32.4	Y
52-Week Range $7.85 - $20.25	**FQ4**	**FYE (Dec) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$0.21**	**$0.53**	**$0.77**
was			
EBITDA	**$161.7**	**$582.3**	**$630.3**
was			
P/E		**34.5x**	**23.9x**
EV/EBITDA		**10.9x**	**10.1x**
Consensus (8 Analysts)			
EPS	$0.20	$0.57	$0.71
EBITDA	$162.6	$583.3	$632.0

We are initiating coverage with a MO rating and a $27 price target. BTSG is a leading provider of pharmacy, clinical and supportive care to senior and specialty populations in home and community settings across the U.S. It serves over 400K patients daily, including 250K in their homes. It is structured to address a range of interrelated healthcare needs of more complex patients in more preferred and effective settings at a lower cost. A targeted $1 trillion market is growing in the high-single digits led by multiple secular trends including an aging population and improved therapies. The Pharmacy Solutions segment is led by the largest independent specialty pharmacy in the U.S. with locations in all 50 states. Leading quality metrics and scale supports strong share with manufacturers for limited distribution drugs (LDD's) which drive higher sales and profit growth. Provider Services includes clinical, rehabilitative, hospice and residential care to aid daily patient activities. A focus on patients with multiple healthcare needs is supported by a customized level of services, a diversified skill set and ability to coordinate across operations. Organic revenue and EBITDA grew at 18% and 15% rates from 2018 through 2023. BTSG is well positioned for ~10% annual sales increases and low DD EBITDA growth over the next several years led by a rise in LDD's, expansion to faster growing community markets and share gains across segments. An 30% rise in EPS through FY26E is aided by declining interest expense. An opportunity to expand into value-based care offers significant longer-term growth potential.

John Bean Technologies

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Initiating on Updates	Δ YTD
JBT	Rating: MO	**$125.01**	**$150**	**20x 2026 cash EPS**	**20%**	**$6,488**	**$2,066**	**$8,554**	**3.9x**	**1.7x**	**0.0%**	**25.7%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
JA	51.9	68.1	Y
52-Week Range $82.64 - $127.40	**FQ4**	**FYE (Dec) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$1.80**	**$5.20**	**$5.27**
was			
EBITDA	**$95.5**	**$298.3**	**$649.2**
was			
P/E		**24.0x**	**23.7x**
EV/EBITDA		**28.7x**	**13.2x**
Consensus (3 Analysts)			
EPS	$1.82	$5.22	$5.71
EBITDA	$95.8	$298.9	$318.8

We are initiating coverage with a Market Outperform rating and a $150 price target. John Bean Technologies Corporation (JBT) is a leading food processing machinery company with a smaller automated forklift business. JBT's proprietary products (freezers, juice extractors) and services help its food & beverage customers by increasing processing speeds, reducing waste, and lowering downtimes, which are key factors in increasing production and yield and lowering costs. The company is in the process of purchasing Marel (ICL: Marel) for €3.5B, in a deal expected to close YE24. Marel is an Icelandic based company that provides similar services to the food processing industry. The acquisition will double JBT's revenue and give the combined company significant market share in the poultry (~30%), meat (~7%), and fish (13%) markets. Given this, JBT Marel is well positioned to benefit from global protein consumption tailwinds as well as increased demand for poultry. Additionally, JBT and Marel have complementary machines and should be able to increase their value proposition to customers by offering whole line solutions, allowing clients to deal with a single vendor. JBT Marel's combined software offerings and global field of technicians should be able to drive ongoing reoccurring revenue growth from maintenance and service on the machines. Our $150 price target implies 20x our FY2026E adjusted EPS estimate for the combined company.

McGrath Rentcorp

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
MGRC	Rating: MO	**$119.81**	**$152**	**22x FY26E cash EPS**	**27%**	**$2,943**	**$605**	**$3,548**	**1.7x**	**2.7x**	**-0.2%**	**0.2%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
DM	24.6	7.3	Y
52-Week Range $95.50 - $130.86	**FQ4**	**FYE (Dec) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$1.46**	**$5.18**	**$5.85**
was			
EBITDA	**$89.4**	**$349.0**	**$360.0**
was			
P/E		**23.1x**	**20.5x**
EV/EBITDA		**10.2x**	**9.9x**
Consensus (2 Analysts)			
EPS	$1.49	$5.28	$5.95
EBITDA	$88.6	$348.3	$356.9

We initiated coverage on 12/11 with a MO rating with a $152 price target. McGrath operates three primary segments. Mobile Modular (68% of Rev) rents/leases prefabricated customizable modular buildings, office trailers, portable classrooms, sales offices, etc. for commercial and residential construction as well as education and other end markets. Portable Storage (12%) rents portable storage and office containers. TRS-RenTelco (18%) provides B2B rental and sales of a wide range of communications and other IT test equipment. A fourth segment, Enviroplex manufactures and distributes modular classrooms in the California market. McGrath is a leader in its targeted markets and offers a highly attractive business model. Rental and Related Services account for >70% of revenue, creating significant revenue, earnings and cash flow visibility. GM are in the high 40s%, adjusted EBITDA margins in the high 30s%, ROE is mid-teens and we see opportunity for incremental expansion over time. In late September McGrath and WillScot (WSC: NYSE) mutually agreed to terminate their previously proposed merger. McGrath's seasoned management team boasts a long track-record of creating value for shareholders and is refocused on doing so once again. The average rental term on Modular is 4-years and spot rates are currently >40% above McGrath's current average rental rates. We therefore view current earnings as being understated and expect a multi-year runway for strong, predictable revenue, EPS and FCF growth. A solid balance sheet and underappreciated cash generation create ample flexibility to do so. Our price target of $152 is based on 22x FY26E cash EPS, though we see meaningfully greater upside potential over the next few years.

AAON Inc.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
AAON	Rating: MP	**$132.36**	**$120**	**43x FY25 P/E**	**-9%**	**$10,723**	**$56**	**$10,778**	**0.2x**	**14.5x**	**37.6%**	**79.2%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
CM	81.0	41.4	Y
52-Week Range $64.53 - $144.07	**FQ4**	**FYE (Dec) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$0.49**	**$2.21**	**$2.75**
was			
EBITDA	**$70.9**	**$281.2**	**$364.9**
was			
P/E		**59.8x**	**48.2x**
EV/EBITDA		**38.3x**	**29.5x**
Consensus (6 Analysts)			
EPS	$0.53	$2.25	$2.94
EBITDA	$75.9	$301.0	$398.1

AAON's significantly expanded data center manufacturing footprint is just kicking in, and it is already in the process of opening a new facility in Memphis – that will further double capacity by the end of 2025. The data center opportunity is enormous. The BasX acquisition three years ago could not have been timed better. While expectations look reasonable for FY25, the numbers don't imply AAON will be hitting on all cylinders next year. The recent softness in rooftop is a combination of economic challenges and the long discussed pending refrigerant regulations. Our 21% revenue growth in FY25 doesn't assume any rooftop growth. At some point valuation has to matter (stock trades at ~45x FY25e consensus) but with AAON so well-positioned in such a rapidly expanding market, it is hard to argue against riding the MO.

ACV Auctions Inc.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
ACVA	Rating: MO	**$21.65**	**$22**	**35x '28 adj. EPS disc.**	**2%**	**$3,789**	**-$173**	**$3,616**	**NM**	**8.3x**	**8.5%**	**42.9%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
RL	175.0	33.1	N
52-Week Range $12.84 - $23.46	**FQ4**	**FYE (Dec) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**-$0.02**	**-$0.08**	**$0.11**
was			
EBITDA	**$4.4**	**$27.0**	**$58.3**
was			
P/E		**-256.9x**	**191.5x**
EV/EBITDA		**134.0x**	**62.0x**
Consensus (13 Analysts)			
EPS	-$0.01	$0.06	$0.33
EBITDA	$3.5	$26.0	$82.8

ACV continues its robust growth in the dealer-to-dealer wholesale auto auction market while executing its strategy to drive into commercial car volumes as well. 2024 is expected to show impressive 23% unit and 32% revenue growth, and momentum should continue in 2025 and beyond. Two key tools to enable continued strong growth include the rollout of new technologies such as ClearCar and dealer self-inspection tools. From an industry perspective the dealer market is expected to be flattish as it grapples with low inventories and the significant decline in off-lease volumes. Nonetheless, ACV is positioned to keep taking market share. Of note, however, Street estimates for 2025 (and even more so 2026) suggest a rapid recovery in market volumes, accelerated share gains, and/or significant incremental acquisitions. Fundamentals and execution remain strong, but Street numbers may need to adjust to avoid "disappointing" guidance and enable the next leg up in shares.

Alamo Group Inc.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
ALG	Rating: MO	**$195.95**	**$210**	**18x FY25 P/E**	**7%**	**$2,360**	**$84**	**$2,444**	**0.4x**	**2.3x**	**9.8%**	**-6.8%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
CM	12.0	15.9	N
52-Week Range $163.74 - $231.40	**FQ4**	**FYE (Dec) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$2.22**	**$9.62**	**$11.00**
was			
EBITDA	**$50.9**	**$221.3**	**$240.7**
was			
P/E		**20.4x**	**17.8x**
EV/EBITDA		**11.0x**	**10.2x**
Consensus (5 Analysts)			
EPS	$2.35	$9.63	$10.95
EBITDA	$52.9	$223.4	$237.0

There has not been much change over the past few quarters. Industrial strength continues while the Vegetation outlook has not improved. Q3 Industrial orders increased ~3% y/y. Industrial backlog at the end of Q3 was $540mm, up 8.5% y/y and roughly flat sequentially. Vegetation orders were down 29% y/y. Vegetation backlog at the end of Q3 was $185mm, down 52% y/y and 15% sequentially. Alamo's tone for the balance of FY24 and into FY25 remains cautious. Dealer inventories are down significantly - management estimated inventory levels are more than 60% lower than peak levels in 2018. While the rebound could be strong given the low inventory, we don't expect meaningful improvement here until at least late FY25. Morbark remains the biggest challenge. The elevated interest rates have made it more expensive to finance the high-priced equipment (high six digits not unusual), but the interest rate environment has really slowed the demand for land clearing equipment which is tied to housing growth. The stock is up ~15% since late October, despite the Q3 miss and uncertain outlook. Street expectations had been consistently ahead of Alamo but now seem reasonable. The balance sheet is rock solid, cash flow is strong, and M&A seems likely. Given modest expectations for at least the next 2-3 quarters, we would be cautious at current levels.

API Group

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
APG	Rating: MO	**$39.26**	**$44**	**20X FY25E Adj. P/E**	**12%**	**$10,993**	**$2,365**	**$13,358**	**2.8x**	**3.7x**	**14.0%**	**13.5%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
JT	280.0	42.2	Y
52-Week Range $30.26 - $40.89	**FQ4**	**FYE (Dec) FY2024e**	**FY2025e**
CJS Estimates			
EPS	**$0.51**	**$1.85**	**$2.18**
was			
EBITDA	**$243.0**	**$894.0**	**$1,000.0**
was			
P/E		**21.2x**	**18.0x**
EV/EBITDA		**14.9x**	**13.4x**
Consensus (9 Analysts)			
EPS	$0.51	$1.84	$2.10
EBITDA	$244.2	$895.2	$999.3

We remain confident in the Company's ability to hit earnings guidance as the delays from prior quarters appear to have run their course (fully baked in), and better execution and lower inputs (fuel) are likely to offset exchange rate headwinds. Heading into '25, Management appears confident in achieving mid-single digit organic growth and improving mix and margins to 13%+ EBITDA target. Project backlogs exiting the year are healthy (+5% y/y) and inspection and services are targeted to grow in the high single digits (inspection growing double digits in most trailing quarters). The pipeline for acquisitions is active, and Management now appears ready to pursue more international deals now that the integration of Chubb is mostly complete. Free cash flow in '25 is likely to be near the $600mm range, with most of it likely earmarked for M&A (not modeled, but historically highly accretive with tuck in acquisition multiples in the 4-7X EBITDA range and mid-size deals in the high single digits). The Company will be hosting an investor day on March 21st and we expect the company to issue higher long-term targets (margins likely in the 14-15% range) as well as an introduction to new CFO David Jackola (promoted from CFO of Chubb, previously VP of Corporate planning and analysis at APi).

Argan Inc.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
AGX	Rating: MP	**$148.16**	**$150**	**~29x FY26e EPS**	**1%**	**$2,074**	**-$506**	**$1,568**	**-5.3x**	**6.3x**	**63.1%**	**216.6%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
CM	14.0	38.6	Y
52-Week Range $42.54 - $165.33	**FQ4**	**FYE (Jan) FY 2025e**	**FY 2026e**
CJS Estimates			
EPS	**$1.09**	**$5.00**	**$5.20**
was			
EBITDA	**$20.9**	**$95.0**	**$97.0**
was			
P/E		**29.6x**	**28.5x**
EV/EBITDA		**16.5x**	**16.2x**
Consensus (2 Analysts)			
EPS	$1.15	$5.06	$5.35
EBITDA	$19.4	$85.1	$91.1

The stock has more than tripled over the past year. Revenue and earnings have grown significantly but the driver is the expected demand for its services, stemming from the increasing electrification of the grid. There are not many players still operating in this space. Backlog was down ~$200mm sequentially at the end of Q3, but earlier this week Argan announced it entered into an EPC services contract and received the corresponding FNTP with a customer for an ~700 MW combined-cycle natural gas-fired power plant located in the United States. We estimate the contract will be worth between $500mm and $600mm. The full amount of the contract value will be added to the company's project backlog during the quarter ending 1/31/25 (FY25 YE). Backlog was ~$800mm at the end of Q3 and should be well above $1B at Q4. We had already assumed a project of that magnitude in our estimates. We downgraded to MP after Q3 based strictly on valuation. The opportunity for Argan over the next 3-5 years looks very significant. Management is doing a good job executing. The stock is trading at a very high multiple given the vast majority of its revenue is non-recurring and there are a limited number of projects it can handle simultaneously.

Astronics Corp.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
ATRO	Rating: MO	**$16.31**	**$28**	**10X FY25e EV/EBITDA**	**72%**	**$571**	**$173**	**$744**	**1.9x**	**2.2x**	**-15.2%**	**-6.4%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
JT	35.0	1.4	Y
52-Week Range $14.13 - $23.74	**FQ4**	**FYE (Dec) FY 2024e**	**FY 2025e**
CJS Estimates			
Non-GAAP EPS	**$0.34**	**$1.10**	**$1.72**
was			
EBITDA	**$26.1**	**$92.7**	**$120.0**
was			
P/E		**14.8x**	**9.5x**
EV/EBITDA		**8.0x**	**6.2x**
Consensus (2 Analysts)			
EPS	$0.21	$0.51	$1.17
EBITDA	$25.4	$91.8	$117.7

The company recently issued $165mm in 5.5% convertible debt (convertible at ~$23, mandatory conversion at ~$30, principal payable in cash or shares at the Company's option) and used the proceeds to pay down $55mm in term loans and the outstanding revolver. As disclosed in the Q3 call, Lufthansa had asked for $105mm in damages in a UK patent case where ATRO was found to have infringed, significantly more than the $17mm in litigation reserves and $50mm in available liquidity. A ruling on damages could come as soon as this month, and under the UK legal system, ATRO would need to pay the damages upfront in order to even appeal, leading to the convertible debt raise. If the judgement is significantly less than the $105mm, the Company is likely to use excess cash to buy back shares and offset dilution, with a significantly better interest rate on debt vs. prior financing. Our estimates are unchanged pending the outcome of the UK patent case however we believe demand has remained strong otherwise with multiple drivers (Radio Test, FLRAA, continued commercial aerospace recovery) set to drive what is likely to be high single digit revenue growth through '25 and beyond, at mid-teens EBITDA margins. Incoming CFO Nancy Hedges (following the retirement of current CFO David Burney) may also present a fresh perspective to financial planning and forecasting.

Atkore Intl.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
ATKR	Rating: MO	**$88.69**	**$115**	**12x FY26e adj EPS**	**30%**	**$3,148**	**$413**	**$3,562**	**0.8x**	**2.0x**	**3.5%**	**-44.6%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
CM	35.5	70.2	N
52-Week Range $76.01 - $194.98	**FQ1**	**FYE (Sep) FY 2025e**	**FY 2026e**
CJS Estimates			
EPS	**$1.51**	**$8.30**	**$9.60**
was			
EBITDA	**$99.0**	**$498.3**	**$550.1**
was			
P/E		**10.7x**	**9.2x**
EV/EBITDA		**7.1x**	**6.5x**
Consensus (5 Analysts)			
EPS	$1.59	$8.46	$9.79
EBITDA	$100.1	$496.3	$543.7

The FY25 guide was well below expectations. The biggest challenge continues to be pricing in both PVC and steel conduits, with PVC likely the bigger driver. PVC pricing has come down sharply over the past 2+ years but is still meaningfully better than it was pre-pandemic. There are new entrants coming into the PVC market, including a recently announced JV between Zekelman Industries and Maverick Pipe for three plants that include PVC conduits. Atkore's PVC margins are coming down further, a big reason the FY25e Adj EBITDA guide went from preliminary $650mm to $500mm. Additionally, Atkore estimates that roughly 25% of steel conduits are now being imported, with the vast majority from Mexico. Tariffs under the Trump administration could help improve steel conduit pricing, but Atkore is not making that assumption in its initial FY25 guide. The company has over earned during the last few years. Calculating a reasonable multiple had been very difficult until earnings had reached a bottom. We believe FY25 is that bottom, albeit at much lower levels than expected. While we believe the current level is a reasonable entry point (~11x FY25e adj EPS), we also believe that the next 2-3 qtrs will be challenging and management needs to regain credibility.

Balchem Corp.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
BCPC	Rating: MO	**$178.21**	**$175**	**~35x 2025 EPS**	**-2%**	**$5,818**	**$153**	**$5,971**	**0.6x**	**5.2x**	**3.4%**	**19.8%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
RL	32.6	22.2	Y
52-Week Range $133.82 - $186.03	**FQ4**	**FYE (Dec) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$1.10**	**$4.35**	**$4.95**
was			
EBITDA	**$61.6**	**$249.2**	**$262.5**
was			
P/E		**41.0x**	**36.0x**
EV/EBITDA		**24.0x**	**22.7x**
Consensus (4 Analysts)			
EPS	$1.11	$4.36	$4.89
EBITDA	$61.8	$249.4	$256.5

Human Nutrition and Health (HNH) has had a robust 2024 and we expect continued strength in 2025 with both Minerals & Nutrition and Food Ingredients growing nicely. In Animal Nutrition & Health (ANH) Q3 showed the start of a recovery in sales to the ruminant market and we expect this to continue in Q4 and carry into 2025 driving growth in that segment as well. In Europe, the EU commission has begun an investigation into Chinese dumping of feed-grade choline. A positive outcome for Balchem could drive further recovery in ANH in the 2H of 2025. The partnership with the NY Jets for VitaCholine is reaping benefits (for Balchem, not the Jets 😊) as it is driving the connection with sports & nutritional beverages and choline and has created several new inquires/opportunities for sales. We expect similar brand-building/sports-partnership activities in 2025 and beyond. Balchem is positioned better than most as it relates to potential tariff headwinds (with less than 5% of COGS from China) and it is also prebuying raw materials in the event of any material changes.

Barrett Business Svcs.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
BBSI	Rating: MO	**$43.56**	**$50**	**20x FY26 P/E**	**15%**	**$1,159**	**-$94**	**$1,064**	**-1.1x**	**5.4x**	**18.5%**	**50.5%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
CM	26.6	8.3	N
52-Week Range $27.06 - $44.39	**FQ4**	**FYE (Dec) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$0.57**	**$1.94**	**$2.25**
was			
EBITDA	**$21.0**	**$65.8**	**$74.9**
was			
P/E		**22.5x**	**19.4x**
EV/EBITDA		**16.2x**	**14.2x**
Consensus (4 Analysts)			
EPS	$0.62	$1.98	$2.22
EBITDA	$23.8	$73.0	$83.9

The market opportunity remains significant for BBSI as only ~16% of small businesses in the U.S. have adopted a PEO model. BBSI gets paid a percentage of its clients' payroll. Growth falls into two primary buckets: 1- increased hiring and wage inflation at existing clients, and 2- adding new clients. The company expects 7% to 8% gross billings growth in FY24. Client hiring has increased modestly in 2024 but is still a relatively soft ~1% (~25% below normal levels). The question from multiple investors is what it will take to get gross billings growth back in the double digits. A little improvement in client hiring would do it. BBSI benefits from wage inflation. It could also come from the 2nd bucket. We published a note this morning discussing the evolution of the business model over the last five years. We believe that investors are starting to appreciate the lower risk model. The stock crossed the $1B market cap threshold recently. Liquidity has always been a primary concern of investors. In June it did a well-timed 4:1 stock split that at least partially answers that concern. The average daily dollar volume is now ~$5.5mm vs. ~$3mm a year ago. The balance sheet is rock solid, no debt and $90mm in cash. We are increasing our price target to $50. The company is looking more and more like a compounder.

BrightView Holdings		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
BV	Rating: MO	**$17.22**	**$22**	**16x FY28e adj. EPS disc.**	**28%**	**$2,565**	**$737**	**$3,302**	**2.3x**	**2.0x**	**11.0%**	**104.5%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
RL	148.9	6.2	Y
52-Week Range $7.75 - $18.89	**FQ1**	**FYE (Sep) FY 2025e**	**FY 2026e**
CJS Estimates			
EPS	**$0.02**	**$0.85**	**$1.00**
was			
EBITDA	**$47.7**	**$342.5**	**$372.5**
was			
P/E		**20.3x**	**17.3x**
EV/EBITDA		**9.6x**	**8.9x**
Consensus (9 Analysts)			
EPS	$0.04	$0.85	$0.96
EBITDA	$50.5	$344.5	$367.8

BrightView shares had a remarkable 2024, more than doubling YTD, driven by the One BrightView initiative which puts employees first, so they can drive customer retention and profitable growth. The FY25 outlook calls for continued momentum in the initiatives from FY24 and aims to build further. Guidance calls for low single digits combined organic growth with 70bps or more of EBITDA margin expansion. Upside can come from accretive M&A, accelerated traction in client retention gains, further progress on cross selling Development work into Maintenance Services, hurricane clean-up work, and more. Given the strong execution in FY24 and credibility earned by Management we believe the FY24 results and FY25 guide are the beginning of a multi-year margin expansion and topline growth story which could drive earnings growth and P/E multiple expansion for years to come.

BWX Technologies		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
BWXT	Rating: MO	**$122.84**	**$135**	**35x FY27e adj. EPS disc.**	**10%**	**$11,287**	**$1,196**	**$12,483**	**2.3x**	**10.7x**	**24.9%**	**60.1%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
RL	91.9	51.9	Y
52-Week Range $74.69 - $136.31	**FQ4**	**FYE (Dec) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$0.82**	**$3.20**	**$3.45**
was			
EBITDA	**$131.7**	**$500.3**	**$540.3**
was			
P/E		**38.3x**	**35.6x**
EV/EBITDA		**25.0x**	**23.1x**
Consensus (10 Analysts)			
EPS	$0.81	$3.22	$3.44
EBITDA	$132.7	$500.3	$544.1

BWX is a leader in the on-trend nuclear industry with robust FCF and a long-term visible growth outlook. Shares have performed well aided by the markets search for carbon-free energy solutions but also driven by excellent fundamentals and execution. Recent milestones/accomplishments include the long-awaited notice to proceed in the Hanford Tank clean-up project, which is the largest such contract in the company's TSG sub-segment. Additionally, a new contract to study a pilot plant solution for domestic uranium enrichment for national security purposes as well as the selection by the Department of Energy as one of the successful bidders for HALEU deconversion services to support the civil advanced reactor marketplace both could add to future growth. Finally, the announcement of the attractive tuck-in acquisition of AOT from L3Harris for $100mm is expected to close by year end. AOT is the sole source provider of depleted uranium and finished specialty metals for mission critical defense applications and is a perfect fit in the specialty materials subsegment of Government Operations. AOT generated ~$40mm of revenue over the trailing 12 months with mid-teens EBITDA margins.

Cadre Holdings Inc.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
CDRE	Rating: MO	**$35.68**	**$44**	**25x 2026 Cash EPS**	**23%**	**$1,461**	**$115**	**$1,576**	**1.3x**	**4.9x**	**-1.3%**	**8.5%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
LS	40.9	4.0	Y
52-Week Range $29.19 - $40.28	**FQ4**	**FYE (Dec) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$0.48**	**$1.05**	**$1.40**
was			
EBITDA	**$37.4**	**$103.8**	**$117.8**
was			
P/E		**33.8x**	**25.4x**
EV/EBITDA		**15.2x**	**13.4x**
Consensus (7 Analysts)			
EPS	$0.48	$1.05	$1.34
EBITDA	$37.0	$103.9	$115.2

We expect a strong Q4 led by steady underlying demand and recovery in production following two cybersecurity breaches during Q3. The affected businesses have returned to full operation with the majority of lost sales and profit expected to made up in Q4. This includes >20% organic sales growth and a near doubling in adjusted EPS. Cadre has implemented a significant amount of counter measures and extra layers of protection to reduce risk of further security incidents. Demand is strong across segments driven by a focus on law enforcement, first responder and workplace safety across the globe and the recurring nature of sales. We anticipate mid-single-digit organic sales growth accompanied by annual EBIT margin expansion of 100bps+ through FY26E aided by lean efficiency initiatives and operating leverage on a relatively fixed cost structure. The M&A queue is full, and the company is confident it will complete multiple acquisitions over the next 18 to 24 months, including a potential announcement in the coming weeks. The potential impact of U.S. tariffs and retaliatory measures remains unknown. The risk is from Mexico and Canada where the company produces ~ 20%-25% of goods. However these predominantly government purchases could be excluded from any import/export levies. We continue to recommend CDRE based on a favorable multi-year outlook with upside from accretive acquisitions not built into estimates.

Cavco Industries		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
CVCO	Rating: MO	**$497.01**	**$500**	**20x FY26E adj. EPS**	**1%**	**$4,128**	**-$386**	**$3,742**	**-1.9x**	**4.0x**	**16.3%**	**43.4%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
DM	8.3	28.8	Y
52-Week Range $301.56 - $544.08	**FQ3**	**FYE (Mar) FY 2025e**	**FY 2026e**
CJS Estimates			
EPS	**$5.10**	**$19.76**	**$25.00**
was			
EBITDA	**$53.6**	**$205.8**	**$255.9**
was			
P/E		**25.1x**	**19.9x**
EV/EBITDA		**18.2x**	**14.6x**
Consensus (4 Analysts)			
EPS	$4.89	$19.32	$23.41
EBITDA	$55.3	$208.2	$260.7

FQ2 results came in above our model and easily topped consensus. For FQ3 (Dec) our EPS estimate is once again at the high end of the range and we expect a repeat performance. Despite stronger than expected revenue last quarter, backlog increased 19% sequentially and jumped 62% y/y to $276mm, implying ~$500mm in net new orders during the quarter, the highest level in the past 8+ quarters. While orders may taper off somewhat seasonally, we remain very comfortable with our (above consensus) projections for the next few quarters. Demand is improving across all three end markets, Retail, REITS/Community and Builder Developer. Cavco has no debt and cash on the balance sheet ($386mm as of 9/30, approaching ~$50/share) continues to build, despite aggressively repurchasing shares, an exceptionally “high class problem” for management and shareholders alike.

CBIZ Inc.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
CBZ	Rating: MO	**$77.90**	**$95**	**26x FY26 P/E**	**22%**	**$4,986**	**$1,449**	**$6,434**	**3.4x**	**2.7x**	**14.6%**	**24.5%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
CM	64.0	51.5	Y
52-Week Range $57.79 - $86.36	**FQ4**	**FYE (Dec) FY 2024e**	**FY 2025e**
CJS Estimates			
Adj. EPS	**-$0.29**	**$2.43**	**$2.91**
was			
EBITDA	**-$13.1**	**$232.1**	**$427.2**
was			
P/E		**32.1x**	**26.8x**
EV/EBITDA		**27.7x**	**15.1x**
Consensus (4 Analysts)			
EPS	-$0.33	$2.23	$3.02
EBITDA	-$6.1	$235.3	$315.0

The Marcum acquisition solidifies the company’s position as a leading provider of professional services to the growing middle market and makes it the 7th largest accounting services provider in the U.S. Both companies have better than 75% recurring revenue with client retention rates at ~90%. The benefits of scale here should help drive organic growth, competitive positioning for acquisitions, attracting and retaining talent, brand recognition, and the ability to leverage investments in technology, processes and systems. Marcum brings increased geographic penetration, breadth of services and depth of expertise that allow CBIZ to bring an even greater array of high-value solutions to the combined client base, as well as attract new clients. There are two primary questions many investors are focused on: 1- how quickly can CBIZ deleverage from the targeted 3.25x to 3.5x post-close? 2- will CBIZ / the stock be able to handle potentially significant selling volume by Marcum partners? CBIZ has targeted leverage at roughly 2.0x to 2.25x, 24-months post-close. That is consistent with our FCF estimate of ~$210mm in FY25 and $235mm FY26 and some reasonable Adj EBITDA growth. We believe the deal was structured in such a way as to allow the stock to be able absorb most of the potential selling.

CCC Intel. Solutions		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
CCCS	Rating: MO	**$12.34**	**$14**	**22x FY25 EBITDA**	**13%**	**$7,927**	**$492**	**$8,419**	**1.2x**	**4.1x**	**13.9%**	**8.3%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
CM	642.4	19.2	N
52-Week Range $9.79 - $12.88	**FQ4**	**FYE (Dec) FY 2024e**	**FY 2024e**
CJS Estimates			
EPS	**$0.09**	**$0.37**	**$0.41**
was			
EBITDA	**$103.9**	**$395.0**	**$431.8**
was			
P/E		**33.2x**	**30.3x**
EV/EBITDA		**21.3x**	**19.5x**
Consensus (11 Analysts)			
EPS	$0.10	$0.37	$0.41
EBITDA	$104.3	$395.4	$436.6

CCC targets 7-10% long-term organic growth while auto premium growth is targeted at ~7% annually (expected to be well above 10% in 2024 according to a report by S&P Global). The 7-10% growth is typically 70% from cross-selling / upselling and 30% from new logos. Over time, that will shift to 80% cross selling / upselling and 20% from new logos. The CCC core value proposition is twofold: 1- it substantially improves operating efficiencies, leading to improved profitability and customer experience, and 2- it drives incremental revenue across the ecosystem players. CCC’s “Rule of 40” (EBITDA margin plus organic growth) was above 50% the last 3 years and should once again reach that level in FY24. The achievement is even more impressive given the level of R&D (~21% of revenue in FY24). The stock has crept up a little and is currently in the mid-$12 range, but we continue to argue this is a good time to get in - and stay in.

Central Garden & Pet		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
CENTA	Rating: MO	**$34.52**	**$43**	**15x FY26 cash EPS**	**25%**	**$2,310**	**$436**	**$2,746**	**1.3x**	**1.5x**	**4.3%**	**-2.0%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
RL	66.9	8.8	N
52-Week Range $27.70 - $41.03	**FQ1**	**FYE (Sep) FY 2025e**	**FY 2026e**
CJS Estimates			
EPS	**-$0.06**	**$2.30**	**$2.50**
was			
EBITDA	**$34.6**	**$349.2**	**$366.6**
was			
P/E		**15.0x**	**13.8x**
EV/EBITDA		**7.9x**	**7.5x**
Consensus (7 Analysts)			
EPS	-$0.04	$2.30	$2.47
EBITDA	$31.7	$334.6	$348.7

On September 27th Niko Lahanas was named CEO succeeding Beth Springer who served as interim for the past year. Niko had previously served as CFO since 2017 with 18 years total experience at Central. From a fundamental perspective, the Cost & Simplicity program remains the key driver for future growth. The program was initiated in FQ2’23 to integrate the acquisitions and take the cost savings to reinvest in brands to drive higher growth. Looking at the segments, on the Pet side the company continues to transition through the pandemic hangover which has resulted in lower pet durable goods sales while the consumable products have begun to rebound. On the Garden side, multiple years of poor weather have impacted reported margins. This, plus commodity deflation causing retailer pressure on pricing, is responsible for the cautious FY25 outlook. We continue to believe there is significant margin upside potential once the macro environment normalizes. The balance sheet is robust with $750mm of cash and $1.2b of long-term, low-rate debt. If the company is successful in achieving its long-term targets of doubling EPS over 5-7 years (organically and via acquisition) we believe shareholders will be well rewarded from current levels.

Champion Homes

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
SKY	Rating: MO	**$108.92**	**$100**	**22x FY26E cash EPS**	**-8%**	**$6,338**	**-$664**	**$5,674**	**-2.4x**	**3.7x**	**16.1%**	**46.7%**

Analyst DM	**Shrs Out** 58.2	**Avg Vol $mm** 60.3	**Conf.** Y
52-Week Range $64.40 - $116.49	**FQ3**	**FYE (Mar) FY 2025e**	**FY 2026e**
CJS Estimates			
EPS	**$0.80**	**$3.40**	**$4.33**
was			
EBITDA	**$64.9**	**$275.7**	**$347.2**
was			
P/E		**32.1x**	**25.2x**
EV/EBITDA		**20.6x**	**16.3x**
Consensus (6 Analysts)			
EPS	$0.80	$3.38	$4.01
EBITDA	$66.9	$278.7	$333.2

FQ2 GM and EPS modestly exceeded expectations and we expect another "meet or beat" in Q3. FQ2 backlog of $427mm increased 6% sequentially. Orders continued to tick higher through much of the quarter but cooled moderately in early FQ3. Reflecting this, as well as temporary market disruptions in the western Carolinas following recent hurricanes, FQ3 revenue is expected to be down "mid-single digits" sequentially and overall backlog may tick modestly lower for the next 1-2 quarters. Looking out to FY26 (essentially CY25), we see several catalysts for continued revenue, earnings and cash flow growth. The contribution from ECN should start to become more meaningful. Further, we expect organic shipment growth to continue, capacity utilization to improve and fixed cost absorption to improve as well. Further, the full ~$15mm expected cost synergies should be realized, underpinning our 25%+ growth projection for cash EPS in FY26. Meanwhile, the balance sheet is overcapitalized and FCF is strong and continues to grow, enhancing flexibility. We remain bullish on the long-term outlook for Champion and MH in general.

Clean Harbors Inc.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
CLH	Rating: MO	**$251.95**	**$265**	**12x 2026E EV/EBITDA**	**5%**	**$13,668**	**$2,194**	**$15,862**	**1.9x**	**5.4x**	**3.1%**	**44.4%**

Analyst LS	**Shrs Out** 54.2	**Avg Vol $mm** 47.4	**Conf.** Y
52-Week Range $161.39 - $267.11	**FQ4**	**FYE (Dec) FY 2024e**	**FY 2025E**
CJS Estimates			
EPS	**$1.38**	**$7.25**	**$8.50**
was			
EBITDA	**$252.9**	**$1,112.6**	**$1,229.6**
was			
P/E		**34.8x**	**29.6x**
EV/EBITDA		**14.3x**	**12.9x**
Consensus (11 Analysts)			
EPS	$1.37	$7.24	$8.29
EBITDA	$253.3	$1,110.3	$1,214.0

We expect relatively flat EBITDA in Q4 as positive trends across the majority of Environmental Services (ES) are offset by renewed challenges at Safety Kleen Sustainability Solutions (SKSS). ES is led by strong waste volumes in Technical and Field Services partially offset by a slowdown in Industrial services. Underlying demand remains healthy with project pipelines and backlog at record levels. The new incinerator in Kimball, NE is expected to go live this month. We anticipate modest dilution in Q4 with rising benefits in 2025 and 2026. The target is 25k to 30K tons of utilization expected to add $10mm-$15mm to 2025 EBITDA. A steady increase to ~90% utilization of 70K capacity could drive up to $50mm EBITDA by 2027. Industrial services revenue is flat YTD due primarily to a slowdown in the U.S refinery industry and an increase in deferred facility turnarounds. SKSS is impacted by excess base oil in the market which has pressured price and customer demand. We expect operating performance to stabilize by early 2025 driven by more aggressive collection costs with gradual improvement in profitability as the year progresses. We remain positive on the shares, but upside could be limited in the near term following significant outperformance the last two years and potentially conservative initial 2025 guidance to be provided in February.

Columbus McKinnon

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
CMCO	Rating: MO	**$40.35**	**$50**	**14X FY26E Adj. P/E**	**24%**	**$1,175**	**$348**	**$1,523**	**1.9x**	**14.3x**	**31.9%**	**3.4%**

Analyst JT	**Shrs Out** 29.1	**Avg Vol $mm** 10.3	**Conf.** N
52-Week Range $29.26 - $45.84	**FQ3**	**FYE (Mar) FY2025**	**FY2026**
CJS Estimates			
EPS	**$0.69**	**$2.86**	**$3.50**
was	*$0.73*	*$3.00*	*$3.54*
EBITDA	**$38.4**	**$160.7**	**$181.5**
was	$38.9	$166.4	$183.3
P/E		**14.1x**	**11.5x**
EV/EBITDA		**9.5x**	**8.4x**
Consensus (4 Analysts)			
EPS	$0.73	$2.95	$3.35
EBITDA	$40.1	$163.9	$179.2

Industrial trends (particularly in Germany) and exchange rates have softened since the last earnings call and the election, creating incremental headwinds in FQ3 and FQ4, and we are trimming our FY25 (March) estimates slightly as a result. Our FY26 estimates remain slightly above consensus expectations; we believe the medium-term outlook remains healthy, with a continuation of the strength in higher margin precision conveyance and automation project activity, underpinned by large battery manufacturing orders, and the return of a large ecommerce customer (likely Amazon). Management also believes the implementation of tariffs under the incoming administration is likely to spur increased investment in onshoring and automation, and more certainty in the interest rate environment could also unlock pent up investments. Having said that we believe there could be an offsetting risk of potential higher tariffs on "imports" from the Company's new Mexican facility (not considered imports under the current free trade framework negotiated by the last Trump administration), and we do not specifically model a headwind or tailwind until more concrete policy details are available.

Compass Diversified

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
CODI	Rating: MO	**$23.99**	**$33**	**SOTP (11x 2025E EBITDA)**	**38%**	**$1,815**	**$1,841**	**$3,656**	**3.8x**	**1.2x**	**12.7%**	**6.9%**

Analyst LS	**Shrs Out** 75.6	**Avg Vol $mm** 4.1	**Conf.** N
52-Week Range $19.76 - $25.07	**FQ4**	**FYE (Dec) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$0.52**	**$2.15**	**$2.50**
was			
EBITDA	**$118.5**	**$432.8**	**$526.1**
was			
P/E		**11.2x**	**9.6x**
EV/EBITDA		**8.4x**	**6.9x**
Consensus (6 Analysts)			
EPS	$0.56	$2.19	$2.47
EBITDA	$117.3	$440.7	$494.5

Trends remain strong across the majority of holdings which could drive a third consecutive beat in Q4. Demand has held up in the higher-end premium markets where consumer spending has proven to be resilient. The Branded business are led by BOA with a rising presence in the US in categories such as alpine ski and workwear; and Lugano driven by an expanding customer base, new salon openings, and rising transaction sizes. We expect a reacceleration in performance at 511 in 2025 aided by a revamped consumer product line, a resumption of new store openings and consistent growth on the professional side of the business. CODI raised $17mm from preferred shares during Q3 with additional sales expected in Q4. This could offset a potential acceleration in share repurchases following an announced $100mm authorization in late October. Net debt to TTM EBITDA was 3.8x at the end of Q3 and is expected to fall to ~3.5X by year end. We expect CODI to remain active the M&A market with a focus on tuck-in acquisitions. We would not rule taking net leverage up to ~4.5X for the right larger sized platform acquisition. We look forward to comprehensive update and 2025 guidance at an investor day in NYC on 1/16.

Copart Inc.

Copart Inc.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
CPRT	Rating: MO	**$62.61**	**$65**	**35x CY26e EPS**	**4%**	**$61,139**	**-$3,698**	**$57,441**	**-3.2x**	**12.6x**	**25.8%**	**27.8%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
RL	976.5	287.5	Y
52-Week Range $46.21 - $64.38	**FQ2**	**FYE (July) FY 2025e**	**FY 2026e**
CJS Estimates			
EPS	**$0.38**	**$1.55**	**$1.75**
was			
EBITDA	**$477.1**	**$1,941.7**	**$2,161.7**
was			
P/E		**40.5x**	**35.7x**
EV/EBITDA		**29.6x**	**26.6x**
Consensus (9 Analysts)			
EPS	$0.37	$1.56	$1.77
EBITDA	$474.5	$1,945.8	$2,229.3

With total loss frequency reaching/eclipsing pre-pandemic highs the 40-year trend is back on track fueling strong industry fundamentals for years to come. As long as there is a need for affordable transportation in developing economies and an arbitrage of repair costs (drivers of Copart's virtuous cycle) and Copart continues it passionate and unwavering commitment to its customers and unparalleled execution we see continued outperformance for shares. Beyond insurance/salvage cars Copart has been investing heavily in SG&A to drive adjacent growth. Investment includes sales force growth, platform investment, and 3rd party services for both its BluCar (rental, fleet and other commercial whole cars) and Purple Wave (Heavy machinery, Ag, etc) operations. Indeed, SG&A as a percent of sales has grown from 6% in FY23 to 8.7% in Q1'25 as upfront investment are necessary to unlock growth. Looking ahead we see a return to operating leverage in the coming quarters fueling even faster bottom-line growth for Copart. With nearly $4b in cash and no debt the company is well positioned to complement its strong organic growth outlook with accretive M&A and/or repurchases.

Crane Company

Crane Company		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
CR	Rating: MO	**$170.06**	**$183**	**30x 2026 adj. EPS**	**8%**	**$9,914**	**$76**	**$9,991**	**0.2x**	**6.0x**	**11.2%**	**43.9%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
JA	58.3	24.0	N
52-Week Range $106.33 - $188.52	**FQ4**	**FYE (Dec) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$1.18**	**$5.08**	**$5.45**
was	*$1.26*	*$5.16*	*$5.80*
EBITDA	**$106.9**	**$450.5**	**$476.2**
was	$114.4	$458.0	$508.0
P/E		**33.5x**	**31.2x**
EV/EBITDA		**22.2x**	**21.0x**
Consensus (5 Analysts)			
EPS	$1.25	$5.11	$5.84
EBITDA	$109.7	$450.3	$502.4

Crane recently announced plans to sell its Engineered Materials segment (to be completed 1Q25) for $227mm. We believe the sale will help Crane focus its resources on driving growth in its A&E and PFT segments. We believe the divestiture will add to Crane's capacity for M&A. To that end, management highlighted a robust M&A funnel and noted there could be larger deal materializing in 2025. In conjunction with the divestiture, Crane updated its 2024 adjusted EPS from continuing operations guide to $4.71-4.86, down from $5.05-5.20. The company also provided 4Q24 adjusted EPS from continuing operations guidance of $1.10-1.25. Overall, we believe core growth in PFT will remain strong and expect margins to expand. Similarly, we think A&E continues to see robust growth from program wins. That said, we are trimming our 2025E A&E revenue estimate by $38mm as we bake in a slight headwind from the dislocation at Boeing. To account for the divestiture, we are reducing our 4Q24 adjusted EPS estimate to $1.18 from $1.26. In FY25E, we are reducing our adjusted EPS from continuing operations to $5.45 from $5.80. This change is comprised of ~$0.28 from changes to EM and ~$0.07 from changes to A&E. We are also reducing our FY26E adjusted EPS estimate to $6.10 from $6.50, comprised of ~$0.30 from EM and ~$0.10 from A&E. We are slightly increasing our PT to $183 from $175 as we roll our estimates to 2026E, which equates to ~30x our 2026E adjusted EPS.

Crane NXT

Crane NXT		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
CXT	Rating: MO	**$61.29**	**$74**	**17x FY25 adj EPS**	**21%**	**$3,543**	**$635**	**$4,178**	**1.7x**	**3.3x**	**6.1%**	**7.8%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
RL	57.8	13.6	Y
52-Week Range $50.37 - $64.80	**FQ4**	**FYE (Dec) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$1.19**	**$4.25**	**$4.40**
was			
EBITDA	**$109.4**	**$396.6**	**$400.4**
was			
P/E		**14.4x**	**13.9x**
EV/EBITDA		**10.5x**	**10.4x**
Consensus (4 Analysts)			
EPS	$1.19	$4.26	$4.41
EBITDA	$108.6	$396.2	$409.8

2024 marks a solid year for Crane NXT with strong progress on its M&A goals. During the year it acquired or announced $660mm in acquisitions in the brand authentication market, rapidly becoming an industry leader in this highly fragmented market. The De La Rue acquisition, which is expected to close in 1H'25 (and therefore not yet in our estimates) complements the OpSec acquisition completed in May, 2024. Strong cash flows from the core business should enable leverage to be just 2.2-2.5x upon the close of De La Rue. Regarding the core business, international currency continues its strong growth while US currency is experiencing some lumpiness post-covid and ahead of the new Catalyst series note launch which should drive its growth for the next decade. The CPI segment is solid with strength in some verticals (Vending, Retail) offsetting weakness in Gaming. Looking ahead we see continued low single-digit growth for this segment. Shares remain inexpensive with potential to re-rate as organic growth increases.

CSW Industrials Inc.

CSW Industrials Inc.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
CSWI	Rating: MO	**$400.34**	**$405**	**35X FY27E Cash EPS**	**1%**	**$6,244**	**-$273**	**$5,970**	**-1.2x**	**6.2x**	**17.7%**	**93.0%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
JT	15.6	103.7	Y
52-Week Range $188.10 - $436.50	**FQ3**	**FYE (Mar) FY2025**	**FY2026**
CJS Estimates			
EPS	**$1.46**	**$8.33**	**$9.37**
was		*$8.30*	*$9.17*
EBITDA	**$41.4**	**$225.4**	**$243.2**
was		$224.0	$238.5
P/E		**48.0x**	**42.7x**
EV/EBITDA		**26.5x**	**24.6x**
Consensus (3 Analysts)			
EPS	$1.43	$8.38	$9.60
EBITDA	$41.9	$228.4	$251.0

We are increasing our estimates and our price target, to reflect the acquisition of PF Waterworks and rolling forward our valuation to FY27(March/CY26). PF is a plumbing products company acquired on 11/7 for $40mm (9.5X EBITDA) in cash. PF has a number of innovative products sold primarily through retail, and the acquisition is likely to drive significant sales synergies through CSWI's contractor distribution network and potentially improve CSWI's own distribution of plumbing products into retail where it has only a modest presence in HVAC (via TrueAire). We estimate PF has an EBITDA margin structure slightly below the CS segment (~25%E), and accretive to the company overall. For the quarter, demand trends have likely remained healthy in a seasonally weaker FQ3, and we remain comfortable with our estimates. Heading into CY25/FY26, we expect a continued healthy pace of acquisitions and compounding earnings, using the all-cash balance sheet (after a $313mm equity raise on 9/5) and continued strong cash flow. Our new PT of $405 reflects an unchanged 35X FY27E Cash EPS multiple (was FY26 March), and excludes further M&A.

Deluxe Corp.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
DLX	Rating: MP	**$23.87**	**$25**	**8x 2025e Adj. EPS**	**5%**	**$1,069**	**$1,535**	**$2,604**	**3.7x**	**1.7x**	**19.1%**	**11.3%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
CS	44.8	7.2	N
52-Week Range $18.38 - $24.87	**FQ4**	**FYE (Dec) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$0.79**	**$3.25**	**$3.35**
was			
EBITDA	**$102.5**	**$411.3**	**$418.3**
was			
P/E		**7.3x**	**7.1x**
EV/EBITDA		**6.3x**	**6.2x**
Consensus (4 Analysts)			
EPS	$0.83	$3.24	$3.37
EBITDA	$105.0	$411.2	$426.3

The company closed on its balance sheet refinancing on 12/3, extending maturities for nearly $1B of its debt to 2029 removing a potential overhang. We expect an inline quarter when DLX reports Q4 earnings given tighter guidance on its Q3 earnings call. Investors meeting management at recent conferences have been focusing more on the growth units of the business as they are increasingly comfortable with the manageable annual declines in the traditional checks and print segment. Although, those offerings have outperformed (declining low single digits YTD vs. mid-single digits historically). We believe management remains committed to the current dividend policy (current 5% yield). Given its exposure to small businesses, the incoming administration should be beneficial to the Deluxe customer set.

Donnelley Fin. Sol.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
DFIN	Rating: MO	**$61.17**	**$75**	**9.5x CY25 EV/EBITDA**	**23%**	**$1,829**	**$91**	**$1,920**	**0.4x**	**4.4x**	**-12.0%**	**-1.9%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
CS	29.9	7.5	N
52-Week Range $56.02 - $71.01	**FQ4**	**FYE (Dec) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$0.49**	**$3.55**	**$4.10**
was			
EBITDA	**$38.2**	**$223.8**	**$243.7**
was			
P/E		**17.2x**	**14.9x**
EV/EBITDA		**8.6x**	**7.9x**
Consensus (4 Analysts)			
EPS	$0.46	$3.46	$3.95
EBITDA	$38.7	$224.3	$242.1

After a brisk October for IPO pricings (29 offerings in the month raising $4.4B) activity in November ground to a near halt with only 8 deals pricing (raising $400mm) and December isn't looking all that good either. However, sentiment is that the incoming Trump administration should be bullish for the IPO market and several large deals are reportedly in the pipeline for early 2025. Additionally, the new administration may serve as a positive catalyst for M&A activity, potentially creating a tailwind for DFIN. Last quarter, Software Solutions revenue grew 13.6% on an organic basis and accounted for 45.8% of total net sales, we expect growth to continue in Q4 though not as briskly as Q3, given very tough comps in its Venue data room offering and larger than normal proxy work last year. Given the tough comparison and ongoing capital markets softness we believe results should come in at or just below the low end of revenue guidance. Our estimates are at the low end currently.

Dorman Products

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
DORM	Rating: MO	**$141.51**	**$150**	**20x 2025 adj. EPS**	**6%**	**$4,350**	**$490**	**$4,840**	**1.5x**	**3.5x**	**21.6%**	**69.7%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
JA	30.7	22.3	N
52-Week Range $74.27 - $146.60	**FQ4**	**FYE (Dec) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$1.96**	**$6.90**	**$7.50**
was			
EBITDA	**$101.4**	**$369.1**	**$389.9**
was			
P/E		**20.5x**	**18.9x**
EV/EBITDA		**13.1x**	**12.4x**
Consensus (4 Analysts)			
EPS	$1.97	$6.90	$7.53
EBITDA	$101.6	$366.3	$391.3

Dorman's Heavy Duty segment continues to weigh on earnings as segment sales declined ~5% y/y in 3Q24, the fifth consecutive quarter of y/y declines. This was driven by ongoing softness in the freight industry. An inflection in the Heavy Duty segment (~12% of total revenue and generating ~4.5% operating income margins) could serve as a major catalyst for Dorman if/when it materializes. With management seeing signs of stabilization and holding a belief that Heavy Duty segment margins could be double digits in a normal operating environment, an improvement in freight volumes could drive significant margin improvement at the company. In Light Duty, Dorman's product innovation pipeline, continues to perform, with new SKUs adding incremental sales. We continue to believe this is a key differentiator and primary driver of the business. Light Duty sales grew 5% y/y in 3Q24, offsetting the weakness from Heavy Duty and Specialty Vehicles. In 3Q24, the company leveraged its solid FCF and strong balance sheet, repurchasing $27mm of shares and repaying $11mm of debt, reducing its leverage to ~1.0x. With ample capacity for potential M&A and a new $500mm share repurchase agreement, we see multiple avenues for Dorman to exercise its capital allocations strategy.

Element Solutions

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
ESI	Rating: MO	**$27.50**	**$31**	**20X FY25E EPS**	**13%**	**$6,727**	**$1,565**	**$8,292**	**3.0x**	**2.8x**	**6.2%**	**18.8%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
JT	244.6	28.2	Y
52-Week Range $20.99 - $29.78	**FQ4**	**FYE (Dec) FY 2024e**	**FY2025e**
CJS Estimates			
EPS	**$0.35**	**$1.44**	**$1.55**
was			
EBITDA	**$130.2**	**$535.0**	**$555.0**
was			
P/E		**19.1x**	**17.8x**
EV/EBITDA		**15.5x**	**14.9x**
Consensus (9 Analysts)			
EPS	$0.35	$1.44	$1.62
EBITDA	$132.6	$537.2	$586.9

Strong EV/Semiconductor/Datacenter/China handset and Oilfield markets are expected to persist into Q4, with offsets from continued weakness in broader Industrials and electronics as well a stronger dollar post-election. Overall, we would expect an in-line quarter. Secular tailwinds in EV/Datacenter/Semiconductor are expected to remain powerful into the foreseeable future, particularly with new products such as Kuprion (active, tunable copper that improves yields and power/heat management in semiconductors) which continues to garner interest despite the Company stopping marketing in order to focus on standing up a manufacturing and supply base. The potential for a broader recovery in smartphones, automotive and industrials are likely to drive incremental growth when they do occur, although timing and scale today remains unclear. The Company remains on track to sell its graphics business (1H'25) for $325mm, which will result in atypically low leverage (between 2-2.5X, vs a target range of 3-3.5X) and dry powder to pursue organic growth investments, higher growth acquisitions (most likely in semiconductor or adjacent spaces), or potential buybacks. Overall, we believe the company is in the strongest position it has been in since the pandemic and is likely to sustain/improve momentum going forward.

Enhabit Inc.

Enhabit Inc.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
EHAB	Rating: MP	**$8.53**	**$10**	**9x FY25 EBITDA**	**17%**	**$428**	**$479**	**$907**	**4.8x**	**0.8x**	**6.0%**	**-17.6%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
LS	50.2	6.3	N
52-Week Range $6.85 - $11.74	**FQ4**	**FYE (Dec) FY 2024e**	**FY 2025E**
CJS Estimates			
EPS	**$0.06**	**$0.23**	**$0.28**
was			
EBITDA	**$24.8**	**$99.8**	**$105.3**
was			
P/E		**36.5x**	**30.5x**
EV/EBITDA		**9.1x**	**8.6x**
Consensus (8 Analysts)			
EPS	$0.05	$0.22	$0.28
EBITDA	$24.5	$99.4	$102.5

Operating performance continues to be impacted by declines in Medicare fee for service (FFS) due to transition to Medicare Advantage (MA). Higher paying Medicare (FFS) visits fell 14% YTD to 50% of volume in Q3'24 from 58% in Q3'23. On the positive side, the company is gaining traction in its payor innovation program with 45% of non-Medicare volumes in new higher paying contracts vs. 19% in Q3'23. The mix between Medicare FFS and MA has caught up to peers which could lead to a slower rate of decline. The recently settled contract with United Healthcare before the 1/1/25 expiration avoids a potential dramatic drop in volumes. It includes some improvement in rate incorporated into a targeted $11mm to $13mm (1.5%) aggregate 2025 price benefit in Home Health. New CFO Ryan Solomon replaced Chrissy Carlisle effective 12/9. He was most recently CFO of Aspirion, a health care revenue cycle management provider. On 12/2, the Delaware Court of Chancery ruled in favor of Enhabit and former parent Encompass Health against prior CEO April Anthony and two senior officers. The parties acted in "bad faith" when they founded the now PE owned VitalCaring Group (VCG) in 2021 while working in Encompass Health's Home Care Division (now Enhabit). The court ordered VCG to create a trust to compensate both companies. This includes 43% of a current NPV of $220mm or $95mm and 43% of future profits. The decision is expected to be appealed.

Enviri Corp.

Enviri Corp.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
NVRI	Rating: MP	**$7.62**	**$11**	**7x 2025E EBITDA. 15x FCF**	**44%**	**$611**	**$1,351**	**$1,962**	**4.1x**	**1.2x**	**-25.3%**	**-15.3%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
LS	80.2	2.6	N
52-Week Range $6.57 - $12.79	**FQ4**	**FYE (Dec) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**-$0.10**	**-$0.10**	**$0.10**
was			
EBITDA	**$73.8**	**$322.5**	**$350.1**
was			
P/E		**-74.0x**	**75.8x**
EV/EBITDA		**6.1x**	**5.6x**
Consensus (4 Analysts)			
EPS	-$0.10	-$0.12	$0.14
EBITDA	$72.6	$321.1	$337.2

The near term outlook remains challenged by a further softening in steel volumes at Harsco Environmental (HE) as well as renewed supply chain and manufacturing challenges in Rail. This is partially offset by an improved outlook for Clean Earth driven by operating efficiencies and margin expansion. We expect mid-teens declines in Q4 sales and profit at HE due to soft steel volumes and temporary idling of certain customer steel mills, exacerbated by a glut of steel supply in China and the ongoing exit of lower profit contracts. Global steel production remains well below mid-cycle levels and is expected to fall in the low-single digits for FY24 vs. a prior anticipated low-single digit increase. We expect modest volume growth and improved pricing at Clean Earth to continue through 2025 with slowly rising EBITDA margin. Trends in hazardous waste remain steady with some expected easing built into the forecast in a slowing U.S. economy. The sale of the Rail business is likely on hold until 2026 following settlement and first deliveries on a large LT unprofitable European contract. Our MP rating reflects minimal cash earnings and free cash flow through 2025E.

ESCO Technologies

ESCO Technologies		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
ESE	Rating: MO	**$144.19**	**$150**	**SOTP (FY26E)**	**4%**	**$3,760**	**$56**	**$3,817**	**0.3x**	**3.1x**	**19.5%**	**23.2%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
JT	26.1	20.5	N
52-Week Range $96.69 - $154.00	**FQ1**	**FYE (Sep) FY2025e**	**FY2026e**
CJS Estimates			
EPS	**$0.73**	**$4.80**	**$6.05**
was			
EBITDA	**$41.4**	**$227.0**	**$299.0**
was			
P/E		**30.0x**	**23.8x**
EV/EBITDA		**16.8x**	**12.8x**
Consensus (3 Analysts)			
EPS	$0.73	$4.80	$5.53
EBITDA	$42.5	$241.1	$272.8

We expect an in-line or better FQ1 given healthy backlogs, and after taking action to identify and contain overruns in the Vacco space business in the last 2 quarters. Demand for USG and Aerospace/Defense products is likely to remain strong and Test should remain stable, with some potential for choppiness quarter to quarter as Boeing ramps production (but still growing annually). An all-republican administration is likely to be a net tailwind for the defense business but could create some volatility if tariffs are implemented in the near-medium term. Impacts are likely to be relatively minor: higher Doble electronic component pricing can be passed through based on existing contracts, and the company has invested in domestic production in China for the Test business which minimizes the impact of potential retaliatory tariffs. Crissair does have a small facility in MX but is a small % of A&D COGS. A bigger question surrounds the space business if the CEO of SpaceX is cutting NASA programs, however the Company continues to explore strategic alternatives for Vacco (including the highly profitable submarine business) which may render the question moot. The SM&P acquisition appears likely to close in FQ2, and we continue to believe it will be a highly accretive with the capacity to drive >$6E in Adj. EPS by FY26 (exclusive of a decision to sell Vacco).

Federal Signal Corp.

Federal Signal Corp.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
FSS	Rating: MO	**$97.37**	**$95**	**27x FY25 P/E**	**-2%**	**$6,008**	**$158**	**$6,165**	**0.4x**	**5.2x**	**12.3%**	**26.9%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
CM	61.7	57.1	Y
52-Week Range $71.29 - $102.18	**FQ4**	**FYE (Dec) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$0.87**	**$3.34**	**$3.55**
was			
EBITDA	**$93.0**	**$354.3**	**$375.8**
was			
P/E		**29.2x**	**27.4x**
EV/EBITDA		**17.4x**	**16.4x**
Consensus (6 Analysts)			
EPS	$0.87	$3.35	$3.73
EBITDA	$92.4	$353.5	$384.2

Q3 was a solid qtr in terms of revenue growth and a very strong one in terms of margin improvement. Federal Signal generated record Q3 - revenue, Adj EPS and Adj EBITDA. After-market revenue increased 10% y/y and represented ~27% of ESG revenue. Rental income was up 12% y/y, used equipment sales were up 15% y/y and parts sales were up 6% y/y. This is one of the company's competive differentiators; it has created a strong after-market ecosystem that helps to counter the cyclicality of its new equipment business. Additionally, the margins on after-market revenue tend to be a bit higher. While not looking to match the hyper growth of FY22 and FY23, double-digit revenue growth (with help from M&A) is achievable for the foreseeable future. The company made a small acquisition in early October, and we think M&A will become an increasing focus in 2025. We would be buyers on weakness.

Fox Factory Corp.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
FOXF	Rating: MO	**$32.79**	**$50**	**18x CY26 P/E**	**52%**	**$1,368**	**$679**	**$2,047**	**4.0x**	**1.1x**	**-17.4%**	**-51.4%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
LS	41.7	15.7	N
52-Week Range $30.13 - $70.13	**FQ4**	**FYE (Dec) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$0.28**	**$1.30**	**$2.00**
was			
EBITDA	**$38.9**	**$165.5**	**$207.1**
was			
P/E		**25.3x**	**16.4x**
EV/EBITDA		**12.4x**	**9.9x**
Consensus (8 Analysts)			
EPS	$0.29	$1.31	$1.96
EBITDA	$39.4	$164.4	$200.1

Sluggish trends in PVG and AAG could drive Q4 sales and EPS towards the lower end of the guidance range. The outlook for SSG is mixed after a nice YTD rebound in Bikes and consistent growth at Marucci. Q4 segment sales are expected to be flat to down due primarily due to seasonality and slower store traffic at big box sports stores (Marucci). Recent commentary from Giant and Shimano confirms lingering pockets of excess inventory – partially due to a slower Spring in Europe after outperforming the U.S. in 2023. This could impact OEM demand and put a cap on further recovery in bike sales in 2025. The outlook for Marucci is strong driven by new products including an expanded presence in softball and a licensing agreement with MLB. We do not see any short-term catalysts that suggest improvement in auto demand which is reflected in our roughly flat sales estimates for PVG and AAG through 2025. The labor market remains tight and there appears to less chance of significant additional interest rate cuts in 2025 after ¼ point reduction expected at the December Fed meeting. Modest revenue growth and the rising benefit of cost cutting initiatives could drive an acceleration in earnings growth in H2'25 and into 2026. However visibility remains limited and initial 2025 guidance could be in line to below expectations.

Gibraltar Industries

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
ROCK	Rating: MO	**$70.02**	**$85**	**18x 2025E EPS**	**21%**	**$2,153**	**-$229**	**$1,924**	**-1.1x**	**2.1x**	**0.9%**	**-11.3%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
DM	30.8	12.0	Y
52-Week Range $61.92 - $87.39690	**FQ4**	**FYE (Dec) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$0.91**	**$4.15**	**$4.60**
was			
EBITDA	**$44.5**	**$202.6**	**$217.5**
was			
P/E		**16.9x**	**15.2x**
EV/EBITDA		**9.5x**	**8.8x**
Consensus (4 Analysts)			
EPS	$0.91	$4.15	$4.74
EBITDA	$44.3	$197.9	$223.6

NT macro challenges continue in ROCK's two largest markets. In Residential, *"the repair and remodel sector remains slower than expected and this has delayed the timing and benefit of our participation gains as customers take longer to flush inventory from incumbent suppliers."* In Renewables, *"regulatory uncertainties driven by the impact from the two independent AD/CVD investigations,"* will likely drag on revenue and margins in Q4. Further, final determination regarding anti-dumping tariffs from the DOC and ITC has been pushed out to April, and uncertainty regarding the new Administration could temper demand through at least Q1. On the positive side, Agtech demand remains robust and margins in Resi are resilient. Beyond the next few quarters, demand for Resi and Renewables should start to recover, perhaps by H2'25, driving enhanced participation gains (Resi), a rebound in Op Margins (Renewables), and accelerating EPS growth. A ~$230mm (and growing) cash balance creates optionality and potential upside to expectations. Valuation is modest and EPS growth, once it reaccelerates, could drive multiple expansion as well.

Great Lakes Dredge

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
GLDD	Rating: MO	**$12.73**	**$15**	**18X FY25e P/E**	**18%**	**$862**	**$388**	**$1,250**	**3.7x**	**2.1x**	**29.9%**	**65.8%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
JT	67.7	2.9	Y
52-Week Range $6.55 - $12.89	**FQ4**	**FYE (Dec) FY2024e**	**FY2025e**
CJS Estimates			
EPS	**$0.26**	**$0.81**	**$0.79**
was			*$0.85*
EBITDA	**$39.3**	**$135.0**	**$145.0**
was			$150.0
P/E		**15.7x**	**16.1x**
EV/EBITDA		**9.3x**	**8.6x**
Consensus (3 Analysts)			
EPS	$0.23	$0.78	$0.84
EBITDA	$36.9	$132.6	$143.5

The Company appears on track to deliver a very strong Q4 due to a high mix of capital project work, near full utilization, and no drydocking expected in the quarter. Looking to '25, we are trimming our estimates slightly to reflect the impact of expected drydocking (~7 dredges, including the Ellis Island, vs. a more normal 4-5) in what would have likely been a record year otherwise. Record backlogs + low bids and wind reservations totaling ~$1.7bn (vs an average year of $600mm in backlog) underpin what is likely to be very high utilization of available assets in 2025 and 2026. We also believe the new US administration is more likely to push through LNG terminal permitting (including the Rio Grande project which had a risk of stoppage due to environmental concerns), compared to the Biden administration which could be an additional tailwind. At the same time, offshore wind projects in the US could be more at risk, however the Company continues to bid on international wind opportunities where demand remains strong, as well as cable protection and pipe protection opportunities with its new Acadia vessel, at margins in excess of capital dredging. Once the Acadia begins to work, along with Amelia Island at the end of '25, free cash flow should turn substantially positive (likely over $100mm/yr, helped by NOLS), and enable the Company to rapidly pay down debt and reduce leverage.

Griffon Corp.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
GFF	Rating: MO	**$79.85**	**$115**	**17x FY26 cash EPS**	**44%**	**$3,867**	**$1,402**	**$5,269**	**2.6x**	**17.2x**	**18.9%**	**31.0%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
RL	48.4	34.9	Y
52-Week Range $51.82 - $86.73	**FQ1**	**FYE (Sep) FY 2025e**	**FY 2026e**
CJS Estimates			
EPS	**$1.20**	**$5.40**	**$6.30**
was			
EBITDA	**$122.3**	**$526.0**	**$577.9**
was			
P/E		**14.8x**	**12.7x**
EV/EBITDA		**10.0x**	**9.1x**
Consensus (6 Analysts)			
EPS	$1.19	$5.53	$6.52
EBITDA	$121.0	$530.2	$583.1

Operating performance remains strong with an attractive outlook as well. Between April 2023 and November 12th 2024 the company repurchased ~$460mm in stock (9.4mm shares) and the Board recently authorized a new $400mm share repurchase program as well. Regarding the outlook, FY25 initial guidance issued in mid-November was above our estimates and bracketed consensus. The outlook is for flattish revenue in both segments with pockets of strength offset by modest headwinds. Further guidance calls for Home & Buildings Products (HBP) EBITDA margins of 30% or better (continuing strength seen in nine consecutive qtrs. at this level) and Consumer & Professional Products (CPP) margins to be 9%+, up another 200bps or more after the 240bps rise in FY24. With the global sourcing initiative completed in FQ4 CPP remains poised to reach 15% EBITDA margins in the coming years. Additionally, over the next three years management discussed the expectation for $1B in FCF which implies earnings of $8/shr or greater in FY27, highlighting the attractive value of shares at current levels.

Haemonetics Corp.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
HAE	Rating: MO	**$83.34**	**$120**	**23x FY26E Adj. EPS**	**44%**	**$4,270**	**$996**	**$5,266**	**2.7x**	**4.9x**	**8.6%**	**-2.5%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
LS	51.2	47.6	N
52-Week Range $70.25 - $97.97	**FQ3**	**FYE (Mar) FY 2025E**	**FY 2026e**
CJS Estimates			
EPS	**$1.13**	**$4.60**	**$5.40**
was			*$5.75*
EBITDA	**$107.9**	**$429.3**	**$480.7**
was			$508.0
P/E		**18.1x**	**15.4x**
EV/EBITDA		**12.3x**	**11.0x**
Consensus (7 Analysts)			
EPS	$1.17	$4.59	$5.28
EBITDA	$103.6	$424.9	$445.4

Recent meetings with management reaffirmed confidence in multi-year double-digit EPS growth. A favorable outlook is led by Hospital (42% of FY25E sales) driven by TEG and Vascade in an under-penetrated and growing ~$5B cumulative TAM. We expect a reacceleration in Vascade sales growth to the high-20's% (vs 20% YTD) in H2'25 and >20% through FY26. A strong outlook is aided by Vascade MVP XL which was launched in August and has penetrated nearly half of HAE's accounts. XL targets closure of larger access holes and can be utilized in Pulse Field Ablations (PFA) as well as left atrial appendages, two growing procedures to treat atrial fibrillation. In Plasma, we expect rising adoption of Persona and Express Bowl, as well as recovery in volume after a temporary slowdown, to more than offset the winddown of CSL. The multi-year secular growth outlook is reinforced by fractionators committed capital projects to expand capacity at a 6.5% CAGR over the next ten years. In Blood Center, the recent (12/3) announced sale of the whole blood operations (for $45mm) is in line with the long-term strategy. Lower margin sales ($60mmE FY25E) have been on the decline for the last several years and were non-core to operations. Our reduced FY26E reflects dilution from the asset sale ($0.10), a faster assumed exit from CSL ($0.15) and an operating margin of 26% from 26.6% ($0.10). This includes 27% in Q4E, in line with a targeted "high-20's" exit rate.

Heico Corp.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
HEI.A	Rating: MO	**$201.13**	**$215**	**40x FY26 Cash P/E**	**7%**	**$31,303**	**$2,056**	**$33,359**	**2.1x**	**7.8x**	**-1.4%**	**41.2%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
LS	140.3	26.5	Y
52-Week Range $132.96 - $219.22	**FQ4**	**FYE (Oct) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$0.92**	**$3.60**	**$4.15**
was			
EBITDA	**$263.1**	**$1,001.3**	**$1,087.9**
was			
P/E		**55.9x**	**48.5x**
EV/EBITDA		**33.3x**	**30.7x**
Consensus (18 Analysts)			
EPS	$0.98	$3.65	$4.27
EBITDA	$272.7	$1,007.7	$1,116.9

Positive trends in the Flight Support Group (FSG) led by commercial air and further market share gains could drive a beat when Q4 earnings are released on 12/17. Demand for travel has remained strong despite a modestly slower economy aided by a pickup in international travel. Market share gains in PMA parts have been fueled by Heico's reliability of supply, broadening product offering and new product introductions, as well as the 30% to 40% discount vs. original OEM parts. The $2B acquisition of Wencor (Aug-2023) continues to run ahead of expectations. YTD sales have grown in the mid-teens aided by cross selling opportunities and shared platforms. Order trends remain healthy across the majority of end markets in the Electronic Technologies Group (ETG) led by Defense. Bookings appear to have bottomed in electronics and medical which supports an expected re-acceleration in ETG segment organic sales growth to the mid-single digits in FY25E from roughly flat in FY24E. Strong FCF and an improving balance sheet provide liquidity for further expected accretive acquisitions supported by a full pipeline of candidates.

Helen of Troy Ltd.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
HELE	Rating: MO	**$70.33**	**$105**	**15x FY26 EPS**	**49%**	**$1,606**	**$693**	**$2,299**	**2.3x**	**1.0x**	**18.9%**	**-41.8%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
RL	22.8	36.9	Y
52-Week Range $48.05 - $127.83	**FQ3**	**FYE (Feb) FY 2025e**	**FY 2026e**
CJS Estimates			
EPS	**$2.54**	**$7.15**	**$8.00**
was			
EBITDA	**$93.1**	**$289.2**	**$301.9**
was			
P/E		**9.8x**	**8.8x**
EV/EBITDA		**8.0x**	**7.6x**
Consensus (6 Analysts)			
EPS	$2.60	$7.19	$7.92
EBITDA	$95.0	$291.7	$298.8

On 11/22 Helen of Troy announced an agreement to acquire Olive & June, a leading DIY nail care company for $240mm. Olive & June will fit in the Beauty segment for Helen of Troy and complement its leadership in hair care tools and liquids. O&J is expected to have $92mm in revenues in CY24 and grow low double-digits thereafter. The purchase price equates to ~11x CY25E EBITDA (~$22mm) implying margins in the low 20% range. O&J should be ~$0.25 accretive in its first full year and drive growth as the company gets its core segments back on track. We continue to believe organic growth will be necessary to drive earnings multiple expansion. We see topline growth likely returning in Home & Outdoor in FQ4 with still more work to be done in Beauty & Wellness. The primary headwinds in H&O are the softer outdoor market while Beauty is plagued by both consumer softness on the low end (Revlon) and competition on the high end (drybar). Helen of Troy has brought in new management in the Beauty Segment and is ramping up innovation to combat these headwinds. The company also continues to increase its investment in its brands and its data & analytics capabilities to drive the recovery to growth.

Helios Technologies		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
HLIO	Rating: MO	**$53.89**	**$55**	**23x FY25 cash P/E**	**2%**	**$1,795**	**$433**	**$2,228**	**2.8x**	**2.0x**	**28.4%**	**18.8%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
CM	33.3	11.9	Y
52-Week Range $39.08 - $57.29	**FQ4**	**FYE (Dec) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$0.36**	**$2.12**	**$2.40**
was			
EBITDA	**$31.8**	**$155.7**	**$162.5**
was			
P/E		**25.4x**	**22.4x**
EV/EBITDA		**14.3x**	**13.7x**
Consensus (5 Analysts)			
EPS	$0.36	$2.13	$2.31
EBITDA	$31.8	$155.4	$162.4

During our Q2 Updates, we put Helios in the category of "6 Months Too Early". That would suggest now is the time to buy. While we continue to like the business, it stills feel like we are a bit early. Q3 was in line with expectations but Helios lowered its FY24 guide due to softening end markets and the recent storms in Florida. End markets such as agriculture and mobile continue to be soft. It might be 2H'25 before any meaningful recovery. Helios is doing a good job getting its cost structure in line with the softer demand. The challenge is to continue cutting costs while being prepared for a rebound in demand. Helios has a manufacturing facility in Tijuana that came with the Balboa acquisition. It has shifted some capacity to this plant from Tulsa. If the tariffs create a problem, capacity is not constrained, and Helios believes it can transfer meaningful production back to Tulsa. While Helios has plants throughout the world, it typically produces in the region for the region. The company has spent significant time and dollars over the past 2+ years preparing for growth as it transitions from a holding company to a more integrated operating company. We continue to like the direction Helios is headed; we just wish it was happening a little faster.

Hillenbrand Inc.

Hillenbrand Inc.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
HI	Rating: MO	**$33.36**	**$46**	**15x CY25E Cash EPS**	**38%**	**$2,355**	**$1,694**	**$4,049**	**3.3x**	**1.6x**	**24.2%**	**-30.3%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
DM	70.6	28.2	Y
52-Week Range $25.11 - $50.58	**FQ1**	**FYE (Sep) FY 2025e**	**FY 2026e**
CJS Estimates			
EPS	**$0.54**	**$3.00**	**$3.40**
was			
EBITDA	**$94.5**	**$465.0**	**$510.0**
was			
P/E		**11.1x**	**9.8x**
EV/EBITDA		**8.7x**	**7.9x**
Consensus (5 Analysts)			
EPS	$0.54	$2.95	$3.42
EBITDA	$96.9	$466.0	$504.0

The recent "relief rally" follows FQ4 (Sep) results that were moderately ahead of expectations and initial FY25 guidance that was perhaps better than feared. That said, demand for mid-sized equipment across polyolefins, plastics, food and pharma (APG), as well as demand for injection molding and Hot Runners (MTS) remains subdued while bouncing along the bottom. Reflecting this, backlog is likely to tick modestly lower for 1-2 more quarters before (hopefully) returning to growth later in FY25 as mid-sized project demand improves. Likewise, net leverage could tick slightly higher for 1-2 quarters, reflecting seasonally low cash generation in H1 as well as expected y/y declines in EBITDA for the first 2 quarters of FY25. We view deleveraging of the balance sheet as key to both accelerating earnings growth and multiple expansion. Therefore, while valuation remains highly attractive for longer term investors, shares may "back and fill" for 1-2 more quarters until orders and cash flow start to inflect higher.

Hillman Solutions

Hillman Solutions		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
HLMN	Rating: MO	**$11.26**	**$13**	**20x 2026e Adj. EPS**	**15%**	**$2,241**	**$699**	**$2,940**	**2.8x**	**1.9x**	**11.0%**	**22.3%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
LJ	199.0	18.5	Y
52-Week Range $7.58 - $12.08	**FQ4**	**FYE (Dec) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$0.11**	**$0.53**	**$0.59**
was			
EBITDA	**$56.2**	**$249.4**	**$264.2**
was			
P/E		**21.4x**	**19.2x**
EV/EBITDA		**11.8x**	**11.1x**
Consensus (10 Analysts)			
EPS	$0.11	$0.52	$0.57
EBITDA	$56.3	$249.5	$265.9

When the company reported Q3 it adjusted guidance to include the August acquisition of Intex and now expects EBITDA at the high end of its previous range (~$250mm) for FY24. Hillman continues to navigate well through what has been a challenging foot traffic environment, winning new business and acquiring businesses to tuck-in to its direct to store distribution model widening its competitive moat. Within the RDS business unit, declines have been a function of both aforementioned foot traffic and customer specific issues around placement/removal of machines. We expect growth to return to the RDS segment in 2025 driven by the continued rollout of MinuteKey 3.5 which offers customers more capabilities at higher ASPs, however the company is expected to be disciplined related to ROIC as it determines how many 3.5 machines it places with which retail customers and geographies. This may result in a modest offset to RDS growth during 2025 as Hillman decides whether to abandon certain placements due to insufficient return profiles. Once the rollout is complete, we expect this segment to return to double digit revenue growth at well above corporate average incremental margins. As the balance sheet continues to improve, we expect M&A will remain a focus which should help reestablish the organic growth algorithm driven by new business wins over time.

ICU Medical Inc.

ICU Medical Inc.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
ICUI	Rating: MO	**$166.19**	**$225**	**15x CY26 EBITDA**	**35%**	**$4,061**	**$1,282**	**$5,343**	**3.6x**	**2.0x**	**-7.4%**	**66.6%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
LS	24.4	47.2	N
52-Week Range $83.26 - $196.26	**FQ4**	**FYE (Dec) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$1.52**	**$5.65**	**$6.80**
was			
EBITDA	**$95.2**	**$360.2**	**$404.6**
was			
P/E		**29.4x**	**24.4x**
EV/EBITDA		**14.8x**	**13.2x**
Consensus (5 Analysts)			
EPS	$1.48	$5.61	$7.06
EBITDA	$95.4	$360.4	$408.4

Strong hospital volumes and benefits from competitor shortages in IV Solutions could drive a Q4 beat. Legacy consumable and systems sales are up ~7% YTD aided by new capacity in oncology drug prep and higher dedicated sets for a growing installed base of LVP pumps following new business wins. Operating performance continues to improve at Smiths with initial benefits from plant closures and reduced footprint. Consolidation activity is expected to be nearly complete by YE25 and drive up to ~$50mm of incremental profit over the next two years. We are encouraged by the pending (H1/25) sale of 60% of the Solutions business at a favorable valuation of 13x TTM EBITDA. It will reduce exposure to a lower margin, capital intensive business. The deconsolidation will result in an immediate 300bps to 400bps improvement in gross margin. Proceeds of $200mm will be used to pay debt reducing annual interest expense by ~$13mm which will offset the lost operating profit. We expect leverage to fall to 3.1x on a proforma basis and to 2.7x by YE25. We would not rule out the sale of additional businesses acquired from Smiths' which could further reduce leverage. This includes the anesthesia and fluid warming operations. We continue to recommend shares and believe the recent pullback since the announced sale of Solutions offers a good entry point.

indie Semiconductor

indie Semiconductor		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
INDI	Rating: MO	**$4.51**	**$8**	**24X FY26E P/E**	**77%**	**$875**	**$80**	**$955**	**NM**	**1.9x**	**18.1%**	**-44.4%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
JT	194.1	18.2	N
52-Week Range $3.16 - $8.69	**FQ4**	**FYE (Dec) FY2024e**	**FY2025e**
CJS Estimates			
EPS	**-$0.07**	**-$0.37**	**-$0.11**
was			*-$0.08*
EBITDA	**-$13.0**	**-$59.2**	**-$19.1**
was			-$11.2
P/E		**-12.2x**	**-41.3x**
EV/EBITDA		**-16.1x**	**-50.0x**
Consensus (6 Analysts)			
EPS	-$0.07	-$0.35	-$0.06
EBITDA	-$10.1	-$54.4	$4.4

The Company recently priced a $190mm convertible debt offering (3.5%, $5.17 conversion price or ~34mm shares), with a portion of proceeds funding a capped call, and the rest intended primarily for potential acquisitions and to a lesser extent general corporate purposes. We do not believe the outlook for strong growth in '25 has changed, nor did the Company specifically need cash to achieve cash flow breakeven/profitability however the excess cash does provide cushion in case of further end market volatility, delays, or weakness. End demand in the near term is likely to be in-line and could even be somewhat better than expected on strength in China EV markets, as well as potential pull-in of demand in the US driven by fears of higher tariffs or changes in EV incentives. Having said that there could be an adjustment period post any incentive/tariff changes, and we are trimming our '26 estimates as a result. Note that EPS is less affected in '25 as interest on cash (4.5%) is higher than interest being paid on the convertible debt, but dilution increases (without the benefit of a potential acquisition) in out years, assuming shares exceed the conversion price. We do not change our price target today given we do not know what the near- or long-term accretion potential is to be expected from M&A.

Ingevity Corp.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
NGVT	Rating: MO	**$47.00**	**$58**	**8.5X FY25 EV/EBITDA**	**23%**	**$1,716**	**$1,332**	**$3,047**	**3.9x**	**8.0x**	**24.6%**	**-0.5%**

Analyst	**Shrs Out**	**Avg Vol $mm**	**Conf.**
JT	36.5	13.3	Y
52-Week Range		**FYE (Dec)**	
30.89950 - $56.295	**FQ4**	**FY2024e**	**FY2025e**
CJS Estimates			
EPS	**$0.41**	**$3.00**	**$4.75**
was			
EBITDA	**$64.1**	**$350.0**	**$400.0**
was			
P/E		**15.7x**	**9.9x**
EV/EBITDA		**8.7x**	**7.6x**
Consensus (6 Analysts)			
EPS	$0.25	$2.87	$4.05
EBITDA	$65.7	$350.9	$401.8

We expect a relatively in-line quarter with industrial demand remaining muted and automotive demand (carbon/performance materials) remaining healthy. CJS recently hosted meetings with management and investors and the Company remains on track to run off high-cost CTO inventory at the end of Q1/early Q2, which will enable it to take advantage of significantly lower spot CTO prices (currently ~50% below what the Company paid in Q2). Next year will benefit from an incremental $30-35mm in cost savings from restructuring ($70mm this year), as well as the flexibility lower CTO will enable in driving pricing and volumes. Free cash flow in '25 should improve dramatically after lapping the $100mm CTO supply contract termination fee, excess CTO resale losses of ~$55mm, and cash restructuring costs of ~$40mm, with FCF/share likely to approach $5.00E (>10% yield) even with continued muted industrial demand and limited automotive unit growth. We would also expect the Company to announce a new CEO in the coming months/quarters as well as the results of the portfolio review under interim CEO Luis Moreno Fernandez, who has been hands-on and engaged during the transitional period and is expected to remain on the board upon appointment of a permanent CEO.

Innospec Inc.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
IOSP	Rating: MO	**$116.72**	**$125**	**11x FY26E EV/EBITDA**	**7%**	**$2,926**	**-$304**	**$2,622**	**-1.4x**	**2.4x**	**6.2%**	**-5.3%**

Analyst	**Shrs Out**	**Avg Vol $mm**	**Conf.**
JT	25.1	8.4	N
52-Week Range		**FYE (Dec)**	
$103.97 - $133.71	**FQ4**	**FY 2024e**	**FY2025e**
CJS Estimates			
EPS	**$1.37**	**$5.88**	**$6.30**
was			
EBITDA	**$52.1**	**$220.5**	**$237.5**
was			
P/E		**19.9x**	**18.5x**
EV/EBITDA		**11.9x**	**11.0x**
Consensus (3 Analysts)			
EPS	$1.37	$5.88	$6.26
EBITDA	$51.7	$220.0	$234.2

We expect a relatively in-line quarter with no significant changes or surprises since the Company last reported. The bigger questions for investors are likely to be 1. the status of the large Latam state oilfield customer and when or if it returns, 2. the progress on driving new business to replace the Latam revenue (likely a combination of new completion technology, Mideast production penetration, DRAs), and 3. The potential for M&A using the all-cash $300mm balance sheet (or potentially buybacks or a special dividend). Note that we removed the potential for a return of the Latam customer in our estimates, however we believe there is still a good chance that it does come back at least in part in '25, due to the importance of the industry to the country, and the significant impact on safety and efficiency if it continues to run without IOSP products. Overall, we believe there is upside to our '25 numbers from accretive capital allocation and the potential return of the large state client and we believe the other business are tracking in-line with expectations.

Janus International

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
JBI	Rating: MO	**$7.83**	**$14**	**15x FY26E cash EPS**	**79%**	**$1,130**	**$538**	**$1,667**	**2.7x**	**2.1x**	**-20.8%**	**-40.0%**

Analyst	**Shrs Out**	**Avg Vol $mm**	**Conf.**
DM	144.3	17.4	Y
52-Week Range		**FYE (Dec)**	
$6.68 - $15.86	**Q4**	**FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$0.02**	**$0.54**	**$0.44**
was			
EBITDA	**$26.1**	**$200.0**	**$183.3**
was			
P/E		**14.5x**	**18.0x**
EV/EBITDA		**8.3x**	**9.1x**
Consensus (5 Analysts)			
EPS	$0.02	$0.54	$0.42
EBITDA	$26.9	$200.8	$173.4

<u>We are shifting our valuation to FY26 and raising our price target to $14</u>. Following a second consecutive disappointing quarter, management took a hatchet to FY24 guidance and may have cut too far, setting up a modest potential Q4 "beat." Looking to FY25, we project flat revenue and an 8% EBITDA decline y/y. These projections are at the high end of consensus, a position we remain comfortable with for multiple reasons. First, tens of millions of revenue dollars priced at prior higher levels have been pushed from FY24 into FY25, potentially muting the pricing headwind management called out several months ago. Second, TMC will add $20-$25mm or more incremental revenue y/y at healthy (mid-20s%) EBITDA margin. Third, Extra Space has identified up to 900 stores for conversion over the next several years and some portion of this (~$100mm total revenue) opportunity should fall in FY25. Fourth, Noke Ion is off to a good start and adoption could accelerate. Finally, most of the $8-$12mm cost savings program announced following Q3 should benefit FY25 as well. Reflecting these factors, we see potential for positive surprise when management provides initial FY25 guidance relative to consensus expectations.

John Wiley & Sons

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
WLY	Rating: MO	**$46.52**	**$58**	**16x FY26E Cash EPS**	**25%**	**$2,552**	**$843**	**$3,395**	**2.1x**	**3.4x**	**-0.2%**	**46.6%**

Analyst	**Shrs Out**	**Avg Vol $mm**	**Conf.**
DM	54.9	18.5	N
52-Week Range		**FYE (Apr)**	
$30.45 - $53.96	**FQ3**	**FY 2025e**	**FY 2026e**
CJS Estimates			
EPS	**$0.65**	**$3.40**	**$3.70**
was			
EBITDA	**$85.0**	**$393.0**	**$415.0**
was			
P/E		**13.7x**	**12.6x**
EV/EBITDA		**8.6x**	**8.2x**
Consensus (1 Analyst)			
EPS	$0.65	$3.40	$3.70
EBITDA	$85.0	$393.0	$415.0

We raised our price target last week following solid FQ2 results. Wiley's revenue growth profile is improving and cost reduction initiatives are driving margin expansion and accelerating EPS growth. In Research, article submissions increased 18% y/y for the second consecutive quarter. Wiley is making good progress with subscription renewals for CY26. While emerging markets continue to generate the fastest growth in article submissions, growth has also recovered in more mature (primarily Western) markets which account for the lion's share of output and revenue. The Learning segment has also inflected to growth, increasing 5% y/y ex currency. The big wildcard remains "AI." Wiley has generated >$50mm (non-recurring) AI licensing revenue with two large tech companies over the past several quarters. Management is investing to leverage its deep reservoir of valuable content and develop tools to enable both additional licensing deals as well as recurring revenue opportunities across a wide range of potential end markets (Tech, Pharma, Medical, Financial Services, etc.). At just 8x EBITDA, 15x cash EPS and an ~8% FCF yield, shares reflect no benefit from this emerging opportunity and risk-reward is highly compelling.

Knowles Corp.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
KN	Rating: MO	**$19.63**	**$22**	**20x FY25e adj. EPS**	**12%**	**$1,812**	**$97**	**$1,909**	**0.6x**	**1.4x**	**13.7%**	**9.6%**

Analyst	**Shrs Out**	**Avg Vol $mm**	**Conf.**
RL	92.3	10.3	N
52-Week Range		**FYE (Dec)**	
$14.97 - $20.27	**FQ4**	**FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$0.28**	**$0.97**	**$1.10**
was			
EBITDA	**$36.6**	**$143.6**	**$152.7**
was			
P/E		**20.2x**	**17.8x**
EV/EBITDA		**13.3x**	**12.5x**
Consensus (4 Analysts)			
EPS	$0.28	$0.98	$1.10
EBITDA	$36.6	$143.6	$152.6

The 9/19 announced agreement to sell the Consumer MEMS Microphone (CMM) segment to Syntiant Corp is expected to close by (or shortly after) year end. This divestiture transforms Knowles into a higher margin, less cyclical company. Post-close, Knowles will have ~40% of sales in Medtech (including Hearing Health), 40% in Industrial, and 20% in Defense. Organic growth for these components has been mid-single digits over the past decade and is expected to continue at that pace, with upside from accretive M&A as well. With CMM being moved to discontinued operations for the Q3 reporting, financials screen poorly. Once the 10K is issued post Q4 and historical proformas are recast the company should screen better and more investors could discover the transformation as well. With greater clarity we believe shares could begin to re-rate higher driving strong performance for the stock.

Kornit Digital Ltd.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
KRNT	Rating: MO	**$32.16**	**$30**	**40xFY25+cash**	**-7%**	**$1,605**	**-$561**	**$1,044**	**-16.5x**	**2.0x**	**41.6%**	**67.8%**

Analyst	**Shrs Out**	**Avg Vol $mm**	**Conf.**
CM	49.9	12.1	N
52-Week Range		**FYE (Dec)**	
$13.59 - $33.31	**FQ4**	**FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$0.19**	**$0.23**	**$0.45**
was			
EBITDA	**$7.5**	**-$0.4**	**$16.8**
was			
P/E		**141.0x**	**71.9x**
EV/EBITDA		**-2396.6x**	**62.1x**
Consensus (6 Analysts)			
EPS	$0.20	$0.23	$0.40
EBITDA	$7.9	$4.8	$16.9

The AIC (All-Inclusive-Click) increasingly looks like a game changer. The model takes away the risk for customers that can't afford the upfront cost but want to play in the digital printing world. Additionally, it allows customers to lower capex and expand rapidly. For example, one customer has ordered 7 Apollos as it expands organically and via acquisitions, without having to pay the ~$1.5mm upfront cost of the Apollo. There are two reasons that Kornit is uniquely positioned to succeed with the AIC model – technology and balance sheet. As of 9/30/24 Kornit had $561mm of cash and equivalents (no debt). In addition to the $100mm repurchase, it is targeting ~$90mm in AIC growth investment from 2024-2027. It expects to be FCF positive by FY28, despite the fact that it is targeting another $100mm in AIC growth investment from 2028 to 2030. Kornit is also extending the AIC model to the Atlas Max / Atlas Max Plus. The concept is the same as with the Apollo, allow customers that don't want to pay the upfront ~$600K list price to use the AIC model. Kornit expects a minimum of $300K / year from these contracts. The AIC model is more profitable – longer term gross margins are expected to be in the mid-50s (from current mid-40s) and EBITDA margins are expected to approach 25%. We like the direction Kornit is headed.

Lantheus Holdings		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
LNTH	Rating: MO	**$91.40**	**$150**	**22.5x Adj. 2025E EPS**	**64%**	**$6,678**	**-$291**	**$6,387**	**-0.4x**	**5.7x**	**-15.0%**	**47.4%**

Analyst	**Shrs Out**	**Avg Vol $mm**	**Conf.**
LS	73.1	59.0	N
52-Week Range		**FYE (Dec)**	
$50.20 - $126.89	**FQ4**	**FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$1.50**	**$6.68**	**$6.75**
was			
EBITDA	**$157.9**	**$664.9**	**$692.4**
was			
P/E		**13.7x**	**13.5x**
EV/EBITDA		**9.6x**	**9.2x**
Consensus (11 Analysts)			
EPS	$1.55	$6.73	$6.92
EBITDA	$167.7	$686.7	$715.5

Recent meetings with management reaffirmed a favorable outlook, and we continue to recommend purchase of the shares. Key takeaways include 1) Confidence in multi-year growth in Pylarify driven by a lead share in an expanding market. We expect 12% volume growth in 2025E offset by ~10% avg price discounts related to rising long-term contracts to secure volume. 2) Expect low-single digit price increases in 2026E following a "reset" in 2025. 3) Potential approval of radioligand therapy Pluvicto for recurring prostate cancer in 2nd line setting (before chemo) in H2'25 could expand TAM by 75K to 100k+ scans (15% to 20%). 4) Anticipate material increase in contributions from the pipeline by 2026 led by MK-6240, a potential best in class F18-based imaging agent for Tau Tangles in Alzheimer's with an NDA filing in 2025. 5) Target launch of imaging agent for beta-amyloid in 2027 after NDA filing with NAV-4694 in 2026. The combined market for these agents is expected to reach $1.5B by 2029 driven by an increased need to stage and monitor patients for new Alzheimer's drugs. 6) PNT-2003 for gastro related neuroendocrine tumors could launch in 2026 following expiration of Hatch-Waxman. The drug is radio-equivalent to Novartis' Lutathera which had sales of $605mm in 2023 in a $1B+ market. 7) Strong B/S and FCF support an acceleration in investments into M&A and share repurchases – including a $250mm authorization announced 11/20.

LCI Industries Inc.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
LCII	Rating: MP	**$117.68**	**$130**	**16x 2025 cash EPS**	**10%**	**$81,482**	**$661**	**$82,144**	**1.9x**	**2.1x**	**-0.5%**	**-6.4%**

Analyst	**Shrs Out**	**Avg Vol $mm**	**Conf.**
DM	692.4	18.7	N
52-Week Range		**FYE (Dec)**	
$96.19 - $131.36	**FQ4**	**FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$0.30**	**$5.53**	**$6.50**
was			
EBITDA	**$48.6**	**$346.7**	**$383.9**
was			
P/E		**21.3x**	**18.1x**
EV/EBITDA		**236.9x**	**214.0x**
Consensus (11 Analysts)			
EPS	$0.28	$5.51	$6.80
EBITDA	$49.3	$349.0	$390.9

Q3 was in-line, highlighting the benefits of diversification and LCI's strong cash generating capability, with TTM CFFO >$400mm. Near term, demand remains muted and dealers continue to aggressively manage inventories. Reflecting this, as well as seasonally lower revenue, Op Margins are expected to be just ~2% for Q4. Looking beyond the next 1-2 quarters, we see reason for optimism. RV shipments have likely bottomed, and we expect a steady, gradual recovery for the next several years. Likewise, Marine inventories are below historic levels and retail demand is beginning to stabilize. Meanwhile, recent innovations and new product introductions should enable LCI to return to its more typical 3-5% annual content growth as end markets stabilize and start to recover. For FY24 we project Op Margin in the ~6% range. As end markets start to recover, margins should quickly return to 8%+ historic average levels with upside to 10%+ over the next several years. If so, cash EPS could approach $15/share with additional upside from M&A and/or other accretive capital deployment.

Legacy Housing Corp.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
LEGH	Rating: MO	**$25.75**	**$34**	**Sum of Parts**	**32%**	**$639**	**$2**	**$640**	**0.0x**	**1.3x**	**-7.5%**	**2.1%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
DM	24.8	0.8	N
52-Week Range $19.42 - $29.31	**FQ4**	**FYE (Dec) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$0.50**	**$2.40**	**$2.55**
was			
EBITDA	**$16.3**	**$66.4**	**$75.1**
was			
P/E		**10.7x**	**10.1x**
EV/EBITDA		**9.6x**	**8.5x**
Consensus (4 Analysts)			
EPS	$0.55	$2.44	$2.51
EBITDA	$15.7	$68.0	$72.7

On the Q3 call CEO Duncan Bates stated "Legacy hosted a record number of customers at our 2024 Fall Show in late September. Orders written at the show pushed our backlog into the first quarter of 2025." Reflecting this, Legacy has increased production at its two TX plants and expects Product Sales to increase sequentially in Q4. Legacy has refreshed its product line, adding colors and features that are more appealing to younger buyers. Retail demand continues to improve and demand from Community and Park Operators is gradually increasing as well. We expect revenue to inflect to positive y/y growth in Q4. Overhead absorption should improve and management expects Product Sales GM% >30% in Q4, vs. ~27% in Q3. Meanwhile, income from Legacy's various lending portfolios remains rock steady and continues to grow. The balance sheet is strong, and Legacy has ample liquidity to continue to grow, explore M&A and expand its high return lending portfolio. Legacy's co-founders own >50% of the stock. Potential orderly transactions could improve trading liquidity, an impediment for many institutional investors.

Leonardo DRS Inc.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
DRS	Rating: MO	**$35.09**	**$34**	**27X FY26E Adj. P/E**	**-3%**	**$9,415**	**$7**	**$9,422**	**0.0x**	**3.8x**	**26.1%**	**75.1%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
JT	268.3	15.0	Y
52-Week Range $18.60 - $37.99	**FQ4**	**FYE (Dec) FY2024e**	**FY2025e**
CJS Estimates			
EPS	**$0.35**	**$0.91**	**$1.05**
was			
EBITDA	**$140.5**	**$392.5**	**$440.0**
was			
P/E		**38.8x**	**33.6x**
EV/EBITDA		**24.0x**	**21.4x**
Consensus (5 Analysts)			
EPS	$0.35	$0.91	$1.06
EBITDA	$143.2	$394.5	$450.4

We expect an in-line Q4, with orders likely to remain robust. An all-Republican US government (shrinking House majority notwithstanding) could 1. Be more favorable to increased defense spending, with more funding against threats such as China vs. foreign aid for Ukraine, and 2. Drive international demand if EU countries are more uncertain of US support for NATO/Ukraine. Changes in DoD leadership or to major programs (e.g. F-35 being panned by Elon Musk in favor of drones) may create some risk, but at a high-level DRS is platform agnostic, and next-gen technologies such as drones tend to be more dependent on the kinds of sensors and electronics DRS provides rather than less. We also note that the Company has stockpiled Germanium for sensors (recently banned for export by China) and has developed alternative sources, with pricing being only a minor headwind (low % of COGS) and the ability to pass-through long-term pricing. The Company maintained its l-t growth CAGR forecast on its Q3 call off a higher base exiting '24 and remains on track to deliver against its margin targets (14%+ by FY26), underpinned by improving pricing on Columbia and other programs, better supply, and opex leverage. Margin upside beyond '26 appears likely from the new Charleson facility (Columbia vertical integration), and we would expect incremental accretion from capital allocation (likely M&A, not modeled).

Ligand Pharma.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
LGND	Rating: MO	**$120.36**	**$125**	**SOTP**	**4%**	**$2,299**	**-$220**	**$2,079**	**-3.1x**	**2.7x**	**14.6%**	**68.5%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
LS	19.1	8.6	N
52-Week Range $60.28 - $129.90	**FQ4**	**FYE (Dec) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$1.10**	**$5.65**	**$6.50**
was			
EBITDA	**$26.3**	**$107.2**	**$148.3**
was			
P/E		**21.3x**	**18.5x**
EV/EBITDA		**19.4x**	**14.0x**
Consensus (4 Analysts)			
EPS	$1.18	$5.64	$5.85
EBITDA	$19.9	$65.0	$123.1

Ligand held an upbeat Investor Day in Boston on 12/10. The presentation included commentary from CEO Todd Davis who took over in December 2022. Davis highlighted the increased investment activity the last two years with eight deals completed YTD for an aggregate $192mm which follows five transactions in 2023 for $75mm. The was led by the $100mm acquisition of Aperion Biologics and royalty rights to QARZIBA for the treatment of high-risk neuroblastoma which increased annual royalties by ~$20mm and EPS by ~$1.00. The M&A pipeline remains strong with over $1B in potential opportunities under current review. The company targets later-stage or royalty generating commercial assets. Initial 2025 guidance includes revenue of $180mm-$200mm (+11% to 23%) and EPS of $6.00-$6.25 (+7% to 12%). The outlook for revenue brackets our $193mmE and consensus of $183mm. Admittedly "conservative" EPS guidance is in line with consensus of $6.03 but below our $6.50E due to increased investment into the business development team. This follows a strong 2024 with ~28%E revenue growth and a ~40%E rise in EPS with guidance raised twice. Ligand reaffirmed its long range royalty growth targets of 22% out to 2029. This is driven by 13% growth from current commercial products, 5% from late-stage clinical assets, and 4% from assumed future investments. This could drive EPS to an estimated $11 to $12 per share.

Materion Corp.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
MTRN	Rating: MO	**$113.52**	**$135**	**20x 2026E cash EPS**	**19%**	**$2,375**	**$477**	**$2,852**	**2.2x**	**2.5x**	**8.0%**	**-12.8%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
DM	20.9	15.5	N
52-Week Range $96.18 - $145.08	**FQ4**	**FYE (Dec) FY2024e**	**FY2025e**
CJS Estimates			
EPS	**$1.46**	**$5.25**	**$5.60**
was			
EBITDA	**$60.8**	**$220.3**	**$234.3**
was			
P/E		**21.6x**	**20.3x**
EV/EBITDA		**12.9x**	**12.2x**
Consensus (5 Analysts)			
EPS	$1.46	$5.25	$6.16
EBITDA	$59.3	$219.2	$247.0

Last quarter Materion preannounced lower Q3 results and reduced FY24 guidance. Semi has begun to gradually improve, but the rate of change is modest. Precision Clad Strip revenue has slowed as key customers (including Phillip Morris) manage inventories. Capital spending remains soft, though we see signs of potential improvement in FY25. Management is taking further cost actions to protect profitability and still expects FY24 adjusted EBITDA margin above the LT 20% target (as a % of VAS). We expect these headwinds to linger into Q1 and possibly through H1 and our FY25 estimates are at the low end of consensus. Consensus estimates imply a faster/sharper recovery in revenue/EPS, setting up a potential "miss" when Materion provides initial FY25 guidance, particularly given management's typically conservative nature. We remain bullish long-term but shares may 'back and fill' until estimates more accurately reflect current macro conditions. One meaningful wildcard is the timing of potential FDA approval for Phillip Morris's e-cigarette product(s), a key to ramping production at Phase 2 of the clad strip facility.

Mativ Holdings		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
MATV	Rating: MO	**$11.86**	**$16**	**6.5X PF FY26E EV/EBITDA**	**35%**	**$644**	**$920**	**$1,564**	**4.4x**	**0.7x**	**-36.7%**	**-22.5%**

Analyst JT	Shrs Out 54.3	Avg Vol $mm 2.7	Conf. N
52-Week Range $10.78 - $19.96	**FQ4**	**FYE (Dec) FY2024e**	**FY2025e**
CJS Estimates			
EPS	**$0.00**	**$0.57**	**$0.90**
was			
EBITDA	**$44.3**	**$217.5**	**$240.0**
was			
P/E		**20.7x**	**13.2x**
EV/EBITDA		**7.2x**	**6.5x**
Consensus (2 Analysts)			
EPS	$0.02	$0.59	$1.04
EBITDA	$44.7	$217.8	$240.7

The company may experience volatility depending on the ultimate implementation of tariff policy by the incoming administration. Higher tariffs on Chinese imports would significantly improve paint protection business prospects (which struggled in recent quarters), however there is significant exposure from Canadian tapes and backings manufacturing serving the US, as well as a Mexican release liner plant which would also be impacted (to a lesser degree). If all three were implemented at face value (+10% China, +25% Canada and Mexico), we would expect a net negative impact, even before considering retaliatory tariffs and derivative effects. We expect a mostly in-line Q4 otherwise outside of slightly stronger currency headwinds, and muted demand conditions to persist into Q1 in construction, and paint protection. Filtration and medical markets remain relatively healthy, however total volumes are still nearly 20% below 2019 levels. All else equal (i.e absent major tariff movements which remain unclear), we would expect falling interest rates to spur healthier demand in construction markets through and for new products and self-help efforts in paint-protection to drive more significant growth in 2H'25, enabling the company to achieve its target run rate of $70mm quarterly EBITDA.

Matthews Intl. Corp.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
MATW	Rating: MO	**$30.37**	**$34**	**16x CY26E Cash EPS**	**12%**	**$939**	**$736**	**$1,674**	**3.6x**	**2.2x**	**26.4%**	**-17.1%**

Analyst DM	Shrs Out 30.9	Avg Vol $mm 3.1	Conf. N
52-Week Range $21.09 - $39.12	**FQ1**	**FYE (Sep) FY 2025e**	**FY 2026e**
CJS Estimates			
EPS	**$0.19**	**$1.60**	**$2.00**
was			
EBITDA	**$42.8**	**$205.0**	**$220.0**
was			
P/E		**19.0x**	**15.2x**
EV/EBITDA		**8.2x**	**7.6x**
Consensus (2 Analysts)			
EPS	$0.23	$1.80	$2.08
EBITDA	$42.1	$205.2	$217.9

FQ4 adjusted EBITDA/EPS exceeded our (previously reduced) estimates and consensus. Steady profitability in Memorialization and a return to modest y/y growth in SGK offset declines in Industrial revenue and profitability. While Energy Storage demand remains challenged for now, orders for Warehouse Automation have started to modestly improve. Initial FY25 guide calls for adjusted EBITDA growth in the range of flat to +5% y/y. This outlook is somewhat dependent on Tesla starting to take delivery on prior ES orders over the next few quarters and the timing remains uncertain. Resolution of the outstanding arbitration, potentially as early as January, would be a key "first step" to restarting growth in this emerging vertical. Near-term we expect management to dedicate excess FCF to further debt reduction. Management recently hired J.P. Morgan to explore potential strategic alternatives, though declined to elaborate further. Earlier this week Barrington Capital (2% owner) sent a letter to the board requesting 3 new board members and the removal of Joe Bartolacci as CEO, among other actions.

Maximus Inc.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
MMS	Rating: MO	**$71.06**	**$114**	**19x FY26e Cash EPS**	**60%**	**$4,341**	**$909**	**$5,250**	**1.5x**	**2.4x**	**-19.4%**	**-15.3%**

Analyst CS	Shrs Out 61.1	Avg Vol $mm 32.9	Conf. Y
52-Week Range $70.00 - $93.97	**FQ1**	**FYE (Sep) FY 2025e**	**FY 2026e**
CJS Estimates			
EPS	**$1.35**	**$5.85**	**$6.15**
was	*$1.33*	*$5.80*	*$6.10*
EBITDA	**$138.4**	**$589.8**	**$615.1**
was	$136.5	$585.5	$610.9
P/E		**12.1x**	**11.6x**
EV/EBITDA		**8.9x**	**8.5x**
Consensus (2 Analysts)			
EPS	$1.37	$5.95	$6.25
EBITDA	-	$613.3	-

On 12/10, the company announced the divestiture of its Australian and South Korea operations. This is expected to be slightly accretive given these units were expected to generate ~$100mm of revenue and a modest loss. We are adjusting our estimates accordingly. Separately, with the CCO Contract rebid issue resolved, this overhang has also now been removed. This contract had previously moved back into the pipeline when the recompete was announced, but should be adjusted out of the bid pipeline when the company reports Fiscal Q1 results. The company is expecting an award of a 2-year follow-on VA contract by months end, the current annual run rate is just below $900mm but had started to hit the cap on the max number of assessments that MMS can perform, thus the reason for the rebid. The sharp pullback in MMS' share price, along with the Federal contractor peer group, is likely due in part to "DOGE" concerns which we believe are overblown. With 98% of its FY25 revenue guidance essentially in hand we are confident in the company's ability to achieve its forecast. The company is in a favorable position with the incoming Trump administration. While changes may occur across various government agencies, MMS' core businesses; VA, Medicare and Medicaid, are well protected by Federal mandates and carry bipartisan support. We recommend using the pullback to build or add to positions.

Minerals Tech.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
MTX	Rating: MO	**$79.75**	**$105**	**16x 2025 EPS**	**32%**	**$2,576**	**$661**	**$3,237**	**1.6x**	**1.5x**	**10.0%**	**11.8%**

Analyst DM	Shrs Out 32.3	Avg Vol $mm 9.5	Conf. Y
52-Week Range $63.01 - $90.2950	**FQ4**	**FYE (Dec) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$1.40**	**$6.05**	**$6.60**
was			
EBITDA	**$96.7**	**$404.2**	**$427.4**
was			
P/E		**13.2x**	**12.1x**
EV/EBITDA		**8.0x**	**7.6x**
Consensus (4 Analysts)			
EPS	$1.40	$5.76	$6.81
EBITDA	$95.7	$403.3	$431.6

Q3 results were largely in-line. Q4 guidance was modestly below consensus (slightly above our model), as some other models did not reflect typical seasonality. Significant positive changes in recent years include increased diversification, reduced overall cyclicality, improved long-term organic growth and a more resilient margin, earnings and FCF profile. While near-term organic sales growth remains choppy, an eventual upturn in Enviro/Infrastructure should enhance organic growth. Management already exceeded its 2025 15% adjusted Op Margin target each of the past 2 quarters and we see further upside potential over time. The Barretts Minerals litigation remains a modest overhang and shares may back and fill for a quarter or two. However, earnings growth could accelerate and we see multiple expansion potential once these headwinds dissipate. In late November MTX closed a new 7-year $575mm Sr. Term Loan B and expanded the revolver capacity by $100mm (now $400mm). This transaction extends the weighted average debt maturity to 5+ years, increases liquidity by $150mm and is neutral to leverage.

Mirion Technologies		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
MIR	Rating: MO	**$17.78**	**$14**	**29x FY25 adj EPS**	**-21%**	**$3,675**	**$552**	**$4,227**	**2.8x**	**2.3x**	**81.1%**	**73.5%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
CM	206.7	18.6	Y
52-Week Range		**FYE (Dec)**	
$9.11 - $18.67	**FQ4**	**FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$0.15**	**$0.39**	**$0.48**
was			
EBITDA	**$65.0**	**$199.0**	**$225.1**
was			
P/E		**45.2x**	**36.9x**
EV/EBITDA		**21.2x**	**18.8x**
Consensus (4 Analysts)			
EPS	$0.14	$0.39	$0.52
EBITDA	$65.2	$199.6	$225.9

Mirion hosted a well-attended an Investor Day last week. The broad theme has not changed – there are two super trends that Mirion is exceptionally well positioned to benefit from – nuclear power and cancer care. The company released near-term and longer-term financial guidance. Its FY25 guidance of 5.5% - 7.5% organic growth is roughly in line with prior estimates when including a ~150 bps FX headwind (consensus is ~6.5% revenue growth). The 2028 financial outlook includes revenue of $1.1B, which assumes 6% to 8% organic growth – vs. prior 5%-7% longer-term target. That includes a bump in both segments, Medical growth is expected to be 7% to 9% and Technologies growth is expected to be 6% to 8%. Adj EBITDA margins are targeted at 30% by FY28 – vs. below 24% in FY24. The drivers of the 600+ bps margin improvement include operating leverage, more efficient procurement, the Mirion Business System, and mix. FCF is expected to go from low 30's as a % of Adj EBITDA in FY24 (~$65mm) to approach 60% of Adj EBITDA in FY28 (~$200mm). The 3rd tranche of its 18.75mm founders shares (6.25mm shares @ $12, $14, and $16) will likely vest next week. Mirion announced a $100mm share repurchase plan to help address some of the dilution. We continue to be impressed with its positioning and execution. We would be buyers on weakness.

Modine Manufacturing		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
MOD	Rating: MO	**$131.50**	**$135**	**28x FY26eEPS**	**3%**	**$7,088**	**$327**	**$7,415**	**0.7x**	**8.2x**	**16.5%**	**120.3%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
CM	53.9	234.7	N
52-Week Range		**FYE (Mar)**	
$51.41 - $146.84	**FQ3**	**FY 2025e**	**FY 2026e**
CJS Estimates			
EPS	**$0.79**	**$3.83**	**$4.75**
was			*$4.45*
EBITDA	**$85.0**	**$386.8**	**$454.2**
was			$432.2
P/E		**34.4x**	**27.7x**
EV/EBITDA		**19.2x**	**16.3x**
Consensus (7 Analysts)			
EPS	$0.79	$3.83	$4.74
EBITDA	$84.9	$388.2	$456.1

As previously discussed, Modine unveiled a 3-year growth plan during its Investor Day in September. The FY27 (March) financial targets include a 10-13% revenue CAGR and Adj EBITDA margin of 16-18%. The guidance is that much more impressive when you consider that it assumes roughly $300mm in divestitures and no acquisitions – although it discussed $200mm - $400mm in targeted acquired revenue (leverage currently below 1x). Modine's performance over the past three years leaves us with a reasonably high level of confidence that it will meet or exceed the targets above. The company continues to shift its portfolio towards higher growth areas while simplifying its product offerings and rationalizing lower margin products. That said, it is increasingly a data center story. Modine's data center business generated $174mm in FY23 (~7% of revenue) and we expect it to do north of $580mm (~22% of revenue) in FY25. Management's $1B longer-term goal certainly looks reachable. It continues to complete the test phase and move toward production / launch of the cooling distribution unit or CDU that will facilitate direct-to-chip cooling while seamlessly integrating with its other products. The stock has more than doubled during the past year. We would be buyers on weakness.

ModivCare Inc.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
MODV	Rating: MO	**$18.75**	**$42**	**14x FY25 adj. EPS**	**124%**	**$267**	**$1,205**	**$1,472**	**5.6x**	**28.1x**	**47.4%**	**-57.4%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
RL	14.3	1.8	N
52-Week Range		**FYE (Dec)**	
$11.00 - $52.33	**FQ4**	**FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$0.71**	**$1.05**	**$3.00**
was			
EBITDA	**$48.6**	**$169.4**	**$188.7**
was			
P/E		**17.9x**	**6.2x**
EV/EBITDA		**8.7x**	**7.8x**
Consensus (6 Analysts)			
EPS	$0.69	$1.03	$2.43
EBITDA	$50.3	$171.1	$188.4

Shares of ModivCare have been punished in 2024 but could represent a high risk/high reward opportunity for risk-tolerant clients. The underlying asset value of its segments suggests a materially higher total EV than where the company is trading. However, disappointing financial results, high debt and a now smaller market cap (<$300mm) have reduced investor interest in the near term. The next news for the stock is potentially a new long-term covenant relief amendment. We expect amendments to be granted, with timing and the cost to the company being the wildcards. Beyond covenant relief, quarterly results and more details on the 2025 outlook are likely key points of focus for investors. As we have written multiple times, an asset sale is (still) needed to de-risk the investment, however timing is hard to predict. Q Investments, the #3 equity holder, moved from 13g to 13d filer and could potentially influence the asset sale process as well.

Moog Inc.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
MOG.A	Rating: MO	**$210.71**	**$240**	**25X FY26E Adj. P/E**	**14%**	**$6,829**	**$812**	**$7,641**	**1.7x**	**3.7x**	**8.1%**	**45.5%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
JT	32.4	24.3	Y
52-Week Range		**FYE (Sep)**	
$135.08 - $227.92	**FQ1**	**FY2025e**	**FY2026e**
CJS Estimates			
EPS	**$1.83**	**$8.15**	**$9.70**
was			
EBITDA	**$122.1**	**$525.0**	**$585.0**
was			
P/E		**25.8x**	**21.7x**
EV/EBITDA		**14.6x**	**13.1x**
Consensus (3 Analysts)			
EPS	$1.70	$8.26	$9.76
EBITDA	$118.9	$547.0	$610.5

We are increasing our price target to $240 to reflect rising peer valuations. We expect a mostly inline quarter and remain confident in the Company's ability to achieve long-term targets. Efforts to rehabilitate the flood damaged Tewkesbury facility appear to be on track or ahead of schedule, and we believe the demand environment is likely to remain strong across space, defense, and commercial aerospace end markets. While there are some uncertainties surrounding the US defense budget and priorities under a new administration, an all-republican government appears more likely than not to support stronger defense spending overall, and there are likely to be increasing tailwinds in international defense demand if EU allies believe support for NATO and Ukraine is less likely. We continue to reiterate our MO rating given strong secular tailwinds, the Company's continuing investment in significant growth and margin expansion opportunities beyond '26, the track record of outperforming guidance since the investor day, and the potential for accretive capital allocation. Shares currently trade at 22.5X FY26E Adj. P/E, vs a group of selected aerospace and defense peers in the high 20's range, and our new $240 PT reflects a 25X Adj. P/E multiple (was 23X).

Navitas Semi.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
NVTS	Rating: MO	**$4.08**	**$3**	**25X FY27E P/E (discounted)**	**-26%**	**$753**	**-$112**	**$641**	**nm**	**1.7x**	**60.6%**	**-49.4%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
JT	184.7	10.4	N
52-Week Range $1.75 - $8.44	**FQ4**	**FYE (Dec) FY2024e**	**FY2025e**
CJS Estimates			
EPS	**-$0.06**	**-$0.24**	**-$0.20**
was		*-$0.21*	*-$0.02*
EBITDA	**-$11.2**	**-$46.3**	**-$29.8**
was		-$34.0	$4.2
P/E		**-17.0x**	**-20.9x**
EV/EBITDA		**-13.9x**	**-21.5x**
Consensus (4 Analysts)			
EPS	-$0.06	-$0.25	-$0.21
EBITDA	-$11.9	-$39.6	-$31.4

We expect a relatively in-line Q4, with strong datacenter demand and healthier China EV/Handset markets offsetting muted demand in rest-of-world industrial, solar and automotive SiC applications. Continued penetration/adoption of GaN remains a tailwind at the design win level and is unlikely to be significantly impacted by China export sanctions on Gallium; TSMC (NVTS's sole source GaN manufacturer) does not source from China and Gallium itself is a relatively insignificant portion of the COGS (GaN chips only use a very thin film of Gallium Nitride deposited on a silicon wafer). Overall, we believe the Company remains on track to deliver a re-inflection in growth beginning in 2H'25 based on new products, design wins and customer launch timing, and as global SiC inventories are worked down. Opex is expected to remain disciplined and decline sequentially into Q1 under new CFO Todd Glickman (a NVTS veteran who was appointed after the prior CFO left to pursue other opportunities). Broadly we remain confident in longer term GaN and SiC adoption, and that NVTS offers best-in-class solutions

Nomad Foods Ltd.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
NOMD	Rating: MO	**$17.74**	**$27**	**10X FY25EV/EBITDA**	**52%**	**$2,893**	**$1,894**	**$4,788**	**3.2x**	**1.0x**	**-8.7%**	**4.7%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
JT	163.1	7.6	N
52-Week Range $15.99 - $20.05	**FQ4**	**FYE (Dec) FY2024e**	**FY2025e**
CJS Estimates			
EPS	**€ 0.36**	**€ 1.73**	**€ 1.87**
was			*€ 1.90*
EBITDA	**€ 124.0**	**€ 552.0**	**€ 571.0**
was			€ 580.0
P/E		**10.2x**	**9.5x**
EV/EBITDA		**8.4x**	**8.1x**
Consensus (7 Analysts)			
EPS	€ 0.39	€ 1.73	€ 1.87
EBITDA	€ 124.0	€ 552.0	€ 571.0

We are trimming our estimates slightly to reflect muted broader N-T packaged food demand trends, but still expect the company to grow volume, gain share, expand margins over the next 4-5 quarters. To be fair, headwinds in food may be due to rapid GLP-1 adoption which appears more likely to impact less healthy options than NOMD's fish, chicken and vegetable concentrated portfolio (nestle has even released a frozen food line and other products specifically targeted towards GLP-1 consumers), however we believe it is prudent to be conservative until more solid evidence emerges on consumer behavior and preferences. Our confidence in share gain reflects the resumption of a more aggressive advertising and promotional program, which has continued to gain momentum despite a Q3/Q4 ERP headwind (now mostly resolved). Despite our trimmed estimates, we believe there is likely upside to EPS from continued share repurchases using strong cash flow and given a lack of M&A opportunities more attractive than NOMD shares at 8X EV/EBITDA.

Novanta Inc.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
NOVT	Rating: MO	**$166.87**	**$187**	**40x FY26 P/E**	**12%**	**$6,023**	**$365**	**$6,388**	**1.8x**	**8.1x**	**-2.8%**	**-0.9%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
LJ	36.1	24.3	Y
52-Week Range $146.86 - $187.12	**FQ4**	**FYE (Dec) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$0.71**	**$3.03**	**$3.90**
was			
EBITDA	**$50.2**	**$208.0**	**$240.5**
was			
P/E		**55.1x**	**42.8x**
EV/EBITDA		**30.7x**	**26.6x**
Consensus (3 Analysts)			
EPS	$0.71	$3.03	$3.79
EBITDA	$50.4	$208.6	$242.2

We believe the issues that caused weaker than expected Q4 2024 guidance were discreet in nature, across multiple customers and end markets. While the timing is disappointing, we view it as transitory and not a reflection of Novanta's competitive position or execution. Beginning in Q1 2025, we expect a ramp of organic growth driven by new product introductions at Novanta's OEM customers focused around Integrated Smoke Evacuation within Insufflation, Robotic Surgery, DUV/EUV lithography and a resumption of growth in the company's DNA sequencing franchise. Overall, the company has guided to "up to" 10% organic growth in 2025 which may prove conservative, but given recent trends we believe this is a prudent approach. M&A remains a focus, with a pipeline that comprises $20B-$25B in revenue across hundreds of potential targets. We expect a continued focus on its return metrics and patience related to executing transactions. Overall, the company remains poised to capitalize on a number of secular growth trends where it is designed in on a sole source basis. We would be alert for market-related pullbacks to continue to build core positions.

NV5 Global Inc.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
NVEE	Rating: MO	**$20.58**	**$30**	**21x FY25 adj P/E**	**46%**	**$1,297**	**$184**	**$1,480**	**1.2x**	**1.6x**	**-9.3%**	**-25.9%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
CM	63.0	7.1	N
52-Week Range $20.56 - $28.75	**FQ4**	**FYE (Dec) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$0.32**	**$1.17**	**$1.40**
was			
EBITDA	**$40.0**	**$148.0**	**$167.5**
was			
P/E		**17.5x**	**14.7x**
EV/EBITDA		**10.0x**	**8.8x**
Consensus (8 Analysts)			
EPS	$0.30	$1.18	$1.27
EBITDA	$38.4	$148.7	$163.4

Management met its goal of reaching a $1B revenue rate in Q3, although Q4 revenue may be a little below the $250mm mark. Revenue growth since FY'21 has been a roughly 10% CAGR but Adj EBITDA growth during that period has been roughly 4% (and that assumes it reaches expectations of double-digit growth in FY24). The Adj EBITDA margin has gone from above 18% in FY21 to ~16% in FY24. There has been some impact from higher margin areas such as RE Transactions being challenged by higher interest rates. Growth in the data center sub-segment should help get margins back toward the 17% level, especially if some of that work is done by normally lower margin MEP professionals. Data center revenue is an estimated $50mm run rate currently but NV5 has a $400mm 5-year target. NV5 helps data center clients unlock unused capacity, including energy efficiency, power delivery, MEP design and commissioning. We have always liked the business model. NV5 is well-positioned to address the growing challenges being presented by an aging infrastructure while providing expert solutions for transportation, energy, water, and wastewater. We believe the stock is attractive at these levels but are not aware of any potential near-term catalysts.

OPENLANE Inc.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
KAR	Rating: MO	**$20.60**	**$20**	**SOTP**	**-3%**	**$2,983**	**$145**	**$3,128**	**0.5x**	**1.5x**	**25.2%**	**39.1%**

Analyst RL	Shrs Out 144.8	Avg Vol $mm 17.3	Conf. N
52-Week Range $12.86 - $20.85	**FQ4**	**FYE (Dec) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$0.20**	**$0.83**	**$0.95**
was			
EBITDA	**$69.2**	**$289.9**	**$309.9**
was			
P/E		**24.9x**	**21.7x**
EV/EBITDA		**10.8x**	**10.1x**
Consensus (7 Analysts)			
EPS	$0.21	$0.84	$0.96
EBITDA	$69.1	$289.5	$315.1

Openlane continues to execute its plan and with its single platform interface set, it is now increasing 'feet on the street' to drive incremental dealer volumes. More work exists to integrate the backend and free up expenses to further invest for growth. While off lease volumes are slowing as expected, the lower lease equity is pushing more sales down the funnel with 'closed' auctions benefiting the most (currently). Over time as supply normalizes, we anticipate incremental open auctions driving strong economics for Openlane. We will be keeping a close eye out for news on a pending RFP for an OEM off lease contract (one of the few Openlane doesn't already have) and potential new customer win. CFO Brad Lakhia has announced his departure upon closing Q4 and the 10K to move to another CJS name (CBZ). We wish him continued success at his new company in Q1.

Orion Eng. Carbons		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
OEC	Rating: MO	**$17.60**	**$24**	**10.5X FY26E P/E**	**36%**	**$1,034**	**$917**	**$1,951**	**3.0x**	**2.2x**	**3.2%**	**-36.5%**

Analyst JT	Shrs Out 58.7	Avg Vol $mm 10.5	Conf. N
52-Week Range $14.94 - $28.48	**FQ4**	**FYE (Dec) FY2024e**	**FY2025e**
CJS Estimates			
EPS	**$0.31**	**$1.71**	**$1.95**
was			
EBITDA	**$69.5**	**$310.0**	**$330.0**
was			
P/E		**10.3x**	**9.0x**
EV/EBITDA		**6.3x**	**5.9x**
Consensus (7 Analysts)			
EPS	$0.29	$1.69	$1.92
EBITDA	$69.3	$309.6	$332.4

We had previously believed there could be a short-term risk that tariffs against foreign exporters could create a near-term headwind (despite being a long-term positive) with importers rushing to build stock. It now appears that new tariffs against Thai manufacturers being implemented under the Biden administration will be retroactive, and likely to discourage stockpiling, and we believe that Trump administration policies are unlikely to be more lenient, with current rhetoric targeting primarily China but also including Mexico. Having said that, end demand has likely remained muted and exchange rates have weakened, and we remain comfortable with the consensus expectation for Q4. FY25 estimates (+$22mm EBITDA y/y) appear to be relatively conservative, including ours, and we believe there is room for upside as the Company laps unfavorable Cogen headwinds (+$5mm) executes on its Huaibei improvement (+10mm y/y), leaving a low bar of ~$7mm for both specialty and rubber to clear, which should be easily achievable in the tire business alone if import pressure is curbed by tariffs.

OSI Systems Inc.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
OSIS	Rating: MO	**$186.99**	**$180**	**18x FY26 P/E**	**-4%**	**$3,189**	**$650**	**$3,839**	**2.3x**	**4.1x**	**29.1%**	**44.9%**

Analyst LS	Shrs Out 17.1	Avg Vol $mm 16.5	Conf. Y
52-Week Range $120.42 - $188.44	**FQ2**	**FYE (Jun) FY 2025e**	**FY 2026e**
CJS Estimates			
EPS	**$2.42**	**$9.15**	**$10.15**
was			
EBITDA	**$77.1**	**$294.6**	**$321.9**
was			
P/E		**20.4x**	**18.4x**
EV/EBITDA		**13.0x**	**11.9x**
Consensus (4 Analysts)			
EPS	$2.33	$9.16	$10.02
EBITDA	$71.1	$281.2	$303.7

Better than expected (+13%E) sales growth in Security, mix and operating leverage could drive a second consecutive beat and raise in Q2. A favorable outlook is led by demand for cargo and vehicle inspections at ports and borders. Q1 Security backlog grew ~$100mm, despite 36% segment sales growth, which provides strong earnings visibility well into FY26. The funnel of opportunities remains broad, and we expect additional orders and higher margin recurring service revenue to drive multi-year sales growth. Service revenue grew 11% in Q1 and is expected to accelerate over the next several quarters driven by rapid growth in the installed base over the last two years. GM on service revenue can be up to 50% vs. ~30% on product sales. We anticipate a return to mid-single digit sales growth in Optoelectronics in Q2E and FY25E aided by easing inventory drawdowns. The outlook for the segment remains favorable led by a diverse customer base across automotive, healthcare, and general industrial aided by rising demand in test and measurement related sales. On 12/5, OSI announced the appointment of Ajay Mehra, President of Security and EVP of OSI, as the new President and CEO, effective 1/1/25. He will succeed Deepak Chopra, who previously announced a transition to Chairman of the Board. We expect a relatively seamless transition. Strong operating performance could continue to support shares which are approaching our price target.

Patrick Industries		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
PATK	Rating: MO	**$135.26**	**$140**	**13x 2025 cash EPS**	**4%**	**$3,062**	**$1,456**	**$4,519**	**3.0x**	**2.7x**	**-0.9%**	**34.8%**

Analyst DM	Shrs Out 22.6	Avg Vol $mm 22.0	Conf. Y
52-Week Range $85.32 - $148.35	**FQ4**	**FYE (Dec) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$0.70**	**$6.45**	**$7.50**
was			
EBITDA	**$89.9**	**$452.1**	**$496.5**
was			
P/E		**21.0x**	**18.0x**
EV/EBITDA		**10.0x**	**9.1x**
Consensus (9 Analysts)			
EPS	$0.77	$6.45	$7.91
EBITDA	$90.4	$449.7	$493.0

Key takeaways from last week's Investor Day include; 1) Patrick's portfolio of market leading brands across the RV, Marine, Powersports and MH is unmatched, 2) management boasts an exceptional track record of strong, consistent content growth and has substantial runway for future potential growth within its targeted verticals, 3) the M&A track record is exceptional and the TAM and opportunity set has never been greater, 4) demographic trends are favorable and point to significant growth over the next decade, and 5) key end markets are bouncing along the bottom and initial guidance for FY25 imply the early stages of a cyclical recovery. Including both organic growth and potential M&A, Patrick's LT goals include doubling revenue to $8B. At that point, Op Income margins are projected to reach 12-16%, up from ~7% in FY24. We estimate these goals would imply EPS power in the $24-$35+ range. While the timing will be highly dependent on the shape of the recovery in end market demand, we nevertheless expect PATK to remain an exceptional vehicle for compounding shareholder returns. See our note published 12/4 for details.

Primoris Svcs. Corp.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
PRIM	Rating: MO	**$80.71**	**$78**	**18x FY26 EPS**	**-3%**	**$4,413**	**$551**	**$4,964**	**1.3x**	**3.2x**	**47.4%**	**143.0%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
LJ	54.7	57.8	Y
52-Week Range $30.95 - $84.97	**FQ4**	**FYE (Dec) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$0.76**	**$3.50**	**$3.80**
was			
EBITDA	**$94.0**	**$411.0**	**$440.5**
was			
P/E		**23.1x**	**21.2x**
EV/EBITDA		**12.1x**	**11.3x**
Consensus (8 Analysts)			
EPS	$0.75	$3.49	$3.99
EBITDA	$92.4	$405.7	$448.1

We expect business momentum to continue entering 2025 driven by a strong backlog of renewable energy projects. Additionally, Primoris' renewable customers, which tend to be developers, are less reliant on IRA funding, with power purchase agreements making projects viable without incremental government funding. Away from renewables, we are optimistic that the incoming administration's stance toward deregulation may enable more activity in the T&D, pipeline, natural gas and refinery spaces, all of which Primoris has the capability to serve, and have in the past been a more significant focus for the company. In the shorter term, Q4 should see some modest benefit from storm work early in the quarter, and the Oct/Nov timeframe seemed to be mild from a weather standpoint, enabling its Utility segment work to continue prior to the late winter shutdowns. While consensus EPS growth for 2025 is ~14% (we are below), we note that a Q4 beat (similar to recent history) would lower the growth rate to achieve the consensus forecast. We maintain our MO rating on shares and would be alert for any pullbacks to add to core positions.

Primo Brands Corp.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
PRMB	Rating: MO	**$31.74**	**$35**	**11.5x '26 EBITDA, 25x EPS**	**10%**	**$12,125**	**$662**	**$12,786**	**1.5x**	**8.3x**	**30.8%**	**110.9%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
DM	382.0	43.9	Y
52-Week Range $14.06 - $32.02	**FQ4**	**FYE (Dec) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$0.24**	**$1.04**	**$1.15**
was			
EBITDA	**$103.5**	**$435.0**	**$1,380.0**
was			
P/E		**30.6x**	**27.6x**
EV/EBITDA		**29.4x**	**9.3x**
Consensus (8 Analysts)			
EPS	$0.24	$1.03	$1.18
EBITDA	$106.5	$437.8	$481.5

On 11/8 Primo completed the transformative merger with BlueTriton (formerly Nestle's water division), creating the leading N.A. pure-play healthy hydration company with ~$6.5B highly stable and growing revenue, 23% targeted adjusted EBITDA margins (including ~$200mm projected cost synergies) and powerful FCF. We raised our estimates following strong Q3 results. Shortly thereafter, we raised them again (for the combined entity) and raised our price target reflecting detailed updated financials for BlueTriton. Both companies enter the deal with strong momentum. Our recently revised price target of $35 equates to 25x FY26E cash EPS or ~11.5x EV/EBITDA. Looking out slightly further, annual FCF could approach $750mm (~$2/share) and debt reduction should accelerate, creating additional upside potential. PE firm One Rock Capital now owns ~57% of the Company, a moderate near-term overhang. However, orderly transactions could improve trading liquidity and broaden institutional (buy-side and sell-side) investor interest, while potential inclusion in the S&P 400 midcap index is another near-midterm catalyst.

Quaker Houghton

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
KWR	Rating: MO	**$153.54**	**$205**	**12.5X FY25 EV/EBITDA**	**34%**	**$2,755**	**$527**	**$3,282**	**1.6x**	**1.9x**	**-7.3%**	**-28.1%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
JT	17.9	16.4	Y
52-Week Range $151.31 - $221.94	**FQ4**	**FYE (Dec) FY2024e**	**FY2025e**
CJS Estimates			
EPS	**$1.58**	**$7.75**	**$8.95**
was			
EBITDA	**$68.5**	**$314.6**	**$329.4**
was			
P/E		**19.8x**	**17.2x**
EV/EBITDA		**10.4x**	**10.0x**
Consensus (6 Analysts)			
EPS	$1.62	$7.75	$8.79
EBITDA	$70.3	$314.7	$335.4

We expect a relatively inline FQ4, with some incremental headwinds from currency. Demand has remained muted in the seasonally weaker quarter, with extended outages across industries already in expectations (e.g. Boeing, Auto). We believe investors will be primarily focused on the net potential for lower rates, US tariff/incentive changes, and retaliatory actions to impact net global volumes in areas such as automotive, and secondarily on the recent appointment of Joe Berquist as CEO and how he might continue or change the company's strategic priorities. Broadly we believe Mr. Berquist is well known and respected by employees and customers and has always been in the succession plan although the company gave little warning that a change was imminent. M&A and opportunistic buybacks are likely to remain the highest priorities for capital allocation and the Company is likely to remain disciplined and drive healthy accretion over time. Volumes remain >10% below pre-covid levels implying healthy upside potential when markets recover, however we do not assume significant market growth in '25, with KWR likely to maintain its growth rate of 2-4% above the market due to share gain and prior acquisitions.

RadNet Inc.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
RDNT	Rating: MO	**$80.59**	**$90**	**16x EBITDA+$15 for SAAS**	**12%**	**$6,058**	**$245**	**$6,303**	**0.9x**	**5.4x**	**22.1%**	**131.8%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
LS	75.2	32.4	Y
52-Week Range $33.44 - $93.65	**FQ4**	**FYE (Dec) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$0.31**	**$0.72**	**$1.23**
was			
EBITDA	**$80.9**	**$285.4**	**$321.5**
was			
P/E		**111.3x**	**65.3x**
EV/EBITDA		**22.1x**	**19.6x**
Consensus (5 Analysts)			
EPS	$0.20	$0.24	$0.65
EBITDA	$78.4	$281.2	$312.1

We expect Q4 EBITDA growth of 23% led by a 14% increase in sales, operating leverage, and improving performance in the Digital Health segment. This includes a turn to profitability in AI. We project a 4% rise in same store volume accompanied by improving mix towards advanced imaging (CT and PET/CT). Our estimates could prove conservative with same store growth of ~ 6% YTD. Internal implementation of the proprietary Deep Health Operating System (OS) is expected to complete by YE25 and drive rising savings and efficiencies beginning in 2026. RDNT formally launched its SaaS based model to external customers at the RSNA meeting in early December. The recently (11/11) announced collaboration with GE Health to commercialize an AI enabled imaging system in Mammography could begin to yield material revenue and profit within 12 months. We expect additional OEM partnerships in Mammography and potentially other areas. Our back of the envelope model suggests ~25% penetration of 40mm annual mammography procedures in the US could drive $100mm of SaaS based royalty revenue $1 incremental EPS by 2030. Strong operating trends, rising benefits from Digital Health/AI and acquisitions supported by a strong and improved b/s offer upside to earnings.

Rogers Corp.

Rogers Corp.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
ROG	Rating: MO	**$106.30**	**$120**	**25x 2026E EPS + Cash**	**13%**	**$1,977**	**-$146**	**$1,831**	**-1.1x**	**1.5x**	**1.3%**	**-19.5%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
DM	18.6	9.6	Y
52-Week Range $96.10 - $138.86	**FQ4**	**FYE (Dec) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$0.42**	**$2.67**	**$3.50**
was			
EBITDA	**$21.7**	**$117.1**	**$134.2**
was			
P/E		**39.8x**	**30.4x**
EV/EBITDA		**15.6x**	**13.6x**
Consensus (2 Analysts)			
EPS	$0.44	$2.69	$3.54
EBITDA	$21.7	$117.1	$134.2

Q3 GM was better than expected despite softer revenue and EPS "beat" including the reversal of comp incentive accrual and a lower tax rate. However, Q4 guide was below expectations as demand (EV, Industrial, Port Electronics) remains challenged and we do not anticipate a material improvement over the next few quarters. Beyond the NT horizon, the outlook should improve. Industrial demand (30% of rev) is bouncing along the bottom. While clients across end markets are managing inventories through YE, some level of replenishment appears likely in FY25. Further, recent new business wins include 1) a leading Asian EV producer selecting Curamik to provide power modules for its latest model, 2) in Renewable Energy ROG was designed in by a major power supplier of highly efficient solar inverter technology, and 3) in EMS a leading European OEM chose Rogers to supply compression pads for EV/HEV batteries. Net cash (~$150mm) continues to grow, enhancing flexibility. Shares have held up well despite recent estimate revisions and risk reward appears balanced until demand starts to inflect higher. Earlier this week Rogers removed the "Interim" title and appointed Laura Rogers CFO.

Simpson Manufac.

Simpson Manufac.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
SSD	Rating: MO	**$190.01**	**$180**	**20x 2025 cash EPS**	**-5%**	**$8,044**	**$126**	**$8,170**	**0.2x**	**4.3x**	**3.8%**	**-4.0%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
DM	42.3	27.6	Y
52-Week Range $157.42 - $218.38	**FQ4**	**FYE (Dec) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$1.27**	**$7.55**	**$8.40**
was			*$8.50*
EBITDA	**$93.3**	**$511.4**	**$555.1**
was			$560.7
P/E		**25.2x**	**22.6x**
EV/EBITDA		**16.0x**	**14.7x**
Consensus (4 Analysts)			
EPS	$1.28	$7.57	$8.43
EBITDA	$97.3	$516.6	$571.9

We are trimming our FY25E EPS by a dime (to $8.40E) and introducing an initial FY26 EPS estimate of $9.50E. We expect Simpson to continue to generate revenue growth above its end markets and we expect margins to recover to some degree next year as investment spending for future growth tapers off (vs. heavier investment in FY24) and as costs related to achieving "defensive" synergies in Europe wind down. We also, however, are building in slightly more conservative estimates for N.A. Housing for the first 1-2 quarters of 2025. Wildcards related to the new Trump administration include 1) the impact of potential tariffs on overall inflation and therefore the direction of interest rates, and 2) the potential impact of immigration policy on labor availability for homebuilders. Reflecting these questions, we prefer to be a bit more conservative in our outlook for U.S. Housing near-term. Looking out to FY26, as end markets return to growth, EPS growth should accelerate. Further, Simpson's strong balance sheet and FCF create material flexibility for internal investments, M&A and/or opportunistically returning cash to shareholders.

Spectrum Brands Inc.

Spectrum Brands Inc.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
SPB	Rating: MO	**$91.09**	**$110**	**17x FY25 adj. EPS+HPC**	**21%**	**$2,578**	**$192**	**$2,770**	**0.6x**	**1.2x**	**-1.9%**	**14.2%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
RL	28.3	15.5	Y
52-Week Range $75.50 - $96.74	**FQ1**	**FYE (Sept) FY 2025e**	**FY 2026e**
CJS Estimates			
EPS	**$0.88**	**$5.55**	**$6.18**
was			
EBITDA	**$64.9**	**$338.5**	**$352.4**
was			
P/E		**16.4x**	**14.7x**
EV/EBITDA		**8.2x**	**7.9x**
Consensus (9 Analysts)			
EPS	$0.91	$5.44	$6.17
EBITDA	$69.3	$339.5	$359.2

Spectrum Brands continues to increase investment in its brands and pursue the separation of its Home & Personal Care (HPC) segment, both of which are aimed at driving LT growth and shareholder value. After underinvestment during the pandemic, the company increased total brand spending (R&D, advertising, and promotional spending, among other things) by $62mm in FY24. We expect further increases to follow (at a smaller scale) in FY25 before reaching a normalized rate. The higher investment should lead to more innovation, stronger brands, and growth. Additionally, the company continues to pursue the separation of its HPC segment which was delayed by the election and potential tariff implications on the business model. Once the separation is completed, we think shares can re-rate higher based on the highly consumable nature of the Pet and Home & Garden products sold. In the meantime, the balance sheet is strong with less than 1x leverage and the company continues to repurchase shares as well.

Standex Intl. Corp.

Standex Intl. Corp.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
SXI	Rating: MO	**$209.24**	**$190**	**22x FY26 P/E**	**-9%**	**$2,479**	**$391**	**$2,870**	**2.3x**	**3.8x**	**21.4%**	**32.1%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
CM	11.9	8.2	Y
52-Week Range $139.61 - $212.66	**FQ2**	**FYE (Jun) FY 2025e**	**FY 2026e**
CJS Estimates			
EPS	**$1.70**	**$7.43**	**$8.60**
was			
EBITDA	**$39.5**	**$169.3**	**$198.6**
was			
P/E		**28.2x**	**24.3x**
EV/EBITDA		**17.0x**	**14.4x**
Consensus (5 Analysts)			
EPS	$1.68	$7.75	$9.42
EBITDA	$40.0	$176.8	$212.3

FY24 (June) organic growth declined 5.1% y/y, with the promise of growth in FY25. Q1'FY25 revenue was down 11.4% organically and the outlook for organic growth the rest of the year is back-half loaded, at best. That would normally be a recipe for stock that was up ~30% y/y on October 30th, to pull back. The stock continues to move forward because Standex has continued to improve margins in a challenging environment, and most recently because of a well-timed transformational acquisition unveiled with Q1 earnings. Standex acquired, in separate transactions, privately-held US-based Amran Instrument Transformers and India-based Narayan Powertech Pvt. Ltd. (going forward referred to as "Amran/Narayan Group") in cash and stock transactions. Amran and Narayan are really one global company. The companies are leading US and India based manufacturers of low to medium voltage transformers. This acquisition significantly expands Standex's presence in the fast-growing, high-margin electrical grid end market, which will benefit from infrastructure upgrades, capacity expansion and data center demand. In calendar year 2024, Amran/Narayan Group estimates revenues of approximately $100 million with an adjusted EBITDA margin above 40%. Revenue growth has averaged ~30% over the past three years. We really like the acquisitions but believe the stock is fully-valued at current levels.

Stevanato Group		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
STVN	Rating: MO	**$21.76**	**$28**	**33x CY26 Cash P/E**	**29%**	**$5,938**	**$301**	**$6,239**	**1.1x**	**4.2x**	**12.9%**	**-20.3%**

Analyst LS	**Shrs Out** 272.9	**Avg Vol $mm** 6.4	**Conf.** Y
52-Week Range $16.56 - $34.73	**FQ4**	**FYE (Dec) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$0.19**	**$0.50**	**$0.55**
was			*$0.58*
EBITDA	**$95.8**	**$278.3**	**$312.0**
was			$322.0
P/E		**43.5x**	**39.4x**
EV/EBITDA		**22.4x**	**20.0x**
Consensus (11 Analysts)			
EPS	$0.19	$0.50	$0.58
EBITDA	$93.3	$269.0	$312.6

We expect flat revenue and earnings in Q4 as mid-single digit sales growth in BDS is offset by declines in Engineering. In BDS, strong sales of prefilled syringes continue to be partially offset by double-digit declines in RTU vials due to destocking. Demand is strong with no material change in market share. STVN has been disproportionately impacted as it was essentially the only provider of RTU vials during Covid and the subsequent global supply chain challenges which drove excess buy-ins. Destocking has waned at smaller drug companies with normal order patterns expected to resume across customers within two to three quarters. We expect a rising performance as 2025 progresses and return to double digit sales growth by 2026. We anticipate a slow recovery in performance in the Engineering Segment in 2025 as manufacturing challenges abate, with more material improvement in 2026. We are modestly reducing FY25E which includes 5% (from 7%E) sales growth and EBITDA of €295mm (from €305mmE) to offer room for recovery in RTU vials. There is no change to a favorable multi-year outlook led by mid-teens projected growth in global biologic drug volumes, which are predominantly injectables that require specialized packaging and ready-to-use (RTU) syringes, vials and cartridges. STVN is well positioned to benefit from transition to its (higher margin) high value solutions (HVS) expected to exceed 45% of revenue in 2027 from 34% in 2023.

Super Micro Computer		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
SMCI	Rating: MO	**$38.29**	**$60**	**15X FY26E Adj. PE**	**57%**	**$24,812**	**$200**	**$25,012**	**0.3x**	**0.5x**	**-14.7%**	**34.7%**

Analyst JT	**Shrs Out** 648.0	**Avg Vol $mm** 2809.6	**Conf.** N
52-Week Range $17.25 - $122.90	**FQ2**	**FYE (Jun) FY2025e**	**FY2026e**
CJS Estimates			
EPS	**$0.61**	**$3.00**	**$4.00**
was			
EBITDA	**$465.7**	**$2,362.4**	**$3,218.0**
was			
P/E		**12.8x**	**9.6x**
EV/EBITDA		**10.6x**	**7.8x**
Consensus (17 Analysts)			
EPS	$0.61	$2.89	$3.54
EBITDA	$479.9	$2,350.2	$2,824.2

We are increasing our Price Target to $60 (15X FY26E Adj. P/E, was $40/10x), after the Company received a listing extension from NASDAQ, and following other significant steps towards resolving the delayed filings and the resignation of prior auditor EY. Shares have rebounded since the Company hired a new auditor (BDO) and disclosed the reports of an independent committee investigation including outside counsel and forensic accounting which found no evidence of fraud or the need to restate prior results. The Company will however replace its current CFO, expand its finance and compliance teams, and establish more rigorous systems and governance in-line with recommendations. We do not believe SMCI is losing significant share, and we highlight X.AI's intent to purchase 1mm GPUs for its Memphis datacenter by 2026, (up from 200k, half supplied by SMCI for ~$4bnE revenue YTD), similar plans from Meta (a known customer) and relatively tepid peer results. Having said that, the distraction from accounting/delisting concerns and negative headlines may still create additional noise in FQ2. Looking beyond FQ2, the Company remains in pole position to capitalize on the Blackwell upgrade cycle given its time-to-market advantages and scale/experience in liquid cooling, unique/customizable SKUs and the ramp up of the new Malaysia facility, which should all drive gross margin uplift and a return to strong y/y growth.

Thermon Group		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
THR	Rating: MO	**$32.32**	**$37**	**18x 2026 adj. EPS**	**14%**	**$1,104**	**$128**	**$1,232**	**1.1x**	**2.3x**	**11.7%**	**-0.8%**

Analyst JA	**Shrs Out** 34.1	**Avg Vol $mm** 5.5	**Conf.** N
52-Week Range $23.76 - $35.93	**FQ3**	**FYE (Mar) FY 2025e**	**FY 2026e**
CJS Estimates			
EPS	**$0.53**	**$1.80**	**$2.05**
was			
EBITDA	**$31.0**	**$108.0**	**$117.5**
was			
P/E		**18.0x**	**15.8x**
EV/EBITDA		**11.4x**	**10.5x**
Consensus (4 Analysts)			
EPS	$0.55	$1.80	$2.09
EBITDA	$31.5	$105.6	$122.7

Ongoing headwinds to large capital projects continued to present the largest hurdle to Thermon. In F2Q (Sep), large capital projects declined 51% y/y, offsetting 10% growth from small projects and point-in-time sales. However, the most recent quarter may be the trough for large capital projects. Two uncertainties that may have caused delays have now been resolved. First, with the election now completed, some customers may move forward with projects that align with the Trump administration's perceived policies. Second, the macroeconomic situation, and the associated interest rate environment, appears to be stabilizing/improving. This could result in delayed projects moving forward as clients can more easily see returns on their investments. Improvements to Thermon's book-to-bill also show pent-up demand and suggest a potential rebound in large capital projects. That ratio has steadily improved from negative in F4Q (Mar) to positive as of the latest quarter. More generally, we also believe Thermon's broad array of end markets served could benefit in the wake of the election, particularly given its exposure the CO2 emissions and liquid natural gas markets. In the near-term, we believe customers' focus on maintenance and repair work should support solid EBITDA margin growth and the Vapor Power and F.A.T.I acquisitions should support topline growth.

Thryv Holdings Inc.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
THRY	Rating: MO	**$16.40**	**$20**	**3x SaaS Revenue**	**22%**	**$730**	**$313**	**$1,043**	**2.2x**	**4.0x**	**-10.3%**	**-19.4%**

Analyst DM	**Shrs Out** 44.5	**Avg Vol $mm** 2.0	**Conf.** N
52-Week Range $13.06 - $26.42	**Q4**	**FYE (Dec) FY 2024e**	**FY2025e**
CJS Estimates			
EPS	**-$0.05**	**-$2.33**	**$0.32**
was			
EBITDA	**$27.0**	**$160.0**	**$145.0**
was			
P/E		**-7.0x**	**50.7x**
EV/EBITDA		**6.5x**	**7.2x**
Consensus (6 Analysts)			
EPS	-$0.15	-$2.34	$0.83
EBITDA	$26.8	$159.9	$139.8

Highlights from the recent Investor Day include; 1) the transition from a declining Marketing Services business to a fast-growing SaaS based model with strong recurring revenue is accelerating, 2) The recent acquisition of "Keap" offers meaningful cross-selling opportunities, 3) SaaS now accounts for >50% of pro forma revenue. By 2026 SaaS should represent >50% of EBITDA and by 2027 consolidated EBITDA is expected to inflect to positive overall growth, 4) SaaS metrics are improving, including Net Dollar Retention, which recently hit 100% and is expected to remain at/near those levels, Gross Margin which recently exceeded 70%, and Thryv recently achieved the "Rule of 40," which refers to the sum of revenue growth and adjusted EBITDA margin, 5) the rollout of two new "Centers," including Reporting Center (now) Workforce Center (2025) should drive ARPU higher and help maintain ~100% Net Dollar Retention. Net leverage will likely tick higher for the next 2-3 quarters. Once leverage starts to tick lower and as FCF improves (likely 2026 and beyond), multiple expansion would likely follow.

Tyler Technologies		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
TYL	Rating: MP	**$625.02**	**$650**	**12.5x CY25e EV/Sales**	**4%**	**$27,310**	**$53**	**$27,363**	**0.1x**	**8.8x**	**6.7%**	**49.5%**

Analyst	**Shrs Out**	**Avg Vol $mm**	**Conf.**
CS	43.7	106.8	N
52-Week Range		**FYE (Dec)**	
397.80240 - $638.5	**FQ4**	**FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$2.38**	**$9.50**	**$10.50**
was			
EBITDA	**$152.4**	**$583.4**	**$646.1**
was			
P/E		**65.8x**	**59.6x**
EV/EBITDA		**46.9x**	**42.3x**
Consensus (16 Analysts)			
EPS	$2.44	$9.56	$10.84
EBITDA	$149.6	$580.1	$661.4

Tyler continues to exhibit strong organic growth as Q3 recurring revenues from maintenance & subscriptions were up 12% y/y organically and comprised 85% of total Q3 revenues. Meanwhile, SaaS revenue grew 20% organically and transaction-based (payments) revenues grew on an organic basis 15.2%. We expect similar trends in Q4 especially from payments which is benefiting from cross selling. The incoming Trump administration should have little to no impact on Tyler's business other than a slight lengthening of the sales cycle at the Federal level as agency leaders transition. RFP activity remains at an elevated level as state and local government budgets are healthy, but their antiquated technology isn't. The transition of customers from "on prem" to the cloud is starting to accelerate. Looking at its whole customer base today, in terms of dollars, about 40% is in the cloud today and 60% still on-prem. Valuation, in our view, continues to reflect the steady growth outlook.

UFP Technologies		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
UFPT	Rating: MO	**$295.60**	**$370**	**40x 2025 adj. cash EPS**	**25%**	**$2,297**	**$196**	**$2,493**	**2.0x**	**7.0x**	**-8.8%**	**71.8%**

Analyst	**Shrs Out**	**Avg Vol $mm**	**Conf.**
JA	7.8	14.8	Y
52-Week Range		**FYE (Dec)**	
$152.43 - $366.41	**FQ4**	**FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$2.17**	**$8.30**	**$9.25**
was			
EBITDA	**$29.6**	**$105.5**	**$121.6**
was			
P/E		**35.6x**	**31.9x**
EV/EBITDA		**23.6x**	**20.5x**
Consensus (3 Analysts)			
EPS	$2.19	$8.31	$9.19
EBITDA	$29.4	$105.2	$124.3

UFP Technologies had a solid 3Q, with topline growth fueled by strength in robotic surgery and infection prevention. Additionally, during the quarter, margins expanded due to improving efficiencies in the Dominican Republic. Looking ahead, we expect continued strong operating performance with topline organic growth to be driven by solid trends in robotic surgery and infection prevention. We anticipate this will be partially offset by lingering inventory pressure from orthopedic packaging. UFP is also expanding its operations in the Dominican Republic to accommodate future growth, highlighting its confidence in the business. The company's four acquisitions in 2H24 are performing ahead of expectations and should drive inorganic revenue growth. As for margins, we expect improved manufacturing efficiency and better control of fixed overhead costs to be offset by increased costs related to the acquisitions. While UFP now carries ~2x of leverage, which is higher than historical norms, we view that as a manageable level and expect the company's strong FCF generation to naturally de-lever the company. Last, we are tweaking our revenue estimate downward to account for 4Q seasonality in the Dominican Republic relate to the holiday season.

US Physical Therapy		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
USPH	Rating: MO	**$95.66**	**$124**	**33x 2026 Cash P/E**	**30%**	**$1,442**	**$103**	**$1,545**	**1.2x**	**3.0x**	**13.9%**	**2.7%**

Analyst	**Shrs Out**	**Avg Vol $mm**	**Conf.**
LS	15.1	7.4	N
52-Week Range		**FYE (Dec)**	
$76.18 - $113.63	**FQ4**	**FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$0.67**	**$2.60**	**$3.00**
was			
EBITDA	**$21.4**	**$81.3**	**$93.3**
was			
P/E		**36.7x**	**31.9x**
EV/EBITDA		**19.0x**	**16.6x**
Consensus (6 Analysts)			
EPS	$0.69	$2.64	$2.92
EBITDA	$21.6	$81.5	$92.1

We expect an improving performance in Q4 including 9% revenue growth and a 13% rise in EPS. Patient volumes were strong in October into November which could drive better than expected (4%E) same store sales growth. The company continues to gain momentum on pricing outside of Medicare, with commercial rates up 5.2% in Q3, 4.5% in Q2 and 2.8% in Q1'24. We model a 2% average overall increase in price in Q4E and FY25E due to the partial offsetting Medicare impact of ~1%. 2025 is the last of expected reductions designed to rebalance the Physician Fee Schedule with a goal of increased incentive towards primary care. The previously announced closure of 32 underperforming clinics, staff optimization, and cost cutting measures could drive >$10mm run rate savings by YE25 and upside to estimates. We expect rising benefits from the $77mm acquisition (50% interest) of Metro LLC completed on 10/31. Metro grew from five clinics in 2016 to 50 in 2024 under the current management who will remain with the company. It expects to continue to grow above industry averages, with visibility to 65 to 70 clinics within 12 to 18 months driven by additional denovo clinics and tuck-in purchases. Our increased price target is predicated on an unchanged 33x multiple of cash EPS rolled out to 2026E.

Valmont Industries		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
VMI	Rating: MO	**$330.64**	**$335**	**~19x 25e EPS**	**1%**	**$6,690**	**$698**	**$7,388**	**1.1x**	**4.3x**	**19.2%**	**41.6%**

Analyst	**Shrs Out**	**Avg Vol $mm**	**Conf.**
CM	20.2	29.2	Y
52-Week Range		**FYE (Dec)**	
$202.01 - $354.13	**FQ4**	**FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$3.58**	**$16.92**	**$17.55**
was			
EBITDA	**$139.8**	**$614.1**	**$629.6**
was			
P/E		**19.5x**	**18.8x**
EV/EBITDA		**12.0x**	**11.7x**
Consensus (7 Analysts)			
EPS	$3.63	$16.97	$17.87
EBITDA	$139.6	$621.8	$644.7

Valmont has done an exceptional job driving margins (we estimate operating margins will increase ~150 bps y/y in FY24) even though Ag margins are declining. Infrastructure margins are being driven by opportunistic steel purchasing / timing, mix and a lower cost structure resulting from the recent restructuring. This segment continues to be very well positioned over the next few years. Utility capex spending has increased to meet load growth expectations and is expected to remain elevated for years due to factors like electrification and the rapid expansion of data centers. Telecommunications revenue was up almost 8% y/y in Q3, driven by increased carrier spending amid a stabilizing North American market environment. The overall outlook for Ag remains soft. Modest growth in Ag in FY25 would be very welcome but far from certain. The big question for us at this point is can the company continue to expand operating margins in FY25 with the current Ag backdrop. We are modeling a 10-bps decline. Given the margin uncertainty and the fact the stock is up better than 50% YTD, we believe it is fully-valued at current levels.

Varex Imaging Corp.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
VREX	Rating: MO	$15.50	$18	18x FY26 Cash P/E	16%	$634	$234	$868	2.2x	1.2x	34.4%	-24.4%

Analyst	Shrs Out	Avg Vol $mm	Conf.
LS	40.9	10.4	N
52-Week Range $10.19 - $21.50	FQ1	FYE (Sep) FY 2025e	FY 2026e
CJS Estimates			
EPS	$0.05	$0.60	$1.00
was			
EBITDA	$18.8	$96.6	$120.1
was			
P/E		25.6x	15.6x
EV/EBITDA		9.0x	7.2x
Consensus (4 Analysts)			
EPS	$0.04	$0.59	$0.93
EBITDA	$18.3	$94.9	$108.9

We expect 5% sales growth (flat adjusted for one extra week) and modest EPS in the seasonal slower F'Q1. A projected recovery as the year progresses is driven by a return to more normalized order patterns in Medical across most markets along with stabilization in China. Global OEM customers outside of China have deferred deliveries over the course of FY24 while they managed inventory levels lower. New orders did begin to pick up during Q4 and company dialogue with customers suggests this could accelerate in the coming months. We are encouraged by the flattening of sales in China over the last two quarters following 25% TTM declines, with an increase in stimulus funding expected to drive an uptick in capital spending. However timing remains uncertain along with the potential impact of tariffs – which limits conviction for a material rebound in sales in China in 2025. The outlook for Industrial remains strong led by demand for cargo inspection and rising higher margin services fees. We continue to see a path back to EPS of $1+ in FY26E as end-markets normalize. Multiple pending products centered around photon-counting based applications offer significantly greater sales and earnings potential over the next several years.

Verra Mobility Corp.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
VRRM	Rating: MO	$23.78	$30	23x 2025 cash EPS	26%	$3,986	$829	$4,815	2.1x	8.2x	-12.3%	3.3%

Analyst	Shrs Out	Avg Vol $mm	Conf.
DM	167.6	27.3	Y
52-Week Range $20.26 - $31.03	FQ4	FYE (Dec) FY 2024e	FY 2025e
CJS Estimates			
EPS	$0.29	$1.19	$1.30
was			
EBITDA	$103.3	$403.0	$419.3
was			
P/E		20.0x	18.3x
EV/EBITDA		11.9x	11.5x
Consensus (7 Analysts)			
EPS	$0.30	$1.20	$1.30
EBITDA	$101.8	$401.7	$418.3

While Q3 was in-line and FY24 guidance reiterated, shares pulled back after management tempered initial growth and margin expectations for FY25. Revenue growth is expected toward the lower end of the LT 6-8% growth goal. TSA volume growth could moderate after 2 exceptionally strong years. The NYC contract is up for renewal and while Verra is well positioned as the incumbent, there are more competitors in the mix this time around and revenue from NYC is likely to be ~flat until a new contract is awarded. In Government Solutions, backlog continues to build, but it will take time for new contracts to ramp up. These will require upfront modest set-up and R&D costs ahead of revenue. Meanwhile, Verra continues to invest for future growth, including a new ERP system. Putting this together, the expectations bar has been appropriately reset, growth should reaccelerate heading into FY26 and risk/reward is attractive for investors looking beyond the next few quarters. Meanwhile, an improving balance sheet and strong FCF create optionality (including a $50mm buyback authorization) and upside potential to current expectations.

Vicor Corp.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
VICR	Rating: MO	$53.78	$50	23X FY26E GAAP P/E	-7%	$2,429	-$268	$2,162	-5.5x	4.4x	46.3%	19.7%

Analyst	Shrs Out	Avg Vol $mm	Conf.
JT	45.2	6.8	N
52-Week Range $30.90 - $61.05	FQ4	FYE (Dec) FY2024e	FY2025e
CJS Estimates			
EPS	$0.16	$0.07	$1.21
was			
EBITDA	$14.9	$27.9	$100.0
was			
P/E			
EV/EBITDA			
Consensus (3 Analysts)			
EPS	$0.19	$0.41	$1.11
EBITDA	$14.1	$28.0	$81.4

Shares traded higher in November, likely due to a combination of post-election optimism, and rumors of overheating issues with Nvidia's Blackwell GPUs and of MPWR being displaced as a sole source provider (MPWR refuted any claims of performance issues, but did not refute being displaced). To be clear, we do not believe VICR is likely to be in any Blackwell SKU's at launch; the company has pointed to a 2H'25 window for a significant AI GPU launch which could be a Blackwell refresh, a new NVDA architecture, or some other vendor's GPU. Having said that, Management has consistently highlighted that its solutions and architecture are significantly cooler, more efficient, and reliable vs. traditional vendors such as MPWR, particularly as GPUs grow larger and more powerful and launch issues with Blackwell may increase the chances that VICR can get back into NVDA's supply chain. Outside of NVDA, we would expect continued increases in licensing revenue approaching the expected ITC import ban on NBM technology (Delta found to have infringed VICR's patents), as well as higher orders for NBM products. Delta can appeal, but it would have to put up cash or a bond to do so. Aerospace, industrial are also likely to drive healthy growth on an annual basis, though orders can sometimes be lumpy, with a bigger inflection in '26 as large auto design wins begin to ramp.

West Pharma. Svcs		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
WST	Rating: MO	$318.22	$355	40x 2026E EPS	12%	$23,357	-$288	$23,069	-0.4x	8.5x	7.2%	-9.6%

Analyst	Shrs Out	Avg Vol $mm	Conf.
LS	73.4	90.1	Y
52-Week Range $265.00 - $413.70	FQ4	FYE (Dec) FY 2024e	FY 2025e
CJS Estimates			
EPS	$1.72	$6.65	$7.65
was			
EBITDA	$195.9	$735.3	$853.6
was			
P/E		47.9x	41.6x
EV/EBITDA		31.4x	27.0x
Consensus (9 Analysts)			
EPS	$1.71	$6.65	$7.55
EBITDA	$192.9	$717.7	$839.3

We expect modest sequential and y/y growth in sales in Q4 which could prove conservative based on a noted improvement in order trends at the end of Q3 and into October. Demand remains strong across end markets led by Biologics. Sales have been roughly flat the last two years driven by a decline in Covid-related revenue in 2023 and customer inventory destocking in 2024. We expect inventory management to wind down over the next two to three quarters with a return to normalized order patterns by mid-2025. This translates into a 6% increase in Proprietary segment (81% of revenue) sales in 2025, rising to 8% growth in 2026E. We anticipate a steady improvement in gross and operating margin driven by mix, SG&A leverage and rising benefits from investment into automated manufacturing. We remain confident in West meeting or exceeding annual sales growth and margin expansion targets of 7% to 9% and 100bps over the next five years. Our enthusiasm is enhanced by an expected increase in conversion of legacy drugs from standardized packaging to higher margin HVP services over the next five to ten years driven by tightening regulations.

Worthington Enterprises		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
WOR	Rating: MP	**$40.86**	**$52**	**10x FY26 EBITDA**	**27%**	**$2,058**	**$121**	**$2,179**	**0.5x**	**2.3x**	**-9.5%**	**-29.0%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
DM	50.4	8.1	N
52-Week Range $38.24 - $69.96	**FQ2**	**FYE (Oct) FY 2025e**	**FY 2026e**
CJS Estimates			
EPS	**$0.56**	**$2.65**	**$3.00**
was			
EBITDA	**$53.5**	**$240.0**	**$260.0**
was			
P/E		**15.4x**	**13.6x**
EV/EBITDA		**9.1x**	**8.4x**
Consensus (3 Analysts)			
EPS	$0.52	$2.38	$2.65
EBITDA	$53.4	$235.0	$259.5

FQ1 (Aug) results missed expectations for the second straight quarter, reflecting lower heating and cooking sales and a faster "reversion to the mean" in profitability at ClarkDietrich. While some of these headwinds may linger into FQ2, profitability is bouncing along the bottom and expectations have been reset, which should drive a "meet or potentially slight beat" this quarter. Large format heating tanks should experience some seasonal uplift heading into the winter and customer destocking appears to have run its course, while competitive pressures in smaller format tanks (Coleman camping, Balloon Time, etc.) appear to have eased. Worthington sources most tanks domestically and could benefit from higher tariffs. Regarding the JVs, WAVE remains strong (confirmed by Armstrong's Q3 results) and ClarkDietrich profitability likely bottomed last quarter. Overall, we expect an inflection to positive y/y EBITDA growth by FQ3 (Feb) which could help the share price to begin to recover. In October, Joe Hayek (formerly CFO) was named CEO, replacing Andy Rose, while Colin Souza was promoted to CFO. While the timing was a modest surprise, we anticipate a smooth transition and see few significant changes in strategic direction.

Monitor List

Ranpak Holdings		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/17	Δ YTD
PACK	Rating: NA	**$7.97**	**NA**	**NA**	**NA**	**$663**	**$360**	**$1,023**	**6.5x**	**1.2x**	**26.9%**	**36.9%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
NA	83.2	4.1	N
52-Week Range $3.85 - $9.04	**FQ2**	**FYE (Dec) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**NA**	**NA**	**NA**
was			
EBITDA	**NA**	**NA**	**NA**
was			
P/E			
EV/EBITDA			
Consensus (4 Analysts)			
EPS	-$0.02	-$0.14	-$0.08
EBITDA	$24.3	$82.9	$93.7

Ranpak reported solid 3Q24 results. The company grew packaging systems 1.1% y/y to 143.6K machines, with growth across all three PPS systems. 3Q24 constant currency net revenue increased 10.5% y/y to ~$94.7mm, driven by an e-Commerce induced 14.7% volume increase. Higher volumes and sales drove an adjusted EBITDA increase of 13.9% y/y to $20.5mm, implying a 21.6% margin, up ~60bps. The company continues to strengthen its balance sheet and pursue its goal of 3.0x net leverage, having reached reaching 4.0x as quarter end. Along those lines, the company expects to drive more cash generation both from a strong holiday season and from being out if its investment mode. Management believes the company is well positioned headed into 2025 and should take more share from plastic.

Drop Coverage

During the quarter we dropped the following companies to reallocate limited resources

Company	Ticker	Final Rating
Lazydays Holdings	GORV	Market Perform

Coverage Key

RL	Robert Labick, CFA	Rlabick@cjs-securities.com
DM	Daniel Moore, CFA	Dmoore@cjs-securities.com
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CM	Chris Moore, CFA	Cmoore@cjs-securities.com
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For specific valuation methodologies please refer to the most recently published report for companies mentioned in this compendium report

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Market Outperform (MO): a stock that should perform at least 15% better than the Russell 2000 index over the next 6-18 months

Market Perform (MP): a stock that should perform in line with or slightly better than the Russell 2000 index

Market Under-Perform (MU): a stock expected to under-perform the Russell 2000 index

We may also have some stocks on a Monitor List, where we are indicating to clients not to expect a similar level of research coverage as companies on our active coverage list. Hence, we do not have investment opinions or price targets, nor do we intend to publish estimates, on Monitor list names.

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CJS Securities provided active research on 94 companies, of which 86 (91%) are rated MO (buy) and 8 (9%) are rated MP (hold) and 0 (0%) are rated MU (sell). In addition to our active research there is one company on our Monitor List as of 10/2/23 (no rating, estimates or price target).

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