CJS SECURITIES

50 Main Street, White Plains, NY 10606 Tel: (914) 287-7600

Additions to Coverage List and Company Updates - 12/12/23

Please note our 24th Annual "New Ideas For The New Year" Virtual Investor Conference on Wednesday, January 10th 2024. 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

Crane Company

Crane Company		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 10/30 Initiation	Δ YTD
CR	Rating: MO	**$107.40**	**$129**	**25x 2025 adj. EPS**	**20%**	**$6,100**	**-$21**	**$6,079**	**nmf**	**4.7x**	**17.7%**	**43.2%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
JA	56.8	10.9	Y
52-Week Range $67.28 - $110.19	**FQ4**	**FYE (Dec) FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**$0.82**	**$4.20**	**$4.70**
was			
EBITDA	**$77.4**	**$368.6**	**$421.8**
was			
P/E		**25.6x**	**22.8x**
EV/EBITDA		**16.5x**	**14.4x**
Consensus (5 Analysts)			
EPS	$0.82	$4.19	$4.70
EBITDA	$77.3	$360.9	$405.4

We initiated coverage on 10/30 with a Market Outperform rating and a $113 price target. Crane is a leading global provider of highly engineered components for challenging, mission-critical applications. The company operates in three segments: Aerospace & Electronics (A&E, ~37% of 2023E revenue), Process Flow Technologies (PFT, ~52% of 2023E revenue), and Engineered Materials (EM, ~11% of 2023E revenue). We believe macro tailwinds, such as growth in commercial air travel and investments in clean energy, should provide a solid backdrop of support in A&E and PFT; all while the company continues to benefit from its ongoing topline and operational transformation efforts. Additionally, repositioning to growth markets should enhance market share gains as well as drive EBITDA margin growth. We also believe Crane's capacity for M&A, despite its recent acquisition, could provide further upside to shares. The company's underleveraged balance sheet and robust FCF generation (~95% conversion from adjusted net income) could drive material EPS expansion, if deployed constructively. In our view, shares are still trading at a discount to peers (~4x price / 2023 EPS) despite material changes at the company, suggesting the street is missing these key factors. As such, <u>we are now raising our valuation multiple to 25x CY25E adjusted EPS (was 22x) and raising our price target to $129</u>.

Encore Wire Corp.

Encore Wire Corp.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 10/11 Initiation	Δ YTD
WIRE	Rating: MO	**$195.17**	**$235**	**14x FY25 P/E**	**20%**	**$3,298**	**-$582**	**$2,717**	**-1.5x**	**1.9x**	**2.7%**	**41.9%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
CM	16.9	28.9	Y
52-Week Range $132.32 - $206.74	**FQ4**	**FYE (Dec) FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**$4.10**	**$21.57**	**$17.50**
was	*$4.12*	*$21.37*	*$17.50*
EBITDA	**$89.8**	**$485.5**	**$393.0**
was	$90.0	$483.3	$392.0
P/E		**9.0x**	**11.2x**
EV/EBITDA		**5.6x**	**6.9x**
Consensus (3 Analysts)			
EPS	$4.02	$21.45	$17.01
EBITDA	$88.0	$483.7	$376.0

We initiated coverage on 10/11 with a Market Outperform rating and a $235 price target. Encore Wire manufactures a broad range of electrical wire and cables, used to distribute power from the transmission grid to the wall outlet or switch, and everything in between. Its key products are made from copper and aluminum. While the company does not hedge its copper purchases because of the quick turnover from order to shipment, it prices dynamically and generally get better spreads when the price of copper or aluminum is higher. Encore is one of three significant players (the only pure play public company) within an estimated $10B to $15B market. Its competive positioning is a function of multiple factors: quick turnaround, low-cost producer, vertical integration, product innovation, and customer service. The increasing electrification of buildings is driving secular growth. While revenue and earnings peaked during the pandemic (FY22 - $3B+ revenue, 36.9% gross margin and $36.91 EPS), the strong FCF generated over the past few of years (approaching $1B) has allowed Encore to repurchase $686mm in stock (5.16mm shares) since February 2020, while continuing to aggressively invest in its plant capabilities. Encore has an exceptional balance sheet, zero debt and $582mm in cash ($35/share).

Worthington Enterprises

Worthington Enterprises		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 11/15 Initiation	Δ YTD
WOR	Rating: MP	**$52.04**	**$50**	**9x CY25 EBITDA**	**-4%**	**$2,601**	**$100**	**$2,701**	**0.4x**	**NA**	**27.3%**	**4.7%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
DM	50.0	6.2	Y
52-Week Range $45.26 - $77.42	**FQ2**	**FYE (Oct) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$0.61**	**$3.96**	**$3.00**
was			
EBITDA	**$58.9**	**$346.3**	**$271.0**
was			
P/E		**13.1x**	**17.3x**
EV/EBITDA		**7.8x**	**10.0x**
Consensus (3 Analysts)			
EPS	$0.44	$2.95	$2.92
EBITDA	$73.5	$426.4	$418.1

We initiated coverage on 11/15 with a $50 price target and are now initiating a rating of Market Perform. Since our initiation and the recent separation of Worthington Steel (WS, NR), shares have risen sharply and are now trading slightly above our $50 price target. Worthington Enterprises is a leading designer and manufacturer of Consumer Products (~50% of Rev), Building Products (~40%) and Sustainable Energy Solutions (~10%). On 12/1 Worthington (WOR) begin trading regular way, completing the separation of its legacy steel making business. As an independent public company, WOR offers a portfolio of market leading brands with solid macro tailwinds, healthy margins (adjusted EBITDA in the low 20s%), solid FCF and attractive ROIC (15%+). Worthington's "crown jewel" is WAVE, a 50/50 JV with Armstrong World Industries, Inc., that designs, manufactures and installs suspended ceiling systems for Educational, Healthcare, Commercial and other end markets, generating >40% EBITDA margins and strong consistent cash flow for the parent companies. Worthington's portfolio also includes a fully developed line of CNG and Hydrogen storage, transportation and distribution products which operate at ~break-even but offer a potentially high value "call-option" over time. WOR offers a strong balance sheet (pro forma leverage ~0.5x) and solid FCF, enhancing potential returns over time. Our 12-month price target of $50 equates to ~9x our CY25E EBITDA. WOR will report FQ2 results on 12/20. Management will be participating in our Virtual Winter Conference in January.

indie Semiconductor		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/1 Init.	Δ YTD
INDI	Rating: MO	**$7.77**	**$15**	**28X FY25E Adj. P/E**	**93%**	**$1,313**	**$1**	**$1,314**	**NM**	**3.2x**	**4.2%**	**33.3%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
JT	169.0	14.3	N
52-Week Range $4.67 - $11.12	**FQ4**	**FYE (Dec) FY2023e**	**FY2024e**
CJS Estimates			
EPS	**-$0.01**	**-$0.29**	**$0.05**
was			
EBITDA	**$0.4**	**-$19.1**	**$18.0**
was			
P/E		**-26.8x**	**159.5x**
EV/EBITDA		**-68.7x**	**72.8x**
Consensus (6 Analysts)			
EPS	-$0.01	-$0.30	$0.07
EBITDA	-$0.7	-$25.2	$42.3

We initiated coverage on 12/1 with a Market Outperform rating and a $15 Price Target. indie is a leading supplier of automotive processors and sensors, used in Safety (ADAS), User Experience, and Electrification systems. Underlying auto semi markets are growing at 10%+ CAGR, while indie's niches are expected to grow at ~14%. Revenue has grown at ~100% CAGR since the 6/21 IPO and "Strategic backlog" or expected revenue under awarded contracts (8-10 yr durations), of ~$6.3bn grants visibility to ~$600mmE in revenue by 2026 (vs. ~$225mmE in 2023e). indie has used its IP as well acquired technology assets to produce cheaper, more efficient, and better performing solutions, driving, high margin ADAS wins vs. incumbents. Management targets 60% adj. gross margins and 30% adj. EBIT margins by the end of 2025 (breakeven in 1H'24). The company has zero net debt and we do not expect it to need external financing given n-t cash flow expectations. Management is seasoned and owns 9.9% of shares, with earnouts at $15 and above. We believe indie's L-T growth potential, visibility, expected near term profitability, and differentiated tech and business model warrant a multiple similar to high growth/next gen semiconductor peers (e.g., NVTS, MBLY), which trade >30X FY25 consensus P/E. Our price target reflects a 30X adj. FY25E adj. P/E multiple, inclusive of dilution (stock comp, earnouts, recently retired warrants), or >90% upside for investors.

AAON Inc.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
AAON	Rating: MP	**$66.24**	**$70**	**30x FY24 P/E**	**6%**	**$5,524**	**$56**	**$5,581**	**0.2x**	**8.1x**	**8.8%**	**31.9%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
CM	83.4	23.0	N
52-Week Range $46.87 - $71.39	**FQ4**	**FYE (Dec) FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**$0.54**	**$2.17**	**$2.30**
was	*$0.46*	*$1.95*	*$2.15*
EBITDA	**$73.1**	**$276.9**	**$304.9**
was	$67.0	$239.0	$291.0
P/E		**30.5x**	**28.9x**
EV/EBITDA		**20.2x**	**18.3x**
Consensus (5 Analysts)			
EPS	$0.53	$2.13	$2.39
EBITDA	$71.9	$274.2	$312.8

AAON continues to hit on all cylinders. Orders were up sequentially in Q3, and demand still looks very strong. Gains in production efficiency continued throughout Q3 resulting in all-time high production rates that have continued to improve lead times. AAON continues to invest heavily in capex to expand capacity. Backlog was $490.6mm at Q3, down 4.7% from $514.7mm y/y and down 7% sequentially from $526.2mm. The AAON pricing premium continues to be smaller than historically; management estimates it to still be in the recent high single digit range. There has been much discussion regarding the next significant regulation faced by the industry. Beginning January 1, 2025, the EPA is requiring new HVAC equipment to utilize lower global warming potential (GWP) refrigerants. AAON has already made the necessary adjustments and will begin taking orders in early FY24. Customers are keenly aware of the pending new standards. This could have some impact on order patterns in FY24. AAON looks to have a head start here which could result in a little more market share gain during FY24 as customers don't want to take any chances meeting the regulatory deadline. Management still sees strength in most of its end-markets including data centers, semiconductors (they were down a little in Q3 but can be very lumpy), K-12 education, and healthcare.

ACV Auctions Inc		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
ACVA	Rating: MO	**$14.38**	**$22**	**20x '26 EV/EBITDA disc.**	**53%**	**$2,373**	**-$345**	**$2,027**	**NM**	**5.0x**	**-7.5%**	**75.2%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
RL	165.0	7.4	
52-Week Range $7.19 - $18.68	**FQ4**	**FYE (Dec) FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**-$0.06**	**-$0.21**	**-$0.01**
was	*-$0.05*		
EBITDA	**-$8.0**	**-$21.4**	**$17.5**
was	-$7.3		
P/E		**-69.8x**	**-1148.2x**
EV/EBITDA		**-94.8x**	**115.7x**
Consensus (14 Analysts)			
EPS	-$0.05	-$0.11	$0.14
EBITDA	-$7.6	-$20.6	$28.9

Strong operations, solid share gains, price increases, and cost controls should all lead to turning EBITDA positive in Q1 and 2024. Relentless innovation targeted to expanding the SAM and lowering the cost to inspect vehicles should continue to drive market share gains and growth above the market. That said the wholesale auto market, and the wholesale dealer market in particular, is expected to be flattish in 2024 according to multiple industry sources. This backdrop, plus expected continued moderation in used vehicle values off (trending down from pandemic peaks) makes our estimates for 14% unit and revenue growth all the more impressive. That said, Street estimates are even more optimistic calling for revenues of ~$600mm vs. our $550mm estimate. As such, unless numbers come down in the interim, when the company guides for Q1 and FY24 the Street may be too high if our estimates prove correct.

Alamo Group Inc.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
ALG	Rating: MO	**$192.09**	**$212**	**18x FY24 P/E**	**10%**	**$2,305**	**$210**	**$2,515**	**0.8x**	**2.6x**	**12.5%**	**35.7%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
CM	12.0	6.5	Y
52-Week Range $137.47 - $200.81	**FQ4**	**FYE (Dec) FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**$2.58**	**$11.32**	**$11.80**
was	*$2.47*	*$11.15*	*$11.40*
EBITDA	**$60.1**	**$248.7**	**$259.2**
was	$57.0	$241.1	$245.2
P/E		**17.0x**	**16.3x**
EV/EBITDA		**10.1x**	**9.7x**
Consensus (5 Analysts)			
EPS	$2.70	$11.53	$12.64
EBITDA	$61.5	$249.9	$271.7

Since mid-2023 we have been saying that Alamo is set up for at least two more strong quarters. We now think it should be more than that. Orders were up 10% y/y and 25% sequentially during Q3. There was some fear that Vegetation would continue to weaken significantly throughout FY24, but the pace of decline now looks like it will be a little softer. Vegetation orders were down slightly y/y but sharply higher sequentially. Management expects a little more softness in Vegetation margins over the next 2 quarters (partially impacted by lower parts sales) but believes it will see a rebound in Vegetation margins in mid-FY24. Industrial orders increased 25% y/y and were also up nicely sequentially. Q3 snow removal orders were up 100% y/y and backlog here is the highest level ever. We believe Alamo is set up well through FY24, at a minimum. Revenue growth in FY24 will slow from this year's strong pace but the margin improvement seen lately will, for the most part, stay in place. The current near record backlog of ~$900mm is priced very favorably. The Royal Truck acquisition was an attractive one and we expect more M&A. The M&A pipeline is more favorable than a year ago. We would be buyers of the stock at this level.

API Group

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
APG	Rating: MO	**$31.37**	**$35**	**17.5X FY25E Adj. P/E**	**12%**	**$8,533**	**$2,137**	**$10,670**	**2.8x**	**3.8x**	**18.3%**	**66.8%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
JT	272.0	19.2	Y
52-Week Range $18.15 - $31.14	**FQ4**	**FYE (Dec) FY2023e**	**FY2024e**
CJS Estimates			
EPS	**$0.42**	**$1.56**	**$1.80**
was	*$0.41*	*$1.52*	*$1.76*
EBITDA	**$206.0**	**$780.0**	**$875.0**
was	$200.9	$770.0	$865.0
P/E		**20.1x**	**17.4x**
EV/EBITDA		**13.7x**	**12.2x**
Consensus (9 Analysts)			
EPS	$0.43	$1.56	$1.83
EBITDA	$206.5	$780.5	$874.4

Underlying demand, input cost and FX trends appear to be healthy, and we believe Management will continue to execute, setting the stage for Q4 to meet or beat consensus expectations. We are increasing our FY24E and FY25E earnings to reflect several moving parts, including the recent announcement of ~$25mm in incremental synergies from the Chubb acquisition, primarily from cost savings, occurring in FY25 with full run rate entering '26, as well as the 23% expected tax rate (was 24%, disclosed on the Q3 CC). We are also adjusting our Q4'23 adj. EPS estimate lower (now in-line) to better reflect expenses and add-backs (synergy costs), leaving adj. EBITDA unchanged. We do not include the potential accretion from M&A, which is likely to accelerate into '24 and beyond on strengthening cash flow and as Chubb adopts APG's playbook in international markets. The Company has historically acquired assets between 4-6X EBITDA range (likely 4-7X today, including earnouts), and we note that a non-core divestiture in the Specialties business announced on the Q3 call (included in guidance) is likely to sell at a multiple above that range (infrastructure beneficiary, but minimal services opportunities). Overall, APG remains a high conviction idea and we reiterate our MO rating.

Apogee Enterprises

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
APOG	Rating: MO	**$48.95**	**$54**	**13x FY25 P/E**	**10%**	**$1,077**	**$127**	**$1,204**	**0.7x**	**2.5x**	**-0.7%**	**10.1%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
CM	22.0	5.0	N
52-Week Range $36.62 - $51.69	**FQ3**	**FYE (Feb) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$1.12**	**$4.52**	**$4.50**
was	*$1.10*	*$4.25*	*$4.40*
EBITDA	**$45.4**	**$181.9**	**$180.0**
was	$44.1	$171.1	$178.4
P/E		**10.8x**	**10.9x**
EV/EBITDA		**6.6x**	**6.7x**
Consensus (4 Analysts)			
EPS	$1.10	$4.48	$4.49
EBITDA	$44.8	$179.5	$182.4

Q2 was further evidence of Apogee's ability to drive margins without revenue growth. Glass margins are not sustainable at Q2 levels (18.5%), but Services margins still have quite a way to go to reach segment target levels. The near-term macro environment remains uncertain, but management continues to execute on the strategy outlined at its Investor Day in late 2021. Glass was the low hanging fruit where the company initially deployed the Apogee Management System (AMS). AMS includes such tools as Lean and 80/20. The focus now is on Framing. Framing's 13.3% operating margin in Q2 was driven by ramping lean initiatives and mix. It looks like AMS is still in the relatively early innings. While management's focus has been on margin expansion and increasing ROIC, the conversation lately also contains more discussion about revenue growth. This includes both geographic expansion, such as Framing to the western U.S., as well as M&A. The company continues to execute its enterprise strategy which has 3 core pillars: 1– be the economic leader wherever it plays; 2- actively manage its portfolio; 3- continue to strengthen its core capabilities and platforms.

Argan Inc.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
AGX	Rating: MO	**$43.66**	**$48**	**~12x FY25e EPS + cash**	**10%**	**$592**	**-$398**	**$195**	**-8.3x**	**2.1x**	**-2.6%**	**18.4%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
CM	13.6	2.9	Y
52-Week Range $33.73 - $48.51	**FQ4**	**FYE (Jan) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$0.70**	**$2.19**	**$3.10**
was	*$0.90*	*$2.56*	*$3.00*
EBITDA	**$12.2**	**$47.8**	**$60.9**
was	$15.0	$49.3	$59.0
P/E		**19.9x**	**14.1x**
EV/EBITDA		**4.1x**	**3.2x**
Consensus (2 Analysts)			
EPS	$0.75	$2.25	$3.32
EBITDA	$13.1	$43.2	$56.8

Argan recently took a pre-tax charge ($10.7mm) on a project based in Northern Ireland. It was the second time in recent history that a European project went sideways. These smaller projects help to fill in the backlog gaps while Argan looks to close on additional larger scale N.A. natural gas projects. These smaller projects do not generate the same margins that Gemma projects do. Guernsey is expected to reach final completion in Q4, leaving Trumbull as the only significant N.A. project. Backlog of $730mm at Q3 is down from $822mm at year-end. The recent debt ceiling agreement contains language that should simplify and expedite the environmental review process necessary to begin construction on new natural gas plants. Management publicly stated that it expects to increase backlog during Q4 and further in FY25. We would expect most of the near-term projects to be smaller renewable projects. Argan is clearly focused on bringing in additional large natural gas projects, but we are not assuming any in FY25.

Astronics Corp.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
ATRO	Rating: MO	**$15.57**	**$23**	**10X FY24e EV/EBITDA**	**48%**	**$518**	**$161**	**$680**	**14.9x**	**2.2x**	**-6.5%**	**51.2%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
JT	33.3	1.2	Y
52-Week Range $9.04 - $22.44	**FQ4**	**FYE (Dec) FY 2023e**	**FY 2024e**
CJS Estimates			
Non-GAAP EPS	**$0.23**	**$0.19**	**$1.03**
was	*$0.14*	*$0.25*	*$1.07*
EBITDA	**$21.4**	**$52.2**	**$91.0**
was	$17.1	$55.0	$91.0
P/E			
EV/EBITDA		**13.0x**	**7.5x**
Consensus (2 Analysts)			
EPS	$0.12	-$0.90	$0.71
EBITDA	$20.2	$50.9	$87.1

We believe demand remains robust, driven by continued recovery in commercial aerospace markets. Investors will most likely remain focused on the ability to reduce working capital and generate positive cash flow (and eventually pay down/refinance high-cost debt), which will take at least until Q1 to resolve, given receivables from largest customer Boeing take 90 days. Margins in Q4 will also be an important predictor of '25 profitability, setting a base level expectation as inflation adjusted pricing rolls in and supply chains/inputs stabilize. Any news regarding large Army and Marine Radio test programs (which have been downselected but not officially awarded) could also be a n-t catalyst, providing more revenue visibility for the Test business for '24 and beyond. This would be additive to the already large defense opportunity from the awarded FLRAA program (near $1mm/shipset for the UH-60 Blackhawk replacement) which is expected to ramp through the end of the decade. All-in, we believe the upside opportunity (nearly a $1B revenue opportunity as FLRRA ramps by mid-late decade, mid-teens EBITDA margins) is drawing closer and informs our investment thesis despite the n-t cash flow concerns.

Atkore Intl.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
ATKR	Rating: MO	**$137.19**	**$200**	**11x FY25e adj EPS**	**46%**	**$5,213**	**$375**	**$5,588**	**0.4x**	**3.6x**	**-8.5%**	**21.0%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
CM	38.0	33.9	N
52-Week Range		**FYE (Sep)**	
$111.90 - $164.76	**FQ1**	**FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$3.58**	**$16.60**	**$18.00**
was	*$3.90*	*$15.60*	
EBITDA	**$204.2**	**$923.5**	**$966.2**
was	$223.0	$903.0	
P/E		**8.3x**	**7.6x**
EV/EBITDA		**6.1x**	**5.8x**
Consensus (5 Analysts)			
EPS	$3.61	$16.71	$17.97
EBITDA	$205.5	$932.7	$970.7

Atkore continues to look exceptionally well positioned despite the fact that some of its end markets are temporarily soft. For example, the HDPE market is slowing in the near-term but still represents a very attractive opportunity. Carrier 5G capex has slowed a little recently but it is more a matter of timing than demand. The funding is there, including the $42.5B BEAD (Broadband Equity Access and Deployment Act), and is really just a timing issue. Its push into solar is well-timed given the growing demand for solar along with the tax credits provided in the Inflation Reduction Act. Even if the solar industry itself remained flat year-over-year, the volume of domestic torque tubes produced in the U.S. is likely go up substantially. Grid hardening and electrification are multi decade initiatives. We believe that Atkore's positioning and its opportunity for long-term sustainable growth can get lost in the over earning it did in FY22 and FY23. It is challenging for investors to come up with a reasonable multiple on earnings until convinced that the company has established a base it can grow from. We believe FY24 will be that base. When Atkore can get to the point where it no longer has to talk about how much pricing has come down in the quarter, we believe an earnings multiple in the low to mid-teens makes sense. We would be buyers of the stock at current levels.

Balchem Corp.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
BCPC	Rating: MO	**$134.84**	**$150**	**~33x 2024 EPS**	**11%**	**$4,379**	**$304**	**$4,683**	**1.3x**	**4.9x**	**3.1%**	**10.4%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
RL	32.5	9.8	Y
52-Week Range		**FYE (Dec)**	
$110.74 - $143.68	**FQ4**	**FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**$1.01**	**$4.05**	**$4.50**
was	*$1.05*		
EBITDA	**$59.0**	**$234.4**	**$250.8**
was	$59.4		
P/E		**33.3x**	**30.0x**
EV/EBITDA		**20.0x**	**18.7x**
Consensus (2 Analysts)			
EPS	$0.94	$4.05	$4.06
EBITDA	$58.4	$233.6	$242.4

From a macro perspective many of the key drivers in recent quarters remain consistent. A gradual recovery in the nutritional supplements market is taking hold as inventory corrections are mostly behind us but the overall demand environment for Human Nutrition & Health products remains flat, as it has been for several quarters. In the Animal Nutrition & Health segment, US monogastric feed remains solid and we continue to expect a recovery in US ruminant sales starting in Q1'24. The European monogastric market remains under pressure from Chinese suppliers dumping choline below cost into the market and the timing of its recovery remains murky. From a company specific perspective, we expect new product introductions (in both HNH and ANH), geographic expansion, and the continued cleanup of inferior competitive products out of the market to drive above market growth in 2024.

Barrett Business Svcs.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
BBSI	Rating: MO	**$112.33**	**$120**	**16x FY24 P/E**	**7%**	**$775**	**-$129**	**$646**	**-1.6x**	**4.3x**	**22.8%**	**20.4%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
CM	6.9	2.8	Y
52-Week Range		**FYE (Dec)**	
$76.23 - $112.94	**FQ4**	**FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**$1.94**	**$7.18**	**$7.50**
was	*$2.02*	*$6.85*	*$7.50*
EBITDA	**$18.1**	**$65.8**	**$65.5**
was	$19.6	$61.2	$65.0
P/E		**15.6x**	**15.0x**
EV/EBITDA		**9.8x**	**9.9x**
Consensus (4 Analysts)			
EPS	$1.90	$7.14	$7.70
EBITDA	$18.9	$70.5	$73.9

The stock is up more than 20% since the end of October. Q3 results in early November were mixed, revenue a little below expectations and EPS a little above. We believe two things are driving the stock, an increasing appreciation for the strength of the business model and the jump into healthcare coverage that goes live in January. Unlike other PEOs (such as Insperity and TriNet) that provide healthcare coverage, BBSI will not take underwriting risk. The core business has shown the ability to easily weather a slowdown in growth. Even without a pickup in hiring, BBSI can likely drive mid-single digit growth in FY24. Healthcare recruiting for 2024 is in full swing, it is estimated that roughly 80% of new WSE's were also signing up for healthcare benefits. BBSI expects it to be accretive in 2024. Healthcare will provide incremental revenue and earnings – just as importantly it will help in retaining clients and attracting clients / larger clients. It also aligns more easily with white-collar clients. The healthcare offering opens up a big new potential group of healthcare benefits brokers. The 1x positive workers' comp adjustments still continue (added ~$1 EPS through Q3) but are likely to slow at some point. We expect healthcare benefits to be a meaningful profit center in 2-3 years and more than make up for the lower 1x adjustments. The stock has sometimes traded down in Q1 after year-end earnings, but we believe the excitement surrounding healthcare benefits will make that less likely in FY24.

Bowlero Corp.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
BOWL	Rating: MO	**$11.26**	**$16**	**18x CY24e Cash Earnings**	**42%**	**$1,891**	**$1,262**	**$3,153**	**3.3x**	**10.4x**	**5.8%**	**12.6%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
DM	167.9	43.9	Y
52-Week Range		**FYE (June)**	
$8.85 - $17.45	**FQ2**	**FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$0.08**	**$0.48**	**$0.40**
was	*$0.11*	*$0.45*	*$0.60*
EBITDA	**$103.0**	**$380.0**	**$410.0**
was	$95.0	$380.0	$410.0
P/E		**23.6x**	**28.3x**
EV/EBITDA		**8.3x**	**7.7x**
Consensus (4 Analysts)			
EPS	$0.11	$0.48	$0.49
EBITDA	$103.2	$378.8	$421.5

SSS likely bottomed during FQ1 (Sep) and began to improve by the end of the quarter, turning modestly positive by early October. We expect "comps" to be ~flat this quarter, with the last few weeks of December being the difference between slightly up or slightly down y/y. By FQ4 (Jun), "comps" get much easier and we would expect SSS to begin to inflect higher. The acquisition of Lucky Strike is performing well, and management sees a clear path toward doubling its EBITDA contribution overtime. The recently announced sale leaseback transaction with VICI Properties meaningfully enhances financial liquidity and provides significant flexibility to execute management's multi-pronged growth strategy, with high ROI investment opportunities across new builds, conversions and further M&A. At just <8x our FY25E adjusted EBITDA and ~12x FY25E cash EPS, valuation is highly attractive and Bowlero is also actively returning capital to shareholders via share repurchases.

BrightView Holdings

	Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
BV Rating: MO	**$7.98**	**$13**	**15x FY25e adj. EPS**	**63%**	**$1,171**	**$821**	**$1,992**	**2.9x**	**0.9x**	**-3.6%**	**15.8%**

Analyst RL	Shrs Out 146.7	Avg Vol $mm 3.0	Conf. Y
52-Week Range $5.16 - $9.16	**FQ1**	**FYE (Sep) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$0.03**	**$0.75**	**$0.85**
was	*$0.03*		
EBITDA	**$49.9**	**$322.6**	**$343.2**
was	$49.5		
P/E		**10.7x**	**9.4x**
EV/EBITDA		**6.2x**	**5.8x**
Consensus (6 Analysts)			
EPS	$0.03	$0.72	$0.81
EBITDA	$51.9	$319.5	$338.4

CEO Dale Asplund joined in October and has set his sights on improving operational performance to drive growth and margin expansion at Brightview. With an employee-first approach, Mr. Asplund intends to reduce internal churn, both lowering costs to recruit/hire new employees, and also improving internal morale and productivity. This in turn should lead to greater account retention, reducing that external churn and lowering the cost to acquire customers. Cutting grass isn't rocket science, but running a successful branch network service organization is a key skill and Mr. Asplund, with his 25 years' experience at United Rentals (including the last four years as COO) has demonstrated success in this area. If he can implement his operational acumen at BrightView we see material earnings growth and therefore share upside in the years ahead.

BWX Technologies

	Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
BWXT Rating: MO	**$79.64**	**$82**	**25x FY25e EPS**	**3%**	**$7,311**	**$1,288**	**$8,598**	**2.9x**	**11.1x**	**4.1%**	**37.1%**

Analyst RL	Shrs Out 91.8	Avg Vol $mm 33.4	Conf. Y
52-Week Range $55.47 - $81.66	**FQ4**	**FYE (Dec) FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**$0.92**	**$2.93**	**$3.05**
was	*$0.97*		
EBITDA	**$150.4**	**$474.5**	**$498.8**
was	$150.7		
P/E		**27.2x**	**26.1x**
EV/EBITDA		**18.1x**	**17.2x**
Consensus (7 Analysts)			
EPS	$0.93	$2.94	$3.09
EBITDA	$149.5	$472.1	$498.0

Shares of BWX have performed well this year buoyed by both successful execution on key program wins and growing interest in the commercial nuclear market in the US and abroad. Indeed, the recent COP28 commitment to triple global nuclear capacity by 2050 only sheds more light on the carbon free benefits of nuclear power. For BWX this offers significant opportunities in Small Modular Reactors (SMRs) over the coming decades as well as increases the likelihood of a commitment for long term life extensions in the CANDU Pickering units 5-8 beyond the 2026 current deadline. Looking at microreactors, project Pele and Draco wins create the opportunity for BWX to be the dominant nuclear power supplier for land, and space, in addition to its enviable sole-sourced supplier relationship with the US Navy (sea). Over the course of 2024 we expect positive news related to medical isotopes with the potential approval of BWX's Tc-99m generator and continued new partnership announcements with therapeutic isotopes including Lu-177, Ac-225, and potentially Cu-67 or more.

Cavco Industries

	Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
CVCO Rating: MO	**$312.87**	**$380**	**18x FY25E adj. EPS**	**21%**	**$2,732**	**-$394**	**$2,337**	**-1.9x**	**2.6x**	**13.9%**	**38.3%**

Analyst DM	Shrs Out 8.7	Avg Vol $mm 12.7	Conf. Y
52-Week Range $219.92 - $318.00	**FQ3**	**FYE (Mar) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$4.38**	**$18.75**	**$20.00**
was	*$5.15*	*$21.00*	*$24.00*
EBITDA	**$49.1**	**$208.4**	**$222.6**
was	$59.8	$243.1	$275.3
P/E		**16.7x**	**15.6x**
EV/EBITDA		**11.2x**	**10.5x**
Consensus (3 Analysts)			
EPS	$4.27	$19.09	$22.99
EBITDA	$46.4	$206.6	$247.5

We are slightly reducing our FQ4 (Mar) and FY25 estimates. We expect shipments and revenue to bounce along the bottom for the next few months and we are building a slightly more conservative ramp in demand and production through CY24. By the Spring selling season, order rates and production should begin to ramp-up as pent-up demand for affordable homes is released. We are also introducing a FY26 (essentially CY25) adjusted EPS estimate of $23.00E. Our estimates assume a gradual recovery in retail demand but little incremental benefit from REITs/Community business, a potential additional growth driver when demand returns. A potential pullback in interest rates could drive a faster recovery, beyond our current projections. Cash generation remains exceptionally strong. Net cash of $400mm (and growing) creates tremendous flexibility to drive shareholder value. As investors turn their attention toward CY25 over the next several months, a price target of $400+ appears achievable in our view. Clients willing to look through the current seasonal soft patch should be well rewarded.

CBIZ Inc.

	Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
CBZ Rating: MO	**$58.46**	**$57**	**21x FY24 P/E**	**-2%**	**$2,952**	**$392**	**$3,344**	**1.8x**	**3.6x**	**7.9%**	**24.8%**

Analyst CM	Shrs Out 50.5	Avg Vol $mm 15.3	Conf. Y
52-Week Range $45.22 - $59.68	**FQ4**	**FYE (Dec) FY 2023e**	**FY 2024e**
CJS Estimates			
Adj. EPS	**-$0.28**	**$2.39**	**$2.65**
was	*-$0.21*	*$2.37*	*$2.70*
EBITDA	**-$6.3**	**$221.1**	**$243.4**
was	-$5.0	$217.3	$240.5
P/E		**24.5x**	**22.0x**
EV/EBITDA		**15.1x**	**13.7x**
Consensus (4 Analysts)			
EPS	-$0.29	$2.35	$2.68
EBITDA	-$6.8	$219.7	$238.5

Q3 represented a nice rebound from the temporary challenges of Q2. Most of the Government Healthcare Consulting projects that had been delayed are back on track and CBIZ launched additional new projects. The Company typically has 200 to 300 Government Healthcare projects going at any given time. CBIZ continues to see strong demand across core accounting and was encouraged by demand within its project-based advisory services. Deal dynamics have been changing a bit, smaller deals but more of them. Benefits & Insurance continues to see strong growth across all major service lines for employee benefits and property and casualty. M&A remains an important component of CBIZ's growth strategy, it has done 20 transactions since 2019. Valuations increased over the past couple of years, partially impacted by more private equity presence. Management just recently talked about private equity acquisitions slowing a bit in response to higher interest rates. The stock has had a nice run since Q3 earnings, and we would be buyers on any weakness.

CCC Intel. Solutions

CCCS	Rating: MO	Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
		$11.47	**$13**	**9.4x FY24e EV/Sales**	**13%**	**$7,754**	**$662**	**$8,416**	**1.9x**	**3.5x**	**-4.1%**	**31.8%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
CM	676.0	15.4	N
52-Week Range $8.24 - $13.41	**FQ4**	**FYE (Dec) FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**$0.09**	**$0.33**	**$0.33**
was	*$0.08*	*$0.30*	*$0.33*
EBITDA	**$49.2**	**$346.3**	**$375.2**
was	$47.5	$336.7	$371.0
P/E		**35.2x**	**34.4x**
EV/EBITDA		**24.3x**	**22.4x**
Consensus (11 Analysts)			
EPS	$0.09	$0.32	$0.36
EBITDA	$93.2	$345.3	$381.3

The stock traded briefly above $13 in late September on speculation that majority shareholder Advent International was looking to sell its stake and all of CCC might be sold. Ultimately, Advent sold 65mm shares through a secondary offering that was priced at $10.50. CCC purchased ½ of the shares with cash on hand and the balance was sold to other investment funds. CCC's leverage ratio increases from ~1x to ~2x with the transaction. Advent still owns roughly 45% of the company. We continue to view the CCC business model as best in class. It has a very durable growth model that is a function of its multi-sided network. As the total network has grown, so has the value of the network to each participant. Digitization of the auto insurance economy has a long way to go. CCC's goal is to enable the digitization of the entire automobile claim supply chain from first notice to subrogation. Since coming public 11 quarters ago, CCC has grown revenue by ~40% and adj EBITDA by ~70%. In order to drive operating efficiency CCC believes all members of the insurance economy (insurers, repair facilities, parts providers, OEMs) need seamless integration, leveraging AI, connected networks and digital engagement. CCC is increasingly a must have to cost effectively navigating the auto repair ecosystem. We view the stock as very attractive for longer-term investors.

Central Garden & Pet

CENTA	Rating: MO	Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
		$40.80	**$48**	**15x CY24 cash EPS**	**18%**	**$2,203**	**$699**	**$2,903**	**2.0x**	**1.5x**	**-3.2%**	**14.0%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
RL	54.0	6.2	N
52-Week Range $33.77 - $45.93	**FQ1**	**FYE (Sep) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**-$0.17**	**$2.55**	**$2.90**
was	*-$0.01*		
EBITDA	**$26.8**	**$337.7**	**$363.4**
was	$38.6		
P/E		**16.0x**	**14.1x**
EV/EBITDA		**8.6x**	**8.0x**
Consensus (5 Analysts)			
EPS	-$0.17	$2.55	$2.79
EBITDA	$24.3	$335.9	$346.4

Central Garden & Pet is in the midst of a transformation and is actively pursuing a new permanent CEO to lead the company. It is embarking down a path to consolidate operations from the ~60 businesses acquired over the past 30+ years and to take the savings and invest in its brands to drive growth. As this process unfolds we expect to see accelerated growth plus margin expansion, which should prove to be a tailwind to earnings and likely the trading multiple as well. In the short term, headwinds persist in the Garden category including excess seed inventory in the channel and expected promotional activity from competition. As this gets absorbed by the market and as the company executes its transition and announces a new permanent CEO, we expect investors to be rewarded with share appreciation.

Clean Harbors Inc.

CLH	Rating: MO	Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
		$172.84	**$175**	**10x 2024E EV/EBITDA**	**1%**	**$9,406**	**$1,883**	**$11,289**	**1.9x**	**4.3x**	**2.7%**	**51.5%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
LS	54.4	84.7	Y
52-Week Range $109.36 - $178.33	**FQ4**	**FYE (Dec) FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**$1.81**	**$6.95**	**$8.00**
was		*$7.35*	*$8.15*
EBITDA	**$262.0**	**$1,019.6**	**$1,130.1**
was		$1,059.5	$1,139.9
P/E		**24.9x**	**21.6x**
EV/EBITDA		**11.1x**	**10.0x**
Consensus (11 Analysts)			
EPS	$1.71	$6.86	$7.91
EBITDA	$257.9	$1,012.5	$1,103.3

We expect a strong Q4 led by improving operating performance across segments. This includes a rebound in utilization in the incineration and re-refinery businesses following temporary plant challenges in Q3. Underlying trends and the project pipeline remain robust across Environmental Services with no signs of a slowdown in customer demand, which bodes well for 2024 operating performance. Spending related to Superfund Clean-ups, included in the U.S. Infrastructure bill, rising contributions from PFAS, and additional closing captives could offset a forecasted slowdown in the U.S. economy. In Safety-Kleen Sustainability Solutions (SKSS), re-refineries returned to full production rates in early October. Additional increases in average pay for oil on collections are expected to further benefit performance in Q4 and provide momentum heading into 2024. A posted base oil price decrease of $0.30 per/gallon in the last week of November is not expected to have a meaningful impact. It essentially aligned pricing with current spot rates which had already drifted downwards due in large part to seasonality. The shares have rebounded since a temporary pullback following Q3 results and are approaching our price target, though we see further upside once we shift our valuation to FY25 shortly. Strong operating trends and the potential for above consensus initial 2024 guidance could continue to support share performance.

Columbus McKinnon

CMCO	Rating: MO	Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
		$36.15	**$48**	**15X FY25E Adj. P/E**	**33%**	**$1,048**	**$466**	**$1,514**	**3.0x**	**1.2x**	**1.7%**	**11.3%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
JT	29.0	1.9	Y
52-Week Range $30.05 - $42.87	**FQ3**	**FYE (Mar) FY2024e**	**FY2025e**
CJS Estimates			
EPS	**$0.68**	**$2.93**	**$3.30**
was	*$0.60*	*$2.82*	*$3.23*
EBITDA	**$40.3**	**$169.7**	**$181.9**
was	$36.9	$163.0	$178.5
P/E		**12.4x**	**11.0x**
EV/EBITDA		**8.9x**	**8.3x**
Consensus (3 Analysts)			
EPS	$0.68	$2.93	$3.38
EBITDA	$40.5	$169.1	$185.2

We expect an in-line or better FQ3. The Company's shift to higher growth, higher margin markets, and internal efforts to drive profitability and consolidate/modernize the product lineup continue to bear fruit, with incremental tailwinds from a weaker dollar and improving supply/input costs. Demand trends have remained strong in high tech/pharma and food and beverage markets, along with overall automotive/EV (despite high profile pushouts in the media). General onshoring/infrastructure initiatives and secular shifts toward increased automation have also been positive tailwinds, bucking the continued softness in industrial indicators such as PMI, particularly in historically strong markets like Germany. Even if legacy CMCO lifting end markets eventually weaken, the underlying (and ongoing) improvements in efficiency, growth in other markets, and ongoing debt paydown will significantly blunt the impact vs. prior cycles and we remain confident in the Company achieving its long term 21% EBITDA margin goal.

Compass Diversified		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
CODI	Rating: MO	**$21.18**	**$30**	**SOTP (11x 2024E EBITDA)**	**42%**	**$1,522**	**$1,735**	**$3,257**	**3.8x**	**1.1x**	**8.6%**	**16.2%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
LS	71.9	2.1	N
52-Week Range $16.32 - $22.91	**FQ4**	**FYE (Dec) FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**$0.40**	**$1.92**	**$2.30**
was		*$1.90*	*$2.20*
EBITDA	**$117.2**	**$462.5**	**$525.2**
was		$449.6	$500.5
P/E		**11.0x**	**9.2x**
EV/EBITDA		**7.0x**	**6.2x**
Consensus (6 Analysts)			
EPS	$0.40	$1.92	$2.11
EBITDA	$95.0	$390.8	$405.8

FY23 Segment EBITDA is trending towards the high-end of guidance with a strong expected Q4. CODI is well positioned for a re-acceleration in profit growth in 2024 led by healthy demand across its core four branded businesses (511, BOA, Lugano, PrimaLoft), waning inventory drawdowns, and favorable bookings trends in the industrial businesses (led by Arnold and Altor). This includes dd growth in SKU's in 2023 at BOA vs. a -25%E decline in reported sales, and multiple new and significant business wins at PrimaLoft. Lugano EBITDA is expected to increase ~50% in 2023E to $100mm, a four-fold increase since acquired in September 2021. The rapid growth has been fueled by increased investments into jewels with 35%-40% ROI, a broadening product lineup, and better mix. The company opened three new salons in the past 18 months and is up to eight U.S. locations with plans to open in London in 2024. The opportunistic sale of Marucci completed in November provides flexibility and liquidity for additional acquisition activity. We would not be surprised to see an additional holding (or two) sold in 2024. We continue to recommend purchase of shares driven by a favorable near and long-term outlook. However, 2024 performance could depend just as much on the macro economy and consumer sentiment which remain uncertain. **We look forward to a comprehensive update at CODI's analyst day 1/17 in Newport Beach, CA** with a focus on 511 Tactical and Lugano.

Consensus Cloud Sol.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
CCSI	Rating: MO	**$25.24**	**$30**	**14X FY24E P/E**	**19%**	**$500**	**$639**	**$1,139**	**3.4x**	**-2.0x**	**-2.5%**	**-53.1%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
JT	19.8	3.8	N
52-Week Range $18.33 - $62.08	**FQ4**	**FYE (Dec) FY2023e**	**FY2024e**
CJS Estimates			
EPS	**$1.20**	**$5.18**	**$5.20**
was	*$1.33*	*$5.10*	*$5.40*
EBITDA	**$46.9**	**$186.3**	**$189.0**
was	$50.7	$193.0	$207.5
P/E		**4.9x**	**4.9x**
EV/EBITDA		**6.1x**	**6.0x**
Consensus (7 Analysts)			
EPS	$1.17	$5.15	$5.25
EBITDA	$46.8	$186.2	$193.3

We reduced our estimates and price target last quarter after the Company previewed little to no growth for '24, due to muted corporate pipeline conversions, and a lack of available labor resources to implement projects that are signed. Even if both signings and labor availability started to improve today, benefits would not accrue until 2H'24 due to the timing lag. Having said that, we maintained our MO rating for several reasons: 1. The Company continues to offer powerful (and improving) AI-enabled secure communications, interoperability, and overhead/error reduction solutions that address increasingly overburdened and inefficient healthcare systems, 2. CCSI is likely to generate strong cash flows (>16% '24E FCF yield) even with no near-term growth, and 3. We expect management to judiciously manage expenses and use cash to buy back debt or shares at attractive prices while fine tuning products and market approaches to drive the most profitable growth when labor and spending eventually normalizes.

Copart Inc.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
CPRT	Rating: MO	**$49.01**	**$57**	**35x CY24e EPS**	**16%**	**$47,552**	**-$2,621**	**$44,931**	**-2.3x**	**9.8x**	**10.3%**	**61.0%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
RL	970.3	141.7	Y
52-Week Range $29.62 - $51.53	**FQ2**	**FYE (July) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$0.35**	**$1.50**	**$1.70**
was	*$0.35*	*$1.45*	*$1.60*
EBITDA	**$442.7**	**$1,884.4**	**$2,133.3**
was	$434.0	$1,799.4	$1,971.6
P/E		**32.8x**	**28.8x**
EV/EBITDA		**23.8x**	**21.1x**
Consensus (9 Analysts)			
EPS	$0.35	$1.47	$1.64
EBITDA	$456.4	$1,873.7	$2,093.0

Copart remains relentless in growing its core salvage auction business while continuing to add adjacent and synergistic growth avenues. Indeed, over the past few months the company achieved a significant competitive win of a top insurance customer which is scheduled to begin sending incremental volume to Copart on 1/1/24. We estimate the carrier is USAA and represents an incremental 150K+ units for Copart. Further, its non-insurance volumes, driven by dealer and BluCar (rental, fleet, other commercial) continue to outpace their respective industries. And finally, Copart's October acquisition of 80% controlling ownership of Purple Wave auctions represents an asset light move into heavy machinery, Ag, and transportation assets which Copart only has a small presence in currently. The company issued 2.5mm shares for the acquisition (equal to $108mm at the time) enabling Purple Wave ownership to both participate in the future upside from the combination and also to defer gains from the sale.

Crane NXT		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
CXT	Rating: MO	**$51.18**	**$72**	**17x FY24 adj EPS**	**41%**	**$2,943**	**$496**	**$3,439**	**1.3x**	**7.4x**	**-11.6%**	**28.0%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
RL	57.5	6.6	Y
52-Week Range $39.00 - $123.78	**FQ4**	**FYE (Dec) FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**$0.92**	**$4.09**	**$4.25**
was	*$0.95*	*$4.00*	
EBITDA	**$88.0**	**$383.5**	**$386.3**
was	$93.8	$373.9	
P/E		**12.5x**	**12.0x**
EV/EBITDA		**9.0x**	**8.9x**
Consensus (4 Analysts)			
EPS	$0.93	$4.11	$4.36
EBITDA	$90.5	$386.0	$395.7

2023 was an exciting year for Crane NXT with the spin of Crane Company in April and its launch as a new standalone public entity. The company operations performed well despite macro overhangs and the normalization of backlogs and order patterns from the impact of Covid. With its strong FCF (on track to our $230mmE in 2023) the company reduced its leverage from ~1.8x at the spin to 1.3x on 9/30. As a result, Crane NXT is now well positioned to return to its roots with potential M&A growth in 2024. M&A is part of the 5-year growth plan and should serve to complement organic international currency growth and a decade of visible growth in US currency starting in 2025 due to the new "catalyst series" upgrade cycle. If the company is successful with its M&A in near adjacent markets that complement its anti-counterfeiting, "secure" technology, we believe that over time the trading multiple will expand and be more reflective of the high 20s EBITDA margins and solid growth profile NXT exhibits today.

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 9/19	Δ YTD
CSWI	Rating: MO	**$187.82**	**$190**	**15.5x FY25E EV/EBITDA**	**1%**	**$2,928**	**$159**	**$3,087**	**0.8x**	**5.0x**	**6.4%**	**62.0%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
JT	15.6	12.9	Y
52-Week Range $111.70 - $190.63	**FQ3**	**FYE (Mar) FY2024e**	**FY2025e**
CJS Estimates			
EPS	**$1.08**	**$6.80**	**$7.50**
was	*$1.15*	*$7.01*	
EBITDA	**$36.2**	**$193.0**	**$202.5**
was	$35.8	$195.0	
P/E		**27.6x**	**25.0x**
EV/EBITDA		**16.0x**	**15.2x**
Consensus (2 Analysts)			
EPS	$1.13	$6.96	$7.91
EBITDA	$36.1	$195.3	$208.4

We expect a relatively in-line FQ3, with normal seasonality leading to sequential declines in Contractor Solutions (HVAC) and sequential improvements appear likely in SRS (chems) segment margins (lapping downtime and timing issues that impacted FQ2), and in EBS (architectural) segment results overall (driven by record backlogs). Pricing and inputs have mostly stabilized, and the Company is likely to be focusing on deploying capital into accretive M&A opportunities – a core competency that drives long-term compounding. HVAC destocking is likely to be over by the end of CY23, as both pandemic/WFH- induced and shortage-induced stock ups are wound down in a normalizing demand and supply environment. Current NOAA forecasts indicate another hot (El-Nino driven) summer is likely in '24, particularly in the Northeast and Northwest USA, where new HVAC and Mini-split installs are most likely to occur due to low existing penetration.

Danimer Scientific

Danimer Scientific		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
DNMR	Rating: P	**$0.98**	**$2**	**10% FY28E FCF Yield (disc.)**	**104%**	**$100**	**$286**	**$386**	**nm**	**0.3x**	**-47.4%**	**-45.4%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
JT	101.9	0.4	N
52-Week Range $0.87 - $4.59	**FQ4**	**FYE (Dec) FY2023e**	**FY2024e**
CJS Estimates			
EPS	**-$0.38**	**-$1.36**	**-$1.42**
was	*-$0.32*	*-$1.30*	*-$1.19*
EBITDA	**-$10.1**	**-$38.3**	**-$28.0**
was	-$3.1	-$31.0	$1.6
P/E		**-0.7x**	**-0.7x**
EV/EBITDA		**-10.1x**	**-13.8x**
Consensus (3 Analysts)			
EPS	-$0.33	-$1.32	-$1.25
EBITDA	-$11.0	-$38.8	-$25.3

We recently downgraded our opinion to MP, and reduced our estimates and price target after the Company announced further delays to ramping volumes at the existing Kentucky facility (now starting mid '24), and the expected DoE loan approval/funding for the Georgia Greenfield plant (now Q3'24). We still believe Danimer will experience rising demand for its biodegradable PHA products as secular tailwinds (ESG/regulatory/consumer) strengthen, with states like NY recently suing PepsiCo for harmful plastic pollution. Having said that, the Company's existing debt and new timeline to volume production makes positive FCF unlikely until late '27, and into '28 in our base case (DoE approved and funded, full KY utilization and GA commissioning at the end of '26). Term loans and convertible debt maturing in '26 and '27 create another refinancing hurdle unless the company can sign strong offtake agreements or realize other capital light/licensing or other deals with PHA technology before it needs to refinance.

Deluxe Corp.

Deluxe Corp.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
DLX	Rating: MP	**$18.72**	**$25**	**8X CY24 Adj. EPS**	**34%**	**$818**	**$1,590**	**$2,408**	**3.9x**	**1.3x**	**-5.1%**	**10.2%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
CS	43.7	3.0	N
52-Week Range $13.61 - $21.59	**FQ4**	**FYE (Dec) FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**$0.77**	**$3.30**	**$3.15**
was	*$0.82*		
EBITDA	**$99.4**	**$410.1**	**$400.4**
was	$102.0	$408.0	
P/E		**5.7x**	**5.9x**
EV/EBITDA		**5.9x**	**6.0x**
Consensus (3 Analysts)			
EPS	$0.75	$3.28	$3.23
EBITDA	$98.6	$411.3	$408.5

At its investor day last week, management re-affirmed its full year 2023 guidance while giving its initial forecast for 2024 as well as longer term 2026 goals. Our estimates for '23 and '24 are below the mid-point of their ranges as we want to incorporate some conservatism given the volatile economic picture. The company has already undergone an extensive makeover, integrating acquired companies, divesting non-core assets, installing a companywide ERP system and aggressively focusing on its payments and fintech offerings. Checks and Promotions are now under a new segment "Print" and while checks are still declining, management has done a good job of softening the declines by acquiring new customers and raising price. The company laid out the next phase of its "North Star" initiative with the goal of reducing expenses by ~$130mm, expanding EBITDA margins by 200 bps, leading to incremental EBITDA of $80mm and run rate FCF of ~$100mm by 2026. If the company can execute this plan it should lead to a reduction in net debt/EBITDA from 3.8x to 3.0x by 2026, which should help improve valuation and investor interest. While we are cautiously optimistic, results are not likely to be linear and remain in wait and see mode.

Donnelley Fin. Sol.

Donnelley Fin. Sol.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
DFIN	Rating: MO	**$60.89**	**$54**	**9x CY24 EV/EBITDA**	**-11%**	**$1,857**	**$154**	**$2,011**	**0.7x**	**5.3x**	**16.6%**	**57.5%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
CS	30.5	7.7	Y
52-Week Range $35.71 - $60.92	**FQ4**	**FYE (Dec) FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**$0.54**	**$3.21**	**$3.35**
was	*$0.55*	*$3.12*	*$3.18*
EBITDA	**$40.5**	**$206.6**	**$216.9**
was	$40.9	$201.4	$208.1
P/E		**18.9x**	**18.2x**
EV/EBITDA		**9.7x**	**9.3x**
Consensus (3 Analysts)			
EPS	$0.60	$3.24	$3.56
EBITDA	$43.2	$209.3	$220.1

Despite a handful of large IPOs pricing in the quarter, the broader IPO and capital markets remain paused as volatility has caused potential issuers to wait until Q1 to re -assess. On the bright side of things, DFIN posted organic software growth of approximately 7% in Q3 and should continue to show growth in the low-mid single digits in Q4. Activist board member Jeff Jacobowitz and his related firm, Simcoe, sold enough shares in November to bring their holdings under 10%, given the stock trading at all-time highs we're not surprised. We expect some update at our upcoming virtual conference as well as the company's earnings call in February about the market opportunity expected from the new SEC mandated "Tailored Shareholder Reports" that investment companies will need to provide clients starting this summer.

Element Solutions		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
ESI	Rating: MO	**$21.15**	**$25**	**FY25E EPS/EBITDA Blend**	**18%**	**$5,158**	**$1,726**	**$6,884**	**3.5x**	**2.3x**	**7.9%**	**16.3%**

Analyst JT	**Shrs Out** 243.9	**Avg Vol $mm** 32.6	**Conf.** N
52-Week Range $17.08 - $21.90	**FQ4**	**FYE (Dec) FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**$0.32**	**$1.29**	**$1.42**
was	*$0.37*	*$1.30*	*$1.50*
EBITDA	**$121.0**	**$483.5**	**$535.0**
was	$140.0	$515.0	$555.0
P/E		**16.4x**	**14.9x**
EV/EBITDA		**14.2x**	**12.9x**
Consensus (9 Analysts)			
EPS	$0.33	$1.29	$1.47
EBITDA	$126.4	$486.8	$543.3

We expect a relatively in-line Q4 vs. management's guidance, however consensus estimates appear to be stale, risking a headline miss if not updated. FY23 EBITDA was guided to ~$485mm on the last CC, implying $122.5mm in Q4 ($128mm cons.). From a macro perspective, demand appears to be normalizing to pre-pandemic seasonal patterns (Q4 sequentially lower), with minor tailwinds from currency and input prices. Looking into '24, Electronics/Semiconductor and Storage end markets appears to have troughed, setting the stage for a stronger growth year after 6 quarters in a row of flat growth or y/y declines, and a "soft landing" scenario could enable the Company to exceed its ~10% EBITDA growth preview ($533mm implied, vs. $547mm consensus). We currently expect excess cash flow to go towards debt paydown, organic growth efforts, and opportunistic share repurchases, with acquisitions of size relatively unlikely.

Enhabit Inc.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
EHAB	Rating: MP	**$10.75**	**$10**	**9x FY24 EBITDA**	**-7%**	**$536**	**$523**	**$1,060**	**5.1x**	**0.8x**	**-14.0%**	**-18.3%**

Analyst LS	**Shrs Out** 49.9	**Avg Vol $mm** 5.7	**Conf.** N
52-Week Range $7.12 - $16.64	**FQ4**	**FYE (Dec) FY 2023e**	**FY 2024E**
CJS Estimates			
EPS	**$0.02**	**$0.18**	**$0.35**
was		*$0.30*	*$0.56*
EBITDA	**$23.7**	**$96.1**	**$110.3**
was		$101.8	$124.7
P/E		**59.7x**	**30.9x**
EV/EBITDA		**11.0x**	**9.6x**
Consensus (8 Analysts)			
EPS	$0.03	$0.18	$0.23
EBITDA	$22.4	$94.7	$98.0

We expect a steading performance in Q4 and partial rebound in EBITDA in 2024E as the transition to non-episodic admissions slows and average pricing improves. We have reduced earnings estimates for three consecutive quarters due primarily to a deeper than expected shift to lower paying non-episodic admissions in the Home Health segment. Non-episodic volumes grew 34% in Q3 to 31% of visits, up from 23% of total visits in Q3'22. Meanwhile, episodic volumes declined 11% and were also down 3% vs. Q2. Average pricing on non-episodic contracts remains ~25% below episodic. The mix shift is being driven by a transition to Medicare Advantage and away from traditional Medicare contracts. The company has signed 48 new MA contracts in the last 15 months with significantly better pricing. 22% of Q3 non-episodic contract volume was signed into these new agreements. However this has not been enough to offset the rapid drop in episodic visits. An ongoing strategic alternatives process could include a possible sale of the company. Several acquisitions of larger companies in the home healthcare industry have occurred in the last three years at multiples of 13x to 15x. This includes the pending acquisition of Amedisys (AMED) by United Healthcare at 15x 2023 EBITDA. A potential acquisition of Enhabit at a somewhat discounted 10x to 12x forward looking EBITDA multiple could yield $12 to $16 per share.

Enviri Corp.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
NVRI	Rating: MP	**$7.58**	**$11**	**8x 2024E EBITDA**	**45%**	**$606**	**$1,331**	**$1,937**	**4.4x**	**1.0x**	**0.7%**	**20.5%**

Analyst LS	**Shrs Out** 80.0	**Avg Vol $mm** 1.8	**Conf.** N
52-Week Range $5.64 - $10.01	**FQ4**	**FYE (Dec) FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**-$0.04**	**-$0.09**	**$0.07**
was		*-$0.16*	*$0.20*
EBITDA	**$66.7**	**$286.3**	**$300.2**
was		$282.1	$293.0
P/E		**-84.2x**	**110.4x**
EV/EBITDA		**6.8x**	**6.5x**
Consensus (6 Analysts)			
EPS	-$0.08	-$0.12	$0.06
EBITDA	$65.9	$285.6	$297.1

Operating performance has improved in 2023 led by Clean Earth. However, the shares are near five-year lows due to leverage concerns and only modest FCF through 2024E. In the Environmental segment, expanded on site services and operating efficiencies have offset anemic steel production leading to flat segment profit. Global steel production volumes are forecast to decline 1% to 2% in 2023 with an ~8% drop in Europe, Enviri's largest market. The current consensus outlook for 2024 includes a rebound and 4% rise in global production, including 6% in Europe. However, a further weakening in the global economy could impact these projections and drive a similar performance to 2023. EBITDA at Clean Earth is expected to rise 85% in 2023 and an incremental 8% in FY24 led by effective price adjustments and easing labor challenges. Hazardous waste volumes have held up with a noted pickup in "dry" (infrastructure projects) and "wet" (dredging) soil sales and bookings. The company remains committed to its mid-term goal of 15% segment EBITDA margins. We forecast 13% in FY23E excluding back pay from Stericycle (vs. 8.2% in FY22) rising to 14% in FY24E. We are cautiously optimistic on the sale of the Rail business by Mid-24. A potential sale at 8x-10x forward looking EBITDA of $25mmE could yield $150mm to $200mm after-tax proceeds. This would drop leverage by approximately ½ turn to 3.5x from 4x at YE23E.

ESCO Technologies		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
ESE	Rating: MO	**$107.63**	**$120**	**SOTP (FY25E)**	**11%**	**$2,807**	**$117**	**$2,924**	**0.6x**	**2.5x**	**1.5%**	**22.9%**

Analyst JT	**Shrs Out** 26.1	**Avg Vol $mm** 5.3	**Conf.** N
52-Week Range $85.01 - $109.57	**FQ1**	**FYE (Sep) FY2024e**	**FY2025e**
CJS Estimates			
EPS	**$0.63**	**$4.23**	**$4.75**
was	*$0.99*		
EBITDA	**$4.4**	**$203.0**	**$220.0**
was	$48.1		
P/E		**25.5x**	**22.7x**
EV/EBITDA		**14.4x**	**13.3x**
Consensus (3 Analysts)			
EPS	$0.65	$4.24	$4.71
EBITDA	$37.0	$202.2	$217.2

We expect FQ1 results to be in-line or better vs. consensus expectations. Secular tailwinds continue to drive Grid/renewable spending, commercial aerospace recovery, and rising defense demand, more than offsetting minor headwinds in space (technical challenges) and Test (inventory, China). Supply in A&D continues to improve (slowly) and margins are likely grow as new long-term contracts with inflation adjusted pricing roll in. As with other defense peers, there could be a n-t risk if congressional budget dysfunction escalates, however the underlying threats and needs only continue to grow vs. aging US assets. Utility demand for Doble has been particularly strong due to long term funding certainty for grid improvements from the IRA. While there has been some concern with the NRG business and the state of renewables in the US, management notes that the land-based wind and commercial solar end markets it sells into are not facing the same magnitude of structural challenges as offshore wind (fixed pricing/rising costs) and residential solar (changes to consumer incentives). The recent acquisition of the MPE business (50% defense exposure) appears to be signaling a shift in M&A strategy, with the Test business now targeting margins and customers similar to the A&D segment, vs. being a source of potential funds for larger A&D or USG acquisitions.

Federal Signal Corp.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
FSS	Rating: MO	**$73.12**	**$67**	**23x FY24 P/E**	**-8%**	**$4,490**	**$321**	**$4,811**	**1.1x**	**4.7x**	**22.6%**	**57.3%**

Analyst CM	**Shrs Out** 61.4	**Avg Vol $mm** 15.1	**Conf.** N
52-Week Range $43.44 - $72.59	**FQ4**	**FYE (Dec) FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**$0.65**	**$2.48**	**$2.90**
was	*$0.59*	*$2.39*	*$2.80*
EBITDA	**$74.4**	**$282.8**	**$319.9**
was	$71.1	$272.1	$311.0
P/E		**29.5x**	**25.2x**
EV/EBITDA		**17.0x**	**15.0x**
Consensus (6 Analysts)			
EPS	$0.66	$2.49	$2.91
EBITDA	$74.6	$282.6	$319.3

Demand remains very strong as evidenced by the record Q3. Backlog of $1.01B increased 22% y/y and orders increased 18% y/y. Production levels are improving as FSS had its fourth straight quarterly production improvement at its largest facility. Production at FSS's two largest manufacturing facilities, Streator and Elgin, was up a combined 19% y/y. That said, lead times for products like sewer cleaners and street sweepers are still roughly 2x above where FSS would like; currently 8-9 months vs. typical 4-5 months. FSS believes there is some pent-up demand within TBEI due to the difficulty of getting a chassis -- there is no sense in a customer ordering the truck body if they don't know when the chassis is coming. That could be a tailwind at some point in FY24. We continue to believe the company is positioned for continued strong growth due to the investments already made in capacity and the many infrastructure growth drivers discussed previously. The higher interest rate environment could potentially slow growth a little but not likely from Muni customers. FSS is extremely well-positioned to take advantage of supply chain improvements and the opportunity on the M&A front remains very attractive. 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 9/19	Δ YTD
FOXF	Rating: MO	**$61.15**	**$110**	**19x CY25 P/E**	**80%**	**$2,599**	**$674**	**$3,274**	**1.9x**	**2.1x**	**-40.2%**	**-33.0%**

Analyst LS	**Shrs Out** 42.5	**Avg Vol $mm** 10.7	**Conf.** N
52-Week Range $49.12 - $127.54	**FQ4**	**FYE (Dec) FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**$0.84**	**$4.30**	**$5.00**
was		*$5.05*	*$6.35*
EBITDA	**$56.9**	**$279.2**	**$361.4**
was		$323.9	$381.4
P/E		**14.2x**	**12.2x**
EV/EBITDA		**11.7x**	**9.1x**
Consensus (8 Analysts)			
EPS	$0.83	$4.29	$4.92
EBITDA	$59.0	$280.8	$336.2

We expect legacy Specialty Sports Group (SSG) sales to improve modestly on a sequential basis but decline 50% y/y in Q4. Sales are expected to remain sluggish into mid-2024 before a return to growth in H2 as excess inventory is flushed out of market. Demand for high-end bikes and e-bikes is off peaks from 2021/2022 but has fared significantly better than the lower end of the market and we anticipate a return to mid-single digit sales growth in 2025. We expect Power Vehicles Group (PVG) and Aftermarket Applications Group (AAG) sales to be soft in Q4 due to UAW lingering impacts. We anticipate improving performance and a return to DD sales growth in 2024 led by significant backorders in PVG and improving mix towards higher priced vehicles in AAG where demand is less impacted by the economy. We believe pressure on the stock has been excessive and offers a buying opportunity. We understand the negative reaction to the acquisition of Marcucci and diversification outside the core bike and power vehicle suspension and upfitting markets. However, It increases aftermarket sales and diversifies SSG away from being single threaded to OEMs. Furthermore, it has the potential to double in size over the next three to five years aided by category and geographical expansion. Please see detailed note released this morning.

Gibraltar Industries		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
ROCK	Rating: MO	**$71.45**	**$83**	**18x 2024E EPS**	**16%**	**$2,195**	**-$63**	**$2,132**	**-0.3x**	**2.4x**	**2.2%**	**55.7%**

Analyst DM	**Shrs Out** 30.7	**Avg Vol $mm** 12.2	**Conf.** Y
52-Week Range $44.69 - $77.10	**FQ4**	**FYE (Dec) FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**$0.84**	**$4.10**	**$4.60**
was	*$1.00*	*$4.00*	*$4.50*
EBITDA	**$43.9**	**$211.3**	**$226.4**
was	$50.3	$213.7	$224.4
P/E		**17.4x**	**15.5x**
EV/EBITDA		**10.1x**	**9.4x**
Consensus (3 Analysts)			
EPS	$0.88	$4.11	$4.71
EBITDA	$44.5	$207.1	$226.7

We are tweaking our FQ4 EPS estimate to come back in line with guidance and the Street. In Renewables, underlying demand remains strong. While solar panel availability is improving, other lingering near-term governors to growth include permitting delays and clarification over IRA related tax credits. As these issues sort themselves out in coming quarters, growth should accelerate. Likewise, backlog in AgTech continues to build and we expect top line growth to return in 2024. In Residential, Gibraltar remains focuses on participation gains and continuously enhancing operating efficiency. Overall, we expect top line growth to accelerate from ~flat y/y in 2023 toward mid-single digits in 2024, with potentially faster growth overtime as mix shifts toward faster growing end-markets. A net cash balance sheet and strong FCF create significant flexibility to further accelerate growth via accretive M&A while still opportunistically returning cash to shareholders. As investors start to turn their attention toward 2025, a price target of $90+/share appears achievable.

Great Lakes Dredge		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
GLDD	Rating: MO	**$6.99**	**$14**	**16X FY24e P/E**	**100%**	**$465**	**$335**	**$800**	**-**	**1.3x**	**-7.7%**	**17.5%**

Analyst JT	**Shrs Out** 66.5	**Avg Vol $mm** 2.3	**Conf.** N
52-Week Range $4.75 - $9.67	**FQ4**	**FYE (Dec) FY2023e**	**FY2024e**
CJS Estimates			
EPS	**$0.11**	**-$0.03**	**$0.82**
was	*$0.09*	*-$0.12*	*$0.86*
EBITDA	**$24.8**	**$57.0**	**$137.0**
was		$52.0	
P/E		**-226.1x**	**8.5x**
EV/EBITDA		**14.0x**	**5.8x**
Consensus (3 Analysts)			
EPS	$0.10	-$0.03	$0.62
EBITDA	$23.7	$55.8	$114.9

We expect Q4 to be strong relative to prior quarters given record backlogs and improving mix, however we are trimming our Q1'24 and Q2'24 estimates to reflect slightly higher drydock intensity and more conservative start timing for certain dredges on large LNG projects in backlog. We remain confident GLDD can convert record ($1B+) backlogs with >$700mm in capital projects over the next 1-2 years into significantly higher margins and earnings, which should drive leverage below 3x in '25, despite the high cost of constructing new vessels. A low-cost DoT loan could also help reduce interest expense and revolver drawdown. The Company recently won another offshore wind project (size/customer undisclosed). However, it likely faces challenges similar to the Empire projects, and is unlikely to start in the scheduled '25 timeframe. Shares pulled back around the Q3 earnings release when Equinor and partner BP wrote down the value of the Empire 1 and 2 projects after NY refused to renegotiate fixed power purchase agreements despite rising costs and interest rates. Despite the risk of Empire and other large projects being pushed out of '25, or cancelled, existing termination clauses would partially offset the earnings impact for GLDD's $200mm Acadia offshore wind construction vessel (expected to work on Empire in 2H'25 through '26), and there are many projects (both domestic and international) with pricing escalators and secured financing that could be bid on for '26 and beyond.

Griffon Corp.

	Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
GFF Rating: MO	**$52.16**	**$67**	**15x CY24 EPS**	**28%**	**$2,712**	**$1,367**	**$4,079**	**2.6x**	**5.7x**	**33.9%**	**45.7%**

Analyst	**Shrs Out**	**Avg Vol $mm**	**Conf.**
RL	52.0	18.3	Y
52-Week Range		**FYE (Sep)**	
$25.97 - $51.63	**FQ1**	**FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$0.70**	**$4.30**	**$4.80**
was			
EBITDA	**$93.6**	**$470.8**	**$502.5**
was			
P/E		**12.1x**	**10.9x**
EV/EBITDA		**8.7x**	**8.1x**
Consensus (6 Analysts)			
EPS	$0.75	$4.35	$5.37
EBITDA	$95.5	$471.9	$532.5

Even with its impressive YTD price performance, shares of GFF remain attractively valued and the company prospects remain strong. Investors are starting to believe the 30% range for EBITDA margins in Home & Building Products (HBP) is sustainable and thus earning power is materially higher than pre-pandemic levels. Further, growth in earnings over the next 2-3 years is predicated on executing a global sourcing initiative for Ames and the Consumer & Professional Products (CPP) US segment (international sales are already sourced). Even if HBP operating profits remain relatively flat at current levels, we see earnings growing to $5.50-$6.00 in FY26 simply by bringing CPP up to the targeted 15% EBITDA margins. Looking to FY24, market share gains in both residential and commercial doors should drive outperformance in HBP vs. peers and strong FCF is likely to be used to continue to repurchase shares. Indeed, in CY23 the company repurchased nearly $200mm in stock through 11/14 and now has $250mm+ on its just increased repurchase authorization. We expect management to remain aggressive in returning capital to shareholders via share repurchase.

Haemonetics Corp.

	Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
HAE Rating: MO	**$85.14**	**$112**	**25x FY25E EPS**	**32%**	**$4,376**	**$411**	**$4,787**	**1.2x**	**4.9x**	**-6.6%**	**8.3%**

Analyst	**Shrs Out**	**Avg Vol $mm**	**Conf.**
LS	51.4	15.7	N
52-Week Range		**FYE (Mar)**	
$72.26 - $95.26	**FQ3**	**FY 2024E**	**FY 2025e**
CJS Estimates			
EPS	**$0.93**	**$3.90**	**$4.50**
was		*$3.85*	
EBITDA	**$88.1**	**$360.4**	**$412.1**
was		$358.4	
P/E		**21.8x**	**18.9x**
EV/EBITDA		**13.3x**	**11.6x**
Consensus (7 Analysts)			
EPS	$0.94	$3.89	$4.31
EBITDA	$81.6	$352.8	$369.6

Strength in plasma and hospital, and operating leverage could drive a third consecutive beat in and raise in F'Q3. We expect global plasma collection volumes to grow above the company's 6% to 8% longer term projections well into CY24 as safety stocks remain below pre-pandemic levels. This is partially offset by a forecasted decline in sales to CSL beginning in Q3 due to a pickup in transition to its in-house Rika collection system. CSL has only converted five of its 330 centers in 18 months since approval of RIKA. We would not be surprised to see further delays despite recent commentary from CSL's partner Terumo which suggested rollout could complete sooner than a revised target of 2026. In Hospital, we expect high-teens sales growth in Q3 (vs. 14% in H1) led by a 30%E increase in Vascade (venous closure after interventional cardiology) which continue to exceed expectations since the Cardiva acquisition in 2021. Guidance and our projections include a decline in operating margin to 20% in H2 from 22% in H1 due in part to timing of costs. This could prove conservative, especially with an acceleration in higher-margin hospital sales. The $253mm acquisition of OpSens is expected to close imminently. Its proprietary fiber optic guidewires used in interventional cardiology are complementary to the Hospital business with similar call points and an opportunity to accelerate growth. We recommend purchase of the shares based on a favorable near and multi-year outlook.

Heico Corp.

	Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
HEI.A Rating: MO	**$147.26**	**$150**	**40x FY24 Cash P/E**	**2%**	**$20,429**	**$2,421**	**$22,850**	**2.8x**	**7.0x**	**10.2%**	**22.9%**

Analyst	**Shrs Out**	**Avg Vol $mm**	**Conf.**
LS	139.8	24.2	Y
52-Week Range		**FYE (Oct)**	
$114.81 - $145.08	**FQ4**	**FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**$0.70**	**$2.86**	**$3.40**
was			
EBITDA	**$219.6**	**$743.7**	**$961.0**
was			
P/E		**51.5x**	**43.4x**
EV/EBITDA		**30.7x**	**23.8x**
Consensus (10 Analysts)			
EPS	$0.69	$2.85	$3.42
EBITDA	$207.6	$733.0	$944.3

We expect strong operating momentum in the Flight Support Group (FSG) and improving trends in Electronic Technologies Group (ETG) to drive a Q4 beat when results are reported on 12/19. FSG continues to run on all cylinders led by rising demand in commercial aviation and market share gains in PMA parts. The $2B complementary acquisition of Wencor Group hit the ground running since being acquired on 8/4. We expect the transaction to be modestly accretive to EPS in Q4 excluding ~$0.15E of one time transaction costs included in estimates. We build in $0.10E accretion for Wencor in FY24 with significantly greater multi-year upside aided by revenue and cost synergies. In ETG, bookings to defense customers have picked up in recent months along with improved pull-through and sales conversion on previous orders. Defense bookings are now up modestly on a YTD basis, despite low-double-digit sales declines, which could drive a strong Q4 and FY24. Order activity remains brisk across the majority of ETG's other end markets. The exception being a slowdown in electronic components (~15% of segment revenue) due primarily to shorter lead times as supply chains have recovered. Proforma leverage of 2.8x is expected to drop below 2.0x within 12 to 18 months driven by strong free cash flow and a focus on debt reduction.

Helen of Troy Ltd.

	Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
HELE Rating: MO	**$110.75**	**$180**	**18x FY25 EPS**	**63%**	**$2,663**	**$821**	**$3,483**	**2.6x**	**2.2x**	**-3.9%**	**-0.1%**

Analyst	**Shrs Out**	**Avg Vol $mm**	**Conf.**
RL	24.0	18.6	Y
52-Week Range		**FYE (Feb)**	
$81.14 - $143.68	**FQ3**	**FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$2.76**	**$8.75**	**$9.90**
was			
EBITDA	**$102.6**	**$336.8**	**$366.7**
was			
P/E		**12.7x**	**11.2x**
EV/EBITDA		**10.3x**	**9.5x**
Consensus (7 Analysts)			
EPS	$2.75	$8.79	$9.89
EBITDA	$103.1	$339.9	$370.6

Helen of Troy is poised to inflect back to growth in revenue and earnings over the coming quarters as we near the end of its "Covid hangover." As the company transitions to its next 5-year plan, "Elevate for Growth," we see cost reductions from Project Pegasus driving incremental investment in brands. Indeed, management has now targeted reinvesting 9% of sales into its brands up from the current 6%. Further, the investment will be more highly concentrated in highest margin, fastest growing asset light brands to further their leadership strength. Beyond the restoration of growth, we see portfolio optimization opportunities in CY24 including potential for the sale of a leadership brand and for new acquisitions. With strong FCF expected to drive net leverage below 2x by the end of FY24 (Feb) and reduced but still high short interest (4.5mm shares) we see solid upside potential for HELE shares in 2024.

Helios Technologies

Helios Technologies		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
HLIO	Rating: MO	**$40.58**	**$50**	**18x FY24 cash P/E**	**23%**	**$1,343**	**$509**	**$1,852**	**3.2x**	**1.6x**	**-27.6%**	**-25.5%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
CM	33.1	2.7	Y
52-Week Range $37.50 - $72.62	**FQ4**	**FYE (Dec) FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**$0.23**	**$2.20**	**$2.75**
was	*$0.77*	*$2.94*	*$3.80*
EBITDA	**$27.9**	**$157.3**	**$177.0**
was	$58.1	$217.4	$241.5
P/E		**18.5x**	**14.7x**
EV/EBITDA		**11.8x**	**10.5x**
Consensus (5 Analysts)			
EPS	$0.27	$2.23	$2.63
EBITDA	$28.8	$157.9	$175.8

Q3 was a difficult quarter and Q4 looks like it will be worse. Management indicated that the softness likely would continue into 1H'24, with the expectation of a pickup in 2H'24. The challenge is trying to balance the investments Helios has made over the last ~2 years to drive significant growth from its solutions-based approach with the current operating environment. The investments made in plant capacity and product development were viewed as "table stakes" in order to begin meaningful discussions with OEMs. Last quarter management discussed two significant contracts that were getting close to being finalized. The hope was that Helios would be in the position to announce a formal contract with one or both of these OEMs in Q4. We believe they are closer to one of these contracts than it might appear at this time, but it now seems unlikely investors will hear anything definitive during Q4. That said, the overall momentum and demand for the solutions-based approach, which is the cornerstone of Helios' growth strategy, still looks to be building. Management talks about the potential for contracts worth 10's of millions of dollars moving forward. While we remain convinced that the strategy makes great sense and that Helios will ultimately reap significant growth from it, the timing has been pushed out.

Hillenbrand Inc.

Hillenbrand Inc.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
HI	Rating: MO	**$40.82**	**$63**	**15x FY25E Cash EPS**	**54%**	**$2,890**	**$1,767**	**$4,657**	**3.2x**	**1.7x**	**-7.1%**	**-4.3%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
DM	70.8	7.3	Y
52-Week Range $37.19 - $53.76	**FQ1**	**FYE (Sep) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$0.67**	**$3.75**	**$4.20**
was	*na*	*$3.75*	*$4.30*
EBITDA	**$111.5**	**$550.0**	**$590.0**
was	na	$492.1	$550.0
P/E		**10.9x**	**9.7x**
EV/EBITDA		**8.5x**	**7.9x**
Consensus (3 Analysts)			
EPS	$0.68	$3.72	$4.25
EBITDA	$115.0	$554.9	$602.8

Following FQ4'23 results, management's initial FY24 guide reflects continued steady organic growth in APS, offset by a steeper than expected decline in MTS as order rates and the macro environment, particularly in China, remains soft. Reflecting this, and despite layering projected revenue and expected accretion from the acquisition of Schenck, our FY24E adjusted EPS of $3.75E remained unchanged. MTS (formerly Milacron) remains challenged (revenue is projected to be down high single to low double-digits in FY24), the one meaningful blemish in an otherwise strong track record of capital allocation over the past several years. While clearly disappointing, this is offset by continued strength in APS and (we believe) more than fully reflected in current valuation. Further, the addition of Schenck completes Hillenbrand's transformation to a diversified, pure play industrial company with reduced cyclicality. Pro forma leverage of 3.2x should fall towards ~2.7x over the next 4+ quarters, a potential catalyst. At just ~10x FY24E EPS and ~8x EBITDA, risk reward is highly compelling in our view.

Hillman Solutions

Hillman Solutions		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
HLMN	Rating: MO	**$8.09**	**$9**	**22x 2025e Adj. EPS**	**11%**	**$1,590**	**$772**	**$2,362**	**3.7x**	**1.4x**	**-6.6%**	**12.2%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
LJ	196.6	6.6	Y
52-Week Range $6.02 - $10.28	**FQ4**	**FYE (Dec) FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**$0.08**	**$0.38**	**$0.35**
was		*$0.40*	*$0.45*
EBITDA	**$51.7**	**$216.7**	**$232.2**
was		$220.0	$259.6
P/E		**21.4x**	**23.0x**
EV/EBITDA		**10.9x**	**10.2x**
Consensus (10 Analysts)			
EPS	$0.08	$0.39	$0.44
EBITDA	$52.0	$217.0	$229.5

We expect Q4 results in line with previously issued guidance as the company continues to navigate soft foot traffic trends at home improvement retailers and a sluggish existing home sales environment. That said, FCF should continue to be strong in Q4 and we expect net debt/EBITDA to be below 3.5x at year end. This, coupled with line of sight to solid FCF generation in 2024, should enable the company to entertain tuck-in M&A for the first time in several years to drive accretive growth. As a reminder, a significant part of our initial thesis as the company came public through its SPAC was Hillman's ability to find acquisitions that were complementary or tangential to its current portfolio and use its strong relationships and direct distribution model to drive share gains which ultimately serves to lower the effective purchase multiple paid for a business. This had been put on hold during the pandemic as management decided to take on significant working capital to maintain high in-stock rates and gain an advantage vs. its peers. We expect M&A to be a more meaningful part of the thesis once again over the next 12-24 months as balance sheet improvement continues.

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 9/19	Δ YTD
ICUI	Rating: MO	**$85.47**	**$116**	**12x CY24 EBITDA**	**36%**	**$2,083**	**$1,364**	**$3,447**	**3.5x**	**1.0x**	**-31.6%**	**-45.7%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
LS	24.4	22.0	N
52-Week Range $78.28 - $212.43	**FQ4**	**FYE (Dec) FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**$1.24**	**$6.43**	**$5.00**
was		*$6.65*	*$7.60*
EBITDA	**$85.1**	**$375.0**	**$349.9**
was		$390.0	$435.4
P/E		**13.3x**	**17.1x**
EV/EBITDA		**9.2x**	**9.8x**
Consensus (3 Analysts)			
EPS	$1.22	$6.41	$5.20
EBITDA	$85.6	$375.4	$361.8

Pressure on the shares over the last two years relates to multiple factors. It includes underperformance at Smith's since the $2B acquisition in Jan-2022, inflationary pressures across businesses with a focus on solutions, and an inability to capture price (in solutions) until contract expirations in 2025. This has been exacerbated by rising cost of debt to fund Smiths, and negative impact of currency. We believe the worst is behind us with performance at Smiths improving last few quarters led by an ability to fulfill customer orders, reduced quality concerns in syringe pumps and stability in vascular access. We expect sales to Smiths to return to growth mode in 2024 along with mid-single digit increases in legacy revenue. This is offset by a reduction in manufacturing and overhead absorption to reduce excess inventories expected to impact gross margin through 2024. We remain confident in the mid- to longer-term outlook with the current price offering an attractive entry point. However, shares could be range bound until operating performance shows signs of improvement. This includes consistent revenue growth across categories and a steadying/improvement in margin which could occur in H2'24. We are reducing FY24E EBITDA to $350mmE (from $375mmE) to offer additional room for the production slowdown and higher priced inventory to flow through the P&L. We expect EBITDA to recover to $400mm in FY25E aided by initial consolidation of Smith's facilities.

Ingevity Corp.

NGVT	Rating: MP	Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
		$40.52	**$49**	**8X FY24 EV/EBITDA**	**21%**	**$1,475**	**$1,286**	**$2,761**	**3.1x**	**2.1x**	**-19.2%**	**-42.5%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
JT	36.4	7.0	N
52-Week Range $36.66 - $90.81	**FQ4**	**FYE (Dec) FY2023e**	**FY2024e**
CJS Estimates			
EPS	**-$0.23**	**$3.50**	**$3.45**
was	*$0.22*	*$3.91*	*$5.50*
EBITDA	**$43.5**	**$378.5**	**$385.0**
was	$62.0	$395.0	$475.0
P/E		**11.6x**	**11.7x**
EV/EBITDA		**7.3x**	**7.2x**
Consensus (6 Analysts)			
EPS	-$0.04	$3.62	$3.64
EBITDA	$50.7	$384.5	$383.7

We recently downgraded NGVT to Market Perform and reduced our estimates and PT after the Company announced the closure of its DeRidder plant due to high CTO prices making it unprofitable. The $100mm cash cost to close, plus an expected $30-80mm additional losses expected per year from existing CTO contracts lasting into '25 create significant cash flow headwinds until the supply contracts can be unwound. Furthermore, there does not appear to be any signs of a demand pickup (yet) in depressed industrial end markets for Caprolactone and remaining Pine Chems derivatives. Carbon products, along with Pavement products are performing well and have robust outlooks, and AFA adoption by customers appears to be meeting expectations but will take time to scale. We believe there is still strong underlying earnings potential for NGVT in Capa, Carbon, AFA and Pavement in the medium term, but it will take time for AFA to grow and Capa to recover, and importantly, for the Company to regain credibility with investors while CTO prices remain stubbornly high.

Innospec Inc.

IOSP	Rating: MO	Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
		$110.88	**$125**	**11x FY25E EV/EBITDA**	**13%**	**$2,769**	**-$207**	**$2,562**	**-1.0x**	**2.5x**	**5.2%**	**7.8%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
JT	25.0	7.3	N
52-Week Range $91.74 - $116.00	**FQ4**	**FYE (Dec) FY 2023e**	**FY2024e**
CJS Estimates			
EPS	**$1.67**	**$5.92**	**$6.68**
was	*$1.67*	*$5.78*	*$7.10*
EBITDA	**$58.1**	**$213.0**	**$241.0**
was	$64.7	$229.0	$274.0
P/E		**18.7x**	**16.6x**
EV/EBITDA		**12.0x**	**10.6x**
Consensus (3 Analysts)			
EPS	$1.62	$5.87	$6.62
EBITDA	$57.5	$213.1	$244.7

Q4 results are likely to be strong, as destocking, input price, and currency trends all appear to be improving, heading into a seasonally stronger quarter for the Fuels business, and as new products ramp in the Performance Chems segment. Oilfield is now expected to be at a steady run rate compared to Q3, in contrast to the 4 prior quarters in which share gain, first fills, and competitor supply issues drove significant overperformance. At a high level, Fuel and Performance Chems volumes are still below historical volumes, leaving upside as shipping, jet fuel and personal/home care demand recovers, and we remain confident in long term market expansion opportunities in GDI, DRAs, IMO, and other new Performance Chems products and markets. Management is likely to be moving closer to closing tuck in on M&A opportunities with its $200mm all cash balance sheet, but will remain disciplined, especially given high yields on cash. We would expect the Company to increase the dividend, initiate a special dividend, or repurchase shares (in order of priority) in lieu of organic growth or acquisitions.

Janus International

JBI	Rating: MO	Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
		$11.04	**$16**	**14x FY24E cash EPS**	**45%**	**$1,623**	**$579**	**$2,202**	**2.4x**	**3.1x**	**8.9%**	**16.0%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
DM	147.0	17.2	Y
52-Week Range $8.66 - $12.45	**Q4**	**FYE (Dec) FY 2023e**	**FY2024e**
CJS Estimates			
EPS	**$0.25**	**$0.95**	**$1.00**
was	*$0.25*	*$0.92*	*$1.00*
EBITDA	**$73.5**	**$284.9**	**$293.5**
was	$73.5	$280.0	$295.0
P/E		**11.6x**	**11.0x**
EV/EBITDA		**7.7x**	**7.5x**
Consensus (4 Analysts)			
EPS	$0.26	$0.95	$1.05
EBITDA	$74.8	$286.1	$301.1

JBI's fundamental performance (solid organic growth, significant margin expansion, strong FCF and sharply declining financial leverage) far outpaced its share price performance in FY23. Looking to FY24, we see steady continued growth, supported by a strong backlog and pipeline of new business, while EBITDA margins will likely plateau following a ~400 bps jump this year. While organic growth may slow, consensus estimates appear comfortable, and we see several reasons why share price performance could significantly improve next year. Clearlake Capital has sharply reduced its holdings and (we believe) continues to exit its position, potentially removing an overhang. Nokē adoption is quietly accelerating and could start to become a more meaningful contributor over the next 1-2 years. Further, with net leverage now <2.5x and falling, M&A becomes much more likely, creating additional upside to our (and consensus) expectations. Last (but not least), at <11x EPS and ~7x EBITDA, valuation remains simply too low relative to Janus' long-term growth, margin and return profile. Patient investors will be well rewarded in our view.

John Wiley & Sons

WLY	Rating: MO	Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
		$30.76	**$48**	**15x CY25E Cash EPS**	**56%**	**$1,695**	**$859**	**$2,554**	**2.0x**	**2.0x**	**-17.4%**	**-23.2%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
DM	55.1	14.4	N
52-Week Range $28.84 - $49.58	**FQ3**	**FYE (Apr) FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**$0.45**	**$2.25**	**$3.00**
was	*$0.54*	*$2.25*	*$3.00*
EBITDA	**$71.0**	**$319.2**	**$375.0**
was	$78.0	$320.0	$375.0
P/E		**13.7x**	**10.3x**
EV/EBITDA		**8.0x**	**6.8x**
Consensus (1 Analyst)			
EPS	$0.45	$2.25	$3.00
EBITDA	$71.0	$319.2	$375.0

While FY24 is a "transition year," significant restructuring actions should lead to faster, more predictable organic growth, enhance margins/ROIC, and increase EPS/FCF over time. In October, Wiley agreed to sell its University Services business for $110mm + a $40mm potential earn-out, while other smaller businesses (Wiley Edge, CrossKnowledge) are also up for sale. The remaining portfolio includes **Research** (~2/3 of PF revenue, ~90% of adj. EBITDA), and **Learning**. Wiley is also targeting ~$100mm in cost savings over 2+ years beginning in FY25, when EPS and FCF should inflect meaningfully higher. Interim CEO Matt Kissner is committed to executing these significant changes. Given these dynamics, and a compelling double-digit pro forma FCF yield, shares are simply "too cheap." WLY offers investors both significant earnings growth and multiple expansion potential over the next 1-2 years. **Management is hosting a Virtual Investor Day on January 25th,** including more specific FY26 financial targets. We encourage clients to build positions ahead of this potential catalyst.

Kaman Corp.

Kaman Corp.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
KAMN	Rating: MO	**$22.42**	**$32**	**12x 2024e EBITDA**	**43%**	**$636**	**$551**	**$1,186**	**4.9x**	**0.9x**	**7.5%**	**0.5%**

Analyst LS	Shrs Out 28.4	Avg Vol $mm 2.8	Conf. N
52-Week Range $18.06 - $26.51	**FQ4**	**FYE (Dec)** **FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**$0.12**	**$0.60**	**$0.70**
was		*$0.56*	*$0.90*
EBITDA	**$27.1**	**$109.1**	**$123.2**
was			$128.0
P/E		**37.4x**	**32.2x**
EV/EBITDA		**10.9x**	**9.6x**
Consensus (3 Analysts)			
EPS	$0.14	$0.55	$0.78
EBITDA	$27.7	$109.0	$120.7

Strong operating trends in Engineered Products have been offset by waning JPF sales in Precision Products and lackluster performance in Structures. We expect more of the same in Q4 with 21% sales growth in Engineered Products but flat overall revenue and a 12% decline in EBITDA. Consolidated revenue and EBITDA comps will improve in 2024 as the winddown of JPF fuses completed in H1'23. We expect this to lead to mid-single digit sales increases and a low-double digit growth in EBITDA in FY24E and FY25E aided by right sizing of costs. Engineered Products backlog is up 26% in the TTM driven by strong demand and market share gains across markets. The growth has been led by aerospace which appears to have legs aided by catch up in wide body parts and low inventory levels. Development continues with the autonomous KARGO UAV helicopter in Precision Products. The unmanned helicopter could drive significant sales to miliary and commercial providers in a multi-billion-dollar market. It is part of the U.S. Marines Medium Unmanned Logistics Systems – Air (MULS-A) program competing against Leidos. We expect a decision from the Marines in H2'24. A potential commercial partnership with a larger aerospace manufacturer could also be announced within 12 months but perhaps after MULS-A. The long-term thesis is intact, but shares could remain range bound without a near term catalyst.

Knowles Corp.

Knowles Corp.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
KN	Rating: MO	**$16.28**	**$21**	**18x FY24e EPS**	**29%**	**$1,534**	**-$30**	**$1,504**	**-0.2x**	**1.2x**	**7.7%**	**-0.9%**

Analyst RL	Shrs Out 94.3	Avg Vol $mm 7.7	Conf. N
52-Week Range $12.78 - $20.25	**FQ4**	**FYE (Dec)** **FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**$0.29**	**$0.90**	**$1.20**
was	*$0.33*		*$1.15*
EBITDA	**$43.4**	**$138.1**	**$193.9**
was	$46.2		$162.8
P/E		**18.2x**	**13.6x**
EV/EBITDA		**10.9x**	**7.8x**
Consensus (4 Analysts)			
EPS	$0.30	$0.89	$1.19
EBITDA	$43.4	$138.1	$193.9

Knowles is in the midst of a major transformation which should ultimately lead to it becoming a higher margin, higher growth industrial technology company. On 11/1 it acquired Cornell Dubilier, a niche leader in polymer capacitors serving key end markets including: Industrial, MedTech, Military/Aerospace, Power Management, and Renewables. CD's revenues for 2024 are expected to be ~$140mm with EBITDA contribution of $25-$27mm. The polymer capacitor market is estimated to be ~$400mm making CD a key leading player in the market. Further, polymer capacitors are a strong complement to Knowles existing leadership in ceramic capacitors. Knowles paid $263mm and PF leverage is ~1.4x. If we assume the conclusion of the Consumer MEMS Microphones (CMM) strategic alternatives process is the sale of CMM, our FY24 $1.20 adj. EPS estimate would fall to $1.00 BEFORE the use of proceeds from the sale to repay debt or make other acquisitions. Looking to 2025 we expect the fully integrated CD can contribute ~$165mm in sales with EBITDA margins in the mid-20s%. On this basis, and still before any use of CMM proceeds we see adj. EPS growing to $1.30/share making current valuation attractive.

Kornit Digital Ltd.

Kornit Digital Ltd.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
KRNT	Rating: MO	**$18.06**	**$25**	**30xFY25+cash**	**38%**	**$885**	**-$569**	**$316**	**-16.7x**	**1.1x**	**-12.3%**	**-21.4%**

Analyst CM	Shrs Out 49.0	Avg Vol $mm 4.9	Conf. N
52-Week Range $13.29 - $31.94	**FQ4**	**FYE (Dec)** **FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**$0.00**	**-$0.49**	**$0.08**
was	*$0.03*	*-$0.49*	*$0.35*
EBITDA	**-$2.8**	**-$33.8**	**-$4.3**
was	$3.0	-$31.3	$9.8
P/E		**-36.8x**	**218.5x**
EV/EBITDA		**-9.4x**	**-73.3x**
Consensus (7 Analysts)			
EPS	$0.00	-$0.46	$0.11
EBITDA	-$2.5	-$28.7	$0.3

Q4 expectations are down a bit vs. three months ago as macro challenges continue. The political backdrop in Israel certainly is not helping. Kornit continues to do everything it can to restart growth. It has some very interesting new initiatives, including one related to the Atlas Max Poly. It clearly is the digital printing market leader. Kornit's broad range of products within DTG and DTF keeps expanding and strengthening. The challenge is getting customers to commit to systems in this very uncertain environment. It is hard for investors to separate the momentum Kornit is enjoying on the product development side from the soft economic results it is currently generating. The silver lining in all of this continues to be a rock-solid balance sheet with $570mm in cash. Kornit has / is cutting back on OPEX in the current environment, but it can weather any storm indefinitely and it will continue to innovate and further enhance its positioning in preparation for when things do normalize a bit. Kornit continues to buy back its stock but is hamstrung here by the limitations of an Israeli company.

Lantheus Holdings

Lantheus Holdings		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
LNTH	Rating: MO	**$71.97**	**$130**	**20x 2024E EPS**	**81%**	**$5,041**	**-$39**	**$5,002**	**-0.1x**	**7.2x**	**12.3%**	**41.2%**

Analyst LS	Shrs Out 70.0	Avg Vol $mm 33.9	Conf. N
52-Week Range $47.46 - $100.85	**FQ4**	**FYE (Dec)** **FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**$1.35**	**$5.83**	**$6.50**
was		*$5.70*	
EBITDA	**$137.8**	**$578.9**	**$660.9**
was		$569.0	
P/E		**12.3x**	**11.1x**
EV/EBITDA		**8.6x**	**7.6x**
Consensus (7 Analysts)			
EPS	$1.35	$5.84	$6.13
EBITDA	$142.7	$579.0	$672.6

We continue to recommend shares based on favorable multi-year outlook and valuation. We expect imaging agent Pylarify to retain its leadership position aided by a superior manufacturing and sales infrastructure, labeling and supply. We remain confident in DD multi-year sales growth driven by first mover advantage, further penetration in an expanding U.S. market and superior regulatory data. CMS has deferred decision on new CMS codes for nuclear imaging agents on hospital outpatients (~20% of Pylarify sales) until 2024. It recognized further work and analysis needs to done and we expect some resolution before 2025. New codes could alleviate reimbursement concerns driven by an unbundling and a separate payment for radiopharmaceuticals after expiration of pass-through status in Jan 2025 for Pylarify. Phase III data from the Splash trial with PNT2002 in metastatic castration-resistant prostate cancer, a $3.5B+ and growing U.S. TAM, is expected imminently. The drug is similar to Novartis's Pluvicto approved in the U.S. in Q1'22 for mCRPC with 2023 sales to exceed $1B despite supply constraints. We expect a strong Q4 led by >40% growth y/y and 6% sequential in Pylarify sales. This follows a more modest 2% q/q rise in Q3 due to seasonality. We are confident in our street high 2024E which includes 15% sales growth and a 11% rise in EPS partially impacted by incremental investment into PNT2002 ahead of a potential launch in 2025.

Lazydays Holdings		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
LAZY	Rating: MO	**$7.86**	**$12**	**10x 2025 cash EPS**	**53%**	**$112**	**$85**	**$197**	**4.0x**	**0.4x**	**-1.1%**	**-34.2%**

Analyst	**Shrs Out**	**Avg Vol $mm**	**Conf.**
DM	14.3	0.3	N
52-Week Range		**FYE (Dec)**	
$5.11 - $14.32	**Q4**	**FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**-$0.39**	**-$0.67**	**-$0.50**
was	*-$0.20*	*-$0.03*	*$0.65*
EBITDA	**$5.3**	**$44.0**	**$57.8**
was	$9.9	$81.9	$122.9
P/E		**-11.8x**	**-15.8x**
EV/EBITDA		**4.5x**	**3.4x**
Consensus (7 Analysts)			
EPS	-$0.56	-$0.68	-$0.33
EBITDA	$0.4	$25.0	$42.0

Shares have been under pressure since LAZY announced a rights offering back in September, and then terminated the offering in November. After adjusting our estimates for the potential offering, and subsequently revising our model again, our near-term EBITDA/EPS projections are now lower than where we started. The delta primarily reflects a lower expected profitability on New Vehicle sales. Management is focused on balancing profitability on New Vehicles with the longer-term goal of expanding higher margin businesses (including Pre-Owned Vehicle sales, F&I and Maintenance and Repair) over time. Reflecting this, we are now building a more gradual recovery in New Vehicle profitability over the next 2+ years. Meanwhile, management has completed two additional acquisitions over the past month, likely utilizing most of its remaining cash as of 9/30. Lazydays will likely need to tap its ~$30mm availability on Floor Plan Financing and/or monetize its $80-$90mm of unfinanced real estate to ensure sufficient operating liquidity as RV demand bounces along the bottom.

LCI Industries Inc.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
LCII	Rating: MP	**$117.75**	**$100**	**13x 2024 cash EPS**	**-15%**	**$3,048**	**$878**	**$3,926**	**3.2x**	**2.2x**	**-1.2%**	**27.4%**

Analyst	**Shrs Out**	**Avg Vol $mm**	**Conf.**
DM	25.9	18.3	N
52-Week Range		**FYE (Dec)**	
$89.89 - $137.07	**FQ4**	**FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**$0.40**	**$3.00**	**$6.00**
was	*$1.00*	*$4.00*	*$8.30*
EBITDA	**$57.5**	**$277.2**	**$383.2**
was	$77.5	309.3.	$457.3
P/E		**39.2x**	**19.6x**
EV/EBITDA		**14.2x**	**10.2x**
Consensus (8 Analysts)			
EPS	$0.42	$3.03	$7.14
EBITDA	$59.2	$279.9	$395.6

LCI (and the RV industry in general) is ready to close the door on a very challenging 2023. Over the next several quarters, positive revenue growth should gradually return, while EPS/EBITDA growth should inflect positively y/y as early as this quarter. Likewise, financial leverage should start to tick down as EBITDA improves and FCF remains healthy, potentially aided by further unwinding of working capital, specifically inventories. Looking to FY24, RV Wholesale shipments should start to rebound sometime during the year, even if retail demand remains subdued as dealer inventory destocking is largely behind. Positive growth should return across most adjacent markets including Transit, Housing, etc., and Aftermarket should exhibit healthy growth. The one remaining "yellow light" is Marine which is likely to remain challenged, near-term. Our FY24 projections are below consensus and estimates are likely to bounce around for the next few quarters. However, FY24 should mark the start of a sustained recovery in revenue, margins, earnings, and cash flow which could lead to multiple expansion as well.

Leonardo DRS Inc.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
DRS	Rating: MO	**$19.01**	**$21**	**21X FY25E Adj. P/E**	**10%**	**$5,012**	**$436**	**$5,448**	**1.4x**	**2.4x**	**10.9%**	**48.7%**

Analyst	**Shrs Out**	**Avg Vol $mm**	**Conf.**
JT	263.7	6.7	Y
52-Week Range		**FYE (Dec)**	
$10.76 - $20.95	**FQ4**	**FY2023e**	**FY2024e**
CJS Estimates			
EPS	**$0.29**	**$0.71**	**$0.84**
was		*$0.68*	
EBITDA	**$128.0**	**$321.0**	**$388.4**
was		$0.0	
P/E		**26.6x**	**22.7x**
EV/EBITDA		**17.0x**	**14.0x**
Consensus (4 Analysts)			
EPS	$0.30	$0.72	$0.83
EBITDA	$130.0	$323.0	$379.7

We expect a relatively inline Q4, which is seasonally the strongest of the year. There appears to be a modest risk of ongoing/increasing congressional dysfunction and the potential for continuous temporary CRs and no full year appropriations, which could impact the P&L exiting next year and into '25. Outside of these factors, we believe the underlying thesis (budget shift towards DRS's portfolio, and pricing and margin improvement led by the fully funded Columbia Class) and long-term secular drivers (aging US fleet, rising global tensions validating DRS's approach), remain intact. Parent Leonardo S.p.A. (LDO) recently sold 21.7mm shares (reducing ownership to ~72.3% from ~80.5%, significantly improving the float), to fund growth opportunities. LDO expects to maintain majority ownership (51%) and is likely to be an orderly seller if it has funding needs. Potential near-term catalysts (assuming congress can achieve normal function) include DDGX, Naval industrial expansion, as well as the Korean DDX program, all of which could accelerate medium to long term growth. Other areas of opportunity in the coming years include space-based sensing and SSNX programs (announcement more likely in out-years).

Ligand Pharma.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
LGND	Rating: MO	**$62.54**	**$90**	**SOTP**	**44%**	**$1,104**	**-$191**	**$913**	**-2.0x**	**1.7x**	**0.0%**	**-6.4%**

Analyst	**Shrs Out**	**Avg Vol $mm**	**Conf.**
LS	17.7	3.7	N
52-Week Range		**FYE (Dec)**	
$49.24 - $85.70	**FQ4**	**FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**$0.68**	**$5.40**	**$4.00**
was			
EBITDA	**$20.6**	**$97.8**	**$112.1**
was			
P/E		**11.6x**	**15.6x**
EV/EBITDA		**9.3x**	**8.1x**
Consensus (6 Analysts)			
EPS	$0.68	$5.37	$4.17
EBITDA	$10.6	$66.3	$82.2

The stock has underperformed YTD despite better than expected operating trends and increased M&A activity. We expect a strong Q4 performance and beat on royalties led by Kyprolis and rising contributions from Rylaze and Vaxneuvance, drugs acquired with Pelican in 2020. Our FY23E includes a 19% rise in royalties to $86mm which is above guidance of $82mm to $84mm. We expect an incremental 15% rise in royalties in 2024E to $99mm. On 12/4/23, partner Travere announced it will refile its NDA for Filspari in Q1'24 following a positive meeting with the FDA. The drug was approved in Feb-23 on a contingent basis predicated on positive results from the Phase III Protect Study which were released in September. Filspari demonstrated positive trends and clinical benefit towards kidney function preservation but narrowly missed statistical significance on its primary endpoint with a p-value of 0.058. We look forward to a comprehensive update at the company's upcoming analyst day today (12/12) in New York City. This includes 2024 guidance and details on three tuck-in acquisitions (Novan, Primrose Bio, and Tolerance) completed in the past two months for a total purchase price of $46mm. We continue to recommend purchase of shares based on a favorable multi-year outlook and compelling valuation for a biotech company with a strong pipeline of opportunities not reflected in current EPS.

Materion Corp.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
MTRN	Rating: MO	**$117.68**	**$130**	**20x 2024E cash EPS**	**10%**	**$2,460**	**$388**	**$2,848**	**1.7x**	**2.7x**	**11.9%**	**34.5%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
DM	20.9	7.6	N
52-Week Range $82.75 - $123.41	**FQ4**	**FYE (Dec) FY2023e**	**FY2024e**
CJS Estimates			
EPS	**$1.56**	**$5.80**	**$6.50**
was	*$1.62*	*$5.80*	*$6.50*
EBITDA	**$57.8**	**$222.1**	**$243.8**
was	$62.2	$229.1	$241.4
P/E		**20.3x**	**18.1x**
EV/EBITDA		**12.8x**	**11.4x**
Consensus (5 Analysts)			
EPS	$1.54	$5.78	$6.67
EBITDA	$58.3	$222.0	$250.8

Materion continues to take share, win new business, drive margin expansion, and deliver strong bottom-line results, despite lingering headwinds, particularly in Semiconductor (~1/3 of revenue). The stage appears set for healthy organic growth in FY24. In Semi, VAS should tick higher sequentially in Q4 and continue to recover next year, and we expect a return to positive y/y growth in Auto as well. Further, the pipeline of opportunities and new business wins continues to grow. Phase two of the Precision Clad Strip facility is ramping up as expected. Revenue is likely to start to kick in later in 2024 with most of the benefit coming in 2025 and beyond. Multiple recent new business wins should enhance growth as well. The balance sheet is solid and FCF strong, creating flexibility to enhance organic growth. One note of caution, we are comfortable with our FY24 expectations, though one or two analysts are modelling mid-high teens revenue/EPS growth. While potentially achievable, management is typically conservative in its guide, which could be modestly below consensus expectations.

Mativ Holdings		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
MATV	Rating: MO	**$11.94**	**$17**	**8X PF FY24E EV/EBITDA**	**42%**	**$653**	**$1,060**	**$1,713**	**4.9x**	**1.0x**	**-22.4%**	**-42.9%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
JT	54.7	4.8	N
52-Week Range $11.60 - $28.99	**FQ4**	**FYE (Dec) FY2023e**	**FY2024e**
CJS Estimates			
EPS	**$0.15**	**$1.11**	**$1.13**
was	*$0.16*	*$1.01*	*$1.55*
EBITDA	**$51.5**	**$260.0**	**$250.0**
was	$63.6	$276.5	$285.0
P/E		**10.7x**	**10.6x**
EV/EBITDA		**6.6x**	**6.9x**
Consensus (2 Analysts)			
EPS	$0.17	$1.13	$1.32
EBITDA	$51.5	$260.0	$252.5

Shares traded modestly higher after Company closed the sale of the EP (tobacco) business, which we believe resolved bondholder concerns that the buyer was facing financing headwinds. Proceeds from the sale were also slightly higher than expected (~$600mmE vs $575mmE) due to better than expected tax efficiency, and will be used to reduce debt, interest expense, and leverage. Overall, the sale will help the company to screen better, enable certain ESG investors to own shares and give Management more bandwidth to drive growth and synergy opportunities. We expect 'in-lineish' Q4 Revenue and EBITDA as underlying demand and input costs appear to be consistent with expectations discussed on the Q3 CC, although currency could be a modest tailwind. Destocking in paper, and muted industrial and construction end market demand are likely to last into '24, with volume improvements more likely in 2H. A 5% volume recovery, plus planned synergy realizations should enable $70mm in target run-rate EBITDA to be achieved by year end. Reducing leverage remains the priority for Management and there could be upside in a falling rate/"soft-landing" scenario where volumes recover more quickly while interest expense falls. We note that while earnings will likely benefit modestly from an incremental $25mm debt paydown, consensus EPS appears to be too high, on significantly lower interest expense.

Matthews Intl. Corp.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
MATW	Rating: MO	**$34.28**	**$45**	**15x FY24E Cash EPS**	**31%**	**$1,074**	**$748**	**$1,822**	**3.6x**	**2.1x**	**-14.6%**	**12.6%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
DM	31.3	2.8	N
52-Week Range $29.78 - $48.86	**FQ1**	**FYE (Sep) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$0.57**	**$2.95**	**$3.30**
was	*$0.56*	*$2.65*	*$3.05*
EBITDA	**$53.3**	**$240.0**	**$255.0**
was	$52.4	$225.0	$240.0
P/E		**11.6x**	**10.4x**
EV/EBITDA		**7.6x**	**7.1x**
Consensus (2 Analysts)			
EPS	$0.57	$3.01	$3.29
EBITDA	$52.9	$241.7	$257.1

Valuation remains muted as investors await a re-acceleration in Energy Storage revenue and overall EPS, which appears unlikely for the next few quarters. Looking to FY24, management expects *"positive growth y/y"* in revenue and adjusted EBITDA but declined to provide more specific guidance. In Energy Storage the pipeline of opportunities remains robust, though larger orders from the Company's primary legacy customer continue to be pushed to the right. In Warehouse Solutions, the long-awaited new disposable printhead solution offers significant potential growth as well. However, the timing of larger orders for these two significant opportunities remains elusive and overall growth appears likely to remain subdued until FY25. One material bright spot, FCF should significantly improve over the next several quarters as prior working capital build normalizes. While management remains committed to balanced capital allocation, including potential M&A, we view deleveraging the balance sheet as critical to achieving higher trading multiples.

Maximus Inc.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
MMS	Rating: MO	**$85.65**	**$100**	**~20x FY24e Cash EPS**	**17%**	**$5,271**	**$1,275**	**$6,546**	**2.9x**	**3.6x**	**8.5%**	**16.8%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
CS	61.5	29.7	Y
52-Week Range $70.74 - $89.69	**FQ1**	**FYE (Sep) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$1.26**	**$5.20**	**$5.85**
was	*$1.32*	*$5.15*	
EBITDA	**$139.5**	**$561.8**	**$616.0**
was	$139.8	$545.0	
P/E		**16.5x**	**14.6x**
EV/EBITDA		**11.7x**	**10.6x**
Consensus (3 Analysts)			
EPS	$1.28	$5.30	$5.95
EBITDA	$139.5	$561.8	-

The company wrapped up its fiscal 2023 last month with a good quarter driven by strength in its core business. Backlog stands at nearly $21 billion which is almost 4x TTM revenue. Medicaid redetermination work remains robust though margins in other parts of its US Services segment are slightly underachieving and a key focus for improvement. The Company's US Federal segment, however, has been overachieving, helping to offset margin challenges in the other segments. The divestiture/pruning process in its Outside US segment is expected to last a few more quarters, with the goal of reducing the volatility that has recently arisen from lower volumes in employment services related programs, and to re-position the segment back on a path to sustainable profitability. FY24 guide assumes that strength in the core continues next year, and the midpoints of guidance imply 5% organic top line growth and 9.8% adjusted operating income, in line with consensus. MMS has been reducing debt (currently at 2.2x) and we expect management to use its strong FCF (guidance calls for $290-$340mm) to continue deleveraging. At 16.5x our FY24 adjusted (cash) EPS, MMS remains an attractive GARP idea in our view.

Minerals Tech.

	Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
MTX Rating: MO	**$63.98**	**$83**	**15x 2024 EPS**	**30%**	**$2,073**	**$786**	**$2,859**	**2.1x**	**1.2x**	**15.6%**	**5.4%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
DM	32.4	11.6	
52-Week Range $48.61 - $73.57	**FQ4**	**FYE (Dec) FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**$1.25**	**$5.19**	**$5.50**
was	*$1.30*	*$4.90*	*$5.80*
EBITDA	**$91.4**	**$371.7**	**$388.9**
was	$95.9	$364.0	$406.3
P/E		**12.3x**	**11.6x**
EV/EBITDA		**7.7x**	**7.4x**
Consensus (4 Analysts)			
EPS	$1.25	$5.19	$5.85
EBITDA	$91.0	$370.7	$396.0

MTI is executing well and poised for continued growth and margin expansion. The revamped portfolio, with a healthy balance of consumer and industrial, is well positioned in an uncertain macro environment. Pet Care continues to grow while Personal Care growth should return as retailer inventory destocking unwinds. PCC demand is recovering, enhanced by 2 new satellites coming online in Q4, and the pipeline of opportunities for NewYield continues to grow. While Construction/Building Materials remains soft near-term, we see healthy low-mid single organic revenue growth overall in FY24. MTX should exit FY23 with run-rate Op Margins >13.5% and management is targeting ~15% by the end of FY25, enhancing EPS and FCF growth. The balance sheet is rapidly improving (net leverage ~2x), enhancing flexibility. Given these significant positives, combined with compelling valuation, more investors are paying attention, and many are "window shopping," though lingering uncertainty regarding Talc litigation remains an overhang. Once resolved, significant multiple expansion should lead to a meaningfully higher share price.

Mirion Technologies

	Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
MIR Rating: MO	**$9.60**	**$10**	**25x FY24 adj EPS**	**4%**	**$1,997**	**$617**	**$2,613**	**3.4x**	**1.3x**	**24.8%**	**45.2%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
CM	208.0	9.6	Y
52-Week Range $5.59 - $9.53	**FQ4**	**FYE (Dec) FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**$0.13**	**$0.32**	**$0.40**
was	*$0.14*	*$0.33*	*$0.40*
EBITDA	**$60.3**	**$180.0**	**$200.2**
was	$62.5	$182.0	$198.0
P/E		**30.1x**	**23.7x**
EV/EBITDA		**14.5x**	**13.1x**
Consensus (3 Analysts)			
EPS	$0.14	$0.32	$0.39
EBITDA	$59.7	$179.6	$199.2

Q3 continued what had already been a very good start to FY23 with strong results from both segments. Order growth was 46% y/y and included a new nuclear power build contract and a significant spare parts order from nuclear customers. Mirion ended the quarter with a record backlog of $799mm, the 5th straight quarter of backlog expansion. Q4 is typically the strongest cash generator and Mirion is still targeting $45mm to $75mm FCF for FY23. The company is very focused on continued progress relating to net working capital and leverage. The target of 3.1x leverage by year-end still looks reachable. Management has been discussing the new nuclear build opportunity since early last year and was very pleased to recently announce a new build contract. During the recent World Climate Action Summit, 20 countries from 4 continents launched the "Declaration to Triple Nuclear Energy" as a partial answer to achieving global net-zero greenhouse gas emissions by 2050. Management continues to see multiple long-term growth opportunities in both segments. After missing a couple of quarters early on, Mirion has posted 4 consecutive beats. The stock is slowly starting to reflect that. The Company's long-term goals include 5-7% organic growth and Adj EBITDA margins approaching 30%. We really like the business model and believe the current levels will prove very attractive for longer-term investors.

Modine Manufacturing

	Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
MOD Rating: MO	**$53.95**	**$50**	**15x adj EPS**	**-7%**	**$2,881**	**$222**	**$3,103**	**0.7x**	**4.3x**	**21.3%**	**171.7%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
CM	53.4	23.1	Y
52-Week Range $18.80 - $54.49	**FQ3**	**FYE (Mar) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$0.59**	**$3.00**	**$3.30**
was	*$0.65*	*$2.85*	*$3.20*
EBITDA	**$63.2**	**$296.4**	**$318.7**
was	$71.1	$281.1	$308.3
P/E		**18.0x**	**16.3x**
EV/EBITDA		**10.5x**	**9.7x**
Consensus (4 Analysts)			
EPS	$0.59	$3.05	$3.54
EBITDA	$63.4	$298.6	$338.8

Q2 was another exceptionally strong quarter and included some pricing catchups and other pull- forwards, along with some temporary price / cost benefits that won't likely be repeated in FY24. Modine continues to shift its portfolio towards higher growth areas while simplifying its product offering and rationalizing lower margin products. The 80/20 transformation which began in CS roughly 1 year ago and is really just getting going within PT, has made nice progress. The better pricing it is getting within ICE auto (EBITDA margins on some of these products have gone from mid-single to low double digits) doesn't necessarily help it get to the LT 15% target but does help in the divestment of these businesses at better valuations. While it has not formally reset the drivers of the 5-year growth expectations (Investor Day in June 2022), certain areas such as Data Centers are growing faster than expected while other areas such as HVACR are a little slower. M&A remains an important component of the growth targets later in the 5-year plan. Modine had initially talked about $500mm in acquisitions in the CS segment, but that number may be a little lower if hyper growth from areas such as Data Centers continues. We continue to be impressed with the direction Modine is heading. We would be buyers of the stock on any weakness.

ModivCare Inc.

	Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
MODV Rating: MO	**$39.16**	**$105**	**15x 2024e EPS**	**168%**	**$553**	**$1,075**	**$1,628**	**4.6x**	**1.4x**	**11.9%**	**-56.4%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
RL	14.1	20.1	N
52-Week Range $26.05 - $113.53	**FQ4**	**FYE (Dec) FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**$1.23**	**$5.50**	**$7.00**
was			
EBITDA	**$46.7**	**$200.7**	**$225.2**
was			
P/E		**7.1x**	**5.6x**
EV/EBITDA		**8.1x**	**7.2x**
Consensus (6 Analysts)			
EPS	$1.28	$5.71	$6.59
EBITDA	$50.0	$203.9	$224.3

A lot of heavy lifting has been done at ModivCare in 2023 setting the stock up for redemption in 2024 and beyond. Two potential first half catalysts include the potential refinancing of its $500mm 5 7/8ths Sr. unsecured notes due November, 2025, prior to becoming current in 11/24, and the sale of its 44% stake in health risk assessment provider, Matrix Medical. Additionally, the company has announced ~$250mm in new contract wins over the past six months (~$80mm annual rev for three years) which is poised to help mitigate the Medicaid redetermination headwind. Further, through omni-channel customer engagement, expanding its multi-modal transportation network, and enhancing its digital customer integration the company should drive cost savings on the 'payroll and other' line as well as reduce trip costs and enable solid EBITDA growth in 2024 and beyond. Working capital is back in line and the 2023 2H FCF of ~$40mm shows the opportunity ahead. Indeed, we believe the company is poised to produce an additional $80-100mm in FCF in 2024 further benefiting the balance sheet. At ~7x FY23 earnings we believe there is material upside opportunity in shares if the company can execute on its cost initiatives and successfully refi its debt.

Navitas Semi.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
NVTS	Rating: MO	**$7.55**	**$14**	**30X FY26E P/E (discounted)**	**85%**	**$1,322**	**-$177**	**$1,145**	**nm**	**3.4x**	**-1.9%**	**115.1%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
JT	175.1	11.1	Y
52-Week Range $3.11 - $11.17	**FQ4**	**FYE (Dec) FY2023e**	**FY2024e**
CJS Estimates			
EPS	**-$0.05**	**-$0.21**	**-$0.12**
was		*-$0.23*	
EBITDA	**-$8.6**	**-$36.4**	**-$16.6**
was	-$8.2	-$37.5	
P/E		**-35.8x**	**-60.8x**
EV/EBITDA		**-31.5x**	**-68.9x**
Consensus (4 Analysts)			
EPS	-$0.05	-$0.21	-$0.13
EBITDA	-$8.6	-$31.3	-$20.8

The Company is holding an investor event today (12/12) at its Torrance, CA HQ, and we expect Management to offer a broadly positive demand outlook as its class leading GaN and SiC products continue to gain market traction and share from competitors. The Company is likely to issue specific guidance for FY24 (likely growth between 60-100%) and update its long-term market opportunity. Investors should also expect more granularity on the $1B+ pipeline and engagements in existing end markets (Electronics, Datacenter, EV, Renewables, Appliances), as well new ones (Motors) enabled by recent product innovations. Margin opportunity, capacity expansion (inhouse vs outsourced), and time to profitability/positive cash flow are also likely to be topics of interest to investors. Overall, we remain highly positive on the shares following a Q3 beat and raise after an incumbent competitor (POWI) missed and lowered its outlook dramatically, validating the share gain and penetration thesis, driven by significantly better performance, efficiency and density, and the achievement of price-parity per watt for high power/fast charging applications.

Nomad Foods Ltd.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
NOMD	Rating: MO	**$16.32**	**$27**	**11X FY24EV/EBITDA**	**65%**	**$2,779**	**$1,995**	**$4,774**	**3.5x**	**1.0x**	**3.7%**	**-5.3%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
JT	170.3	9.3	Y
52-Week Range $13.56 - $19.76	**FQ4**	**FYE (Dec) FY2023e**	**FY2024e**
CJS Estimates			
EPS	**€ 0.31**	**€ 1.59**	**€ 1.69**
was	*€ 0.36*	*€ 1.57*	
EBITDA	**€ 117.1**	**€ 531.0**	**€ 560.0**
was	€ 127.8	€ 535.0	€ 565.0
P/E		**9.5x**	**8.9x**
EV/EBITDA		**8.3x**	**7.9x**
Consensus (11 Analysts)			
EPS	€ 0.31	€ 1.59	€ 1.72
EBITDA	€ 117.1	€ 531.0	€ 560.0

We are trimming our euro EPS estimates slightly to reflect higher interest expense (rising Euribor) heading into FY24, mostly offset on a USD earnings basis by the weaker dollar. Outside of these factors, we expect the Company's plan to reverse volume losses to gain traction, with a modest tailwind from improving frozen food dynamics (vs. chilled and fresh and dining out). From a trading perspective, we believe rising popularity of GLP-1 drugs have impacted share prices of food companies overall, however management notes that it is 1) primarily a US issue, where NOMD does not participate, and 2) most likely to impact makers of less nutritious foods due to GLP-1 necessitating more conscious selection of the calories eaten in order to avoid nutritional deficits. We would expect excess cash to be used to pay down debt and buy back shares opportunistically, with the M&A pipeline remaining muted.

Novanta Inc.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
NOVT	Rating: MO	**$155.52**	**$162**	**40x-45x FY25 P/E**	**4%**	**$5,605**	**$277**	**$5,882**	**1.4x**	**8.7x**	**0.8%**	**14.5%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
LJ	36.0	19.8	Y
52-Week Range $111.20 - $187.61	**FQ4**	**FYE (Dec) FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**$0.62**	**$3.02**	**$3.30**
was		*$3.10*	*$3.60*
EBITDA	**$43.3**	**$194.2**	**$209.9**
was		$202.0	$224.9
P/E		**51.5x**	**47.1x**
EV/EBITDA		**30.3x**	**28.0x**
Consensus (3 Analysts)			
EPS	$0.63	$3.02	$3.22
EBITDA	$43.4	$194.8	$205.7

On 11/15 the company announced a definitive agreement to acquire Motion Solutions for $189mm or ~12x FY23 EBITDA. The acquisition, which is expected to be completed in Q1, appears to be an excellent strategic fit as it currently has ~65% medical end market exposure, offering attractive secular growth. Motion Solutions is also customer of Novanta, which post-acquisition will result in greater subsystem exposure which should drive higher margins over time. We expect muted organic growth over the next 1-2 quarters, reflecting industrial market softness and the timing of new OEM product launches scheduled for 2H 2024 at which point we expect growth to accelerate to the high-single low-double digit range. Margins should continue to benefit from 'Novanta Growth System' (NGS) progress as well as the Czech facility coming online in 2024 to support the manufacturing of its WOM consumables in house. While the stock has bounced off recent lows, we continue to recommend it as a core holding given the diversity and secular growth of its product offerings.

NV5 Global Inc.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
NVEE	Rating: MO	**$104.17**	**$115**	**21x FY24 adj P/E**	**10%**	**$1,609**	**$182**	**$1,792**	**1.2x**	**2.1x**	**6.4%**	**-21.3%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
CM	15.5	7.6	N
52-Week Range 89.29940 - $147.2	**FQ4**	**FYE (Dec) FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**$1.22**	**$4.91**	**$5.50**
was	*$1.50*	*$5.08*	*$5.80*
EBITDA	**$38.7**	**$139.2**	**$152.3**
was	$46.4	$149.5	$168.7
P/E		**21.2x**	**18.9x**
EV/EBITDA		**12.9x**	**11.8x**
Consensus (5 Analysts)			
EPS	$1.25	$4.93	$5.53
EBITDA	$35.7	$136.2	$158.8

Management lowered FY23 guidance after Q3 when it was fairly clear that needed to happen at Q2. It might take a few strong quarters to regain investor confidence. NV5's record backlog of $833mm at the end of Q3 was up 16% y/y and ~4% sequentially. Geospatial represents $156mm of the backlog. Since Q1, we have believed that FY23 was just going to be an OK year and that has proven to be the case. In addition to the interest rate sensitive businesses such as RE Transaction Services, NV5 was negatively impacted by weather in Q1 (Infrastructure and Construction Quality) as well as the pending threat of a government shutdown in 2H (even the threat makes government agencies slower to spend). These could be tailwinds in FY24. We really like the follow-on acquisitions the company has made in the geospatial arena – which we already viewed as NV5's most attractive business. NV5 is now the largest geospatial firm in N.A. and should exit FY23 better positioned than it entered. Additionally, the company has not benefitted meaningfully from the infrastructure bills to this point but expects that to change. We continue to be a big believer in the NV5 business model but are probably more in "show me" camp near-term.

OPENLANE Inc.	Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
KAR Rating: MO	**$14.76**	**$18**	**SOTP**	**22%**	**$2,149**	**$142**	**$2,291**	**0.5x**	**1.0x**	**-5.1%**	**13.1%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
RL	145.6	6.6	N
52-Week Range $12.09 - $16.49	**FQ4**	**FYE (Dec) FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**$0.15**	**$0.70**	**$0.80**
was			
EBITDA	**$60.5**	**$250.7**	**$290.0**
was			
P/E		**21.1x**	**18.4x**
EV/EBITDA		**9.1x**	**7.9x**
Consensus (8 Analysts)			
EPS	$0.13	$0.68	$0.77
EBITDA	$58.8	$266.7	$297.1

As used car values continue to ease, equity in off lease vehicles has fallen from just under $6k at the start of 2023 (and from a $9.8k peak) to ~$2.5k in October. This could benefit Openlane materially, driving volumes away from lessees and back to the market. Depending on the speed of the recovery in volume back to auctions, the 1H'24 could see some upside from this dynamic. However, with lease originations plummeting in mid-2021 the 2H of 2024 off-lease results are even harder to handicap but certainly could have a headwind. The announced acquisition of Manhiem Canada for $95mm should be a modest economic benefit. In addition to an undisclosed volume of vehicles, Openlane will acquire Manheim's Montreal facility and consolidate both companies' volumes into that facility and then sell its location. Management stated this sale would cover a large portion of the acquisition cost. For point of reference the Canadian car parc is less than 1/10th the size of the US car parc and Adesa (Openlane) has long been the dominant player in Canada.

Orion Eng. Carbons	Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
OEC Rating: MO	**$25.83**	**$35**	**12.5x FY25 EPS**	**36%**	**$1,530**	**$753**	**$2,283**	**2.3x**	**3.2x**	**14.7%**	**45.0%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
JT	59.3	5.6	N
52-Week Range $16.82 - $26.91	**FQ4**	**FYE (Dec) FY2023e**	**FY2024e**
CJS Estimates			
EPS	**$0.29**	**$2.05**	**$2.54**
was	*$0.40*	*$2.15*	*$2.60*
EBITDA	**$69.1**	**$334.6**	**$373.0**
was	$72.8	$340.0	$378.0
P/E		**12.6x**	**10.2x**
EV/EBITDA		**6.8x**	**6.1x**
Consensus (7 Analysts)			
EPS	$0.36	$2.12	$2.64
EBITDA	$71.7	$336.7	$377.3

We expect an inline quarter, with some headwinds from lower crude prices offset by more favorable currency. Destocking in tires appears to be moderating while specialty volumes in industrial end markets remain muted. We expect a sequential uptick in margin due to the improving yields and reduced ramp up inefficiency at the new Haubei facility and at Ivanhoe (recently finished upgrading to EPA emissions spec). The pricing setup for '24 in RCB continues to be very favorable (Tire mfg. onshoring, competitor downtime for EPA upgrades, Russian CB import ban) and we believe investors may have misread management's hesitancy to discuss pricing at the end of Q3 which was done for competitive reasons and not because demand or pricing was weak. Overall, the Company is executing well in its RCB strategy and longer term SCB growth strategy (particularly in battery applications), while N-T SCB is likely to be more macro dependent. We remain impressed by the significant y/y earnings and cash flow growth in '23 given lower y/y volumes in both segments and significantly lower cogeneration revenue and expect '24 to benefit from the end of destocking, recovering industrials and further pricing tailwinds.

OSI Systems Inc.	Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
OSIS Rating: MO	**$123.05**	**$158**	**18x FY25 P/E**	**28%**	**$2,113**	**$295**	**$2,409**	**1.4x**	**2.9x**	**5.1%**	**54.7%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
LS	17.2	11.3	Y
52-Week Range $77.77 - $139.90	**FQ2**	**FYE (Jun) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$1.75**	**$7.90**	**$8.75**
was		*$7.80*	
EBITDA	**$61.7**	**$269.0**	**$298.9**
was			
P/E		**15.6x**	**14.1x**
EV/EBITDA		**9.0x**	**8.1x**
Consensus (6 Analysts)			
EPS	$1.75	$7.90	$8.54
EBITDA	$61.2	$266.1	$288.4

We recommend purchase of shares based on a favorable near and long- term outlook and valuation. We project a 25% rise in Q2 sales and ~50% increase in EPS led by rapid 40% growth in Security revenue. Our estimates incorporate a 21% incremental margin on the higher sales vs. a segment margin of 16.8%E which could prove conservative, aided by rising manufacturing efficiencies and operating leverage. Backlog in Security is up >50% y/y led by demand for cargo and vehicle inspections at ports and borders. We expect additional orders (U.S. and International) and rising higher margin recurring service revenue to drive multi-year double-digit growth in EPS. Today, the U.S Customs and Border Patrol (CBP) scans less than 25% of commercial vehicles and 5% of passenger vehicles. Over the next few years, CBP aims to increase the number of commercial vehicles scanned to over 75%. Optoelectronics backlog is up ~5% y/y led by steady demand across end markets and customers increasingly seeking alternative suppliers outside of China. We expect an improving performance in Healthcare over the next several quarters aided by new business wins and waning order volatility related to Covid and tight hospital budgets which drove a bump in FY22 and subsequent downturn in FY23.

Patrick Industries	Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
PATK Rating: MO	**$88.44**	**$110**	**10x 2024 cash EPS**	**24%**	**$1,935**	**$1,119**	**$3,055**	**2.4x**	**1.8x**	**12.5%**	**45.9%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
DM	21.9	7.3	Y
52-Week Range $55.91 - $88.50	**FQ4**	**FYE (Dec) FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**$1.40**	**$6.50**	**$8.25**
was	*$1.66*	*$6.75*	*$9.00*
EBITDA	**$100.1**	**$424.9**	**$471.2**
was	$104.8	$425.9	$478.1
P/E		**13.6x**	**10.7x**
EV/EBITDA		**7.2x**	**6.5x**
Consensus (7 Analysts)			
EPS	$1.37	$6.46	$8.03
EBITDA	$96.3	$411.6	$454.5

Despite an exceptionally challenging macro environment, Patrick has executed extremely well YTD. GM%s remain at/near all-time highs, despite a ~40% decline y/y in RV shipments and similarly sharp declines in Marine, a testament to the resilience of the model, strong operating discipline and the benefit of diversification efforts over the past several years. As working capital unwinds, cash flow has spiked as well, with FCF poised to exceed $330mm this year (>$15/share). The balance sheet remains comfortable and net leverage should tick lower as EBITDA and EPS return to positive y/y growth, likely by H1'24. While RV retail demand may continue to decline for a few more quarters, we expect positive growth in Wholesale shipments to return, likely by mid-2024 as dealer inventories are now at/near historically low levels, setting the stage for a recovery in EPS and FCF growth over the next several quarters. With shares trading at ~11x FY24E EPS and ~6.5x EBITDA, Patrick offers investors meaningful potential multiple expansion over the next 1-2 years as well.

Primoris Svcs. Corp.

PRIM	Rating: MO	Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
		$32.21	$37	12x FY24 EPS	15%	$1,751	$938	$2,689	2.5x	1.5x	-4.8%	46.8%

Analyst LJ	Shrs Out 54.4	Avg Vol $mm 7.9	Conf. Y
52-Week Range $20.44 - $36.19	FQ4	FYE (Dec) FY 2023e	FY 2024e
CJS Estimates			
EPS	**$0.75**	**$2.75**	**$3.10**
was		*$2.70*	*$3.05*
EBITDA	**$98.9**	**$374.2**	**$400.0**
was		$369.8	$395.5
P/E		**11.7x**	**10.4x**
EV/EBITDA		**7.2x**	**6.7x**
Consensus (8 Analysts)			
EPS	$0.73	$2.67	$3.12
EBITDA	$97.8	$367.6	$407.6

Shares remain attractively valued despite a Q3 beat and management pointing to the higher end of the previously issued guidance range when it reported results in early November. Record backlog ($6.7B) provides excellent visibility for growth in 2024 and we expect the pipeline of opportunities to remain robust driven by its renewable energy franchise which primarily installs large utility scale solar arrays. While some industry participants had signaled a pause driven by the higher rate environment, Primoris' customers do not appear to have these issues thus far. The company continues to highlight strong relationships with a narrow group of developer customers who are well capitalized and have both financing and surety of supply which are some of the criteria management uses to determine which projects ultimately are added to its backlog. On the Utility side, we expect margins to improve in 2024 driven buy more favorable contract terms that were negotiated primarily around inherited PLH contracts as well as the overall catch up vs. the last 24-month inflationary period. Growing its exposure to Utility project work vs. MSA will continue to be a focus. If successful, this should drive higher margins as well. With consistent execution and further deleveraging of the balance sheet we expect the company to generate increasing earnings while shares have room for multiple expansion.

Primo Water Corp.

PRMW	Rating: MO	Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
		$14.92	$21	10x '24 EBITDA	41%	$2,388	$776	$3,163	1.9x	1.8x	1.4%	-4.0%

Analyst DM	Shrs Out 160.0	Avg Vol $mm 10.0	Conf. N
52-Week Range $12.27 - $16.47	FQ4	FYE (Dec) FY 2023e	FY 2024e
CJS Estimates			
EPS	**$0.17**	**$0.83**	**$0.75**
was	*$0.21*	*$0.80*	*$1.00*
EBITDA	**$112.6**	**$470.0**	**$400.0**
was	$120.9	$470.0	$520.0
P/E		**17.9x**	**20.0x**
EV/EBITDA		**6.7x**	**7.9x**
Consensus (6 Analysts)			
EPS	$0.18	$0.84	$0.86
EBITDA	$114.8	$472.9	$439.6

Primo's agreement to sell a significant portion of its international ops to Culligan for $575mm cash (~11x TTM EBITDA) is transformative. The deal enhances focus on Primo's core N.A. operations where it is gaining traction, materially reduces financial leverage and enhances firepower and flexibility to accelerate growth. While the sale will generate some "stranded" costs, Primo is targeting ~$20mm annualized savings to offset a portion of these incremental expenses. The deal excludes the Aimia Foods, UK, Portugal and Israel businesses with combined EBITDA approaching ~$40mm and future sales of these remaining assets should further enhance flexibility to reduce debt, accelerate M&A and/or buy back stock. Primo's new CEO Robbert Rietbroek brings significant experience and inherits an operating model and financial well positioned for growth for the next several years. Most analysts have not yet revised FY24/25 projections for the sale, creating some potential near-term "noise." However, valuation is highly compelling and clients should build positions prior to Primo (re) setting longer-term financial targets.

Quaker Chemical

KWR	Rating: MO	Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
		$190.96	$220	12.5X FY25 EV/EBITDA	15%	$3,418	$626	$4,044	2.1x	2.6x	13.3%	14.4%

Analyst JT	Shrs Out 17.9	Avg Vol $mm 5.3	Conf. N
52-Week Range $138.67 - $216.45	FQ4	FYE (Dec) FY 2023e	FY 2024e
CJS Estimates			
EPS	**$1.75**	**$7.65**	**$9.20**
was	*$1.81*	*$7.60*	*$9.15*
EBITDA	**$74.1**	**$317.5**	**$345.0**
was	$75.4	$309.5	$340.0
P/E		**25.0x**	**20.8x**
EV/EBITDA		**12.7x**	**11.7x**
Consensus (5 Analysts)			
EPS	$1.67	$7.56	$8.86
EBITDA	$73.6	$317.0	$341.6

We recently upgraded our opinion to Market Outperform following 7 quarters of exceeding margin expectations and driving record EBITDA, despite volumes remaining 10% below pre-pandemic levels. We believe the performance has demonstrated the Company's pricing power and value to customer's operations. This strong performance and high margin wins have more than overcome the volume attrition from more price sensitive customers. While we do not model significant volume growth in '24, a recovery even halfway to pre-pandemic levels (possibly driven by a combination of auto, aerospace, infrastructure, or broader "soft landing" tailwinds, etc.) would enable further margin upside and earning leverage. Debt paydown remains a priority however the reduction in leverage to below 2.5X and soon below 2X gives the Company more flexibility and firepower to pursue accretive M&A, a core competency that is likely to move back to the forefront over time. For Q4 specifically, we believe results are likely to be relatively in line (down sequentially, in line with normal seasonality), with potential for modest upside due to currency and input price moderation.

RadNet Inc.

RDNT	Rating: MO	Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
		$36.08	$37	10x FY24 EBITDA	3%	$2,198	$461	$2,659	2.1x	2.8x	28.8%	91.6%

Analyst LS	Shrs Out 60.9	Avg Vol $mm 18.8	Conf. N
52-Week Range $17.82 - $36.73	FQ4	FYE (Dec) FY 2023e	FY 2024e
CJS Estimates			
EPS	**$0.16**	**$0.46**	**$0.70**
was		*$0.20*	*$0.75*
EBITDA	**$62.4**	**$229.0**	**$260.3**
was		$220.1	$255.0
P/E		**78.0x**	**51.5x**
EV/EBITDA		**11.6x**	**10.2x**
Consensus (5 Analysts)			
EPS	$0.13	$0.31	$0.59
EBITDA	$60.9	$230.0	$255.3

Strong imaging volumes and improved staffing could drive a 4th consecutive quarterly beat. Same store volumes are up 6% YTD vs. our initial 3.5%E aided by an acceleration in patients into stand-alone facilities and away from hospitals. This trend could lead to a sustainable uptick in same center volume growth from historical 3% to 4% averages. The ramp of 12 pending denovo facilities has shifted modestly to the right and into 2024. We continue to expect this to add $10mm-$12mmE run-rate EBITDA YE25. The launch of RDNT's Enhanced Breast Cancer Detection (ECBD) AI-based software continues to progress. Average penetration reached 35% in Q3 across East Coast facilities with the product expected to be available at all West Coast centers by early Q2'24. Similar penetration could drive annual sales above $20mm and the AI segment towards break-even by YE24. On 11/27, RDNT announced a new proprietary operating system which will be implemented across its centers in 2024 and inevitably be available to third party centers. The product combines all of the company's existing digital health businesses into one cloud-based platform. It leverages clinical AI to both improve disease detection and drive more efficient patient management and delivery of care. The shares are approaching our price target after a strong performance since we initiated in March. We see further upside driven by positive fundamentals as well as a shift in target valuation to 2025.

Rogers Corp.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
ROG	Rating: MO	**$130.83**	**$175**	**25x FY25E EPS**	**34%**	**$2,445**	**-$44**	**$2,401**	**-0.3x**	**2.0x**	**-5.6%**	**9.6%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
DM	18.7	17.4	Y
52-Week Range $110.97 - $173.16	**FQ4**	**FYE (Dec) FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**$1.00**	**$4.18**	**$4.80**
was	*$0.99*	*$4.00*	*$5.70*
EBITDA	**$36.0**	**$160.2**	**$171.3**
was	$39.5	$159.7	$203.0
P/E		**31.3x**	**27.2x**
EV/EBITDA		**15.0x**	**14.0x**
Consensus (2 Analysts)			
EPS	$1.00	$4.19	$5.24
EBITDA	$36.0	$160.2	$176.2

Management expects to provide an update on its' FY25 targets over the next few months. Operational execution remains strong, and Rogers has delivered on its GM expansion plans despite lingering macro headwinds. Further margin gains will likely require volume improvement, and the timing of a faster ramp in EV, ADAS and Industrial, remains uncertain. Reflecting this, as well as lingering near-term macro uncertainty, we are now building in a more gradual ramp in revenue through the first half of FY24 and we are reducing our FY24/25 adjusted EPS estimates accordingly. For FY24 we now project 5% top line growth (was 6-7%E) and we are trimming our EPS by $0.20 to $4.80E. For FY25 we now project 11% top-line growth (was +12% previously). We project 100 bps of GM expansion to 36.7%E, below management's 38-40% target, which equates to adjusted EPS of $7.00E (was $8.00E). Our revised price target of $175 is based on 25x FY25E adjusted EPS, while further upside could come from a faster recovery in demand and/or more aggressively leveraging a strong balance sheet via buybacks and/or accretive M&A.

Simpson Manufac.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
SSD	Rating: MO	**$181.75**	**$160**	**18x 2024 cash EPS**	**-12%**	**$7,794**	**$43**	**$7,837**	**0.1x**	**4.6x**	**19.3%**	**105.0%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
DM	42.9	18.8	Y
52-Week Range $87.07 - $182.30	**FQ4**	**FYE (Dec) FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**$1.42**	**$8.40**	**$8.50**
was	*$1.30*	*$7.95*	*$8.10*
EBITDA	**$102.6**	**$578.2**	**$570.1**
was	$122.6	$552.1	$554.3
P/E		**21.6x**	**21.4x**
EV/EBITDA		**13.6x**	**13.7x**
Consensus (4 Analysts)			
EPS	$1.48	$8.46	$8.55
EBITDA	$106.1	$573.9	$569.1

In conjunction with Q3 earnings management stated, *"based on the current interest rate environment and the resultant impact on the housing market, we anticipate that our fourth quarter 2023 results will start reflecting some downward pressure, in addition to typical seasonality."* Looking to FY24, consensus expectations are for North American housing starts to be ~flattish y/y, with moderate declines likely in H1 followed by a return to growth in H2. We expect Simpson to continue to increase share in its targeted end-markets. In Europe, the macro environment remains equally, if not more challenging, though Simpson remains focused on capturing synergies and improving margins. Once the environment starts to improve, management will turn its attention to driving more significant "offensive" synergies as well. Meanwhile, cash flow remains robust, the balance sheet is exceptionally strong, creating ample flexibility for growth while opportunistically returning cash to shareholders.

Skyline Corp.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
SKY	Rating: MO	**$66.42**	**$72**	**18x FY25E cash EPS**	**8%**	**$3,866**	**-$194**	**$3,672**	**-0.9x**	**2.8x**	**-2.9%**	**28.9%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
DM	58.2	10.9	Y
52-Week Range $50.19 - $76.82	**FQ3**	**FYE (Mar) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$0.55**	**$2.98**	**$3.81**
was	*$0.80*	*$3.41*	*$4.25*
EBITDA	**$43.4**	**$219.0**	**$275.0**
was	$57.1	$245.1	$303.9
P/E		**22.3x**	**17.4x**
EV/EBITDA		**16.8x**	**13.4x**
Consensus (6 Analysts)			
EPS	$0.64	$3.05	$3.72
EBITDA	$48.0	$226.9	$284.1

We are slightly reducing our FQ4 (Mar) and FY25 estimates. We expect shipments and revenue to bounce along the bottom for the next few months and we are also building a slightly more conservative ramp in profitability for the Triad JV. We note our estimates are modestly below consensus for the next 1-2 quarters. However, by the Spring selling season we expect order rates and production to begin to ramp as pent-up demand for affordable homes is released, and we expect the next 2-quarters to represent the trough for GM% as well. We are also introducing a FY26 (essentially CY25) adjusted EPS estimate of $4.40E. The expected ramp in profitability from Triad should further accelerate EPS and FCF growth, while a potential pullback in interest rates could drive a faster rebound for the MH industry and Skyline Champion beyond our current projections. While definitive evidence of a recovery is still a few months away, valuation is attractive and investors willing to look through the current seasonal soft patch should be well rewarded.

Spectrum Brands Inc.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
SPB	Rating: MO	**$75.43**	**$90**	**15x FY25 Adj EPS**	**19%**	**$2,602**	**-$309**	**$2,293**	**-0.4x**	**1.9x**	**-4.7%**	**23.8%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
RL	34.5	31.6	N
52-Week Range $56.69 - $85.25	**FQ1**	**FYE (Sept) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$0.50**	**$4.30**	**$5.60**
was	*$0.74*	*$4.95*	*$6.50*
EBITDA	**$44.7**	**$285.0**	**$330.4**
was	$55.9	$314.9	$370.8
P/E		**17.5x**	**13.5x**
EV/EBITDA		**8.0x**	**6.9x**
Consensus (8 Analysts)			
EPS	$0.53	$3.75	$4.43
EBITDA	$43.5	$286.9	$313.5

Spectrum Brands has a lot of moving parts along with some clear value and potential accretive uses of cash. Its Pet segment is operating reasonably well with a solid near and long-term outlook. Its Home & Garden is experiencing some operating/competitive issues and is coming off back-to-back bad weather seasons creating conservatism in guidance. And its Home & Personal Care segment needs a lot of work to return to respectable margins. With that said a net cash balance sheet of $300mm and a stated goal of 2x leverage gives $900mm+ of firepower for accretive cash uses. Further, an exit of HPC could yield tax benefits and reduce management distraction creating upside for shares as well.

Standex Intl. Corp.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
SXI	Rating: MO	$140.66	$160	20x FY24 P/E	14%	$1,688	$22	$1,710	0.1x	2.8x	-4.4%	37.3%

Analyst	Shrs Out	Avg Vol $mm	Conf.
CM	12.0	6.8	Y
52-Week Range		**FYE (Jun)**	
$96.32 - $168.81	**FQ2**	**FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$1.71**	**$7.17**	**$8.00**
was	*$1.86*	*$7.40*	*$8.00*
EBITDA	**$35.0**	**$147.7**	**$167.0**
was	$38.8	$159.8	$167.0
P/E		**19.6x**	**17.6x**
EV/EBITDA		**11.6x**	**10.2x**
Consensus (3 Analysts)			
EPS	$1.73	$7.33	$8.36
EBITDA	$36.8	$155.0	$171.7

Standex continues to drive operating margins higher while managing a softer revenue environment. In the latest quarter, three segments had better than 20% operating margins and the lowest segment operating margin was Engineering at 16.6% vs. 11.0% y/y. In FY24 (June), Standex had expected high single-digit sales growth but now is calling for mid-single digit growth. That growth can be largely achieved from recent acquisitions. Significant organic growth remains uncertain in FY24 at this time. The company has done a very good job on the M&A front. The reinvestment of proceeds from the Procon divestiture (Feb '23, ~$75mm transaction value) in two acquisitions (Minntronix July '23) and Sanyu Switch (Jan '24) nearly doubles annualized revenue and operating income lost from the divestiture in the first year of ownership. We really like the direction management is headed but expect FY24 revenue growth (3% estimate) to be well below the five-year high-single digit target. One of the bigger current challenges is the slow Electronics recovery in China and Europe. It is still not clear if China sales will recover at some point or if this is the new normal. We would be buyers of the stock on further softness.

Stevanato Group

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
STVN	Rating: MO	$27.40	$36	40x CY25 Cash P/E	31%	$7,272	$176	$7,448	0.6x	6.1x	-9.1%	52.5%

Analyst	Shrs Out	Avg Vol $mm	Conf.
LS	265.4	12.1	Y
52-Week Range		**FYE (Dec)**	
$16.38 - $36.30	**FQ4**	**FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**$0.21**	**$0.63**	**$0.75**
was		*$0.65*	*$0.75*
EBITDA	**$97.0**	**$319.0**	**$368.7**
was		$317.2	$370.1
P/E		**43.3x**	**36.4x**
EV/EBITDA		**23.3x**	**20.2x**
Consensus (9 Analysts)			
EPS	$0.21	$0.64	$0.72
EBITDA	$97.7	$317.6	$366.7

We expect a strong Q4, led by a reacceleration in Biopharmaceutical and Diagnostic Segment sales growth to 12% after temporary slowdown in Q3. This includes mid-teens percent growth in High Value Solutions (HVS) to ~33% of sales vs. 30% in Q4'22. Recent volatility in the shares Is due in part to excessive concern over the decline in backlog YTD. The drop has been accompanied by an improvement in the supply chain which has normalized lead times back to three to six months vs. 12 to 15-plus in 2021/2022. We expect 12% sales growth in FY24E and FY25E, in line with Street estimates, with nearly steady margins as better mix is offset by rising Depreciation and start-up costs related to new capacity coming on-line. A favorable multi-year outlook is driven by an aging population which is highly correlated with increased incidence of chronic disease. This is coupled with a rapid increase in biologic drug volumes expected to rise at a >15% CAGR through 2027. Biologics generally require more specialized packaging including ready-to-use pre-fillable syringes, vials and/or cartridges. HVS represented 30% of Stevanato sales in 2022, a three-fold increase from 10% in 2016. We expect this to reach 33% in 2023E and 40% by 2025E. These products are priced at a 5x to 40x bulk containers with GM of 40% to 70% vs. 15% to 35%. Please see our Full Basic report published 10/25.

Super Micro Computer

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
SMCI	Rating: MO	$262.26	$340	18X FY25E Adj. PE	30%	$15,171	-$397	$14,774	-0.5x	7.0x	7.4%	219.4%

Analyst	Shrs Out	Avg Vol $mm	Conf.
JT	57.8	770.3	Y
52-Week Range		**FYE (Jun)**	
$69.02 - $357.00	**FQ2**	**FY2024e**	**FY2025e**
CJS Estimates			
EPS	**$4.35**	**$16.13**	**$18.27**
was	*$4.17*	*$16.40*	*$18.60*
EBITDA	**$338.8**	**$1,229.5**	**$1,448.4**
was	$299.2	$1,178.3	$1,389.9
P/E		**16.3x**	**14.4x**
EV/EBITDA		**12.0x**	**10.2x**
Consensus (4 Analysts)			
EPS	$4.51	$17.56	$19.50
EBITDA	$338.8	$1,204.2	$1,239.8

We expect a strong quarter and outlook, after the Company priced a secondary offering (2.4mm shares, or ~$575mm net proceeds) to fund emerging growth and share gain opportunities, sidestepping the time it would take to raise the same amount of debt. EPS is reduced to reflect the higher share count, but our estimates are otherwise unchanged, and we would expect positive growth commentary on the use of cash. We further note CEO Charles Liang's new compensation package continues his $1 salary, while issuing up to 500,000 options at $450/share if revenue levels of $13-$21bn and share prices of $450-$1100 are achieved (5 equal tranches) by 2029. The mid-high end of this range implies significant multiple expansion or significant margin/earnings growth – but more likely a healthy combination of both over time. We believe the accelerating pace of new AI product introductions by NVDA, a wave of inferencing deployments, a reallocation of parts previously destined for China (now banned) and ramp up of competitor options from AMD and INTC (and others) are all positive drivers for SMCI. The company is likely to continue gaining share from competitors due to a differentiated business model (semi-custom, fastest to market) and technology (highest density/efficiency) and falling costs on better utilization and new low-cost facilities.

Tennant Company

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
TNC	Rating: MO	$87.06	$100	11x FY24 EBITDA	15%	$1,645	$125	$1,770	0.6x	3.0x	13.5%	41.4%

Analyst	Shrs Out	Avg Vol $mm	Conf.
CM	18.9	13.7	N
52-Week Range		**FYE (Dec)**	
$58.59 - $89.53	**FQ4**	**FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**$1.28**	**$5.92**	**$6.15**
was	*$1.04*	*$5.55*	*$5.65*
EBITDA	**$43.6**	**$195.0**	**$200.0**
was	$36.4	$184.0	$186.4
P/E		**14.7x**	**14.1x**
EV/EBITDA		**9.1x**	**8.8x**
Consensus (3 Analysts)			
EPS	$1.26	$5.90	$6.22
EBITDA	$43.2	$194.3	$202.2

We upgraded our opinion to MO from MP in late October based on valuation, strong balance sheet, market positioning and the updated growth strategy. In 2019, Tennant launched a 5-year enterprise strategy focused on driving structural improvements to deliver expanded profitability. The strategic pillars included : 1– win where they have a competitive advantage, 2- reduce complexity and build scalable processes, and 3- innovate for profitable growth. The financial targets included organic growth of 2-3% annually, increasing EBITDA margins 50-100 bps annually, and reaching 15% EBITDA margins after 5 years. It met those goals a year early and laid the foundation for the next enterprise strategy, "Pivot to Growth". The new strategy will target differentiated sales growth in the mid-single digits (above market growth rates) and include M&A. The goal is to expand gross profit margins and maintain operating efficiency through pricing discipline, prudent expense management and investments in productivity. The company has continued to improve its competitive positioning over the past few years. It operates in a market with very high gross margins and significant barriers to entry; we believe it will become increasingly difficult for smaller players to effectively compete. We would be buyers of the stock at these levels.

Thryv Holdings Inc.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
THRY	Rating: MO	**$19.51**	**$28**	**Sum of Parts**	**44%**	**$758**	**$358**	**$1,116**	**2.1x**	**1.8x**	**1.8%**	**2.7%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
DM	38.9	3.7	N
52-Week Range		**FYE (Dec)**	
$15.99 - $26.01	**Q4**	**FY 2023e**	**FY2024e**
CJS Estimates			
EPS	**$0.35**	**$0.26**	**$1.00**
was	*$0.56*	*$0.62*	*$1.10*
EBITDA	**$51.7**	**$186.9**	**$170.0**
was	$63.1	$195.0	$195.0
P/E		**75.6x**	**19.5x**
EV/EBITDA		**6.0x**	**6.6x**
Consensus (5 Analysts)			
EPS	$0.37	$0.31	$0.82
EBITDA	$52.2	$187.4	$179.8

SaaS growth accelerated in FQ3 and New Customer Retention improved. However, management lowered its FY23 guide for Marketing Services adjusted EBITDA by ~$10mm (now $177-$179mm), reflecting a mix of FX and the strategic decision to retain more costs (sales professionals) to drive faster growth in SaaS. While this likely the right decision from a strategic perspective and should drive faster growth in SaaS revenue, it will also accelerate the decline in Marketing Services EBITDA in FY24 and beyond, reflecting higher costs and incremental cannibalization as more Marketing Services customers are converted to SaaS Customers. Our FY24E consolidated EBITDA of $170mm reflects this and is ~$10mm below consensus. Additionally, FCF is likely to be more muted in FY24, slowing the de-leveraging process to some degree. As Thryv transitions from a legacy cash flow story to a faster growth SaaS company, reducing or eliminating the remaining debt and improving financial liquidity will likely be key to investors assigning higher trading multiples.

Tyler Technologies		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
TYL	Rating: MP	**$403.91**	**$395**	**8x CY24 EV/Sales**	**-2%**	**$17,304**	**$562**	**$17,866**	**1.2x**	**6.4x**	**3.5%**	**25.3%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
CS	42.8	56.6	N
52-Week Range		**FYE (Dec)**	
$301.69 - $426.83	**FQ4**	**FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**$1.84**	**$7.75**	**$8.60**
was	*$1.93*	*$7.65*	*$8.40*
EBITDA	**$116.3**	**$486.8**	**$550.5**
was	$123.0	$486.3	$538.3
P/E		**52.1x**	**47.0x**
EV/EBITDA		**36.7x**	**32.5x**
Consensus (16 Analysts)			
EPS	$1.86	$7.77	$8.76
EBITDA	$118.9	$490.5	$553.2

The company continues to execute well, and its RFP pipeline remains robust. The transition to the AWS cloud is on/ahead of plan and management expects an acceleration of customers who are still using on premises software to flip to the cloud in '24. The goal is to have 75-85% of on premises clients in the cloud by 2030. In the short term, the company will continue to run duplicate data centers, though expenses seem to have bottomed which should benefit margins in 2024 and beyond. Our Q4 estimates and consensus are in line with guidance, and we expect results to be uneventful as comps should be normal and expect good growth in annual recurring revenue and bookings. It is worth noting that management tends to be conservative with its initial guidance for the following year.

US Physical Therapy		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
USPH	Rating: MO	**$90.81**	**$108**	**30x 2025 Cash P/E**	**19%**	**$1,361**	**$1**	**$1,362**	**0.0x**	**2.8x**	**-4.3%**	**12.1%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
LS	15.0	4.6	N
52-Week Range		**FYE (Dec)**	
$78.08 - $124.11	**FQ4**	**FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**$0.57**	**$2.53**	**$2.90**
was		*$2.63*	*$3.15*
EBITDA	**$17.9**	**$77.0**	**$84.9**
was		$79.0	$88.1
P/E		**35.9x**	**31.3x**
EV/EBITDA		**17.7x**	**16.1x**
Consensus (7 Analysts)			
EPS	$0.57	$2.53	$2.91
EBITDA	$18.1	$76.9	$85.1

We recommend purchase of the shares driven by rising demand for physical therapy, anticipated improvement in pricing, and a potential increase in acquisition activity over the next several years. We anticipate 2.5% same store volume growth in Q4 partially offset by a 1% decline in avg. pricing driven by Medicare price cuts. Patient volumes were strong through November before a seasonal slowdown in December. We expect sequential improvement in pricing through 2024 aided by progress on multi-year contracts with commercial payors. Average rate increases are running in the mid-single digits on a payor by payor basis with a normal six month delay in implementation. We are in the early to mid-innings of negotiations which could last well into 2025. A previously announced 3.5% Medicare reduction for 2024 could be mitigated by congressional action in late December/January as in previous years. Rebalancing of the Physician Fee Schedule towards Primary Care which began in 2021 is expected to complete in 2024 or 2025. This should ease price pressure on Medicare (35% of volume). A secondary offering completed in May reduced leverage to 0x from 2x and provides liquidity for additional acquisitions. A healthy balance sheet offers an advantage for USPH over the majority of its highly leveraged private equity owned and smaller competitors.

Valmont Industries		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
VMI	Rating: MO	**$223.02**	**$275**	**~18x 24e EPS**	**23%**	**$4,750**	**$807**	**$5,558**	**1.4x**	**2.8x**	**-8.3%**	**-32.6%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
CM	21.3	33.9	Y
52-Week Range		**FYE (Dec)**	
$188.63 - $341.81	**FQ4**	**FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**$2.75**	**$14.87**	**$15.40**
was	*$3.92*	*$15.58*	*$16.55*
EBITDA	**$118.9**	**$569.8**	**$609.0**
was	$164.3	$611.1	$645.6
P/E		**15.0x**	**14.5x**
EV/EBITDA		**9.8x**	**9.1x**
Consensus (5 Analysts)			
EPS	$3.04	$14.97	$15.25
EBITDA	$115.7	$572.6	$597.4

The stock rebounded a bit following the announcement of a $120mm ASR in late November but is still down ~30% YTD. The areas of softness that Valmont called out after Q2 and Q3 continue to impact Q4 and there is limited visibility at this point. The N.A. Ag softness is a function of farmers slowing down capital investment decisions. Farmer income is expected to be strong in 2023 (USDA updated and increased outlook a little recently), the third highest level over the past ten years – but higher interest rates and lower commodity prices are taking a toll. Q1 is typically a softer quarter, and it seems unlikely that Valmont will have much better visibility by the time it announces Q4 earnings in February. Management has not lowered the 5-year targets outlined during the Investor Day in May, but we believe the 5-8% organic revenue growth target will ultimately come down meaningfully while the operating margin target (14%) and ROIC target (18%) will come down modestly. The core infrastructure growth drivers remain strong. Management remains very confident in the near-term and long-term outlook for both TD&S and L&T. The tailwinds from all the government infrastructure spending have only been felt to a small degree at this point. We continue to believe in the overall value proposition despite some of the near-term challenges and uncertainties.

Varex Imaging Corp.

Varex Imaging Corp.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
VREX	Rating: MO	**$19.88**	**$26**	**18x FY25 Cash P/E**	**31%**	**$1,004**	**$253**	**$1,257**	**1.9x**	**1.7x**	**6.3%**	**-2.1%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
LS	50.5	7.1	Y
52-Week Range $17.05 - $23.8950	**FQ1**	**FYE (Sep) FY 2024e**	**FY 2025e**
CJS Estimates			
EPS	**$0.15**	**$1.15**	**$1.45**
was		*$1.55*	
EBITDA	**$22.8**	**$128.0**	**$142.5**
was		$156.5	
P/E		**17.2x**	**13.7x**
EV/EBITDA		**9.8x**	**8.8x**
Consensus (5 Analysts)			
EPS	$0.10	$0.97	$1.22
EBITDA	$21.0	$124.8	$148.8

We expect an 8% decline in Fiscal Q1 sales as strength in Industrial is offset by double digit declines in Medical. The initial outlook for Fiscal 2024 (provided on 11/14) includes a 3% to 5% decline in overall sales impacted by a temporary slowdown in Medical sales (CT Tubes) in China. This is due to a new anti-corruption program in healthcare that has resulted in increased scrutiny on all government related purchases and a virtual halt on new equipment orders from hospitals. This is expected to result in a material drop in sales to China (16% of FY23 revenue) in H1'24 followed by some recovery in H2 and into FY25. Our FY24E includes a 4% decline in sales led by a 37.5% drop from China. We expect modest growth in Medical outside of China and mid-single digit increases in Industrial sales. Gross and operating margins are expected to expand as the year progresses aided by successful price increases, declining COGs, and operating leverage as sales rebound. We expect 4% sales growth in FY25E accompanied by further margin expansion. Our expectations could prove conservative if order patterns in China normalize sooner. Over the long term, we expect mid-single digit sales annual sales increases and ~10% earnings growth. Several platform technologies and pending new products enhance our confidence in growth in FY26 and beyond.

Verra Mobility Corp.

Verra Mobility Corp.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
VRRM	Rating: MO	**$21.75**	**$25**	**22x 2024 adj EPS**	**15%**	**$3,654**	**$886**	**$4,540**	**2.4x**	**8.6x**	**14.4%**	**57.3%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
DM	168.0	28.3	Y
52-Week Range $13.19 - $21.54	**FQ4**	**FYE (Dec) FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**$0.23**	**$1.07**	**$1.15**
was	*$0.23*	*$1.05*	*$1.15*
EBITDA	**$87.4**	**$367.7**	**$390.0**
was	$83.2	$367.5	$392.0
P/E		**20.2x**	**19.0x**
EV/EBITDA		**12.3x**	**11.6x**
Consensus (7 Analysts)			
EPS	$0.27	$1.10	$1.20
EBITDA	$87.5	$365.3	$392.0

Verra modestly exceeded Q3 expectations and raised FY23 guidance to the high end of the range(s). The Company also opportunistically executed a $95mm ASR in September and the Board authorized and additional $100mm buyback. Verra also bought back ~$100mm of floating rate debt during the quarter. Net leverage is now just ~2.5x and >95% of total debt is hedged at attractive rates for the next 2+ years. Looking to FY24, management expects FY24 revenue growth in-line with its longer-term 6-8% expectation, while EBITDA margins are expected to be ~flat, reflecting incremental investments ahead of anticipated growth and opportunity in Government Solutions. Looking to FY25 we would expect EBITDA growth to accelerate as these investments are leverages, and potentially faster EPS growth assuming a significant % of the repurchase authorization is executed. As investors turn their attention toward FY25, a price target approaching $30/share appears achievable. Fundamentals remain strong and valuation comfortable, though we note one or two EPS estimates for Q4 and FY24 appear aggressive.

Vicor Corp.

Vicor Corp.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
VICR	Rating: MO	**$38.73**	**$68**	**30X FY25E GAAP P/E**	**76%**	**$1,750**	**-$227**	**$1,523**	**-4.6x**	**3.3x**	**-33.6%**	**-27.9%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
JT	45.2	14.9	N
52-Week Range $35.48 - $98.38	**0**	**FYE (Dec) FY2023e**	**FY2024e**
CJS Estimates			
EPS	**$0.36**	**$1.36**	**$1.40**
was	*$0.11*	*$1.05*	*$1.62*
EBITDA	**$22.5**	**$85.3**	**$101.2**
was	$14.1	$79.1	$131.5
P/E			
EV/EBITDA			
Consensus (4 Analysts)			
EPS	$0.36	$1.49	$1.41
EBITDA	$22.3	$86.9	$90.9

Management is likely highly focused on transitioning plating capacity in-house at the new Andover facility for currently shipping products, and qualifying customers for both current and next gen applications. NVDA's roadmap offers several opportunities for VICR to get back in with new B100 and X100 chip architectures likely to be revealed in '24 and '25 at the March GTC conference, which correlates with Management's commentary regarding hybrid lateral-vertical (gen 4.5) and pure vertical power (gen 5) opportunities. We note new US-China sanctions are likely to be a negative for VICR enabled A800 SKUs, however NVDA's guidance on overall demand suggests there are customers willing to take that inventory outside of China. What is less clear is how long A100/A800 will continue to be produced, especially as the roughly equivalent non-COWOS constrained L40S ramps. Management expects the ongoing ITC investigation to resolve in VICR's favor and offer a deterrent to other potential infringements however the timing and ultimate outcome remain unclear.

West Pharma. Svcs

West Pharma. Svcs		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
WST	Rating: MO	**$344.13**	**$400**	**40x 2025E EPS**	**16%**	**$25,913**	**-$691**	**$25,222**	**-0.8x**	**9.0x**	**-12.8%**	**46.2%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
LS	75.3	104.7	N
52-Week Range $224.15 - $415.73	**FQ4**	**FYE (Dec) FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**$1.80**	**$7.98**	**$8.85**
was		*$7.80*	
EBITDA	**$206.8**	**$845.2**	**$973.5**
was		$854.1	
P/E		**43.1x**	**38.9x**
EV/EBITDA		**29.8x**	**25.9x**
Consensus (7 Analysts)			
EPS	$1.78	$8.01	$8.79
EBITDA	$201.3	$833.1	$942.6

Demand remains strong with Q4 sales expected to grow 10% - excluding Covid related revenue. This is a modest slowdown from 15% FY23E growth due to inventory management at a handful of customers on lower margin bulk products. We also expect sales of High-Value Products (HVP's) to moderate modestly (as orders already have) as customer supply chains and lead times have improved. This follows several quarters of "catch-up" revenue to build safety stock levels back to normalized levels. The preliminary outlook for 2024 is for organic sales growth and margin expansion of 7% to 9% and 100bps respectively, led by further penetration of high value products (HVPs). This compares to our expectations of 8% and adjusted operating margin expansion of 120bps. The significant rise in new biologic drugs including monoclonal antibodies for many indications (Cance, autoimmune) and GLP-1's for obesity drive the favorable multi-year outlook for West. The company's rubber components (plungers, seals, seals, etc.) continue to be designed-in on essentially all new pharma and biotech injectable drugs in the Western World with an increasing number utilizing higher-end HVP's.

Ziff Davis Inc.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
ZD	Rating: MO	**$63.73**	**$90**	**14X FY24E Adj. EPS**	**41%**	**$2,936**	**$340**	**$3,276**	**0.7x**	**1.6x**	**-3.6%**	**-19.4%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
JT	46.1	18.9	N
52-Week Range $57.97 - $94.06	**FQ4**	**FYE (Dec) FY2023e**	**FY2024e**
CJS Estimates			
EPS	**$2.22**	**$6.08**	**$6.45**
was	*$2.35*	*$6.27*	*$6.85*
EBITDA	**$164.2**	**$479.0**	**$500.0**
was	$172.9	$498.0	$535.0
P/E		**10.5x**	**9.9x**
EV/EBITDA		**6.8x**	**6.6x**
Consensus (7 Analysts)			
EPS	$2.27	$6.18	$6.68
EBITDA	$171.1	$485.9	$511.2

Online retail spending in the Black Friday/Cyber Monday period appears to have been stronger than feared, a positive indicator for the Company's consumer facing performance advertising properties in Q4 (in particular, RetailmeNot). B2B (SpiceWorks) is likely to remain muted, along with Offers.com which has faced structural SEO issues that are still being remediated. We expect underlying broadband and healthcare markets to remain as strong as ever, and the Company is broadly developing and deploying AI tools to help drive higher engagement and efficiency using the mountain of proprietary data generated in each of its verticals. Ookla, Moz and healthcare tools for doctors and professionals in particular appear to be low hanging fruit with high return potential. The impact of AI assisted search has so far been a net positive for ZD and we believe fears of AI disintermediation remain overblown in the near term – the largest AI players are clearly tuning their algorithms to point consumers towards the highest quality sources with the highest returning opportunities and optimal monetization, which remains trusted property and content like ZD's. Shares remain depressed due to weak tech markets and the Company is likely to remain buyers of its own stock while it waits for accretive M&A opportunities to shake loose.

Monitor List

Ranpak Holdings		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
PACK	Rating: NA	**$4.61**	**NA**	**NA**	**NA**	**$380**	**$366**	**$746**	**11.6x**	**0.7x**	**-18.0%**	**-20.1%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
NA	82.3	2.0	Y
52-Week Range $2.63 - $8.24	**FQ4**	**FYE (Dec) FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**NA**	**NA**	**NA**
was			
EBITDA	**NA**	**NA**	**NA**
was			
P/E			
EV/EBITDA			
Consensus (6 Analysts)			
EPS	-$0.05	-$0.26	-$0.21
EBITDA	$19.0	$68.3	$79.8

Despite an inconsistent environment, shares have rallied off lows as volumes improved for the first time since 2021. As such, 3Q23 revenue was up y/y on a constant currency basis but was partially offset by price. Improving volumes also led to gross margin and EBITDA margin improvements. The company closed 3Q23 with a solid liquidity position. While leverage remains high, Ranpak has ample cash on hand, and we believe leverage has peaked. Not only that, but management is emphasizing cash generation, maintaining its cash balance, and preserving financial liquidity. Ultimately, with major investments winding down, we believe the company is on track to get to ~3x leverage in the next two years. In the near-term, we expect 4Q23 to be choppy, but believe that volumes will be up due to seasonality, leading to ongoing margin improvement. We think e-commerce could continue to be pressured in the immediate term due to lower consumer spending on discretionary goods. However, we believe the outlook for the medium- to long-term is positive as large accounts look to increase volumes and automation takes a meaningful step in growth, all set against a backdrop of a trend towards using sustainable packaging.

Drop Coverage

SP Plus Corp.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 9/19	Δ YTD
SP	Rating: NA	**$51.20**	**NA**	**NA**	**NA**	**$1,016**	**$363**	**$1,379**	**2.5x**	**4.3x**	**41.6%**	**47.5%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
NA	19.8	2.0	
52-Week Range $31.52 - $52.40	**FQ4**	**FYE (Dec) FY 2023e**	**FY 2024e**
CJS Estimates			
EPS	**na**	**na**	**na**
was	*$0.86*	*$2.90*	*$3.35*
EBITDA	**na**	**na**	**na**
was	$36.2	$131.0	$143.2
P/E			
EV/EBITDA			
Consensus (3 Analysts)			
EPS	$0.86	$2.95	$3.47
EBITDA	$36.7	$133.3	$147.4

We are dropping coverage. In Early October SP entered into a definitive agreement to be acquired by Metropolis Technologies, Inc. for $54/share in cash, a 52% premium to the prior closing price (before the announcement) price and modestly above our prior $50 price target. The purchase price equates to ~19x our prior FY23E cash EPS or ~11x EBITDA projections, respectively. The transaction is expected to close in 2024, subject to regulatory and shareholder approval. Metropolis develops leading-edge technology to enhance customer experiences while enhancing revenue and reducing costs for real estate owners. Metropolis has obtained financing commitments consisting of $1.05B Series C preferred stock and $650mm in debt. Our price target of $54 is in line with the expected takeout price. We view this as a very positive outcome for shareholders.

During the quarter we dropped the following companies as they were acquired

Company	Ticker	Final Rating
Triton International	TRTN	Market Perform

Coverage Key

RL	Robert Labick, CFA	Rlabick@cjs-securities.com
DM	Daniel Moore, CFA	Dmoore@cjs-securities.com
LS	Lawrence Solow, CFA	Lsolow@cjs-securities.com
CS	Charles Strauzer	Cstrauzer@cjs-securities.com
LJ	Lee Jagoda	Ljagoda@cjs-securities.com
JT	Jon Tanwanteng, CFA	Jtanwanteng@cjs-securities.com
CM	Chris Moore, CFA	Cmoore@cjs-securities.com
JA	Justin Ages	Jages@cjs-securities.com

IMPORTANT RESEARCH DISCLOSURES
ANALYST CERTIFICATION
As to each company covered in this compendium report, the respective research analyst (or analysts) certifies that the views expressed in this research report accurately reflect their personal views about the subject security and issuer. Furthermore, no part of their compensation was, is, or will be directly or indirectly related to the specific recommendation or views expressed in this research report.

VALUATION METHODOLOGY
For specific valuation methodologies please refer to the most recently published report for companies mentioned in this compendium report

RISKS
For specific risks please refer to the most recently published report and/or SEC filings for companies mentioned in this compendium report

STOCK RATING DEFINITIONS
CJS Securities, Inc. Equity Research rating system

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.
RATINGS DISTRIBUTION AND BANKING RELATIONSHIPS (AS OF 10/2/23)

CJS Securities provided active research on 94 companies, of which 85 (89%) are rated MO (buy) and 9 (11%) are rated MP (hold) and 0 (0%) are rated MU (sell). In addition to our active research there is company on our Monitor List as of 10/2/23 (no rating, estimates or price target).

The company has received investment banking fees from 4 companies (~4% of the companies under active coverage, 5% of MO rated and 0% of MP rated) and non-investment banking commissions from 11 companies (~12% of the companies under active coverage, ~13% of MO rated and 0% of MP rated) in the past 12 months.

COMPANY SPECIFIC DISCLOSURES:

CJS Securities has either been a Co-Manager or received investment and/or non investment banking related fees from some of the companies mentioned in this compendium report within the last 12 months. CJS also expects or intends to seek to perform investment banking and/or non-investment banking related services over the next 3 months for some of the companies and/or its officers/directors listed in this compendium report. Accordingly the firm may have a conflict of interest that could affect the objectivity of the companies mentioned in this report. In addition some of the analysts have ownership positions in some of the companies mentioned in this report. For specific disclosure details we refer you to our most recent individual company notes or contact CJS Securities, Inc. at 914-287-7600 for more information.

GENERAL DISCLAIMERS

The information and statistics in this report have been obtained from sources we believe are reliable but we do not warrant their accuracy or completeness. Prices and opinions concerning the composition of market sectors included in this report reflect the judgments as of this date and are subject to change without notice. This material is for your information only and does not constitute an offer to buy or sell, or the solicitation of any offer to buy or sell any securities. CJS Securities Inc., its affiliates, directors, officers, stockholders, employees (or members of their families), and accounts with respect to which the forgoing have investment discretion, may have long or short positions in, and may, as principal or agent, buy or sell the securities mentioned herein. This report at issue was not prepared in light of the investment objectives of any particular client of the firm and the firm makes no representation of any kind that the recommendation set forth herein is suitable for any particular investor. Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. The price, value of and income from any of the securities mentioned in this report can fall as well as rise. The value of securities is subject to exchange rate fluctuation that may have a positive or adverse effect on the price or income of such securities. This publication and any recommendation contained herein speak only as of the date hereof and are subject to change without notice. CJS Securities, Inc. accepts no liability for loss arising from the use of the material presented in this report, except that this exclusion of liability does not apply to the extent that such liability arises under specific statutes or regulations applicable to CJS Securities, Inc. This report is not to be relied upon in substitution for the exercise of independent judgment. CJS Securities and its employees shall have no obligation to update or amend any information or opinion contained herein, and the frequency of subsequent publications, if any, remain in the discretion of the author and the Firm.