KEDM LITE

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This week's additions and highlights

1. STRATEGIC ALTERNATIVES

- **DSM-Firmenich (DSFIR NA).** DSM-Firmenich finally sold its ANH unit. While the €2.2bn + €0.5bn earn-out was pretty much in line with what we expected, the market didn't like. Sell the news? Or is the announced buyback too low? Whatever the reason, a reminder that this divestments significantly alters the financial profile of the company, pushing it all to more growth, higher margins, more pricing power. Cyclical headwinds have pushed the share price to strong lows. A catalyst could be the upcoming investor day in March. Quite sure it will be a bullish story.
- **FMC Corporation (FMC US).** FMC recently launched a strategic review. Results remain very weak and 2026 has been guided to be another down year. The review includes a potential sale, though management is prioritizing debt reduction (targeting $1bn via asset sales and licensing), shoring up the legacy portfolio, and managing the post-patent decline of Rynaxypyr. There are some bright spots (eg New Active Ingredients), but the market is not pricing much for recovery... which is where the opportunity comes from. FMC still has some decent assets.
- **OFX (OFX AU).** OFX launched a strategic review after receiving 'an increasing level of inbound inorganic interest', signalling to be open for a sale. The company 'believes that the long-term value of OFX is not reflected in the current share price'. The CFO recently resigned (though was there for 8 years). Goldman Sachs is advising on the review. OFX is not been having a good time, seeing its profitability deteriorate and its share price even faster. The sale would be focussed on the company's infrastructure, which does not seem entirely bad. Interesting.
- **Evoke (EVOK US).** Evoke is a leveraged European gambling operator now exploring strategic alternatives after years of damage from the William Hill deal, regulatory tightening, higher taxes, and messy integration. Market headwinds continue, and a sale of the international online assets looks like the cleanest fix, potentially unlocking some serious SOTP value.

2. NOTICEABLE LARGE BUYBACKS & TENDER OFFERS

- **Spectrum Brands (SPB US).** Spectrum's shares are up ~15% on solid results and a new share buyback, this time to the tune of $300m, or roughly 17% of the current market cap. And if there's one company that has been buying back shares, it's these guys, having bought back over 40% of shares over the past few years. Despite the jump, the shares are just back at levels last seen a year ago. Not much growth, but strong FCF generation. This could be a coiled spring.

- **Norma Group (NOEJ GY).** The sale of the Water Management division brings in roughly €650m of net proceeds which will drastically improve the balance sheet. Management is also returning up to €260m through buybacks and a planned share redemption; this is more than half the current market cap.
- **Scherzer & Co. (PZS GY).** A subscriber flagged the interesting case of Scherzer, a micro-cap (semi-)listed fund focusing on high-growth companies and special situations like corporate actions or restructurings. Good results, shares trading at ~27% discount to NAV and actively buying back shares.
- **Docebo (DCBO US).** Docebo announced a $60m tender offer at a fixed price of $20.4 per share, with an odd-lot provision. Stock trades at $19.5, so 99 shares get you roughly $90 (pre-tax) as odd-lot tenders are usually accepted in full. Plenty of cash on the balance sheet.

3. INTERESTING INSIDER & OTHER LARGE PURCHASES

- **Northrim Bancorp (NRIM US).** Always nice to see insiders buying at bancorps. NRIM has seen the CEO, CFO, CBO, etc. buying quite a bit of shares recently. Good execution, growing b/s, improving profitability, nice returns and ~10x pe. Not bad.
- **Community Bancorp of Vermont (CMTV US).** CMTV is showing even better action from insiders. You should take a look at that chart; consistent and non-stop buying from insiders on the open market even though the share price has done really well. Very strong profit margins. ~11x pe still.
- **Elutia (ELUT US).** Micro cap Elutia has seen a LOT of purchases by insiders on the open market over the past months. Thee did not have a good 2025. It's biotech, so who knows. And it looks like they'll need more money. That's why the recent acceleration in purchases is interesting. Something's coming?
- **KH Neochem (4189 JP).** KH has seen Strategic Cap disclose a 7.9% position. They are now the largest shareholder and seem to have been buying all that Sumitomo has been selling. KH is a cyclical, but one with a strong balance sheet and still high margins, trading at ~10x pe. Too low ioo if the cycle turns.

4. LIQUIDATIONS

- **Fast Ejendom Danmark (FED DC).** FED concluded its strategic review back in October announcing that it decided to liquidate and return proceeds to shareholders (buybacks, dividends, etc). Interestingly, the company recently moved its NAV assessment up, to DKK 300 p/s. Still trading at DKK 240, so ~25% gross upside. It might take a few years, but this is a profitable and actually still growing company, giving some downward protection. Also, we might see the NAV continue to increase in the meantime.

- **RM Infrastructure (RMII LN).** A reminder that RM is in wind-down mode, selling assets and intending to return (part of) the proceeds. Interesting to see larger funds active in such an illiquid stock.
- **KCR Residential (KCR LN).** A consortium of KCR shareholders representing over 20% of the shareholding are asking for a general meeting to basically vote the current directors away and initiate a strategic review. There's not much change of success as Torchlight (~55%) already mentioned it will vote against. But interesting to keep assessed nonetheless; even after the recent share price move, the stock is trading at ~0.38 BV. UPDATE (February 10, 2026) Interesting developments over at KCR. Early signs (e.g. the December 2025 board changes) point toward an eventual wind-up. A reminder that London and Southampton properties are valued at ~£26.5m against c. £14m of net debt. So a liquidation would result in 60–200% upside.

5. NOTABLE 'RUMORS' AND REPORTED INTEREST

- **BILL (BILL US).** BILL is exploring options, i.c. looking to sell itself. No surprises here with Elliott taking a stake and becoming more vocal. BILL's share price has been an absolute disaster over the past years, while revenues and earnings have been moving in the right direction. One major reason for this is the disgustingly high SBC. Just ugly. And this is a 80%+ gross margin company. We get Elliott. UPDATE (February 10, 2026) BILL looks close to be taken out - finally. Hellman & Friedman has been in talks to acquire the company, and we know other PE firms are also circling. The stock jumped almost 40% on the news, helped by a guidance raise, but it's still down sharply over the past year (it's actually just back to the level of a few weeks ago). A reminder that activists (Starboard, Elliott, Barington) have been pressuring Bill to fix performance or sell, and Starboard already secured board seats. Fwiw, some analysts believe a takeout could land in the $59-70 p/s range, well above the current price.
- **IHS Holdings (IHS US).** Good momentum on the back of good asset disposal strategy (so far. In short, in March 2024 IHS announced a strategic review aimed at creating greater value for shareholders. A key focus of this review has been optimizing the portfolio and improving financial performance. IHS targets $500m to $1bn through asset and market disposals, with the proceeds primarily directed toward reducing debt. The results so far have been interesting, selling assets for 14x ev/ebitda while trading at 6x. UPDATE (February 10, 2026) Bloomberg reported that MTN is in advanced talks to buy the 75% of IHS it doesn't already own, with a potential offer price 'roughly in line with IHS's latest NYSE trading level'. IHS shares have already moved sharply higher in recent weeks, and MTN is emphasizing that 'any transaction must fit within its disciplined capital-allocation framework'. Well, this would be pretty strange. I mean, firstly, see our previous comments. Secondly, there are larger shareholders (such as Wendel at ~19% and KIC at 6.5%) who would be idiots at selling out if they even agree a bit with our previous assessment.

6. M&A / MERGER ARB (Incl. CVRs, SPACs, etc.)

- **InPost (INPST NA).** We've hammered a quite a few times that this company is getting sold. And indeed, it's the major shareholders, the CEO, PPF, Advent but also surprisingly FedEx. We believe it's a certainty that this company will be taken out (also because the big guys already own ~50%), either that the €15.6 deal price, or higher (the latter though very improbable). So ~3.2% gross spread to park you cash for 6 months or so, with a tiny chance of a higher offer.

7. ACTIVIST ACTION

- **Reservoir Media (RSVR US).** Reservoir remains a weird one. A semi-busted de-SPAC that has just quietly been doing its job, i.c. acquires music publishing and recording rights and steadily growing revenues and earnings. ~13x forward ebitda for >40% ebitda margins and ~70% FCF conversion (pre-music right purchases). Looks like an easy rinse & repeat model. But the shares just go nowhere. Perhaps that's why Irenic has been increasing its stake (now over 9%) and is becoming louder. Expect more action.
- **Veris Residential (VRE US).** Erez has been pressing Veris to run a full strategic review, pushing for a sale. They argue shareholders could realize $22–25 per share versus roughly $16.6 today. Erez clearly thinks there's far more value to unlock. Still a pretty large gap between NAV and the share price.
- **Strix Group (KETL LN).** Strix sold assets for £110m, it has a strong net cash position and accounced a £10m buyback (~9% of the current market cap). Not bad. The market seems to not yet trust the turnaround. A Lone Star-linked investor recently built a ~6% stake, helped push out the CEO, and bought more stock after the asset (Billi) sale. Expect more.
- **InMode (INMD US).** DOMA Perpetual is a.o. pushing the company to immediately execute a tender offer for 30% of the company and a 10% buyback. InMode is interesting because while growth died out, this is clearly reflected in the valuation (~5x ev/ebitda on FY24e), while cash flow generation is expected to remain extremely strong, which would come on top of a net cash position of ~50% of the market cap. **UPDATE (February 10, 2025)** Inmode approved another buyback, this time 10%, to be completed over the next 3-6 months. That would be 27% in <15 months. **UPDATE (February 10, 2026)** InMode confirmed it reaived an offer from Steel Partners for 51% of the shares at $18 and is now running a strat review. Just sayin'.

8. INTERESTING SITUATIONS …but not exactly event-driven or special sit

- **Universal Music Group (UMG NA).** It's no surprise that AI is killing software stocks here and there. But there are some pretty large names getting thrown into massive uncertainty as well where we doubt AI will be a massive headwind. UMG is a clear example. But UMG's catalog is pretty unique with plenty of monetization potential left. There's also a US listing (somewhere) in the pipeline. Meanwhile the shares are trading below IPO price, with much improved fundamentals.

- **Magnolia Bancorp (MGNO US).** We flagged this tiny stock a year ago in connection to a conversion to a federal stock S&L. We flag it again as the shares have started to break-out. We're certainly no chartists, but we appreciate interesting moves. Also, Magnolia recently announced its first buyback. This thing just looks interesting.
- **Minera Alamos (MAI CN).** With gold at $5,000 its strange to see Minera Alamos still at C$5.75. This miner has a ton of production coming only over the next quarters, and 5 mines totaling US$4.4bn in NPV (vs US$ 460m market cap) with little capex. It's a junior miner, so ofc discount this any way you like. But still, shouldn't be trading at these levels in our view. Insiders have been buying in decent size.
- **Uniti Group (UNIT US).** We like the improved momentum over at Uniti Group (Group!). Uniti has a credible break-up story that could unlock far more value than what the current share price reflects. Mgt is looking to sell the Kinetic unit for roughly $6bn (~15x ebitda) and the Solutions segment for another $1-2bn. Those two pieces alone are worth ~$8bn, versus UNIT's ~$11bn enterprise value. That leaves the core Fiber Infra (the interesting assets, with rapidly growing hyperscaler demand) at just $3-4bn, even though comparable fiber assets trade at in the high-teens ev/ebitda. Big debt burden, but refinancings helped and so will asset sales. Oh, and Elliott owns ~25%.
- **2CRSi (AL2SI FP).** 2CRSi is up +150% since our flag in June, but the thing remains cheap. The company seems to be increasingly riding the AI infra tailwinds, continuing to announce new contracts for ao AI servers. Recent results show H1 revenues of ~€200m, up almost 10x yoy. It's lumpy business, but at is 9x ev/ebitda for >100% ebitda growth and a clean balance sheet realistic?

9. MISCELLANEOUS (Asset sales, out-of-bankruptcies, IPOs, up- and delistings, etc.)

- **Medical Facilities (DR CN).** Medical Facilities keeps selling assets at a (much) higher multiples compared to where the stock is tradingt at. Management is recycling proceeds straight into buybacks, having already retired over 40% of the share count since 2022, and they remain open to more divestments. The recent $46m sale of Oklahoma Spine fits the pattern, and another buyback announcement looks likely.
- **Ponce Financial (PDLB US).** Ponce Financial is a NYC community bank with a strong catalyst. Its $225m ECIP preferreds can be redeemed in Q3 26 at just 7-28% of par, creating roughly $160-210m of common-equity uplift. This is $6.75-8.50 per p/s in value. So we're paying ~0.8x book (post-redemption). Interestng risk/reward.
- **Birchtech (BCHT US).** Birchtech is a small company that seems on the verge of inflecting growth in an interesting industry, with some added kickers. Specialising in pollution control systems, management is guiding for $25m revenues in 2025, which would be almost +50% yoy and imply a strong acceleration over Q2-Q4. The company is also involved in various lawsuits, with wins potentially adding $60-160m - a nice tailwind for $66m market cap.

- **Kyntra Bio (KYNB US).** Slowly but steadily interest in pre-revenue biotech is increasing. This is a sector that has been starved for capital over the past years. Not that it is an easy one (we have no idea), but there are interesting set-ups to be found. Kyntra is an example, with a recently replenished balance sheet ($120m net cash on a $33m market cap) and upcoming topline data (in mCRPC) in a few weeks. Again, no idea, but this one screens like could be zero or could be a multi-bagger.
- **Fasadgruppen (FG SS).** Fasadgruppen is launching a rights issue to strengthen its balance sheet and 'position the company for its next growth phase'. The business has shown clear operational improvement (positive organic growth in 2H25 and record operating cash flow) helped by a sharper operating model and better efficiency. Market conditions are also improving, with regulatory-driven renovation demand in Europe and early signs of recovery in the UK. This is a growing, cash flow generating company with decent margins. SEK 15 subscription price (SEK 23 p/s today).

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