KEDM LITE

Vol. 3
Feb 24, 2026

This week's additions and highlights

SPIN-OFFS

- **Ramsay Health Care (RHC AU).** Ramsay is planning to spin-off its struggling European arm, Santé, expected Q4 26. This immediately revived the takeover angle here. By carving out the lowest-margin, most complex part of the group, Ramsay removes the very obstacle that derailed KKR's 2022 bid. The CEO wouldn't comment on M&A, but the move seems as a clear simplification that makes the Australian hospitals business cleaner, higher-visibility, and easier to value.
- **Medtronic (MDT US).** Medtronic continues to prepare for the spin of MiniMed, its Diabetes unit. The spin remains on track for Q4, ticker MMED. This will be an interesting spin, as the unit is ~10% of total revenues, but is one of the key growth drivers of the group.
- **Carlsberg (CARLB DC).** Generally too large for our taste, but interesting nonetheless. Carlsberg is preparing a potential $700m IPO of its India business. A listing would follow other multinationals tapping India's higher valuations. Carlsberg India is the country's #2 brewer with ~22% market share and about ₹90bn ($1.1bn) revenue in FY25.

STRATEGIC ALTERNATIVES and REVIEWS
(potential take-outs, divestments, M&A, etc.) (one year rolling)

- **Johnson Matthey (JMAT LN).** Honeywell forced a price cut to keep its deal for Johnson Matthey's Catalyst Technologies alive. After months of delays, they lowered the price from £1.8bn to £1.325bn (and was close to walking away altogether). The market doesn't like it, with JMAT shares down 17%, but management is sticking with the sale, arguing it still makes sense strategically. That said, the interesting part here is that the deal is done, and we can focus on capital returns, with around £1bn indicated to be handed back via a special dividend and buybacks once the deal closes. Quite a bit on a £3.2bn market cap.
- **Domo (DOMO US).** Domo will be exploring strategic alternatives. The market has not been kind to this company as growth strongly decelerated in 2023-2024. With that, the focus shifted towards profitability, where there's plenty of opportunity still with roughly 75% gross margins. Domo will finally achieved positive EBITDA this year. To note that, despite the typical disgusting software SBC, management regularly purchased shares on the open market. Undoubtedly the share price has been hammered by the pressures from AI as well. We generally like to see the price stabilise, which it doesn't seem to be anywhere close to, but already ~10x EV/EBITDA for what could be 20-30% EBITDA growth p.a. over the medium-term.

- **EnVVeno (NVNO US).** Busted, net-cash biotech EnVVeno has seen several funds increasing positions and become more active on the name, pushing for basically a liquidation. No idea about the pipeline value left (if any), but with $31m net cash on a $7m market cap, we get the pressure.
- **Braemer Hotels & Resorts (BHR US).** Braemer is evaluating strategic alternatives, and concluded that a sale is the best option. Quite some debt. Trading at ~0.3x BV. **UPDATE (February 24, 2026)** Interesting BHR read-through from Host Hotels & Resorts (HST). Host recently sold its Four Seasons for $1.1b at ~$1.9m/room, showing good remand from luxury-hotel buyers. A very useful comp for BHR, where leverage makes any move in hotel-level EBITDA multiples hit the equity quite hard. Not all of BHR is luxury of course, but with several refurbishments finishing in 2025 and a cleaner portfolio, a takeout closer to mid-teens multiple isn't crazy.

NOTICEABLE LARGE BUYBACKS & TENDER OFFERS
(six months rolling)

- **BlackRock Smaller Companies Trust (BRSC LN).** BlackRock Smaller Companies Trust and BlackRock Throgmorton Trust have agreed to merge into a single £780m vehicle. The two portfolios already overlap quite a bit, and the combination is meant to lead to greater scale, better liquidity, and lower fees. Shareholders in both trusts will have a cash-exit option (38% of Throgmorton shares, 28% of Smaller Companies) at 99% of NAV. Saba Cap, a major holder in both, supports the deal. Seems like a 7-9% gross upside with pretty low risk.
- **Bandwidth (BAND US).** Bandwidth popped a $80m buyback, roughly 18% of its market cap. No idea what is going on here (hey, we can't research it all), but 5 analysts are seeing some massive EBITDA growth going forward, puttng the $80m well within a year's cash-flow generation. Capitalsing that $100m FCF estimate at 8% (just guesstimating here), gives you multi-bagger potential. Worth a look.
- **The Cheesecake Factory (CAKE US).** CAKE announced a 10% buyback. Nothin' wrong with cake.

INTERESTING INSIDER & OTHER LARGE PURCHASES
(six months rolling)

- **VivoPower (VVPR US).** This one is only for those with a REALLY strong stomach. VivoPower's Tembo unit plans to merge with the CCTS SPAC at a supposed ~$900m valuation, wildly above VivoPower's own ~$40m EV (for the entire company). The deal is expected to close in March. The company also wants to spin off its crypto arm, Caret Digital, on Nasdaq. In March 2025, VivoPower received a non-binding takeover offer from Energi Holdings and granted exclusivity if the bid is raised to $180m EV. By April, the company said it would pursue all paths: the Tembo SPAC deal, a Caret IPO, and selling remaining assets to Energi. In June, VVPR went closed a $121m private placement to buy XRP. More recently, VVPR closed a $30m PIPE convert at a $6.80 conversion price. Also, the company disclosed that board members increased their shareholdings by 2.65m. Good chance its all hot air. But if it isn't...

- **Cosmos Health (COSM US).** Cosmos' CEO is hammering that Buy button. His hands must hurt. Interesting as Cosmos recently announced a review of strategic alternatives, mainly focussed on selling assets. It mentioned that its real estate portfolio value exceeds its market cap.
- **Pearson (PSON LN).** Not yet in full activist mode, but getting there. Cevian is at 18% and Artisan at 10%. The stock is down big time on AI-disruption fears, despite a multi-year shift toward AI-enabled education tools. Artisan says the market is mispricing Pearson as an AI loser and is 'open' on a potential US listing. Cevian has previously pushed for exactly that. There a good chance this one will be taken out, in our view.
- **Cineverse (CNVS US).** Cineverse recently completed the IndiCue acquisition for $22m (cash and stock). It's always interesting to keep an eye on transformative acquisitions. The deal is a strong shift toward a full streaming-infra platform. Cineverse now targets FY27 revenue of $115-120m and $10-20m adj. ebitda. If that's really the case, than the +30% share price move seems WAY too low. Worth checking out. **UPDATE (February 24, 2026)** Seven insiders have been buying the stock recently. Very intersting action given what's going on (see previous comments).
- **National Research (NRC US).** Another interesting company where insiders are buying is NRC. Not the best share price performance over the past years (to be nice) on slownig topline growth and margin pressure. But NRC is signaling a cleaner growth setup heading into 2026, with TRCV (total recurring contract value) up 8% yoy in the recent quarter, now five straight quarters of sequential gains. Revenue is still working through the drag from last year's attrition, but the sequential uptick shows the go-to-market overhaul seems to be taking hold. Management is leaning on a rebuilt sales model, stronger retention, and product momentum (Rounding nearly doubled TRCV), and expects TRCV strength to translate into actual revenue growth in 2026. Let's see,

LIQUIDATIONS

- **CCA Industries (CAWW US).** CCA is a tiny consumer-brands company that has been selling off products to raise cash. After selling Lobe Miracle and Bikini Zone, it has about $4.6m in remaining sales, high gross margins, and roughly breakeven results, but very little cash and some debt. The brands and assets could add up to $1.00-1.50 per share, helped by large tax losses. The main risks are cash burn, messy litigation, and uncertainty over whether management or Biglari will actually unlock the value.
- **NextEnergy Solar Fund (NESF LN).** Not a liquidation - yet - but we feel that this might be close. NESF is undergoing a strategic review and will provide a larger update in March. Its NAV cotninues to slip as lower power-price forecasts are cutting through the model. The recent NAV/s fell to 84.9p, down 13% yoy, with weaker winter irradiation also dragging on generation. But the fund is keeping tis (quarterly) dividend and reaffirmed the 8.43p full-year payout (roughly 17% yield). Shares trade near 50p, a steep discount to NAV, over 40% discount. Clearly something must happen.

NOTABLE 'RUMORS' AND REPORTED INTEREST
(one year rolling)

- **Arcellx (ACLX US).** Arcellx is to be acquired by Gilead for $115 p/s in cash and a CVR potentially worth $5. Given the big premium, very good chance this deal will go through. At $114 p/s, you're not paying much for the CVR.

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. **UPDATE (February 24, 2026)** Interesting to flag that Norges Bank, managing the world's largest sovereign wealth fund, has been adding to InPost, now at roughly 7% of voting rights. Interesting as you need 95% in the Netherlands to squeeze out minorities. Of course there's a ton of other ways to deal with it. But these guys are huge, and adding. While they're generally not active... could it be that we'll be seeing more action?? (and rightly so!)
- **Raksul (4384 JT).** Very interesting developments over at Raksul. This one popped on the screens as funds keep adding en masse even after a deal was announced. From what it looks, Raksul's management is trying to take the company private at ¥1,700/share, a price that looks far too low. The deal would give the founder and president 50% voting control while they keep under 9% economic ownership. The offer seems to ignore Raksul's option to regain a large stake in Josys, which the CFO once said could be valued around $500m, or ~¥650+/share. Executive incentives struck at ¥8,500–¥17,000 also imply far higher value. Now we understand activists trying to force a higher bid.

ACTIVIST ACTION
(1 year rolling)

- **Fiserv (FISV US).** Jana Partners has been building a stake and is pushing for changes to get the share price moving again. But so far no hostility (yet); the fund still supports the (relatively new) CEO and his push to reset expectations, improve execution, refresh the board, and sharpen the strategy. Jana wants Fiserv to focus harder on its core banking franchise and review non-core assets, backing management's 'One Fiserv' plan. Let's see – feels like there's much more coming.
- **Funko (FNKO US).** Funko is now firmly on activists' radar. Pleasant Lake built a stake and is pushing the company to sell itself, arguing the stock is deeply undervalued after a long slump. Funko's business has struggled quite a bit since the post-Covid collectibles boom faded, and the share price reflects that pain. Interestingly, Pleasant Lake also disclosed it's ready to participate in a take-private itself. So looks like Funko is in play.

- **Pebblebrook Hotel Trust (PEB US).** Pebblebrook announced a new $150m share buyback, ~12% of the market cap. They company bought back quite a bit in 2023 but has otherwise been quiet. Pebblebrook shares are trading at <0.5x BV. **UPDATE (February 24, 2026)** Pebblebrook is being targeted by Palogic, urging it to move with actions to close the REIT's pretty large discount to NAV. It welcomed the board refresh and withdrew its own director nominees but said the core problems remain: slow and inconsistent buybacks, weak capital allocation, and excessive executive pay. Palogic wants to see (more) asset sales, more aggressive repurchases and even a full sale if public markets continue to undervalue the portfolio.
- **Nano Dimension (NNDM US).** Oramed Pharma expressed its discontent with the company's strategy. Nano continues to more or less bobble at the lows. They also reiterated that the strategic review is progressing. NNDM has been all over the place over the past years as it tried to just 'do something' with its massive cash balance. NNDM has over $800m net cash on its b/s compared to a $420m market cap. The company previously adopted a $150m buyback plan, and has been buying back shares each quarter. The share price doesn't care as it probably expects the cash to be squandered on another acquisition. That said the opportunity here is ofc that the thing just gets sold.
- **Riot Platforms (RIOT US).** Activist Starboard Value was reported to have built a 'significant' stake in RIOT and has been pushing the company to move capacity towards big data-center operations. We have seen this before, and would transform the earnings profile from very volatile (ic Bitcoin mining) towards very stable given LT contracts. Might strongly rerate the company if achieved. UPDATE (February 3, 2025) The pressure is building at RIOT, with Bloomberg reporting that DE Shaw has built a position and could be pushing for changes.

'INTERESTING' SITUATIONS - but not exactly event-driven or special sit
(9 months rolling)

- **Lifecore Biomedical (LFCR US).** We flagged Lifecore back in 2023 on the dip, and are flagging it again today, but on more fundamental reasons. Lifecore is a small CDMO sitting on a business with clear operating leverage and strong customer stickiness. It had some issues, there was some Fintwit hype, it sold some assets, but is now running steadily at ~15% EBITDA margins while using only a bit (20-30%) of its expanded capacity, leaving substantial upside as volumes fill. So there's plenty of room to grow. Also interesting, management has openly signaled that a sale in the next couple of years is the preferred endgame, which where peers are trading at makes sense. Might take another few years as capacity ramps, but there seems to be a clear path to higher multiples on higher earnings.

MISCELLANEOUS
(asset sales, out-of-bankruptcy, IPOs, uplistings, etc.) (1 year rolling)

- **JFB Construction (JFB US).** Israeli drone company Xtend intends to list on the Nasdaq at a $1.5b valuation after a reverse-merger with JFB. Investors include Eric Trump. JFB is a small Florida-based shell. The combined company will trade under XTND. Xtend positions itself as a US-based provider of 'AI-driven autonomous defense and security drones', with plans to expand production in Tampa and accelerate deliveries to US, NATO, and Asian customers. Upon closing, Xtend shareholders will own ~70% and JFB shareholders ~30% of the combined company.
- **Remitly (RELY US).** Founder / CEO Mr. Oppenheimer steps aside as CEO of Remitly, making way for S. Gunningham. Remitly reported a monster quarter and already raised their guidance for 2026. We detailed the payment space back in November (Vol #250). Gunningham will take a $350k base salary, with RSUs vesting once the share price reaches $20, $25, $32, $40, and $50. With shares currently around $17 (and $12 at the time of our write-up), it's clear the CEO will only get paid after shareholders.
- **Azelis (AZE Belgium).** Azelis' largest shareholder, EQT, sold its last batch of shares (~10%). The large shareholder overhang has often been viewed as one of the main reasons for the company's discount vs its main peer IMCD. The market is already liking this, with shares trading roughly 8% higher vs the executed price. Azelis is a high quality company that got clobbered amidst the recent macro volatility and some (temporary) company-specific issues. While the current tariff volatility caused some pressure on customer demand, this is a relatively resilient business. Even more, PE loves this as the resiliency creates leveraging opportunities. So either the market turns at some point (and so will the shares), or some other PE fund will take them out (ioo).
- **Soitec (SOI FP).** Soitec is finally getting a real semiconductor operator at the helm. The new CEO will step in in March, and is a RF/sensors veteran from Infineon with deep STMicro ties. The market is liking this alreay, with the stock jumping on both the departure of the old CEO and the appointment of the new one. Combining a credible new CEO with a trough RF cycle, a photonics SOI business that can add €250-300m over time, and a valuation at ~€1.5bn EV vs €6bn in the last cycle, and Soitec might finally screen intereting again.
- **Polytec (PYT AU).** Polytec recently announced the sale of its loss-making UK painted-exterior operations to WHS Group. This is a major strategic clean-up. The unit, roughly 9% of group revenue, had been under heavy competitive pressure and consistently loss making. Deconsolidation should materially lift earnings, potentially adding 20-30% to 2026 ebit, while also reducing net financial debt. Polytec retains the underlying real estate, improving economics further. The stock trades at just 0.3x book; should the turnaround succeed, we could see meaningful upside. **UPDATE (February 24, 2026)** Funny action over at Polytec (for us, not the company). The shares recently dropped after an analyst accidentally circulated a draft note with a €2.20 Sell target, later corrected the same day to €4.03 Reduce. Quite an impact, also given that there are only three analysts covering the company. The shares have still not fully recovered. Polytec recently reiterated FY2025 guidance of €660-680m revenue, ~2.5% EBIT margin and a positive net result. Still an interesting set-up; check out our previous comments.

Disclaimer

The information contained in this publication has been compiled by KEDM Inc. ("KEDM"), a body corporate incorporated pursuant to the laws of the State of Delaware. KEDM believes the information contained is from sources (including third-party sources) believed to be reliable, but no representation or warranty, express or implied, is made by KEDM, its affiliates, or any other person or company as to its accuracy, completeness, or correctness.

This publication makes no recommendations whatsoever regarding buying, selling, or holding a specified security, a class of securities, or the securities of a class of issuers, and is for educational purposes only. You are required to conduct your own due diligence, analyses, draw your own conclusions, and make your own investment decisions. Commentary is provided without reference to any investment strategy or product offered by KEDM. This publication is intended solely for institutional and sophisticated investors, and only in jurisdictions where such materials may be lawfully received.

This publication is not, and under no circumstances should be construed as, a solicitation to act as a securities dealer or adviser. The opinions and forward-looking statements, if any, expressed in the publication are those of the publisher and are subject to change without notice. The information in the publication may become outdated and there is no obligation to update any such information. Past performance is not a guide to future performance, future returns are not guaranteed, and a loss of original capital may occur.

TO THE FULL EXTENT PERMITTED BY LAW NEITHER KEDM NOR ANY OF ITS AFFILIATES, NOR ANY OTHER PERSON OR COMPANY, ACCEPTS ANY LIABILITY WHATSOEVER FOR ANY DIRECT, INDIRECT, OR CONSEQUENTIAL LOSS ARISING FROM, OR IN CONNECTION WITH, ANY USE OF THIS PUBLICATION OR THE INFORMATION CONTAINED HEREIN. KEDM AND ITS AFFILIATES EXPRESSLY DISCLAIM ANY GUARANTEES, INCLUDING, BUT NOT LIMITED TO, FUTURE PERFORMANCE OR RETURNS.

Links contained within this publication are believed to be accurate but the use of linked sites is at the user's risk. This publication does not endorse any linked site.

Certain names, words, titles, phrases, logos, icons, graphics or designs in the pages of this publication may constitute trade names, registered or unregistered trade-marks or service marks ("Trade-marks") of KEDM, or of third parties and used under license by KEDM. However, the display of Trademarks on pages of this publication does not imply that any license has been granted to any third party.

There is a risk in trading markets. We are not registered investment advisers. Do your own due diligence.