



# KEDM Lite Vol. 8

March 31, 2026

Actionable event-driven trades  
and special situations.

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MONITOR

**A quick note: next week is Easter, and we will be taking the week off. We will be back with another publication on April 12<sup>th</sup>. As a reminder, we promise our subscribers 42-46 publications per year, and this will be our first week off.**



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## This week's additions and highlights

### 1. SPIN-OFFS

- **AnaptysBio (ANAB US)**. ANAB announced that it plans to explore separating its business into two independent, publicly traded companies in 2026.

**UPDATE (March 31, 2026) AnaptysBio approved the spin. First Tracks (TRAX) is expected to begin trading around April 6. The set-up here is interesting in that it will separate the royalty business from its clinical stage biotech unit. These two should have much different size, fundamentals and thus valuations. Royaltyco will hold and continue to manage the rights to the potential substantial Jemperli royalties from GSK and imsidolimab milestones and royalties from Vanda (VNDA). Could provide for an interesting trade.**

- **KBR, Inc. (KBR US)**. With the share price continuing to be under pressure it might be good to remind that KBR is still on track to separate its Mission Technology division in the second half of the year. KBR is reshaping itself from a low-margin engineering contractor into a higher-quality services and technology business with two relatively strong divisions. Mission Tech should benefit from strong demand for defense and space support services, including military logistics, training and cybersecurity. Splits with quite some differences between spinco and remainco are always interesting to keep an eye on.
- **Aptiv (APTV US)**. Generally way too large for out taste, but this one could be interesting nonetheless. Aptiv is proceeding steadily with the preparations for the upcoming spin of its electrical distribution systems operations, planned for Q1 26. This business could be having quite some tailwinds given increasing content in cars. Aptiv did ok over the past year, but the overall valuation has come down big time over the past years as on declining growth, end-market worries, tariff uncertainty and increasing leverage.

**UPDATE (March 31, 2026) A reminder that Aptiv's electrical distribution systems divisions Versigent will soon start trading (record date was March 17). This is an interesting business with some competition from Chinese OEMs, though increasing protectionist measures create some barriers, as well as the quality of (parts of) the business. As with every spin, interesting to keep it assess, particularly given the current market volatility.**

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

- **mySafety (SAFETYB SS)**. Small and Swedish insuranceco mySafety announced that it will be review strategic alternatives to maximize shareholder value (what else). Interesting as the press release was not in English (like all PRs), there is no coverage on the stock, growth is decent, profitability is moving in the right direction, and <7x EV/EBITDA.
- **Aterian (ATN LN)**. Pico-cap miner (with very decent liquidity, given the size) Aterian reiterated that its strategic review is going well and that discussions with potential counterparties are constructive. Management repeated that it believes the share price is not reflecting the true value of its portfolio of consumer brands and is actively looking at ways to close that gap (ic sell the company). Interesting that the company also mentioned that it expects to provide another update by mid-April; which would be a bit sooner than usual for their FY update. Hmm...
- **RE Royalties (RE CN)**. RE Royalties launched a strategic review 'to maximize shareholder value' and hired PwC for the process. Management says the review follows steady growth and a strong pipeline, with multiple near-term renewable projects under consideration (\$20m in LOIs signed and \$200m in 'potential investments under review'). Roughly 50% of the market cap in net cash.
- **Pacific Lime and Cement (PLA AU)**. PLA launched a strategic review for its 100%-owned Star Mountains copper-gold project after receiving 'inbound interest'. Interesting as the project is a genuinely large-scale system: 450Mt at ~0.5% CuEq with strong gold leverage, near-surface higher-grade zones and historical drilling that includes standout intercepts like 596m at 0.61% Cu and 0.85 g/t Au. In other words, at current copper and gold prices this project could be worth billions. Pre-rev still of course, but interesting nonetheless.

## 3. NOTICEABLE LARGE BUYBACKS & TENDER OFFERS (six months rolling)

- **BlackRock Latin American Investment Trust (BRLA LN)**. BRLA is launching a tender offer after failing to meet its performance and discount targets over the past four years. The fund underperformed its benchmark and traded at a wide average discount, which automatically triggered action under its discount control rules. The tender is for up to roughly 25% of the company's shares at 98% of NAV. Currently trading at a ~6.7% discount.

- **Sturm Ruger (RGR US)**. Beretta recently disclosed a 7.7% stake in RGR. The shares had a good run, but are basically unchanged over the past year. The industry had a few tough years but there are some signs that this might be turning. And Beretta adds a very interesting data point on that.

**UPDATE (March 31, 2026) The gun fight between Sturm Ruger and Beretta continues (... sorry). Beretta is now looking to lift its stake to 30% from ~10% with a partial tender at \$44.80 (currently roughly \$40). Ruger's board, which owns almost none of the stock, is fighting back with a poison pill. It's not hard to see Beretta as a logical owner; little product overlap, clear cross-selling upside, and no antitrust issues.**

- **Recordati (REC IM)**. Generally too large for Lite, but interesting nonetheless. CVC (who already owns ~47% of Recordati) is looking to acquire the rest via a tender at €52 p/s, compared to €48.8 today. Pretty good chance this will go through.
- **Interactive Strength (TRNR US)**. TRNR is tiny, with decent liquidity and a lot going on - which means potentially explosive. The company closed the acquisition of Ergatta, adding a profitable, subscription-heavy connected-fitness business to the portfolio. Ergatta is expected to generate \$10m+ of 2026 revenue with ~30% EBITDA margins and >98% monthly net retention, giving TRNR a clear path to scale and near-term profitability. The deal cost \$8.8M upfront (cash, debt, equity), with earn-outs taking the max value to \$19.5m (still under 5x EBITDA if targets are hit). TRNR also received \$6.4m from Sportstech, strengthening liquidity. Overall, the company is projecting \$30m revenues this year. They also announced a \$500k buyback, which is roughly 22% of the current market cap.

#### **4. INTERESTING INSIDER & OTHER LARGE PURCHASES (six months rolling)**

- **Comstock (LODE US)**. MAK Capital disclosed a 8.1% stake in Comstock. This is an interesting company. Comstock has nearly completed a major transformation from a traditional mining company into a clean-energy and recycling platform. It has sold (or close to selling) its mining and real-estate assets for substantial cash, while its solar panel recycling business is about to reach profitability and scale rapidly with low capital needs and strong margins. At the same time, Comstock has spun out a biofuels business backed by a major industry partner, creating additional upside. So a ton of progress, the thing is really inflecting, the balance sheet is strong and there is quite some optionality on other projects. Comstock could be trading at 1sd EV/EBITDA looking out a few years.

- **Butler National (BUKS US)**. Butler continues its strong run, and insiders continue to buy. That is a combo we love to see. The last quarter (ending Jan. 2026) showed very strong, accelerating revenue growth and an EBITDA margin of >40%. As a reminder, Butler has a casino and an aerospace business (because why not). It's mainly the latter that is performing quite well. Plenty of aircraft need (military) modifications. Still 8x LTM EV/EBITDA (though EBITDA can be lumpy), strong margins, ramping cash flow, no coverage.
- **Ag Growth International (AFN CN)**. Lots happening at Ag Growth. The shares dropped quite a bit on poor results and the dividend cut. The CFO recently resigned. Shareholder Plantro is publicly pushing the company to launch a full sale process, arguing the company's latest earnings and restructuring plan show AGI can't credibly turn the company around, and flagging the attractive core grain infrastructure. But insiders seems happy with the current share price, as they've been actively buying the dip. Now at roughly 6x EV/EBITDA.
- **F&M Bankcorp (FMBM US)**. FMBM continues to see a lot of open market purchases by insiders. Great to see when the share price continues to move in the right direction. Earnings also continue to improve. ~10x PE on the last set of results.
- **Arq (ARQ US)**. More dip-buying from insiders at Arq. Arq continues to recover after the big drop on poor results. While indeed poor, the reaction did seem excessive. There are quite a few moving parts in the business here, and a few are doing well. The company is growing and increasing operating earnings. ~9x EV/EBITDA on FY26e for what could be >50% ebitda growth p.a. over the medium-term (post 2026). Will need more cash to fund growth though.

## 5. LIQUIDATIONS

- **CVD Equipment (CVV US)**. Microcap CVD initiated a review of strategic alternatives to enhance efficiency and profitability. The review is '...for businesses and product lines, including the potential sale or divestiture of assets or business lines.' Strong b/s (~60% of the market cap in current assets - total liabilities), with good growth and margin expansion over the past 12 months.

**UPDATE (March 31, 2026) Not officially a liquidation, but getting close (we think). CVD agreed to sell its Stainless Design Concepts division for \$16.9m, o/w \$15m after taxes and fees. This will bring total net cash on the b/s at ~80% of the market cap. The company will continue to assess its portfolio.**

- **Stratus Properties (STRS US)**. Stratus announced a \$20m buyback, roughly 13% of its market cap. Trading at 0.53x BV, the company has been selling some assets. Might be interesting to check out.

**UPDATE (March 31, 2026)** Just a few months ago, Stratus announced that it would review strategic alternatives to 'maximize value'. The review clearly mentioned 'a plan of dissolution and liquidation'. No surprise to see they've already finished the strategic review, deciding to liquidate and distribute the net proceeds to shareholders. Interestingly, recent asset disposals (Kingwood Place, Lantana Place, and West Killeen Market) were above book value. Trading at ~0.75x book.

## 6. NOTABLE 'RUMORS' AND REPORTED INTEREST (one year rolling)

- **Jefferies (JEF US)**. Generally way too large for KEDM Lite, but interesting nonetheless. The FT recently reported that Sumitomo Mitsui Financial Group (SMFG) is interested in buying Jefferies. SMFG already owns a small stake and has openly said it wants to build that position to around 20%. We're not expecting a takeover soon, but it does provide some upwards pressure in this battered stock, already trading at an interesting valuation. Should the share price continue to drop, we would not be surprised to see SMFG step in big-time.

## 7. M&A / MERGER ARB (incl. CVRs, SPACs, etc.)

- **Cab Payments (CABP LN)**. The telenovela continues, with CAB pushing back hard on Helios, calling its bid 'unrecommendable' and urging the 45% shareholder to raise its offer. Helios refuses to give an irrevocable undertaking to support the higher 95p StoneX proposal, insisting its own ~86p bid is the only deliverable option. CAB blames Helios for blocking a competitive process while demanding information that slows the process. At ~10x forward PE with the company coming out of a few tough years and projecting growth again, this remains an interesting set-up.
- **Kezar Life Sciences (KZR US)**. We flagged this one back in October and it pretty much ended up as expected with Tang on board. Kezar will be acquired by Aurinia Pharma for \$7 p/s in cash and a contingent value right. The last one is interesting as it is tied to three things: progress or a possible sale of Kezar's lead drug (zetomipzomib), proceeds from existing partnerships and asset sales, and 100% of excess cash Kezar has at closing above \$50m. Net cash was roughly \$85 as at FY25. Just sayin'.

- **Checkit (CKTLN)**. We can't remember ever seeing such a long press release from a company stating that it intends to sell itself, and much less given the small sign. Checkit states that '...there is a disparity between the Company's improving performance and its valuation on AIM...' and proceeds with a long explanation of why it makes sense to sell itself, mentioning also that it received 6 expressions of interest in the past 9 months. It's fair to say that growth has been decent, and ~70% gross margins (and expanding) are not bad either.

## 8. ACTIVIST ACTION (1 year rolling)

- **Teleflex (TFX US)**. Teleflex shares recently dropped over 10% to almost decade+ lows on a guidance cut and the news that the CEO resigned. Might be an interesting time to look at Teleflex. The stock has come back from extreme overhyped levels, we might see some kitchen sinking from the new CEO and the company recently sold assets for \$1.8bn in net proceeds (~37% of the current market cap). Decent financials still, and quite some upside should growth and margin expansion pick up again.

**UPDATE (March 31, 2026) The action is picking up. Irenic is escalating its campaign against Teleflex, calling for board changes and demanding the company to engage with potential buyers, saying it knows of 'multiple interested parties'. Teleflex itself is focused on completing previously announced divestitures, which are expected to generate \$1.8bn in net proceeds in H2 26. That cash will fund a large share buyback and debt reduction. Expect more action.**

- **Tecan Group (TECNSW)**. We might finally see some action at Tecan. Spectrum Entrepreneurial Ownership disclosed a stake (3.4%) in the company, calling it undervalued. Tecan did not have the best time over the past years on weak performance and increasing investor skepticism about the strategy. Management is working on a turnaround plan to restore profitable growth, but SEO might provide some more pressure. SEO has a track record of pushing strategic change at Swiss companies. ~10x EV/EBITDA - this company has even seen 30x in the past.
- **Radcom (RDCM US)**. Activists continue to pop up left and right at this interesting company. Lynrock Lake is at roughly 20% and has been pushing for a strategic review (clearly a sale). Now Value Base (5.4%) is looking to clean up the board. Expect more: good growth (leaning into AI/5G tailwinds), 75%+ gross margins, plenty of operating leverage, ramping cash flow, ~60% of market cap in net cash, <10x PE. However, keep in mind the relatively high customer concentration and lumpiness of bookings.

- **Rapid7 (RPD US)**. Another interesting company that has been suffering is Rapid7. If you're an unprofitable softwareco valued like crazy with disgusting SBC, and growth starts to decelerate... well, you know. Growth remains subdued, but Rapid has been working hard at cutting costs. This seems to be working, with strong jumps in profitability. Also interesting to note that management and activists have been buying shares. A reminder that Jana has been pushing for a sale and that there have been reports about discussions with Advent, Bain and EQT. Maybe something soon?

**UPDATE (March 31, 2026) JANA is moving closer to increase its stake in Rapid7. The activist struck a Nomination and Support Agreement with the company, adding JANA's board nominee to the 2026 slate. The deal also allows it to increase its stake up to 19.9%. Edging closer. Meanwhile the shares just continue their drop.**

- **Nidec (6594 JP)**. Oasis is increasing the pressure at Nidec, and continues to increase its stake (now almost 7%). It seems to be a good moment for the activist: Nidec recently disclosed accounting issues and governance failures tied to founder Shigenobu Nagamori (who still owns 8.3%). Oasis is urging for a restructuring of the automotive division and of course board changes. The valuation is interesting, sitting at ~7.5x EV/EBITDA on current assets + investments, net of total liabilities.

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

- **Petra Diamonds (PDL LN)**. Petra Diamonds looks interesting. The company owns two quality diamond mines in South Africa but trades at a very low valuation due to years of financial distress, high debt, and dilution fears. But a lot has changed; they completed a refinancing removing bankruptcy risk and giving it several years of runway, and operations are improving with good cost control and better mix. In short, while not for the faint of heart given still obvious risks, this looks like an interesting levered option.
- **2CRSi (AL2SI FP)**. KEDM Lite favorite 2CRSi continues to win, driven mainly by massive AI data center spending. Still, we weren't expecting this kind of momentum: the company reported H1 25/26 results (December 2025), upping FY revenue guidance to €400m from €300m and introducing 26/27 revenue guidance of a whopping €1bn (!). Taking a conservative 10% EBITDA margin, a bit of depreciation, no debt, and some taxes, and we're looking at €70-90m net income. What's the right forward multiple for a company growing >100% with massive momentum? Probably not single digit!

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

- **Aurinia Pharmaceuticals (AUPH US)**. Aurinia popped up before when we discussed Kezar, but this one has its own action. Major shareholder Tang (9.2%) has been successful in cleaning up the board, coming himself in as new CEO, but also appointing a new CFO, COO and CSO. You know that when Tang is involved there's going to be action. Interestingly, Tang has opted not to receive any salary, bonuses, equity awards, or other compensation. So, what's does he get out of it (wink, wink). Aurinia's earnings are booming on new drugs coming to market.
- **TeraGo (TGO CN)**. TeraGo is a small Canadian wireless operator which does not look great at first sight but seems worth diving into. They own some quite valuable mm-wave spectrum in major cities. The stock looks pretty cheap as the market is valuing that spectrum far below comps, even though it could be critical for 5G networks. There is a regulatory decision expected over the next months that could upgrade TeraGo's licenses for mobile use, potentially making TeraGo a very interesting asset to acquire. Certainly some downside, but could have multi-bagger potential as well.
- **Currys (CURY LN)**. Electronics retailer Currys dropped quite a bit on the news that CEO Alex Baldock will step down after eight years. We get why the market is not happy; this is the guy who successfully turned the business around, stabilizing margins, reducing pension liabilities, and strongly improving the balance sheet. On the other hand, the business is much more solid now and growing, with the correction coming on top of the recent market volatility. 4x EV/EBITDA.
- **Compass Diversified (CODI US)**. For those with a strong stomach. Compass collapsed (as due to) fraud at subsidiary Lugano, forcing the company to withdraw three years of financials and suspend its dividend. The remaining businesses appear to do well (as far as we can assess) and continue to generate a healthy level of profitability. We guesstimate >\$10 per share in SOTP value vs ~\$5 today. Ofc there's the issue of the restatements, but also some leverage. That said given what seems a rather isolated fraud event, the reaction appears too strong (but we get it).

**UPDATE (March 31, 2026) So far it seems we got it right at the bottom, and the news keeps flowing. CODI is selling its Sterno's food-service unit for \$292.5m. The business did about \$30m of EBITDA last year, so CODI is getting a solid multiple. The proceeds will be used to pay down debt. CODI is keeping the higher-margin home-fragrance piece. Debt is coming down and expect more asset sales. Also, ADW Cap increased its stake to ~10%.**

- **Innate Pharma (IPH FP)**. Innate Pharma is an interesting case. €100m market cap, decent net cash position, and several key drug programs reaching critical milestones. The most significant is a Phase III trial (monalizumab in lung cancer) run with AstraZeneca, with results expected in the H2. Innate is also preparing a confirmatory Phase III study and potential launch for their lacutamab drug and is looking to secure funding as we speak. And there's more in the pipeline. We're no biotech experts, but €100m doesn't seem to price much in.

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