



KEDM Lite Vol. 12

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Actionable event-driven trades
and special situations.

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This week's additions and highlights

1. SPIN-OFFS

- **Textron (TXT US)**. Generally, it is too large for a KEDM Lite flag, but there's just so much going on at Textron. They recently announced to be looking to spin the industrials arm and reposition as a pure-play defense company. Obviously strong tailwinds. A reminder that Textron is a key supplier for military helicopters. And Director Thomas recently bought shares; this is the former Raytheon CEO. ~10x forward EV/EBITDA is not much.
- **Hexagon AB (HEXAB SS)**. Hexagon provided additional financial and organizational information for its upcoming Octave spin-off. The unit's results have been under pressure over H1 25 but sported >30% ebit margins in 2024 and 27% in H1 25. Let's hope for some interesting action after the spin. UPDATE (February 17, 2026) The spin is now planned for the second part of Q2. Hexagon also provided more financial info on Octave. UPDATE (March 3, 2026) Hexagon completed the sale of its Design and Engineering business, for c. €1.4bn in net proceeds. But the main interesting development here is on Octave, which is planned to spin in Q2. Octave seems to be working hard to position itself as an AI intelligence company. That, combined with Octave generating ~25% operating margins on very recurring revenues and a US listing, might make for an interesting set-up.

UPDATE (May 5, 2026) Hexagon held a capital markets day, providing a look at more on the upcoming Octave spin, and it's worth a look. Distribution is now set for May 22. Ticker OCTV on Nasdaq.

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

- **Integer (ITGR US)**. CDMO Integer announced a review of strategic alternatives, mentioning to have received "significant interest". The shares have somewhat recovered since the massive price correction on poor earnings. The company claimed the reduced guidance is due to temporary headwinds which will subside over next year, with strong medium-term growth planned (a lot already contracted). We flagged this one a few months ago on the (new) CEO buying the dip. More to come.
- **American Hotel Income Properties REIT (HOT-U CT)**. American Hotel announced a review of strategic alternatives. The company has quite a debt burden, and with maturities coming up and rates increasing, it has been selling assets to pay down debt. But asset prices have been decent. Trading at ~0.4 BV.

- **HAV Group (HAV NO)**. HAV Group recently announced a strategic review. From the wording of the PR, it's pretty clear it is centered on their largest and most profitable segment, NES (or rather, the only profitable segment). NES delivered NOK 70m in EBITDA in 2025, at roughly a 12% margin, a big step up from 2024. Peer SEAM was acquired for roughly NOK 2bn; while we're not clear about SEAM's profitability, reports suggest a >10x EBITDA multiple was paid. If that's anywhere close to the truth, that would suggest >60% upside to the equity (assuming all cash is restricted) despite the recent move.

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

- **Intred (ITD IM)**. Italian telco Intred just approved for the company to buy back up to 1.5m shares. While that is ~9% of s/o, over 60% of the company is owned by DM Holding, the CEO's investing vehicle - which by the way continues to buy shares in the open market as well. In other words, 1.5m is a BIG part of the float. Just take this thing out people.
- **Recenteric (RCN LN)**. IT services group Redcentric is reshaping itself through a planned Q1 2026 sale of its data-center arm to Stellanor for £127m EV (roughly £100m cash after debt). Proceeds will eliminate net debt, fund a tender offer, and refocus the business on higher-margin cloud and managed services under a new CEO. The company's EV would fall to ~£140m against £10-11m adjusted ebit. Also to note that activists (Kestrel Partners, ~17%) are pushing for value unlocks.

UPDATE (May 5, 2026) Redcentric has completed the £122.9M sale of its data-center business. The company plans to return c. £90m through a 160p tender offer (+22% on today's price), with additional buybacks also possible. Debt will drop sharply as debt drawn falls from £40m to £19m. So overall leaner, less leveraged, and more focused on its core managed-services operations.

- **Flexsteel Industries (FLXS US)**. Furniture company Flexsteel just bought back 1.28m shares (~24% of the s/o) at \$47 p/s, removing a large founding-family block. CEO Schmidt also seems to have increased its stake to 8.4%. 2025 was a banger year for the company, and while a tough hurdle for 2026 to reach, the financials look good. FLXS went from a ton of debt to net-cash (prior the buyback), solid FCF generation and still 6-7x EV/EBITDA.

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

- **Everforth (EFOR US)**. Everforth, the recently rebranded ECS, has seen insiders strongly buy the dip, putting up almost \$2m. And they continue to add. This was a big dip, with shares dropping by almost 50% on very poor earnings and a guidance drop. Everforth has been working to rekindle growth after experiencing topline pressure for some years now. Still solid FCF generation. ~6x forward EV/EBITDA. EFOR still has room for >\$900m in buybacks.
- **Muncy Columbia Financial (CCFN US)**. If a company is called Muncy, it's either really bad or really good. CCFN looks like the latter: very solid growth, strong earnings and ratios, all steadily improving. As we've often pointed out, we like it when we see a strong share price performance and insiders continuing to add. And still only ~10x PE despite >20% earnings growth.
- **Plus Alpha Consulting (4071 JP)**. Oasis recently reported an 8% stake in Plus Alpha. A nice mid-capper showing healthy topline growth (>20%) and operating leverage, and sporting >25% net income margins. And of course, a solid balance sheet as well with cash clearly accumulating. 10x EV/EBITDA seems low. Oasis is not the #3 shareholder, with the co-founders holding ~22% combined. No action yet from Oasis, but we might see the usual.
- **NeoJapan (3921 JP)**. NeoJapan is another interesting Japanese company with funds buying up shares. In this case its Kaname Cap, disclosing a 5% position. Roughly 30% of the market cap in net cash and investments (net of total liabilities), solid growth, >30% EBITDA margins, solid ROIC, ~5x EV/EBITDA. There are some larger holders in the register (ao Prosidus at 37%), but overall, just a cool, cheap company.
- **Central Security Patrols (9740 JP)**. The last interesting Japanese with some strong buying action that we flag is Central Security Patrols. Zennor AM has been hammering away here on the open market, quickly building a 5.1% stake. And it doesn't look like they'll be stopping soon, with the share price helping them out. Not much growth and some margin pressure, but still decent FCF generation and over 40% of the market cap in current assets and investments, net of total liabilities.

5. LIQUIDATIONS

- **REE Automotive (REE US)**. REE Automotive announced a strategic review. While normally we would care less about such companies (no revenues, tons of cash burn, late financials), the latest (somewhat) reported cash balance is ~\$55m. With \$15-20m of debt this thing could just become an interesting cash + NOL shell. Or just standard liquidation.

- **Origin Materials (ORGN US)**. Sometimes it's clear years in advance. Origin collapsed after the company announced that it will sell its tech and wind down operations. Workforce will be reduced to conserve cash while it markets its PET-cap tech. After that, it's wind-down time. The CEO is stepping down, and the CFO/COO is now interim CEO. Interesting as ~\$41m net cash on an \$8m market cap, excl. wind-down costs ofc but also potentially any income from the sale of the tech.

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

- **Inhibrx Biosciences (INBX US)**. A reader asked for an update on Inhibrx, and he gets an update! One of our most successful flags, now up almost 10x since the spin. But it's biotech, so while share prices can move a lot, it could also mean that the risk/reward is better today (mainly given the much lower risk). On INBX: the stock moved mainly on good data for INBRX-106, a potential immuno-oncology drug designed to enhance the efficacy of Keytruda, the world's top-selling cancer therapy. This recently led to speculation about Merck and Ono Pharma being interested in the company. Inhibrx is also exploring a spin-off of INBRX-106 alongside ozekibart. Some analysts are putting \$10bn+ valuations on this opportunity (vs a \$1.9bn market cap today). Tough keep in mind, we are no biotech investors!

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

- **Maha Capital (MAHAA SS)**. Maha is trading around a \$400m EV despite owning two very interesting assets: a (recently exercised) 24% stake in PetroUrdaneta, a Venezuelan oil JV with 500m+ barrels of 2P reserves and \$60m in unpaid minority dividends, and KEO World, an early-stage LatAm B2B credit and payments platform currently strongly scaling. Starboard controls the board and plans to separate the businesses via a US listing through SPAC Blue Water AC (BWIV), providing capital for PetroUrdaneta and hopefully better value recognition.
- **RE/MAX (RMAX US)**. RE/MAX is to be acquired by The Real Brokerage (REAX) for \$13.80 p/s in cash (or 5.15 shares of the combo, deal subject to proration). The gross spread on the deal is still pretty wide (>20%), which is rather large given that the structure closely mirrors last year's COMP/HOUS transaction, which cleared smoothly and had strong shareholder support. What might be pressuring the price (and this is creating the opportunity) is Magnolia Group aggressively dumping its stake. They still have ~4.9% to go.
- **InPost (INPST NA)**. Just a small reminder that a few months are left until the InPost deal. We've hammered quite a few times that this company is getting sold. And indeed, it's the major shareholders, the CEO, PPF and Advent (also FedEx). We believe it's a certainty that this company will be taken out (ao because the big guys already own ~50%). So ~2.5% gross spread to park your cash for a few months.

- **Esperion Therapeutics (ESPR US)**. Esperion is being acquired by ARCHIMED in a deal worth up to \$1.1bn; \$3.16 p/s in cash. The deal also includes a CVR with two milestone payments worth up to \$100m. The first pays up to \$40m based on 2027 US net sales of the company's bempedoic-acid products, with the full amount earned if sales exceed \$350m. The second pays \$60m if U.S. net sales of the bumetanide product reach \$160m in any year through 2030. Current share price is ~\$3.11, so not much for the CVR.

8. ACTIVIST ACTION (1 year rolling)

- **Nihon Seikan (5905 JP)**. Mimic keeps on buying shares in packaging company Nihon, now closing up on 10% and almost the largest shareholder. Some shareholders have been increasingly vocal, pushing for enhanced shareholder returns (buybacks). Now the sexiest company, with some topline pressures and slim margins. But overall, a solid balance sheet (current assets + investments > total liabilities); if this is just the cycle, it could be a good moment to take a look.
- **KBR (KBR US)**. With the share price continuing to be under pressure it might be good to remind you 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.

UPDATE (May 5, 2026) Sometimes our timing is just immaculate (apologies for the arrogance). Flagged last week as an interesting reminder, KBR was back in the news on Engine Cap pushing for a sale. The activist believes that the company could fetch \$48-55 p/s. While nice, that to be honest is just too low - refer to our previous comments. The stock was recently also up on a new \$449m US Army contract win. That reaction is an indication of the potential break-up. But overall, it is good to have more eyes on this story.

- **Repay (RPAY US)**. One company we have been eyeing for some time (but still have to pull the trigger) is Repay. Repay has been dropping like a rock for years. A strategic review was concluded with no sale / break-up, to the market's disappointment. They have been focusing on retiring debt, buying back shares and doubling down on their core payments platform. So internal focus, right? Well, RPAY decided recently to spend C\$375m on an acquisition, which is pretty damn sizable. And something that 8.4% shareholder Veradace has been opposing. Interesting, the largest shareholder Forager has been actively buying shares in the past weeks. ~4x forward EV/EBITDA.

UPDATE (May 5, 2026) Forager is losing patience with Repay and is criticizing the board for failing to engage ten days after receiving Forager's proposal. As a reminder, Forager is offering \$4.80 p/s in cash to take RPAY out (vs c. \$4.10 today). RPAY holds ~13% and is buying strongly before submitting the offer. Despite the decent premium on the recent share price, the offer would just bring the company back to where it was a few months ago. Meanwhile, #2 holder Veradace continues to add. We say it again: expect more action.

- **Sanken Electric (6707 JP)**. With Allegro MicroSystems' (ALGM) shares rocketing once again, it might be worth noting that 32.2% of the company is owned by Japanese Sanken Electric, a stake now worth roughly \$3bn. This compares with Sanken's market cap of \$1.3bn. And while not profitable, Sanken still has some \$500m in revenue left. Activists have been circling (e.g., Effissimo owns ~34%) and getting more vocal.
- **Withbread (WTB LN)**. A new strategic plan for the struggling Whitbread. WTB is shutting nearly 200 branded restaurants, cutting 3,800 jobs, and selling £1.5bn of property. The idea here is to become a higher-margin, pure-play Premier Inn operator. The plan should unlock £2bn in FCF for shareholder returns by FY31. Perhaps still early here, but there's strong rerating if they can show it.

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

- **Kontron (KTN GR)**. We might soon see some (or better, more) fireworks at Austrian IT company Kontron. They are steadily buying back shares for their ~3m share buyback. Interestingly, major shareholder Ennoconn is at 27.5%, and 30% would normally trigger a mandatory takeover offer. We say normally as this would be a passive breach. But it's also interesting that Ennoconn has recently been increasing its stake. The same holds true for Kontron's CEO.

- **Blue Moon Metals (MOON CN)**. As some of you might be aware by now, we like our selective junior mining stocks (go MOLY!). And Blue Moon Metals seems like one of those. Basically a (leveraged) bet on the only permitted US tungsten hub at a time when China controls almost the entire market and domestic supply is very much needed. The Springer asset gives the company a ready-to-restart APT plant, Nussir adds meaningful cash flow, and the financing stack is already lined up. With DPA support, Section 232 tariffs, and DoD stockpile buying, this one has decent multi-bag potential over the next 12–24 months. Ofc to watch the (usual) risks (dilution, com pricing, etc.).
- **QuidelOrtho (QDEL US)**. QDEL is an ugly, deeply out-of-favor diagnostics name, but the dislocation seems extreme here. A niche, low-growth but steady business, trading at what seems under 3x pro-forma earnings, with a serious path to generate its entire market cap in free cash flow over the next three years. 2026 has not been kind so far, and management has not exactly been the best here – but hence the cheapness.

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

- **AmBase (ABCP US)**. AmBase is back to life! ABCP is basically a litigation stub. They have had some headwinds over the past few years, with the stock price churning away. But recently a higher court revived Ambase's claim for personal liability against developers Stern and Maloney. Very important. Also, trial is scheduled to start On Nov. 30. Very good sign, and multi-bagger upside. Just a damn cheap option in our view (even accounting for timing).
- **Invent Medic Sweden (IMS SS)**. Tiny Invest Medic is doing another rights issue, raising SEK 4m (95% secured, 3:8 shares at SEK 0.09 p/s vs roughly SEK 0.134 today). We've had this medical device company on the watchlist for quite some time, and it might finally become interesting. Interesting product, though quite some dilution to invest in growth and marketing. Years of steady revenue growth but still FCF negative. Results in 2025 showed small revenue growth but better margins and smaller losses, and management now says the business is better set up for profitable growth. IF this is achieved, we could start to see some serious rerating.
- **Skillz (SKLZ US)**. Very good news recently for Skillz. If you missed it, Skillz was awarded \$420m in damages after finding that rival platform Papaya used bots while advertising its games as human-only. The jury agreed on every claim! That's quite nice on a market cap of ~\$120m with \$195m net cash on the balance (but quite some cash burn). And the judge will now decide whether to add disgorgement amounts that could push the total much higher (perhaps even \$1bn).

- **HawkEye 360 (HAWK US)**. There are some companies that we look at mainly for hype potential. Hawkeye 360 is one of them. It will IPO over the next few days. The ticker will be HAWK, so that's already cool. Then there's the description: "a commercial space-enabled defense technology company". Another potential-hype-check. There's also real business momentum: 2025 revenue up sharply to \$118m, a swing to profitability, and a \$300m backlog that exploded six-fold.

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