



KEDM Lite Vol. 13

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Actionable event-driven trades
and special situations.

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This week's additions and highlights

1. SPIN-OFFS

- **Essity (ESSITYB SS)**. Essity is considering a separation / spin of its Consumer Tissue unit. Is it finally going to happen? The Tissue business is rough, there's not much growth and operating margins are much below the group average. A separation has long been discussed and makes sense too. This might finally lead to some upside to Essity as this drag is removed. Also to note are the non-negligible insider purchases.
- **Flex (FLEX US)**. Flex recently jumped on a strong 2027 outlook but also plans to spin off its cloud and power infrastructure business, the latter separating its rapidly growing AI-focused business from the core manufacturing business. Let's wait for more details, but you know we like to keep a close eye on potential hype stocks. Also, a reminder that the previous spin Nextpower (NXT US) is up almost 200% in roughly a year. Will we get a repeat?

- **Enviri (NVRI US)**. Enviri announced that it will evaluate 'value creation alternatives' including a sale or separation of the Clean Earth business as it seeks 'to close the persistent gap between Enviri's public market valuation and the company's sum-of-the-parts value'. Little growth, quite some debt and large divestment (if not full sale) could make this one quite interesting.

UPDATE (May 12, 2026) Enviri approved the \$3bn sale of its Clean Earth business to Veolia. Not bad for a \$3.2bn EV company. This brings it much closer to spinning off its Environmental and Rail businesses (to be called New Enviri) before closing the sale, with a target of mid-2026. As previously flagged, New Enviri is expected to generate about \$1.2bn revenue and \$140m EBITDA with 2x net leverage. There's room for earnings and cash-flow improvement as end markets recover and legacy project contracts roll off. This remains an interesting case with solid upside and a very decently protected downside.

- **Tovis (051360 KS)**. Tovis is spinning off its fast-growing automotive display unit, Neoview, on July 1. RemainCo is a steady, high-return industrial monitor business while Neoview is smaller but growing quickly. Back of the envelope, we're looking at two business trading at lsd-msd PEs with good growth and very decent returns. Governance looks good, and the company has been buying back shares over the past few years.
- **Datavault AI (DVLN US)**. Datavault AI is exploring a spin of its Acoustic Sciences division into a separate NASDAQ-listed company called API Media. The move will let Datavault focus on its core data-monetization platform while giving the acoustic unit its own valuation, backed by patents, WiSA/ADIO technology, and some recent (potentially interesting) wins. Target is completion by year-end 2026. No idea here and it all looks strange, but you know that we appreciate strange.

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

- **Intertek (ITRK LN)**. We said to expect more action over at testing company Intertek (ITRK LN), which rejected an initial £7.9bn cash offer from EQT (£51.50 p/s), and now a more recent one at £58 p/s. EQT now has until May 14 to 'put up or shut up'. Meanwhile, Intertek seems to prefer a sale of its Energy & Infrastructure division, for which it said it received interest, and that this move will reward shareholders. A reminder that Nelson Peltz's son Matt has been building a stake in Intertek and has been pushing management to separate the energy and infrastructure unit. Whatever happens, the current share price just feels too low for all this action.
- **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 demand 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.

UPDATE (May 12, 2026) Braemar is heading into a governance fight after its largest shareholder Al Shams (at ~9.5%) warned that more hotel sales could trigger a \$480m termination fee owed to Ashford, the external advisor controlled by the company's chairman. That fee would be paid before shareholders see a dollar, which is why Al Shams is planning to clean up the board. Stay tuned.

- **Cherry SE (C3RY GR)**. Cherry is a German pico-cap mostly known for its high-end keyboards. The company has been suffering since listing, mainly as a consequence of Asian competition. Revenues are down ~25% over the past few years, with a major dent in profitability. Cherry is working hard to stabilize performance and reduce debt, and there might finally be some visible improvements. They are also in the process of divesting the (former) Digital Health & Solutions unit as part of a planned portfolio transformation, with rumors that it might fetch >€10m, or more than the market cap. Definitely now out of the woods but still priced for death despite €100m revenues still.
- **Clarus (CLAR US)**. Clarus (finally!) announced a strategic review. We've flagged this one regularly in the past, mainly on the interesting open market purchases, though often mentioned that the operating momentum still wasn't good. 2025 was another tough year and the shares have been dropping hard in 2026 as well. While certainly not a high-quality company, Clarus strongly addressed its dire leverage position over the past years. The company has been guiding for growth again (though we've heard this before). Clarus also has several interesting brands that might be sold off. Anyway, not much positive is priced in at the moment, while there still are \$250m revenues at >30% gross margins.

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

- **MarketWise (MKTW US)**. MarketWise popped a \$50m buyback, ~17% of its market cap. Things look to be stabilizing. Q1 billings grew 15% yoy, paid subs increased, they even target a \$1.80 p/s gross dividend (~9% yield). Insiders have been buying strongly over the past months.
- **Paul Mueller (MUEL US)**. Agri tech company Paul Mueller announced yet another tender offer. While not huge (\$15.4m, or ~3% of the market cap), it's the fourth in less than two years. We read the tender offer as a sign that business continues to be good. Mid-teens topline growth, high-teens EBITDA margins, solid cash flow generation and balance sheet. And there's some serious capacity coming online soon, probably leading to another growth spurt. Roughly 10x EV / LTM EBITDA and no coverage still.
- **BILL (BILL US)**. BILL announced a \$1bn buyback, roughly 25% of its market cap. Not a good year so far for BILL. A reminder that they have been looking to sell, (Elliott pushing for this as well) and rumors that H&F were in talks to acquire it, with reports of \$59-70 p/s offers. 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 an 80%+ gross margin company. Long way to go perhaps, but it has potential (in the right hands).

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

- **DGL (DGL AU)**. Chemical distributor DGL finally published its (restated) financials, only showing a relatively large impairment on non-core assets that were going to be sold anyway, and the minor readjustments of the inventories. The release of the newly audited financials marks the most important step towards the shares starting to trade again soon. Our hope here is that the shares get smashed once trading resumes; we'll have a company with a new auditor, a much-improved governance, updated financials and decent operating performance despite a tough market – at much more attractive prices.

UPDATE (May 12, 2026) We told you the CEO and largest shareholder of DGL was going to buy more, and much more is indeed what he's buying. If this continues, he might take the whole thing private again at some point. 4-5x forward EV/EBITDA for what could be 10-20% EBITDA growth pa through the cycle.

- **SMT Scharf (S188 GR)**. Investor Damian Behra increased its stake in SMT Scharf to above 15% and said (for some reason) that he may buy more shares over the next year and intends to influence board and management composition. Small and illiquid but interesting. ~€90m cash and working capital, net of total (!) liabilities, on a €40m market cap. Profitability has been down over the past years, but if they can right the ship, this one could be quite interesting.
- **Kontron (KTN GR)**. As flagged, it happened. Major shareholder Ennoconn is considering crossing 30% and is weighing an offer. Meanwhile Kontron's CEO continues to add.
- **Angel Studios (ANGX US)**. Strange company that popped up on our screens as insiders have been strongly adding. A recently listed streaming company, with quite some coverage and fwiw strong growth projected. No idea here, but if they continue to grow, the 60%+ gross margins will provide quite some operating leverage.

5. LIQUIDATIONS

- **No material updates this week.**

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

- **Genco Shipping & Trading (GNK US)**. The fight between Genco Shipping and rival Diana Shipping continues, with Diana now at almost 15% and pushing hard for a sale. Diana sits just under Genco's poison-pill limit, which might limit further purchases but doesn't mean they'll be quiet. While Genco's share price has gone well, so has the whole sector. And with all that's happening in the sector, along with some real inflation risk, there might be much more to come. A reminder that the operating leverage on these things is insane.
- **Pitney Bowes (PBI US)**. Pitney Bowes recently announced a new CEO and strategic review. UPDATE (June 23, 2025) Ancora redeemed its investment in a SPV managed by Hestia Capital and in turn started to directly be holding shares in Pitney. Ancora expressed support for the new CEO, which made us look a bit more into PBI. We like what we see so far, with PBI now operating under a much leaner and cash flow generative structure. The new CEO hinted at enhanced capital returns (buybacks).

UPDATE (May 12, 2026) One of our big winners, Pitney Bowes is moving to the second phase of its strategic review and disclosed that it is now getting inbound interest for a sale. New CEO Kurt Wolf has been cutting costs and tightening the strategy, and PBI just posted strong results.

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

- **Centessa Pharmaceuticals (CNTA US)**. A reminder of the upcoming vote of the Centessa / Eli deal. The deal is for \$38 p/s in cash and a CVR potentially worth up to \$9 p/s if certain drug approval milestones are met. The CVR is tied to regulatory approvals of Centessa's orexin drug programs across different sleep-related indications over the next few years. Current share price is ~\$39.6.
- **Lisata Therapeutics (LSTA US)**. Kuva Labs is offering \$4.00 per share in cash for Lisata, and two CVRs that could add another \$2.00 if certain milestones are hit. No idea here, but with the stock at \$4.07, you're not paying much for the CVRs. UPDATE (March 10, 2026) Improved deal terms on the acquisition by Kuva Labs. Kuva is now offering \$5.0 p/s and a CVR potentially worth \$1.0 per share. Still interesting with the shares trading at \$5.04 p/s.

UPDATE (May 12, 2026) If you haven't followed the situation, Lisata is back at \$3.3 p/s. Kuva extended its tender offer a few times as it seeks to secure financing. No idea about the feasibility but doing some work here given potentially interesting r/r (~\$2 p/s cash + CVR upside vs ~\$1 p/s downside).

8. ACTIVIST ACTION (1 year rolling)

- **WEX (WEX US)**. WEX has become a live activist battleground ahead of its May 5 shareholder vote, with ISS joining Glass Lewis and Egan-Jones in backing Impactive Capital's (~4.9%) campaign for board changes, aimed at kicking the CEO out. If Impactive wins seats, there's a good chance we might see a business simplification and enhanced capital returns.

UPDATE (May 12, 2026) They wanted board changes, and board changes they got. WEX will add three new independent directors and separate the CEO and chair roles. That's a big hurdle. As mentioned, the next step is simplification and enhanced capital returns.

- **Mattel (MAT US)**. Southeastern AM is becoming more vocal on Mattel, pushing the company to explore strategic alternatives (that is, a sale), calling the company's IP significantly undervalued. SAM is seeing \$30 p/s value, which is ~100% upside. Mattel is still bobbing at multi-year lows despite decent earnings resilience and cash flow generation. The company has been blasting that buyback machine.
- **Workspace (WKP LN)**. Workspace is heading into a major showdown with Saba. Saba wants to clean up the board and put four of its own directors after the company rejected its proposal for a managed wind-down. The July AGM will be interesting, but it'll be tough for Workspace. The share price performance has been horrible and Saba continues to add, now at ~20% (directly and indirectly). Trading at ~0.5x BV.

- **Capita (CPI LN)**. Oasis now owns ~15% of Capita and is looking to start creating some value, which in Capita's case means asset disposals and a return of capital. We can't remember the last time that Capita posted a year with revenue growth. But still a GBP2bn revenue company with quite some interesting business left.
- **OraSure Technologies (OSUR US)**. We might soon see some action at OraSure. A small diagnostics company with a net cash balance which almost covers its market cap. Activist Altai has pushed its way onto the board, and a key new product (CT/NG) seems close to FDA approval, which should restart real growth. If the new test lands and strong growth resumes, the stock has quite a bit of upside from here. The CEO and CFO recently bought shares.

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

- **Entravision (EVC US)**. Entravision is a good one to test your biases. The company reported VERY strong earnings, as in massive growth, mainly on inflecting their adtech business. While the share price reaction has been huge, the move doesn't even cover the new earnings profile, let alone any multiple expansion. And the latter is very warranted. No reason in our view why this stock should <\$12 p/s conservatively. Plenty written about it on X for those interested.
- **MegaStudyEdu (215200 KS)**. Of course we're looking at Korean companies. And sometimes we don't understand what we're seeing. MegaStudyEdu dominates Korea's CSAT prep market (>74% market) share yet trades at just 5x earnings while returning 12% of its market cap annually through dividends and buybacks. Revenue dipped in 2025, but contract liabilities have stabilized, suggesting a bottom. Net cash, steady >20% EBITDA margins, strong FCF generation, 6%+ dividend, buybacks... all at <5x PE. Yeah, yeah AI etc. But still. Insiders are buying.

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

- **CTEK (CTEK SS)**. Swedish EV charging company CTEK is starting to look interesting. IPO'ed just a tiny moment after the 2020/2021 ESG hype, but still at a massive valuation. Since then, the shares have only come down, with the market cap being broadly stable over the past years, reflecting steady operating profits. The latter is good, considering the sales decline in 2025. The focus was shifted on efficiency and balance sheet improvements, with success. Recent results show better profits and stronger cash flow despite a weak market, helped by steady growth in its core Consumer battery-charging business. The problem is the EV-charging division (EVSE), where sales remain soft. So CTEK now intends to sell it. This could push the company into net cash, which combined with a return to growth might finally mean a strong derating.
- **Nippon Yakin Kogyo (5480 JP)**. Interesting move from Nippon Yakin. The Japanese company will remove its long-standing poison pill as of June, paving the way for activism/mergers/buyout etc. Not the most exciting company but still ~10x PE for interesting assets.
- **AAR Corp. (AIR US)**. Our favorite play on the aerospace aftermarket, AAR, will host an investor day on May 12th. The company has transformed since acquiring Triumph Product Support in 2024, gaining greater exposure to higher-margin component repair rather than heavy maintenance. Execution since then has been excellent. Despite decent share price performance, a valuation discount relative to VSEC and FTAI persists.
- **Scilex (SCLX US)**. This is probably a scam, but there might be some explosive action. A reminder that Busted biotech Scilex has been exploring ways 'to maximize value' for some time now. They've now sold their (probably fake) development pipeline for \$1bn in stock, with a separate listing. Of course there's the digital asset treasury thing. But they also exchanged \$200m worth of Semnur stock (a subsidiary it basically owned 100%) for \$200m in Bitcoin. And they still own ~25% of the previously mentioned Datavault AI (DVLV) worth ~\$100m. Meanwhile Scilex's market cap is ~\$60m. Just saying.

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