CJS SECURITIES

50 Main Street, White Plains, NY 10606 Tel: (914) 287-7600

Additions to Coverage List and Company Updates - 4/2/19

We urge clients to SAVE THE DATE for the Nineteenth Annual CJS Securities "New Ideas" Summer Conference, which will be held on Tuesday July 9, 2019 in Westchester, New York.

Additions to Coverage List

Verra Mobility Corp.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 2/19 Initiation	Δ YTD
VRRM	Rating: MO	**$12.26**	**$14**	**12x 2020 EBITDA**	**14%**	**$1,925**	**$795**	**$2,720**	**3.4x**	**6.4x**	**10.6%**	**25.6%**

Analyst	**Shrs Out**	**Avg Vol $mm**	**Conf.**
DM	157.0	$3.8	
52-Week Range $9.00 - $12.30	**FQ1**	**FYE (Dec) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.01**	**$0.27**	**$0.38**
was			
EBITDA	**$47.1**	**$235.0**	**$256.0**
was			
P/E		**45.0x**	**32.6x**
EV/EBITDA		**11.6x**	**10.6x**
Consensus (2 Analysts)			
EPS	$0.12	$0.46	$0.57
EBITDA	$50.5	$235.3	$262.5

We initiated coverage (2/19) with a MO rating and $14 px tgt. Verra Mobility is the dominant provider of automated tolling solutions, violations management and title and registration services (~75% PF EBITDA) to leading national Rental Car Companies (RACs) and Fleet Management Companies. It also provides red light and speed enforcement cameras and school bus crossing/lane enforcement technologies to local governments. The business model is attractive. Long term contracts provide strong visibility and revenue is tied to miles/dollars tolled with positive secular tailwinds. New York recently approved a material step-up in school zone speed enforcement cameras and the acquisition of EPC opens up Europe as an additional avenue for growth. Overall, organic growth should be in the 8-10%+ range. Adjusted EBITDA margins are 55-60% and cap ex is very low, leading to high FCF conversion. The Company went public via a SPAC in October, 2018 and as such, screens poorly and has limited sell side coverage (one other analyst). VRRM trades at a material discount to other transaction processors despite its strong competitive position and above average margin profile. **CJS is hosting management meetings in Chicago (5/8) and a field trip to Arizona (5/21).**

Alamo Group Inc.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 3/11 Initiation	Δ YTD
ALG	Rating: MO	**$99.33**	**$115**	**16x FY20 P/E**	**16%**	**$1,172**	**$51**	**$1,223**	**0.4x**	**2.3x**	**0.8%**	**28.5%**

Analyst	**Shrs Out**	**Avg Vol $mm**	**Conf.**
CM	11.8	$7.1	
52-Week Range $72.50 - $119.16	**FQ1**	**FYE (Dec) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$1.32**	**$6.55**	**$7.20**
was			
EBITDA	**$27.8**	**$134.5**	**$146.3**
was			
P/E		**15.2x**	**13.8x**
EV/EBITDA		**9.1x**	**8.4x**
Consensus (2 Analysts)			
EPS	$1.37	$6.64	$7.49
EBITDA	$27.8	$134.3	$148.8

We initiated coverage on March 11th with a MO rating and $115 price target. Alamo is a global leader in the design and manufacture of infrastructure and maintenance equipment for governmental and industrial markets (street sweepers, vacuum trucks, snow removal equipment, etc.) and high-quality agricultural equipment for farms and ranches. The key end-users are state and local governments (~55% of revenue) and agricultural (~30% of revenue). It is the #2 player in North America for street sweepers and vacuum trucks and the #1 player for mowing equipment. The business model is very attractive as the majority of its sales are tied to maintenance and infrastructure with high repeat revenue. Replacement parts are an important part of the model as they represent ~20% of total revenue with gross margins at roughly 2X the core equipment. Softness in the agricultural segment and recent challenges in the European segment did not keep Alamo from generating strong growth in 2018; revenue was up ~10.6%. Organic revenue growth over the 10-year period of 2009-2018 averaged ~4.5%. The overall revenue CAGR was double digits during that period. The stock currently trades at ~15X FY19E EPS. The softness in agriculture (which could ultimately turn into a modest tailwind over the next year or two) looks to be more than fully priced in. We view this as a quality industrial company with brand-name / innovative products, a well-established operating model and a successful M&A track record. Our 12-month price target of $115 equates to 16x FY20e adj EPS or ~9.5x FY20e adj EV/EBITDA.

Orion Eng. Carbons

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 3/21 Initiation	Δ YTD
OEC	Rating: MO	**$19.72**	**$27**	**12x FY20 EPS**	**37%**	**$1,207**	**$628**	**$1,835**	**2.1x**	**7.6x**	**0.1%**	**-22.0%**

Analyst	**Shrs Out**	**Avg Vol $mm**	**Conf.**
CB	61.2	$8.4	
52-Week Range $18.09 - $36.55	**FQ1**	**FYE (Dec) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.41**	**$2.00**	**$2.25**
was			
EBITDA	**$65.8**	**$290.0**	**$320.0**
was			
P/E		**9.8x**	**8.8x**
EV/EBITDA		**6.3x**	**5.7x**
Consensus (5 Analysts)			
EPS	$0.48	$2.05	$2.36
EBITDA	$69.7	$290.9	$320.2

We initiated coverage on 3/21 with a MO rating and $27 price target (12x 2020e EPS) offering 35% upside potential. Orion Engineered Carbons is the worlds largest producer of specialty carbon black and the third largest producer of carbon black overall. OEC's shares recently pulled back >25% after it guided to a modest earnings decline in 2019 due to a slow demand in China. Earnings jumped 87% in 2018. We expect growth to resume once OEC laps weak vehicle production there. Long term OEC is benefitting from a mix shift toward ~$750 gross profit per ton specialty carbon black from ~$250 gross profit per ton rubber carbon black. Near term, rubber carbon black prices are surging in North America as tire production moves onshore but no new carbon black capacity has been added in thirty years. OEC is likely to complete its transformation from a European to US entity by year end which would make it eligible for inclusion in indexes in Q2 2020. Nimble investors can buy in front of index buying. OEC's post Q4 pullback reduced its NTM P/E from 13x to 10x or nearly 2 standard deviations below its mean multiple as a public company and well below other US smid cap materials producers which average 16x.

Unisys Corp.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 2/26	Δ YTD
UIS	Rating: MO	**$11.72**	**$18**	**7X FY20E EB/EBITDA**	**54%**	**$863**	**$1,838**	**$2,700**	**4.2x**	**-0.7x**	**-14.8%**	**0.8%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
JT	73.6	$7.0	
52-Week Range		**FYE (Dec)**	
$10.15 - $20.95	**FQ1**	**FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.27**	**$2.05**	**$2.25**
was			
EBITDA	**$69.3**	**$435.0**	**$455.0**
was			
P/E		**5.7x**	**5.2x**
EV/EBITDA		**6.2x**	**5.9x**
Consensus (3 Analysts)			
EPS	$0.30	$1.99	$2.13
EBITDA	$77.1	$426.7	$443.2

We initiated coverage on 2/26 with an MO rating and a $18 price target. Unisys is a niche IT and Cloud Services provider, focusing on Government, Finance, Health and Travel/Transport end markets, with ultra-secure security technology as a key competitive differentiator. It restructured under new Management in 2015, driving revenue and backlog growth after many years of decline, along with expanding EBITDA margins, which our analysis shows can generate sufficient free cash in order to meet a large (~$1.74bn), underfunded pension obligation that we value as debt. Shares currently trade at a sharp discount to peers due to the pension overhang, but we believe they could trade closer to peers (>9X) as 1) Management demonstrates the ability to improve cash flow and meet the liability, 2) External factors work to reduce the liability itself (rising rates and/or plan asset values) and 3) If the Company can push out or reduce out cash payments through active management of the plan.

AAR Corp.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
AIR	Rating: MO	**$33.48**	**$58**	**18x FY20 EPS**	**73%**	**$1,172**	**$128**	**$1,300**	**0.8x**	**1.3x**	**-18.0%**	**-10.3%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
LS	35.0	$11.6	
52-Week Range		**FYE (May)**	
$31.51 - $51.52	**FQ4**	**FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.63**	**$2.55**	**$2.75**
was			
EBITDA	**$44.4**	**$168.2**	**$191.3**
was			
P/E		**13.1x**	**12.2x**
EV/EBITDA		**7.7x**	**6.8x**
Consensus (6 Analysts)			
EPS	$0.73	$2.59	$2.83
EBITDA	$49.0	$174.7	$193.5

Underlying demand remains strong across businesses driven by favorable commercial aviation and defense markets. A recent (3/19) Q3 miss and reduced near-term outlook reflects labor constraints in MRO. We continue to expect a healthy mid-teen rise in FY19E revenue and EBITDA led by double-digit sales growth across the supply chain operations (programs, distribution, and parts trading) and the ramp of the INL/A contract with the US State Dept. This is partially offset by mid-single digit anticipated declines in MRO sales and a greater impact on profit due to challenges in recruitment of experienced mechanics and related operating inefficiencies. Our FY20E includes 6% consolidated sales growth and a 13% rise in EBITDA driven by the ongoing ramp of multiple supply chain contracts and a steadying in MRO as the labor constraints slowly abate aided by company initiatives. A 30% decline in the shares over the past six months offers a compelling entry point with a potential rebound aided by appropriately reset earnings expectations.

AdvanSix Inc.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
ASIX	Rating: MO	**$29.46**	**$38**	**7.0x FY20 EV/EBITDA**	**29%**	**$896**	**$190**	**$1,086**	**1.1x**	**2.1x**	**16.4%**	**21.0%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
CM	30.4	$5.2	
52-Week Range		**FYE (Dec)**	
$22.57 - $41.45	**FQ1**	**FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.42**	**$2.68**	**$3.20**
was	*$0.75*	*$3.05*	*$3.35*
EBITDA	**$32.8**	**$172.1**	**$194.7**
was	$46.4	$188.8	$202.0
P/E		**11.0x**	**9.2x**
EV/EBITDA		**6.3x**	**5.6x**
Consensus (2 Analysts)			
EPS	$0.43	$2.63	$3.90
EBITDA	$34.0	$171.2	$217.3

We are lowering our Q1'19 estimates to better reflect the continuing challenges that AdvanSix faces. Our revenue estimate for the quarter comes down roughly $9mm to $341mm, primarily because of lower assumed pass throughs. Additionally, we are lowering our gross margin assumption from 12% to 11%. This primarily reflects acetone spreads that show no near-term signs of improving and some added cushion for nylon end-markets such as auto and construction that have been softening. Acetone spreads were still strong in Q1'18, an estimated $0.07 to $0.08 higher than current stated spreads. Inventory of acetone remains high, driven by increased imports, and has led to actual pricing often being done at a discount to stated spreads. Assuming $0.08 lower per pound and 150mm pounds of acetone sold during the quarter (ASIX has 600mm pound annual capacity), that is headwind of ~$12mm y/y, or roughly $3mm more than we had been assuming. Overall, our Q1 EBITDA comes down $4.5mm to ~$33mm. For FY19 our revenue goes down $24mm (lower pass throughs) and EBITDA comes down roughly $8mm to $172mm. This assumes no improvement in acetone during FY19. If the anti-dumping petitions for acetone are favorably reviewed (could hear preliminarily by late summer) than the second half of 2019 could be positively impacted. Our price target comes down slightly to $38.

Aegion Corp.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
AEGN	Rating: MP	**$18.05**	**$18**	**13x FY20 EPS**	**0%**	**$581**	**$228**	**$809**	**2.1x**	**1.2x**	**3.3%**	**10.6%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
CB	32.2	$2.4	
52-Week Range		**FYE (Dec)**	
$15.12 - $26.80	**FQ1**	**FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.16**	**$1.10**	**$1.35**
was		*$1.20*	
EBITDA	**$19.6**	**$98.4**	**$112.0**
was		$104.0	
P/E		**16.5x**	**13.4x**
EV/EBITDA		**8.2x**	**7.2x**
Consensus (7 Analysts)			
EPS	$0.14	$1.20	$1.39
EBITDA	$21.7	$107.1	$116.5

Aegion is again trading at the bottom of its 18-year trading range which could make it interesting for patient investors. Not coincidentally, EPS has been range bound at $1.00 to $1.50 ($1.20 in 2018) over most of the period despite numerous restructurings and share repurchases. Expectations fell after the company guided to a 2-4% revenue decline and a "modest improvement" in EPS in 2019. We think that will be hard to achieve without further overhead reductions and coincident with labor inflation. Consensus is $1.23 versus our $1.10. With the planned closing of additional underperforming units and further share repurchases, we think management is on the right long-term path. This would make 2019 a transition year that could set Aegion up for renewed growth in 2020. If the company delivers material segment level SG&A cuts in Q1 and Q2, we could become believers, but for now we are still on the sidelines.

Apogee Enterprises

APOG	Rating: MO	Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
		$38.22	$46	13.5x FY20 P/E	20%	$1,082	$191	$1,273	1.1x	2.0x	13.2%	28.0%

Analyst	Shrs Out	Avg Vol $mm	Conf.
CM	28.3	$8.0	
52-Week Range $26.38 - $50.87	FQ4	FYE (Feb) FY 2019e	FY 2020e
CJS Estimates			
EPS	**$0.91**	**$2.95**	**$3.40**
was	*$0.99*	*$3.05*	*$3.80*
EBITDA	**$48.6**	**$170.7**	**$190.6**
was	$53.0	$176.0	$205.0
P/E		**13.0x**	**11.3x**
EV/EBITDA		**7.5x**	**6.7x**
Consensus (4 Analysts)			
EPS	$0.91	$3.07	$3.38
EBITDA	$48.9	$171.1	$185.4

Apogee reports Q4(Feb) next week. Management lowered guidance after Q3 and the bar looks reasonable. FY19 was a mixed year: services revenue and margins were very strong; core framing preformed well in 1H but was impacted by project delays in 2H of last year; EFCO margins (part of framing segment) saw some improvement but are probably 2+ years from reaching the goal of double-digit operating margins, and glass revenue growth and margins were weak. Glass was probably the most disappointing segment as demand was there but production issues were the driver behind lower revenue and significantly lower margins. We are projecting modest revenue growth in FY20, roughly 2.5%, as segment strength continues the recent rotation trend. We expect services revenue to be down 5%+ as this business is a little more lumpy with a small number of larger contracts – we expect ~4% growth in glass (back to FY18 levels) with significant margin improvement – and we expect ~4% growth in framing off of a very soft 2H'19. The 120bps margin improvement we are assuming in FY20 is being driven more by improved operations than volume. Apogee has had multiple challenges over the past 12-18 months. Tight labor continues to be an issue, especially for construction-related companies like Apogee. The macro indicators (ABI, Dodge momentum, moderating but not deteriorating employment) still look favorable. We think Apogee remains something of a show me stock.

Arcosa Inc.

ACA	Rating: MO	Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
		$30.72	$45	SOTP	46%	$1,511	$86	$1,598	0.6x	0.9x	22.3%	10.9%

Analyst	Shrs Out	Avg Vol $mm	Conf.
CB	49.2	$9.6	
52-Week Range $21.00 - $35.15	FQ1	FYE (Dec) FY 2018e	FY 2019e
CJS Estimates			
EPS	**$0.36**	**$1.95**	**$2.60**
was	*$0.35*	*$1.85*	*$2.30*
EBITDA	**$45.4**	**$220.0**	**$270.0**
was	$45.8	$211.2	$239.1
P/E		**15.7x**	**11.8x**
EV/EBITDA		**7.3x**	**5.9x**
Consensus (5 Analysts)			
EPS	$0.33	$1.88	$2.40
EBITDA	$44.1	$219.7	$255.4

We raised our estimates following a Q4 EBITDA beat and raise and increased our price target to $45. The upside to our 2019 estimate was driven by strong recovery in barge demand, revenues should rise 70-80% in 2019. Demand for utility transmission structures is growing mid-single digit with stable pricing. Arcosa is working through a $633MM backlog utility and wind tower backlog. Construction materials demand in DFW has recovered following a wash in Q4. Pricing remains weak y/y and but flat sequentially. Net ACA is on track to meet or beat in Q1 ex flood impacts (CJS $0.36/consensus $0.33). ACA shares pulled back 12% after ValueAct disclosed that it reduced its position from 14.8% to 11.8%. The activist fund, which was the catalyst for the Arcosa spin-off from Trinity, has seats on the board at TRN but not ACA. Investors expect Value Act to sell the remainder of its position. This overhang may extend the period in which investors can buy ACA at a steep >30% discount to a conservative SOTP valuation.

Argan Inc.

AGX	Rating: MP	Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
		$50.77	$60	~6.5x FY21 EV/EBITDA	18%	$797	-$315	$482	-6.0x	2.0x	24.7%	34.2%

Analyst	Shrs Out	Avg Vol $mm	Conf.
CM	15.7	$7.0	
52-Week Range $34.90 - $50.91	FQ4	FYE (Jan) FY 2019e	FY 2020e
CJS Estimates			
EPS	**-$0.12**	**$3.28**	**$2.10**
was	*-$0.02*	*$3.39*	*$2.50*
EBITDA	**-$1.4**	**$52.3**	**$51.8**
was	$0.9	$54.5	$59.7
P/E		**15.5x**	**24.1x**
EV/EBITDA		**9.2x**	**9.3x**
Consensus (2 Analysts)			
EPS	-$0.05	$3.38	$2.10
EBITDA	-$0.7	$52.7	$48.1

The backlog rebuild has made some meaningful progress over the past two months. On January 31st Argan entered into an EPC contract with Guernsey Power Station, LLC to construct a 1,875 MW natural gas-fired power plant in Ohio. The Guernsey contract has an estimated value of between $700mm and $800mm and moves backlog close to $1.1 billion. The Chickahominy project, an estimated $700mm, will go into backlog when it receives FNTP, expected in June or July. Securing the necessary financing has been the primary issue. While Argan is not quite there, backlog of $1.6B-$1-8B looks to be within reach. The highest backlog level in the company's history was $1.46B in April 2016. The stock is up ~20% since the Guernsey announcement. We believe additional upside remains but there is also risk associated with Chickahominy, as well as the $250mm Reidsville contract that is in backlog but has not yet begun construction.

Astronics Corp.

ATRO	Rating: MO	Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
		$33.25	$43	11.5x FY20 EV/EBITDA	29%	$1,109	$142	$1,251	1.2x	2.9x	8.0%	9.2%

Analyst	Shrs Out	Avg Vol $mm	Conf.
JT	33.3	$5.1	
52-Week Range $27.56 - $40.49	FQ4	FYE (Dec) FY 2019e	FY 2020e
CJS Estimates			
EPS	**$0.33**	**$1.55**	**$2.40**
was			
EBITDA	**$23.7**	**$101.5**	**$136.5**
was			
P/E		**21.5x**	**13.8x**
EV/EBITDA		**12.3x**	**9.2x**
Consensus (5 Analysts)			
EPS	$0.32	$1.65	$2.15
EBITDA	$24.9	$106.6	$128.1

Expect an in-line or better Q1, with strong commercial Aerospace demand and backlogs underpinning results while losses from the previously disclosed "problem" businesses (CCC and Aerosat) are likely to remain a drag. Investors are likely to be focused on the progress at CCC in meeting its customers performance requirements, and the backlog for Aerosat, which officially opens for orders for its new satellite system on April 1. We believe the Company discounts its distributor and satellite network providers' forecasts by roughly half in its guidance, due to capacity constraints related to an FAA mandated inspection and upgrade cycle currently occupying certified installers. We remain positive on shares (trading under 10X FY20 EV/EBITDA vs peers in low-mid teens), particularly after the Semi-Test business sale, leaving a less volatile pure play aerospace co with strong competitive positions benefiting from secular demand trends in air travel growth, and increasing penetration of in seat power, entertainment and in-flight communications.

Atlas Air Worldwide		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
AAWW	Rating: MO	**$51.36**	**$93**	**14x FY20 P/E**	**81%**	**$1,434**	**$2,248**	**$3,682**	**4.2x**	**0.7x**	**5.7%**	**21.7%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
RL	27.9	$15.5	
52-Week Range $35.59 - $75.29	**FQ1**	**FYE (Dec) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.80**	**$7.25**	**$6.60**
was		*$7.00*	*$6.35*
EBITDA	**$110.3**	**$596.4**	**$581.3**
was		$581.5	$522.3
P/E		**7.1x**	**7.8x**
EV/EBITDA		**6.2x**	**6.3x**
Consensus (10 Analysts)			
EPS	$0.85	$7.64	$7.37
EBITDA	$111.5	$607.1	$628.5

The 3/29 announced contract extension with Amazon to add CMI flying for an additional aircraft type (737-800) is an accretive and attractive growth driver. There are several positives worth noting from this agreement. First, it expands a strategic long term relationship with Amazon. Next, it adds scale to the 737 platform for Atlas, and with scale comes efficiencies and improved margins. And most notably, it requires no upfront capital investment for Atlas. Because of the asset lite nature, it will lower leverage and improve returns. We estimate that the initial five planes could be $0.35/share accretive on a full year basis and if Amazon exercises its option for all 20 planes it could add $1+/share to adjusted EPS. Shares are trading at less than 8x adjusted 2020 EPS and 0.64x book value vs. a 10-year average of 10.5x and .94x. Simply getting back to the mean would award investors 45% upside. We believe by the nature of the asset lite growth that returns and therefore earnings multiples can expand over time as well and we reiterate our MO rating.

Barrett Business Svcs.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
BBSI	Rating: MO	**$78.57**	**$98**	**17x FY20 P/E**	**25%**	**$597**	**-$31**	**$566**	**-0.4x**	**5.0x**	**22.7%**	**37.2%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
CM	7.6	$3.4	
52-Week Range $53.10 - $98.76	**FQ1**	**FYE (Dec) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**-$1.23**	**$5.30**	**$5.75**
was	*-$1.70*	*$4.86*	
EBITDA	**-$15.0**	**$53.8**	**$59.0**
was	$17.2	$51.0	
P/E		**14.8x**	**13.7x**
EV/EBITDA		**10.5x**	**9.6x**
Consensus (3 Analysts)			
EPS	-$1.23	$5.37	$6.02
EBITDA	-$9.8	$52.4	$59.0

Revenue expansion is slowing near-term but the 8% guide for gross revenue growth is still an attractive level. BBSI had roughly 6,200 clients at the end of 2018 and the goal is to add approximately 800 net new clients in 2019, an increase of ~13%. While these new clients are typically smaller and contribute less to revenue in the short run, BBSI's customer base continues to widen. Its cost structure, driven by lower workers' comp expense margins, continues to improve. All clients should be under the new Chubb structure by July 1st. The Chubb trust continues to grow, as does the associated investment income. As discussed over the past year, workers' comp rates in California have tightened (although the rate of reductions looks to be slowing) and BBSI has chosen not to chase lower margin business while still continuing to aggressively expand its client base. Given its improving cost structure it could be a little more aggressive in pricing if needed. While California is still responsible for almost 80% of overall revenue, growth has recently been coming from outside California. There were 61 physical locations at the end of 2018 and BBSI intends to open 4 new locations in 2019 (California, Colorado, Pennsylvania, and Tennessee). The stock has rebounded nicely since early January but we believe significant upside still exists.

Blue Bird Corp.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
BLBD	Rating: MO	**$17.22**	**$22**	**13.0x FY20 P/E**	**28%**	**$455**	**$191**	**$646**	**2.8x**	**-5.7x**	**-3.1%**	**-5.3%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
CM	26.4	$1.5	
52-Week Range $15.67 - $26.95	**FQ2**	**FYE (Sep) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.10**	**$1.55**	**$1.75**
was	*$0.17*	*$1.60*	
EBITDA	**$9.6**	**$78.8**	**$91.1**
was	$13.0	$80.0	
P/E		**11.1x**	**9.8x**
EV/EBITDA		**8.2x**	**7.1x**
Consensus (4 Analysts)			
EPS	$0.16	$1.66	$1.96
EBITDA	$11.7	$82.0	$94.8

We are shifting ~$11mm in revenue and $0.02 in earnings from Q2 to Q3 to allow for a little more seasonality; there is no impact on our FY19 numbers. We were already at the low-end of Q2 estimates and this pushes us a little further in that direction. The FY19 focus is clearly on driving margins and increasing profitability through a series of transformation initiatives, including a new paint shop. Cost savings / efficiencies from the initiatives have already begun and will carry into FY20. While industry bus sales are expected to be up roughly 3% in 2019 (from 34,000 units in 2018), management's FY19 revenue guidance range is flat to down ~3%. We believe this range could be conservative as it accounts for the possibility that production may be slightly impacted from the transformational work. The N.A. school bus market is approaching all-time high unit sales; the key to future earnings growth for BLBD will be share and margins. Alternative fuel-powered buses continue to be the big growth driver; they represented a record 38% of Blue Bird's total sales in 2018 and 42% of sales and backlog YTD at the end of Q1. Blue Bird remains the undisputed leader in alternative fuels with an estimated 70% market share. Alternative fuel buses, particularly propane, offer higher margins than diesel. Our $22 price target assumes EBITDA margins of just below 9% in FY20 vs. management's goal of 10%.

BWX Technologies		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
BWXT	Rating: MO	**$50.84**	**$68**	**25x FY20 P/E**	**34%**	**$5,011**	**$734**	**$5,746**	**2.0x**	**21.3x**	**22.4%**	**33.0%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
RL	98.6	$36.4	
52-Week Range $35.91 - $72.18	**FQ1**	**FYE (Dec) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.57**	**$2.50**	**$2.70**
was	*$0.62*		
EBITDA	**$92.1**	**$396.2**	**$421.5**
was	$98.1		
P/E		**20.4x**	**18.8x**
EV/EBITDA		**14.5x**	**13.6x**
Consensus (9 Analysts)			
EPS	$0.60	$2.51	$2.79
EBITDA	$96.1	$404.4	$439.6

Shares of BWXT remain attractively valued for a high-quality company whose sole-sourced naval propulsion business provides visible growth through 2030. The stock has only partially recovered from the November declines. In our January note we walk investors through a roadmap to 2022 EPS of $3.50/share. With the new $2.1B naval nuclear reactor pricing agreement awarded in February we believe the Columbia Class submarine (a key growth driver), is larger than we initially expected and thus comprises a higher percentage of the 2022 EPS "de-risking" the growth from NSG and Isotopes. Incremental news on an accelerated carrier build and the potential for a 3rd VA Class sub could act as catalysts over the coming months/qtrs. We believe the missile tube repairs are tracking on plan with the majority to be completed mid-year. With the Columbia growth and potential for incremental work mentioned above we believe the company can walk away from future missile tube work with minimal stranded capital or negative consequences. For investors worried about an economic slowdown in 2020 we view BWXT as an attractive non-cyclical growth investment.

Cal-Maine Foods

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
CALM	Rating: MP	**$43.27**	**$51**	**15x normalized earnings**	**18%**	**$2,101**	**-$338**	**$1,763**	**-1.5x**	**2.1x**	**-0.9%**	**2.3%**

Analyst	**Shrs Out**	**Avg Vol $mm**	**Conf.**
CB	48.6	$12.7	
52-Week Range $40.63 - $52.30	**FQ4**	**FYE (May) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**-$0.06**	**$1.50**	**$1.00**
was	*$0.19*	*$1.45*	*$2.30*
EBITDA	**$10.2**	**$131.4**	**$109.7**
was	$25.8	$130.5	$192.0
P/E		**28.8x**	**43.2x**
EV/EBITDA		**13.4x**	**16.1x**
Consensus (7 Analysts)			
EPS	-$0.07	$1.30	$1.53
EBITDA	$31.5	$129.7	$137.0

Cal-Maine reported significantly better than expected Q3 results on April 1 ($0.82 vs CJS/consensus $052/$0.44). Conventional and specialty egg prices were both $0.05 per dz. better than forecast. Since quarter end, conventional egg prices have fallen 12% to $0.91 which is below the $1.05 that it costs Cal-Maine to produce and deliver a dozen eggs. Without a material uptick in prices other than at Easter, the $0.02 consensus estimate for Q4 is likely too high. We are reducing our Q4 estimate from $0.19 to ($0.07). In addition, because of 2% YTD growth in the number of US layer hens and egg producers plans to net add housing for another 7MM hens in 2019, we are reducing our FY20 (May) estimate of conventional egg prices from $1.24 to $1.10. This reduces our EPS estimate from $2.30 to $1.00. Consensus is $1.53. We would also caution that a new extensive study of US egg consumption concluded that eggs increase in the risk of heart disease. This threatens the current superfood status of egg and could lead to slowing demand. Our Market Perform rating and $51 price target (15x normalized earnings) are unchanged.

Cavco Industries

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
CVCO	Rating: MO	**$119.75**	**$205**	**20x CY20 EPS plus net cash**	**71%**	**$1,114**	**-$227**	**$887**	**-2.7x**	**2.2x**	**-17.2%**	**-8.2%**

Analyst	**Shrs Out**	**Avg Vol $mm**	**Conf.**
DM	9.3	$11.8	
52-Week Range $112.00 - $261.80	**FQ4**	**FYE (Mar) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$1.36**	**$6.60**	**$7.15**
was		*$6.85*	*$8.00*
EBITDA	**$17.9**	**$84.6**	**$92.2**
was		$88.7	$105.1
P/E		**18.1x**	**16.7x**
EV/EBITDA		**10.5x**	**9.6x**
Consensus (3 Analyst)			
EPS	$1.37	$6.62	$7.42
EBITDA	$16.8	$81.8	$89.7

Shares are under pressure reflecting a soft patch in housing/MH lingering into FQ4 (Mar) and the overhang of an SEC investigation which is also impacting margins (legal fees, D&O Insurance, etc.). MH shipments fell ~11% in Jan and Feb will likely be down y/y, reflecting tough FEMA "comps" and extremely wet weather in many areas. Despite this, demand appears solid and we expect shipment growth to resume in coming months. MH is an ideal solution to a shortage of affordable, quality housing. Interest rates are falling and financing is improving, enhanced by Fannie's MH Advantage and Freddie's CHOICEHomes programs. An exceptional balance sheet and strong FCF offer flexibility to weather current storms. Looking out 3-5 years, at 130-150k MH units (~100k today), CVCO could earn $10-$14/share and net cash could build to $40+/share. We view this as a unique entry point for an exceptionally well run company with entry barriers and positive LT tailwinds. Clients should remain patient and build positions in an orderly manner. **CJS is hosting a trip to AZ (5/22) and meetings in NYC (5/30)**.

CBIZ Inc.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
CBZ	Rating: MP	**$20.41**	**$24**	**18x FY19 P/E**	**18%**	**$1,153**	**$134**	**$1,288**	**1.2x**	**1.9x**	**3.2%**	**3.6%**

Analyst	**Shrs Out**	**Avg Vol $mm**	**Conf.**
CM	56.5	$4.3	
52-Week Range $18.20 - $24.38	**FQ1**	**FYE (Dec) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.69**	**$1.20**	**$1.35**
was			
EBITDA	**$59.2**	**$120.9**	**$133.0**
was			
P/E		**17.0x**	**15.2x**
EV/EBITDA		**10.6x**	**9.7x**
Consensus (4 Analysts)			
EPS	$0.70	$1.20	$1.32
EBITDA	$59.7	$120.9	$130.2

We lowering our revenue estimate for Q1 by $3.5mm to $281mm. This reflects a little less M&A related revenue. We are not making any change to our Q1 EPS of $0.69, which is at consensus. The CBIZ model is very attractive, it targets 6-10% growth annually (3-5% organic and 3-5% from acquisitions) with operating leverage that typically enables it to generate 2X that in pre-tax income growth. We expect 2019 revenue growth to be near the low-end of this range as there will be some catch-up from slower M&A activity in 2018.That should be offset by a little catch-up in pre-tax margins as CBIZ made some growth investments in 2018 that likely won't be matched in 2019. While certainly not immune to economic cycles, it benefits from the recurring nature of its revenue (roughly 80%) and the fact that many of its services are not discretionary (clients still need to do their taxes in a recession). It has not been negatively impacted by tariffs and CBIZ has been able to successfully navigate a tight labor market. CBIZ has shown good discipline historically in making acquisitions; we expect M&A activity to pick up in the near to mid-term. The stock trades at ~15X FY20e EPS. We would be a buyer on weakness.

Cision Ltd.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
CISN	Rating: MO	**$13.68**	**$21**	**22x FY20 P/E**	**54%**	**$1,816**	**$1,114**	**$2,930**	**4.4x**	**6.3x**	**13.9%**	**16.9%**

Analyst	**Shrs Out**	**Avg Vol $mm**	**Conf.**
RL	132.7	$6.0	
52-Week Range $10.86 - $18.28	**FQ1**	**FYE (Dec) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.18**	**$0.82**	**$0.95**
was			
EBITDA	**$62.2**	**$272.6**	**$297.2**
was			
P/E		**16.6x**	**14.4x**
EV/EBITDA		**10.7x**	**9.9x**
Consensus (10 Analysts)			
EPS	$0.19	$0.84	$0.95
EBITDA	$62.2	$272.5	$295.1

The two transformational social media focused acquisitions in January for a net $300mm (~$110mm cash and 15mm shares) addressed the biggest pushback to the investment thesis for Cision: Growth rate. On a pro forma basis organic growth is now expected to be 5-6%+ in 2019 from a reported 2.2% in 2018. Further, we see growth accelerating into the high single digits in 2020 and beyond. As a reminder Cision is the dominant player in the earned media software market with the only comprehensive suite of solutions. Further it offers the only data attribution tools in earned media. This technology enables a brand's chief communication officer to measure and track the ROI of each earned media campaign launched. The tracking technology is 'borrowed' from the digital paid advertising world and enabled the explosive growth in the online advertising market. By combining data attribution with earned media we see materially higher ARPU as well as lower churn over the coming years. As Cision demonstrates 5%+ organic growth we believe it can re-rate and trade closer to other SaaS models which boast 30x and 16x EPS and EBITDA multiples respectively.

Clean Harbors Inc.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
CLH	Rating: MP	**$72.00**	**$77**	**10x 2020E EV/EBITDA**	**7%**	**$4,068**	**$1,293**	**$5,362**	**3.0x**	**3.5x**	**31.6%**	**45.9%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
LS	56.5	$35.6	
52-Week Range $44.75 - $72.50	**FQ1**	**FYE (Dec) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.04**	**$1.70**	**$2.05**
was		*$1.50*	
EBITDA	**$96.8**	**$520.5**	**$549.6**
was		$510.2	
P/E		**42.3x**	**35.2x**
EV/EBITDA		**10.3x**	**9.8x**
Consensus (11 Analysts)			
EPS	$0.02	$1.72	$2.10
EBITDA	$97.2	$519.5	$547.9

Strong trends in Environmental Services could drive a beat in the seasonally slow Q1. Positive underlying business momentum could be partially offset by a one-week shutdown at the Deer Park Incinerator due to a fire at a neighboring tank farm owned by Mitsui's Intercontinental Terminals Co (ITC). The fire began on March 17th and lasted several days which limited access to CLH's facility. Any potential benefit from clean-up activity from the fire which destroyed 11 tanks holding fuels used to make gasoline and plastics would occur in Q2. We expect more modest profit growth at Safety-Kleen due in part to a difficult yr/yr comparison. Base oil prices increases from Motiva ($0.10) and Chevron ($0.20) were announced in mid-March which is earlier than the usual seasonally uptick related to the driving season and could benefit Q2 performance. The International Maritime's "IMO 2020" fuel sulfur regulations are set to go into effect on January 1, 2020. Benefits to the company on both the collection and re-sale side could begin as early as mid-2019. This includes reduced value of waste oil due to its high sulfur content and increased demand and pricing of low sulfur refined base oil. Similar to last year, FY19 guidance appears conservative which sets up the potential for upside surprises.

Coherent Inc.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
COHR	Rating: MO	**$149.63**	**$170**	**18x FY20E EPS**	**14%**	**$3,662**	**$139**	**$3,801**	**0.3x**	**2.8x**	**25.5%**	**41.5%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
LS	24.5	$56.6	
52-Week Range $90.10 - $192.37	**FQ2**	**FYE (Sep) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$1.51**	**$7.65**	**$9.45**
was		*$10.50*	*$12.00*
EBITDA	**$69.0**	**$325.6**	**$369.0**
was		$423.6	$473.5
P/E		**19.6x**	**15.8x**
EV/EBITDA		**11.7x**	**10.3x**
Consensus (9 Analysts)			
EPS	$1.47	$7.52	$10.48
EBITDA	$66.0	$306.6	$398.7

FY19E expectations appear appropriately set after several reductions related to flat panel display (FPD) and weakness in China. We expect some improvement in operating performance in the latter part of the year aided by easing comparisons and rising benefit from anticipated cost cuts of $10-$15mm. Our confidence in the mid-to-longer term outlook for FPD in OLED production remains high with ~20%E sales declines in FY19E a pause in a multi-year secular growth story. There is no change to long-term demand for OLED displays driven by performance advantages and design flexibility. New OLED capacity announcements, a growing amount of panel manufacturers close to entering commercial production (particularly in China), and an acceleration in new consumer products using flexible OLED position FPD for a rebound. We anticipate a return to 5%E growth in FPD in FY20 (vs. -20%E in FY19) followed by a stronger pick-up in FY21 and beyond. The shares trade at a compelling valuation, however they could be range bound in the near term following a 30% YTD rise and an anticipated 50% decline in Q2 earnings.

Columbus McKinnon

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
CMCO	Rating: MO	**$35.29**	**$49**	**14x FY21 P/E**	**39%**	**$819**	**$257**	**$1,076**	**2.0x**	**2.0x**	**12.5%**	**17.1%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
JT	23.2	$3.7	
52-Week Range $27.66 - $45.85	**FQ4**	**FYE (Mar) FY2019E**	**FY2020E**
CJS Estimates			
EPS	**$0.61**	**$2.65**	**$3.00**
was	*$0.59*	*$2.61*	
EBITDA	**$30.8**	**$130.4**	**$141.0**
was			
P/E		**13.3x**	**11.8x**
EV/EBITDA		**8.2x**	**7.6x**
Consensus (3 Analysts)			
EPS	$0.62	$2.66	$3.06
EBITDA	$30.4	$130.7	$139.4

The Company closed the sales of the Forged Hook and Crane Services businesses slightly earlier than expected, which could cause a slight headwind to achieve revenue consensus ($1-2mm headwind), however momentum in the 80/20 plan and underlying core business is likely to render any earnings impact negligible. Demand from customers appears to remain healthy despite headlines surrounding trade wars, Brexit and weaker auto volumes, which are being offset by strong domestic steel investments, and broad transitions to more digitization, automation and higher efficiency equipment and processes. The Board recently authorized a dividend increase and a $20mm share repurchase plan, which we believe will be used opportunistically given the relative valuation (~12.5X Adj. FY19E P/E) vs high margin industrial peers which trade at ~16X.

Compass Diversified

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
CODI	Rating: MO	**$15.84**	**$20**	**SOTP**	**26%**	**$949**	**$1,051**	**$1,999**	**3.8x**	**1.0x**	**9.5%**	**27.2%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
LS	59.9	$3.2	
52-Week Range $11.60 - $18.35	**FQ1**	**FYE (Dec) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.19**	**$1.70**	**$1.95**
was		*$1.82*	
EBITDA	**$66.5**	**$295.9**	**$323.4**
was		$305.0	
P/E		**9.3x**	**8.1x**
EV/EBITDA		**6.8x**	**6.2x**
Consensus (6 Analysts)			
EPS	$0.23	$1.70	$1.95
EBITDA	$65.2	$299.6	$326.5

We anticipate roughly flat CAD per-share and few surprises in the seasonally slow Q1. We continue to recommend purchase of shares based on a steady or improving outlook across holdings and a 9% dividend. Our FY19E includes a 13% rise in organic EBITDA following a flat 2016-2018. A favorable outlook is led by a rebound at 511 Tactical which experienced a 16% decline in EBITDA in 2018 despite 12% sales growth due to operational inefficiencies related to the consolidation of warehouse and a timing related drop in direct to agency sales. We expect the industrial businesses to continue to perform well led by Sterno and Clean Earth in a resilient domestic economy. The opportunistic sale of Manitoba was completed on 2/28. Net proceeds of $215mm-$225mm will go towards paydown of the revolver lowering proforma net debt to EBITDA to ~3.3x (from 3.8x) and increasing liquidity for acquisitions to > $750mm (from $550mm).

Copart Inc.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
CPRT	Rating: MO	**$62.18**	**$63**	**25x FY20 P/E**	**1%**	**$14,674**	**$385**	**$15,059**	**0.5x**	**10.1x**	**28.6%**	**30.1%**

Analyst RL	**Shrs Out** 236.0	**Avg Vol $mm** $81.9	**Conf.**
52-Week Range $44.61 - $67.08	**FQ3**	**FYE (July) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.63**	**$2.20**	**$2.50**
was			
EBITDA	**$218.6**	**$779.1**	**$867.4**
was			
P/E		**28.2x**	**24.8x**
EV/EBITDA		**19.3x**	**17.4x**
Consensus (9 Analysts)			
EPS	$0.62	$2.16	$2.45
EBITDA	$217.5	$773.3	$853.8

Copart shares continue to roll driven by strong operating performance propelled by higher total loss frequency and improved mix at auctions. Higher total loss frequency is driven by vehicle complexity and higher cost to repair and we don't see this changing any time soon. The mix improvement is both within insurance cars (to younger and less damaged cars and therefore higher proceeds to CPRT) and toward non-insurance which are for the most part more profitable than insurance cars. In Germany the company continues to advance its growth with 12 locations and in the US it continues to add land/capacity to be able to serve its large and growing unit volumes. Taking advantage of the CQ4 market meltdown CPRT repurchased 7.6mm shares for $365mm (~$48/share) and despite this leverage remains below 1x. Options granted to CEO Jay Adair under his last employment agreement fully vest in April and we expect a new agreement to follow. Each of the last two contracts were fully aligned with shareholders as Mr. Adair took $1/yr in salary and options at the then market price. We expect a similar shareholder-aligned contract this year as well.

CSG Systems Intl.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
CSGS	Rating: MO	**$43.48**	**$50**	**15x FY20 P/E**	**15%**	**$1,422**	**$199**	**$1,621**	**1.0x**	**3.9x**	**36.4%**	**36.9%**

Analyst CM	**Shrs Out** 32.7	**Avg Vol $mm** $7.4	**Conf.**
52-Week Range $30.40010 - $46.86	**FQ1**	**FYE (Dec) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.72**	**$3.20**	**$3.35**
was	*$0.74*	*$3.15*	
EBITDA	**$47.6**	**$205.8**	**$214.0**
was	$49.0	$205.0	
P/E		**13.6x**	**13.0x**
EV/EBITDA		**7.9x**	**7.6x**
Consensus (3 Analysts)			
EPS	$0.75	$3.24	$3.44
EBITDA	$49.1	$206.7	$213.7

We might be a little conservative in Q1 (a few cents below consensus of $0.75) but are more focused on annual progression. (CSG has high recurring / high visibility revenue which has led to a solid track record with respect to annual earnings guidance.) CSG has diversified its revenue mix so that verticals outside of cable now generate approximately 40% of revenues. It has significant domain expertise in areas such as revenue management, digital monetization, and payment solutions. We estimate it will spend roughly 12% of FY19 revenue ($120mm) on R&D. The spend can be roughly broken down into three relatively equal buckets; 1/3 hardening existing solutions from cyber attacks – making them more scalable / robust, etc.; 1/3 adding additional functionality to existing solutions; and 1/3 on new solutions, new technology, etc. CSG is still integrating the Forte acquisition. Forte is a leading advanced payment systems company growing at ~15% annually. Ultimately the goal is to combine the Forte solution with CSG's and enable a single monetization experience across all channels for consumers. CSG will likely always be cable-centric but those high margin / high cash flow customers offer a great platform to leverage. For longer-term investors we believe the stock offers significant value at the current levels.

CSW Industrials Inc.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
CSWI	Rating: MO	**$57.68**	**$59**	**11.5x FY120 EV/EBIDA**	**2%**	**$886**	**-$3**	**$883**	**-0.1x**	**3.5x**	**13.9%**	**19.3%**

Analyst JT	**Shrs Out** 15.4	**Avg Vol $mm** $3.2	**Conf.**
52-Week Range $41.50 - $59.94	**FQ4**	**FYE (Mar) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.64**	**$2.65**	**$2.90**
was	*$0.61*	*$2.55*	*$2.60*
EBITDA	**$17.1**	**$71.8**	**$75.5**
was	$17.9		
P/E		**21.8x**	**19.9x**
EV/EBITDA		**12.3x**	**11.7x**
Consensus (2 Analysts)			
EPS	$0.66	$2.67	$2.97
EBITDA	$17.1	$71.8	$75.5

Expect an in-line or better FQ4. HVAC demand at distributors appears to be following normal seasonal patterns despite a colder, wetter winter, and compared to a very tough comparison from last year (where customers ordered earlier than expected, driving a strong FQ4 but weaker FQ1 as inventory and demand normalized). Construction activity (Smokeguard, Greco, Balco) specific to the Company's west coast and Canadian projects do not appear to have been affected significantly by the weather. Priorities and uses for cash (no net debt) is likely to be in focus, and we believe the M&A pipeline is currently more active than it has been in recent years, although timing and size of any transaction remains unclear.

Cott Corp.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
COT	Rating: MO	**$14.82**	**$20**	**11x 2020 EBITDA**	**35%**	**$2,076**	**$1,118**	**$3,194**	**3.1x**	**1.8x**	**1.3%**	**6.3%**

Analyst DM	**Shrs Out** 140.1	**Avg Vol $mm** $12.8	**Conf.**
52-Week Range $13.34 - $17.06	**FQ1**	**FYE (Dec) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**-$0.04**	**$0.30**	**$0.42**
was		*$0.32*	*$0.46*
EBITDA	**$65.0**	**$338.0**	**$360.0**
was		$340.0	$366.0
P/E		**49.0x**	**35.4x**
EV/EBITDA		**9.4x**	**8.9x**
Consensus (12 Analysts)			
EPS	-$0.03	$0.36	$0.50
EBITDA	$64.5	$333.5	$356.2

Key themes from the recent investor day: 1) enhancing and improving the customer experience in Route Based Services (RBS), including increased investments in technology to drive customer retention, 2) a strong commitment to environmental and socially sustainable practices enhancing the competitive "moat," 3) reiteration of 2019 goals and the long term model, including 2-3% organic growth, 4-5% overall top line growth and $150mm+ FCF, growing $10-$25mm annually thereafter. Management also conveyed increased confidence that online retailers (Amazon) constitute more of an opportunity than a threat to the HOD water delivery business. If Cott were to announce a partnership in this arena, it would likely be viewed as a material positive and a potential catalyst for valuation. At <10x EBITDA and a compelling ~8% FCF yield, COT remains undervalued. Management clearly agrees, having repurchased ~5mm shares in at/near current share prices over the past few quarters.

Del Taco Restaurants		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
TACO	Rating: MP	**$10.19**	**$12**	**8-9x FY20 EBITDA**	**18%**	**$385**	**$173**	**$558**	**2.5x**	**0.9x**	**-3.1%**	**2.0%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
CB	37.8	$2.4	
52-Week Range $9.46 - $14.83	**FQ1**	**FYE (Dec) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.03**	**$0.50**	**$0.55**
was			
EBITDA	**$10.6**	**$64.7**	**$72.1**
was			
P/E		**20.6x**	**18.5x**
EV/EBITDA		**8.6x**	**7.7x**
Consensus (8 Analysts)			
EPS	$0.06	$0.50	$0.58
EBITDA	$12.2	$67.4	$71.4

Del Taco announced a refranchising plan in January concurrent with preannouncing a 3.9% traffic decline in Q4, lower than expected EBITDA and guiding 2019 revenue and SSS below then consensus. Traffic slowed further in Q1 to -5% and management guided 2019 estimates even lower when it reported Q4. If management successfully executes its refranchising plan, we expect estimates to fall further. The company wants to sell company owned units to large franchise operators that commit to opening additional units. These sales will be initially dilutive as the company trades 15-20% restaurant level EBITDA margins for a 4.9% royalty and $1.1-$1.4MM per unit. Management is willing to accept near term earnings dilution in to increase unit growth from mid-single digits to something better. It might work. However, at present TACO faces declining traffic, falling estimates and a big step up in labor costs in CA. After the company has completed some of the planned refranchising sales and growth outlook is reset, the shares could be worth revisiting, but for now we remain on the sidelines.

Deluxe Corp.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
DLX	Rating: MO	**$44.69**	**$68**	**12X CY20 EPS**	**52%**	**$2,068**	**$832**	**$2,901**	**1.6x**	**2.2x**	**4.1%**	**16.3%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
CS	46.3	$18.2	
52-Week Range $36.70 - $76.95	**FQ1**	**FYE (Dec) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$1.11**	**$5.45**	**$5.60**
was		*$5.70*	
EBITDA	**$112.2**	**$507.9**	**$516.7**
was		$527.0	
P/E		**8.2x**	**8.0x**
EV/EBITDA		**5.7x**	**5.6x**
Consensus (2 Analysts)			
EPS	$1.11	$5.47	$5.73
EBITDA	$110.3	$499.8	$506.1

Q1 will be the first full quarter under the new CEO and we expect an update on both guidance and his vision plan as the outside strategic assessment should be done by the late April call. We don't expect a major shift in strategy but we assume investors are likely to get a clearer picture of the long term growth story, specifically what will the portfolio look like in 3-5 years to accelerate growth, which has been elusive. While the assessment has been on going, the company paused from making acquisitions and we wouldn't be surprised if some small divestitures were a part of the new plan. After dipping in January, the Small Business Optimism Index stabilized in February as Small businesses were impacted in Q4 and January by extreme weather and the Federal shutdown.

Donnelley Fin. Sol.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
DFIN	Rating: MO	**$15.05**	**$24**	**7.5x CY20 EV/EBITDA**	**59%**	**$515**	**$315**	**$830**	**2.0x**	**2.3x**	**-5.5%**	**7.3%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
CS	34.2	$2.8	
52-Week Range $13.15 - $21.44	**FQ1**	**FYE (Dec) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.00**	**$1.31**	**$1.45**
was	*$0.30*	*$1.60*	
EBITDA	**$20.6**	**$144.8**	**$150.0**
was	$34.0	$155.0	
P/E		**11.5x**	**10.4x**
EV/EBITDA		**5.7x**	**5.5x**
Consensus (6 Analysts)			
EPS	$0.13	$1.34	$1.57
EBITDA	$25.2	$148.5	$158.9

Capital markets activity keeps improving, after no meaningful activity in January, 10 IPOs priced in February. Following the $2.3bln IPO of Lyft last week, several other high profile IPOs including, Uber, Slack, Postmates, Zoom and Pinterest are expected to price in the coming weeks. Other "Unicorn" company's like Airbnb and Palentir are expected to debut later this year. This could be the spark to help accelerate capital markets activity. We continue to monitor this development. DFIN's software business got off to slow start, given the impact of the government shutdown and lack of M&A on its data room offerings. Q1 consensus appears high at $25mm but we are comfortable with our $20mm estimate At ~5X EV/EBITDA, valuation is attractive but investors may be waiting for more tangible signs of a rebound in the capital markets.

Element Solutions		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
ESI	Rating: MO	**$10.25**	**$14**	**11.5x FY20 EV/EBITDA**	**37%**	**$2,863**	**$1,000**	**$3,863**	**2.5x**	**1.4x**	**-6.8%**	**-0.8%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
JT	279.3	$28.4	
52-Week Range $9.09 - $13.54	**FQ1**	**FYE (Dec) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.18**	**$0.85**	**$0.93**
was	*$0.17*	*$0.78*	
EBITDA	**$95.5**	**$430.0**	**$455.0**
was	$102.5	$460.0	
P/E		**12.0x**	**11.0x**
EV/EBITDA		**9.0x**	**8.5x**
Consensus (11 Analysts)			
EPS	$0.18	$0.83	$0.97
EBITDA	$96.2	$430.0	$454.9

Expect an in-line Q1, as global auto demand and especially China remain soft, but electronics demand has recovered slightly since Q4. Chinese stimulus efforts, and a resolution of trade tensions between China and the US would likely be a positive demand catalyst, however it is too early to quantify the impact of a resolution or extended dispute. The Company continues to make progress in its streamlining efforts post-Arysta sale, and recently appointed a new CFO and other executives from internal positions as part of its drive to align Management goals and reduce costs. Overall we remain confident in the long term secular drivers of the business (more complex electronics, electronification of autos), and believe the Arysta sale removed a major overhang (reduced leverage, reduced volatility, improved cash flow and margins), leaving a pure play company which is currently undervalued vs. specialty coatings and electronic chemical peers.

ESCO Technologies

ESE	Rating	Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
ESE	Rating: MO	$68.47	$80	SOTP	17%	$1,786	$178	$1,964	1.2x	2.3x	3.4%	3.8%

Analyst	Shrs Out	Avg Vol $mm	Conf.
JT	26.1	$7.4	
52-Week Range		**FYE (Sep)**	
$54.35 - $71.47	**FQ2**	**FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.62**	**$3.05**	**$3.40**
was			
EBITDA	**$33.4**	**$153.4**	**$170.0**
was			
P/E		**22.5x**	**20.2x**
EV/EBITDA		**12.8x**	**11.6x**
Consensus (4 Analysts)			
EPS	$0.62	$3.03	$3.34
EBITDA	$32.9	$152.8	$167.3

Expect FQ3 results to be at or above the high end of guidance, driven by 1) Increasing urgency by grid operators to stay ahead of regulations and maintenance given the high profile fine of Duke energy for noncompliance (cybersecurity) and PG&E's bankruptcy. And 2) Continuing strength in Navy, Space and Aerospace demand trends (any potential impact from 737 Max consumables is likely to be minimal at <3% of annual EBIT, more backend loaded). We expect Test and Packaging results to be approximately inline. On the M&A front, the pipeline appears active, although the timing and size of potential deals remains unclear. We continue to believe investors should be accumulating shares given strong backlogs and visibility into earnings growth over the next 2 years, in particular, cost reductions with the vast majority of impact occurring in 2020.

Federal Signal Corp.

FSS	Rating	Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
FSS	Rating: MO	$26.29	$30	18x FY20 P/E	14%	$1,612	$173	$1,785	1.3x	3.0x	25.5%	32.1%

Analyst	Shrs Out	Avg Vol $mm	Conf.
CM	61.3	$7.8	
52-Week Range		**FYE (Dec)**	
$18.59 - $28.32	**FQ1**	**FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.26**	**$1.55**	**$1.65**
was		*$1.45*	
EBITDA	**$32.4**	**$172.5**	**$182.0**
was		$167.0	
P/E		**16.9x**	**16.0x**
EV/EBITDA		**10.3x**	**9.8x**
Consensus (5 Analysts)			
EPS	$0.26	$1.55	$1.69
EBITDA	$32.5	$173.6	$186.3

Q1 estimates are tightly bunched around consensus of $0.26 and revenue of $263mm. Q1 was likely negatively impacted by some weather-related issues but also benefitted y/y from some "spring-cleaning" sales that were pushed from Q1 to Q2 in FY18; this is not expected to be the case in FY19. We are shifting roughly $9mm in revenue and $0.02 in earnings from Q2 to Q3 to better reflect a scheduled model year changeover at Ford that could impact the timing of SSG lightbars, etc. In FY18, revenue crossed the $1B mark for the first time and momentum looks good in early 2019; backlog was up 31% y/y as of 12/31/18. Demand is particularly strong for sewer cleaners and vacuum trucks. Federal Signal announced a $25mm expansion of its Streater plant in order to meet demand and lower lead times. Pricing power continues to be favorable with increases being announced in early Q1. Within industrial markets, the company is encouraged by recent order intake and the strength of rental markets in North America. Federal Signal has introduced a number of very successful new products over the past 18 months with a focus on safe digging. One added benefit of the rental platform is that it provides a very efficient mechanism for potential customers to "test drive" new products. We continue to expect additional acquisitions at some point in the near to mid-term. We believe FSS is well-positioned for continued growth. Our price target of $30 is based on 18x FY20e EPS and offers meaningful upside.

Fox Factory Corp.

FOXF	Rating	Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
FOXF	Rating: MO	$73.31	$84	30x CY20 P/E	15%	$2,865	$31	$2,897	0.0x	8.9x	14.2%	24.5%

Analyst	Shrs Out	Avg Vol $mm	Conf.
LS	39.1	$19.8	
52-Week Range		**FYE (Dec)**	
$33.20 - $76.77	**FQ1**	**FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.47**	**$2.52**	**$2.90**
was		*$2.40*	
EBITDA	**$27.0**	**$141.7**	**$164.5**
was		$137.2	
P/E		**29.1x**	**25.3x**
EV/EBITDA		**20.4x**	**17.6x**
Consensus (8 Analysts)			
EPS	$0.48	$2.53	$2.82
EBITDA	$27.6	$141.9	$157.0

We anticipate >20% organic sales growth in Q1 with EPS near the high-end of the guidance range. A favorable outlook is driven by accelerating demand for off-road capable on-road trucks and multiple new spec wins over the past 24 months across categories in Power Vehicle. Specialty Sports (formerly Bikes) is led by strong after market performance on a successful model year 2019, a well-received model year 2020, and continued traction in modestly lower priced bikes. Strong underlying trends could drive full-year sales growth above the historical 8%-10% CAGR and 12% guidance. As a reminder, 2018 organic sales grew 20% vs. initial guidance of 10% with four consecutive quarterly beats. The robust sales outlook growth is partially moderated by temporary operating inefficiencies with nearly flat anticipated FY19 EBITDA margins due to growing pains which we expect to be resolved as new capacity comes on line in Power Vehicles by 2020.

Gibraltar Industries

ROCK	Rating	Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
ROCK	Rating: MO	$40.76	$50	18x 2020 EBITDA	23%	$1,327	-$87	$1,241	-0.6x	2.2x	18.9%	14.5%

Analyst	Shrs Out	Avg Vol $mm	Conf.
DM	32.6	$6.8	
52-Week Range		**FYE (Dec)**	
$31.96 - $49.0953	**FQ1**	**FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.30**	**$2.45**	**$2.65**
was	*$0.27*	*$2.25*	*$2.50*
EBITDA	**$20.9**	**$138.2**	**$148.1**
was			
P/E		**16.7x**	**15.4x**
EV/EBITDA		**9.0x**	**8.4x**
Consensus (4 Analysts)			
EPS	$0.28	$2.37	$2.67
EBITDA	$20.9	$137.1	$146.2

We recently hosted meetings with Vice Chairman, Frank Heard, incoming CEO Bill Bosway and CFO Tim Murphy. It is early in Mr. Bosway's tenure and we expect more details on strategy in coming quarters. That said, key takeaways include; 1) the "Four Pillar" strategy for creating shareholder value remains intact, 2) "80/20" is now engrained across the organization, is a continuous process and offers meaningful potential ahead, 3) following an 1,100 bps improvement over the past 4-years, ROIC growth remains a primary goal, 4) an increased focus on "Direct to Customer" engineered solutions, 5) ROCK's new CEO and COO (Pat Burns, joined 3/18) are charged with accelerating growth and transforming the company in coming years, and 6) a powerful balance sheet and significant liquidity create the potential to double revenue over the next 5-years. We expect management to remain patient and diligent, but the message is clear… ROCK intends to step on the growth accelerator organically and via M&A.

Global Brass & Cop.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
BRSS	Rating: MO	$35.11	$46	15x FY20E EPS	31%	$786	$180	$967	1.4x	4.2x	21.9%	39.6%

Analyst	Shrs Out	Avg Vol $mm	Conf.
DM	22.4	$3.8	
52-Week Range $24.06 - $39.05	FQ1	FYE (Dec) FY 2019e	FY 2020e
CJS Estimates			
EPS	**$0.55**	**$2.80**	**$3.10**
was		*$2.85*	*$3.00*
EBITDA	**$26.8**	**$125.0**	**$132.0**
was		$131.5	$138.0
P/E		**12.6x**	**11.3x**
EV/EBITDA		**7.7x**	**7.3x**
Consensus (2 Analysts)			
EPS	$0.80	$3.00	$3.10
EBITDA	$30.2	$127.0	$132.0

We recently hosted meetings with management in New York. We believe BRSS is below many investors' radar screens and is not well understood. Our primary takeaways include: 1) BRSS should be viewed more like an Industrial rather than a Commodity company, 2) operational expertise combined with significant asset base create meaningful entry barriers, 3) management has a patient, disciplined track record of capital allocation and BRSS has multiple potential avenues for potential M&A, 4) the balance sheet continues to improve, enhancing FCF and creating flexibility, and 5) valuation remains highly attractive and risk-reward favorable. The closest "comp" to BRSS in our view is Mueller Industries (MLI). BRSS generates similar margins, stronger returns on capital, >FCF conversion and has a stronger balance sheet, yet trades at 3+ multiple turns below MLI. At MLI's current EV/EBITDA multiple (11.3x), BRSS would trade in the low-mid $50s, ~60% above its current trading level.

Great Lakes Dredge

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
GLDD	Rating: MO	$9.00	$10	8x FY20 EV/EBITDA	11%	$574	$299	$873	2.8x	2.7x	26.2%	36.0%

Analyst	Shrs Out	Avg Vol $mm	Conf.
JT	63.8	$4.5	
52-Week Range $4.38 - $9.21	FQ1	FYE (Dec) FY 2018e	FY 2019e
CJS Estimates			
EPS	**$0.07**	**$0.42**	**$0.47**
was	*-$0.04*	*$0.23*	
EBITDA	**$25.7**	**$115.0**	**$120.0**
was	$17.6	$105.0	
P/E		**21.5x**	**19.2x**
EV/EBITDA		**7.6x**	**7.3x**
Consensus (2 Analysts)			
EPS	$0.07	$0.44	$0.47
EBITDA	$26.0	$117.6	$120.0

The company appears likely to turn in a healthy (in-line) quarter given the lack of large-scale weather incidents and a full utilization schedule and backlog, as noted on the last earnings call. We expect Management to be working on paying down the revolver to essentially zero, while also working on options to pay down its existing 2021 debt (callable in 2020 at a 4% premium, can be purchased in the open market). Demand heading into the rest of the year is likely to be good, with Hurricane Florence beach restoration projects likely to be awarded in 2H, heavy flooding and siltation currently occurring in the Mississippi river, and potentially more visibility into international projects in the Middle East. Investors will likely want to hear an update on the planned sale of the E&I business, which is expected to occur before the end of Q2.

Griffon Corp.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
GFF	Rating: MO	$18.92	$24	10x 2020 EV/EBITDA	27%	$793	$1,073	$1,866	5.8x	1.8x	77.5%	81.1%

Analyst	Shrs Out	Avg Vol $mm	Conf.
RL	41.9	$4.7	
52-Week Range $9.65 - $23.55	FQ2	FYE (Sep) FY 2019e	FY 2020e
CJS Estimates			
EPS	**$0.10**	**$0.95**	**$1.25**
was			
EBITDA	**$37.8**	**$185.2**	**$203.2**
was			
P/E		**19.9x**	**15.2x**
EV/EBITDA		**10.1x**	**9.2x**
Consensus (4 Analyst)			
EPS	$0.12	$0.96	$1.29
EBITDA	$38.7	$185.5	$205.0

2019 marks a year of execution for Griffon as it builds out capacity and integrates its recent transformational acquisitions. The slow and steady economic recovery has benefited the R&R market including garage doors and investments in landscaping tools around the home and garden. The expansion of the CornellCookson Mountain Top manufacturing facility will enable new high margin product introductions as well as both cost and revenue synergies to be realized as Griffon drives toward 12%+ segment level EBITDA margins (10.8% currently). The Ames and ClosetMaid integration is also boosting margins. Telephonics revenues remain at trough levels but we expect orders and backlog to pick up in 2H of FY19 and revenues and margins to recover in FY20 and beyond. As Griffon executes and reaches its margin goals earnings power can approach $1.75/share. Through its FCF plus increased EBITDA it can naturally delver the company to 3.5x or better in a few years.

Haemonetics Corp.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
HAE	Rating: MP	$89.75	$100	25x 2022 "EPS power"	11%	$4,741	$189	$4,930	0.7x	7.4x	-13.9%	-10.3%

Analyst	Shrs Out	Avg Vol $mm	Conf.
LS	52.8	$39.8	
52-Week Range $70.86 - $117.56	FQ4	FYE (Mar) FY 2019e	FY 2020e
CJS Estimates			
EPS	**$0.57**	**$2.35**	**$3.00**
was			*$3.10*
EBITDA	**$64.5**	**$264.4**	**$333.6**
was			$338.8
P/E		**38.2x**	**29.9x**
EV/EBITDA		**18.6x**	**14.8x**
Consensus (7 Analysts)			
EPS	$0.55	$2.33	$2.89
EBITDA	$61.0	$256.6	$311.3

We expect a strong Q4 and FY19 results near the high-end of guidance driven by brisk demand in plasma and execution of cost cutting initiatives. The weakness in the shares over the past two months is due in part to concern over a sequential decline in placements of the new NexSys plasma collector to ~1,500 in Q3 vs. 2,500 in Q2. As a reminder, the collector was first launched in at the end of Q1 and the ramp is not expected to be linear. The company has converted 20% of its U.S. installed base of legacy PCS2 collection devices to NexSys in just over six months. We believe conversion of the majority of the entire U.S. fleet of 18K-20K devices remains achievable by FY22. Penetration of the collector, accompanied by potential price increases of 25%-30% on the disposable sets, and cost saving initiatives drives FY22 EPS power of $4.50E to $5.00E. FY20 guidance, to be issued with Q4 results, could be based on NexSys contracts in hand and not assume additional signings. This could lead to potentially less than expected initial guidance with upside as the year progresses. **CJS is hosting meetings with management in Denver on May 15th and Chicago on May 16th.**

Hanger Inc.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
HNGR	Rating: MO	**$19.19**	**$34**	**12x CY20E EBITDA**	**77%**	**$706**	**$446**	**$1,152**	**3.7x**	**NM**	**-0.3%**	**1.3%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
LS	36.8	$4.4	
52-Week Range		**FYE (Dec)**	
$15.60 - $24.50	**FQ1**	**FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**-$0.10**	**$0.87**	**$1.10**
was		*$0.90*	
EBITDA	**$15.2**	**$124.9**	**$138.2**
was		$125.8	
P/E		**22.0x**	**17.4x**
EV/EBITDA		**9.2x**	**8.3x**
Consensus (3 Analysts)			
EPS	-$0.07	$0.89	$1.04
EBITDA	$16.2	$124.5	$133.3

We expect a modest drop in EBITDA in the seasonally slow Q1 impacted by increased discretionary investments. Recently issued FY19 guidance brackets our estimates and includes 1% to 3% same store sales growth (vs. 1% in 2018) and EBITDA of $121mm to $126mm (vs. $121mm in 2018). An anticipated uptick in same store sales to 2% (at the midpoint) is led by prosthetics which grew 3.3% in FY18. This is partially offset by continued deemphasis on lower margin orthotics. The 2019 outlook includes $28mm of sales from three-tuck in acquisitions completed in Dec/Jan but limited profit contributions due to initial integration costs. We expect these clinics to contribute ~$6mm in annual EBITDA as early as 2020E based on a ~20% margin aided by minimal corporate overhead. A modest 3%E rise in 2019E EBITDA is due in part to investments into growth including buildout of the infrastructure to help with the integration of the recent and future acquisitions. In addition, we anticipate a further leg down in the non-core Therapeutics Solutions business (~5% of FY19E sales) before a potential steadying by 2020 as new contracts begin to outweigh attrition of older contracts. We continue to recommend shares based on a favorable valuation and expected improvement in operating performance over the next several years. A positive outlook is driven by HNGR's ability to increasingly differentiate itself in the O&P market and leverage its national scale.

Heico Corp.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
HEI.A	Rating: MO	**$86.59**	**$81**	**30x FY20 Cash P/E**	**-6%**	**$10,119**	**$551**	**$10,670**	**1.3x**	**7.9x**	**29.2%**	**37.4%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
LS	137.0	$26.2	
52-Week Range		**FYE (Oct)**	
$54.64 - $86.59	**FQ2**	**FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.49**	**$2.15**	**$2.45**
was		*$2.13*	*$2.40*
EBITDA	**$126.2**	**$518.0**	**$573.3**
was		$510.3	$567.3
P/E		**40.3x**	**35.4x**
EV/EBITDA		**20.6x**	**18.6x**
Consensus (10 Analysts)			
EPS	$0.49	$2.13	$2.34
EBITDA	$123.2	$504.8	$548.1

Strong underlying trends across segments could lead to a more material beat in Q2 than the usual conservatism built into expectations. A favorable outlook is led by healthy commercial aviation aftermarket and multi-quarter visibility in the higher margin specialty products group within the FSG segment. Resilient passenger demand has kept capacity high and older planes in service. This combined with a slowdown in the new aircraft build rate could lead to a sustainable uptick in aftermarket and repair spending. The recent indefinite grounding of the 737 Max should have little near term impact on results as aftermarket repair and replacement demand are essentially zero until new aircraft warranties expire, generally five years after introduction. The company's Dukane Seacom subsidiary does fit the 737 Max and virtually all commercial aircraft with emergency locator transmitter beacons but the potential loss of revenue is negligible. The ETG segment is supported by accelerating orders across end markets led by defense which makes up nearly half of segment sales. The bigger 2018 and incrementally higher 2019 budgets are expected to have a positive effect on defense orders for the next several quarters to years.

Helen of Troy Ltd.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
HELE	Rating: MO	**$116.64**	**$137**	**17x CY19 P/E**	**17%**	**$3,033**	**$321**	**$3,353**	**1.3x**	**3.0x**	**-14.9%**	**-11.1%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
RL	26.0	$35.0	
52-Week Range		**FYE (Feb)**	
$83.45 - $145.47	**FQ4**	**FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$1.60**	**$7.85**	**$8.05**
was			
EBITDA	**$53.7**	**$253.1**	**$260.5**
was			
P/E		**14.9x**	**14.5x**
EV/EBITDA		**13.2x**	**12.9x**
Consensus (5 Analysts)			
EPS	$1.58	$7.83	$8.08
EBITDA	$49.2	$242.0	$250.6

We expect continued strong execution from HELE as management deftly handles mitigating tariff impacts as well as the so-so retail environment. Innovation, leading to new product introductions, is at an all-time high which also helps mitigate cost inflation. The flu season was generally "normal" until recent weeks and thus is unlikely to drive volatility in earnings vs. existing estimates. We expect the previously discussed Analyst Day to be in the late Spring and focus on "phase 2" of the transformation of HELE. This is likely to include greater emphasis on international growth, along with continued focus on shared services and consumer-centric innovation. While 'comps' are tough for the 1H of FY20 likely leading to modest y/y declines we expect a pickup in the back half of the year and potentially for the full year. Additionally, if tariffs stay at the 10% level (or less) there would be upside to our numbers. Finally in early March the company announced it is exploring the sale of its Personal Care business, a sub-segment of the Beauty division. We estimate PC has $100-$125mm in sales and mid-teen margins.

Hillenbrand Inc.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
HI	Rating: MO	**$41.85**	**$52**	**16x CY20 EPS**	**24%**	**$2,657**	**$300**	**$2,957**	**1.0x**	**3.6x**	**1.4%**	**10.3%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
DM	63.5	$11.9	
52-Week Range		**FYE (Sep)**	
$36.22 - $53.41	**FQ2**	**FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.60**	**$2.50**	**$2.75**
was			
EBITDA	**$71.6**	**$298.7**	**$317.2**
was			
P/E		**16.7x**	**15.2x**
EV/EBITDA		**9.9x**	**9.3x**
Consensus (2 Analysts)			
EPS	$0.61	$2.54	$2.81
EBITDA	$71.6	$298.7	$317.2

In January we upgraded to MO reflecting; 1) improving top line growth, 2) a strong demand outlook for PEG revenue (38% y/y jump in backlog), 3) the potential benefit of more aggressive capital allocation, 4) a steady mix shift toward PEG group with stronger long term secular growth potential, 5) a rock solid balance sheet and strong FCF and 6) attractive valuation. In FQ1'19 PEG accounted for ~70% of total revenue and ~2/3 of EBITDA. While Batesville continues to face secular headwinds, we are encouraged that the overall mix shift toward PEG is accelerating. FQ2 will likely face some headwinds, including a decline in casketed deaths y/y and higher transport/logistics costs given extreme weather. Leverage is just ~1x, below HI's 1.7-2.7x target range. A $200mm share repurchase authorization cushions downside and HI is likely to be more aggressive, barring significant M&A. Clients should build positions in an orderly manner and be more aggressive on any pullbacks.

HMS Holdings Corp.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
HMSY	Rating: MO	**$30.05**	**$36**	**29x CY20 Adj.EPS**	**20%**	**$2,630**	**$61**	**$2,691**	**0.5x**	**3.9x**	**-11.8%**	**6.8%**

Analyst CS	**Shrs Out** 87.5	**Avg Vol $mm** $19.9	**Conf.**
52-Week Range $16.29 - $38.15	**FQ1**	**FYE (Dec) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.24**	**$1.12**	**$1.25**
was		*$1.15*	
EBITDA	**$37.9**	**$171.8**	**$191.1**
was		$173.0	
P/E		**26.9x**	**24.0x**
EV/EBITDA		**15.7x**	**14.1x**
Consensus (11 Analysts)			
EPS	$0.23	$1.14	$1.28
EBITDA	$36.7	$173.8	$192.5

The ~13% pullback since 3/21 is largely due to a knee jerk reaction to the Trump administration threats of repealing the ACA. We believe the company's direct exposure is likely in the low single digits and even if a full repeal occurred, it would likely be after a prolonged appeals process. Additionally, HMS is well positioned to offset this lost revenue from growth in other parts of its business. 2019 guidance appears fair (high single/low double digit growth in COB) with the bar for EBITDA seemingly well set. With competitor Cotiviti going private last year, if its private equity owners decided to cut costs/headcount, HMS could be a beneficiary as finding qualified labor has been a struggle. We expect the quarter to meet/exceed our inline with consensus views. At recent conferences, management has been stressing Total Population Management (TPM) as a key long term growth driver and the company's, three related offerings Eliza, Ellie and Essette seem to be gaining increased customer receptivity.

Howard Hughes Corp.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt % of total capital	P/B	Δ Since 12/11	Δ YTD
HHC	Rating: MO	**$110.16**	**$190**	**Midpoint NAV**	**72%**	**$4,783**	**$2,682**	**$7,464**	**42%**	**1.5x**	**5.1%**	**12.8%**

Analyst CB	**Shrs Out** 43.4	**Avg Vol $mm** $21.2	**Conf.**
52-Week Range $89.51 - $142.36	**FQ1**	**FYE (Dec) FY 2019**	**FY 2020**
CJS Estimates			
EPS	**$2.40**	**$7.70**	**$8.35**
was	*$3.11*	*$8.50*	*$9.47*
EBITDA	**$157.2**	**$509.6**	**$615.5**
was	$206.4	$558.8	$683.0
P/E		**14.3x**	**13.2x**
EV/EBITDA		**14.6x**	**12.1x**
Consensus (5 Analysts)			
EPS	NM	NM	NM
EBITDA	NM	NM	NM

Howard Hughes' model - sell land, build NOI generating assets, rinse, repeat - is working. Annualized NOI rose 13% y/y to $173MM and NOI when all current projects are stabilized in 2022 should increase another 84% to $318MM, a 16% CAGR. In 2019, we expect acres sold to slow as the Las Vegas housing market is cooling in H2. With the opening of a third tower in December, Ward Village has reached a critical mass of residents and become easier to sell. Condo sales leapt from 178 in 2017 to 668 in 2018. This consumed most remaining inventory (only 10% of the units left) which led to a Q4 sales slowdown. HHC then began presales for a sixth tower in January and immediately sold 252 homes (a new quarterly record). Management says that it *may* accelerate its buildout to two towers per year. Completing the remaining 6.7MM sf of entitlements in 8 years rather than 10 would add $400MM or nearly $9 to NAV. The chink in the story remains the South Street Seaport. HHC pushed out the expected stabilization from 2020 to 2021. The bulk of the office space on the pier remains unleased. The Seaport, which represents just 10% of NAV, appears to play an outsize role in investors perception of HHC. This creates an opportunity to buy $190 worth of high quality real estate for $110.

ICU Medical Inc.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
ICUI	Rating: MP	**$237.11**	**$280**	**17x CY19 EV/EBITDA**	**18%**	**$5,129**	**-$382**	**$4,747**	**-1.4x**	**4.1x**	**0.7%**	**3.3%**

Analyst LS	**Shrs Out** 21.6	**Avg Vol $mm** $38.9	**Conf.**
52-Week Range $210.94 - $321.70	**FQ1**	**FYE (Dec) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$2.27**	**$9.50**	**$10.35**
was		*$9.40*	
EBITDA	**$78.3**	**$329.7**	**$361.9**
was			
P/E		**25.0x**	**22.9x**
EV/EBITDA		**14.4x**	**13.1x**
Consensus (3 Analysts)			
EPS	$2.17	$9.41	$10.28
EBITDA	$75.8	$326.1	$354.3

We expect flat sequential sales in Q1, but rising EBITDA driven by exit of the remaining TSA's with PFE which could drive a modest beat. An -8%E yr/yr sales decline in Q1 reflects a 25% drop in Solutions which benefited from industry shortages in H2'17 through H1'18. We expect flat FY19E consolidated sales with a return to growth by Q3 led by mid-to-high single digit growth in Consumables and easing comparisons in Solutions. A 15%E rise in EBITDA in 2019E is driven largely by declines in TSA costs and operating synergies. The shares have declined 25% in the past six months due in part to called off merger discussions and trade at a relatively attractive 20%-25% discount to peers. We think an acquisition of Smith's healthcare division remains on the table following the company's November-2018 announcement to spin off the business. The spin is not expected until H1 2020 at the earliest which offers time for merger talks to resume and an outright sale could be more beneficial to Smith's.

Ingevity Corp.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
NGVT	Rating: MO	**$109.65**	**$118**	**13X FY20 EV/EBITDA**	**8%**	**$4,660**	**$1,243**	**$5,903**	**3.3x**	**13.3x**	**26.7%**	**31.0%**

Analyst JT	**Shrs Out** 42.5	**Avg Vol $mm** $42.4	**Conf.**
52-Week Range $71.01 - $120.41	**FQ1**	**FYE (Dec) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$1.02**	**$4.80**	**$6.00**
was	*$0.96*	*$4.75*	*$5.82*
EBITDA	**$85.6**	**$402.5**	**$480.0**
was	$77.3	$360.0	$420.0
P/E		**22.9x**	**18.3x**
EV/EBITDA		**14.7x**	**12.3x**
Consensus (7 Analysts)			
EPS	$0.97	$4.93	$5.91
EBITDA	$83.3	$404.8	$459.5

Expect an in-line quarter, with healthy demand in the Carbon segment fueled by ongoing US adoption, the continuing shift to larger gas tanks (SUV's) and the ramp up of the Chinese auto industry to meet provincial mandates. Y/Y Auto production declines have been sobering in China (down mid-teens %), but the early stages adoption and gearing up to meet mandates are expected to be the driving factor. We do not expect significant surprises from the Chemicals segment, which now incorporates Capa, even as Brexit looms. The Company has built inventories (both feedstock and finished goods) in order to reduce any potential disruptions, but the ultimate impact remains unclear. Despite some uncertainties in the near-term we believe the long term drivers and ability to exceed targets are intact and investors should be alert to pullbacks to increase or initiate positions.

Innophos Holdings

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
IPHS	Rating: MP	**$31.03**	**$40**	**16x CY20 P/E**	**29%**	**$615**	**$280**	**$895**	**2.3x**	**1.8x**	**23.8%**	**26.5%**

Analyst LS	**Shrs Out** 19.8	**Avg Vol $mm** $3.9	**Conf.**
52-Week Range $22.57 - $50.40	**FQ1**	**FYE (Dec) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.44**	**$2.20**	**$2.50**
was		*$2.50*	
EBITDA	**$27.9**	**$127.5**	**$140.1**
was		$136.9	
P/E		**14.1x**	**12.4x**
EV/EBITDA		**7.0x**	**6.4x**
Consensus (2 Analysts)			
EPS	$0.43	$2.22	$2.59
EBITDA	$27.9	$127.0	$141.1

Nearly flat sales expectations for Q1 and FY19 reflects modest underlying volume growth and 3%E to 4%E price increases offset by a reduced focus on the lower margin trading business ($25mm to $30mm sales) acquired from Novel Ingredients in August 2017. Limited FY19 EBITDA growth guidance of 1% to 3% is due in part contracts the company has chosen to exit without a near-term replacement as well as to rising input costs. We anticipate improvement in underlying profit and EBITDA in H2'19 driven by the ongoing optimization of manufacturing expected to lead to annual savings of $0.25 to $0.27 with full benefit in 2020. The shares have recovered somewhat from their lows and could be range bound until conviction on sales and profit growth improve. A healthy 6.5% dividend appears intact and offers some consolation for patient investors. We expect a seamless transition to temporary CFO Mark Feuerbach following the departure of former CFO Han Kieftenbeld announced on March 15th. Feuerbach has been with the company as Vice President of Investor Relations and Treasury since 2005 and has served as interim CFO on four other occasions.

Innospec Inc.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
IOSP	Rating: MO	**$83.75**	**$95**	**11x FY20 EV/EBITDA**	**13%**	**$2,058**	**$85**	**$2,143**	**0.4x**	**2.5x**	**26.6%**	**35.6%**

Analyst JT	**Shrs Out** 24.6	**Avg Vol $mm** $8.1	**Conf.**
52-Week Range $53.07 - $86.53	**FQ1**	**FYE (Dec) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$1.22**	**$4.93**	**$5.33**
was	*$1.30*	*$4.55*	
EBITDA	**$50.7**	**$205.0**	**$219.5**
was	$51.5	$202.0	
P/E		**17.0x**	**15.7x**
EV/EBITDA		**10.5x**	**9.8x**
Consensus (3 Analysts)			
EPS	$1.19	$5.02	$5.42
EBITDA	$50.7	$205.0	$219.5

We believe business momentum has been strong (in particular, a colder winter, strong shipping and distillate production driving diesel additive demand), and revenue and operating metrics are likely to be in-line or better. However, the run up in the share price will have a negative, non-cash impact on reported EPS due to mark to market accounting of certain equity-based awards and positions (we estimate around 10c impact). Management is likely to call out this impact in its earnings report so as to provide an apples to apples comparison of operational results, which we expect to be robust. We reiterate our MO rating given discount vs. peers (9.5X FY20 vs >12X), as well as prospects for accelerating growth as several new product categories are rolled out over the next 2-3 years (Drag Reducing agents, GDI gasoline additives & Low Sulfur Marine additives).

Invacare Corp.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
IVC	Rating: MO	**$8.02**	**$17**	**12x 2020 EBITDA**	**112%**	**$266**	**$110**	**$376**	**15.0x**	**0.7x**	**59.4%**	**86.5%**

Analyst RL	**Shrs Out** 33.2	**Avg Vol $mm** $7.7	**Conf.**
52-Week Range $3.05 - $20.00	**FQ1**	**FYE (Dec) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**-$0.36**	**-$0.85**	**$0.50**
was	*-$0.35*	*-$0.90*	
EBITDA	**$0.9**	**$19.0**	**$67.0**
was	-$0.5	$13.3	
P/E		**-9.5x**	**16.1x**
EV/EBITDA		**19.8x**	**5.6x**
Consensus (4 Analysts)			
EPS	-$0.33	-$0.88	$0.12
EBITDA	-$0.4	$14.2	$44.3

Over the next several quarters management must execute its plan to drive profitable topline growth while simultaneously streamlining operations and cutting costs. Growth should come from the share recovery in custom power wheelchairs plus the significant, exciting and new product introductions scheduled throughout 2019 (any beyond). Additionally we expect restructuring initiatives to accelerate throughout 2019 and into 2020 as well. From improved order entry and customer service software and systems to supply chain and factory optimizations there is significant opportunity for cost savings (to the tune of $37.5mm in Mgmt's plan). Given the headwind in Respiratory, and to a lesser extent Lifestyles, from the CMS reimbursement changes implemented 1/1/19 we expect the more meaningful improvement in EBITDA to begin in the 2H of the year and look for cost savings and new product announcements as key milestones in the meantime. **CJS is hosting management meetings in Dallas and Chicago on 4/10 and 4/11 respectively**.

IRadimed Corp.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
IRMD	Rating: MP	**$27.72**	**$27**	**30x CY20 EPS**	**-3%**	**$339**	**-$34**	**$304**	**-6.2x**	**8.1x**	**4.9%**	**13.3%**

Analyst LS	**Shrs Out** 12.2	**Avg Vol $mm** $1.9	**Conf.**
52-Week Range $14.05 - $38.78	**FQ1**	**FYE (Dec) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.13**	**$0.70**	**$0.90**
was			
EBITDA	**$2.5**	**$13.3**	**$18.0**
was			
P/E		**39.5x**	**30.6x**
EV/EBITDA		**22.9x**	**17.0x**
Consensus (2 Analysts)			
EPS	$0.15	$0.73	$0.95
EBITDA	$2.5	$13.2	$19.5

A rebound in IV pump sales and ramp of the MRI compatible monitor following US approval in late 2017 led to a re-acceleration in sales growth to >35% in 2018 and a doubling in the stock price. Our Market Perform rating reflects valuation. We are also concerned about modifying pump unit volume growth to the mid-single digits in 2019E following a 15% rise last year. Volume grew 30% in H1'18 aided by easy comparisons and a pick-up in international sales with a sequential slowdown to 5% in the back half of the year. Pump sales growth could ease further in FY20 as the planned roll out of a new highly touted pump in 2021 could defer new buyers. This could inevitably prove to be a high-class and temporary problem with the launch of the next generation pump potentially driving a multi-year acceleration in pump sales. We expect a doubling of monitor sales in 2019E despite what appears to be a temporary suspension of sales in the EU (~$1mmE impact in FY19E) due to a regulatory technicality.

j2 Global Inc.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
JCOM	Rating: MO	**$87.03**	**$99**	**13.5x FY20 P/E**	**14%**	**$4,289**	**$804**	**$5,092**	**1.7x**	**4.1x**	**23.5%**	**25.4%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
JT	49.3	$31.2	
52-Week Range $65.07 - $91.58	**FQ1**	**FYE (Dec) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$1.34**	**$6.85**	**$7.33**
was	*$1.43*	*$6.65*	
EBITDA	**$107.1**	**$530.0**	**$571.0**
was	$117.0		
P/E		**12.7x**	**11.9x**
EV/EBITDA		**9.6x**	**8.9x**
Consensus (6 Analysts)			
EPS	$1.34	$6.80	$7.21
EBITDA	$108.3	$529.0	$572.0

We are tweaking our quarterly earnings estimates slightly (Lower Q1, higher back half) to better to better reflect the disclosed roll out of a new ERP system (Front loaded), but no change to operational expectations or FY19 annual estimates which are likely to be otherwise in-line. From a strategic perspective, the pipeline for M&A is very full, with the number and size of transactions in the pipeline that are likely to close appears higher than the Company's trailing average snice 2011. Shares trade at a steep discount (~12.5X FY19 adj. EPS vs >25X) to internet and other highly acquisitive peers, and we believe JCOM's track record, strong cash flows, and highly disciplined strategy (Acquire assets with significant synergies for 2X sales or 5X EBITDA), speaks for itself.

John B Sanfilippo		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
JBSS	Rating: MO	**$71.01**	**$72**	**10.5x FY20 EBITDA**	**1%**	**$815**	**$53**	**$868**	**0.8x**	**3.7x**	**14.6%**	**27.6%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
CB	11.5	$3.2	
52-Week Range $53.12 - $79.37	**FQ3**	**FYE (June) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.64**	**$2.90**	**$3.05**
was	*$1.00*	*$3.95*	*$4.20*
EBITDA	**$16.6**	**$70.9**	**$75.1**
was	$22.0	$87.2	$91.2
P/E		**24.5x**	**23.3x**
EV/EBITDA		**12.2x**	**11.6x**
Consensus (1 Analyst)			
EPS	$0.64	$2.90	$3.05
EBITDA	$16.6	$70.9	$75.1

High tariffs on US tree nuts in China and India led to y/y 10-15% price declines for walnuts and pecans. Almond exports and prices have been flat to slightly up even with the tariffs. This gives JBSS an opportunity to capture more margin in H2 and help offset a mix shift toward lower priced and lower per lb profit peanuts. Three new large grocery chain private label accounts began taking shipments in Q3 just as JBSS lapped the loss of receipt nut shelf space at a very large customer. This should net to resumed volume growth in H2. JBSS brands (Fisher, Orchard Valley Harvest, Southern Style, and Squirrel) are net performing well with Fisher recipe nuts (the #1 US brand) struggling to hold shelf space while its other brands are gaining new distribution. Consumer sales are set to jump from 62% of volume in FY18 (Jun) in 69% in FY19. As management continues to execute on a strategic shift to the higher margin consumer channel. That shift should ultimately make JBSS appealing to a growth-starved large cap CPG company. JBSS now trades at just 11x NTM EBITDA while consumer-packaged food peers trade at 14-15x. We believe our $72 target price (11-12x EBITDA) is conservative and that JBSS would garner a 15x multiple in a buyout ($89 per share).

John Wiley & Sons		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
JW.a	Rating: MO	**$44.26**	**$64**	**9x CY20E EBITDA**	**45%**	**$2,551**	**$217**	**$2,767**	**0.6x**	**2.0x**	**-12.8%**	**-5.8%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
DM	57.6	$14.4	
52-Week Range $42.64 - $71.75	**FQ4**	**FYE (Apr) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$1.03**	**$2.95**	**$3.20**
was	*$0.98*	*$3.05*	*$3.35*
EBITDA	**$123.2**	**$390.6**	**$420.8**
was			
P/E		**15.0x**	**13.8x**
EV/EBITDA		**7.1x**	**6.6x**
Consensus (4 Analysts)			
EPS	$1.09	$3.01	$3.21
EBITDA	$123.2	$393.9	$399.9

Our September upgrade to MO proved premature as recent results have been frustrating. However, we continue to view Wiley's core Journals as a steady, wide moat business with exceptional FCF, creating significant optionality and valuation is compelling. Wiley's partnership with Projekt DEAL in Germany (announced in Jan) enhances this view. The recent FQ3 "miss" and lower FY19 CFFO guide reflect 20%+ declines in STM and Professional Publishing (print books) and slower organic growth in Online Program Management. Despite slower growth near term, management expects organic OPM revenue growth (including the addition of Learning House) to return to double digits. If so, we would expect JW.A to recover the 15-20% share price decline since reporting FQ3 results (early Mar). Leverage is <1x and FCF of $200mm+ should rebound toward $250mm+ by CY20, creating significant flexibility. In our view, capital allocation under CEO Brian Napack will be most critical factor for shareholder returns over the next few years. **CJS is hosting meetings in Boston April 9th.**

KAR Auction Svcs.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
KAR	Rating: MO	**$52.05**	**$62**	**SOTP**	**19%**	**$7,022**	**$2,330**	**$9,352**	**2.7x**	**4.8x**	**3.3%**	**9.1%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
RL	134.9	$83.9	
52-Week Range $43.32 - $64.55	**FQ1**	**FYE (Dec) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.79**	**$3.00**	**$3.15**
was		*$3.20*	
EBITDA	**$244.7**	**$950.9**	**$975.3**
was		$958.0	
P/E		**17.4x**	**16.5x**
EV/EBITDA		**9.8x**	**9.6x**
Consensus (10 Analysts)			
EPS	$0.78	$2.99	$3.27
EBITDA	$241.8	$948.0	$1,009.1

The sharp pullback in shares of KAR after its Q4 earnings call has created an excellent entry point to buy two duopoly businesses with strong moats and attractive growth and free cash flow at a discount. Additionally we expect multiple catalysts over the coming months to potentially help accelerate shareholder value creation. More specifically we expect the IRS private letter ruling to 'green light' the spin of IAA to be announced on or before the company reports Q1 in early May. Taking a reasonable 13x EBITDA multiple for IAA (vs. 17x for peer CPRT) the Remainco is trading at ~6.5x. This includes a $60mm investment in the growth asset TradeRev, a nascent dealer-to-dealer whole car platform. Further, TradeRev's private competitor, ACV, which has similar unit volumes to TradeRev, raised financing in January at a reported $600mm valuation. Said another way, KAR is being penalized by nearly $1B in value in the NT for this asset vs. its competitor. Future monetization of TradeRev could be a tremendous win for shareholders.

Kennedy-Wilson Hldgs.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt to TEV	P/B	Δ Since 12/11	Δ YTD
KW	Rating: MO	**$21.50**	**$26**	**NAV**	**21%**	**$3,077**	**$4,868**	**$7,945**	**69%**	**2.5x**	**11.7%**	**18.3%**

Analyst	**Shrs Out**	**Avg Vol $mm**	**Conf.**
CB	143.1	$7.9	
52-Week Range		**FYE (Dec)**	
$17.25 - $22.28	**FQ1**	**FY 2019**	**FY 2020**
CJS Estimates			
EPS	**$0.23**	**$1.25**	**$1.35**
was			
EBITDA	**$93.9**	**$435.7**	**$451.7**
was	$94.5	$416.0	
P/E		**17.2x**	**15.9x**
EV/EBITDA		**18.2x**	**17.6x**
Consensus (5 Analysts)			
EPS	-$0.11	$0.32	-$0.05
EBITDA	$106.2	$447.9	$465.9

With interest rates falling YTD, KW has rallied 20% along with REITs and other high yield equities. The decline in rates is now filtering into real world cap rates (down 20-40bps YTD depending on property type) which should bolster NAV. We expect management to take advantage of falling cap rates to accelerate the pace of dispositions (already repositioned assets and smaller non-core assets) to fund debt repayment, share repurchases, and opportunistic development (affordable housing, mixed use in Ireland, and a one-off resort in Hawaii). The never-ending Brexit process is a significant impediment to getting full value for two large, fully re-leased office properties in London that should net >$100MM when sold. Any Brexit resolution would be a net positive for KW. Six material value-add and development projects are on track to stabilize in 2019 which should add 4% to NOI and ~$1 to NAV. KW is still trading at 10% discount to NAV and a 20% discount to our target price. Falling cap rates, debt repayment and share repurchases are almost a perfect storm for erasing that discount.

Knowles Corp.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
KN	Rating: MO	**$17.77**	**$20**	**17-18x FY20 P/E**	**13%**	**$1,665**	**$110**	**$1,775**	**0.6x**	**1.6x**	**28.4%**	**33.5%**

Analyst	**Shrs Out**	**Avg Vol $mm**	**Conf.**
RL	93.7	$17.6	
52-Week Range		**FYE (Dec)**	
$10.95 - $18.32	**FQ1**	**FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.11**	**$1.05**	**$1.15**
was			
EBITDA	**$28.3**	**$182.3**	**$194.9**
was			
P/E		**17.0x**	**15.5x**
EV/EBITDA		**9.7x**	**9.1x**
Consensus (8 Analysts)			
EPS	$0.12	$1.08	$1.23
EBITDA	$27.7	$178.2	$192.0

Knowles is positioned well for accelerated growth in 2H and beyond driven by its strength in edge processing which brings the benefits of speed, security and energy reduction saving battery power. We expect new product launches based on multi-core processor and open DSP smart mics to get investors excited and the continued convergence with hearing aids and hearables plays perfectly to Knowles core strengths. A recent 13D filing by Caligan Partners and Falcon Edge Capital which led to a letter to the Board on 3/29 has resulted in the activists seeking two Board seats, asking for transparency into the Intelligent Audio P&L, and suggesting the potential sale of the Precision Devices (PD) segment. We'd have suggested spinning out Hearing Health, as we've written multiple times we believe it could fetch $1B+. Looking at PD, we expect continued double digit organic growth as Knowles expertise in high frequency filtering capacitors from its experience selling into military applications could enable it to benefit greatly in the 5G rollouts.

Kornit Digital Ltd		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
KRNT	Rating: MO	**$24.07**	**$24**	**30x FY20 EPS**	**0%**	**$850**	**-$128**	**$722**	**-6.7x**	**4.8x**	**33.0%**	**28.6%**

Analyst	**Shrs Out**	**Avg Vol $mm**	**Conf.**
CM	35.3	$6.5	
52-Week Range		**FYE (Dec)**	
$12.90 - $24.52	**FQ1**	**FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.06**	**$0.55**	**$0.80**
was	*$0.12*	*$0.65*	
EBITDA	**$4.0**	**$27.7**	**$38.7**
was	$6.1	$31.7	
P/E		**43.7x**	**30.0x**
EV/EBITDA		**26.1x**	**18.7x**
Consensus (8 Analysts)			
EPS	$0.06	$0.59	$0.90
EBITDA	$3.8	$27.3	$41.7

Kornit continues to introduce innovative products, refine its go-to-market strategy (selling direct in North America) and expand its infrastructure. The company's new HD technology (incorporated in the Avalanche and Storm) helped drive a strong FY18 (25% revenue growth) and momentum from this platform continues. During Q1'19 Kornit introduced a next generation platform (Atlas) along with breakthrough ink technology (Eco-Rapid). The Atlas is an industrial DTG printing platform aimed at mid to large size screen printers. The key to reaching Kornit's five year goal of $500mm revenue (25% growth annually) is penetrating the screen printers (still ~95% of the market). Penetration is driven by lower cost per print and higher quality finished product. The Avalanche, Atlas, and ink technology all help in that adoption. The ink technology provides deep full tones and most importantly allows precise spot color matching. It broadens the addressable market and improves the end-product. Kornit will be unveiling its long-awaited dark poly solution in early April. This breakthrough further expands its addressable market. Also in April, Kornit will introduce a new roll-to-roll (R2R) solution that will provide higher throughput and better value than its Allegro. Kornit looks very well positioned for continued strong growth.

Lantheus Holdings		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
LNTH	Rating: MP	**$24.35**	**$27**	**20x FY20E EPS**	**11%**	**$959**	**$153**	**$1,112**	**1.7x**	**13.5x**	**44.8%**	**55.6%**

Analyst	**Shrs Out**	**Avg Vol $mm**	**Conf.**
LS	39.4	$7.3	
52-Week Range		**FYE (Dec)**	
$12.59 - $25.49	**FQ1**	**FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.25**	**$1.16**	**$1.35**
was		*$0.97*	
EBITDA	**$21.3**	**$94.7**	**$107.6**
was		$96.5	
P/E		**21.1x**	**18.0x**
EV/EBITDA		**11.7x**	**10.3x**
Consensus (4 Analysts)			
EPS	$0.25	$1.16	$1.30
EBITDA	$23.3	$97.9	$105.7

Recently held meetings with management at company's headquarters reaffirmed a strong multi-year outlook. This includes declining risk of a generic challenge on lead product Definity, opportunity for material gross margin expansion driven by a transition to in-house manufacturing of Definity beginning in 2021 and rising contributions from R&D pipeline. Generic competition concerns on Definity (57% of FY19E sales) appear to be waning with the lack of a filing and strong market positioning. As a reminder, a composition of matter patent expires in June 2019. However, the product has other IP protection including a method of use patent which runs through 2037. A room temperature (RT) version of Definity could reach the market in 2020 and add another differentiating attribute and barrier to entry for potential competition. The shares have nearly doubled off their November-2018 lows but remain attractive for long-term investors. The company continues to evaluate multiple acquisition opportunities that would be accretive to revenue and margins in the near term and improve cash flow. We believe an acquisition would be viewed positively by the market assuming the price paid was not egregious.

LCI Industries		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
LCII	Rating: MO	**$77.62**	**$100**	**13x 2020 EPS**	**29%**	**$1,964**	**$162**	**$2,127**	**0.6x**	**2.5x**	**14.2%**	**16.2%**

Analyst	**Shrs Out**	**Avg Vol $mm**	**Conf.**
DM	25.3	$17.4	
52-Week Range		**FYE (Dec)**	
$59.68 - $104.30	**FQ1**	**FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$1.20**	**$5.90**	**$7.50**
was	*$1.52*	*$6.50*	*$7.00*
EBITDA	**$58.8**	**$277.7**	**$323.6**
was	$70.1	$295.3	$313.6
P/E		**13.2x**	**10.3x**
EV/EBITDA		**7.7x**	**6.6x**
Consensus (5 Analysts)			
EPS	$1.35	$5.95	$6.94
EBITDA	$72.2	$283.4	$312.7

We are trimming our Q1 estimates reflecting lower Towable RV shipments (Jan-Feb combined down 28% y/y) than we had previously modelled. Q1 is the last quarter of tough "comps" for the industry and dealer inventory de-stocking should start to level off in Q2. Retail is also likely to be down y/y for the first few months as the Jan polar vortex and wet weather across the country likely kept buyers at home. Management expects GM to improve 200-300 bps sequentially in Q1 as price increases roll through but the lower end appears likely given shipment headwinds. Looking to Q2/H2, inventory de-stock should abate and orders could ramp if retail holds steady. Margins should continue to recover (assuming steel/aluminum prices behave). Aftermarket, adjacent and international revenue continue to grow, surpassing 40% of total revenue with the goal of ~60% over the next few years. LCI recently entered a contract with Joerg Reithmeier (previously on the Board of Hymer) to accelerate M&A in the Europe. Valuation relative to EPS/FCF potential is compelling. Shares are bouncing along the bottom and could push higher by Q2 or H2 if the clouds over the RV space dissipate.

Leggett & Platt Inc.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
LEG	Rating: MO	**$42.62**	**$54**	**16x 2020 cash EPS**	**27%**	**$5,741**	**$2,278**	**$8,018**	**3.0x**	**5.2x**	**13.1%**	**18.9%**

Analyst	**Shrs Out**	**Avg Vol $mm**	**Conf.**
DM	134.7	$47.4	
52-Week Range		**FYE (Dec)**	
$33.48 - $46.71	**FQ1**	**FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.55**	**$2.55**	**$2.95**
was		*$2.70*	*$3.05*
EBITDA	**$172.0**	**$761.7**	**$825.7**
was		$647.0	$703.0
P/E		**16.7x**	**14.5x**
EV/EBITDA		**10.5x**	**9.7x**
Consensus (10 Analysts)			
EPS	$0.53	$2.54	$2.83
EBITDA	$164.4	$765.4	$824.6

Shares jumped in early February following solid Q4 results and in-line FY19 guidance but recently drifted back with the overall market. Management's near term focus is integrating Elite Comfort Systems (acquired 1/16 for $1.25B). The LEG-ECS combination creates a leading global supplier of engineered, value added products to the bedding industry. ECS's crown jewel is Peterson Chemical Technology which develops and produces specialty chemicals/foam products with unique air ventilation and heat management properties. ECS competes in the mid-higher tiers of foam and hybrid mattresses and boasts a strong double-digit growth CAGR. In Auto, while China remains sluggish and Europe is being impacted by changing emission standards near term, Leggett is outpacing the industry by 1,000+ bps which should continue for the next few years. LEG boasts meaningful entry barriers, strong, stable FCF and a track record of accretive capital allocation and above average shareholder returns.

Libbey Inc.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
LBY	Rating: MO	**$2.92**	**$7**	**6.5x FY20 EV/EBITDA**	**123%**	**$65**	**$373**	**$438**	**5.3x**	**1.3x**	**-43.3%**	**-24.7%**

Analyst	**Shrs Out**	**Avg Vol $mm**	**Conf.**
LJ	22.2	$0.7	
52-Week Range		**FYE (Dec)**	
$2.82 - $11.54	**FQ1**	**FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**-$0.16**	**$0.25**	**$0.51**
was			
EBITDA	**$11.0**	**$71.8**	**$79.5**
was			
P/E		**11.9x**	**5.7x**
EV/EBITDA		**6.1x**	**5.5x**
Consensus (2 Analysts)			
EPS	-$0.15	$0.18	$0.51
EBITDA	$11.6	$71.8	$79.5

Shares were hammered following disappointing Q4 results driven by a shortfall in foodservice which was caused by market uncertainty and aggressive pricing actions by an unnamed large competitor. EBITDA guidance for margin of 8.5%-10% for the full year is likely to be significantly back end loaded as furnace downtime in 1H is likely, and will further reduce inventory levels. Given this dynamic we believe net leverage will tick up from the already elevated 5.3x TTM in the short term before falling modestly in the back half of 2019. The ~$400mm of debt is covenant light and is due in April 2021, however we believe the Company is targeting a late 2019/early 2020 refinancing timeline. To the extent it can demonstrate progress on both the EBITDA and cash flow side prior to the end of 2019, we believe a refinancing is likely, however at considerably higher rates than it is being afforded presently. The announcement of the CEO transition effective 3/24 was not entirely surprising as CEO Foley had come off the Board and spent the better part of three years attempting the turnaround which has thus far led to declining profitability. New CEO Michael Bauer, formerly president of the Master Lock division of Fortune Brands (NYSE:FBHS) brings decades of experience in consumer products at larger organizations which we hope translates well at LBY. We look forward to learning more about his strategy and plan to turn the business in the coming months.

Ligand Pharma.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
LGND	Rating: MO	**$124.01**	**$230**	**SOTP**	**85%**	**$2,666**	**-$676**	**$1,990**	**-11.2x**	**3.8x**	**-16.6%**	**-8.6%**

Analyst	**Shrs Out**	**Avg Vol $mm**	**Conf.**
LS	21.5	$92.8	
52-Week Range		**FYE (Dec)**	
$98.56 - $278.62	**FQ1**	**FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.95**	**$3.20**	**$3.85**
was		*$5.50*	
EBITDA	**$23.4**	**$60.6**	**$75.3**
was		$172.8	
P/E		**38.7x**	**32.2x**
EV/EBITDA		**32.8x**	**26.4x**
Consensus (6 Analysts)			
EPS	$1.01	$5.35	$2.99
EBITDA	$31.0	$170.8	$75.2

The 55% share decline over the past six months offers a compelling entry point to invest in a dominant "arms supplier" to the biotech industry. The company can best be described as a quasi-royalty fund with a strong pipeline of drugs to fuel double-digit revenue and EPS growth. Development programs are licensed out early in exchange for royalties and milestone payments which drives a leverageable and lean corporate structure. 100+ partners will spend > $2.0 billion in R&D on >200 programs in 2019. A strong multi-year outlook is driven by lead commercial drug Kyprolis ($1B sales in 2018), rising contributions from the R&D pipeline, and subsidiary OmniAB (OMT). The business provides transgenic animal models which help accelerate human antibody development which is the fastest growing class of drugs. OMT has tripled partners to >40 since acquired in January 2016. Products in the clinic are expected to reach 30 in 2021 up from 0 when first purchased. Ligand's internal analysis values OMT at $2B to $2.5B based on private comparables and a DCF analysis underpinned by projected annual royalties of $500mm to $1B by 2030. This compares to a current TEV of $2B for the entire company. Up to 30% or $225mm of proceeds from recent opportunistic sale of Promacta rights are expected to be used for share repurchases. **CJS is hosting meetings with management in Boston on 4/23rd.**

Luxfer Holdings

Luxfer Holdings		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
LXFR	Rating: MO	**$25.47**	**$30**	**16x FY20 P/E**	**18%**	**$706**	**$60**	**$765**	**1.3x**	**3.8x**	**12.7%**	**44.5%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
CM	27.7	$5.1	
52-Week Range $12.49 - $28.06	**FQ1**	**FYE (Dec) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.36**	**$1.75**	**$1.90**
was	*$0.39*		
EBITDA	**$16.0**	**$84.5**	**$93.0**
was	$20.0	$89.5	$98.0
P/E		**14.6x**	**13.4x**
EV/EBITDA		**9.1x**	**8.2x**
Consensus (2 Analysts)			
EPS	$0.38	$1.80	$2.01
EBITDA	$18.2	$83.7	$92.1

Luxfer distinguishes itself through a long history of innovative technology. It focuses primarily on innovations related to magnesium alloys, zirconium compounds, aluminum alloys and carbon composites. The termination of the Neo Acquisition returns Luxfer to its original self-help investment thesis. Luxfer is focused on cost savings / efficiency initiatives while looking to leverage significant in-house technology via organic growth and ultimately M&A. Phase II of the transformation is to shrink the footprint / headcount and improve overall efficiencies to create $24mm (increased from original $20mm) in annual cost savings. That process is well underway with $9mm in savings being reached by the end of 2018. The remaining $15mm is expected over the next three years but we would not be surprised if most of that is realized by the end of 2020. The revenue bar is being reset as Luxfer is exiting two low / no margin businesses (via sale and contract expiration) during 2019. Luxfer believes it can generate 8-10% earnings growth over the next three years from the improved cost structure and very modest revenue growth. Luxfer's new management has done an excellent job repositioning the company during its short tenure and we believe the company is very well-positioned moving forward. Now that Luxfer is a full SEC filer, the stock may be included in the upcoming Russell 2000 rebalancing. Our $30 price target offers roughly 25% upside from here.

Lydall Inc.

Lydall Inc.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
LDL	Rating: MO	**$24.10**	**$42**	**8.5x FY20e EBITDA**	**74%**	**$417**	**$276**	**$693**	**2.6x**	**1.1x**	**20.3%**	**18.7%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
CM	17.3	$3.4	
52-Week Range $18.47 - $49.50	**FQ1**	**FYE (Dec) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.45**	**$2.10**	**$2.50**
was	*$0.56*	*$2.80*	
EBITDA	**$23.7**	**$107.7**	**$120.6**
was	$27.2	$93.2	
P/E		**11.5x**	**9.6x**
EV/EBITDA		**6.4x**	**5.7x**
Consensus (3 Analysts)			
EPS	$0.46	$2.16	$2.63
EBITDA	$23.5	$107.9	$119.3

Q4'18 represented the first sequential improvement in gross margins since mid-2017 which we expect to continue. Much of the 2018 headwind was related to the TAS segment (auto) with a rough breakdown being commodity costs (mainly aluminum) of ~$7mm and "self-inflicted' costs of ~$10mm. The self-inflicted costs largely stem from inefficiencies related to an unusually high number of new part introductions (OT, outsourcing, freight, etc.) that will help drive future growth. While many investors still value Lydall as an auto parts supplier, a couple of points are worth considering. The acquisition of Interface in September lowers the overall revenue contribution from TAS to ~40% from ~50%. Further, while Interface has some auto exposure, it primarily supplies low-priced high value seals / gaskets, tends to have a little better pricing power than Lydall's core products, and also sells into the aftermarket. TAS is able to flex better with the economy than the typical auto supplier as it does not have the high-fixed cost structure associated with the industry. We don't believe the Interface acquisition has been fully appreciated as its engineered materials offerings help access new markets while employing similar technologies utilized in Performance Materials. Significant intangible asset amortization, primarily related to Interface (~$0.90 in FY19), is temporarily blurring EPS progression. We see this as an attractive entry point.

Martin Marietta

Martin Marietta		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
MLM	Rating: MO	**$204.00**	**$210**	**12x FY20 EBITDA**	**3%**	**$12,835**	**$3,076**	**$15,911**	**2.8x**	**2.6x**	**13.3%**	**18.7%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
CB	62.9	$149.7	
52-Week Range $150.75 - $232.89	**FQ1**	**FYE (Dec) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.08**	**$8.60**	**$9.45**
was	*$0.99*	*$9.65*	
EBITDA	**$140.0**	**$1,230.5**	**$1,310.6**
was	$215.0	$1,343.0	
P/E		**23.7x**	**21.6x**
EV/EBITDA		**12.9x**	**12.1x**
Consensus (15 Analysts)			
EPS	$0.37	$9.00	$10.60
EBITDA	$149.3	$1,219.6	$1,348.8

2019 will be the third year in a row that hinges on infrastructure spending. We think the third time's the charm because work is already underway in Texas, NC, FL and other MLM states that raised their own funds via gas taxes and voter initiatives. Weather appears to have been at worst a slight negative in Q1 given dry weather y/y in Texas (38% of agg revenue) versus wet in CO (18%), NC (10%), and GA (4%) in January and February but dry in seasonally more important March. The trajectory of aggregates and ready mix pricing, which was disappointing in 2018, is unlikely to materially improve in Q1. Thus, the consensus EPS and EBITDA estimates of $149MM/$0.37 appear optimistic. We are at $140MM/$0.08. Because Q1 is seasonally unimportant to FY results, guidance will be more important. We believe that will be positive with management pointing to infrastructure shipments already underway, price increases taking effect in April ($8 per ton for cement and 7% for ready mix), and 3-5% price increases for aggregates. With net debt to LTM EBITDA already back down 2.8x at year-end, MLM's expected $700MM in FCF will more than fund a $200-250MM debt paydown, $100MM share repurchase, and $125MM of dividends. MLM is likely to increase its quarterly dividend to $0.50 in Q3 (1% yield).

Matthews Intl. Corp.

Matthews Intl. Corp.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
MATW	Rating: MO	**$37.25**	**$58**	**13x CY20 cash EPS**	**56%**	**$1,183**	**$811**	**$1,994**	**3.1x**	**1.4x**	**-10.2%**	**-8.3%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
DM	31.8	$5.2	
52-Week Range $35.50 - $61.25	**FQ2**	**FYE (Sep) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$1.00**	**$4.10**	**$4.40**
was	*$1.05*	*$4.20*	*$4.50*
EBITDA	**$65.2**	**$264.4**	**$271.2**
was	$68.2	$273.5	$280.9
P/E		**9.1x**	**8.5x**
EV/EBITDA		**7.5x**	**7.4x**
Consensus (4 Analysts)			
EPS	$0.99	$4.07	$4.40
EBITDA	$67.0	$269.5	$280.4

We expect FQ2'19 results to remain challenged and see some downside risk to current expectations, and perhaps FY19 guidance. In Memorialization, casketed death rates declined sharply in January (likely down y/y in February as well) and cold/wet weather is making it difficult to set memorials. One potential "positive," a fire in a competitor's manufacturing plant in Massachusetts took ~20k caskets (primarily wood) of production capacity out of the market and MATW is well positioned to pick up share. In Brand Solutions, the loss of one customer in 2018 creates a headwind for a few more quarters. While more CPG's are talking about investing aggressively for growth, we see no material benefit until H2 and more likely FY20. The Industrial business continues to generate solid growth but still comprises ~10% of revenue and Op Income. In June, management is hosting an investor day in NYC. We expect an update on MATW's new print solution the opportunity in Warehouse Automation more generally. While FQ2 is likely to be uninspiring, at ~9x FCF the bad news appears to be priced in.

Maximus Inc.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
MMS	Rating: MO	$71.38	$79	20x FY20 EPS	11%	$4,726	$71	$4,797	0.2x	4.4x	2.9%	9.7%

Analyst	Shrs Out	Avg Vol $mm	Conf.
CS	66.2	$25.7	
52-Week Range		FYE (Sep)	
$60.00 - $73.81	FQ2	FY 2019e	FY 2020e
CJS Estimates			
EPS	$0.91	$3.63	$3.95
was		*$3.55*	
EBITDA	$96.6	$389.3	$427.1
was		$375.0	$412.0
P/E		19.7x	18.1x
EV/EBITDA		12.3x	11.2x
Consensus (7 Analysts)			
EPS	$0.91	$3.65	$4.04
EBITDA	$98.3	$394.3	$436.5

The integration of the General Dynamics IT assets is proceeding as expected. The acquisition brings to MMS 10k-14k call center seats, significantly bolstering its Federal presence. Preparations for the US Census contract are underway with work ramping in the back half of this year. In March the UK Department of Work and Pensions extended MMS' Health Assessment Advisory Service (HAAS) contract for another 16 months to July 2021 (terms under negotiation) to ensure "stability" ahead of an expected overhaul of the contract. The ultimate goal is to align this contract with the Personal Independence Payment (PIP) disability tests (under contract with another vendor) into one integrated model. Our FQ2 $0.91 estimate is inline with consensus and we are comfortable with this view.

Minerals Tech.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
MTX	Rating: MO	$60.00	$82	15x 2020 EPS	37%	$2,124	$800	$2,924	2.2x	1.6x	18.7%	16.9%

Analyst	Shrs Out	Avg Vol $mm	Conf.
DM	35.4	$9.0	
52-Week Range		FYE (Dec)	
$47.07 - $80.80	FQ1	FY 2019e	FY 2020e
CJS Estimates			
EPS	$1.10	$5.10	$5.50
was	*$1.20*	*$5.40*	*$6.00*
EBITDA	$88.5	$384.1	$404.9
was	$94.6	$401.6	$427.2
P/E		11.8x	10.9x
EV/EBITDA		7.6x	7.2x
Consensus (3 Analysts)			
EPS	$1.11	$5.03	$5.43
EBITDA	$88.3	$372.4	$390.0

We do not expect material surprises, Q1 guidance includes some near term headwinds. The Port Hudson paper mill shut down will limit PCC volume growth for 1-2 quarters and the auto slowdown in China is creating a pause in Metalcasting growth. Extreme weather in could place some additional short term pressure on transport/logistics costs. Despite these near term headwinds, valuation is compelling and the stage should be set for margins and EPS growth to improve in H2. PCC volume and revenue should accelerate with >300k tons of capacity coming online by 2020 and the pipeline remains strong. Likewise, the substitution story (mainly in China) should drive Metalcasting growth for several years. MTX appears to be winning an increased share in both of these critical growth arenas. Pricing actions should catch up to input cost inflation and margins should begin to expand once again. Cash flow is strong and leverage should fall below 2x by YE, barring significant M&A. At <12x 2019E EPS, risk-reward remains highly favorable and clients should utilize any pullbacks to build positions.

NCI Building Sys.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
NCS	Rating: MO	$6.37	$13	7x FY20 EV/EBITDA	104%	$797	$2,967	$3,764	5.7x	0.8x	-41.1%	-12.1%

Analyst	Shrs Out	Avg Vol $mm	Conf.
LJ	125.1	$5.4	
52-Week Range		FYE (Dec)	
$5.80 - $23.35	FQ1	FY 2019e	FY 2020e
CJS Estimates			
EPS	-$0.26	$0.65	$0.97
was			
EBITDA	$77.0	$595.0	$650.0
was			
P/E		9.7x	6.5x
EV/EBITDA		6.3x	5.8x
Consensus (6 Analysts)			
EPS	$0.04	$1.17	$1.55
EBITDA	$93.3	$582.3	$644.5

The commercial slowdown experienced at the end of Q4 has continued into January, as discussed on the yearend conference call. Within commercial activity appears to vary by end market with strength in small shops, education, and performance centers, while traditional commercial, manufacturing, auto centers and multi-store retail lagged. This mix should be favorable for the IMP product line, but likely outweighed by the negative impact on single skin and building systems. Residential should benefit from the relatively flat interest rate environment but coming off a strong 2018 it could be a challenge to repeat. With the change to calendar year reporting Q1 should now prove to be the lowest quarter seasonally and with the various moving parts related to the transactions EPS will likely remain noisy in the near term. Our street low Q1 estimate assumes much of the cost synergies expected in 2019 are more back end loaded. In the next few weeks investors should get news on a potential name change as part of the rebranding of the combined entity. Additionally, the search for the new CFO continues following the announcement that CFO Shawn Poe expects to retire in mid-2019. With all of the moving parts we remain cautious in the NT. We maintain our MO rating which assumes the company will ultimately be successful in extracting synergies and cash flows from the business and de-lever the balance sheet which could ultimately drive significant upside to shares.

Neenah Paper Inc.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
NP	Rating: MO	$66.28	$80	9.5x FY20 EV/EBITDA	21%	$1,123	$229	$1,352	1.8x	2.9x	4.0%	12.5%

Analyst	Shrs Out	Avg Vol $mm	Conf.
JT	16.9	$6.8	
52-Week Range		FYE (Dec)	
$56.80 - $96.15	FQ1	FY 2019e	FY 2020e
CJS Estimates			
EPS	$0.36	$3.58	$4.65
was	*$0.98*	*$4.75*	
EBITDA	$21.3	$134.8	$165.0
was	$37.4	$169.0	
P/E		18.5x	14.2x
EV/EBITDA		10.0x	8.2x
Consensus (4 Analysts)			
EPS	$0.64	$3.73	$4.45
EBITDA	$24.5	$137.4	$154.9

Expect Q1 results to be in-line to slightly below consensus. Pulp prices have been modestly better on a month to month basis since December, but still dramatically higher year over year, and we believe macroeconomic factors (i.e. EU industrials, auto demand) have been as bad as Management indicated on its last earnings call, with volumes impacted by client uncertainty and inventory reductions. Despite the softness in 1Q/1H, we believe the Company remains on track to make up the input pricing drag by year end, barring any other inflationary shocks - Price increases have been implemented across Fine paper grades (End of Q4), Automotive filtration contracts have ben renegotiated (Q1), and other operational initiatives (the sale of Brattleboro, ramp of Appleton) as planned.

NN Inc.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
NNBR	Rating: MO	**$7.75**	**$14**	**10x 2020E Adj EPS**	**81%**	**$326**	**$825**	**$1,151**	**4.7x**	**1.3x**	**12.5%**	**15.5%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
DM	42.1	$3.3	
52-Week Range		**FYE (Dec)**	
$5.55 - $25.25	**FQ1**	**FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.10**	**$1.10**	**$1.40**
was	*$0.24*	*$1.10*	*$1.35*
EBITDA	**$34.4**	**$170.4**	**$185.0**
was	$39.6	$166.4	$179.1
P/E		**7.1x**	**5.5x**
EV/EBITDA		**6.8x**	**6.2x**
Consensus (7 Analysts)			
EPS	$0.15	$1.15	$1.43
EBITDA	$35.4	$168.4	$185.4

The stock rallied in Jan/Feb but gave it back on disappointing Q4 results, including a $199mm goodwill impairment. Following the departure of CFO Tom Burwell, NN entered a standstill agreement with activist Legion Partners in late Feb and appointed two new board members, Jeri Harman (Avante Capital) and Janice Stipp (former CFO of Rogers Corp). We expect these additions to bring renewed financial discipline and influence the CFO search. Investors are laser focused on debt reduction. While Life Sciences is expected to grow low-mid teens in FY19, FCF guide ($40-$50mm) was below expectations (due in part to ~$20mm restructuring costs) and back-end loaded. Leverage will tick higher (to ~5x) in Q1-Q2 before declining toward ~4.5x in H2. Meanwhile, a $700mm interest rate swap locks in rates on most of the debt through 2020-2021. If NN can hit its 2019 goals, bring down leverage and continue to grow Life Sciences double-digits, shares could double or triple over the next 2+ years. Unfortunately, investors will have to wait several more quarters for tangible evidence to emerge.

Nomad Foods Ltd.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
NOMD	Rating: MO	**$20.37**	**$25**	**12X FY20 EV/EBITDA**	**23%**	**$3,993**	**$1,238**	**$5,231**	**2.9x**	**1.8x**	**8.1%**	**21.8%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
JT	196.0	$24.0	
52-Week Range		**FYE (Dec)**	
$15.35 - $21.81	**FQ1**	**FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**€ 0.41**	**€ 1.20**	**€ 1.20**
was	*€ 0.34*	*€ 1.20*	
EBITDA	**€ 113.6**	**€ 425.0**	**€ 445.0**
was	€ 108.2	€ 400.0	
P/E		**14.9x**	**14.9x**
EV/EBITDA		**10.8x**	**10.3x**
Consensus (3 Analysts)			
EPS	€ 0.34	€ 1.21	€ 1.30
EBITDA	€ 111.0	€ 424.2	€ 451.2

Expect an in-line or better quarter with low single digit organic growth, given healthy consumer response to new products (similar to Beyond Burger's strategy in the US, which is also made from pea protein), remaining low hanging fruit from the renovation/must win battle strategy, and refreshed advertising and promotion investment in recently acquired assets (Goodfellas, Aunt Bessie's). The Company recently raised ~$400mm in an equity offering (before fees), which is expected to be used for general corporate purposes. Reading between the lines we believe NOMD is gearing up for potential accretive M&A in the EU. While the specter of Brexit looms, the Company has built inventory and made as many contingency plans as possible. We are increasingly confident in Management's ability to sustain long term growth above the market, on top of possible acceleration in the end markets themselves as consumer sentiment and preference shifts to understand the specific health, environmental, and convenience benefits of frozen foods over canned, packaged or chilled. We are also adjusting our EPS lower to reflect the newly issued shares, no change to other estimates.

Novanta Inc.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
NOVT	Rating: MO	**$86.17**	**$81**	**30x FY20 P/E**	**-6%**	**$3,058**	**$125**	**$3,183**	**1.0x**	**8.3x**	**41.1%**	**36.8%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
LJ	35.5	$13.0	
52-Week Range		**FYE (Dec)**	
$50.40 - $86.61	**FQ1**	**FY 2016e**	**FY 2017e**
CJS Estimates			
EPS	**$0.48**	**$2.36**	**$2.70**
was			
EBITDA	**$28.3**	**$132.5**	**$146.9**
was			
P/E		**36.5x**	**31.9x**
EV/EBITDA		**24.0x**	**21.7x**
Consensus (3 Analysts)			
EPS	$0.48	$2.35	$2.70
EBITDA	$28.4	$132.8	$150.1

We expect strength in medical to offset minor softness in industrial related to microelectronics (<10% of total revenue). Trends in Industrial (ex-microelectronics) remain strong as secular tailwinds are driving growth in industrial robotics, electric car components and solar. Within medical, growth in JADAK and WOM should accelerate as y/y tough comparisons are largely behind it. We expect Laser Quantum sales in 1H to decline y/y as anticipated due to product launch activities at a major customer within DNA sequencing which should turn back to growth in 2H 2019. The company noted on its last call it believes it has a "secure position" on multigenerational platforms within this rapidly growing space. M&A continues to be a focus with tuck-ins being the likely outcome in the medium term despite an under-levered balance sheet. This is a function of continuing to digest the World of Medicine (WOM) transaction as well as high valuations on larger transactions. We continue to believe a premium valuation is justified, and given the secular trends in many of its end markets Novanta should continue to outperform the overall market.

OMNOVA Solutions		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
OMN	Rating: MO	**$7.25**	**$13**	**8.5X FY20 EV/EBITDA**	**79%**	**$326**	**$269**	**$594**	**3.1x**	**5.7x**	**-3.6%**	**-1.1%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
JT	44.9	$1.3	
52-Week Range		**FYE (Nov)**	
$6.28 - $11.90	**FQ1**	**FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.03**	**$0.65**	**$0.73**
was	*$0.09*	*$0.80*	
EBITDA	**$15.5**	**$91.0**	**$96.5**
was	$19.2	$100.4	
P/E		**11.2x**	**9.9x**
EV/EBITDA		**6.5x**	**6.2x**
Consensus (4 Analysts)			
EPS	$0.22	$0.65	$0.78
EBITDA	$25.5	$88.9	$95.3

The Company recently reported a weaker Q1 but also stronger orders exiting the quarter, giving Management the visibility to guide to y/y earnings growth in 2019 despite softness entering the year. Confidence is being driven by orders in hand from new products and new clients (in particular, high margin oil and gas), the planned closure of the Green Bay facility, and synergies from Resiquimica (which is performing ahead of expectation). Built into this outlook are reasonably conservative factors: ongoing declines in RV end markets, softness in construction and Chinese auto, and moderate input price increases, which we believe are prudent. Overall, we remain positive on shares and the valuation (6.5X FY20 EV/EBITDA vs our 8.5X target and >10X for specialty peers) given the 2-year track record of growing higher margin specialty chemicals sales.

Orion Group Hldgs.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
ORN	Rating: MO	**$2.97**	**$5**	**Book value**	**68%**	**$84**	**$70**	**$154**	**2.4x**	**0.6x**	**-28.4%**	**-30.8%**

Analyst JT	**Shrs Out** 28.4	**Avg Vol $mm** $0.5	**Conf.**
52-Week Range $2.90 - $9.83	**FQ1**	**FYE (Dec) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**-$0.04**	**-$0.01**	**$0.22**
was	*$0.00*	*$0.26*	*$0.45*
EBITDA	**$5.7**	**$33.0**	**$43.0**
was	$9.6	$47.5	$54.0
P/E		**-236.3x**	**13.8x**
EV/EBITDA		**4.7x**	**3.6x**
Consensus (4 Analysts)			
EPS	-$0.04	$0.17	$0.17
EBITDA	$4.2	$33.5	$42.2

We recently reduced our estimates and price target dramatically after the Company reported numerous 1x charges and operational headwinds. While we believe there is still an opportunity to achieve our prior estimates given strong backlogs and end market demand, this will hinge on a lack of compounding external factors (weather, permitting delays) which have plagued the company nearly every year. The ongoing performance review by outside consultants is likely to yield some operational improvements, but there will also be some upfront associated costs and the upside is yet unclear. We expect an in-line Q1, which will be affected by ongoing rain in Texas, and the impact of the “problem” project from Q4 which pushes out any profitability to any potential recoveries. Shares still trade significantly below book value, and upside could be even higher if the Company executes, however investors are likely to want to see a more concrete risk management plan and ability to generate consistent profits before giving management credit.

OSI Systems Inc.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
OSIS	Rating: MO	**$88.76**	**$96**	**22x CY20 P/E**	**8%**	**$1,653**	**$308**	**$1,961**	**1.7x**	**3.3x**	**21.0%**	**21.1%**

Analyst LS	**Shrs Out** 18.6	**Avg Vol $mm** $14.4	**Conf.**
52-Week Range $61.95 - $91.19	**FQ3**	**FYE (Jun) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.94**	**$4.05**	**$4.35**
was		*$4.00*	
EBITDA	**$46.3**	**$189.9**	**$207.0**
was		$187.2	
P/E		**21.9x**	**20.4x**
EV/EBITDA		**10.3x**	**9.5x**
Consensus (6 Analysts)			
EPS	$0.95	$4.03	$4.24
EBITDA	$44.1	$185.7	$198.4

We anticipate 7% revenue growth in Q3’19 and a 10% increase in EPS led by strong trends in Security. This includes an 8% rise in product revenue and a return to growth in services as the reduced turnkey contract in Mexico was anniversaried in mid-January. We assume a 10% sequential decline in Healthcare sales in Q3 and limited segment profit due to seasonality. This could prove conservative following a material improvement and >$3mm segment profit in Q2 aided by the exit of an unprofitable anesthesia business. A TTM non-turnkey book to bill of 1.1x in Security is driven by strong global demand for cargo inspection, rising penetration of RTT (airport security) in Europe, and customs and border patrol points. While nothing appears imminent, the potential for increased funding for border security for Mexico -other than a wall- could add an additional tailwind for the security business. This includes the potential for a rise in funds appropriated for new scanning technology to detect drugs and weapons at ports of entry. We remain positive on the shares however they could be range bound in the near-term following a 20% rise over the past three months.

Patrick Industries

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
PATK	Rating: MO	**$46.06**	**$70**	**13.5x 2020 EPS**	**52%**	**$1,079**	**$744**	**$1,822**	**2.5x**	**2.6x**	**34.8%**	**55.6%**

Analyst DM	**Shrs Out** 23.4	**Avg Vol $mm** $12.8	**Conf.**
52-Week Range $27.32 - $67.50	**Q1**	**FYE (Dec) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.85**	**$4.75**	**$5.15**
was			
EBITDA	**$51.9**	**$252.2**	**$262.9**
was			
P/E		**9.7x**	**8.9x**
EV/EBITDA		**7.2x**	**6.9x**
Consensus (8 Analysts)			
EPS	$0.89	$4.77	$5.31
EBITDA	$50.6	$240.9	$260.2

We are trimming our Q1 estimates reflecting lower Towable RV shipments (Jan-Feb combined down 28% y/y). Q1 is the last quarter of tough “comps” for the industry and dealer inventory de-stocking should level off in Q2. Retail is also likely to be down y/y for the first few months as the Jan polar vortex and wet weather across the country likely kept buyers at home. Despite this, cash generation remains exceptionally strong and management is focused on re-deploying capital in faster growing adjacent industries including Marine which is quickly approaching ~20% of revenue. The Marine industry is still well below prior peak in terms of sales/shipments and content continues to grow, accelerating the opportunity. Three new additions bring a more diverse range of inputs and skillsets to the board. Non-RV revenue should approach 60% of total revenue over the next 3-5 years, creating a more diversified producer of value added industrial products to OEM’s capable of garnering significantly higher valuation multiples.

PDF Solutions Inc.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
PDFS	Rating: MO	**$12.46**	**$15**	**17x FY20 Adj. P/E + Cash**	**20%**	**$404**	**-$97**	**$307**	**-5.5x**	**1.8x**	**48.0%**	**47.8%**

Analyst JT	**Shrs Out** 32.4	**Avg Vol $mm** $1.8	**Conf.**
52-Week Range $7.56 - $13.84	**FQ1**	**FYE (Dec) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.03**	**$0.25**	**$0.75**
was	*$0.04*	*$0.40*	*$0.85*
EBITDA	**$0.8**	**$11.0**	**$31.5**
was	$2.3	$18.6	$38.0
P/E		**50.7x**	**16.7x**
EV/EBITDA		**27.8x**	**9.7x**
Consensus (4 Analysts)			
EPS	$0.01	$0.21	$0.62
EBITDA	$4.2	$15.2	$28.6

Expect an in-line Q4, with ongoing weakness at 28nm muting Gainshare while 14nm continues to be a strong point. Solutions revenue is likely to be up slightly from Q4, due to Exensio momentum, however we note that the 2nd gen DFI machine (series 250) is unlikely to make a large contribution q/q given that its use was already covered by a contract that went into effect in Q4. The machine itself is still being set up and validated on the floor of a large Asian foundry customer, and it is still too early to have meaningful feedback. We still model only 2 machines shipping in all of 2019, and believe there is opportunity to ship a 3rd sometime later this year if the first 2 machines operate as designed. The status of GlobalFoundries 7nm contracts remains unclear, but there could be a low-mid single digit millions 1x revenue benefit once resolved. We continue to believe PDFS is an attractive acquisition candidate given its unique technology position solving critical semiconductor manufacturing issues, and $3/cash/share.

Powell Industries

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
POWL	Rating: MP	**$27.10**	**$35**	**8.5X FY20 EV/EBITDA**	**29%**	**$314**	**-$61**	**$253**	**-3.4x**	**1.1x**	**-1.6%**	**8.4%**

Analyst JT	**Shrs Out** 11.6	**Avg Vol $mm** $0.9	**Conf.**
52-Week Range $22.55 - $41.42	**FQ2**	**FYE (Sep) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**-$0.31**	**$0.05**	**$1.60**
was	*-$0.35*	*$0.10*	
EBITDA	**-$0.6**	**$18.0**	**$41.5**
was	-$1.3		
P/E		**495.5x**	**16.9x**
EV/EBITDA		**14.0x**	**6.1x**
Consensus (3 Analysts)			
EPS	-$0.25	$0.07	$1.43
EBITDA	-$0.6	$18.0	$41.5

Long-term trends in the Company's Gulf Coast end markets appear healthy and likely to remain intact or improve. Recent announcements by large petrochemical and energy players regarding new facilities and expansions are likely to benefit POWL over the medium term, refilling some of the hole left by offshore oil which, while improving, still appears to be 3-5 years away. We estimate a single $50mm order, can benefit EBITDA by $6-8mm, and the chance of orders of this magnitude (multiple projects in the pipeline) are increasing heading into year end, or early 2020. For FQ2, Management had previously telegraphed project scheduling "gaps", and we believe the volume of short-order brown field and maintenance work has moderated enough in favor of larger projects that utilization, revenue and margin are likely to be lower on a sequential basis (in-line with expectations). Finally, we note that the recent ITC terminal fire was just across the channel from POWL's Houston facility, and could cause mild, temporary headwinds in the quarter, however we believe orders, backlog and qualitative commentary on the design pipeline and quoting activity will be the most important metric for investors.

Primoris Svcs. Corp.

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
PRIM	Rating: MP	**$21.38**	**$30**	**7x FY20 EV/EBITDA**	**40%**	**$1,099**	**$217**	**$1,316**	**1.1x**	**1.8x**	**-5.4%**	**11.8%**

Analyst LJ	**Shrs Out** 51.4	**Avg Vol $mm** $3.7	**Conf.**
52-Week Range $17.82 - $28.8950	**FQ1**	**FYE (Dec) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.00**	**$1.70**	**$2.00**
was	*$0.04*	*$1.80*	
EBITDA	**$25.7**	**$222.3**	**$243.9**
was	$28.0	$232.9	
P/E		**12.6x**	**10.7x**
EV/EBITDA		**5.9x**	**5.4x**
Consensus (4 Analysts)			
EPS	$0.02	$1.66	$2.13
EBITDA	$29.1	$227.3	$259.3

We are reducing our Q1 estimate to breakeven (was $0.04) as it appears incrementally bad weather is impacting the already seasonally slow Q1. In particular, California (rain/flooding) and the Midwest (cold) are a headwind for power and utility work in those geographies. For the Q3C division a late thaw driven by record Minnesota snowfall is delaying the ramp of MSA work. The timeline set by Dominion for a Q3 re-start to ACP remains in place and in the interim PRIM should be receiving standby rates on people and equipment unless it is able to book work to backfill some of the downtime. Regarding PG&E, we continue to believe the company will be paid in accordance with its MSA agreements, but given the turmoil related to the Bankruptcy filing it would not surprise us to see revenue more back end loaded than historic seasonality. All this said, the medium/LT outlook remains solid with excellent visibility on the MSA side (47% of total backlog) providing a stable base of work, large project work in hand driven by ACP, and a pipeline of potential projects the company is bidding on or in pre-bid phase that should enable growth in 2020 and beyond.

Providence Service

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
PRSC	Rating: MO	**$65.73**	**$107**	**22x 2020 Earnings Pwr**	**63%**	**$846**	**-$7**	**$839**	**-0.1x**	**3.0x**	**-3.0%**	**9.5%**

Analyst RL	**Shrs Out** 12.9	**Avg Vol $mm** $4.3	**Conf.**
52-Week Range $54.02 - $83.90	**FQ1**	**FYE (Dec) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.35**	**$2.50**	**$3.75**
was	*$0.48*		
EBITDA	**$12.8**	**$74.4**	**$97.3**
was	$15.5		
P/E		**26.3x**	**17.5x**
EV/EBITDA		**11.3x**	**8.6x**
Consensus (1 Analyst)			
EPS	$0.48	$2.50	$3.75
EBITDA	$15.5	$74.5	$97.3

We expect mid to high single digit organic revenue growth in 2019 from Logisticare with modest initial earnings dilution and 2H accretion from the Circulation acquisition. Membership growth in existing contracts plus typical wins should propel revenues. We are tweaking our Q1 estimate for less severe North East weather vs. a year ago (which results fewer rides canceled/higher utilization and lower margins at Logisticare) but we're leaving our full year unchanged. With strong working capital benefits in Q1, regular FCF, and tax refunds from the sale of WD Services we expect PRSC to end the year with $75mm-$100mm in net cash absent additional repurchases or M&A. The extension of interim CEO Carter Pate's contract through 12/31/19 (from 6/30 end date) to oversee the 'strategic side' of the business suggests the Reuters report in November which said PRSC had hired JP Morgan to explore a sale of the company could have some merit. Sale or not, we view PRSC as undervalued with strong growth and optionality on the balance sheet and reiterate our MO rating.

Quaker Chemical

		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
KWR	Rating: MP	**$204.15**	**$195**	**14.5x FY20 EV/EBITDA**	**-4%**	**$3,613**	**$845**	**$4,458**	**3.6x**	**8.4x**	**6.3%**	**14.9%**

Analyst JT	**Shrs Out** 17.7	**Avg Vol $mm** $15.2	**Conf.**
52-Week Range $137.95 - $217.15	**FQ1**	**FYE (Dec) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$1.25**	**$6.50**	**$8.00**
was	*$1.45*	*$6.95*	*$8.15*
EBITDA	**$29.0**	**$203.2**	**$300.0**
was	$62.5	$278.6	$307.0
P/E		**31.4x**	**25.5x**
EV/EBITDA		**21.9x**	**14.9x**
Consensus (6 Analysts)			
EPS	$1.40	$6.94	$8.28
EBITDA	$30.0	$228.1	$303.9

Expect an in-line Q1, with revenue essentially flat to up slightly Y/Y. World steel production was up ~4% on average in Jan and Feb and we expect Management to continue its track record of share gain, however this will be offset by FX headwinds and lower auto sales/production. Auto production was down ~15% in China, down 2-3% in the EU and ~5% in the US through February. March may prove to be better, especially for China given large stimulus programs following an early Chinese New Year, however it is too early to have concrete data and a potential resolution to the trade war would likely stimulate markets even further. Houghton appears to be on track to close "within the next few months" as noted on the last CC, with the next update expected on the Q1 earnings call. Shares remain fully valued at >14.5X FY20E EV/EBITDA (pro forma for Houghton) although there could still be some upside if Management discloses significantly higher cost and revenue synergies, compared to when the merger was initially announced nearly 2 years go.

Quanex Building Prod.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
NX	Rating: MO	**$16.08**	**$20**	**8x FY20 EBITDA**	**24%**	**$532**	**$213**	**$745**	**2.1x**	**1.4x**	**14.4%**	**18.3%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
DM	33.1	$3.8	
52-Week Range		**FYE (Oct)**	
$10.70 - $20.30	**FQ2**	**FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.14**	**$0.90**	**$1.00**
was			
EBITDA	**$21.5**	**$100.0**	**$107.0**
was			
P/E		**17.9x**	**16.0x**
EV/EBITDA		**7.5x**	**7.0x**
Consensus (4 Analysts)			
EPS	$0.12	$0.83	$0.97
EBITDA	$21.1	$97.2	$102.9

6%+ growth in N.A. Fenestration in the Dec quarter was impressive given choppiness in housing and softer results at many building products co's. In vinyl extrusion, NX is starting to win back some of its previously lost volume. Further, a new screen contract should ramp in coming quarters, enhancing revenue as well. In EU Fenestration, the picture is mixed. Price increases should boost revenue growth, though recent inventory builds by some customers will likely level off and Brexit concerns linger. N.A. Cabinet volumes were likely soft in the Mar quarter, given extreme weather, but growth could resume in H2. All in, we expect mid-single digit growth for FY19, a notable uptick. We expect $50-$55mm FCF ($1.50+/share) and leverage should tick below 2x by FYE. Management has accelerated buy backs at/near current levels and had $26mm remaining authorization at 12/31. At ~7x EBITDA, valuation is attractive. **CJS is hosting meetings in Dallas April 11th.**

Raven Industries		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
RAVN	Rating: MO	**$39.09**	**$44**	**25x 21e EPS**	**13%**	**$1,424**	**-$66**	**$1,358**	**-0.7x**	**4.6x**	**4.9%**	**8.0%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
CB	36.4	$4.1	
52-Week Range		**FYE (Jan)**	
$33.00 - $49.80	**FQ1**	**FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.44**	**$1.50**	**$1.75**
was			
EBITDA	**$25.4**	**$90.2**	**$104.5**
was			
P/E		**26.1x**	**22.3x**
EV/EBITDA		**15.1x**	**13.0x**
Consensus (1 Analyst)			
EPS	$0.44	$1.50	$1.75
EBITDA	$25.4	$90.2	$104.5

We upgraded RAVN to MO on March 22. Raven's shares had pulled back 9% after weather slowed Q4 ag sales. This created an opportunity for long term investors to buy a very high-quality company at a discount. With innovative products, Raven has been able to navigate the ag and energy cycles to deliver a 10% EPS CAGR (26% in 2018) and >15% ROE with no debt and while returning 30% of earnings to shareholders via a dividend. Wet weather could be a headwind again in Q1 given flooding in the Midwest. Once weather normalizes, we expect demand to recover for Raven's precision spraying, steering, and direct injection systems. Raven's products lower costs and create ROI for farmers and ag service providers. The ongoing shift from Roundup to Dicamba herbicide is a key demand driver near term. The company's international ag sales in Brazil and Europe are also growing. A new production line for a sold out Engineered Film product should contribute revenue and earnings beginning in Q1 though the outlook for sales in to energy sector is uncertain. Rig count in the Permian basin is down 5% YTD but Raven's says its Energy related sales remain solid. Ex hurricane related revenue, EF revenue grew 14% in Q4, above the company's long term 10% target. At its mean P/E of 25x, Raven would reach $44 in one year, a potential 25% gain.

RR Donnelley		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
RRD	Rating: MO	**$4.85**	**$8**	**9X 2019E EPS**	**65%**	**$343**	**$1,930**	**$2,273**	**3.9x**	**NM**	**-6.7%**	**22.5%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
CS	70.7	$3.6	
52-Week Range		**FYE (Dec)**	
$3.49 - $9.56	**FQ1**	**FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**-$0.14**	**$0.60**	**$0.75**
was	*-$0.08*	*$0.72*	
EBITDA	**$75.4**	**$440.4**	**$434.4**
was		$445.0	
P/E		**8.1x**	**6.5x**
EV/EBITDA		**5.2x**	**5.2x**
Consensus (2 Analysts)			
EPS	-$0.06	$0.73	$0.93
EBITDA	$77.9	$441.5	$438.5

The company refinanced $430mm of its near term debt in Q3. It has $337mm of debt coming due through 2021 and should generate ~$200mm of cash by the end of '21. This coupled with the cash on hand plus $125-150mm of net proceeds from the building sale in China should give RRD enough liquidity to meet maturities over the next two years. The company is exploring other asset sales to help further de-lever and it was rumored by the media in Q3 that its logistics business was close to being sold. However, this chatter subsided after revenue from the company's logistics unit softened in Q4 and further into Q1. Last month there was an announced 5% coated free sheet paper increase slated for 2H 19 driven by further paper industry plant consolidation. However, paper volume is down high single low double digits making it unclear how much of this will stick. We believe guidance and our sales and EBITDA estimates are factoring this in. However, our tax assumptions for 1H '19 are likely too ambitious. We are lowering our EPS from $0.72 to $0.60 accordingly. While valuation appears attractive, investors may need greater comfort in the company's ability to continue to restructure its balance sheet and bring down leverage.

Rogers Corporation		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
ROG	Rating: MO	**$163.92**	**$175**	**25x 2020 P/E**	**7%**	**$3,063**	**$61**	**$3,124**	**0.3x**	**3.6x**	**49.6%**	**65.5%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
DM	18.7	$23.1	
52-Week Range		**FYE (Dec)**	
$89.21 - $164.94	**FQ1**	**FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$1.35**	**$6.25**	**$7.00**
was			
EBITDA	**$49.3**	**$218.0**	**$235.8**
was			
P/E		**26.2x**	**23.4x**
EV/EBITDA		**14.3x**	**13.2x**
Consensus (4 Analysts)			
EPS	$1.34	$6.30	$7.48
EBITDA	$46.9	$214.4	$232.5

Recent strength in the shares reflects increased optimism regarding the coming ramp in 5-G spending as activity is starting to build. The opportunity (near-term at least) is centered in China where 100-200k base stations are expected to be rolled out in 2019. While most of this spend is likely to occur in H2, the ramp could start as early as Q2. Additionally, China Mobile was awarded spectrum in the 2.6 GHz range, which requires significantly greater content for antennas (than 3.5 GHz). Reflecting this shift in standards, ROG now sees the total 5-G opportunity 3-5x greater than what they experienced in 4-G. Meanwhile, ADAS remains strong and (despite recent softness in overall China auto) the EV/HEV opportunity continues to grow. Gross margins should continue to recover. Management expects a 50+ bps quarterly sequential improvement through 2019. As higher margin ACS (advanced connectivity systems) revenue ramps, mix and absorption should also improve creating potential upside to these expectations in coming quarters. **CJS is hosting a field trip to Chandler, Arizona (5/21).**

Safeguard Scientifics		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
SFE	Rating: MO	**$10.84**	**$12**	**Adj. BV**	**11%**	**$228**	**-$18**	**$210**	**NM**	**0.9x**	**18.1%**	**25.8%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
RL	21.0	$0.8	
52-Week Range $7.98 - $13.95	**FQ1**	**FYE (Dec) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**-$0.53**	**-$2.11**	
was			
EBITDA	**-$5.2**	**-$21.0**	
was			
P/E		**-5.1x**	
EV/EBITDA		**-10.0x**	
Consensus (3 Analysts)			
EPS	$0.78	-$0.98	-$1.27
EBITDA	NM	NM	NM

The January exit of Propeller Health for $41.5mm brings total proceeds to $120mm since management set its new strategy to maximize shareholder value by winding down the portfolio. Net cash now exceeds debt and Safeguard is nearing a time it can return proceeds to shareholders. Depending on the size it could only take 1-3 more exits before a capital return plan is in effect. Speed to exit is important, if SFE can monetize its holdings in three years vs. four our target price would increase $2/share.

Simpson Manufac.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
SSD	Rating: MO	**$59.26**	**$68**	**18x 2020 P/E**	**15%**	**$2,713**	**-$137**	**$2,575**	**-1.2x**	**3.2x**	**8.0%**	**9.5%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
DM	45.8	$14.7	
52-Week Range $49.54 - $78.36	**FQ1**	**FYE (Dec) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.56**	**$3.15**	**$3.60**
was	*$0.65*	*$3.55*	*$3.90*
EBITDA	**$47.4**	**$247.1**	**$269.1**
was	$53.5	$273.6	$294.4
P/E		**18.8x**	**16.5x**
EV/EBITDA		**10.4x**	**9.6x**
Consensus (4 Analysts)			
EPS	$0.56	$3.23	$3.83
EBITDA	$44.8	$240.3	$272.7

In early Feb SSD reported soft Q4 results as housing slowed late in 2018, but indicated demand returned in Jan. Since then, wet weather across many parts of the country (including California, where SSD's content/home is very high) may cause some disruption during the seasonally soft Q1. On the cost side, steel prices and availability have been a challenging. SSD built inventories during H2'18 to ensure supply, potentially pressuring GMs for 1-2 more quarters. Looking beyond Q1, management expects low-mid single digit growth for housing starts in FY19. Enhancing this growth, Home Depot is expected to roll out SSD anchor products across 1,900 locations by 2020, a ~$30mm annual opportunity which in early innings. SSD's 2020 goals imply 17-18% ROIC and $4+/share EPS. SSD is committed to returning 50%+ of OCF to shareholders and bought back 1.8mm shares (avg. price ~$63) in 2018. A powerful balance sheet ($3.50/share net cash) and strong FCF create flexibility and downside cushion. Clients should be alert for opportunities if weather impacts Q1 beyond current expectations.

Skyline Corp.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
SKY	Rating: MO	**$19.33**	**$30**	**20x CY20 EPS**	**55%**	**$1,087**	**-$128**	**$959**	**-1.4x**	**2.4x**	**10.2%**	**31.6%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
DM	56.2	$14.6	
52-Week Range $12.72 - $35.65	**FQ4**	**FYE (Mar) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.19**	**$0.68**	**$1.08**
was		*$0.58*	
EBITDA	**$21.0**	**$93.9**	**$110.0**
was		$87.3	
P/E		**28.6x**	**18.0x**
EV/EBITDA		**NA**	**8.7x**
Consensus (7 Analysts)			
EPS	$0.20	$0.83	$1.17
EBITDA	$21.2	$94.2	$115.3

The Q4 soft patch in housing/MH has extended through Q1, exacerbated by weather and tough comps (MH shipments fell ~11% in Jan). Adjusted for FEMA, we estimate units declined ~4% and "floors" (each unit can have multiple floors) were ~flat. We expect Feb to be down y/y as well, reflecting the last tough FEMA comp and extremely wet weather in some regions. Given these factors, and absorption of tens of millions of shares from secondary transactions, SKY has "stuck in the mud." Despite these challenges, we are comfortable with FQ4 (Mar) estimates and see reason for optimism heading into Spring/Summer. Comps get much easier (FEMA has not taken deliveries since March '18). As the weather improves and dealers work through inventories, orders should pick back up. Interest rates are likely to remain low and the GSE's MH friendly programs are getting under way, potentially unlocking pent up demand. A 10.8mm share secondary (late Feb) "cleaned up" two large PE investors, removing an overhang. At <10x 2019E EBITDA with a net cash balance sheet, SKY is fundamentally cheap. Clients should use the Winter blues to build positions. **CJS is hosting a field trip to Arizona (5/22)**.

SP Plus Corp.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
SP	Rating: MO	**$34.44**	**$44**	**18x 2019 EPS**	**28%**	**$779**	**$334**	**$1,113**	**2.9x**	**2.1x**	**19.7%**	**16.6%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
DM	22.6	$3.2	
52-Week Range $27.13 - $41.35	**FQ1**	**FYE (Dec) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.30**	**$2.10**	**$2.30**
was	*$0.39*	*$2.40*	*$2.55*
EBITDA	**$21.6**	**$114.8**	**$118.9**
was			
P/E		**16.4x**	**15.0x**
EV/EBITDA		**9.7x**	**9.4x**
Consensus (3 Analysts)			
EPS	$0.42	$2.60	$2.83
EBITDA	$22.6	$116.1	$118.7

FY19 guide ($111-$122mm adj. EBITDA, including $20mm+ from Bags), implies a modest organic decline y/y. SP is winning new business across key verticals (Hospitality, Healthcare, Education, Muni) but the location count has declined in recent quarters, creating a near term headwind. G&A including incentive comp, is expected to tick higher this year. Looking to 2020 we project 2-3% GP growth and 3-4% EBITDA growth, which assumes some success in cross-selling with Bags. Bags business model is early stage, offering significant growth potential. For example, Bags currently has remote check in at just 3 out of ~70 potential airports across the U.S. SP has dozens of established relationships which could accelerate growth. Likewise, many Bags customers have parking, shuttle and other hospitality needs, creating opportunity to expand SP's core business. While these initiatives will likely take time, cash generation remains strong and steady. Management projects $50mm+ FCF in 2019, which should re-accelerate toward $60-$70mm+ in 2020, approaching ~$3/share. **CJS is hosting meetings with management in Chicago 4/8.**

Spectrum Brands Inc.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
SPB	Rating: MO	**$57.50**	**$87**	**10x FY20 EBITDA**	**51%**	**$3,071**	**$4,475**	**$7,546**	**7.9x**	**2.2x**	**23.0%**	**36.1%**

Analyst RL	Shrs Out 53.4	Avg Vol $mm $37.6	Conf.
52-Week Range $40.54 - $92.72	**FQ1**	**FYE (Sept) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.42**	**$2.60**	**$4.00**
was	*$0.81*	*$3.70*	*$4.61*
EBITDA	**$115.4**	**$560.2**	**$589.6**
was	$124.0	$560.4	$594.4
P/E		**22.1x**	**14.4x**
EV/EBITDA		**13.5x**	**12.8x**
Consensus (7 Analysts)			
EPS	$0.40	$2.33	$3.50
EBITDA	$118.3	$558.5	$572.9

Shares of SPB remain in the show me category reflected in the 7.4x pro forma EV/EBITDA valuation. Executing to plan could bring significant upside in our opinion. During the quarter the company sold its Batteries and its Global Auto Care divisions, paid down $2.5B in debt and repurchased 4.5mm shares (~8% of FDS) for $250mm. We expect the company to screen materially better after it reports as the reduced debt and incremental cash will drop 'reported' leverage from 7.9x to 3.5-4x and on its way to sub 3x by FYE. Further FQ2 marks an easy comparison vs. a year ago when the execution issues hit which resulted in significant management turnover including the exit of then CEO Andres Rouve. In addition to now having fixed the operational issues, new market share gains should also boost results. Based on FCF for the remaining portion of the FY SPB could end the year with ~$800mm cash creating flexibility for additional debt reduction and share repurchases. **CJS is hosting a trip to St. Louis to meet with COO Randy Lewis and tour the Home & Garden plant on 5/14.**

Standex Intl. Corp.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
SXI	Rating: MP	**$74.54**	**$95**	**18x FY20 P/E**	**27%**	**$946**	**$196**	**$1,142**	**1.7x**	**2.1x**	**3.1%**	**11.0%**

Analyst CM	Shrs Out 12.7	Avg Vol $mm $5.1	Conf.
52-Week Range $62.02 - $114.20	**FQ3**	**FYE (Jun) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.91**	**$4.35**	**$5.25**
was	*$1.20*	*$0.85*	*$5.30*
EBITDA	**$26.6**	**$118.3**	**$133.2**
was	$31.2	$125.0	$134.0
P/E		**17.1x**	**14.2x**
EV/EBITDA		**9.7x**	**8.6x**
Consensus (4 Analysts)			
EPS	$1.08	$4.75	$5.77
EBITDA	$26.6	$118.3	$133.2

The sale of Cooking Solutions lowers Food Service Equipment as a percentage of sales to 35% from 46% in FY18. We view this as a very meaningful step in the reshaping of the company. We would not be surprised by additional Food Service divestitures, although we do not expect that to happen near-term. Standex needs to continue driving margins and revenue in areas like its core refrigeration in order to get fair value. The goal is to focus on higher growth and higher margin businesses such as Electronics and Engraving. The CSG sale brings leverage close to 1X. The near-term outlook for Standex is mixed; Scientific Refrigeration, Hydraulics and Engineering are expected to generate strong results in 2H '19 while Electronics and Engraving are facing temporary headwinds in Asia and core refrigeration demand remains soft. We are at the low-end of a pretty wide range of EPS estimates for Q3 ($0.91 to $1.20). Q3 is seasonally weak and likely was not aided by things like the government shutdown and extreme weather. We like the strategic direction Standex is going but we don't see any near-term catalysts to drive the stock. It could be a couple of years before the "remaking" of the company is close to finished.

Team Inc.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
TISI	Rating: MO	**$17.69**	**$33**	**10x CY20 EV/EBITDA**	**87%**	**$539**	**$394**	**$933**	**4.1x**	**1.2x**	**10.0%**	**20.8%**

Analyst CB	Shrs Out 30.5	Avg Vol $mm $5.1	Conf.
52-Week Range $13.20 - $25.55	**FQ1**	**FYE (Dec) 2019e**	**2020e**
CJS Estimates			
EPS	**-$0.22**	**$0.10**	**$1.25**
was	*-$0.17*	*$0.35*	
EBITDA	**$10.6**	**$92.5**	**$150.0**
was	$19.4	$123.0	
P/E		**180.4x**	**14.2x**
EV/EBITDA		**10.1x**	**6.2x**
Consensus (5 Analysts)			
EPS	-$0.30	$0.05	$0.90
EBITDA	$9.7	$93.5	$130.4

Team is now one year into its revamp under Amerino Gatti, CEO. Excluding costs related to the OneTeam initiative, adjusted EBITDA jumped from $53MM in 2017 to $72MM in 2018 on a 4% sales gain. The 140bps improvement in EBITDA margins to 5.8% during 2018 affirmed Team's progress toward its 2020 goal of 10-12% EBITDA margins. As consultants exit and further restructuring savings are realized, we expect a further 140bps margin gain in 2019 with most of the pick up weighted toward the second half due to expected H1 maintenance deferrals coincident with high refinery utilization. At its targeted EBITDA margin of 10%-12%, Team would generate $150MM in EBITDA in 2020. At 10x and treating its $230MM convertible as 10.6MM incremental shares rather than debt (the most dilutive/conservative method), Team's shares would reach $33, a potential 75% gain.

Tennant Company		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
TNC	Rating: MP	**$62.00**	**$60**	**10x FY20 EBITDA**	**-3%**	**$1,135**	**$269**	**$1,404**	**2.0x**	**3.6x**	**10.4%**	**19.0%**

Analyst CM	Shrs Out 18.3	Avg Vol $mm $4.4	Conf.
52-Week Range $48.97 - $86.03	**FQ1**	**FYE (Dec) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.38**	**$2.40**	**$2.85**
was	*$0.48*	*$2.60*	
EBITDA	**$28.3**	**$131.6**	**$141.0**
was	$30.6	$133.0	
P/E		**25.9x**	**21.8x**
EV/EBITDA		**10.7x**	**10.0x**
Consensus (2 Analysts)			
EPS	$0.40	$2.40	$2.82
EBITDA	$28.3	$131.2	$139.9

Q1 estimates look reasonable (only 2 analysts cover Tennant); we are at the low-end of a tight revenue and earnings range. The one negative wildcard could be FX. FY18 organic growth was 5.5%; volume was up 3.9% and price increases accounted for the other 1.6%. We are projecting 3.3% growth in FY19 of which nearly 2% is from price. Our volume growth assumption could be conservative. Volume growth in FY18 was strongest in North America, driven largely by strategic accounts. Strategic account strength could continue in FY19 but it is often lumpy. While still a concern, skilled labor shortages, freight costs, and tariff uncertainties should not provide the same headwind they did in 2018. The IPC integration, while significantly advanced, is still a work in process. We expect FY19 to continue to be another transition year (still working towards getting gross margins in the 42% range), but not to the same degree as 2018. The Tennant investment thesis remains intact. While gross margins are still recovering, most industrial equipment companies would be very excited to have 40%+ gross margins. It is not a very capital intensive industry. There are three primary competitors (TNC, Nilfisk and Karcher) that all appear to be reasonably rational. As technology becomes an increasingly important focus of the industry, it becomes harder and harder for smaller companies to compete. We believe the stock is reasonable valued at these levels but would be a buyer on weakness.

Tile Shop Holdings

	Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
TTS Rating: MO	**$5.78**	**$9**	**25x FY20 EPS**	**56%**	**$300**	**$47**	**$348**	**0.9x**	**2.1x**	**5.9%**	**5.5%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
DM	51.9	$2.2	
52-Week Range $5.15 - $9.50	**FQ1**	**FYE (Dec) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.06**	**$0.25**	**$0.35**
was			
EBITDA	**$13.1**	**$53.4**	**$61.6**
was			
P/E		**23.5x**	**16.7x**
EV/EBITDA		**6.5x**	**5.6x**
Consensus (7 Analysts)			
EPS	$0.07	$0.26	$0.31
EBITDA	$13.9	$53.2	$59.3

Following +5% SSS growth in Q4, FY19 got off to a challenging start as January was impacted by extreme weather in the upper-Midwest and Northeast and ERP implementation issues which impacted conversion rates for a period of time. While the ERP issue appears to have been addressed, low-mid single digit SSS growth appears likely for Q1 and shares may "back and fill" until TTS can sustain mid-single digit (or better) SSS growth for a more than just one quarter. After nearly a year of investment, the stage appears set for this to occur starting in Q2. TTS completed its final store refresh in Q1 and the roll out of new merchandising fixtures, designed to enhance display of 2k new SKU's, should be complete by April 30. The Company is re-focusing on exclusive merchandise, including >200 new "Anne Selke" branded SKUs and hundreds of new colored glass subway tiles. Based on open market purchases over the past 2-quarters, insiders clearly expect better performance going forward.

Trecora Resources

	Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
TREC Rating: MO	**$9.25**	**$12**	**8.5X FY20 EV/EBITDA + AMAK**	**30%**	**$227**	**$91**	**$318**	**4.5x**	**1.4x**	**10.6%**	**18.6%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
JT	24.5	$0.4	
52-Week Range $6.69 - $15.60	**FQ1**	**FYE (Dec) FY 2019e**	**FY2020e**
CJS Estimates			
EPS	**-$0.02**	**$0.06**	**$0.49**
was	*$0.13*	*$0.80*	
EBITDA	**$5.4**	**$17.2**	**$40.0**
was	$9.5	$47.5	
P/E		**144.9x**	**18.7x**
EV/EBITDA		**18.5x**	**7.9x**
Consensus (3 Analysts)			
EPS	-$0.03	$0.14	$0.38
EBITDA	$4.9	$26.8	$35.4

Q1 likely to be in-line with our expectations. Input prices have moderated slightly, while price increases were implemented where possible (2/3 of prime products are contractually priced with trailing escalators). We expect significant sequential improvement from the output of the advanced reformer, incremental custom processing improvements and cost cutting efforts, tempered somewhat by lower oil sands demand, scheduled downtime and slightly lower byproduct pricing spreads. We believe investors are looking forward to a quarter with as little operational noise as possible from delayed or malfunctioning assets, which would go a long way to supporting the underlying investment thesis (demand and volume growth driven by low natural gas prices and US. polyethylene capacity growth). The planned sale of the Company's AMAK stake also remains in focus and would shore up the balance sheet and remove a Management and investor distraction.

Tyler Technologies

	Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
TYL Rating: MP	**$206.87**	**$195**	**6.5x CY20 Rev.**	**-6%**	**$8,252**	**-$232**	**$8,020**	**-0.8x**	**5.7x**	**10.6%**	**11.3%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
CS	39.9	$61.3	
52-Week Range $173.26 - $252.47	**FQ1**	**FYE (Dec) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$1.22**	**$5.30**	**$5.90**
was		*$5.40*	
EBITDA	**$77.2**	**$332.5**	**$367.3**
was		$321.0	
P/E		**39.1x**	**35.0x**
EV/EBITDA		**24.1x**	**21.8x**
Consensus (10 Analysts)			
EPS	$1.22	$5.28	$5.94
EBITDA	$72.3	$316.5	$359.3

The company closed the $185mm MicroPact acquisition at the end of February and integration is going well. MicroPact's software helps manage Federal EEO claims, Workers Comp cases in CA and security clearances for the Department of Justice among others and should help broaden Tyler's capabilities within the Federal IT market. Business trends overall remain robust, win rates have been strong and the company should begin to cycle against easier booking comps this quarter. The company took advantage of the dip in stock price in Q4 by purchasing 780mm shares of its stock. Look for the company to take a pause from larger acquisitions this year as it digests recent transactions.

US Concrete Inc.

	Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
USCR Rating: MO	**$43.18**	**$72**	**8-9x FY20 EBITDA**	**67%**	**$712**	**$693**	**$1,406**	**3.6x**	**2.3x**	**11.2%**	**22.4%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
CB	16.5	$14.5	
52-Week Range $27.68 - $65.85	**FQ1**	**FYE (Dec) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**-$0.17**	**$2.45**	**$2.65**
was	*-$0.23*	*$2.20*	*$3.45*
EBITDA	**$35.2**	**$215.0**	**$220.0**
was	$36.0	$220.0	$240.0
P/E		**17.7x**	**16.3x**
EV/EBITDA		**6.5x**	**6.4x**
Consensus (7 Analysts)			
EPS	$0.12	$3.01	$3.73
EBITDA	$37.8	$215.0	$232.2

Rain in Northern California had a material impact on volume and led us to cut our Q1 adj EBITDA estimate from $43MM to $35MM. Our full year 2019 estimate remains $215MM. Demand remains flattish y/y in NYC while SF is benefitting from continued tech spending, multifamily growth in the greater SF MSA, and a pickup in SB1 funded infrastructure projects. Non-residential demand in DFW remains strong driven by corporate relocations from high tax states. USCR's largest competitor in DFW, announced plans to increase prices 7% in April. DFW has been the only market with a difficult price environment. Net debt to TTM EBITDA at year end was higher than comfortable at 3.6x. With $40MM of earnouts and the purchase of a sand/gravel quarry in NJ plus $70MM of planned cap ex, USCR will pay down little debt this year. A deal to export 0.5-1.0MM tons of Polaris aggregates to China or Korea could be announced concurrent with Q1 results. Management is also confident that it will get permits to expand capacity at Polaris from 6.6MM to 9.6MM tons. Run rate operating capacity could then reach 8MM tons during 2020. USCR is trading at just 6.3x NTM EBITDA. We believe it could be an attractive, accretive bolt-on for either a multinational vertically integrated building materials company or richly valued domestic large cap like Vulcan Materials. At 8-9x EBITDA, USCR would reach $72 in one year, a potential >70% gain.

Unifi Inc.

Unifi Inc.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
UFI	Rating: MO	$19.66	$30	Sum of Parts	53%	$368	$103	$471	2.5x	0.9x	-18.8%	-13.9%

Analyst	Shrs Out	Avg Vol $mm	Conf.
DM	18.7	$2.2	
52-Week Range $17.83 - $38.65	FQ3	FYE (Jun) FY 2019e	FY 2020e
CJS Estimates			
EPS	$0.10	$0.56	$1.00
was		*$0.42*	*$1.10*
EBITDA	$10.0	$42.0	$52.0
was			
P/E		35.0x	19.6x
EV/EBITDA		11.2x	9.1x
Consensus (2 Analysts)			
EPS	$0.13	$0.57	$1.21
EBITDA	$10.9	$42.1	$57.6

On 3/18 Kevin Hall stepped down as CEO and director and Al Carey was Executive Chairman effective April 1. Mr. Carey was CEO of PepsiCo North America until the end of March, concluding a 25 year career (including Frito Lay) and is 10+ year board member at The Home Depot. President and COO Tom Caudle, was also appointed Principal Executive Officer. Rising raw material costs have weighed heavily on margins and intensified competitive pressures over the past 4-6 quarters. While oil prices pulled back around YE, the retreat was short lived and margins are likely to remain weak near term. Given the severity of the margin decline last quarter, we suspect UFI has struggled with operating efficiencies as well. We look forward to more details from Mr. Carey and/or Mr. Caudle on the FQ3 call in May, including any potential changes in direction/strategy. Meanwhile, all three prominent board members, which collectively own ~22% of shares outstanding), have added to positions in recent months.

US Physical Therapy

US Physical Therapy		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
USPH	Rating: MP	$106.76	$100	30x CY20 Cash P/E	-6%	$1,353	$16	$1,369	0.3x	6.3x	-4.0%	4.3%

Analyst	Shrs Out	Avg Vol $mm	Conf.
LS	12.7	$9.1	
52-Week Range $80.80 - $129.65	FQ1	FYE (Dec) FY 2019e	FY 2020e
CJS Estimates			
EPS	$0.60	$2.85	$3.15
was			
EBITDA	$16.2	$70.2	$76.4
was			
P/E		37.5x	33.8x
EV/EBITDA		19.5x	17.9x
Consensus (7 Analysts)			
EPS	$0.60	$2.82	$3.09
EBITDA	$15.5	$70.0	$75.3

We expect low-single digit same store same sales increases and high-single digit growth in EPS in the seasonally slow Q1. Severe cold in January and a stormy West Coast in February could limit same store sales growth partially offset by cost cutting initiatives and improved yr/yr profitability. Recently introduced 2019 EPS guidance of $2.76 to $2.85 brackets consensus of $2.82 and our $2.85E. Our street high FY19E assumes a ~3.5% rise in same store sales (vs. 4.6% in 2018), a benign pricing environment and a modest improvement in margins which appears attainable. The near term and multi-year outlook is strong aided by a favorable macro environment and low unemployment. 2019E could prove conservative driven by strong underlying fundamentals and an anticipated rise in accretive acquisition activity after a slowdown in 2018. This could drive further upside to EPS and support share performance. The shares trade above our price target, historical multiples and larger private acquisitions in the space completed in the TTM as investors appreciate the relatively consistent ~10% annual earnings growth. **CJS is hosting meetings with management this week in Boston on April 3rd and NYC on April 4th.**

Valmont Industries

Valmont Industries		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
VMI	Rating: MO	$133.17	$190	11x FY20 EBITDA	43%	$2,938	$429	$3,367	1.3x	2.6x	14.2%	20.0%

Analyst	Shrs Out	Avg Vol $mm	Conf.
CB	22.1	$17.3	
52-Week Range $103.01 - $157.15	FQ1	FYE (Dec) FY 2019e	FY 2020e
CJS Estimates			
EPS	$1.83	$8.60	$9.45
was	*$1.98*	*$8.85*	
EBITDA	$89.8	$399.2	$430.6
was	$95.3	$410.8	
P/E		15.5x	14.1x
EV/EBITDA		8.4x	7.8x
Consensus (8 Analysts)			
EPS	$1.74	$8.47	$9.20
EBITDA	$84.3	$383.3	$413.2

Valmont's management is upbeat about the outlook for 2019 given broad strength of demand across segments. Though it faces a fifth straight year of weak US farm income, management is even somewhat optimistic about irrigation albeit with a new caveat—flooding in the Midwest will have an unknown impact on demand. The company is bidding on a number of large irrigation international projects and, ex the flood, US farmers were investing to achieve labor savings. State DOT spending has improved after weather and other deferrals last year. The company's ESS backlog was up 26% at year end. Wireless spending remains weak in China but is improving in the US driven by 5G. Demand for Utility Support Structures is on track to grow mid-single digits with stable pricing. Raw material cost headwinds have largely abated. A series of small acquisitions made last year should add ~$0.30 to EPS this year. The absence of a LIFO hit would add another $0.33. Even with the shares up >20% YTD, VMI trades at just 9x NTM EBITDA, an almost 3 turn discount to peers.

Varex Imaging Corp.

Varex Imaging Corp.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
VREX	Rating: MP	$34.26	$37	20x FY20 P/E	8%	$1,316	$320	$1,636	2.8x	3.1x	42.3%	44.7%

Analyst	Shrs Out	Avg Vol $mm	Conf.
LS	38.4	$9.7	
52-Week Range $21.57 - $39.39	FQ2	FYE (Sep) FY 2019e	FY 2020e
CJS Estimates			
EPS	$0.31	$1.40	$1.85
was	*$0.34*		
EBITDA	$28.8	$125.3	$146.4
was	$29.9		
P/E		24.4x	18.5x
EV/EBITDA		13.1x	11.2x
Consensus (3 Analysts)			
EPS	$0.34	$1.37	$1.63
EBITDA	$29.4	$122.7	$135.7

FY19E is tracking towards the mid to upper-end of guidance (ahead of consensus) after a Q1 beat aided by less than feared tariff impact. We build in a nearly flat sequential operating performance in Q2 but a decline in yr/yr sales and EBITDA due to a difficult comparison. Initial benefits from the exit of the Santa Clara facility and a drop in SG&A expense could provide upside. Recent meetings with management focused on growth drivers which include the CT buildout in China and industrial non-destructive testing (NDT). The company has contracts for CT x-ray tubes with more than half of the ten Chinese OEM's developing CT systems. The value of the back-end loaded agreements is >$120mm over three years (or ~$100mm remaining after 2018) which could add 4% to 5% to sales growth by itself with an equally sized replacement market. The Chinese gov't remains committed on 25K new CT machines over next ten years including 3,500 by 2021. NDT continues to gain steam from initial adopters in aerospace and automotive and expand into new markets such as Oil and Gas. The pending $75mm acquisition of Direct Conversion will add an innovative detector technology which can improve image quality and lower dose of radiation in dental and spinal x-rays and perform more precise materials analysis in multiple industrial applications. The purchase is expected to be modestly accretive in FY20 with targeted double-digit sales growth and mid-teens ROIC over the next five years.

West Pharma. Svcs		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
WST	Rating: MO	**$111.78**	**$115**	**33x CY20 P/E**	**3%**	**$8,462**	**-$141**	**$8,320**	**-0.5x**	**6.1x**	**3.9%**	**14.0%**

Analyst	**Shrs Out**	**Avg Vol $mm**	**Conf.**
LS	75.7	$52.8	
52-Week Range		**FYE (Dec)**	
$82.74 - $125.09	**FQ1**	**FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**$0.64**	**$2.85**	**$3.45**
was	*$0.61*	*$3.20*	*$3.75*
EBITDA	**$92.6**	**$407.2**	**$472.5**
was	$91.0	$432.7	$493.1
P/E		**39.2x**	**32.4x**
EV/EBITDA		**20.4x**	**17.6x**
Consensus (7 Analysts)			
EPS	$0.65	$2.86	$3.32
EBITDA	$90.9	$388.3	$419.4

We are tweaking our Q1E upwards by $0.03 to reflect more consistent quarterly SG&A following front loaded spend in 2017 and 2018. Our revised Q1E and unchanged FY19E are in line with consensus. We expect 3% reported sales growth (+6% organic) in Q1 driven by a return to normalized high-single digit growth in biologics offset by a product recall in pharmaceuticals and the impact of currency. FY19 organic sales growth guidance of 6% to 8% is in line with long-term targets despite the loss of the Vial2Bag product offering. The non-core line of infusion products had sales of $24mm in 2018 and could it take several quarters before a return to market following a voluntary recall in January. The FY19 outlook incorporates a return to sales growth from Smart Dose following declines in 2018 due in large part to disappointing sales of Repatha. Client interest for the unique drug delivery system remains high and includes the start of two clinical trials in 2018. Biotech partner Alexion highlighted Smart Dose at its recent (3/20) investor day with planned Phase III in 2019 for an alternative once-weekly dose of its currently approved Ultomiris for the treatment of PNH a rare blood disorder. We expect 2019 full year operating margin to rise 100bps to 15.5% followed by a 200bps expansion in 2020 aided by restructuring, improved mix and rising overhead absorption.

Monitor List

ACCO Brands Corp.

ACCO Brands Corp.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
ACCO	Rating: NA	**$8.70**	**NA**	**NA**	**NA**	**$931**	**$816**	**$1,746**	**3.0x**	**1.1x**	**22.2%**	**28.3%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
NA	107.0	$5.2	
52-Week Range $6.07 - $14.63	**FQ1**	**FYE (Dec) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**NA**	**NA**	**NA**
was			
EBITDA	**NA**	**NA**	**NA**
P/E			
EV/EBITDA			
Consensus (6 Analysts)			
EPS	$0.06	$1.15	$1.30
EBITDA	$36.0	$285.0	$306.9

Shares declined post disappointing Q4 results and weak 2019 guidance, a result of accelerated inventory consolidation in the office wholesaler category and increased costs due to tariffs. The Staples/Essendant merger is likely to remain a continued headwind as inventories are rebalanced, however SP Richards, which had also been in the race for Essendant assets may have drawn down inventories ahead of time and thus may help offset some of the overall decline in the near term. The 2018 Tariff impact was identified as $15mm which began in April. Management projects the 2019 impact as an incremental $30mm which does not assume additional step ups from current levels. Price increases that went in during the January timeframe should now be sufficient to mitigate the current tariff expectations. Also included in 2019 guidance is the $0.14 y/y impact from incentive comp assuming the company achieves targets (vs. nothing in 2018). Full year FCF remains robust ($165-$175mm in 2019) a roughly 20% FCF yield at the mid-point, but will be back end loaded due to seasonality. Shares are likely to remain range bound until noise around end market consolidations abates.

Kaman Corp.

Kaman Corp.		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
KAMN	Rating: NA	**$59.16**	**NA**	**NA**	**NA**	**$1,670**	**$275**	**$1,945**	**1.7x**	**2.6x**	**9.4%**	**5.5%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
NA	28.2	$8.3	
52-Week Range $51.34 - $75.08	**FQ1**	**FYE (Dec) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**NA**	**NA**	**NA**
was			
EBITDA	**NA**	**NA**	**NA**
P/E			
EV/EBITDA			
Consensus (6 Analyst)			
EPS	$0.36	$2.86	$3.24
EBITDA	$28.7	$167.1	$180.4

Initial 2019 guidance given with the Q4 release appeared to be slightly more back end loaded that historical primarily driven by timing of JPF deliveries. Additionally, some of the push out to Q1 that was initially expected after the Q3 2018 conference call was shipped and booked as revenue during the Q4 period. As a result, the company expects ~10% of full year EPS to occur in Q1 with ~40% in Q4. Shares briefly spiked post a 3/20 Bloomberg story related to a potential sale of Kaman's Industrial Distribution business for ~$700mm citing unnamed sources. If true, this would equate to a ~10.5x TTM multiple pre-corporate allocation for the Industrial unit. The remaining Aerospace division is expected to generate ~$145mm-$150mm in EBITDA in 2019 and Corporate expense for the combined entity is $59mm. Some of the unknowns in this discussion include the cost basis and tax leakage from this type of transaction and the level of corporate expense that is able to be eliminated. The company is already at the low end of its long-term leverage targets, so something like this would ultimately create additional flexibility to reallocate capital.

LSC Communications

LSC Communications		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
LKSD	Rating: NA	**$6.67**	**NA**	**NA**	**NA**	**$225**	**$746**	**$971**	**2.8x**	**1.2x**	**-22.4%**	**-4.7%**

Analyst	Shrs Out	Avg Vol $mm	Conf.
NA	33.8	$3.0	
52-Week Range $6.01 - $18.17	**FQ1**	**FYE (Dec) FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**NA**	**NA**	**NA**
was			
EBITDA	**NA**	**NA**	**NA**
P/E			
EV/EBITDA			
Consensus (4 Analysts)			
EPS	NA	NA	NA
EBITDA	NA	NA	NA

The merger with Quad Graphics (QUAD) received shareholder approvals in Q1. The HSR review is still ongoing and barring any meaningful obstacles, the deal could close in June. Business trends remain mixed as book volumes have held up but weaker magazines and catalogs are an offset.

Dropping Coverage

Sotheby's		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
BID	Rating: NA	**$37.50**	**NA**	**NA**	**NA**	**$1,923**	**$755**	**$2,677**	**3.4x**	**3.9x**	**1.8%**	**-5.6%**

Analyst	**Shrs Out**	**Avg Vol $mm**	**Conf.**
NA	51.3	$18.9	
52-Week Range		**FYE (Dec)**	
$35.62 - $60.16	**FQ1**	**FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**NA**	**NA**	**NA**
was			
EBITDA	**NA**	**NA**	**NA**
P/E			
EV/EBITDA			
Consensus (7 Analysts)			
EPS	-$0.16	$2.66	$2.99
EBITDA	$10.1	$248.6	$259.8

We are dropping coverage of Sotheby's to devote our limited resources to covering other ideas. Since our initiation 2+ years ago, revenue has grown >30%, EPS has jumped ~65% and management has repurchased an additional 10%+ of shares outstanding. While BID reached a peak of $60 last June (up ~50% from our initiation), it has retraced all those gains reflecting a more mixed macro view and the fact that we are now further into the cycle following 2-years of recovery in the Art Market. We believe Sotheby's remains uniquely positioned to benefit from positive long term secular growth in the Art and Luxury Goods markets and applaud management for the broadening the Company's reach into new markets. We wish them well.

Sparton Corporation		Price	Target	Target Based on	Upside	Market Cap	Net Debt	Enterprise Value	Net Debt/EBITDA TTM	P/B	Δ Since 12/11	Δ YTD
SPA	Rating: NA	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

Analyst	**Shrs Out**	**Avg Vol $mm**	**Conf.**
NA	**NA**	**NA**	
52-Week Range		**FYE (Jun)**	
NA	**FQ3**	**FY 2019e**	**FY 2020e**
CJS Estimates			
EPS	**NA**	**NA**	**NA**
was			
EBITDA	**NA**	**NA**	**NA**
P/E			
EV/EBITDA			
Consensus (0 Analysts)			
EPS	NA	NA	NA
EBITDA	NA	NA	NA

We are dropping coverage (was monitor list) as the Company was acquired during the quarter.

Coverage Key		
RL	Robert Labick, CFA	Rlabick@cjs-securities.com
DM	Daniel Moore, CFA	Dmoore@cjs-securities.com
LS	Lawrence Solow, CFA	Lsolow@cjs-securities.com
CS	Charles Strauzer	Cstrauzer@cjs-securities.com
LJ	Lee Jagoda	Ljagoda@cjs-securities.com
JT	Jon Tanwanteng, CFA	Jtanwanteng@cjs-securities.com
CB	Craig Bibb, CFA	Cbibb@cjs-securities.com
CM	Chris Moore, CFA	Cmoore@cjs-securities.com

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