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InsideArbitrage

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Special Situations Newsletter for Premium Subscribers

IN THIS ISSUE

The Perceived Disrupted

Last month, I wrote about how the current market makes me extremely uneasy because it feels like 1999. In response, the S&P 500 posted a gain of more than 5%, the NASDAQ registered gains of over 8% in a single month and our model portfolio managed to generate nearly 12% of gains. A good mix of AI related names (SanDisk, Marvell), energy names (Tidewater, Dorian LPG) and more importantly, the "perceived disrupted" (Commvault, Navan) have all helped the model portfolio in recent weeks.

This is the part that worries me. In past bull markets, I have noticed that even the laggards and weak companies start participating towards the tail end of the bull, and I've often used those opportunities to exit less desirable investments. This is what I plan to do this month by selling two laggards that have caught a bid. I also want to double down on the "perceived disrupted", the companies the market is punishing for being on the other side of the AI trade. Navan is up 86% in the model portfolio and Commvault is up more than 32%. I think they provide some uncorrelated exposure in this bubble, and the two names we are going to spotlight this month fit that mold. The risk is that in a deep bear market, all correlations go to one, and cash becomes king.

June 2026 Spotlight Idea: S&P Global Inc. (SPGI) $424

Summary

- S&P Global announced its intention to separate its Mobility business segment into an independent public company, which will begin trading under the ticker symbol MBGL on July 1, 2026.
- The segment originated from the $44 billion acquisition of IHS Markit that S&P Global completed in February 2022, which bolted an automotive data business onto a financial-markets infrastructure company.
- This mismatch is the entire reason the spinoff is happening, as Mobility's customers, demand drivers, and competitive dynamics have essentially nothing in common with Ratings, Indices, Energy, or Market Intelligence.
- Mobility Global will enter the public markets as a $1.75 billion revenue business where roughly 81% of revenue is subscription-based, and organic revenue growth for 2028 and beyond is expected to be between 7.5% to 10% each year.
- Bill Eager, who has over 25 years of experience in the automotive information industry and was CEO of CARFAX for four years, has been named the CEO-designate of the standalone company.
- S&P Global is not loading the business with excessive debt, structuring $2 billion of funded debt at separation, calibrated to a 2.5x leverage ratio with an investment-grade rating.
- The spinoff should unlock some of the more premium valuation that the market is affording Moody's when compared to S&P Global, as stripping out the lowest-margin segment should cause S&P Global's adjusted operating margins to trend to the mid-50s range.

Introduction

It's become a somewhat amusing pattern to see that every time we write about or invest in a spinoff-related special situation on Inside Arbitrage, the initial thesis ends up working well, but somehow the outcome completely blows our expectations out of the water. We frequently bring up the absolutely phenomenal performance of GE Vernova (GEV) post-spin (up nearly 600% since separation from a business unit that was severely underperforming within a massive conglomerate) or the parabolic growth of SanDisk (SNDK) after its separation from Western Digital (WDC). We also wrote about Honeywell (HON) as a spotlight idea in our November and December newsletters, shortly after the spinoff of Solstice Advanced Materials (SOLS) and had the following to say about the business:

> *Overall, Solstice Advanced Materials doesn't look to be too interesting. Colin King of Value Don't Lie wrote a wonderful write-up about the business, explaining why the segment isn't all that exciting – especially considering its highly capital-intensive nature, flat guidance, large debt balance as a result of the spinoffs, and middling free cash flow generation. Much like GE Healthcare, Solstice is not the reason we're excited about Honeywell – it's the RemainCo, and what's left to be spun off that interests us the most.*

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Honeywell is already up almost 20% since the Solstice separation, but at this point, we really shouldn't be surprised that Solstice itself is up a whopping 72.81% since the spinoff just over seven months ago.

This repeated experience of outperformance in an underperforming unit has honestly piqued our interest in spinoffs more broadly. The spinoff of Mobility Global from S&P Global (SPGI), the financial information, analytics, and intelligence giant behind the famous S&P 500 and the Dow Jones Industrial Average (DJIA) indices, is one that has been on our radar for some time. With the Mobility Global separation date nearing, we figured we'd take a deeper dive into this spinoff situation, and what we found was rather intriguing.

Parent Overview

On a surface level, I'd argue that S&P Global requires no introduction. All investors know what the S&P, the Dow Jones, or CapIQ is, but there's actually a lot more to the company, and thus it's somewhat worth diving a bit deeper into the different aspects of the business. The company is divided into five main segments, as follows:

- **Market Intelligence –** S&P's largest segment by revenue, which provides financial data, analytics, and workflow software to investment professionals and corporations through products like Capital IQ Pro, Wall Street Office, and iLevel.
  - Revenue for this segment is overwhelmingly subscription-based, with more than 95% derived from proprietary data that encompasses 99% of the global public market cap and includes one of the largest private-company databases in the world.
- **Ratings –** S&P is one of three firms (alongside Moody's and Fitch) that issue roughly 90% to 95% of all global credit ratings, protected by regulatory designation (NRSRO status since the 1970s)
  - This segment generates the highest margins in the company, requires minimal reinvestment, and splits revenue between transaction fees on new debt issuance and non-transaction surveillance or subscription fees.
- **Energy –** S&P's energy segment is largely built around Platts (the company that creates the benchmarks for a number of commodities, such as crude oil) and combines a standards-moat business (price assessments and exchange-traded derivative royalties) with a proprietary-data business (energy and resources information and analytics).
  - Revenue for this segment is derived from subscriptions to market data and insights, sales-usage royalties from the commodity exchanges licensing the benchmarks, and non-subscription consulting and events.

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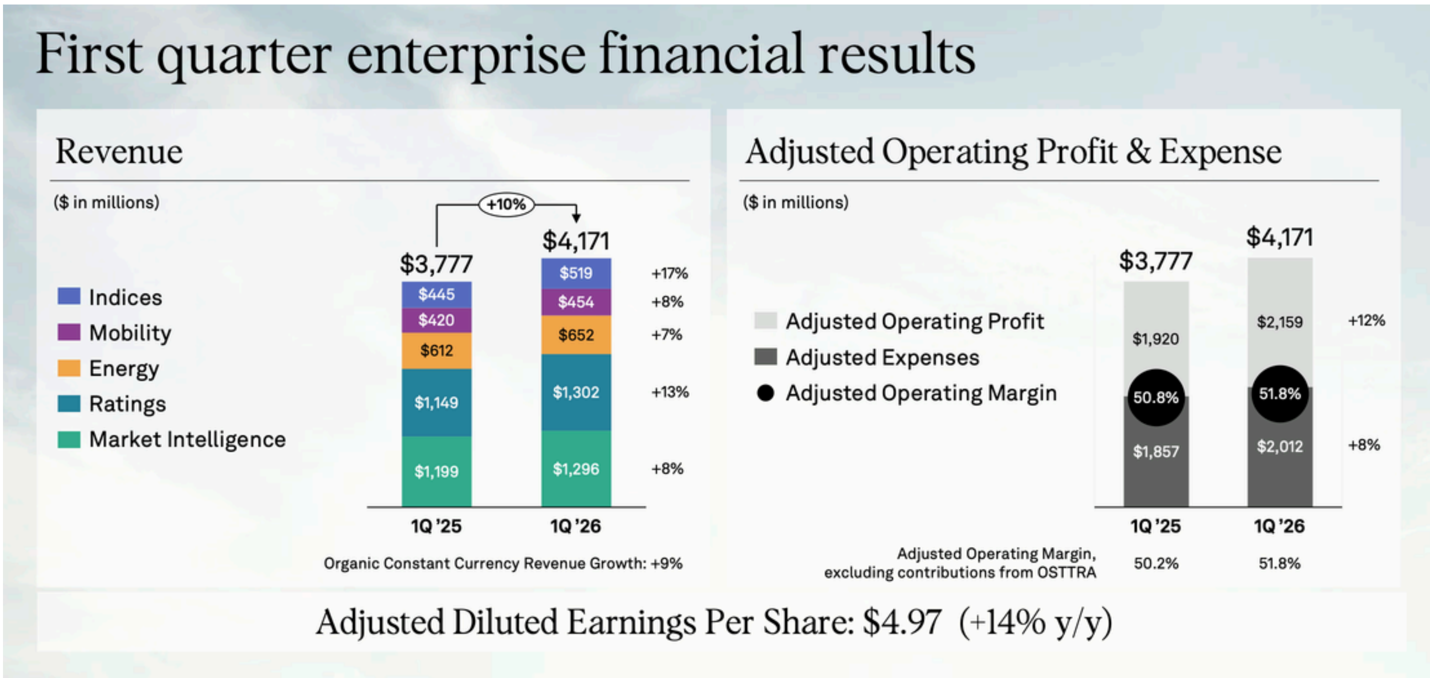
- **Indices –** As mentioned earlier, S&P owns the S&P 500 and hundreds of other benchmarks, earning revenue from asset-linked fees on ETFs (a tiny percentage of AUM that compounds as index-fund assets grow globally), royalties on exchange-traded derivatives (shared with CME Group, which owns a 24% stake in the S&P 500 Index), and data subscriptions.
  - Much like the ratings segment, the indices segment requires minimal reinvestment and is tied to the secular growth of passive investing and global financial assets.
- **Mobility –** The business unit that is set to be spun out.

The image below is a wonderful visual representation of how each of these business segments contributed to the company's first quarter 2026 financial results. Q1 2026 results were a breath of fresh air for investors in S&P Global, which has seen its stock price decline by 17% YTD. The worst of this decline was in early February, when the company's stock price declined by over 25% in the first two weeks of the month. The market beat the stock down as a result of 2026 full-year forward guidance – management guided to adjusted diluted EPS of $19.40 to $19.65 for the year, which came in below the $19.96 consensus expectation, thus triggering a 17% single-day premarket decline on February 11.



Revenue for the quarter came in at $4.17 billion, up 10% YoY and adjusted EPS came it at $4.97 versus the $4.82 consensus. Every single division reported improved margins, with total adjusted operating margin expanding 100 basis points to 51.8%. Revenue from the Ratings business segment was the strongest this quarter, coming in at $1.3 billion (up 13% YoY), driven by 15% transaction revenue growth on strong investment-grade issuance from hyperscaler and M&A-driven deals.

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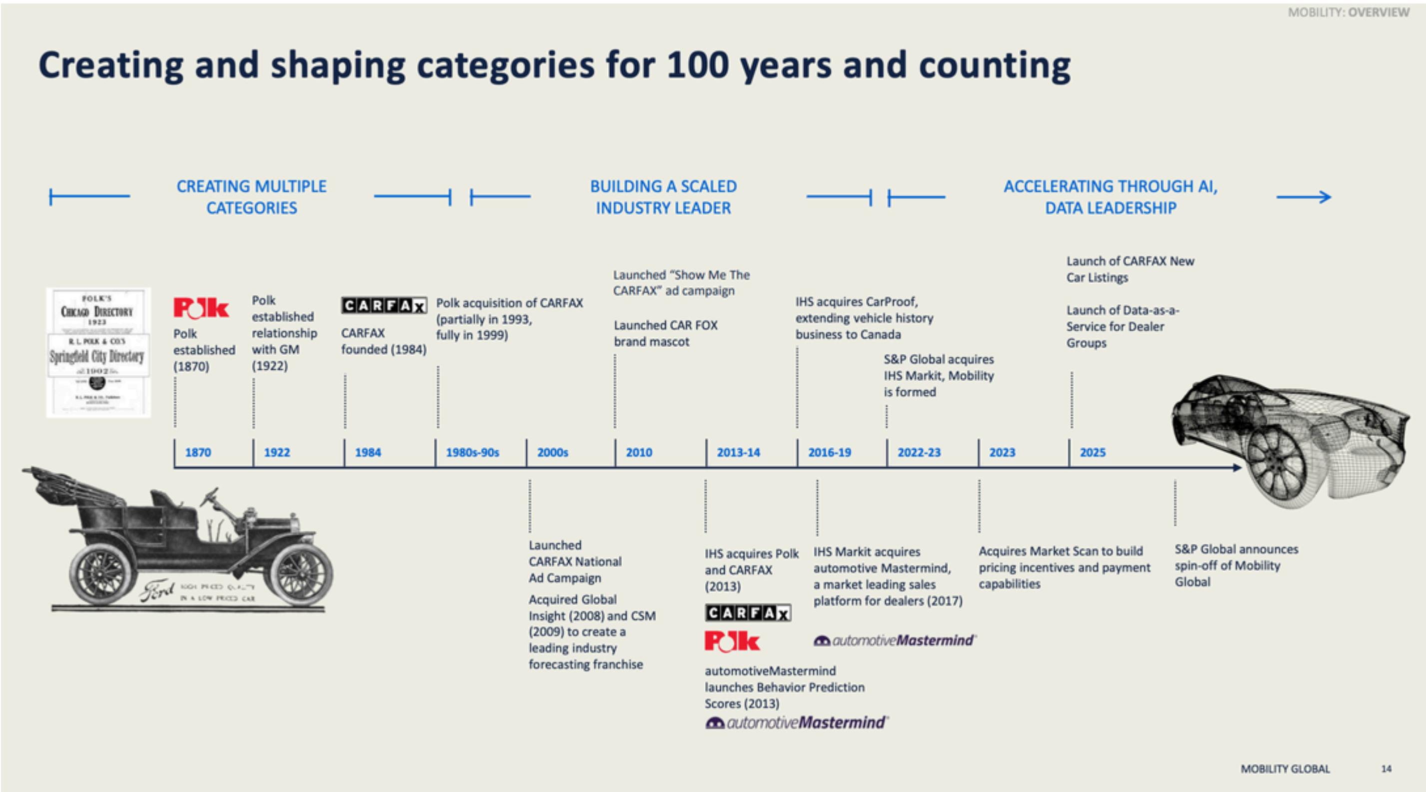
Similarly, Indices saw revenue surge 17% to $519 million, driven by record exchange-traded derivatives volume. In Q1 2026, the combination of the Iran war, oil price swings, and equity volatility drove record average daily volumes for S&P 500 derivatives, pushing ETD royalty revenue up 18% year-over-year to $96 million. Market Intelligence grew 8% with margins up 80 bps to 33.6%, both healthy prints heading into the separation.

While the company's stock price has recovered about 6% since the February lows, the stock has been relatively flat over the last few months, and that makes sense considering that guidance hasn't quite been updated. Organic constant currency growth is still expected to be between 6% to 8%, adjusted EPS is still being predicted to be between $19.40 to $19.65, and margin expansion is only expected to be 10 to 35 basis points. Management did state that there would be a 30-basis-point reduction in the reported revenue growth ceiling due to less favorable FX, but again, nothing significant enough to inspire investors.

Spinoff Overview



We've spent quite a bit of time discussing the RemainCo, but we haven't yet dived into what the spinoff, or the Mobility Global business, is. The segment originated from the whopping $44 billion acquisition of IHS Markit that S&P Global completed in February 2022. IHS Markit was a large, London-headquartered information-services company formed in 2016 from the merger of two firms: IHS Inc. (a data, analytics, and solutions provider spanning energy, transportation, finance, and other industries, founded in 1959) and Markit Ltd. (a financial data company best known for derivatives pricing, trade processing, and credit default swap indices).

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The key business lines S&P Global absorbed included what became the current Commodity Insights and Energy segment (Platts benchmark prices were already S&P's, but IHS brought upstream exploration data, energy analytics, and CERAWeek), a massive expansion of Market Intelligence (financial data, derivatives processing via OSTTRA, and private-markets tools like iLEVEL), and the entire Mobility segment (Polk automotive data, automotiveMastermind, Market Scan, and the automotive forecasting/advisory business that had operated for decades under the IHS transportation division).

The deal gave S&P Global the #1 position in commodity benchmarks (combining Platts with IHS's energy analytics), dramatically deepened Market Intelligence's data coverage (private markets, loan data, derivatives processing), and added Indices co-ownership revenue. S&P also used the deal to execute a $12 billion accelerated share repurchase, funded by the combined company's balance sheet strength.

However, the deal bolted an automotive data business (Mobility) onto a financial-markets infrastructure company, and that mismatch is the reason the spinoff is happening four years later. Mobility's customers (OEMs, dealers, consumers), demand drivers (auto sales cycles, EV adoption, used-car volumes), and competitive dynamics have essentially nothing in common with Ratings, Indices, Energy, or Market Intelligence.

The company describes the Mobility business segment's mission as a provider of "decision-grade" data and analytics that help billions of people build, sell, and own vehicles with confidence. The company serves an industry with over 1.5 billion vehicles on the road and 90 million new vehicles produced annually. The business itself dates back to R.L. Polk in 1870 and CARFAX's founding in 1984 and is divided into two major segments:

- **Mobility Business Solutions (B2B) –** Representing 35% of total revenue, this is the segment that serves the companies that build and sell new cars. Within Mobility Business Solutions, there are two complementary portfolios:
  - **Strategy & Planning** – helping OEMs and suppliers figure out what to build, how to configure vehicles, what powertrains to invest in, and how to forecast volumes 5–15 years out (the legacy Polk forecasting franchise).
  - **Marketing & Sales** – helping OEMs and dealers translate plans into pricing strategies, incentive programs, and targeted marketing campaigns to get cars into consumers' hands (includes automotiveMastermind's behavior-prediction-score platform and Market Scan's pricing/payment tools).

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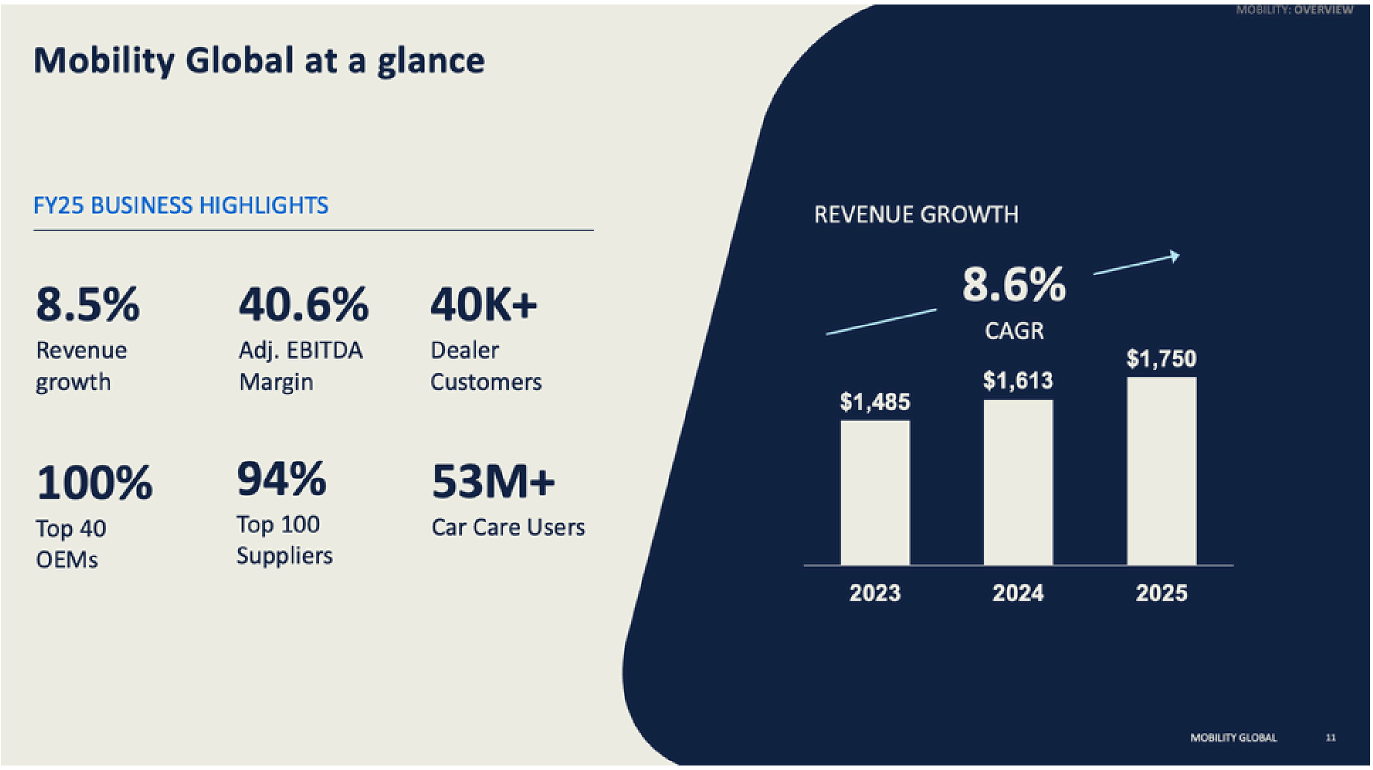
- **CARFAX –** Representing 65% of total revenue, this is the consumer-facing segment, serving the people who own, buy, sell, and service automobiles
    - CARFAX’s core product is the vehicle history report (viewed over 25 million times per month), but that now accounts for less than 40% of CARFAX's revenue because the division has diversified into Car Listings (a used-car marketplace launched in 2014), the Car Care app (53 million consumers managing their vehicles, launched in 2019), Sell My Car (connecting consumers with dealers ready to buy their trade-ins), and dealer service-marketing tools.

I think one of the best descriptions of the two business segments I’ve seen is that the two reinforce each other: B2B knows the vehicle (including specs, production, forecasts), while CARFAX knows the owner (purchase history, service behavior, equity position).



Mobility Global will enter the public markets as a $1.75 billion revenue business that has compounded at an 8.6% growth rate over the past two years. Roughly 81% of revenue is subscription-based, and even the non-subscription slice is tied to relatively non-cyclical drivers like OEM marketing spend and safety-recall activity rather than raw auto-sales volumes. In Q1 2026, the company recorded revenue of $454 million, up 8% YoY and an adjusted operating margin of 40% (a 150 basis point expansion). Full year 2025 adjusted EBITDA came in a little over $710 million.

Management has positioned this business as a steady, but slow grower, with organic revenue growth for 2028 and beyond expected to be between 7.5% to 10% each year. For 2026 specifically, S&P Global's divisional guidance calls for 7.5% to 9% revenue growth for Mobility.

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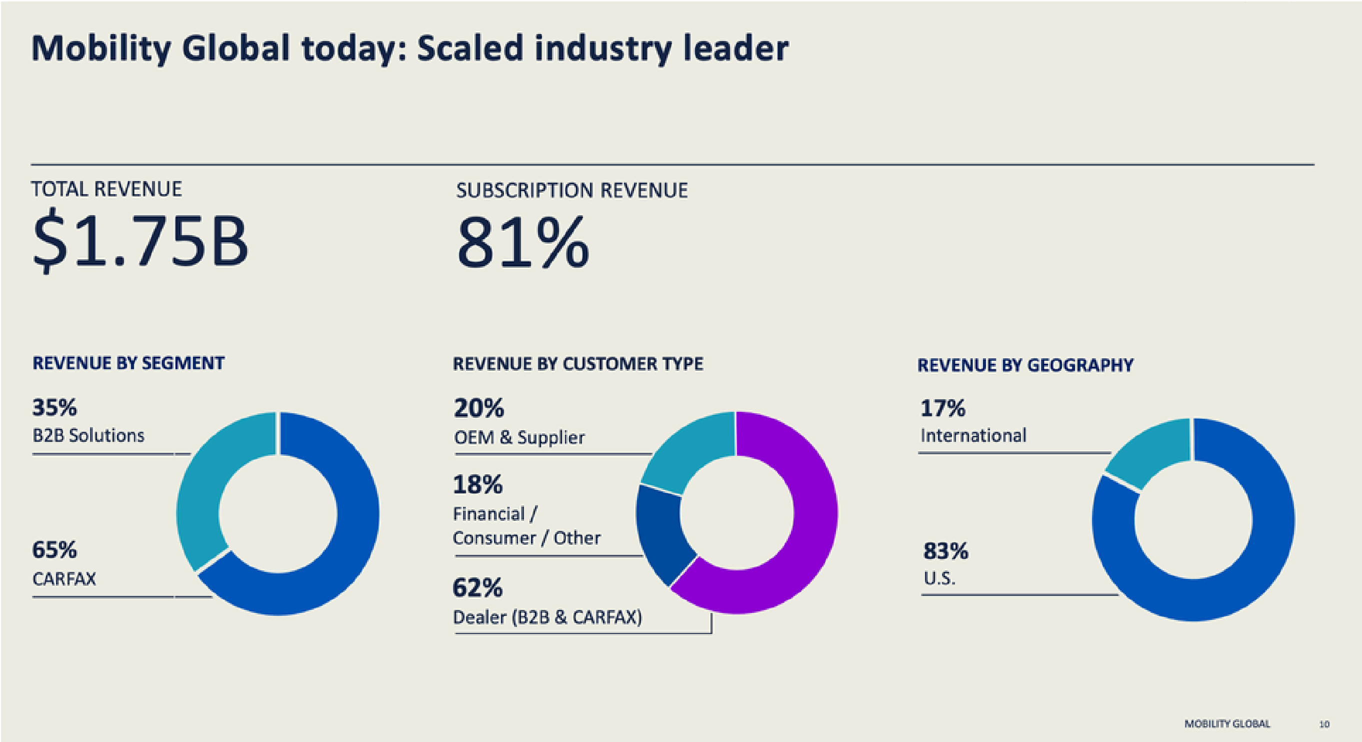

While management expects revenue to grow as a result of the spinoff and a number of planned, new solutions (like automotiveMastermind dealer expansion, the Lifetime Dealer Program, the Data Studio/EEQ incentive platform, and Sell My Car), margins will understandably take a brief hit. Approximately $20 to $25 million in incremental annual run-rate expense (a new board, separate listing, investor relations, audit, and legal functions) is expected to be added as a result of the separation, and equity-based compensation will rise from roughly 1% of revenue to 3% to 4% to align with public-company peers. There is also a one-time standup cost of $75 to $100 million spread over the first 12 to 18 months. After that reset period, management expects 50 basis points or more of annual margin expansion, driven by higher-value products, the operating leverage of a scalable subscription model, and AI-driven efficiency gains.

While we'll discuss the debt that the spinoff will be loaded with in the next section, Mobility Global expects to launch with approximately $150 million in cash on the balance sheet, targeting an investment-grade credit rating and managing gross leverage to 2.5x or below. The company will also acquire a $1 billion deferred tax liability from the IHS Markit acquisition that will cost roughly $80 to $90 million per year in cash for the next 12 years.

When it comes to capital allocation, Mobility Global is committing to return 75% or more of free cash flow to shareholders annually. That will come through a dividend (targeting a 20% to 25% payout ratio of net income) and share repurchases, though any buybacks are not expected to begin until at least 2027. The business is low-capex by nature, so the vast majority of EBITDA converts to free cash flow.

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The one really interesting thing that management kept highlighting during Mobility Global's investor day is that the business is quite durable, and relatively acyclical. Even during COVID, when the auto industry was hit particularly hard, OEM and supplier subscription revenue actually grew. Net revenue retention is meaningfully north of 100%, and there is quite a substantial runway in both upsell and cross-sell opportunites across all their products before the company needs to chase new customer acquisition.

Spinoff Timeline and Key Dynamics:

At the end of April 2025, S&P Global announced its intention to separate its Mobility business segment into an independent public company. The initiative was pioneered by President and CEO Martina Cheung, who stepped into her role in November 2024, having been with the business since 2010.

By the start of August 2025, Bill Eager was appointed the President of the S&P Global Mobility business segment, with Edouard Tavernier (who led the business for roughly 12 years) transitioning to a strategic-advisor role. Simultaneously, Mr. Eager was named the CEO-designate of the standalone company. This appointment was a rather strategic one, as Mr. Eager has over 25 years of experience in the automotive information industry and was CEO of CARFAX for four years. Under his leadership, CARFAX generated double-digit annual revenue growth, expanded its audience to more than 50 million consumers, and drove the adoption of AI and ML technology.

The structure of the transaction is as follows. Initially, S&P Global was contemplating distributing "at least 80.1%" of Mobility and retaining up to 19.9%, a traditional structure that most spinoffs take as it preserves tax-free treatment while letting the parent monetize a residual stake later. However, the final approved structure is a full pro-rata distribution of 100% of Mobility Global's shares, leaving S&P Global with no retained stake.

Shareholders will receive one share of Mobility Global common stock for every one share of S&P Global common stock held at the close of business on the record date of June 15, 2026. Mobility Global is set to begin trading under the ticker symbol MBGL on July 1, 2026.

As for the debt S&P Global is placing on the spinoff, there is expected to be $2 billion of funded debt at separation, structured as three tranches of senior notes plus an undrawn revolver:

- $650 million of 5.050% senior notes due 2029
- $650 million of 5.450% senior notes due 2031
- $700 million of 6.050% senior notes due 2036
- A $500 million senior unsecured revolving credit facility, which is committed capacity but undrawn at launch (so it doesn't add to starting funded debt)

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Upon completion of the separation, Mobility Global intends to use the net proceeds to finance a cash payment to S&P Global as consideration for the transfer of assets, liabilities, and entities, with remaining funds allocated to fees, expenses, and general corporate purposes, and the net proceeds held in escrow until the separation is completed. This is all part of the legal mechanics of the tax-free spinoff, S&P Global then has to push that roughly $2 billion sum to its own creditors or shareholders within 12 months.

In that sense, S&P Global is in many ways setting up Mobility Global up for success by not loading the business with excessive debt. The leverage is deliberately calibrated to generate an investment-grade rating, as part of management's push to ensure the new stock trades as a high-quality data compounder rather than a levered cyclical.

Comparative Valuation:

The rather unique nature of Mobility Global's business means that there truly is no single company traded on a US public market that can serve as an appropriate peer or competitor. The primary rival to CARFAX is AutoCheck, owned by Experian (which is traded on the LSE). AutoCheck is cheaper and has stronger auction-data coverage, but much like the long list of low-cost and free alternatives to CARFAX, it lacks the depth of service and maintenance records and brand pull-through with dealers and consumers. The Polk Automotive Solutions and Data Services compete with automotive market-intelligence and forecasting providers such as Wards Intelligence, J.D. Power (which owns ALG), Cox Automotive's data units, Experian Automotive, and regional registration-data providers. However, the Polk franchise is deeply embedded with OEMs/suppliers and is hard to displace.

The closest peer could be Verisk Analytics (VRSK), a single-segment data analytics franchise (but focused on insurance) that generated $3.1 billion of revenue in the last year with roughly 57% EBITDA margins and 8% revenue growth YoY. Mobility Global's roughly 40% EBITDA margin is below Verisk's, but its growth profile is comparable. Verisk has seen its stock price fall by over 44% in the last year, also due to AI fears (which we will touch on shortly), but it currently trades at a TTM GAAP P/E of 26.69 and an EV/EBITDA of 17.92, which is a fairly premium valuation. If the market affords Mobility Global a similar valuation, the company will be well set up for stock-price appreciation.

As for S&P Global, the company has been long compared to the only other publicly traded data analytics and ratings agency, Moody's (MCO). Moody's operates in two segments – Moody's Investors Service (the credit ratings business) and Moody's Analytics (which provides data, analytics, research, and risk-management software). The key structural difference is that S&P Global is a bit more diversified; even post-spin, it will own the S&P 500 index franchise and the Platts commodity-benchmarks business. Moody's, on the other hand, is a purer play on ratings and financial analytics.

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Q1 2026 results were remarkably similar for both businesses, with Moody's reporting revenue of $2.08 billion, up 8% YoY, and adjusted operating margin expanded 150 basis points to 53.2%. Both companies beat consensus estimates: Moody's EPS topped estimates by roughly 2.4%, S&P's by around 3.1%. Both companies saw strong investment-grade issuance offset by softer bank loan volumes, both benefited from Q1 volatility (Moody's posted record results in several categories; S&P set records in ETD volumes and Global Trading Services), and both maintained full-year guidance despite geopolitical turbulence. On the ratings-specific comparison, MIS delivered an adjusted operating margin of 66.7%, while S&P's Ratings segment posted a 67.8% adjusted operating margin (essentially identical, as you'd expect from two parts of the same oligopoly).

Despite these near-identical operating profiles, the market prices the two business somewhat differently. S&P Global trades at a GAAP TTM P/E of 26.84 and an EV/EBITDA of 18.11, while Moody's trades at a P/E of 32.52 and an EV/EBITDA of 22.34. The idea is that the spinoff should unlock some of the more premium valuation that the market is affording Moody's when compared to S&P Global, especially considering that the Indices and Energy segments are higher-margin, more recurring, and less cyclical than the ratings business that drives both stocks.

That too, stripping out the Mobility Business segment, should have adjusted operating margins trend to the mid-50s range (because Mobility was the lowest-margin segment). While Moody's is a cleaner, two-segment business, the more unique franchise and revenue diversification that S&P Global enjoys only strengthens the business's moat.

The AI Threat and Conclusion:

The SaaSpocalypse genuinely seems to be the never-ending word on everyone's lips, and it seems as if S&P Global was unable to escape those fears. As mentioned earlier, the stock dropped over 17% in a single day on the EPS guidance miss, but the stock price remained depressed as a result of investors wondering about the threat that AI might have on the business.

But thinking back to the 2008 financial crisis, many different parties took blame for the part they had played in the whole fiasco, including banks, mortgage lenders, borrowers, regulators, and Wall Street. However, the ratings agencies arguably deserved as much scrutiny as anyone, having stamped investment-grade ratings on mortgage-backed securities that were riddled with toxic loans and later defaulted en masse.

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The remarkable thing is that S&P and Moody's actually emerged from the crisis with their oligopoly not just intact but strengthened, proving just how strong the regulatory and structural moat around these businesses is. In fact, S&P Global actually saw its Investment Services revenue grow by 36.5% from 2006 to 2010 while the S&P 500 itself fell 11.3% over the same period.

As a result, I'd argue that the Ratings side of the business, in particular, is actually immune from AI disruption because the value is in the universally accepted standard, not in analytical cleverness that a model could replicate. Similarly, AI poses little threat to the Indices segment as creating a competing index is fairly easy, but it is hard to replicate the name recognition, history, and liquidity ecosystem that make benchmarks like the S&P 500 notable and useful.

The other segments that will be left with the RemainCo do seem to be a bit more of a concern – the Market Intelligence business segment is certainly pressured by AI-driven productivity reducing headcount at client firms, pressuring the seat-based pricing model. The Energy business segment is a mixed bag in terms of AI risk. The Platts benchmark prices at the core of this segment enjoy the same benefits that the Ratings and Indices franchises do as a universally adopted standard, though the surrounding analytics, news, and consulting layers face moderate substitution risk similar to Market Intelligence.

S&P Global isn't taking this sitting down. On the Q1 2026 earnings call, management noted that two financial clients at renewal opted to get their data in an AI-ready format and were willing to pay 35% to 45% more on the renewal to get that AI access. The company also included their Head of AI on the Mobility Global Investor Day event.

Overall, is Mobility Global the most exciting spinoff of the last decade? No, by no means. However, the competitive moat that both the standalone business and the parent company enjoy is quite impressive, especially the Ratings and Indices business segments.

Insiders at the company seem similarly excited, with three insiders including CEO Martina Cheung, picking up shares at the end of April. But the insider purchase that stood out ot us a little more was the incredibly well-timed $1 million purchase in mid-February by the former rockstar CEO of Best Buy, Hubert Joly. This is the first insider transaction of any kind (whether that be a buy, sale, or option exercise) we've seen by Hubert Joly since 2021, and given that he scores a perfect 100 on our IPS score, this was a purchase that certainly piqued our interest.

I believe this combination of a "perceived disrupted" company with an event-driven unlock of value through a spinoff is hard to pass up. While AI is a real risk, S&P Global is uniquely positioned to benefits from its vast troves of historical and real-time data. I am going to start a position in the company for the model portfolio at our standard position size of $10,000. I will also start a position in my personal portfolio after this newsletter is published.

June 2026 Spotlight Idea: Duolingo (DUOL) $111.36

Summary

- Duolingo, a language learning app that sits at the top of Apple's App Store education chart, has been expanding into new verticals like chess and music.
- The stock, which experienced a massive rally in 2024 and early 2025 that saw its stock eclipse a price of over $540, subsequently lost nearly 80% of its value on fears of AI disruption.
- Apple's announcement in June 2025 that its next AirPods model will include translation for five languages marked the start of a big decline in Duolingo's stock.
- Duolingo posted a 21% increase in Daily Active Users to 56.5 million in Q1 2026 while total revenue and net income increased 27% and 24% year-over-year respectively.
- The company is GAAP profitable, has over $1 billion of net cash on the balance sheet and launched its first stock buyback program in February.
- An insider who has been on the board since October 2020 purchased shares worth nearly half a million dollars on the open market for the first time in March.
- The two co-founders of the company (a Carnegie Mellon University professor and a Ph.D. student) are still at the helm as CEO and CTO.
- The founders have majority voting control through class B shares that have 20 votes each, compared to a single vote for class A shares.
- On the negative side, gross margin is expected to decline from 73% in Q1 2026 to 69% by Q4 2026 due to higher AI inference costs and investments into new verticals.
- Trailing GAAP P/E of below 13 is on account of a one-time tax related gain of $222.7 million in Q3 2025, and forward P/E looks high at over 40. My favorite metric of EV/FCF is below 10.
- I am going to start a position at full size in the model portfolio and my personal portfolio.

Introduction

About a week ago, when I was wrapping up lunch at a friend's place on a Sunday, I received an email in Spanish that was submitted through the Contact Us form on InsideArbitrage. I glanced at the email and was able to quickly realize that it was not an urgent issue and something I could respond to on Monday. The ability to read the email and interpret it without having to copy and paste it into a language translator or LLM was the result of learning Spanish through Duolingo for the better part of three years. While I am nowhere close to being fluent in the language, I am now able to pick up parts of conversations and piece together some of what I read.

I had heard about gamification of education for several years and even helped a San Francisco-based startup build an educational application for kids in the early 2010s. While the concept sounded cool and made intuitive sense, I don't think it was until Duolingo came along that I saw gamification of education brought to life in an effective way. I had tried learning Spanish through courses, but as they say, it is easier to start courses than complete them. It wasn't until Duolingo came along that I was able to make significant progress with learning the language.

June 2026 Spotlight Idea: Duolingo (DUOL) $111.36

Beyond Fun and Games

Duolingo isn't just all about fun and games. The progression towards learning a new language is real and measurable. If you are an international student from a country where English is not your primary language, you have to take the TOEFL (Test of English as a Foreign Language) and submit the results to get admitted to a U.S. university. The TOEFL was developed in the 1960s and was followed by IELTS in the 1980s. Universities would accept the results of either test.

Duolingo developed a similar standardized test called the Duolingo English Test (DET) in 2014 and universities started accepting it in 2016, with widespread adoption taking a few years longer. The DET test costs $70, nearly one-third the cost of taking the TOEFL or IELTS. The DET is also shorter and does not require you to go to a testing center to take it. If someone is already learning a language to study abroad, why not capture the opportunity of offering them a standardized test from the same app they are using to learn?

This does not need to be restricted to just English. If someone needs to know French because they plan to go to college in the Quebec province of Canada, I can see Duolingo offering something that is equivalent to the DELF B2 test in the future, if it doesn't already do it.

The overall point is that with an audience that includes 56.5 million daily active users (DAU), which were up 21% year-over-year, Duolingo has a vast base to tap into to expand its offerings as it has done recently by incorporating chess, music and math into its app.

I used to play chess a long time ago and to see what Duolingo has done with chess, I tried their chess learning app and was pleasantly surprised. While there are social aspects to learning a language in Duolingo ("friends quests" and such), I can see chess driving the social engagement further through games with friends or with strangers who have a similar Elo rating. The Elo name for the rating system comes from the physics professor and chess master Arpad Elo. A beginner has an Elo rating below 1,000, while a grandmaster has a rating of over 2,500.

Summary of Financial and Key Operating Metrics

(in millions)	Q1 2025	Q1 2026	YoY
User Metrics			
Daily active users (DAUs) (1)	46.6	56.5	21%
Paid subscribers (period end)	10.3	12.5	21%
Operating Metrics			
Subscription bookings	$232.2	$268.1	15%
Total bookings	$271.6	$308.5	14%

June 2026 Spotlight Idea: Duolingo (DUOL) $111.36

GAAP Financial Measures			
Revenues	$230.7	$292.0	27%
Gross profit	$164.1	$213.1	30%
Gross margin (%)	71.1%	73.0%	190 bps
Net income	$35.1	$43.5	24%
Net cash from operating activities	$105.6	$150.8	43%
Non-GAAP Financial Measures (2)			
Adjusted EBITDA	$62.8	$83.4	33%
Adjusted EBITDA margin	27.2%	28.6%	140 bps
Free cash flow	$103.0	$147.8	43%
Free cash flow margin	44.6%	50.6%	600 bps

The strong user, operating and financial metrics you see for Q1 2026 above belie what is happening with the stock. Duolingo has seen its stock collapse nearly 79% over the last year and the stock is down nearly 20% from its first day's closing price of $139.01 on July 28, 2021. The company's IPO price was $102 per share and as recently as three weeks ago, the stock was trading close to the $90 level.

June 2026 Spotlight Idea: Duolingo (DUOL) $111.36

The AI Disruption Story

What caused this massive one-year decline in the stock? If you pull back the curtain a little and look at the five year chart, you see a mini-bubble in Duolingo with the stock jumping more than 200% in the span of a year from below $200 in May 2024 to a peak of over $540 by May 2025.

Fears of disruption by AI were compounded by Apple's announcement in June 2025 that certain models of AirPods would be capable of translating languages live. AirPods Pro 3, which were launched in September 2025, included this live translation feature for five languages, including English, French, German, Portuguese and Spanish. By the end of 2025, Apple included support for Italian, Japanese, Korean, Chinese (Mandarin, Simplified), and Chinese (Mandarin, Traditional).

The narrative for Duolingo shifted from the disruptive learning app to one that could be disrupted in a world where people using AirPods could talk to each other in different languages without the need to learn a new language. Given the advances in AI since then and especially with the release of Claude Opus 4.6 by Anthropic earlier this year, the fear is that people could just learn a language directly through a LLM or build their own tools/apps to learn.

The reality probably lies somewhere in-between. As a user with a technical background, who uses both Duolingo and Claude Opus extensively, I can say that I have no desire or need to create a language learning app or learn a language with Claude. Duolingo's course structure and gamification accelerates learning and more importantly keeps me on course. But other learners might not see it the same way I do and with future versions of LLMs, learning through them could become easier or preferable.

The other thing this narrative misses is that people don't just learn a language for one-off translation purposes. They often do it for the love of learning or for seamless interactions that don't require a technology tool. One positive side effect I noticed after I started learning Spanish through Duolingo was that my memory for names and faces improved significantly. I guess having to memorize and remember several thousand new words started helping the hippocampus part of my brain, which is involved with converting short-term events into long-term memory.

June 2026 Spotlight Idea: Duolingo (DUOL) $111.36

A Cluster of Events

The reason we decided to write about Duolingo was a cluster of events that made us look into the company over several weeks. **The first event** was the appointment of a new CFO, who was announced on January 8, 2026, when long-serving CFO Matthew Skaruppa, who had steered the company through its IPO process, decided to step down after six years at the company. Matt had an interesting background, having completed his MBA from Stanford University and worked at each of Bain, KKR, and Goldman Sachs.

Gillian Munson, who started the CFO role on February 23, 2026, has big shoes to fill, but her background is equally impressive. While her recent role as the CFO of Vimeo did not inspire much confidence (at one point, Vimeo dropped nearly 90% after its spinoff from IAC), it was good to see that she was Executive Director of Equity Research at Morgan Stanley and was a Managing Director at Allen & Co. She was also a Venture Partner at Union Square Ventures. The Vimeo debacle confirms Buffett's quote (I am paraphrasing) about when a good management team gets involved in a bad business, it is the reputation of the business that survives.

The second event was the announcement of their first stock buyback in late February 2026, shortly after Gillian started her new role. The repurchase authorization was for $400 million, representing 7.37% of the company's market cap at announcement.

While the buyback announcement was interesting, considering software companies often dilute shareholders with excessive stock-based compensation (SBC), we were only mildly interested. To Duolingo's credit, they acted quickly and repurchased 262,000 shares for $25.83 million by the end of Q1 2026. This did not fully offset dilution from SBC in Q1 2026, but as of May 1st, when the company reported earnings, shares outstanding had declined slightly, as indicated in their Q1 2026 10-Q filing.

June 2026 Spotlight Idea: Duolingo (DUOL) $111.36

The third event that made us revisit Duolingo occurred in early March when Director James Shelton purchased 5,000 shares on the open market at an average price of $99.76 for almost half a million dollars. This qualified the company for inclusion in our list of 59 software and software-adjacent companies where insiders were buying stock and the company had announced a buyback of at least 5% of shares outstanding. We included that list of 59 companies in our March 2026 Mid-Month update.

Shelton has been on the board of Duolingo since October 2020 and this is his first open market purchase. He previously sold shares opportunistically at an average price of $476.85 in June 2025. We like to see insiders who are able to perceive both undervaluation and overvaluation and aren't just true believers. All other sales by him were related to the exercise of options or RSUs.

While not an event in itself, we also like to see founders at the helm. Luis von Ahn, the inventor of CAPTCHA, was a professor at Carnegie Mellon University (CMU) when he co-founded Duolingo in 2011. His co-founder, Severin Hacker (what an apt name for a technologist), was a Ph.D. student at CMU. Luis von Ahn is still the CEO of Duolingo and Severin Hacker is the CTO.

One downside to these founders being involved is their control of the company through supervoting class B shares. Each class B share has 20 votes compared to one vote per class A share, and Luis von Ahn's 3.38 million class B shares give him 52.7% of total voting power. Severin Hacker also has nearly 3 million class B shares.

Growth and Valuation

Duolingo's valuation is joined at the hip with the company's growth rate and while we saw Daily Active Users (DAU) increase 21% year-over-year to 56.5 million in Q1 2026, the growth rate has been decelerating as the law of large numbers kicks in. DAU growth was 54% in Q1 2024 and 49% in Q1 2025. In addition to DAU deceleration, the company is also guiding down gross margin from the 73% level in Q1 2026 to 69% by Q4 2026. This 400 basis point gross margin decline is expected on account of higher AI inference costs as the company makes certain premium features available for free to lower paying tiers and invests in new features.

Despite these headwinds and the perceived threat from AI, Duolingo remains solidly profitable and not just based on some "adjusted everything" metric. Although in Duolingo's case, one key adjustment is warranted. The company reported a massive one-time gain of $222.7 million related to deferred taxes that made Q3 2025 earnings jump over 13-fold year-over-year. On account of this one-time benefit, the stock looks very cheap, trading at less than 13 times GAAP trailing earnings. Forward GAAP PE is over 40, but on my preferred metric of EV/FCF, it trades below 10. The company has a little over $1 billion in net cash on the balance sheet, which helps the EV/FCF metric.

June 2026 Spotlight Idea: Duolingo (DUOL) $111.36

Conclusion

Duolingo sits at the top of the Apple App Store chart for education apps, and this is a testament to just how well the company has executed in a highly competitive virtual education market. Their expansion into things like Duolingo English Test (DET) and other verticals like chess and music remind of how Netflix was positioned in 2022 when I started a position in the company. At that time, I felt that fears of decelerating user growth at Netflix had disproportionately hurt the company's stock, and the market was not giving it full credit for its global scale, pricing power, and potential expansion into other verticals like gaming.

Duolingo at these levels feels very similar, and I like situations where former growth darlings fall out of favor despite a leading position in their segment. The threat from AI cannot be understated, but a one-sided view ignores the positive impact AI can have for agile companies that are open to incorporating AI into their operations to help improve operating and net margins. Having founders at the helm helps ensure that agility is not sacrificed at the altar of corporate morass and complexity that often plague large companies.

This is likely to be a volatile situation that will likely take some time to play out. I would have normally preferred to ease into a situation like this over time in two or three trades, but in this case, I am going to start a position at our full position size of $10,000 for the model portfolio. I will also purchase Duolingo for my personal portfolio after this newsletter is published.

MODEL PORTFOLIO

Monday, June 01, 2026

Long Stock Positons

	Symbol	Quote	Daily Change	Number of Shares	Cost	Current Value	Diff ($)	Diff (%)	Date Added
+	CVLT	$118.75	$8.02 (7.24%)	112@89.61	$10,036	$13,300	$3,264	32.52%	04/14/2026
+	OSCR	$22.23	$-0.10 (-0.44%)	346@14.45	$5,000	$7,692	$2,692	53.84%	04/10/2026
+	RSVR	$10.32	$0.17 (1.67%)	1021@9.79	$9,996	$10,537	$541	5.41%	03/31/2026
+	CRM	$191.1	$14.93 (8.47%)	26@194.79	$5,065	$4,969	$-96	-1.89%	02/27/2026
+	PEB	$15.25	$-0.30 (-1.92%)	390@12.83	$5,004	$5,948	$944	18.86%	02/27/2026
+	NAVN	$21.37	$1.04 (5.11%)	436@11.48	$5,005	$9,317	$4,312	86.15%	01/30/2026
+	CPAY	$361.8	$9.43 (2.67%)	15@331.5	$4,973	$5,427	$454	9.14%	01/09/2026
+	MC	$67.29	$0.44 (0.65%)	73@68.74	$5,018	$4,912	$-106	-2.11%	12/31/2025
+	HON	$237.86	$4.86 (2.08%)	13@192.19	$2,498	$3,092	$594	23.76%	11/28/2025
+	CRMD	$8.44	$0.02 (0.23%)	449@11.13	$4,997	$3,790	$-1,208	-24.17%	10/31/2025
+	LYFT	$14.11	$0.28 (2.09%)	227@22.01	$4,996	$3,203	$-1,793	-35.89%	09/30/2025
+	TASK	$6.33	$0.02 (0.31%)	280@14.2	$3,976	$1,772	$-2,204	-55.42%	09/30/2025
+	ELMD	$37.72	$-1.57 (-3.99%)	202@24.7	$4,989	$7,619	$2,630	52.71%	09/15/2025

MODEL PORTFOLIO

+	LGND	$231.96	$-2.70 (-1.15%)	31@161.71	$5,013	$7,191	$2,178	43.44%	08/29/2025
+	PRGS	$32.83	$2.29 (7.49%)	104@48.08	$5,000	$3,414	$-1,586	-31.72%	07/31/2025
+	XHR	$17.37	$-0.18 (-1.02%)	409@12.23	$5,002	$7,104	$2,102	42.03%	05/30/2025
+	MRVL	$205	$0.17 (0.08%)	54@91.82	$4,958	$11,070	$6,112	123.26%	02/28/2025
+	SNDK	$1694.98	$53.34 (3.24%)	6@48.6	$292	$10,170	$9,878	3387.61%	02/24/2025
+	TDW	$73.48	$-1.22 (-1.63%)	91@54.71	$4,979	$6,687	$1,708	34.31%	12/31/2024
+	WEST	$8.02	$0.02 (0.24%)	761@6.57	$5,000	$6,103	$1,103	22.07%	10/15/2024
+	PEB	$15.25	$-0.30 (-1.92%)	394@12.68	$4,996	$6,009	$1,013	20.27%	08/16/2024
+	LION	$14.35	$0.09 (0.63%)	692@7.23	$5,003	$9,930	$4,927	98.48%	07/31/2024
+	LULU	$131.18	$-0.15 (-0.11%)	17@298.7	$5,078	$2,230	$-2,848	-56.08%	06/28/2024
+	LPG	$40.22	$-1.48 (-3.54%)	134@37.44	$5,017	$5,389	$373	7.43%	01/31/2024
+	LION	$14.35	$0.09 (0.63%)	472@10.6	$5,003	$6,773	$1,770	35.38%	12/29/2023
+	AESI	$16.69	$-0.33 (-1.93%)	293@17.07	$5,002	$4,890	$-111	-2.23%	11/17/2023
Cash and Active Position Returns						**$46,086**	**$40,378**	**30.61%**	
Total Portfolio Value and Returns **						**$214,623**	**$114,623**	**114.62%**	

MODEL PORTFOLIO UPDATES

The model portfolio gained 11.72% in May compared to a gain of 5.15% for the S&P 500. The model portfolio has outperformed the S&P 500 in nine of the last ten months. While SanDisk (SNDK) continues to move the needle for the portfolio with a single month gain of 54.58% and 3,387.61% of gains since inception, we have scaled back the position multiple times. Gains in May were also driven by our medical devices company Electromed (ELMD) that gained an astounding 46.71% in a single month as well as Westrock Coffee (WEST) that once again swung back to positive territory after a one month gain of 36.33%. This follows a gain of 38.59% in April.

Our SaaS names like Navan (NAVN) and Comvault (CVLT) also continued to help with gains of over 20% in both positions in a single month. Strong results from Snowflake (SNOW) triggered a broad-based rally in beaten down SaaS names towards the end of the month benefiting our position in Salesforce (CRM) as well. On the negative side, our energy names like Tidewater (TDW) and Atlas Energy (AESI) were down 17.73% and 3.97% respectively on weakness in oil prices on hopes of a peaceful end to the Iran war. Lululemon (LULU) dropped an additional 4.73% despite a rebound towards the end of the month following a settlement with founder Chip Wilson who was waging a proxy war to get his nominees on the board of directors. .

As discussed in the spotlight ideas, I am going to add both S&P Global (SPGI) and Duolingo (DUOL) to the model portfolio at our standard position size of $10,000 per position. I am also going to exit our position in Atlas Energy (AESI) at a small loss of 2.23%. The company's debt has increased more than 50% since we started a position and the company has been reporting losses under the new CEO. I am also not happy with the pivot to power generation, which means years of high CapEx even as the Dune Express CapEx has failed to generate meaningful returns. I am also going to exit Westrock Coffee (WEST) for a gain of 22.07%.

Top contributors in May:

SanDisk (SNDK): +54.58% (writeup)
Electromed (ELMD): +46.71% (writeup)
Westrock Coffee (WEST): + 36.33% (writeup)
Marvell Technology (MRVL): +24.13% (writeup)
Navan (NAVN): +22.18% (writeup)

Top detractors in May:

Tidewater (TDW): -17.73% (writeup)
Lululemon Athletica (LULU): -4.73% (writeup)
Atlas Energy (AESI): -3.97% (writeup)
TaskUs (TASK): -2.31% (writeup)
Lyft (LYFT): -0.28% (writeup)

MODEL PORTFOLIO UPDATES

Atlas Energy Solutions Inc. (AESI): $16.69
Market Cap: $2.08B

May 4, 2026: Atlas Energy reported Q1 results. Revenue fell roughly 11% year over year to $265.6 million, but came in slightly ahead of estimates. The company posted a GAAP net loss of $47.3 million, or $0.38 per share, missing expectations, while adjusted EBITDA declined sharply to $28.4 million from $74.3 million a year ago, though it landed within the company's pre-announced guidance range.

Management pointed out that weather disruptions and elevated costs across both sand and logistics pressured the quarter. However, the company saw improving conditions in the Permian, with logistics margins reaching the mid-teens by quarter-end, better trucking economics, and mining capacity fully sold out heading into Q2.

Corpay, Inc. (CPAY): $361.80
Market Cap: $23.65B

May 5, 2026: Corpay announced agreements with JPMorgan and BVNK to add blockchain-based settlement to its cross-border payments platform. The integration pairs JPMorgan's Kinexys private blockchain with BVNK's stablecoin interoperability, enabling 24/7 stablecoin and tokenized fiat disbursements alongside Corpay's existing SWIFT and iACH rails. Management discussed the cross-border strategy at a teach-in event on May 13.

May 8, 2026: Corpay reported stronger-than-expected Q1 results. Non-GAAP EPS was $5.80, beating estimates by $0.33, while revenue rose 24.8% year-over-year to $1.26 billion, ahead of expectations by $50 million.

The company also revised its fiscal 2026 guidance, now expecting total revenue of $5.25 billion to $5.33 billion, net income of $1.35 billion to $1.43 billion, and diluted EPS of $20.39 to $21.19. On an adjusted basis, Corpay expects net income of $1.75 billion to $1.83 billion, with adjusted diluted EPS of $26.30 to $27.10.

May 21, 2026: Corpay completed a refinancing that increased its revolving credit facility by $925 million to $3.7 billion and raised its Term Loan A by $420 million to $3.3 billion, with both facilities reset to new five-year terms. The move extends maturities to 2031 and increases liquidity by more than $1 billion.

MODEL PORTFOLIO UPDATES

CorMedix Inc. (CRMD): $8.44
Market Cap: $662.13M

May 14, 2026: CorMedix reported strong Q1 2026 results, beating top and bottom line estimates as net revenue surged to $127.4 million from $39.1 million a year ago. DefenCath contributed $97.5 million of revenue, helped by higher outpatient dialysis utilization and a $9 million favorable sales allowance adjustment, while the acquired Melinta portfolio added $29.9 million. Net income was $38.6 million, or $0.43 per diluted share, and adjusted EBITDA reached $70.0 million.

Management raised full-year guidance, increasing expected 2026 net revenue to $325 million to $345 million from $300 million to $320 million, and adjusted EBITDA to $115 million to $135 million from $100 million to $125 million. The higher outlook reflects stronger DefenCath demand trends, though the company continues to factor in potential variability later in the year as DefenCath transitions beyond its initial TDAPA reimbursement period.

Dorian LPG Ltd. (LPG): $40.22
Market Cap: $1.72B

May 20, 2026: Dorian LPG reported a strong fiscal Q4 2026, with non-GAAP EPS of $1.89, beating estimates by $0.68 and revenue rising 102% year-over-year to $153.3 million, ahead of expectations by $35.3 million. Adjusted EBITDA was $106.6 million, while fleet Time Charter Equivalent (TCE) per available day reached $63,615, driven by sharply higher spot rates in the VLGC (Very Large Gas Carriers) market.

The company also returned capital to shareholders through a $29.9 million irregular dividend ($0.70 per share) paid in February 2026. Looking ahead, Dorian expects cash costs of roughly $26,000 per day for the coming year, excluding planned dry docking capex for the Captain John in fiscal Q4. Their latest irregular dividend with an ex-date of May 18, 2026 was $1.00 per share.

Electromed, Inc. (ELMD):$37.72
Market Cap: $312.32M

May 12, 2026: Electromed reported record fiscal Q3 2026 results, with net revenue rising 18.4% year-over-year to $18.6 million, driven by an 18.6% increase in its core home care market. Operating income jumped 76.0% to a record $3.8 million, representing 20.3% of revenue, highlighting strong operating leverage.

Net income increased 58.8% to a record $3.0 million, or $0.35 per diluted share, compared with $1.9 million, or $0.21 per diluted share, in the prior year period. Management did not provide formal quarterly or full-year revenue or EPS guidance.

MODEL PORTFOLIO UPDATES

Honeywell International Inc. (HON): $237.86
Market Cap: $150.72B

May 8, 2026: Honeywell's majority-owned quantum computing subsidiary Quantinuum publicly filed its S-1, seeking to list Class A common stock on Nasdaq under the ticker "QNT." Share count and price range haven't been set yet. J.P. Morgan and Morgan Stanley are joint lead book-runners, with Jefferies and Evercore ISI also acting as active book-running managers.

May 26, 2026: Honeywell-backed Quantinuum is seeking to raise up to $1.05 billion in its U.S. IPO by offering about 21.05 million shares at $45 to $50 each, implying a valuation of up to $12.7 billion. Honeywell is expected to retain significant voting control after the offering.

Ligand Pharmaceuticals Incorporated (LGND): $231.96
Market Cap: $4.65B

May 7, 2026: Ligand reported Q1 2026 results that missed on both lines. Revenue was $51.7 million, up 14% year-over-year but $7.1 million below estimates, while non-GAAP EPS of $1.63 missed by $0.17. The growth was driven by a 56% jump in royalty revenue to $43 million, led by Filspari, Ohtuvayre, and Capvaxive.

Despite the miss, the company reaffirmed its raised full-year guidance of $8.50–$9.50 in adjusted EPS and $270–$310 million in total revenue, which incorporates the pending XOMA acquisition announced in late April.

Lionsgate Studios Corp. (LION): $14.35
Market Cap: $4.17B

May 21, 2026: Lionsgate Studios reported fiscal Q4 2026 results, with revenue of $906.5 million, operating income of $117.5 million, up 52% year-over-year, and net income from continuing operations of $70.2 million, or $0.23 per diluted share. Adjusted EPS was $0.37, while adjusted OIBDA reached $165.4 million, its highest quarterly level in 12 years. Free cash flow was $190.4 million, and trailing 12-month library revenue topped $1 billion for the third straight quarter.

Management did not provide formal revenue or EPS guidance, but said fiscal 2027 should deliver significant adjusted OIBDA and free cash flow growth, helped by carryover from the fiscal 2026 film slate, Michael, a larger TV delivery slate, and the upcoming Hunger Games: Sunrise on the Reaping. Lionsgate expects Michael to generate over $1 billion in box office receipts. The company also expects scripted TV deliveries to nearly double in fiscal 2027 and is targeting leverage of roughly 4x to 4.5x by fiscal Q4 2027.

MODEL PORTFOLIO UPDATES

Lululemon Athletica Inc. (LULU): $131.18
Market Cap: $15.01B

May 6, 2026: JPMorgan lowered its price target on Lululemon to $173 from $196. The target reduction likely reflects the ongoing governance overhang and limited near-term visibility. Baird also cut its target to $170 from $190, calling LULU a "show-me story" after the CEO announcement.

May 18, 2026: Lululemon filed its definitive proxy materials ahead of its June 25, 2026, annual meeting and urged shareholders to vote the WHITE card in favor of its three director nominees: Chip Bergh, Esi Eggleston Bracey, and Teri List. The board said its refreshed slate brings the retail, innovation, finance, and governance expertise needed to support the company's next phase of growth. The move also escalates its proxy fight with founder Chip Wilson, with Lululemon warning that Wilson's nominees could disrupt the company's turnaround plan and incoming CEO transition.

May 26, 2026: Lululemon entered into a cooperation agreement with Chip Wilson, ending the proxy fight ahead of its 2026 annual meeting. Under the agreement, Laura Gentile, former ESPN CMO, and Marc Maurer, former co-CEO of shoe company On, will join the board. Lululemon also agreed to add another director with apparel product and brand expertise by October 1, 2026.

Lyft, Inc. (LYFT): $14.11
Market Cap: $5.36B

May 7, 2026: Lyft reported mixed Q1 results. Revenue was $1.7 billion, up 14% year-over-year, with gross bookings up 19% and adjusted EBITDA up 25%. Net income improved to $14.2 million from $2.6 million a year ago, and free cash flow was roughly flat at $287.3 million. Active riders hit a record 28.3 million, up 17% and marking a sixth straight quarter of double-digit growth. However, ride counts missed estimates, and profit fell short of expectations as the company invested heavily in international expansion and higher-end offerings like chauffeur services. For Q2, Lyft guided to gross bookings of $5.30–$5.43 billion (up 18–21% year over year) and adjusted EBITDA of $160–$180 million.

Marvell Technology, Inc. (MRVL): $205
Market Cap: $179.49B

May 4, 2026: UBS raised its price target on Marvell Technology to $195 from $120 while maintaining a Buy rating, reflecting growing confidence in the company's AI infrastructure opportunity, hyperscaler partnerships, and accelerating demand for custom silicon and data-center connectivity solutions.

MODEL PORTFOLIO UPDATES

May 14, 2026: Marvell Technology saw another round of bullish analyst revisions, with RBC raising its price target to $200 from $170 while keeping an Outperform rating, and B. Riley lifting its target to $210 from $156 while maintaining a Buy rating.

May 26, 2026: Marvell Technology reported record fiscal Q1 2027 revenue of $2.42 billion, up 28% year over year and $18 million above the midpoint of guidance. GAAP EPS was $0.04 and non-GAAP EPS was $0.80, while operating cash flow reached a record $638.8 million. Data center revenue rose 27% year-over-year to $1.83 billion, representing 76% of total revenue, driven by AI infrastructure demand across optics, switching, custom XPU, and XPU attach products.

Management guided fiscal Q2 revenue to $2.7 billion, plus or minus 5%, and non-GAAP EPS of $0.93, plus or minus $0.05. Marvell also raised its long-term outlook, now forecasting nearly $11.5 billion of fiscal 2027 revenue and $16.5 billion of fiscal 2028 revenue, while outlining about $1 billion of fiscal 2027 supplier prepayments to secure capacity and highlighting an expanded NVIDIA partnership covering optics, NVLink Fusion integration, and AI RAN infrastructure.

Navan, Inc. (NAVN): $21.37
Market Cap: $5.40B

May 7, 2026: French fashion retailer Kiabi and ad-tech firm Criteo selected Navan to centralize and modernize their global travel programs by consolidating booking, expense, and policy management onto a single solution.

May 18, 2026: Allegiant Travel's (ALGT) airline unit selected Navan's AI-powered travel and expense platform as the internal system for employee business travel management.

May 28, 2026: Navan partnered with privately held Simplot to modernize the global food and agriculture company's travel operations.

Oscar Health, Inc. (OSCR): $22.23
Market Cap: $6.70B

May 6, 2026: Oscar Health reported a strong Q1, with record net income of $679 million ($2.07/share). Revenue was $4.6 billion, up 53% year-over-year and adjusted EBITDA was $727 million. The medical loss ratio improved meaningfully to 70.5% from 75.4% a year ago, driven by disciplined pricing. The company reaffirmed full-year 2026 guidance of $18.7–$19.0 billion in revenue.

MODEL PORTFOLIO UPDATES

Pebblebrook Hotel Trust (PEB): $15.25
Market Cap: $1.75B

May 28, 2026: Pebblebrook Hotel Trust completed the sale of the 115-room Chamberlain West Hollywood Hotel in Los Angeles for $43.5 million to a third party. The company updated its 2026 outlook to reflect the disposition, removing Chamberlain from Q2 through Q4 same property hotel EBITDA and operating metrics while retaining its EBITDA contribution through the May 27 sale date.

Reservoir Media, Inc. (RSVR): $10.32
Market Cap: $677.63M

May 28, 2026: Reservoir Media beat top and bottom line estimates and initiated its fiscal 2027 outlook. Q4 revenue rose 15% year-over-year to $47.5 million, net income increased to $4.1 million, or $0.07 per diluted share, and adjusted EBITDA rose 16% to $21.2 million.
For fiscal 2026, revenue increased 11% to $175.7 million, with Music Publishing revenue up 9% and Recorded Music revenue up 16%, while adjusted EBITDA rose 12% to $73.6 million. For fiscal 2027, Reservoir expects revenue of $186 million to $191 million and adjusted EBITDA of $75 million to $79 million.

Salesforce, Inc. (CRM): $191.10
Market Cap: $156.51B

May 1, 2026: Salesforce is reshuffling its revenue reporting starting in fiscal 2027. The company is moving from its previous segment breakdown to two primary categories: "Agentforce Apps" and "Data 360, Platform & Other", reflecting the deeper integration of its Agentforce AI agent platform across its product suite.

May 6, 2026: Merck Animal Health, a division of Merck & Co.(MRK), selected Salesforce's Agentforce Life Sciences platform to modernize its customer engagement and support workflows, deploying AI agents to improve how it serves veterinarians and animal care professionals.

May 27, 2026: Salesforce reported record fiscal Q1 2027 results, with revenue rising 13% year-over-year to $11.1 billion and non-GAAP EPS up 50% to $3.88, ahead of estimates. cRPO increased 14% to $33.6 billion, while Agentforce and Data 360 ARR reached nearly $3.4 billion.
The company raised its FY 2027 revenue outlook to a range of $45.9 billion to $46.2 billion and launched a $25 billion accelerated share repurchase. Despite the earnings beat and buyback, Salesforce shares slipped as Q2 revenue guidance of $11.27 billion to $11.35 billion came in at the low end of expectations.

MODEL PORTFOLIO UPDATES

SanDisk Corp. (SNDK): $1,694.98
Market Cap: $251.01B

May 1, 2026: Sandisk saw a wave of analyst price target increases after its blowout fiscal Q3 results and stronger outlook. RBC lifted its target to $1,000 from $650 while keeping a Sector Perform rating, and Goldman Sachs raised its target to $1,200 from $700 while maintaining a Buy rating. Citigroup and Wells Fargo also increased their price targets.

TaskUs, Inc. (TASK): $6.33
Market Cap: $579.69M

May 6, 2026: TaskUs reported solid fiscal Q1 2026 results, with revenue rising 10.2% year over year to $306.3 million, beating estimates by $9.6 million. Non-GAAP EPS came in at $0.35, ahead of expectations by $0.01. Adjusted EBITDA was $58.6 million, representing a 19.1% margin. AI Services remained a key growth driver, with revenue increasing more than 30% for the sixth consecutive quarter. The company also returned more than $330 million to shareholders through a $3.65-per-share special dividend.

Management reiterated its full-year revenue outlook of $1.21 billion to $1.24 billion and expects adjusted EBITDA margins to remain around 19%. TaskUs also raised its adjusted free cash flow outlook by roughly 10%, now expecting $105 million to $115 million, with a midpoint of $110 million.

Tidewater Inc. (TDW): $73.49
Market Cap: $3.65B

May 5, 2026: Tidewater reported weaker-than-expected Q1 2026 results, with earnings coming in below estimates. Revenue declined 2.2% year-over-year to $326.2 million, while GAAP EPS of $0.12 missed expectations by $0.60. The company generated net income of $6.1 million and adjusted EBITDA of $129.3 million during the quarter. The average day rate was $22,283 per day, essentially flat with a year ago.

Despite the softer quarter, Tidewater maintained its full-year 2026 revenue guidance of $1.43 billion to $1.48 billion and its gross margin outlook of 49% to 51%. Management did flag near-term margin pressure, expecting Q2 gross margin to decline by roughly 5 percentage points due to costs related to the Epic Fury incident.

MODEL PORTFOLIO UPDATES

Westrock Coffee Company, LLC (WEST): $8.03
Market Cap: $783.39M

May 7, 2026: Westrock Coffee reported strong Q1 2026 results and reaffirmed its full-year outlook. Net sales increased 44.4% year-over-year to $308.8 million, while gross profit rose 57.4% to $45.8 million.

The company also narrowed its net loss to $8.5 million, compared with a $27.2 million loss in the prior year period, reflecting improved operating performance. Management reaffirmed its 2026 guidance for consolidated adjusted EBITDA of $90 million to $100 million.

May 14, 2026: Director Joe T. Ford acquired 31,500 shares, paying an average price of $8.46 per share, for a total value of $266,630.

Xenia Hotels & Resorts, Inc. (XHR): $17.37
Market Cap: $1.72B

May 1, 2026: Xenia Hotels & Resorts reported Q1 2026 results, with total revenue rising 2.2% year-over-year to $295.4 million. Net income increased to $19.8 million, or $0.21 per share, while adjusted EBITDAre rose 11.6% to $81.4 million and adjusted FFO per diluted share climbed 23.5% to $0.63. Same property RevPAR increased 7.4%, driven by higher ADR, improved occupancy, and strength in group and transient demand.

Management highlighted that the quarter benefited from record performance at the Grand Hyatt Scottsdale Resort and stronger demand across the portfolio. Xenia raised its full-year 2026 outlook, expecting adjusted EBITDAre of $258 million to $274 million and adjusted FFO per diluted share of $1.86 to $2.02.

MONTHLY M&A OVERVIEW

There were 15 new deals announced in the month of May for a total deal value of over $214 billion.

NEW DEALS

- **ESPR**: The acquisition of Esperion Therapeutics, Inc. (ESPR) by ARCHIMED for a closing value of up to $1.1 billion. Esperion shareholders will receive $3.16 per share in cash, plus one non-tradeable contingent value right (CVR) that will entitle the holder to participate in two contingent milestone payments of up to $100 million in the aggregate.
- **MDV**: The acquisition of Modiv Industrial, Inc. (MDV) by Global Net Lease, Inc. (GNL) for a closing value of $535 million. Holders of Modiv common stock and operating partnership units will receive 1.975 newly-issued shares of GNL common stock or OP units for each share of Modiv common stock or OP unit they hold at the closing of the transaction, representing a total consideration of approximately $18.82 per Modiv share.
- **GBTG**: The acquisition of Global Business Travel Group, Inc. (GBTG) by Long Lake Management for a closing value of $6.3 billion. Amex GBT shareholders will receive $9.50 per share in cash.
- **FSEA**: The acquisition of First Seacoast Bancorp, Inc. (FSEA) by Cambridge Financial Group, Inc. for a closing value of $80.9 million. First Seacoast Bancorp's stockholders will receive $17.25 in cash for each share of common stock.
- **CCRN**: The acquisition of Cross Country Healthcare, Inc. (CCRN) by Knox Lane for a closing value of $437 million. Knox Lane will acquire all outstanding shares of Cross Country Healthcare common stock for $13.25 per share in an all-cash transaction.
- **CPRX**: The acquisition of Catalyst Pharmaceuticals, Inc. (CPRX) by Angelini Pharma S.p.A. for a closing value of $4.1 billion. Angelini Pharma has agreed to acquire all outstanding shares of Catalyst for $31.5 per share in cash.
- **EEX**: The acquisition of Emerald Holding, Inc. (EEX) by Apollo-managed funds (APO) for a closing value of $1.5 billion. Emerald stockholders will receive $5.03 per share in cash.
- **NSTS**: The acquisition of NSTS Bancorp, Inc. (NSTS) by Brookfield Bancshares, Inc. for a closing value of $73.7 million. NSTS stockholders will receive approximately $14.28 in cash for each share of NSTS common stock owned.
- **ORLA**: The acquisition of Orla Mining Ltd. (ORLA) by Equinox Gold Corp. (EQX) for a closing value of $6.83 billion. Orla shareholders will receive 1 Equinox common share and a nominal cash payment of $0.0001 for each Orla common share held, representing a value of $14.8 per Orla share.
- **ASRT**: The acquisition of Assertio Holdings, Inc. (ASRT) by Zydus Worldwide DMCC for a closing value of $166.4 million. Zydus will commence a tender offer to acquire all outstanding shares of Assertio common stock for $23.5 per share in cash.
- **RAMP**: The acquisition of LiveRamp Holdings, Inc. (RAMP) by Publicis Groupe for a closing value of $2.17 billion. Publicis Groupe will acquire LiveRamp for $38.5 per share.

MONTHLY M&A OVERVIEW

NEW DEALS

- **D**: The acquisition of Dominion Energy, Inc. (D) by NextEra Energy, Inc. (NEE) for a closing value of $130 billion. Dominion Energy shareholders will receive a fixed exchange ratio of 0.8138 shares of NextEra Energy for each share of Dominion Energy they own, representing $75.98 per share. In addition, Dominion Energy shareholders will get a one-time cash payment of $360 million at closing. Based on Dominion's outstanding shares, this cash payment represents $0.41 per share. The total consideration for the deal comes to $76.39 per share.
- **AVB**: The acquisition of AvalonBay Communities, Inc. (AVB) by Equity Residential (EQR) for a closing value of $34.91 billion. AvalonBay shareholders will receive 2.793 shares of Equity Residential common stock for each share of AvalonBay common stock owned, representing a value of $185.12 per AvalonBay share.
- **CZR**: The acquisition of Caesars Entertainment, Inc. (CZR) by Fertitta Entertainment, Inc. for a closing value of $17.6 billion. Caesars' shareholders will receive $31 in cash for each outstanding Caesars' share.
- **TMHC**: The acquisition of Taylor Morrison Home Corporation (TMHC) by Berkshire Hathaway Inc. (BRK.A) (BRK.B) for a closing value of $8.5 billion. Taylor Morrison stockholders will receive $72.50 per common share in cash.

MONTHLY M&A OVERVIEW

COMPLETED DEALS

23 deals were completed in the month of May.

- **LNKB**: The acquisition of LINKBANCORP (LNKB) by Burke & Herbert Financial Services (BHRB) was completed on May 1, 2026. It took 134 days for the deal to be completed.
- **STKL**: The acquisition of SunOpta (STKL) by Refresco was completed on May 1, 2026. It took 84 days for the deal to be completed.
- **UHG**: The acquisition of United Homes Group (UHG) by Stanley Martin Homes was completed on May 4, 2026. It took 70 days for the deal to be completed.
- **TERN**: The acquisition of Terns Pharmaceuticals (TERN) by Merck (MRK) was completed on May 5, 2026. It took 41 days for the deal to be completed.
- **FARM**: The acquisition of Farmer Bros. (FARM) by Royal Cup Coffee and Tea was completed on May 5, 2026. It took 62 days for the deal to be completed.
- **PKST**: The acquisition of Peakstone Realty Trust (PKST) by Brookfield Asset Management (BAM) was completed on May 6, 2026. It took 93 days for the deal to be completed.
- **CTRA**: The acquisition of Coterra Energy (CTRA) by Devon Energy (DVN) was completed on May 7, 2026. It took 94 days for the deal to be completed.
- **EWCZ**: The acquisition of European Wax Center (EWCZ) by General Atlantic was completed on May 8, 2026. It took 87 days for the deal to be completed.
- **CTLP**: The acquisition of Cantaloupe (CTLP) by 365 Retail Markets was completed on May 8, 2026. It took 326 days for the deal to be completed.
- **KZR**: The acquisition of Kezar Life Sciences (KZR) by Aurinia Pharmaceuticals (AUPH) was completed on May 11, 2026. It took 42 days for the deal to be completed.
- **UDMY**: The acquisition of Udemy (UDMY) by Coursera (COUR) was completed on May 11, 2026. It took 145 days for the deal to be completed.
- **SNCY**: The acquisition of Sun Country Airlines (SNCY) by Allegiant Travel (ALGT) was completed on May 13, 2026. It took 122 days for the deal to be completed.
- **TPH**: The acquisition of Tri Pointe Homes (TPH) by Sumitomo Forestry was completed on May 14, 2026. It took 90 days for the deal to be completed.
- **APLS**: The acquisition of Apellis Pharmaceuticals (APLS) by Biogen (BIIB) was completed on May 14, 2026. It took 44 days for the deal to be completed.
- **CSGS**: The acquisition of CSG Systems (CSGS) by NEC was completed on May 14, 2026. It took 197 days for the deal to be completed.
- **FORA**: The acquisition of Forian (FORA) by the CEO Max Wygod-led Consortium was completed on May 15, 2026. It took 42 days for the deal to be completed.
- **MPX**: The acquisition of Marine Products (MPX) by MasterCraft Boat (MCFT) was completed on May 15, 2026. It took 99 days for the deal to be completed.
- **EHAB**: The acquisition of Enhabit (EHAB) by Kinderhook Industries was completed on May 15, 2026. It took 81 days for the deal to be completed.

MONTHLY M&A OVERVIEW

COMPLETED DEALS

- **SLNO**: The acquisition of Soleno Therapeutics (SLNO) by Neurocrine Biosciences (NBIX) was completed on May 18, 2026. It took 42 days for the deal to be completed.
- **MCW**: The acquisition of Mister Car Wash (MCW) by Leonard Green & Partners was completed on May 19, 2026. It took 90 days for the deal to be completed.
- **VRE**: The acquisition of Veris Residential (VRE) by an investor consortium led by Affinius Capital in partnership with Vista Hill Partners was completed on May 27, 2026. It took 93 days for the deal to be completed.
- **AMWD**: The acquisition of American Woodmark Corporation (AMWD) by MasterBrand (MBC) was completed on May 28, 2026. It took 295 days for the deal to be completed.
- **CVGW**: The acquisition of Calavo Growers (CVGW) by Mission Produce (AVO) was completed on May 28, 2026. It took 134 days for the deal to be completed.

TERMINATED DEALS

One deal was terminated in the month of May.

- **ASRT**: On May 13, 2026, Assertio (ASRT) announced that it entered a definitive agreement with Zydus Worldwide DMCC. The Board determined that the Zydus Offer constituted a “Superior Proposal” under the Garda Merger Agreement and authorized the company to terminate the Garda agreement.

MONTHLY M&A OVERVIEW

DEALS FACING HURDLES

Five deals encountered hurdles in completing the merger in May.

- **VAL**: On May 5, 2026, Valaris (VAL) announced that it filed an HSR Act notification with the Federal Trade Commission and the Antitrust Division of the United States Department of Justice (DOJ) on March 2, 2026. Transocean (RIG) withdrew its filing under the HSR Act on April 1, 2026, and subsequently refiled on April 3, 2026. On May 4, 2026, the companies each received a Request for Additional Information and Documentary Materials (Second Request) from the DOJ.
- **IMXI**: On May 13, 2026, Semafor reported that New York City Mayor Zohran Mamdani is urging New York State's top financial regulator to block Western Union's (WU) deal for Intermex (IMXI). The mayor says the merger will reduce competition and raise prices for some of the lowest-earning New Yorkers.
- **TWO**: On May 15, 2026, George Assad, a shareholder of Two Harbors (TWO), filed a lawsuit against the company and its directors in the United States District Court for the District of Maryland (Northern Division), for allegedly violating federal securities laws during a proposed merger. Assad claims the company issued misleading proxy statements to convince stockholders to accept a lower-priced buyout from CrossCountry.
- **NSC**: On May 28, 2026, the Surface Transportation Board is pushing pause on its review of the merger between Union Pacific (UNP) and Norfolk Southern (NSC). STB said it needed more information to “thoroughly evaluate” the two railroads’ revised application.
- **AAUC**: On May 29, 2026, FT reported that Zijin Gold's takeover of Allied Gold (AAUC) is facing delays because of opposition from regulators in Beijing. China’s powerful regulator, the National Development and Reform Commission, has questioned the premium Zijin is paying as well as the geopolitical risks associated with Allied’s gold mine in Mali.

MONTHLY M&A OVERVIEW

POTENTIAL DEALS IN THE WORKS

18 new potential deals were added to the ‘Deals In The Works‘ section in the month of May.

- **EBAY**: On May 1, 2026, the Wall Street Journal reported that GameStop (GME) is preparing to make an offer for eBay (EBAY), part of CEO Ryan Cohen’s audacious plan to turn the retailer into a $100-billion plus juggernaut. GameStop has been quietly building a stake in eBay’s shares ahead of a potential offer.
- **PFSA**: On May 5, 2026, Profusa (PFSA) announced that its Board has initiated a Board-led process to evaluate strategic alternatives intended to maximize shareholder value. The process will evaluate a range of potential opportunities, including asset-level transactions, commercial and strategic partnerships, business combinations, and other corporate transactions.
- **PBI**: On May 6, 2026, Pitney Bowes (PBI) CEO Kurt Wolf, in an interview with Bloomberg TV, said that the company has had inbound interest. “There’s interest from taking private, and the company will do whatever’s best for shareholders,” he said, adding that there has been an outreach from interested parties, with some tied to strategic partnerships.
- **MAT**: On May 7, 2026, Southeastern Asset Management, with a 4% stake in Mattel (MAT), issued an open letter to the board and shareholders, calling on the company to explore strategic alternatives. The activist investor believed that private equity buyers, strategic buyers like other toy companies, which could include Hasbro (HAS), would be “better owners to realize long-term value”.
- **AD**: On May 8, 2026, Telephone and Data Systems (TDS) announced that it has submitted a proposal to the Board of Array Digital Infrastructure (AD) to acquire, by way of a merger, all of the outstanding common shares of Array in an all-stock transaction. Under the terms of the proposal, each Array share would be exchanged for 0.86 of a TDS share, implying a value of $39.13 per Array share.
- **MFIC**: On May 10, 2026, the Wall Street Journal reported that Apollo Global Management (APO) has been holding talks to sell MidCap Financial Investment (MFIC), its publicly listed business-development company, a type of private-credit fund. The talks are ongoing, and there is no guarantee they will result in a deal for the fund, known as MFIC, and its investments, which Apollo values at roughly $3 billion.
- **BZH**: On May 11, 2026, Dream Finders Homes (DFH) announced that it has submitted a proposal to the board of Beazer Homes USA (BZH) to acquire all outstanding shares of Beazer in an all-cash transaction for $25.75 per share. The proposed transaction reflects a total equity value of roughly $704 million.
- **GPRO**: On May 11, 2026, GoPro (GPRO) announced that its Board has authorized the company to engage in a strategic process and to engage a financial advisor to assist with that process. During the review process, the Board expects to evaluate a range of strategic alternatives that could include a sale of the company or a merger, aimed at maximizing value for stockholders.

MONTHLY M&A OVERVIEW

POTENTIAL DEALS IN THE WORKS

- **WEN**: On May 11, 2026, the Financial Times reported that Nelson Peltz's Trian Fund Management is seeking investor backing for a bid to take US fast-food chain Wendy's (WEN) private. Trian, in recent weeks, has held discussions with outside investors, including in the Middle East, about financing a potential takeover of Wendy's.
- **DXLG**: On May 12, 2026, Zodiac Partners II, LLC an acquisition entity of Camac Fund, announced that it is commencing an all-cash tender offer to acquire all outstanding shares of Destination XL Group (DXLG) for $0.82 per share. The total transaction value is roughly $46 million.
- **STRZ**: On May 14, 2026, The Hollywood Reporter reported that Starz Entertainment (STRZ) is the next takeover target for media mogul Byron Allen, and he's taken a notable stake so far. Allen acquired an over 10.7% stake in the company in March, after which the company adopted a poison pill.
- **MICC**: On May 15, 2026, Reuters reported that Blackstone (BX) and CD&R are among private equity firms in the early stages of exploring bids for Magnum Ice Cream Company (MICC). The firms are monitoring Magnum's share price before deciding whether to make a move.
- **IMAX**: On May 21, 2026, the Wall Street Journal reported that IMAX (IMAX) is exploring a sale and has approached entertainment companies as potential buyers. The sale process is in early stages and may not result in a deal.
- **LNTH**: On May 23, 2026, Bloomberg reported that Lantheus Holdings (LNTH) is weighing a sale after getting a takeover offer from Curium that values the radiopharma company at about $7 billion. Lantheus and Curium have been in discussions about a potential deal that could be weeks away.
- **FUL**: On May 26, 2026, Bloomberg reported that activist investor Ancora Holdings is pushing US adhesives maker H.B. Fuller (FUL) to abandon a proposed takeover of UK-based Advanced Medical Solutions Group. Ancora, which has taken a stake of more than 2% in H.B. Fuller, is urging the company's leadership to instead run a full review of strategic alternatives, including a sale of the company or parts of it.
- **MNRO**: On May 27, 2026, Monro (MNRO) announced that its Board has initiated a review of strategic alternatives to maximize shareholder value. The Board will evaluate a broad range of alternatives, including asset sales, refinancing of the business, strategic acquisitions, operational improvements, or the sale of the company.
- **ACON**: On May 28, 2026, Echo Lake Capital sent a letter to the Board of Aclarion (ACON) describing a proposal to acquire all of the company's outstanding shares. Echo offered to acquire the company for $4 per share in cash plus a contingent value right representing the right for stockholders to receive 80% of the net proceeds from the sale of Nociscan.
- **CRMT**: On May 29, 2026, America's Car-Mart (CRMT) announced that its Board has retained Houlihan Lokey to serve as its financial advisor as the company continues to evaluate and pursue strategic alternatives, including potential financing, recapitalization, mergers and acquisitions, and other transactions.

SPAC Arbitrage

Thirteen SPAC IPOs were announced and filed in the month of May, expected to raise about $2.17 billion of capital.

SPAC Potential Business Combination

Two Potential SPAC Business Combinations were announced in May.

- QRED: On May 7, 2026, QuasarEdge Acquisition Corporation (QRED) announced it has signed a non-binding letter of intent for a Potential business combination with Robseek Intelligence Inc.
- FSHP: On May 8, 2026, Flag Ship Acquisition Corporation (FSHP) announced it has signed a binding letter of intent for a Potential business combination with Bluechip & Co. Holdings.

SPAC Business Combinations

Nine new SPAC Business Combinations were announced in May.

- BPAC: On May 1, 2026, Blueport Acquisition Ltd (BPAC) and SingAuto Inc announced they have entered into a definitive agreement for a business combination.
- GLED: On May 1, 2026, GalaxyEdge Acquisition Corporation (GLED) and Rongcheng Group Limited announced they have entered into a definitive agreement for a business combination.
- DMAA: On May 5, 2026, Drugs Made In America Acquisition Corp. (DMAA) and Power Analytics Global Corp announced they have entered into a definitive agreement for a business combination.
- QSEA: On May 13, 2026, Quartzsea Acquisition Corp (QSEA) and Eight Directions Technology Limited announced they have entered into a definitive agreement for a business combination.
- MAK: On May 15, 2026, MAK Acquisition Corp. (MAK) and Uni Express Inc. announced they have entered into a definitive agreement for a business combination.
- AXIN: On May 26, 2026, Axiom Intelligence Acquisition Corp 1 (AXIN) and Terra Quantum AG announced they have entered into a definitive agreement for a business combination.
- LCCC: On May 26, 2026, Lakeshore Acquisition III Corp. (LCCC) and CPRO Electronics Holding Limited announced they have entered into a definitive agreement for a business combination.
- NHIC: On May 27, 2026, NewHold Investment Corp III (NHIC) and Newcleo Ltd. announced they have entered into a definitive agreement for a business combination.
- TDAC: On May 27, 2026, Translational Development Acquisition Corp. (TDAC) and ProLogium Holding Inc. announced they have entered into a definitive agreement for a business combination.

SPAC Arbitrage

SPAC Completed Business Combinations

Three SPAC Business Combinations were completed in May.

- WLAC: On May 8, 2026, Willow Lane Acquisition Corp. (WLAC) and Boost Run Holdings announced that they have completed their business combination.
- CAEP: On May 15, 2026, Cantor Equity Partners III Inc. (CAEP) and AIR Limited announced that they have completed their business combination.
- GIG: On May 16, 2026, GigCapital7 Corp. (GIG) and Hadron Energy, Inc. announced that they have completed their business combination.

SPAC Terminated Business Combinations

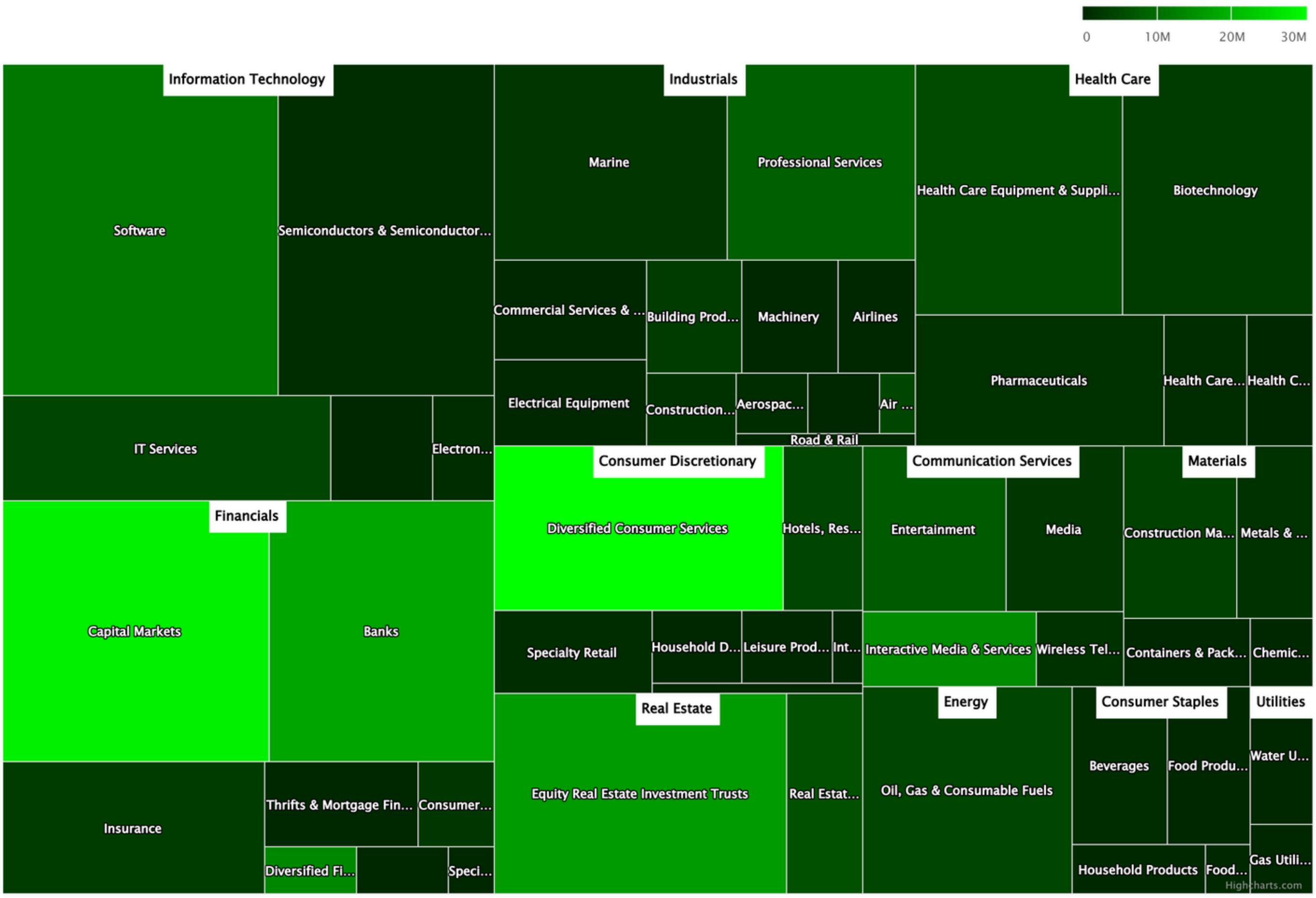
Two SPAC Business Combinations were terminated in May.

- IRAB: On May 13, 2026, Iris Acquisition Corp II (IRAB) announced it has terminated its non-binding letter-of-intent with Freedom Metals Corporation.
- BWIV: On May 16, 2026, Blue Water Acquisition Corp. IV (BWIV) announced it has terminated its letter-of-intent for a Potential business combination with Maha Capital AB.

INSIDER ACTIVITY BY SECTOR AND TOP TRANSACTIONS

The sector heat map below shows insider purchases in May by company management (CEOs, CFOs, etc.) and excludes any insider purchases by 10% owners or directors. As premium subscribers, you can pull up our online insider heat map and drill down to view specific insider purchases for a particular industry. In May, the Consumer Discretionary sector had the most purchases, followed by the Financials sector.

In the next few pages, we have highlighted ten companies that had the most insider buying and insider selling in May.



TOP 10 INSIDER BUYS - May 2026

Owner	Relationship	Cost	Shares	Value
1. Pershing Square USA (PSUS): $40.11			**Sector: Financials**	
William A. Ackman	Chief Executive Officer	$49.18	4,897,171	$240,860,000
Ryan Israel	Chief Investment Officer	$50.00	500,000	$25,000,000
Ben Hakim	President	$50.00	350,000	$17,500,000
Nicholas Anthony Botta	Director	$50.00	250,000	$12,500,000
Halit Coussin	Chief Compliance Officer	$50.00	200,000	$10,000,000
Michael Gonnella	Chief Financial Officer	$50.00	100,000	$5,000,000
Bruce Herring	Director	$43.41	10,000	$434,140
Jessica A. Falzone	Secretary	$50.00	2,000	$100,000
Total Purchased by all Insiders of Pershing Square USA				**$311,394,140**
2. GeneDx Holdings (WGS): $51.99			**Sector: Health Care**	
Keith A. Meister	Director	$38.92	1,556,420	$60,570,000
Eli Casdin	Director	$42.92	500,000	$21,460,000
Total Purchased by all Insiders of Borr Drilling				**$82,030,000**
3. Artiva Biotherapeutics (ARTV): $7.93			**Sector: Health Care**	
Laura Stoppel	Director	$11.52	6,510,416	$74,999,995
Total Purchased by all Insiders of Artiva Biotherapeutics				**$74,999,995**

TOP 10 INSIDER BUYS - May 2026

Owner	Relationship	Cost	Shares	Value
4. Black Rock Coffee Bar (BRCB): $8.32				**Sector: Consumer Discretionary**
Michael Ryan Schmidt	Principal Accounting Officer	$6.98	7,100	$49,558
Clay Howard Geyer	Chief Operating Officer	$6.52	46,013	$299,872
Jessica Michele Wegener-Beyer	Chief Marketing Officer	$6.46	3,098	$20,013
Cynosure Group	Director	$5.35	13,642,712	$72,988,508
Total Purchased by all Insiders of Black Rock Coffee Bar				**$73,357,951**
5. Alkami Technology (ALKT): $18.17				**Sector: IT**
General Atlantic	Director	$16.73	4,041,543	$67,594,673
Total Purchased by all Insiders of Alkami Technology				**$67,594,673**
6. Hemab Therapeutics (COAG): $28.5				**Sector: Health Care**
Dr. Laura Tadvalkar	Director	$22.41	2,840,429	$52,222,946
Total Purchased by all Insiders of Hemab Therapeutics				**$52,222,946**
7. TXO Partners (TXO): $12.72				**Sector: Energy**
Bob R. Simpson	Director	$13.01	1,650,000	$21,460,000
William H. Adams III	Director	$12.41	10,000	$124,117
Total Purchased by all Insiders of TXO Partners				**$21,584,117**
8. Pershing Square (PS): $39.59				**Sector: Financials**
Dr. Laura Tadvalkar	Director	$22.41	2,840,429	$52,222,946
Total Purchased by all Insiders of Pershing Square				**$52,222,946**

TOP 10 INSIDER BUYS - May 2026

Owner	Relationship	Cost	Shares	Value
9. Shift4 Payments (FOUR): $44.56		**Sector: Consumer Discretionary**		
Jared Isaacman	10% Owner	$41.04	194,250	$15,943,102
Total Purchased by all Insiders of Shift4 Payments				**$15,943,102**
10. Fortune Brands Innovations (FBIN): $38.97			**Sector: Energy**	
Edward P. Garden	Director	$33.86	466,300	$15,659,239
Total Purchased by all Insiders of Fortune Brands Innovations				**$15,659,239**

TOP 10 INSIDER SALES - May 2026

Owner	Relationship	Cost	Shares	Value
1. CoreWeave (CRWV): $109.53				**Sector: IT**
Brian M. Venturo	Chief Strategy Officer	$114.10	1,515,507	$172,920,000
Michael N. Intrator	CEO and President	$109.48	1,243,901	$136,180,000
Brannin Mcbee	Chief Development Officer	$99.82	3,683	$367,637
Sachin Jain	Chief Operating Officer	$117.40	29,360	$3,450,000
Chen Goldberg	EVP, Product & Engineering	$114.54	33,390	$3,820,000
Nitin Agrawal	Chief Financial Officer	$100.65	15,570	$1,570,000
Jeff Baker	Principal Accounting Officer	$112.76	50,595	$5,710,000
Kristen J. Mcveety	GC and Secretary	$100.58	6,079	$611,402
Karen Boone	Director	$107.52	11,580	$1,250,000
Jack D. Cogen	Director	$107.02	1,728,847	$185,010,000
Total Sold by all Insiders of CoreWeave				**$510,889,039**
2. Carrier Global (CARR): $63.87				**Sector: Industrials**
Maximilian Viessmann	Director	$62.01	12,094,823	$750,000,000
Total Sold by all Insiders of Carrier Global				**$750,000,000**
3. Sotera Health Company (SHC): $15.64				**Sector: Health Care**
Warburg Pincus	Director	$15.17	19,102,952	$289,753,580
GTCR Investment	Director	$15.17	12,735,301	$193,169,048
Total Sold by all Insiders of Sotera Health Company				**$482,922,628**

TOP 10 INSIDER SALES - May 2026

Owner	Relationship	Cost	Shares	Value
4. Life Time Group Holdings (LTH): $33.08				**Sector: Consumer Discretionary**
Eric J. Buss	EVP & Chief Admin. Officer	$32.02	192,217	$6,150,000
Parham Javaheri	EVP & President	$31.80	62,900	$2,000,000
Ritadhwaja Jebens Singh	Chief Digital Officer	$29.95	40,202	$1,200,000
Erik Weaver	Chief Financial Officer	$32.69	22,000	$719,202
Total Sold by all Insiders of Life Time Group Holdings				**$8,269,202**
5. Astera Labs (ALAB): $342.85				**Sector: IT**
Sanjay Gajendra	President and COO	$249.11	1,055,444	$262,920,000
Jitendra Mohan	Chief Executive Officer	$215.23	375,346	$80,790,000
Philip Mazzara	General Counsel	$234.95	14,872	$3,490,000
Stefan A. Dyckerhoff	Director	$200.03	12,499	$2,500,000
Total Sold by all Insiders of Dell Technologies				**$173,562,954**
6. CVS Health Corp (CVS): $90.98				**Sector: Health Care**
Larry Robbins	Director	$94.15	3,372,000	$317,470,000
Tilak Mandadi	EVP, Chief Exp & Tech Officer	$89.58	69,551	$6,230,000
Total Sold by all Insiders of CVS Health Corp				**$323,700,000**
7. Twilio (TWLO): $190.64				**Sector: IT**
Khozema Shipchandler	Chief Executive Officer	$185.70	32,158	$5,970,000
Andrew Stafman	Director	$187.93	1,675,000	$314,780,000
Erika Rottenberg	Director	$185.32	1,500	$277,974
Aidan Viggiano	Chief Financial Officer	$198.90	3,204	$637,276
Total Sold by all Insiders of Twilio				**$321,665,250**

TOP 10 INSIDER SALES - May 2026

Owner	Relationship	Cost	Shares	Value
8. Janus Henderson Group (JHG): $51.71				**Sector: Financials**
Brian M. Baldwin	Director	$51.60	6,213,418	$320,610,000
Total Sold by all Insiders of Janus Henderson Group				**$320,610,000**
9. Rush Street Interactive (RSI): $25.34				**Sector: Consumer Discretionary**
Neil Bluhm	Executive Chairman	$24.96	10,512,150	$262,380,000
Mattias Stetz	Chief Operating Officer	$25.29	191,350	$4,840,000
Kyle Sauers	Chief Financial Officer	$28.39	23,000	$652,970
Richard Todd Schwartz	Chief Executive Officer	$25.48	974,835	$24,830,000
Total Sold by all Insiders of Rush Street Interactive				**$292,702,970**
10. Symbotic Inc (SYM): $46.43				**Sector: Industrials**
Todd Krasnow	Director	$53.06	54,055	$2,870,000
James Kuffner	Chief Technology Officer	$53.51	3,878	$207,501
Charles Kane	Director	$58.26	2,000	$116,525
Total Sold by all Insiders of Symbotic				**$3,194,026**

SPINOFFS

New Spinoffs

Parent Symbol	Parent Name	Spinoff Name	Announced Date	Potential Spinoff Date	Type
FLEX	Flex Ltd.	Cloud and Power Infrastructure Segment	05/05/2026	Q1 2027	Spinoff

- **FLEX**: On May 5, 2026, Flex announced that its Board has approved a plan to spin off its Power and Cloud portfolio into a separate publicly traded company (SpinCo), creating two independent entities. Post spin-off, SpinCo will focus on digital infrastructure solutions, including power and thermal management technologies for AI data centers and mission-critical applications, positioning itself as a pure-play infrastructure and AI-enablement platform. Meanwhile, Flex (parent) will retain its core manufacturing operations, operating as a global partner across sectors such as healthcare, automotive, industrial, and communications through its Integrated Technology Solutions and Regulated Manufacturing Solutions segments. Transaction intended to be tax-free to shareholders and targeted to close in the first quarter of calendar 2027.

Completed Spinoffs

Spinoff Date	Spinoff Name & Symbol	Spinoff Performance	Parent Name & Symbol	Parent Performance
05/05/2026	ChronoScale (CHRN)	38.88%	Applied Digital (APLD)	18.56%

- **CHRN:** On May 5, 2026, Applied Digital completed the contribution of its cloud business to EKSO, creating ChronoScale Corporation (CHRN). Applied Digital received approximately 138 million shares and invested an additional $15.75 million, resulting in roughly 97% ownership of the AI infrastructure company focused on GPU-powered compute for AI training, inference, and high-performance computing. EKSO's legacy business will continue as a subsidiary.

Spinoffs Updates

- **FLEX:** Contract manufacturer Flex outlined plans for a strategic break-up to monetize its exposure to artificial intelligence, saying it would spin off its cloud and power infrastructure business into a separate publicly traded company by early 2027.
- **TXT:** Textron announced its intent to separate its Industrial segment from the company's core aerospace and defense businesses. Textron is targeting completion of the separation within 12 to 18 months, subject to regulatory approvals and board authorization.
- **APLD:** Applied Digital completed the contribution of its cloud business to EKSO Bionics Holdings, which changed its name to ChronoScale. ChronoScale began trading on the Nasdaq Capital Market under the ticker "CHRN" starting May 5, 2026. Applied Digital to retain approximately 97% ownership and invest $15.75 million at closing.
- **MIDD:** The Middleby Corporation announced that it has filed a Form 10 registration statement with the SEC for the planned spin-off of its Middleby Food Processing business.
- **CTVA:** Corteva announced that its advanced seed and genetics business will be named Vylor, Inc. The planned separation remains on track for the fourth quarter of 2026.
- **NVRI:** Enviri shareholders approved the sale of its Clean Earth division to Veolia Environnement S.A., with ~99.54% voting in favor. Prior to closing, Enviri will spin off its Harsco Environmental and Harsco Rail businesses into a new entity ("New Enviri"), with both transactions targeted for mid-2026.
- **MOD:** Modine Manufacturing Company amended its credit agreement to support the planned spin-off of its Performance Technologies business, including permitting related transactions, debt financing by a newly formed subsidiary, and escrow arrangements tied to the separation.
- **SPGI:** S&P Global announced the public filing of a Form 10 registration statement with the SEC for the planned spin-off of its Mobility division into an independent public company, Mobility Global Inc. S&P Global expects to complete the separation in mid-2026, subject to regulatory approvals and board approval.
- **SPGI:** S&P Global announced the board of directors for Mobility Global. Former CSX CEO Joe Hinrichs will serve as Chairman of the eight-member board, while Bill Eager will also join as CEO-designate.
- **MIDD:** Middleby announced that its Food Processing business will operate as Midera Food Processing ahead of its planned spinoff into a standalone public company, expected to be completed on July 6, 2026. Middleby stockholders will receive one share of Midera common stock for each Middleby share held on the record date, and Midera plans to list on the Nasdaq Global Select Market under the ticker symbol "MFP."

Spinoffs Updates

- **NVRI:** Enviri announced that the spin-off of its Harsco Environmental and Harsco Rail segments is expected to become effective on June 1, 2026. The spun-off company, currently named Enviri II and expected to be renamed Enviri, plans to list on the NYSE under the ticker symbol "NVRI." Enviri stockholders will receive one share of New Enviri common stock for every three shares of CE Holdings common stock held following the holding company merger. The SEC declared the Form 10 registration statement effective on May 8, 2026.
- **REZI:** Resideo Technologies provided an update on the planned spin-off of its ADI Global Distribution business, including the filing of ADI's Form 10 registration statement with the SEC, the announcement of leadership teams and boards of directors for both Resideo and ADI, and plans to host separate investor day events in mid-July 2026. The company expects the spin-off to be completed between the mid-third quarter and mid-fourth quarter of 2026, subject to customary conditions.
- **FDX:** FedEx announced that its Board of Directors approved the previously announced separation of its freight business, with the board declaring a pro rata dividend of 80.1% of the outstanding shares of FedEx Freight common stock to FedEx shareholders of record as of May 15, 2026. Following the separation, FedEx Freight is expected to begin trading on the NYSE on June 1, 2026, under the ticker symbol "FDXF." FedEx shareholders will receive one share of FedEx Freight common stock for every two shares of FedEx common stock held on the record date, with cash paid in lieu of fractional shares.
- **HON:** Honeywell published an amended Form 10 Information Statement for Honeywell Aerospace on May 14, 2026. The spin-off is expected to be completed in Q3 2026. Investor Day is scheduled for June 3, 2026.
- **SPGI:** Mobility Global hosted its Investor Day in New York City in connection with the planned separation on May 12, 2026.
- **CTVA:** Corteva announced that "New Corteva," its future crop protection company, will be headquartered in Indianapolis, Indiana, and Vylor, its advanced seed and genetics company, will be headquartered in Johnston, Iowa, both following the current company's planned separation in the fourth quarter of 2026.
- **SPGI:** S&P Global announced that Mobility Global, the newly formed holding company for its planned Mobility spin-off business launched a private offering of $2 billion in senior notes due 2029, 2031, and 2036. Mobility Global also entered into a $500 million senior unsecured revolving credit facility.

Spinoffs Updates

- **SPGI:** S&P Global approved the announced spin-off of its Mobility division into a standalone public company. Shareholders of record as of June 15, 2026, will receive one share of Mobility Global common stock for every S&P Global share held. The distribution is expected to become effective on July 1, 2026. "When-issued" trading under the ticker "MBGL WI" is expected to begin around June 26 and continue through June 30, while regular-way trading is anticipated to commence on July 1.
- **MSGS:** Madison Square Garden Sports announced that it has made progress towards a proposed spin-off of its New York Rangers business from its New York Knicks business by filing a confidential initial Form 10 Registration Statement with the U.S. Securities and Exchange Commission.
- **NVRI:** Enviri expects to complete the sale of Clean Earth and the spin-off of Harsco Environmental and Rail on June 1, 2026. Existing shareholders are expected to receive $15 per share in cash, after debt repayment and transaction costs, along with 1 share of the newly separated Enviri for every 3 shares currently held. "When Issued" trading for Enviri II ("new Enviri) is set to begin May 27 under ticker "NVRI WI," while regular-way trading under ticker "NVRI" is expected to begin June 2.
- **MBGL:** Mobility Global updated its Form 10 filing, adding details on its planned debt financing, capital structure, executive compensation arrangements, and separation agreements ahead of its spin-off from S&P Global.
- **MOD:** Modine said the planned spin-off of its Performance Technologies business and subsequent merger with Gentherm remains on track for completion before the end of 2026, pending SEC, shareholder, and tax approvals.
- **MFP:** Midera Food Processing filed an amended Form 10, adding executive compensation plans, severance arrangements, subsidiary disclosures as it advances its planned spin-off from Middleby.

C-SUITE TRANSITIONS - Sudden Departures

“Sudden Departures” highlights management changes where an executive or the company announces a departure at relatively short notice and the executive is expected to leave the company within 30 days. Executive transitions, when done in the normal course of business, usually take weeks or months and a sudden departure could be red flag worth exploring.

1. Pool Corporation (POOL): $181.4 — Sector: Consumer Discretionary

Name: Peter D. Arvan
Role: President and Chief Executive Officer
Details: On May 4, 2026, Pool and Peter D. Arvan mutually agreed that Mr. Arvan will cease to serve as President and Chief Executive Officer, effective May 4, 2026.

2. Rollins (ROL): $47.6 — Sector: Industrials

Name: Kenneth Krause
Role: Chief Financial Officer
Details: On May 26, 2026, the Board of Directors of Rollins announced that Chief Financial Officer Kenneth Krause resigned on May 26, 2026, effective June 15, 2026, to pursue another opportunity.

3. XPO (XPO): $214.25 — Sector: Industrials

Name: Wendy Cassity
Role: Chief Legal Officer
Details: On May 20, 2026, Wendy Cassity notified XPO of her intention to resign as chief legal officer and corporate secretary of the company effective on or about June 18, 2026. Her resignation is for personal reasons.

4. Clearway Energy (CWEN): $41.16 — Sector: Utilities

Name: Kevin P. Malcarney
Role: General Counsel
Details: On May 15, 2026, Clearway Energy announced that Kevin P. Malcarney will retire from his position as Executive Vice President, General Counsel and Corporate Secretary of the Company, effective June 1, 2026.

5. Jack In The Box (JACK): $12.45 — Sector: Consumer Discretionary

Name: Lance Tucker
Role: Chief Executive Officer
Details: As of May 8, 2026 Lance Tucker, the company’s Chief Executive Officer will no longer be serving as executive officer of the Company.

C-SUITE TRANSITIONS - Sudden Departures

6. Uber Technologies (UBER): $70.4 — Sector: Industrials

Name: Nikki Krishnamurthy
Role: Chief People Officer
Details: On May 11, 2026, Uber Technologies announced that Nikki Krishnamurthy, Chief People Officer, has stepped down from her role.

7. CRH Plc (CRH): $108.79 — Sector: Materials

Name: Nancy Buese
Role: Chief Financial Officer
Details: On May 11, 2026, CRH announced that Nancy Buese stepped down as Chief Financial Officer by mutual agreement, effective May 11, 2026.

8. Ironwood Pharmaceuticals (IRWD): $3.57 — Sector: Health Care

Name: Gregory Martini
Role: Chief Financial Officer
Details: On May 8, 2026, Gregory Martini notified Ironwood Pharmaceuticals that he is resigning from his position as Senior Vice President, Chief Financial Officer, effective May 15, 2026.

9. ITT Inc (ITT): $195 — Sector: Industrials

Name: Emmanuel Caprais
Role: Chief Financial Officer
Details: On May 6, 2026, ITT announced that Emmanuel Caprais, the company's Chief Financial Officer, would leave the company for personal reasons effective May 8, 2026.

10. Inmode (INMD): $13.93 — Sector: Health Care

Name: Yair Malca
Role: Chief Financial Officer
Details: Yair Malca has stepped down from his role as Chief Financial Officer, effective May 5, 2026.

STOCK BUYBACKS

BUYBACK ANNOUNCEMENTS

Premium members can access our list of stock buyback announcements here. We update this data daily and calculate how much of the company's market cap each buyback represents at the time of announcement. There were **150** buyback announcements in the month of May.

Given below are the **top 10** significant buyback announcements in May:

- **COUR**: On May 18, 2026, the Board of Directors of Coursera, Inc. (COUR) announced a new share repurchase program authorizing the company to repurchase up to $500 million of its Class A Common Stock, representing approximately 56% of its market cap at announcement.
- **DVN**: On May 7, 2026, the Board of Directors of Devon Energy Corporation (DVN) announced a new share repurchase program authorizing the company to repurchase up to $8 billion of its Class A Common Stock, representing approximately 28.4% of its market cap at announcement.
- **PAYC**: On May 4, 2026, the Board of Directors of Paycom Software, Inc. (PAYC) announced a new share repurchase program authorizing the company to repurchase up to $2 billion of its Class A Common Stock, representing approximately 28% of its market cap at announcement.
- **DIN**: On May 14, 2026, the Board of Directors of Dine Brands Global, Inc. (DIN) approved an additional share repurchase program authorizing the company to repurchase up to $100 million of its Class A Common Stock, representing approximately 27.5% of its market cap at announcement.
- **BILL**: On May 7, 2026, the Board of Directors of Bill.com Holdings, Inc. (BILL) announced a new share repurchase program authorizing the company to repurchase up to $1 billion of its Class A Common Stock, representing approximately 27% of its market cap at announcement.
- **DECK**: On May 21, 2026, the Board of Directors of Deckers Outdoor Corporation (DECK) approved an additional share repurchase program authorizing the company to repurchase up to $3.5 billion of its Class A Common Stock, representing approximately 24% of its market cap at announcement.
- **WEX**: On May 14, 2026, the Board of Directors of WEX Inc. (WEX) announced a new share repurchase program authorizing the company to repurchase up to $1 billion of its Class A Common Stock, representing approximately 21.5% of its market cap at announcement.
- **RLJ**: On May 4, 2026, the Board of Directors of RLJ Lodging Trust (RLJ) announced a new share repurchase program authorizing the company to repurchase up to $250 million of its Class A Common Stock, representing approximately 20% of its market cap at announcement.
- **JOYY**: On May 26, 2026, the Board of Directors of JOYY Inc. (JOYY) announced a new share repurchase program authorizing the company to repurchase up to $600 million of its Class A Common Stock, representing approximately 19% of its market cap at announcement.
- **KTB**: On May 7, 2026, the Board of Directors of Kontoor Brands, Inc. (KTB) announced a new share repurchase program authorizing the company to repurchase up to $750 million of its Class A Common Stock, representing approximately 18% of its market cap at announcement.

STOCK BUYBACKS

DOUBLE DIPPER

The Double Dipper is a screen we built of companies that are buying back their shares while their insiders are independently buying stock on the open market for their own portfolios. We are only including management insider purchases and are excluding purchases by directors and 10% owners. This month we ran the screen to look at share reductions over a two-quarter period.

Symbol	Company	%Change in Shares	Period of Report	Previous Period
FVR	FrontView REIT, Inc.	-19.94%	03/31/2026	09/30/2025
NMFC	New Mountain Finance Corp	-19.64%	03/31/2026	09/30/2025
FOUR	Shift4 Payments Inc	-18.79%	03/31/2026	09/30/2025
AISP	Airship AI Holdings	-18.08%	03/31/2026	09/30/2025
GLOO	Gloo Holdings	-16.61%	01/31/2026	07/31/2025
DFDV	DeFi Development Corp	-16.48%	03/31/2026	09/30/2025
CSR	Centerspace	-15.15%	03/31/2026	09/30/2025
FOA	Finance of America Companies	-12.92%	03/31/2026	09/30/2025
DIN	Dine Brands Global Inc	-12.56%	03/29/2026	09/30/2025
TAYD	Taylor Devices Inc	-11.19%	11/30/2025	05/31/2025
DIN	Dine Brands Global Inc	-10.61%	12/28/2025	06/30/2025
RICK	RCI Hospitality Holdings	-12.26%	03/31/2026	09/30/2025
UPST	Upstart Holdings	-11.69%	03/31/2026	09/30/2025
FBLA	FB Bancorp Inc	-11.22%	03/31/2026	09/30/2025
TMDX	Transmedics Group	-11.18%	03/31/2026	09/30/2025
IIIV	i3 Verticals Inc	-10.62%	03/31/2026	09/30/2025
DCTH	Delcath Systems	-10.07%	03/31/2026	09/30/2025

DOUBLE DIPPER

Symbol	Company	%Change in Shares	Period of Report	Previous Period
TBBK	Bancorp	-9.77%	03/31/2026	09/30/2025
ONT	Onterris	-9.74%	03/31/2026	09/30/2025
TZOO	Travelzoo	-9.5%	03/31/2026	09/30/2025
HOG	Harley-Davidson	-8.96%	03/31/2026	09/30/2025
SMPL	Simply Good Foods Company	-8.57%	02/28/2026	08/30/2025
FSEA	First Seacoast Bancorp Inc	-8.36%	03/31/2026	09/30/2025
HYNE	Hoyne Bancorp	-7.89%	03/31/2026	09/30/2025
SAMG	Silvercrest Asset Management Group	-7.86%	03/31/2026	09/30/2025
JSPR	Jasper Therapeutics	-7.83%	03/31/2026	09/30/2025
WATT	Energous Corp	-7.77%	03/31/2026	09/30/2025
MORN	Morningstar	-7.75%	03/31/2026	09/30/2025
FCNCA	First Citizens Bancshares	-7.19%	03/31/2026	09/30/2025
PENN	PENN Entertainment	-7.04%	03/31/2026	09/30/2025
CHTR	Charter Communications	-7%	03/31/2026	09/30/2025

Voluntary Disclosure: I hold long positions in all the companies in the model portfolio except SanDisk. I sold SanDisk in January 2026 and purchased memory company Micron instead.