

## Sabrient Baker's Dozen Model Portfolio – 1st Quarter 2021

| Ticker | Company Name                                      | Industry                        | Mkt Cap (\$B) | NTM EPS Growth | Fwd. PE | Fwd. PEG | Div. Yield | Notes   |
|--------|---|---------------------------------|---------------|----------------|---------|----------|------------|---|
| 1      | CHTR<br>Charter Communications, Inc.              | Cable and Satellite             | 126.6         | 44.7%          | 33.0    | 0.74     | 0.0%       | CHTR offers cable and internet services to both individuals and businesses, primarily on a subscription basis through its Spectrum brand. It is the second largest cable operator in the US. The company has shifted its priority to acquiring new internet customers instead of cable subscribers, which positions CHTR to capitalize on the rapid growth in data consumption as the work-from-home (WFH) trend continues to grow at-home data usage. Video consumption continues to transition to internet platforms, creating demand for higher speeds and higher tiers of products.   |
| 2      | COHU<br>Cohu, Inc.                                | Semiconductor Equipment         | 2.0           | 505.3%         | 18.4    | 0.04     | 0.0%       | COHU provides semiconductor test and inspection equipment, offering a broad portfolio of equipment and services for semiconductor manufacturing. The company helps produce semiconductors for a wide range of end market applications, including autonomous driving for the automotive industry, 5G capabilities for smart phones, and voice user interfaces on consumer electronics. The continued rollout of 5G is expected to be a main driver of growth over the next several years, as less than 20% of smart phones in use are currently 5G capable.  |
| 3      | DE<br>Deere & Company                             | Agricultural and Farm Machinery | 92.8          | 50.8%          | 22.5    | 0.44     | 1.0%       | DE manufactures equipment for the agriculture, landscaping, and construction industries around the world. The company is making a big push to improve the use of technology in its equipment to help farmers optimize planting techniques and maximize yields. DE is also well positioned to benefit from the expected increase in U.S. exports of corn and soybeans in 2021 as well as an expected increase in infrastructure spending under the Biden administration.   |
| 4      | DGX<br>Quest Diagnostics Incorporated             | Health Care Services            | 17.0          | 44.4%          | 10.5    | 0.24     | 1.8%       | DGX provides diagnostics testing and has a network of laboratories, patient service centers, and phlebotomists around the country. The company has become the leader in COVID-19 testing and has introduced new innovations to the testing system including the first approved rapid at-home testing kit. The pandemic has allowed DGX to strengthen key relationships with Walmart and CVS as those companies work to expand access to testing around the country. The company is also benefiting from increased consumer engagement, with roughly 13 million patients signing up for DGX's patient portal, which is expected to help the company drive future revenues. |
| 5      | EBS<br>Emergent BioSolutions Inc.                 | Biotechnology                   | 5.7           | 89.1%          | 9.8     | 0.11     | 0.0%       | As a life sciences company, EBS creates medical countermeasures, including various vaccines, to address public health threats. The company has signed several contracts to help manufacture COVID-19 vaccines developed by other companies, including Johnson & Johnson, AstraZeneca, Novavax, and Vaxart. EBS recently gained FDA approval for the extension of the shelf life of its NARCAN Nasal Spray, which is used to help counteract opioid overdoses. This comes as opioid-related deaths continue to rise across the U.S. and Canada, where it is recommended to provide a naloxone kit to anyone prescribed opioids.  |
| 6      | KNX<br>Knight-Swift Transportation Holdings Inc.  | Trucking                        | 7.4           | 41.2%          | 13.2    | 0.32     | 0.7%       | KNX provides trucking, logistics, and intermodal transportation services in the U.S. and Mexico. This year is expected to be a strong year for the trucking industry as widespread inventory restocking and strong demand are projected to lead to increased rates during 2021. KNX is well positioned to benefit from economic reopening and the rectifying of supply chains that were disrupted early on due to COVID-19 and the growth in e-commerce where the company's largest customer, Walmart, continues to fight for more market share.  |
| 7      | LPX<br>Louisiana-Pacific Corporation              | Forest Products                 | 4.2           | 103.1%         | 7.9     | 0.08     | 1.5%       | LPX manufactures building products primarily used in new home construction, repair & remodeling, and outdoor structures. The company is benefiting from a strong housing industry as demand for single family housing exceeds supply and current homeowners take on more remodeling projects. LPX's SmartSide products, which utilize engineered wood strand technology, continue to be best sellers as they offer better protection from the elements and are easier to install than the alternatives.   |
| 8      | MTSI<br>MACOM Technology Solutions Holdings, Inc. | Semiconductors                  | 4.3           | 69.0%          | 38.4    | 0.56     | 0.0%       | As a semiconductor manufacturer, MTSI produces products for data centers, telecommunications, industrial, and defense applications. The company is working to expand its presence in 5G with plans to release new products in the space over the next year. MTSI is working closely with cloud service providers to grow its data center business and helping to support emerging applications such as next generation passive optical networks.  |

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| 9      | NEM          | Newmont Corporation        | Gold                     | 49.9           | 95.2%   | 15.2     | 0.16       | 2.6%  | NEM takes part in the exploration and production of gold, copper, silver, zinc, and lead in the U.S. and internationally. The company has the largest gold reserves in the world, totaling over 100 million ounces. NEM has been working to increase production with new development projects in Australia and Peru that will help the company ramp up to 6 million ounces of gold production per year. Gold price trends are expected to remain positive over the next year due to the expanding global money supply, high sovereign debt levels, currency debasement, and economic uncertainty, while prices of industrial metals should rise with global economic recovery and expansion. |
| 10     | NTGR         | NETGEAR, Inc.              | Communications Equipment | 1.2            | 36.9%   | 12.9     | 0.35       | 0.0%  | NTGR produces networking and internet connected products including modems, routers, Wi-Fi home systems, and Wi-Fi range extenders. The company is well positioned to benefit from the rapidly growing smart home trend and the work-and-stay-at-home trend resulting from COVID-19. As internet consumption in the home continues to rise, NTGR's Wi-Fi 6 product line is capable of handling the unprecedented amount of bandwidth consumption. Demand for faster speeds inside the home is leading to more frequent upgrading of home network equipment.   |
| 11     | PHM          | PulteGroup, Inc.           | Homebuilding             | 11.8           | 24.2%   | 8.0      | 0.33       | 1.3%  | PHM is a national homebuilder with operations in over 40 of the country's largest cities and covers a wide range of housing price points including both first-time buyers and move-up buyers. During the COVID-19 pandemic, the homebuilding industry continues to be one of the bright spots of the economy as demand for new homes continues to outpace supply. PHM's backlog value increased 32% over the last year to \$6.6 billion, the highest level in over a decade. The company is experiencing strong demand across all consumer groups, helping to push home prices up. PHM should also continue to benefit from this prolonged period of exceptionally low interest rates.       |
| 12     | RE           | Everest Re Group, Ltd.     | Reinsurance              | 9.3            | 78.1%   | 11.1     | 0.14       | 2.7%  | RE offers insurance and reinsurance products in the U.S. and internationally, including property & casualty and specialty lines like marine, aviation, surety, accident, and health. The company has been able to exhibit strong growth in an improving market environment. Gross written premiums in reinsurance increased 20% over the last year. The growth was driven by rising premiums, new business opportunities, increased share with existing customers, and strengthening in both its balance sheet and investment portfolio.   |
| 13     | WGO          | Winnebago Industries, Inc. | Automobile Manufacturers | 2.3            | 64.0%   | 11.8     | 0.18       | 0.7%  | WGO continues to improve its position in the RV industry. The company successfully expanded its product offerings to include more towables, the faster growing part of the market. With the recent acquisition of Newmar, WGO is working to expand into the luxury end of the market. Newmar will expose WGO to a new segment of the RV market, while also providing higher margins. The company should continue to benefit from prolonged social distancing measures as vacationers look for alternatives to air travel.  |

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|-----------------|---------------|----------------|---------|----------|------------|
| <b>Average:</b> | 25.7          | 95.8%          | 16.4    | 0.17     | 1.0%       |
| <b>Median:</b>  | 7.4           | 64.0%          | 12.9    | 0.20     | 0.7%       |

**DEFINITIONS:**

**NTM EPS Growth** = Next 12 months earnings per share year-over-year expected growth rate, based on consensus of sell-side analysts as reported by S&P Capital IQ

**Fwd. PE** = Forward (or expected) Price/Earnings ratio, based on consensus of sell-side analysts' earnings per share estimates for the next 12 months as reported by S&P Capital IQ

**Fwd. PEG** = Fwd. PE divided by NTM EPS Growth rate (i.e., Ratio of Forward P/E to Forward Growth)

Numbers shown were calculated using data as of market close on 1/19/2021

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