

Sabrient Baker's Dozen Model Portfolio – 1st Quarter 2023

Ticker	Company Name	Industry	Mkt Cap (\$B)	NTM EPS Growth	Fwd. PE	Fwd. PEG	Div. Yield	Notes	
1	ACGL	Arch Capital Group Ltd.	Property and Casualty Insurance	23.3	36.9%	11.6	0.31	0.0%	ACGL sells a variety of insurance products, including property, casualty, and mortgage insurance. The company is expected to capitalize on rising home prices and a tightening of credit criteria for mortgages that should lead to increasing demand for mortgage insurance. Its travel insurance business should benefit from high demand for air travel as airlines expect increased travelers over the next year.
2	COLL	Collegium Pharmaceutical Inc.	Pharmaceuticals	0.9	122.8%	4.1	0.03	0.0%	COLL is a pharmaceutical company focused on developing medicines for serious medical conditions that create high levels of pain. The company prides itself on offering an alternative to opioid treatments for patients with severe pain that requires a long-term, around-the-clock solution. Its primary drug, Xtampza ER, includes abuse deterrent properties that make it a safer alternative to opioid treatment. The company recently acquired BioDelivery, which facilitates its expansion into the migraine treatments market.
3	DAL	Delta Air Lines Inc.	Airlines	24.5	60.4%	7.5	0.12	0.0%	As a passenger airline, DAL operates flights across the U.S. and internationally utilizing a fleet of roughly 1,200 aircraft. The company has already surpassed 2019 sales levels and is anticipating record demand in 2023 as business travel continues to ramp up. DAL has dramatically increased its number of employees over the past year to be better equipped to handle the growing demand and avoid delays due to worker shortages. The company is also planning to be the first major U.S. airline to offer fast, free, and unlimited Wi-Fi on domestic flights.
4	DAR	Darling Ingredients Inc.	Agricultural Products	10.4	42.8%	9.9	0.23	0.0%	DAR is an agricultural products company that converts food waste into sustainable food products and renewable energy. As a supplier of livestock feed, the company serves as a hedge against inflation that benefits from rising protein and animal fat prices over the next year. The company is also capitalizing on the rapid growth of collagen protein through its Valley Proteins brand.
5	EQT	EQT Corporation	Oil and Gas Exploration and Production	12.5	109.6%	5.2	0.05	1.8%	With operations primarily in the Appalachian region, EQT is one of the largest producers of natural gas in the country. Global supply of natural gas remains low as the European energy crisis continues due to political fallout with Russia and the destruction of the Nord Stream pipelines. The company has worked to become more sustainable over the long term by reducing its greenhouse gas emissions and has plans to pay down \$4 billion of debt in 2023. Following several strategic acquisitions in recent years, EQT is positioned to increase production to meet growing global demand for natural gas.
6	EVBG	Everbridge Inc.	Application Software	1.1	401.2%	23.7	0.06	0.0%	EVBG operates a software-as-a-service (SaaS) platform that helps automate and accelerate operational response to crisis events. The company aids its customers in responding to crises like natural disasters, supply chain interruptions, civil unrest, and cyber attacks. Its client base consists of several of the largest companies across technology, banking, and healthcare, along with local governments and airports. EVBG continues to acquire large customers, setting it up for solid growth over the next year.
7	EXTR	Extreme Networks Inc.	Communications Equipment	2.4	43.0%	16.9	0.39	0.0%	EXTR provides software-driven networking solutions for large scale applications like those in schools, hospitals, stadiums, and cities. The company is experiencing increasing demand for its fabric and cloud solutions, offering network automation, hyper segmentation, and elevated security. This gives the company's customers greater control over their own networks and provides EXTR with a recurring revenue stream, which has grown 41% over the last year.
8	LNTH	Lantheus Holdings Inc.	Health Care Supplies	3.7	31.9%	13.3	0.42	0.0%	As a health care supplies company, LNTH produces diagnostic and therapeutic products that help identify heart problems, cancer, and other serious medical conditions. The company is a market leader in imaging agents, with the top ultrasound enhancing agent and the most used radiopharmaceutical imaging agent in the U.S. PYLARIFY, used during prostate cancer screenings and treatment, received approval last year and is quickly becoming the industry standard due to its high precision. CT and PET scans are rapidly growing as radiopharmaceuticals improve the ability to fight cancer.

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9	MKL	Markel Corporation	Property and Casualty Insurance	18.5	33.4%	17.6	0.53	0.0%	MKL offers property & casualty insurance products, along with general & professional liability, collateral protection, and specialty programs across the U.S. and internationally. The company is seeing growth in its core insurance business with gross written premiums increasing 19% in the last year. This was driven by new business, better rates and new product offerings. MKL is also benefiting from elevated interest rates to earn higher investment returns on its claims reserves.
10	NEX	NexTier Oilfield Solutions Inc.	Oil and Gas Equipment and Services	2.1	97.9%	4.1	0.04	0.0%	NEX provides well completion and production services to the oil & gas industry. Increased spending by hydrocarbon producers is expected to benefit NEX as demand for the company's services runs high. Global oil production is expected to increase in 2023 with U.S. producers playing a big role. In order to meet current expansion projections, investments in the current supply chain will need to be made to handle higher capacity and solve the current frac fleet bottleneck, benefitting NEX.
11	PFBC	Preferred Bank	Regional Banks	1.0	8.8%	7.3	0.83	3.1%	PFBC is a regional bank located in Los Angeles that provides services to individuals, real estate developers, and small to medium-sized enterprises (SMEs). The bank is expected to be a beneficiary of elevated interest rates as the company's average loan yield improves. Its net interest margin has steadily increased over the past year and is expected to continue to grow.
12	TALO	Talos Energy Inc.	Oil and Gas Exploration and Production	1.7	29.5%	4.9	0.17	0.0%	TALO is an independent producer of oil & gas with operations focused in the Gulf of Mexico. The company recently acquired EnVen Energy, which is expected to add approximately 24,000 barrels of oil equivalent (BOE) per day to production and double the company's deep-water facility footprint. TALO is also making strides in its Low Carbon Solutions business, targeting carbon capture, sequestration, and decarbonization, which should allow it to benefit from the 2022 Inflation Reduction Act.
13	ZION	Zions Bancorporation, National Association	Regional Banks	7.4	26.2%	7.6	0.29	3.4%	ZION is a regional bank with operations in the Southwest and West Coast. The company provides corporate banking services to small and medium-sized enterprises (SMEs), along with real estate and retail services. Elevated interest rates have benefited ZION by increasing the bank's net interest margin. Net interest income has grown 19% over the last year and is expected to continue growing as the bank's loan-to-deposit ratio returns to pre-pandemic levels.

	Mkt Cap (\$B)	NTM EPS Growth	Fwd. PE	Fwd. PEG	Div. Yield
Average:	8.4	80.3%	10.3	0.13	0.6%
Median:	3.7	42.8%	7.6	0.18	0.0%

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 1/19/2023

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