

## Sabrient Baker's Dozen Model Portfolio – 2nd Quarter 2021

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	15.9	109.7%	14.0	0.13	0.0%	ACGL sells a variety of insurance products including property, casualty, and mortgage insurance. A strong housing market is expected to benefit the company over the next year, following the most active year for existing home sales since 2006. ACGL is well positioned to capitalize on rising home prices and a tightening of credit criteria for mortgages that will lead to increasing demand for mortgage insurance. New insurance written for the company reached \$38 billion in the fourth quarter of 2020, representing a 60% increase from 2019.
2	AMAT	Applied Materials, Inc.	Semiconductor Equipment	120.1	34.8%	21.2	0.61	0.7%	AMAT produces systems and equipment needed to manufacture semiconductor chips. The semiconductor chip shortage is driving demand for new manufacturing systems as chip makers work rapidly to expand production capacity. The shortage of semiconductor chips is caused by a rapid increase in use of semiconductors across several industries such as cloud computing, data centers, automotive, and the new 5G network. AMAT is also well positioned to benefit from new semiconductor manufacturing facilities being built in the U.S.
3	AXTA	Axalta Coating Systems Ltd.	Specialty Chemicals	7.4	42.0%	16.8	0.40	0.0%	AXTA makes a wide range of liquid and powder-based coatings used by the industrial, construction, and automotive industries, including heavy duty trucks, buses, agricultural equipment, and construction machines. The company is well positioned to capitalize on the growth in commercial vehicle production due to increases in regional haul trucking driven by e-commerce growth and improved supply chains. AXTA will also benefit from auto manufacturers returning production to pre-pandemic levels and a strong residential housing construction market.
4	DBX	Dropbox, Inc.	Application Software	10.5	36.0%	20.7	0.57	0.0%	DBX operates a file hosting service and offers cloud storage, file synchronization, and client software. The company has been a major beneficiary of the work-from-home trend as the company's platform allows employees to easily share files and information. The company has expanded its product offering to better serve the remote workforce by expanding its ability to offer e-signature, increasing its level of security, and launching new tools to better handle project workflows. In 2021 DBX will be rolling out Spaces, a new platform dedicated entirely to making remote work easier and more organized.
5	KFY	Korn Ferry	Human Resource and Employment Services	3.5	69.9%	19.8	0.28	0.6%	KFY provides organizational consulting services, primarily executive search, professional search, and recruitment process outsourcing. The COVID-19 pandemic significantly changed the structure of business operations. As companies transition to a post-pandemic world, KFY will assist companies in that transition. Companies are beginning to hire new talent following widespread hiring freezes initiated last year, and KFY helps match top talent from across the country to key positions. Large company consulting engagements for KFY are also on the rise, up 23% year-to-date, signaling more opportunities for growth over the next year.
6	MBUU	Malibu Boats, Inc.	Leisure Products	1.7	64.7%	13.1	0.20	0.0%	MBUU produces and sells recreational powerboats under the Malibu, Axis, Cobalt, and Pursuit brands. Consumer spending and leisure habits have changed following the COVID-19 pandemic which has led to a rise in outdoor activities and recreational vehicle purchases in lieu of air travel and vacation spending. Increased demand for boats has driven up the average sales price of MBUU's boats over the past year and pushed the company's backlog to historic levels. MBUU recently acquired Maverick Boat Group, expanding its luxury product line and enhancing the company's saltwater boat offerings.
7	MGA	Magna International, Inc.	Auto Parts and Equipment	28.8	91.2%	12.5	0.14	0.0%	MGA is a Canadian-based supplier to the automotive industry. The company produces a wide range of products, from body exteriors and seats to power systems and autonomous driving technology. As auto manufacturers continue to ramp up production following COVID-19 and semiconductor chip-related slowdowns, MGA is well positioned to benefit as the supply shortage is rectified over the next year. The company recently entered into a partnership with LG to enhance its portfolio of powertrain products, strengthening its position in the rapidly growing electric vehicle market.
8	REGN	Regeneron Pharmaceuticals, Inc.	Biotechnology	52.0	42.8%	11.1	0.26	0.0%	As a pharmaceutical company, REGN creates drugs used to treat a wide range of diseases and conditions ranging from cancer, cardiovascular, allergy, and infectious diseases. Dupixent, a drug used to treat allergy-related conditions such as eczema and asthma, saw sales grow 75% over the last year to roughly \$4 billion globally. Sales of Dupixent are expected to continue growing at a rapid rate as only 6% of eligible patients in the U.S. have been treated with the drug. The company has also made significant progress on treatments for infectious diseases, with Inmazeb becoming the first FDA approved treatment for Ebola and REGEN-COV receiving emergency use authorization by the FDA for the treatment of COVID-19.

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9	SEM	Select Medical Holdings Corporation	4.9	23.3%	15.6	0.67	0.0%	SEM operates a variety of healthcare facilities, such as critical illness recovery hospitals, rehabilitation hospitals, outpatient clinics, and occupational health centers. Occupancy rates have risen significantly over the past year at SEM's critical illness recovery and rehab facilities. Patient days have seen double-digit growth in the most recent quarter, driven in part by COVID-19. The company's outpatient and occupational health centers are expected to provide growth over the next year as economies reopen and more people return to work.
10	TOL	Toll Brothers, Inc.	7.5	45.7%	11.0	0.24	1.1%	TOL is a homebuilder that focuses on higher price point offerings, building luxury housing single family homes, apartment buildings, and active-adult communities. Over the past year demand for new homes continues to outpace supply, pushing housing prices higher and increasing the company's backlog up 37% over last year. TOL offers custom built homes with numerous opportunities for upgrades, which customers are utilizing more than ever to get their desired dream home. In the most recent quarter, customers increased the price of their homes by 26% over the base price through premium upgrades, well above the company's historical average of 21%.
11	VSH	Vishay Intertechnology, Inc.	3.7	96.4%	14.3	0.15	1.5%	VSH manufactures semiconductors and electronic components used in a wide range of end market applications including aviation, space exploration, computing, telecommunications and automotive. The company is experiencing increased demand for its products driven by increased industrial automation, new energy generation and transmission systems, and the continued rollout of the 5G network. Continued demand for tools to support the work-from-home trend, such as computers and cloud storage, will also benefit VSH. Increased reliance on semiconductors in the automotive industry will also drive demand for the company's semiconductors over the long term.
12	XEC	Cimarex Energy Co.	6.2	344.3%	9.5	0.03	1.7%	As an oil and gas exploration and production company, XEC operates primarily in Texas, Oklahoma, and New Mexico. The company is investing heavily to increase production in 2021 and 2022 by bringing 73 new wells online over the next year. The company is well positioned to benefit from increasing demand for oil as the economy continues to recover from the COVID-19 pandemic. Following cost-cutting measures taken in 2020, XEC expects to remain free cash flow positive with oil prices above \$35 per barrel (its over \$63 today).
13	XPO	XPO Logistics, Inc.	15.1	192.3%	24.8	0.13	0.0%	As a global transportation and logistics company, XPO is a major beneficiary of growth in e-commerce. Demand for outsourced transportation and logistics services grew significantly during the COVID-19 pandemic as companies found new ways to deliver products to customers. XPO is one of the best alternatives to Amazon for small businesses looking to outsource fulfillment services. The company has also been investing heavily in technology to improve efficiency, increasing the use of robots by roughly 4x over the last year.

	Mkt Cap (\$B)	NTM EPS Growth	Fwd. PE	Fwd. PEG	Div. Yield
<b>Average:</b>	21.3	91.8%	15.7	0.17	0.4%
<b>Median:</b>	7.5	64.7%	14.3	0.22	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 4/19/2021

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