

Sabrient Baker's Dozen Model Portfolio – 2nd Quarter 2022

Ticker	Company Name	Industry	Mkt Cap (\$B)	NTM EPS Growth	Fwd. PE	Fwd. PEG	Div. Yield	Notes	
1	AA	Alcoa Corporation	Aluminum	16.0	86.5%	6.8	0.08	0.4%	AA is a domestic aluminum producer that also participates in bauxite mining and alumina refining. The company is working to become a lower-cost and lowest carbon-emitting aluminum producer through the company's new proprietary smelting process. This new technology is expected to give AA a major advantage over its competitors as the price of aluminum continues to rise. The global supply of aluminum is currently being curtailed, due to Chinese producers being hit with new environmental regulations and European producers struggling with high energy costs. This allows AA to gain market share.
2	ACLS	Axcelis Technologies, Inc.	Semiconductor Equipment	1.9	44.6%	13.9	0.31	0.0%	ACLS produces semiconductor manufacturing equipment, primarily ion implanters that assist in the fabrication process of extremely small chips. The company's equipment is helping to produce new chips and is allowing the company to capitalize on the growing global demand for semiconductors. The increased use of chips in the power devices and automotive industry, as well as the recent chip shortage, has led to increased investment in new fabrication facilities as chipmakers work to expand production capacity. Recent government incentive programs are also set to benefit ACLS as semiconductor manufacturers expand their geographic footprint with production facilities in new countries.
3	AVGO	Broadcom, Inc.	Semiconductors	244.0	23.8%	16.2	0.68	2.8%	As a global technology leader, AVGO designs and develops a broad range of semiconductor and infrastructure solutions. The company continues to benefit from the growth of connectivity as telecom providers invest in 5G and in deploying next-generation fiber to the home. Demand for the company's cloud storage solutions are also expected to rise due to the growth of video content on social media that needs to be stored. Both of AVGO's networking and server storage connectivity segments are growing revenues over 30% and are expected to be major drivers of growth going forward.
4	BOX	Box, Inc.	Application Software	4.6	33.6%	28.5	0.85	0.0%	BOX operates as a software-as-a-service platform that provides cloud content management, enabling organizations to better manage and share content. The company primarily serves financial services, healthcare, government, and legal services industries. BOX is a major beneficiary of the work-from-anywhere trend that has grown significantly in the last two years and will continue for the foreseeable future. The company has increased its security capabilities to help its customers combat cyber attacks and keep their data safe. The success of the company over the last year has allowed it to win larger contracts with bigger companies and enter into partnerships with leading business technology companies such as Zoom, Slack, Cisco, and Microsoft.
5	CF	CF Industries Holdings, Inc.	Fertilizers and Agricultural Chemicals	22.4	171.0%	6.5	0.04	1.1%	As a manufacturer of hydrogen and nitrogen products, CF sells its products for use as energy, fertilizer, emissions abatement, and other industrial activities. Demand for fertilizer continues to rise as food prices increase and farmers work to increase crop production. Prices for corn and soybeans are near 10-year highs and are expected to remain elevated due to inflation, higher energy prices, and the ongoing Russian-Ukrainian conflict. Global nitrogen demand continues to increase as farmers work to replenish global grain stocks and make up for the reduction of production in Eastern Europe.
6	COP	ConocoPhillips	Oil and Gas Exploration and Production	131.6	123.2%	7.6	0.06	1.8%	COP produces, transports, and markets oil and natural gas products worldwide. The company was able to significantly increase production due to several major acquisitions in the Permian basin. This should allow COP to better capitalize on elevated oil prices which are currently above \$105 per barrel. The company has increased its return of capital to shareholders by increasing dividend payments by 7% over the last year and it is expected to increase further in 2022.
7	DVN	Devon Energy Corporation	Oil and Gas Exploration and Production	41.8	108.0%	8.6	0.08	6.3%	DVN is an oil and gas production and exploration company with operations across the U.S. The company is experiencing great performance from its assets in the Delaware Basin, driving increased productivity and higher margins. DVN expects to bring online 40 new wells over the next year. This comes after the company increased production by 34% over the last year. The company appears poised to capitalize on elevated oil prices, which are currently above \$105 per barrel.
8	MRC	MRC Global, Inc.	Trading Companies and Distributors	1.1	214.2%	15.4	0.07	0.0%	MRC is a distributor of pipes, valves, fittings, and other infrastructure products to the energy, industrial, and gas utility industries. Aging pipelines that need to be updated and infrastructure build-outs for new home construction are key drivers of demand for the company's gas utilities business. Demand for new housing and new housing starts continues to remain strong in the West and South markets, where a majority of the company's customers operate. MRC's upstream production and midstream pipeline segments are set to benefit from increasing spending and production from the major domestic oil producers.

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9	ON ON Semiconductor Corporation	Semiconductors	24.4	41.4%	13.6	0.33	0.0%	ON develops and manufactures semiconductors used for advanced power, sensing, and imaging with a wide range of end-market applications including cars, industrial power, internet of things, personal electronics, and the defense industry. The company is benefiting from the increased use of technology in automobiles, as well as the increased use of electric vehicles. ON's semiconductors are used in cars to help power display screens, climate control systems, and autonomous driving sensors. The company also produces devices used in electric vehicle charging stations, which are rapidly being built to support the growing electric vehicle market.
10	PFE Pfizer, Inc.	Pharmaceuticals	282.2	60.4%	7.1	0.12	3.1%	PFE develops, manufactures, and distributes biopharmaceutical products including vaccines, medicines, and treatments. The company is one of the main producers of COVID-19 vaccines, and a new PFE vaccine was recently approved for use in children aged 5-11 years old. In addition, the company has a robust pipeline of new drugs preparing to hit the market, including the recently approved CIBINQO, a treatment for atopic dermatitis. PFE is also a leading researcher in cancer treatments, including new solutions to treat leukemia and cancers of the breast, kidney, and prostate.
11	PHM PulteGroup, Inc.	Homebuilding	10.5	41.4%	4.2	0.10	1.4%	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. Demand for new homes continues to outpace supply as the industry is working to make up for years of underproduction following the 2008 mortgage crisis. The company is experiencing strong demand across all consumer groups, helping to push average home prices up by double-digits. Rising rental rates are likely to be a key driver of demand for home ownership over the next year.
12	SAIA Saia, Inc.	Trucking	5.4	32.6%	16.7	0.51	0.0%	SAIA is a transportation company that specializes in less-than-truckload services. The company is seeing an increase in demand, with shipments and tonnage growing significantly over the last year. Prices and margins are also on the rise, with revenue-per-shipment increasing faster than cost. SAIA is also working to expand its geographic footprint by opening new terminals at a faster pace to reach new markets.
13	VLO Valero Energy Corporation	Oil and Gas Refining and Marketing	44.1	278.4%	11.7	0.04	3.6%	VLO refines and sells petrochemical products and transportation fuels such as gasoline, diesel, jet fuel, renewable diesel, and ethanol. Refining throughput volumes increased 483k barrels per day over the last year as gasoline supply remains tight. The company is also investing heavily to expand its low-carbon businesses as demand for its renewable diesel and ethanol continues to rise. VLO is also expected to benefit from increased air travel as demand for jet fuel looks to return to pre-pandemic levels.

	Mkt Cap (\$B)	NTM EPS Growth	Fwd. PE	Fwd. PEG	Div. Yield
Average:	63.9	96.8%	12.1	0.12	1.6%
Median:	22.4	60.4%	11.7	0.19	1.1%

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 4/19/2022

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