In the City of the Machines...

DAN FERRIS

Nov 7, 2025 3:00 PM | Extreme Value | Monthly Issues

In this article

Recommended
BRC K IWN IWF GSG IWV

Buy This Stealth AI Stock With Legally Required Products

The machines have arrived... and they're multiplying fast in New Carlisle, Indiana...

For most people, New Carlisle is little more than an exit sign they pass on Interstate 90 as they race to and from Chicago, about 80 miles west.

But if you got off the freeway and headed about 8 miles south, you'd see it. Seven monoliths rising up from a 1,200-acre stretch of farmland near Huckleberry and Gordon Roads. Each structure spreads across 200,000 square feet. Each one is teeming with the machines...

A little more than a year ago, the New

In This Issue

Carlisle site was just an empty cornfield. Amazon (AMZN) bought the land in early 2024, and today it's part of the most important growth industry in our economy.

Several Positions

Of course, when I mention machines, I'm not talking about alien robots. The buildings in New Carlisle house servers made right here on Earth... powerful computers that enable cloud computing and artificial intelligence ("AI").

Right now, companies like Amazon, Meta Platforms (META), and OpenAI are battling each other to be the dominant provider of AI technology. And that means spending billions of dollars on gigantic data centers. Amazon is investing $11 billion on just the New Carlisle site...

These massive buildings range from tens of thousands to millions of square feet. For the moment, the biggest data center in the country is Meta Platforms' campus in Prineville, Oregon, comprising more than 4.5 million square feet.

It won't hold the title for long. When Amazon completes its New Carlisle site, it will be a sprawling 30-building, 7 million-square-foot campus. Given the present trend toward larger and larger "hyperscale" data centers for AI, we suspect the largest one today will be dwarfed by the largest one five years from now.

And we're building these colossal cities for the machines to live and work at a blistering pace – much faster than we're building places where we can live and work ourselves...

According to the U.S. Census Bureau, new single-family housing under construction has fallen since June 2022, from around 830,000 homes a year to 611,000.

Buildings where people work are faring even worse. According to global real estate services provider Cushman & Wakefield, new office construction "has been declining precipitously since its 2020 peak" and is now at all-time lows.

Data centers are a different story. A recently published study commissioned by the Fiber Broadband Association in Washington, D.C. expects the number of data centers in the U.S. to triple by 2029 – just four years from now.

In the U.S., we're spending roughly $40 billion per year building data centers. We're spending about $44 billion per year building offices... And that number is falling.

Like we said, the machines are taking over.

Most data centers house anywhere from a few hundred to more than a million servers, sitting on row after row of metals racks. You've probably heard about the voracious demand for electricity created by these facilities. But today, I want to focus on a different aspect of these centers...

All those machines can mean millions of miles of wires, cables, and pipes...

A Mission-Critical Product You Never Think About

The servers in AI data centers require tens of thousands of processing chips that are interconnected with millions of miles of wires and cables. All those connections turn the entire data center into a giant supercomputer.

That translates to plenty of new demand for a wide variety of products you probably don't think much about...

You see, just like human workers need to carry coded ID cards to enter office buildings, factories, and warehouses... the machines, wires, pipes, and other inanimate occupants of these data centers must be identified for safety and to comply with building codes.

So if you were to go into a data center, you'd see lots of labeling like this...

www.stansberryresearch.com Source: brady.eu

Without proper labeling, things can go awry. We saw one such example of this back in 2020 when IT service-management company Cloudflare (NET) suffered a power outage lasting more than four hours because a technician pulled wires he wasn't supposed to. As the company later reported, "We should take steps to ensure the various cables and panels are labeled for quick identification."

Had Cloudflare's wires and panels been properly labeled, the outage would've been a quick fix... or perhaps wouldn't have happened at all.

In our modern day when every minute of downtime costs a technology company money, labeling is more important than ever.

And it's not just data centers, either. Labeling is mission critical in health care and other sensitive laboratory settings. Labs require durable, multilayer materials that can withstand low-temperature storage.

Plus, as President Donald Trump's administration brokers deals to bring back and expand manufacturing on U.S. shores, that means a general manufacturing construction boom is likely on the way.

All that new manufacturing capacity will mean thousands of types of machines and perhaps even millions of miles of wires, cables, and pipes – all of which will require durable, high-performance labeling to maintain safety and compliance with building codes.

That's why, this month, we're recommending a pioneer in the labeling and product-identification space. This company has been around for more than 100 years and is a trusted name. About 88% of Fortune 500 companies rely on this leader.

Yet because of tariffs, investors are running scared. That gives us a great opportunity to get into this undervalued stock before Mr. Market realizes his mistake.

From Ice-Cream Parlor Signs to Falcon 9 Rockets

Milwaukee, Wisconsin-based **Brady (NYSE: BRC)** is a 111-year-old company that manufactures products to label, identify, and protect buildings, their contents, and the people who work in them.

The company's beginnings were modest. In 1914, founder William H. Brady left his job with a maker of calendars, yardsticks, and other items printed with advertising. He founded his own company to make similar items and was soon also providing colorful displays for ice-cream parlors, beer signs printed on glass, point-of-purchase displays, and roadside advertising signs.

Brady first diversified out of photographic calendars and window displays in 1940. That year, the company began offering labels that would keep wires and cables in commercial aircraft identified, even in extreme heat.

Then in 1944, William's son Bill Jr. discovered adhesive cards from which numbered cloth strips could be taken and wrapped around electrical wires to identify them. The pressure-sensitive adhesive they used was new back then, and the product filled an urgent need to identify what you might think of as the wartime data centers of the day: ships and planes increasingly filled with dense masses of wires and cables.

That first foray into high-tech, high-performance labeling gave birth to the Brady we know today. The company now makes high-performance labeling products for more than 300,000 customers in more than 100 countries around the world. It services a wide array of industries, from space travel and entertainment to public utilities and manufacturing.

You might not use Brady products, but you surely have regular contact with them without even realizing it. They're everywhere people live and work.

For example, do you travel frequently by air? Well, 70% of commercial aircraft contain components that are identified by Brady products. The company's products have also been used in spacecraft from the Gemini program of the 1960s to today's SpaceX Falcon 9 rockets.

Brady markers were used for pipes for the Manhattan Project, which built the first atomic bombs. And they were used on the Alaskan pipeline. Brady also makes absorbents, at least one of which was used to help clean up the Deepwater Horizon oil spill. Plus, roughly 88% of Fortune 500 companies are Brady customers.

Brady produces more than 50,000 products that fall into five broad categories:

Safety and facility identification and protection includes things like safety signs, traffic signs, floor-marking tape, pipe markers, and labeling systems.

Product identification includes things like printing systems and radio-frequency identification, as well as barcode scanners for product identification, direct-part marking, and engraving equipment.

Wire identification products include handheld printers, wire markers, sleeves, and tags.

Health care identification includes wristbands, labels, printing systems, and other products used in hospital, laboratory, and other health care settings for tracking and improving the safety of patients.

People identification includes name tags, badges, lanyards, rigid card-printing systems, and access-control software.

Many of Brady's products are legally required through building codes. For example, pipes and wires must be marked for safety and maintenance. In a 2 a.m. emergency, you don't have time to sit around guessing what each wire or pipe does. Accurate labeling can eliminate wasted hours trying to trace the path of pipes and wires.

We're not talking about the sort of labeling devices you find in any office-products store, either. Brady's products are critical parts of our nation's commercial and industrial real estate infrastructure. They're rigorously tested and designed to maintain legibility without fading or smearing due to extreme temperatures, chemical exposure, moisture, abrasion, high pressure, static electricity, light exposure, fire exposure, or aging.

Buildings can contain thousands of Brady labels. Building owners can't afford to fall out of compliance with building codes simply because the weather outside hit a record extreme or because the heat output of the machines inside might be higher than normal for whatever reason. Reliability in extreme environments is critical, and Brady is known for providing reliable labeling.

Brady spent $80 million last year on research and development. To date, it has been issued more than 375 patents.

Put simply, Brady provides mission-critical products for global industrial concerns in a variety of settings, including the rapidly growing data-center industry that's powering AI.

Why We Like This Stock Right Now

Brady shares are currently priced as if the business will barely grow and will generate subpar profits. We disagree with this dour assessment, as it simultaneously overstates the tariff impacts Brady is experiencing and ignores the company's significant growth opportunities...

Brady sells thousands of products globally to a wide variety of industries, many of which have been roiled by Trump's tariffs. Three years ago, the weighted-average U.S. tariff applied on imports was 1.5%. As of this month, the nonpartisan Tax Foundation estimates that figure has risen to 18.2%, its highest since 1943.

According to a Reuters analysis of hundreds of corporate statements, regulatory filings, and earnings calls between July 16 and September 30, Trump's tariffs are expected to raise costs for these companies by between $21 billion and $22.9 billion this year. They'll add another $15 billion in costs in 2026. These additional costs are, in turn, forcing companies worldwide to rethink where they will manufacture goods and how they should reposition their supply chains.

The uncertainty surrounding tariffs has cast a pall over the manufacturing sector. On November 3, the Institute for Supply Management reported that economic activity in this sector contracted in October for the eighth consecutive month.

Brady currently operates 41 manufacturing and distribution facilities in the Americas, Asia, Europe, and Australia. With operations worldwide, it can avoid many tariffs by manufacturing and selling goods within the same country. Even so, its incremental tariff expense rose by around $7 million in fiscal 2025, which ended July 31. The company predicts that number will be even higher in fiscal 2026, between $8 million and $12 million.

There is good news, however... During Brady's fiscal 2025 fourth-quarter call on September 4, CEO Russell Shaller said he believes the worst is now over. Brady estimates its adjusted diluted earnings per share could jump by as much as 12% year over year, from $4.60 to $5.15. Its earnings leapt 9% last year.

Brady's leadership has two reasons for this optimism – and neither is fully reflected in the company's current share price...

The first one is where we started: **Brady is a stealth play on the AI data-center boom**.

Excluding acquisitions, Brady's "organic" revenue growth during the fourth quarter of 2025 came in at just 2.4%. But in its critical wire-identification business, growth was much higher.

"We realized the strongest growth in our wire-identification product line with organic growth of nearly 12% in the quarter," Shaller told investors on Brady's most recent conference call. "This product line represents approximately 20% of the organic growth in the Americas and Asia region."

So surging demand from data centers is already a key source of growth for Brady. And this demand could last years, if not decades...

The *New York Times* recently estimated that 575 AI data centers are in development around the world.

Also, a new study from Wharton Human-AI Research and GBK Collective shows corporate investments in AI are starting to generate profits and boost productivity. This is crucial. The AI phenomenon won't continue if money doesn't generate a return. "Our third annual study shows a clear inflection point," GBK President Jeremy Korst told the *Wall Street Journal*. "[Generative AI] is delivering measurable returns."

The second reason we're optimistic about Brady's growth is its ability to expand through acquisitions.

During fiscal 2025, organic growth was 2.6% year over year. Total growth was *much* higher at 12.8%. That reflects Brady's $130 million acquisition of engraving-materials company Gravotech in August 2024.

Gravotech is a leader in direct-part marking and engraving solutions. Many items, like automotive parts, must be permanently labeled for traceability. But a label isn't the most durable solution. Instead, the identification must be added directly onto the item using lasers or mechanical engraving.

Three months ago, Brady further expanded its direct-part marking capabilities with the $20 million acquisition of Pennsylvania-based Mecco Partners.

The Five Essential Financial Clues

We use the Five Essential Financial Clues to help us identify great businesses. A great business doesn't necessarily have all five clues present. But the best ones tend to have more of them than less well-run companies.

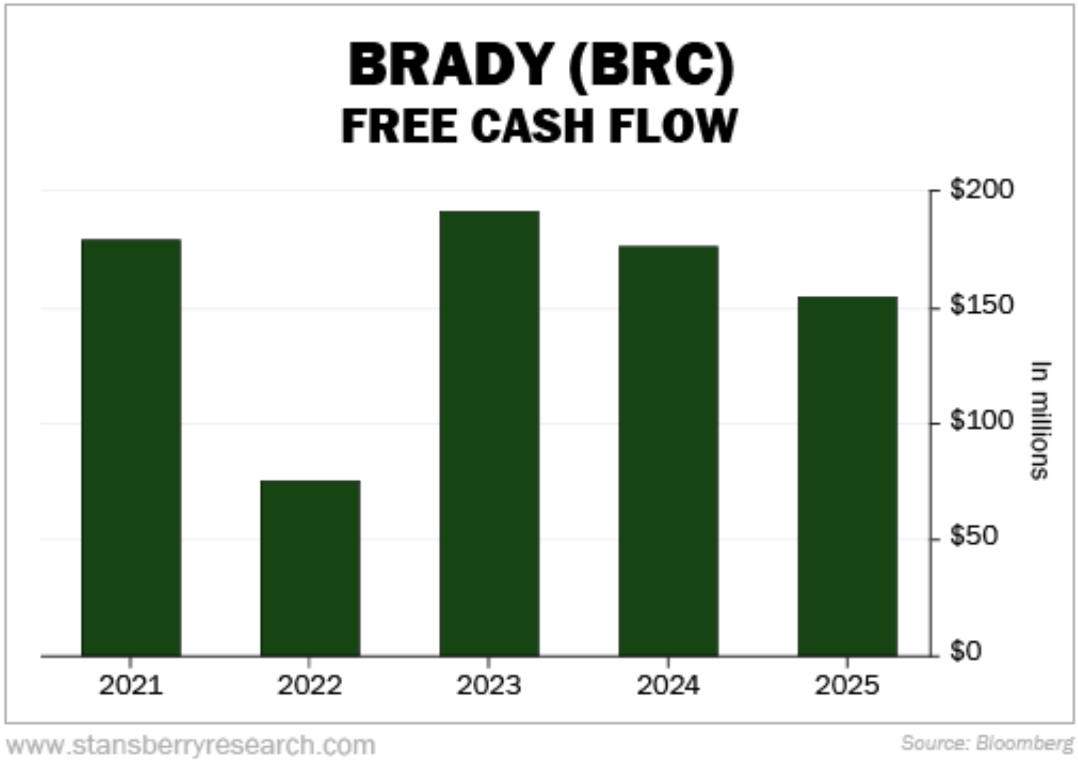
Brady runs a tight ship, with consistent cash flows, margins, and dividend payments. Its conservative balance sheet offers protection against economic uncertainty and will allow us to sleep well at night.

Gushing Free Cash Flow

A business's intrinsic value comes from the cash it generates in excess of taxes, expenses, and reinvestment needed to maintain and grow. That's called free cash flow ("FCF"). The best businesses tend to generate more cash than they know what to do with.

Brady is a consistent FCF generator. That's exactly what we've seen from other providers of highly engineered products, like aerospace parts maker **TransDigm (NYSE: TDG)**... or from industrial companies with large competitive advantages, like vehicle salvager **Copart (Nasdaq: CPRT)**.

FCF did fall in 2022 due to inflation pressures on wages, freight, utilities, and raw materials, and because the company spent heavily to build inventory to meet strong customer demand. But on the whole, its FCF is steady.



Consistent Margins

In a capitalist economy, competition winnows profit margins as companies compete more and more aggressively for market share. A consistent margin is an economic anomaly, sometimes indicating that a business provides goods and services its customers can't get elsewhere.

Brady earns gross margins in the high 40s to low 50s. That puts it on par with well-known, high-quality businesses like Amazon, uniform maker Cintas (CTAS), semiconductor makers Lam Research (LRCX) and Applied Materials (AMAT), and paint manufacturer Sherwin-Williams (SHW). Double-digit FCF margins provide plenty of fuel to fund shareholder rewards.

As we'll discuss later in our "What's It Worth" section, its margins are understated due to accounting rules related to acquisitions. We adjust margins for valuation purposes. But Brady's reported margins are more than adequate to see the company's earnings power and the financial health of its income statement. Consistent double-digit margins all the way down clearly show that Brady is an excellent, highly profitable business that's certainly doing better than its current valuation suggests.

Fiscal Year	Gross Margin	Operating Margin	Pretax Margin	Net Margin	FCF Margin
2021	49.0	14.6	14.9	11.3	15.6
2022	48.5	14.8	14.7	11.5	5.8
2023	49.4	16.9	16.9	13.1	14.3
2024	51.3	18.1	18.5	14.7	13.1
2025	50.3	15.6	15.7	12.5	10.1

www.stansberryresearch.com Source: Bloomberg

Strong Balance Sheet

There are two kinds of good balance sheets. The first is when a company has more cash than debt. The second is when a company has more debt than cash on hand but earns enough income to cover its debt-services obligations.

Brady has consistently maintained the first kind of balance sheet since 2017. That's a conservative financial posture. Most companies with Brady's ability to generate cash flows would have applied much more leverage to the balance sheet.

As you can see in the table below, when you remove lease obligations from long- and short-term debt totals, Brady has even more cash relative to debt than at first glance. It could pay down all its debt and still have about $74 million in cash remaining ($174.3 million in cash minus $99.8 million in debt). And its ratio of net debt to earnings before interest, taxes, depreciation, and amortization ("EBITDA") is negative because net debt is negative (an easy way to spot a conservative balance sheet).

Identifying the potential benefits in a conservatively managed balance sheet is Value Investing 101. Shareholders have many ways to win...

Not only is a conservative balance sheet a financial bulwark against economic uncertainty, but it also provides the company with plenty of borrowing capacity should it encounter a large, attractive acquisition target or other investment opportunities. Even if no such opportunity arises, the company could use the extra cash for a special dividend.

Fiscal Year	Cash	Short-Term and Long-Term Debt	Long-Term Debt Excluding Operating Lease Liabilities	Net-Debt-to-EBITDA Ratio
2021	$147.3M	$84.0M	$38.0M	-0.30
2022	$114.1M	$129.1M	$95.0M	0.06
2023	$151.5M	$80.7M	$49.7M	-0.26
2024	$250.1M	$129.7M	$90.9M	-0.42
2025	$174.3M	$158.6M	$99.8M	-0.05

www.stansberryresearch.com Source: Bloomberg

Shareholder Rewards

Shareholder rewards are share repurchases and dividends. Share repurchases are like indirect, tax-advantaged dividends for investors who continue to hold shares. Most companies are mediocre share repurchasers, buying back more stock after it has gone up a lot than after it has fallen. We've learned not to expect more than that out of most companies.

Dividends are taxable cash payments. Long-term investors in a diversified stock portfolio can expect to receive 40% or more of their pretax returns in the form of dividends.

Brady regularly buys back shares at a modest pace and has lowered its nonvoting Class A share count roughly 10% over the past five years. It bought back $51 million worth of stock in the most recent fiscal year.

The company is also an excellent dividend-payer. It pays regular quarterly dividends and occasionally issues special dividends. It has increased its regular quarterly dividend every year for 40 years.

Based on recent history, you can expect to earn about 2% to 3% per year from dividends and share repurchases. The rest of your return will come from a combination of acquisitions and organic growth.

Fiscal Year	Total Value of Shares Repurchased	Total Number of Shares Repurchased	Dividends per Share	Remaining Class A Shares Outstanding
2021	$0	0	$0.88	48.5M
2022	$112.1M	2.33M	$1.78	46.7M
2023	$74.4M	1.56M	$1.82	45.9M
2024	$72.2M	1.29M	$0.94	43.9M
2025	$50.7M	733K	$0.96	43.8M

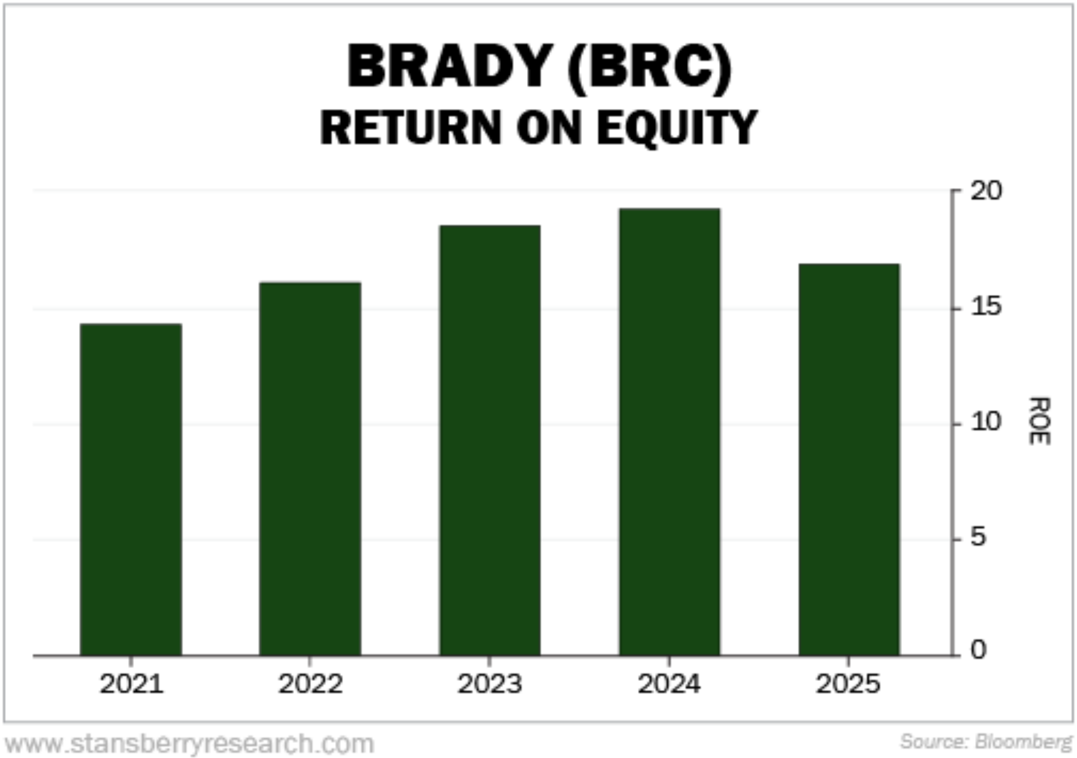
www.stansberryresearch.com Source: Bloomberg

Consistent Return on Equity

If a business were a bank account, return on equity ("ROE") would be the interest rate you'd earn on your money.

The denominator in ROE is shareholder equity, which Brady could reduce if it borrowed more money and used the proceeds to buy back more stock. That would increase net income (the numerator) and boost ROE. With a less conservative balance sheet, Brady could push its ROE into the low 20s.

Still, we're happy to earn ROE figures in the low teens and sleep well at night knowing the company's financial condition is highly unlikely ever to be a problem. While we frequently welcome financial engineering, there's no substitute for peace of mind.



A Caveat

We normally don't like dual-class share structures, as they tend to give a minority group of shareholders control of a company. The controlling minority can then do whatever it wants, since the rest of the shareholders don't have enough votes to veto decisions.

The Brady shares we're recommending are the nonvoting Class A shares, which have no votes at all. Just three shareholders – all members of the Brady family – hold all Class B stock, for which there is no trading market.

There's always a chance the family's interests will conflict with shareholders. But the company's longevity, consistent cash-flow generation, and good returns suggest the Brady family's stewardship has been adequate.

What's It Worth?

The three most important inputs in our valuation model are revenue growth, operating margins, and FCF margins. Let's take a closer look at each of them to see what Brady shares are currently worth...

Revenue Growth

The consensus of analysts covering Brady is that next-12-months ("NTM") revenue for fiscal 2026 will grow about 4.5%, from $1.51 billion to $1.58 billion. We think that's too conservative.

With the tariff situation resolving, the AI data-center construction boom driving double-digit growth in Brady's wire-identification product line, and acquisitions expected to continue, we're modeling a 5.5% growth rate. That's slightly above the three-year (July 2022 to July 2025) average growth rate of 5.2%.

Operating Margins

Generally accepted accounting principles require companies to gradually write down (amortize) the "goodwill" associated with new acquisitions. Goodwill is the amount of the purchase price paid beyond fair value for intangible assets. That includes things like customer lists and trade secrets.

This is true even when the newly acquired assets are contributing revenue. For companies like Brady that regularly acquire other businesses, these write-downs can be significant. For instance, in fiscal 2025, the write-downs represented nearly 4% of total operating expenses.

This accounting quirk distorts the company's true performance. So Brady reports *adjusted* net income that excludes amortization. It also excludes other expenses, like those related to acquisitions and facility closures.

Analysts covering Brady exclude all these expenses from their estimates of the company's operating margin, and so do we. For fiscal 2025, the adjusted operating margin was 18.4%. That was down about 50 basis points (0.5%) from fiscal 2024's 18.9% adjusted operating margin, reflecting about $7 million in new tariffs. With management estimating tariffs will rise another $8 million to $12 million this year, analysts have reduced their NTM adjusted operating margin forecast to 18%. We are likewise modeling 18%.

FCF Margins

FCF is operating cash flow minus capital expenditures. This figure divided by revenue equals the FCF margin. The trailing-12-months ("TTM") FCF margin was 10.2%, and we're modeling 10%.

Putting It All Together

Running the above numbers through our model generates an intrinsic value of $115 per share. That translates to an enterprise value ("EV")-to-TTM-adjusted-EBITDA multiple of 17.8 times.

EV is a measure of total equity and debt minus the cash a company holds. It represents the value of an entire company and is the favored metric of private-equity firms when purchasing companies outright.

To test the reasonableness of this multiple, we look to the market to see what knowledgeable buyers have paid for businesses with similar growth and margin expectations.

The four best comps in our database were bought at multiples ranging from 15.4 times to 25 times, with an average of 19 times. So 17.8 times for Brady is reasonable.

In summary, this well-run, stealth AI play is currently trading at a compelling valuation as investors fret about tariffs. We believe it'll do even better as the data-center build-out and overall manufacturing boom both gain momentum over the next one to three years.

Brady's stock has lagged the market a bit lately, but we view this pullback as an opportunity. Let's get in before Wall Street realizes Brady's upside potential.

Applying a 30% margin of safety to our $115 intrinsic-value estimate, we recommend you...

ACTION TO TAKE

Buy Brady (NYSE: BRC) up to $81 per share. As of yesterday's close, shares trade at $74.74. We will not use a stop.

Portfolio Updates

On August 14, 2024, privately held consumer giant Mars agreed to acquire *Extreme Value* holding **Kellanova (NYSE: K)** for $83.50 per share in cash. Mars manufactures iconic candies like Dove, M&M's, and Snickers. With this deal, it's expanding its stable of leading brands to include Pringles, Cheez-It, and Pop-Tarts.

Last month, we noted that shares soared 5% on September 29 following media reports that the European Union ("EU") was leaning toward approval of the deal. Shares have continued climbing since then and are now trading close to the $83.50 transaction price. Rather than wait for the deal to close – and risk a decline from something unexpected, like the EU reconsidering its decision – let's go ahead and lock in our profit. We recommend you...

ACTION TO TAKE

Sell Kellanova (NYSE: K).

It's time to say goodbye and cut our losses on our two pairs trades. The first one we recommended in July 2022 involved buying the **iShares Russell 2000 Value Fund (NYSE: IWN)** and selling short the **iShares Russell 1000 Growth Fund (NYSE: IWF)**. The second one, from August 2022, involved buying the **iShares S&P GSCI Commodity-Indexed Trust (NYSE: GSG)** and selling short the **iShares Russell 3000 Fund (NYSE: IWV)**.

With these pairs trades, we were trying to capture the spreads between growth and value stocks and between commodities and stocks, respectively. Historic trends in those four areas of the market suggested the cycles were about to change in our favor. But what looked good on paper did not work out in practice...

We based these trades on long-term trends and gave them more than three years to play out – plenty of time to generate good results. However, they've failed miserably to do so. We recommend exiting both trades immediately.

ACTIONS TO TAKE

Sell the iShares Russell 2000 Value Fund (NYSE: IWN).

Buy to cover the iShares Russell 1000 Growth Fund (NYSE: IWF).

Sell the iShares S&P GSCI Commodity-Indexed Trust (NYSE: GSG).

Buy to cover the iShares Russell 3000 Fund (NYSE: IWV).

Lastly, we stopped out of our position in Booz Allen Hamilton (BAH) on October 24, booking a 34% gain. You can read the sell alert here. If you haven't already done so, go ahead and sell your shares now.

Good investing,

Dan Ferris and Mike Barrett
November 7, 2025

EXTREME VALUE PORTFOLIO

PRICES AS OF NOVEMBER 6, 2025

	Ref. Price	Ref. Date	Recent Price	Dividends*	Return	Buy Advice
Stocks – Crown Jewels						
Construction Partners (Nasdaq: ROAD)	$22.58	11/12/20	$112.85	$0.00	400%	HOLD

Costco Wholesale (Nasdaq: COST)	$328.65	3/11/21	$923.58	$34.38	191%	HOLD
Roper Technologies (Nasdaq: ROP)	$438.43	11/10/22	$444.48	$9.03	3%	Buy up to $640
Copart (Nasdaq: CPRT)^	$34.61	2/9/23	$39.98	$0.00	16%	HOLD
Tyler Technologies (NYSE: TYL)	$390.91	9/7/23	$465.01	$0.00	19%	Buy up to $500
Visa (NYSE: V)	$241.64	11/9/23	$336.96	$3.92	41%	HOLD
McDonald's (NYSE: MCD)	$294.15	1/11/24	$298.41	$12.09	6%	Buy up to $319
Royal Gold (Nasdaq: RGLD)	$102.63	2/29/24	$169.67	$3.00	68%	Buy up to $218
Kellanova (NYSE: K)	$57.58	4/4/24	$83.23	$3.42	50%	**SELL**
TransDigm (NYSE: TDG)	$1,329.28	9/5/24	$1,271.60	$165.00	8%	Buy up to $1,460
Atmus Filtration Technologies (NYSE: ATMU)	$37.96	10/3/24	$46.51	$0.21	23%	Buy up to $47
Packaging Corporation of America (NYSE: PKG)	$228.94	10/31/24	$198.09	$5.00	-11%	Buy up to $248
Republic Services (NYSE: RSG)	$215.48	12/5/24	$204.23	$2.37	-4%	Buy up to $240
Dick's Sporting Goods (NYSE: DKS)	$226.91	1/2/25	$216.72	$3.64	-3%	Buy up to $249
DXP Enterprises (Nasdaq: DXPE)	$103.84	2/6/25	$100.37	$0.00	-3%	Buy up to $128
Arista Networks (NYSE: ANET)	$87.84	5/1/25	$134.02	$0.00	53%	Buy up to $100
IQVIA (NYSE: IQV)	$147.37	6/5/25	$210.86	$0.00	43%	Buy up to $161
Builders FirstSource (NYSE: BLDR)	$127.89	7/2/25	$109.04	$0.00	-15%	Buy up to $139
Abercrombie & Fitch (NYSE: ANF)	$96.02	7/31/25	$70.11	$0.00	-27%	Buy up to $144
Booking (Nasdaq: BKNG)	$5,585.86	9/4/25	$4,899.05	$9.60	-12%	Buy up to $6,240
Nexstar Media (Nasdaq: NXST)	$198.63	10/2/25	$189.30	$0.00	-5%	Buy up to $238
Stocks – For a 20-Year, Go-Nowhere Market						
Automatic Data Processing (Nasdaq: ADP)#	$30.55	10/9/08	$252.36	$65.16	939%	HOLD
Altius Minerals (TSX: ALS)	C$6.98	3/26/09	C$38.06	C$2.40	480%	Buy up to C$23
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Buy up to

Sprott (NYSE: SII)^^	$19.73	1/11/18	$84.14	$7.68	365%	$50
Booz Allen Hamilton (NYSE: BAH)	$72.25	8/8/19	$86.53	$10.08	34%	**STOPPED OUT 10/24**
Sprott Physical Gold Trust (NYSE: PHYS)	$13.76	4/13/20	$30.17	$0.00	119%	Buy
Sprott Physical Silver Trust (NYSE: PSLV)	$5.74	4/13/20	$15.91	$0.00	177%	Buy
Stocks – Other						
iShares Russell 2000 Value Fund (NYSE: IWN)	$139.66	7/7/22	$174.56	$9.98	32%	**SELL**
iShares Russell 1000 Growth Fund (NYSE: IWF)	$229.18	7/7/22	$472.17	$6.24	-109%	**BUY TO COVER**
Combined Position					***-38%***	
iShares S&P GSCI Commodity-Indexed Trust (NYSE: GSG)	$22.66	8/11/22	$23.05	$0.00	2%	**SELL**
iShares Russell 3000 Fund (NYSE: IWV)	$243.93	8/11/22	$380.34	$11.87	-61%	**BUY TO COVER**
Combined Position					***-30%***	
Mueller Industries (NYSE: MLI)	$68.64	8/1/24	$106.47	$1.15	57%	Buy up to $88
Uranium Energy (NYSE: UEC)	$4.68	4/11/25	$12.22	$0.00	161%	Buy up to $6
Brady (NYSE: BRC)	**NEW**	11/6/25	$74.74	**NEW**	**NEW**	**Buy up to $81**
Precious Metals						
Gold bullion	$1,589.30	3/12/20	$3,979.02	$0.00	150%	Buy
Silver bullion	$15.96	3/12/20	$48.02	$0.00	201%	Buy
Cash						
iShares 1-3 Year Treasury Bond Fund (Nasdaq: SHY)	$84.57	12/12/19	$82.79	$10.53	10%	Buy

* Dividends include spinoffs.

ADP shareholders received one share of CDK for every three shares of ADP they owned on 9/24/14.

^ Copart reference price and buy-up-to price have been updated to reflect a 2-for-1 stock split on 8/22/23.

^^ Sprott listed on the NYSE on 6/29/2020. We switched from tracking the Canadian shares (SII.TO) to the U.S. shares (SII) at that time.

Extreme Value's *investment philosophy is buy and hold. In general, we recommend two kinds of stocks, (1) those that sell at significant discounts to their net asset values, and (2) those that offer high earnings yield. With every stock we pick, we go to great lengths to make sure your investment comes with a generous margin of safety. A margin of safety means we only recommend stocks when they're trading at a discount to our estimate of intrinsic value. Buying and selling are simple for value investors. Buy stocks when they are cheap and safe. Sell stocks when they get expensive or become unsafe.*

This portfolio is not intended to represent the exact prices at which you could get in or out of a stock. Rather, it represents the value of our insights at the time our material is published.

represents the value of our insights at the time our material is published.