



## Examples:

### Mix Shift Improves Margins + Mgmt. Driving Turnaround

Market Cap: \$300M - \$10B

P/E (NTM) < 15x

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## Mix Shift Improves Margins + Mgmt. Driving Turnaround

Market Cap: \$300M - \$10B

P/E (NTM) < 15x

<b>Name</b>	<b>Dave &amp; Buster's Entertainment, Inc.</b>
Ticker	PLAY
Industry	Leisure Facilities
Mkt Cap	2,260
Net Debt	2,877
Revenue (LTM)	2,205
EBITDA (LTM)	526
EV/EBITDA (NTM)	8.9x
P/E (NTM)	13.5x

\* financial in millions

✓ **PLAY** 2.2B -2.51%  
 Dave & Buster's Entertainment, Inc.

[-] + Mix Shift Improves Margins 12d

1. We enacted a tier point-of-sale pricing change for the Power Card in mid-February to optimize the buy-in amount and corresponding chips purchased to better align with the significant regional variations across our Dave & Buster's portfolio of stores.
2. We expect these changes to provide a significant boost to our entertainment sales in fiscal '24, highlighting the exciting flow-through possibilities for what has become approximately 65% of our revenue and has consistently delivered over 90% gross margins.

Source: Transcripts

[-] + Management Driving Turnaround 9mo

1. "Fortunately, this situation has flip for the good side. In June 2022, D&B announced a new CEO (Chris Morris). With a new CEO and a big management team change in 2023. They introduced a new growth plan during their Investor Day 2023."
2. "D&B laid out plans for an incremental \$635m-\$825m of incremental EBITDA from the current store count, without planning new stores."
3. "D&B also plans to generate incremental revenue from new store openings. In the next 3 years, D&B plans to open 48 more stores to generate an incremental of 130m-155m EBITDA."

Source: Buyside Writeups

## Mix Shift Improves Margins + Mgmt. Driving Turnaround

Market Cap: \$300M - \$10B

P/E (NTM) < 15x

Name	Perrigo Company plc
Ticker	PRGO
Industry	Pharmaceuticals
Mkt Cap	4,109
Net Debt	3,528
Revenue (LTM)	4,656
EBITDA (LTM)	646
EV/EBITDA (NTM)	10.7x
P/E (NTM)	11.8x

\* financial in millions

▼ **PRGO** 4.1B -0.69%  
 PERRIGO COMPANY PLC

[-] ✦ **Management Driving Turnaround** 4mo

- "In 2021 Perrigo sold off its generic pharmaceutical business to become a pure play OTC healthcare provider. Since that time the stock has been down almost 26% as earnings have contracted primarily because of weakening gross margins. Much of this occurred due to a desire for market share growth over pricing discipline, as well as a SKU profile that was much too broad and resulted in manufacturing inefficiencies. New management led by Patrick Lockwood-Taylor who joined at the end of June has already helped to make inroads in lifting gross margins back up towards 40% from 36% in 2022."
- "PRGO suffered in the last 2 years from a pricing strategy that prioritized market share growth over margin. As the cost of raw materials skyrocketed in the last couple of years, margins were depressed. While PRGO's branded peers raised prices by about 20% over that time, PRGO raised prices only by about 5%. New management is focused on closing this gap and has already begun to do so in select product lines."

*Source: Buyside Writeups*

[-] ✦ **Mix Shift Improves Margins** 4mo

- "Pricing: PRGO suffered in the last 2 years from a pricing strategy that prioritized market share growth over margin. As the cost of raw materials skyrocketed in the last couple of years, margins were depressed. While PRGO's branded peers raised prices by about 20% over that time, PRGO raised prices only by about 5%. New management is focused on closing this gap and has already begun to do so in select product lines. I would expect to see 3-4% annual price increased over the next 2 years to try and narrow that gap with branded peers."
- "SKU rationalization: This project is certainly more prospective than the pricing initiatives, but could provide further efficiency gains that raise margins above 40% in the medium term. Currently, PRGO produces products for different retailers that are the exact same but come in different packaging or different amounts. Management has begun efforts to harmonize these SKUs to introduce more automation into the manufacturing process. For example, why would infant formula need a blue cap at one retailer vs. a red one at another? These are the types of small changes that could have a lasting positive affect on gross margins. I estimate that this could be a 100-200bps opportunity (\$50-\$100mm) over the next 2-3 years."

*Source: Buyside Writeups*

## Mix Shift Improves Margins + Mgmt. Driving Turnaround

Market Cap: \$300M - \$10B

P/E (NTM) < 15x

<b>Name</b>	<b>O-I Glass, Inc.</b>
Ticker	OI
Industry	Metal, Glass and Plastic Containers
Mkt Cap	2,382
Net Debt	4,261
Revenue (LTM)	7,105
EBITDA (LTM)	1,263
EV/EBITDA (NTM)	5.0x
P/E (NTM)	6.4x

\* financial in millions

OI 2.4B 0.42%  
O-I Glass, Inc.

Management Driving Turnaround 6mo

1. Turnarounds seldom turn, but OI glass is trying to bring better business economics with the introduction of new MAGMA technology plants/lines and has already moved 35% of OI's revenue concentrated North America beer capacity to high margin categories such as spirits, whisky, gin, food, and non-alcoholic beverages.
2. OI's management plans to sell off 1.5B worth of assets, and to have two-thirds sold off before 2023. 1.3B of assets have been sold to date. With these proceeds, OI can allocate capital to effective projects.
3. OI's has resolved their pension and asbestos issues by creating a trust. OI reduced their unfunded pension liability by 325M in 2020.
4. OI dramatically improved their balance sheet, future cash flow, and reduced their risk by bankrupting the subsidiary and settling with the plaintiffs.
5. OI intends to de-risk legacy liabilities by completing their Paddock Chapter 11 process with a reorganization where O-I will support Paddock's funding of a 524(g) trust.

Source: Buyside Writeups

Mix Shift Improves Margins 6mo

1. Turnarounds seldom turn, but OI glass is trying to bring better business economics with the introduction of new MAGMA technology plants/lines and has already moved 35% of OI's revenue concentrated North America beer capacity to high margin categories such as spirits, whisky, gin, food, and non-alcoholic beverages.
2. Shift to higher margin categories such as spirits, whisky, gin and less focus on beer.

Source: Buyside Writeups