All I listened to IRi and APX results couldnt find A2m webcast (hiding?) but updated my model. First IMO this market has no tolerance for unhappy stories and fallen angels, like these guys, and will not garner support in the short term unless they show strong growth. Ill comment anyway. I have small holdings in IRI and A2M sold out of APX last year for full disclosure.

IRI- im in two minds about this now. The positive is that mgt appear to have a much more developed plan than earlier when they looked like rabbits in the headlights. I think it is positive that the CEO put some hard metrics out there on customer retention rates. Mgt has clearly struggled with the transition but appears to be much better prepared. It is a niche biz which may save them, ie not draw too much competition. Really it is now up to mgt to execute, they have taken too long and have risked the biz so far IMO. Can they recover, maybe, obviously need to show signs of progress. It is still WIP so may meander.

A2M- the full horror of the destruction of the daigou channel was on full display. Only 2020 was record profits, seems a long time ago. A huge hole in the profit line. Liquid milk is not of great import IMO, as well as Chinese label sales. Chinese label sales were positive but that is not the gravy for A2, it competes with all the others in this channel. The English label daigou channel is the cream. There is no easy outlet for A2. Intl travel still appears far off for one and will the demand be there at the resumption of travel, from Daigou willing to sell and in China for end demand. Big question. Some have pointed out that the local Chinese competition in IFM has recovered, that is true but A2 share is 3-4% (small) if it was 50-60% I would be worried. Thankfully A2 b/s is strong even when the acquisition of the MV plant (the white elephant) is incorporated. Brand health is also strong and that is the bull point. Consumer brands are valuable. Mgt is new and understandably have lowered the expectation bar and rhetoric was very downbeat. No easy fix for A2, there is that brand though, that keeps me hanging on. Small.

APX- the tech stock that isn’t. if we put the potential end of their biz if machines get too smart to one side, the business is ok to me. However it is not a strong biz with the upper hand from what I can see. Two things stand out, one the market thought it was a high growth tech stock, where it is really a crowd organiser selling to tech, good but not great—it was priced for greatness. Second it looks now to have been over earning. Im not making slight at mgt here, they would be hoping that demand was permanent. The lower trajectory, ie real organic rate of growth is still unknown. Where will it end? Looks like competitor Lionbridge got taken out at 1.25x sales (please check these numbers), APX is around 2X now. APX is better from what I can see. Chose your own adventure. Now mgt credibility is an issue, is this fair or unfair? If it is priced as an average biz it is probably ok, as long as those machines don’t get too smart.

As I said at the start this market likes simple happy stories and this group are definitely not that. 😊

DYOR this is not advice.