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TRIVARIATE RESEARCH

INVENTORY AND CAPITAL SPENDING MIGHT BE THEY KEYS

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BACKGROUND AND RESEARCH SUMMARY

Background: Many investors continue to question the potential return on capital spending from the AI-exposed players and wonder whether the capital spending and inventory landscape are reasonable for the average stock to deliver margin expansion. There have been huge moves in inventory and capital spending in the last few years, and we think these should be key focus areas heading into the April earnings season.

Capital spending super concentrated: There's a concentration of capital spending we have seen in at least 25 years, with the largest ten capital spenders (in dollars) currently comprising 29.3% of the total capital spending dollars of the top 2000 public US companies. Moreover, capital intensity is forecasted to rise further for 8 of the largest 10 spenders today. Seven of the biggest 10 companies are forecasted to have material increases in capital intensity in 2025. Despite this, the overall capital intensity of the median business is lower today than for much of history, particularly among mid-and-small cap. stocks. The median Technology company has close to the lowest capital intensity in over 25 years.

But lower among smaller companies: Despite the concentrated spending from the biggest companies, the overall capital intensity of the median business among the Top 2000 US equities is lower today than throughout much of history, particularly among mid- and small-cap. stocks. The median Technology company, as an example, has close to the lowest capital intensity it has had in over 25 years, despite the big spending from some of the Mag 7, due to so many capital-light business models like Software and Fabless Semiconductors.

RESEARCH SUMMARY AND INVESTMENT CONCLUSIONS

Inventory: Inventory has slowly risen relative to sales, peaking at over 13% in November of 2023 for the median US company. Across the market, inventory-to-sales levels remain high, with nearly every major cohort in the 90th percentile or greater vs. their own 25 histories. However, almost every part of the market also saw inventory peak at some point late in 2023 or early in 2024. We also looked at inventory accruals, or the change in inventory year-over-year divided by revenue. For the overall market, growth in inventory-to-sales is at its lowest level post the Financial Crisis, following its biggest increase as a hangover from the COVID recovery. In most parts of the market, except the median growth stock, Healthcare, Energy, and Utilities, inventory-to-sales growth is flat-to-declining. Companies with high but declining inventory-to-sales are shown on Slide 11, and include MOS, GE, and FLEX, among others.

Gross margin expansion: Companies with the lowest capital spending-to-sales growth and the lowest inventory accruals average 250bps higher gross margins a year later. Those in the highest 40% of capital spending-to-sales growth and in the highest 40% of inventory-to-sales accruals end up with declining gross margins. Monitoring change and level of capital intensity and days of inventory matters for margin expansion and ultimately stock performance.

INVESTMENT CONCLUSIONS

Factor efficacy: We analyzed the efficacy of inventory and capital spending signals by various cohorts and sectors of the market. Among high quality stocks, buying low capital intensity and shorting high capital intensity works well. This signal also works well in the Technology sector. Among Communication Services companies, buying high depreciation-to-COGS businesses and shorting low makes money – the opposite logic.

It's level, not change, for capital intensity: Buying stocks that have low capital spending-to-sales and shorting those with high capital spending-to-sales generates far more excess return than buying those with lower capital spending-to-sales growth and shorting those with high capital-spending-to-sales growth. Level matters more than change for capital intensity.

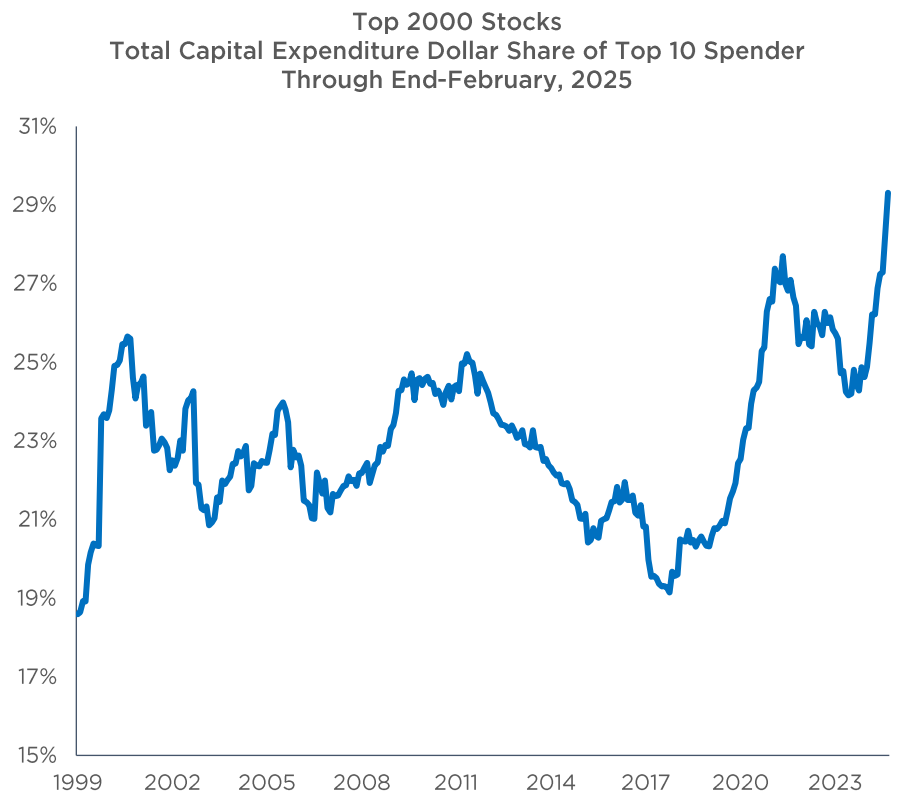
It's change, not level, for inventory-to-sales: On the contrary, inventory-to-sales level has no information in it, with low actually UNDERPERFORMING high over the last 25 years. But change matters a lot, as buying stocks with declining inventory-to-sales strongly outperforms buying stocks with rising inventory-to-sales. Change matters more than level for inventory-to-sales. That's crucial given inventory-to-sales levels are high but declining in most cases today.

Long / short ideas based on capital intensity and changes in inventory-to-sales are shown on Slide 17.

Recent inventory comments from companies in March found from using NLP are shown on Slide 18. Overall, the Retailer commentary in March is slightly more positive than the Technology commentary.

THE BIGGEST TEN CO'S ARE MORE THAN ONE QUARTER OF ALL CAPEX

There's a concentration of capital spending we have only seen once in at least 25 years, with the biggest ten spenders now at 29.3% of the total capital spending dollars of the top 2000 public US companies (left). We downgraded the Mag 7 nearly two months ago on the rising capital intensity of the group. The top ten biggest spenders over the last year in dollars (right) include AMZN, MSFT, GOOGL, and META. These capital intensity figures are for the last four quarters and but are poised to go materially higher for several of the biggest companies, a couple of which guided to 11-figure annual capital spending budgets for 2025.



Source: Trivariate Research

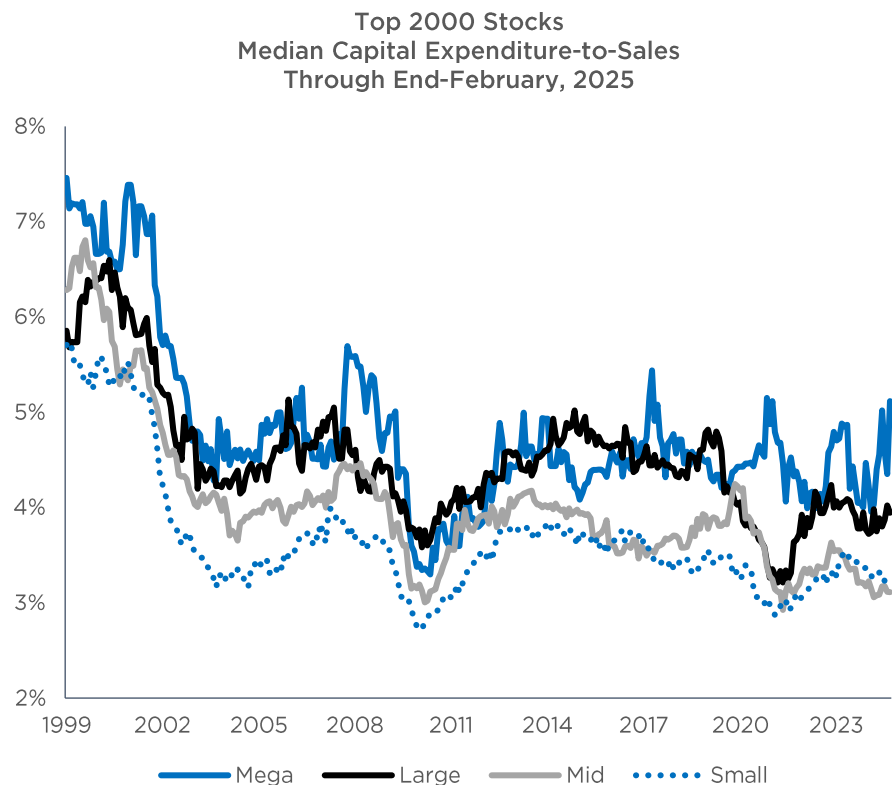
**Top 10 Stocks By Annual Capital Expenditure Dollar
As of End-February, 2025**

Ticker	Industry Group	Market Cap. (\$Bn)	Trailing CapEx (\$Bn)	CapEx-to-Sales	% vs. History	Forecast CapEx-to-Sales	% vs. History
AMZN	Consumer Disc. Dist. & Retail	2249.69	83.00	13.0%	94.3%	15.3%	97.6%
MSFT	Software & Services	2951.22	55.55	21.2%	100.0%	23.0%	100%
GOOGL	Media & Entertainment	2086.38	52.54	15.0%	77.3%	22.6%	100%
META	Media & Entertainment	1692.99	37.26	22.6%	77.5%	32.6%	100%
NEE	Utilities	144.34	24.73	99.9%	95.3%	76.6%	79.2%
XOM	Energy	483.08	24.31	7.1%	60.3%	8.3%	76.9%
INTC	Semi & Semi Equipment	102.75	23.94	45.1%	95.6%	36.4%	90.9%
WMT	Consumer Staples Dist.	792.17	23.78	3.5%	70.3%	3.2%	63.8%
T	Telecom. Services	196.75	20.26	16.6%	79.6%	16.8%	80.8%
VZ	Telecom. Services	181.44	17.09	12.7%	3.1%	14.0%	35.8%

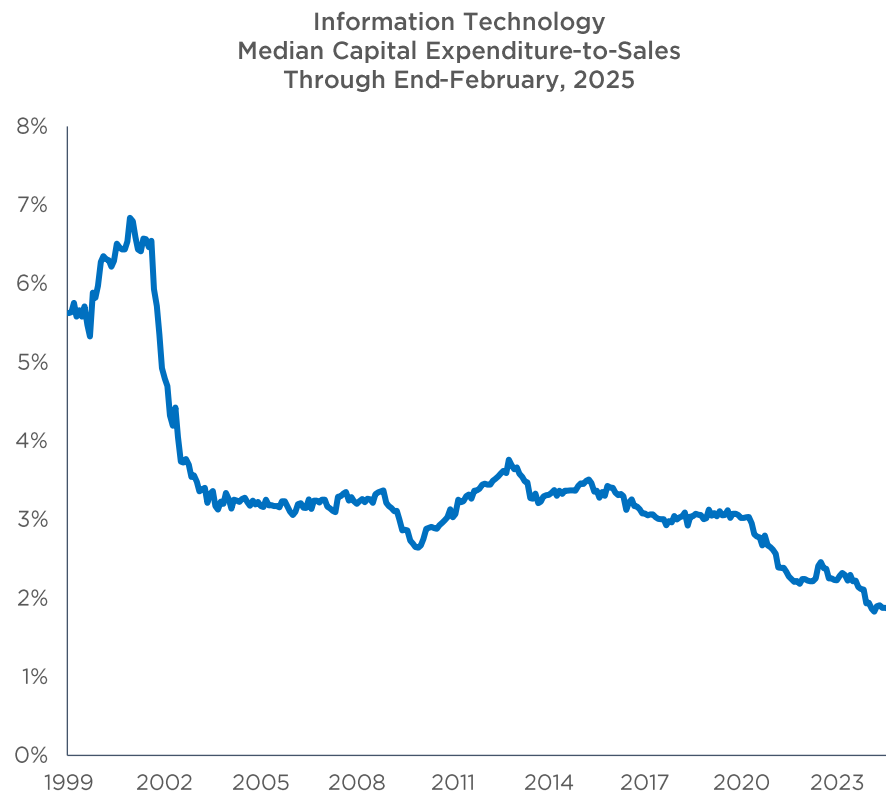
Source: Trivariate Research

THE MEDIAN TECH. STOCK HAS A 25-YEAR LOW CAPEX-TO-SALES

Despite the concentrated spending from the biggest companies, the overall capital intensity of the median business among the Top 2000 US equities is lower today than much of history, particularly among mid- and small-cap. stocks (left). The median Technology company, as an example, has close to the lowest capital intensity it has had in over 25 year (right), despite the big spending from some of the Mag 7, due to so many capital-light business models like Software and Fabless Semiconductors.



Source: Trivariate Research

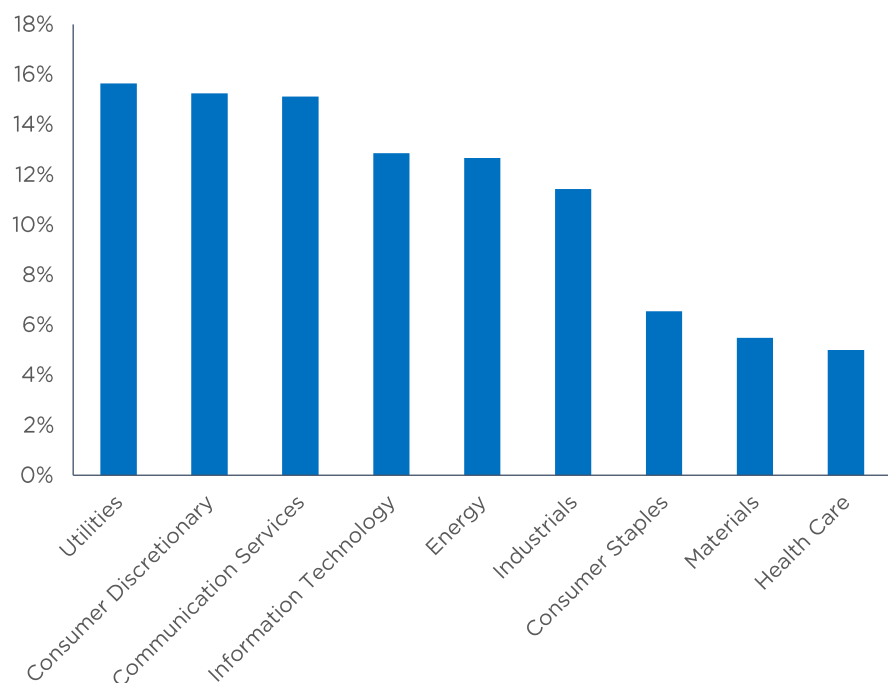


Source: Trivariate Research

IN GENERAL CAPITAL INTENSITY HAS BEEN DECLINING FOR SMID CAPS

By sector, the biggest capital spenders by dollars are Utilities, followed by Consumer Discretionary, Communication Services, and Energy (left). In terms of growth of capital spending-to-sales, only the mega-caps have been growing by size, and only Communication Services, Materials, and Utilities, by sector (right). Despite the headlines of high capital spending by the “hyper-scalers,” generally capital intensity is down for most public US companies, particularly the mid- and small-cap. universe. If we ultimately get a sustained stretch where mega / large caps. underperform smaller stocks, margin degradation from capital spending could be the culprit.

**Top 2000 Stocks
Total Capital Expenditure Dollar Share by Sector
Through End-February, 2025**



Source: Trivariate Research

**T2000 Capital Expenditure-to-Sales Growth by Cohorts
Quarterly Year-over-Year Growth
As of End-February, 2025**

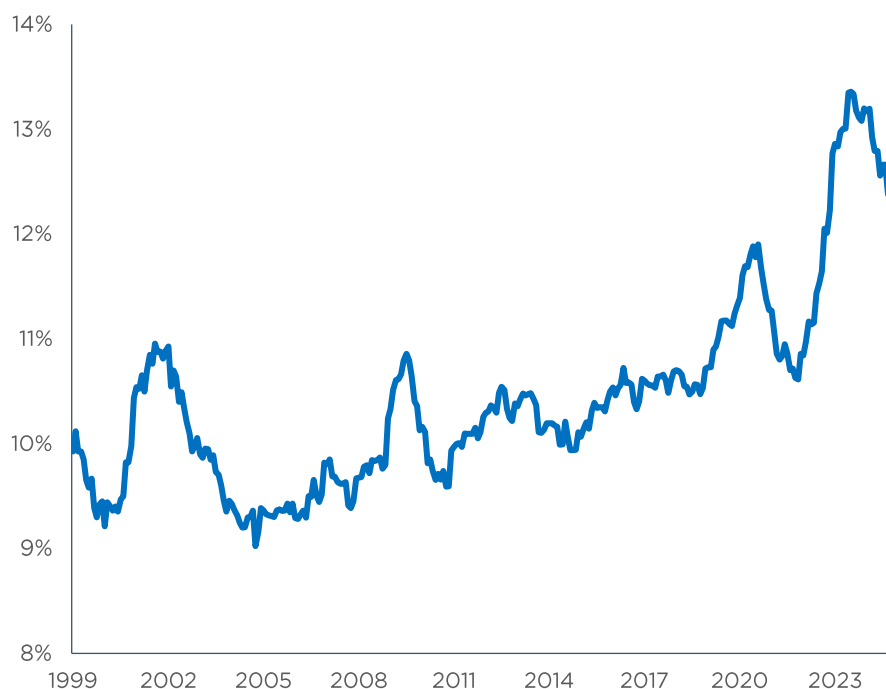
Cohort	Tagging	Median Capital Expenditure-to-Sales growth
Market Cap. Bucket	Mega	2.5%
	Large	0.6%
	Mid	(1.5%)
	Small	(1.2%)
Style	Growth	(1.4%)
	Neither	(0.7%)
	Value	(0.5%)
Substance	High Quality	0.3%
	Mid Quality	(1.4%)
	Low Quality	(0.9%)
	Junk Quality	(2.1%)
Sector	Communication Services	(0.8%)
	Consumer Discretionary	(1.6%)
	Consumer Staples	(2.2%)
	Energy	0.8%
	Health Care	(2.5%)
	Industrials	(0.7%)
	Information Technology	(0.1%)
	Materials	(1.5%)
	Utilities	0.4%

Source: Trivariate Research

INVENTORY-TO-SALES LEVELS ARE HIGH BUT DECLINING

In some cases, capital spending increases are required to produce more product, such as when it is anticipated that future demand will exceed current full capacity. Low or declining inventory levels can presage an increase in capital spending. However, for the top 2000 US equities, inventory has slowly risen relative to sales over the last 25 years, peaking at over 13% in November of 2023 for the median company and dropping to 12.3% today (left). Across the market, inventory-to-sales levels remain high, with nearly every major cohort and all but a couple of sectors in the 90th percentile or greater. However, nearly every part of the market has seen inventory peak and rollover from post-COVID highs (right).

**Top 2000 Stocks
Median Inventory-to-Sales
Through End-February, 2025**



Source: Trivariate Research

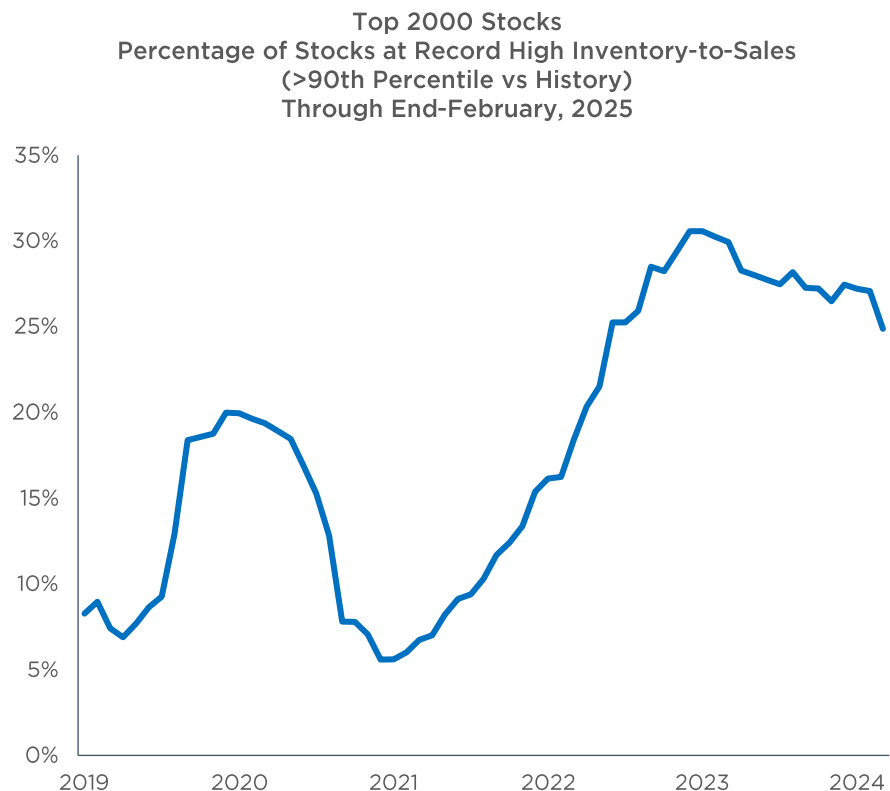
**T2000 Inventory-to-Sales by Cohorts
As of End-February, 2025**

Cohort	Tagging	Median	% vs. History	Peak Since 2020
Market Cap. Bucket	Mega	6.7%	6.8%	2023-12
	Large	10.4%	87.3%	2024-01
	Mid	13.1%	93.5%	2023-12
	Small	12.9%	94.5%	2024-03
Style	Growth	13.2%	93.2%	2024-08
	Neither	13.3%	95.8%	2024-02
	Value	10.9%	98.2%	2024-12
Substance	High Quality	11.3%	89.3%	2023-12
	Mid Quality	12.1%	98.1%	2024-05
	Low Quality	11.8%	88.6%	2024-02
	Junk Quality	14.7%	99.0%	2025-01
Sector	Comm. Services	1.9%	26.0%	2023-09
	Con. Discretionary	13.1%	87.0%	2020-09
	Consumer Staples	10.3%	81.2%	2024-04
	Energy	4.7%	71.8%	2021-02
	Health Care	13.8%	95.1%	2024-07
	Industrials	13.9%	93.2%	2023-10
	Info. Technology	16.6%	94.8%	2024-03
	Materials	14.5%	82.5%	2020-08
	Utilities	7.1%	99.5%	2024-12

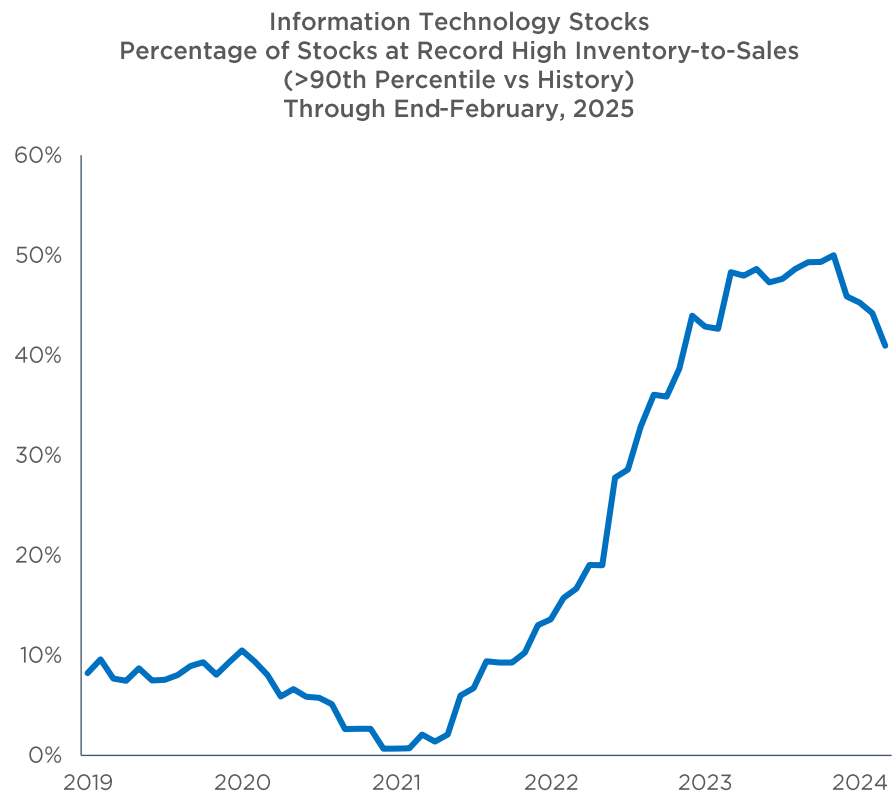
Source: Trivariate Research

41% OF TECHNOLOGY STOCKS HAVE VERY HIGH INVENTORY

In general, the initial shortages of inventory of many products during COVID caused a massive excess build in 2022. Nearly one-third of all companies that have inventory as part of their business model had inventory-to-sales in the 90th percentile or higher a year ago. While the number of “very high inventory-to-sales” companies has declined to just less than 25% most recently, the number of “extremely high” inventory companies remains well above long-term averages (left). Within Technology, 41% of the companies (right) have high inventory-to-sales vs. history.



Source: Trivariate Research

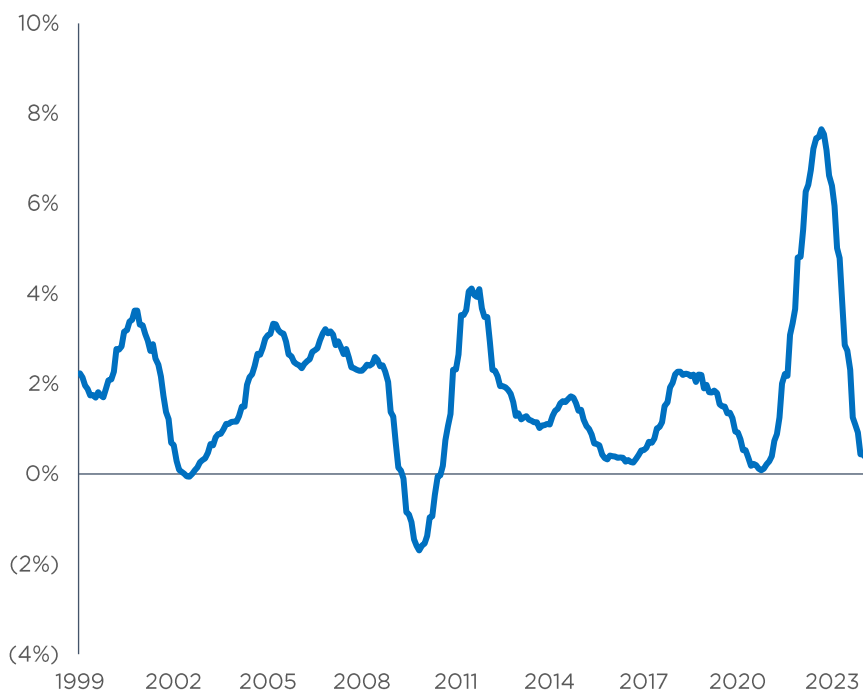


Source: Trivariate Research

INVENTORY-TO-SALES LEVELS ARE DOWN YEAR-OVER-YEAR

In addition to inventory-to-sales, we also look at inventory accruals, or the change in inventory year-over-year divided by revenue. For the overall market, growth in inventory-to-sales is at its lowest level post the Financial Crisis (left), following its biggest increase as a hangover from the COVID recovery. In most parts of the market, except the median growth stock, Healthcare, Energy, and Utilities, inventory-to-sales growth is flat-to-declining (right).

Top 2000 Stocks
Median 12-Month Inventory Accruals-to-Revenue
Through End-February, 2025



Source: Trivariate Research

Top 2000 12-Month Inventory Accruals by Cohorts
As of End-February, 2025

Cohort	Tagging	Median	% vs. History	Peak Since 2020
Market Cap. Bucket	Mega	(0.3%)	2.9%	2023-02
	Large	0.4%	16.6%	2023-02
	Mid	(0.1%)	4.5%	2023-02
	Small	(0.1%)	8.1%	2023-04
Style	Growth	0.8%	6.5%	2023-06
	Neither	(0.2%)	7.1%	2023-03
	Value	(0.3%)	14.9%	2022-10
Substance	High Quality	(0.0%)	3.9%	2023-03
	Mid Quality	(0.0%)	7.8%	2023-03
	Low Quality	0.2%	11.7%	2023-03
	Junk Quality	(0.1%)	10.2%	2023-01
Sector	Comm. Services	(0.4%)	20.5%	2023-02
	Con. Discretionary	0.0%	11.7%	2023-01
	Consumer Staples	(0.7%)	4.2%	2023-03
	Energy	0.5%	31.5%	2023-05
	Health Care	1.1%	4.2%	2023-08
	Industrials	(0.0%)	15.6%	2023-02
	Info. Technology	(1.1%)	11.9%	2023-03
	Materials	(2.1%)	8.1%	2022-10
Utilities	1.1%	58.4%	2023-07	

Source: Trivariate Research

EXAMPLES OF HIGH BUT DECLINING INVENTORY-TO-SALES

The companies that have high-but-declining inventory include MOS, GE, and FLEX, among others.

Stocks With High Inventory Dollars, High Inventory-to-Sales and a Large YoY Decline in Inventory Accruals As of End-February, 2025

Ticker	Company	Industry Group	Market Cap. (US \$Bil.)	Inventory Dollars (US \$Bil.)	Inventory-to-Sales	12-Month Inventory Accrual-to-Sales
MOS	The Mosaic Company	Materials	9.03	2.55	21.8%	(30.0%)
GE	General Electric Company	Capital Goods	193.57	9.72	29.7%	(24.5%)
FLEX	Flex Ltd.	Technology Hardware & Equipment	15.51	5.47	24.1%	(21.4%)
LEN	Lennar Corporation	Consumer Durables & Apparel	46.19	20.64	55.9%	(20.7%)
SWK	Stanley Black & Decker, Inc.	Capital Goods	14.16	4.63	30.7%	(20.5%)
IFF	International Flavors & Fragrances Inc.	Materials	23.26	2.34	22.0%	(19.4%)
ALB	Albemarle Corporation	Materials	11.75	1.80	34.7%	(16.9%)
LRCX	Lam Research Corporation	Semiconductors & Semiconductor Equipment	101.92	4.21	28.1%	(13.4%)
SIG	Signet Jewelers Limited	Consumer Discretionary Distribution & Retail	4.32	1.98	29.3%	(12.5%)
WDC	Western Digital Corporation	Technology Hardware & Equipment	24.35	3.38	23.2%	(12.5%)

Source: Trivariate Research

HIGHER MARGINS ARE CORRELATED WITH LOWER CAPEX / INVENTORY

Ultimately, trying to align future expectations for consumption with future production is important for most manufacturing businesses. The goal is to optimize gross margins. Companies with the lowest capital spending-to-sales growth and the lowest inventory accruals average 250bps higher gross margins a year later. Those in the highest 40% of capital spending-to-sales growth and in the highest 40% of inventory-to-sales accruals end up with declining gross margins. Stock pickers should hyper focus on inventory and capital spending intensity when forecasting margins heading into Q1 earnings season.

Long-Term Average of Median Forward Gross Margin Expansion
 Quintile in CapEx-to-Sales Growth (Columns)
 and Quintile in Inventory Accrual-to-Sales (Rows)
 From 1999 to End-February, 2025

	Lowest CapEx-to-Sales Growth	Q2	Q3	Q4	Highest CapEx-to-Sales Growth
Lowest Inventory Accrual-to-Sales	2.5%	1.8%	1.3%	1.3%	1.4%
Q2	0.8%	0.3%	0.1%	0.2%	0.4%
Q3	0.4%	0.2%	(0.0%)	(0.1%)	(0.1%)
Q4	0.2%	0.0%	(0.2%)	(0.2%)	(0.4%)
Highest Inventory Accrual-to-Sales	0.5%	(0.3%)	(0.3%)	(0.4%)	(0.5%)

Source: Trivariate Research

WHAT SIGNALS WORK BEST?

We analyzed the efficacy of inventory and capital spending signals by various cohorts and sectors of the market. Among high quality stocks, buying low capital intensity and shorting high capital intensity works well. This signal also works well in the Technology sector. Among Communication Services companies, the signal is perverse, meaning buying the high depreciation-to-COGS businesses and shorting the low depreciation-to-COGS stocks generates 9.7% per annum return.

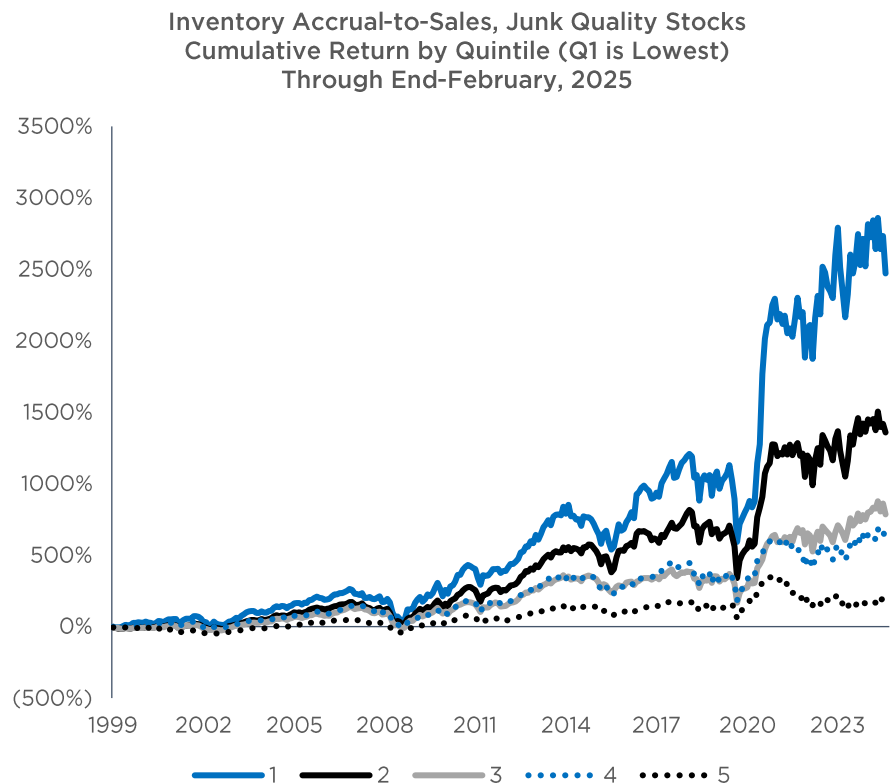
Factors That Work Best / Worst By Size, Style, Substance and Sector Cohorts
Efficacy of CapEx, Inventory and Depreciation, Level and Change
Through End-February, 2025

Signal	Cohort	Tagging	Average Annual Return	Standard Deviation	Hit Rate	T-Stat	Information Ratio
CapEx-to-Sales Growth	Substance	High Quality	4.5%	7.1%	57.1%	3.12	0.59
CapEx-to-Sales Growth	Sector	Information Technology	4.9%	7.8%	57.5%	3.11	0.59
Inventory Accruals-to-Sales	Substance	Junk Quality	9.1%	13.8%	55.5%	3.20	0.58
CapEx-to-Sales Growth	Market Cap. Bucket	Large	6.0%	9.7%	56.5%	3.04	0.57
Capital Expenditure-to-Sales	Overall	Top 2000	5.5%	9.2%	57.1%	2.94	0.55
Inventory Accruals-to-Sales	Sector	Energy	(2.7%)	14.5%	48.7%	(0.94)	(0.25)
Inventory-to-Sales	Sector	Utilities	(1.7%)	7.6%	52.3%	(1.17)	(0.27)
Depreciation-to-COGS	Sector	Materials	(5.1%)	29.7%	48.7%	(0.89)	(0.31)
Depreciation-to-COGS Growth	Sector	Industrials	(3.0%)	10.8%	46.8%	(1.45)	(0.33)
Depreciation-to-COGS Growth	Sector	Communication Services	(6.5%)	25.9%	48.4%	(1.31)	(0.37)
Depreciation-to-COGS	Sector	Communication Services	(9.7%)	26.1%	49.7%	(1.98)	(0.49)

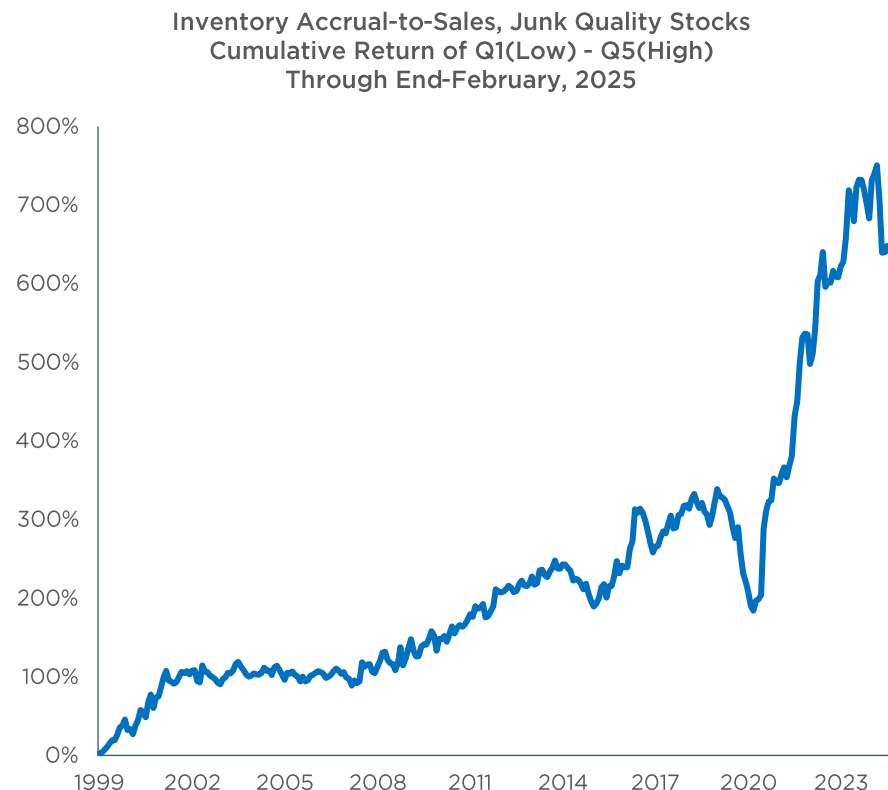
Source: Trivariate Research

AMONG JUNK STOCKS, INVENTORY-TO-SALES GROWTH WORKS

Within the junk stocks, buying those with declining inventory accruals makes sense (left). Shorting those with a year-over-year increase in inventory-to-revenue against those longs has generated tremendous excess return since the COVID recovery (right). For those owning a few stocks in the lowest quality part of the market, avoiding those with higher inventory-to-sales than a year ago is key. Given many think that when the market ultimately rallies junk stocks will initially lead, inventory accruals is a good signal to consider.



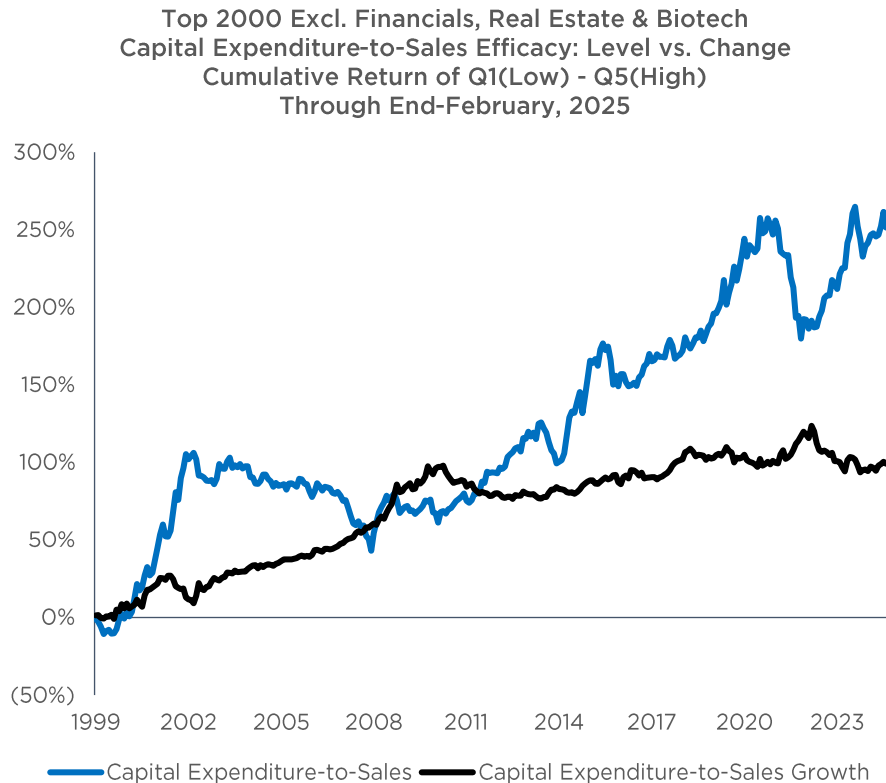
Source: Trivariate Research



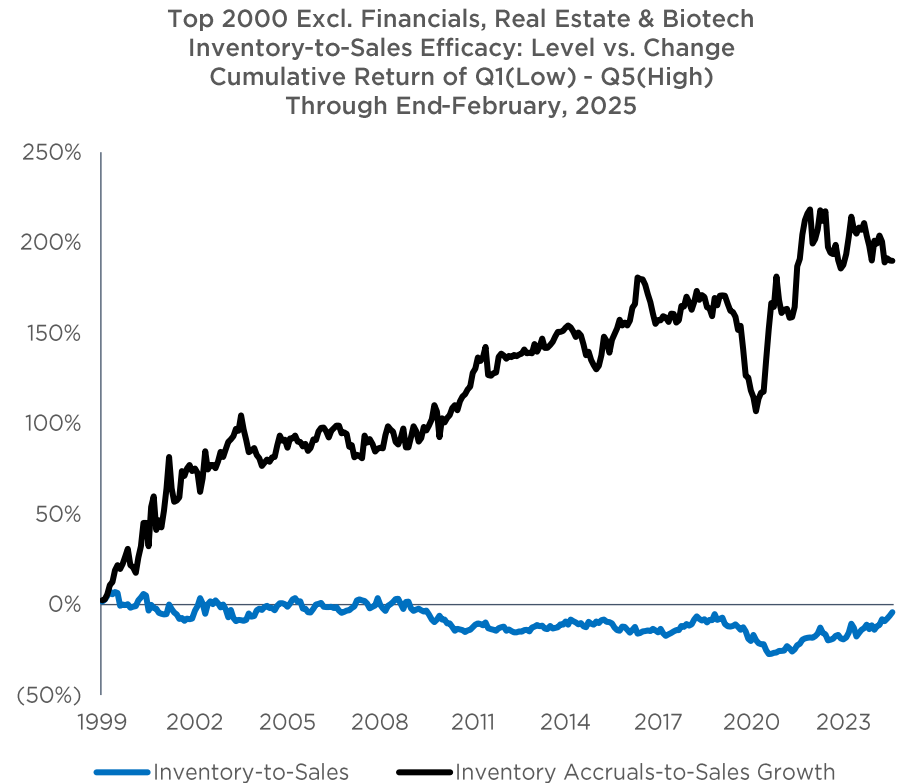
Source: Trivariate Research

LEVEL FOR CAPITAL INTENSITY AND CHANGE FOR INVENTORY

Buying stocks that have lower capital spending-to-sales and shorting those with high capital spending-to-sales generates far more excess return (left) than buying those with lower capital spending-to-sales growth and shorting those with high capital-spending-to-sales growth. Level matters more than change for capital intensity. On the contrary, inventory-to-sales level has no information in it, with low actually UNDERPERFORMING high over the last 25 years (right). But change matters a lot, as buying stocks with declining inventory-to-sales strongly outperforms buying stocks with rising inventory-to-sales. Change matters more than level for inventory-to-sales.



Source: Trivariate Research



Source: Trivariate Research

OPTIMIZE CAPITAL INTENSITY AND INVENTORY-TO-SALES GROWTH

When we combine signals, we can see that buying stocks with low and declining capital intensity (left) generates strong beta-adjusted return vs. those with high and rising capital intensity. On the right, we can see that those stocks with low capital intensity and declining inventory-to-sales growth outperform those with high capital intensity and increasing inventory-to-sales growth.

Annualized Average Beta-Adjusted Return
Quintile in CapEx-to-Sales Growth (Columns)
and Quintile in CapEx-to-Sales Level (Rows)
From 1999 to End-February, 2025

	Lowest CapEx-to- Sales Growth	Q2	Q3	Q4	Highest CapEx-to- Sales Growth
Lowest CapEx-to- Sales	4.6%	3.3%	1.7%	3.5%	(2.2%)
Q2	4.0%	4.0%	2.7%	4.0%	(0.0%)
Q3	5.4%	2.7%	0.9%	1.0%	0.0%
Q4	1.8%	2.5%	0.9%	1.6%	0.4%
Highest CapEx-to- Sales	0.8%	0.1%	0.4%	1.4%	(3.1%)

Source: Trivariate Research

Annualized Average Beta-Adjusted Return
Quintile in CapEx-to-Sales (Columns)
and Quintile in Inventory Accrual-to-Sales (Rows)
From 1999 to End-February, 2025

	Lowest CapEx-to- Sales	Q2	Q3	Q4	Highest CapEx-to- Sales
Lowest Inventory Accruals-to- Sales	4.9%	3.2%	1.5%	2.1%	0.1%
Q2	3.5%	3.5%	2.9%	5.2%	2.2%
Q3	2.9%	2.6%	1.3%	1.9%	0.1%
Q4	4.4%	2.3%	0.9%	2.2%	(1.3%)
Highest Inventory Accruals-to- Sales	1.1%	0.8%	(0.7%)	(0.5%)	(6.5%)

Source: Trivariate Research

BUY AND SELL IDEAS BASED ON CAPEX AND INVENTORY TO SALES

On the left, we show stocks that are in the lowest quintile of capital spending-to-sales and have declining inventory-to-sales growth as potential buy ideas. On the right, we show junk stocks that have highest inventory-to-sales growth and also have above median capital spending to sales as potential sell ideas.

Long Ideas
Lowest Quintile of Capital Spending-to-Sales
and Biggest Decline in Inventory
As of March 28th, 2025

Ticker	Company	Sector	Market Cap. (US \$Bil.)
ANET	Arista Networks Inc	Information Technology	98.29
LEN	Lennar Corporation	Consumer Discretionary	29.94
UI	Ubiquiti Inc.	Information Technology	18.77
TRMB	Trimble Inc.	Information Technology	16.10
VFC	V.F. Corporation	Consumer Discretionary	6.11
ARW	Arrow Electronics, Inc.	Information Technology	5.41
KTB	Kontoor Brands, Inc.	Consumer Discretionary	3.53
SMTC	Semtech Corporation	Information Technology	3.03

Source: Trivariate Research

Short Ideas
Junk Stocks with Highest Quintile of Inventory Accruals-to-Sales
and Above Median Capital Spending-to-Sales
As of March 28th, 2025

Ticker	Company	Sector	Market Cap. (US \$Bil.)
MU	Micron Technology, Inc.	Information Technology	98.84
VST	Vistra Corp.	Utilities	40.35
TSCO	Tractor Supply Company	Consumer Discretionary	28.42
DKS	DICK'S Sporting Goods, Inc.	Consumer Discretionary	16.13
FTAI	FTAI Aviation Ltd.	Industrials	11.52
CRS	Carpenter Technology	Materials	9.05
RKLB	Rocket Lab USA, Inc.	Industrials	8.45
LW	Lamb Weston Holdings, Inc.	Consumer Staples	7.70
SATS	EchoStar Corporation	Communication Services	7.16
TREX	Trex Company, Inc.	Industrials	6.14
RH	RH	Consumer Discretionary	4.40
FIVE	Five Below, Inc.	Consumer Discretionary	4.03
FRO	Frontline plc	Energy	3.33
KGS	Kodiak Gas Services, Inc.	Energy	3.31
BOOT	Boot Barn Holdings, Inc.	Consumer Discretionary	3.19
ATKR	Atkore Inc.	Industrials	2.10
BTU	Peabody Energy Corporation	Energy	1.67

Source: Trivariate Research

EARNINGS CALL COMMENTS ON INVENTORY

Below are companies that reported in March, the number of mentions of the word “inventory” during the earnings call, and select commentary extracted from those calls. In aggregate in March, Consumer commentary is more positive than Technology commentary.

Top 2000 US Companies Reported In March With Most Mentions of “Inventory”

Ticker	Company	Mentions	Quote
ANF	Abercrombie & Fitch Co.	24	We took the opportunity here with the cold weather, record cold in a lot of places to push on that carryover inventory. And we had very little carryover inventory.
NIKE	NIKE, Inc.	17	But the reason why we're confident in it is because we know we'll be liquidating it through the channels where we're used to liquidating that inventory.
AEO	American Eagle Outfitters, Inc.	17	I love our inventory position.
TGT	Target Corporation	17	And you could hear us building on momentum, in some cases, where we talked about -- we've had reliability -- inventory reliability improvements for 8 quarters in a row now.
M	Macy's, Inc.	17	I like our inventory position. And I think the composition of our inventory is much better going into the months now as we warm up.
HPE	Hewlett Packard Enterprise Company	15	Inventory in the AI that was higher than normal is because now it will take a little bit longer for us to basically transition that inventory as we go through the other two segment consumption while the service providers and the model builders will shift much more quickly into the the latest technologies.
MU	Micron Technology, Inc.	15	On the consumer side, of course, over the last few quarters, there was overhang of customer inventory on the consumer side, and that was there in DRAM as well.
BRUL	Burlington Stores, Inc.	14	So, overall inventory was up 15% at the end of Q4. This was driven really by adding 101 net new stores, but also higher levels of reserve inventory. In the store, on a comparable store basis, inventory in stores were down 3%.
DG	Dollar General Corporation	13	You know, when you look at our inventory levels, and you see the work that's been done there, with a 6.9% decrease per store in Q4, very, very strong.
GAP	The Gap, Inc.	11	The good news is that we successfully managed our inventory and we're starting the year with better inventory composition in comparison to the same time last year.
ASO	Academy Sports and Outdoors	10	As you turn the page into this year, we're very clean from an inventory perspective.
GIS	General Mills, Inc.	10	We don't have the overhang from the inventory. For the year, our inventory about retailer is about flat to where it was at the beginning of the year. And so that's what gives us the confidence that we won't have another drawdown in inventory in the rest of the year.
TTC	The Toro Company	10	Inventory at the end of Q1 was down about 3% compared to last year and higher sequentially from Q4, as was typical due to the normal seasonal flow. We also expect the continued field inventory normalization of lawn care and snow products to provide some offset.
SNX	TD SYNnex Corporation	9	And it will help us consume some of the elevated inventory. The inventory is really, for the moment, from a cash flow standpoint, the issue.
FIVE	Five Below, Inc.	9	While our overall inventory position and health has improved, we are still chasing inventory in some categories. The depth of inventory in certain categories is not where we'd like it to be, and we expect that to be corrected in the second quarter of this year.
SIG	Signet Jewelers Limited	9	So, the teams are focused on turning our inventory, at least in line with last year and believe that will serve us well as we manage our cash flow go forward, which, as you are aware, is our single biggest lever outside of operating income within our cashflow.
ULTA	Ulta Beauty, Inc.	8	From a category perspective, most of the inventory growth is attributable to investments made to support fragrance and body care which are key growth categories.
LULU	Lululemon Athletica Inc.	8	And then in terms of inventory, I'm pleased with the level and composition of the inventory.
JBL	Jabil Inc.	6	As anticipated, during the quarter, inventory days increased 4 days sequentially to 80 days, which reflects typical seasonality in our business. However, on a year-on-year basis, inventory days decreased by 7 days.
MRVL	Marvell Technology, Inc.	5	Our inventory at the end of the fourth quarter was \$1.03 billion an increase of \$170 million from the prior quarter to support the strong growth we are experiencing in our business.

Source: Trivariate Research

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