



GREENLIGHT

Transition Stories

SOHN INVESTMENT CONFERENCE

DAVID EINHORN
May 12, 2026



I want to thank the Sohn Investment Conference for inviting me to speak.

For the last 3 years I have presented 3 different European companies most of you had never heard of.

This year I'm going to introduce you to 5 U.S. companies in transition that you probably know.

While the market appears expensive in the U.S., we are finding interesting investments where management is repositioning businesses toward more durable, more disciplined, and more cash-generative growth.

The value-creation question is whether management can convert strategic change into better visibility, better margins, and eventually a better multiple.

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Here are our disclosures.

I'd like to remind everyone that the ideas I'm about to present are currently in our portfolio. We may change our position at any time.



The cartoon says, “This is a real opportunity to do things exactly as we’ve done them before.”

The 5 companies are in different industries but pose a similar investor question: can business mix improvement or repositioning unlock value?

The investment opportunity in each instance is the gap between the current perception and the future business quality.

By the time we are done today, I hope you will agree with me.

Source: www.CartoonStock.com.

“Under Pressure”

ACHC

Our first company has been under pressure over the last year due to both internal and external issues.

It is Acadia Healthcare, ticker ACHC.

Acadia Healthcare (ACHC)



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Acadia Healthcare is the leading pure-play behavioral health hospital and methadone clinic operator in the U.S.

It operates 277 facilities with over 12,500 beds across the country that focus on some of the most acute mental health conditions, including suicidal and homicidal ideation.

Source: Acadia Healthcare Company, Inc. first quarter 2026 report, available at <https://www.acadiahealthcare.com/investors/sec-filings>.



Yes, I'm an institutional investor—In fact, I'm calling from one!

CartoonStock.com

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The cartoon says, “Yes, I’m an institutional investor – In fact, I’m calling from one!”

Aren’t most of us just a couple of Truth Social posts away from needing Acadia’s help?

Source: www.CartoonStock.com.



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Acadia's stock peaked at almost \$90 in 2022 and came under pressure in 2024 following a New York Times investigation that alleged the company was holding patients involuntarily beyond medical need.

In addition, it has also faced sexual assault claims and lost a landmark jury trial in 2023 that changed the perceived litigation settlement costs.

Likely driven by the New York Times investigation, the DOJ is currently undergoing an exhaustive review of Acadia's operations to ensure it is not doing anything funny.

Source: One Flew Over the Cuckoo's Nest (United Artists 1975).

Acadia Healthcare (ACHC)



2021-2026E
Capex: ~\$2.0B
New beds: ~25%

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Our research has shown that Acadia's average length of stay is in-line with the industry, and that medical experts in the field view the company as a reputable, responsible operator, and the problems are not pervasive.

In addition to the external pressures, Acadia also went on an overly aggressive expansion spree since 2021.

In the last 5 years it has spent around \$2 billion building out significant new capacity across its facility base.

The expansion was mired by operational missteps including significant cost overruns and licensing delays.

As a result, operating expenses ramped significantly while many of these newer facilities remain underutilized.

While seasoned facilities operate at 70-80% occupancy, the newer facilities are currently operating in the 20-50% range.

Source: Multiple Acadia Healthcare Company, Inc. financial reports, available at <https://www.acadiahealthcare.com/investors/sec-filings>; Greenlight estimates and calculations.

ACHC Stock



Market Cap: \$2.3B
Enterprise Value: \$4.9B
EBITDA (Cons.): \$597M
EV/EBITDA: 8.3x

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The result of all these pressures can be seen on the 5-year chart.

At the current price of around \$25, the business trades at an EV/EBITDA multiple of 8.3x compared to a historical low-double-digit EBITDA multiple, as the behavioral health market has long-term secular growth with structural undercapacity.

The stock is cheap, but has found a catalyst...

Source: Acadia Healthcare Company, Inc. first quarter 2026 report, available at <https://www.acadiahealthcare.com/investors/sec-filings>; Bloomberg L.P., retrieved May 8, 2026; Greenlight estimates and calculations.

The Catalyst



Former CEO Debbie Osteen hired as new CEO

- Materially improve execution
- Negotiate reimbursement rates
- Ramp occupancy
- Drive EBITDA inflection as beds are filled

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In January, Acadia's board was finally fed up with the CEO and fired him.

It hired Debbie Osteen, the previous CEO from 2018 to 2022, who tripled the stock price during her initial tenure.

The expansion Capex has already been mostly spent. Now it needs to earn a return by ramping occupancy.

Acadia needs to bring the recent openings to the target occupancy rates of 70-80% and negotiate better reimbursement rates with managed payers.

Universal Health Services' Behavioral Health Division, Acadia's largest public competitor, grew reimbursement rates at double Acadia's pace in 2025.

The behavioral health industry is still in structural undersupply, which is a tailwind for the company.

Source: Acadia Healthcare Company, Inc. first quarter 2026 report, available at <https://www.acadiahealthcare.com/investors/sec-filings>; Universal Health Services, Inc. 2025 annual report, available at <https://ir.uhs.com/sec-filings>.

ACHC Valuation

2025 EBITDA (\$ M)	609
PA Medicaid Headwind	(25)
Incremental Occupancy	200
Total EBITDA (\$ M)	\$ 784

EV/EBITDA Historical Multiple	10-12x
Conservative Forward Multiple	10.0x

Enterprise Value (\$ M)	7,840
- Debt	(2,527)
+ Cash & Equivalents	158
- Redeemable NCI	(210)
Implied Market Cap (\$ M)	\$ 5,261

FD Shares Outstanding (M)	93.3
Implied Price	\$ 56.41
Current Price	\$25.18
Upside	124%

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EBITDA last year was \$609 million.

But if Acadia can improve occupancy to its target rates, the additional capacity built and paid for over the last 5 years could generate an incremental \$200 million of EBITDA.

If we apply a recovery 10x EBITDA multiple to the improved EBITDA, we get to a share price of around \$56, over double the current share price.

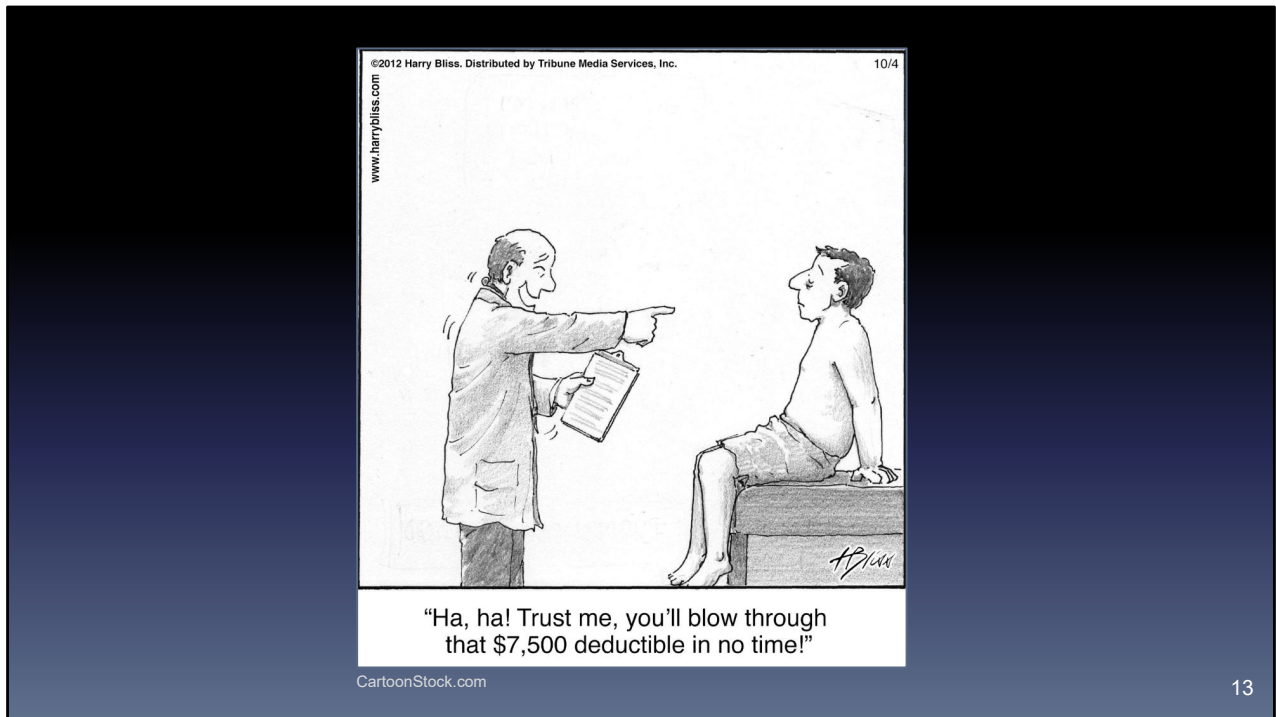
Source: Acadia Healthcare Company, Inc. first quarter 2026 report, available at <https://www.acadiahealthcare.com/investors/sec-filings>; Acadia Healthcare Company, Inc. presentation at the 44th Annual J.P. Morgan Healthcare Conference, January 2026, available at <https://www.acadiahealthcare.com/investors/presentations>; Greenlight estimates and calculations.

“I Will Survive”

CNC

Next up we have Centene Corporation, ticker CNC.

The company had its worst year in 2025, but we think this giant survives and comes out stronger on the other side.

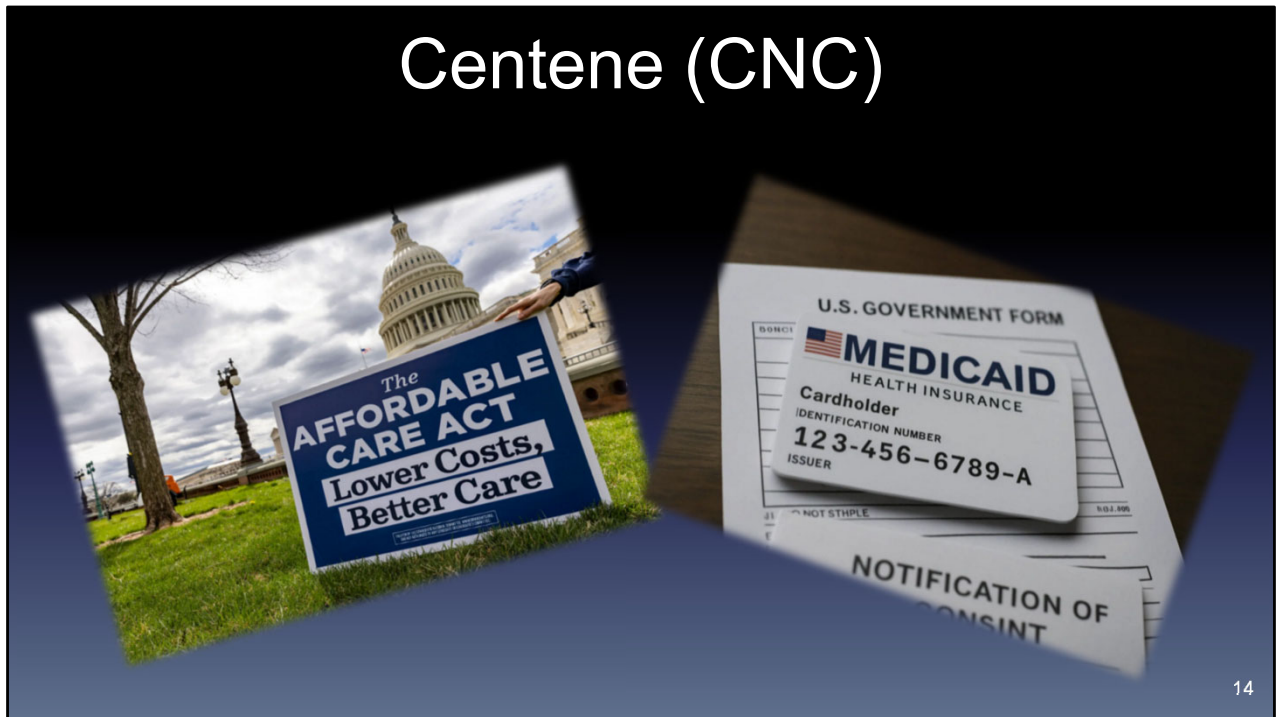


The cartoon says, “Ha, ha! Trust me, you’ll blow through that \$7,500 deductible in no time!”

Centene is by far the largest of our companies in today’s presentation with a market cap over \$27 billion.

Source: www.CartoonStock.com.

Centene (CNC)



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Centene is the leading ACA Exchange and Medicaid insurer. It provides coverage to about 28 million members nationwide or 1 in 15 individuals across all 50 states.

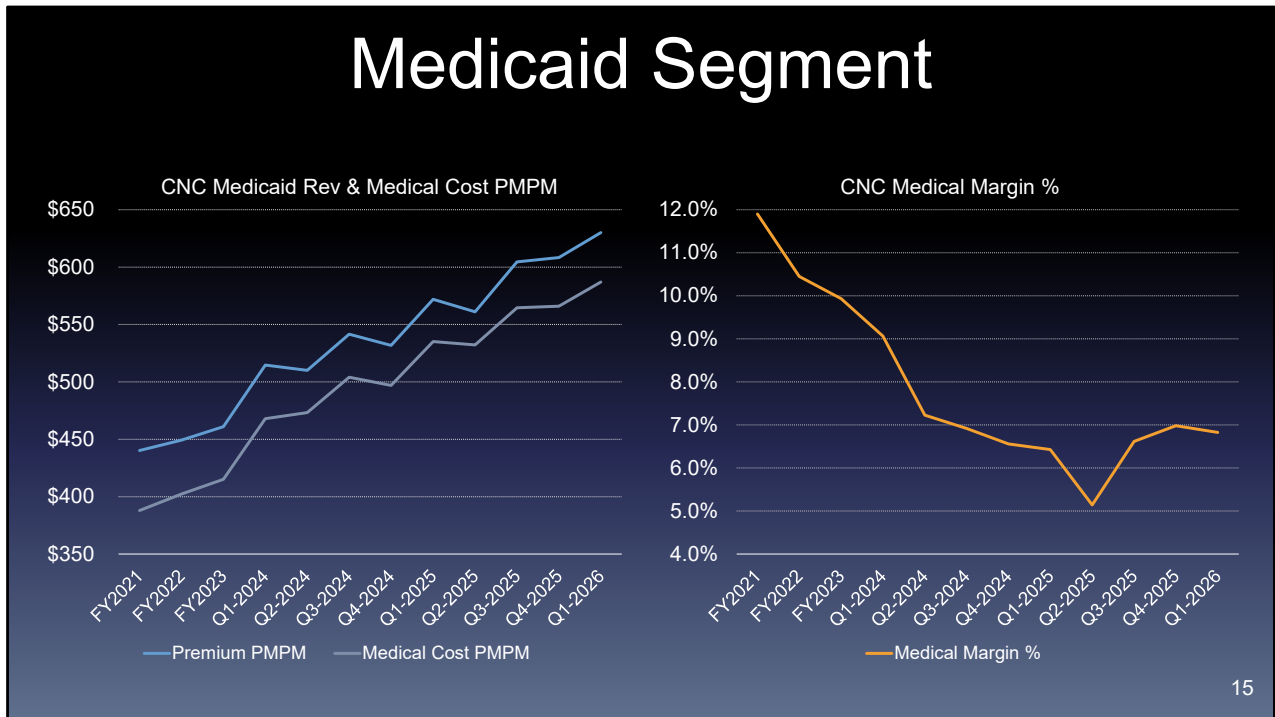
It is dramatically underearning across all major business lines, with a straightforward path to margin normalization over the next 2 to 3 years.

Adjusted pre-tax margins were 3.1% to 3.7% from 2016 through 2024.

Last year they collapsed to less than a percent, and this year they are guiding to just over a percent.

Source: Multiple Centene Corporation financial reports, available at <https://investors.centene.com/all-filings>.

Medicaid Segment



For the Medicaid segment, we can see the evolution of premiums paid per member per month and medical costs per member on the left side.

The Medical Margin on the right side, which is before overhead, is the difference between the two.

2021 was an unusually good year as people avoided the doctor during COVID for anything except emergencies. Then the pent-up care and drug cost inflation started in 2022.

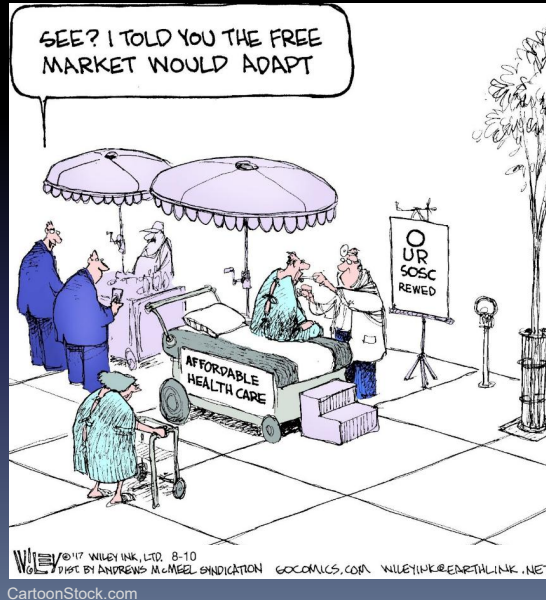
Margins compressed from 12% in 2021 to 5% by Q2 2025.

States are required to pay Medicaid rates that produce “actuarially sound” margins over time. With the COVID distortion past, the recent data shows unacceptably low margins, which enables Centene to request price increases.

It will take another year to reflect current costs in rates, and the 2027 implementation of the One Big Beautiful Bill Act policy will mute the recovery somewhat, but most of the margin lift should occur by 2028.

Source: Multiple Centene Corporation financial reports, available at <https://investors.centene.com/all-filings>.

Commercial / ACA Segment



16

The cartoon says, “See? I told you the free market would adapt.”

The Commercial Segment is a short-cycle insurance business. Centene reprices its entire ACA Marketplace book over the course of a year.

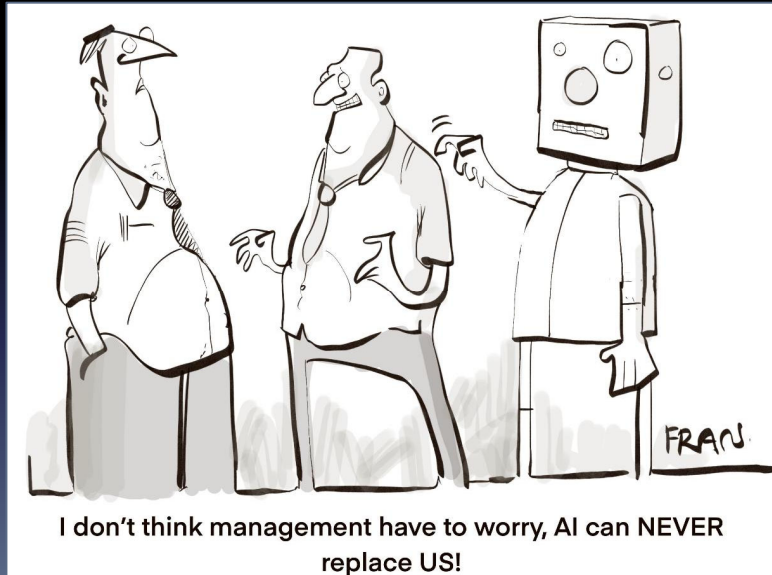
Centene cannot be forced to operate in geographies or lines of business that don’t produce acceptable margins.

It has already announced that the average price of its various ACA programs will increase about 35% for 2026.

Due to mix shift toward lower tier plans, the actual increase in average premium per member will be lower than mid-30s, but still up significantly from the prior year, as management targets margin expansion of 400 basis points.

Source: www.CartoonStock.com. Centene Corporation first quarter 2026 earnings call.

Transformation



CartoonStock.com

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The cartoon says, "I don't think management have to worry, AI can NEVER replace US!"

Centene spends significant costs and effort processing a very large number of claims.

And Artificial Intelligence is well suited to automate manually repetitive functions.

We think Centene could be a huge beneficiary of AI.

Source: www.CartoonStock.com.

The Decline is “Transitory”

2025		Normalized	
2025 Earnings	\$2.08	Current Revenue Base (\$ M)	172,267
2025 YE Price	\$41.15	Normalized Adj. Pre-Tax Margin	3.3%
YE P/E	19.8x	Normalized Pre-Tax Profit	5,685
		Taxes	(1,421)
		Normalized Net Income (\$ M)	\$ 4,264
		Normalized Earnings	\$ 8.49
		Current Price	\$55.96
		Current P/E	6.6x
		Normalized P/E	10x - 12x
		Normalized Price	\$84.93 - 101.92
		Upside	52% - 82%

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In 2025 Centene suffered from a mismatch between rapidly evolving medical cost trends and slower annual pricing adjustments.

Both segments will get repriced and margins should normalize within a few years.

The ACA Marketplace enrollment should decrease significantly in 2026 as enhanced ACA subsidies expired at the end of 2025.

This is factored into our normalized earnings number of \$8.49.

Applying a conservative P/E of 10-12x, we get to an \$85 - \$102 share price compared to \$56 today.

It is worth noting that targets management issued in 2024 imply greater than \$11 of EPS on the current revenue base, so there could be even more upside.

Source: Multiple Centene Corporation financial reports, available at <https://investors.centene.com/all-filings>; Centene Corporation December 2024 Investor Day presentation; Greenlight estimates and calculations. “Current Revenue Base” includes premium and services revenue.

“Eye of the Tiger”

FLR

Our next idea is Fluor Corporation, ticker FLR.

This company is a survivor in every sense of the word.

It has transformed itself after a near-death experience and is poised for success and revaluation.



"It's a big project, so proceed carefully one step at a time, but considering the deadline, make them REALLY BIG careful steps."

CartoonStock.com

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The cartoon says, "It's a big project, so proceed carefully one step at a time, but considering the deadline, make them REALLY BIG careful steps."

Source: www.CartoonStock.com.

Fluor Corporation (FLR)



Engineering, Procurement and Construction (EPC)

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Fluor Corporation is an Engineering, Procurement, and Construction, or EPC, manager.

It oversees some of the world's most complex, large-scale projects from initial design and engineering, through materials procurement, and on-the-ground construction management.

There is lingering overhang from prior mismanagement, including a near-bankruptcy in 2020 and several negative-margin, fixed-priced legacy projects nearing completion.

Contract Pricing



When life serves you lemons, make lemonade, then calculate your fixed and variable costs and add a reasonable markup in order to create a profit.

CartoonStock.com

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The cartoon says, “When life serves you lemons, make lemonade, then calculate your fixed and variable costs and add a reasonable markup in order to create a profit.”

Even the cartoon got it right, but historically, EPC managers competed using fixed-price models for large multi-billion-dollar projects. They basically took the risk of cost overruns.

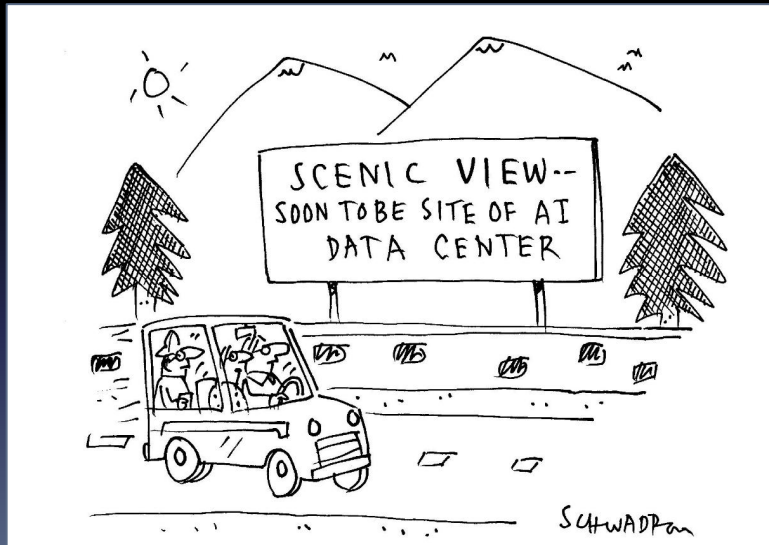
In 2020, Fluor nearly went bankrupt after taking on several large, lump-sum EPC projects where it bore most of the cost and schedule risk.

This was right before inflation took off. The company badly underestimated final costs and experienced major overruns. Those nightmare legacy projects are nearing completion.

In response, Fluor has emphasized cost-plus work, which is over 80% of the current backlog.

Source: www.CartoonStock.com; Fluor Corporation 2025 amended annual report, available at <https://fluorenterprisesinc2023rbcr.q4web.com/financials/sec-filings>.

End-Markets Supercycle



CartoonStock.com

23

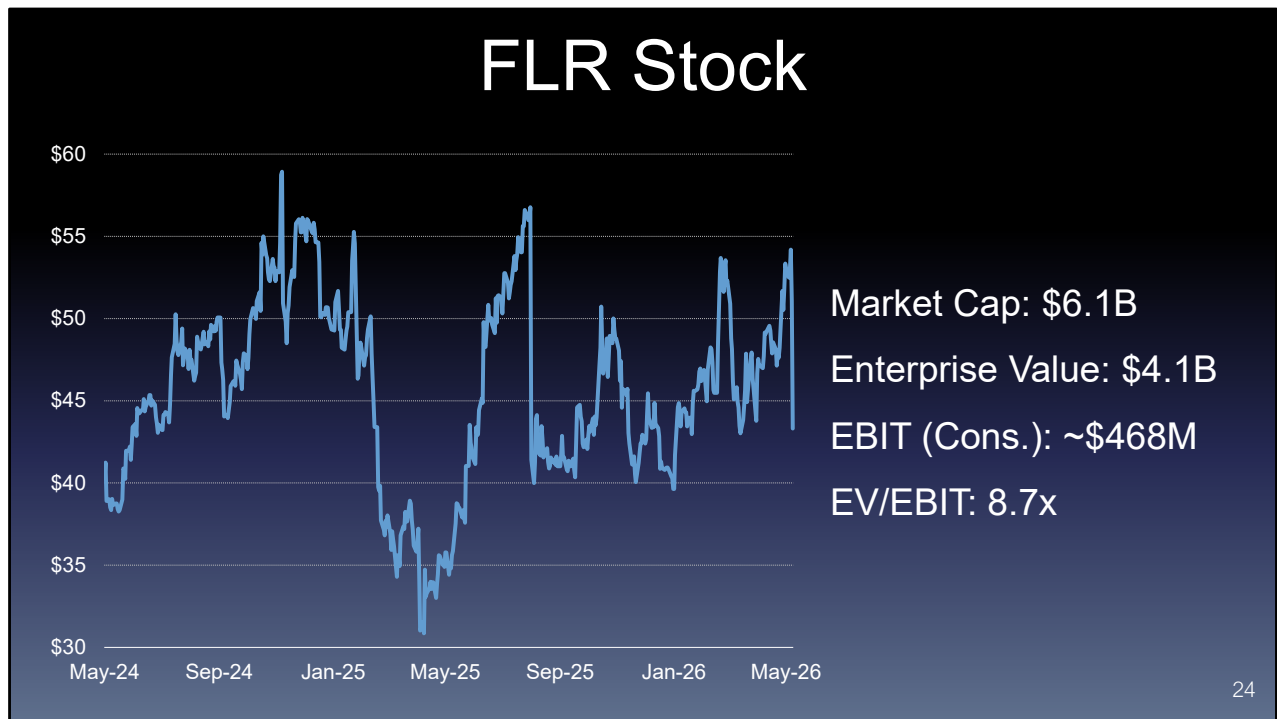
The cartoon says, "Scenic view – soon to be site of AI data center."

Investors remain focused on the past and underappreciate Fluor's exposure to multiple end-markets that are each positioned for potential super cycles, including:

- Data centers
- Pharma manufacturing
- Gas power generation
- LNG infrastructure
- Nuclear power, and
- Copper mining.

We are having a Capex boom in this country, and Fluor is likely to get its share.

Source: www.CartoonStock.com.



The company has a market cap of \$6.1 billion, a fortress balance sheet and an Enterprise Value of \$4.1 billion. It recently monetized a strategic investment and is using the proceeds to fund a \$1.4 billion buyback program, amounting to about 20% of its market cap.

Construction-heavy EPC peers trade at a median of 11x EBIT, while engineering-heavy EPC peers trade at an even higher 21x EBIT. Fluor is involved across the board.

Importantly, specialty players focused on the Artificial Intelligence end-market get even higher premium multiples, often well above 20x, irrespective of their mix of Engineering vs. Procurement vs. Construction. And we believe Fluor is close to showing the Street that it too has significant exposure to the AI supercycle taking place.

Fluor has a large and healthy pipeline. Today, it is actively being paid to do front-end work on projects representing roughly \$60 billion of potential future revenue. For context, that compares to the current backlog of \$26 billion and an annual revenue base of roughly \$16 billion.

Source: Fluor Corporation 2025 amended annual report, available at <https://fluorenterprisesinc2023rbcr.q4web.com/financials/sec-filings>; Fluor Corporation fourth quarter 2025 earnings call; Bloomberg L.P., retrieved May 8, 2026.

Value Today vs. Medium-Term

(\$ millions)	Today	2028
NTM EBITDA	543	900
D&A	(75)	(75)
EBIT	\$468	\$825
EBIT Multiple	8.7x	14.0x
Enterprise Value	4,063	11,550
+ Adj. Net Cash/Other	2,073	-
Market Cap	\$6,136	\$11,550
Diluted Shares (M)	141.7	~100
Value/Share	\$43.31	\$115.50
Upside		167%

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Management projects EBITDA going from \$543 million to \$900 million in 2029, as the cycle develops.

Fluor has good exposure to energy, so when that last cycle took off, EBITDA tripled before peaking in 2014.

If Fluor shows new client wins and a path toward drastically increasing EBITDA, the stock will do very well and perhaps even much better than we show here.

We assume the buyback gets completed and use a blended 14x EBIT multiple to get to a \$115 share price in a few years.

Source: Fluor Corporation 2025 amended annual report, available at <https://fluorenterprisesinc2023rbc.q4web.com/financials/sec-filings>; Fluor Corporation third quarter 2025 earnings call; Fluor Corporation April 2, 2025 Strategic Update, available at <https://fluorenterprisesinc2023rbc.q4web.com/events-and-presentations>; Bloomberg L.P., retrieved May 8, 2026; Greenlight estimates and calculations. "Other" is based on Greenlight estimates and calculations and includes cash held at joint ventures and certain legal liabilities.

“Love Me Like You Do”

VSNT

We have two ideas left to discuss. One is sexy and one is not sexy.

Both tickers start with “VS.”

We will start with the sexy company...

Versant Media Group, ticker VSNT.

This is a company just begging for some love.



And I'd like to call out one of the long-standing sponsors of this conference, CNBC, for being a key part of this story.

I think I'm giving an interview afterward, so this is my opportunity to suck up to get easy questions.

And Versant is super cheap – we find that extremely sexy.

Source: Power Lunch. CNBC. May 14, 2025.

Versant Media Group (VSNT)



Versant is the legacy NBCUniversal Cable TV business that was spun out of Comcast in January.

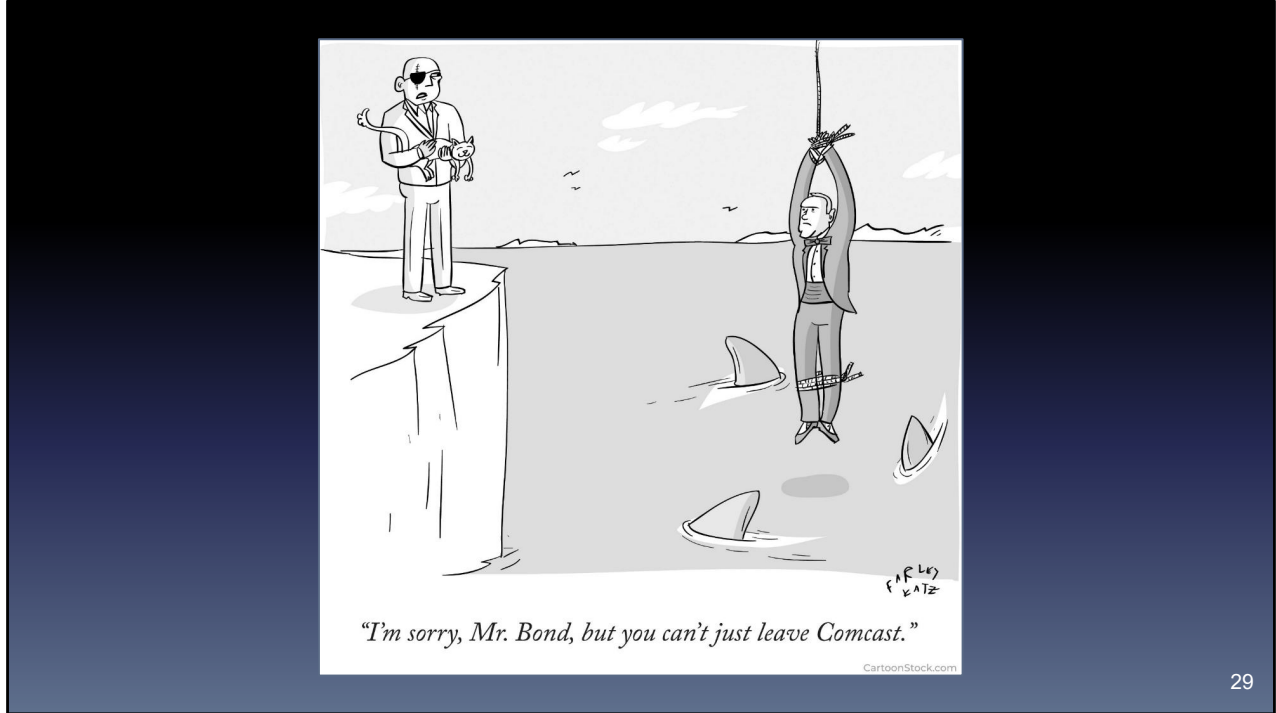
About 60% of Versant's content is live News and Sports, with the rest Entertainment.

The main channels are CNBC, MS Now and the Golf Channel, and they are all top 5 in their respective genres.

Versant also holds non-cable assets like GolfNow, Fandango and Rotten Tomatoes.

Everyone seems to hate this, which created the opportunity to buy something that has been force sold by non-economic actors and is very cheap.

Source: Versant Media Group, Inc. Investor Day presentation, December 4, 2025, available at <https://investors.versantmedia.com>.



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The cartoon says, "I'm sorry, Mr. Bond, but you can't just leave Comcast."

At the time of the spin-off, Versant's market cap was about 5% of Comcast's market cap and the stock was dumped by those who received it.

Index funds tracking the S&P 500 and the Nasdaq 100, which include Comcast, added to the technical selling pressure.

It took Versant a few months to find its footing.

It's now trading around \$41.

Source: www.CartoonStock.com; Bloomberg L.P., retrieved May 8, 2026.

Versant Media Group (VSNT)

\$6.7B

REVENUE

In 2025

\$2.2B

ADJUSTED EBITDA

33% Adj. EBITDA Margin

\$1.5B

FREE CASH FLOW

67% FCF Conversion

Market Cap: \$6.0B

Enterprise Value: \$8.3B

2026 P/E (Adj.): 4.6x

2026 EV/EBITDA: 4.2x

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The headline numbers for last year look great.

Versant sports a 19% free cash flow yield.

On 2026 consensus numbers, Versant is trading at a 4.6x P/E and a 4.2x EBITDA multiple.

So what's the problem?

Source: Versant Media Group, Inc. Investor Day presentation, December 4, 2025, available at <https://investors.versantmedia.com>; Bloomberg L.P., retrieved May 8, 2026; Greenlight estimates and calculations. Greenlight's estimate for the 2026 P/E multiple is adjusted for amortization.

Versant Media Group (VSNT)

\$6.7B

REVENUE

In 2025

\$2.2B

ADJUSTED EBITDA

33% Adj. EBITDA Margin

\$1.5B

FREE CASH FLOW

67% FCF Conversion

-5% y/y

-9% y/y

~ -9% y/y

31

Versant is somewhat of a melting ice cube. The market these days thinks of melting ice cubes as nearly worthless. Actually, they turn into a fair amount of fresh water.

2025 revenue declined 5%, EBITDA declined 9%, and free cash flow declined about 9%.

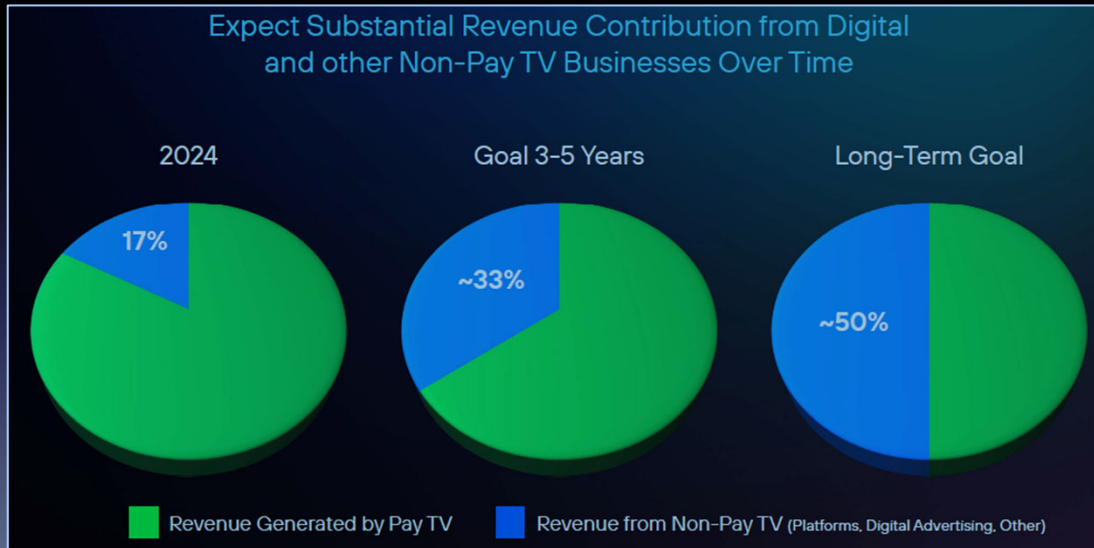
Versant is facing well-understood structural headwinds from cord-cutting.

But because it focuses on news and live sports, it is somewhat insulated from competition from streaming platforms.

Its main franchises are dominant in their respective fields and are included in cable “skinny bundles.”

Source: Versant Media Group, Inc. fourth quarter 2025 earnings call, available at <https://investors.versantmedia.com>; Versant Media Group, Inc. Investor Day presentation, December 4, 2025, available at <https://investors.versantmedia.com>.

Management Plan



Management's goal is to pivot growth in non-pay TV, currently at 19% of revenues and growing at mid-single digits, while managing the slow decline of the cable TV assets.

It has a goal in the next 3-5 years to double the revenue from its digital platforms to 33%, and a long-term goal of having a 50/50 revenue split.

Source: Versant Media Group, Inc. fourth quarter 2025 earnings call, available at <https://investors.versantmedia.com>; Versant Media Group, Inc. Investor Day presentation, December 4, 2025, available at <https://investors.versantmedia.com>.

A Potential Path

(\$ millions)	2025A	2026E	2027E	2028E	2029E
Pay TV	5,418	5,023	4,670	4,337	4,025
Non-Pay TV	1,271	1,340	1,415	1,496	1,583
Total Revenues	6,689	6,363	6,085	5,833	5,608
y/y		-4.9%	-4.4%	-4.1%	-3.9%
% Non-Pay TV	19%	21%	23%	26%	28%
Adjusted EBITDA	2,181	1,989	1,740	1,515	1,312
y/y		-8.8%	-12.5%	-12.9%	-13.4%
Total Levered FCF		1,175	1,003	846	702
Cumulative Levered FCF (% MC)		19%	36%	50%	62%

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We model the next 4 years conservatively, including the slow decline of the cable business and the increase of the other businesses.

There is significant free cash flow for either share repurchases or to grow the business through bolt-on acquisitions away from the cable TV business.

Using this simple model, Versant should generate over 60% of its market cap in free cash flow after 4 years.

And you are still left with a good operating business that has only 1 turn of net leverage and \$1.3 billion of EBITDA.

Source: Versant Media Group, Inc. 2025 annual report; Greenlight estimates and calculations.



“Fighter”
VSCO

Our last investment is the not sexy company starting with “VS.”

You all know Victoria’s Secret, ticker VSCO.

This company has been beaten up, but it’s coming back harder and smarter. It is the ultimate fighter.



The cartoon says, "Chief, I've got a lead on Victoria's Secret!"

The brand has taken many hits including cultural backlash, the botched acquisition of Adore Me and tariff headwinds.

Victoria's Secret is one of the most iconic brands in the world.

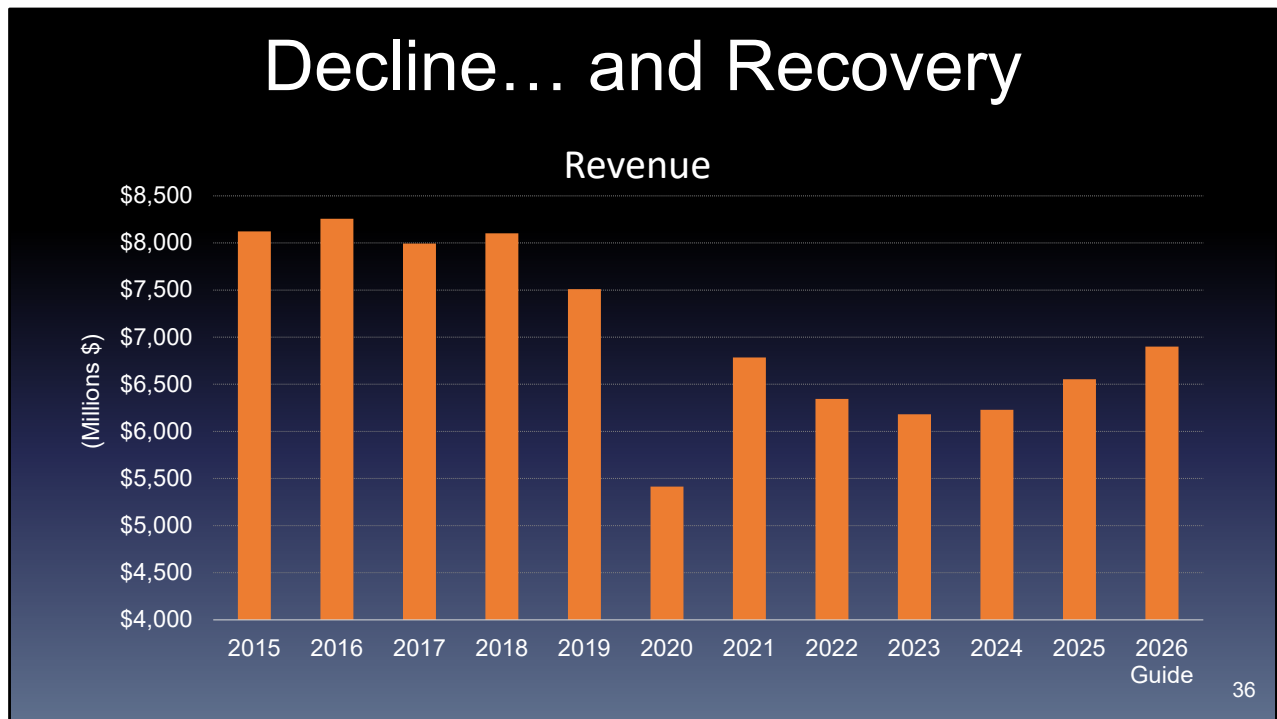
For a few years they had a management team that in a DEI world decided to broaden the brand appeal.

They pivoted to a "woke" campaign of empowerment that the consumer found inauthentic and got rid of the famous fashion show.

New management came in and has begun to reverse course, including reinstating the fashion show, leaning back into the company's "sexy" DNA.

Source: www.CartoonStock.com.

Decline... and Recovery



Victoria's Secret revenues were very stable during the second half of the last decade.

Obviously, it suffered during COVID as folks could not go out to shop and had no need for fancy lingerie.

2021 shows a big spike from people returning to going out and women realizing their lingerie was too old.

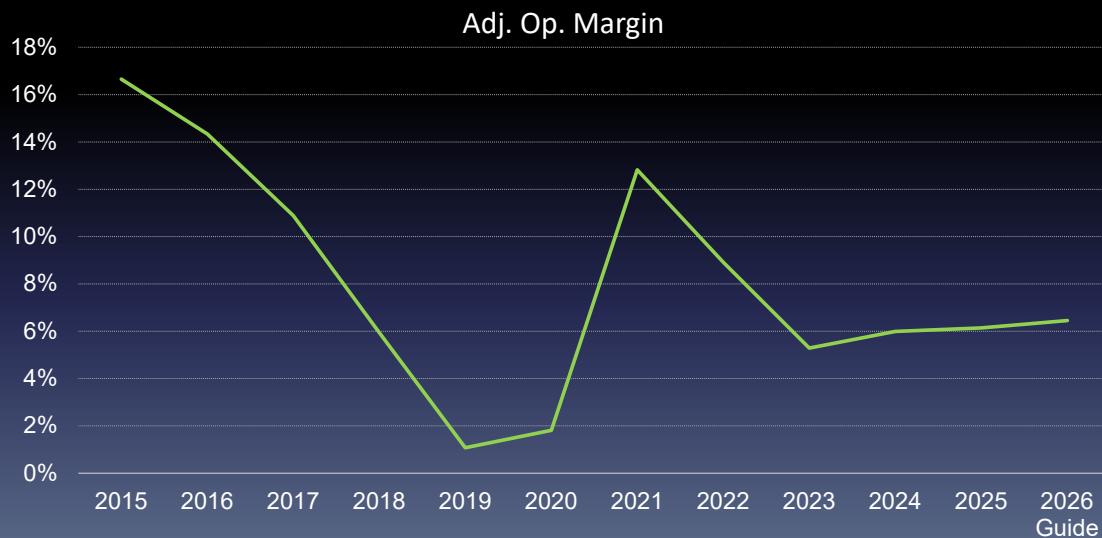
And then the brand muddled for several years.

The new CEO took over in September 2024, and she refreshed the management team in the spring of 2025.

Both the Victoria's Secret and PINK brands have begun showing share gains, despite pulling back on promos.

Source: Multiple Victoria's Secret & Co. financial reports, available at <https://www.victoriassecretandco.com/investors/financial-information/sec-filings>; Victoria's Secret & Co., "Victoria's Secret & Co. Reports 2025 Fourth Quarter and Full Year Results" (March 5, 2026), available at <https://www.victoriassecretandco.com/news-releases/news-release-details/victorias-secret-co-reports-2025-fourth-quarter-and-full-year>.

Operating Margins



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Operating margins had been falling for a long time, despite the stable revenues, a classic sign of mismanagement.

As revenue went up drastically in 2021, margins rebounded.

The margins remain at a lower level than we'd like, but part of that's related to the hit from tariffs in the last year. We'll likely see a bigger margin inflection in 2027. There should even be a tariff refund coming.

But the business is now stable, and with growing revenues we expect good things to come.

Margins are still barely half of historical levels, and the continued brand momentum can drive explosive earnings growth.

Source: Multiple Victoria's Secret & Co. financial reports, available at <https://www.victoriassecretandco.com/investors/financial-information/sec-filings>; Victoria's Secret & Co., "Victoria's Secret & Co. Reports 2025 Fourth Quarter and Full Year Results" (March 5, 2026), available at <https://www.victoriassecretandco.com/news-releases/news-release-details/victorias-secret-co-reports-2025-fourth-quarter-and-full-year>.

What Could VSCO be Worth?

(\$ millions)	Base	Bull
'28E Revenue	7,500	7,700
'28E EBIT	750	847
% Margin	10.0%	11.0%
Multiple	9.0x	10.0x
Enterprise Value	6,750	8,470
Less: Net Debt	(458)	(458)
Plus: Cash Generation	676	763
Equity Value	6,968	8,776
Shares Outstanding (M)	83.5	83.5
Value/Share	\$ 83.48	\$ 105.14
Upside	74%	119%

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We show here 2-year price targets using 2 different scenarios.

The company has stated it can get to 10% margins, and we think it's reasonable (even conservative) and that is our Base case. If they hit that, we believe the stock can trade in the low 80s, or about 74% higher than today's stock price.

Our Bull case is a bit higher than management estimates, but realistic if things go well. It requires a 1% revenue beat this year and just under 5% revenue growth the next 2 years, and an 11% margin compared to management's guide of "low double digits." The stock would more than double then.

Source: Multiple Victoria's Secret & Co. financial reports, available at <https://www.victoriasssecretandco.com/investors/financial-information/sec-filings>; Greenlight estimates and calculations.



"I don't want to change. I want all of you to change!"

CartoonStock.com

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So that is the end of my 5 transition stories.

I will leave you with one final cartoon that should resonate with other value investors. It says, "I don't want to change. I want all of you to change!"

Thanks again to Evan, the Sohn Conference and all the staff that make this a special annual event.

Source: www.CartoonStock.com.