

# 2 for 1 Index<sup>®</sup>

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A surfeit of riches! Four companies have announced splits since the last edition of the newsletter. The most recent, Texas Pacific Land Trust (TPL), owns or manages around 900,000 acres of land in Texas and makes its money from royalties from, and services provided to, the oil and gas industry. The stock is fairly thinly traded and has performed poorly over the last year. I'll take a pass. A quick look at CSP Inc. (CSPI), the second split, is sufficient to conclude it's not a 2 for 1 candidate. CSPI provides IT services to its commercial and defense company clients. The company's very small \$180M market cap and over 200% run-up in the last year puts it deep in the speculator's realm.

The two much better known and more promising companies are Old Dominion Freight Line (ODFL) and Cooper Inc. (COO). Old Dominion is an exceptionally well run and profitable trucking company with an 18% average annual increase in earnings over the last five years. With a 14% insider ownership and an extremely strong balance sheet, ODFL would seem a very safe bet. Cooper is a medical device company and leader in the specialty contact lens niche. Its surgical division focuses on women's health and fertility products and services. COO's PE ratio is quite high but its price-to-book ratio is well below industry averages. It pays a small dividend and has an average measure of volatility. Like ODFL, Cooper also has a record of strong earnings growth at close to 27% per year over the last five years.

Both ODFL and COO are trading near their 52-week high so one might be hesitant to buy. However, the market is also near its all-time high. It's not unusual to add a position to the Index at or near its high at the time of inclusion. It pays to remember; a company doesn't usually announce a split unless it's on a roll, and COO's is a 4 for 1 split. So, for both stocks, I'm going to take a deep breath and jump in.

A quick note about ODFL's split. The record date for the split is already past. However, any shares purchased before the delivery date of 3/27 will come with "rights" to the split shares, so buyers between now and 3/27 have no worries about receiving the split shares that they are due.

Extra Space Storage Inc. (EXR) will be deleted from the Index this month. EXR came to the Index when Extra Space bought out our original position in Life Storage Inc. (LSI). The buyout makes the performance calculation a bit complicated, but as near as I can tell, the total return for the Index, including dividends and capital gains, was around 60%, or 17% annualized. Sorry to see it go!

In summary, for March, **ODFL and COO will be added to the Index and EXR will be deleted.** There will be a rebalance, bringing the 2 for 1 Index to 29 equally weighted positions, as of the market close on Monday 3/18/24.

Neil Macneale

EXR	EXTRA SPACE STORAGE, INC.	MAR-21	AMRK	A-MARK PRECIOUS METALS	JUN-22	2 for 1 Index inception 7/31/1996
HWKN	HAWKINS, INC.	APR-21	REX	REX AMERICAN RESOURCES	JUL-22	
CP	CANADIAN PACIFIC	MAY-21	TECH	BIO-TECHNE CORP.	SEP-22	Value at inception = 100
CSX	CSX CORPORATION	JUN-21	UHAL	U-HAUL HOLDING CO.	NOV-22	
SCVL	SHOE CARNIVAL, INC.	JUL-21	PCAR	PACCAR, INC.	DEC-22	Value as of 3/14/24 = 2287.97
ISRG	INTUITIVE SURGICAL, INC.	AUG-21	SSRM	SSR MINING INC.	FEB-23	
RJF	RAYMOND JAMES FINANCIAL	SEP-21	GCBC	GREENE COUNTY BANCORP	MAR-23	All time high - 3/7/24 = 2323.34
TM	TOYOTA MOTORS CORP	OCT-21	AAON	AAON INC.	JUL-23	
MBIN	MERCHANTS BANCORP	DEC-21	CRPT	COPART, INC.	AUG-23	52-week low - 3/15/23 = 1808.02
NSSC	NAPCO SECURITY TECH.	DEC-21	SRE	SEMPRA	AUG-23	
GOOGL	ALPHABET, INC.	FEB-22	NVO	NOVO NORDISK	SEP-23	Overall annualized return = 12.00%
CM	CIBC	MAR-22	MLI	MUELLER INDUSTRIES	OCT-23	
PTSI	P. A. M. TRANSPORTATION	APR-22	SNEX	STONEX GROUP INC.	NOV-23	Comparable S&P total return = 9.86%
CTO	CTO REALTY GROWTH, INC.	MAY-22	HUBG	HUB GROUP, INC.	JAN-24	