



PORTER & CO. CONFERENCE 2025

A Recession-Proof Compounder

Plus a Hidden Discount in Japan

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Cellebrite (CLBT): Gold Standard in Digital Forensics

90% of Crimes Leave Digital Evidence

- Smartphones and computers = modern day “Big Brother” devices.
- Cellebrite helps law enforcement extract, analyze and secure digital intelligence from devices.
- Texts, emails, pictures, geolocation data, social media activity, app information, etc.

Cellebrite (CLBT): Value Proposition

Cellebrite offers the world's leading software platform for:

- Managing the increasing volume and complexity of digital data. Average 2-5 devices per criminal case, containing over 60,000 messages, 32,000 images, and 1,000 videos.
- Improving efficiency of legacy processes. (75% of digital evidence managed with physical devices like USB sticks).
- Securing “chain of custody” to minimize lost, corrupted or inadmissible forensic data.

A Full End-to-End Forensics Solution

- Not just a one tool solution for “getting into phones,” but a fully integrated platform for taking data from locked devices to the courtroom.
- Inseyets: data extraction software for accessing over 31,000 devices.
- Guardian: evidence management for storing, reviewing and sharing data securely.
- Pathfinder: AI-driven analytics to quickly link people, places, communications, etc. for turning overwhelming volumes of data into actionable leads.
- Case to closure platform: generates standardized, court-ready reports for non-technical experts including judges, juries and attorneys.

Growth Driver: Mounting Case Back Logs

- Investigators can spend up to 45 hours per case analyzing digital data.
- From 2021 to 2024, the average time for data extraction reports increased 133% from 6 to 14 days.

POLICE PROFESSIONAL

Forces 'overwhelmed' by digital forensics with backlog of 25,000 devices waiting to be examined

Police forces are "overwhelmed and ineffective" when it comes to digital forensics, with a backlog of more than 25,000 devices waiting to be examined, a new report has found.

Dec 1, 2022

By Paul Jacques



Competitive Advantages

Dominant scale, leading technology, network effects, switching costs, and brand power

- Largest player by revenue = largest R&D budget. Keeps Cellebrite at leading edge of “cracking” new operating systems and offering innovative new software tools.
- Cellebrite’s systems have been integrated into federal and international workflows over decades, and are cemented into court systems around the world.
- Network effects and switching costs keep Cellebrite customers “locked in,” and spending more on upgrades.
- 125% dollar-based retention rate = sticky customers that spend more money over time.

The Industry Leader: Over 7,000 Global Customers

PUBLIC SECTOR

3000+ North American state and local accounts

15/15 U.S. cabinet executive departments

50/50 U.S. States

100+ North American federal accounts

20/20 Police departments in the 20 largest U.S. cities

27/27 Member E.U. national police

15/20 Largest European police departments

PRIVATE SECTOR

72/100 Of The Fortune 100

10/10 Of Top 10 accounting firms

8/10 Of Top 10 pharma companies

9/10 Of Top 10 U.S. commercial banks

9/10 Of Top 10 U.S. technology companies

Case Study: Busting a Child Trafficking Ring

In January 2024, the Brazoria County Sheriff's Office used Cellebrite technology to help take down a child trafficking ring during a national championship college football game held in Houston.

Seven girls rescued and 23 arrests made.

One smartphone contained more than 250,000 images to process. Cellebrite's Pathfinder processed the images and linked the photos to specific locations, as well as to data from other suspect smartphones.

The [Cellebrite] system really helps us with doing our jobs faster.

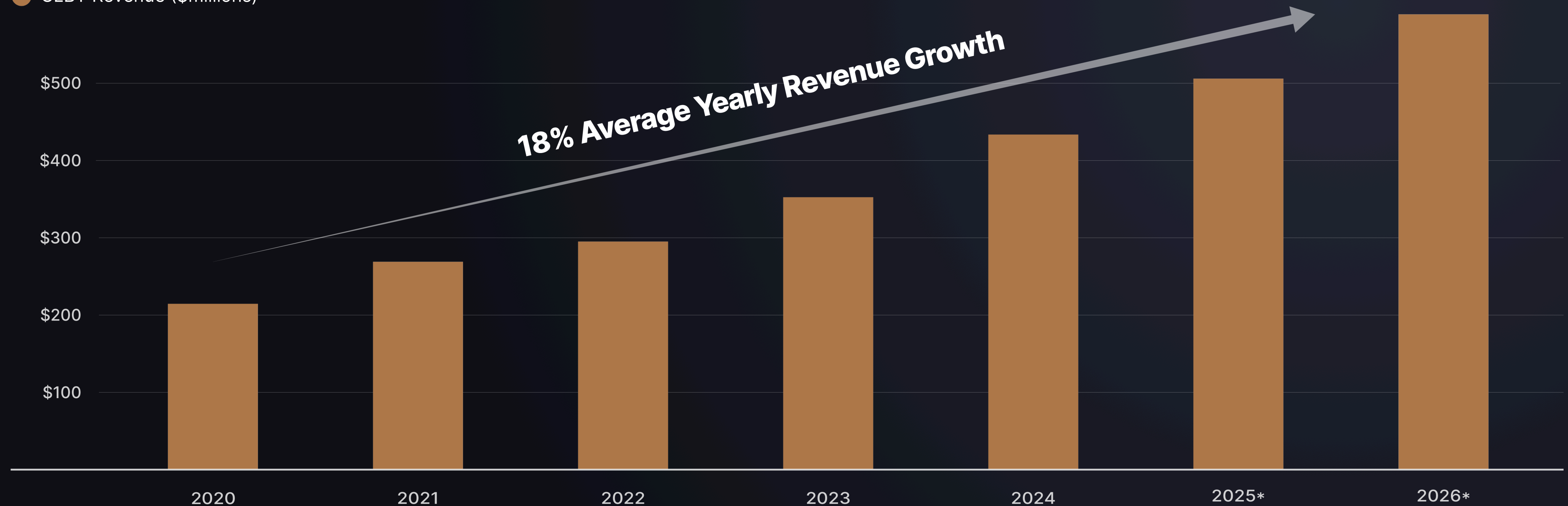
KENT NIELSEN, DIGITAL FORENSIC INVESTIGATOR FOR BRAZORIA COUNTY SHERIFF'S OFFICE.

Checking All The Boxes of a World-Class Business

- ✓ Industry leader with a proven, entrenched brand.
- ✓ Multi-pronged competitive moat: scale and technology advantages, network effects, and switching costs.
- ✓ Mission critical product with high customer ROI.
- ✓ Stable, recurring revenue business with sticky customers, independent of the economic cycle.
- ✓ Capital efficient: 33% free cash flow margins.
- ✓ Long runway for sustained revenue growth of 15 – 20% per year.

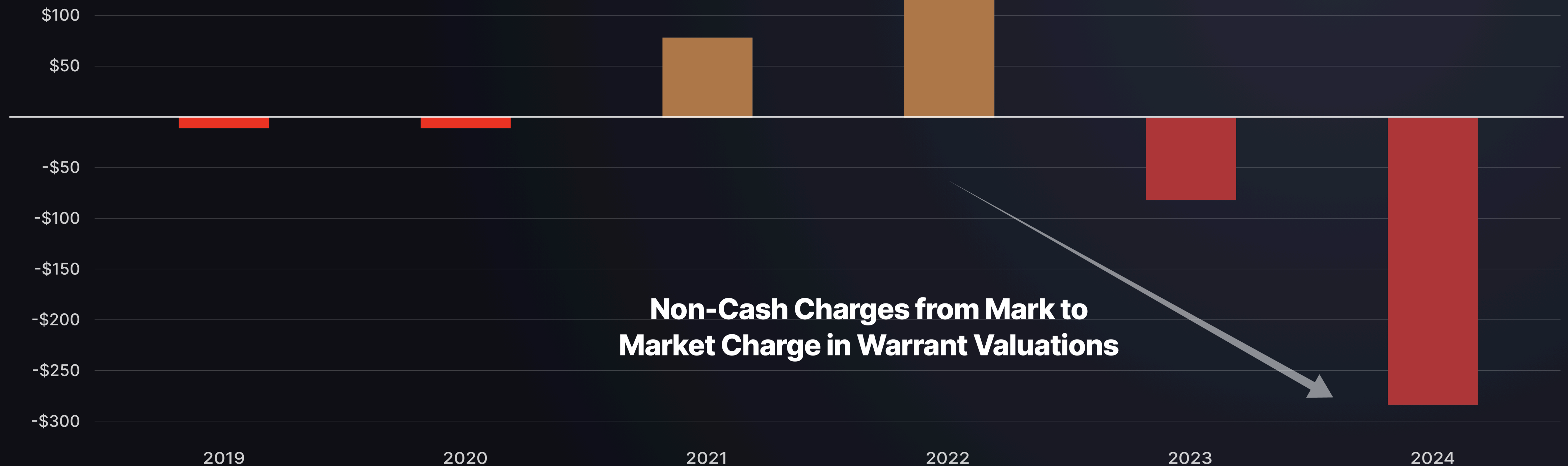
Recession-Proof Growth

● CLBT Revenue (\$millions)



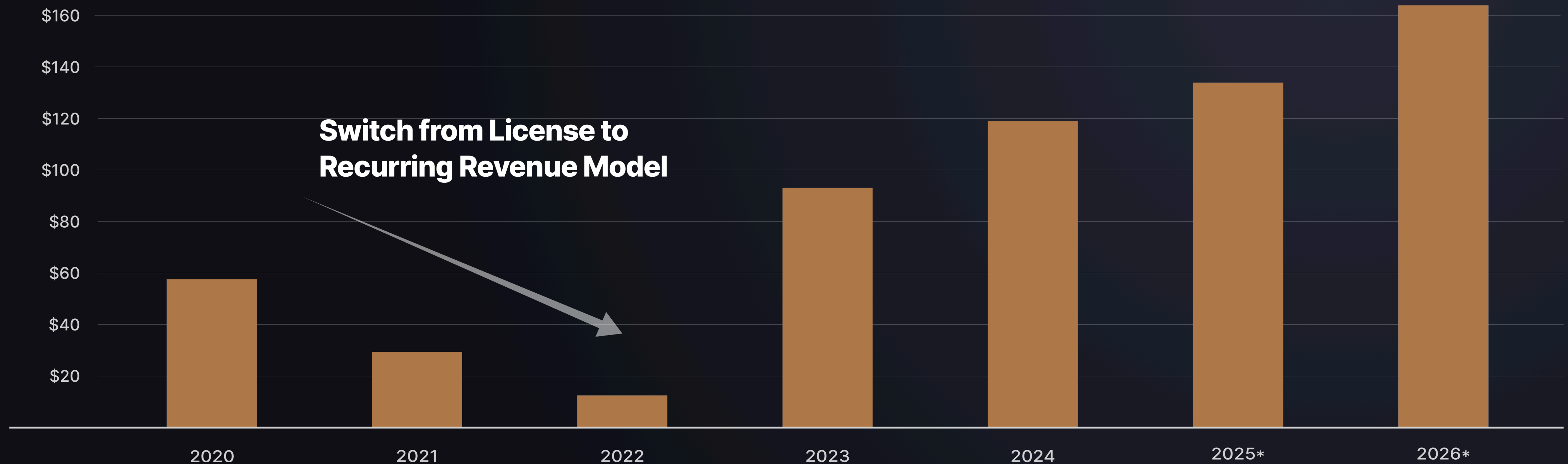
SPAC Warrants Cause Net Income Distortion

● CLBT Net Income (\$millions)



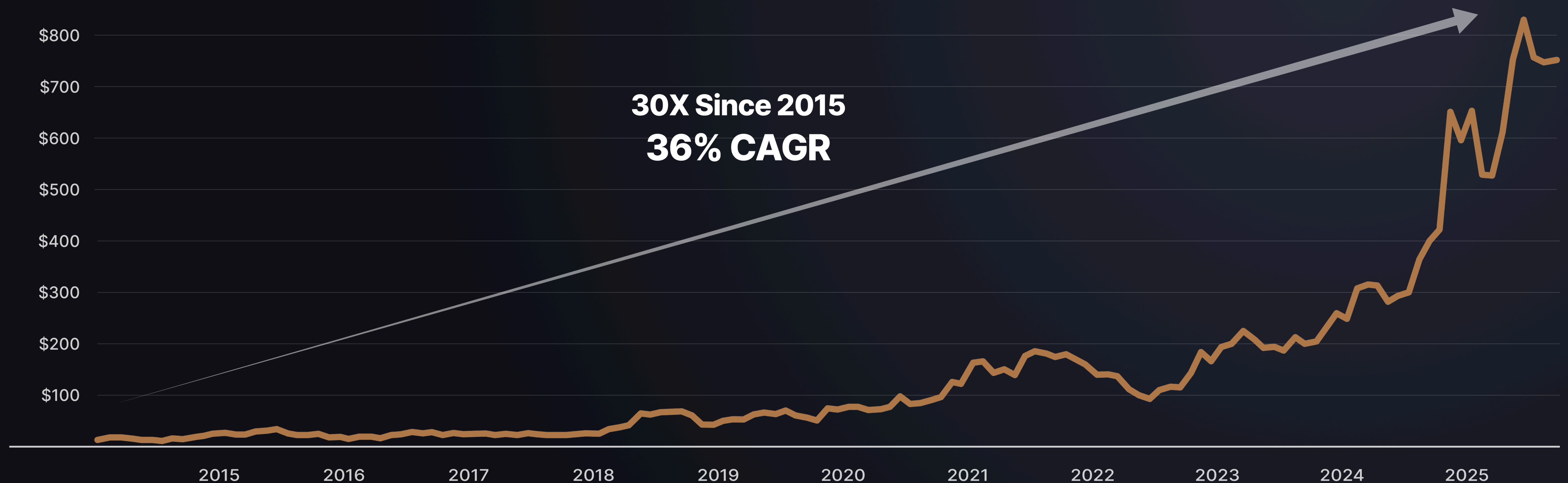
A Cash Flow Compounder

● CLBT Free Cash Flow (\$millions)



AXON: Axon Enterprises

● AXON Share Price



A Tale of Two Law Enforcement Businesses

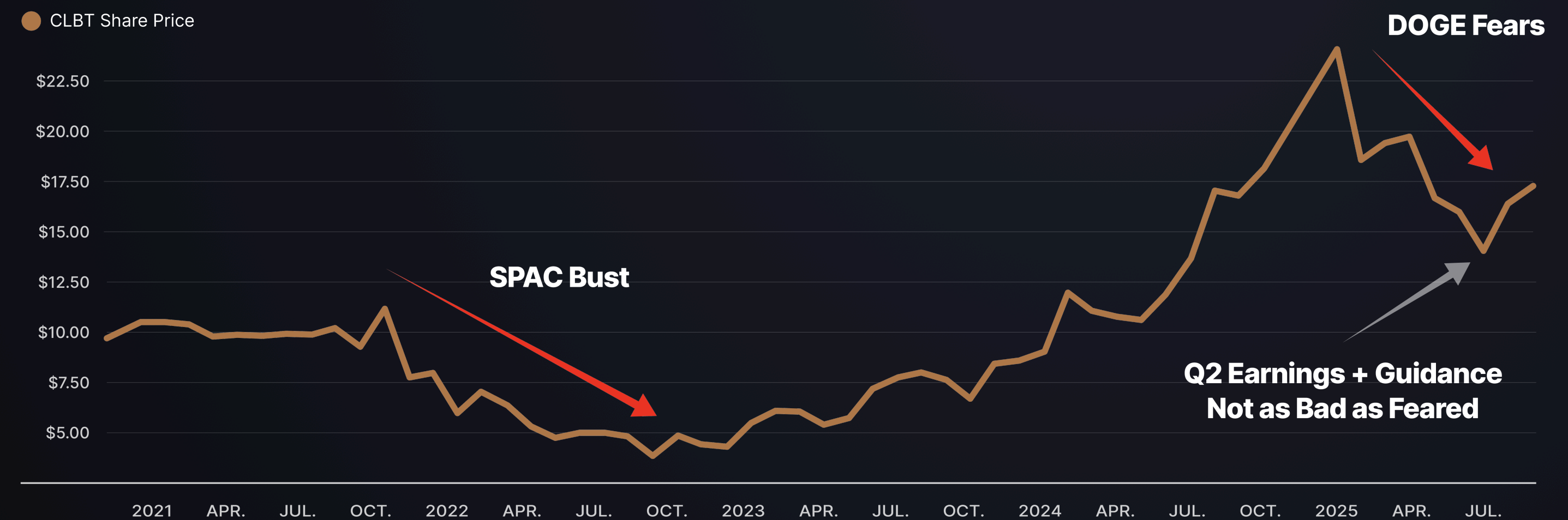
	Axon	Cellebrite
Gross Margin	60%	85%
Free Cash Flow Margin	14%	33%
Growth Rate	25%	17%
EV / FCF Multiple (2026)	117	20

Why Shares Are Cheap

3 Temporary Headwinds

- SPAC Overhang
- Federal Spending Cuts
- Executive Turnover

Why Shares Are Cheap: Cellebrite's Recent Trading History



Source: Tradingview

Cellebrite's Reshuffled Leadership Hints at Sale

July 2025: David Barter hired as Cellebrite's new CFO

Consider his prior experience...

- In August 2022, Barter became CFO of software company New Relic.
- Within 15 months, Barter orchestrated the sale of New Relic to private equity for \$6.5 billion.
- Prior to New Relic, Barter served as CFO at software company Model N, which was subsequently sold to private equity group Vista in 2024.

Cellebrite's Reshuffled Leadership Hints at Sale

August 2025: Thomas Hogan named CEO of Cellebrite

Consider his prior experience...

- Managing Partner of Vista Equity.
- CEO of enterprise software company Kony, where he orchestrated its sale in 2019.
- Executive Vice President of Hewlett Packard's Software Division, where he oversaw significant M&A transactions.

The SPAC Sponsor Incentive for a Sale

1.5 million SPAC sponsor shares vest under one of two conditions:

1. CLBT shares reach \$30.
2. CLBT undergoes a change of control (i.e. a sale).

A sale at \$30 would mean a \$45 million payday for SPAC sponsor True Wind Capital

The Japanese Connection: Sun Corporation

- Sun Corporation (TSE: 6736) owns 102 million shares (43%) of CLBT and trades at a 60% discount to the value of its CLBT stake (more details later)..
- In August 2024, Adam Clammer's True Wind Capital (CLBT SPAC Sponsor) acquired a 19% stake in Sun Corporation, worth \$200 million.
- In January 2025, Clammer became the Chairman of the Board at Cellebrite.
- Clammer, as both CLBT Chairman and major Sun shareholder, has a \$250 million incentive to push for a sale of CLBT.

The Activist Angle at Sun Corp.

- Two activist hedge funds, Oasis and Leopard Capital Management, are aggressively lobbying for Sun Corp to monetize its CLBT stake.
- These activists and True Wind together own 30% of Sun Corp.
- All are aligned to push for Sun Corp to monetize the value of its CLBT shares, including an acquisition.

Multiple, Well-Financed Suitors for CLBT

- **Vista Equity Partners:** \$100B AUM private equity group, where Thomas Hogan (CLBT's new CEO) previously worked as managing partner.
- **Thoma Bravo:** \$130B AUM private equity group which already bought Cellebrite's two largest competitors: Grayshift and Magnet. Acquiring Cellebrite would create the industry's most dominant player overnight.
- **Axon Enterprises (AXON):** Already acquired 9 million shares (4%) of CLBT in the SPAC transaction. \$60B market capitalization.
- **Motorola Solutions (MSI):** Operates in similar/adjacent markets for mission-critical communications, body cameras, and public safety software for law enforcement. \$80B market capitalization.

Two Trade Ideas

- **Official recommendation:** options trade in Cellebrite.
- **Bonus recommendation:** buy Cellebrite at a discount through Sun Corporation.
- **Note:** all prices referenced are as of the close on Friday, September 12 when...

CLBT traded at \$16.80.

Sun Corporation (TSE: 6736) traded at ¥7,200 and USD-JPY at 146

Options Trading Strategy: Risk Reversal

- **Step 1:** Sell 4 of the CLBT \$20 Puts Expiring 4/17/2026 for about \$4.0
 - Collect \$1,600 in premiums.
- **Step 2:** Buy 10 of the CLBT \$20 Calls Expiring 4/17/2026 for \$1.10
 - Spend \$1,100 in premiums.
- **Net premiums earned:** \$500
- **\$7,500 in capital at risk:** \$8,000 (from 4 put sales at \$20) minus \$500 in net premiums

Options Trading Strategy: Scenario 1

Shares of CLBT trade below the \$20 strike price at expiration

- Triggers a purchase 400 shares of CLBT at \$20 per share, for a total outlay of \$8,000.
- The \$500 in net premiums, or \$1.25 per share, lowers the effective cost basis down to \$18.75 per share.
- The profit/loss is the current stock price minus the \$18.75 cost basis on 400 shares.
- Example: with CLBT at \$15, the loss is $-\$3.75 \text{ per share} \times 400 \text{ shares}$, or $-\$1,500$

Options Trading Strategy: Scenario 2

CLBT trades above the \$20 strike price at expiration

- 10 call contracts provide the upside exposure of 1,000 shares of CLBT at \$20 per share.
- The \$500 in net premiums lowers the effective cost basis by \$0.50 per share, for a net cost basis of \$19.50 on 1,000 shares.
- Earn \$1,000 in profit for every \$1 CLBT trades above the \$19.50 per share cost basis.
- Example: with CLBT at \$30 per share, the profit is $\$10.50 \text{ per share} \times 1,000 \text{ shares} = \$10,500$.

Options Trade vs. Buy & Hold Strategy

- Same total downside risk.
- 80% more upside with options trade.
- Modest opportunity cost at CLBT <\$22

PROFIT / LOSS FOR CLBT OPTIONS TRADE VS. BUY AND HOLD

CLBT Share Price at Expiration	Options Trade Profit / Loss	Buy and Hold Profit / Loss	Difference
\$0	-\$7,500	-\$7,500	\$0
\$5	-\$5,500	-\$5,268	-\$232
\$10	-\$3,500	-\$3,036	-\$464
\$15	-\$1,500	-\$804	-\$696
\$20	\$500	\$1,429	-\$929
\$25	\$5,500	\$3,661	\$1,839
\$30	\$10,500	\$5,893	\$4,607

Bonus Trade: Buy CLBT Through Sun Corporation

- Sun Corp's total enterprise value is \$1.1 billion at ¥7,200 per share (with USDJPY at 146).
- The value of Sun Corp's CLBT stake alone is \$1.8 billion (with CLBT at \$16.80 per share).
- Every \$1 invested into Sun Corp = approximately \$1.60 in CLBT shares.

The Upside Scenarios for Sun Corp.

Three pathways for Sun Corp to monetize its CLBT stake, including..

1. Sun Corp sells its CLBT stake and returns the capital to shareholders: estimated 60% pre-tax return.
2. Sun Corp makes an “in kind” distribution of CLBT shares to Sun Corp shareholders: estimated 60% pre-tax return upfront, plus long-term upside from owning CLBT.
3. CLBT gets acquired at \$30 and Sun Corp returns capital to shareholders: estimated 180% pre-tax return.

How to Buy Sun Corporation Shares

- Need Permission to Trade International Stocks.
- Sun Corporation trades on the Tokyo Stock Exchange under the ticker: 6736.
- Most brokers require minimum trade orders of at least 100 shares.
- 100 shares of Sun Corp is worth approximately \$5,000 at ¥7,200 per share and with the USDJPY at 146.

Symbol	6736:JP
Action	Buy
Quantity	100.00
Order type	Limit at ¥7,200.00
Time in force	Day
Settlement currency	USD
Exchange rate	1 USD = 146.19802 JPY
Buy JPY	\$4945.35 USD
Estimated value	¥723,000.00
Included commission	¥3,000.00
Place order	

Key Risks of Investing in Sun Corporation

- Sun Corp's management may fail to monetize its CLBT stake or return the value to shareholders
- Oasis Capital Management has been waging an activist campaign urging Sun Corp to monetize its CLBT stake since 2020, without any meaningful progress.
- Thinly traded shares: only about \$2 million in daily trading volume.
- Foreign exchange risks: falling Japanese Yen subtracts from returns in US Dollar terms.
- Complex tax considerations (consult a professional tax accountant for guidance)

Any Questions?