



Pro-Dex, Inc.

Q1 revenue upside. Positive long-term outlook. Raising P/T to \$28.

COMPANY UPDATE

Rating: **BUY**

Ticker: PDEX

Price: \$17.35
(intraday)

Target: \$28.00
(from \$27)

Q1 revenue upside: Pro-Dex recently (on November 2) reported its fiscal Q1 2024 (ending September) results. Revenue was \$11.9 million (+8% y-o-y), compared with our estimate of \$11.2 million. EPS was \$(0.17), compared with our estimate of \$0.32. We estimate EPS would have been \$0.36 without its special investment loss. There was no guidance or consensus estimates.

Revenue +8%: Revenue was +8% (y-o-y) due to \$1.8 million in increased repairs of the surgical handpiece it sell to its largest customer offset primarily by a decrease of \$0.7 million in sales of its NRE & proto-type offerings. Gross margins were higher y-o-y (31% vs. 27% y-o-y) due to higher costs in the prior year that did not recur in this Q1.

No guidance: Management as usual did not provide any forward guidance.

New facility began operations in Q3 FY23: In Q1 FY23, the FDA authorized commencement of manufacturing activities at its new Franklin facility. The company began operations there in Q3 FY23.

Adjusting FY24 estimates: We are adjusting our FY24 estimates for revenue to \$49 million, from \$48 million, and for EPS to \$1.02 from \$1.45.

We remain positive: After suffering declining sales in 2013 and 2014 (combined -37%) due to the loss of a major product contract, the company has experienced strong revenue growth most of the past 9 years (+24% in FY15, +51% in FY16, +14% in FY17, +1% in FY18, +21% in FY19, +28% in FY20, +9% in FY21, +11% in FY22 and +10% in FY23). The management team has reversed the declining sales by winning new product contracts, investing in its own private label products, and returning the company to strong growth.

Solid growth expected long term: We expect revenue growth to remain solid over the next several years. We estimate +6% revenue growth in FY24 and +4% in FY25. Pro-Dex has plans to launch many internally developed devices for sale in FY24/25 and beyond presenting new growth opportunities.

Large market potential: We believe there is substantial market demand for medical contract manufacturing. By focusing on highly specialized medical and dental devices, we believe that the company is developing a proprietary niche in contract manufacturing. Due to high government regulations and the high value of medical products, we believe Pro-Dex is better able to compete and add value.

New building expansion: For planned future growth, the company in November 2020 acquired a new manufacturing facility for \$6.5 million. The new Franklin facility is near its current facility. The company completed the transfer of assembly and repairs operations in Q4 FY23 and this should provide adequate facilities for strong future growth.

Product diversification: A large portion of Pro-Dex's revenue is derived from a few customers and products. We believe it is positive that Pro-Dex is developing several devices (the company has listed 1 product to be released in FY25) to diversify its customer base and product lines.

Positive valuation: We are maintaining our BUY rating, but raising our 12-month price target to \$28 from \$27, which is based on a forward P/E multiple of ~18.5x our FY25 EPS estimate of \$1.52. We believe this multiple is reasonable as it is its estimated near-term earnings growth rate (implying a PEG ratio of 1 (P/E to growth rate)).

Company Description

Based in Irvine, CA, Pro-Dex provides OEMs outsourcing design, development, and manufacturing services in the surgical, dental, and industrial markets.

United States
Technology

November 20, 2023

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Stock Data

Exchange:	NasdaqGS
52-week Range:	\$14.51 – 19.68
Shares Outstanding (million):	4
Market cap (\$million):	\$69
EV (\$million):	\$75
Debt (\$million):	\$9
Cash (\$million):	\$3
Avg. Daily Trading Vol. (\$million):	\$0.1
Float (million shares):	2
Short Interest (million shares):	~0
Dividend, annual (yield):	\$0 (NA%)

Revenues (US\$ million)

	<u>2024E</u> (Cur.)	<u>2024E</u> (Old)	<u>2025E</u> (Cur.)	<u>2025E</u> (Old)
Q1 Sep	12A	11E	13E	
Q2 Dec	12E	11E	12E	
Q3 Mar	13E		14E	
Q4 Jun	<u>12E</u>		<u>13E</u>	
Total	49E	48E	51E	
EV/Revs	1.5x		1.5x	

Earnings per Share (pro forma)

	<u>2024E</u> (Cur.)	<u>2024E</u> (Old)	<u>2025E</u> (Cur.)	<u>2025E</u> (Old)
Q1 Sep	(0.17)A	0.32E	0.37E	
Q2 Dec	0.35E		0.35E	
Q3 Mar	0.43E	0.41E	0.40E	
Q4 Jun	<u>0.39E</u>	<u>0.37E</u>	<u>0.40E</u>	
Total	1.02E	1.45E	1.52E	
P/E	17x		11x	

Important Disclosures

Ascendant Capital Markets LLC seeks to do business with companies covered by its research team. Consequently, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making an investment decision.

For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report, beginning on page 8.

OVERVIEW

- Pro-Dex recently (on November 2) reported its fiscal Q1 2024 (ending September) results.
- Revenue was \$11.9 million (+8% y-o-y), compared with our estimate of \$11.2 million.
- EPS was \$(0.17), compared with our estimate of \$0.32. We estimate EPS would have been \$0.36 without its special investment loss. There was no guidance or consensus estimates.
- Management as usual did not provide any forward guidance.
- We are adjusting our FY24 estimates for revenue to \$49 million, from \$48 million, and for EPS to \$1.02 from \$1.45.
- We are initiating our FY25 estimates for revenue of \$51 million, and for EPS of \$1.52.

ADDITIONAL DETAILS

- Gross profit for the quarter was \$3.7 million, compared with our estimate of \$3.6 million.
- Gross margin for the quarter was 31%, versus 27% last year and our estimate of 32%.
- Operating expenses were \$1.8 million, compared with our estimate of \$1.9 million.
- Operating income was \$1.8 million, compared with our estimate of \$1.7 million.
- Net loss was \$(0.6) million (which included \$2.6 million in investment losses), compared with our estimate of net income of \$1.2 million.

In October 2023, the company amended/restated its prior financial reports (SEC filings) due to an error in its accounting for its investment in Monogram Orthopaedics Inc. The company determined its calculation of the estimated fair value of a warrant (the "Monogram Warrant"), which the company was granted on December 20, 2018, representing the company's right to purchase up to 5% of the outstanding stock of Monogram, was materially understated for fiscal years ended June 30, 2020, 2021 and 2022 and all interim periods commencing with the quarter ended September 30, 2020.

As this restatement had no effect on the company's previously report revenue, operating income, or cash, we have not restated our historical financial model for the company. As such, comparability of our model to the company's historical financial results may be difficult. We do not view the restatement/amendment to have a material change to our investment thesis of the company.

The company's balance sheet has \$3 million in cash and \$9 million in debt, compared with \$4 million in cash and \$13 million in debt as of June.

Exhibit 1: Q1 FY24 CEO Comments (on November 2, 2023)

CEO Comments

Richard L. ("Rick") Van Kirk, the Company's President and Chief Executive Officer, commented, "We are pleased with our first quarter results and excited to share that sales for the first quarter ended September 30, 2023, includes approximately \$1.1 million related to the launch of a new product in our Thoracic driver product line." Mr. Van Kirk concluded, "We are confident that with our assembly and repairs operations fully transitioned to the Franklin facility we are poised for continued long-term growth."

Source: Company report.

Exhibit 2: Product Plans

The amount spent on projects under development, along with the current estimated commercial launch date and estimated recurring annual revenue, is summarized below (in thousands):

	For the Three Months Ended September 30,		Market Launch (1)	Est. Annual Revenue (2)
	2023	2022		
Total Research & Development costs:	\$ 805	\$ 929		
Products in development:				
ENT Shaver	\$ 19	\$ 43	Q4 2024	\$ 1,000
Sustaining & Other	786	886		
Total.	\$ 805	\$ 929		

- (1) Represents the calendar quarter of expected market launch.
 (2) The products in development include risks that they could be abandoned in the future prior to completion, they could fail to become commercialized, or the actual annual revenue realized may be less than the amount estimated.

Source: Company report.

Exhibit 3: Pro-Dex's Stock Price (5-Years)



Source: <https://bigcharts.marketwatch.com/>

FINANCIAL MODEL

Pro-Dex, Inc.

Income Statement (\$ mils)	Sep-21	Dec-21	Mar-22	Jun-22	2022	Sep-22	Dec-22	Mar-23	Jun-23	2023	Sep-23	Dec-23	Mar-24	Jun-24	2024	Sep-24	Dec-24	Mar-25	Jun-25	2025
Fiscal Year End: June 30	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Total Revenue	10.0	10.2	9.3	12.6	42.0	11.1	11.3	13.1	10.6	46.1	11.9	11.5	13.2	12.4	49.0	12.5	11.9	13.6	13.0	51.0
<u>Cost of Revenues</u>	<u>6.6</u>	<u>6.8</u>	<u>6.4</u>	<u>9.2</u>	<u>28.9</u>	<u>8.1</u>	<u>8.7</u>	<u>9.3</u>	<u>7.3</u>	<u>33.3</u>	<u>8.3</u>	<u>7.8</u>	<u>8.9</u>	<u>8.3</u>	<u>33.2</u>	<u>8.5</u>	<u>8.0</u>	<u>9.2</u>	<u>8.8</u>	<u>34.5</u>
Gross Profit	3.4	3.4	2.9	3.4	13.1	3.0	2.6	3.8	3.4	12.8	3.7	3.7	4.4	4.1	15.8	4.0	3.9	4.4	4.2	16.5
Sales and marketing	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.0	0.0	0.2	0.0	0.2	0.2	0.2	0.6	0.2	0.2	0.2	0.2	0.7
General and administrative	1.1	1.2	1.1	1.5	4.9	1.0	1.0	1.0	1.0	4.0	1.0	1.0	1.2	1.1	4.3	1.1	1.1	1.2	1.1	4.6
Research and development	1.0	0.6	0.7	0.7	3.0	0.9	0.5	0.7	0.7	2.8	0.8	0.8	0.9	0.8	3.3	0.8	0.8	0.9	0.8	3.3
<u>Restructuring and other</u>			<u>0.0</u>	<u>0.0</u>	<u>0.0</u>					<u>0.0</u>					<u>0.0</u>					<u>0.0</u>
Total operating expenses	2.1	1.8	1.8	2.3	8.0	2.0	1.5	1.7	1.8	7.0	1.8	2.0	2.3	2.1	8.2	2.1	2.0	2.3	2.1	8.6
Operating income (loss)	1.3	1.6	1.0	1.2	5.1	0.9	1.1	2.1	1.6	5.8	1.8	1.7	2.1	2.0	7.6	1.9	1.8	2.1	2.1	7.9
Interest income (expense)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)	0.1	(0.1)	(0.1)	(0.1)	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)	(0.1)	(0.1)	(0.1)	(0.1)	(0.3)
<u>Other income (expense)</u>	<u>0.1</u>	<u>(0.3)</u>	<u>(0.3)</u>	<u>0.4</u>	<u>(0.0)</u>	<u>0.3</u>	<u>0.2</u>	<u>(0.2)</u>	<u>0.5</u>	<u>0.7</u>	<u>(2.6)</u>				<u>(2.6)</u>					<u>0.0</u>
Income before income taxes	1.4	1.2	0.6	1.5	4.7	1.3	1.2	1.8	2.0	6.3	(0.8)	1.6	2.0	1.9	4.7	1.8	1.7	2.0	2.0	7.6
<u>Income taxes</u>	<u>0.3</u>	<u>0.3</u>	<u>0.2</u>	<u>0.1</u>	<u>0.9</u>	<u>0.2</u>	<u>0.3</u>	<u>0.5</u>	<u>0.5</u>	<u>1.5</u>	<u>(0.2)</u>	<u>0.3</u>	<u>0.4</u>	<u>0.4</u>	<u>0.9</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>1.6</u>
Net income (loss)	1.1	0.9	0.5	1.4	3.9	1.1	0.9	1.3	1.5	4.8	(0.6)	1.3	1.6	1.5	3.7	1.4	1.4	1.6	1.6	6.0
<u>Nonrecurring/noncash adjustments</u>					<u>0.0</u>					<u>0.0</u>					<u>0.0</u>					<u>0.0</u>
Net income (pro forma)	1.1	0.9	0.5	1.4	3.9	1.1	0.9	1.3	1.5	4.8	(0.6)	1.3	1.6	1.5	3.7	1.4	1.4	1.6	1.6	6.0
EBITDA	1.8	2.1	1.6	1.7	7.1	1.4	1.5	2.5	2.1	7.4	2.3	2.1	2.5	2.4	9.2	2.3	2.2	2.5	2.5	9.5
Shares, Basic	3.7	3.7	3.6	3.6	3.6	3.6	3.6	3.5	3.5	3.6	3.5	3.6	3.6	3.7	3.6	3.8	3.8	3.9	3.9	3.9
Shares, Diluted	3.8	3.8	3.7	3.7	3.8	3.7	3.7	3.6	3.6	3.6	3.6	3.7	3.7	3.8	3.7	3.9	3.9	4.0	4.0	3.9
EPS Basic (Pro forma)	\$0.29	\$0.25	\$0.13	\$0.39	\$1.06	\$0.30	\$0.25	\$0.37	\$0.42	\$1.34	(\$0.17)	\$0.36	\$0.43	\$0.40	\$1.03	\$0.37	\$0.36	\$0.41	\$0.41	\$1.54
EPS Diluted (Pro forma)	\$0.28	\$0.25	\$0.12	\$0.38	\$1.02	\$0.29	\$0.24	\$0.36	\$0.42	\$1.31	(\$0.17)	\$0.35	\$0.43	\$0.39	\$1.02	\$0.37	\$0.35	\$0.40	\$0.40	\$1.52
Margins																				
Gross margin	34.3%	33.5%	30.8%	27.3%	31.2%	26.7%	23.2%	29.1%	31.6%	27.7%	30.6%	32.0%	33.0%	33.0%	32.2%	32.0%	32.5%	32.5%	32.5%	32.4%
Sales and marketing	0.4%	0.2%	0.2%	0.1%	0.2%	0.5%	0.6%	0.2%	0.1%	0.3%	0.2%	1.5%	1.5%	1.5%	1.2%	1.5%	1.5%	1.5%	1.3%	1.4%
General and administrative	10.9%	11.5%	12.4%	11.9%	11.7%	9.2%	8.4%	7.7%	9.8%	8.7%	8.3%	9.0%	9.0%	9.0%	8.8%	9.0%	9.0%	9.0%	8.8%	8.9%
Research and development	9.8%	6.0%	7.1%	5.8%	7.1%	8.4%	4.1%	5.5%	6.5%	6.1%	6.7%	6.6%	6.7%	6.6%	6.7%	6.6%	6.6%	6.7%	6.0%	6.5%
Operating margin	13.2%	15.7%	11.0%	9.4%	12.2%	8.6%	10.1%	15.8%	15.1%	12.5%	15.4%	14.9%	15.8%	15.9%	15.5%	14.9%	15.4%	15.3%	16.4%	15.5%
Tax rate, GAAP	22.4%	23.6%	27.1%	5.8%	18.1%	16.8%	25.1%	25.7%	25.5%	23.7%	25.8%	21.0%	21.0%	21.0%	20.1%	21.0%	21.0%	21.0%	21.0%	21.0%
Net margin	10.7%	9.1%	5.0%	11.1%	9.2%	9.7%	7.8%	10.0%	14.1%	10.3%	-5.2%	11.2%	12.0%	12.0%	7.6%	11.2%	11.6%	11.6%	12.4%	11.7%
Y/Y % change																				
Total Revenue	16%	23%	-21%	34%	11%	11%	11%	41%	-16%	10%	8%	2%	1%	16%	6%	5%	3%	3%	5%	4%
Gross margin	-1%	31%	-35%	10%	-3%	-14%	-23%	33%	-2%	-3%	24%	40%	14%	21%	24%	10%	5%	1%	4%	5%
Sales and marketing	-72%	-85%	-85%	-93%	-85%	43%	209%	20%	-25%	69%	-53%	154%	726%	1959%	277%	653%	3%	3%	-9%	27%
General and administrative	55%	24%	-11%	30%	20%	-6%	-18%	-12%	-30%	-18%	-3%	9%	18%	6%	7%	13%	3%	3%	3%	5%
Research and development	-10%	-38%	-40%	-40%	-32%	-5%	-24%	8%	-4%	-6%	-13%	63%	23%	17%	16%	3%	3%	3%	-4%	1%
Operating income (loss)	-15%	207%	-45%	100%	13%	-28%	-29%	102%	36%	12%	93%	51%	1%	22%	32%	2%	6%	0%	9%	4%
Net income (loss)	-16%	174%	-77%	65%	-13%	1%	-5%	184%	7%	24%	-157%	46%	21%	-1%	-22%	-329%	7%	0%	9%	60%
EPS Diluted (Pro forma)	-11%	192%	-76%	68%	-9%	3%	-2%	194%	10%	28%	-158%	46%	18%	-5%	-23%	-314%	0%	-7%	2%	50%

Source: Company reports and Ascendant Capital Markets estimates.

Pro-Dex, Inc.

Cash Flow Statement (\$ mils)	Sep-21	Dec-21	Mar-22	Jun-22	2022	Sep-22	Dec-22	Mar-23	Jun-23	2023	Sep-23	Dec-23	Mar-24	Jun-24	2024	Sep-24	Dec-24	Mar-25	Jun-25	2025	
Fiscal Year End: June 30	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	
Cash flow from operating activities																					
Net income	1.1	0.9	0.5	1.4	3.9	1.1	0.9	1.3	3.8	7.1	(0.6)	1.3	1.6	1.5	3.7	1.4	1.4	1.6	1.6	6.0	
Depreciation	0.2	0.2	0.2	0.2	0.7	0.2	0.2	0.2	0.3	0.9	0.3	0.2	0.2	0.2	0.9	0.2	0.2	0.2	0.2	0.8	
Amortization		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0				0.0					0.0	
Stock comp	0.3	0.3	0.4	0.3	1.3	0.2	0.2	0.2	0.2	0.8	0.2	0.2	0.2	0.2	0.8	0.2	0.2	0.2	0.2	0.8	
Provision for bad debts	0.0	(0.0)	(0.0)		(0.0)	0.0			(0.0)	0.0					0.0					0.0	
Deferred income taxes				(0.3)	(0.3)	0.2	(0.2)		0.2	0.3		0.0	0.0	0.0	0.0	(2.8)	0.0	0.0	0.0	(2.8)	
Other gains/losses	(0.1)	0.3	0.2	(0.4)	0.1	(0.3)	(0.2)	0.2	0.2	(0.0)	2.6				2.6					0.0	
Impairment			0.1	0.0	0.1				(3.9)	(3.9)					0.0					0.0	
Acquisition expense					0.0					0.0					0.0					0.0	
Other	0.0		0.0	0.0	0.0	0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)				(0.0)					0.0	
Changes in operating assets and liabilities:																					
Accounts receivable	0.8	1.2	0.2	(6.7)	(4.4)	4.3	(1.2)	1.6	0.6	5.4	(1.1)	0.4	(1.6)	0.8	(1.5)	(0.2)	0.6	(1.6)	0.6	(0.6)	
Due from factor					0.0					0.0					0.0					0.0	
Unbilled receivable					0.0					0.0					0.0					0.0	
Deferred costs	0.0	(0.2)	0.1	(0.4)	(0.5)	0.1	(0.3)	0.6	(0.2)	0.2	(0.1)	0.0	0.0	0.0	(0.1)	0.0	0.0	0.0	0.0	0.0	
Inventory	(0.5)	(0.4)	(2.6)	(0.8)	(4.2)	(3.0)	0.5	(0.0)	(1.0)	(3.5)	(0.1)	8.4	(1.0)	0.6	7.9	(0.3)	0.5	(1.2)	0.4	(0.5)	
Prepaid expenses & other curre	0.3	(0.9)	(0.3)	0.5	(0.3)	(0.1)	(0.7)	(0.3)	1.6	0.5	0.1	0.0	(0.0)	0.0	0.1	(0.0)	0.0	(0.0)	0.0	(0.0)	
Other assets					0.0					0.0					0.0					0.0	
Accounts payable	0.2	(0.6)	1.0	1.3	2.0	0.3	(0.1)	(1.2)	(0.1)	(1.0)	0.0	(0.1)	0.4	(0.2)	0.1	0.0	(0.2)	0.4	(0.1)	0.1	
Accrued expenses					0.0					0.0		(0.1)	0.4	(0.2)	0.1	0.0	(0.2)	0.4	(0.1)	0.1	
Deferred revenue	0.1	0.3	0.3	0.1	0.9	(0.2)		(0.8)	(0.1)	(1.0)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other liabilities	0.3	0.3	0.2	(0.6)	0.1		0.5	0.5	(1.0)	(0.1)	(0.9)	0.0	0.0	0.0	(0.9)	0.0	0.0	0.0	0.0	0.0	
Net cash (used in) provided by	2.7	1.5	0.2	(5.3)	(0.8)	2.9	(0.4)	2.3	0.6	5.5	0.4	10.3	0.1	2.9	13.7	(1.4)	2.6	(0.1)	2.7	3.9	
Cash flow from investing activities																					
Purchases of property and equi	(0.8)	(0.2)	(0.2)	(0.4)	(1.6)	(0.2)	(0.5)	(0.1)	(0.2)	(1.0)	(0.1)	(0.3)	(0.3)	(0.3)	(1.0)	(0.3)	(0.3)	(0.3)	(0.3)	(1.2)	
Purchases of short-term investr	(0.0)	(0.3)			0.4	0.1	0.0			0.1					0.0					0.0	
Acquisitions	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)					0.0					0.0					0.0	
Other					0.0					0.0					0.0					0.0	
Net cash used in investing activ	(0.9)	(0.6)	(0.2)	0.4	(1.2)	(0.1)	(0.5)	(0.1)	(0.2)	(0.9)	(0.1)	(0.3)	(0.3)	(0.3)	(1.0)	(0.3)	(0.3)	(0.3)	(0.3)	(1.2)	
Cash flow from financing activities																					
Issuance of debt				2.0	2.0	1.0	0.8	1.8	1.7	5.3		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Repayment of debt	(0.3)	(0.3)	0.1	(0.7)	(1.2)	(1.3)	(1.3)	(2.1)	(1.3)	(6.1)	(1.3)				(1.3)					0.0	
Issuance of stock					0.0					0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Repurchase of common stock	(0.1)	(0.6)	(0.6)	(0.4)	(1.6)	(0.4)	(1.0)	(0.2)		(1.5)					0.0					0.0	
Proceeds from stock option exe	0.0		0.0		0.1	(0.2)	0.0	0.0	0.0	(0.1)	0.0				0.0					0.0	
Other					0.0					0.0					0.0					0.0	
Dividends and distributions					0.0					0.0					0.0					0.0	
Cash provided by (used in) fina	(0.4)	(0.9)	(0.5)	1.0	(0.8)	(0.9)	(1.5)	(0.5)	0.4	(2.5)	(1.3)	0.0	0.0	0.0	(1.3)	0.0	0.0	0.0	0.0	0.0	
Effect of exchange rate on cash					0.0					0.0					0.0					0.0	
Net increase (decrease) in cash	1.5	0.1	(0.5)	(3.9)	(2.9)	1.9	(2.4)	1.7	0.8	2.1	(1.0)	10.0	(0.2)	2.6	11.4	(1.7)	2.3	(0.4)	2.4	2.7	
Beginning cash and equivalents	3.7	5.2	5.3	4.8	3.7	0.8	2.8	0.4	2.1	0.8	2.9	1.9	11.9	11.8	2.9	14.3	12.6	15.0	14.6	14.3	
Ending cash and equivalents	5.2	5.3	4.8	0.8	0.8	2.8	0.4	2.1	2.9	2.9	1.9	11.9	11.8	14.3	14.3	12.6	15.0	14.6	17.0	17.0	

Source: Company reports and Ascendant Capital Markets estimates

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Pro-Dex, Inc.



Source: <https://bigcharts.marketwatch.com/>

Report	Report Date	Rating	Price Target
6	2/12/2018	B	10.00
7	5/15/2018	B	9.50
8	9/7/2018	B	12.00
9	11/9/2018	B	15.00
10	2/8/2019	B	19.00
11	5/13/2019	B	20.00
12	9/8/2019	B	19.00
13	11/11/2019	B	18.00
14	2/7/2020	B	22.00
15	5/13/2020	B	23.00
16	8/31/2020	B	30.00
17	11/12/2020	B	40.00
18	2/13/2021	B	37.00
19	5/11/2021	B	41.00
20	9/6/2021	B	39.00
21	11/16/2021	B	34.00
22	2/22/2022	B	32.00
23	5/14/2022	B	30.00
24	8/29/2022	B	31.00
25	11/6/2022	B	30.00
26	3/7/2023	B	26.00
27	5/9/2023	B	27.00

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BUY: We expect the stock to provide a total return of 15% or more within a 12-month period.

HOLD: We expect the stock to provide a total return of negative 15% to positive 15% within a 12-month period.

SELL: We expect the stock to have a negative total return of more than 15% within a 12-month period.

Total return is defined as price appreciation plus dividend yield.

Ascendant Capital Markets, LLC Distribution of Investment Ratings (as of October 13, 2023)

Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
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Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	52	100%	19	37%

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