

Quarterly Performance Update

Adestella lost 11.9% in the first quarter of 2025. Negative sentiment from tariff and economic [growth concerns](#) ultimately overpowered solid earnings data, leading stateside benchmarks to decline 4-10% over the period. On the other hand, international markets – particularly in the Eurozone – produced solid gains as investors appeared to rotate out of large-cap American technology companies (especially following [international AI development headlines](#)). While we had relatively solid performances from most of our foreign holdings, their contributions were insufficient to offset the domestic losses incurred.

A few charts providing further performance attribution details are provided below:

Top Performers

Symbol	Contribution (%)
PM	0.64
DNP	0.41
DPZ	0.36
MELI	0.28
2GBd	0.19

Bottom Performers

Symbol	Contribution (%)
AIOT	-1.03
TWLO	-0.91
TH	-0.90
HRI	-0.82
NBIS	-0.81

Contribution by Financial Instrument

ETFs	0.30%
Cash	0.11%
Options	0.00%
Warrants	-0.19%
Stocks	-12.11%

Contribution by Sector

Consumer Non-Cyc	0.72%
Broad	0.15%
Cash	0.11%
Basic Materials	-0.22%
Energy	-0.62%
Financials	-0.82%
Healthcare	-1.09%
Industrial	-2.79%
Consumer Cyclical	-3.35%
Technology	-3.79%

Top Performers by Country

Poland	0.41%
Argentina	0.28%
Eurozone	0.11%
Germany	0.07%
Ireland	0.07%
Brazil	0.05%
Kazakhstan	0.03%
Mexico	0.01%
Australia	0.01%
Japan	0.00%
Bermuda	-0.19%
Sweden	-0.44%
Canada	-0.56%
Russia	-0.81%
United States	-10.57%

While the second quarter commenced with further tariff and [recession fears](#) surrounding “Liberation Day,” markets (as well as our portfolio) have since [recovered nicely](#) as rhetoric was moderated and timelines were extended. Geopolitical uncertainty still abounds, but we remain focused on the things we can control. Chief among them are our investment processes, and to that end we are pleased with the early results from our idea generation and data collection initiatives [discussed](#) a few months ago. A thesis overview for one of our newer positions, which was found using these tools, is included below as an appendix to this letter.

Thank you for your continued support, and please don’t hesitate to reach out with any questions or comments. I look forward to writing to you again at the end of the summer.

“Every man is the architect of his own fortune.”

– Appius Claudius

Per Ardua Ad Stella,

Andrew Jakubowski



Appendix A: Niagen Bioscience (NAGE)

Niagen Biosciences is a global bioscience company with a focus on nicotinamide adenine dinucleotide (NAD) research and healthy aging science. Founded in 1999 by Frank Jaksch, NAGE began as a standards company serving the natural products industry and gradually expanded its reach by acquiring licensed university patents focused on cellular health and longevity. In 2017, it acquired the assets of a company called HealthSpan Research Inc., from which it obtained the rights to its flagship NAD⁺ product, which it sells under the brand name Niagen.

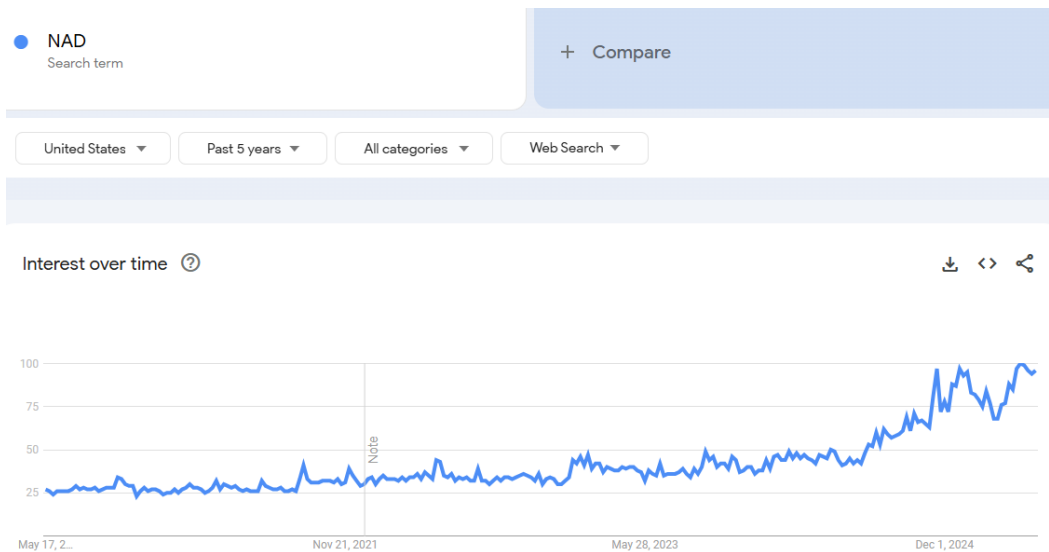
So, what is NAD? To simplify a bit, we can think of it as a helper molecule that assists in the production of cellular energy (ATP), which is then used for things like cellular repair (such as healing skin from a cut or sunburn) and maintaining circadian rhythm (for sleep cadence and quality). Preclinical [studies](#) suggest increased levels of the molecule lead to a wide range of benefits, including improvements in metabolism and insulin resistance. Unfortunately, NAD concentrations begin declining as we age, and they can only be replenished in trace amounts via consumption of [certain foods](#). This, along with its variable methods of delivery, rareness of [side effects](#), and affordability on a per-unit basis, all contribute in making it an ideal candidate for a dietary supplement.

Today, NAGE offers NAD⁺ through two primary product lines targeting different market segments. The better known of the two is probably [Tru Niagen](#), a consumer-grade oral supplement that represents the company's flagship direct-to-consumer product. NAGE also markets a pharmaceutical-grade product line called Niagen Plus that comprises its intravenous (IV) and injectable formulations available through healthcare providers with a prescription. The company has expanded this clinical offering to nearly 600 clinics nationwide, with the Niagen IV demonstrating superior tolerability, 75% shorter infusion times, and 20% higher NAD⁺ increases compared to traditional NAD⁺ IV therapies.

Key Thesis Points

Growing NAD Market Awareness and Demand. Interest in NAD supplements has expanded materially in recent years, driven by both [functional](#) and [cosmetic](#) aims, as interest in healthy aging and longevity has emerged as one of the [strongest trends](#) in the \$1.8 T wellness market. A five-year Google Trends chart is shown below; the gradual increases in search volume suggests incremental awareness gains as opposed to a hype-driven boom and bust cycle or flash in the pan.

¹ NAD⁺ is simply a form of the NAD molecule with one less negatively charged electron, hence the “+”



Going forward, a generally [aging populace](#) will continue to be a tailwind given that older adults are quite logically the most likely to have interest in anti-aging products. This combination of greater general awareness, increased longevity emphasis in the wellness space, and a growing core demographic bodes well for further industry growth in the years ahead; one [recent study](#) projects a 24% CAGR out to 2028.

Peer-leading brand awareness and reviews. The company’s flagship product, Tru Niagen, is one of the best-selling supplements on Amazon (see screenshot below; NAD+ is currently classified as a Vitamin B3 supplement). The tens of thousands of reviews across [multiple sites](#) have generally been very positive, frequently citing energy levels and sleep patterns as being notably improved. The habit of taking supplements as part of a daily routine tends to engender brand loyalty and drive repeat purchases; the company further incentivizes this by offering discounts to customers that sign up for its “subscribe and save” option. Thus, while perhaps not as sticky as other types of subscriptions, there are recurring revenue streams here.





Recent inflections in both profitability and awareness. In Q3 of last year, NAGE finally reached sufficient scale to generate the operating leverage needed for GAAP profitability, and with a strong Q4 managed to report net income for the full year a few months later. As the next two quarters of losses roll off on an LTM basis, valuation multiples and profitability metrics will become more attractive to casual screeners. [In March](#), the company also changed its name and ticker symbol from ChromaDex (CDXC) to the current Niagen Biosciences (NAGE) to more cleanly reflect its NAD+ focus and core product lines.


Analyst estimates are too low and will likely need to be raised. NAGE's [2025 guidance](#) provided alongside their Q1 earnings does not appear to be fully appreciated by the sell-side. In the release, management projected 20-25% sales growth, with S&M leverage partially offset by increased G&A. We assume gross margins in line with Q1, and modest taxes thanks to the company's significant NOLs, and incremental share dilution in line with recent history. Putting it all together produces about 18 cents in earnings per share this year, over 20% above the current consensus estimate of \$0.15. While there are plenty of puts and takes in these projections, we think the delta is sufficient to make further upside revisions more likely than not.

	2025	Notes
Sales	123.50	assumes 24% growth; within guidance range
<i>x Gross Margin</i>	64.0%	in line with 1Q25
GP	79.04	
- S&M	32.85	increase in absolute dollars but decrease as % sales
- G&A	26.00	expected to increase \$5-6 M YoY
- R&D	5.20	guided to "maintaining steady investment"
EBIT	14.99	
- Interest	(1.60)	interest paid on net cash balance
- Tax	1.30	~\$133 M in NOLs
NI	15.29	
/Shares	84.00	assume slight further dilution as year goes on
EPS	0.182	
current consensus	0.15	from Refinitiv
upside	21.4%	


Tracking well for further upside earnings revisions this year. Part of our confidence in eventual estimate revisions comes from our channel checks for the current quarter. Daily SKU trends suggest robust sales in the current quarter, especially with its higher-dosage, higher cost Pro products (see screenshot below right). Furthermore, Amazon price tracking software suggests the company appears to feel confident enough about demand to begin experimenting with price increases (see screenshot below left).

 **TRU NIAGEN Patented ...**  Save


This price just went up at this store - a sale may have ended. Add item to Droplist for sale alerts.

 Price trend over time [See Price History](#)

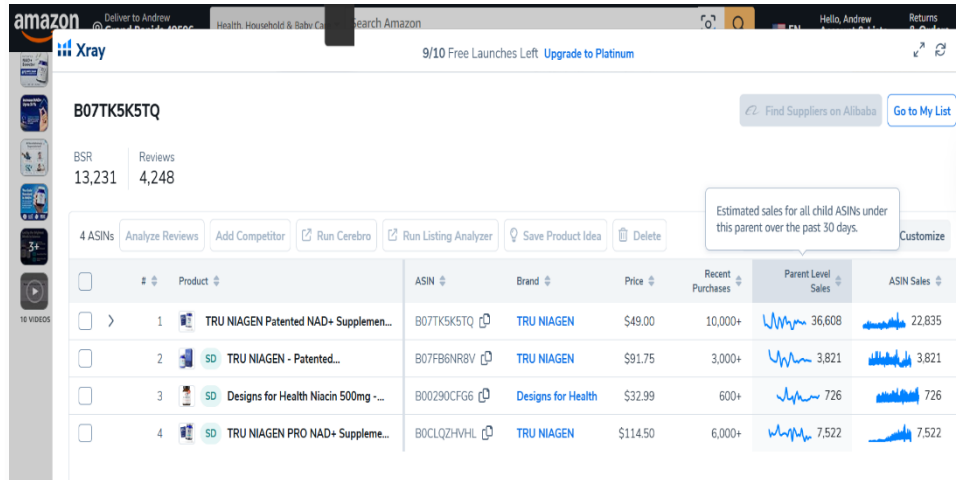
\$49.00
19% price increase



30d 15d Current

 Watch for Price Drops

This price may not apply to all item options such as size, color, or other preferences.



B07TK5K5TQ [Find Suppliers on Alibaba](#) [Go to My List](#)

BSR: 13,231 Reviews: 4,248

4 ASINs Analyze Reviews Add Competitor Run Cerebro Run Listing Analyzer Save Product Idea Delete

Estimated sales for all child ASINs under this parent over the past 30 days. [Customize](#)

#	Product	ASIN	Brand	Price	Recent Purchases	Parent Level Sales	ASIN Sales
1	TRU NIAGEN Patented NAD+ Supplem...	B07TK5K5TQ	TRU NIAGEN	\$49.00	10,000+	36,608	22,835
2	SD TRU NIAGEN - Patented...	B07FB6NR8V	TRU NIAGEN	\$91.75	3,000+	3,821	3,821
3	SD Designs for Health Niacin 500mg - ...	B00290CFG6	Designs for Health	\$32.99	600+	726	726
4	SD TRU NIAGEN PRO NAD+ Supplem...	B0CLQZHVHL	TRU NIAGEN	\$114.50	6,000+	7,522	7,522

These factors, combined with their Q1 results, lead us to believe there’s a reasonable chance that we see the beat-and-raise cadence continuing for at least the next few quarters. This becomes even more likely when one considers that the company has a history of conservative guidance, having beaten earnings estimates in each of the last 11 quarters, as indicated in the chart below.



DCF suggests continued undervaluation as standalone entity; math is even more attractive to a potential acquirer. Since NAGE is still in its high-growth phase and only recently profitable, applying a traditional multiple to its near-term earnings is a suboptimal valuation method. We instead utilize a discounted cash flow analysis, acknowledging that the range of potential outcomes is far wider than our base-case projections. Our earnings growth estimates assume the company continues to gradually increase its operating leverage until it eventually reaches a low-20s net margin. We think this is reasonable given projected market growth, mature comp profitability levels, and NAGE’s debt-free status.

Using our own estimates for upcoming years, we think that NAGE is worth at least \$16/share now as a stand-alone entity, assuming no incremental product introductions or market acceleration in upcoming years. A summary of our key projections in the distinct forecast period are shown below.



This 20% delta from our target to the current share price suggests reasonable upside that could very well materialize within the next quarter or two. However, the valuation math above remains even more attractive if viewed through the lens of a potential acquirer. NAGE is a fairly straightforward business that only operates in one small niche of the wellness market and would be an attractive portfolio addition to a wide variety of healthy product companies. Under a larger umbrella, NAGE would likely yield significant synergies with shared S&M and G&A spend. Furthermore, the company’s clean balance sheet (no debt) and relatively small market capitalization make it feasible for a range of strategic acquirers. About a third of NAGE’s equity is owned by insiders and profit-driven strategic investors, which helps ensure management is aligned with minority shareholders and will be held accountable to them should any offer materialize.

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