

September Report 2025

Ford Motor Company (F)

Lucas Kopp



Background

The U.S Auto Industry has been upended in 2025. As we have previously covered, a blanket 25% tariff on all imported automobiles went into effect last April, with some auto parts affected as well. Additionally, an Import Adjustment Offset credit of 3.75% of MSRP for US built vehicles went into effect weeks later as a cushion for domestic manufacturers. As expected, these changes reversed previous incentives within the industry, with some companies given significant competitive advantages. Ford is one of these companies and its previous disadvantages from a high domestic manufacturing base (roughly 80%) is now its greatest asset in the US auto market.

“From America, For America”

Ford’s US sales have had a significant jump so far, selling 1,052,577 vehicles in the first half of 2025, a 7% boost year on year. A more significant statistic is their performance in Q2, which better reflects their performance in the tariff regime thus far. In Q2, Ford delivered 612,095 vehicles, a staggering increase of 14.2% year on year. Meanwhile, US competitors began to show declines. Stellantis US sales fell 11% in Q2 amid its higher import exposure (around 43% of cars imported). In the month of June, for example, GMs sales began to decline, while Ford’s US sales rose 11% in that month alone. Ford has achieved significant ground thus far, with an increase in market share of 1.8 percentage points.

Ford’s performance has impressed, as shown by their 21% increase in share price since the lows of liberation day. More significant is their gain coming without price hikes on consumers. Most US auto companies have refrained from price hikes as well but as we covered in our July report, Ford has actually discounted their vehicles. The day tariffs kicked in on April 3rd, Ford launched its “From America, For America” campaign, and began offering employee discounts for all customers. This campaign directly targeted tariff fears and directly contributed to their strong performance in Q2. Their campaign proved to be so successful that CEO Jim Farley extended it past the original expiration of June 2nd to July 4th. While more import heavily brands had rising inventories amid a cooling market, Ford kept their inventory lean and showed how strong their pricing ability is amid a new market.

Q3 Projections

The consensus on Ford is adjusting in real time. In Q3 2025, Ford is projected by industry forecasters to sell 544,500 units, which represents an 8% increase year on year and a market share of 13.4%, up 3 points from Q3 2024. This will put Toyota, which as of now has avoided price hikes, and Ford neck-and-neck as the top selling brand in America. On the other hand, GM's US share is now about flat, while Stellantis has seen declines in market share and a 2.5-billion-dollar net loss for the first two quarters of 2025. The official Q3 results for auto brands will be telling and give an additional look into what to expect from auto companies in the next couple quarters.

Financial Performance and Current Valuation

Ford's strong execution in their tariff strategy has been noticed, as shown in their market outperformance in 2025, beating Wall Street expectations for the year. Ford has doubled the S&P 500's total return for the year, up around 24% year to date as of now. This is a direct result of the prediction we made in April, during Ford's share price lows, that Ford was best equipped to weather the new tariff regime. So far, the market has modestly rewarded Ford for its relative strength, while competitors have been treated with more caution. Stellantis, for example, has

seen continued decline from their high of \$29/share in 2024 to less than \$10 dollars/share now. Ford's current valuation of around \$12 per share gives a forward P/E of around 10, a premium to GM and Stellantis, indicating investors have begun to feel more confident in Ford's growth potential. Ford has continued to beat consensus estimates, and management has reinforced their belief that they will mitigate \$1 billion of tariff costs by year-end. As we highlighted in our July report, Ford's dividend yield, which has remained at around 5%, means the market isn't yet sold on Ford having substantial growth. Even so, Ford's recent performance and cost-cutting success has gained the attention of many investors, who will certainly be following Ford's financials in the coming quarters.

Outlook, advantage sustainability

Based on Ford's performance this year, we will be continuously evaluating whether Ford can sustain its new advantages through the end of the year and beyond. The most major variable will be pricing. So far, automakers have been eating tariffs to keep market share and competitiveness while adjusting supply chains and mitigating tariff costs. However, it's well known that this is unsustainable in the long run. Many companies have already signaled price hikes by the end of the year. This will create the environment that we have long predicted and will be exceptionally beneficial for Ford. As vehicle prices rise across the industry, the power of Ford's cost advantage will show. As price hikes begin, Ford has two options to take advantage:

- 1) Sustain prices or raise prices marginally. This would allow Ford to continue to sweep up market share and profitability through heavy volume. They also could raise prices solely on less price sensitive vehicles like SUVs and Trucks to keep profit margins strong.

- 2) Raise prices alongside the industry. If Ford raises prices with its competitors, who are much more tariff vulnerable, they will enjoy much higher margin preservation and profitability.

The first option is more likely and ties into their “From America, For America” campaign. Either way, Ford’s market advantage, which we believe is still largely underappreciated by current market consensus, will be shown in full force in the coming months. Even as competitors race to localize production, they will incur the higher costs of American production that was once Ford’s biggest weakness. GM, for example, even as they minimize tariff exposure by localizing production, will have a higher concentration of costly UAW labor. Overall, the key factors going forwards are whether Ford will choose pricing power or higher margins and whether other automakers will invest in US manufacturing or limit certain models from US markets. We believe the cautious market sentiment has created a good opportunity for investors who believe in future growth for Ford. So far, Ford’s performance has given credibility to our thesis that their competitive advantage has put them ahead of their competitors in the US market and has created a meaningful opportunity for growth.

Kalarna

Klarna®

Sean Murphy

Company Background

Klarna was founded in 2005 in Stockholm Sweden. Initially called “Kreditor”, Klarna’s approach would be a risk-absorbing middleman for online transactions. Klarna users would purchase online by only typing in their email and postal code, Klarna would then pay the merchant in full and allow shoppers to pay Klarna 15-30 days later in full or installments. They would make money primarily by fees from merchants, but also from collecting late fees from users who didn’t pay back within the given window. Klarna used the phrase “By now pay later (BNPL)” before the phrase gained popularity. Early on, Klarna was unique and useful, which lead to its early success which caused Klarna to spread to other Nordic countries.

Controversy

Klarna and BNPL as a whole has come under heavy scrutiny and controversy as it has risen in popularity and accessibility. One of the main drivers of this has been predatory marketing towards young shoppers with weak financial literacy. Obviously, giving people the option to finance a chipotle burrito sounds like a terrible idea to any rational person, but there are many people who would utilize this if given the option. Another driver is consumer defaults. In comparison to credit cards and banks that charge significant interest rates, Klarna offers primarily zero-interest plans. Klarna’s model relies on high-volume and low margins, this works

well for both Klarna and consumers, but when there is an uptick in defaults, such as interest rates rising in 2021, profitability can quickly be erased.

Sept 10th IPO

The most notable recent event for Klarna was their September 10, 2025, IPO under the ticker “KLAR”. Prior to this IPO, Klarna had a peak private valuation of 45 billion in 2021. The IPO was priced at \$40 a share, Klarna raised ~1.37 billion and valued the company at nearly 15 billion, far below their 2021 peak. On the first day of trading shares peaked at 57.20 before pulling back and closing at 45.83. In the days following, share price has trickled down now sitting ~\$40. Overall, the Klarna IPO seems disappointing. While volume remains high, the strong pull back from the high’s signals investor skepticism over the BNPL model.

Future Outlook

Klarna’s IPO was a defining moment for the company, bringing it out of the private fintech bubble and into the public spotlight where every number is under the microscope. To win over investors long term, Klarna must prove it can operate profitably while keeping consumer defaults in check. Regulation is coming, especially in the U.S. and Europe, and while tighter rules could pressure margins, Klarna has an opportunity to stand out if it positions itself as the most responsible BNPL provider. At the same time, Klarna needs to reduce its dependence on “pay later” loans by expanding its app ecosystem into shopping discovery, loyalty, and other financial products that can buffer it from credit cycles. What could derail the story is a spike in defaults, an aggressive regulatory shift, or larger competitors like Apple, Visa, and Mastercard leveraging their balance sheets to squeeze Klarna out of the market. At the end of the day, Klarna’s future is black or white, either it proves BNPL can scale responsibly and evolves into a global payments leader, or it goes down as another fintech that soared in hype but couldn’t last.

Hims and Hers (HIMS)

Paul Reilly



Company Overview

Hims and Hers is a digital health platform founded in 2017 that remotely connects individuals to healthcare professionals in their state. They provide treatment and care through a direct-to-consumer business model, where customers can receive the prescriptions or care they need online without a visit to a traditional doctor’s office. A range of medications and treatments are offered, them being weight loss medication/plans, hair loss treatment, ED medication, and mental health treatment. When connected to a licensed health professional consumers receive individualized plans that suit their direct needs from their provider that are established through an in-depth medical examination. These examinations being similar to an in-person doctors’ office, examiners account for symptoms, health history, and treatment goals.

Telehealth Market

On a global scale, the telehealth market amounted to roughly \$123.27 billion last year. Expectations display significant growth, with the target of \$455.27 billion by 2030, an annual growth rate of 24.7%. On September 15, 2025, the Federal Drug Administration increased oversight over all telehealth drug advertising which resulted in a bit of market turmoil and a handful of telehealth companies' shares to drop. Despite reviving concerns to companies such as HIMS over regulatory risks, Global financial firm BTIG stuck with their buy rating and price target of \$85, displaying confidence in the company's long-term potential.

The products and services HIMS offer such as hair loss treatments, weight loss plans and medication, ED medication, and mental health support have a growing demand in the United States. Obesity is a major issue in this country as approximately 45.8% of adults are classified obese. On a global scale, the digital health obesity market reached a valuation of \$57.75 billion in 2024 and is expected to hit \$392.89 billion in 2033, an annual growth rate of 24%. Hims and Hers biggest revenue driver offers seamless solutions to this growing issue that is quick, effective, and does not require a doctor's visit. HIMS benefits greatly from the consumer outreach they possess through the utilization of their innovative technology and business plan.

Financials

Hims and Hers financial statements communicate a few things to investors. The company has taken an extremely aggressive approach to scaling business size, total assets amount to nearly 1.9 million as of June 30, 2025, roughly a 110% increase from March of this year. The stock up on inventory, equipment, supplies, prepaid expenses, etc.... can be accounted for by the companies plan to expand into Europe. However, the balance sheet indicates increased risk and pressure on the company to perform considering credit against the company. Annually, revenue has increased 73%, but 2nd quarter earnings display a decrease from last quarter of this year, this is primarily driven by the fallout of the company's relationship with pharmaceutical manufacturer Novo Nordisk. Analysts recognizing this factored that into Q2 earnings estimates which HIMS exceeded by 26.09%. Profitability has seen substantial gains, seeing growth of over 300% since last quarter a year ago. This means the company has put on emphasis on cost control because when revenue increased 110%, net income increased 300%.

Expansion

Hims and Hers has plans to accelerate scale and outreach through global endeavors. The company announced the launch of their products in services in Canada by 2026, taking advantage of the high unmet demand for affordable weight loss solutions. In Canada, statistics state nearly two thirds of adults are classified as obese. Hims and Hers also announced expansion into Europe, this strategic move projects to increase customer base by roughly 50%. In its plan to expand and increase outreach, HIMS is in the process of acquisition with telehealth platform Zava. If executed this business plan will capitalize off competitive drug pricing in the United States by offering Europeans low-cost solutions. This will even bring more consumers who may

be in need of treatment but haven't yet received it due to high costs into the market, pushing up demand.

Valuation

When compared to companies within the industry of similar caliber, Hims and Hers is less expensive. HIMS is trading above its 3-year median forward 12-month price to sales ratio of 2.5X at a current rate of 4.6X, however when analyzed alongside Doximity Inc - a company also in the digital health business- that number becomes less concerning. DOCS forward sales multiple sit at 20.9X, higher than their three-year median of 12.6X. This information indicates general exponential growth in the industry as a whole as it still can be considered to be in its early years. Now putting those numbers up against the medical sector average of 2.2x, not digital health, HIMS is far less expensive in regard to the companies it competes with.

Expro Group Holdings: NYSE: XPRO

Chase Boddison

What is Expro Group Holdings?

A lot of people think about oil and gas in terms of giant drilling rigs or companies like Shell, BP, or ExxonMobil, but service companies like Expro that make all those big jobs possible. Expro provides the tools, services, and expertise needed to keep oil and gas wells running safely and efficiently. They help with everything from drilling support to well construction to subsea and surface systems. Expro is the "problem-solver" company that energy producers rely on when problems arise, or industry standards change.

What Does Expro Do?

Expro is all about well construction, well flow management, subsea well access, and well intervention.

- **Well Construction:** When an oil company drills into the ground, they need specialized services to make sure the well is built properly. Expro provides equipment and expertise to ensure wells are stable and ready to produce.
- **Well Flow Management:** Once the well is producing oil or gas, Expro helps measure, monitor, and optimize the flow to maximize efficiency.



- **Subsea Well Access:** Many wells today are offshore, deep underwater. Expro provides advanced subsea technology that allows operators to safely access, monitor, and control these wells.
- **Well Intervention and Integrity:** Wells don't always behave perfectly. Sometimes they need repairs, upgrades, or troubleshooting. Expro steps in to make sure production can continue safely without major downtime.

Essentially Expro aids big companies, like BP, in their well integrity and efficiency. They also provide companies with safety in their operating systems and insights into production rates.

Why Does Expro Matter?

Energy is one of the biggest industries on Earth, and the reality is that the world still relies heavily on oil and gas. Expro positions itself as a company that emphasizes safety, efficiency, and sustainability, while also providing careful insight to industry leaders. They have been investing in technology to reduce carbon footprints and to maximize efficiency for these oil giants.

What Does the Future Hold for Expro?

The future for Expro looks promising because energy demand isn't going away any time soon. While the world is moving toward renewable energy, oil and gas will still play a big role for decades. Expro is well-positioned because they don't just rely on traditional oilfield services, they are expanding into new technologies and focusing on sustainability.

With the rise of offshore drilling projects, deepwater exploration, and an increasing need for well decommissioning as older wells are retired, Expro has opportunities for growth across all areas of the energy field. Plus, they have great global outreach so they can adapt to where demand is strongest,

Expro will continue to be a major player in the oil service industry and a good investment. However, there is also an opportunity in the short run for investors to hop on the train. Expro has been trading right around the \$12 mark since early August and has been looking to break the 12.50 level with a little tailwind behind them. They have been hanging around 12.50 for a couple weeks now and the sector has finally found the tailwind that they've been looking for, with new overseas permitting and three consecutive quarterly revenues that exceeded expectations. I think that Expro's stock has the potential for growth within the next few months or so, following strong financial performance that hasn't been mirrored in their stock price yet. The key thing to watch before investing will be their 3rd quarter earnings report on October 23rd, to find a good jump in point.

Final Thoughts

Expro has seen revenue spikes that indicate a growing demand for oil company service providers, and the markets have not yet mirrored that. However, with the continued success and receipts of success from Expro, I think that their stock is slightly undervalued and is waiting on a market correction. As well as the potential for long term growth in the industry.

Mara Holdings

Overview

MARA Holdings, Inc. (formerly known as Marathon Digital Holdings) is a U.S.-based digital asset technology company focused primarily on Bitcoin mining and blockchain infrastructure. It owns and operates large-scale mining facilities in the U.S. and abroad and accumulates Bitcoin rather than continually selling it. The company markets itself as converting underutilized or “stranded” energy into economic value, aligning its operations with energy transformation and sustainability goals. Over its history, MARA shifted from being a patent-holding/licensing firm to entering the cryptocurrency and blockchain space in the late 2010s. Mara holdings Ceo is Fred Thiel, Brother of Peter Thiel founder of Palantir.

Undiscovered MSTR?

Mara holdings currently hold the second most bitcoin institutionally behind Strategy (formerly Micro Strategy) holding around 52,447 BTC or \$5.9 billion. MSTR has close to 670,000 BTC, but why I think that Mara has the advantage is because they own all their BTC outright unlike MSTR. Now I wrote about MSTR in a bearish viewpoint in the past and their stock price has almost doubled since. But I talked about their 2.7x NaV multiplier which is the reason for the massive market cap. But Mara mines hold and own all their BTC. This makes their crypto investment much safer and less subject to volatility spikes. Also, the crypto bull run seems to have slowed down some having more assets in a consolidating period. With Mara holdings projecting a decrease in expenses and operation costs in the next four years we may see a new competitor with a massive crypto reserve to compete with MSTR.

Unusual Financials

Mara holdings has been posting strange financials that don't quite equal their stock price gains in recent quarters. In Q2 2025, the company reported revenue of roughly \$238.5 million and a net income figure of about \$808 million, but this was largely the result of non-cash fair value adjustments to its Bitcoin holdings rather than true operating profit. In reality their operating cash flows were negative 163 million. Showing that the mining operations still outpace the returns that they are supposed to make. EPS is projected to fall 100% annually, to -\$1.53, and free cash flow is also projected to be in the red, they also project margins to be so slim that their negative. These metrics and the exposure to crypto volatility have made most investors jump ship prematurely. Just because a company has a negative profit does not mean that it is being driven into the ground. In the past four years the stock has been up 1200% while having no

profit. Analysts expect to continue this trend and with the stock in the lower swing right now its rated as a medium buy by most rating agencies

Conclusion

BayMar thinks that Mara is a timebomb ready to explode, this could be in either direction. The low-cost mining and BTC treasury Poises Mara as a #2 competitor in the crypto mining space. But the annual decrease in Profit, EPS, Earnings, and Revenue is exposing Mara to become more subject to price movement in BTC, this is how MSTR made most of their money with long term debt equity financing and their massive reserve of BTC, if this is the route that Mara is trying to take then they may be able to share in the profits, if BTC continues to go up, if not then, well you can guess.

Thank You for reading and good luck.

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