



Anduril Partners

I R A r t & S c i e n c e



How a
Performance Beauty Brand
 Increased its Valuation
In 12 Months
 with **IR Analytics**

2X

Growth
 in Investor
 Engagement

50%

Of Investors
 Expanded
 Their Positions

Client

- Consumer Biotech

Industry

- Cosmetic

Type

- Public

HQ

- Newport Beach, California

Team

- Anduril Partners + Arbor Advisory Group

Advisory Services

- IR Art & Science



"The work that they have done has been transformative."

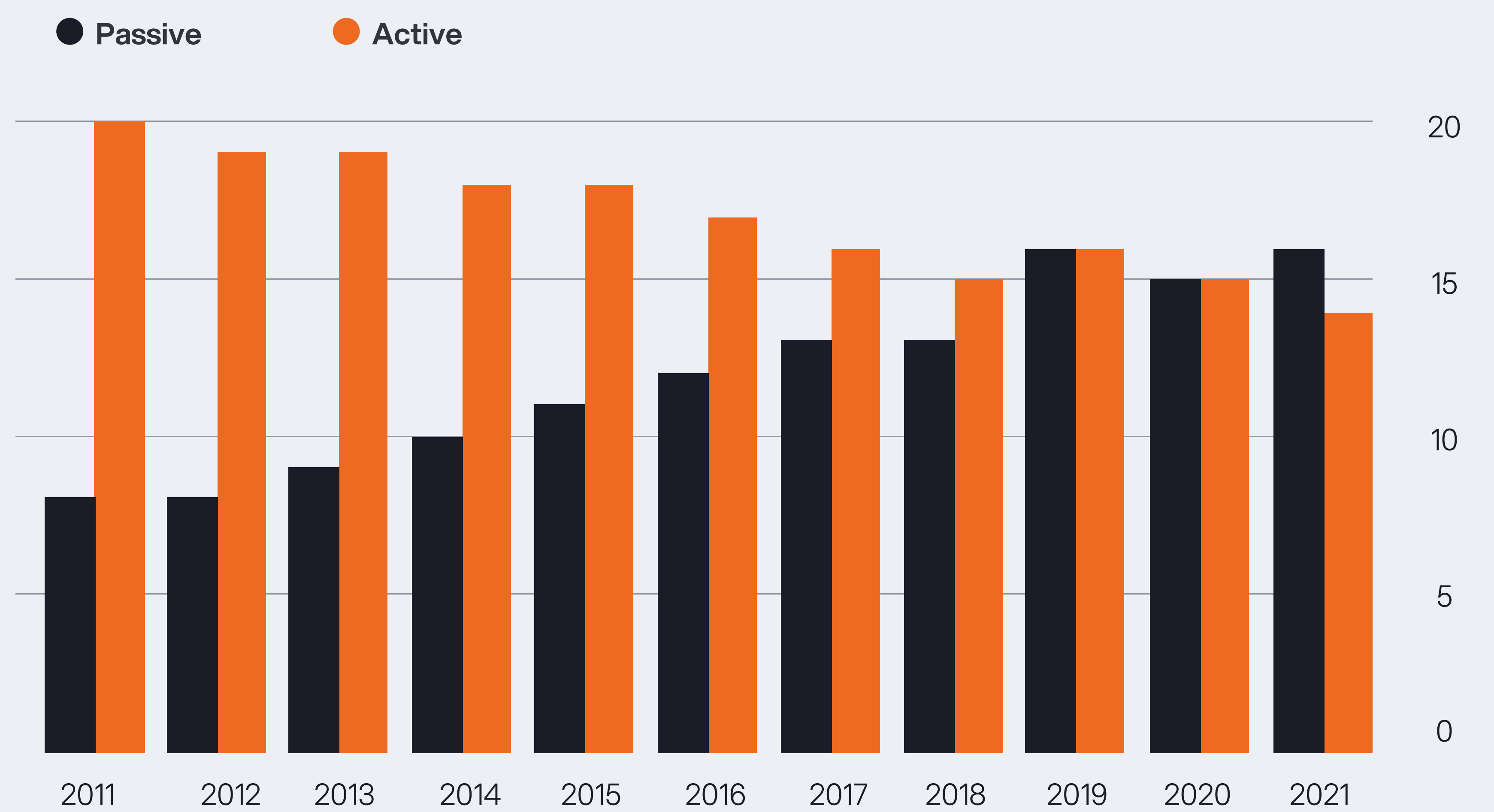
- CFO

Backdrop: Achieving a valuation that reflects true potential is increasingly challenging, particularly where algorithmic trading, passive investing, and factor-based strategies dominate in equity markets.

Algorithmic and factor-based investment strategies are employed by some of the largest hedge funds and investment banks on earth. Passive investment strategies (including index funds) have eclipsed the market share of actively managed funds, overtaking them in US stock market ownership for the first time in 2022...

Ownership of US stock market

Mutual funds and ETFs combined, year-end (%)



Sources: Investment Company Institute, World Federation of Exchange

For a performance beauty brand experiencing remarkable growth, aligning their valuation with their success was vital. This case study explores how we implemented a strategic Investor Relations (IR) approach that transformed the company's market standing, delivering tangible results and enhancing shareholder confidence.

Key Outcomes



Analysts **raised price targets**, with the company's valuation increasing significantly.



Tripled investor engagement events, leading to interactions with 130 new firms.



Recognition for excellence, including a "Rising Star" CFO award.

Challenge: Bridging the Valuation Gap

Despite its impressive growth trajectory and market achievements, the performance beauty brand found itself facing a critical challenge:

Its valuation was failing to reflect its operational success.

This disconnect between performance and perception posed several hurdles for the company's leadership team.

The Situation

The company had captured a significant share of a lucrative market, driven by its innovative strategies and a strong product portfolio.

Millennial consumers, adopting cosmetic dermatological products at twice the rate of older demographics, were key to its growth.

A highly anticipated product launch was on the horizon, adding pressure to ensure the company's valuation aligned with its potential.

However, **these accomplishments weren't enough to translate into a competitive valuation.** Investors seemed to overlook the company's strategic initiatives, and its stock price lagged significantly behind peers.

Key Pain Points

» Market Perception

Analysts and investors undervalued the company's standout growth story, leaving its share price trailing competitors.

» Internal Pressure

The board demanded actionable insights to bridge the valuation gap, with some members pointing to a specific competitor as a benchmark.

» Investor Confidence

Existing stakeholders expressed concerns over the lack of clear communication linking operational metrics to financial outcomes.

» Limited Engagement

The investor base was narrowly focused on biopharma specialists, missing opportunities to attract consumer goods and beauty sector investors.

We propose a bridge connecting company leaders, board members, and investors into a unified team **to effectively value and support the business.**

The Stakes

This valuation gap couldn't have come at a more pivotal moment. With a high-potential product launch on the horizon, leadership needed to:

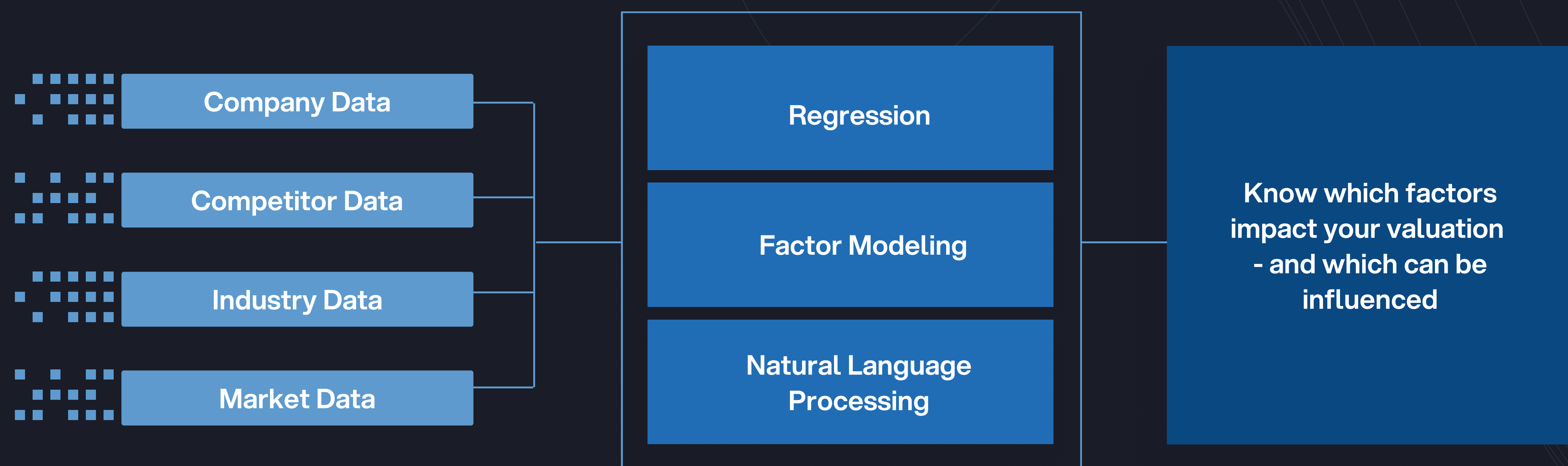
Instill confidence among existing investors.

Attract new stakeholders from broader markets.

Demonstrate clear, actionable steps to align market perception with operational performance.

The Investor Relations Officer, a pharmaceutical industry veteran, recognized the need for external expertise to address these challenges and engaged Anduril Partners and Arbor Advisory Group to provide a strategic, data-driven solution.

- **Forensic Research**
Public and subscription data sources Separate signal from noise
- **Quantitative Analysis**
Relative value modeling
Risk factor x-ray modeling
- **Diagnosis**
Overlay key analytical insights



Approach: Implementing IR Analytics to Align Valuation and Strategy

To address the valuation gap, Anduril Partners worked with Arbor Advisory Group introducing the **IR 2.0: Art and Science** methodology, a holistic approach that blends advanced analytics with strategic storytelling. This methodology was designed to uncover hidden opportunities, align investor expectations, and enhance market confidence.

Team Engaged

» Anduril Partners:

Delivered expertise in analytics, financial modeling, and peer benchmarking to diagnose valuation gaps and provide actionable insights.

» Arbor Advisory Group:

Focused on investor engagement, investor communications, targeting, and event strategy to effectively deliver the company's growth story to a broader audience.

Key Components of IR Analytics

1

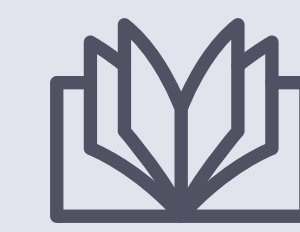
Market 360 Review: A comprehensive analysis combining quantitative data and qualitative insights to understand the full spectrum of valuation influences. This review included:

- » Factor analysis to distinguish between macroeconomic trends and company-specific drivers. (Playbook "Asset Pricing" module in Action)

Total, Factor, & Specific Returns



- Interface provided by Equity Data Science. This image shows a factor analysis chart that measures the total, factor and specific returns for the Company over a year's span, capturing how the market moved, the exposure to movements and its impact on the stock.

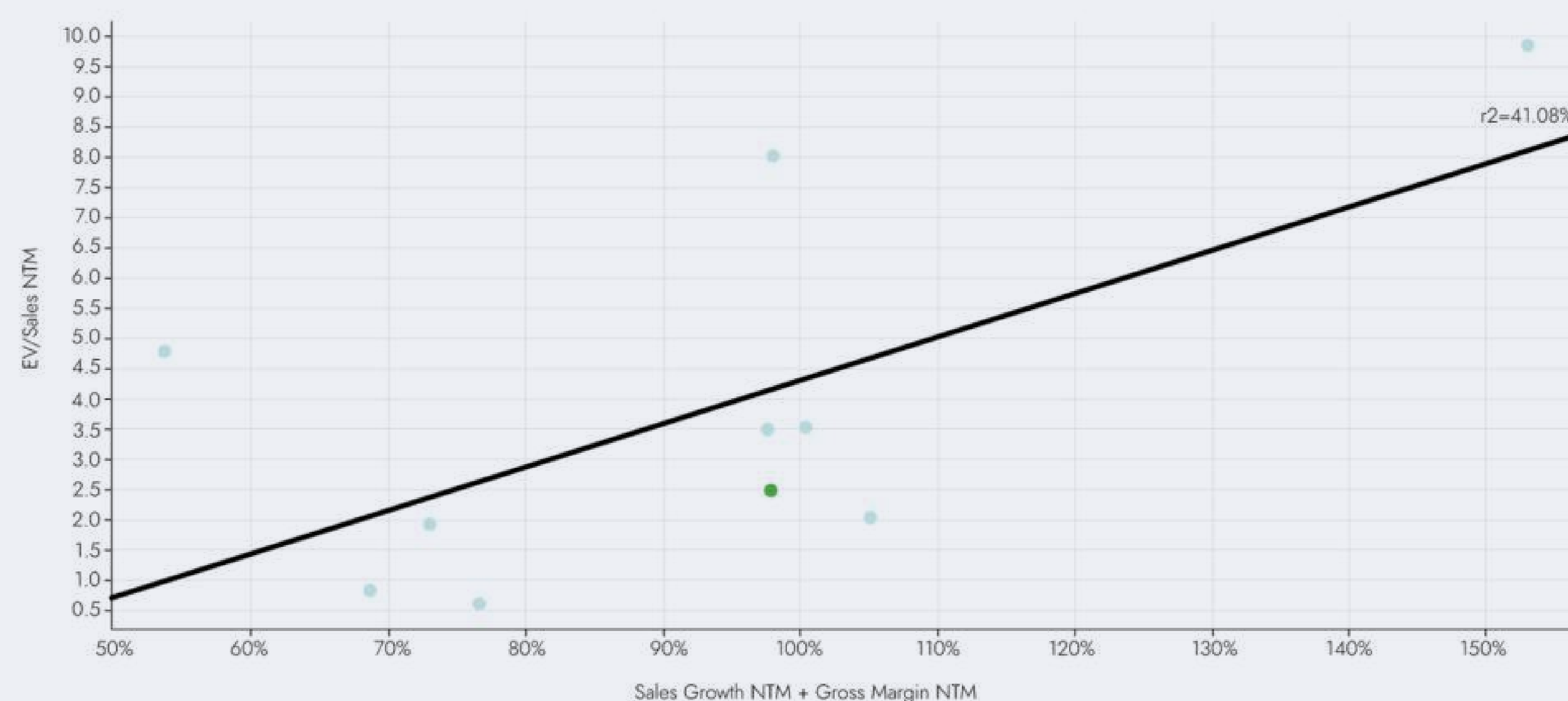


Playbook "Asset Pricing" module in Action:

"By leveraging proprietary tools, such as best-in-class industry factor models, we digested the actions of both passive and active managers, providing precise, quantified insights..."

- » Peer benchmarking using the "Rule of 40" super score to highlight how the company compared in terms of growth and profitability.

EV/Sales NTM vs. Sales Growth NTM + Gross Margin NTM



- Interface provided by Equity Data Science. This chart is a representation of the Rule of 40. This chart captures the valuation of the target Company relative to its sales and profitability across anonymized peers.



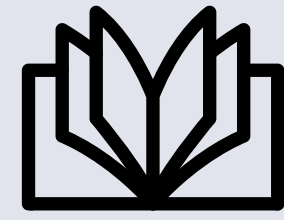
Playbook "Peer Group Analysis" module in Action:

"By measuring the correlation between actual market outcomes and key performance indicators (KPIs), Anduril identified which quantitative factors had been driving investor sentiment."

2

Strategic Narrative Development: Created a compelling story that linked operational metrics to long-term valuation goals, focusing on:

- » New growth opportunity and market dynamics, a key driver of investor sentiment.
- » Clear articulation of the company's competitive advantages and growth potential.



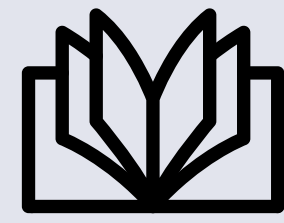
Playbook "ML/AI Enhanced Tools" module in Action:

"...our valuation analysis pinpointed a metric with an exceptionally high (70%) correlation with the Company's stock price movement...effectively empowering executives with shared, objective conviction across the board and C-suite"

3

Remediation Playbook: Designed a detailed roadmap to guide the company's investor relations efforts, including:

- » Enhancing investor presentations to emphasize growth metrics and upcoming opportunities. Highlighted adjacent Beauty market investors and expanded targeting.
- » Expanding the marketing activities to include consumer goods and beauty-focused events. Developed and hosted Investor Day, including new investor sector profiles.
- » Standardizing quarterly updates to build trust and transparency with stakeholders.



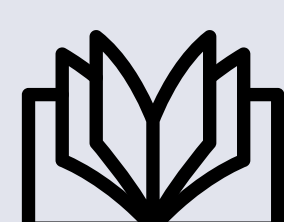
Playbook "Investor Interaction" module in Action:

"By strategically planning the entire year in advance, we ensured that the executive team was committed to supporting the IR program... the client tripled its total number of investor events..."

4

Technology-Driven Insights: Leveraged advanced AI tools to provide real-time data analysis, enabling agile adjustments to the IR strategy as market conditions evolved.

Why This Approach Was Effective: The IR 2.0 methodology not only diagnosed the root causes of the valuation gap but also offered practical, actionable steps to address it. By combining quantitative rigor with a human-centric narrative, Anduril Partners and Arbor Advisory Group ensured that the company's story resonated with both current and prospective investors, setting the stage for sustained growth and market confidence.



Playbook "Investor Events" module in Action:

"...we helped the Company host a best-in-class hybrid Investor Day with expanded investor sector profiles, substantially broadening the buyer base."

Execution: Implementing the Investor Relations Overhaul

How the Approach Was Implemented

1

Diagnostics and Insights:

- » Conducted factor analysis to identify macroeconomic and company-specific valuation drivers.
- » Peer benchmarking using the "Rule of 40" to compare the company's growth and profitability metrics with competitors.

2

Strategic Adjustments:

- » Enhanced investor presentations to emphasize key growth metrics and the company's market position.
- » Expanded the investor marketing outreach to include both biopharma and beauty/consumer goods-focused events.

3

Stakeholder Alignment:

- » Conducted board interaction to unify messaging and advocacy for the IR strategy.
- » Standardized quarterly updates with data-driven insights to foster transparency and trust among stakeholders.

4

Proactive Engagement:

- » Broadened outreach to include new analysts and investors in untapped sectors.
- » Delivered a best-in-class hybrid Investor Day to showcase leadership's vision and strategy.

Engagement Roadmap

MILESTONE 1

Engage Market 360 Review to define company position

MILESTONE 2

Define 30/60/90-day remediation opportunity roadmap

MILESTONE 3

Present to board and unify key stakeholders

MILESTONE 4

Adjust and endorse remediation roadmap and begin execution schedule

MILESTONE 5

Integrate key metrics into all company operations, messaging, and address key street concerns

MILESTONE 6

Map messaging to investor meetings and reveal outcome progress for next actions and shared journey for valuation reward

Key Results: Alignment Between Company Valuation and Operational Performance

Results Of The Engagement

Valuation Increase:

- Achieved a significant increase in valuation as analysts raised price targets, reflecting stronger market confidence.

Broadened Investor Base:

- Five of the top ten institutional investors expanded their positions.
- Two new top-tier investors initiated stakes in the company.

Enhanced Investor Relations:

- Tripled investor engagement events, facilitating interactions with 130 newfirms.
- Elevated visibility and participation in both biopharma and consumer goods sectors.

Operational Impact:

- Integrated IR metrics into company-wide decision-making, driving consistency and transparency.
- Recognition of leadership excellence, exemplified by the CFO's "Rising Star" award

How IR Analytics Unlocks Shareholder Value.

The Core Components: A great business is built by linking strategic story and operational metrics to financial outcomes...with valuation as the reward.

Company builders do this in a persistent loop as they seek to **strategize** about the future, develop **targets** to quantify this journey, and **reveal** progress.

The resulting clarity and conviction increases enterprise value.

Our Solutions. While many dashboards and pontificators exist, it's rare to find best of breed art and science mapped from strategy > quantified targets > to revelation loops internally, reporting externally for shared conviction supporting enterprise value outcomes. We bring clarity to corporate price outcomes across passive, quant, and discretionary driven values, and put company builders back in control.



Our Offering: Investor Relations & Analytics

Transforming Data Into Decisions and Value

Investor Analytics

STORY

Share Conviction

- Investor Events
Build your investor base through our ecosystem of profile analytics, targeting support, conference access, and analyst day production
- Investor Communications
Support for internal and external messaging including quarterly earnings preparations, marketing calendar, and sell-side research outreach

Catalyst Support

- Investor Interaction
Align stakeholder messaging from C-suite, board, and investor community for roadshow, calendar alignment, legal filing milestones, interview key advisory roles
- Crisis Management
Develop protocols for risk mitigation, 24/7 response workflow, whistleblower scenarios, inadvertent disclosure

METRICS

Know it to be True

- Data Strategy
Reveal your business roadmap linking story strategy to OKRs, KPIs for clarity from top to company edge
- Execute Playbooks
Connect data sources from ERP, BI, application sources for pain point resolution and AI use case development
- Structured Reporting
Benchmarking based on industry specific metric KPIs for clarity, consistency, and prediction

FINANCIALS & VALUATION

Enterprise Value X-Ray

- Asset Pricing
Present Industry Leading analytics for x-ray regressions, factor decomposition on equity value and capital allocation
- ML / AI Enhanced Tools
Provide suite of leading-edge tools for conference script diagnostics, speech to KPIs, sentiment trends
- Peer Group Analysis
Diagnose investor perception bias, peer group alerts, emerging thesis contagion

Partner with Anduril, Elevate Your Valuation:

This case study demonstrates how our strategic and data-driven approach can unlock significant value for your business. Contact us today to learn how Anduril Analytics can transform your investor relations strategy.

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Reach Out for a Free Consultation