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## THE LONG PULL: New Investment Theme (RFK Jr. Files)

I often invest bottoms-up, focusing on individual companies, analyzing intrinsic values, examining the tape, and pulling the trigger.

But I've found it more valuable to develop a broad, overarching theme, such as Higher For Longer (inflation and precious metals), Resource Nationalism (domestic metals production and exploration), or Fourth Turning (defense spending).

Which brings me to my new Investment Theme. It's still early in v1, so please be gentle.

I'm calling it the **RFK Jr. Files**. It's a collection of trades, investments, and industries that should benefit from an RFK-led health wave across America.

The thesis is that RFK Jr. will continuously emphasize health, wellness, and eating better. Things like fitness/gyms, health foods, dietary supplements, oral medications, and psychedelics will all be affected.

Pro-RFK Jr. products and services will command higher multiples as investors (and consumers) prioritize health over discount junk. And large CPG companies will pay top dollar for health-focused brands with distribution and scale advantages to improve their image (think PEP and CELH potentially).

Here's another way to think about it. CPG companies closet index to what consumers want. And if consumers want more healthy, organic options, they'll buy those companies.

That's why our first RFK Jr. Files idea is **Laird Superfood (LSF)**.

**The TL;DR:** LSF is a fast-growing left-for-dead RFK beneficiary with 40% gross margins, no debt, and a path for sustainable free cash flow. It's an ideal CPG target for Nestle, which typically pays 3-5x sales. If growth trends continue, **LSF's market cap could reach \$160-\$180M in 2-3 years. Today's price? \$50M.**

Let's get after it.

## Laird Superfood (LSF): Background & Turnaround

LSF competes in the plant-based “superfood” niche. Co-founded by big-wave surfer [Laird Hamilton](#), the company built its identity around natural, functional ingredients and an authentic healthy lifestyle ethos.

This celebrity-backed origin and focus on quality (e.g. “real ingredients” and environmentally conscious products) give Laird a brand differentiation that resonates with health-conscious consumers.

The product portfolio includes **powdered and liquid coffee creamers, hydration mixes (e.g., coconut water powders), functional mushroom supplements, organic coffees and teas, and plant-based snack bars.**

LSF sells its products through its website, Amazon, retail stores like Whole Foods, Sprouts, and wholesale shops like Costco and Sam's Club.

The company IPO'd at \$33/share, rose to \$60/share, and then fell 99% to all-time lows of \$0.64/share.



It was bad.

The company lost \$40M in 2022, with 14.5% gross margins (for a premium product!). LSF also had a large fixed cost base from its in-house manufacturing facility in Oregon, and SG&A costs accounted for 80% of revenues. Meanwhile, revenue growth declined by 3% YoY in 2022.

So to recap: negative growth, massive operating losses, industry-low gross margins, and ballooning SG&A costs.

The stock traded at a negative enterprise value near its all-time lows.

## **The Turnaround**

It was around this time (early 2022) that CEO Jason Vieth joined LSF. Before joining LSF, Vieth led WhiteWave Foods (a leader in plant-based dairy) and Sovos Brands.

Vieth wasted no time turning around the company.




One of his first significant moves was transitioning from in-house manufacturing to an outsourced (co-packer) model, enabling a shift from a high fixed-cost structure to a variable-cost model. By late 2022, Laird shut down its Oregon production facility, laid off 46 staff, and migrated all production to third-party manufacturers.

This was a great move.

It significantly reduced overhead and complexity, enabling management to concentrate on product development and marketing instead of operating a subscale factory. Vieth also implemented aggressive cost-cutting and cash optimization across SG&A. According to the CFO, they [targeted “inefficient marketing spend”](#) and other expenses to “aggressively curtail” G&A in 2023.

For example, the company eliminated free shipping promotions and raised shipping fees to better cover costs in its e-commerce channel (previously a margin drag). These steps lowered the company’s breakeven point and reduced cash burn.

In just one year, gross margins improved from 14.5% to 30% while SG&A margin dropped from 80% to 61% (see below).

	Fiscal Years	Current/LTM	FY 2024	FY 2023	FY 2022
 <b>Margins</b>					
 Gross Profit Margin		40.85%	40.85%	30.13%	14.48%
 SG&A Margin		45.87%	45.87%	61.40%	78.47%

It's a textbook example of how to turn around a consumer product.

So where are we today?

## **LSF: The Perfect Acquisition Target**

Last year, the company increased revenue by 26.5% to \$43.3M, with 41% gross profit margins (\$17.7M in gross profit). Operating losses improved to -\$1.8M, and the company generated positive Adjusted Cash From Operations of \$0.9M for the first time in its history.

LSF has \$8.5M in cash, no debt on the balance sheet, and a much improved inventory situation. For example, the company reduced inventory in 2023 (they worked down some stock, contributing to cash generation) and remains well-managed today (FY2024 inventory is \$5.97M, slightly down from \$6.32M in 2023).

LSF fits the criteria for a perfect acquisition target:

- 1. 20%+ annual revenue growth**
- 2. 30-40% gross profit margins**
- 3. Strong brand with customer affinity**
- 4. Clean balance sheet**
- 5. Scaled distribution with DTC, Amazon, retail, and wholesale channels**

A company like Nestle would happily pay 3-5x sales for LSF because it's a win/win. Nestle gets a health-focused brand with strong growth, obsessed customers, and premium margins. LSF gets Nestle's massive distribution and manufacturing scale.

## **Thinking About Valuation: Upside/Downside**

The company guided to 20-25% revenue growth for 2025 or \$53M at the midpoint. Assuming the company maintains 30-40% gross margins, LSF will generate \$19M in gross profits and breakeven operating profits (still investing in the brand and growth).

At 3x sales, LSF would be worth \$159M, which is **3x higher than today's EV of \$52M.**

Let's discuss downside protection.

In 2022, LSF received an all-cash offer from EF Hutton SPV I LLC for \$3 per share, valued at ~\$27M.

At that time, Laird was deeply unprofitable, had negative cash flows, high operational costs, and limited visibility into growth and margin recovery. It was a vulture price.

Fast forward to today. LSF is now a growth company with industry-leading margins, no debt, and a path towards profitability.

Pepsi invested in Celsius (CELH) at a ~10-11x sales multiple at a growth-stage premium, and Celsius just acquired Alani Nu at ~3x sales. So the going rate for a high-growth, strong health-brand company seems to be around 3-5x sales.

So let's assume LSF gets acquired for half the going rate or 1.5x sales. They wouldn't take that deal because it's absurdly low, but walk with me.

That puts LSF's EV at ~\$80M (\$53M x 1.5), which is still 1.5x higher than today's price.

## Conclusion: LSF Is A Trifecta Lens Trade

LSF meets our Trifecta Lens Criteria:

- **Fundamentals:** Fast-growing with industry-leading margins trading at 28% of its realistic acquisition multiple.
- **Technicals:** Up 500% over the past year and resting at the weekly charts' 50D and 200D moving averages.
- **Sentiment:** No value investor is considering this company (there are zero write-ups on VIC, and pitches on Twitter/X are scarce). Not to mention it's down 91% from its all-time highs.

Here's my trading plan. First, I want to see a close at, below, or above the 50D and 200D on the weekly chart. I don't care which one I get because I only care about the following week's bar (see below).



A breakdown below this week's lows could give us a chance at buying shares well below \$4.

However, a close above the 50D gives us a great risk/reward setup for a starter position.

That's why I love this trade so much. LSF has long-term secular tailwinds for sustained growth, an EV/Sales multiple that's 28% of what it should be in a private market transaction, and a chart that allows us to remain patient and wait for our fat pitch.

How's that for a first entry in the RFK Jr. Files?