



## Quarterly Letter, April-June 2025

	Apr	May	Jun	Q2 2025	YTD	Since Inception	Annualized
Curreen Capital Partners LP	-1.17%	12.58%	2.52%	14.07%	8.73%	233.5%	10.5%
S&P 500	-0.68%	6.29%	5.09%	10.94%	6.20%	374.7%	13.8%
MSCI World (US Gross)	0.91%	5.95%	4.34%	11.55%	9.63%	251.7%	11.0%

Dear Partner,

Curreen Capital was up 14.07% in the second quarter. The quarter began with tariff driven stock price declines, particularly for the small companies that we focus on. Our policy with stock market moves continues to be: a) do not try to predict these moves, instead try to avoid responding to them foolishly, and b) focus on following and valuing current and potential investments. Of these, we sold Nilorn, added to Havas, Pluxee and VF Corp, and bought shares of Fortrea (a new position).

We sold Nilorn because the business has gotten worse over the past few years. The stock is cheap, but I do not like the company's expansion of its packaging business. Compared to its tag and label business, packaging earns lower margins and requires additional capital. This combination lowers Nilorn's return on capital, and makes it unattractive for us to own. We had owned Nilorn for several years, and we lost money on this investment (we received SEK 64/share).

We primarily deployed the proceeds from selling Nilorn into Havas in the first quarter and into Fortrea during the second quarter.

### So... what is Fortrea?

Fortrea is a contract research organization (CRO), which means they run clinical trials to test treatments that pharmaceutical companies are trying to get approved for use in patients. I have been following Fortrea since it spun out of Labcorp in June 2023. Back then, Fortrea seemed like an exciting, fast growing business earning good returns on capital, with a star CEO who had a reputation for running (and selling) a similar business. Things have fallen apart since then...

Compared to the exciting period after COVID, fervor for new drug research has declined. Less money has flowed to biotech companies, who hire CROs to help run the clinical trials they need in order to market their therapies. In addition to this industry-wide headwind, Fortrea has gone through the expensive process of setting up its own IT systems and operations separate from Labcorp. Fortrea also has a decent amount of debt, which is common in spinoffs. All in, this once exciting business ran into an industry slowdown, increased spending on stand-up costs, and still had all that debt to deal with. Earnings turned to losses, the stock price dropped and kept dropping, and as of mid-May the star CEO was out.

### Okay...what is there to like about this situation?

The positives are that Fortrea has been winning new clinical trials and growing its backlog. The company has nearly completed the stand-up of its own systems and separation from Labcorp's - which means they can stop paying for two systems, reducing expenses. The financial picture is ugly, but I think that it is



improving and that the company will avoid a painful financial restructuring. Also, the stock is priced for disaster.

On the other side of the current unpleasantness is a good business in a good industry. Running clinical trials is not capital intensive – the drug company customer supplies the medicine, and the contract research organization finds investigators (doctors) who generally see the trial participants in the doctors' own offices. While this capital-light model allows contract research organizations to earn good returns on capital, there are barriers to entry for would-be competitors. CROs have to know the science and regulations involved in getting drugs approved in different jurisdictions worldwide, they need to know and have a good reputation with doctors who can work on the clinical trials and bring in patients. And in addition to this know-how and know-who, drug companies need to feel confident that they are hiring a CRO who will give them a solid shot at getting their drug approved for use. Getting a new drug approved is a long and expensive process – and the drug company's main goal is to maximize the time that their therapy is on-market and patent-protected. Anything that delays FDA approval—be it signing up investigators, recruiting and retaining patients, analyzing and presenting data, and generally jumping through regulatory hoops—eats into that patent-protected period and costs Fortrea's customers a lot of money. Going with a lower priced new entrant, vs going with Fortrea or one of the other large players with a track record, is risky for the pharmaceutical company customer (and introduces career risk for the individual making the choice) because the new entrant may delay—by months, years, or even permanently—approval by the FDA and other regulators.

New drug research should continue as long as patents are legally protected and valuable, and the aging global population increases demand for new treatments. I do not see the current political climate changing either of these long-term drivers. Increasing demand is met by a limited supply of CROs with a track record, which sets the industry up for continued growth at high returns on capital. Historically, CROs have used their free cash flow to grow and to buy back stock. While turnarounds often take more time than I would like, Fortrea should make it back to being a growing business earning high returns on capital, and that might even earn it an exciting earnings multiple. I think they are on track.

We paid \$5.85 per share for our position in Fortrea, which was about 4.5% of the fund. I thought that price was extremely cheap, though the stock has since dropped further.

Our other purchases were relatively small, together accounting for 2% of the fund. As with Fortrea, these purchases fit our ugly duckling strategy: we buy good businesses at attractive prices. We added to Havas at €1.46/share, an extremely cheap stock that I wrote about in our Q1 letter. We added to Pluxee at €19.10/share, as the business continued to perform well. And we added to VF Corp at \$11.45/share, which I thought was an attractive price for a well-managed business that can handle tariffs and other challenges that life will throw at it.

As our four buys in the quarter show, there continues to be an abundance of attractive ugly ducking stocks. The challenge is less in finding good-and-cheap businesses, and more in choosing which ones we want to own. Some are cheaper, some are more durable, some have more growth potential, some have better operating momentum, etc. I aim for us to own the ones that score best across the board, but there are often tradeoffs – for example, the ones that appear the most durable are seldom the cheapest. Nevertheless, the quantity of attractive ugly ducklings—in our portfolio and on my watchlist—makes me optimistic about our investment strategy's future returns.



Thank you. I am grateful that we are making this journey together, and if you want to chat, please reach out. I would love to hear from you.

Sincerely,

A handwritten signature in black ink, appearing to read "Christian Ryther", written over a light blue horizontal line.

Christian Ryther  
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## Appendix

Curreen Capital Investments: all positions larger than 5% of the fund

### **Advance Auto Parts (AAP)**

Advance Auto Parts is a store-based retailer of aftermarket automotive parts and supplies. This includes batteries, windshield wipers and fluid, air filters, motor oil, etc. The company has historically earned decent (approaching 20%) returns on tangible capital. The company is attempting a turnaround, and has fixed its balance sheet and is improving operations. Advance Auto currently trades at an attractive upside-to-downside ratio.

### **Credit Acceptance (CACC)**

Credit Acceptance is a subprime auto lender, enabling subprime borrowers to buy vehicles from used car dealerships. The business has profitably gained share in a large and difficult market for more than two decades. Management allocates free cash flow to growing the business and repurchasing shares at attractive prices. Credit Acceptance currently trades at an attractive upside-to-downside ratio.

### **Fortrea (FTRE)**

Fortrea helps its biotech and pharmaceutical customers to run clinical trials with the goal of receiving marketing authorization in the U.S. and other countries. Fortrea helps design the trials, recruit investigators and participants, prepare data for regulatory review, and other tasks needed to win the authorization to market new treatments. The company spun out of Labcorp in June 2023, and is attempting to turn around the business. Fortrea currently trades at an attractive upside-to-downside ratio.

### **Frontdoor (FTDR)**

Frontdoor sells home service plans to homeowners. The company contracts with HVAC and other contractors and dispatches them when customers have problems with one of their major home appliances and systems (furnace, air conditioning, refrigerator, electrical system, etc). Frontdoor spun out of ServiceMaster in October 2018. Frontdoor serves about 2% of U.S. homes, and uses its free cash flow to grow organically, pay down debt, repurchase shares, and acquire complementary businesses.

### **GetBusy (GETB:GB)**

GetBusy provides online document exchange systems—primarily for accountants. GetBusy spun out of Reckon in August 2017, and has continued to grow since then. GetBusy does not earn money, investing through higher expenses to grow its existing businesses and attempting to launch new products. The underlying businesses are profitable and sustainable in the U.K. and U.S.

### **Havas (HAVAS:NL)**

Havas is a communications and marketing company that spun out of Vivendi in December 2024. The company invests its free cash flow in bolt-on acquisitions, pays a dividend, and repurchases shares. Havas currently trades at an attractive upside-to-downside ratio.

### **Siemens Energy (ENR:GR)**

Siemens Energy combines a world-class electrical power generation business, a world-class electricity transmission business, and an onshore and offshore wind turbine business that is attempting a turnaround. The company spun out of Siemens in September 2020. After many years of weak electricity demand in OECD countries, Siemens Energy is benefiting from a cyclical boom in demand.

### **Truecaller (TRUEB:SS)**

Truecaller is a software company that offers a mobile app that is primarily used for caller ID. The company's main market is India, and it has historically focused on growing its customer base in emerging markets. Truecaller continues to offer additional services to its growing worldwide user base. In 2025, Apple changed its policies which allow Truecaller's app to be as effective on iOS as it has been on Android, further expanding Truecaller's addressable market.

### **VF Corp (VFC)**

VF Corp manages apparel brands, including Dickies, The North Face, Timberland, and Vans. The company has brought on a new CEO who has fixed the balance sheet, improved capital allocation, and rebuilt the management team in an effort to return the business to growth. I believe that the company has good brands, the skills to manage them well, and a management team that can handle the challenges that the company faces. VF Corp currently trades at an attractive upside-to-downside ratio.



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