



## BRAVE CHANGING WORLD: INBOUND KEEPING YOU POSTED



### News & Views #58

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*“Plus ca change”...In this selection of our posts, we focus on the sharp acceleration of the Pet Care industry and up-and-coming canine blend specialist WOLF SPRING, the health hazards of exercising at home and PELOTON (PTON US, \$29bn market cap)’s treadmills recall, ALD (ALD FP, €6bn) set to benefit from the French car rental market picking up strongly, the ethical issues raised by “dog robots” such as those provided by Boston Dynamics (BSX US, \$61bn), “Oldie but goodie” in TV streaming vindicating ALCHIMIE (ALCHI FP, €90m)’s differentiated content strategy, the vitality of the European Tech start-up market and more! Last but not least: bravo again to organic skincare product specialist NOLEO for the success of its seeding round which Inbound contributed to aimed at US expansion.*

*Have a good read!*

*The Inbound Capital team*

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## SMALL CAPS



### CAR RENTAL MARKET PICKING UP RAPIDLY IN FRANCE

Car rental reservations have been soaring over the past few days. Prices have started to climb in some locations as major rental companies reduced their fleets after the health crisis while the semiconductor crisis in the auto sector is reducing supply of new vehicles. Those who wish to rent a car this summer are better off doing it very soon. It is unsure if rental companies will have enough vehicles to meet the demand. After the 1st lockdown activity plunged 60%, all the big brands cut dramatically into their fleet – i.e. Europcar, taken over by its creditors, reduced its fleet by 36%.

Given initial poor visibility, most brands have “played it safe” for this summer, with limited margins for increasing the fleet as shortage of semiconductors has considerably slowed production. Rental groups, who place large orders at reduced prices, will come after private customers, who ensure better margins for manufacturers

Car rentals operators are likely to keep their existing fleet for longer with positive implications on prices in the second-hand market and for lease operators like ALD (ALD FP, €4bn market cap).

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### STREAMING SERVICES TARGET "OLDER VIEWERS"

It is not really surprising to see that the usual streaming suspects such as Netflix, Amazon Prime, etc are trying to attract subscribers older than 35.

According to Ampere Analysis, even if younger SVOD subscribers are also reaching a saturation point, 55% of consumers who don't engage with VOD in a typical day are aged 45-64. Many are keeping their linear TV habits: 50% of linear TV viewers who watch TV from 2 to 4 hours/day are over 45 years old.

This is inspiring the move by the big SVOD platforms to produce programs that are of more interest to those older consumers.

Documentaries, drama, and crime & thrillers are among the most popular contents for consumers over the age of 35. And now, these genres are in the top five of commissioned projects by VOD players. Keeping up this investment into content is one of the keys to

persuading older viewers to make the switch to streaming.

ALCHIMIE (Alchimie (ALCHI, ~€90m market cap) has well understood that different content is a good way to attract subscribers and it works! Its subscribers' base keeps on growing.

And the price for its targeted content is far smaller than the billions of dollars invested each year by Netflix and Amazon to make their subscribers happy.

[#streamingmedia #content](#)

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## START-UPS



PRESS RELEASE – London, Tuesday 4<sup>th</sup> of May

### Inbound Capital helps NOLEO successfully raise its seed funding for US expansion

NOLEO ([www.noleocare.com](http://www.noleocare.com)), a San Diego-based provider of non-toxic diaper care, today announces the success of its seed capital raise, to which Inbound Capital is proud to have contributed.

Congratulations to NOLEO co-founders Nicolas Chery and Lucas Nanini for the smashing success of their seeding round!

With this important milestone, NOLEO has the means to accelerate its already fast growth in the US on its way to reshape the skincare industry for a better, non-toxic future.

Currently targeting the ~\$2bn U.S. diaper care market (baby wipes, baby lotions, diaper rash creams) with a disruptive, ESG-friendly approach, NOLEO helps reduce the number of products used for diaper change and remove babies' exposure to harmful chemicals altogether.

With only five ingredients and no hazardous chemicals, NOLEO's 3-in-1 Diaper Care offers a safer and easier way to change diapers vs. comparable products from large HPC groups.



Thanks to its strategic investor approach and its efficient capacity to get NOLEO better known by international investors, Inbound Capital is proud to have contributed to this early success and looks forward to further collaborating with NOLEO in the future.

*"Despite coming in a well advanced funding round, Inbound Capital was instrumental in bringing sound views and targeted investor introductions. While it could be seen as a stretch for a UK/Europe firm to advise a San Diego-based start-up, they showed their global ties by going*



## CONGRATULATIONS NOLEO!

Inbound Capital is really pleased to have contributed to the success of organic skincare product specialist NOLEO with its seeding round, aimed at fuelling its fast-paced US expansion. NOLEO is firmly on its way to reshape the skincare industry towards a better, non-toxic future: it's onwards and upwards for NOLEO!

[Click here to find out more >>](#)



## CRY WOLF: DOG ROBOT

What's nice with SPOT, the AI-enabled robot dog from BOSTON DYNAMICS (BSX US, \$61bn market cap) is that you don't need to feed him or take him out. The issue is that Spot belongs to the breed of LAWS for Lethal Autonomous Weapons Systems. Uh oh. While Spot has been selected by security firm Ciborius to guard for instance the Erfurt Cathedral in Germany, the NYCS Police Dpt which was testing "Spot the Digidog" for use to inspect dangerous areas and help keep officers safe had to cancel its ~\$100K contract with BSX due to public outcry related to "robotic surveillance" while a spokesperson for NYC Mayor Bill De Blasio said the "Digidog was creepy and alienating" Poor Spot! Other police forces are however still testing it (e.g. Hawaii). Stick to REAL dogs and give them the proper vitamin blend they deserve: no-one beats NYC-based start-up WOLF SPRING to the task. SMILE WOLF! Inbound provides targeted introductions to WOLF SPRING.

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## PET CARE & CONSUMER BRANDS' PRICING POWER

In their latest market updates, leading Consumer groups like NESTLE (NESN SWX, CHF315bn market cap) have said they would probably raise their prices due to a conjunction of factors - from commodity prices to transportation bottlenecks, packaging costs etc. Inevitably this will lead to consumer dissatisfaction wherever value is not clearly perceived or the consumer segment not strong enough. While there are some great brands in "bad categories" with strong pricing power (e.g. Beyond Meat within packaged goods or Nespresso in coffee), it's really products in secularly growing areas such as pet-care that will be able to impose their pricing. Arguably this puts canine vitamin blend specialist WOLF SPRING in a strong position. Inbound provides targeted introductions to WOLF SPRING.

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## INVESTORS LOVE PETS!

Investors love pets! Pet ownership and spending has been boosted by the lockdowns, dog humanization being one the key underlying trend benefiting pet stocks (beating S&P by 48% in 2020, <https://lnkd.in/daSWkxk>) and innovation: consumers (especially US ones) now love treating their doggies with fresh food, free-from and plant-based diets, supplements and vitamin water ([Wolf Spring](#))

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## FINANCE & ECONOMY



## EUROPEAN TECH: RISING CONFIDENCE FROM ENTREPRENEURS AND INVESTORS

While Europe only accounts for 6% of the listed global tech market value, start-ups, on the other side, seem to show encouraging signs of vitality for the continent as unicorns are rapidly growing in number.

European late-stage tech start-ups are benefiting from a rising supply of large risk capital pools driven by domestic and international investors. Around \$28bn have been invested in European start-ups in Q1 vs. \$36bn all last year and 2x the 2016 total.

US and Asian funds are attracted by lower relative valuations in Europe. Also, the Covid-related rise of remote working and Zoom interactions have reduced the competitive advantage for start ups of being based in tech hubs such as Silicon Valley as it has become easier to tap pools of talent and experts all over the world.

Sweden's fintech Klarna has become Europe's most valuable start-up with a \$31bn valuation, while Lithuania's marketplace Vinted was valued at €3.5bn in its latest funding round. Estonia, recently upped its number of unicorns to 7.

Europe may continue to trail behind the US and China for a while, but European tech is scaling up and there are signs of a virtuous circle boosting the confidence of entrepreneurs and investors alike...

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## LIFESTYLE & OTHER



### PELOTON RECALLS TREADMILLS AFTER DENYING THEY WERE DANGEROUS

In these times of Covid-19, everyone knows that it is good to exercise. People in good health are less likely to catch the virus.

But sometimes it can be dangerous to exercise even at home. Peloton well known for its bikes is meeting serious problems with its Treadmill, Tread+, and a 6-year-old child died. This is not good as people had warned Peloton that its treadmill was dangerous. Because of the type of motor used in the Tread+, the machine needs a higher ground clearance than typical treadmills and due to that, the treadmills could cause injury or death to adults, children, and pets if they get pulled underneath. The perfect crime: killed by a treadmill! Peloton acknowledges that the company took too much time to react as in addition to the death, there have been about 72 reports of adult users, children, pets, and objects being pulled under the rear of the treadmill, including 29 reports of injuries to children such as second and third-degree abrasions, broken bones and lacerations.

It is hard to understand how such a misconception is possible and when it became so obvious that the company waited so long to recall the treadmills.

In conclusion, forget Peloton as it is healthier, safer, and cheaper to run outside where you can breeze fresh air.

[#health](#) [#marketing](#)

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Inbound Capital provides targeted international introductions to Alchimie (ALCHI FP).

Inbound Capital provided advisory services to ALD Automotive (ALD FP).

Inbound Capital provides targeted introductions to NOLEO.

Inbound Capital provides targeted introductions to Wolf Spring.

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