



**BRAVE CHANGING WORLD:  
INBOUND KEEPING YOU POSTED**

**News & Views #43**

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*"Plus ça change"....In this selection of our posts, we focus on the pick up in M&A activity in tech (streaming, mobile apps, programmatic, data). cashless society and luxury brands, radars and autonomous cars, ArtTech as the next SPAC candidate, aliens (already) on Earth, Whatsapp and privacy, the vegetable revolution (already happening), the tech stock booms (and bust), remembering the Old Normal with AC/DC (and Robbie Williams) and more!*

*Have a great read!*

*The Inbound Capital team*

*[www.inbound.capital](http://www.inbound.capital)*

**SMALL CAPS**



## FERTILE GROUND FOR M&A IN DIGITAL TO BENEFIT SMALL CAP

### GEMS

*“Turmoil caused acceleration and unexpected change, and it was a breeding ground for opportunity,”* according to Conor McKenna, a VP at LUMA Partners.

If no M&A deals happened in the adtech market during the 3 first months of the pandemic, things picked up in H2. This trend will continue in 2021. Most of this activity revolves around 4 main categories: streaming, mobile apps, data and identity, and an undercurrent of late-stage programmatic consolidation. Here are 4 ways 2020 set the stage for high activity in 2021:

1. “End-game” programmatic that will serve as an undercurrent of M&A activity this year. This didn't come as a surprise with the end of the 3rd-party.
2. The year of identity with a new focus on 1st party data. It becomes necessary to shape the tracking universe of the future
3. Podcasting 2.0 because as podcasting moves into streaming, its consumption will increase and so will advertiser interest
4. SPAC attack as investors grew hungry for high-growth technology-focused assets to shepherd into a surprisingly hot public market. SPACs raised more than \$70bn in capital last year which, when levered up, translates into something like \$300bn in buying power. But it is unclear whether there are enough tech-enabled businesses to satisfy investor appetite. [#adtech](#) [#M&A](#)

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## START-UPS & TECH



### PLATFORM OPERATORS, DON'T MESS WITH PRIVACY!

WhatsApp has hemorrhaged millions of users to rival platforms Signal and Telegram as a result of the announcement that WhatsApp will share certain data with its parent Facebook. This demonstrates that Facebook has an increasingly toxic brand and serves as a reminder to platform operators: don't mess with privacy!

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## HOW RADARS COULD REVOLUTIONIZE AUTONOMOUS CARS

#autonomousvehicles are about #cameras, #sensors & #lidar ...right ? Wrong - #radars are making a comeback

The future of mobility is a key topic for #inboundcapital. This weeks virtual #CES show sees a potentially far-reaching introduction by #Isreals Arbe of 'repositioned' radar, delivering unprecedented road safety through 4D ultra high-resolution imaging.

Not to be outdone Seoul Robotics is fighting for the #Lidar camp introducing a next generation Lidar perception software. This will please our contacts at LUMIBIRD : the new name of Keopsys-Quantel group whose #Sensup division is a key European player in Lidar sensors.

The article attached suggests that all these new technologies are individual breakthroughs that could form part of a smarter hybrid system, incorporating all technologies. Whilst Arbe new radar promises road readiness for autonomous vehicles from 2022, Seoul Robotics already supply Lidar based solutions to BMW Group and Mercedes-Benz AG. Although #elonmusk describes Lidar as 'unnecessary' and a 'fools errand' both technologies will likely be key for

#autonomoumobility

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## ARTECH SPAC

Checked ART GY (€37m market cap) lately? Berlin-based ARTNET AG operates Artnet

Worldwide, an international trading platform for the art market offering an integrated range of information (prices, market trends etc) and transaction services. Listed almost a decade ago, its shares have had a volatile (read: disappointing) ride since - a reflection of the difficulty to get the business model right in the complex art ecosystem. Like in many other areas, Covid-19 has dramatically accelerated its digital transition, forcing brick-and-mortar operators (galleries, auction houses etc) to accelerate a shift online. Rightly or wrongly, ART AG has benefited: the shares have almost trebled since the start of the pandemic, reaching new highs. They also enjoy scarcity value: as per our White Paper (<https://lnkd.in/g7TJKDb>), investors keen to ride the secular growth theme of Digital in Art are left do it via the start-up route like with Arteia ([www.Arteia.com](http://www.Arteia.com)), a client of Inbound. Time for an ArtTech SPAC? Inbound has shown its expertise with the first global EdTech SPAC (EdTechX): the issues - and opportunities! - are strikingly similar.

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## FINANCE & ECONOMY



### TECH STOCK BOOMS NOW AND THEN: THIS TIME IT IS DIFFERENT

(AGAIN?)...

For those old enough to remember the doctcom bubble, there is certain déjà vu in the performance of the tech-heavy Nasdaq, which recorded 40% annual gains in the past 2 years and reached some impressive valuations - though still below the dizzying multiples of 2000.

The ascent of companies such as Tesla shows that investors are willing to put aside doubts on business models to bet on the promise of innovation in digital, energy, healthcare, robotics and artificial intelligence.

Investment today are more focused on digital businesses - cf. GAFAMs - with steadier earnings which have benefited from the pandemic. Their growth appears more stable to the point that they are seen as defensive quality investments.

Tech stocks are like long-dated bonds, meaning their valuation may suffer if interest rates and inflation rebound. After the US Federal Reserve flooded the financial system with cash after the 1998 crisis, it began withdrawing its support in 2000 & raised rates leading to a crash. Two decades later, the focus is once again on the timing of monetary support retreating. While central banks intend to operate in an orderly fashion, controlled outcomes are very difficult to achieve when markets are fragile.

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### THE VEGETABLE REVOLUTION IS HERE: BONDUELLE (BON FP, €640m market cap)

Canned & frozen vegetable sector in France anticipating a sharp increase of consumption as an extension of curfew measures against Covid 19 is expected.

Factories are producing canned and frozen vegetables at full speed in anticipation of curfew to soon start at 6pm daily in France, implying reduced time available for shopping and a potential rush on certain products. Frozen vegetables and canned goods sold in supermarket were respectively up +31% and +28% (Kantar) during the 1st lockdown last spring French PM Jean Castex will holds a press conference today (14th January) to precise the extent of the curfew

already guaranteed for 25 out of the 96 departments in mainland France.

The sector is facing a fall in orders from collective catering. However the transfer volumes to supermarket is not all easy due to specific ranges and packaging.

The vegetable producer specialist Bonduelle (BON FP, €640 mkt cap) is however one of the best positioned groups in France to adress to this rapid shift in demand.

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## ADVERTISING & CLIMATE CHANGE

This is a really innovative way to advertise where art meets ESG.

Octopus Energy launched its campaign 'Portraits from the Precipice' to encourage consumers to switch to green energy deals. Octopus worked with artists to create high impact impressions of climate change and ran them as digital out-of-home (DOOH) displays at 5,000 sites. Instead of focusing on the 3 main reasons for customers switching to its brand (a rather boring subject!), the target of its campaign was to inspire people to take action over climate change, as well (of course) as enhancing its brand's reputation and growing its customer numbers.

Artists answered the brief 'What does climate change mean to you?' A collaborative approach with Artfinder and DOOH partner JCDecaux provided support in terms of sourcing art and designing the presentation, while the Royal Society of Arts/Royal Academy gave the first annual Climate Change Art Prize (£10,000 cash) to the winning image.

The campaign achieved exceptional results. Octopus saw a 163% increase in signups, gaining 37,000 new customers YoY. It claimed the 2020 Marketing Week Masters award for utilities, judges applauding the bravery of switching the total Octopus budget from rational acquisition advertising to brand building. [#advertising](#) [#climatechange](#)

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## LIFESTYLE & OTHER



## FROM CASHLESH TO WALLET-LESS

While we correctly flagged early on the pandemic's impact on the shift towards a cashless

society (e.g. contactless payments) at the start of the pandemic - BCW #4, April 2020:

<https://lnkd.in/du5BkBS> - a shift that sent the shares of digital/mobile payments specialists like BOKU (BOKU LN, £444m market cap) soaring - we should also have mentioned the increasing difficulty to find coins in a wallet to tip for service....and the gradual disappearance of wallets altogether! According to Euromonitor Int'l, sales of wallets & coin purses in 2020 were down c.20% year-on-year. This is a bigger issue than seems, not least for Luxury Goods companies: like fragrances or ties, wallets & card holders are critical entry-level products enabling consumers to buy a piece of luxury brand (and often a life-saving last-minute gift idea for birthdays, Christmas). Small accessories play a critical part for luxury brands: the latter will have to look for new ideas past wallets (+card holders) - the end of an era.

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## OH NO! ALIENS AFTER THE VIRUS?

At Inbound we have an alternative "Best Wishes for 2021" card we thought was hysterical but then had second-thoughts about sending because its humour could be found, er, ill-placed: it showed a list of potential disasters on Earth including a virus - THE BOX WAS TICKED - a giant volcano erupting, a dinosaur-killing meteor, monsters from the deep, a swirling black hole and...aliens landing (\*\* just shout if you want to see it \*\*). Upon reflection maybe it was our second-thoughts that were misplaced: ALIENS ARE ALREADY HERE, at least according to Israel's former space security chief. We can all sigh with relief though: cooperation agreements have already been signed between our species, including an "underground base in the depths of Mars" where there are American astronauts and alien representatives. Sorry Elon Musk: for once, you may come too late to the party!

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**THANK YOU ACDC, THANK YOU ROBBIE WILLIAMS - REMEMBERING  
THE 'OLD' NORMAL**

Yesterday brought the horrible thought that this #lockdown induced 'new normal' is here to stay. So last night, armed with a nice #Syrah and some good headphones, I went to my 'go-to' list of concert footage to give my brain a rest and remind the soul of what lies in wait when #vaccinations are done, and #covid19 is in the rear view mirror.

I trawled through the best moments of #Queen and other big rock bands, reminding myself that #festivals just don't produce the atmosphere of the one-off gig, and wanted to share two moments that will remind you of the power and beauty of the crowd.

In fact, I go back to these two everytime. Arguably the best filmed concerts I have seen. So thank you #ACDC #RiverPlate 2009(Highway to Hell - appropriate eh ?) and thank you #Robbie #Knebworth 2003 (Angels - we have many in hospitals right now) (robbie williams angels knebworth live

<https://lnkd.in/dci2aGh>) for repairing the road to the wonderful old world, that we must not forget actually did exist.

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Inbound Capital is sole advisor to private company ARTEIA.

Inbound Capital provided advisory and introduction services to EdtechX SPAC.

Inbound Capital introduced Lumibird (LBIRD FP) to investors at the UBS' Mobility Conference.

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