



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

News & Views #48

"Plus ça change"...In this selection of our posts, we focus on ESG cosmetics packaging specialist Quadpack's American opportunity, Clubhouse vs. Les Misérables, over-hyping SPACs, La Française de l'Énergie and energy transition, Millennials vs. Harley Davidson, DBT and Mobility, KaiosID as a cutting-edge traceability provider for FMCG, Bill Gates, blue hydrogen, cannabis IPOs, Glowbl and other leading e-training/meeting experts - and more!

Have a good read!

The Inbound Capital team

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SMALL CAPS



EV FAST-CHARGING STATIONS ARE "BORNES" AGAIN IN FRANCE

... as €100m state-aid announced to build a national fast charging infrastructure for electric cars by 2022!

The decree published on Sunday will change the life of electric car drivers travelling long distance. France has now 140 service stations equipped with fast chargers out of the 440 on its national road network. All will be required to have at least 4 fast points able to charge a car in 20' by 2022.

France is reaccelerating its program, after the sudden shutdown of the Izivia, (EDF) stations in February 2020 due to operational problems. The €100m state-aid will be key to help finance ~30% of the operators' investments in new infrastructures and make them profitable. A target of 100,000 charging stations installed in France by the end of 2021 was set last year, but nothing has been specified on the fast terminals, which are much more expensive but essential.

This is a really positive news for DBT (ALDBT, €40m market cap), a European leader in fast chargers.

Inbound provided IR advisory services to DBT and helped the group present at the UBS Mobility Conference in Dec-2019. Inbound is also partnering with Pannell Hayes Consulting on Mobility matters.

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GO WEST, QUADPACK!

For a long time, beauty packaging manufacturer Quadpack (ALQP FP) was mainly targeting Europe. But things are changing rapidly. Last year it opened an office in Japan and now, it is accelerating in America. This move includes the integration of East Hill Industries (its official distributor acquired in 2018, now called Quadpack Americas) into the Quadpack brand, new sales offices in New York, Los Angeles, and Miami, and a sourcing center in Mexico. Since integrating East Hill in 2018, it has doubled the size of its business and is ready to reach the next level.

Quadpack's portfolio includes both its own products (Q-Line) and packaging solutions from its manufacturing partners. Q-Line is a collection of smart, modular solutions made at Quadpack's

European factories, that are locally stocked, assembled, and personalized at Quadpack's warehousing and decoration plant in Dallas, Texas. This model gives Quadpack more agility as it can differentiate its products and accelerate time to market. At the same time, it has a lower carbon footprint.

And, cherry on the cake, Quadpack is among the first beauty packaging to do e-commerce in the Americas thanks to its online store, InStockPack, servicing start-ups, indie brands, and fillers since 2019.

Quadpack is now ready to conquer America!

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SEMICONDUCTORS WOES FOR AUTOS ARE X-FAB'S BOON

A major bug for the auto market recovery as producers are facing global semiconductor shortage. The auto industry has been having a hard time since Q4, coping with the steep demand recovery while addressing a major global chip shortage. The situation is not expected to normalize until the 2nd half of the year and could remain a problem into 2022. As a consequence, the global auto industry should produce ~700k fewer cars than planned in Q1 2021.

The semiconductor content in today's car has dramatically increased: chips help control engines, transmissions, cruise controls, air bags, brakes and power seats, while also ensuring a comfortable travelling experience with entertainment systems. The situation is exposing structural problems for auto makers as they have spent decades streamlining their supply chains to "just in time" and are now struggling to dictate terms to a chip industry with a broad base of clients, many of whom are booming.

This is clearly positive for X-FAB (XFAB, c. €1bn market cap), the world's leading foundry group for analog/mixed-signal semiconductors with a key focus on auto. The group is actively helping to reduce the chip production gap, while benefiting from strong market conditions.

Inbound is providing advisory services for X-FAB.

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VIVE LES HAUTS DE FRANCE: LFDE AT THE HEART OF ENERGY

TRANSITION AND ESG

Did you know that gas producers can have a negative carbon footprint?... La Française de L'Énergie (LFDE) has completed a €5.5m crowdfunding for the financing of its Gazonor Béthune project.

LFDE's Gazonor Béthune has been operating 2 cogeneration units (3 MW) since January 2021. The units are supplied by mine methane from abandoned mining galleries in Hauts-de-France which would leak in the atmosphere otherwise. The gas is converted into green electricity and heat for local consumers.

c. 40% of the €5.5m raised to refinance the equity invested by LFDE in the project came from residents of the region. This shows the interest generated locally in a project focusing on energy solutions with positive environmental, economic and social impacts. 150,000 tonnes of CO2 emissions will be avoided p.a. thanks to the capture of mine gas, while the city's heating network should rank among most competitive in France.

LFDE seem to have developed a successful model combining profitability, local acceptance and ESG. We need more projects like this one to ensure a successful energy transition in the years to come.

Inbound has provided advisory services to LFDE.

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ROUTE 2 RICHES? SET UP A #SPAC THE REDDIT, INC. , INVESTORS

WILL GET BEHIND

Worrying development ?

Remember trying to be cool at school ? I was not brilliant at it - I'll be showing my age and nationality if I told you it involved sporting stripey trousers, [#winklepickers](#)

(<https://lnkd.in/dqiPkri>), up-turned collar of black overcoat, all on display at or near the [#KingsRoad](#), [#London](#), SW3. I think we can now all reasonably blame it on [#Bono](#) from [#U2](#) who had just released 'I will follow' - and we tried!

The even sadder image was when those fellow classmates blessed with exceptional cerebral inventory would stoop down to the 'cool gang' look. I fear we are witnessing something similar at present, and the story below of Michael Klein's SPAC investing in Lucid Motors is a good example.

It sets a worrying precedent that the price of a share (SPAC is a share) can go from \$10 to \$58 in 40 days on the speculative hopes of merging a cash shell with an EV producer. Lets hope the Reddit tail doesn't start wagging the dog. Won't look cool!

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START-UPS & TECH



IT'S ALL GOING DIGITAL: E-TRAINING, MEETINGS & LEARNING

The woes of corporate training globally - hit hard in physical format in 2020 by the pandemic and the year before by specific or local factors like in France - have forced the sector to massively (and successfully) re-invent itself in remote format thank to digital solutions providers with expertise in the space like cutting-edge software provider GLOWBL (www.glowbl.com). Indeed the sector has undergone a copernican revolution in less than 12 months and like every revolution will have profound, enduring effects. In the short term thanks to the rapide adoption of advanced e-training/meeting/learning softwares, the sector is poised to grow strongly - not least because it is addressing a larger number of corporate categories (i.e. becoming more democratic). (Re-)Training is also enjoying strong political support - which spells "sesame" in France - the French government having made it a clear priority and a pillar of its "Relance France" recovery program, reflected for instance by the €200m allocated to the Plan d'Investissement dans les Competences (PIC) for e-training platforms this year.

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THE POT AT THE END OF THE RAINBOW - LITERALLY

"The UK and Europe are ready to embrace the benefits of medicinal cannabis and the overwhelming support and interest from investors has proved this": investors in newly listed KANABO (KNB LN, £67m market cap) will agree with CEO Avihu Tamir. While the Israeli-based producer of prescription and over-the-counter medical cannabis products - dubbed "Cannabis Nespresso" (because administered through individually dosed pods inserted into a vaping device:) www.kanabogroup.com - is the first cannabis IPO on the LSE, it's the precursor of a tidal listing wave among medicinal cannabis players including CBD - and the LSE is it seems rolling over itself like a joint to grab a bigger share of the pot (literally again) vs. alternative exchanges like AQUIS (<https://www.aquis.eu>). There is a queue of companies already looking to tap surging investor interest in the global legal cannabis market, expected to be worth c.\$65bn by 2027 vs. c.\$17.5bn last year. Inbound is advisor to UK company [GRASS & CO.](#)

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FINANCE & ECONOMY



THE NEW HYPE IS NOT GREEN... BUT BLUE!

When everyone is focusing on green hydrogen (produced with renewable energies), the new hype is not green...but blue! Blue gas seems the fuel source the world has been waiting for. The blue hydrogen fuel is made in a carbon-neutral process from methane (not good!) and water but unlike conventional grey hydrogen, released carbon is captured (much better!). The fuel can then be used to power electric vehicles with hydrogen fuel cells (a kind of reverse electrolyzer that combines hydrogen with oxygen) and cars powered this way produce no harmful emissions — only water vapour. Even better, unlike battery-powered cars, they don't use environmentally-damaging metals

This is a threat to Tesla which is becoming a powerhouse in the automobile industry as the world ditches fossil-fuel-powered vehicles for their electric ones. Blue gas can propel vehicles

some 483 km on a full tank, while Tesla's power system only provides up to 402 km on a full battery, on average.

To sum up, blue fuel hydrogen doesn't need lithium or rare-earth elements like Tesla's batteries, takes less time to fuel up and lasts longer than battery-powered vehicles. A real "Tesla killer"! But don't dream, this technology is in its infancy and hydrogen fuel stations are far from widely available.

[#battery #hydrogen](#)

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MORE GREEN EFFORT NEEDED, SAYS BILL (GATES)

According to Bill Gates, electric cars, solar panels, lithium-ion batteries, and plant-based burgers are not enough to offset climate change. Getting to Net Zero will require radical innovation to find alternative approaches to all carbon-spewing processes. The effort will need scientific breakthroughs, technological innovations, and global cooperation on a scale the world has never seen. The challenge is huge and is needed by a deadline: 2050. If we don't get to Net Zero, the temperature rise will be so damaging life will get worse for humans.

Accelerating innovation will require a huge amount of capital and efforts from entrepreneurs, investors, large corporates, and governments. Removing carbon from the atmosphere currently costs at least \$200/ton according to the WSJ. If that cost is halved, removing 51 billion tons of emissions/year at \$100/ton would require spending \$5.1 trillion/year, 6% of the world's GDP. Lowering green premiums – the difference in cost between a product that involves emitting carbon and an alternative that doesn't - is the most important thing that can be done to avoid a climate disaster. It determines which zero-carbon solutions should be deployed. Governments need to focus their innovation on the biggest green premiums. [#climatechange #sustainability](#)

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LIFESTYLE & OTHER



OLDIE BUT GOODIE? HARLEY-DAVIDSON (HOG US, \$5.5bn market cap) NOT SO MUCH

Bloody Millennials! Changing tastes in that age bracket - aggravated by the impact of the pandemic on younger people's spending power - mainly explain the gradual disaffection away from the flagship motorbike brand, worshipped by Hell Angels as much as the likes of [#katyperry](#). Ageing HOG-riding baby boomers aren't making up for the shortfall and a surprise earnings loss sent the shares down 20% (again) before recovering somewhat: since 2015, HOG has lost 50% of its market value (vs. +70% for the S&P) - arguably a fair punishment given it only grew revenues in one year out of five and operating margin halved. Where are the vengeful Day Traders when you need them? The declining US market remains by far HOG's largest (although market share is now less than 38%). HOG unveiled a new five-year turnaround plan targeting increased profitability and low double-digit earnings growth through 2025. Let's hope it works lest we do not hear again the unmistakable sound of HOG's roaring engine (and the sight of the usual bad-boy loving babe on the rear seat: oops, so cliché). Bring the Old Normal back!

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CLUBHOUSE VS. LES MISERABLES

The look and the sound of the voice? I just joined [#clubhouseapp](#) this week. I recommend Les Miserables instead.

I know, I know, the over 50's should probably not be joining the general babble of the GenZ's, but to understand this new world I believe you do have to join it.

Actually, I am not entirely to blame as a cohort of well known hedge fund execs chose to seek a new audience and hosted a fascinating evening talk on the new app. That was fine, but then having auto profiled to some relevant 'rooms' - I was carried into a new world. A world of the voice. Oh Lord, its everything I feared in terms of banal content, but actually there is something else at play here. As participants competed vocally for airtime, it reminded me of the once

constant hum of a trading floor that through text and Bloomberg messaging has had its volume knob turned in an anti-spinal tap direction this past decade. Maybe we are witnessing the long awaited backlash of a generation brought up in silent communication on Instagram, Facebook and the like. I hope so.

However, if you really want to listen to the collective power of the human vocal chord, then [Les Miserables #TheAlbertHall](#) will leave you a lot less miserable !

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Inbound Capital acts as Outsourced Investor Relations for Quadpack (ALQP FP).

Inbound Capital previously acted as outsourced Investor Relations for DBT (ALDBT FP).

Inbound Capital provided IR advisory services to La Française de l'Energie.

Inbound Capital provides Investor Communication support to X-FAB.

Inbound Capital is advisor to Grass & Co.

Inbound Capital is sole advisor to kaiosID.

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