



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



### **News & Views #61**

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*“Plus ça change”...In this selection of our summer posts, we focus on the disappointing performance of French IPOs on Euronext since January (and how small the median market cap is anyway) **DESPITE** the Magical Money that flowed into the financial system which benefited Small Caps especially, **BEBO HEALTH** and the importance to shed those extra lockdown-related kilos, mastering financial analysis with Julien Onillon & Anne Jeny, **NETFLIX** expanding into video-games, **MAISON TAMBOITE** and true luxury in cycling, the “new vs. real” **ROBINHOOD**, **NFT** and artwork protection with **ARTEÏA** (and **kaiosID**), **GRASS & CO**’s landmark distribution deal with **Holland & Barrett** - and more! Special congrats to **WOLF SPRING** for a very successful \$2m seed round - when Pet Tech meets French Tech!*

*Have a good read!*

*The Inbound Capital team*

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

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## SMALL CAPS



### EVIV DIVOC!

Like an evil plan devised by arch-villain Zorglub in the Spirou & Fantasio adventures (<https://lnkd.in/eA7QymR>), COVID has had the paradoxical effect to unleash so-called Magical Money flows to individuals, funds, corporates or states - converging to create a surge in equity markets. As a liquidity-driven Equity Tide lifts all boats, everyone has suddenly become a great (vs. smart) investor - especially in small caps, which have made most gains. Yet Julien Onillon is too modest about the 75%+ 1-year performance of his conviction list (+50% for the CAC Small): indeed selectivity is increasingly the name of the game as cyclicals are nearing their top-cycle valuation levels and the economic upswing is getting priced in. Yes the economic multiplier should kick in but stockmarket expectations have increased too while the favorable base effect of last year's results should fade out. The Equity Party is still in full swing but it's time to distinguish companies offering strong management and business models from those hyped-up stocks blatantly overvalued on all metrics (often losing money hand over fist). Did anyone just mention "hydrogen"? It's bad enough for a princess' carriage to turn into a pumpkin, it's worse when it morphs into a rotten tomato. Bravo Julien and...EVIV BULGROZ! Inbound provides introduction services to LPE Research.

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### BRAVO JULIEN ONILLON AND ANNE JENY FOR YOUR SUPERB FINANCIAL ANALYSIS BOOK!

Given its own focus on (investor) EDUCATION, INBOUND CAPITAL can only but applaud "LES 12 TRAVAUX DE L'ANALYSTE FINANCIER": the result is outstanding and will satisfy a broad audience, from the novice to the financial expert. Unlike other financial manuals that tend to be somewhat esoteric, this one has a proper bottom-up approach, not least thanks to its great case studies - the CASINO (CO FP, €3bn market cap) one is fascinating. A tour de force, definitely on the same bookshelf as the indispensable "VERNIMMEN's FINANCE D'ENTREPRISE" by Pascal Quiry and Yann Le Fur ([www.vernimmen.net](http://www.vernimmen.net))! Inbound provides targeted introductions to LPE Research

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## EURONEXT IPOs: COCK-A-DOODLE-D'OH!

French retail-oriented finance mag/stockmarket tip-sheet Le Revenu has deemed "disappointing" the review of the 19 IPOs on Euronext since January. Early days, but only five are up more than 5% today vs. IPO price while 8 are down double-digit. Compared to the second day of trading - i.e. for those who could not subscribe to the IPO - only one is up while the rest is flat-to-down. The aggregate market cap of all 19 IPOs is down 8% vs. at IPO (-11% vs. IPO+2 days). Even taking into account bigger IPOs on Euronext's Main Market, the median market cap of the 19 stocks listed - if you don't know the joke about Bill Gates walking into a bar, you'll agree you need to take the median, not the average - is a whooping c.€45m. Le Revenu talks about "making the right choices": taken literally, it would probably have been for individual investors to just go on holiday a lot sooner!

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START-UPS



PRESS RELEASE – London, Friday 27<sup>th</sup> of August

## Inbound Capital helps Wolf Spring successfully raise \$2M Seed Round

Wolf Spring ([www.wolfspring.dog](http://www.wolfspring.dog)), the first functional beverage company for dogs, announced it has closed its \$2 million seed round.

Congratulations to fast-growing US-based dog nutrition specialist WOLF SPRING for the success of its seed round! Inbound Capital is proud to have contributed to this key milestone paving the way for WOLF SPRING to be the modern one-stop-shop for dog wellness.

Launched in 2020 by French co-founders Xavier Delestrade and Etienne Legangneux – who have complementary Consumer, Start-up and Finance backgrounds - NYC-based WOLF SPRING provides an easy-to-use and affordable solution for dog parents looking to complement their dogs' diet and improve their health.

WOLF SPRING's all-natural elements formulas developed with vets have been an instant hit with dog parents across America, online and in hundreds of pet stores.



This funding round has given WOLF SPRING the opportunity to further strengthen its smart



## WHEN PET TECH MEETS FRENCH TECH: WOLF SPRING

Congratulations to NYC-based WOLF SPRING - the first functional beverage company for dogs - for its successful \$2m seed round! WOLF SPRING is at the heart of pet humanisation trends (which got a boost from the pandemic) with impressive founders and an equally impressive roster of angel investors. For these reasons and because this strongly subscribed seed round showcases (again) both our Consumer expertise and our North American capabilities, we are extremely proud to have contributed to it. With this round; WOLF SPRING will accelerate its online and retail roll-out: no reasons to PAWS for breath! Inbound Capital provided targeted investor introductions to WOLF SPRING:

<https://wolfspring.dog>

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



## MAISON TAMBOITE: "SUITS YOU, SIR".

In France and internationally, the "Vélo Frenzy" has transformed the perception of bicycles from a leisure or sport objects to a symbolically-charged item: from a token of appreciation for carbon-friendly initiatives and ESG efforts to a way to look seriously cool and even as a social status symbol. Read: it's not just the cycling aficionados who are happy to spend (a lot) more on a 2-wheeler. Enter designers and brand owners: as bikes are increasingly becoming an feature of urban and sub-urban upper-middle class living, a new luxury class of bicycles is gaining strength. On top of the quality of the materials, they offer similar bespoke services as would shirt-makers on Saville Row in London. True luxury is often associated with decades if not centuries of craftsmanship: HERMES (RMS FP, €134bn market cap) or LVMH (MC FP, €340bn)' LOUIS VUITTON will agree. MAISON TAMBOITE (<https://lnkd.in/e2GKRCCG>) - exclusive maker of LOUIS VUITTON's LV Bikes - ticks all such boxes. Inbound Capital is sole advisor to MAISON TAMBOITE.

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## LE VELO, C'EST CHIC

France's leading newspaper Le Figaro recently focused in its week end Figaro Magazine supplement - pronounced "lefigmag" - on the newfound love by the French business and political elite for cycling (on top of tennis, golf, rugby). Such enamourment by CAC40 CEOs, successful entrepreneurs and senior figures of the political establishment arguably stems from a convergence of factors: a healthier lifestyle (itself part of a better work-life balance), public investment to impose cycling as the preferred urban mobility solution, a growing ESG realisation, new technologies+materials as well as the ability for its adepts to meet up in the same circles (no punt intended) - like gentlemen's clubs on wheels. If performance is the common denominator here, another category is rising in importance for another kind of elite: luxury. But while there is now a plethora of faster-stronger-better bikes, true luxury cycling - based on long established brands and decades of craftsmanship - looks more like a numerus clausus. [Maison Tamboite](#) is one of its best examples. Le velo c'est chic, but les velos Maison Tamboite c'est le vrai chic. Inbound Capital is sole advisor to Maison Tamboite.

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## **CBDCBDCBDCBDCBDCBD...**

for all the buzz around CBD, there are few truly good companies that stand out thanks to the quality of their products and of their managers: UK-based GRASS & CO ([www.grassandco.com](http://www.grassandco.com)) qualifies. Leading health and wellbeing chain HOLLAND & BARRETT ([www.hollandandbarrett.com](http://www.hollandandbarrett.com)) - also the UK's largest retailer of CBD products across 850 stores - agrees and has struck a major retail distribution deal with GRASS & CO - arguably transformational (for the latter). All credits to GRASS & CO's sound strategic vision and team, led by CEO Toby Godron-Smith, who brought to the venture an impressive pedigree at DIAGEO (DGE LN, £84bn market cap) before building the international business of leading nutrition group GLANBIA ([www.glanbia.com](http://www.glanbia.com), GLB LN, €4.3bn market cap). In case you missed it, you should definitely check Toby's fascinating interview on PROHIBITION PARTNERS (<https://lnkd.in/d54eKxi>), the authority on the CBD/cannabis sector as a market intelligence firm. Inbound Capital is advisor to GRASS & CO for its current funding round.

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## **NTF ARTY FRENZY**

The new hype in the digital-asset world is not Bitcoin or Ethereum but NFTs, i.e. nonfungible tokens which allow holders of art and collectibles to track ownership. NFTs are now inescapable as art and collectibles are becoming more and more digital. This new frenzy leads to strange things, whether it's crypto entrepreneur Justin Sun paying \$500,000 for a picture of a rock (yes a rock!), or cartoonish depictions of penguins and apes (what can I say?). Savvy crypto investors such as Benjamin Tan have taken notice. Over the past few weeks, the 35-year-old entrepreneur has gone on a shopping spree to collect Pudgy Penguins NFTs, saying their cute cheeks and bright eyes are reminiscent of his seven-month-old daughter. The average price for each collectible in the series has skyrocketed more than a hundred times just this month to the equivalent of about \$12,000, NFT Stats show. Tan said he recently sold his highest-valued penguin for 130 Ether \$410,000, a 160% jump over his nine days of ownership. Mainstream corporations are getting interested too. Visa said it bought CryptoPunk #7610 for about \$150,000. Terry Angelos, Visa's head

of fintech, said the goal was to learn about handling NFT transactions even though the payments company doesn't provide NFT-related services.

This crazy frenzy pushed NFT daily sales to an all-time high on Aug 6. It's not just the cartoons of penguins, ducks, apes and robots augmenting the digital art sold earlier this year through Christie's. NFTs are now being embedded into everything from Twitter profile pictures to games to the latest decentralized-finance apps, which let people borrow, lend and trade coins and which had been the speculators' choice du jour until NFTs came along. Even if like the rest of the crypto world, NFTs have brought out doubters too, it hasn't slowed the momentum yet. OpenSea, the world's biggest NFT marketplace, expects to see \$1bn in transaction volume in August, (vs \$300m in July and \$8m in January). 6 million people are expected to browse the site in August (vs 400,000 in January). Hundreds of thousands are buying and selling NFTs through the site monthly, up from tens of thousands at the beginning of the year.

"In the past, people probably flexed using a Rolex or expensive car," said Tan. "The new 'it' way to flex now is a very exclusive profile picture."... of a Penguin....

Arteia is one of the only player in the art industry to master physical and digital art and to have a deep NFT knowledge. Inbound provides advisory service to Arteia.

[#NFT #digitalartwork](#)

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### WHEN ARTEIA MEETS kaiosID

Watch out, artwork fraudsters and thieves! INTERPOL's new ID-Art app allowing mobile access to Interpol Stolen Works of Art database and to create records of private art collection shows how the battle to fight against criminals in the art world has moved digital - a secular trend that has massively accelerated during the pandemic - and rendered all the more compelling the cutting-edge solutions provided by digital art specialist Arteia ([www.arteia.com](http://www.arteia.com)) as well as by traceability expert kaiosID ([www.kaiosID.com](http://www.kaiosID.com)). Interpol is arguably playing catch up with these leading names in these fields. Inbound Capital is advisor to both Arteia and kaiosID.

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**FINANCE & ECONOMY**



## THE NEW ROBINHOOD IS NO LONGER STEALING FROM THE RICH AND GIVING TO THE POOR

The "real" Robinhood is supposed to steal from the rich and give to the poor. Is it really the case with the "investing app"? That's what Warren Buffet wanted to check from Robinhood's IPO filing. He got a clear answer as most of Robinhood's revenues come from transactions, primarily in the form of payment for order flow (PFOF), which is getting paid to route its users' trade orders to market makers for execution. PFOF from options and equity transactions, and "transaction rebates" from crypto trading, accounted for 75% of Robinhood's total revenue in 2020, and 81% in the first quarter of this year. To sum up, the more volume there is, the more Robinhood makes money.

Warren Buffet described Robinhood as a "very significant part of the casino group" that had joined the stock market over the preceding 18 months - undoubtedly a reference to the army of retail traders who have made risky bets on stocks such as GameStop, Hertz, and AMC Entertainment. These new traders also love options and cryptocurrencies. What is sure is the more volume there is, the more money Robinhood makes.

Eventually, Robinhood, the investing app steals from the rich and gives to the poor, rather the opposite. And I would not listen to people who say that Warren Buffet is too old to understand. He has made money on long-term investments based on value ("price is what you pay, value is what you get"). Gambling on news discussed on Wallstreetbets is far from his ideal. And common sense tells me that he is probably right as his long-term performance speaks for itself.

[#stocktrading](#) [#valueinvesting](#)

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## LIFESTYLE & OTHER



## NETFLIX EXPANDING INTO VIDEO GAMES

Why? but why does Netflix want to expand into the videogames industry and has hired Mike Verdu (most recently vice president of augmented reality and virtual reality content at Facebook) to serve as vice president of game development?

Even if most people think it will stay small, I doubt it as, for me, it really makes sense



because:

1st) Netflix is not the kind of company that likes "small" things and it has always managed to be the first to do the clever move. Thanks to that it is still number one in the SVoD industry globally;

2nd) Content is king and videogames are not that far from the movie/series industry as they both need a good scenario, a well-known franchise, and a good realization. It is not an accident if some movies have become video games and that some video games have become movies (more recently, one of the first ones being Lara Croft);

3rd) It doesn't come as an accident, as Netflix first hinted at a potential market expansion in video games during the E3 gaming conference in 2019 when it announced a planned mobile game based on the "Stranger Things" franchise. Since then, Netflix has been less than coy about its proposed expansion: In a 2019 letter to shareholders, the company named Fortnite as its primary competition.

So, this move has to be looked at closely and is not as insignificant as most people think.

Time will tell.....

[#gaming #netflix #content](#)

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## **GYM INDUSTRY GETS BACK INTO FINANCIAL SHAPE AS CONSUMERS RETURN...**

After months of lockdown and social distancing measures which hit the industry hard, fitness studios are rapidly filling up again and classes are becoming difficult to book. Covid vaccination campaigns in the US and Europe clearly helped alleviate fears of indoor transmission even as the Delta variant spreads.

The recovery has been strong enough to attract new investors into new IPOs of fitness brands . US-based Xponential Fitness stated at their recent IPO that they are seeing retention and frequency rates never seen before, with Q2 revenues per location more than 2x above the pre-pandemic levels of 2019. PureGym, the UK's second-largest budget gym chain, is also exploring options for a sale or IPO, while Solidcore secured a fundraising in February to fuel its grow and sign new leases.

Clearly consumers are more eager than ever to stay fit and ensure a healthy lifetime through sport activities and proper nutrition. It is an interesting read-across for the numerous players in the market that are supporting these lifestyle trends such as rapidly growing e-commerce platform Bebo.ch which actively promotes fitness, well-being and

health through its portfolio of products.

Inbound is offering advisory services to BeBo Health.

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