



BRAVE CHANGING WORLD: INBOUND KEEPING YOU POSTED



News & Views #57

“Plus ca change”...In this selection of our posts, we focus on ALCHIMIE (ALCHI FP)’s outstanding position in the Creator Economy similar to Patreon in the US, England finally catching up with the best standards of whisky and sparkling wine (just don’t mention “champagne”), the rise of impact investing platforms, the video streaming content war getting fiercer on both sides of the Atlantic, AMAZON (AMZN US)’s first hair salon, why short-sellers don’t deserve all the negative press in Europe and why short-selling is only the by-product of rational financial decisions, breeding and betting on crypto horses, E-sports as a new global content, one-day online suit rentals - and more!

Have a good read!

The Inbound Capital team

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SMALL CAPS



STRONG 2020 RESULTS PUBLISHED BY ALCHIMIE (ALCHI)...

...and confirmation of the targets announced at the time of the IPO

There are few players of the creator economy which have managed to get their model right. Alchimie (ALCHI), the OTT (over the top) subscription video on demand (SVoD) platform featuring original and exclusive thematic channels, seems to be one of them.

Alchimie generated €29m in 2020 from the 330,000 viewers recruited by the end of the year (+83% YoY) and subscribing to the 70 co-published channels which have been developed jointly with other media groups and talents. The IPO completed in November last year has provided ALCHI the financial resources to continue growing toward its 2024 targets of 3m+ subscribers and 600+ channels- meaning creating at least one new channel per week. The Covid-19 situation was positive to momentum due to the general increased consumption of video content by consumers, while ARPU was better than expected at €22.7 in December. On current trajectory, operating breakeven is in sight for Q4 2022.

Inbound provides advisory services to Alchimie.

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HBO RECRUITED MORE SUBSCRIBERS THAN NETFLIX IN THE US IN Q1

The streaming video content war is accelerating and changing...

WarnerMedia's aggressive strategy is bearing fruit in the US as its cable channel HBO and its SVoD (subscription video on demand) service HBO Max added 2.7m subscribers in Q1 2021 vs. Q4 of 2020. This progression contrast with global leader Netflix which has stalled on its domestic market, attracting just 448k new subscribers in Q1, a level well below its objective.

The content war is accelerating in the US and Europe. Netflix with its 67m subscribers faces an unprecedented wave of new SVOD challengers: Disney +, Apple TV +, Peacock, Paramount+, not even mentioning Amazon and Hulu. Overall, this reflects of behaviour changes by viewers and a fragmentation of the audience targeting specific themes and contents through video streaming.

Engaging in this trend, Alchimie (ALCHI, €90m mkt cap) has successfully launched last year a unique SVOD platform, TVPlayer, helping create and packaging original thematic channels from creative talents and content of various media groups.

Inbound is providing advisory services to Alchimie.

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"THE WRONG MAN": SHORT-SELLER

What's wrong with shorting shares you find over-valued and failing to fully reflect present and future concerns? That's what ODEY Asset Management must have thought when it took a short position in DELIVEROO (ROO LN) on the day of its listing (priced at the bottom of the range), now dubbed "the worst IPO in London's history" (no April's fool). ROO's advisors blamed hedge funds for driving the shares down by as much as 40%, but Odey's short position was below the 0.5% disclosure threshold: too small in isolation to be the culprit. Look elsewhere: ROO was forced to cut its valuation ahead of the float after a series of major institutional investors signalled concerns about its prospects and its business model, describing ROO's employment practices and reliance on gig-economy workers as a "ticking bomb". The decision by one of ROO's co-founders to retain voting control despite owning a minority stake also rang alarms. Add that ROO kept posting losses despite strong demand in lockdowns and that deep-pocketed rival Uber Eats just said it was expanding its service and it's hard to dismiss short-selling as pure speculation as Europeans too often do. "Elementary, Dear Watson!"

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START-UPS



ONE-DAY (MALE) SUIT RENTALS BY H&M, FOR WOMEN CHECK UNE ROBE UN SOIR

If you need a suit only for one day (a job interview, the first meeting with your step-mother, a wedding, your wedding, etc), here is the solution. H&M customers can book a suit online and use it for 24 hours, before returning it in a prepaid returns bag to a dry-cleaning company H&M is working with. They will not have to pay for the rental.

This service has already been launched in the UK and is coming to the US on May 13.

Customers won't pay for minor damage such as stains or tears but would have to pay the full retail price of the suit for major damage. They would have to return it

The navy-blue (you can't be picky and ask for a nice choice of colors) suits on the service run from sizes XS to XXL.

The brand said it wanted anyone attending a job interview *"to make a powerful first impression."*

Even if I am upset because it is male-only, it is a very nice offer and a very interesting marketing tool. The story doesn't say what will happen if the user is not hired after his interview.....

[#marketing](#) [#brand](#)

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E-SPORTS ARE BOOMING

I never thought e-sports would be a success but I was totally wrong as the figures speak for themselves. In 2020, 38 million people started watching e-sports. This brought total global viewership to 435.9 million. The Covid-19 pandemic has boosted e-sports as quarantines and consumers' need for content increased viewership across the globe. But it looks like that growth will continue. In 2021, according to [SafeBettingSites.com](#), the global e-sports audience will grow to 474 million viewers across the globe and to 577 million in 2024.

Cancellation and event postponements did result in a down year for e-sports revenue, but only a modest one, as the global esports market generated \$950.3 million in 2020, down just 0.8% year-over-year. In 2021, total revenue is expected to jump to more than \$1 billion. This revenues will be split between 1) sponsorships at \$641mn (vs \$584.1mn in 2020), 2) media rights at \$192.6mn (vs \$163.3mn, +18% YoY) 3) publisher fees at \$126.6mn, 4) merchandise and ticket revenue at \$66.6mn, 5) digital revenues at \$32.3mn (up 50%) and 6) streaming revenues at \$25.1 mn (up 26%).

By 2024, e-sports revenue should reach more than \$1.6 billion. It shows that now e-sports is a new content which here to stay, even if like me you are not a big fan.

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FINANCE & ECONOMY



"THE CRUCIBLE": SHORT SELLERS

There is a tendency in European media to ritually (and conveniently) point finger at two categories of investors and associate them with the same evils as the Witches of Salem: activists and their ugly predatory practices are one, hedge funds and their vile short-selling habits another. So much so that the local financial press finds beauty in the current equity euphoria, likened to the Good Guy beating the Short Selling Baddie. Since when has bubble-like speculation become a good thing? Notwithstanding the fact that the stockmarket rally is entirely liquidity driven and has generated valuation hiatus with fundamentals in many places, it's wrong to hail the retail intrusion - with more time and money on their hands than they deserve - as a form of "Equity's Poor People" or "Yellow Trading Vests" having their day. While some take a sophisticated approach to investing, most lack financial education and heavily rely on tip sheets to invest like some bet on horses. Arguably they miss that short-sellers play a normal if not healthy role in a stockmarket, especially when it's flush with bubble-type valuations.

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THE RISE & RISE OF IMPACT INVESTING PLATFORMS FROM

[#CLIM8](#) TO [#E15](#)

It seems with European Sustainable Fund assets reaching €1.1tn in December 2020 we all want a piece of climate impact. But is the ubiquitous [#esg](#) tag being misused? And where do you buy your exposure?

>40years old? You will probably think of buying a fund, or the like over HL, AJBell, Interactive et al. But GenZ/Millennials are earlier on their investing journey, care deeply about Carbon neutrality and are now being targeted by new 'app-delivered' investment platforms. Names like [Clim8 Invest](#) and [tickr](#) in London, [Helios.do](#) in Paris or [Yova Impact Investing](#) in Zurich have all received funding support.

[Clim8 Invest](#) is possibly best known thus far. It has a broad brush approach however, investing in 300 stocks and funds, offering differing exposure depending on risk appetite. The new [#E15Fund](#), due to launch in July, also delivers via app, but differentiates thru a concentrated, actively managed and liquid 40 stock global portfolio. The fund invests in high impact 'agents of change' and then seeks to educate its investor audience in the associated themes via curated, [Instagram](#) hosted content. Call it 'Climvest/EdTech'-a powerful combo.

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IS IT ALREADY THE END OF CLUBHOUSE?

Clubhouse is an invite-only iPhone app which allows users to find and listen to conversations between groups of people. It's probably too early to tell if it is indeed the end of Clubhouse but some users fail to see the long-term appeal and are considering other platforms.

In February, Clubhouse was the big hype with (guess who?) Elon Musk participating in talks. He even asked Vladimir Putin to join him. The buzz around Clubhouse could be dissipating because people can go outside now as Covid restrictions are eased in countries like the U.K. and the U.S. But that's not the main reason. Some users who are already on the platform think that there's a lack of relevant talks or rooms, that users see when they open the app. The content quality issue is only going to get tougher as more users are added and quality content gets diluted.

Clubhouse had been downloaded just 14.2 million times by April 14 while, social platforms like Facebook, Instagram, YouTube, and Twitter have billions of users. Some Clubhouse's users have already started looking at alternative options such as Twitter Spaces.

Despite all these drawbacks, Clubhouse could raise money on a value of \$4bn. It could also be the value that Twitter would be ready to pay to buy the new application.

[#socialmedia](#) [#clubhouseapp](#)

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LIFESTYLE & OTHER



THE LUCRATIVE BUSINESS OF BREEDING (DIGITAL) HORSES...

A new bubble? Despite concerns of crypto assets being in a bubble, digital horses are becoming increasingly popular.

In the online game Zed Run, digital racehorses are being raced, traded, and bred in a new crypto trend. The crypto horses are being traded for up to \$125,000 and are based on NFT technology.

As in real life, different breeds and bloodlines make the horses unique, as well as their racing history. Players buy and own the horses, in the same way, non-fungible tokens - or NFTs - are bought and owned. It is inscribed into the blockchain code the horses are based on. Players can enter their horses into races for a fee and win prizes of a few hundred dollars and people would eventually be able to make a living off trading, breeding, and racing digital horses. The new normal?

When it first launched in 2019, horses sold for around \$30 - but prices have accelerated up to a peak of \$125,000 and regularly exceed \$15,000. Almost 11,000 horses have been sold.

This is one of the newest trends emerging from the new crypto-mania. In recent months, NFTs have been selling for record highs and have entered industries from music to art and gaming. The expansion and interest continue despite worries about crypto assets being in a bubble.

[#gaming #blockchain #nfts](#)

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AMAZON OPENS AUGMENTED REALITY HAIR SALON IN LONDON

Amazon was first known as an online library, then it was a marketplace selling whatever you need very efficiently... Then it moved to brick-and-mortar buying Whole Foods. And now guess what? It is becoming a hairdresser.

Yes, Amazon is opening its Amazon Salon in London's East End, where it will trial "the latest industry technology." This includes an augmented reality app that lets customers see what hairstyles and colors look like on them before they decide on a change. This seems a very good idea: how often are you disappointed after going to the hairdresser? Besides, visitors will be able to test new "point-and-learn" technology" which allows them to "simply point at the product they are interested in on a display shelf" to bring up more information and purchasing options on a nearby display

This is just an experiential venue where it will showcase new products and technology, and there are no plans to open any other Amazon Salon locations. How sad! But it signals the company's ambitions in the fashion and beauty sectors generally. And as usual, when Amazon plans something, the execution is perfect.

[#technology #augmentedreality](#)

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ENGLISH WHISKY. ENGLISH SPARKLING WINE. WHY DID IT TAKE SO LONG?

Sandwiched between the chalk earth of [#Champagne](#) and the peated moorland up north, good ol' Ingerland is now making a mark on both the whisky and sparkling wine markets. Shhh! Only whisper ..the products being produced are pretty darn good.

Problem ? To get going you need a very healthy balance sheet. Neither give quick returns, so if it wasn't founded centuries ago, then it needs much fresh capital. London's financial wealth coupled with the advent of crowdfunding, have given rise to these two industries in England. What has never been lacking is quality water and barley or the same chalk belt that travels north under the English Channel and into England's southern counties.

At Inbound we are interested in both these growth stories. Attached is a map of the 33 English Whisky distilleries and now over 200 wine producers that welcome visitors (https://lnkd.in/d_KWcKp). We will attend the opening of [Hambleton Vineyard plc](#)'s new visitor centre in June and are working closely with [Cotswolds Distillery](#), who aim to become the best selling English Whisky.

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