



BRAVE CHANGING WORLD: INBOUND KEEPING YOU POSTED

News & Views #34

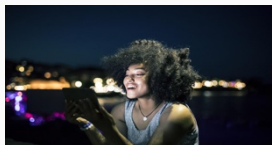
Lazy Sunday? Not at Inbound! In this selection of our weekly posts, we focus on the secular trends affecting the car leasing market in the wake of ALD (ALD FP)'s successful Capital Markets Day and its Move 2025 strategy, the appeal of non-alcoholic beverages to the younger generations, positive read-across in Photography by CEWE (CWC GY) for Claranova (CLA FP), W SERIES as a potential precursor of female drivers in F1, management's skills and rigorous capacity for execution to integrate pre-Covid19 acquisitions like in the case of Quadpack (AQPF FP), Fox News, Beyonce and Peloton (PTON US), Inbound's White Paper on Art & Digital featured in INFO Magazine - and more!

Have a good read!

The Inbound Capital team

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SMALL CAPS



MOVE OVER 2020 (BRING ON 2025): ALD'S EXCITING 5-YEAR STRATEGIC OBJECTIVES

ALD Automotive's (ALD FP, €4bn market cap) strategic plan "Move 2025" presented at Capital Markets Day is aiming to capture new mobility trends and strengthen its competitive edge as the Global #2/European leader in Fleet Services Leasing, with a key focus on green vehicles.

ALD's ambition is to be the leader in mobility solutions through best-in-class digital platforms and new innovative flexible offers. The group intends to extend its geographical coverage to 50+ countries from 43 today, and grow customers in all its segments from large corporates, SMEs, corporate employees and private consumers.

ALD expects to manage 2.3 million contracts by 2025, including growth through bolt-on acquisitions. Direct and indirect channels should contribute to growth, driven for the latter thanks to ALD's leading private lease digital platform. Other organic growth drivers will be private lease and new mobility products, (+15% CAGR over 2019-2025), in particular to ALD Flex and Used Car Lease offers.

ALD should continue to lead the market transition towards low emission vehicles with a targeted share of Electric Vehicles in new car deliveries to rise to 30% by 2025 and 50% by 2030. As a result, average CO2 emissions per vehicle for new contracts in 2025 are due to be down at least 40%.

ALD is a client of Inbound.

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claranova™



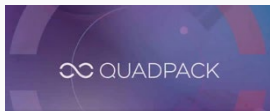
CWC's RESILIENCE IN PHOTO PRINTING IS POSITIVE READ-ACROSS FOR CLARANOVA (CLA FP, €250m Market Cap)

CEWE's Photofinishing Q3 performance helps offset coronavirus-induced declines in its Retail and B2B Commercial Online-Print businesses.

German group CEWE (CWC GR) reported this week a 3.3% yoy decline in Q3 sales to €413m and an improvement in EBIT loss to -€1.4m vs. -€2m in Q3 2019. However Photofinishing reported sales up 5.9% to €335m, having benefited from the lockdown in Q2. While instant POS prints were impacted by a reduced visitor frequency, the stay-at-home requirement was good for new orders. The resilience of the photo business is certainly a positive read across for competitor Claranova (CLA FP).

On the other side, CEWE's commercial online printing was hit by the coronavirus pandemic with sales down 35% year-to-date and EBIT turning negative to -€5m, while Retailing continued to focus on higher-margin products with a top line down 23% year-to-date.

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M&A IN RISKY TIMES: ACQUISITIONS DON'T NEED TO GO WRONG...

...and sometimes they really succeed. With Quadpack's (ALQP FP) previous experience in mergers and acquisitions, the integration of the German Louvrette acquired one year ago, has gone smoothly.

Figures are good as, despite the effects of the pandemic, 2020 looks set to be a good year for Louvrette, with a turnover on track to be 10 per cent higher than in 2019. Significant investments have been made in the 8,500m2 manufacturing facilities, including €0.5 million in moulds and a €0.3 million assembly line. Additional investment in decorating and assembly capacity will be made in 2021 to increase in-house capacity for late differentiation and greater agility. Eight ranges with more than 70 products have been homologated.

Well done in these difficult times!

[#Quadpack #mergersandacquisitions](#)

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START-UPS & TECH



FEMALE DRIVERS IN FORMULA 1 ANYTIME SOON?

... W Series, The first only all-female racing series, announces a partnership with Formula 1 for 2021 and beyond!

The 2021 W Series season will include eight Formula 1 support races, whose locations and dates will be announced in due course. The agreement is an opportunity to significantly increase W Series global reach, impact and influence, and to benefit from the popularity of Formula 1, the world's premier motor racing series,

The W Series model will remain the same: identical cars, close and competitive racing, and the mission is to further the interests and prospects of female racing drivers. On this last point, the fact that W Series is now eligible for FIA Super Licence points will also be an important factor to promote female racing drivers' career in Formula 1.

Inbound has previously provided advisory services to W Series.

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[#FNATIC'S \\$10M RAISE - THE #MANCHESTERUNITED OF](#)

#ESPORTSINDUSTRY?

For those of a certain age (ok, so I am mid 50's), the rise of #onlinegaming and the consequent emergence of the #esports industry, might just have passed you by. So when one of our partners presented us at Inbound Capital with the opportunity to get involved in fund raising for #BlastPremier and #GinxTV, I and some of my older team colleagues climbed onboard a steep learning curve !

The news last week that one of #esports better known teams Fnatic (www.fnatic.com) has been courting and now winning funding support from some well know VC's is a further sign of a maturing ecosystem. The company is now to tap the retail investor base #crowdcube for further funds allowing #fans to grab a slice of the action (register here <https://invest.fnatic.com>). With a global esports audience estimated to reach 495million in 2020, It's beginning to look as if we are getting an early opportunity to invest in #esports Manchester United #realmadrid equivalents. Look at <https://lnkd.in/dDQkI9S> for other teams to get to know.

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FINANCE & ECONOMY

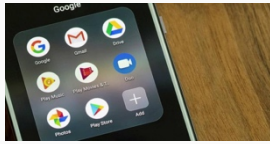


OUTFOX NEWS

I thought that D.Trump's enemy was J.Biden but, of course not (who cares about the presidential elections), his real enemy is Rupert Murdoch (and Fox News). And his weapon to fight him will be to create a new digital channel that will kill Fox News. The main reason to do this is that Fox News has announced that Biden won Arizona far too early (and much earlier than channels like CNN). Now Trump is claiming that Fox is "one of the biggest differences this season compared to last" and why he lost the elections. Trump chose to create a digital channel as cable channels are too expensive. His idea is to charge something which will replace the \$5.99 paid by Fox News viewers. If Trump succeeds (and it's possible as The Apprentice was a big hit) it will be interesting to see one conservative channel fighting the other. Que le meilleur gagne (but of

course there are always risks of frauds or audience stealing!). [#digitalchannel](#) [#Fox](#)

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PELOTON (PTON US, \$24bn Market Cap) GETS A HEALTHY DOSE OF BEYONCE

If you want your share price to increase sharply (+8% i.e \$2.5bn!): hire Beyonce! I am always amazed to see how celebrities are the best advertisement you can get.

After the sexist advertisement with the poor wife at home trying to please her husband which was turned into derision, Peloton has clearly changed its advertising strategy. It comes with perfect timing as Pfizer's announcement regarding a Covid-19 vaccine has hit Peloton's share price: people will be able to go back to their gyms and will not stay at home with their \$1895 Peloton bike.

The deal is more than pure advertisement as the company announced a multiyear deal with the singer that will include a curated series of themed workouts across all categories offered on the Peloton app, including cycling, running, strength, boot camp, yoga, and meditation. The financial terms of the deal were not disclosed. But does it matter how much they paid as you will now be able to cycle, run, and (yes!) meditate with Beyonce? And as competition is now coming from companies such as Apple, it's better to have Beyonce on your side. [#fitnessathome](#) [#peloton](#)

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GOOGLE PHOTOS WILL START CHARGING

We have seen it before: introduce a free service, get millions of users, maybe bankrupt some of the opposition, then introduce a revenue model. Competition authorities are taking note.

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WHITE PAPERS & STUDIES

ART & CULTURE - INBOUND CAPITAL

ART'S INEVITABLE DIGITAL LEAP FORWARD

Not unlike the financial industry, the art sector has been facing two accelerating trends, increasing regulation and the growing importance of technology, says **Claire Barbaret**, Partner at the small cap and start-up consulting firm **Inbound Capital**.

According to a recent whitepaper by the capital markets advisory Inbound Capital, the global fine art market is expected to shrink by thirty-two percent to roughly \$450bn this year. Online sales should partially make up the shortfall, with an expectation that digital sales to double to \$12bn - trebling its share of the total market since 2015.

The paper's author, Claire Barbaret, says the push into the digital space means that start-ups and pure online players focusing on the art sector have a key role to play to accelerate this transition, and to make the market more resilient, transparent and open to new entrants — buyers, sellers, innovative intermediaries and service providers.

Start-ups are positioned as positive agents of change, helping to solve the three main issues of the art market: opaque provenance, lack of transparency and poor liquidity, says Barbaret. The capital markets advisory that she works for has been consulting Artna, a cataloguing platform created by and for collectors, with founding investors which include Huges and Marie Taberner.

Benefits of online sales
The benefits of the digital migration for the art market are arguably much more substantial, ranging from better efficiencies to enhanced experiences for an engaged cohort of buyers and sellers. This includes using expensive middlemen, increasing visibility and traceability, and better integration between service providers and, most importantly, price transparency.

The results are already starting to show. Market growth, thanks to better price transparency, has led to increased

buying. Online resource Artzy reported last year that works uploaded to its site with a publicly available price were up to six times more likely to sell.


Private banking and wealth management firms should be positively impacted as well, in particular by the improved traceability of artwork and visibility on transactions. More than thirty-five percent of their highest worth clients active in the arts and collections markets have been using for advisory and management services for art collections: from basic services like storage and transport, to more sophisticated ones such as art appraisal, advice on whether to transact or not, exhibition loans, collection management and structured finance.

Opportunity for start-ups
Because they enjoy a closer relationship with buyers and sellers and better resourced technology, start-ups are in an enviable position to ride the digital acceleration triggered by Covid-19, yet few take a holistic approach to offer a comprehensive set of solutions to both the current and the emerging demands of the art market.

Most seem content with the translation of a simple model from offline to online art galleries, like the Paris-based online gallery Singart, which recently raised \$10m, and is intent on to invest interest into the space.

Others have tried to aim straight for the holy grail of the digital marketplace, failing to realise, says Barbaret, that it is indeed the end game of a complicated process and not just a way out. They have done it at vast expense — their shareholders' money — but forgetting to put essential building blocks first and financial discipline along the way. ■

TREND: EU ANTI-MONEY LAUNDERING DIRECTIVE



Among its requirements, the EU Anti-Money Laundering Directive makes compulsory for the seller of any artwork worth more than €10,000 to register the purchaser's identity and personal information, in an attempt to bring greater transparency to art transactions and to fight money laundering in the throughout sector. The Directive has helped cast a light on key issues in the art world: authentication (an original work by its acknowledged creator), provenance (a documented chain of respectable ownership), traceability and ownership — areas where technology, from blockchain to AI, are increasingly playing a critical role.



DIGITAL AND ART: INBOUND CAPITAL'S WHITE PAPER AND ARTEÏA IN INFO MAGAZINE BY THE FRENCH CHAMBER

Inbound Capital is delighted that its June White Paper on *Art's Inevitable Digital Leap Forward* (<https://www.inbound.capital/whitepapers>) is featured in the latest edition of INFO Magazine by the French Chamber: <https://www.ccfgb.co.uk/news/info-magazine.html>.

This eminently readable review perfectly sums up the key issues forcing the art sector to evolve and the critical role digital start-ups with their own technology like Arteïa (www.arteia.com) - advised by Inbound Capital - can play. INFO also mentions our forecast of a 32% decline of the fine art market in 2020, with a doubling of online sales partially making up for a 45% decline in physical and online art transactions leapng from <10% to more than a quarter of the total.

The article in INFO - disseminated to 530+ member companies and 120K+ potential business readers a year - comes on the heels of another excellent article on Inbound Capital and Arteïa in [Maddyness UK](http://MaddynessUK) (September). Like the UK French Chamber (and Inbound Capital!), Maddyness is at the forefront of efforts to promote francophile entrepreneurs and innovators internationally (<https://www.maddyness.com/a-propos/>).

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LIFESTYLE & OTHER



#ALCOHOLIC WEEK?

#ABInbev talking up growth of AF #loandnobeveragesummit(<https://lnkd.in/dqcnPCE>)

If the #Biden win, #Trump intransigence, Pfizer vaccine news or #dominicummings oasting, and subsequent volatility, have had you reaching for something #alcoholic, you might not have realised this was also the week of the 2nd Lo and No (alcohol) Beverage summit.

Non-alcoholic beverages and bars have emerged as a key growth trend with GenZ and Millennials desire to drink less alcohol than preceding generations. #Britain has a strong legacy in drinks innovation, and is showing real strength in the emerging AF sub-category. Although names like Seedlip have been prominent as spirit alternatives, it is in AF beer where real action is happening. #ABInbev suggested this week a doubling to 20% of their AF production as % of total beer by 2025 and the potential acquisition of new brand names.

Big Drop Brewing Co, Lucky Saint & Adnams have effectively created a brand new AF craft beer category in the UK and Athletic in the US has now raised >\$20m to do the same stateside.

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

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