Twitter Thread by Mukund Mohan

Mukund Mohan
@mukund

"Pets are family". Been tracking 13 stocks but only own $CHWY. I will add BarkBox, $STIC when it lists. The company has a valuation of $1.6B with $350M in revenue, profitable
Others: #PetsAreFamily
$CHD
$CHWY
$ELAN
$FRPT
$HSKA
$IDXX
$PAWZ
$PETQ
$PETS
$SPB
$TRUP
$TSCO
$ZTS

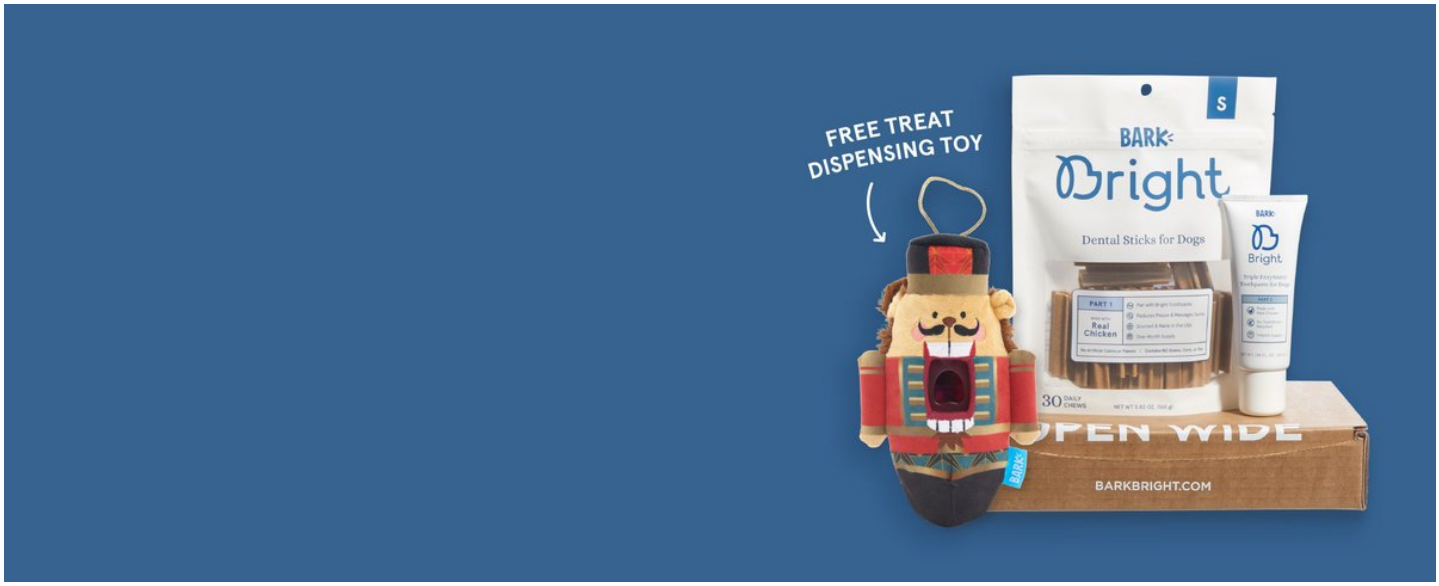
BarkBox is a monthly subscription box filled with dog toys and treats. Co. has 1 million + subscribers to its monthly box. Its sells its products on $TGT and $AMZN as well.
Founded in Dec 2011, by Matt Meeker, Carly Strife, Henrik Werdelin in New York.



One month your dog might receive a collection of treats and toys. BarkBox might send him on a journey through Chewrassic Bark. Each box contains two innovative toys, two bags of all-natural treats, a chew, and a specially curated item from the month's themed collection.



Every toy is designed by in-house industrial designers, made for the way dogs play and approved by the company's own test dogs. You can choose a one-month subscription ($29), six months ($25/box), or 12 months ($22/box).



BarkBox is very allergy friendly. Every BarkBox is free from corn, wheat, and soy, which greatly reduces the risk for triggering allergies and food sensitivities.
You can reorder certain items or purchase items from other collections online.

There is a money-back guarantee



Moats: 1 Million subscribers, 95% retention, + Smart use of AI / ML The team developed a ML algorithm that can predict 60-65% of future product scores of any toy they make. They are crediting the tool with selling out collections and driving substantial revenue growth.



They use an atomic design approach. Created a massive data set of 100s of toy attributes (size, color, materials, construction, expression) from the company’s 4,000 toys. Attributes are linked to a product score determined by how well the toy sold, how it was rated by customers



Despite the pandemic, during the first and second quarter of this year retail store sales were nearly double what they were a year ago and its Halloween 2020 Tails of the Boneyard collection at Target is performing 2x better than last year's collection.



The company’s 400-person team have grown the company to $375 million in annual revenue and recently closed its most profitable quarter in the company's history.
Revenue growth:
2016: $100M
2017: $150M, 350K subscribers
2019: $250M + profit, 500K subs
2020: $350M + 1M subs

Total funding $81.7M, 17 investors

Convertible debt: Jan 9th, 2012, $25K
Seed: Jul 9th, 2012, $1.7M valuation $6M
Series A: April 9 2013, $5M – valuation $20M
Series B: July 11th, 2014, $15M, valuation $80M
Series C: May 17, 2016, $60M – valuation $200M



Investors: August Capital
RRE Ventures
Resolute Ventures
Slow Ventures
Vast Ventures
Columbia Partners
Daher Capital
BDMI
Founded in Dec 2011, by Matt Meeker (founder of Meetup) , Carly Strife, Henrik Werdelin in New York.



Competition: Petco's PupBox,
Bullymake,
RescueBox for dogs, and
Chewy Goodybox.

Cat Lady Box and KitNipBox for Cats.

Fresh food delivery services like The Farmer's Dog, Nom Nom, PetPlate, Ollie, and Spot & Tango.



Risks:

1. Small revenue, slower growth compared to big eCommerce players such as $SHOP and $ETSY
2. Toys and treats for dogs is a small market compared to health & food
3. There are 100's of subscription box competitors - what if the pet gets "bored" - but 95% retention



Verdict. I have known of the CEO (Manish Joneja) from my days at $AMZN and know him to be a strong operator, just like Sumit Singh from $AMZN
I am going to take a small lot (< 1% of portfolio) but this wont be my top pick for 2021

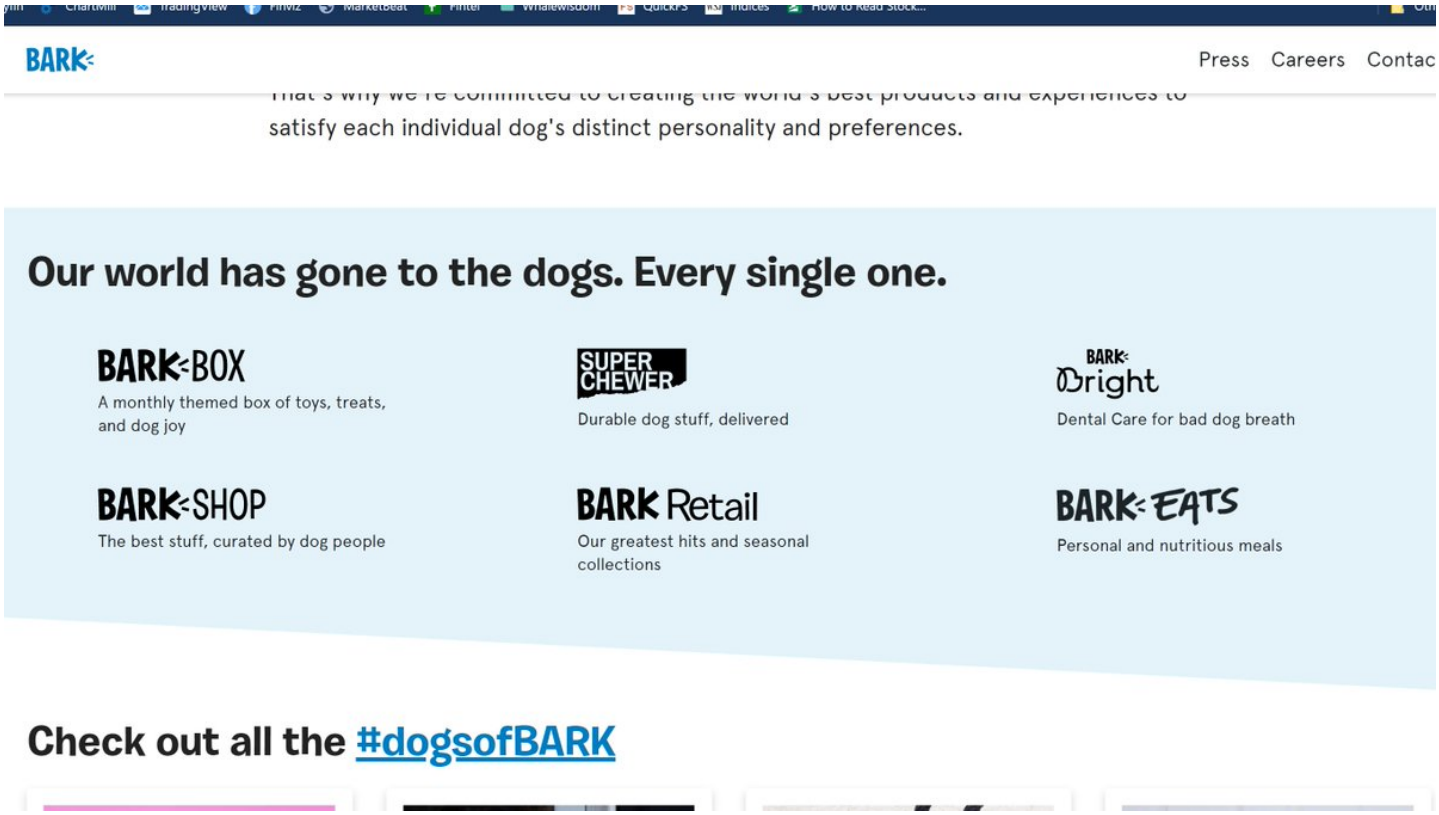


Consumers Affairs has 4.5/5 from 288 ratings.
MySubscriptionAddiction has 112 rating 3.7/5

https://t.co/ej4LS9usNg



The company https://t.co/EmOwggGcWd has multiple "brands" for BarkBox, Chewy toys, treats, etc. so they can branch into "omni channel" via partnerships with $TGT or online partnerships at the https://t.co/uOm4Roy7Ge BARK store



You can read more :
https://t.co/9aE5GE5cJZ

https://t.co/BqYwhSAdXu

https://t.co/T5Wl3OOeRd

https://t.co/YiV3qIAmp7

https://t.co/ZavtMQZNpW
https://t.co/NSnE8vysWf

https://t.co/61RZzDBZkL

https://t.co/hwSXES3X5P

https://t.co/CuVYcDe9f6

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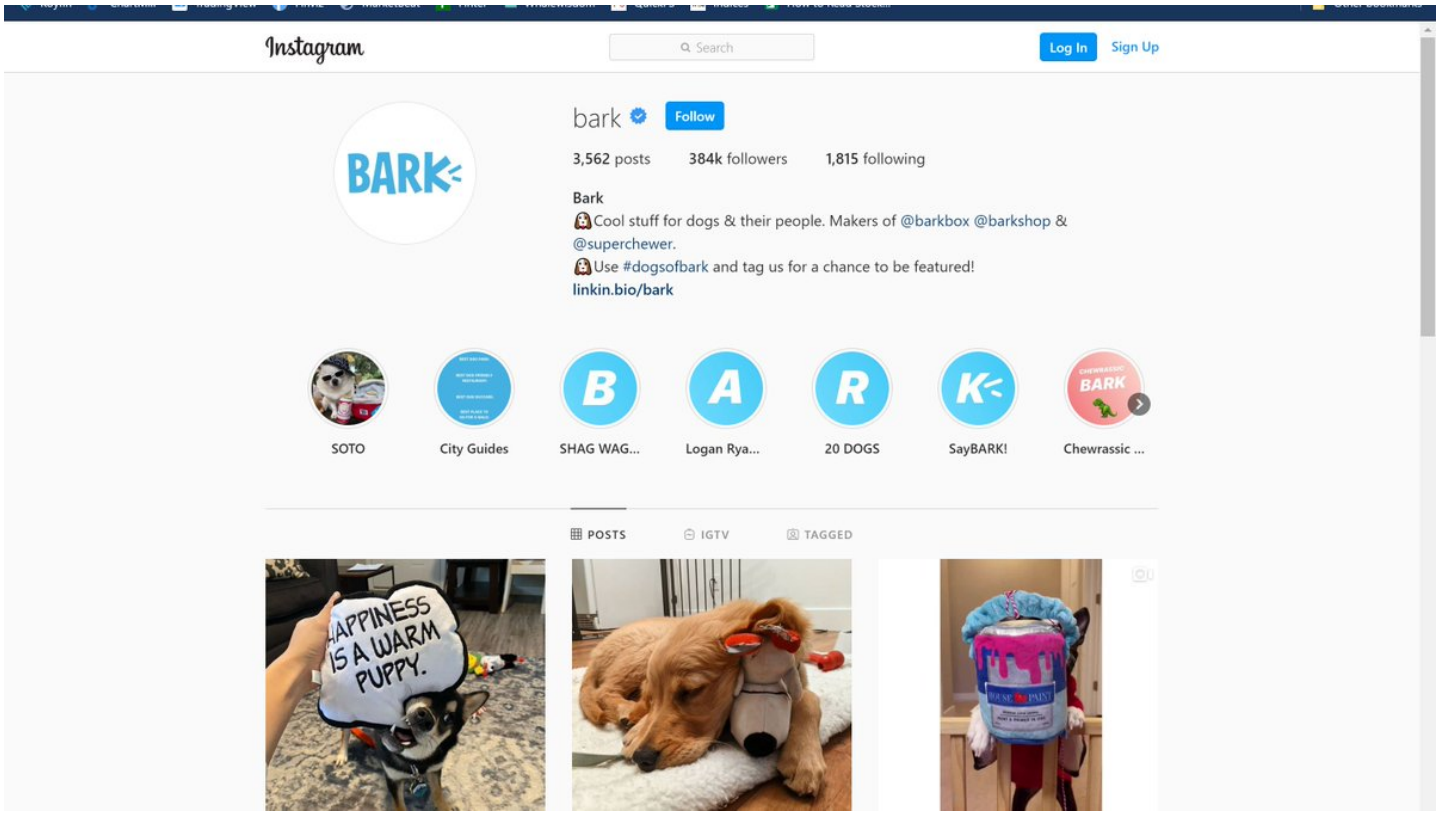
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Update: Revenues of ~$365M and GM ~60% for fiscal year ending March 31, 2021. Net revenue CAGR FY2020-FY2023 of over 40%
Transaction values BARK at an EV of approximately $1.6 billion and is expected to provide up to $454 million of gross cash proceeds

Investor Presentation: https://t.co/yK2nE8P6v6

1.
Transaction Overview

