# **Rebel Tech Deal Memo**

Billions of pounds have been spent by top mobile device companies like Apple, Samsung and the like in optimising manufacture. In comparison, the device repair sector continues to be dominated by low tech mom and pop stores. Rebel Tech is building dark factories for electronics repair to become the world leader in repair automation.

### **100x JUSTIFICATION**

The repair sector is a notoriously fragmented industry, with most market entrants being small shops with 1-3 employees. There is a huge opportunity to create a dominant house-hold brand that addresses the key issues with existing options on the market: high cost, unapproved parts and unreliable service.

The team has a strong background in hardware manufacture, including Hans Stam who shipped 3m units at Beats and built automation robotics for Apple, Foxconn and Microsoft. This expertise gives the team an edge in the market, allowing them to cut repair time and cost by up to 70% through automation. The strong market offering combined with consumer sentiment and inconvenience through being left without a phone creates an immediately valuable proposition from Rebel Tech.

Alongside the B2C offering, Rebel Tech have secured B2B2C distribution through Bytewaste, which they predict will allow them to hit 500k euros ARR within 2-3 months off existing scale.

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### **DECK**

[Rebel Tech - Google Drive](https://drive.google.com/drive/folders/15cDPYzaoCCdkIzweAGUaelsCKT0r7DMi)

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### **ROUND DETAILS**

Terms: €100k investment, €2m valuation

Stage: Pre-seed

Co-Investors: VOYAGERS Climate Tech Fund and David Rowan, founding editor-in-chief of WIRED UK

Founders: Jack Aureliano De Santism,

Founder Email: jack@rebel.im

Website: www.rebel.im

#### ***Founder’s Vision***

What is the founder’s vision for the company or market and why?

This is the founder motivation section. We want to know what drives them

The cost of smartphone repair is increasing drastically and e-waste from devices that are discarded rather than repaired is the fastest growing waste stream in the world.

Rebel Tech’s vision is to become world leader in repair automation by cutting repair costs and times by 70% .

This startup falls under the categorisation of sustainability and aims to extend the lifecycle of existing electronics, to limit the need for new devices and the associated energy/rare-earth metals etc. required.

The investor base and founder are approaching from a sustainability perspective.

#### ***Execution Ability***

Are they repeat founders? Do they have other things going on? Do they have what it takes to achieve their vision?

A group of first time founders but with crucial industry experience within the relevant manufacture vertical that well equips them for the task ahead.

#### ***Use of Funds***

What does the team plan to use this raise for?

- Hit €500k ARR in 2-3 months

- Raise Seed early spring 2022

- Use of funds is largely focused around hiring first mechanical engineers and purchasing equipment like an Excimer laser.

### **PRODUCT/SERVICE**

What is the Product/Service they are providing? Automate, scale and industrialize electronics repair. Making repairs easier, cheaper and more accessible through the use of bleeding edge laser technology as well as an app through which the repair service can be booked.

#### ***Current Traction***

Express this in terms of MRR or ARR. Also, give details of customers or any other traction numbers. Can put base currency and show USD amount in brackets like so ₦ X (~USD Y).

* Partnership with ByeWaste to list them on their app & advertise them to their rapidly growing user base (Currently at 34k households)
* In talks with Oppo, world second largest smartphone OEM to carry out warranty repairs for them in Europe
* Run a B2C trial, have a waiting list of devices people want repaired

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#### ***Progress so far:***

Is the product at MVP or further. How far along in development are they? MVP

### **BUSINESS MODEL**

How does the company make its money?

Rebel Tech charges a flat fee of 39 Euros per device to repair screens.

### **MARKET OUTLOOK**

What is the size of the market? How has it grown over time? Repair market is $1.2 trillion globally and growing at CAGR of 7.6%. Rebel Tech could actually also reach consumers not currently accounted for in current market size. Since the cost of repairing a device can often tally hundreds of dollars, most consumers opt to buy a new device. By changing the buying decision, Rebel Tech can access consumers broader than that accounted for in current market sizing.

What portion of the market has the company decided that they can service? Though Rebel Tech is starting with the lower hanging fruit of smartphone screen repair, they have ambitious plans to scale to battery repair and broader to other electronics.

### **COMPETITION & DEFENSIBILITY**

Who is their competition? Small repair corner shops and slightly larger chains such as ismash in the uk.

How do they compare against each other? Fragmented market, small shops with 1-3 employees, no dominant name. Mostly centred around retail. There is no app currently where you can simply order a repair.

What is unique about this company that makes them stand out in the market?

* Bleeding edge laser technology allows easy and clean repairs
* Scalable and easy to automate - can debond 10 devices in 60 seconds
* Market changing technology - drastically more efficient than anything else out on the market
* App that allows booking a repair online as well as pick-up and drop-off of phone

### **RISKS**

What are the risks that come with this company? A risk in their product, service, or business model? What could make it fail? What do they need to get absolutely perfect to ensure they succeed?

* The founder has limited startup experience - though this risk is partially mitigated by having a very experienced network of angel investors coming in at this early stage e.g David Rowan
* The limitation to the business is the upfront cost of the equipment required to debond glass at scale. This business will be capital intensive if they wished to expand outside of Germany into Europe and beyond. The requirements for consecutive future raises has been factored into our 100x thesis, and is especially realistic due to the valuation of this round (c. 2m euros).