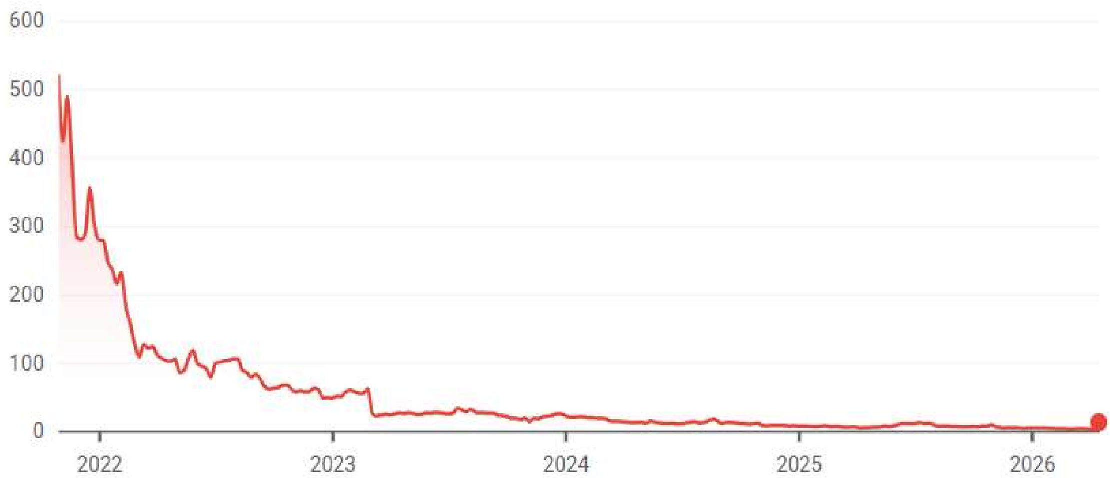
From Shoes to Chips

Perspectives: April 17th, 2026

In yet another clear sign of the times we are in, the share price of former organic material shoe company Allbirds shot up by over 580% in one day after announcing a new business strategy to become an 'AI Compute Infrastructure' company. Zero sales, zero profits – I mean seriously, those concepts are so *yesterday*. In today's environment many market participants seem to prefer not to taint a great story with facts and fundamentals.

Chart: Allbirds share price since listing (2021)



Here are a few facts and fundamentals.

First, their track record as a listed company is *abysmal*. When the insiders sold shares to the public at the listing in 2021 the market 'valued' it at an incredibly high multiple of 15x sales – clearly anticipating exponential future growth. The listing also attracted lots of interest from 'green capital' ESG funds, which were all the rage back then. Sales actually increased in 2022, but only by a rather pedestrian 7%. It has been posting significantly *reduced* sales in every year since. The company was small and loss-making when it listed and in every year since, and those losses have significantly increased over time. No dividends were ever paid. The share price dropped from a peak of US$577 to US$2,50 and speaks for itself – so goes the business fundamentals, so goes the share price, sooner or later. Their shoe company, 'valued' by the stock market in 2021 at US$4bn, was sold to a trade buyer for just US$39mn a month ago at a multiple of 0,26x sales.

Second, its new business strategy – led by a CEO described as 'a veteran of the *outdoor apparel* industry' is described as follows: Company renamed to NewBird AI. Will buy advanced graphic processing units that power AI. Sees a gap in the market that has left many businesses without enough computing power. Long-term vision is 'to become a fully integrated GPU-as-a-Service (GPUaaS) and AI-native cloud solutions provider'. No further details were provided about anything. Zero sales. Zero profits. Lots of costs to come shortly as they start up.

Third, I have seen these types of situations *many* times before. They have tended to end in disaster for their shareholders, with no exceptions that I can recall. The recipe with which to identify these is: Look for a company with a terrible track record; in an industry that has fallen out of favour with speculative stock market participants; that decides to pivot into a totally different industry; one that is currently wildly popular with speculative stock market participants; that changes its name to include a specific reference to that new industry; and with a story that lacks substance and clarity.

I rest my case.

Our work continues…

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