

In 2016 the funds affiliated with MCI Capital, managed by Private Equity Managers (PEM) Group, exited investments worth almost PLN 400 million.

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Following the sale of shares in Wirtualna Polska with a return for MCI.EuroVentures in excess of PLN 100 million, the total revenue generated this year from the sale of shares in portfolio companies and from dividend by all MCI Group funds managed by Private Equity Managers (PEM) Group grew to almost PLN 400 million.

[Infographics](#)

MCI.EuroVentures sold all shares in Wirtualna Polska for more than PLN 100 million. Including the partial exit in May 2015, the fund will receive a total of over PLN 160 million, having invested just PLN 60 million. Its average annual IRR will thus amount to ca. 60%.

Since the investment in 2014, WP has consolidated the internet market in Poland. It also started growing in the promising e-travel and e-commerce sectors. It has recently also launched a TV channel. Its market capitalisation has grown significantly - since the IPO in 2015 the company's share value has increased by ca. 60%.

"It is impressive how WP has come a long way in such a short time. The company is active in new business areas and has also significantly improved its overall results. It is a direct beneficiary of the increased share and continuously developing digital society in Poland," said **Tomasz Czechowicz, Managing Partner at PEM and President of MCI Capital S.A.**

The sale of shares in Wirtualna Polska, worth ca. PLN 390 million (PLN 50 per share), announced on 30 November, will be conducted by the investment vehicle EMH, whose shares are held by Innova and MCI.EuroVentures. It is the second transaction on such a large scale this year involving the sale of shares in a portfolio company of an MCI Group fund. The first one was the exit from the investment in the Czech company INVIA; MCI.TechVentures generated PLN 237 million in revenue from the sale of the company, achieving more than 11-fold return on its initial investment and 3.5-fold return on the secondary investment. Exit from INVIA Group was one of the most successful investment transactions in Central and Eastern Europe. At the same time, it generated the highest profit on record for MCI.TechVentures.

“The sale of our shares in WP and the exit from INVIA well illustrates the strategy we have adopted for the funds we are involved in. We want to keep participating in the development of regional champions. Both companies can claim this title,” commented **Tomasz Czechowicz**.

The sale of shares in portfolio companies is not the only way for MCI Group funds to raise capital from investments. Cash flow is also generated from dividend paid by public portfolio companies, such as the Turkish Index and ABC Data, listed on the Warsaw Stock Exchange. Both companies paid more than PLN 40 million in dividend to MCI.EuroVentures, including: ABC Data - PLN 30.5 million and Index - PLN 10.55 million.

Thanks to the sale of shares in Wirtualna Polska, the funds affiliated with MCI Capital and managed by PEM received a total of almost PLN 400 million for the sale of shares and in dividend in 2016. With assets under management worth more than PLN 2.2 billion, this means that 17.8% has been sold, which reflects a high liquidity of the portfolio. At the same time, the funds invested more than PLN 300 million during the first nine months of 2016, achieving a high asset turnover ratio exceeding 30% for the second year in a row.

Importantly, the portfolio of the two largest funds affiliated with MCI Capital is relatively young. Ca. 55% of the value^[1] of MCI.TechVentures portfolio is made up of companies which have been its part for less than 2 years. In the case of MCI.EuroVentures, almost 40% of the value of the portfolio is valued at acquisition cost.

[1] According to fund valuations for H1'16.