

The MCI.EuroVentures Fund has sold part of its shares in the Turkish company Index for more than PLN 36 million.

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Through this and other transactions, MCI funds have received a total of nearly PLN 130 million this year.

The fund from the MCI Group has completed a partial exit from the Index company, a leading company in the IT market in Turkey. In exchange for its 7 per cent shareholding, the Fund received PLN 36.2 million. After the transaction, the Fund remains the second largest investor of the listed company.

As part of its block transactions, the fund sold its 7 per cent shareholding to institutional investors, with the average selling price amounting to TRY 9.70 (Turkish lira). Before the transaction, the fund held a 26 per cent of the share capital of the Turkish company.

“We still have a 19 per cent shareholding in Index and retain the corporate rights, including the right to appoint members of the supervisory board,” says Maciej Kowalski, Partner and MCI.EuroVentures Fund Manager. *“We plan to continue exiting from the investment through the Istanbul stock exchange into the second half of 2018. We believe, the block transactions will contribute to increased share liquidity, leading to a further increase in exchange rate, which, according to the estimates from the largest investment banks in Turkey, will range from 14 to 15 TRY over the next 12 months. Therefore, we estimate that a final exit from this investment should yield at least a double return on investment for the Fund,”* Kowalski adds.

The first time the fund invested in Index was in 2013 when it bought a shareholding at a price of TRY 3.40 per share. The next step was to increase investment levels over the following years. Today, the stock market valuation of these shares is nearly TRY 10.50,

with estimates from local brokerage houses indicating a growth potential of up to 48 per cent. One of them, Is Yatrim, estimates that the target price will reach nearly TRY 15 per share. Is Yatrim predicts that the 2017 EBITDA will stand at TRY 116 million (compared to TRY 95 million in 2016), with a net profit reaching TRY 99 million (compared to TRY 52 million last year). The company also forecasts that the dividend for 2018 will reach high levels due to non-operational real estate sales.

Through this and other transactions, the funds from the MCI Group have received a total of nearly PLN 130 million in 2017.