

# MCI CG results for Q1 2014

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Warsaw, 13 May 2014

# Results for Q1 2014

## Key milestones

### FINANCIAL RESULTS

- Net profit of **PLN 108.5 million** in Q1 2014
- Net assets of **PLN 873 million**
- Net assets per share: **PLN 14**, forecast for 2014: PLN 16.5

### INVESTMENTS

- 4 new investment projects (mGenerator, Feedo, Hojo.pl, Focus Telecom Polska) in the **Internet Ventures fund**
- Concluding a transaction at **Grupa Wirtualna Polska** and increasing shares in **Indeks**
- Forecast for new investments maintained at the level of PLN 305 million in 2014.

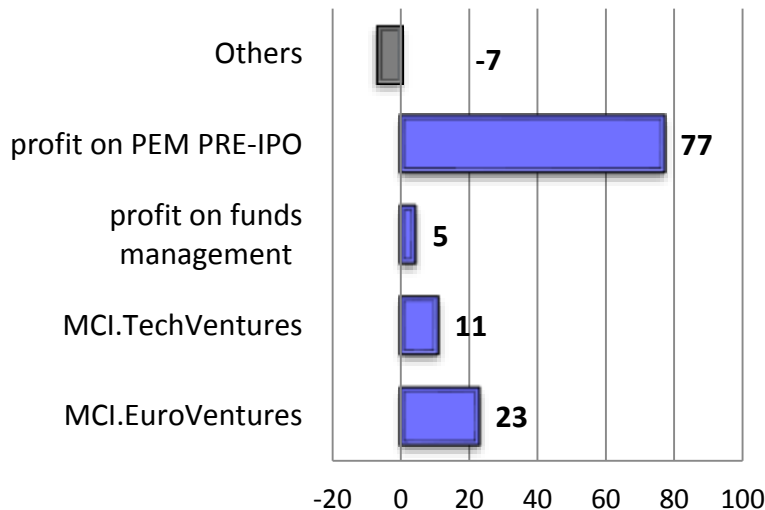
### PEM IPO

- **30% of PEM shares** sold as in the first part of pre-IPO at the end of Q1 and at the beginning of Q2, further stages in Q2 2014.
- PEM Enterprise Value in the pre-IPO amounted to PLN 270 million
- Significant interest on the part of investors and management
- PEM IPO planned for 2014 Q4

# MCI CG results for Q1 2014

in millions of PLN	Q1 2014
<b>MCI's consolidated net result</b>	<b>PLN 108.5 million</b>
<b>consolidated total assets</b>	<b>PLN 1 311 million</b>
<b>net consolidated total assets</b>	<b>PLN 873 million</b>
<b>Net IRR since establishment</b>	<b>22%</b>

**MCI RESULT COMPONENTS (in PLN mln)**



INDICES			
	Q1 2014	Q1 2013	Year-on-year change
MCI rate	<b>PLN 9.40</b>	PLN 6.65	41+%
capitalization	<b>PLN 587 million</b>	PLN 415 million	41+%
AUM	<b>PLN 1 335 million</b>	PLN 838 million	60+%
P/BV	<b>0.67</b>	0.71	-6%
debt/capitals*	<b>15%</b>	11%	-36%

\* Debt - external (bonds and credit)

## Factors influencing the 2014 Q1 results:

- ❑ Profit on PEM pre-IPO
- ❑ Stable increase of the value of MCI.TechVentures (ca. 10% year-on-year) and MCI.EuroVentures
- ❑ Low operating costs in relation to asset value

## Key drivers of the rise of net asset value in 2014:

- ❑ ABC Data
- ❑ Private Equity Managers SA
- ❑ Invia
- ❑ Grupa Wirtualna Polska
- ❑ Indeks

# Private Equity Managers SA

in millions of PLN	2012	2013	2014 (F)	2015 (F)
Revenue	32	78.1	55.6	74.5
EBITDA	24.5	71.6	42.0	56.7
PAT	24.5	67.7*	36.6	51.8

\* Additional dividend paid at MCI.EuroVentures in 2013, for the first time since the establishment of the fund and, due to the high increase of the value of ABC Data, increased PEM's result.

## Success drivers for Private Equity Managers SA:

- MCI's track record
- private equity market trends in Poland
- experienced investment team
- structure of the offer

## PEM SA PRE – IPO and IPO

### pre-IPO - two parts in Q1/Q2 2014

- Value of the 1st part of the pre-IPO aimed for the management, the Supervisory Board and persons supporting MCI in the investment process amounted to over **PLN 270 million ENTERPRISE VALUE (more than 30% of the Company's shares)**
- The dividend payment to PEM shareholders (MCI Management SA and MCI.EuroVentures FIZ) before the conclusion of the tranche amounted to PLN 72.5 million

### IPO and PRE-IPO plans for the rest of 2014:

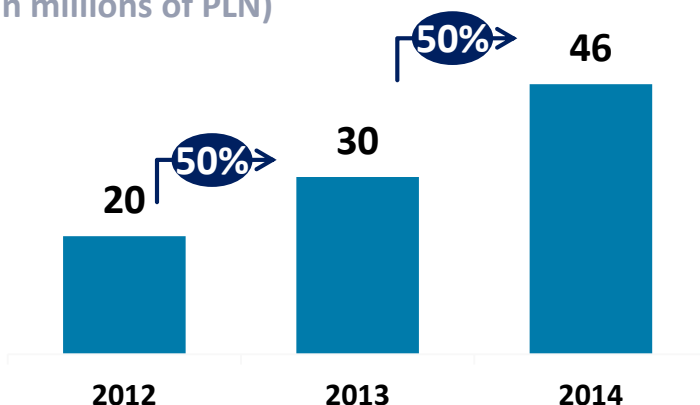
- Closure of the 2nd part of the pre-IPO directed at financial and individual investors
- Planned filing of the prospectus with the Polish Financial Supervision Authority in Q2 2014, offering Noble Securities
- WSE listing - depending on the development of the market situation, MCI envisages the initial public offering to take place in Q4 2014

# MCI Management Portfolio in Q1 2014

Company	Valuation as of 31 March 2014 (PLN million) multiplied by MCI's share in the fund	Share in assets	Country	Industry sector
ABC Data	323.7	25%	Poland	IT distribution
PEM remaining package	141.9	11%	Poland	asset manager
Invia	87.4	7%	The Czech Republic	e-travel
WP	60	5%	Poland	internet platform
Indeks	59.0	5%	Turkey	IT distribution
KupiVip.ru	52.1	4%	Russia	e-commerce (clothes)
Windlen.de	47.4	4%	Germany	e-commerce (baby care)
Morele.net	30.8	2%	Poland	e-commerce (IT/RTV)
<b>total</b>	<b>802.3</b>	<b>61%</b>	-	-
Other portfolio assets, cash and liabilities	508.4	39%	-	-
<b>TOTAL ASSETS</b>	<b>1 310.7</b>	<b>100%</b>	-	-

TOP 8

## Dividend - Management Board recommendation (in millions of PLN)



## FINANCIAL RESULTS

### Forecast for 2014

Revenue	PLN 5.76 billion
EBITDA	PLN 92 million

- The Management Board of ABC Data announced a dividend payment for **2013 at the level of PLN 45.7 million. MCI will receive around PLN 28 million, at a dividend rate of 9.4%, one of the highest at the WSE.**

### MCI plans related to assets:

- Current valuation at the WSE is not attractive, the asset is significantly undervalued
- The company is expanding internationally in CEE and Germany, developing new product groups [see the acquisition of iSource, Apple] and strategic projects [Colorovo, electronic marketplace]
- The vision of ABC Data's development involves the construction of a leading European player to operate in the rapidly growing B2B e-commerce market
- Investments are exited through a series of high dividends paid by the Company (invested funds: PLN 109.7 million vs. PLN 73 million of returns including dividend for 2014).

- A very good result in Q1 2014 thanks to increased internal demand and contract with Apple
- Launched development project with the estimated revenue for the Index group of USD 62 million, 48,000 pum, to be executed from 2014 to 2016
- A new logistics centre opened in Q1 - makes it possible to further step up operational activity and provide logistics services to other distributors.
- Taking advantage of the temporary weakness of the rate at the Turkish stock exchange, MCI purchased another ca. 1% of the company's shares for the average price of ca. 3.5 TRY (current rate: 3.9 TRY)

## FINANCIAL RESULTS (in millions of TRY)






	1Q 2014	2013	2012
Revenue	<b>495</b>	1,615	1,336
EBITDA	<b>12.9</b>	45.8	36.6
Net profit	<b>6.0</b>	5.3	16.6

## Growth forecast for Turkey against the backdrop of the UE

		Turkey	EU
<b>IMF</b>	<b>2014</b>	2.3	1.2
	<b>2015</b>	3.1	1.5
<b>OECD</b>	<b>2014</b>	3.8	1.0
	<b>2015</b>	4.1	1.6
<b>WB</b>	<b>2014</b>	2.4	1.1
	<b>2015</b>	3.5	1.4

# Investments in Q1 2014

**NEW INVESTMENTS = PLN 73.5 million**

ASSET	INDUSTRY SECTOR	SHARE	Additional information	
<b>Wirtualna Polska</b> <i>New leader of the Polish internet</i>	E-commerce	MCI.EuroVentures a 20% shares package	Closing in 2014 Q1	
<b>Feedo</b> <i>A baby care marketplace platform.</i>	E-commerce	Internet Ventures	Closing in 2014 Q1	
<b>mGenerator</b> <i>Creator of mobile shops, websites and apps</i>	E-commerce	Internet Ventures	Closing in 2014 Q1	
<b>Hojo</b> <i>Cleaning services E-commerce</i>	E-commerce	Internet Ventures minority stake	Closing in 2014 Q1	
<b>Focus Telecom</b> <i>Cloud business communication services</i>	Cloud computing	Internet Ventures minority stake	Closing in 2014 Q2	

**ANOTHER ROUND OF FINANCING in Frisco and Index**



### KEY MILESTONES

- **Another round of financing with the value of EUR 15 million - Deutsche Bank joined the group of international investors of Windeln.de (DN Capital, Acton Capital Partners, 360 Capital Partners, MCI Management)**
- Quantitative development of the product offer (to more than 55 000 assortment items and more than 800 brands), as well as its qualitative development (new product categories, such as baby clothes and toys)
- A dynamic development of the customer base and satisfaction level - more than 70% of all orders placed by returning customers.
- A rapid year-on-year increase of the Company's gross revenue - increase by 134% in 2013 when compared to 2012.

Rank	Company	Fit Score	Loyalty	Image	Performance
1	windeln.de	80.7	80.7	81.0	80.4
2	mytoys.de	74.5	72.2	74.9	76.3
3	Vedes	74.4	72.0	77.0	74.1
4	kidoh.de	73.9	71.5	76.1	74.1
5	babymarkt.de	73.8	71.9	76.6	72.9
6	babywalz	73.8	67.4	80.9	73.0
7	idee + spiel	69.0	65.8	71.7	69.5
8	Toys'R'Us	68.0	66.1	70.9	67.1
9	BabyOne	67.1	65.8	68.3	67.1

**Category killer**

According to the latest ranking by [www.excitingcommerce.de](http://www.excitingcommerce.de), the Company came in third among the best e-commerce websites in Germany, only a little behind Amazon.com and Buch.de and outperforming such brands as Ebay, Home24 or Zalando.

According to a ranking developed by W&P Fit-Monitor published in April 2014, concerning children's products and toys (chart on the left-hand side), windeln.de outperformed all competitors in all categories.

### COMPANY'S

#### PLANS

- Operational expansion to new countries
- Further development of the product offer
- Sale of top quality products with even better profit margins

## KEY MILESTONES

- A dynamic development of Travelata - an investment round with the participation of an international VC fund is being completed
- Offering of TravelPlanet shares - Invia purchased 850,973 shares of TravelPlanet for PLN 4.5 Invia currently holds 80.37% of shares in the Company's working capital
- The planned value of travel packages, plane tickets and travel insurance sold by Invia in 2014 will exceed EUR 200 million.



Invia is a leader of the e-travel market in the CEE Region and Russia, offering package travels in 5 countries: Invia.cz ( Czech Republic), TravelPlanet.pl, Aero.pl, Hotele24.pl, Zingtravel.pl, TravelOne.pl (Poland), Invia.sk (Slovakia), Invia.hu (Hungary) and Travelata (Russia).

# MCI's plans and strategy

- Value of new investments amounting to at least PLN 305 million according to a forecast from December 2013
- PLN 16.50 - net assets per share (ROE at 30%), according to a forecast from December 2013.
- Private Equity Managers SA IPO
- The assumed year-on-year exit value of PLN 100 million is maintained, a chance to significantly exceed that level in 2014  
(sources of partial or full investment exits: ABC Data [dividend], PEM [pre-IPO/IPO], Invia [re-IPO], Indeks [dividend], NaviExpert [tradesale])



# Alibaba – case study



**Alibaba.com is the largest e-commerce platform in China which on 6 May 2014 announced that it was planning a public offering at the NYSE in the US.**

- The company was established in 1999 by Jack Ma, a Chinese internet businessman
- Major shareholders: Softbank Corp. – 36.7%; Yahoo. Inc. 24%; Jack Ma 8.9%.
- The estimated valuation level is USD 195 billion, the initial public offering is planned for August 2014 (it is estimated that Alibaba's IPO will be the second largest IPO in US history).
- In 2013 all the subsidiary websites of the Company were visited by ca. 231 million buyers (+14% year-on-year), who generated transactions with a total value of ca. USD 248 billion.
- According to *The Wall Street Journal*, more than 80% of the internet sale volume in China is transacted on the Company's websites, reaching a value estimated last year at more than USD 300 billion.
- According to market forecasts, Alibaba has a chance to become the second (after Google Inc.) internet company on Wall Street in terms of its market value.
- Alibaba's turnover equals ca. 50% of the turnover of Amazon (ca. USD 170 billion), but it is growing faster.
- **Alibaba's successful initial public offering will translate into the largest IPO in the internet market and at the same time, it may become a turning point for the e-commerce industry (the Facebook effect for internet communicators)**

Alibaba Entity	Deals in	Is kind of like
Alipay	Online payments	PayPal
Aliyun	Cloud services	amazon web services
Aliyun App Store	Mobile apps	Google play
Aliyun OS	Mobile OS	android
AutoNavi	Maps and navigation	Google maps
InTime	Retail outlets	JCPenney
Juhuasuan	Group buying	GROUPON
Kanbox	Cloud storage	Dropbox
Laiwang	Mobile messaging	WhatsApp
Lyft, Kuaide	Car service, ride sharing	UBER
Taobao	C2C e-commerce	ebay
Taobao Travel	Online travel booking	ORBITZ
Tmall	B2C e-commerce	amazon.com
TutorGroup	E-learning	KAPLAN
Weibo	Microblogging	twitter
Xiami	Music streaming	Spotify
Youku Tudou	Streaming video	hulu
Yu'e Bao	Money-market funds	ING DIRECT

Source: <http://www.businessinsider.com/>

# Disclaimer

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- ❑ This presentation does not constitute an offer within the meaning of the law.
- ❑ This presentation has been prepared using the best knowledge of MCI Management SA and as of the publication date it contains up-to-date data.

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