

MCI Capital Results in FY 2015

Warsaw, 22 March 2016



MCI KPI in FY 2015

Summary of MCI results

Group's cash position

NAV structure and a summary of portfolio valuations

New investments, portfolio, exits

Invia case study

NAV per share

Preliminary dividend policy

Outlook for FY 2016

**KPI FY'15** 





PLN 121	18.69	11.50	0.62
<b>million</b>	<b>PLN</b>	<b>PLN</b>	P/BV
Net profit	Net assets per share	Market price of shares	

# 2015 KPI - NAV per share increased by 14% year-on-year



КРІ	31.12.2015	31.12.2014	change
MCI share price*	11,51	10,23	13%
Number of shares	61 779 619	62 732 377	-2%
Net assets (NAV) in PLN million	1 154,6	1 032,4	12%
NAV/share	18,69	16,46	14%
P/BV	0,62	0,62	0,0%
Liabilities (bonds + loans) in PLN million	230,7	165,6	39%
Cash and cash equivalents in PLN million	60,3	15,3	295%
Net liabilities in PLN million	170,4	150,4	13%
Net debt/NAV**	14,8%	14,6%	1%
FOPEX/NAV	1,46%	2,03%	-28%

- \* MCI share price as of 21 March 2016 was PLN 11.33
- \*\* External debt (bonds and loans) adjusted by cash and cash equivalents

#### Comments:

- The stock market share price grew by 13% as compared to the end of the previous year.
- The number of shares was reduced due to the redemption of 952,758 own shares completed this year.
- NAV/share grew by 14% as compared to the end of the previous year.
- P/BV did not change significantly as compared to the previous year.
- Net debt/NAV did not change significantly as compared to the previous year.
- FOPEX/NAV remains very low it decreased from 2.03% in the previous year to 1.46%.

## Funds' results from MCI's perspective



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#### **MCI Capital asset structure**

Balance sheet item	Value in PLN million	% share
Investments in subsidiaries (IC)	1 095,9	78,4%
Investment certificates	185,4	13,3%
Cash and cash equivalents	60,3	4,3%
Private Equity Managers	41,7	3,0%
Receivables	6,3	0,4%
Deferred income tax assets	3,6	0,3%
Loans granted	2,3	0,2%
Derivatives	1,8	0,1%
Tangible fixed assets	0,3	0,0%
Total assets	1 397,7	100%

#### Change in Funds' IC value (PLN 131 million)





Entity name	2014 YE	2015 YE	MCI's share 2014	MCI's share 2015	2014 YE value share	2015 YE value share	change
MCI Capital S.A.	15	60	100%	100%	15	60	45
Subfund MCI.EuroVentures 1.0	3	98	99%	93%	3	91	88
Subfund MCI.TechVentures 1.0	32	29	72%	64%	23	19	-4
MCI.CreditVentures 2.0 FIZ	11	18	100%	100%	11	18	8
Helix Ventures Partners FIZ	0	12	50%	50%	0	6	6
Internet Ventures FIZ	4	16	53%	58%	2	9	7
Other companies	1	1	100%	100%	1	1	0
TOTAL	66	234			55	205	150

### Cash (in PLN million)



In March 2016, the Group's cash position exceeded PLN 400 million









# Investment certificate value in MCI's balance sheet



	NAV [PLN million]	Number of registered ICs [thousand]	NAV/IC	Number of ICs held by MCI [thousand]	value	IC value in MCI's balance sheet
Data in PLN thousand						
Subfund MCI.TechVentures 1.0	940	4 448	211,32	2 837	59%	558
Subfund MCI.EuroVentures 1.0	824	18	44 587,89	17	93%	767
MCI.CreditVentures 2.0 FIZ	184	25 434	7,25	19 434	76%	140
Internet Ventures FIZ	59	439 767	0,13	255 243	56%	33
Helix Ventures Partners FIZ	22	450 764	0,05	225 382	51%	11
TOTAL	2 029	920 431		502 912		1 510





Investments (PLN 000)	Percentage of capital held	Cumulative acquisition value	Dividend	Dividend Partial exit	Valuation as at Q4 2015			Valuation method
					Value of MCI's shares	Option value	Total	
Digital Avenue SA	30,91%	-1 622	0	643	904	nd	904	
Optizen Labs S.A.	50,58%	-14 457	0	4 285	1 381	nd	1 381	Market price
windeln.de AG	5,10%	-34 154	0	32 850	59 340	nd	59 340	
GMZ.co Sp. z o.o.	46,90%	-5 245	0	0	5 246	nd	5 246	
Auctionata AG	9,28%	-40 214	0	0	60 056	0	60 056	Last comparable transaction
INVIA.CZ a.s.	83,28%	-43 052	20 020	17 484	229 112	0	229 112	
Geewa a.s.	48,94%	-12 453	0	147	9 557	264	9 821	
Morele.net Sp. z o.o.	45,45%	-10 000	0	0	42 334	nd	42 334	Comparative
21Diamonds GmbH	2,79%	-2 391	0	0	333	0	333	Comparative
Answear.com	30,76%	-27 012	0	0	33 214	1 622	34 836	
	54.010/	1.001			0.270	7 020	17 100	DCF
NaviExpert Sp. z o.o.	54,01%	-1 801	0	0	9 279	7 829	17 108	DCF
Biotech Varsovia Pharma Sp. z o.o .	65,00%	-3 100	0	0	608	0	608	
	100,00%	-2 907	0	0	3 152	nd	3 152	Adjusted net asset
Śpiący Rycerz Sp. z o.o. MCI.ImmoVentures Sp. z o.o.	100,00%	-2 907	0	0	0	nd	0	Aujusteu net asset
Pici.iminoventures 3p. 2 0.0.	100,00 /0	-0	0	0	0	ild	0	
Frisco S.A.	49,12%	-23 607	0	0	23 607	nd	23 607	
Blacksquare Investments Limited	13,73%	-81 460	0	0	84 426	8 843	93 269	
Travelata	28,74%	-19 485	0	0	23 299	1 511	24 810	
Oktogo Holding Limited	9,03%	-10 469	0	0	6 047	9 834	15 881	
asgoodasnew electronics GmbH	10,85%	-8 896	0	0	8 789	929	9 718	
Ganymede Group Sp. z o.o.	38,47%	-25 000	0	0	25 000	0	25 000	Invested entite! (taking inte
GT Gettaxi Limited	3,47%	-71 974	0	0	78 022	3 540	81 562	Invested capital (taking into consideration the current
Azimo Limited	7,82%	-18 179	0	0	18 557	0	18 557	exchange rate)
UAB Pigu	51,00%	-46 038	0	0	48 560	0	48 560	
MCI Ventures Sp. z o.o.	100,00%	-7	0	0	7	nd	7	
iZettle AB	1,49%	-28 922	0	0	29 157	0	29 157	
Tatilbudur	59,75%	-42 275	0	0	41 217	-412	40 805	
Altarulta a.s. (SPV)	79,38%	-250	0	0	250	nd	250	
	TOTAL	-574 970	20 020	55 408	841 455	33 960	875 415	1





## MCI.EuroVentures 1.0 portfolio structure by valuation method



Investments (PLN 000)	Percentage of capital held	Cumulative acquisition value	Dividend	Partial exit	Valuation as at Q4 2015			Valuation method
					Value of MCI's shares	Option value	Total	
ABC Data	61,5%	119 807	86 884	32 382	242 740	nd	242 740	
Indeks	24,2%	87 338	12 754	0	113 547	nd	113 547	Market price
Wirtualna Polska	11,3%	60 000	0	55 136	127 764	-6 576	121 188	Market price
eCard S.A.	12,0%	4 885	0	0	5 032	nd	5 032	
Lifebrain AG	11,1%	42 481	0	0	43 161	208	43 369	Invested capital (taking into consideration the current exchange rate)
	-							_
	TOTAL	314 511	99 638	87 518	532 244	-6 368	525 876	



# New investments - in 2015, the funds whose ICs are held by MCI Capital spent more than PLN 500 million on new projects





MCI.TechVentures fund portfolio













CEE online payment consolidation platform SCE medical laboratory consolidation platform New investments with a significant potential to contribute to the 2016 and 2017 results



Robust organic growth and strong cash flow possible exponential growth in value in 2016.



Mature assets with further dynamic growth, stable contribution to the funds' performance.

# NEW PUBLIC PE AND "PUBLIC-TO-PRIVATE" INVESTMENTS

The Funds have completed cash exits worth more than **PLN 600 million** in 2015

(values up-to-date as at the result publication date)



# More than 75% of the portfolio consists of shares in companies held by the Funds for less than 5 years.



Age (years)	TV	EV	IV	HVP	TOTAL
0-1	313.7	48.4	7.9	0.0	370.0
1-2	39.9	121.2	20.0	0.0	181.2
2-5	257.5	113.5	4.3	3.7	379.0
5-10	29.2	242.7	0.0	2.3	274.2
>10	0.0	0.0	0.0	0.0	0.0

\* w/o Invia

#### **MCI.TechVentures**

ТОР 10	Company	Acquisition	Age					
		date						
1	Morele.net	2011-10-18	2-5					
2	KupiVip	2012-12-12	2-5					
3	Windeln.de	2013-02-25	2-5					
4	Answear	2013-09-09	2-5					
5	Gamedesire	2015-03-11	0-1					
	Guineacone	2010 00 11	·····					
6	Auctionata	2015-04-16	0-1					
7	Gett	2015-04-30	0-1					
8	Pigu	2015-07-31	0-1					
9	iZettle	2015-10-07	0-1					
10	Tatilbudur	2015-11-06	0-1					

#### **MCI.EuroVentures**

TOP 5	Company	Acquisition	Age
1	ABC Data	date 2008-06-30	5-10
2	Indeks	2013-05-07	2-5
3	Wirtualna Polska	2014-02-10	1-2
4	Lifebrain AG	2015-06-26	0-1
5	eCard	2015-07-22	0-1

# In 2016 we are planning to execute new investments worth between PLN 450 million and PLN 1 billion





Planned exits and dividend (totaling more than PLN 440 million)

- PLN 241 million INVIA (completed)
- ✓ PLN 44.5 million DIVIDEND
- ✓ PLN 154.5 million OTHER

# A record sale transaction involving a company from the TV portfolio involving a Company from the TV portfolio



## Main INVIA sale parameters and investment history

2001

**11x** PLN 326 million 46% Return as compared Company value in the to the initial IRR sale transaction investment **Over PLN 1** #1 billion E-travel in the CEE value in 2015) 2015 2009 Entry into the 2013 2005 Acquisition of NetTravel.cz commercials Travelplanet Travelplanet IPO (#3 in the Czech Republic)

Invia

ΤV

Establishment of market, Travelplanet expansion of the product an \_ acquires TravelOne investment at the WSE and LastMinute.sk (#2 in by portfolio to include new in Poland Slovakia) **MCLTechVentures** destinations 2014 2002 2008 2011 Consolidation of Establishment of Invia Investment into Establishment of Invia Travelplanet's Group - acquisition of a (Czech Republic and Invia by the fund shareholders by Invia - a Slovakia) by Michał and expansion into controlling interest in call on the WSF Drozd other Travelplanet by Invia and Hungarian the founders market

INVIA valuation (in millions of PLN) vs. sale



10.03.2016 - The TV fund exited Invia. The sale price was EUR 55.9 million (PLN 241 million), which, as compared to the book valuation of PLN 229 million as of 31 December 2015, represents a profit of PL 12 million.

# A significant share price discount as opposed to the book value persists despite MCI's underlying strength.

- In 2015 we completed the process of redemption of 952,758 own shares held by MCI this contributed to the increase of NAV/share by ca. PLN 0.28.
- Due to the significant share price discount, the General Meeting of Shareholders of 17 November 2015 approved the buyback of own shares with a view to redeeming up to 5% of the working capital - NAV/S after the buyback and redemption. The buyback will be completed by the end of 2016.





MCI Capital's long-term ROI exceeds 15%

The effect of regular dividend policy on the company's current share price

# **RECOMMENDATION:**

Allocate at least 2% of NAV per year to buyback or dividend, starting in 2018



#### COMMENTS:

- In 2016 and 2017 dividend will be made as buyback due to bond covenants.
- Under the asset management agreement signed with PEM TFI, the management board may allocate from 2% to 4% per year for the payment of dividend or share buyback.

- 1. Improved Y/Y rates of return in key TV/EV/CV funds
- 2. Balanced structure of assets and liabilities→expected improvement of the IRR of MCI Capital Y/Y
- **3.** Development of new MCI Capital funds as cornerstone LP
- **4.** Buyback as an additional source of ROI
- **5.** Stable appreciation of MCI's share price



# Disclaimer



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

### MCI Capital SA

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