

# **MCI CAPITAL**

**NOVEMBER 2021** 



- MCI is the largest tech-focused private equity fund in CEE, a geography uniquely positioned for digital buyouts with one of the fastest tech adoptions in the world
  - In 20 years of operations, we have completed transactions across Europe, with special focus on our home CEE
  - Over the next 5 years, we plan to invest a total of 500M Euro in digital technology
  - We are an industry partner for entrepreneurs and management teams enabling them to achieve above-average results thanks to documented experience in the sector, a network of experts and flexible approach to investments
  - Through successful IPOs & public to private transactions, MCI has gained unique experience in the public market
    - Over the last 20 years, our average CoC and realized IRR on buyout & expansion strategy were 3,3x and 27%, respectively

# MCI IS UNIQUELY POSITIONED TO INVEST IN DIGITAL SPACE, AS THE CEE REGION HAS SEEN A NUMBER OF TECH SUCCESS STORIES OVER THE LAST FEW YEARS





GDP growth rate in CEE (3.8) was twice as high as in the EU (1.6)

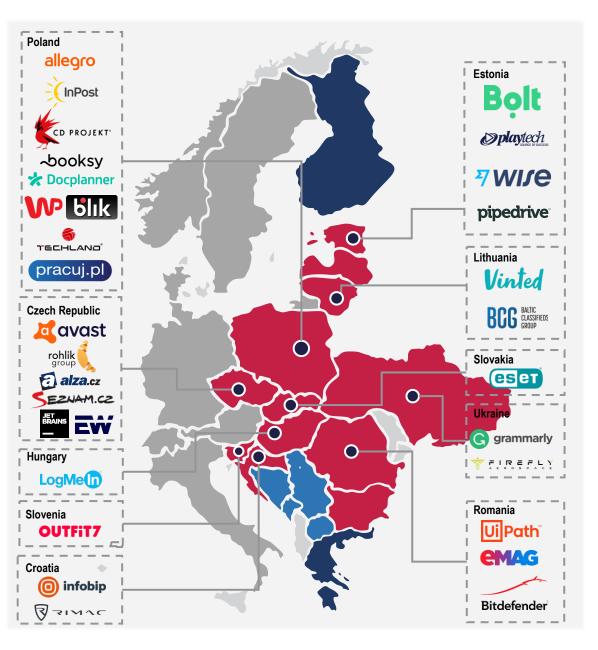


CEE 11 → 102M CEE+ → 181M



CEE+ consists of CEE core 11 countries plus Albania, Bosnia & Hercegovina, Finland, Greece, Moldova, Montenegro North Macedonia, Serbia, Ukraine

ESTONIA										
7WIJe	Fintech USD 14bn IPO/L		IPO/LSE							
Bolt	Mobility	USD 4bn	Sequoia/Other							
HUNGARY										
LogMe	Software	USD 4bn	Intel/Nasdaq							
CZECH REPUBLIC										
<b>a</b> vast	Software	re USD 8bn CVC/LSE								
POLAND										
allegro	E-commerce	USD 18bn	Permira/WSE							
InPost	E-commerce	USD 9bn	Advent/OMX							
CD PROJEKT	Gaming	USD 4bn	Listed/WSE							
ROMANIA										
<b>emag</b>	E-commerce	USD 2.5bn	Naspers/preIPO							
<b>Ui</b> Path <sup>™</sup>	Software	USD 32bn	Accel/Nasdaq IPO							
LITHUANIA										
Vinted	E-commerce	USD 4.5bn	EQT/Accel/Insight							







Tomasz Czechowicz Founder Managing Partner



Maciej Kowalski Senior Partner Co-Fund Manager



Ewa Ogryczak COO Senior Partner



Sebastian Millinder Senior Investment Director



Filip Berkowski Senior Investment Director



Michał Górecki Senior Investment Director



Hubert Wichrowski
Investment Manager
Sergiusz Nowak
Senior Investment
Analyst



**Łukasz Sabat** Senior Investment Analyst



Maciej Wasilewski Senior Investment Analyst



Aleksandra Kulas CFO



Katarzyna Pogorzelska Head of Treasury



Marcin Nowohoński Head of Valuation



Milena Sikorska Compliance Officer



Artur Gregorczyk Head of Legal



Justyna Chaber Office Manager



**STRATEGY** 

€ 220m drypowder for 2021: looking for 2-3

Digital/Tech LBOs and Expansion Capital in

Lead investor or participation in syndicated

**Enablers** 

Marketplace

**MobileApps** 

Payments/Fintechs

Central and Eastern Europe or with CEE

new deals per year

Equity Ticket: € 25-100m

Digital Infrastructure

SaaS/Software

E-commerce

Gaming

rounds with other PE investors

angle

Kamil Kujawa Group Financial Controller

# MCI HISTORY

Started in **1999** as a first Technology Fund in CEE with initial **USD 10m** 

Currently **EUR 600m** long term capital AUM

#1 Tech/Digital Fund in CEE

**27%** Realised IRR on Buyout Strategy

# **VISION 2025+**

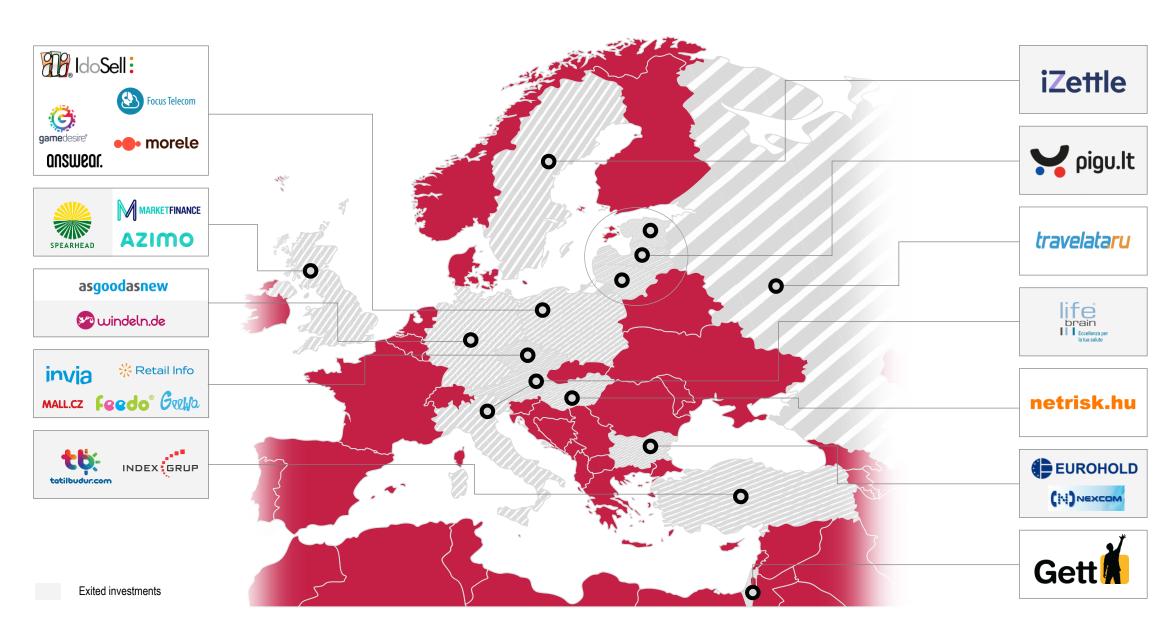
**1B** Euro GAV

**500M** Euro new investments 2021-2025

**1B** Euro AUM

**#1** PE in CEE







# **Key financial KPIs (EUR):**

- 50M-250M EV sweetspot
- 2.5M-25M EBITDA
- 20%-50% organic growth (YoY)
- Equity Ticket 25M-100M

#### Sectors:

CEE National and Regional Digital Disruptors and Enablers:

- Payments, Fintech & Insurtech
- E-commerce, marketplaces and classifieds
- SaaS & Software
- Medtech & Edtech
- Digital Enablers (e.g. data centers, logistics)
- Digital media & Entertainment
- Business services

# **Market position:**

- Market leader
- Top 3 player with potential to became market leader through M&As or new initiatives

## Value creation:

- Domestic M&As
- Cross-border M&As
- Digital Organic Growth Acceleration

# Key risks:

- Technology risk
- Globalization risk
- Exit risk
- Transaction risk

# Sourcing:

- Secondary transactions
- Strategic sponsor (carve out)
- Public to private
- Succession/M&As financing

# Investment capacity:

- 1-3 deals per year
- MACIEJ KOWALSKI (kowalski@mci.eu)
   E-commerce, Marketplaces, Classifieds, Data centers, Telecommunication, Transport & Logistics
- TOMASZ CZECHOWICZ (czechowicz@mci.eu) <u>SaaS, Payments,</u> Fintech, Insurtech, Travel, Digital media & Entertainment, Medtech, Edtech, Foodtech

# Geography:

- North CEE (Poland, Baltics, Czech Republic, Slovakia, Hungary, Finland)
- South CEE (Romania, Bulgaria, Slovenia, Croatia, Greece)
- DACHI countries (Germany, Austria, Switzerland, Italy)

## Valuation and terms:

- 10-20x EV/EBITDA
- Single majority/Consortium majority
- Structured minority
- Right to exit after a maximum of 5 years

## Exit potential:

 >250M EV – preferably Global/ Pan-European Strategics, Global/ Pan-European PE

# VALUE CREATION: WE HAVE A WELL-PROVEN PROCESS IN PLACE TO SUPPORT PORTFOLIO COMPANIES ON A PATHWAY TO SUSTAINABLE GROWTH



# Phase I: Buy Deal sourcing

- Leverage MCI's wide network of digital ecosystem contacts
- MCI is the investor of choice in the digital space

### Smart buying

- Thorough understanding of value drivers and growth or improvement opportunities
- Speed of process
- Borrower / co-investor of choice: ability to attract higher leverage / drive syndication

## Phase II: Value creation

#### Top line growth

- Deep understanding of key strategies:
- Online expansion
- Development of the mobile user base
- Cloud-based operations integration
- Emerging digital technologies and solutions

#### Operating improvements

- In-house expertise in processes improvement and reorganisation
- Access to wide network of digital savvy executives to drive efficiency improvements

## M&A / Expansion

- Network of intermediaries
- Strategic alliances
- Cross-border network of non-executives and industry experts

## Phase III: Sell

#### **Exit strategy**

- Understanding of global digital trends and buyers
- Extensive track record of exits, partial exits and recapitalisations

# UNPARALLED NETWORK OF INDUSTRY EXPERTS / FORMER AND CURRENT ADVISORS AND NON-EXECUTIVE BOARD MEMBERS



Name Role Applicable firm Sector expertise





Name Role Applicable firm Sector expertise

**Luis Amaral** CFO / Chairman Eurocash / Frisco FoodTech / Retail



**Paweł Fornalski** CEO / Founder IAI SaaS / E-commerce



Krzystof Bajołek CEO / Founder Answear FashionTech



Mariusz Grendowicz CEO mBank / PFR **Financial Services** 



Franek Hutten Czapski Partner BCG FinTech



Michał Grom CEO Smvk Retail Digital Transformation



Piotr Czapski Partner EQT / McKinsey Telecoms



**Anil Hansiee** Founder Moio-Capital / PayPal / Google M&A FinTech



Ireneusz Dabrowski CEO / Non-exect TechData / AbcData IT Services



Marcin Petrykowski CEO / VP ATM / S&P 500 FinTech



Jarosław Dabrowski CEO / VP DNB Nord / Raiffeisen InsurTech



**Matthias Peuckert** CFO / Senior Executive Amazon / Windeln E-commerce



Michał Drozd CEO / Founder Invia TravelTech



**Piotr Sieluk** Chairman / Executive T-mobile / ATMAN Data Center / Telecoms



VP Samsung / Dell IoT



Arek Wylęgalski Investor IndexVentures / Firstminute Capital AI / SaaS





# MCI DIGITAL PORTFOLIO 2021 WITH EXPECTED EUR 500-1BLN VALUE @ EXIT



netrisk.hu









E-commerce/SaaS

Insurtech











travelataru asgoodasnew

E-travel E-commerce





# TRACK RECORD: WE HAVE GENERATED 27% IRR ON BUYOUT & EXPANSION INVESTMENTS



(€m) Investment	Country	Control	Entry date	Source	Strategy type	Exit date (actual/ expected)	MCI Total value	Gross MolC	Gross IRR <sup>1</sup>
invia	Czech Republic	Control	Apr-08	Proprietary	Digital disruption	Mar-16	60.1	5.0x	40.9%
MALL.CZ	Czech Republic	Joint control	Sep-10	Proprietary	Digital disruption	Oct-12	35.9	4.1x	174.4%
W	Poland	Joint control	Jan-14	Auction	Digital disruption	Dec-16	36.2	2.7x	53.8%
NETIA	Poland	Joint control	May-14	Proprietary	Digital infrastructure	Apr-15	37.4	1.1x	17.5%
brain Coolinga per la ta subda	Austria	Joint control	Jun-15	Proprietary	Digital transformation	May-18	34.6	1.9x	22.3%
iZettle	Sweden	Minority	Oct-15	Proprietary	Digital infrastructure	Sep-18	36.2	3.7x	61.5%
cotpay EARD 2	Poland	Control	Jul-15	Limited auction	Digital infrastructure	Jan-19	58.4	3.1x	38.2%
ABCDATA	Poland	Control	Nov-07	Proprietary	Digital infrastructure	Jun-19	58.2	2.1x	11.1%
netrisk.hu	Hungary	Control	Dec-17	Auction	Digital disruption	Jan-20	71.8	4.1x	104.1%
INDEX	Turkey	Minority	May-13	Proprietary	Digital infrastructure	Apr-20	29.6	1.3x	6.8%
tb:-	Turkey	Control	Nov-15	Proprietary	Digital disruption	Jul-20	1.5	n.m.	n.m.
atman	Poland	Control	Mar-16	Proprietary	Digital infrastructure	Dec-20	113.1	2.8x	29.8%
🟏 pigu.lt	Baltics	Control	Jul-15	Proprietary	Digital disruption	Mar-21	32.1	2.8x	19.7%
Total realised							604.5	2.5x	27.2%

Over EUR 1bn invested in expansion and buyout capital 2008-2021 including co-investments

# Unique and diversified exit experience

































#### EUR/PLN 4.5. Data as of June 30, 2021

- Gross IRR is defined as gross Internal Rate of Return. All gross figures depicted herein are "gross of management fees" meaning they do not reflect the deduction of any management fees which may be substantial in aggregate.
   More detailed information about the financial and performance data contained herein is available upon request.
- The full names of the companies are Broker Topco Zártkörûen Mûködő Részvénytársaság.and MEP Shelfco VIII S.a r.l.

The data presented herein includes estimates and projections based on assumptions that MCI believes to be reasonable. There is no guarantee that such results will be achieved.