

Estimated 2013 results: consolidated net profit at PLN 189 million

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MCI, a leading group of PE/VC technology funds in CEE, has reviewed its 2013 financial performance. According to preliminary management estimates, the consolidated net profit of the previous year amounted to PLN 189 million vs the initially expected PLN 170 million.

Following a preliminary summary of the financial performance for Q4 and 2013 as a whole, the Board of MCI Management has published estimated consolidated results of MCI Group for 2013 today. Preliminary calculations show that MCI Group's net profit for the past year amounts to PLN 189 million. This figure exceeds the annual performance forecast published by the fund on 29 August 2013 by more than 11 percent. Relating the data to the actual consolidated financial results for the first nine months of 2013, one may expect that in Q4 2013 alone, the Group's net profit could reach approx. PLN 18.5 million. The value of assets under management at the end of 2013 was as projected, at the level of approx. PLN 1.1 billion, while the net asset value, forecast at PLN 740 million, is estimated at PLN 766 million. Fund management revenue generated by Private Equity Managers SA is estimated at PLN 77.3 million, against PLN 49 million expected that year. Net asset value per share at the end of the year is estimated at PLN 12.20.

The improvement in annual performance in relation to the published projection was driven by the dynamic growth in the value of MCI PrivateVentures FIZ fund's investment certificates in Q4 2013.

'Owing to the dynamic growth of web-based businesses, our investments are quickly gaining in value. This enables us to record better and better financial performance, as demonstrated by the publication of the 2013 estimates today', commented Magdalena Pasecka, Member of the Management Board at MCI Management. "Furthermore, as part of our active capital market communications, we published forecasts for the year 2014 in December. In so doing, we provided a strong basis for our existing and potential investors to evaluate our business growth potential'

, she added.

On 18 December 2013, the Board of MCI Management published the forecast of basic ratios for 2014. The financial projection envisages that net asset value per share will increase to PLN 16.50. Furthermore, MCI envisages that the scale of investments carried out by the funds within the Group will reach at least PLN 305 million by the end of 2014. The forecasts were based on the assumption that the 'priorities' for the Group for the year 2014 would be met in at least 50 % in relation to the existing plan. The IPO of a subsidiary, Private Equity Managers SA, scheduled for H1 2014, will be of key significance if the forecast is to be achieved. Additionally, the Fund's management expects a stock market upturn and at least 2 % growth in the Polish GDP.

A positive opinion about the potential and prospects of MCI Management's portfolio companies encouraged Noble Securities analysts to give a BUY recommendation and to set the 9-month target price at PLN 13.56. As the share price on the day of the recommendation was PLN 10.22, the growth potential of MCI share price was estimated at 33 %.