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"We are not afraid of Hungarian businesses despite the lack of political connections," says one of the largest tech investors in the region

In practice, Tomasz Czechowicz introduced Poles to computers. Today, it leads one of the largest technology-focused investment funds in the region. He plans to invest millions of euros in our region - including in Hungary. So far, he has sold his portfolio companies to giants such as Intel, PayPal or Naspers. Forbes.hu-exclusive.

"It was an MBA course in Minnesota, but I could only do it from Warsaw because I also had to run the company," Tomasz Czechowicz tells Forbes.hu. The Polish private equity investor kept JTT Computer in its prime until the end of the nineties, co-founding Europe's largest Commodore importer without involving external capital. Later, of course, with the death of Commodore, they started assembling PCs themselves, according to Tomasz, he was "the guy who taught the Poles how to use a computer" and who sold millions of Commodores, Ataris and PCs in the country.

The professor flew from California to the mentioned course to give the class, and he brought JTT to the students as one of the case studies.

"So me," laughs Tomasz. "He said it's a \$250 million business." I told him from the bench that it was only 80, not 250."

The biggest insider in the region

In 1998, he established his investment fund, MCI Capital. Today, they manage 600 million euros in assets, not 80 or 250. According to Forbes Poland, it is the 86th most valuable Polish company. Tomasz has always had a great love for IT, but in addition to coding or tinkering, he also had an entrepreneurial inclination and a desire to build.

"Obviously it feels good to be rich or successful, but I've always been driven by big things and transformations."

According to a domestic transaction consultant, he is "the biggest insider in Central and Eastern Europe". "He's been on the field for 25 years. It's done, that's all, I won't do anything differently" - that's all Tomasz can add. There were companies that were acquired up to 17 years later than when they were approached for the first time. They are in contact with almost all regional consultants or active private and venture capital investors. A tech-focused team of twenty monitors the market and flies around the continent to take care of portfolio companies or negotiate new transactions.

In 1998, Tomasz was lucky enough to meet several well-known venture capitalists, such as the late founder of IDG Ventures, Patrick McGovern. They helped him understand why, at the dawn of the Internet, where everyone wanted to get in on the act, it was worth being involved in several businesses at the same time, and thus managing risk. That's when he decided to take half a million dollars from JTT and create his own fund, becoming the first tech-focused investor in the region, now with an emphasis on e-commerce, fintech and software services.

You have to drive for the big champions

In parallel with digital development, their first investments brought them an amount of ten million euros on the Polish stock market. As early-stage companies produced more and more stable business and cash flow, MCI also changed from a venture to a private equity fund, which sells its companies to corporate giants such as Intel, PayPal or Naspers.

Between 2018 and 2022, they closed exits worth nearly one billion dollars, their portfolio decreased from 45 to 12 companies. According to Tomasz, covid has subsided, interest rate cuts have started in the region, and the market is slowly correcting itself. Little by little, you don't have to worry about company valuations that are too low or too high, you can drive to new investments with greater courage or sit at the table for higher exits. Answear has been planning to quit for a long time, as they admit that they no longer add value to the online fashion store. However, the 70 percent growth rate in the first half of the year was simply not on par with the company's value, but they complained the same about their other stock market interests, this is not the best time for exits or IPOs.

Now, however, they trust the cyclical nature of the market and the return of better conditions and conditions, so they plan to go shopping. "Between 2023 and 2025, we would go ahead with about 10 new investments with a total value of 300-450 million euros. In the coming years, we would make at least one Hungarian investment," MCI partner Filip

Berkowski summarizes the plans for Forbes.hu. MCI has been active in our country for twenty years, and its former portfolio companies (ABC Data, Invia, Mall.hu) also operated here. Currently, they have a minority stake in Netrisk (75 percent owned by the American private equity company TA), and through the Polish IAI e-commerce platform, they are the majority owners of Shoprenter.

"The Central Eastern European market is quite specific compared to the Western European or the American market," explains Tomasz. - It is easier for you to raise a global champion from larger markets. Here, on the other hand, you have to select the biggest ones from each country, those who can cross the national border, you have a chance to make them regional champions.

We are happy to pay more for them, it is not our strategy to invest with a company valuation of 20-30 million euros."



Tomasz Czechowicz (MCI Capital): Sport rhymes perfectly with the essence of private equity investments. You have to think in the long term, you have to avert crisis situations. Photo: Dariusz Iwanski

We are not afraid of the lack of political connections

They are already negotiating with a potential Hungarian party, but Tomasz did not reveal any more specifics. Yes, that "we are not afraid of the Hungarian economic environment despite the lack of political relations".

"The digital sector, with the exception of media and telecommunications, but taking into account e-commerce or fintech, is generally independent of politics," he continues. "We haven't really experienced political or regulatory pressure in this area."

He speaks less openly about the recent election results of his own country - that is, about the fact that the right-wing, populist, nationalist Law and Justice (PiS) will be replaced by a pro-union government. "Poland is a very democratic country and nation, as evidenced by the recent elections. It is a problem for many people to have a strongly right-wing government ruling over them, as the current results show." In any case, the capital market is happy, even the price of medium-sized securities on the Warsaw Stock Exchange jumped a lot after the election result. Investors expect more market-friendly governance.

MCI has selected several other Hungarian stories in recent years.

In the end, Prezi would have been "too expensive" for them to enter, and Szallas.hu was snatched away from them by another Polish company, Wirtualna Polska. On the other hand, they believe that Netrisk is exactly the champion Hungarian story they are looking for in the future. The local insurance portal of a small country would not be able to succeed in the too large Western European markets, but in the small and medium markets of the area (Austria, Czech Republic, Slovakia, Poland, Baltic countries) it performs well, and there is still potential for expansion in the region.

It cannot work without immigrants

In the online interview, we also touch on Tomasz's athletic self, he is a regular ultramarathon runner and has also been actively climbing for a few years. "Both sports rhyme perfectly with the essence of private equity investment. You have to think long-term, you have to pay close attention during the competition, you have to avert crisis situations."

As a former venture capital investor, he now sees that the successful startup nations where immigration and the inflow of knowledge capital are also greater, see the example of Estonia with Skype and Bolt, are not in vain.

"Poland has received a lot of money for the development of venture capital in recent years. However, the new unicorns also require as many talents from as many nations as possible to meet, to create something big, to interest global investors, and to reinvest the wealth created in this way into new success stories.

The ecosystem of countries with more homogenous societies has weakened in recent times" Tomasz thinks.