Spotlight: MCI Capital - A listed disruptive tech-focused PE fund in CEE

Raiffeisen Research

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MCI Capital is the only listed private equity company and the largest digital private equity firm in CEE with total of approx. PLN 3.0 bn (EUR 700 mn) gross AUM. The regional focus is clearly on CEE and Poland. Thanks to equity capital of PLN 2.1 bn, the company is not dependent on regular cyclical fundraising. The group targets companies with promising business models, such as the provision of digital infrastructure to support the transition to a more data-driven economy. This includes investments in companies in the areas of e-commerce, fintech, insurtech, payment processing, medtech, edtech and software as a service (SaaS). The MCI Group had a strong liquidity position of PLN 447 mn as of YE 23.

Key developments since our last report:

1. Sale of Gett to the Pango Group, providing c. USD 25 mn in liquidity to MCI funds
2. Paweł Borys, an experienced finance professional joined MCI
3. Realisation of three new SaaS investments: Webcon, Focus and Profitroom
4. Morele partnered with a local bank to build a disruptive marketplace for clients
5. Upper market e-commerce merchant segment is benefiting from IAI's solutions
6. Netrisk Group's key shareholder could soon initiate the sale process

Last close price (21.6.2024)	25.80	Currency	PLN
Year high/low	18.35/29.00	Index	sWIG80
Shares outstanding eoy (mn)	52	Primary Exchange	GPW
Market capitalisation (in EUR mn)	316	ISIN code	PLMCIMG00012
Free float (%)	19	Bloomberg	MCI.PW
Free float (in EUR mn)	60	Reuters	MCI.WA
PLN/EUR	4.29	Website	www.mci.pl

Source: Bloomberg, RBI/Raiffeisen Research

Key financials

Income statement (PLN mn)	2022	2023	LTM 24	Per share data (PLN, 12m)	2022	2023	LTM 24
Gain on certificates	158	209	214	EPS	2.7	3.1	3.3
Investment profit	157	231	235	Book value	36.5	39.7	40.0
PBT	113	166	172	Dividend	0.7	0.0	0.0
Net profit a.m.	143	165	171	Dividend, % of Equity	1.9%	0%**	0%**

Balance sheet (PLN mn)	2022	2023	Q1 24	Valuation (x, 12m)	2022	2023	LTM 24
Gross AUM*	2,654	2,994	2,968	P/E	5.9	7.8	7.6
Investments	2,155	2,291	2,314	P/BV	0.4	0.6	0.6
Shareholders' equity	1,916	2,081	2,097	Dividend yield	4.4%	0%**	0%**
Net int. bearing debt	252	237	242	EV/EBIT	8.0	7.8	7.8

**Gross AUM defined as total AUM (inc, all funds) + financial commitments; **Buybacks of PLN 55.4 mn and PLN 36.2 mn in FY 23 and FY 24 respectively, i.e. 4.7% and 2.3% of share capital (for details please see section Corporate governance)*

Source: MCI Capital, Bloomberg

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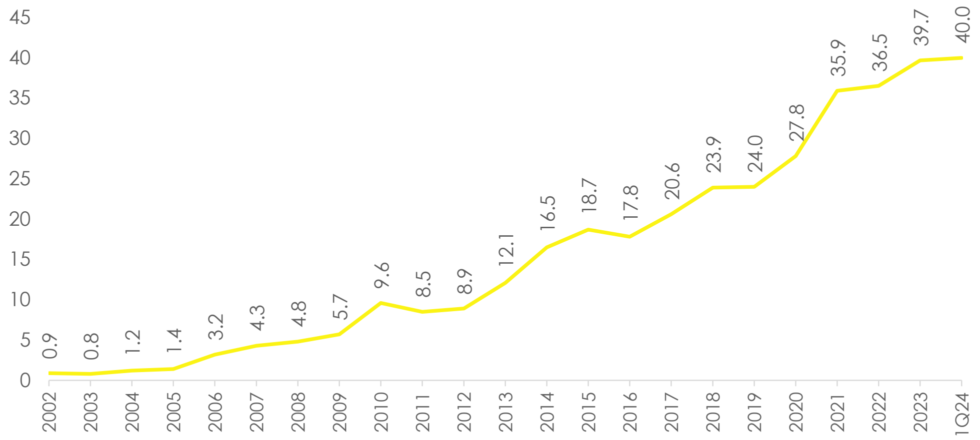
Company profile

MCI: a leading tech/digital investment company in CEE

MCI is a private equity firm listed on the Warsaw Stock Exchange with a clear focus on digital business models and digitalisation enablers, such as telcos, data collectors, processing centres and logistics infrastructure for e-commerce. With total assets under management (AUM) of around EUR 700 mn (as at December 31, 2023), MCI is one of the leading tech/digital investment company in the CEE region. MCI was founded in 1999 and can leverage its long-standing expertise in the technology and digitalisation sectors, which is reflected in an impressive CoC (cash on cash return) of 2.6x and a realised internal rate of return (IRR) of 28% since 2012 for the buyout and expansion strategy. MCI has successfully executed IPOs (e.g. Answear) and public-to-private transactions (e.g. IAI, ABC Data) and has achieved impressive growth over the last years, with net asset value (NAV) growing at a compound annual growth rate (CAGR) of 20% since 2002. MCI currently has a market capitalisation of approximately PLN 1,353 mn (EUR 316 mn) and the free float is 19%. The company is led by CEO Tomasz Czechowicz, a well-known Polish entrepreneur and PE investor.

Historical NAV/S development (2002-Q1 24)



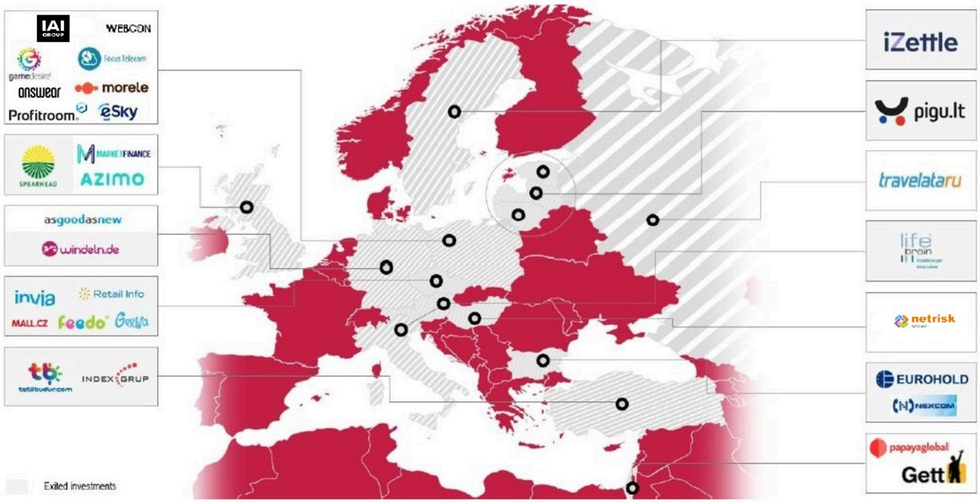
Note: In PLN

Source: MCI Capital, RBI/Raiffeisen Research

Clear focus on digital business models and enablers in CEE, SEE and DACH

MCI Capital targets investments in digital business models such as e-commerce and marketplaces, fintechs, insurtechs, payments, gaming, media, medtech, edtech and SaaS as well as enablers like telcos, data collectors, processing centres and logistics infrastructure for e-commerce. The regional focus is clearly on CEE, but SEE and DACH markets are also of interest. The size of the equity tickets for the expansion or buyout of a single project is usually between EUR 25 and 100 mn and MCI acts as lead investor or participates in syndicates with other PE firms and, according to the company, aims for up to three deals per year. Target KPIs for investments are an EV of EUR 50-250 mn, a positive EBITDA of roughly EUR 3-30 mn and an organic growth rate of approx. 20-50% p.a. The companies should hold a top 3 market position and have the potential to become market leader through organic or inorganic growth. In the past, MCI has also invested in private debt and venture capital, but is not making any new investments in these areas and is focussing on divestments.

Focus on CEE and selected Western European investments

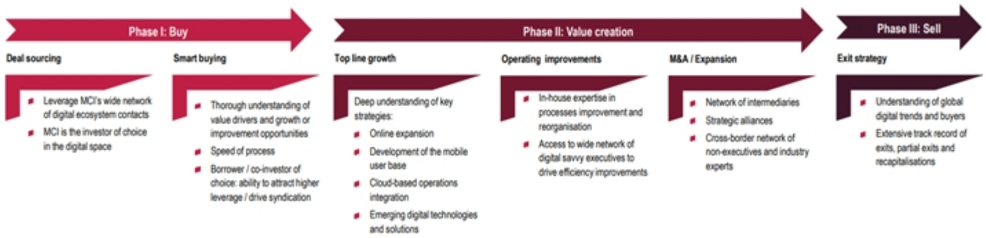


Source: MCI Capital

In-house expertise and a strong network of advisors as key characteristics

One of MCI's most important features is its concept of comprehensive support for the management teams of its portfolio companies. MCI acts as an industry partner based on its internal industry know-how and expertise in process improvement and reorganisation as well as its access to a network of digital and sector experts.

MCI Group value chain



Source: MCI Capital

Ready to allocate up to PLN 2.0 bn for new investments

The current economic weakness and geopolitical situation in the CEE region offers an opportunity for new investments at attractive valuations. For this reason, MCI Capital is willing to invest in buyouts and buy from venture capital funds, private equity companies and strategic sponsors in public-to-private and public-to-private equity transactions. In the period 2024-2026, the company plans to allocate between PLN 1.5 bn and PLN 2.0 bn in c. 10 investments, on average around PLN 150-200 mm per investment. With this investment strategy in place since 2017, MCI has achieved a return of 26% per year on the active portfolio in the past. In addition, MCI is currently also building a pipeline of commitment financing (worth approx. PLN 465 mn as at March 31, 2024) to be able to flexibly increase the dynamics of new investments.

Climate-tech as future economic growth engine

The term climate-tech refers to technologies that reduce the negative impact of greenhouse gases, waste and pollution while promoting sustainable development and economic growth. This includes measures such as extracting existing carbon from the atmosphere, reducing future emissions or improving our ability to withstand the effects of climate change. According to Bain, Dealogic and Pitchbook, private equity and venture capital funds have made over 2,000 investments in climate and related technologies globally since 2017 and could drive economic growth over the next 25 years.

In addition to the historical focus of its investments in e-commerce, fintech, SaaS and digital infrastructure, MCI Group is also actively developing the climate-tech/deeptech and digital entertainment sectors, where it aims to be an active investor in these fast-growing industries. It is prepared to invest up to 20% of available funds in climate-tech. Moreover, MCI already has a circular economy company in its portfolio - AsGoodAsNew (AGAN), which is part of the MCI.TV fund. The company sells new and refurbished electronic devices. AGAN buys the devices from B2C and B2B customers, refurbishes them in its facilities in Frankfurt (Oder), Germany, and then sells them to its customers. The selling price for the electronic devices depends on the degree of refurbishment.

SWOT analysis

Strengths/Opportunities

- Leading listed PE company with a focus on the attractive digital segment in CEE
- Track record of solid returns above industry average (28% IRR)
- Focus on sizeable, established companies with positive EBITDA limits risks compared to e.g. venture capital companies
- Ability to assist portfolio companies in scaling business models without the fund having to incur significant additional expenses
- Well prepared to make new investments at the current attractive market timing thanks to a high liquidity position (YE 23)
- Opportunity to gain exposure to attractive PE asset with higher liquidity, no minimum investment amount and no capital calls, unlike traditional direct investments in PE

Weaknesses/Threats

- PE companies face exit risks in terms of timing and pricing
- A high proportion of liquid assets (i.e. cash) may result in cash drag and have a negative impact on net asset value IRR
- Weakening macro momentum weighing on business and consumer confidence in the short- to mid-term
- Not all published financial statements are available in English
- Low stock liquidity based on average trading volume due to a relatively limited free float of around 19%
- Portfolio valuation mostly done internally (but audited by EY and verified by Depositary Bank)

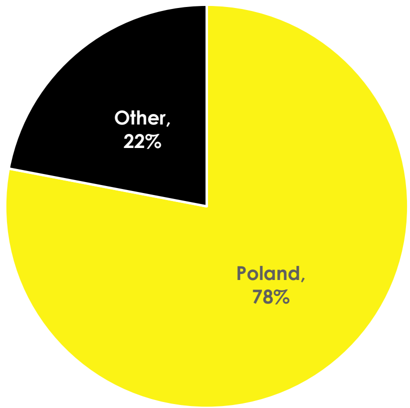
Key funds

MCI holds its investments through investment certificates in funds managed by the company. The investment certificates are held by MCI as well as external investors. The focus of the MCI portfolio is on the MCI.EuroVentures 1.0 fund, which accounts for 93% of the total investment certificates (as of Q1 24). MCI.TechVentures 1.0 accounts for 7% of the total investment certificates and is currently in the divestment phase. A small fraction of less than 1% relates to the InternetVentures fund, which the company originally intended to fully liquidate by the end of 2023, but the liquidation process has taken a little longer and the company now expects it to be completed by the end of Q2 24. MCI owns almost 100% of the total outstanding certificates of MCI.EuroVentures 1.0 and 48% of MCI.TechVentures 1.0. The company's plans envisage that MCI.TechVentures 1.0 will be gradually sold by 2024 (or by 2026 in the event of an extension) and that an exit from the investments is therefore planned in the coming years. The investment certificates of the funds are recognised at fair value. Further information on the valuation of investments can be found in the section “Companies valued internally but audited semi-annually.”

MCI.EuroVentures 1.0

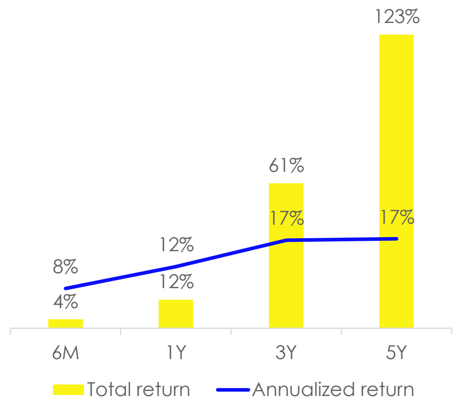
MCI.EuroVentures 1.0 is a fund that focuses on acquisitions of medium-sized companies that are leaders in the digital market and digital ecosystem. These primarily include eSky, IAI, Netrisk Group, Pigu Hobby Hall Group and Webcon. MCI holds a 99.5% stake in the fund, which includes investments in areas such as software as a service, e-commerce, fintech/insurtech companies and other digital companies with EBITDA in the target range of EUR 3-30 mn. With a very strong return of 123% (17% p.a.) over the last five years, the fund has a performance history that is broadly in line with the recent past (3-year return 61%, 1-year return 12%; Series A). The 10-year IRR is 20%. The most recent additions to the fund include Focus Telecom, a leading player in the Polish communications services sector and Webcon, a leading Polish producer of "low code Business Process Automation" software. In April 2024, MCI.EV entered into a preliminary conditional agreement for the purchase of 65% of Profitroom shares for a total price not exceeding PLN 190 mn, subject to the fulfilment of certain conditions. Profitroom is a leading premium booking platform for hotels and resorts.

Geographical breakdown (FY 23)



Source: MCI Capital

Rates of return (%, FY 23)*



**certificate series A*

Source: MCI Capital

MCI.TechVentures 1.0

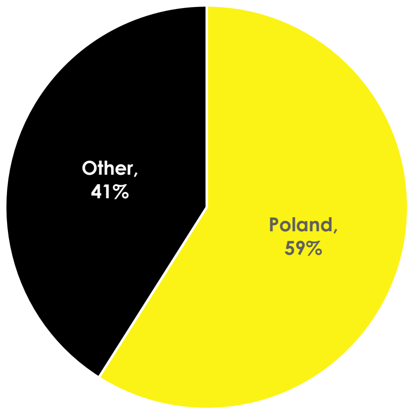
The second sub-fund, whose certificates are held by MCI Capital ASI S.A., is MCI.TechVentures 1.0, which pursues a venture capital strategy (focussing on e-commerce, fintech, software as a service and AI). MCI.TechVentures is currently in the divestment phase and is heading for liquidation, which is scheduled to begin on September 16, 2024. The MCI Group is discontinuing its investments in this type of strategy. At the end of Q1 24, the net assets of MCI.TechVentures totalled PLN 349 mn, of which PLN 168 mn (approx. EUR 40 mn) was attributable to MCI. The share of MCI.TV in MCI Group's assets is insignificant and amounted to 7%.

The most important investments in MCI.TechVentures portfolio are: i) Morele Group (c. 33% of MCI.TV's net assets) - a company that is being prepared for an IPO in 2025/2026; ii) Answear (c. 29% of MCI.TV net assets) - a company listed on the Warsaw Stock Exchange; iii) Gett (c. 10% of MCI.TV's net assets) - a company exited in May 2024 despite a difficult environment in Israel (conditional sale agreement signed, the implementation of which is subject to the granting of antitrust approvals by the Israeli Competition Authority). MCI.TechVentures NAV adjusted for the valuation of the main portfolio companies

(Morele, Answear and Gett) amounts to PLN 98 mn and represents only a small portion of MCI's NAV (2%).

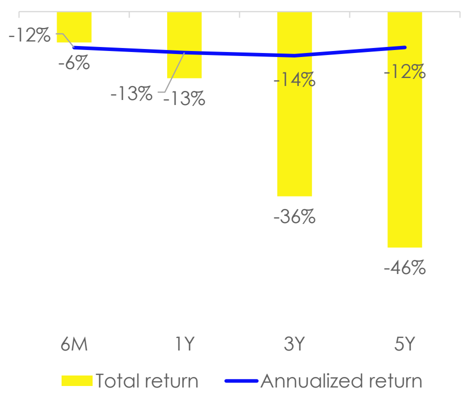
The MCI.TechVentures fund achieved a return of -46% (or -12% p.a.) over the last 5 years, -36% (-14% p.a.) over the last 3 years and -13% over the last 12 months (based on Series O). As at December 31, 2023, the IRR of the fund over the past ten years was 3%. MCI.TV's results are in line with the general downward trend of VC funds worldwide. Additionally, in case of MCI.TV, the underperformance of the sub-fund was mainly caused by the following factors: i) investments in Israel and Russia, which led to a significant decrease in the value of the sub-fund due to the emergence of geopolitical risks (Gett/Travelata); and ii) the general downward trend in the valuations of portfolio companies in the venture capital segment (change from revenue-based multiples to EBITDA-based multiples and a significant reduction in multiples as a result of macroeconomic situation). MCI Capital expects to exit all MCI.TV portfolio companies by 2028.

Geographical breakdown (FY 23)



Source: MCI Capital

Rates of return (%, FY 23)*



**certificate series O*

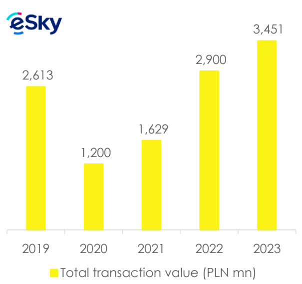
Source: MCI Capital

Selected investments

eSky (MCI stake: 57%)

eSky is the leading Polish online travel agency (OTA) for air travel and a global challenger in the TravelTech segment with dynamically growing its dynamic travel packages sales. In the air travel segment, eSky is known for its state-of-the-art booking platform, which offers its customers full flexibility in providing additional services, e.g. virtual interlining, insurance, automatic check-in, etc., as well as adding adjacent products such as hotels, car rentals or transfers.

Financial highlights



Source: Company filings

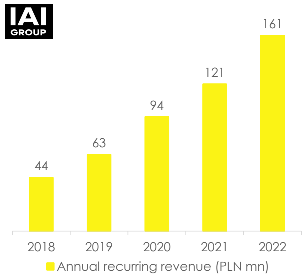
eSky is one of the early adopters of New Distribution Capability (NDC) and sources most of its content directly from airlines. In March 2024, a historic agreement was signed with Ryanair, giving eSky direct access to Europe's largest airline. MCI expects to further expand the flight segment through a buy-and-build strategy. ESky is utilising its flight procurement capabilities and state-of-the-art technical equipment to expand its dynamic holiday packages in the CEE region. Dynamic holiday packages combine the entire travel experience (flight, hotel, transfer, activities at the destination) in one product without the need for working capital compared to traditional tour operators. If the rumoured acquisition of ThomasCook is confirmed, eSky could further strengthen its commitment to this product. The company has been part of the MCI.EuroVentures 1.0 portfolio since 2022, and this acquisition was one of the only three transactions in the CEE mid-market

Digital segment in 2022. The exit is currently planned for 2026 and MCI valued the company at PLN 453 mn as at YE 23 (representing a 21.6% share in MCI Group's total NAV).

IAI Group (MCI stake: 51%)

IAI (platform brand Idosell) is Poland's largest e-commerce enablement platform for merchants, operated according to a Software-as-a-Service (SaaS) model. It serves around 7,000 stores in Poland and through the acquisition of Shoprenter (in July 2021), IAI has expanded internationally and has also become the market leader in Hungary. The company offers a wide range of services, including the creation and customisation of e-commerce stores, integration with various marketplaces and e-commerce solutions, as well as value-added services such as lead generation, payment and logistics brokerage.

Financial highlights



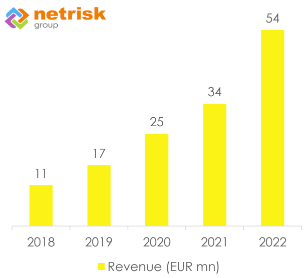
Source: Company filings

Thanks to dynamic organic growth and IAI's strategic acquisition of AtomStore at the end of 2023, the company reported EBITDA growth of 30% in 2023. The successful revision of IAI's subscription model and the increase in penetration of value-added services would enable further improvement in GMV monetisation and revenue growth. At the same time, management is focussing on the development of IAI solutions for improved cross-border functionality. Additional organic growth initiatives have been identified in the areas of payments and marketing services. Potential new add-on acquisitions in Poland and abroad also remain part of the development agenda. The company is part of MCI.EuroVentures 1.0 and an exit is planned for 2024/2025. At YE 23 MCI valued its stake in the company at PLN 441 mn (representing a 21.1% share in MCI Group's total NAV).

Netrisk Group (MCI stake: 15%)

Netrisk Group is a leading Central European online insurance broker, operating online platforms across Central and Eastern Europe for the comparison and distribution of motor and other insurance policies as well as certain non-insurance products, including retail loans, energy and telecommunication contracts. The company is the market leader in Austria, the Czech Republic, Hungary, Lithuania, Poland and Slovakia. The acquisitions of the Lithuanian Edrauda and the Austrian platform Durchblicker.at were completed in 2021 and Q1 2022, respectively.

Financial highlights



Source: Company filings

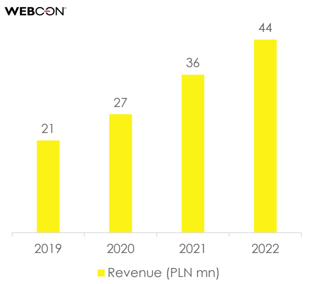
In December 2023, the Netrisk Group completed the transformative merger with the online comparison sites of the Bauer Media Group, creating a major player in the European online insurance market with access to 80 mn consumers in its core markets. According to MCI, the merger made Netrisk Group the leading player in each of the six CEE countries, nearly doubling its size in terms of revenue and total addressable market as well as significantly increasing the Group's EBITDA. The merged company will now focus even more on effective organic growth through the centralisation of group functions and synergies between the recently acquired and merged companies. Although the financial statements for 2023 are not yet publicly available, MCI Capital stated that Netrisk recorded double-digit organic growth in 2023 (vs. 2022 when total EBITDA of the group amounted to EUR 18 mn), which is in line with developments in the broader insurance sector in the region, supported by better policy sales volumes, rising motor third-party liability insurance premiums and an acceleration in sales of municipal services and travel insurance. Netrisk is part of the MCI.EuroVentures 1.0 fund and MCI completed a partial exit in January 2020, with the exit of the remaining stake planned for 2024/2025.

MCI valued its stake in the company at PLN 287 mn as at YE 23 (representing a 13.7% share in MCI Group's total NAV). In June 2024, Mergermarket reported that TA Associates, a key shareholder of Netrisk Group, had engaged an advisor to explore the sale process, with initial valuation expectations reported north of EUR 500 mn.

Webcon (MCI stake: 65%)

On November 27, 2023, MCI acquired a 65% stake in Webcon, a leading Polish producer of "low code Business Process Automation" software. Webcon's solution enables businesses to easily automate their workflows without the need for coding. The Webcon platform is able to automate a wide range of back-office processes and launch a customised business application almost instantly, without the need for IT resources.

Financial highlights



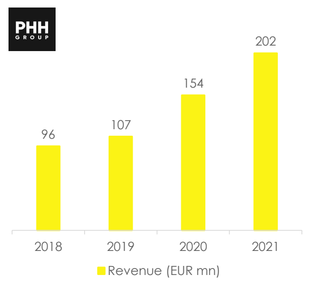
Source: Company filings

The Webcon platform is sector agnostic and is suitable for large and medium sized enterprises. The company is currently focusing on expanding its sales capacities in both Poland and the DACH region, while adding new functionalities to the core platform, such as ESG reporting, KSEF (the national e-invoicing system), AI integration and HR, to address broader customer segments. Opportunistically, Webcon considers additional acquisitions that may expand its offering portfolio or market reach. MCI plans to exit this investment in 2028 and the stake in the company was internally valued at PLN 163 mn as at YE 23 (at acquisition cost, representing a 7.8% share in MCI Group's total NAV).

PHH Group (MCI stake: 23%)

Pigu Hobby Hall Group (PHH) is a leading e-commerce platform in the Baltic countries with a growing presence in Finland. MCI invested in the company together with Mid Europa Partners in 2021 to consolidate the e-commerce market in the Baltics and further develop its operating model by capitalising on the absence of local and international players such as Allegro and Amazon. According to MCI, the marketplace part of the business has recorded a CAGR of 60% since 2021, driven by a growing number of merchants from Europe and the expansion of the product range.

Financial highlights



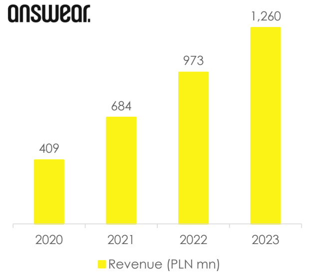
Source: Rekvizitai.lt; company filings

PHH is working on the further martetplace roll-out in the Baltics and Finland, supported by a complementary first-party (1P) model. In a 1P model, the company acts as its own seller on its platform. In the third-party (3P) model, the company operates a platform on which other companies sell their products. Furthermore, the company has strengthened the management team and implemented several operational initiatives to improve cost efficiency and secure further sales growth, such as a dedicated marketplace team for the Finnish market, technical integrations with marketplace enablers such as Baselinker and tailoring the product offering to the 4P model mix. Valued internally at PLN 129 mn as at YE 23 (representing a 6.2% share in MCI Group's total NAV), the company is part of the MCI.EuroVentures 1.0 portfolio, with an exit planned for 2027. In September 2023, the European Bank for Reconstruction and Development (EBRD) and other shareholders, including majority shareholder MidEuropa, invested in the company within a financing round totalling EUR 20 mn. MCI participated with an investment of EUR 4.3 mn.

Answear (MCI stake: 24%)

Answear is one of the fastest growing fashion e-commerce platforms in Europe and one of the largest CEE multi-brand apparel retailers. Its offering includes more than 500 global brands and 100,000 products; the company is also launching its own label. Answear has experienced a staggering sales growth of 84% since YE 21, well above the growth rates of its main competitors such as Zalando, Boozt or ASOS. The company also achieved positive EBITDA in 2019 and 2020 before going public in January 2021 with a partial exit of MCI.

Financial higlights



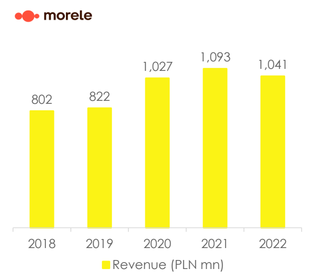
Source: Company filings

Answear raised PLN 29 mn in the public offering of series L shares in October 2023, mainly to be used for the development of the new PRM brand. On April 19, 2024, Answear opened first PRM concept store in Warsaw. In its latest outlook, management stated that it expects consumer sentiment to improve in H2 24. After initial investment in new store opening in Q1, the company expects PRM to reach a breakeven point by YE 24. Answear aims to expand the product offering and to conduct wide-reaching advertising campaigns (focusing on spring and autumn). The company stated that H1 24 should be characterised by increased marketing spend in all 12 Answear markets, which suggests pressure on profitability in Q2 24. The exit is currently planned for 2025 with the company's stake valued at PLN 137 mn as at YE 23 (representing a 3.8% share in MCI Group's total NAV). The company is part of the MCI.TV and MCI.EV funds. Answear is also included in the coverage universe of RBI Institutional Equity Research.

Morele (MCI stake: 52%)

Morele.net is a leading multi-category e-commerce platform in Poland, combining the best of first-party and third-party models. The company was established in 2004 and is successfully managed by its two founders. The company is expanding its product portfolio and augmenting product categories. It is also aggregating digital brands and distributing them through own e-commerce platform and various marketplaces in CEE and Western Europe. The group benefits from the relatively low penetration of the Polish market by global players such as Amazon and eBay.

Financial highlights



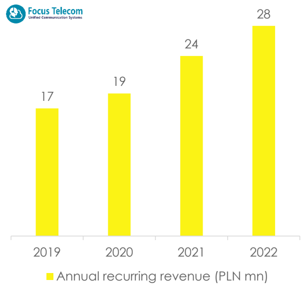
Source: Company filings

According to MCI, Morele is maintaining EBITDA levels in line with budget by rationalising its cost base and managing GMV dynamics to ensure financial stability and liquidity in a difficult market. Concurrently, the company has been actively expanding private label sales and exploring acquisitions to expand its higher-margin product range. In Q4 2023, the company acquired the 4Swiss brand, which is known for kitchen and lifestyle appliances. In March 2024, the company announced a partnership with a local Polish bank to jointly develop an e-commerce platform. As part of this cooperation, Morele's offer will soon be available in the mobile banking application, reaching 3 mn customers. The company is part of the MCI.TechVentures 1.0 fund and the exit is planned for 2026. MCI valued its stake in the company at PLN 95 mn as at YE 23 (representing a 2.2% share in MCI Group's total NAV).

Focus Telecom (MCI stake: 80%)

Focus Telecom Polska is the largest provider of cloud contact center solutions, customer experience management and business communications services in Poland. As the largest provider of such services in the country, the company has positioned itself at the forefront of innovative solutions for business communications. With its focus on Software-as-a-Service (SaaS) models, Focus Telecom fits perfectly with MCI's investment criteria.

Financial highlights



Source: Company filings

For this reason, MCI invested PLN 80 mn in December 2023 for an 80% stake in the company (MCI was previously a minority shareholder through VC fund, i.e. Internet Ventures). MCI Capital announced that Focus Telecom delivered strong financial results in 2023, meeting budget expectations for both revenue and EBITDA. The business is cash generative and has attractive unit economics. A new CEO, Daniel Szcześniewski, and a new Chairman, Piotr Sieluk, joined the company in January. Both previously worked for MCI (at Atman, a major player in the data centre industry and MCI's most successful investment to date). The company's growth strategy comprises both organic development and the acquisition of attractive market players. The exit is envisaged in 2028 and MCI internally valued its stake in the company at PLN 80 mn as at YE 23 (representing a 3.8% share in MCI Group's total NAV).

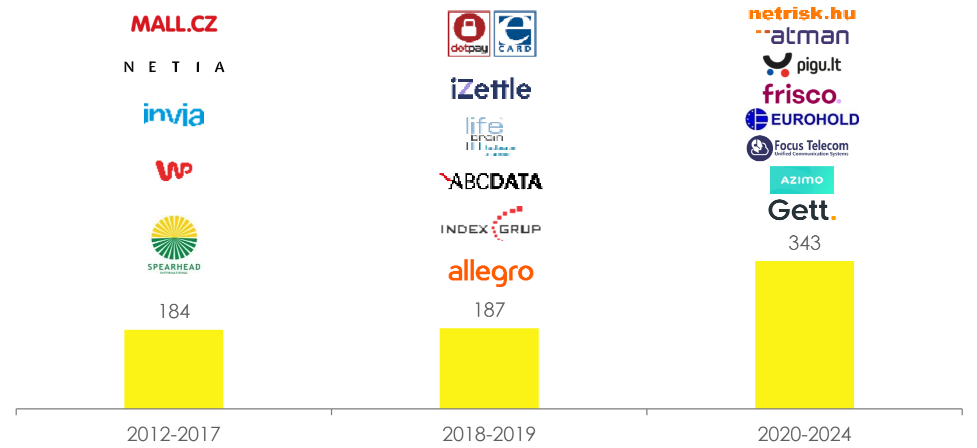
Companies valued internally but audited semi-annually

Investments are valued internally by MCI in accordance with best practise and generally accepted accounting and valuation methods for public and private equity funds. The valuations are audited semi-annually by EY and verified by the Depositary Bank. After the acquisition, the investment is initially recognised at cost for a period of one to two years. In subsequent periods, MCI uses valuation methods based on multiples to adjust the value of its investments. The multiples are based on companies that are comparable in terms of their business model, and companies from different countries (including the USA, etc.) are considered for inclusion in the respective peer group. In general, MCI applies a liquidity discount (approx. 15%) to its valuations and in certain cases additional discounts are applied due to specific (country/regional/internal) risk factors affecting the valuation. For the companies in the MCI.EuroVentures 1.0 fund, most of which are profitable on an Earnings before interest, taxes, depreciation and amortisation (EBITDA) basis, an EV/EBITDA multiple (enterprise value to EBITDA) is applied. As many of the MCI.TechVentures 1.0 investments are not yet generating fully developed EBITDA over the last 12 months, as the fund is more focused on earlier stage investments, mainly EV/sales and EV/gross margin multiples are the predominant valuation (however, for some of the MCI.TV companies the valuation methodology may be changed to EV/EBITDA multiples in the future as they are expected to be transactional on an EBITDA basis on exit). MCI's exits most accurately reflect the prudence of its valuations, as the realised exits (details are shown in the table below) were mostly above the last book valuations. MCI.TV's NAV attributable to MCI Capital is around 8% of total NAV.

Track record and planned exits

In terms of exits, the MCI Group has a strong track record. Since 2012, the company has completed 12 major exits (excluding Tatilbudur, which was a smaller transaction) from its buyout and expansion portfolio – most of these companies were under MCI's control or held as joint ventures. The median exit value was EUR 36 mn, while the total volume over the period equalled to around EUR 619 mn. It is worth noting that in the past, the multiples realised on exits from investments were always higher than the internal investment valuations. The current portfolio includes a mix of companies with a healthy financial position that does not require any significant additional expenditure by the fund. We would like to highlight that "Gross IRR" is defined as gross internal rate of return before deduction of any management fees which may be substantial in aggregate. The sum of realised exit transactions since 2012 is over EUR 700 mn (including also non-buyout/expansion deals like Frisco, Allegro, Eurohold).

Realised exits amounts 2012-2024 (EUR mn)*



**Converted with PLN/EUR FX rate of 4.4*

Source: MCI Capital

Reflected in a strong track record with +100 completed investments, the realised return of the selected historical exits with IRR of 28% and MoIC of 2.6x in the table below is slightly higher than the benchmark that private equity firms are currently aiming for. According to a survey by Paul Gompers et al. (Private Equity and Covid, 9/2020), the median PE fund targets an IRR of 25% and a MoIC (Multiple on Invested Capital) of 2.5x. Furthermore, according to eFront report, a holding period of less than five years results in a gross multiple of less than two times the invested capital, while this increases and stabilises at more than 2.5x after five years, reaching a maximum of 2.6x for a holding period of nine to ten years. In this regard, MCI's median holding period of 3.2 years stands comparably in line with these findings.

Selected historical exits (buyout/expansion only)

Company	*Country*	*Control*	*Entry Date*	*Exit Date*	*Years held*	*MCI value (in EUR mn)***	*Gross MoIC*	*Gross IRR*
invia	CZ	Control	Apr-08	Mar-16	7.9	61	5.0x	41%
MALL.CZ	CZ	JV	Sep-10	Oct-12	2.1	37	4.1x	174%
WP	PL	JV	Jan-14	Dec-16	2.9	37	2.7x	54%
NETIA	PL	JV	May-14	Apr-15	0.9	38	1.1x	18%
life brain	AT	JV	Jun-15	May-18	2.9	33	1.7x	21%
iZettle	SWE	Minority	Oct-15	Sep-18	2.9	37	3.7x	62%
dotpay / eCard	PL	Control	Jul-15	Jan-19	3.5	59	3.1x	38%
ABCDATA	PL	Control	Nov-07	Jun-19	11.6	64	2.2x	12%
netrisk.hu	HU	Control	Dec-17	Jan-20	2.1	73	4.1x	104%
INDEX GRUP	TR	Minority	May-13	Apr-20	6.9	30	1.3x	7%
atman	PL	Control	Mar-16	Dec-20	4.8	116	2.8x	30%
pigu.lt	Baltics	Control	Jul-15	Mar-21	5.7	33	2.8x	20%
Total realized					**3.2***	**619**	**2.6x**	**28%**

**Median, **Converted with PLN/EUR FX rate of 4.4*

Source: MCI Capital

Portfolio with exit value between PLN 3.0 and 3.5 bn

MCI has an exit pipeline until 2028 with an estimated exit value of between PLN 3.0 and 3.5 bn, of which the largest part will be reinvested in the funds through two to three investments per year with a ticket size of EUR 25-100 mn. As private equity companies face exit risks in terms of timing and pricing, MCI regularly reviews its options and adjusts its exit plans accordingly. For this reason, we would like to point out that the planned exit pipeline should be perceived purely as indicative and is likely to change in the coming months. This dynamic structure of envisaged exits can be observed by comparing the table below with the ones in previous versions of **Spotlight reports** on MCI Capital. In 2023, MCI completed its exit from Gamedesire and received payment related to its exit from RemoteMyApp/Vortex (2nd tranche - escrow payment) as well as received dividends from Linxdatacenter and Focus Telecom investments. In addition, MCI currently has approximately ten active transactions in the pipeline and is targeting the completion of two to four transactions in the next six months.

Indicative exit plan*

*as of Q1 24

Source: MCI Capital

Market outlook

Supported by new technologies, industries and business models are constantly changing and replacing traditional businesses. In the face of accelerating disruption, responsible managers are forced to respond with an appropriate digital solution to remain competitive. Truly transformed companies have a digital infrastructure, digital processes and digital customers. The digital transformation has taken place across all industries in recent years and shows how society and the economy can be expected to develop in the future. Private equity helps to overcome this first hurdle when it comes to financing issues in the initial phase.

Although the valuations of e-commerce and tech companies have fallen significantly in 2022 due to a mixture of weaker macroeconomic conditions, rising interest rates and geopolitical tensions, fundamentally strong companies with solid business operations offer potential as soon as the macroeconomic situation and the situation on the capital markets normalise. This offers PE specialists the opportunity to make new investments at attractive prices with the aim of achieving high results in the coming years.

CEE market attractive for private equity firms

Compared to the EU-27 and Euro area average, the GDP growth rates observed in the CEE were historically higher. According to a recent analysis by RBI Research, the economy in the Euro area and CEE/SEE is expected to recover in 2024, driven by a rebound in consumer demand amid falling inflation, interest rates and high wages. Investment growth will continue to be supported by EU funds, while private activity in some countries should also surprise positively. In addition, inflation is expected to continue to fall in 2024, but could lose pace in the coming months.

Real GDP (% yoy)

Country	2022	2023	2024e	2025e	2026e
Euro area	3.5	0.5	0.5	1.5	1.3
Austria	4.8	-0.8	0.2	1.4	1.4
Bulgaria	3.9	1.8	2.5	3.5	3.5
Croatia	6.3	2.8	3.0	2.6	2.6
Czech Republic	2.4	-0.4	1.7	3.2	3.0
Hungary	4.6	-0.7	3.0	4.0	4.0
Poland	5.1	0.2	3.1	3.8	3.5
Romania	4.1	2.1	2.8	3.5	3.0
Slovakia	1.8	1.1	2.1	2.1	2.6
Ukraine	-28.8	5.7	4.9	6.5	6.0

Source: Refinitiv, Focus Economics, RBI/Raiffeisen Research

In the near term, the economic momentum is likely to remain sluggish, above all in the euro area and CE region. Sentiment indicators are slowly recovering overall, even though the manufacturing sector lags behind services. Moreover, a rather subdued growth in Germany could have negative repercussions for regional peers. This underpins our base case of a muted recovery this year. We see room for a recovery in consumer demand driven by resilient labour markets and ongoing disinflation. However, there are risks that consumers stay more cautious. In CE/SEE investments are expected to support growth, yet less so than in 2023, with risks coming from the gap in EU MFFs.

Unemployment (avg, %)

Country	2022	2023	2024e	2025e	2026e
Euro area	6.7	6.5	6.8	6.8	6.8
Austria	4.8	5.1	5.4	5.2	4.8
Bulgaria	4.3	4.3	4.2	4.2	4.2
Croatia	7.0	6.2	6.0	5.9	5.9
Czech Republic	3.4	3.6	3.8	3.6	3.4
Hungary	4.0	4.0	3.8	3.7	3.6
Poland	5.4	5.2	5.2	5.3	5.7
Romania	5.6	5.6	5.4	5.1	4.8
Slovakia	6.1	5.9	5.8	5.7	5.5
Ukraine	18.0	15.0	12.0	9.0	8.0

Source: Refinitiv, Focus Economics, RBI/Raiffeisen Research

Over the course of the year, we expect disinflation to continue, albeit more slowly than in 2023. Furthermore, there may be temporary upticks, which is why some economies (EA, HU, PL, RO) could stay above inflation targets in the short term. Moreover, high wage growth translates into some stickiness leading to uncertainty regarding the level at which inflation will finally settle. Wage increases continue posing upside CPI risks, whereas the faster-than-expected disinflation in 2023 underlines that there are also downside risks. The focus of interest rates markets lies on inflation persistence as well as the question of when and by how much rates will be cut in the coming quarters. Our economists expect further monetary easing in CE (with PL resuming in Q4 2024).

CPI inflation (avg, % yoy)

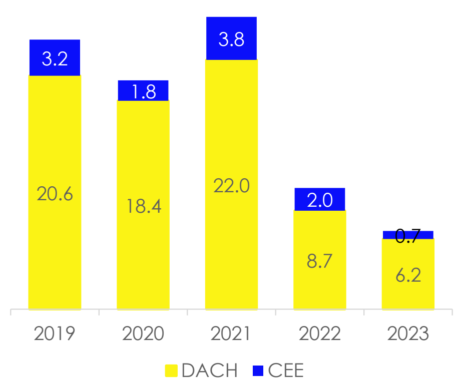
Country	2022	2023	2024e	2025e	2026e
Euro area	8.4	5.4	2.6	1.9	1.6
Austria	8.6	7.7	3.9	2.8	2.5
Bulgaria	15.3	9.5	3.3	3.2	3.0
Croatia	10.8	8.0	3.3	2.6	2.0
Czech Republic	15.1	10.7	2.4	2.3	2.0
Hungary	14.5	17.6	3.8	3.5	3.3
Poland	14.4	11.6	4.0	3.5	3.0
Romania	13.8	10.4	5.7	3.8	3.2
Slovakia	12.1	11.1	3.3	3.9	2.3
Ukraine	20.2	12.9	6.1	8.5	6.5

Source: Refinitiv, Focus Economics, RBI/Raiffeisen Research

Growing markets, centred in Europe, in combination with a large share of the EU population create an environment in which long-term investment decisions should be made. Over the years, a number of investments and value creation strategies were identified that aim to maximise returns based on the attractiveness of the CEE region. In particular, emerging and mature companies in the digital industry that are developing rapidly, where MCI is positioned as a leading private equity company with a strong track record of acquisitions and disposals. The mix of available human resources, the need for technical/digital developments, numerous government support programmes and a dynamic local environment leads to technological investment and innovation. Another issue that emphasises the attractiveness of the CEE region for investors is the implementation of ESG related topics in the strategic orientation of companies.

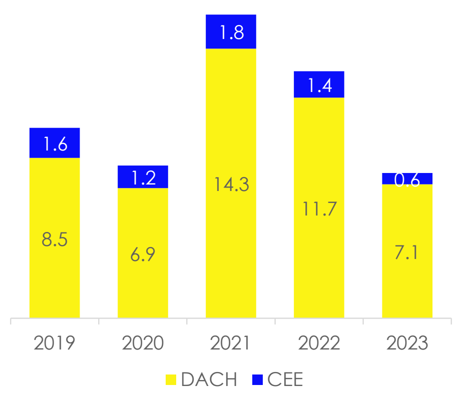
According to the Private equity activity 2022 report, the gap between allocated investments in the DACH and CEE regions remains quite large. Nevertheless, the CEE region represents an attractive opportunity for PE funds as they can benefit from relatively easy access to a large consumer market, specialised labour and significantly lower entry costs, but this is partly offset by the perception of higher risks and instability. After a decline in investment value in 2020 due to Covid-19, the total value of investments recovered in 2021, reaching an all-time high in both regions. In 2022, however, the high level of uncertainty in the global investment environment and increased volatility in the capital markets also impacted PE investments and the total value of funds raised in the DACH and CEE regions. These headwinds persisted in 2023 as well.

PE investments by region (EUR bn)



Source: Invest Europe

PE funds raised by region (EUR bn)

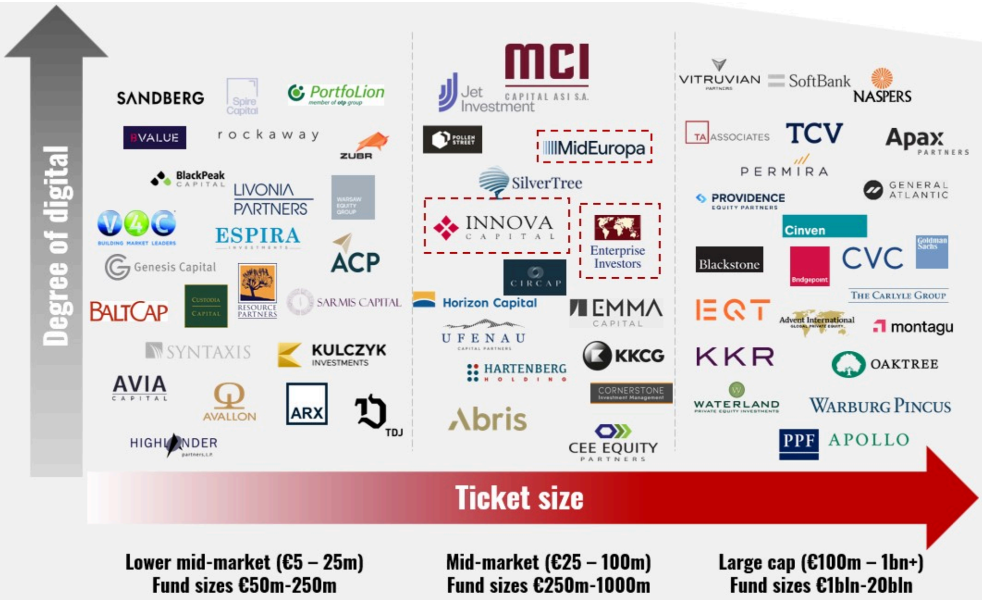


Source: Invest Europe

MCI is the only listed and the largest digital PE player

MCI Capital has several non-listed peers focusing on CEE, such as MidEuropa partners (its most recent fund is Mid Europa V with a size of EUR 520 mn according to S&P or EUR 800 mn according to the European Investment Bank; the fund invests in various industries), Enterprise investors (its most recent fund is Enterprise IX with recent first closing of EUR 120 mn and a target size of EUR 450 mn according to the International Finance Corporation; it invests in various industries) and Innova (its most recent fund is Innova/7 with a size of EUR 407 mn according to their website; it invests in various industries). According to MCI, their share by asset value in the region rose to around 30% which ranks them in first place. MCI Capital stands out in this peer group by being the only listed private equity firm in the region and the largest mid-market player in the digital segment.

Overview of active CEE private equity investors



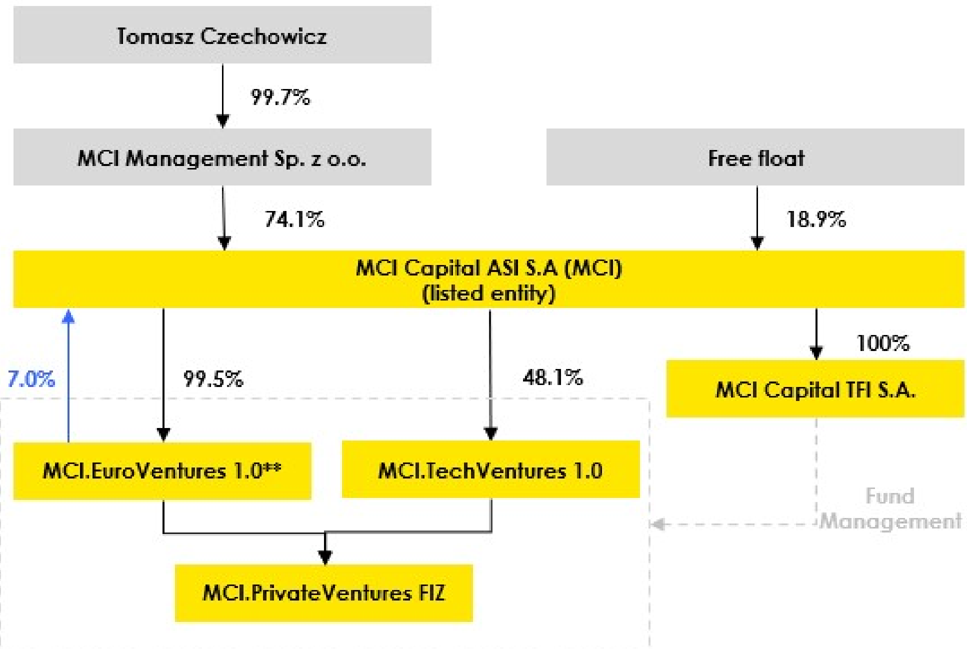
Source: MCI Capital

Corporate governance

Founded by current managing partner Tomasz Czechowicz

MCI Capital was founded in 1999 by Tomasz Czechowicz, who is still on board and acts as managing partner. He owns around 76.0% of the shares through MCI Management Sp. z o.o. In addition, a 4.7% stake is held by MCI.EV. The remaining 18.9% is in free float. The company's funds are managed internally through the wholly owned subsidiary MCI Capital TFI S.A. Investments in the funds are made through investment certificates. MCI owns 99.5% of the investment certificates of MCI.EuroVentures 1.0 and 48.1% of the certificates of MCI.TechVentures 1.0, with the remainder attributable to external investors.

Organisational structure*



*as of May 30, 2024; **MCI.EV holds 7.0% in MCI Capital ASI shares

Source: MCI Capital

Dividend policy

On March 30, 2023, MCI Capital changed its capital distribution policy for the years 2023 and 2024. While the company did not recommend the payment of a dividend for 2022, it instead introduced a new model for distributing funds to investors. This model allows shareholders to sell their shares in MCI Capital to an entity from the broader MCI Group at a premium to the market price (note the current NAV/S discount).

In May 2023, MCI.PV, which operates the subfund MCI.EV 1.0, invited investors to submit offers for the sale of shares in MCI Capital. MCI.PV received offers for the sale of 1,123,780 shares by external investors and 1,340,421 shares by MCI Management Sp. z o.o. As a result, MCI.PV acquired a total of 2,464,201 shares, representing 4.7% of the total number of shares in the company, for a total consideration of PLN 55.4 mn. The settlement of the offers took place on June 7, 2023.

In April 2024, the MCI.EuroVentures 1.0 sub-fund made a further purchase of shares in MCI Capital ASI. This means that MCI.EuroVentures 1.0 purchased a total of 1,206,604 shares in MCI Capital ASI at a unit price of PLN 30.00, i.e. for a total of PLN 36.2 mn (2.30% of MCI Capital ASI's share capital), of which 961,528 shares were purchased from MCI Management Sp. z o. o. (equivalent to PLN 28.8 mn; 1.83% of MCI Capital ASI's share capital), with the remainder from external investors. The purchase was completed on April 29, 2024.

Internal financing and liquidity management

Internal debt/internal financing is an element of liquidity management within the MCI Group. It enables MCI.EV to invest its free cash flows, as MCI.EV receives interest on them. As at December 31, 2023, internal financing amounted to PLN 373 mn. The financial terms of the internal financing are in line with market conditions, which means that MCI.EV receives interest for providing this financing (MCI Capital ASI SA and MCI Management Sp. z.o.o. incur financing costs). These investments are always preceded by an investment decision approved by the Investment Committee of MCI Capital TFI SA (fund manager), as the fund/sub-fund cannot act to the detriment of the participants. It is planned to refinance this internal financing with bank debt within the next two years. The total liquidity of the MCI Group amounted to PLN 447 mn as at December 31, 2023.

Management and investment team

Tomasz Czechowicz is the founder and majority shareholder of MCI Captal and is still the managing partner of the private equity company. He has an IT and entrepreneurial background and co-founded JTT Computer in the 1990s, which he turned into one of the leading PC assembly and distribution centres in CEE. In 1999 he founded the MCI Group, where he is responsible for the development strategy and business plans as well as the management of the group.

The MCI.TV and MCI.EV funds are managed by the founder and majority shareholder Tomasz Czechowicz. Ewa Ogryczak, a certified auditor and former partner at PKF Consult and manager at one of the Big four accounting firms, is vice president and COO of MCI Capital and responsible for all operational aspects of MCI's business activities and fundraising.

In addition to Tomasz Czechowicz, the investment team consists of nine other senior members. Paweł Borys is Managing Partner and has also been President of the Management Board of MCI Capital TFI S.A. and Vice-President of the Management Board of MCI Capital ASI S.A. since April 8, 2024. He has 24 years of experience in Polish and international financial institutions and specialises in investments, strategy development, financial services, new technologies and organisational management. He has managed public funds, implemented M&A strategies and private equity investments totalling over

PLN 20 billion. He is a member of over 20 supervisory boards, including three banks and two investment funds.

Michał Górecki is Senior Investment Partner who work closely with three Investment Partners: Filip Berkowski, Paweł Sikorski and Tomasz Mrozowski. Hubert Wichrowski is a Senior Investment Manager and Wojciech Degórski, Łukasz Sabat and Maciej Wasilewski are Investment Managers. Adrian Górski joined in April 2024 and is Senior Investment Director. In addition, the team is supported by three analysts.

Supervisory board headed by Zbigniew Jagiełło

Effectively appointed in June 2022 as the Head of the supervisory board, Mr Jagiełło has been working in capital market institutions since 1995 and was President of a leading Polish bank from 2009-2021. The supervisory board has a total of six members, including also Jaroslaw Dubinski, Andrzej Jacaszek, Marcin Kasiński, Jerzy Rozłucki and Grzegorz Warzocha.

Vast network of advisers

Additionally, the management is supported by several senior advisors and non-executive directors. These include partners from renowned consulting firms (Piotr Czapski, ex EQT Partners; Franek Hutten-Czapski, BCG), law firms as well as CEOs, vice presidents and executive directors from other companies, mostly focussing on financial services, technology or strategic planning.

Sustainability

Over the course of the pandemic, MCI Capital has developed an ESG strategy that takes into account the UN Sustainable Development Goals and the environmental and social standards developed by the IFC. All of MCI's investment decisions are assessed in terms of their impact on ESG issues, and MCI aims to promote activities aimed at reducing greenhouse gas emissions and increasing the efficiency of energy and natural resources. In particular, companies such as AsGoodAsNew, which are active in the field of refurbished high-tech consumer electronics, contribute to this goal.

Financials

The main driver of MCI's income statement is the valuation of the investment certificates in the MCI.EuroVentures 1.0 and MCI.TechVentures 1.0 sub-funds, which are generally valued internally. The funds are not consolidated, but are recognised in the balance sheet as financial instruments in accordance with the fair value of the investment certificates held.

Q1 24 results comment

Income statement

(in PLN k)	*2023*	*Q1 24*	*Q1 23*	*Δ %*	*comments*
Profit/loss on investment certificates	209,451	22,324	17,532	27%	Revaluation of certificates, mainly driven by MCI.EV fund
Revaluation of shares	-16	-3	-2	50%	
Other gain or loss on investments	29	0	0	n.m.	
Revenue from management	22,165	3,857	4,357	-11%	PLN 2.6 mn from MCI.TV management fees
Cost of core activities	-433	-858	-87	886%	
Investment profit	**231,196**	**25,320**	**21,800**	**16%**	
Operating expenses	-37,157	-6,341	-7,253	-13%	PLN 4.4 mn for remuneration and social security benefits
Other operating income/costs	934	-208	202	-203%	
Net financial costs	-29,079	-3,505	-5,690	-38%	Costs of PLN 2.0 mn on bonds; PLN 2.3 mn on loans
Profit before tax	**165,894**	**15,266**	**9,059**	**69%**	
Income tax	-994	721	1,201	-40%	Current part of PLN 1.1 mn, def. taxes of PLN -0.4 mn
Net profit	**164,900**	**15,987**	**10,260**	**56%**	

Source: MCI Capital

Balance sheet

(in PLN k)	*2023*	*Q1 24*	*Q1 23*	*Δ %*	*comments*
Investments certificates	2,289,789	2,313,584	2,166,320	7%	Mostly related to increase in value of MCI.EV and MCI.TV
Other investments	855	852	5,909	-86%	
Receivables	15,694	13,688	12,024	14%	Mainly receivables from fixed mgmt. fees (PLN 10.2 mn)
Other assets	45,683	45,369	23,458	93%	
Cash and cash equivalents	16,151	17,212	37,671	-54%	
Total assets	**2,368,172**	**2,390,705**	**2,245,382**	**6%**	
Equity	**2,081,454**	**2,097,483**	**1,926,567**	**9%**	
Liabilities due to bonds	179,053	139,963	195,520	-28%	Partial series R bonds redemption of PLN 35 mn
Other debt	74,540	119,536	102,156	17%	Increase in loan utilisation by PLN 45 mn
Provisions	26,955	26,552	14,929	78%	Slight decrease in carry fee provisions since YE 23
Other liabilities	6,170	7,171	6,210	15%	Mainly leases of PLN 2.8 mn, trade liab. of PLN 3.9 mn
Total liabilties	**286,718**	**293,222**	**318,815**	**-8%**	
Liabilities and Equity	**2,368,172**	**2,390,705**	**2,245,382**	**6%**	

Source: MCI Capital

The revaluation of MCI.EV investment certificates made a positive contribution of PLN 20.9 mn (Q1 23: PLN 21.1 mn), mainly driven by investment in Broker Topco (PLN 18.1 mn). In addition, the revaluation of the MCI.TV investment certificates was PLN 3.0 mn (Q1 23: PLN -7.3 mn) thanks to increase in valuation of Morele (PLN 21.5 mn). This was partially offset by the decreasein the valuation of Answear (PLN -9.5 mn) and Travelata (PLN -2.5 mn). The rate of return on MCI.EV and MCI.TV was 1.0% and 1.8% respectively in Q1 24. The overall investment profit was slightly decreased by a negative revaluation of the investment certificates of the MCI Digital and Climatech Fund V by PLN -1.5 mn.

Revenues from fund management decreased from PLN 4.4 mn (Q1 23) to PLN 3.9 mn in Q1 24, of which PLN 2.6 mn was attributable to the MCI.TV fund and PLN 1.2 mn to the MCI Digital and Climatech Fund V. The decrease is mainly due to the decision of TFI (in accordance with the resolution of the management board of MCI Capital TFI S.A.) not to charge the management fee for MCI.EV for Q1 24, although the management fee for Q1 24 was higher for MCI.TV due to the positive return of the sub-fund, which means that the management fee was incurred for all series.

Operating expenses of 6.3 mn in Q1 24 included costs for remuneration and social security contributions of PLN 4.9 mn, positive carry fee effect of PLN 0.5 mn, costs for external services of PLN 1.5 mn, depreciation of roughly PLN 0.2 mn and other costs were a bit less than PLN 0.2 mn.

Net financial costs were down by 38% yoy and were mainly driven by interest on bonds in the amount of PLN 2.0 mn (down from PLN 3.9 mn in Q1 23) and interest expense on bank loans in the amount of PLN 2.3 mn (at a similar level as in Q1 23). These expenses were slightly moderated by a positive contribution from interest income in the amount of PLN 0.5 mn (stable in comparison to Q1 23) and commission revenue (guarantees and pledges) of PLN 0.4 mn (Q1 23: PLN 0.2 mn).

The income tax for Q1 24 resulted in a tax credit of PLN 0.7 mn, out of which the current portion of the income tax was PLN 1.0 mn and the deferred taxes amounted to slightly less than PLN -0.4 mn.

Peer group

Peer valuation

MCI Capital's peers are generally valued at a median 0.7x book value (which should reflect the fair value of portfolio companies) for FY 23a and FY 24e. Based on FY 23a and FY 24e, its peers have a dividend yield of 3.4% and 3.6%, respectively. In comparison, MCI Capital's valuation seems attractive relative to its peers, as the company is trading at a ~38% discount to its trailing NAV as at Q1 24. The share price currently trades at a 17% P/B discount to the median of other listed private equity and venture capital companies that trade at a trailing P/BV of ~0.7x. We acknowledge that a slight discount to peers might be justified on the back of a lower free float.

Peer group benchmarking

Company name	Mkt. cap[1)]	P/E				P/B				Dividend yield			
		23a	24e	25e	26e	23a	24e	25e	26e	23a	24e	25e	26e
3i Group PLC	36,945	6.6	7.4	6.4	6.1	1.5	1.5	1.2	1.0	0.0%	1.9%	2.2%	2.5%
Gimv NV	1,292	-21.7	n.a.	n.a.	n.a.	0.9	0.8	0.7	n.a.	5.6%	5.6%	5.7%	5.7%
Eurazeo SE	5,972	3.2	11.4	7.9	9.3	0.7	0.6	0.6	0.5	2.8%	3.4%	3.7%	4.3%
Deutsche Beteiligungs AG	538	5.0	6.1	4.8	4.3	0.8	0.7	0.6	0.6	3.5%	3.6%	3.8%	3.8%
Molten Ventures PLC	905	-3.1	-12.2	13.3	5.3	0.6	0.6	0.6	0.5	0.0%	n.a.	n.a.	n.a.
Altamir	908	34.2	n.a.	n.a.	n.a.	0.7	1.4	1.4	1.5	4.1%	4.9%	4.9%	4.9%
IDI SCA	494	7.3	7.8	7.3	6.3	0.7	0.7	0.6	0.6	3.8%	4.1%	4.7%	5.1%
Ratos AB	1,176	10.7	13.5	11.2	10.0	1.0	1.4	1.3	1.3	3.2%	3.2%	3.9%	4.4%
Median		**5.8**	**7.6**	**7.6**	**6.2**	**0.7**	**0.7**	**0.7**	**0.6**	**3.4%**	**3.6%**	**3.9%**	**4.4%**
MCI Capital	320	7.8				0.6				0%**			

*1) in EUR mn; as of June 21, 2024; **Share buyback of PLN 36.2 mn (2.3% of share capital)*

Source: Bloomberg

Peer group ROE

Company name	Currency	Last price[1)]	5Y historical average	2023a	2024e	2025e	2026e
3i Group PLC	GBp	3,150.0	22.6%	27.1%	19.7%	19.3%	17.3%
Gimv NV	EUR	46.0	5.8%	-4.5%	n.a.	n.a.	n.a.
Eurazeo SE	EUR	75.2	12.5%	21.8%	6.1%	8.6%	6.4%
Deutsche Beteiligungs AG	EUR	28.0	8.2%	15.8%	11.9%	13.0%	14.0%
Molten Ventures PLC	GBp	404.5	13.5%	-20.4%	-8.9%	6.0%	11.6%
Altamir	EUR	24.6	12.7%	2.2%	3.9%	4.3%	4.8%
IDI SCA	EUR	68.2	11.6%	9.7%	8.5%	8.6%	n.a.
Ratos AB	SEK	38.4	10.8%	8.4%	10.4%	12.0%	12.7%
Median			**12.0%**	**9.0%**	**8.5%**	**8.6%**	**12.2%**
MCI Capital			12.8%	7.9%			

1) as of June 21, 2024

Source: Bloomberg

Overview and descriptions

3i Group

A British private equity and infrastructure investment company listed on the LSE. The company has a portfolio of around GBP 22 bn. There is no particular sector focus as sectors which the company invests in include infrastructure, consumer, industrials, energy and health care. The average gross investment return amounted to 26% over the past five years with 36% in FY 23 (FY 22: 43%).

Gimv

Gimv is a European private equity company listed on Euronext Brussels. Investments focus on Western Europe, mostly the Benelux region and Germany. The portfolio includes companies from various industries. As of FY 23/24, the company had a portfolio in size of EUR 1.6 bn and has realised exits with CoC multiple of 2.1x. Following zero growth rate in FY 22/23, the realised return on portfolio was 19% and the NAV increased by 17% in FY 23/24.

Eurazeo

Eurazeo is a French investment company with AUM of around EUR 35 bn, focusing on private equity (70%), private debt (21%) and real assets (9%). The company is active across four continents with the focus on fast growing market segments in Europe and North America. They reported realized investments with an average gross CoC multiple of 2.8x and gross average IRR of 33% in FY 23.

Deutsche Beteiligungs AG

Deutsche Beteiligungs AG is a listed private equity company from Germany that manages closed-end private equity funds. It has AUM of around EUR 2.6 bn. The focus is on German mid-market companies, particularly in the industrial sector. They achieved a capital multiple of 2.5x on average since 1995.

Molten Ventures

Molten Ventures is a venture capital firm with a portfolio size of EUR 1.6 bn and is known for investing in high-growth technology companies. The company is listed on the London Stock Exchange. They invest in innovative Deeptech, Consumer Tech, Healthtech and SaaS and Enterprise software. The target return of Molten Ventures is ca. 20% through the cycle, however, there was a -16% movement in gross portfolio fair value in 2023.

Altamir

Altamir is a listed (Euronext Paris) private equity company which invests through and alongside of the funds managed by Apax Partners. It has a portfolio size of around EUR 1.6 bn. The company is managed by Maurice Tchenio, one of the founders of Apax Partners. He owns a 65% stake in the company. Altamir pays a dividend of 2-3% of year-end NAV.

IDI Emerging Markets

IDI EM is financing SMEs in emerging markets by pure co-investments alongside local private equity funds or direct investments. IDI is partnered with idi Group, a leading European private equity institution, listed on the NYSE Euronext Paris. It has a portfolio size of around EUR 1 bn.

Ratos

Ratos, a Swedish private equity institution, is targeting companies headquartered in the Nordics to contribute to the long-term and sustainable operational development. The three focused business areas are Construction & Services, Consumer as well as Industry. Financial goals include EBITA growth to at least SEK 3 bn by 2025 or a dividend payout ratio of 30-50% of profit after tax. Its portfolio size is not disclosed.

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MCI Capital Rating History as of 06/21/2024

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