

Raiffeisen report about MCI

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With assets under management of about EUR 600 mn MCI Capital is the number 1 tech/digital investment company in the CEE region – we can read in a special report by Raiffeisen Research.

In terms of exits MCI Group shows a strong track record. Since 2012 the company has done 13 larger exits of its buyout and expansion portfolio – most of the companies were under the control of MCI or held as a joint venture. “The return also looks in line with or even above what private equity firms are currently targeting. According to a survey done by Paul Gompers at al. (Private Equity and Covid, 9/2020), the median PE fund targets a 25% IRR and 2.5x MoIC (Multiple on Invested Capital), which compares to MCI Group’s historical 27.2% IRR and 2.5x MoIC” – informs Raiffeisen Research.

MCI Capital’s peers are generally valued at 0.79-0.86x book value (which should reflect the fair value of portfolio companies) and have a dividend yield of around 3.1-3.4%. Analysts say that MCI Capital’s valuation seems quite attractive relative to its peers, as the company is currently trading at a ca. 45% discount to its latest trailing NAV and at a 40% P/B discount to other listed private equity and venture capital companies which trade at a trailing P/B of ca. 0.9 on average. Keeping in mind the impressive NAV growth of 18.1% per annum in the past 22 years, this discount could be somewhat overdone.

More in the attached document below.

[MCI Spotlight 0422](#)