



Catalyzing growth of an unquestionable leader in the Polish hosting market

Investor: **Value4Capital**

Industry: **B2B Services**

Year of investment: **2012**

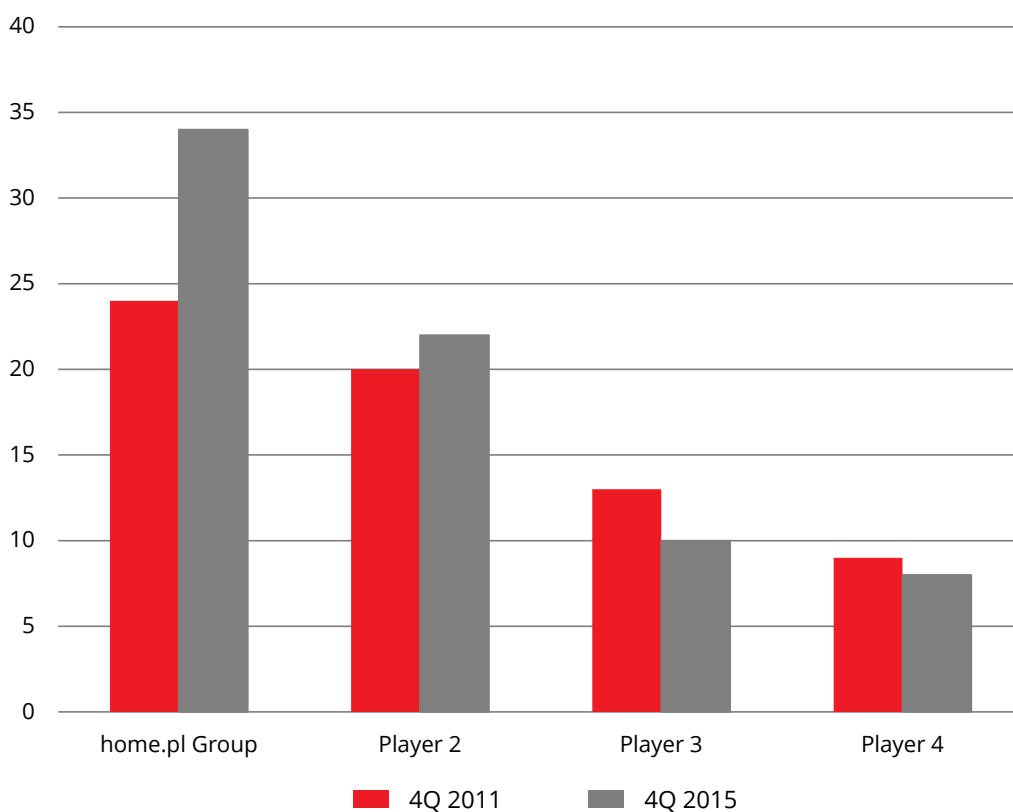
## Company

home.pl is a leading provider of hosting and domain registration services in Poland. The company also offers an array of add-on services (such as SaaS solutions, virtual private servers or SSL certificates) vital to the successful online presence of its over 300,000 clients, predominantly SMEs.

V4C invested in home.pl in 2012, acquiring a controlling stake from the company's three original founders. During the investment all operating aspects of the business were upgraded to a professional standard, enabling the company to better service its clients and improve new product time to market. V4C actively challenged the management to improve the efficiency of sales, internal processes and the quality of the offering. As a result, home.pl further strengthened its market position by increasing shares in all major operating segments and has significantly widened its services portfolio by introducing new products or improving existing offerings.

V4C exited in 2015, realizing a 3.4x CoC and 38% IRR return on the investment.

## Growth



## Main objectives of the funding

---

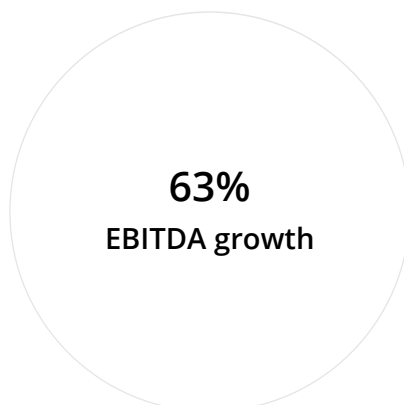
Rationale for our investment in home.pl included:

- › Market leader position of the company. Home.pl is the dominant player in the .pl domain registration market (24% share by volume at our entry, 34% at exit) and the largest shared hosting services provider in Poland. Home.pl is a market leader (by value) in Poland in virtually all of its product categories.
- › Operations in an attractive, growing market. The global growth in outsourced IT and cloud solutions, combined with Poland's still relatively low broadband penetration and internet speed, low level of corporate IT infrastructure outsourcing and low IT adoption, makes this market exceptionally attractive for internet-related services in the medium- and long-term. The Polish market's size and importance further increase its attractiveness for strategic investors.
- › Consolidation opportunities. home.pl's market offers ample consolidation opportunities. A number of smaller competitors have loyal client bases and good financial track records, but lack scale and resources to independently grow their business and effectively monetize the customer base.
- › Resilient business model. Hosting and domain registration services are mission critical for any business. home.pl has since its inception continued to build a stable and consistently growing customer base, bound by pre-paid subscription contracts, without customer concentration, demonstrating very low churn and high customer satisfaction. This results in stable cash flows and predictable financial performance, resilient to short-term economic swings.
- › Good exit prospects. The M&A market in hosting business is active, with both financial and strategic investors looking for investment opportunities. This increased our confidence that exit process from home.pl will be competitive.

## Achievements of the company

---

- › Grew registered .pl domains by 40% and .eu domains by 55%
- › Increased revenues by 54% and EBITDA by 63% over four years
- › Launched cost-effective cloud-based services, enabling SME clients to compete against bigger rivals



## Value added by PE/VC fund

---

- › Empowered the management to expand the service and product range
- › Established international class corporate governance standards and reporting systems
- › Identified and led an acquisition of a competitor to further grow scale and solidify market position
- › Improved HR management and unified home.pl into one modern location to attract and retain talent
- › Upgraded many of the operating aspects of the business which resulted in home.pl's profitability above leading global players upon V4C exit.