

Share price (18/04/23)

EUR 76.00

Target valuation range 88.00

EUR 88.00 - 107.00

| | |
|-----------------------|------------------|
| Risk | Low |
| Bloomberg | LXMP:LX |
| Shares number (m) | 20.1 |
| Market cap (m) | EUR 1,529.2m |
| Net debt 12/22 (m) | EUR |
| Net debt/EBITDA 12/23 | |
| 1 year price perf. | -3.2% |
| Diff. with EuroStoxx | -11.4% |
| Volume (sh/day) | 18 |
| L/H 1 year | EUR 67.50 -79.00 |
| Free Float | 24.2% |
| Foyer Finance | 50.4% |
| Stable Shareholders | 16.6% |
| Sofina Group | 6.1% |
| Treasury Shares | 2.7% |
| | - |
| | - |
| | - |
| | - |
| | - |
| | - |

Company description

Luxempart is a Luxembourg-based investment company managing a portfolio of >EUR 2bn. Luxempart's portfolio consists of three pillars: a listed portfolio (11%), a private equity portfolio (62%) and investment funds (27%).

Luxempart is a long-term investor with a flexible investment policy.



Analyst:

Joren Van Aken

Equity Analyst

+32 2 662 8883

j.vanaken@degroofpetercam.com

Luxempart

New investmet: Heir Hunting

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- Luxempart will deploy up to EUR 57m for a 43% stake in Coutot-Roehrig, the European leader in estate genealogy, also known as 'heir hunting'.
- The company helps legal officers in identifying and locating heirs in case of inheritances without heirs.
- Although we do not know what price Luxempart paid for this asset (DPe 10-16x EBITDA), we believe it fits right in Luxempart's portfolio. Similarly to Luxempart's last investment in Kestrel Vision, the company is partnering up with an entrepreneurial family who shares Luxempart's patient and long-term vision.
- Following this transaction, Luxempart still has about EUR 284m (DPe) in net cash or about 14% of the portfolio.
- If Luxempart continues to deploy its cash in transactions like these, we believe this will bode well for the discount to NAV over time which today remains elevated. We estimate today's NAV to be EUR 114 implying a discount of >33%. After updating our model, we raise our target valuation range to EUR 88-107 (vs. EUR 85-103) providing an upside of 16-40%.

Facts

- Luxempart announced this morning that it will deploy up to EUR 57m in Coutot-Roehrig for a 43% stake.
- Coutot-Roehrig is a family-owned business and is the European leader in Estate Genealogy (also known as probate researcher or heir hunters). More specifically, the firm helps legal officers (mainly notaries) in identifying and locating heirs in case of inheritances without heir.
- The firm has a global reach and has a direct presence in France, Italy, Spain, Belgium, Luxembourg, Switzerland, Monaco and the USA.
- The company is growing rapidly and achieved a revenue of >EUR 70m in 2022. Yearly, on average, about 2-3% of the population passes without having a valid will in place. If an heir is not found in due time, typically the inheritance goes to the state.
- Luxempart will take over the 43% stake from CAPZA (French SMID PE player).
- There were no further financial details disclosed.

| EUR | 12/19a | 12/20a | 12/21a | 12/22a | 12/23e | 12/24e | 12/25e |
|----------------------|---------|---------|---------|---------|--------|--------|--------|
| Share price | 53.00 | 49.00 | 74.50 | 74.50 | 76.00 | 76.00 | 76.00 |
| NAV per share | 78.40 | 85.11 | 107.80 | 108.30 | | | |
| NAV | 1,573.9 | 1,709.4 | 2,166.4 | 2,182.9 | 0.0 | 0.0 | 0.0 |
| Premium/discount | -32.4% | -42.4% | -30.9% | -31.2% | | | |
| 10yr average premium | -31.4 | -31.4 | -31.4 | -31.4 | -31.4 | -31.4 | -31.4 |
| Dividend per share | 1.48 | 1.60 | 1.80 | 1.98 | 2.16 | 2.33 | 2.52 |
| Dividend growth | +5.2% | +8.1% | +12.5% | +10.0% | +9.0% | +8.0% | +8.0% |
| Dividend yield | 2.8% | 3.3% | 2.4% | 2.7% | 2.8% | 3.1% | 3.3% |
| LTV | -9.3% | -13.6% | -17.0% | 20.6% | | | |

Source: Luxempart/Degroof Petercam estimates

Our view: Putting cash position to work in a very interesting business

Although we do not know what price Luxempart paid for this asset (DPe 10-16x EBITDA), we believe it fits right in Luxempart's portfolio. Similarly to Luxempart's last investment in Kestrel Vision, the company is partnering up with an entrepreneurial family who shares Luxempart's patient and long-term vision.

This type of transaction is exactly the kind of added value that investment companies can bring with their extensive networks. Regular investors would never get access to firms like Coutot-Roehrig as they are hard to find and typically not listed.

Following this transaction, Luxempart still has about EUR 284m (DPe) in net cash or about 14% of the portfolio.

If Luxempart continues to deploy its cash in transactions like these, we believe this will bode well for the discount to NAV over time which today remains elevated. We estimate today's NAV to be EUR 114 implying a discount of >33%. After updating our model, we raise our target valuation range to EUR 88-107 (vs. EUR 85-103) providing an upside of 16-40%.

Exhibit 1

| Participations | Spot value (€m) | Per share | % of GAV | 12m Target |
|-------------------------------------|-----------------|-----------|----------------------|----------------|
| Direct Investments (Listed) | 247.2 | 12.3 | 12% | 269.4 |
| Direct Investments (Private) | 1,346.0 | 66.9 | 67% | 1,507.5 |
| of which Foyer (DPe) | 574.2 | 28.5 | 29% | 625.9 |
| Investment Funds | 411.0 | 20.4 | 21% | 456.2 |
| Gross Asset Value (GAV) | 2,004.1 | 99.6 | 100% | 2,233.1 |
| Net cash | 284.1 | 14.1 | | 284.1 |
| Net Asset Value (NAV) | 2,288.2 | 113.7 | | 2,517.2 |
| per share | 113.7 | | | 125.1 |
| Share price | 76.0 | | | |
| | Current | | Hist. average | Target |
| Discount | -33% | | -30% | -15% |
| Target range in EUR | | | 88 | 107 |

Source: Degroof Petercam estimates

Source: Luxempart/Degroof Petercam estimates

Commissioned Research

Degroof Petercam is commissioned by this company to publish research and is paid for this service.

Disclosures

None.

Rating system & Valuation methods

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Report completion and updates

This report was first disseminated by Degroof Petercam on 19 April 2023 8:45 CET

Valuations are continuously reviewed by the analyst and will be updated and/or refreshed regularly. The rationale behind a change in target valuation will be explained in such a refresher/update.

An overview of the research published on this company can be found on our website:

<https://research.degroofpetercam.com/portail/societe/news.php?id=223&type=0>

This report has not been reviewed by the company prior to publication.

The report has been reviewed by David Seynnaeve, equity analyst.

Degroof Petercam Global Markets

www.degroofpetercam.com

Nijverheidsstraat / Rue de l'Industrie 44 – 1040 Brussels

De Entrée 238 A 7th floor – 1101 EE Amsterdam

Benoît Mortelmans +32 2 662 82 93

Equity Research / Analysts

| | | |
|-----------------------------|--------------------------|-----------------|
| Fernand de Boer | Retail/Food & Beverages | +31 20 573 5417 |
| Kris Kippers | Consumer Goods/Holdings | +32 2 287 9259 |
| Amal Aboulkhouatem | Real Estate | +32 2 662 8653 |
| Frank Claassen | Industrials | +31 20 573 5409 |
| Christophe Dombu Youta, PhD | Biotech/Healthcare | +32 2 287 9051 |
| Inna Maslova | Real Estate | +32 2 662 8644 |
| Vincent Koppmair | Real Estate | +32 2 287 9673 |
| Laura Roba | ESG/Medtech | +32 2 287 9276 |
| Michael Roeg | Technology | +31 20 573 5422 |
| David Seynnaeve, PhD | Biotech/Healthcare | +32 2 287 9771 |
| Joren Van Aken | Holdings/Misc. | +32 2 662 8883 |
| Luuk van Beek | Engineering/IT/Greentech | +31 20 573 5471 |

Christel De Clerck Support & Editing +32 2 662 8302

Corporate Brokerage & Syndication

| | | |
|------------------------|------------------|-----------------|
| Gert Potvlieghe | | +32 2 662 8289 |
| Raymond de Wolff | | +31 20 573 5414 |
| Magali Moonen | | +32 2 662 8457 |
| Tineke Hosselaer | Corporate access | +32 2 662 8290 |
| Charlotte Mertens | Corporate access | +31 20 573 5416 |

Sales

Anthony della Faille +32 2 662 8724
Laurent Pierret +32 2 662 8654

Equity Sales

Simon Vlamincx +32 2 662 8291
Damien Fontaine +32 2 662 8287
Assia Adanouj +32 2 662 8768
Piethein Leune +31 20 573 5436
Maxence Lenoir +32 2 662 8710
Jeroen Van Genuchten +31 20 573 5428
Beatrice Leysens - Assistant +32 2 662 8262

Sales Trading

Veronique De Schoemaeker +32 2 662 8280
Pieter De Moerloose +32 2 662 8870
Fabrice Faccenda +32 2 662 8986
Frédéric Lebrun +32 2 287 9190

Fixed Income Sales

An-Sofie Meirsschaut +32 2 662 8665
Olivier Gigounon +32 2 287 9184
Lieven Krikilion +32 2 287 9559

Derivatives

Karim Marrakchi +32 2 662 8940
Eric Debeaud +32 2 287 9827
Thierry De Wispelaere +32 2 662 8674