

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

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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.

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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

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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 Aboukhoutem	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