

## Buy

Share price (10/01/25)	EUR 73.00
Target Price	EUR 88.00

Risk	Low
Bloomberg	LXMP:LX
Shares number (m)	20.1
Market cap (m)	EUR 1,469m
Net debt 12/24 (m)	EUR
Net debt/EBITDA 12/25	
1 year price perf.	+9.0%
Diff. with EuroStoxx	+0.3%
Volume (sh/day)	809
L/H 1 year	EUR 63.50 -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.



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## Luxempart

## Family-owned compounder with strong track record

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- *Luxempart has a ~15% IRR over the last 30 years, which is a very impressive track record for any investment company in Europe*
- *After the Nexus AG tender, Luxempart's war chest would still be more than EUR 300m (almost 10% of its portfolio) positioning it well for any investment opportunity*
- *Any event that would improve the liquidity of the stock would serve as a significant catalyst in our view to narrow its discount*
- *We estimate the current NAV to be EUR 113.9 p/s, implying a discount of 38%. TP goes to EUR 88 (from EUR 94). With ~25% of upside, this is an opportunity for long-term investors. Hence, we rate Luxempart a BUY*

## Facts:

- With a 15% IRR over 30 years, Luxempart finds itself among the most successful capital allocators in the investment company sector.
- At H1 24, Luxempart had a net cash position of EUR 183m (~9% of portfolio), which will grow to >EUR 300m.
- On November 5, TA Associates launched a public tender offer on Nexus AG. On December 20, TA published that it had received tenders for 79.86 % of all Nexus shares and thus the minimum threshold of 50% was reached. Investors had until January 3<sup>rd</sup> to accept the offer. Luxempart will receive EUR 123m in proceeds.
- Combining its excellent track record in capital allocation with a high level of cash, Luxempart has the potential to accelerate NAV growth in the coming years. Management mentioned that they have a healthy pipeline of deals.

EUR	12/21a	12/22a	12/23a	12/24e	12/25e	12/26e	12/27e
Share price	74.50	74.50	66.00	73.00	73.00	73.00	73.00
NAV per share	107.80	108.30	115.43				
NAV	2,166.4	2,182.9	2,324.0	0.0	0.0	0.0	0.0
Premium/discount	-30.9%	-31.2%	-42.8%				
10yr average premium	-31.4	-31.4	-31.4	-31.4	-31.4	-31.4	-31.4
Dividend per share	1.80	1.98	2.17	2.34	2.53	2.73	2.95
Dividend growth	+12.5%	+10.0%	+9.6%	+8.0%	+8.0%	+8.0%	+8.0%
Dividend yield	2.4%	2.7%	3.3%	3.2%	3.5%	3.7%	4.0%
LTV	-17.0%	20.6%	7.4%				

Source: Luxempart/Degroof Petercam estimates

## Our view:

We estimate the current NAV to be EUR 113.9 p/s, implying a discount of 38%. Using our 30% target discount, we arrive at our EUR 88 TP (from EUR 94). As this provides ~25% upside, this is an opportunity for long-term investors. Hence, we rate Luxempart a BUY.

The main deterrent for most investors has nothing to do with the operations of Luxempart but rather its liquidity. With <25% free float and a sole listing on the LuxSE, it is not easy to build up a large position.

Any event that would improve the liquidity of the stock would serve as a significant catalyst in our view to narrow the discount.

A potential scenario would be the placement of Sofina's stake, an exit from one of the 'stable shareholders' or even Foyer willing to lower its stake and that in combination with a secondary listing on Euronext Brussels, as is already the case with Brederode today.

Exhibit 1 NAV January 2025				
Participations	Spot value (€m)	Per share	% of GAV	12m Target
<b>Direct Investments (Listed)</b>	262.2	13.0	13%	280.6
<b>Direct Investments (Private)</b>	1,274.4	63.3	61%	1,427.3
of which Foyer (DPe)	679.0	33.7	33%	740.1
<b>Investment Funds</b>	545.0	27.1	26%	605.0
<b>Gross Asset Value (GAV)</b>	<b>2,081.7</b>	<b>103.4</b>	<b>100%</b>	<b>2,312.9</b>
Net cash & others	211.0	10.5		211.0
<b>Net Asset Value (NAV)</b>	<b>2,292.7</b>	<b>113.9</b>		<b>2,523.9</b>
per share	113.9			125.4
<b>Share price</b>	<b>70.5</b>			
				<b>Target</b>
Discount	-38%			-30%
<b>Target range in EUR</b>				<b>88</b>
Source: Degroof Petercam estimates				

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## Degroof Petercam ESG Rating

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Environment  
Social  
Governance

## Disclosures

None

## Rating system & Valuation methods

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	Reduce	Hold	Buy
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<b>Medium</b> (0.9 < Beta < 1.3)	RP < -4%	-4% $\leq$ RP < 10%	RP $\geq 10\%$
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RP: Relative Performance against Degroof Petercam coverage universe

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**Report completion and updates**

This report was first disseminated by Degroof Petercam on 12 January 2025 10:31 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:

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

The report has been reviewed by Kris Kippers, Senior Equity Analyst.

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