

Net Partners makes 23x return with MutuiOnline IPO

Exit deal

Fund Nestor 2000, managed by Franco-Italian venture capital firm Net Partners (which also manages 360 Capital Partners), has floated a total of 10.8 million shares (representing two-thirds of its 38.5% stake) in online mortgage broker MutuiOnline on the Star segment of the Italian Stock Exchange. The shares were offered at a price of €5.6 each and reached €6.35 by the end of the first day of trading. This corresponds to a money multiple of around 22-23x and an IRR of 70% for Nestor 2000, including dividends already distributed by the company. The IPO valued the company at more than €250m and the offering was 10x oversubscribed. Other investors are also floating a total of five million shares, representing a combined offering of 40% of the company including the green-shoe allocation. Deutsche Bank and Euromobiliare acted as global co-ordinators for the flotation with Lazard as adviser.

The shareholding structure post-IPO sees Nestor 2000 holding an 11.3% stake in MutuiOnline, while the founders control 31%, Jupiter Ventures holds 5.4% and other investors, including manager Stefano Rossini, hold the remainder. Fausto Boni, the co-founder and GP of both Net Partners and 360 Capital Partners, will remain on MutuiOnline's board after the IPO. According to the venture investors, the exit will allow Nestor 2000 to achieve a return on invested capital of approximately 2x, without taking into account the remaining portfolio companies the fund will exit in the next two years.

Previous funding

Nestor 2000 first invested in MutuiOnline in June 2000 by providing €1m in seed capital. Subsequently, an additional €5m of funding was provided by Nestor 2000 and Jupiter Venture in 2004 (*March 2004, page 18*). The investment was designed to allow MutuiOnline to aggressively expand its distribution channels. The company has been profitable since its second year of operation and in the period 2004-2006 it trebled its revenues and profits, achieving leadership in both the online mortgage brokerage and business process outsourcing segments.

MutuiOnline employs around 200 staff in its offices in Milan and Cagliari. Italy's mortgage sector is valued at €40bn in gross flows per year, of which more than 2.5% is currently obtained through remote channels. MutuiOnline's activities represent more than half of that total.

Advisers

Equity – Deutsche Bank, Marco Veroni; Euromobiliare, Rita Gastaldi (*Global co-ordinators*); Lazard, Pietro Battistella (*Corporate finance*).

EXIT

MutuiOnline SpA

Acquirer	IPO
Sector	Financial services
Returns	c22-23x, 70% IRR

