The story

22 April 2010
Historical background

• Founding
  – In 2000-ben, by Panos Gomopolous and eVision
  – Further investor eQuest (VC fund) – US$2 million

• Origin of the Vatera brand name
  – A beach on the island of Lesbos

• Operations in 5 countries
  – Poland, Czech Republic, Hungary, Greece, Turkey
The investment

• iEurope acquires majority stake from shareholders
  – Esther Dyson as co-investor
  – Some key managers (CZ and HU) receive shares

• Transfer of assets and some liabilities, creation of new holding structure

• Reorganisation of operations
  – Focus needed: only HU and CZ remain
Period of slow growth

• Low internet penetration

• iEurope’s unrelenting belief in the viability of the business model
  – Online marketplaces are a success globally

• Wait and see, survival techniques
  – Resale of impounded leased cars
  – Stock clearances

• Bringing in experts to promote growth under the circumstances
Reorganisation of management, growth picks up

• Finally internet usage has started to grow in Hungary too
  – Shift in approach needed

• Build on proven members of the old management
  – Director of operations
  – Head of customer services
  – Lead developer

• Team additions
  – New managing director
Milestones

Finance/MIS
- Initial capital increase
- 2nd round financing
- Positive EBITDA
- MIS upgrade
- Revenue above €1m, New CFO
- Sale to NASPERS

Marketing
- Systematic tracking of marketing spend by channel
- New CMO, New marketing department
- First detailed user study

Operations/IT
- New CEO
- New incentive scheme
- CTO
- Expansion into Slovakia
Focus on marketing...

- First detailed user study prepared in 2006 (by NRC)

- Applying offline marketing experience **online**
  - FMCG brand manager (Nestlé, Coca Cola)
  - Concentrating on analysing user activity

- Creating a buzz
  - Widespread use of the coined phrase “Vaterázz”
  - Auctions starting from HUF1
  - Items used by celebrities
  - Charity auctions
... as well as IT, finance and MIS

• IT upgrade

• CFO with experience as an auditor and head of controlling at a multinational

• Upgrade of information tracking system (MIS), for
  – Data mining/analysis
  – Monthly reports (financial and operational)
  – Frequent reviews with the management
Regional expansion: Slovakia

• Preparation for almost one year
  – Detailed strategic, marketing and financial plan

• Finding the country manager of key importance
  – Took longer than expected

• Filling up the shelves after launch
The exit

• Appointment of well-known experts
  – Financial advisers: Concorde and Aelios Finance
  – Legal adviser: White & Case

• Maintained alternative route of raising new capital through private placement
  – Created a 5-year growth plan

• Conventional and unorthodox steps during due diligence and pricing

• IRR 59%, COC 13.x5
Atech (Slovenia) case study

Investment
- New incentive scheme
- New MIS

New key personnel
- CFO
- CTO
- Sales

New head of productions
- Marketing and Sales separated

Marketing study: new product launch

Exit

23 employees to 105 employees
New iEurope fund, new targets

• Looking for new investments
  – Clean Technology and Green Energy
  – Consumer Products and Services
  – Infotech and Media
  – Medical Devices
  – Specialised Industrial Technology
  – Technology-enabled Business Services

Contact

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