

14 November 2022

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MPC Capital

Germany

Other financials

Reuters: MPCKK.DE Bloomberg: MPCK GY

Add

Closing price as of
11-Nov-22 EUR 2.96

Target price EUR 3.90

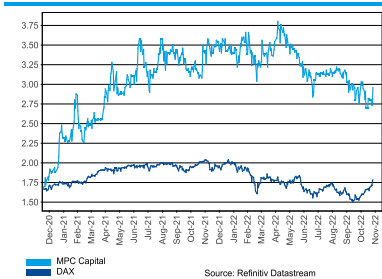
High/Low (12M) EUR 3.80/2.70

Market cap. EUR mn 104

Free float 43.0%

Avg. daily turnover EUR mn 0.02

Price relative to Index



Performance (%)	1M	3M	6M
Absolute	2.1	-6.0	-17.3
rel. DAX	-14.3	-9.9	-20.2
rel. STOXX Europe 600	-9.4	-4.2	-18.4
rel. SXXP Financial Serv.	-15.2	-4.0	-19.6

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Pre-release of 9M key figures shows ongoing strong profitability – Increased EBT guidance in-line with our expectations – Higher dividend intended as well

Our conclusion

- MPC Capital pre-released strong 9M22 key figures today that were slightly ahead of our expectations. As indicated in our preview from last week, the group managed to surpass the upper end of their FY22 EBT guidance range after 9M already via a steady operating progression and an ongoing income boost from dividends earned on equity investments.
- We have adjusted our model to reflect the better-than-expected profitability – owing particularly to the ongoing higher result of associates carried at equity. In line with the group's highlighted intention to pay out half of the (adjusted) net income after taxes and minorities to shareholders, we raise our dividend assumptions as well. For 2022 we now project a dividend payment of EUR 0.14 (2021: EUR 0.12). The Management Board will propose the exact amount for the dividend with the presentation of the consolidated financial statements for 2022 in spring 2023.

Facts & Analysis

- As expected by us, the group delivered a steady operating progression with regard to revenue trends. Management showed a slight increase sequentially and came in at EUR 7.6mn in 3Q22 (Baader Helvea (E): 7.4mn, 2Q22: EUR 7.2mn). Transaction fees remained on the comparatively low level of around EUR 0.7mn seen in 2Q22, which was on par with our projections.
- Consolidated revenues rose to EUR 27.1mn in the first nine months of FY22 from EUR 24.6mn in the previous year (Baader Helvea (E): 26.9mn). Consolidated earnings before taxes (EBT) came in at EUR 28.8mn after the first nine months of 2022. The operating EBT adjusted for the EUR 16.5mn gain generated through the sale of the Dutch real estate business (EBT adj.) amounted to EUR 12.3mn (Baader Helvea (E): 12.1mn). In the same period of the previous year, MPC Capital generated an EBT of EUR 5.1mn. The EBT margin (adj.) therefore improved significantly from 21% in the previous year to 45% in the first nine months of 2022.
- Cash and cash equivalents increased to EUR 57.7mn as of 30 September 2022 (31 December 2021: EUR 38.5mn). The equity ratio was 82% (31 December 2021: 75%).
- The group stated that despite challenging economic and geopolitical conditions, the positive business development from the first half of 2022 continued in the second half of the year above the assumptions on which the original forecast was based. EBT adj. after nine months was already above the forecast range for the full-year 2022, and further earnings contributions are expected for the fourth quarter of 2022. Against this background, the Management Board has decided to significantly raise the EBT adj. guidance for FY22 from the original range of EUR 8-12mn to approximately EUR 15mn.
- According to MPC Capital, the positive outlook and the increased earnings forecast are primarily due to the continued high earnings contributions from the co-investment portfolio, which include both regular investment returns and profits from realized exits. In addition, the group would benefit from continuously increasing interest in investments in real assets in connection with the energy transition. For example, MPC Capital was able to initiate long-term investment projects for container ships with methanol propulsion in the third quarter of 2022. Demand for renewable energy projects would also remain high.

Key financials

EUR mn	2021	2022E	2023E	2024E	CAGR (%)
Net income	6.1	26.5	11.2	13.6	30.9
EPS (EUR)	0.17	0.75	0.32	0.39	30.9
BVPS (EUR)	2.69	3.31	3.47	3.66	10.8

Valuation ratios

x	2021	2022E	2023E	2024E
P/BV	1.1	0.9	0.9	0.8
P/E	17.8	3.9	9.3	7.6
Div. yield (%)	4.0	4.7	5.4	6.4

Source: Company data, Baader Helvea Equity Research

MPC Capital

Key data

FY 31 Dec.	2019	2020	2021	2022E	2023E	2024E
Share data						
EPS (EUR)	-0.07	-0.03	0.17	0.75	0.32	0.39
Cash EPS (EUR)	0.00	0.04	0.23	0.80	0.37	0.44
Dividend (EUR)	0.00	0.00	0.12	0.14	0.16	0.19
Book value per share (EUR)	2.70	2.67	2.69	3.31	3.47	3.66
Tangible book value per share (EUR)	2.51	2.55	2.61	3.27	3.48	3.72
Average no. of shares (mn)	33.5	33.5	35.2	35.2	35.2	35.2
Average share price (EUR)	1.94	1.45	3.02	2.96	2.96	2.96
Average market cap. (EUR mn)	65.0	48.4	106.4	104.3	104.3	104.3
Valuation						
P/E (x)	-	-	17.8	3.9	9.3	7.6
Cash P/E (x)	-	36.3	13.1	3.7	8.0	6.7
P/BV (x)	0.7	0.5	1.1	0.9	0.9	0.8
P/TBV (x)	0.8	0.6	1.2	0.9	0.9	0.8
Yield (%)	0.0	0.0	4.0	4.7	5.4	6.4
ROE (%)	-20.6	-0.9	6.6	25.1	9.4	10.8
Key company data						
Revenue growth (%)	0.0	18.2	-16.3	-16.6	2.0	4.0
Operating profit growth (%)	0.0	-147.3	673.3	-86.7	62.0	26.6
Cost/Income ratio (%)	-107.5	-97.0	-72.2	-95.6	-93.0	-91.4
Net profit growth (%)	0.0	-95.5	-812.2	337.0	-57.6	21.1
Net profit margin (%)	-44.3	-1.7	14.4	75.2	31.2	36.3
Payout ratio (%)	0.0	0.0	69.7	18.6	50.2	49.2
CET1 ratio (%)	0.0	0.0	0.0	0.0	0.0	0.0
Leverage ratio (%)	0.0	0.0	0.0	0.0	0.0	0.0
Income statement (EUR mn)						
Net interest income	2.1	1.3	0.8	18.5	19.3	20.5
Credit loss expense	-	-	-	-	-	-
Commissions & fees income	42.7	50.5	42.3	35.3	36.0	37.4
Trading income	-15.5	-1.6	-2.1	-4.6	-5.1	-3.8
Other income	12.5	9.9	16.4	9.3	9.6	10.2
Total income	42.7	50.5	42.3	35.3	36.0	37.4
Personnel expenses	-28.6	-26.3	-21.9	-19.8	-20.7	-21.4
General expenses	-28.1	-30.2	-23.0	-21.6	-20.7	-21.3
Depreciation	-1.8	-2.3	-2.0	-1.6	-1.7	-1.7
Goodwill and intangibles	-	-	-	-	-	-
Total expenditure	-45.9	-49.0	-30.5	-33.7	-33.5	-34.2
Total operating profit	-3.2	1.5	11.7	1.6	2.5	3.2
Other items	0.0	0.0	0.0	16.5	0.0	0.0
Taxation	-2.0	-1.4	-3.2	-4.6	-5.0	-6.0
Minority interests	-0.3	-0.7	-1.1	-0.7	-0.5	-0.3
Net income	-18.9	-0.9	6.1	26.5	11.2	13.6
Cash net income	-18.9	-0.9	6.1	26.5	11.2	13.6
Balance sheet (EUR mn)						
Loans	-	-	-	-	-	-
Trading portfolio	-	-	-	-	-	-
Investment portfolio	75	67	56	63	66	74
Goodwill & Intangibles	6	4	3	1	0	-2
Other	59	55	75	93	102	114
Total assets	140	127	135	157	168	186
Deposits	-	-	-	-	-	-
Other liabilities	41	30	34	34	38	49
Minority interests	8	7	6	6	7	7
Shareholders' equity	90	89	95	117	122	129
Total liabilities	140	127	135	157	168	186
Risk weighted assets	-	-	-	-	-	-

Source: Company data, Baader Helvea Equity Research

MPC Capital**Disclaimer**

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Company	Date	Rating	Currency Target price	Closing price as of	Analyst
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