

24 February 2022

MPC Capital

Germany

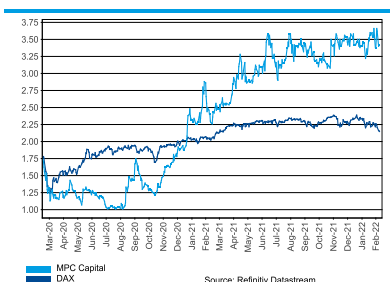
Other financials

Reuters: MPCKK.DE Bloomberg: MPCK GY

Add

Closing price as of 23-Feb-22	EUR 3.42
Target price	EUR 3.90
High/Low (12M)	EUR 3.66/2.26
Market cap.	EUR mn 121
Free float	44.0%
Avg. daily turnover	EUR mn 0.05

Price relative to Index



Performance (%)	1M	3M	6M
Absolute	-0.6	-3.9	7.5
rel. DAX	5.7	4.3	15.3
rel. STOXX Europe 600	3.8	1.4	11.4
rel. SXXP Financial Serv.	7.9	7.2	18.3

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FY21 results and 2022 guidance confirm pre-announced figures

Our conclusion

- The full year results from MPC confirm the positive statement issued in January. Investors should look positively on two aspects of today's announcement: the dividend of EUR 0.10 per share and the group's statement that some 80% of expected revenues for 2022 had already been contractually secured.
- MPC is well positioned in an environment where institutional appetite for real assets remains strong. The disposal of Cairn should mean that the group has all the financial resources it needs to finance co-investments alongside its clients. MPC remains exposed to the cyclical shipping sector. However, conditions there remain favourable and we note that the group's main investment in the sector (MPC Container Ships A/S) is currently valued well above the balance sheet carrying value so even in the event of market conditions cooling off there should be no adverse impact on the group's investment valuation.

Facts & Analysis

- MPC, has confirmed the preliminary numbers for 2021. The group had released a preliminary statement on the 2021 business performance on 27 January. The group noted that the continued strong market environment in container shipping as well as successful transactions in the real estate sector provided additional momentum in the final phase of the financial year 2021. MPC reported consolidated earnings before taxes (EBT) of EUR 10.4mn in the financial year 2021 (2020: EUR 1.3mn). This was at the upper end of the group's earlier expectations. Consolidated revenues came in at EUR 42.3mn. The decline compared to 2020 revenues (EUR 50.5mn) is because of changes in the group structure (proportionate consolidation of joint venture companies).
- Against the backdrop of what it described as "a significantly increased mid-term earnings visibility", the Management Board announced that it intends to restart dividend payments. The Board has announced that it will propose a dividend of EUR 0.10 per share for the financial year 2021 to the AGM on 27 April 2022. Our estimates had assumed a 2021 dividend for of EUR 0.05.
- The group has reiterated its initial guidance for the 2022 financial year. The Management Board stated that it expects adjusted consolidated earnings before taxes (EBT adjusted) of between EUR 8.0mn and EUR 12.0mn, excluding extraordinary income from the sale of the Dutch subsidiary CAIRN Real Estate. MPC has indicated that the extraordinary income from the sale of the CAIRN investment should be in the lower double-digit million-euro range.

Key financials

EUR mn	2020	2021E	2022E	2023E	CAGR (%)
Net income	-0.9	6.5	26.7	8.3	-
EPS (EUR)	-0.03	0.18	0.76	0.23	-
BVPS (EUR)	2.67	2.77	3.48	3.65	11.0

Source: Company data, Baader Helvea Equity Research

Valuation ratios

x	2020	2021E	2022E	2023E
P/BV	0.5	1.1	1.0	0.9
P/E	-	-	4.5	14.9
Div. yield (%)	0.0	1.7	2.3	2.9

MPC Capital

Key data

FY 31 Dec.	2018	2019	2020	2021E	2022E	2023E
Share data						
EPS (EUR)	-0.57	-0.07	-0.03	0.18	0.76	0.23
Cash EPS (EUR)	-0.52	0.00	0.04	0.25	0.82	0.30
Dividend (EUR)	0.00	0.00	0.00	0.05	0.08	0.10
Book value per share (EUR)	2.79	2.70	2.67	2.77	3.48	3.65
Tangible book value per share (EUR)	2.61	2.51	2.55	2.70	3.46	3.68
Average no. of shares (mn)	33.5	33.5	33.5	35.2	35.2	35.2
Average share price (EUR)	4.87	1.94	1.45	3.02	3.42	3.42
Average market cap. (EUR mn)	160.6	65.0	48.4	106.5	120.6	120.6
Valuation						
P/E (x)	-	-	-	-	4.5	14.9
Cash P/E (x)	-	-	-	-	4.2	11.4
P/BV (x)	1.7	0.7	0.5	1.1	1.0	0.9
P/TBV (x)	1.9	0.8	0.6	1.1	1.0	0.9
Yield (%)	0.0	0.0	0.0	1.7	2.3	2.9
ROE (%)	-20.1	-20.6	-0.9	7.0	24.3	6.6
Key company data						
Revenue growth (%)	-9.7	0.0	18.2	-16.2	-15.1	8.1
Operating profit growth (%)	-123.2	0.0	-147.3	366.1	-7.8	29.3
Cost/Income ratio (%)	-107.5	-107.5	-97.0	-83.3	-81.8	-78.3
Net profit growth (%)	-253.3	0.0	-95.5	-864.2	310.2	-69.0
Net profit margin (%)	-44.3	-44.3	-1.7	15.4	74.4	21.3
Payout ratio (%)	0.0	0.0	0.0	27.1	9.9	42.6
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	2.1	1.3	3.9	4.4	4.7
Credit loss expense	-	-	-	-	-	-
Commissions & fees income	42.7	42.7	50.5	42.3	35.9	38.8
Trading income	-15.5	-15.5	-1.6	-0.6	-0.3	-0.3
Other income	12.5	12.5	9.9	5.8	5.8	5.8
Total income	42.7	42.7	50.5	42.3	35.9	38.8
Personnel expenses	-28.6	-28.6	-26.3	-20.5	-17.4	-17.9
General expenses	-28.1	-28.1	-30.2	-18.1	-15.4	-15.9
Depreciation	-1.8	-1.8	-2.3	-2.3	-2.3	-2.3
Goodwill and intangibles	-	-	-	-	-	-
Total expenditure	-45.9	-45.9	-49.0	-35.2	-29.4	-30.4
Total operating profit	-3.2	-3.2	1.5	7.1	6.5	8.4
Other items	0.0	0.0	0.0	0.0	20.0	0.0
Taxation	-2.0	-2.0	-1.4	-3.1	-3.2	-3.9
Minority interests	-0.3	-0.3	-0.7	-0.8	-0.8	-0.8
Net income	-18.9	-18.9	-0.9	6.5	26.7	8.3
Cash net income	-18.9	-18.9	-0.9	6.5	26.7	8.3
Balance sheet (EUR mn)						
Loans	-	-	-	-	-	-
Trading portfolio	-	-	-	-	-	-
Investment portfolio	81	75	67	76	66	86
Goodwill & Intangibles	6	6	4	2	1	-1
Other	64	59	55	63	100	109
Total assets	151	140	127	141	166	194
Deposits	-	-	-	-	-	-
Other liabilities	39	41	30	36	35	56
Minority interests	19	8	7	8	8	9
Shareholders' equity	93	90	89	98	123	129
Total liabilities	151	140	127	141	166	194
Risk weighted assets	-	-	-	-	-	-

Source: Company data, Baader Helvea Equity Research

MPC Capital**Disclaimer****Baader Bank AG, Weißenstephaner Strasse 4, 85716 Unterschleißheim, Germany****Baader Helvea AG, Talstrasse 9, 8001 Zurich, Switzerland****Baader Helvea Limited, 5 Royal Exchange Buildings, London EC3V 3NL, United Kingdom**

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Company	Date	Rating	Currency	Target price	Closing price as of	Analyst	
MPC Capital	02-Mar-21	Add	EUR	3.90	2.26	01-Mar-21	Tim Dawson, MA, ACA

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