

7 March 2024

MPC Capital

Germany

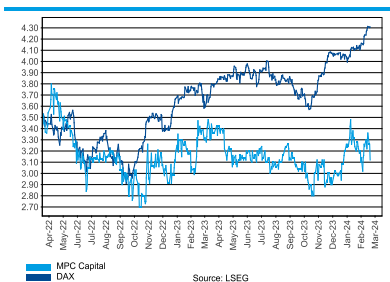
Other financials

Reuters: MPCKK.DE Bloomberg: MPCK GY

Add

Closing price as of 06-Mar-24	EUR 3.12
Target price	EUR 3.90
High/Low (12M)	EUR 3.48/2.80
Market cap.	EUR mn 110
Free float	53.0%
Avg. daily turnover	EUR mn 0.03

Price relative to Index



Performance (%)	1M	3M	6M
Absolute	-3.1	4.0	-3.7
rel. DAX	-7.1	-2.4	-16.3
rel. STOXX Europe 600	-5.5	-2.0	-13.4
rel. SXXP Financial Serv.	-7.7	-3.5	-20.1

Analyst:

Gerhard Schwarz, CEFA

+49 89 5150 1812

gerhard.schwarz@baaderbank.de

Solid revenue trend continued in 4Q23, but write-downs burden financial result – DPS proposal of EUR 0.27 above expectations – Positive outlook

Our conclusion

- MPC Capital released solid FY23 results. As expected by us, revenue trends remained at a high level in 4Q22 with total revenues of EUR 10.3mn roughly matching the strong run-rate seen in the previous quarter. This was driven by another increase in management fees. For 2023 overall, MPC Capital achieved an adjusted EBT of EUR 19.3mn and thus reached the upper end of the guided range of EUR 15-20mn. Profitability suffered somewhat in 4Q23 as the price decline in the group's holding of shares in MPC Energy Solutions triggered write-downs of some EUR 3.8mn which weighed on the financial result. Still, the adjusted EBT margin rose to 51% in FY23 from 40% in the previous year.
- As to forward looking statements, MPC Capital provided a positive guidance calling for further modest growth from the reached base. For FY24, MPC Capital expects a group revenue that is likely to be at least at the level of the previous year. The strength of the growth will depend, among other things, on the closing of the planned acquisition of Zeaborn, its timing, and the progress of the integration. EBT is expected to remain at the high level of FY23. Due to integration costs, there will be no contribution to results from the planned acquisition of Zeaborn in FY24 (see below). With a positive operating cash flow and further capital returns from co-investments, liquidity is expected to decrease against the background of investing activities during the year and an increased dividend payment. We have refined our model in-line with these statements but only made minor changes to our estimates as a result.
- MPC Capital decided to propose a dividend of EUR 0.27 per share for FY23 which is ahead of our estimate of EUR 0.22 (FY22: EUR 0.20). As we expect further growth for the group with ongoing good cash generation, we have lifted our DPS estimate for FY24 to EUR 0.29 and for FY25 to EUR 0.31.

Facts & Analysis

- **Revenues** rose to EUR 37.9mn in FY23 (Baader Helvea (E): EUR 37.4mn, FY22: 36.5mn) which was above the group's guidance for unchanged revenues. Both **management fees** (EUR 30.5mn vs. EUR 29.2mn in FY22) and **transaction and other fees** (EUR 7.4mn vs. EUR 7.3mn in FY22) were up year-on-year. Given the ongoing focus on cost control, the modestly increased revenue base led to a significant improvement in the **operating result** which rose to EUR 4.1mn (FY22: EUR -0.9mn). Despite write-downs on financial assets totaling EUR 4.5mn (FY22: EUR 3.0mn), the group's **financial result** remained at a strong level of EUR 15.2mn (FY22: EUR 15.6mn).
- MPC Capital sees itself well positioned to further develop its business at a high level in 2024 and will focus on expanding its established investment platforms and seize opportunities to generate additional growth. In particular, MPC Capital sees attractive investment opportunities due to the high demand for investments related to the energy transition. Additional growth impulses for the ship management platform and thus for recurring revenues from management fees are expected from the acquisition of Hamburg-based ship manager Zeaborn, which was announced at the end of 2023. Zeaborn manages a fleet of around 100 vessels, of which approximately 70 are expected to come under MPC Capital's management. The transaction is expected to be completed by the end of 1Q24.

Key financials

EUR mn	2023	2024E	2025E	2026E	CAGR (%)
Net income	13.1	14.6	16.8	19.1	13.5
EPS (EUR)	0.37	0.42	0.48	0.54	13.5
BVPS (EUR)	3.48	3.61	3.73	3.86	3.5

Valuation ratios

x	2023	2024E	2025E	2026E
P/BV	0.9	0.9	0.8	0.8
P/E	8.5	7.4	6.5	5.8
Div. yield (%)	8.6	9.3	9.9	10.6

Source: Company data, Baader Helvea Equity Research

MPC Capital

Key data

FY 31 Dec.	2021	2022	2023	2024E	2025E	2026E
Share data						
EPS (EUR)	0.17	0.74	0.37	0.42	0.48	0.54
Cash EPS (EUR)	0.23	0.78	0.45	0.50	0.57	0.64
Dividend (EUR)	0.12	0.20	0.27	0.29	0.31	0.33
Book value per share (EUR)	2.69	3.31	3.48	3.61	3.73	3.86
Tangible book value per share (EUR)	2.61	3.25	3.39	3.53	3.66	3.80
Average no. of shares (mn)	35.2	35.2	35.2	35.2	35.2	35.2
Average share price (EUR)	3.02	3.22	3.14	3.12	3.12	3.12
Average market cap. (EUR mn)	106.4	113.5	110.8	110.0	110.0	110.0
Valuation	2021	2022	2023	2024E	2025E	2026E
P/E (x)	17.8	4.4	8.5	7.4	6.5	5.8
Cash P/E (x)	13.1	4.1	7.0	6.2	5.5	4.9
P/BV (x)	1.1	1.0	0.9	0.9	0.8	0.8
P/TBV (x)	1.2	1.0	0.9	0.9	0.9	0.8
Yield (%)	4.0	6.2	8.6	9.3	9.9	10.6
ROE (%)	6.6	24.6	10.9	11.7	13.0	14.3
Key company data	2021	2022	2023	2024E	2025E	2026E
Revenue growth (%)	-16.3	-13.7	4.0	4.0	3.5	3.0
Operating profit growth (%)	673.3	-107.5	-571.6	16.4	9.3	5.3
Cost/Income ratio (%)	-72.2	-102.4	-89.1	-87.8	-87.1	-86.8
Net profit growth (%)	-812.2	328.3	-49.6	11.7	15.0	13.7
Net profit margin (%)	14.4	71.2	34.5	37.1	41.2	45.5
Payout ratio (%)	69.7	27.1	72.6	69.8	64.9	60.8
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)	2021	2022	2023	2024E	2025E	2026E
Net interest income	0.8	18.7	19.6	19.4	21.1	23.3
Credit loss expense	-	-	-	-	-	-
Commissions & fees income	42.3	36.5	37.9	39.5	40.8	42.1
Trading income	-2.1	-3.0	-4.5	-3.2	-3.6	-3.8
Other income	16.4	10.0	8.0	8.8	9.2	9.7
Total income	42.3	36.5	37.9	39.5	40.8	42.1
Personnel expenses	-21.9	-19.8	-19.8	-20.4	-21.0	-21.6
General expenses	-23.0	-26.3	-19.3	-20.0	-20.6	-21.3
Depreciation	-2.0	-1.4	-2.8	-3.1	-3.2	-3.4
Goodwill and intangibles	-	-	-	-	-	-
Total expenditure	-30.5	-37.4	-33.8	-34.6	-35.6	-36.5
Total operating profit	11.7	-0.9	4.1	4.8	5.3	5.5
Other items	0.0	16.5	0.0	0.0	0.0	0.0
Taxation	-3.2	-3.1	-2.4	-2.8	-2.6	-2.7
Minority interests	-1.1	-2.2	-3.8	-3.6	-3.4	-3.2
Net income	6.1	26.0	13.1	14.6	16.8	19.1
Cash net income	6.1	26.0	13.1	14.6	16.8	19.1
Balance sheet (EUR mn)	2021	2022	2023	2024E	2025E	2026E
Loans	-	-	-	-	-	-
Trading portfolio	-	-	-	-	-	-
Investment portfolio	56	55	56	64	71	78
Goodwill & Intangibles	3	2	3	3	2	2
Other	75	94	93	93	103	111
Total assets	135	151	152	160	176	191
Deposits	-	-	-	-	-	-
Other liabilities	34	28	23	23	33	43
Minority interests	6	6	7	10	11	12
Shareholders' equity	95	117	123	127	131	136
Total liabilities	135	151	152	160	176	191
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, Freigutstrasse 12, 8002 Zurich, Switzerland****Baader Helvea Limited, 5 Royal Exchange Buildings, London EC3V 3NL, United Kingdom**

Baader Bank AG is the parent company of Baader Helvea AG and/or Baader Helvea Limited. Baader Bank AG, Baader Helvea AG and Baader Helvea Limited are collectively referred to as “**Baader Helvea Group Europe Companies**” below, and each of them is referred to separately as a “**Baader Helvea Group Europe Company**”. Baader Bank AG and its subsidiaries and affiliates, including Baader Helvea AG and Baader Helvea Limited, are collectively referred to below as the “**Group Companies**”.

The information set forth in this document has been diligently compiled by Baader Bank AG and is partially based on publicly available sources and data supplied by third parties (including data supplied by AlphaValue S.A., a cooperation partner of Baader Bank AG) believed to be reliable. Baader Bank AG does not warrant the accuracy or completeness of such information.

All estimates and opinions included herein represent the independent judgment of the analyst(s) named in the Research Document as of the date of publication of this Research Document.

This Research Document was completed at 03:04 PM (CET) on 07-03-2024.

The relevant Baader Helvea Group Europe Company reserves the right to modify the views expressed herein at any time without notice and the right not to update this information and to discontinue coverage of the company that is the subject of this Research Document without notice. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. Neither the Group Companies, any of their authorized representatives or employees nor any other person accepts any liability whatsoever for any loss arising from any use of this Research Document or its contents or otherwise arising in connection therewith.

Please note the information on the preparation of this document, the important notice, the advice regarding possible conflicts of interests, and the mandatory information required by Art. 20 of the Regulation (EU) No 596/2014 of 16 April 2014 and the Commission Delegated Regulation (EU) 2016/958 of 9 March 2016 and pursuant to Art. 34, 36 and 37 of the Commission Delegated Regulation (EU) No 2017/565 of 25 April 2016 and other applicable rules under https://www.baaderbank.de/disclaimer_research.html.

Baader Bank AG is a stock corporation (*Aktiengesellschaft*) organized under the laws of the Federal Republic of Germany with its principal place of business in Unterschleissheim. It is registered with the District Court (*Amtsgericht*) in Munich under No. HRB 121537 and supervised by the German Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin*), Marie-Curie-Strasse 24-28, 60439 Frankfurt am Main and Graurheindorfer Strasse 108, 53117 Bonn. The value added tax identification number of Baader Bank AG is DE 114123893.

A list of all of our Research Documents on any financial instrument or issuer that were disseminated during the preceding 12-month period is available to our clients under https://www.baaderbank.de/disclaimer_research.html.

Research Documents with recommendation changes (rating or target price) published in the twelve months prior to the publication of this Research Document covering the same financial instruments or issuers.

Company	Date	Rating	Currency	Target price	Closing price as of	Analyst
---------	------	--------	----------	--------------	---------------------	---------

MPC Capital

Contacts

Volker Bosse, CEFA

Head of Research
+49 89 5150 1815
volker.bosse@baaderbank.de

Markus Mayer

Head of Capital Markets
+49 89 5150 1818
markus.mayer@baaderbank.de

EQUITY RESEARCH**Capital Goods**

Capital Goods (Switzerland)	Emrah Basic, CFA	+41 43 388 9250	ebasic@helvea.com
Capital Goods (Switzerland)	Michael Roost	+41 43 388 9261	mroost@helvea.com
Capital Goods (Switzerland)	Zana Mamelli	+41 43 388 9215	zmamelli@helvea.com
Capital Goods	Christian Obst, CEFA	+49 89 5150 1805	christian.obst@baaderbank.de
Capital Goods (Germany)	Peter Rothenaicher	+49 89 5150 1817	peter.rothenaicher@baaderbank.de

Chemicals

Konstantin Wiechert	+41 43 388 9213	kwiechert@helvea.com
Andreas von Arx	+41 43 388 9257	avonarx@helvea.com
Leonildo Delgado, PhD	+41 43 388 9226	ldelgado@helvea.com

Consumer

Consumer Durables / Food Retail / Non-Food Retail	Volker Bosse, CEFA	+49 89 5150 1815	volker.bosse@baaderbank.de
Food & Beverages	Andreas von Arx	+41 43 388 9257	avonarx@helvea.com

Financial Services

Gerhard Schwarz, CEFA	+49 89 5150 1812	gerhard.schwarz@baaderbank.de
Andreas von Arx	+41 43 388 9257	avonarx@helvea.com

Metals & Mining

Christian Obst, CEFA	+49 89 5150 1805	christian.obst@baaderbank.de
----------------------	------------------	------------------------------

Pharma

Leonildo Delgado, PhD	+41 43 388 9226	ldelgado@helvea.com
Konstantin Wiechert	+41 43 388 9213	kwiechert@helvea.com

Real Estate

Andre Remke, CFA Co-Head Equity Research	+49 89 5150 1816	andre.remke@baaderbank.de
Andreas von Arx	+41 43 388 9257	avonarx@helvea.com

Technology

Software / IT Services / Support Services	Knut Woller, CEFA	+49 89 5150 1807	knut.woller@baaderbank.de
---	-------------------	------------------	---------------------------

Transport

Christian Obst, CEFA	+49 89 5150 1805	christian.obst@baaderbank.de
----------------------	------------------	------------------------------

Utilities

Andreas von Arx	+41 43 388 9257	avonarx@helvea.com
Rene Rückert	+49 89 5150 1896	rene.rueckert@baaderbank.de

EQUITY STRATEGY

Gerhard Schwarz, CEFA Head of Equity Strategy	+49 89 5150 1812	gerhard.schwarz@baaderbank.de
--	------------------	-------------------------------

EQUITY SALES

Frankfurt	+49 69 1388 1357
London	+44 20 7054 7100
Munich	+49 89 5150 1850
Zurich	+41 43 388 9200

DERIVATIVES SALES

Munich	+49 89 5150 1990
--------	------------------

EQUITY SALES TRADING

Frankfurt	+49 69 1388 1355
London	+44 20 7054 7100
Munich	+49 89 5150 1870
New York	+1 212 935 5150
Zurich	+41 43 388 9200

For North American clients:

New York	+1 212 935 5150
----------	-----------------

PUBLICATION ADDRESSES

Baader Bank AG
Equity Research
Weihenstephaner Strasse 4
85716 Unterschleissheim, Germany

Baader Helvea AG
Equity Research
Freigutstrasse 12
8002 Zurich, Switzerland

T +49 89 5150 1810

T +41 43 388 9250