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18 - 21 September 2023, Munich**MPC Capital**

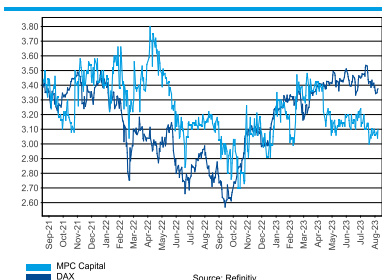
Germany

Other financials

Reuters: MPCKK.DE Bloomberg: MPCK GY

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Closing price as of 23-Aug-23	EUR 3.10
Target price	EUR 3.90
High/Low (12M)	EUR 3.48/2.70
Market cap.	EUR mn 109
Free float	53.0%
Avg. daily turnover	EUR mn 0.02

Price relative to Index

Performance (%)	1M	3M	6M
Absolute	-1.3	0.6	2.0
rel. DAX	1.5	3.3	0.3
rel. STOXX Europe 600	1.3	3.4	3.9
rel. SXXP Financial Serv.	-0.3	0.3	4.4

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Solid 1H23 results & positive outlook for transaction fees – Estimates raised**Our conclusion**

- MPC Capital published a very robust set of 1H23 results. Revenues were in-line with our estimates, but profitability improved even stronger than we had anticipated. On top, the group indicated that several investment projects it initiated in all three asset classes will lead to higher transaction fees in 2H23. Overall, the report again underlines the resilience of MPC Capital's business model. Although geopolitical and macroeconomic conditions remain challenging, the group maintained their operating performance at a high level and further improved profitability. As a diversified real asset specialist, MPC Capital is thus clearly able to capitalize on opportunities arising in various markets and to compensate for temporary weaknesses in some segments during more volatile market phases.
- The group confirmed their FY23 guidance: Consolidated earnings before taxes (EBT) should be in the range of EUR 15mn to EUR 20mn due to a lower cost base and sustained high income from co-investments. While consolidated revenues are expected to remain flat vs. FY22, a further improvement in profitability is hence expected for FY23 (after adjusting for the non-recurring effect from the sale of the Dutch real estate activities in FY22). Due to the ongoing solid progression during 1H23 we still regard MPC Capital to be fully on track to reach this guidance. We have updated our model to incorporate the information provided with the 1H23 report and have lifted our estimates for FY23 and beyond in this process. We now anticipate EBT to reach EUR 19.8mn in FY23 (previous estimate: EUR 17.2mn) and hence the upper end of the guidance range. We now also assume that MPC Capital already in FY23 will raise their dividend payment once again (from EUR 0.20 to EUR 0.22) which results in an expected FY23 dividend yield of 7.1%.

Facts & Analysis

- The reported 1H23 revenues trends were very much aligned with our estimates. Management services resulted in recurring revenues totaling EUR 13.9mn (1H22: EUR 13.6mn). The loss of revenues from the Dutch real estate business, which was sold in the previous year, was more than compensated by the increase in revenues from the other segments. Transaction fees decreased to at EUR 3.1mn compared to the previous year (1H22: EUR 5.0mn). Overall, revenues came in at EUR 17.2mn (1H22: EUR 18.7mn). EBT for 1H23 amounted to EUR 9.2mn (Baader Helvea (E): EUR 8.8mn) with the beat being largely driven by stronger than expected other operating income which was once again boosted by decent FX gains. In the previous year, MPC Capital had reported an adjusted EBT of EUR 7.9mn. The (adjusted) operating EBT margin thus improved from 42% in the previous year to 54% in 1H23 (Baader Helvea (E): 52%).
- MPC Capital stressed their continued focus on projects relating to the energy transition which proved to be very successful during 1H23. In this context, the group was able to launch several projects in connection with the strategic focus on the de-carbonization of real assets. For example, MPC Capital has acquired a fifth property for the ESG Core Wohnimmobilien Deutschland fund and is in the process of acquiring a further project. In the Renewables area three additional projects in South and Central America were commissioned. The launch of a 65 MWp photovoltaic project also paved the way for a market entry in Guatemala. In the Shipping segment, MPC Capital initiated the acquisition of a modern, efficient fleet of container vessels in cooperation with various investors for a total investment volume of USD 150mn, with the transaction expected to be completed in 2H23.

Key financials

EUR mn	2022	2023E	2024E	2025E	CAGR (%)
Net income	26.0	12.9	15.3	17.7	-12.1
EPS (EUR)	0.74	0.37	0.44	0.50	-12.1
BVPS (EUR)	3.31	3.46	3.63	3.76	4.3

Valuation ratios

x	2022	2023E	2024E	2025E
P/BV	1.0	0.9	0.9	0.8
P/E	4.4	8.4	7.0	6.2
Div. yield (%)	6.2	7.1	8.4	9.7

Source: Company data, Baader Helvea Equity Research

MPC Capital

Key data

FY 31 Dec.	2020	2021	2022	2023E	2024E	2025E
Share data						
EPS (EUR)	-0.03	0.17	0.74	0.37	0.44	0.50
Cash EPS (EUR)	0.04	0.23	0.78	0.39	0.46	0.53
Dividend (EUR)	0.00	0.12	0.20	0.22	0.26	0.30
Book value per share (EUR)	2.67	2.69	3.31	3.46	3.63	3.76
Tangible book value per share (EUR)	2.55	2.61	3.25	3.40	3.59	3.72
Average no. of shares (mn)	33.5	35.2	35.2	35.2	35.2	35.2
Average share price (EUR)	1.45	3.02	3.22	3.10	3.10	3.10
Average market cap. (EUR mn)	48.4	106.4	113.5	109.3	109.3	109.3
Valuation	2020	2021	2022	2023E	2024E	2025E
P/E (x)	-	17.8	4.4	8.4	7.0	6.2
Cash P/E (x)	36.3	13.1	4.1	7.9	6.7	5.8
P/BV (x)	0.5	1.1	1.0	0.9	0.9	0.8
P/TBV (x)	0.6	1.2	1.0	0.9	0.9	0.8
Yield (%)	0.0	4.0	6.2	7.1	8.4	9.7
ROE (%)	-0.9	6.6	24.6	10.8	12.3	13.6
Key company data	2020	2021	2022	2023E	2024E	2025E
Revenue growth (%)	18.2	-16.3	-13.7	2.4	4.0	3.0
Operating profit growth (%)	-147.3	673.3	-107.5	-561.6	18.2	4.5
Cost/Income ratio (%)	-97.0	-72.2	-102.4	-89.2	-87.7	-87.5
Net profit growth (%)	-95.5	-812.2	328.3	-50.3	18.8	15.2
Net profit margin (%)	-1.7	14.4	71.2	34.6	39.5	44.2
Payout ratio (%)	0.0	69.7	27.1	60.0	59.7	59.8
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)	2020	2021	2022	2023E	2024E	2025E
Net interest income	1.3	0.8	18.7	16.8	18.1	19.8
Credit loss expense	-	-	-	-	-	-
Commissions & fees income	50.5	42.3	36.5	37.4	38.8	40.0
Trading income	-1.6	-2.1	-3.0	-1.1	-0.8	-0.6
Other income	9.9	16.4	10.0	4.0	4.4	4.6
Total income	50.5	42.3	36.5	37.4	38.8	40.0
Personnel expenses	-26.3	-21.9	-19.8	-18.6	-19.1	-19.7
General expenses	-30.2	-23.0	-26.3	-17.9	-18.4	-19.0
Depreciation	-2.3	-2.0	-1.4	-0.9	-0.9	-1.0
Goodwill and intangibles	-	-	-	-	-	-
Total expenditure	-49.0	-30.5	-37.4	-33.3	-34.1	-35.0
Total operating profit	1.5	11.7	-0.9	4.1	4.8	5.0
Other items	0.0	0.0	16.5	0.0	0.0	0.0
Taxation	-1.4	-3.2	-3.1	-3.0	-3.0	-3.0
Minority interests	-0.7	-1.1	-2.2	-3.9	-3.7	-3.5
Net income	-0.9	6.1	26.0	12.9	15.3	17.7
Cash net income	-0.9	6.1	26.0	12.9	15.3	17.7
Balance sheet (EUR mn)	2020	2021	2022	2023E	2024E	2025E
Loans	-	-	-	-	-	-
Trading portfolio	-	-	-	-	-	-
Investment portfolio	67	56	55	46	50	55
Goodwill & Intangibles	4	3	2	2	2	1
Other	55	75	94	103	116	130
Total assets	127	135	151	151	168	186
Deposits	-	-	-	-	-	-
Other liabilities	30	34	28	18	26	39
Minority interests	7	6	6	10	14	15
Shareholders' equity	89	95	117	122	128	133
Total liabilities	127	135	151	151	168	186
Risk weighted assets	-	-	-	-	-	-

Source: Company data, Baader Helvea Equity Research

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Company	Date	Rating	Currency Target price	Closing price as of	Analyst
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