

27 January 2022

## MPC Capital

Germany

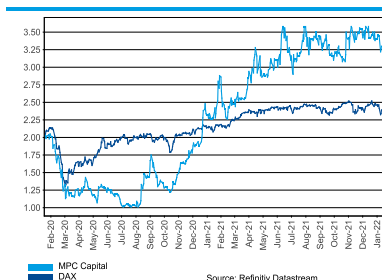
### Other financials

Reuters: MPCKK.DE Bloomberg: MPCK GY

### Add

Closing price as of 26-Jan-22	EUR 3.30
<b>Target price</b>	<b>EUR 3.90</b>
High/Low (12M)	EUR 3.58/2.26
Market cap.	EUR mn 116
Free float	44.0%
Avg. daily turnover	EUR mn 0.04

### Price relative to Index



Performance (%)	1M	3M	6M
Absolute	-7.8	0.0	5.8
rel. DAX	-5.9	1.9	6.8
rel. STOXX Europe 600	-4.7	1.8	4.4
rel. SXXP Financial SVS	-1.6	7.0	9.5

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## Positive statement on 2021 from MPC

### Our conclusion

- MPC's statement on the 2021 financial year is positive. Revenues were in-line with our projections but pre-tax profit exceeded our forecast. The group also indicated that it will propose a dividend in respect of the 2021 year, one year ahead of our expectation. The group is guiding for 2022 to be another solid year, with total net income boosted by the extraordinary profit that will accrue from the Cairn disposal.
- These results and the positive outlook statement highlight how MPC has established a much more solid platform of profitability following its focus on costs in recent years.
- MPC will release full details on its 2021 financial year as well as indicating the size of the proposed dividend on 24 February.

### Facts & Analysis

- MPC has released a preliminary statement on the 2021 business performance. The group notes 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.
- According to preliminary, unaudited figures, MPC generated consolidated earnings before taxes (EBT) of EUR 10.4mn in the financial year 2021 (2020: EUR 1.3mn, Baader Helvea (E): EUR 7.7mn). This is at the upper end of the group's expectations. Consolidated revenues came in at EUR 42.3mn (Baader Helvea (E): EUR 41.0mn). 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 is describes as "a significantly increased mid-term earnings visibility", the Management Board has announced that it intends to restart dividend payments. The Board will propose dividend for the financial year 2021 to the AGM on 27 April 2022. The exact amount of the dividend will be communicated with the presentation of the final figures and the 2021 Annual Report on 24 February 2022. This is one year ahead of our expectations. We had looked for a return to dividend payments in respect of the 2022 financial year.
- For the 2022 financial year, the Management Board 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 Baader Helvea (E): EUR 11.9mn). MPC has indicated that the extraordinary income from the sale of the CAIRN investment should be in the lower double-digit million euro range (Baader Helvea (E): EUR 20mn).

### Key financials

EUR mn	2020	2021E	2022E	2023E	CAGR (%)
Net income	-0.9	4.6	21.1	9.2	-
EPS (EUR)	-0.03	0.13	0.60	0.26	-
BVPS (EUR)	2.67	2.72	3.26	3.46	9.1

Source: Company data, Baader Helvea Equity Research

### Valuation ratios

x	2020	2021E	2022E	2023E
P/BV	0.5	1.1	1.0	1.0
P/E	-	-	5.5	12.7
Div. yield (%)	0.0	0.0	1.5	1.8

## MPC Capital

## Key data

FY 31 Dec.	2018	2019	2020	2021E	2022E	2023E
<b>Share data</b>						
EPS (EUR)	-0.57	-0.07	-0.03	0.13	0.60	0.26
Cash EPS (EUR)	-0.52	0.00	0.04	0.20	0.66	0.33
Dividend (EUR)	0.00	0.00	0.00	0.00	0.05	0.06
Book value per share (EUR)	2.79	2.70	2.67	2.72	3.26	3.46
Tangible book value per share (EUR)	2.61	2.51	2.55	2.65	3.25	3.49
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	3.30	3.30
Average market cap. (EUR mn)	160.6	65.0	48.4	106.5	116.3	116.3
<b>Valuation</b>						
P/E (x)	-	-	-	-	5.5	12.7
Cash P/E (x)	-	-	-	-	5.0	10.0
P/BV (x)	1.7	0.7	0.5	1.1	1.0	1.0
P/TBV (x)	1.9	0.8	0.6	1.1	1.0	0.9
Yield (%)	0.0	0.0	0.0	0.0	1.5	1.8
ROE (%)	-20.1	-2.4	-0.9	5.0	20.0	7.7
<b>Key company data</b>						
Revenue growth (%)	-9.7	9.6	7.8	-18.7	9.9	9.0
Operating profit growth (%)	-123.2	19.1	-139.8	175.5	79.5	37.3
Cost/Income ratio (%)	-107.5	-108.2	-97.0	-89.8	-83.4	-79.0
Net profit growth (%)	-253.3	-88.3	-61.6	-642.8	355.9	-56.5
Net profit margin (%)	-44.3	-4.7	-1.7	11.3	46.7	18.7
Payout ratio (%)	0.0	0.0	0.0	0.0	8.4	23.1
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
<b>Income statement (EUR mn)</b>						
Net interest income	2.1	6.1	1.3	4.1	24.4	4.6
Credit loss expense	-	-	-	-	-	-
Commissions & fees income	42.7	46.8	50.5	41.0	45.1	49.2
Trading income	-15.5	-1.4	-1.6	-0.6	-0.7	-0.8
Other income	12.5	9.7	9.9	4.0	4.5	4.5
<b>Total income</b>	<b>42.7</b>	<b>46.8</b>	<b>50.5</b>	<b>41.0</b>	<b>45.1</b>	<b>49.2</b>
Personnel expenses	-28.6	-28.8	-26.3	-20.5	-21.0	-21.6
General expenses	-28.1	-29.3	-30.2	-18.0	-18.7	-19.5
Depreciation	-1.8	-2.2	-2.3	-2.3	-2.3	-2.3
Goodwill and intangibles	-	-	-	-	-	-
<b>Total expenditure</b>	<b>-45.9</b>	<b>-50.7</b>	<b>-49.0</b>	<b>-36.9</b>	<b>-37.6</b>	<b>-38.8</b>
<b>Total operating profit</b>	<b>-3.2</b>	<b>-3.8</b>	<b>1.5</b>	<b>4.2</b>	<b>7.5</b>	<b>10.3</b>
Other items	0.0	0.0	0.0	0.0	0.0	0.0
Taxation	-2.0	-1.2	-1.4	-2.3	-9.4	-4.3
Minority interests	-0.3	-1.9	-0.7	-0.8	-0.8	-0.8
<b>Net income</b>	<b>-18.9</b>	<b>-2.2</b>	<b>-0.9</b>	<b>4.6</b>	<b>21.1</b>	<b>9.2</b>
Cash net income	-18.9	-2.2	-0.9	4.6	21.1	9.2
<b>Balance sheet (EUR mn)</b>						
Loans	-	-	-	-	-	-
Trading portfolio	-	-	-	-	-	-
Investment portfolio	81	75	67	76	67	86
Goodwill & Intangibles	6	6	4	2	1	-1
Other	64	59	55	60	98	110
<b>Total assets</b>	<b>151</b>	<b>140</b>	<b>127</b>	<b>138</b>	<b>166</b>	<b>195</b>
Deposits	-	-	-	-	-	-
Other liabilities	39	41	30	34	43	64
Minority interests	19	8	7	8	8	9
Shareholders' equity	93	90	89	96	115	122
<b>Total liabilities</b>	<b>151</b>	<b>140</b>	<b>127</b>	<b>138</b>	<b>166</b>	<b>195</b>
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
MPC Capital	03-Feb-21	Add	EUR	3.90	2.42 02-Feb-21	Tim Dawson, MA, ACA

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