

12 May 2022

## MPC Capital

Germany

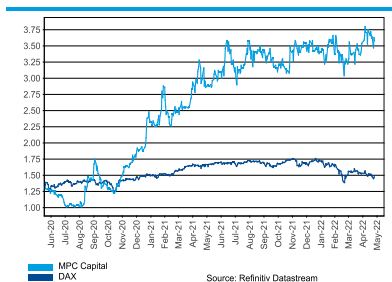
### Other financials

Reuters: MPCKK.DE Bloomberg: MPCK GY

### Add

Closing price as of 11-May-22	EUR 3.58
<b>Target price</b>	<b>EUR 3.90</b>
High/Low (12M)	EUR 3.80/2.86
Market cap.	EUR mn 126
Free float	43.0%
Avg. daily turnover	EUR mn 0.09

### Price relative to Index



Performance (%)	1M	3M	6M
Absolute	6.5	-2.2	2.3
rel. DAX	9.1	8.2	16.3
rel. STOXX Europe 600	13.2	6.8	14.2
rel. SXXP Financial Serv.	18.6	12.3	23.3

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## 1Q results driven by strong transaction business and exit gains on Dutch real estate activities – Fresh co-investments in a USD 420mn container ship newbuilding program announced – Guidance for FY22 confirmed

### Our conclusion

- MPC Capital recorded a very successful 1Q22, which stands out both operationally and also due to the strong extraordinary income generated through the sale of their Dutch real estate activities (“Cairn”). The results published today show a transaction-heavy first quarter which is reflected in a significant improvement in profitability. The “Cairn” sale – which became effective on January 31, 2022 – led to extraordinary income of EUR 16.4mn. Overall cash proceeds from the transaction amount to EUR 30mn.
- We have fine-tuned our estimates somewhat to reflect the information contained in today’s report. In essence, our picture on the underlying business trend and the outlook for the group has not changed materially. We continue to see MPC Capital as well-placed to benefit from strong investment themes such as sustainable housing, renewable energy and the strong conditions in container shipping. The group confirmed this view by stating that it recorded a further increase in demand for sustainable investments in all asset classes.

### Facts & Analysis

- The group’s consolidated revenues increased to EUR 10.7mn in 1Q22 from EUR 7.8mn in the previous year. While recurring income from management fees came in at EUR 6.4mn (1Q21: EUR 7.1mn) – which basically met our EUR 6.5mn estimate for overall revenues – reported transaction fees of EUR 4.2mn were by far stronger than usual at the start of the year (1Q21: EUR 0.7mn). The increase is mainly attributable to disposals in the German office real estate market and transactions in container shipping.
- After the first three months of 2022, consolidated earnings before taxes (EBT) amounted to EUR 22.1mn (Baader Helvea estimate: EUR 21.7mn). The operating EBT adjusted for the extraordinary income from the “Cairn” sale (EBT adj.) was EUR 5.7mn. In the previous year, MPC Capital generated an EBT of EUR 0.9mn. The EBT margin (adj.) thus improved from 12% in the previous year to 53% in the first quarter of 2022.
- Cash and cash equivalents increased to EUR 62.2mn in 1Q22 (4Q21: EUR 38.5mn) due to the “Cairn” sale, income from co-investments, and a positive operating cash flow.
- Together with international investors, MPC Capital initiated a newbuilding program for six container ships, each with a capacity of 5,500 standard containers and a total investment volume of USD 420mn. The special eco-design of the vessels is one of the most modern and efficient designs currently available in container shipping. Compared with the existing fleet, fuel consumption is around 40% lower and the newbuildings are prepared for conversion to CO2-neutral propulsion at a later stage. Furthermore, charter agreements with a total volume of USD 600mn over a term of seven years have already been concluded for the ships. MPC Capital has participated in the newbuilding program as part of its co-investment strategy.
- MPC Capital confirmed their targets for FY22: Group sales are still expected to decline significantly in the current fiscal year. In terms of earnings, the group continues to expect an (adjusted) EBT of between EUR 8mn and EUR 12mn for FY22 (Baader Helvea estimate: EUR 10.6mn vs. EUR 10.4mn for FY21). The (adjusted) EBT margin should continue to improve significantly as a result of the lower sales level if the strong prior-year result is achieved again (Baader Helvea estimate: 30.4% vs. 24.6% for FY21).

### Key financials

EUR mn	2021	2022E	2023E	2024E	CAGR (%)
Net income	6.1	23.1	7.4	9.4	15.5
EPS (EUR)	0.17	0.66	0.21	0.27	15.5
BVPS (EUR)	2.69	3.23	3.32	3.43	8.4

### Valuation ratios

x	2021	2022E	2023E	2024E
P/BV	1.1	1.1	1.1	1.0
P/E	17.8	5.4	17.0	13.3
Div. yield (%)	4.0	3.4	3.4	4.2

Source: Company data, Baader Helvea Equity Research

## MPC Capital

## Key data

FY 31 Dec.	2019	2020	2021	2022E	2023E	2024E
<b>Share data</b>						
EPS (EUR)	-0.07	-0.03	0.17	0.66	0.21	0.27
Cash EPS (EUR)	0.00	0.04	0.23	0.71	0.27	0.32
Dividend (EUR)	0.00	0.00	0.12	0.12	0.12	0.15
Book value per share (EUR)	2.70	2.67	2.69	3.23	3.32	3.43
Tangible book value per share (EUR)	2.51	2.55	2.61	3.19	3.33	3.49
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	3.58	3.58	3.58
Average market cap. (EUR mn)	65.0	48.4	106.4	126.2	126.2	126.2
<b>Valuation</b>						
P/E (x)	-	-	17.8	5.4	17.0	13.3
Cash P/E (x)	-	-	17.8	5.0	13.3	11.2
P/BV (x)	0.7	0.5	1.1	1.1	1.1	1.0
P/TBV (x)	0.8	0.6	1.2	1.1	1.1	1.0
Yield (%)	0.0	0.0	4.0	3.4	3.4	4.2
ROE (%)	-20.6	-0.9	6.6	22.1	6.4	7.9
<b>Key company data</b>						
Revenue growth (%)	0.0	18.2	-16.3	-17.6	1.8	7.0
Operating profit growth (%)	0.0	-147.3	673.3	-23.6	4.2	23.0
Cost/Income ratio (%)	-107.5	-97.0	-72.2	-74.2	-73.6	-69.7
Net profit growth (%)	0.0	-95.5	-812.2	280.7	-68.0	26.6
Net profit margin (%)	-44.3	-1.7	14.4	66.3	20.8	24.7
Payout ratio (%)	0.0	0.0	69.7	18.3	57.2	56.5
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	1.3	0.8	1.8	2.2	2.6
Credit loss expense	-	-	-	-	-	-
Commissions & fees income	42.7	50.5	42.3	34.8	35.5	38.0
Trading income	-15.5	-1.6	-2.1	-0.3	-0.3	-0.3
Other income	12.5	9.9	16.4	13.1	13.8	14.5
<b>Total income</b>	<b>42.7</b>	<b>50.5</b>	<b>42.3</b>	<b>34.8</b>	<b>35.5</b>	<b>38.0</b>
Personnel expenses	-28.6	-26.3	-21.9	-18.0	-18.5	-18.9
General expenses	-28.1	-30.2	-23.0	-19.0	-19.4	-20.0
Depreciation	-1.8	-2.3	-2.0	-2.0	-2.0	-2.0
Goodwill and intangibles	-	-	-	-	-	-
<b>Total expenditure</b>	<b>-45.9</b>	<b>-49.0</b>	<b>-30.5</b>	<b>-25.9</b>	<b>-26.1</b>	<b>-26.5</b>
<b>Total operating profit</b>	<b>-3.2</b>	<b>1.5</b>	<b>11.7</b>	<b>9.0</b>	<b>9.3</b>	<b>11.5</b>
Other items	0.0	0.0	0.0	16.4	0.0	0.0
Taxation	-2.0	-1.4	-3.2	-3.2	-3.4	-4.1
Minority interests	-0.3	-0.7	-1.1	-0.7	-0.5	-0.3
<b>Net income</b>	<b>-18.9</b>	<b>-0.9</b>	<b>6.1</b>	<b>23.1</b>	<b>7.4</b>	<b>9.4</b>
Cash net income	-18.9	-0.9	6.1	23.1	7.4	9.4
<b>Balance sheet (EUR mn)</b>						
Loans	-	-	-	-	-	-
Trading portfolio	-	-	-	-	-	-
Investment portfolio	75	67	56	58	58	68
Goodwill & Intangibles	6	4	3	1	0	-2
Other	59	55	75	95	101	110
<b>Total assets</b>	<b>140</b>	<b>127</b>	<b>135</b>	<b>154</b>	<b>159</b>	<b>176</b>
Deposits	-	-	-	-	-	-
Other liabilities	41	30	34	33	35	48
Minority interests	8	7	6	6	7	7
Shareholders' equity	90	89	95	114	117	121
<b>Total liabilities</b>	<b>140</b>	<b>127</b>	<b>135</b>	<b>154</b>	<b>159</b>	<b>176</b>
Risk weighted assets	-	-	-	-	-	-

Source: Company data, Baader Helvea Equity Research

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