

28 February 2023

MPC Capital

Germany

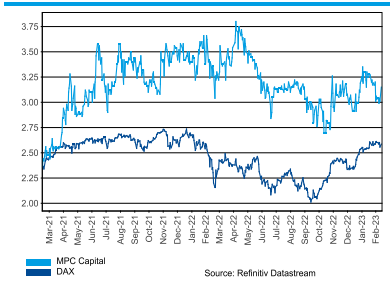
Other financials

Reuters: MPCKK.DE Bloomberg: MPCK GY

Add

Closing price as of 27-Feb-23	EUR 3.15
Target price	EUR 3.90
High/Low (12M)	EUR 3.80/2.70
Market cap.	EUR mn 111
Free float	53.0%
Avg. daily turnover	EUR mn 0.03

Price relative to Index



Performance (%)	1M	3M	6M
Absolute	-4.5	2.6	-0.9
rel. DAX	-6.1	-3.2	-19.5
rel. STOXX Europe 600	-6.2	-2.4	-9.5
rel. SXXP Financial Serv.	-5.8	-0.5	-7.2

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Solid 4Q22 revenue trends – Strong cash position and proposed DPS increase to EUR 0.20 mark a positive surprise – Ambitious FY23 guidance

Our conclusion

- MPC Capital released strong FY22 numbers that conclude a very successful year for the group. As expected by us, revenue trends in 4Q22 were solid with total revenues of EUR 9.4mn even slightly ahead of the run-rate seen in the previous two quarters. For 2022 overall, MPC Capital reached an adjusted EBT of EUR 14.8mn and thus basically met the guidance of “around EUR 15mn” that the group had lifted from the former range of “EUR 8-12mn” with the release of their 9M22 results. This was only slightly below our estimate of EUR 15mn and was mainly driven by the group’s 4Q22 result of associates carried at equity coming in at a slightly lower level than seen in 3Q22 (EUR 2.9mn vs. EUR 3.8mn). Still, total EBT (including the extraordinary gain of EUR 16.5mn from the sale of CAIRN) amounted to EUR 31.2mn in FY22 (FY21: EUR 10.4mn).
- Driven by the proceeds of the CAIRN sale and strongly rising dividend payments from associates carried at equity, MPC Capital’s cash position improved significantly in FY22. Overall, cash & equivalents reached EUR 69.1mn, which is up from EUR 38.5mn in FY21 and above our forecast of EUR 56.4mn. Therefore, the group decided to propose a dividend of EUR 0.20 per share for FY22 (FY21: EUR 0.12) which is ahead of previous plans to pay out half of the adjusted EPS which would have just yielded a payment of EUR 0.14. As we expect an ongoing good cash position for the group, we have accordingly lifted our DPS estimate for FY23 to EUR 0.20 and for FY24 to EUR 0.24.
- As to forward looking statements, MPC Capital provided an ambitious guidance calling for further growth from the strong FY22 base. For FY23, EBT is expected to amount between EUR 15mn and EUR 20mn (FY22: EUR 14.8mn) due to a lower cost base and continued high income from co-investments. We see no need for major changes to our model, but slightly lifted our EBT estimate to EUR 17.2mn which is around the mid-point of this range.

Facts & Analysis

- For 4Q22, **management fees** came in at EUR 8.0mn (Baader Helvea (E): EUR 7.5mn) and **transaction and other fees** of some EUR 1.4mn (Baader Helvea (E): EUR 0.8mn), bringing revenues for FY22 to EUR 36.5mn (Baader Helvea (E): EUR 35.3mn, FY21: EUR 42.3mn). The main reason for the decline was the sale of the Dutch real estate activities (CAIRN). With **adjusted EBT** of EUR 14.8mn (FY21: EUR 10.4mn), the adjusted EBT margin rose to 40% in FY22 from 25% in the previous year. The group therefore delivered strongly on its intention to increase profitability despite a somewhat lower revenue level.
- The strong results for FY22 underscore that MPC Capital is well positioned to deliver sustainable and profitable growth from the structuring of investments into real assets for institutional clients. The very profitable sale of the Dutch real estate business (CAIRN), which yielded a result contribution of EUR 16.5mn, and the significantly growing importance of dividend income from the group’s company holdings – which was the key driver behind the strong turnaround in the result of associates carried at equity to EUR 15.7mn from EUR -2.5mn in FY21 – have been key features of FY22. On top, several projects related to the global megatrend Energy Transition were initiated – an area in which MPC Capital sees significant growth opportunities.

Key financials

EUR mn	2021	2022	2023E	2024E	CAGR (%)
Net income	6.1	26.0	11.3	13.5	30.6
EPS (EUR)	0.17	0.74	0.32	0.38	30.6
BVPS (EUR)	2.69	3.31	3.43	3.57	9.9

Valuation ratios

x	2021	2022	2023E	2024E
P/BV	1.1	1.0	0.9	0.9
P/E	17.8	4.4	9.8	8.3
Div. yield (%)	4.0	6.2	6.3	7.6

Source: Company data, Baader Helvea Equity Research

MPC Capital

Key data

FY 31 Dec.	2019	2020	2021	2022	2023E	2024E
Share data						
EPS (EUR)	-0.07	-0.03	0.17	0.74	0.32	0.38
Cash EPS (EUR)	0.00	0.04	0.23	0.78	0.36	0.43
Dividend (EUR)	0.00	0.00	0.12	0.20	0.20	0.24
Book value per share (EUR)	2.70	2.67	2.69	3.31	3.43	3.57
Tangible book value per share (EUR)	2.51	2.55	2.61	3.25	3.42	3.61
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	3.22	3.15	3.15
Average market cap. (EUR mn)	65.0	48.4	106.4	113.5	111.0	111.0
Valuation						
P/E (x)	-	-	17.8	4.4	9.8	8.3
Cash P/E (x)	-	36.3	13.1	4.1	8.8	7.3
P/BV (x)	0.7	0.5	1.1	1.0	0.9	0.9
P/TBV (x)	0.8	0.6	1.2	1.0	0.9	0.9
Yield (%)	0.0	0.0	4.0	6.2	6.3	7.6
ROE (%)	-20.6	-0.9	6.6	24.6	9.5	10.9
Key company data						
Revenue growth (%)	0.0	18.2	-16.3	-13.7	3.0	4.0
Operating profit growth (%)	0.0	-147.3	673.3	-107.5	-175.3	98.7
Cost/Income ratio (%)	-107.5	-97.0	-72.2	-102.4	-98.2	-96.6
Net profit growth (%)	0.0	-95.5	-812.2	328.3	-56.7	20.0
Net profit margin (%)	-44.3	-1.7	14.4	71.2	29.9	34.6
Payout ratio (%)	0.0	0.0	69.7	27.1	62.6	62.6
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	1.3	0.8	18.7	19.8	21.2
Credit loss expense	-	-	-	-	-	-
Commissions & fees income	42.7	50.5	42.3	36.5	37.6	39.1
Trading income	-15.5	-1.6	-2.1	-3.0	-3.3	-2.5
Other income	12.5	9.9	16.4	10.0	10.4	11.1
Total income	42.7	50.5	42.3	36.5	37.6	39.1
Personnel expenses	-28.6	-26.3	-21.9	-19.8	-20.7	-21.4
General expenses	-28.1	-30.2	-23.0	-26.3	-25.2	-26.0
Depreciation	-1.8	-2.3	-2.0	-1.4	-1.4	-1.5
Goodwill and intangibles	-	-	-	-	-	-
Total expenditure	-45.9	-49.0	-30.5	-37.4	-36.9	-37.8
Total operating profit	-3.2	1.5	11.7	-0.9	0.7	1.3
Other items	0.0	0.0	0.0	16.5	0.0	0.0
Taxation	-2.0	-1.4	-3.2	-3.1	-5.1	-6.0
Minority interests	-0.3	-0.7	-1.1	-2.2	-0.8	-0.5
Net income	-18.9	-0.9	6.1	26.0	11.3	13.5
Cash net income	-18.9	-0.9	6.1	26.0	11.3	13.5
Balance sheet (EUR mn)						
Loans	-	-	-	-	-	-
Trading portfolio	-	-	-	-	-	-
Investment portfolio	75	67	56	55	58	66
Goodwill & Intangibles	6	4	3	2	0	-1
Other	59	55	75	94	101	111
Total assets	140	127	135	151	159	176
Deposits	-	-	-	-	-	-
Other liabilities	41	30	34	28	31	42
Minority interests	8	7	6	6	7	8
Shareholders' equity	90	89	95	117	121	126
Total liabilities	140	127	135	151	159	176
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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