

8 May 2024

## MPC Capital

Germany

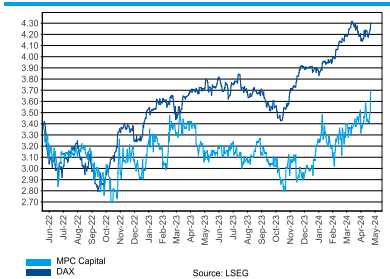
### Other financials

Reuters: MPCKK.DE Bloomberg: MPCK GY

### Add

Closing price as of 07-May-24	EUR 3.70
<b>Target price</b>	<b>EUR 3.90</b>
High/Low (12M)	EUR 3.70/2.80
Market cap.	EUR mn 130
Free float	53.0%
Avg. daily turnover	EUR mn 0.03

### Price relative to Index



Performance (%)	1M	3M	6M
Absolute	9.5	12.8	23.3
rel. DAX	8.1	3.9	1.7
rel. STOXX Europe 600	8.0	7.0	7.3
rel. SXXP Financial Serv.	9.7	5.8	2.2

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## Strong start into FY24 – Rising profitability – Fully on track towards guidance

### Our conclusion

- MPC Capital reported 1Q24 numbers today that were beating our expectations which once again underlines the group's highly profitable business model. A significantly stronger transaction business compared to the same period last year and a consistent expansion of the management and service platforms led to strong revenue growth of 11%. Continued high returns from the co-investment portfolio ensured a strong financial result and rising profitability (EBT margin of 73% vs. 48% in 1Q23 and 51% in FY23).
- The company confirmed its forecast for FY24, which was published in February and raised in mid-March. Accordingly, consolidated revenues are expected to at least match the previous year's level (EUR 37.9mn) and earnings before taxes are likely to be slightly higher than the already high level of EUR 19.3mn in FY23. We have updated our model by modestly refining our estimates. Particularly in light of the strong performance in 1Q24 we consider the company to be fully on track to reach the given guidance. We expect that revenues will reach EUR 39.5mn and EBT to amount some EUR 20.3mn in FY24.

### Facts & Analysis

- Revenues increased to EUR 9.6mn (1Q23: EUR 8.6mn) which is ahead of our estimate of EUR 9.45mn. Management fees increased by 4% to EUR 7.7mn (1Q23: EUR 7.4mn). This growth was mainly due to the expansion of maritime activities. In this context, the acquisition of the ship manager Zeaborn by end-1Q24 will further increase the fleet managed by MPC Capital in technical ship management and the related recurring income.
- MPC Capital recorded a strong transaction business in 1Q24. In addition to the sale of an office property, MPC Capital acquired and sold several vessels in club deal structures. Additional transaction proceeds were also realized with the completion of further container vessels from the newbuilding programs launched, which contribute to the decarbonization of maritime infrastructure thanks to their modern propulsion technology. Overall, transaction proceeds increased by 64% to EUR 1.8mn (1Q23: EUR 1.1mn).
- The financial result amounted to EUR 6.8mn in 1Q24 (1Q23: EUR 4.0mn) and resulted from returns from MPC Capital's co-investment portfolio. Based on a stable cost structure, EBT increased disproportionately by 69% to EUR 7.0mn in 1Q24 (1Q23: EUR 4.1mn, Baader Helvea (E): EUR 5.5mn). In mid-March, MPC Capital announced that it will increase its stake in MPC Container Ships from 7% to around 14% for a purchase price of around EUR 34mn which will foster the high impact of dividend income from associates.
- Some weeks ago, MPC Capital had announced changes to the Management Board. Constantin Baack will become the new CEO of MPC Capital AG at the end of the AGM, which will take place on 13-Jun-24. The current CEO Ulf Holländer will move to the Supervisory Board. Christian Schwenkenbecher joins the Management Board as Chief Client Officer. CFO Dr. Philipp Lauenstein completes the new management trio.
- The operational and economic successes of the first quarter show once again that MPC Capital, with its integrated investment and service offering, is ideally positioned even for volatile market phases. Based on a strong balance sheet, the group will continue to focus on expanding its established investment platforms to generate additional growth. MPC Capital sees attractive investment opportunities due to the high demand for investments particularly in connection with the energy transition and the decarbonization of shipping, as well as opportunities arising from market uncertainties and lower valuation levels.

### Key financials

EUR mn	2023	2024E	2025E	2026E	CAGR (%)
Net income	13.1	14.0	16.2	18.4	12.1
EPS (EUR)	0.37	0.40	0.46	0.52	12.1
BVPS (EUR)	3.48	3.59	3.71	3.84	3.3

### Valuation ratios

x	2023	2024E	2025E	2026E
P/BV	0.9	1.0	1.0	1.0
P/E	8.5	9.3	8.0	7.1
Div. yield (%)	8.6	7.8	8.4	8.9

Source: Company data, Baader Helvea Equity Research

## MPC Capital

## Key data

FY 31 Dec.	2021	2022	2023	2024E	2025E	2026E
<b>Share data</b>						
EPS (EUR)	0.17	0.74	0.37	0.40	0.46	0.52
Cash EPS (EUR)	0.23	0.78	0.45	0.48	0.55	0.62
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	3.59	3.71	3.84
Tangible book value per share (EUR)	2.61	3.25	3.39	3.51	3.64	3.78
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	3.70	3.70	3.70
Average market cap. (EUR mn)	106.4	113.5	110.8	130.4	130.4	130.4
<b>Valuation</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
P/E (x)	17.8	4.4	8.5	9.3	8.0	7.1
Cash P/E (x)	13.1	4.1	7.0	7.7	6.7	6.0
P/BV (x)	1.1	1.0	0.9	1.0	1.0	1.0
P/TBV (x)	1.2	1.0	0.9	1.1	1.0	1.0
Yield (%)	4.0	6.2	8.6	7.8	8.4	8.9
ROE (%)	6.6	24.6	10.9	11.2	12.6	13.9
<b>Key company data</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
Revenue growth (%)	-16.3	-13.7	4.0	4.0	3.5	3.0
Operating profit growth (%)	673.3	-107.5	-571.6	0.9	10.0	5.3
Cost/Income ratio (%)	-72.2	-102.4	-89.1	-89.4	-88.8	-88.5
Net profit growth (%)	-812.2	328.3	-49.6	6.8	15.5	14.1
Net profit margin (%)	14.4	71.2	34.5	35.5	39.6	43.8
Payout ratio (%)	69.7	27.1	72.6	73.0	67.6	63.1
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>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
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	8.2	8.6	9.0
<b>Total income</b>	<b>42.3</b>	<b>36.5</b>	<b>37.9</b>	<b>39.5</b>	<b>40.8</b>	<b>42.1</b>
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	-	-	-	-	-	-
<b>Total expenditure</b>	<b>-30.5</b>	<b>-37.4</b>	<b>-33.8</b>	<b>-35.3</b>	<b>-36.3</b>	<b>-37.2</b>
<b>Total operating profit</b>	<b>11.7</b>	<b>-0.9</b>	<b>4.1</b>	<b>4.2</b>	<b>4.6</b>	<b>4.8</b>
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
<b>Net income</b>	<b>6.1</b>	<b>26.0</b>	<b>13.1</b>	<b>14.0</b>	<b>16.2</b>	<b>18.4</b>
Cash net income	6.1	26.0	13.1	14.0	16.2	18.4
<b>Balance sheet (EUR mn)</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>
Loans	-	-	-	-	-	-
Trading portfolio	-	-	-	-	-	-
Investment portfolio	56	55	56	92	101	111
Goodwill & Intangibles	3	2	3	3	2	2
Other	75	94	93	65	74	82
<b>Total assets</b>	<b>135</b>	<b>151</b>	<b>152</b>	<b>160</b>	<b>178</b>	<b>195</b>
Deposits	-	-	-	-	-	-
Other liabilities	34	28	23	23	36	48
Minority interests	6	6	7	10	11	12
Shareholders' equity	95	117	123	127	131	135
<b>Total liabilities</b>	<b>135</b>	<b>151</b>	<b>152</b>	<b>160</b>	<b>178</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
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