

4 July 2011

MCB Finance Group

Year End	Revenue (€m)	PBT (€m)	EPS* (c)	DPS (c)	P/E** (x)	Yield ** (%)
12/09	15.7	(0.6)	(6.1)	0.0	N/A	N/A
12/10	11.8	0.5	1.3	0.0	60.2	N/A
12/11e	16.8	2.8	10.8	0.0	7.2	N/A
12/12e	20.3	4.1	16.0	0.0	4.9	N/A

Note: *PBT and EPS are normalised; ** converted at €1.11/£.

Investment summary: Pre-close trading statement

After the near doubling of estimates on the trading update in mid-May, confirmation in today's statement that volumes are expected to be sustained through the summer before the usual second half pick up is encouraging. Full year results are expected to be in line with the estimates, which were materially increased with the May update. The key business trends in terms of credit issued and collections, including write-backs from historic losses, have continued as the Fenno-Baltic economies have shown steady improvements.

The cost of the employee option plan announced on 13 June and the impact of a rising share price bringing more options into the diluted earnings calculation will both be seen in the interim results (to be published in the first week of September). We do not expect either to take the shine off what should be an excellent growth story.

The prospective 2012 P/E of 5x is undemanding, giving little credit for any longer-term growth from widening geographic, distribution channel or product spread. When considering the downside, we remind investors that MCB was profitable in all but one country through the credit crisis.

Price 70.5p
Market Cap £12m

Share price graph



Share details

Code MCRB
Listing AIM
Sector Financials
Shares in issue 17.394m

Price

52 week High Low
85.0p 10.5p

Business

MCB Finance Group is a leading online provider of short- and medium-term loans to customers in Finland, Estonia, Latvia and Lithuania using the Credit24 brand.

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