



Swissquote

Internet banking/Fintech / Switzerland

More tailwinds

Exporting high quality financial technology... - 27/04/2020

Change in Opinion

Buy vs Add

Change in EPS

2020 : CHF 3.80 vs 3.72	+2.28%
2021 : CHF 4.51 vs 4.20	+7.42%

As we mentioned in our recent Latest, tailwinds are gathering today with higher volumes in H1 20 (at least) and a sharp increase in the number of accounts opening. Swissquote's recent acquisition, InternaXX, and the set up of the Singaporean operations will also add to the long-term momentum.

Change in DCF

CHF 95.2 vs 73.5 +29.5%

Our DCF is based on EBITDA expectations. Hence, as we have increased our expectations, our DCF mechanically rises too. Adding 2022 numbers with an 18% increase in EBITDA vs 2021 is obviously adding to the sharp increase in the DCF-based valuation.



Farhad MOSHIRI

otherfinancials@alphavalue.eu

+33 (0) 1 70 61 10 50

cs.alphavalue.com

This research has been commissioned and paid for by the company and is deemed to constitute an acceptable minor non-monetary benefit as defined in MiFID II

Buy	Upside : 43.4%
Target Price (6 months)	CHF 81.7
Share Price	CHF 57.0
Market Cap. CHFM	874
Price Momentum	GOOD
Extremes 12Months	35.6 ▶ 63.0
Bloomberg	SQN SW Equity
Reuters	SQN.S

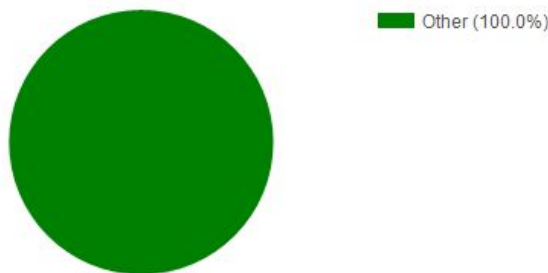

[Download Full Analysis](#)
[Company Page](#)


PERF	1w	1m	3m	12m
Swissquote Group Holding	2.52%	3.26%	-4.36%	49.2%
Other financials	-1.36%	4.02%	-19.5%	-4.93%
SXXR Index	-1.09%	5.38%	-21.7%	-13.5%

Last updated: 27/04/2020	12/19A	12/20E	12/21E	12/22E
Adjusted P/E (x)	14.5	15.0	12.6	10.2
Dividend yield (%)	2.38	2.00	2.37	2.94
EV/EBITDA(R) (x)	6.72	7.29	6.09	4.86
Adjusted EPS (CHF)	2.89	3.80	4.51	5.58
Growth in EPS (%)	-5.72	31.5	18.6	23.7
Dividend (CHF)	1.00	1.14	1.35	1.67
Sales (CHFM)	232	271	304	340
Pretax Results margin (%)	21.8	23.6	25.0	27.8
Attributable net profit (CHFM)	43.0	56.6	67.1	83.0
ROE (after tax) (%)	11.8	14.5	16.4	19.2
Gearing (%)	-34.0	-28.8	-34.7	-38.5

[Company Valuation](#) - [Company Financials](#)

Sales by Geography



Consolidated P&L Accounts

		12/19A	12/20E	12/21E
Sales	CHFM	232	271	304
Change in sales	%	4.12	16.7	12.0
Change in staff costs	%	15.0	12.0	10.0
EBITDA	CHFM	78.3	98.7	114
EBITDA(R) margin	%	34.1	36.8	37.9
Depreciation	CHFM	-26.0	-29.1	-32.0
Underlying operating profit	CHFM	52.3	69.6	82.0
Operating profit (EBIT)	CHFM	50.6	66.6	79.0
Net financial expense	CHFM	0.00	0.00	0.00
of which related to pensions	CHFM		-0.82	-0.71
Exceptional items & other	CHFM			
Corporate tax	CHFM	-7.59	-9.99	-11.8
Equity associates	CHFM			
Minority interests	CHFM			
Adjusted attributable net profit	CHFM	43.0	56.6	67.1
NOPAT	CHFM	35.4	47.2	55.8

Cashflow Statement

		12/19A	12/20E	12/21E
EBITDA	CHFM	78.3	98.7	114
Change in WCR	CHFM	0.00	0.00	0.00
Actual div. received from equity holdi...	CHFM	0.00	0.00	0.00
Paid taxes	CHFM	-8.00	-9.99	-11.8
Exceptional items	CHFM			
Other operating cash flows	CHFM	9.00	-20.3	-27.6
Total operating cash flows	CHFM	79.3	68.4	74.5
Capital expenditure	CHFM	-26.3	-29.5	-32.4
Total investment flows	CHFM	-57.7	-29.5	-32.4
Net interest expense	CHFM	0.00	0.00	0.00
Dividends (parent company)	CHFM	-14.9	-14.9	-17.0
Dividends to minorities interests	CHFM	0.00	0.00	0.00
New shareholders' equity	CHFM	0.00	0.00	0.00
Total financial flows	CHFM	-14.9	-14.1	-16.3
Change in cash position	CHFM	6.76	24.9	25.8
Free cash flow (pre div.)	CHFM	53.0	38.9	42.1

Per Share Data

		12/19A	12/20E	12/21E
No. of shares net of treas. stock (year...	Mio	14.9	14.9	14.9
Number of diluted shares (average)	Mio	14.9	14.9	14.9
Benchmark EPS	CHF	2.89	3.80	4.51
Restated NAV per share	CHF			
Net dividend per share	CHF	1.00	1.14	1.35

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
DCF	CHF 95.2	35%	■ Euronext NV
NAV/SOTP per share	CHF 64.1	20%	■ London Stock Exch...
EV/Ebitda	CHF 85.2	20%	■ Deutsche Boerse
P/E	CHF 83.3	10%	■ Amundi
Dividend Yield	CHF 76.1	10%	■ DWS
P/Book	CHF 52.5	5%	■ VIEL & Cie
TARGET PRICE	CHF 81.7	100%	■ UBS
			■ Julius Baer

NAV/SOTP Calculation

Balance Sheet

		12/19A	12/20E	12/21E
Goodwill	CHFM	45.7	46.6	47.5
Total intangible	CHFM	101	103	105
Tangible fixed assets	CHFM	70.5	71.9	73.3
Financial fixed assets	CHFM			
WCR	CHFM	0.00	0.00	0.00
Other assets	CHFM	54.0	55.1	56.2
Total assets (net of short term liab.)	CHFM	6,367	6,494	6,595
Ordinary shareholders' equity	CHFM	375	408	411
Quasi Equity & Preferred	CHFM			
Minority interests	CHFM			
Provisions for pensions	CHFM	5.59	1.00	1.19
Other provisions for risks and liabilities	CHFM			
Total provisions for risks and liabilities	CHFM	5.59	1.00	1.19
Tax liabilities	CHFM	3.83	3.91	3.98
Other liabilities	CHFM	6,089	6,211	6,335
Net debt (cash)	CHFM	-105	-130	-156
Total liab. and shareholders' equity	CHFM	6,368	6,494	6,595

Capital Employed

		12/19A	12/20E	12/21E
Capital employed after depreciation	CHFM	277	282	259

Profits & Risks Ratios

		12/19A	12/20E	12/21E
ROE (after tax)	%	11.8	14.5	16.4
ROCE	%	13.1	17.0	21.8
Gearing (at book value)	%	-34.0	-28.8	-34.7
Adj. Net debt/EBITDA(R)	x	-1.23	-1.23	-1.29
Interest cover (x)	x	175	-135	-202

Valuation Ratios

		12/19A	12/20E	12/21E
Reference P/E (benchmark)	x	14.5	15.0	12.6
Free cash flow yield	%	8.48	4.59	4.96
P/Book	x	1.67	2.08	2.06
Dividend yield	%	2.38	2.00	2.37

EV Calculation

		12/19A	12/20E	12/21E
Market cap	CHFM	625	848	848
+ Provisions	CHFM	5.59	1.00	1.19
+ Unrecognised actuarial losses/(gains)	CHFM	0.00	0.00	0.00
+ Net debt at year end	CHFM	-105	-130	-156
+ Leases debt equivalent	CHFM	7.00	7.00	7.00
- Financial fixed assets (fair value)	CHFM			
+ Minority interests (fair value)	CHFM			
= EV	CHFM	533	726	701
EV/EBITDA(R)	x	6.72	7.29	6.09
EV/Sales	x	2.29	2.68	2.31

Analyst : Farhad Moshiri, Changes to Forecasts : 27/04/2020.