



Swissquote

Internet banking/Fintech / Switzerland

Exporting high quality financial technology...

14/01/2021

Change in DCF

CHF 118 vs 110 **+7.57%**

Our DCF is based on earnings/cash flow expectations. Hence, as we have revised these expectations, the DCF mechanically increases. As we mentioned in our Latest, we have raised our expectations for Swissquote's top line as the sharp increase in clients' assets should prove sustainable going into 2021 and 2022. We also factor in growth from recent and future initiatives (InternaxX and the joint-venture with Postfinance).



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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

Add	Upside : 17.5%
Target Price (6 months)	CHF 121
Share Price	CHF 103
Market Cap. CHFM	1,576
Price Momentum	STRONG
Extremes 12Months	43.6 ▶ 103
Bloomberg	SQN SW Equity
Reuters	SQN.S



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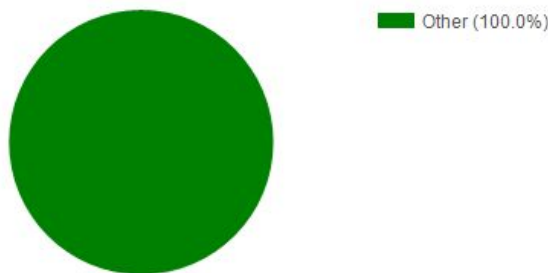


PERF	1w	1m	3m	12m
Swissquote Group Holding	11.7%	24.5%	21.4%	110%
Other financials	0.04%	2.17%	7.46%	13.0%
SXXR Index	0.67%	4.47%	10.6%	-0.14%

Last updated: 14/01/2021	12/19A	12/20E	12/21E	12/22E
Adjusted P/E (x)	15.1	11.2	15.7	15.3
Dividend yield (%)	2.29	2.68	1.91	1.96
EV/EBITDA(R) (x)	7.02	6.51	9.20	8.62
Adjusted EPS (CHF)	2.89	6.33	6.55	6.73
Growth in EPS (%)	-5.72	119	3.56	2.68
Dividend (CHF)	1.00	1.90	1.97	2.02
Sales (CHFM)	232	320	334	344
Pretax Results margin (%)	21.8	32.3	31.6	31.3
Attributable net profit (CHFM)	43.0	94.2	97.5	100
ROE (after tax) (%)	11.8	23.6	22.5	21.2
Gearing (%)	-34.0	-29.4	-37.4	-42.8

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

Sales by Geography



Consolidated P&L Accounts

		12/19A	12/20E	12/21E
Sales	CHFM	232	320	334
Change in sales	%	4.12	37.6	4.50
Change in staff costs	%	15.0	18.8	5.00
EBITDA	CHFM	78.3	140	146
EBITDA(R) margin	%	34.1	44.2	43.9
Depreciation	CHFM	-26.0	-29.5	-31.0
Underlying operating profit	CHFM	52.3	111	115
Operating profit (EBIT)	CHFM	50.6	111	115
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	-16.6	-17.2
Equity associates	CHFM			
Minority interests	CHFM			
Adjusted attributable net profit	CHFM	43.0	94.2	97.5
NOPAT	CHFM	35.4	78.1	80.8

Cashflow Statement

		12/19A	12/20E	12/21E
EBITDA	CHFM	78.3	140	146
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	-16.6	-17.2
Exceptional items	CHFM			
Other operating cash flows	CHFM	9.00	-39.9	-23.0
Total operating cash flows	CHFM	79.3	83.8	105
Capital expenditure	CHFM	-26.3	-31.2	-32.8
Total investment flows	CHFM	-57.7	-31.2	-32.8
Net interest expense	CHFM	0.00	0.00	0.00
Dividends (parent company)	CHFM	-14.9	-14.9	-28.2
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	-27.5
Change in cash position	CHFM	6.76	38.5	45.1
Free cash flow (pre div.)	CHFM	53.0	52.5	72.7

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	6.33	6.55
Restated NAV per share	CHF			
Net dividend per share	CHF	1.00	1.90	1.97

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
DCF	CHF 118	35%	● Euronext NV
NAV/SOTP per share	CHF 86.4	20%	■ London Stock Exch...
EV/Ebitda	CHF 148	20%	● Deutsche Boerse
P/E	CHF 164	10%	● Amundi
Dividend Yield	CHF 118	10%	● DWS
P/Book	CHF 86.1	5%	■ VIEL & Cie
TARGET PRICE	CHF 121	100%	■ 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	422	444
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	-143	-188
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	23.6	22.5
ROCE	%	13.1	27.9	31.4
Gearing (at book value)	%	-34.0	-29.4	-37.4
Adj. Net debt/EBITDA(R)	x	-1.23	-0.96	-1.24
Interest cover (x)	x	175	-214	-282

Valuation Ratios

		12/19A	12/20E	12/21E
Reference P/E (benchmark)	x	15.1	11.2	15.7
Free cash flow yield	%	8.17	4.98	4.75
P/Book	x	1.73	2.50	3.45
Dividend yield	%	2.29	2.68	1.91

EV Calculation

		12/19A	12/20E	12/21E
Market cap	CHFM	649	1,055	1,530
+ 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	-143	-188
+ Leases debt equivalent	CHFM	7.00	7.00	7.00
- Financial fixed assets (fair value)	CHFM			
+ Minority interests (fair value)	CHFM			
= EV	CHFM	557	919	1,349
EV/EBITDA(R)	x	7.02	6.51	9.20
EV/Sales	x	2.40	2.88	4.04

Analyst : Farhad Moshiri, Changes to Forecasts : 14/01/2021.