



Swissquote

Internet banking/Fintech / Switzerland

Keep calm and hold on to your Swissquote's shares

Licensed to conquer Europe - 20/06/2022

Change in Target Price

CHF 206 vs 219 **-5.66%**

Our target price is slightly reduced (with no impact on our recommendation) as we have updated Swissquote's model following the financial markets' turmoil (both stock and crypto markets). Our main adjustment comes from the reduction of revenues from crypto assets, which is partly offset by increasing customers, stabilising volumes of trading but also higher interest rates increasing asset-based revenues.

Change in EPS

2022 : CHF 12.3 vs 13.1 **-6.00%**
2023 : CHF 14.0 vs 16.0 **-12.6%**

Our EPS forecast is slightly cut following the reduction of revenues from crypto assets. However, we believe that Swissquote has the discipline to control its cost base and maintain strong margins (46.7% in 2022 and 47.8% in 2023). As such, the impact on the EPS is not so material while we keep on seeing it growing in 2023 and 2024.

Change in DCF

CHF 262 vs 295 **-11.0%**

Our DCF valuation is reduced as a consequence of the EPS cut. Our forward-looking assumptions have not changed and remain conservative. Despite that, we still have a strong upside.

**Grégoire HERMANN**

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 : 113%
Target Price (6 months)	CHF 206
Share Price	CHF 96.8
Market Cap. CHFM	1,484
Price Momentum	NEGATIVE
Extremes 12Months	96.3 ▶ 202
Bloomberg	SQN SW Equity
Reuters	SQN.S

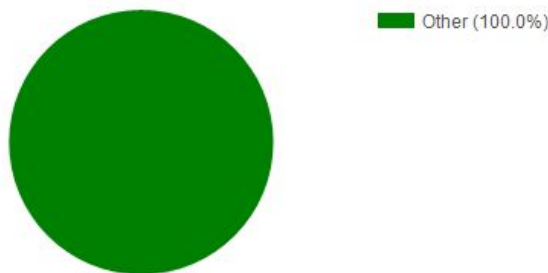
[Download Full Analysis](#)[Company Page](#)

PERF	1w	1m	3m	12m
Swissquote Group Holding	-10.5%	-19.1%	-42.7%	-34.7%
Other Financials	-3.59%	-5.82%	-13.9%	-20.4%
SXXR Index	-4.59%	-6.76%	-9.25%	-9.94%

Last updated: 20/06/2022	12/21A	12/22E	12/23E	12/24E
Adjusted P/E (x)	11.5	7.84	6.94	6.08
Dividend yield (%)	1.48	2.48	2.80	3.19
EV/EBITDA(R) (x)	7.85	4.68	3.76	2.90
Adjusted EPS (CHF)	13.0	12.3	14.0	15.9
Growth in EPS (%)	112	-4.89	13.1	14.1
Dividend (CHF)	2.20	2.40	2.71	3.09
Sales (CHFM)	472	463	512	570
Pretax Results margin (%)	47.3	45.9	46.9	48.1
Attributable net profit (CHFM)	193	184	208	237
ROE (after tax) (%)	36.6	24.8	22.4	22.7
Gearing (%)	-25.1	-30.9	-37.9	-44.7

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

Sales by Geography



Consolidated P&L Accounts

		12/21A	12/22E	12/23E
Sales	CHFM	472	463	512
Change in sales	%	48.9	-1.98	10.5
Change in staff costs	%	18.8	2.51	3.02
EBITDA	CHFM	255	244	275
EBITDA(R) margin	%	54.1	52.9	54.0
Depreciation	CHFM	-31.3	-31.6	-34.9
Underlying operating profit	CHFM	223	212	240
Operating profit (EBIT)	CHFM	223	212	240
Net financial expense	CHFM	0.00	0.00	0.00
of which related to pensions	CHFM		-1.26	-1.16
Exceptional items & other	CHFM			
Corporate tax	CHFM	-30.2	-28.8	-32.5
Equity associates	CHFM			
Minority interests	CHFM			
Adjusted attributable net profit	CHFM	193	184	208
NOPAT	CHFM	156	150	169

Cashflow Statement

		12/21A	12/22E	12/23E
EBITDA	CHFM	255	244	275
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	-19.1	-28.8	-32.5
Exceptional items	CHFM			
Other operating cash flows	CHFM	46.8	-25.0	-47.9
Total operating cash flows	CHFM	282	190	195
Capital expenditure	CHFM	-28.0	-46.3	-51.2
Total investment flows	CHFM	-28.0	-46.3	-51.2
Net interest expense	CHFM	0.00	0.00	0.00
Dividends (parent company)	CHFM	-22.3	-32.7	-35.7
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	-25.0	-34.2	-37.3
Change in cash position	CHFM	229	110	106
Free cash flow (pre div.)	CHFM	254	144	143

Per Share Data

		12/21A	12/22E	12/23E
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	13.0	12.3	14.0
Restated NAV per share	CHF			
Net dividend per share	CHF	2.20	2.40	2.71

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
DCF	CHF 262	35%	● Euronext NV
NAV/SOTP per share	CHF 194	20%	● London Stock Exch...
EV/Ebitda	CHF 194	20%	● Deutsche Boerse
P/E	CHF 194	10%	● Amundi
Dividend Yield	CHF 102	10%	● DWS
P/Book	CHF 148	5%	● Julius Baer
TARGET PRICE	CHF 206	100%	

NAV/SOTP Calculation

Balance Sheet

		12/21A	12/22E	12/23E
Goodwill	CHFM	44.5	44.5	44.5
Total intangible	CHFM	101	101	101
Tangible fixed assets	CHFM	70.0	73.5	77.1
Financial fixed assets	CHFM	11.2	11.2	11.2
WCR	CHFM	0.00	0.00	0.00
Other assets	CHFM	54.5	56.9	59.7
Total assets (net of short term liab.)	CHFM	8,826	9,700	11,015
Ordinary shareholders' equity	CHFM	615	865	989
Quasi Equity & Preferred	CHFM			
Minority interests	CHFM			
Provisions for pensions	CHFM	11.0	32.3	31.0
Other provisions for risks and liabilities	CHFM			
Total provisions for risks and liabilities	CHFM	11.0	32.3	31.0
Tax liabilities	CHFM	1.67	1.92	2.21
Other liabilities	CHFM	8,410	9,123	10,421
Net debt (cash)	CHFM	-213	-322	-428
Total liab. and shareholders' equity	CHFM	8,826	9,700	11,015

Capital Employed

		12/21A	12/22E	12/23E
Capital employed after depreciation	CHFM	282	300	319

Profits & Risks Ratios

		12/21A	12/22E	12/23E
ROE (after tax)	%	36.6	24.8	22.4
ROCE	%	55.7	50.2	53.1
Gearing (at book value)	%	-25.1	-30.9	-37.9
Adj. Net debt/EBITDA(R)	x	-0.80	-1.29	-1.53
Interest cover (x)	x	745	-222	-281

Valuation Ratios

		12/21A	12/22E	12/23E
Reference P/E (benchmark)	x	11.5	7.84	6.94
Free cash flow yield	%	11.5	9.99	9.96
P/Book	x	3.60	1.67	1.46
Dividend yield	%	1.48	2.48	2.80

EV Calculation

		12/21A	12/22E	12/23E
Market cap	CHFM	2,213	1,440	1,440
+ Provisions	CHFM	11.0	32.3	31.0
+ Unrecognised actuarial losses/(gains)	CHFM	0.00	0.00	0.00
+ Net debt at year end	CHFM	-213	-322	-428
+ Leases debt equivalent	CHFM	7.00	7.00	7.00
- Financial fixed assets (fair value)	CHFM	11.2	11.2	11.2
+ Minority interests (fair value)	CHFM			
= EV	CHFM	2,007	1,146	1,039
EV/EBITDA(R)	x	7.85	4.68	3.76
EV/Sales	x	4.25	2.48	2.03

Analyst : Grégoire Hermann, Changes to Forecasts : 20/06/2022.