



Swissquote

Internet banking/Fintech / Switzerland

Exporting high quality financial technology...

17/06/2020

Change in Opinion

Buy vs Add

Change in EPS

2020 : CHF 5.17 vs 3.80	+35.8%
2021 : CHF 4.68 vs 4.51	+3.77%

Following Swissquote's press release today regarding the H1 20 numbers, we have adjusted our numbers for 2020 and going into 2021. H1 20 revenues and profit before tax are indeed 40% and 120% higher yoy. As mentioned in today's Latest, this has come from the sharp increase in market volatility (more trading and opening of new accounts).

We expect part of this new business to be sustainable going into 2021 and 2022.



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 : 37.0%
Target Price (6 months)	CHF 94.8
Share Price	CHF 69.2
Market Cap. CHFM	1,061
Price Momentum	STRONG
Extremes 12Months	37.0 ▶ 69.2
Bloomberg	SQN SW Equity
Reuters	SQN.S

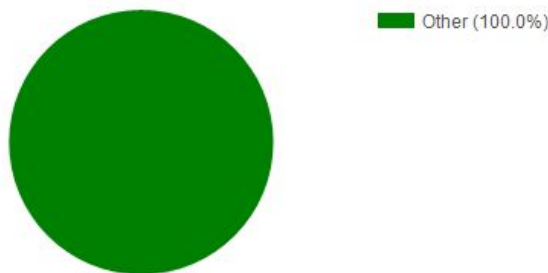

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PERF	1w	1m	3m	12m
Swissquote Group Holding	6.79%	6.30%	58.8%	86.9%
Other financials	-1.23%	10.6%	30.4%	7.43%
SXXR Index	-1.65%	10.9%	28.7%	-2.01%

Last updated: 17/06/2020	12/19A	12/20E	12/21E	12/22E
Adjusted P/E (x)	14.5	13.4	14.8	12.0
Dividend yield (%)	2.38	2.24	2.24	2.50
EV/EBITDA(R) (x)	6.72	7.25	7.35	5.93
Adjusted EPS (CHF)	2.89	5.17	4.68	5.77
Growth in EPS (%)	-5.72	78.7	-9.39	23.3
Dividend (CHF)	1.00	1.55	1.55	1.73
Sales (CHFM)	232	295	307	343
Pretax Results margin (%)	21.8	29.9	24.5	27.3
Attributable net profit (CHFM)	43.0	76.9	69.7	85.9
ROE (after tax) (%)	11.8	19.3	16.5	19.2
Gearing (%)	-34.0	-29.4	-36.7	-40.5

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

Sales by Geography



Consolidated P&L Accounts

		12/19A	12/20E	12/21E
Sales	CHFM	232	295	307
Change in sales	%	4.12	27.0	3.95
Change in staff costs	%	15.0	12.0	10.0
EBITDA	CHFM	78.3	123	117
EBITDA(R) margin	%	34.1	41.9	38.5
Depreciation	CHFM	-26.0	-29.1	-32.0
Underlying operating profit	CHFM	52.3	93.4	85.0
Operating profit (EBIT)	CHFM	50.6	90.4	82.0
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	-13.6	-12.3
Equity associates	CHFM			
Minority interests	CHFM			
Adjusted attributable net profit	CHFM	43.0	76.9	69.7
NOPAT	CHFM	35.4	63.9	57.9

Cashflow Statement

		12/19A	12/20E	12/21E
EBITDA	CHFM	78.3	123	117
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	-13.6	-12.3
Exceptional items	CHFM			
Other operating cash flows	CHFM	9.00	-28.0	-21.7
Total operating cash flows	CHFM	79.3	81.0	83.0
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	-23.1
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	-22.4
Change in cash position	CHFM	6.76	37.4	28.2
Free cash flow (pre div.)	CHFM	53.0	51.5	50.6

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	5.17	4.68
Restated NAV per share	CHF			
Net dividend per share	CHF	1.00	1.55	1.55

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
DCF	CHF 99.4	35%	Julius Baer
NAV/SOTP per share	CHF 68.5	20%	UBS
EV/Ebitda	CHF 104	20%	VIEL & Cie
P/E	CHF 115	10%	DWS
Dividend Yield	CHF 108	10%	Amundi
P/Book	CHF 62.6	5%	Deutsche Boerse
TARGET PRICE	CHF 94.8	100%	London Stock Exch...
			Euronext NV

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	421	426
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	-142	-171
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	19.3	16.5
ROCE	%	13.1	22.9	22.6
Gearing (at book value)	%	-34.0	-29.4	-36.7
Adj. Net debt/EBITDA(R)	x	-1.23	-1.10	-1.39
Interest cover (x)	x	175	-180	-209

Valuation Ratios

		12/19A	12/20E	12/21E
Reference P/E (benchmark)	x	14.5	13.4	14.8
Free cash flow yield	%	8.48	5.00	4.91
P/Book	x	1.67	2.45	2.42
Dividend yield	%	2.38	2.24	2.24

EV Calculation

		12/19A	12/20E	12/21E
Market cap	CHFM	625	1,030	1,030
+ 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	-142	-171
+ Leases debt equivalent	CHFM	7.00	7.00	7.00
- Financial fixed assets (fair value)	CHFM			
+ Minority interests (fair value)	CHFM			
= EV	CHFM	533	895	867
EV/EBITDA(R)	x	6.72	7.25	7.35
EV/Sales	x	2.29	3.03	2.83

Analyst : Farhad Moshiri, Changes to Forecasts : 17/06/2020.