

## XTB

**Buy**  
(Previous: Buy; PLN 24,4)

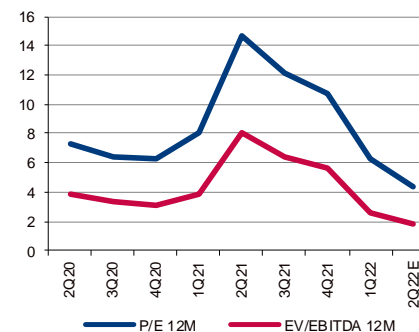
**TP: 26,8 PLN**  
**Cur. price: 21,64 PLN**  
**Upside: 24%**

- We assume 45k of new customers will be acquired, above management's target of 40k per quarter and an increase in active customers q/q to 155k. Our estimated lot turnover volume is 1535k, 2% lower q/q.
- Q1'22 set the bar high in terms of trading profitability. However, elevated volatility and good Q2'22 results published by competitor Plus500 prompt us to maintain an above-average yield per lot of PLN 205, but this still implies a decline of 28% q/q.
- We estimate the average cost of acquiring a new customer at PLN 876 - down 4% q/q. With our estimated net profit of PLN 155m, payroll costs related to bonus provisions may also be at an elevated level.
- We are significantly raising our net profit forecast for this year to PLN 580m, which may still seem conservative as it assumes volatility in the second half of 2022 will return to historical average levels. Better-than-expected statistics on customer acquisition and activity also prompt us to raise our forecast for the next few years by around 10%.
- Despite a further increase in the cost of capital, we raise our 12M Target Price by 10%. It implies 24% upside potential, so we maintain our positive stance on the company and our 'Buy' recommendation.

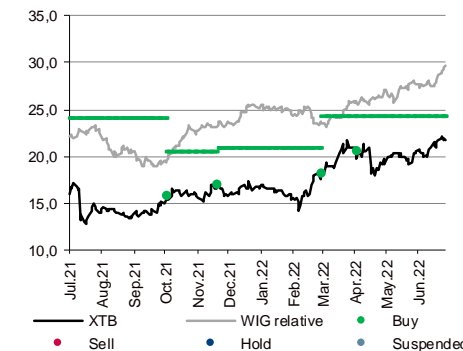
Financial results  
**26.07.2022**

Company data	Recommendation history	Date	Price
Ticker	XTB	Buy	22.04.2022 24,4
Sector	Financials	Buy	18.03.2022 24,4
Price (PLN)		Buy	08.12.2021 21,0
52w min/max (PLN)	13,7 / 33,88	Buy	20.10.2021 20,5
Shares (m)	117,4	Buy	19.07.2021 24,1
MC (PLNm)	2540	Suspended	
S&P Global ESG Scores	-	Suspended	
Avg. 3M turnover (PLNm)	6,45	Suspended	
Price chng.	<b>1M</b> <b>3M</b> <b>1Y</b>		
	4,4%      26,0%      96,0%		

P/E 12M vs EV/EBITDA 12M



WIG vs. XTB chart



mPLN	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22E	y/y	q/q
Sales	211	140	140	187	55	200	184	440	308	457%	-30%
EBITDA	148	81	58	102	-19	118	85	312	194	-	-38%
EBIT	146	79	56	100	-21	115	83	309	191	-	-38%
Net profit	117	68	40	89	-24	104	69	253	155	-	-39%
P/E12M trailing	7,3	6,4	6,3	8,1	14,6	12,1	10,7	6,3	4,4		
EV/EBITDA 12M trailing	3,9	3,3	3,1	3,9	8,0	6,4	5,7	2,6	1,9		
sales growth y/y	342%	129%	56%	-39%	-74%	43%	31%	136%	457%		
EBITDA margin	69,8%	58,2%	41,8%	54,5%	-	58,8%	46,4%	70,9%	62,9%		
EBIT margin	68,9%	56,9%	40,3%	53,5%	-	57,6%	45,1%	70,2%	62,0%		
Net margin	55,6%	49,0%	28,7%	47,7%	-	52,1%	37,3%	57,4%	50,2%		

mPLN	2019	2020	2021	2022E	2023E	2024E
Sales	239	798	626	1 199	844	877
EBITDA	72	523	286	726	408	444
EBIT	65	516	277	715	396	432
Net profit	58	402	238	581	322	350
EPS (PLN)	0,49	3,4	2,0	4,9	2,7	3,0
DPS (PLN)	0,2	0,2	1,8	1,5	3,7	2,1
P/E (x)	44,0	6,3	10,7	4,4	7,9	7,2
EV/EBITDA (x)	28,4	3,1	5,7	1,6	3,1	2,6
P/BV (x)	5,2	2,9	2,8	1,9	2,1	1,9
DY (%)	0,8%	1,1%	8,3%	6,9%	17,2%	9,5%

### Disclaimer

#### General information

The Document has been prepared by Trigon Dom Maklerski S.A. (the "Brokerage House"), which is supervised by the Polish Financial Supervision Authority.

In the first place, the Document is addressed to selected clients of the Brokerage House who use its services in the area of research and recommendations. It may, however, be distributed to a wider public from the date specified therein (by posting it on the Brokerage House website, providing it to entities that may quote it in media, in whole or in parts as they see fit, or otherwise) as a recommendation within the meaning of the Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC Text with EEA relevance ("Regulation").

#### Definitions

capitalisation – market price multiplied by the number of a company's shares

free float (%) – a percentage of a company's shares held by shareholders with less than 5% shareholding reduced by treasury shares held by the company

min/max 52 wks – minimum/maximum share price within the last 52 weeks

average turnover – average volume of share trading within the last month

EBIT – operating profit

EBITDA – operating profit increased by depreciation and amortisation

adjusted profit – net profit adjusted for one-off items

CF – cash flow

capex – sum of investment expenditures on fixed assets

OCF – cash generated through the operational activities of the company

FCF – cash generated by the company after taking into account outflows to support operations and retained capital

ROA – rate of return on assets

ROE – rate of return on equity

NWC – net working capital

Cash conversion cycle – period from the moment of expenditure of cash for the purchase of production factors until the moment of receipt of cash revenues from the sale of manufactured goods or services.

Gross profit margin – a ratio of gross profit to net revenue

EBITDA margin – a ratio of sum of operating profit and depreciation/amortisation to net revenue

EBIT margin – a ratio of operating profit to net revenue

net margin – a ratio of net profit to net revenue

EPS – earnings per share

DPS – dividends per share

P/E – a ratio of market price to earnings per share

P/BV – a ratio of market price to book value per share

EV/EBITDA – a company's EV to EBITDA ratio

EV – sum of a company's current capitalisation and net debt

DY – dividend yield, dividend paid to share price ratio

RFR - risk-free rate

WACC - weighted average cost of capital

#### Recommendations of the Brokerage House

BUY – we expect that the rate of return on an investment will be at least 10%

NEUTRAL – we expect the price of an investment to be relatively stable, optionally it will increase no greater than 10%

SELL – we expect that an investment will make a loss greater than 0%

Recommendation prepared by: Grzegorz Kujawski, Maciej Marcinowski, David Sharma, Dominik Niszcz, Michał Kozak, Kacper Koproń, Katarzyna Kosiorek, Łukasz Rudnik, Piotr Rychlicki, Piotr Chodyra

Recommendations are valid for a period of 12 months from the date of issuance (the date specified at the beginning of the document) or until the price target of the financial instrument is achieved.

The Brokerage House may update its recommendation at any time, depending on current market conditions or assessment of persons preparing the recommendation.

Short-term recommendations (particularly those designated as speculative) may be valid for a shorter period of time. Short-term recommendations designated as speculative involve a higher investment risk.

#### Valuation methods used

The Brokerage House customarily applies two methods – discounted cash flow (DCF) and multiples methods (a comparison of a company's trading multiples with the metrics of comparable companies). Alternatively, a discounted dividend model may also be used. The key disadvantage of methods based on discounted cash flows is high sensitivity to adopted assumptions, whereas their advantage is a lack of relation to a company's current market price. On the other hand, the main disadvantage of the multiples method is a risk that at a given point in time the market prices of comparable companies might not reflect their true value, whereas its advantage lies in the fact that it shows a company's market value obtained based on the market values of comparable companies.

### Legal disclaimers, disclaimers related to risks

In the opinion of the Brokerage House, the Document has been prepared with due care and attention and with the avoidance of potential conflicts of interest. The Brokerage House bears no responsibility for any inaccuracies, incompleteness or inconsistency with the facts in the Document. In particular, the Brokerage House bears no responsibility for any damage suffered as a result of investment decisions made on the basis of information contained in the Document.

The Document does not take into account the individual needs and circumstances of any investor nor is it an indication that any investment is suitable for a given investor. Accordingly, the conclusions drawn based on the Document may prove inappropriate for a given investor.

The Brokerage House bears no responsibility for the way in which the information contained in the Document is used. Historical data presented in the Document relate to the past and past performance is no guarantee of similar results in the future. The information relating to the future may prove wrong, as it expresses opinions of persons representing the entity described or represents independent assessment of the Brokerage House.

The information and opinions contained in the Document are not intended to be the sole basis upon which decisions are made. It is therefore advisable for the recipient(s) to make its/their own judgment and assessment of the information, consider information other than that presented in the Document, verify the presented information themselves, assess the risks related to decision-making based on the Document, and consider consulting an independent analyst, investment advisor or other persons with relevant expertise.

Unless specifically stated, the information contained in the Document should not be treated as authorized or approved by the entity described therein. The conclusions and opinions expressed in the Document are conclusions and opinions of the Brokerage House.

Gross profit margin – a ratio of gross profit to net revenue

EBITDA margin – a ratio of sum of operating profit and depreciation/amortisation to net revenue

EBIT margin – a ratio of operating profit to net revenue

net margin – a ratio of net profit to net revenue

EPS – earnings per share

DPS – dividends per share

P/E – a ratio of market price to earnings per share

P/BV – a ratio of market price to book value per share

EV/EBITDA – a company's EV to EBITDA ratio

EV – sum of a company's current capitalisation and net debt

DY – dividend yield, dividend paid to share price ratio

RFR - risk-free rate

WACC - weighted average cost of capital

### Recommendations of the Brokerage House

BUY – we expect that the rate of return on an investment will be at least 10%

NEUTRAL – we expect the price of an investment to be relatively stable, optionally it will increase no greater than 10%

SELL – we expect that an investment will make a loss greater than 0%

Recommendation prepared by: Grzegorz Kujawski, Maciej Marciniowski, David Sharma, Dominik Niszcz, Michał Kozak, Kacper Koproń, Katarzyna Kosiorek, Łukasz Rudnik, Piotr Rychlicki, Piotr Chodyra

Recommendations are valid for a period of 12 months from the date of issuance (the date specified at the beginning of the document) or until the price target of the financial instrument is achieved.

The Brokerage House may update its recommendation at any time, depending on current market conditions or assessment of persons preparing the recommendation.

Short-term recommendations (particularly those designated as speculative) may be valid for a shorter period of time. Short-term recommendations designated as speculative involve a higher investment risk.

### Valuation methods used

The Brokerage House customarily applies two methods – discounted cash flow (DCF) and multiples methods (a comparison of a company's trading multiples with the metrics of comparable companies). Alternatively, a discounted dividend model may also be used. The key disadvantage of methods based on discounted cash flows is high sensitivity to adopted assumptions, whereas their advantage is a lack of relation to a company's current market price. On the other hand, the main disadvantage of the multiples method is a risk that at a given point in time the market prices of comparable companies might not reflect their true value, whereas its advantage lies in the fact that it shows a company's market value obtained based on the market values of comparable companies.

Between The Brokerage House and / or participating in the preparation of this Document or having access to the Document prior to its publication: employees, contractors and other services related parties and the Issuer there is no conflict of interest. At the date of preparation of the Document The Brokerage House holds shares of the Issuer. . The Brokerage House acts as a market maker. Remuneration for persons participating in drawing up this Document is not directly based on financial results achieved by the Brokerage House in connection with transactions in Issuer financial instruments performed by the Brokerage House. Among those who participated in preparation of this Document, as well as those who did not participate in its preparation, but had or could have had access to the Document, there are not people who hold shares of the Issuer in the amount of at least 5% of the share capital or hold other financial instruments whose value is essentially linked to the value of financial instruments issued by the Issuer. The Brokerage House in the past 12 months has not received from the Issuer dividend. Directors of the Issuer or their relatives are not directors of The Brokerage House. None of the persons involved in the preparation of this Document, does not take a management position or is close to the members of governing bodies of Issuer and none of these persons, as well as their relatives are not part of any agreement with the Issuer, which would be concluded on different terms than other agreements entered into by the Issuer and consumers. The Brokerage House is not a party to the agreement with the Issuer regarding the preparation of recommendations. There are no other circumstances as regards potential conflict of interest which could be the subject to disclosure on the ground of the regulation on the recommendation.

In relation to selected Issuers, the Brokerage House provides, a brokerage service for purchasing or selling financial instruments for its own account in order to perform tasks related to the organization of a regulated market (it acts as market maker for the Issuer's financial instruments under the terms of the Warsaw Stock Exchange Regulations), current a list of entities for which the Brokerage House provides brokerage services for the purchase or disposal of financial instruments on its own account in order to carry out tasks related to the organization of the regulated market is available at [https://www.gow.pl/animatory\\_emitenta](https://www.gow.pl/animatory_emitenta)

Additionally, at any time The Brokerage House can perform a function of mandator or mandatary in relation to more than one party, perform long or short stock, perform transactions on its own account or on the client's account regarding financial instruments issued by the Issuer. In the future The Brokerage House is likely to have investment connections within the framework of fiduciary activity as well as other connections with the parties other than the Issuer or Issuer's shareholders. The Brokerage House does not exclude the possibility of acquisition by one of the investment funds managed by Lartiq TFI S.A. during the term of this recommendation of shares or other financial instruments of the Issuer causing joint control at the general meeting of the Issuer to a greater than 5%.

The Brokerage House manages its actual and potential conflicts of interest by means of measures provided for in the Regulation on Recommendations and by implementing the Brokerage House's general policy for the management of conflicts of interest. In the Brokerage House's opinion, the Document has been prepared in a manner eliminating the effect of any potential conflicts of interest.

The Brokerage House pays careful attention to numerous risks related to investments in financial instruments. Investing in financial instruments carries a high degree of risk of losing some or all funds invested.

The date presented on the first page of the Document is a date of its preparation and delivery to the recipients. Trigon Dom Maklerski S.A. is the owner of the trademarks, service marks and logo presented in the Document. The Brokerage House owns copyrights to the Document and the content of the Document. Any publication, dissemination, copying, use or provision of the Document (or any part thereof) to any third party in any manner other than its legally sanctioned use, requires the consent of the Brokerage House.

Due to certain legal limitations, the Document may not be directly or indirectly presented, made available or issued in jurisdictions where its dissemination may be subject to local legal limitations. Persons presenting or disseminating the Document are obligated to be familiar with and observe such limitations. It is assumed that each person (organisational entity) who receives, accepts or consents to receive the Document, by doing so:

- accepts every reservation mentioned above;

- confirms that he/she has read the Trigon Dom Maklerski S.A. Terms and Conditions of research and recommendations (available on websites: [www.doakcii.trigon.pl](http://www.doakcii.trigon.pl), [www.trigon.pl](http://www.trigon.pl), referred to as the "Terms & Conditions") and accepts them;

- gives his/her consent to be provided with a one-time service of research and recommendation provision by the Brokerage House through receiving access to the Document. The provision is covered by the Terms & Conditions together with reservations contained in and related to the Document. Additionally, (1) the service is limited to free of charge provision of the Document and use of the Document by the addressee, (2) the service is valid only for the time of using the Document by the addressee.

The Document is not an offer within the meaning of Art. 66 of the Polish Civil Code, nor is the basis for entering into any other agreement or creating any other obligation.

Reservations regarding financial instruments referred to in this Document for which no recommendation has been issued.

This document has a promotional character and was prepared by the research team of Trigon Dom Maklerski S.A. for informational purposes only and does not constitute a recommendation within the meaning of the "Ordinance of the Minister of Finance of October 19, 2005 on information being recommendations regarding financial instruments, or their issuers or issuers (Journal of Laws from 2005 No. 206, item. 1715).

In the opinion of the Brokerage House, the Document was prepared with due diligence and excluding the impact of a potential conflict of interest. There is no conflict of interest between the Brokerage House and / or those involved in the preparation of the Document or having access to the Document prior to its publication: employees, service contractors and other related persons and the Issuer companies indicated in the Document. Among the persons who participated in the preparation of the Document, as well as those who did not participate in its preparation but had or could have access to it, there are no persons who hold shares of companies ("Issuers") listed in the Document in the number constituting at least 5% of the share capital or financial instruments whose value is materially related to the value of financial instruments issued by the Issuer's companies. The members of the Issuer's governing bodies or their close relatives are not members of the Trigon Dom Maklerski S.A. None of the persons involved in the report preparation is member of in the bodies of the Issuer's companies, does not hold a managerial position or is close to members of the Issuer's governing bodies and none of them, as well as their relatives, are parties to any agreements with Issuer's companies, which it would be concluded on terms different from other agreements to which the Issuer and consumers are party. The historical data presented refers to the past.

The historical data presented in the Document refers to the past, and the results achieved in the past do not guarantee their achievement in the future. The presented data referring to the future may turn out to be wrong, they are the expression of the opinions of persons speaking on behalf of the entity to which the report relates or the result of the Brokerage House's own assessment. Before making an investment decision, an investor should become familiar with the risk related to the Issuer's business profile and the characteristics of the market on which the Issuer operates. Unless the Document states otherwise, the information contained therein should not be treated as authorized or approved by the subject to which it relates, and the conclusions and opinions contained therein are solely the opinions and motions of the Brokerage House.

The Brokerage House in relation to selected Issuer's companies indicated in the Document in the past and as at the date of the document has provided or provides paid financial advisory services and investment banking services and other brokerage services, receiving remuneration in this respect, the amount of which may depend on the rate of financial instruments described in the Document. The Brokerage House manages current or potential conflicts of interest by taking measures provided for in the policy of managing conflicts of interest of the Brokerage House. The remuneration of persons taking part in the preparation of the Document is not dependent on the financial results obtained by the Brokerage House when providing services to the Issuer's companies. In the opinion of the Brokerage House, the Document was prepared excluding the impact of any conflict of interest.

The document does not take into account the individual needs and circumstances of a given investor, nor is it an indication that any investment is appropriate in the individual situation of a given investor, therefore the conclusions of the Document may prove to be inappropriate for a given investor. The Brokerage House is not responsible for investment decisions taken on the basis of this Document nor for damages incurred as a result of these investment decisions, nor does it guarantee the accuracy or completeness of the Document, nor does it provide any assurance that the statements regarding the future provided in the study will work.

Investing in financial instruments involves a high risk of losing part or all of the funds invested. Trademarks, service markings and logos contained in this Document are trademarks, service markings and the Trigon logo of Dom Maklerski S.A. The copyrights to the Document and the contents contained therein are entitled to the Brokerage House. Publishing, distributing, copying, using or making available to third parties in any other way the Document (or any part thereof) outside of the permitted use rights requires the consent of the Brokerage House.

Date of preparation: 21 July 2022

Date of first distribution: 21 July 2022 15:30