

## XTB

- We assume the acquisition of 40tys of new customers (holiday period so 'only' at the minimum management target) and an increase in the number of active customers q/q to 159tys. Our estimate for lot turnover is 1462tys, 2% lower q/q.
- The first half of the year set the bar high in terms of trading profitability. However, elevated volatility and not bad Q3'22 results published by competitor Plus500 prompt us to maintain an above-average yield per lot of PLN 246, but this still implies a decline of 10% q/q.
- We estimate the average cost of acquiring a new customer at PLN 1114 - a decline of 7% q/q. With our estimated net profit at an elevated level, payroll costs related to bonus provisions may also be a factor.
- We assume another quarter with a high contribution from financial income (weakening of the PLN, increase in deposit interest rates), so that net profit could reach PLN 200m.
- Our net profit forecast for the year may still seem conservative, as it assumes volatility in Q4'22 to return to historical average levels, and for the time being the markets' behaviour does not indicate this. Read more about the update to our assumptions in our recommendation for the company published today.

### Buy

(Previous: Buy; PLN 26,8)

TP: 31,8 PLN

Cur. price: 23 PLN

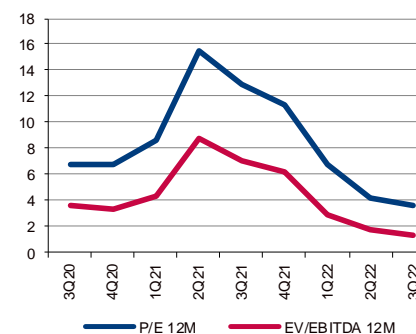
Upside: 38%

Financial results

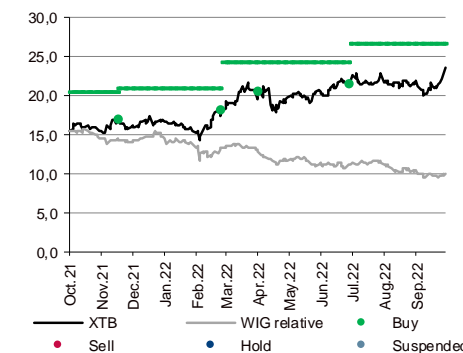
08.11.2022

Company data		Recommendation history	Date	Price
Ticker	XTB	Buy	21.07.2022	26,8
Sector	Financials	Buy	22.04.2022	24,4
Price (PLN)	23,0	Buy	18.03.2022	24,4
52w min/max (PLN)	13,7 / 33,88	Buy	08.12.2021	21,0
Shares (m)	117,4	Buy	20.10.2021	20,5
MC (PLNm)	2700	Buy	19.07.2021	24,1
S&P Global ESG Scores	-	Suspended		
Avg. 3M turnover (PLNm)	6,45	Suspended		
Price chng.	1M 3M 1Y			
	4,4% 26,0% 96,0%			

P/E 12M vs EV/EBITDA 12M



WIG vs. XTB chart



mPLN	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	y/y	q/q
Sales	140	140	187	55	200	184	440	396	350	75%	-12%
EBITDA	81	58	102	-19	118	85	312	262	224	91%	-15%
EBIT	79	56	100	-21	115	83	309	260	221	92%	-15%
Net profit	68	40	89	-24	104	69	253	227	198	90%	-13%
P/E 12M trailing	6,8	6,7	8,6	15,5	12,9	11,4	6,7	4,1	3,6		
EV/EBITDA 12M trailing	3,6	3,4	4,3	8,7	7,0	6,2	2,9	1,8	1,3		
sales growth y/y	129%	56%	-39%	-74%	43%	31%	136%	617%	75%		
EBITDA margin	58,2%	41,8%	54,5%	-	58,8%	46,4%	70,9%	66,2%	64,0%		
EBIT margin	56,9%	40,3%	53,5%	-	57,6%	45,1%	70,2%	65,5%	63,2%		
Net margin	49,0%	28,7%	47,7%	-	52,1%	37,3%	57,4%	57,2%	56,6%		

mPLN	2019	2020	2021	2022E	2023E	2024E
Sales	239	798	626	1 427	964	999
EBITDA	72	523	286	904	465	501
EBIT	65	516	277	893	454	490
Net profit	58	402	238	764	381	410
EPS (PLN)	0,49	3,4	2,0	6,5	3,2	3,5
DPS (PLN)	0,2	0,2	1,8	1,5	4,9	2,4
P/E (x)	46,8	6,7	11,4	3,5	7,1	6,6
EV/EBITDA (x)	30,6	3,4	6,2	1,2	2,8	2,3
P/BV (x)	5,5	3,0	2,9	1,8	2,1	1,9
DY (%)	0,7%	1,0%	7,8%	6,5%	21,2%	10,6%

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#### 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

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