

H&A FIRST TAKE

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23-November-18

## Fintech's 10 month KPIs indicate record 2018

Fintech Group released strong KPIs after 10 months that were driven by high trading activity by its B2C (flatex) clients. With this sound momentum, we see the company on track to outperform its guidance once more.

**Higher trading activity in B2C:** Fintech was able to add 31k new clients after 10 months (or +39k yoy)– reaching now 285k customers. Additionally, trades completed reached 10.6m (or +16% yoy). Importantly, the latest partnerships with multiple global banks such as Morgan Stanley, Goldman and Deutsche to offer ETPs (exchange traded products) at lower prices are seen to gain traction. In this high margin segment trading increased by 34% yoy.

**On track to outperform guidance:** We see the company on track to reach 37k new clients and > 13m trades this year. This should lead to an outperformance of the guidance of >€ 120m sales, >€ 40m EBITDA and >€ 24m net income (eH&A € 126m sales, € 45m EBITDA and € 26m net income).

**Additional boost next year:** With the latest joint venture with Austria Post, we see Fintech Group to further increase its revenues. The technology B2B deal is seen to already start running from Q1 onwards – leading to an additional € 10m revenues (eH&A 50% EBIT margin). The first c. 70 branches of Austria Post will then be served from July onwards.

**Low multiples despite higher revenues:** Despite the fact that the current market volatility is increasing the trading activity of the B2C customers, the Fintech stock came down strongly. Against this backdrop, we see the current multiples of 5x EV/EBIT 2019E as attractive.

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Buy

Price target: EUR 44.00

Price: EUR 19.32

Close price as of: 22.11.2018

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Company	Disclosure
FinTech Group AG	

### Historical target price and rating changes for FinTech Group AG in the last 12 months

**Initiation coverage**  
01-December-14

**Price and Rating History**  
FinTech Group AG as of 23/11/18



Company	Date	Analyst	Rating	Target price	Close
FinTech Group AG	22.10.2018	Brass, CFA, Robin	Buy	EUR 44,00	EUR 27,50
	21.09.2018	Brass, CFA, Robin	Buy	EUR 44,00	EUR 27,50
	28.08.2018	Brass, CFA, Robin	Buy	EUR 43,00	EUR 28,75
	29.06.2018	Brass, CFA, Robin	Buy	EUR 43,00	EUR 26,95
	02.05.2018	Brass, CFA, Robin	Buy	EUR 43,00	EUR 32,00
	23.04.2018	Brass, CFA, Robin	Buy	EUR 42,50	EUR 31,20

04.04.2018	Brass, CFA, Robin	Buy	EUR 42,50	EUR 27,70
04.04.2018	Brass, CFA, Robin	Buy	EUR 42,50	EUR 27,70
14.12.2017	Dannenberg, Lars	Buy	EUR 37,50	EUR 30,20
11.12.2017	Dannenberg, Lars	Buy	EUR 31,50	EUR 29,30

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<b>Sell</b>	11.70 %	0.00 %
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Date of publication creation: 23/11/2018 08:03 AM

Date of publication dissemination: 23/11/2018 08:08 AM

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