

WISE Ltd. - Price Target £959.00

Market Cap / Price: £8.333 B / £ 6.248
52 Wk Low / High: £7.9465 / £10.5114
Beta / Yield: / Listed less than one year
Geo: EUR 55% ASIA 21% NA 17 %

Fundamentals

Drivers / Catalysts:

- Large scale growth projections of active industries
 - 4% growth of industry
 - 40% expected increase of consumer spending on leisure
 - 4.5 % increase of B2B industry with SME segment labelled as least addressed.
- Rise of digital nomads – WISE! Fully fits the profile
- Rise of digitalization and tech adoption rates
- Virtually flawless track record
- Increasingly lucrative economy of scale.

Financials:

- Extremely strong growth in new B2B segment
- Stagnating growth in retail sales
- High dependency on Western customers
- Asia-Pacific market almost attained three digit growth in the past two years
- Economies of scale are clearly utilized

Bottom Line: Great potential due to the nature of the business model. Long term vision is expected due to long term investor influence (founders are still present). Furthermore, the market is expected to be growing over time yet competitors are starting to catch up with WISE!. Finally, risks are present due to global (currency) volatility and dependency on other banks.

Competition/Distribution/Production:

- Direct: Revolut, Payoneer Indirect: PYPL, WU, ADYEEY

Management:

- CEO: Kristo Käärmann - founder
 - Large share holder – no signs of quitting – walks the talk – experienced consultant in Tech
- CFO: Matthew Briers – since 2015
 - 20+ years experience - Google, Llyods and banking
- Executive Chairman: Taavet Hinrikus - founder
 - Large share holder – no signs of quitting
 - Tech Trackrecord – Skype, Tech Investor
- 5 executive boardmembers joined recently
- Hints at business transformation

Risks:

- Extremely low current PE ratio at 241.59
- Currently at 52-weeks all-time low
- Diversification into banking sector
- Negative interest rates
- Complex cashflows
- Currency volatility
- Dependency on other banks (requires social security numbers of its account holders)

Technicals

Bottom Line: Although the book shows that WISE PLC has good fundamentals, its technical analyses indicate that it is however not the ideal time to buy right now. In the technical analyses image presented, we can clearly see that the price movement is complying with the Fibonacci retracement and the Bollinger bands, however, there appears to be no clear indicator of a break-out phase. This severe downtrend is complimented with the stock is being oversold in the past 5 months as indicated by the William %R oscillator.



Valuation

Bottom Line: Strong financial indicators for growth stocks, yet significantly at risk in terms of returns and cash flow generation. The company is a strong buy given that management continues to focus on growth. For the value investors, it seems evident that this stock is needs to mature more.

Bottom line		Price target	% to target
Valutation P/R	£	12.15	108%
Valuation P/E	£	14.01	139%
Valuation DCF	£	2.60	-56%
Average of all	£	9.59	64%

Market cap today	£	10,398,440,000.00
Stock price today	£	5.85 GBP
		1,776,296,549.37