

# Square: Blowout earnings driven by Bitcoin sales

DIGITAL ENGAGEMENT TEAM

11 MAY 2021

## TRADING MATTERS SERIES: STOCK HIGHLIGHT

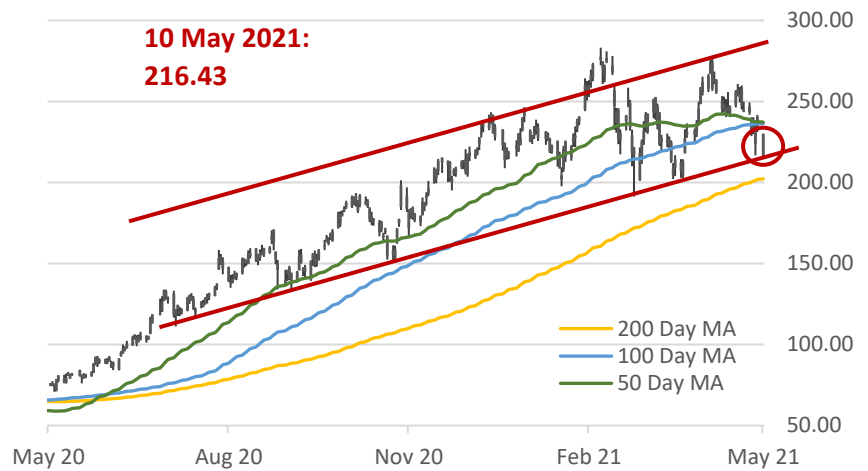
Features a single stock and zooms in on its performance in the market

KEY METRICS	
Current Price	216.43
Latest Dividend	N/A
Dividend Ex-Date	N/A
Indicated Dividend Yield	N/A
RSI	35.99
Analysts 12M Target Price	276.30

REFINITIV STOCKREPORTS+ AVERAGE SCORE
<b>6/10</b>
As of 11 May 2021 (12pm SGT)

Refer to page 3 for indicator components

### Square (SQ US) Price Chart



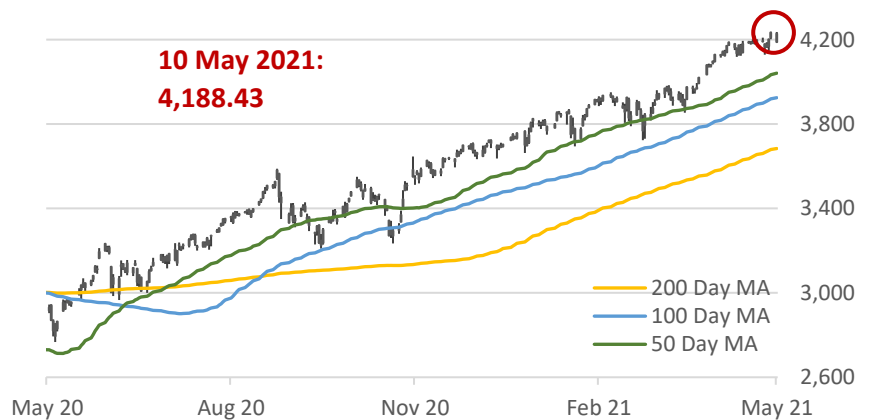
The red lines drawn on the price charts are trendlines, which are visual representations of support & resistance levels. They are drawn by connecting a series of prices together to help indicate the data's best fit or the presence of any trend over a time frame, and are for illustration purposes only.

As of 11 May 2021 (12pm SGT)

### KEY MARKET EVENTS

- 12 May**  
US Core CPI (MoM)(Apr)
- 16 May**  
China Industrial Production (YoY)(Apr)
- 25 May**  
US CB Consumer Confidence (May)
- 27 May**  
US GDP QoQ (Q1)
- 31 May**  
US Memorial Day

### S&P 500 Index Price Chart



As of 11 May 2021 (12pm SGT)

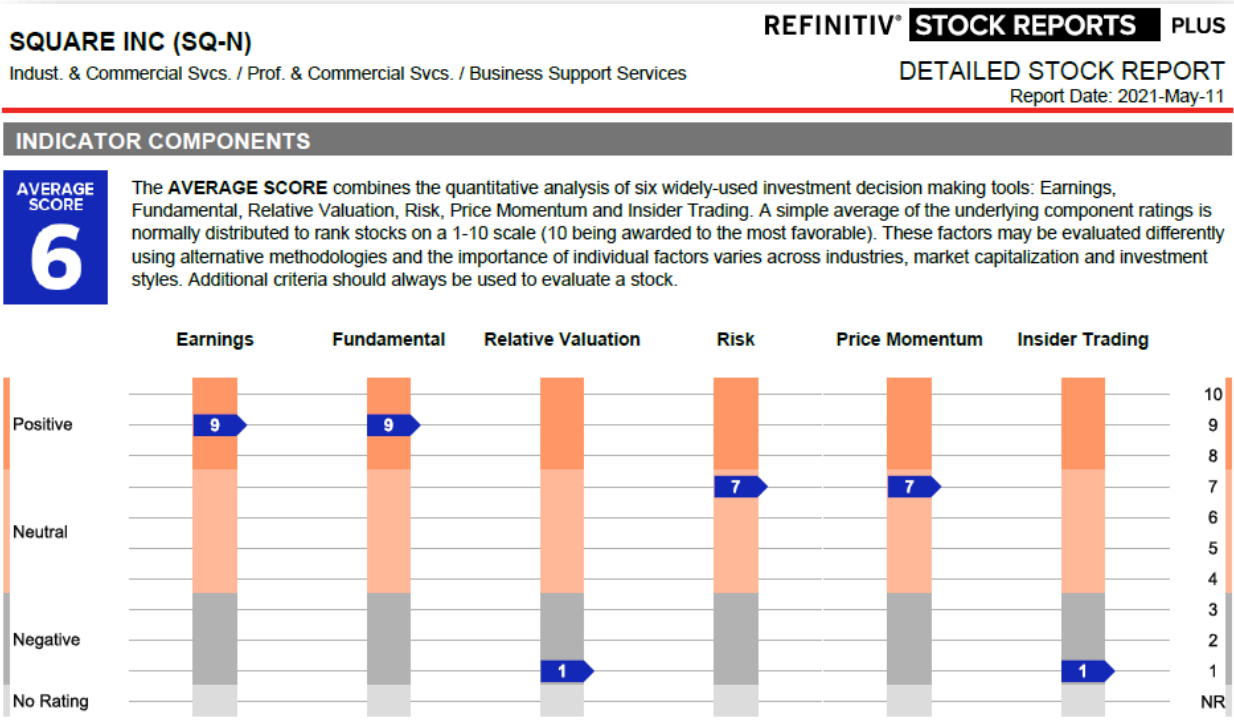
## Headline News & Information

- Square, Inc. provides mobile payment solutions, development of point-of-sale software that helps in digital receipts, inventory, sales reports, offering analytics and feedback as well as financial and marketing services (Bloomberg)
- Square revenue more than triples, driven by Bitcoin sales (07 May 2021, Bloomberg)
  - Square Inc.'s quarterly sales more than tripled, surpassing analysts' estimates, driven by skyrocketing Bitcoin purchases through the company's Cash App
  - First-quarter sales were US\$5.06 billion, beating the US\$3.37 billion average projection from analysts
  - Revenue from Bitcoin sales -- which includes the total value of Bitcoin purchases on its Cash App -- climbed more than elevenfold to US\$3.51 billion, up from US\$306 million a year earlier
- Square officially puts Jay-Z on board of directors after Tidal deal closes (07 May 2021, MarketWatch)
  - Square Inc. disclosed that it has officially added Shawn Carter, better known as rapper Jay-Z, as a board member after completing its majority stake purchase of Carter's music-streaming service Tidal for about US\$302 million
- Square Inc President, CEO & Chairman Jack Dorsey sold US\$24.6 million of shares (06 May 2021, Yahoo! Finance)
  - President, CEO & Chairman of Square Inc, Jack Dorsey sold 100,000 shares of SQ on 03 May 2021 at an average price of US\$245.6 a share. The total sale was US\$24.6 million

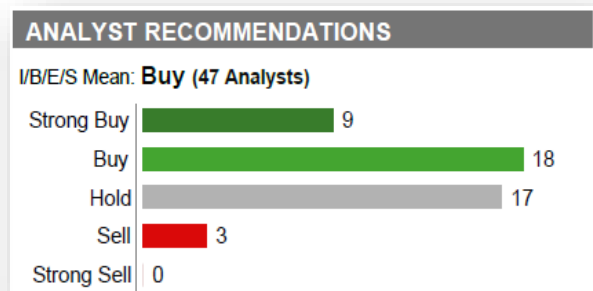
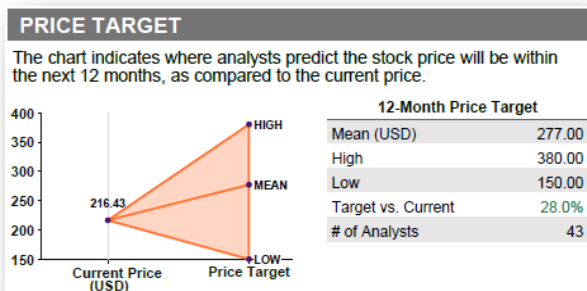
TRADING FLOWS	RESISTANCE LEVELS	SUPPORT LEVELS
<ul style="list-style-type: none"><li>• Square's shares are down 11% in the past 5 days and fell 17% in the past 30 days</li></ul>	<ul style="list-style-type: none"><li>• 233.35 (07 May 2021)</li><li>• 251.60 (29 Apr 2021)</li><li>• 274.13 (14 Apr 2021)</li></ul>	<ul style="list-style-type: none"><li>• 202.28 (200 Day MA)</li><li>• 185.20 (18 Nov 2020)</li><li>• 170.00 (10 Nov 2020)</li></ul>

# Fundamental Viewpoint

## An Extract from STOCKREPORTS+



## Analyst Price Target and Recommendations



Source: REFINITIV STOCKREPORTS+, extracted 11 May 2021 (12pm SGT)

## US Peer Analysis (STOCKREPORTS+)

PEER ANALYSIS													Currency in USD	
Average Score	Ticker	PRICE MOMENTUM				VALUATION			FUNDAMENTAL		ANALYSTS			
		Price (2021-05-10)	1-Mo Return	3-Mo Return	1-Yr Return	Market Cap	Trailing PE	Forward PE	Dividend Yield	Net Margin	LTG Forecast	I/B/E/S Mean	# of Analysts	
6	SQ	216.43	-17.3%	-15.9%	184.6%	91.5B	304.8	153.8	--	2.7%	56.9%	Buy	47	
7	FISV	116.15	-6.5%	6.2%	10.9%	78.4B	90.8	20.6	--	5.9%	18.4%	Buy	37	
5	GPN	195.31	-8.4%	-3.4%	11.6%	59.5B	91.7	23.5	0.4%	8.5%	12.3%	Buy	36	
9	FLT	283.19	-1.1%	8.1%	18.0%	23.8B	32.9	21.7	--	31.7%	15.6%	Buy	20	
7	WU	25.80	2.4%	9.9%	29.5%	10.3B	14.3	12.1	3.6%	15.4%	9.2%	Hold	21	
4	WEX	196.32	-10.5%	-8.5%	46.9%	8.8B	--	21.7	--	-14.9%	26.1%	Hold	19	
4	PAGS	42.35	-11.6%	-31.1%	47.9%	7.8B	56.4	39.1	--	19.0%	38.4%	Buy	17	
6	EEFT	139.03	-6.5%	-1.5%	50.4%	7.5B	--	24.3	--	-0.5%	--	Buy	9	
9	ADS	122.05	11.1%	42.3%	158.7%	6.2B	12.7	10.0	0.7%	11.1%	--	Buy	18	
4	FOUR	83.59	-17.6%	2.6%	--	3.7B	--	114.8	--	-5.8%	--	Buy	12	
4	BTRS	14.06	-6.8%	-19.9%	43.5%	2.2B	--	--	--	--	--	Buy	8	
5.9	Average	130.39	-6.6%	-1.0%	60.2%	27.2B	86.2	44.1	1.6%	7.3%	25.3%	Buy	22.2	

PEER COMPANIES			
ADS	Alliance Data Systems Corp	FOUR	Shift4 Payments Inc
BTRS	BTRS Holdings Inc	GPN	Global Payments Inc
EEFT	Euronet Worldwide Inc	PAGS	PagSeguro Digital
FISV	Fiserv Inc	WEX	WEX Inc
FLT	Fleetcor Technologies Inc	WU	Western Union Co

Source: REFINITIV STOCKREPORTS+, extracted 11 May 2021 (12pm SGT)

## Global Peer Analysis (Bloomberg)

Ticker	Name	Mkt Cap (USD) (Millions)	Last Px	P/E	P/E 5Yr Avg	P/B	P/B 5Yr Avg	Indicated Yield (%)
<b>Average</b>		<b>20,726</b>	<b>16.59</b>	<b>16.02</b>	<b>12.10</b>	<b>4.31</b>	<b>1.75</b>	<b>2.49</b>
SQ US	SQUARE INC - A	98,555	216.43	601.26		42.52	30.74	N/A
FIS US	FIDELITY NATIONAL INFO	92,684	149.46	86.22	72.33	1.91	1.73	1.04
FISV US	FISERV INC	77,445	116.15	50.29	47.80	2.43	2.22	N/A
GPN US	GLOBAL PAYMENTS INC	57,659	195.31	62.88	60.16	2.16	1.99	0.40
FLT US	FLEETCOR TECHNOLOGIES	23,604	283.19	32.73	28.86	7.17	6.61	N/A
WU US	WESTERN UNION CO	10,559	25.80	13.81	11.92	48.32		3.64
WEX US	WEX INC	8,784	196.32	166.68	98.98	4.67	3.74	N/A
EEFT US	EURONET WORLDWIDE	7,340	139.03	89.10	48.88	5.22	4.35	N/A
EVOP US	EVO PAYMENTS INC-CL A	2,341	28.22	N/A		N/A		N/A
PYPL US	PAYPAL HOLDINGS INC	286,199	243.63	74.24	77.60	14.71	11.90	N/A
MA US	MASTERCARD INC - A	363,060.34	366.34	57.75	46.64	57.44	52.08	0.48
V US	VISA INC-CLASS A SHARES	498,398.14	225.97	46.74	36.12	12.83	12.05	0.57
	MONEYGRAM							
MGI US	INTERNATIONAL INC	666.87	8.37	53.54		N/A		N/A
	CATM							
US	CARDTRONICS PLC - A	1,759.48	38.87	41.61	26.40	4.47	3.54	N/A
ACIW US	ACI WORLDWIDE INC	4,582.44	38.79	37.74	37.85	3.83	3.14	N/A
	BOTTOMLINE							
EPAY US	TECHNOLOGIES (DE)	1,747.43	38.50	N/A		3.77	4.67	N/A

Source: Bloomberg, extracted 11 May 2021 (12pm SGT)

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