

# Smarter Web Company plc (swc)

BUY

## MARKET DATA

Bloomberg	Ticker	SWC PZ
Share price	p/shr	27.00
Target price	p/shr	38.40
TP upside	%	42
Shares out	Million	173.7
Mkt cap	£m	46.9

## £3.45M RAISE TO ACCELERATE BITCOIN STRATEGY

Following its successful IPO in April, Smarter Web Company (SWC PZ) has moved swiftly to cement its position as the UK's first publicly listed non-crypto operating company to adopt a Bitcoin Treasury Policy. After raising £1.0 million at 2.5 pence/share on IPO, and £2.24 million at 16 pence/share on 8 May, the company has announced a further raise this morning of £3.45 million at last night's close of 27 pence per share, with the proceeds used to accelerate the accumulation of Bitcoin in its corporate treasury. Before the announcement, the company had approximately £4.1 million in treasury, consisting of 19.2 BTC and £2.6 million in cash. With the proceeds of the raise, the company will have approximately £5.9 million to deploy into additional Bitcoin in the weeks ahead. As a consequence, we expect the company to reach over 90 BTC within a matter of weeks.

## DESCRIPTION

Smarter Web Company plc offers web design, web development and online marketing services. The company has adopted a Digital Asset Treasury Policy into its strategy.

With the shares trading at a solid premium to NAV, the raise is highly accretive to shareholders in terms of Bitcoin yield. Assuming all its excess cash is deployed into BTC at current prices, the transaction takes the stock's mNAV from 10.5x to 6.3x - very similar to the effect of the previous equity raise at 16p which took the multiple from 11.9x to 6.2x, only to see the multiple rise rapidly again immediately as the market revalued the stock to reflect the accretive nature of the transaction. Put another way, whilst the company's treasury of £4.1 million was valued at £43.4 million at yesterday's close, the transaction values the enlarged treasury of £7.4 million at £46.7 million. With the total share count rising just 7.9%, this represents a increase in BTC/share (when deployed) of 66%, or an increase in potential sats per share from 33 to 55.

SWC has already demonstrated significant traction amongst UK retail investors, and it this following which will allow the company to grow rapidly using the tried and tested Bitcoin Treasury strategy made famous by Michael Saylor and Strategy Inc. (MSTR US). Backed by its key original investor UTXO, part of BTC Inc., and allied to the largest Bitcoin-focused media outfit, Bitcoin Magazine, SWC management is well positioned to use this successful start as a springboard to accelerate its Bitcoin accumulation, as it seeks to tap different pools of capital, whether in different product segments or geographies. SWC is fast developing a reputation with investors across the globe as the ~UK flagship~ of the Bitcoin Treasury sector, with a leadership team that benefits from global expertise and sector relationships unmatched by any UK rival, existing or potential.

There is now a wave of international capital supporting corporates moving onto a Bitcoin Standard, albeit with the UK somewhat lagging. There are now over 90 public companies deploying the model, and in the last fortnight alone, we have seen the announcements of new companies joining in the US, such as Twenty One (CEP US) (backed by Tether, Cantor Fitzgerald, Softbank and Bitfinex) and Strive Asset Management (ASST US), as well as further capital raises and Bitcoin purchases by international companies such as Metaplanet (3350 JP) in Japan and Blockchain Group (ALTG FP) in France. Each of these is demonstrating clearly that a well-executed Bitcoin treasury strategy can deliver exceptional shareholder returns on the back of solid mNAV premia which in turn create a significant competitive edge in the capital markets, one which traditional corporates, however successful in fiat terms, are failing to offer their shareholders.

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### **Bitcoin Treasury Basics – A Reminder**

Bitcoin is a unique digital asset that has demonstrated its value proposition over the sixteen years of its existence, by delivering investment returns vastly superior to other mainstream financial assets. Its unique characteristics - capped supply, infinite divisibility, immutability, censorship-resistant decentralisation, and proof-of-work consensus mechanism - have supported the rapid growth in Bitcoin adoption and associated increase in dollar value. The recognition of Bitcoin as an unrivalled store of value is what led earlier this year to the US Federal Government to initiate a policy of developing a Strategic Bitcoin Reserve. That move alone de-risked the asset for corporates and will encourage rival governments to make a similar move.

For investors looking for Bitcoin exposure, SWC is not an ETF, but a corporation, which can use its legal status to issue securities in all relevant capital market segments in order to accumulate more Bitcoin. Because there is a strong demand amongst a variety of investor classes for the unique volatility of the underlying asset (BTC), it can issue securities (CB, debt, equity) at prices favourable for the issuer. This means it can increase its BTC per share over time, which means that an investor is likely to pay for some of that return in advance through a premium to NAV. There is also a self-fulfilling element to this, in that the reputation for increasing BTC yield leads to the premium which enables the company to increase the BTC yield. The success of SWC in capturing the premium and creating the flywheel which enables it to grow rapidly is due to its ability to mobilise the retail Bitcoin army in the UK behind the company, supported by a sustained rally in the Bitcoin price.

### **Bitcoin Treasury Sector Comparable Trading Statistics**

Ticker	Name	BITCOIN HOLDINGS		MKT CAP	mNAV	Policy	Share Price Performance			
		BTC	USD M	USD M	(x)		+1D	+7D	+3M	TO DATE
MSTR	<b>MICROSTRATEGY</b>	568,840	58,092.6	113,941	2.09	01/08/2020	n/a	10.8%	39.1%	3,270.1%
3350	<b>METAPLANET</b>	6,796	694.0	2,385	3.55	08/04/2024	88.8%	42.0%	319.6%	4,046.9%
SMLR	<b>SEMLER SCIENTIFIC</b>	3,634	371.1	363	0.98	28/05/2024	24.4%	28.1%	23.5%	39.5%
KULR	<b>KULR TECHNOLOGY</b>	716	73.1	458	6.29	04/12/2024	5.1%	76.3%	n/a	36.4%
ALTBG	<b>THE BLOCKCHAIN GROUP</b>	620	63.3	155	2.52	05/11/2024	22.1%	73.2%	245.1%	902.7%
RUM	<b>RUMBLE INC</b>	211	21.5	449	20.93	25/11/2024	12.6%	9.6%	51.0%	59.5%
CASH3	<b>MELIUZ SA</b>	46	4.7	139	29.78	06/03/2025	16.4%	8.2%	n/a	172.4%
1723	<b>HK ASIA (MOON)</b>	29	2.9	204	69.56	13/02/2025	67.6%	288.2%	141.8%	134.7%
TZUP	<b>THUMZUP MEDIA</b>	10	1.0	76	75.92	15/11/2024	15.3%	23.1%	-6.9%	148.3%
JKE	<b>JETKING INFOTRAIN</b>	15	1.5	10	6.80	09/12/2024	20.0%	111.3%	48.5%	127.6%
SWC	<b>SMARTER WEB CO</b>	19	2.0	62	30.55	25/04/2025	80.0%	90.0%	n/a	1,060.0%

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**Valuation and Recommendation**

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The global Bitcoin Treasury sector continues to attract significant premia to Bitcoin NAV, as reflected in the table above. Especially the younger, smaller companies, who trade at the largest premia. With SWC having proven its appeal to retail investors and the efficacy of its model in delivering an mNAV premium, we are revising our target price to reflect its new enlarged balance sheet. We believe the stock now warrants an mNAV premium of 9x (assuming its cash resources are fully deployed into Bitcoin at the current spot price). As such, we are setting our new **3-month target price at 38.4 pence per share**, or 42% above the current level, equivalent to a market cap of £66.8 million. **We maintain our BUY recommendation**

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### RECOMMENDATIONS HISTORY

**Market index : FTSE All-Share**

Date	Market Index level	Share Price (p)	Target Price (p)	Opinion
25/04/2025	4546.43	2.50	4.00	BUY
08/05/2025	4645.23	16.00	25.50	BUY

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**BUY:** The stock is expected to generate absolute positive price performance of over 10% during the next 12 months.

**HOLD:** The stock is expected to generate absolute price performance of between negative 10% and positive 10% during the next 12 months.

**SELL:** The stock is expected to generate absolute negative price performance of over 10% during the next 12 months.

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