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Analysis: Peak Fintech Group

Ticker Symbol: TNT

Last Update Date: 2021-09-17

1. Business Overview

Peak Fintech Group Inc., through its subsidiaries, operates in the commercial lending industry in China. It operates through two segments, Fintech Platform and Financial Services. The Fintech Platform segment provides procurement and distribution of products within supply chains or facilitating transactions in the commercial lending industry through technology platforms. The Financial Services segment offers commercial loans to entrepreneurs, and small and medium-sized businesses, as well as turn-key credit outsourcing services to banks and other lending institutions. The company was formerly known as Peak Positioning Technologies Inc. and changed its name to Peak Fintech Group Inc. in November 2020. Peak Fintech Group Inc. was incorporated in 2008 and is based in Montreal, Canada.

2. Model's Assumptions

Outstanding Shares at Horizon:

- 129 726 489 outstanding shares in 2021, 73 783 060 outstanding shares in 2020, if we assume the same rate of share dilution, we should see 1,314,784,592 in 2025

Revenue:

- TTM Revenue: 75M CAD, but we will assume revenue close to 80M CAD for the end of 2021
- Revenue for 2020: 42M CAD
- Revenue in 2022: 133M CAD

P/S Multiple:

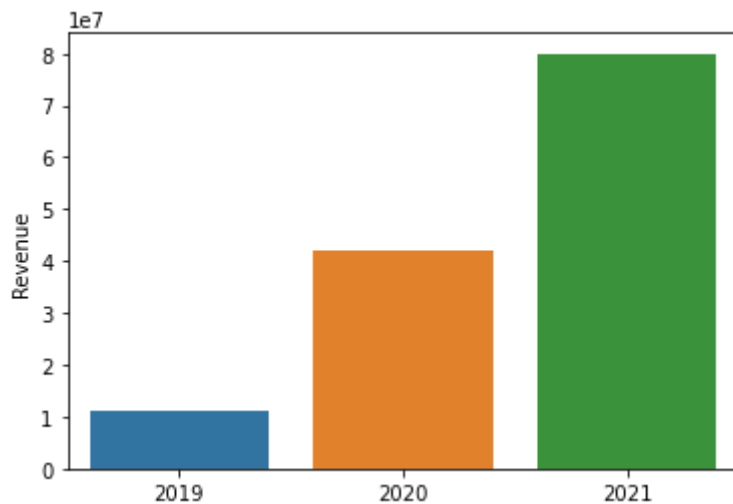
-We will assume a similar P/S multiple as SQUARE and Paypal: 8-14 range even though they are more mature companies will lower growth rate

3. P/S Ratio Model

Steps:

1. Come up with some estimations of the revenue for the next 5-10 years
2. Assume a P/S ratio
3. Get a market capitalization
4. Divide by the number of outstanding shares at horizon
5. discount the share price by a factor of 10% and you get the adjusted fair price today
6. Take into account a margin of safety

	Revenue
2019	11000000
2020	42000000
2021	80000000



The growth rate that will be used 1.9

Discounted Revenue in 2022 is : \$138,528,138.00\$
 Discounted Revenue in 2023 is : \$239,875,564.00\$
 Discounted Revenue in 2024 is : \$415,368,942.00\$
 Discounted Revenue in 2025 is : \$719,253,580.00\$
 Discounted Revenue in 2026 is : \$1,245,460,746.00\$

The fair price for the stock today is 13\$

The price at horizon for the stock is 43\$

4. Position