

Futu Holdings (FUTU US)

4Q25 Preview: Resilient key metrics with modest sequential growth amid market turbulence

Futu is scheduled to release 4Q25 results on March 12 (Thu), pre-market. Despite turbulent HK/US stock markets over the last quarter, we think Futu's stock price has factored in the beta headwinds and is awaiting catalysts to confirm a bottoming rebound. Futu's share price fell 13% YTD, tracking KWEB while underperforming NASDAQ by 9ppts, translating into a trading multiple of 12x FY26E P/E, a steep discount to its global peers ([Table](#)). We expect resilient net asset inflows and client acquisitions albeit with softer sequential growth in 4Q25. We forecast the new funded accounts to decline 13% QoQ but rise 3% YoY to 220k in 4Q, leading to a full-year addition of 940k, up by 34% YoY, well ahead of mgmt.'s FY25 target of 800k. Total client assets remained stable QoQ, with robust net client asset inflows largely offset by the MTM fair value losses (i.e. HSTECH/KWEB down 14.7%/14.0% in 4Q25). We anticipate 4Q25 topline to reach HK\$6.3bn, down 2% QoQ, with the QoQ change in brokerage commission and interest income slightly trending down by 2%/1%; and GAAP/non-GAAP bottom-line at HK\$3.2/3.3bn, up 73%/70% YoY but flat/flat QoQ. Maintain BUY with our TP at US\$228 (unchanged), which implies 19x FY26E P/E.

Our key forecasts for 4Q25:

- 1) 220k new funded accounts in 4Q25**, decelerating from 254k in 3Q25 due to easing trading sentiment in HK. New paying client acquisition amounted to 940k (CMBI est) in FY25, bringing the total number of paying clients to 3.35mn as of year-end. HK and Malaysia could still be the two largest contributors, in our view.
- 2) Client AUM remained largely stable QoQ at HK\$1.23tn**, as robust net client asset inflows could be largely offset by elevated mark-to-market fair value losses amid intensified market volatilities (i.e. 4Q25 HSTECH/NASDAQ: -14.7%/+2.6%).
- 3) Brokerage commission income totalled HK\$2.85bn** in 4Q25, up 39% YoY but down 2% QoQ. Trading volume was flat at HK\$3.9tn, as US stocks and options trading likely compensated for the subdued trading activity in HK. Trading velocity could trend down to 14.8x in 4Q25 (CMBI est) vs. 16.6x in 3Q25; and blended commission yield could edge lower by 0.2bp QoQ to 7.3bps, due to an increased mix of higher-value US stocks and options traded on the platform in the quarter.
- 4) Interest income slid by 1% QoQ to HK\$3.0bn**, as the Fed's two rate cuts in Sep/Oct 2025 could boost MFSL balance while lowering yield for bank deposits.
- 5) Total revenue reached HK\$6.3mn in 4Q25**, down 2% QoQ but up 42% YoY. Net revenue (excl. commission expense, interest expense and processing cost) was HK\$5.5bn in 4Q25, down 2% QoQ/up 50% YoY, showcasing cost efficiency.
- 6) Operating expenses fell 7% QoQ to HK\$1.6bn (CMBI est)**, driven by lower selling and marketing expenses (-9% QoQ) as a result of slower client acquisition and lower CAC. R&D and G&A expenses could sequentially moderate by 5% (CMBI est), given the front-loaded expenditure amid a high base in 3Q25.
- 6) GAAP/non-GAAP net profit reached HK\$3.2bn/3.3bn**, up 0.7%/0.5% QoQ. Net margin rose to 51.7%, up 1.3pct QoQ, thanks to efficient OpEx improvement.

What to watch in 4Q/FY25 earnings call:

- 1) New market entry plan in 2026E.** Futu has achieved leading penetration vs. peers in its key operating markets regarding total funded accounts, i.e. ~40% in HK and 30% in SG. The market expansion plan for 2026E could underpin the broker's mid-term growth prospects on client AUM and new client acquisition.
- 2) Mgmt. guidance on new client acquisition.** In FY25, the company's mgmt. guided to increase new paying clients by 800k, which had been reached 90% as of 3Q25. We believe the clarity on growth target will be essential to boosting market confidence and providing a key reference to a quarterly performance track.
- 3) Latest progress and synergies with Airstar Bank.** In 3Q25, Futu increased its stake in Airstar Bank to 68% from 44%, indicating the company's stress on banking services and a strategic move to HK stablecoin business potentially in future. Any update on synergies with Airstar Bank should imply diversification.
- 4) Progress in the evaluation phase II for Futu's VATP license.** The HK SFC released a new VATP license to Victory Fintech Company (VDX) in early Feb

BUY (Maintain)

Target Price US\$228.00
Up/Downside 58.9%
Current Price US\$143.46

China Financials

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Stock Data

Mkt Cap (US\$ mn)	162,323.2
Avg 3 mths t/o (US\$ mn)	226.9
52w High/Low (US\$)	199.04/74.81
Total Issued Shares (mn)	1131.5

Source: FactSet

Shareholding Structure

Hua Li	15.1%
BlackRock Inc	4.7%

Source: HKEx

Share Performance

	Absolute	Relative
1-mth	-5.3%	-2.6%
3-mth	-16.3%	-11.8%
6-mth	-23.4%	-25.7%

Source: FactSet

12-mth Price Performance



Source: FactSet

Related reports:

- Futu Holdings (FUTU US) - [3Q earnings a strong beat, driven by resilient net asset inflows and NII recovery](#), Nov 20, 2025
- Futu Holdings (FUTU US) - [Marketing feedback: short-term views mixed: 3Q EPS upside to reinforce long-term convictions](#), Oct 28, 2025
- Futu Holdings (FUTU US) - [Pioneered one-stop financial services platform to ride on crypto advancements: Initiate BUY](#), Oct 14, 2025

2026, raising the total number of VATP-licensed entities to twelve. The industry competitive landscape and Futu's current progress on a full VATP license could help open up the headroom for its crypto revenues beyond spot trading business.

- **Valuation:** The stock is now trading at 12x FY26E P/E, representing a steep discount (-50%) to key peers as shown in [table](#). We expect Futu to sustain in high-teens profit growth in 2026E (*CMBI est: 19%*) and await catalysts to confirm a stock price bottoming rebound. Maintain BUY with TP at HK\$228 (unchanged), implying 19x FY26E P/E.
- **Downside risks:** 1) underperformance in HK/US market turnover amid intensified geographic uncertainties and risk-off sentiment; 2) lower-than-expected retail participation across markets; 3) operating expense overruns; and 4) ambiguity on mgmt.'s growth target and/or any delay in new market expansions, etc.

Earnings Summary

(YE 31 Dec)	FY23A	FY24A	FY25E	FY26E	FY27E
Adjusted net profit (HK\$ mn)	4,570	5,768	11,520	13,651	15,723
Diluted EPS, ADS (HK\$)	30.6	38.9	79.3	94.0	108.2
Consensus EPS (HK\$)	n.a	n.a	79.2	91.2	108.8
P/E (x)	36.6	28.7	14.0	11.9	10.4
P/B (x)	6.5	5.7	4.1	3.1	2.4
ROE (%)	18.8	20.7	33.1	28.7	25.3

Source: Company data, Bloomberg, CMBIGM estimates | Note: stock price data quoted by market close on March 6, 2026 (Fri),

4Q25E Key Forecasts Snapshot

(HK\$mn, %)	1Q25	2Q25	3Q25	4Q25E	QoQ%	YoY%
Brokerage commission income	2,310	2,579	2,914	2,849	-2.2%	38.5%
Interest income	2,070	2,288	3,045	3,010	-1.2%	48.8%
Other income	314	444	444	425	-4.3%	20.5%
Total revenue	4,695	5,311	6,403	6,284	-1.9%	41.8%
Brokerage commission expenses	(144)	(161)	(161)	(157)	-2.2%	39.9%
Interest expenses	(469)	(378)	(474)	(497)	5.0%	-3.1%
Processing and servicing costs	(136)	(133)	(159)	(142)	-10.5%	-5.3%
Total Costs	(749)	(671)	(794)	(797)	0.4%	2.7%
Gross profit	3,946	4,640	5,609	5,487	-2.2%	50.1%
Research and development expenses	(386)	(442)	(574)	(540)	-6.0%	35.1%
Selling and marketing expenses	(459)	(429)	(586)	(533)	-9.1%	14.8%
General and administrative expenses	(415)	(425)	(545)	(518)	-5.0%	-10.1%
Operating expenses	(1,260)	(1,296)	(1,705)	(1,590)	-6.7%	10.5%
Operating profit	2,685	3,344	3,904	3,897	-0.2%	75.8%
Other income/(expense)	(21)	(168)	(35)	0	-100.0%	-100.0%
Income before tax	2,665	3,176	3,870	3,897	0.7%	71.4%
Income tax	(491)	(580)	(633)	(638)	0.7%	77.9%
Share of profit/(Loss) from equity method investments	(31)	(24)	(19)	(19)	0.7%	-57.0%
Net income/(losses)	2,143	2,573	3,217	3,240	0.7%	73.3%
Net income/(losses) to shareholders	2,145	2,574	3,228	3,251	0.7%	73.7%
Non-GAAP net income	2,217	2,660	3,312	3,330	0.5%	70.6%
Key operating metrics:	1Q25	2Q25	3Q25	4Q25E	QoQ%	YoY%
Quarterly new paying clients (k)	261.8	204.0	254.3	220.3	-13.4%	2.6%
No. of paying clients (k)	2,673	2,877	3,131	3,352	7.0%	39.0%
Total client assets (HK\$ bn)	830	974	1,240	1,234	-0.5%	66.1%
Avg. client assets per paying client (HK\$ mn)	0.31	0.34	0.40	0.37	-7.0%	19.5%
Total trading volume (HK\$ bn)	3,213	3,590	3,900	3,918	0.5%	35.7%
Trading velocity of client assets (x)	19.4x	19.1x	16.6x	14.8x	(1.9)	(4.0)
Blended commission rate (bps)	7.2bps	7.2bps	7.5bps	7.3bps	(0.2)	0.2
HK trading volume (HK\$bn)	14,564	14,261	18,613	14,018	-24.7%	21.0%
Futu's market share in HK stock market (%)	3.14%	2.92%	3.20%			
US trading volume (US\$bn)	44,028	49,808	52,950	59,282	12.0%	13.1%
Futu's market share in US stock market (%)	0.33%	0.35%	0.32%			
MFSL balance (HK\$bn)	50.3	51.4	63.1	72.4	14.8%	42.3%
MSFL balance as % of total client assets	6.1%	5.3%	5.1%	5.9%	0.8pct	-1.0pct
WM asset balance (HK\$bn)	139.2	163.2	175.6	177.3	0.9%	59.8%
WM balance as % of total client assets	16.8%	16.8%	14.2%	14.4%	0.2pct	-0.6pct
Client idle cash (HK\$bn)	88.2	105.3	127.6	128.2	0.5%	86.8%
Client idle cash as % of total client assets	10.6%	10.8%	10.3%	10.4%	0.1pct	1.2pct
Client acquisition costs (CAC, HK\$ 000')	1.75	2.10	2.30	2.42	5.0%	11.9%

Source: Company data, HKEx, CBOE, and CMBIGM estimates

Key financial metrics:	1Q25	2Q25	3Q25	4Q25E	QoQ%	YoY%
Gross margin	84.0%	87.4%	87.6%	87.3%	-0.3pct	4.8pct
Operating margin	57.2%	63.0%	61.0%	62.0%	1.0pct	12.0pct
Net margin	45.7%	48.5%	50.4%	51.7%	1.3pct	9.5pct
Effective tax rate (ETR, %)	18.4%	18.3%	16.4%	16.4%	0.0pct	0.6pct
ROA	5.1%	5.4%	5.8%	5.2%	-0.6pct	0.3pct
ROE	29.4%	32.4%	37.0%	34.1%	-2.9pct	7.6pct
Assets/Equity (financial leverage, x)	5.8x	6.0x	6.3x	6.6x	0.2	1.2
Assets/Equity (excl. client funds, x)	2.9x	2.7x	2.7x	2.8x	0.1	0.1

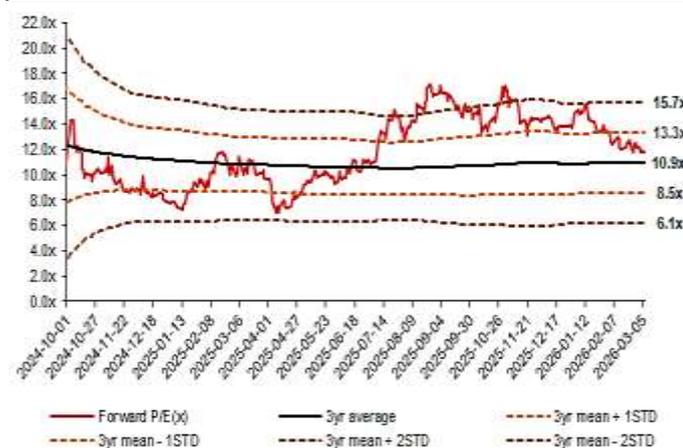
Source: Company data, HKEx, CBOE, and CMBIGM estimates

Peers' comp table of P/E(x) in FY25E-28E vs. Futu Holdings

Company	Ticker	Last price (LC)	2025E	2026E	2027E	2028E
Up Fintech Holdings	TIGR US	7.20	7.3x	6.5x	5.5x	5.8x
Robinhood Markets Inc.	HOOD US	77.09	37.6x	32.5x	27.1x	22.1x
Interactive Brokers	IBKR US	66.70	30.5x	26.9x	24.3x	21.1x
Charles Schwab	SCHW US	95.23	19.6x	16.3x	14.0x	12.0x
East Money	300059 CH	21.56	27.2x	23.9x	21.8x	19.7x
		Median	27.2x	23.9x	21.8x	19.7x
		Mean	24.4x	21.2x	18.5x	16.1x
Futu Holdings Ltd.	FUTU US	143.46	14.0x	11.9x	10.4x	9.1x
		<i>Discount vs peers median</i>	<i>-48.6%</i>	<i>-50.0%</i>	<i>-52.6%</i>	<i>-54.0%</i>

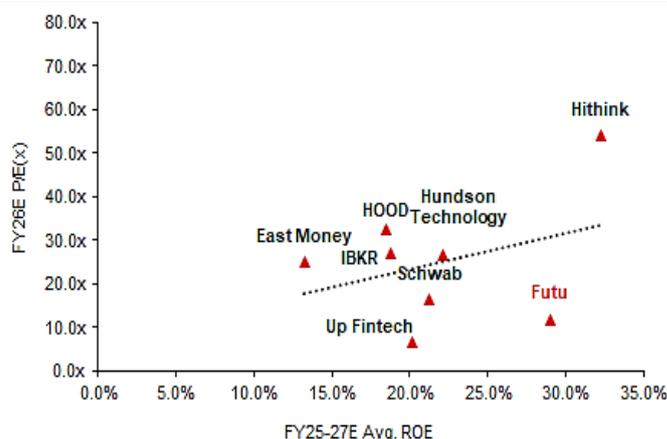
Source: Bloomberg, CMBIGM | Note: stock price data quoted by market close on March 6, 2026 (Fri). FY25-28E EPS estimates of Up Fintech, Robinhood, Interactive Brokers, Charles Schwab, and East Money are quoted from Bloomberg consensus as of March 6, 2026.

Figure 1: Futu's P/E(x) valuation trading band



Source: Bloomberg, Wind, CMBIGM estimates

Figure 2: Futu's FY26E P/E and ROE vs. major peers



Source: Bloomberg, CMBIGM estimates
Note: The estimates of Futu's peer companies quoted from Bloomberg consensus.

Financial Summary

INCOME STATEMENT	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (HK\$ mn)						
Revenue	7,614	10,008	13,590	22,692	26,084	29,620
Cost of goods sold	(996)	(1,536)	(2,445)	(3,010)	(3,507)	(3,934)
Gross profit	6,618	8,472	11,145	19,682	22,578	25,686
Operating expenses	(3,049)	(3,465)	(4,523)	(5,851)	(6,632)	(7,334)
Selling expense	(896)	(710)	(1,409)	(2,006)	(2,017)	(2,039)
Admin expense	(931)	(1,313)	(1,620)	(1,903)	(2,231)	(2,574)
R&D expense	(1,222)	(1,441)	(1,494)	(1,942)	(2,384)	(2,721)
Operating profit	3,569	5,007	6,622	13,831	15,946	18,352
Other income	(210)	33	(86)	(223)	0	0
Pre-tax profit	3,359	5,041	6,535	13,607	15,946	18,352
Income tax	(414)	(748)	(998)	(2,341)	(2,609)	(3,003)
Others	(18)	(13)	(104)	(93)	(80)	(92)
Net profit attributable to shareholders	2,927	4,281	5,443	11,198	13,300	15,307
Non-GAAP net income	3,131	4,570	5,768	11,520	13,651	15,723

BALANCE SHEET	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (HK\$ mn)						
Cash & equivalents	5,029	4,938	11,688	10,404	18,527	27,854
Cash held on behalf of clients	50,685	44,369	68,640	128,250	154,431	179,506
Restricted cash	1	1	1	2	2	2
Receivables	9,829	10,148	22,843	39,695	45,611	52,266
Loans and advances	26,713	32,547	49,714	67,888	86,035	104,806
Prepaid assets	29	55	63	120	146	178
ST bank deposits	6	6	5	5	5	5
Other current assets	809	3,383	2,949	5,447	5,648	5,857
Right-of-use assets	197	224	253	151	74	29
Long-term investments	240	239	573	585	609	633
Other non-current assets	965	1,227	2,026	3,300	3,434	3,573
Total assets	94,503	97,136	158,757	255,847	314,522	374,710
Amounts due to related parties	53	69	79	112	112	112
Payables	69,177	64,654	117,174	197,193	239,380	281,218
Lease liabilities	211	238	277	592	592	592
Securities purchased under agreements to repurchase	0	0	2,575	1,223	1,223	1,223
Accrued expenses	1,706	1,939	4,937	5,043	6,072	7,058
Long-term borrowings	2,481	5,652	5,702	11,587	13,663	15,625
Other non-current liabilities	14	12	8	32	33	35
Total liabilities	73,641	72,564	130,752	215,781	261,075	305,863
Share capital	0	0	0	0	0	0
Retained earnings	7,079	11,361	14,653	25,840	39,097	54,355
Other reserves	13,782	13,208	13,358	13,854	13,854	13,854
Total shareholders' equity	20,862	24,569	28,011	39,695	52,952	68,209
Minority interest	0	3	(7)	371	495	638
Total equity and liabilities	94,503	97,136	158,757	255,847	314,522	374,710

CASH FLOW	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec (HK\$ mn)						
Net change in cash	(3,576)	(6,408)	31,021	58,327	34,388	34,351
Cash at the beginning of the year	59,292	55,716	49,308	80,329	138,573	173,012
Exchange difference	(135)	66	(150)	0	0	0
Cash at the end of the year	55,716	49,308	80,329	138,657	172,960	207,363
PROFITABILITY	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
Gross profit margin (GPM)	86.9%	84.7%	82.0%	86.7%	86.6%	86.7%
Operating margin (OPM)	46.9%	50.0%	48.7%	60.9%	61.1%	62.0%
Non-GAAP net margin (Adj. NPM)	41.1%	45.7%	42.4%	50.8%	52.3%	53.1%
Return on equity (ROE)	14.0%	18.8%	20.7%	33.1%	28.7%	25.3%
VALUATION	2022A	2023A	2024A	2025E	2026E	2027E
YE 31 Dec						
P/E (x)	55.0	36.6	28.7	14.0	11.9	10.4
P/B (x)	7.9	6.5	5.7	4.1	3.1	2.4
EV/EBITDA (x)	38.2	25.6	19.9	9.8	8.4	7.3

Source: Company data, CMBIGM estimates. Note: The calculation of net cash includes financial assets. | Note: stock price data quoted by market close on March 6, 2026 (Fri).

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