12 November 2009

Daniel Stewart & Company

Q3 Results

Planet Payment

Support Services
PPT (FTSE AIM ALL SHARE)
PPTR REG S (FTSE AIM ALL SHARE)
PLPM (OTCQX)

Buy

Upside 78%

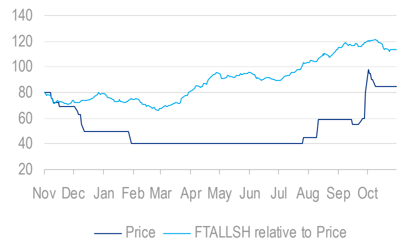
Process progress

Planet Payment has reported solid Q3 results, showing the continued, cash-positive progression of its global payment processing platform roll-out

Investment Case

- Planet Payment has reported Q3 YoY revenue growth of 16%, with a gross margin improvement and operating expenses decline resulting in positive EBITDA of $0.2m
- The outlook for further customer and revenue growth is highly attractive, with a cyclical upturn in consumer spend and international travel driving additional incremental upside in the medium-term
- With 78% upside to our increased target price of 151p (+11%), we have a strong Buy recommendation

Price	**85p**
Target Price	**151p**



Source: Proquote

Shares in issue	38.1m
Net Debt/(Cash)	$9.8m
Market Cap	$51.1m
Enterp. Value	$60.9m
NAV/Share	(1.0)p
Next Event	Prelims - March '10

Net Debt is current year estimated

Forecasts ($m)	12/08A	12/09E	12/10E	12/11E
Turnover	36.2	47.1	68.7	86.5
EBITDA	(7.6)	1.1	6.2	9.0
PBT	(8.8)	(0.4)	5.0	8.0
Tax (%)	(0)	5	5	5
EPS (p)	(18.3)	(0.7)	7.6	11.9
DPS (p)	0.0	0.0	0.0	0.0

Ratios (x)	12/08A	12/09E	12/10E	12/11E
P/E	n/a	n/a	17.8	11.4
EV/EBITDA	n/a	56.2	8.8	5.3
Yield (%)	n/a	n/a	n/a	n/a
Price/NAV	n/a	n/a	19.7	8.0

Data is adjusted

Company Description

Multi-currency payment processing solutions.
www.planetpayment.com

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Q3 results overview

Planet Payment has reported Q3 YoY revenue growth of 16%, with a gross margin improvement and operating expenses decline resulting in positive EBITDA of $0.2m

Revenue and gross margin expansion

Planet Payment achieved a 16% rise in Q3 revenue ($11.7m Q3 2009 vs $10.2m Q3 2008), driven principally by an impressive 39% uplift in core multi-currency processing. This implies a higher percentage group yield on a 24% increase in multi-currency transaction volumes, rising from $183m to $227m in Q3 2009.

The volume and revenue growth were driven by a 38% YoY increase in active merchant locations (9,976 Q3 2009), with the higher customer numbers offsetting a marginal decline in volume generated per individual merchant location.

Encouragingly, the volume per merchant location appears to be flattening on an annual LFL basis by the end of Q3 2009, having seen consistent month-on-month declines since the advent of the consumer and economic downturn in Q2 2008.

Despite the downturn, we rate the 16% revenue growth as an impressive achievement, with the 39% multi-currency processing increase offsetting the expected and planned reduction in processing services revenue (targeting higher-margin and higher-quality business).

Processing services revenue fell by 19% YoY ($3.2m vs $4.0m), although the higher-margin business resulted in processing gross profit of $0.8m, flat on Q3 2008 (400bp margin augmentation from 19.8% to 23.8%).

The multi-currency gross margin also increased (+30bp) to 39.3%, equating to a group gross margin expansion from 31.4% in Q3 2008 to 35.0% in Q3 2009. The net result is a 29% YoY rise in group gross profit to $4.1m (+6% QoQ vs Q2 2009).

EBITDA positive

Following a targeted reduction in operating costs through 2009, Planet Payment achieved a YoY decrease in operating expenses of 16% ($4.6m vs $5.5m), driving a second consecutive quarterly EBITDA-positive return.

The group has reported Q3 2009 EBITDA of $0.2m, showing a $1.6m reverse on the $1.4m EBITDA loss recorded in Q3 2008, as well as a $100k improvement on Q2 2009.

Further down the P&L, Planet Payment has reported a clean PBT loss of $0.2m, representing a significant reduction on the loss of $1.7m in Q3 2008.

The EPS loss in Q3 2009 is 0.40c (vs loss of 3.61c in Q3 2008) and no dividend is being recommended as the group continues its product investment and roll-out.

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Outlook & recommendation

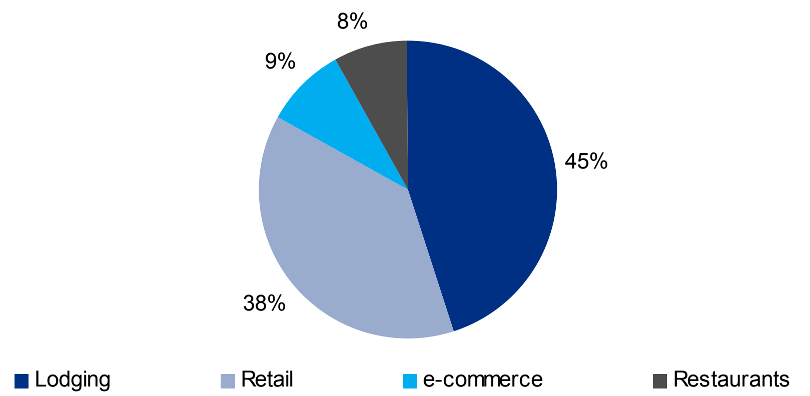
The outlook for further customer and revenue growth is highly attractive, with a cyclical upturn in consumer spend and international travel driving additional incremental upside in the medium-term

With Planet Payment trading profitably on a quarterly basis, we expect FY10E to represent the first year of material profit generation.

This should be as a result of;

- The continued yield growth and recurring revenue from current and ongoing acquiring bank and merchant relationships
- Additional clients across existing core territories (China, pan-Asia, North America)
- Rapid expansion across major nascent markets such as India and Europe
- Cross-sale of higher-margin products into existing clients
- Cyclical upturn (medium-term) in consumer spend and international travel
  - Planet Payment is relatively reliant on leisure/consumer spend and the expected late-cycle recovery in this category would underpin sound growth prospects from 2010

Chart 1: Planet Payment multi-currency volume September 2009



Source: Daniel Stewart

Our revenue assumptions imply YoY growth in FY10E of 48%.

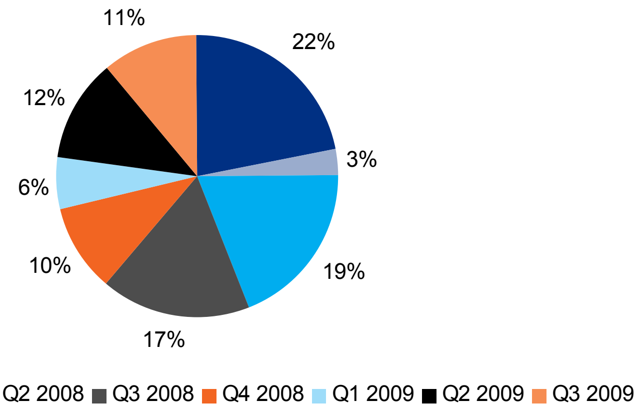
This is supported by expected significant client wins in Q4 2009 and Q1 2010, as well as higher volumes per merchant in 2010 against a very tough 2009 consumer period.

Furthermore, the table below highlights the spread of revenue per client as and when the merchant locations came into service.

11% of September 2009 revenue was generated by merchant locations added during Q3 2009

This reflects a key issue in that 11% of September 2009 revenue was generated by merchant locations added during Q3 2009 (29% by clients added during 2009 thus far), implying a very strong run-rate into the seasonally stronger Q4 period and into 2010.

Chart 2: Planet Payment volume by merchant location September 2009



Source: Daniel Stewart

This demonstrates not only the strength of Planet Payment's services roll-out, but the addition of high value, key clients during 2009. This should support our estimated growth rates and deliver the expected profit generation based on relatively static overheads, reflecting the inherent operational gearing within the business.

We retain our bullish view and, with 78% upside to our new target price of 151p, we have a strong Buy recommendation

DCF-based valuation

While we expect the group to show a meaningful profit in FY10E, the roll-out potential of Planet Payment's multi-currency payment processing platform is highly attractive on a long-term basis and we feel that the most appropriate valuation tool currently is a DCF.

Our DCF model drives an equity valuation of $154m, demonstrating the forecast cash generative nature of the business (low ongoing capex requirements and estimated net cash position from FY11E).

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This equates to a target valuation of 151p/share.

This target price implies an EV/EBITDA to FY11E (9.7x), dropping to 6.4x on our FY12E estimates, as well as implying a P/E to FY11E of 20.3x.

This, again, fairly reflects the expected growth in Planet Payment over the coming years, with a global currency-neutral platform able to penetrate and profitably monetise a substantial uptick in the group's client base.

Peer group

The table below highlights the relative valuation of Planet Payment's closest, payment processing-related peer group.

Table 1: Planet Payment sector relatives

Company	Shares ($)	Mkt. Cap. ($m)	FY1 P/E	FY2 P/E	FY1 P/EBITDA	FY2 P/EBITDA	FY1 P/Sales	FY2 P/sales
Alliance Data	60.6	3169	11.9	9.9	5.4	4.8	1.6	1.5
Bottomline Tech	15.4	399	15.4	13.2	12.8	10.8	2.6	2.4
Cybersource	17.4	1218	26.0	20.5	20.6	17.8	4.6	4.0
Datacash	209.0	308	16.6	14.4	10.9	9.3	5.3	4.6
Global Payments	54.0	4374	21.0	18.8	10.8	9.9	2.5	2.3
Heartland	14.2	1288	21.5	20.6	9.2	8.5	2.8	2.6
Mastercard	239.9	26341	21.0	17.8	10.8	9.3	5.2	4.7
NEOVIA	53.0	102	10.6	9.1	13.4	6.8	1.6	1.4
Total System	17.1	3374	6.6	14.1	6.8	6.4	2.1	2.1
VISA	80.9	37230	22.3	18.6	8.1	7.0	4.8	4.3
		Average	**17.3**	**15.7**	**10.9**	**9.1**	**3.3**	**3.0**

Source: Daniel Stewart

Given Planet Payment's immaturity of operations, with forecast maiden profits in FY09E and a slow build in its EBITDA margin from just 4% in FY09E to 12% in FY12E, it is hard to justify the use of mature sector peers as a relative valuation tool.

We retain our Buy recommendation and increase our price target by 11% from 135p to 151p

However, it is worth noting the P/Sales range of 3.0-3.3x that would imply a significant premium to Planet Payment's current share price, equating to >$290m mature (FY12E) revenues, with the P/sales range on forecast one- and two-year sales estimates implying a target price of range of 177-208p, well ahead of our DCF-based target price of 151p.

Further, a faster than expected appreciation in its immature, industry-low EBITDA margin (9.0% forecast FY10E vs sector peers average of 34.3%) should result in a material uplift in operating profitability and, ultimately, its share price.

Conclusion

With the technology and service levels offered to merchants, acquiring banks and consumers already demonstrating its scalability and value, we expect Planet Payment to drive strong cashflows and profit growth.

On this basis, we retain our Buy recommendation and, with the group delivering consistent quarterly EBITDA profits and benefiting from an exceptionally strong client pipeline and a recent cash injection, we raise our target price from 135p to 151p.

Profit and Loss

Table 2: Planet Payment income statement

Year end December	2007A	H1 2008A	H2 2008A	2008A	H1 2009A	H2 2009E	2009E	2010E	2011E	2012E
Sales										
Multicurrency processing	15.72	10.03	13.74	23.77	14.07	19.53	33.60	53.46	69.87	76.74
Processing	1.36	4.25	8.09	12.35	7.20	6.23	13.43	15.18	16.53	17.68
Professional services	0.09	0.00	0.07	0.07	0.00	0.08	0.08	0.09	0.09	0.09
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total sales	**17.17**	**14.28**	**21.91**	**36.19**	**21.26**	**25.84**	**47.10**	**68.73**	**86.48**	**94.51**
Gross profit										
Multicurrency processing	6.37	3.77	5.34	9.11	5.36	7.54	12.90	19.81	25.50	27.87
Processing	(0.06)	0.80	1.53	2.33	2.13	1.42	3.54	3.87	4.19	4.48
Professional services	0.02	0.00	0.04	0.04	0.00	0.05	0.05	0.05	0.06	0.06
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total gross profit	**6.32**	**4.57**	**6.9**	**11.48**	**7.49**	**9.0**	**16.49**	**23.73**	**29.75**	**32.41**
Gross profit margin (%)	*36.8*	*32.0*	*31.5*	*31.7*	*35.2*	*34.8*	*35.0*	*34.5*	*34.4*	*34.3*
Total operating costs	**(15.13)**	**(8.91)**	**(10.19)**	**(19.10)**	**(7.74)**	**(7.66)**	**(15.40)**	**(17.53)**	**(20.73)**	**(21.52)**
EBITA (pre-amortisation/options)	**(9.17)**	**(4.44)**	**(3.54)**	**(7.97)**	**(0.43)**	**1.20**	**0.77**	**5.86**	**8.66**	**10.52**
Amortisation	(1.60)	(0.38)	(0.44)	(0.82)	(0.57)	(0.44)	(1.01)	(1.25)	(1.34)	(1.24)
Share option charges	(1.19)	(0.69)	(0.79)	(1.49)	(0.72)	(0.54)	(1.26)	(0.95)	(0.90)	(0.860
Total operating profit	**(11.95)**	**(5.51)**	**(4.77)**	**(10.28)**	**(1.72)**	**0.22**	**(1.51)**	**3.66**	**6.42**	**8.42**
Operating margin (%)	*(69.6)*	*(38.6)*	*(21.8)*	*(28.4)*	*(8.1)*	*0.8*	*(3.2)*	*5.3*	*7.4*	*8.9*
Depreciation	(0.36)	(0.10)	(0.25)	(0.35)	(0.18)	(0.15)	(0.33)	(0.34)	(0.36)	(0.37)
EBITDA (pre-share options)	**(8.80)**	**(4.34)**	**(3.29)**	**(7.62)**	**(0.25)**	**1.35**	**1.09**	**6.21**	**9.02**	**10.89**
Financials										
Interest receivable	0.16	0.10	0.04	0.14	0.00	0.02	0.02	0.15	0.24	0.40
Interest payable	(0.90)	(0.44)	(0.55)	(0.99)	(0.58)	(0.64)	(1.22)	(1.05)	(0.88)	(0.49)
Net interest	**(0.75)**	**(0.34)**	**(0.51)**	**(0.85)**	**(0.58)**	**(0.62)**	**(1.20)**	**(0.90)**	**(0.64)**	**(0.09)**
Total exceptionals	**(0.68)**	**(0.45)**	**0.59**	**0.14**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Profit before tax	**(13.37)**	**(6.30)**	**(4.69)**	**(10.98)**	**(2.30)**	**(0.40)**	**(2.70)**	**2.76**	**5.78**	**8.33**
Profit before tax (pre-options & exc's)	**(9.91)**	**(4.77)**	**(4.05)**	**(8.82)**	**(1.01)**	**0.58**	**(0.43)**	**4.96**	**8.02**	**10.43**
Tax	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.02**	**0.02**	**(0.25)**	**(0.40)**	**(0.52)**
Rate (%)	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*(3.7)*	*5.0*	*5.0*	*5.0*	*5.0*
Profit after tax	**(13.38)**	**(6.30)**	**(4.69)**	**(10.98)**	**(2.30)**	**(0.38)**	**(2.68)**	**2.51**	**5.38**	**7.81**
Total dividends	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Retained profit	**(13.38)**	**(6.30)**	**(4.69)**	**(10.98)**	**(2.30)**	**(0.38)**	**(2.68)**	**2.51**	**5.38**	**7.81**
Y/E shares		26.7	26.9	26.9	34.3	38.1	38.1	42.0	42.8	43.6
Average shares	22.8	26.6	26.7	26.7	31.7	33.7	33.7	40.0	42.4	43.2
Fully diluted shares	43.4	48.1	48.3	48.3	53.3	55.3	55.3	61.6	64.0	64.0
EPS (c)	(58.58)	(23.67)	(17.43)	(41.10)	(7.26)	(0.70)	(7.96)	6.28	12.70	18.08
EPS (pre-goodwill & exceptionals) (c)	(43.42)	(17.95)	(15.07)	(33.02)	(3.18)	1.97	(1.21)	11.78	17.99	22.94
Fully diluted EPS (c)	**(22.83)**	**(9.92)**	**(8.34)**	**(18.25)**	**(1.89)**	**1.16**	**(0.74)**	**7.65**	**11.91**	**15.49**
DPS	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**

Source: Company data, Daniel Stewart

Cashflow

Table 3: Planet Payment cashflow statement

Year end December	2007A	H1 2008A	H2 2008A	2008A	H1 2009A	H2 2009E	2009E	2010E	2011E	2012E
EBIT	(12.34)	(6.30)	(3.38)	(9.68)	(2.30)	0.80	(1.51)	3.66	6.42	8.42
Depreciation & amortisation	3.15	1.14	1.52	2.65	1.22	1.38	2.60	2.54	2.60	2.47
EBITDA	(9.19)	(5.16)	(1.86)	(7.02)	(1.08)	2.18	1.09	6.21	9.02	10.89
Change in stocks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Change in debtors	(2.17)	0.00	(1.65)	(1.65)	0.00	(0.88)	(0.88)	(1.15)	(0.96)	(0.42)
Change in creditors	0.30	0.00	1.60	1.60	0.00	(0.53)	(0.53)	0.15	0.81	0.36
Discontinued operations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other items	1.28	0.00	(0.85)	(0.85)	0.00	0.00	0.00	0.00	0.00	0.00
Operating cash flow	**(9.79)**	**(5.16)**	**(2.77)**	**(7.92)**	**(1.08)**	**0.77**	**(0.32)**	**5.20**	**8.86**	**10.82**
Investment returns & finance										
Additional pension payment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest received	0.00	0.00	0.00	0.00	0.00	0.02	0.02	0.15	0.24	0.40
Interest paid	0.00	0.00	(0.04)	(0.04)	0.00	0.00	0.00	0.00	0.00	0.00
Net interest	0.00	0.00	(0.04)	(0.04)	0.00	0.02	0.02	0.15	0.24	0.40
Dividends received	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividends paid	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Outflow	**0.00**	**0.00**	**(0.04)**	**(0.04)**	**0.00**	**0.02**	**0.02**	**0.15**	**0.24**	**0.40**
Tax	0.00	0.00	0.00	0.00	0.00	0.02	0.02	(0.25)	(0.40)	(0.52)
Rate (%)	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*(3.7)*	*5.0*	*5.0*	*5.0*	*5.0*
Investing activities										
Purchase of TFA	(0.91)	(0.53)	0.30	(0.24)	(0.18)	(0.17)	(0.36)	(0.37)	(0.39)	(0.41)
Acquisitions	0.00	(1.25)	0.03	(1.22)	0.00	0.00	0.00	0.00	0.00	0.00
Deferred acquisition payments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Purchase of intangibles	(0.63)	(0.40)	(1.21)	(1.61)	(0.90)	(1.12)	(2.02)	(1.61)	(1.53)	(1.61)
Sale of TFA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sale of business operation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Purchase/sale of investments	(6.00)	0.00	6.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Discontinued operations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Purchase of subsidiary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cash acquired / movement in liquid assets	0.00	0.00	(0.50)	(0.50)	0.00	0.00	0.00	0.00	0.00	0.00
Net flow from investing activities	**(7.55)**	**(2.18)**	**(1.40)**	**(3.58)**	**(1.08)**	**(1.29)**	**(2.37)**	**(1.99)**	**(1.93)**	**(2.02)**
Financing										
Share issue	13.26	0.00	0.00	0.00	3.00	4.00	7.00	0.00	0.00	0.00
Cost of financing	0.00	(0.09)	0.09	0.00	(0.18)	(0.20)	(0.38)	0.00	0.00	0.00
Bank loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Management of liquid resources	0.00	0.00	0.00	0.00	0.00	(0.25)	(0.25)	0.00	0.00	0.00
Repayment of loans	(0.02)	0.00	(0.17)	(0.17)	0.00	0.00	0.00	0.00	0.00	0.00
Investments	0.00	4.68	2.90	6.00	0.00	0.00	0.00	0.00	0.00	0.00
Convertible debt/warrants	5.06	3.00	0.10	3.10	0.39	0.00	0.39	0.00	0.00	0.00
Share repurchase	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net flow from financing	**18.30**	**7.59**	**1.34**	**8.93**	**3.21**	**3.55**	**6.76**	**0.00**	**0.00**	**0.00**
Change in cash	**0.96**	**0.25**	**(2.86)**	**(2.61)**	**1.05**	**3.07**	**4.11**	**3.12**	**6.78**	**8.68**
Cash and cash equivalents	2.82	3.07	0.25	0.25	1.30	4.36	4.36	7.48	14.25	22.93
Net debt	**(7.41)**	**(10.42)**	**(13.53)**	**(13.53)**	**(12.87)**	**(9.77)**	**(9.77)**	**(2.65)**	**4.13**	**21.79**

Source: Company data, Daniel Stewart

Balance Sheet

Table 4: Planet Payment balance sheet

Year end December	2007A	H1 2008A	H2 2008A	2008A	H1 2009A	H2 2009E	2009E	2010E	2011E	2012E
Fixed assets										
Goodwill	0.13	0.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tangibles	1.03	2.88	1.18	1.18	1.09	1.11	1.11	1.15	1.18	1.22
Security deposits	0.20	0.27	0.40	0.40	0.43	0.43	0.43	0.43	0.43	0.43
Intangibles	2.21	2.05	3.95	3.95	4.21	4.89	4.89	5.25	5.44	5.81
Total	**3.58**	**5.33**	**5.53**	**5.53**	**5.73**	**6.43**	**6.43**	**6.83**	**7.06**	**7.47**
Current assets										
Stocks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Assets held for sale	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Debtors	0.83	0.83	1.75	1.75	1.75	2.63	2.63	3.78	4.74	5.16
Other	0.86	1.84	1.40	1.40	2.27	1.40	1.40	1.40	1.40	1.40
Settlement assets	6.00	2.90	1.31	1.31	1.31	1.31	1.31	1.31	1.31	1.31
Restricted cash	0.00	0.00	0.50	0.50	0.00	0.75	0.75	0.75	0.75	0.75
Cash	2.82	3.08	0.25	0.25	1.30	4.36	4.36	7.48	14.26	22.94
Total	**10.52**	**8.65**	**5.21**	**5.21**	**6.63**	**10.45**	**10.45**	**14.72**	**22.46**	**31.56**
Creditors < 1year										
Bank loans & overdrafts	(0.87)	(0.87)	(0.70)	(0.70)	(0.70)	(4.70)	(4.70)	(0.70)	(0.70)	(0.70)
Trade creditors	(1.62)	(3.64)	(3.56)	(3.56)	(3.06)	(3.02)	(3.02)	(3.18)	(3.98)	(4.34)
Corporation tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other creditors	(0.01)	0.00	(0.01)	(0.01)	0.00	(0.01)	(0.01)	(0.02)	(0.02)	(0.02)
Finance lease obligations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Liabilities held for sale	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accruals & deferred income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Provisions (deferred consideration)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total creditors < 1 year	**(2.49)**	**(4.50)**	**(4.27)**	**(4.27)**	**(3.76)**	**(7.73)**	**(7.73)**	**(3.89)**	**(4.70)**	**(5.06)**
Net current liabilities	**8.03**	**4.15**	**0.95**	**0.95**	**2.87**	**2.71**	**2.71**	**10.83**	**17.76**	**26.50**
Total assets - current liabilities	11.61	9.48	6.48	6.48	8.60	9.14	9.14	17.66	24.82	33.97
Creditors > 1 year										
Bank loans	(4.00)	(4.00)	(4.00)	(4.00)	(4.00)	0.00	0.00	0.00	0.00	0.00
Provisions (deferred consideration)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Convertible debt	(5.37)	(8.63)	(9.08)	(9.08)	(9.47)	(9.43)	(9.43)	(9.43)	(9.43)	(0.45)
Other creditors	0.00	0.00	0.00	0.00	0.00	(0.68)	(0.68)	(3.98)	(4.49)	(4.61)
Total creditors > 1 year	**(9.37)**	**(12.63)**	**(13.08)**	**(13.08)**	**(13.47)**	**(10.11)**	**(10.11)**	**(13.41)**	**(13.92)**	**(5.06)**
Net assets	**2.24**	**(3.15)**	**(6.60)**	**(6.60)**	**(4.87)**	**(0.97)**	**(0.97)**	**4.25**	**10.90**	**28.91**
Capital & reserves										
Called up share capital	1.66	1.66	1.58	1.58	1.58	3.15	3.15	3.69	3.81	3.92
Shares to be issued	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Own shares held	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Share premium account	62.02	62.02	64.24	64.24	64.24	69.73	69.73	70.93	71.19	80.42
Reserves	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Minorities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
P&L	(61.44)	(66.83)	(72.42)	(72.42)	(70.69)	(73.84)	(73.84)	(70.38)	(64.10)	(55.43)
Shareholders funds	**2.24**	**(3.15)**	**(6.60)**	**(6.60)**	**(4.87)**	**(0.97)**	**(0.97)**	**4.25**	**10.90**	**28.91**

Source: Company data, Daniel Stewart

Disclosure Checklist

Company	Code	Disclosure
Planet Payment	PPT	2, 3

Source: Daniel Stewart

1. Within the past twelve months Daniel Stewart & Co plc and/or its affiliates has managed or co-managed a public offering for this Company, for which it received fees or the promise of fees
2. Daniel Stewart & Co plc and/or its affiliates act as corporate broker or nominated advisor to this Company
3. Daniel Stewart & Co plc and/or its affiliates regularly hold/may hold in future trading positions (which may include options) in this Company
4. Daniel Stewart & Co plc and/or its affiliates holds more than 5% of the securities of this Company
5. The Company holds more than 5% of the securities of Daniel Stewart & Co plc and/or its affiliates
6. Daniel Stewart & Co plc and/or its affiliates may currently be providing, expects to provide within the next three months or may have provided within the previous twelve months, investment banking services to this Company, which have given rise to payment or the promise of payment
7. The author and/or an individual responsible for production of this report has direct ownership of stock in this Company
8. The author responsible for the production of this report received or purchased shares in the issuer, prior to a public offering of the shares.
9. Daniel Stewart and Company is party to an agreement with this company for the publication of research on it
10. This research note has been disclosed to the Company, with resulting amendments, prior to its dissemination
11. Daniel Stewart & Co and/or its affiliates act as financial advisor to this company

The Daniel Stewart recommendation structure is based on relative upside/downside to target price. The target price is set on a rolling 12 month view. Upside or downside of 10% or more is categorised as Buy or Sell respectively, and less than 10% a Hold.

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Distribution of Ratings

	All Companies	Of which are Investment Banking Clients in the last 12 months
Buy	63%	30%
Hold	29%	15%
Sell	8%	0%

data as of Q2'09 30 September 2009

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12 November 2009

Planet Payment
Q3 Results

Key Assumptions

- 27.1% CAGR in revenue FY08A-FY12E
- FY09E 2.3% EBITDA margin (9.0% FY10E)

Income ($m)	12/08A	12/09E	12/10E	12/11E
Turnover	36.2	47.1	68.7	86.5
Gross Profit	11.5	16.5	23.7	29.7
EBITDA	(7.6)	1.1	6.2	9.0
EBIT	(10.3)	(1.5)	3.7	6.4
PBT	(8.8)	(0.4)	5.0	8.0
EPS (Adj.) (p)	(18.3)	(0.7)	7.6	11.9
EPS (p)	(41.1)	(8.0)	6.3	12.7
DPS (p)	0.0	0.0	0.0	0.0

Ratios (x)	12/08A	12/09E	12/10E	12/11E
P/E	n/a	n/a	17.8	11.4
EV/EBITDA	n/a	56.2	8.8	5.3
Div. Yield (%)	n/a	n/a	n/a	n/a
P/NAV	n/a	n/a	19.7	8.0
EV/Gross profit	5.7	3.7	2.3	1.6
EV/EBIT	n/a	n/a	14.9	7.4
P/FCF	n/a	n/a	17.7	10.5
FCF Yield (%)	n/a	n/a	5.6	9.6
NAV (p)	n/a	n/a	6.9	17.0

Cash Flows ($m)	12/08A	12/09E	12/10E	12/11E
Op.CF	(7.9)	(0.3)	5.2	8.9
FCF	(8.2)	(0.6)	4.7	8.3
FCFPS (p)	(17.0)	(1.1)	7.7	13.0

Balance Sheet ($m)	12/08A	12/09E	12/10E	12/11E
Fixed Assets	5.5	6.4	6.8	7.1
Current Assets	5.2	10.4	14.7	22.5
Current Liabilities	(4.3)	(7.7)	(3.9)	(4.7)
Capital Employed	6.5	9.1	17.7	24.8
Long-term Liabilities	(13.1)	(10.1)	(13.4)	(13.9)
Net Assets	(6.6)	(1.0)	4.2	10.9
Net Debt/(Cash)	13.5	9.8	2.7	(4.1)

Data is adjusted
DSC EPS is fully diluted

Recent News / Events

30 October 2009 - $4m fund raising
6 August 2009 – H1 results
14 May 2009 – Q1 results
31 March 2009 – Prelims FY08A
12 March 2009 - $3m placing

Management Team

CEO – Philip Beck
CFO – Seth Asofsky

Major Shareholders	%
Andwel Partners	13.2
Fidelity	9.7
Blackrock	9.7
Kinderhook	9.2
Andrew Paul	8.4

Consensus and DSC Estimates

	12/09E
PBT($m)	NA
DSCe	**(0.4)**
EPS (p)	NA
DSCe	**(0.7)**
DPS (p)	NA
DSCe	**0.0**

Source: Fidessa