

Planet Payment PPT (FTSE AIM All Share)

Strong trading update

- Planet Payment has released a Q4/FY09 trading update, highlighting strong YoY growth in revenues and continued EBITDA profitability.
- Planet Payment's revenue for the FY to 31 December 2009 is expected to be more than \$47m, implying a probable marginal outperformance against our current \$47.1m estimate.
- The \$47.1m figure represents YoY revenue growth of 30%, driven principally by the core multi-currency processing income growth of >40% to more than \$33m (against our estimate of \$33.6m, +41% YoY).
- The Q4 revenue figure of c.\$14m implies YoY Q4 growth of 19%, with a QoQ increase against Q3 2009 also of 19%. Within this total, the multi-currency processing revenue increased by an impressive 44% YoY and +29% QoQ.
- With a significant portion of the Q4 revenue coming from new clients activated only within H2 2009, the run-rate and 'robust pipeline' of new clients into 2010 support our existing forecasts (currently estimating FY10E revenue of \$68.7m).
- We are also heartened by the fact that Planet Payment expects to report positive EBITDA for the FY09, having recorded a third consecutive quarterly positive EBITDA contribution in Q4.
- Overall, this is a strong statement and, with unchanged estimates, the group stands at a 44% discount to our unchanged 151p price target.
- We therefore retain our Buy recommendation, with a view that Planet Payment is a strong play in the cyclical upswing in corporate and leisure international travel, with well-invested proprietary technology and a strong outlook on both new client and geographic expansion.

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Buy

Price **105p**
Target Price **151p**

Market Cap £40.0m
Next Event Prelims - March '10

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	22.0	14.1
EV/EBITDA	n/a	67.4	10.7	6.6
Yield (%)	n/a	n/a	n/a	n/a
Price/NAV	n/a	n/a	24.4	9.9

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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