

# Paysafe Group

FY16 results

## Niche payments focus drives growth

Paysafe reported FY16 results in line with expectations, after upgrading its outlook in January. The company saw strong organic growth in all divisions and continues to consider acquisitions that meet its preference for relevant, niche-orientated payments solutions. The stock continues to trade at a material discount to peers – a gradual reduction in the relative contribution of the company's largest merchant should help reduce this.

Year end	Revenue (\$m)	EBITDA* (\$m)	EPS* (c)	DPS (c)	P/E (x)	EV/EBITDA (x)
12/16	1,000.3	300.8	42.1	0.0	13.0	9.7
12/17e	1,103.9	332.5	44.6	0.0	12.3	8.8
12/18e	1,203.0	364.8	48.6	0.0	11.2	8.0
12/19e	1,298.1	398.9	52.7	0.0	10.4	7.3

Note: \*EBITDA and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

## FY16 results in line; net debt reducing fast

Paysafe reported FY16 revenue and EBITDA in line with its January trading update. Each division generated strong organic constant currency revenue growth (21% group growth), supporting the company's unchanged guidance for low double-digit organic revenue growth in FY17. Gross margins were stronger than we expected, offset by higher opex (mainly to boost the legal and compliance function in advance of changes to anti-money laundering regulations). The company ended FY16 with a net debt position of \$280m, down from \$431m at the end of FY15, equivalent to a net/adjusted EBITDA ratio of 0.9x.

## Positive outlook, prepared for regulation

Our forecasts previously assumed the company used the full £100m to buy back shares. As the share price has recovered from its low of 306p in December, we now assume that shares are only bought back if the share price drops materially and account for this as it happens. We have made minor changes to our FY17 and FY18 forecasts, with slightly higher opex reducing our normalised EPS forecasts by 3.0% and 5.8% respectively (growth 6.1% in FY17 and 8.9% in FY18). We introduce an FY19 forecast for 7.9% revenue growth, 30.7% EBITDA margins and normalised EPS growth of 8.5%.

## Valuation: Steady progress to reduce the discount

Paysafe continues to trade at a significant discount to peers: the company is trading at a c 30% discount on an FY17e EV/EBITDA basis and a more than 40% discount on an FY17e P/E basis. While some discount is warranted to reflect the potential risk within the Asia Gateway business, in our view this discount is excessive. Continued revenue growth, steady cash generation and a gradual reduction in the relative contribution of the company's largest merchant should help reduce this discount. The company continues to include M&A in its near-term plans, and in our view the company has substantial headroom to fund suitable acquisitions.

## Software & comp services

15 March 2017

**Price** **447.8p**
**Market cap** **£2,168m**

\$1.22:€1.14:£1

Net debt (\$m) at end FY16\* 279.8

\*Includes deferred financing fees

Shares in issue 484.4m

Free float 98.7%

Code PAYS

Primary exchange LSE

Secondary exchange N/A

## Share price performance



% 1m 3m 12m

Abs 7.9 35.5 16.4

Rel (local) 6.7 27.7 (1.6)

52-week high/low 469.2p 305.7p

## Business description

Paysafe Group is a global payment solutions specialist operating in three areas: payment processing, digital wallets and prepaid services.

## Next events

Trading update July 2017

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**Paysafe Group is a research client of Edison Investment Research Limited**

## Review of FY16 results

**Exhibit 1: Actuals versus estimates, FY16**

\$'000	FY16e	FY16a	Difference (%)	Growth y-o-y (%)
Payment Processing revenues	471,719	467,790	-0.8	24.7
Digital Wallet revenues	307,976	311,023	1.0	95.4
Prepaid revenues	213,896	213,743	-0.1	179.8
<b>Total revenues</b>	<b>1,000,457</b>	<b>1,000,282</b>	<b>0.0</b>	<b>63.1</b>
Gross margin (%)	53.1	54.3	1.2	5.9
<b>EBITDA</b>	<b>300,902</b>	<b>300,825</b>	<b>0.0</b>	<b>97.2</b>
<b>EBITDA margin (%)</b>	<b>30.1</b>	<b>30.1</b>	<b>0.0</b>	<b>5.2</b>
Normalised PBT	241,611	241,868	0.1	103.6
Normalised net income	207,785	212,968	2.5	95.9
<b>Normalised EPS (c)</b>	<b>41.0</b>	<b>42.1</b>	<b>2.7</b>	<b>64.7</b>
Reported EPS (c)	29.1	29.4	1.0	1485.9
Net debt*	263,291	264,019	0.3	

Source: Paysafe, Edison Investment Research \*Before deferred financing fees of \$15.8m

Paysafe reported revenues of \$1bn in FY16, in line with its January trading update. Gross margin increased 594bp to 54.3% in FY16, mainly due to mix. The company increased headcount by 538 over the year to 2,116, resulting in an increase in operating expenses (excluding depreciation and amortisation) of 68% on a reported basis. Much of the headcount increase was to build up the company's risk management and compliance function to ensure the business is prepared for new regulations relating to money laundering. In addition, the company hired more product developers and scaled up operations and customer support ahead of expected growth of the business. Despite this, the company expanded its EBITDA margin from 24.9% to 30.1% y-o-y. The adjusted operating margin also expanded y-o-y, from 21.7% to 26.8%. The company reported exceptional items totalling \$8.2m, consisting of \$5.6m of restructuring charges (the majority taken in H116), \$2.2m of acquisition costs, FX losses of \$6.8m, loss on disposal of assets of \$0.8m and a fair value gain on share consideration payable of \$7.2m. The effective tax rate increased to 11.9% from 8.5% a year ago – the company had guided that the rate would increase as profits are generated in higher tax regions. Normalised EPS came in 2.7% ahead of our forecast and showed 65% growth y-o-y.

The company reduced its net debt position by \$151m (35%) from the end of FY15 and at year-end had reduced the net debt/EBITDA ratio to 0.9x (2.1x a year ago). Adjusted cash conversion before payments working capital as a percentage of adjusted EBIT was 101% in FY16, up from 92% a year ago.

## Strategic update

The company outlined the progress it has made against its five strategic pillars over the last year:

### Sustainable organic growth

Exhibit 2 shows the reported and organic revenue growth rates by division and for the group over the last three years. Clearly, strong organic growth has been achieved by the group while expanding gross margins.

**Exhibit 2: Revenue growth rates and gross margins, H114-H216**

(%)	H114	H214	H115	H215	H116	H216	FY15	FY16
<b>Payment Processing</b>								
Reported revenue growth	31	53	47	28	34	17	37	25
Pro forma constant currency revenue growth	29	14	7	25	28	15	16	21
Pro forma constant currency revenue growth excl. major merchant	18	24	24	33	32	10	29	20
Reported gross margin	43	39	37	37	39	42	37	41
<b>Digital Wallet</b>								
Reported revenue growth	46	53	20	127	195	50	78	95
Pro forma constant currency revenue growth	21	24	20	14	28	33	17	30
Reported gross margin	72	72	73	73	76	74	73	75
<b>Prepaid</b>								
Reported revenue growth	N/A	N/A	N/A	N/A	N/A	42	N/A	180
Pro forma constant currency revenue growth	16	8	12	-2	0	19	5	10
Pro-forma/reported gross margin	50	50	50	51	52	53	51	53
<b>Group</b>								
Reported revenue growth	34	53	40	90	118	32	68	63
Pro forma constant currency revenue growth	23	14	12	14	20	21	13	21
Reported gross margin	51	47	45	50	54	55	48	54

Source: Paysafe

## Payment Processing

Reported revenue growth benefited from \$13.5m revenues from the MeritCard acquisition (February 2016). Constant currency organic growth accelerated to 21% in FY16, up from 16% in FY15. Over the year, growth slowed (H1 28%, H2 15%), and if the major merchant is excluded, this is more evident (H1 32%, H2 10%). H2 growth reflects the tougher y-o-y comparison; in addition, the company took action to reduce the merchant risk profile, throttling volumes for merchants with high chargeback rates. The major merchant generated revenues of \$3-4m from the 2016 UEFA championships which will not be repeated in 2017.

Volumes processed increased 30% y-o-y to \$22.4bn; the take rate reduced to 2.1% from 2.2% last year, owing to the addition of MeritCard volumes which tend to have a lower risk profile and hence lower pricing.

Divisional gross margin increased from 36.9% in FY15 to 40.6% in FY16. 1% of this increase came from a change in the calculation of intercompany cost of sales. Otherwise, the division saw lower processing costs, and although bad debt costs were higher than a year ago, the rate fell h-o-h (H1 2.2%, H2 1.0%). We note that as a consumer facing company, payolution has a higher rate of bad debt – and this was the first full year of inclusion.

The recently launched acquiring business makes up a small percentage of revenues. Since the launch of its multi-currency cross border European acquiring service in 2016, the company has seen a good level of sign-ups by North American merchants and the first new European merchants.

Online gambling made up 29% of revenues in FY16, with online gaming making up 2%. The bulk (69%) of revenues is generated from e-commerce merchants, particularly in medium and high risk industries eg direct marketing, e-tail, professional services. The company is focused on developing its expertise in additional verticals.

## Digital Wallets

Constant currency organic growth accelerated from 17% in FY15 to 30% in FY16. The business was strong through the year (H1 +28%, H2 +33%), including a c \$4m (c 2%) boost from the UEFA championships. Reported revenues benefited from the \$3.1m contribution from Income Access (acquired August 2016). The company increased volumes with existing merchants (partly through helping them expand into new territories and offering new payment options) as well as signing up new merchants and users.

Fees from online gambling merchants made up 61% of revenues with a further 5% from online gaming merchants. The remaining 34% of revenues was made up of fees from consumers (mainly linked to online gambling) as well as merchants operating in e-commerce.

The division processed volumes worth \$22.9bn in FY16, 15% ahead of FY15 on a pro forma basis. The take rate increased from 1.2% in FY15 to 1.4% in FY16. This was boosted by fee rebasing across the two wallets as well as the initiation of fees for money transfers on NETELLER.

Gross margins grew from 72.9% in FY15 to 74.9% in FY16. Mix, the positive impact from fee rebasing and money transfer fees, and lower bad debt costs more than offset the 2.8% negative effect of reallocating intercompany costs of sale.

## **Prepaid**

The Prepaid division reported revenue growth of 180% in FY16 and organic constant currency growth of 10% (FY15 5%). When Ukash was acquired, Skrill took the decision to discontinue the service in certain geographies. Excluding this, organic constant currency growth was 14%, up from 11% in FY15. The division successfully managed to restart its Greek business after capital controls were introduced in 2015, which explains some of the growth in H216 (H116 0%, H216 19%). Volumes in Greece are now equivalent to the level before the controls were introduced, and the division is now able to remove funds from Greece.

The division processed volumes of \$2.8bn (+4% y-o-y) with a take rate of 7.7%, up from 7.5% in FY15 (pro forma). In FY16, the division benefited from the application of maintenance fees on unredeemed voucher balances from the Ukash business – as these balances decline, so will the fees generated.

61% of FY16 revenues were generated from online gambling, 18% from online gaming and the remainder from e-commerce and consumer fees.

Gross margins increased to 52.6% from 51.3% a year ago, benefiting from the maintenance fees on unredeemed balances.

The business is continuing to focus on expanding its geographic coverage, particularly in Latin America and MENA.

## **State-of-the-art technology**

The company continues to work on developing a single platform. Its next-generation global data platform is being designed to enable analysis of data from all parts of the business for the benefit of the company and its merchants. It will also provide unified APIs and SDKs for developers so the platform can act as a single point of integration to the existing processing and digital wallet platforms. The new platform should make it easier for customers to connect to the full range of Paysafe's services as well as make it easier to cross-sell. The company expects to start rolling out modules through the course of FY17.

The company launched its self-service developer portal in December 2016 to simplify on-boarding.

## **Relevant, niche-oriented solutions**

Both precursor companies to Paysafe grew by providing services for niche areas of the payments market, including identifying the need for digital wallets in the online gambling space, providing payment processing for medium to high risk merchants (an area neglected by the banks and larger payment processors), and providing a means for consumers without bank accounts or credit cards to spend online. The company is keen to continue developing solutions to serve niche applications and will also consider acquisitions. In 2016, Paysafe soft launched its GOLO mobile pick-up and delivery product aimed at local merchants.

## Entrepreneurial culture

The company bolstered the management team with the hires of Tim Thurman as Chief Digital Officer and Oscar Nieboer as Chief Marketing Officer.

## Bold M&A

Paysafe acquired two companies in 2016 (MeritCard and Income Access) for a total consideration of \$50.7m. The company continues to consider acquiring companies that fit with its strategy. With rapidly declining net debt (we expect the company to reach a net cash position in FY18), the company should be able to borrow a significant amount if necessary. Based on 3x FY17 forecast EBITDA of \$332m, the net debt ceiling would be c \$1bn, \$920m above our forecast net debt position at end FY17 and before taking into account the target company's EBITDA.

## Outlook and changes to forecasts

The company maintained its outlook for 2017, supported by trading year-to-date: low double-digit organic revenue growth and EBITDA margins of at least 30.1%.

As the share price is now trading consistently above £4.00, we have assumed that the company halts the share buyback programme. We had previously assumed it would use the entire £100m to buy back c 25m shares. If the share price drops materially, we believe the company may resume the programme. It has c £75m remaining of the £100m to spend.

**FY17:** Our group revenue forecast is substantially unchanged. We reduce EBITDA by 0.9% to reflect higher opex (mainly for legal and compliance). We increase the tax rate by 1% to 16%. This combined with slightly higher depreciation and amortisation and reversing the bulk of the share buyback reduces normalised EPS by 3.0%.

**FY18:** Again, our revenue forecast is substantially unchanged with a 0.8% cut to EBITDA reflecting higher opex. We increase the tax rate by 2% to 17%. Our normalised EPS forecast reduces by 5.8%.

**FY19:** We introduce a forecast for revenue growth of 7.9% and an EBITDA margin of 30.7%. This results in normalised EPS growth of 8.5%.

**Exhibit 3: Changes to forecasts**

\$'000	FY17e old	FY17e new	Change (%)	Growth (%)	FY18e old	FY18 new	Change (%)	Growth (%)	FY19 new	Growth (%)
Payment Processing revenues	520,168	515,288	-0.9	10.2	573,326	566,644	-1.2	10.0	612,882	8.2
Digital Wallet revenues	344,702	344,684	0.0	10.8	369,253	368,707	-0.1	7.0	393,998	6.9
Pre-paid revenues	233,797	237,894	1.8	11.3	257,177	261,683	1.8	10.0	285,235	9.0
<b>Total revenues</b>	<b>1,103,667</b>	<b>1,103,865</b>	<b>0.0</b>	<b>10.4</b>	<b>1,204,756</b>	<b>1,203,034</b>	<b>-0.1</b>	<b>9.0</b>	<b>1,298,114</b>	<b>7.9</b>
Gross margin (%)	51.9	53.7	1.8	-0.6	51.3	52.7	1.3	-1.0	52.3	-0.3
<b>EBITDA</b>	<b>335,428</b>	<b>332,487</b>	<b>-0.9</b>	<b>10.5</b>	<b>367,651</b>	<b>364,785</b>	<b>-0.8</b>	<b>9.7</b>	<b>398,866</b>	<b>9.3</b>
EBITDA margin (%)	30.4	30.1	-0.3	0.0	30.5	30.3	-0.2	0.2	30.7	0.4
Normalised PBT	273,516	270,476	-1.1	11.8	301,836	300,377	-0.5	11.1	332,406	10.7
Normalised net income	232,489	227,200	-2.3	6.7	256,560	249,313	-2.8	9.7	272,573	9.3
<b>Normalised EPS (c)</b>	<b>46.0</b>	<b>44.6</b>	<b>-3.0</b>	<b>6.1</b>	<b>51.6</b>	<b>48.6</b>	<b>-5.8</b>	<b>8.9</b>	<b>52.7</b>	<b>8.5</b>
Reported EPS (c)	36.7	35.8	-2.5	21.9	42.4	40.1	-5.4	12.1	44.7	11.4
<b>Net cash/(debt)*</b>	<b>(169,031)</b>	<b>(81,344)</b>	<b>-51.9</b>		<b>73,506</b>	<b>152,239</b>	<b>107.1</b>		<b>410,050</b>	<b>169.3</b>

Source: Edison Investment Research. Note: \*Excludes deferred financing fees.

Our net debt reduction increases now that we are not factoring in the remaining £75m potential share buyback. We forecast the company to return to a net cash position in FY18.

The company noted that it would consider ways to return cash to shareholders (assuming no large acquisitions are undertaken), either via buybacks or initiating the payment of a dividend.

## Valuation

Paysafe continues to trade at a discount to its peer group on all metrics. Some discount is justified to reflect the risk relating to its largest merchant's activities in China, but in our view, the current discount is overdone. The major merchant reduced its contribution to revenues from 23% in FY15 to 20% in FY16 and we expect this to gradually reduce (by c 1% pa) as we expect faster growth from the remainder of the Paysafe business. The major merchant generates revenues across all three divisions - we estimate that the total loss of the Asia gateway business (reported in Payment Processing) would reduce FY17 EPS by c 20%.

**Exhibit 4: Peer group valuation metrics**

	EV/Sales			EV/EBITDA			P/E		
	FY16	FY17e	FY18e	FY16	FY17e	FY18e	FY16	FY17e	FY18e
<b>Paysafe</b>	<b>2.9</b>	<b>2.6</b>	<b>2.4</b>	<b>9.7</b>	<b>8.8</b>	<b>8.0</b>	<b>13.0</b>	<b>12.2</b>	<b>11.2</b>
<b>Payment processors</b>									
First Data	4.6	4.4	4.2	11.3	10.8	10.2	12.0	10.4	9.7
Global Payments Inc	4.9	4.6	4.2	15.3	13.6	12.8	21.9	18.6	17.1
PayPal	4.2	3.6	3.1	19.9	14.7	13.0	28.1	24.3	20.6
SafeCharge	2.6	2.3	2.0	8.3	7.2	6.3	14.9	13.4	11.7
Total System Services Inc	3.1	2.7	2.5	13.6	11.4	10.7	19.3	17.3	15.7
Vantiv	8.3	7.5	6.9	18.9	15.9	14.4	23.3	19.9	17.7
Wirecard	5.0	4.0	3.3	16.8	13.0	10.7	26.7	22.7	18.2
Worldpay	6.0	5.4	4.9	14.4	12.8	11.4	23.4	21.3	18.5
Worldline	2.5	2.1	1.4	12.8	10.3	9.1	27.3	24.0	20.9
<b>Average</b>	<b>4.6</b>	<b>4.1</b>	<b>3.6</b>	<b>14.6</b>	<b>12.2</b>	<b>11.0</b>	<b>21.9</b>	<b>19.1</b>	<b>16.7</b>
<b>Discount to peer group average</b>		<b>-35%</b>	<b>-33%</b>		<b>-28%</b>	<b>-27%</b>		<b>-36%</b>	<b>-33%</b>

Source: Bloomberg (as at 15 March), Edison Investment Research

**Exhibit 5: Peer group financial metrics**

	EBITDA margin			Rev growth			EPS growth		
	FY16	FY17e	FY18e	FY16	FY17e	FY18e	FY16	FY17e	FY18e
<b>Paysafe</b>	<b>30.1%</b>	<b>30.1%</b>	<b>30.3%</b>	<b>63.1%</b>	<b>10.4%</b>	<b>9.0%</b>	<b>64.7%</b>	<b>6.1%</b>	<b>8.9%</b>
<b>Payment processors</b>									
First Data	40.5%	40.9%	41.5%	1.3%	3.5%	4.4%	88.3%	15.1%	7.6%
Global Payments Inc	32.3%	33.5%	32.9%	13.0%	8.3%	7.9%	21.2%	17.4%	9.2%
PayPal	21.3%	24.7%	24.1%	17.2%	16.4%	16.5%	16.3%	15.7%	17.6%
SafeCharge	31.5%	32.0%	31.8%	6.7%	13.1%	14.9%	2.8%	10.8%	14.6%
Total System Services	22.7%	23.6%	23.7%	50.0%	15.3%	5.7%	14.2%	11.1%	10.6%
Vantiv	44.0%	47.4%	48.1%	13.3%	10.7%	8.7%	21.9%	17.1%	12.6%
Wirecard	29.9%	30.4%	30.6%	32.8%	27.4%	20.3%	57.2%	17.4%	25.1%
Worldpay	41.6%	42.0%	42.9%	14.5%	11.3%	9.8%	78.3%	9.8%	15.6%
Worldline	19.8%	20.1%	15.9%	6.7%	22.1%	43.2%	10.1%	13.6%	14.9%
<b>Average</b>	<b>31.5%</b>	<b>32.7%</b>	<b>32.4%</b>	<b>17.3%</b>	<b>14.2%</b>	<b>14.6%</b>	<b>34.5%</b>	<b>14.2%</b>	<b>14.2%</b>

Source: Bloomberg (as at 15 March), Edison Investment Research

**Exhibit 6: Financial summary**

	\$'000s	2014	2015	2016	2017e	2018e	2019e
Year end 31 December		IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
<b>PROFIT &amp; LOSS</b>							
Revenue		364,954	613,392	1,000,282	1,103,865	1,203,034	1,298,114
Cost of Sales		(187,298)	(316,922)	(457,420)	(511,137)	(569,354)	(618,775)
Gross Profit		177,656	296,470	542,862	592,728	633,680	679,339
EBITDA		82,946	152,620	300,825	332,487	364,785	398,866
Company EBITDA		85,965	152,563	300,825	332,487	364,785	398,866
Operating Profit (before amort acq intang, SBP and except.)		71,257	133,201	268,251	295,019	323,817	354,197
Amortisation of acquired intangibles		(9,200)	(31,900)	(51,900)	(53,000)	(53,000)	(53,000)
Exceptionals		7,219	(60,986)	(8,249)	0	0	0
Share-based payments		(8,274)	(14,089)	(13,726)	(10,000)	(10,000)	(10,000)
Operating Profit		61,002	26,226	194,376	232,019	260,817	291,197
Net Interest		(2,024)	(14,418)	(26,383)	(24,543)	(23,440)	(21,792)
Profit Before Tax (norm)		69,233	118,783	241,868	270,476	300,377	332,406
Profit Before Tax (FRS 3)		58,978	11,808	167,993	207,476	237,377	269,406
Tax		(1,303)	(4,405)	(25,972)	(33,196)	(40,354)	(48,493)
Profit After Tax (norm)		67,703	108,686	212,968	227,200	249,313	272,573
Profit After Tax (FRS3)		57,675	7,403	142,021	174,280	197,023	220,913
Average Number of Shares Outstanding (m)		277.7	399.8	483.6	486.7	490.9	494.1
EPS - normalised (c)		22.0	25.6	42.1	44.6	48.6	52.7
EPS - FRS 3 (c)		20.8	1.9	29.4	35.8	40.1	44.7
DPS (c)		0.00	0.00	0.00	0.00	0.00	0.00
Gross Margin (%)		48.7%	48.3%	54.3%	53.7%	52.7%	52.3%
EBITDA Margin (%)		22.7%	24.9%	30.1%	30.1%	30.3%	30.7%
Company EBITDA Margin (%)		23.6%	24.9%	30.1%	30.1%	30.3%	30.7%
Operating Margin (before am and except.) (%)		19.5%	21.7%	26.8%	26.7%	26.9%	27.3%
<b>BALANCE SHEET</b>							
Fixed Assets		295,955	1,569,269	1,552,326	1,521,012	1,491,166	1,462,422
Intangible Assets		284,723	1,548,253	1,518,445	1,481,600	1,448,221	1,418,146
Tangible Assets		10,114	18,492	23,452	28,984	32,516	33,847
Other Fixed Assets		1,118	2,524	10,429	10,429	10,429	10,429
Current Assets		177,275	259,045	420,313	586,605	782,630	1,007,090
Cash & cash equivalents		109,893	117,875	231,157	380,575	556,612	759,852
Restricted NETELLER cash		8,777	29,070	31,854	35,039	38,543	42,398
Cash held as reserves & settlement assets		38,607	66,341	100,459	110,505	121,555	133,711
Receivable from Members & Merchants		0	0	0	0	0	0
Trade and other debtors		19,998	45,759	56,843	60,486	65,920	71,130
Current Liabilities		114,410	170,943	232,617	269,658	265,838	339,784
Creditors		58,240	121,070	175,464	186,362	183,477	195,258
Payable to Members/Merchant liability		30,591	16,758	18,547	20,402	22,442	24,686
Short term borrowings		25,579	33,115	38,606	62,895	59,920	119,840
Long Term Liabilities		150,498	582,804	521,788	449,069	394,498	280,007
Long term borrowings		107,205	494,410	456,570	399,024	344,453	229,962
Other long term liabilities		43,293	88,394	65,218	50,045	50,045	50,045
Net Assets		208,322	1,074,567	1,218,234	1,388,890	1,613,460	1,849,721
<b>CASH FLOW</b>							
Operating Cash Flow		42,699	91,711	278,487	330,302	359,125	391,671
Net Interest		(1,873)	(8,403)	(12,459)	(19,194)	(18,091)	(16,443)
Tax		(1,564)	(4,929)	(10,186)	(33,196)	(40,354)	(48,493)
Capex		(11,094)	(23,721)	(53,698)	(59,155)	(64,121)	(68,925)
Acquisitions/disposals		(169,192)	(1,102,070)	(43,827)	(8,910)	(2,975)	0
Financing		(4,939)	670,173	(13,482)	(27,173)	0	0
Dividends		0	0	0	0	0	0
Net Cash Flow		(145,963)	(377,239)	144,835	182,675	233,584	257,811
Opening net (debt)/cash		118,389	(22,891)	(409,650)	(264,019)	(81,344)	152,239
HP finance leases initiated		0	0	0	0	0	0
Other		4,683	(9,520)	796	0	0	0
Closing net (debt)/cash		(22,891)	(409,650)	(264,019)	(81,344)	152,239	410,050

Source: Paysafe, Edison Investment Research

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