

CentralNic Group

FY20 results

Strong FY20, carrying momentum into FY21

CentralNic delivered FY20 revenues of US\$241.2m, a 121% y-o-y increase (FY19: US\$109.2m). Adjusted EBITDA rose 71% to US\$30.6m (FY19: US\$17.9m), supported by the acquisitions completed in FY19 and FY20 and led by growth in Monetisation. On a pro forma basis, adjusting for the Codewise acquisition, the group delivered 9% organic revenue growth in FY20. In FY21, the group has already completed two acquisitions (SafeBrands and Wando) and secured €60m of additional bond headroom from shareholders, of which €15m has been placed to fund Wando and future M&A deals. On the basis of the strong FY20 results, with the group trading in line with management's expectations ytd, we have updated our forecasts. The valuation continues to look attractive versus peers.

Year end	Revenue (US\$m)	PBT* (US\$m)	EPS* (c)	DPS (c)	P/E (x)	Yield (%)
12/19	109.2	16.1	9.24	0.0	12.4	N/A
12/20	241.2	19.8	10.25	0.0	11.2	N/A
12/21e	323.4	26.7	9.71	0.0	11.8	N/A
12/22e	350.0	30.1	10.70	0.0	10.7	N/A

Note: *PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items, share-based payments and non-core operating expenses.

Monetisation growth rebalances business mix

CentralNic delivered FY20 revenues of US\$241.2m, a 121% y-o-y increase (FY19: US\$109.2m) following the acquisitions completed in FY19 and FY20. Adjusted EBITDA rose 71% to US\$30.6m (FY19: US\$17.9m), with margins falling to 12.7% (FY19: 16.4%) as the business mix has changed, with the acquisition of Codewise and the continuing growth and outperformance of the lower-margin Monetisation segment. Operating cash flow rose to US\$18.1m in FY20, with cash and cash equivalents rising to US\$28.7m. FY20 net debt increased by US\$10m to US\$85m.

Organic growth, recurring revenues, cash conversion

Revenues in the Indirect segment grew by 41% to US\$85.8m, increasing by 7% on a pro forma basis. In the Direct segment, revenues fell 7% to US\$43.4m, as certain businesses were reallocated to other segments. On a pro forma basis, Direct revenues were flat year-on-year at US\$44.4m. Monetisation was the fastest growing segment, with revenue growth of 35% to US\$103.4m (excluding Codewise), and 13% on a pro forma basis. Recurring revenue increased to c 99% in FY20 (typically 90%+), with adjusted cash conversion of c 106% (typically c 100%), in line with the long-term trend. Our revised estimates reflect the stronger than expected revenue growth and rebalanced business mix.

Valuation: Undemanding FY21e P/E of 11.8x

On our updated estimates, CentralNic trades on a P/E of 11.8x normalised FY21e earnings an FY21e EV/adjusted EBITDA of 8.9x, markedly lower than its global peers, despite a five-year revenue CAGR of 78% to FY20 and strong growth estimates. As CentralNic consolidates a fragmented market of sub-scale, cash-generative businesses, we would expect earnings accretive M&A to bring these multiples down further.

Software & comp services

5 March 2021

Price **82.25p**
Market cap **£192m**

£1.39/US\$

Net debt (US\$m) at 31 December 2020 85.0

Shares in issue 233.7m

Free float 46.1%

Code CNIC

Primary exchange AIM

Secondary exchange N/A

Share price performance



%	1m	3m	12m
Abs	(15.6)	(3.2)	2.8
Rel (local)	(17.6)	(5.5)	2.9
52-week high/low	101.0p	60.5p	

Business description

CentralNic is a leading provider of global domain name services, operating through three divisions: Indirect (wholesale, registry); Direct (SME, enterprise); and Monetisation. Services include domain name reselling, hosting, website building, security certification and website monetisation.

Next events

AGM May 2021

Analysts

Richard Williamson +44 (0)20 3077 5700

Russell Pointon +44 (0)20 3077 5757

tech@edisongroup.com
[Edison profile page](#)

CentralNic Group is a research client of Edison Investment Research Limited

FY20 results

Strong top-line growth driven by Monetisation

CentralNic delivered FY20 revenues of US\$241.2m, a 121% y-o-y increase (FY19: US\$109.2m). Gross profits increased by 78% y-o-y to US\$76.3 (FY19: US\$42.8m) and adjusted EBITDA rose 71% to US\$30.6m (FY19: US\$17.9m), supported by the five acquisitions completed in FY19 and FY20 and led by the growth in Monetisation. On a pro forma basis, adjusting for the two acquisitions completed in FY20, the group delivered 9% organic growth in FY20, despite the impact of COVID-19.

The group's strong growth resulted in an adjusted EBITDA margin of 12.7% (FY19: 16.4%), lower than our forecast of 14.1% as a result of the continuing growth and outperformance of the lower margin Monetisation segment, together with increased investment in technology and personnel in FY20. Management has previously stated that it is not primarily focused on margin enhancement, but will consider acquisitions that deliver growth in absolute profitability even if this is at the cost of lower margins. The FY20 reported loss before tax increased to US\$9.4m, from US\$6.6m in FY19, a 38% rise largely due to a US\$6.0m increase in financing costs to US\$9.8m (FY19: US\$3.9m), with the FY19 comparator benefiting from a US\$3.9m gain from FX movements, resulting in a reported EPS loss of 4.60 cents, a 24% increase on the FY19 loss of 3.72 cents.

For clarity, given the c US\$29m difference between reported earnings and adjusted earnings in FY20, we note that adjusted earnings exclude non-cash charges and non-core operating expenses related primarily to acquisitions, integration and other related costs not incurred as part of the underlying trading performance of the group. The company provides a reconciliation of this calculation as part of the accounts, but in descending order, the primary adjustments relate to amortisation of intangibles, non-core operating expenses, share-based payments and foreign exchange.

Operating cash flow was US\$18.1m in FY20, rising from US\$16.3m in FY19, leading to cash and cash equivalents increasing to US\$28.7m in FY20 (FY19: US\$26.2m). With gross interest-bearing debt of US\$113.6m, net debt increased by US\$10m from US\$75m in FY19 to US\$85m in FY20 largely due to the appreciation of the euro (the currency of the company's debt) against the dollar (reporting currency).

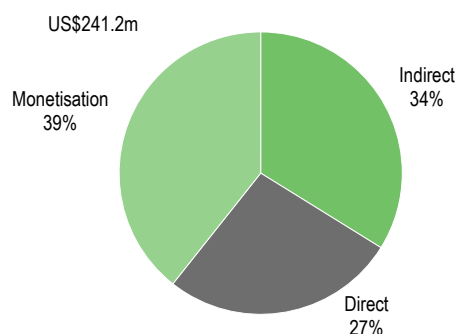
Management reported that recurring revenue increased to 99% in FY20 (typically 90%+), with adjusted cash conversion of 106% (typically c 100%), in line with the group's long-term trend.

Organic growth: 9% pro forma growth in FY20

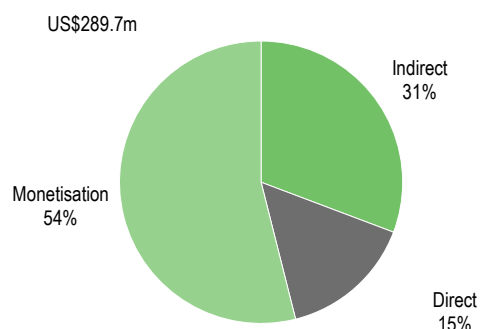
Given the transformation of the business following major acquisitions in FY19 and FY20, alongside its preliminary results the group provided a pro forma breakdown reflecting a full contribution from acquisitions made during the year (ie Codewise). The pro forma analysis indicates a group annual revenue run-rate of US\$289.7m for FY20 and highlights organic revenue growth of 9% y-o-y, growth in gross profits of 8% to US\$96.6m and adjusted EBITDA growth of 4% to US\$35.6m.

Segmental analysis: Indirect, Direct and Monetisation

The group's three segments are: 1) Indirect, which incorporates CentralNic's wholesale and registry business, selling to domain name retailers; 2) Direct, which incorporates the Small Business and Enterprise segments, retailing domain names and value-added services direct to businesses; and 3) Monetisation, the domain monetisation and performance advertising business for domain investors, established with the acquisition of Team Internet in December 2019.

Exhibit 1: FY20 revenues


Source: CentralNic

Exhibit 2: FY20 pro forma revenues


Source: CentralNic

- **Indirect:** revenues increased by 41% to US\$85.8m (FY19: US\$60.7m) reflecting the contribution from the FY19 acquisitions, with revenue increasing by 7% to US\$89.1m (FY19: US\$83.3m) on a pro forma basis.
- **Direct:** revenue fell 7% to US\$43.4m (FY19: from US\$46.6m), principally reflecting the reallocation of the data centre business to the Indirect segment and the monetisation activities to the Monetisation segment. On a pro forma basis, FY20 revenue was little changed year-on-year at US\$44.4m (FY19: US\$44.3m). Management expects the segment to return to growth in FY21.
- **Monetisation** was the fastest growing segment of CentralNic's business. Excluding the acquisition of Codewise (for which revenue growth was sacrificed in FY20 to raise margins, resulting in higher absolute profits), revenue would have increased by 35% to US\$103.4m (FY19: US\$76.5m). On a pro forma basis, including a full contribution from Codewise, revenue increased by 13% to US\$156.2m (FY19: US\$138.3m).

Estimates updated: Higher revenue growth, business mix

The balance of strong organic growth with a significant contribution from acquisitions left revenue well ahead of our FY20 estimates (US\$241.2m vs US\$217.8m), with adjusted EBITDA in line (US\$30.6m vs US\$30.7m), reflecting a fall in blended EBITDA margin from 16.4% in FY19 to 12.7% in FY20.

Exhibit 3: Edison's revised estimates

Year end 31 December US\$'000	Actual 2020	Change	Old 2021e	New 2021e	Change	Old 2022e	New 2022e	Change
Revenue	241,212	10.7%	295,345	323,428	10%	313,424	349,953	12%
Gross profit	76,318	8%	98,645	108,348	10%	104,684	117,234	12%
Adjusted EBITDA	30,594	(0)%	40,321	39,458	(2)%	43,774	43,744	(0)%
Normalised operating profit*	28,510	(6)%	36,027	36,664	2%	37,534	40,721	8%
Operating profit (IFRS)	360		19,145	22,187		20,317	25,078	
Profit before tax (norm)*	19,817	14%	27,747	26,737	(4)%	29,658	30,069	1%
Profit Before Tax (IFRS)	(9,395)		10,865	11,261		12,440	10,476	
EPS - basic normalised (c)*	10.25	84%	8.67	9.71	12%	9.18	10.70	17%
Revenue growth (%)	120.9		35.6	34.1		6.1	8.2	
Gross margin (%)	31.6		33.4	33.5		33.4	33.5	
Adjusted EBITDA margin (%)	12.7		13.7	12.2		14.0	12.5	
Normalised operating margin (%)	11.8		12.2	11.3		12.0	11.6	
Capex	(4,259)	86%	(3,839)	(4,972)	29%	(4,075)	(5,380)	32%
Closing net debt/(cash)	84,985	8%	61,663	80,038	30%	41,061	63,579	55%

Source: CentralNic accounts, Edison Investment Research. Note: *We have slightly amended our historical earnings methodology to align with the adjusted earnings approach and disclosure set out in CentralNic's accounts.

As a result, we have revised our estimates, reflecting the following principal changes:

- **Revenue growth** – taking the FY20 pro forma revenue figure (US\$289.7m) as a basis, we have assumed organic revenue growth of 9%, before adding revenue contributions from the acquisitions of SafeBrands and Wando. This leads to our new FY21 revenue estimate of US\$323.4m, 10% higher than our previous estimate. Our US\$350.0m FY22 estimate assumes a further 8% organic revenue growth in FY22. Our estimates do not take account of future M&A.
- **Gross margin** – with a stronger relative performance expected from the higher-margin Direct and Indirect segments in FY21, we have left our gross margin assumptions for both FY21 and FY22 essentially unchanged at 33.5%.
- **Adjusted EBITDA and adjusted EBITDA margins** – we have chosen to leave our adjusted EBITDA estimates for FY21 and FY22 broadly unchanged, reflecting a lower margin assumption for each year than previously. Our FY21e EBITDA margin correspondingly falls from 13.7% to 12.2%, rising marginally to 12.5% in FY22 (previously 13.7% and 14.0%, respectively).

M&A: Strong pipeline, debt headroom

CentralNic completed one major acquisition in FY20, Codewise (Monetisation), which follows the four acquisitions in FY19: TPP Wholesale, Hexonet and Ideegeo (Indirect), and Team Internet (Monetisation). In FY21, CentralNic has already completed the US\$3.7m (plus a US\$0.7m earn-out) acquisition of SafeBrands (Direct), a French-based brand protection software provider, and Wando Internet Solutions (Monetisation), for US\$13.0m in cash (including a US\$6.5m earn-out).

- **SafeBrands (January 2021)**: an online brand protection software provider and corporate registrar, based in Paris, acquired for up to €3.6m (0.9x FY19 revenue) in cash, with €3m payable upfront and €0.6m payable in FY20 subject to performance criteria. SafeBrands was approximately break-even in FY19. Strategically, SafeBrands' presence in France complements CentralNic's German-based brand services business and helps to position CentralNic as the European leader in corporate domain portfolio management and online brand protection.
- **Wando Internet Solutions (February 2021)**: a social marketing, display and SEM advertising company based in Berlin, acquired for up to US\$13.0m in cash (2.2x revenues, 9.0x EBITDA), with 50% payable upfront and a 50% performance-based deferred cash consideration in H222. In FY20, Wando generated revenue of €4.9m and EBITDA of €1.2m, deriving more than half its revenues through CentralNic's network.

Outlook: Continuing growth supported by M&A

In FY20, CentralNic delivered 9% organic growth on a pro forma basis and record revenue growth of 121%, taking the group's five-year revenue CAGR to FY20 to 78%. In FY21, the group has already completed two acquisitions (SafeBrands, Wando) and placed €15m of bonds (with outstanding approval for €45m more) to fund Wando and future M&A deals. With the group trading in line with management's expectations in FY21 and scope for further M&A from a strong pipeline of future deals, we have updated our forecasts. The net debt position appears sustainable given the profitability of the group, continuing organic growth, its high recurring revenues and strong cash conversion. The valuation continues to look attractive.

Valuation: Persistent discount to peer group

It is hard to identify a direct peer group for CentralNic. Verisign (US), GoDaddy (US) and R22 (Pol) remain the core peers, but with the increasing emphasis on Monetisation and programmatic advertising (for which there are few quoted European stocks), we are considering companies such as Trade Desk (US), Magnite (US), Criteo (Fra), Quinstreet (US) and Catena Media (Swe) – although the business models and valuations of these comparators vary materially.

Exhibit 4: Peer group table

Name	Current price (ccy value)	Quoted Ccy	EV (US\$m)	Sales Growth 1FY (%)	Gross margin 1FY (%)	EBITDA margin 1FY (%)	EBIT margin 1FY (%)	EV/Sales 1FY (x)	EV/Sales 2FY (x)	EV/EBITDA 1FY (x)	EV/EBITDA A 2FY (x)	P/E 1FY (x)	P/E 2FY (x)
Trade Desk Inc	695.9	USD	32,349	34.3	79.0	33.9	29.3	28.8	22.0	85.1	63.0	126.8	99.1
Verisign Inc	190.5	USD	22,165	3.8	86.0	69.1	64.5	16.9	15.7	24.4	22.6	35.7	31.0
Magnite Inc	44.3	USD	4,995	29.6	66.7	22.1	15.1	17.4	14.8	78.6	60.1	170.3	97.3
GoDaddy Inc	78.6	USD	15,722	11.7	65.3	22.8	10.2	4.2	3.9	18.6	16.2	50.1	38.6
Criteo SA	33.9	USD	1,611	4.1	74.0	30.8	20.8	1.9	1.8	6.1	6.0	15.7	15.6
Quinstreet Inc	23.6	USD	1,157	14.1	12.6	8.6	N/A	2.1	1.9	23.9	19.2	38.5	32.4
iomart group	310.0	GBp	554	2.1	60.9	37.3	20.2	3.5	3.3	9.3	8.8	20.6	19.3
Catena Media	43.2	SEK	435	14.6	35.0	49.0	39.1	3.0	2.7	6.1	5.4	12.3	10.4
R22 SA	43.6	PLN	209	23.9	21.6	27.4	20.8	3.3	2.9	11.9	10.4	N/A	N/A
Mean (ex Trade Desk, Verisign, Magnite)				11.8	44.9	29.3	22.2	3.0	2.7	12.6	11.0	27.4	23.2
Mean				15.4	55.7	33.4	27.5	9.0	7.7	29.3	23.5	58.8	43.0
Median				14.1	65.3	30.8	20.8	3.5	3.3	18.6	16.2	37.1	31.7

Source: Refinitiv, priced as at 4 March 2021

Disregarding Trade Desk, Verisign and Magnite, which we include for completeness, the peer group trades at average EV/sales multiples of 3.0x for FY1 and 2.7x for FY2, with EV/EBITDA multiples of 12.6x for FY1 and 11.0x for FY2. In terms of P/E, the peer group trades at 27.4x for FY1 and 23.2x for FY2. CentralNic is displaying the strongest growth in the group and yet trades on a P/E multiple of 11.8x normalised FY21e earnings and 10.7x normalised FY22e earnings, a material discount to the peer group.

Exhibit 5: Financial summary

	US\$'000	2018	2019	2020	2021e	2022e
Year ending 31 December		IFRS	IFRS	IFRS	IFRS	IFRS
INCOME STATEMENT						
Revenue		55,991	109,194	241,212	323,428	349,953
Cost of Sales		(30,080)	(66,419)	(164,894)	(215,079)	(232,719)
Gross Profit		25,911	42,775	76,318	108,348	117,234
Adj. EBITDA		9,146	17,921	30,594	39,458	43,744
Normalised operating profit		8,820	16,615	28,510	36,664	40,721
Amortisation of acquired intangibles		(5,600)	(8,299)	(12,508)	(14,477)	(15,643)
Exceptionals		(5,619)	(8,259)	(10,529)	-	-
Share-based payments		(469)	(2,878)	(5,113)	-	-
Reported operating profit		(2,868)	(2,821)	360	22,187	25,078
Net Interest		(1,430)	(3,869)	(9,834)	(9,927)	(10,652)
Joint ventures & associates (post tax)		45	74	79	-	-
Profit Before Tax (norm)		7,507	16,144	19,817	26,737	30,069
Profit Before Tax (reported)		(4,996)	(6,616)	(9,395)	11,261	10,476
Reported tax		(1,428)	39	348	(4,046)	(5,049)
Profit After Tax (norm)		6,079	16,183	20,165	22,691	25,020
Profit After Tax (reported)		(6,424)	(6,577)	(9,047)	7,215	5,427
Minority interests		5	64	-	-	-
Discontinued operations		-	-	-	-	-
Net income (normalised)		6,084	16,247	20,165	22,691	25,020
Net income (reported)		(6,419)	(6,513)	(9,047)	7,215	5,427
Basic average number of shares outstanding (m)		127,515	175,084	196,680	233,738	233,738
EPS - basic normalised (c)		4.77	9.24	10.25	9.71	10.70
EPS - diluted normalised (c)		4.54	8.97	9.85	9.39	10.35
EPS - basic reported (c)		(5.04)	(3.72)	(4.60)	3.09	2.32
Dividend (c)		0.00	0.00	0.00	0.00	0.00
Revenue growth (%)		75.3	155.9	120.9	34.1	8.2
Gross Margin (%)		46.3	39.2	31.6	33.5	33.5
Adj. EBITDA Margin (%)		16.3	16.4	12.7	12.2	12.5
Normalised Operating Margin		15.8	15.2	11.8	11.3	11.6
BALANCE SHEET						
Fixed Assets		132,321	217,544	275,431	285,789	272,502
Intangible Assets		127,267	206,055	260,569	269,227	257,083
Tangible and Right-of-use Assets		931	6,427	8,677	11,038	9,895
Investments & other		4,123	5,062	6,185	5,524	5,524
Current Assets		51,378	67,433	76,904	111,597	134,551
Stocks		3,906	491	1,011	809	1,050
Debtors		24,382	40,760	47,239	59,187	65,441
Cash & cash equivalents		23,090	26,182	28,654	51,601	68,060
Other		-	-	-	-	-
Current Liabilities		(62,443)	(78,767)	(97,956)	(107,497)	(115,832)
Creditors		(59,719)	(75,683)	(90,791)	(99,870)	(108,061)
Tax and social security		(452)	-	-	-	-
Short term borrowings		(2,272)	(3,084)	(7,165)	(7,627)	(7,772)
Other		-	-	-	-	-
Long Term Liabilities		(43,188)	(129,206)	(137,867)	(165,127)	(168,115)
Long term borrowings		(22,933)	(102,799)	(113,024)	(132,798)	(133,370)
Other long term liabilities		(20,255)	(26,407)	(24,843)	(32,330)	(34,745)
Net Assets		78,068	77,004	116,512	124,761	123,105
Minority interests		(5)	69	-	-	-
Shareholders' equity		78,063	77,073	116,512	124,761	123,105
CASH FLOW						
PBT		(4,996)	(6,616)	(9,395)	11,261	10,476
Depreciation and amortisation		5,926	9,605	14,592	17,271	18,667
Share-based payments		469	2,878	5,113	-	-
Working capital		7,783	8,963	309	(2,667)	1,695
Exceptional & other		2,650	3,795	9,413	9,927	10,652
Tax		(3,015)	(2,309)	(1,957)	(4,046)	(5,049)
Net operating cash flow		8,817	16,316	18,075	31,745	36,440
Capex		(4,920)	(15,497)	(4,259)	(4,972)	(5,380)
Acquisitions/disposals		(27,568)	(63,840)	(42,532)	(11,900)	(3,950)
Net interest		(682)	(1,970)	(9,512)	(9,927)	(10,652)
Equity financing		30,869	2,133	37,287	-	-
Dividends		-	-	-	-	-
Other		-	-	2,296	-	-
Net Cash Flow		6,516	(62,858)	1,355	4,947	16,459
Opening net debt/(cash)		8,667	2,115	74,998	84,985	80,038
FX		(1,374)	(6,730)	(7,958)	-	-
Other non-cash movements		1,410	(3,295)	(3,384)	-	-
Closing net debt/(cash)		2,115	74,998	84,985	80,038	63,579

Source: Company accounts, Edison Investment Research. Note: FY19 figures have been restated to reclassify FX on borrowings and administrative expenses to finance costs and other income respectively. * Historic earnings have been aligned to Company disclosure

General disclaimer and copyright

This report has been commissioned by CentralNic Group and prepared and issued by Edison, in consideration of a fee payable by CentralNic Group. Edison Investment Research standard fees are £49,500 pa for the production and broad dissemination of a detailed note (Outlook) following by regular (typically quarterly) update notes. Fees are paid upfront in cash without recourse. Edison may seek additional fees for the provision of roadshows and related IR services for the client but does not get remunerated for any investment banking services. We never take payment in stock, options or warrants for any of our services.

Accuracy of content: All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report and have not sought for this information to be independently verified. Opinions contained in this report represent those of the research department of Edison at the time of publication. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations.

Exclusion of Liability: To the fullest extent allowed by law, Edison shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by you arising out of or in connection with the access to, use of or reliance on any information contained on this note.

No personalised advice: The information that we provide should not be construed in any manner whatsoever as, personalised advice. Also, the information provided by us should not be construed by any subscriber or prospective subscriber as Edison's solicitation to effect, or attempt to effect, any transaction in a security. The securities described in the report may not be eligible for sale in all jurisdictions or to certain categories of investors.

Investment in securities mentioned: Edison has a restrictive policy relating to personal dealing and conflicts of interest. Edison Group does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contractors of Edison may have a position in any or related securities mentioned in this report, subject to Edison's policies on personal dealing and conflicts of interest.

Copyright: Copyright 2021 Edison Investment Research Limited (Edison).

Australia

Edison Investment Research Pty Ltd (Edison AU) is the Australian subsidiary of Edison. Edison AU is a Corporate Authorised Representative (1252501) of Crown Wealth Group Pty Ltd who holds an Australian Financial Services Licence (Number: 494274). This research is issued in Australia by Edison AU and any access to it, is intended only for 'wholesale clients' within the meaning of the Corporations Act 2001 of Australia. Any advice given by Edison AU is general advice only and does not take into account your personal circumstances, needs or objectives. You should, before acting on this advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Product Disclosure Statement or like instrument.

New Zealand

The research in this document is intended for New Zealand resident professional financial advisers or brokers (for use in their roles as financial advisers or brokers) and habitual investors who are 'wholesale clients' for the purpose of the Financial Advisers Act 2008 (FAA) (as described in sections 5(c) (1)(a), (b) and (c) of the FAA). This is not a solicitation or inducement to buy, sell, subscribe, or underwrite any securities mentioned or in the topic of this document. For the purpose of the FAA, the content of this report is of a general nature, is intended as a source of general information only and is not intended to constitute a recommendation or opinion in relation to acquiring or disposing (including refraining from acquiring or disposing) of securities. The distribution of this document is not a 'personalised service' and, to the extent that it contains any financial advice, is intended only as a 'class service' provided by Edison within the meaning of the FAA (i.e. without taking into account the particular financial situation or goals of any person). As such, it should not be relied upon in making an investment decision.

United Kingdom

This document is prepared and provided by Edison for information purposes only and should not be construed as an offer or solicitation for investment in any securities mentioned or in the topic of this document. A marketing communication under FCA Rules, this document has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This Communication is being distributed in the United Kingdom and is directed only at (i) persons having professional experience in matters relating to investments, i.e. investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the 'FPO') (ii) high net-worth companies, unincorporated associations or other bodies within the meaning of Article 49 of the FPO and (iii) persons to whom it is otherwise lawful to distribute it. The investment or investment activity to which this document relates is available only to such persons. It is not intended that this document be distributed or passed on, directly or indirectly, to any other class of persons and in any event and under no circumstances should persons of any other description rely on or act upon the contents of this document.

This Communication is being supplied to you solely for your information and may not be reproduced by, further distributed to or published in whole or in part by, any other person.

United States

Edison relies upon the 'publishers' exclusion' from the definition of investment adviser under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. This report is a bona fide publication of general and regular circulation offering impersonal investment-related advice, not tailored to a specific investment portfolio or the needs of current and/or prospective subscribers. As such, Edison does not offer or provide personal advice and the research provided is for informational purposes only. No mention of a particular security in this report constitutes a recommendation to buy, sell or hold that or any security, or that any particular security, portfolio of securities, transaction or investment strategy is suitable for any specific person.

Frankfurt +49 (0)69 78 8076 960
Schumannstrasse 34b
60325 Frankfurt
Germany

London +44 (0)20 3077 5700
280 High Holborn
London, WC1V 7EE
United Kingdom

New York +1 646 653 7026
1185 Avenue of the Americas
3rd Floor, New York, NY 10036
United States of America

Sydney +61 (0)2 8249 8342
Level 4, Office 1205
95 Pitt Street, Sydney
NSW 2000, Australia