

OTC Markets Group

Q122 update

Q122 – net income up 11%, but costs start to bite

OTC Markets Group's (OTCM's) Q122 net income was up 11% y-o-y despite weaker financial markets trading volume and prices. Corporate services (+51% y-o-y) and market data licensing (+9% y-o-y) revenue was as resilient as expected and compensated for the 47% decline in OTC Link revenue. However, operating expenses rose by 12% due to rising staff compensation and IT. OTCM purchased Blue Sky Data for \$12m cash in May 2022, allowing OTCM to improve its value proposition and expand its subscriber base. We maintain our assumption that markets will remain choppy due to concerns about inflation and rising interest rates. We have cut our EPS forecasts for FY22 and FY23 by 19% and 17% respectively to reflect higher operating expense assumptions. We have cut our dividend forecasts by 20% but note that this could be conservative given OTCM's strong balance sheet and cash flow generation.

Year end	Gross revenue (\$m)	PBT (\$m)	EPS* (\$)	DPS** (\$)	P/E (x)	Yield (%)
12/20	71.2	21.4	1.53	1.25	36.4	2.2
12/21	102.9	38.0	2.52	2.16	22.1	3.9
12/22e	96.9	28.0	1.86	1.72	30.1	3.1
12/23e	102.3	31.0	1.95	1.72	28.6	3.1

Note: *Fully diluted and calculated after restricted stock award allocation. **Including special dividends of 65c in FY20, \$1.50 in FY21 and \$1.00 in FY22e and FY23e.

Q122: Costs rose by 12%

Staff expenses rose by 14% y-o-y driven by higher wages and the number of staff rising by nine to 112, while IT expenditure rose by 20%. The rising costs reflect job market pressure, the need to invest for growth and compliance costs. We expect some one-off acquisition-related expenses in Q222. We have raised our forecast operating expenses for FY22 and FY23 by 22% and could make some adjustments following more guidance regarding Blue Sky Data.

Blue Sky Data acquisition

Blue Sky Data Corp provides equity and debt compliance data on state 'blue sky' securities rules and regulations. This will help subscribers better understand US compliance and state securities laws. The deal is expected to bring approximately 30 clients in addition to the synergies with the market data licensing business. OTCM had a net cash position of \$45m (excluding restricted cash) at the end of Q122. OTCM aims to largely integrate Blue Sky Data by the end of June. A handful of employees are expected to be added to OTCM's headcount.

Valuation: \$42.7–64.4 per share, 3.1% yield

We have reduced our FY22 and FY23 EPS forecasts by 19% and 17% respectively. OTCM is trading on FY22e and FY23e P/E multiples of 30.1x and 28.6x respectively, a premium to our sample of peers. Our DCF-based valuation range is \$42.7–64.4 per share (previously \$42.4–66.3); we flex the cost of equity (7–11%) and the annual growth rate for 2026–32e (3–6%).

Financial services

30 May 2022

Price **US\$55.80**
Market cap **US\$657m**

Net cash (\$m) at end Q122 excluding restricted cash	45.3
Shares in issue	11.8m
Free float	64.8%
Code	OTCM
Primary exchange	OTCQX
Secondary exchange	N/A

Share price performance



Business description

OTC Markets Group operates regulated markets for trading 12,000 US and global securities. Data-driven disclosure standards form the foundations of its three public markets: OTCQX Best Market, OTCQB Venture Market and Pink Open Market. The company's three SEC-regulated alternative trading systems (ATSs) – OTC Link ATS, OTC Link ECN and OTC Link NQB – provide critical market infrastructure, which broker-dealers rely on to facilitate trading and offer companies more efficient access to the US financial markets.

Next events

Q222 results	August 2022
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Analysts

Pedro Fonseca	+44 (0)20 3077 5700
Andrew Mitchell	+44 (0)20 3681 2500

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

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Q122 analysis

A summary of the quarterly progress in OTCM's profit and loss figures is given in Exhibit 1. We highlight the key points below (the comparisons are year-on-year unless stated):

- Gross revenue was \$25.9m, flat year-on-year, -1% q-o-q. Lower trading volumes drove the significant 47% decline in OTC Link, which was nevertheless a little bit better than we expected (55% decline). The quarter-on-quarter decline was 3%. Corporate services rose by 51% driven by an increase in listed companies on the OTCQX and OTCQB and price increases, while market data licensing rose by 9%. It is noteworthy that both corporate services and market data licensing have remained relatively resilient during the market downturn: on a quarter-on-quarter basis the former rose by 1% and the latter declined only 2%. Exhibit 2 shows how the corporate client base for the OTCQX and OTCQB markets has evolved from Q120 and shows steady, good growth from Q320.
- **Transaction-based expenses** (liquidity provider rebate payments) fell by 57%, reflecting the lower trading volumes, while **redistribution fees** (relating to Market Data Licensing) rose by 6%.
- **Net revenue less transaction-based expenses** rose 8% to \$23.6m (down 1% q-o-q).
- **Operating expenses** (before depreciation and amortisation) increased by 12% mainly reflecting salary and headcount increases (see Exhibit 3 and discussion below for further details), as well as the expansion of the electronic trading system.
- **Profit before tax** rose by 3% to \$8.6m and was down 19% q-o-q due to the higher operating expenses and lower trading volumes. The effective tax rate was quite below the trend level at 12% and led to EPS increasing by 9%, although this was still down 16% quarter-on-quarter. As we discuss later, we assume a 22% rate going forward. The operating margin was 34.4% after the unusually high 42.4% in Q421.
- A quarterly **dividend** of \$0.18 was maintained.

Exhibit 1: Q122 results summary

\$000s unless stated	Q121	Q221	Q321	Q421	Q122	% change y-o-y	% change q-o-q
OTC Link	10,282	7,682	6,110	5,591	5,433	(47)	(3)
Market Data Licensing	7,899	8,586	8,489	8,777	8,583	9	(2)
Corporate Services	7,895	9,182	10,621	11,819	11,933	51	1
Gross revenues	26,076	25,450	25,220	26,187	25,949	(0)	(1)
Redistribution fees and rebates	(741)	(746)	(744)	(790)	(788)	6	(0)
Net revenue	25,335	24,704	24,476	25,397	25,161	(1)	(1)
Transaction-based expenses	(3,539)	(2,487)	(1,668)	(1,578)	(1,515)	(57)	(4)
Revenues less transaction-based expenses	21,796	22,217	22,808	23,819	23,646	8	(1)
Operating expenses (excluding depreciation & amort.)	(12,933)	(12,633)	(12,686)	(12,576)	(14,562)	13	16
Depreciation and amortisation	(444)	(441)	(446)	(465)	(440)	(1)	(5)
Income from operations	8,419	9,143	9,676	10,778	8,644	3	(20)
Other income/net interest	5	0	12	(68)	0		
Profit before tax	8,424	9,143	9,688	10,710	8,644	3	(19)
Taxes	(1,586)	(2,071)	(2,176)	(1,656)	(1,030)	(35)	(38)
Net income	6,838	7,072	7,512	9,054	7,614	11	(16)
Diluted EPS (\$)	0.57	0.59	0.62	0.74	0.62	9	(16)
Operating margin on net revenue (%)	33.2	37.0	39.5	42.4	34.4		
Tax rate (%)	18.8	22.7	22.5	15.5	11.9		

Source: OTCM, Edison Investment Research

Exhibit 2: Evolution of OTCQX and OTCQB corporate client base

	Q120	Q220	Q320	Q420	Q121	Q221	Q321	Q421	Q122
OTCQX									
Start	442	414	415	441	461	482	530	561	570
Additions	9	19	44	34	52	70	55	35	33
Other (cancellations, downgrades)	(37)	(18)	(18)	(14)	(31)	(22)	(24)	(26)	(32)
End	414	415	441	461	482	530	561	570	571
Net change	(28)	1	26	20	21	48	31	9	1
OTCQB									
Start	907	893	885	874	902	962	1,020	1,067	1,150
Additions	28	45	62	94	108	112	115	113	113
Other (cancellations, downgrades)	(42)	(53)	(73)	(66)	(48)	(54)	(68)	(30)	(39)
End	893	885	874	902	962	1020	1067	1150	1224
Net change	(14)	(8)	(11)	28	60	58	47	83	74

Source: OTCM. Note: Start, end and additions (new sales) figures are reported, while the other figures (cancellations and compliance and other downgrades) are residual.

Our next table summarises the change in operating expenses with commentary on year-on-year changes. Compensation and benefits remain the most significant driver of costs and the increase was driven mainly by cash awards. The current pressure on wages in the United States, especially for IT personnel, has had an impact on compensation and benefits.

Exhibit 3: Analysis of operating expenses

\$000s unless stated	Q121	Q122	Absolute chg y-o-y	% chg y-o-y	Comments on year-on-year change
Compensation and benefits	8,946	10,223	1,277	14.3	Headcount up 9 to 112, higher annual base salary increases, stock-based compensation +19% to \$185k
IT Infrastructure and information services	1,638	1,958	320	19.5	Increased spending on third-party information systems and software licences to increase security and improve support systems
Professional and consulting fees	1,242	1,217	(25)	(2.0)	Lower regulatory and clearing costs due to lower OTC Link ECN transaction volumes. Blue Sky Data Corp M&A costs offset some of that decline
Marketing and advertising	205	278	73	35.6	Rebound in travel and event related spending, third-party market research
Occupancy costs	613	595	(18)	(2.9)	
Depreciation and amortisation	444	440	(4)	(0.9)	
General, administration and other	289	291	2	0.7	
Total	13,377	15,002	1,625	12.1	

Source: OTC Markets Group, Edison Investment Research

Exhibit 4 shows changes in operating data and related revenue data. Trading volumes fell sharply in the OTCQX both year-on-year (-53%) and quarter-on-quarter (-30%). The Pink segment's trading was more resilient, down 17% y-o-y but up 6% q-o-q. OTCQB volume fell 82% from an unusually strong Q121 and was down 38% on Q421.

On the other hand, the number of OTC Link ATS participants (90, +10% y-o-y) and ECN subscribers (98, +20% y-o-y) continues to increase.

Corporate Services also showed very strong year on-year increases across the three segments: OTCQX (18%), OTCQB (27%) and Pink (101%). Revenue per client dropped by 2%.

Market Data Licensing saw a 12% year-on-year drop in the total number of users. However, the number of professional users (which generate more revenue) increased by 10%. As we expected, the weak financial markets had a significant impact on the number of non-professional users, which fell by 31%. Revenue per terminal rose by 24%, reflecting this change in user mix.

Exhibit 4: Operating and related revenue data

\$000s unless stated	Q221	Q321	Q421	Q421	Q122	% change y-o-y	% change q-o-q
OTC Link							
Dollar volume traded (millions)							
OTCQX	77,599	60,030	41,802	51,331	36,168	(53)	(29.5)
OTCQB	17,062	8,796	5,008	4,986	3,108	(82)	(37.7)
Pink	134,063	100,644	107,295	105,231	111,078	(17)	5.6
Number of securities quoted	12,091	12,725	11,604	12,011	12,071	(0)	0.5
Number of active ATS participants	82	83	85	86	90	10	4.7
Number of ECN subscribers	82	84	90	93	98	20	5.4
New Form 211 filings	197	200	151	96	90	(54)	(6.3)
Revenue per security quoted (\$)	850	604	527	465	450	(47)	(3.3)
Corporate Services							
Number of corporate clients (period end)							
OTCQX	482	530	561	570	571	18	0.2
OTCQB	962	1,020	1,067	1,150	1,224	27	6.4
Pink	789	999	1,556	1,563	1,584	101	1.3
Total	2,233	2,549	3,184	3,283	3,379	51	2.9
Revenue per client (\$)	3,640	3,840	3,705	3,655	3,582	(2)	(2.0)
Graduates to a national securities exchange	29	46	45	35	24	(17)	(31.4)
Market Data Licensing							
Market data professional users	24,404	25,647	25,870	26,563	26,756	10	0.7
Market data non-professional users	27,814	28,977	29,156	28,206	19,061	(31)	(32.4)
Revenue per terminal (total - \$)	151	157	154	157	187	24	16.9
Market data compliance file users	46	47	47	49	51	11	4.1

Source: OTCM, Edison Investment Research

Blue Sky Data acquisition

Blue Sky Data Corp provides equity and debt compliance data on state 'blue sky' securities rules and regulations. The deal enables OTCM to improve its value proposition and expand its subscriber base by allowing OTCM to provide 'a comprehensive view of Blue-Sky secondary trading compliance data' that is 'delivered in an efficient format for broker-dealers, financial advisors, public companies, and regulators'. This will help these subscribers better understand compliance and state securities laws in the US. The deal is expected to bring approximately 30 clients, in addition to the synergies with the market data licensing business.

The purchase price is approximately \$12m paid in cash and completed in May 2022. We note that OTCM had a net cash position of \$45m (excluding restricted cash) at the end of 1Q22. The company hopes to largely complete the integration of Blue Sky Data by the end of June. A handful of employees are expected to be added to OTCM's current headcount of 112.

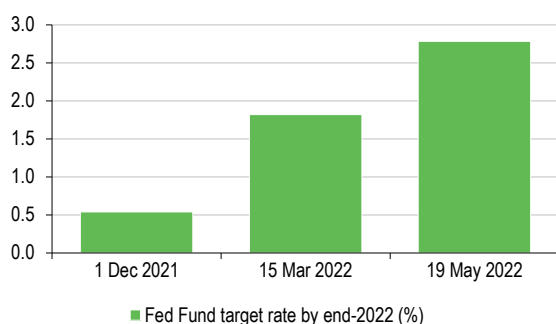
Current trading environment and outlook

US inflation and recession fears have been increasing and this has been resulting in weaker financial markets, including equities. Back in December 2021, the market was pricing a 0.5% Fed Funds target rate at the end of 2022. This had moved to 1.8% when we wrote our last note on OTC two months ago ([Q421 was another beat, 2022 is more uncertain](#)) and now the forecasts are for a 2.8% target rate for the end of 2022.

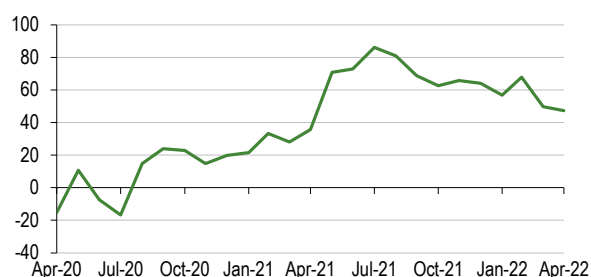
As the Citi US Inflation Surprise Index (Exhibit 6) shows, the market has been underestimating inflation for quite a while. It is clear much of the inflation is transient, driven by supply chain disruptions, consumers spending money saved during the lockdowns and the current war in Ukraine. However, much uncertainty remains regarding how much will be sticky and anchor into wage and inflation expectations.

The degree of the economic slowdown (US GDP growth was already negative in Q122) and the degree to which the Fed will have to apply the brakes to rein in inflation are all weighing on equity markets. Exhibit 7 shows that the pain in equities is broad-based both in larger and smaller companies, although smaller companies (which on average present stronger long-term growth potential as well as higher risk) are usually sold off more during downturns. The technology-heavy Nasdaq index (previously quite highly rated, and now one of the sectors more actively sold) is down 28% over the last six months compared to 16% in the S&P 500.

The cryptocurrency boom has been a major factor in rising volumes in OTC (since crypto-related stocks are among the most traded stocks on OTC markets) and currently cryptocurrencies are also contributing to slowing volumes.

Exhibit 5: US Fed Funds rate expectations rising


Source: Refinitiv. Note: Expectations based on the overnight swaps.

Exhibit 6: Citi Inflation Surprise Index – US


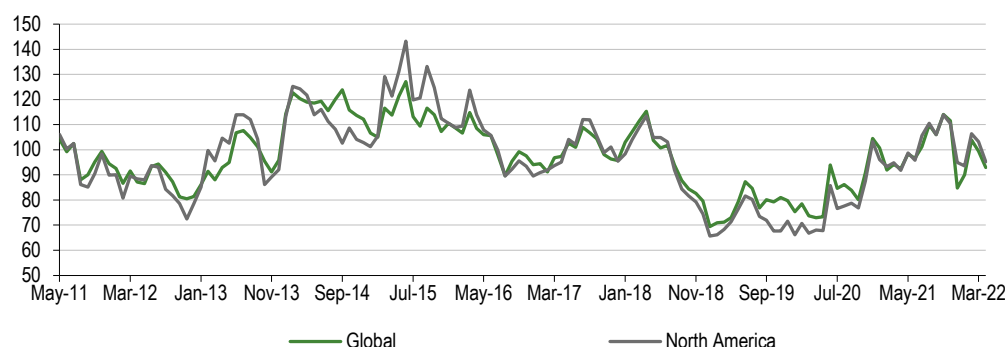
Source: Refinitiv

Exhibit 7: Recent market index performance (total return %)

Period	S&P 500	Nasdaq Composite	OTCQX Composite	OTCQB Venture	S&P TSX Venture
	US\$	US\$	US\$	US\$	C\$
Three months	-10.1	-16.6	-4.1	-6.6	-19.6
Six months	-16.0	-28.4	-10.7	-15.1	-29.6
One year	-4.4	-14.1	-1.3	-26.7	-26.7

Source: Refinitiv. Note: Priced on 19 May 2022.

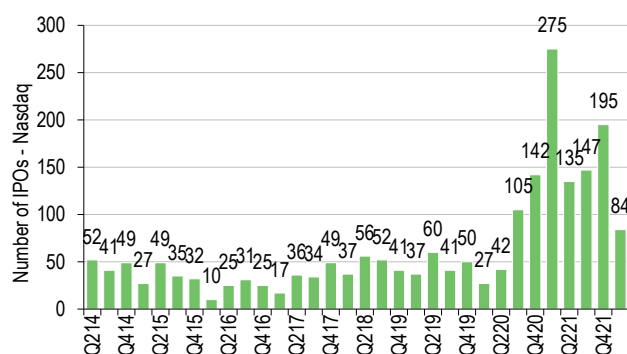
The State Street Investor Confidence Index tracks changes in institutional investor holdings in risky versus safer investments. Exhibit 8 shows that confidence is higher than during the early stages of the pandemic in 2020. However, clearly the confidence is falling following the boost after Omicron proved to be less dangerous than first feared. With the index below 100, the mood is currently bearish.

Exhibit 8: State Street Investor Confidence Index


Source: State Street Corporation

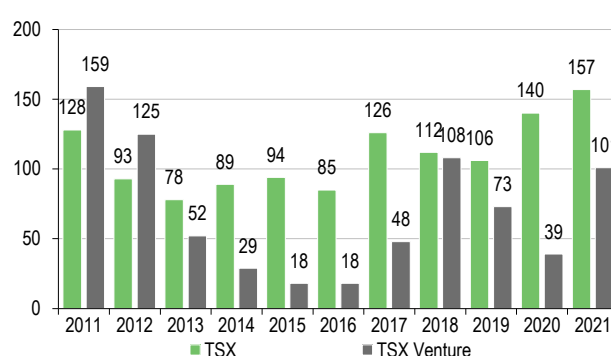
2021 was a record year for IPOs on the Nasdaq, TSX Ventures and TSX exchanges, rising by 138% and 159% on Nasdaq and TSX Ventures respectively and by 12% on TSX. The first quarter saw 84 IPOs in the Nasdaq, which although less than a year ago (135) is still above the long-term average of 59.

Exhibit 9: Number of IPOs, Nasdaq



Source: Nasdaq

Exhibit 10: Number of IPOs, TSX and TSX Venture



Source: TMX

Financials

We have slightly increased our revenue forecasts and now estimate that OTCM's gross revenue will drop by 6% in FY22 (previously we expected a 9% decrease). The driver for this drop remains the same: weaker financial markets and elevated macroeconomic and political uncertainty will lead to lower trading volumes.

The forecast increase in FY23 revenue remains similar (5.5% vs 5.0% previously) but from a slightly higher FY22 forecast. We assume that trading levels normalise and resume an upward trend, but are still factoring in relatively difficult markets in FY23, which may prove to be excessively cautious.

Exhibit 11 shows details of our revenue assumptions. We forecast a 35% decline in revenue from the OTC Link business; this segment accounted for 29% of OTCM's revenue in FY21 and is most exposed to a drop in trading volumes.

Trading volumes in OTC Link ECN (the key driver in OTC Link's variable revenue component) are not reported monthly and the pricing structure is complex (variables include the type of investors that are trading, lot sizes, which securities are being traded and even the fact that different share prices have different trading costs). This complicates forecasts beyond the usual challenge in that trading volumes can be quite volatile.

We forecast a 4% decline in revenue from Market Data Licensing. This segment has been proving more resilient to weaker markets, but we would expect to see a decline as some users step back from trading in less favourable market conditions, especially non-professional users, which had been the fastest growing segment. The Blue Sky Data acquisition boosts OTCM's offering in this segment and could provide potential upside. We do not have guidance on revenue from Blue Sky Data (or reliable historical data), but we have increased Market Data Licensing revenue growth for 2023 from 4% to 6%.

Corporate Services is the most resilient of the three segments as it correlates more with economic activity than trading volume or market performance. We have upped our FY22 growth forecast from 12% to 14% to reflect the good Q122 performance and raised FY23 growth from 4% to 5%.

Exhibit 11: Selected revenue and cost assumptions

\$000s unless stated	2018	2019	2020	2021	2022e	2023e
Gross revenue						
OTC Link	11,175	11,676	15,890	29,665	19,377	20,540
Market Data Licensing	23,384	24,447	28,133	33,751	32,448	34,395
Corporate Services	24,719	26,716	27,206	39,516	45,068	47,321
Gross revenues	59,278	62,839	71,229	102,932	96,893	102,256
% year-on-year						
OTC Link	11%	4%	36%	87%	(35%)	6%
Market Data Licensing	7%	5%	15%	20%	(4%)	6%
Corporate Services	9%	8%	2%	45%	14%	5%
Gross revenues	8%	6%	13%	45%	(6%)	6%
Operating expenses (incl. depreciation & amort.)						
Compensation and benefits	23,820	26,994	28,896	34,049	42,001	44,101
IT Infrastructure and information services	5,554	6,382	6,452	7,633	7,963	8,201
Professional and consulting fees	2,110	1,982	2,704	4,495	4,479	4,568
Marketing and advertising	1,148	1,117	807	1,028	1,062	1,105
Occupancy costs	2,107	2,548	2,303	2,348	2,424	2,473
Depreciation and amortisation	1,042	1,492	1,761	1,796	1,819	1,855
General, administration and other	1,029	1,207	1,040	1,273	1,201	1,237
Total	36,810	41,722	43,963	52,622	60,948	63,540
% year-on-year						
Compensation and benefits	11%	13%	7%	18%	23%	5%
IT Infrastructure and information services	(6%)	15%	1%	18%	4%	3%
Professional and consulting fees	22%	(6%)	36%	66%	0%	2%
Marketing and advertising	27%	(3%)	(28%)	27%	3%	4%
Occupancy costs	19%	21%	(10%)	2%	3%	2%
Depreciation and amortization	(23%)	43%	18%	2%	1%	2%
General, administration and other	42%	17%	(14%)	22%	(6%)	3%
Total	9%	13%	5%	20%	16%	4%

Source: OTCM, Edison Investment Research

We have raised OTCM operating expenses to factor in the cost pressure in staff compensation and IT costs (these two items account on average for about 80% of operating expenses). We have also factored in some costs from the Blue Sky Data acquisition. Our forecasts for operating expenses have been raised by 22% in FY22 and FY23, which has an adverse impact on the earnings forecasts.

Exhibit 12 summarises the changes to our forecasts. We cut our EPS forecasts by 19% and 17% for FY22 and FY23 respectively and the DPS by 20%. OTCM does not have fixed dividend pay-out guidance but usually the pay-out is significant (80–126% since 2014). We have assumed 90% and 86% for FY22 and FY23, within the 83–97% range of the last four years. We expect the quarterly dividends (excluding special dividends) to remain at \$0.18 in FY22 and FY23.

Despite the \$12m Blue Sky Data acquisition, OTCM's balance sheet remains strong with no debt. We are forecasting a net cash position of \$34.7m including restricted cash (\$33.2m ex-restricted cash) at the end of FY22 (FY21: \$52.0m with restricted cash, \$50.4m ex-restricted cash).

Exhibit 12: FY22 and FY23 estimate revisions

	Gross revenue (\$m)			PBT (\$m)			Diluted EPS (\$)			Dividend (\$)		
	Old	New	Change (%)	Old	New	Change (%)	Old	New	Change (%)	Old	New	Change (%)
2022e	93.6	96.9	3.5	35.6	28.0	-21.2	2.29	1.86	-19.0	2.16	1.72	-20.4
2023e	97.6	102.3	3.5	36.9	31.0	-21.2	2.36	1.95	-17.3	2.16	1.72	-20.4

Source: Edison Investment Research

Valuation

Exhibit 13 compares OTCM's P/E ratios to those of a range of market information providers and global exchanges. OTCM is trading at an 9% discount on trailing earnings, but at a premium to forward earnings. The premium is deserved due to OTCM's strong growth track record, balance sheet and relatively high proportion of subscription-based revenues. Furthermore, its ratios are more comparable to the US-based peers with more subscription revenue, such as MSCI and S&P Global.

Exhibit 13: OTCM comparative multiples

	P/E ratios (x)		
	2021	2022e	2023e
OTCM	22.1	30.1	28.6
MSCI	25.4	27.0	22.8
S&P Global	47.5	38.0	33.2
Euronext	16.8	15.0	14.1
Hellenic Exchange	26.4	24.7	20.6
London Stock Exchange	25.8	23.7	20.8
BMF (Brasil)	16.1	14.8	13.9
Intercontinental Exchange	13.8	18.4	17.0
NASDAQ	21.7	19.2	17.9
Average	24.2	22.6	20.0
OTCM vs average	(9%)	33%	43%

Source: Refinitiv, Edison Investment Research. Note: Prices as at 24 May 2022.

The sensitivity of our discounted cash flow valuation to different discount rates and long-term growth assumptions is shown in Exhibit 14 below. The model factors in lower explicit forecasts for FY22–23, together with an assumption of FY24–25 cash flow growth of 12% and a terminal cash flow multiple of 16x. We obtain a valuation range of \$42.7–64.4 per share by flexing the discount rate from 7% to 11% and assuming long-term growth (2026–32e) of 3–6%. This compares to the previous range of \$42.4–66.3.

Exhibit 14: Discounted cash flow valuation sensitivity (\$ per share)

Discount rate (right) 2026–32e growth	7%	8%	9%	10%	11%
3%	56.2	52.3	48.8	45.6	42.7
4%	58.8	54.7	51.0	47.6	44.5
5%	61.5	57.2	53.2	49.6	46.4
6%	64.4	59.8	55.6	51.8	48.4

Source: Edison Investment Research

Exhibit 15: Financial summary

\$000s	2020	2021	2022e	2023e
Year end 31 December				
PROFIT & LOSS				
OTC Link	15,890	29,665	19,377	20,540
Market Data Licensing	28,133	33,751	32,448	34,395
Corporate Services	27,206	39,516	45,068	47,321
Revenue	71,229	102,932	96,893	102,256
Re-distribution fees and rebates	(2,810)	(3,021)	(2,936)	(3,096)
Net revenue	68,419	99,911	93,957	99,160
Transaction-based expenses	(3,022)	(9,273)	(5,419)	(5,751)
Revenues less transaction-based expenses	65,397	90,638	88,538	93,409
Operating expenses	(42,202)	(50,826)	(59,129)	(61,685)
EBITDA	23,195	39,812	29,409	31,724
Depreciation	(1,761)	(1,796)	(1,819)	(1,855)
Operating profit	21,434	38,016	27,590	29,870
Net interest	(27)	(51)	446	1,100
Profit Before Tax	21,407	37,965	28,036	30,970
Tax	(3,133)	(7,489)	(5,296)	(6,813)
Profit after tax	18,274	30,476	22,740	24,156
Profit after tax and allocation to RSAs	17,839	29,766	22,208	23,624
Average Number of Shares Outstanding (m)	11.6	11.8	12.0	12.1
EPS - basic (c)	156.4	258.7	190.8	200.7
Fully diluted EPS (c)	153.4	252.0	185.6	195.2
Dividend per share (c)	125.0	216.0	172.0	172.0
EBITDA Margin (%)	34	40	31	32
Operating profit margin (%)	31	38	29	30
BALANCE SHEET				
Cash & cash investments	33,733	50,394	33,177	40,257
Debtors	6,609	7,404	8,000	8,000
Other current assets	1,763	2,153	4,764	4,764
Long term restricted cash	1,532	1,564	1,564	1,564
Intangible assets	291	291	291	292
Property and other long-term assets	20,882	20,449	21,928	21,011
Total assets	64,810	82,255	69,724	75,888
Deferred revenues	18,765	28,432	28,200	29,610
Other current liabilities	11,232	13,332	9,170	9,170
Tax, rent and other long-term liabilities	15,267	15,537	17,913	17,558
Total Liabilities	45,264	57,301	55,283	56,338
Net assets	19,546	24,954	26,441	19,550
NAV per share (\$)	1.67	2.11	2.23	1.65
CASH FLOW				
Net cash flow from operating activities	26,013	46,456	19,794	29,827
Capital expenditure, intangible investment	(1,034)	(1,395)	(764)	(1,300)
Blue Sky Data acquisition			(12,000)	0
Dividends	(14,610)	(25,459)	(20,018)	(20,247)
Purchase of treasury stock	(3,520)	(1,522)	(2,776)	0
Financing / investments	(1,330)	(1,419)	(1,454)	(1,200)
Net cash flow	5,519	16,661	(17,217)	7,080
Opening net (debt)/cash	28,217	33,733	50,394	33,177
Closing net (debt)/cash	33,733	50,394	33,177	40,257
Cash and restricted cash	35,297	51,958	34,741	41,821

Source: OTCM, Edison Investment Research

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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