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## A view of PSQ Analytics: interview with Philip Beck, CEO of Planet Payment Inc

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Unlike a number of his AIM compatriots, Philip Beck was looking forward to this week's release of his company's final results. For the chairman and chief executive of international payments specialist Planet Payment Inc, it was the chance to boast another year of triple-digit growth.

Since starting the company back in 1999 and taking it to London's junior market in March 2006, Beck and his team have been working on a software infrastructure that lets retailers all over the world accept multi-currency credit card payments.

Planet Payment's technology means that anyone from restaurant owners in China to taxi drivers in London can accept payments from international travellers without a second thought. According to Beck, it's an answer to a problem that emerged with the explosion of the internet during the mid-1990s and it's now finding growing favour among banks and their merchant customers, particularly in Asia and North America.

While Planet Payment has enjoyed the support of a number of institutional investors during its life as a public company, it has nevertheless been frustrated in getting its story out to a wider audience.

Last month it became one of just four companies to pilot the London Stock Exchange's latest answer to bridging the confidence gap between investors and small cap companies – PSQ Analytics.

Using a handful of independent research houses, the LSE has put together a cut-price equity research service that is mainly designed to help smaller quoted companies attract the interest of potential investors.

The thinking behind the scheme is to give small caps a leg-up in the exposure stakes, and while they won't be getting any price targets or "buy" recommendations, they will receive some decent quality analysis. From what he has seen so far, Beck reckons PSQ Analytics is a good move by the LSE.

### **Surely your life on AIM can't have been all plain sailing?**

Revenues were up to \$5.5m in the first year we were on AIM, then \$18m the second year and now \$36.2m. So we have doubled the business every single year and we're on track to continue to grow at that rate, notwithstanding everything that has happened in the wider economy.

But people don't really know about us and probably don't really understand what we do. Yet we are a company that is now profitable with decent revenue growth – but our share price is a third of what it was when we joined AIM.

### **What was the thinking behind the AIM move in the first place?**

Back in 2006, if you had revenues of \$1m there was no way you could do a listing in the US. Even today, the US markets are very difficult places for small cap or micro cap stocks. So I think AIM has played and continues to play a very important role in facilitating the ability for smaller growth companies to get access to capital. It has been very good to us.

From the perspective of being able to work within the structure, to be attractive to European funds and US

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funds, we have been able to raise money when we have needed it. The best evidence of that is that even in this absolutely terrible economic climate we announced a small equity raise in March. Clearly, if it wasn't for our AIM listing I think we would have had a harder time.

**How important do you think independent company research is?**

We have first-hand experience that it is difficult for a company that doesn't have a lot of trading volume to attract research. We think we have a wonderful business model and a great track record and we've certainly had our trials getting good equity research written on us. We're fortunate to have Canaccord Adams as our Nomad and they cover us, and we have had some other coverage, but it's not easy to get.

I think the London Stock Exchange is absolutely right in sponsoring a portal that allows companies to get very good quality coverage from three very good quality research companies. It must be a step in the right direction. I really applaud them for it and we're hopeful it will help Planet Payment sell our story to a larger audience so more people can understand what we do and the success that we are having.

**Prior to this, would you have ever paid for research yourself? And having seen what you have seen, would you pay for it in the future?**

I think at the right price with the right quality of respected research the answer would be yes. We have not paid for research in the past – we've thought about it and we've been approached about it but for various reasons it was something that was not right for us at the time.

I think the fact that the London Stock Exchange has put together a programme to support companies is a great idea and I think that we would be prepared to support it going forward.

I think that it has got to be a problem for investors to not have good quality research coverage on companies. I mean, how are they going to find out about them and how are they going to feel comfortable that these are they types of companies they should be investing in?

**Do you think the estimated price of around £10,000 per year is a fair one?**

For a company that reports quarterly with trading updates and other news – that has got to represent at least four if not more updates to coverage – I think it sounds very reasonable.

**Were you happy with what the researchers produced?**

Yes, I think they did a very good job. My understanding is they use a common template and it has certainly got a lot of information in that template. Probably more so than you would find in an initiation piece.

*Ben Hobson, SmallCapNews.co.uk*