

7th September 2016

TMT

Worldpay

Price 294.40p

Ship Global has sold an aggregate of 350m shares, i.e. a 17.5% stake at 282p

Fair Value 278p (-6%)

NEUTRAL

Bloomberg	WPG LN
Reuters	WPG.L
12-month High / Low (p)	316.8 / 240.0
Market Cap (GBPm)	5,888
Avg. 6m daily volume (000)	6,809

	1 M	3 M	6 M	31/12/15
Absolute perf.	-1.3%	5.2%	-1.9%	-4.2%
Softw.& Comp.				
SVS	3.7%	9.2%	13.0%	7.4%
DJ Stoxx 600	2.4%	2.1%	2.2%	-4.5%

	2015	2016e	2017e	2018e
P/E	42.5x	26.0x	22.1x	18.3x
Div yield (%)	NM	1.0%	0.9%	1.2%

FACTS

- Ship Global 2 & Cy (a company jointly-owned by funds managed by Advent International and Bain Capital) has just announced it has sold an aggregate of 350m ordinary Worldpay shares at a price of 282p/share (a discount of 4.2% vs. yesterday's closing price), namely c.17.5% of the company's issued ordinary share capital (c. GBP987m). Any of the shares held by Ship Global 2 which are not sold in the placing will be subject to a 90-day lock-up period. Ship Global 2 will cease to be entitled to appoint directors to the board of the company on completion of the sale of the Placing Shares.
- As a reminder, the last stake sold by Advent International and Bain Capital was last April (a 13.8% stake for GBP740m, at a price of 269p/share)

ANALYSIS

- As we wrote in our last report, it was likely that the two private equity funds (564.5m shares, i.e. 28.2% of Worldpay share capital with a lock-up period ended on 10th July) sell part of or their entire stake during autumn (September/December). We now know that Ship Global 2 will continue to hold c.10.7% of the issued share capital of Worldpay (c.214.5m ordinary shares).

VALUATION

- We maintain our **Neutral recommendation and our FV at 278p**. Despite our far-from-pessimistic estimates, the share is not cheap, even taking into account only EV/EBITDA (it trades at 18.0x in FY16e whereas in our SOTP it deserves 16.1x taking into account a 12.5% premium on the UK).

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