

0000950170-24-1259226-K Paysafe Ltd 2024111320241113070042070043070043 0 0000950170-24-125922 6-K 2 20241113 20241113 20241113 Paysafe Ltd 0001833835 7389 0000000000 DO 1231 6-K 34 001-40302 241451123 2 GRESHAM STREET LONDON X0 EC2V 7AD 4402038849226 2 GRESHAM STREET LONDON X0 EC2V 7AD 6-K 1 psfe_er_q324.htm 6-K 6-K Â Â UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549 FORM 6-K REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 OF THE SECURITIES EXCHANGE ACT OF 1934 For the month of November 2024 Commission File No. 001-40302 PAYSAFE LIMITED Â (Translation of registrantâ€™s name into English) Paysafe Limited 2 Gresham Street London, United Kingdom EC2V 7AD (Address of Principal Executive Offices) (Zip Code) Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F. Â Form 20-F âˆš Form 40-F âˆš Â Â Information Contained in this Form 6-K Report On November 13, 2024, Paysafe Limited issued a press release announcing its financial condition and results of operations for the quarter ended September 30, 2024. A copy of the press release is furnished as Exhibit 99.1 to this report on Form 6-K. The information contained in this report and the exhibit hereto shall not be deemed to be â€œfiledâ€ for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the â€œExchange Actâ€), or otherwise subject to the liabilities of that section, and shall not be deemed incorporated by reference into any filings made by Paysafe Limited under the Securities Act of 1933, as amended, or the Exchange Act, except as may be expressly set forth by specific reference in such filing. Financial Statements and Exhibits Exhibits Â Exhibit Â Description Â Â 99.1 Â Press Release, dated November 13, 2024 Â Â 1 Â SIGNATURES Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereto duly authorized. Date: November 13, 2024 PAYSAFE LIMITED Â Â Â Â By: /s/ John Crawford Â Name: John Crawford Â Title: Chief Financial Officer Â Â 2 EX-99.1 2 psfe-ex99_1.htm EX-99.1 EX-99.1 Â Exhibit 99.1 Â PAYSAFE REPORTS THIRD QUARTER 2024 RESULTS; REAFFIRMS FULL YEAR OUTLOOK Â Â London, UK â€œ November 13, 2024 â€œ Paysafe Limited (â€œPaysafeâ€ or the â€œCompanyâ€) (NYSE: PSFE), a leading payments platform, today announced its financial results for the third quarter of 2024. Â Third Quarter 2024 Financial Highlights (Metrics compared to third quarter of 2023, unless otherwise noted) â€¢Revenue of \$427.1 million, increased 8%; increased 7% on a constant currency basis â€¢Total Payment Volume of \$37.5 billion, increased 7% â€¢Net loss of \$13.0 million, or (\$0.21) per diluted share, compared to net loss of \$2.5 million, or (\$0.04) per diluted share â€¢Adjusted net income of \$31.4 million, or \$0.51 per diluted share, compared to \$35.3 million, or \$0.57 per diluted share â€¢Adjusted EBITDA of \$117.8 million, increased 1%; increased 1% on a constant currency basis â€¢Net leverage1 decreased to 4.7x as of September 30, 2024, compared to 5.0x as of December 31, 2023 Â Bruce Lowthers, CEO of Paysafe, commented: â€œI am happy to report on behalf of our team another healthy quarter for Paysafe. Revenue growth continues to be strong this year, reaching 8% for the third quarter and year-to-date, demonstrating execution on our strategic priorities and our focus on delivering higher quality, sustainable revenue growth, while investing in the business and progressively reducing net leverage. We are pleased to reaffirm our full year financial outlook for 2024 and we remain confident that we are taking the right actions to drive continued momentum in 2025 and beyond.â€ Â Â Full Year 2024 Financial Guidance Â (\$ in millions) (unaudited) Â Full Year 2024 Â Revenue Â \$1,713 - \$1,729 Â Adjusted EBITDA Â \$471 - \$484 Â Recent Strategic and Operational Highlights â€¢Welcomed John Crawford as our new Chief Financial Officer who brings more than 25 years of financial leadership experience with a strong background in the payments industry â€¢2024 initiatives remain on track or ahead of schedule; welcomed 170 new hires to Paysafe's sales team year-to-date, expanding Paysafe's go-to-market capabilities â€¢Paysafe's eCommerce channel continues to grow double-digits driven by strong demand within our iGaming vertical in North America â€¢Launched a partnership with Revolut to offer cash deposits for Revolut's UK customers with plans to expand to other markets in EEA Â Â Â (1)Paysafe defines net leverage as net debt (total debt less cash and cash equivalents) divided by the sum of the last twelve months (LTM) Adjusted EBITDA. For the period ended September 30, 2024, total debt was \$2,431.4 million and cash and cash equivalents was \$241.4 million, and LTM Adjusted EBITDA was \$470.5 million. For the period ended December 31, 2023, total debt was \$2,501.8 million and cash and cash equivalents was \$202.3 million, and LTM Adjusted EBITDA was \$458.7 million. Â 1 Â Third Quarter of 2024 Summary of Consolidated Results Â Â Â Â Three Months Ended Â Â Nine Months Ended Â Â Â September 30, Â Â September 30, Â (\$ in thousands) (unaudited) Â 2024 Â Â 2023 Â Â 2024 Â Â 2023 Â Revenue Â \$ 427,103 Â Â \$ 396,410 Â Â \$ 1,284,765 Â Â \$ 1,186,597 Â Gross Profit (excluding depreciation and amortization) Â \$ 249,004 Â Â \$ 232,333 Â Â \$ 752,468 Â Â \$ 696,967 Â Net loss Â \$ (12,977) Â Â \$ (2,549) Â Â \$ (11,351) Â Â \$ (8,122) Â Â Â Â Â Â Â Â Â Â Adjusted EBITDA Â \$ 117,787 Â Â \$ 116,076 Â Â \$ 348,709 Â Â \$ 336,922 Â Adjusted net income Â \$ 31,372 Â Â \$ 35,272 Â Â \$ 102,957 Â Â \$ 103,026 Â Â Total revenue for the third quarter of 2024 was \$427.1 million, an increase of 8%, compared to \$396.4 million in the prior year period, reflecting 7% growth in total payment volume. Excluding a \$1.4 million favorable impact from changes in foreign exchange rates, total revenue increased 7%. Revenue from the Merchant Solutions segment increased 11%, reflecting double-digit growth in e-commerce as well as growth from small and medium-sized businesses ("SMBs") driven by initiatives to expand our sales capabilities and optimize the portfolio. Revenue from the Digital Wallets segment increased 4% both as reported and in constant currency, supported by ongoing initiatives related to product and consumer engagement as well as growth from merchants onboarded in 2023. Â Net loss for the third quarter increased to \$13.0 million, compared to \$2.5 million in the prior year period, largely reflecting an increase in other expenses due to a loss on foreign exchange. Â Adjusted net income for the third quarter decreased 11% to \$31.4 million, compared to \$35.3 million in the prior year period, reflecting an increase in depreciation and amortization expense as well as an increase in the adjusted effective tax rate. Â Adjusted EBITDA for the third quarter was \$117.8 million, an increase of 1%, compared to \$116.1 million in the prior year period, primarily reflecting revenue growth, partially offset by incremental expenses related to previously announced initiatives to expand the sales team and optimize the portfolio. Â Third quarter operating cash flow was \$81.9 million, compared to \$102.2 million in the prior year period, which was mainly driven by movements in working capital. Unlevered free cash flow was \$89.9 million, compared to \$110.3 million in the prior year period. Â Balance Sheet As of September 30, 2024, total cash and cash equivalents were \$241.4 million, total debt was \$2.4 billion and net debt was \$2.2 billion. Compared to December 31, 2023, total debt decreased by \$70.4 million, reflecting net repayments of \$72.5 million as well as movement in foreign exchange rates. Â Â Â Â 2 Â Summary of Segment Results Â Â Â Three Months Ended Â Â Â Nine Months Ended Â Â Â September 30, Â Â YoY Â Â September 30, Â Â YoY Â Â (\$ in thousands) (unaudited) Â 2024 Â Â 2023 Â Â change Â Â 2024 Â Â 2023 Â Â change Â Â Revenue: Â Â Â Â Â Â Â Â Â Â Merchant Solutions Â \$ 241,142 Â Â \$ 216,847 Â Â Â 11 % Â \$ 727,518 Â Â \$ 651,066 Â Â Â 12 % Â Digital Wallets Â \$ 190,930 Â Â \$ 182,855 Â Â Â 4 % Â \$ 571,060 Â Â \$ 543,382 Â Â Â 5

[illegible]

\$ (0.04) \$ (0.19) \$ (0.13) Net loss \$ (12,977) \$ (2,549) \$ (11,351) \$ (8,122) Other comprehensive (loss) / income, net of tax of \$0: Gain / (loss) on foreign currency translation 18,108 (8,853) 4,441 1,525 Total comprehensive income / (loss) \$ 5,131 \$ (11,402) \$ (6,910) \$ (6,597) Paysafe Limited Consolidated Net Loss per share \$ Three Months Ended \$ Nine Months Ended \$ September 30, \$ September 30, \$ 2024 \$ 2023 \$ 2024 \$ 2023 \$ Numerator (\$ in thousands) \$ \$ \$ \$ \$ \$ Net loss - basic \$ (12,977) \$ (2,549) \$ (11,351) \$ (8,122) \$ \$ \$ \$ Net loss - diluted \$ (12,977) \$ (2,549) \$ (11,351) \$ (8,122) Denominator (in millions) \$ \$ \$ \$ \$ \$ Weighted average shares " basic 60.7 61.6 61.0 61.3 \$ \$ \$ \$ Weighted average shares " diluted 60.7 61.6 61.0 61.3 Net loss per share \$ \$ \$ \$ \$ \$ Basic \$ (0.21) \$ (0.04) \$ (0.19) \$ (0.13) \$ (0.13) \$ (0.04) \$ (0.19) \$ (0.13) 6 Paysafe Limited Condensed Consolidated Balance Sheets (unaudited) (\$ in thousands) September 30, 2024 December 31, 2023 Assets Current assets Cash and cash equivalents \$ 241,381 \$ 202,322 Customer accounts and other restricted cash 1,052,698 1,295,947 Accounts receivable, net of allowance for credit losses of \$6,673 and \$5,240, respectively 180,298 162,081 Settlement receivables, net of allowance for credit losses of \$4,661 and \$5,197, respectively 157,828 171,224 Prepaid expenses and other current assets 65,971 74,919 Total current assets 1,698,176 1,906,493 Deferred tax assets 77,273 77,273 Property, plant and equipment, net 22,567 17,213 Operating lease right-of-use assets 38,251 22,120 Derivative financial assets 4,794 10,427 Intangible assets, net 1,038,937 1,163,935 Goodwill 2,029,948 2,023,402 Other assets " non-current 11,900 6,838 Total non-current assets 3,223,670 3,321,208 Total assets \$ 4,921,846 \$ 5,227,701 Liabilities and equity Current liabilities Accounts payable and other liabilities \$ 205,386 \$ 202,699 Short-term debt 10,190 10,190 Funds payable and amounts due to customers 1,252,369 1,477,017 Operating lease liabilities " current 7,592 8,233 Contingent consideration payable " current 9,884 11,828 Liability for share-based compensation " current 6,494 2,701 Total current liabilities 1,491,915 1,712,668 Non-current debt 2,421,228 2,491,643 Operating lease liabilities " non-current 34,725 16,963 Deferred tax liabilities 92,590 111,705 Warrant liabilities 1,342 1,423 Derivative financial liabilities " non-current 377 " Liability for share-based compensation " non-current 2,320 3,108 Contingent consideration payable " non-current 325 6,878 Total non-current liabilities 2,552,907 2,631,720 Total liabilities 4,044,822 4,344,388 Commitments and contingent liabilities Total shareholders' equity 877,024 883,313 Total liabilities and shareholders' equity \$ 4,921,846 \$ 5,227,701 Paysafe Limited Condensed Consolidated Statements of Cash Flow (unaudited) Nine Months Ended September 30, (\$ in thousands) 2024 2023 (1) Cash flows from operating activities Net loss \$ (11,351) \$ (8,122) Adjustments for non-cash items: Depreciation and amortization 208,006 197,046 Unrealized foreign exchange loss 7,139 4,907 Deferred tax (benefit) / expense 17,751 17,453 Interest expense, net 1,662 5,392 Share-based compensation 35,015 23,061 Other income, net 6,939 19,828 Impairment expense on goodwill and intangible assets 795 275 Allowance for credit losses and other 28,841 13,857 Loss on disposal of subsidiary and other assets, net 508 " Non-cash lease expense 6,718 6,686 Movements in working capital: Accounts receivable, net (42,214) (15,857) Prepaid expenses and other current assets (7,635) (1,332) Accounts payable and other liabilities (7,769) (26,623) Income tax receivable 3,208 (24,485) Net cash flows from operating activities 194,909 172,430 Cash flows in investing activities Purchase of property, plant & equipment (11,434) (12,129) Purchase of merchant portfolios (7,224) (26,749) Other intangible asset expenditures (68,409) (69,393) Cash inflow / (outflow) from merchant reserves 6,510 (24,400) Receipts under derivative financial instruments 7,234 7,520 Other investing activities, net 1,958 (410) Net cash flows used in investing activities (71,365) (125,561) Cash flows from financing activities Cash settled equity awards " (484) Proceeds from exercise of warrants " 5 Repurchases of shares withheld for taxes (6,641) (7,857) Proceeds from employee share purchase plan 159 " Purchase of treasury shares (25,000) " Settlement funds - merchants and customers, net (220,123) (527,798) Repurchase of borrowings (80,253) (124,344) Proceeds from loans and borrowings 159,291 90,138 Repayments of loans and borrowings (124,916) (68,592) Payment of debt issuance costs (491) " Proceeds under line of credit 650,000 675,000 Repayments under line of credit (675,000) (675,000) Contingent consideration paid (8,949) (9,210) Net cash flows used in financing activities (331,923) (648,142) Effect of foreign exchange rate changes 4,189 (7,809) Decrease in cash and cash equivalents, including customer accounts and other restricted cash during the period \$ (204,190) \$ (609,082) Cash and cash equivalents, including customer accounts and other restricted cash at beginning of the period 1,498,269 2,127,195 Cash and cash equivalents at end of the period, including customer accounts and other restricted cash \$ 1,294,079 \$ 1,518,113 Nine Months Ended September 30, 2024 2023 Cash and cash equivalents \$ 241,381 \$ 226,451 Customer accounts and other restricted cash 1,052,698 1,291,662 Total cash and cash equivalents, including customer accounts and other restricted cash \$ 1,294,079 \$ 1,518,113 8 (1) During the fourth quarter of 2023, the Company elected to change its presentation of the cash flows associated with "Settlement receivables, net" and "Funds payable and amounts due to customers" from operating activities, to present them as financing activities within its Consolidated Statements of Cash Flows. Comparative amounts have been recast to conform to current period presentation. These recasts had no impact on the Consolidated Statements of Comprehensive Loss, Consolidated Statements of Financial Position or Consolidated Statements of Shareholders' Equity. 9 Non-GAAP Financial Measures To supplement the Company's condensed consolidated financial statements presented in accordance with generally accepted accounting principles, or GAAP, the company uses non-GAAP measures of certain components of financial performance. This includes Gross Profit (excluding depreciation and amortization), Adjusted EBITDA, Unlevered free cash flow, Adjusted net income, Adjusted net income per share, and Net leverage which are supplemental measures that are not required by, or presented in accordance with, accounting principles generally accepted in the United States ("U.S. GAAP"). Gross

Profit (excluding depreciation and amortization) is defined as revenue less cost of services (excluding depreciation and amortization). Management believes Gross Profit to be a useful profitability measure to assess the performance of our businesses and ability to manage cost. Adjusted EBITDA is defined as net income/(loss) before the impact of income tax (benefit)/expense, interest expense, net, depreciation and amortization, share-based compensation, impairment expense on goodwill and intangible assets, restructuring and other costs, loss/(gain) on disposal of a subsidiaries and other assets, net, and other income/(expense), net. These adjustments also include certain costs and transaction items that are not reflective of the underlying operating performance of the Company. Management believes Adjusted EBITDA to be a useful profitability measure to assess the performance of our businesses and improves the comparability of operating results across reporting periods. Adjusted net income excludes the impact of certain non-operational and non-cash items. Adjusted net income is defined as net income/(loss) attributable to the Company before the impact of other non-operating income / (expense), net, impairment expense on goodwill and intangible assets, restructuring and other costs, accelerated amortization of debt fees, amortization of acquired assets, loss/(gain) on disposal of subsidiaries and other assets, share-based compensation, discrete tax items and the income tax (benefit)/expense on these non-GAAP adjustments. Adjusted net income per share is adjusted net income as defined above divided by adjusted weighted average dilutive shares outstanding. Management believes the removal of certain non-operational and non-cash items from net income enhances shareholders' ability to evaluate the Company's business performance and profitability by improving comparability of operating results across reporting periods. Unlevered free cash flow is defined as net cash flows provided by/used in operating activities, adjusted for the impact of capital expenditure, payments relating to restructuring and other costs and cash paid for interest. Capital expenditure includes purchases of property plant & equipment and purchases of other intangible assets, including software development costs. Capital expenditure does not include purchases of merchant portfolios. Management believes unlevered free cash flow to be a liquidity measure that provides useful information about the amount of cash generated by the business. Net leverage is defined as net debt (gross debt less cash and cash equivalents) divided by the last twelve months Adjusted EBITDA. Management believes net leverage is a useful measure of the Company's credit position and progress towards leverage targets. Management believes the presentation of these non-GAAP financial measures, including Gross Profit, Adjusted EBITDA, Unlevered free cash flow, Adjusted net income, Adjusted net income per share, and Net leverage when considered together with the Company's results presented in accordance with GAAP, provide users with useful supplemental information in comparing the operating results across reporting periods by excluding items that are not considered indicative of Paysafe's core operating performance. In addition, management believes the presentation of these non-GAAP financial measures provides useful supplemental information in assessing the Company's results on a basis that fosters comparability across periods by excluding the impact on the Company's reported GAAP results of acquisitions and dispositions that have occurred in such periods. However, these non-GAAP measures exclude items that are significant in understanding and assessing Paysafe's financial results or position. Therefore, these measures should not be considered in isolation or as alternatives to revenue, net income, cash flows from operations or other measures of profitability, liquidity or performance under GAAP. You should be aware that Paysafe's presentation of these measures may not be comparable to similarly titled measures used by other companies. In addition, the forward-looking non-GAAP financial measure of Adjusted 10 EBITDA provided herein have not been reconciled to the comparable GAAP measure due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliations. We have reconciled the historical non-GAAP financial measures presented herein to their most directly comparable GAAP financial measures. A reconciliation of our forward-looking non-GAAP financial measures to their most directly comparable GAAP financial measures cannot be provided without unreasonable effort because of the inherent difficulty of accurately forecasting the occurrence and financial impact of the adjusting items necessary for such reconciliations that have not yet occurred, are out of our control, or cannot be reasonably predicted. For the same reasons, we are unable to address the probable significance of the unavailable information, which could be material to future results.

Reconciliation of GAAP Net Loss to Adjusted EBITDA

	Three Months Ended	Nine Months Ended	September 30,	September 30,
	2024	2023	2024	2023
Net loss	\$ (12,977)	\$ (2,549)	\$ (11,351)	\$ (8,122)
Income tax (benefit) / expense	(2,948)	17,018	9,558	27,442
Interest expense, net	35,546	38,421	107,646	112,639
Depreciation and amortization	70,088	67,074	207,028	197,046
Share-based compensation expense	12,690	4,938	35,015	23,061
Impairment expense on goodwill and intangible assets	119		795	275
Restructuring and other costs	340	835	1,520	4,165
Loss on disposal of subsidiaries and other assets, net	187		508	
Other expense / (income), net	14,742	(9,661)	(2,010)	(19,584)
Adjusted EBITDA	\$ 117,787	\$ 116,076	\$ 348,709	\$ 336,922

Reconciliation of Operating Cash Flow to Non-GAAP Unlevered Free Cash Flow

	Three Months Ended	Nine Months Ended	September 30,	September 30,
	2024	2023	2024	2023
Net cash inflows from operating activities	\$ 81,934	\$ 102,216	\$ 194,909	\$ 172,430
Capital expenditure	(24,950)	(25,696)	(79,843)	(81,522)
Cash paid for interest	32,246	32,363	109,308	107,247
Payments relating to Restructuring and other costs	655	1,397	4,706	30,562
Unlevered Free Cash Flow	\$ 89,885	\$ 110,280	\$ 229,080	\$ 228,717

Adjusted EBITDA 116,076 348,709 336,922 (1) During the fourth quarter of 2023, the Company elected to change its presentation of "Settlement receivables, net" and "Funds payable and amounts due to customers" from operating activities to present them as financing activities within its Consolidated Statements of Cash Flows. As a result, the reconciling item related to "Movements in customer accounts and other restricted cash" is no longer required in the unlevered free cash flow reconciliation. Comparative amounts have been recast to conform to current period presentation.

Reconciliation of GAAP Gross Profit to Non-GAAP Gross Profit (excluding depreciation and amortization)

	Three Months Ended	Nine Months Ended	September 30,	September 30,
	2024	2023	2024	2023
Revenue	\$ 427,103	\$ 396,410	\$ 1,284,765	\$ 1,186,597
Cost of services (excluding depreciation and amortization)	178,099	164,077	532,297	489,630
Depreciation and amortization	70,088	67,074	207,028	197,046
Gross Profit	\$ 178,916	\$ 165,259	\$ 545,440	\$ 499,921
Depreciation and amortization	70,088	67,074	207,028	197,046
Gross Profit (excluding depreciation and amortization)	\$ 249,004	\$ 232,333	\$ 752,468	\$ 696,967

(1) Gross Profit has been calculated as revenue, less cost of services and depreciation and amortization. Gross profit is not presented within the Company's consolidated financial statements.

Reconciliation of GAAP Net Loss to Adjusted Net Income

	Three Months Ended	Nine Months Ended
	2024	2023
Net loss	\$ (12,977)	\$ (2,549)
Income tax (benefit) / expense	(2,948)	17,018
Interest expense, net	35,546	38,421
Depreciation and amortization	70,088	67,074
Share-based compensation expense	12,690	4,938
Impairment expense on goodwill and intangible assets	119	
Restructuring and other costs	340	835
Loss on disposal of subsidiaries and other assets, net	187	
Other expense / (income), net	14,742	(9,661)
Adjusted Net Income	\$ 117,787	\$ 116,076

Months Ended September 30, 2024 September 30, 2023 (\$ in thousands) 2024 2023

Net loss \$ (12,977) \$ (2,549) \$ (11,351) \$ (8,122) Other non operating expense / (income), net (1) 17,062 (7,274) 5,424 (12,852) Impairment expense on goodwill and intangible assets 119 795 275 Amortization of acquired assets (2) 33,721 34,094 100,851 101,862 Restructuring and other costs 340 835 1,520 4,165 Loss on disposal of subsidiaries and other assets, net 187 508 Share-based compensation expense 12,690 4,938 35,015 23,061 Discrete tax items (3) (2,046) 14,313 8,027 25,198 Income tax expense on non-GAAP adjustments (4) (17,724) (9,085) (37,832) (30,561) Adjusted net income \$ 31,372 \$ 35,272 \$ 102,957 \$ 103,026 (in millions) Weighted average shares - diluted 60.7 61.6 61.0 61.3 Adjusted diluted impact 1.3 0.1 0.8 0.3 Adjusted weighted average shares - diluted 62.0 61.7 61.8 61.6

(1) Other non-operating expense / (income), net primarily consists of income and expenses outside of the Company's operating activities, including, fair value gain / loss on warrant liabilities and derivatives, gain / loss on repurchases of debt, gain / loss on foreign exchange and the release of certain provisions.

(2) Amortization of acquired asset represents amortization expense on the fair value of intangible assets acquired through various Company acquisitions, including brands, customer relationships, software and merchant portfolios.

(3) Discrete tax items mainly represent (a) valuation allowance benefit / (expense) recorded on deferred tax assets representing a benefit of \$(766) and an expense of \$10,780 for the three months ended September 30, 2024 and 2023, respectively, and expenses of \$8,540 and \$15,533 for the nine months ended September 30, 2024 and 2023, respectively (b) measurement period adjustments which were \$0 and \$3,117 for the three months ended September 30, 2024 and 2023, respectively, and (\$382) and \$4,199 for the nine months ended September 30, 2024 and 2023, respectively, and (c) discrete tax expense on share-based compensation, which would not have been incurred as share-based compensation expense is removed from adjusted net income, of \$55 and \$236 for the three months ended September 30, 2024 and 2023, respectively, and \$2,527 and \$3,977 for the nine months ended September 30, 2024 and 2023, respectively. The remaining discrete tax items mainly relate to the movement in uncertain tax provisions relating to prior years.

(4) Income tax expense on non-GAAP adjustments reflects the tax expense on each taxable adjustment using the current statutory tax rate of the applicable jurisdiction specific to that adjustment.

Adjusted Net Income per Share

Three Months Ended	Nine Months Ended	September 30, 2024	September 30, 2023
Numerator (\$ in thousands)			
Adjusted net income - basic	\$ 31,372 \$ 35,272 \$ 102,957 \$ 103,026		
Adjusted net income - diluted	\$ 31,372 \$ 35,272 \$ 102,957 \$ 103,026		
Denominator (in millions)			
Weighted average shares "basic"	60.7 61.6 61.0 61.3		
Adjusted weighted average shares "diluted" (1)	62.0 61.7 61.8 61.6		
Adjusted net income per share	\$ 0.52 \$ 0.57 \$ 1.69 \$ 1.68		
Diluted	\$ 0.51 \$ 0.57 \$ 1.67 \$ 1.67		

(1) The denominator used in the calculation of diluted adjusted net income per share for the three and nine months ended September 30, 2024 and 2023 includes the dilutive effect of the Company's restricted stock units.