



Investor Presentation

August 2024

 **team internet.**
group plc



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- 01 — **Business profile**
- 02 Financial highlights
- 03 Strategy and outlook

What we do

A leading global internet solutions company, operating in two highly attractive markets: Digital Audience Matching (Online Marketing segment) and Digital Identity Solutions (Online Presence segment)

Online Marketing

Matches audiences across walled gardens by harnessing AI and first-party data. Our OM² vision guides the expansion of audiences and demand sources.

Recurring revenue model

Rolling open-ended revenue share contracts



Gross Revenue:	\$ 312.5 million	Visitor sessions ¹ :	6.1 billion
H1 2023: \$ 304.4 million		LTM H1 2023: 5.3 billion	
Net revenue/gross profit:	\$ 65.0 million	Revenue per thousand Sessions (RPM) ¹ :	\$ 88
H1 2023: \$ 61.8 million		LTM H1 2023: \$ 100	

Online Presence

Empowers businesses and individuals worldwide to create, maintain, and protect their digital identities, starting the journey with a domain name. Serves its global subscriber base through both direct and indirect channels.

Recurring revenue model

Annual subscriptions



Gross Revenue:	\$ 97.2 million	Processed domain registration years ² :	13.4 million
H1 2023: \$ 92.0 million		LTM H1 2023: 13.8 million	
Net revenue/gross profit:	\$ 32.7 million	Average revenue per domain year ² :	\$ 11.9
H1 2023: \$ 29.4 million		LTM H1 2023: \$ 10.5	

Note:

(1) Based on analysis of c.81% of the OM segment which can be adequately and reliably described by this KPI (only TONIC. and ParkingCrew)

(2) Based on analysis of c.86% of the OP segment which can be adequately and reliably described by this KPI

TIG operates Digital Audience Matching platforms in the leading monetisation categories

Traffic Acquisition



PPC

PAY PER CLICK

TIG acquires traffic by placing ads on social media, search engines, advertising networks and content websites

+ Intent



Traffic Monetisation Models



Intent -

1



PPA

PAY PER ACTION

2



PPC

PAY PER CLICK

3



PPM

PAY PER THOUSAND AD IMPRESSIONS

Awareness-based ads (under development)

Conversion Stage: the objective is to close a deal



Consideration Stage: the objective is to be considered by a prospective customer

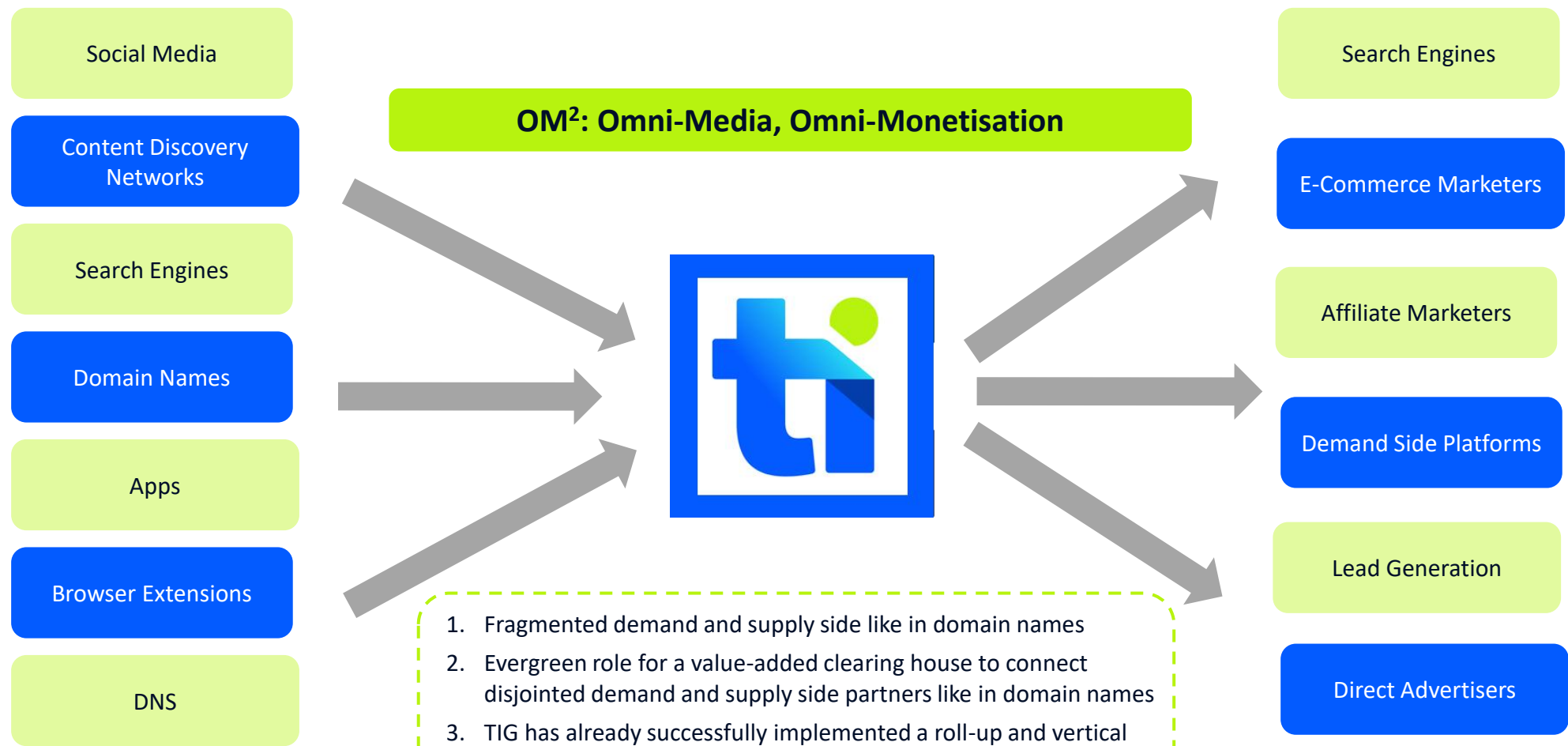
TONIC.

Awareness Stage: the objective is to get noticed by consumers



First-Party Intent Data (under development)

OM²: Omni-media, Omni-monetisation vision – Replicating the Online Presence success story in a vastly larger vertical



1. Fragmented demand and supply side like in domain names
2. Evergreen role for a value-added clearing house to connect disjointed demand and supply side partners like in domain names
3. TIG has already successfully implemented a roll-up and vertical integration in domain names
4. Online Marketing industry is incomparably larger than Online Presence with a TAM estimated at \$740 billion in 2024¹

Notes: (1) Statista estimates Digital Advertising market to reach \$740 billion in 2024

Online Marketing segment is capitalising on irreversible mega trends

Ascendance of social media



- Social media platforms (Facebook, Instagram, TikTok) transformed content creation and consumption via User-Generated Content (UGC)
- Social media is challenging search engines' dominance
- Our strategy harnesses the engagement potential of UGC on social media

Advent of data privacy



- Consumer data protection regulations drive advertisers to favour search engines versus social media
- Search engines benefit from users expressing intent through search queries
- Although consumers increasingly spend more time on social media, advertisers prefer search ads, leading to a click price spread
- Our TONIC. platform bridges surplus demand on search engines and excess supply on social media

Audience Matching



- Successful conversion management can lead to significant rewards for players able to validate and redirect traffic across monetisation platforms
- One emerging trend sees risks shifting from advertisers to publishers, moving from PPC to PPA
- Many advertisers continue to raise brand awareness with cost-effective display ads (PPM)
- Investments in companies like VGL Publishing and Shinez have positioned us to benefit from different permutations of risk transformation

Number of Active Social Media Users¹

(in millions)	2013	2018	2024
facebook	757	1,523	3,065
X	218	298	611
Instagram	150	1,115	2,000
TikTok	-	271	1,582

Select Key Events

Date	Event
June 2017	Safari and Firefox block third-party cookies with Intelligent Tracking Prevention
March 2021	End of auto opt-in for IDFA on iOS 14.5 and later versions
October 2021	End of auto opt-in for AAID2 on Android 12 and later versions

Team Internet Strategic Positioning

Date	Event
March 2022	Team Internet acquires VGL Publishing with a Pay Per Action revenue model where advertisers pay for a completed sale
April 2024	Team Internet acquires Shinez where advertisers pay for display ads (PPM)

Notes: (1) Source: Statista, company data



Online Presence segment aims to optimise the domain name industry for greater efficiency

Optimising for efficiency



- The Online Presence segment aims to streamline the domain name industry
- There are approximately 1,500 Top Level Domains (TLDs), including generic, country code, and new TLDs and 4,000 ICANN-accredited domain registrars who manage the domain names
- If each registrar aimed to provide every TLD, it would require managing six million contracts, technical integrations, and monthly billing tasks
- By connecting registrars to TLDs through our platform, we can cut tasks by nearly 99.9%
- Team Internet’s position as the European #1 and Global #2 domain industry clearinghouse solidifies our prominent role in the sector



Move towards “exotic” domain names



- Limited availability and rising prices of .com domains is leading to increased demand for country code TLDs and new TLDs
- Since our expertise lies in country code TLDs and new TLDs, we are able to capitalise on this market dynamic
- The emergence of AI can help in identifying premium domain names in emerging TLDs, and the proliferation of AI content farms can further boost domain creation rates, providing additional revenue opportunities for Team Internet



Committed to excellence



- Team Internet prioritises customer service excellence across all businesses, notably in the Online Presence segment
- We consistently exceed targets set in customer service level agreements (SLAs) and internal KPI benchmarks
- We aim for a maximum one-minute wait time and 20-minute chat time, along with a 90% customer satisfaction score for queries resolved via chat, consistently meeting and surpassing these targets
- We proudly maintain a Trustpilot rating of 4.6/5, showcasing our commitment to deliver high-quality customer service

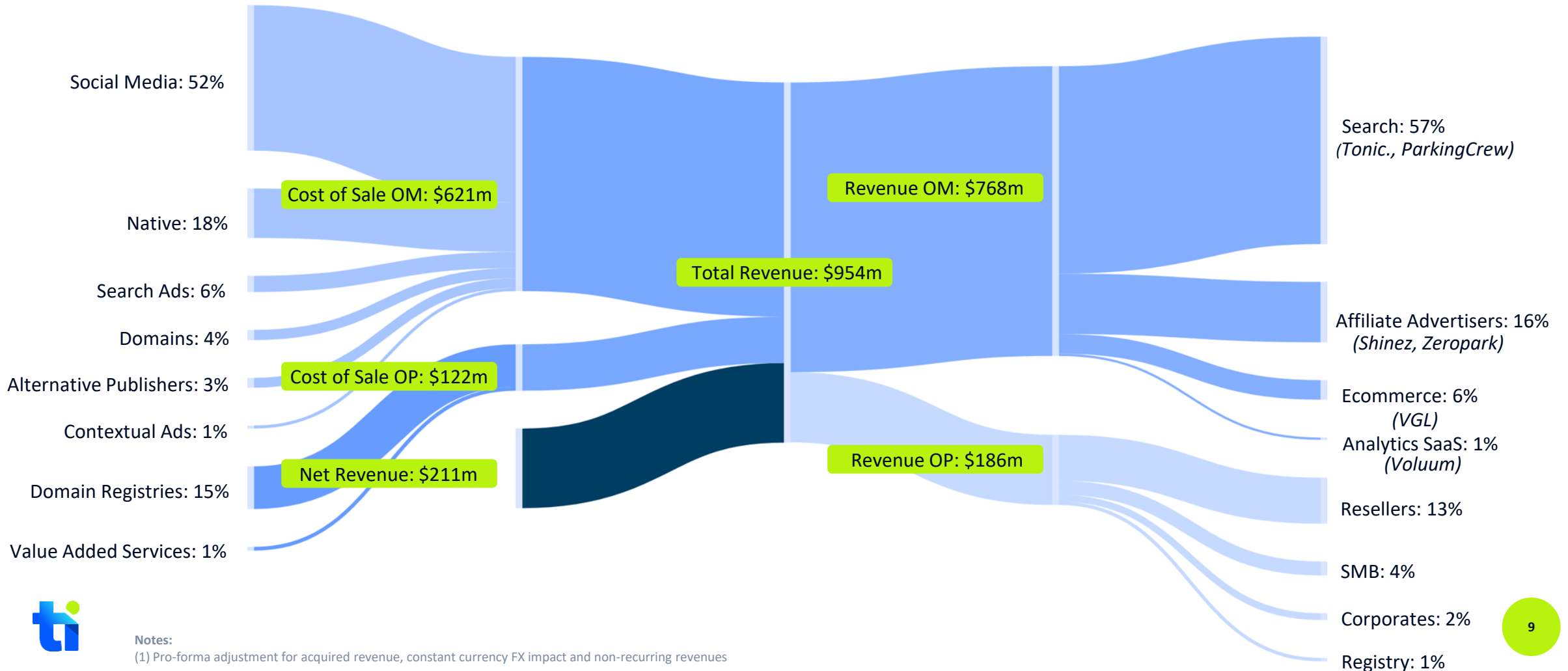
Notes:

Glossary of Terms: ICANN - Internet Corporation for Assigned Names and Numbers; TLDs - Top Level Domains



Team Internet creates a vibrant, symbiotic ecosystem, connecting a vast supply with substantial demand

H1'24 PF¹ value flows, Sankey presentation

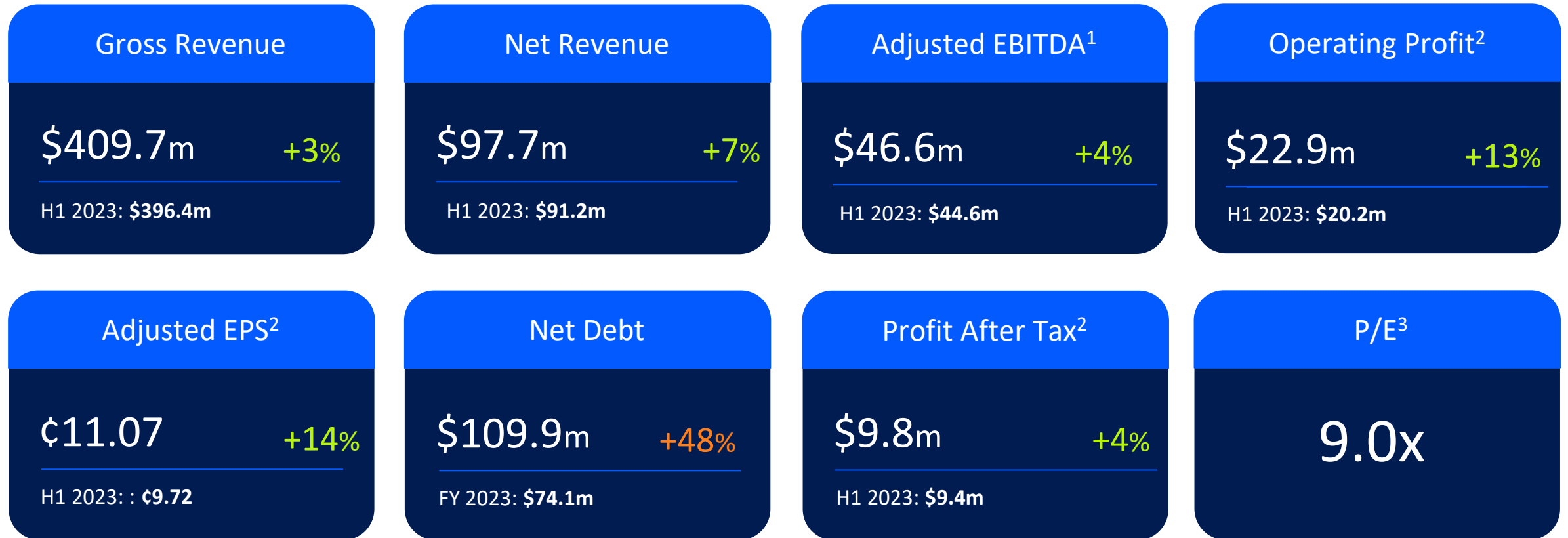


Notes:
(1) Pro-forma adjustment for acquired revenue, constant currency FX impact and non-recurring revenues



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Persistent focus on bottom line profitability leads to increase in EBITDA and EPS



Notes:

(1) Earnings before interest, tax, depreciation, amortisation, impairment, non-core operating expenses, foreign exchange gains and losses and share-based payment expenses

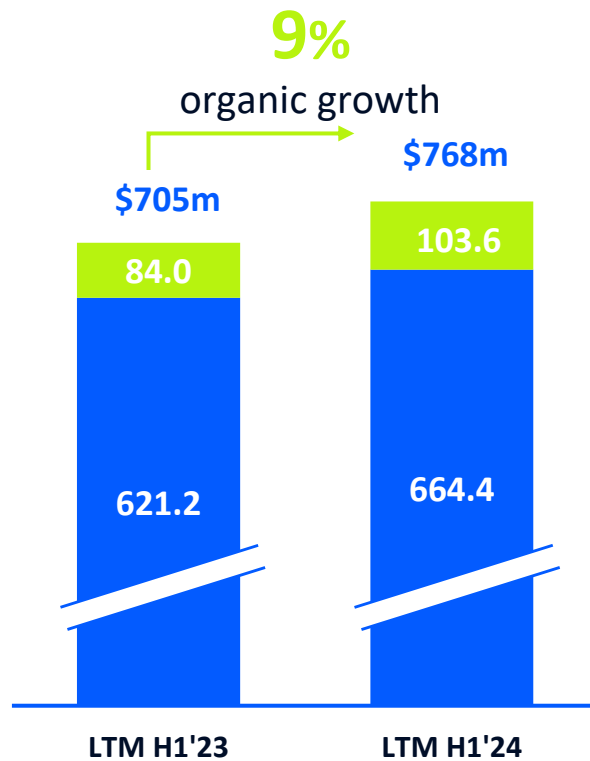
(2) Prior year figures have been re-stated

(3) Based on Analyst Consensus for FY24 Basic Adj. EPS of 26.77 cents as of August 9, 2024 and TIG share price as of August 9, 2024

9% Group organic revenue growth for LTM H1 2024

Strong value propositions make for strong growth

Online Marketing



■ Reported Revenue (\$,m)
 ■ Pro-forma Adjustment (\$,m) ¹

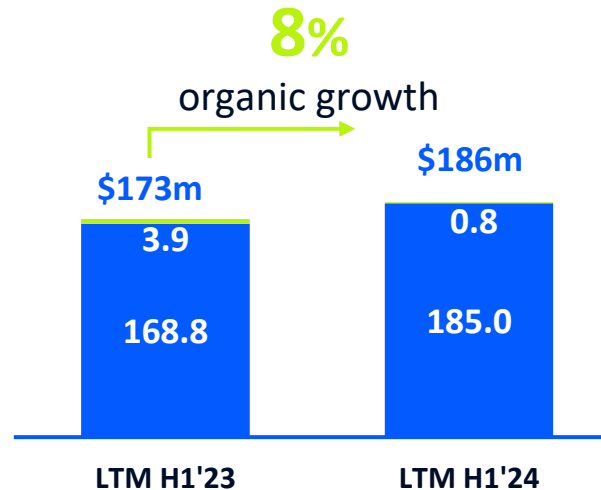
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(2) Based on analysis of c.81% of the segment which can be adequately and reliably described by this KPI (only Tonic. and ParkingCrew)

(3) Based on analysis of c.86% of this segment which can be adequately and reliably described by this KPI

Online Presence



■ Reported Revenue (\$,m)
 ■ Pro-forma Adjustment (\$,m) ¹

Operational KPIs

Online Marketing KPIs ²

	LTM H1'24	LTM H1'23	Δ
Visitor Sessions (bn):	6.1	5.3	16%
RPM (\$):	88	100	-12%

Online Presence KPIs ³

	LTM H1'24	LTM H1'23	Δ
Total domain years (m):	13.4	13.8	-3%
Revenue per year (\$):	11.9	10.5	13%

Income Statement

(\$, m)	H1 2024	H1 2023	% Change
Revenue	409.7	396.4	3%
Cost of Sales	(312.0)	(305.2)	
Net Revenue (Gross Profit)	97.7	91.2	7%
Gross Margin %	24%	23%	
Operating Expenses	(73.5)	(68.7)	7%
Share-Based Payment Expenses	(1.3)	(2.3)	
Operating Profit	22.9	20.2	13%
Adjusted EBITDA¹	46.6	44.6	4%
Depreciation	(1.3)	(1.5)	
Amortisation of Intangible Assets	(20.3)	(18.5)	
Non-Core Operating Expenses ²	(1.6)	(0.5)	
Foreign Exchange Gain/(Loss)	0.8	(1.6)	
Share-Based Payment Expenses	(1.3)	(2.3)	
Operating Profit	22.9	20.2	13%
Net Finance Costs	(8.5)	(6.9)	
Profit Before Taxation	14.4	13.3	8%
Income Tax Expense	(4.6)	(3.9)	
Profit After Taxation	9.8	9.4	4%

Notes:

(1) Earnings before interest, tax, depreciation, amortisation, impairment, non-core operating expenses, foreign exchange gains and losses and share-based payment expenses; (2) Non-core operating expenses include items related primarily to acquisition, integration and other related costs, which are not incurred as part of the underlying trading performance of the Group; Prior year figures have been re-stated

- Improved gross margin provide the basis of continued growth in bottom line profitability
- Finance costs secured – debt refinancing lowered the interest rate from 7% plus 3m EURIBOR to 2.75% above SOFR (USD)

Balance Sheet

(\$, m)	H1 2024	H1 ³ 2023	% Change
Non-Current Assets	360.3	350.3	3%
Current Assets	203.6	178.0	14%
Total Assets	563.9	528.3	7%
Non-Current Liabilities	232.4	188.2	23%
Current Liabilities	189.6	178.7	6%
Total Liabilities	422.0	366.9	15%
Total Equity	141.9	161.4	(12%)
Total Equity and Liabilities	563.9	528.3	7%

(\$, m)	H1 2024	FY 2023	% Change
Gross interest-bearing debt	197.0	166.6	18%
Financial Instruments¹	(0.9)	0.2	n.m.
Cash	(86.2)	(92.7)	(7%)
Net debt²	109.9	74.1	48%

Notes:

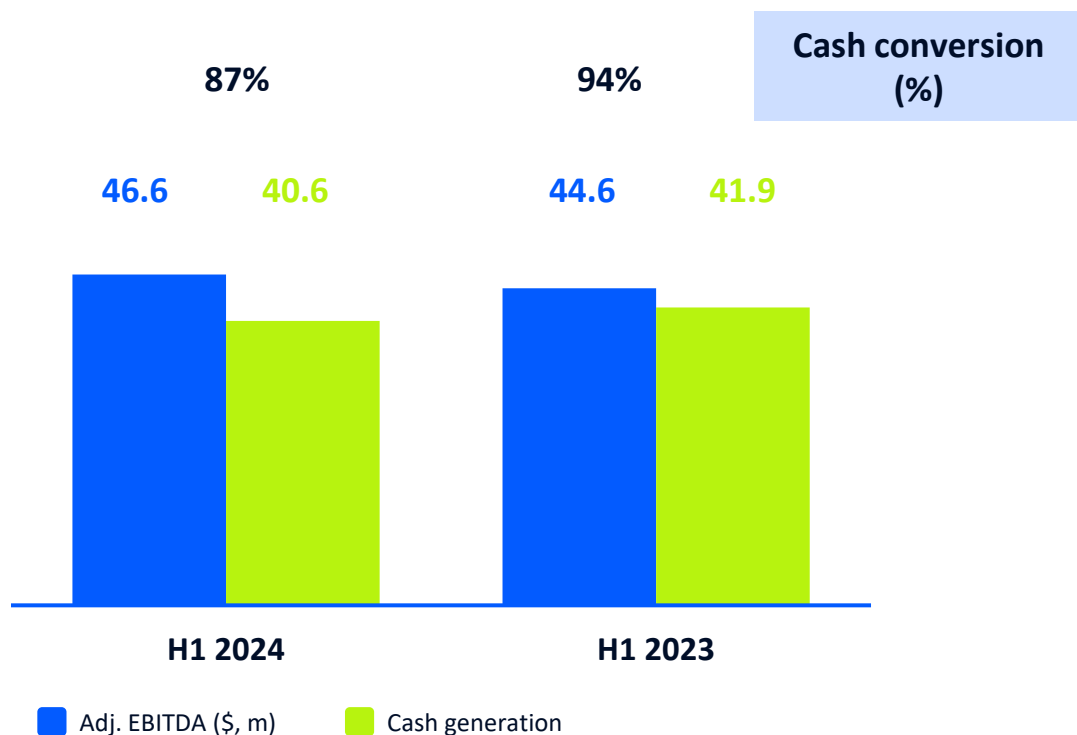
(1) Represents mark-to-market valuation of interest swaps, which fix the variable interest component of USD 75m of bank debt

(2) Includes gross cash, bank debt, prepaid finance costs and MTM valuation of interest rate swaps

(3) Prior year figures have been re-stated

- Net debt increased by USD 35.8m since FY 2023 following:
 - Acquisition of Shinez
 - Return of a further USD 11.9m cash to shareholders via the company's share buyback programme, with 7.5m shares repurchased during the period

Robust cash conversion



Notes:

(1) Adjusted Cash Conversion is defined as Adjusted Cashflow from Operations divided by Adj. EBITDA

Cash generation from operations

= **87%** of Adjusted EBITDA

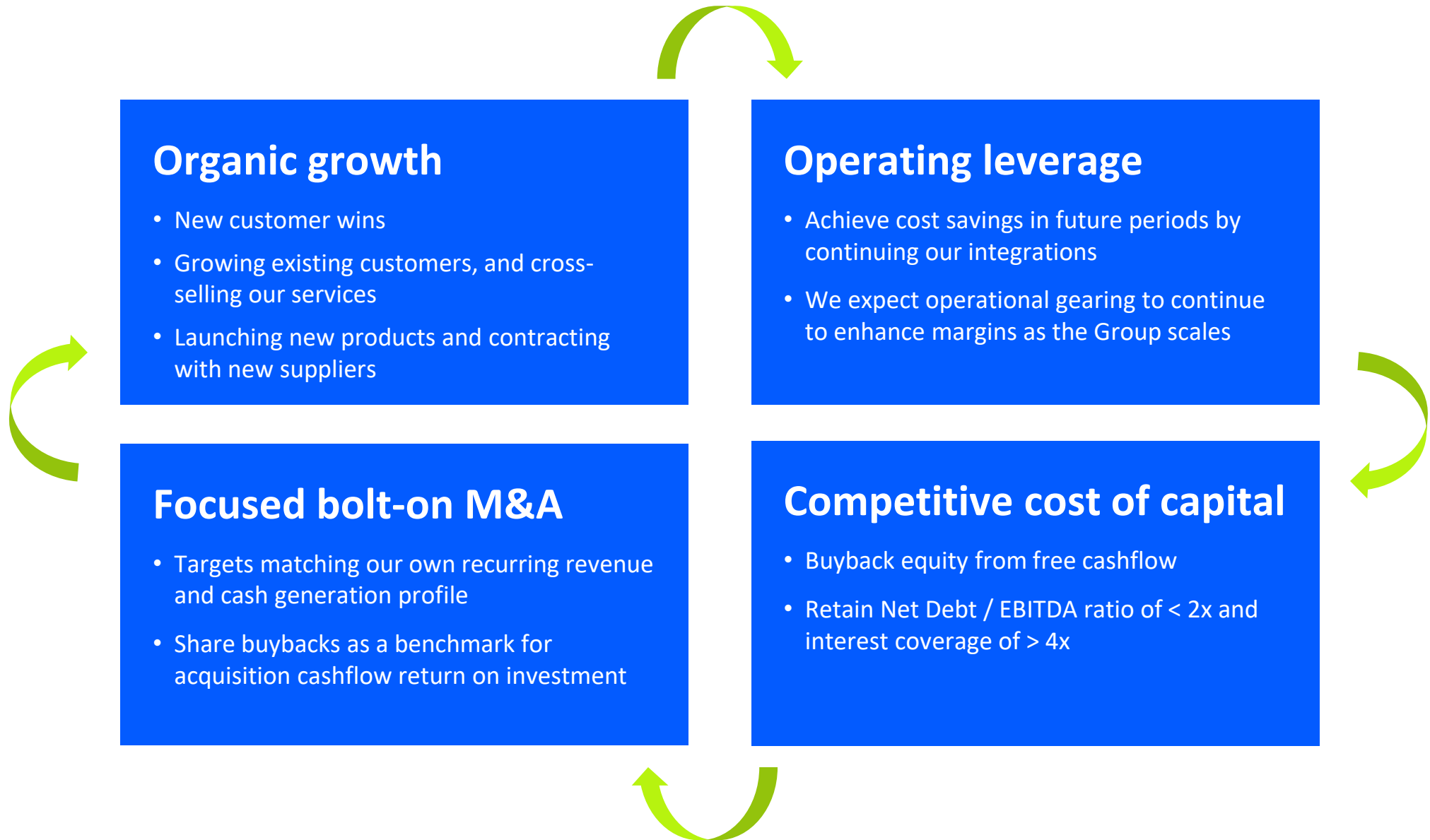
We expect this to continue to normalise nearer to 100%

	H1 2024	H1 2023
Adjusted Cashflow Bridge:		
Cashflow from operations	36.5	35.3
Exceptional costs	2.2	3.2
Settlement of working capital items	1.9	3.4
Adj. cashflow from operations	40.6	41.9
Adjusted EBITDA¹	46.6	44.6
Adjusted Cash Conversion %	87%	94%
Income tax paid	(5.1)	(2.4)
Purchase of PPE	(0.8)	(0.8)
Purchase of intangible assets	(3.5)	(3.8)
Lease principal repayments	(1.0)	(1.1)
Interest paid	(6.7)	(6.0)
Adj. free cashflow	23.5	27.8
Adjusted Free Cash Conversion %	50%	62%



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Strategic priority: creating a virtuous circle



What does the future journey for Team Internet look like?

01



More diversified revenue streams and supply sources

02



More vertically integrated

03



Living up to global leadership ambitions

04



Remaining firmly rooted in our core values and beliefs

At Team Internet, AI is seamlessly woven into the fabric of our daily operations



Raising the Floor

- Democratise AI knowledge within the organisation
- Equip all staff with skills to use AI tools
- Enhance overall productivity
- Commit to digital empowerment for every individual

- Algorithm-driven HR interviews save time, enhance efficiency, and standardise feedback by listening and then summarising, assigning actions and sharing feedback
- Proprietary machine learning in CRM analyses retail customer data, enabling targeted sales operations and saving agent time
- AI used to summarise and extract actions from client-customer care conversations to streamline ticket creation and save agent time
- AI Chatbots are designed and used on voluum.com; served 7,000+ customers and leads in six months



Raising the Ceiling

- Advanced training for engineers and data scientists
- Our objective is to expand the boundaries of AI
- Engaging in latest technologies and methodologies
- Our end goal is to develop superior products that exceed customers' expectations

- Customers provide a business or project description and AI generates matching options, checks availability, and presents matching domain names for purchase
- AI analyses domain purchases on a Team Internet retail website, verticals are extracted and AI is used to assign the most appropriate nTLDs to inform marketing-driven campaigns
- AI used to identify better contextualised keywords on passively monetised 'parked' domain names to optimise Earnings Per Click (EPC) and Click Through Ratio (CTR)
- AI used to build websites with content around a specific product, e.g. washing machines, to drive qualified leads to VGL



Raising Awareness

- AI Academy to nurture critical and creative thinking in senior leadership
- Foresee and navigate disruptions caused by AI and emergent technologies
- Ensure strategic resilience through training
- Leverage AI for innovative product design

- Proprietary machine learning optimises native ad placement by analysing third party websites' content and deploying matching advanced keywords on them for conversion maximisation (Adolutely)
- Proprietary machine learning algorithm identifies high-traffic potential expired domains, registers them, builds websites using templates, populates them with relevant content and native ads, and promotes its articles on social media, to drive qualified leads

Team Internet Outlook

- The Directors are pleased to confirm that the Group continues to be confident in its ability to **meet market expectations**¹
- With high cash reserves, strong operating cash generation, and committed credit facilities, the Company is fully funded to execute its strategy to **simultaneously invest in the future and return cash to shareholders**
- The Board intends to declare an **interim dividend of 1.0 pence** per ordinary share, subject to bank approval per the conditions of the Company's Facilities Agreement, which the Company expects to be granted. The Company will provide details on the proposed dividend timetable shortly



Notes:

(1) Analyst consensus of revenue and adjusted EBITDA for the financial year ending 31 December 2024 as of 9 August 2024 is USD 957.6 million (analyst range of USD 931.3 million to USD 983.6 million) and USD 108.9 million (analyst range of USD 105.4 million to USD 114.5 million) respectively

Thank you



Glossary of Terms

Adtech

An umbrella term for advertising technology

Artificial Intelligence or 'AI'

The theory and development of computer systems able to perform tasks normally requiring human intelligence, such as visual perception, speech recognition, decision-making, and translation between languages

Cost Per Click or 'CPC'

The price paid for each click in pay-per-click (PPC) marketing campaigns

Cost Per Thousand or 'CPM'

A marketing term that refers to the cost that an advertiser pays per one thousand advertisement impressions on a web page

Country Code Top-Level Domain or 'ccTLD'

An internet Top-Level Domain generally used or reserved for a country, a sovereign state, or a dependent territory e.g. .uk, .jp

Domain Name Registrar

An organisation or commercial entity that manages the reservation of internet domain names

Domain Name System or 'DNS'

A hierarchical distributed naming system for computers, services, or any resource connected to the internet or a private network

Domain Years

Number of domain years sold (number of domains x number of years). Used instead of number of domains as occasionally customers register or renew domain names for multiple years

Registry Operator

An entity that maintains the database of domain names for a given Top-Level Domain and generates the zone files which convert domain names to IP addresses. It is responsible for domain name allocation and technically operates its Top-Level Domain, sometimes by engaging a Registry Service Provider

Registry Service Provider

A company that performs the technical functions of a TLD on behalf of the TLD owner or licensee. The registry service provider keeps the master database and operates DNS servers to allow computers to route internet traffic using the DNS

Revenue Per Thousand or 'RPM'

A marketing term that refers to the revenue generated per one thousand advertisement impressions on a web page

Top-Level Domain or 'TLD'

The suffix attached to internet domain names e.g. .com, .net

Visitor Sessions

Number of times a domain was viewed

Appendix

In Online Marketing, Team Internet helps online consumers make informed choices – an evergreen purpose

01



Team Internet does so by creating **consumer journeys** that convert general interest media users into high conviction online consumers.

02



Team Internet engages by offering **contact points** on social media, publisher websites and search engines by placing ads¹ for broad categories.

03



Team Internet educates the online consumer through **easy to understand** advertorials and review websites.

04



By working with world leading aggregators, Team Internet has access to commercial inventory that **closely matches** the consumer's **intent**.

05



Team Internet is particularly good at this due to **machine learning** on billions of consumer interactions, providing superb insights into the psychology of online consumers.

What does this look like in real life?

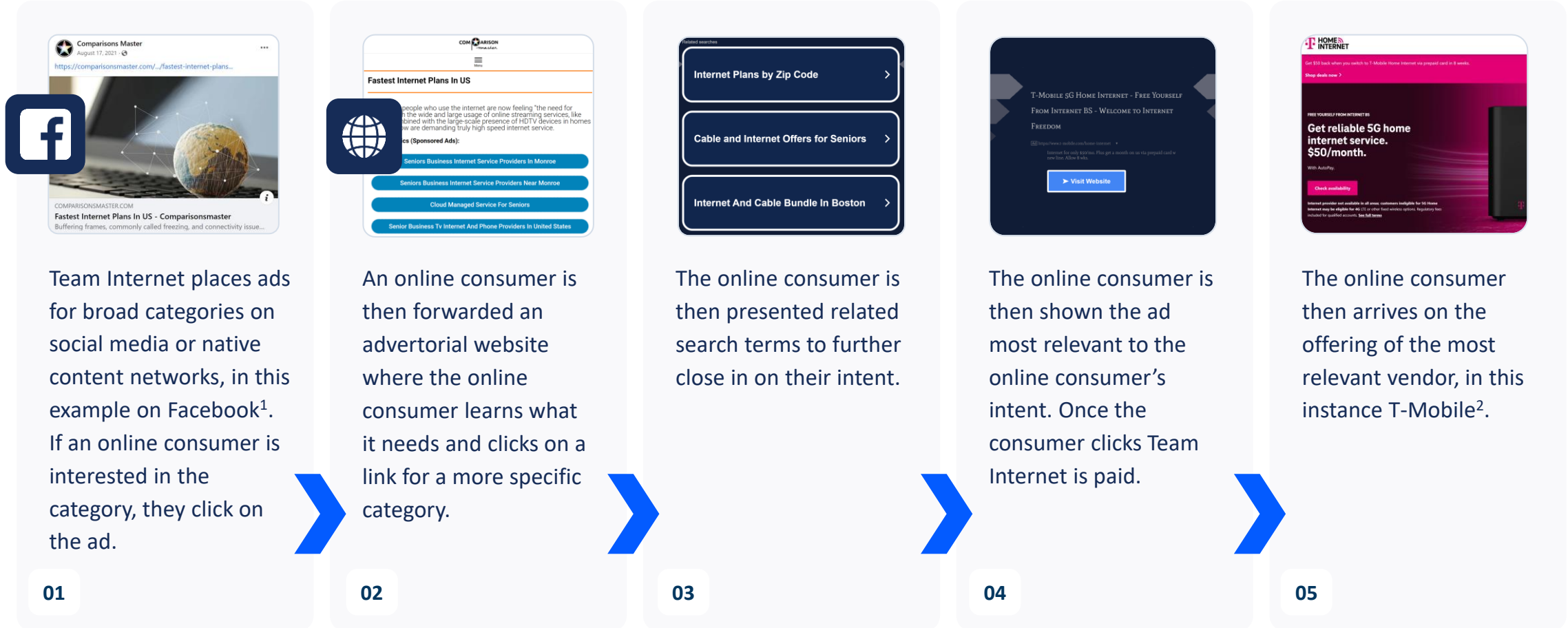


Note:

(1) Team Internet (and its syndication partners) place ads on social media, publisher websites and search engines

Consumers on social media are run through brief consumer guides before being referred to a recommended merchant

Social media user experience:

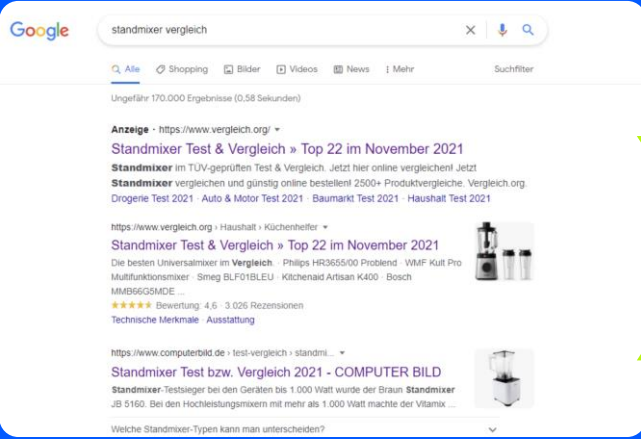


Note:

(1) Facebook is an example of a supplier. They provide traffic, and Team Internet pays for it; (2) T-Mobile is an example of a customer. Team Internet refers a customer and gets paid for it

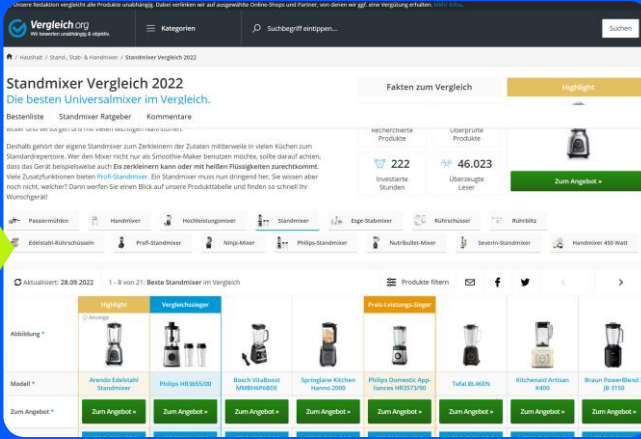
Search engine users are directed to review websites before buying the product of their choice at an ecommerce partner

Search engine user experience:



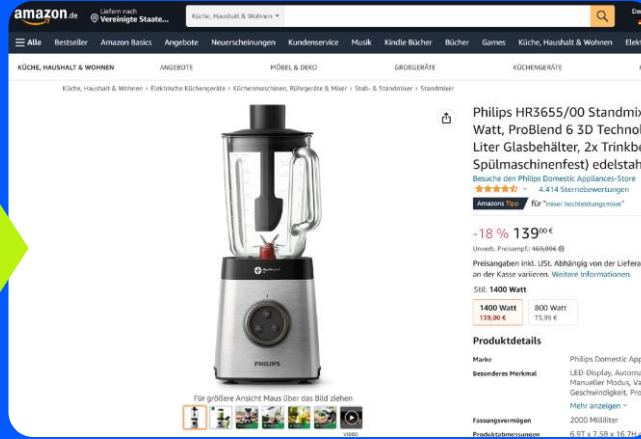
Team Internet places ads for product categories on search engines. Due to a vast inventory of high-quality product review content, Team Internet would also appear high in the organic search ranking.

01



The online consumer is then presented a choice of relevant products where we identify the best, the most affordable, the best price-quality and bestseller products – consumers are typically happy to adopt one of these four strategies.

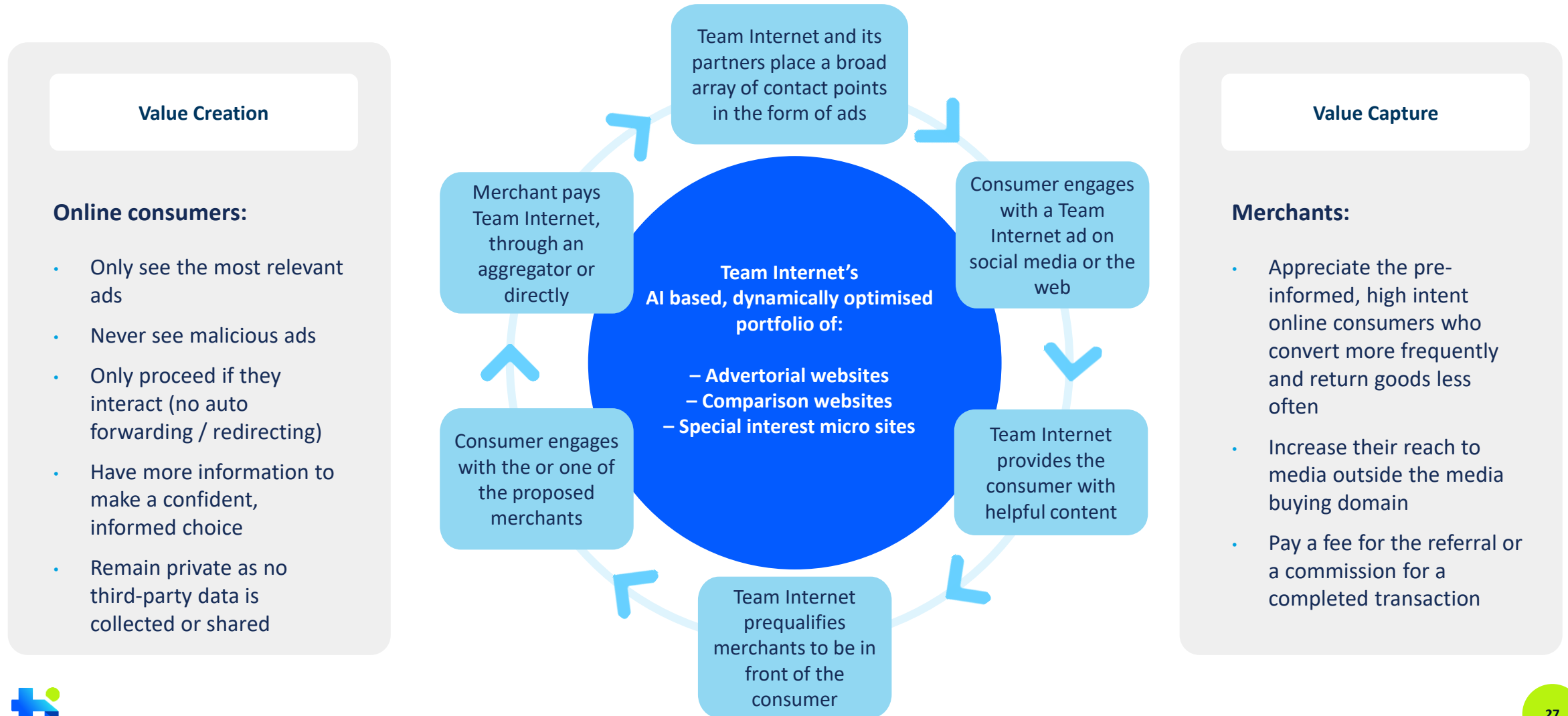
02



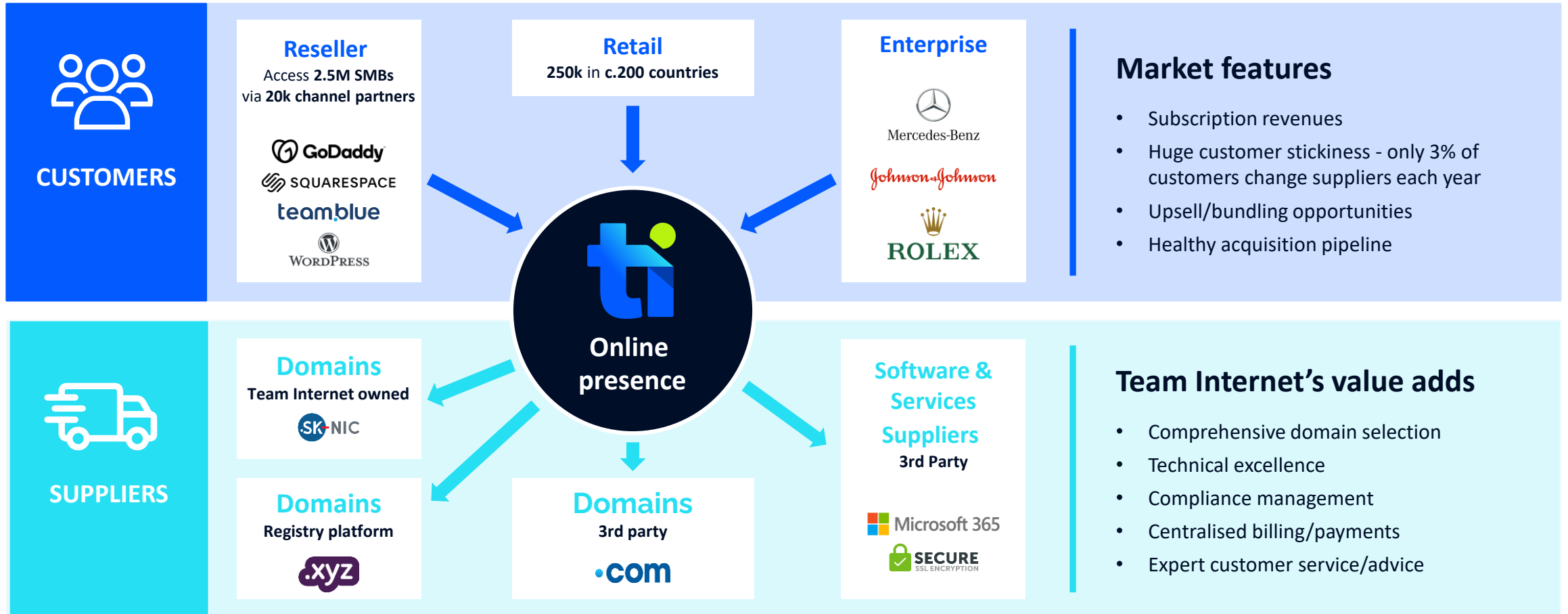
The online consumer then clicks out to the merchant with the offer that comes closest to their intent or need. When the consumer checks out of the ecommerce partner's site, Team Internet is paid.

03

Online consumers value the noise reduction and privacy – value is captured through commercial alliances



In Online Presence, Team Internet is a leading distribution channel for domains and one-stop shop for their users



Cashflow waterfall model aligns Team Internet's strategic priorities

Waterfall model

To ensure compatibility among Team Internet's strategic priorities, the Board intends to allocate the Group's free cash flow as follows:

- 1. Progressive dividend policy:** given the Group's maturity and resilience in volatile markets, the Directors have decided to implement a progressive dividend policy as a fundamental cash return. The dividend of 2.0 pence per share for 2023 (2022: 1.0 pence per share) represents approximately 11% of the year's free cash flow, providing ample room for growth and achieving other corporate objectives
- 2. Organic growth:** while all our business units have positive EBITDA, the Directors will consider investing in capital projects that drive the Group forward and yield returns above the cost of capital. These projects may include platform integration, content repository expansion, or international growth
- 3. Accretive bolt-on acquisitions:** Team Internet is the company we know best. Thus, acquiring any other company must provide higher returns than repurchasing our own equity. Investing free cash flow in accretive acquisitions also helps reduce leverage by increasing pro forma EBITDA
- 4. Share buybacks:** remaining free cash flow allows share buybacks within limits agreed upon with Shareholders, the banking pool and the debt repayment (net leverage) target described below. Shares may be reissued for acquisition purposes
- 5. Debt repayment:** if any funds remain, they will be allocated to reduce the Group's gross debt. If net leverage approaches the levels seen at the end of 2021, 2.0x net debt to EBITDA, the Group will prioritise debt reduction over share buybacks, using free cash flow for this purpose