

4 February 2025

Team Internet Group plc
("Team Internet" or the "Company", or the "Group")

FY 2024 Trading Update

Record operating cash flow, balanced earnings composition and new enhanced reporting segments

Team Internet Group Plc (AIM: TIG, OTCQX: TIGXF), the global internet company that generates recurring revenue from creating meaningful and successful connections: businesses to domains, brands to consumers, publishers to advertisers, announces its trading update for the full year 2024.

For the financial year 2024, the Company expects to report gross revenue of c.USD 803 million (2023: USD 837 million), net revenue (gross profit) of c.USD 188 million (2023: USD 191 million) and adjusted EBITDA¹ of c.USD 92 million (2023: USD 96 million).

Segment Highlights

The Group committed to providing greater information by reporting on the profitability of each reporting segment, as well as separating out our Comparison business, which has grown so favourably that it now qualifies as a separate reporting segment.

The Group's new reporting segments performed as follows during financial years 2023 and 2024:

12 months to 31 Dec	2024	2023	Growth
	USD million	USD million	%
Domains, Identity & Software (DIS) ^A			
Revenue	203	189	7%
Net revenue	74	68	9%
Adjusted EBITDA	19	13	46%
Comparison ^B			
Revenue	63	44	43%
Net revenue	23	16	44%
Adjusted EBITDA	17	9	89%
Search ^C			
Revenue	537	604	(11%)
Net revenue	91	107	(15%)
Adjusted EBITDA	56	74	(24%)
Total			
Revenue	803	837	(4%)
Net revenue	188	191	(2%)
Adjusted EBITDA	92	96	(4%)

Notes for new reporting segments

^A Comprises the former Online Presence segment and the Voluum SaaS business

^B Comprises VGL Publishing AG and its affiliates and businesses, operating product comparison websites such as Vergleich.org

^C Represents the former Online Marketing segment, less Comparison and Voluum

Key Operational Updates

Domains, Identity & Software (DIS)

DIS delivered above-market revenue growth of 7%, with expanding margins driving a 9% increase in net revenue and a 46% improvement in EBITDA, showcasing efficiency gains and operational leverage. As part of our strategy, Team Internet has consolidated its subscription-based platforms and Software-as-a-Service (SaaS) businesses into a streamlined offering.

Comparison

Our Comparison segment demonstrated exceptional performance, with revenue growth of 43% and EBITDA increasing by 89% year-on-year. The segment benefits from our AI-native platform, which has enabled faster internationalisation, including new launches in Italy, Spain, and a relaunch in France between mid-October and today. More country launches are scheduled for the current year.

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Search

As previously announced, the Search segment faced a challenging market in the second half of 2024, leading to a 15% contraction in net revenue. Despite these headwinds continuing, the Group has prioritised improved customer experience and brand trust over volume growth to strengthen long-term sustainability.

Capital Allocation and Financial Position

Net Debt² was c.USD 97 million as at 31 December 2024 compared to USD 74 million as at 31 December 2023.

This is after the impact of:

- USD 21 million of share repurchases;
- USD 10 million payments of dividends; and
- USD 32 million of acquisition consideration, net of cash acquired, during 2024.

Pertaining to the latter, the Group expects to record a non-cash impairment charge in respect of the acquisition of Shinez I.O Ltd. ("Shinez") in its audited FY 2024 accounts. Legal action against the sellers of Shinez is ongoing. The restructuring plan for Shinez, which is now under new management, includes transitioning Shinez' business model from text-based to short-form video, aligning with consumer trends.

Adjusted operating cash flow reached a record high of c.USD 95 million (2023: USD 93 million) representing an adjusted operating cash conversion of 103%, reflecting prudent management of working capital.

CEO, Michael Riedl, stated,

"We are reflecting on a year of significant developments for Team Internet. Despite modest contractions in Group revenue and EBITDA, we ended the year with record operating cash flow and the most balanced earnings composition in our history. This underscores the resilience and potential of our diversified business model.

Our DIS segment achieved above-market growth, while our Comparison segment showcased extraordinary results, driven by our cutting-edge AI-native platform. We are confident that our Search division's transition into a more content-rich consumer experience will ultimately set up the division for sustainable long-term growth.

Looking forward, we remain committed to delivering sustainable earnings growth and shareholder returns through disciplined capital allocation, including dividends and share buybacks. We are well-positioned to capitalise on growth opportunities across all segments."

¹ *Earnings before interest, tax, depreciation, amortisation, impairment, non-core operating expenses, foreign exchange gains and losses and share-based payment expenses. 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, and which are therefore adjusted for, in line with Group policy.*

² *Includes gross cash, interest-bearing debt, prepaid finance costs and debt-related hedging assets/liabilities.*

Note

As announced earlier today, Verdane Fund Manager AB is now required either to announce a firm intention to make an offer for Team Internet Group plc or to announce that it does not intend to make an offer by no later than 5.00 p.m. (London time) on 4 March 2025. Further announcements will be made as appropriate.

For further information:

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About Team Internet Group plc

Team Internet (AIM: TIG) creates meaningful and successful connections from businesses to domains, brands to consumers, publishers to advertisers, enabling everyone to realise their digital ambitions. The Company is a leading global internet solutions company that operates in two highly attractive markets: domain name management solutions (DIS segment) and high-growth digital advertising (Comparison and Search segments). The DIS segment is a critical constituent of the global online presence and productivity tool ecosystem, where the Company serves as the primary distribution channel for a wide range of digital products. The Company's Comparison and Search segments create privacy-safe and AI-generated online consumer journeys that convert general interest online media users into confident high conviction consumers through advertorial and review websites. The Company's high-quality earnings come from subscription recurring revenues in the DIS segment and revenue share on rolling utility-style contracts in the Comparison and Search segments.

For more information please visit: www.teaminternet.com

Appendix: Profit forecasts**Team Internet Profit Estimate for FY 2024**

- 1.1. The guidance in relation to FY 2024 included in this announcement constitutes an ordinary course profit estimate ("FY 2024 Profit Estimate") for the purposes of the City Code on Takeovers and Mergers (the "Code");

1.2. Basis of preparation

The basis of accounting used for the FY 2024 Profit Estimate is consistent with the Group's existing accounting policies, which are in accordance with UK-adopted International Accounting Standards and in accordance with the Companies Act 2006 and the accounting policies which were applied in the preparation of the Group's financial statements for the year ended 31 December 2023.

Although the financial period to which the FY 2024 Profit Estimate relates has been completed, the Company's audited accounts for the year ended 31 December 2024 are not available as at the date of this trading update. Accordingly, the FY 2024 Profit Estimate is based on the Company's unaudited interim results for the nine months ended 30 September 2024 and the Company's unaudited management accounts for the three months ended 31 December 2024.

1.3. Principal assumptions

- 1.4. In confirming the FY 2024 Profit Estimate remains valid, the directors of Team Internet have made the following principal assumptions in respect of the financial year ending 31 December 2024:

Factors outside the influence or control of the Company

- there will be no retrospective change in legislation or regulatory requirements that will have a material impact on the Company's operations.

Factors both outside and within the influence or control of the Company

- no events will arise between the date of this trading update and the date on which the Company announces its audited results for the financial year ended 31 December 2024, which would require incorporation in the FY 2024 results in accordance with UK-adopted International Accounting Standards and/or the Company's accounting policies.

1.5. Directors' confirmation

The Directors confirm that the FY 2024 Profit Estimate remains valid and that it has been properly compiled on the basis of the principal assumptions stated above and that the basis of accounting used is consistent with Team Internet's accounting policies set out above.

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