

Team Internet Group

Strategic review and trading update

Team Internet's trading update flagged that FY25 EBITDA is now expected to be \$40–45m (Edison \$60m previously), mainly due to the Search business, where legacy AFD revenues have dropped rapidly while uptake of RSoC is uneven while the product evolves. Having received a number of inbound approaches, a formal strategic review has been launched, and discussions are underway regarding divestment or strategic partnerships for all parts of the business in separate transactions. Our SOTP valuation based on listed peer multiples is now 63–76p per share, but we believe the break-up value of the business could be materially higher.

Year end	Revenue (\$m)	EBITDA (\$m)	PBT (\$m)	EPS (¢)	DPS (¢)	EV/EBITDA (x)	P/E (x)	Yield (%)
12/23	836.9	96.4	77.5	22.48	2.00	2.8	3.2	2.8
12/24e	802.8	91.9	71.4	21.18	1.00	2.9	3.4	1.4
12/25e	484.6	41.3	25.8	7.95	0.00	6.5	9.1	N/A
12/26e	510.9	46.0	32.0	9.83	0.00	5.9	7.4	N/A

Note: PBT and diluted EPS are normalised, excluding amortisation of acquired intangibles, share-based payments and exceptional items.

Difficult transition for Search

The Search division has been further disrupted by Google's policy changes. AdSense for Domains (AFD) revenue fell sharply in Q3, while uptake of Related Search on Content (RSoC) has been constrained by tighter Google compliance rules. Guidance for Search FY25 EBITDA is now \$8–10m (Edison previously \$21m). Trading at Comparison has improved from a weak Q1, but at a somewhat slower rate than forecast and EBITDA guidance is now \$11–13m (Edison previously \$14m). Domains, Identity and Software (DIS) remains solid, though the majority of revenue from newly won contracts will come online in FY26. EBITDA is suppressed by a higher allocation of central costs. FY25 EBITDA guidance now \$21–22m (Edison previously \$25m). We downgrade our group FY25 and FY26 EBITDA by 31% and 33%, respectively, with adjusted EPS reducing by 42% for both years.

Strategic review

The announcement of a strategic review is not unexpected, given management had previously indicated it would consider all options to enhance shareholder value. Several inbound approaches have been received, with discussions most advanced regarding DIS, the company's core asset. A tier-one advisor has been appointed to explore strategic options, including a potential divestment.

Valuation: Potential to unlock material upside

The board's assertion that DIS could command a valuation materially above the current market capitalisation is supported by our revised sum-of-the-parts analysis. Based on peer multiples, we value the group at 63–76p per share, with DIS alone worth around 57p per share, even before factoring in potential upside from synergies or the removal of central costs. Comparison and Search are harder to value given recent earnings volatility, but we see scope for value creation through international expansion at Comparison and increased uptake of RSoC at Search, while partnerships or M&A could unlock further synergies.

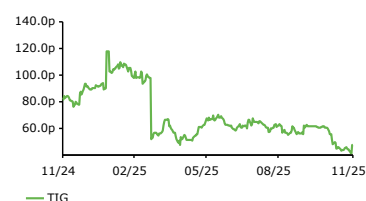
Trading update and strategic review

Software and comp services

12 November 2025

Price	55.00p
Market cap	£134m
	US\$1.32/£
Net cash/(debt) at 30 June 2025	\$(93.3)m
Shares in issue	246.2m
Free float	100.0%
Code	TIG
Primary exchange	AIM
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	(30.6)	(33.2)	(50.6)
52-week high/low		120.4p	44.5p

Business description

Team Internet Group is a global internet company that generates revenue through domain name distribution, online product comparison and AI-driven customer digital marketing solutions. The company's mission is to 'create meaningful connections' by enhancing user experiences and by fostering deeper engagement through innovative technology.

Next events

Deutsches Eigenkapitalforum	24-26 November 2025
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Divisional overview

Our divisional forecasts are shown below. At group level, our FY25 EBITDA estimate is \$41m (previously \$60m), which sits at the lower end of management's revised guidance of \$40–45m.

The majority of the downgrade comes from the Search division, where we have cut our EBITDA estimate to \$8m from \$21m. This implies the business will operate at broadly EBITDA break-even in H2. Visibility was always limited during the transition from AFD to RSoC. While AFD revenues held up relatively well in H1, they fell sharply in Q3 as Google accelerated the sunsetting of the platform. RSoC revenues grew over 200% sequentially in Q3 (albeit from a low base), but growth has been uneven, affected by tighter Google compliance rules designed to maintain a healthy environment. Management remains confident it is a good actor, but the changes required to monitor traffic and maintain compliance have demanded development work and temporarily suppressed growth.

It is important to note that Google's discontinuation of AFD has collapsed parked domain revenues across the industry. Competitors such as System1 and Ionos's Sedo have experienced similar weakness, with Ionos now classifying Sedo, its AdTech business, as an asset held for sale.

For DIS, we have reduced our FY25 EBITDA estimate to \$21m from \$25m. This reflects later-than-expected onboarding of certain large clients (including the .CO domain), a more cautious approach to guidance and a higher allocation of central costs which is based on net revenue. Nevertheless, prospects remain strong, and FY26 should benefit from a full year of .CO revenues and the initial uplift from ICANN's expansion of the internet domain system.

Trading at Comparison has improved since the weak Q1, but not as quickly as expected. As a result, EBITDA guidance is now \$11–13m versus our previous \$14m estimate. The proportion of international business continues to grow and is now contributing to EBITDA, albeit marginally. We expect a return to growth in FY25, driven by further international expansion, including the UK (which went live in H2) and the US (scheduled for launch in FY26).

Exhibit 1: Operating model by division

	FY23	FY24	FY25e	FY26e	Comment
Domains, Identity and Software (DIS)					
Revenue	189	203	197	206	Delays to new product/service launches suppress growth. FY25e run rate expectation unchanged.
Growth (y-o-y, %)	23%	7%	-3%	5%	
Gross Profit	68	74	73	76	
Gross Margin (%)	36%	36%	37%	37%	
EBITDA	13	19	21	25	Margin expansion driven by focus on quality, platform optimisation and rationalisation. Should continue beyond our forecast period. FY26 result suppressed by higher central cost allocation (revenue based).
EBITDA Margin	7%	10%	11%	12%	
Comparison					
Revenue	44	63	58	65	Improved H2 driven by the recovery from a weak Q1, but not as strong as anticipated. International showing progress but not yet contributing to EBITDA consistently. Q4 trading period will be key to outcome. Growth in international revenues means that the organic headroom for growth is the highest of all the divisions.
Growth (y-o-y, %)	0%	43%	-8%	13%	
Gross Profit	16	22	20	23	
Gross Margin (%)	36%	36%	34%	35%	
EBITDA	9	16	12	14	
EBITDA Margin	21%	26%	21%	21%	Margins steady. France, Italy, Spain moving into profitability offset by investment in new geographies – UK and US.
Search					
Gross Revenue	604	537	230	239	Rapid drop-off in AFD revenues in Q3. RSoC not growing fast enough to offset. Assume very little AFD in FY26.
Growth (y-o-y, %)	5%	-11%	-51%	4%	
Net Revenue	107	92	39	35	Operating around break-even in H2.
Gross Margin (%)	18%	17%	17%	15%	
EBITDA	74	56	8	7	
EBITDA Margin	12%	11%	3%	3%	
Group					
Group Revenues	837	803	485	511	
Growth (y-o-y, %)	15%	-4%	-40%	5%	
Gross Profit	191	188	132	134	
Gross Margin (%)	23%	23%	27%	26%	
Cash Opex	(95)	(96)	(90)	(88)	
Opex Growth		1%	-7%	-2%	
EBITDA	96	92	41	46	
Margin %	12%	11%	9%	9%	

Source: Team Internet Group accounts, Edison Investment Research

Estimate changes

Our estimate changes are shown below, with the lowering of FY25 forecasts across all three divisions resulting in a 31% downgrade to EBITDA and a 42% downgrade to adjusted EPS. Our FY25 net debt forecast of \$100m is less than the profitability downgrade might suggest, reflecting the fact that the Search division has the highest working capital requirements and therefore we expect an inflow this year.

Exhibit 2: Estimate changes

	Reported	Reported	Old	New	Change	Old	New	Change
US\$m	2023	2024	2025e	2025e		2026e	2026e	
Gross revenue	837	803	541	485	-10.4%	569	511	-10.2%
Gross Profit	191	188	151	132	-12.9%	160	134	-16.1%
Adjusted EBITDA	96	92	60	41	-31.1%	69	46	-33.3%
EBITDA Margin	11.5%	11.4%	11.1%	8.5%		12.1%	9.0%	
Profit Before Tax (norm)	81	71	44	26	-41.3%	56	32	-42.8%
Profit Before Tax (reported)	29	(9)	3	(15)	-609.5%	23	(0)	-100.4%
Net income (normalised)	67	52	32	18	-44.2%	40	22	-45.0%
Basic average number of shares outstanding (m)	272	254	245	245		246	246	
EPS - basic normalised (c)	23.2	21.4	13.9	8.1	-42.1%	17.2	9.9	-42.2%
EPS - diluted normalised (c)	22.4	21.2	13.7	8.0	-41.9%	17.0	9.8	-42.2%
Dividend (p)	2.0	1.0	0.0	0.0		0.0	0.0	
Closing net debt/(cash)	74	96	97	100	2.7%	72	95	31.3%

Source: Team Internet Group accounts, Edison Investment Research

Valuation

Our sum-of-the-parts valuation, based on listed peer multiples, suggests a fair value for the group in the range of 64–76p per share. We believe the break-up value of the business could be materially higher.

DIS is the most stable and predictable division, making it the easiest to value and the most likely to crystallise value in the near term. Peer analysis indicates a fair value of 58–62p per share for this business. In a takeover scenario, we believe DIS could command a meaningful premium to this rating. Potential cost synergies may apply, and we note that the current EBITDA figure includes an allocation of central costs. US peers also trade at substantially higher multiples.

Comparison and Search are harder to value due to their less predictable financial performances.

For Comparison, if the business delivers diversified, international growth, long-term prospects will become clearer and risk will reduce, justifying a higher rating than the peer multiple we have applied here.

For Search, we need evidence of sustainable growth in RSoC before we can confidently apply a multiple to forecast earnings. However, a c 5x EV/EBITDA multiple on what could be trough earnings seems reasonable in this context.

Exhibit 3: Listed peer multiples

Company	Ticker	Share price (local)	Exch currency	Market cap (local, m)	EV/sales (x)			EV/EBITDA (x)		
					FY24	FY25e	FY26e	FY24	FY25e	FY26e
Team Internet Group PLC	TIG.L	55	GBp	135	0.3	0.6	0.5	3.0	6.7	6.0
DIS										
GoDaddy Inc	GDDY.K	131	USD	17,764	4.5	4.2	3.9	19.3	13.3	12.2
VeriSign, Inc	VRSN.O	248	USD	22,957	15.5	14.6	13.9	22.0	20.2	19.0
Catena Media PLC	CATME.ST	2	SEK	168	0.2	0.2	0.2	1.6	1.1	0.8
iomart group PLC	IOMG.L	25	GBp	28	0.9	0.8	0.8	3.9	4.6	4.5
IONOS Group SE	IOSn.DE	29	EUR	4,105	3.5	2.8	2.6	11.9	9.3	8.3
Average					4.1	3.8	3.6	10.2	8.8	8.1
Median					3.5	2.8	2.6	11.9	9.3	8.3
Comparison										
Future PLC	FUTR.L	616	GBp	600	1.1	1.2	1.2	3.9	3.9	3.8
MONEY Group PLC	MONY.L	195	GBp	1,025	2.5	2.3	2.2	7.9	7.2	6.8
MoneyHero Ltd	MNY.O	1	USD	63	0.4	0.4	0.3	(1.3)	(5.1)	4.5
NerdWallet Inc	NRDS.O	14	USD	1,043	1.4	1.1	1.1	12.9	6.7	5.8
Kakaku.com Inc	2371.T	2,514	JPY	498,222	5.7	4.8	4.2	13.1	13.7	12.0
Average					2.2	1.9	1.8	7.3	5.3	6.6
Median					1.4	1.2	1.2	7.9	6.7	5.8
Search										
System1 Inc	SST	4	USD	44	0.7	0.9	0.7	(28.3)	5.1	4.4
Teads Holding Co	OB.O	1	USD	93	0.6	0.4	0.6	26.4	6.2	4.4
Trade Desk Inc	TTD.O	43	USD	20,920	8.0	6.7	5.8	37.8	16.5	14.4
Verve Group SE	VERVE.ST	21	SEK	4,266	2.1	1.7	1.5	6.3	6.3	5.3
Average					2.9	2.4	2.1	10.6	8.5	7.1
Median					1.4	1.3	1.1	16.3	6.3	4.9

Source: LSEG Data & Analytics consensus estimates, Edison Investment Research. Prices as of 11/11/2025

Exhibit 4: Sum-of-the-parts analysis

EBITDA (\$m)	FY24	FY25e	FY26e
Domains, Identity and Software (DIS)	19	21	25
Comparison	9	16	12
Search	56	8	7
Fair EBITDA Multiple (x)			
DIS	10	9	8
Comparison	8	7	6
Search	16	6	5
Fair Value (\$m) - based on peer median			
DIS		187	202
Comparison	nm	108	70
Search	nm	51	35
Implied SOTP Valuation			
Enterprise Value (\$m)	nm	346	306
Net Debt (est FY25) (\$m)	100		
Implied Market Cap (\$m)		246	207
Implied Market Cap (£m)		186	157
Implied Share Price (p)		76	64

Source: Edison Investment Research

Exhibit 5: Financial summary

31-Dec	\$'m	2023	2024	2025e	2026e
INCOME STATEMENT					
		IFRS	IFRS	IFRS	IFRS
Gross Revenue		837	803	485	511
Cost of Sales		(646)	(615)	(353)	(377)
Gross Profit (net revenue)		191	188	132	134
EBITDA		96	92	41	46
Normalised operating profit		93	89	38	42
Amortisation of acquired intangibles		(42)	(44)	(39)	(30)
Exceptionals		(1)	(36)	0	0
Share-based payments		(5)	(1)	(2)	(2)
Reported operating profit		46	8	(3)	10
Net Interest		(16)	(18)	(13)	(10)
Exceptionals		0	(36)	(3)	0
Profit Before Tax (norm)		77	71	26	32
Profit Before Tax (reported)		30	(9)	(15)	(0)
Reported tax		(5)	(8)	4	0
Profit After Tax (norm)		63	52	18	22
Profit After Tax (reported)		25	(18)	(12)	(0)
Minority interests		0	0	0	0
Net income (normalised)		63	52	18	22
Net income (reported)		25	(18)	(12)	(0)
Basic average number of shares outstanding (m)		272	254	245	246
EPS - basic normalised (c)		23.30	21.45	8.05	9.95
EPS - diluted normalised (c)		22.48	21.18	7.95	9.83
EPS - basic reported (c)		9.20	(6.97)	(4.77)	(0.03)
Dividend (p)		2.00	1.00	0.00	0.00
Revenue growth (%)		14.9	17.5	10.0	11.0
Gross Margin (%)		22.8	23.4	27.1	26.3
EBITDA Margin (%)		11.5	11.4	8.5	9.0
EBITDA/Net Revenue (%)		50.4	49.0	31.4	34.3
Normalised Operating Margin		11.1	11.1	7.9	8.2
BALANCE SHEET					
Fixed Assets		344	94	69	44
Intangible Assets		324	76	52	30
Tangible Assets		7	6	4	2
Investments & other		13	12	12	12
Current Assets		200	180	112	122
Stocks		0	0	0	0
Debtors		107	92	41	46
Cash & cash equivalents		93	88	70	75
Current Liabilities		188	174	118	114
Creditors		186	132	95	99
Short-term borrowings		0	0	0	0
Lease liabilities		2	1	1	1
Long-Term Liabilities		202	213	192	182
Long-term borrowings		167	185	170	170
Other long term liabilities		36	28	22	12
Net Assets		153	(112)	(130)	(130)
CASH FLOW					
Op Cash Flow before WC and tax		76	38	27	34
Working capital		(14)	(1)	13	(0)
Exceptional & other		20	54	15	12
Tax		(6)	(9)	(19)	(19)
Net operating cash flow		76	81	35	26
Capex		(10)	(10)	(8)	(9)
Acquisitions/disposals		(6)	(36)	(1)	0
Net interest received (paid)		(12)	(15)	(13)	(10)
Equity financing		0	(21)	(7)	0
Dividends		(4)	(10)	0	0
Other		(61)	(2)	(2)	(2)
Net Cash Flow		(17)	(12)	4	6
Opening net debt/(cash)		57	86	96	100
FX		3	(4)	4	0
Other non-cash movements		(15)	0	0	0
Closing net debt/(cash)		86	96	100	95

Source: Team Internet Group accounts, Edison Investment Research

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