MOI GLOBAL

Alejandro Estebaranz

Co-Investment Advisor, True Value

EUROPEAN Investing Summit

TRUE VALUE

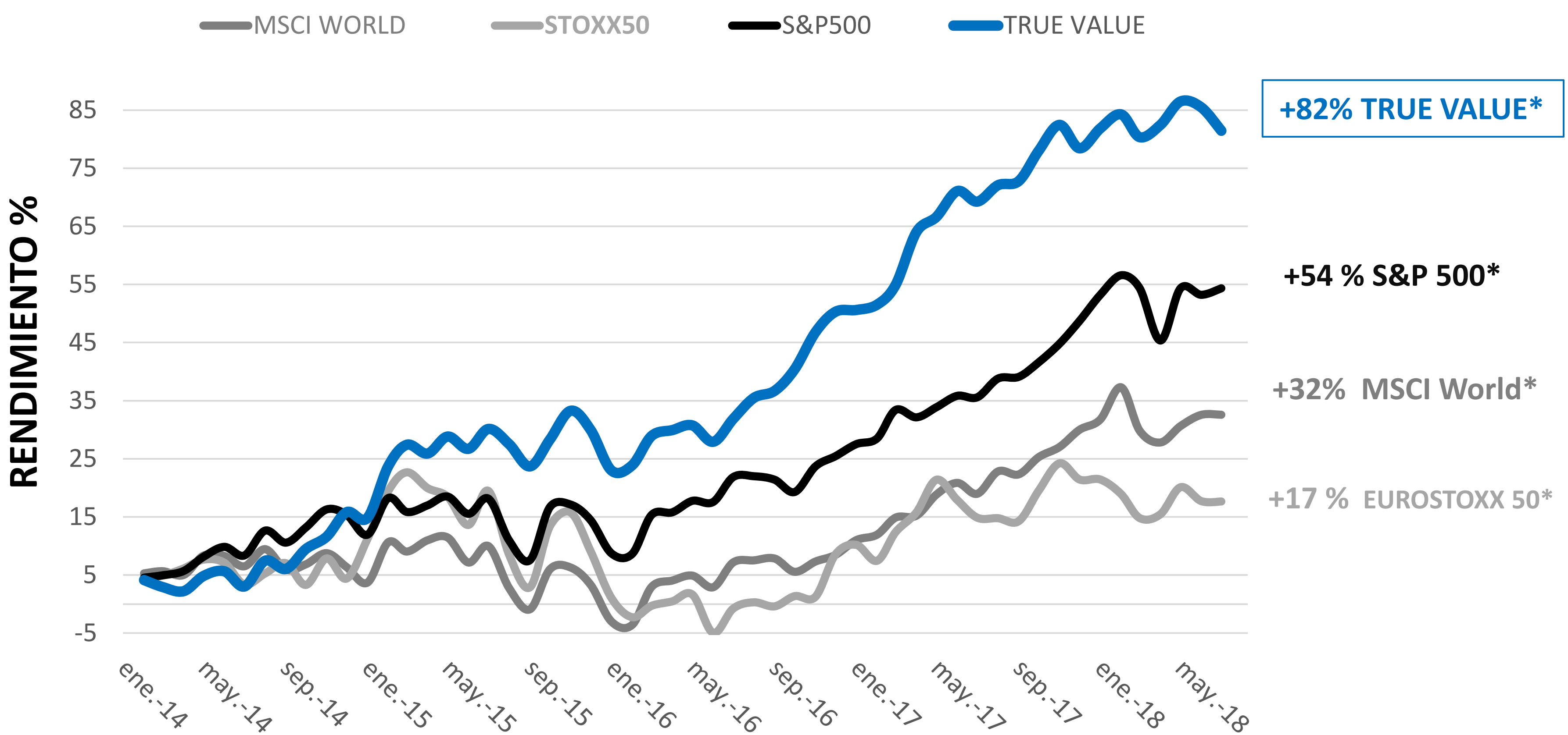
European Investing Summit 2018

Hosted by MOI global

True Value investment Fund

- 5 stars Morningstar
- 210m€ AUM
- 13% CARG since inception (5 year track record)
- Global fund focused in small and midcaps
- We look for good business, high insider ownership, low debt, growing and trading at good prices

Track Record, True Value invesment fund



Investment Team at True Value

Alejandro Estebaranz

Investment Advisor

- Founding partner.
- Industrial engineer.
- Mechanical engineer.
- EFPA Member.

José Luis Benito

Investment Advisor

- Founding partner.
- Economist.
- Family office.
- EFPA Member.

Taptica

Ad the Right User

"A cheap Ad-tech company, growing, and well run"

Consider this facts

- ✓ The company is in the right place (Mobile marketing)
- ✓ Growing organically 15%-20% per year
- ✓ Net cash by year end will be 20% market cap
- ✓ ROCE above 60%
- ✓ Insiders own 15%+ of the company
- ✓ Total growth is expected to be 25%+
- ✓ Very experienced team on M&A
- ✓ Very good capital allocation skills (bought back stock at the right time).

History of value creation

✓ 2015 was a transitioning year. They went from display advertising to Mobile advertising.

	2011	2012	2013	2014	2015	2016	2017	2018e
Revenues	**20**	**25**	**43**	**63**	**76**	**126**	**211**	**290**
EBITDA	4	4,5	8,7	10,5	7,4	25,7	34,2	45
FCF	**3**	**4**	**7**	**5**	**7**	**19**	**28**	**37**
Shares	62	62	62	60	66	64	64	67

✓ Bought back stock when it was cheap. They issued shares when the stock was up to fund M&A activity.

What is the price to pay for this company?

Very cheap indeed

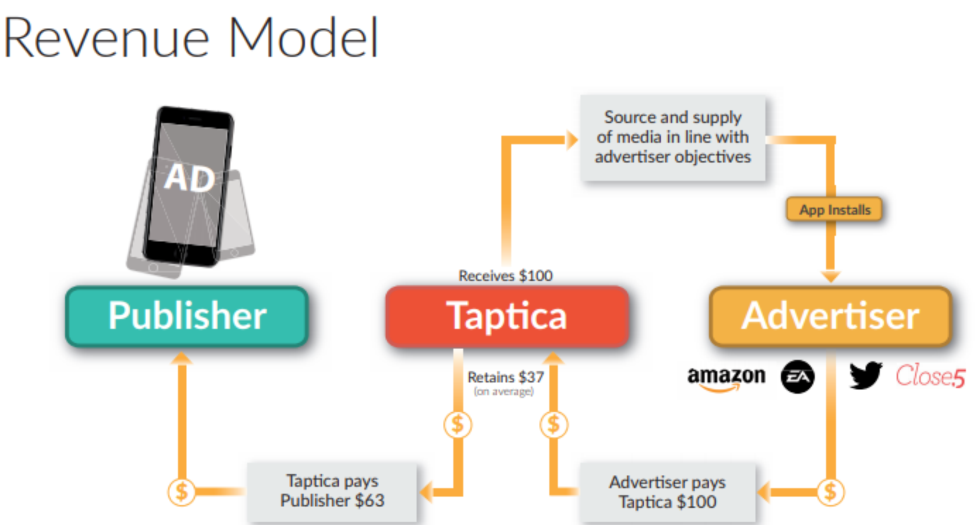
- ✓ 6x EV/EBITDA 2018
- ✓ 8x EV/FCF 2018

- ✓ 6x EV/FCF 2019
- ✓ 4,5x EV/EBITDA 2019

What does de company exactly do?

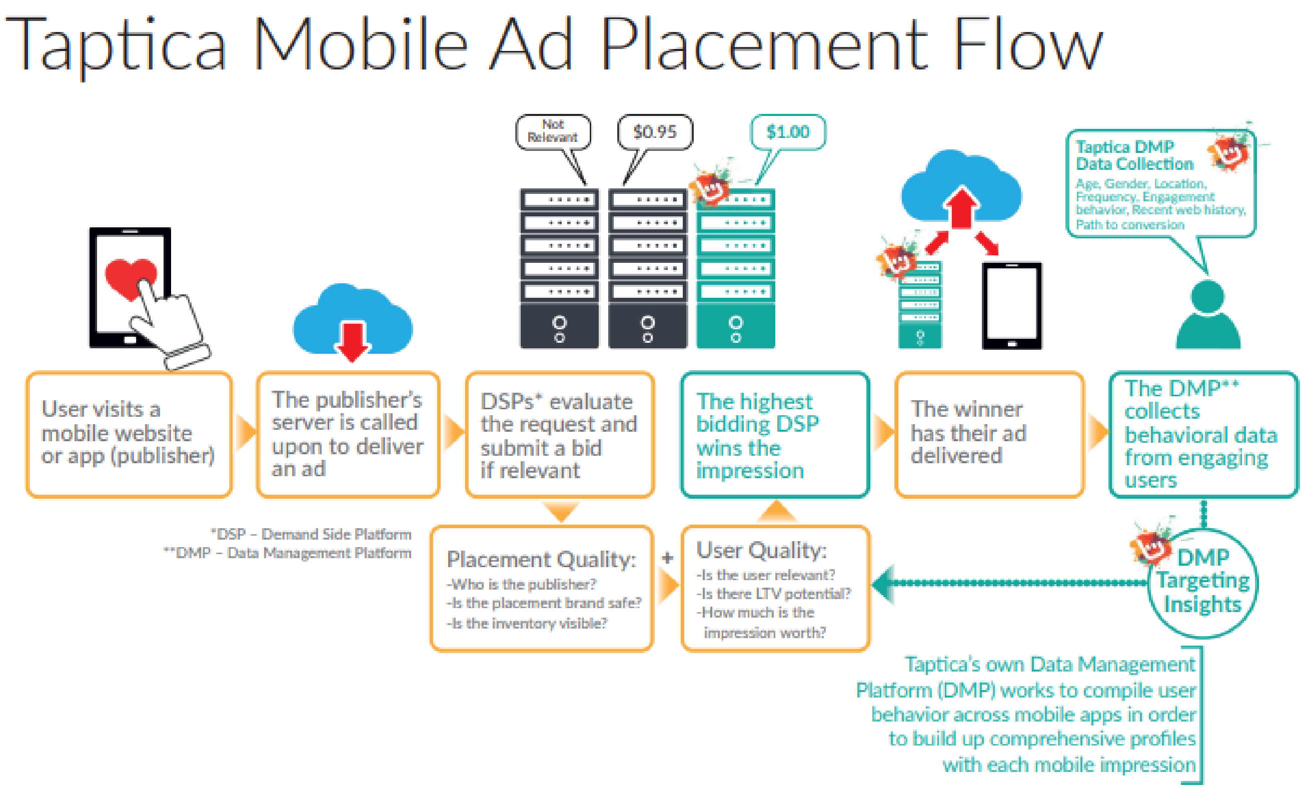
Performance based marketing (50% Revenues)

- ✓ Taptica only gets paid IF:
  - ✓ If a client completes a purchase
  - ✓ If a client install an App
  - ✓ If a client completes a tutorial
  - ✓ If a client registers
  - ✓ Etc etc….



The future of online advertising

✓ DSP is like stock exchange for online advertising where publishers and clients place their bids and offers.



50% of revenues is Tremor Video DSP

- ✓ Tremor video was acquiered in 2017 for 50m$ from a forced seller (telaria)

- ✓ Taptica cut costs and revenue grew 14% during H1 2018 !!! (they were lot of cross selling opportunities).

- ✓ Taptica expects to generate 11M EBITDA form Tremor this year. After WC adjustments of 10-20M$ that equals 3x EBITDA purchase price.

TREMOR VIDEODSP
A TAPTICA COMPANY

Recently won Clients

- ✓ They want to build a global presence to gain traction in the “ Branding “ segment (non-performance based).
- ✓ Branding segment offers bigger and more recurrent contracts/revenues.

A history of value creation trough M&A and organic growth

It was originally called Marimedia

- ✓ **Taptica revenues was 15M$ in 2014 with negative net income.**
- ✓ **Taptica revenue in 2017 was 115M with 22m EBITDA**
- ✓ Purchase price equals to less than 1x EBITDA after 4 years…
- ✓ They repositioned the compny technology into mobile from display.

Marimedia To Acquire Taptica For Up To USD15.6 Million

LONDON (Alliance News) - Marimedia Ltd Thursday said it has exercised its option to acquire all ...

Alliance News | 31 July, 2014 | 12:01PM

LONDON (Alliance News) - Marimedia Ltd Thursday said it has exercised its option to acquire all of mobile advertising technology company Taptica in a deal worth up to USD15.6 million.

The technology services company said it will pay between USD11.6 million and USD15.6 million for Taptica, depending on its trading performance.

In 2015 they bought AreaOne

- ✓ They paid around 15M$
- ✓ After the purchase they got approval to work with Instagram's API for advertising.
- ✓ AreaOne did 7,5M Revenues in 2014
- ✓ **AreaOne grew up to 25M$ in 2017, with 5M EBITDA. That equals 3x EBITDA paid**

In 2017 they bought adinnovation

- ✓ They paid around 6M$ (57% business)
- ✓ Revenues were 13MUSD in 2017
- ✓ It is a good platform to grow in Asia and Japan. It also very difficult to grow in asia from scratch.
- ✓ They can buy the rest of adinnovation if the acquisition performs well for PER 8x !!!.

(1) Acquisition of Adinnovation INC

On 17 July 2017 (hereinafter – "the acquisition date") the Company completed the acquisition of a majority shareholdings in Adinnovation Inc. ("ADI") a leader in Japan's mobile advertising industry through a wholly owned subsidiary.

In accordance with the terms of the acquisition agreement, the Company acquired 57% of the issued share capital of ADI for a total consideration of USD 5.7 million of which USD 4.4 million was paid immediately upon the acquisition date and the remainder USD 1.3 million will be paid after 12 months following the acquisition date subject to ADI meeting certain performance obligations.

In addition, the Company has a call option to purchase the remaining 43% of the issued share capital of ADI for a price of 8x net profit and for a period of six months commencing three years after closing. Thereafter, ADI has a put option for a period of six three months to sell at a price of 7x net profit. As a result of the aforesaid, the Company recognized the acquisition of

Tremor Video 2017

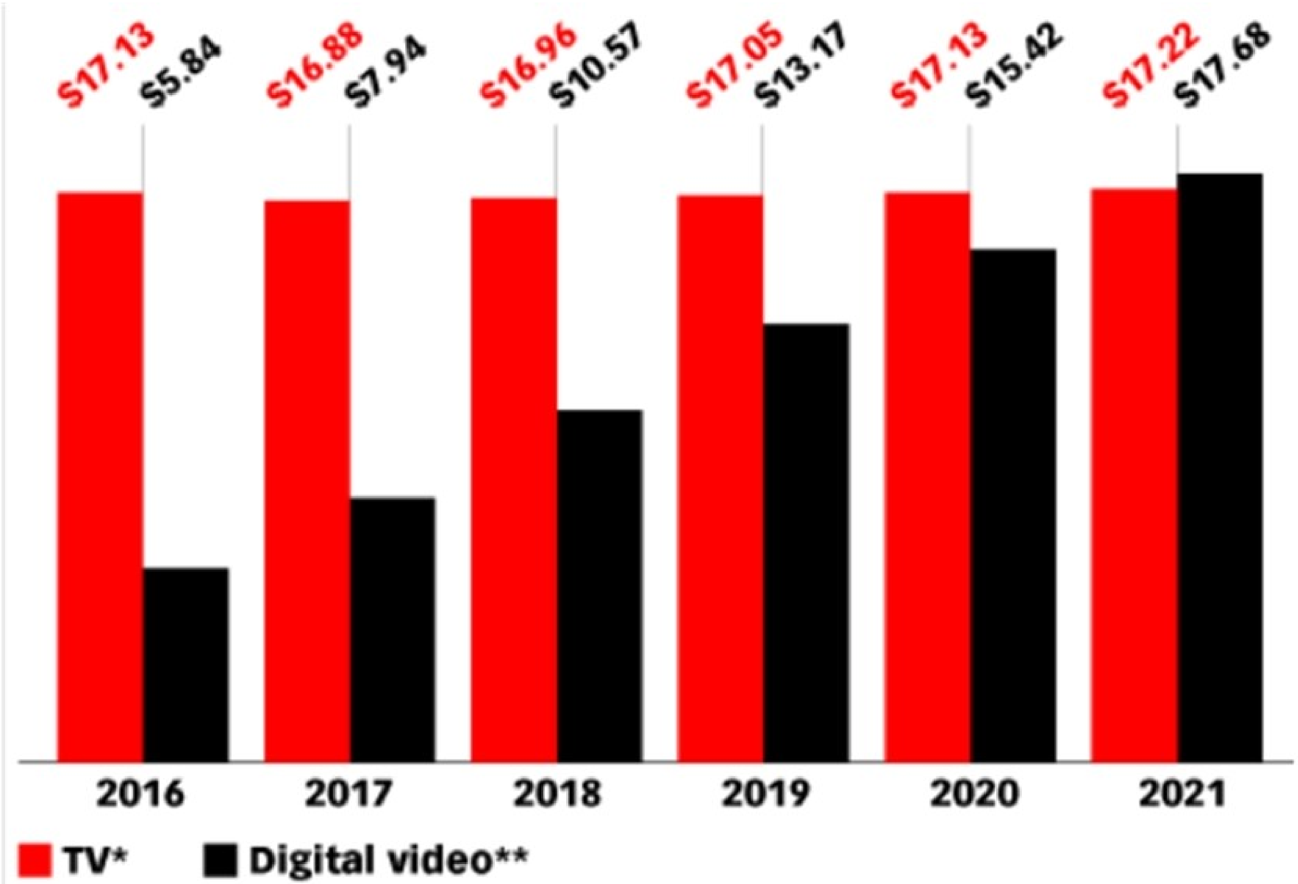
- ✓ Tremor video was acquired in 2017 for 50M$ from a forced seller (Telaria) as they were removing DSP business to be focused in SSP.
- ✓ Taptica cut costs and revenue grew 14% during H1 2018 !!! (they were lot of cross selling opportunities).
- ✓ Taptica expects to generate 11M EBITDA form Tremor this year. After WC adjustments of 10-20M$ that equals 3x EBITDA purchase price.

TREMOR
VIDEODSP
A TAPTICA COMPANY

A growing sector

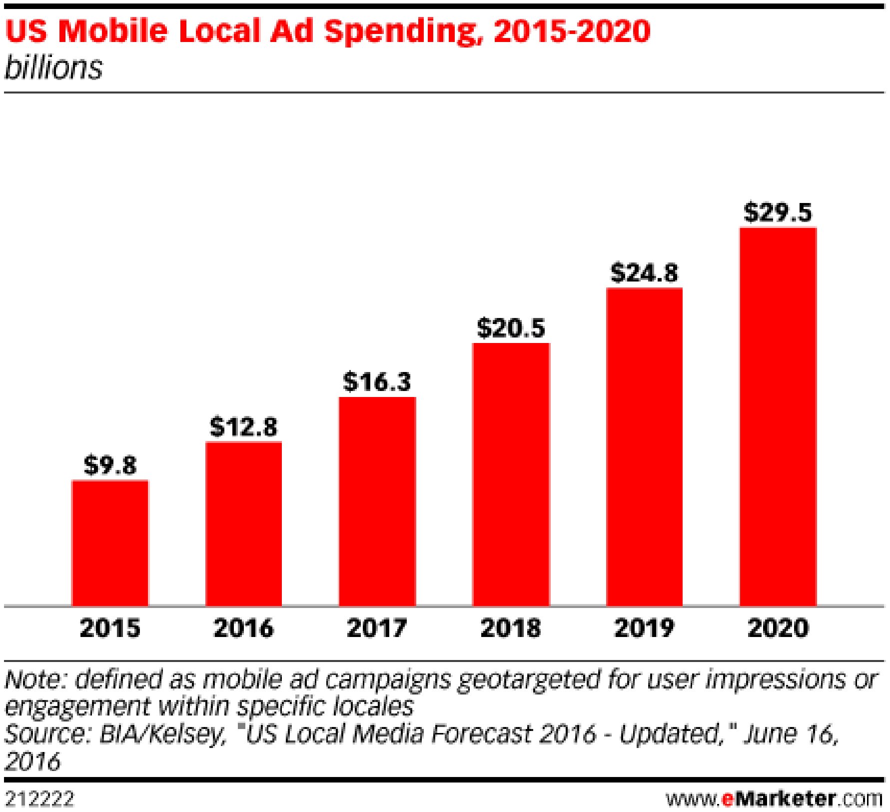
Video Advertising

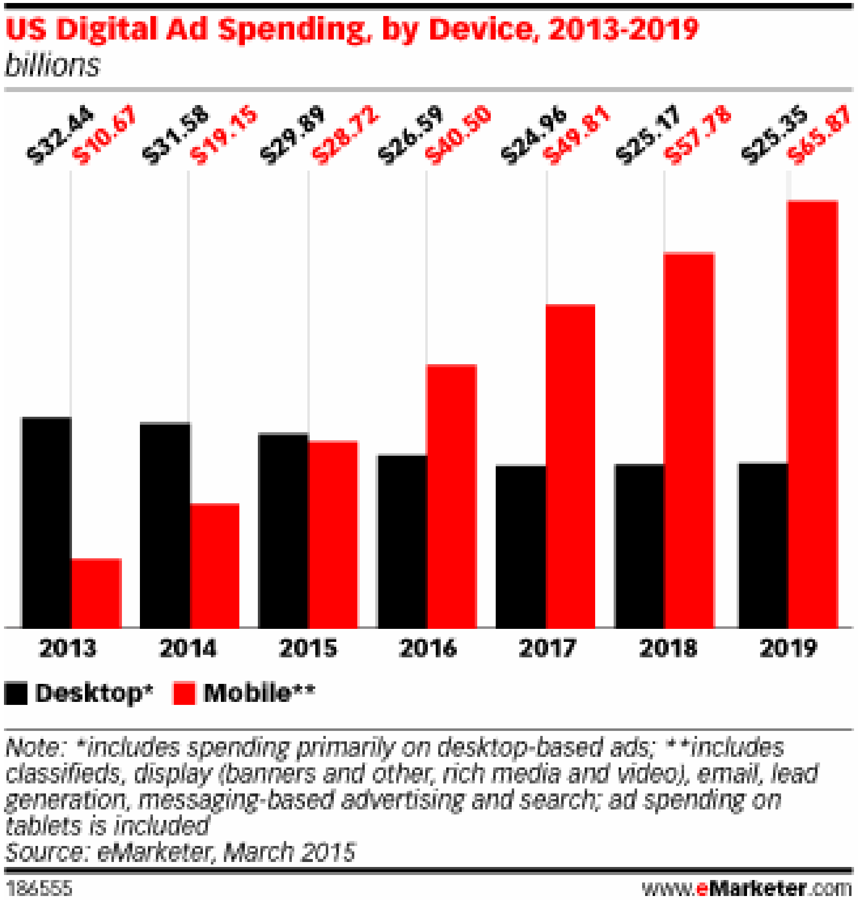
✓ Video advertising is expected to grow 70% over the next 4 years.



Mobile advertising

✓ Mobile advertising is growing 15%+.





Why are the reasons for this bargain ?

Why is it cheap at 370p?

- ✓ Israel Company trading at London Stock exchange.
- ✓ Low liquidity (800k GBP a day)
- ✓ Only covered by 2 small regional brokers (they have 550p and 650p Price target …)

Why is it cheap at 370p?

✓ People were afraid of GDPR effects (but only 13% revenues come from Europe) and H1 results show no impact at all.

✓ Retail investors walk away form the stock during the Facebook scandal (it has no impact).

Why is it cheap at 370p?

- ✓ They did a capital raise early in the year for a a big acquisition. They didn't liked what they saw during the due diligence and walked away.
- ✓ Management has a new big potential acquisition for H2.
- ✓ Management sold some share at peaks levels in January but they have buying shares in the open market at 300p level.

Why is it cheap at 370p?

- ✓ They don't hold conference calls
- ✓ There is no investors presentations
- ✓ Investors relations website is very unfriendly.
- ✓ They don't have IR department

Stock Information

London Stock Exchange – Taptica International Ltd. (AIM: TAP)

Financial Reports

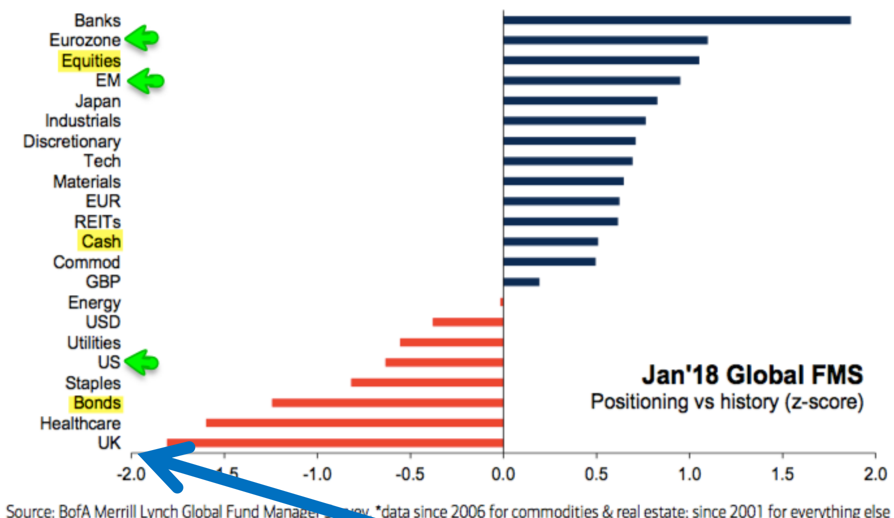
Annual Report 2017
Annual Report 2016
Annual Report 2015
Annual Report 2014

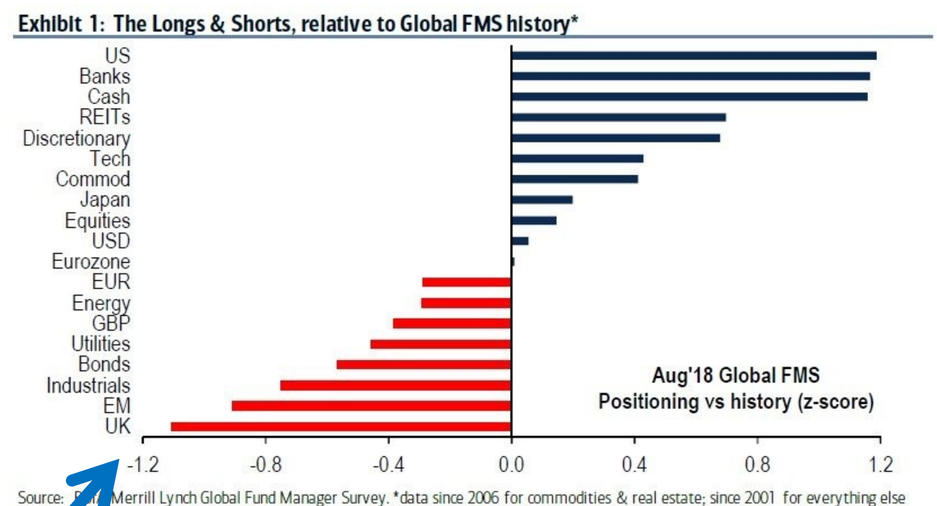
IR Contact

Yaniv Carmi
Chief Financial Officer and Company Secretary

Why is it cheap at 370p?

- ✓ UK equities and GBP are the most uderweight asset class over the last months
- ✓ Brexit Anxiety (low impact because company bills in USD, costs are in USD and trades in GBP, 95 % revenues outside of UK).





H1 results show very good performance

H1 results 2018

- ✓ Full of good news.
- ✓ Share count only increased by 10%.
- ✓ Revenues up 119% (15% organic)
- ✓ EBITDA up 65%
- ✓ CFO up 65%
- ✓ Net cash equal 15% market cap

- Revenue increased by 119.4% to $144.0 million (H1 2017: $65.6 million)
- Gross profit increased by 126.4% to $58.5 million (H1 2017: $25.8 million), with improvement in gross margin to 40.6% (H1 2017: 39.4%)
- Adjusted EBITDA* of $21.6 million (H1 2017: $13.1 million)
- Net cash inflow from operating activities of $21.5 million (H1 2017: $13.7 million)
- Interim dividend of $0.0398 per share (interim dividend 2017: nil)
- Cash and bank deposits as at 30 June 2018 were $57.7 million (31 December 2017: $27.0 million)
- Net cash as at 30 June 2018 of $42.1 million (31 December 2017: net debt of $4.0 million)

*Adjusted EBITDA is defined as earnings before interest, taxes, depreciation and amortisation and share-based payment expenses.

H1 results 2018

- ✓ Now Alibaba is the biggest client.
- ✓ New clients also in the US.
- ✓ Legacy business declined 66%, but only represents 3M$ revenues against 280M$ total revenue

- Performance-based marketing (50.1% of total revenue):
  - Strong growth in core mobile business more-than offset the anticipated decline in display activity
  - Increased contribution from Asia-Pacific, particularly Japan and China
  - Expanding into new segments, especially ecommerce and video-on-demand
- Brand advertising (49.9% of total revenue):
  - Established key partnerships to enhance the Tremor Video DSP offer
  - New household-name brands added as customers, such as GlaxoSmithKline and Whole Foods
  - Increase in operational efficiency

H1 results 2018

- ✓ They don’t say it explicitly, but they have won WPP as a client.
- ✓ They have capabilities that WPP doesn’t have.
- ✓ WPP could be a potential buyer. They need to evolve into digital space

There was significant growth in revenue in the UK, where Taptica opened an office in 2017. The increase in revenue was primarily due to an increase in business with one of Europe's largest advertising agencies that is headquartered in the UK as well as through the Company's UK office expanding its focus to target business in Europe.

A highly cash-generative business

Cashflow Machine

- ✓ Capex levels are very low (2-3m a year)
- ✓ Cash taxes are low due to 15% tax rate in israel for Tech companies .
- ✓ Tax shield due to Amortization originated due to M&A

Condensed Consolidated Interim Statements of Cash Flows

	Six months ended 30 June		Year ended 31 December
	2018	2017	2017
	(Unaudited)		(Audited)
	USD thousands		USD thousands
Cash flows from operating activities			
Profit for the period	**10,802**	8,712	13,759
Adjustments for:			
Depreciation and amortization	**5,404**	2,078	13,499
Net financing (income) expense	**(329)**	(18)	349
Share-based payments	**3,835**	306	884
Income tax expense	**3,431**	1,634	3,561
Change in trade and other receivables	**16,564**	7,469	2,745
Change in trade and other payables	**(7,025)**	(2,050)	647
Change in employee benefits	**131**	170	533
Income taxes received	-	82	83
Income taxes paid	**(11,097)**	(4,728)	(5,094)
Interest received	**178**	39	58
Interest paid	**(388)**		(267)
Net cash provided by operating activities	**21,506**	13,694	30,757
Cash flows from investing activities			
Increase in pledged deposits	**(755)**	(29)	(72)
Payment of earn-out	**(1,218)**	-	-
Acquisition of property, plant and equipment	**(567)**	(126)	(233)
Acquisition and capitalization of intangible assets	**(679)**	(555)	(1,471)
Proceeds from sale of intangible assets	**118**	-	-
Acquisition of subsidiaries, net of cash acquired	-	-	(53,010)
Net cash provided by investing activities	**(3,101)**	(710)	(54,786)

High insider ownership and low salaries

Insider ownership

- ✓ Founders, including Hagai Tal own 20% of total shares at the end 2017

outstanding number of Ordinary Shares were 67,616,278 and 8,088,337 Ordinary Shares were held in treasury as dormant shares. The following held 3% or more of the ordinary share capital of Taptica:

Shareholder	%
Schroder Investment Mgmt	13.7
Eitan Epstein and Shirley Dahan Trust on Behalf of MTD PTE Ltd[1]	13.2
River & Mercantile Asset Mgmt	6.7
Smart and Simple Ltd[2]	6.4
Legal & General	4.2
Investec Asset Mgmt	3.8
Ibex Investors LLC	3.7

(1) The shares are held in trust on behalf of Mr Hagai Tal (Chief Executive Officer and Director). Mr Tal, through his direct and indirect holdings, is the beneficial owner of 9,501,259 ordinary shares representing 14.1% of the issued share capital of the Company.

(2) The shares are held in trust on behalf of Mr Ehud Levy. Mr Levy, through his direct and indirect holdings, is the beneficial owner of 4,800,009 ordinary shares representing 7.1% of the issued share capital of the Company.

Insider ownership

- ✓ Low salaries compared to other high growth tech companies.
- ✓ Share based comp went up a bit in H1 2018 due to stellar performance in 2017.

	Base salary*	Bonus	Share-based	Total
Hagai Tal, CEO	238,134	315,666	20,945	574,745
Yaniv Carmi, CFO	202,114	369,661	47,311	619,086
Tal Feigel, GM, Europe	190,644	349,415	10,795	550,854
Galia Reichenstein, GM, US	165,271	339,030	11,281	515,582
Rivi Bloch, VP Client Success	63,569	374,238	57,466	495,273

* *The amount includes employer costs.*

Insider ownership

✓ Recent insider purchases by CEO, CFO and directors

Taptica (AIM: TAP), a global end-to-end mobile advertising platform for advertising agencies and brands, announces that, on 26 March 2018, certain directors of the Company made the following purchases of ordinary shares of NIS 0.01 each in the capital of the Company ("Ordinary Shares"):

Director	Position	Ordinary Shares purchased	Weighted average price per Ordinary Share	Resultant Shareholding	Percentage of the total voting rights of the Company
Mr Tim Weller	Chairman	5,634	354.75p	87,332	0.13%
Mr Hagai Tal	Chief Executive Officer	42,250	361.94p	9,453,759	13.99%

Nature of the transaction	Purchase of shares
Price(s) and volume(s)	Price(s): 398.3 pence; Volume(s): 36,000
Aggregated information: • Aggregated volume • Price	36,000 Shares 398.3 pence per Ordinary Share
Date of the transaction	6 February 2018

instrument Identification code	IL0011320343
Nature of the transaction	Purchase of shares
Price(s) and volume(s)	Price(s): 300 pence; Volume(s): 47,500
Aggregated information: • Aggregated volume • Price	47,500 Ordinary Shares 300 pence per Ordinary Share
Date of the transaction	3 April 2018
Place of the transaction	London Stock Exchange

Taptica
Ad the Right User

The sector is consolidating and trading at high multiples

Sizmek deal

BUSINESS | MEDIA & MARKETING | CMO

Sizmek to Acquire Fellow Ad Tech Company Rocket Fuel for $125.5 Million

The deal takes Rocket Fuel private and values the company at $2.60 per share

The following year, the company announced layoffs and sweeping changes in its top management.

Rocket Fuel's net loss, adjusted for depreciation and amortization, is expected to be between $4 million and $3 million in the second quarter of this year and full-year results "will be below current analysts' estimates," according to Mr. Wootton, who became CEO in November 2015.

Rocket Fuel posted a 1% decline in revenue last year to $456 million in 2016. It narrowed its net losses to $66 million, from $211 million in 2015.

✓ EV for the deal was 280 (including debt)

✓ It was a no-growth company losing money left and right.

KKR invests in Applovin


Private equity company KKR is set to acquire a minority stake in AppLovin for $400 million, a deal which values the app discovery platform at $2 billion as it lays the groundwork for a potential IPO.

KKR's head of technology, media and telecom Herald Chen explained in an interview with *Reuters* the investment is "an opportunity to play" on two fast-growing trends: mobile advertising; and gaming.

Funds from the deal, provided by KKR's $13.9 billion Americas XII fund, will be used to grow AppLovin organically while also helping to finance potential acquisitions, he added.

- ✓ KKR invested in app loving (a company losing money at 2B$ valuation)
- ✓ 4x sales.

AppNexus Deal

- ✓ Another deal done a 2B$
- ✓ Appnexus had revenues around 400M growing 20%

AT&T Will Acquire AppNexu

by Ryan Joe // Monday, June 25th, 2018 – 8:54 am

Share:

The rumors were true.

AT&T said Monday it will acquire AppNexus for its advertising and analytics unit, which is headed up by former GroupM chief (and ex-AppNexus board member) Brian Lesser. The acquisition is expected to close in Q3. Read the release.

Terms were not disclosed, though The Wall Street Journal pegged the price tag at $1.6 billion, while Cheddar said AppNexus would not sell for less than $2 billion.

“Ad tech unites real-time analytics and technology with our premium TV and video content,” Lesser said in a statement. “So, we went out and found the strongest player in the space. AppNexus has scale of infrastructure, advanced technology and diverse talent.”

TTD valuation

- ✓ Trade desk is the market leader growing 40% y/y
- ✓ But is trading at 42x EV/EBITDA'18 !!!!.
- ✓ If you exclude Stock based comp. It is trading at 80x P/FCF

Mr. Green added, "Programmatic is the fastest growing segment of advertising and the Trade Desk is going faster than anyone in programmatic. We continue to see momentum as ad dollars shift to our platform, and as such, we now expect revenue to be at least $456 million for the full year. We continue to make aggressive, yet prudent investments in our business in our key growth areas, such as mobile, video, connected TV and expanding our global infrastructure, and we now expect our adjusted EBITDA for 2018 to be $140 million."

The Trade Desk is providing its financial targets for the third quarter of 2018 and revised targets for its fiscal year 2018. The Company's financial targets are as follows:

Third Quarter 2018:

- Revenue of $116 million
- Adjusted EBITDA of $33 million

Full Year 2018

- Revenue at least $456 million, revised from $433 million
- Adjusted EBITDA of $140 million, revised from $133 million

Taptica valuation

- ✓ REMEMBER Taptica is trading at:
  - ✓ 5x EV/EBITDA 2018
  - ✓ 1x EV/sales
  - ✓ 8x EV/FCF
  - ✓ Growing 15%+ organic
  - ✓ No debt
  - ✓ MANAGEMENT HAS SAID THAT IF A BUYER PAYS A GOOD PRICE THEY ARE OPEN TO SELL THE COMPANY

Valuation and proyections

Taptica valuation

- ✓ We considers 3 scenarios:
  - ✓ **Bull Case**. Company grows 15% arganiclly plus 15% inorganic. EBITDA margins stay at 19% level
  - ✓ **Base Case**. Company grows 10% organic plus 10% inorganic. EBITDA margins at 17% (below 20% average)
  - ✓ **Bear case**. Organic growth slows down to 5%, no M&A. EBITDA margins at same level and company accumlates a lot of cash

Bull Case

✓ Note that Taptica reports in USD but Trades in GBP (4,6 USD price= 3,70 GBP stock price)

		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Income Statement (USDmillons ,exc EPS)												
Sales	20	25	45	63	76	126	211	**285**	**371**	**482**	**626**	**814**
Y/Y Growth %		*25%*	*80%*	*40%*	*21%*	*66%*	*67%*	*30%*	*30%*	*30%*	*30%*	*30%*
EBITDA	**4,2**	**4,2**	**8,4**	**8,5**	**6,0**	**28,0**	**46,0**	**47,0**	**67,5**	**87,7**	**114,0**	**148,2**
EBITDA margin %	*21%*	*17%*	*19%*	*13%*	*8%*	*22%*	*22%*	*16%*	*18%*	*18%*	*18%*	*18%*
Depreciation & Amortization Expense	0,2	0,2	0,4	0,5	3	5	15	12	16	20	26	34
EBIT	4	4	8	8	3	23	31	**35**	**52**	**67**	**88**	**114**
EBIT margin %	*20%*	*16%*	*18%*	*13%*	*4%*	*18%*	*15%*	*12%*	*14%*	*14%*	*14%*	*14%*
Interest expense/ Income (introducir en negativo si es un ingreso)	0,0	0,0	0,0	0,0	0,0	0,5	1,0	0,2	0,3	0,3	0,4	0,6
Pretax Income	**4**	**4**	**8**	**8**	**3**	**23**	**30**	**35**	**52**	**67**	**87**	**113**
Income Taxes	0,6	0,6	1,3	1,6	0,6	3,0	4,0	5	8	10	13	17
tax rate	*0,15*	*0,15*	*0,1625*	*0,2*	*20%*	*13%*	*13%*	*15%*	*15%*	*15%*	*15%*	*15%*
Consolidated Net Income	3	3	7	6	2	20	26	30	44	57	74	96
Minority Interest												
Net Income	**3**	**3**	**7**	**6**	**2**	**20**	**26**	**30**	**44**	**57**	**74**	**96**
Margin %	*17%*	*14%*	*15%*	*10%*	*3%*	*15%*	*12%*	*10%*	*12%*	*12%*	*12%*	*12%*
Net income per share (EPS)	**0,05**	**0,05**	**0,11**	**0,11**	**0,04**	**0,30**	**0,38**	**0,42**	**0,61**	**0,77**	**0,98**	**1,20**
Fully diluted shares (millions)	62	62	62	60	66	64	68	70	72	74	76	80

Bull Case Valuation

✓ Note that Taptica reports in USD but Trades in GBP (4,6 USD price= 3,70 GBP stock price)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Valuation (USD millons ,except EPS)												
Market cap							313	322	331	340	350	368
Net DEBT					-10	-22	3	-10	5	10	20	40
Dueda neta /EBITDA					-1,70	-0,77	0,07	-0,21	0,07	0,11	0,18	0,27
Enterprise Value (EV)							316	312	336	350	370	408
EBITDA	4	4	8	8	6	28	46	47	67	88	114	148
EBIT	4	4	8	8	3	23	31	35	52	67	88	114
Net income	3	3	7	6	2	20	26	30	44	57	74	96
FCF	[illegible]	[illegible]	6	6	4	23	39	39	[illegible]	[illegible]	94	122
	3 YEARS	5 YEARS										
CAGR by PER	46%	38%	Price target PER				$ 7,3	$ [illegible]	$ 11,3	$ 14,3	$ 18,0	$ 22,8
CAGR by P/FCF	58%	44%	Price target P/FCF				$ 10,9	$ [illegible]	$ 14,3	$ 18,1	$ 22,8	$ 28,9
CAGR by EV/EBITDA	45%	36%	Price target EV/EBITDA				$ 8,1	$ [illegible]	$ 11,2	$ 14,1	$ 17,7	$ 21,7
CAGR by EV/EBIT	40%	33%	Price target EV/EBIT				$ 6,3	$ [illegible]	$ 10,0	$ 12,6	$ 15,9	$ 19,4

Multiple PER	18
Multiple P/FCF	18
Multiple EV/EBITDA	12
Multiple EV/EBIT	14

✓ We use below average market multiples.

✓ If they deploy 50-60M a year in M&A at 6x-7x EBITDA, they should grow 25%+ without using leverage.

Base Case

✓ Note that Taptica reports in USD but Trades in GBP (4,6 USD price= 3,70 GBP stock price)

DEINVERTIR		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Income Statement (USDmillons ,exc EPS)												
Sales	20	25	45	63	76	126	211	**285**	**342**	**410**	**492**	**591**
Y/Y Growth %		*25%*	*80%*	*40%*	*21%*	*66%*	*67%*	*20%*	*20%*	*20%*	*20%*	*20%*
EBITDA	**4,2**	**4,2**	**8,4**	**8,5**	**6,0**	**28,0**	**46,0**	**47,0**	**57,5**	**68,4**	**81,0**	**96,8**
EBITDA margin %	*21%*	*17%*	*19%*	*13%*	*8%*	*22%*	*22%*	*16%*	*17%*	*17%*	*16%*	*16%*
Depreciation & Amortization Expense	0,2	0,2	0,4	0,5	3	5	15	12	13	15	17	20
EBIT	4	4	8	8	3	23	31	**35**	**44**	**53**	**64**	**77**
EBIT margin %	*20%*	*16%*	*18%*	*13%*	*4%*	*18%*	*15%*	*12%*	*13%*	*13%*	*13%*	*13%*
Interest expense/ Income (introducir en negativo si es un ingreso)	0,0	0,0	0,0	0,0	0,0	0,5	1,0	0,2	0,2	0,3	0,3	0,4
Pretax Income	**4**	**4**	**8**	**8**	**3**	**23**	**30**	**35**	**44**	**53**	**64**	**76**
Income Taxes	0,6	0,6	1,3	1,6	0,6	3,0	4,0	5	7	8	10	11
tax rate	*0,15*	*0,15*	*0,1625*	*0,2*	*20%*	*13%*	*13%*	*15%*	*15%*	*15%*	*15%*	*15%*
Consolidated Net Income	3	3	7	6	2	20	26	30	38	45	54	65
Minority Interest												
Net Income	**3**	**3**	**7**	**6**	**2**	**20**	**26**	**30**	**38**	**45**	**54**	**65**
Margin %	*17%*	*14%*	*15%*	*10%*	*3%*	*15%*	*12%*	*10%*	*11%*	*11%*	*11%*	*11%*
Net income per share (EPS)	**0,05**	**0,05**	**0,11**	**0,11**	**0,04**	**0,30**	**0,38**	**0,42**	**0,52**	**0,61**	**0,71**	**0,81**
Fully diluted shares (millions)	62	62	62	60	66	64	68	70	72	74	76	80

✓ We assume some dilution in the future. There are 10M stock options with average strike price at 2,55 GBP

BASE CASE Valuation

- ✓ Note that Taptica reports in USD but Trades in GBP (4,6 USD price= 3,70 GBP stock price)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Valuation (USD millons ,except EPS)												
Market cap							313	322	331	340	350	368
Net DEBT					-10	-22	3	-10	5	10	20	40
Dueda neta /EBITDA					-1,70	-0,77	0,07	-0,21	0,09	0,15	0,25	0,41
Enterprise Value (EV)							316	312	336	350	370	408
EBITDA	4	4	8	8	6	28	46	47	57	68	81	97
EBIT	4	4	8	8	3	23	31	35	44	53	64	77
Net income	3	3	7	6	2	20	26	30	38	45	54	65
FCF	3	3	6	6	4	23	39	39	47	56	66	79
	3 YEARS	5 YEARS										
CAGR by PER	30%	24%		Price target PER			$ 6,5	$ 7,1	$ 8,6	$ 10,0	$ 11,7	$ 13,7
CAGR by P/FCF	39%	29%		Price target P/FCF			$ 9,7	$ 9,3	$ 10,8	$ 12,5	$ 14,3	$ 16,7
CAGR by EV/EBITDA	30%	23%		Price target EV/EBITDA			$ 7,4	$ 7,5	$ 8,7	$ 10,0	$ 11,5	$ 12,8
CAGR by EV/EBIT	26%	21%		Price target EV/EBIT			$ 5,9	$ 6,6	$ 8,0	$ 9,2	$ 10,7	$ 12,0

- ✓ We use below average market multiples.
- ✓ If they deploy 50-60M a year in M&A at 6x-7x EBITDA, they should grow 20% without using leverage.

Multiple PER	16
Multiple P/FCF	16
Multiple EV/EBITDA	11
Multiple EV/EBIT	13

Bear Case

✓ Note that Taptica reports in USD but Trades in GBP (4,6 USD price= 3,70 GBP stock price)

DEINVERTIR		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Income Statement (USDmillons ,exc EPS)												
Sales	20	25	45	63	76	126	211	**285**	**299**	**314**	**330**	**346**
Y/Y Growth %		*25%*	*80%*	*40%*	*21%*	*66%*	*67%*	*5%*	*5%*	*5%*	*5%*	*5%*
EBITDA	**4,2**	**4,2**	**8,4**	**8,5**	**6,0**	**28,0**	**46,0**	**47,0**	**45,9**	**49,6**	**53,3**	**58,1**
EBITDA margin %	*21%*	*17%*	*19%*	*13%*	*8%*	*22%*	*22%*	*16%*	*15%*	*16%*	*16%*	*17%*
Depreciation & Amortization Expense	0,2	0,2	0,4	0,5	3	5	15	12	13	15	17	20
EBIT	4	4	8	8	3	23	31	**35**	**33**	**35**	**36**	**38**
EBIT margin %	*20%*	*16%*	*18%*	*13%*	*4%*	*18%*	*15%*	*12%*	*11%*	*11%*	*11%*	*11%*
Interest expense/ Income (introducir en negativo si es un ingreso)	0,0	0,0	0,0	0,0	0,0	0,5	1,0	0,2	0,2	0,2	0,2	0,2
Pretax Income	**4**	**4**	**8**	**8**	**3**	**23**	**30**	**35**	**33**	**34**	**36**	**38**
Income Taxes	0,6	0,6	1,3	1,6	0,6	3,0	4,0	5	5	5	5	6
tax rate	*0,15*	*0,15*	*0,1625*	*0,2*	*20%*	*13%*	*13%*	*15%*	*15%*	*15%*	*15%*	*15%*
Consolidated Net Income	3	3	7	6	2	20	26	30	28	29	31	32
Minority Interest												
Net Income	**3**	**3**	**7**	**6**	**2**	**20**	**26**	**30**	**28**	**29**	**31**	**32**
Margin %	*17%*	*14%*	*15%*	*10%*	*3%*	*15%*	*12%*	*10%*	*9%*	*9%*	*9%*	*9%*
Net income per share (EPS)	**0,05**	**0,05**	**0,11**	**0,11**	**0,04**	**0,30**	**0,38**	**0,42**	**0,39**	**0,39**	**0,40**	**0,40**
Fully diluted shares (millions)	62	62	62	60	66	64	68	70	72	74	76	80

✓ We assume some dilution in the future. There are 10M stock options with average strike price at 2,55 GBP

BEAR Case Valuation

- ✓ Note that Taptica reports in USD but Trades in GBP (4,6 USD price= 3,70 GBP stock price)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Valuation (USD millons ,except EPS)												
Market cap							313	322	331	340	350	368
Net DEBT					-10	-22	3	-60	-90	-120	-150	-180
Dueda neta /EBITDA					-1,70	-0,77	0,07	-1,28	-1,96	-2,42	-2,81	-3,10
Enterprise Value (EV)							316	262	241	220	200	188
EBITDA	4	4	8	8	6	28	46	47	46	50	53	58
EBIT	4	4	8	8	3	23	31	35	33	35	36	38
Net income	3	3	7	6	2	20	26	30	28	29	31	32
FCF	3	3	6	6	4	23	39	39	38	42	45	49

	3 YEARS	5 YEARS		2017	2018	2019	2020	2021	2022
CAGR by PER	15%	11%	Price target PER	$ 5,3	$ 6,5	$ 6,4	$ 6,9	$ 7,4	$ 7,9
CAGR by P/FCF	26%	19%	Price target P/FCF	$ 7,9	$ 8,4	8,4	$ 9,2	$ 9,9	$ 10,8
CAGR by EV/EBITDA	18%	14%	Price target EV/EBITDA	$ 6,0	$ 6,9	7,0	$ 7,6	$ 8,3	$ 8,8
CAGR by EV/EBIT	16%	12%	Price target EV/EBIT	$ 5,4	$ 6,9	$ 6,7	$ 7,2	$ 7,7	$ 8,0

- ✓ We use below average market multiples.
- ✓ Note how cash build up grows as the company generate FCF
- ✓ They said if M&A becomes expensive they will use FCF for Dividends/buybacks

Multiple PER	13
Multiple P/FCF	13
Multiple EV/EBITDA	9
Multiple EV/EBIT	12

Taptica

Ad the Right User

Risks

Risks

- ✓ Technology disruption.
- ✓ M&A execution (so far it has been good).
- ✓ Regulation (it has low probability because Taptica doesn't rely on third-party data).
- ✓ USD/GBP exchange (Taptica reports on USD but trades on GBP).

TRUE VALUE

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