



Trustpilot Half Year Results

For the six months ended 30 June 2024

11 September 2024

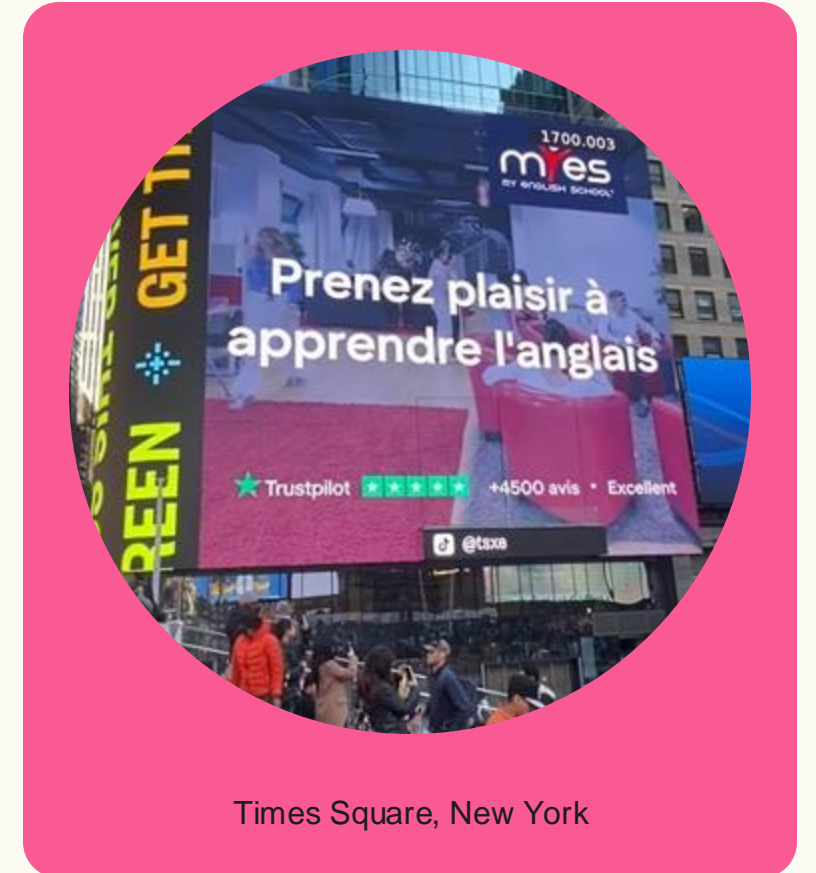


Operational review

Adrian Blair – CEO

Significant strategic progress with adjusted EBITDA ahead of expectations and further £20m share buyback

- ★ **Bookings +19% with strong growth in focus markets**
 - Exceptional US performance +23%
- ★ **Growing consumer adoption hitting 300m cumulative reviews**
 - Average monthly active users up 28% YoY
- ★ **Delivering value for customers with new products and pricing plans**
 - Underpinned improvement in retention rate to 101%
- ★ **Adjusted EBITDA ahead of expectations at \$10.6m, with a 3.9ppt improvement in margin**



Times Square, New York

UK: strong growth

- ★ **Viral network is most established in the UK which drives an attractive contribution margin**
- ★ **Strong performance in Enterprise segment**
 - New business and renewals with strong LTM net dollar retention
 - Comprised 40% of bookings with key wins including National Savings & Investment
- ★ **Large customers include National Express, Next and Sage**

Bookings \$47m
+22% (+19% cc)*

ARR \$85m
+18% (+18% cc)*

Revenue \$40m
+19% (+16% cc)*

Europe & ROW: strong growth in Italy and Germany



- ★ **Strong growth with bookings +16%, in line with mid teens guidance**
 - Focus markets of Italy and Germany performing strongly
 - DACH now the third largest market
- ★ **General managers appointed in Italy and Germany, with new Hamburg office now open**
- ★ **Customers across the region include Klarna, Luxotica, HelloFresh and Interflora**

Bookings \$45m
+16% (+16% cc)*

ARR \$81m
+16% (+17% cc)*

Revenue \$39m
+18% (+18% cc)*

North America: continued momentum

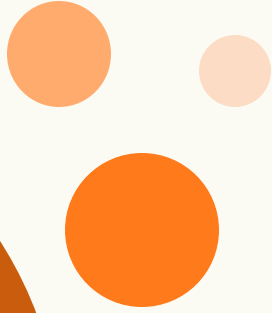


- ★ **Bookings growth of 23% driven by significant improvement in net dollar retention**
 - New product features well received driving an 8ppt improvement in the LTM net dollar retention rate
 - Significant new customer wins, including LexisNexis, Chime, Coinbase and Verizon
- ★ **Virality and brand adoption continue to grow, supported by our strategy to focus on key sectors**
 - Active domains are up 22%, with a 18% increase in the number of reviews left on the platform

Bookings \$26m
+23% (+23% cc)*

ARR \$45m
+18% (+18% cc)*

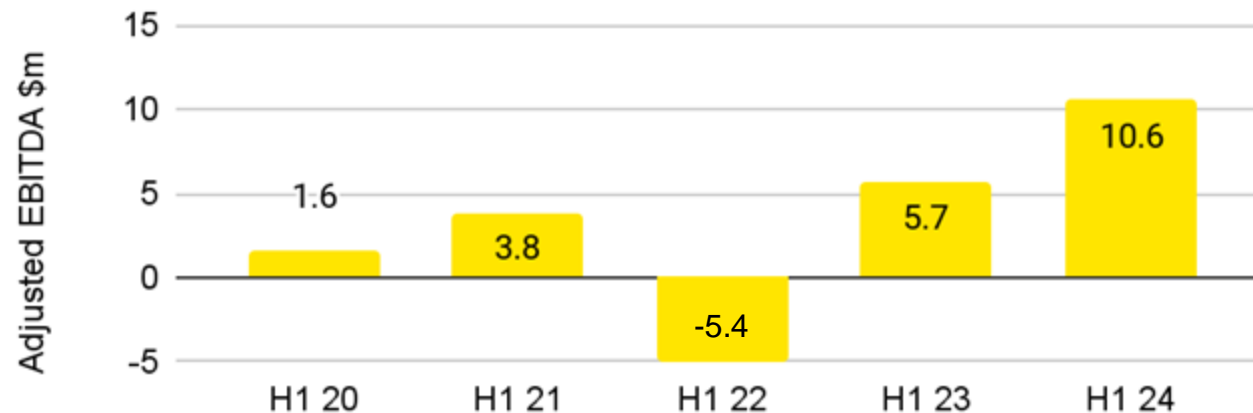
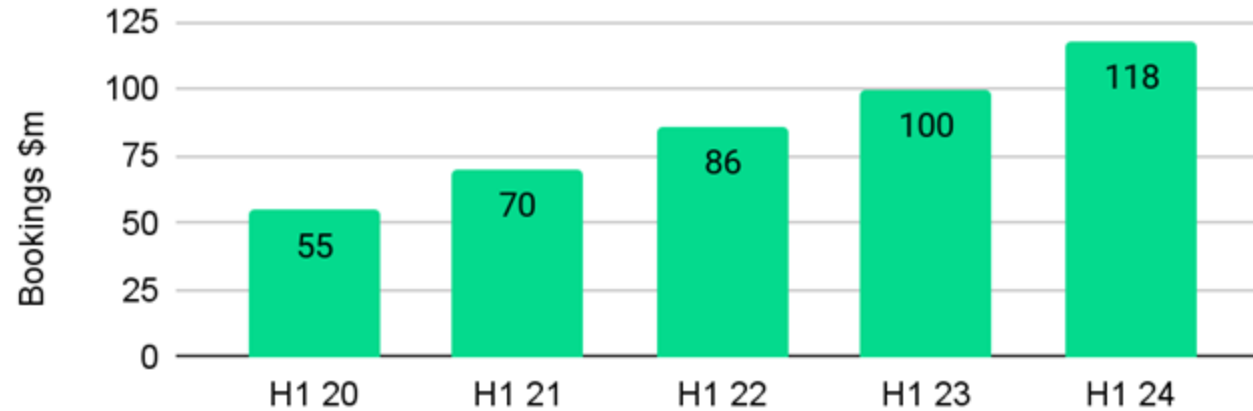
Revenue \$21m
+16% (+16% cc)*



Financial review

Hanno Damm – CFO

Continued bookings growth and improving unit economics



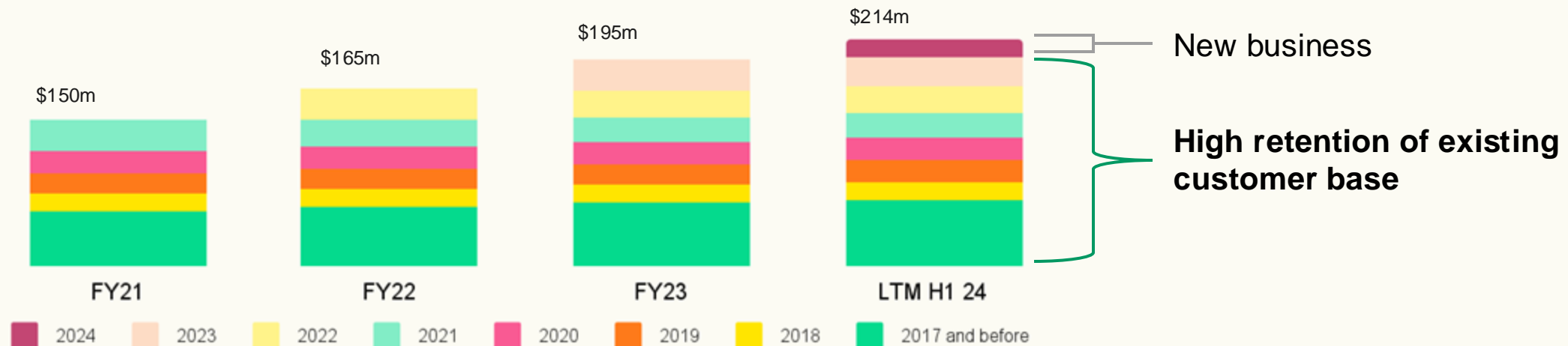
- ★ 19% bookings growth
- ★ 3.9ppt improvement in adjusted EBITDA margin to 10.6%
- ★ \$6m adjusted free cash flow
- ★ LTM net dollar retention rate of 101%

New products and pricing drive contract expansion

FY21	FY22	FY23	LTM H1 24
85%	86%	84%	85%
14%	14%	15%	16%
99%	100%	99%	101%

Gross dollar retention rate¹
 + Net expansion²
 = Net dollar retention rate³

Bookings by cohort and year



¹ Determined by taking retention bookings / contracts up for renewal, refers to US\$ amount rather than customer count and excludes up-and cross-selling (expansion) of existing customers

² Calculated as net dollar retention rate – gross dollar retention rate

³ Determined by taking retention bookings / contracts up for renewal, refers to US\$ amount rather than customer count and includes up-and cross-selling (expansion) of existing customers

Adjusted EBITDA margin increases to 10.6%

Summary income statement (non-IFRS)

(\$m)	H1 24	H1 23
Revenue	99.8	84.6
Cost of Sales	18.6	15.0
Gross Profit	81.2	69.6
<i>Gross Margin %</i>	<i>81%</i>	<i>82%</i>
Sales & marketing (CAC)	27.1	23.8
<i>% of Revenue</i>	<i>27%</i>	<i>28%</i>
Contribution Margin	54.1	45.8
<i>Contribution Margin %</i>	<i>54%</i>	<i>54%</i>
Tech & Content	26.4	23.8
<i>% of Revenue</i>	<i>26%</i>	<i>28%</i>
G&A	15.7	15.5
<i>% of Revenue</i>	<i>16%</i>	<i>18%</i>
Impairment losses on trade receivables and other income	1.4	0.8
<i>% of Revenue</i>	<i>1%</i>	<i>1%</i>
Adj. EBITDA	10.6	5.7
Adj. EBITDA Margin	10.6%	6.7%

Cost of sales

- Higher sales commissions, especially North America reflecting overperformance vs targets

Sales & marketing

- Improved operating efficiency despite higher sales commissions

Tech & Content

- Investment in content integrity and product development
- Capitalised software dev of \$3.2m (H1 23 \$1.4m)

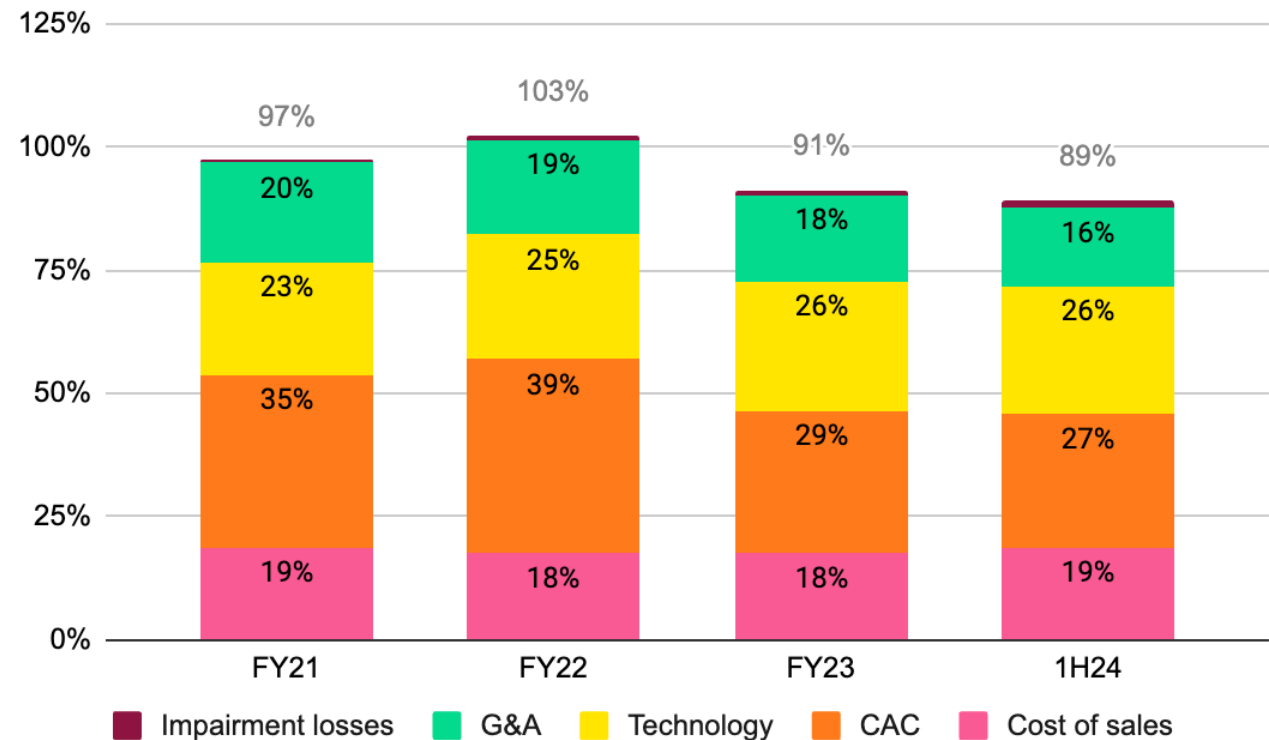
G&A

- Operating leverage
- Excludes share based comp

Demonstrating improving operating leverage

- ★ In the near term operating leverage will come through G&A
- ★ Then we anticipate that tech & content spend will gradually reduce as a share of revenue
- ★ Finally, we expect to achieve better sales & marketing efficiency

Costs as share of revenue



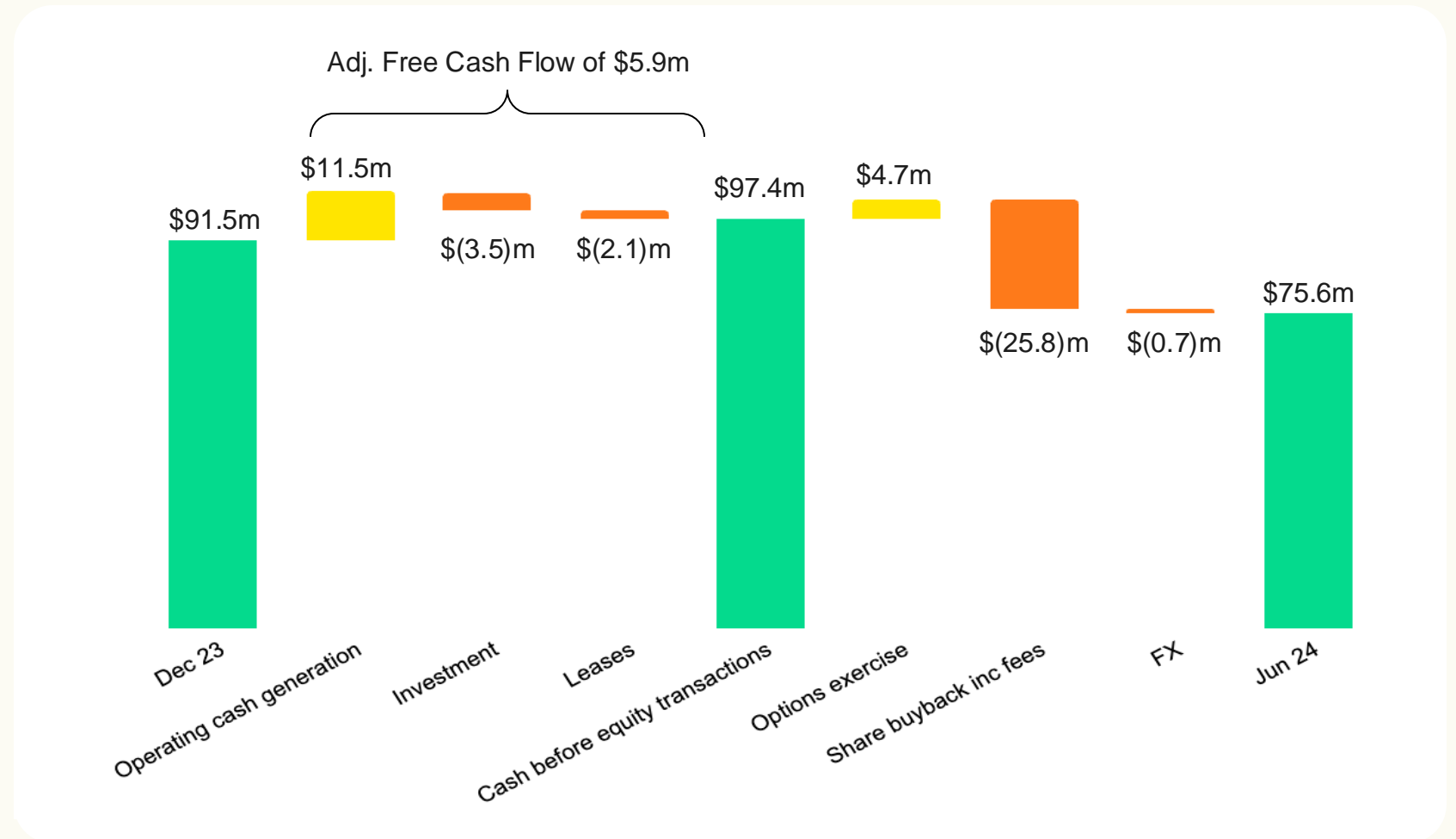
Continued cash generation and strong balance sheet enable further £20m buyback

Adjusted free cash flow of \$5.9m (H1 23: \$6.2m), flat YoY due to greater product development activity

Capital allocation priorities unchanged

- Returned \$25.6m to shareholders in H1
- Announced a further £20m buyback

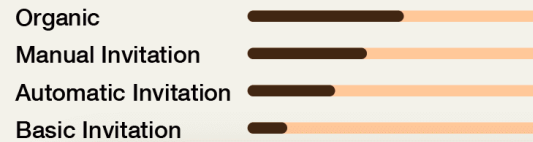
Significant future cash tax shield



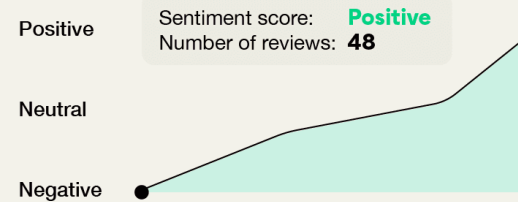
Encouraging full year outlook

- ★ Outlook for mid-teens constant currency revenue growth for the full year maintained
- ★ Now expect adjusted EBITDA towards the top end of market expectations*

Source of reviews



Sentiment score over time





Strategic highlights

Adrian Blair – CEO

Organisation is clear on our business model and strategy

SaaS business model

Business & consumer value propositions

Fly wheel & network effects

Culture & values

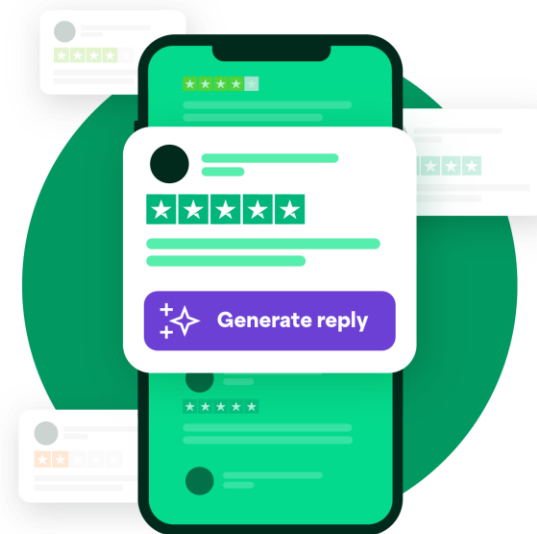
Flywheel and network effects underpin growth



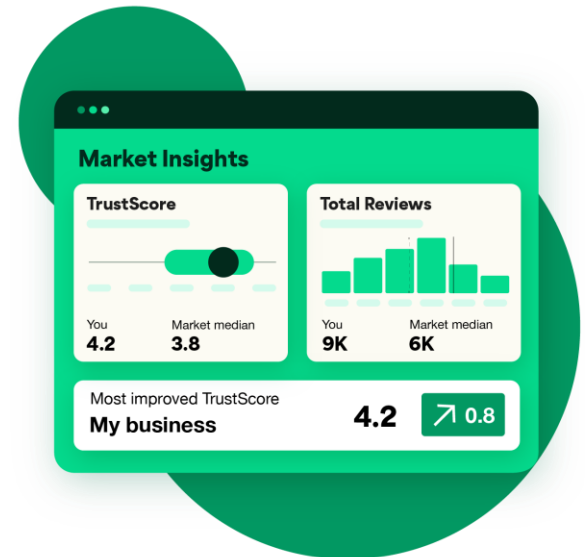
New pricing plans aligned with customer needs and underpinned by product innovation

- ★ **Simplified plan hierarchy: 8 to 4**
- ★ **Clear benefits from stepping up in plan level**
 - Leveraging AI capability to improve efficiency and provide insight
- ★ **Product innovation delivering demonstrable value for higher prices**

AI assisted review responses



Market insights



New plans and product features can be seen on our [website](#).

The universal symbol of trust

- ★ **Improvements in H1 use new AI technologies to keep more genuine reviews on the platform**
 - Automates analysis of content against our policies
 - Examines behavioral patterns not just review metadata
 - Reduces human handling times
- ★ **FTC regulation in the US now prohibits fake or misleading reviews, insider reviews, incentivizing positive reviews and review suppression**
 - Cited by the FTC
 - Our principles are fully aligned with the requirements

Neutral

We are a platform that allows consumers and businesses to help one another, but we are independent of both.

Open

Consumers have the freedom to share their genuine experiences. Businesses can invite consumers to leave feedback and respond at any time.

Fair Treatment

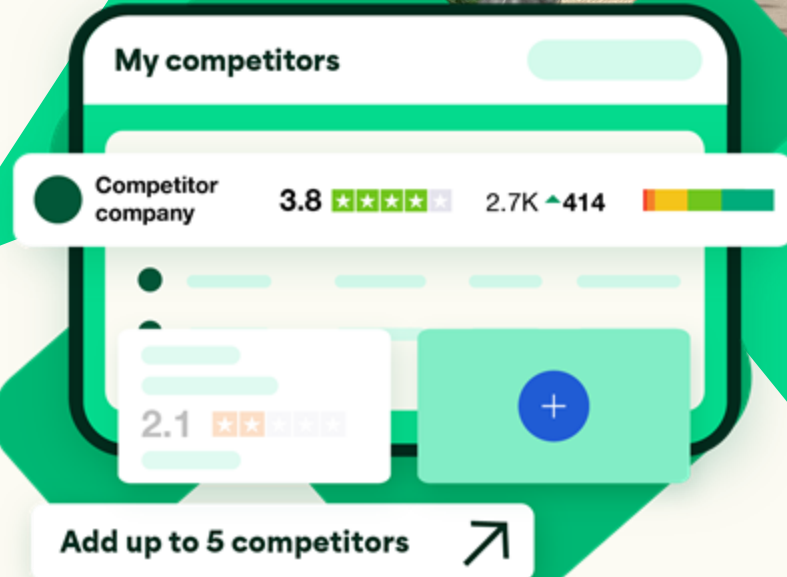
Our guidelines govern the platform and apply to both consumers and businesses. All reported reviews regardless of who they are written by or for are treated fairly against our guidelines.

Transparent

We provide clear and consistent communication about what we do, and why we do it. All businesses have transparency pages showing our community exactly how they engage with reviews on Trustpilot

We are uniquely positioned for sustainable growth

- ★ **Our platform is highly differentiated**
 - Network effect continues to strengthen, hit 300 million reviews
 - We bring a human, trust layer to business
- ★ **Investment in our product is delivering greater value to our customers and driving increased pricing**
- ★ **Strong financial performance in H1 and returning further cash to shareholders**
- ★ **Confident that we will deliver long term growth and sustainable margin improvement**
 - Long term goal for adjusted EBITDA margins >30%



Any questions?



Appendix



Cost Reconciliation (non-IFRS)

H1 24							
\$m	Reported	D&A	SBC	Other Operating Income	Transaction costs	Restructuring Costs	Non-IFRS
Sales & Marketing	(27.1)	—	—	—	—	—	(27.1)
Technology & Content	(28.5)	2.1	—	—	—	—	(26.4)
General & Administrative	(22.4)	2.9	3.7	—	0.1	—	(15.7)
Impairment losses on trade receivables	(1.5)	—	—	—	—	—	(1.5)
Other Operating Income	0.1	—	—	—	—	—	0.1

H1 23							
\$m	Reported	D&A	SBC	Other Operating Income	Transaction costs	Restructuring Costs	Non-IFRS
Sales & Marketing	(23.8)	—	—	—	—	—	(23.8)
Technology & Content	(25.3)	1.5	—	—	—	—	(23.8)
General & Administrative	(21.8)	2.9	3.4	—	—	—	(15.5)
Impairment losses on trade receivables	(0.9)	—	—	—	—	—	(0.9)
Other Operating Income	0.1	—	—	—	—	—	0.1

* Non-IFRS figures exclude depreciation & amortisation, non-recurring transaction costs, and share-based compensation.

Adjusted EBITDA reconciliation

Half Year Results

(\$m)	H1 24 unaudited	H1 23 unaudited
Operating profit/(loss)	1.8	(2.1)
Depreciation and amortisation	5.0	4.4
EBITDA	6.8	2.3
Transaction costs	0.1	—
Share-based payments	3.7	3.4
Adjusted EBITDA	10.6	5.7

IFRS Income Statement

(\$m)	H1 24	H1 23	(+/-) % actual
Revenue	99.8	84.6	18%
Cost of sales	(18.6)	(15.0)	24%
Gross profit	81.2	69.6	17%
Sales and marketing	(27.1)	(23.8)	14%
Technology and content	(28.5)	(25.3)	13%
General and administrative	(22.4)	(21.8)	3%
Impairment losses on trade receivables	(1.5)	(0.9)	67%
Other operating income	0.1	0.1	NM
Operating profit/(loss)	1.8	(2.1)	186%
Finance income	1.7	0.7	143%
Finance expenses	(1.0)	(2.6)	(62)%
Profit/(loss) before tax	2.6	(4.0)	165%
Income tax credit	5.1	1.5	240%
Profit/(loss) for the period	7.7	(2.5)	216%

IFRS Balance Sheet

(\$m)	June 30 2024	December 31 2023
Tangible and intangible assets	30.7	31.1
Deferred tax assets	19.9	12.4
Deposits and other receivables	2.5	2.3
Total non-current assets	53.1	45.8
Trade receivables	8.9	9.8
Contract acquisition costs	5.8	4.0
Cash and cash equivalents	75.6	91.5
Other current assets	5.4	5.2
Total current assets	95.7	110.5
Total assets	148.8	156.4
Total equity	53.9	63.1
Total non-current liabilities	22.1	22.3
Income tax payable	2.0	0.9
Contract liabilities	38.2	37.8
Other current liabilities	32.6	32.3
Total current liabilities	72.8	71.0
Total liabilities	94.9	93.3
Total equity and liabilities	148.8	156.4

Deferred tax assets

→ \$10.0m recognised in 2024 relating to UK entities

Net cash balance

→ \$75.6m at 30 June

Income tax

→ \$2.0m estimated payable at 30 June

IFRS Cash Flow

(\$m)	H1 24	H1 23
Profit/(loss) for the period	7.7	(2.5)
Adjustments to operating cash flows	2.0	8.3
Changes in net working capital	1.1	3.7
Interests received	1.7	0.7
Interests paid	(1.0)	(1.1)
Income taxes (paid)/received	(0.1)	0.1
Net cash inflow from operating activities	11.4	9.2
Purchase of property, plant and equipment	(0.3)	(0.1)
Payments for intangible asset development	(3.2)	(1.4)
Net cash outflow from investing activities	(3.5)	(1.5)
Principal elements of lease payments	(2.1)	(1.5)
Proceeds from share issue including transaction costs	4.6	0.2
Share buyback programme	(25.6)	30
Proceeds from borrowings	—	30
Repayment of borrowings	—	(30)
Net cash outflow from financing activities	(23.1)	(1.3)
Net cash flow for the period	(15.2)	6.4
Cash and cash equivalents, beginning of the period	91.5	73.5
Effects of exchange rate changes on cash and cash equivalents	(0.8)	2.8
Cash and cash equivalents at end of the period	75.6	82.7

FX translation

Average rates (for bookings, revenue, and expense) ⁽¹⁾	% (+/-) over prior period					
	\$/£	\$/€	€/£	\$/£	\$/€	€/£
H1 24	1.27	1.08	1.17	2%	0%	2%
FY 23	1.24	1.08	1.15	1%	0%	1%
H1 23	1.23	1.08	1.14	0%	3%	-3%

End of period spot rate (for ARR)	\$/£	\$/€	€/£	\$/£	\$/€	€/£
H1 24	1.26	1.07	1.18	-1%	-3%	3%
FY 23	1.27	1.11	1.15	6%	4%	2%
H1 23	1.27	1.09	1.17	5%	2%	3%

Note:

⁽¹⁾ Period average rates shown here represent the average reported rates of all months in the period.

Financial glossary

ACV	Annual Contract Value
Adj. EBITDA	EBITDA (earnings before interest, tax, depreciation, amortisation) adjusted to exclude share-based compensation, including associated cash settled social security costs, non-recurring transaction costs such as those related to IPO preparation and restructuring costs, which relate to one-time costs associated with a material organisational change such as severance payments.
ARR	Annual recurring revenue. ARR represents the annual value of subscription contracts measured on the final day of a reporting period, and is calculated as Monthly Recurring Revenue multiplied by 12.
Bookings	The annual contract value of contracts signed in a given period. Nearly all are 12 months in duration but in the rare case a contract exceeds 12 months the value reported is only the 12 month equivalent.
CAC	Customer Acquisition Cost. Includes Sales and Marketing costs in a given period.
Cost of sales	Includes network operating costs and the costs incurred to onboard, support, retain and upsell customers.
Lifetime Value	$(\text{Average New Customer ACV} * \text{Gross Margin}) / \text{Gross Value Churn}$. Excludes upsell and cross-sell.
LTM Gross Dollar Retention Rate	Determined by taking retention bookings divided by contracts up for renewal. Refers to US\$ amount rather than customer count and excludes up-and cross-selling (expansion) of existing customers
LTM Net Dollar Retention Rate	Annual contract value of all subscription renewals in the last twelve months divided by the annual contract value of subscriptions expiring in the last twelve months. LTM Net dollar retention includes the total value of subscriptions with existing Subscribing Customers, and includes any expansion of contract value with existing Subscribing Customers through upsell, cross-sell, price expansion or winback. Twelve months of data is used as nearly all subscriptions are twelve months in duration, ensuring the appropriate alignment of renewal activities.
LTV/CAC	$\text{Lifetime Value} ((\text{Average New Customer ACV} * \text{Gross Margin}) / \text{Gross Value Churn}) / \text{Customer Acquisition Costs (Sales and Marketing Costs} / \# \text{ new customers)}$. Excludes upsell and cross-sell.
Net expansion	Calculated as net dollar retention rate minus gross dollar retention rate.
Revenue	Recognised revenue, software subscriptions are amortised over the term of the contract.

Operational glossary

Active domains	Number of domains that have claimed their profile on Trustpilot and have received an invited review or were the subject of a TrustBox impression during the month
Claimed domains	Number of domains who have claimed their profile on Trustpilot and can access features like inviting customers to write reviews, replying to reviews, and being notified whenever someone writes a review
Domains with reviews	All reviewed domains (inclusive of domains subsequently removed from Trustpilot consumer site)
Google search results / impressions	Number of times that a link to a Trustpilot page has been returned in response to a Google search, on any page of the search results
Reviewed domains	All reviewed domains (inclusive of domains subsequently removed from Trustpilot consumer site)
Review invitations	Product feature that allows Trustpilot customers to invite their customers to leave a review on their Trustpilot company page
TrustBox impressions	The number of customer webpage loads with an embedded TrustBox, but the consumer does not necessarily see the TrustBox
Unprompted reviews	Consumers reviewing a business without being invited or prompted to do so

Purpose-driven business

Trustpilot began in 2007 with a simple yet powerful idea that is more relevant today than ever — to be the universal symbol of trust, bringing consumers and businesses together through reviews. Trustpilot is open, independent, and impartial — we help consumers make the right choices and businesses to build trust, grow and improve.

Today, we have 300 million reviews and 67 million monthly active users across the globe, with 127 billion annual Trustpilot brand impressions, and the numbers keep growing. We have more than 900 employees and we're headquartered in Copenhagen, with operations in Amsterdam, Denver, Edinburgh, Hamburg, London, Melbourne, Milan and New York.

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