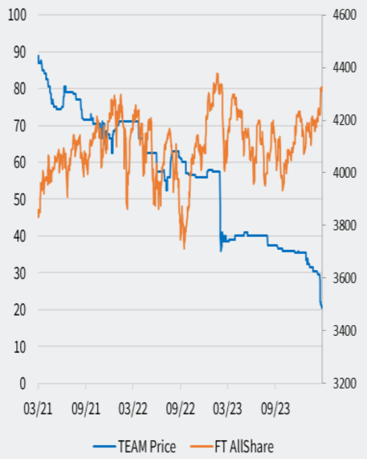
TEAM plc

A Jersey mini-Tatton fuelled by expat wealth – we initiate coverage with 70p/share fair value

GICS Sector	Diversified Financials
Ticker	TEAM
Market cap. (£m)	6.5
Share price (p)	21.5
Target Valuation (p)	70

+226%

Upside from current share price to our fair value



Source: Bloomberg

TEAM has been designed to be a scalable wealth manager, with both a central fund management engine - a managed portfolio service (MPS), which can handle multiples of current client assets at limited incremental cost - and a wide intake funnel of incentivised advisers in high growth markets. Operating leverage is high.

The MPS engine was designed and built in Jersey, a highly regulated wealth management market with a strong international reputation for fiduciary responsibility. It offers a full range of discretionary investment solutions. The asset intake there is through two owned financial planning and advice firms, gradually capturing more of their clients' total spend on wealth management as their investments move to TEAM's scalable central investment proposition. Jersey should now generate dependable organic growth, in our view.

We believe the turbocharger for material AUA growth is, however, the International division: a network of advisers assembled from two acquisitions in June and December 2023, with bases in Dubai, Abu Dhabi, Singapore, Kuala Lumpur, Nairobi and Durban. The principals own TEAM equity already and can earn more as they bring further client assets, especially from expatriates who respond to the cachet of Jersey, then recognise the quality of the advice, focused on solving expats' wealth problems, and value the centralised investment excellence, transparency and client service.

Backing to profitability

Having raised £7.8m at IPO in 2021, and then another £1.1m in March 2024, the company has visibility on cash break even. We note significant institutional shareholders who established positions at IPO, maintained them in May '22 when the company raised a further £2.7m to acquire a Jersey based financial planning and investment consultancy business, and are still there as the company has raised again in such a way as to cause minimum dilution, at what management sees as a low share price. Senior management are significant shareholders with the founder and the principal of the International division having 21% between them.

Expectations

We model a 37% 4-year CAGR in client assets managed by the Investment Management division, leading to a 30% revenue CAGR. We see breakeven from the six-month period which starts a year from now. If the flows from the International adviser network, which are already strong, accelerate as we expect, forecasting risk will likely seem yesterday's problem. We have 2.7p EPS in FY '26 and 6.9p in '27.

Valuation

The current share price implies that the company will not attract the assets to make it to profitability. We disagree. Our forecasts drive a fair value of 70p per share, 2% above the current share price, based on a sober DCF analysis, using a 10% WACC and only 15% medium term growth, while our explicit forecasts have a 30% revenue CAGR 2023-2027E. The drop-through in this industrial model, with client assets flowing to a largely fixed cost investment management machine in Jersey, means that each subsequent year's cashflows is very material to the bottom line. Our year four profit after tax is 48% of the current market cap. (!).

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Emerging markets into Jersey

TEAM is a relatively new wealth, asset management and complementary financial services group, with a focus on the UK, Crown Dependencies and International Finance Centres. Its platform is particularly applicable to expats who require offshore custody and management. TEAM's client base of globally mobile HNWIs (high net worth individuals) extends beyond its Jersey base, following acquisitions, to other UK Crown Dependencies, the UAE, Singapore, Malaysia and South Africa. TEAM now seeks to scale up internationally, with profitability improvement to be underpinned by the continued aggregation of financial planning assets into AUM.

The acquisitions of Globaleye and Neba in 2023 raise exposure to growth in the Middle East, Asia and Africa, underpinning TEAM's organic growth prospects, which it will supplement via partner collaboration and hiring of advisers and DFM managers. TEAM has sought to acquire and aggregate advice assets into AuM, replicating a growth strategy which over the past decade has proved successful in the UK and for which competition outside the UK is limited. TEAM is unique, in our view, as a Jersey-based acquirer in the international wealth management space, having established a track record with six acquisitions to date for which it has raised over £13m of new equity.

Office and Adviser locations

Source: Company Reports, H&P estimates

Ad valorem charges on sticky client assets under management/advice (AuMA) within the Investment Management division (TEAM AM) and the acquired financial planning/ Advisory businesses, which we will detail later (Omega, Concentric, Globaleye, NEBA), drive the bulk of revenue. Assuming no future M&A, we anticipate breakeven from late next year, with underlying profitability and positive cash flow from FY26 after deferred consideration on past deals has been paid. Improving profitability largely reflects the aggregation of financial planning assets from acquired financial planners into AUM, whilst we believe TEAM AM's scalability should drive significant operational gearing. We also anticipate the integration of acquired businesses should lead to cost savings.

Solid base

Jersey is a highly regarded international financial centre in a tax-neutral environment with strong connectivity, stable regulatory authorities and an established marketplace for investment services.

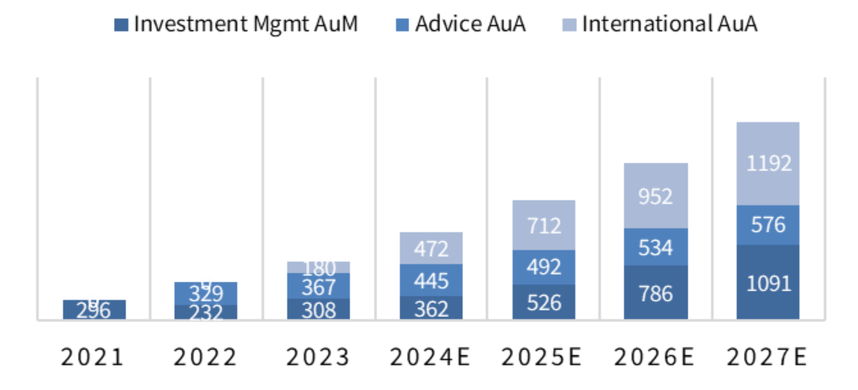
The group now has financial planning, advice and investment management, with scalability. It is Jersey-based, not some other company's offshoot.

TEAM was already winning clients outside the crown dependencies, from Gibraltar, Spain and South Africa, before the NEBA and Globaleye internationalising acquisitions of 2023. These clients tend to be expats who benefit from overseas pension schemes such as QROPS, QNUPS and International Savings Schemes, all of which need offshore custody and management.

The chart below shows TEAM's strong historical growth in AuMA since 2021 (excluding cash under advice and assets under investment review). Our estimate for end-2024 includes financial planning assets from the acquisition of Globaleye. The growth we model in financial planning AuA also reflects organic growth. On the basis of our estimates, total AuMA will have grown from c. £300m at September 2021 to c. £1.3bn by September 2024.

Over the same period, we envisage AuM within TEAM AM to have grown from just over £200m to c.£362m, driven principally by inflows as financial planning assets from acquisitions continue to be aggregated into TEAM's centralised investment proposition, a.k.a the managed portfolio service (MPS), in a unitised form.

AuMA £m



Source: Company Reports, H&P estimates

The recent acquisitions have raised TEAM's organic growth profile, providing access to clients and assets in markets where financial services industries are relatively immature and wealth formation is strong. We expect improvement in infrastructure around these financial ecosystems, growing middle classes, expanding international expat communities, and an increasing focus on savings for retirement, should mean better organic growth prospects for TEAM than most UK-focused wealth managers. The bulk of the UK peer group is, in our view, suffering from a comparative lack of growth in mature markets where older customers are largely in the decumulation phase of their lives, higher interest rates are likely to have exacerbated outflows, further driven by intragenerational wealth transfers.

Simply put, we believe TEAM has the ability to find clients who have significant disposable income.

Assembling the TEAM

The company was founded by Executive Chairman Mark Clubb, who has worked as an investor and wealth manager for almost 40 years, during which he has worked with several of the now senior investors in TEAM. He was a founder manager of Altium Capital Partners in 1997, which grew to 14 offices across Europe and from 6 partners to over 260 staff, before a sale to MBO. He then worked for a decade with Collins Stewart, based in his childhood home of Jersey, before leaving to start his own business focused on his active investment philosophy.

Mark hired Matthew Moore from UK wealth manager Ascot Lloyd to be CFO, COO and Head of Acquisitions. Matthew was previously CFO at Close Investments, CFO and COO at Origen Financial Services (part of Aegon). He started as a qualified accountant with EY, then an equity research analyst in the Financial sector at Cazenove & Co in London and India, a FIG M&A banker at ING Barings in London and Hong Kong, and with Commerzbank in London and Frankfurt, and corporate development at Close Brothers.

In late '23 John Beverly joined the business from Neba Wealth Management in Singapore, seeking the backing of a listed business, and calling the moment "a unique opportunity to partner with a reputable quoted company as it embarks on the next stage of its global strategy".

The aim is to create a business of scale, built through the distribution expertise of Mr Beverly and what was Neba Wealth, and on the investment expertise of the Jersey team. The business has consequently been formed through several acquisitions, with five since the March 2021 IPO. We see the acquired businesses as fulfilling one or more roles:

- extension of complementary services to clients, e.g. as JCAP does with treasury services
- distribution for TEAM AM services, through financial planners
- being a low-cost source of profits in strategic targets, i.e. Omega
- having high growth potential, i.e. Concentric.

Corporate components- the acquisitions

Investment Management – January 2020

The start was Theta, a discretionary fund manager in Jersey. It was bought in September 2019 with £140m AUM and 8 staff. The initial capital, £2m, was raised from individuals known to Mark Clubb. TEAM (Theta Enhanced Asset Management) then added six investment staff and directors of operations, compliance and finance, it invested in the website, and in branding. Fee tariffs were tailored, and it migrated all assets to Pershing (part of BNY Mellon). Multi-asset portfolios were launched, as was an international equity fund. TEAM also has significant fixed income expertise through the team of Andrew Gilham, Head of Fixed Income, which runs the Keox range of funds, some £87m of AUM.

The Pershing relationship is important, in our view. Pershing provides custody, client asset reporting, transaction reporting, compliance asset monitoring, payments, reconciliations (dividend, transaction and script) system/cyber security and tax reporting.

TEAM Jersey is regulated in Jersey by the JFSC, the local regulatory authority.

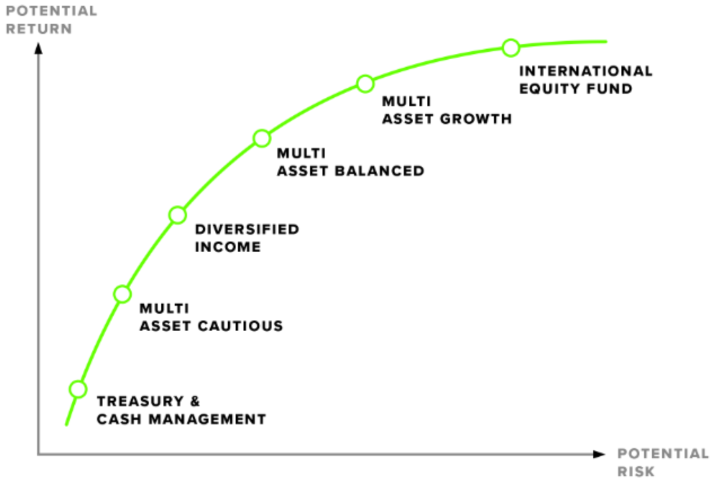
ESG excellence is achieved through use of BlackRock's analytics and reporting. This enables scenario analysis, discrete E, S and G reporting, and sufficiently granular output to allow the constitution of a bespoke portfolio for a particular set of client requirements, when they arise.

TEAM Jersey offers Professional Clients a bespoke discretionary wealth management service based upon the investment strategy of the Investment Committee and the primary investment objective of the underlying client. This service incorporates:

- a systematic approach to discretionary management, enabling investment managers to adapt rapidly to changing market conditions
- a multi asset approach, including direct exposure to equities, bonds and collectives (specialist single asset class strategies available)
- bespoke investment strategies, developed in conjunction with a dedicated portfolio manager
- multi-currency investment
- online information access and reporting.

TEAM also offers a Managed Portfolio Service, initially targeted at clients with a lower net worth than Professional Clients. It includes a range of systematic discretionary investment portfolios, developed to meet clients' objectives, all reflecting the views of the Investment Committee.

Multi-asset and single strategies



Source: Company Reports

This is mostly a multi-asset approach, achieved via investment in both passive and active investment schemes. Clients have a choice of investment objectives (Growth, Balanced, Cautious, Income) and currency. The service also includes online access and reporting, an automated portfolio rebalancing and risk monitoring process and electronic distribution of monthly factsheets.

The above may seem relatively standard from a London perspective (albeit that a systematic approach is atypical), but many Jersey IFAs still constitute client portfolios in the traditional but ad hoc way, which is suboptimal for performance outcomes.

We detail the performance of those strategies later in the note.

IPO – March 2021

On 8 March 2021, TEAM's shares were admitted to trading on AIM in an IPO raising £7.8 million. The company attracted significant institutional investors Schroders, who now own 6.9% of the company, and Marlborough, with 5.7%.

In that same month the company made an opportunistic and low-cost approach to Tavistock Investments, a company well-known to TEAM, however it did so just after a higher bid was received. Tavistock's share price has risen 4x since that time.

JCAP - July 2021

JCAP

JCAP is a cash and FX management business providing technology-based solutions for the management of cash and counterparty risk. It partners with investment managers, corporate service providers and trustees in the UK and Channel Islands to provide its treasury and cash management services to corporations and fiduciaries. Revenues are said to be effectively recurring, and high margin. The logic for the acquisition was that its services could be of use to Jersey intermediaries and to Theta/ TEAM AM clients. The company paid just under £3m, or 8x EBITDA, including £0.8m of acquired cash.

The company charges ad valorem of client assets, with also some fixed fees. It does not hold client cash. The clients can see on a webpage, which JCAP terms a cash board, which rates they are receiving on which liquidity profiles. The company cites 8-9 major clients and another dozen with further potential.

Rising interest rates are said to have led to new client wins and further revenue growth, while costs have been reduced following JCAP's physical integration into the TEAM offices. In H2'23 JCAP reported a £0.65m settlement following the early termination of a significant client relationship.

There are other revenue lines. The company has recently struck an FX agreement with a third-party provider and will earn a spread on this further client service. It also charges clients an annual fee for counterparty risk monitoring.

Omega – December 2021

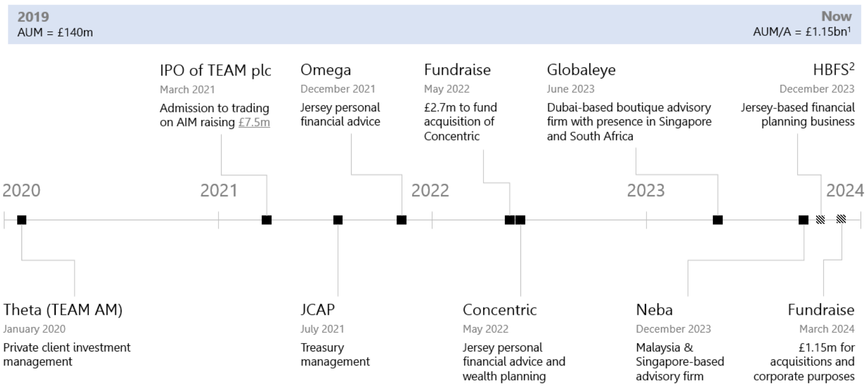
Omega was established in 1998 as a Jersey-based independent financial advisory (IFA) business, largely serving local mass-market clients with financial planning services including advice on pensions, savings, investments, mortgages and protection. Prior to the acquisition, Omega had £77m of AuA. The price paid was only 6x FY21 EBITDA.

Omega - now part of Concentric

The acquisition completed in July 2022. Total consideration was a potential £4m of which £2m was an upfront cash payment with the remaining £2m of deferred to be paid in two tranches in a mixture of cash and shares, in October 2023 and the second in October 2024. Costs have been reduced following the Omega client book and staff integration into the Concentric business.

We should note in passing that the regulator, the JFSC, is looking into possible failures of corporate governance at Omega prior to its acquisition by TEAM, however TEAM is fully indemnified against any possible fines or costs.

Group development



Source: Company information. Notes: 1) As of Feb'24, including TEAM International and HBFS; 2) Exchanged contracts, but has not completed yet

Concentric – April 2022

Concentric is a Jersey financial planning business with an investment consultancy arm (analysis and reporting) which services HNWI and institutional investors.

Concentric - about us

Concentric will expand by targeting clients outside Jersey, potentially in Southern Europe and the Middle East, for the wider TEAM plc. Prior to the acquisition, it had £231m of AuA.

Total consideration was a potential £2.5m of which £1.7m was an upfront cash payment with the remaining £0.8m deferred payment in shares paid in October 2023.

TEAM International #1 - Globaleye – June 2023

Globaleye is TEAM's largest deal to date, made to acquire licences which would permit the growth of TEAM's distribution into the Middle East and Asia. It is a Dubai headquartered independent wealth manager, providing bespoke investment and insurance solutions for more than 10,000 clients from bases in Singapore, Kuala Lumpur, Abu Dhabi, Durban and the UK. Globaleye is fully regulated by the UAE Central Bank and SCA, the MAS in Singapore and its equivalent in Labuan and South Africa.

The cost of the acquisition was up to £5.6m, paid half in shares and half through a convertible loan note. The actual sum paid was in the end £2.3m in shares issued to Director Patrick Liotard-Vogt.

InvestmentInternational.com piece on the Globaleye acquisition

Also in June 2023 TEAM began to acquire Thornton, a financial planning business in the Isle of Man, with a client base of around 180. It was to be TEAM's first acquisition in a Crown Dependency other than Jersey. The consideration was to be a potential £2.5m. In December 2023 it was however announced that Thornton's management team had decided to remain independent and that TEAM had agreed to an amicable cancellation of the proposed acquisition.

We note that in the time between the announcement of the Thornton deal and its cancellation, TEAM had been able successfully to combine Neba with Globaleye, thus developing the business in an area of potentially higher growth than the Isle of Man.

TEAM International #2 - Neba – December 2023

Neba Wealth

Neba is the creation of its founder John Beverley. It provides financial planning to mostly expat clients, from its bases in Malaysia and Singapore. It has two elements: a Labuan, Malaysia regulated network of financial advisers operating in Asian, South and Central American, African and Middle Eastern markets, and Neba Singapore, which promotes structured funds to IFAs primarily in Dubai and Singapore.

Neba was bought to bring in management with a plan, to grow TEAM's distribution network and to form an International division, the new business unit. The focus now is on recruiting high performing advisers, to whom TEAM will provide investment services.

At the time of the acquisition Neba had turnover of some £1m and slight profitability. The cost was £1.181m, by way of a nil coupon convertible loan note. The deal has been structured such that the vendor will subsequently receive £1m for every £100m that is invested into TEAM AM funds, to be satisfied by the issue of new TEAM shares, capped at a maximum of 25 million new ordinary shares.

TEAM International now has 5 offices and 5 regulatory licences. It has 58 advisers and another 18 in the pipeline. It is a significant distribution force. Over time the company will build regional business development teams to support those and future advisers.

HBFS – December 2023

HBFS is a Jersey financial planning business, so already well known to TEAM. It had AUA £135m and 1,000 clients serviced by 10 employees. 2023 revenues were £1.3m, with pre-tax losses of £15k.

The transaction is not concluded, so is not in our forecasts. The total consideration is to be £2.4m in cash, payable on completion, with surplus tangible net assets of £380k. Its two shareholders and directors will remain with the Company for a limited three-month handover period and will be available thereafter in a consultancy capacity.

TEAM expects that the transaction will generate significant economies of scale and that the business will benefit from being part of the broader TEAM platform once it is integrated under the Concentric brand led by its MD, Gordon Bennie.

Investment Solutions

We see TEAM's operating leverage stemming in great part from a suite of investment products designed to create with relative ease a total investment solution for the end client.

Multi-Asset Strategies

TEAM has a number of solutions from cash, through various degrees of equity exposure, to a 100% global equity fund. There is in all the multi asset funds an emphasis on genuine diversification of asset class and away from the "return free risk" of sovereign and corporate debt. That emphasis has particularly paid great dividends in 2022, since it was an unparalleled disaster for "standard" 60:40 funds, with the average such strategy being down c. 17%.

We show performance of the multi asset strategies below, since they appear not only be to be well conceived, but also, we believe, to have delivered in a way which is likely to lead to further successful asset gathering. More than that, 2022 performance was so good it seems likely to sustain great 3 and 5Y numbers, in our view.

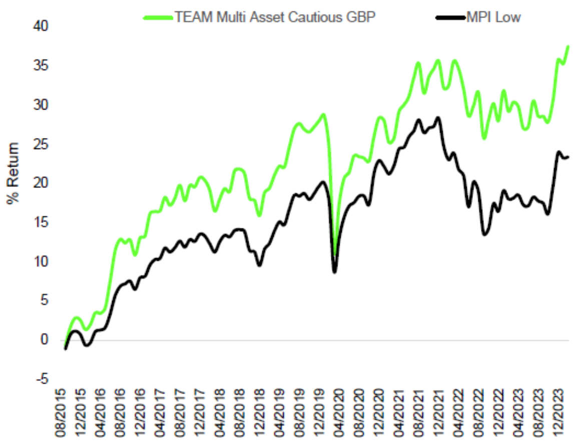
Multi-Asset Cautious

The fund targets capital growth and income over the longer-term from an actively managed portfolio of different asset classes and market, with preservation of capital an important objective. It is run by an investment team of Craig Farley, CIO, and Andrew Gilham, Head of Fixed Income.

The fund invests in global equities, global high yield bonds, absolute return strategies, alternative income producing securities and real assets including gold, commodities, infrastructure and property, seeking real diversification. Average portfolio equity risk is approximately 25% through market cycles. There are five distinct asset classes spanning more than 50 global financial markets, approximately 25 individual assets, and no conventional bond holdings.

This strategy has shown much smaller drawdowns than has its peer group. Performance to end February is excellent, in our view: + 212bp relative over 1Y, +805bp over 3Y, +538bp over 5Y.

TEAM Multi-Asset Cautious – Return since launch



Source: Company Reports

Top 10 Holdings (% NAV)

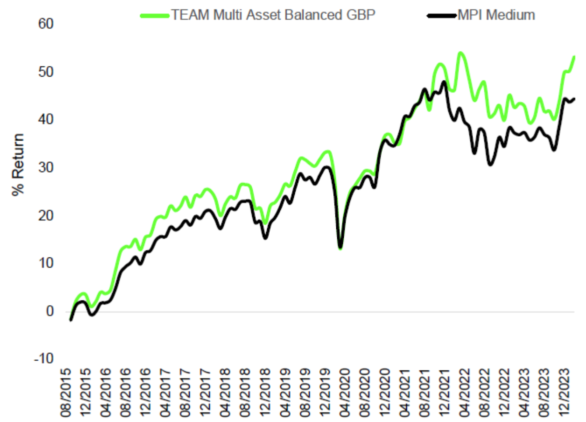
GBP Cash	13.88%
Global X US Infrastructure	10.54%
Gemcap TEAM International Equity Fd	9.88%
iShares Core £ Corp Bond UCITS ETF GBP	9.86%
iShares NASDAQ 100 UCITS ETF	6.03%
iShares Edge MSCI World Value	6.01%
iShares Global High Yield Corp Bond	5.96%
iShares MSCI Japan UCITS ETF	4.12%
iShares MSCI World Small Cap	4.07%
iShares GBP Index-Link Glits	4.02%

Source: Company Reports

Multi-Asset Balanced

The Balanced strategy is run by the same team as the Cautious and Growth funds. It targets c. 40% equity risk through market cycles, aiming to provide equity-like returns over the longer-term, but with substantially less volatility and drawdowns than a pure equity portfolio. It invests in global equities, global high yield bonds, alternative income-producing securities and real assets including broad commodities, gold, global infrastructure and logistics, property and volatility, but has no conventional sovereign bond holdings, and sometimes has meaningful allocations to real assets. Performance to end February is impressive: +227bp relative over 1Y, +615bp over 3Y, +406bp over 5Y.

TEAM Multi-Asset Balanced – Return since launch



Source: Company Reports

Top 10 Holdings (% NAV)

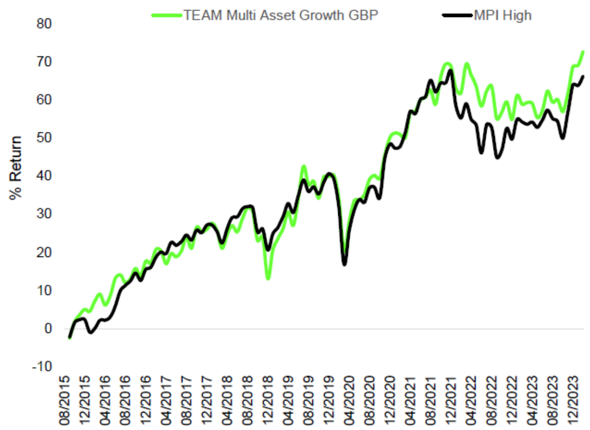
iShares NASDAQ 100 UCITS ETF	10.07%
iShares Edge MSCI World Value	8.03%
GBP Cash	7.95%
iShares MSCI Japan UCITS ETF	6.19%
Global X US Infrastructure	4.23%
iShares MSCI World Small Cap	4.08%
iShares S&P 500 Energy	4.06%
iShares MSCI Europe Ex-UK	4.03%
iShares Global High Yield Corp Bond	3.98%
iShares Asia 50 ETF	3.97%

Source: Company Reports

Multi-Asset Growth

TEAM's Multi Asset Growth strategy targets c. 60% equity risk through market cycles, looking for equity-like returns over the longer-term, but with substantially less volatility and drawdowns than equity securities. It tends to hold c. 25 individual assets, including real assets. Performance to end February is very good: + 94bp relative over 1Y, +193bp over 3Y, +838bp over 5Y.

TEAM Multi-Asset Growth – Return since launch



Source: Company Reports

Top 10 Holdings (% NAV)

iShares NASDAQ 100 UCITS ETF	12.10%
iShares MSCI Japan UCITS ETF	6.20%
iShares MSCI World Small Cap	6.12%
iShares Edge MSCI World Value	6.03%
GBP Cash	5.97%
GBP Cash	5.97%
iShares S&P 500 Energy	4.06%
iShares Asia 50 ETF	3.98%
iShares Asia 50 ETF	3.98%
iShares Developed Mkts Property Yield	3.97%

Source: Company Reports

In summary, we think the performance of the TEAM multi asset strategies, particularly through the crazy dislocations of 2022, is evidence of proper planning of products designed to preserve capital and achieve excellent risk-adjusted returns. We think there is a story to tell, and past performance of which to be proud, which is what the company, and its clients, need.

TEAM's market

Channel Islands

Being offshore is key to the operating model, particularly being rooted and headquartered in Jersey, which is such a large and captive source of business, with £600bn of private wealth, £450bn of funds and £1.3 trillion of custody. It is rare that a Jersey or Guernsey resident leaves the island to retire. Jersey is a major international finance centre, with a long-lived reputation for governmental, fiscal and legal stability. It has almost 200 regulated trust companies, and the industry body Jersey Finance reports c. 14k professionals working in the island's finance industry (see URLs in margin).

Jersey Finance

Locate Jersey

Jersey's number one selling point is that it will keep your lifetime savings secure. Number two has to be that it is tax neutral, meaning it can keep your assets out of the hands of most local tax authorities. TEAM does not invest in UK situs assets and takes all investment decisions in Jersey, while some others use their investment teams in London and book trades in Jersey, which is open to challenge. This is mostly important for inheritance tax planning – HMRC will take their slice on many UK investments passed on even if they are in trust (for the first 10 years).

It seems that the industry in the Channel Islands is simply behind the UK in several ways, meaning that, while competition is there, a high-standards wealth manager with a centralised, co-ordinated investment approach, which aims to preserve, first, and grow, second, their clients' capital, is in a relatively strong competitive position, in our view.

We see the shape of wealth management competition as different to the UK. There is competition, mostly from local firms, but there are no dominant players. Incumbents are also often offshoots of larger international business, so the Channel Island operations are perhaps not key, as seen by RBC Brewin closing its Guernsey office, with many expecting a further impact on the Jersey office.

Portfolio Adviser piece on the closure

More recently, Brooks Macdonald has also said its International operations are under review. At the time of their FY23 Interim Results presentation on 2 March 2023 CEO Andrew Shepherd said: "We see a major opportunity in that International business, particularly around the private clients on the 3 islands where it's incredibly fragmented and there's no real leadership across the crown dependencies, so we will have a bit more of a focus on what we're doing with the individuals on the island over the coming years where I think that's the biggest opportunity." We believe the opportunity is indeed there, but that it is TEAM that is taking it.

Brooks Macdonald call - listen at 31'20"

In Jersey and Guernsey TEAM has mapped the market (IFAs and investment managers), knows all the potential targets and has had conversations with many.

We believe a good proportion of such firms are run by older advisers who will be looking to sell and realise value. The company reports that at present there are no other buyers. The three Jersey companies which TEAM has bought have been acquired without competition. TEAM has executed its deals itself, with the support of a local lawyer, and in-house compliance and operations expertise.

The company reports that its presence in Guernsey is soon to be established, led by a new senior recruit, Mark Chipperfield, with also a small acquisition.

International

Most current clients are local Jersey residents. Future clients, after the formation of TEAM International from Neba Wealth and Globaleye, are increasingly likely to be international individuals, from Gibraltar to Dubai to Singapore, who need to keep their lifetime savings secure. The company already had good links with IFAs in Gibraltar, Spain, Portugal, South Africa - the intent is to focus on these locations for business development, and potentially to invest in one of those locations inorganically. TEAM's Chairman travels to such markets with local IFAs to win mandates from high net worth, international clients, tending to be larger clients with well over £1m in investable assets, and the company reports a couple of notable recent successes.

Personal tax rates (including 0% on capital gains and inheritance in Jersey) are also low across the company's international network, which should ordinarily increase clients' disposable income and rate of saving, underpinning TEAM's propensity to gather wealth assets.

Governance

The company has chosen to follow the QCA Corporate Governance code and has committed to maintaining a majority of independent directors. For now the company has an Exec. Chairman and a CFO/COO, but the intention is to appoint a CEO "at the appropriate moment", at which point Mr Clubb's role as an executive director would be reviewed.

The statement at the time of admission to AIM was that the company would manage the business with a high standard of corporate governance, particularly:

- improve the operating performance of the Group to a cashflow positive position
- build the business to scale within Jersey, defined as AUM of > £500m and operating profitability
- integrate and deliver the cost and revenue synergies identified in the acquired businesses
- build and convert the pipeline of acquisition opportunities

The expected consequence was that the Directors could then raise additional funding from existing and new investors, to finance further inorganic growth.
In time the intention is that Board remuneration will be aligned to KPIs based on revenue, cost and profitability measures but at this stage of the company's evolution it is the above four steps which are the focus.

Management alignment and incentives

Executive Chairman Mark Clubb owns 12.8% of the company. He chooses to waive £115k of his £250k salary. He has been a consistent buyer of shares with his own money and states that he will continue to buy shares.

At the time of the Concentric acquisition in April 2022, Mark Clubb chose to remove himself from the Management Incentive Plan such that the company could reduce that plan's scale from 12.5% of the company to 8.5%.

If performance criteria are met, then Matthew Moore, CFO and COO, will receive 6.5% of the company, while one other director will receive 1.0%.

The performance criteria are that 1/3 of the scheme is driven by the share price, with full pay-out where that is twice the 60p Concentric subscription price, and 2/3 of the scheme will be set with reference to market cap., with full pay-out where that is £40m.

Results 2023

Revenues rose 151% to £5.3 million with the first full year of contribution from the Advisory businesses acquired in 2022 and 4 months' contribution from Globaleye.

The company now reports three divisions:

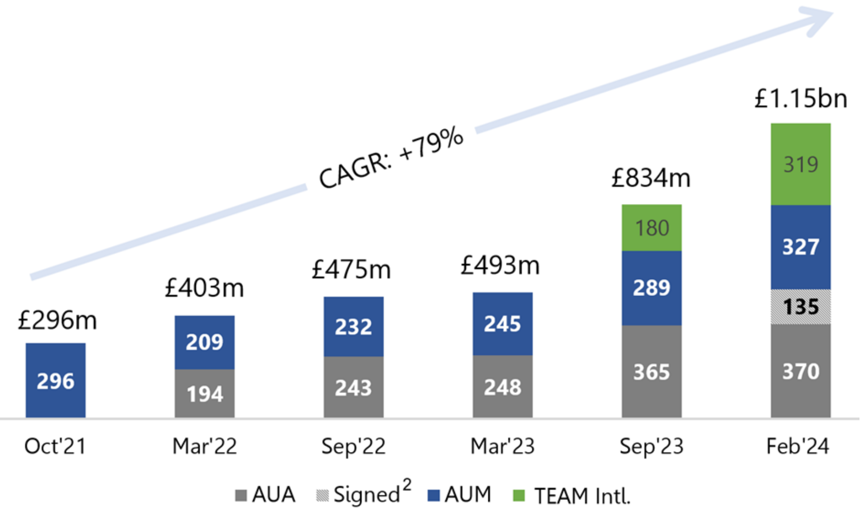
Investment Management provides investment management services for clients (HNWIs, UHNWIs, trusts, sovereign agencies, corporations) and fund management services to a range of fund vehicles where TEAM AM is the manager for the fund structure. Investment management includes bespoke, model portfolios and advisory portfolio management.

Advisory provides personal financial planning advice, investment consulting services and treasury/cash management advisory services.

International comprises Globaleye and Neba Wealth, as they were, now TEAM International.

Growth has been high. Of particular note to us is the extra £139m of AUA brought by TEAM Intl between September '23 and February '24, a combination of the Neba acquisition and organic net new money.

Client Assets



Source: Company

Investment Management

Investment Management saw AUM of £289m, up 24%. The model portfolio service was extended to five investment platforms and by the end of the year there were £70m of assets in the MPS model portfolios, from £12m at its start. £64m of assets from Advisory clients are now in the Investment Management division AuM. The results statement highlights that over £100m has come into the Model Portfolio Service since April 2022, propelling the company towards the scale required to outgrow costs and to start to create enduring profits, in our view.

Investment performance was above peers, as shown above.

The business is in the process of launching a unitised version of the model portfolios, to make the service accessible to investors in products that do not allow investments to be held via the five investment platforms on which TEAM now runs the models. These products are expected to be launched in H2 2024 and to be of most interest to the clients of the International division.

Advisory

Advisory revenues were £3.0m, up 178%. The division saw lower net new money than in previous years, since, as elsewhere, client activity in Jersey was quieter, driven by a more difficult economic backdrop, with, in particular, high interest rates and higher inflation. The company indicates that there are “signs that activity is starting to return to more normal levels as equity markets have performed well, inflation is falling and the expectation is for downwards moves in interest rates.”

The Treasury Services business, which is part of the Advisory division, had revenues of £1.0m, up from £0.8m in 2022. It reached a settlement with a client for non-payment of fees following the cancellation of a long-term contract. This led to a settlement of £0.65m gross, but then to lower ongoing revenues, and consequently a reduction of the carrying value of the business within. The Treasury Service business is said to have seen a more positive market recently, with the increase in returns on cash making the asset class of more interest to investors, though this has not yet resulted in material new client wins. The Treasury Service business is said to have remained profitable.

During the year the business has also been addressing the known historic issues with the acquisition Omega’s corporate governance controls, policies and procedures and believes it has made good progress in addressing those historic deficiencies. The business continues to be under review by the Jersey regulator, with TEAM fully indemnified against any costs or fines that might result. The integration of the two advice businesses Omega and Concentric is now complete, with both operating from the same premises, and with the same processes and policies.

International

International includes the Globaleye business acquired at the end of May 2023, and will include the Neba businesses from their acquisition in December 2023. Revenues for those four months were £1.3m. The company reports some previous over-optimism on Globaleye Group’s financial performance, such that it has been extensively restructured so it will be independently profitable.

Costs

The company now has 87 staff, excluding self-employed advisers, and 8 office locations. Direct and indirect costs underlying came to just over £6m, leading to an adjusted EBITDA loss of £687k. The company also incurred £222k of acquisition-related expenses and £35k of interest costs.

Profits

Adjusted EBITDA loss improved to £0.7m from £0.8m (+15%), with a £0.9m contribution from Advice, a £0.8m loss at Investment Management, and TEAM International losing £0.2m in the four months owned. Central costs were £0.7m.

Operating loss before exceptionals was -£1.85m, or £-2.1m after exceptionals.

Cash Flow and Balance Sheet

Cash flow was an £820k operating net cash outflow, before paying a £201k lease liability and receiving £425k from the loan note. The net move in cash over the year was a £661k net decrease, leaving £1.94m of cash and cash equivalents at the end of 2023.

Placing, subscription and wrap retail offer

Capital raise - 28.3.24

The company raised a further £1.1m at 20p, so a 4.8% discount to the prevailing share price, subject to AGM approval.

The fundraise was said to be supported by both existing and new shareholders, including new institutions.

Directors Philip Taylor, Michael Gray and David Turnbull subscribed for 125k, 75k and 50k shares, respectively, so raising their numbers of shares held by 271%, 157% and 149%.

In addition to the subscription and placing, the company included a WRAP retail offer, whereby retail investors might participate on the same terms as the Fundraise. This runs until 11.4.24.

Exec Chairman Mark Clubb commented that the year had started "well with the continued recruitment of advisers around the world. Assets will flow into the core TEAM Asset Management MPS offering and soon to be launched unitised versions."

Forecasts

Our summary model is at the back of this note. We assume no further acquisitions in our forecasts, as the company is focusing on organic AUA growth.

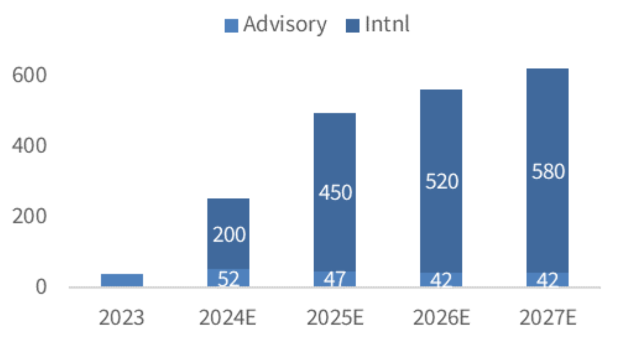
AuMA

In FY24E we forecast just over £50m of net inflows into Advisory and into Investment Management, and £200m into International. In FY25E we expect similar inflows into Advisory, but a higher £450m net new money into International as the business scales. In that same year we expect flows from International clients back to Investment Management to accelerate, leading to c. £160m of net inflows. In FY26E those inflows to Investment management should rise again, to more than £250m.

We assume zero market/ performance growth.

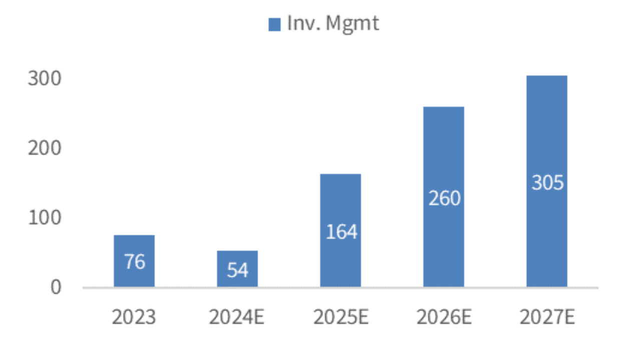
We show separately below the flows into advised assets within Advisory and International, and then on the right the flows into internally-managed AuM, most of which are anticipated to come from the International AuA. Note that the scales are different.

Net new money into AuA, £m



Source: Company Reports, H&P analysis

Net new money into AuM, £m



Source: Company Reports, H&P analysis

After 33% growth from net new money into Investment Management AuM in 2023 we see 17% in FY24E and 45% in FY25E. The number sounds high, but the funnel is big, in our view, and the denominator relatively small.

Sanity check

Can TEAM International really raise £200m AuA in FY24 and £450m in FY25? This seems to us the nub of the investment case.

TEAM International has 58 advisers, plus another 18 in the pipeline. If the average adviser count this year is 63, then the net new money per adviser is £3.2m. If next year the average adviser number is 76, then the net new money per adviser is £5.9m.

Given the level of incentivisation, the environment in which the advisers are operating, and the differentiation that they now have through being part of a quoted Jersey wealth management company with a unitised MPS offering, then it does not seem to us too much to expect an adviser to bring a dozen clients in a year at an average AuA of £0.5m.

Revenues

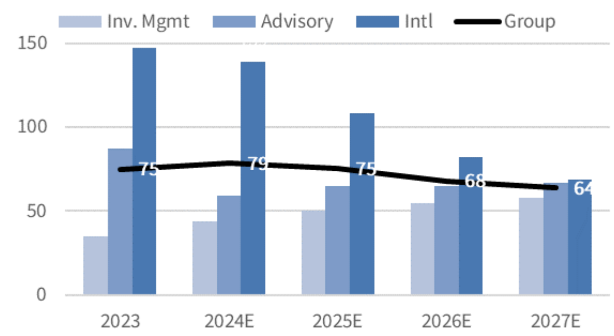
Fees typically range from 30bps, if assets are in a model run on one of the five third-party platforms TEAM uses, to 100bp if the client is a direct client, with TEAM AM on TEAM's Pershing platform. For the financial advice client the charges in Omega are 100bp for financial planning and 50bp for investment management (now provided by TEAM AM), which explains the relatively high profit margin in the business. Concentric charges 50-80bp for financial planning but does not provide investment management, so this is the greatest source of incremental income. The investment management fees earned on clients from international IFAs (non-Jersey) are 100bp, with half then paid to the introducer and shown as a cost of sale. Clients that TEAM wins from trusts or directly are charged 75-100bp, depending on size.

In TEAM International the model is very different, with 3-7% advice fees and 0.75% - 1.25% fund management fees, but with 60-80% adviser commissions and an 85% bonus pool, such that much is paid away to the advisers and the division runs closer to EBITDA breakeven, while TEAM makes profits from the assets which it then manages in its own Investment Management function.

Group revenue margins we see at 79bp this year and 75bp next, driven by mix. Investment Management revenues we estimate at 44bp this year and 50bp in 2025E. It is important to realise that these revenues are incremental - they are TEAM capturing more of the end client's pre-existing spend, rather than a third party investment manager doing so.

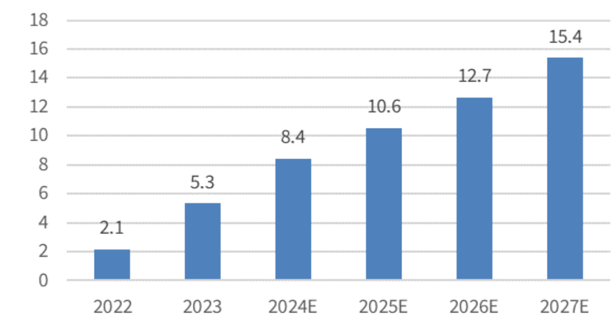
The output is revenues of £8.4m this year and £10.6m in FY25E, on our estimates.

Revenue margins, bp



Source: Company Reports, H&P analysis

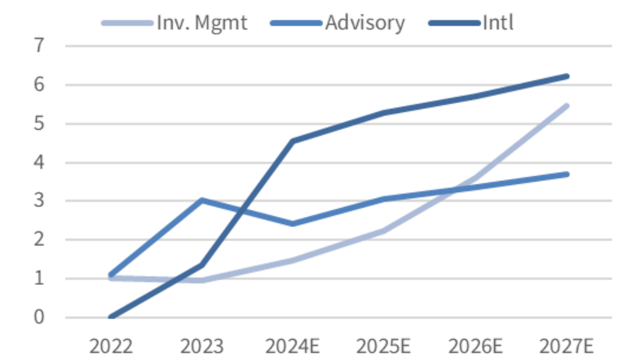
Group Revenues, £m



Source: Company Reports, H&P analysis

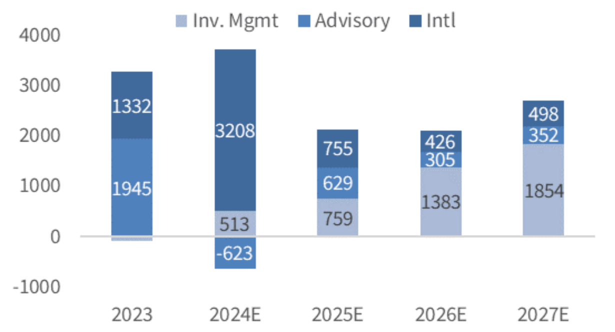
The delta in the near-term comes from the International division, but in the out year, 2025, all three divisions should contribute substantial revenue growth, as shown in the chart below on the right.

Divisional revenues, £m



Source: Company Reports, H&P analysis

Divisional revenues yoy changes, £'000



Source: Company Reports, H&P analysis

Moving clients into TEAM portfolios is a great driver here, since the company has £547m of client assets in financial advice, while at present only £308m is invested with TEAM AM. For each £100m which is moved, there would therefore be an incremental c. £350k of income, at negligible marginal cost.

The expectation is that new clients will predominantly be investing in TEAM AM funds.

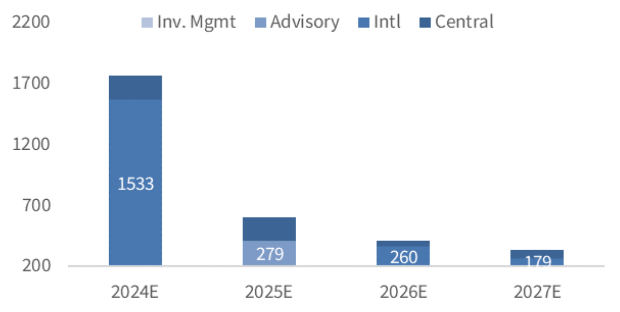
Costs

The acquisitions have brought synergies:

- All Jersey operations have been consolidated into one office for Advice and one for Investment Management.
- IT support is firm-wide.
- The acquired businesses will also no longer require the additional cost of non-executive directors.
- The current contract with Pershing CI has a minimum fee, set at a base asset level of £160m, which is above the company's assets there. This means that, for now, incremental clients on Pershing do not have the normal incremental cost of some 15bp.
- Omega and JCAP have been incorporated into Concentric.

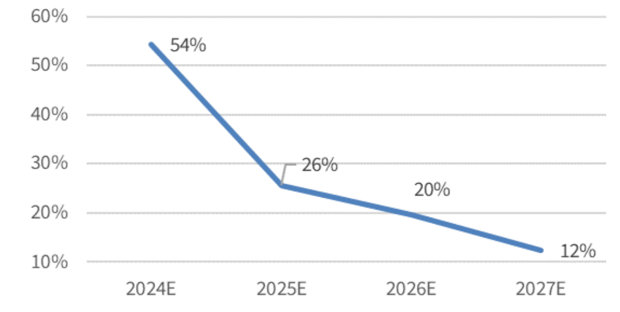
In the other direction, there has been investment in finance, data, and IT. Our modelled opex growth, shown below, is 33% this year, as the acquisitions are in for a full year, 8% next and 6% in FY26. On the right we show how this is nonetheless but a fraction of revenue growth.

Divisional opex yoy, £'000



Source: Company Reports, H&P analysis

Opex change/ Revenue change, %

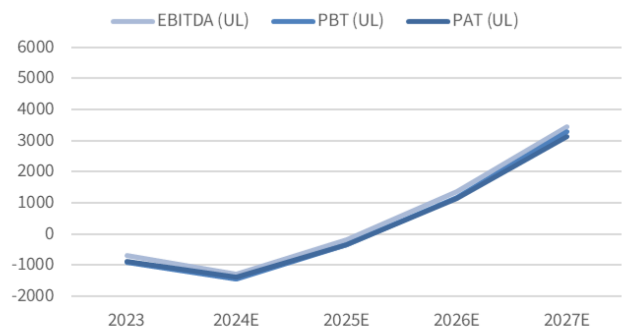


Source: Company Reports, H&P analysis

Profits

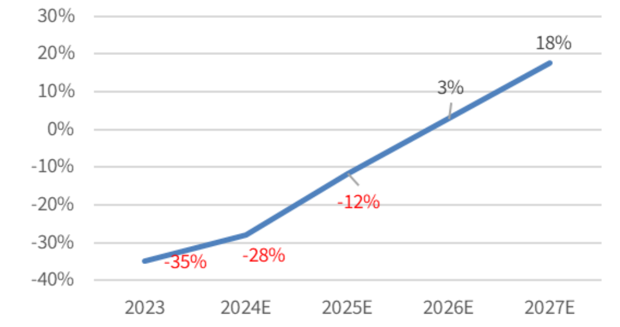
We anticipate the result of the above will be explosive profit and cashflow growth. Note the light depreciation charge, minor loan note interest and low taxation, such that there's a small gap between EBIT and PAT.

EBITDA, underlying PBT and PAT, £'000



Source: Company Reports, H&P analysis

Underlying EBIT margin, %



Source: Company Reports, H&P analysis

We have an 18% operating margin in year four, 2027E, which would be sector-average, but still on its way up.

Longer-term, returns should continue to benefit from the operating leverage that come from high net inflows into a largely fixed cost investment management function. Another year of such growth would necessarily see margins above the 30% EBITDA margin to which the company aspires.

Cash flow and Balance Sheet

Cash at the year-end was £1.94m, with the company also having a £1.1m loan note. Deferred consideration of £150k is to be paid this year, to the founders of Omega.

We forecast a £1.28m EBITDA loss in FY24E. We model the net proceeds of the recent share issue as a £1.15m cash inflow. There will also be the £675k further inflow from the loan note issued to buy Neba. As a result we see a £198k increase in cash in FY24.

In FY25E we see a business hitting breakeven, such that the FY EBITDA is only a £170k loss. There will however be a £300k deferred consideration payment, leading to a £600k decrease in cash and £1.5m of closing cash on the balance sheet.

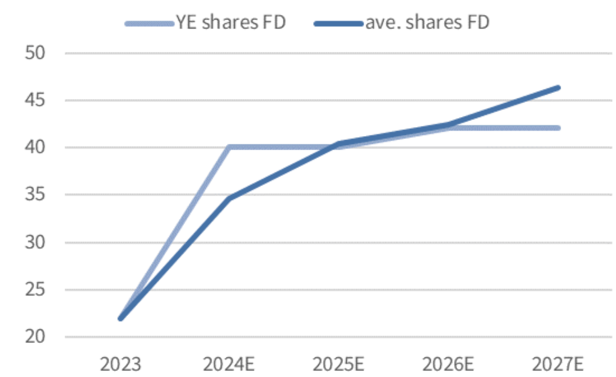
We note the auditor's statement in the FY23 accounts regarding their assessment of going concern, since when the company has successfully raised £1.1m.

Share count and EPS

Average fully diluted shares in FY23 were 22.0m We have 40.1m at the end of 2024 after the equity raise, and 42.1m at the end of 2025.

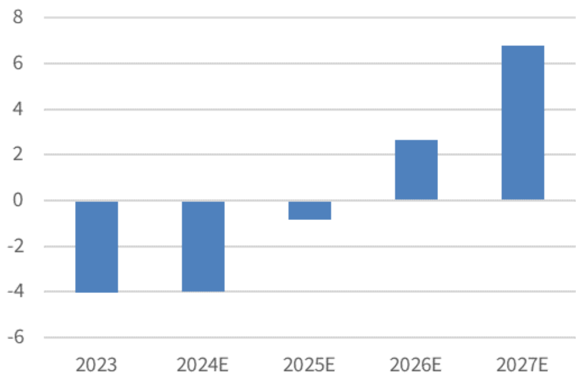
On our estimates the company will turn profitable in H2 2025, so the half year period starting a year from now. We see 2.7p of earnings per share in FY25 and 6.9p in 2027.

Share count (m)



Source: Company Reports, H&P analysis

EPS (p)



Source Company Reports, H&P analysis

Further growth -

We expect the number of advisers to grow through organic recruitment. The statement in the 2023 full year presentation is that "Growth will be achieved organically through team lifts/recruitment, with a particular focus on building out the advisory side of the business, as well as distribution".

We would note however that this is an ambitious management team, such that perspectives, and the appetites of shareholders, might evolve after the company generates something like the free cashflow which we forecast (c. £1.3m in FY26 and £3.3m in FY27).

Valuation

In terms of how the market would value an integrated wealth management business which is past breakeven, and which has demonstrated the operating leverage in its business model, it seems instructive to look back at the early days of Brooks Macdonald. While, yes, 2009 was the start of QE, the stock was on 14x forward earnings even at a c. £30m market capitalisation, then rerated all the way to more than 20x forward earnings as the model was better understood, as growth came through and liquidity increased.

Low tax

TEAM operates in low corporation tax jurisdictions. Across the business, corporation tax is low at ≤10% entailing a comparatively high conversion of pre-tax profit into earnings attributable to shareholders.

High revenue quality

TEAM's revenue quality is relatively high with the bulk of revenue recurring and charged on an ad valorem basis of client assets, which are not held on balance sheet and are typically sticky. Until recently, the bulk of AuMA comprised the Jersey client base, where associated revenue was stable with >90% recurring, but comparatively low growth. The acquisitions of Globaleye in June 2023 and Neba since have provided access to superior growth and higher new business potential. As a result, 70-75% of TEAM's overall revenue is now recurring.

Low capital intensity

In addition, the business model is not capital intensive. Regulatory capital requirements and working capital needs should not be onerous and investment needs are limited. So once TEAM reaches breakeven and existing deferred consideration liabilities have been paid, we envisage strong cash generation, as modelled above, and the establishment of a healthy dividend, as detailed in the Admission Document.

As net flows from TEAM International build, we would expect the market to extrapolate at least the profit growth that would flow from the organic growth.

Where would the company be if it hit its mid term ambition of £20m of revenues, a 30%+ EBITDA margin, and £4bn of AUA/M? After the 10% corporation tax for regulated financial services in Jersey, a 10-15x forward multiple would mean a £54-76m market capitalisation, or £37-52m discounted back 4 years at 10%.

Valuation

	2024E	2025E	2026E	2027E
14x '27	**65 p**			95 p
10x EPS from £6m EBITDA	**80 p**			117 p
15x EPS from £6m EBITDA	**111 p**			163 p
10x PAT from £6m EBITDA	**£37m**			£54m
15x PAT from £6m EBITDA	**£52m**			£76m

Source: H&P estimates and analysis

If we seek to capture the longer-term growth at TEAM, and build a DCF with only 15% growth after our explicit 2027 forecast, then we output a 70p fair value.

DCF with our 2027 EBIT margin, fixed flat, and only 15% growth

ASSUMPTIONS

Cost of equity (%)	
Risk free rate (%)	4.1
Beta	1.0
Equity risk premium (%)	6.0
CAPM unleveraged discount rate	**10.1**
Cost of debt (%)	
Average spread over risk-free rate (%)	3.0
Pre-tax cost of debt (%)	7.1
Average corporate tax rate for company (%)	10.0
Post-tax cost of debt (%)	**6.4**
Estimated target gearing (net debt/mkt cap) (%)	-
WACC (%)	**10.1**
Years of explicit estimates	**3.0**
Middle period (yrs)	**5.0**
Years to start of terminal period	**8.0**
Middle period assumptions	
Growth rate (%)	**+15.0**
EBIT margin (%)	**18**
Capex/depreciation ratio (x)	**1.1**
Working capital/ turnover ratio (%)	**5.0**
Tax rate (%)	**10.0**
Terminal period assumptions	
Growth rate (%)	**+2.0**
EBIT margin (%)	**18**
Capex/depreciation ratio (x)	**1.0**
Working capital/ turnover ratio (x)	**5.0**
Tax rate (%)	**10.0**
First forecast period	**2024**

MODEL

	Explicit forecasts			**Middle Period (First CF)**	**Terminal Period (First CF)**
	2024	**2025**	**2026**	**2027**	**2032**
Revenue	8.4	10.6	12.7	14.6	26.0
Underlying EBITA	(1.312)	(0.199)	1.330	2.6	4.7
- EBITA margin (%)	*-15.6%*	*-1.9%*	*10.5%*	*18.0%*	*18.0%*
Add back Depreciation	0.028	0.028	0.028	0.0	0.1
EBITDA	(1.284)	(0.2)	1.4	2.7	4.7
- EBITDA margin (%)	*-15.2%*	*-1.6%*	*10.7%*	*18.2%*	*18.2%*
Taxation (EBITA * tax rate)	0.0	(0.1)	(0.2)	(0.3)	(0.5)
Less increase in Working Capital	0.0	0.0	0.0	(0.1)	(0.0)
Less Other	0.0	(0.2)	0.2	(0.1)	(0.0)
Less Capex	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)
Free Cashflow for the Firm (FCFF)	(1.5)	(0.5)	1.3	2.2	4.1
Discount rate (WACC) (%)	**10.1**				
Annual discount factor	0.91	0.91	0.91	n/a	n/a
Cumulative factor for period	0.91	0.82	0.75	4.96	12.42
Discount factor to start of first FC period				0.75	0.46
Total discount factor	0.91	0.82	0.75	3.72	5.75
Discounted value	**(1.4)**	**(0.4)**	**0.9**	**8.2**	**23.9**
Derived EV of operations	**31.2**				
Adjusted EV	31.2				
Net cash / (debt)	0.7				
Market Cap	31.9				
NOSH (m)	46.3				
Fair value per share (p)	**70**				

Source: H&P estimates and analysis

If, however we roll our estimates forward a year, the operating leverage is such that we do see the 30%+ medium-term EBITDA margin target of which the company speaks. This would yield a 115p fair value.

DCF with a 30% EBITDA margin, fixed flat, and 15% medium-term growth 2027-2032

ASSUMPTIONS

Cost of equity (%)	
Risk free rate (%)	4.1
Beta	1.0
Equity risk premium (%)	6.0
CAPM unleveraged discount rate	**10.1**
Cost of debt (%)	
Average spread over risk-free rate (%)	3.0
Pre-tax cost of debt (%)	7.1
Average corporate tax rate for company (%)	10.0
Post-tax cost of debt (%)	**6.4**
Estimated target gearing (net debt/mkt cap) (%)	-
WACC (%)	**10.1**
Years of explicit estimates	**3.0**
Middle period (yrs)	**5.0**
Years to start of terminal period	**8.0**
Middle period assumptions	
Growth rate (%)	**+15.0**
EBIT margin (%)	**30.0**
Capex/depreciation ratio (x)	**1.1**
Working capital/ turnover ratio (%)	**5.0**
Tax rate (%)	**10.0**
Terminal period assumptions	
Growth rate (%)	**+2.0**
EBIT margin (%)	**30.0**
Capex/depreciation ratio (x)	**1.0**
Working capital/ turnover ratio (x)	**5.0**
Tax rate (%)	**10.0**
First forecast period	**2024**

MODEL

	Explicit forecasts			**Middle Period (First CF)**	**Terminal Period (First CF)**
	2024	**2025**	**2026**	**2027**	**2032**
Revenue	8.4	10.6	12.7	14.6	26.0
Underlying EBITA	(1.312)	(0.199)	1.330	4.4	7.8
- EBITA margin (%)	*-15.6%*	*-1.9%*	*10.5%*	*30.0%*	*30.0%*
Add back Depreciation	0.028	0.028	0.028	0.0	0.1
EBITDA	(1.284)	(0.2)	1.4	4.4	7.9
- EBITDA margin (%)	*-15.2%*	*-1.6%*	*10.7%*	*30.2%*	*30.2%*
Taxation (EBITA * tax rate)	0.0	(0.1)	(0.2)	(0.4)	(0.8)
Less increase in Working Capital	0.0	0.0	0.0	(0.1)	(0.0)
Less Other	0.0	(0.2)	0.2	(0.2)	(0.1)
Less Capex	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)
Free Cashflow for the Firm (FCFF)	(1.5)	(0.5)	1.3	3.7	6.9
Discount rate (WACC) (%)	**10.1**				
Annual discount factor	0.91	0.91	0.91	n/a	n/a
Cumulative factor for period	0.91	0.82	0.75	4.96	12.42
Discount factor to start of first FC period				0.75	0.46
Total discount factor	0.91	0.82	0.75	3.72	5.75
Discounted value	**(1.4)**	**(0.4)**	**0.9**	**13.7**	**39.6**
Derived EV of operations	**52.5**				
Adjusted EV	52.5				
Net cash / (debt)	0.7				
Market Cap	53.2				
NOSH (m)	46.3				
Fair value per share (p)	**115**				

Source: H&P estimates and analysis

If a 30%+ EBITDA margin seems high, then we remind that Tatton Asset Management reported a 50.7% operating margin for the six months to September 2023, with Assets under management/Influence of £14.8bn at the end of the period.

We base our fair value on the DCF above which uses 15% growth after our explicit forecasts, and values the business at 70p/ share.

Financial Statements Summary

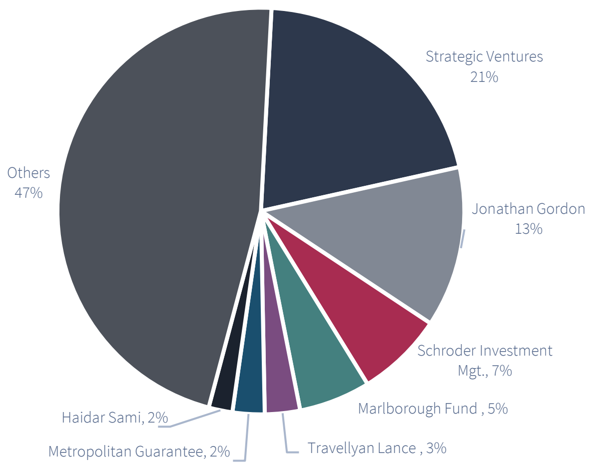
Y/E Sept	2021	2022	2023	2024E	2025E	2026E	2027E
Investment management AuM	296	232	308	362	526	786	1,091
Advisory AuA	0	329	367	445	492	534	576
International AuA	0	0	180	472	712	952	1,192
Total AuM/A	296	561	856	1,278	1,730	2,272	2,859
Investment Management	nd	1.03	0.95	1.46	2.22	3.61	5.46
Advisory	nd	1.09	3.04	2.42	3.05	3.35	3.70
International	nd	0.00	1.33	4.54	5.29	5.72	6.22
Total revenue	**1.47**	**2.12**	**5.32**	**8.42**	**10.56**	**12.68**	**15.38**
change YoY %	*110%*	*44%*	*151%*	*58%*	*25%*	*20%*	*21%*
Direct costs	(0.27)	(0.41)	(0.92)	(2.93)	(3.42)	(3.59)	(3.86)
Contribution	**1.20**	**1.71**	**4.40**	**5.49**	**7.15**	**9.09**	**11.52**
Operating costs	(2.00)	(2.52)	(5.09)	(6.77)	(7.32)	(7.73)	(8.07)
EBITDA, underlying	**(0.80)**	**(0.81)**	**(0.69)**	**(1.28)**	**(0.17)**	**1.36**	**3.45**
EBITDA margin, underlying	***(54%)***	***(38%)***	***(13%)***	***(15%)***	***(2%)***	***11%***	***22%***
Non-underlying items:							
Depreciation	(0.06)	(0.08)	(0.17)	(0.03)	(0.03)	(0.03)	(0.03)
Amortisation	(0.19)	(0.54)	(1.00)	(1.03)	(1.04)	(0.96)	(0.72)
Interest costs	(0.01)	(0.02)	(0.04)	(0.13)	(0.15)	(0.15)	(0.15)
Acquisition-related expenses	(0.24)	(0.13)	(0.22)	(0.03)	0.00	0.00	0.00
Other items	(0.45)	0.00	0.00	0.00	0.00	0.00	0.00
PBT, underlying	(0.87)	(0.92)	(0.91)	(1.44)	(0.35)	1.18	3.28
Tax, underlying	0.05	0.06	0.01	0.05	0.01	(0.05)	(0.14)
Underlying tax rate	*5.6%*	*7.9%*	*2.0%*	*4.0%*	*4.0%*	*4.0%*	*4.0%*
PAT, underlying	**(0.82)**	**(0.85)**	**(0.89)**	**(1.39)**	**(0.34)**	**1.13**	**3.14**
PBT, reported	(1.75)	(1.59)	(0.44)	(2.50)	(1.39)	0.23	2.56
Tax, reported	0.05	0.06	(0.00)	0.00	(0.07)	(0.22)	(0.42)
PAT, reported	(1.71)	(1.52)	(0.45)	(2.50)	(1.45)	0.01	2.14
Profitability							
Total revenue/ave client assets (bp)	*nd*	*23.2*	*75.1*	*78.9*	*75.5*	*68.1*	*64.2*
Contribution margin	*82%*	*80%*	*83%*	*65%*	*68%*	*72%*	*75%*
RoE adjusted	*(18.7%)*	*(10.6%)*	*(9.3%)*	*(12.6%)*	*(3.1%)*	*11.1%*	*28.0%*
Cash flow and balance sheet (£m)							
EBITDA, underlying	(0.8)	0.0	0.0	(1.3)	(0.2)	1.4	3.5
Non-underlying cash items	(0.7)	0.0	0.0	(0.0)	0.0	0.0	0.0
Change in working capital	0.0	(0.4)	0.1	0.0	0.0	0.0	0.0
Capex	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Lease liability	(0.1)	(0.1)	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)
Free cash flow	**(1.5)**	**(1.4)**	**(0.9)**	**(1.4)**	**(0.2)**	**1.3**	**3.3**
Payment of deferred consideration	0.0	(1.5)	(0.0)	(0.2)	(0.3)	0.0	0.0
Acquisitions net of cash acquired	(1.0)	(2.9)	0.9	0.0	0.0	0.0	0.0
Share issuance	7.2	2.7	0.0	1.2	0.0	0.0	0.0
Net increase/decrease in cash	**4.7**	**(3.2)**	**0.2**	**0.2**	**(0.6)**	**1.2**	**2.1**
Cash & cash equivalents	4.9	1.7	1.9	2.1	1.5	2.7	4.8
Intangible assets	3.7	9.3	12.4	20.2	19.1	18.0	16.8
Net assets	7.4	8.7	8.2	19.7	19.6	19.7	20.6
Per share data (p)							
YE FD shares in issue (m)	17.3	22.0	22.0	40.1	40.1	42.1	46.1
Av. FD shares in issue (m)	11.2	19.3	22.0	34.3	40.1	41.9	45.8
EPS adjusted, diluted	**(7.3)**	**(4.4)**	**(4.1)**	**(4.0)**	**(0.8)**	**2.7**	**6.9**
EPS reported, basic	(15.2)	(7.9)	(2.0)	(7.3)	(3.6)	0.0	4.7
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FCF per share	(13.5)	(7.1)	(3.9)	(3.9)	(0.5)	3.0	7.2
NAV per share	43.0	39.4	48.1	28.4	25.3	24.1	26.7
P/E (x)	**-2.9**	**-4.9**	**-5.3**	**-5.3**	**-25.5**	**8.0**	**3.1**
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EV/EBITDA (x)	**-7.4**	**-7.3**	**-8.6**	**-4.6**	**-34.5**	**4.3**	**1.7**
EV/AuMA (%)	2.0%	1.1%	0.7%	0.5%	0.3%	0.3%	0.2%
FCF yield (%)	-62.6	-33.2	-18.3	-18.3	-2.4	14.0	33.3
P/NAV	0.5	0.5	0.4	0.8	0.9	0.9	0.8

Source: Company Reports, H&P estimates

Appendices

Corporate Overview

Team Plc Major Shareholders



Source: CIQ

Shareholders	Number of Shares (Million)	% of Total Shares
Strategic Ventures	6.2	20.7%
Mark Clubb	3.8	12.79%
Schroder Investment Mgt.	2.1	6.90%
Marlborough Funds	1.7	5.69%
Lance Trevellyan	0.8	2.80%
Metropolitan Guarantee	0.8	2.54%
Sami Haidar	0.6	1.89%
Others	14.0	46.7%
Total	30.0	100.0%

Source: Bloomberg

Board of Directors & Key Management

Name	Title	Tenure	Profile
Mark Clubb	Executive Chairman	4 years 6 months	▪ Mr. Clubb has over 27 years of investment banking, involved in multiple corporate transactions, ranging from M&A to fundraisings including listings and IPOs ▪ currently responsible for the strategy of the Group, including both the pursuit of organic growth of AUM and future acquisitions; also undertakes regular reviews of the Group's strategy with oversight of both operational and financial performance ▪ joined Team Plc as Sr. Investment Manager in Oct 2019 and currently serves as its Executive Chairman ▪ co-founded London-based investment banking boutique, Altium Capital Partners. Following a management buyout of Altium Capital Partners in 2008, Mr. Clubb spent 12 years in investment management, including at private client stockbroker, Collins Stewart (later acquired by Canaccord Genuity) ▪ started his career with Hoare Govett and has held several senior management roles at UBS Philips and Drew and BZW (latterly Credit Suisse First Boston) ▪ BA (Hons) degree in Economics and Business Studies from Middlesex University, CISI level 6 in Private Client Investment Advice and Management and ICA Advanced Certificate in Compliance
Matthew Moore	Chief Financial Officer & Chief Operating Officer	3 years 8 months	▪ Mr. Moore has over 30 years of investment banking and has expertise in acquisition and integration ▪ currently as CFO he is responsible for maintaining the financial systems, control environment and regulatory compliance required within the Company, for the delivery of the business model and strategy of TEAM and as COO, he focuses on the operational performance, risks and other issues of the Group to ensure that the business remains aligned with its stated strategy ▪ previously, he was CFO and COO at Ascot Lloyd, also served as CFO at Close Investments, CFO and COO at Origen Financial Services ▪ responsible for acquisitions at Bellpenny, and subsequently Ascot Lloyd, and previously worked in the acquisitions team at Close Wealth Management, prior to which he held various roles in M&A at Commerzbank Securities and ING Barings ▪ started his career in accounting at Ernst and Young, followed by five years as an equity research analyst at Cazenove & Co.
Tony Wilshin	Managing Director	NA	▪ Mr. Wilshin has over 30 years' experience within the offshore finance industry, in both Wealth and Asset management sectors ▪ has worked for both large corporate and small boutique houses, he has held a number of senior leadership roles and key person positions, including Executive Director, Chief Operating Officer and Managing Director ▪ Chartered Fellow of the Chartered Institute for Securities and Investments

Craig Farley	Chief Investment Officer	4 years 1 month	▪ Mr Farley has over 20 years of experience as a capital markets professional with buy-side experience as a PM and cross-asset strategist. ▪ currently responsible for setting the optimal global asset allocation mix across TEAM's multi asset investment range and provides frequent commentary, analysis, and insights for clients on the important issues impacting markets ▪ previously worked with Ashburton Investments for over 16 years, where he started his career as an assistant Fund manager ▪ holds a CMT charter and Master's degree in Finance and Investment from London School of Business and Finance and Bachelor's degree in Business and management from University of Reading
Louis Taylor	Independent Non-Executive Director & Senior Independent Director	3 years 2 months	▪ Mr Taylor has over 40 years' experience in the finance industry, beginning his career at PwC in London ▪ currently a lay member of the States of Jersey Public Accounts Committee and as a Director of a property development company ▪ was the Senior Partner of PwC Channel Islands and a Global Leader of the PwC Quality Assurance Programme ▪ previously served as Chairman of the States of Jersey Treasury Advisory Company a Commissioner of the JFSC, as a Member of the Conduct and Case Management Committees of the UK Financial Reporting Council, as a Member of Jersey Financial Services Advisory Board and as Director of number of listed and other financial services companies
David Turnbull	Independent Non-Executive Director	3 years	▪ currently Chairman of Fiduciary Settlements Ltd and a Non-Executive Director of mnAI Data Solutions Ltd. ▪ previously a Managing Director at Salomon Brothers (now Citigroup) where he held various senior positions within the firm including Global Co-Head of Japanese Equities and Global Head of European Equities ▪ also served on the European Management Committee, Global Equity Committee and Global Business Practices Committee. Prior to Salomon Brothers, David worked for Rowe and Pitman in London and Tokyo ▪ cofounded in 1999 and was Chief Operating Officer of Antfactory, a global technology investment firm; in addition, he founded and acted as Chief Executive of its Japanese subsidiary, Ant Capital ▪ from 2002 to 2010, was a fund manager focused on Asia, first at Prodigy Capital, where he was a Founding Partner, and then at Morant Wright. David is a former Senior Advisor to the Industrial and Commercial Bank of China, has advised several other companies, particularly in the financial sector, and served on several company boards including Whittard of Chelsea
Michael Gray	Independent Non-Executive Director	3 years	▪ Mr Gray has 20+years of management experience in banking ▪ founded MMG Consulting Ltd in 2015, an advisory consultancy firm based in Jersey ▪ currently serves as a non-executive director for Triton Investment Management Limited, GCP Infrastructure Investments Limited, J-Star Jersey Company Limited, Foresight Enterprise VCT plc, Jersey Finance Limited, JTC plc and EPE Special Opportunities Limited ▪ started his career in 1983 after joining The Royal Bank of Scotland and retired from their in 2015 and then became MD (Corporate) of RBS International for 10 years

Company History

- **2001:** TEAM Jersey founded
- **July 2019**: Ponterrin Holdings incorporated
- **12th October 2020:** Ponterrin Holdings Limited changed name to TEAM Plc
- **18th November 2020:** TEAM (UK) Management Services Limited was incorporated in England
- **January 2020:** Theta Enhanced Asset Management was acquired
- **November 2020:** AUM increased from £140m in December 2019 to £292m
- **11th December 2020:** TEAM Midco Limited was incorporated in Jersey
- **6th January 2021**: TEAM Midco Limited purchased the total share capital of TEAM Limited, becoming the parent company
- **8th March 2021:** admission to trading on the AIM market of the London Stock Exchange
- **2nd July 2021:** Announced that it acquired JCAP Limited for the total net consideration payable is up to £2.95m
- **1st December 2021**: Announced the acquisition of the entire issued share capital of Omega Financial Services Limited for an initial consideration of £2.0m payable in cash and further deferred consideration of up to £2.0m
- **12th May 2022**: Announced that it had conditionally agreed to acquire Concentric Group Limited for an initial consideration of £1.7m payable in cash, plus further deferred consideration of up to £0.8m in new shares in TEAM
- **1st June 2023:** Announced the acquisition of the entire issued share capital of Thornton Associates Limited, trading as Thornton Chartered Financial Planners for a consideration of up to £2.5m

  Acquired the entire issued share capital of Globaleye BVI, the parent company of the Globaleye Wealth Management Group for total consideration of up to £5.6m
- **28th September 2023**: Announced that it has raised £4,250,000 via the issue of unsecured loan notes to certain existing shareholders of the Company
- **12th December 2023:** Acquired the entire issued share capital of Neba Financial Solutions Limited (Neba Wealth) and Neba Financial Solutions Private Limited (Neba Singapore) from the 100% shareholder, John Beverley, for an initial consideration of £1.181m to be satisfied by the issue by the Company of a loan note which is convertible into new TEAM shares
- **27th December 2023:** Announced the acquisition of the entire issued share capital of Homebuyer Financial Services Limited, a Jersey based financial planning business, for total consideration of £2.4m in cash
- **28th March 2024:** Full year 2023 results. Placing and subscription to raise £1.1m.

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