

## Market Data

Ticker	AIM: TENG.L	Broker views	<a href="#">Click Here</a>
Sector	Travel & Leisure	Market Cap (£m)	78.84
Technical analysis	<a href="#">Click Here</a>	12 Month High/Low	N/A

## Overview

Ten Lifestyle Group, founded in 1998, is a leading technology-enabled lifestyle and travel platform providing trusted concierge services to the world's wealthy, from the mass affluent through to HNWIs.

Ten's business focuses predominantly on a corporate client model that includes private banks, retail banks, premium payment cards providers, and luxury brands, who provide Ten's services to segments of their premium individual customers, who then become Ten members.

Ten assists its members to discover, organise and book travel, dining and live entertainment, seeking to save them both time and money. Through Ten's service proposition, members can achieve superior access, experiences and outcomes, more cost-effectively and conveniently than they could have achieved on their own.

Ten's service is delivered through a combination of Ten's proprietary, technology-enabled platform and the expertise of its lifestyle managers. As a result of making arrangements on behalf of its combined membership base of wealthy individuals, Ten has access to better rates and/or enhanced benefits from its suppliers compared to other existing service providers, both online and offline.

Ten is headquartered in London, with offices in 20 locations globally serving its growing global network of members. The Group currently has a headcount of over 800 staff around the world.

Ten believes the long-term opportunity for the Group is to become the most trusted service platform in the world for individuals and their families.



## Investment Case

Ten is a growing, global business that has increased net revenue at a compound annual growth rate of 29% over the last three years. In the last reported financial year to 31 August 2017, the Group's net revenue increased by 37% to £33.2m. The Group has demonstrated strong profitability in its more mature EMEA business achieving an EBITA margin of 23% in FY17.

Ten is expanding its international presence and investing in other regions, including The Americas and APAC. In these newer markets, it is developing its corporate client and supplier base and operational infrastructure, to build scale and drive efficiencies with the objective of achieving margins similar to those currently achieved in the more mature EMEA business. Ten's 'intelligent support' model (the combination of its proprietary technology-enabled platform and the expertise of its lifestyle managers), global reach, and established scale, help to maintain and grow its market share and presents a challenge for competitors.

On top of this, the predominantly subscription revenue model enables a competitive advantage and differentiation against established providers of travel and lifestyle services.

The market for supporting wealthy and affluent individuals on their lifestyle and travel decisions is large and growing. For example, the value of the global luxury travel sector is expected to grow from US\$795bn in 2016 to US\$1,154bn in 2024 and the Directors believe that the live entertainment and premium dining markets are also expected to grow significantly.

## Powerful Global Platform Driven by Technology



Ten Platform

**Ten Platform** is the first of its kind, and still unrivalled, is an end-to-end, fully transactional platform for concierge and is the digital interface for its members. Eligible members can use desktop computers, tablets, and smartphones to access the Ten Platform on a self-serve basis, at all times. Members can choose from five core modules: Travel, Dining, Entertainment, Events, and Benefits. The underlying technology is bespoke and proprietary, having been created by Ten's internal technology development team.



Ten MAID

**Ten MAID** is the repository of the Group's knowledge base, booking system, workflow, performance management, CRM, and Management Information Reporting infrastructure. The Group has a permanent team of developers in London and India working to improve its Ten MAID platform with frequent releases of new functionality and enhancements.



Ten Content

**Ten Content** is the editorial and personalised/targeted communications power behind Ten. The team works collaboratively with Ten Data to leverage analysis and insights to plan, distribute, and measure the performance of this content. Ten Platform, Ten Data's 'productisation of data' strategy, and Ten Content's use of IBM Watson products allows it to analyse, interpret, and manage data to further develop its personalisation functionality to predict member needs and desires.



Ten Data

**Ten Data** focuses on leveraging technology and data to better serve members, corporate clients, and the Group. The team delivers reporting, analytics, insights, and predictive modelling to stakeholders within and outside the business. The team works collaboratively across the Group, regularly liaising with other members of the Product Team as well as Client Services, Finance, and Operations, in order to build products that aid corporate planning and CRM within the Group and within clients' businesses.

## Ten's End-To-End Service



**Travel** - through Ten's exclusive relationships with all the world's top airlines, car hire companies, and tens of thousands of members' favourite hotel brands and destination management suppliers, it has access to the best prices and value-add benefits.



**Entertainment** - lifestyle managers have direct access to a live face-value allocation of music, sport and theatre tickets, which is often not available to the public. They are also experts at getting members into hospitality and VIP areas at major live events and popular concerts and shows.



**Dining** - Ten has strong working relationships with reservationists and managers at the world's top restaurants, meaning that they can access tables, which aren't usually available to the general public. Many top restaurants hold specific tables for Ten members at peak times.

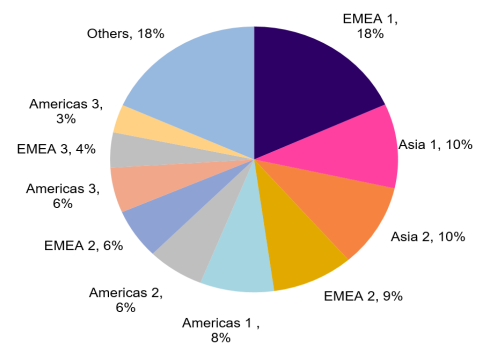


**Events & Benefits** - they use a huge pool of contacts, built up and refined over the years, to ensure members receive the best standard of service possible and offer unique events and benefits for members.

## Selection of Clients



## FY17 Top 10 Customers by Revenue



## Board of Directors



Bruce Weatherill  
Non-Exec Chairman



Alex Cheattle  
CEO & Co-Founder



Sean Hegarty  
CFO



Andrew Long  
COO & Co-Founder



Sarah Hornbuckle  
Client Services Director



Julian Pancholi  
Non-Exec Director



Gillian Davies  
Non-Exec Director

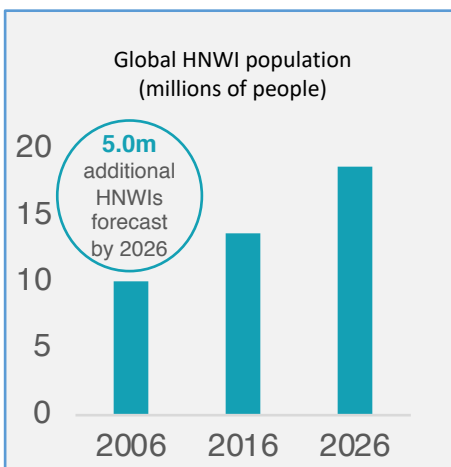
**Alex Cheattle** and **Andrew Long** co-founded the business in 1998. Alex is responsible for the Group strategy and the focus on the ever-improving trust built with members. Prior to founding Ten, Alex was a marketing manager at Procter & Gamble. Andrew is responsible for key account strategy and the development of the operational and technology infrastructure. He is based in Singapore with particular leadership responsibilities in APAC since 2012. **Bruce Weatherill** joined Ten in October 2017 with over 40 years of financial services industry experience. He was also a partner at PwC in charge of a number of Asset Management and Wealth Management clients, and set up Weatherill Consulting which provides consulting services to Wealth Management Companies around the world. **Sean Hegarty** has more than 16 years' experience working in the media and publishing sectors. He joined Ten in 2012 from Reed Elsevier, where he was Head of Commercial Finance. **Sarah Hornbuckle** joined Ten in 2001, previously she was a brand manager at Mars and Unilever Bestfoods. Sarah is responsible for the delivery of client services and member satisfaction. **Julian Pancholi** joined Ten in October 2017. He is an experienced technology and marketing services entrepreneur, which includes serving as a non-executive director of Skyscanner Limited. **Gillian Davies** is a chartered accountant who qualified with KPMG, more recently, spent 11 years as Group Finance Director of FTSE listed 4imprint Group plc, as well as a number of senior financial positions such as Zeneca plc, Avecia Limited and Georgia Pacific.

## Larger Contracts and New Geographies

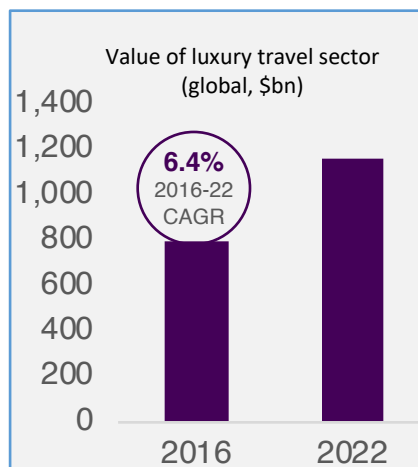
The population of HNWIs globally has risen from 10 million in 2006 to 13.6 million in 2016 and is expected to reach 18.7 million by 2026. The total addressable market for Ten is significantly larger than this, as the Group also addresses the larger 'mass affluent' segment.

International markets (those outside the UK) represent an opportunity approximately 17 times the size of the UK market. In the majority of the largest 10 markets globally by GDP and in all of the top three countries (USA, China, Japan), Ten is already established and operating, which the Directors believe reduces executional risk. Ten's global footprint allows local as well as integrated global service delivery, which its Directors believe differentiates Ten from its competitors.

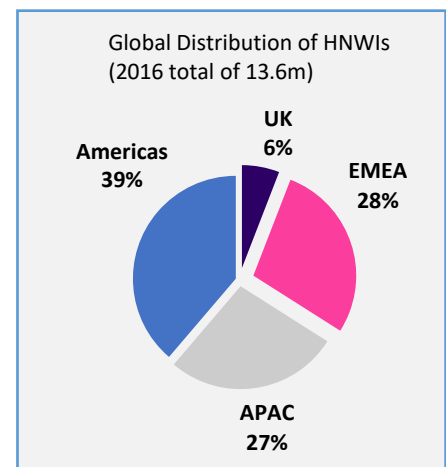
Outside of the UK, Ten has now been awarded 18 of the last 22 international financial services contracts for which the Group has tendered or retendered since 2015, delivering services to members in The Americas, elsewhere in the EMEA, and Asia. The Directors believe this international success enables Ten to expand into new regions, leveraging its know-how, technology platform and global content.



Source: The Wealth Report 2017, Knight Frank (HNWI defined as individuals with \$1m+ of liquid assets)



Source: Allied Market Research as of Nov-16



Source: The Wealth Report 2017, Knight Frank (HNWI defined as individuals with \$1m+ of liquid assets)

## Latest Results – FY 2018

INCOME STATEMENT (£)		
	FY 2016	FY 2017
<b>Continuing Operations</b>		
Revenue	24.28	33.23
Operating Profit/(Loss)	-2.76	-1.65
Net Interest	-0.25	-0.44
Profit Before Tax	-3.01	-2.17
Profit After Tax	-3.31	-1.63
<b>Discontinued Operations</b>		
Profit After Tax	n/a	n/a
PROFIT FOR THE PERIOD	-3.31	-1.63
Attributable to:		
Minority Interests	n/a	n/a
Equity Holders of Parent Company	-3.31	-1.63
<b>Ratios - based on IFRS</b>		
Continuing Operations		
PE Ratio *	n/a	n/a
PEG *	n/a	n/a
Earnings per Share Growth	n/a	n/a
Dividend Cover *	n/a	n/a
Revenue Per Share	451.30p	545.94p
Pre-Tax Profit per Share	-55.91p	-35.59p
Operating Margin	-11.36%	-4.97%
Return on Capital Employed	-30.16%	-13.57%

BALANCE SHEET (£)		
	FY 2016	FY 2017
<b>Non-Current Assets</b>		
Property, Plant & Equipment	1.4	0.92
Intangible Assets	5.39	6.16
	6.78	7.08
<b>Current Assets</b>		
Inventories	0.05	0.04
Trade & Other Receivables	5.02	7.12
Cash at Bank & in Hand	3.57	8.19
	8.64	15.36
Total Assets	15.43	22.44
<b>Current Liabilities</b>		
Borrowings	2	1.52
Other Current Liabilities	4.91	6.44
	7.42	9.2
Net Current Assets	1.22	6.16
<b>Non-Current Liabilities</b>		
Borrowings	2.05	6.04
	2.25	6.24
<b>Total Liabilities</b>	<b>9.68</b>	<b>15.44</b>
Net Assets	5.75	7
<b>Capital &amp; Reserves</b>		
Share Capital	0.01	0.01
Share Premium Account	7.53	9.74
Retained Earnings	-3.38	-4.27
<b>Total Equity *</b>	<b>5.75</b>	<b>7</b>

## Strategy for Growth

Steady growth in its established EMEA business has been enhanced by growth in The Americas and Asia with 48% of FY17 net revenue derived outside the EMEA region, up from 45% of net revenue in FY15. Established geographies have generated strong margins with EMEA achieving an EBITA margin of 23% in FY17.

Revenues are principally derived from Ten's corporate clients under multi-year contracts of typically between three and five years' duration. Ten has significant new contracts already won, negotiated and signed that will be rolled out during 2018, along with a robust pipeline of target opportunities across all its target regions.

Using the proceeds of the IPO, Ten Lifestyle Group will further exploit the strength of its platform by increasing its data capabilities and continuing to build on its technology infrastructure. This will enable faster roll-out and adoption in new country markets. Ten will also provide sales and operational support required to develop global footprint.

## Shareholder Data

LEADING SHAREHOLDERS	
Cheatle, Alexander John	14.48%
Old Mutual Asset Managers	13.39%
Soros Fund Management	8.33%
Long, Andrew Michael	5.95%
Horner, Ben	5.69%
Ding, Luke	4.09%
Quinto Corporation	3.51%
Source: Ten Group, June 2018	

FINANCIAL CALENDAR (Approx. dates)	
28/11/18	Full Year Results
15/05/18	Half Year Results

NEWSFLOW	
08/06/18	<a href="#">New CTO Appointment</a>
18/05/18	<a href="#">Appointment of Joint Broker</a>
15/05/18	<a href="#">Half-Year Report</a>
20/04/18	<a href="#">OCBC Bank Contract Win</a>
15/04/18	<a href="#">HSBC Contract Win</a>
26/02/18	<a href="#">American Bank Contract Win</a>