



**System1**

**First Quarter 2022 Conference Call and Webcast**

**May 12, 2022**

## C O R P O R A T E P A R T I C I P A N T S

**Kyle Ostgaard**, *Vice President, Finance*

**Michael Blend**, *Chief Executive Officer and Co-Founder*

**Tridi Kidambi**, *Chief Financial Officer*

## C O N F E R E N C E C A L P A R T I C I P A N T S

**Tom Forte**, *D.A. Davidson*

**Shweta Khajuria**, *Evercore ISI*

**Dan Kurnos**, *Benchmark*

## P R E S E N T A T I O N

### **Operator**

Welcome to the First Quarter 2022 Conference Call and Webcast for System1.

On today's call are Michael Blend, Co-Founder and Chief Executive Officer of System1; Tridivesh Kidambi, Chief Financial Officer of System1; and Kyle Ostgaard, Vice President of Finance.

I will now turn the call over to Kyle Ostgaard.

### **Kyle Ostgaard**

Thank you. Welcome to the System1 earnings call for the quarter ended March 31, 2022.

Joining me today to discuss System1's operational financial results are our Co-Founder and CEO, Michael Blend, and our Chief Financial Officer, Tridivesh Kidambi.

A recording of this conference call will be available on our Investor Relations website at [ir.system1.com](http://ir.system1.com) shortly after this call has ended.

I'd like to take this opportunity to remind you that during the call we will be making forward-looking statements. This includes statements relating to the operating performance of our businesses, future financial results and guidance, strategy, long-term growth and overall future prospects. We may also make statements regarding regulatory or compliance matters. These statements are subject to known and unknown risks and uncertainties that could cause our actual results to differ materially from those projected or implied during this call, in particular, those described in our risk factors included in our

registration statement on Form S-1 filed on April 13, 2022, and our Form 10-K for the Fiscal Year 2021 filed on March 31, 2022, and in our Form 10-Q for the first quarter of 2022 that will be filed shortly, as well as certain uncertainty and unpredictability in our business, the markets and the global economy generally.

You should not rely on forward-looking statements as predictions of future events. All forward-looking statements that we make on this call are based on assumptions and beliefs as of the date hereof, and System1 disclaims any obligation to update any forward-looking statements except as required by law.

Our discussion today will include non-GAAP financial measures, including pro forma revenue, pro forma gross profit and pro forma Adjusted EBITDA. These non-GAAP measures should be considered in addition to and not as a substitute for or in isolation from our GAAP results. Information regarding our non-GAAP financial results, including a reconciliation of our historical GAAP to non-GAAP results may be found in our earnings release, which was furnished with our Form 8-K filed today with the SEC and may also be found on our Investor Relations website.

I would now like to turn the conference call over to System1's Co-Founder and Chief Executive Officer, Michael Blend.

Michael.

**Michael Blend**

Good afternoon, everyone, and welcome to System1's first earnings call as a public company.

As Kyle mentioned, I'm Michael Blend, and I'm the Co-Founder and CEO of System1. Joining me today is Tridi Kidambi, our long time CFO.

To begin, I want to say a quick thank you to our System1 Shareholders, including our great employees and our new public Investors. Thank you for taking the time to learn our story and for supporting our Company. We're going to do our absolute best to reward your belief in System1.

We had a great quarter financially and Tridi is going to walk you through the details. Before we get to the numbers, I would like to provide you with some color about how we're doing operationally at System1, where we're seeing good opportunities and also what our challenges are. My goal is for you to hold System1 as a long-term investment, and the better you understand our Company, I think the more excited you're going to be about it.

Q1 was pretty momentous for us. After eight years as a private company, we went public, completed our merger with Protected.net, made a couple of acquisitions and we even got popular on the Reddit stock boards. Throughout all of it, our team did what they've always done, they ignored the noise, executed on the business and focused on the long term. I'm proud of the team for making a very smooth transition into a public company.

On the business front, both of our major business lines, advertising and subscription, had really good momentum in Q1. Advertising saw nice revenue growth across the board, and we don't see any signs of that slowing down. Now, as you know, some of the other public advertising companies have had mixed results because of shifting consumer demand and some privacy-related initiatives by Apple. The beauty of our model is that we aren't dependent on any particular category or vertical, and we can shift to meet changing consumer demand. We also are a privacy-forward advertising platform.

In many ways, economic downturns or shifts in the advertising markets help us. We're able to step in and purchase more traffic volume, often at cheaper prices. Now our biggest challenge in the advertising

business is ensuring our RAMP platform can scale to handle our very ambitious goals. We're spending currently about \$650 million annually on advertising, and we'd like to scale that to at least \$2 billion over the next several years. Achieving that growth is going to entail expanding RAMP into new advertising markets and making ever-increasing use of our enormous amounts of first-party data. Our team is ready for the challenge. It's going to be a lot of hard work. It's also going to mean substantially scaling our engineering team.

Now, in our subscription business, Q1 offered some very nice pockets of opportunity to scale marketing spend. As our TotalAV product matures, we think we have a new hit on our hands with our Total AdBlock product. That product has gone from zero subscribers in the beginning of 2021 to over 200,000 at the end of this quarter. These subscribers are behaving and renewing as we expected and in line with TotalAV customers.

Similar to our diversification in advertising, we like having multiple subscription services that complement each other. Our longer-term goal here is to have at least 10 hit products, which we define as a product with over one million subscribers. With TotalAV and Total AdBlock, we believe we have our first two. Our biggest challenge in subscription is continuing to develop and scale these new products to add to our mix. Like on the advertising side, this requires great engineers and product managers. Ultimately, we believe System1 is almost uniquely positioned to offer a bundle of subscription products all lumped into a single payment. For example, why would people want to pay \$10 a month for 10 different products, when they can get all these bundled together for \$30?

Similar to our advertising business, our goals here are ambitious and will require a lot of hard work, but we're going to see enormous upside when we pull it off.

On the M&A front, it's really business as usual. Concurrent with our de-SPAC, System1 merged with Protected.net. We took a majority investment in Protected four years ago and have been close to their management for over a decade. So our Protected acquisition was more like a marriage after a long engagement. I'm happy to say the honeymoon is over and we remain happier than ever. Our integration with Protected has mainly been focused on combining our marketing efforts. We are starting to see really good early progress there.

We also have done coordination on product development and I expect to see our joint product initiatives start to roll out later in the year. Now, in Q1, we acquired two fantastic founder-led companies in RoadWarrior and CouponFollow. Our strategic rationale for these acquisitions are very straightforward. In the case of RoadWarrior, we added a route planning mobile app sold as a subscription service that is a perfect tuck-in to our MapQuest business. With CouponFollow, we're accelerating our efforts in the direct-to-consumer shopping vertical as well as our reach with direct advertisers. The integration of both these companies is going well.

Our first step in any acquisition is getting the teams working together as one company. RoadWarrior has a smaller team and already is working hand-in-hand with our MapQuest team, so we consider the first step of that integration complete. We're now moving on to focusing on using RAMP to scale that product. CouponFollow is a much larger and more dispersed organization. With any bigger acquisition, the integration post acquisition is always a risk.

I'm very happy to report that the CouponFollow team, led by the efforts of their founder, Marc Mezzacca, has embraced joining the System1 organization. System1 has multiple synergies with CouponFollow in both advertising and subscription, and our biggest challenge is making sure we focus on the right opportunities. As a first step, we're working to integrate the CouponFollow codes throughout our network of properties.

Now, we have a really good track record at acquisitions. I'd like to think we're good at predicting how well they're going to go after the deal closes, but you don't always get it right. With CouponFollow and RoadWarrior, we've been dead on. So, welcome to their teams.

We also last week, acquired Answers.com. This deal was a little bit different for us in that the company was struggling and we purchased the assets for an immaterial price. However, within those assets, we believe we've identified a crown jewel. Answers.com has millions and millions of user-generated answers to questions. We intend to integrate these throughout our properties and search engines. We believe we can provide a much richer experience on our existing network of websites, and we also will use RAMP to substantially increase the traffic to Answers.com. So for a very attractive price, we've got some really good potentially asymmetric upside on that deal.

Regarding future acquisitions, nothing is imminent. We remain on the lookout for companies that we can integrate into our existing network and accelerate using RAMP. There are literally hundreds of prospects out there, and as always, we're going to be very disciplined in our approach. Looking ahead to the rest of the year, I wanted to share our major corporate goals with you. As I mentioned, our top priority is to continue developing RAMP to ensure we have a path to tripling our scale. This is going to entail entry into new markets, scaling our engineering and product teams and potentially doing some bolt-on acquisitions.

On our subscription side, we want to start showing real progress towards our subscription bundle. We're going to keep rolling out new independent subscription products, and we're going to start building the links between them such that we can offer an integrated bundle. I can't promise that you will see tangible results on the bundle this year, but the behind-the-scenes work is going to be ongoing.

Regarding our System1 team, we want to continue making major strides such that by the end of the year all of our companies are operating as a single team. This doesn't happen overnight and it requires real work from the people involved. But as I mentioned, we're seeing great progress with our most recent acquisitions. We also intend to keep investing in our product and engineering teams. We have so many potential opportunities, and the more technical talent we have, the more opportunities we can go after.

Finally, we want to work with you, our new Shareholders, to start building our long-term Shareholder base. This is going to involve helping you get a really deep understanding of our business and also how we operate. So before I hand things out to Tridi, I want to give you a brief overview of our operating philosophy and how we measure our progress. While we always want to meet and exceed our short-term financial targets, System1 is not the kind of company that operates quarter-by-quarter. We look at the longer term and we will make sacrifices if we believe increased shorter-term investments are going to pay off big in the future.

We almost definitely will have quarters where we decide to invest more in marketing or (phon) technology because the longer-term payoff is so obvious to us. When we do that, we're going to explain to you exactly what our reasoning is. Remember, when we make bets, we are very aligned with you because Management owns so much of the Company. For every dollar System1 invests today, \$0.70 of that comes from Management's pockets. So we like to bet big on ourselves, and it's paid off really well for our Shareholders in the past. We encourage you to get a deep understanding of System1 and come along for the ride.

With that, I'd like to hand things off to Tridi to discuss this quarter's results. Take it away, Tridi.

**Tridi Kidambi**

Thank you, Michael.

Hello, everyone. I'm Tridivesh Kidambi, the CFO of System1, and I'm very pleased to welcome everyone to our 2022 Q1 earnings call.

Before I get into specifics on the Company's performance this quarter, I thought it'd be helpful for this initial call to be more granular in terms of our operating philosophy.

First, in terms of how we evaluate initiatives and run our business. Everything starts with RAMP, which is designed to optimize for gross profit dollars. While gross margin is important and a metric we do think about when evaluating opportunities, gross profit dollar generation is the ultimate metric we use to measure the effectiveness of the platform and our initiatives.

Second, as Michael mentioned earlier, we have purposely built a diverse business model that is distributed across multiple advertising verticals and acquisition channels. Now, with the full acquisition of Protected, we have a platform through which to launch and market multiple subscription products across multiple consumer and product verticals. Diversification and sustainability are key to both our past and future success. This is a key focus area as we evaluate new acquisition channels and initiatives to invest in and a significant criterion for evaluating M&A opportunities.

Third, RAMP automation is key to our organic growth. Everything we do is anchored on our technology platform, which enables continuous optimization and drives operating leverage in our business on an ongoing basis. In addition to investing in new initiatives and features for RAMP, we also prioritize investing in automation. This investment generally comes in the form of product, engineering and data science resources.

Finally, we have a strong track record of executing on accretive M&A transactions. Less than four months into our history as a public company, we've continued to do so.

Now I'd like to get into the specifics for the first quarter of 2022. But first, as a preamble, when I talk about our financial performance, in every case I will be referring to pro forma financial metrics, inclusive of Protected.net's results in all periods. For a reconciliation of these metrics to our GAAP financials, please refer to the reconciliation tables in the earnings release issued earlier today.

Now on to our results. Revenue was \$231 million as compared to \$179 million last year with a year-over-year increase of 29%. Gross profit was \$61 million, an increase of 58% compared to last year's gross profit of \$38 million. The increase in gross profit was evenly split between growth in our owned and operating advertising business as well as in our subscription business. Gross margin was 26.2% of revenue in the first quarter of 2022 compared to 21.4% of revenue in the prior year period.

On the advertising front, we acquired 975 million sessions to our owned and operated advertising properties in the quarter, reflecting a 32% increase year-over-year. Our cost per session was \$0.14, with a corresponding monetization of \$0.18 per session, representing a 30% spread, which is in line with where we were last year. Our gross margin increase was driven by our subscription business where the customer mix of our flagship TotalAV product continues to shift towards renewing customers who are at a higher ARPU relative to new customers who are at our introductory pricing. Once we acquire the customer, we have very little in the way of marginal cost to support them.

Subscriber ARPU increased to \$20.22 in the quarter versus \$18.84 last year. As Michael mentioned earlier, while the TotalAV product is maturing, Total AdBlock as a new subscription product is accelerating at a pace that closely mirrors TotalAV's trajectory at a similar point in its life cycle.

With respect to change in deferred revenue, which represents the delta between GAAP subscription revenue and billings, we had \$5.5 million in the quarter. In our guidance for the year, we assumed change in deferred revenue remains flat, with a similar seasonal spread through the quarters as we saw last year.

Operating expenses, net of add-backs, (audio interference). The increase is reflective of our continued investment in RAMP via engineering, product, analytics and data science headcount as well as our transition from a private company to a public one via increased corporate and G&A headcount as well as increased public company costs such as legal and insurance.

With respect to public company costs, we expect Q1 to be a good baseline for what it will cost us to be a public company going forward. As a result, Adjusted EBITDA was \$30 million for the three months ended March 31, 2022, versus \$19 million last year, a 58% increase.

With respect to liquidity, we ended the quarter with \$42 million of cash on the balance sheet. Gross debt, including the revolver drawdown to finance the CouponFollow acquisition, was \$449 million. At March 31, LTM billings-based EBITDA pro forma for the CouponFollow and RoadWarrior acquisitions, as defined by our credit facility, was \$166 million, resulting in a net leverage ratio of 2.45 times.

Finally, guidance. We are estimating Q2 revenue to come in between \$223 million and \$233 million, representing 11% growth at the midpoint. We are estimating Q2 gross profit to come in between \$67 million and \$73 million, representing pro forma growth of 25% at the midpoint. We are estimating Q2 Adjusted EBITDA to come in between \$36 million and \$38 million.

Our Q2 guidance is reflective of a tough year-over-year comp versus last year, where the subscription business generated a large sequential increase in gross profit in Q2, with the customer base hitting an inflection point with respect to renewals combined with additional forecasted marketing spend this quarter to accelerate the acquisition of customers for the Total AdBlock product. Once we anniversary the Q2 comp, we expect to be back to strong growth trends.

For the full year, we are reaffirming the previous guidance we released at the end of March, with revenue of \$1 billion and Adjusted EBITDA of \$174 million. This implies approximately 45% growth in the second half of 2022 versus the prior year, the majority of which is organic growth. On liquidity, we expect to use our cash flow generated from operations towards amortization payments on our credit facility due over the remainder of the year as well as to pay down our revolver. We are also due to pay another \$21.5 million of deferred upfront purchase price payments for CouponFollow. We also paid approximately \$5 million for Answers.com, including transaction costs, which we closed last week.

With that, I've come to the end of my prepared remarks. Thank you for joining us today, and now let's go to questions.

**Operator**

Thank you. Our first question comes from the line of Tom Forte with D.A. Davidson. Tom, your line is now open.

**Tom Forte**

Great, thanks. So first off, Michael and Tridi, congrats on the successful de-SPACing and the performance in the first quarter.

I had one question and then one follow-on question. So Michael, can you talk about sources of traffic for you? To what extent, if at all, you're dependent on Google? Then what your thoughts are on other advertising opportunities such as connected TV?

**Michael Blend**

Yes. Sure, Tom. So first of all, I hope you're having a good day today. Thanks for calling in.

We've broken out our sources of traffic, I believe, in our presentation. But when you think about where we get our traffic from, it's really anywhere that there's scale on the Internet. So we are buying traffic on search engines like Google, Bing, Yahoo! We're on all the native networks. We're on display. We're not doing much on connected TV right now, primarily because we like to really enter markets when there's more sophisticated technology to kind of track performance, and we're not seeing that yet on connected TV. When those tools are there, I expect that we'll be entering there as well. But some of the newer emerging areas, we're starting to figure out TikTok, which has been growing pretty nicely for us.

Really wherever there's a pocket of people that want to buy things, that's where we're going to be. Like the Internet's pretty heavy on Google, and so we're going to be buying a lot of traffic from Google.

**Tom Forte**

Great. Then for my follow-up question, you had talked about privacy. I think privacy is very important right now. When you look at the digital advertising landscape, Apple's efforts to emphasize privacy seems to be pretty (audio interference).

**Operator**

Tom, are you still with us? Did your line get muted on your end?

It looks like we have lost connection with Tom Forte.

We will go to the next question from Shweta Khajuria with Evercore ISI. Shweta, please proceed with your question.

**Shweta Khajuria**

Okay, thank you.

I guess my question is on the first quarter performance and the full year guide. Tridi, if possible, would love to hear your thoughts on the makeup of your full year guide. What assumptions are baked into getting to your full year guide? I saw the disclosures of how much you're expecting from the acquisitions for EBITDA and revenue. But outside of that, to the extent, how much of macro impact is embedded and how you thought about that? Then the similar question on first quarter performance, how did your results compare to your internal expectations for the first quarter? Thank you.

**Tridi Kidambi**

Sure. Thanks for the question, Shweta.

Just answering that in order. In terms of our performance for the full year guide, as you see in the earnings release, we essentially reaffirmed our guidance from where we were at the end of March when

we released our FY '21 guidance. The makeup of how we're seeing the year come together has basically stayed in line with where we were six weeks ago, which is why we're reaffirming guidance.

The beginning of Q2 has gone the way that we had anticipated, again seeing strong growth both on the advertising and the subscription portions of our business with the completion of the acquisition of Protected.

I think most importantly, we spent a lot of last year in investment mode, both in terms of headcount and resources on the platform as well as investing in marketing initiatives and new channels. We're really expecting to see that manifest itself in gross profit in our business, which is why we see and are projecting a very nice growth rate, even absent the acquisitions on an organic basis, still seeing very strong growth year-over-year.

With respect to the first quarter, came in in line. We didn't provide Q1 guidance when we released our financials because we were already at the end of Q1. But Q1 came in line with where we'd expect specifically when it comes to gross profit and EBITDA.

**Shweta Khajuria**

Okay, thank you.

**Michael Blend**

Yes, and Shweta, just as a quick follow-up to that. It came in line, but also we understand the importance of kind of our first few quarters out of the gate, making sure we don't disappoint our Investors. So when we look at our full year guidance, we feel pretty confident in the numbers we put out there and hopefully given ourselves some room to do some incremental marketing when the opportunities arise.

**Shweta Khajuria**

Okay. Thank you, Michael.

**Michael Blend**

Sure.

**Operator**

Thank you for your questions Shweta.

Our next question comes from the line of Dan Kurnos with Benchmark. Dan, your line is now open.

**Dan Kurnos**

Great, thanks. Sorry, jumping around, busy night here.

Just a couple of things. In terms of CouponFollow and sort of the integration, how we should think about another license (inaudible) and the contribution results, obviously, you guys have given sort of the annual contribution in the guide, but just incrementally, potential areas of upside.

I know, Michael, in your prepared remarks, you talked about integration challenges being a larger company. Obviously, a super-hot space. We've seen a lot of other larger players, take that, seems pretty logical and it seems like there's a lot of cross-pollination between that business and your other segments.

If you could just provide a little bit more color as to how, thoughts around that and sort of when we might hear from you not maybe specifics, but when we might hear from you directionally about some of the additional opportunities that, that acquisition could provide.

### **Michael Blend**

Yes, sure. Thanks for the question.

Regarding CouponFollow, I'd mention there's so many opportunities, we're trying to pick the best ones. Our thesis when we acquired the business, which has proved out true is really in three areas. Well, the first one being our ability to buy traffic, use RAMP to increase the traffic to CouponFollow in a profitable way. That's an area that is right in our wheelhouse, and we're, I would say, early stages in that one. We remain very confident in our ability to do that.

The second big one would be integrating CouponFollow throughout the rest of our properties. What I mean by that is when you go to one of our search engines like Startpage or Info.com, there's a lot of queries happening on the search engines in which people are looking for things like coupons and promo codes and various retailers. We think there's going to be a really good opportunity to incorporate all of the databases they have at CouponFollow of those promos and coupon codes throughout the rest of our properties. That's going to get more traffic to CouponFollow. It's going to make our existing properties more relevant and useful to users.

That's a pretty straightforward opportunity for us as well. We're actively working on that. It involves some technical integration and basically having CouponFollow give us the APIs to integrate those properties. So that's ongoing. The third and what I would call almost the outlier opportunity that we think could have some huge upside would be in the cashback area. So CouponFollow is just starting to roll out cashback offerings at scale.

We think that is a really interesting offering to integrate throughout our subscription business. So as we're potentially going to offer cashback as a standalone service and also offer cashback shopping potentially in our existing subscription products, we think we could—our goal would be to turn that into one of our other hit products. But also by offering more products, more product offerings in our existing subscription products, increase retention on those products. So when I talked about CouponFollow being the kind of company and having the kind of assets that we can disperse throughout our entire Company, I think that's a pretty good indication of where we're seeing the opportunity.

### **Dan Kurnos**

Got it. That's super helpful. Then speaking of the subscription side, can you give us a little more color just on cadence of kind of new products? I know you want to hold that a little bit close to the vest, but just in terms of how we should be thinking about timing of rollout testing. While I assume the answer to this is it kind of doesn't matter, but obviously, people think oh we're in a recession, they think fewer subscription products, but your RAMP platform obviously allows you guys to sort of participate in the customer acquisition channels in a much different way than other players in the space.

Just any thoughts that you have on impact to CAC (phon) or growth in subscription, just given the macro backdrop.

**Michael Blend**

Yes. We wouldn't view kind of any macro conditions really affecting our subscription products. We're not talking about a high ticket purchase. We're talking about products in which people for, on average, \$10 a month or less, are getting huge value out of them. So we haven't seen that. I know the Protected business, their previous businesses have been doing subscription products for 15 years and have been through the various economic cycles and really never saw the effect of any downward economic cycle of affecting the business in any material way.

On the cadence, what I would suspect is that certainly every six months, and we would shoot for sooner, quicker than that, be rolling out new subscription products. We do have a new product on the horizon that we'll be rolling out certainly by the time we report next quarter that we've got pretty high hopes for. So I think you'll see that cadence continue. Not all the products are going to be hits. So our goal is we roll out products that we think are going to be really successful. We don't have a 100% hit rate on that.

But what you are going to see is the continued product rollout, and from those products, some big ones are going to emerge. As we mentioned, Total AdBlock, I took the liberty of going and comparing when we launched our TotalAV product five or six years ago and looked at the cadence of the subscriber growth on there. I overlaid our Total AdBlock product over the last six to eight months, and there's a remarkably similar graph. So that's just giving us the confidence that our hit product number two is there. Now over the next few years, we're going to go three through 10.

**Dan Kurnos**

Got it. That's really helpful. I look forward to more color on the bundling in the future. Thanks, Michael.

**Michael Blend**

Absolutely. Thank you. Thanks, Dan.

I think Tom is back on if he still wanted to ask his privacy-related question.

**Operator**

Yes, absolutely. Thomas, your line is now open again.

**Tom Forte**

Great. So Michael, apologies for the technical difficulties on my part.

You had mentioned privacy. Apple's efforts on privacy have been disrupting digital advertising in general. So what is your philosophy? How is it that you haven't been negatively impacted by what Apple's been doing?

**Michael Blend**

Two things that are good for us in terms of kind of Apple's privacy-related initiatives and also the ones that Google eventually is going to be getting to. They keep pushing that back, but I'm sure they're going to be coming. So first of all, what Apple, and we've mentioned this on all of our calls to date and whatnot, what they're really trying to do is eliminate the intrusive use of third-party cookies and really intrusive data gathering on the phone, on mobile phones.

That's what consumers hate and that's what we don't think has a lot of long-term longevity. So we applaud the moves that Apple's making and also the moves that Google will be making in the future. The good thing about our advertising platform is that we don't make use of that kind of third-party data in any material way. We're much more focused on intent-based advertising and contextual. So we're trying to find what people are searching for and we're doing advertising based on people's searches. We're also doing advertising on contextual-based advertising.

That's the kind of advertising that really all of digital is moving towards. We just happen to be ahead of the game in that. So the privacy changes are actually advantageous to us because it favors the kind of marketing we do. On a more macro sense, our system, our platform, does really, really well also when there's disruptions in the advertising landscape. What I mean by that is if you look at the last few quarters since Apple rolled out its changes, a good example of a segment that's been disrupted is mobile app download advertising. So advertising designed to get people to download mobile apps. That was, in large part, pretty heavily dependent on really kind of intrusive data gathering.

And so when the overall market is disrupted, it gives us the opportunity to step in and purchase more traffic at reasonable prices. So we like disruption. We sail through that, and you can kind of see that in our results. So we haven't been affected at all by privacy-related changes. So if anything, we would encourage Google to speed up its changes that they're going to be rolling out. We think it's good for consumers, but also specifically good for System1.

**Tom Forte**

Wonderful. Thank you, Michael, thank you, Tridi.

**Michael Blend**

Thanks Tom, appreciate it. Appreciate the question.

**Operator**

Thank you for your question, Thomas. It is now my pleasure to pass the conference back to our host, Michael Blend, for closing remarks.

Michael, please proceed.

**Michael Blend**

Thank you. First of all, just to wrap up our first earnings call, I want to thank everyone for your interest in System1. We think we've got a really exciting story and we know we have an opportunity for Investors to capitalize on our business that's really fast growing and highly profitable. Particularly in the current landscape in which we believe Investors are going to be looking for not only fast-growing companies, but companies that have reliable cash flow. There's not that many of them out there. We happen to be one of the few in the technology world.

We've got a really sustainable competitive advantage with our RAMP platform and our business is diversified. So with that, we think that we're the company that you should be betting on. We're betting on ourselves, and we welcome you coming in as long-term Investors. So thank you. With that, I'll conclude the call.

**Operator**

This concludes the System1 conference call. Thank you for your participation.