

# J2 Global to Separate Into Two Leading Publicly Traded Companies

April 20, 2021



# Safe Harbor for Forward-looking Statements

Certain statements in this presentation are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, particularly those regarding our 2021 Financial Guidance. Such forward-looking statements are subject to numerous assumptions, risks and uncertainties that could cause actual results to differ materially from those described in those statements. Readers should carefully review the Risk Factors slide of this presentation. These forward-looking statements are based on management’s expectations or beliefs as of April 20, 2021 as well as those set forth in our Annual Report on Form 10-K filed by us on March 1, 2021 with the Securities and Exchange Commission (“SEC”) and the other reports we file from time to time with the SEC. We undertake no obligation to revise or publicly release any updates to such statements based on future information or actual results. Such forward-looking statements address the following subjects, among others:

- The form, terms, timing and ability to complete the proposed spin-off transaction
- Future operating results
- Ability to acquire businesses on acceptable terms and integrate and recognize synergies from acquired businesses
- Deployment of cash and investment balances to grow the company
- Subscriber growth, retention, usage levels and average revenue per account
- Cloud service and digital media growth and continued demand for fax services
- International growth
- New products, services, features and technologies
- Corporate spending including stock repurchases
- Intellectual property and related licensing revenues
- Liquidity and ability to repay or refinance indebtedness
- Systems capacity, coverage, reliability and security
- Regulatory developments and taxes

All information in this presentation speaks as of April 20, 2021 and any redistribution or rebroadcast of this presentation after that date is not intended and will not be construed as updating or confirming such information.

# Risk Factors

**The following factors, among others, could cause our business, prospects, financial condition, operating results and cash flows to be materially adversely affected or affect our completion or the ability to realize anticipated benefits of the proposed spin-off transaction:**

- Inability to sustain growth or profitability, and any related impact of U.S. or worldwide economic issues on customer acquisition, retention and usage levels, advertising spend and credit and debit card payment declines
- Inability to acquire businesses on acceptable terms or successfully integrate and realize anticipated synergies
- Reduced use of fax services due to increased use of email, scanning or widespread adoption of digital signatures or otherwise
- Failure to offer compelling digital media content causing reduced traffic and advertising levels; loss of advertisers or reduction in advertising spend; increased prevalence or effectiveness of advertising blocking technologies; inability to monetize handheld devices and handheld traffic supplanting monetized traffic; and changes by our vendors or partners that impact our traffic or publisher audience acquisition and/or monetization
- New or unanticipated costs and/or fees or tax liabilities, including those relating to federal and state income tax and indirect taxes, such as sales, value-added and telecommunications taxes
- The scope and duration of the COVID-19 pandemic, actions taken by governmental authorities in response to the pandemic, and the direct and indirect impact of the pandemic on our customers, third parties and us, as well as other unforeseen global crises, such as war, strife, global health pandemics, earthquakes, or major weather events or other uncontrollable events could negatively impact our revenue and operating results
- Inability to manage certain risks inherent to our business, such as fraudulent activity, system failure or a security breach; inability to manage reputational risks associated with our businesses
- Competition from others with regard to price, service, content and functionality
- Inadequate intellectual property (IP) protection, expiration, invalidity or loss of key patents, violations of 3rd party IP rights or inability or significant delay in monetizing IP
- Inability to continue to expand our business and operations internationally
- Inability to maintain required services on acceptable terms with financially stable telecom, co-location and other critical vendors; and inability to obtain telephone numbers in sufficient quantities on acceptable terms and in desired locations
- Level of debt limiting availability of cash flow to reinvest in the business; inability to repay or refinance debt when due; and restrictive covenants relating to debt imposing operating and financial restrictions on business activities or plans
- Inability to maintain and increase our customer base or average revenue per user
- Inability to achieve business or financial results in light of burdensome telecommunications, internet, advertising, health care, consumer, privacy or other regulations, or being subject to existing regulations
- Inability to adapt to technological change and diversify services and related revenues at acceptable levels of financial return
- Loss of services of executive officers and other key employees
- Inability to complete the proposed spin-off transaction in the proposed form, terms or timing or incurrence of higher than anticipated costs or realization of fewer expected benefits of the proposed transaction
- Other factors set forth in our Annual Report on Form 10-K filed by us on March 1, 2021 with the SEC and the other reports we file from time to time with the SEC

*This announcement does not constitute or form part of an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy any securities.*

# Non-GAAP Financial Information

Included in this presentation are certain financial measures that are not calculated in accordance with U.S. generally accepted accounting principles ("GAAP") designed to supplement, and not substitute, J2 Global's and Consensus's financial information presented in accordance with GAAP. The non-GAAP measures as defined by J2 Global may not be comparable to similar non-GAAP measures presented by other companies. The presentation of such measures, which may include adjustments to exclude unusual or non-recurring items, should not be construed as an inference that J2 Global's or Consensus's future results, cash flows or leverage will be unaffected by other unusual or nonrecurring items. Please see the appendix to this presentation for how we define these non-GAAP measures, a discussion of why we believe they are useful to investors and certain limitations thereof, and reconciliations thereof to the most directly comparable GAAP measures.

# The Transaction

The background is a solid blue color with a pattern of white, stylized circuit traces and small square nodes scattered across the right side, creating a digital or technological aesthetic.

# Transaction Overview

## Transaction Structure

- Separate J2's Cloud Fax business ("SpinCo") from J2 ("RemainCo") in a tax-free spin-off transaction to J2's current shareholders
- Cloud Fax SpinCo to be called "Consensus"
- J2 will distribute at least 80.1% of SpinCo via a pro rata spin-off to J2's shareholders
- RemainCo will retain up to a 19.9% stake in SpinCo that it intends to divest over time in a tax-efficient manner

## Timing

- Expect transaction to be completed in Q3
- Subject to market and certain customary conditions, and final board approval

## Capital Structure

- Optimize leverage and liquidity for both companies
- Allocate capital to drive organic and acquisition-based growth

# Separation Optimizes Corporate Value

✓ *Enables and Accelerates Independent Growth Strategies of the Two Companies*



✓ *Creates Leading Vertically Focused Internet Platform*



✓ *Creates Leading Secure Data Exchange Platform*



✓ *Aligns Management Incentives and Increases Focus*



✓ *Optimizes Capitalization and Capital Allocation*



✓ *Provides Investors with Two Distinct Investable Companies*



# Transaction Will Create Two Leading Publicly Traded Companies



*Leading Vertically Focused Internet Platform*

**\$1,297 – \$1,334MM**  
*'21E Revenue Guidance*

**~20%**<sup>(1,3)</sup>  
*Pro Forma '21E YoY  
Revenue Growth*

**~35%**<sup>(2,3)</sup>  
*Pro Forma Run-Rate  
Adjusted EBITDA Margin*

- ✓ Highly Recurring Revenues
- ✓ Consistent and Sustained Growth
- ✓ Programmatic Acquisition System

*Chief Executive Officer:  
Vivek Shah*



*Leading Secure Data Exchange Platform*

**\$333 – \$342MM**  
*'21E Revenue Guidance*

**~2%**<sup>(1)</sup>  
*Pro Forma '21E YoY  
Revenue Growth*

**~55%**<sup>(2)</sup>  
*Pro Forma Run-Rate  
Adjusted EBITDA Margin*

- ✓ Solving Healthcare Interoperability
- ✓ Scalable SaaS Platform
- ✓ High Margin and Strong Free Cash Flow

*Chief Executive Officer:  
Scott Turicchi*

(1) Pro forma revenue growth calculated based on the mid-point of guidance range.

(2) We are not able to estimate pro forma net income on a forward-looking basis without unreasonable efforts due to the variability and complexity with respect to the charges excluded from these non-GAAP measures; in particular, the variability with respect to costs related to the transaction, standalone expenses, and the assumption of previously unallocated overhead costs.

(3) See Appendix for GAAP reconciliation of Revenue and Adjusted EBITDA for RemainCo.

# Healthy Balance Sheets and High Free Cash Flow Should Position Each Company for Growth



<b>Near Term Actions</b>	Call 3.25% convertible notes due 2029 (Callable in June 2021)	Issue debt and fund distributions to RemainCo
<b>Gross Debt / Adjusted EBITDA at Spin</b>	Up to ~3x	Up to ~4x
<b>Capital Allocation</b>	Acquisition program Organic growth investments Opportunistic share buybacks	Interoperability development M&A De-levering



consensus

*(SpinCo)*

# Consensus Today

## Attractive Financial Profile<sup>(1)</sup>

(\$ in millions)

**\$333-\$342**

'21E Revenue  
Guidance

**~55%**

Pro Forma Run-Rate  
Adjusted EBITDA Margin<sup>(2)</sup>

**~2%**

'16-'20 Total Revenue  
CAGR

**~8%**

'16-'20 Corporate Revenue  
CAGR

## Our Offering



Leading provider of secure data delivery for enterprise and healthcare interoperability



Serve the healthcare sector and other highly regulated industries



High-speed, reliable, trusted product



HIPAA compliant, HITRUST certified, regional data sovereignty



Market leading provider of cloud fax solutions for SOHO

(1) Unaudited pro forma ("PF") adjusted for standalone public entity expenses.

(2) We are not able to estimate pro forma net income on a forward-looking basis without unreasonable efforts due to the variability and complexity with respect to the charges excluded from these non-GAAP measures; in particular, the variability with respect to costs related to the transaction, standalone expenses, and the assumption of previously unallocated overhead costs.

# Consensus is a Market Leader



**350+**

## Enterprise Penetration

*362 enterprise customers including 5 of the top 10 enterprises in the world<sup>(1)</sup>*



**40%**

## Embedded in Healthcare Ecosystem

*We serve 4 of the top 10 Healthcare Companies in the Fortune 500*



**~100%**

## High Revenue Visibility

*~100% of our revenues are recurring in nature*



**11**

## Leading Consolidator

*Completed 11 acquisitions in the past 10 years*



**20+**

## Longevity in Corporate Marketplace

*We have served corporate clients for 20+ years*



**84%**

## Strong Customer Retention

*We have corporate net customer retention of 84%*

(1) Based on customers in the Fortune 500.

# The Backdrop – Secure Data Transmission in Healthcare

## Healthcare Constituents

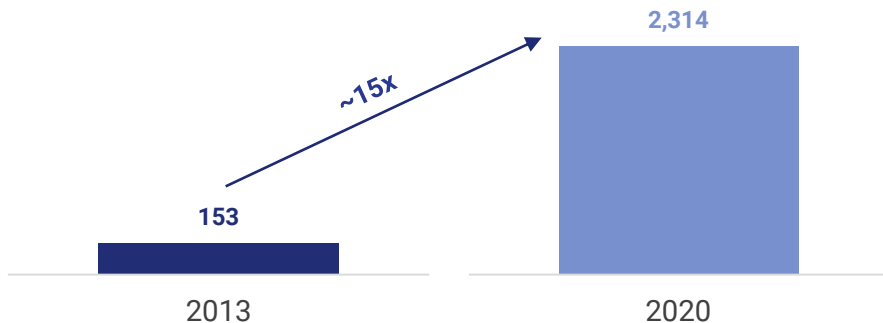


## Use Cases

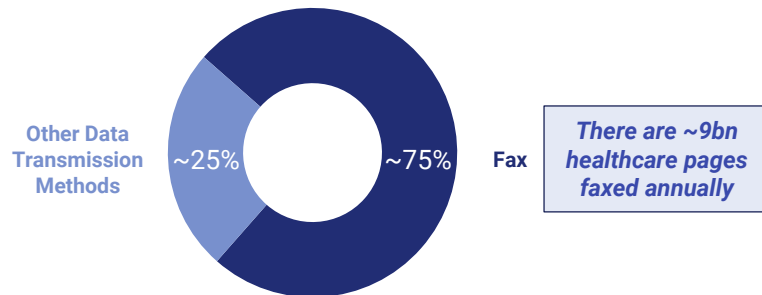


## Growth in Healthcare Data

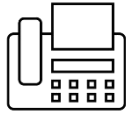
Number of Exabytes Produced Globally in Healthcare



## Fax is the Dominant Transmission Method for Healthcare Data

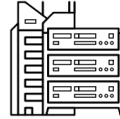


# Evolution of Secure Data Transmission in Healthcare



## Analog Fax

- ▼ Less secure and unreliable
- ▼ Not scalable
- ▼ Higher upfront costs



## On-Premises Fax

- ▲ In-house servers
- ▲ More control, customizable
- ▼ Not easily scalable
- ▼ Static network solution
- ▼ High capex



## Cloud Fax

- ▲ Low capex, fast deployment
- ▲ Highly scalable
- ▲ Easy to integrate
- ▼ Less control, customization

Share Today:

*Low*

*High*

*Where the Sector is Transitioning*

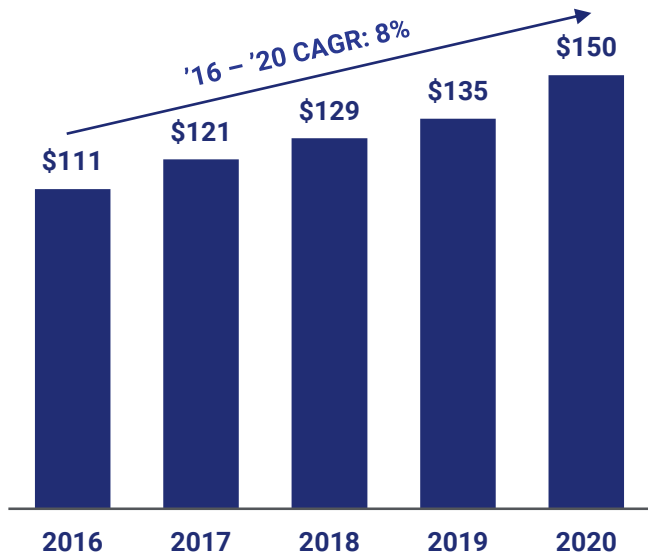
## Reasons Fax is Dominant



# Secular Trends Driving Growth at Consensus

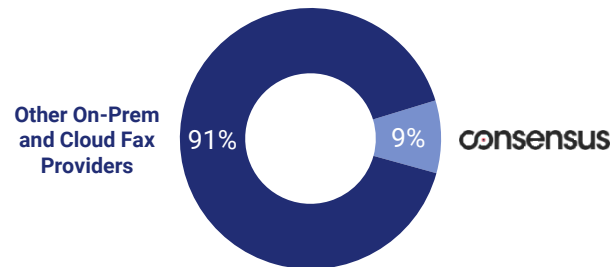
**On-Prem to Cloud Fax Adoption Has Driven Consistent Growth at Consensus...**

Consensus Corporate PF Revenue (\$ in mm)

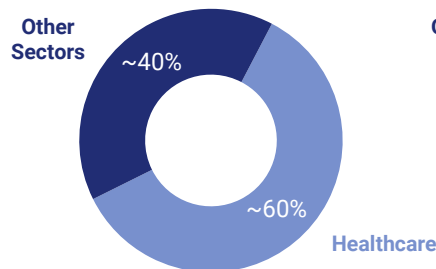


**...With Significant Headroom for Continued Expansion**

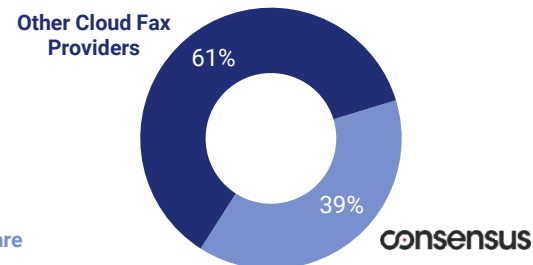
Consensus Share of Corporate Online Fax Market<sup>(1)</sup>



Consensus Corporate Revenue by Sector



Consensus Share of North America Online Fax Market<sup>(2)</sup>

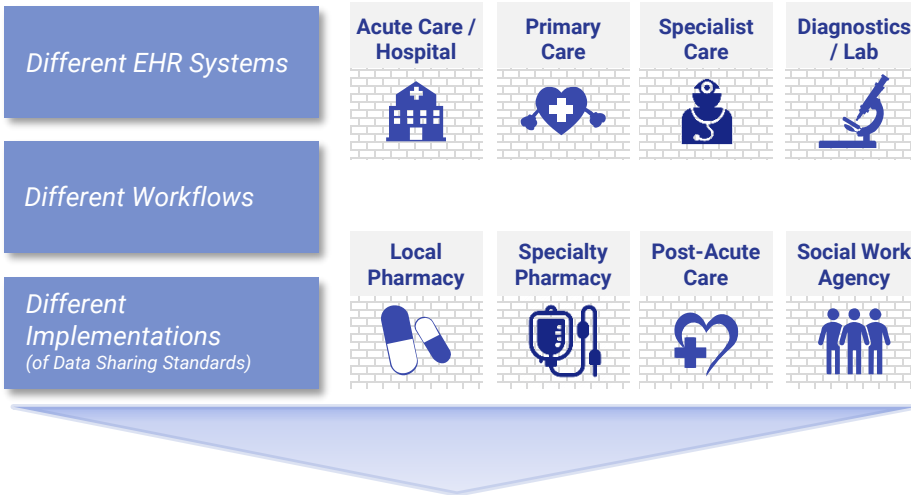


(1) Arizton Advisory & Intelligence, Online Fax Market Report.

(2) Maia Research, Online Fax Market – Global Fax Market Report 2021. Market defined as Online Fax, a technology that uses Internet Protocol (IP) to send and receive faxes online.

# What's Next – The Interoperability Opportunity

## A Flawed System



Every interaction is kept in a data silo as a patient moves across different settings of care continuum within a healthcare system

- ▼ Ineffective
- ▼ Rising medical costs
- ▼ Poor patient experience
- ▼ Suboptimal patient outcomes

## What Do Doctors Want?

### Interoperability

*“84% of physicians anticipate secure and efficient sharing of data.”*

### Optimized Workflow

*“61% said their greatest need today is improving routine process in clinical practice.”*

### Data Augmentation

*“Not just data, actionable data”*

# Consensus is Uniquely Positioned to Solve Interoperability



Provider Workflow Collaboration



Data Exchange Networks



**HITRUST** CERTIFIED NETWORK



Healthcare Care  
Data Management  
and Integration

Data Extraction



OCR / NLP Data  
Transformation



Real Time  
Notification



HCIT Integration



Secure Data  
Exchange

Cloud Fax



Direct Secure  
Messaging



Patient Record  
Query



HIPAA Secure

- ✓ API
- ✓ HL7
- ✓ FHIR

**Productive**

*Streamlines Workflows*



**Comprehensive**

*Single Interoperability  
Dashboard*



**Efficient**

*Fast Tracks Integration  
and Access to Data*



**Easy**

*One Connection Point*

# Consensus Interoperability Roadmap



# Experienced Senior Management Team



**Scott Turicchi**  
CEO



**John Nebergall**  
COO



**Jeffrey Sullivan**  
CTO



**Donna Tomasino**  
CRO, Enterprise



**Bret Love**  
SVP, Inside Sales and Service



**Vithya Aubee**  
General Counsel



**Lynn Johnson**  
Global HR Leader



**J2**  
GLOBAL  
*(RemainCo)*



# J2 RemainCo Today

## Leading Vertically Focused Internet Platform

(\$ in millions)

<p><b>\$1,297-\$1,334</b></p> <p>'21E Revenue Guidance</p>
<p><b>~35%</b></p> <p>Pro Forma Run-Rate Adjusted EBITDA Margin<sup>(1)</sup></p>
<p><b>~20%<sup>(2)</sup></b></p> <p>Pro Forma '21E YoY Revenue Growth</p>

**Tech & Gaming**

**Health**

**Shopping**

**Cybersecurity**

**SMB**



**Category-leading brands in high-value verticals**

**Rich content and applications riding the wave of digitization**

**Programmatic acquisition system with a proven track record**

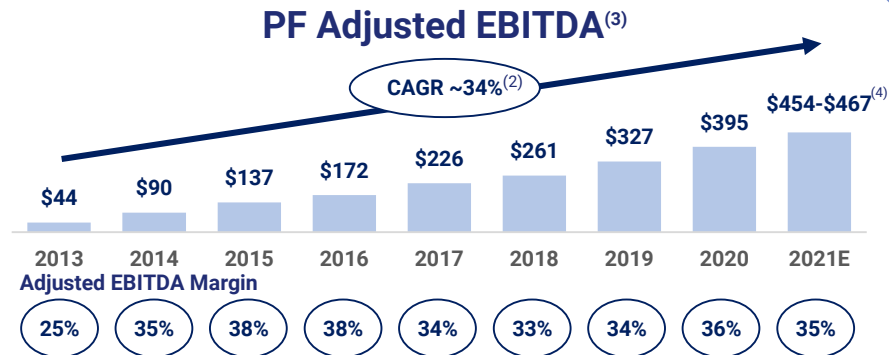
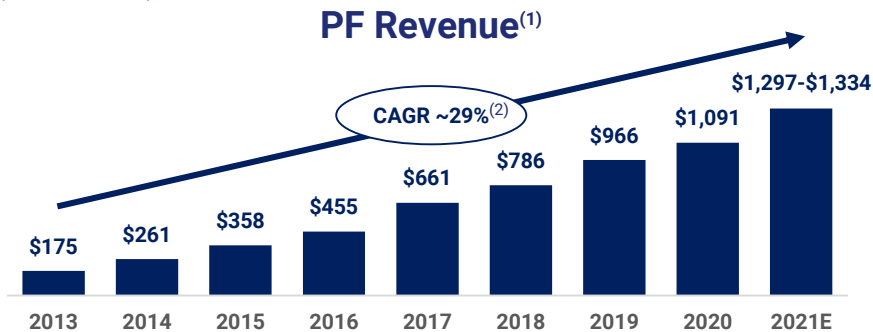
**Predictable, recurring and diversified revenue streams**

(1) We are not able to estimate pro forma net income on a forward-looking basis without unreasonable efforts due to the variability and complexity with respect to the charges excluded from these non-GAAP measures; in particular, the variability with respect to costs related to the transaction, standalone expenses, and the assumption of previously unallocated overhead costs. See Appendix for GAAP reconciliation of Adjusted EBITDA.

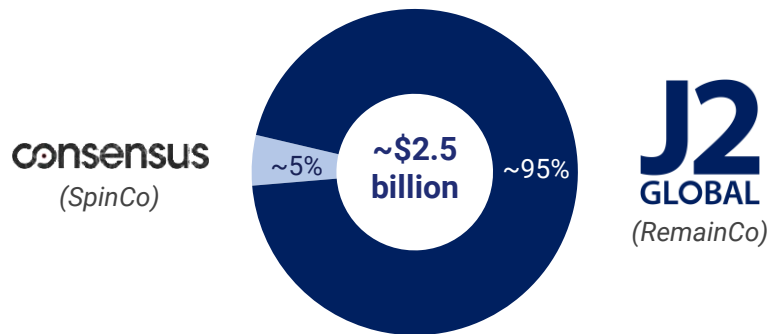
(2) Pro forma revenue growth calculated based on the mid-point of guidance range.

# J2 RemainCo Has an Established History of Total Growth

(\$ in millions)



## M&A Spend 2013 - Present



- Since J2's acquisition of Ziff Davis in 2012, digital media and related services have served as a **total growth engine** for J2
- J2 has deployed ~\$2.4 billion on over **70 companies** in RemainCo sectors since 2013

(1) Revenue excludes (a) assets traveling with SpinCo and (b) divested assets and assets exploring strategic alternatives.

(2) Growth CAGR calculated based on the mid-point of guidance range.

(3) Adjusted EBITDA excludes (a) assets traveling with SpinCo (b) Cloud Services division corporate overhead attributable to SpinCo assets, (c) divested assets and assets exploring strategic alternatives and (d) J2 corporate overhead attributable to SpinCo assets. See Appendix for GAAP reconciliation of Adjusted EBITDA.

(4) Assumes a 35% Adjusted EBITDA margin on revenue guidance.

# Positioning and Performance Could Unlock Deeper Appreciation of J2 and Consensus



**J2 Global Today:**  
 EV / '21E Rev: 4.6x  
 EV / '21E Adjusted EBITDA: 11.5x

(\$ in bn, except per share)	Enterprise Value	CY '21E Financials		CY '21E YoY Growth		Valuation EV / '21E		Enterprise Value	CY '21E Financials		CY '21E YoY Growth		Valuation EV / '21E		
		Rev	EBITDA	Rev	EBITDA	Rev	EBITDA		Rev	EBITDA	Rev	EBITDA	Rev	EBITDA	
<b>Internet</b>								<b>Cloud Services</b>							
Zillow	\$28.7	\$5.6	\$0.5	67%	56%	5.1x	53.5x	DocuSign	\$43.2	\$1.9	\$0.3	36%	55%	22.4x	NM
InterActiveCorp	19.3	3.6	0.2	17	96	5.4	NM	Open Text	16.0	3.4	1.3	5	7	4.7	12.3x
GoodRx	14.7	0.7	0.2	36	17	19.6	61.6	Dropbox	10.9	2.1	0.8	10	33	5.2	14.4
New York Times	7.7	1.9	0.3	9	10	4.0	27.9	8x8	3.9	0.6	0.0	16	--	6.5	NM
TripAdvisor	7.3	0.9	0.2	42	--	8.5	48.7	Box	3.4	0.8	0.2	10	15	4.1	16.1
Future	3.9	0.8	0.2	51	53	4.9	16.4	Upland	1.6	0.3	0.1	5	(3)	5.4	16.9
TechTarget	2.3	0.2	0.1	60	53	9.5	28.9	OneSpan	1.0	0.2	(0.0)	2	--	4.7	NM
<b>Mean</b>				<b>40%</b>	<b>48%</b>	<b>8.1x</b>	<b>39.5x</b>	<b>Mean</b>				<b>12%</b>	<b>22%</b>	<b>7.6x</b>	<b>14.9x</b>
<b>Median</b>				<b>42</b>	<b>53</b>	<b>5.4</b>	<b>38.8</b>	<b>Median</b>				<b>10</b>	<b>15</b>	<b>5.2</b>	<b>15.3</b>
<b>Programmatic Acquirers</b>								<b>Healthcare Information Technology (HCIT)</b>							
Roper	\$54.3	\$6.3	\$2.3	14%	15%	8.6x	23.9x	R1 RCM	\$11.8	\$1.4	\$0.3	14%	36%	8.1x	36.2x
Constellation Software	32.1	4.8	1.4	21	15	6.7	22.8	Omnicell	6.1	1.1	0.2	23	46	5.5	26.2
HEICO	19.2	1.9	0.5	5	7	10.1	38.3	Inovalon Holdings	5.3	0.8	0.3	13	17	7.0	19.6
Tyler Technologies	18.0	1.2	0.3	8	7	14.8	51.4	Vocera Communications	1.1	0.2	0.0	11	10	5.1	33.4
Jack Henry & Associates	12.0	1.8	0.6	5	6	6.6	20.5	HealthStream	0.7	0.2	0.0	1	(21)	2.8	19.2
<b>Mean</b>				<b>11%</b>	<b>10%</b>	<b>9.4x</b>	<b>31.4x</b>	<b>Mean</b>				<b>13%</b>	<b>18%</b>	<b>5.7x</b>	<b>26.9x</b>
<b>Median</b>				<b>8</b>	<b>7</b>	<b>8.6</b>	<b>23.9</b>	<b>Median</b>				<b>13</b>	<b>17</b>	<b>5.5</b>	<b>26.2</b>

# Separation Expected to Unlock Long-Term Corporate Value



*(RemainCo)*

Leading Vertically Focused Internet Platform



*(SpinCo)*

Leading Secure Data Exchange Platform

*Accelerates  
Independent Growth  
Strategies*

*Aligns Management  
Incentives and  
Increases Focus*

*Optimizes  
Capitalization and  
Capital Allocation*

*Provides Investors  
with Two Distinct  
Investable Companies*

# Appendix

The background of the slide is a solid blue color. On the right side, there is a complex, abstract pattern of white and light blue lines and squares. These lines are horizontal and vertical, with some segments being slightly offset or staggered, creating a sense of depth and movement. Small squares are placed at various points along these lines, some appearing as bright white dots and others as faint light blue squares. The overall effect is that of a digital or technological network.

# GAAP Reconciliation: Revenue (RemainCo)

<i>(\$ in millions)</i>	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenue</b>	<b>\$237</b>	<b>\$331</b>	<b>\$474</b>	<b>\$573</b>	<b>\$810</b>	<b>\$894</b>	<b>\$1,062</b>	<b>\$1,172</b>
<i>Reconciliation of GAAP to Adjusted Non-GAAP measures:</i>								
Acquisition-related integration costs	(2)	2	--	--	--	--	--	--
Patent settlement	(13)	--	--	--	--	--	--	--
<i>Pro Forma Adjustments:</i>								
Intercompany revenues	(21)	(26)	(56)	(7)	(11)	(13)	(12)	(13)
Excluded assets <sup>(1)</sup>	(27)	(46)	(60)	(111)	(138)	(95)	(85)	(68)
<b>Pro Forma Revenue</b>	<b>\$175</b>	<b>\$261</b>	<b>\$358</b>	<b>\$455</b>	<b>\$661</b>	<b>\$786</b>	<b>\$966</b>	<b>\$1,091</b>

(1) Excluded assets represent the pro forma impact of businesses sold and certain assets within the Backup business unit which are expected to be sold.

# GAAP Reconciliation: Adjusted EBITDA (RemainCo) <sup>(1,2)</sup>

(\$ in millions)	2013	2014	2015	2016	2017	2018	2019	2020
<b>Net Income</b>	<b>\$30</b>	<b>\$62</b>	<b>\$88</b>	<b>\$54</b>	<b>\$36</b>	<b>\$20</b>	<b>\$39</b>	<b>\$37</b>
Plus:								
Interest expense, net	11	11	23	24	30	26	27	56
Other expense (income), net	12	0	(0)	(10)	(25)	4	7	12
Income tax expense	1	2	3	19	48	7	17	25
Depreciation and amortization	22	48	73	102	143	172	222	217
Losses (earnings) from equity investments, net of tax	--	--	--	--	--	4	0	11
<b>Reconciliation of GAAP to Adjusted Non-GAAP Measures:</b>								
Share-based compensation	0	3	7	9	19	26	23	23
Acquisition-related integration costs	(4)	2	24	19	26	29	17	13
Indirect tax expense (benefit) from prior years	--	--	--	--	3	--	--	--
Restructuring costs	--	--	--	--	--	0	--	--
Lease asset impairments and other charges	--	--	--	--	--	--	--	15
<b>Pro Forma Adjustments:</b>								
Operational adjustments <sup>(3)</sup>	(44)	(47)	(73)	(10)	(15)	(1)	(1)	(6)
Excluded assets <sup>(4)</sup>	(10)	(14)	(26)	(53)	(56)	(44)	(39)	(26)
Overhead reallocation <sup>(5)</sup>	26	22	18	16	17	19	16	17
<b>Pro Forma Adjusted EBITDA<sup>(2)</sup></b>	<b>\$44</b>	<b>\$90</b>	<b>\$137</b>	<b>\$172</b>	<b>\$226</b>	<b>\$261</b>	<b>\$327</b>	<b>\$395</b>

(1) Adjusted EBITDA is defined as net income plus interest and other expense, net; income tax expense; depreciation and amortization and the items used to reconcile GAAP to Adjusted Non-GAAP EPS. Adjusted EBITDA amounts are not meant as a substitute for GAAP, but are solely for informational purposes.

(2) Figures are adjusted non-GAAP.

(3) Operational adjustments represent intercompany revenues, cost of revenues and allocated costs between business units. In addition, pro forma adjustments include adjustments related to overhead cost which were previously recorded within the Fax business unit in 2017 and prior.

(4) Excluded assets represent the pro forma impact of businesses sold and the B2B Backup business where a transaction is reasonably possible within calendar year 2021.

(5) Overhead reallocation represents an estimated reallocation of overhead costs to the Fax business unit in order to support the business unit on a stand alone basis.