



## 1 High-Growth Stock for Long-Term Business Owners

### Description

**Tucows** ([TSX:TC](#))(NASDAQ:TCX) provides [simple and useful services](#) that help people unlock the power of the internet. The company reduces the complexity of customer experiences while accessing internet services such as domain name registration and email. The company operates two segments, network access services and domain services, which are differentiated primarily by the nature of services, the markets served and the regulatory environments in which the segments operate.

The company's management regularly reviews operating results to make decisions about how the company utilizes resources and to measure operating performance. To assist the company in forecasting growth and to help it monitor the effectiveness of operational strategies, the company's management regularly reviews revenue for each service offering to gain a better understanding of the key business metrics driving Tucows' business.

### Value-added retail mobile services

Tucows' network access services division includes retail mobile services, mobile platform and professional services supporting fixed high-speed internet access services and other revenues, including billing solutions to small internet service providers. Historically, the company offered retail mobile services through certain third-party retail stores and online retailers. Revenues are generated from the sale of retail telephony services, mobile phone hardware and related accessories to individuals and small businesses.

### Multiple sources of revenue

The company's domain services division includes wholesale and retail [domain name registration services](#), value added services and portfolio services derived through several brands. Tucows earns revenues primarily from the registration fees charged to resellers in connection with new, renewed and transferred domain name registrations. In addition, it earns revenues from the sale of retail domain name registration and email services to individuals and small businesses.

## Broad geographical diversity

Domain services revenues are attributed to the country in which the contract originates, which is primarily in Canada and the United States. Several domain services contracts and agreements also originate in Europe. The company's primary distribution channel is a global network of approximately 36,000 resellers that operate in approximately 160 countries and who typically provide customers with solutions for establishing and maintaining an online presence.

Tucows' primary focus is serving the needs of this network of resellers by providing the broadest portfolio of country code top-level domain options, a white-label platform that facilitates the management of domain names, easy-to-use interfaces, comprehensive management and reporting tools.

## Superior customer service

Tucows' services are integral to the solutions that the company's resellers deliver to customers. The company provides support to resellers by email, chat and phone in the event resellers experience issues or problems with Tucows' services. In addition, the company's network operating center proactively monitors all services and network infrastructure to address deficiencies before customer services are impacted.

The underlying platforms for Tucows' services are among the most mature, reliable and functional reseller-oriented provisioning and management platforms in the software industry. The company continues to refine, evolve and improve these services for both resellers and end-users. Further, Tucows' business model is characterized primarily by non-refundable, up-front payments, which lead to recurring revenue and positive operating cash flow. This should serve long-term shareholders well.

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