



CEOCFO

Interviews & News!

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TechTarget Is In The Right Place At The Right Time, With Most IT Professionals Opting To Do Research Online, For New Products To Buy And The Advertising Dollars Are Following



Services

Business Services
(TTGT-NASDAQ)

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Greg Strakosch

Co-Founder, Chairman and CEO

BIO:

Greg Strakosch, Co-Founder and CEO, has led the company from start-up to pub-

lic company (NASDAQ: TTGT).

Since its launch in August 1999, Greg has grown TechTarget into a fully-diversified IT media company. The company now has more than 500 employees, operates in 25 countries, and has won over fifty editorial awards since its inception.

A host of organizations has recognized TechTarget's success, and the innovation and leadership that Greg has brought to the company and the industry.

- Recipient of the Ernst & Young New England Entrepreneur of the Year® Award

- Named *Media Business* Top Innovator in Business Publishing

- Named to the *Folio*: 40, a list of "industry innovators with impact"

- *BtoB* named TechTarget to its annual list of the most powerful business-to-business advertising venues for the fifth consecutive year

- The *Boston Business Journal* named TechTarget to its list of the Largest Private Companies, as well as ranking the company on the top ten of its list of the fastest-growing private companies in Massachusetts.

- The *BBJ* selected TechTarget as one of the fifty "Best Places to Work" in Massachusetts

- TechTarget earned the #13 spot on the *Entrepreneur/D&B* "Hot 100" list of the fastest growing entrepreneurial companies in the US

- TechTarget was named to the *Inc.* 500 list of the fastest growing companies.

Prior to founding TechTarget, Greg was President of the Technology Division of UCG, a leading business-to-business information provider, where he grew the business more than 15-fold in six years. He joined UCG in 1992 when the company acquired Reliability Ratings, a successful IT publishing company he founded in 1989. Before Reliability Ratings, Greg spent six years in senior sales and marketing positions at EMC Corporation, which he joined as the company's 29th employee.

Greg has a BA from Boston College.

Company Profile:

TechTarget, a leading online Information Technology (IT) media company, provides IT companies with ROI-focused marketing programs to generate leads, shorten sales cycles, and grow revenues. With its network of 49 technology-specific Web sites and over six million active registered members, TechTarget is a primary Web destination for IT professionals researching which products to purchase. The company is also a leading provider of independent, peer and vendor content, a leading distributor of white papers, and a leading producer of vendor-sponsored Webcasts and Podcasts for the IT market. Its Web sites are complemented by numerous invitation-only events and two magazines. TechTarget provides proven lead generation and branding programs to over 1,000 advertisers including Cisco, Dell, EMC, HP, IBM, Intel, Microsoft, SAP and Symantec.

**Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFOinterviews.com**

CEOCFO: Mr. Strakosch, what was your vision when you founded TechTarget and where are you today?

Mr. Strakosch: “The big picture in viewing the growth of our business is that every major purchase, whether it is made online or offline, is researched on the web. The audience has shifted to doing their research on the web and the advertising dollars are following. We are the leading place on the web where IT professionals go to research which new products to buy.”

CEOCFO: Why are people going to you as opposed to someone else?

Mr. Strakosch: “We have approximately fifty websites so we divide up the IT market into very specific segments that mirror the way IT organizations are set up. If you go inside a large IT organization there is no IT generalist; the IT professionals are specialists in areas like storage, security or networking. We have almost fifty different websites that correlate to those different specialties so we have, by far, the most targeted content in the marketplace. In terms of our content, what attracts IT professionals researching what products to buy is the desire to obtain information from three different sources: they want to hear from the independent experts in the market, they want to hear from their peers and they want to hear from the vendors. That is our strength. We are the number-one place for independent content on the web for IT professionals, we have the largest audience on the web so we have the most amount of peer-to-peer content, and we are the leading distributor of vendor content. We are the leading distributor of vendor white-papers, and we are the leading producer of Podcast and Webcasts.”

CEOCFO: Does the tech community know you at this point or do you still need to make inroads?

Mr. Strakosch: “We are very well known, and a very powerful brand with

IT professionals, so if your full-time job is managing storage you are definitely going to know about SearchStorage.com, which is our storage site. If you are an IT advertiser you are going to know about TechTarget. We generate a large volume of new traffic through word-of-mouth; we have over six million registered members. We do get a lot of new traffic from search engines because we have so much technology-specific; our Web sites rank very high in search engines.”

CEOCFO: What is new in the tech world today?

Mr. Strakosch: “In terms of technologies that are pretty hot right now there is a lot of technology spending around compliance, things like Sarbanes-Oxley and HIPAA (American Health Insurance Portability and Accountability Act of 1996), so there is a lot of issues around

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archiving data, storing data, and retrieving data. We have many websites that address these issues, as we are the leading web destination for content in all of those areas. Another area that is hot in the IT market is virtualization -- server virtualization, storage virtualization, and we have several sites around those topics as well. As these topics get more and more specific, this trend really fits well into our model because we are by far the most targeted player on the web in the IT market.”

CEOCFO: How often do you come up with a new site?

Mr. Strakosch: “In 2008 we are going to launch at least ten new sites so launching new sites is a big part of our growth strategy and it is helping to drive organic growth.”

CEOCFO: Please tell us more about the growth strategy.

Mr. Strakosch: “Our growth strategy starts with continuing to launch new websites. Another big part of the strategy is to continue to benefit from the migration from offline marketing to online marketing. The audience has shifted to the web but the advertising dollars have not caught up yet. We will continue to grow by taking advantage of that shift. International is a big opportunity for us, about fifty percent of the IT products are purchased outside of the US but currently international represents less than five percent of our revenue so there is a big opportunity there. While most of our growth has been organic we have a very successful track record doing tuck-in acquisitions, so we will continue to be opportunistic in that regard and that will continue to contribute to growth.”

CEOCFO: How do you grow the international side of the business?

Mr. Strakosch: “Internationally what we have done recently is launch our first two websites outside of the US. We launched our storage site and a securities site in the UK. Previously we have just been doing partnerships outside the US. I think you will see us do much more direct operations outside of the US.”

CEOCFO: Will you be doing foreign language sites?

Mr. Strakosch: “Right now we have foreign language sites through partners. Eventually we will develop other foreign language sites in other countries run directly by TechTarget.”

CEOCFO: What is the financial picture of the company?

Mr. Strakosch: “Very strong. TechTarget has been profitable every year since 2002. Our EBITDA margins are about 26%, and we have strong cash flow. Our margins have been expanding every year. Financially this provides a high degree of operating leverage in the model so as we grow revenue, and because we don't have a high cost of goods, we have very high incremental EBITDA margins.”

CEOCFO: Please tell us about your acquisition of KnowledgeStorm, and is that typical for you?

Mr. Strakosch: “KnowledgeStorm is a home-run acquisition for us. TechTarget is the leader of online advertising and online lead generation in the IT market. KnowledgeStorm was the number-two play in terms of online lead generation, so we were able to consolidate a competitor, giving us a tremendous amount of scale with regard to audience. It also gives us a lot of scale in terms of attracting new advertisers. We brought about five hundred new advertisers into the company through the acquisition of KnowledgeStorm. It was also very compelling operationally. Financially the standalone was running about break-even, so as part of TechTarget we were able to eliminate about 50% of their costs -- about eight million dollars -- in the first 45 days of ownership. From an operating or financial standpoint it is a very exciting opportunity for us.”

CEOCFO: How is the barrier to entry for competitors?

Mr. Strakosch: “No one has ever been funded behind us so we have a very strong competitive position. We have very dominant brands with both from IT professionals and advertisers. We have been doing this for nine years and have a big lead in terms of how to do it. We have raised over \$200 million in capital. TechTarget has a very large audience -- over six million registered users -- with which we have very deep relationships, and we have significant amounts of data about this audience. That would be hard to replicate. We also have a tremendous amount of content in our archives from years and years of building independent content, peer-to-peer content, and vendor content. And that content in our archives does very well with the search engines so

the overall effect it is kind of like a snowball rolling downhill.”

CEOCFO: In closing, why should potential investors be interested and what might people miss when they are looking at it from the investment point of view that they really should understand?

Mr. Strakosch: “If you believe that the IT professionals are going to continue to do their primary research online, and all of the research shows that the Web is the first place IT professionals go when they are researching products to buy. The Web is the place where they spend the most time. However, the ad dollars have lagged behind, so if you believe that what happens with all of the media is that the ad dollars will eventually catch up to the audience, TechTarget is the main beneficiary in our market place.”



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