

Wednesday 22 April 2020

Half Year Results to 31 January 2020

Strong growth in line with the second five-year plan

YouGov[®]

Summary

Summary of Results for the HY to 31 January 2020

- Revenue growth of 16% (HY 2019: 18%), with underlying business¹ growth of 15%
- Adjusted operating profit² up by 35% to £11.4m (HY 2019: £8.4m), with underlying business¹ growth of 34%
- Adjusted profit before tax³ up by 27% to £12.1m (HY 2019: £9.5m)
- Adjusted earnings per share⁴ up by 35% to 8.7p (HY 2019: 6.4p)
- Adjusted operating profit margin⁵ up 2 percentage points (p.p.) to 15% (HY 2019: 13%)
- Statutory operating profit up 13% to £9.5m (HY 2019: £8.4m)
- Strong cash conversion of 93%
- Cash balances of £27.2m (31 January 2019: £25.0m)
- Data Products & Services revenue up by 17% to £43.4m
- Custom Research revenue up by 12% to £33.9m
- US remains the largest driver with adjusted operating profit² increasing by 20% to £9.3m

1 Defined as growth in business excluding impact of current and prior period acquisitions and movement in exchange rates.

2 Defined as operating profit excluding separately reported items.

3. Defined as profit before tax before share based payment charges, imputed interest and separately reported items

4. Defined as earnings per share before the post-tax impact of share based payment charges, imputed interest and separately reported items.

5. Defined as adjusted operating profit expressed as a percentage of revenue.

Current Trading and COVID-19 Impact

- Current trading in line with the Board's expectations for the full-year to 31 July 2020
- No material impact to date from the COVID-19 pandemic
- Entire global workforce working from home; established culture of remote and flexible working means our clients continue to receive business as usual service
- No current intention to furlough employees or apply for Government loans or grants
- Small minority of existing clients requesting payment deferrals or cancellations which we are handling on a case-by-case basis
- Monitoring the situation closely and engaging with our clients
- Prudent contingency planning and cost reviews undertaken; investment in strategic areas continued
- Strong cash balances and no debt supports YouGov's resilience
- Launch of the YouGov COVID-19 Monitor covering 29 markets to provide key consumer and social insights
- Partnership with Imperial College London to provide such data to public health researchers for free

Financial Update

Financial Highlights

- Group Revenue increased by 16% to £76.9m (15% underlying business growth)
- Gross Profit Margin up 2 p.p. to 84%
- Adjusted Operating Profit up by 35% to £11.4m (34% underlying business growth)
- Adjusted Operating Margin increased from 13% to 15%
- Adjusted EPS increased by 35% to 8.7p

	6 months to 31 Jan 2020 £m	6 months to 31 Jan 2019 £m	% Change
Revenue	76.9	66.5	16%
Adjusted Operating Profit	11.4	8.4	35%
Adjusted Profit before Tax	12.1	9.5	27%
Adjusted Earnings per Share	8.7p	6.4p	35%

Balance Sheet

- Receivable days down to 34 days from 48 days
- Creditor days decrease to 24 days from 36 days
- Contingent consideration of £3.9m
- No debt; cash balance of £27.2m at 31 January 2020

	31 Jan 2020 £m	31 Jan 2019 £m
Assets		
Goodwill	63.6	62.5
Other intangible assets	19.0	16.5
Other non-current assets	22.0	25.6
Total	104.6	104.6
Current Assets		
Trade and other receivables	34.3	35.0
Cash	27.2	25.0
Total	61.5	60.0
Liabilities		
Trade and other payables	39.9	35.9
Contingent consideration	1.6	6.2
Provisions	5.5	4.1
Total	47.0	46.2
Non-Current Liabilities		
Contingent consideration	2.3	9.8
Provisions	4.5	4.2
Other non-current liabilities	9.3	11.2
Total	16.1	25.2
Net Assets	103.0	93.2

Cash Flow

- Cash flow generated from operations of £17.3m: 93% of adjusted EBITDA
- Investing activities of £15.6m includes £7.4m on acquisitions, £4.2m on panel growth and £3.5m on technology development
- Financing activities of £8.2m includes Dividend paid £4.3m and purchase of own shares £2.4m
- Net cash outflow of £8.3m

	6 months to 31 Jan 2020 £m	6 months to 31 Jan 2019 £m
Cash flows from operating activities		
Statutory operating profit	9.5	8.4
Non cash movements	9.0	6.6
Net working capital movement	(1.2)	(4.8)
Cash generated from operations	17.3	10.2
Interest and tax	(1.8)	(2.1)
Net cash generated from operating activities	15.5	8.1
Net cash used in investing activities	(15.6)	(9.3)
Net cash used in financing activities	(8.2)	(4.5)
Net decrease in cash	(8.3)	(5.7)
Cash balance at beginning of year	37.9	30.6
Exchange loss on cash and cash equivalent	(2.4)	0.1
Cash balance at end of period	27.2	25.0

Performance by Product and Service: Revenue

	6 months to 31 Jan 2020 £m	6 months to 31 Jan 2019 £m	Change %	Underlying business ¹ revenue change %
Data Products	25.1	19.4	29%	27%
Data Services	18.3	17.8	3%	7%
Total Data Products & Services	43.4	37.2	17%	17%
Custom Research	33.9	30.4	12%	11%
Intra-group revenues	(0.4)	(1.1)	-	-
Group	76.9	66.5	16%	15%

Performance of Product and Service: Adjusted Operating Profit¹

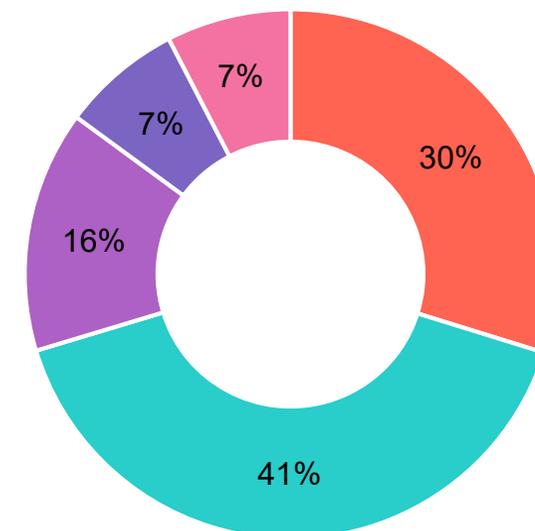
	6 months to 31 Jan 2020 £m	6 months to 31 Jan 2019 £m	Change %	Operating Margin %	
				Six months to 31 January 2020	Six months to 31 January 2019
Data Products	8.5	5.9	43%	34%	31%
Data Services	2.8	3.3	(16%)	15%	19%
Total Data Products & Services	11.3	9.2	22%	26%	25%
Custom Research	8.0	6.7	19%	24%	22%
Central costs	(7.9)	(7.5)	-	-	-
Group	11.4	8.4	35%	15%	13%

Performance by Geography: Revenue

	6 months to 31 January 2020 £m	6 months to 31 January 2019 £m (restated)	Change %	Underlying business ¹ revenue change %
UK	23.6	19.8	19%	19%
USA	32.1	27.2	18%	17%
Mainland Europe	11.7	12.1	(3%)	(1%)
Middle East	5.8	5.3	10%	8%
Asia Pacific	6.0	5.2	15%	14%
Intra-group revenues	(2.3)	(3.1)	-	-
Group	76.9	66.5	16%	15%

6 months to 31 January 2020 Revenue

- UK
- Americas
- Mainland Europe
- Middle East
- Asia Pacific

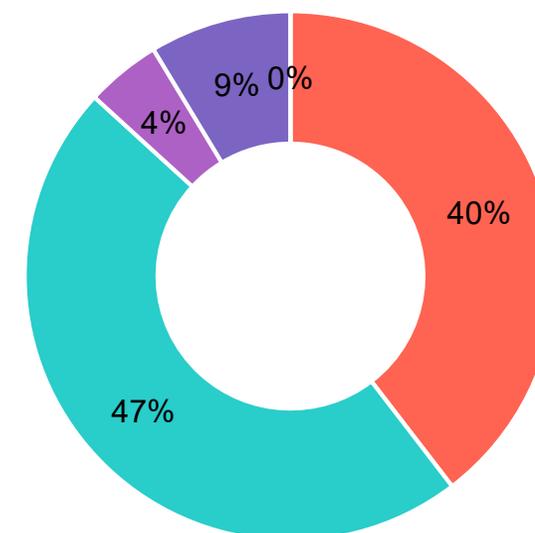


Performance by Geography: Adjusted Operating Profit¹

	6 months to 31 Jan 2020 Operating Profit £	6 months to 31 Jan 2019 Operating Profit £ (restated)	Operating Profit Growth %	Operating Margin %	
				2020	2019
UK	7.8	5.6	41%	33%	28%
USA	9.3	7.7	20%	29%	28%
Mainland Europe	0.9	1.6	(45%)	8%	14%
Middle East	1.7	1.8	(8%)	29%	35%
Asia Pacific	0.0	(0.1)	-	1%	(2%)
Central Costs	(8.3)	(8.2)	-	-	-
Group	11.4	8.4	35%	15%	13%

6 months to 31 January 2020 Adjusted Operating Profit¹

- UK
- Americas
- Mainland Europe
- Middle East
- Asia Pacific



Product & Operational Update

YouGov Plan&Track

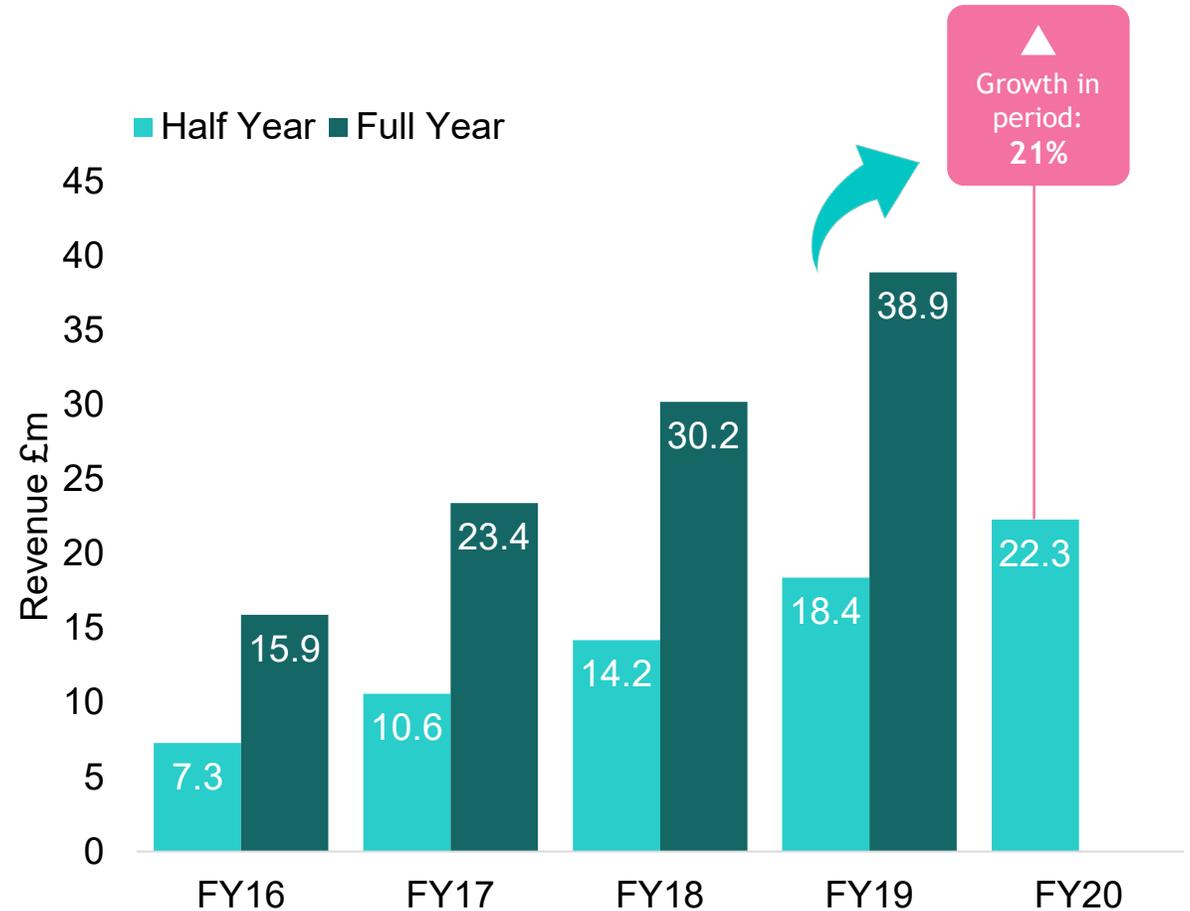
YouGov BrandIndex and YouGov Profiles are sold under the combined YouGov Plan & Track proposition

YouGov BrandIndex

- Our flagship brand intelligence service
- Covers 42 markets worldwide
- US remains largest market

YouGov Profiles

- Our ground-breaking audience planning and segmentation tool
- Covers 24 markets
- Profiles segments are integrated with digital advertising partners for activation of audiences

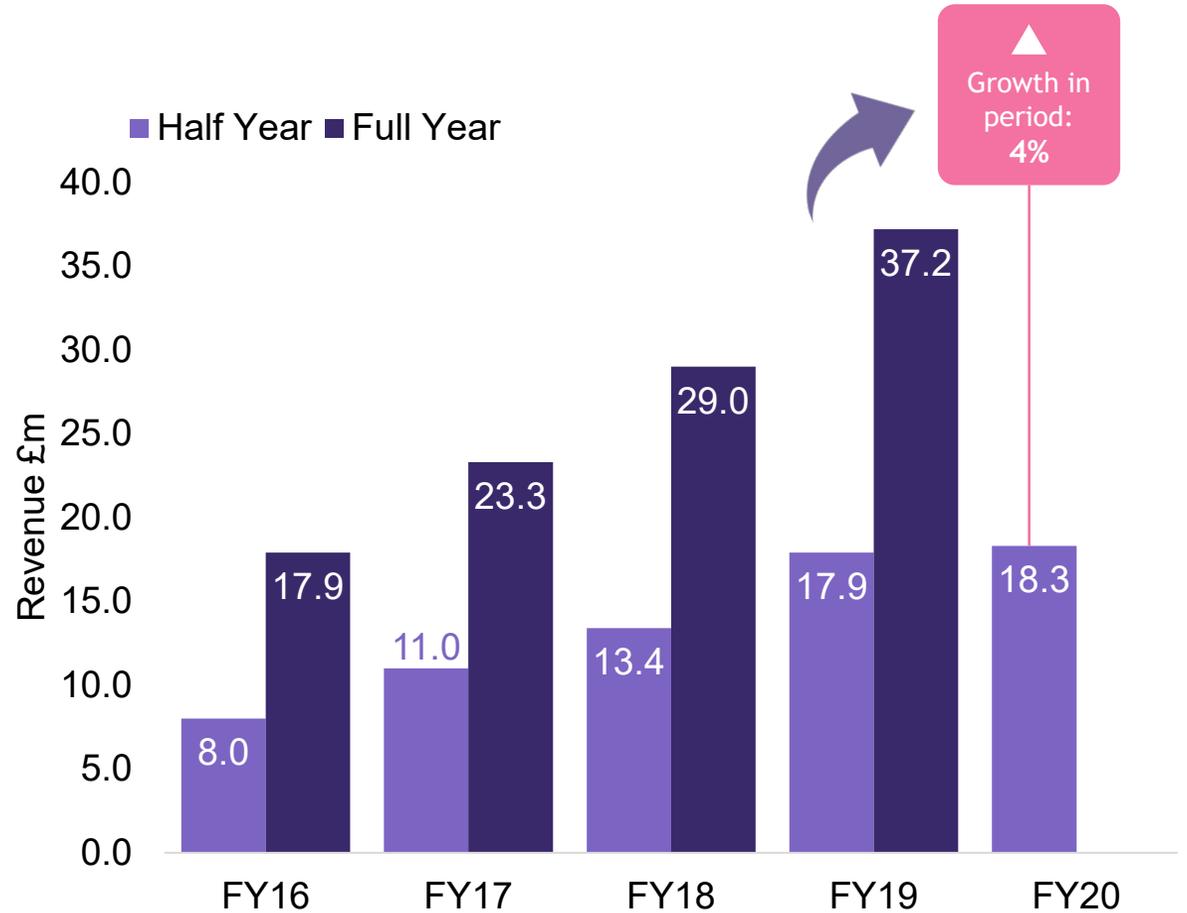


YouGov Data Services

Our Data Services division incorporates our fast-turnaround services, including our market leading YouGov Omnibus

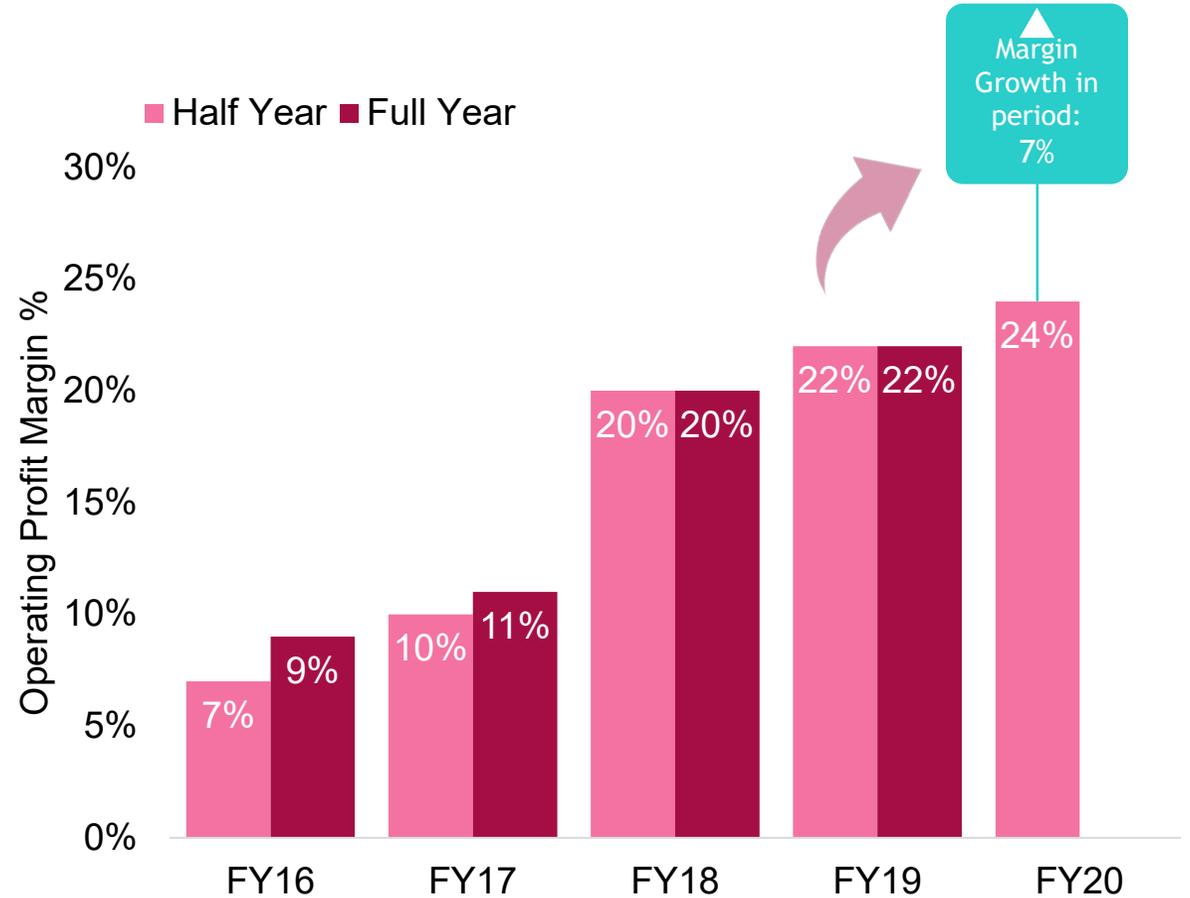
YouGov Omnibus

- Our fast-turnaround service
- Attracting more multi-national clients, leading to more multi-country projects
- Market leader in UK and growing globally
- Available in over 40 markets worldwide

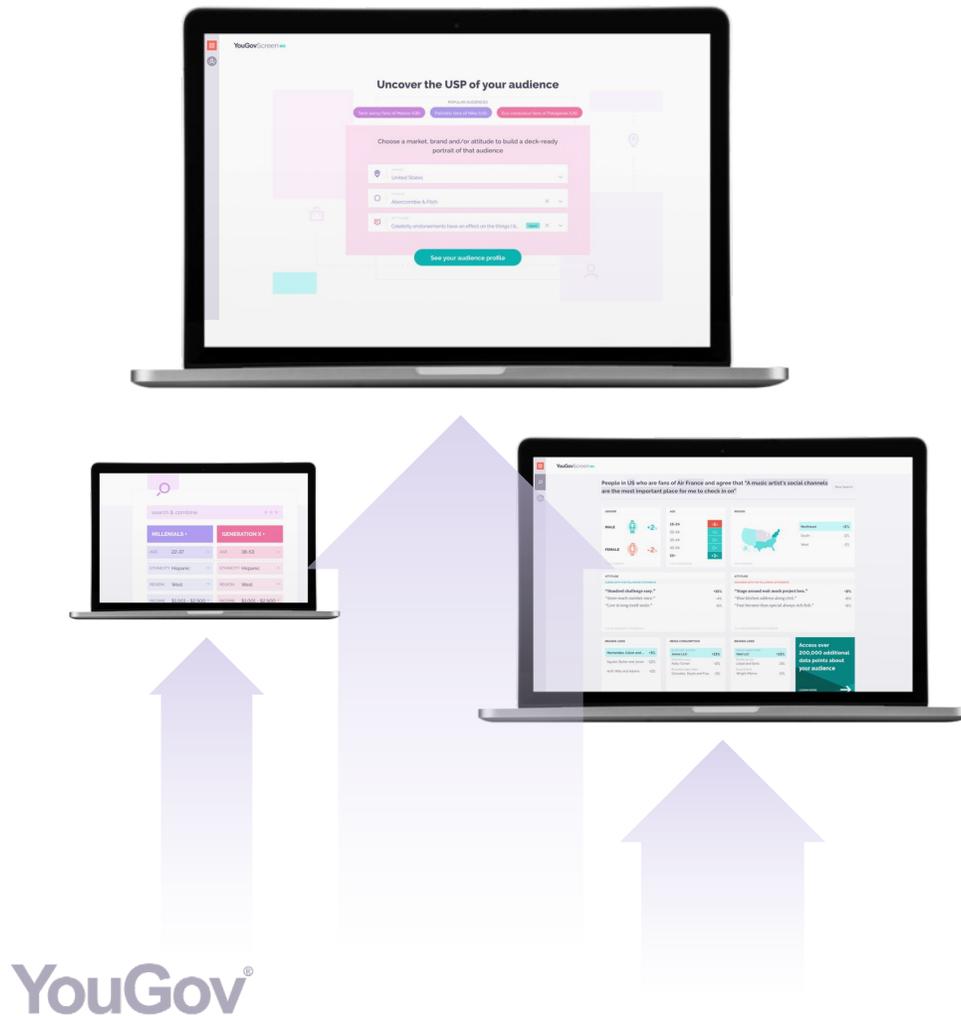


YouGov Custom Research

- Quantitative and qualitative research directed by our sector specialists
- Scope, scale and complexity of projects varies:
 - One-off studies
 - Tracking studies for individual clients
 - Syndicated studies sold to multiple clients
- Offering enhanced and differentiated by the connected data we hold in the YouGov Cube
- In line with stated strategy to focus on core panel-based services, we continue to scale-down non-core elements of the Custom Research division
- Strategy has delivered increased operating profit – up 19% YOY



Investment in product development and technology



- We are investing in our websites, apps and dashboards to make it easier for our clients and the public to interact with our data
- We continue to invest in developing our proprietary technology, including our analytics software Crunch
- A first version of the 'YouGov Screen' platform planned for release by the end of calendar year

YouGovCollaborate

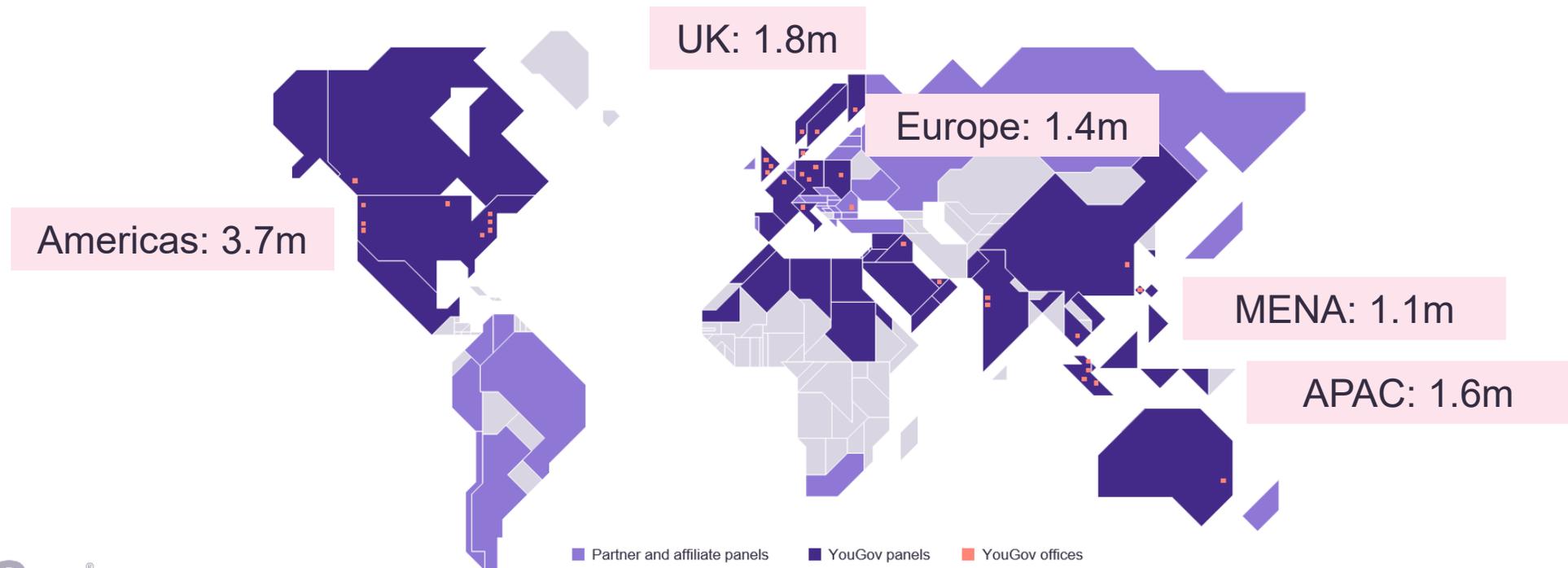
YouGovDirect

YouGovCrunch

YouGovCube

Investment in panel

- We continue to invest in our proprietary online panel to increase our global research capabilities
- We have grown our existing panels in Australia, India, Italy, Mexico, Poland, Spain and Taiwan
- We now have 9.6 million registered panellists worldwide
- Next, we are building new panels in Austria, Brazil, Switzerland and Turkey



Investment in global infrastructure

Global Infrastructure

- Cultivating a global presence without need for employees in every country
- Enhancing our scalability by investing in Centres for Excellence (CenX)
- Over the last five years, the CenX model has reduced our spend on data operations overheads as a % of global revenue from 4% to 1.4%
- In the last year, the CenX model has reduced our spend on data operations overheads by £1 million
- Remote and agile working practices well established
- Approach has served us well for responding to COVID-19 lockdowns



Data Processing hubs

Bucharest
Mumbai
Bangalore **NEW**



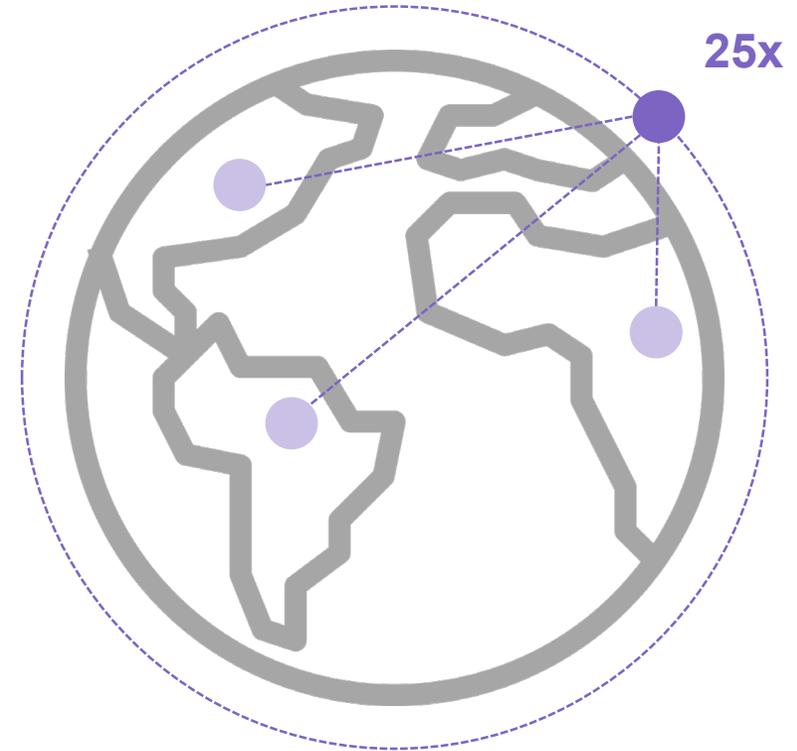
Technology development hubs

Warsaw
Toronto **NEW**

Focus on global accounts

- New global key account management programme kicked-off
- Cultivating our most significant client accounts for cross-selling and up-selling opportunities
- Initial focus on multi-nationals based in the USA

Phase 1:
25 x existing
multi-national
clients
targeted



Strategy Update

Strategic growth plan

- YouGov is becoming the world's leading provider of marketing and opinion data
- We are creating a universal platform for the ethical and safe sharing of opinion and personal data
- This ambition is supported by three strategic pillars (Data Integration, Public Data, Ethical Activation)
- The underlying strategy that drives our Five-Year Plan to 2023 (FYP2) is defined by the mantra:

“best panel - best data - best tools”

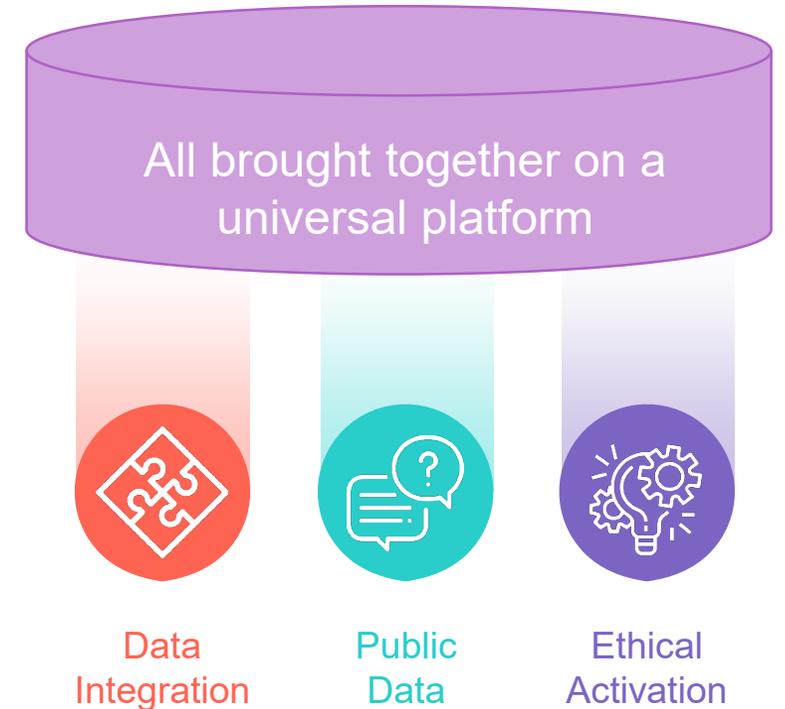
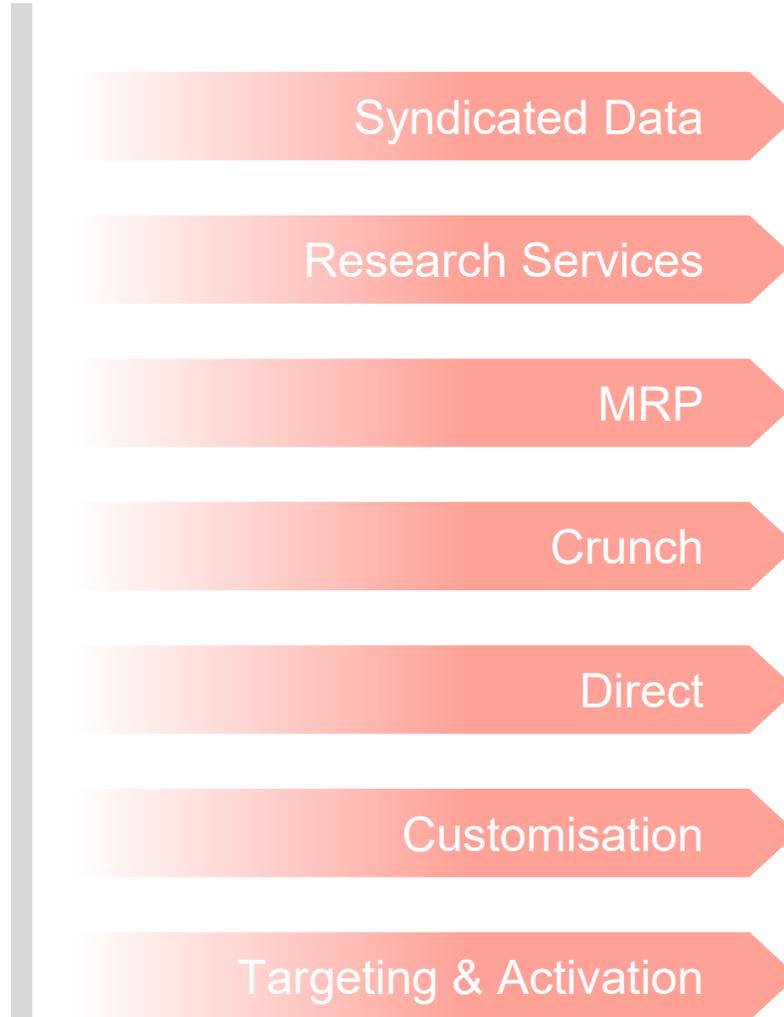
Vision

Vast, continuous, single-source data collection



YouGovCube
YouGovCrunch
YouGovDirect

YouGov®



The success of this vision is underpinned by our three strategic pillars



Data Integration

Integration means both:

1. Connecting the uses of our data – creating new value from existing data
2. Customisation for clients – opening up new revenue streams

Case Study: Multi-Country Tracking Study

- YouGov's connected data is made especially powerful by our cloud-based analytics platform, Crunch
- Crunch means that we can now take on much larger and more complex tracking studies
- We recently won a significant multi-country tracking study for one of Germany's largest and most admired companies
- Our approach for this client incorporates a recommendation study designed to complement Net Promoter Score (NPS)
- We are productising this offering as **YouGov Recommend+**
- With **YouGov Recommend+**, the base data and its engineering is syndicated, while the add-on data and analysis is custom
- Panel expansion underway to include Austria, Brazil, Switzerland and Turkey as part of this project

YouGov Recommend+

Using YouGov Recommend+, marketing professionals can evaluate the importance of factors such as brand image, brand values, emotion, and consumer personality in determining whether someone is likely to recommend a brand or not.

- ✓ A first-class continuous NPS tracking service with quarterly or monthly data deliveries
- ✓ NPS and brand health diagnostics
- ✓ Bespoke Customer Experience measurement
- ✓ Emotional, rational, and values-based drivers connected to rich consumer personality data
- ✓ A market-leading analytics platform, Crunch, to probe the data

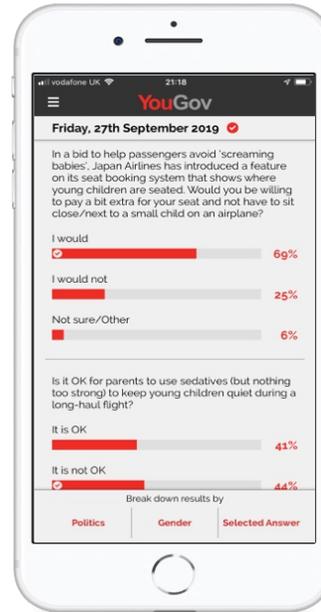


Expanding YouGov Public Data as a public service, for brand reputation, panel engagement and showcasing our data

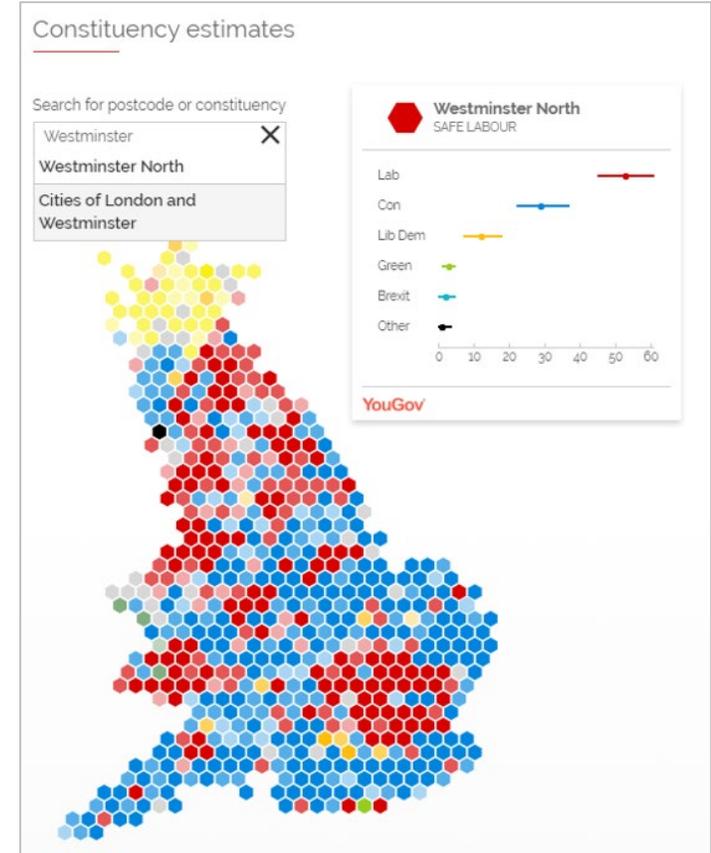
Public Data

- Part of YouGov’s mission is to make the data we collect from the public valuable to the public
- We provide far more data for public value than any other research company
- New website to become a ‘Wikipedia of Opinion’
- Post-period partnership with Imperial College London providing COVID-19 public opinion and behavioural data to public health researchers for free

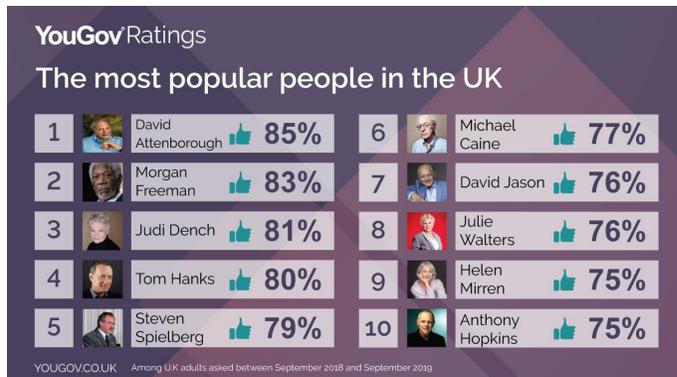
YouGovDaily



YouGov Election Centre



YouGov Ratings

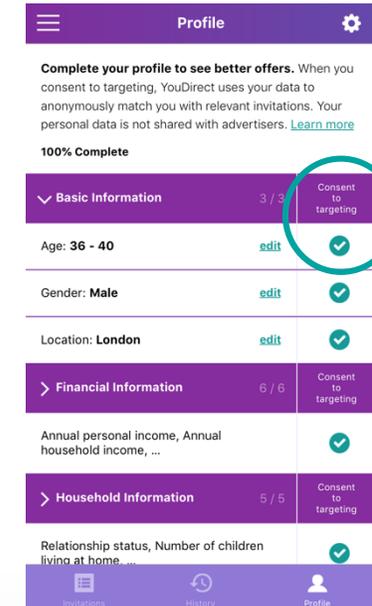
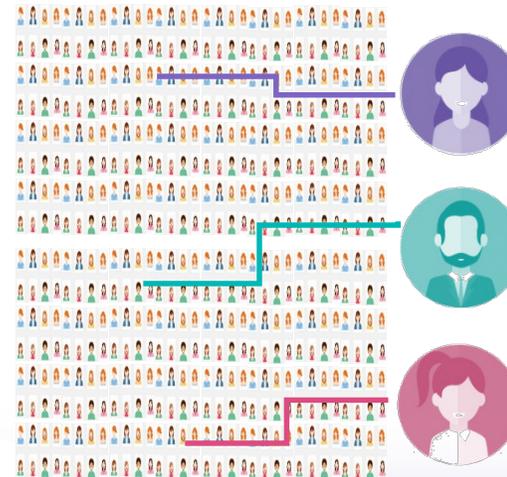




Ethical Activation and YouGov Direct

- Citizens' control of their data has become a major issue
- With YouGov Direct, members are able specify the terms under which each individual piece of data they provide can be used to generate value for them
- For each use of their data, a receipt is automatically generated on our blockchain
- YouGov Direct intended to become a platform in the true business-model definition
- Available in UK and USA; international roll-out
- An update event planned for six months' time

YouGovDirect



Long-term growth targets

Three long-term targets define our growth plan for 2019-23:

1

Double
Group Revenue

2

Double
Group Adjusted¹ Operating
Profit Margin

3

Achieve an Adjusted¹
Earnings Per Share
compound annual growth
rate in excess of 30%

Outlook

Outlook

- Next five-year plan underway and progressing to plan in this 20th Anniversary year
- Trading during H2 started positively - including a notable client win with a multi-year, multi-country tracking study for one of Germany's largest financial services companies
- Pipeline of sales opportunities for syndicated data products remains strong; continued growth opportunities for custom research
- Not yet seeing material impact to our business as a result of COVID-19, however we anticipate some disruption to our market over the coming months and into our next financial year
- Prudent cost reviews and contingency planning undertaken, with the Board closely monitoring performance
- Continued investment in strategic initiatives e.g. roll-out of YouGov Direct across geographies
- Further development of new offerings such as the YouGov COVID-19 Monitor to support our clients' responses to the pandemic
- Current trading in line with expectations, with the Board confident in achieving their targets for the Full Year to 31 July 2020

Thank you

YouGov[®]

