

12 / October / 2021

FY 2021 Trading Update Presentation

Trading Update for the year ended 31 July 2021

YouGov[®]

business.yougov.com





Disclaimer

This presentation contains forward-looking statements that reflect YouGov’s current views with respect to future events and financial and operational performance. These forward-looking statements are based on YouGov’s beliefs, assumptions and expectations regarding future events and trends that affect YouGov’s future performance, taking into account all information currently available to YouGov, and are not guarantees of future performance. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future, and YouGov cannot guarantee the accuracy and completeness of forward-looking statements. A number of important factors, not all of which are known to YouGov or are within YouGov’s control, could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement as a result of risks and uncertainties facing YouGov. Any forward-looking statements are made only as of the date of this presentation, and YouGov assumes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or for any other reason.

Key Highlights

Stephan Shakespeare, CEO

Strong top-line performance and continued margin expansion against a challenging macro backdrop



Financial Summary

- Revenue growth of 11% (FY20: 12%) with underlying¹ growth of 18% on the back of strong delivery in the second half of the financial year
 - Healthy sales pipeline maintained since the start of FY22, underpinning confidence for the future
- Underlying¹ operating profit up by 32%, representing a margin of 16% (FY20: 14%), with all divisions contributing to growth
 - Adjusted operating profit² up 17% to £25.5m (FY20: £21.8m) despite the planned closure of the Kurdistan business
- Given the strength of the business model, strong cash balances and no debt, we will continue to invest prudently where necessary

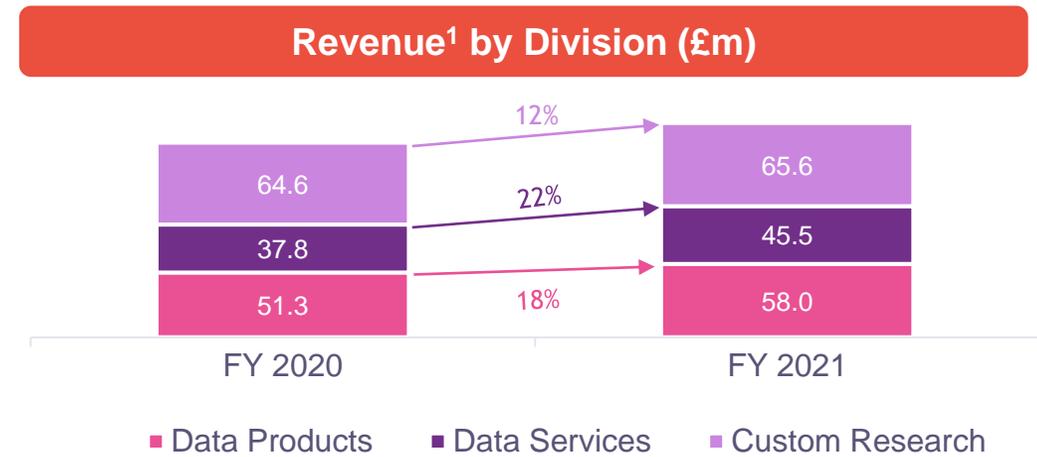
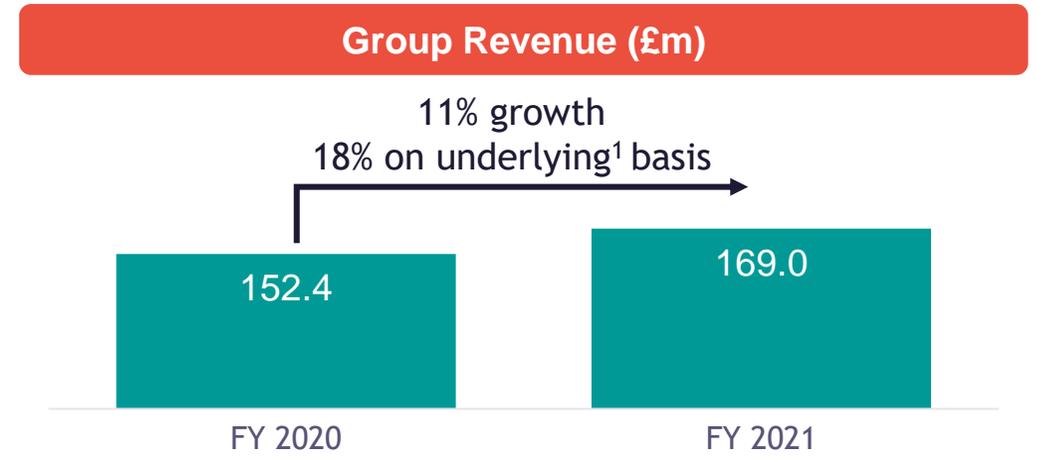
Financial Review

Alex McIntosh, CFO



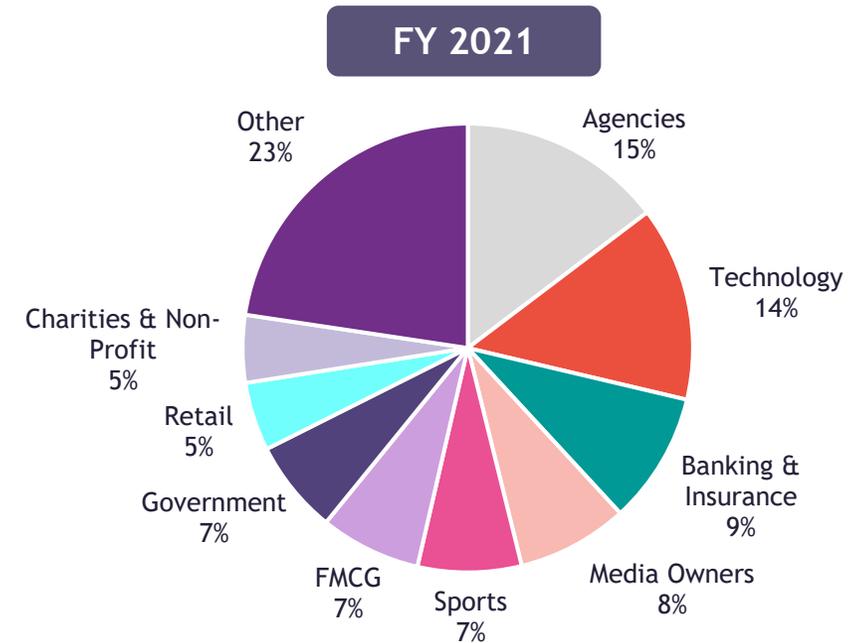
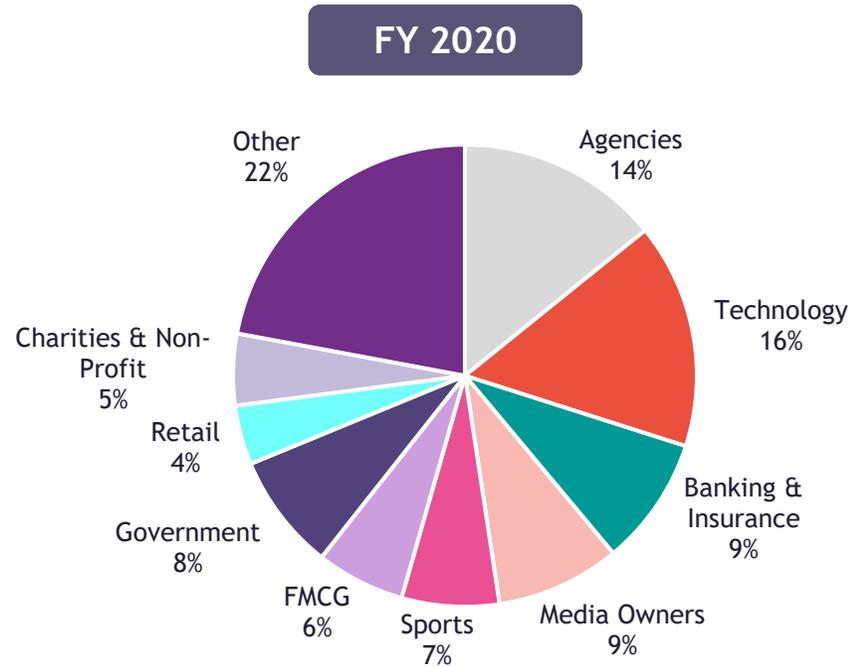
Good performance across all divisions and geographies driven by continuous client demand

- Revenue growth of 11% on a reported basis, well ahead of market growth
 - FX impacted results due to USD weakness. Growth at constant FX of 15%
- Good recovery in **Data Products** performance in the second half of the year following a subdued start due to the shift in account management structure
- **Data Services** continued to see strong momentum as client appetite for fast turn-around research projects continued throughout the year
- Acceleration in underlying growth trends for **Custom Research** driven by:
 - Strong sales pipeline in the US and Mainland Europe following long-term, strategic project wins
 - Non-recurring research work around the US Presidential Election
 - Reported results offset by the expected closure of operations in Kurdistan in the prior year period





Contribution by sector largely maintained despite some industries being heavily impacted by the pandemic



- Good growth in Agencies sector on the back of strong demand for fast turnaround survey work conducted on behalf of their clients
- Slightly lower contribution from Technology industry on the back of lower Data Products sales in the period
- Retail and FMCG sectors have expanded share following increased need for real-time, data-driven research in a post pandemic world
- Government sector has seen good growth, but contribution was impacted by planned Kurdistan closure in FY20

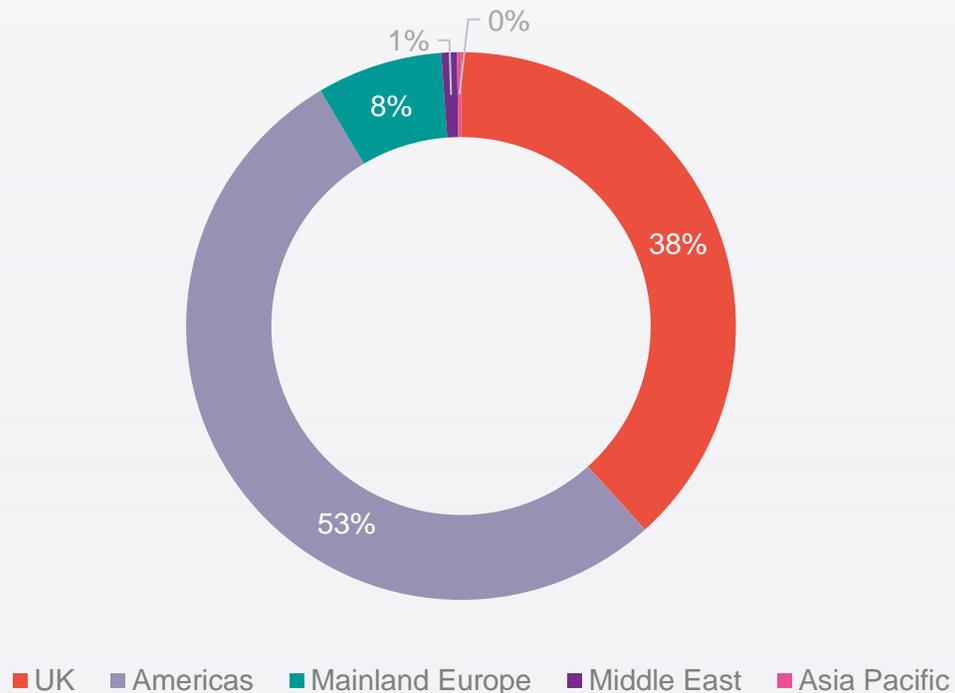
Adjusted Operating Profit¹ Performance by Division and Geography



- 17% growth in adjusted¹ operating profit
 - Slight decline in Data Products margin due to slower revenue growth in H1
 - Data Services margin benefitted from operational leverage
 - Custom Research margin improved through focus on high-margin projects utilising the power of the YouGov Cube
- Underlying² operating profit margin (excluding impact of planned Kurdistan closure, M&A and FX) expanded to 16% (FY20: 14%)

	Year to	Year to	Operating Profit growth %	Operating Margin	
	31 Jul 2021 £m	31 Jul 2020 £m		Year to 31 Jul 2021	Year to 31 Jul 2020
Data Products	19.4	18.0	8%	33%	35%
Data Services	8.8	7.0	26%	19%	18%
Custom Research	13.6	12.5	9%	21%	20%
Central costs	(16.3)	(15.7)	4%	-	-
Group	25.5	21.8	17%	15%	14%

**12 months to 31 July 2021
Adjusted Operating Profit¹**



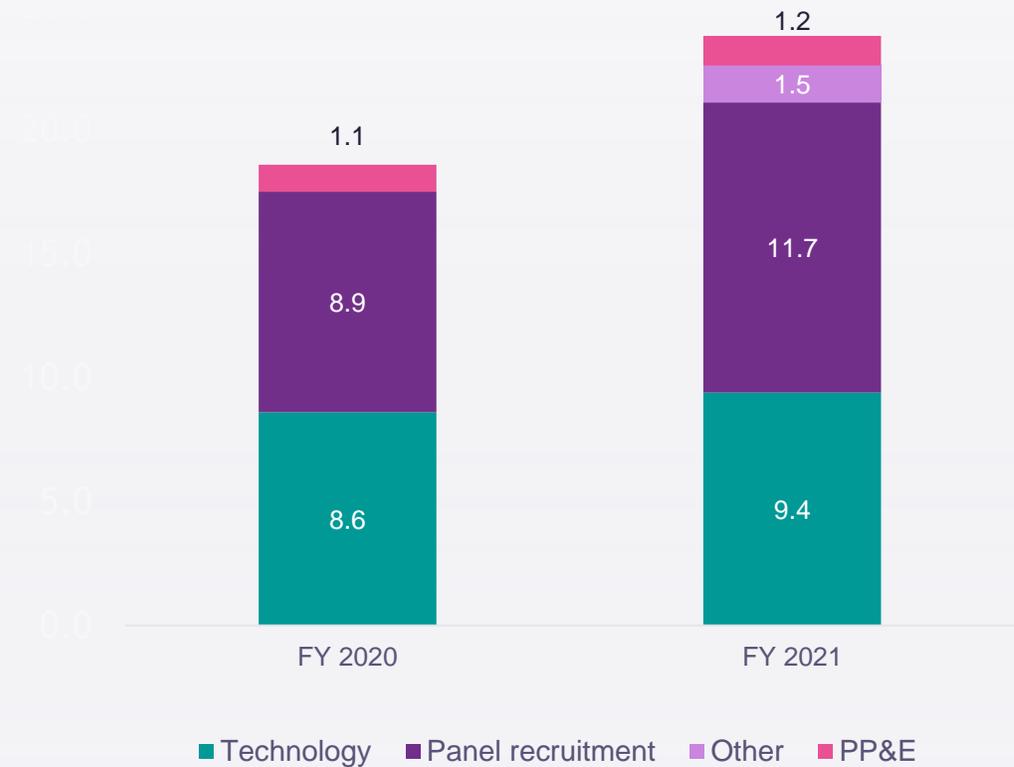
¹ Defined as operating profit including amortisation of intangible assets charged to operating expenses and excluding separately reported items.
² Defined as growth in business excluding impact of current and prior period acquisitions and Kurdistan business closure, and movement in exchange rates.

Capital Expenditures



- Continuing to fund investments for future growth through highly cash generative business
- Higher cash outflow from investing activities includes:
 - £11.7m on **panel recruitment** as we expanded our geographic panel coverage to serve multi-national accounts
 - £9.4m on **technology development** related to our websites and mobile applications, survey systems and analytics tools
 - £2.8m on several bolt-on acquisitions during the year

Capital Expenditures (£m)



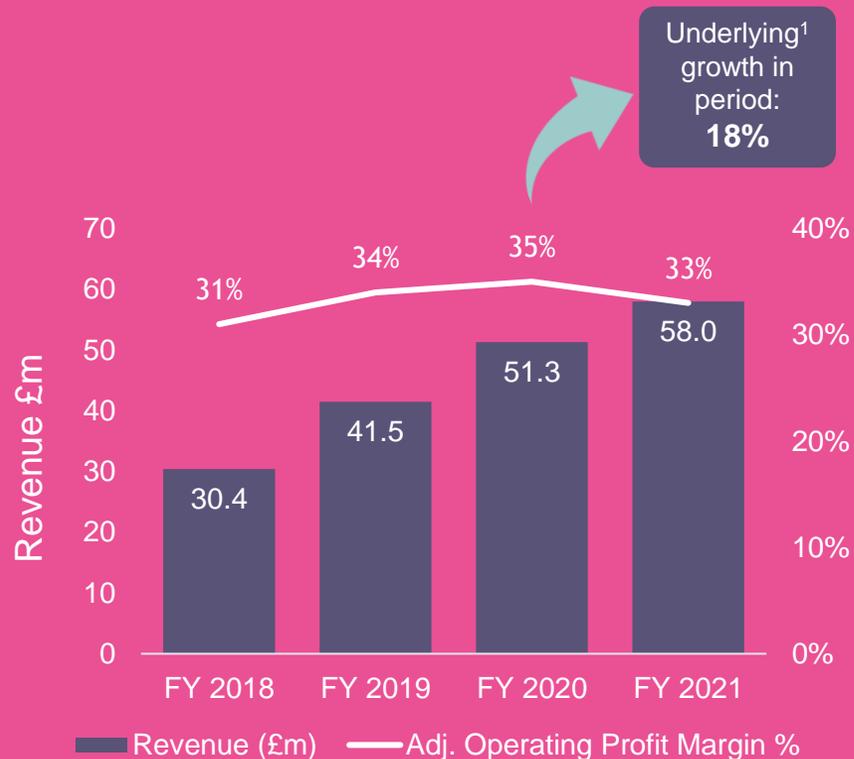
Operational Review

Sundip Chahal, COO



YouGov Data Products

YouGov's Data Products division is comprised of our syndicated data products suite including YouGov BrandIndex and YouGov Profiles as well as newer sector specific offerings



- All geographies contributed to growth in the period, in particular the US and Mainland Europe
- Strong recovery in the second half of the year as temporary sales disruption at the start of the period shifted timing of delivery into H2
- New business sales team in place and tasked with the responsibility of expanding our client base
- Newly recruited sector specialists expanding our syndicated data product suite through the creation and launch of sector-specific modules of our flagship products
- Slight decline in divisional margin as a result of the slower start to the year

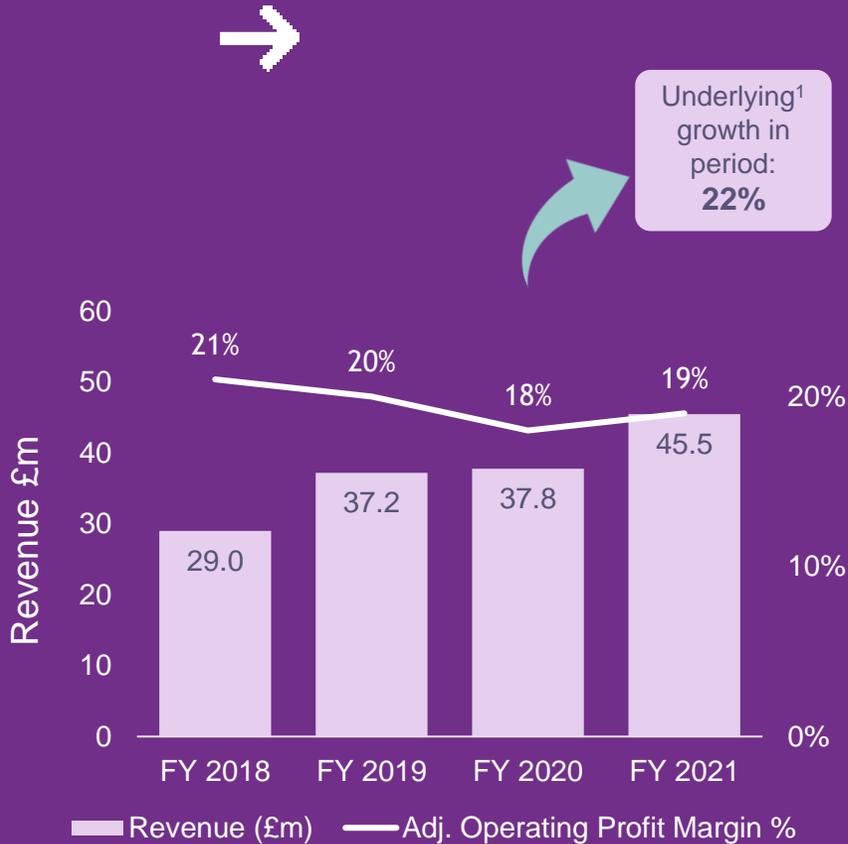
¹ Defined as growth in business excluding impact of current and prior period acquisitions and Kurdistan business closure, and movement in exchange rates.



YouGov Data Services

Our Data Services division consists of our fast-turnaround research services, including our market-leading YouGov Omnibus.

- Double-digit growth across all geographies as the division capitalised on strong client demand for tactical PR work throughout the year
- Operational integration with the Custom Research division completed resulting in a more streamlined approach to research projects and higher-quality service to our clients
- Margin in the division improved to 19% as strong revenue growth led to higher operating leverage



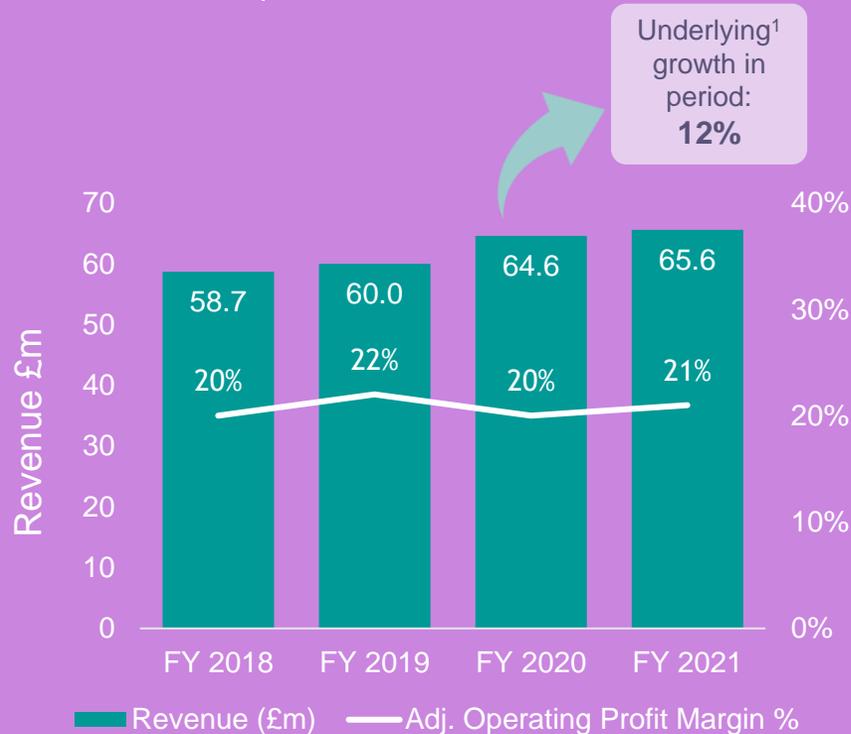
YouGov[®]

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



YouGov Custom Research

YouGov's Custom Research division offers a wide range of quantitative and qualitative research, including substantial global trackers, that are tailored by sector specialists to meet clients' specific requirements



- Reported growth of 2% in the period due to the impact of the planned closure of the Kurdistan business in the prior year
- New client account management teams focused on capturing more Cube-aligned custom tracking work
- Increased collaboration with the Data Services division as well as cross-selling of syndicated Data Products as the teams have come together to service clients
- Profitability of the division improved slightly, despite the impact of the Kurdistan closure, as low-margin, labour-intensive research projects fully phased out

YouGov[®]

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



Significant progress made on strategic priorities in the period

	Investment in technology, products and platform	<ul style="list-style-type: none">Initiated the development of the YouGov Platform with the unification of our member bases as the first step; new member app launched in August 2021Continued to innovate and meet client needs through the development of new products such as YouGov Safe and sector-specific modules	
	Expansion of our panel	<ul style="list-style-type: none">Conducted the biggest simultaneous expansion of YouGov's panel to meet client demand, number of registered members up 53% yoyIntegrated YouGov Chat with the Cube to enable cost-effective panel recruitment across our product suite	
	Focus on sales organisation and key global accounts	<ul style="list-style-type: none">Completed reorganisation of the sales teams to a client-centric approach, enabling better targeting of larger, more strategic projects with clients that have the greatest long-term potentialEstablished a new business sales team with a focus on expanding the client base	
	Efficiency through CenX model	<ul style="list-style-type: none">Increased headcount in CenXs to support central Group functions and commenced shift of client support and research operations	
	Acquiring and integrating bolt-on acquisitions	<ul style="list-style-type: none">Completed several bolt-on acquisitions to expand our geographic capabilities in Turkey, Australia and CanadaEnhanced our dataset with verified consumer behaviour through the acquisition of Open Banking start-up Lean App	

Strategic Update

Stephan Shakespeare, CEO



YouGov's acquisition of Rezonence opens up a new avenue of engagement and expands activation capabilities

- Rezonence is a technology business with a patented *FreeWall*® solution and deep publisher relationships to provide access to hundreds of millions of consumers
- *FreeWall*® creates a branded engagement between readers and premium publisher content, requiring readers to view and respond to an ad, or take part in a mini-survey, in exchange for access to content
- This enables massive expansion of data-generating and data-deploying touchpoints between YouGov and browser users, supporting two key elements of the YouGov mission:
 - Accelerates panel expansion as it turns every browser into a potential zero-party virtual panelist, enabling data collection at unprecedented scale
 - Enables ethical data activation as YouGov clients can now access a mass-scale, data-driven advertising network
- This extends YouGov's capabilities into a larger market, entirely consistent with the strengths of the engine that has been built over the years

The Rezonence Times

A demo article to see a FreeWall in action

—
FreeWall Demo

Lorem ipsum dolor sit amet, consectetur adipiscing elit, sed do eiusmod tempor incididunt ut labore et dolore magna aliqua. Aliquam id diam maecenas ultricies mi eget. Parturitor eget dolor morbi non. Scelerisque fermentum dui faucibus in ornare quam viverra orci. Natoque penatibus et magnis dis parturient montes.

Vitae elementum curabitur vitae nunc sed velit dignissim. Tincidunt arcu non sodales neque sodales ut etiam. Purus faucibus ornare suspendisse sed nisi. Vestibulum mattis ullamcorper velit sed ullamcorper morbi tincidunt. Sit amet commodo nulla facilisi nullam vehicula ipsum a.

▼ Please answer the question below to reveal the rest of the article. ▼

Exceptional coffee is always worth the quest

Nespresso would love to tailor your advertising experience, how often do you drink coffee?

Never

I'd rather not say

Once or twice every month

I can't live without it!

Weekly

Daily

Created by YouGov

▲ Please answer the question above to reveal the rest of the article. ▲

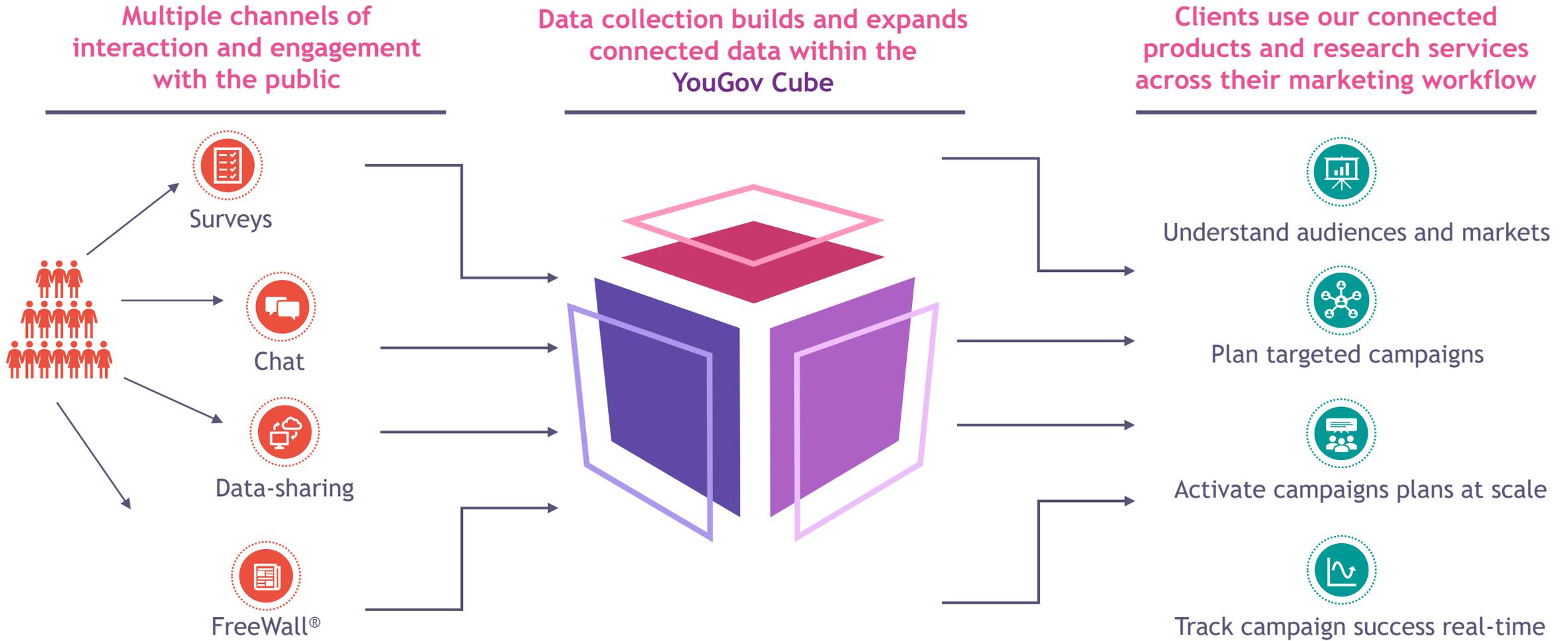


Why Rezonence is a perfect strategic fit with YouGov

- 1 Rezonence creates and deploys data in a zero-party frame, addressing one of the key challenges now faced by targeted advertising
- 2 Aligns with YouGov Direct model - creates an explicit deal with the individual to share opinions in return for a benefit
- 3 Natural fit with YouGov's social mission of benefitting and empowering citizens while extending the YouGov brand
- 4 Works in a true value-generating partnership with publishers who gain financial benefits and could gather valuable audience data
- 5 Adds capability to the **YouGov Platform** to create a single flow between gathering explicitly permissioned granular data and the use of that data for ethical activation

The **YouGov Platform** at Scale - A Single Structure for creating and deploying Connected Data

The YouGov Platform at Scale - Single Structure for Connected Data



The **YouGov Platform** creates a single flow between gathering explicitly permissioned data and the use of that data for superior activation

Various channels of public engagement

Rezonence

Rezonence

- Potential to reach hundreds of millions of people
- Available for contextual ad targeting and data collection
- Ability to recontact individuals
- Provides the public with access to premium content for interaction

YouGov Chat

YouGov Chat

- Potential reach to tens of millions of people
- Initiates with light-tough interaction
- Engagement primarily on passion points for personal enjoyment
- Extends engagement into YouGov Direct

YouGov Panel

YouGov Direct and Panel

- Currently over 17 million registered members
- Frequent survey takers
- YouGov Direct now integrated with main panel for research
- Detailed data file on individuals
- Predominantly used for research
- Monetary benefit for survey participation

YouGov Core

YouGov Core

- Tens of thousands members already signed up
- Regular survey takers with the addition of Safe datasets
- Deep and rich data file with time series data and transparent view of verified online behaviour and transactions
- Amplifies detailed customer profiling
- Members receive monetary benefit for interaction
- Members control use of their personal data

Across all channels of engagement:

- YouGov is explicit about the value and use of shared data - it is the clear purpose of the interaction
- People can engage with all the channels that YouGov offers
- Data is connected, protected and deployable in a frame of transparency and empowerment



Demo of The YouGov Platform

- We are planning a campaign to educate clients about the power of zero-party data
- This campaign will emphasise the two key strengths of the YouGov Platform:



360° Data

YouGov has a unique large-scale detailed, permissioned dataset that is all single-source and connected for advanced analytics



24/7

YouGov offers continuous personal client service and the ability to launch research at any time, not only through self-service but with always-on personal help



YouGov
360°24/7

Our first-party relationship with the public makes our data deep, reliable and ethical and our research service flexible, and fast trusted, by the best companies in the world

Explore our 360°data
Launch your survey 24/7
Find out more

The Joy of Zero-Party Relationships

Tell me about your products

- Where is your free data?
- Can I do self-service? How do you help?
- How do I get a simple survey done?
- What is Plan & Track?
- What is YouGov BrandIndex?
- What is YouGov Profiles?
- What is YouGov Safe?
- What is YouGov Signal?
- What is YouGov Ratings?
- What is YouGov Crunch?
- What is the YouGov Cube?

Outlook and Conclusion

Stephan Shakespeare, CEO



Current Trading and Outlook

- **Encouraging start to the new financial year, with a healthy sales pipeline and continued strong momentum**
 - Current trading in line with Board expectations for FY22
 - Investment in our panel, technology and platforms to continue, albeit in line with FY 2021
 - Business continues to show resilience, despite the ongoing disruption caused by the pandemic throughout the reporting period
 - Building blocks in place and focus shifted to capitalizing on the investments made to achieve long-term targets
- **Continue to see no material impact to date from the COVID-19 pandemic**
 - Return-to-office plans being finalised following careful consideration of local government regulations and needs of our employees
 - Confident that we will be able to continue to deliver in the event of any further disruption caused by the pandemic
 - Investment in strategic areas continued through sufficient cash reserves with no debt balances



Long-term growth targets

We believe the investments we have made in the first half of our plan have placed us in a strong position for the final two years of the plan. The ambitious targets of our 2019-2023 growth plan are as follows:

1

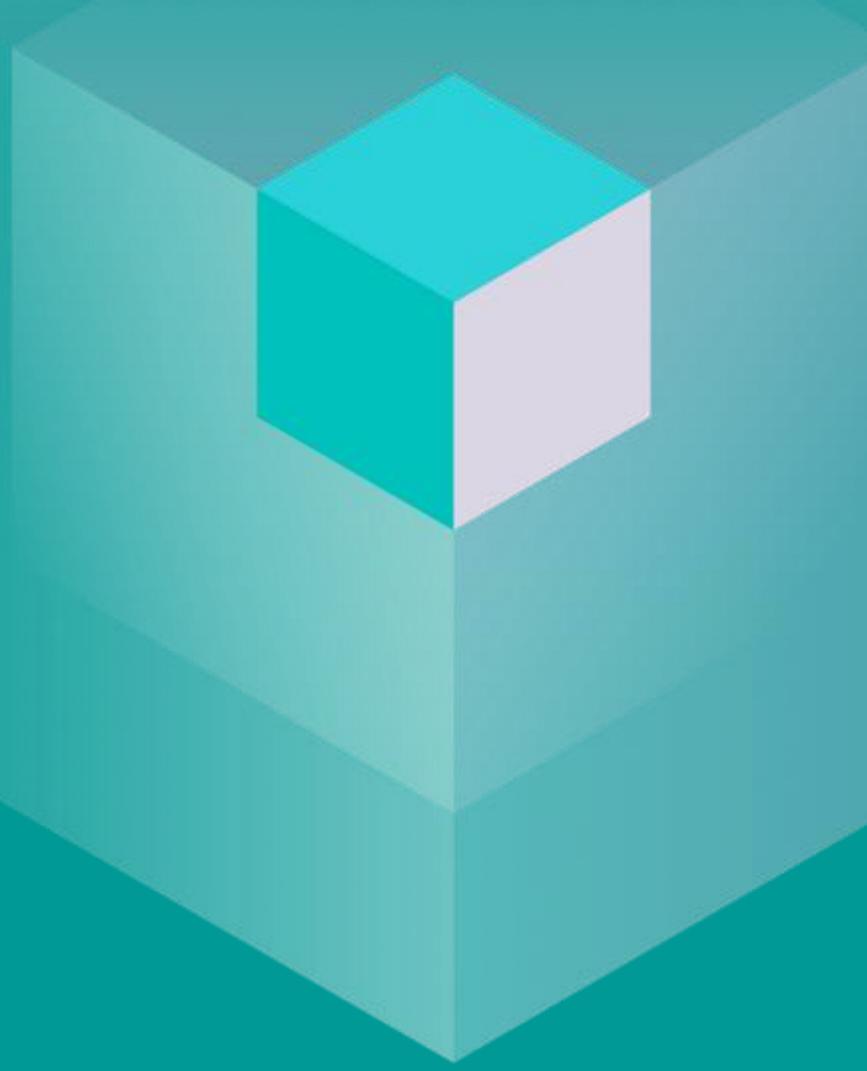
Double
Group Revenue

2

Double Group Adjusted
Operating Profit¹ Margin

3

Achieve an Adjusted Earnings
Per Share² compound annual
growth rate in excess of 30%



→ Thank you

investor.relations@yougov.com

YouGov[®]

YouGov, 2021, all rights reserved. All materials contained herein are protected by copyright laws.

Any storage, reproduction or distribution of such materials, in whole or in part, in any form without the prior written permission of YouGov is prohibited.

This information (including any enclosures and attachments) is propriety and confidential and has been prepared for the exclusive use and benefit of the addressee(s) and solely for the purpose for which it is provided.

We make no representations, warranties or guarantees, whether express or implied, that the information is accurate, complete or up to date. We exclude all implied conditions, warranties, representations or other terms that may apply and we will not be liable to you for any loss or damage, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, even if foreseeable, arising under or in connection with use of or reliance on the information. We do not exclude or limit in any way our liability to you where it would be unlawful to do so.

Appendix



What is Zero-Party Data and how is it different?

Zero-Party Data

- Zero-party data is data that people intentionally and purposefully share

For example, opinions, personal information, purchase intentions, preferred media, brand likes and even historical datasets downloaded for sharing purposes

- The data shared by people with YouGov is given purposefully, with the explicit intention of being converted into data that is useful for others

YouGov[®]

First-Party Data

- First-party data is data gleaned from behaviour on a particular platform
- The platform owner has the right to use this data gathered for internal analytics
- However, under privacy regulations platform owners are not allowed to share the data without explicit permission

Second-Party Data

- Second-party data is another data belonging to another organisation. It is data purchased from zero-party and first-party suppliers
- Companies that do not have their own panels and rely on second-party suppliers cannot produce truly connected data
- Therefore, the data tends to be scant and unreliable as they are unable to recontact individuals for follow-up