

Tuesday 22 March 2022

# ► HY 2022 Results Presentation

Half Year Results to 31 January 2022

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YouGov® ◀



# ▶ 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.

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# ▶ Key Highlights





# Financial Summary

## Revenue

**£101.2m** ↑28% reported

↑25% underlying basis

## Adjusted operating profit

**£14.0m** ↑33% reported

**13.8% margin** ↑50bps

## Adjusted EPS

**10.6p** ↑10% reported

↑11% underlying basis

- Top-line growth ahead of expectations, up 25% y-o-y
- Strong sales pipeline with sustained momentum
- Continuing to invest to support future growth

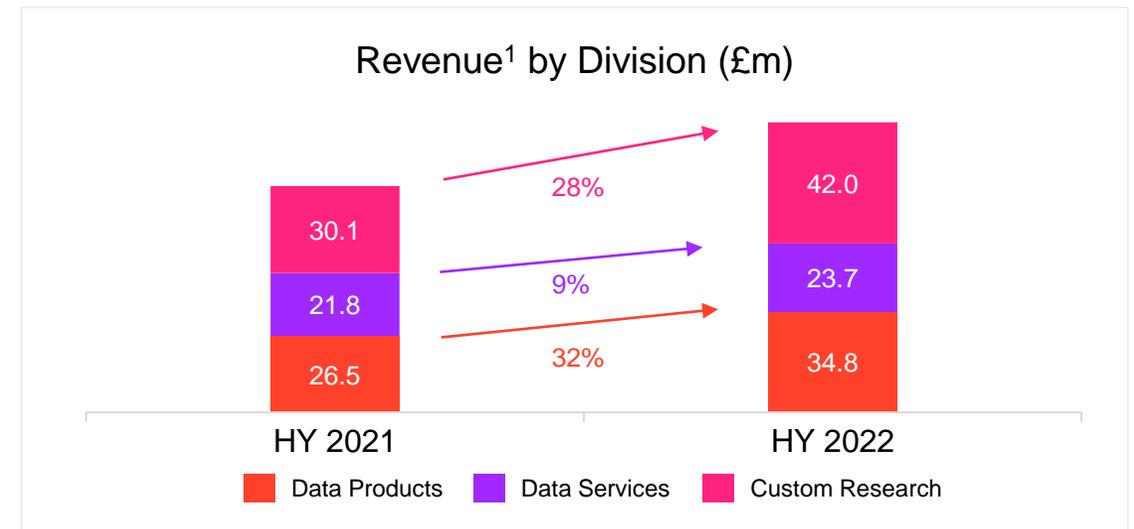
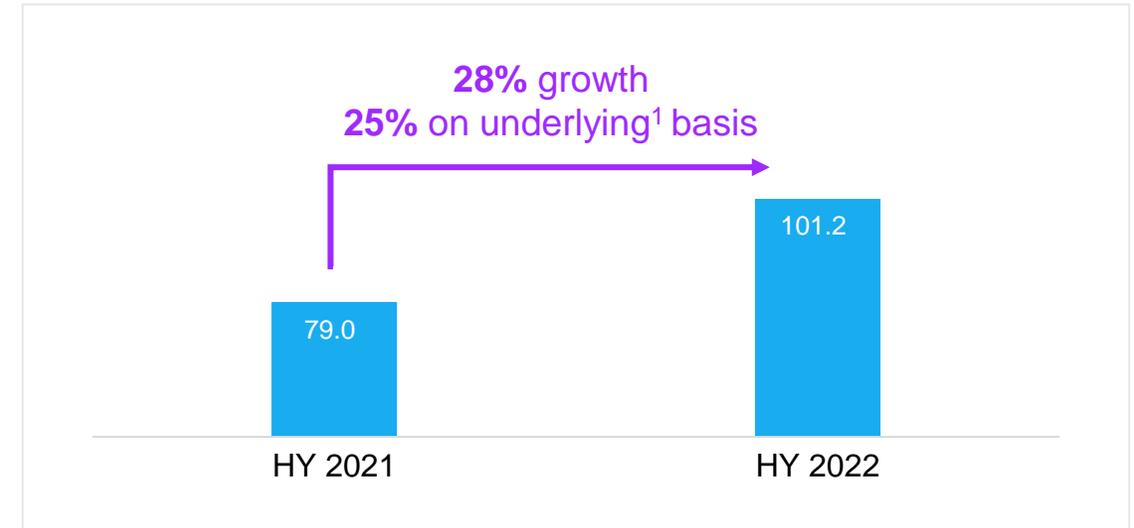
- Second phase of YouGov Platform under development:
  - YouGov Profiles
  - YouGov Ratings
  - Self-Service

A professional office setting with three people in business attire. A man in a light blue shirt and striped tie is speaking and gesturing with his hands. A woman in a white blazer is listening in the background. The text 'Financial Review' is overlaid in large white font on the left side of the image.

# ▶ Financial Review

# Sustained sales momentum drives strong performance

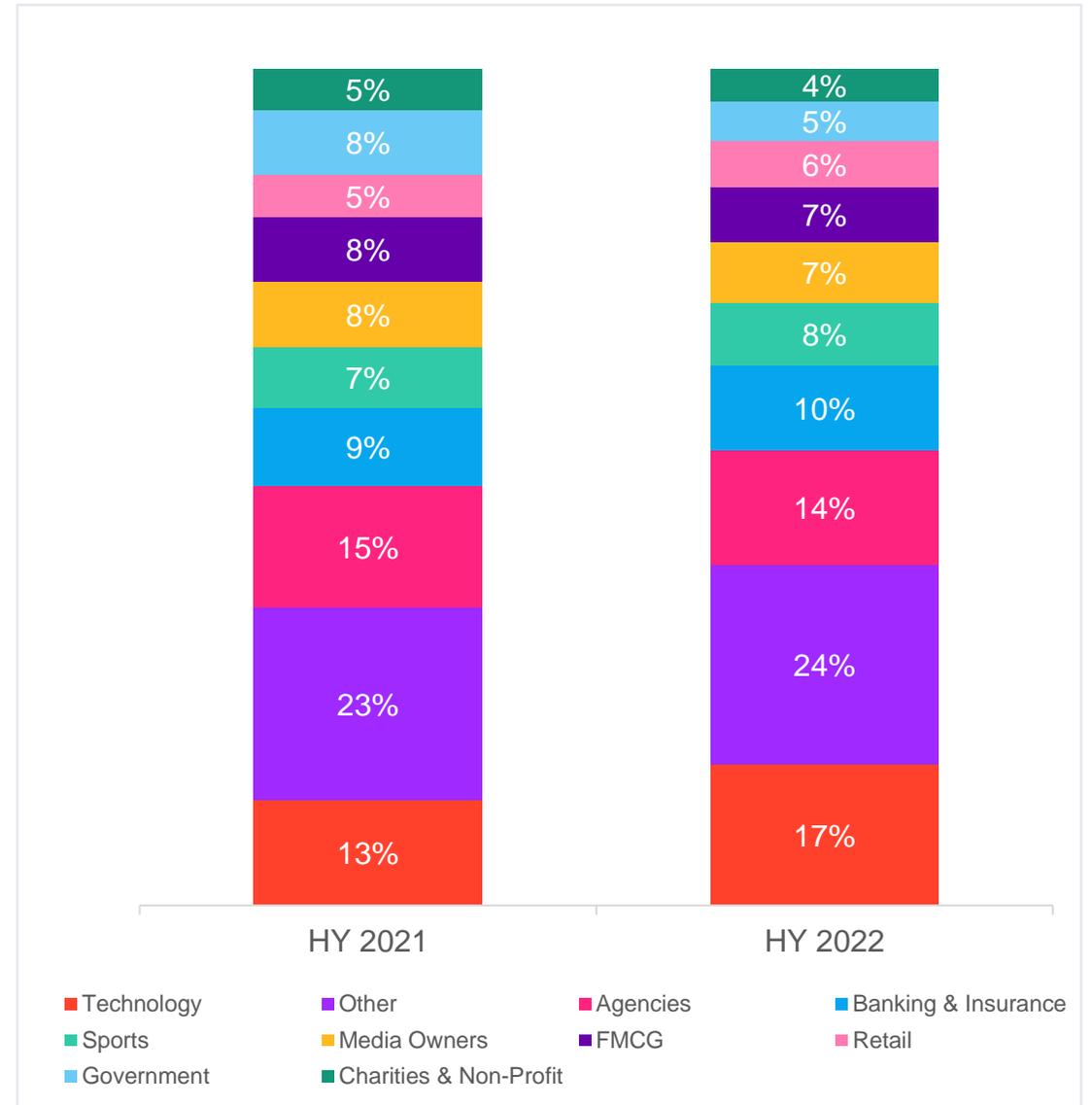
- Strong momentum seen across the business following the transformation of the sales structure
- Revenue growth of **25%** on an underlying basis, representing a significant acceleration compared to the prior year
  - 3% negative FX impact on revenue due to USD and EUR weakness
  - Approx. 6% contribution from acquisitions
- All divisions and geographies contributed to growth, with US Custom and Data Products performing well
- Several multi-year contracts signed providing increased visibility into the final year of the FYP2 plan



<sup>1</sup> Growth figures are on an underlying basis. Defined as growth in business excluding impact of current and prior period acquisitions, business closures, and movement in exchange rates.

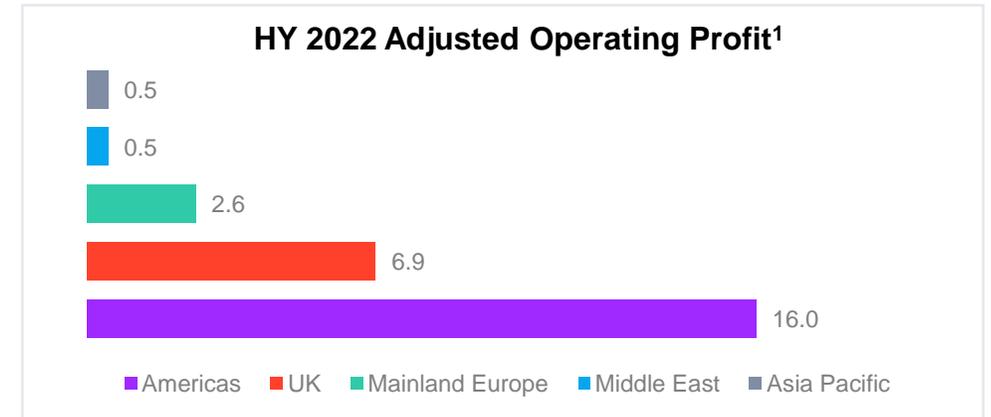
## Group continues to be well diversified across a variety of sectors

- The Technology sector remains the fastest growing segment
- Good growth seen amongst Agencies on the back of increased geographic panel coverage and large client wins
- Financial services, Sports and Retail sectors continue to expand share driven by new client wins increasing penetration in the sectors
- Lower contribution from government and non-profit sectors driven by decreased spending post pandemic; HY21 also benefitted from US presidential election work



## Growth in adjusted operating profit driven by custom tracking offer

- Significant improvement in Custom Research margin due to greater contribution from the higher-margin US technology sector
- Slight decline in Data Products margin due to establishment of team dedicated to improving the design and UX for clients
- Operating profit margin expanded to 14% (HY21: 13%); higher gross margins partially offset by increased amortisation and headcount growth

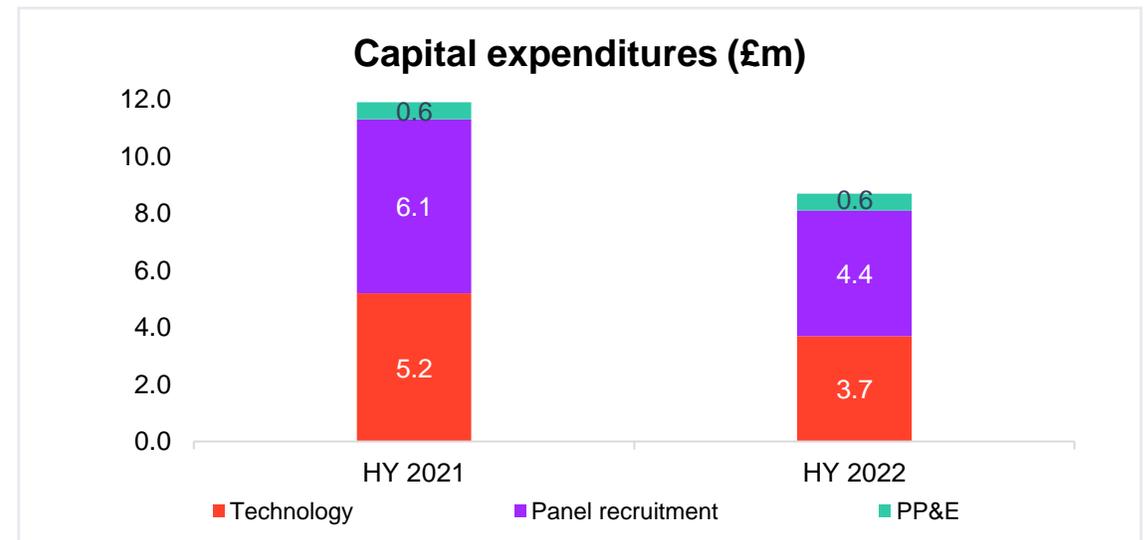
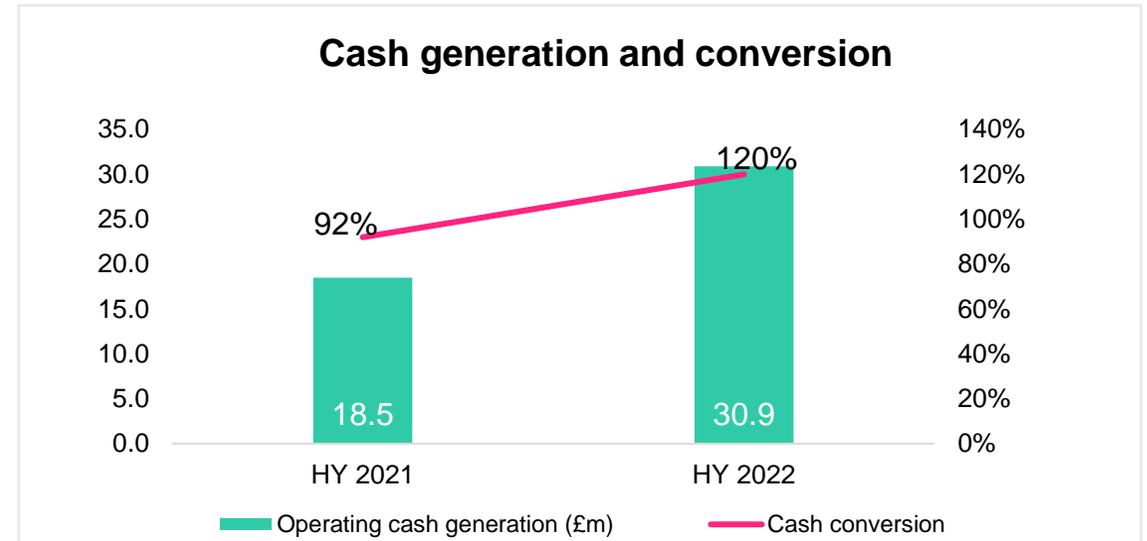


£ in millions	HY 2022	HY 2021	Operating Profit growth %	Operating Margin	
				HY 2022	HY 2021
Data Products	11.1	8.8	26%	32%	33%
Data Services	4.3	3.7	17%	18%	17%
Custom Research	8.0	4.7	76%	19%	16%
Central Costs	(9.4)	(6.7)	40%	-	-
<b>Group</b>	<b>14.0</b>	<b>10.5</b>	<b>33%</b>	<b>14%</b>	<b>13%</b>

<sup>1</sup> Defined as operating profit including amortisation of intangible assets charged to operating expenses and excluding separately reported items. Chart excludes central Group costs.

## Improved cash generation enables continued investment

- Strong generation of cash from operations at **£30.9m** (HY21: £18.5m) on the back of lower working capital requirements
- Higher cash conversion at **120%** of adjusted EBITDA enabling continued investments for growth
- Higher cash outflow from investing activities includes:
  - **£25.0m** spent on the acquisitions of LINK and Rezonance
  - **£8.1m** spent on panel recruitment and internal technology development related to new products and the YouGov platform
- Financing cashflow includes **£6.7m** spent on dividend payments and **£20m** raised through a new revolving credit facility
- Net cash inflow since 31 July 2021 of **£6.0m**; net cash balance at end of period **£20.1m** (HY21: **£27.5m**)

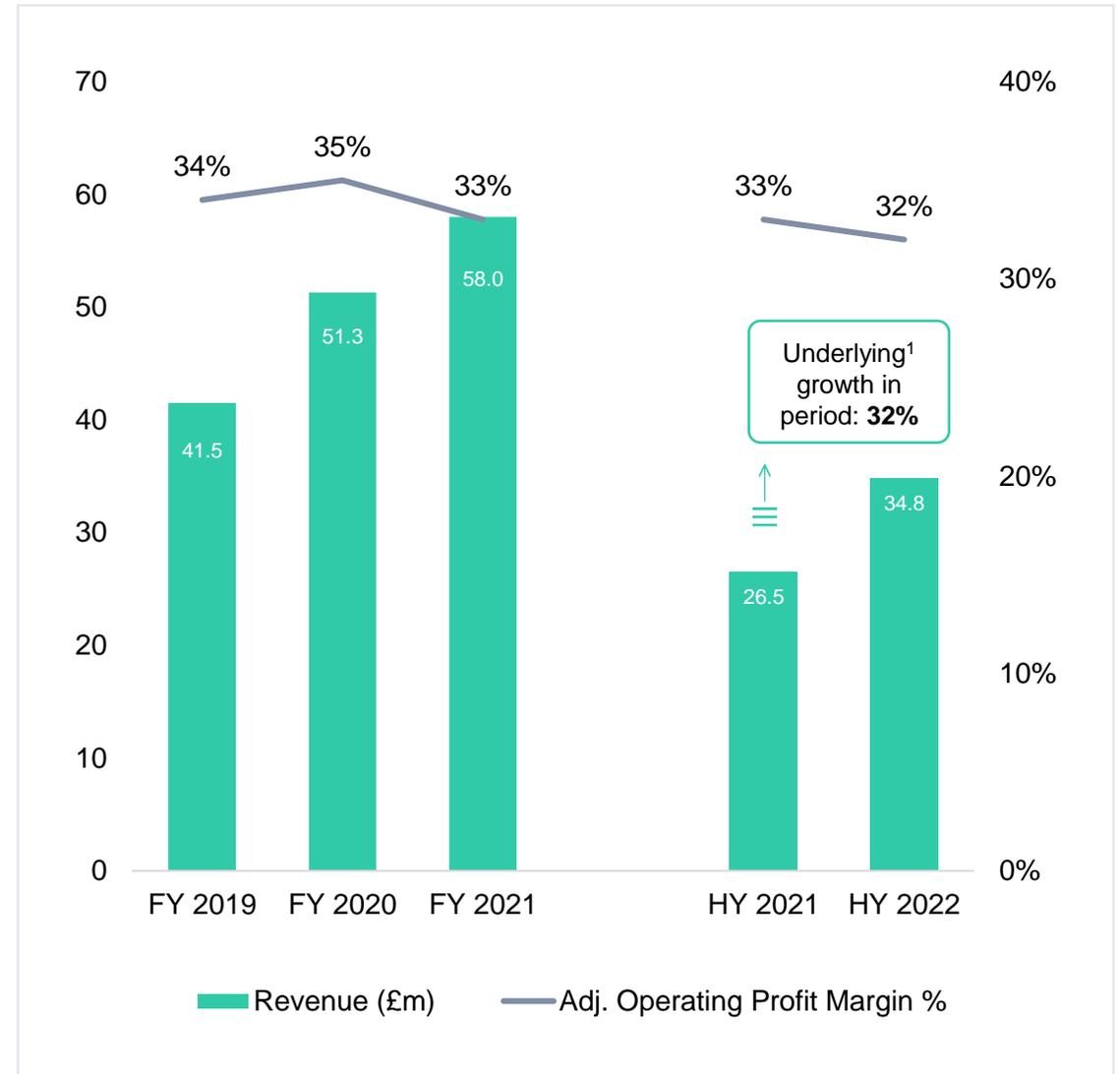


# Operational Updates



# YouGov Data Products

- Strong momentum in Data Products performance seen in the second half of the last financial year continued into HY 2022
- Double-digit growth seen across all geographies, with the US and Mainland Europe recording the highest growth
- Syndicated product subscription sales prioritized by new business sales team and account management team driving strong renewal rates
- Average contract lengths rising on the back of multi-year contracts
- Slight decline in divisional margin following investments to improve the customer experience of our flagship products



<sup>1</sup> Growth figures are on an underlying basis. Defined as growth in business excluding impact of current and prior period acquisitions, business closures, and movement in exchange rates.

# YouGov Data Services

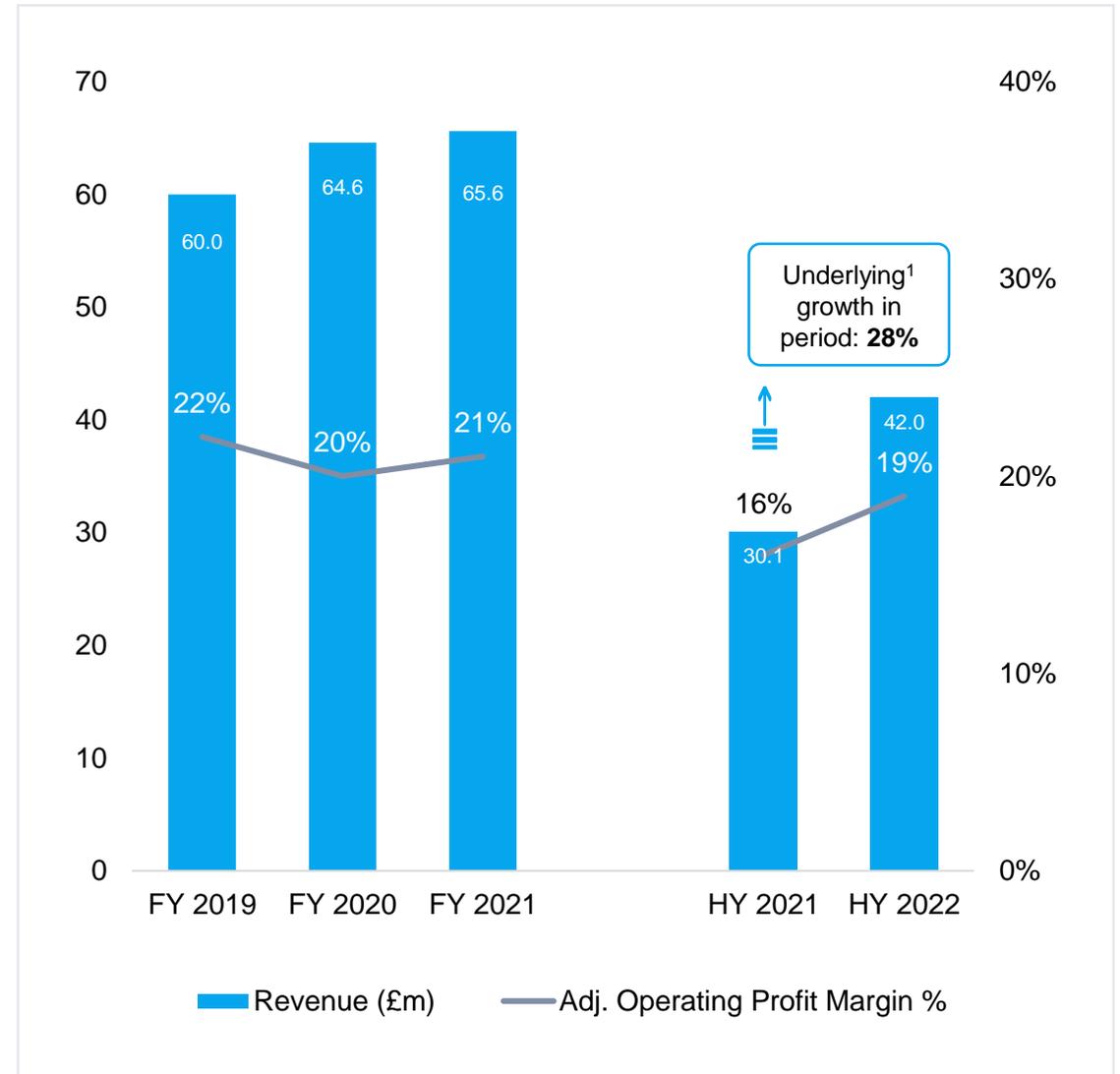
- Data Services continued to see strong growth in the division's largest market, Mainland Europe, as well as Asia
- Growth in the US was flat while the UK saw a slight decline as public sector and non-profit client appetite dampened in the period
- Acceleration expected in the second half of the financial year on the back of recent contract wins that are increasingly bundling fast-turnaround projects with syndicated and custom work
- Slight improvement in the divisional margin as the back-end integration with Custom Research begins to deliver efficiencies



<sup>1</sup> Growth figures are on an underlying basis. Defined as growth in business excluding impact of current and prior period acquisitions, business closures, and movement in exchange rates.

# YouGov Custom Research

- Acceleration in growth for Custom Research driven by:
  - Strong sales pipeline in the US, particularly in the tech sector
  - Broad-based growth in the UK across a variety of sectors
  - Contribution from the LINK acquisition
- Continued to drive sales using our connected data proposition with sector heads and account management teams driving large custom tracking work
- Divisional margin up 300bps to 19% on the back of operating leverage benefits and greater contribution from high-margin technology sector



<sup>1</sup> Growth figures are on an underlying basis. Defined as growth in business excluding impact of current and prior period acquisitions, business closures, and movement in exchange rates.

# Progress on all ESG fronts over the past year



## Environmental

**Committed to monitoring and reducing our emissions relative to the size of our business**

- Continuing to proactively reduce our carbon emissions by limiting business travel
- Using 100% renewable energy in our London headquarters and exploring new renewable energy sources in our global offices
- Transitioning away from single-use plastics by making changes in office operations and suppliers



## Social

**Committed to making people's opinions heard for the benefit of the wider community**

- Improved panelist onboarding experience to ensure that our panel continues to be accessible and representative
- Expanded our mandated UK pay gap reporting to include voluntary reporting on our UK ethnicity pay gap
- Diversity & Inclusion (D&I) Council formed to oversee all D&I initiatives internally, including the development of a D&I Roadmap through workshops with an external consultancy



## Governance

**Committed to maintaining a solid governance framework to support the business**

- Conducted internal audit of corporate partnerships, memberships, and affiliations and implemented new procedure for tracking and evaluating potential partnerships
- Revising and enhancing the supplier approval process with the introduction of a Supplier Code of Conduct to ensure YouGov works with suppliers that align with our values and practices
- Won the London Stock Exchange AIM Corporate Governance Award in October 2021

An aerial photograph of a lush green landscape. A paved road with yellow center lines winds through rolling hills covered in dense vegetation. In the distance, a large body of water is visible, with a prominent island in the center. The sky is filled with scattered white clouds. The overall scene is bright and scenic.

# ► FYP2 Update and Outlook

# Focus remains on delivering sustainable and profitable long-term growth in line with our strategy



Continue top-line growth at current rates



Control growth in overhead costs well below top-line growth levels



Continue to invest in the YouGov Platform for ambitious growth beyond FY23

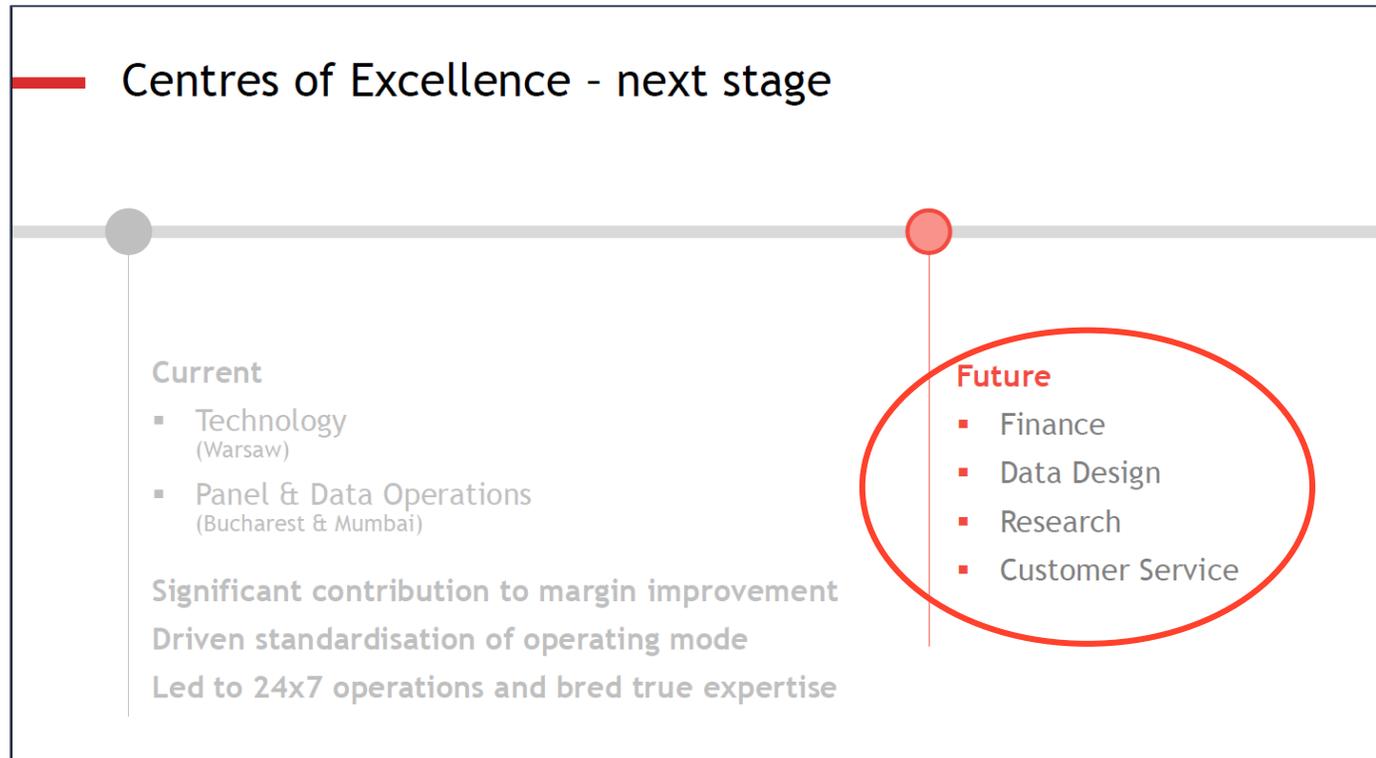
# Significant progress made on the FYP2 strategic plan

## FYP2 plan as presented in February 2019:



- ▶ **YouGov Direct:**
  - Launched in six of our key markets
  - Integrated with the YouGov Cube to enable self-service research across our panel
- ▶ **Global Presence:**
  - Expanded panel coverage into 15 new markets
  - Entered several new countries through acquisition and organic growth on the back of client demand
- ▶ **YouGov Platform:**
  - Developed and launched the first phase of the YouGov Platform, unifying our member bases
  - Second phase to develop YouGov's self-service user interface (Direct/Collaborate), Profiles and Ratings ongoing
- ▶ **Crunch:**
  - Furthered the development of the Crunch dashboard tools to include added functionality
- ▶ **YouGov Cube:**
  - Enhanced the YouGov Cube with sector-specific data, observed online behavioural datasets and financial transaction data

# Role played by the CenX broadened with further expansion expected in the near-term



## Finance:

- 30+ full-time staff recruited in the Mumbai CenX to centralise and standardise the core finance processes
- Significantly improved the efficiency and effectiveness of the payroll, revenue recognition and treasury processes

## Data Design:

- Central data design team split between the major markets, coupled with the CenX ensuring globally consistent data collection; enabled the roll-out of Global Profiles

## Research:

- CenX-based tech development engineers accelerating throughput on products such as YouGov's Platform and Audience Explorer
- 50+ research staff across two CenX supporting client services in the US, the UK and EU

## Customer Service:

- Build-out of key client account management programme complete with encouraging initial results
- Planning ongoing to provide 24/7 customer service for research support through the CenX model

# Long-term growth targets maintained

We believe our progress thus far this year, our operational resilience, and our flow of innovations, keeps us on-plan for meeting the ambitious targets of our 2019-23 growth plan:



**Double Group Revenue**



**Double Group Adjusted Operating Profit<sup>1</sup> Margin**



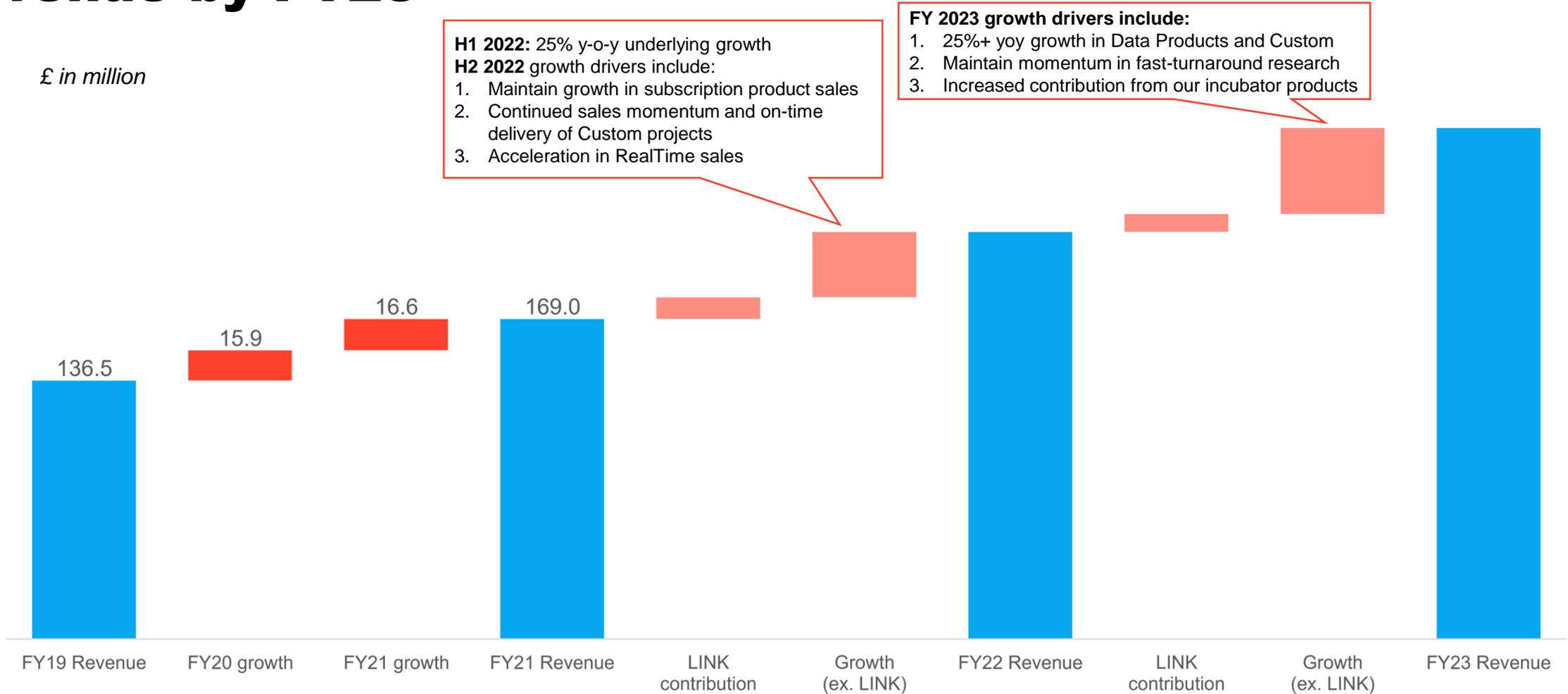
**Achieve an Adjusted Earnings Per Share<sup>2</sup> compound annual growth rate in excess of 30%**

<sup>1</sup> Defined as operating profit including amortisation of intangible assets charged to operating expenses and excluding separately reported items.

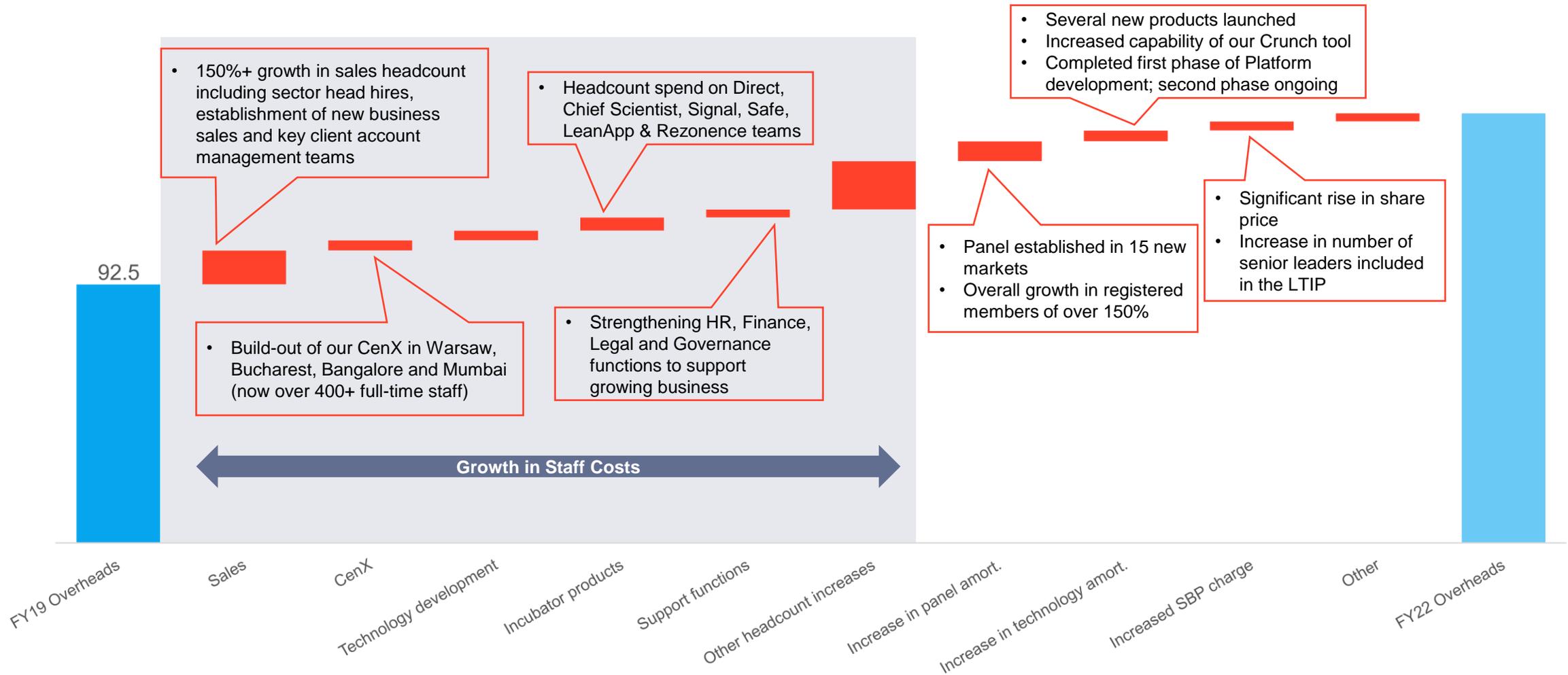
<sup>2</sup> Defined as earnings per share before the post tax impact of share-based payment charges, imputed interest and separately reported items.

# Solid progress made towards our target to double revenue by FY23

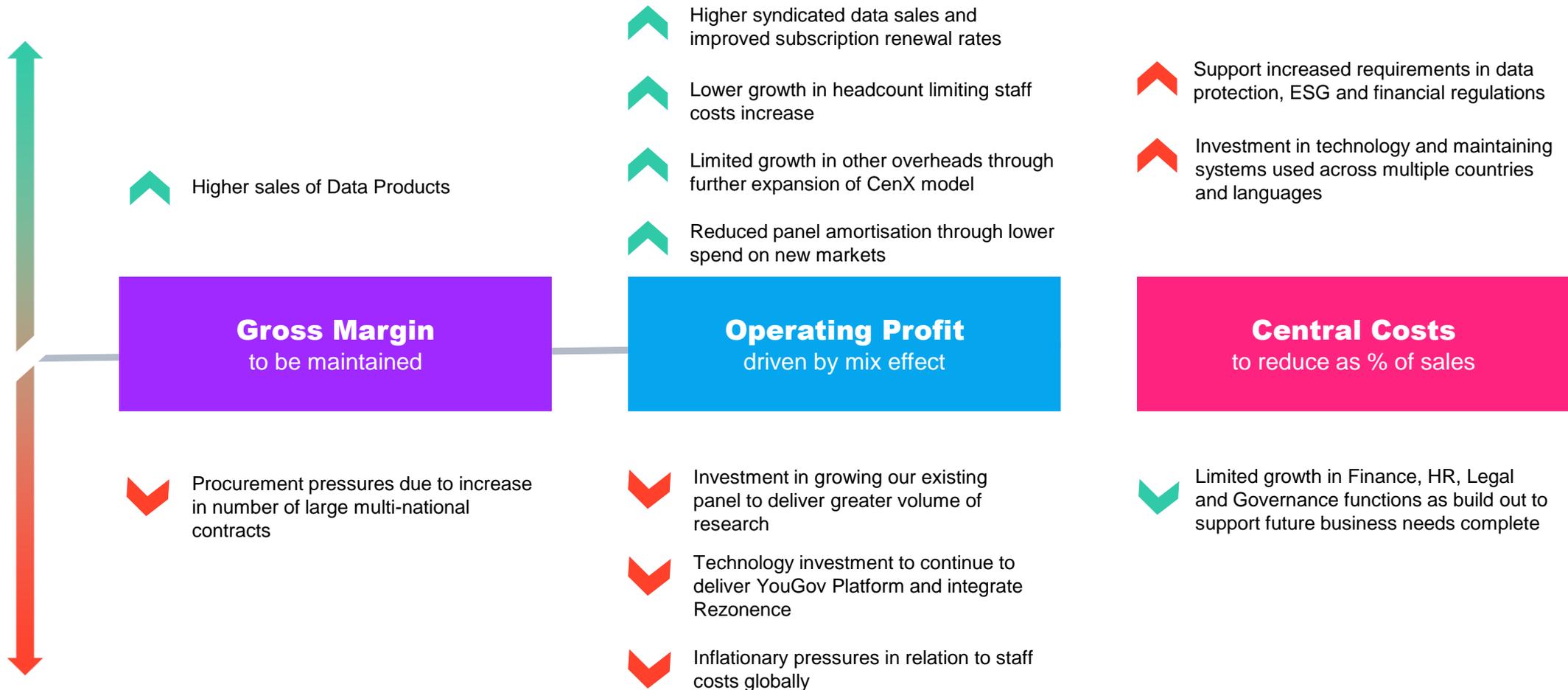
£ in million



# Ongoing investment since FY19 in all business areas to support future growth



# Several factors will drive the achievement of improved profitability over the coming 18 months



# Current Trading and Outlook

Positive sales momentum continuing to build for our syndicated data products and research services

Current trading remains slightly ahead of Board expectations for FY22

Investment in panel, technology and platform to be maintained at a similar level to the prior year

Building blocks in place and focus remains on capitalising on the investments made to achieve long-term targets

Continue to see no material impact to date from COVID-19 and the Russia/Ukraine conflict

Return-to-office plans underway following careful consideration of local government regulations and needs of our employees

Processes in place to ensure full compliance with global sanctions; continuous monitoring of evolving sanction list

No offices, employees or proprietary panel in Russia, Belarus or Ukraine

# Thank you

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