

YouGov[®]

HY23

Results Presentation

21 March 2023

Living Consumer Intelligence | corporate.yougov.com

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Key highlights

Revenue

£131.4m

↑ **30%** reported
↑ **13%** underlying basis

Adjusted operating profit

£22.1m

16.8% margin

↑ **58%** underlying
↑ **300 bps**

Adjusted EPS

19.2p

↑ **81%** reported
↑ **50%** underlying basis

Financial Updates

- Strong top-line growth against an uncertain macro backdrop
 - Recovery in the UK and continuing to see several multi-year opportunities
- Sales pipelines remains healthy
- Significant margin expansion as benefits of operational leverage and cost control come through
- Robust balance sheet and strong cash position maintained

Operational Updates

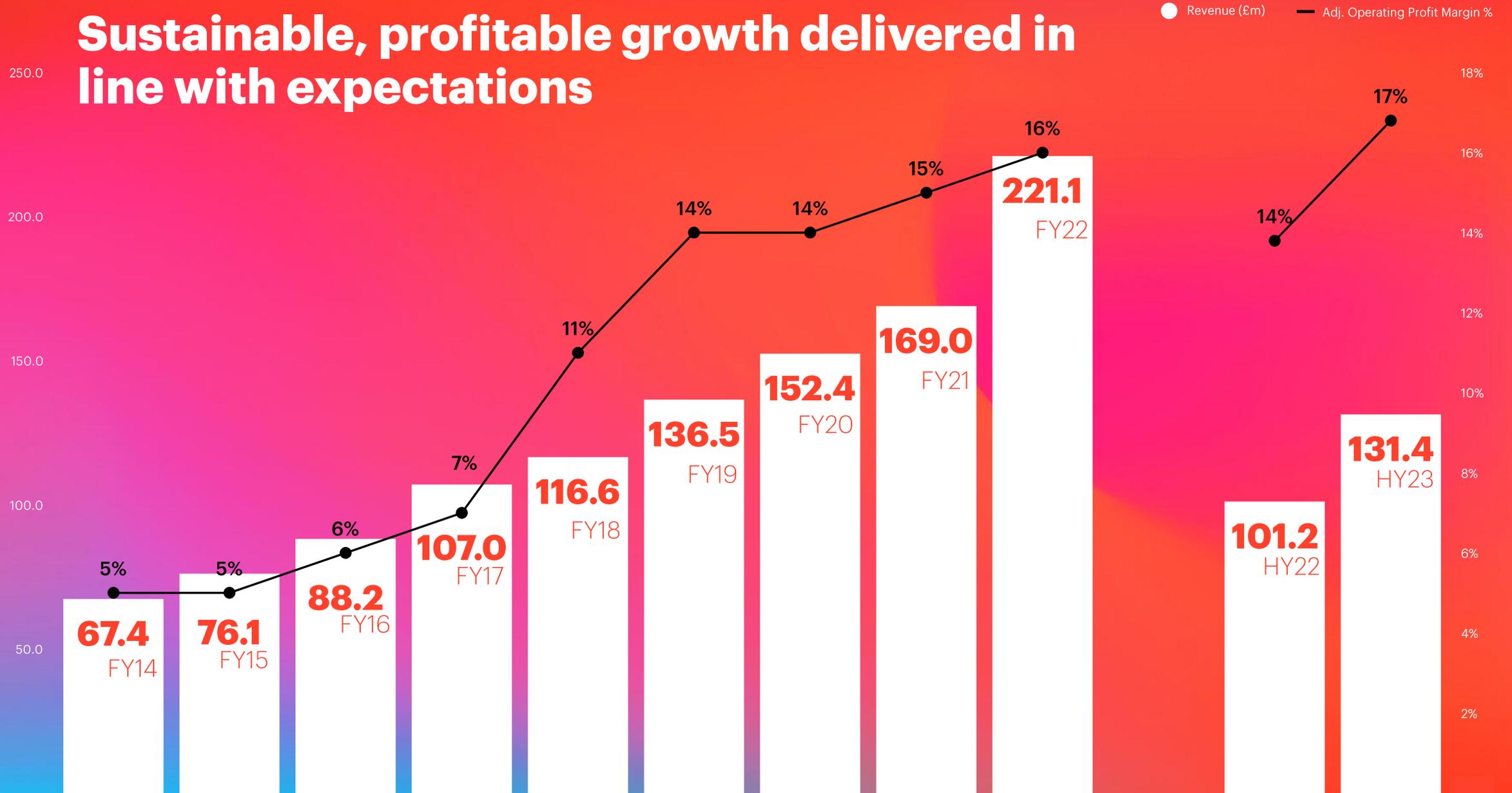
- Continued investment in key areas:
 - Product development ahead of self-service tool, YouGov Surveys, launch
 - Panel build-out in areas to support increased client demand
 - Further migration of capabilities into CenX
- Board succession planning ongoing; two new NEDs appointed, CEO search underway

Key highlights



Capital Markets Day planned in London to present the next strategic growth plan and our continued evolution into a leading market research platform

Sustainable, profitable growth delivered in line with expectations



01

Financial review

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Underlying growth across all geographies

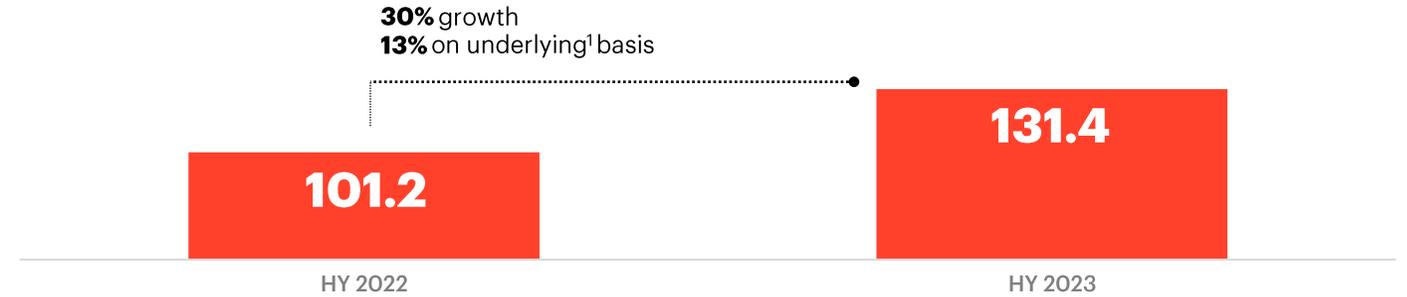
Strong momentum maintained across the business despite difficult macro-economic environment

Revenue growth of **30%** on a reported basis

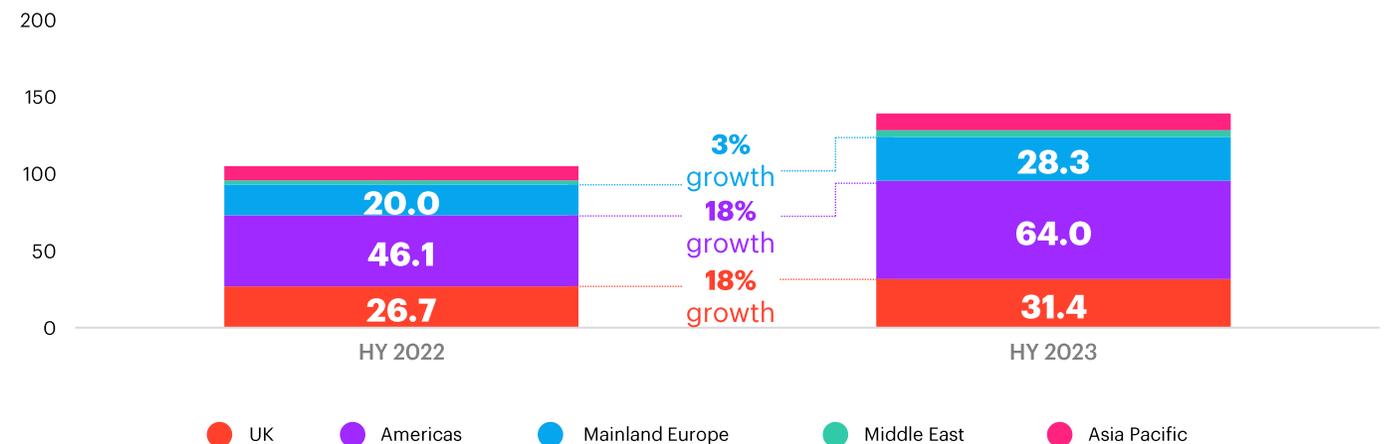
- **11%** positive FX impact on revenue
- Approx. **6%** contribution from acquisitions
- Continued growth with existing clients in the US and UK
- Slowdown in Mainland Europe due to lower volume of tactical PR activity

Good visibility into the second half of the financial year; sales momentum maintained

Financial growth (£m)



Revenue¹ by Geography (£m)



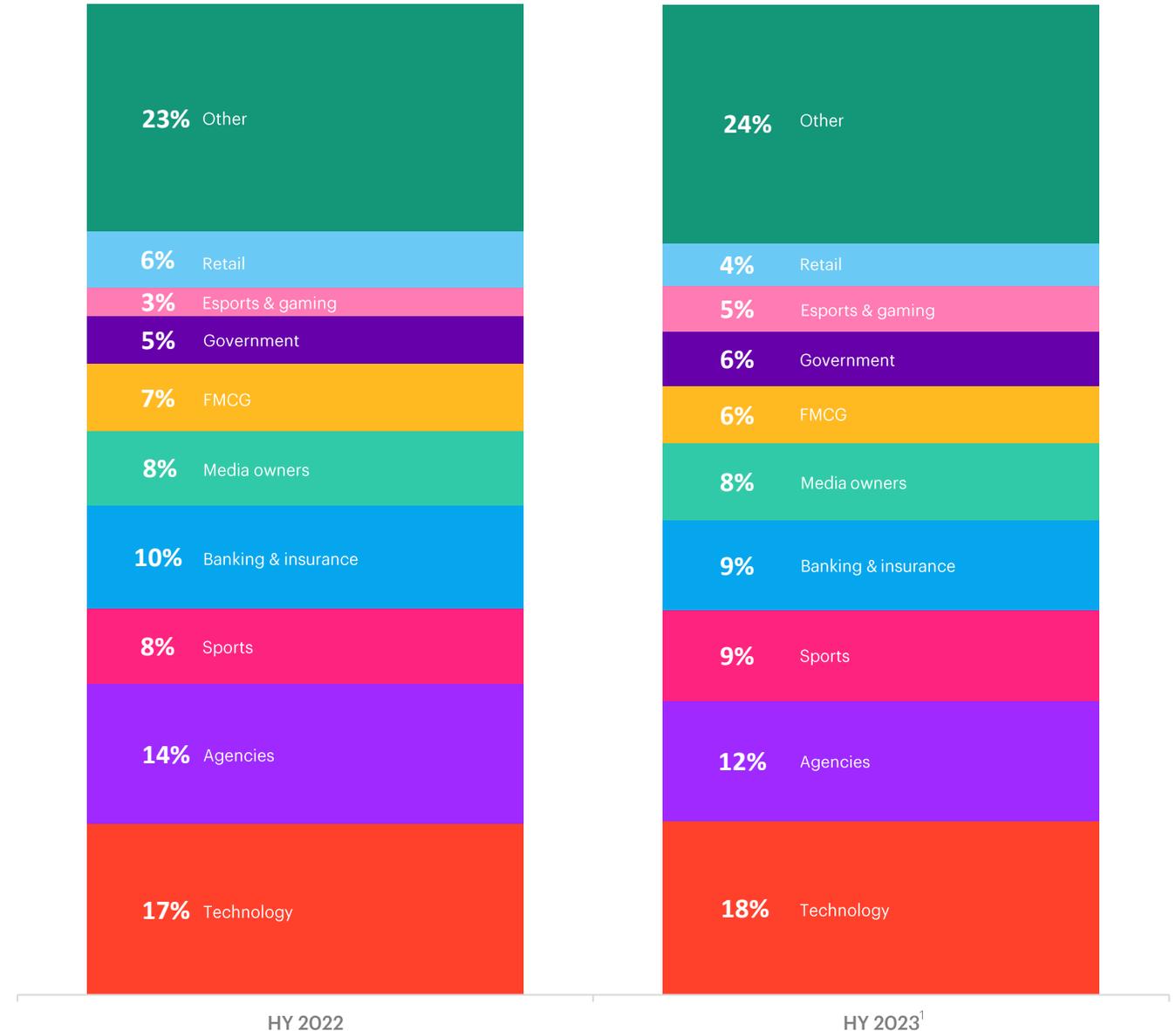
¹ Growth figures are on an underlying basis. Defined as growth in business excluding impact of current and prior period acquisitions, and movement in exchange rates.

Group continues to be well diversified across a variety of sectors

Growth in Technology despite disruption in the sector in recent months

- Agency spending largely maintained as Data Products embedded into daily marketing workflow
- Sports sector continues to expand share on the back of several new client wins
- Slight decline in banking and FMCG sector, albeit off a low base, as some clients reduce discretionary spend
- Higher contribution from Government sector due to the inclusion of LINK’s social research practice

¹ HY 2023 figures include contribution from LINK acquisition



Growth in adjusted operating profit driven by the key US market

Operating profit margin expanded to **17%** (HY22: **14%**) on the back of tighter cost control and increased efficiencies

- Underlying¹ growth in operating profit of 32%, well ahead of revenue growth
- Improvement in Data Products margin continues due to operational leverage benefits and lower cost allocations
- Decline in Data Services revenue impacting the division's margin negatively
- Custom Research margin improves as increased use of CenX drives efficiencies and teams focus efforts on margin-enhancing custom work

HY 2023 Adjusted Operating Profit¹ (£m)



Adj. Operating Profit (£m)	HY 2023	HY 2022	Growth %	Margin %	
				HY 2023	HY 2022
Data Products	17.8	11.1	60%	42%	32%
Data Services	3.2	4.3	(26%)	14%	18%
Custom Research	14.2	8.0	78%	22%	19%
Central Costs	(13.1)	(9.4)	39%	-	-
Group	22.1	14.0	58%	17%	14%

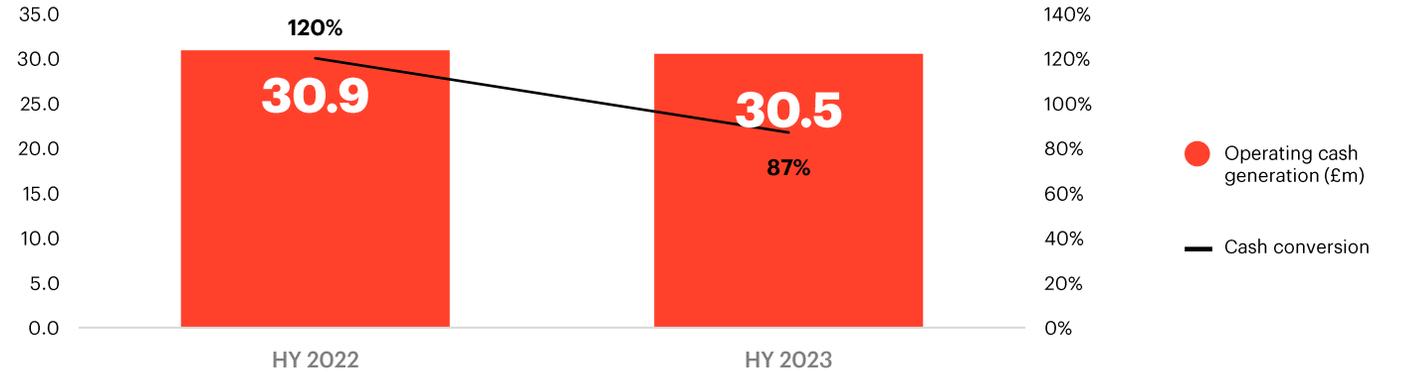
¹ Defined as operating profit including amortisation of intangible assets charged to operating expenses and excluding separately reported items. Chart excludes central Group costs.

Stable cash generation despite continued investment

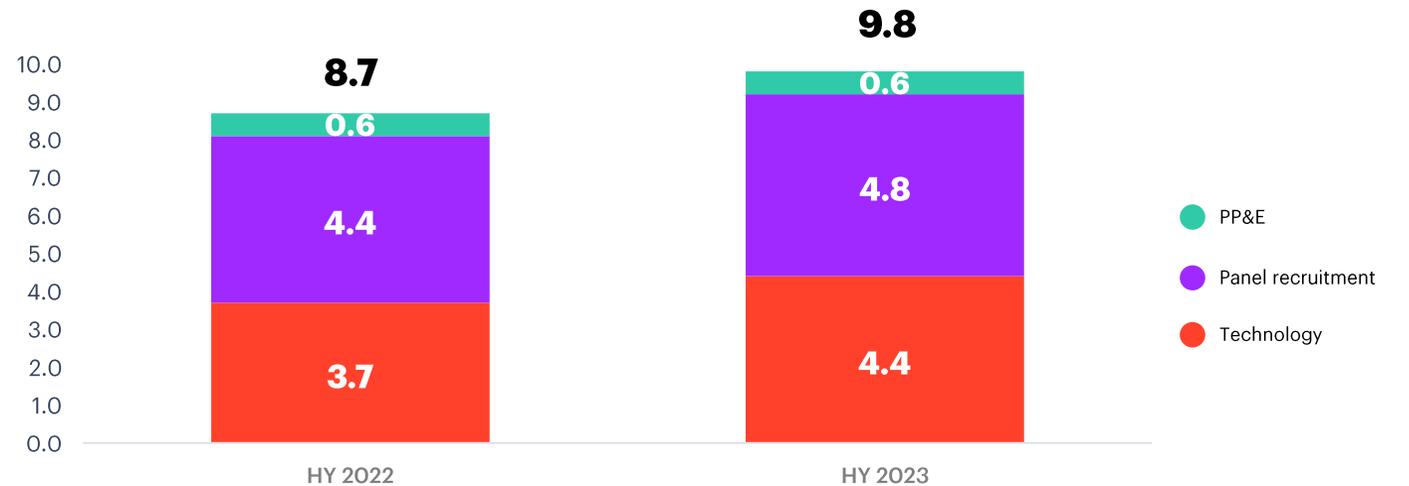
Cash generated from operations maintained at £30.5m (HY22: £30.9m)

- Cash conversion at **87%** of adjusted EBITDA; lower than prior year due to timing of working capital requirements
- Cash outflow from investing activities included:
 - £4.8m spent on panel recruitment
 - £4.4m on technology development, primarily related to the YouGov Platform and self-service launch
- Financing cashflow includes £7.7m spent on dividend payments in December 2022 and a further £5.6m on purchase of treasury shares
- Net cash inflow since 31 July 2022 of £4.0m; net cash balance at end of period £41.4m (FY22: £37.4m)
- No exposure or affiliation with Silicon Valley Bank or its UK subsidiary

Cash generation and conversion



Capital expenditures (£m)



02

Operational updates

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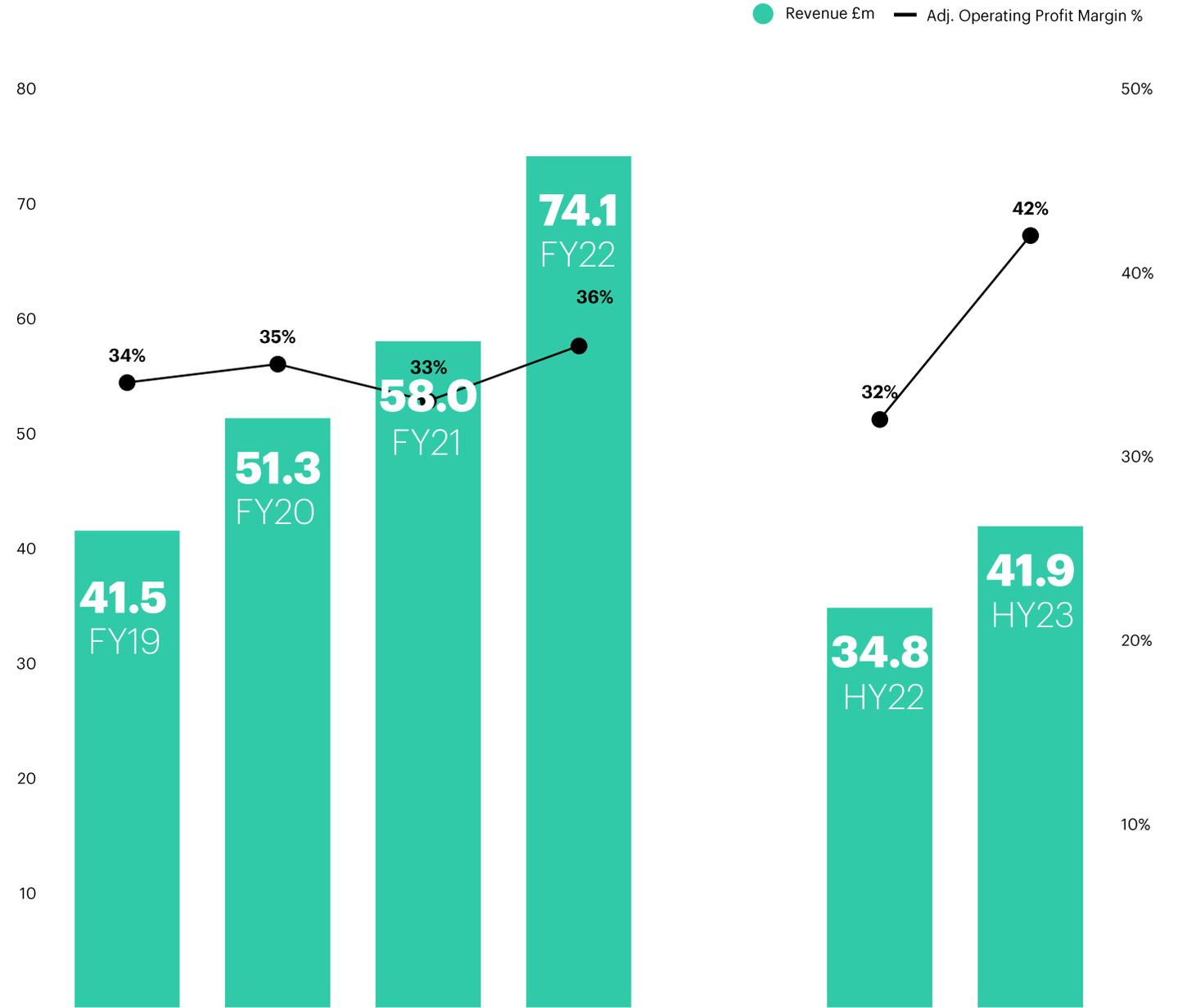
YouGov Data Products

Continued growth off a high comparable base

- Commercial drive to maintain high subscription renewal rates during the peak renewal season yielded strong results
- Double-digit growth¹ seen across all geographies with the exception of Mainland Europe; US remains the largest market and grew by **10%** in the period
- Strong client demand for custom projects limited the sale of new subscriptions
- Limited contribution from price increases as tough trading conditions resulted in higher competitive activity
- Significant margin improvement to **42%** on higher drop-through from incremental sales and lower central cost allocations due to lower growth

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

Underlying¹ growth in period: 9%

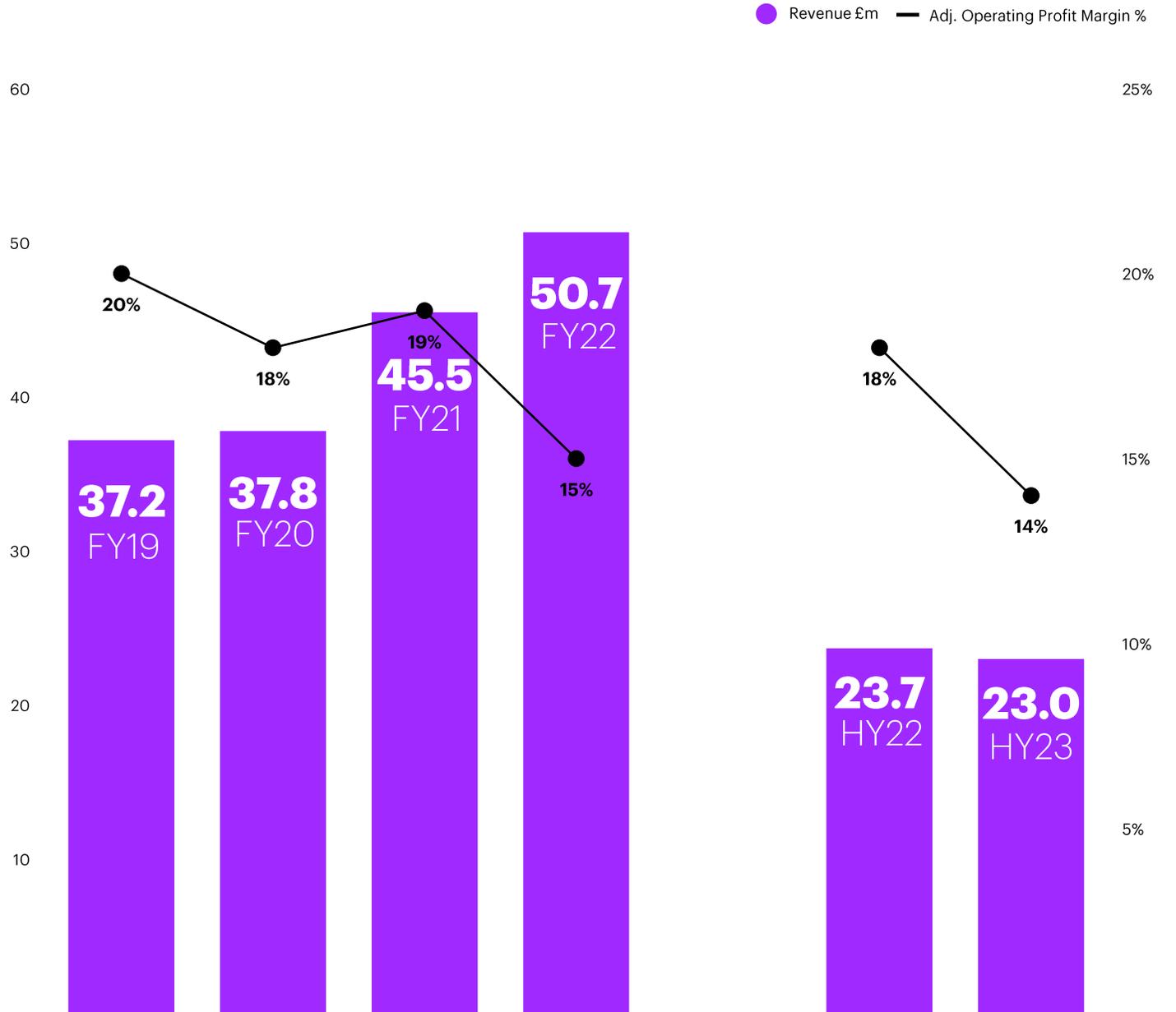


YouGov Data Services

Performance in the division impacted by declines in Mainland Europe

- Reduced volumes of PR activity seen amidst geopolitical instability in Europe
- Higher levels of customisation by clients led to reclassification of some projects to the Custom Research division
- Flat performance in the US and single-digit growth seen in the UK and Asia Pacific region
- Decline in the divisional margin as top-line performance decreases ability to absorb the continued investment in the overall business

Underlying¹ growth in period: (9%)



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

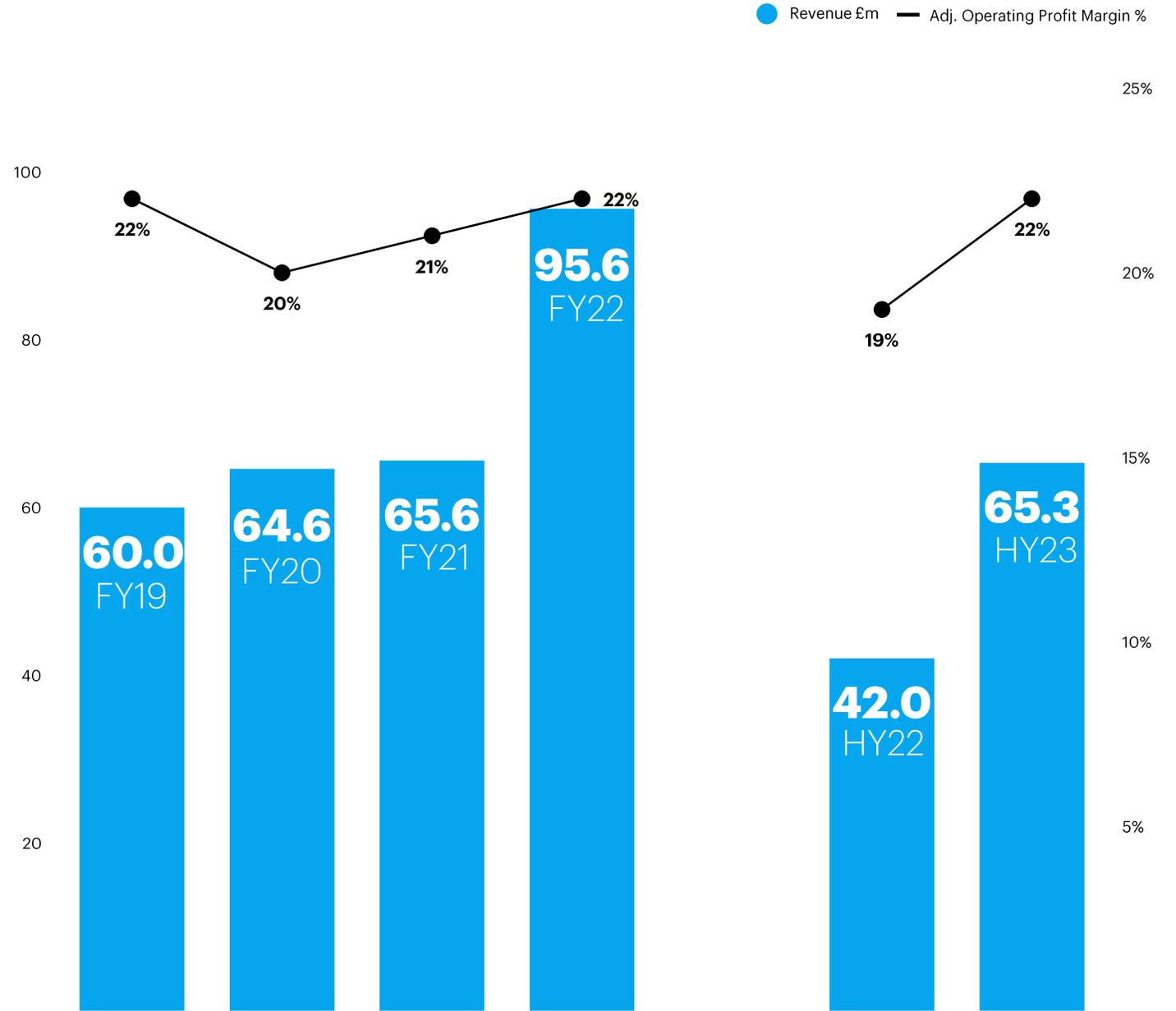
YouGov Custom Research

Client demand for customised research being driven by increased global coverage and need for high-quality data

- Sustained momentum in Custom Research driven by:
 - Growth in the US, particularly from the technology and gaming sector, as our advanced analytics tools prove to be a strong differentiator
 - New client wins in the UK and Mainland Europe
 - Contribution from work around the US mid-term elections
- Divisional margin increases to **22%** on the back of:
 - Continued migration of standardised work to CenX resulting in efficiencies
 - Greater focus on pricing resulting in more margin-enhancing projects being undertaken

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

Underlying¹ growth in period: **28%**



03

Current trading & outlook

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Current Trading and Outlook

01 Sales pipeline remains healthy and continues to provide good visibility into H2 2023

- Some slowdown in client decision making on more discretionary spend may impact the speed and level of spending
- No other material changes in client behaviour to date
- Strong performance in the first half gives confidence in maintaining the current sales momentum
- Board remains confident that revenue and profitability will meet current market expectations for FY23

02 Continue to retain strong cash balances and no debt

- Continued investment in our technological capabilities and our international reach to meet client demand
- Remain disciplined in investment approach to ensure further margin improvements
- Expect capital expenditures for FY23 to be maintained at a similar level to the prior year

Thank you

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