10 October 2023

YouGov plc

("YouGov" or "the Group" or "the Company")

Full Year Results for the year ended 31 July 2023

- Strong performance amidst a difficult trading environment

- Confident in the Group's prospects for FY24 and meeting current market expectations

YouGov, the international research and data analytics group, announces its results for the year ended 31 July 2023.

Summary of Results				
	Year to 31 July 2023 £m	**Year to 31 July 2022 £m**	**Change %**	**Underlying Change[1] %**
Revenue	**258.3**	**221.1**	**17%**	**9%**
Adjusted Operating Profit[1]	**48.3**	**36.3**	**33%**	**23%**
Adjusted Operating Profit Margin (%)[1]	**18.7%**	**16.4%**	**230bps**	**-**
Statutory Operating Profit	**44.4**	**30.0**	**48%**	**-**
Adjusted Profit before Tax[1]	**56.4**	**34.7**	**63%**	**61%**
Statutory Profit before Tax	**44.7**	**25.3**	**77%**	**-**
Adjusted Earnings per Share[1]	**40.5p**	**23.7p**	**71%**	**72%**
Statutory Basic Earnings per Share	**31.5p**	**15.7p**	**100%**	**-**

1 Defined in the explanation of non-IFRS measures below.

Financial highlights

- Revenue growth of 17% (FY22: 31%) to £258.3m, with underlying[1] business growth of 9% versus the prior year against a challenging macroeconomic backdrop and well ahead of the industry.
- Adjusted operating profit[1] up by 33% to £48.3m (FY22: £36.3m), with underlying[1] business growth of 23% on the back of operational gearing and disciplined cost management.
- Adjusted operating profit margin[1] up 230 basis points (bps) to 18.7% (FY22: 16.4%).
- Adjusted profit before tax[1] up by 63% to £56.4m (FY22: £34.7m).
- Adjusted earnings per share[1] up by 71% to 40.5p (FY22: 23.7p).
- Statutory operating profit up 48% to £44.4m (FY22: £30.0m).
- Strong cash conversion of 93% (FY22: 113%) enabling ongoing investment in the business and third strategic growth plan.
- Strong balance sheet position maintained with net cash at period end of £107.2m (31 July 2022: £37.4m), £49.8m of which relates to net proceeds from the equity placing completed in July 2023.

Operational highlights

- High-quality data, combined with our global reach and best-in-class analytics tools drive significant outperformance versus broader market research industry, demonstrating our customer stickiness and ability to take market share.
  - **Data Products** revenue increased by 16% (10% from underlying[1] business) to £85.9m, driven by strong subscription renewal rates.

  - **Data Services** revenue decreased by 6% (8% from underlying[1] business) to £47.8m, as general market softness continues to impact more discretionary spend.
  - **Custom Research** revenue increased by 27% (17% from underlying[1] business) to £121.8m, driven by continued sales momentum globally from both long-term tracking and ad-hoc projects.
- Strong growth across all geographies despite macroeconomic challenges and difficult trading conditions in some markets during the period.
  - Strong commercial success in the UK through expansion of several client relationships and good performance in Mainland Europe on the back of new client wins.
  - The US remains the Group's key strategic growth focus with large market opportunities, however, performance in the region was impacted by a slowdown in the technology sector in the period.
- Investments made during the period to drive further growth:
  - **Technology:** Continued investment of £9.0m (FY22: £8.0m) in technologies to drive long term growth, including the completion of the first version of the YouGov Platform.
  - **Products:** Expanded product suite in response to client demand including the launch of YouGov Surveys, the Group's self-service survey tool.
  - **Panel:** Ongoing investment of £7.3m (FY22: £8.0m) in the build-out of our panel, resulting in the number of registered members growing 15% in the period to approximately 26 million.
  - **Acquisitions:** Announced the Group's intention to acquire the Consumer Panel Business of GfK SE (GfK CPB), an established leader in household purchase data across 16 European countries, in July 2023. The acquisition is subject to regulatory approval and the process remains on track with the deal anticipated to close in the coming months.
- Announced the appointment of Steve Hatch as Chief Executive Officer following a comprehensive international search process. Steve joined the Company on 1 August 2023, succeeding Stephan Shakespeare who assumed the role of Non-Executive Chair.

Current trading and outlook

- We remain confident in the Group's prospects for FY24 and in meeting current market expectations on a stand-alone basis (pre-GfK CPB).
- Trading for the current financial year has started off in line with expectations.
- The Group is starting to see sales momentum returning in the technology sector and expect overall Group performance to build through the course of the year.
- With the Group's proposed acquisition of GfK's Consumer Panel Business yet to close, we re-state our current medium-term guidance as outlined at the Capital Markets Day in May, excluding the proposed acquisition:
  - Medium-term revenue of £500 million; and
  - Medium-term adjusted operating profit margin of 25%.
- The Group will provide a further update on the medium-term guidance following closing of the acquisition.

Steve Hatch, Chief Executive Officer, said: *"Since I joined YouGov in August I have focused on getting to know my new colleagues as well as talking to our clients. These conversations have re-affirmed my views on the strength of YouGov's people, technology and client offering. The Company is in a strong position with the right focus and strategic direction to realise the full potential of the business. I look forward to working closely with Stephan, the wider Board and the full YouGov team in delivering the third strategic growth plan and am excited about the great opportunities ahead.*

"Building on the momentum we saw in the first half of the year, YouGov has delivered another year of strong performance in FY23 against a challenging macroeconomic backdrop. We have continued to invest for sustainable growth, in line with our strategy, while delivering further margin expansion and robust cash generation.

Demand for YouGov's products and services remains strong with continued new business momentum, high renewal rates and sticky customer relationships. As a result, we remain confident in the Group's prospects for FY24 and beyond, aiming to maintain the strong sales momentum seen over the past year."

Analyst presentation

A copy of the presentation will be available online at https://corporate.yougov.com/investors/presentations shortly after the full-year results announcement is live on the Regulatory News Service (RNS).

Forward looking statements

Certain statements in this full year report are forward looking. Although the Group believes that the expectations reflected in these forward-looking statements are reasonable, we can give no assurance that these expectations will prove to have been correct. As these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements.

We undertake no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

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About YouGov

YouGov is an international online research data and analytics technology group.

Our mission is to offer unparalleled insight into what the world thinks.

Our innovative solutions help the world's most recognised brands, media owners and agencies to plan, activate and track their marketing activities better.

With operations in the UK, the Americas, Europe, the Middle East, India and Asia Pacific, we have one of the world's largest research networks.

At the core of our platform is an ever-growing source of consumer data that has been amassed over our twenty years of operation. We call it Living Data. All of our products and services draw upon this detailed understanding of our 26 million registered panel members to deliver accurate, actionable consumer insights.

As innovators and pioneers of online market research, we have a strong reputation as a trusted source of accurate data and insights. Testament to this, YouGov data is regularly referenced by the global press, and we are the most quoted market research source in the world.

YouGov. Living Consumer Intelligence.

For further information, visit business.yougov.com

Chair's Statement

In my first statement as Chair of the YouGov plc Board of Directors, I am delighted to report that we have had another year of solid trading results for the 12 months to 31 July 2023 (FY23), delivering strong top-line underlying growth[1] alongside continued margin expansion. It is an honour to step into the role of Non-Executive Chair and continue my journey with YouGov in its strongest ever position.

The challenges and macro uncertainty seen in the previous year persisted into FY23, and our ability to deliver this market beating performance against that backdrop further demonstrates the resilience and strength of our business model. Across our industry, we witnessed a slowdown in momentum which led to some temporary disruption at the start of the calendar year, particularly with our technology sector clients. However, momentum has since started to return, underpinning our confidence in the future, and our teams are hard at work to ensure we get closer to our clients and innovate with them to achieve our ambitions.

Results and dividend

In FY23 we achieved strong revenue growth of 17% over the prior year (9% on an underlying[1] basis), driven by growth across all our geographies. We were able to maintain disciplined cost management through the year, and benefit from the investments made in the prior years to build capacity and position our organisation for a strong finish to our second long-term strategic growth plan (FYP2). This enabled us to deliver adjusted operating profit[1] of £48.3m in the year, up 33% over FY22, representing a margin of 18.7% (FY22: 16.4%).

This performance is testament to our resilient model and was largely driven by the stellar performance of our Custom Research division and the continued growth of our syndicated data products. While the macro environment has impacted volumes of our more tactical, fast-turnaround research, clients continue to dedicate resources to customised strategic research, particularly large-scale multi-country multi-year trackers, to help them make critical business decisions. These trackers build on the efficiencies of our data engine and the richness of our connected data which, combined with our global coverage and granular audience profiling, is continuing to resonate well with clients, resulting in several new client wins in the year.

YouGov continues to maintain a progressive dividend policy, and in line with this, the Board is pleased to recommend a dividend increase of 25% to 8.75p per share payable on 11 December 2023 to shareholders on the register as at 1 December 2023. This will be tabled for shareholder approval at our Annual General Meeting ("AGM") on 7 December 2023.

Concluding the second strategic growth plan ("FYP2")

Our vision is for YouGov to be the world's leading provider of marketing and opinion data. We want YouGov data to be a valued public resource used by hundreds of millions of people on a daily basis, enabling intelligent decision-making and informed conversations. To support our realisation of this vision, we choose to operate using the tool of medium- to long-term strategic growth plans to enable us to allocate resources, make investment decisions and to create a close link between corporate performance and executive remuneration.

This year was the final year of our FYP2 strategic plan which ran from 1 August 2019 to 31 July 2023 (FY19-23). As previously announced, we set the following ambitious growth targets for the FYP2 plan period:

- Double Group revenue (implying a revenue CAGR of 19%);
- Double Group adjusted operating profit margin[1]; and
- Achieve an adjusted basic earnings per share[1] compound annual growth rate in excess of 30%

It is pleasing that YouGov has delivered a strong performance in the final year of the strategic plan, resulting in the Company nearly achieving its stretching targets. Overall, we delivered Group Revenue

CAGR of 17% and an EPS CAGR of 28% over the FYP2 period, which is a remarkable accomplishment and all the more impressive in the context of the COVID-19 pandemic, political turbulence and macroeconomic global backdrop during the period.

Based on our vision and strategy, we previously identified five key priorities that were a focus over the FYP2 period. The key progress made under each of these priorities during FY23 is set out below:

- ***Product development and technology:*** Completed the development of the first version of the YouGov Platform, a high-quality, self-service research system, and expanded our product suite with the launch of YouGov Surveys, our self-service survey tool.

- ***Panel:*** Growth in our global research panel of 15% in FY23 to 26 million registered members, while maintaining strong retention rates. Additionally, we launched our new member portal with an aim to increase engagement and drive on-going data sharing globally.

- ***Global accounts:*** Our account management teams demonstrated their ability to elevate client conversations backed by robust market research data and win several new clients.

- ***Global infrastructure:*** Our Centres of Excellence (CenX) teams continue to grow rapidly as we look to increase efficiencies and shift more standardised research tasks into our CenX operations.

- ***Acquisitions:*** In July 2023 we announced the intention to acquire the Consumer Panel Business of GfK SE, an established leader in household purchase data across 16 European countries. The regulatory approval process remains on track, and we anticipate closing the deal in the coming months.

This was also the final year of the Long-Term Incentive Plan 2019 (“LTIP 2019”), which was introduced in 2019 to run alongside the FYP2 strategic plan. The LTIP 2019 targets were stretching, with full vesting requiring compound annual adjusted EPS growth of 35% over the four years to 31 July 2023. Taking into account the EPS CAGR of 28%, the overall plan vesting level was 74% which is an excellent result. The LTIP 2019 awards will vest in late-October 2023. At the forthcoming AGM in December, we will be seeking shareholder approval for a new scheme, the Long-Term Incentive Plan 2023 (“LTIP 2023”), which has been designed to allow us to incentivise and reward sustainable performance over the medium- to long-term. Full details of LTIP 2023 will be shared with shareholders in early-November when the 2023 Annual Report & Accounts are published.

Third strategic growth plan (“SP3”)

The Board has approved the strategic direction for the third strategic growth plan. As part of this, we continue to see significant opportunities to grow our share of wallet through better partnering with existing clients and increasing market penetration, particularly in the US with multi-national brands. Additionally, we see strong potential to expand our business through a digital path to purchase with YouGov Surveys by driving greater usage of the YouGov Platform.

The proposed acquisition of GfK's Consumer Panel Business (GfK CPB) will add significant capabilities to the Group and enhance our ability to scale. GfK CPB is an established leader in household purchase data, with panels across 16 European countries, consisting of over 100,000 households. These capabilities are strategically aligned, adding highly engaged panels in the European market and technology to capture and analyse consumer purchasing data. We expect the acquisition to support our continued growth by expanding our combined offering to existing clients in our current markets, as well as the opportunity to win new clients and roll out into new markets, including in the US which remains our largest growth opportunity.

I am confident that the Board has set the right strategic direction to deliver another period of sustainable, profitable growth for the business and we have the right executive team in place to see the plan implemented to its full potential. Our new CEO, Steve Hatch brings over 30 years of leadership experience and valuable sector expertise in consumer profiling, e-commerce, and business transformation with a proven track record in scaling technology platforms and digital media businesses.

These capabilities make Steve perfectly suited to lead YouGov through its third strategic growth plan and beyond. See Steve's CEO's Report for more detail on SP3 and our medium-term growth targets.

Board succession

This year has been a period of significant change for the YouGov Board and leadership team composition.

As part of the previously disclosed Board succession plan, on 1 August 2023, Roger Parry stepped down from the role of Non-Executive Chair after a 16-year tenure with the Company. At the same time, Steve Hatch joined the Company as Chief Executive Officer, while I assumed the role of Non-Executive Chair. Additionally, Rosemary Leith stepped down as Senior Independent Director ("SID") after a near nine-year tenure, succeeded by Nick Prettejohn. Rosemary continues to hold the role of Chair of the Board's Remuneration Committee and I would like to thank her for her service as SID, particularly during this Board succession period.

Earlier in the year, on 27 February 2023, we were delighted to welcome Shalini Govil-Pai and Devesh Mishra to the Board. Shalini's technical and consumer expertise, and Devesh's operational and engineering experience, both gained within the US and UK technology industries, bring hugely valuable and relevant skills to YouGov as we progress into the next strategic growth plan. I am pleased to announce that Shalini will join the Board's Remuneration Committee and Devesh will join the Audit & Risk Committee as a member[2].

Also on 1 August 2023, Sundip Chahal's role changed from Chief Operating Officer to Chief Business Officer with a remit for leading integration and growth strategies at YouGov. Initially, Sundip is focussed on the planned integration of GfK's Consumer Panel Business. Sundip is also working closely with Steve during the leadership transition period to ensure the success of YouGov's organic growth strategy. Sundip remains on the YouGov Board as an Executive Director in this new role. Lynda Vivian was promoted to the non-Board role of Chief Operating Officer with a focus on the delivery of YouGov's Platform model in line with the Company's strategic growth plan, while continuing her work ensuring operational excellence across the business.

I would like to take this opportunity to thank Roger for his tremendous contribution as Non-Executive Chair over the years. Roger was highly influential in the growth and success of our business as a trusted advisor, mentor, and partner to the YouGov leadership team throughout our journey.

With the right Board and executive team now in place, and the transformative acquisition of GfK's Consumer Panel Business in planning stage, I am excited by what we can achieve in the next phase of our growth journey.

Conclusion

Our success is a testament to the talent and hard work of all our employees and their dedication to the YouGov mission. I'd like to thank everyone at YouGov for their commitment and teamwork during my time as CEO and I look forward to leading the Board's oversight of the Company's strategic direction in my role as Non-Executive Chair.

I believe our chosen business model and strategy – to provide high-quality market research through a connected data proposition – plays to our strengths and expertise and will enable us to continue to deliver long-term value to our stakeholders. We have an exciting future ahead of us and I look forward to working with Steve and the rest of the executive team to make YouGov the world's number one market research company as the universal infrastructure of trusted data sharing.

Stephan Shakespeare
Chair
10 October 2023

1 Defined in the explanation of non-IFRS measures below.

2 Following the above changes, the composition of the YouGov plc Board Committees will be as noted below:

Audit & Risk Committee
Ashley Martin (Chair)
Rosemary Leith
Nick Prettejohn
Devesh Mishra

Nomination Committee
Stephan Shakespeare (Chair)
Shalini Govil-Pai
Rosemary Leith
Ashley Martin
Devesh Mishra
Andrea Newman
Nick Prettejohn

Remuneration Committee
Rosemary Leith (Chair)
Ashley Martin
Andrea Newman
Nick Prettejohn
Shalini Govil-Pai

Chief Executive Officer's Statement

YouGov is a business I have closely followed and admired for some time, and I am honoured to have been selected to lead the Company in its next phase of growth. The quality of YouGov's data and its people is clear and is evidenced by the fact that some of the world's most data-savvy companies are its major clients.

Rapid technological evolution, combined with growing concerns over data integrity and privacy and the turbulent geopolitical landscape have shaped a complex and ever-changing market environment, bringing both challenges and opportunities. As the industry evolves and places greater emphasis on high-quality data to make strategic decisions, YouGov is well positioned to serve their needs and continue to strengthen its position as a market leader. This makes it a very exciting time to join YouGov and I look forward to working with the wider Board and the full YouGov team on the great opportunities that lie ahead.

From a financial perspective, the business is in a strong position with the Company having delivered consistent top line growth as well as improved profitability through higher efficiencies and a focus on higher-margin projects. Along with the wider market, the business has recently faced short-term headwinds in the form of longer sales cycles and a slowdown in client decision-making, however, its resilience and ability to perform ahead of the market has been clearly demonstrated in the past year.

Factors contributing to our positive performance in the period include:

- **Existing clients:** our largest clients continue to grow their spend with us, particularly in Custom Research, despite difficult macroeconomic conditions.

- **New products:** Recently launched products such as YouGov Safe and YouGov Surveys are beginning to show promise, and data slices, subsets of our syndicated data products, are helping us monetise existing datasets and expand their use among clients.

- **Key geographies:** The US remains our largest market albeit we have seen some slowdown compared to prior years, primarily due to the disruption in the technology sector, the UK has performed well despite the overall negative sentiment in the market.

- **Operational leverage:** Investments in recent years to expand our research capacity, central functions and CenX operations are continuing to drive operational leverage as our revenue grows.

Third strategic growth plan ("SP3")

YouGov develops medium to long-term strategic growth plans to enable the business to determine key strategic priorities to work towards and provide discipline to our investment approach. Our last plan, FYP2, was centred around expanding our global reach, furthering our product development by building a self-serve survey tool and the YouGov Platform, and implementing a CenX model to position ourselves for future growth.

YouGov's next strategic growth plan aims to deepen YouGov's strategy and complete the final stage of positioning ourselves as a platform business with a dual go-to-market strategy targeting enterprise sales and a digital path to purchase. This strategic growth plan is underpinned by three key growth areas:

- Deepening client relations and increasing market penetration through our syndicated data products and customised research;
- Driving greater usage of our new self-serve platform, the YouGov Platform, through a digital sales and marketing approach; and
- Targeting greenfield opportunities, such as newer products and M&A, that will be incremental to the core growth plan.

The Company continues to see significant potential to grow its existing business lines through several levers for both new and existing clients. YouGov will work to increase its penetration with brands, particularly in the US, grow the overall number of subscriptions, target long-term, strategic tracking projects, and scale fast-turnaround research volumes through the self-service YouGov Platform.

Prior to the proposed acquisition of GfK's Consumer Panel Business (GfK CPB), the Group set out two key financial targets, as follows:

- Medium-term revenue (excluding contribution from transformational M&A) of £500 million; and
- Medium-term adjusted operating profit margin of 25%.

These remain unchanged and the Group expects to revise this medium-term guidance post the closing of the GfK CPB transaction.

Based on our strategy and my initial observations, we have identified some key areas that the Company will prioritise over the medium-term:

- **Panel:** We understand the importance of privacy to our panel members and their desire to extract more value from their data held by organisations. The Company will aim to increase data sharing and panel activity, while continuously looking to improve the member experience.
- **Platform:** Following the initial launch of the YouGov Platform, we will now focus on increasing functionality and product availability, driving research volumes and reducing inefficiencies and in time look to launch a widespread marketing campaign to increase adoption.
- **Commercial teams:** Increasing accountability within our commercial teams and having clear plans to increase share of wallet with key clients through cross-sell and up-sell opportunities will be a key driver to achieving our ambitious targets.
- **Artificial intelligence (AI):** YouGov has long been using machine-learning to demonstrate the quality of its data through political predictions. We will look to further the use of AI to build products, improve our research capabilities and automate detection and removal of suspect respondents. The continued global adoption of AI capabilities will also create additional revenue opportunities for YouGov given we have the ideal source data for AI models.

Environmental, social and governance ("ESG")

Like all aspects of YouGov, our ESG approach is built on core principles of transparency and trust. We champion responsible, ethical, and sustainable business practices across our operations, which is reflected in our robust ESG commitments. From giving a voice to millions of members worldwide to investing in career development opportunities to support diverse talent in our workforce, we are driven by shared values and vision to create a positive impact in the wider community.

This year saw the conclusion of our second ESG Roadmap, encompassing actions within individual Environmental, Social, and Governance Strategies. In preparation for our next long-term strategic plan, we conducted our first ESG materiality assessment in Spring 2023. We invited groups of stakeholders (including the Board of Directors, employees, panel members, clients, investors and suppliers) to rank the importance of ESG issues in order of relevance to the business. The results have validated our existing priorities, informed our next ESG Roadmap, and ensured that we tailor our communications appropriately for each of our key stakeholder groups.

While we operate in a naturally low-emission industry, we take a proactive approach to understanding and mitigating our environmental impact. To meet our new obligations to align our reporting to Task Force on Climate-Related Disclosures (TCFD) recommendations, we calculated our global carbon footprint for the first time and took the important step of conducting a climate scenario analysis to understand the key climate-related risks and opportunities relevant to our business. The results of this exercise have been incorporated into our risk management framework, and in the next year we will be developing progressive long-term and interim net zero targets.

Our panel is our largest stakeholder group at 26 million registered members. With the launch of YouGov Plus this year, our dedicated Panel team has been able to draw on direct member feedback to enhance the member experience and ensure our panel remains representative, inclusive, and accessible. YouGov Plus is a new premium tier membership for our most active and committed members in the UK and the US, and they have been invited to provide valuable input through designated tasks and video calls that help us make tangible, positive changes and empowers members by amplifying their voices. The strength of our panel engagement efforts pairs with the expertise of our researchers to ensure surveys are designed in an unbiased way with consideration for cultural and regional sensitivities. This means clients can trust us to deliver accurate and reliable results that can inform their own ESG agendas.

Governance is fundamental not just to our ESG strategy, but to our success as a business. Our compliance team ensures we are meeting all regulatory requirements with transparency and accountability, while our data privacy and security specialists maintain a rigorous framework to reinforce trust with anyone who provides us with their personal data. In 2023, we held our second annual ESG Deep Dive presentation to the Board of Directors, with quarterly, action-oriented communications to senior leaders, to ensure ESG is led from the top with a shared understanding of priorities.

People and Culture

To maintain a truly representative and highly engaged panel, it is important that we champion diversity in our workforce and actively foster an inclusive workplace. In early 2023 we published our first annual Workforce Diversity Report, which set a baseline from which to measure progress against our Diversity & Inclusion goals and communicated the range of initiatives we have in place to identify and address representation gaps. We are continuously investing in career development opportunities for our employees, with specialised training programmes such as YouLead (for aspiring leaders) and YouManage (for new line managers) to encourage internal progression and foster support networks across teams and regions.

Our success as a business depends on employees being empowered to thrive in a rewarding culture, which is defined by a collaborative spirit and a desire to make an impact. To foster high performance, we appreciate the need for more open communication and will look to ensure that all our employees have clear sight of our goals and expectations, and will work to tackle any obstacles as a more connected team. We are united by shared values and we want to create an environment for each of us to be fulfilled and deliver career-defining work that we are proud of, while supporting our social mission to give a voice to millions of people for the benefit of the wider community.

Current trading and outlook

Early trading in the new financial year is in line with management expectations. After a temporary pause in the second half of FY23, we are seeing sales momentum from the technology sector starting to return. We expect overall Group performance to build through the course of the year as the new budget year begins for our clients.

We remain confident in the Group's prospects for FY24 and in meeting current market expectations on a stand-alone basis (pre-GfK CPB). Our initial focus in FY24 has been on developing detailed commercial plans for our key clients and increase awareness of the entire YouGov product suite within our existing clients. We expect the Company to continue to reap operational leverage benefits from the technological and headcount investments made in FYP2, leading to ongoing margin expansion as revenue growth continues.

We continue to retain strong cash balances, notwithstanding the funds set aside for the proposed acquisition of the GfK CPB and aim to maintain capital expenditures for FY24 in line with the prior year.

YouGov has a clear purpose and great talent that is passionate about the Company’s mission. Combining that purpose and passion with our ongoing investment in data and technology provides us a strong foundation for achieving our ambitions.

I would like to thank the Board for trusting me to take the helm at YouGov. I am committed to delivering stakeholder value to our registered members, partners, clients, investors and employees and I appreciate their ongoing commitment and support.

Steve Hatch
Chief Executive Officer
10 October 2023

1 Defined in the explanation of non-IFRS measures below.

Chief Finance Officer's Review

The Group has delivered a strong performance in the 12 months to 31 July 2023, the final year of FYP2 which ran from FY19-FY23. The business has demonstrated its ability to consistently deliver growth ahead of the market, with industry body ESOMAR estimating that the established research segment grew 5% in 2022, down from 9% in 2021.

Group revenue was up 17% in reported terms to £258.3m during the period (9% up on an underlying[1] basis), while adjusted operating profit[1] increased by 33% on the prior financial year to £48.3m. This is a strong performance particularly in the context of difficult macroeconomic conditions and in a market that has decelerated following the initial post-pandemic recovery period. Our track record of growth was recognised in the recent ESOMAR list of top 20 Established Market Research firms globally and we were pleased to be ranked as the third fastest-growing company in the list.

Adjusted operating margins

Gross margins increased slightly to 86% (FY22: 85%), on the back of operational leverage and a concerted focus on maximising higher margin on-panel research.

Group operating costs (excluding separately reported items) of £172.6m (FY22: £151.1m) increased by 14% in reported terms. Adjusted operating profit[1] increased by 33% to £48.3m on a reported basis (23% on an underlying[1] basis), representing an improvement in the adjusted operating margin to 18.7% (FY22: 16.4%), as a result of disciplined cost management and operational gearing following a sustained period of investment in the business. The Group's statutory operating profit increased to £44.4m (FY22: £30.0m), after charging other separately reported items of £3.9m (FY22: £6.3m).

Performance by division

YouGov's lines of business fall into three divisions: Data Products, Data Services and Custom Research.

Data Products

Our syndicated data products suite includes YouGov BrandIndex and YouGov Profiles as well as newer behavioural and transactional data products.

Performance in the Data Products division in H2 FY23 was consistent with the first half on an underlying[1] basis, as stronger performance in the UK and Mainland Europe was offset by slower growth in the US. Throughout the year our sales teams have maintained strong renewal rates, however, lower uptake of new subscriptions has resulted in slower growth in the year. Revenue from Data Products increased by 16% (10% growth in underlying[1] terms) in the period. The adjusted operating profit[1] from Data Products increased by 33% to £36.0m on the back of higher operational leverage from syndicated products, resulting in a 560bps improvement in the adjusted operating margin[1] to 42% (FY22: 36%).

Geographically, the US remains the largest Data Products market and grew by 16% in the period (7% from the underlying[1] business), while the second largest market, the UK, delivered 20% underlying[1] growth in the period.

Data Services

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

As highlighted previously and seen across the industry, demand for fast-turnaround research has been more muted over the past year as client research budgets have come under pressure. Revenue decreased by 6% in reported and 8% in underlying[1] terms to £47.8m, with media agencies and the retail sector seeing the largest declines. Performance in Mainland Europe was particularly impacted, as geopolitical conflicts and poor sentiment led to lower tactical PR work, while performance in the UK was largely flat.

As a result of the division's lower revenue performance, adjusted operating profit[1] decreased 2% over the prior year to £7.5m and the margin expanded slightly from 15% to 16%, as the division reaped cost benefits from the shift of operational delivery of standardised research projects into the CenX.

Custom Research

Our Custom Research division includes tailored research projects and tracking studies.

During the period, the division's revenue grew by 27% in reported terms to £121.8m, with growth seen across all regions. On an underlying[1] basis, revenue growth was 17%, driven by Mainland Europe on the back of major client wins, and good performance in the UK, particularly in the sports and financial services sectors. The US continued to perform well, delivering low double-digit growth on an underlying basis[1], albeit impacted by the slowdown in the technology sector.

The adjusted operating profit[1] increased by 31% to £27.5m and the adjusted operating margin expanded to 23% (FY22: 22%), including a full year dilutive impact from the LINK acquisition, as the focus on project profitability continues.

Revenue	**Year to 31 July 2023 £m**	**Year to 31 July 2022 £m**	**Revenue growth %**	**Underlying[1] revenue change %**
Data Products	85.9	74.1	16%	10%
Data Services	47.8	50.7	(6%)	(8%)
Custom Research	121.8	95.6	27%	17%
Intra-Group and Central revenues	2.8	0.7	-	**-**
Group	**258.3**	**221.1**	**17%**	**9%**

Adjusted Operating Profit[1]	**Year to 31 July 2023 £m**	**Year to 31 July 2022 £m**	**Adjusted Operating Profit growth %**	**Adjusted Operating Margin %**	
				Year to 31 July 2023	**Year to 31 July 2022**
Data Products	36.0	27.0	33%	42%	36%
Data Services	7.5	7.7	(3%)	16%	15%
Custom Research	27.5	21.0	31%	23%	22%
Central items	(22.7)	(19.4)	-	-	-
Group	**48.3**	**36.3**	**33%**	**19%**	**16%**

Performance by geography

YouGov's geographic footprint spans the UK, Mainland Europe, the Americas, Asia Pacific and the Middle East.

Revenue	Year to 31 July 2023 £m	Year to 31 July 2022 £m	Revenue growth %	Underlying[1] revenue change %
UK	65.6	57.9	13%	13%
Americas	116.4	99.5	17%	8%
Mainland Europe	58.2	45.7	27%	14%
Middle East	8.8	6.2	42%	32%
Asia Pacific	23.5	20.8	13%	12%
Intra-Group revenues	(14.2)	(9.0)	-	-
Group	**258.3**	**221.1**	**17%**	**9%**

Adjusted Operating Profit[1]	Year to 31 July 2023 £m	Year to 31 Jul 2022 £m	Operating Profit growth %	Operating Margin %	
				Year to 31 July 2023	Year to 31 July 2022
UK	19.5	17.8	10%	30%	31%
Americas	41.1	32.1	28%	35%	32%
Mainland Europe	4.8	3.3	45%	8%	7%
Middle East	2.5	1.7	47%	28%	27%
Asia Pacific	3.6	1.8	100%	15%	9%
Central items	(23.2)	(20.4)	-	-	-
Group	**48.3**	**36.3**	**33%**	**19%**	**16%**

Panel development by geography

We continued to invest in our panel to ensure we are able to meet our clients' research needs and to deliver nationally representative samples in our newer markets. As at 31 July 2023, the total number of registered panellists had increased by 15% to 25.65 million, compared to 22.25 million as at 31 July 2022, as set out in the table below.

Region	Panel size at 31 July 2023 millions	Panel size at 31 July 2022 millions	Change %
UK	2.88	2.67	8%
Americas	9.28	8.05	15%
Mainland Europe	5.88	4.93	19%
MENA	3.07	2.76	11%
Asia Pacific	4.54	3.85	18%
Total	**25.65**	**22.25**	**15%**

Group financial performance

Amortisation of intangible assets

In the 12 months to 31 July 2023, amortisation charges for intangible assets of £21.0m were £0.6m higher than the previous year. The increase in the amortisation of our panel assets was limited, growing £0.6m to £10.5m, as the accelerated amortisation of some of our newer panels has stabilised following the initial investment in FY21. Amortisation of software increased by £0.2m to £9.3m. £7.9m (FY22:

£7.7m) of the total software development charge related to assets created through the Group's own internal development activities, £1.2m (FY22: £0.8m) related to separately acquired assets and £0.2m (FY22: £0.5m) was for amortisation on assets acquired through business combinations.

Separately reported items

Acquisition-related costs in the year of £5.0m includes £4.8m of costs in relation to the planned acquisition of GfK CPB of which £0.4m relates to bridge debt facility fees and the remaining £4.4m of fees relates to professional advisory services from banks, lawyers and accountants. There has also been a net £1.1m release of previously accrued contingent consideration treated as staff costs in respect of the acquisitions of Portent.io Limited, Charlton Insights Inc., YouGov Finance Limited (formerly Lean App Limited) and Faster Horses Pty Limited. The release of the accrual was, primarily, in relation to Faster Horses where the earn-out performance has not been as strong as initially expected.

Acquisition related costs in the comparative period comprise £5.2m contingent consideration treated as staff costs in respect of the acquisitions of Portent.io Limited, Charlton Insights Inc., YouGov Finance Limited (formerly Lean App Limited) and Faster Horses Pty Limited and £1.1m of transaction costs in respect of newly acquired entities.

Reconciliation of adjusted operating profit to adjusted profit after tax and earnings per share

Adjusted profit before tax[1] of £56.4m was an increase of 63% versus the prior year, well ahead of adjusted operating profit growth, as the prior year was impacted by foreign exchange losses related to intercompany loans. The adjusted tax rate[1] decreased from 24% in FY22 to 21% in the period. Statutory profit before tax of £44.7m was reported compared to £25.3m in the year ended 31 July 2022, an increase of 77%.

During the period adjusted earnings per share[1] grew by 71% from 23.7p to 40.5p, and statutory earnings per share increased from 15.7p to 31.5p.

	31 July	31 July
	2023	2022
	£m	£m
Adjusted operating profit[1]	**48.3**	36.3
Share-based payments	**7.6**	2.9
Imputed interest	**0.2**	0.1
Net finance income / (expense)	**0.3**	(4.6)
Adjusted profit before tax[1]	**56.4**	34.7
Adjusted taxation[1]	**(12.1)**	(8.4)
Adjusted profit after tax[1]	**44.3**	26.3
Adjusted earnings per share (pence)[1]	**40.5p**	23.7p

Cash flow and capital expenditure

The Group generated £69.0m (FY22: £69.7m) in cash from operations (before paying interest and tax) including a £4.2m outflow (FY22: £6.6m inflow) from net working capital and £2.3m payment for deferred consideration; the cash conversion rate (percentage of adjusted EBITDA[1] converted to cash) decreased from 113% to 93% of adjusted EBITDA[1]. Taxation payments for the year totalled £9.3m (FY22: £6.9m).

The Group invested £7.8m (FY22: £6.9m) in the continuing development of our technology platform internally and £1.2m (FY22: £1.1m) was invested on separately-acquired software tools. Investment in panel recruitment was largely in line with last year at £7.3m (FY22: £8.0m) as we look to utilise more cost-effective recruitment methods. In addition, £1.1m (FY22: £1.5m) was spent on the purchase of property, plant and equipment, resulting in a total investment in fixed assets of £17.4m (FY22: £17.5m).

Total expenditure on intangible assets and property, plant and equipment is shown below:

	31 July 2023 £m	31 July 2022 £m
Software development	**9.0**	**8.0**
Panel recruitment	**7.3**	**8.0**
Total expenditure on intangible assets	**16.3**	**16.0**
Purchase of property, plant and equipment	**1.1**	**1.5**
Total capital expenditure	**17.4**	**17.5**

Net inflow from financing activities includes £49.8m proceeds from the equity placing in relation to the proposed acquisition of GfK CPB, the dividend payment of £7.7m (FY22: £6.7m) and the purchase of treasury shares for £9.8m to satisfy future employee share option exercises (FY22: £9.9m). The £20.0m revolving facility remained undrawn during the year and was cancelled in July 2023. As a result, net cash balances at the year-end increased by £69.8m to £107.2m.

Currency

The Group's results were impacted by the net depreciation of UK Sterling, as its average exchange rate was 9% lower against the US Dollar in this period against the prior period. Movement against the Euro was 3% lower compared to 31 July 2022. The net impact of foreign exchange on the Group's adjusted operating profit[1] was an increase of £3.2m compared to calculation in constant currency terms.

Balance sheet

As at 31 July 2023, total shareholders' funds increased from £125.3m to £196.4m. Net assets increased from £125.0m to £196.2m, with a minority interest of £0.2m accounting for the difference. Net current assets increased from £4.5m to £74.1m. Current assets increased from £95.0m to £165.2m, mainly due to the increased cash balance in relation to the aforementioned equity placing. Current liabilities balance was similar to the prior year. Non-current liabilities decreased by £7.5m to £17.0m, mainly due to a decrease of £3.9m in deferred tax liabilities, and £2.4m in contingent consideration.

Proposed dividend

The Board is recommending the payment of a final dividend of 8.75p per share for the year ended 31 July 2023. If shareholders approve the dividend at the AGM (scheduled for 7 December 2023), it will be paid on Monday 11 December 2023 to all shareholders who were on the Register of Members at close of business on Friday 1 December 2023.

Alex McIntosh
Chief Finance Officer
10 October 2023

1 Defined in the explanation of non-IFRS measures below.

Explanation of non-IFRS measures

Financial measure	How we define it	Why we use it
Separately reported items	Items that in the Directors' judgement are one-off or need to be disclosed separately by virtue of their size or incidence	Provides a more comparable basis to assess the year-to-year operational business performance
Adjusted operating profit	Operating profit excluding separately reported items	
Adjusted operating profit margin	Adjusted operating profit expressed as a percentage of revenue	
Adjusted EBITDA	Adjusted operating profit before depreciation and amortisation	
Adjusted profit before tax	Profit before tax before share-based payment charges, social taxes on share-based payments, imputed interest and separately reported items	
Underlying growth	Growth in business excluding impact of current and prior period acquisitions and business closures, and movement in exchange rates (i.e. current year performance calculated with exchange rates held constant at prior year rates).	
Adjusted taxation	Taxation due on the adjusted profit before tax, thus excluding the tax effect of exceptional items	Provides a more comparable basis to assess the underlying tax rate
Adjusted tax rate	Adjusted taxation expressed as a percentage of adjusted profit before tax	
Adjusted profit after tax	Adjusted profit before tax less adjusted taxation	Facilitates performance evaluation, individually and relative to other companies
Adjusted profit after tax attributable to owners of the parent	Adjusted profit after tax less profit attributable to non-controlling interests	
Adjusted basic earnings per share	Adjusted profit after tax attributable to owners of the parent divided by the weighted average number of shares. Adjusted diluted earnings per share includes the impact of dilutive share options	
Constant currency revenue change	Current year revenue compared to prior year revenue in local currency translated at the current year average exchange rates	Shows the underlying revenue change by eliminating the impact of foreign exchange rate movements
Cash conversion	The ratio of cash generated from operations to adjusted EBITDA	Indicates the extent to which the business generates cash from adjusted operating profits
Compound annual growth rate (CAGR)	The annualised average rate of growth between two given years, assuming growth takes place at a cumulative rate	Indicates the mean annual growth rate for a specified period of time longer than one year

Reconciliation of non-IFRS measures

Revenue reconciliation	**Year to 31 July 2023 £m**	**Year to 31 July 2022 £m**	**Change %**
Revenue	258.3	221.1	17%
FX impact	-	11.1	-
Acquisitions	(20.3)	(12.9)	-
Underlying revenue	238.1	219.3	9%

Operating Profit reconciliation	**Year to 31 July 2023 £m**	**Year to 31 July 2022 £m**	**Change %**
Statutory Operating Profit	44.4	30.0	48%
Acquisition-related costs	3.9	6.3	(38%)
Adjusted Operating Profit	**48.3**	**36.3**	**33%**
FX impact	-	3.2	**-**
Acquisitions	1.1	0.8	38%
Underlying[1] operating profit	**49.4**	**40.3**	**23%**

Adjusted EBITDA[1] reconciliation	**Year to 31 July 2023 £m**	**Year to 31 July 2022 £m**	**Change %**
Adjusted Operating Profit	48.3	36.3	33%
Depreciation	4.3	4.9	(12%)
Amortisation	21.0	20.4	3%
Adjusted EBITDA	**73.6**	**61.6**	**19%**

1 Defined in the explanation of non-IFRS measures above.

Publication of Non-Statutory Accounts

The financial information relating to the year ended 31 July 2023 set out below does not constitute the Group's statutory accounts for that year but has been extracted from the statutory accounts, which received an unqualified auditors' report and which have not yet been filed with the Registrar.

Consolidated Income Statement
for the year ended 31 July 2023

	Note	2023 £m	2022 £m
Revenue	1	**258.3**	221.1
Cost of sales		**(37.4)**	(33.7)
Gross profit		**220.9**	187.4
Administrative expenses		**(176.5)**	(157.4)
Operating profit		**44.4**	30.0
Separately reported items	2	**3.9**	6.3
Adjusted operating profit		**48.3**	36.3
Finance income		**1.0**	-
Finance costs		**(0.7)**	(4.7)
Profit before taxation		**44.7**	25.3
Taxation	3	**(10.1)**	(7.8)
Profit after taxation		**34.6**	17.5
Attributable to:			
– Owners of the parent		**34.5**	17.1
– Non-controlling interests		**0.1**	0.4
		34.6	17.5
Earnings per share			
Basic earnings per share attributable to owners of the parent	5	**31.5**	15.7
Diluted earnings per share attributable to owners of the parent	5	**30.8**	15.4

All operations are continuing.

Consolidated Statement of Comprehensive Income
for the year ended 31 July 2023

	2023 £m	2022 £m
Profit for the year	**34.6**	17.5
Other comprehensive (expense)/income:		
Items that will not be reclassified to profit or loss		
Actuarial gains	**0.4**	1.2
Items that may be subsequently reclassified to profit or loss		
Currency translation differences	**(2.9)**	7.0
Other comprehensive (expense)/ income for the year	**(2.5)**	8.2
Total comprehensive income for the year	**32.1**	25.7
Attributable to:		
– Owners of the parent	**32.0**	25.3
– Non-controlling interests	**0.1**	0.4
Total comprehensive income for the year	**32.1**	25.7

Items in the statement above are disclosed net of tax.

Consolidated Statement of Financial Position
as at 31 July 2023

	Note	2023 £m	2022 (restated)[1] £m
Assets			
Non-current assets			
Goodwill	7	**82.4**	83.1
Other intangible assets	8	**31.9**	35.1
Property, plant and equipment		**3.6**	4.2
Right-of-use assets		**10.1**	11.3
Deferred tax assets		**11.1**	11.3
Total non-current assets		**139.1**	145.0
Current assets			
Trade and other receivables	9	**55.0**	53.5
Current tax assets		**3.0**	4.1
Cash and cash equivalents		**107.2**	37.4
Total current assets		**165.2**	95.0
Total assets		**304.3**	240.0
Liabilities			
Current liabilities			
Trade and other payables	10	**64.7**	66.8
Current tax liabilities		**7.0**	3.5
Contingent consideration		**4.4**	6.1
Provisions		**11.9**	11.2
Lease liabilities		**3.1**	2.9
Total current liabilities		**91.1**	90.5
Net current assets		**74.1**	4.5
Non-current liabilities			
Contingent consideration		**-**	2.4
Provisions		**6.8**	6.7
Defined benefit Pension net liability		**1.9**	2.0
Lease liabilities		**8.1**	9.3
Deferred tax liabilities		**0.2**	4.1
Total non-current liabilities		**17.0**	24.5
Total liabilities		**108.1**	115.0
Net assets		**196.2**	125.0
Equity			
Issued share capital		**0.2**	0.2
Share premium		**81.1**	31.5
Treasury reserve		**(19.4)**	(9.6)
Merger reserve		**9.2**	9.2
Foreign exchange reserve		**11.7**	14.6
Retained earnings		**113.6**	79.4
Total equity attributable to owners of the parent		**196.4**	125.3
Non-controlling interests in equity		**(0.2)**	(0.3)
Total equity		**196.2**	125.0

[1] As required by IFRS3, fair value adjustments have been made during the measurement period, as explained in the FY22 restatements section below

Consolidated Statement of Changes in Equity
for the year ended 31 July 2023

	Note	Issued share capital	Share premium	Treasury reserve	Merger reserve	Foreign exchange reserve	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests in equity	Total
		Attributable to equity holders of the Company								
		£m	£m	£m	£m	£m	£m	£m	£m	£m
Balance at 1 August 2021		0.2	31.5	(2.3)	9.2	7.6	66.5	112.7	(0.7)	112.0
Actuarial gains		-	-	-	-	-	1.2	1.2	-	1.2
Exchange differences on translation		-	-	-	-	7.0	-	7.0	-	7.0
Net gain recognised directly in equity		-	-	-	-	7.0	1.2	8.2	-	8.2
Profit for the year		-	-	-	-	-	17.1	17.1	0.4	17.5
Total comprehensive income for the year		-	-	-	-	7.0	18.3	25.3	0.4	25.7
Issue of shares		-	-	-	-	-	-	-	-	-
Acquisition of treasury shares		-	-	(9.9)	-	-	-	(9.9)	-	(9.9)
Treasury shares used to settle share option exercises		-	-	2.6	-	-	(2.6)	-	-	-
Dividends paid	4	-	-	-	-	-	(6.7)	(6.7)	-	(6.7)
Share-based payments		-	-	-	-	-	2.9	2.9	-	2.9
Tax in relation to share-based payments		-	-	-	-	-	1.0	1.0	-	1.0
Total transactions with owners recognised directly in equity		-	-	(7.3)	-	-	(5.4)	(12.7)	-	(12.7)
Balance at 31 July 2022		**0.2**	**31.5**	**(9.6)**	**9.2**	**14.6**	**79.4**	**125.3**	**(0.3)**	**125.0**
Actuarial gains		-	-	-	-	-	0.4	0.4	-	0.4
Exchange differences on translation		-	-	-	-	(2.9)	-	(2.9)	-	(2.9)
Net (loss)/gain recognised directly in equity		-	-	-	-	(2.9)	0.4	(2.5)	-	(2.5)
Profit for the year		-	-	-	-	-	34.5	34.5	0.1	34.6
Total comprehensive income/(expense) for the year		-	-	-	-	(2.9)	34.9	32.0	0.1	32.1
Issue of shares		-	49.6	-	-	-	-	49.6	-	49.6
Acquisition of treasury shares		-	-	(9.9)	-	-	-	(9.9)	-	(9.9)
Treasury shares used to settle share option exercises		-	-	0.1	-	-	(0.1)	-	-	-
Dividends paid	4	-	-	-	-	-	(7.7)	(7.7)	-	(7.7)
Share-based payments		-	-	-	-	-	7.6	7.6	-	7.6
Tax in relation to above other items		-	-	-	-	-	(0.5)	(0.5)	-	(0.5)
Total transactions with owners recognised directly in equity		-	49.6	(9.8)	-	-	(0.7)	39.1	-	39.1
Balance at 31 July 2023		**0.2**	**81.1**	**(19.4)**	**9.2**	**11.7**	**113.6**	**196.4**	**(0.2)**	**196.2**

Consolidated Statement of Cash Flows
for the year ended 31 July 2023

	Note	**2023** **£m**	2022 £m
Cash flows from operating activities			
Profit before taxation		**44.7**	25.3
Adjustments for:			
Finance income		**(0.3)**	-
Finance costs		**0.7**	1.0
Amortisation of intangibles	8	**21.0**	20.4
Depreciation		**4.3**	4.9
Share-based payments		**7.6**	2.9
Other non-cash items[1]		**(2.5)**	8.6
Settlement of deferred consideration		**(2.3)**	-
(Increase) in trade and other receivables		**(0.1)**	(4.4)
(Decrease)/increase in trade and other payables		**(3.1)**	9.5
(Decrease)/increase in provisions		**(1,0)**	1.5
Cash generated from operations		**69.0**	69.7
Interest paid		**(0.5)**	(0.9)
Income taxes paid		**(9.3)**	(6.9)
Net cash generated from operating activities		**59.2**	61.9
Cash flow from investing activities			
Acquisition of subsidiaries (net of cash acquired)		**-**	(25.4)
Purchase of property, plant and equipment		**(1.1)**	(1.5)
Purchase of intangible assets		**(16.3)**	(16.0)
Interest received		**0.3**	-
Net cash used in investing activities		**(17.1)**	(42.9)
Cash flows from financing activities			
Proceeds from the issue of share capital		**49.8**	-
Principal element of lease payments		**(3.2)**	(3.4)
Draw down of bank loans		**-**	20.0
Repayment of bank loans		**-**	(20.0)
Dividends paid to shareholders		**(7.7)**	(6.7)
Purchase of treasury shares		**(9.8)**	(9.9)
Net cash generated from / (used) in financing activities		**29.1**	(20.0)
Net increase/ (decrease) in cash and cash equivalents		**71.2**	(1.0)
Cash and cash equivalents at beginning of year		**37.4**	35.5
Exchange (loss)/gain on cash and cash equivalents		**(1.4)**	2.9
Cash and cash equivalents at end of year		**107.2**	37.4

[1] Includes (£1.8m) (2022: £5.2m) of contingent consideration in respect of acquisitions treated as staff costs and foreign exchange costs.

Notes to the Consolidated Financial Statements for the year ended 31 July 2023

Nature of operations

YouGov plc and subsidiaries' (the "Group") principal activity is the provision of digital market research.

YouGov plc (the "Company") is the Group's ultimate Parent Company. It is a public limited company incorporated and domiciled in the United Kingdom. The address of YouGov plc's registered office is 50 Featherstone Street, London EC1Y 8RT, United Kingdom. YouGov plc's shares are listed on the Alternative Investment Market of the London Stock Exchange.

YouGov plc's annual consolidated financial statements are presented in UK Sterling. Figures are rounded to the nearest million UK Sterling, unless otherwise indicated.

Basis of preparation

The following financial information does not amount to full financial statements within the meaning of Section 434 of Companies Act 2006. The financial information has been extracted from the Group's Annual Report and Financial Statements for the year ended 31 July 2023.

The consolidated financial statements of YouGov plc are for the year ended 31 July 2023. They have been prepared under the historical cost convention modified for fair values under International Financial Reporting Standards ("IFRS"). Financial assets, such as defined benefit plan assets, and financial liabilities, such as contingent consideration, are measured at fair value. These consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006 applicable to companies reporting under IFRS.

The separate financial statements of the Company are presented as required by the Companies Act 2006.

Financial statements for the year ended 31 July 2022 have been delivered to the Registrar of Companies; the report of the auditors on those accounts was unqualified and did not contain a statement under Section 498 of the Companies Act 2006. Copies of the 2023 Annual Report and Financial Statements will be posted to shareholders shortly and will be available from the Company's registered office at 50 Featherstone Street, London, EC1Y 8RT.

FY22 restatements

In the prior year, the Group acquired LINK Marketing Services AG (LINK), a Swiss market research business. The Group initially estimated a value of £7.0m for the customer contract intangible assets, based on forecast revenue and operating costs for servicing those contracts. Due to information gathered within the first year of operating LINK, the Group has updated the valuation of the opening customer contract intangible assets to £4.1m and has reduced the associated deferred tax liability by £0.4m with a corresponding £2.9m increase in the goodwill for LINK, net of a £0.2m adjustment in respect of deferred tax and working capital (see Note 7 and Note 8). This has been retrospectively adjusted on the consolidated balance sheet as 31 July 2022 as required by IFRS 3.

Going concern

The Group and Parent Company meets their day-to-day working capital requirements through their strong cash reserves. At 31 July 2023, the Group had a healthy liquidity position with £107.2m of cash and cash equivalents and no debt financing commitments. The Group has net current assets of £74.1m and net assets of £196.2m as at 31 July 2023.

Management consider it is appropriate to continue to adopt the going concern basis in preparing the Consolidated and Parent Company financial statements. In doing so, management has considered:

- The impact of the heightened economic uncertainty resulting in rising inflation and relatively high interest rates on the Group's operations;
- The Group's revenue sources and operations are well diversified, by country, currency and sector so there is a track record of growth;

- Strong cashflows in the current year and projected these for the next two years (based upon the Group's budget for the year ending 31 July 2024);
- Available funding, including the £51m share placing, term loan facility in place and the related covenants;
- The liquidity impact of the planned acquisition of the Consumer Panel Business of GfK SE; and
- The Group's ability to flex its cost base in response to any unexpected reductions in trading activity.

As disclosed in Note 6, the group is in the process of acquiring the Consumer Panel Business of GfK SE. This will be funded from cash on hand (which arose from a £51m share placing and strong operating cashflows) and a €240m term loan facility. The facility includes half-yearly covenant test for EBITDA leverage and interest cover. The Consumer Panel Business is a division of GfK and brings with it healthy operating cash flows generated from a high proportion of steady recurring revenue streams.

A severe but plausible downside scenario has been modelled where revenue targets are missed by up to 20% (existing YouGov business) and a 10% miss for the planned acquisition, due to reduced revenue (e.g. from clients' delays and a slowdown in securing new business). These revenue sensitivities are considered appropriate given the relative proportion of recurring revenue streams for each business.

Even in this scenario, the Group has strong liquidity and does not breach any banking covenants for the new term loan facility. Mitigating actions within this downside scenario and ll within management's control are:

- Lowering sales commission and bonus payments; and
- Reduced capital expenditure.

The Directors are therefore able to conclude that they have a reasonable expectation that the Group and Parent Company have adequate resources to continue in operational existence and meet liabilities as they fall due for at least the next 12 months. Therefore, the Group and Parent Company continue to adopt the going concern basis in preparing the Consolidated and Parent Company financial statements.

Notes to the Consolidated Financial Statements Continued
for the year ended 31 July 2023

1 Segmental analysis

The Board of Directors (which is the "chief operating decision maker") primarily reviews information based on product lines, being split as syndicated services such as Data Products and non-syndicated services such as Custom Research and Data Services – with supplemental geographical information. Revenue for FY23 included a full year contribution from businesses acquired in the prior year – Rezonence Limited (acquired 30 September 2021) and LINK Marketing Services AG (acquired 9 December 2021).

2023	Custom Research £m	Data Products £m	Data Services £m	Other revenue, eliminations and unallocated costs £m	Group £m
Revenue					
Recognised over time	**40.4**	**83.7**	**0.3**	**2.6**	**127.0**
Recognised at a point in time	**81.4**	**2.2**	**47.5**	**0.2**	**131.3**
Total revenue	**121.8**	**85.9**	**47.8**	**2.8**	**258.3**
Cost of sales	**(21.4)**	**(6.1)**	**(7.0)**	**(2.9)**	**(37.4)**
Gross profit	**100.4**	**79.8**	**40.8**	**(0.1)**	**220.9**
Administrative expenses	**(72.9)**	**(43.8)**	**(33.3)**	**(22.6)**	**(172.6)**
Adjusted operating profit/ (loss)	**27.5**	**36.0**	**7.5**	**(22.7)**	**48.3**
Separately reported items	**-**	**-**	**-**	**(3.9)**	**(3.9)**
Operating profit/ (loss)	**27.5**	**36.0**	**7.5**	**(26.6)**	**44.4**
Finance income					**1.0**
Finance costs					**(0.7)**
Profit before taxation					**44.7**
Taxation					**(10.1)**
Profit after taxation					**34.6**

2022	Custom Research £m	Data Products £m	Data Services £m	Other revenue, eliminations and unallocated costs £m	Group £m
Revenue					
Recognised over time	**31.8**	**73.1**	**0.5**	**2.4**	**107.8**
Recognised at a point in time	**63.8**	**1.0**	**50.2**	**(1.7)**	**113.3**
Total revenue	95.6	74.1	50.7	0.7	221.1
Cost of sales	**(19.1)**	**(6.6)**	**(8.0)**	**-**	**(33.7)**
Gross profit	76.5	67.5	42.7	0.7	187.4
Administrative expenses	**(55.5)**	**(40.5)**	**(35.0)**	**(20.1)**	**(151.1)**
Adjusted operating profit/ (loss)	21.0	27.0	7.7	(19.4)	36.3
Separately reported items	**-**	**-**	**-**	**(6.3)**	**(6.3)**
Operating profit/ (loss)	21.0	27.0	7.7	(25.7)	30.0
Finance income					**-**
Finance costs					**(4.7)**
Profit before taxation					25.3
Taxation					**(7.8)**
Profit after taxation					17.5

Supplementary analysis by geography

	2023		2022	
	Revenue	**Adjusted operating profit/ (loss)**	Revenue	Adjusted operating profit/ (loss)
	£m	**£m**	£m	£m
UK	**65.6**	**19.5**	57.9	17.8
Americas	**116.4**	**41.1**	99.5	32.1
Mainland Europe	**58.2**	**4.8**	45.7	3.3
Middle East	**8.8**	**2.5**	6.2	1.7
Asia Pacific	**23.5**	**3.6**	20.8	1.8
Intra-group revenues and other unallocated revenues/ (costs)	**(14.2)**	**(23.2)**	(9.0)	(20.4)
Group	**258.3**	**48.3**	221.1	36.3

2 Separately reported items

	2023	2022
	£m	£m
Acquisition-related costs	3.9	6.3

Acquisition-related costs in the year of £5.0m includes £4.8m of costs in relation to the planned acquisition of GfK CPB of which £0.4m relates to bridge debt facility fees and the remaining £4.4m of fees relates to professional advisory services from banks, lawyers and accountants. There has also been a net £1.1m release of previously accrued contingent consideration treated as staff costs in respect of the acquisitions of Portent.io Limited, Charlton Insights Inc., YouGov Finance Limited (formerly Lean App Limited) and Faster Horses Pty Limited. The release of the accrual was, primarily, in relation to Faster Horses where the earn-out performance has not been as strong as initially expected.

Acquisition-related costs in the comparative period comprise of £5.2m contingent consideration treated as staff costs in respect of the acquisitions of Portent.io Limited, Charlton Insights Inc., YouGov Finance Limited (formerly Lean App Limited) and Faster Horses Pty Limited and £1.1m of transaction costs in respect of newly acquired entities.

Notes to the Consolidated Financial Statements Continued
for the year ended 31 July 2023

3 Taxation

The taxation charge represents:

	2023	2022
	£m	£m
Current tax on profits for the year	**9.0**	3.1
Foreign tax	**5.5**	4.0
Adjustments in respect of prior years	**(0.1)**	0.1
Total current tax charge	**14.4**	7.2
Deferred tax:		
Origination and reversal of temporary differences	**(4.7)**	(3.1)
Adjustments in respect of prior years	**(0.1)**	3.5
Impact of changes in tax rates	**0.5**	0.2
Total deferred tax charge	**(4.3)**	0.6
Total income statement tax charge	**10.1**	7.8

The tax assessed for the year is higher (2022: higher) than the standard rate of corporation tax in the UK. The Group's effective tax rate on profit is 22.6% (2022: 30.8%)

The differences are explained below:

	2023	2022
	£m	£m
Profit before taxation	**44.7**	25.3
Tax charge calculated at Group's standard rate of 21% (2022: 19%)	**9.4**	4.8
Variance in overseas tax rates	**(0.4)**	(1.4)
Impact of change in in tax rates	**0.5**	0.2
Impact of difference between current and deferred tax rate	**(0.2)**	(0.2)
Expenses not deductible for tax purposes	**0.5**	0.8
Adjustments in respect of prior years	**(0.2)**	3.6
Other differences	**0.5**	-
Total income statement tax charge for the year	**10.1**	7.8

Excess tax relief on employee share option schemes of £0.3m (2022: £1.0m) was recognised as income tax directly in equity, split between current tax of £0.1m (2022: £0.9m) and deferred tax of £0.3m (2022: (£0.1m).

The UK Government announced that the main UK corporation tax rate would increase to 25% from 1 April 2023 and had substantively enacted the higher rate before 31 July 2022. So the effect of that higher rate was first included in the prior year financial statements.

The Group's net current tax provision of £4.0m relates to management's judgement of the amount of tax payable on open tax computations where the liabilities remain to be agreed with tax authorities in the countries that the group operates, principally the uncertain tax items for which a provision is made. Due to the uncertainty associated with such tax items, it is possible that at a future date, on conclusion of open tax matters, the final outcome may vary significantly. While a range of outcomes is reasonably possible, the extent of this range is additional liabilities of up to £3m to a reduction in liabilities of up to £2m.

Notes to the Consolidated Financial Statements Continued for the year ended 31 July 2023

4 Dividend

On 12 December 2022, a final dividend in respect of the year ended 31 July 2022 of £7,710,000 (7.0p per share) (2021: £6,700,000 (6.0p per share)) was paid to shareholders. A dividend in respect of the year ended 31 July 2023 of 8.75p per share, amounting to a total dividend of £10,065,000, is to be proposed at the Annual General Meeting on 7 December 2023. These financial statements do not reflect this proposed dividend payable.

5 Earnings per share

The calculation of the basic earnings per share is based on the earnings attributable to Ordinary Shareholders divided by the weighted average number of shares in issue during the year. Shares held in employee share trusts are excluded for the purposes of this calculation.

The calculation of diluted earnings per share is based on the basic earnings per share, adjusted to allow for the issue of shares, on the assumed conversion of all dilutive options and other potentially dilutive Ordinary Shares.

The adjusted earnings per share has been calculated to reflect the underlying profitability of the business by excluding share-based payments and related employer's social costs, imputed interest, other separately reported items and any related tax effects as well as the derecognition of tax losses. Share-based payments and related social taxes have been excluded from the adjusted earnings per share as the YouGov plc share price is a key driver of these costs.

	2023	2022
	£m	£m
Profit after taxation attributable to equity holders of the Parent Company	**34.5**	17.1
Add: share-based payments	**7.6**	2.9
Add: imputed interest	**0.2**	0.1
Add: separately reported items (Note 2)	**3.9**	6.3
Tax effect of the above adjustments and adjusting tax items	**(1.9)**	(0.4)
Adjusted profit after taxation attributable to equity holders of the Parent Company	**44.3**	26.0

Notes to the Consolidated Financial Statements Continued for the year ended 31 July 2023

Reconciliations of the earnings and weighted average number of shares used in the calculations are set out below.

	2023	2022
Number of shares		
Weighted average number of shares during the year: (‘m shares)		
– Basic	**109.6**	109.9
– Dilutive effect of share options	**2.5**	2.3
– Diluted	**112.1**	112.2
The adjustments have the following effect (pence):		
Basic earnings per share	**31.5**	15.7
Share-based payments	**6.9**	2.6
Imputed interest	**0.3**	0.1
Separately reported items	**3.5**	5.7
Tax effect of the above adjustments and adjusting tax items	**(1.7)**	(0.4)
Adjusted basic earnings per share	**40.5**	23.7
Diluted earnings per share	**30.8**	15.4
Share-based payments and related social taxes	**6.7**	2.5
Imputed interest	**0.3**	0.1
Separately reported items	**3.4**	5.6
Tax effect of the above adjustments and adjusting tax items	**(1.7)**	(0.4)
Adjusted diluted earnings per share	**39.5**	23.2

6 Business combinations

No acquisitions have completed in the year (2022: 2 acquisitions). The Group announced on 6 July 2023 that it has entered into an agreement to acquire the Consumer Panel Business of GfK SE (GfK CPB) for a headline purchase price of €315 million. The acquisition is expected to complete in the second half of 2023. The completion is subject to customary closing conditions and approvals from regulatory authorities. The acquisition is expected to be financed by £51.2 million gross proceeds from the newly issued YouGov ordinary shares, new term and revolving credit facility of up to €280m and existing cash on hand.

The Group has already incurred acquisition-related costs such as professional advisory fees from banks, lawyers and accountants of £4.4 million in FY23. These have been recognised within separately reported items in the consolidated income statement. In addition, £1.1m bridge debt facility fee has been prepaid, of which £0.4m was recognised in FY23. Additional costs of £6 million are expected to be incurred in FY24.

Contingent consideration charge of £1.1m was incurred in the current year in relation to acquisitions undertaken in previous years, recognised in the income statement as separately reported items. This is contingent upon continuing employment and, therefore, has been treated as staff compensation under IFRS 3.

Notes to the Consolidated Financial Statements Continued for the year ended 31 July 2023

7 Goodwill

	Americas	Rest of Europe	DACH	Middle East	Asia Pacific	UK	Total
	£m	£m	£m	£m	£m	£m	£m
Carrying amount at 1 August 2021	33.9	5.9	11.5	1.6	2.5	5.1	60.5
Additions	-	-	14.5	-	-	4.0	18.5
Remeasurement[1]	-	-	2.7	-	-	-	2.7
Exchange differences	2.6	-	(1.7)	0.2	0.3	-	1.4
Carrying amount at 31 July 2022	36.5	5.9	27.0	1.8	2.8	9.1	83.1
At 31 July 2022							
Cost	36.5	8.0	29.5	1.8	2.8	9.1	87.7
Accumulated impairment	-	(2.1)	(2.5)	-	-	-	(4.6)
Net book amount	36.5	5.9	27.0	1.8	2.8	9.1	83.1
Carrying amount at 31 July 2022	**36.5**	**5.9**	**27.0**	**1.8**	**2.8**	**9.1**	**83.1**
Exchange differences	**(1.1)**	**0.1**	**0.6**	**(0.1)**	**(0.2)**	**-**	**(0.7)**
Carrying amount at 31 July 2023	**35.4**	**6.0**	**27.6**	**1.7**	**2.6**	**9.1**	**82.4**
At 31 July 2023							
Cost	**35.4**	**8.1**	**30.1**	**1.7**	**2.6**	**9.1**	**87.0**
Accumulated impairment	**-**	**(2.1)**	**(2.5)**	**-**	**-**	**-**	**(4.6)**
Net book amount	**35.4**	**6.0**	**27.6**	**1.7**	**2.6**	**9.1**	**82.4**

1 The fair value remeasurements for the LINK (Switzerland) opening balance sheet were made retrospectively at 31 July 2022 resulting in a £2.9m reclassification from customer relationship intangible assets to goodwill, net of a £0.2m adjustment in respect of deferred tax and working capital.

In prior reporting periods, the Nordic region was treated as a separate CGU. In 2023, the Nordics, Spain, France and Italy were combined into the Rest of Europe (ROE) under one regional CEO. The ROE CEO and Senior Leadership Team have been optimising operations across the region by pooling resources, such as people and assets, to service larger clients jointly, and having a coordinated ROE strategy to targeting larger multi-national European clients. They have been supported by combined support functions. The goodwill related to Nordic has, therefore, been absorbed into the ROE CGU, which now represents the smallest identifiable group that generates independent cashflows.

In accordance with IAS 36, the carrying values of goodwill and other intangible assets are reviewed annually for impairment. The annual impairment review is undertaken as at 30 April 2023 to align with the quarterly forecast process.

The recoverable amounts of all CGUs have been determined based on value-in-use calculations. This review assessed whether the carrying value of goodwill was supported by the net present value of future cash flows derived from assets using a projection period of five years for each CGU based on the forecast numbers for the year ended 31 July 2023.

The sources of the assumptions used in making the assessment are as follows:

– CGU revenue annual growth rates of 7% to 12% for years 1-5 Growth rates are forecasts based on both internal and external market information.
– Perpetuity growth rates based on management's estimate of future long-term average growth rates are 2.5% (2022: 2% to 2.25%).
– Pre-tax weighted average costs of capital of 11% to 14% (2022: 9% to 12%).

Management has performed a sensitivity analysis on the net present value of the future cash flows by applying reasonably possible adverse effects on the impairment review variables that could arise individually or collectively. There were no reasonably possible changes in any of the key assumptions that would have resulted in an impairment in the Group's CGUs.

Sufficient headroom exists in all CGUs to support the valuation of goodwill.

Notes to the Consolidated Financial Statements Continued
for the year ended 31 July 2023

8 Other intangible assets

Group	Consumer panel £m	Software and software development £m	Customer contracts, trademarks, patents and product development £m	Total £m
At 1 August 2021				
Cost	34.1	50.4	7.9	92.4
Accumulated amortisation	(20.2)	(38.0)	(5.0)	(63.2)
Net book amount	13.9	12.4	2.9	29.2
Year ended 31 July 2022				
Opening net book amount	13.9	12.4	2.9	29.2
Additions:				
Separately acquired	9.3	1.1	-	10.4
Internally developed	-	6.9	-	6.9
Through business combinations	0.7	1.4	8.1	10.2
Remeasurement[1]	-	-	(2.9)	(2.9)
Disposals	(1.7)	(0.2)	-	(1.9)
Amortisation:				
Amortisation - current year charge	(9.9)	(9.1)	(1.4)	(20.4)
Amortisation - disposals	1.7	0.2	-	1.9
Exchange differences	0.9	-	0.8	1.7
Closing net book amount	14.9	12.7	7.5	35.1
At 31 July 2022				
Cost	44.8	59.6	14.1	118.5
Accumulated amortisation	(29.9)	(46.9)	(6.6)	(83.4)
Net book amount	14.9	12.7	7.5	35.1
Year ended 31 July 2023				
Opening net book amount	**14.9**	**12.7**	**7.5**	**35.1**
Additions:				
Separately acquired	**9.3**	**1.2**	**-**	**10.5**
Internally developed	**-**	**7.8**	**-**	**7.8**
Disposals	**(7.4)**	**-**	**-**	**(7.4)**
Amortisation:				
Amortisation - current year charge	**(10.5)**	**(9.3)**	**(1.2)**	**(21.0)**
Amortisation - disposals	**7.4**	**-**	**-**	**7.4**
Exchange differences	**(0.3)**	**(0.1)**	**(0.1)**	**(0.5)**
Closing net book amount	**13.4**	**12.3**	**6.2**	**31.9**
At 31 July 2023				
Cost	**45.6**	**58.6**	**13.8**	**118.0**
Accumulated amortisation	**(32.2)**	**(46.3)**	**(7.6)**	**(86.1)**
Net book amount	**13.4**	**12.3**	**6.2**	**31.9**

1 The fair value remeasurements for the LINK (Switzerland) opening balance sheet were made retrospectively at 31 July 2022 resulting in a £2.9m reclassification from customer relationship intangible assets to goodwill, net of a £0.2m adjustment in respect of deferred tax working capital.

Out of the remaining £6.2m (FY22: £7.5m restated) net book amount of other assets for Group as at 31 July 2023, £5.3m (FY22: £6.2m restated) are customer contracts and lists with the remaining £0.9m (FY22: £1.3m) for trademarks, patents and product development.

Notes to the Consolidated Financial Statements Continued
for the year ended 31 July 2023

9 Trade and other receivables

	31 July 2023	31 July 2022
	£m	£m
Trade receivables	**28.4**	26.1
Expected credit loss	**(1.0)**	(0.9)
Net trade receivables	**27.4**	25.2
Other receivables	**6.3**	7.3
Prepayments	**6.5**	6.0
Accrued income	**14.8**	15.0
	55.0	53.5

10 Trade and other payables

	31 July 2023	31 July 2022
	£m	£m
Trade payables	**6.1**	6.6
Other payables	**10.4**	15.0
Accruals	**21.6**	21.5
Deferred income	**26.6**	23.7
	64.7	66.8

11 Events after the reporting year

On 2 October 2023, YouGov has agreed a term and revolving credit facility (the “Facility’”) of up to €280m. The facility is comprised of a €240m amortising term loan with a tenor of four years and a €40m Revolving Credit Facility (“RCF”) with a tenor of three years (with an option to extend). This Facility replaces the Group’s existing £20m RCF and the €240m acquisition bridge debt facility, both of which were undrawn and have been cancelled. The facility will be used to finance the acquisition of GfK CPB and for general corporate purposes that support the Group’s long-term growth strategy. There have been no other events subsequent to 31 July 2023 that would require an adjustment to, or disclosure in, these financial statements.