

8 October 2019

**YouGov plc**

**Full Year Results for the year ended 31 July 2019**

**Strong growth in earnings, exceeded targets for five-year plan**

<b>Summary of Results</b>			
	<b>Year to 31 July 2019 £m</b>	<b>Year to 31 July 2018 £m</b>	<b>% Change</b>
<b>Revenue</b>	<b>136.5</b>	<b>116.6</b>	<b>17%</b>
<b>Adjusted EBITDA<sup>1</sup></b>	<b>28.6</b>	<b>20.9</b>	<b>37%</b>
<b>Adjusted Operating Profit<sup>2</sup></b>	<b>18.3</b>	<b>12.7</b>	<b>45%</b>
<b>Adjusted Operating Profit Margin (%)<sup>2</sup></b>	<b>13%</b>	<b>11%</b>	<b>2% pts</b>
<b>Adjusted Profit before Tax<sup>2</sup></b>	<b>20.5</b>	<b>16.3</b>	<b>26%</b>
<b>Statutory Profit before Tax</b>	<b>19.5</b>	<b>11.8</b>	<b>65%</b>
<b>Adjusted Basic Earnings per Share<sup>2</sup></b>	<b>14.9p</b>	<b>11.5p</b>	<b>30%</b>
<b>Statutory Operating Profit</b>	<b>19.8</b>	<b>11.8</b>	<b>69%</b>
<b>Statutory Basic Earnings per Share</b>	<b>14.2p</b>	<b>7.7p</b>	<b>84%</b>

**Financial Highlights**

- Revenue growth of 17% (2018: 9%) – Underlying business<sup>3</sup> growth of 10%
- Adjusted operating profit<sup>2</sup> up by 45% to £18.3m – 45% underlying business<sup>2</sup> growth
- Statutory operating profit up 69% to £19.8m
- Adjusted profit before tax<sup>2</sup> up by 26% to £20.5m
- Adjusted earnings per share<sup>2</sup> up by 30% to 14.9p (2018: 11.5p)
- Adjusted operating profit margin<sup>2</sup> up 2 percentage points to 13%
- Net cash balances of £37.9m (31 July 2018: £30.6m)
- Recommended dividend increase of 33% to 4.0p per share, payable in December 2019 (2018: 3.0p per share)

**Operational Highlights**

- Data Products & Services revenue up by 32% to £78.7m (18% from underlying business<sup>3</sup>); now representing 56% of total (2018: 50%)
  - Data Products: Revenue increased by 36% (25% from underlying business<sup>3</sup>) to £41.5m. Adjusted operating profit up by 50% to £14.1m.
  - Data Services: Revenue increased by 28% (11% from underlying business<sup>3</sup>) to £37.2m. Adjusted operating profit up by 21% to £7.4m.
- Custom Research revenue increased by 2% to £60.0m; continued strategic focus on higher margin work resulting in a 10% increase in adjusted operating profit to £12.9m
- Strong performance from the UK and US: UK revenue grew by 31% (18% underlying) and US revenue grew by 17% (5% underlying)
- First five-year plan complete – stretching targets exceeded

1. Defined in the explanation of non-IFRS measures on page 15.

2. Defined in the explanation of non-IFRS measures on page 15. In these Full Year results and in future, we are using a revised definition of adjusted operating profit that includes amortisation of intangible assets charged to operating expenses; comparative figures have been restated accordingly.

3. Defined as growth in business excluding impact of current and prior period acquisitions £9.1m, the reduction in revenue as a result of the rationalisation of the Custom Research Business (£2.7m) and movement in exchange rates £2.4m.

**Commenting on the results, Stephan Shakespeare, Chief Executive, said:**

*“It has been a milestone year for YouGov. Five years ago we set ourselves ambitious growth targets which reflected our belief in the business’ ability to expand its international reach, develop best-in-class products and dynamically respond to changing client needs. I am delighted that we have exceeded those targets. We have consistently delivered growth ahead of the market in that time, proving that YouGov’s technologies, services and people are truly world leading.*

*We remain very ambitious. This year was also the first year of our next five-year plan and we have made a great start, delivering strong growth in earnings. We have been winning more clients, taking on larger contracts and projects, and strengthening our position across the globe. At the same time, we have continued to invest in our products and technology. The power of our data is driving our business forward, and we look forward to continuing this trend in the coming year.*

*Trading in the current year has started in line with the Board’s expectations, and our outlook for the business remains strong.”*

**Enquiries:**

**YouGov plc**

Stephan Shakespeare / Alex McIntosh

020 7012 6000

**FTI Consulting**

Charles Palmer / Leah Dudley

020 3727 1000

**Numis Securities Limited** (NOMAD and broker)

Nick Westlake / Matt Lewis / Hugo Rubinstein

020 7260 1000

## Chair's Statement

YouGov is an international data and analytics group. We provide our clients with the data and insights to help them plan, develop and evaluate the impact of their marketing and communication activities. We now operate from 36 offices in 22 countries. This enables us to serve clients in more than 40 national markets. We operate a global panel of over 8 million panellists who share their data with us in ways that are fully compliant with data protection, privacy and security laws.

We have achieved another year of strong organic revenue growth, well ahead of the market<sup>1</sup>. This growth has led to a further increase in profitability, as we continue to focus on improving the business' margins.

### Results and Dividend

Group revenues were up 17% in reported terms to £136.5m (10% up on underlying<sup>2</sup> business) while adjusted operating profit<sup>3</sup> increased by 45% on the prior financial year to £18.3m. Improving margins has been a key component of YouGov's 2014-19 five-year plan for the business, and a significant driver of increased adjusted operating profit. This is in part a result of the business' strategy to focus on subscription data products.

These results reflect the Group successfully exceeding its five-year targets, as well as an encouraging start to the next phase of YouGov's growth. The Board remains confident in YouGov's potential, and is therefore pleased to recommend a dividend increase of 33% to 4.0 pence per share, payable on 16 December 2019.

### Strategic Direction

This year was the final year of our first five-year plan ("FYP1"). Over the course of FYP1, we have taken a series of actions consistent with our stated plan of moving away from traditional, project-based, market research to a subscription-based syndicated data model with supplementary data analysis services. We have chosen this strategic direction based on the changing needs of our clients and the availability of new technologies. It informs our decisions on recruitment, training, technology and geographic expansion.

Our aspirational goal is to be recognised as the world's leading provider of high-quality market and opinion data and insights. Our cultivation of the world's largest and most engaged consumer panel will be a key enabler of this goal.

### Long-Term Growth Plans and LTIP Targets

We choose to operate using the tool of five-year strategic growth plans to enable us to allocate resources, make investment decisions and to create a close link between corporate performance and executive remuneration. At the same time, as YouGov is growing fast in a dynamic and rapidly changing market, we place a high emphasis on remaining agile and nimble. Having a five-year plan does not mean we feel we can confidently predict exactly how our market and our business will evolve over time, but it does set fixed and challenging financial performance targets which will create significant shareholder value.

The key targets for FYP1 were to grow adjusted earnings per share<sup>2</sup> at a compound annual rate of more than 25%, and for the average adjusted operating margin<sup>2</sup> to be at least 12% (on the previous adjusted operating profit definition), over the five years to 31 July 2019. As this year's results show, both of those stretching targets were exceeded and therefore the long-term incentive plan aligned with FYP1, the LTIP 2014, is due to vest in full in November 2019.

The Company's next long-term growth plan ("FYP2") has been approved by the Board and focuses on the achievement of our aspirational goals and targets. The key targets for the four years to 31 July 2023 which define FYP2 are:

- Double group revenue
- Double group adjusted operating profit margin<sup>2</sup>
- Achieve an adjusted earnings per share<sup>2</sup> compound annual growth rate in excess of 30%

Following consultation with the Company's major shareholders, the Board has approved a new long-term incentive plan aligned with FYP2, with full vesting to be determined by growth in adjusted earnings per share<sup>2</sup> at a compound annual rate of more than 35%. More detail on the YouGov Long-Term Incentive Plan 2019 (the "LTIP 2019") is provided on pages 34 to 36 of this announcement. The LTIP 2019 forms part of the 2019 Annual Report on Remuneration which shareholders will be invited to approve at the upcoming Annual General Meeting ("AGM").

## Employee Benefit Trust

During the year we established a new Employee Benefit Trust and approved a Share Purchase Programme of up to 1,000,000 YouGov plc shares by the end of October 2019. As at 31 July 2019, the Trust held 755,000 Ordinary shares. These shares will ultimately be used by the Trust for the settlement of awards granted under the Company's employee share plans. At the time of writing, a continuation of the Share Purchase Programme for a further 12 months to October 2020 is under consideration by the Board.

## Board Composition

Following the year end, we announced the retirement of two Non-Executive Directors from the Board. Ben Elliot stepped down in September 2019 after nine years' service and Nick Jones will be stepping down in December 2019 after ten years' service. Both Ben and Nick made significant contributions to YouGov over the years and, on behalf of shareholders, the Board offers them our sincere thanks.

Ashley Martin, who joined the Board during the year, has taken over from Nick as Chair of our Audit & Risk Committee. Rosemary Leith, who chairs our Remuneration Committee, will be taking on Nick's role as Senior Independent Director.

Following Nick's departure, our Board will consist of four independent Non-Executive Directors and three Executive Directors. We have in place a comprehensive succession plan for all Board members to ensure we continue to have the right balance of skills and independent oversight.

## Stakeholders

YouGov now employs more than 1,000 staff across four continents. On behalf of the Board and shareholders, I would like to thank all our employees, as well as our panellists, partners and clients, for their contribution to YouGov's ongoing success.

## Current Trading

Trading in the current financial year is in line with the Board's expectations.

**Roger Parry CBE**  
**Chair**

8 October 2019

1. According to the ESOMAR Global Market Research Report published in September 2019, global research market turnover grew by 2.1% in 2018 (or by -0.3% after inflationary effects are factored in).
2. Defined as growth in business excluding impact of current and prior period acquisitions £9.1m, the reduction in revenue as a result of the rationalisation of the Custom Research Business (£2.7m) and movement in exchange rates £2.4m.
3. Defined in the explanation of non-IFRS measures on page 15.

## Chief Executive Officer's Review

We have had another strong year, growing our revenue by 17%, our adjusted operating profit<sup>1</sup> by 45%, our adjusted operating margin<sup>1</sup> by 2 percentage points, and exceeding our ambitious five-year targets. Statutory operating profit increased by 69%.

There were three main drivers to this strong performance: continued emphasis on scalable data products and services; alignment of custom research with our key advantages of panel, methodology and technology; and the success of our acquisitions.

Our Data Products and Data Services divisions have continued to grow in number of clients, size of contracts and geographic spread; our Custom Research division has also grown significantly with greater emphasis on scalable work such as multi-wave global trackers. The two acquisitions we made in the prior year (the Australian research agency, Galaxy Research, and the sports marketing research agency, SMG Insights, now YouGov Sports) have integrated well and added many new clients.

The YouGov offer, based on the YouGov Cube (our connected data library) and Crunch (our data analytics and visualisation tool), is well aligned with trends in the market towards more sophisticated data and tools. Further, the increasing emphasis not only on the quality of connected data but also on the ethics of personal data has benefitted the YouGov model of a large, permissioned panel, with relationships based on accountability, and a transparent, efficient infrastructure.

### Achievement of five-year plan targets

In 2014 we unveiled our first five-year growth plan ("FYP1") for improving profitability. The five-year target (essentially, trebling profit) forced us to make hard decisions about organisational strategy and structure and drove us to innovate boldly. The strategy was to focus on growing our Data Products and Data Services divisions, which have operational leverage, even though it meant withdrawing from custom research projects that, while profitable, did not benefit from the strengths of our unique connected-data system. Our investment in technology and products during the last five years has created a platform for scalable profit generation and has enabled our business to consistently deliver results ahead of the market<sup>2</sup>. It is from this position of strength that we have begun to execute our new growth strategy.

When we laid out our FYP1 targets, they were considered stretching and ambitious. Today we are pleased to announce that we have exceeded those targets.

We remain no less ambitious in our aspirations for the future. In the Half Year Announcement (April 2019) we set out a new growth plan with even more stretching goals to ensure we continue at pace to build on the strong business we have worked hard to create.

### New growth plan and long-term targets

Our new growth plan ("FYP2"), to be delivered within the next four years to 2023, deploys the same idea that very difficult targets force us to focus boldly, and to invest in innovation.

The underlying strategy that drives our FYP2 plan is defined by the mantra: "YouGov. Best panel - Best data - Best tools". Our plan builds on the market-leading position we have built through our GDPR<sup>3</sup>-compliant proprietary panel; the richness, relevance and connectedness of the data in the YouGov Cube; the power of our analytics platform, YouGov Crunch; the accuracy of our ground-breaking methodologies; and the ethical relationship we have with our panellists, who trust us with deep and extensive data about them because of our transparency and our commitment to mutual benefit.

Our ambition is to create a universal platform for the ethical and safe sharing of opinions and personal data, unleashing its power for the benefit of both panellists and clients. This ambition is supported by the three strategic pillars of FYP2: Data Integration, Ethical Activation, and Public Value.

## Three strategic pillars

### 1. Data Integration

#### *Strategic focus:*

Only a panel in which millions of individuals are engaged over a long period of time can produce genuinely connected, high-value, structured data.

FYP1 saw us significantly driving up margins in our Custom Research division by focusing on the more profitable areas of custom research and aligning it with our syndicated data solutions and technology. This engineered approach has transformed our research services. The next stage of this transformation is integration and adaptation to custom needs. By allowing our model to be adapted to the specific needs of individual organisations, we create new connected data propositions that not only provide new revenue opportunities, but also further extend the utility of YouGov data subscriptions particularly for clients whose precise needs are not met through more traditional syndicated data sets.

Integration also means connecting the uses of our data, allowing custom research to be engineered on a framework of our syndicated data, gaining value from it in ways that cannot be matched by traditional tracking designs. In the past few years we have seen strong growth in our custom tracking offer, both in revenue and margin, and we intend to bring our syndicated data and custom offerings into ever closer alignment.

#### *Progress so far:*

Further investment in technology is creating additional value:

We are investing in our websites, mobile apps, interfaces and dashboards to make it easier for clients and the public to interact with and deploy our data, with a first version of the 'YouGov Screen' platform on track to be released by the end of the calendar year.

We continue with the development of Crunch, our proprietary data storage and analytics system, which allows clients to explore data with point-and-click ease and in the future will allow us to bring different kinds of data together to be analysed in 3D (i.e. as time series).

One important addition to the types of data we can connect is tracking data from social media-listening, led by our acquisition of Portent.io (now YouGov Signal).

New ways of reaching the public include our acquisition of Inconvo, the chat-bot system that engages audiences and creates data in message channels.

YouGov Collaborate, our 'aided self-service' tool for the creation of research projects, is now being used by clients in the US, UK, Germany, Spain and Italy. Further development of this tool (including integration with YouGov Direct) will expand the range of options for clients, and indeed the range of clients that can access our data and tools.

### 2. Ethical Activation

#### *Strategic focus:*

Conventionally, research is used to understand markets and plan campaigns, while activation – using data to create targetable audiences for advertisers and actually deliver marketing to them – is viewed as a separate process. We are now breaking down the barrier between the two with YouGov Direct.

With this new platform, YouGov Direct members can make their opinion and behavioural data available for in-depth, targeted research, which can be done outside of a pure research context and within a marketing and sales context. The data can be used in this way because members have permissioned each specific use with the security of accountability enabled through the YouGov Direct blockchain-encryption process.

The system is not only GDPR-compliant but GDPR-embracing – that is, it enables ethical use of data to create more control and value for members and clients alike. This means, with YouGov Direct, researchers and marketers have the unique opportunity to reach precise target audiences, upgrade their existing research-based advertising tests (understanding business outcomes rather than claimed intention), and create a seamless single audience view, from

planning through to campaign execution and measurement. It addresses the single most important challenge to the marketing industry, namely the increasingly intense pressure on using personal data for advertisement targeting.

*Progress so far:*

The first pilot of YouGov Direct in early-2019 proved highly successful as a positive experience for members, and as a demonstration to potential clients of added power for both research and marketing.

A commercial version of the app has since been developed which includes a collaborative dashboard for clients, the start of a self-service facility. June 2019 saw the alpha version launch of the app in the UK, with an upgraded version due to be launched in the US this month. The third geography is planned to be in India, early in 2020.

A commercial head of the product, who previously headed our Data Products division, is in place, based in New York. The YouGov Direct team now consists of nine, across the UK and US, and we expect to grow this team significantly in the coming year.

### **3. Public Value**

*Strategic focus:*

YouGov creates more data specifically for public value than any other research company. We plan to further enhance our public offering in two ways: first, we are adding more trackers and daily polling, not only in politics but across a broad range of social and cultural trends; second, we are creating better tools for the public to be able to access and explore that data.

Our first significant initiative in this area is YouGov Ratings, launched on our US and UK websites in 2018. Ratings is our new popularity and awareness metric for thousands of entities – including celebrities, politicians, sports teams, music acts and brands – available for free on our website. Ratings forms part of our Public Value strategy to build a destination site that offers a wide and deep body of data that people can interact with (i.e. add data, as well as explore and use data) and gives the public the ability to help shape the agenda.

We believe this approach generates important social value, and serves to further increase public engagement in our work. This approach also helps to recruit and maintain panellists, as it creates additional channels and modes for being a panellist, which is critical as we continue to expand the size, complexity and reach of our data sets. Finally, and very importantly, this approach also showcases much of our commercial data to customers at a top-line level, driving traffic to our website and acting as an entry point for digital sales of our commercial offer.

*Progress so far:*

The interactive YouGov Ratings site has increased visibility for YouGov data. Curated Ratings data in Google Search has driven many more site visits. For example, in the US, the launch of Ratings increased the volume of organic search visitors from Google to YouGov tenfold in the space of six months. This is largely due to our publication of search-engine friendly data, which has led to YouGov data increasingly appearing as snippets within Google Search results, in areas as diverse as luxury brands, the popularity of celebrities and political topics.

We have been working on creating a new, more accessible and interactive data archive which will be launched in the new calendar year.

A new daily ‘open survey’ on our YouGov Daily mobile app and website facilitates quick-response polls, which have started to have a positive impact on our media presence in the UK. This will be expanded to our other key markets over the next year.

### **Current trading and outlook**

Our pipeline of sales opportunities for our syndicated data products is strong and we continue to see opportunities for growth within those forms of custom research that are aligned with our core connected-data offering. We will keep investing in our technology platforms to support growth and expansion in line with our strategic objectives.

Trading since the year end has continued positively. While Brexit continues to create uncertainty in the economic and political environment, especially for UK and European businesses, the international spread of our revenues, with a



significant and growing US weighting, cushions us from volatility. In the context of both the macro-environment and our own plans to accelerate our investment in technology and geographic expansion, we remain confident in our growth prospects for the year and beyond.

**Stephan Shakespeare**  
**Chief Executive Officer**  
8 October 2019

1. *Defined in the explanation of alternative performance measures on page 15.*
2. *According to the ESOMAR Global Market Research Report published in September 2019, global research market turnover grew by 2.1% in 2018 (or by -0.3% after inflationary effects are factored in).*
3. *The European Union General Data Protection Regulation 2016/679 ("GDPR").*



## Chief Financial Officer's Review

The Group achieved continued growth in the 12 months to 31 July 2019 which marks the end of the first five-year growth plan which commenced in 2014.

Total Group revenue in the period rose to £136.5m, compared to £116.6m in the 12 months to 31 July 2018. Growth was 10% on an underlying<sup>1</sup> basis since the prior period (but 17% in reported terms due to the depreciation of £ Sterling against US Dollar and additional revenue generated by acquisitions in the period and prior period).

Included in the performance for the 12 months to 31 July 2019 are the consolidated results of the recent acquisitions:

- Galaxy Research (December 2017)
- SMG Insight (May 2018)
- InConversation Media (August 2018)
- Crunch.io (September 2018)
- Portent.io (November 2018)

The acquisitions support the strategic aims of access to new technologies, geographic expansion and new panels. The acquisitions added £9.1m of revenue and reduced operating profit by £0.3m in the year to 31 July 2019.

### Adjusted measures

Until now, our presentation of adjusted measures has excluded amortisation of intangible assets charged to operating expenses and separately reported items (see page 15 for the full definitions we currently use). As announced at the Half Year, in these Full Year results and in the future, we are using a revised definition of adjusted measures that includes amortisation of intangible assets charged to operating expenses. Our reported adjusted EBITDA is unaffected by this presentational change to the adjusted measures.

### Adjusted operating margins and organic growth

In line with our stated strategy, a higher proportion of sales coming from higher margin products and services increased gross margins by 1% point. Adjusted operating margins<sup>2</sup> increased from 11% to 13%.

Group operating costs (excluding separately reported items) of £94.0m (2018: £82.4m) increased by 14% in reported terms, and 12% in constant currency terms. Group adjusted operating profit<sup>2</sup> (before separately reported items) increased to £18.3m (45% growth in the period) with strong continued growth in Data Products, coupled with margin improvement in the Custom Research division. The statutory operating profit (which is after crediting other separately reported items amounting to £1.5m) increased to £19.8m (2018: £11.8m).

### 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 include YouGov BrandIndex, YouGov Profiles and YouGov SportsIndex. YouGov Plan & Track (the combined BrandIndex and Profiles proposition) is available in 21 countries (2018: 14). BrandIndex alone is available in 40 countries, while SportsIndex is available in 38 countries.

The performance of our Data Products division has contributed significantly to our Group revenue and adjusted operating profit<sup>2</sup>. Revenue from Data Products increased by 36% (25% growth in underlying business<sup>1</sup>) in the period. The adjusted operating profit<sup>2</sup> from Data Products increased by 50% to £14.1m and the operating margin increased by 3% to 34%. The improving margin partly reflects the growing contribution from Profiles as well as a reduction in the use of third party data collection.

Geographically, the US remains the largest Data Products market and grew by 35% in the period, (20% from the underlying business<sup>1</sup>). The UK, France and Asia Pacific also contributed strong revenue growth of 35%, 30% and 31% respectively.

## Data Services

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

In the year, revenue from Data Services increased by 28% (11% in underlying terms after adjusting for acquisitions, foreign exchange and reallocated revenue from the Custom Research division) to £37.2m. The focus on the US market and further territorial expansion has helped the division expand the revenue base beyond the core UK market. This growth contributed to an increase of 21% in the Data Services operating profit to £7.4m and the operating margin declined from 21% to 20% reflecting lower margin Omnibus business that we transferred from Custom Research in the Nordics.

Overall Data Services revenue growth included a 43% increase in reported revenue in the US (34% increase in underlying terms<sup>1</sup>), and a 27% increase in Asia Pacific due to the Galaxy Research acquisition (4% decrease in underlying terms<sup>1</sup>). France and Germany also grew strongly, by 16% and 24% respectively. In the UK, where YouGov Omnibus is the market leader, revenue grew by 14%.

## Custom Research

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

The performance of the Custom Research service continued to be impacted by restructuring activities undertaken in the current and previous financial year. The largest reductions in revenue were Nordics (100% decline, due to the transfer of the business to the Data Services division) and the Middle East (23% decline). In the UK, revenue increased by 13% to £15.2m. The US was favourably impacted by foreign exchange gains, increasing revenue by 3% on a reported basis, however revenue declined by 4% on an underlying basis due to a reduction in client spend.

During the period, the business revenue grew by 2% in reported terms and by 1% in underlying<sup>1</sup> terms to £60.0m. However, the adjusted operating profit<sup>2</sup> increased by 10% to £12.9m and the operating margin improved by 2 percentage points to 22%. This was largely due to operating costs as a percentage of sales reducing by 1% as a result of the restructuring of underperforming areas.

Revenue	Year to 31 Jul 2019 £m	Year to 31 Jul 2018 £m	Revenue growth %	Underlying business <sup>1</sup> revenue change %
Data Products	41.5	30.4	36%	25%
Data Services	37.2	29.0	28%	11%
<b>Total Data Products &amp; Services</b>	<b>78.7</b>	<b>59.4</b>	<b>32%</b>	18%
<b>Custom Research</b>	<b>60.0</b>	<b>58.7</b>	<b>2%</b>	1%
Intra-Group Revenues	(2.2)	(1.5)	44%	-
<b>Group</b>	<b>136.5</b>	<b>116.6</b>	<b>17%</b>	10%

Adjusted Operating Profit <sup>2</sup>	Year to 31 Jul 2019 £m	Year to 31 Jul 2018 £m	Operating Profit growth %	Operating Margin	
				Year to 31 Jul 2019	Year to 31 Jul 2018
Data Products	14.1	9.4	50%	34%	31%
Data Services	7.4	6.0	21%	20%	21%
<b>Total Data Products &amp; Services</b>	<b>21.5</b>	<b>15.5</b>	<b>39%</b>	<b>27%</b>	<b>26%</b>
<b>Custom Research</b>	<b>12.9</b>	<b>11.7</b>	<b>10%</b>	<b>22%</b>	<b>20%</b>
Central Costs	(16.1)	(14.6)	11%	-	-
<b>Group</b>	<b>18.3</b>	<b>12.7</b>	<b>45%</b>	<b>13%</b>	<b>11%</b>

## Performance by Geography

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

Revenue	Year to 31 Jul 2019 £m	Year to 31 Jul 2018 £m	Revenue growth %	Underlying business <sup>1</sup> revenue change %
UK	41.2	31.3	32%	18%
Americas	56.4	48.2	17%	5%
Mainland Europe	23.9	21.6	11%	16%
Middle East	10.5	12.1	(13%)	(2%)
Asia Pacific	11.3	8.7	29%	8%
Intra-Group Revenues	(6.8)	(5.3)	-	-
<b>Group</b>	<b>136.5</b>	<b>116.6</b>	<b>17%</b>	<b>10%</b>

Adjusted Operating Profit <sup>2</sup>	Year to 31 Jul 2019 £m	Year to 31 Jul 2018 £m	Operating Profit growth %	Operating Margin	
				Year to 31 Jul 2019	Year to 31 Jul 2018
UK	11.8	10.2	16%	29%	32%
Americas	13.2	13.8	(4%)	23%	29%
Mainland Europe	2.9	1.1	164%	12%	5%
Middle East	3.3	3.0	8%	31%	25%
Asia Pacific	0.2	0.2	2%	1%	2%
Central Costs	(13.1)	(15.6)	(16%)	-	-
<b>Group</b>	<b>18.3</b>	<b>12.7</b>	<b>45%</b>	<b>13%</b>	<b>11%</b>

During the year ended 31 July 2019 an increased proportion of the central costs were reallocated to the geographic hubs, leading to a reduction in the reported adjusted operating margins<sup>2</sup> compared to the year ended 31 July 2018.

## Panel Development by Geography

We continue to invest in our consumer panel to increase our research capabilities, both in new geographies and specialist panels. At 31 Jul 2019, the total number of registered panellists had increased to 8.4m million, compared to 6.6 million at 31 July 2018, as set out in the table below. During the year, the Group invested in expanding our geographic capability to Poland and Canada.

Region	Panel size at 31 July 2019	Panel size at 31 July 2018	% Change
UK	1,630,985	1,355,751	20%
Americas	3,169,415	2,414,995	31%
Mainland Europe	1,209,209	952,039	27%
Middle East	1,064,205	934,696	14%
Asia Pacific	1,301,053	946,233	37%
<b>Total</b>	<b>8,374,867</b>	<b>6,603,714</b>	<b>27%</b>

## Group Financial Performance

### *Amortisation of Intangible Assets*

In the 12 months to 31 July 2019 amortisation charges for intangible assets of £8.8m were £1.8m higher than the previous year. Amortisation of the consumer panel increased by £0.7m to £3.2m reflecting the additional investment made to grow the panel in the past three years. Amortisation of software increased by £1.0m to £5.0m. £4.6m (2018: £3.5m) of the total software development charge related to assets created through the Group's own internal development activities, £0.3m (2018: £0.3m) related to separately acquired assets and £0.1m (2018: £0.2m) was for amortisation on assets acquired through business combinations.

### *Separately Reported Items*

	Year to 31 July 2019 £m	Year to 31 July 2018 £m
Restructuring Costs	0.2	1.4
Acquisition-Related Costs	0.4	1.2
Fair-Value Movements	(2.1)	(1.7)
<b>Total Separately Reported Items</b>	<b>(1.5)</b>	<b>0.9</b>

Restructuring costs in the year are residual cost incurred in respect of the restructuring of the Custom Research business in Mainland Europe and the Middle East and the closure of the Reports business.

Acquisition related costs in the year comprise: £2.8m of contingent consideration treated as staff costs in respect of the acquisitions of Galaxy Research Pty Ltd, InConversation Media Limited and Portent.io Limited and £0.8m of transaction costs in respect of the acquisitions made in the year, £0.2m of which is contingent less a reduction in expected SMG contingent consideration of £3.2m.

Fair value gains in the year comprise: a £1.9m increase in the fair value assessment of the Group's 20% shareholding in SMG Insight Limited prior to acquisition and a bargain purchase gain, net of a fair value loss, in respect of the acquisition of Portent.io Limited of £0.2m.

### **Analysis of Operating Profit and Earnings per Share**

Adjusted profit before tax<sup>2</sup> of £20.5m was an increase of £4.2m (26%) on the comparable result of £16.3m for the 12 months to 31 July 2018. The adjusted tax rate remained at 26%. Statutory profit before tax of £19.5m was reported compared to £11.8m in the year ended 31 Jul 2018, an increase of 65%.

During the period adjusted earnings per share<sup>2</sup> grew by 30% from 11.5p to 14.9p and statutory earnings per share grew by 84% from 7.7p to 14.2p.

	<b>31 July 2019</b>	31 July 2018
	<b>£m</b>	£m
Adjusted operating profit <sup>2</sup>	<b>18.3</b>	12.6
Share-based payments	<b>2.4</b>	3.6
Imputed interest	<b>0.2</b>	0.1
Net finance expense	<b>(0.3)</b>	(0.1)
Share of post-tax profit in associates	<b>(0.1)</b>	0.1
Adjusted profit before tax <sup>2</sup>	<b>20.5</b>	16.3
Adjusted taxation <sup>2</sup>	<b>(5.4)</b>	(4.2)
Adjusted profit after tax <sup>2</sup>	<b>15.1</b>	12.1
Adjusted earnings per share (pence) <sup>2</sup>	<b>14.9p</b>	11.5p

### **Cash Flow, Capital Expenditure and Technology Investment**

The Group generated £35.3m (2018: £23.6m) in cash from operations (before paying interest and tax) including a £6.0m (2018: £0.6m) net working capital inflow; as a result the cash conversion rate (percentage of adjusted EBITDA converted to cash) increased from 113% to 124% of adjusted EBITDA.

The Group invested £4.8m (2018: £3.9m) in the continuing development of our technology platform and increased the investment in panel recruitment to £4.0m (2018: £2.8m) for the year to support continued global expansion. Our investment in technology continued across three main areas: websites and mobile applications, survey systems, and our data analytics tool, Crunch. £2.7m (2018: £1.0m) was spent on the purchase of property, plant and equipment, resulting in a total investment in fixed assets of £12.2m (2018: £8.2m).

	<b>31 July 2019</b>	31 July 2018
	<b>£m</b>	£m
Internally generated software	<b>4.8</b>	3.9
Panel recruitment	<b>4.0</b>	2.8
Other intangible assets	<b>0.7</b>	0.5
Total expenditure on intangible assets	<b>9.5</b>	7.2
Purchase of property, plant and equipment	<b>2.7</b>	1.0
Total capital expenditure	<b>12.2</b>	8.2

Other cash outflows included £2.3m for the purchase of InConversation Media Limited, Portent.io Limited and the business of Crunch.io Inc, £4.5m in settlement of deferred consideration amounts due and taxation payments of £4.5m (2018: £5.5m).

Net expenditure on financing activities increased by £4.8m to £6.8m, including the dividend payment of £3.2m (2018: £2.1m) and the purchase of treasury shares for £4.0m (2018: £nil).

Net cash balances at the year-end increased by £7.3m to £37.9m. Net cash inflow in the year was £5.2m (2018: £7.2m) and currency fluctuations in the year resulted in an exchange gain of £2.1m (2018: £0.2m).

### **Currency**

The Group's results were affected by the net depreciation of £ Sterling as its average exchange rate was 4% lower against the USD in this period than in the 12 months to 31 July 2018. Movement against the Euro was effectively flat for the period. The net impact of foreign exchange on the Group's adjusted operating profit<sup>2</sup> was an increase of £0.6m compared to calculation in constant currency terms.

### **Balance Sheet**

As at 31 July 2019, total shareholder's funds increased from £92.1 to £108.6m. Net assets increased from £92.1m to £108.0m, with a minority interest of £0.6m accounting for the difference. Net current assets decreased from £25.3m to £24.1m. Current assets increased by £5.9m to £72.6m with debtor days decreasing from 56 to 47. Current liabilities increased by £7.3m to £48.7m with creditor days increasing to 24 days from 21 days at 31 July 2018. Non-current liabilities increased by £2.9m to £14.1m partly due to £2.2m of contingent consideration payable in respect of acquisitions.

### **Proposed Dividend**

The Board is recommending the payment of a final dividend of 4.0 pence per share for the year ended 31 July 2019. If shareholders approve this dividend at the AGM (scheduled for 11 December 2019), it will be paid on 16 December 2019 to all shareholders who were on the Register of Members at close of business on 6 December 2019.

**Alex McIntosh**  
**Chief Financial Officer**  
8 October 2019

1. *Defined as growth in business excluding impact of current and prior period acquisitions £9.1m, the reduction in revenue as a result of the rationalisation of the Custom Research Business (£2.7m) and movement in exchange rates £2.4m.*
2. *Defined in the explanation of non-IFRS measures on page 15.*

## 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	
EBITDA	Operating profit before charging depreciation and amortisation	
Adjusted EBITDA	EBITDA excluding separately reported items	
Adjusted profit before tax	Profit before tax before share based payment charges, imputed interest and separately reported items.	
Adjusted taxation	Taxation due on the adjusted profit before tax, excluding the tax effect of separately reported items and share based payment charges	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	Facilitates performance evaluation, individually and relative to other companies
Adjusted profit after tax	Adjusted profit before tax less adjusted taxation	
Adjusted profit after tax attributable to owners of the parent	Adjusted profit after tax less profit attributable to non-controlling interests	
Adjusted 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 share options	
Constant currency revenue change	Current year revenue change 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 commercial activities



## Reconciliation of Non-IFRS measures

<b>Adjusted Operating Profit Reconciliation</b>	<b>Year to 31 Jul 2019 £m</b>	<b>Year to 31 Jul 2018 £m</b>	<b>% Change</b>
Statutory Operating Profit	19.8	11.8	69%
Separately Reported Items	(1.5)	0.9	N/A
<b>Adjusted Operating Profit</b>	<b>18.3</b>	<b>12.7</b>	<b>45%</b>

<b>Adjusted EBITDA Reconciliation</b>	<b>Year to 31 Jul 2019 £m</b>	<b>Year to 31 Jul 2018 £m</b>	<b>% Change</b>
Adjusted Operating Profit	18.3	12.7	45%
Depreciation	1.5	1.2	20%
Amortisation	8.8	7.0	25%
<b>Adjusted EBITDA</b>	<b>28.6</b>	<b>20.9</b>	<b>37%</b>

### **Publication of Non-Statutory Accounts**

The financial information relating to the year ended 31 July 2019 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.

**YOUNGOV PLC**  
**CONSOLIDATED INCOME STATEMENT**  
For the year ended 31 July 2019

	Note	2019 £'000	2018 £'000
<b>Revenue</b>	1	<b>136,487</b>	116,559
Cost of sales		<b>(24,206)</b>	(21,495)
<b>Gross profit</b>		<b>112,281</b>	95,064
Operating expenses		<b>(92,464)</b>	(83,306)
<b>Operating profit</b>	1	<b>19,817</b>	11,758
Separately reported items	2	<b>(1,529)</b>	892
<b>Adjusted operating profit *</b>	1	<b>18,288</b>	12,650
Finance income		<b>255</b>	151
Finance costs		<b>(564)</b>	(202)
Share of post-tax (loss)/profit of associates		<b>(52)</b>	66
<b>Profit before taxation</b>	1	<b>19,456</b>	11,773
Taxation	3	<b>(5,085)</b>	(3,615)
<b>Profit after taxation</b>	1	<b>14,371</b>	8,158
Attributable to:			
– Owners of the parent		<b>14,970</b>	8,158
– Non-controlling interests		<b>(599)</b>	–
		<b>14,371</b>	8,158
<b>Earnings per share</b>			
Basic earnings per share attributable to owners of the parent	5	<b>14.2p</b>	7.7p
Diluted earnings per share attributable to owners of the parent	5	<b>13.2p</b>	7.3p

All operations are continuing.

\* In the prior year financial statements adjusted operating profit was before both amortisation and separately reported items; in the current year this has been amended to exclude only separately reported items and the prior year comparative has been restated.

**YOUGOV PLC**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
For the year ended 31 July 2019

	2019 £'000	2018 £'000
<b>Profit for the year</b>	<b>14,371</b>	8,158
Other comprehensive income		
<b>Items that may be subsequently reclassified to profit or loss</b>		
Currency translation differences	<b>4,987</b>	142
<b>Other comprehensive income for the year</b>	<b>4,987</b>	142
<b>Total comprehensive income for the year</b>	<b>19,358</b>	8,300
Attributable to:		
– Owners of the parent	<b>19,957</b>	8,300
– Non-controlling interests	<b>(599)</b>	–
<b>Total comprehensive income for the year</b>	<b>19,358</b>	8,300

Items in the statement above are disclosed net of tax.

**YOUNGOV PLC**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
For the year ended 31 July 2019

	Note	2019 £'000	2018 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill	6	65,637	52,060
Other intangible assets	7	16,737	13,297
Property, plant and equipment	8	4,424	3,037
Investments in associates		-	191
Deferred tax assets		11,208	9,434
<b>Total non-current assets</b>		<b>98,006</b>	<b>78,019</b>
<b>Current assets</b>			
Trade and other receivables	9	33,726	34,672
Current tax assets		930	1,442
Cash and cash equivalents (excluding bank overdrafts)		37,925	30,621
<b>Total current assets</b>		<b>72,581</b>	<b>66,735</b>
<b>Total assets</b>		<b>170,587</b>	<b>144,754</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	10	40,041	34,998
Current tax liabilities		740	1,247
Contingent consideration	11	2,791	1,409
Provisions		4,931	3,791
<b>Total current liabilities</b>		<b>48,503</b>	<b>41,445</b>
<b>Net current assets</b>		<b>24,078</b>	<b>25,290</b>
<b>Non-current liabilities</b>			
Contingent consideration	11	7,279	5,110
Provisions		4,623	4,000
Deferred tax liabilities		2,158	2,128
<b>Total non-current liabilities</b>		<b>14,060</b>	<b>11,238</b>
<b>Total liabilities</b>		<b>62,563</b>	<b>52,683</b>
<b>Net assets</b>		<b>108,024</b>	<b>92,071</b>
<b>Equity</b>			
Issued share capital		211	211
Share premium		31,345	31,300
Treasury reserve		(3,738)	-
Merger reserve		9,239	9,239
Foreign exchange reserve		20,018	15,031
Retained earnings		51,507	36,290
<b>Total equity attributable to owners of the parent</b>		<b>108,582</b>	<b>92,071</b>
<b>Non-controlling interests in equity</b>		<b>(558)</b>	<b>-</b>
<b>Total equity</b>		<b>108,024</b>	<b>92,071</b>

**YOUNGOV PLC**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
For the year ended 31 July 2019

	Attributable to equity holders of the company									
	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
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2017		211	31,261	–	9,239	14,889	24,873	80,473	–	80,473
Exchange differences on translation		–	–	–	–	142	–	142	–	142
Net gain recognised directly in equity		–	–	–	–	142	–	142	–	142
Profit for the year		–	–	–	–	–	8,158	8,158	–	8,158
Total comprehensive income for the year		–	–	–	–	142	8,158	8,300	–	8,300
Issue of shares		–	39	–	–	–	–	39	–	39
Dividends paid	4	–	–	–	–	–	(2,106)	(2,106)	–	(2,106)
Share-based payments		–	–	–	–	–	3,571	3,571	–	3,571
Tax in relation to share-based payments		–	–	–	–	–	1,794	1,794	–	1,794
Total transactions with owners recognised directly in equity		–	39	–	–	–	3,259	3,298	–	3,298
<b>Balance at 31 July 2018 as originally presented</b>		<b>211</b>	<b>31,300</b>	<b>–</b>	<b>9,239</b>	<b>15,031</b>	<b>36,290</b>	<b>92,071</b>	<b>–</b>	<b>92,071</b>
Change in accounting policy		–	–	–	–	–	(741)	(741)	–	(741)
Restated total equity at 1 August 2018		211	31,300	–	9,239	15,031	35,549	91,330	–	91,330
Exchange differences on translation		–	–	–	–	4,987	–	4,987	–	4,987
Net gain recognised directly in equity		–	–	–	–	4,987	–	4,987	–	4,987
Profit/(Loss) for the year		–	–	–	–	–	14,970	14,970	(599)	14,371
<b>Total comprehensive income/(expense) for the year</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>4,987</b>	<b>14,970</b>	<b>19,957</b>	<b>(599)</b>	<b>19,358</b>
Issue of shares		–	45	–	–	–	–	45	41	86
Acquisition of treasury shares		–	–	(3,738)	–	–	–	(3,738)	–	(3,738)
Dividends paid	4	–	–	–	–	–	(3,167)	(3,167)	–	(3,167)
Share-based payments		–	–	–	–	–	2,401	2,401	–	2,401
Tax in relation to share-based payments		–	–	–	–	–	1,754	1,754	–	1,754
<b>Total transactions with owners recognised directly in equity</b>		<b>–</b>	<b>45</b>	<b>(3,738)</b>	<b>–</b>	<b>–</b>	<b>988</b>	<b>(2,705)</b>	<b>41</b>	<b>(2,664)</b>
<b>Balance at 31 July 2019</b>		<b>211</b>	<b>31,345</b>	<b>(3,738)</b>	<b>9,239</b>	<b>20,018</b>	<b>51,507</b>	<b>108,582</b>	<b>(558)</b>	<b>108,024</b>

**YOUNGOV PLC**  
**CONSOLIDATED STATEMENT OF CASHFLOWS**  
For the year ended 31 July 2019

	Note	2019 £'000	2018 £'000
<b>Cash flows from operating activities</b>			
Profit before taxation		19,456	11,773
Adjustments for:			
Finance income		(255)	(151)
Finance costs		564	202
Share of post-tax (loss)/profit of associates		52	(66)
Amortisation of intangibles	7	8,809	7,026
Depreciation	8	1,481	1,231
Loss on disposal of property, plant and equipment and other intangible assets		6	7
Share-based payments		2,401	3,571
Other non-cash items*		(3,245)	(566)
Decrease/(Increase) in trade and other receivables		714	(2,278)
Increase in trade and other payables		3,969	2,097
Increase in provisions		1,348	771
<b>Cash generated from operations</b>		<b>35,300</b>	<b>23,617</b>
Interest paid		(28)	(6)
Income taxes paid		(4,521)	(5,501)
<b>Net cash generated from operating activities</b>		<b>30,751</b>	<b>18,110</b>
<b>Cash flow from investing activities</b>			
Acquisition of subsidiaries (net of cash acquired)		(228)	(695)
Settlement of deferred consideration		(4,520)	(190)
Purchase of business		(2,063)	-
Purchase of property, plant and equipment	8	(2,713)	(969)
Purchase of intangible assets	7	(9,453)	(7,217)
Proceeds from sale of plant, property and equipment		-	5
Dividends received from associates		-	220
Interest received		211	28
<b>Net cash used in investing activities</b>		<b>(18,766)</b>	<b>(8,818)</b>
<b>Cash flows from financing activities</b>			
Proceeds from the issue of share capital		86	39
Dividends paid to Shareholders		(3,167)	(2,106)
Purchase of treasury shares		(3,738)	-
<b>Net cash used in financing activities</b>		<b>(6,819)</b>	<b>(2,067)</b>
<b>Net increase in cash and cash equivalents</b>		<b>5,166</b>	<b>7,225</b>
Cash and cash equivalents at beginning of year		30,621	23,219
Exchange gain on cash and cash equivalents		2,138	177
<b>Cash and cash equivalents at end of year</b>		<b>37,925</b>	<b>30,621</b>

\* Includes (£2,057,000) of fair value gains in respect of the SMG & Portent acquisitions and a reduction of (£3,192,000) in the SMG contingent consideration offset by £3,063,000 of contingent consideration in respect of acquisitions treated as staff costs.



**YOUGOV PLC**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 July 2019

**Nature of operations**

The principal activity of YouGov plc and subsidiaries ("the Group") is the provision of market research. YouGov plc is the Group's ultimate parent company. It is incorporated and domiciled in Great Britain. 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 £ Sterling, which is also the functional currency of the parent company.

**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 2019 on which an unqualified report has been made by the Company's auditors.

The consolidated financial statements of YouGov plc are have been prepared under the historical cost convention modified for fair values under International Financial Reporting Standards as adopted by the European Union (IFRS). These consolidated financial statements have been prepared in accordance with IFRS, IFRS Interpretations Committee (IFRS IC) and the Companies Act 2006 applicable to companies reporting under IFRS.

Financial statements for the year ended 31 July 2018 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. The 2019 statutory accounts will be delivered in due course.

Copies of the 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.

**YOUNGOV PLC**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended 31 July 2019

**1 Segmental analysis**

The Board of Directors (which is the "chief operating decision-maker") primarily reviews information based on product lines: Custom Research, Data Products and Data Services; with supplemental geographical information.

	Custom Research £'000	Data Products £'000	Data Services £'000	Eliminations and unallocated costs £'000	Group £'000
2019					
<b>Revenue</b>	<b>60,000</b>	<b>41,463</b>	<b>37,156</b>	<b>(2,132)</b>	<b>136,487</b>
Cost of sales	(13,569)	(4,170)	(6,789)	322	(24,206)
Gross profit	46,431	37,293	30,367	(1,810)	112,281
Operating expenses	(33,526)	(23,170)	(22,999)	(14,298)	(93,993)
<b>Adjusted operating profit</b>	<b>12,905</b>	<b>14,123</b>	<b>7,368</b>	<b>(16,108)</b>	<b>18,288</b>
Other separately reported items					1,529
<b>Operating profit</b>					<b>19,817</b>
Finance income					255
Finance costs					(564)
Share of post-tax loss in joint ventures and associates					(52)
<b>Profit before taxation</b>					<b>19,456</b>
Taxation					(5,085)
<b>Profit after taxation</b>					<b>14,371</b>
<b>Other segment information</b>					
Depreciation	233	24	48	1,176	1,481
Amortisation	3,127	2,960	2,097	625	8,809
2018					
<b>Revenue</b>	<b>58,657</b>	<b>30,445</b>	<b>28,956</b>	<b>(1,499)</b>	<b>116,559</b>
Cost of sales	(14,205)	(3,700)	(5,089)	1,499	(21,495)
Gross profit	44,452	26,745	23,867	–	95,064
Operating expenses	(32,739)	(17,309)	(17,792)	(14,574)	(82,414)
<b>Adjusted operating profit</b>	<b>11,713</b>	<b>9,436</b>	<b>6,075</b>	<b>(14,574)</b>	<b>12,650</b>
Other separately reported items					(892)
<b>Operating profit</b>					<b>11,758</b>
Finance income					151
Finance costs					(202)
Share of post-tax loss in joint ventures and associates					66
<b>Profit before taxation</b>					<b>11,773</b>
Taxation					(3,615)
<b>Profit after taxation</b>					<b>8,158</b>
<b>Other segment information</b>					
Depreciation	596	214	192	229	1,231
Amortisation	2,408	2,223	1,927	466	7,024

## 1 Segmental analysis continued

### Supplementary analysis by geography

#### Revenue and adjusted operating profit by geography based on the origin of the sale

	2019		2018	
	Revenue £'000	Adjusted operating profit/ (loss) £'000	Revenue £'000	Adjusted operating profit/(loss) £'000
UK	41,151	11,764	31,332	10,169
USA	56,410	13,208	48,159	13,786
Mainland Europe	23,855	2,933	21,571	1,113
Middle East	10,548	3,256	12,057	3,004
Asia Pacific	11,325	164	8,748	162
Intra-Group revenues/unallocated costs	(6,802)	(13,037)	(5,308)	(15,584)
<b>Group</b>	<b>136,487</b>	<b>18,288</b>	<b>116,559</b>	<b>12,650</b>

#### Revenue by geography based on the destination of the customer.

	UK	USA	Mainland Europe	Middle East	Asia Pacific	Intra- Group revenues	Group
2019	£'000	£,000	£'000	£'000	£'000	£'000	£'000
External sales	34,363	57,775	23,715	10,112	10,522	-	136,487
Inter-segment sales	2,050	2,967	2,420	445	1,966	(9,848)	-
<b>Total revenue</b>	<b>36,413</b>	<b>60,742</b>	<b>26,135</b>	<b>10,557</b>	<b>12,488</b>	<b>(9,848)</b>	<b>136,487</b>
2018							
External sales	30,926	48,422	21,435	9,318	6,458	-	116,559
Inter-segment sales	2,363	3,388	1,879	391	619	(8,640)	-
<b>Total revenue</b>	<b>33,289</b>	<b>51,810</b>	<b>23,314</b>	<b>9,709</b>	<b>7,077</b>	<b>(8,640)</b>	<b>116,559</b>

Inter-segment sales are priced on an arm's-length basis that would be available to unrelated third parties.

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**2 Separately reported items**

	2019 £'000	2018 £'000
Restructuring costs	146	1,381
Acquisition-related costs	382	1,193
Fair value gains	(2,057)	(1,682)
	<b>(1,529)</b>	892

Restructuring costs in the year are residual costs incurred in respect of the restructuring of the Custom business in Mainland Europe and the Middle East and the closure of the Reports business. Restructuring costs in the prior year included £1,036,000 in relation to the reduction of non-core custom operations in Mainland Europe and the Middle East and £181,000 in relation to the Reports product line being discontinued. £164,000 of costs also arose from the establishment of centralised global operations and finance support functions.

Acquisition related costs in the year comprise £2,834,000 of contingent consideration treated as staff costs in respect of the acquisitions of Galaxy Research Pty Ltd, InConversation Media Limited and Portent.io Limited and £739,000 of transaction costs in respect of the acquisitions made in the year, £201,000 of which is contingent, less a reduction in expected SMG contingent consideration of £3,192,000. Acquisition-related costs in the prior year comprise £864,000 in respect of the acquisition of Galaxy DP Pty Limited including £785,000 of contingent consideration treated as staff costs, £228,000 for the acquisition of SMG Insight Limited and £101,000 of preliminary work towards acquisitions completed after the reporting date.

Fair value gains in the year comprise: £1,878,000 increase in the fair value assessment of the Group's 20% shareholding in SMG Insight Limited prior to acquisition and a bargain purchase gain of £232,000 less a fair value loss of £53,000 in respect of the acquisition of Portent.io Limited. Fair value gains in the prior year are in respect of the acquisition of SMG Insights Limited.

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### 3 Taxation

The taxation charge represents:

	2019 £'000	2018 £'000
Current tax on profits for the year	4,965	5,042
Adjustments in respect of prior years	(337)	69
<b>Total current tax charge</b>	<b>4,628</b>	<b>5,111</b>
Deferred tax:		
Origination and reversal of temporary differences	16	(1,746)
Adjustments in respect of prior years	265	(189)
Impact of changes in tax rates	176	439
<b>Total deferred tax charge/(credit)</b>	<b>457</b>	<b>(1,496)</b>
<b>Total income statement tax charge</b>	<b>5,085</b>	<b>3,615</b>

The tax assessed for the year is higher (2018: higher) than the standard rate of corporation tax in the UK.

The differences are explained below:

	2019 £'000	2018 £'000
Profit before taxation	19,456	11,773
Tax charge calculated at Group's standard rate of 19% (2018: 19%)	3,697	2,237
Variance in overseas tax rates	1,439	943
Impact of changes in tax rates	176	439
Gains not subject to tax	(1,007)	(347)
Expenses not deductible for tax purposes	743	182
Tax losses for which no deferred income tax asset was recognised	99	294
Adjustments in respect of prior years	(72)	(120)
Associates results reported net of tax	10	(13)
<b>Total income statement tax charge for the year</b>	<b>5,085</b>	<b>3,615</b>

On 8 July 2015, the UK corporation tax rate was reduced from 20% to 19% from 1 April 2017 and to 18% from 1 April 2020.

On 15 September 2016, further changes to the UK corporation tax rates were made reducing the main rate to 17% from 1 April 2020. On 22 December 2017, the US federal corporate income tax rate reduced from 35% to 21%. These changes have been substantively enacted at the balance sheet date and, therefore, are included in these financial statements. Deferred taxes at the balance sheet date have been measured using the enacted tax rates reflected in these financial statements.

### 4 Dividend

On 17 December 2018, a final dividend in respect of the year ended 31 July 2018 of £3,167,000 (3.0p per share) (2017: £2,106,000 (2.0p per share)) was paid to Shareholders. A dividend in respect of the year ended 31 July 2019 of 4.0p per share, amounting to a total dividend of £4,228,000 is to be proposed at the Annual General Meeting on 11 December 2019. These financial statements do not reflect this proposed dividend payable.

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**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 treated as cancelled 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 and the post-tax effect of dividends and/or interest, on the assumed conversion of all dilutive options and other dilutive potential Ordinary Shares.

The adjusted earnings per share has been calculated to reflect the underlying profitability of the business by excluding share-based payments, imputed interest, impairment charges, other separately reported items and any related tax effects as well as the derecognition of tax losses.

	2019 £'000	2018 £'000
Profit after taxation attributable to equity holders of the parent company	<b>14,970</b>	8,158
Add: share-based payments	<b>2,401</b>	3,571
Add: imputed interest (Note 5)	<b>217</b>	75
Add: other separately reported items	<b>(1,529)</b>	892
Tax effect of the above adjustments and adjusting tax items*	<b>(321)</b>	(556)
<b>Adjusted profit after taxation attributable to equity holders of the parent company</b>	<b>15,738</b>	12,140

\* Adjusting tax items in the prior year included a one off charge of £374,000 as a result of the reduction in US Federal Tax rates.

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

	2019	2018
Number of shares		
Weighted average number of shares during the year: ('000 shares)		
– Basic	<b>105,400</b>	105,410
– Dilutive effect of share options	<b>7,865</b>	7,084
<b>– Diluted</b>	<b>113,265</b>	112,494
The adjustments have the following effect:		
Basic earnings per share	<b>14.2p</b>	7.7p
Share-based payments	<b>2.3p</b>	3.4p
Imputed interest	<b>0.2p</b>	0.1p
Other separately reported items	<b>(1.5p)</b>	0.8p
Tax effect of the above adjustments and adjusting tax items	<b>(0.3p)</b>	(0.5p)
<b>Adjusted earnings per share</b>	<b>14.9p</b>	11.5p
Diluted earnings per share	<b>13.2p</b>	7.3p
Share-based payments	<b>2.1p</b>	3.1p
Imputed interest	<b>0.2p</b>	0.1p
Other separately reported items	<b>(1.3p)</b>	0.8p
Tax effect of the above adjustments and adjusting tax items	<b>(0.3p)</b>	(0.5p)
<b>Adjusted diluted earnings per share</b>	<b>13.9p</b>	10.8p

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**6 Goodwill**

	Middle East £'000	USA £'000	Nordic £'000	Germany £'000	CoEditor £'000	Asia Pacific £'000	Galaxy £'000	SMG £'000	Crunch £'000	Inconvo £'000	Total £'000
<b>Carrying amount at 1 August 2017</b>	1,682	20,127	8,931	11,620	569	817	–	–	-	-	43,746
Additions through business combinations	-	-	-	-	-	-	469	8,026	-	-	8,495
Exchange differences	(7)	(71)	(52)	(49)	-	(7)	5	-	-	-	(181)
<b>Carrying amount at 31 July 2018</b>	<b>1,675</b>	<b>20,056</b>	<b>8,879</b>	<b>11,571</b>	<b>569</b>	<b>810</b>	<b>474</b>	<b>8,026</b>	-	-	<b>52,060</b>
Additions through business combinations	-	-	-	-	-	-	-	9,831	669	688	11,188
Exchange differences	136	1,634	225	324	-	68	2	-	-	-	2,389
<b>Carrying amount at 31 July 2019</b>	<b>1,811</b>	<b>21,690</b>	<b>9,104</b>	<b>11,895</b>	<b>569</b>	<b>878</b>	<b>476</b>	<b>17,857</b>	<b>669</b>	<b>688</b>	<b>65,637</b>
<b>At 31 July 2019</b>											
Cost	1,811	21,690	9,104	14,386	569	878	476	17,857	669	688	68,128
Accumulated impairment	-	-	-	(2,491)	-	-	-	-	-	-	(2,491)
<b>Net book amount</b>	<b>1,811</b>	<b>21,690</b>	<b>9,104</b>	<b>11,895</b>	<b>569</b>	<b>878</b>	<b>476</b>	<b>17,857</b>	<b>669</b>	<b>688</b>	<b>65,637</b>

In accordance with the Group's accounting policy, the carrying values of goodwill and other intangible assets are reviewed annually for impairment. The cash-generating units ("CGUs") are consistent with those segments shown in Note 1. The 2019 impairment review was undertaken as at 31 July 2019. 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 approved budget numbers.

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

- growth rates are internal forecasts based on both internal and external market information;
- margins reflect past experience, adjusted for expected changes;
- terminal growth rates based on management's estimate of future long-term average growth rates; and
- discount rates based on Group WACC, adjusted where appropriate.

Annual EBITDA growth rates of 2.25% have been assumed in perpetuity beyond year five. The pre-tax weighted average costs of capital used to discount the future cash flows to their present values are Middle East 10% (2018: 10%), USA 14% (2018: 17%), Nordic 13% (2018: 13%), Germany 15% (2018: 15%) and Asia Pacific 12% (2018: 12%).

Management has considered reasonable possible changes in the above key assumptions and performed sensitivity analyses under these scenarios. This analysis shows that sufficient headroom exists and would not give rise to any further impairment.



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**7 Other intangible assets**

	Consumer panel £'000	Software and software development £'000	Customer contracts and lists £'000	Patents and trademarks £'000	Product development costs £'000	Total £'000
	£'000	£'000	£'000	£'000	£'000	£'000
<b>At 1 August 2017</b>						
Cost	19,768	23,374	5,548	3,581	900	53,171
Accumulated amortisation	(15,568)	(17,774)	(4,412)	(3,341)	(862)	(41,957)
<b>Net book amount</b>	<b>4,200</b>	<b>5,600</b>	<b>1,136</b>	<b>240</b>	<b>38</b>	<b>11,214</b>
<b>Year ended 31 July 2018</b>						
Opening net book amount	4,200	5,600	1,136	240	38	11,214
Additions:						
Separately acquired	2,834	404	-	39	-	3,277
Internally developed	-	3,928	-	-	12	3,940
Through business combinations	-	97	1,810	-	-	1,907
Amortisation charge:						
Separately acquired	(2,555)	(257)	-	(7)	(2)	(2,821)
Internally developed	-	(3,519)	-	-	-	(3,519)
Business combinations	-	(220)	(466)	-	-	(686)
Exchange differences	(5)	(1)	(9)	-	-	(15)
<b>Closing net book amount</b>	<b>4,474</b>	<b>6,032</b>	<b>2,471</b>	<b>272</b>	<b>48</b>	<b>13,297</b>
<b>At 31 July 2018</b>						
Cost	22,566	27,355	7,339	3,603	911	61,774
Accumulated amortisation	(18,092)	(21,323)	(4,868)	(3,331)	(863)	(48,477)
<b>Net book amount</b>	<b>4,474</b>	<b>6,032</b>	<b>2,471</b>	<b>272</b>	<b>48</b>	<b>13,297</b>
<b>Year ended 31 July 2018</b>						
Opening net book amount	4,474	6,032	2,471	272	48	13,297
Additions:						
Separately acquired	3,952	667	-	28	-	4,647
Internally developed	-	4,806	-	-	-	4,806
Through business combinations	10	2,487	-	-	-	2,497
Amortisation charge:						
Separately acquired	(3,226)	(310)	-	(11)	-	(3,547)
Internally developed	-	(4,589)	-	-	-	(4,589)
Business combinations	(3)	(87)	(583)	-	-	(673)
Reclassifications	-	48	-	-	(48)	-
Exchange differences	245	13	37	4	-	299
<b>Closing net book amount</b>	<b>5,452</b>	<b>9,067</b>	<b>1,925</b>	<b>293</b>	<b>-</b>	<b>16,737</b>
<b>At 31 July 2019</b>						
Cost	17,184	32,872	5,232	1,389	873	57,550
Accumulated amortisation	(11,732)	(23,805)	(3,307)	(1,096)	(873)	(40,813)
<b>Net book amount</b>	<b>5,452</b>	<b>9,067</b>	<b>1,925</b>	<b>293</b>	<b>-</b>	<b>16,737</b>

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**8 Property, plant and equipment**

	Freehold property £'000	Leasehold property improvements £'000	Computer equipment £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
<b>At 1 August 2017</b>						
Cost	1,682	1,312	3,787	1,788	158	8,727
Accumulated depreciation	(559)	(703)	(2,791)	(1,288)	(108)	(5,449)
<b>Net book amount</b>	<b>1,123</b>	<b>609</b>	<b>996</b>	<b>500</b>	<b>50</b>	<b>3,278</b>
<b>Year ended 31 July 2018</b>						
Opening net book amount	1,123	609	996	500	50	3,278
Additions:						
Separately acquired	-	16	791	144	18	969
Business combinations	-	4	1	44	-	49
Disposals	-	(2)	(6)	(4)	-	(12)
Depreciation	(82)	(231)	(679)	(216)	(23)	(1,231)
Exchange differences	(6)	(4)	(2)	(4)	-	(16)
<b>Closing net book amount</b>	<b>1,035</b>	<b>392</b>	<b>1,101</b>	<b>464</b>	<b>45</b>	<b>3,037</b>
<b>At 31 July 2018</b>						
Cost	1,675	1,336	4,322	1,909	167	9,409
Accumulated depreciation	(640)	(944)	(3,221)	(1,445)	(122)	(6,372)
<b>Net book amount</b>	<b>1,035</b>	<b>392</b>	<b>1,101</b>	<b>464</b>	<b>45</b>	<b>3,037</b>
<b>Year ended 31 July 2019</b>						
Opening net book amount	<b>1,035</b>	<b>392</b>	<b>1,101</b>	<b>464</b>	<b>45</b>	<b>3,037</b>
Additions:						
Separately acquired	-	1,201	880	632	-	2,713
Business combinations	-	-	5	-	-	5
Disposals	-	(3)	-	(3)	-	(6)
Depreciation	(86)	(343)	(750)	(284)	(18)	(1,481)
Exchange differences	79	21	42	11	3	156
<b>Closing net book amount</b>	<b>1,028</b>	<b>1,268</b>	<b>1,278</b>	<b>820</b>	<b>30</b>	<b>4,424</b>
<b>At 31 July 2019</b>						
Cost	1,811	2,545	5,195	2,421	181	12,153
Accumulated depreciation	(783)	(1,277)	(3,917)	(1,601)	(151)	(7,729)
<b>Net book amount</b>	<b>1,028</b>	<b>1,268</b>	<b>1,278</b>	<b>820</b>	<b>30</b>	<b>4,424</b>

All property, plant and equipment disclosed above in both the year ended 31 July 2019 and 31 July 2018, with the exception of those items held under lease purchase agreements, are free from restrictions on title.

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**9 Trade and other receivables**

	31 July 2019 £'000	31 July 2018 £'000
Trade receivables	19,235	21,099
Provision for trade receivables	(2,071)	(1,226)
Net trade receivables	17,164	19,873
Other receivables	4,357	3,775
Prepayments	3,482	2,448
Accrued income	8,723	8,576
	<b>33,726</b>	<b>34,672</b>

The Directors consider that the carrying amount of trade and other receivables approximate to their fair value.

As at 31 July 2019, trade receivables of £10,129,000 (2018: £11,229,000) were overdue but not impaired. These relate to a number of customers for which there is no recent history of default or any other indication that the receivable should not be fully collectable. The ageing analysis of past due trade receivables which are not impaired is as follows:

	31 July 2019 £'000	31 July 2018 £'000
Up to three months overdue	6,893	5,833
Three to six months overdue	2,018	3,833
Six months to one year overdue	772	823
More than one year overdue	446	740
	<b>10,129</b>	<b>11,229</b>

Movement on the Group provision for impairment of trade receivables is as follows:

	2019 £'000	2018 £'000
Provision for receivables impairment at 1 August as previously reported	1,226	544
Restatement on adoption of IFRS 9	950	-
Provision for receivables impairment at 1 August restated	2,176	544
Movement in the year (credited)/charged to the income statement	(182)	671
Exchange differences	77	11
<b>Provision for receivables impairment at 31 July</b>	<b>2,071</b>	<b>1,226</b>

The creation and release of the provision for impaired receivables has been included in the Consolidated Income Statement.

The other classes within trade and other receivables do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above.

The average length of time taken by customers to settle receivables is 46 days (2018: 56 days). Concentrations of credit risk do exist with certain clients with which we have trading relationships but none has a history of default and all command a certain stature within the marketplace, which minimises any potential risk of default. Material balances (defined as greater than £250,000 (2018: greater than £250,000)) represent 21% of trade receivables (2018: 40%).

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**10 Trade and other payables**

	31 July 2019 £'000	31 July 2018 £'000
Trade payables	2,355	2,787
Accruals	17,050	13,808
Deferred income	14,469	12,521
Other payables	6,167	5,882
	<b>40,041</b>	<b>34,998</b>

Included within other payables are £263,000 (2018: £80,000) of contributions due in respect of defined contribution pension schemes.

**11 Contingent consideration**

	Galaxy DP Pty Ltd £'000	SMG Insight Ltd £'000	Inconversation Media Ltd £'000	Portent.io Ltd £'000	Total £'000
<b>At 1 August 2017</b>	-	-	-	-	-
Acquisition consideration provided during the year	184	5,727	-	-	5,911
Contingent staff cost provided during the year	785	-	-	-	785
Settled during the year	(190)	-	-	-	(190)
Discount unwinding	5	9	-	-	14
Foreign exchange differences	(1)	-	-	-	(1)
<b>Balance at 31 July 2018</b>	<b>783</b>	<b>5,736</b>	<b>-</b>	<b>-</b>	<b>6,519</b>
Included within current liabilities	510	899	-	-	1,409
Included within non-current liabilities	273	4,837	-	-	5,110
Acquisition consideration provided during the year	-	7,513	605	-	8,118
Decrease recognised in income statement in the year	-	(3,192)	-	-	(3,192)
Contingent staff cost provided during the year	729	-	433	1,672	2,834
Contingent transaction costs	-	-	-	201	201
Settled during the year	(745)	(3,775)	-	-	(4,520)
Discount unwinding	8	88	6	5	107
Foreign exchange differences	3	-	-	-	3
<b>Balance at 31 July 2019</b>	<b>778</b>	<b>6,370</b>	<b>1,044</b>	<b>1,878</b>	<b>10,070</b>
Included within current liabilities	778	2,013	-	-	2,791
Included within non-current liabilities	-	4,357	1,044	1,878	7,279

The minimum and maximum amounts payable are as follows

	Galaxy DP Pty Ltd £'000	SMG Insight Ltd £'000	Inconversation Media Ltd £'000	Portent.io Ltd £'000	Total £'000
Minimum amount payable	-	-	3	-	3
Maximum amount payable	1,179	16,225	4,000	19,773	41,177

## **12 New Long-Term Incentive Plan (“LTIP 2019”)**

### **Introduction**

The Company believes that share ownership by management strengthens the link between their personal interests and those of the shareholders in respect of shareholder value. It therefore has operated consecutive long-term incentive plans designed to reflect an individual manager’s contribution to long-term value creation, up to and including the year ended 31 July 2019.

The Board’s Remuneration Committee has recently approved a new long-term incentive plan which takes effect from 1 August 2019.

The new YouGov Long-Term Incentive Plan 2019 (“LTIP 2019”) is designed to reward the participants for the achievement of highly demanding earnings per share growth targets over the four-year performance period from 1 August 2019 to 31 July 2023, in alignment with the Company’s long-term strategic growth plan (“FYP2”).

### **Consolidation of plans**

Since 2014 the Company has operated two share based incentive plans, the YouGov Long-Term Incentive Plan 2014 (“LTIP 2014”) for the Company’s most senior managers, and the YouGov Deferred Share Bonus Plan 2014 (“DSBP 2014”) for middle and junior level managers considered integral to the success of the strategic growth plan.

The final round of awards under the DSBP 2014 will be granted in November 2019, in respect of the participants’ personal performance in the financial year to 31 July 2019.

Having seen the success of LTIP 2014 in encouraging collaboration and drive amongst the ‘top team’ to achieve the Company’s strategic goals, the Board’s Remuneration Committee has decided to consolidate the two incentive plans into one single plan, the LTIP 2019, modelled on the LTIP 2014.

The number of eligible participants for LTIP 2019 participants will increase to approximately 100 employees (including the Executive Directors). This is the group of individuals that the Board considers to have a key role to play in the delivery of YouGov’s strategic growth plan.

### **New plan**

#### ***Vesting conditions***

Vesting of awards granted under LTIP 2019 will depend on the Company achieving stretching targets relating to compound annual growth in adjusted basic earnings per share (“EPS”)<sup>1</sup> over the four-year period ending 31 July 2023. The financial year ended 31 July 2019 will be the base year.

Compound annual EPS<sup>1</sup> growth will be defined in accordance with the Company’s reported accounting policies, and will exclude exceptional and non-recurring items, but include acquisitions, to ensure it fairly reflects the performance achieved.

The 4-year compound annual growth EPS targets and proportion of awards vesting at each level are set out in the table below. Annual EPS growth over the four-year period has to exceed 10% in order for any LTIP 2019 shares to vest.

<b>Level</b>	<b>4 Year EPS CAGR<sup>1</sup></b>	<b>% of award vesting</b>
Below threshold	<10%	0%
Threshold	10%	10%
Target	15%	25%
Stretch	35% or above	100%

Pro-rata vesting will arise for performance between threshold to target and target to stretch performance.

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Notwithstanding performance achieved against the adjusted EPS<sup>1</sup> performance condition, the Remuneration Committee will also have regard to the quality of underlying financial performance of the Company over the performance period, including the Company's objective of achieving an adjusted operating margin<sup>1</sup> of at least 15%. If the Committee determines that the quality of underlying financial performance over the performance period has not been satisfactory, the Committee may reduce the vesting level of the LTIP 2019 Awards (potentially to nil).

Awards granted under the LTIP 2019 shall ordinarily vest in October 2023.

Awards to the Executive Directors will also be subject to a one-year post-vesting holding period (on a net of tax basis).

If participants leave the Company, then on the date of cessation of service any unvested award held by them will ordinarily be automatically cancelled, as will the opportunity for any further LTIP 2019 awards to be granted.

***Award grants***

Awards under LTIP 2019 will normally be made in the form of nil-cost options, as in the current LTIP 2014 and DSBP 2014. The maximum total number of awards for each participant joining the plan at launch will be struck at the start of the plan as a fixed number of shares, set by reference to a percentage of the participant's salary and a reference share price at the start of the plan.

The awards will then be granted in three equal tranches ordinarily in October of 2020, 2021 and 2022. Receipt of an award in each of those years will be dependent upon the achievement of specific and demanding personal targets set for that individual in the preceding financial year.

The annual personal performance objectives for each participant will be pre-approved by the Chief Executive Officer (or by the Board Chair in the case of the Chief Executive Officer).

***Award levels***

The awards will be made at varying levels in terms of percentage of annual salary.

The maximum total number of shares which may ordinarily be granted to a participant over the life of the plan will be determined at the start of the plan period by reference to:

- i. A reference share price at the start of the plan;
- ii. The participant's salary as at 1 October 2019 (the date of the Company's annual pay review); and
- iii. The participant's award level opportunity.

The award level opportunities for the Executive Directors are as shown in the below table:

<b>Role</b>	<b>Maximum Cumulative Award Value as a % of base salary</b>
Chief Executive Officer	1200%
Other Executive Directors	600%

In addition to the Executive Directors, selected employees from across the Group will also participate in the LTIP 2019, at lower award level opportunities. In the event of promotions and or new joiners over the life of the plan, additional awards may be granted subject to individuals provided that these do not exceed the percentages of salary maxima to the Executive Directors. The total number of shares issued under the plan is not expected to exceed 4.1 million shares.

Awards under the plan are subject to malus in circumstances where there has been a material misstatement, a material failure of risk management or serious reputational damage to the Company.

**YOUGOV PLC**  
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For the year ended 31 July 2019

***Dilution***

As under the Company's prior long-term incentive plans, the LTIP 2019 will operate within a 15% dilution limit. YouGov anticipates the dilution from share plans will reduce over the life of LTIP 2019 to the point where the dilution is less than 10%, in line with best practice, by 2023. This forecast makes assumptions about the shares that will be issued to satisfy LTIP 2014, the maximum awards being granted under LTIP 2019 and the continuation of YouGov's Employee Benefit Trust's Share Purchase Programme.

1. *Defined in the explanation of non-IFRS measures on page 15.*