

Tuesday 8 October, 2019

# Full Year Results to 31 July 2019

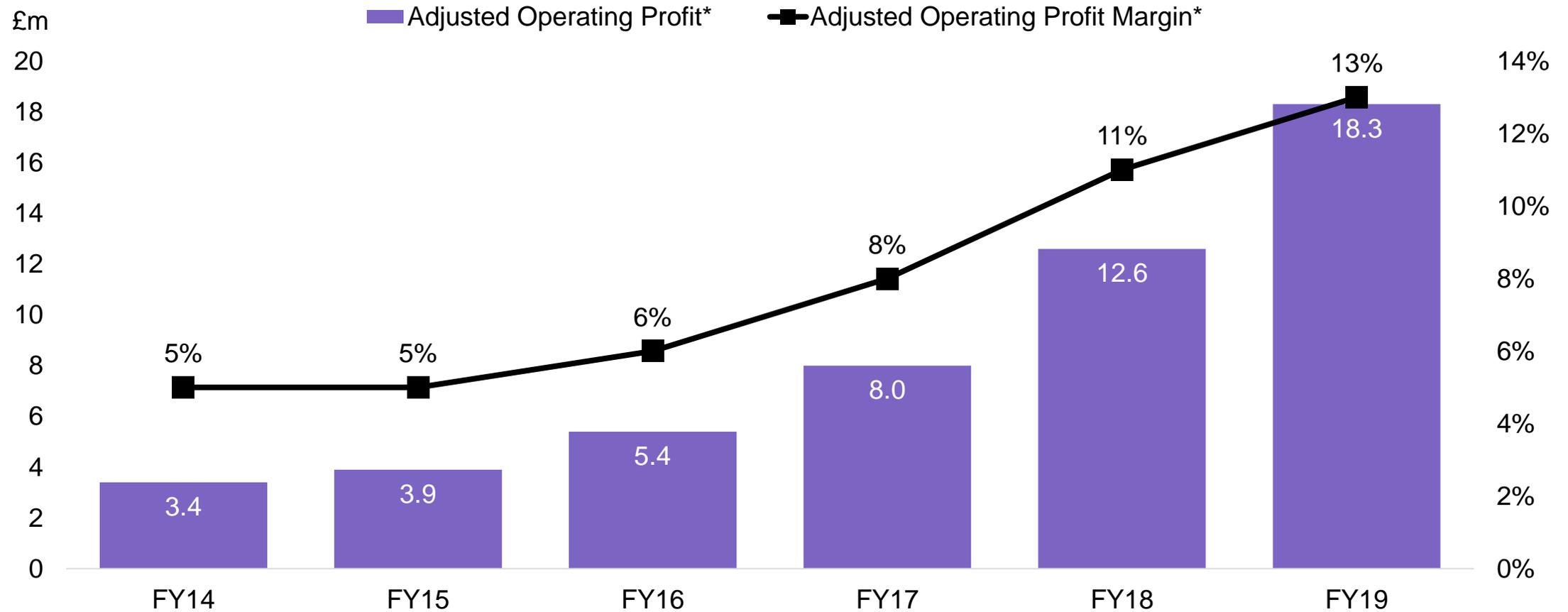
Strong growth in earnings, exceeding targets for five-year plan

**YouGov<sup>®</sup>**

# FY19 Summary

- Revenue growth of 17% (2018: 9%) – Underlying business<sup>1</sup> growth of 10% - well ahead of the market<sup>2</sup>
- Adjusted operating profit<sup>3</sup> up by 45% to £18.3m – 45% underlying business<sup>1</sup> growth
- Adjusted earnings per share<sup>3</sup> up by 30% to 14.9p (2018: 11.5p)
- Adjusted operating profit margin<sup>3</sup> up 2 percentage points to 13% (2018: 11%)
- Net cash balances of £37.9m (2018: £30.6m)
- First five-year plan complete – stretching targets exceeded
- Recommended dividend increase of 33% to 4.0 pence per share, payable in December 2019
- Current trading in line with the Board's expectations

# Strong growth over the last five years

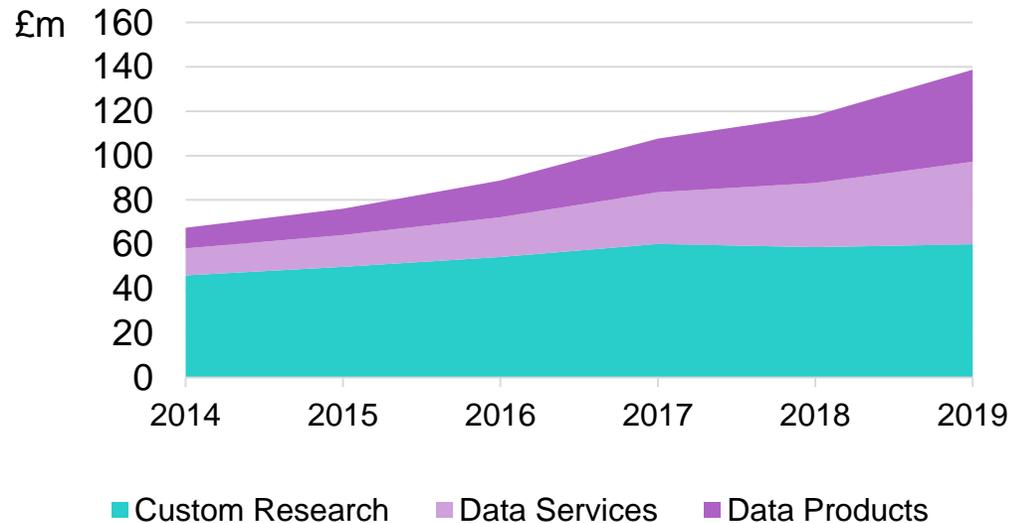


# Targets: 50/50 Split and EPS Growth

## Early achievement of a key commercial objective

In 2014 we stated that a key objective was to increase the proportion of revenue from Data Products & Services, bringing it to parity with Custom Research by 2019. This was achieved in 2018 and the proportion of revenue from Data Products & Data Services grew to 56% in 2019.

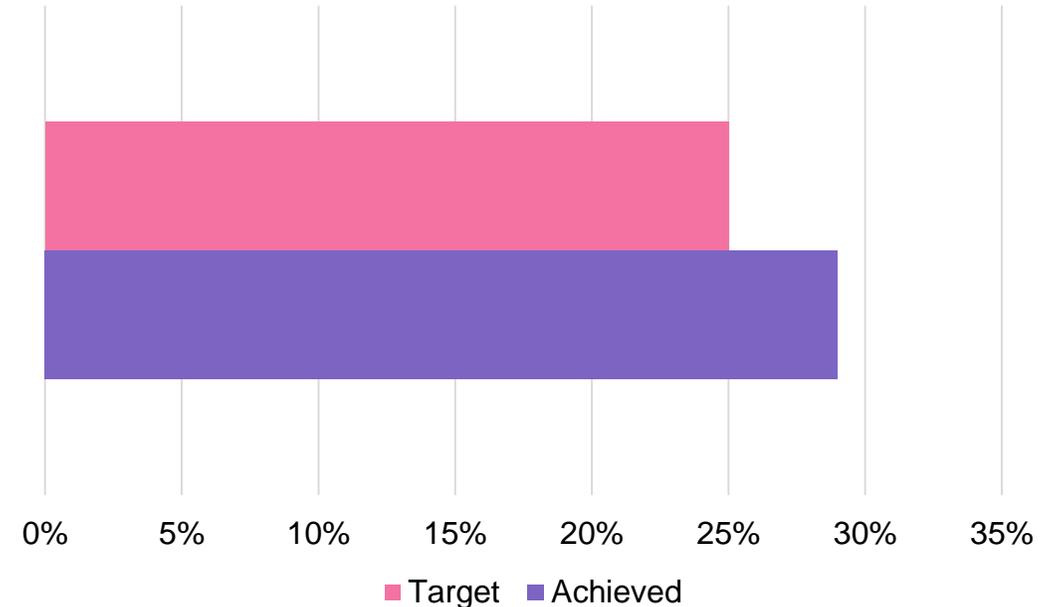
## Revenue Growth



## Strong top-line performance

In 2014 when we set out five-year plan targets they were considered stretching and ambitious. A key target was to grow Adjusted EPS\* by 25% CAGR over the five-years. As these results show, that target was exceeded, with EPS growing by 29% over the period.

## Adjusted EPS\* 5-Year CAGR 2014-19



# Achievement of first five-year growth plan; second plan underway



# Financial Update

Alex McIntosh, Chief Financial Officer

# Financial Highlights

- Group Revenue increased by 17% to £136.5m (10% underlying business growth)
- Gross Profit Margin remained at 82%
- Adjusted Operating Profit up by 45% to £18.3m (45% underlying business growth)
- Adjusted Operating Margin increased from 11% to 13%
- Adjusted EPS increased by 30% to 14.9p

	Year to 31 July 2019 £m	Year to 31 July 2018 £m	% Change
Group Revenue	136.5	116.6	17%
Cost of Sales	(24.2)	(21.5)	13%
Gross Profit	112.3	95.1	18%
Gross Margin %	82%	82%	-
Operating Expenses	(94.0)	(82.5)	14%
Adjusted Operating Profit	18.3	12.6	45%
Operating Margin %	13%	11%	2% pts
Adjusted Profit before Tax	20.5	16.3	26%
Adjusted EPS (p)	14.9p	11.5p	30%

# Balance Sheet

- Receivable days down to 47 days from 56 days
- Creditor days increase to 24 days from 21 days
- Contingent consideration of £10.1m
- Cash balance of £37.9m at 31 July 2019

	Year to 31 July 2019 £m	Year to 31 July 2018 £m
Non-Current Assets		
Goodwill	65.6	52.1
Other intangible assets	16.7	13.3
Other non-current assets	15.7	12.6
<b>Total</b>	<b>98.0</b>	<b>78.0</b>
Current Assets		
Trade and other receivables	34.7	36.1
Cash	37.9	30.6
<b>Total</b>	<b>72.6</b>	<b>66.7</b>
Current Liabilities		
Trade and other payables	41.0	36.2
Contingent consideration	2.8	1.4
Provisions	4.9	3.8
<b>Total</b>	<b>48.5</b>	<b>41.4</b>
<b>Net Current Assets</b>	<b>24.1</b>	<b>25.3</b>
Non-Current Liabilities		
Contingent consideration	7.3	5.1
Provisions	4.6	4.0
Deferred taxation	2.2	2.1
<b>Total Non-Current Liabilities</b>	<b>14.1</b>	<b>11.2</b>
<b>Net Assets</b>	<b>108.0</b>	<b>92.1</b>

# Cash Flow

- Cash flow generated from operations of £35.3m: 124% of adjusted EBITDA
- Investing activities of £18.8m includes £6.8m on acquisitions; £4.0m on panel; £5.5m on technology development, continued focus for FY20
- Dividend paid: £3.2m
- Net cash inflow of £5.2m

	Year to 31 July 2019 £m	Year to 31 July 2018 £m
Cash flows from operating activities		
Statutory operating profit	19.8	11.8
Non cash movements	9.5	11.2
Net working capital movement	6.0	0.6
Cash generated from operations	35.3	23.6
Interest and tax	(4.5)	(5.5)
Net cash generated from operating activities	30.8	18.1
Net cash used in investing activities	(18.8)	(8.8)
Treasury Shares purchased	(3.6)	-
Dividend paid	(3.2)	(2.1)
Net cash used in financing activities	(6.8)	(2.1)
Net increase in cash	5.2	7.2
Cash balance at beginning of year	30.6	23.2
Exchange gain on cash and cash equivalent	2.1	0.2
<b>Cash balance at end of year</b>	<b>37.9</b>	<b>30.6</b>

# Performance by Product and Service: Revenue

Continued growth in Data Products and Services

	Year to 31 July 2019 £m	Year to 31 July 2018 £m	Change %	Underlying business* 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>	<b>18%</b>
<b>Custom Research</b>	<b>60.0</b>	<b>58.7</b>	<b>2%</b>	<b>1%</b>
Intra-group revenues	(2.2)	(1.5)	-	-
<b>Group</b>	<b>136.5</b>	<b>116.6</b>	<b>17%</b>	<b>10%</b>

# Performance of Product and Service: Adjusted Operating Profit\*

Data Products driving growth

	Year to 31 July 2019 £m	Year to 31 July 2018 £m	Operating Profit Growth %	Operating Margin %
Data Products	14.1	9.4	50%	34%
Data Services	7.4	6.1	21%	20%
<b>Total Data Products &amp; Services</b>	<b>21.5</b>	<b>15.5</b>	<b>39%</b>	<b>27%</b>
<b>Custom Research</b>	<b>12.9</b>	<b>11.7</b>	<b>10%</b>	<b>22%</b>
Central Costs	(16.1)	(14.6)	11%	-
<b>Group</b>	<b>18.3</b>	<b>12.6</b>	<b>45%</b>	<b>13%</b>

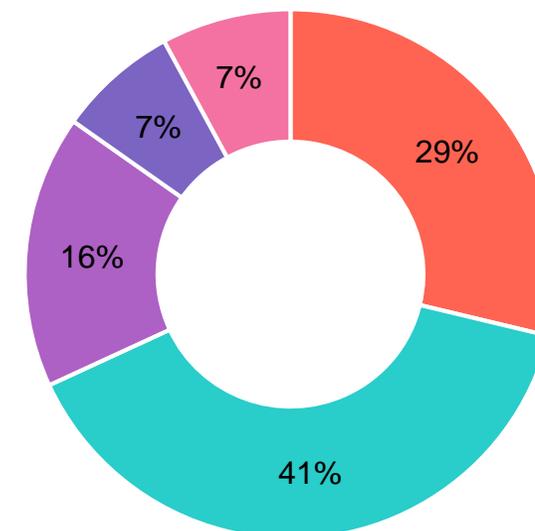
# Performance by Geography: Revenue

Continued growth in key markets

	Year to 31 July 2019 £m	Year to 31 July 2018 £m	Change %	Underlying business* revenue change %
UK	41.2	31.3	31%	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)	28%	-
<b>Group</b>	<b>136.5</b>	<b>116.6</b>	<b>17%</b>	<b>10%</b>

## Year to 31 July 2019 Revenue

- UK
- Americas
- Mainland Europe
- Middle East
- Asia Pacific



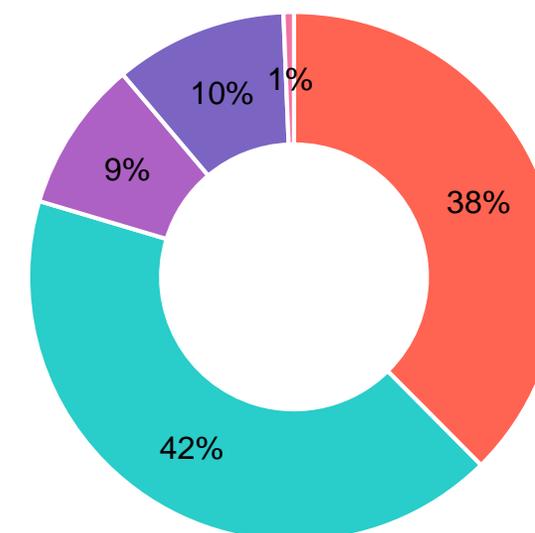
# Performance by Geography: Adjusted Operating Profit\*

Mainland Europe profitability grows with management focus on region

	Year to 31 July 2019 Operating Profit £m	Year to 31 July 2018 Operating Profit £m	Operating Profit Growth %	Operating Margin	
				2019	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)	(15.7)	(16%)	-	-
<b>Group</b>	<b>18.3</b>	<b>12.6</b>	<b>45%</b>	<b>13%</b>	<b>11%</b>

Year to 31 July 2019 Operating Profit

- UK
- Americas
- Mainland Europe
- Middle East
- Asia Pacific



# Product & Operational Update

Sundip Chahal, Chief Operating Officer

# YouGov Plan&Track

YouGov BrandIndex and YouGov Profiles increasingly sold under the combined YouGov Plan & Track proposition

## YouGov BrandIndex

- Our flagship brand intelligence service
- Covers 40 markets worldwide
- US remains largest market

## YouGov Profiles

- Our ground-breaking audience planning and segmentation tool
- Covers 19 markets
- Profiles segments are integrated with digital advertising partners for activation of audiences

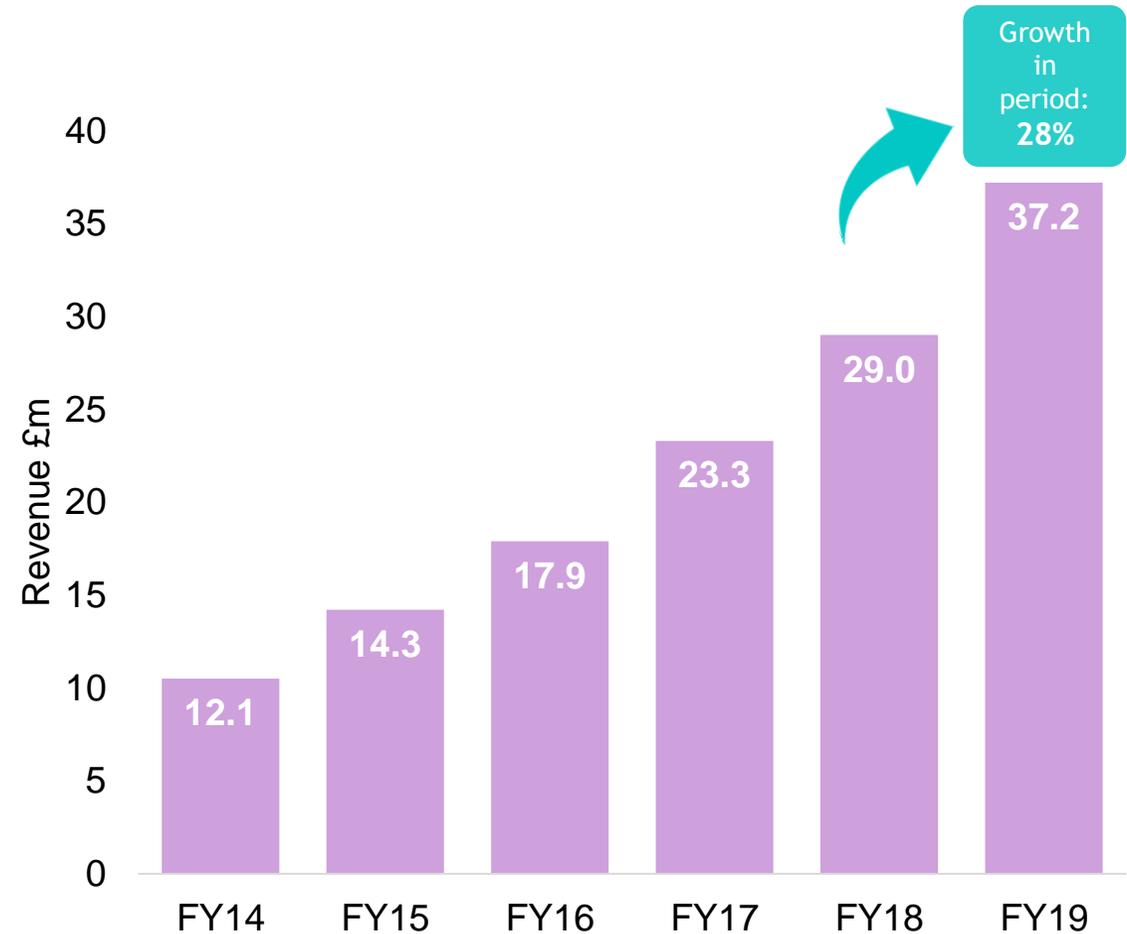


# YouGov Data Services

Our Data Services division incorporates our fast-turnaround services, including our market leading YouGov Omnibus

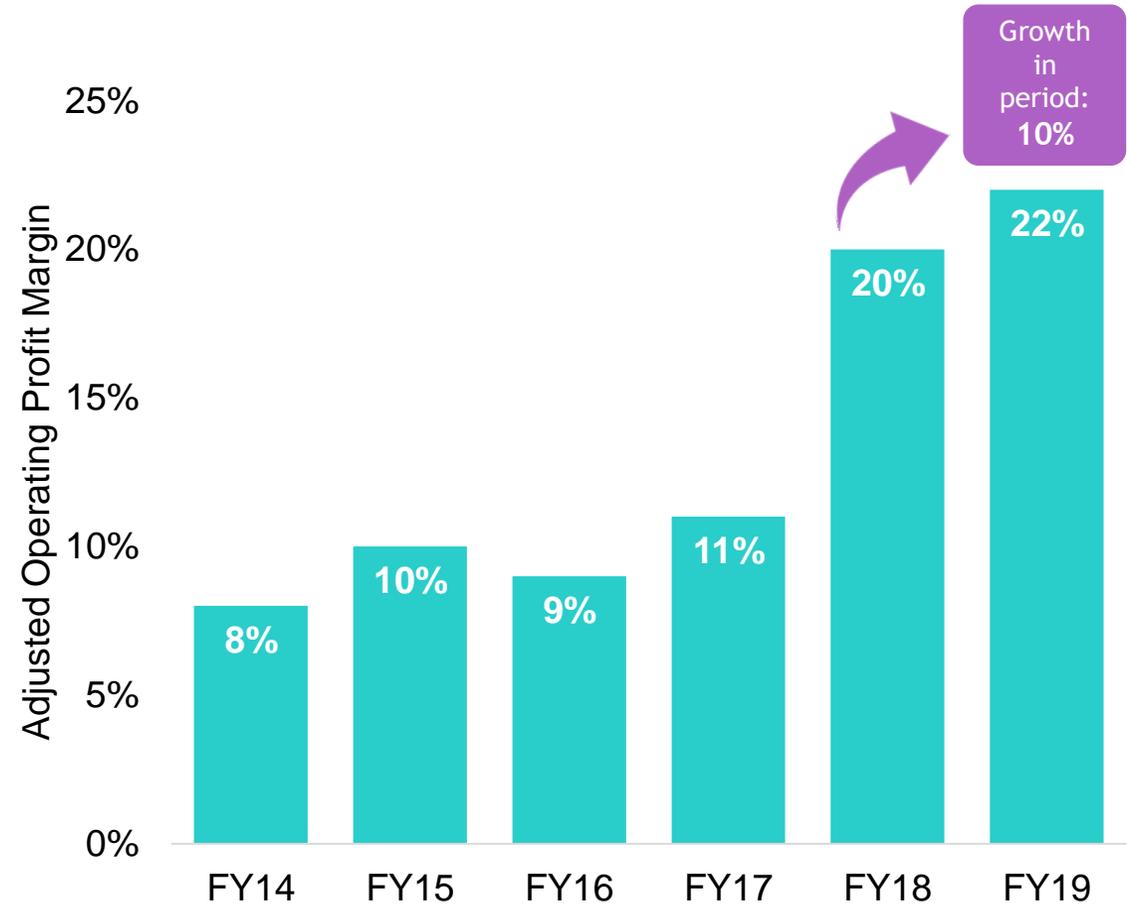
## YouGov Omnibus

- Our fast-turnaround service
- Attracting more multi-national clients, leading to more multi-country projects
- Market leader in UK and growing globally
- Available in over 40 markets worldwide



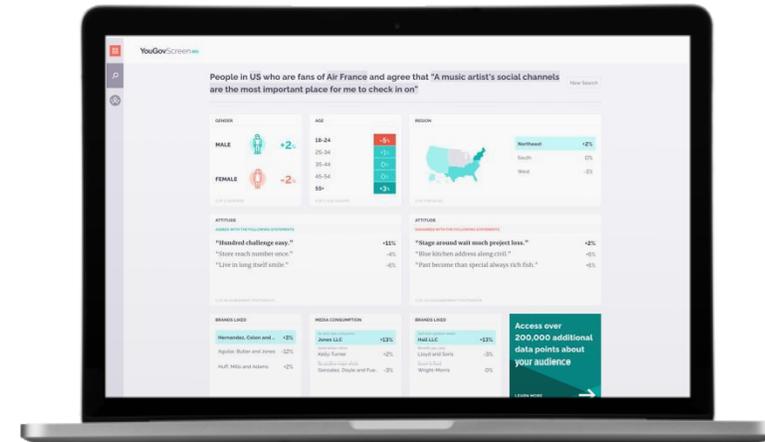
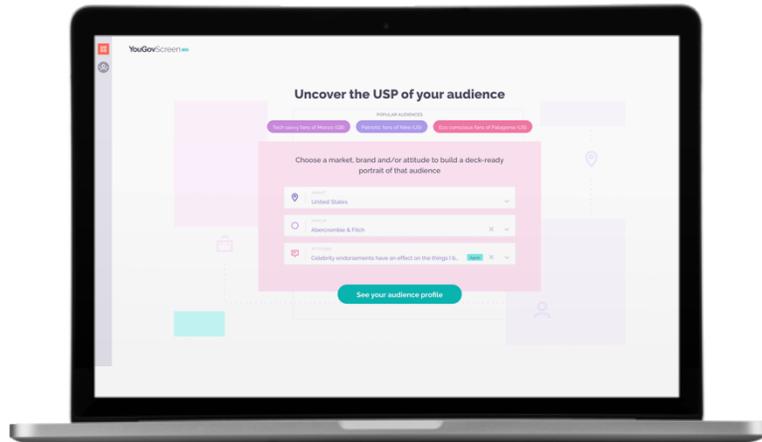
# YouGov Custom Research

- Quantitative and qualitative research directed by our sector specialists
- Scope, scale and complexity of projects varies:
  - One-off studies
  - Tracking studies for individual clients
  - Syndicated studies sold to multiple clients
- Offering enhanced and differentiated by the connected data we hold in the YouGov Cube
- In line with stated strategy to focus on core panel-based services, we continue to scale-down non-core elements of the Custom division
- Strategy has delivered increased operating profit – up **10%** in the period



# Investments in product development and technology

- We are investing in our websites, apps and dashboards to make it easier for our clients and the public to interact with our data
- We continue to invest in developing our proprietary technology, including our analytics software Crunch
- A first version of the 'YouGov Screen' platform on track to be released by the end of calendar year



YouGov Collaborate  
YouGov®

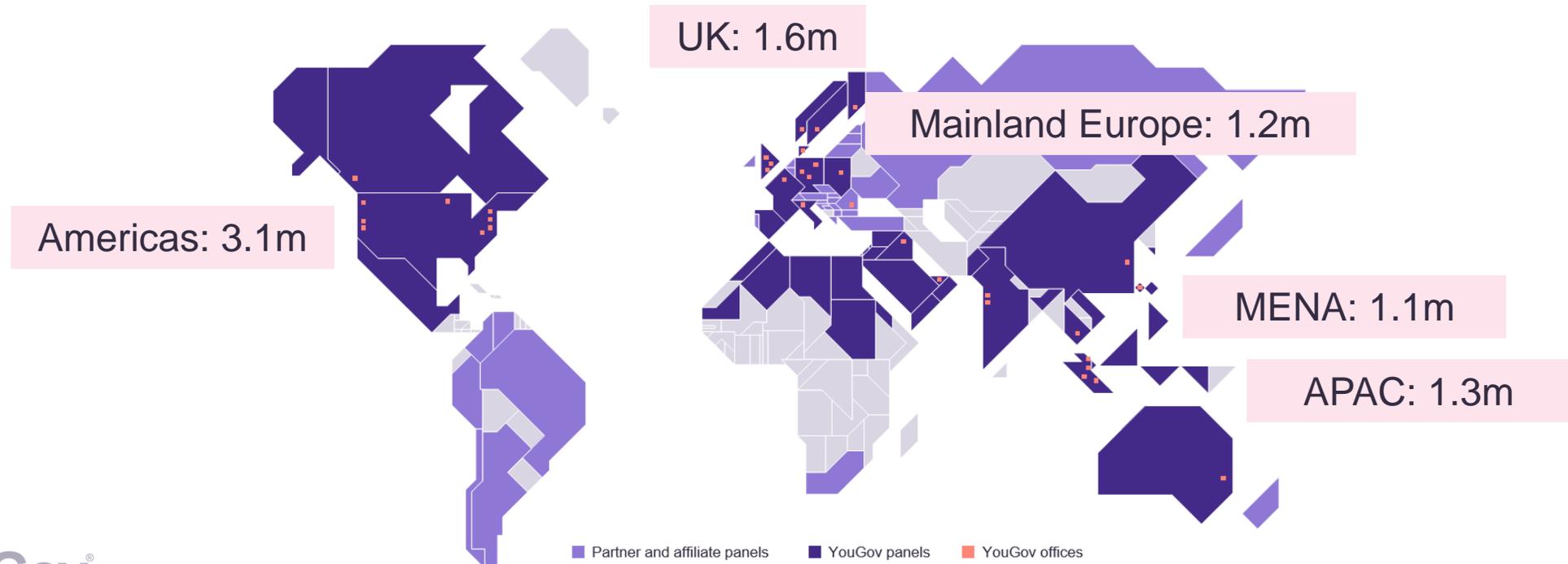
YouGov Direct

YouGov Crunch

YouGov Cube

# Investment in panel

- We continue to invest in our proprietary online panel to increase our global research capabilities and maintain the high-quality of our data
- We now have 8.3 million panellists worldwide, across 40 countries
- During the year, we established a panel and operations in Canada



# New markets and sectors, bolt-on acquisitions

## Two new organic operations



## Five new affiliate partners



YouGov®

## Bolt-on acquisitions

**This year** Two tech start-up acquisitions

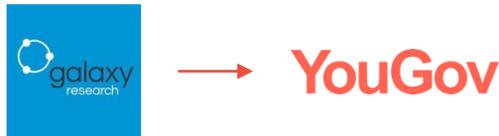


USA-based agency with technology for linking survey data with digital touchpoints to provide insight into what consumers think about films and television programmes

**INCONVO**

UK-based audience conversation platform for engaging with hard-to-reach audiences

**Prior year** The two acquisitions we made in the prior year have integrated well



A bolt-on acquisition to our existing YouGov operation in Australia



A sports sponsorship research agency with a global footprint, now re-branded YouGov Sports

# Further development of global infrastructure, focus on global accounts

## Global Infrastructure

- Cultivating a global presence without need for employees in every country
- Enhancing our scalability by investing in Centres for Excellence
- Over the last five years, the CenX model has reduced our spend on data operations overheads as a percentage of global revenue from 4% to 2%



Data Operations hubs for  
24/7 processing

Bucharest  
Mumbai



Technology development  
hub

Warsaw

## Global Accounts

- In the coming year we will be building out our global key account management programme
- Focus on cultivating our most significant client accounts for cross-selling and up-selling opportunities

# Strategy Update

Stephan Shakespeare, Chief Executive Officer

## Strategic growth plan

- Our ambition is to create a universal platform for the ethical and safe sharing of opinion and personal data
- We want YouGov to be the world's leading provider of marketing and opinion data
- This ambition is supported by three strategic pillars (see later slides)
- The underlying strategy that drives our FYP2 plan is defined by the mantra:

**“Best panel - Best data - Best tools”**

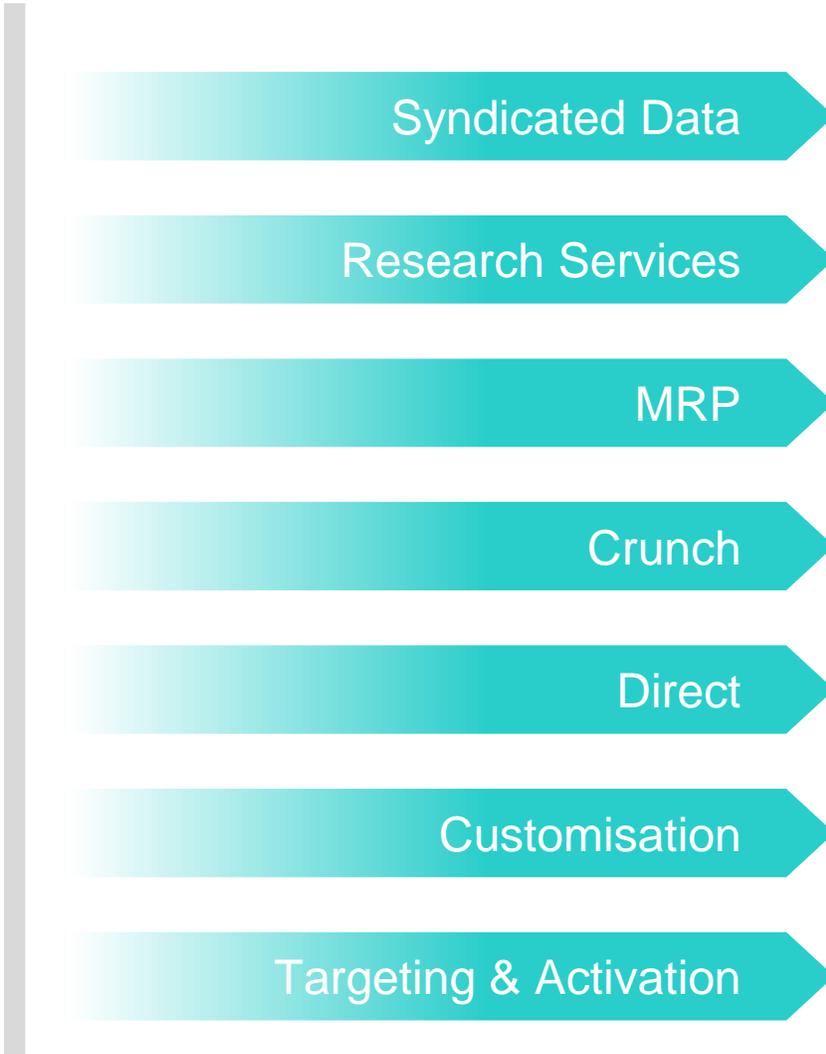
# Vision

Vast,  
continuous,  
single-source  
data collection



**YouGov**Cube  
**YouGov**Crunch  
**YouGov**Direct

**YouGov**<sup>®</sup>



All brought together  
on a universal  
platform

The success of this vision is  
underpinned by our three  
strategic pillars



Data  
Integration



Public  
Data



Ethical  
Activation

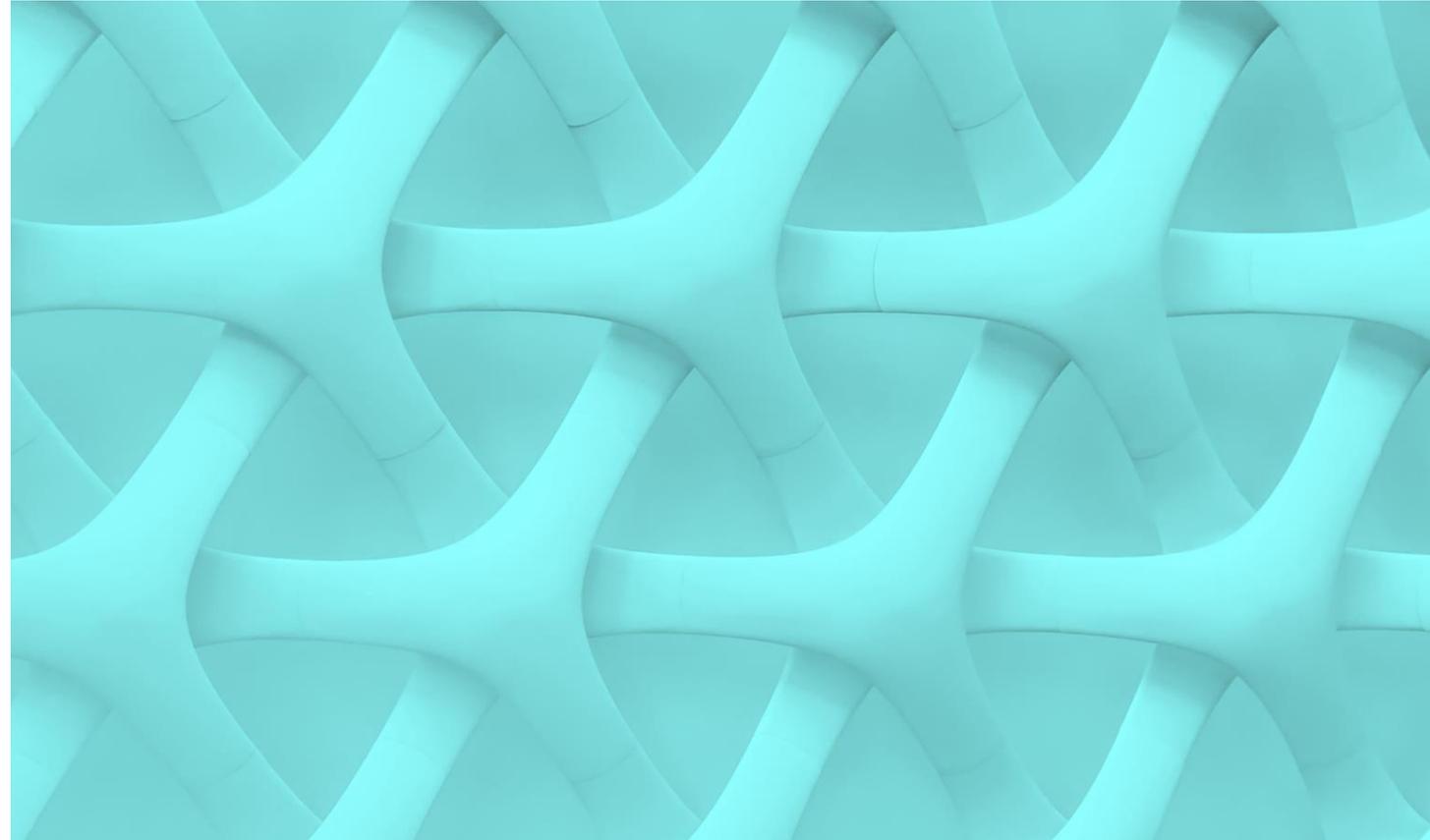


# Data Integration

Integration means both:

1. **Connecting the uses of our data** – creating new value from existing data
2. **Customisation for clients** – opening up new revenue streams

- 
- We are investing in our technology to facilitate integration: websites, apps, interfaces and dashboards
  - We continue with the development of Crunch
  - We can now connect tracking data from social media-listening, led by our acquisition of Portent.io, now YouGov Signal



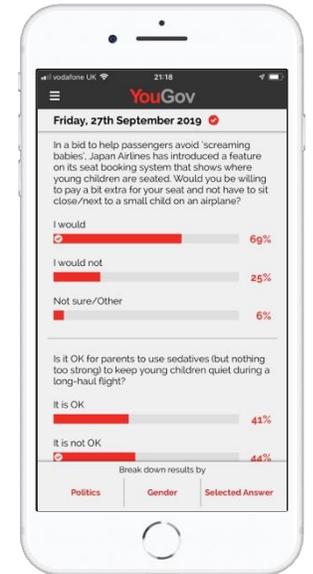
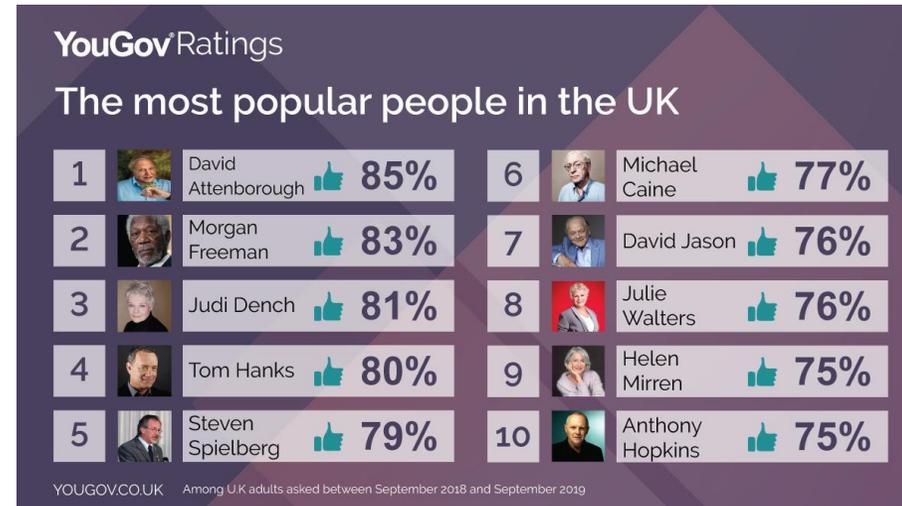


Expanding YouGov Public Data as a public service, for brand reputation, panel engagement and showcasing our data

# Public Data

- We provide far more data for public value than any other research company
- YouGov Ratings is our new popularity and awareness metric available for free on our website
- 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
- YouGov Daily is our daily short survey on newsworthy topics open to panellists and the public
- Future plans include:
  - More trackers and daily polling on range of social and cultural trends
  - Tools for the public to be able to access and explore our data
- New website to become a 'Wikipedia of Opinion'

# YouGov Ratings



YouGovDaily



# Ethical Activation

- ‘Activation’ is the process of using data to create targetable audiences for online advertisers and delivering marketing to them
- Our YouGov Audience Data proposition provides seed audiences and look-a-like modelling to assist clients with activation
- With YouGov Audience Data, clients can create a desirable target group using YouGov Cube data, in a GDPR-compliant process
- Activation is considered a separate process from research

## Step 1

YouGov creates highly accurate **seed audience** created based on advertiser objectives



## Step 2

Our partners scale the seed audiences using look-a-like modelling



## Step 3

Partner removes seed audience before distribution to platforms for activation

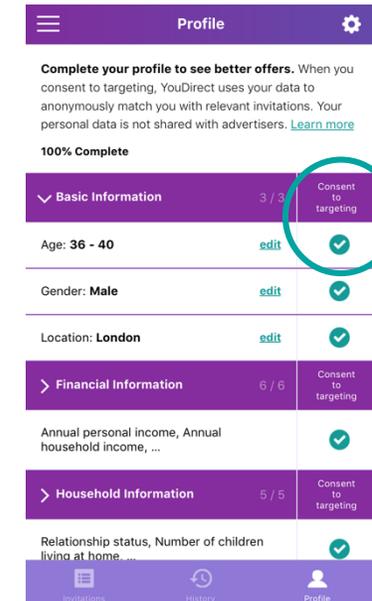
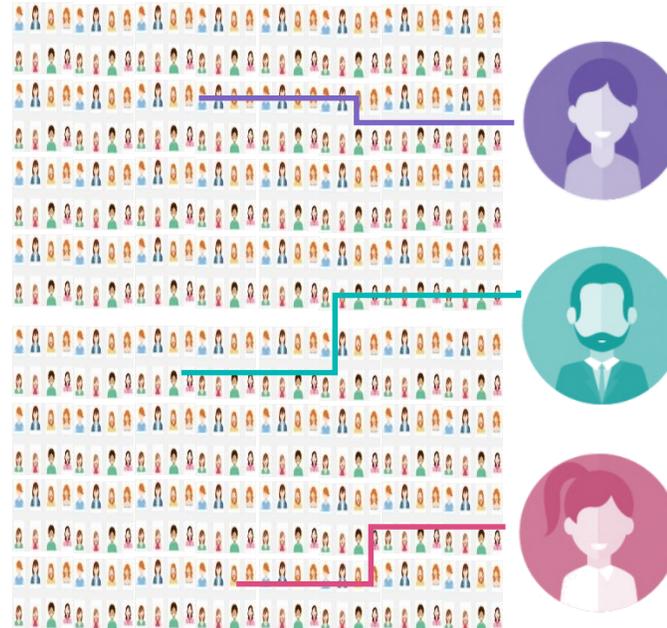




# Ethical Activation and YouGov Direct

- YouGov is now breaking down the barrier between research and activation
- With YouGov Direct, members make their opinion and behavioural data available for in-depth, targeted research within a marketing and sales context
- Data can be used in this way because members have permissioned each specific use – a GDPR-compliant approach
- Security of accountability of member permissioning is enabled through the YouGov Direct blockchain encryption process

## YouGov Direct



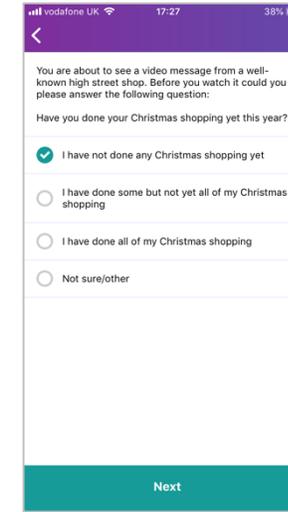
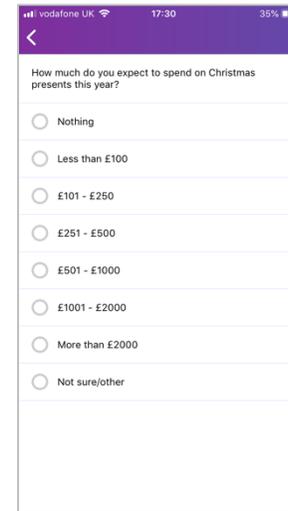
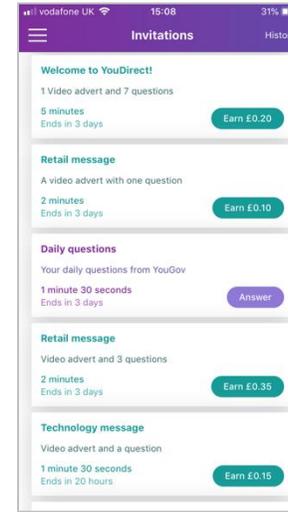
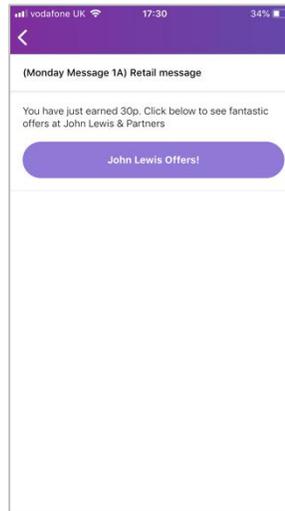
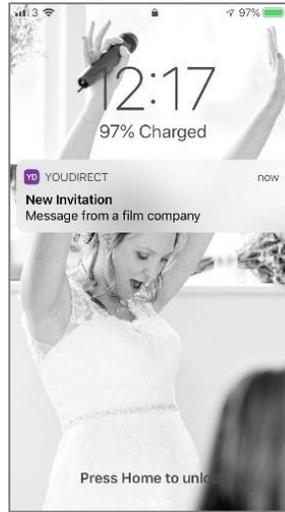
The member profile has pre-consented to targeted research by making their data 'available'



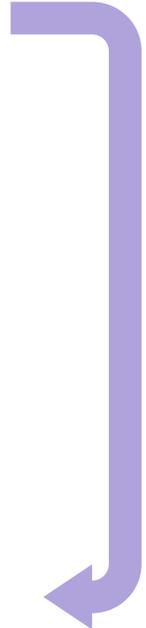
# YouGovDirect

## Progress so far:

- The first pilot of YouGov Direct in early 2019 proved highly successful
- A commercial version of the app has since been developed
- A commercial head of the product is now in place, based in New York
- Team of nine based in the US and UK - and growing



## Ethical Activation Enabling activation on our platform



# Long-term growth targets

Three long-term targets define our growth plan for 2019-23:

1

Double  
Group Revenue

2

Double  
Group Adjusted\*  
Operating Profit Margin

3

Achieve an Adjusted\*  
Earnings Per Share  
compound annual growth  
rate in excess of 30%

# Group Outlook

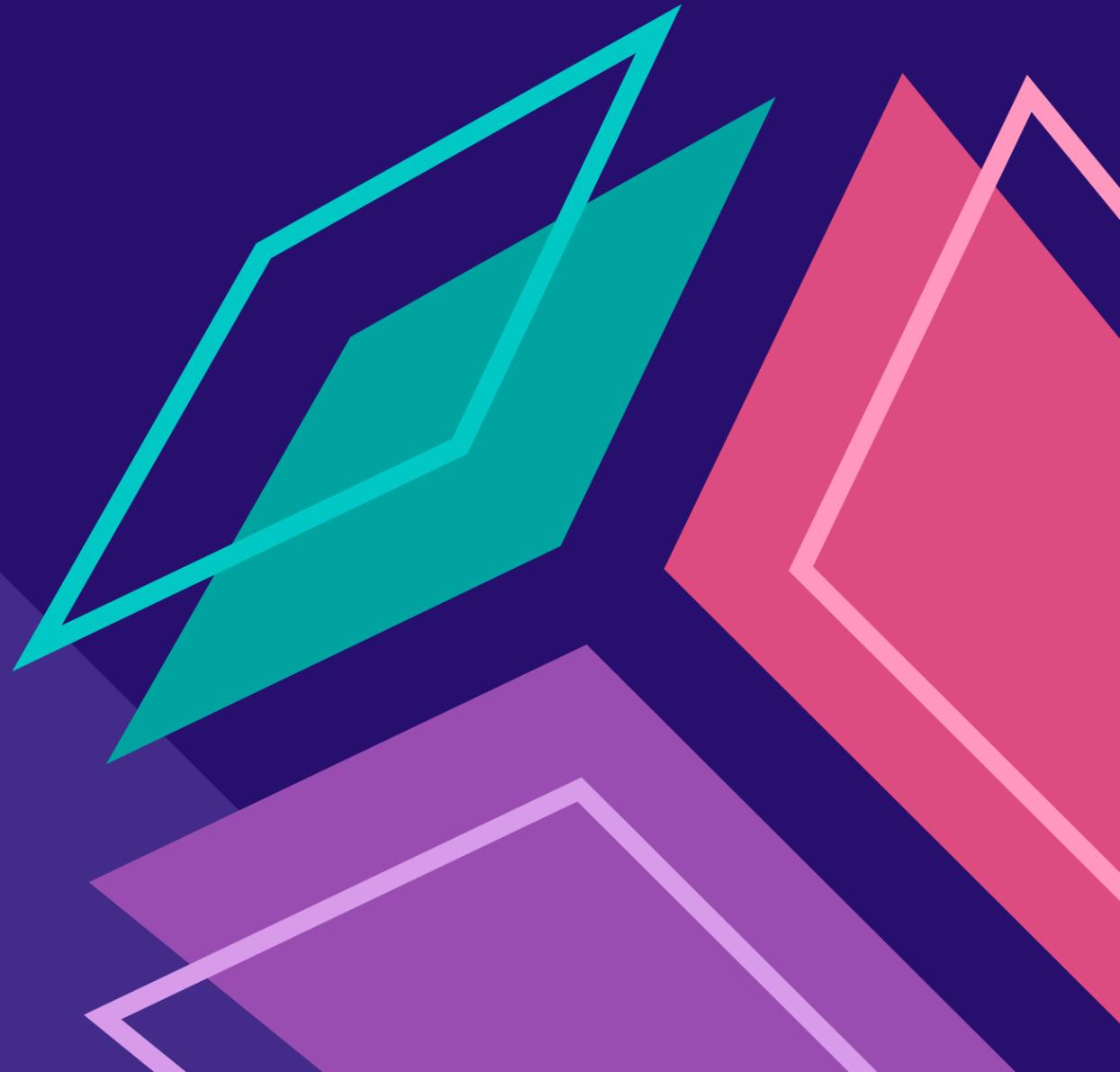
Stephan Shakespeare, Chief Executive Officer

# Group Outlook

- Strong pipeline of sales opportunities for our syndicated data products
- Continued opportunities for growth in syndicated-aligned custom research
- Continued investment in technology and geographic expansion to support scaling, in line with our strategic growth plan
- Significant opportunities for YouGov Direct in the digital advertising eco-system
- First 'YouGov Screen' module launching soon
- Cushioned from 'Brexit' volatility by the international spread of our revenues and US weighting
- Trading for the current financial year is in line with the Board's expectations
- Ambitious but achievable new long-term growth plan

**Thank you**

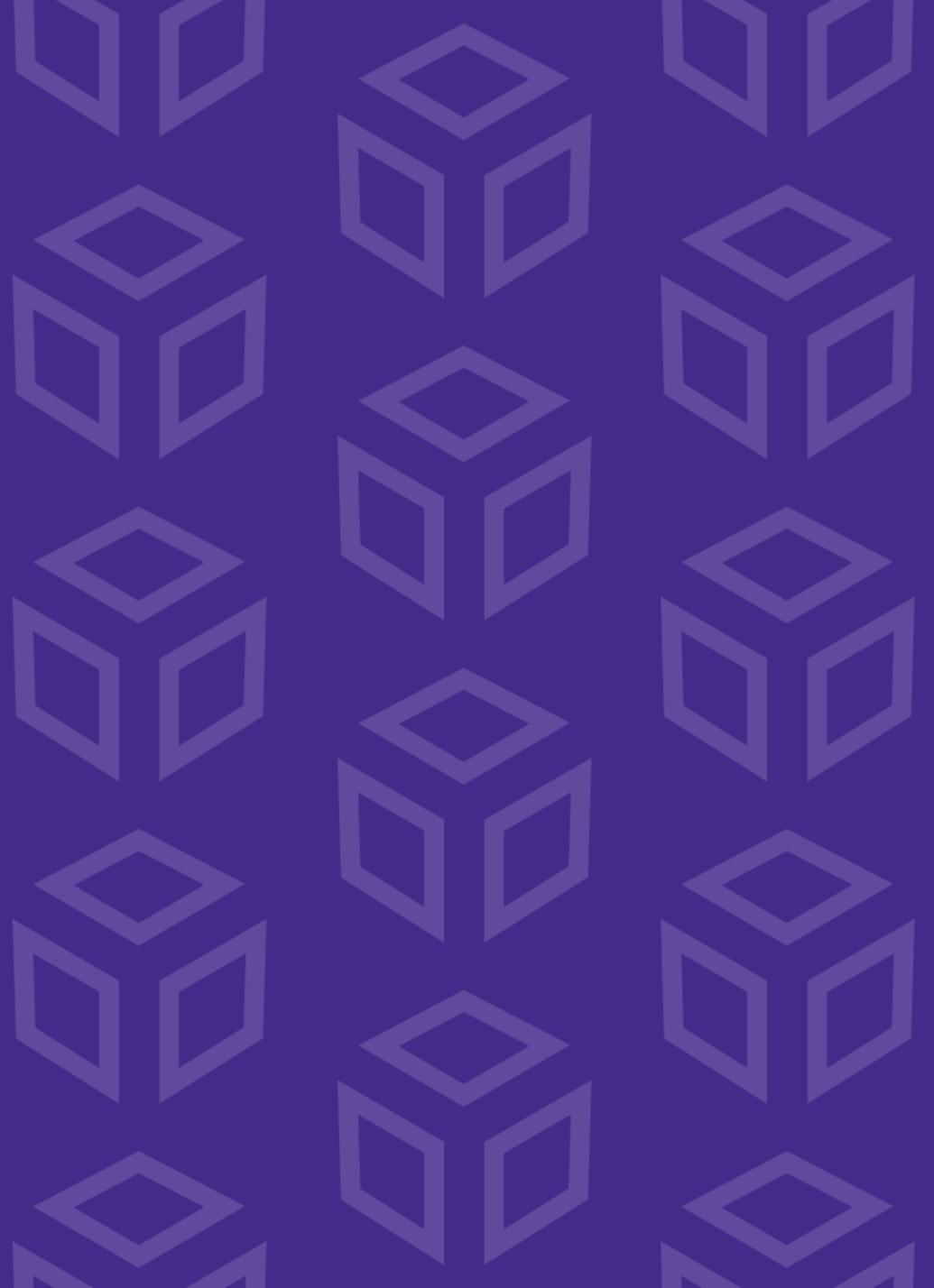
**YouGov<sup>®</sup>**



# About YouGov

**YouGov**<sup>®</sup>

[corporate.yougov.com](https://corporate.yougov.com)



**YouGov is a global  
research data and  
analytics group**

**Our mission is to  
supply a continuous  
stream of accurate  
data into what the  
world thinks, so that  
organisations can  
better serve the  
communities that  
sustain them**



**Each day, our highly engaged proprietary global panel of over 8 million people provides us with thousands of data points on consumer opinions, attitudes and behaviour**



**We combine this continuous stream of data with our research expertise to provide insights that enable intelligent decision-making and informed conversations**



**YouGov has a track record for accuracy and is trusted by clients and the media alike to tell them what the world thinks**

Pew Research Center 

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“They produce a more representative, more accurate national survey than the competition... stands out as a top performer.”

**THE WALL STREET JOURNAL.**

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“No political party can really claim to have won the U.K. election, but one company can - YouGov.”

**FINANCIAL TIMES**

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“YouGov was startlingly effective... Their model worked astoundingly well.”

**The Washington Post**

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“Outperformed all others. By a lot... clearly stood ahead of the pack.”

**Bloomberg**

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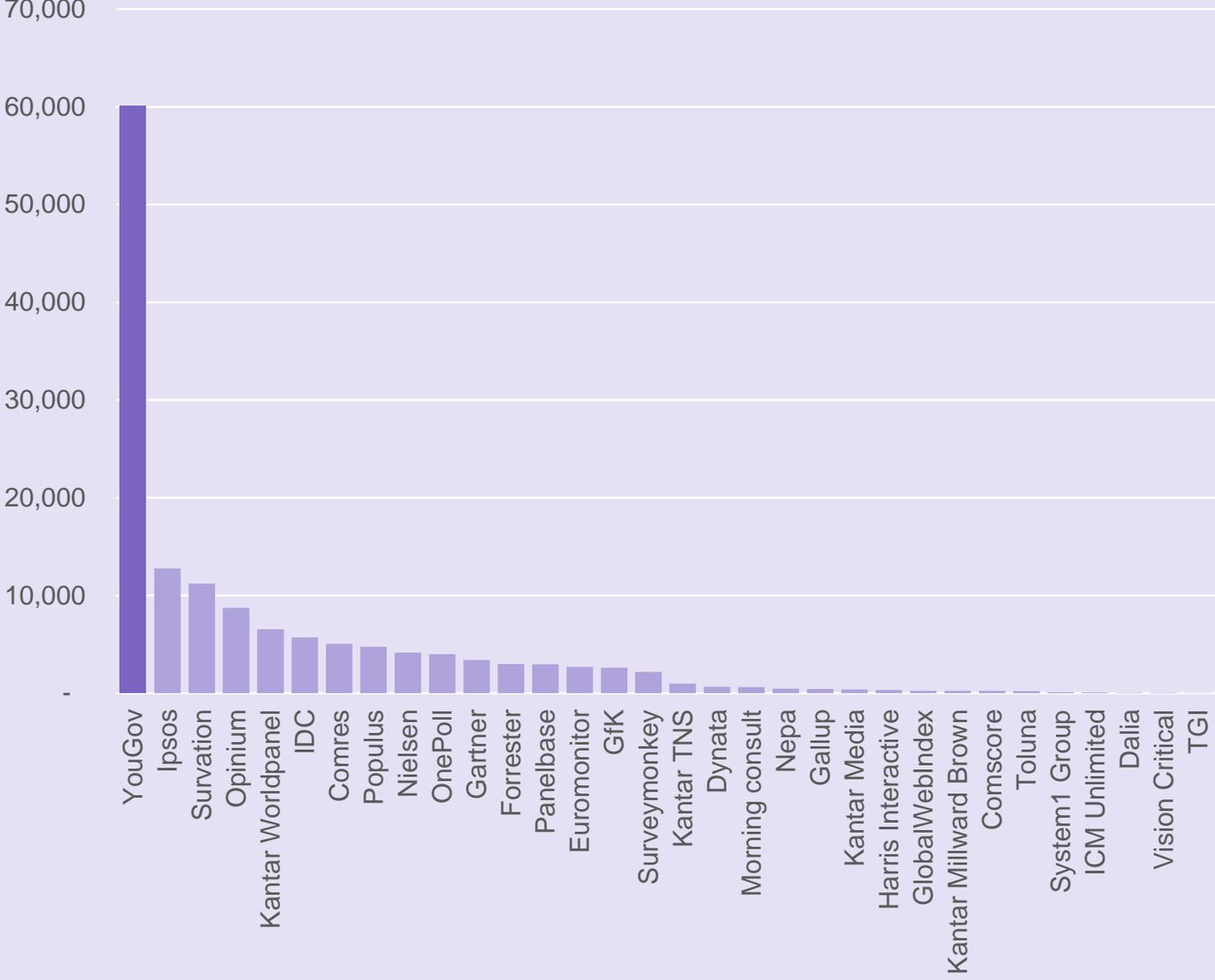
“The YouGov model is more than a poll. It's a hybrid of a traditional opinion survey and an exercise in big data analysis.”

**The Guardian**

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“Surpassing all expectations... provides results faster and, often, more accurately than rivals.”

# YouGov is one of the most quoted market research sources



United Kingdom, 1 August 2018 to 31 July 2019  
Source: Meltwater

**YouGov serves some  
of the world's most  
recognisable brands**



dentsu



Ogilvy



**SONY**

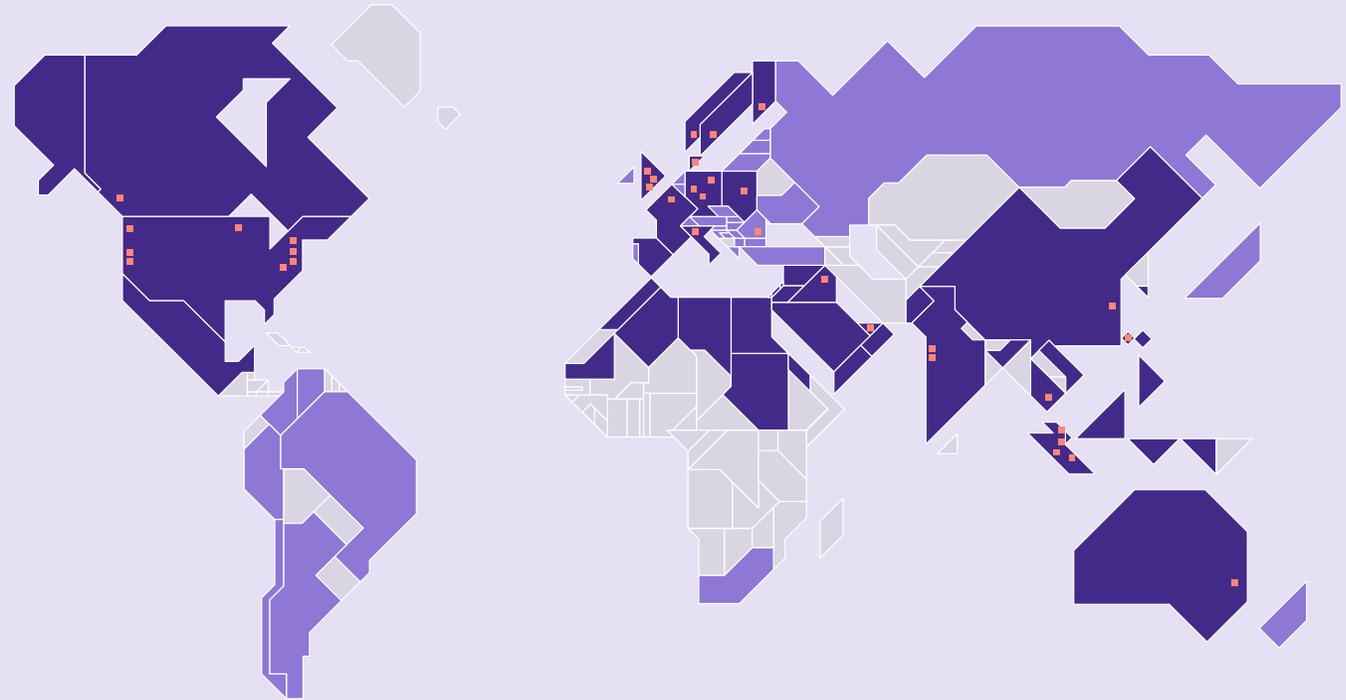
**SAMSUNG**



← Over 4,000 clients – media agencies, media owners and brands →

**The best panel:**

**YouGov has one of the world's largest international research networks**



■ Partner and affiliate panels

■ YouGov panels

■ YouGov offices

The best data:

As the pioneer of online market research, innovation is core to YouGov's culture, and this is reflected in the innovative ways we collect, connect and analyse data

## COLLECT

Large engaged longitudinal panels in all key global markets

Single-source data means every response, collected through various channels, can be tied back to a known (and willing) individual



## STORE & CONNECT

In order to store, connect and easily access all our hugely rich datasets, we developed the YouGov Cube, our highly structured and codified multi-dimensional data library



## METHODOLOGY

YouGov is the market research pioneer of Multi-level Regression with Post-stratification (MRP) for accurate predictions at a granular level

### UK General Election 2017

We used MRP to construe outcomes for each of the UK's 632 parliamentary constituencies, polling 7,000 UK voters each day in the lead up to the election

Our results indicated a Hung Parliament, while other pollsters and both Campaigns were confident of an easy victory for the Conservatives



**The best tools:**

**YouGov's products and services are underpinned by our innovative and proprietary technology and tools**

## **YouGov**Crunch

**Our data analytics and visualisation tool**

Crunch makes data processing faster, more accurate and gives users control over their data analysis.

## **YouGov**Direct

**Our blockchain-based platform for member permissioning and effective ad targeting**

YouGov Direct harnesses blockchain technology to verify the data exchange between consumers and advertisers.

## **YouGov**Collaborate

**Our self-service tool for survey design**

YouGov Collaborate gives users the ability to create, customise, and give feedback on surveys.

**YouGov**  
**Best panel**  
**Best data**  
**Best tools**

**YouGov**<sup>®</sup>

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