



Tuesday 6 October 2020

Building the YouGov Platform

Full Year Results to 31 July 2020



Disclaimer

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Key Highlights

Stephan Shakespeare, *CEO*

Continued strong, profitable growth and rising shareholder returns

Financial Summary

- Revenue growth of 12% (2019: 17%), well ahead of the 3.9% market growth as estimated by ESOMAR for 2019¹
 - Underlying business² growth of 13%
- Adjusted operating profit³ up by 18% to £21.8m (2019: £18.5m)
 - 14% underlying business² growth
 - Adjusted operating profit margin⁴ rises 80bps to 14.3% (2019: 13.5%), despite higher investment in building our platform for growth
- Adjusted earnings per share⁵ up by 21% to 18.1p (2019: 15.0p)
- Net cash balances of £35.3m (31 July 2019: £37.9m); cash conversion of 104%
 - Cash balance slightly lower due to increased investments in panel and technology as well as payment of the SMG Insight earn-out ahead of schedule
- Recommended dividend increase of 25% to 5.0 pence per share, payable on 14 December 2020 to shareholders on the register as at 4 December 2020

1 According to the ESOMAR Global Market Research Report published in September 2020, global research market turnover grew by 3.9% in 2019 (adjusted for inflation).

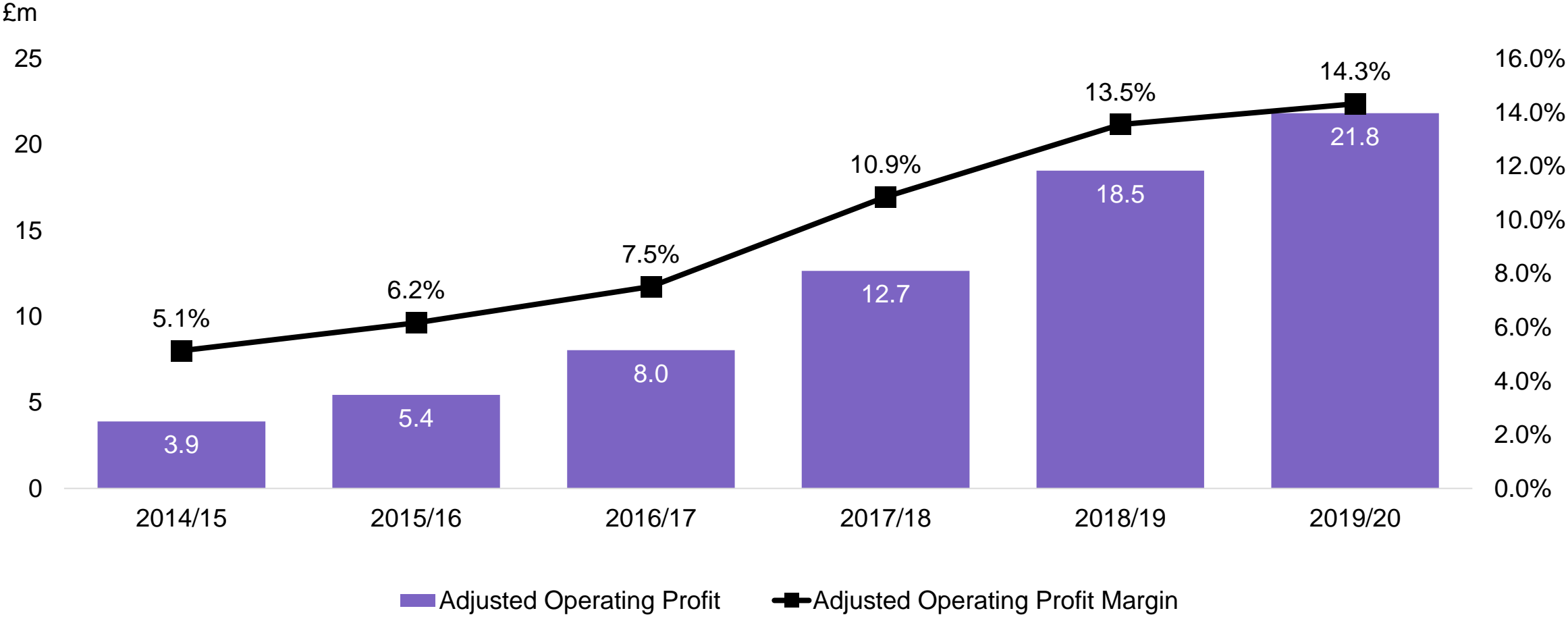
2 Defined as growth in business excluding impact of current and prior period acquisitions and movement in exchange rates.

3 Defined as operating profit including amortisation of intangible assets charged to operating expenses and excluding separately reported items

4 Defined as adjusted operating profit expressed as a percentage of revenue.

5 Defined as earnings per share before the post-tax impact of share based payment charges, imputed interest and separately reported items.

Margin expansion seen in the investment phase of our current long-term strategic growth plan



Continued strong, profitable growth and rising shareholder returns

Operational Highlights



Continued growth most seen in the largest key markets, the US and UK

- Established a global key account management programme to cultivate our most significant client accounts in those markets



Increased investment in the business to building a platform for future growth

- Broadening geographic footprint with panels established in four new countries
- Launched several new products to capitalise on client need for data and analytics, such as YouGov Recommend+, YouGov DestinationIndex and YouGov COVID-19 Monitor
- Established new Centres of Excellence (centralised data services) to streamline operational activities
- Launched new platform for participation (YouGov Chat)



Ensured full continuity of service during COVID-19 lockdowns in H2

- No material impact on business performance to date from the COVID-19 pandemic

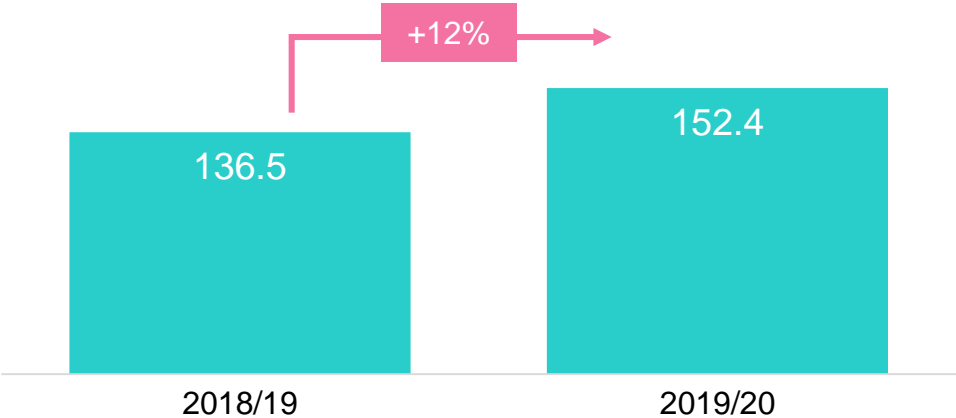
Financial Updates

Alex McIntosh, *CFO*

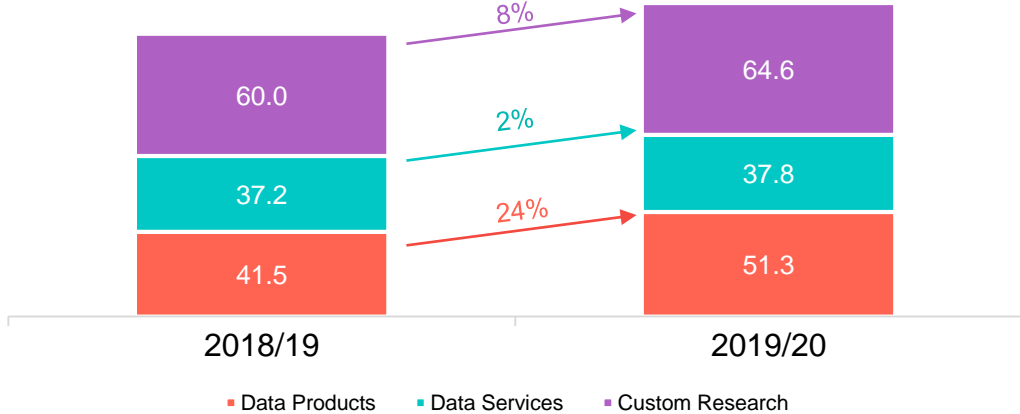
Revenue Performance by Division

- Data Products remains the key driver of growth as clients continue to value our YouGov Plan & Track proposition
- Custom Research saw strong underlying growth trends during the year, as the repositioning of the business to more YouGov Cube-aligned work begins to show positive results
 - Offset by the expected closure of operations in Kurdistan in H2
- Data Services growth moderated due to several factors including a reorganisation in the Nordics, nonrecurring election work in Asia Pacific and subdued performance in Germany
- Slight weakness in retail clients, due to project delays and renewal deferrals, compensated by increasing opportunities from technology clients and government work

Group Revenue (£m)



Revenue by Division



Revenue Performance by Geography

- Largest key markets, the US and UK, continue to be the drivers of Group performance
 - Continue to focus and invest in those key regions as ample room for growth remains
- Mainland Europe sees subdued growth, largely in Data Services and Custom Research divisions
- Underlying revenue in Middle East remains robust; reported figures impacted by Kurdistan closure

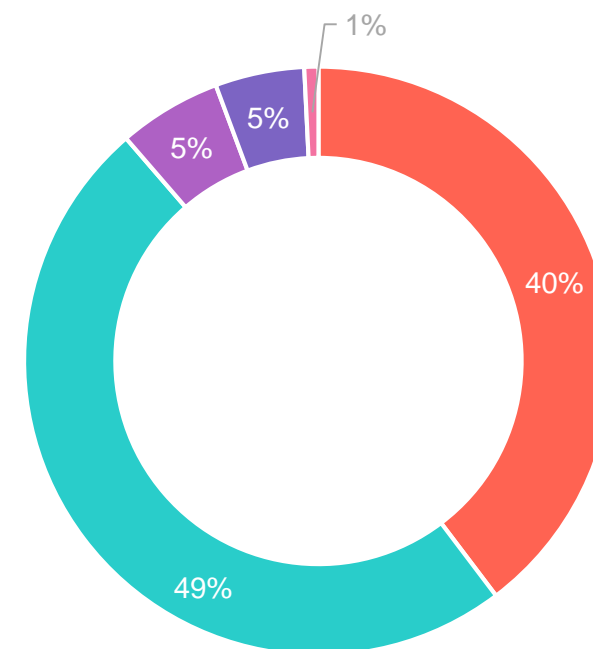
	Year ended 31 July 2020 £m	Year ended 31 July 2019 £m (restated)	Change %	Underlying business ¹ revenue change %
UK	47.2	41.2	15%	15%
Americas	64.8	56.4	17%	13%
Mainland Europe	24.3	23.9	2%	3%
Middle East	8.8	10.5	(17%)	20%
Asia Pacific	12.5	11.3	10%	11%
Intra-group revenues	(5.2)	(6.8)	-	-
Group	152.4	136.5	12%	13%

Adjusted Operating Profit¹ Performance by Division and Geography

	Year to 31 July 2020 £m	Year to 31 July 2019 (restated) ² £m	Operating Profit growth %	Operating Margin Year to 31 July 2020	Operating Margin Year to 31 July 2019
Data Products	18.0	14.2	26%	35.0%	34.3%
Data Services	7.0	7.5	(6%)	18.4%	20.0%
Custom Research	12.6	13.1	(4%)	19.5%	21.9%
Central costs	(15.8)	(16.3)	(3%)	-	-
Group	21.8	18.5	18%	14.3%	13.5%

- Growth in adjusted operating profit continues to be driven by the established markets, the UK and US
- Low revenue growth in Mainland Europe impacting margins as investment in the business continues
- Middle East margins impacted by closure of Kurdistan business

12 months to 31 July 2020
Adjusted Operating Profit¹



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

Balance Sheet

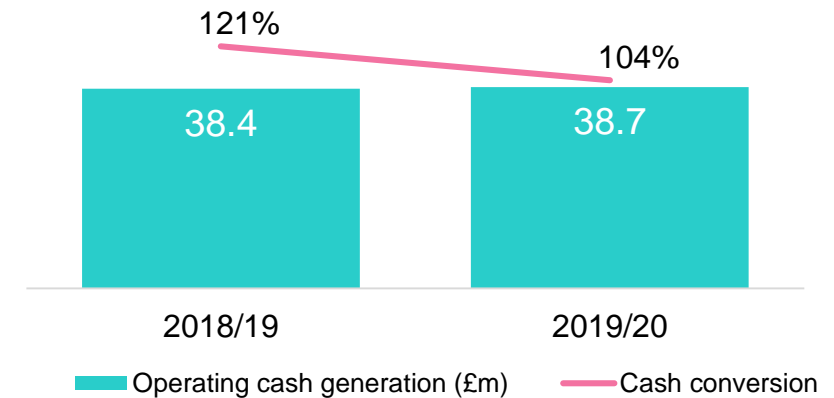
- Debtor days increased from 47 days to 48 days
- Creditor days decreased to 19 days from 24 days
- Goodwill includes an impairment charge of £2.1m on the Nordic business
- No debt; cash balance of £35.3m at 31 July 2020

	31 July 2020 £m	31 July 2019 ¹ £m
Assets		
Goodwill	61.5	65.6
Other intangible assets	23.2	16.7
Other non-current assets	23.4	26.2
Total	108.1	108.5
Current Assets		
Trade and other receivables	34.2	33.7
Cash	35.3	37.9
Other current assets	0.7	0.9
Total	70.2	72.6
Liabilities		
Trade and other payables	38.5	40.0
Contingent consideration	3.4	2.8
Provisions	6.7	4.9
Other current liabilities	4.2	3.6
Total	52.8	51.4
Non-Current Liabilities		
Contingent consideration	3.0	7.3
Provisions	4.6	4.6
Other non-current liabilities	8.6	10.4
Total	16.2	22.3
Net Assets	109.3	107.4

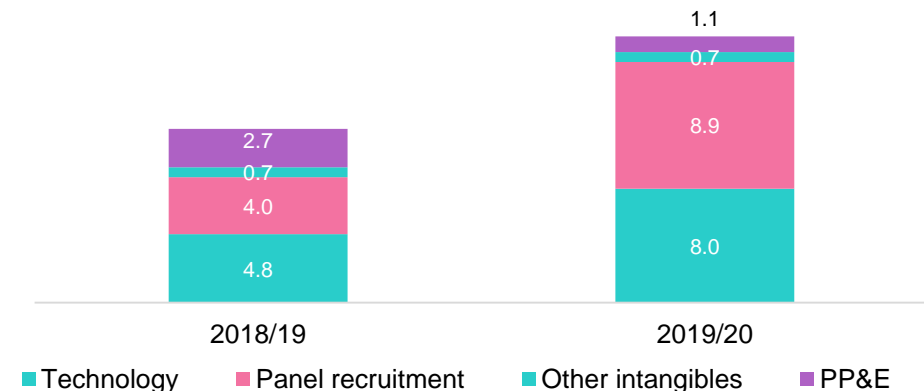
Cash Flow

- Steady generation of cash from operations at £38.7m; 104% of adjusted EBITDA
 - Cash conversion down due to normalised working capital requirements; prior year benefitted from £6m inflow from working capital
 - Business remains highly cash generative enabling continued investments for growth
- Higher cash outflow from investing activities includes:
 - £7.5m for settlement of deferred acquisition consideration, including SMG Insight earn-out
 - £8.9m on panel recruitment as we establish and further develop panel globally
 - £8.0m on technology development to launch innovative new products
- Financing outflow includes £4.3m on dividend payments and £2.4m on purchase of own shares
- Net cash outflow of £2.6m
- Cash balance at end of period £35.3m (2019: £37.9m)

Cash generation and conversion



Capital Expenditures (£m)



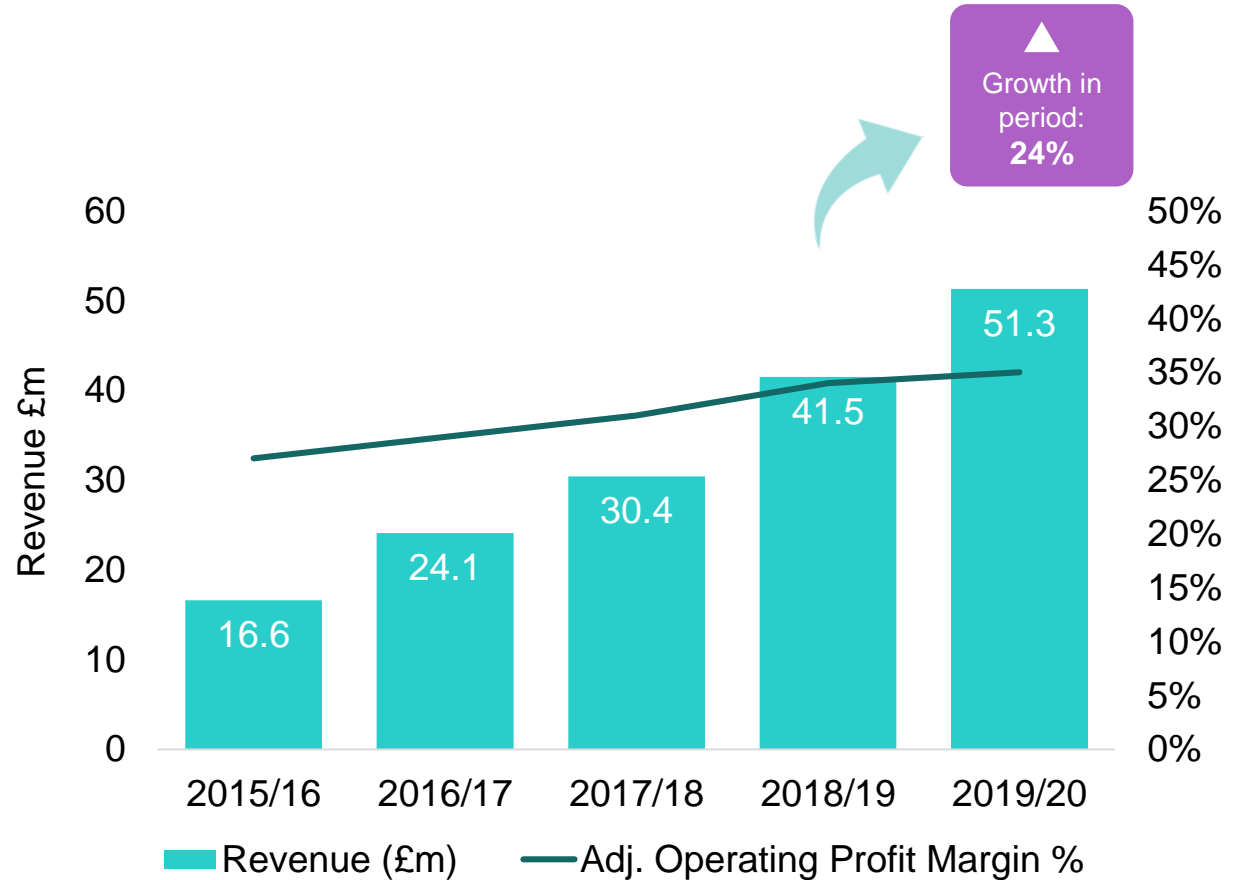
Operational Updates

Sundip Chahal, COO

YouGovDataProducts

YouGov's Data Products division is comprised of our syndicated data products, which are available to clients on a subscription basis. It includes YouGov BrandIndex and YouGov Profiles sold under the combined YouGov Plan & Track proposition

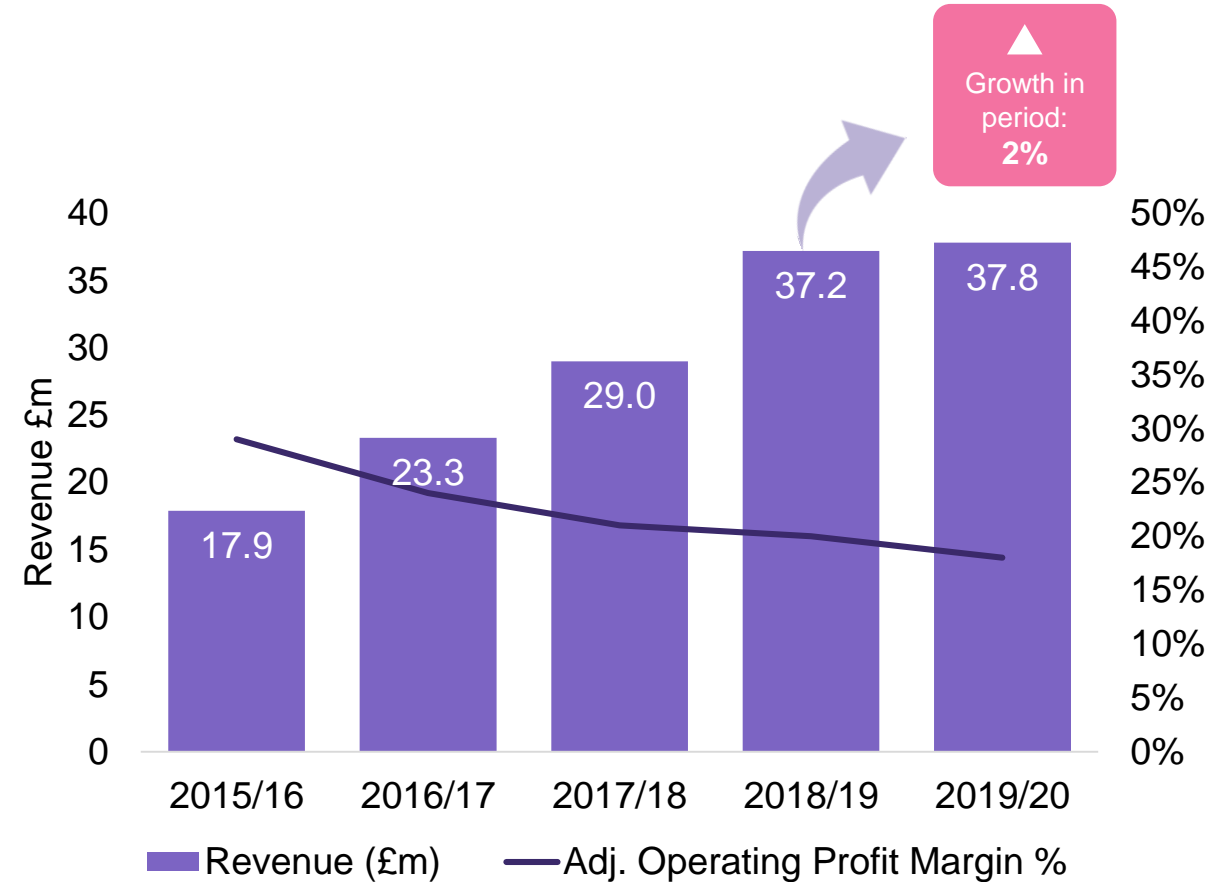
- Strong top-line performance seen across all geographies
 - In a rapidly changing consumer environment, clients increasingly valued up-to-date data around brands and their audiences
- YouGov Sport delivered stellar performance despite COVID-19 impact on the sports sector
- Continued margin expansion in Data Products thanks to largely digital model for data collection and delivery of syndicated products



YouGovDataServices

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

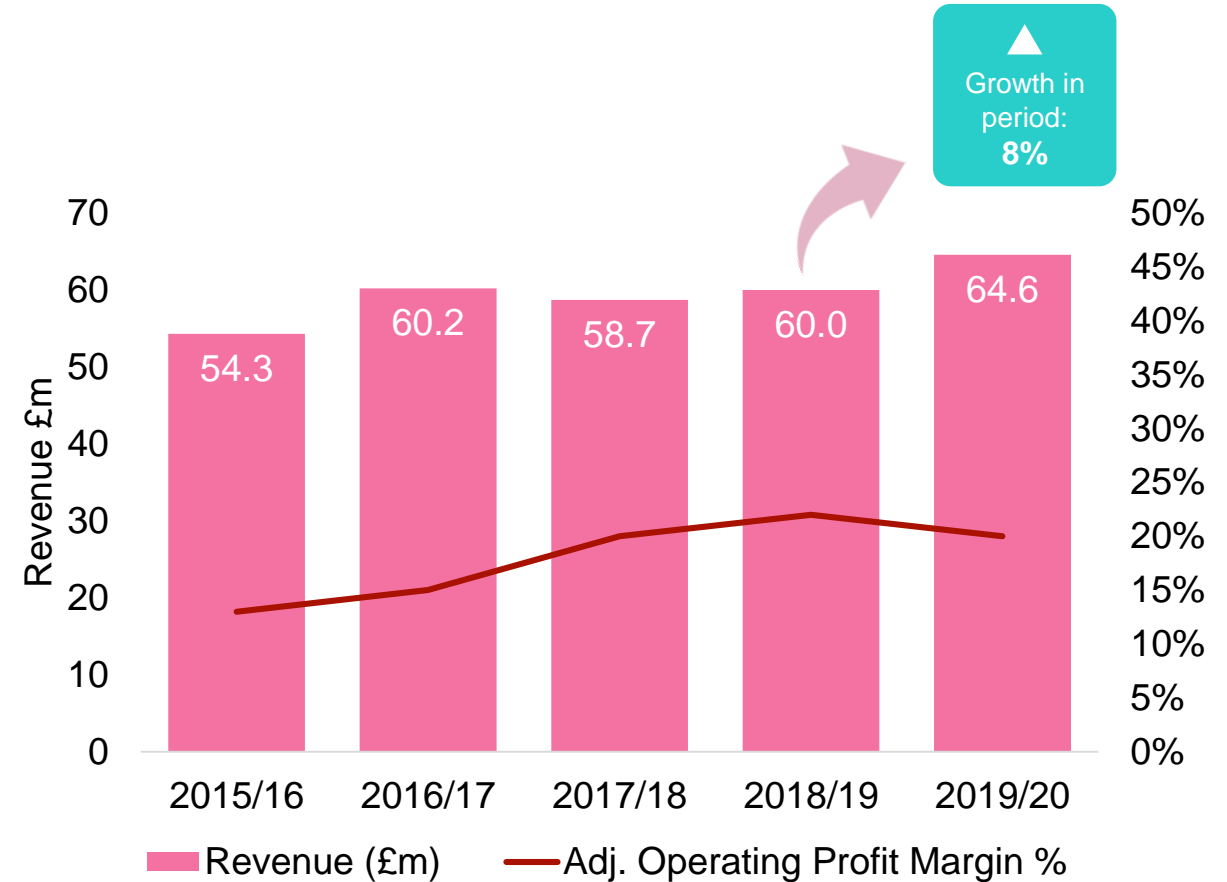
- Focus on the US market and further territorial expansion has helped the division expand the revenue base beyond the core UK market
- Growth was moderated by non-recurring election work in Asia Pacific and muted performance in Europe
- Margin in the division continued to be impacted by:
 - Full year effect of the previously disclosed transferring of lower margin project work from the Custom Research division in the Nordics
 - Increase in allocations of central costs
 - Slow revenue growth leading to lower operational leverage
- Lower underlying growth in recent years has impacted the division's ability to absorb rising investment costs



YouGovCustomResearch

YouGov's Custom Research division offers a wide range of quantitative and qualitative research, including substantial global trackers, that is tailored by sector specialist teams to meet clients' specific requirements

- Performance in the division in recent years has been impacted by the shift in focus from labor-intensive, low-margin work to more Cube-aligned tracking projects
- The US and UK saw strong growth in the year while the expected closure of the Kurdistan business led to declines in the Middle East
 - Excluding Kurdistan, revenue growth for the financial year would have been 13%
- The Kurdistan closure and increased central cost allocations also impacted margins for the period



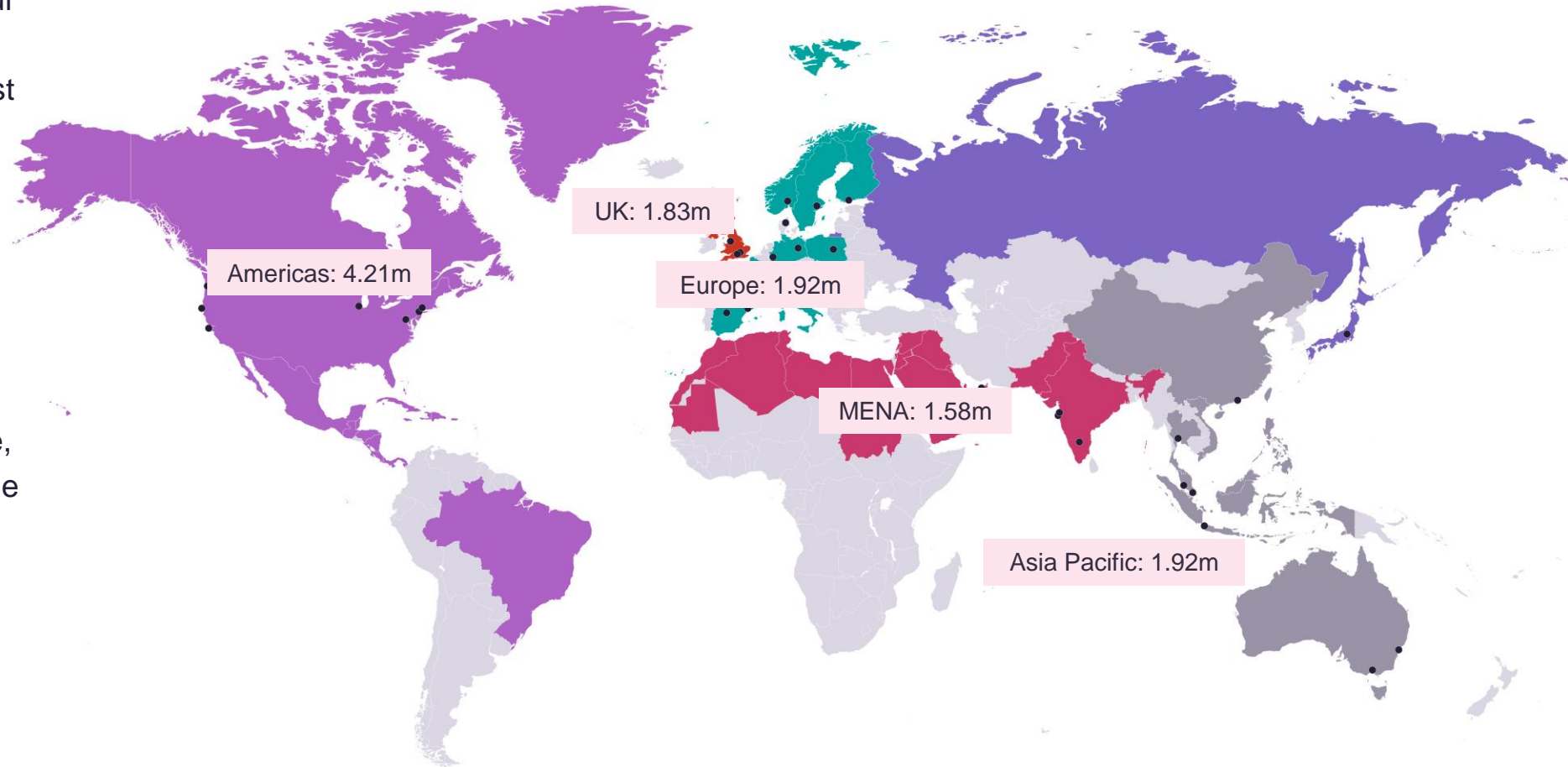
Investment in technology, products and platform

- Further developed our proprietary technology, including our analytics software YouGov Crunch
- Developed new brand and NPS® trackers, such as YouGov Recommend+, using connected research data systems
- Launched new YouGov widgets such as our free YouGov Audience Explorer tool that helps build a deck-ready portrait of audiences
- Launched new products, such as YouGov DestinationIndex and YouGov COVID-19 Monitor, leading to development of a new healthcare sector offer
- Improving the YouGov experience for customers, panellists and the public (websites, apps, products, tools, interfaces and dashboards)
- Addition of YouGov Direct creates a platform for research and activation



Investment in panel

- Continued to invest in our consumer panel to increase our research capabilities, both in new geographies and specialist panels
- Expanded our geographic capability by establishing new panels in Austria, Brazil, Switzerland and Turkey
- We now have 11.5 million registered panellists worldwide, a strong increase of 37% on the prior year
- Added new channel for participation: YouGov Chat, significantly improving recruitment options



Investment in global infrastructure

- Enhancing our scalability and streamlining operational activities by investing in Centres of Excellence (CenX)
 - Enhances appeal of our self-service offering and supports our syndicated data customers
 - Cultivates a global presence as client can be serviced without the need for employees in every country
- Over the last five years, the CenX model has reduced our spend on data operations overheads as a % of global revenue from 4% to 2%
- Remote and agile working practices well established
 - Approach has served us well for responding to COVID-19 lockdowns



Data Processing hubs

Bucharest
Mumbai
Bangalore **NEW**



Technology development hubs

Warsaw
Toronto **NEW**

Focus on sales organisation and key global accounts

- Kicked off global key account management programme with the appointment of key account managers
 - 25 key client accounts identified in the US and 40 in the UK
- Focus on cultivating our most significant client accounts for cross-selling and up-selling opportunities
- Established a tight sales and marketing structure with greatly improved planning and metrics
- New digital sales platform to be ready for launch by the end of H1 2021



Strategic Updates

Stephan Shakespeare, *CEO*

We are creating a platform for the ethical sharing of opinion and personal data based on three strategic pillars



Data Integration

Fully integrating custom research and client service with our data products and tools

2019/20 Progress:

1. Productised YouGov Cube-aligned custom trackers
2. Added new sector-specific data to the YouGov Cube
3. Further developed YouGov Crunch
4. Launched self-service functions within YouGov Direct



Public Data

Making the data we collect from the public valuable to the public

2019/20 Progress:

1. Expanded YouGov Ratings into new categories
2. Launched YouGov America, a website focused on the US Presidential Election
3. Significantly improved public access to our data and its appearance in search



Ethical Activation

Enabling citizen-controlled marketing activation on our platform

2019/20 Progress:

1. Launched an early release version of YouGov Direct to a small number of clients, including blue-chip companies
2. New passive data streaming product set for launch later this year

Investor webinar on detailed progress and new product launch planned for November



YouGovDirect

A unique platform that offers rapid, self-serve research, and the ability to market products and services directly to consumers.

Research

- ✓ Low cost self-service research, with high-quality results in hours
- ✓ High quality creative and message testing demonstrating clear ROI by monitoring real business outcomes

Marketing

- ✓ Serve ads or tasks directly to consumers who have permissioned their data for targeting
- ✓ Target extremely precise audiences with zero wastage, 100% viewability and 100% engagement.



**Fastest, self-service, high-quality, low cost research platform
&
A new way to deliver highly effective marketing directly to
consumers**

Research

Quick Turnaround

Fieldwork completed within hours and results available in real-time.

Cost Effective

Ultimate value proposition from YouGov with low price point without sacrificing quality.

Monitor Real Business Outcomes

Go beyond claimed behaviour when testing marketing by monitoring Click Through Rates to determine best performing messages / creatives.

Marketing

GDPR / CCPA Compliant

All data is granularly permissioned by members for ad targeting, with consent written to blockchain for audit purposes.

100% Fraud Free

Brand safe, viewable and fraud free (consumer identity verified via bank account).

Zero Wastage

Only pay when a consumer engages with your ad or task.

YouGovDirect

YouGov Direct is a fully opted-in and transparent research and marketing platform. With accurate profiling data and granular consent from our members, we enable precise audience targeting and go beyond traditional market research



Members download app or register via web



They provide their profiles and consent



Receive notification and complete task (survey or advert)



Clients access the Self-Serve Platform and launch survey or ad campaign

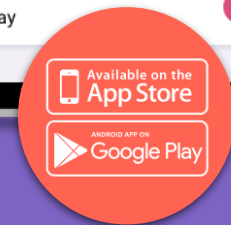
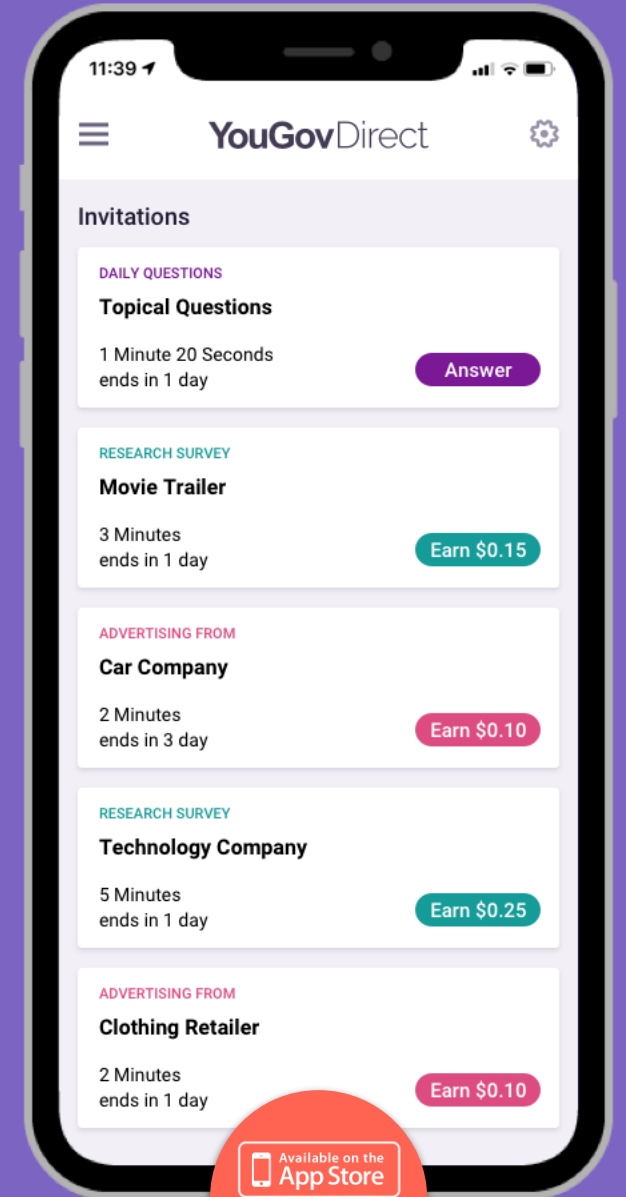


Results are available same day (interim results in real time)



Crucially, includes active market testing and Call-to-Action to measure response

Detailed webinar for the financial community planned for November to showcase how the product works, how it engages the public, how it is performing and a new related product launch



Environmental, social and governance strengths

Our social mission is core to our product: giving a voice to every part of the community



Environmental

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

- Minimal environmental footprint as a fully digital business and limited business travel
- Conducting accurate reporting and finding ways to reduce our environmental impact



Social

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

- Diversity, Equity & Inclusion Task Force set-up by our staff to help YouGov be more diverse and inclusive, both internally and in respect of our products and panels
- Supported academia and health organisations through the YouGov COVID-19 Tracker launched in partnership with Imperial College London
- Large investments in Public Data, one of our strategic pillars, to make a huge amount of our opinion data freely available



Governance

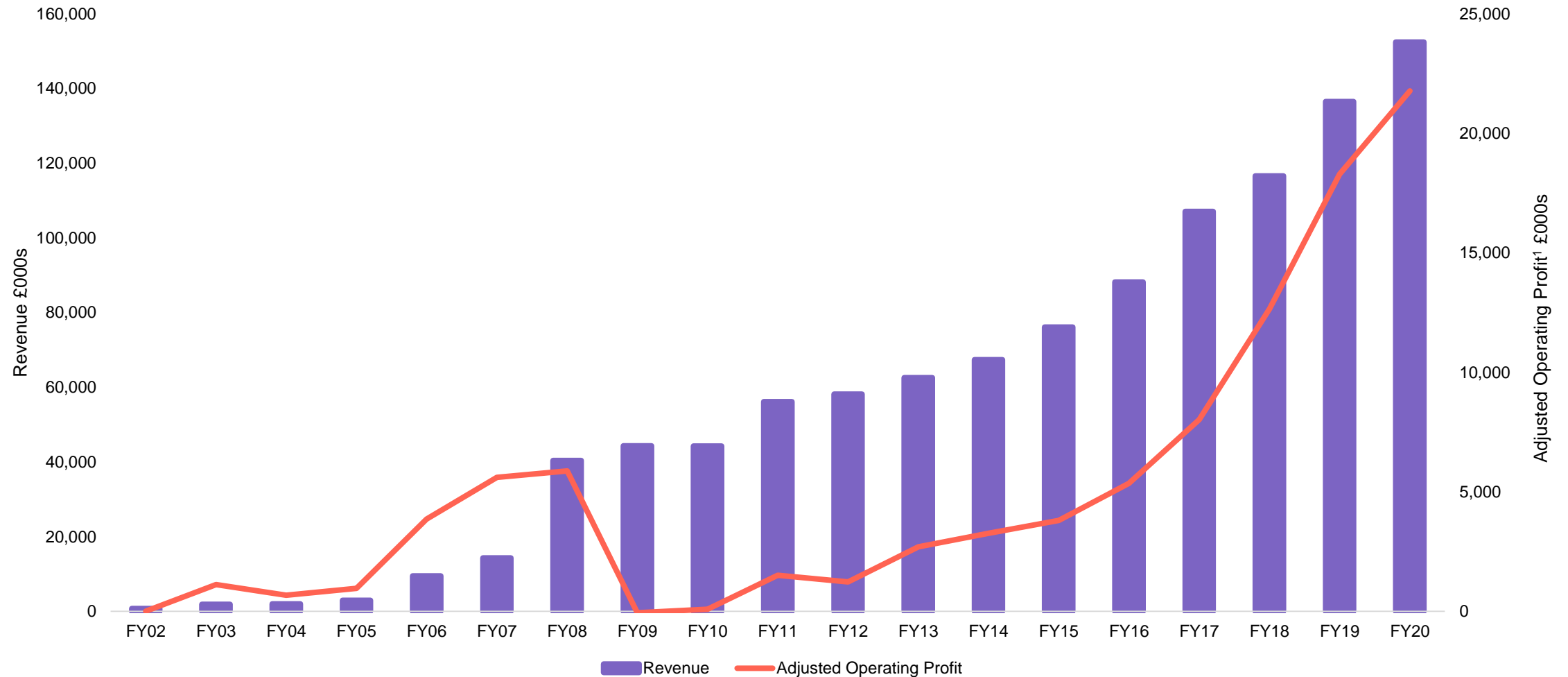
Committed to maintaining a solid governance framework to support the business

- Robust data privacy and security frameworks in place to safeguard all the valuable data that we collect from panellists daily underpinning our reputation as a trusted player
- Suite of policies and procedures that provide guidance and the standards to which we operate
- Composition of our panel regularly assessed against publicly available reference data to identify shortfalls and devise targeted marketing to attract underrepresented groups

Outlook

Stephan Shakespeare, *CEO*

YouGov has seen a remarkable growth trajectory in its 20-year history



Long-term growth targets

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

1

Double
Group Revenue

2

Double Group Adjusted¹
Operating Profit Margin

3

Achieve an Adjusted¹
Earnings Per Share
compound annual growth
rate in excess of 30%

Current Trading and Outlook

- Trading in the current year has started in line with the Board's expectations
 - Strong balance sheet and continuing to see growing demand for our products
 - Group continues to be resilient, delivering growth in both revenue and profit
 - Remain confident of meeting our long-term targets
- No material impact to date from the COVID-19 pandemic
 - Extensive measures to ensure the safety of our employees and phased our return-to-office plans to ensure a smooth and safe transition
 - No employees furloughed or government support needed
 - Monitoring the situation closely and actively engaging with our clients
 - Recognise that marketing budgets may come under pressure if the current situation prolongs
 - Prudent contingency planning and cost reviews undertaken; investment in strategic areas continued through sufficient cash reserves

Thank you

YouGov[®]

