

26 March 2024

# HY24

Results Presentation

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|----------------------------|-----------|--------------------------------------|
| Steve Hatch <b>(CEO)</b>   | <b>01</b> | Financial and operational highlights |
| Steve Hatch <b>(CEO)</b>   | <b>02</b> | CPS update                           |
| Alex McIntosh <b>(CFO)</b> | <b>03</b> | Financial review                     |
| Steve Hatch <b>(CEO)</b>   | <b>04</b> | Summary                              |

# Key highlights

- **Products:** Continued investment in technology and new product innovation alongside optimisation of behavioural data products
- **Panel:** Growth in panel size to meet client demand and in preparation for election-related research
- **Platform:** Increased member engagement, higher interest in public platform in this year of elections and self-serve tool continuing to draw in new customers
- **People:** Appointment of a new Chief Commercial Officer
- **M&A:** Completed the acquisition of CPS and KnowledgeHound in January 2024

## Revenue

£143.1m

9%  
reported

2%  
underlying  
basis

## Adjusted operating profit

£27.9m  
19% margin

23%  
reported

(4%)  
underlying

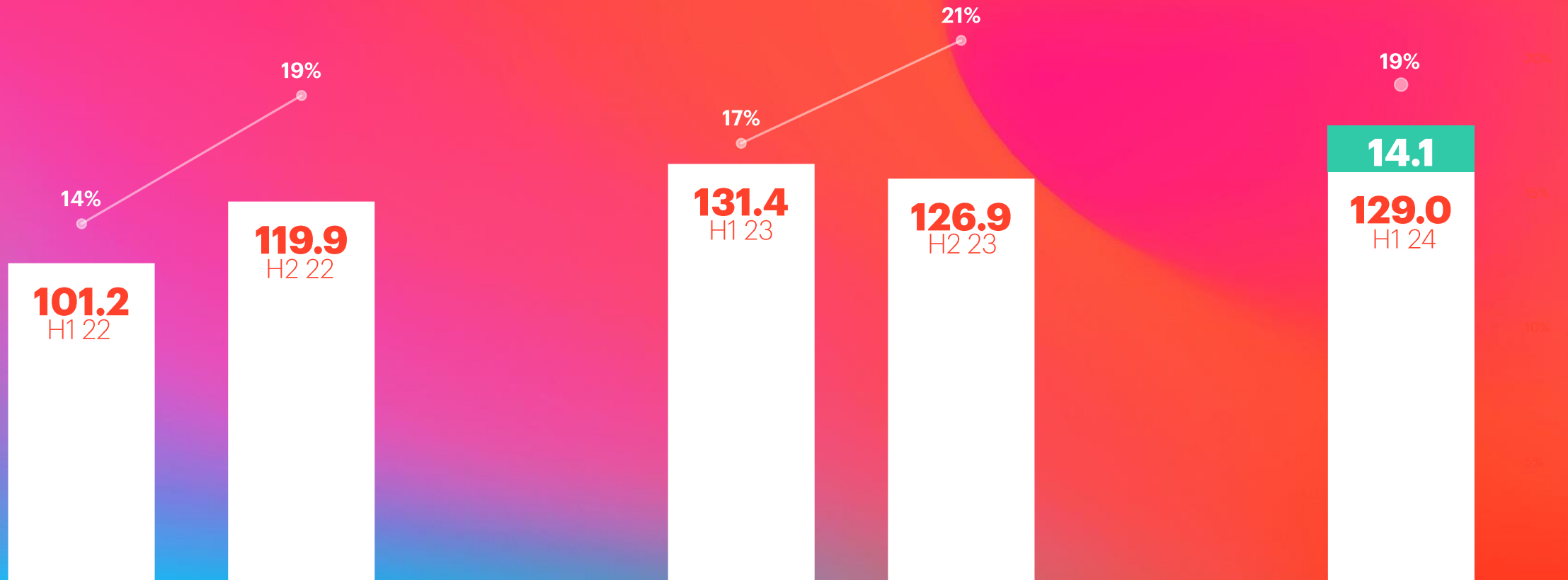
## Adjusted EPS

20.4p

4%  
reported

# Resilient performance against a challenging backdrop with strong momentum going into H2

● YouGov Revenue (£m) ● CPS Revenue (£m) ● Adj. Operating Profit Margin %



# Our Competitive Advantages



Zero-party Panellist  
Relationship

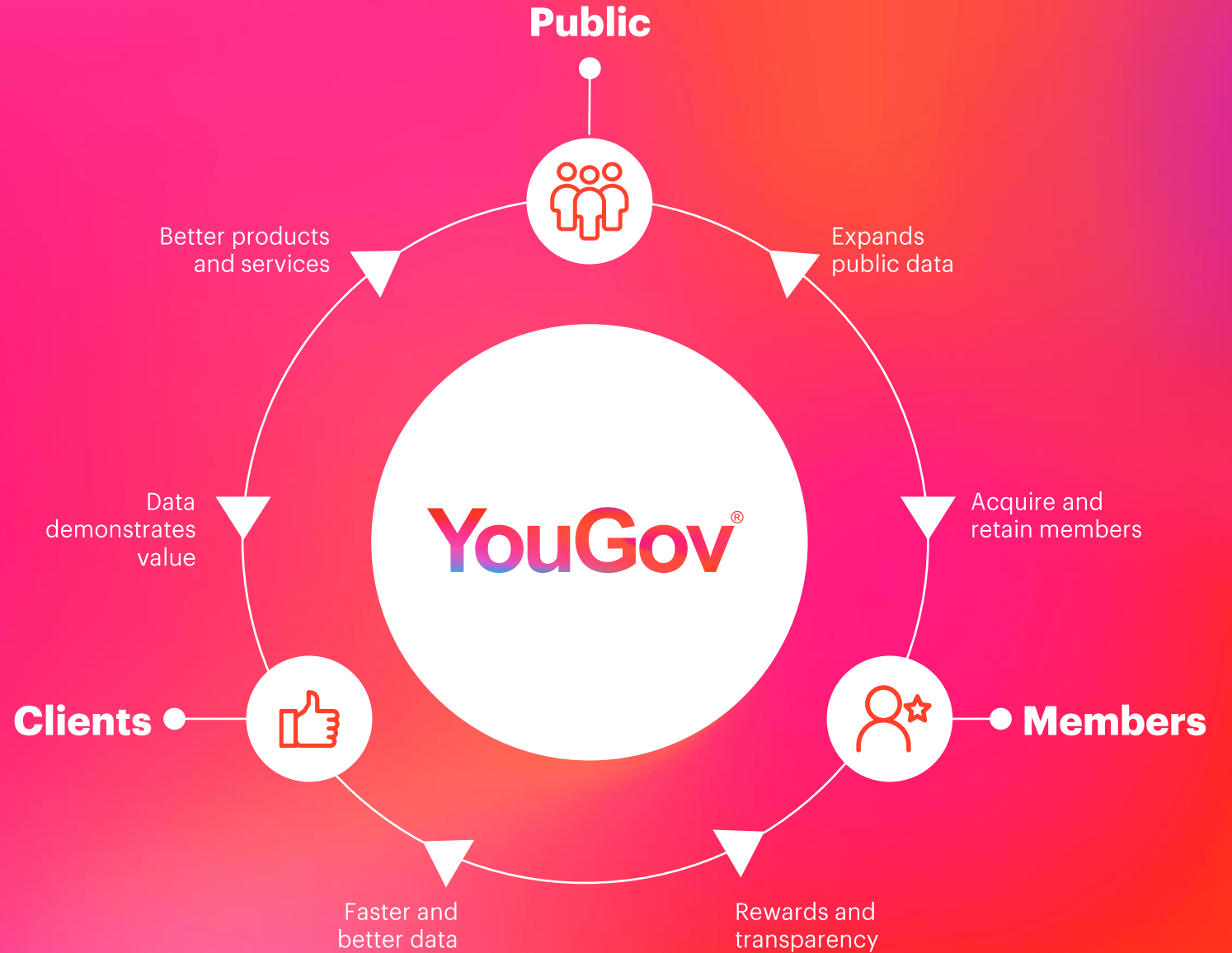


Brand Reputation  
and Recognition



Product and  
Technology  
Innovation

# The YouGov Platform is a virtuous circle providing mutual benefit to the public, members, and clients



# Growing the YouGov Platform

## FY24 Priorities and Opportunities



**Panel  
Quality**

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**Product  
Innovation**

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**Commercial  
Rigour**

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**USA  
Expansion**

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**YouGov  
Platform**

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# Growing the YouGov Platform

## FY24 Priorities and Opportunities: H1 Update



### Panel Quality

- Taken a market leading position on panel quality with an industry leading whitepaper on panel integrity and data quality
- Established multiple techniques to minimise bad actors in surveys
- Expanded key markets and demographics
- Panel integrity featuring widely in client RFPs



### Product Innovation

- Innovated BrandIndex with our first category view solution starting with the Automotive vertical
- Launched our first AI product for qualitative research
- Expansion of YouGov Safe into 9 new markets and mobile app development
- Introduction of vector search for Crunch
- Refreshing UI and UX for our flagship Data Products



### Commercial Rigour

- Appointment of new CCO and re-alignment of regional team structures
- Expanding use of sales enabling technology to improve business planning and account management
- Signed our largest single contract to date with a large, multi-national agency
- First cross-sell project with CPS delivered



### USA Expansion

- Technology clients continuing to maintain spend
- Pipeline of election-related commercial opportunities starting to build-up
- Significant expansion of US panel capabilities
- Expect US to be the biggest growth driver for FY24



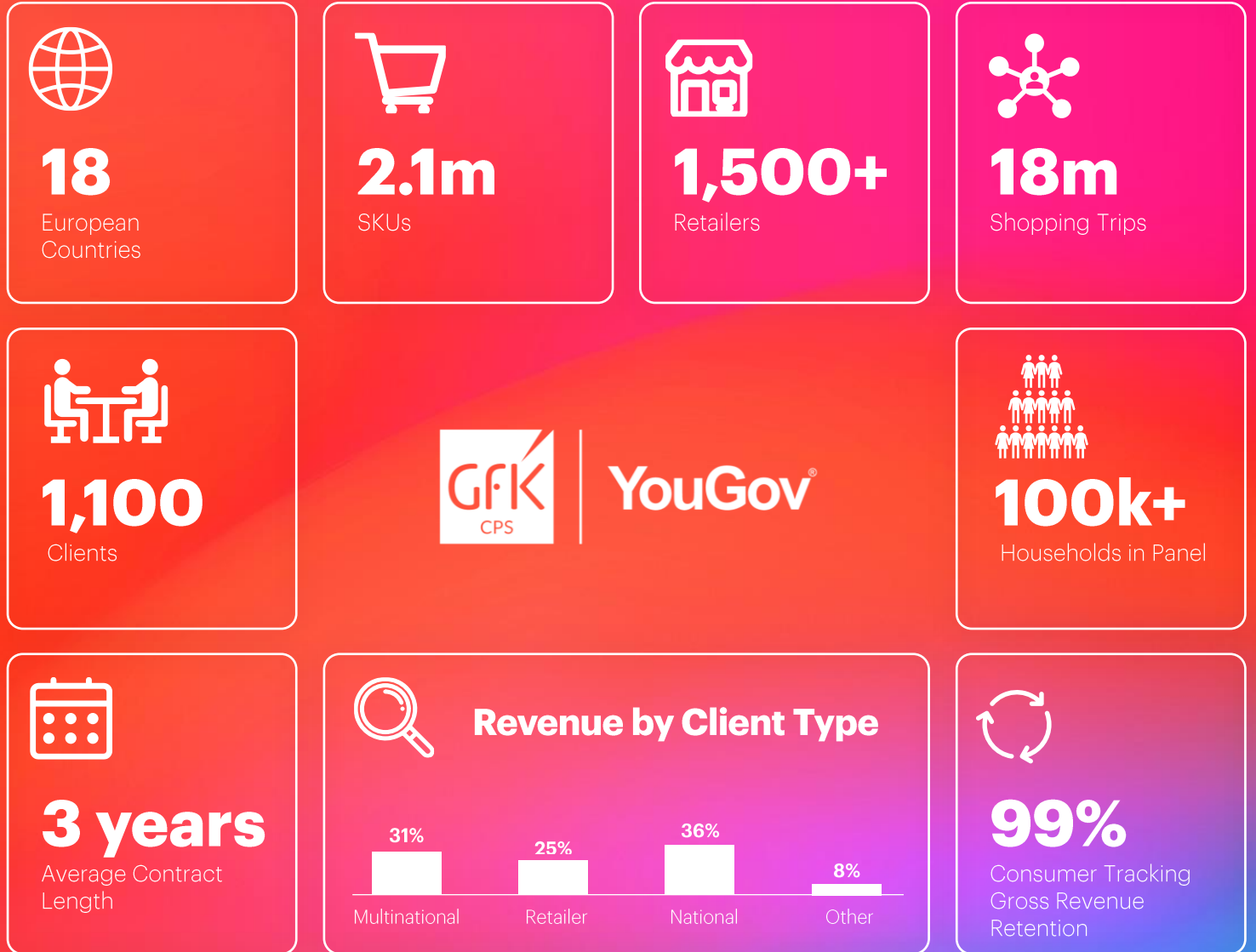
### YouGov Platform

- Public data sites driving increased traffic to member and client platform, and business site
- 12% yoy increase in member engagement across commercially valuable activities and 86% member satisfaction score
- Marketing investments in the self-serve survey tool yielded over 150 net new paying users

# 02 CPS Update

# Transformational acquisition of CPS adds the leading provider of household purchase data in Europe

Strong financial and operational KPIs



# Initial integration work progressing well with positive client and employee response

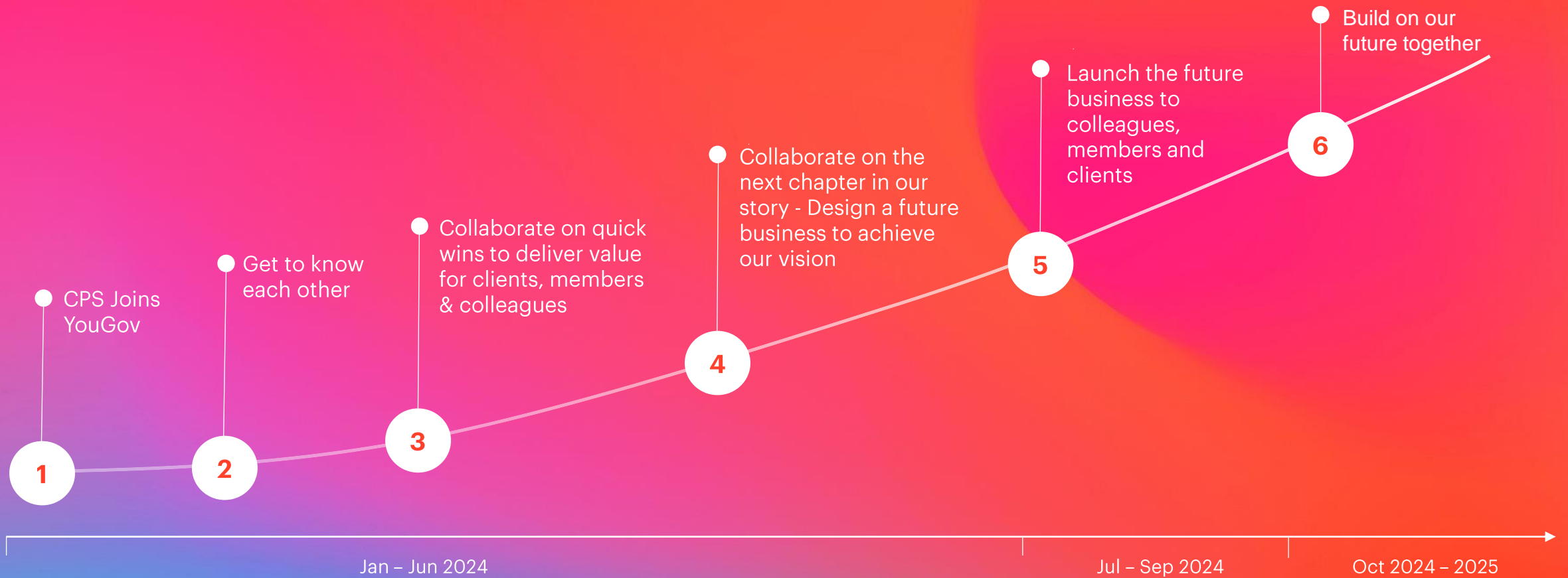
## November 2023 – February 2024

- Finalisation of TSA to ensure readiness for Day 1 and maintain BAU
- Conducted plan review and appointed AlixPartners
- Supported CPS in Day 1 delivery and identify post-Day 1 priorities
- Deal successfully closed on January 9, 2024
- Conducted a culture assessment and recommendations presented to Group leadership
- All workstreams owners and leads interviewed to design functional Target Operating Model (TOM) and develop draft integration and synergy plans
- All major CPS client contracts renewed and BAU maintained
- Initial joint commercial conversations with clients commenced
- First cross-sell client project delivered in Italy

## By the end of 2024

- TOM design work ongoing, in collaboration with AlixPartners
- TOM implementation plans to be aligned to TSA exit strategies
- CPS and YG commercial teams to accelerate near-term synergy plans across EMEA
- Harmonisation of Group and country-level policies
- Long-term opportunities to be executed in line with overall business strategy

# We are embarking on a new journey together to become the world's leading provider of marketing and opinion data



# Original strategic growth plan (SP3) targets

**Medium-term  
Revenue**

**£500m**

**Medium-term  
Operating Profit Margin**

**25%**

# Raised SP3 targets following CPS completion

**Medium-term  
Revenue**

**£650m**

**Medium-term  
Operating Profit Margin**

**25%**

# 03 Financial Review



# New Divisional Structure

## Data Products

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**YouGov BrandIndex**

**YouGov Safe**

**YouGov Profiles**

## Research

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**Data  
Services**

**Custom  
Research**

**YouGov  
Omnibus**

**YouGov Custom Research**

## CPS

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**CPS GfK**

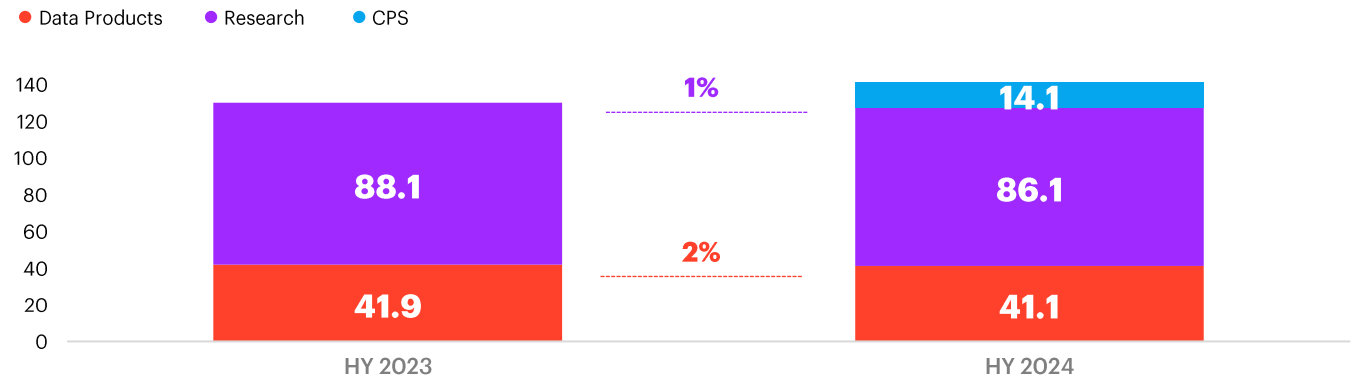


**YouGov**

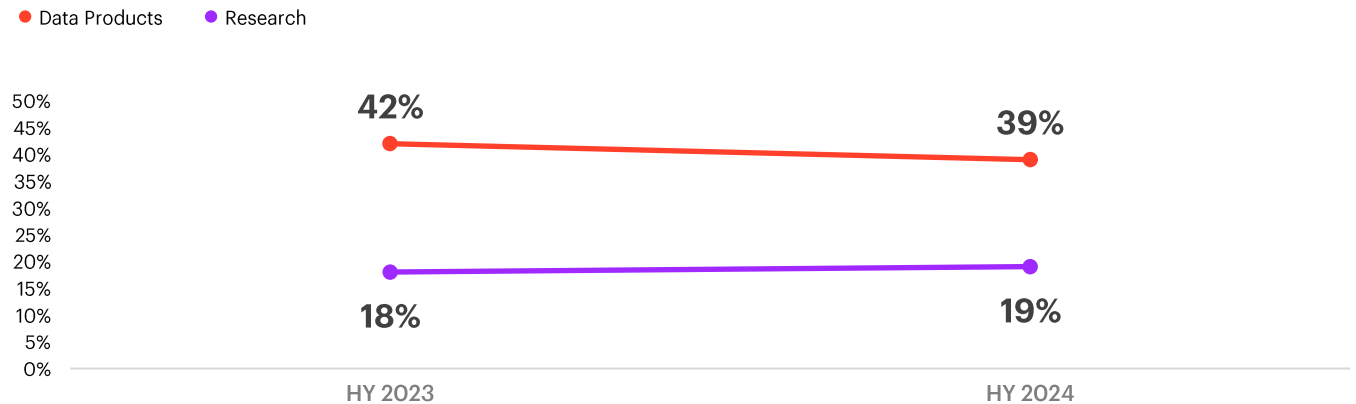
# Robust performance in a challenging environment

- **Data Products:** Stable performance as continued pressure on client budgets and price competition offset by sales of new subscriptions
- **Research:** Growth in the UK from custom research projects, offset by weakness in discretionary spend on fast-turnaround research. Americas saw stable demand from the technology sector despite the high comparable base in the prior year
- **CPS:** High contribution to Group results due to phasing of client delivery

## Revenue<sup>1</sup> by Segment (£m)



## Adj. Operating Margin by Division (£m)



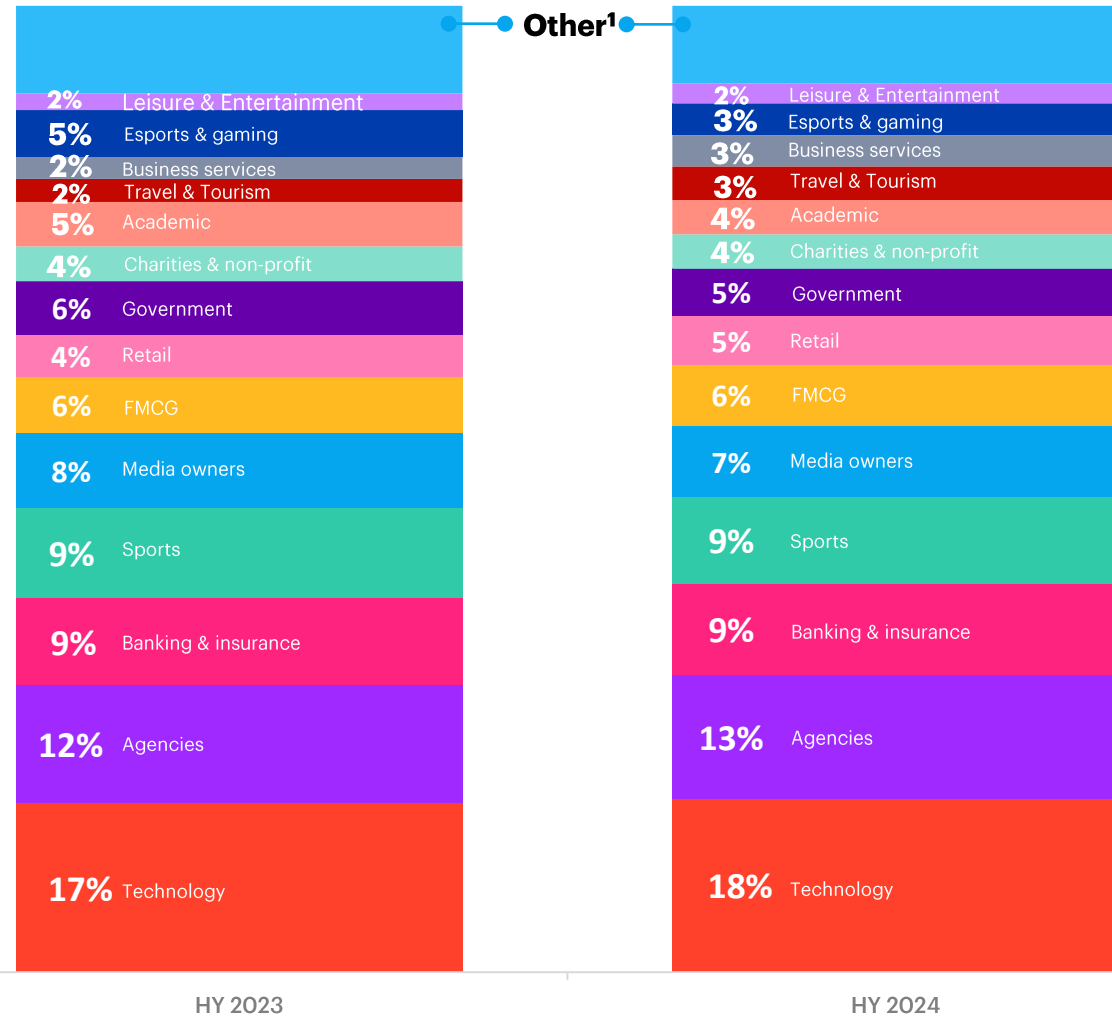
<sup>1</sup> Growth figures are on an underlying basis. Defined as growth in business excluding impact of current and prior period acquisitions, and movement in exchange rates.

# Diversified customer base provides resilience

The Technology sector remains the largest segment and increased share, despite a tough comparable in H1 FY23

- Higher spend from Agencies on the back of significant new client wins
- Decline in E-sports and Gaming due to disruption from client restructurings

<sup>1</sup>Other includes sectors such as Automotive, Health & Pharma, Telcos. Sector breakdown excludes CPS



# Adjusted Operating Profit growth

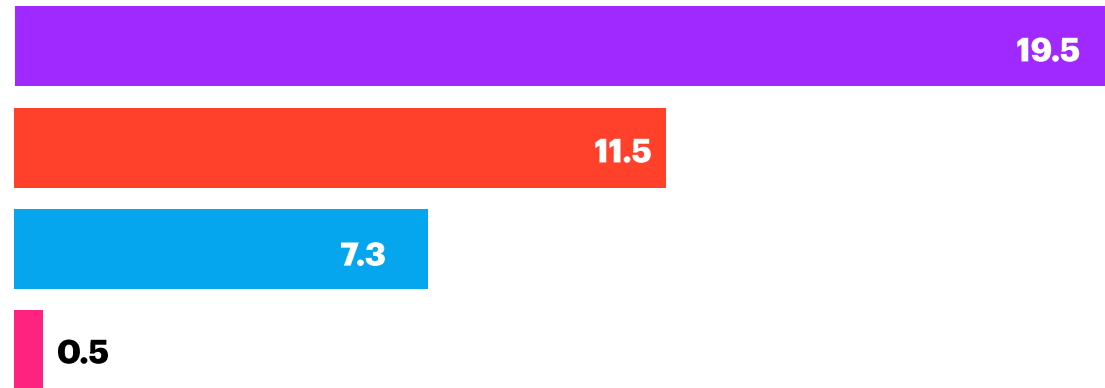
Operating profit margin expanded to **19%** (HY23: 17%)

- Increase in margins driven by contribution from CPS acquisition
- Slight pressure on underlying gross margins in addition to higher IT investments resulted in slight decline in adjusted operating profit on a LFL basis
- Good growth in operating profit generated in the UK on the back of strong growth in custom research projects

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

## HY 2024 Adjusted Operating Profit<sup>1</sup> (£m)

● Asia Pacific ● UK ● EMEA ● Americas



Adj. Operating Profit (£m)	HY 2024	HY 2023	Growth %	Margin %	
				HY 2024	HY 2023
Data Products	15.9	17.5	(9%)	39%	42%
Research	16.1	16.0	1%	19%	18%
CPS	8.4	-	-	60%	-
Central Costs	(12.5)	(10.9)	15%	-	-
<b>Group</b>	<b>27.9</b>	<b>22.6</b>	<b>23%</b>	<b>19%</b>	<b>17%</b>

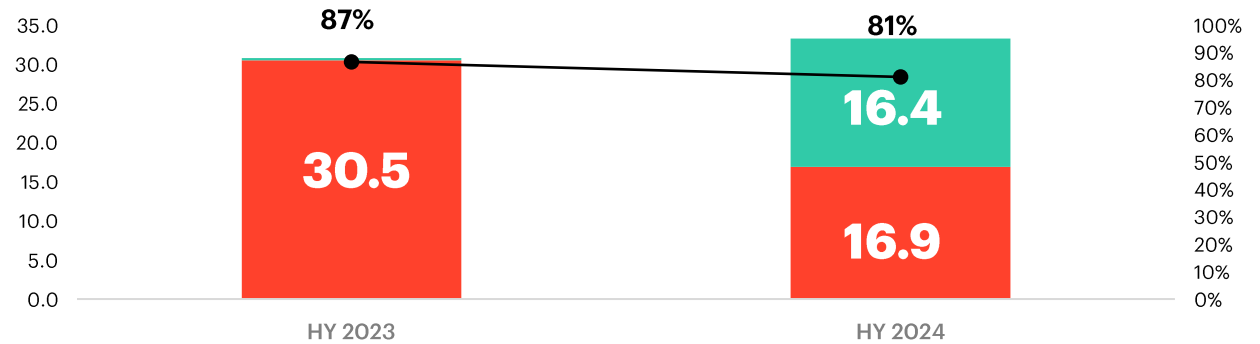
# Operating cash generation impacted by one-off costs

Reduction in cash generation from operations to **£16.9m (HY23: £30.5m)**

- Cash conversion of 81% excluding costs related to the CPS acquisition and related loan financing
- Capital expenditures stable with shift in spend from panel recruitment to software development
- Net cash balance at end of period **£53.4m (HY23: £41.4m)**

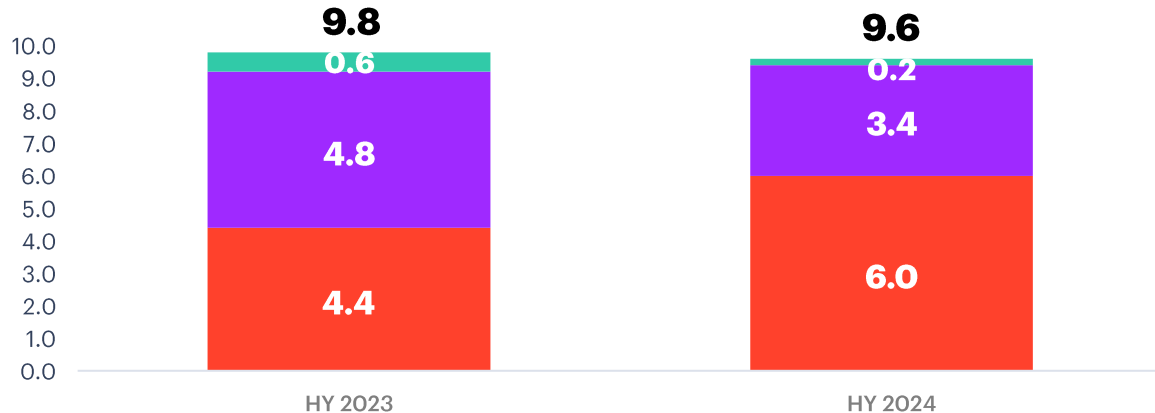
## Cash generation and conversion

● Operating cash generation (£m) ● Acquisition-related costs (£m) — Cash conversion



## Capital expenditures (£m)

● PP&E ● Panel recruitment ● Technology



# Robust balance sheet; leverage in line with expectations

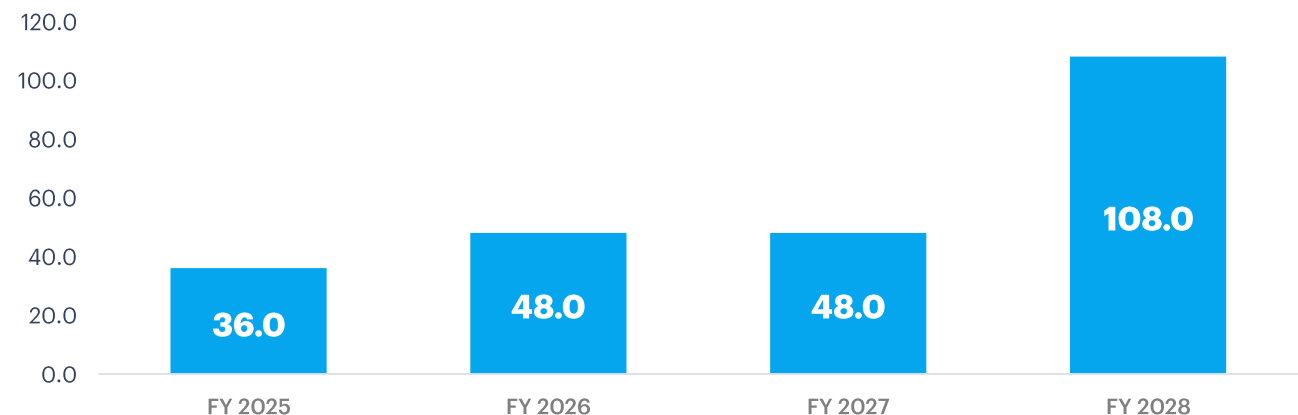
New **€280 million** term loan facility signed in October 2023

- **€240 million** amortising term loan with a tenor of four years
- **€40 million RCF** with a tenor of three years, of which **€10 million** was drawn in January 2024

## Net debt and leverage position

£ in millions	HY 2024
Total Debt	216.1
Less: Cash	(53.4)
<b>Net Debt</b>	<b>162.7</b>
<b>Net debt / EBITDA</b>	<b>1.6x</b>
<b>Interest cover ratio</b>	<b>6.9x</b>

## Term loan repayment schedule (€m)



# FY24 in line with market expectations

## 01 Confident FY24 outlook underpinned by robust order book

- Step change in sales momentum from Q1 to Q2
- Over 75% of FY24 stand-alone revenue expectations already committed
- CPS trading ahead of expectations
- As expected, overall Group performance continues to build throughout the year

## 02 Robust balance sheet enabling investments

- Remain disciplined in our investment approach to ensure we are poised for further margin improvement
- Continue to retain strong cash balances post CPS acquisition
- Capital expenditures for FY24 to be broadly in line with the prior year
- Highly cash generative business will enable consistent de-levering over the coming years

# 04 Summary



# H1 FY24 Summary

## 01

Significant progress made on operational priorities to ensure we continue to operate from a position of strength

## 02

CPS integration progressing well and division trading well post acquisition

## 03

Strong committed sales and growing momentum underpin confidence in FY24 outlook

## 04

Medium-term targets revised to include the CPS acquisition

- Revenue of £650m
- Adj. OP margin of 25%

# Becoming the world's #1 market research company

**YouGov's history** has been successive cycles of building a strategy that leads to differentiated long-term performance. We are laying the groundwork in FY24 for continued growth



## Panel

Maintaining a high-quality, global panel that is truly engaged and meets our high standards for panel integrity



## Products

Continuing to launch innovative new products and increasing uptake of our existing product range



## Platform

Delivering a best-in-class and fit-for-purpose research platform enabling clients to self-serve their research needs



## People

Driving a high-performance culture through open communication and clear goals

# Q&A

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