

06 August 2024

# FY24 Trading Update

Presentation

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# FY24 results expected to be slightly ahead of revised guidance

Revenue (FY24)

**£327-330m**

Adjusted Operating Profit (FY24)

**£43-46m**

Leverage Ratio<sup>2</sup> (31 July 2024)

**1.8-2.0x**

## **Mid-single-digit growth<sup>1</sup> in Research:**

- Strong demand for customised research projects and trackers
- Offset with declines in fast-turnaround projects as expected

## **CPS trading in line with expectations:**

- Potential shortfall related to shift in timing of revenue recognition to FY25
- Integration process is progressing well

## **Data Products revenue in line<sup>1</sup> with prior year:**

- Renewal rate of 80%, also in line with prior year, as existing clients continue to value the products
- No. of subscriptions maintained at ~2,000 off the back of new client wins

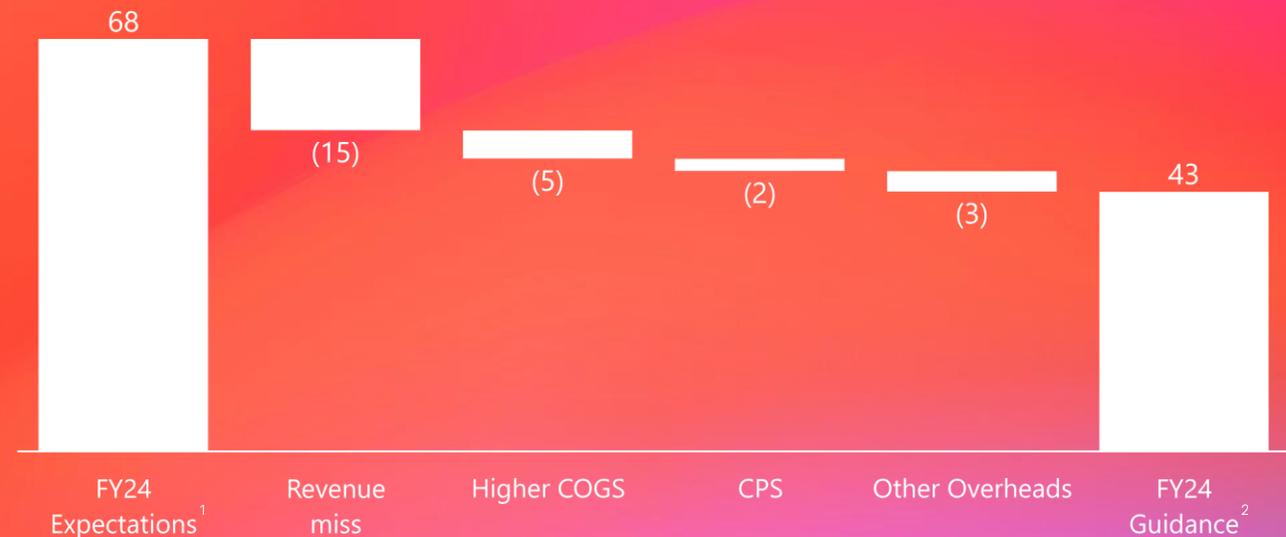
<sup>1</sup> On an underlying basis. Defined as growth in business excluding impact of current and prior period acquisitions, and movement in exchange rates.

<sup>2</sup> Defined as net debt calculated as a multiple of the last 12 months Adjusted EBITDA including acquisitions.

# Factors that led to the guidance revision in June

- **Revenue miss:** High drop through of revenue shortfall to profitability due to limited ability to reduce fixed cost base in Q4
- **Higher COGS:** Mainly due to external data collection costs related to the nature of custom projects won in Q3 FY24 (B2B research and under-represented demographics)
- **CPS:** Potential CPS revenue recognition shift drops through to profit as cost base unchanged

Adjusted Operating Profit –  
June Guidance vs. Previous Market Expectations



<sup>1</sup> Consensus expectation prior to the trading update issued on 20 June 2024.

<sup>2</sup> Mid-point of guidance range as of 20 June 2024.

# Streamlining to be a more efficient, focused business, while continuing to invest for innovation and growth



## Increased Efficiencies

Annualised cost savings anticipated

**£20m**

Of which 70% to be realised in FY25

- Right-sizing teams, c. 7% roles impacted
- Optimising panel spend
- Reducing third-party suppliers and costs
- Discontinuing non-scalable products
- Scaling back real estate footprint



## Focused Investments

Capital Expenditure for FY25

**In line with FY24**

- Deepening use of AI/ML across products and teams
- Enhancing UI/UX of core Data Products to improve client experience
- Growing our proprietary panel
- Expanding sales leadership in priority markets

# Looking ahead and summary

## Competitive advantage

- YouGov's right to win remains clear and supported by a combination of:
  - Panel and data quality
  - Data accuracy
  - Breadth and depth of data
  - Strength of YouGov brand

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## Continued innovation

- Deepening use of AI/ML across products and teams through the acquisition of Yabble
- New CPO to lead on integration of Data Products strategy and customer-centric innovation
- Build-out of our proprietary panel in regions with greater research volume

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## FY25 return to growth

- Significant market opportunity remains
- Simplification of sales strategy underway
- Cost optimisation plan commenced
- Confident in our growth trajectory and ability to meet current market expectations for FY25

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# Q&A

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