YouGov What the world thinks

2 April 2019

YouGov plc

Half Year results for the six months to 31 January 2019

Strong earnings growth in line with current five-year plan

Summary of Results				
	Unaudited six months to 31 January 2019 £m	Unaudited six months to 31 January 2018 £m	Change %	Audited full year to 31 July 2018 £m
Revenue	66.5	56.3	18%	116.6
Statutory EBITDA	13.2	8.5	55%	20.0
Adjusted Operating Profit[1]	12.5	8.8	41%	19.7
Adjusted Operating Profit Margin (%)[1]	19%	16%	3%	17%
Adjusted Profit before Tax[1]	13.7	10.7	28%	23.3
Adjusted Earnings per Share[1]	9.6p	7.3p	33%	16.6p
Statutory Operating Profit	8.4	4.4	92%	11.8
Statutory Profit before Tax	8.3	4.5	85%	11.8
Statutory Earnings per Share	5.4p	2.2p	142%	7.7p

Financial highlights

- Revenue growth of 18% (2018: 10%) – Underlying business[2] growth of 10%
- Adjusted operating profit[1] up by 41% to £12.5m – 35% underlying business[2] growth
- Adjusted profit before tax[1] up by 28% to £13.7m
- Adjusted earnings per share[1] up by 33% to 9.6p (2018: 7.3p)
- Adjusted operating profit margin[1] up 3 percentage points to 19%
- Statutory operating profit up 92% to £8.4m
- Net cash balances of £25.0m (31 January 2018: £21.3m)

Operational highlights

- Data Products & Services revenue up by 34% to £37.2m (17% from underlying business[2]); now representing 54% of total (2018: 49%)
    - Data Products revenue increased by 35% (26% from underlying business[2]) to £19.4m
    - Data Services revenue increased by 33% (9% from underlying business[2]) to £17.8m
- Custom Research revenue increased by 4% to £30.4m; continued strategic focus on higher margin work resulting in a 15% increase in operating profit to £7.9m
- US remains the largest driver with adjusted operating profit[1] increasing by 15% to £9.1m

Long-term targets

Setting out ambitious prospective LTIP targets to incentivise senior management through to 2023:

- Double group revenue
- Double group adjusted operating profit margin[3]
- Achieve an adjusted earnings per share[3] compound annual growth rate in excess of 30%

1 Defined in the explanation of non-IFRS measures on page 13.

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

3 In future we intend to amend our definition of adjusted operating profit to include amortisation of intangible assets charged to operating expenses, as explained on page 8.

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

"In the final year of our current five-year growth plan we are continuing to deliver revenue and earnings growth ahead of the market. Our syndicated data model has broken new ground in the industry, and as we announce targets for our next five-year plan, we are no less ambitious. Our aim is to deliver the best tools and the best data for our clients. Our new plan focuses on three strategic pillars to deliver on that goal: activating our data to create targetable audiences, investing in technology to ensure our data is integrated and customisable, and opening up some of our data as a public resource. We believe this will help create a universal data platform for our clients, as we look to fulfil our ambition of becoming the world's leading supplier of proprietary panel data."

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YouGov What the world thinks

Chief Executive Officer's Review

We are pleased to report that in the six months to 31 January 2019, YouGov has continued to achieve strong organic revenue growth, combined with further notable improvements in profit margins, and therefore growth in profitability well ahead of the market[1].

This continued strong performance is the result of three key factors: we have a scalable syndicated data model at the leading edge of change; the acquisitions we made last financial year that expanded our geographic reach and industry expertise, in Australia and the sports sector respectively, are having a positive impact; and we continue to grow our position in key strategic markets, becoming more visible in the US and increasing the number and scale of our clients.

The market in which we operate is undergoing significant developments, and there are a number of key dynamics which simultaneously present challenges and opportunity, including:

- Data privacy and security – the scope for creating huge value from personal data requires new levels of trust between companies and data subjects;
- Automation – technology is the biggest driver of innovation and efficiency but there is great competition for talent in this area; and
- The globalisation of marketing – geographies such as Asia Pacific and Latin America present new opportunity but can be tricky to navigate.

YouGov is focused more than ever on innovation and in three areas in particular: trust around sharing data; self-service and automation; and adapting our data products for various markets. We remain focused on capitalising on all three drivers as we execute our next five-year growth plan.

New growth plan

In 2014 we unveiled our first five-year growth plan for improving profitability. The five-year target forced us to make hard decisions about strategy and structure and drove us to innovate boldly. The plan focused on growing our Data Products and Services which have operational leverage. 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. It is from this position of strength that we will begin to execute our new growth strategy.

We now have a diverse customer base within three main groups - media owners, agencies and brands - and our biggest customers are some of the most advanced practitioners in data science. There remains a significant market to target: global spend in market research was $46b in 2017[2] and we are still only a small speck in that universe.

Our first five-year plan created a reinvigorated sense of discipline and focus and, as we recently shared at our Capital Markets Day in February 2019 (see the presentation on our website at yougov.co.uk/about/investors/presentations), we have already started on a new five-year plan. This financial year is an 'overlap' year, designed to avoid a cliff-edge of motivation and investment, and the plan reaches completion in 2023. The underlying strategy that drives our new growth plan is defined by the mantra: "the best data, the best tools".

Our new growth plan builds on the market leading position we have built through our highly engaged proprietary panel; the richness, relevance and connectedness of the data in the YouGov Cube; the power of our analytics platform, Crunch; and the accuracy of our ground-breaking methodologies. Taking YouGov to the next stage of its development and growth, the plan focuses on three strategic pillars: Integration, Activation and Public Data.

Three strategic pillars

Integration

Our first five-year plan 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. Leveraging the existing data we hold in the YouGov Cube has allowed us to minimise the proactive data collection required for each new custom project, while at the same time provide our clients with more connected and tailored data than ever before. We now deliver all custom research projects through Crunch, hugely reducing the manual labour involved in preparing custom reporting for clients while, at the same time, providing our clients with the benefit of greater control over their data analysis.

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.

Our connected data infrastructure allows us to deliver customisation for clients. For example, our services now include custom trackers layered on syndicated data; integrated analysis of Cube data with client data using the Crunch platform; the fielding of bespoke client questions in syndicated data collection followed by re-contact surveys; and our new collaboration tool, Collaborate, which gives clients hands-on involvement in survey design.

Our connected data propositions also include audience verification and campaign effectiveness solutions. These are enabled by tagging digital campaigns and collecting 'ad exposure data' from which we can then use our syndicated data to confirm to advertisers which audiences their campaigns reached and by using custom surveys to reveal what impact they had. Added to this, our Audience Data solution provides the final piece in the marketing workflow. Brands and agencies have long used our syndicated data to allow them to plan and track campaigns. YouGov Audience Data takes this to the next level and permits them to find, target and activate their audiences through digital advertising channels.

We see the opportunity for generating additional value being boosted by further investment in our technology. By continuing to develop such integrated products and tools, we are creating a single platform that will bring together syndicated data, customised syndicated data analysis, custom research projects, self-service re-contact studies, targeting and activation, and more.

Activation

Conventionally, research is used to understand markets and plan campaigns, while activation – using data to create targetable audiences for advertisers – is viewed as a separate process. Over the last year we developed the YouGov Audience Data solution, which allows advertisers to buy scaled 'look-a-like' audiences based on the characteristics of YouGov panellists. This marked the initial step in bringing together research and activation.

We are now further breaking down the barrier between the two with YouGov Direct. With this new platform, YouGov panellists make their opinion 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 panellists have permissioned each specific use with the security of accountability enabled through the YouGov blockchain encryption process. This means, with YouGov Direct, researchers and marketers have the unique opportunity to:

- Reach precise target audiences using the most accurate and up-to-date data;
- Significantly upgrade their existing research-based advertising tests with a business outcome orientated solution; and
- Create a seamless single audience view, from planning through to campaign execution and measurement.

YouGov Direct has undergone successful pilots with encouraging feedback and outputs in the first half, and we expect it to be launched by the end of the current financial year.

Public Data

We create more data specifically for public value than any other research company. This will be enhanced 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 access and explore that data. We believe this generates important social value, in turn further increasing public and panel engagement in our work; and very importantly, this showcases much of our commercial data at a top-line level, acting as an entry point for digital sales of our commercial offer.

Our first significant initiative in this area is YouGov Ratings, launched on our UK website in November 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 Data strategy to build a destination site (a 'Wikipedia of Opinion'). This site will help to increase our presence across the web, put YouGov at the heart of everyday conversations and drive panel engagement.

Centres for excellence – a new model for scale

We are continuing to enhance our scalability by investing in Centres of Excellence that will deliver operations and client services across the globe, 24/7. We have successfully leveraged the Centres of Excellence model to reduce our absolute spend on Data Operations over the last five years, while at the same time more than halving our spend in this area as a percentage of group revenue. Areas we intend to scale in this way include, but are not limited to, finance, data design, the research platform and client service. It will mean that even quite complex projects can be launched at any time, including through aided self-service. This will further improve our reputation for high quality client service; increase operating leverage of our syndicated and custom model, thereby improving margins, and give our business a practical global presence served by our data coverage, without the need for individual delivery offices in every country.

Creating a universal platform – ambition is undiminished

We are working to simplify YouGov even as we enrich both the data and the tools. By simplify, we mean that we will make the entire YouGov offer into a single system, a platform, integrating everything into three macro steps for our clients:

1. Begin with a vast, continuously updated, connected dataset that can be explored to analyse markets and audiences;
2. Add customisation to adapt it to fit to the needs of individual clients and their specific products; and
3. Activate to create efficient campaigns with embedded tracking research.

The universality of our data, our technology and our operational tools means that we can address the needs of consumer-facing clients in any sector and in any geography, in line with our ambition to become the world's leading supplier of proprietary panel data.

We remain focused on increasing wider consumer engagement through Public Data, giving our data widespread relevance as a daily resource, with the potential to be used by millions of people. This will help create the world's largest and most engaged research panel.

Growth plan: long-term targets

As previously mentioned, this financial year is an overlap year between our five-year plans, and it acts as the base year for our next set of long-term management targets. When we laid out our growth targets for 2014-19, they were considered stretching and ambitious. Today we are tracking well towards meeting those targets, and we remain no less ambitious in our aspirations for the future. Therefore, we have set out new stretching goals to ensure we continue at pace to build on the strong business we have worked hard to create. The long-term targets that define our next growth plan for the period from the end of this financial year through to 2023 are:

- Double group revenue
- Double group adjusted operating profit margin[3]
- Achieve an adjusted earnings per share[3] compound annual growth rate in excess of 30%

These are the ambitious long-term targets proposed for incentivising senior management through to 2023. The Board's Remuneration Committee is currently considering the structure of a new Long-Term Incentive Plan (LTIP) tied to the growth plan targets and intends shortly to share the details of the proposed LTIP with the Company's major shareholders for their feedback.

2019: 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 which 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 during the second half 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 of our expectations for the full year.

Stephan Shakespeare
Chief Executive Officer
2 April 2019

1 According to the ESOMAR Global Market Research Report of September 2018, the global research market grew by 3.3% in 2017 (or by 1.0% after inflationary effects are factored in).

2 According to the ESOMAR Global Market Research Report of September 2018, global market research turnover in 2017 was US$45.8b.

3 In future we intend to amend our definition of adjusted operating profit to include amortisation of intangible assets charged to operating expenses, as explained on page 8.

Chief Financial Officer's Review

Performance in the six months to 31 January 2019 demonstrates continued progress on the strategic aims of concentrating on higher margin and scalable sales across all parts of the Group.

Total Group revenue in the period rose to £66.5m, compared to £56.3m in the six months to 31 January 2018. Growth was 16% on a constant currency basis (but 18% in reported terms due to the depreciation of £ Sterling against US Dollar) since the prior period. Acquisitions contributed 49% of the overall growth rate in the period (10% on an underlying[1] basis).

Included in the performance for the six months to 31 January 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 £5m of revenue and £0.1m of operating profit for the six months to 31 January 2019.

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% to 82%. Adjusted operating margins[2] increased from 16% to 19%.

Group operating costs (excluding amortisation of intangible assets and separately reported items) of £42.1m (2018: £36.6m) increased by 15% in reported terms, and 14% in constant currency terms. Group adjusted operating profit[2] (before amortisation of intangible assets and separately reported items) increased to £12.5m (41% growth in the period) with strong continued growth in Data Products, coupled with margin improvement in the Custom Research business. The statutory operating profit (which is after charging amortisation of £4.1m and crediting other separately reported items which were negligible) increased to £8.4m (2018: £4.4m).

Adjusted measures

To date, our presentation of adjusted measures has excluded amortisation of intangible assets charged to operating expenses and separately reported items (see page 13 for the full definitions we currently use). From the end of this financial year, we intend to amend our definition of adjusted measures to include amortisation of intangible assets charged to operating expenses, and share based payment charges where relevant. Our reported Statutory EBITDA will be unaffected by this presentational change to the adjusted measures.

Technology investment and global expansion

The Group invested £2.3m (2018: £1.7m) in the continuing development of our technology platform and increased the investment in panel recruitment at £2.2m (2018: £1.4m) 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. £2.2m (2018: £0.6m) was spent on the purchase of property, plant and equipment, resulting in a total investment in fixed assets of £7.1m (2018: £3.8m). Other cash outflows included £2.1m for acquiring Crunch.io Inc, taxation payments of £1.9m (2018: £2.9m) and the annual shareholder dividend payment of £3.2m (2018: £2.1m) in December 2018.

Investing activities included £2.3m for acquisitions in the period. The group is expecting £16.0m of deferred consideration payable in respect of future earn-outs attached to acquisitions. International expansion was supported by further investment in building and developing our panels in Australia, India, Italy, Mexico, Poland, Spain and Taiwan. These investments enabled us to transition our data collection for BrandIndex and Data Services off third-party panel providers and to build up our proprietary data in these important markets.

There was a net cash outflow of £5.7m in the period, compared to £1.1m in the six months to 31 January 2018. Accordingly, net cash balances of £25.0m were £5.7m lower than at 31 July 2018 and £3.7m higher than the balances of £21.3m as at 31 January 2018.

The Group's results were affected by the net depreciation of GBP as its average exchange rate was 3% lower against the USD in this period than in the 6 months to 31 January 2018. Movement against the Euro was effectively flat for the period. The net impact of foreign exchange on the Group's adjusted operating profit[2] was an increase of £0.3m compared to calculation in constant currency terms. The underlying increase[1] in adjusted operating profit[2], compared to the 6 months ended 31 January 2018, was 35%.

Amortisation of intangible assets and central costs

Amortisation charges for intangible assets totalled £4.1m in the period (2018: £3.6m) of which £0.7m (2018: £0.3m) related to assets acquired through business combinations, £2.0m (2018: £1.5m) to separately acquired assets and £1.4m (2018: £1.8m) to internally generated assets.

Central Costs have increased by £0.8m, reflecting the underlying growth[1] of the business and investment in YouGov Direct and the Affiliate partner programme.

Profit before tax and earnings per share

Adjusted profit before tax[2] of £13.7m was an increase of £3.0m (28%) on the comparable result of £10.7m for the six months to 31 January 2018. The adjusted tax rate decreased from 29% to 26% mainly as a result of a reduction in US tax rates. Statutory profit before tax of £8.3m was reported compared to £4.5m in the six months ended 31 January 2018, an increase of 85%. In this financial year we estimate the Group will benefit from changes to tax rates in the US, which will result in the blended tax rate the Group pays reducing to 26% from 29%.

During the period adjusted earnings per share[2] grew by 33% from 7.3p to 9.6p and statutory earnings per share grew by 142% from 2.2p to 5.4p.

Performance by Division

Data Products

Our Data Products division consists of YouGov Profiles, our consumer segmentation and targeting tool, and YouGov BrandIndex, our flagship daily brand measurement service. These complementary products are positioned as a single capability, communicated as 'YouGov Plan & Track' to prospects and clients. The Plan & Track solution is proving to be instrumental in establishing transparency and a common version of the truth among the key players in the advertising and marketing ecosystem. The division also includes SportsIndex, the sports sector measurement service, as well as our add-on solutions for data product subscribers such as YouGov Audience Data.

The full Plan & Track solution is now available in 19 markets with India, the Philippines, Vietnam, Taiwan, all launched during the last six months, and roll-out in a further three markets planned for this financial year. Additionally, we have migrated all Profiles clients to YouGov's proprietary Crunch platform. Crunch enables faster analysis of this large dataset, a more intuitive user interface, and closer linkages to the YouGov BrandIndex platform. BrandIndex is now available in 38 markets, including the recent launch of Pakistan.

Revenue from Data Products increased by 35% (26% growth in underlying business[1]) in the period. The adjusted operating profit[2] from Data Products increased by 53% to £7.3m and the operating margin increased by 5% to 38%. 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 39% in in the period, (28% from the underlying business[1]). In the UK, revenue grew by 29%, a slower rate than the previous year (43%), due to higher new business sales in the second half of the previous financial year. There was also strong revenue growth in other markets, including 44% in the Middle East (39% in local currency). The newer markets of France and Asia Pacific grew their revenue in reported terms by 28% and 26% respectively.

Data Services

Our Data Services division consists of YouGov Omnibus, our fast turn-around service, and YouGov Re-Contact, our deep-dive service for data products subscribers. Technology investments in the period included developments which are enhancing the commissioning and delivery of Data Services research, for example our self-service survey design tool, Collaborate. In most geographies, survey results are now being delivered to clients through our Crunch tool.

Revenue from Omnibus (which represents 96% of Data Services) increased by 35% (10% in underlying terms[1]) to £17.1m, due to strong growth in the majority of existing markets and territorial expansion. This growth contributed to an increase of 25% in the Data Services operating profit to £4.4m and the operating margin declined from 26% to 25% reflecting lower margin Omnibus business that we transferred from Custom Research.

Overall Data Services revenue growth included a 28% increase in reported revenue in the US (17% increase in underlying terms[1]), and a 43% increase in Asia Pacific due to the Galaxy Research acquisition (6% decrease in underlying terms[1]). France and Germany also grew strongly, by 19% and 20% respectively. In the UK, where YouGov Omnibus is the market leader, revenue grew by 13%.

Custom Research

Our Custom Research division offers quantitative and qualitative research services delivered by sector specialists. We have made good progress on our stated strategy to focus less on one-off custom projects and more on multi-country, multi-wave studies. Work continues on improving the profitability of the division by building on the efficiencies of our panel, our data infrastructure and our engineering, and focusing on high performing areas. As a result, we continue to see improvements in the profitability and visibility of Custom Research across the Group.

During the period, the underlying business[1] revenue increased by 3% and by 4% in reported terms to £30.4m. However, the adjusted operating profit[2] increased by 15% to £7.9m and the operating margin improved by 2%

to 26%. This was largely due to operating costs as a percentage of sales reducing by 2% as a result of the restructuring of underperforming areas.

The continued rationalisation of Custom Research led to mixed performances across the geographies. In the UK, where our core panel-based model is most established, revenue grew by 11% (benefitting from several large tracker contracts) but the operating margin decreased from 37% to 34%. In the US, revenue increased by 5% in reported terms but was flat in underlying terms[1]. Middle East revenue fell by 25% due to restructuring of operations. Reported revenue increased by 10% in Germany and reduced to £nil in the Nordics due to restructuring.

Performance by Division

Revenue	**Six months to 31 Jan 2019 £m**	**Six months to 31 Jan 2018 £m**	**Revenue growth %**	**Underlying business[1] revenue change %**
Data Products	19.4	14.4	35%	26%
Data Services	17.8	13.4	33%	9%
Total Data Products & Services	**37.2**	**27.8**	**34%**	**17%**
Custom Research	**30.4**	**29.1**	**4%**	**3%**
Intra-group Revenues	**(1.1)**	**(0.6)**	**-**	**-**
Group	**66.5**	**56.3**	**18%**	**10%**

Adjusted Operating Profit[2]	**Six months to 31 Jan 2019 £m**	**Six months to 31 Jan 2018 £m**	**Operating Profit growth %**	**Operating Margin**	
				Six months to 31 Jan 2019	**Six months to 31 Jan 2018**
Data Products	7.3	4.8	53%	38%	33%
Data Services	4.4	3.5	25%	25%	26%
Total Data Products & Services	**11.7**	**8.3**	**42%**	**32%**	**30%**
Custom Research	**7.9**	**6.9**	**15%**	**26%**	**24%**
Central Costs	(7.1)	(6.4)	-	-	-
Group	**12.5**	**8.8**	**41%**	**19%**	**16%**

Performance by Geography

Revenue	**Six months to 31 Jan 2019 £m**	**Six months to 31 Jan 2018 £m**	**Revenue growth / (reduction) %**	**Underlying business[1] revenue change %**
UK	**19.8**	14.5	37%	16%
USA	**27.2**	23.3	17%	9%
Mainland Europe	**12.1**	11.1	9%	14%
Middle East	**5.3**	6.0	(12%)	2%
Asia Pacific	**5.2**	3.9	34%	4%
Intra-group Revenues	**(3.1)**	(2.5)	-	-
Group	**66.5**	**56.3**	**18%**	**10%**

Adjusted Operating Profit[2]	**Six months to 31 Jan 2019 £m**	**Six months to 31 Jan 2018 £m**	**Operating Profit growth %**	**Operating Margin**	
				Six months to 31 Jan 2019	**Six months to 31 Jan 2018**
UK	**6.7**	5.8	15%	**34%**	40%
USA	**9.1**	7.9	15%	**34%**	34%
Mainland Europe	**2.3**	0.9	147%	**19%**	8%
Middle East	**2.0**	1.4	50%	**38%**	22%
Asia Pacific	**0.3**	-	653%	**6%**	1%
Central Costs	**(7.9)**	(7.2)	-	**-**	-
Group	**12.5**	**8.8**	**41%**	**19%**	**16%**

Panel Development by Geography

We continue to invest in our online panel to increase our research capabilities, both in new geographies and specialist panels. At 31 January 2019, the total number of panellists had increased to 7.4 million, compared to 6.0 million at 31 January 2018, as set out in the table below.

Region	**Panel size at 31 January 2019**	Panel size at 31 January 2018
UK	**1,522,400**	1,267,400
USA & Mexico	**2,710,800**	2,248,800
Mainland Europe	**1,078,800**	845,100
Middle East	**1,010,200**	873,700
Asia Pacific	**1,098,200**	772,100
Total	**7,420,400**	**6,007,100**

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 and is how our performance is reviewed internally
Adjusted operating profit	Operating profit excluding amortisation of intangible assets charged to operating expenses and separately reported items	
Adjusted operating profit margin	Adjusted operating profit expressed as a percentage of revenue	
Adjusted profit before tax	Profit before tax before amortisation of intangible assets charged to operating profit, share based payment charges, imputed interest and separately reported items	
Adjusted taxation	Taxation due on the adjusted profit before tax, thus excluding the tax effect of amortisation and separately reported items	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	
Adjusted profit after tax	Adjusted profit before tax less adjusted taxation	Facilitates performance evaluation, individually and relative to other companies
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 operating profit	Indicates the extent to which the business generates cash from adjusted operating profits

The Board of Directors confirm that, to the best of their knowledge, these consolidated interim financial statements have been prepared in accordance with IAS 34 as adopted by the European Union. The interim management report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R, namely:

- an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and material related-party transactions in the first six months of the financial year and any material changes in the related party transactions described in the last Annual Report.

The Board of Directors of YouGov plc are:

- Roger Parry - Non-Executive Chair
- Nick Jones - Non-Executive Director
- Ben Elliot - Non-Executive Director
- Rosemary Leith - Non-Executive Director
- Andrea Newman - Non-Executive Director
- Ashley Martin - Non-Executive Director
- Stephan Shakespeare - Chief Executive Officer
- Alex McIntosh - Chief Financial Officer
- Sundip Chahal - Chief Operating Officer

By order of the Board:

Alex McIntosh
Chief Financial Officer
2 April 2019

1 Defined as growth in business excluding impact of current and prior period acquisitions and movement in exchange rates.
2 Defined in the explanation of non-IFRS measures on page 13.

YOUGOV PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 31 January 2019

	Note	**Unaudited 6 months to 31 January 2019 £'000**	Unaudited 6 months to 31 January 2018 £'000	Audited Year ended 31 July 2018 £'000
Revenue	4	**66,544**	56,316	116,559
Cost of Sales		**(11,931)**	(10,837)	(21,495)
Gross profit		**54,613**	45,479	95,064
Administrative expenses		**(46,235)**	(41,106)	(83,306)
Operating profit	4	**8,378**	4,373	11,758
Amortisation of intangible assets		**4,135**	3,571	7,024
Separately reported items	5	**(34)**	886	892
Adjusted operating profit[1]		**12,479**	8,830	19,674
Share of post-tax (losses)/profits in joint ventures		**(37)**	-	66
Finance income		**234**	187	151
Finance costs		**(311)**	(94)	(202)
Profit before taxation		**8,264**	4,466	11,773
Taxation	6	**(2,522)**	(2,093)	(3,615)
Profit after taxation		**5,742**	2,373	8,158
Attributable to:				
Equity holders of the parent company		**5,742**	2,373	8,158
		5,742	2,373	8,158
Earnings per share				
Basic earnings per share attributable to equity holders of the company	7	**5.4p**	2.2p	7.7p
Diluted earnings per share attributable to equity holders of the company	7	**5.1p**	2.1p	7.3p

YOUGOV PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 31 January 2019

	Unaudited 6 months to 31 January 2019 £'000	Unaudited 6 months to 31 January 2018 £'000	Audited Year ended 31 July 2018 £'000
Profit for the period	**5,742**	2,373	8,158
Other comprehensive income			
Item that may be subsequently reclassified to profit or loss			
Currency translation differences	**(1,147)**	(2,607)	142
Other comprehensive income for the year net of tax	**(1,147)**	(2,607)	142
Total comprehensive income for the period	**4,595**	(234)	8,300
Attributable to:			
Equity holders of the parent company	**4,595**	(234)	8,300
Total comprehensive income for the period	**4,595**	(234)	8,300

Items in the statement above are disclosed net of tax.

YOUGOV PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 January 2019

Assets	Note	**Unaudited 31 January 2019 £'000**	Unaudited 31 January 2018 £'000	Audited 31 July 2018 £'000
Non-current assets				
Goodwill	10	**62,518**	42,182	52,060
Other intangible assets	10	**16,525**	10,906	13,297
Property, plant and equipment	10	**4,525**	3,177	3,037
Investments in joint ventures and associates		**-**	345	191
Deferred tax assets		**9,529**	7,698	9,434
Total non-current assets		**93,097**	64,308	78,019
Current assets				
Trade and other receivables		**34,709**	33,517	34,672
Current tax assets		**517**	1,521	1,442
Cash and cash equivalents		**24,953**	21,264	30,621
Total current assets		**60,179**	56,302	66,735
Total assets		**153,276**	120,610	144,754
Liabilities				
Current liabilities				
Trade and other payables		**31,850**	29,583	34,998
Acquisition consideration		**-**	193	-
Contingent consideration		**6,181**	87	1,409
Provisions		**4,060**	3,775	3,791
Current tax liabilities		**1,164**	970	1,247
Total current liabilities		**43,255**	34,608	41,445
Net current assets		**16,924**	21,694	25,290
Non-current liabilities				
Contingent consideration		**9,837**	51	5,110
Provisions		**4,184**	3,184	4,000
Deferred tax liabilities		**2,188**	1,694	2,128
Total non-current liabilities		**16,209**	4,929	11,238
Total liabilities		**59,464**	39,537	52,683
Net assets		**93,812**	81,073	92,071
Equity				
Issued share capital	11	**211**	211	211
Share premium		**31,300**	31,261	31,300
Merger reserve		**9,239**	9,239	9,239
Foreign exchange reserve		**13,884**	12,282	15,031
Retained earnings		**39,139**	28,080	36,290
Total shareholders' funds		**93,773**	81,073	92,071
Non-controlling interests in equity		**39**	-	-
Total equity		**93,812**	81,073	92,071

The accompanying accounting policies and notes form an integral part of this financial information.

Alex McIntosh
Chief Financial Officer
2 April 2019

	Attributable to equity holders of the Company							
	Share capital £'000	Share premium £'000	Merger reserve £'000	Foreign exchange reserve £'000	Retained earnings £'000	Total £'000	Non-controlling interest £'000	Total £'000
Balance at 1 August 2017	211	31,261	9,239	14,889	24,873	80,473	-	80,473
Changes in equity: period to 31 January 2018								
Exchange differences on translating foreign operations	-	-	-	(2,607)	-	(2,607)	-	(2,607)
Net income recognised directly in equity	-	-	-	(2,607)	-	(2,607)	-	(2,607)
Profit for the year	-	-	-	-	2,373	2,373	-	2,373
Total comprehensive income for the year	-	-	-	(2,607)	2,373	(234)	-	(234)
Issue of shares	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	(2,106)	(2,106)	-	(2,106)
Share-based payments	-	-	-	-	1,802	1,802	-	1,802
Tax in relation to share based payments	-	-	-	-	1,138	1,138	-	1,138
Total transactions with owners recognised directly in equity	-	-	-	-	834	834	-	834
Balance at 31 January 2018	**211**	**31,261**	**9,239**	**12,282**	**28,080**	**81,073**	**-**	**81,073**
Changes in equity: period to 31 July 2018								
Exchange differences on translating foreign operations	-	-	-	2,749	-	2,749	-	2,749
Net income recognised directly in equity	-	-	-	2,749	-	2,749	-	2,749
Profit for the year	-	-	-	-	5,785	5,785	-	5,785
Total comprehensive income for the year	-	-	-	2,749	5,785	8,534	-	8,534
Issue of shares	-	39	-	-	-	39	-	39
Dividends paid	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	1,769	1,769	-	1,769
Tax in relation to share based payments	-	-	-	-	656	656	-	656
Total transactions with owners recognised directly in equity	-	39	-	-	2,425	2,464	-	2,464
Balance at 31 July 2018 as originally presented	**211**	**31,300**	**9,239**	**15,031**	**36,290**	**92,071**	**-**	**92,071**
Change in accounting policy (Note 13)	-	-	-	-	(635)	(635)	-	(635)
Restated total equity at 1 August 2018	**211**	**31,300**	**9,239**	**15,031**	**35,655**	**91,436**	**-**	**91,436**
Changes in equity for 2019								
Exchange differences on translating foreign operations	**-**	**-**	**-**	**(1,147)**	**-**	**(1,147)**	**-**	**(1,147)**
Net income recognised directly in equity	**-**	**-**	**-**	**(1,147)**	**-**	**(1,147)**	**-**	**(1,147)**
Profit for the period	**-**	**-**	**-**	**-**	**5,742**	**5,742**	**-**	**5,742**
Total comprehensive income for the period	**-**	**-**	**-**	**(1,147)**	**5,742**	**4,595**	**-**	**4,595**
Issue of shares	**-**	**-**	**-**	**-**	**-**	**-**	**39**	**39**
Dividends paid	**-**	**-**	**-**	**-**	**(3,167)**	**(3,167)**	**-**	**(3,167)**
Share-based payments	**-**	**-**	**-**	**-**	**1,220**	**1,220**	**-**	**1,220**
Tax in relation to share based payments	**-**	**-**	**-**	**-**	**(311)**	**(311)**	**-**	**(311)**
Total transactions with owners recognised directly in equity	**-**	**-**	**-**	**-**	**(2,258)**	**(2,258)**	**39**	**(2,219)**
Balance at 31 January 2019	**211**	**31,300**	**9,239**	**13,884**	**39,139**	**93,773**	**39**	**93,812**

YOUGOV PLC
CONSOLIDATED CASH FLOW STATEMENT
For the six months ended 31 January 2019

	Unaudited 6 months to 31 January 2019 £'000	Unaudited 6 months to 31 January 2018 £'000	Audited Year ended 31 July 2018 £'000
Profit before taxation	**8,264**	4,466	11,773
Adjustments for:			
Finance income	**(234)**	(187)	(151)
Finance costs	**311**	94	202
Share of post-tax (losses)/profit in joint ventures	**37**	-	(66)
Amortisation	**4,135**	3,571	7,026
Depreciation	**698**	570	1,231
Share based payments	**1,220**	1,802	3,571
Loss on disposal of property, plant and equipment	**5**	3	7
Other non-cash operating profit (gains)/losses	**(1,052)**	138	(566)
Increase in trade and other receivables	**(1,814)**	(3,572)	(2,278)
(Decrease)/Increase in trade and other payables	**(3,390)**	420	2,097
Increase in provisions	**444**	216	771
Cash generated from operations	**8,624**	7,521	23,617
Interest paid	**-**	(3)	(6)
Income taxes paid	**(1,891)**	(2,948)	(5,501)
Net cash generated from operating activities	**6,733**	4,570	18,110
Cash flow from investing activities			
Acquisition of subsidiaries (net of cash acquired)	**(217)**	-	(695)
Net cash acquired	**-**	174	-
Settlement of deferred consideration	**-**	-	(190)
Purchase of business	**(2,063)**	-	-
Proceeds from sale of property, plant and equipment	**-**	7	5
Purchase of property, plant and equipment	**(2,186)**	(615)	(969)
Purchase of intangible assets	**(4,875)**	(3,122)	(7,217)
Dividends received from associates	**-**	-	220
Interest received	**68**	16	28
Net cash used in investing activities	**(9,273)**	(3,540)	(8,818)
Cash flows from financing activities			
Proceeds from the issue of share capital	**-**	-	39
Proceeds from the issue of shares in subsidiaries	**39**	-	-
Dividends paid to company's shareholders	**(3,167)**	(2,106)	(2,106)
Net cash used in financing activities	**(3,128)**	(2,106)	(2,067)
Net (decrease)/increase in cash and cash equivalents	**(5,668)**	(1,076)	7,225
Cash and cash equivalents at beginning of period	**30,621**	23,219	23,219
Exchange (loss)/gain on cash and cash equivalents	**-**	(879)	177
Cash and cash equivalents at end of period	**24,953**	21,264	30,621

1 GENERAL INFORMATION

YouGov plc and subsidiaries' (the 'Group') principal activity is the provision of market research, opinion polling and data analytics.

YouGov plc is the Group's ultimate parent company. It is incorporated and domiciled in the United Kingdom. The address of YouGov plc's registered office is 50 Featherstone Street, London, EC1Y 8RT. YouGov plc's shares are listed on the Alternative Investment Market.

YouGov plc's consolidated interim financial statements are presented in Pounds Sterling (£), which is also the functional currency of the parent company.

These condensed consolidated interim financial statements have been approved for issue by the Board of Directors of YouGov plc (the 'Board') on 2 April 2019.

This consolidated interim financial information for the six months ended 31 January 2019 does not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 July 2018 were approved by the Board on 9 October 2018 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006. The consolidated financial statements of the Group for the year ended 31 July 2018 are available from the Company's registered office or website (www.yougov.com).

This consolidated interim financial information is unaudited and not reviewed by the auditors.

2 FORWARD LOOKING STATEMENTS

Certain statements in this interim report are forward looking. Although the Group believes that the expectations reflected in these forward looking statements are reasonable, we can give no assurance that these expectations will prove to have been correct. As these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward looking statements.

We undertake no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

3 BASIS OF PREPARATION

This consolidated interim report for the six months ended 31 January 2019 has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and IAS 34 'Interim financial reporting' as adopted by the European Union. The consolidated interim report should be read in conjunction with the annual financial statements for the year ended 31 July 2018, which has been prepared in accordance with IFRS's as adopted by the European Union.

Accounting policies

The following amendments to standards and interpretations have been adopted for the first time for the financial year beginning on 1 August 2018:

IFRS 9 'Financial instruments': This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.

IFRS 15, 'Revenue from contracts with customers': Is a converged standard from the IASB and FASB on revenue recognition. The standard will improve the financial reporting of revenue and improve comparability of the top line in financial statements globally.

The impact of the first time adoption of these new standards is shown in Note 12

IFRS 16, 'Leases': This standard replaces the current guidance in IAS 17 and is a far-reaching change in accounting by lessees in particular. Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off-balance sheet). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a "right-of-use asset" for virtually all lease contracts. This is effective for accounting periods beginning after 1 January 2019 and therefore will apply for the year commencing 1 August 2019. An initial assessment indicates that this new standard will have an impact the financial statements, this will be quantified and disclosed in the financial statements for the year ending 31 July 2019.

Other than the above the accounting policies applied are consistent with those of the Annual Financial Statements for the year ended 31 July 2018, as described in those Annual Financial Statements.

Accounting estimates and judgements

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of income, expense, assets and liabilities.

Following the adoption of IFRS 9 'Financial Instruments', the Group is required to use an expected credit loss model to assess the likelihood that accounts receivable will be impaired and to maintain a provision to cover this potential impairment. Factors taken into consideration include the amount and age of the receivable and past credit loss experience. Whilst historical data can indicate trends and behaviours, it is not a definite indicator of the future. In arriving at the carrying value of the provision, certain assumptions and estimates have to be made. The estimates used in calculating the provision are fully disclosed in Note 13.

Other than the above, the significant estimates and judgements made by management were consistent with those applied to the consolidated financial statements for the year ended 31 July 2018.

Risks and uncertainties

The principal strategic level risks and uncertainties affecting the group remain those set out in the Strategic Report on pages 36 and 37 of the 2018 Annual Report. Consequences of the United Kingdom's exit from the European Union ('Brexit') continues to create uncertainty in the economic and political environment, especially for UK and European businesses. The impact of Brexit on these businesses is still uncertain but the international spread of revenues, with a significant and growing US weighting, will reduce the impact on the Group.

The Chief Executive Officer's Review in this interim report include comments on the outlook for the remaining six months of the financial year.

4 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	Data Products	Data Services	Intra-group revenues / Central Costs	Group
	£'000	£'000	£'000	£'000	£'000
For the six months to 31 January 2019 (Unaudited)					
Revenue	**30,358**	**19,402**	**17,819**	**(1,035)**	**66,544**
Cost of sales	**(7,278)**	**(2,151)**	**(3,416)**	**914**	**(11,931)**
Gross profit	**23,080**	**17,251**	**14,403**	**(121)**	**54,613**
Administrative expenses	**(15,217)**	**(9,913)**	**(10,001)**	**(7,003)**	**(42,134)**
Adjusted operating profit/(loss)[1]	**7,863**	**7,338**	**4,402**	**(7,124)**	**12,479**
Amortisation of intangible assets					**(4,135)**
Separately reported items					**34**
Operating profit					**8,378**
Share of post-tax losses in associates					**(37)**
Finance income					**234**
Finance costs					**(311)**
Profit before taxation					**8,264**
Taxation					**(2,522)**
Profit after taxation					**5,742**
Other segment information					
Depreciation	**71**	**2**	**-**	**625**	**698**
For the six months to 31 January 2018 (Unaudited)					
Revenue	29,135	14,382	13,439	(640)	56,316
Cost of sales	(7,010)	(1,795)	(2,349)	317	(10,837)
Gross profit	22,125	12,587	11,090	(323)	45,479
Administrative expenses	(15,262)	(7,802)	(7,579)	(6,006)	(36,649)
Adjusted operating profit/(loss) [1] (restated)	6,863	4,785	3,511	(6,329)	8,830
Amortisation of intangible assets					(3,571)
Exceptional items					(886)
Operating profit					4,373
Share of post-tax profits in associates					-
Finance income					187
Finance costs					(94)
Profit before taxation					4,466
Taxation					(2,093)
Profit after taxation					2,373
Other segment information					
Depreciation	**99**	**-**	**-**	**471**	**570**

4 SEGMENTAL ANALYSIS (continued)

Supplementary information by geography

	Six months to 31 January 2019 (Unaudited)		Six months to 31 January 2018 (Unaudited)	
	Revenue	**Adjusted operating profit/(loss) [1]**	Revenue	Adjusted operating profit/(loss) [1]
	£'000	**£'000**	£'000	£'000
UK	**19,818**	**6,727**	14,458	5,836
USA	**27,190**	**9,113**	23,283	7,899
Mainland Europe	**12,080**	**2,288**	11,110	927
Middle East	**5,320**	**2,022**	6,034	1,346
Asia Pacific	**5,184**	**318**	3,873	42
Intra-group revenues / Central Costs	**(3,048)**	**(7,989)**	(2,442)	(7,220)
Group	**66,544**	**12,479**	56,316	8,830

5 SEPARATELY REPORTED ITEMS

	Unaudited 6 months to 31 January 2019 £'000	Unaudited 6 months to 31 January 2018 £'000	Audited Year ended 31 July 2018 £'000
Restructuring costs	**63**	661	1,381
Acquisition related costs	**1,998**	225	1,193
Fair value gains on business combinations	**(2,095)**	-	(1,682)
Total separately reported items	**(34)**	886	892

Restructuring costs in the period are residual costs relating to the restructuring of the Custom Research business in Germany and the closure of the Reports business.

Acquisition related costs in the period comprise £1,240,000 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 £758,000 of transaction costs in respect of the Acquisitions of Inconversation Media Limited, Portent.io Limited and the purchase of Crunch.io Inc's share of the Crunch software asset, £222,000 of which is contingent.

Fair value gains in the period 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 £285,000 less a fair value loss of £68,000 in respect of the acquisition of Portent.io Limited.

Restructuring costs in the prior period includes £230,000 resulting from the restructuring of the Custom Research business in Germany, £204,000 in relation to the reduction of non-core custom operations in the Middle East, £155,000 on the closure of the Reports business, £50,000 in reorganising the UK's management structure and £22,000 on the establishment of centralised global operations. Acquisition related costs in the prior period were incurred on the acquisition of Galaxy Research Pty Ltd and include £138,000 of contingent consideration treated as staff costs, £59,000 of transaction costs and £28,000 of integration costs.

6 TAXATION

	Unaudited 6 months to 31 January 2019 £'000	Unaudited 6 months to 31 January 2018 £'000	Audited Year ended 31 July 2018 £'000
Current taxation charge	**2,923**	2,316	5,111
Deferred taxation (credit)/charge	**(401)**	(223)	(1,496)
Total income statement tax charge	**2,522**	2,093	3,615

The tax charge for the period has been calculated based on the expected tax rates for the full year in each country.

7 EARNINGS PER SHARE

Number of shares	**Unaudited 6 months to 31 January 2019**	Unaudited 6 months to 31 January 2018	Audited Year ended 31 July 2018
Weighted average number of shares during the period ('000 shares):			
- Basic	**105,528**	105,493	105,410
- Dilutive effect of options	**7,884**	4,954	7,084
- Diluted	**113,412**	110,447	112,494
Basic earnings per share (in pence)	**5.4p**	2.2p	7.7p
Adjusted basic earnings per share[1] (in pence)	**9.6p**	7.3p	16.6p
Diluted earnings per share (in pence)	**5.1p**	2.1p	7.3p
Adjusted diluted earnings per share (in pence)	**9.0p**	6.9p	15.6p
The adjustments have the following effect:			
Basic earnings per share	**5.4p**	2.2p	7.7p
Amortisation of intangible assets	**3.9p**	3.4p	6.7p
Share based payments	**1.2p**	1.7p	3.4p
Imputed interest	**0.1p**	-	0.1p
Separately reported items	**(0.0p)**	0.9p	0.8p
Tax effect of the above adjustments and adjusting tax items	**(1.0p)**	(0.9p)	(2.1p)
Adjusted basic earnings per share[1]	**9.6p**	7.3p	16.6p
Diluted earnings per share	**5.1p**	2.1p	7.3p
Amortisation of intangible assets	**3.6p**	3.3p	6.2p
Share based payments	**1.1p**	1.6p	3.2p
Imputed interest	**0.1p**	-	0.1p
Separately reported items	**(0.0p)**	0.8p	0.8p
Tax effect of the above adjustments and adjusting tax items	**(0.9p)**	(0.9p)	(2.0p)
Adjusted diluted earnings per share[1]	**9.0p**	6.9p	15.6p

8 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. No interim dividend is proposed in respect of the period (2018: £nil).

9 BUSINESS COMBINATIONS

Acquisition of Galaxy DP Pty Limited

On 11 December 2017, to strengthen its position in the Australian market, YouGov purchased a 100% shareholding in Galaxy DP Pty Ltd ("Galaxy"), an Australian-based research company. An initial payment of AU$1,250,000 (£699,000) was paid upon completion, with a further AUD $332,000 (£185,000) paid in April 2018. The balance of the consideration is payable, contingent on performance, in two instalments in February 2019 and February 2020.

The contingent consideration is estimated to total AU$3.0m (£1.6m). This part of the consideration is contingent upon continuing employment and therefore will be treated as staff compensation under IFRS.

In addition transaction and integration costs of £79,000 were incurred in the prior year as result of the acquisition, these have been recognised in the income statement in the prior year as separately reported items.

The amount recognised for each class of assets and liabilities acquired is as follow:

	Acquiree's carrying amount before combination £'000	Fair value adjustments £'000	**Fair value acquired £'000**
Intangible assets	-	424	**424**
Property, plant and equipment	28	-	**28**
Cash	873	-	**873**
Current assets	807	-	**807**
Current liabilities	(979)	-	**(979)**
Tax payable	(21)	-	**(21)**
Dividend payable	(604)	-	**(604)**
Deferred tax	3	(116)	**(113)**
Net Assets acquired	107	308	**415**
Goodwill on acquisition			**469**
Total consideration for acquisition			**884**
Consideration contingent on continued employment			**1,629**
Total consideration and related employee benefits			**2,513**

Fair value adjustments included the recognition of the fair value of customer relationships and a related deferred tax liability. The goodwill is attributable to the workforce and the profitability of the acquired business. It will not be deductible for tax purposes. Ownership and control passed to YouGov on 11 December 2017 and Galaxy has been consolidated within the Group financial statements from that date. During the period Galaxy has contributed £1,311,000 (2018: £295,000) to Group revenue and £90,000 (2018: £43,000) to Group adjusted operating profit[1].

Acquisition of SMG Insight Limited

On 22 May 2018, to provide YouGov with the opportunity to develop new syndicated data products for the sports industry, YouGov purchased the remaining 80% shareholding in SMG insight Limited (“SMG”), a UK based research company in which it had previously held a 20% stake. An initial payment of £1,000,000 was paid upon completion with a further payment of up to £1,000,000 payable in May 2019 contingent on collection of trade receivables. The balance of the consideration is payable, contingent on EBITDA performance over three years, in three annual instalments with a final payment in 2021.

The total contingent consideration is forecast to be £13,240,000 and as this is not contingent upon future employment it is all treated as consideration for acquisition.

In addition transaction costs of £228,000 were incurred in the prior year as a result of the acquisition. These have also been recognised in the income statement in the prior year as separately reported items.

The amount recognised for each class of assets and liabilities acquired is as follow:

	Acquiree’s carrying amount before combination £’000	Fair value adjustments £’000	**Fair value acquired £’000**
Intangible assets	-	1,483	**1,483**
Property, plant and equipment	18	3	**21**
Cash	132	-	**132**
Current assets	1,757	(249)	**1,508**
Current liabilities	(1,324)	(185)	**(1,509)**
Tax payable	(152)	41	**(111)**
Dividend payable	(1,101)	-	**(1,101)**
Deferred tax	9	(263)	**(254)**
Net Assets acquired	(661)	830	**169**
Goodwill on acquisition			**17,631**
Total consideration for acquisition			**17,800**
Total consideration analysed as:			
Re-measurement of investment to fair value			**3,560**
Cash			**1,000**
Contingent consideration			**13,240**
Total consideration for acquisition			**17,800**

Provisional fair value adjustments have been made to align SMG’s accounting policies with those of YouGov and to account for the fair value of customer relationships and attributable deferred taxation of the business which are recognised upon acquisition. Management are currently finalising their fair value and contingent consideration calculations and this will be completed in the year ending 31 July 2019.

The goodwill is attributable to the workforce and the high profitability of the acquired business. It will not be deductible for tax purposes. Ownership and control passed to YouGov on 22 May 2018 and SMG has been consolidated within the Group financial statements from that date. In the period SMG has contributed £3,956,000 to Group revenue and increased Group adjusted operating profit[1] by £629,000.

Acquisition of InConversation Media Limited

On 21 August 2018, to provide YouGov with technology to engage with new and difficult to reach audiences, YouGov purchased a 100% shareholding in InConversation Media Limited ("Inconvo"), a UK based Start-up Company. An initial payment of £100 was paid upon completion with a further payment of up to £4,000,000 payable in September 2021 contingent on revenue achieved in the period to 31 July 2021 and the number of active panellists at that date.

The total contingent consideration is forecast to be £1,474,000. £1,018,000 of this amount, £1,005,000 at present value, is contingent upon continuing employment and therefore will be treated as staff compensation under IFRS, the remaining £456,000 is not contingent upon future employment and the present value of £445,000 is treated as consideration for acquisition.

In addition transaction costs of £93,000 were incurred as a result of the acquisition. These have also been recognised in the income statement as separately reported items.

Provisional fair value adjustments have been made to account for the fair value of the panel and attributable deferred taxation recognised upon acquisition. Management are currently finalising their fair value and contingent consideration calculations and this will be completed in the year ending 31 July 2019.

The amount recognised for each class of assets and liabilities acquired is as follow:

	Acquiree's carrying amount before combination £'000	Fair value adjustments £'000	Fair value acquired £'000
Intangible assets	9	10	**19**
Property, plant and equipment	4	-	**4**
Cash	11	-	**11**
Current assets	17	-	**17**
Current liabilities	(27)	-	**(27)**
Loan payable	(125)	-	**(125)**
Deferred tax	20	(2)	**18**
Net Assets acquired	(91)	8	**(83)**
Goodwill on acquisition			**528**
Total consideration for acquisition			**445**
Consideration contingent on continued employment			**1,005**
Total consideration and related employee benefits			**1,450**

The goodwill is attributable to the future benefit to YouGov of being able to engage with new and difficult to reach audiences. It will not be deductible for tax purposes.

Ownership and control passed to YouGov on 21 August 2018 and Inconvo has been consolidated within the Group financial statements from that date. In the period Inconvo has contributed £13,000 to Group revenue and reduced Group adjusted operating profit[1] by £169,000. If the acquisition had occurred on 1 August 2018 InConvo would have contributed £14,000 to Group revenue and would have reduced Group operating profit by £200,000.

Crunch.io Inc. Asset and Business Purchase

On 6 September 2018, YouGov acquired the assets and business of Crunch.io Inc. ("Crunch"), including Crunch.io Inc.'s share of the jointly developed Crunch analytic software. This purchase has been treated as a business combination. The amount payable was $2,670,000 (£2,063,000) which was paid upon completion.

Transaction costs of £228,000 were incurred in respect of this purchase and these have been recognised in the income statement as separately reported items.

The amount recognised for each class of assets and liabilities acquired is as follow:

	Acquiree's carrying amount before combination £'000	Fair value adjustments £'000	Fair value acquired £'000
Intangible assets	-	1,442	**1,442**
Current assets	29	-	**29**
Loan payable	(77)	-	**(77)**
Net Assets acquired	(48)	1,442	**1,394**
Goodwill on acquisition			**669**
Total consideration for acquisition			**2,063**

Provisional fair value adjustments have been made to recognise the fair value of the Crunch asset. Management are currently finalising their fair value calculations and this will be completed in the year ending 31 July 2019.

The goodwill is attributable to the future benefit of having full control over the Crunch Analytic Software. It will not be deductible for tax purposes.

Ownership and control of Crunch passed to YouGov on 6 September 2018 and the business has been included within the Group financial statements from that date. In the period Crunch has contributed £15,000 to Group revenue and reduced Group adjusted operating profit[1] by £350,000. If the business purchase had occurred on 1 August 2018 Crunch would have contributed £35,000 to Group revenue and would have reduced Group operating profit by £342,000.

Acquisition of Portent.io Limited

On 30 November 2018, in order to provide YouGov with access to the entertainment sector, YouGov purchased the remaining 65% shareholding in Portent.io Limited ("Portent") a UK based social analytics company in which it had previously held a 35% shareholding. An initial payment of £227,000 was paid upon completion with an additional payment, payable in three annual instalments in December 2019 to 2021, contingent on EBITDA in the period from completion to 31 October 2021. The total consideration, including the payment already made, is capped at £20,000,000.

The total additional payment is forecast to be £6,475,000 equivalent to £6,412,000 at present value, and is contingent upon continuing employment and therefore will be treated as staff compensation under IFRS and recognised over the earn-out period ending on 31 October 2021.

In addition transaction costs of £426,000, including £222,000 which is contingent on EBITDA and payable in December 2021, were incurred as a result of the acquisition. These have also been recognised in the income statement in the period as separately reported items.

The amount recognised for each class of assets and liabilities acquired is as follow:

	Acquiree's carrying amount before combination	Fair value adjustments	Fair value acquired
	£'000	£'000	£'000
Intangible assets	1	1,035	**1,036**
Property, plant and equipment	1	-	**1**
Deferred tax asset	136		**136**
Current assets	157	-	**157**
Tax payable	(26)		**(26)**
Current liabilities	(236)	-	**(236)**
Loan payable	(274)	-	**(274)**
Deferred tax liability	-	(197)	**(197)**
Net Assets acquired	(241)	838	**597**
Bargain purchase on acquisition			**(285)**
Total consideration for acquisition			**312**
Total consideration analysed as:			
Re-measurement of investment to fair value			**85**
Cash paid on completion			**227**
Total consideration for acquisition			**312**
Total amount payable:			
Cash paid on completion			**227**
Consideration contingent on continued employment			**6,412**
Total consideration and related employee benefits			**6,639**

Provisional fair value adjustments have been made to align to account for the fair value of internally developed software and attributable deferred taxation recognised upon acquisition. Management are currently finalising their fair value and contingent consideration calculations and this will be completed in the year ending 31 July 2019.

The bargain purchase amount has arisen because the contingent consideration is being accounted for as staff compensation. This amount has been recognised as a separately reported item in the period.

Ownership and control passed to YouGov on 30 November 2018 and Portent has been consolidated within the Group financial statements from that date. In the period Portent has contributed £44,000 to Group revenue and £31,000 to Group adjusted operating profit[1]. If the acquisition had occurred on 1 August 2018. Portent would have contributed £130,000 to Group revenue and £90,000 to Group operating profit.

10 GOODWILL, INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT

	Goodwill £'000	Other intangible assets £'000	Property, plant and equipment £'000
Carrying amount at 31 July 2017	**43,746**	**11,214**	**3,278**
Additions:			
Business combinations	469	424	28
Separately acquired	-	1,410	615
Internally developed	-	1,712	-
Amortisation and depreciation	-	(3,571)	(570)
Disposals	-	-	(10)
Net exchange differences	(2,033)	(283)	(164)
Carrying amount at 31 January 2018	**42,182**	**10,906**	**3,177**
Additions:			
Business combinations	8,026	1,483	21
Separately acquired	-	1,867	354
Internally developed	-	2,228	-
Amortisation and depreciation	-	(3,455)	(661)
Disposals	-	-	(2)
Net exchange differences	1,852	268	148
Carrying amount at 31 July 2018	**52,060**	**13,297**	**3,037**
Additions:			
Business combinations	10,801	2,498	5
Separately acquired	-	2,572	2,186
Internally developed	-	2,303	-
Amortisation and depreciation	-	(4,135)	(698)
Disposals	-	-	(5)
Net exchange differences	(343)	(10)	-
Carrying amount at 31 January 2019	**62,518**	**16,525**	**4,525**

In accordance with the Group's accounting policy, the carrying values of goodwill and other intangible assets are reviewed for impairment annually. A full impairment test is undertaken at each financial year end and a review for indicators of impairment is undertaken at the end of each interim period and an impairment test undertaken if required. The last full annual impairment review was undertaken as at 31 July 2018. There were no indications of impairment as at 31 January 2019.

10 GOODWILL, INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT (continued)

Other intangible assets are analysed as follows:

	Consumer panel £'000	Software and software develop-ment £'000	Customer contracts and lists £'000	Patents and trade-marks £'000	Develop-ment costs £'000	Total £'000
Carrying amount at 31 July 2017	**4,200**	**5,600**	**1,136**	**240**	**38**	**11,214**
Additions:						
Business combinations	-	-	424	-	-	424
Separately acquired	1,365	33	-	12	-	1,410
Internally developed	-	1,712	-	-	-	1,712
Total additions	1,365	1,745	424	12	-	3,546
Amortisation:						
Business combinations	-	(101)	(198)	-	-	(299)
Separately acquired	(1,277)	(170)	-	(3)	(2)	(1,452)
Internally developed	-	(1,820)	-	-	-	(1,820)
Total Amortisation	(1,277)	(2,091)	(198)	(3)	(2)	(3,571)
Net exchange differences	(161)	(56)	(63)	(3)	-	(283)
Carrying amount at 31 January 2018	**4,127**	**5,198**	**1,299**	**246**	**36**	**10,906**
Additions:						
Business combinations	-	97	1,386	-	-	1,483
Separately acquired	1,469	371	-	27	-	1,867
Internally developed	-	2,216	-	-	12	2,228
Total additions	1,469	2,684	1,386	27	12	5,578
Amortisation:						
Business combinations	-	(119)	(268)	-	-	(387)
Separately acquired	(1,278)	(87)	-	(4)	-	(1,369)
Internally developed	-	(1,699)	-	-	-	(1,699)
Total Amortisation	(1,278)	(1,905)	(268)	(4)	-	(3,455)
Net exchange differences	156	55	54	3	-	268
Carrying amount at 31 July 2018	**4,474**	**6,032**	**2,471**	**272**	**48**	**13,297**
Additions:						
Business combinations	10	2,488	-	-	-	2,498
Separately acquired	2,168	376	-	28	-	2,572
Internally developed	-	2,303	-	-	-	2,303
Total additions	2,178	5,167	-	28	-	7,373
Amortisation:						
Business combinations	(1)	(373)	(294)	-	-	(668)
Separately acquired	(1,519)	(507)	-	(3)	-	(2,029)
Internally developed	-	(1,438)	-	-	-	(1,438)
Total Amortisation	(1,520)	(2,318)	(294)	(3)	-	(4,135)
Net exchange differences	(23)	13	(1)	1	-	(10)
Carrying amount at 31 January 2019	**5,109**	**8,894**	**2,176**	**298**	**48**	**16,525**

11 SHARE CAPITAL

	Number of shares	Share capital £'000
At 31 January 2018	**105,439,173**	**211**
Issue of shares	52,637	-
At 31 July 2018	**105,491,810**	**211**
Issue of shares	95,410	-
At 31 January 2019	**105,587,220**	**211**

The company has only one class of share. The par value of each share is 0.2p. All issued shares are fully paid. Shares issued in the year were in respect of the exercise of 95,410 share options at nil cost per share.

12 FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Where market values are not available, fair values of financial assets and financial liabilities have been calculated by discounting expected future cash flows at prevailing interest rates and by applying year end foreign exchange rates.

Primary financial instruments held or issued to finance the Group's operations:

	31 January 2019 Unaudited		31 January 2018 Unaudited	
	Book value	**Fair value**	Book value	Fair value
	£'000	**£'000**	£'000	£'000
Trade and other receivables	**30,612**	**30,612**	30,915	30,915
Cash and cash equivalents	**24,953**	**24,953**	21,264	21,264
Trade and other payables	**(38,088)**	**(38,088)**	(18,258)	(18,258)

Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

	31 January 2019 Unaudited				31 January 2018 Unaudited			
Liabilities	**Level 1**	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
	£'000	**£'000**	**£'000**	**£'000**	£'000	£'000	£'000	£'000
Contingent consideration	**-**	**-**	**16,018**	**16,018**	-	-	138	138

12 FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

The following table presents the changes in Level 3 instruments.

Contingent consideration	**Unaudited 6 months to 31 January 2019**	Unaudited 6 months to 31 January 2018
	£'000	£'000
Balance at 1 August	**6,519**	-
Provided consideration on business combination	**7,958**	-
Recognised in the income statement within separately reported items	**1,462**	124
Recognised in the income statement within finance costs	**77**	14
Foreign exchange differences	**2**	-
Balance at 31 January	**16,018**	138

13 IMPACT OF NEW ACCOUNTING STANDARDS

This note explains the impact of the adoption of IFRS 9 and IFRS 15 on the Group's financial statements.

IFRS 9

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities and the impairment of financial assets.

The adoption of IFRS 9 from 1 August 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The Group's trade receivables from sales of products are subject to the new expected credit loss model. In accordance with the transitional provisions in paragraphs 7.2.15 and 7.2.26 of IFRS 9, comparative figures have not been restated. The reclassifications and the adjustments arising from the new impairment rules are therefore recognised in the opening balance sheet on 1 August 2018.

The group applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables and contract assets. This resulted in an increase of the loss allowance on 1 August 2018 of £792,000 for trade receivables. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

IFRS 15

The adoption of IFRS 15 from 1 August 2018 resulted in changes in accounting policies relating to revenue recognition. The new accounting policies have not materially altered the revenue recognised by the Group in prior financial years and so restatement of prior year comparatives is not necessary.

13 IMPACT OF NEW ACCOUNTING STANDARDS (continued)

Impact on the financial statements

The impact of the change in impairment methodology on the group's retained earnings and equity is disclosed in the table below. Line items that were not affected by the changes have not been included.

	Balance sheet as at 31 July 2018 £'000	Restatement for IFRS 9 £'000	**Balance sheet as at 1 August 2018 £'000**
Deferred tax asset	9,434	157	**9,591**
Total non-current assets	78,019	157	**78,176**
Bad debt provision	(1,225)	(792)	**(2,017)**
Trade and other receivables	34,672	(792)	**33,880**
Total current assets	66,735	(792)	**65,943**
Retained earnings	36,290	(635)	**35,655**
Total equity	92,071	(635)	**91,436**

The adoption of IFRS 15 has not impacted the financial statements in the period.

14 TRANSACTIONS WITH DIRECTORS AND OTHER RELATED PARTIES

On 10 December 2013, YouGov plc entered into a joint development agreement with Crunch.io Inc, a US company in which Doug Rivers, a senior manager of YouGov plc, had an equity interest of 40%. YouGov and Crunch.io Inc agreed jointly to fund the development of a cloud-based data analytics software application in which both parties have usage rights. On 6 September 2018 the joint development agreement was terminated and YouGov purchased the business of Crunch.io Inc including the Crunch software asset for $2,670,000 (£2,063,000).

Other than emoluments, there were no other transactions with Directors during the period.

Trading between YouGov plc and group companies is excluded from the related party note as this has been eliminated on consolidation.

1 Defined in the explanation of non-IFRS measures on page 13.