



# Interim Results to 31 January 2018

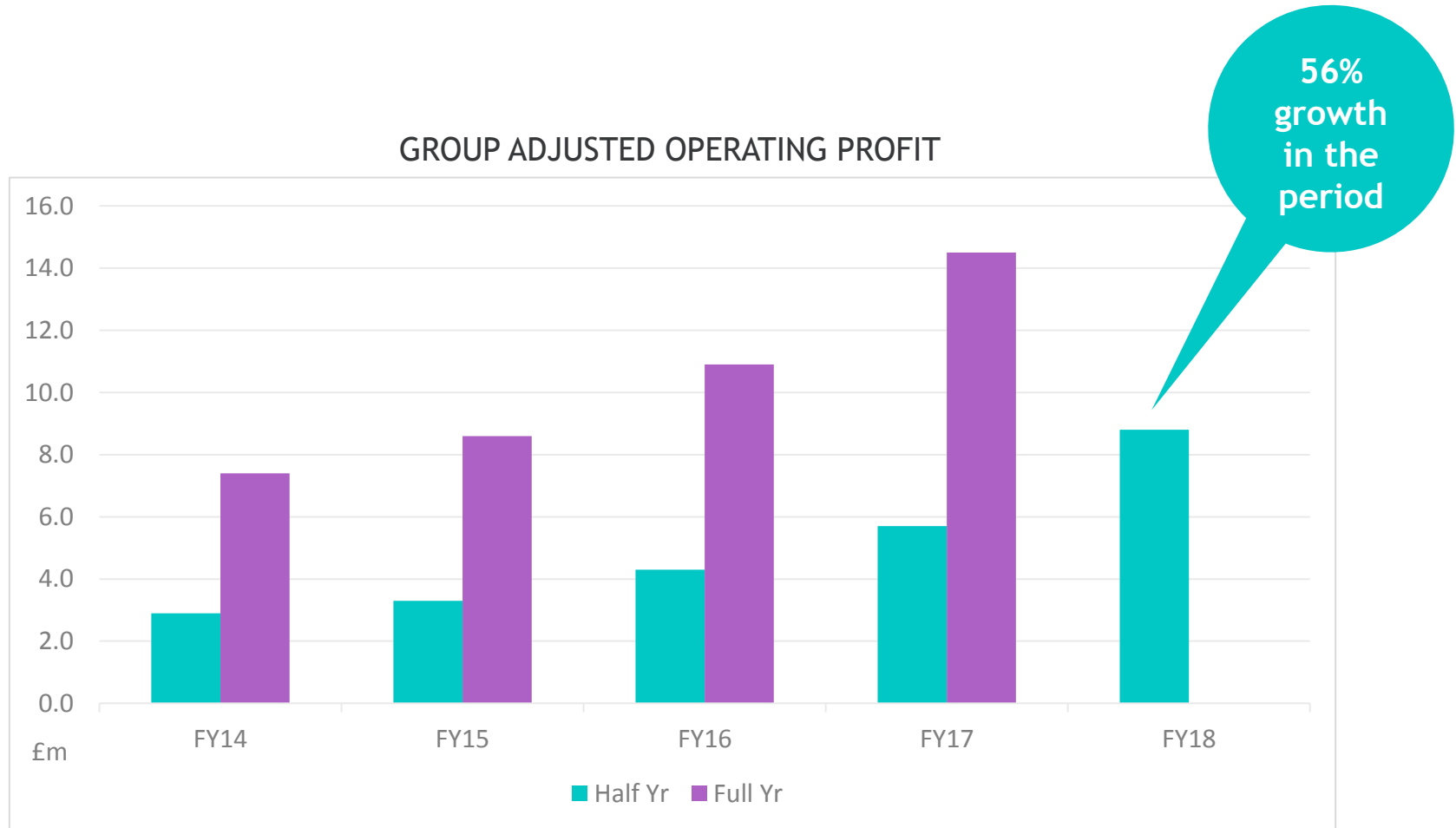
Delivering on our goals, advancing our strategy

**YouGov**<sup>®</sup>

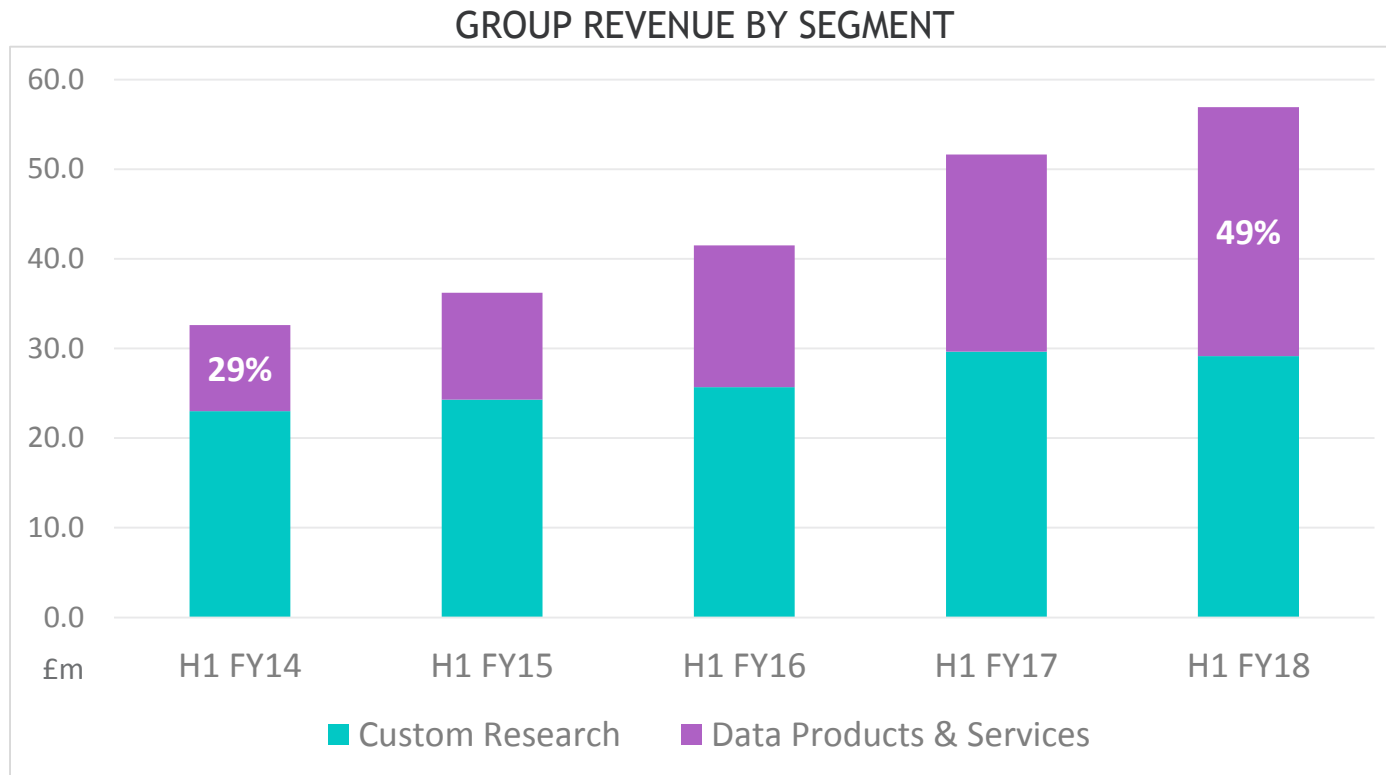
# Summary

- Strong revenue growth of 10% (well ahead of the market average of approximately 3%)
- Adjusted operating profit up by 56%; UK up 89%, USA up 56%
- Global Data Products & Services driving growth: now 49% of Group revenue
- Cash conversion of 85%: cash balances of £21m
- Global footprint expanded to include India, Italy, Spain and an acquisition in Australia
- EU GDPR and low trust in advertising presents an opportunity for YouGov
- Current trading is positive and we remain confident of our expectations for the full year
- On track to deliver our five-year organic growth plans

# On track to deliver our five-year growth plans



# Proportion of revenue from Data Products & Services has grown as planned



Early achievement of a key five-year objective:

In 2014, at the start of our current five-year plan, we stated that a key objective for the YouGov Group was to increase the proportion of revenue from Data Products & Services, bringing it to parity with Custom Research

# Custom Research profitability continues to improve

- Another key five-year objective has been to raise profit margins in Custom Research
- In this half-year, there was a 2% reduction in Custom Research revenue due to deliberate focus on higher margin activities
- YouGov's most profitable Custom Research activities are those based on our core model
- More concentration on multi-country, multi-wave studies and less on one-off projects
- Ongoing restructuring programme to reduce low-margin, off-panel activities
- This strategic focus on higher-margin activities has resulted in Custom Research operating profit increasing by 60% during the period
- Since the year ended 31 July 2014, we have grown operating margins from 14% to 24%

# Financial Update

Alex McIntosh - CFO



# Financial Highlights

	6 months to 31 Jan 2018 £m	6 months to 31 Jan 2017 £m	% Change
Revenue	56.3	51.4	10%
Adjusted Operating Profit*	8.8	5.7	56%
Adjusted Profit before Tax	10.7	6.3	69%
Adjusted Earnings per Share	7.3p	4.2p	74%

*\*Adjusted operating profit is defined as Group operating profit before amortisation of intangibles and exceptional items. Adjusted profit before tax and earnings per share are calculated based on the adjusted operating profit.*

# Group Income Statement

- Revenue growth of £4.9m
- Gross Margin up by 2%
- Operating Expense Ratio decreased by 3% to 65%
- Adjusted Operating Margin up 5% to 16%
- Adjusted Operating Profit up 56%
- Adjusted EPS increased by 74%

	6 months to 31 Jan 2018 £m	6 months to 31 Jan 2017 £m
Group Revenue	56.3	51.4
Cost of Sales	(10.8)	(10.8)
Gross Profit	45.5	40.6
Gross Margin %	81%	79%
Operating Expenses	(36.6)	(34.9)
Group Operating Profit	8.8	5.7
Operating Margin %	16%	11%
Adjusted EPS	7.3p	4.2p



# Balance Sheet

- Receivable days decreased from 62 days to 49 days
- Creditor days decreased from 35 days to 30 days
- Trade and other payables includes £10.9m of deferred subscription income (2017: £8.5m)

	31 Jan 2018 £m	31 Jan 2017 £m
<u>Non-Current Assets</u>		
Goodwill	42.2	44.2
Other intangible assets	10.9	10.9
Other non-current assets	11.2	9.5
	64.3	64.6
<u>Current Assets</u>		
Trade and other receivables	35.0	33.4
Cash	21.3	15.0
	56.3	48.4
<u>Current Liabilities</u>		
Trade and other payables	30.8	27.0
Provisions	3.8	2.1
	34.6	29.1
<u>Net Current Assets</u>	21.7	19.3
<u>Non-Current Liabilities</u>		
Provisions and payables	3.2	4.7
Deferred taxation	1.7	1.5
<u>Net Assets</u>	81.1	77.7

# Cash Flow

- Cash flow generated from operations of £7.5m
- Conversion into cash of 85% of Adjusted Operating Profit
- Investing activities of £3.6m includes £3.1m on technology development and patent
- Net cash outflow of £1.1m before exchange gains
- Cash balance of £21.3m at 31 January 2018; £6.3m higher than prior year

	6 months to 31 Jan 2018 £m	6 months to 31 Jan 2017 £m
Cash flows from operating activities:		
Statutory operating profit	4.4	2.5
Non cash movements	6.1	4.0
Net working capital movement	(3.0)	(1.9)
Cash generated from operations	7.5	4.6
Interest and tax	(2.9)	(0.9)
Net cash generated from operating activities	4.6	3.7
Net cash used in investing activities	(3.6)	(3.3)
Shares Issued	-	0.1
Dividends paid	(2.1)	(1.5)
Net decrease in cash	(1.1)	(1.0)
Cash balance at beginning of period	23.2	15.6
Exchange gain on cash and cash equivalent	(0.9)	0.4
Cash balance at end of period	21.3	15.0

# Segmental Analysis by Product & Service - Revenue

	6 months to 31 Jan 2018 £m	6 months to 31 Jan 2017 £m	% Change	% Change at Constant Currency
Data Products	14.4	11.0	31%	34%
Data Services	13.4	11.0	22%	23%
<b>Total Data Products &amp; Services</b>	<b>27.8</b>	<b>22.0</b>	<b>27%</b>	<b>29%</b>
<b>Custom Research</b>	<b>29.1</b>	<b>29.6</b>	<b>(2%)</b>	<b>1%</b>
Intra-group revenues	(0.6)	(0.2)	-	-
<b>Group</b>	<b>56.3</b>	<b>51.4</b>	<b>10%</b>	<b>12%</b>

- *Data Products include: BrandIndex, Profiles*
- *Data Services include: Omnibus, Field & Tab, Sample Only*

# Segmental Analysis by Product & Service – Operating Profit

	6 months to 31 Jan 2018 £m	6 months to 31 Jan 2017 £m	% Change	Operating Margin % Six months to 31 January 2018	Operating Margin % Six months to 31 January 2017
Data Products	4.8	2.8	75%	34%	25%
Data Services	3.5	2.5	41%	26%	22%
<b>Total Data Products &amp; Services</b>	<b>8.3</b>	<b>5.3</b>	<b>58%</b>	<b>30%</b>	<b>24%</b>
<b>Custom Research</b>	<b>6.9</b>	<b>4.3</b>	<b>60%</b>	<b>24%</b>	<b>14%</b>
Central costs	(6.4)	(3.9)	63%	-	-
<b>Group</b>	<b>8.8</b>	<b>5.7</b>	<b>56%</b>	<b>16%</b>	<b>11%</b>

# Segmental Analysis by Geography - Revenue

	6 months to 31 Jan 2018 Revenue £m	6 months to 31 Jan 2017 Revenue £m	% Change	% Change at Constant Currency
USA	23.3	19.7	18%	25%
UK	14.5	12.5	15%	15%
Middle East	6.0	7.5	(20%)	(16%)
Germany	4.5	5.3	(15%)	(18%)
Nordic	4.9	4.6	7%	4%
France	1.7	1.1	62%	56%
Asia Pacific	3.9	2.3	65%	64%
Intra-group revenues	(2.5)	(1.6)	-	-
<b>Group</b>	<b>56.3</b>	<b>51.4</b>	<b>10%</b>	<b>12%</b>

# Segmental Analysis by Geography – Operating Profit

	6 months to 31 Jan 2018 Operating Profit £m	6 months to 31 Jan 2018 Margin %	6 months to 31 Jan 2017 Operating Profit £m	6 months to 31 Jan 2017 Margin %
USA	7.9	34%	5.1	26%
UK	5.8	40%	3.1	25%
Middle East	1.3	22%	1.2	16%
Germany	0.2	4%	0.2	5%
Nordic	0.5	10%	0.7	15%
France	0.3	17%	0.1	9%
Asia Pacific	-	1%	(0.6)	(24%)
Central costs	(7.2)	-	(4.1)	-
<b>Group</b>	<b>8.8</b>	<b>16%</b>	<b>5.7</b>	<b>11%</b>

# Operational & Strategic Update

Stephan Shakespeare - CEO



# YouGov is a global data and analytics company

Our core offering of opinion data is derived from our highly participative panel of **6 million people** worldwide on a variety of data collection platforms

Last year, YouGov panellists completed over **25 million surveys**

YouGov is one of the **most quoted** market research sources in the world:

*#1 in the UK - #2 in USA - #3 in Germany*

YouGov has one of the world's **top ten** international market research networks

We have **35 offices** worldwide including:

*New York - San Francisco - London - Berlin - Milan - Dubai - Mumbai - Hong Kong - Singapore - Sydney*

We have over **2,000 clients** including:



THE  TIMES  
THE SUNDAY TIMES

Bloomberg

CBS

HSBC 

The  
Economist

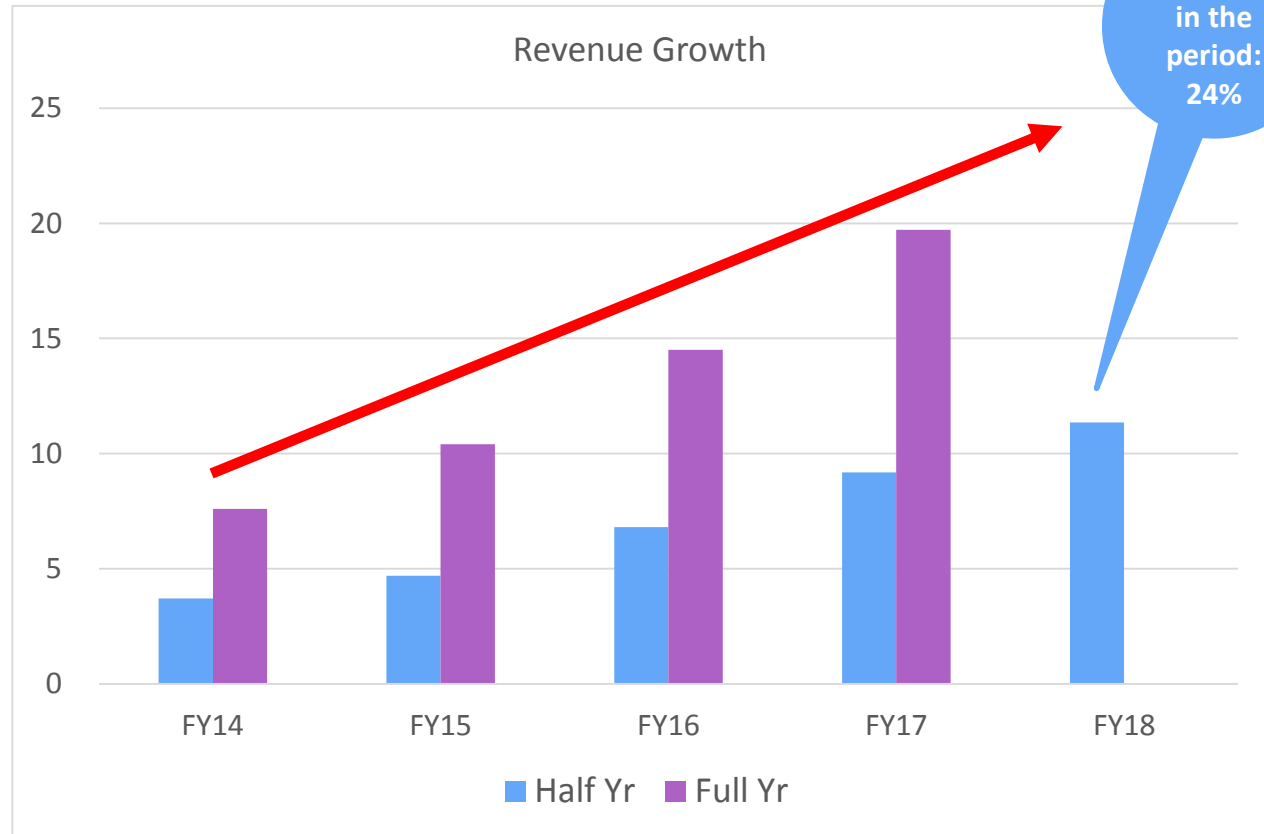
 Microsoft

 BARCLAYS



# YouGov BrandIndex

- Our flagship brand intelligence service
- Global expansion and integration with Profiles driving growth
- 400+ client worldwide
- Covers 32 markets worldwide; Italy, Spain, Philippines, Taiwan and Vietnam recently added
- US remains largest market



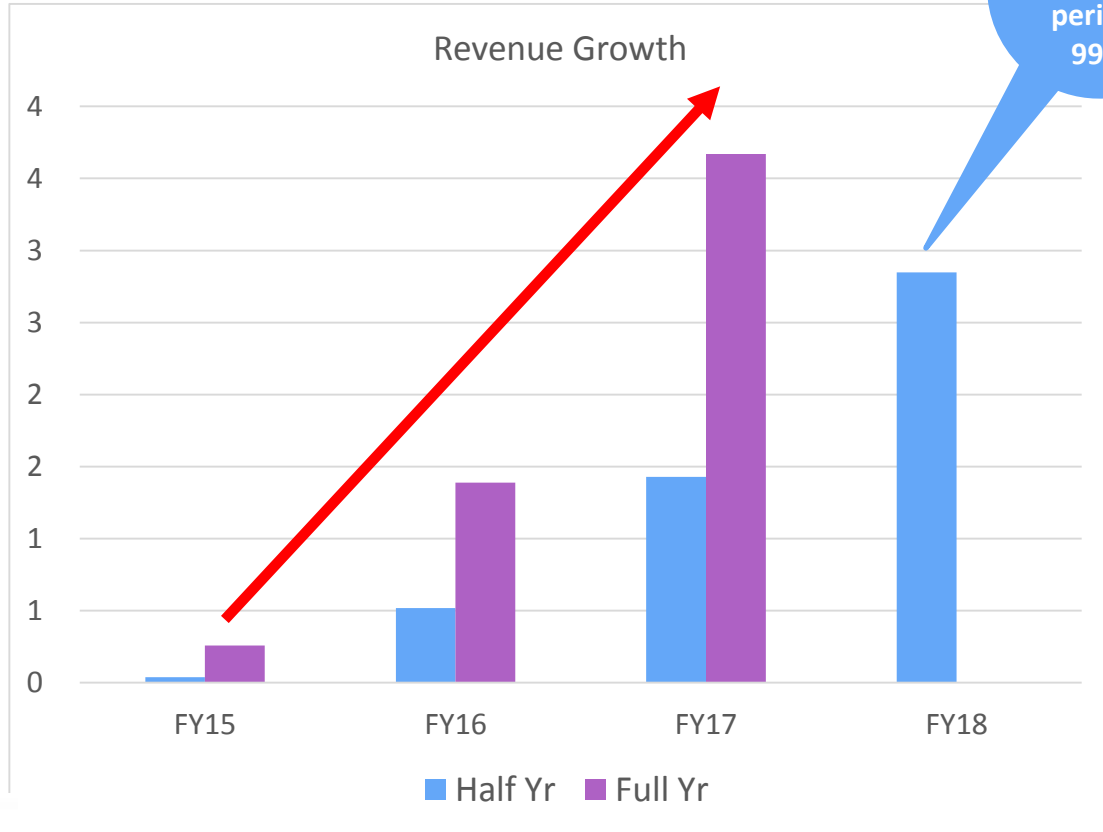
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network

VIACOM

VOLVO

# YouGov Profiles

- Our ground-breaking audience planning and segmentation tool
- Now available in 13 markets across the UK, USA, Europe and Asia Pacific
- 200 clients worldwide
- Sales driven by increased interoperability between Profiles and BrandIndex
- Increasingly being sold as a bundle with BrandIndex under the 'Plan & Track' banner



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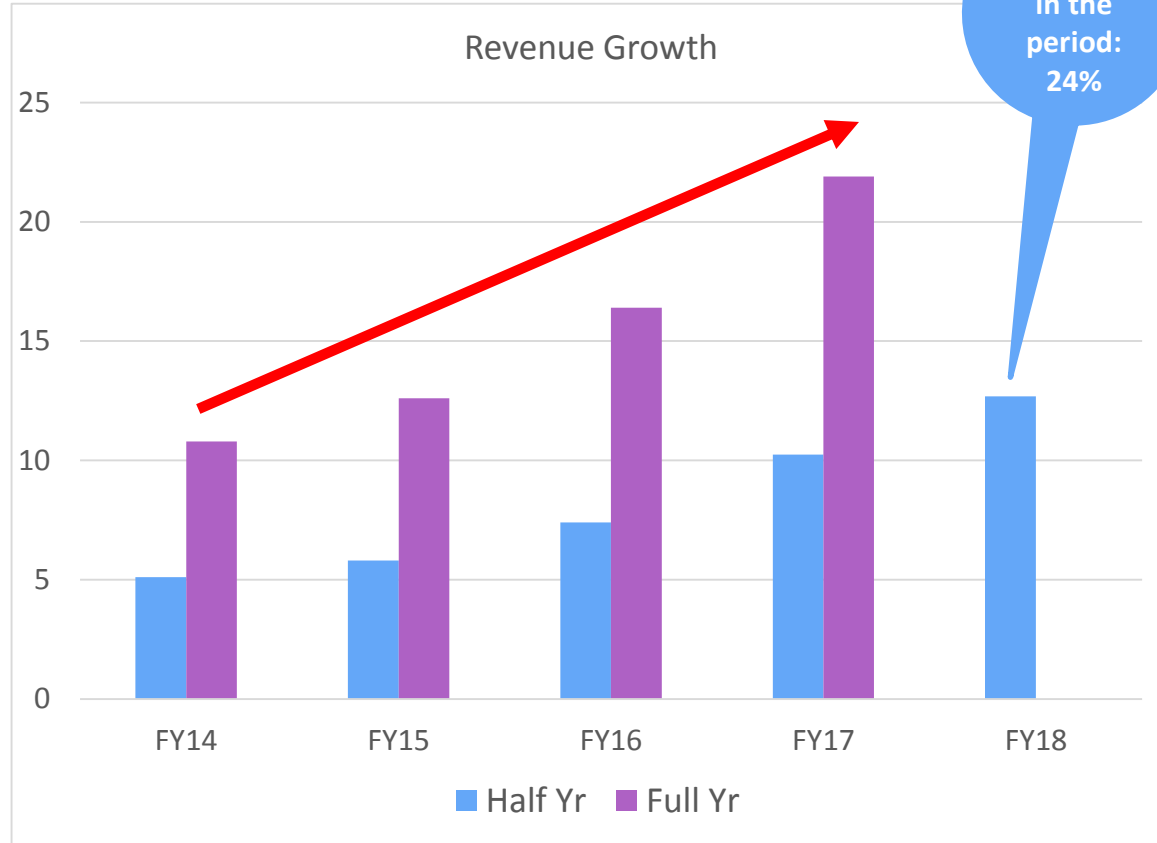
VOLVO

epiphany.  
a JAYWING agency

ams media group

# YouGov Omnibus

- Online fast-turnaround service
- Increasing numbers of BrandIndex and Profiles clients are taking advantage of the new 're-contact' service via Omnibus
- Attracting more multi-national clients, leading to more multi-country projects
- 1,000+ clients worldwide
- Market leader in UK and growing strongly globally – available in US, Nordics, Germany, France and Asia Pac

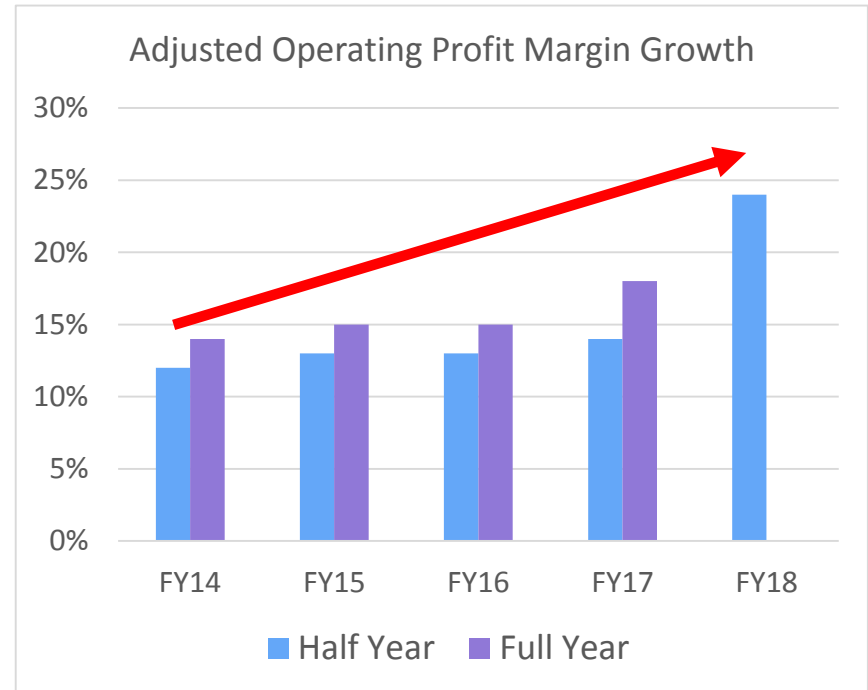


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# YouGov Custom Research

- Quantitative and qualitative research directed by our sector specialists
- Scope, scale and complexity of projects varies:
  - One-off studies
  - Tracking studies for individual clients
  - Syndicated studies sold to multiple clients
- Offering enhanced and differentiated by the connected data we hold in the YouGov Cube
- In line with stated strategy to focus on core panel-based services, we continue to scale-down non-core elements of the Custom division
- Strategy has delivered increased operating profit - up 60% in the period

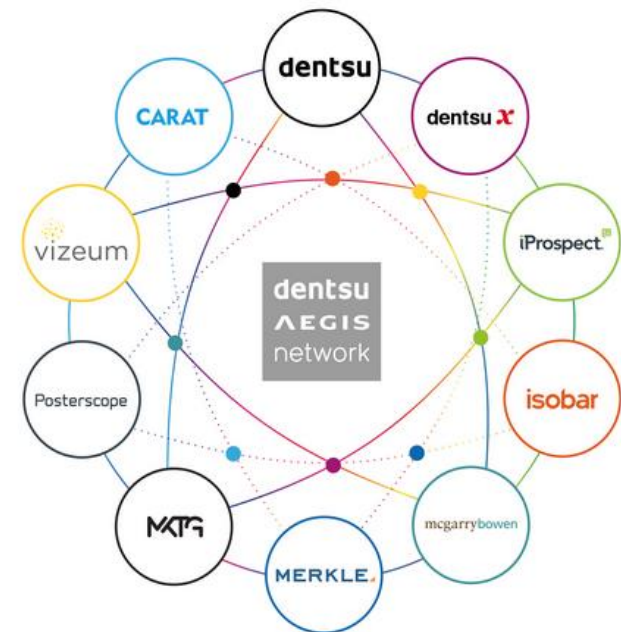


# Case Study: Dentsu Aegis Network adopts YouGov Profiles, replacing incumbent Kantar TGI

- In October 2017 it was announced that Global Media Group Dentsu Aegis Network had adopted YouGov Profiles for its audience understanding, strategy and activation purposes, replacing Kantar TGI
- Dentsu's initial two year subscription to YouGov Profiles includes integrated access through Nielsen's IMS platform
- The move complements Dentsu's bespoke Consumer Connection System (CCS) – a suite of insight, research and planning tools which is available in over 50 markets

*"Because of the depth of data YouGov Profiles provides and the speed with which it can be augmented, we are already able to build planning segments for our clients that were not possible before, which will give us a greater ability to drive return on marketing investment for our clients."*

- Alison Drummond, Head of Insight and Analytics at Carat



# EU GDPR & YouGov Direct

- New EU rules will require new forms of permissioning for the use of personal data
- YouGov panelists' explicitly permissioned and paid-for data, aggregated into products and services, complies with the EU General Data Protection Regulation (GDPR)
- YouGov's strong relationship with panelists offers a major opportunity to use data in innovative ways that are hard for other agencies to emulate

We are developing YouGov Direct, a blockchain-based system of data transactions, to:

- a) Enable a self-service system of research that allows clients to build on Cube data at a level of granularity not previously possible
- b) Broaden the types of research that can be offered to self-service clients
- c) Embed personal data inside marketing processes for better ad-targeting
- d) Create cooperative relationships with publishers

# Strategic Developments

We continue to develop the elements of the YouGov connected data system, including:

- New mobile app and websites being rolled out worldwide
- YouGov Profiles now being delivered on our analytics tool, Crunch
- Expanding our reach to further markets; new offices opened in India, Italy, Spain and an acquisition in Australia
- Boosting our 24/7 data processing and analytics capabilities; new shared service centre opened in Mumbai
- YouGov Direct, a blockchain-based system of data transactions compliant with EU GDPR, in development
- Exploring commercial opportunities for our advanced population modelling (MRP)
- Continuing to add new data sets to our connected data library (the Cube), including a new popularity score



# Outlook






# Group Outlook

- Demand for our syndicated data products remains strong
- Further opportunities for growth of custom research aligned with our core connected-data offering
- Second half trading continues positively and we are accelerating our investment in technology and geographic expansion
- The Board remains confident of expectations for the full year
- On track to deliver our five-year (2014-19) organic growth plans
- Work underway to develop the next five-year plan

# Appendix

Blockchain Innovation & Investment Summit (BII SUMMIT): presentation slides





*How blockchain can turn privacy concerns  
and GDPR into a massive opportunity*

# YouGov<sup>®</sup>Direct

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

Stephan Shakespeare, CEO, YouGov plc  
Dubai BIIS, 19<sup>th</sup> March 2018

# Introducing YouGov Direct

Our blockchain innovation - YouGov Direct - aims to...

- Strengthen privacy and citizen control of their data
- Expand applications of our data to ad targeting
- Add validation at granular level
- Increase efficiency of our operations



# Problems Internet Users Face

## The problem for users:

- Unfair forfeit of privacy
- Lack of user control over the way their data is used
- No incentive to share data
- Low incentive to engage with ads

## What do people want?

- More online security
- Control over what and how personal information is shared
- Improved online experience

# Challenges Advertisers Face

## The issues:

- Advertisers not sure if ads are watched by humans or bots
- More Internet users employing ad blockers because ads are poorly targeted
- Ad revenue declining for agencies who lose the trust of clients
- Producers of the content audiences love are not compensated enough
- New GDPR rules will require transparency with citizen data

# EU General Data Protection Regulation

## Ideas behind GDPR:

- EU is creating protections for citizen online privacy
  - Regulations come into force May 2018
  - Businesses must ask user permission prior to using user data
  - Stringency on passing of data from one party to another
  - Creates transparency between consumer and advertiser
  - Advertisers face large fines if they don't comply

# Our two blockchain products (in development)

Two products to increase user control and commercial efficiency:

- **YouGov Direct**
  - YouGov Direct members choose which personal data they are willing to share with advertisers
  - Rewards for members every time their data is used
  - Advertisers gain access to permissioned, known/verified audience
- **YouGov/Publisher-Cooperative**
  - Publisher-delivered targeted advertising on publisher sites using YouGov GDPR-compliant data



# Integration of blockchain

## Reason for using blockchain

- Gathering permission shouldn't just be check-box
- Turns permissions into transactions in an auditable work-stream
- Develops partnerships between advertisers and audience
- Record of transactions can be referenced by businesses to verify they are meeting GDPR requirements

# Our solutions for Members

## Value/efficiency created for members:

- Better experience of ads (more relevant because of the quality of data being used for targeting)
- Empowerment / protection of privacy (members determine how their data is used)
- Rewards for members for every permissioned use of their data

# Our solution for Advertisers and Publishers

Value/efficiency created for advertisers and publishers:

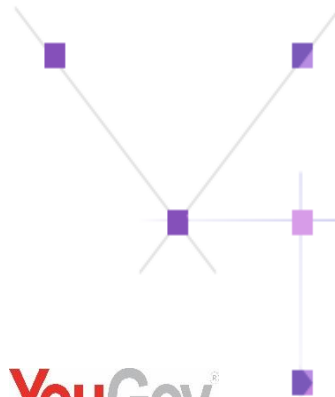
- Fair sharing of advertiser spend
- Better results for advertisers
- Audited delivery that meets GDPR requirements
- Returns control to publishers over their own site
- Better on-site experience for users

# More on our Publisher Cooperative

- YouGov (and Publisher) obtain necessary permission from members (and own site visitors) for GDPR compliance
- YouGov provides software to publisher (no skills required by publisher) that combines data gathered by publisher with known attributes provided by YouGov to better understand publisher's visitors and improve visitor experience and ad targeting
- Members who have received enhanced targeted ads can be post-tested by YouGov to audit ad reach and ad effectiveness
- Publisher can refer new members to YouGov Direct and receive royalty based on revenue YouGov generates from referred members going forward

# How does YouGov Direct work?

*(Please note: while targeting of ads is the main theme of this presentation, the YouGov Direct process of permissioned use of data within safe direct contact is intended for use in all forms of client-panelist interaction within or through YouGov, whether for conducting surveys, other research or engagement tasks, or delivering ads)*



## 1) DASHBOARD FOR MEMBERS

Members manage their data for sharing (through surveys and dashboard editing)

## 2) DASHBOARD FOR CLIENTS

Clients define required target groups from aggregated characteristics on offer

## 4) *MEMBER GETS MESSAGE/TASK*

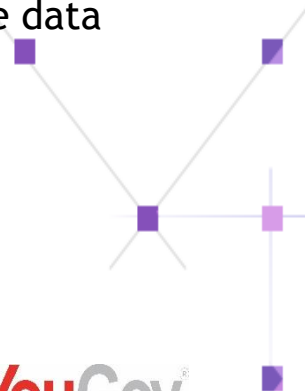
Member decides whether to accept message/task. If yes, transaction is **completed, logged, verified, paid**

## 3) *CLIENT SENDS MESSAGE/TASK*

Client activates campaign by sending message/task to the selected members

# YouGov Direct means...

- data never passes from member to third party
- every use of member data is individually and actively permissioned
- third party can never track a member through this process
- clients can contact members without YouGov interaction
- YouGov sets the rules, certifies data, validates members & clients
- Every interaction is a simple, fast, contracted, accounted transaction
- It's a secure trusted place for members and clients to communicate and trade data



# YouGov Direct can be used for...

- Conducting self-service research with granular respondent definitions
- Testing concepts, ads, offers
- Delivering targeted advertising
- Any other communication or interaction allowed by YouGov & Member







**YouGov**<sup>®</sup>  
Don't Just Collect Data. **Connect Data.**

**YouGov**