

# Preliminary Results to 31 July 2012

Strategy underpins maiden dividend

**YouGov**<sup>®</sup> What the world thinks



## Performance in line with expectations

- YouGov continues to increase market share with strong growth in its major markets and in data products and services
- Like-for-like revenue increased by 9%
- Maiden dividend of 0.5p per share to be paid
- US increased revenues by 21% to £19.2m (8% organic growth rate); UK by 15%
- Good progress made in turning around the German business; profit doubled to £0.6m on revenue of £9.4m (2011: £11.3m)
- Middle East regionally generated business grew by 19% partly offsetting the £2m decline from the expected ending of the long-term contract in Iraq
- Nordic revenue up 6% - ahead of market
- New French operation started well: panel has already reached 75,000
- Social Media Analysis (SoMA) product launched

# FY12 Financial Highlights

	Year to 31 July 2012 £m	Year to 31 July 2011 £m	% Change
Revenue	58.1	56.1	4%
Adjusted Operating Profit	5.6	5.3	6%
Adjusted Operating Profit Margin (%)	10%	9%	
Adjusted Profit before Tax	6.1	5.8	5%
Adjusted Earnings per Share	4.9p	4.7p	4%
Dividend per Share	0.5p	-	-

# Group Income Statement

- Reported revenue growth of £2m; like-for-like increase of £4.5m
- Gross Profit margin up by 2% points to 77% - reflecting higher proportion of on-line data collection
- Operating margin increased to 10%
- Adjusted EPS increased 4% to 4.9p

	2012 £m	2011 £m
Group Revenue	58.1	56.1
Cost of sales	(13.4)	(13.9)
Gross Profit	44.7	42.2
<i>Gross margin %</i>	77%	75%
Operating expenses	(39.1)	(36.9)
Group Operating Profit	5.6	5.3
<i>Operating margin %</i>	10%	9%
Adjusted EPS (p)	4.9	4.7

# Balance Sheet

- Debtor days up from 61 to 63 days
- Creditor days up to 35 days from 32 days
- Deferred consideration of £2.4m (£1.9m in current liabilities)

	31 July 2012 £m	31 July 2011 £m
<b><u>Assets</u></b>		
Goodwill	36.2	37.8
Other intangible assets	8.5	11.4
Other non-current assets	5.1	4.7
	<b>49.8</b>	<b>54.0</b>
<b><u>Current Assets</u></b>		
Trade and other receivables	19.7	16.9
Cash	7.5	9.4
<b>Total Current Assets</b>	<b>27.2</b>	<b>26.3</b>
<b><u>Liabilities</u></b>		
Trade and other payables	14.7	14.9
Provisions	2.2	1.4
<b>Total Current Liabilities</b>	<b>16.9</b>	<b>16.3</b>
<b><u>Net Current Assets</u></b>	<b>10.3</b>	<b>10.0</b>
Provisions and other non-current liabilities	1.3	4.4
Deferred taxation	2.8	3.6
<b><u>Total Non-Current Liabilities</u></b>	<b>4.1</b>	<b>8.0</b>
<b><u>Net Assets</u></b>	<b>56.0</b>	<b>55.9</b>

# Cash Flow

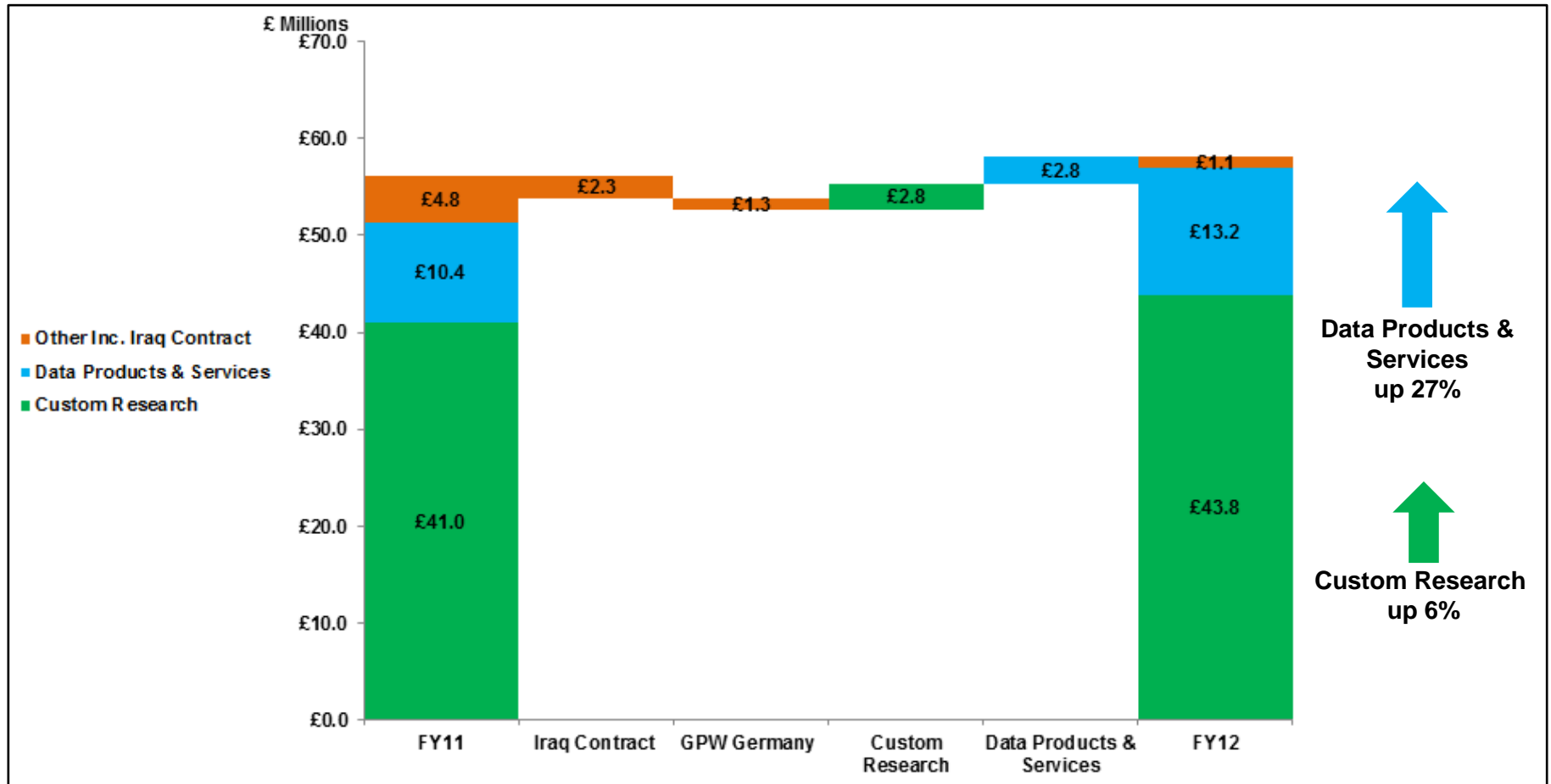
- Cash flow generated from operations of £4.9m (88% profit conversion)
- Investing Activities of £5.9m includes:
  - £2.7m on technology development and panel
  - £2.5m on deferred consideration for US acquisitions
- Net cash outflow of £2.3m leaving balance of £7.2m at year end

	2012 £m	2011 £m
<b>Cash flows from operating activities</b>		
Reported operating profit/(loss)	0.8	0.4
Adjustments for:		
Non cash movements	5.3	5.0
Net working capital movement	(1.2)	0.2
<b>Cash generated from operations</b>	4.9	5.6
Interest and tax	(1.3)	(0.6)
<b>Net cash generated from operating activities</b>	3.6	5.0
<b>Net cash used in investing activities</b>	(5.9)	(10.2)
<b>Net cash used in financing activities</b>	-	(0.8)
<b>Net increase/(decrease) in cash</b>	(2.3)	(6.0)
Cash balance at beginning of year	9.4	15.6
Exchange gain/(loss) on cash and cash equivalent	0.1	(0.2)
<b>Cash balance at end of year</b>	7.2	9.4

## Maiden Dividend Payment

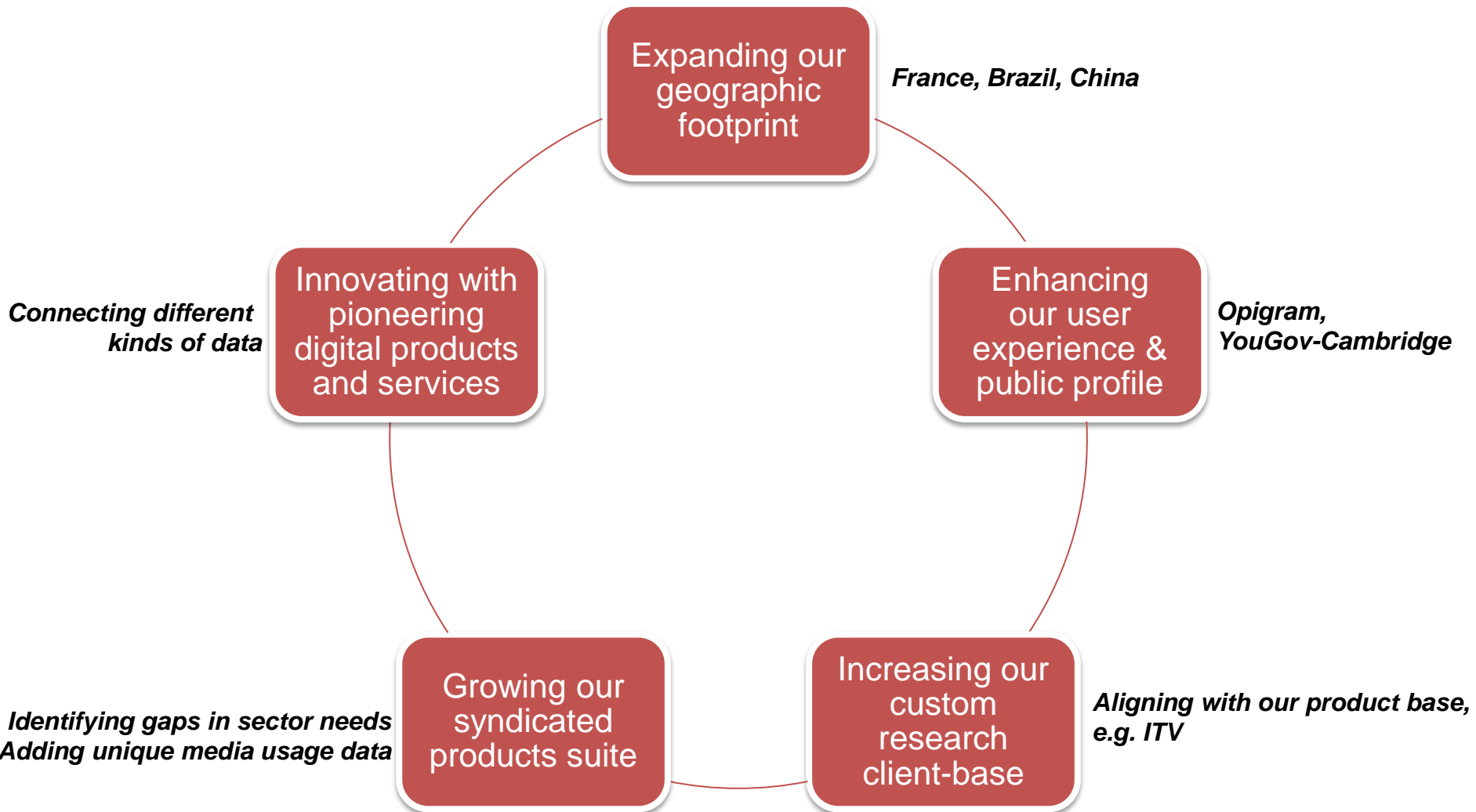
- Stated intention to initiate payment of a dividend at Interim stage (April 2012)
- Maiden dividend of 0.5p per share confirmed – to be paid in December 2012
- Cash cost of £0.5m
- Progressive policy to be followed in future
- Reflects the Board's confidence in YouGov's position and relative maturity achieved

# Changes in Revenue





# Delivering the strategy



# Delivering the strategy

## BrandIndex



- **Global growth rate 39%**
- Nearly 150 clients worldwide
- Currently covers USA, UK, Germany, France, Netherlands, Denmark, Finland, Norway, Sweden, UAE, Saudi Arabia, Mexico
- Most recent roll-out was in France
- Enhancements: MarketView and CategoryView – available in H1 FY13



YouGov BrandIndex illustrating BlackBerry's fall from favour over the last 18 months, while Apple and Samsung's popularity remains high.

# Delivering the strategy

## Omnibus



- **Global growth rate 22%**
- Pioneering online daily survey service delivering fast (24 hour) results
- Over 600 clients worldwide
- Celebrating its 10<sup>th</sup> birthday in 2012 , Omnibus is the UK market leader
- Standardised, highly efficient production system – generates high margins
- FY12 new launches: France and Northern Ireland
- US roll-out planned for FY13



# Delivering the strategy

Next generation products

## SoMA

*Social media analysis – a new tool that uniquely measures Twitter & Facebook: robust audience measurement*

## BrandIndex MarketView

*Adds customer funnel from awareness to consideration to buying*

## BrandIndex CategoryView

*Adds sector-based behavioural profiling*

## MPP

*Media planning platform – richest connected media usage data*

## SixthSense

*In-depth sector reports based on the data streams above*



## Honomichl

- YouGov named one of the world's top 25 research companies by the respected Honomichl Top 25 Global Firms, in August 2012
- The report ranks the world's top research companies based on revenue
- YouGov ranked no. 22 this year, up from no. 24 in 2010



## Segmental Analysis by Geography - Revenue

	2012 Revenue £m	2011 Revenue £m	Change %	Organic Change %
UK	15.7	13.7	15%	
USA	19.2	15.9	21%	8%
Middle East	6.0	7.5	(20)%	19%
Germany	9.4	11.3	(17)%	1%
Nordic	8.8	8.3	6%	
France	0.2	-	-	
Corporate & Consol. Adjs.	(1.2)	(0.6)	-	
<b>Group</b>	<b>58.1</b>	<b>56.1</b>	<b>4%</b>	<b>9%</b>

## Segmental Analysis by Geography - Operating Profit

	2012 Operating Profit £m	2012 Margin %	2011 Operating Profit £m	2011 Margin %
UK	3.7	24%	3.5	24%
USA	2.7	14%	1.9	12%
Middle East	1.3	22%	1.9	25%
Germany	0.6	7%	0.3	2%
Nordic	0.8	9%	0.6	7%
France	(0.2)	-	-	-
Corporate & Consol. Adjs.	(3.3)		(2.9)	
<b>Group</b>	<b>5.6</b>	<b>10%</b>	<b>5.3</b>	<b>9%</b>

# Operational Review – UK

- Strong performance with revenue 15% up – well ahead of market
- Maintained operating margin at 24%
- 44% of revenue now from products & services
  - BrandIndex up 15%
  - Omnibus up 13%
- Continued investment in new data products:
  - SixthSense reports business - revenue up 65%
  - SoMA – Beta launched in May
- New Head of Sales appointed towards the end of the financial year

	Year to 31 July 2012 £m	Year to 31 July 2011 £m	Change %
Revenue	15.7	13.7	15%
Operating Profit	3.7	3.5	8%
Average Headcount	129	118	



Nestlé



THE SUNDAY TIMES



THE Carphone Warehouse

IPC | MEDIA

ASDA

part of the WAL\*MART family



Argos

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## Operational Review – USA

- Revenue increase of 21% (8% organic)
- Products revenue up 78% - largely BrandIndex this year; investment sector coming on stream in FY13
- Acquired businesses have helped to establish significant base of corporate clients
- Doug Harrison to become CEO America; taking forward integration of custom teams in West and East coasts
- US Omnibus & investment sector products to be launched in FY13

	Year to 31 July 2012 £m	Year to 31 July 2011 £m	Change %
Revenue	19.2	15.9	21%
Operating Profit	2.7	1.9	40%
Average Headcount	100	92	

 **ACTIVISION**  servicemagic

 **UM** **Panasonic**  
ideas for life

**OMD** **Bloomberg**  **CBS**  **YouGov** What the world thinks

# Operational Review – Middle East

- Locally generated revenue up 19% and profits doubled - in line with planned transition
- Online data services grew by 38%
- Historic Iraq contract finished Dec 2011; revenue down £2.3m to £1.1m in final year
- Panel numbers grown by 21% - now covers 21 countries in Middle East and North Africa
- Growing international interest in the region due to political developments

	Year to 31 July 2012 £m	Year to 31 July 2011 £m	Change %
Revenue	6.0	7.5	(20)% Local 19%
Operating Profit	1.3	1.9	(31)% Local 112%
Average Headcount	47	44	



## Operational Review – Germany

- Turnaround progressing well under new CEO
- Profit doubled reflecting cost savings and focus on higher margin business
- Overall low revenue growth reflects this policy
- Business mix shifting to online data products & services which grew by 34%

	Year to 31 July 2012 £m	Year to 31 July 2011 £m	Change %
Revenue	9.4	11.3	Organic 1% Headline (17%)
Operating Profit	0.6	0.3	130%
Average Headcount	114	139	



SIEMENS FUJITSU



COMMERZBANK



L'ORÉAL

ERGO

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## Operational Review – Nordic

- Solid performance with revenue growth of 6%
- Profits up 23% with gross margins improved due to higher proportion of work within region on own panel
- Denmark (accounts for 50% of revenue) grew by 11% and Norway by 14% but Sweden static reflecting local market conditions

	Year to 31 July 2012 £m	Year to 31 July 2011 £m	Change %
Revenue	8.8	8.3	6%
Operating Profit	0.8	0.6	23%
Average Headcount	71	65	















## New Operations – France

- Paris office opened in October 2011 – currently 4 staff
- Objective is to bring core YouGov products and services to French market with focus on BrandIndex and Omnibus
- Panel grown well – reached 75,000 as at 31 July
- BrandIndex
  - French version launched
  - Two leading French brands and six international clients already signed up
- Omnibus service launched and already serving a number of international clients

## Group Outlook

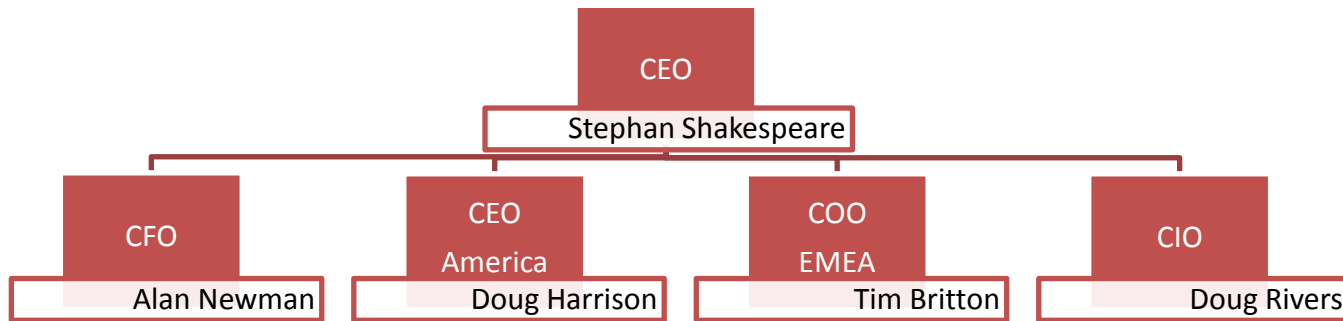
- Continuing to grow data products and services revenue towards parity with custom research in medium-term
- Continuing to invest in pursuit of our strategy
- New launches in FY13 will bring more products to market
- Confidence in YouGov's position reflected in the introduction of a dividend
- Challenging economic conditions in Europe; USA and Middle East offer good growth prospects which YouGov is well positioned to exploit
- Current trading in line with Board's expectations



# Appendix



# Our Management Team



Stephan Shakespeare  
CEO



Alan Newman  
CFO



Doug Harrison  
CEO, America



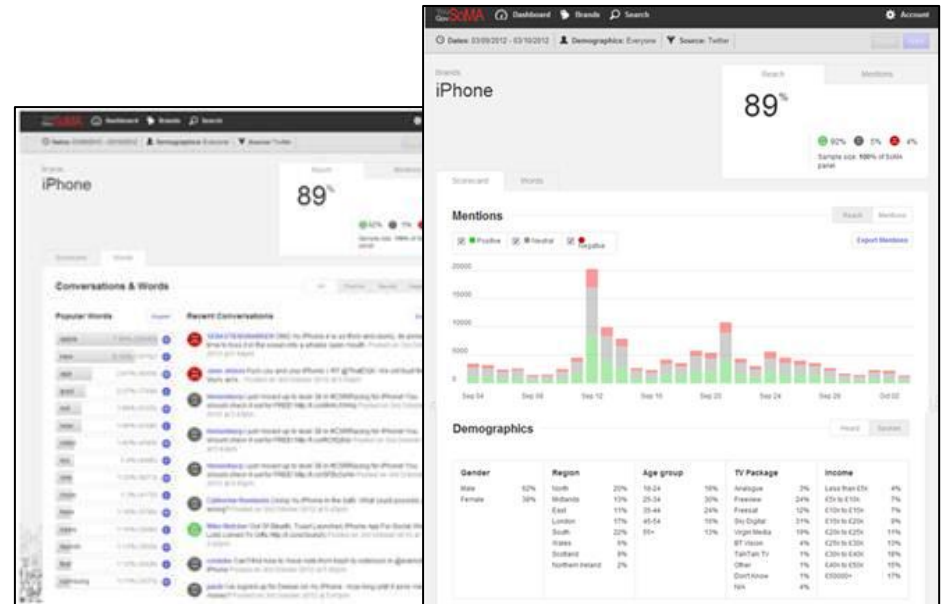
Tim Britton  
COO, EMEA



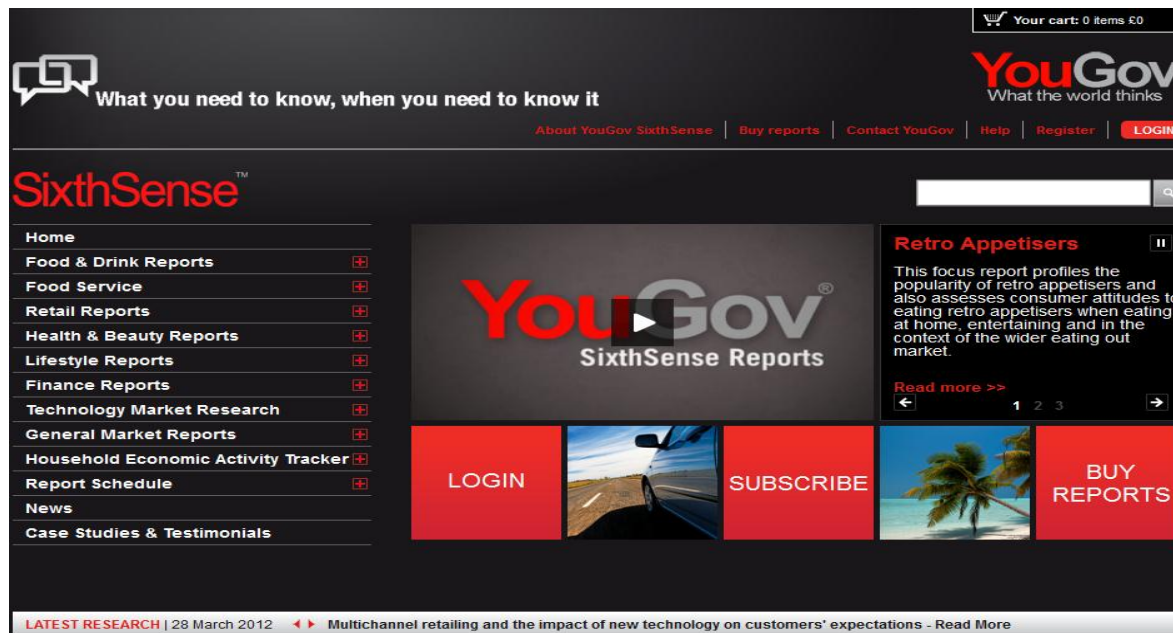
Doug Rivers  
CIO



- Recently soft-launched in the UK
- Our revolutionary new social media analysis product which allows us to measure what a target audience is *hearing*
- SoMA foundations lie in the representative samples of YouGov panellists who have given us permission to access and monitor their private Facebook and Twitter feeds
- SoMA's unique offering of overlaying known demographic data with comments heard via these platforms, provides meaningful data from the 'noise' of social media



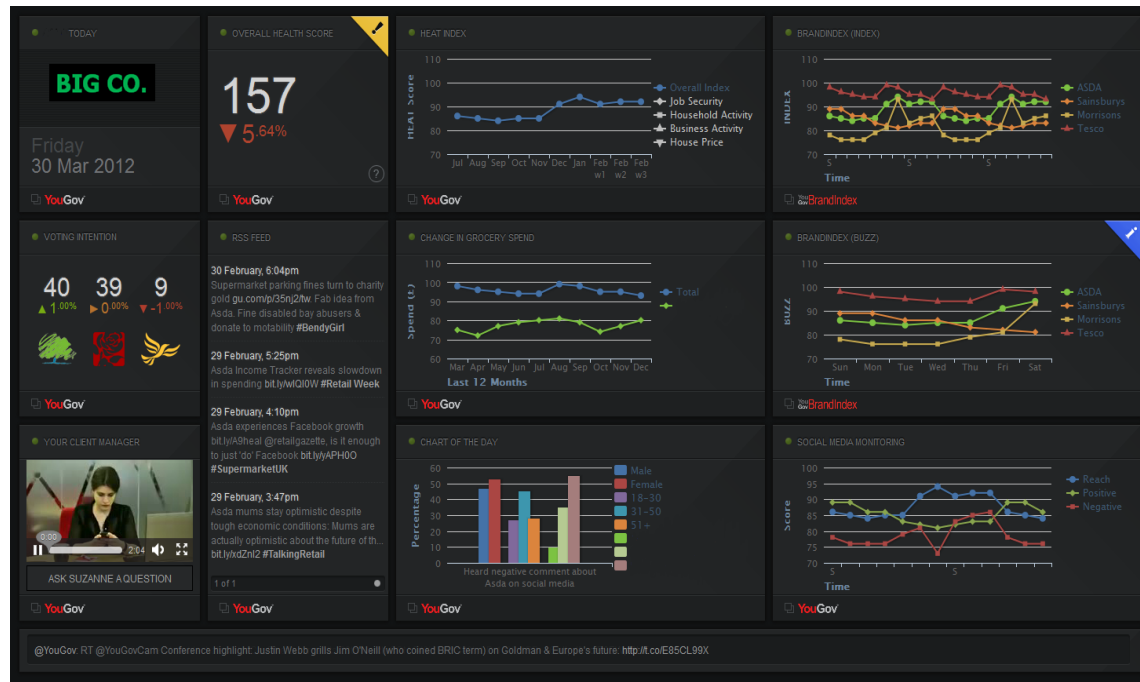
- Over 200 new UK clients in the past 12 months, posting year-on-year revenue growth of 65%
- Over 70% of contract subscribers renewed year-on-year
- More than 200 reports in the portfolio covering 1,000+ topic areas, and growing
- Recently launched new international reports titles across Europe
- US roll-out planned for FY13



The screenshot shows the YouGov SixthSense website interface. At the top right, it displays "Your cart: 0 items £0.00". The main header features the YouGov logo with the tagline "What the world thinks" and a navigation menu with links for "About YouGov SixthSense", "Buy reports", "Contact YouGov", "Help", "Register", and "LOGIN". Below the header is the SixthSense logo and a search bar. A left sidebar lists various report categories: Home, Food & Drink Reports, Food Service, Retail Reports, Health & Beauty Reports, Lifestyle Reports, Finance Reports, Technology Market Research, General Market Reports, Household Economic Activity Tracker, Report Schedule, News, and Case Studies & Testimonials. The main content area features a large "YouGov SixthSense Reports" banner with a play button icon. To the right of the banner is a featured report titled "Retro Appetisers" with a brief description and a "Read more >>" link. Below the banner and featured report are four red buttons: "LOGIN", "SUBSCRIBE", "BUY REPORTS", and a button with a palm tree image. At the bottom, a "LATEST RESEARCH" section highlights a report from 28 March 2012: "Multichannel retailing and the impact of new technology on customers' expectations - Read More".

# Executive Dashboard

- Recently soft-launched in the UK
- Customisable dashboard
- Provides business leaders with a continuous feed of real-time data about consumer sentiment regarding their brand, the political and economic climate



# Opigram

- Implemented in the UK, currently being implemented in the US
- Opigram is central to the YouGov Labs initiative aimed at making the experience of taking our surveys more fun, and also to unlock the "wisdom of crowds" for and from our panelists
- Phase II of Opigram will see the leveraging of the data proactively provided by users, to create a dynamic recommendation engine

## Opigram noun

**Op•i•gram** pronunciation: [op-i-gram]

1. A complete online profile of your interests, tastes and opinions. Designed to be useful to you and to the rest of the world. First used: 2011

The screenshot shows the Opigram interface for the TV programme 'Britain's Got Talent'. It is divided into three main sections: 'EXPLORE OPIGRAM', 'TV PROGRAMME', and 'WHAT I THINK'.

- EXPLORE OPIGRAM:** A navigation menu with categories like 'MY OPIGRAM', 'MY ENTERTAINMENT', 'MY PEOPLE', 'MY TASTE IN FOOD', 'MY PLACES', and 'MY THINGS'. A search bar at the top says 'Show me opinion on...'.
- TV PROGRAMME:** Displays 'Britain's Got Talent' with details: Channel (ITV2), Genre (Music TV Programmes, Reality TV Programmes), and First broadcast (2007). It includes a 'People who...' section with avatars and a 'My Rating' section with options like 'Favourites', 'Really like', 'OK', 'Don't like', and 'Can't stand'.
- WHAT I THINK:** Contains descriptive text about the programme, such as 'People who like this TV programme describe it as Entertaining, Humorous, Family-friendly, Funny, Varied...' and 'Their general interests are more likely to include Movies, Education, Music, Food and Drink and Reading.'