



**YouGov plc**

**Strong performance**

**Driven by US acquisitions and organic growth**



**Preliminary Results to 31 July 2011**

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

## Strong performance in line with expectations

- 27% revenue growth (9% organic)
- Operating profit up 40%
- Continued good cash generation (115% profit conversion)
- BrandIndex global revenue increased by 35%
- Omnibus and SixthSense growing well
- US: now the largest market – revenue trebled and acquisitions performing above expectations
- UK: continuing to increase market share
- Middle East: regionally generated business continues to grow, offsetting scaling down of historic contract
- Germany: online products growing well but custom research performance remains a challenge
- Scandinavia: good revenue growth and profitability re-established



## FY11 Financial Overview

- Turnover: £56.1m, 27% up
- Organic revenue growth of 9%
- Adjusted operating profit: £5.8m, 43% up
- Adjusted earnings per share 4.7p, 88% increase
- Maintained strong operating cash generation - £5.6m
- Balance sheet remains strong; net cash balances of £9.4m after making total acquisition payments of £8.1m
- Adjusted profit before tax of £5.8m; 43% up
- Reported operating profit of £0.4m after:
  - Amortisation of intangibles of £3.8m
  - Exceptional costs of £1.1m



## Segmental Analysis - Revenue

|  | 2011<br>Revenue<br>£m | 2010<br>Revenue<br>£m | Change<br>%  | Organic<br>Change<br>% |
|--|-----------------------|-----------------------|--------------|------------------------|
| <b>UK</b>                                | <b>13.7</b>           | <b>12.1</b>           | <b>13%</b>   |                        |
| <b>Middle East</b>                       | <b>7.5</b>            | <b>7.2</b>            | <b>4%</b>    |                        |
| <b>Germany</b>                           | <b>11.4</b>           | <b>13.8</b>           | <b>(17%)</b> | <b>(9%)</b>            |
| <b>Nordics</b>                           | <b>8.3</b>            | <b>7.0</b>            | <b>19%</b>   |                        |
| <b>America</b>                           | <b>15.9</b>           | <b>4.8</b>            | <b>231%</b>  | <b>32%</b>             |
| <b>Corporate &amp;<br/>Consol. Adjs.</b> | <b>(0.7)</b>          | <b>(0.7)</b>          | <b>0%</b>    |                        |
| <b>Group</b>                             | <b>56.1</b>           | <b>44.2</b>           | <b>27%</b>   | <b>9%</b>              |



## Segmental Analysis – Operating Profit

|  | 2011<br>Operating Profit<br>£m | 2011<br>Margin<br>% | 2010<br>Operating Profit<br>£m | 2010<br>Margin<br>% |
|--|--------------------------------|---------------------|--------------------------------|---------------------|
| <b>UK</b>                                | <b>3.5</b>                     | <b>24%</b>          | <b>3.4</b>                     | <b>27%</b>          |
| <b>Middle East</b>                       | <b>1.9</b>                     | <b>25%</b>          | <b>1.4</b>                     | <b>19%</b>          |
| <b>Germany</b>                           | <b>0.3</b>                     | <b>2%</b>           | <b>0.4</b>                     | <b>3%</b>           |
| <b>Nordics</b>                           | <b>0.6</b>                     | <b>7%</b>           | <b>0.1</b>                     | <b>1%</b>           |
| <b>America</b>                           | <b>1.9</b>                     | <b>12%</b>          | <b>0.5</b>                     | <b>10%</b>          |
| <b>Corporate &amp;<br/>Consol. Adjs.</b> | <b>(2.9)</b>                   |                     | <b>(2.0)</b>                   |                     |
| <b>Group</b>                             | <b>5.3</b>                     | <b>9%</b>           | <b>3.8</b>                     | <b>9%</b>           |



# Group Income Statement

- Revenue growth of £12m
- Gross margin of 75% - reflects US acquisitions
- Operating expense ratio down 3% points to 66%
- Operating margin increased to 9.4%
- Adjusted EPS increased 88% to 4.7p

|                               | 2011<br>£m    | 2010<br>£m    |
|-------------------------------|---------------|---------------|
| <b>Group Revenue</b>          | <b>56.1</b>   | <b>44.2</b>   |
| <b>Cost of sales</b>          | <b>(13.9)</b> | <b>(9.8)</b>  |
| <b>Gross Profit</b>           | <b>42.2</b>   | <b>34.4</b>   |
| <b>Gross margin %</b>         | <b>75%</b>    | <b>78%</b>    |
| <b>Operating expenses</b>     | <b>(36.9)</b> | <b>(30.6)</b> |
| <b>Group Operating Profit</b> | <b>5.3</b>    | <b>3.8</b>    |
| <b>Operating margin %</b>     | <b>9.4%</b>   | <b>8.5%</b>   |
| <b>Adjusted EPS (p)</b>       | <b>4.7</b>    | <b>2.5</b>    |

## Balance Sheet

- Debtor days stable at 61 days
- Creditor days down to 32 days from 34 days
- Deferred consideration of £5.6m (£2.8m in current liabilities)
- Shareholders' funds increased due to buy-outs of minority interests

|   | 31 July 2011<br>£m | 31 July 2010*<br>£m |
|---|--------------------|---------------------|
| <b>Assets</b>                                       |                    |                     |
| Goodwill  | 37.8               | 31.2                |
| Other intangible assets                             | 11.4               | 10.5                |
| Other non-current assets                            | 4.7                | 5.0                 |
|   | <b>54.0</b>        | <b>46.8</b>         |
| <b>Current Assets</b>                               |                    |                     |
| Trade and other receivables                         | 16.9               | 14.7                |
| Cash  | 9.4                | 15.6                |
| <b>Total Current Assets</b>                         | <b>26.3</b>        | <b>30.4</b>         |
| <b>Liabilities</b>                                  |                    |                     |
| Trade and other payables                            | 14.9               | 10.6                |
| Provisions  | 1.4                | 2.2                 |
| <b>Total Current Liabilities</b>                    | <b>16.3</b>        | <b>12.9</b>         |
| <b>Net Current Assets</b>                           | <b>10.0</b>        | <b>17.5</b>         |
| <b>Provisions and other non-current liabilities</b> | <b>4.4</b>         | <b>1.8</b>          |
| Deferred taxation                                   | 3.6                | 3.3                 |
| <b>Total Non-Current Liabilities</b>                | <b>8.0</b>         | <b>5.1</b>          |
| <b>Net Assets</b>                                   | <b>55.9</b>        | <b>59.2</b>         |

\* 2010: Provisions have been restated to reflect a prior year adjustment.

# Cash Flow

- Cash flow generated from operations of £5.6m (115% profit conversion)
- Working capital kept under good control
- Investing Activities of £10.1m includes:
  - £2.1m on technology development and panel
  - £8.1m on acquisitions - US companies £5.1m; minority interests £2.6m
  - £0.5m receipt from GPW sale
- Net cash outflow of £6m leaving balance of £9.4m at year end

|   | 31 July 2011<br>£m | 31 July 2010*<br>£m |
|---|--------------------|---------------------|
| <b>Cash flows from operating activities</b>         |                    |                     |
| Reported operating profit/(loss)                    | 0.4                | (10.6)              |
| Adjustments for:                                    |                    |                     |
| Non cash movements                                  | 4.7                | 12.0                |
| Net working capital movement                        | 0.5                | 3.4                 |
| <b>Cash generated from operations</b>               | <b>5.6</b>         | <b>4.9</b>          |
| Interest and tax                                    | (0.7)              | 0.7                 |
| <b>Net cash generated from operating activities</b> | <b>4.9</b>         | <b>5.6</b>          |
| <b>Net cash used in investing activities</b>        | <b>(10.1)</b>      | <b>(2.7)</b>        |
| <b>Net cash generated from financing activities</b> | <b>(0.8)</b>       | <b>(0.3)</b>        |
| <b>Net increase/(decrease) in cash</b>              | <b>(6.0)</b>       | <b>2.6</b>          |
| Cash balance at beginning of year                   | 15.6               | 13                  |
| Exchange gain/(loss) on cash and cash equivalent    | (0.2)              | 0.3                 |
| <b>Cash balance at end of year</b>                  | <b>9.4</b>         | <b>15.6</b>         |

\* 2010: Provisions have been restated to reflect a prior year adjustment.



## Operational Review – US

- Strong organic growth (32%)
- Harrison and Definitive Insights acquisitions completed and performing above expectations
- YouGov becoming a force in the corporate research market
- Technology sector: now a major strength
- BrandIndex growth continues- up 55%
- Harrison revenue: £8.3m; Definitive Insights: £1.3m

|                   | Year to<br>31 July<br>2011<br>£m | Year to<br>31 July<br>2010<br>£m | Change<br>% |
|-------------------|----------------------------------|----------------------------------|-------------|
| Revenue           | 15.9                             | 4.8                              | 231%        |
| Operating Profit  | 1.9                              | 0.5                              | 280%        |
| Average Headcount | 92                               | 37                               |             |

**M** servicemagic

**OMD**

*Coca-Cola*

**Panasonic**

ideas for life

**Bloomberg** **T-Mobile** **ACTIVISION**

**Learning Caregroup**



**htc**  
quietly brilliant™

**Economist.com**

**SKECHERS**

**CBS**

**UM**

**YouGov**

## Operational Review – UK

- Growth ahead of market
- Omnibus revenues up 16% with international services expanding
- BrandIndex revenue up 29%
- Investment of £0.4m across the business in Sixth Sense and sales and delivery teams
- SixthSense reports business gained 250 new customers with title list up to 140 covering some 400 topic areas
- New MD appointed in September 2011

|                   | Year to<br>31 July<br>2011<br>£m | Year to<br>31 July<br>2010<br>£m | Change<br><br>% |
|-------------------|----------------------------------|----------------------------------|-----------------|
| Revenue           | 13.7                             | 12.1                             | 13%             |
| Operating Profit  | 3.5                              | 3.4                              | 3%              |
| Average Headcount | 100                              | 96                               |                 |



# Operational Review – Germany

- Online products raising YouGov profile in Germany - revenue nearly doubled
- Cost savings started in custom business (£0.5m savings); more planned in current year
- Sale of Great Place to Work subsidiary, led by the outgoing German CEO
- New CEO in place from September 2011, will drive performance improvements

|                   | Year to 31 July 2011<br>£m | Year to 31 July 2010<br>£m | Change<br>% |
|-------------------|----------------------------|----------------------------|-------------|
| Revenue           | 11.4                       | 13.8                       | -17%        |
| Operating Profit  | 0.3                        | 0.4                        | 33%         |
| Average Headcount | 139                        | 156                        |             |



# Operational Review – Nordics

- Turnaround completed
- Business returned to profitability and gaining market share
- Political polling helping to grow market profile
- Most accurate poll at Danish National Election September 2011
- Annual Nordic Food and Health Survey continuing to attract new clients

|                   | Year to<br>31 July<br>2011<br>£m | Year to<br>31 July<br>2010<br>£m | Change<br>% |
|-------------------|----------------------------------|----------------------------------|-------------|
| Revenue           | 8.3                              | 7.0                              | 19%         |
| Operating Profit  | 0.6                              | 0.1                              | 500%        |
| Average Headcount | 65                               | 62                               |             |





# Operational Review – Middle East

- Locally generated revenue up 34% - in line with planned transition
- Online data services growing well
- Historic Iraq contract will finish by end of 2011
- Minority (22%) shareholding bought out
- “Arab Spring” offers new opportunities e.g. first Egyptian polls
- Panel numbers grown by 64% - now covers 21 countries in Middle East and North Africa

|                   | Year to 31 July 2011<br>£m | Year to 31 July 2010<br>£m | Change<br>% |
|-------------------|----------------------------|----------------------------|-------------|
| Revenue           | 7.5                        | 7.2                        | 4%          |
| Operating Profit  | 1.9                        | 1.4                        | 36%         |
| Average Headcount | 44                         | 52                         |             |



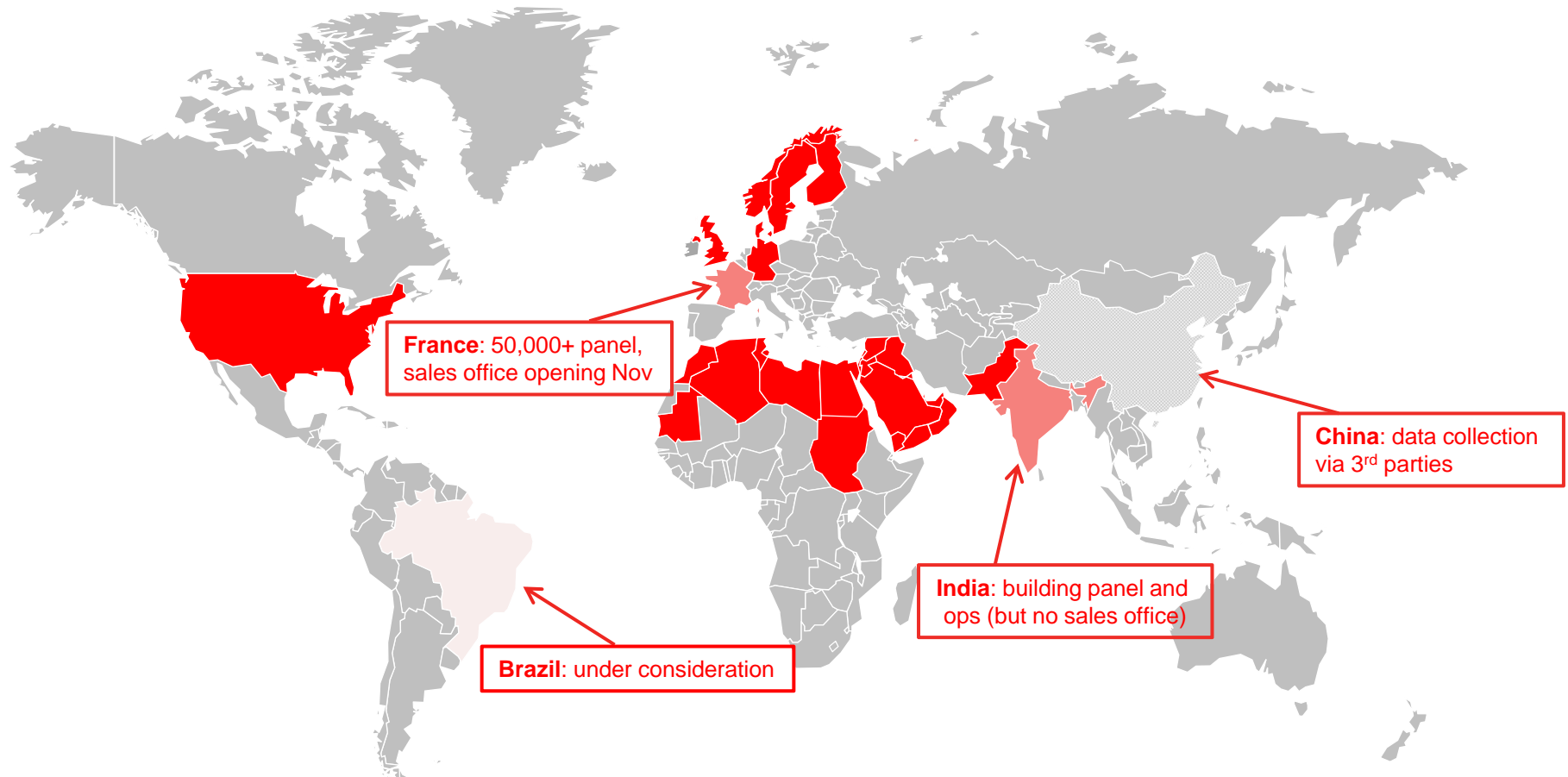
# Investing in our Strategy

- Expanding our geographic footprint
- Growing our syndicated products suite
- Further increasing our custom research client base
- Innovating with pioneering digital products and services



## Investing in our Strategy

- Expanding our geographic footprint
  - France: based on core model, organic & client led
  - Brazil: likely to be first emerging market



# Investing in our Strategy

- Growing our syndicated products suite
  - BrandIndex 2.0
  - SixthSense reports
  - Investor sector products





# Investing in our Strategy

- Further increasing our custom research client base
  - Integration of acquisitions
  - Building teams around sector strengths
  - Integration of custom research with data products
  - Providing a full and aligned offer



## Investing in our Strategy

- Innovating with pioneering digital products and services
  - Social Media
  - YouGovLabs
  - Big Data

*“Market research has 5 years to reinvent itself or become irrelevant... We must not become the case study of an industry in disruption that didn’t notice it... Agencies need to help us move away from survey research. We’re not moving fast enough”*



Joan Lewis  
Global Officer-Consumer and Market Knowledge  
Procter & Gamble  
2011



## Group Outlook

- Above market revenue growth expected to continue
- Further benefits to come from US acquisitions
- German turnaround expected in FY12
- Continuing growth of our global footprint
- Expansion of business activities into new territories and markets
- Investment in growing our syndicated products suite



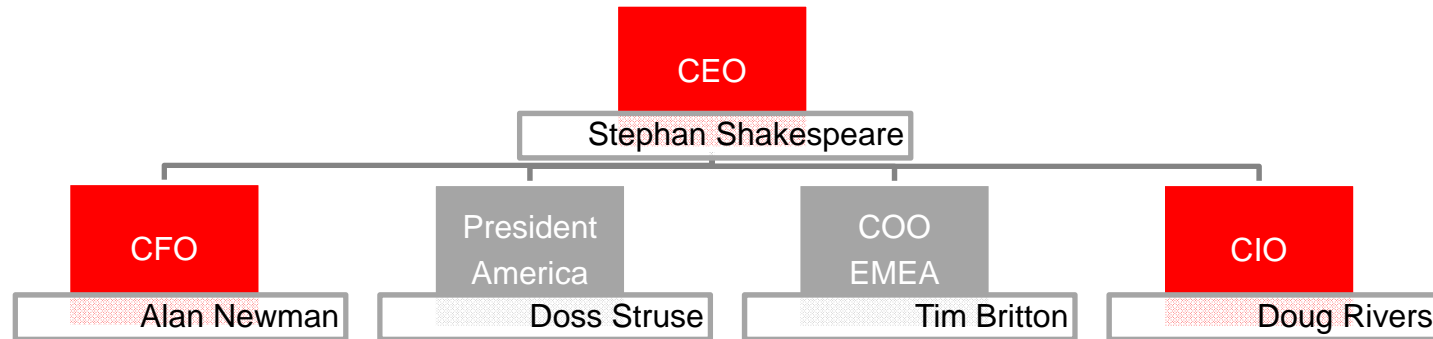




# Appendix



# Strengthening our Management Team



Stephan Shakespeare  
CEO



Alan Newman  
CFO



Doss Struse  
President, America



Tim Britton  
COO, EMEA



Doug Rivers  
CIO

# Leveraging the Business Model

