

# YouGov

## Global products driving growth

Final results

Media

19 October 2015

**Price** **134p**  
**Market cap** **£138m**

Net cash (£m) at end July 2015 10.0  
 Shares in issue 102.9m  
 Free float 83%  
 Code YOU  
 Primary exchange AIM  
 Secondary exchange N/A

### Share price performance



%	1m	3m	12m
Abs	16.0	26.4	27.3
Rel (local)	14.0	34.2	20.9
52-week high/low	134.0p		102.8p

### Business description

YouGov is an international, full service online market research agency offering custom research, omnibus, field and tab services, qualitative research, syndicated products and market intelligence reports.

### Next events

Capital Markets Day	17 November 2015
AGM	9 December 2015
Interim results	21 March 2016

### Analysts

Fiona Orford-Williams	+44 (0)20 3077 5739
Bridie Barrett	+44 (0)20 3077 5700

[media@edisongroup.com](mailto:media@edisongroup.com)

[Edison profile page](#)

YouGov has delivered a strong set of full year results, with 13% revenue growth (well ahead of the market at 3-4%). This organic progress is from both Data Products and Services (+22%) and Custom Research (+9%). The product suite continues to be rolled into new territories and carries on gaining market share in established markets, including the UK and the US (one-third of group revenues). Further investment in platforms, panel, sales and management supports the projected growth, funded by the strong cash flow that is also allowing for progressive dividend payments.

Year end	Revenue (£m)	PBT* (£m)	EPS* (p)	DPS (p)	P/E (x)	Yield (%)
07/14	67.4	7.6	5.8	0.8	23.1	0.6
07/15	76.1	9.1	6.7	1.0	20.0	0.7
07/16e	83.5	10.7	7.7	1.2	17.4	0.9
07/17e	91.8	12.1	8.5	1.4	15.8	1.0

Note: \*PBT and EPS are normalised and fully diluted, excluding intangible amortisation, exceptional items and share-based payments.

## One year into five-year plan

YouGov is one year into its ambitious five-year plan. The LTIP put in place last year triggers in full on achievement of 25% CAGR in earnings over the five years to July 2019, with no grant at all for growth below 10%, or if operating margin fails to average more than 12% over the period (11.3% in FY15). The group is embedding itself further into marketers' workflow, exploiting the wealth of mineable data collected from panellists. Revenues from data products and services (principally BrandIndex and Omnibus, alongside the newer Profiles offer) are targeted to grow towards parity with Custom Research, from 34% of revenues in FY15, increasing both gross and net margins. The continuing market-beating growth of Custom Research has slowed progress towards the goal, for positive reasons.

## Delivering scalability

The group has transitioned from being defined by territory to being organised globally on the basis of products and activities. This has been a deliberate engineering of the business to standardise both offer and delivery, while bearing in mind local sensitivities and opportunities. This is facilitating moving some support functions to lower-cost territories, increasing process automation and adding cloud-based analytics. Global product-led roll-out remains core to expansion, with plenty still to go for in the US (the largest market), with China a key additional target. Continued investment in this, in developing innovative research tools and in building panel, is well covered by cash flow. Net cash was £10m at end July.

## Valuation: Premium growth not yet fully in price

The recovery in the price since the summer has put YouGov's shares on an annualised CY16e EV/EBITDA of 11.5x, ahead of the sector on 9.5x. Revenue and earnings growth, however, are clearly well above sector forecasts. With good trading momentum and cash to fund the growth, as well as pay a rising dividend, a premium over the sector is clearly justified.

**YouGov is a research client of Edison Investment Research Limited**

## Investment summary

### Data-led products and services

YouGov is an innovative online market researcher offering custom research, syndicated research and data-led products and services. It has transitioned from being a geographically siloed business into one organised globally by product, leveraging the strength of its own group and product brands. While it still carries out the political polling for which it was first best known in the UK, its principal activity is the provision of information to brand owners and media agencies about their customers and markets. While not a technology company, it is however a web-based company; a technology-enabled business that is constantly innovating and exploiting the monetisation potential of the vast quantities of data derived from its panel. There are five strands to the future growth strategy: growing the suite of syndicated products; integrating the custom research with the syndicated data; enhancing the user experience; boosting the public profile; and expanding the geographic footprint.

### Valuation: Premium growth and full data value not in price

As YouGov's record of delivering financial performance in line with market expectations extends, it has climbed the valuation peer table and now sits above the mid-level. We do not feel that this adequately reflects the opportunity that the group has to further improve penetration of major corporate accounts, particularly in the large US market. Earnings growth targets are in excess of the sector, and the stretch targets for full vesting of the LTIP considerably higher. There is substantial additional value (not fully reflected in the balance sheet) in the accumulated data, not dissimilar to a publisher's backlist, which can be manipulated, drilled, repackaged and resold and is therefore of considerable commercial value.

### Financials: Strong momentum

**Exhibit 1: Minor positive revisions to FY16 forecasts, new FY17 forecasts**

	EPS (p)			PBT (£m)			EBITDA (£m)		
	Old	New	% chg.	Old	New	% chg.	Old	New	% chg.
2015	6.8	6.7	-3	9.1	9.1	In line	9.0	9.3	+3
2016e	7.7	7.7	u/c	10.5	10.7	+2	10.3	10.9	+6
2017e	-	8.5	N/A	-	12.1	N/A	-	12.3	N/A

Source: Company accounts, Edison Investment Research. Note: For FY15 Old = forecast, New = actual.

- The investment made over recent years in building up the differentiated products is starting to be reflected in top-line growth and margin expansion.
- Systematising the offer is simplifying geographical expansion, while growth in existing markets continues to be well ahead of overall market growth.
- The business model has high cash conversion; the balance sheet is cash positive and can fund further investment in product development, infrastructure and a growing dividend stream.

### Sensitivities: Economic and commercial

Market research (MR) budgets tend to reflect overall marketing budgets, themselves dependent on GDP, albeit in a less geared manner. Demonstrable and commercial value add is crucial both to gain share of the pie from existing clients and to win new ones. The competitive landscape includes larger providers, dazzled by the potential opportunities of big data but unsure of how to extract the value, and smaller, more innovative suppliers, as well as low-cost commodity suppliers and firms of consultants. With increasingly global revenues, currency exposure is a given, and translational risk is greater than transactional. Future growth is more likely to be organic than acquisitional as data products and services are rolled out across territories, although the strong balance sheet would allow for suitable opportunities to be taken, particularly if they add a technology advantage.

## Company description: Full service market research agency

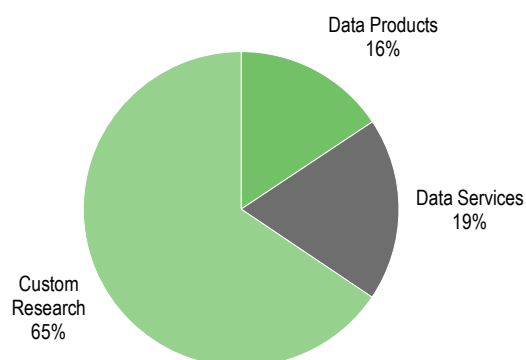
YouGov is an international, full-service online market research agency, which has grown through a combination of organic development and acquisition. It has developed a set of tools and services aimed at brand owners and marketing agencies that help inform their planning and implementation decisions through a wealth of data gleaned from its own panellists around the globe. These data are at the heart of YouGov's offer and have been gathered roughly equally from surveys and from information volunteered by the panel on its opinions: likes, dislikes, habits and behaviours, either directly or via their interactions on social media. As all data are actively volunteered, any privacy and safe harbour issues are negated. The database is generated by around four million panellists worldwide. Rich data from a sizeable sample of those panellists, covering more than 100k variables, has been compiled into a database known as the YouGov Cube. The five-year corporate plan centres on growing the suite of syndicated products and integrating custom research and syndicated data. These products and services are then being rolled out geographically.

Started in the UK in 2000, the group has grown well beyond its domestic market and has broadened out considerably from its initial best-known polling activities. The largest proportion of revenue is now generated in the US, the world's largest market for MR. From inception, YouGov had an online-driven business model and an innovative culture that looks to exploit the value and actionable insight inherent in the data it collects. This has been recognised by the inclusion of the group for the first time in the respected GreenBook (GRIT) Report, in which clients rate suppliers for their innovation, where it has debuted at number 21. This is itself a reflection of YouGov's development of a series of products and services that have helped to build its client base and its penetration in major corporate accounts.

While the custom research (CR) business still accounts for the bulk of revenues (FY15: 65%), less and less of this is entry-level business that could be handled by any general researcher. The more attractive opportunities are those that will help build embedded client relationships through realising the value of panel-generated data, improving the quality of the group's earnings. The more rapid growth of this DP&S segment (in particular in BrandIndex in Data Products and Omnibus in Data Services, with the new YouGov Profiles now coming into play) should drive the mix to revenue parity over time. 52% of adjusted operating profits are already generated by DP&S. With the increasing incorporation of its own gathered rich data, YouGov now sees itself as a 'true internet company', with its activities designed to take full advantage of the strengths of a web-based model.

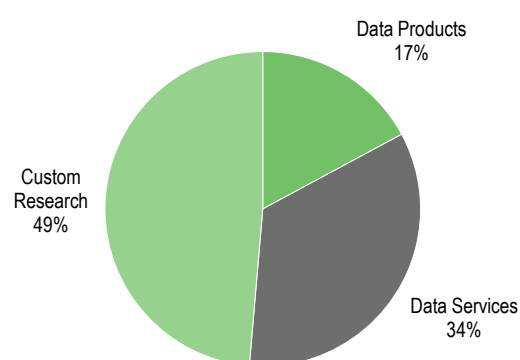
## Turning collected data into connected data

**Exhibit 2: FY15 revenue by activity**



Source: YouGov

**Exhibit 3: FY15 operating profit by activity**



Source: YouGov

Custom Research accounts for the majority of group revenues and just under half the operating profits. The custom work done is generally either ad-hoc studies; multi-client or syndicated studies; and/or full research programmes. The latter are particularly attractive for tracking studies and research under multi-year contracts in an industry dominated by relatively small and one-off contracts. The sales effort is now focused on increasing the share of clients' spend and on identifying opportunities where work done is supplementary to single studies or is based on data within the Cube. YouGov can differentiate its offer through incorporating elements of its other activities – adding market positioning/reputational data from BrandIndex or by accessing specialised niche samples derived from data from the existing panel, such as key corporate influencers. These additional elements are also allowing the group to pitch for more substantial pieces of business. Margin can also be protected in the more competitive market areas by fulfilling medium and smaller projects through the Omnibus product (see below) rather than by bespoke surveys, with an increasing element of automation and with the ability to retarget previous respondents. Growth in the CR segment is therefore likely to be slower and steadier than that from DP&S but, with 9% revenue growth in FY15, continues to grow well in excess of the market. DP&S is, however, the main driver of higher shareholder value.

Activity in Data Products is dominated by key product BrandIndex, 87% of FY15 segmental revenues and up 30% year-on-year, with the progress driven by the addition of both clients/brands and new territories. Coverage now extends to 21 countries (15 in 2014). BrandIndex is targeted at brand curators in corporate clients, media planners and buyers within media agencies. It appraises sentiment towards brands in their peer space, including 'buzz', purchase history and likelihood to recommend, all in real time. There are now over 300 subscribers worldwide, from 200+ this time last year, with plenty still to go for in terms of penetration. Data are gathered on far more than the client brands to give a full contextual picture. These additional brand owners can then be targeted with a clear picture of the competitive landscape and their position in it over time. Being very sensitive to changes in opinion, BrandIndex is also a valuable tool for reputation and crisis management, when reactions can be tracked against events and in comparison to other brands' reputations post similar events. 62.5% of BrandIndex revenues are generated in the US, where, although more mature than the position in the UK market, growth in FY15 was 47%.

The balance of the Data Products segment is made up of the Reports businesses and YouGov Profiles, launched in November 2014. Profiles is aimed at the corporate market/brand curators and at agencies, and is effectively the 'front end' of the data Cube. A sophisticated planning tool, it allows marketers to profile their target audience in minute detail, far beyond the demographic and location data traditionally available. It is being sold on a subscription basis, accessible via an interactive portal. Profiles' primary application is in media campaign planning, where it facilitates appropriate targeting by identifying typical characteristics of brand adherents versus the norm. The cost of developing Profiles has weighed on product margins in both FY14 and FY15. FY16 should see that investment start to be recouped. Bundling Profiles together with BrandIndex gives a particularly rich resource for agencies and brand owners, and the first substantial sales of this package have recently been made in the US and the UK. A Profiles 'Lite' is available to the public and has generated a lot of free publicity. Based on its output, Profiles' data has generated a best-selling book examining the Germans, *What makes us Germans tick*.

Data Services is also dominated by one offer, Omnibus, which accounts for 88% of segmental revenues. Omnibus, the clear market leader in the UK, has been available for a number of years, but it continues to grow at impressive rates, with revenues up 17% in FY15. In more recently established markets, growth has been still higher, with gains of 44% in the US and 83% in France. The operation of Omnibus is highly efficient and it is straightforward to incorporate additional business given the degree of automation. YouGov now has more than 1,000 clients for its Omnibus service globally and continues to add both new clients and new territories. We estimate that

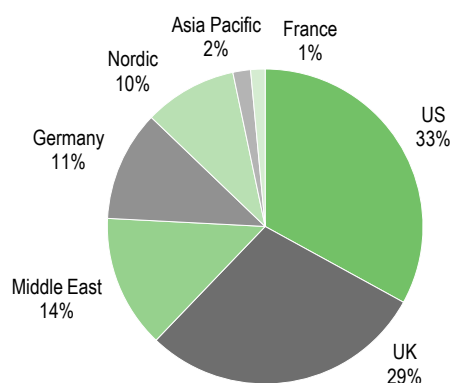
underlying growth in Omnibus to be running in the region of 18%, although our model assumes some slowing of this rate into FY16.

## Clearly articulated strategy

YouGov's growth strategy is unaltered. It aims to achieve substantial growth – as demonstrated by the stretch targets incorporated in the new Long Term Incentive Plan (LTIP) described on page 8. There has been a deliberate reduction in the group's complexity in line with the plan to become bigger but simpler – a key element of the new COO's task. The five growth strands are:

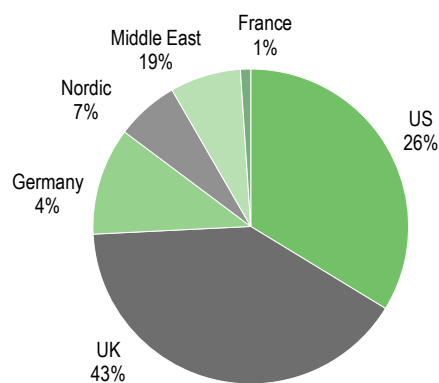
- growing the suite of syndicated products. This might include acquisitions to bring in appropriate products or technologies if they can be found at sensible prices and provided they will fit comfortably in the YouGov culture;
- integrating the CR with the syndicated data, adding value and differentiating the client proposition;
- enhancing the user experience, broadening out the relationship beyond that of questioner and respondent. The Opigram model to draw out panellists' views is presented in an almost game-like format, with a strong social element in the sharing of opinions that increases engagement and dwell time on the website, while feeding the data pooled into the Cube;
- boosting the public profile, particularly through media partnerships; and
- continuing to expand the geographic footprint, by acquisition (as has formed the basis of the Asia Pacific expansion) or organically, as has been the case in France.

**Exhibit 4: FY15 revenue by geography**



Source: YouGov

**Exhibit 5: FY15 operating profit by geography**



Source: YouGov

## Experienced management team

Stephan Shakespeare is a co-founder of YouGov and returned to the role of CEO in 2010, after a period as chief innovation officer. Stephan has a clear understanding of the product base and of its commercial potential. He refocused corporate strategy back onto exploiting the group's core research and delivery strengths. Alan Newman was appointed group CFO in August 2008 and has extensive experience in media and communications businesses, both in operational and consultancy capacities. He put in place improved financial controls and has improved the harmonisation of reporting and key business processes. The other executive director is Doug Rivers, Chief Scientist and responsible for the conception of new products and driving their development. Doug joined the group with the acquisition of Polimetrix in 2006, of which he was the founder. Polimetrix was the group's first US acquisition. He is a senior fellow at the Hoover Institution and a professor of political science at Stanford University.

YouGov created the new role of COO in August 2014 to drive the implementation of the group's procedural harmonisation, with the appointment of Sundip Chahal. Sundip had been with the group since 2005, when he joined YouGov's UK DP&S business, having previously worked for Ipsos and Research International in the UK. He became MD of the division in 2007, responsible for BrandIndex and Omnibus in the US, and in 2010 was appointed CEO of YouGov's MENA region. More recently, he has been overseeing the development of the Asia Pacific business after its acquisition in January 2014.

The management team also comprises two global product heads based in the US, in addition to country/region heads.

## Big data may actually increase need for good MR

The once cosy world of MR has been changing very rapidly, but the availability of massive quantities of data has not made corporate decision-making simpler and, in many cases, has actually muddled the picture. The GRIT survey referred to above asked brand owners why they used market research (see Exhibit 2 below).

Exhibit 2: Why brand owners use MR	
Reason given	Percentage of respondents
To answer important questions that cannot be answered with other data sources.	57%
Research is just one of many types of data that is an input into decision-making.	55%
Used as an input into all important customer-facing decisions.	41%
Our main way of understanding customers' experiences.	41%
It provides the stories, which we use to understand how all the different data sources fit together.	25%
Source: GRIT Report Q1-Q215	

While the most prevalent comments can obviously be applied to YouGov's work for clients, it is the last of these that is particularly relevant in the light of the group's developing toolset. It is a clear differentiator to be able to combine longitudinal studies with observational data across multiple variables, to enable exactly that – storytelling.

## Sensitivities

Local GDP is crucial to spend on MR. For brand owners, MR generally forms part of the overall marketing budget. Public sector research operates in a different set of constraints, with commissioning by media organisations and the third sector subject to other influences. The growth of procurement puts constant pressure on pricing, increasing the attraction of offering more complex and bundled output.

The group's long-term plan involves continuing investment in products, platforms and people to take full advantage of opportunities that may only be open temporarily. The phasing of that investment against the continuing battle to push the revenue streams ahead is a key determinant of margins.

As an international business, currency management and harnessing diverse cultures and opportunities are perennial sensitivities. The currency exposure is mostly translational, with the US dollar, euro, UAE dirham and the Danish kroner all important.

Product development and enhancement are an integral part of the business development strategy. Not all elements of the product suite may perform according to expectations. Credibility is crucial and so far management has been successful in building this into the brand identity, with the UK General Election in May 2015 an apparent outlier for YouGov and for the whole polling sector. The results of the analysis of this unexpected discrepancy will be disclosed in November, well ahead of the industry-wide inquest.



Competition comes from both large, established players and from younger, innovative firms giving research commissioners new tools to derive richer qualitative data. The need to be faster, more accurate and cheaper is a powerful business driver. Delivering on time, on budget and adding value are the key requirements and these will help to ensure client retention in what will continue to be a highly competitive market. YouGov's ability to allow its clients to revisit previous respondents and to cut existing data across multivariates is a clear differentiator.

## Valuation

The continually accruing and previously collected data from the panel in the Cube is in itself a valuable asset, albeit in its packaged form rather than its raw state. To replicate the information held would be impractical and prohibitively expensive, yet leveraging it is a key element of the current and future revenue streams and profitability of the company. Attributing a realistic financial value to the Cube is not feasible, but the existence of this non-balance sheet item should form part of the thinking around valuation. In the absence of a suitable technique, the fallback is on more traditional metrics of published assets and peer group comparison. The current share price of 120p stands at around twice the published net asset value per share of 60p, ie excluding the full value of the data.

## Peer group valuation

Although there are large continuous projects, such as monitoring television audiences, much MR is based on relatively low-value, ad-hoc projects, interspersed with larger custom research contracts. Visibility rarely exceeds two to three months and forecasts are based on market views of trading conditions rather than on the value of long-term contracts. Hence the attraction of developing tracker and longitudinal studies, which give a degree of underpinning, contributing to the underwriting of overheads, and which increase the visibility of earnings.

The diversity of the quoted sector means there are no directly comparable UK or international peers, so we continue to include a range of suppliers in the sector, large and small. This range sets a context for the market's appraisal of YouGov's business, rather than an absolute measure. There have been recent corporate transactions in the sector, most recently the proposed all-share purchase of Rentrak by ComScore, which will give the combined group the scale to take on Nielsen in tracking viewing habits. However, the intended take-out valuation is lower than many had hoped, at 8.3x historic revenues.

**Exhibit 3: Annualised market research company valuations**

	Price	Currency	Mkt cap (m)	EV/Sales 14	EV/EBITDA 12/14	EV/EBITDA 12/15	EV/EBITDA 12/16	Yield	EPS growth
Rentrak	55.56	\$	860	7.5	-	-	-	0.0%	N/A
ComScore	44.17	\$	1696	5.0	21.8	17.6	14.4	0.0%	0.0%
IMS Health	29.92	\$	9822	5.0	15.1	14.6	13.0	0.0%	11.1%
YouGov	134	£	138	1.9	15.0	13.0	11.5	0.6%	14.0%
Nielsen	47.68	\$	17194	3.8	12.9	12.7	11.9	2.0%	8.4%
Natl Research Corp	13.58	\$	393	3.6	11.1	11.5	9.0	2.6%	4.0%
Forrester	31.18	\$	543	1.4	11.2	11.2	9.8	0.0%	12.9%
BrainJuicer	357.5	£	45	1.6	8.5	8.0	7.4	1.2%	11.7%
Ipsos	20.3	€	936	0.9	7.3	7.0	6.6	3.5%	0.2%
GfK	32.23	€	1174	1.1	7.7	6.5	5.7	2.0%	16.4%
Cello	83	£	71	0.4	6.8	6.5	6.2	3.0%	7.2%
Average				2.9	11.7	10.9	9.5	1.3%	8.6%

Source: Thomson Reuters, Edison Investment Research. Note: EPS growth is two-year CAGR to 12/2016, undiluted.

## YouGov valuation within range of peers

With the stronger recent share price performance, YouGov's market valuation has moved up the rankings of its global peers. This reflects its trading performance and management's clear strategy to grow the top line and deliver increasing operating margins. With its above-average earnings growth (and with the management incentivised on an even higher compound rate), there is plenty of justification for the group to obtain a higher rating and for the shares to trade at a premium to the sector average.

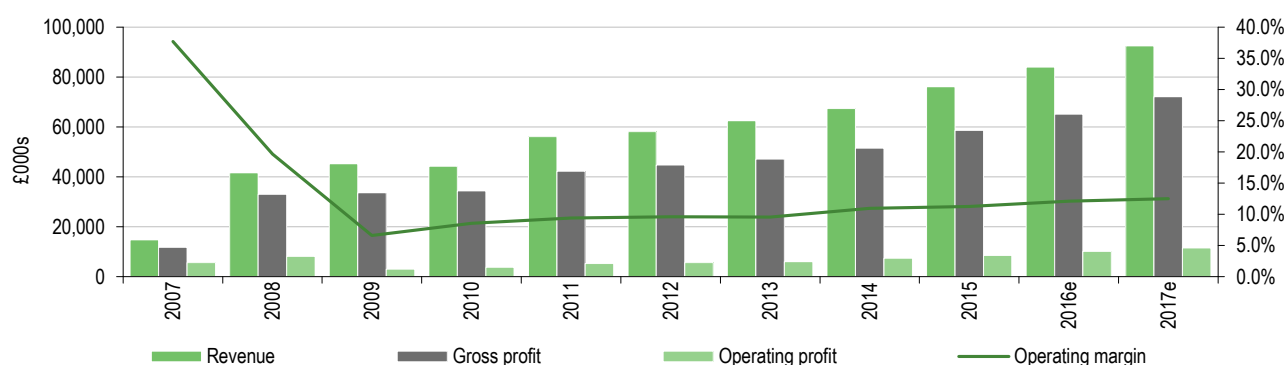
## Financials

The results to end July 2015 were broadly in line with expectations (the trading update was in August), bar a better than expected performance on cash, where the net figure was struck at £10m against the August estimate of "over £9m", which was itself ahead of our model. This primarily comes down to a better working capital performance and cash conversion of 121% at the top end of the range. Our forecast numbers are slightly edged upwards, as shown in Exhibit 1, page 2.

## Long-term revenue and earnings growth

In its earlier corporate history, YouGov went through a number of 'growing pains' as it adjusted its operational model and dealt with acquisitions and geographic expansion. Since 2009-10, its trajectory has been much smoother in revenue, EBITDA, pre-tax profits and earnings per share as it has focused on building out the business areas where it is most differentiated and scalable.

**Exhibit 8: Long-term growth record and forecast**



Source: YouGov, Edison Investment Research

The recent greater emphasis on developing the DP&S is driving gross margin (through greater use of own-panel and data in the Cube). In the year just reported, it rose from 76.5% to 77.0%, as a consequence of business mix. Operating margins (as reported) ticked up from 11.0% to 11.3%, despite the additional investment in headcount within data analytics teams and the account management function, and in further group management resource. With some of the operational costs being moved to Romania, and some elements of increased automation, our model shows group operating margins (on the same reporting basis) climbing through 12% in the current year. The underlying tax charge at 22% was a little under our estimate, although actual tax was a credit of £580k, as deferred tax losses became available. We have assumed a current year underlying tax charge of 23% as US profits build, climbing further as a result of the geographic split in FY17. Exceptional items in the year just reported amounted to £1.1m (FY14: £2.4m), of which the largest element (£0.7m) related to restructuring costs (the US, UK, Middle East and Germany), with the balance relating to acquisition costs, including deemed remuneration.



Last year, the group put in place a new LTIP on expiry of the previous scheme, based on five-year CAGR in earnings per share. Although the awards are high in terms of salary multiples and number of shares (particularly for the CEO), the triggering thresholds are particularly demanding, with no grant if earnings growth is below 10% or if operating margin fails to average more than 12% over the five years to July 2019. Full payout requires 25% compound annualised earnings growth. The new scheme means higher share-based payments, but this is stripped out of our definition of normalised operating profits.

### **Strong cash conversion**

Cash conversion for the group typically runs at between 80% and 120%. In the year just reported, it was at the top end of the range, as it had also been in the year to July 2014. This reflected a diligent approach to working capital, with receivable days at their lowest ever. Capital spend at £5.8m (FY14: £5.8m) included £3.1m spent on software/technology development and £1.5m (£1.7m) investment in panel recruitment. A further £0.5m related to previous acquisitions, including deferred consideration payments.

### **Cash-rich balance sheet**

YouGov ended its financial year with net cash of £10.0m. There is no further outstanding deferred acquisition cost in the balance sheet. The only remaining element is that of deemed remuneration which, under current accounting rules, flows through the income statement.

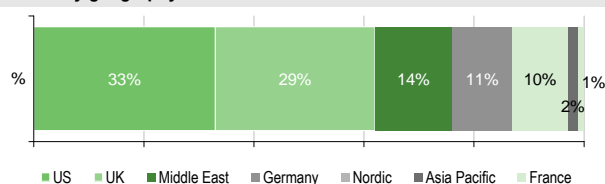
**Exhibit 9: Financial summary**

	£'000s	2013	2014	2015	2016e	2017e
Year end 31 July		IFRS	IFRS	IFRS	IFRS	IFRS
<b>PROFIT &amp; LOSS</b>						
Revenue		62,551	67,375	76,110	83,500	91,800
Cost of Sales		(15,440)	(15,812)	(17,472)	(18,788)	(20,196)
Gross Profit		47,111	51,564	58,638	64,713	71,604
EBITDA		6,521	8,020	9,273	10,646	11,826
Operating Profit (before GW, except and share-based payments)		6,749	7,936	9,239	10,843	12,223
Intangible Amortisation		(3,280)	(3,965)	(4,633)	(4,633)	(4,633)
Share based payments		(767)	(547)	(669)	(900)	(1,100)
Exceptionals		(1,212)	(2,385)	(1,072)	0	0
Other		(122)	(14)	41	0	0
Operating Profit		1,368	1,025	2,906	5,310	6,490
Net Interest		118	(292)	(220)	(143)	(123)
Profit Before Tax (norm)		6,745	7,630	9,060	10,700	12,100
Profit Before Tax (FRS 3)		1,486	733	2,686	5,167	6,367
Tax		623	(316)	580	(2,461)	(2,965)
Profit After Tax (norm)		7,368	7,314	9,640	8,239	9,136
Profit After Tax (FRS 3)		2,109	417	3,266	2,504	3,403
Average Number of Shares Outstanding (m)		95.6	98.0	101.0	102.9	102.9
EPS - normalised fully diluted (p)		5.1	5.8	6.7	7.7	8.5
EPS - FRS 3 (p)		2.1	0.4	3.2	2.4	3.3
Dividend per share (p)		0.6	0.8	1.0	1.2	1.4
Gross Margin (%)		75.3	76.5	77.0	77.5	78.0
EBITDA Margin (%)		10.4	11.9	12.2	12.8	12.9
Operating Margin (before GW and except) (%)		10.8	11.8	12.1	13.0	13.3
<b>BALANCE SHEET</b>						
Fixed Assets		53,476	52,259	53,726	52,427	52,427
Intangible Assets		48,010	46,650	46,145	46,000	46,000
Tangible Assets		5,103	5,609	7,377	6,223	6,223
Investments		363	0	204	204	204
Current Assets		30,714	29,873	33,329	37,594	42,540
Stocks		0	0	0	0	0
Debtors		22,951	21,687	22,507	24,692	27,418
Cash		6,929	7,429	10,017	12,145	14,568
Current Liabilities		(19,674)	(21,480)	(22,983)	(25,215)	(27,447)
Creditors		(19,401)	(21,296)	(22,983)	(25,215)	(27,447)
Short term borrowings		(273)	(184)	0	0	0
Long Term Liabilities		(3,402)	(2,700)	(2,449)	(3,500)	(3,250)
Long term borrowings		0	0	0	0	0
Other long term liabilities		(3,402)	(2,700)	(2,449)	(3,500)	(3,250)
Net Assets		61,114	57,952	61,623	61,307	64,270
<b>CASH FLOW</b>						
Operating Cash Flow		7,028	8,600	10,091	11,000	12,000
Net Interest		(99)	(295)	(233)	(143)	(123)
Tax		(477)	(287)	(730)	(2,106)	(2,587)
Capex		(4,049)	(5,759)	(5,754)	(5,500)	(5,500)
Acquisitions/disposals		(2,023)	(1,003)	(470)	0	(36)
Financing		(532)	(101)	454	0	0
Dividends		(534)	(566)	(773)	(1,123)	(1,330)
Net Cash Flow		(686)	589	2,585	2,128	2,424
Opening net debt/(cash)		(7,150)	(6,656)	(7,245)	(10,017)	(12,145)
HP finance leases initiated		0	0	0	0	0
Other		192	0	187	0	0
Closing net debt/(cash)		(6,656)	(7,245)	(10,017)	(12,145)	(14,569)

Source: Company accounts, Edison Investment Research

**Contact details**

50 Featherstone Street  
London, EC1Y 8RT  
+44 (0) 20 7012 6000  
www.yougov.co.uk

**Revenue by geography**

**Management team**
**CEO: Stephan Shakespeare**

Stephan co-founded YouGov in 2000. An internet research pioneer, he has driven YouGov's innovation-led strategy. He also founded ConservativeHome.com, PoliticsHome.com and, more recently, Opigram. He is a trustee of the National Portrait Gallery and chair of the Data Strategy Board for the Department for Business Innovation & Skills.

**CFO: Alan Newman**

CFO of YouGov since 2008, Alan was previously a partner with Ernst & Young and KPMG, where he led the TMT sector financial management consulting practice. Previous roles include international FD of Longman and group development manager of MAI (now United Business Media). He is a trustee of the Freud Museum London and a director of the QCA.

**Chairman: Roger Parry**

Roger is also chairman of Mobile Streams, MSQ Partners and Shakespeare's Globe Trust. He was previously a journalist with the BBC and ITV and a consultant with McKinsey & Co. He was CEO of More Group, chairman and CEO of Clear Channel International and chairman of Media Square, Johnston Press and Future.

**COO: Sundip Chahal**

Appointed to this new role in August 2014, Sundip was CEO of YouGov's MENA region from 2010 and also oversaw development of the Asia Pacific business since its acquisition in January 2014. He joined YouGov's UK DP&S business in 2005, becoming MD in 2007, and previously worked for Ipsos and Research International in the UK.

**Principal shareholders**

	(%)
BlackRock	11.59
T Rowe Price Global Investments	10.56
Kabouter Management	9.89
Standard Life	9.14
Balshore Investments	7.96
J O Hambro Capital Management	7.54
Baillie Gifford	6.53
Charles Stanley	3.97

**Companies named in this report**

BrainJuicer (BJU), Cello (CLL), Nielsen (NLSN), GfK (GfK), Ipsos (IPS), ComScore (SCOR), Forrester (FORR), IMS Health (IMS), Rentrak (RENT)

Edison, the investment intelligence firm, is the future of investor interaction with corporates. Our team of over 100 analysts and investment professionals work with leading companies, fund managers and investment banks worldwide to support their capital markets activity. We provide services to more than 400 retained corporate and investor clients from our offices in London, New York, Frankfurt, Sydney and Wellington. Edison is authorised and regulated by the Financial Conduct Authority ([www.fsa.gov.uk/register/firmBasicDetails.do?sid=181584](http://www.fsa.gov.uk/register/firmBasicDetails.do?sid=181584)). Edison Investment Research (NZ) Limited (Edison NZ) is the New Zealand subsidiary of Edison. Edison NZ is registered on the New Zealand Financial Service Providers Register (FSP number 247505) and is registered to provide wholesale and/or generic financial adviser services only. Edison Investment Research Inc (Edison US) is the US subsidiary of Edison and is regulated by the Securities and Exchange Commission. Edison Investment Research Limited (Edison Aus) [46085869] is the Australian subsidiary of Edison and is not regulated by the Australian Securities and Investment Commission. Edison Germany is a branch entity of Edison Investment Research Limited [4794244]. [www.edisongroup.com](http://www.edisongroup.com)

**DISCLAIMER**

Copyright 2015 Edison Investment Research Limited. All rights reserved. This report has been commissioned by YouGov and prepared and issued by Edison for publication globally. All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report. Opinions contained in this report represent those of the research department of Edison at the time of publication. The securities described in the Investment Research may not be eligible for sale in all jurisdictions or to certain categories of investors. This research is issued in Australia by Edison Aus and any access to it, is intended only for "wholesale clients" within the meaning of the Australian Corporations Act. The Investment Research is distributed in the United States by Edison US to major US institutional investors only. Edison US is registered as an investment adviser with the Securities and Exchange Commission. Edison US relies upon the "publishers' exclusion" from the definition of investment adviser under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. As such, Edison does not offer or provide personalised advice. We publish information about companies in which we believe our readers may be interested and this information reflects our sincere opinions. The information that we provide or that is derived from our website is not intended to be, and should not be construed in any manner whatsoever as, personalised advice. Also, our website and the information provided by us should not be construed by any subscriber or prospective subscriber as Edison's solicitation to effect, or attempt to effect, any transaction in a security. The research in this document is intended for New Zealand resident professional financial advisers or brokers (for use in their roles as financial advisers or brokers) and habitual investors who are "wholesale clients" for the purpose of the Financial Advisers Act 2008 (FAA) (as described in sections 5(c) (1)(a), (b) and (c) of the FAA). This is not a solicitation or inducement to buy, sell, subscribe, or underwrite any securities mentioned or in the topic of this document. This document is provided for information purposes only and should not be construed as an offer or solicitation for investment in any securities mentioned or in the topic of this document. A marketing communication under FCA Rules, this document has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research. Edison has a restrictive policy relating to personal dealing. Edison Group does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contractors of Edison may have a position in any or related securities mentioned in this report. Edison or its affiliates may perform services or solicit business from any of the companies mentioned in this report. The value of securities mentioned in this report can fall as well as rise and are subject to large and sudden swings. In addition it may be difficult or not possible to buy, sell or obtain accurate information about the value of securities mentioned in this report. Past performance is not necessarily a guide to future performance. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations. For the purpose of the FAA, the content of this report is of a general nature, is intended as a source of general information only and is not intended to constitute a recommendation or opinion in relation to acquiring or disposing (including refraining from acquiring or disposing) of securities. The distribution of this document is not a "personalised service" and, to the extent that it contains any financial advice, is intended only as a "class service" provided by Edison within the meaning of the FAA (ie without taking into account the particular financial situation or goals of any person). As such, it should not be relied upon in making an investment decision. To the maximum extent permitted by law, Edison, its affiliates and contractors, and their respective directors, officers and employees will not be liable for any loss or damage arising as a result of reliance being placed on any of the information contained in this report and do not guarantee the returns on investments in the products discussed in this publication. FTSE International Limited ("FTSE") © FTSE 2015. "FTSE®" is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under license. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.

Frankfurt +49 (0)69 78 8076 960  
Schumannstrasse 34b  
60325 Frankfurt  
Germany

London +44 (0)20 3077 5700  
280 High Holborn  
London, WC1V 7EE  
United Kingdom

New York +1 646 653 7026  
245 Park Avenue, 39th Floor  
10167, New York  
US

Sydney +61 (0)2 9258 1161  
Level 25, Aurora Place  
88 Phillip St, Sydney  
NSW 2000, Australia

Wellington +64 (0)48 948 555  
Level 15, 171 Featherston St  
Wellington 6011  
New Zealand