

26 March 2018

**YouGov plc**

**Interim results for the six months to 31 January 2018**

**Strong half year numbers on all metrics**

<b>Summary of Results</b>				
	<b>Unaudited Six months to 31 January 2018 £m</b>	<b>Unaudited Six months to 31 January 2017 £m</b>	<b>Change %</b>	<b>Audited Full Year to 31 July 2017 £m</b>
<b>Revenue</b>	<b>56.3</b>	<b>51.4</b>	<b>10%</b>	<b>107.0</b>
<b>Adjusted Operating Profit<sup>1</sup></b>	<b>8.8</b>	<b>5.7</b>	<b>56%</b>	<b>14.5</b>
<b>Adjusted Operating Profit Margin (%)</b>	<b>16%</b>	<b>11%</b>	<b>-</b>	<b>14%</b>
<b>Adjusted Profit before Tax<sup>1</sup></b>	<b>10.7</b>	<b>6.3</b>	<b>69%</b>	<b>16.4</b>
<b>Adjusted Earnings per Share<sup>1</sup></b>	<b>7.3p</b>	<b>4.2p</b>	<b>74%</b>	<b>10.9p</b>
<b>Statutory Operating Profit</b>	<b>4.4</b>	<b>2.5</b>	<b>78%</b>	<b>7.6</b>
<b>Statutory Profit before Tax</b>	<b>4.5</b>	<b>2.5</b>	<b>78%</b>	<b>7.9</b>
<b>Statutory Earnings per Share</b>	<b>2.2p</b>	<b>1.4p</b>	<b>60%</b>	<b>4.4p</b>

**Financial highlights**

- Revenue growth of 10% (2017: 24%) – At constant currency growth of 12%
- Adjusted operating profit<sup>1</sup> up by 56% to £8.8m – At constant currency growth of 65%
- Adjusted profit before tax<sup>1</sup> up by 69% to £10.7m
- Adjusted earnings per share<sup>1</sup> up by 74% to 7.3p (2017: 4.2p)
- Adjusted operating profit margin<sup>1</sup> up 5 percentage points to 16%
- Statutory operating profit up 78% to £4.4m
- Strong cash conversion<sup>1</sup> 85%
- Net cash balances of £21.3m (31 January 2017: £15.0m)

**Operational highlights**

- Data Products & Services revenue up by 27% to £27.8m; now representing 49% of total (2017: 43%)
  - YouGov BrandIndex revenue up by 24% to £11.4m
  - YouGov Profiles revenue up by 100% to £2.9m
  - YouGov Omnibus revenue up by 24% to £12.7m
- Custom Research revenue reduced (by 2% to £29.1m) as expected due to strategic focus on higher margin work; resulting in operating profit of £6.9m, an increase of 60%
- UK and US remain the core profit drivers, up 89% and 56% respectively
- Board appointments – additional Non-Executive Director and two new Executive Directors appointed in December 2017

<sup>1</sup>Defined in the explanation of non-IFRS measures on page 12.

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

*“We continue to deliver to the goals we set out in our five-year plan, and as we move into the penultimate year of that plan we are on track for delivering growth well ahead of our industry. By increasing our investment in technology we are getting more out of our data engine and our profit is growing at a higher rate. We have enjoyed a particularly strong first half. Trading during the second half has continued positively, we are accelerating our investment in technology and geographic expansion and remain confident in our prospects for the year. Our suite of products and services are being aligned in a single connected system and we continue to generate new opportunities for growth.”*

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## **Chief Executive Officer's Review**

We are pleased to report that in the first half of the financial year YouGov has achieved strong organic revenue growth and significant growth in profitability, materially ahead of the market.

### **Delivering against our objectives**

As shareholders will be aware, in 2015 we laid out a five-year growth plan with ambitious goals to grow the proportion of revenue from our higher margin syndicated Data Products & Services segment and to raise profit margins in our Custom Research segment. Delivery against both of these goals has been strong. As of this half-year end, Data Products & Services revenue now accounts for 49% of the group total (compared to 32% in the year ending 31 July 2014) representing an early achievement of the strategic goal of parity with Custom Research by next financial year. At the same time, we have achieved a healthy increase in margins in Custom Research, growing operating margins from 11% at the end of 2014 to 24% for this half-year.

### **Advancing our strategy**

Since laying out our five-year plan, our strategy has evolved in response to new technologies and the changing needs of our clients. Having had success with the different growth strategies for the Data Products & Services and Custom Research segments, we are now less focused on the distinction between segments and more focused on growing and connecting all forms of higher margin business and aligning all our products and services into a single connected system.

We are creating a new business model for market research based on systematic large-scale connected data which can incorporate custom additions with an advanced analytics platform. We continue to invest more in technology, and it should be noted that our profit growth has accelerated in line with these increased investments. Across the business we are benefiting from the engine we have built. That engine continues to gain in power and application and we envisage further value from our data as it begins to play an upstream role in the marketing process. Our strategy is based firmly on a commitment to being at the leading edge of data science, with efficiently engineered data gathering, data processing, data analytics and data delivery.

We have consistently emphasised scalability. We see clear opportunities to increase our geographic reach through panel expansion, to broaden the extent and applicability of our syndicated data, and to connect custom research more organically to that data, further improving quality and efficiency. During the period, we have established new organic operations in Italy and Spain and added a bolt-on acquisition to our existing operation in Australia where we saw an opportunity to accelerate our growth. We have also established a new shared services centre in India to complement the existing service centre in Romania and provide 24/7 data processing and analytics coverage.

One of the new ways we can apply our data to the needs of the marketing community is to embed it into ad targeting technology. We have seen some increase in revenue from this over the past six months. The EU's forthcoming General Data Protection Regulation (GDPR) requires that, in order for marketers, advertisers and ad-tech companies to be able to take full advantage of YouGov's data assets, we collect more explicit 'permissioning' from the YouGov panel for the data they provide to us. Preparing for the GDPR, and the proposed EU ePrivacy regulation, has presented us with an opportunity to reinforce the trusted relationship we have with our panel while also innovating new commercial opportunities.

As announced on 12 February 2018, we are developing a new digital advertising platform, YouGov Direct. Currently consumers have little control over their data, while ineffective targeting has a negative impact on brands and publishers. YouGov Direct aims to overcome those problems in the ad ecosystem by harnessing blockchain technology to verify the data exchange between consumers and advertisers. Advertisers, brands and publishers using the platform gain access to known audience attributes, which enable more effective advertising targeting and better campaign performance. YouGov has always treated its panellists as 'partners' - they share their data with us deliberately, not inadvertently, to create commercial, institutional and public value. We therefore see only benefits to our business in an environment of greater sensitivity to privacy issues.

## **Data Products**

Our Data Products division consists of Profiles, YouGov's audience segmentation and targeting tool, and BrandIndex, YouGov's flagship daily brand tracking service. Increasingly, these complementary products are positioned as a single capability, communicated as 'Plan & Track' to our prospects and clients. The Plan & Track solution is proving to be instrumental in establishing transparency and a common version of the truth among the key players in the advertising and marketing ecosystem. Advertisers need to find the most attractive avenues through which to grow their brands; media owners need to demonstrate the desirability and the efficacy of their platforms to brands and their agencies; and agencies are under increasing pressure to justify strategic and tactical investment decisions on behalf of their brand clients.

YouGov's Plan & Track solution provides this by allowing clients to easily identify key consumer groups, based on brand preferences, attitudes, lifestyle, interests and many other key variables (defining the right target audiences). Data from our connected data library, the Cube, can then be used to describe and understand those groups in granular detail and develop content that will resonate (finding the right messages). Media data, including TV shows watched and websites visited, help clients understand how to best reach those consumers (finding the right place and time to advertise). BrandIndex, which can be customised to allow the tracking of those who were identified as the target audience at the start of the process in Profiles, allows clients to audit the reach of their campaign and test the effect of their messages.

The full Plan & Track solution is now available in 13 markets with France, Australia, Hong Kong, Singapore and Thailand all launched during the last six months, and roll-out in a further eight markets planned. BrandIndex is now available in 32 markets, and with the support of a global media agency as a charter subscriber, we have begun to develop Profiles in India, Taiwan, Vietnam and the Philippines for launch during this calendar year.

## **Data Services**

YouGov Omnibus, our popular and fast-turnaround data service, comprises the majority of Data Services revenue. The balance comes from our related Field & Tab services, and from the provision of Sample-Only services in the Nordic and Middle East regions.

Our technology investments in the period have included developments which are enhancing the commissioning and delivery of Data Services research. Our new self-service survey design tool, Collaborate, is currently being trialled with a select number of key clients in the UK and US. In most geographies, survey results are now being delivered to clients through Crunch, our data analytics and visualisation tool.

We also continue to develop the interoperability between our products and services. Increasing numbers of clients are taking advantage of our new 're-contact' service through which Profiles and BrandIndex subscribers can undertake Omnibus surveys to obtain additional data tailored to their needs from segments of the panel with specific profile characteristics.

### **Custom Research**

YouGov's Custom Research business conducts a wide range of quantitative and qualitative research, tailored to meet clients' specific requirements. The scope, scale and complexity of projects varies significantly and ranges from one-off surveys, through to large-scale national and multinational tracking studies often contracted on an annual basis and often requiring advanced analytics.

We have made good progress on our strategy to focus less on one-off projects and more on multi-country, multi-wave studies. In the period this included exiting parts of the Germany and Middle East businesses with low margins.

Work continues on improving the profitability of our Custom Research business by building on the efficiencies of our panel, our advanced population modelling (including our new methodology based on Multilevel Regression and Post-stratification ('MRP')), our connected data library (the Cube), our analytics and visualisation tool (Crunch), and our suite of data products and services. As a result, we are seeing significant improvements in the profitability and visibility of custom research across the Group. A recent example from YouGov's UK Custom Research division involved building a relationship with a new media client through the delivery of a foundational custom research tracking project, and then expanding the relationship to include an agency-wide subscription to YouGov Profiles.

### **Current trading and outlook**

As previously announced, in December 2017 we refreshed and extended our Board with the appointment of an additional Non-Executive Director (Andrea Newman) and two new Executive Directors (Alex McIntosh, Chief Financial Officer, and Sundip Chahal, Chief Operating Officer). These appointments add strong financial, strategic and marketing expertise to our Board and management team and will contribute to YouGov's future success.

Our pipeline of sales opportunities for our syndicated data products is robust and we continue to see opportunities for growth within those forms of custom research which are aligned with our core connected-data offering. We will keep investing in our technology platforms to support growth and expansion in line with our strategic objectives.

Trading during the second half has continued positively. While 'Brexit' continues to create uncertainty in the economic and political environment, especially for UK and European businesses, the international spread of our revenues (with a significant US weighting) positions our business well to cope with, or even gain from, potential volatility. In the context of both the macro-environment and our own plans to accelerate our investment in technology and geographic expansion, we remain confident of our expectations for the full year.

**Stephan Shakespeare**  
**Chief Executive Officer**  
**26 March 2018**

## Chief Financial Officer's Review

Performance in the six months to 31 January 2018 continued to reflect the transition to a business model with a higher proportion of sales based on our proprietary Cube data. Total Group revenue in the period rose to £56.3m, compared to £51.4m in the six months to 31 January 2017. Growth was 12% on a constant currency basis (but 10% in reported terms due to the appreciation of £ Sterling against US Dollar) since the prior period. With a higher proportion of sales coming from higher margin products and services, gross margins increased by 2% points to 81% and Group operating costs (excluding amortisation of intangibles and exceptional items) of £36.6m (2017: £34.9m) increased by 5% in reported terms, and 6% in constant currency terms.

In the prior financial year, certain research divisions in Middle East, Germany and Nordics were restructured to focus on activities aligned with our strategy. In the six months to 31 January 2018, further restructuring was undertaken across; the German and Middle East Custom Research divisions and to close down the Global Reports division.

All geographies saw continued growth in core activities during the period. The US and UK remain the largest profit centres in the Group, growing operating profit by 56% and 89% respectively. The Asia Pacific, which has been an investment area, delivered strong revenue growth of 65% and is now breakeven at the operating profit level. The Middle East and Germany revenue declined by 20% and 15% respectively due to the restructuring programmes in their Custom Research divisions. Revenue in France increased by 62% and the Nordics grew by 7%.

Total Group adjusted operating profit, before amortisation and separately reported items, grew by 56% to £8.8m, compared to £5.7m in the six months to 31 January 2017. Amortisation charges for intangible assets totalled £3.6m in the period (2017: £3.1m) of which £0.3m (2017: £0.5m) related to assets acquired through business combinations, £1.5m (2017: £1.3m) to separately acquired assets and £1.8m (2017: £1.3m) to internally generated assets. The Group recognised net financial income of £0.1m during the period (2017: £0.1m).

Central Costs have increased by £2.5m, in part due to an increase in the Long Term Incentive Plan (LTIP) charge of £1.3m reflecting the increased likelihood that the 'LTIP 2014' plan will pay out in full in November 2019.

Adjusted profit before tax of £10.7m was an increase of £4.4m (69%) on the comparable result of £6.3m for the six months to 31 January 2017. The adjusted tax rate decreased from 31% to 29% mainly as a result of a reduction in US tax rates. Adjusted earnings per share rose by 74% to 7.3p, compared to 4.2p in the six months to 31 January 2017. A statutory profit before tax of £4.5m was reported after charging separately reported items, amortisation and share based payment costs of £6.2m (2017: £3.8m) compared to £2.5m in the six months ended 31 January 2017. In this financial year the Group will benefit from the changes to tax rates in the US, resulting in the blended tax rate the Group pays reducing to 25% from 31%.

The Group invested £1.7m (2017: £1.6m) in the continuing development of our technology platform and maintained the investment in panel recruitment at £1.4m (2017: £1.4m) to support continued global expansion. Our investment in technology continued across three main areas: websites and mobile applications, survey systems, and our data analytics tool, Crunch. £0.6m (2017: £0.4m) was spent on the purchase of property, plant and equipment, resulting in a total investment in fixed assets of £3.7m (2017: £3.4m). Other cash outflows included taxation payments of £2.9m (2017: £0.9m) and the annual dividend payment of £2.1m (2017: £1.5m) in December 2017.

International expansion was supported by further investment in building and developing our panels in India, Spain, Italy, Taiwan and Australia. These investments enabled us to transition our data collection for BrandIndex and Data Services off third-party panel providers and to build up our proprietary data in these important markets.

On 8 December 2017, the Group completed the acquisition of Galaxy Research Pty Limited ('Galaxy'), a market research company based in Sydney, Australia. The initial consideration was AUD 1.25m (£0.7m) with a two year earn-out. Galaxy has a strong reputation for accurate political polling and the majority of client work is similar to Data Services with a mixture of online and offline methodologies.

There was a net cash outflow of £1.1m in the period, compared to £1.0m in the six months to 31 January 2017. This was increased by a £0.8m decrease in the value of non-Sterling cash balances due to foreign exchange movements so that net cash balances of £21.3m were £2.0m lower than at 31 July 2017 and £6.3m higher than the balances of £15.0m as at 31 January 2017.

The Group's results were affected by the net appreciation of GBP as its average exchange rate was 5% higher against the USD and 3% lower against the Euro in this period than in the 6 months to 31 January 2017. The net impact of foreign exchange on the Group's adjusted operating profit was a decrease of £0.5m compared to calculation in constant currency terms. The underlying increase, compared to the 6 months ended 31 January 2017, was 65%.

### **Data Products**

Revenue from Data Products increased by 31% (34% in constant currency terms) in the period. The adjusted operating profit from Data Products increased by 75% to £4.8m and the operating margin increased by 9% points to 34%. The improving margin partly reflects the growing contribution from Profiles as well as a reduction in the use of third party data collection.

Our flagship product, BrandIndex, grew revenue by 24% (27% in constant currency terms) to £11.4m (2017: £9.2m). BrandIndex accounts for 20% of total Group revenue in the period and increased its subscriber numbers to 32 markets across the world. Profiles made good progress, with sales in this period together with the subscription growth achieved last year led to global revenue increasing by 100% (104% constant currency) to £2.9m.

Geographically, the US remains the largest Data Products market and grew by 14% in GBP terms, (20% in local currency). In the UK, revenue grew by 43%, a faster rate than the previous year, due to faster new business sales in the second half of the previous financial year. There was also strong revenue growth in other markets including 49% in Germany (44% in local currency) and 18% in the Nordics (14% in local currency). The newer markets of France and Asia Pacific each grew their revenue in reported terms by over 90%.

### **Data Services**

Revenue from Omnibus, our online fast turnaround service (which represents 94% of Data Services) increased by 24% (24% in constant currency terms) to £12.7m, mainly due to strong growth in international markets. This growth contributed to an increase of 41% in the Data Services operating profit to £3.5m and the operating margin rose from 22% to 26% reflecting investment in the newer markets, notably Asia Pacific delivering growth.

This included a 75% increase in reported revenue in USA (85% growth in local currency), and a 45% increase in Asia Pacific (53% in local currency). France and Middle East also grew strongly, by 27% (23% local currency) and 22% (28% local currency) respectively. In the UK, where YouGov Omnibus is the market leader, revenue grew by 10%.

### **Custom Research**

Continued focus on a Custom Research offering which utilises our proprietary panel, survey system and Cube data has resulted in a significant increase in profitability in this segment. Revenue for the period decreased by 2% to £29.1m and operating profit increased by 60% to £6.9m (2017: £4.3m). Performance in the period was impacted by the reduction of low profit or loss making activities in Germany and the Middle East in the latter half of last financial year. In this half year, further headcount reductions to the Custom Research division in Germany and Middle East resulted in a separately reported charge of £0.4m.

The majority of revenue growth in Custom Research was achieved in the UK (£0.5m) and US (£2.0m). The growth in profits are underpinned by an increased amount of custom tracking projects and differentiated propositions based on Cube data and our technology capabilities. The restructuring in underperforming and off-strategy areas resulted in a reduction of £3.1m revenue and £2.6m in overheads.

Reflecting the reduction of activities in some areas, total Custom Research revenue increased 1% in constant currency terms although it declined by 2% in reported terms to £29.1m. However, the adjusted operating profit increased by 60% to £6.9m and the operating margin improved by 10% point to 24%. This was largely due to operating costs reducing by 12% as a result of the restructuring of underperforming areas.

The continued rationalisation of Custom Research led to mixed performances across the geographies. In the UK, where our core panel-based model is most established, revenue grew by 7% (benefitting from several large tracker contracts) and the operating margin increased from 23% to 32%. In the US, revenue increased by 16% in reported terms but was 23% in local currency terms. Middle East revenue fell by 24% in local currency terms due to restructuring of operations. Reported revenue decreased in the Nordics and Germany and also fell in local currency terms.



**Performance by Product and Service**

Revenue	Six months to 31 Jan 2018 £m	Six months to 31 Jan 2017 £m	Revenue growth / (reduction) %	Constant currency revenue change %
Data Products (incl. BrandIndex)	14.4	11.0	31%	34%
Data Services (incl. Omnibus)	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	<b>(0.6)</b>	<b>(0.2)</b>	-	-
<b>Group</b>	<b>56.3</b>	<b>51.4</b>	<b>10%</b>	<b>12%</b>

Adjusted Operating Profit	Six months to 31 Jan 2018 £m	Six months to 31 Jan 2017 £m	Operating Profit growth %	Operating Margin	
				Six months to 31 Jan 2018	Six months to 31 Jan 2017
Data Products (incl. BrandIndex)	4.8	2.8	75%	34%	25%
Data Services (incl. Omnibus)	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>

## Performance by Geography

Revenue	Six months to 31 Jan 2018 £m	Six months to 31 Jan 2017 £m	Revenue growth / (reduction) %	Constant currency revenue change %
UK	14.5	12.5	15%	15%
USA	23.3	19.7	18%	25%
Germany	4.5	5.3	(15%)	(18%)
Nordic	4.9	4.6	7%	4%
Middle East	6.0	7.5	(20%)	(16%)
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>

Adjusted Operating Profit	Six months to 31 Jan 2018 £m	Six months to 31 Jan 2017 £m	Operating Profit growth %	Operating Margin	
				Six months to 31 Jan 2018	Six months to 31 Jan 2017
UK	5.8	3.1	89%	40%	25%
USA	7.9	5.1	56%	34%	26%
Germany	0.2	0.2	(33%)	4%	5%
Nordic	0.5	0.7	(34%)	10%	15%
Middle East	1.3	1.2	14%	22%	16%
France	0.3	0.1	213%	17%	9%
Asia Pacific	-	(0.6)	-	1%	(24%)
Central Costs	(7.2)	(4.1)	74%	-	-
<b>Group</b>	<b>8.8</b>	<b>5.7</b>	<b>56%</b>	<b>16%</b>	<b>11%</b>

## Panel Development by Geography

We continue to invest in our online panel to increase our research capabilities, both in new geographies and specialist panels. At 31 January 2018, the total number of panellists had increased to 6 million, compared to 5.6 million at 31 January 2017, as set out in the table below.

Region	Panel size at 31 January 2018	Panel size at 31 January 2017
UK	1,267,400	1,017,600
USA	2,248,800	2,063,900
Germany	328,600	272,700
Nordic	307,600	258,800
Middle East	873,700	1,073,300
France	208,900	179,400
Asia Pacific	772,100	688,600
<b>Total</b>	<b>6,007,100</b>	<b>5,554,300</b>

## Explanation of Non-IFRS measures

Financial Measure	How we define it	Why we use it
Separately reported items	Items that in the Directors' judgement are one-off or need to be disclosed separately by virtue of their size or incidence	Provides a more comparable basis to assess the year-to-year operational business performance
Adjusted operating profit	Operating profit excluding amortisation of intangible assets charged to operating expenses and separately reported items	
Adjusted operating profit margin	Adjusted operating profit expressed as a percentage of revenue	
Adjusted profit before tax	Profit before tax before amortisation of intangible assets charged to operating profit, share based payment charges, imputed interest and separately reported items.	
Adjusted taxation	Taxation due on the adjusted profit before tax, thus excluding the tax effect of amortisation and exceptional items	Provides a more comparable basis to assess the underlying tax rate
Adjusted tax rate	Adjusted taxation expressed as a percentage of adjusted profit before tax	
Adjusted profit after tax	Adjusted profit before tax less adjusted taxation	Facilitates performance evaluation, individually and relative to other companies
Adjusted profit after tax attributable to owners of the parent	Adjusted profit after tax less profit attributable to non-controlling interests	
Adjusted earnings per share	Adjusted profit after tax attributable to owners of the parent divided by the weighted average number of shares. Adjusted diluted earnings per share includes the impact of share options	
Constant currency revenue change	Current year revenue change compared to prior year revenue in local currency translated at the current year average exchange rates	Shows the underlying revenue change by eliminating the impact of foreign exchange rate movements
Cash conversion	The ratio of cash generated from operations to adjusted operating profit	Indicates the extent to which the business generates cash from adjusted operating profits

**YOUGOV PLC**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

For the six months ended 31 January 2018

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

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

The Board of Directors of YouGov plc are:

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

By order of the Board:

**Alex McIntosh**  
**Chief Financial Officer**  
**26 March 2018**

**YUGOV PLC**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
For the six months ended 31 January 2018

		<b>Unaudited</b>	Unaudited	Audited
		<b>6 months to</b>	6 months to	Year ended
		<b>31 January</b>	31 January	31 July
		<b>2018</b>	2017	2017
	<b>Note</b>	<b>£'000</b>	£'000	£'000
<b>Revenue</b>	4	<b>56,316</b>	51,363	107,048
Cost of Sales		<b>(10,837)</b>	(10,816)	(21,339)
<b>Gross profit</b>		<b>45,479</b>	40,547	85,709
Operating expenses		<b>(41,106)</b>	(38,084)	(78,152)
<b>Operating profit</b>	4	<b>4,373</b>	2,463	7,557
Amortisation of intangible assets		<b>3,571</b>	3,103	6,483
Separately reported items	5	<b>886</b>	103	488
<b>Adjusted operating profit</b>		<b>8,830</b>	5,669	14,528
Share of post-tax profits in joint ventures		-	-	103
Finance income		<b>187</b>	390	480
Finance costs		<b>(94)</b>	(337)	(226)
<b>Profit before taxation</b>		<b>4,466</b>	2,516	7,914
Taxation	6	<b>(2,093)</b>	(1,047)	(3,273)
<b>Profit after taxation</b>		<b>2,373</b>	1,469	4,641
<b>Attributable to:</b>				
Equity holders of the parent company		<b>2,373</b>	1,469	4,671
Non-controlling interests		-	-	(30)
		<b>2,373</b>	1,469	4,641
<b>Earnings per share</b>				
Basic earnings per share attributable to equity holders of the company	7	<b>2.2p</b>	1.4p	4.4p
Diluted earnings per share attributable to equity holders of the company	7	<b>2.1p</b>	1.4p	4.2p

**YOUNGOV PLC**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
For the six months ended 31 January 2018

	<b>Unaudited</b>	Unaudited	Audited
	<b>6 months to</b>	6 months to	Year ended
	<b>31 January</b>	31 January	31 July
	<b>2018</b>	2017	2017
	<b>£'000</b>	£'000	£'000
Profit for the period	<b>2,373</b>	1,469	4,641
<b>Other comprehensive income</b>			
Item that may be subsequently reclassified to profit or loss			
Currency translation differences	<b>(2,607)</b>	2,349	1,159
<b>Other comprehensive income for the year net of tax</b>	<b>(2,607)</b>	2,349	1,159
<b>Total comprehensive income for the period</b>	<b>(234)</b>	3,818	5,800
Attributable to:			
Equity holders of the parent company	<b>(234)</b>	3,818	5,830
Non-controlling interests	-	-	(30)
<b>Total comprehensive income for the period</b>	<b>(234)</b>	3,818	5,800

Items in the statement above are disclosed net of tax.

**YOUNGOV PLC**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
As at 31 January 2018

		Unaudited 31 January 2018 £'000	Unaudited 31 January 2017 £'000	Audited 31 July 2017 £'000
<b>Assets</b>	<b>Note</b>			
<b>Non-current assets</b>				
Goodwill	9	42,182	44,184	43,746
Other intangible assets	9	10,906	10,896	11,214
Property, plant and equipment	9	3,177	3,545	3,278
Investments in joint ventures and associates		345	242	345
Deferred tax assets		7,698	5,722	6,054
<b>Total non-current assets</b>		<b>64,308</b>	64,589	64,637
<b>Current assets</b>				
Trade and other receivables		33,517	31,883	30,699
Current tax assets		1,521	1,490	738
Cash and cash equivalents		21,264	14,997	23,481
<b>Total current assets</b>		<b>56,302</b>	48,370	54,918
<b>Total assets</b>		<b>120,610</b>	112,959	119,555
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables		29,583	26,426	29,389
Borrowings		-	-	262
Acquisition consideration		193	-	-
Contingent consideration		87	-	-
Provisions		3,775	2,051	3,749
Current tax liabilities		970	596	777
<b>Total current liabilities</b>		<b>34,608</b>	29,073	34,177
<b>Net current assets</b>		<b>21,694</b>	19,297	20,741
<b>Non-current liabilities</b>				
Contingent consideration		51	-	-
Provisions		3,184	4,670	3,222
Deferred tax liabilities		1,694	1,528	1,683
<b>Total non-current liabilities</b>		<b>4,929</b>	6,198	4,905
<b>Total liabilities</b>		<b>39,537</b>	35,271	39,082
<b>Net assets</b>		<b>81,073</b>	77,688	80,473
<b>Equity</b>				
Issued share capital	11	211	210	211
Share premium		31,261	31,221	31,261
Merger reserve		9,239	9,239	9,239
Foreign exchange reserve		12,282	16,079	14,889
Retained earnings		28,080	20,909	24,873
<b>Total shareholders' funds</b>		<b>81,073</b>	77,658	80,473
Non-controlling interests in equity		-	30	-
<b>Total equity</b>		<b>81,073</b>	77,688	80,473

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

**Alex McIntosh**  
**Chief Financial Officer**  
26 March 2018

**YOUNGOV PLC**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
For the six months ended 31 January 2018

Attributable to equity holders of the Company

	Share capital £'000	Share premium £'000	Merger reserve £'000	Foreign exchange reserve £'000	Retained earnings £'000	Total £'000	Non-controlling interest £'000	Total £'000
<b>Balance at 1 August 2016</b>	209	31,086	9,239	13,730	19,795	74,059	30	74,089
<b>Changes in equity for 2017</b>								
Exchange differences on translating foreign operations	-	-	-	1,159	-	1,159	-	1,159
<b>Net income recognised directly in equity</b>	-	-	-	1,159	-	1,159	-	1,159
Profit for the year	-	-	-	-	4,671	4,671	(30)	4,641
<b>Total comprehensive income for the year</b>	-	-	-	1,159	4,671	5,830	(30)	5,800
Issue of shares	2	175	-	-	(2)	175	-	175
Dividends paid	-	-	-	-	(1,470)	(1,470)	-	(1,470)
Share-based payments	-	-	-	-	1,488	1,488	-	1,488
Tax in relation to share based payments	-	-	-	-	391	391	-	391
Total transactions with owners recognised directly in equity	2	175	-	-	407	584	-	584
<b>Balance at 31 July 2017</b>	<b>211</b>	<b>31,261</b>	<b>9,239</b>	<b>14,889</b>	<b>24,873</b>	<b>80,473</b>	-	<b>80,473</b>
<b>Changes in equity for 2018</b>								
Exchange differences on translating foreign operations	-	-	-	(2,607)	-	(2,607)	-	(2,607)
<b>Net income recognised directly in equity</b>	-	-	-	(2,607)	-	(2,607)	-	(2,607)
Profit for the period	-	-	-	-	2,373	2,373	-	2,373
<b>Total comprehensive income for the period</b>	-	-	-	(2,607)	2,373	(234)	-	(234)
Issue of shares	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	(2,106)	(2,106)	-	(2,106)
Share-based payments	-	-	-	-	1,802	1,802	-	1,802
Tax in relation to share based payments	-	-	-	-	1,138	1,138	-	1,138
Total transactions with owners recognised directly in equity	-	-	-	-	834	834	-	834
<b>Balance at 31 January 2018</b>	<b>211</b>	<b>31,261</b>	<b>9,239</b>	<b>12,282</b>	<b>28,080</b>	<b>81,073</b>	-	<b>81,073</b>



**YOUNGOV PLC**  
**CONSOLIDATED CASH FLOW STATEMENT**  
For the six months ended 31 January 2018

	<b>Unaudited 6 months to 31 January 2018 £'000</b>	Unaudited 6 months to 31 January 2017 £'000	Audited Year ended 31 July 2017 £'000
Profit before taxation	4,466	2,516	7,914
Adjustments for:			
Finance income	(187)	(390)	(480)
Finance costs	94	337	226
Share of post-tax profit in joint ventures	-	-	(103)
Amortisation *	3,571	3,116	6,508
Depreciation	570	566	1,174
Share based payments	1,802	625	1,488
Loss on disposal of property, plant and equipment	3	-	7
Profit on disposal of subsidiary undertakings	-	-	(94)
Other non-cash operating profit items	138	(255)	-
Increase in trade and other receivables	(3,572)	(2,152)	(1,531)
Increase/(Decrease) in trade and other payables	420	(499)	2,779
Increase in provisions	216	728	1,026
<b>Cash generated from operations</b>	<b>7,521</b>	4,592	18,914
Interest paid	(3)	(1)	(2)
Income taxes paid	(2,948)	(901)	(2,487)
<b>Net cash generated from operating activities</b>	<b>4,570</b>	3,690	16,425
<b>Cash flow from investing activities</b>			
Net cash acquired	174	-	-
Net proceeds from the sales of subsidiary undertakings	-	-	150
Proceeds from sale of property, plant and equipment	7	-	-
Purchase of property, plant and equipment	(615)	(383)	(843)
Purchase of intangible assets	(3,122)	(2,976)	(6,968)
Interest received	16	8	8
<b>Net cash used in investing activities</b>	<b>(3,540)</b>	(3,351)	(7,653)
<b>Cash flows from financing activities</b>			
Proceeds from the issue of share capital	-	135	175
Dividends paid to company's shareholders	(2,106)	(1,470)	(1,470)
<b>Net cash used in financing activities</b>	<b>(2,106)</b>	(1,335)	(1,295)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,076)</b>	(996)	7,477
<b>Cash and cash equivalents at beginning of period</b>	<b>23,219</b>	15,553	15,553
<b>Exchange (loss)/gain on cash and cash equivalents</b>	<b>(879)</b>	440	189
<b>Cash and cash equivalents at end of period</b>	<b>21,264</b>	14,997	23,219

\* Amortisation includes £nil (2017: £13,000) recognised in cost of sales.

## **YOUGOV PLC**

### **NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the six months ended 31 January 2018

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#### **1 GENERAL INFORMATION**

YouGov plc and subsidiaries' (the 'Group') principal activity is the provision of market research.

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

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

These condensed consolidated interim financial statements have been approved for issue by the Board of Directors of YouGov plc (the 'Board') on 26 March 2018.

This consolidated interim financial information for the six months ended 31 January 2018 does not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 July 2017 were approved by the Board on 6 October 2017 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006. The consolidated financial statements of the Group for the year ended 31 July 2017 are available from the Company's registered office or website ([www.yougov.com](http://www.yougov.com)).

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

#### **2 FORWARD LOOKING STATEMENTS**

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

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

### **3 BASIS OF PREPARATION**

This consolidated interim report for the six months ended 31 January 2018 has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and IAS 34 'Interim financial reporting' as adopted by the European Union. The consolidated interim report should be read in conjunction with the annual financial statements for the year ended 31 July 2017, which has been prepared in accordance with IFRS's as adopted by the European Union.

#### **Accounting policies**

The accounting policies applied are consistent with those of the Annual Financial Statements for the year ended 31 July 2017, as described in those Annual Financial Statements.

#### **Accounting estimates and judgements**

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of income, expense, assets and liabilities. The significant estimates and judgements made by management were consistent with those applied to the consolidated financial statements for the year ended 31 July 2017.

#### **Reclassifications**

Costs relating to the Chief Scientist and Crunch operational support were previously allocated to Custom Research and USA are now included within Central Costs. In order to provide a better understanding of product line performance, the prior year comparatives in the segmental analysis have been restated increasing both Custom Research and USA operating profit by £792,000 and Central Costs by £792,000.

#### **Risks and uncertainties**

The principal strategic level risks and uncertainties affecting the group remain those set out in the Strategic Report on pages 36 and 37 of the 2017 Annual Report.

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

**YOUNGOV PLC**
**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the six months ended 31 January 2018

**4 SEGMENTAL ANALYSIS**

The Board of Directors (which is the 'chief operating decision maker') primarily reviews information based on product lines, Custom Research, Data Products & Data Services, with supplemental geographical information.

	Custom Research £'000	Data Products £'000	Data Services £'000	Intra- group revenues / Central Costs £'000	Group £'000
<b>For the six months to 31 January 2018 (Unaudited)</b>					
Revenue	29,135	14,382	13,439	(640)	56,316
Cost of sales	(7,010)	(1,795)	(2,349)	317	(10,837)
<b>Gross profit</b>	<b>22,125</b>	<b>12,587</b>	<b>11,090</b>	<b>(323)</b>	<b>45,479</b>
Operating expenses	(15,262)	(7,802)	(7,579)	(6,006)	(36,649)
<b>Adjusted^ operating profit/(loss)</b>	<b>6,863</b>	<b>4,785</b>	<b>3,511</b>	<b>(6,329)</b>	<b>8,830</b>
Amortisation of intangible assets					(3,571)
Separately reported items					(886)
<b>Operating profit</b>					<b>4,373</b>
Share of post-tax profits in associates					-
Finance income					187
Finance costs					(94)
<b>Profit before taxation</b>					<b>4,466</b>
Taxation					(2,093)
<b>Profit after taxation</b>					<b>2,373</b>
<b>Other segment information</b>					
Depreciation	99	-	-	471	570
<b>For the six months to 31 January 2017 (Unaudited)</b>					
Revenue	29,639	10,996	10,976	(248)	51,363
Cost of sales	(6,773)	(1,887)	(2,131)	(25)	(10,816)
<b>Gross profit</b>	<b>22,866</b>	<b>9,109</b>	<b>8,845</b>	<b>(273)</b>	<b>40,547</b>
Operating expenses	(18,586)	(6,342)	(6,352)	(3,598)	(34,878)
<b>Adjusted^ operating profit/(loss) (restated)*</b>	<b>4,280</b>	<b>2,767</b>	<b>2,493</b>	<b>(3,871)</b>	<b>5,669</b>
Amortisation of intangible assets					(3,103)
Exceptional items					(103)
<b>Operating profit</b>					<b>2,463</b>
Share of post-tax profits in associates					-
Finance income					390
Finance costs					(337)
<b>Profit before taxation</b>					<b>2,516</b>
Taxation					(1,047)
<b>Profit after taxation</b>					<b>1,469</b>
<b>Other segment information</b>					
Depreciation	365	57	85	59	566

# YOUNGOV PLC

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 31 January 2018

### 4 SEGMENTAL ANALYSIS (continued)

#### Supplementary information by geography

	Six months to 31 January 2018 (Unaudited)		Six months to 31 January 2017 (Unaudited)	
	Revenue £'000	Adjusted <sup>^</sup> operating profit/(loss) (restated)* £'000	Revenue £'000	Adjusted <sup>^</sup> operating profit/(loss) (restated)* £'000
UK	14,458	5,836	12,538	3,087
USA	23,283	7,899	19,650	5,071
Germany	4,472	161	5,287	240
Nordic	4,944	472	4,615	711
Middle East	6,034	1,346	7,538	1,184
France	1,694	294	1,047	94
Asia Pacific	3,873	42	2,342	(571)
Intra-group revenues / Central Costs	(2,442)	(7,220)	(1,654)	(4,147)
<b>Group</b>	<b>56,316</b>	<b>8,830</b>	<b>51,363</b>	<b>5,669</b>

\* £792,000 of operating expenses relating to the Chief Scientist and Crunch support previously included in Custom Research have been reclassified as Central Costs (Note 3).

<sup>^</sup> Operating profit/(loss) before amortisation of intangible assets and separately reported items.

### 5 SEPARATELY REPORTED ITEMS

	Unaudited 6 months to 31 January 2018 £'000	Unaudited 6 months to 31 January 2017 £'000	Audited Year ended 31 July 2017 £'000
Restructuring costs	661	103	582
Profit on the disposal of subsidiary undertakings	-	-	(94)
Acquisition related costs	225	-	-
<b>Total separately reported items</b>	<b>886</b>	<b>103</b>	<b>488</b>

Restructuring costs in the period includes £230,000 resulting from the restructuring of the Custom Research business in Germany, £204,000 in relation to the reduction of non-core custom operations in the Middle East, £155,000 on the closure of the Reports business, £50,000 in reorganising the UK's management structure and £22,000 on the establishment of centralised global operations.

Acquisition related costs in the period were incurred on the acquisition of Galaxy Research Pty Ltd and include £138,000 of contingent consideration treated as staff costs, £59,000 of transaction costs and £28,000 of integration costs.

Restructuring costs in the prior period comprise £103,000 resulting from the transfer of Operations in the US to the Operations Shared Service Centre based in Romania.

**YOUNGOV PLC**  
**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
For the six months ended 31 January 2018

**6 TAXATION**

	<b>Unaudited</b> <b>6 months to</b> <b>31 January</b> <b>2018</b> <b>£'000</b>	Unaudited 6 months to 31 January 2017 £'000	Audited Year ended 31 July 2017 £'000
Current taxation charge	<b>2,316</b>	795	3,292
Deferred taxation (credit)/charge	<b>(223)</b>	252	(19)
Total income statement tax charge	<b>2,093</b>	1,047	3,273

**7 EARNINGS PER SHARE**

	<b>Unaudited</b> <b>6 months to</b> <b>31 January</b> <b>2018</b>	Unaudited 6 months to 31 January 2017	Audited Year ended 31 July 2017
<b>Number of shares</b>			
Weighted average number of shares during the period ('000 shares):			
- Basic	<b>105,493</b>	104,570	105,453
- Dilutive effect of options	<b>4,954</b>	4,001	4,670
- Diluted	<b>110,447</b>	108,571	110,123
Basic earnings per share (in pence)	<b>2.2p</b>	1.4p	4.4p
Adjusted basic earnings per share (in pence)	<b>7.3p</b>	4.2p	10.9p
Diluted earnings per share (in pence)	<b>2.1p</b>	1.4p	4.2p
Adjusted diluted earnings per share (in pence)	<b>6.9p</b>	4.0p	10.5p

**The adjustments have the following effect:**

<b>Basic earnings per share</b>	<b>2.2p</b>	1.4p	4.4p
Amortisation of intangible assets	<b>3.4p</b>	3.0p	6.2p
Share based payments	<b>1.7p</b>	0.6p	1.4p
Separately reported items	<b>0.9p</b>	0.1p	0.5p
Tax effect of the above adjustments and adjusting tax items	<b>(0.9p)</b>	(0.9p)	(1.6p)
<b>Adjusted basic earnings per share</b>	<b>7.3p</b>	4.2p	10.9p

<b>Diluted earnings per share</b>	<b>2.1p</b>	1.4p	4.2p
Amortisation of intangible assets	<b>3.3p</b>	2.8p	5.9p
Share based payments	<b>1.6p</b>	0.6p	1.4p
Separately reported items	<b>0.8p</b>	0.1p	0.5p
Tax effect of the above adjustments and adjusting tax items	<b>(0.9p)</b>	(0.9p)	(1.5p)
<b>Adjusted diluted earnings per share</b>	<b>6.9p</b>	4.0p	10.5p

**YOUNGOV PLC****NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the six months ended 31 January 2018

**8 DIVIDEND**

On 11 December 2017 a final dividend in respect of the year ended 31 July 2017 of £2,106,000 (2.0p per share) (2016: £1,470,000 (1.4p per share)) was paid to shareholders. No interim dividend is proposed in respect of the period (2017: £nil).

**9 GOODWILL, INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT**

	Goodwill £'000	Other intangible assets £'000	Property, plant and Equipment £'000
<b>Carrying amount at 31 July 2016</b>	<b>42,401</b>	<b>10,739</b>	<b>3,568</b>
Additions:			
Separately acquired	-	1,571	383
Internally developed	-	1,405	-
Amortisation and depreciation	-	(3,116)	(566)
Disposals	-	-	-
Net exchange differences	1,783	297	160
<b>Carrying amount at 31 January 2017</b>	<b>44,184</b>	<b>10,896</b>	<b>3,545</b>
Additions:			
Separately acquired	-	1,976	460
Internally developed	-	2,016	-
Amortisation and depreciation	-	(3,392)	(608)
Disposals	-	(71)	(7)
Net exchange differences	(438)	(211)	(112)
<b>Carrying amount at 31 July 2017</b>	<b>43,746</b>	<b>11,214</b>	<b>3,278</b>
Additions:			
Business combinations	469	424	28
Separately acquired	-	1,410	615
Internally developed	-	1,712	-
Amortisation and depreciation	-	(3,571)	(570)
Disposals	-	-	(10)
Net exchange differences	(2,033)	(283)	(164)
<b>Carrying amount at 31 January 2018</b>	<b>42,182</b>	<b>10,906</b>	<b>3,177</b>

In accordance with the Group's accounting policy, the carrying values of goodwill and other intangible assets are reviewed for impairment at each balance sheet date. A full impairment test is undertaken at each financial year end and a review for indicators of impairment is undertaken at the end of each interim period and an impairment test undertaken if required. The last full annual impairment review was undertaken as at 31 July 2017. There were no indications of impairment as at 31 January 2018.

**YOUNGOV PLC**
**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the six months ended 31 January 2018

**9 GOODWILL, INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT (continued)**

Other intangible assets are analysed as follows:

	Consumer panel £'000	Software and software development £'000	Customer contracts and lists £'000	Patents and trade-marks £'000	Development costs £'000	Total £'000
<b>Carrying amount at 31 July 2016</b>	<b>2,914</b>	<b>5,636</b>	<b>1,667</b>	<b>391</b>	<b>131</b>	<b>10,739</b>
Additions:						
Separately acquired	1,364	190	-	17	-	1,571
Internally developed	-	1,405	-	-	-	1,405
Total additions	1,364	1,595	-	17	-	2,976
Amortisation:						
Business combinations	-	(109)	(281)	(87)	-	(477)
Separately acquired	(1,052)	(214)	-	(2)	(44)	(1,312)
Internally developed	-	(1,327)	-	-	-	(1,327)
Total Amortisation	(1,052)	(1,650)	(281)	(89)	(44)	(3,116)
Net exchange differences	106	86	95	7	3	297
<b>Carrying amount at 31 January 2017</b>	<b>3,332</b>	<b>5,667</b>	<b>1,481</b>	<b>326</b>	<b>90</b>	<b>10,896</b>
Additions:						
Separately acquired	2,107	(140)	-	9	-	1,976
Internally developed	-	1,980	-	-	36	2,016
Total additions	2,107	1,840	-	9	36	3,992
Amortisation:						
Business combinations	-	(117)	(281)	(86)	-	(484)
Separately acquired	(1,167)	(320)	-	(6)	(16)	(1,509)
Internally developed	-	(1,399)	-	-	-	(1,399)
Total Amortisation	(1,167)	(1,836)	(281)	(92)	(16)	(3,392)
Disposals	-	-	-	-	(71)	(71)
Net exchange differences	(72)	(71)	(64)	(3)	(1)	(211)
<b>Carrying amount at 31 July 2017</b>	<b>4,200</b>	<b>5,600</b>	<b>1,136</b>	<b>240</b>	<b>38</b>	<b>11,214</b>
Additions:						
Business combinations	-	-	424	-	-	424
Separately acquired	1,365	33	-	12	-	1,410
Internally developed	-	1,712	-	-	-	1,712
Total additions	1,365	1,745	424	12	-	3,546
Amortisation:						
Business combinations	-	(101)	(198)	-	-	(299)
Separately acquired	(1,277)	(170)	-	(3)	(2)	(1,452)
Internally developed	-	(1,820)	-	-	-	(1,820)
Total Amortisation	(1,277)	(2,091)	(198)	(3)	(2)	(3,571)
Net exchange differences	(161)	(56)	(63)	(3)	-	(283)
<b>Carrying amount at 31 January 2018</b>	<b>4,127</b>	<b>5,198</b>	<b>1,299</b>	<b>246</b>	<b>36</b>	<b>10,906</b>



## YUGOV PLC

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#### 10 BUSINESS COMBINATION AND DISPOSALS

##### Acquisition of Galaxy Research Pty Limited

On 8 December 2017, YouGov plc purchased a 100% shareholding in Galaxy Research Pty Limited ('Galaxy'), an Australian based research and technology company. The purchase consideration payable is AUD1,250,000 (£699,000) paid on completion plus a payment in respect of the net assets acquired which is currently estimated to be AUD337,000 (£188,000). In addition there is a contingent payment linked to the gross profit of Galaxy in the two years following the acquisition payable shortly after the first and second anniversaries of the acquisition.

The contingent payments due are estimated to total AUD2.3m (£1.3m) and is contingent upon continuing employment and therefore is recognised over the performance period and treated as separately reported staff compensation with £138,000 being recognised in the period to 31 January 2018.

Transaction and integration costs of £87,000 were incurred during the period ending 31 January 2018 relating to the acquisition and in accordance with IFRS3 (revised) these professional fees have been expensed in the period in which they have been incurred.

Provisional fair value adjustments have been made to align the Galaxy's accounting policies with those of YouGov. Management are currently finalising the fair value calculations, including the measurement of any separately identifiable intangible assets, and this will be completed during the year ended 31 July 2018.

The amounts recognised for each class of Galaxy's assets recognised at the acquisition date are as follows:

	Acquiree's carrying amount before combination	Provisional fair value adjustments	Provisional fair value
	£000	£000	£000
Intangible assets - software and software development	-	424	<b>424</b>
Property plant and equipment	28	-	<b>28</b>
Deferred Tax	3	(116)	<b>(113)</b>
Cash	873	-	<b>873</b>
Other working capital	(794)	-	<b>(794)</b>
Net assets	110	308	<b>418</b>
Goodwill arising on acquisition			<b>469</b>
Total consideration			<b>887</b>
<b>Total consideration analysed as:</b>			
Cash payable			<b>188</b>
Cash paid			<b>699</b>
Total consideration			<b>887</b>

The goodwill is attributable to the synergies expected from combining Galaxy with YouGov's existing business in Australia.

Ownership and control passed to YouGov on 8 December 2017 and Galaxy has been consolidated within the Group financial statements from that date. Since the acquisition Galaxy has contributed £249,000 to Group revenue and £43,000 to Group Adjusted operating profit. If the acquisition had

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occurred on 1 August 2017, Galaxy would have contributed £1,020,000 to Group revenue and £136,000 to Group Adjusted operating profit.

#### 11 SHARE CAPITAL

	Number of shares	Share capital £'000
<b>At 31 January 2017</b>	<b>105,029,566</b>	<b>210</b>
Issue of shares	269,143	1
<b>At 31 July 2017</b>	<b>105,298,709</b>	<b>211</b>
Issue of shares	140,464	-
<b>At 31 January 2018</b>	<b>105,439,173</b>	<b>211</b>

The company has only one class of share. The par value of each share is 0.2p. All issued shares are fully paid. Shares issued in the year were in respect of the exercise of 140,464 share options at nil cost per share.

#### 12 FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

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

	31 January 2018 Unaudited		31 January 2017 Unaudited	
	Book value £'000	Fair value £'000	Book value £'000	Fair value £'000
Trade and other receivables	30,915	30,915	29,304	29,304
Cash and cash equivalents	21,264	21,264	14,997	14,997
Trade and other payables	(18,258)	(18,258)	(17,269)	(17,269)

##### Fair value estimation

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

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

Liabilities	31 January 2018 Unaudited				31 January 2017 Unaudited			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Contingent consideration	-	-	138	138	-	-	-	-

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The following table presents the changes in Level 3 instruments.

	<b>Unaudited</b>	Unaudited
	<b>6 months to</b>	6 months to
	<b>31 January</b>	31 January
<b>Contingent consideration</b>	<b>2018</b>	2017
	<b>£'000</b>	£'000
Balance at 1 August	-	-
Recognised in the income statement	<b>138</b>	-
Balance at 31 January	<b>138</b>	-

**13 TRANSACTIONS WITH DIRECTORS AND OTHER RELATED PARTIES**

During the period, YouGov provided £395,000 of research services to SMG Insight Limited, an associate, and was charged £38,000 for research services by SMG Insight Limited. As at 31 January 2018, £282,000 was receivable from SMG Insight Limited in respect of these services.

As at 31 January 2018 £6,000 in respect of research services and a loan of £264,000 was receivable from Portent.io Limited, an associate, this loan bears interest at 4% and is repayable on 1 May 2019.

On 10 December 2013, YouGov plc entered into a joint development agreement with Crunch.io Inc, a US company in which Doug Rivers, a senior manager of YouGov plc, has an equity interest of 40%. YouGov and Crunch.io Inc have agreed jointly to fund the development of a cloud-based data analytics software application in which both parties have usage rights.

As at 31 January 2018, Rosamund Shakespeare, the wife of Stephan Shakespeare, held 559,404 ordinary shares in the Company.

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

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