

Trading update and acquisition

YouGov has issued a detailed trading update ahead of its full year results, now set for publication on 19 October, post a slight delay on finalising the tax position. Revenues of £169m are up 18% on an underlying basis, with an improvement in adjusted operating margin from 14.3% to 15.1%, broadly as expected. YouGov also announced the acquisition of UK adtech company Rezonence (price undisclosed), which should facilitate data acquisition from a wider range of participants beyond panel, at lower cost. We will update our numbers and add FY23 forecasts post the formal results. The group is making good progress across all geographies, but notably in the key US market.

Year end	Revenue (£m)	PBT* (£m)	EPS* (p)	DPS (p)	EV/EBITDA (x)	P/E (x)
07/19	136.5	20.4	13.8	4.0	39.8	84.4
07/20	152.4	24.7	15.7	5.0	32.1	74.2
07/21e	170.0	30.6	17.4	5.5	26.4	67.0
07/22e	185.0	37.0	21.3	6.5	23.3	54.7

Note: *PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

Within the results, **Data Products** (34% group revenues) started to see the benefit in the second half of the new sales structures, with underlying revenue growth of 18% implying a strong rebound in H221 (H121 revenue growth was 6%). There was a slight dip in margin from 35% to 33%, reflecting the additional costs. **Data Services** (27% group) was up 22% underlying as clients increased their spend on tactical work around marketing campaigns, with the US performance notably strong, up 35% underlying. **Custom Research** (39% group) was up 12% underlying, adjusting for the planned withdrawal of the Kurdistan project. The US was again a particularly strong market, up 24% underlying.

Investment in panel was higher at £11.7m (FY20: £8.9m), as the group expanded into new territories and the software development spend was £9.4m (FY20: £8.6m). The broader range of touchpoints with the public to knowingly share their data with YouGov is bringing down data acquisition costs and should allow the group to scale further and faster.

Management reports that the good momentum has continued into FY22 and that there continues to be a healthy sales pipeline.

Media

12 October 2021

Price 1165p
Market cap £1,298m

Net cash (£m) at end January 2021	27.5
Shares in issue	111.3m
Free float	89.4%
Code	YOU
Primary exchange	AIM
Secondary exchange	N/A

Share price performance



Business description

YouGov is an international research data and analytics group. Its data-led offering supports and improves a wide spectrum of marketing activities of a customer base including media owners, brands and media agencies. It works with some of the world's most recognised brands.

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