



GATEMORE

Gatemore Capital Management calls for YouGov plc to run a sale process

At the 2024 Sohn London Investment Conference today, Gatemore Capital Management (“Gatemore”) is presenting YouGov plc (“YouGov” or “the Company”), an international market research and data analytics group based in London, UK and calling for the Company to unlock shareholder value by running a sale process.

YouGov is an attractive business with a number of fundamental strengths: as a pioneer and leader in the online market research space, it boasts a proprietary data panel of 29 million individuals across 55 global markets. We believe that the Company has a strong runway for continued growth, supported by the following attributes:

- A proprietary data panel, which is difficult to replicate and creates barriers to entry;
- Broad diversification across sectors and geographies, with significant exposure to some of the world’s biggest and fastest growing markets;
- Operating leverage through its “survey once, sell many times” model, generating over 50% of its sales from syndicated data;
- Fragmentation in the \$142 billion insights industry, creating opportunities for consolidation;
- An historical track record of annual revenue growth and margin expansion, consistently achieved over the past 15 years; and
- Significant free cash flow generation (FCF), delivering ~70% operating free cash flow on average over the last five years.

Despite these fundamental strengths, YouGov now trades 70% below its peak share price achieved in 2022 and far below its average EBITDA and P/E multiples.

Gatemore believes that YouGov has made a number of missteps, which have resulted in the large and widening gap between the Company’s intrinsic value and its lacklustre share price performance:

- A continued failure to provide sufficient, timely guidance on Company financials by the current management, which has eroded investor confidence;
- A sustained lack of clarity on how the Company plans to achieve its mid-term targets, resulting in a wide gap between management’s plan and market consensus; and
- A lack of alignment between the Company’s leadership and its shareholders, with all six non-executive directors who collectively own less than 0.05% of the Company’s shares.

Furthermore, Gatemore believes that YouGov’s listing on AIM presents a further obstacle to achieving a rerating, as AIM has dramatically underperformed the FTSE 250 and Russell 2000, seeing significant and unrelenting fund outflows.

As such, today, Gatemore publicly calls for YouGov to conduct a strategic review with a view to unlocking value for shareholders. YouGov needs to take a number of steps to rebuild confidence in its shareholder base; however, the most direct path to achieving full value would be the sale of the business.

Liad Meidar, Managing Partner of Gatemore, said: “We are deeply confident in YouGov’s fundamental strengths and long-term potential. However, urgent actions are needed now to help the Company chart a path towards realizing its intrinsic value. YouGov could thrive under new ownership, leaving behind its current governance issues and the malaise of being listed on AIM.”

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About Gatemore Capital Management

Gatemore Capital Management manages an activist strategy focused on companies across consumer, industrial, healthcare, sports, media, and technology sectors. Gatemore primarily targets fundamentally sound businesses that are underperforming and/or undervalued but have strong potential for recovery and growth. Gatemore's strategy is to influence outcomes and drive outperformance through thought leadership and deep engagement, aiming to effect positive change and unlock value within the companies in which they invest.

Learn more about Gatemore [here](#).