

Results Presentation | Twelve months ended 31 December 2016
BrainJuicer Group PLC



System 1

Feel more: Buy more

**Leading
exponent
of behavioural
economics and
system-1 thinking
in marketing and
research**

Founded in 1999

Floated on AIM in December 2006 at £1.08 per share

Track record of profitable organic growth and strong cash flow

Operating in 10 countries

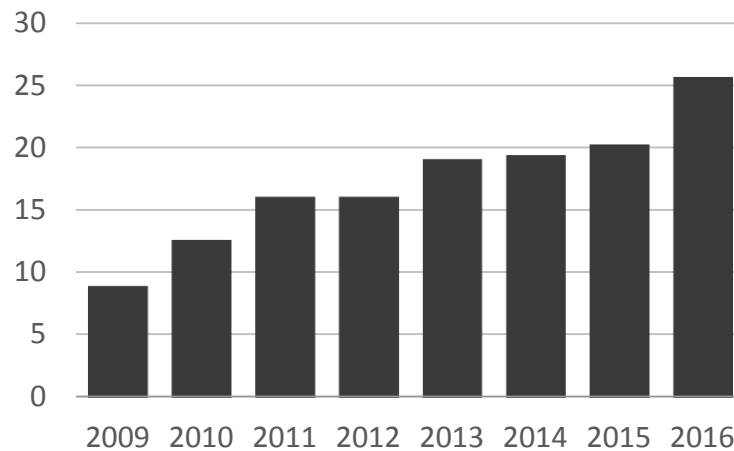
150 employees

200 large (mainly consumer goods) clients

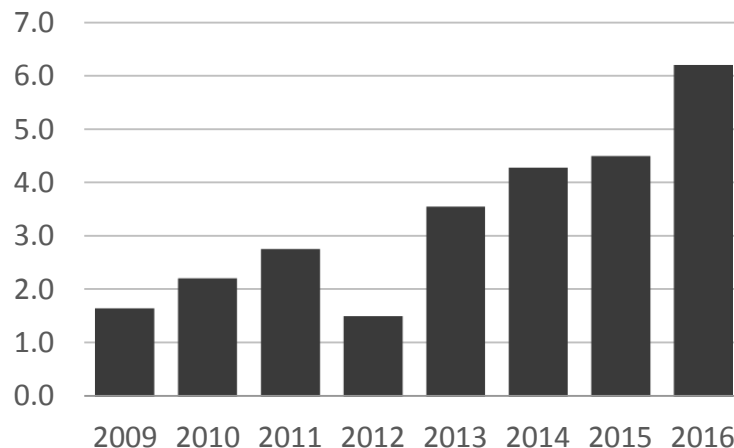
Top-line returned to growth after two slower years

Gross profit (£m)

main top-line performance indicator



Profit before tax (£m)



Revenue up 24% (15% in constant currency)

Gross profit up 27% (15% in constant currency)

Operating profit up 37%

Profit before tax up 38%

Profit after tax up 31%

Diluted EPS up 33%

Cash inflow before financing £6.34m (160% of PAT)

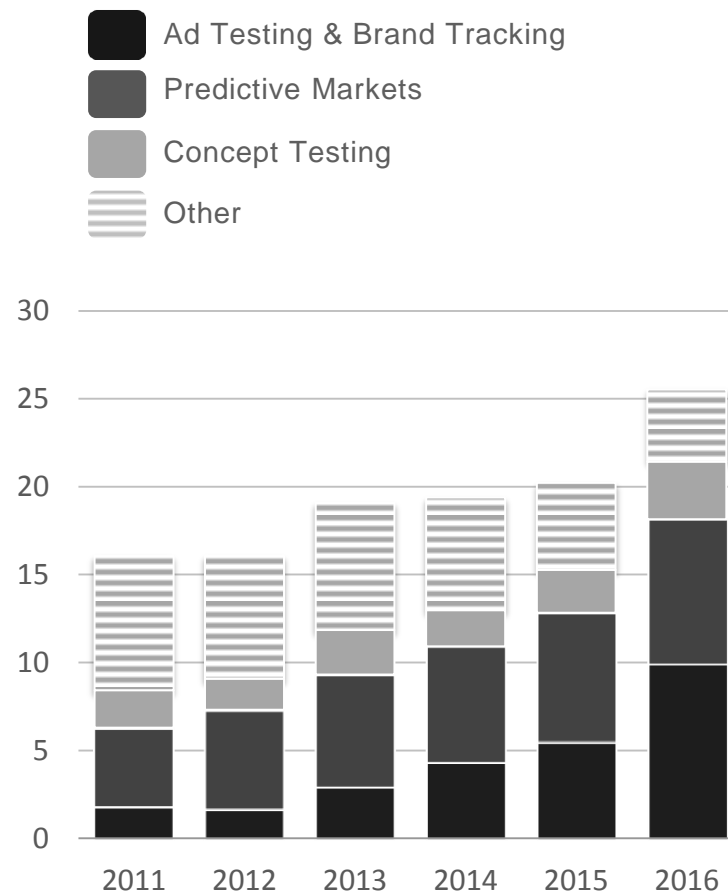
Cash returned to shareholders: £5.25m

Cash balance: £7.75m and no debt

Changing financial year end to March 2017

Growth driven by core products, particularly Ad Testing and Brand Tracking

Product mix – gross profit £m



Most of the business from our core 4 products

Building brands: Ad Testing, Brand Tracking

Innovation: Predictive Markets, Concept Testing

Building brands

Ad Testing and Brand Tracking growing strongly - in part due to recently introduced Fame | Feeling | Fluency approach to brand building.

Leading to more sole supplier status and regular repeat usage.

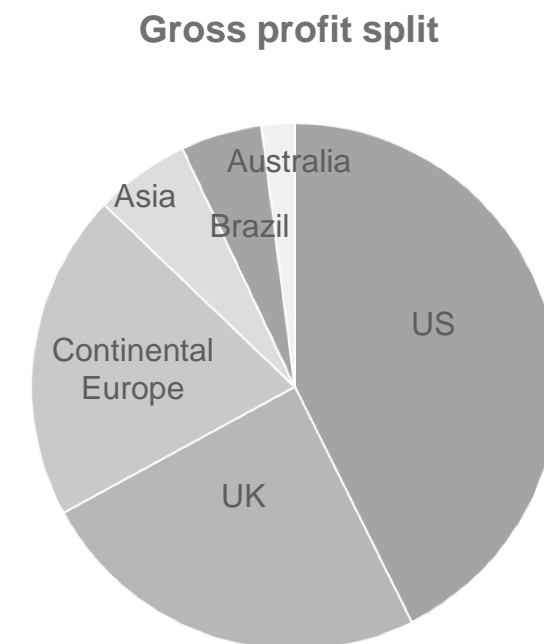
Innovation

Predictive Markets and Concept Testing growing, albeit at a slower pace, in part due to pricing pressure.

Introducing lower cost automated versions of Predictive Markets to compensate.

US growing well, and Continental Europe bounced back. UK down a little.

	Gross profit		Operating profit	
US	£10.89m	+ 40%	£6.29m	+ 42%
UK	£6.23m	- 7%	£3.68m	- 19%
Continental Europe	£5.13m	+ 64%	£3.07m	+ 89%
Asia	£1.50m	- %	£0.72m	+ 28%
Brazil	£1.28m	+ 12%	£0.63m	+ 1%
Australia	£0.51m		£0.33m	
Total Research	£25.53m	+ 26%	£14.72m	+ 25%
System1 Ad Agency	£0.11m		£(0.31)m	
Total	£25.64m	+ 27%	£14.42m	+ 23%
Central Costs			£(8.19)m	+ 14%
Operating profit			£6.23m	+ 37%



Cost increase in large part due to increase in bonus accrual

	2016	2015	Growth
Underlying overheads	£16.05m	£15.12m	6%
Bonus	£2.40m	£0.06m	
System1 Advertising Agency	£0.41m	-	
Share-based payments	£0.55m	£0.20m	
One-off costs	-	£0.32m	
Total overheads	£19.41m	£15.70m	24%

Modest underlying cost increase
Cost growth pre-bonus well below gross profit growth

Capacity to scale several times current size in long term
without CAPEX and without costs growing as much as gross profit

Higher effective tax rate
36% in 2016 vs 33% in 2015, due to higher profits from US and Continental Europe

Strong cash flow and returning it to shareholders

Cash Flow

High cash conversion

Pre-financing cash flow £6.34m
(160% of profit after tax)

**Finished the period with £7.75m
cash and no debt**

**Plus £2m unused committed
facility**

Returns to shareholders

**Returned £5.25m to shareholders
in the year**

Dividends £2.05m

Share buy-backs £3.20m

**2016 final dividend will be
declared after announcement of
15 month results in June 2017**

Outlook ... more of the same

Made good progress on 2016 objectives

- Continue momentum in US ✓
- Grow in other regions as in US ✓✗
- Grow gross profit by more than headcount ✓
- Major on core products ✓
- Set up System1 Advertising Agency ✓
- Experiment with Zappistore ✗

2017/18 objectives are similar

(with less emphasis on Zappistore)

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