

Results Presentation | Six months ended 30 June 2016
BrainJuicer Group PLC



System 1

Feel more: Buy more

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

Our five golden rules of famous 5-Star communication

- 1. We think much less than we think we think**
(fast feelings drive decisions, slow thinking rationalises the reasons)
- 2. Those who tell the best stories rule the world**
(the human mind is a story processor not a logic processor)
- 3. Your buyers mostly buy other brands and occasionally buy yours**
(growth comes from gaining a repertoire among more people)
- 4. Focus on new buyers because loyalty comes free**
(you don't increase your brand's share by targeting existing users)
- 5. Fame, Feeling and Fluency drive famous 5-Star Marketing**
(fortune follows fame | feel more buy more | recognition speeds decision)

Building our core, expanding our offering and extending our availability

Returned to double digit growth

15% gross profit growth (11% in constant currency).

Fame | Feeling | Fluency

New model for brand building bearing fruit. Ad Testing and Brand Tracking gross profit up 59%.

Increased “Ongoing” business

Rise of Ad Testing and Brand Tracking leading to more Ongoing (regular, repeat) business.

System1 Advertising Agency

Set-up of new Advertising Agency on track.

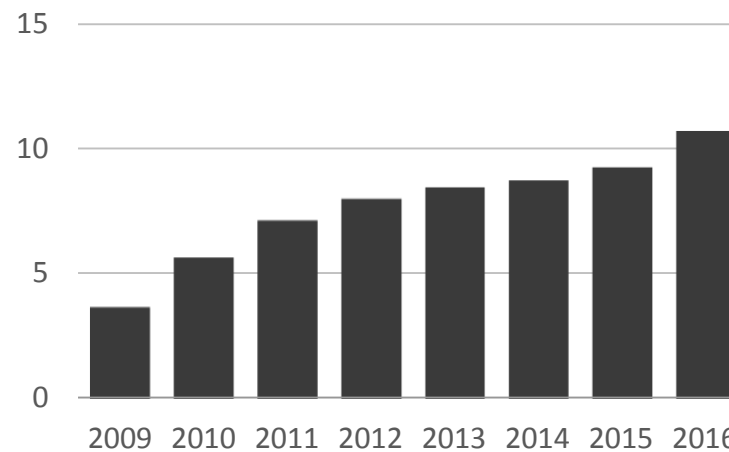
Automation

Offering light automated versions of our products for scale and volume purchasers.

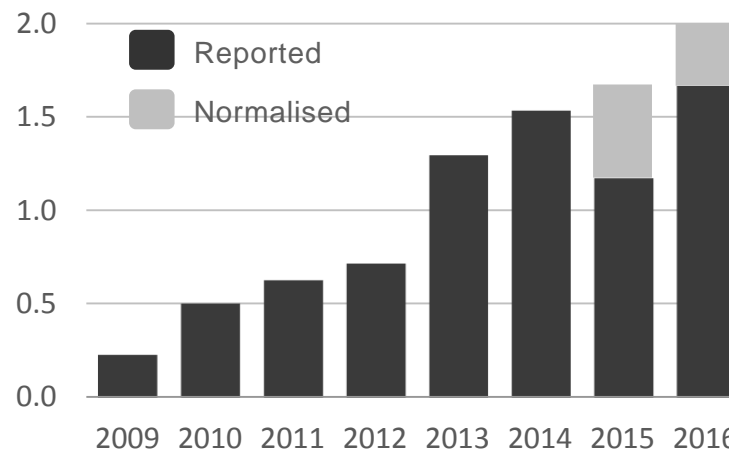
Top-line returned to growth after two slower years

H1 gross profit (£m)

main top-line performance indicator



H1 operating profit (£m)



Revenue up 12%

Gross profit up 15%

Normalised operating profit up 20%

Normalised profit before tax up 22%

Reported profit before tax up 45%

Profit after tax up 38%

Diluted EPS up 41%

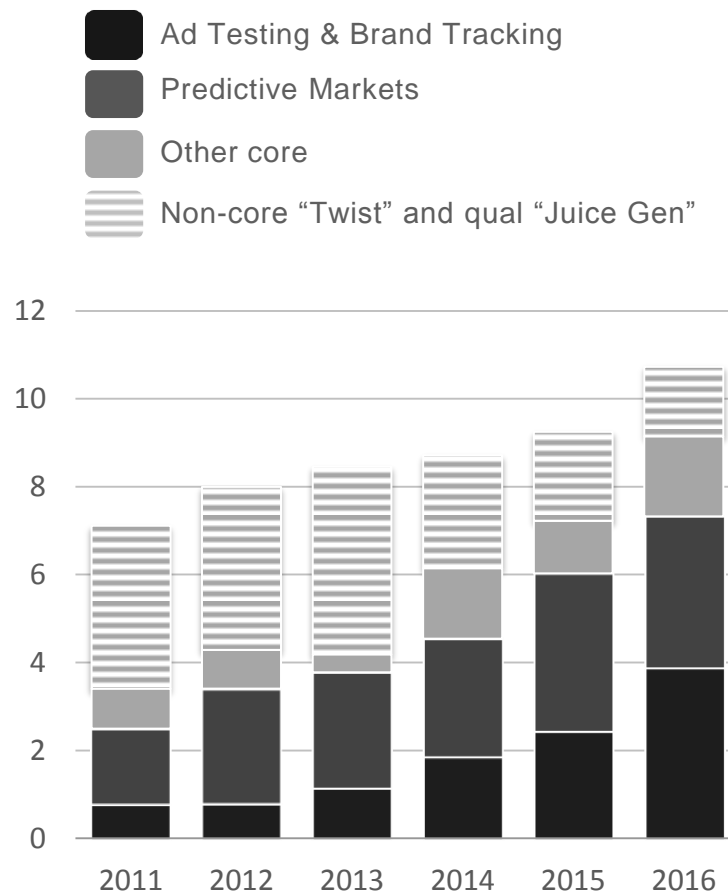
Cash returned to shareholders: £2.21m

Cash balance: £5.18m and no debt

Changing financial year end to March 2017

Growth driven by Ad Testing and Brand Tracking

H1 product mix – gross profit £m



Most of business now core quantitative services helping clients build brands and innovate

Non-core (“Twist”) services and qualitative (“Juice Gen”) services now only 15% of the business.

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

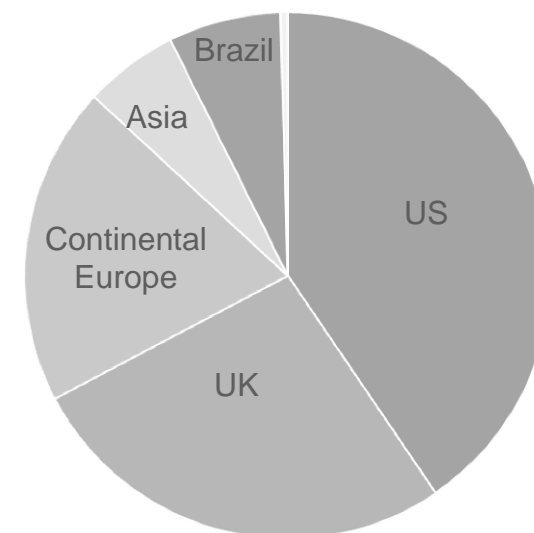
Predictive Markets slightly declined, due in part to pricing pressure. Introducing lower cost automated versions of our product to compensate.

Mixed fortunes geographically

Reflecting client ups and downs more than systemic issues

	H1 gross profit		H1 operating profit	
US	£4.34m	+ 27%	£2.32m	+ 28%
UK	£2.87m	- 2%	£1.51m	- 17%
Continental Europe	£2.10m	+ 30%	£1.30m	+ 51%
Asia	£0.62m	- 10%	£0.16m	- 21%
Brazil	£0.74m	+ 21%	£0.47m	+ 76%
Australia	£0.05		£0.04	
Total Research	£10.72m	+ 16%	£5.80m	+ 17%
System1 Ad Agency	£(0.04)m		£(0.27)m	
Total	£10.68m		£5.53m	
Central Costs			£(3.86)m	+ 2%
Operating profit			£1.67m	+ 42%

H1 gross profit split



H1 cost increase in large part due to increase in bonus accrual

	H1 2016	H1 2015	Growth
Normalised overheads pre-bonus	£7.94m	£7.58m	5%
Bonus	£0.77m	-	
Normalised overheads post-bonus	£8.71m	£7.58m	15%
Share-based payments	£0.09m	£0.18m	
One-off costs	-	£0.32m	
System1 start-up operating cost	£0.22m	-	
Reported overheads	£9.02m	£8.08m	12%

Modest underlying cost increase
Cost growth pre-bonus slower than 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 H1 2016 vs 33% in H1 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 77% of profit after tax

Finished the period with £5.18m cash and no debt

Plus £2m unused committed facility

Returns to shareholders

Returned £2.21m to shareholders in the period

- Dividends £0.45m
- Share buy-backs £1.77m

Additional dividends of £1.62m in H2 2016

- Interim dividend 1.1p per share (up from 1.0p in 2015)
- Special dividend 12.0p per share

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