

# System1 Group

16 April 2024

## System1 Group PLC (AIM: SYS1) ("System1", or "the Company", or "the Group")

### Final Quarter and Full Year Trading Update

System1, the marketing decision-making platform [www.system1group.com](http://www.system1group.com) today issues an update on trading for the quarter (Q4) and financial year ended 31 March 2024 (FY24).

Revenue £ million - unaudited	Q4 FY24	Q4 FY23	Q4 % YoY	Year FY24	Year FY23	Year % YoY
Predict Your (data)	5.6	4.5	24%	19.7	14.1	40%
Improve Your (data-led consultancy)	2.0	1.0	98%	4.9	3.3	47%
<b>Platform Revenue</b>	<b>7.6</b>	<b>5.5</b>	<b>37%</b>	<b>24.7</b>	<b>17.4</b>	<b>42%</b>
Other consultancy (non-platform)	1.1	1.2	-6%	5.3	6.0	-12%
<b>Total Revenue</b>	<b>8.7</b>	<b>6.7</b>	<b>30%</b>	<b>30.0</b>	<b>23.4</b>	<b>28%</b>

\* All numbers in this announcement are unaudited and therefore may be subject to change.

Q4 Revenue of £8.7m was 30% higher than the equivalent quarter last year, lifting FY24 Revenue to £30.0m, up 28% year on year. Platform Revenue growth remained strong (+37% in Q4; +42% for the year) buoyed by the successful H2 launch of TYA Pro+ and more than 50% Platform Revenue growth in Q4 in the US where Revenue grew quarter on prior quarter throughout FY24. Platform Revenue comprised 87% of Revenue in Q4 and 82% for the year as a whole (FY23:74%). New business performance was strong throughout the year, with over 250 new clients providing just over a quarter of total Revenue. All geographic regions achieved substantial double-digit Revenue growth for the year. The Communications product group (Test Your Ad) delivered the majority of the Revenue growth in FY24, with gains in Innovation offsetting a reduction in Brand following the end of a non-platform multi-year contract.

Following an exceptional H1, gross profit margins returned to expected levels in H2, achieving 87.0% for the year as a whole (FY23: 84.2%), ahead of our 85% benchmark.

Net cash increased by £3.3m in H2 FY24 and £3.9m across the year, resulting in year-end net cash of £9.6m (FY23: £5.7m).

Based on the unaudited management accounts, Profit before Taxation for the year ended 31 March 2024 is expected to amount to £2.8m, up £2.1m on FY23 and ahead of market expectations<sup>1</sup>. This Profit before Taxation figure includes the release of £0.4m of provisions related to a now-closed sabbatical scheme. The adjusted EBITDA margin for the year is expected to exceed 14% (FY23: 8%), representing good progress towards the Group's at-scale goal of 30%.

Marking its confidence in the Group's cash generation and continuing profitable growth, the Board intends to resume paying dividends, starting with a final dividend for FY24 which will be detailed in the annual results and formally proposed to shareholders at September's AGM.

Commenting on the results, CEO James Gregory said: "Our first full year post the 2022 Strategic Review

has surpassed our expectations. We have delivered £30m of Revenue, up 28% year on year, growing quarter on prior quarter throughout the year. This is underpinned by over 250 new client wins, Platform Revenue up by over 40% and Profit before Taxation up by 300% on the previous year. In the coming year we will step up investment in attracting, winning and retaining customers in order to continue our growth trajectory".

1. *For the purpose of this announcement, the Group believes market consensus for FY24 to be revenue of £29.1m, and profit before tax of £2.4m.*

Further information on the Company can be found at [www.system1group.com](http://www.system1group.com).

This announcement contains inside information for the purposes of article 7 of the Market Abuse Regulation (EU) 596/2014 as amended by regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations 2019/310. With the publication of this announcement, this information is now considered to be in the public domain.

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