System1 Group

21 January 2025

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

System1, the marketing decision-making platform www.system1group.com today issues an update on trading for the quarter ended 31 December 2024 ("**Q3 FY25**").

Revenue £ million - unaudited	Q3 FY25	Q3 FY24	Q3 % YoY	YTD FY25	YTD FY24	YTD % YoY
Predict Your (data)	8.2	5.2	57%	21.5	14.2	51%
Improve Your (data-led consultancy)	1.3	1.0	33%	4.7	2.9	61%
Platform Revenue	**9.5**	**6.2**	**53%**	**26.2**	**17.1**	**53%**
Other consultancy (non-platform)	0.7	1.8	-62%	2.3	4.2	-45%
Total Revenue	10.2	8.0	26%	28.5	21.4	34%

Q3 FY25 update

System1 made further progress on delivery against the strategic review objectives that the Board set out following its strategic review in 2022, growing Q3 FY25 platform revenue by 53% versus Q3 FY24. Platform revenue accounted for 93% of Total Revenue in Q3.

Predict Your (data) revenue grew by 57% on the comparable prior-year quarter to £8.2m and Improve Your (data-led consultancy) revenue increased by 33% over the comparable prior-year quarter to £1.3m, bringing total platform revenue to £9.5m, up 53%. The increase in platform revenue reflected consistent growth in ad testing together with completion of a large project for a US-based client in December 2024.

Total Group revenue grew by £2.2m to £10.2 million in Q3 2025, up 26% on Q3 FY24, with strong platform revenue growth in the US, UK and APAC more than offsetting reductions in Europe, Innovation and non-platform sales. Other consultancy represented just 7% of Total Revenue in Q3 FY25 (Q3 FY24: 23%).

Nine Months to 31 December 2024

Predict Your (data) revenue grew by 51% on the comparable prior-year period to £21.5m and Improve Your (data-led consultancy) revenue increased by 61% over the comparable prior year to date to £4.7m, bringing total platform revenue to £26.2m, up 53%. Net platform revenue retention remained broadly in line with H1 FY25, above 110%.

Total Group revenue grew by £7.1m to £28.5m, up 34%, with year-to-date gross profit margin slightly up on H1 FY25 at 88%.

The Group's Q3 FY25 period-end cash balance rose to £10.2m (31 December 2023: £6.4m; 31 March 2024: £9.6m). The £0.6m dividend for FY24 was paid in October 2024.

New Clients

System1 won over 120 new clients in Q3 FY25, and over 230 in the first nine months of FY25. These new clients contributed just over a quarter of Platform Revenue in Q3 FY25 and included the short-form video hosting service, TikTok; a global market leader in enterprise application software; one of Britain's leading retailers; a US manufacturer of carbonated beverages; and a global flag-carrier airline.

Innovation

System1 has appointed Tristan Findlay as Managing Director of Innovation. In this role on the Executive Team, Tristan will lead System1's innovation function, driving the development and growth of solutions that help brands confidently optimise their ideas. He was previously group commercial officer and European commercial lead for AI at Toluna. Prior to Toluna, Tristan was chief growth officer at MMR Research, head of innovation practice at Zappi and began his career at Nielsen Bases.

Outlook

System1 enters the final three months of this financial year on the back of a record third quarter achieved while facing some economic headwinds in Europe and the UK. The Board now believes that the Group is well placed to achieve full-year revenue at least in line with current market expectations[1] and deliver a full-year adjusted profit before taxation[1] of approximately £5m, comfortably above current market expectations[1] (FY24: £3.1m).

Commenting on the trading update, CEO James Gregory said: "The third quarter ended well with record platform revenue, strong revenue retention, and an encouraging new business pipeline for the rest of the financial year. We are making good progress with the £2m investment programme announced in our Interim Results last month which is targeting medium-term revenue growth through building our position in the US and revitalising System1's Innovation proposition."

Further information on the Company can be found at www.system1group.com.

[1] *For the purpose of this announcement, the Group believes market expectations for FY25 to be revenue of £37m and adjusted profit before taxation of £4.4m. Adjusted profit before taxation is statutory profit before taxation + share-based payments.*

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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