

System1 Group

23 April 2025

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 today issues an update on trading for the quarter ("Q4") and financial year ended 31 March 2025 ("FY25").

Revenue £ million - unaudited	Q4 FY25	Q4 FY24	Q4 % YoY	H2 FY25	H2 FY24	H2 % YoY	Full Year FY25	Full Year FY24	Full Year % YoY
Predict Your (data)	6.6	5.5	19%	14.7	10.7	37%	28.1	19.8	42%
Improve Your (data-led consultancy)	1.8	2.1	-15%	3.1	3.1	0%	6.5	5.0	29%
Platform Revenue	8.4	7.7	10%	17.9	13.9	29%	34.6	24.8	39%
Other consultancy (non-platform)	0.5	1.0	-48%	1.2	2.9	-57%	2.9	5.2	-45%
Total Revenue	8.9	8.7	3%	19.1	16.7	14%	37.4	30.0	25%

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

Full Year Highlights

- ★ Total Revenue of £37.4m, +25% YoY (FY24: £30.0m)
 - ★ Platform Revenue up by 39% YoY
 - ★ Over 300 new Platform clients produced £8.1m new Platform Revenue (FY24: £7.5m)
 - ★ Platform Net Revenue Retention 106% (FY24: 100%)
 - ★ US Revenue +49% YoY; UK + 28% YoY
 - ★ Ad testing Revenue +39% YoY
- ★ Gross profit margin 88% (FY24: 87%)
- ★ Adjusted EBITDA £6.5m (FY24: £4.4m)
- ★ Adjusted PBT £5.2m (FY24: £3.1m, + £68% YoY), PBT £5.3m (FY24: £3.1m, +71% YoY)
- ★ Free cash flow £4.2m. Year-end cash £12.9m.

Revenue

Total Q4 Revenue of £8.9m was 2% higher than the very strong equivalent quarter last year, lifting FY25 Total Revenue to £37.4m, up 25% year on year. Platform Revenue increased by 9% in Q4 and 39% for the year due to continued strong performance in the UK and the US. Platform Revenue comprised 94% of Revenue in Q4 and 92% for the year as a whole (Full year FY24: 83%). New business performance was strong throughout the year, with over 300 new platform clients providing 23% of full year Platform Revenue.

New business wins in Q4 included an international video streaming service, one of the world's top three wine and spirits sellers, a large discount retailer chain, a US biotech business, and a multinational quick service restaurant group. Ad testing revenue grew by 39% in the year; Innovation showed double-digit growth H2 on H1 but declined by 30% YoY, and Brand was 4% lower than in FY24. The relatively modest overall revenue growth in Q4 reflected recent global disruption, volatility and uncertainty in global markets. In spite of this, March was the highest revenue month of the financial year.

the financial year.

Profitability

The Gross Profit margin was consistently strong in each quarter, closing at 88% for the year (FY24: 87%). Based on the unaudited management accounts, Adjusted Profit before Taxation for the year ended 31 March 2025 is expected to amount to £5.2m, up £2.1m, 68% on FY24. The adjusted EBITDA margin of over 17% in a period of accelerated investment in growth (FY24: 14%), represents good progress towards the Group's at-scale goal of 30%.

Cash Generation

Net cash increased by £4.0m in H2 FY25 and £3.3m across the year, resulting in year-end net cash of £12.9m (FY24: £9.6m, H1 FY25: £8.9m). Free cash flow was £4.2m after £0.7m of property lease payments treated as depreciation; (FY24: £4.0m). A £0.6m dividend was paid in Q3.

Notice of FY results

The Company intends to publish its FY25 results on 9 July 2025. Details of the Investor Meet Company presentation will follow closer to the day of the results.

Outlook

While it is too early for us to gauge the effect that the current volatility in global markets will have on our clients' budgets, inevitably at this stage there is more downside than upside risk and we will provide a further update in our full year results. While we remain focused on continuing the profitable growth momentum in the business, replicating 40%+ platform revenue growth may be challenging in the current global economic and political climate, however we do anticipate continuing to deliver strong revenue growth. We strongly believe that with 25 years of advertising and innovation experience, and a methodology rooted in behavioural science, System1 is well placed to achieve our long-term goals by enabling the world's largest brands to create with confidence.

Commenting on the results, CEO James Gregory said: "This year we delivered 39% platform revenue growth, improved profitability and cash generation whilst investing substantially in our people, the US market, and our customer offering. We begin the new financial year with a clear plan to grow our business in the US and revitalise our Innovation product offering".

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

This announcement contains inside information for the purposes of article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 and 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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