

# System1 Group

24 October  
2023

**System1 Group PLC (AIM: SYS1)**  
("System1", or "the Company", or "the Group")  
**Quarter 2 and Half 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 ended 30 September 2023 (Q2) and the half-year ended 30 September 2023 (H1) in advance of its interim results announcement.

Revenue £ million - unaudited	Q2	Q2	Q2	H1	H1	H1
	FY24	FY23	% YoY	FY24	FY23	% YoY
Predict Your (data)	5.0	3.2	57%	9.0	6.2	47%
Improve Your (data-led consultancy)	1.0	0.7	49%	1.9	1.4	31%
<b>Platform Revenue</b>	<b>6.0</b>	<b>3.9</b>	<b>55%</b>	<b>10.9</b>	<b>7.6</b>	<b>44%</b>
Other consultancy (non-platform)	1.1	1.4	-21%	2.4	2.9	-18%
<b>Total Revenue</b>	<b>7.1</b>	<b>5.3</b>	<b>35%</b>	<b>13.3</b>	<b>10.5</b>	<b>27%</b>

## Quarter 2 Update

As highlighted in the Company's AGM trading update on 27 September 2023, System1 made further progress towards the strategic objectives that the Board set out following the 2022 strategic review, growing Q2 platform revenue by 55% versus Q2 FY23.

Predict Your (data) revenue grew by 57% on the comparable prior-year quarter to £5.0m and Improve Your (data-led consultancy) revenue increased by 49% over the comparable prior-year quarter to £1.0m, bringing total platform revenue to £6.0m, up 55%.

Total Group revenue grew by £1.9m (35%) on Q2 FY23 including a £0.3m reduction in non-platform consultancy, with particularly strong growth in Europe and the UK.

## Half Year Update

Revenue performance for H1 was slightly ahead of the estimates contained in last month's AGM trading update, with total revenue expected to be up 27% on H1 FY23 and platform revenue expected to grow by 44%.

Gross profit for the first half year is expected to reach £11.6m at a margin of 87% (H1 FY23: £8.5m at 81.5% margin), reflecting the management team's focus on delivering profitable growth and improving shareholder value. Operating costs are expected to increase by £2.2m versus the comparable period, due to increased staff costs - including performance related pay, lower net capitalisation of IT development costs, and enhanced sector and geographic coverage of the TYA Premium database following multiple client wins in the retail, technology and travel sectors.

The Company expects to report a Statutory Pre-Tax Profit just below £1.0 million for the half-year (H1 FY 23: £0.0m)

Cash inflow during H1 amounted to £0.6m, resulting in a 30 September 2023 net cash balance of £6.3m (31 March 2023: £5.7m).

The Company won over 100 new clients in H1, including a global top three advertiser, a leading global breakfast foods company, a leading European car manufacturer, a leading budget airline, a 'big four' UK supermarket, and a multinational consumer goods company.

Commenting on the trading update, CEO James Gregory said: "The sales momentum in the platform business continues, with platform revenue up 55% in Q2, 44% in H1 and all at an improved profit margin".

### **Interim Results**

The Company intends to release interim results for the half-year ended 30 September 2023 on 6 December 2023.

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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