



2016 First-half Results

Ipsos on the move

JULY 27, 2016

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GAME CHANGERS



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THE MARKET IS EXPANDING

THE MARKET IS EXPANDING

A growing need for authenticity (1/2)



Marketing used to be creating a myth and telling it.
Now it is about finding a truth and sharing it.
In product truth, in brand truth, in corporate truth.”

Marc Mathieu, CMO Samsung

THE MARKET IS EXPANDING

A growing need for authenticity (2/2)



At Facebook, (...) we are proud of diminishing the stature of irrelevant metrics (...). We are determined to move forward, look for real measures of value instead of proxies (...). It will take courage, effort, and science to abandon the comfort of the easily measured and replace it with the relentless focus on value (...). Marketing will have the tools to drive organic revenue growth and the authority to lead our organisations forward.”

**Brad Smallwood, VP of measurement and insights
and head of Facebook marketing science team**

THE MARKET IS EXPANDING

The research market is growing and diversifying (1/2)

The market is growing:

- \$43-64 billion¹
- Market growth estimated at 2-5%²

The market is diversifying:

- Mobile
- E-commerce
- Fragmentation of media and its consumption
- Multiplication and hyper-segmentation of offers

THE MARKET IS EXPANDING

The research market is growing and diversifying (2/2)

Ipsos' response: the "New Way" programme

Its ambition:

- Get closer to its clients and renew the offering with the New Services
- Improve operational performance
- Strengthen the power of the brand

THE MARKET IS EXPANDING

Ipsos's assets

- Clients relationship
- Talent and expertise of its teams
- Global presence
- Operational capabilities
- Independence and neutrality
- Strong brand
- Focus on the "4S's": "Security, Simplicity, Speed, Substance"



IPSOS ON THE MOVE

IPSOS ON THE MOVE

The success of the New Services (1/2)

4 categories of New Services:

- Measure differently
- Have the data in real time
- Analyse big data
- Offer expert advisory services

IPSOS ON THE MOVE

The success of the New Services (2/2)

In H1 2016:

Revenue **+24%** vs. H1 2015

11% of revenue*

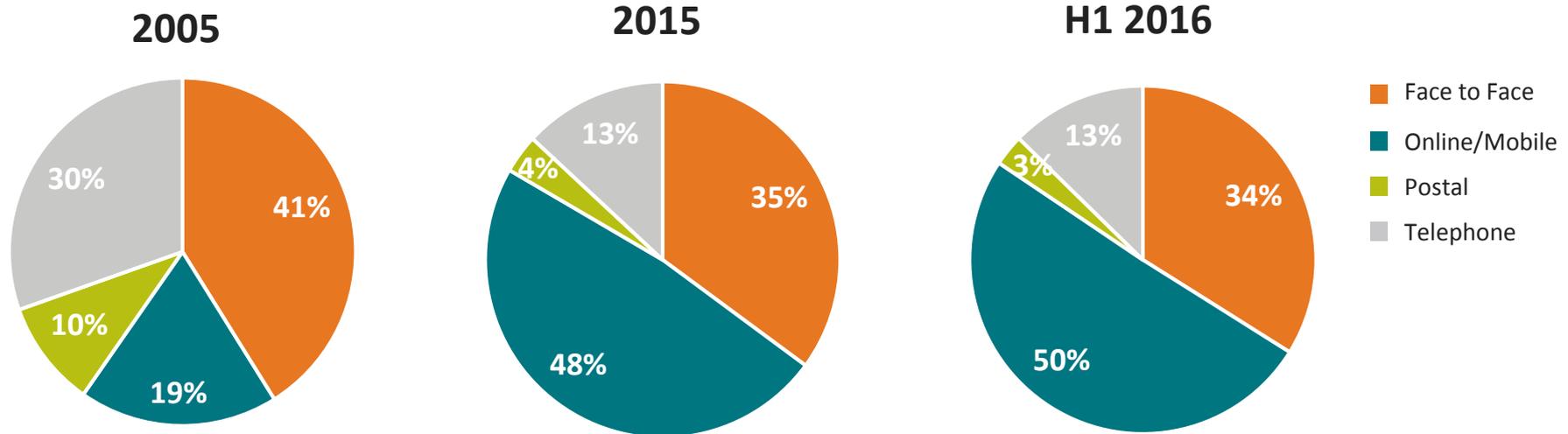
2/3 of the Group's growth

*Of which 12% in developed countries and 8% in emerging countries

IPSOS ON THE MOVE

The digitalisation of data collection continues

Survey-based research (80% of the activity) - Data collection methods:



IPSOS ON THE MOVE

The improvement is general: the regions (1/3)

| | H1 2016 Revenue (in millions of euros) | Share | Organic growth |
|----------------------------|---|-------------|----------------|
| EMEA | 360.0 | 43% | 1.5% |
| Americas | 330.4 | 40% | 3% |
| Asia-Pacific | 143.1 | 17% | 8% |
| First-half Revenue* | 833.6 | 100% | 3.3% |

| *Including: | Share | Organic growth |
|---------------------|-------|----------------|
| Developed countries | 67% | 2.8% |
| Emerging countries | 33% | 4.4% |

IPSOS ON THE MOVE

The improvement is general: business lines (2/3)

| | H1 2016 Revenue (in millions of euros) | Share | Organic growth |
|---|---|-------------|----------------|
| Media and Advertising Research | 182.7 | 22% | -1% |
| Marketing Research | 447.8 | 54% | 4% |
| Opinion & Social Research | 85.8 | 10% | 4% |
| Client and employee relationship management | 117.2 | 14% | 7% |
| First-half Revenue | 833.6 | 100% | 3.3% |

IPSOS ON THE MOVE

The improvement is general: the client base (3/3)

Global clients* Change in revenue

| % | 2014 | 2015 | H1 2016 |
|----------------|------|------|---------|
| Global clients | -5.6 | -1.1 | +3.7 |

At constant scope and exchange rates

38% of
revenue
in H1 2016

(*) International client members of a centralised management programme

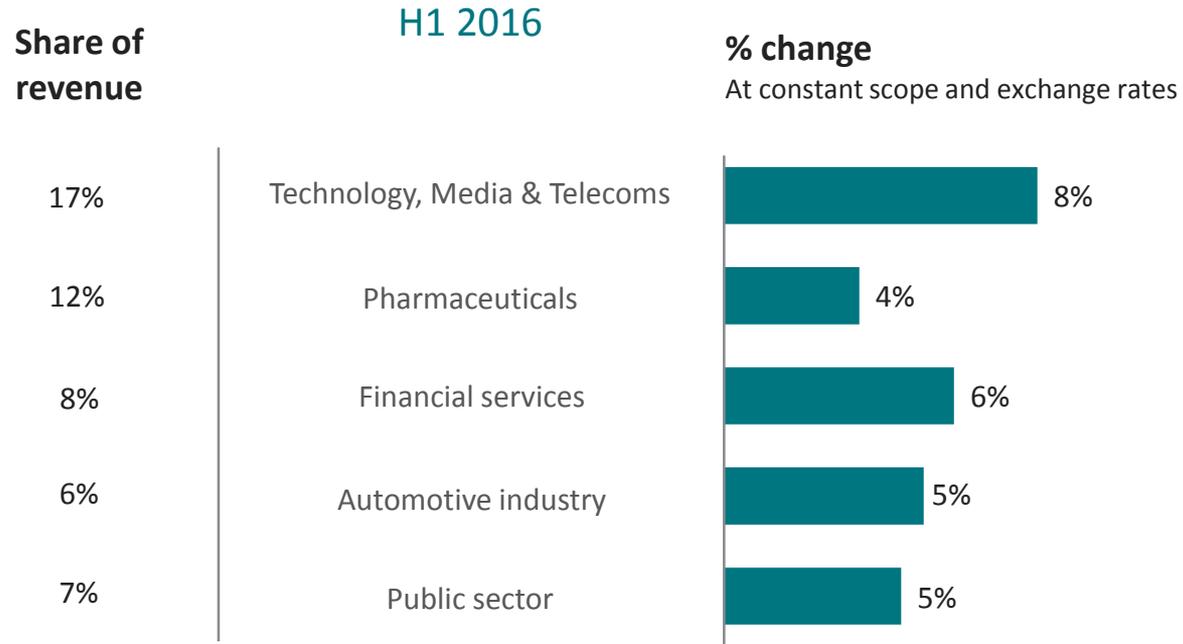
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GAME CHANGERS



IPSOS ON THE MOVE

The client groups are diversifying

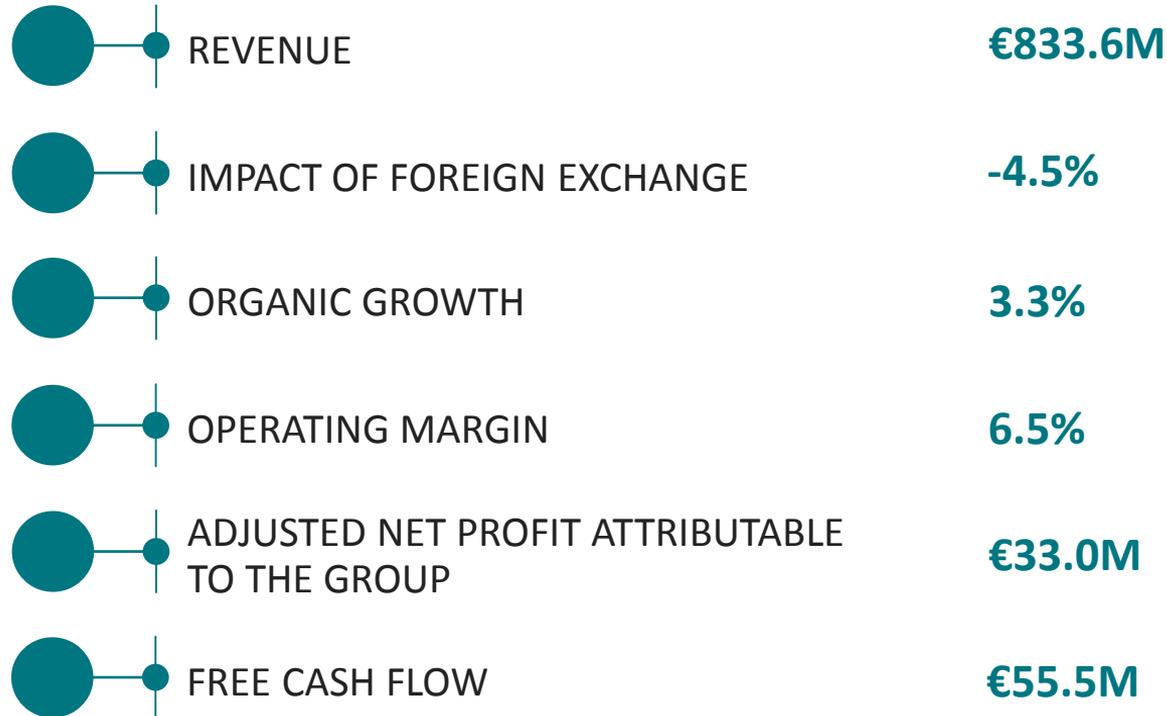




2016 FIRST-HALF RESULTS

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Highlights of the half year



2016 FIRST-HALF RESULTS

A good profitability

| <i>In millions of euros</i> | H1 2016 | H1 2015 | Variation H1 2016 / H1 2015 | Reminder 31 December 2015 |
|--|--------------|--------------|--------------------------------|------------------------------|
| Revenue | 833.6 | 832.9 | 0.1% | 1,785.3 |
| Gross profit | 545.0 | 536.4 | 1.6% | 1,149.7 |
| Gross profit/Revenue | 65.4% | 64.4% | - | 64.4% |
| Operating margin | 53.8 | 46.8 | 14.9% | 178.2 |
| Operating margin/Revenue | 6.5% | 5.6% | - | 10.0% |
| Other operating income and expense | 8.7 | (11.2) | - | (17.3) |
| Finance costs | (10.2) | (12.1) | | (23.8) |
| Income Tax | (12.4) | (4.5) | | (33.8) |
| Net profit (attrib. to the Group) | 35.2 | 12.9 | 173.5% | 93.0 |
| Adjusted net profit* (attrib. to the Group) | 33.0 | 30.5 | 8.2% | 126.5 |

* Adjusted net profit is calculated before non-cash items linked to IFRS 2 (share-based payments), amortisation of acquisition-related intangible assets (client relationships), deferred tax liabilities related to goodwill on which amortisation is tax-deductible in certain countries and the impact net of tax of other non-recurring income and expenses.

2016 FIRST-HALF RESULTS

Cash flow statement

| <i>In millions of euros</i> | H1 2016 | H1 2015 | Variation | Reminder 31 December 2015 |
|--|--------------|--------------|--------------|------------------------------|
| Gross Operating cash flow | 62.4 | 55.4 | 12.6% | 198.1 |
| Change in WCR | +26.2 | +36.9 | - | +18.4 |
| Tax and interest expense | (25.5) | (26.4) | - | (48.5) |
| Purchase of PP&E and intangible assets | (7.6) | (12.2) | - | (21.8) |
| Free cash flow | 55.5 | 53.7 | 3.3% | 146.2 |
| Acquisitions | (9.9) | (5.4) | - | (50) |
| Share repurchase | (6.2) | (9.5) | - | (9.5) |
| Net change in debt | (61.9) | (23.2) | - | (46) |
| Dividends | (0.5) | (1.9) | - | (37.5) |
| Cash at end of period | 126.7 | 169.9 | - | 151.6 |

2016 FIRST-HALF RESULTS

Debt

| <i>In millions of euros</i> | 30 June 2016 | 30 June 2015 | Reminder 31 December 2015 |
|-----------------------------|--------------|--------------|------------------------------|
| Shareholders' equity | 932 | 914 | 945 |
| Net debt | 503 | 547 | 552 |
| Gearing | 53.9% | 59.8% | 58.4% |
| Net debt/EBITDA | x2.2 | x2.5 | x2.5 |



OUTLOOK

OUTLOOK

2016

Without upheavals in the macro environment – Brexit is not an upheaval – 2016 will be similar to the 1st half year 2016:

- Strong organic revenue growth
- With a significant volume of free cash flows
- And a stabilised operating margin:
 - €10 million additional investment in operating costs in 2016 for the "New Way" programme:
 - New Services
 - Teams
 - Technologies
 - More aggressive variable compensation scheme