

# DEBT INVESTOR CREDIT UPDATE

November 17th 2020

GAME CHANGERS



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# IPSOS AT A GLANCE



# HIGHLIGHTS

## MARKET

**3rd largest company in the world** in market and public opinion research

## FY19 FINANCIALS

**€2,003m revenues** | €199m operating margin | €105m net profit | €578m net debt

## GEOGRAPHY

**18,448 employees** across 90 markets worldwide  
31% of FY2019 revenues generated through leading positions in emerging markets

## CASH FLOWS

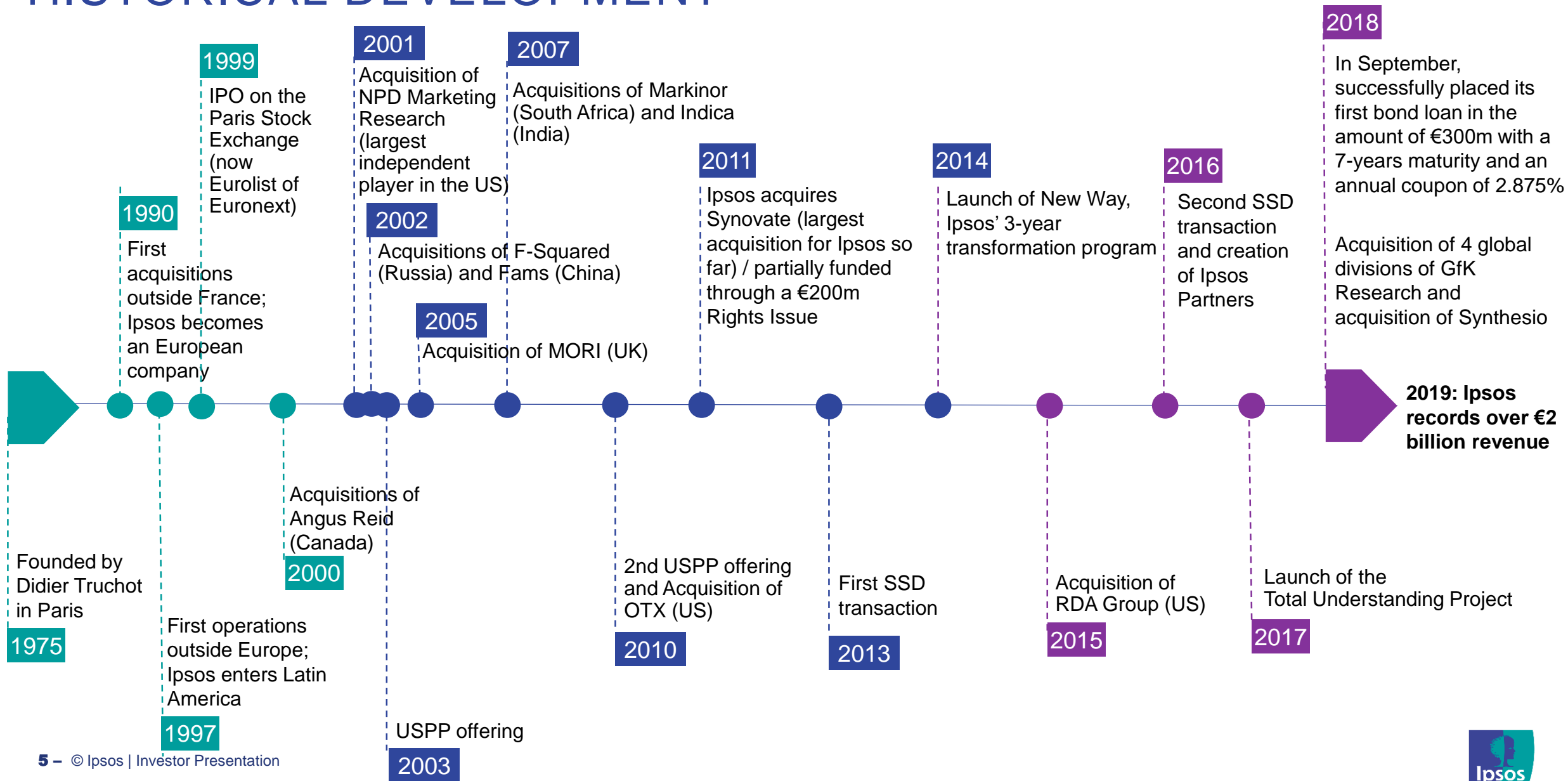
**Continuous Free Cash Flows generation** and solid financial structure

## STOCK

**Listed on Euronext Paris** with market capitalization of c.€1.3bn as of December 2019

*Source: Esomar Global Market Research 2019*

# HISTORICAL DEVELOPMENT



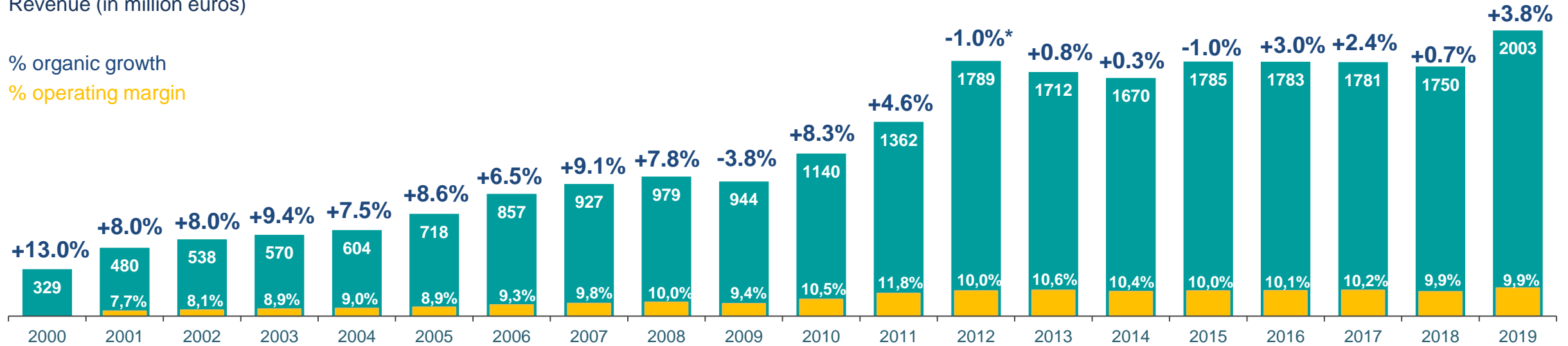
# FASTER-THAN-MARKET ORGANIC GROWTH

Revenue trends since 2000: +4.3% organic growth (cagr)

Revenue (in million euros)

% organic growth

% operating margin

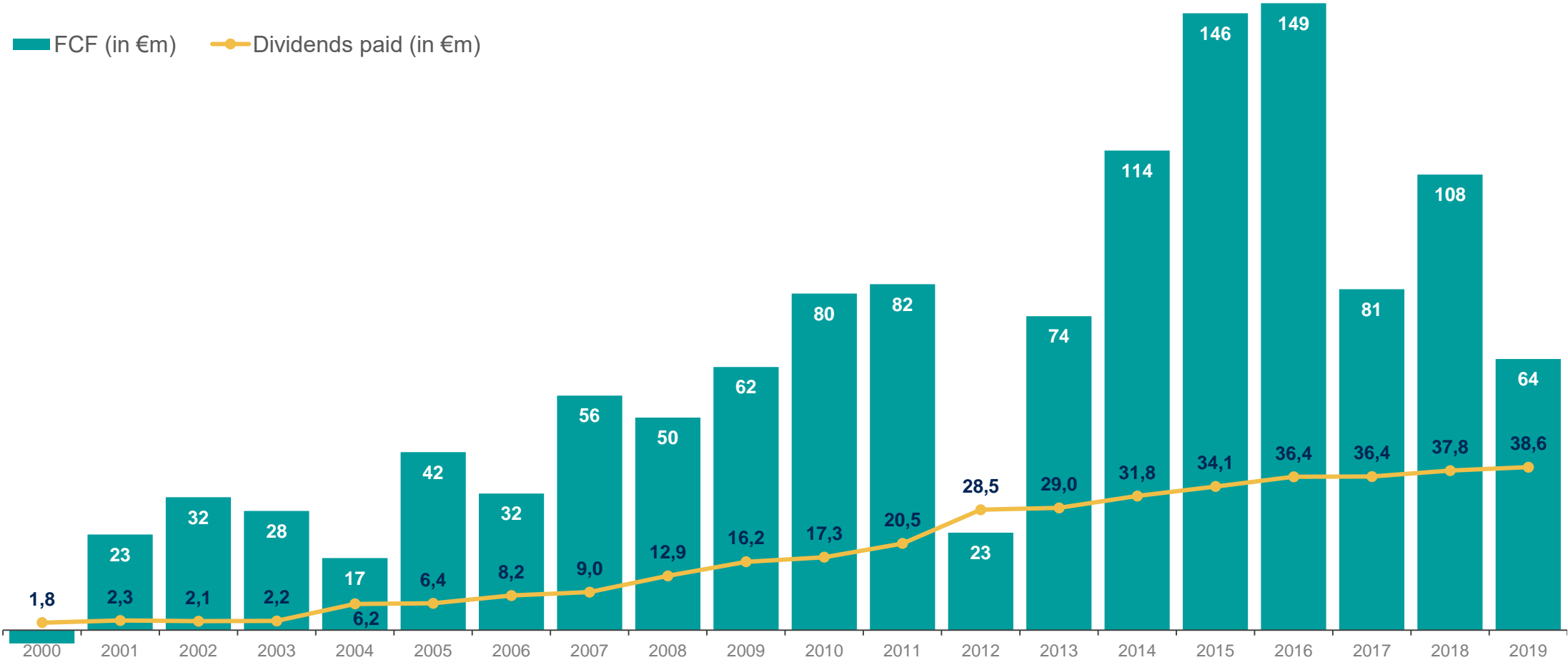


## Research Market – Constant USD growth (source: ESOMAR)

+10%	+3%	+4%	+4%	+8%	+6%	+7%	+7%	+4.5%	-3.7%	+5.2%	+3.8%	+2.5%	+2.8%	+2.1%	+2.2%	+3.7%	+3.3%	+2.1%	+4.3%
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\* Q4 only

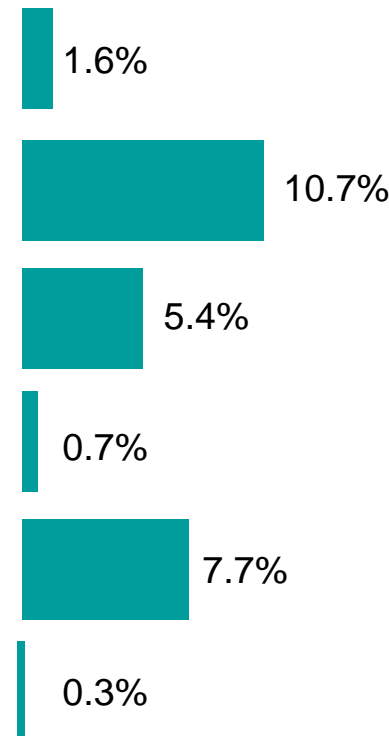
# SIGNIFICANT GENERATION OF CASH FLOW AND A REGULAR INCREASE IN DIVIDENDS SINCE 2000



# A DIVERSIFIED CLIENT BASE

SECTOR	SHARE OF TOTAL REVENUE IN 2019
CPG	26%
Technology, Media, Telecommunications	20%
Pharma	14%
Financial services	8%
Public sector	8%
Automotive	7%
Other sectors	17%

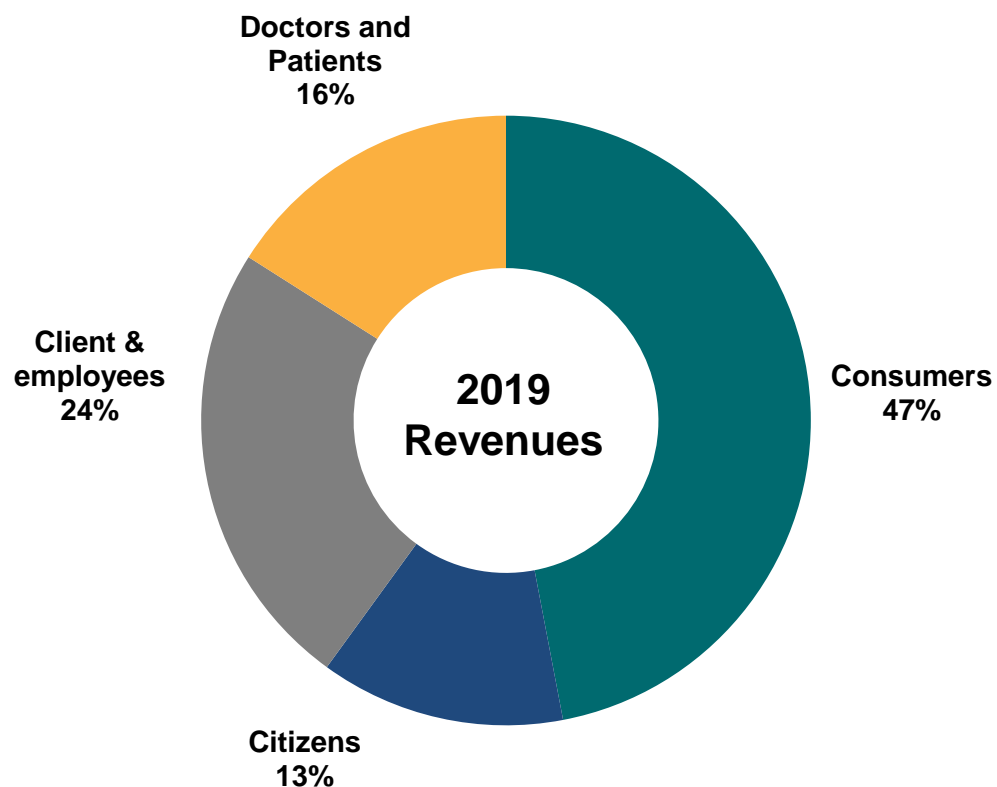
## ORGANIC GROWTH 2019



## Comments

- 5,000+ clients, all Blue Chips
- Approximately half global and half local
- Top 10 clients: 17% of FY19 revenues
- First Client: 4% of FY19 revenue

# A DIVERSIFIED AUDIENCE



In € millions	2019 revenue (in millions of euros)	Organic growth
Consumers <sup>1</sup>	944.4	2.5%
Clients and employees <sup>2</sup>	485.8	4%
Citizens <sup>3</sup>	259.8	7%
Doctors and patients <sup>4</sup>	313.2	5%
<b>Revenue</b>	<b>2,003.3</b>	<b>3.8%</b>

Breakdown of each business line by segment : breakdown of revenue by audience is non-financial data, likely to change over time in line with changes in the structure of Ipsos teams.

1 - Brand Health Tracking, Clinics & Mobility Labs, Creative Excellence, Innovation, Ipsos UU, Ipsos MMA, Market Strategy & Understanding, Observer, Social Intelligence Analytics (excl. pharma and the public sector)

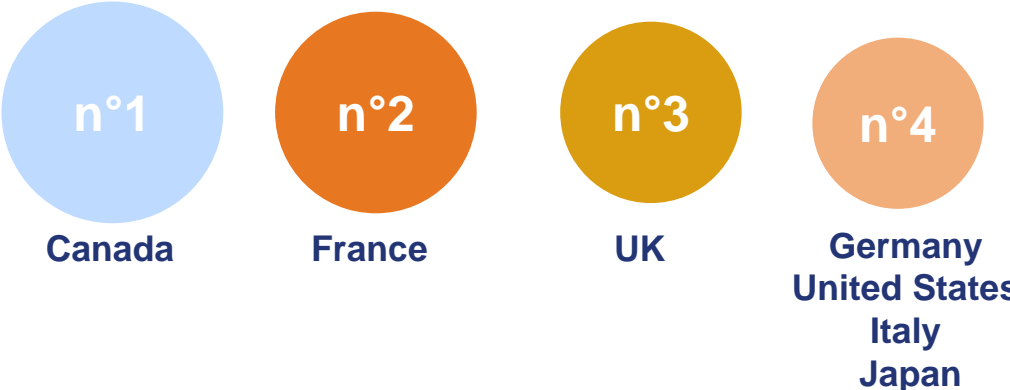
2 - Customer Experience, Market Measurement, Mystery Shopping, Quality Measurement, Retail Performance, ERM, Audience Measurement, Media Development

3 - Public Affairs, Corporate Reputation

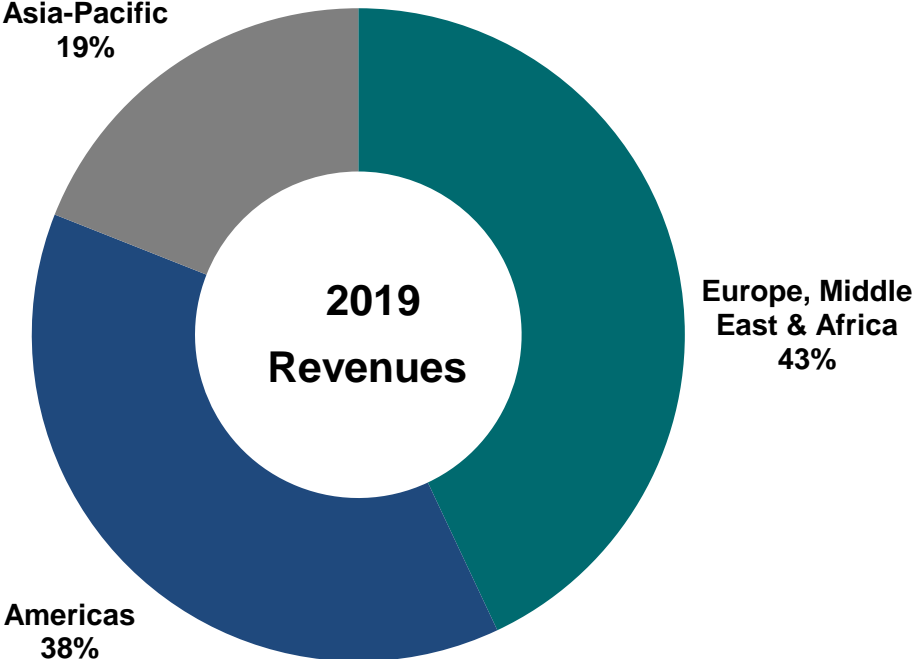
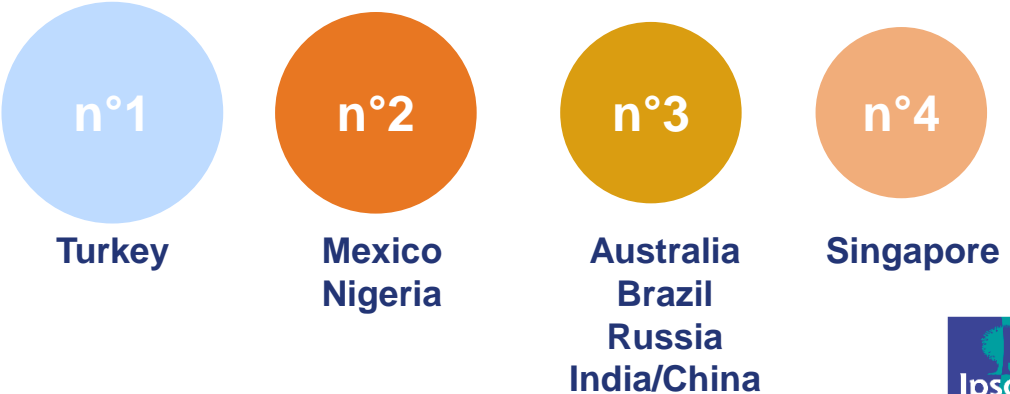
4- Pharma (quantitative and qualitative)

# A WELL BALANCED WORLDWIDE PRESENCE

Ranking among the top 4 in the 10 main countries representing 86%<sup>(1)</sup> of the market research sector



Strong leading positions in Emerging countries representing 31% of Ipsos' FY2019 turnover



<sup>1</sup>2020 ESOMAR Report



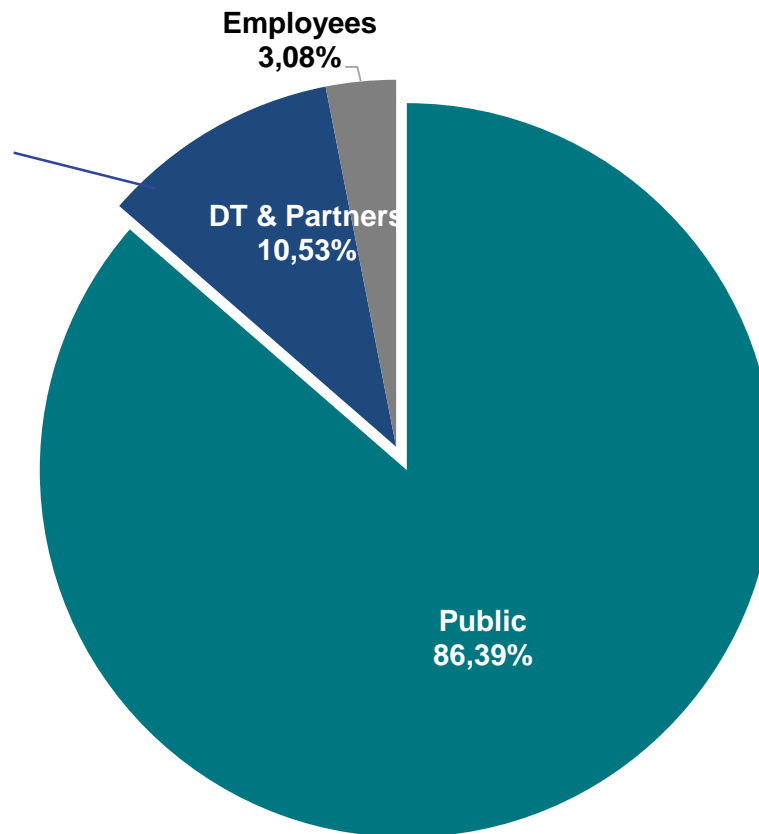
# SHAREHOLDING STRUCTURE OF IPSOS SA

## % of shares as of September 30, 2020

According to registered shares

### Ipsos Partners

Didier Truchot  
And 140 Top Executives



- IPO in 1999
- Listed on Euronext Paris
- Component of the SBF 120
- Market capitalisation: €1.3bn as of end of December 2019

# MARKET OVERVIEW



# A GROWING AND DYNAMIC MARKET

## ESTABLISHED MARKET

The established market represents **US\$43 billion in 2019**.

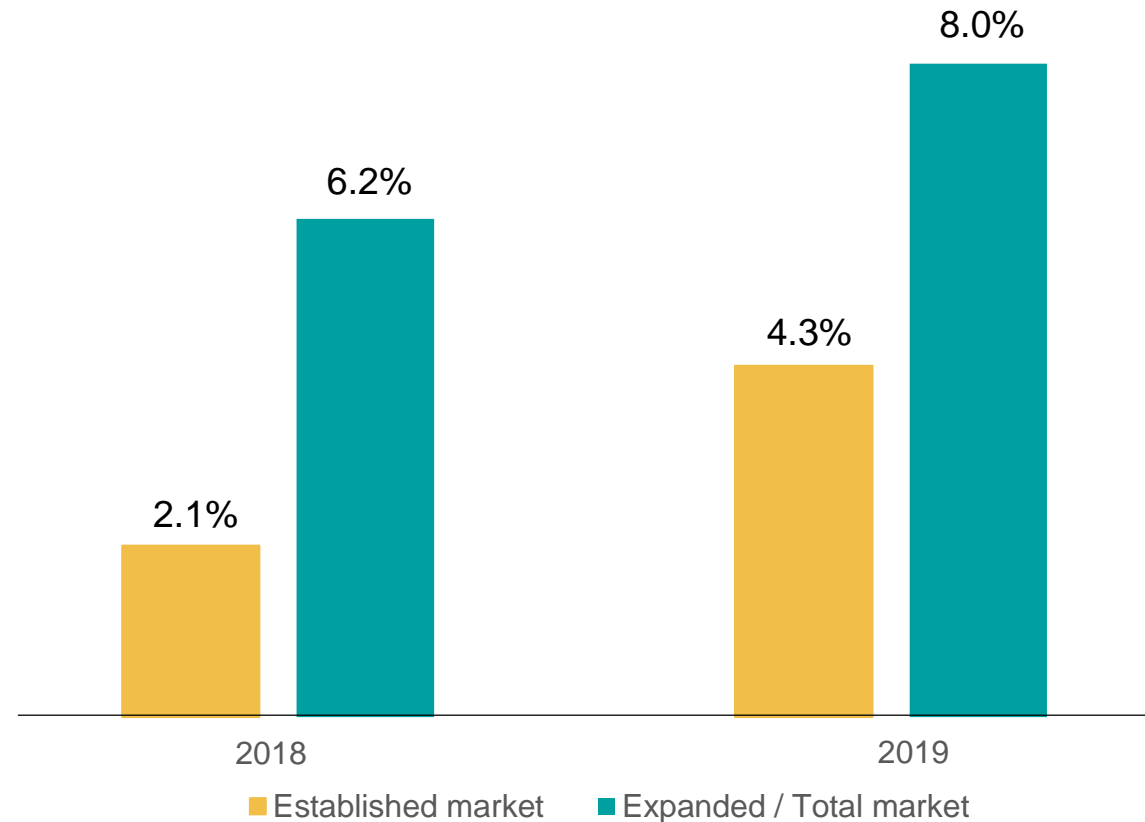
It includes: Online quantitative research, Mobile quantitative research, Face-to-face, Telephone CATI, Mail, Audience measurement, Ethnography (...).

## EXPANDED / TOTAL MARKET

The expanded market represents **US\$90 billion in 2019**.

It includes: Digital Data Analytics, Social Listening and Communities, DIY Research Platforms, Consulting firms, Vertical Reports and Research and Enterprise Feedback Management.

## GROWTH OF THE TOTAL RESEARCH MARKET



Source: Esomar Global Market Research 2020

# IPSOS AMONG THE LEADERS OF THE INDUSTRY

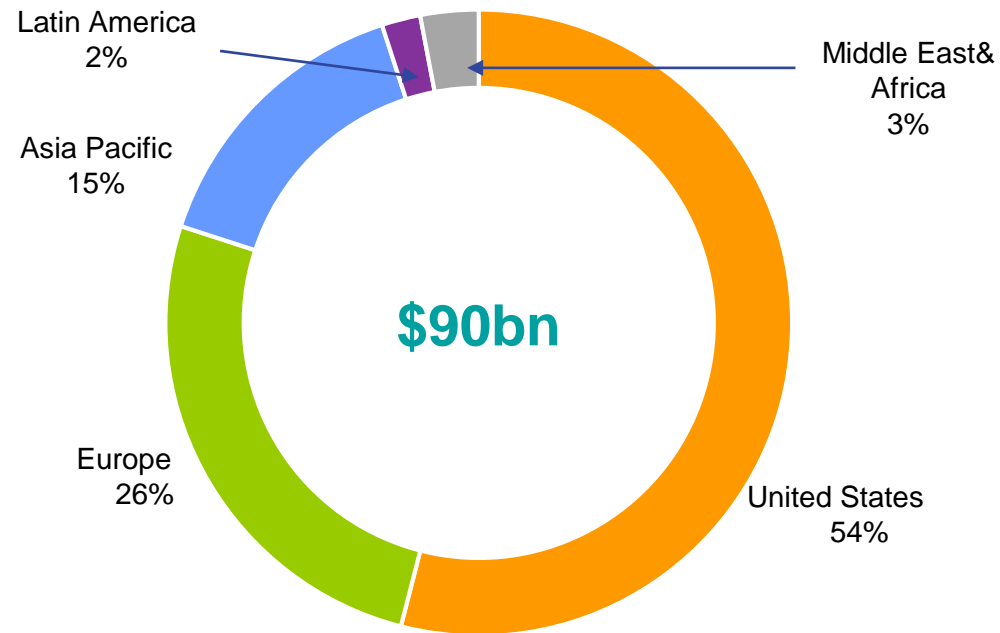
## RANKING ESTIMATE 2019

Source: Esomar Global Market Research 2020

	Company	TO 2019 in b\$	% established market share
1	The Nielsen Company	6.5	15%
2	Kantar Group (Wpp)	2.9	7%
3	<b>Ipsos</b>	<b>2.2</b>	<b>5%</b>
4	GfK	1.7	4%
	<i>Rest of the establish market</i>		69%
	<b>% total established market</b>		<b>100%</b>

# GEOGRAPHY AND ACTIVITY

## SPLIT BY GEOGRAPHY

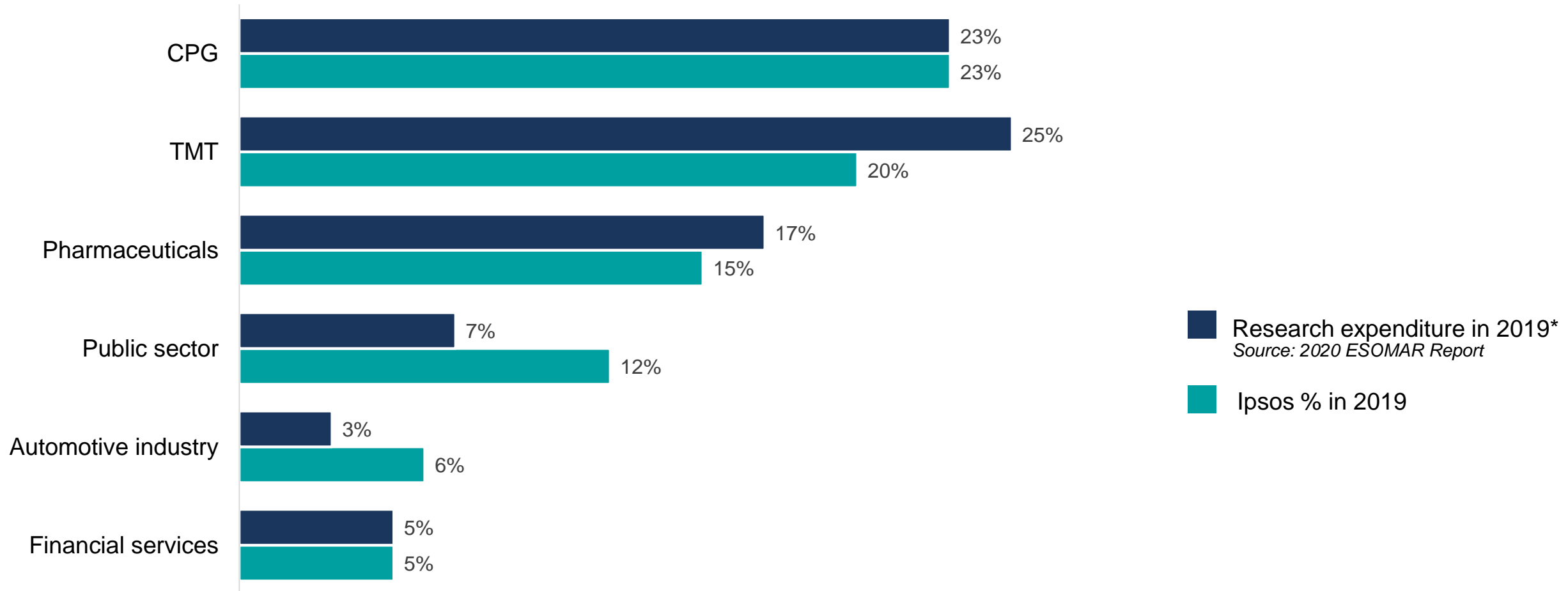


Source: 2020 ESOMAR Report

## SPLIT BY ACTIVITY

	2018	2019	Var.
<b>Established Research</b> It includes:			
- Online quantitative research			
- Mobile quantitative research			
- Face-to-face			
- Telephone CATI			
- Mail			
- Audience measurement			
- Ethnography (...)			
<b>40.7</b>	<b>42.5</b>	<b>4.3%</b>	
<b>Technology-enabled Research</b> It includes:			
<b>42.5</b>	<b>47.4</b>	<b>11.5%</b>	
Digital Data Analytics	13.4	15.5	15.5%
Enterprise Feedback Management	1.3	1.6	21.9%
DIY Research Platforms	1.2	1.2	3.7%
Social Listening and Communities	4.6	5.3	15.2%
Vertical Reports and Research	12.4	13.4	7.7%
Consulting Firms	9.6	10.4	8.3%
<b>Total Expanded Market</b>	<b>83.26</b>	<b>89.9</b>	<b>8.0%</b>

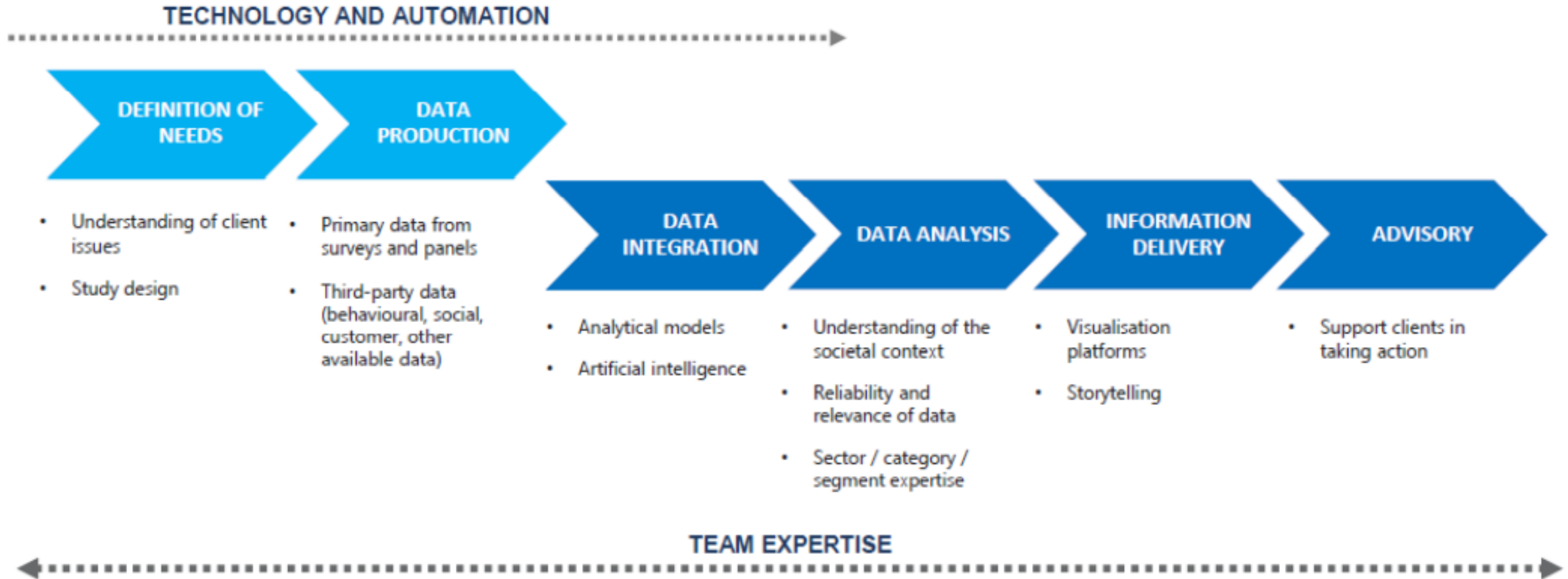
# IPSOS POSITIONING VS. SPENDS BY SECTORS



# IPSOS BUSINESS MODEL TO BE COMPETITIVE IN THE MARKET

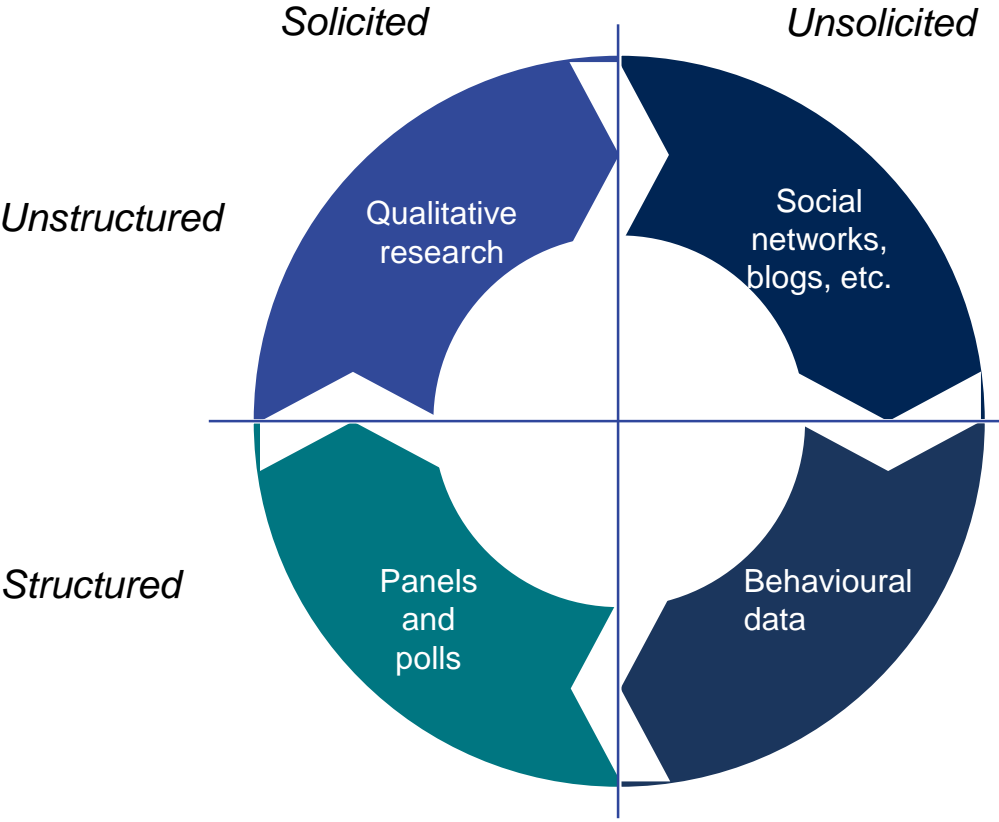
## The full information production and analysis chain is covered:




From the collection of raw data to the activation of the information generated for the client.



# A MARKET UNDERGOING TRANSFORMATION

## Integrating the various data sources



-  Multiplication of information sources
-  Multiplication of offers/technologies
-  Abundance of financing

# IPSOS RAISON D'ETRE



Deliver reliable information for a true understanding of Society, Markets and People.  
This is our raison d'être.



Didier Truchot,  
Chairman and CEO



# IPSOS TOTAL UNDERSTANDING PLAN



# NEW MARKET DYNAMICS

1. Digitisation and multiplication of data sources
2. New technologies
3. Hyperspecialisation
4. Integration
5. Need for advice



# IPSOS' ANSWER: "TOTAL UNDERSTANDING"

## ITS AMBITION

- To partner our clients in understanding Society, Markets and People
- Deploy all the services they need

## ITS FOUNDATIONS

- Implement a new organisation to work better with clients
- Build on the operational promise of the 4S's: "Security", "Simplicity", "Speed", "Substance"
- Capitalise on Ipsos' assets: geographical coverage, neutrality, independence, know-how and resources
- Ensure that for each of the Services sold by Ipsos:
  - The offer is competitive
  - The science, know-how and technology are deployed by the teams

**KICK OFF DATE : 1st of July 2018**

# IPSOS FUNDAMENTALS AND A TRANSFORMATION PLAN FOR GROWTH

5,000 CLIENTS

CLIENT ORGANISATIONS

- 240 dedicated professionals

75 SERVICES

COMPETITIVE OFFERING

- New services
- Consolidation of Service Lines

EXPERTISE

STRENGTHENED SCIENCE AND TECHNOLOGY CAPABILITIES

- Global Science Organisation
- Tech Team A
- Ipsos Knowledge Center

90 MARKETS

GREATER RESPONSIBILITY OF LOCAL MARKETS

- Worldwide coverage
- Leader in all the key markets

EXTERNAL GROWTH

ACQUISITIONS POLICY

- 2018
  - GfK Research
  - Synthesio
- 2020
  - Maritz Mystery Shopping
  - Askia

STRONG BRAND

INCREASING OUR VISIBILITY

- Partnerships
- New campaign

TALENT

18,000 EMPLOYEES

- Shared values: "Proud to be Ipsos"

# THE TOTAL UNDERDATING PLAN BORE ITS FRUITS IN 2019: IPSOS EXCEEDS ITS GROWTH TARGET AND THE €2 BILLION BAR

## 2019 ORGANIC GROWTH

**+3.8%**

### TOP 3 developed markets

- United States +6%
- United Kingdom +5%
- France +4%

### Significant emerging markets

- India +22%
- Russia +13%
- China +10%

## 2019 REVENUE

**€2,003 billion**

**TOTAL GROWTH: +14.5%**

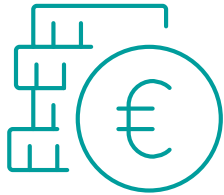
# 9 MONTHS – H1 2020 ACTIVITY AND RESULTS



# POSITIVE PERFORMANCE UNTIL MID-MARCH 2020

2019

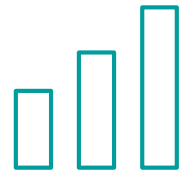
2019 full-year  
revenue



**€2,003.3<sub>m</sub>**

Record year

Organic growth  
in Q4



**+5.6%**

A new growth

Mid-March 2020

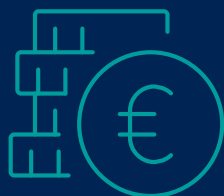
Order book up



**+5.8%**

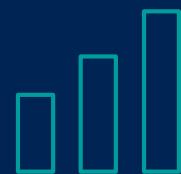
Best start since 2011

# KEY FIGURES 9 MONTHS 2020: AN EXAMPLE OF RESILIENCE



**€1,255M**

REVENUE  
9 MONTHS



**-3.3%**

ORGANIC GROWTH  
Q3 PERIODIC



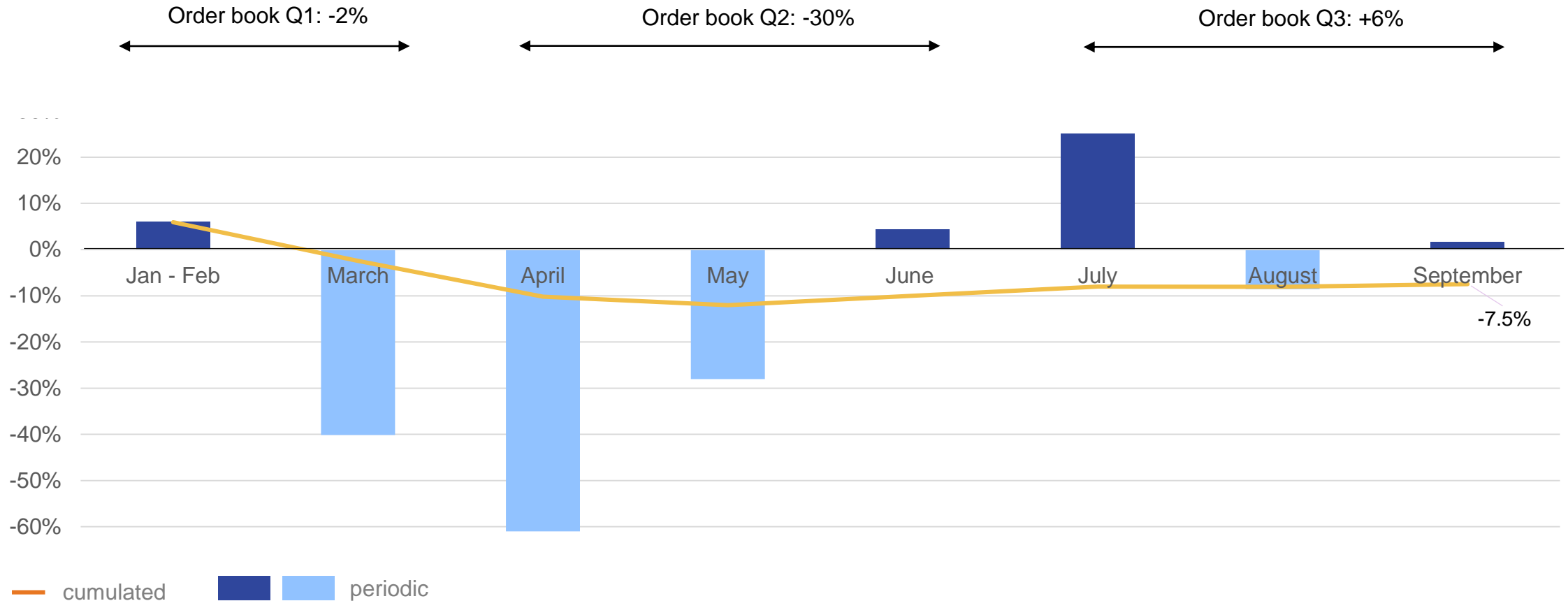
**-9.9%**

ORGANIC GROWTH  
9 MONTHS

# THE IMPACT OF COVID-19 ON IPSOS ACTIVITY

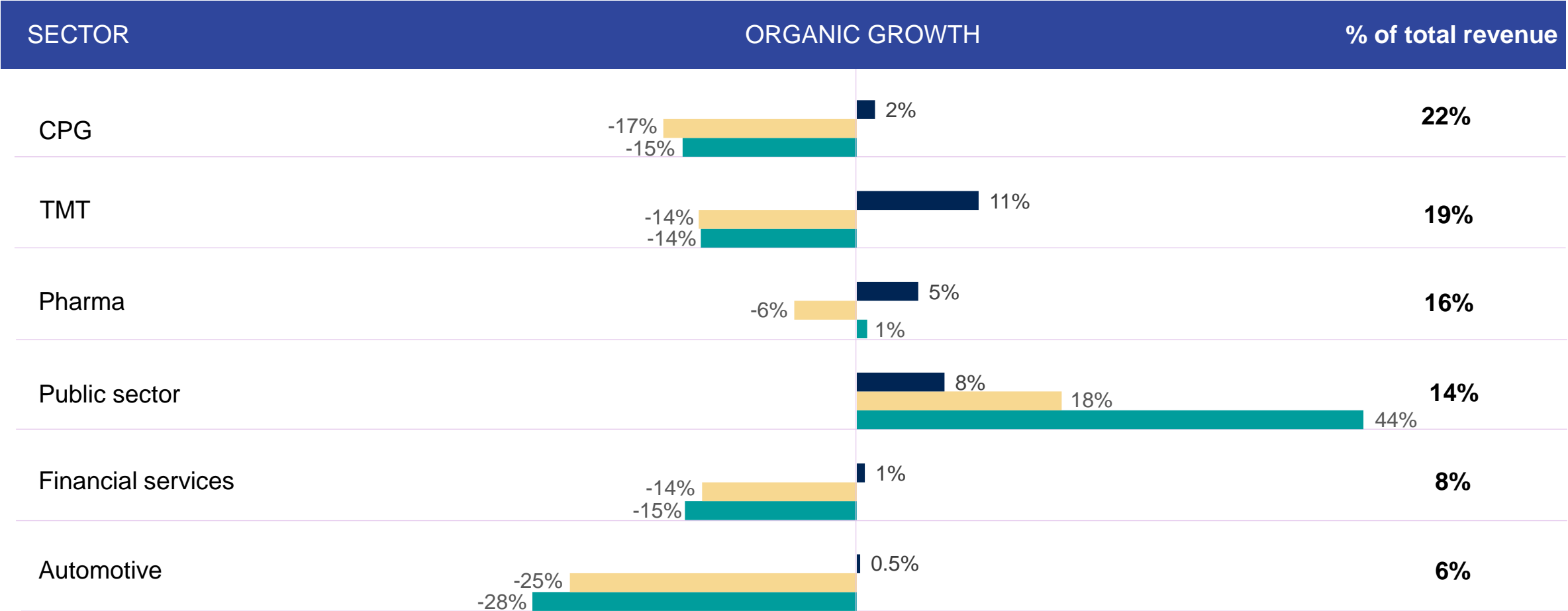
## Order book\* by month and cumulated

Var% vs 2019



\* The Order book records all sales, net of cancellations and postponements, that will be recognized in revenue during the fiscal year 2020.

# THE TOP 4 SECTORS ARE IMPROVING



# REVENUE BREAKDOWN BY REGION

In millions of euros	2020 9 months YTD	Share	YOY change	Organic growth 9 months YTD
EMEA	589.0	47%	(3.0)%	(2.5)%
Americas	449.0	36%	(15.2)%	(14.5)%
Asia-Pacific	216.6	17%	(18.6)%	(17.5)%
<b>Total*</b>	<b>1,254.6</b>	<b>100%</b>	<b>(10.6)%</b>	<b>(9.9)%</b>

* Of which	Share	Organic growth
Developed countries	74%	(5.8)%
Emerging countries	26%	(19.1)%

# REVENUE BREAKDOWN BY AUDIENCE

In millions of euros	2020 9 months YTD	Share	YOY change	Organic growth 9 months YTD
Consumers <sup>1</sup>	518.4	41%	(18.6)%	(17)%
Clients and employees <sup>2</sup>	283.5	23%	(21.8)%	(22.5)%
Citizens <sup>3</sup>	244.1	19%	26.7%	27%
Doctors and patients <sup>4</sup>	208.5	17%	(0.9)%	1%
<b>Total</b>	<b>1,254.6</b>	<b>100%</b>	<b>(10.6)%</b>	<b>(9.9)%</b>

Breakdown of each Service Line by segment : breakdown of revenue by audience segment is non-financial data, likely to change over time depending on changes to the organization of Ipsos teams.

- 1- Brand Health Tracking, Creative Excellence, Innovation, Ipsos UU, Ipsos MMA, Market Strategy & Understanding, Observer (excl. public sector), Social Intelligence Analytics
- 2- Automotive & Mobility Dev, Audience Measurement, Customer Experience, Channel Performance (including Retail Performance and Mystery Shopping), Media development
- 3- Public Affairs, Corporate Reputation
- 4- Pharma (quantitative and qualitative)

# NEW SERVICES

## 4 CATEGORIES OF NEW SERVICES

### MEASURE DIFFERENTLY

Web listening (Synthesio), Communities, Behavioral Economics, Ethnography, Neuroscience, Consumer & Retail Audit, Passive Measurement (Mediacell)

Incoming new services: Virtual Shelf, Retail Performance

### GET DATA IN REAL TIME

Mobile, Overnight Services (Ipsos.Digital), Enterprise Feedback Management (EFM)

### BIG DATA ANALYSIS

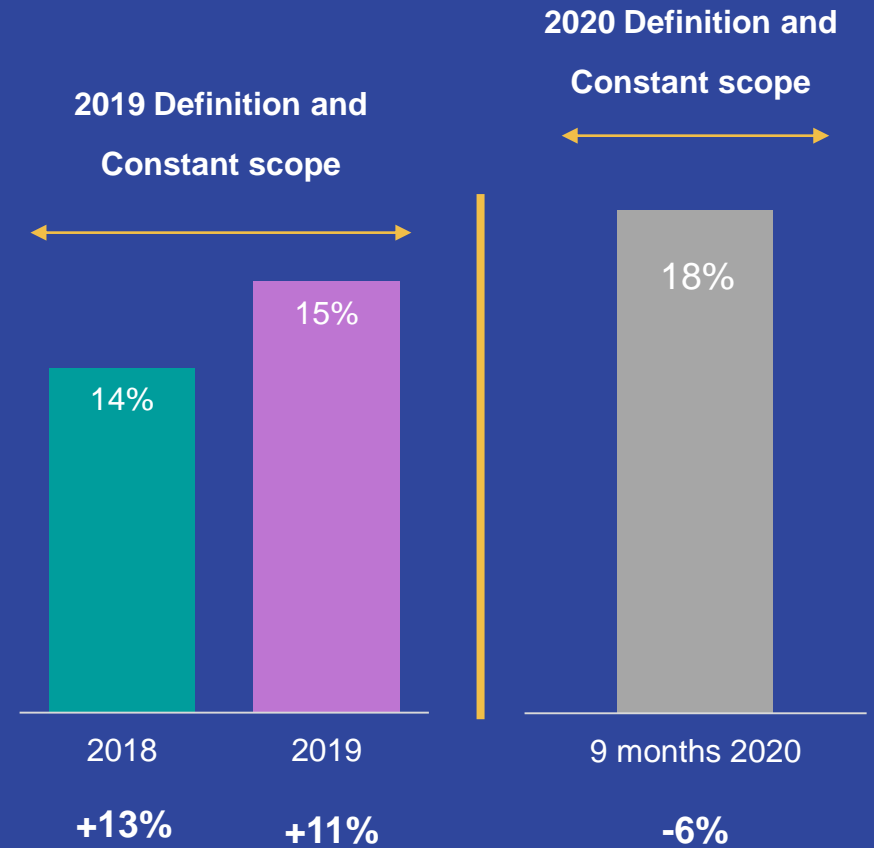
Data analytics / Data Science, Ipsos Science Center, Path to Purchase

### CLIENT ADVISORY SERVICES

Market Entry Research, Workshops, Advisory Services, Curation (Insight Cloud)

### SHARE OF TOTAL REVENUE

Growth



# SURVEY REVENUE BY DATA COLLECTION MODE\*: A MOVE TO ONLINE

	FY 2019	6 months YTD 2020	9 months YTD 2020
FACE-TO-FACE	30%	25%	25%
ONLINE	55%	61%	60%
POSTAL	4%	4%	5%
TELEPHONE	10%	10%	10%

\* Survey revenue represents 70% of Ipsos Total Revenue



# A SAVING PLAN ON TRACK WITH H1 ANNOUNCEMENTS

ACTION TAKEN FROM LATE FEBRUARY	Impact 6 months 2020	Impact 9 months 2020	Impact expected Full Year 2020
<b>On the Payroll:</b> <ul style="list-style-type: none"> <li>- Freeze on recruitment and planned wage increases</li> <li>- Voluntary salary reduction up to 20% for top management and executives</li> <li>- Other decrease on payroll</li> </ul>	€14m	€30m	~ €42m
<b>Government programmes</b>	€17.5m	€25m	~ €29m
<b>On General Operating Expenses:</b> <ul style="list-style-type: none"> <li>- Suspension of international travels</li> <li>- Rent renegotiations</li> <li>- Other reductions (discretionary expenses, IT...)</li> </ul>	€15m	€30m	~ €38m
<b>On liquidity: Dividend reduced by 50%</b>	-	-	€19m

**€85m savings YTD**

**Expected €109m**  
on the income statement 2020

**€128 m** positive impact  
on cash flow

# CONDENSED INCOME STATEMENT AS OF JUNE 30, 2020

In millions of euros	June 30, 2020	June 30, 2019	% Change	December 31, 2019
<b>Revenue</b>	<b>786.0</b>	<b>903.4</b>	<b>(13.0)%</b>	<b>2,003.3</b>
Gross profit	512.0	583.0	(12.2)%	1,288.5
<b>Gross profit / revenue</b>	<b>65.1%</b>	<b>64.5%</b>		<b>64.3%</b>
Operating profit	25.0	49.3	(49.2)%	198.7
<b>Operating profit / revenue</b>	<b>3.2%*</b>	<b>5.5%</b>		<b>9.9%</b>
Other non-operating / recurring income (expenses)	(7.1)	(4.0)	77.0%	(16.4)
Finance costs	(11.6)	(13.1)	(11.7)%	(26.6)
Other financial income (expenses)	(3.9)	(3.7)	6.0%	(7.3)
Income taxes	0.2	(6.6)		(36.9)
<b>Net profit attributable to the Group</b>	<b>1.3*</b>	<b>18.7</b>	<b>(93.2)%</b>	<b>104.8</b>
<b>Adjusted net profit** (attrib. to the Group)</b>	<b>12.8</b>	<b>29.4</b>	<b>(56.5)%</b>	<b>129.5</b>

\*As of September 2020: the Group's operating margin and net income ratios were at similar levels to those recorded over the same period last year.

\*\* The adjusted net profit is calculated before non-cash items covered by IFRS 2 (share-based payments), before amortization of intangible assets on acquisitions (customer relationships), before deferred tax liabilities relating to goodwill that can be amortized in some countries, and before the impact net of tax of other non-recurring income and expenses.

# CASH FLOW STATEMENT AS OF JUNE 30, 2020

In millions of euros	June 30, 2020	June 30, 2019	December 31, 2019
<b>Gross Operating cashflow</b>	<b>58.7</b>	<b>86.7</b>	<b>266.4</b>
Change in WCR	167.3	(14.1)	(52.7)
Income taxes paid	(13.8)	(21.9)	(35.9)
Property, plant and equipment, intangible and financial assets	(20.4)	(18.2)	(43.5)
Net interest paid	(6.4)	(7.6)	(25.5)
Lease payments	(23.5)	(21.3)	(44.7)
<b>Free cash flow</b>	<b>161.8*</b>	<b>0.2</b>	<b>64.3</b>
Acquisitions and financial investments	(15.5)	(27.2)	(28.6)
Purchase / Sale of treasury shares	1.8	0.3	1.3
Net change in borrowings	(0.9)	(0.6)	(6.6)
Dividends	0.0	0.0	(38.6)
<b>Cash position at end of the period</b>	<b>306.9</b>	<b>145.3</b>	<b>165.4</b>

\*As of September 2020, Free Cash Flow represents €177 million

# BALANCE SHEET AND DEBT POSITION AS OF JUNE 30, 2020

In millions of euros	June 30, 2020	December 31, 2019
Equity	1,056	1,123
<b>Net debt**</b>	<b>441*</b>	<b>578</b>
Gearing	41.8%	51.5%
Net debt / EBITDA last 12 months***	x 2.2	x 2.4
Interest coverage (operating margin/interest expense)	x 6.6	x 7.8

\*As of September 2020, Net financial debt was **€435m** versus €648m at September 30, 2019:

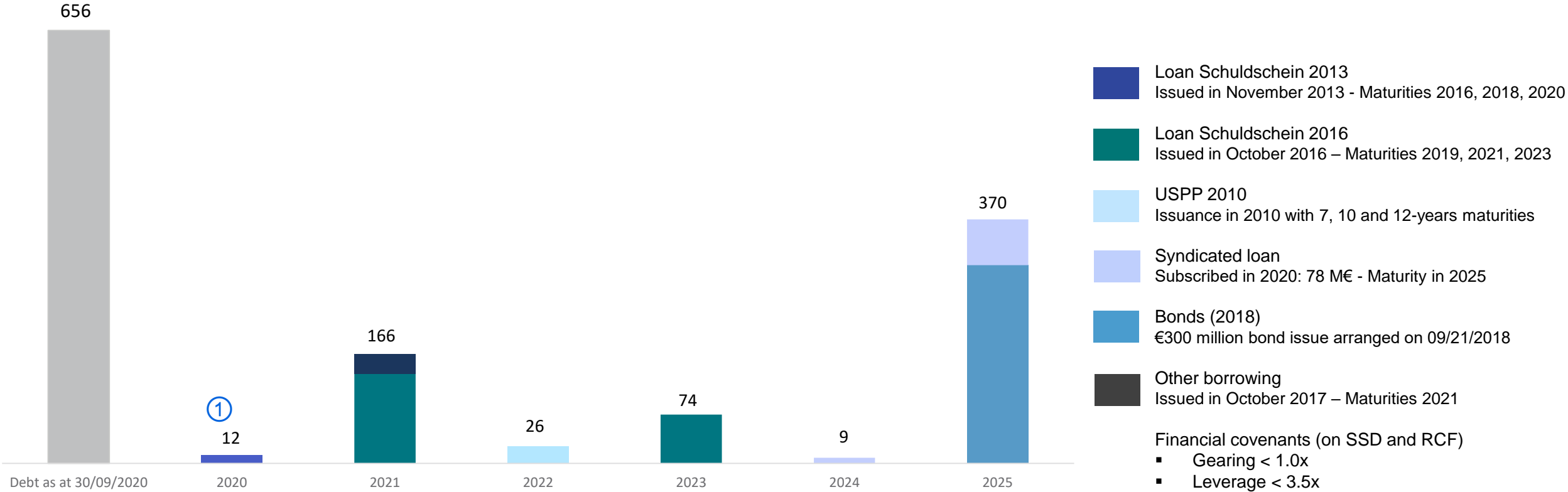
- Gross debt: €650m
- Cash: €215m

\* *Bonds and bank loans net of cash*

\*\*\**EBITDA calculated excluding the impact of IFRS 16*

# GROSS DEBT BY MATURITY

## SPLIT BY MATURITY (IN MILLIONS OF EUROS)



Net financial debt at September 30, 2020 was €435m versus at June 30, 2020: €441m ; at December 31, 2019: €578m; at September 30, 2019: €648m

– Gross debt: €650m

– Cash: €215m

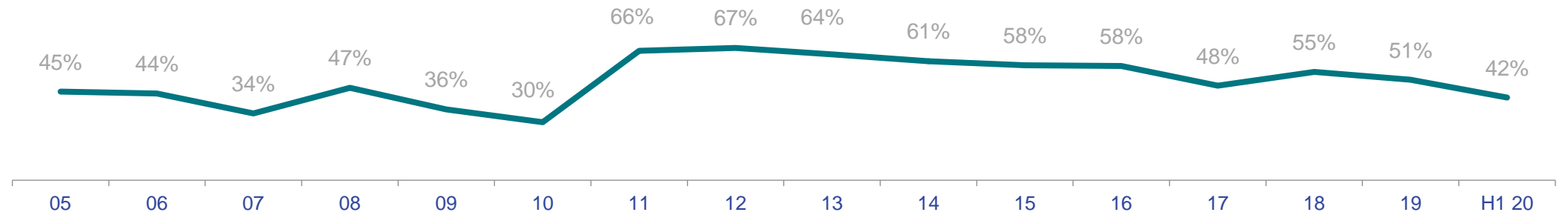
①

At Sep. 28<sup>th</sup> 2020, as planned, pay back of a 2010 USPP tranche maturity for \$185m (equivalent of €158m)

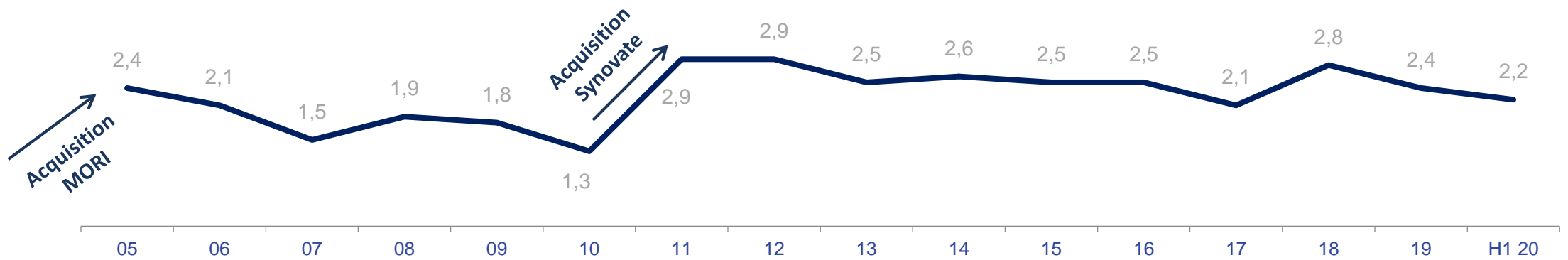
As at September 30, 2020, Ipsos had close to €400m in undrawn credit facilities with maturities of over 1 year

# DELEVERAGING CAPACITY

## Gearing



## Leverage



# OUTLOOK FOR 2020

## PERSPECTIVES FOR THE REMAINDER OF 2020 AND FOR 2021 ARE POSITIVE

- Ipsos is in a favorable path that should allow it to reduce the rate of decline in its revenue over the full-year.

## ONE OBVIOUS CAVEAT: THE UPSURGE OF PANDEMIC INTENSITY IN EUROPE AND ELSEWHERE INCLUDING IN THE UNITED STATES

- As of today, no major country has reintroduced widespread lockdowns. The level of new order intake remains high. But no one can predict what decisions will be taken by the health authorities of the countries most affected by the new wave of the pandemic.

**THANK  
YOU**

**GAME CHANGERS**

