

# 2020 FULL-YEAR RESULTS

## Resilience and Agility

February 25, 2021

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GAME CHANGERS



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# OUR RESILIENCE IN THE FACE OF THE PANDEMIC

# 1

# 2020: OVERVIEW OF THE YEAR

## REVENUE

**€1,837M**

## ORGANIC GROWTH

**+1.4%**

Q4 2020

**-6.5%**

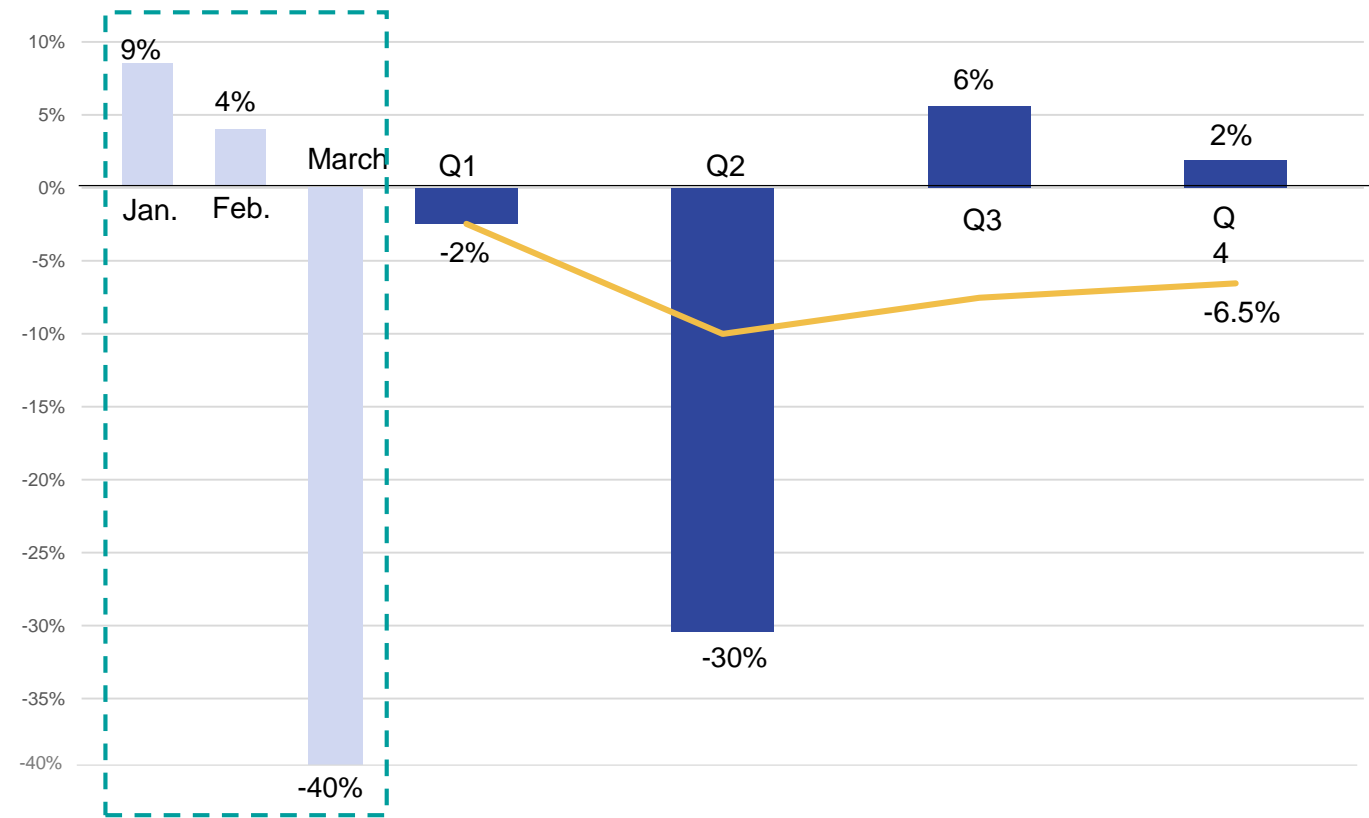
FY 2020



# A RECOVERY SINCE JUNE

## Order book\* by period and cumulated

Changes compared to 2019



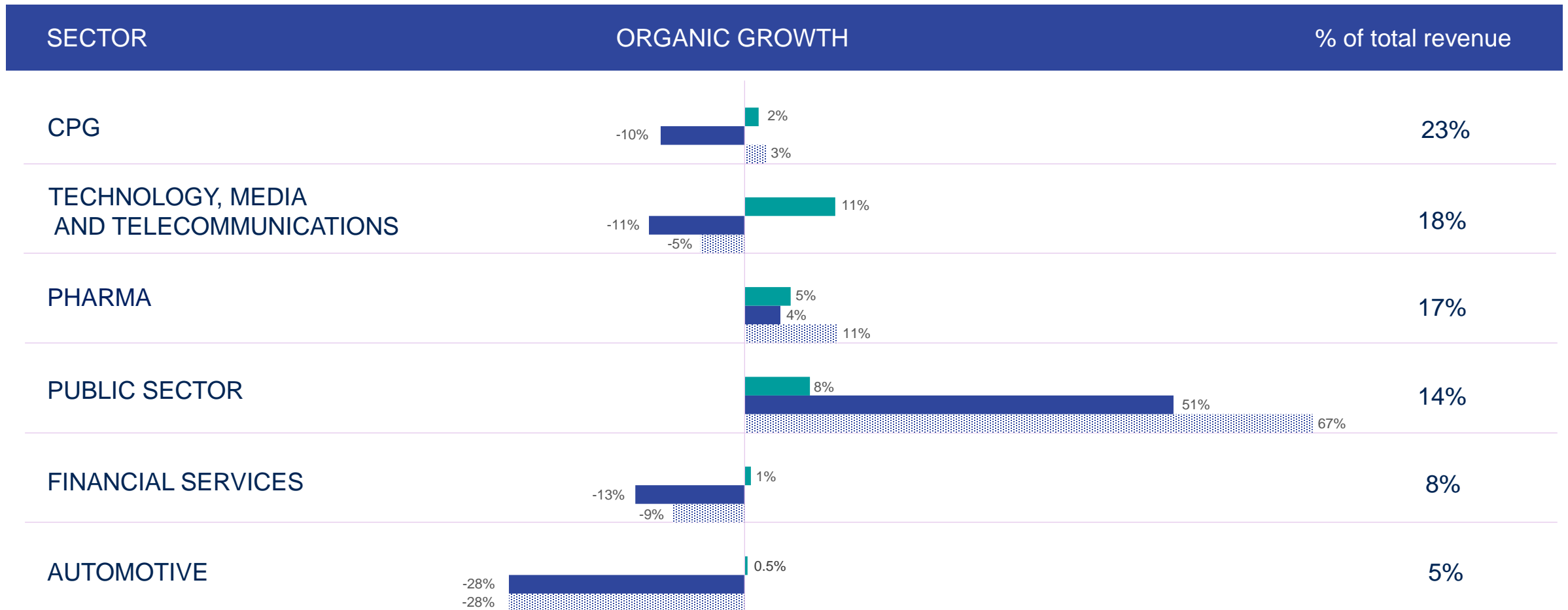
\* Sales net of cancellations and postponements recognized in revenue for 2020

## Revenue

Organic changes compared to 2019

	PERIODIC	CUMULATIVE
Q1	0%	0%
Q2	-25.3%	-13.5%
Q3	-3.3%	-9.9%
Q4	+1.4%	-6.5%

# GROWTH OF REVENUE IN Q4



# PUBLIC AFFAIRS: MEASURING THE MAGNITUDE OF THE PANDEMIC FOR GOVERNMENTS

## UNDERSTANDING WITH THE INSTITUT PASTEUR HOW AND WHERE FRENCH PEOPLE ARE CONTAMINATED

- **ComCor** study conducted on 100,000 people in France
- Tracing the factors associated with an increased risk of infection from the SARS-CoV-2 virus
- Analyzing the circumstances, places and sources of contamination
- Comparing the characteristics, behaviors and practices of positive cases with those of a series of Ipsos panel witnesses



## SUPPORTING THE UK HOME TESTING PROGRAM

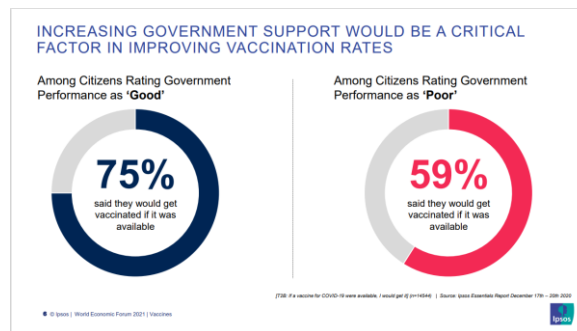
- **REACT** study: 1.5 million antigen and antibody tests collected from the English population since March 2020, 85,400 volunteers tested between 4 and 13 February 2021
- Measuring the prevalence of Covid-19 and various variants, including in asymptomatic individuals, in different regions of the country
- Providing information on health measures to be taken to protect the health system and the population



# PUBLIC AFFAIRS: OUR EXPERTISE FOR THE BENEFIT OF INTERNATIONAL ORGANIZATIONS

## A GLOBAL SYNDICATED STUDY

- **Syndicated Vaccine Impact** study conducted since October 2020 in 18 countries and co-developed by the Ipsos Public Affairs and Healthcare teams
- Covering changes in the perception of vaccines by consumers, citizens, doctors and pharmacists
- Studying opinions on public policy and returning to normal



Attitudes to Covid-19 vaccines, presentation by Ben Page at the WEF's Davos Forum – January 2021

## PROVIDING INFORMATION ON HEALTH MEASURES TO BE TAKEN IN AFRICA

- **Partnership for Evidence-based Response** to Covid-19 (PERC) study, conducted continuously on more than 20,000 interviewees in 20 countries, whose 3rd wave of research is under way
- Anticipating the health, social and economic impact of the pandemic
- Integrating data from a variety of sources (social media, geolocation, hospital capacity...)
- The study showed that despite adhering strongly to public health measures in the region, the pandemic is a significant source of new tensions with regard to income and food security





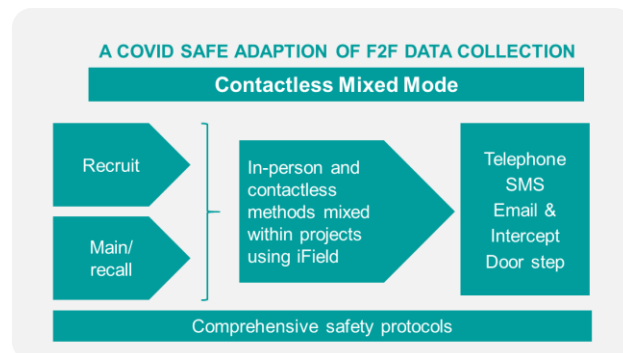
# CPG: A RETURN TO GROWTH FOR OUR BUSINESS IN Q4

## IMPLEMENTING CONTACTLESS PRODUCT TESTS

- Ensuring that clients can carry out product testing during lockdown, curfews or social distancing
- Ensuring products to be tested by consumers are delivered safely
- Collecting their feedback via a mix of traditional (telephone, email, face-to-face...) and digital methods (Virtual Labs)

**7,500**  
Products tested in  
2020

9 – © Ipsos | Annual Results 2020



## UNDERSTANDING THE EFFECTS OF THE PANDEMIC ON HOUSEHOLDS

- **CovidWatch** study, conducted over 8 months worldwide by our ethnography experts among 30 families in lockdown
- Analyzing the effects of the pandemic via weekly videos filmed and shared by consumers
- Monitoring changes in their behaviors and detecting the signals to predict future changes
- This study demonstrated consumers “willful blindness” and adopting new behaviors despite not agreeing with these choices



# OUTLOOK CONFIRMED WITH THE BIG PLAYERS IN THE DIGITAL SECTOR

## STUDIES TO MONITOR THE IMPACT OF THE PANDEMIC

- Changes in consumer behavior in different categories of products and services
- New needs associated with the accelerated digitization of SMEs
- Increased use of contactless payment services in the face of growing demand



Survey of 12,500 people aged 18 to 64 carried out in 14 countries

## SERVICES TAILORED TO THE WEB GIANTS

- Testing new products
- Demonstrating the effectiveness of their advertising campaigns
- Advising them on their brand strategy
- Optimizing the user experience
- Evaluating the shopping experience
- Analyzing attitudes to data protection and artificial intelligence

### GAFA: A stable revenue

# 6%

Contribution  
to 2020 revenue

# 2020 FULL-YEAR RESULTS

# 2

# 2020 KEY FIGURES



**€1,837<sub>M</sub>**

REVENUE



**10.3%**

OPERATING MARGIN



**€265<sub>M</sub>**

FREE CASH FLOW

# CONDENSED INCOME STATEMENT

In millions of euros	2020	2019	Change 2020 - 2019
<b>Revenue</b>	<b>1,837.4</b>	<b>2,003.3</b>	<b>-8.3%</b>
Gross margin	1,180.5	1,288.5	-8.4%
<b>Gross margin / revenue</b>	<b>64.2%</b>	<b>64.3%</b>	-
Operating margin	189.9	198.7	-4.5%
<b>Operating margin / revenue</b>	<b>10.3%</b>	<b>9.9%</b>	-
Other non-recurring income and expense	(6.1)	(16.4)	-
Finance costs	(20.6)	(26.6)	-22.8%
Other finance costs	(8.1)	(7.3)	11.0%
Income tax	(38.9)	(36.9)	5.5%
Net profit attributable to the Group	109.5	104.8	4.5%
<b>Adjusted net profit* attributable to the Group</b>	<b>129.6</b>	<b>129.5</b>	<b>0.1%</b>

\*Adjusted net profit is calculated before non-cash items covered by IFRS 2 (share-based compensation), before amortization of acquisition-related intangible assets (customer relationship), before the deferred tax liabilities related to goodwill for which amortization is deductible in some countries and before the impact net of tax of other non-recurring income and expenses.



# REVENUE BREAKDOWN BY REGION

In millions of euros	2020	Share	Total YOY growth	Organic growth
EMEA	860.2	47%	0.1%	2%
Americas	663.9	36%	-13.8%	-12%
Asia-Pacific	313.3	17%	-16.2%	-14%
<b>Total*</b>	<b>1,837.4</b>	<b>100%</b>	<b>-8.3%</b>	<b>-6.5%</b>

* Of which	Share	Organic growth
Developed countries	73%	-2.5%
Emerging countries	27%	-15.4%

# REVENUE BREAKDOWN BY AUDIENCE

In millions of euros	2020	Share	Total YOY growth	Organic growth
Consumers <sup>1</sup>	765.2	42%	-15.2%	-12.5%
Clients and employees <sup>2</sup>	407.7	22%	-20.9%	-21%
Citizens <sup>3</sup>	346.5	19%	27.7%	29.5%
Doctors and patients <sup>4</sup>	318.0	17%	1.3%	4%
<b>Total</b>	<b>1,837.4</b>	<b>100%</b>	<b>-8.3%</b>	<b>-6.5%</b>

Breakdown of each Business Line by audience segment: breakdown of revenue by audience segment is non-financial data, likely to change over time depending on changes to the organisation 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)

New services in 2020: Virtual Shelf, Retail Performance

### GET DATA IN REAL TIME

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

### BIG DATA ANALYSIS

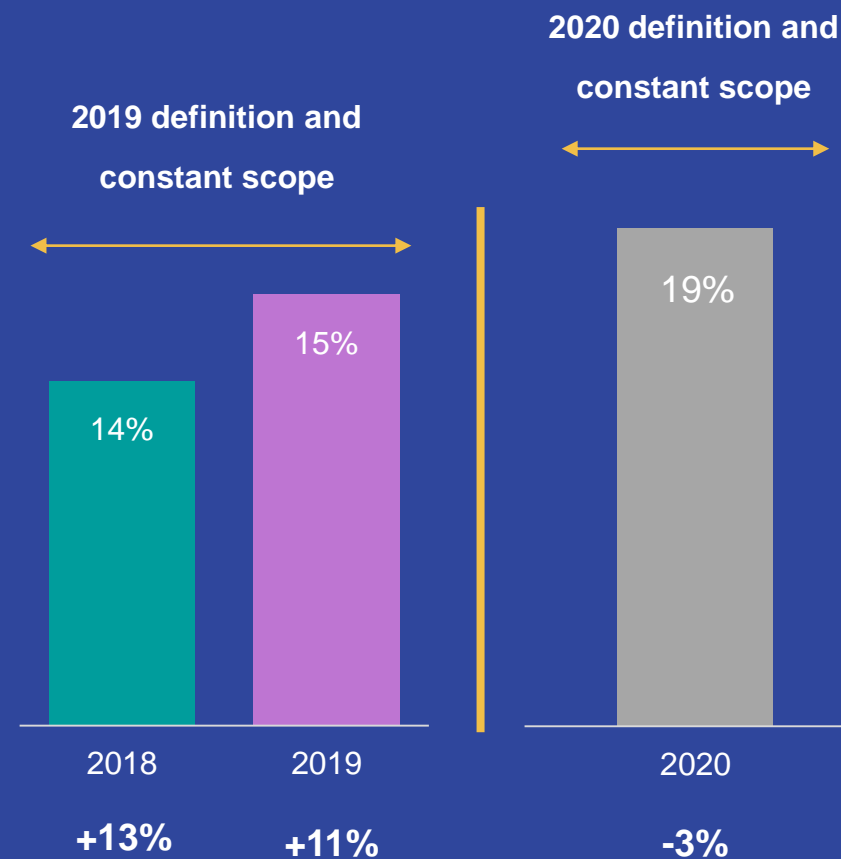
Data analytics / Data Science, Ipsos Science Center, Path to Purchase

### CLIENT ADVISORY SERVICES

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

#### SHARE OF TOTAL REVENUE

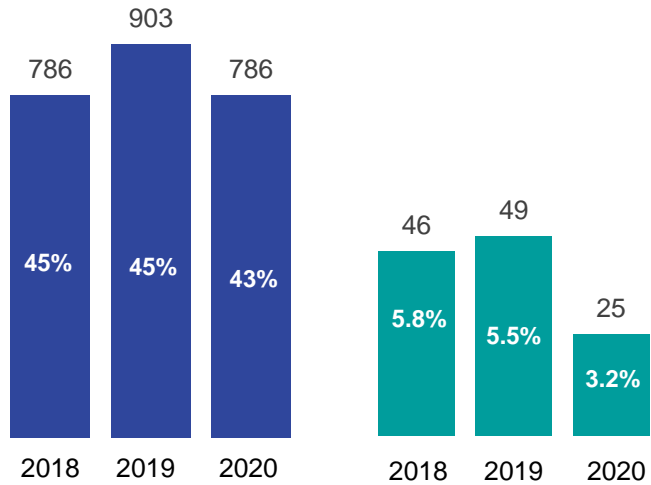
Growth



# GREATER MARGIN SEASONALITY

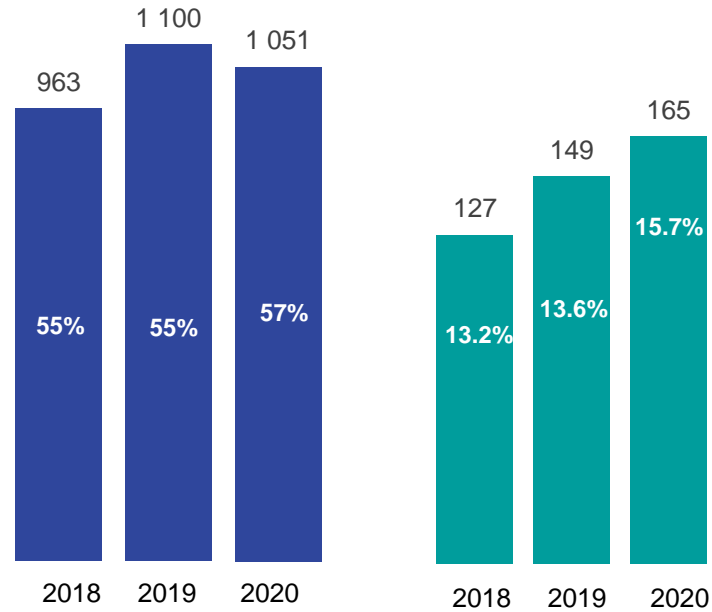
## 1<sup>st</sup> semester

Revenue (€m)      Operating margin (€m)



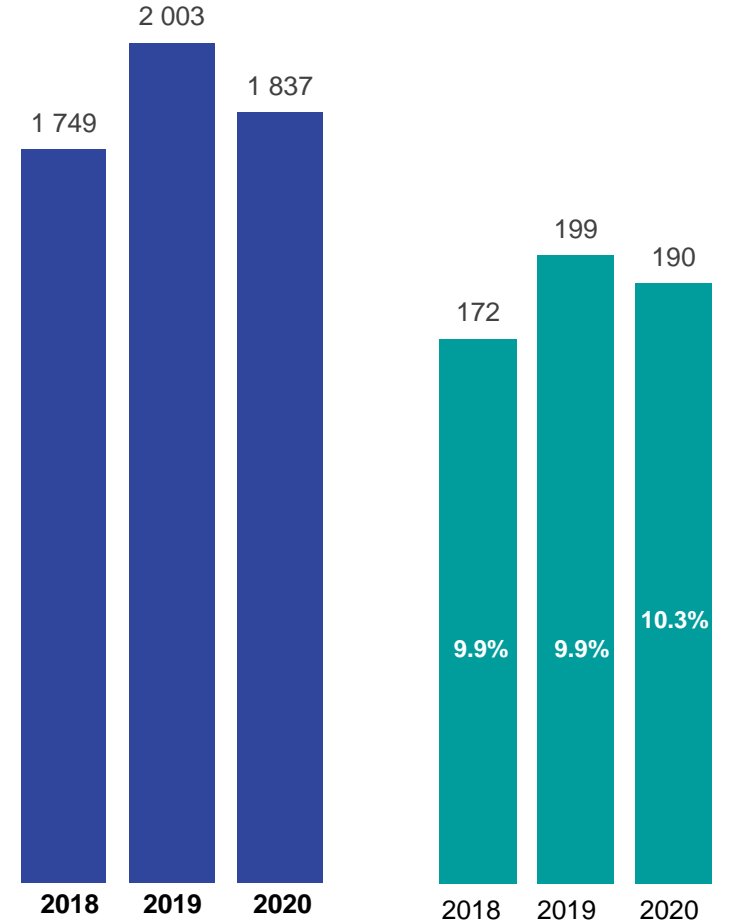
## 2<sup>nd</sup> semester

Revenue (€m)      Operating margin (€m)



## Year

Revenue (€m)      Operating margin (€m)



\*Contribution to revenue for the year

\*\*Operating margin on revenue

# A COST SAVING PLAN TO GUARANTEE THE OPERATING MARGIN AND LIQUIDITY

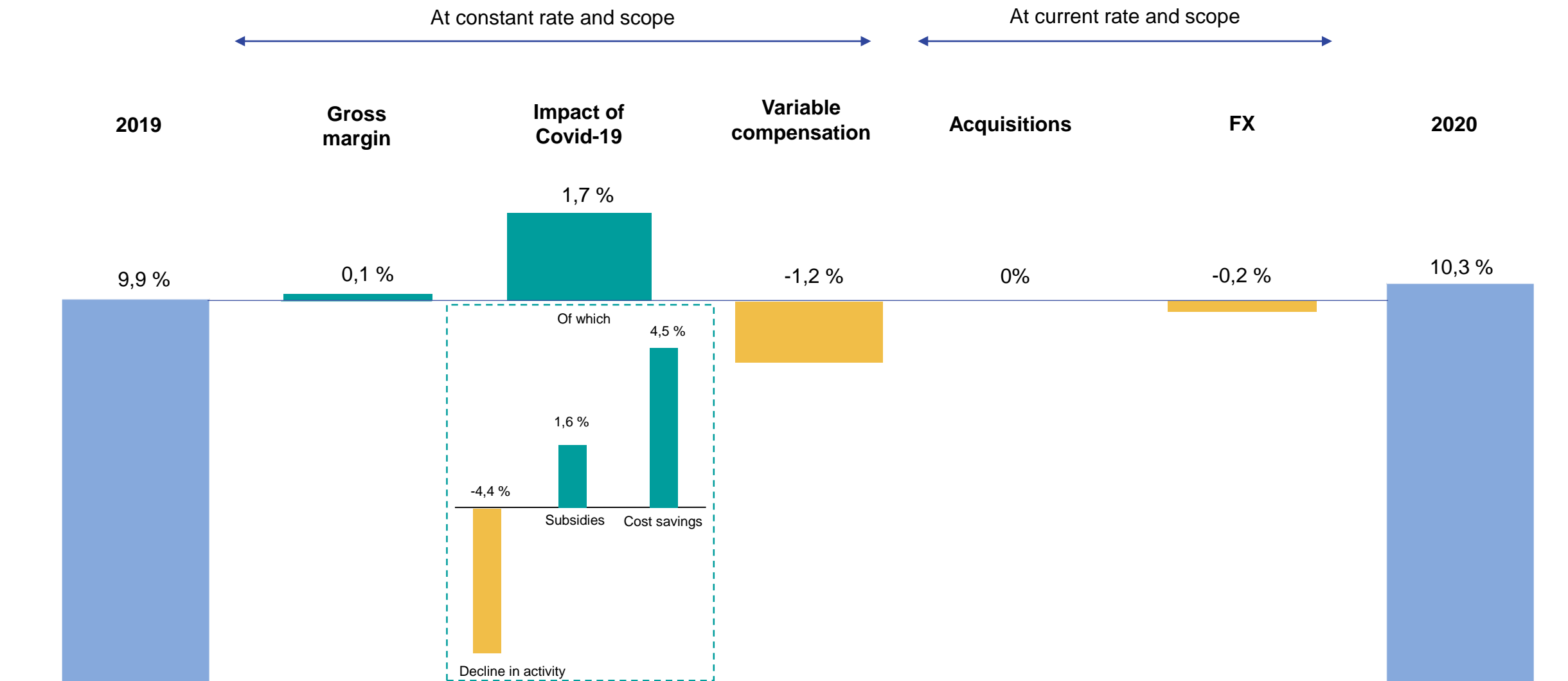
ACTION TAKEN	1 <sup>st</sup> semester	2 <sup>nd</sup> semester	Impact in 2020
<b>On the Payroll (excluding variable compensation):</b> <ul style="list-style-type: none"> <li>- Freeze on recruitments and planned wage adjustments</li> <li>- Voluntary reduction in compensation up to 20% for top management and executives</li> <li>- Other decrease on payroll</li> </ul>	€14M	€29M	€43M
<b>Government programs</b>	€17M	€12M	€29M
<b>On General Operating Expenses:</b> <ul style="list-style-type: none"> <li>- Suspension of international travel</li> <li>- Rent renegotiations</li> <li>- Other reductions (Discretionary expenses etc.)</li> </ul>	€15m	€26M	€41M
<b>Total savings</b>	<b>€46M</b>	<b>€67M</b>	<b>€113M</b>
<b>On liquidity:</b> Dividend reduced by 50%	-	€19M	€19M

**€132M**

positive impact on cash flow



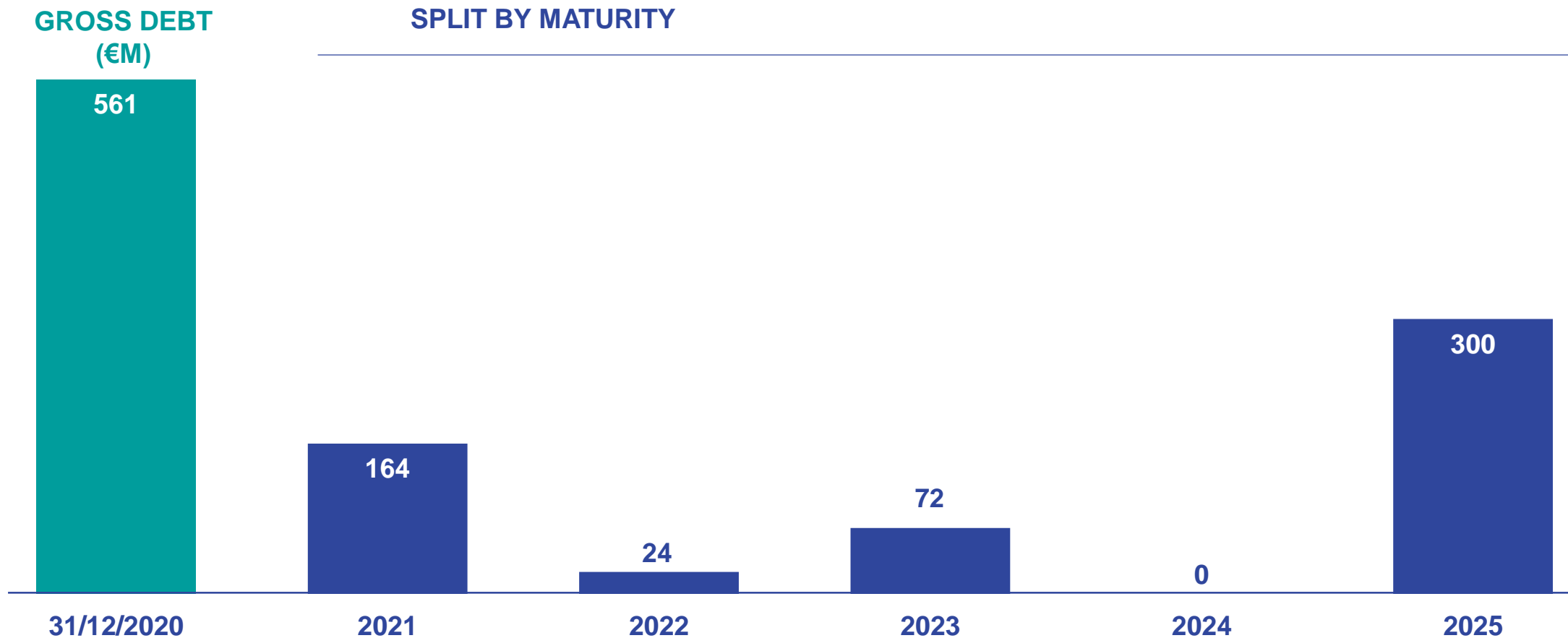
# CHANGE IN OPERATING MARGIN



# CASH FLOW STATEMENT

In millions of euros	2020	2019	Change 2020 - 2019
<b>Gross operating cashflow</b>	<b>262.1</b>	<b>266.4</b>	<b>-1.6%</b>
Change in WCR	134.6	(52.7)	-
Income taxes paid	(27.8)	(35.9)	-22.6%
Property, plant and equipment, intangible and financial assets	(35.5)	(43.5)	-18.4%
Net interest paid	(22.2)	(25.5)	-12.6%
Lease payments	(46.1)	(44.7)	3.2%
<b>Free cash flow</b>	<b>265.1</b>	<b>64.3</b>	<b>312.4%</b>
Acquisitions and financial investments	(21.9)	(28.6)	-23.5%
Purchase / Sale of shares	2.5	1.3	92%
Net change in long-term financial debt	(166.8)	(5.1)	-
Dividends	(19.8)	(38.6)	-48.8%
<b>Cash position at end of period</b>	<b>216.0</b>	<b>165.4</b>	<b>30.5%</b>

# DEBT BY MATURITY



As at 31 December 2020, Ipsos had over 400 million euros of undrawn credit lines with maturities of over one year

# BALANCE SHEET AND DEBT POSITION

In millions of euros	2020	2019
Equity	1,122	1123
<b>Net debt*</b>	<b>347</b>	<b>578</b>
Gearing	30.9%	51.5%
Net debt / EBITDA**	x 1.6	x 2.4
Interest coverage (operating margin / interest expense)	x 8.9	x 7.8

\* Bonds and bank loans net of cash

\*\* Ratio calculated excluding IFRS16 impacts

# OUR AGILITY IN THE FACE OF THE PANDEMIC

# 3



# MOBILIZING IPSOS TO MEET NEW CLIENT NEEDS



## "CALL TO ACTION"

A tactical plan to adapt our solutions and offer clients simple, timely and specific responses to the new challenges associated with the pandemic

- Launch: April 2020
- Implementation: July 2020
- Validity: Until the end of 2021



# TAKING AN ACTIVE ROLE IN OUR EMPLOYEE DEVELOPMENT

Maintaining our employee engagement



## PROTECT

Look after the physical and mental health of our employees during the pandemic.

Promote wellbeing at work.

- **76%** of employees feel happy at Ipsos
- **75%** of Ipsos employees have benefited from a program providing psychological support



## DEVELOP

Training for our employees for the new solutions.

Develop their managerial skills in unprecedented conditions.

- **42hrs** of training on average per employee in 2020
- **76%** of employees have completed at least one certified training course



## CREATE BONDS

Create an inclusive work environment where our employees thrive.

- **78%** of employees say they work in an inclusive company that embraces diversity

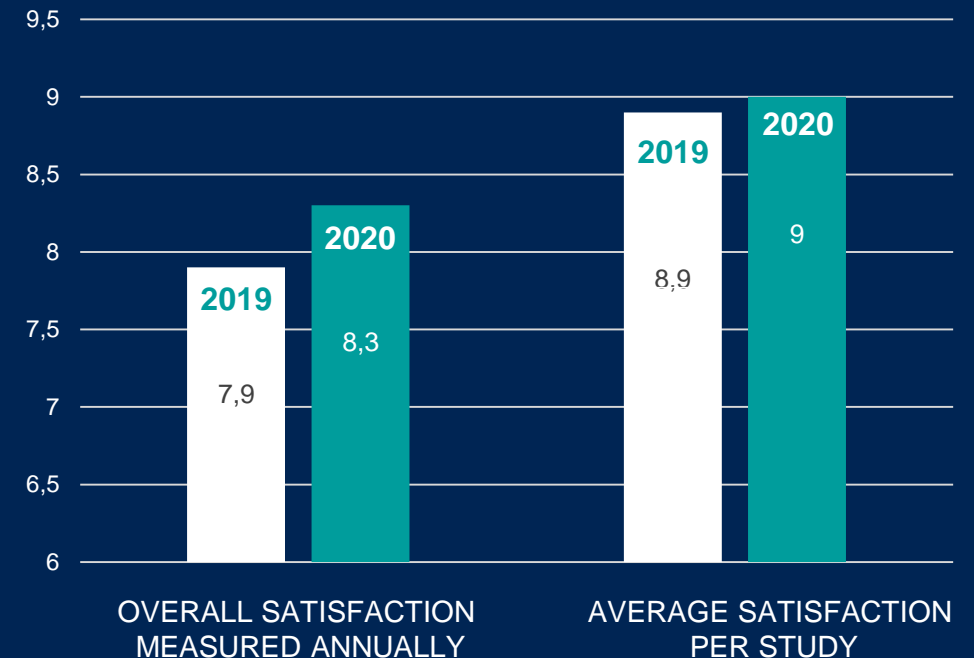
# PUTTING CLIENTS AT THE HEART OF OUR CONCERNS

## Getting closer to our clients

- Identify suitable methods to deal with the constraints of data collection
- Disseminate our knowledge through our publications and webinars
- Create time for peer-to-peer discussions facilitated by Ipsos experts



**Ipsos achieves its highest level of customer satisfaction**



Satisfaction measured on a scale of 10

# BESPOKE SOLUTIONS FOR THE PANDEMIC

## Requirements



**SPEED**



**RELIABILITY**



**COMPLIANCE**

## Our responses

### APPROPRIATE

Deliver information that provides the best response to our customer queries

- Essentials tracker
- On-site safety and compliance audits

### AGILE

Use fast, easy-to-use, virtual solutions

- Virtual / Instant Creative Labs online communities

### AFFORDABLE

Acknowledge the budgetary constraints of our clients

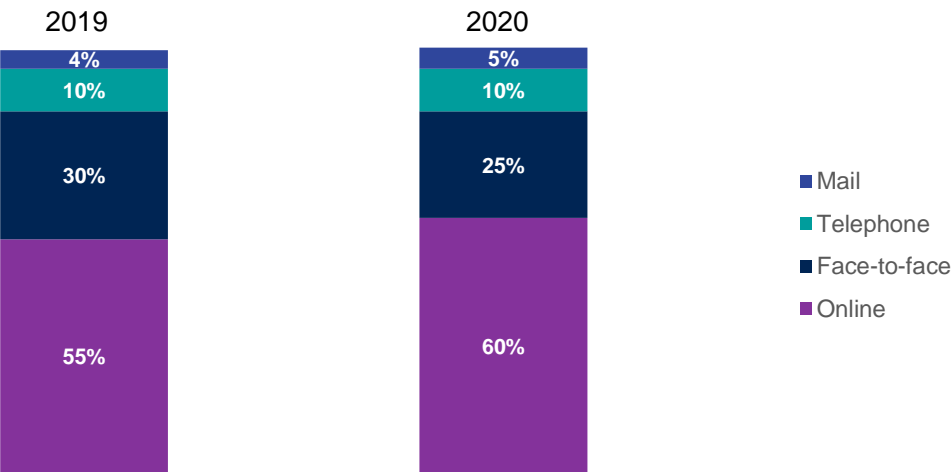
- Ipsos.Digital



# ADAPTING OUR DATA COLLECTION METHODS

## KEEPING EVERYONE HEALTHY BY ADOPTING RESILIENT METHODS

Survey revenue by data collection mode\*



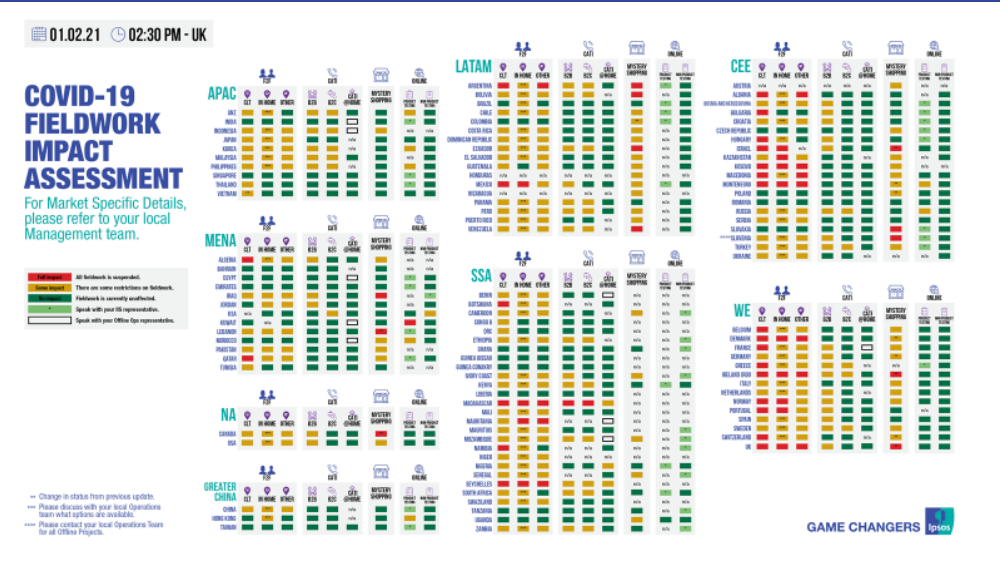
15%

Interviews conducted online in  
2020 (20 to 23 million)

x 2.6

Telephone interviews conducted  
while working from home  
compared to 2019

## STAYING OPERATIONAL IN EVERY COUNTRY



\*Survey revenue represents 72% of Ipsos total revenue



# INVESTING IN DATA AND PLATFORMS

# 4

# ACCELERATING THE ROLLOUT OF IPSOS' DIGITAL PLATFORMS

Digital solutions for fast access to reliable information

## Synthesio - SIA

Listening platform for the collection, analysis and visualization of social network data in the form of dashboards

## Simstore

Platform simulating the purchasing dynamic in store or online to predict consumer behavior

## SRP\* - Communities

Platform for the long-term management of communities enabling qualitative and quantitative analysis

\*Socialized research platform

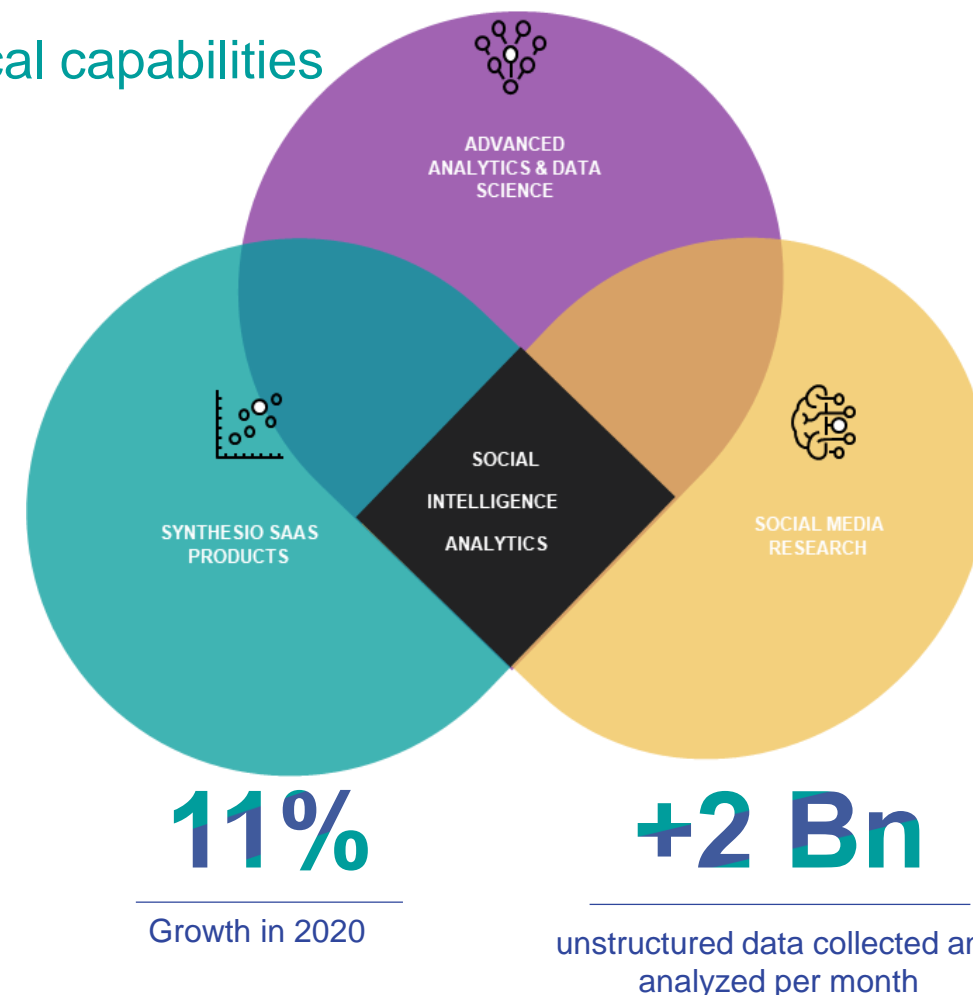
## Ipsos.Digital

Ipsos Do-it-yourself end-to-end solution for launching studies independently or with the help of Ipsos experts

# SOCIAL INTELLIGENCE ANALYTICS: INCREASED OPPORTUNITIES THROUGH DATA INTEGRATION

Unique services that build on Synthesio's technological capabilities

- Synthesio: cutting-edge technology for collecting and analyzing an increasing amount of unstructured data
- A unique approach combining SIA with other kinds of expertise to offer more comprehensive solutions for clients
- 2021: an ambitious roadmap for R&D and new AI-driven features





# IPSOS.DIGITAL: SUCCESSFULLY LAUNCHED IN 2020

- Dedicated to Do It Yourself research and available in 40 markets
- Access to Ipsos online panels and its pre-configured questionnaire database
- Delivers reliable data and information in a few hours
- Used by our teams to carry out their questionnaires

**+1,000**

Projects (since January 2020)

**€7M**

2020 Turnover

**+€25M**

2021 target turnover

**+€100M**

2023 target turnover



# IPSOS.DIGITAL: A SUITE OF DIY SOLUTIONS

## FastFacts



DIY search tool

## Duel



Fast and agile behavioral analysis solution

## InnoTest



Evaluation of innovation, from ideation to conceptualization

## Creative|Spark



Creative evaluation

## Omnibus



Multi-client, assisted questionnaire tool

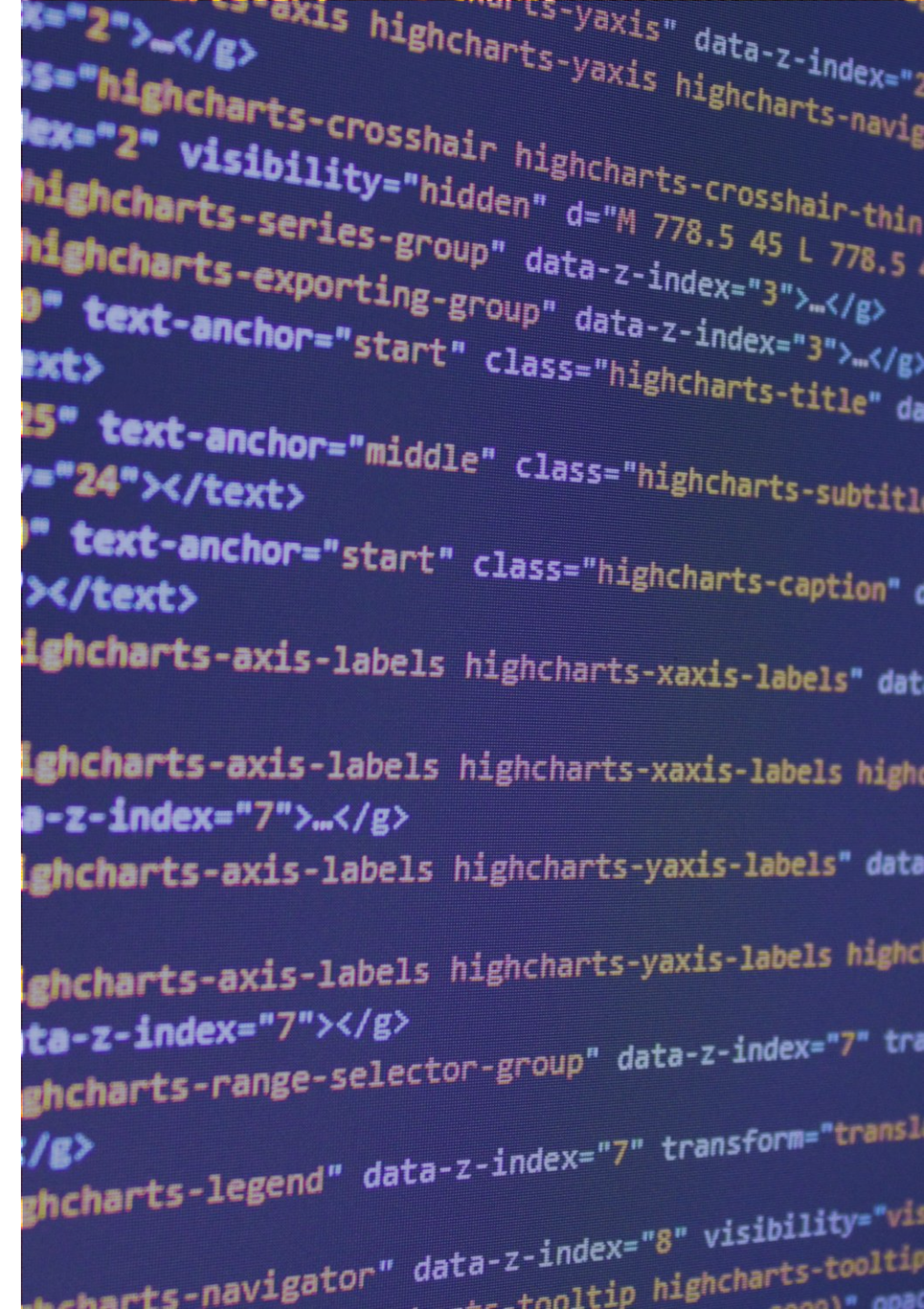
# ACQUISITIONS IN 2020

## ASKIA

- Acquisition of a majority stake
- **Survey and data visualization software** provider
- More than 150 clients
- Subsidiaries in France, the United Kingdom, Germany and the United States
- Integrated starting February 1<sup>st</sup>, 2020

## OPPORTUNITIES

- Combine the expertise of Ipsos with the technologies developed by Askia to create a simple yet powerful survey platform of the future
- Possible to envisage all types of responses: texts, images etc.
- Support the development of the Ipsos.Digital platform



# RECENT ACQUISITIONS

## Strengthen our technological capabilities in Media – Ad Tech

### FISTNET - DOTMETRICS

- 100% buyout
- At the forefront of audience measurement, for accurate website traffic monitoring and reporting (web-centric)
- Reporting capabilities for faster and more flexible analysis
- One of the technologies used by Ipsos to manage the UKOM contract (UK Online Measurement Ltd) contract
- Integrated starting February 1<sup>st</sup>, 2021

### OPPORTUNITIES

- Accelerate the development of our web and mobile measurement solutions
- Adapt to changing demand for data collection, manipulation and reporting on websites

### MGE DATA

- Acquisition of a majority stake
- A key player in out-of-home audience measurement
- Consulting, data analysis, application development and technology solution capabilities
- Worked with Ipsos for the past 10 years on the "ROUTE" project in the UK, the "MOBIMETRIE" project in France, the "OUTDOOR IMPACT" project in Sweden and the "MAPA" project in Brazil.
- Selected in Australia by the Outdoor Measurement Association to update its "MOVE" measurement system
- Integrated starting February 1<sup>st</sup>, 2021

### OPPORTUNITIES

- Improve our solutions in the context of geolocation data integration
- A combined offer that will be extended to 15 countries
- Calculate audience levels for around 1.5 million billboards

# OUTLOOK

# 5

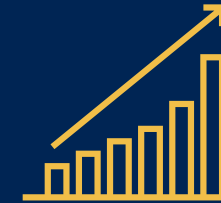


# OUTLOOK FOR 2021



The pandemic-induced crisis is not over yet.

The short and long-term consequences of this crisis on Society and Business are the subject of much debate.



If the health situation does not deteriorate significantly:

- Ipsos' revenue in 2021 will be higher than in 2020, closer to that seen in 2019.
- The operating margin will increase. The amount by which it increases depends on the amount of revenue and striking the right balance between Ipsos' different components.

# THANK YOU

# QUESTIONS & ANSWERS