



## Q1 2021: A Real Upturn

**Q1 revenue: €466.3 million**

**Organic growth: +14.1%**

**Total growth: +8.8%**

**Paris, April 22, 2021** - Ipsos posted revenue of €466.3 million in Q1 2021, up 8.8% compared to 2020 and up 10.5% compared to 2019.

Currency effects are significant, reducing the company's level of revenue by 5.7%, reflecting the decline in the value of most emerging market currencies and also that of the US dollar against the Euro. The effects of changes in the scope of consolidation are slight (+0.4%).

At constant exchange rates and scope of consolidation, Ipsos' organic growth in Q1 was 14.1%. Q1 2020 already bore the scars of the global epidemic crisis. Some Chinese regions had been locked down from January 2020. Italy closed at the beginning of March, with France and other European countries adopting very restrictive provisions a few days later. Similar measures in other continents, including the Americas, were introduced in late March or April, depending on the country. The "great lockdown" halted Ipsos' growth.

For the first three months of 2020, activity remained stable compared to the same period of 2019 due to, as we pointed out at the time, two good months in January and February and a poor month in March. Ipsos' activity in the first quarter of 2021 grew organically by more than 14% compared to the same periods in 2019 and 2020 thanks to a very good month in March.

### PERFORMANCE BY REGION

In millions of Euros	Q1 2021 revenue	Contribution	Change Q1 2021 / Q1 2020	Organic growth
EMEA	234.5	50%	24.8%	<b>28%</b>
Americas	154.6	33%	-7.7%	<b>0.5%</b>
Asia-Pacific	77.2	17%	5.4%	<b>9%</b>
<b>Annual revenue</b>	<b>466.3</b>	<b>100%</b>	<b>8.8%</b>	<b>14.1%</b>



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Performance by region reflects the course of the pandemic. The regions that were hit earliest are also those that are rebounding most strongly, provided they are able to control the contagion.

In Asia, Ipsos grew by 9%, driven by an excellent performance in China and somewhat hampered by a lack of activity in North Asia, Australia and Hong Kong. In total, Asia is the only region where Ipsos' activity in 2021 is slightly lower than in 2019.

Activity grew in the Americas in 2020 (+4%). It stabilized in 2021 and is better in the North than in the South. Despite encouraging signs, Ipsos' revenues in Latin America will only return to a satisfactory level and resume growth if the health situation improves.

Finally, the EMEA region is in very positive territory. Its total growth was 24.8% and 28% organically. All markets experienced double-digit growth with the exception of Central and Eastern Europe, which grew by "only" 7.5%. In Western Europe in particular, but also, on a more limited scale, in the Middle East and most African countries, Ipsos is well placed to benefit from the resumption in demand from private commercial companies and simultaneously from the explosion in the information needs of public institutions, especially those engaged in the fight against Covid-19.

### PERFORMANCE BY AUDIENCE

In millions of Euros	Q1 2021 revenue	Contribution	Change Q1 2021 / Q1 2020	Organic growth
Consumers <sup>1</sup>	203.5	44%	4.9%	12%
Customers and employees <sup>2</sup>	89.3	19%	-15.7%	-11.5%
Citizens <sup>3</sup>	94.1	20%	43.9%	49%
Doctors and patients <sup>4</sup>	79.4	17%	25.5%	27.5%
<b>Annual revenue</b>	<b>466.3</b>	<b>100%</b>	<b>8.8%</b>	<b>14.1%</b>

*Breakdown of Service Lines by audience segment:*

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

2- Automotive & Mobility Development, Audience Measurement, Customer Experience, Channel Performance (including Retail Performance and Mystery Shopping), Media development, Capabilities

3- Public Affairs, Corporate Reputation

4- Pharma (quantitative and qualitative)

The evolution of performance by audience reflects this two-fold movement. The revenue generated by the services that study people as citizens and patients is developing very favorably. States, non-governmental organizations and international institutions engaged





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in the fight against the epidemic are feeding a continuous flow of requests for measurements and information of various kinds. Pharmaceutical companies, whether or not they are involved in the fight against Covid-19, are also very active.

Services that qualify people as consumers are regaining momentum, quarter after quarter. Ipsos' revenue from this audience was down slightly last year. The gap, recorded in 2020, compared to the medium-term growth potential of our company, has now been overcome.

In the end, the only services that remain in decline are those related to customer and employee services. They were already struggling in 2020 for technical and sectoral reasons. In this segment, many of Ipsos' services require physical contact between, for example, interviewers and locations. These services are, therefore, much less usable at the moment given the continuation of restrictive health policies. In addition, a significant number of companies interested in these audiences operate in sectors such as transport, hotels, restaurants or tourism which obviously have not yet returned to their pre-Covid-19 level of activity. Here, the timeframe for the return to pre-Covid-19 revenue levels is hard to predict.

### OTHER DESCRIPTIVE ELEMENTS OF THE BUSINESS CONDITIONS DURING THE FIRST QUARTER

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Profitability is in line with the objectives for the year and significantly higher than the same period last year. In March 2020, the suddenness of this decline in activity did not allow us to immediately reduce our costs to a similar extent, as they are partly fixed and were proportionate to the growth forecast for the year 2020. Additionally, the savings plan put in place to deal with the impact of the pandemic continues to bear fruit. Over the whole of 2021, savings of around 20 million compared to 2019 operating expenses are expected.

Free cash flow generation is also in line with expectations and is particularly high due to the good level of sales at the end of 2020, which materialized in cash receipts during this quarter.

The company invested approximately €5 million through two acquisitions (Fistnet - DotMetrics and MGE Data) and the buyout of minority interests in Croatia and Serbia during Q1. The two new companies are included in the consolidated financial statements as of January 1, 2021.

The net debt ratio at March 31, 2021 was 20%, down from 31% at December 31, 2020 and 47% at March 31, 2020.

The company has good liquidity with €327 million in cash and around €300 million in undrawn bank facilities, enabling it to meet its 2021 and 2022 debt maturities.



Defining prospects is always a difficult exercise, especially for companies which, like Ipsos, manage a diversified portfolio of products and/or services in a large number of markets. Context always plays a major role and explains a significant part of the performance. Usually, changes in the political, economic, financial and societal context are, if not predictable, at least manageable because they fall within limits that are rarely exceeded. It took a major financial crisis in 2008 / 2009 to bring growth in many markets to an unexpected halt for several consecutive quarters. The Covid-19 pandemic is a more brutal, longer, more sinusoidal phenomenon than the "great recession" of 2009. Forecasting exercises are tricky.

Mass vaccination is currently the only solution to successfully combat Covid-19 and its multiple variants. The difficulty is, of course, that the prospects of mass vaccination unfortunately face many obstacles: the variants; the efficacy and also the safety of vaccines; their availability to the greatest number of people, including in the most populous and least developed countries; and finally, the appetite or acceptance of people to be vaccinated, especially when concerns about their dangerousness spread in public opinion. Will the pandemic end? Yes, of course. Within what timeframe? We do not know. The only good questions are rather: how will individual countries, their citizens and their businesses function until the day the word "end" means the positive and final outcome of the fight against Covid-19? How does Ipsos organize itself in this interim period to meet the information needs of its clients: commercial companies, public institutions and non-governmental institutions?

In 2020, Ipsos managed to control its costs and also to quickly adapt to this unexpected and massive crisis.

Our action consisted of working on the different factors of the equation that allow Ipsos to be more successful than others.

Our company has strengthened its ties with its clients and adapted its solutions so that they are simple to implement and provide information that is secure, relevant, easy to use and as up-to-date as possible. Above all, our company has multiplied initiatives to make its employees and partners feel supported, included and associated with its success.

Ipsos is an independent company and intends to remain so. Ipsos is a company that has defined its raison d'être: "To deliver reliable information, that provides a true understanding of Society, Markets and People" and intends to remain true to this.

We are convinced that our capabilities, our solutions, our expertise, our reputation, our investments in partner companies and in new technological solutions, our insistence on promoting the idea that only the quality of information and the ways to make it understandable, are incomparable assets in the current period and in the turbulent times that will follow the end of the pandemic.



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The demand for our services has been strong since last autumn. Our performance in Q1 2021 is excellent. It is the result of a positive combination of strong private demand and very strong public demand, which is exceptional in part because it is directly linked to the management of the epidemic.

Our order book is also high at the moment. Consequently, despite the inevitable uncertainties linked to the health situation and its consequences on society, economic activity and, more generally, social stability, Ipsos is in a position to do better in terms of revenue than in 2020 and also than in 2019. The growth of its business should be accompanied by an improvement in its operating margin compared to 2020.

### ABOUT IPSOS

Ipsos is the third largest market research company in the world, present in 90 markets and employing more than 16,000 people.

Our passionately curious research professionals, analysts and scientists have built unique multi-specialist capabilities that provide true understanding and powerful insights into the actions, opinions and motivations of citizens, consumers, patients, customers or employees. Our 75 solutions are based on primary data from our surveys, social media monitoring, and qualitative or observational techniques.

Our tagline "Game Changers" sums up our ambition to help our 5,000 customers move confidently through a rapidly changing world.

Founded in France in 1975, Ipsos has been listed on the Euronext Paris since July 1, 1999. The company is part of the SBF 120 and Mid-60 indices and is eligible for the Deferred Settlement Service (SRD).

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