



# Full-Year results 2021

Thursday February 24, 2022

**Didier Truchot**

Chairman of the Board

**Ben Page**

CEO

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# A SUCCESSFUL MODEL





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# EXCEPTIONAL MOMENTUM



# EXCEPTIONAL GROWTH IN 2021

Revenue



**€2,147M**

Organic growth



**+17.9%** **+10.4%**

vs 2020

vs 2019

Operating  
margin



**12.9%**



# FACTORS BEHIND OUR EXCEPTIONAL MOMENTUM



**A very favorable economic environment**



**Strong demand from our clients**

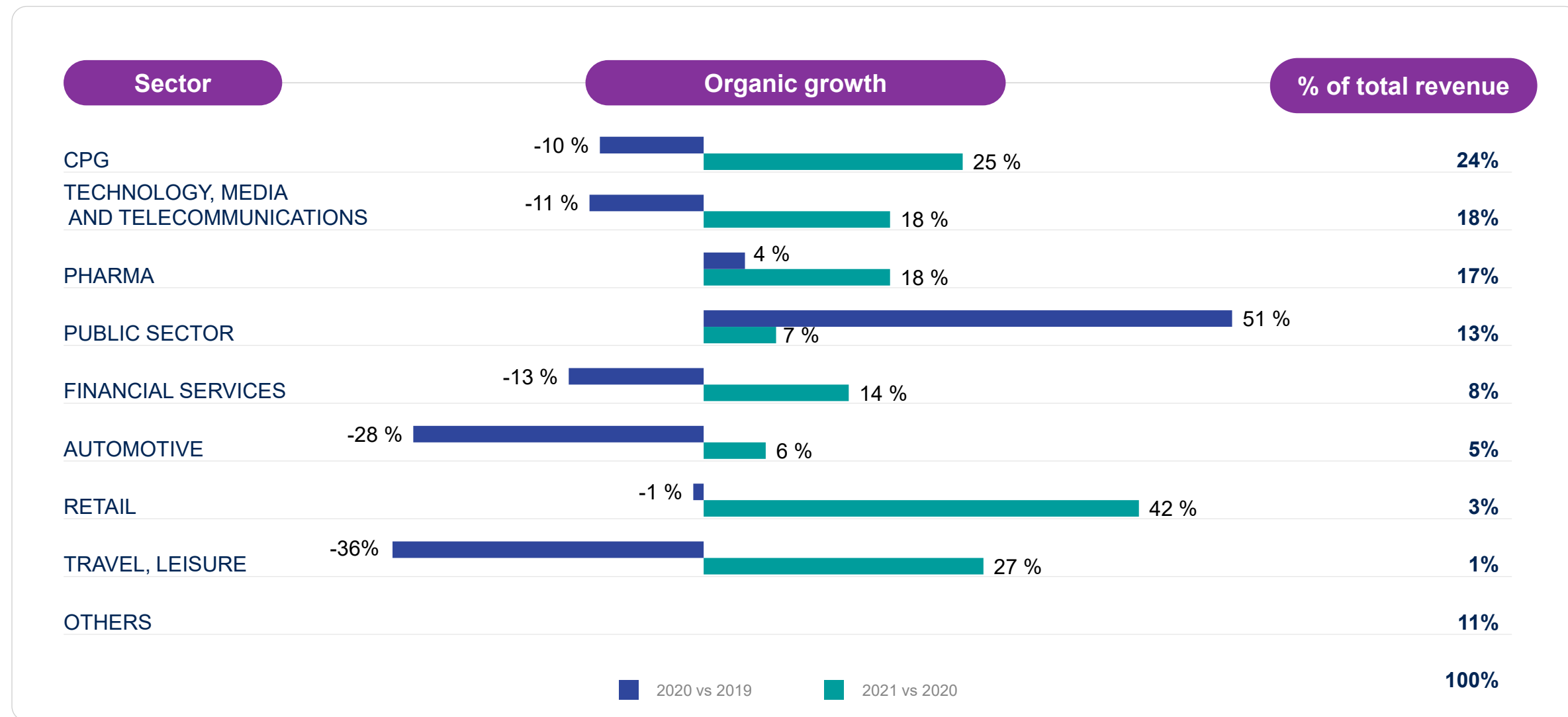


**Low cost base at the start of the year**



**Successful adjustment to the information needs of businesses and organisations**

# STRONG PERFORMANCE IN ALL SECTORS





# SUPPORTING INNOVATION FOR OUR CLIENTS IN AN ERA OF TRANSFORMATION

Organic growth in the CPG sector

**+25% vs 2020**

**+12% vs 2019**

## CONNECTED CONSUMER GOODS

Support the launch of new offers that use technology: direct-to-consumer model, smart products, "green" services, customized offers...

Performance analysis (relevance, pricing and differentiation), business model analysis and optimization of the consumer decision journey.

## PREDICTIVE ANALYTICS

Predict purchase intention for a new product or service:

- Exploit existing data by using Artificial Intelligence and Machine Learning to analyze consumer transcripts
- Optimize costs by reducing the number of questions asked



# ADOPTION OF VIRTUAL SOLUTIONS TO EXPAND QUALITATIVE STUDIES

**66%**

of qualitative studies were online in 2021

vs 18% en 2019

## MAIN CONTRIBUTIONS

### Virtual focus groups

Online one-to-one interviews

### Communities Platform

Direct real-time access to respondents: continuous information obtained quickly

### Online qualitative studies

Strengthened by the lack of face-to-face options

### Virtual workshops

Online meetings to help decision makers translate research results into action plans

Organic growth in 2021 vs 2019

**x13**

**+60%**

**+60%**

**+13%**



# IMPACT STUDIES TO INFORM GOVERNMENTS AND NGOS

Organic growth

**+60% vs 2019**

Excluding Covid impact

**+17% vs 2019**

## SUPPORTING PUBLIC POLICY DEVELOPMENT



**REACT** Study: supporting the UK home testing program



Supporting public health and communications strategies in the United States

## UNDERSTANDING INEQUALITIES



Analysis of the unequal impact of the pandemic on men and women



ONE.ORG

Understanding public opinion and vaccine inequality in 7 countries

# BEYOND THE PANDEMIC: THE GROWTH OF THE PHARMACEUTICAL SECTOR

Organic growth

**+18% vs 2020**

**+24% vs 2019**

## MEDICAL AND DIAGNOSTIC DEVICES

Supporting MedTech companies:

- Market research
- Market access, Health Economics and Outcomes Research
- Design and development of devices

**+63% vs 2019**

## DEVELOPMENT OF CONNECTED HEALTH

- Supporting the digitization of the patient journey and the introduction of new health monitoring technologies (sensors, applications, telephone consultations etc.)

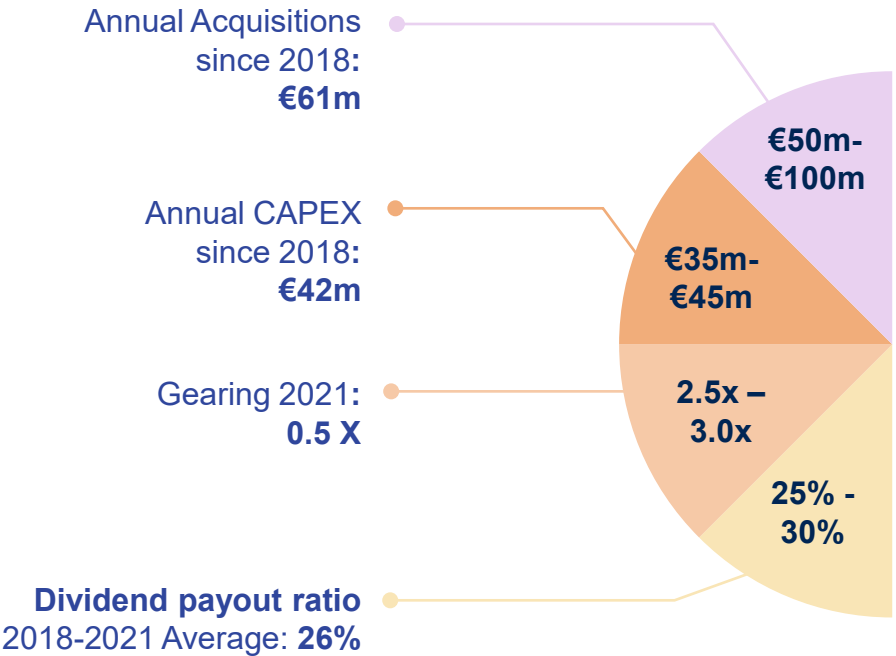
## PASSIVE AND SOCIAL MEDIA RESEARCH

- Measuring the digital opinions, attitudes, reactions and behaviours of patients, health organizations and other stakeholders

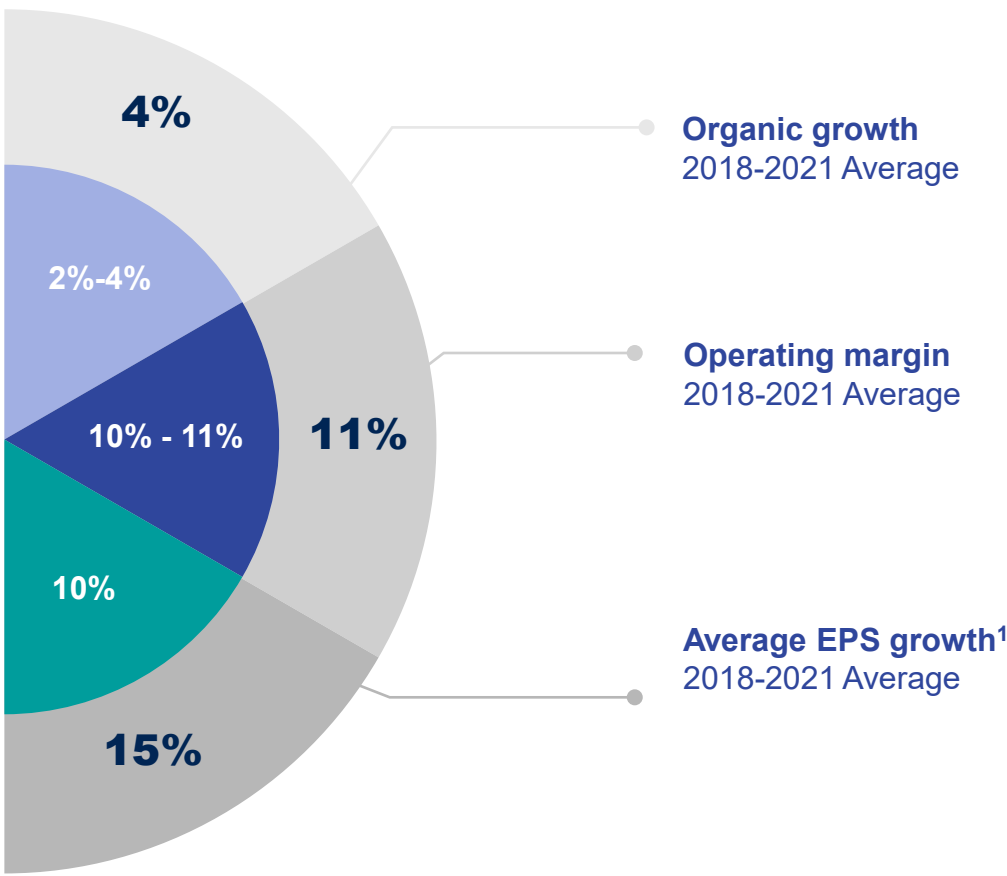


# TOTAL UNDERSTANDING PROJECT: GOALS EXCEEDED

## Balanced cash allocation



## Attractive growth



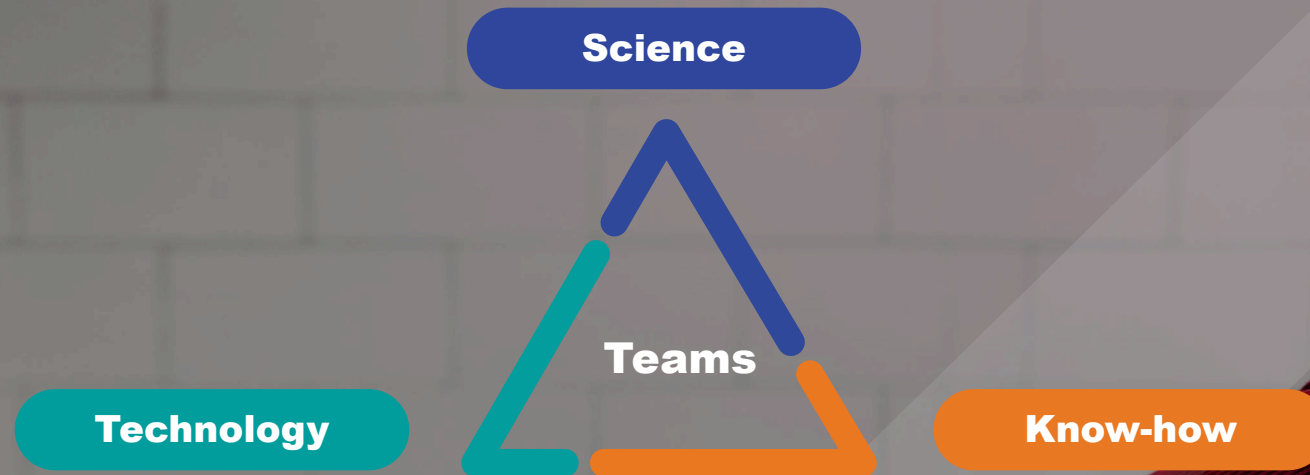
<sup>1</sup> Based on diluted EPS at constant exchange rates

# SOLID FOUNDATIONS

# 2



# THE PILLARS OF A SOLID MODEL



## Service Lines

Making all our services more competitive



## Client organization

Better management of our client relationships, globally and locally



## Strong local presence

Greater responsibility of local markets



## Cross-sectoral capabilities

Science, Technology, Operations, Expertise



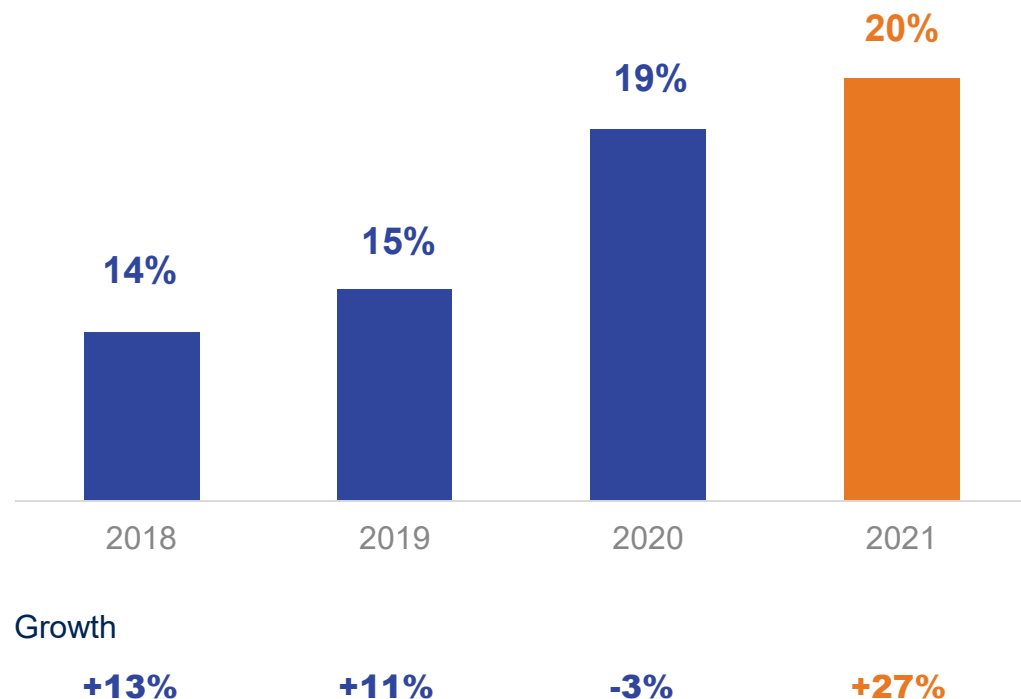
## Acquisitions

Know-how, Technology, Opportunity

# 20% OF REVENUE GENERATED BY NEW SERVICES

## AN OFFER PROPELLED BY THE USE OF TECHNOLOGY

Share of new services in total revenue



## 4 CATEGORIES OF NEW SERVICES



### Measure differently

Analyze new data sources using passive measurement and social media with Synthesio



### Get data in real time

Collect survey results quickly mainly thanks to Ipsos.Digital



### Analyze big data

Integrate technologies to analyze large amounts of structured and unstructured data quickly



### Client advisory services

Provide advice for clients throughout the survey process

# « MARKETING MEASUREMENT AND OPTIMIZATION » : IPSOS' LEADERSHIP RECOGNISED BY FORRESTER

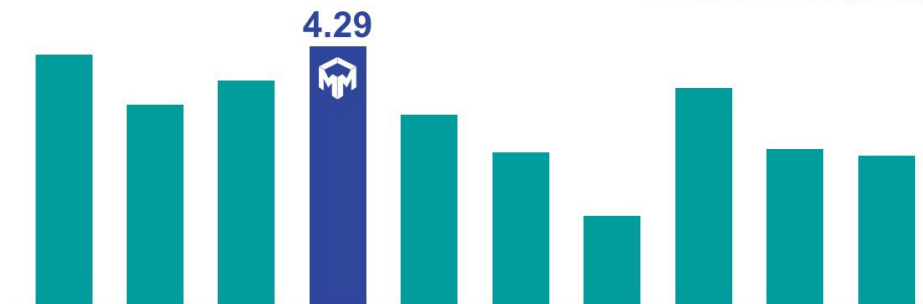


The Forrester Wave™: Marketing Measurement and Optimization Solutions, Q1 2022 Report

## Scores for "Current Offering"

5 point scale

Among the 10 vendors in The Forrester Wave™: Marketing Measurement and Optimization Solutions, Q1 2022 Report, **Ipsos MMA receives the highest score in the current offering category**



\*Marketing Measurement Analytics



## BEST SCORE OUT OF 10 VENDORS

Perfect scores for:

- Methodology
- Market Approach
- Partnership Acquisition
- Global Capabilities



Ipsos MMA's measurement offering is based on its **consulting-led engagement model** backed by deep **technology capabilities**.

Ipsos MMA aspires to not only help clients optimize marketing performance but also to drive broader business outcomes.



# IPSOS.DIGITAL: A SUCCESSFUL, FAST AND SIMPLE DIY PLATFORM

**A fully automated Do It Yourself solution accessible to clients and researchers**



## CUTTING-EDGE TECHNOLOGY

- A simple and intuitive platform
- A comprehensive range of services (from simple questionnaires to in-depth concept and idea development...)



## RECOGNIZED EXPERTISE

- Access to Ipsos' data, science and know-how
- Help from experts at every stage



## RELIABLE RESPONDENTS

- Direct access to Ipsos' respondents
- Global network of respondents
- Over 25 years of experience in managing online panels and questionnaires

**Launched in late 2019,  
2021 key figures:**

**48**

Markets

**€35M**

Revenue

**+€10M**

vs target

**€100M**

2023 target revenue

# CONTINUED INVESTMENT

## ACQUISITIONS IN 2021



## OCTOBER 2021



Ipsos has strengthened its employee experience capabilities with the acquisition of the leading UK company.

Advanced expertise in research and consulting:

- Employee experience
- Company culture
- Leadership
- Change management

Revenue

**£7M**

Number of employees

**100+**

## FEBRUARY 2022



Canadian Mystery Shopping specialist. Support clients in the improvement of customer experience and satisfaction through data and research.

- 5 employees
- Annual revenue: 800,000 CAD

# 2021 FULL-YEAR RESULTS

# 3

# 2021 KEY FIGURES



**€2,147M**

Revenue



**12.9%**

Operating margin



**€244M**

Free cash flow



# CONDENSED INCOME STATEMENT

In millions of euros	2021	2020	Variation 2021/2020
<b>Revenue</b>	<b>2,146.7</b>	<b>1,837.4</b>	<b>16.8%</b>
Gross margin	1,389.3	1,180.5	17.7%
<b>Gross margin / revenue</b>	<b>64.7%</b>	<b>64.2%</b>	<b>0.5 pt</b>
Operating margin	277.4	189.9	46.1%
<b>Operating margin / revenue</b>	<b>12.9%</b>	<b>10.3%</b>	<b>2.6 pt</b>
Other non-recurring income and expenses	(5.5)	(6.1)	-10.8%
Finance costs	(13.8)	(20.6)	-32.8%
Other financial income and expenses	(4.4)	(8.1)	-45.7%
Income tax	(62.9)	(38.9)	61.6%
Net profit attributable to owners of the parent	183.9	109.5	68.0%
<b>Adjusted net profit* attributable to owners of the parent</b>	<b>209.2</b>	<b>129.6</b>	<b>61.4%</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 relationships), before 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	2021	Share	Organic growth vs 2020	Organic growth vs 2019
EMEA	1,014.5	47%	17%	19.5%
Americas	773.1	36%	20%	6%
Asia-Pacific	359.2	17%	14.5%	-2%
<b>Total</b>	<b>2,146.7</b>	100%	17.9%	10.4%

\* Of which

<i>Developed countries</i>	73%	17.0%	14.2%
<i>Emerging countries</i>	27%	20.4%	1.9%

# REVENUE BREAKDOWN BY AUDIENCE

In millions of euros	2021	Share	Organic growth vs 2020	Organic growth vs 2019
Consumers <sup>1</sup>	945.8	44%	25%	9%
Clients and employees <sup>2</sup>	452.2	21%	14%	-9%
Citizens <sup>3</sup>	376.4	18%	6%	36.5%
Doctors and patients <sup>4</sup>	372.3	17%	18%	23.5%
<b>Total</b>	<b>2,146.7</b>	<b>100%</b>	<b>17.9%</b>	<b>10.4%</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 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)



# CHANGES IN DATA COLLECTION METHODS

## Contribution to revenue from quantitative studies\*

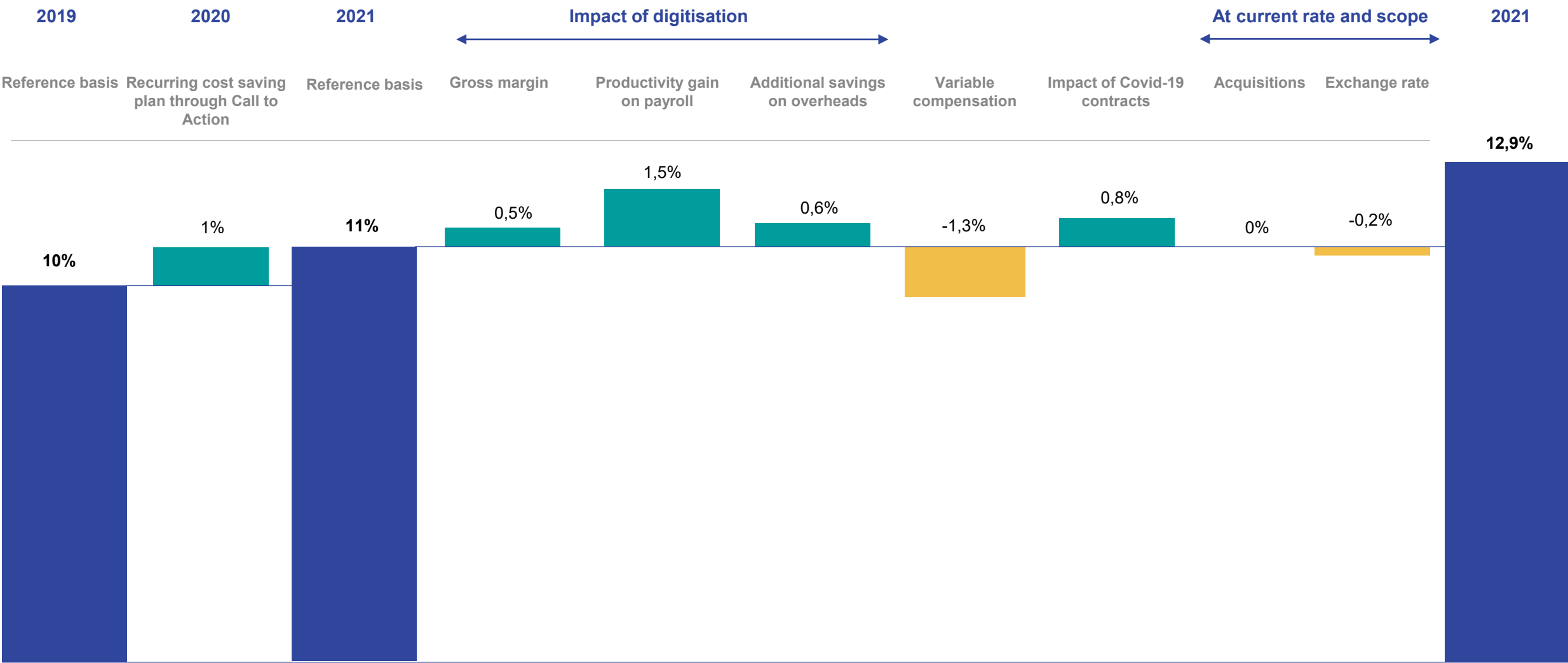
\* Quantitative studies represent 70% of the share of total revenue

	2019	2020	2021
FACE-TO-FACE	30%	25%	23%
ONLINE	55%	60%	62%
POSTAL	4%	5%	5%
TELEPHONE	10%	10%	10%

# ONGOING COST SAVING PLAN IN 2021

ACTION TAKEN (in 2020)	Impact in 2020	2021 target	Achieved in 2021
<b>On the Payroll (excluding variable compensation)</b> <ul style="list-style-type: none"> <li>Freeze on recruitment 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>	43M€	-	-
<b>Government programs</b>	29M€	-	1M€
<b>On General Operating Expenses:</b>			
Cost savings from international travel	21M€	13M€	20M€
Cost savings from use of offices	7M€	7M€	12,5M€
Other reductions (Discretionary expenses etc.)	13M€		
<b>TOTAL</b>	<b>41M€</b>	<b>20M€</b>	<b>32,5M€</b>
Total savings compared to 2019		20M€	33,5M€

# CHANGE IN OPERATING MARGIN





# CASH FLOW STATEMENT

In millions of euros	2021	2020	Variation 2021/2020
<b>Gross operating cashflow</b>	<b>373.0</b>	<b>262.1</b>	<b>42.3%</b>
Change in WCR	33.5	134.6	-
Income tax paid	(60.5)	(27.8)	118.0%
Property, plant and equipment, intangible and financial assets	(45.4)	(35.5)	27.9%
Net interest paid	(13.0)	(22.2)	-41.3%
Lease payments	(43.9)	(46.1)	-4.8%
<b>Free cash flow</b>	<b>243.7</b>	<b>265.1</b>	<b>-8.1%</b>
Acquisitions and financial investments	(30.0)	(21.9)	37.3%
Purchase / Sale of shares	(8.7)	2.5	-
Net change in long-term financial debt	(91.9)	(166.8)	-44.9%
Dividends paid to shareholders	(39.8)	(19.8)	101.4%
<b>Cash position at end of period</b>	<b>298.5</b>	<b>216.0</b>	<b>38.2%</b>

# A GOOD CASH POSITION

En millions d'euros	2021	2020
Equity	1,342	1,122
<b>Net debt*</b>	<b>180</b>	<b>347</b>
Gearing	13.4%	30.9%
Net debt / EBITDA**	x 0.5	x 1.6
Interest coverage (operating margin / interest expenses)	x 22.4	x 8.9

\* Emprunts obligataires et bancaires nets de la trésorerie

\*\* Ratio calculé hors impacts IFRS16

- In December 2021, Ipsos successfully refinanced a Schuldschein for €75 million, with 5 and 7 year tranches.
- At 31 December 2021, Ipsos has around €300 million euros in credit lines available for more than one year.
- The distribution of a €1.15 dividend per share will be proposed to the General Meeting of Shareholder to be held on 17 May 2022.

# DEBT BY MATURITY



As of 31/12/2021

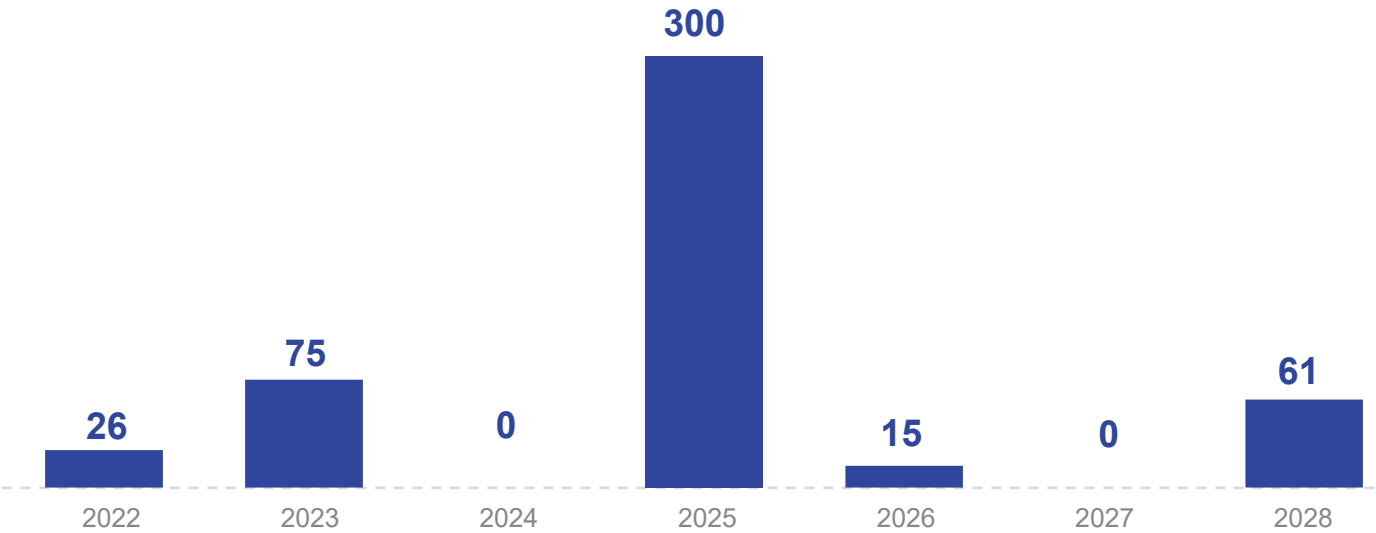
€477M

Gross debt

€180M

Net debt

## SPLIT OF THE GROSS DEBT BY MATURITY



# OUTLOOK FOR 2022





# BEST PEOPLE AND TECHNOLOGY



Ability to **pivot quickly** to new market demands



Improved **productivity and speed** in data collection and analysis  
= better margin



Able to **invest** in further automation and digitization

# IPSOS' PRIORITIES



Values based leadership  
and behaviours



Create global consistency  
and discipline to maintain  
and improve margins



Raise our profile through a  
stronger thought leadership  
programme



Be the best place to work  
in our industry



Build on and scale our best  
practice & innovation



Drive our technologists to  
go faster



# IPSOS' PRIORITIES

## Values based leadership and behaviours

## Be the best place to work in our industry

- Review our behaviours to reflect our values and reinforce them across the organisation – programme currently underway; to be used for appraisal and promotion
- Enhanced well being programmes, revised global training programme and Training Centre software
- Increased Ipsos Foundation funding to focus on making a positive difference – good for society and motivating for our people
- Further progress on gender equality at senior levels in 2021

# IPSOS' PRIORITIES

**Create global consistency and discipline to maintain and improve margins**

**Build on and scale our best practice & innovation**

**Drive our technologists to go faster**

- Launched the new « Client First » plan which has nine distinct elements to drive global consistency on business development, increase win rates, improve impact for clients and strengthen relationships
- Investment in our data collection platform – ongoing migration to new technology driving more productivity, shorter cycle times and improved margins
- Integration of Infotools to improve data delivery to clients
- Roll out of KnowledgePanel across Europe to add to our US and UK coverage
- Looking to make further acquisitions in technology and advisory services



# SIGNALS OF A CHANGING WORLD



**Geopolitical tensions**  
China and Russia vs the West



**Rising inequalities and opportunities**  
Dynamic populations



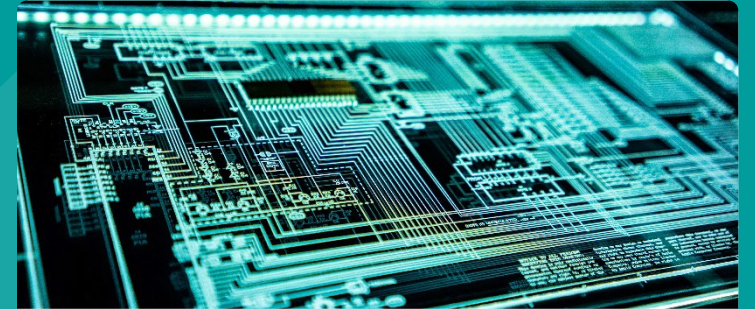
**The fragility of our planet**  
Climate change



The **Covid-19** shock wave



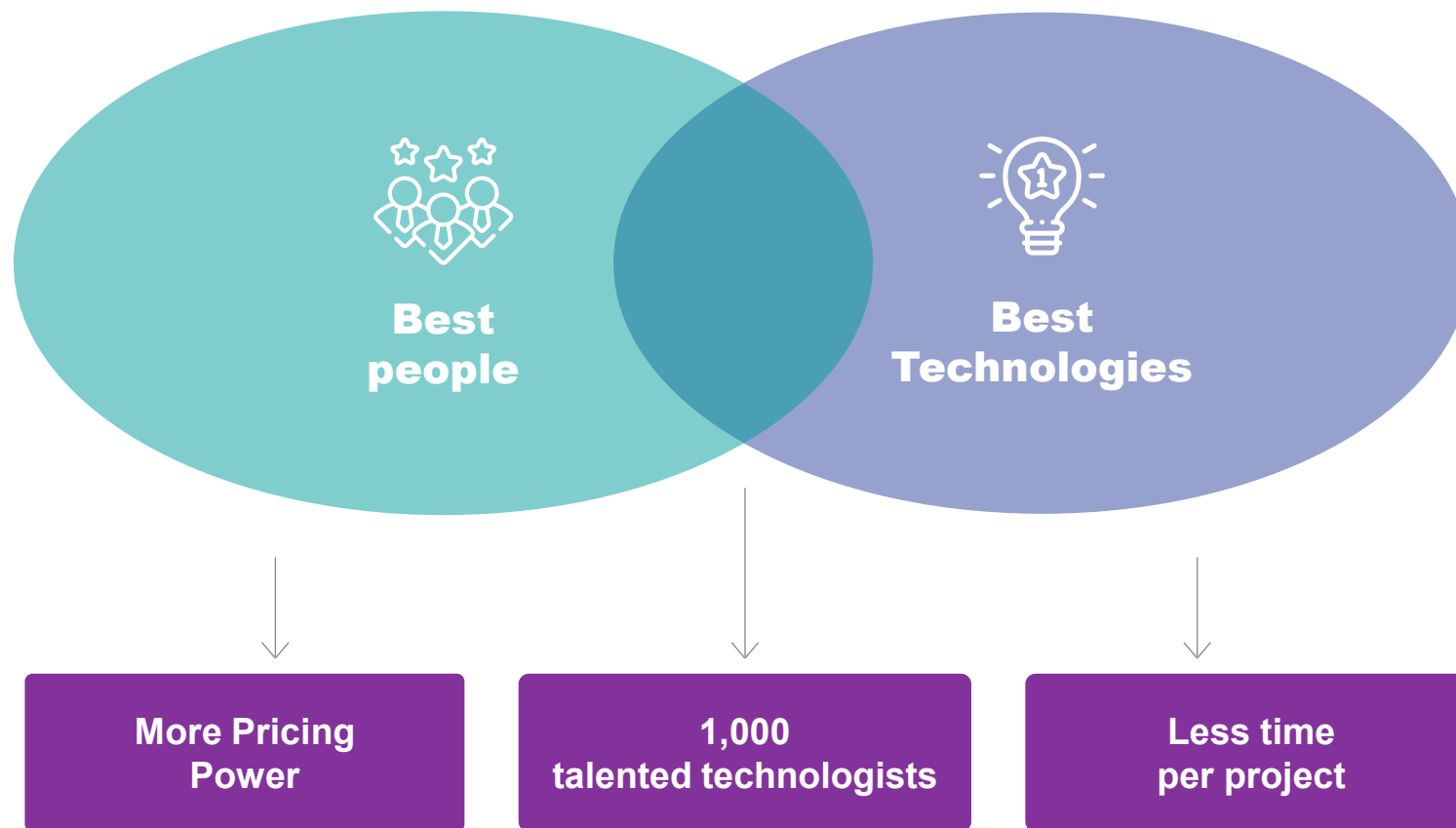
Shortages in the **supply chain**



**Technology** tipping point  
The world of data: **AI, Metaverse**



# A SUSTAINABLE MODEL



Organic growth 2022

$\approx 5\%$

Underlying growth

$\approx 7\%$

**CONFIDENCE IN MODEL**

Operating margin  
2022 between

**12% and 13%**





# THANK YOU

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