

# 2020 FIRST-HALF RESULTS

## Showing Resilience

Thursday, July 23, 2020

Didier Truchot,  
Chairman and CEO

Laurence Stoclet,  
Deputy CEO

**GAME CHANGERS**



# CONTENTS

**1** OVERVIEW OF THE FIRST HALF

**2** IPSOS' RESPONSE

**3** A CLIMATE OF ANXIETY AND UNCERTAINTY

**4** FIRST HALF RESULTS

**5** OUTLOOK

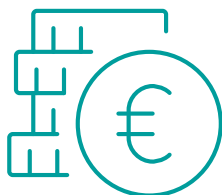
# OVERVIEW OF THE FIRST-HALF



# POSITIVE PERFORMANCE BEFORE

2019

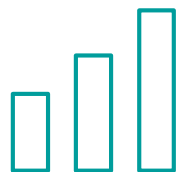
2019 full-year  
revenue



**€2,003.3<sub>m</sub>**

Record year

Organic growth  
in Q4



**+5.6%**

A new growth

# MID-MARCH 2020

Mid-March 2020

Order book up



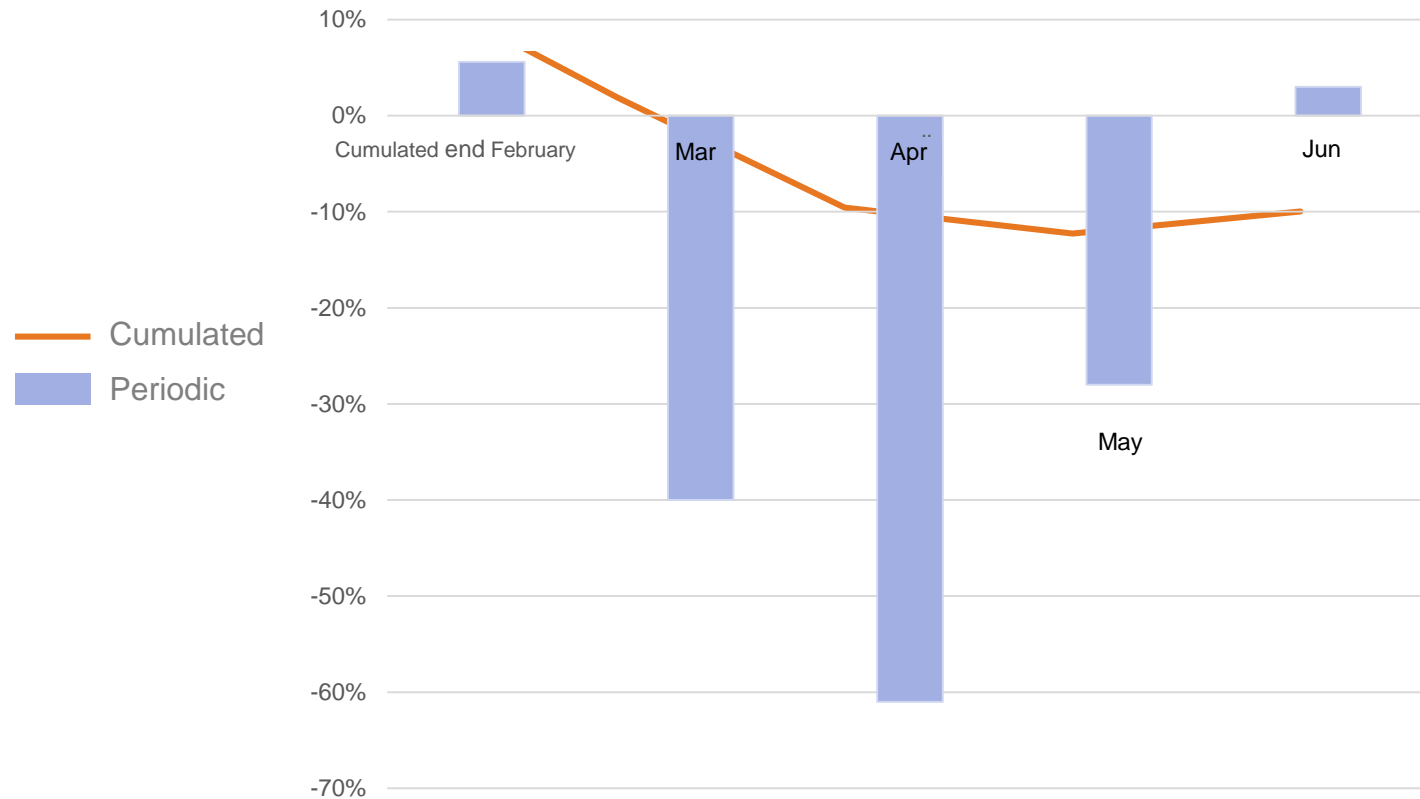
**+5.8%**

Best start since 2011

# BUSINESS IMPACT OF THE PANDEMIC

## Order book by month and cumulated

% change by month

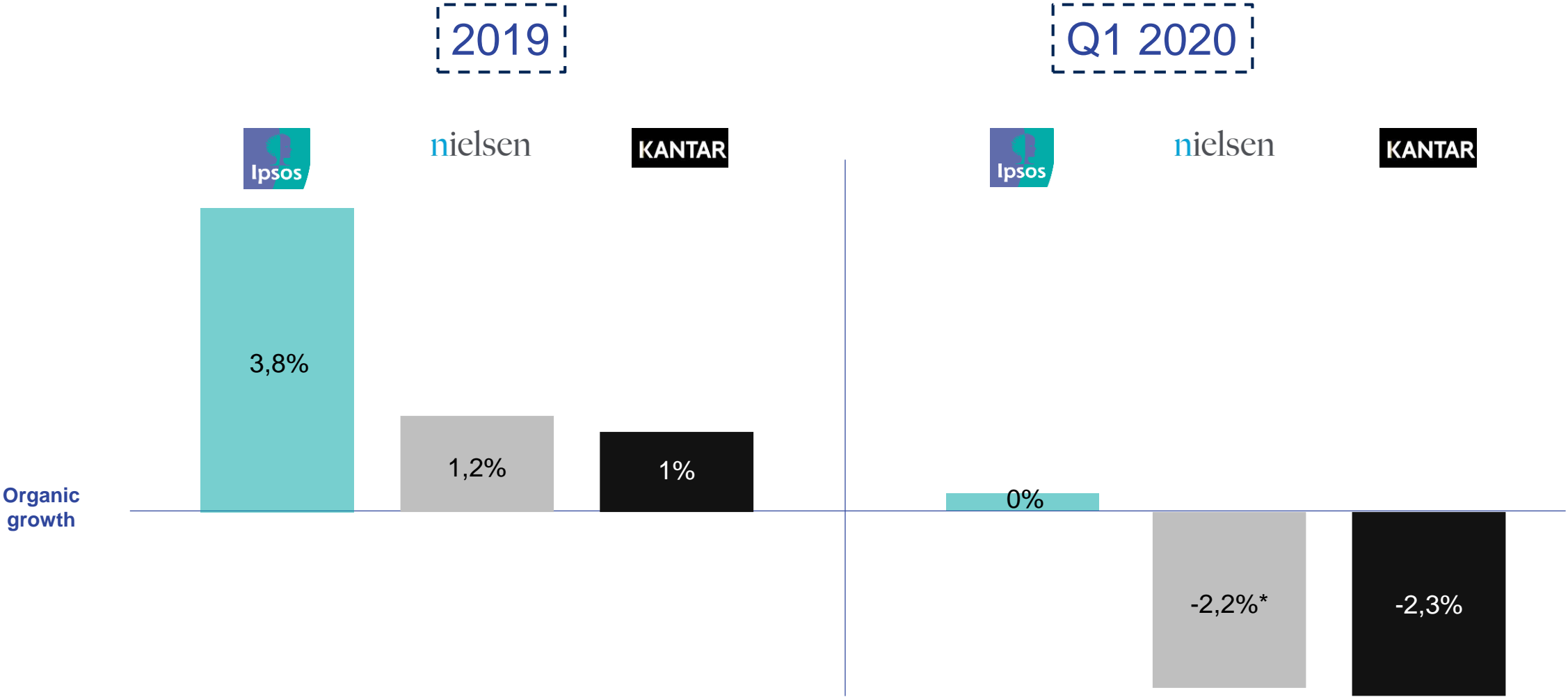


## Revenue

Organic growth at the end of June 2020



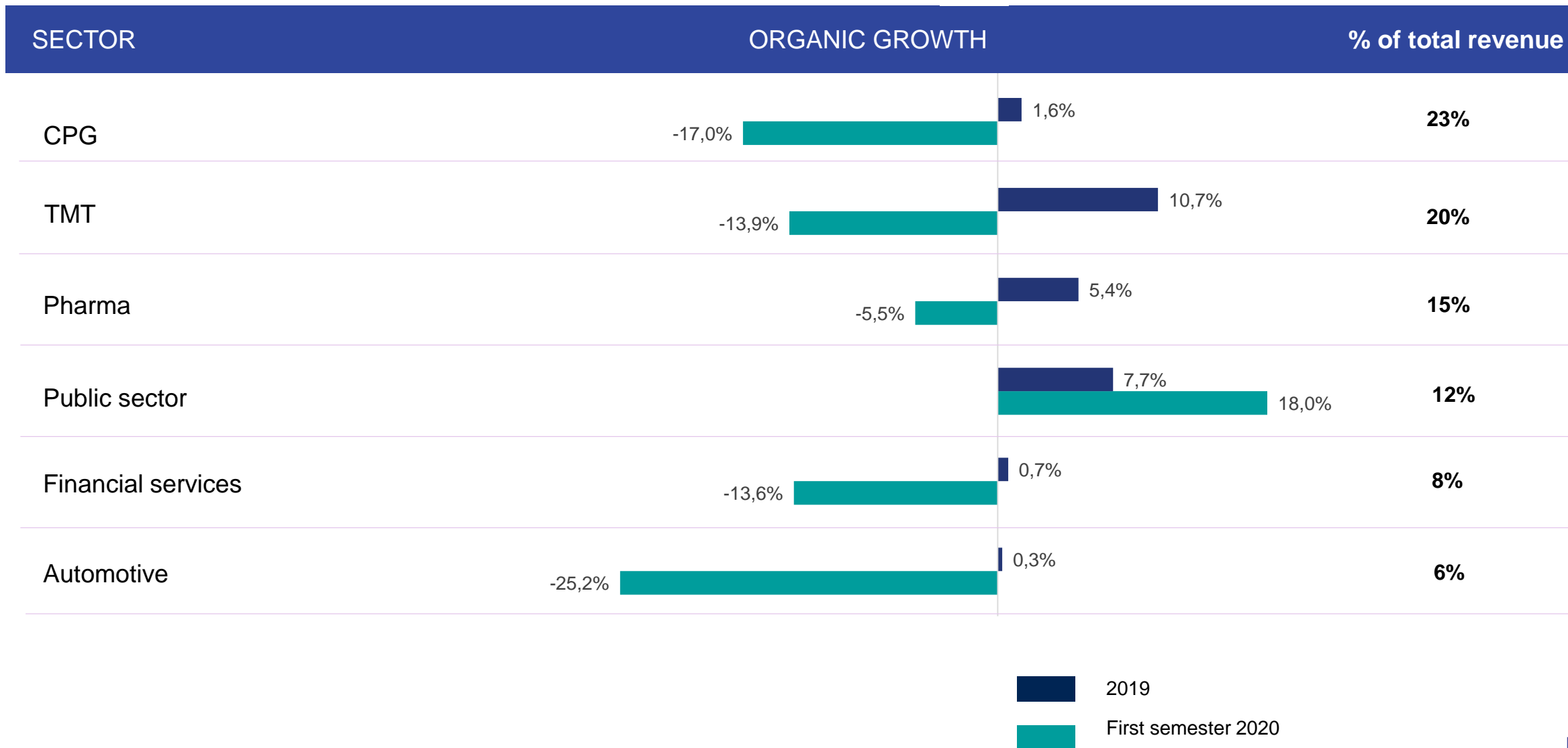
# HIGHER GROWTH ON AVERAGE THAN OUR DIRECT COMPETITORS



Sources: Company publications  
\*Nielsen: Nielsen Connect division (Organic growth at Nielsen Connect + Media: 0.5% in Q1 2020)



# SECTOR CHANGES



# IPSOS' RESPONSE



# THE FOUR PRIORITIES FOR IPSOS



PROTECT OUR EMPLOYEES,  
RESEARCHERS AND INTERVIEWEES



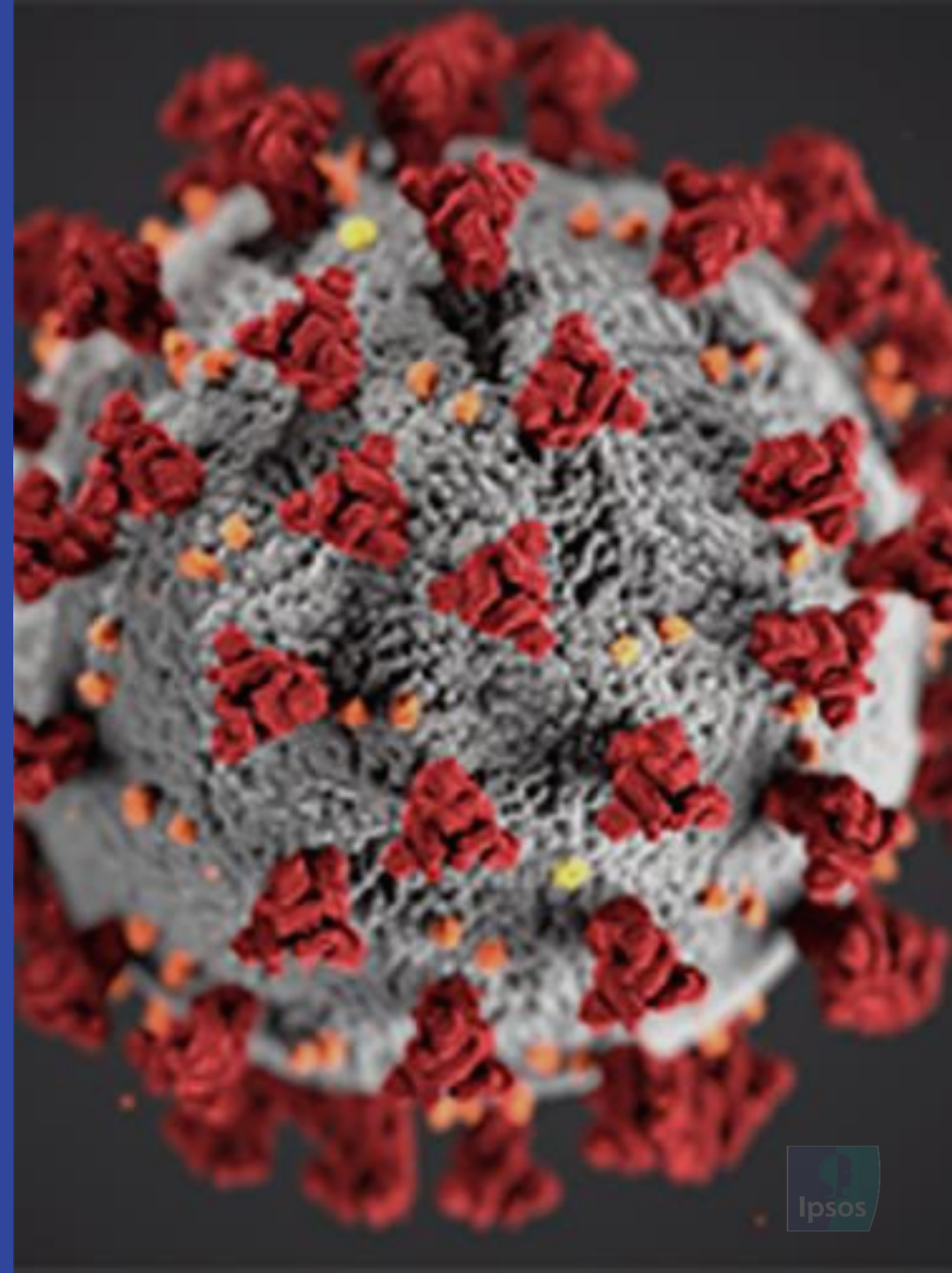
WORK INNOVATIVELY



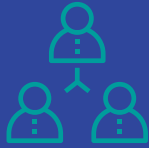
CONTROL OUR COSTS



ENSURE BUSINESS CONTINUITY BY MEETING  
OUR CLIENTS' SPECIFIC NEEDS AT THIS TIME



# PROTECT EMPLOYEES AND INTERVIEWEES



PROTECT THE HEALTH AND SAFETY OF OUR EMPLOYEES, CLIENTS AND INTERVIEWEES

Comply with local health and safety regulations

Switch to digital data collection wherever possible



KEEP EMPLOYEES ENGAGED

Collaboration tools for remote working already in place. Rolled out and successful uptake by our clients and all employees

Continued training programs (Generation Ipsos, Ipsos Training Center)

Arrange for staff to return to offices quickly and as safely as possible: comply with health and safety measures and provide expert support where necessary (psychologists, virologists, toxicologists)



# CHANGES BY DATA COLLECTION MODE

Contribution to revenue per survey\*

\*Share of total revenue:70%

	FY 2019	Q1 2020	H1 2020
FACE-TO-FACE	30%	28%	22%
ONLINE	55%	60%	61%
POSTAL	4%	4%	8%
TELEPHONE	10%	8%	9%



# IPSOS RANKED #1 MOST INNOVATIVE MARKET RESEARCH COMPANY

in the 2020 GRIT Report



**GreenBook**

GRIT REPORT

© Ipsos | 2020 Half-Yearly Results



# 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

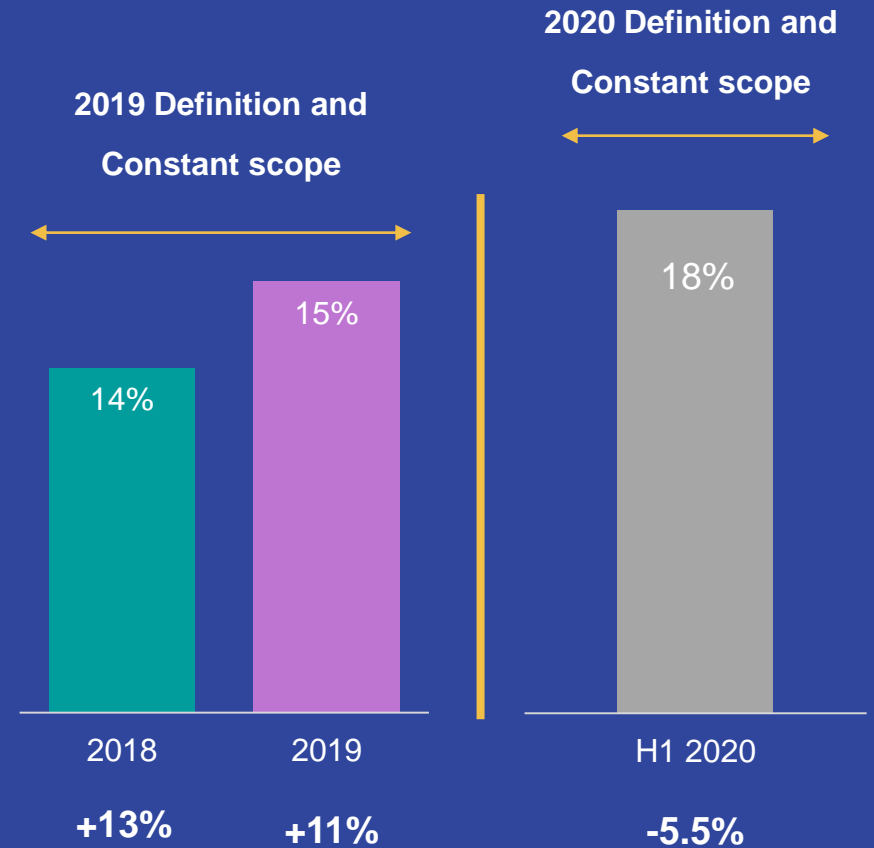
Data analytics / Data Science, Ipsos Science Center, Path to Purchase

### CLIENT ADVISORY SERVICES

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

### SHARE OF TOTAL REVENUE

Growth



# PROTECTING THE OPERATING MARGIN AND LIQUIDITY

From late February, implementation of **cost controls** use of **all available means** including government measures

ACTION TAKEN	Impact in H1 2020	Impact expected in 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	~ €45m
<b>Government programmes</b>	€17.5m	~ €27m
<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	~ €35m
<b>On liquidity: Dividend reduced by 50%</b>	-	€19m

**€107m**  
**savings** expected  
 in the 2020 income statement

**€126 m** positive impact on cash flow

# ENSURING BUSINESS CONTINUITY BY RESPONDING TO CLIENTS' SPECIFIC NEEDS AT THIS TIME



## MAINTAIN CUSTOMER RELATIONSHIPS

**Inform our clients** of the impact of the epidemic on Society, Markets and People

**Intensify dialogue** with all our clients

**Provide responses** for our clients that are more precise thanks to dedicated workshops



## DEVELOP COVID-19 SPECIFIC SOLUTIONS

**Offer packaged solutions** (syndicated studies)

**Organize specific webinars** for COVID-19 (+100 dedicated webinars between March and June)

**Accelerate the digitization** of our services (Ipsos.Digital, SIA...)

# UNDERSTANDING A CONTEXT OF ANXIETY AND UNCERTAINTY



# A CONTEXT THAT REAFFIRMS THE IMPORTANCE OF MARKET RESEARCH

All certainties are now up for discussion.

Have all or just some of people's behaviors, expectations and priorities changed or will they change?

**Of the data that was valuable three months ago, how much of it still is?**



# MEASURING THE LEVEL OF ANXIETY ABOUT RESUMING EVERYDAY ACTIVITIES

	% Strongly + Somewhat Agree	Change from last week	Change from May 10 <sup>th</sup>
Total	57%	-1	2
Australia	47%	-2	3
Brazil	74%	-1	2
Canada	56%	6	4
China	39%	-5	1
Germany	35%	0	5
Spain	51%	1	5
France	39%	3	-4
India	82%	-1	4
Italy	45%	1	-5
Japan	74%	1	0
Mexico	72%	2	6
Russia	51%	0	0
South Korea	65%	1	10
United Kingdom	62%	1	8
US	59%	-3	4
South Africa	67%	-1	3

*To what extent do you agree or disagree: Thinking about resuming normal activities after the pandemic makes me feel very anxious*

## Launch of a Covid-19 essential data tracker

Carried out in over 16 countries

Weekly reporting based on responses from over 1,000 interviewees

15 clients (companies, NGOs and governments)

# IMAGINING LIFE AFTERWARDS: “THE NEW NORMAL”

■ Many Changes + Completely Change

		Change from May 10 <sup>th</sup>
Total	41%	+4
Australia	32%	+8
Brazil	55%	+3
Canada	39%	0
China	36%	-9
Germany	22%	+5
Spain	43%	+2
France	28%	+1
India	65%	+13
Italy	30%	-7
Japan	49%	+20
Mexico	63%	+18
Russia	20%	+4
South Korea	44%	+10
United Kingdom	41%	+8
US	43%	+3
South Africa	57%	0

Over time people will resume 'regular' activities. Thinking long-term, which of these statements will best apply to you?

“

I will do everything exactly the same as I did before the pandemic

I will make small changes but do most things the same way

I will change many things about the way I live and what I do

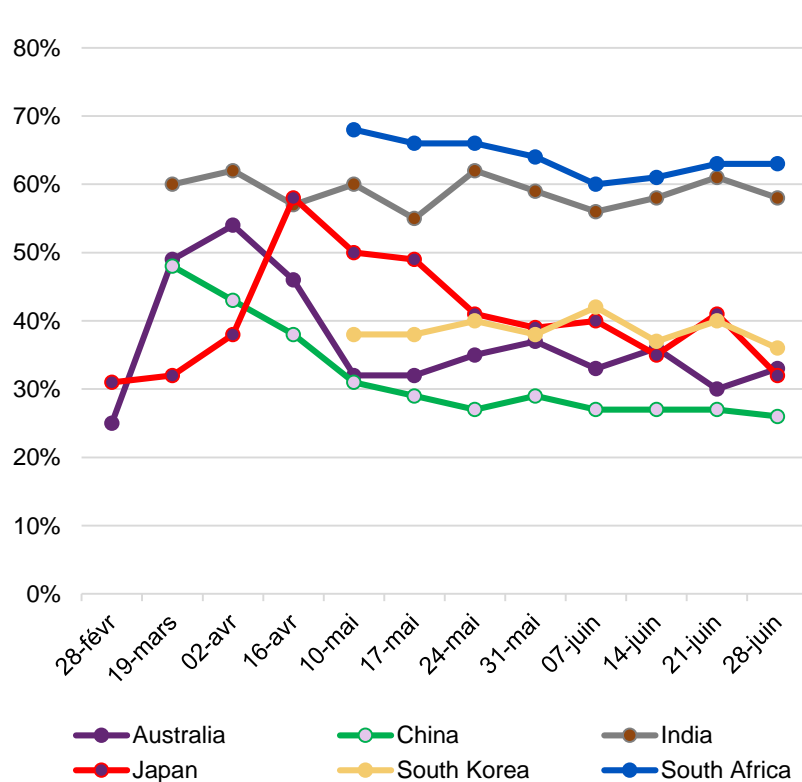
My life will completely change as a result of COVID-19.

”

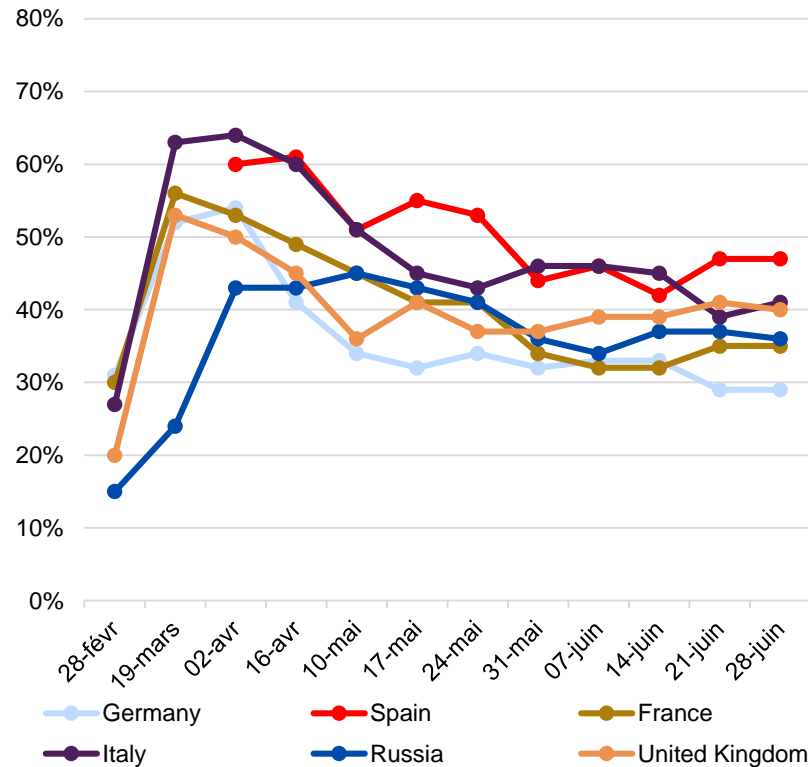
# UNDERSTANDING CONCERNS ABOUT JOBS AND BUSINESS

## ASIA + ZA

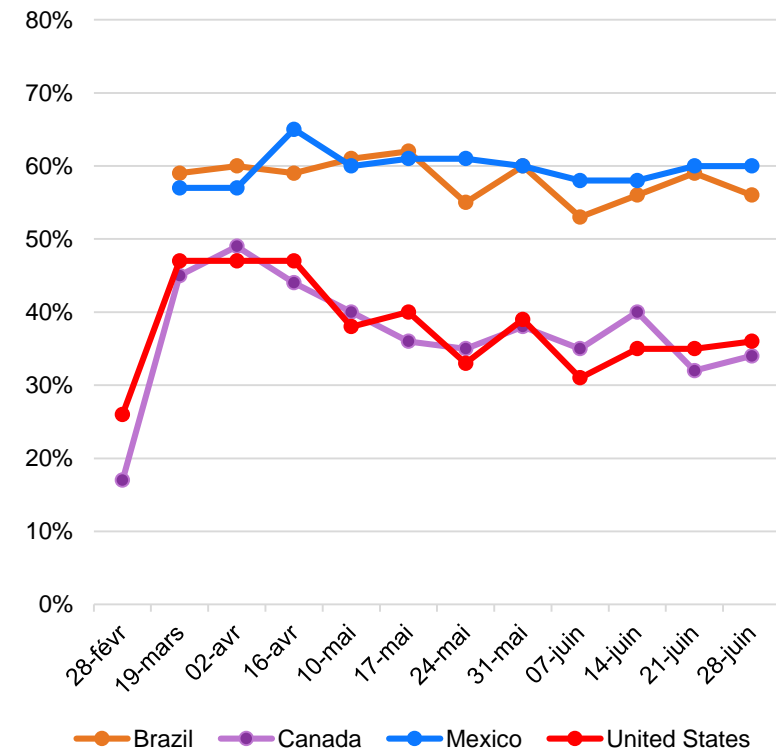
% Very High + High Threat for Your Job or Business (Base = Employed)



## EUROPE



## AMERICAS



What level of threat do you think the coronavirus poses to your job or business?

# UNDERSTANDING CUSTOMERS' RELUCTANCE TO GO BACK TO SHOPS

**46%**

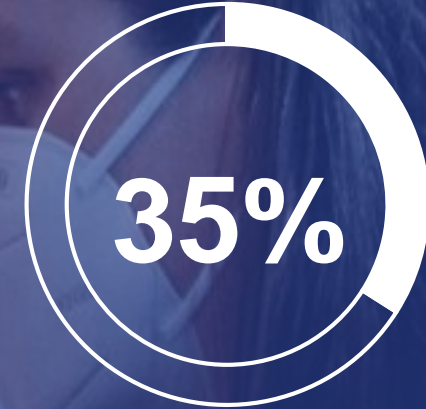
consumers do not feel comfortable visiting shops and stores in person

**20%**

felt retailers had made a 'great deal of effort' to keep customers healthy and safe while shopping

**23%**

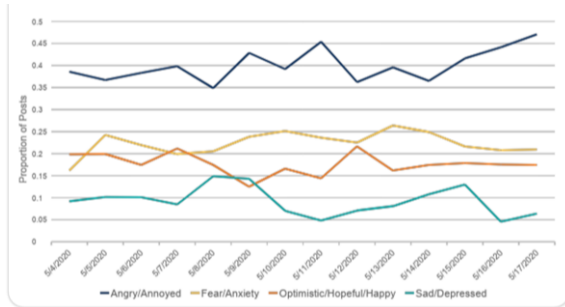
Will pay at least 10% more for products at stores that are doing a superior job with health and safety



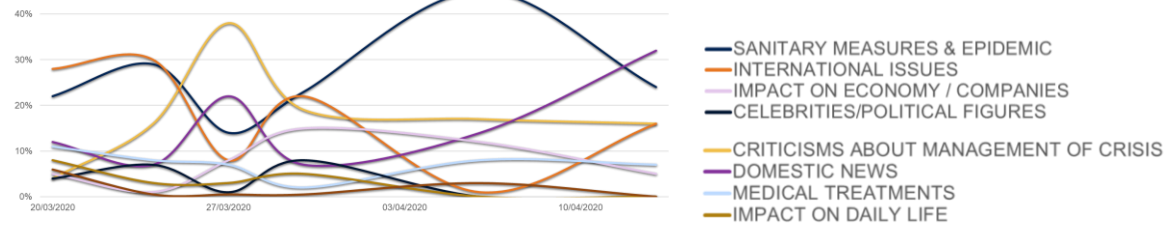
of shoppers would stop shopping at a retailer if they knew they were not taking health & safety seriously

# SOCIAL MEDIA, AN INDISPENSABLE SOURCE OF DATA TO MONITOR RAPID CHANGES

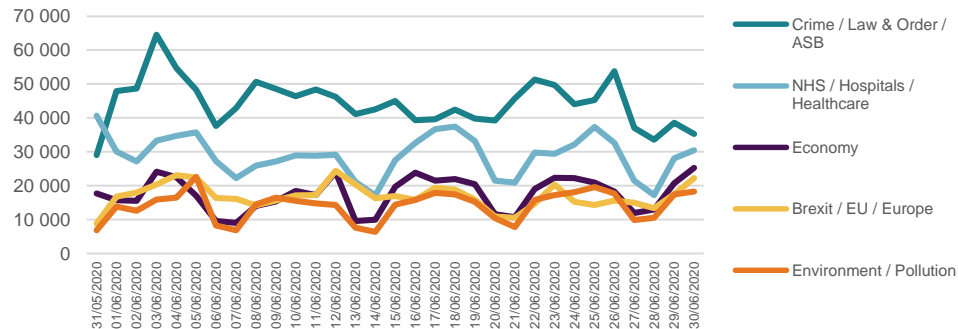
Emotions are shifting on a daily basis (US May)



In-Real-Time Covid-19 Monitoring – 20 March – 17 April France



Social Media Britain – June 2020



## Syndicated solutions launched in March:

- Get the latest information, on the go, to determine daily trends and make quick decisions. In-Real-Time Monitoring: Dashboard access collecting > 1bn posts & weekly briefing.
- Covid-19 Explorer: Deep Dive Category report

Access to unbiased information about dynamics and trends using Data Science

# FOLLOWING THE IMPACT OF THE EPIDEMIC IN REAL TIME

## The Ipsos Biosurveillance Atlas

Study carried out in ~10 countries and sold to global NGOs

Get a global view of the impact of the pandemic on several levels (health, economic, geographic...)



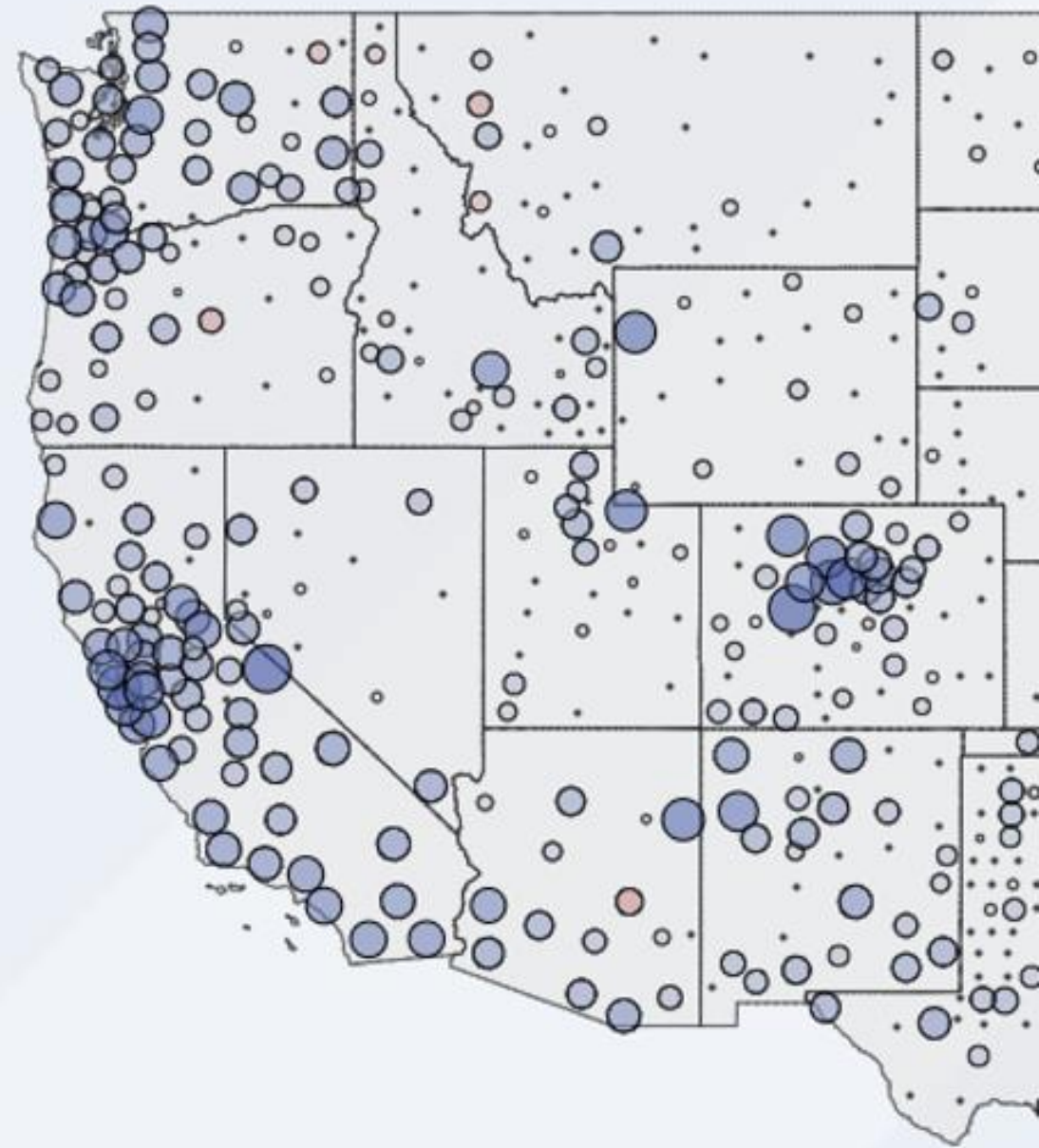
### INTEGRATION AND ANALYSIS OF DATA FROM MULTIPLE SOURCES

Government data about mortality and morbidity trends

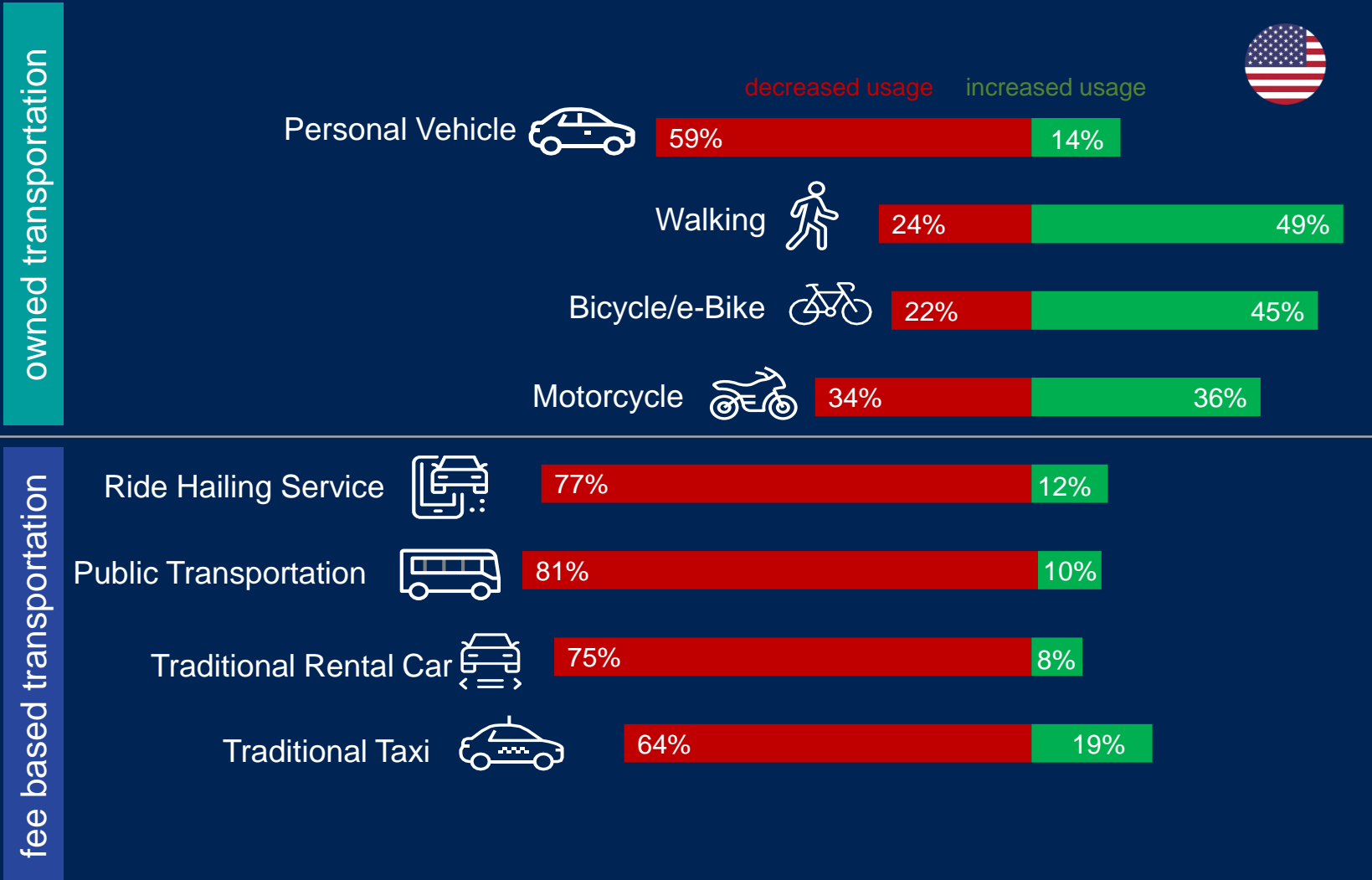
Testing and hospital capacity

Anonymous mobility data

Social media data about governments, individuals, businesses



# UNDERSTANDING CHANGES TO TRANSPORT USE BY MODE



Quarterly global syndicated study focused on the key trends in mobility

Reveal impact of transportation usage and intentions for future vehicle purchase.

Compare key regions annually including US, China, Germany, France, UK, Italy, Spain, Japan, Brazil, Russia and India.

Source: Change in transportation usage since outbreak june 2020\*

# FINDING OUT THE INFECTION RATE IN THE UNITED KINGDOM

Supporting the healthcare system's home testing program in the UK

## ANTIGEN TESTS

**100,000 to 150,000**

people tested per month to find out the number of people infected by the virus in a given period

## ANTIBODY TESTS

**100,000 to 200,000**

people tested per month to find out the number of people with antibodies in a given period

# COVID-19

## HOME TESTING

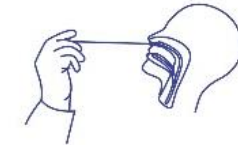
1st May to 1st June

Understanding how many people have COVID-19 at any one time



**394,970**

Letters were posted to people inviting them to take part in the study



**120,610**

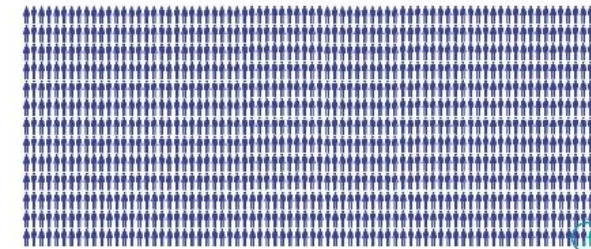
Swab results (1st May to 1st June)



**159**

Tested positive for COVID-19

**1.3 people in every 1,000 had the virus**



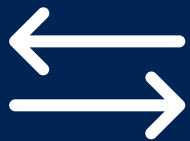
# CONTRIBUTING TO DECISION MAKING ABOUT HEALTH AND SAFETY MEASURES

Anticipating and containing the impact of the pandemic in Africa

**+ 20,000 interviewees  
in  
20 countries in Africa**

In partnership with several NGOs and the World Economic Forum

Given the lack of resources and the vulnerability of populations, anticipating the health, social and economic impact of the pandemic in Africa is crucial.



Providing guidance about health and safety measures to be taken in Africa



Collating data from a variety of sources (social media, geolocation, hospital capacity...)



# 2020 FIRST- HALF RESULTS



# KEY FIRST-HALF FIGURES



€**786**<sub>m</sub>

REVENUE



**-13.5%**

ORGANIC GROWTH



**-0.1%**

FX EFFECTS



**3.2%**

OPERATING MARGIN

# CONDENSED INCOME STATEMENT

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>

\* 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.

# REVENUE BREAKDOWN BY REGION

In millions of euros	June 30 ,2020	Share	Total YoY H1 growth	Organic growth	Q1 organic growth
EMEA	359.1	46%	(9.5)%	(9.5)%	0.5%
Americas	288.6	36%	(14.0)%	(15.5)%	4%
Asia-Pacific	138.3	18%	(19.2)%	(19)%	(10.5)%
<b>H1 revenue*</b>	<b>786.0</b>	<b>100%</b>	<b>(13.0)%</b>	<b>(13.5)%</b>	<b>0%</b>

* Of which	Share	Organic growth
Developed countries	73%	(10.5)%
Emerging countries	27%	(20.5)%

# REVENUE BREAKDOWN BY AUDIENCE

In millions of euros	June 30, 2020	Share	Total YoY H1 growth	Organic growth
Consumers <sup>1</sup>	335.6	43%	(18.8)%	(19)%
Clients and employees <sup>2</sup>	183.2	23%	(19.9)%	(21)%
Citizens <sup>3</sup>	141.6	18%	12.2%	11.5%
Doctors and patients <sup>4</sup>	125.6	16%	(7.0)%	(5.5)%
<b>H1 revenue</b>	<b>786.0</b>	<b>100%</b>	<b>(13.0)%</b>	<b>(13.5)%</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, Clinics & Mobility Labs, Creative Excellence, Innovation, Ipsos UU, Ipsos MMA, Market Strategy & Understanding, Observer (excl. public sector), Social Intelligence Analytics

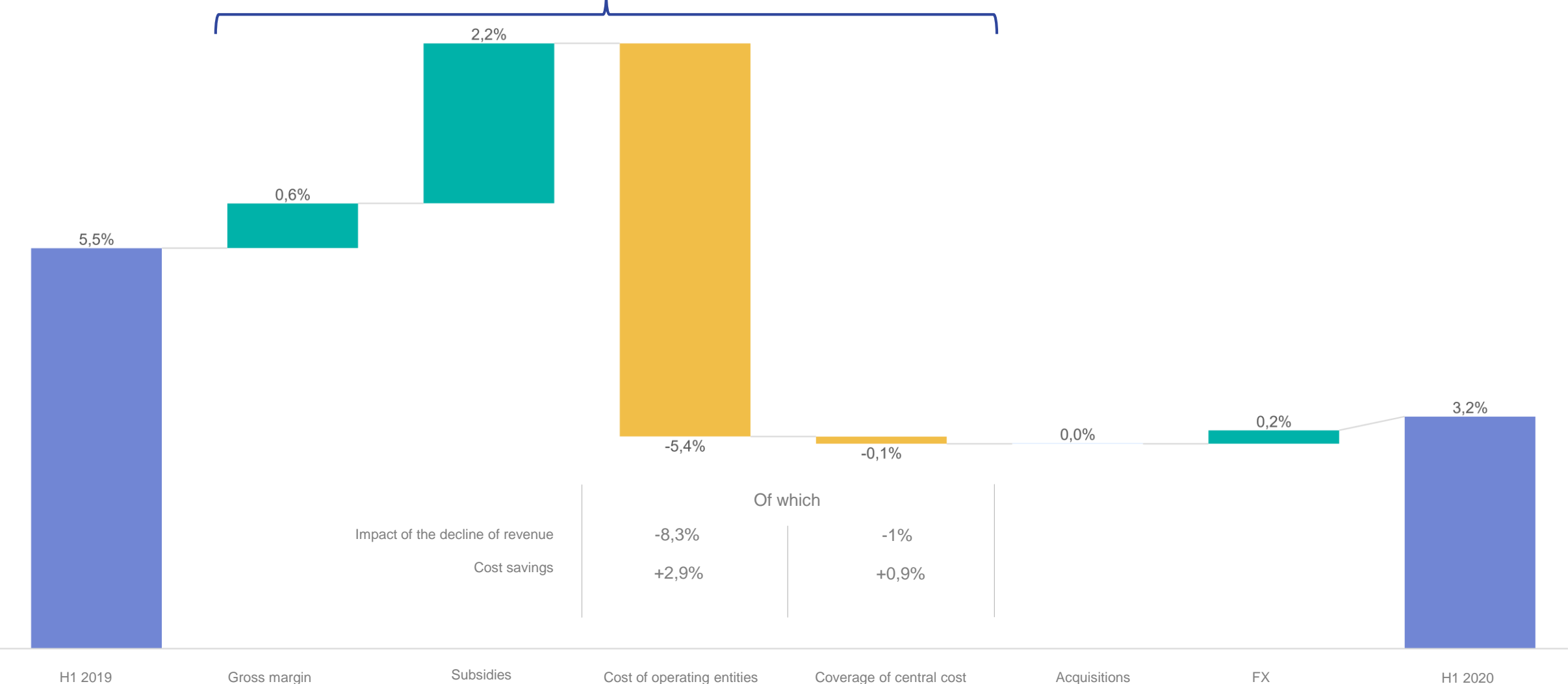
2- Automotive & Mobility Dev, Audience Measurement, Customer Experience, Channel Performance (including Retail Performance and Mystery Shopping), Media development

3- Public Affairs, Corporate Reputation

4- Pharma (quantitative and qualitative)

# CHANGE IN OPERATING MARGIN

Effects attributable to covid-19

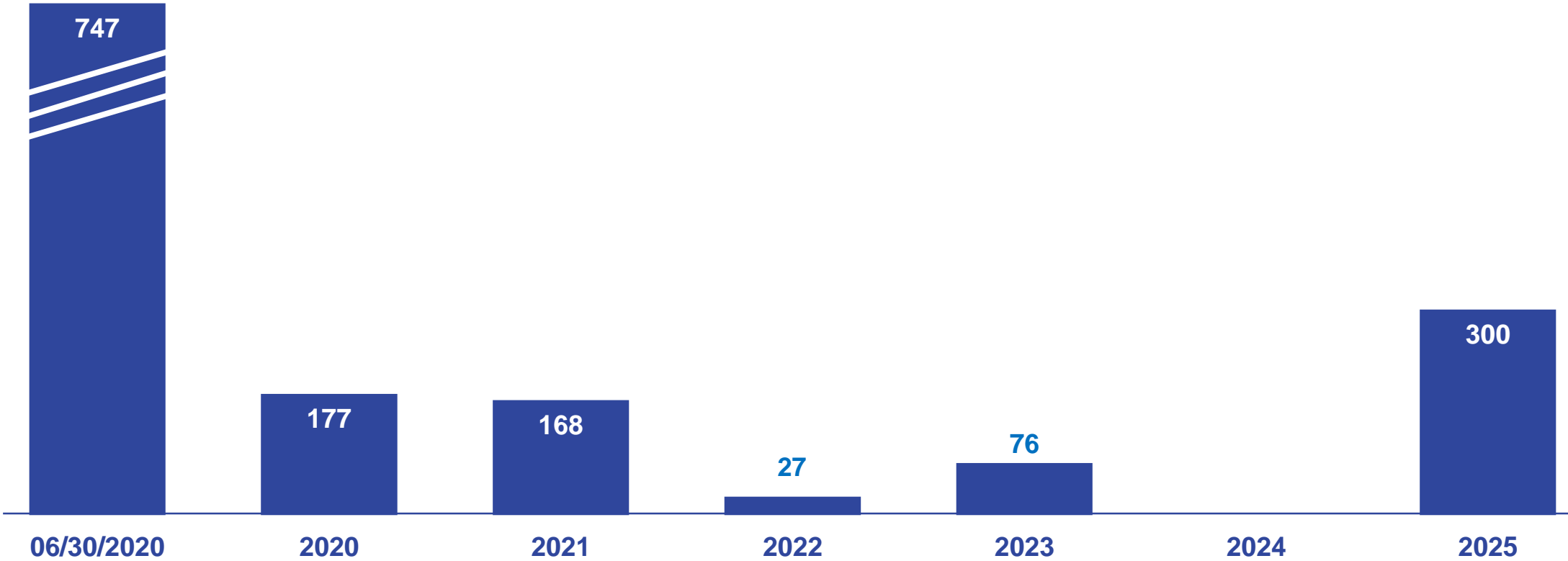


# CASH FLOW STATEMENT

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>

# GROSS DEBT BY MATURITY

SPLIT BY MATURITY  
(IN MILLIONS OF EUROS)



As at June 30, 2020, Ipsos had close to €500m in undrawn credit facilities with maturities of over 1 year



# BALANCE SHEET AND DEBT POSITION

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

\* Bonds and bank loans net of cash

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

# OUTLOOK



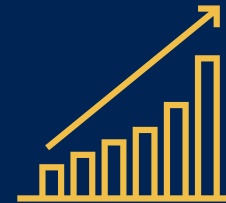
# PERSPECTIVES 2020



There continues to be significant uncertainty, meaning that it is impossible to accurately predict Ipsos revenue for the remainder of the year.



Ipsos can rely on the work done by its teams, the increased digitalization of its information communication, analysis and production systems, and its market and customer insights.



Despite the uncertainties, Ipsos expects to see a better performance in H2 2020 than in the first half, both in terms of sales and revenue and its operating margins.

**THANK  
YOU**

**GAME CHANGERS**



# Q&A

GAME CHANGERS

