PRESS RELEASE

Q3 2019
Another period of growth

9 months YTD
Organic growth: 3%
Revenue: €1,402.7 million, up 15.5%

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Revenue: €499.4 million, up 16.7%

Paris, 24 October 2019 – In the third quarter of 2019, Ipsos generated revenue of €499.4 million, up 16.7% on the same period the previous year.

Scope effects due to the acquisition of four divisions of GfK Research in the final quarter of 2018 and Synthesio, a platform analysing social media communication, accounted for 11.7% of this excellent performance, a higher contribution than in the first half of the year. The currency effect was also positive, equalling 2%. Organic growth, which came out at 3%, was stable compared with levels recorded in the first six months of the year.
Over the first nine months of the year, Ipsos boosted revenue by 15.5% to €1,402.7 million. Acquisitions accounted for 10.7% and the currency effect was positive at 2%. Organic growth remained at 3%, in line with the first half of the year.

Consolidated revenue *(in € millions)*	2019	2018	2017	Total YOY growth
Q1	422.1	367.0	390.1	**15.0%**
Q2	481.3	419.0	443.7	**14.9%**
Q3	499.4	427.9	434.0	**16.7%**
Total YTD revenue	**1,402.7**	**1,213.9**	**1,267.8**	**15.5%**
Q4	-	535.6	512.6	**-**
Annual total	**-**	**1,749.5**	**1,780.5**	**-**

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Breakdown of consolidated revenue by region

By region, both Q3 year-on-year (YOY) and year-to-date (YTD) growth were similar to the figures published for the first half of 2019.
Business grew across all regions, yet performance was stronger in Asia Pacific, than in the Americas or the EMEA region. Emerging markets were more buoyant over the first nine months of 2019 than developed countries, recording growth of 4.6% and 2.2%, respectively. However, the gap in performance between these two zones narrows as the year goes on. The gap stood at 3.5 points at the end of June, which was reduced to only 2.4 points by the end of September, driven in particular by standout performances in the United States and the United Kingdom.
Nevertheless, the countries in which our business is expanding the quickest, as has been the case for several quarters now, are India, China, Russia and other smaller "emerging" markets.

In € millions	2019 9 months YTD	2018 9 months YTD	YOY Change	Organic growth 9 months YTD
Europe, Middle East and Africa	607.4	535.2	13.5%	**1%**
Americas	529.3	440.7	20.1%	**3%**
Asia Pacific	266.0	238.0	11.8%	**7%**
Total YTD revenue	**1,402.7**	**1,213.9**	**15.5%**	**3.0%**

Revenue breakdown by segment*

The year-on-year changes remain relatively limited and immaterial. The research segment focusing on citizens (public opinion, social research and the assessment of public policies) continued to grow at the fastest pace, ahead of the Doctors and patients segment.

In € millions	2019 9 months YTD	2018 9 months YTD	Contribution	YOY Change	Organic growth 9 months YTD
Consumers[1]	668.5	615.0	47.7%	8.7%	**2%**
Clients and employees[2]	337.8	285.3	24.1%	18.4%	**2%**
Citizens[3]	186.0	140.5	13.3%	32.4%	**7%**
Doctors and patients[4]	210.3	173.2	15.0%	21.5%	**4%**
Total YTD revenue	**1,402.7**	**1,213.9**	**100%**	**15.5%**	**3.0%**

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Breakdown of each business line by segment: the analysis of revenue by segment is considered to fall under the category of non-financial data, which is susceptible to change regarding the evolution of Ipsos' team organisation.

1. *Audience Measurement, Brand Health, Clinics & Mobility Labs, Creative Excellence, Innovation, Ipsos UU (excl. pharma), Ipsos MMA, Market Strategy & Understanding, Observer (excl. public sector), Media Development, Social Intelligence Analytics*
2. *Customer Experience, Market Measurement, Mystery Shopping, Quality Measurement, Retail Performance, ERM*
3. *Public Affairs, Corporate Reputation*
4. *Healthcare (quantitative and qualitative)*

Overall, all regions and segments expanded, ensuring solid, long-term growth for Ipsos.

Other information regarding operations over the first nine months of the year

Profit margin and operating cash flow progressed in line with our expectations, which took into account the gradual integration of the businesses taken over from GfK ("Customer Experience", "Experience Innovation", "Health" and "Public Affairs") between October 2018 and October 2019. This transition period was key to ensuring the continuity and quality of data provided to clients. It came to an end as anticipated, bearing in mind that profitability for these divisions was lower than the rest of the Ipsos Group in 2018. Nevertheless, it is expected to fall in line by 2020.

Net gearing at 30 September 2019 came out at 60%, stable on the prior period at 30 June 2019 (59%) and above the rate recorded at the end of Q3 last year (30 September 2018: 51%) due to the acquisitions made at the end of 2018 (GfK Research and Synthesio in particular)

The company had a good liquidity position at 30 September 2019, with cash of €106 million and over €400 million in unused credit lines.

OUTLOOK FOR 2019

The new structure Ipsos put in place mid-2018, which has been fully operational since 1 January 2019, is having the desired positive impact. The Total Understanding project has been designed to achieve a specific goal – to enable Ipsos, a business specialised in collecting and processing data about Society, Markets and People, to forge a place for itself as a valued partner to companies and institutions seeking to effectively control the flow of data they purchase or receive to tailor their methods to enhance performance.

No company or institution can cut corners when developing or implementing a transformation project.
Society and markets are changing fast; sometimes these changes are positive, sometimes less so. The fragmentation of opinions and uses, reshoring or de-globalisation of business, volatility of tastes and regulations, the multiplication and dissemination of

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ideas and rumours – which may be true or false as well as new or old – means private and public organisations are eager to access solid and understandable information. They are also looking for advice and guidance to help them make decisions and act quickly.
Ipsos, like its competitors – market research companies both big and small as well as consulting firms and tech platforms – finds itself in a paradoxical yet positive position.

The volume of requests it receives for services is growing at the same pace at which the type of requests is transforming.
Ipsos must produce increasing amounts of higher quality information in a shorter timeframe to meet narrower specifications and more specific end uses at the lowest price possible. Ipsos also has to ensure the information is valid, analysed, integrated and understood, whether that information is produced by Ipsos itself or obtained in large amounts from other sources. This is the primary purpose of the market research industry. The aim is simple – to offer companies and institutions the competitive advantage brought by being able to make well-informed decisions.
The purpose of the Total Understanding project is reflected in its name.
Ipsos gives its clients the means, tools and human resources they need to fade out the noise and block out received wisdom and red herrings as they are required to make ever-more decisions on a wider range of issues, spanning greater distances in shorter periods of timeframe and in increasingly competitive environments.

At the Investor Day that will be held in London on 7 November, Ipsos will present case studies outlining the success the Total Understanding project with the company's existing clients, meeting their expectations and helping them move forward.

The efforts we have put in are starting to bear fruit. Organic growth for full-year 2019 is expected to come out at 3% or above. If exchange rates remain stable between now and end-December, Ipsos is anticipating total revenue for 2019 in exceed of €2 billion.
In 2010, we passed the €1 billion mark, meaning we are set to double revenue in under 10 years. In line with previous announcements, operating margin is expected to remain stable year on year at around 10%.

Investor Day

Thursday, November 7th, 2019 - 9:00 am

Ipsos Mori, Ipsos MORI, 3 Thomas More Square
E1W 1YW London
It will be broadcasted on Ipsos.com

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ABOUT IPSOS

Ipsos is the third largest market research company in the world, present in 90 markets and employing over 18,000 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 business solutions are based on primary data coming from our surveys, social media monitoring, and qualitative or observational techniques.

"Game Changers" – our tagline – summarises our ambition to help our 5,000 clients navigate with confidence our world of rapid change.

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