



Third quarter 2021

Proven growth

Third quarter revenue: €526.3 million

Nine-month organic growth: 24.0%

Organic growth Q3: 11.4%

Paris, October 21, 2021 - In the third quarter of 2021, Ipsos posted revenue of €526.3 million, up 12.3% compared to the same period in 2020. Currency effects were positive for 1.1%. At constant rate and scope, Ipsos' growth rate stands at 11.4%.

Even though the negative effects of the covid-19 pandemic on Ipsos' business eased in 2020 over the quarters, the comparison between 2021 and 2019 remains relevant. In 2021, the activity in the third quarter, at constant rate and scope, was 8.5% higher than in 2019.

When measured over the first nine months of fiscal 2019, 2020 and 2021, the company's performance is very strong.

From January to September, Ipsos' growth at constant rate and scope was 24.0% when the base year is 2020 and 12.0% when 2019 is the base year.

CONSOLIDATED REVENUE BY QUARTER

In millions of Euros	Revenue 2021	2021 vs. 2020		2021 vs. 2019	
		Total growth	Organic growth	Total growth	Organic growth
1 st quarter	466.3	8.8%	14.1%	10.5%	14.1%
2 nd quarter	527.0	47.5%	52.3%	9.5%	13.6%
3 rd quarter	526.3	12.3%	11.4%	5.4%	8.5%
9-month total	1,519.6	21.1%	24.0%	8.3%	12.0%

All indications are that Ipsos is set to generate a volume of business in 2021 equivalent to that it would have had without the covid-19 epidemic. However, this is only an average. The respective weights of the regions and services sold have changed over the past two years, as shown by the analyses of activity levels by region and by audience.

PERFORMANCE BY REGION

In millions of Euros	9-month revenue	Contribution	2021 vs. 2020 9-month organic growth	2021 vs. 2019 9-month organic growth
EMEA	731.9	48%	24.5%	21.9%
Americas	533.5	35%	25.5%	7.3%
Asia-Pacific	254.2	17%	19%	-1.6%
Total	1,519.6	100%	24.0%	12.0%

The EMEA region was down by only 2.5% in the first nine months of 2020, thanks in particular to Ipsos' participation in programs set up by the health authorities in several Western European countries to monitor the epidemic. Other major markets such as Russia, Turkey and Poland also performed well. The strong rebound in 2021 is therefore quite remarkable and highlights the strengthening of Ipsos' positions in developed countries, but also in the region's developing markets.

Activity in the Americas region declined in 2020, both in North and Latin America. In 2021, a return to high levels of activity is evident, particularly in the US, Canada, Brazil and other smaller markets. The Americas region, from the obviously limited base of 2020, even experienced higher organic growth than the EMEA region at 25.5% compared to 24.5%.

Asia-Pacific is the only region which, despite organic growth of 19% in 2021, is not quite back to 2019 levels. The decline over two years is limited to 1.6%. This decline does not concern China or India but applies to many other countries such as Japan and Australia, illustrating the lesson Ipsos has learned since the beginning of the pandemic: our business is less affected by the epidemic itself than by the lockdown measures put in place to limit its spread.

The differences in performance by audience illustrate the importance, and therefore the value, of this segmentation. Each segment tells a different story.

PERFORMANCE BY AUDIENCE

In millions of Euros	9-month revenue	Contribution	2021 vs. 2020 9-month organic growth	2021 vs. 2019 9-month organic growth
Consumers ¹	664.7	44%	31.5%	9.0%
Customers and employees ²	314.9	21%	16%	-9.5%
Citizens ³	281.1	18%	15%	44.6%
Doctors and patients ⁴	258.9	17%	27%	28.5%
Total	1,519.6	100%	24.0%	12.0%

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 activity with "Citizens" had already developed very favorably in 2020. The continued growth in 2021 is a testament to the structural strengthening of this business line, independent of the follow-up to the covid-19 pandemic.

The work with "Doctors and patients", which had experienced a slight progression in 2020, recorded strong growth in 2021. It reflects the increased dynamism of pharmaceutical companies and the good position of Ipsos with this segment, supported by a range of measurement services as well as tactical or more strategic studies, and the deployment of dedicated teams with extensive operational and analytical capabilities in many markets.

The third story is that of "Consumers". Here, Ipsos' revenue had fallen sharply in the first half of 2020. Despite a stabilization in the final months of last year, all the research programs relating to this audience had dragged down Ipsos' performance in 2020. However, it is the largest, oldest and most global audience. This segment had fallen organically by more than 12% in 2020, both because many companies in the FMCG sector had decided to cut spending, and some of the collection methods could not be implemented during lockdown periods: how, for example, could people try a new ready-made meal or a new coffee capsule, when the technical solution designed and sold by Ipsos involves going to people's homes and showing them how to heat the meal or install the capsule before they test it themselves?



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Only by the end of 2020 was "Consumer" activity able to catch up with the delay that had been accumulating through the end of the summer. Indeed, it had taken several months to develop new protocols to adapt to an environment where direct contacts between Ipsos' teams and consumers were difficult to organize, even prohibited. Our clients also took the time to assess the situation created by the pandemic and realized that unlike other crises, this pandemic would not result in a dramatic increase in poverty and a consequent fall in demand.

The good news is in the numbers. The increase in 2021 is strong. It compensates for, and exceeds, the fall in 2020, as organic growth in 2021 compared with 2019 is 9%, almost equal to that of Ipsos as a whole.

Finally, the "Customers and employees" segment is recovering, with organic growth of 16% in 2021 compared to 2020, but it stands out from other audiences in that it is still down by almost 10% when 2019 is the reference year. The slow return to a positive slope is to be found in industries where companies focus their research on "Customers" rather than on "Consumers" or "Citizens". Airlines, car manufacturers, government and non-government tourism development agencies and hotel chains are among the main clients for surveys and analytical work aiming to understand how and why; "customer experiences" are positive or not; physical or digital outlets are well or poorly managed in the interest of the "Customer"; and new devices are or are not easy to use by customers – some of whom are threatened by the digital divide.

As 2021 progresses, the negative consequences of the covid-19 pandemic diminish. Thus, 2022 could be the year of a return to growth for the Customers segment.

OTHER DESCRIPTIVE ELEMENTS OF THE BUSINESS CONDITIONS DURING THE THIRD QUARTER

Profitability is in line with the objectives for the year announced in July.

Free cash flow from operations was also in line with expectations and particularly high due to the good level of sales.

The company continued its investment in platforms in the third quarter with the acquisition of Infotools announced on September 15. Infotools is a software company which has developed sophisticated statistical analysis and data visualization tools, and which will be integrated in the accounting of the company starting October.

The net debt ratio at September 30, 2021 was 20%, down from 31% at December 31, 2020 and 41% at September 30, 2020.

The company has good liquidity with €310 million of cash and approximately €400 million of undrawn bank facilities, enabling it to meet its debt maturities over the next 12 months.



OUTLOOK 2021

Sales were excellent in July and August, at a better level than expected. They have even accelerated since the beginning of September. In total, from July to mid-October, Ipsos' sales were more than 15% higher than the same period of 2019, at constant rate and scope. Consequently, the gap noted at the end of June between revenue, which has grown further than the order book has narrowed over the weeks. Between 2019 and 2021, the organic growth in Ipsos' revenue at the end of September was 12%, compared to 13.9% at the end of June. In contrast, the order book at the end of September recorded a growth of 10.8%, higher than at the end of June when it was 9.8%.

The acceleration in the growth of the order book is good news. It allows for a reassessment of our annual activity forecast. While we expected, after a good first half, that Ipsos' organic growth between 2020 and 2021 would be "well above 10%", it is now possible to state that the organic growth rate will be at least 17% compared to 2020 and "around 10%" compared to 2019.

The logical consequence of these new assessments is that the forecast of the level of operating margin has changed. It was 11% in the first half. Ipsos had indicated that it would be at the same level in the second half of the year. It is now expected that it will be above 11% in the second half of the year, thanks to a strong growth in business volumes and good cost control. The improvement in Ipsos' performance in the second half has been constant for many years.

Ipsos is well positioned to do its job well, producing information and selling services that provide its clients with reliable, accurate, fresh, accessible, understandable and therefore usable information and analysis for decision-making purposes.

Ipsos operates in a very active market. It is clear that the pandemic has reshuffled a lot of cards and that a lot of companies and institutions are working on what they have to do today but are also preparing for what they will have to do tomorrow. The post-covid world and markets will undoubtedly be different from what they were. The pandemic is accelerating changes of all kinds. The role of the research industry is more central than ever. Its ability, and that of its main players, to better satisfy the growing needs of its customers will be the key to the sustainable growth of its activities in the years to come.

Ipsos is an independent source of vital information, an efficient research company that has evolved significantly in recent years and will transform itself even further in the years to come. It is a strong, profitable growth plan, driven by innovative and powerful developments that Ben Page, the new Chief Executive Officer of the company, starting November 15th, will develop and implement in the coming months with the support of the Board of Directors and the contribution from all Ipsos teams.



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ABOUT IPSOS

Ipsos is one of the world's leading market research companies, operating in 90 markets and employing 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 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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