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# Delayed revenue but positive momentum on the order book

**Organic growth: -2.8%**

**Organic growth excluding Covid contracts: +0.6%**

**Organic order book excluding Covid contracts: +3.3%,  
picking up during the quarter**

**Annual outlook confirmed**

**Paris, April 20, 2023** - First-quarter revenues amounted to 532 million euros, down 2.9% compared with last year. Changes in scope and exchange rates had little impact this quarter (-0.1%). Organic growth was -2.8%. As stated at our 2022 annual results, a tougher first quarter was expected due to strong adverse base effects:

1. The cliff edge end of the large Covid pandemic contracts, which were still generating major revenue in early 2022. Excluding the effect of these contracts, our business grew by 0.6%. As these contracts ended in March 2022, they will no longer have an impact on future quarterly results.
2. The very strong organic growth in the first quarter of 2022 (12.3%), resulting from the post-pandemic rebound, particularly in the Americas, and a strong performance in China before the 2022 lockdowns.

In addition to these base effects, Q1 activity has been adversely affected by two other factors:

- In a global context of uncertainty, some clients showed a wait-and-see approach to spending in late 2022 and early 2023, in particular certain major Tech clients undergoing reorganization in the United States.
- China's recovery following the abandonment of the zero-Covid policy has led to strong lag effects between Q1 order book and revenues. In China, revenues declined organically in Q1 by 3.9%, while the order book grew organically by more than 13% between January and March.



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Given the cyclical nature of our business and the smaller scope of the first quarter, revenue growth in this quarter is not representative of growth for the year. Meanwhile, the order book at the end of March, which historically represents more than half of the year's revenues, is showing good momentum. Excluding Covid contracts, it has been picking up over the last few months, with organic growth of 3.3% at the end of the first quarter and 6.4% for the month of March alone.

Revenue in the first quarter of 2023 is the Group's second-best ever performance and demonstrates the resilience of the Ipsos model over the long term: Q1 2023 organic growth was up 9% compared to Q1 2021 and up 25% compared to Q1 2019.

Revenue by quarter (millions of euros)	2023	2022	2021	2020	2019
1 <sup>st</sup> Quarter	532.0	547.8	466.3	428.7	422.1
2 <sup>nd</sup> Quarter		574.0	527.0	357.3	481.3
3 <sup>rd</sup> Quarter		601.5	526.3	468.6	499.4
4 <sup>th</sup> Quarter		682.1	627.1	582.9	600.5
<b>Total</b>	<b>-</b>	<b>2,405.3</b>	<b>2,146.7</b>	<b>1,837.4</b>	<b>2,003.3</b>



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### PERFORMANCE BY REGION

In millions of Euros	Revenue Q1 2023	Contribution	Change Q1 2023/Q1 2022	Organic growth	Reminder: Organic growth Q1 2022 vs. Q1 2021
EMEA	229.8	43%	-8.7%	-6%	5%
Americas	211.6	40%	5.0%	1%	22%
Asia-Pacific	90.6	17%	-4.1%	-2%	15%
<b>Annual revenue</b>	<b>532.0</b>	<b>100%</b>	<b>-2.9%</b>	<b>-2.8%</b>	<b>12.3 %</b>

By region, our activity in EMEA showed an organic decline of 6%, adversely affected, as expected, by the effects of the war in Ukraine and the end of the major Covid contracts which were concentrated in this region. Excluding the effect of these contracts, underlying organic activity grew by more than 1%.

Organic growth in the Americas was 1%. This reflects the contrasting realities of a very strong performance in Latin America (organic growth of over 9%) and a generally stable activity in North America, where after an excellent year in 2022 (22% organic growth over the region), the restructuring by some Big Tech clients has temporarily weighed on Q1 results. That said, in the United States, the improvement in our order book (3.3% organic growth in Q1) and the excellent performance of our Data Analytics and Ipsos.Digital businesses give us confidence for the coming months.

While India continues to show very positive momentum, with organic growth of over 20%, business in Asia-Pacific - with an organic decline of 2% - continued to suffer at the beginning of the year from the effects of the zero-Covid policy in China. The end of the lockdowns has already resulted in an upturn in our order book (organic growth of over 13% in the first quarter), which will translate into revenues in the coming quarters.

## PERFORMANCE BY AUDIENCE

In millions of Euros	Revenue Q1 2023	Contribution	Organic growth vs. Q1 2022	Reminder: Organic growth Q1 2022 vs. Q1 2021
Consumers <sup>1</sup>	251.0	47%	1%	20%
Clients and employees <sup>2</sup>	117.3	22%	0%	17%
Citizens <sup>3</sup>	85.9	16%	-13%	-7%
Doctors and patients <sup>4</sup>	77.9	15%	-5%	11%
<b>Annual revenue</b>	<b>532.0</b>	<b>100%</b>	<b>-2.8%</b>	<b>12.3%</b>

*Breakdown of Service Lines by audience segment:*

*1- Brand Health Tracking, Creative Excellence, Innovation, Ipsos UU, Ipsos MMA, Market Strategy & Understanding, Observer (excluding public sector), Social Intelligence Analytics, Strategy3*

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

*3- Public Affairs, Corporate Reputation*

*4- Pharma (quantitative and qualitative)*

Our **clients and employees** and **consumers** research activities remained broadly stable after a very strong performance last year. While reorganizations at Big Tech clients have weighed on performance, measuring and understanding consumer behaviors remains essential for our clients, as evidenced by the strong performance of our brand health tracking, customer experience and marketing management analytics activities. Our Ipsos.Digital platform also continues to expand rapidly with 36% growth in Q1.

Our **citizens** research for government and the public sector decreased by 13%, reflecting the end of the large Covid contracts in March last year. However, the underlying work for the Public Sector grew by 8% (organic), showing the continued need of governments and institutions to inform public policy decisions as effectively as possible with reliable data.

Finally, our business with **doctors and patients** is down by 5%, again after a very good year in 2022, partly due to delays in decision-making by certain major clients in the pharmaceutical industry.



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### OTHER INFORMATION ABOUT BUSINESS CONDITIONS DURING THE FIRST QUARTER

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The productivity gains linked to the automation and digitization of our processes are enabling us to secure our operating margin target for the year.

Net debt at March 31, 2023 was EUR 23 million (compared to EUR 69 million at December 31, 2022), which includes share buybacks for a total of EUR 33 million since January 1.

### OUTLOOK

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While we are subject to the vagaries of global uncertainties and despite the tough comparison with Q1 2022, we remain confident in our ability to achieve organic growth of around 5% and an operating margin of around 13% this year.

After a wait-and-see period, particularly in the United States, and the end of the zero-Covid policy in China, our order book at the end of March, excluding Covid contracts, picked up during the first quarter and grew organically by 3.3%. It represents 53% of our budget for 2023, a level comparable to the average of recent years.

We are continuing to deploy our 2025 strategic plan 'The Heart of Science and Data'. We have identified interesting acquisition targets in the public affairs, healthcare and technology sectors, particularly in the United States. An update on our plan will be presented at the Investor Day on June 14.



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### ABOUT IPSOS

Ipsos is one of the largest market research and polling companies globally, operating in 90 markets and employing nearly 20,000 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 from our surveys, social media monitoring, and qualitative or observational techniques.

“Game Changers” – our tagline – summarizes our ambition to help our 5,000 clients navigate with confidence our 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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