



# Press release

## Q1 2019

### On the right track

**Q1 2019 revenue: €422.1 million up +15.0%**

**Quarterly organic growth: 2.4%**

Paris, 25 April 2019

During the first quarter of 2019, Ipsos reached a record high generating revenue of €422.1 million, which represents a 15% increase on the same period last year.

All areas of the business contributed to this positive performance.

The integration of Synthesio and the four divisions of GfK Research accounted for 10.2% of the surge in revenue. The exchange rate effect, which last year had a considerable negative impact causing Q1 2018 reported revenue to be down 8% on the year, resulted in a lift of 2.6% in Q1 2019.

Furthermore, organic growth (at comparable scope and exchange rates) reached 2.4%, which falls within the announced and confirmed annual target bracket of between 2% and 4%. This level of growth is encouraging as it relates to a solid basis of comparison (revenue was up 2% in Q1 2018), and reflects an improvement on the three previous quarters (1%, 0% and 0% in Q2, Q3 and Q4 2018, respectively).

### PERFORMANCE BY REGION

<b>Breakdown of consolidated revenue by region</b> <i>(in millions of euros)</i>	<b>Q1 2019</b>	<b>Q1 2018</b>	<b>Reported change</b>	<b>Organic growth</b>
Europe, Middle East and Africa	185.2	167.5	10.6%	0.7%
Americas	155.4	129.4	20.1%	0.4%
Asia-Pacific	81.4	70.1	16.2%	9.9%
<b>Quarterly revenue</b>	<b>422.1</b>	<b>367.0</b>	<b>15.0%</b>	<b>2.4%</b>

Ipsos recorded very strong performance in Asia-Pacific, while business in the other regions remained stable. Results were also extremely positive in its main markets, especially in the United States, the United Kingdom – where any potential negative impact of Brexit-related disruption remained limited – as well as in China, France and certain emerging economies such as Turkey, Russia and India.

However, other markets less critical to Ipsos' business model but nevertheless significant are still struggling to settle into a reasonable level of activity, in particular Germany, southern Europe and Latin America.

Unsurprisingly, Ipsos is enjoying a faster rate of growth in emerging economies than in its more established markets, where revenue increased 5.8% and 0.8%, respectively.

## PERFORMANCE BY SEGMENT

<i>(in millions of euros)</i>	Q1 2019	Contribution	Reported change	Organic growth
Consumers <sup>1</sup>	247.5	58.6%	9.3%	2.1%
Clients and employees <sup>2</sup>	72.3	17.1%	22.2%	1.5%
Citizens <sup>3</sup>	58.6	13.9%	27.0%	5.5%
Doctors and patients <sup>4</sup>	43.7	10.4%	23.6%	1.1%
<b>Quarterly revenue</b>	<b>422.1</b>	<b>100%</b>	<b>15.0%</b>	<b>2.4%</b>

Breakdown of each business line by segment:

<sup>1</sup>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

<sup>2</sup>Customer Experience, Market Measurement, Mystery Shopping, Quality Measurement, Retail Performance, ERM

<sup>3</sup>Public Affairs, Corporate Reputation

<sup>4</sup>Healthcare (quantitative and qualitative)

As in 2018, growth in Q1 2019 was driven primarily by operations involving citizens.

Ipsos works with companies in order to support them in managing the effectiveness and relevance of their position in society. This part of the business is expanding in proportion to the increasing focus on the effective contribution of private companies and sustainable and socially responsible development.

Furthermore, in the United States, the United Kingdom and Europe, as well as in a number of developing countries, both governmental and non-governmental organisations are calling on Ipsos' services more and more frequently on matters relating to conduct and policy assessment.

Revenue from research conducted among consumer groups, clients as well as Doctors and patients registered more modest rates of growth, which were nevertheless positive thanks to the impetus provided by the "Total Understanding" project. Ipsos is transforming and adapting its services to more specific requests that place greater focus on data analysis, integration and interpretation rather than mere data collection.

Ipsos has implemented programmes to update the services it provides, which will start to have an impact over the coming quarters, in particular in the Doctors and patients segment, where Ipsos is enjoying considerable success in terms of business development. As a result, business volumes will increase significantly by the end of the year.

### Other information regarding operations in Quarter 1

Profitability was in line with the objectives announced for the year.

Net gearing at 31 March 2019 came out at 53.4%, down on 31 December 2018 (55.5%) but up on the same period last year. At 31 March 2018, net gearing was recorded at just 47.1%. This increase can be attributed to the financing of the acquisitions of GfK Research and Synthesio completed in October 2018.



Press release – continued – 25 April 2019

## OUTLOOK FOR 2019

The industry in which Ipsos operates, which seeks to improve people's understanding of Society, Markets and People, continues to evolve. For many years, it offered the only reliable way of effectively measuring, identifying, understanding and planning. Nowadays, it must create value where there is value to create. This applies to Ipsos, one of the leading market research companies, as much as it does to all others present in the industry.

Ipsos focuses on two key objectives. Firstly, to radically improve measurement tools, which need to become more reliable, comprehensive and accessible. Secondly, to implement procedures that, by integrating and analysing multiple data sources, make it possible to effectively understand and forecast changes in markets. As Ipsos has already identified, technological progress is a powerful vector to boost operating performance in industry. It is now possible to regularly put into practice ground-breaking scientific expertise, especially expertise developed through innovative technology. Tools such as artificial intelligence, neuroscience, behavioural science and structural and analytical metadata models are essential for anyone who wants to be able to make the right decisions at the right time.

Ipsos sets itself apart from its competitors by the range and depth of its expertise. It operates in 90 countries, employs 18,000 people on unlimited contracts, works with 5,000 clients and undertakes 70,000 different projects each year. Recently, as part of the "Total Understanding" project, which was rolled out on 1 July 2018, Ipsos has bolstered its ability to deploy its scientific knowledge, capitalise on technology and pass on its expertise. Very few companies are able to mobilise such extensive resources to learn about and understand changes in markets and consumer behaviour, what binds them and why they do what they do. Ipsos also leverages its size and the range of its skills to expand its business.

The "Total Understanding" project was developed by the desire of everyone at Ipsos to better meet the needs of institutions and companies, which need to appreciate to be able to act, understand to be able to decide and organise and align their activities with their beliefs to be able to make progress. Ipsos' new structure was designed with this in mind. The process was supported by significant investment to improve operational efficiency throughout the company, enhance the expertise of its people and the suitability of its services. The new structure was implemented on 1 January 2019.

The effective implementation of the "Total Understanding" project over a period of several years must secure Ipsos' long-term growth prospects as well as its ability to improve cash flow generation and margins. Based on the information it has available, Ipsos stands by its previously announced objectives to achieve organic growth of between 2% and 4% and a stable operating margin at 10%+.

### Next publication: 24 July 2019, 2019 Interim results

#### GAME CHANGERS

"Game Changers" is Ipsos' tagline.

At Ipsos we are passionately curious about people, markets, brands and society. We help our clients to navigate more easily within our deeply changing world.

We offer them the inspiration they need to make effective strategic decisions.

We guarantee security, simplicity, speed and substance.

We are Game Changers.

Ipsos is listed on the Euronext Paris stock exchange.

The company is also part of the SBF 120 and Mid-60 indices and is eligible for the Deferred Settlement Service (SRD).

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