KANTAR Q1 2026 LENDER CALL | 28TH MAY 2026

KANTAR

CORPORATE PARTICIPANTS

- **Michael Uzielli** *Kantar - Group Chief Financial Officer*
- **Peter Russell** *Kantar - Group Treasurer*
- **Paul Zwillenberg** *Kantar* - Chief Executive Officer
- **Lindsay Smith** *Kantar* **-** Chief Financial Officer

PRESENTATION

Operator

Good day, ladies and gentlemen, and welcome to Kantar Q1 2026 lender call. If you'd like to ask a question in the Q&A session at the end of the presentation, please follow the link in the panel below to register. Once connected, we ask that you please use the raise hand function at the bottom of your Zoom screen. If you've dialled in, please select star nine to raise your hand and star six to unmute. Please note that each participant will be allowed one initial question and a single follow-up. Instructions will also follow at the time of Q&A. I would like to remind all participants that this call is being recorded. Questions will follow the presentation.

I'll now hand over to Michael Uzielli, Kantar Group's CFO to start the presentation.

Michael Uzielli *Kantar Group Ltd - Group Chief Financial Officer*

Thank you, very much and good afternoon, or good morning, everyone and welcome to the first quarter lender call for Kantar Group. I'm joined today by some familiar faces from previous calls, Peter Russell, Group Treasury Director, and then from the Kantar division, Paul Zwillenberg's chief executive, Lindsay Smith, CFO, but first of all, I'm going to hand over to Paul to set this up and give a brief update on Kantar. Over to Paul.

Paul Zwillenberg *Kantar Group Ltd - Chief Executive Officer*

Thank you, Michael, and thank you all for joining. For those of you who joined for our FY25 results call in late March, you'll recall that we shared an update on Kantar's AI journey and how we're positioned to lead the industry as AI reshapes it. In the two months since, there has been a great deal of change and progress, both here at Kantar and in the market, especially from the largest tech firms leading in AI. New model releases, new agentic capabilities, new platform announcements almost every week. At the same time, the broader macro environment has changed and remains challenging with clear impacts from the global conflict. Things are moving fast, but Kantar is keeping pace and we will continue to lead. This is a resilient business with continued strong performance, especially in the Americas offset by some headwinds in EMEA, which Lindsay will take us through a little bit later.

What hasn't changed since our last call are the four building blocks that underpin our position in the market. These remain and we are accelerating the pace in which we are putting them to work to deliver for our clients. To remind you, the four building blocks are our human and synthetic data, robust, permissioned, at scale, and performance, our proven IP and validated methodologies, most notably BrandZ, MDS, our blueprint for brand growth and link, our deep client relationships and ecosystem partnerships. We are embedded at the many of the top 100 advertisers, most of the top 100 advertisers, and across every major platform. And the way we translate this into value for our clients is an AI native company.

Let me start with that 4th pillar, being AI native. Across the business, we are all in on AI and agents. Our teams are using Copilot, Cowork, Cursor, and Claude Code to transform how we develop products and services, to rethink our processes, to re-engineer our delivery and to create both the content we produce internally and the solutions we deliver for clients. In fact, last week, Andy Doyle, our chief people and agent officer, brought this to life on stage with Microsoft at their Copilot summit, where we were one of very few

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companies that stood alongside Microsoft to share the work that we've done to embed Copilot and agents into our workflows as a Microsoft Frontier firm.

I also want to share a couple quick examples of how we are all in on AI. The first is Lyft, our marketing mix modelling and in market measurement product. Lift is how we tell clients in dollars and cents which channels and campaigns are actually driving sales and brand growth and where they should reallocate spend. It's one of the most analytically intensive things we do and historically one of the longer cycles to deliver outputs after a campaign to clients. We ran a focused AI sprint on it. Two weeks of implementation. The initial time to deliver for clients we cut in half. Once again, in just a very short period of time over the space of two weeks, using Agentic tools, we were able to cut the time to deliver an output for a client in half. And the work goes on continuing to improve it every week.

The second is Link, our market leading ad testing product. Clients are now asking for real-time testing for the agents and the robots that are creating many of their ads. What used to take us a meaningful amount of time we have brought down to minutes to near real-time. And in a single short sprint of activity, we increase the number of ads that we can test simultaneously from one or two to over 100. This is the approach we're taking across the portfolio, leveraging AI to deliver better performance for clients, faster time to delivery for clients, and also to make our own teams more efficient and more effective.

Now, let me turn to the 2nd and 3rd pillars, our IP and our client relationships, because these two are mutually reinforcing each other right now in a way that really matters. On these calls, we sometimes get questions about our modes. How robust is our position? How do we leverage our proprietary data and human insights to support the platforms and the brands we work with? In the last week, I spent time with three of the top five advertising platforms in the world. All of them were literally blown away by our IP, asking how they can incorporate and integrate it, our IP, into their solutions for advertising and for branding. That's the power of Kantar and Kantar's IP. MDS, BrandZ, the validated methodology sitting on top of decades of real permissioned consumer data. It's what platforms and brand trust us for. It's why they keep coming to us year after year after year.

How do we know this? Well, actually, one of the platforms told me how many of their clients were referencing our MDS framework, our meaningful, different, and salient framework. It was not just in general; it was literally the day before in meetings that they were having with many, many brands. These platforms are also working with us to see how they can use our proprietary BrandZ data to make the case to CFOs on the effectiveness of their platforms. BrandZ is the world's leading and tested tool or methodology to value the equity value of a brand. CFOs are looking at this every day and BrandZ is increasingly the language being used in that boardroom conversation. And MDS, as we mentioned in the last results, is used by more and more clients to measure performance and even as a metric to determine executive compensation in some cases, truly built into their fabric and their infrastructure. Another important conversation for our AI future that came up last week was synthetic data and specifically the efficacy of pure synthetic profiles and digital twins. What they are seeing in their own experience is that pure synthetic just isn't robust enough. The answers just aren't as good. The results just don't compare to Kantar's synthetic and digital twins built on human insights.

And that brings me to our first pillar, our data.

Michael Uzielli *Kantar Group Ltd - Group Chief Financial Officer*

Great. Thank you, Paul. Hopefully you found that interesting. I certainly get a lot of questions on all things AI. Synthetic data, Digital Twins is one of those major things, I thought you'd be interested to hear what we're doing. Now onto the financial results, the first quarter of 2026, which I will take you through in the normal format, and Lindsay will speak to the Kantar results then over to Peter for cashflow and leverage, and then back to me for the outlook. Gross revenue highlights on page seven. Gross revenue was 616 million, which is 2.7% lower than the same period last year. This splits down 1.8% down in Kantar, 5.1% down in Numerator. Now, obviously, because that looks like a surprising result for Numerator, I'll talk quite a bit about this. I need to point out that the underlying year-on-year performance is better than this headline suggests because for Numerator the first quarter to be adversely impacted by the one-time harmonization of our revenue recognition policies across Numerator globally, which is part the integration of the Worldpanel business.

Now we do expect this phasing issue to reverse in the coming months, and I'll say quite a bit more about this later. In Kantar, we've seen a continued improvement in the quality of our revenues with growth in the most valuable solutions such as brand guidance, which is our core anchor solution comprising 40% of Insights revenues and media measurement, which are strong US exposure, high margins, and a well-spread business across publishers, agencies, and advertisers. And revenues from Kantar marketplace, which as you well know, is our technology enabled Insights platform continue to grow ahead of the average up 5% year-on-year with orders, which is more of a forward-looking measure up 11%. And finally, there's been an encouraging return to growth in our

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advisory and brand strategy practices after a slower 2025. Now, geographically, we've seen a strong performance in North America across both businesses, plus both Kantar and Numerator, up 6% and 7% respectively, offset by a bit more of a challenge in parts for EMEA and emits performance in APAC.

From an EBITDA perspective, you'll see we're reporting slight growth, 0.4% to 150 million dollars, which is driven by our continued cost and FTE focus, tight operational controls facilitated by the application of technology and the rollout of the new tools that have been enhancing our people's productivity. Total staff cost and OPEX for the whole of Kantar are down 3.4%. Kantar Group that is year-on-year, that continues a multi-year trend of falling costs. And consequently, the group EBITDA margins expanded to 18.6%. As we've explained on previous calls, we are separating Kantar Group into two standalone divisions, Numerator and Kantar, operating very separately and with their own management teams. The separation of Worldpanel for Kantar and its integration into Numerator, which is part of this, is well progressed. Nearly 100% of Worldpanel revenues in all but one of the 40 countries have now transitioned to Numerator's corporate systems.

That's NetSuite, Salesforce, ADP, Finance, CRM, HR respectively. And the final piece, which is the technology infrastructure separation, as cloud, servers, et cetera, is due to complete within the next few months. As you know, the separation has driven some one-off transformation costs in 2026. These will be around 50 million of cash. This is in line with previous guidance, and that's for the final pieces of the technology separation and some local tax payments from the legal entity transfers. Almost all of those costs will fall into the first half, and then they will cease. Finally, we continue to manage our operating cash flows and working capital very tightly, and our liquidity position at the end of the quarter remains strong, $533 million. Now, I'm going to skip over the next two slides and go straight to slide 10.

Further on, please. Next slide. That's the one. Okay, now we're on Numerator. The previous two slides provide the key financial figures in the P&L, but I've covered those key points. This is a slide which sets out the Numerator revenues split by geography. Reported revenue for Numerators down 8 million, as I said, or 5%, and that's 6% growth in North America, offset by 13% lower revenues in the international business, which we now call Worldpanel by Numerator. Taking North America first, we saw strong 9% price in ARR, that's recurring revenues. That's about 85% of the total at that region offset by 1% decline in NRRs, non-recurring revenues, about 15%. NRR is typically more effective by client caution, especially in the early months of the year when clients can choose to hold onto their budgets until they have more confidence. It's not unusual for this to grow more slowly at the beginning of the year.

We are encouraged by the fact that in Q2, North America bookings have picked up well after slower Q1 by their high standards. And the North America Survey Business, which includes the verified voices platform, which is a AI enabled very tech heavy platform continued its high team growth trajectory, and survey is a line of business that we expect to become increasingly material for Numerator based on the current run rate and the positive client feedback. Now, moving on to international or Worldpanel by Numerator, you'll note revenue declines across all regions, reported to clients across all regions in the first quarter with ARR down 10%, that's 80% of the total of those regions, and NRR down 25%, which is 20% in total. But as I mentioned earlier, this is very much impacted by the one-off change in Q1 to harmonize our revenue recognition across numerated globally as part of the integration with Worldpanel.

This change relates to the in year timing of revenue recognition on both ARR contract renewals and NRR projects, where we've moved Worldpanel to the North America approach of recognizing revenue on completion of contractual paperwork for ARR renewals and on the project delivery of NRR work, whereas the Worldpanel approach had been to accrue ARR revenue for a short period pending final paperwork to recognize NRR revenue on the project booking. Differences and approach have reflected different business customer and practice across global markets historically, but we've taken the opportunity as part of this global combination to move to one consistent approach in large Numerator business. This had the one-off effect this year of shifting some revenue out the first quarter into later months of the year. The amount of annualized revenue in question is around $50 million, and adjusting for this change in Q1 would imply an underlying revenue performance of around breakeven for Worldpanel, slight growth in the ARR line and a 2 to 3% growth for Numerator as a whole.

As I said, it's one-off transition from not affect the full year '26 results or the year-on-year comparisons in future years. Now from a profitability perspective, we're in the process of implementing a very significant reduction in FTEs across Worldpanel to improve the margin profile and the agility of that business. Taking '25 and '26 together, we expect to exit or off shorter local cost markets, 8 to 900 roles, delivering an annualized cost saving of around 40 million total severance cost of around 55 million. And this cost saving program is the basis of 30 million run rate adjustment you currently see in our covenant EBITDA and those severance costs are all fully included in the numbers that I've previously guided, 25 in 2025 and 30 or so in 2026. I'm looking ahead to the full year just to get on guidance, which I'll repeat the outlook. We are holding to our mid-single digit revenue guidance we gave on the last call based on the reversal of the Q1 phasing point, the improved bookings momentum in the second quarter, especially in North

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America, and an expectation in the pickup non-recurring revenue later in the year. And I should say that Q1, adjusting to that revenue recognition point or taking that into account, Q1 revenue was in line with our internal expectations. Finally on this, I know there's a lot of interest in Numerator, and this is the point of the call we cover Numerator. I'd like to mention three important business developments so far this year, product related primarily. Firstly, as a result of moving Worldpanel onto the Numerator ERP systems, as well as that, we're also modernizing the Worldpanel tech stacks, data collection capabilities, mobile app performance, and product platforms across numerous markets.

We do think there's a lot of value in transitioning these 40 month markets towards the technology enabled Numerator front end system. As part of this, last year we launched Numerator's Receipt Hog app, the collection app for panellists in Germany. We now have over 50,000 monthly active users there, and this April we launched the app in Korea where we've also seen rapid adoption, big opportunity going forward. Secondly, also in April, we made a major new data release in North America focused on real-time attribution. This is an AI powered advancement building on Numerator's longstanding investment in AI-driven receipt processing. Now real-time attribution, as it sounds like it does, it significantly reduces the time between the trip capture and the brand and category level visibility. And that in turn improves for our clients speed of consumer behaviour analysis and the breadth of market coverage. That's a big improvement and a further enhancement in the offer for our clients.

And finally, in March, and you'll have seen this on the product demo that Brian Redmond did on the 13th of April that many of you would have attended, we announced the launch in September, this September, Nexa, that's short for the Numerator Experience Agent, which is an AI agent that enables users to ask business questions in natural language to get answers directly from Numerator's consumer purchase data. Nexa, which builds on an existing product we have called Numerator Narratives, which launched in Q4 last year is powered by our proprietary purchase data, Numerator, which is for more than 200,000 US households capturing over four million items purchased each day. And it's really an excellent example of how we use AI to synthesize and summarize data and insights from our trusted single source panels to improve the offer for our clients. What AI does not do and cannot do is generate the actual consumer behavioural data, the creation of which is the key competitive advantage of Numerator. That's the update on Numerator. I'm now going to hand over to Lindsay who can take you through the performance of the Kantar Business in the first quarter.

Lindsay Smith *Kantar Group Ltd - Chief Financial Officer*

Thank you very much, Michael. As Michael mentioned, I'm going to go through the Kantar Q1 revenue performance. Overall in Q1, we delivered revenue of 462 million, which is down 9 million versus this time last year. The performance is a mix of continued strength in the America's offset by challenges in EMEA and a few of our APAC markets. We have seen an improvement in the quality of our revenue though with a 5% increase in marketplace revenue continued strengthened brand and an increase in our higher margin solutions such as media. This quarter demonstrates resilience in EBITDA through cost discipline, and despite the top line pressure from the challenging macro environment. Looking at it by geography, North America has been our strongest region this quarter in terms of revenue growth and overall momentum with revenue up 80%. Growth here is broad based across all of our solutions with particularly strong performance in media, brand, consulting, and creative.

It is driven by a combination of embedded client programs, new business wins, and improved commercial execution. In terms of clients, we're seeing good traction with both existing global clients and new wins, particularly in sectors like technology and digital platforms, which are continuing to invest despite the broader macro backdrop. Order intake is significantly up over the last few months, and the pipeline has grown double-digit year- on-year, and win rates are healthy. Importantly, we're seeing a shift in mix towards higher value, scalable solutions, particularly media and analytics-led offerings, which has supported both revenue quality and margin delivery. Turning to EMEA, which is down 15 million in the quarter, the performance here is more mixed and remains challenging. There is continued softness across key markets such as the UK, Germany, and France, primarily driven by the macroeconomic

... Weak environment, alongside weaker demand in innovation. In the Middle East, which is around 3% of global revenue, performance was impacted by the escalation of the conflict, which affected operations in the Saudi and the UAE. This has led to slower client decision making and project delays. We're seeing strong momentum in a number of our other EMEA markets, such as the Netherlands and Turkey, both continue to form very well. Despite the top line pressure in EMEA, strong cost control has really supported our EBITDA upside and importantly, there's a continued focus on improved win rates, stronger pipeline management, and the acceleration in adoption and scaling of AI-led solutions.

Moving to APAC, where revenue is down five million, reflecting a combination of macro softness and delayed client spend. The softness is concentrated particularly in Korea and Japan, driven by client restructuring and timing, partially offset by the continued

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strength in India, Vietnam, and the Philippines. India, which is a bright spot for us, continues with underlying growth supported by relatively strong domestic market.

And then moving to LATAM, we continue to see very strong growth trajectory, up 11%, supported by competitive wins, scalable delivery, and strong cross-sell momentum. Performance here is consistent with 2025, with good execution, strong client wins, and broad-based growth across markets and solutions. This momentum is supported by strong order intake, improving pipeline, and solid win rates.

And then finally, from a regional perspective, Greater China was broadly flat in the quarter, with modest growth driven by global clients, as well as some new wins from smaller international clients. The outlook remains positive and growth for the remainder of 2026 is expected to be led by local clients as Kantar partners with them to capture the domestic market recovery, whilst also supporting their international expansion.

Now, turning to revenue by solution. Growth continues to be driven by brand, our core strength, and media demonstrating a continued improvement in the quality of our revenue. The more discretionary areas remain under pressure, particularly innovation and customer experience. Brand guidance is performing well, with the resilience coming through embedded programs, particularly in North America and some of our stronger EMEA markets. This is supported by growth by scalable always on solutions such as brand dynamics, our syndicated offer, which is driving strong renewal rates, deepening client integration, and providing greater visibility of our forward revenue. Media is a standout contributor, up seven million. This is largely driven by North America, where demand from technology and advertiser clients remains strong, alongside good momentum in parts of APAC, including some new client wins. The order book and pipeline here remains strong, this is a key growth engine going forward.

Creative had a slower start to the year, although we're starting to see signs of improvement, with April trading closer to prior year levels and pipeline momentum is building. There has been consistent growth in Kantar marketplace, up 5%, while Link AI is showing strong product momentum, underpinning the shift to scalable, higher margin AI-driven solutions. Brand strategy and advisory are showing signs of recovery, with a softer 2025 with improving commercial focus and client engagement. We're seeing this particularly in North America and selective APAC markets, although it remains exposed to discretionary spend, particularly in EMEA. The Profile's Q1 performance reflects known headwinds, including some client losses in Q4, resulting in a softer start to the year. The insourcing of our survey delivery program is progressing well and is on track to complete in half one.

Innovation and customer experience are the more challenged solutions so far in 2026, and this is where we're seeing the impact of client caution and reduced discretionary project spend, particularly in EMEA and APAC. There is a focus on reinvigorating lapsed clients and we're also seeing positive sales momentum in Q2 from newly launched products like EvaluateExplorer. We also continue to leverage our meaningfully different, unique selling point and strong relationship with our brand offering to partner and support CMO relationships. The focus for the remainder of 2026 continues to be, strengthening brand as the core engine while scaling new AI enabled products and revenue streams such as Kantar Live, Link AI, and digital twins. Expanding cross solution selling to increase our share of wallet, reinforce our competitive position, and help solve the challenges our clients are facing. Continued commercial excellence, accelerating pipeline conversion and win rates. Rebalancing the portfolio towards higher growth, higher margin solutions, and scalable analytics. And finally, maintaining strict cost discipline and operational efficiency to increase our EBITDA.

On that note, I'll hand over to Peter.

Peter Russell *Kantar Group Ltd - Group Treasurer*

Thank you, Lindsay. Now on slide 15, which is our usual leverage slide. Our last 12 months' covenant adjusted EBITDA is $666 million, which includes a run-rate savings adjustment of $29 million, that relates to the specific Numerator and Worldpanel integration savings. In terms of our covenant leverage at March '26, our senior secured net leverage is 6.2 times. The leverage has increased since year-end due to the adverse euro dollar rate [inaudible 00:37:43] translation, debt, and additional RCF draw in the period.

Now moving on to the cashflow slide. The cashflow as presented here differs to the statutory cashflow because of the usual allocation adjustments from working capital to their respective categories in the chart and also because of some small perimeter adjustments that this cashflow reflects the senior lender group. The key working capital adjustments this quarter, is the reallocation of restructuring related work capital movements to the restructuring cost category in the chart.

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As usual, we start on the left-hand side with EBITDA, which is here reported at actual FX rates. The negative working capital of $14 million, which is slightly improved on last year, is normal for the first quarter of the year, in particular because of the unwind of the usual increase in factoring in December.

Moving on. The restructuring costs of $38 million relate to the Numerator Worldpanel integration and a Kantar services migrations to centralized locations. Costs are mainly severances, along with some legal, tax and other advisory fees. Other costs of $22 million is mainly lease payments of $18 million and a small amount of FX. So overall, Q1 '26 cash flow before M&A and financing is negative, primarily because of the continuing targeted restructuring costs and the timing of interest payments.

Next, the M&A costs of $6 million relate to bits of previous disposals. And then the changes in financing of $98 million reflects the net increase in the revolving credit facility draw in the period. The net result is that we continue to maintain a healthy liquidity position, we're seeing a cash of $142 million and unutilized facilities of just under $400 million. This gives us total available liquidity of just over $530 million, or around $420 million taking into account the fact that, as previously communicated, $110 million of the revolving credit facility will mature in June this year. We will continue to take measures to ensure we maintain a healthy liquidity position, including driving working capital improvements, rolling out additional factoring of receivables, and reallocating certain unused regional facilities to the group centre.

With that, I'll now hand back to Michael who will provide an update on the outlook.

Michael Uzielli *Kantar Group Ltd - Group Chief Financial Officer*

Great. Thank you very much, Peter. As usual, I'll just finish the presentation with a quick summary and an update on the outlook for the rest of the year. Because it's becoming the norm these days, trading conditions are not easy, the macro environment is volatile and our clients, of course, remain cautious. That said, we do have areas of strong performance in the first quarter, particularly North America, which is our biggest market, 25% to Kantar, 45% to Numerator revenues respectively, and both growing at mid to high single digits. Other regions, as Lindsay has touched on, have been more mixed, particularly parts of EMEA and some parts of APEC, although we have seen that growth in India and a little bit in China.

Look, one of the strengths of our business is that generally the recurring contract revenue, which covers essential must-have data that is so valued by our clients does remain robust and it always has. And this is why as history shows, Kantar and Numerator revenues are resilient through the economic cycle and this goes back decades. We're not immune, of course, from economic climate, we do see some risks on more discretionary NRR work, but that comprises around 20% our revenues on a blended basis across both divisions. As another data point at the end of April, the secured revenue for the year for Kantar and Numerator was at 63% and 79% respectively. That difference is broadly due to the slightly different business models in each division, but both those numbers, 63% to Kantar and 79% to Numerator secured and that's in line with prior years.

As I touched on already for Numerator, at this point of the year, we're going to retain our full year guidance. We are retaining our full year guidance for break-even and mid-single digit revenue growth for Canter and Numerator respectively, and mid to high single digit EBITDA growth for the group. And as I said earlier, Q1 was in line with our internal expectations, which took into account those changes in Worldpanel revenue recognition. Of course, if revenues prove to be softer, we will be taking mitigating cost action to protect our cashflow and our profitability.

And in terms of cashflow, there's minimal change to our guidance from the year-end. CapEx is expected to be $135 million, that's down from 170 last year, leases, $60 million, that's actually $10 million lower than our year-end guidance. Severance cash cost, $75 million, that's 30 Kantar, 45 Numerator, two-thirds of which will be in H1. And as I mentioned earlier, $15 million to finalize the Numerator Worldpanel separation and integration. Just to say that these amounts, restructuring, et cetera, are cash flow amounts. From a P&L perspective, many of these committed costs were charged in 2025, where we saw a $150 million in restructuring and transformation costs. In 2026, I'd expect that P&L charge to fall to around $50 million. As you can see, restructuring and transformation costs are trending down across the year and we expect them to fall to minimal levels in 2027. For example, any future severance costs will be taken into BAU EBITDA, rather than taken below EBITDA as a restructuring cost.

Finally, we remain, of course, extremely focused on protecting our cashflow, ensuring strong liquidity in these times. We are expecting some of the headwinds we've been facing on working capital to abate in the coming months, particularly those related to system migrations, which inevitably leads to some operational billing disruption. But as these changes bed in, as the situation normalizes, we should see an improved year-on-year work in capital performance, and this will obviously enhance our operating cashflow. But as I said, at the year-end, we won't be free cashflow positive in 2026, given the investment we are prioritizing to deliver headcount related restructurings and the creation of the global Numerator business, both of which are vital for creating

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substantial value over the medium term. We are however targeting to be cashflow neutral, or perhaps mildly positive in 2027 based on EBITDA growth and minimal restructuring costs.

That concludes our presentation. It's a bit longer, because we wanted to include the product demo and give you a full detail. We do have time for questions. Karlani, if you are still there, we are now ready to open up for Q&A.

QUESTIONS AND ANSWERS

Operator

We'll now start the Q&A. As a reminder, if you'd like to ask a question, please follow the link in the panel below to register. Once connected, if you wish to ask a question, please use the raise hand function at the bottom of your Zoom screen. Please limit yourselves to one initial question and a single follow-up. Our first question comes from Denislav Antonov with Partners Group. Please go ahead.

Denislav Antonov *Partners Group - Analyst*

Thank you. Can you hear me?

Michael Uzielli *Kantar Group Ltd - Group Chief Financial Officer*

Yeah, we can hear you.

Denislav Antonov *Partners Group - Analyst*

Perfect. Thank you for the presentation. Just a couple of quick questions. Just to make sure I understand the adjustment on the Numerator revenue side. I understand there's $50 million, however, does it mean also that that $50 million impacts your EBITDA as well? On an adjusted basis, do we have to increase the EBITDA by $50 million, is that the right way to think about it?

Michael Uzielli *Kantar Group Ltd - Group Chief Financial Officer*

Yeah, just checking you got the right number, it's 50, 5-0, and that's the annualized number, obviously not all of that would fall into Q1 because it would get typically spread across the year, you might want to divide that by four. But to your question, yes, I mean, that would fall into EBITDA because there's really high gross margins on these revenue and syndicated business. Where your renewing contract is very limited direct cost initially, it would affect the EBITDA performance, which is one of the reasons, or probably the reason the Q1 EBITDA growth looks fairly modest in Q1.

Denislav Antonov *Partners Group - Analyst*

Got it. Okay, super helpful. And another question I had is, we are at the end of May, I mean, you mentioned the order book is broadly in line. Anything else you can say in terms of what you're seeing from customers' demand perspective? Obviously the discretionary spend, the understanding here is softer, but are you seeing a little bit of improvement as we are progressing? Are you seeing things staying flat or deteriorating a little bit on the back of the Middle East war?

Michael Uzielli *Kantar Group Ltd - Group Chief Financial Officer*

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I mean, in general terms I think things are staying around the same, but it's such a broad business in so many countries with so many clients and so many solutions there are sort of ups or downs. I'll tell you one example, I mentioned it, in Numerator US, they had a decent looking quarter in Q1, but not quite to their expectations, these are forward bookings. They had very high expectations, but actually in Q2 it's picked up and is very much up there. That's an example there. We've had good growth in media in US and it's low in innovation and things move around. I'm not seeing a sudden change, it's not that kind of business where things suddenly change. I think things are very much performing in line with what we're used to and we need to drive out.

... is incremental revenues to make sure that we convert that we're on track. For secured revenue, we just need to make sure we convert the rest of the revenue required, sell and do, as we call it, to deliver the plans. But I haven't got any sense of some sort of global trend other than the obvious world that we live in.

Denislav Antonov *Partners Group - Analyst*

Understood. And sorry, if you don't mind, two more very quick ones. The interest rate, I think you mentioned there was timing effect, but I missed that. Annualizing the quarterly interest payments leads to a bit higher interest expenses than what I would expect. How much is kind of the one-off or the timing impact that you were referring to?

Michael Uzielli *Kantar Group Ltd - Group Chief Financial Officer*

It's about 15 million in the quarter.

Denislav Antonov *Partners Group - Analyst*

Okay.

Michael Uzielli *Kantar Group Ltd - Group Chief Financial Officer*

We'd expect our interest to be a full year for around about 320 million. There's a higher cost in Q1 because of the timing in the content.

Denislav Antonov *Partners Group - Analyst*

Got it. Yeah. And final one, I remember some time ago, you had some earnouts potentially that you could receive from one of the sold businesses in 2027 or 2028. I don't know if you have any update on that or any visibility in terms of how these businesses are progressing or whether payment of such earnout is likely or not.

Michael Uzielli *Kantar Group Ltd - Group Chief Financial Officer*

And just to check, we had two. We had one was the public business that was called Verian now and the other one is the Vivvix at Intel business that was sold. Is that the one you're referring to, the second one?

Denislav Antonov *Partners Group - Analyst*

Exactly. Yeah. Yeah.

Michael Uzielli *Kantar Group Ltd - Group Chief Financial Officer*

The vendor loan is or the deferred consideration has a lengthy maturity, but the interest coupon steps up in November this year. That may or may not be an incentive to the buyer to choose to pay down that. It's from November, the coupon steps up from, I think

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it's eight to 12%. I don't have any specifics around how they're doing. As far as I know, they're doing fine, but I don't have any inside knowledge on that.

Denislav Antonov ***Partners Group - Analyst***

Got it. Okay. Thank you very much.

Michael Uzielli ***Kantar Group Ltd - Group Chief Financial Officer***

Thank you. Thanks very much.

Operator

As a reminder, if you would like to ask a question, please click on the raise hand button at the bottom of your screen. Our next question comes from Ayush Agarwal with BlackRock. Please go ahead.

Ayush Agarwal ***BlackRock - Analyst***

Hey, hope you can hear me.

Michael Uzielli ***Kantar Group Ltd - Group Chief Financial Officer***

We can hear you well.

Ayush Agarwal ***BlackRock - Analyst***

Great. Just a couple on the Numerator piece. Is that impact that you spoke of isolated only to Q1 or do you expect that to continue through the year? And how should we just think in terms of spread across the quarters?

Michael Uzielli ***Kantar Group Ltd - Group Chief Financial Officer***

Yeah. Look, the negative impact is in Q1 and then there will be a positive impact across the following quarters. Most of it will be in Q2, as in there should be an ... I already know that of the ... I don't want to give you precise numbers, but of that 50 million, quite a bit has now been flowed back into Q2. And then maybe there might be a little bit in Q3, but there won't be any more negative impacts. The negative impact was in Q1, then offsets through the subsequent quarters such that by the full year, it's neutral.

Ayush Agarwal ***BlackRock - Analyst***

Got it. And these are purely accounting losses, right? There's no clients that you've lost in the business?

Michael Uzielli ***Kantar Group Ltd - Group Chief Financial Officer***

Yeah, they're not losses. They're just the timing of over which you recognize the revenue rather than, I guess, a more smooth basis. It's a bit more tied to signing of a contract or delivery. It doesn't affect whether we've lost or won the client is not part of the picture.

Ayush Agarwal ***BlackRock - Analyst***

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Got it. And just one last one. On the [inaudible 00:51:51] that's maturing, is the plan to refresh that or should we think of liquidity at a lower level going forward?

Michael Uzielli *Kantar Group Ltd - Group Chief Financial Officer*

Well, we're always exploring opportunities to enhance our liquidity. I would think that's just a good thing in my role to do that, but I wouldn't assume that, but we're always on the lookout for liquidity. We did upsize a little bit in the last couple of years with a bit of extra RCF. Because we've known about this 110 for a long time. This isn't a surprise. This is just the investor's terms as such that we knew this was going to come. We did essentially replace some of it, I guess, and now it rolls off. Good open-ended question there. We not particularly need to replace it, but I would never object to having more liquidity.

Ayush Agarwal *BlackRock - Analyst*

All right. Thank you so much.

Michael Uzielli *Kantar Group Ltd - Group Chief Financial Officer*

Thank you.

Operator

Thank you. As a reminder, if you'd like to ask a question, please use the raise hand button at the bottom of your screen. We'll pause a moment to see if any more questions come in. Our next question comes from Marco Sun with Amova AM. Please go ahead.

Michael Uzielli *Kantar Group Ltd - Group Chief Financial Officer*

Hi, Marco.

Marco Sun *Amova AM - Analyst*

Hi. I have just two questions. Actually, one is more a follow-up. Just on Numerator, I was actually a bit surprised. I mean, I guess you mentioned already that it's because of timing, but I'm still a bit confused. Why is it that the recurring part of Numerator has kind of declined? Why is there this timing dimension to the recurring part? I understand the reoccurring and the non-recurring part of Numerator, that this timing thing would have impacted that segment, but why is it impacting the recurring part as well? That's my first question.

And actually, then the second part of my question is really, I mean, how should we think about Numerator in terms of sequential growth and over year-over-year growth for the next couple of quarters? Should we expect an increase in sequential growth heading to Q2, Q3 and Q4 and then to end the full year with some growth? Or should it be more flattish or should we actually expect some negative surprises? If you just could provide a bit more color in terms of like the organic growth that the Numerator is expected to have in the next couple of quarters, that would be really useful.

And then my second question is just on the severance part. I see that the guidance that you've given out, there was a lower guidance for severance costs for 2026. Could you just help us bridge the difference between the guidance that you gave in the previous quarter versus the guidance that you gave for this quarter in terms of severance costs for 2026? Thanks.

Michael Uzielli *Kantar Group Ltd - Group Chief Financial Officer*

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Yeah, sure. Thanks, Marco. So, I'll do the second one first. It wasn't intended to be different. I think last time, I said 90 million and that's 75 plus 15. So, 75 is severance and 15 is the final separation and integration of Worldpanel. There has not been any change in that guidance, maybe I misspoke. That's what we thought.

On the accounting point. First of all, when we say Numerator, obviously we mean the whole group, but this is very much the Worldpanel business, not the Numerator US business, and it does apply to recurring contracts. Previously, Worldpanel recognized revenue would accrue ... If you start the year and you have a long-time relationship, recurring arrangements, these very high renewing contracts, but the customer and practice in some of those markets across Worldpanel was not necessarily to have a signed contract at the beginning of the year or even in December of the prior year. That was very much the customer practice of Numerator to do that. It was obviously customer practice we would all like, but that wasn't the customer practice over the many, many years in Worldpanel.

So, the accounting approach, which was obviously absolutely fine and was in line with accounting principles was that given that the economic substance of these recurring arrangements, high renewal certainty and uninterrupted service delivery, we were able to accrue the revenue pending renewal. You might sign the renewal in March, April, you're discussing additional scope, et cetera, you would accrue revenue for the first three or four months and then go from there. Under the new policy, you wouldn't be accruing revenue on those recurring contracts. You'd be holding it and then it would essentially get recognized, I guess, to be a catch-up in April or in May for the rest of the year. That's why it's created this one-off change. There's as much about recurring contracts as it is about non-recurring contracts.

On the second point, I mean, obviously if you're minus 5% after one quarter and you're going to end the year mid-single digits, there's going to be a catch-up in those quarters. I don't want to give you precise numbers because I wouldn't be able to give them exactly myself, but you would expect that catch-up to be weighted to Q2 and Q3 before it normalizes more in Q4, but you can probably work out roughly what you'd expect to see in that catch-up period.

Marco Sun *Amova AM - Analyst*

Okay. Thanks for explaining that. But then just in terms of for like 2027 and beyond that, is it fair to assume that Numerator will be a low single-digit, mid-single-digit sort of growth, organic growth sort of business? Because I mean, we start seeing quite a bit of sequential decline in terms of growth. Just trying to understand a bit better like whether we hit a new round rate in terms of growth or there's more to it in terms of slowdown?

Michael Uzielli *Kantar Group Ltd - Group Chief Financial Officer*

No, I don't think so. I think there's more to it. I mean, there's a business that this business globally combined historically has grown at 10 to 12% top line with mid-teens and above in North America and 5% to 7% in the international business. I think we would be wanting to get back more towards that. I'm saying mid-single digits this year for various reasons, but we'll be wanting to get back to that kind of high and double digits, et cetera.

Why do we believe that's possible? Well, there's an awful lot of growth opportunities globally. I think the combination of the businesses creates a lot of opportunities both in the mature markets, but also in LATAM, APAC, which are quite new to consumer panels, and I think the application of the Numerator offer across the world gives a great opportunity there.

Secondly, the revenue streams that the North American business are generating, the new revenue stream, particularly survey, which is a very big market, very big market of which they are currently very small, gives a huge opportunity to grow with a really superior product, which is Verified Voices, which is growing really, really well, plus the revenue opportunities from AI, not just improving the products, but actually I think Reagan touched on this in our last call, even using the AI companies using Numerator data to train themselves, which is an area we're looking at in terms of revenue. Short answer is we certainly don't think this is a sort of new normal or whatever. It's if there's a great opportunity to grow this business [inaudible 00:59:02] historical levels in the future.

Marco Sun *Amova AM - Analyst*

Okay. Thanks for that. And just one last question from me. Just in terms of the Insights business for the second half of this year, how much visibility do you have for that? Because you keep guiding for some slowdown, just trying to understand whether there's some

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potential downside risk to your guidance as we head to the second half. If you could just provide a bit more color on that, that would be helpful. Thank you.

Michael Uzielli ***Kantar Group Ltd - Group Chief Financial Officer***

And I'll ask Lindsay to talk to that one.

Lindsay Smith ***Kantar Group Ltd - Chief Financial Officer***

Yeah, sure. So, as I mentioned earlier, our revenue is down about 1.8% year to date in Q1. Actually, we've seen an improvement in April, actually that sort of stabilizes a little bit. And as Michael mentioned, our secured revenue for the full year is around about 68, probably slightly higher than that now, 68%. I think, as he mentioned as well, we've got ups and downs all over the place, but actually continuation of the trend. North America doing well. Challenges in some of the EMEA markets, and then a lot of strength across media, et cetera. And we are seeing solutions like innovation starting to pick up as well. I think we're still guiding the same outlook that we spoke to previously, which is around about flat for the full year.

Marco Sun ***Amova AM - Analyst***

So would it be fair to assume that we shouldn't expect any negative surprises as we head into second half?

Michael Uzielli ***Kantar Group Ltd - Group Chief Financial Officer***

Well, it's impossible to say, isn't it? I mean, it will be a surprise, I can't comment on that. I mean, we're just giving you our guidance and our views right now.

Marco Sun ***Amova AM - Analyst***

Okay, thanks. I tried.

Michael Uzielli ***Kantar Group Ltd - Group Chief Financial Officer***

Thank you.

Marco Sun ***Amova AM - Analyst***

Thank you. Thank you.

Operator

There are no further questions on the webinar. I will now hand over to Michael Uzielli for closing remarks.

Michael Uzielli ***Kantar Group Ltd - Group Chief Financial Officer***

Great. Thank you very much, and it's pretty much on the hour, we've completed it on time. Thanks very much for dialling in and we'll be back fairly soon to talk about our half-year results. Have a good day.

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