

**KANTAR**

FY 2023  
Presentation

11 April 2024



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# FY 2023

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## Basis of preparation and other information

This presentation has been prepared as follows unless otherwise stated:

- We present certain financial measures on a constant currency basis in U.S. Dollars. These constant currency measures eliminate the effect of fluctuations in the exchange rates we use in the translation of our non-U.S. denominated sales into U.S. Dollars by assuming that exchange rates were constant in all periods. For financial information for the period ended 31 December 2023 and 2022, we use the budgeted constant currency rate for the year ended 31 December 2023, which is prepared on a forward-looking basis. We additionally show financial information for the period ended 31 December 2023 at the actual exchange rates calculated by taking the income statements of foreign

subsidiary undertakings translated into U.S. Dollars at average exchange rates and the net assets of these companies translated at exchange rates as of 31 December 2023.

- We present certain financial measures on a Proforma basis including acquisitions and excluding disposals from the time of acquisition or disposal along with the prior year comparatives. This means for 2022 we have included twelve months of TNS Media Vietnam results, and excluded six months of Profiles and Media Health and two months of Vivvix (Ad Intel) results.
- We present revenue on a gross basis, including intercompany revenue between divisions.
- We or our affiliates may from time to time seek to retire, repurchase or sell our outstanding debt through cash purchases, in open market purchases, privately negotiated transactions or otherwise. Such repurchases or sales will depend on market conditions, our liquidity requirements, contractual restrictions and other factors, and the amounts involved may be material. We continue to monitor the maturities on our debt and may consider opportunistic refinancing of some of our debt in the future.

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## AGENDA

- 1 — FY 2023 Highlights
  - 2 — FY 2023 Performance
  - 3 — Balance Sheet
  - 4 — FY 2024 Outlook
  - 5 — Q&A
  - 6 — Appendix
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1

FY 2023

# HIGHLIGHTS

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# FY 2023 HIGHLIGHTS

## **Kantar delivered resilient growth in 2023: gross revenue +4% to \$3,453 million**

- Global Clients up 6%, driven by CPG and Food & Beverage. Tech sector revenues declined by 3%, primarily in the US
- Improving business mix – higher growth from syndicated revenues such as Numerator (15%) and Worldpanel (6%)
- Revenues through tech-enabled platform, Kantar Marketplace, up 35%. Analytics revenues up 6%

## **Kantar's expertise, amplified by technology, positions us as the indispensable partner to leading consumer brands**

- Significant new Insights wins, often in competitive processes, underpinning Kantar's reputation for quality
- Strong performance for Worldpanel, with minimal churn, significant new wins and the growth of new 'usage panels'
- Profiles 'Qubed' live in >40 markets. Launched Kantar Panel Platform & Intelligent Sample Engine, enablers for automation
- Numerator launched Total Commerce Panel in the US – 40% larger at 150,000 households with four years of historical data
- Continued momentum in AI-enabled solutions, including Link AI (Creative Testing) and Lift ROI (Media Mix Optimisation)
- Blueprint for Brand Growth: combines >6 billion attitudinal & purchase data points in a unique framework for marketers

## **FY 2023 HIGHLIGHTS (CONTINUED)**

### **Cost and margin initiatives delivered a simpler and stronger business in 2023. EBITDA up 11% at \$741 million**

- Tight focus on pricing discipline across all divisions, product level profitability and business mix
- Strong cost and headcount efficiencies have delivered key operational savings. FTE is 5% lower than December 2022
- Successful transition from WPP TSA to new third party technology services provider

### **Continued to reshape the portfolio, as part of our strategic focus on consumer brands**

- Sale of specialist healthcare businesses in July and Vivvix (Ad Intel) in November

### **Strong liquidity of \$536 million at the end of December (c\$650 million at 31 March 2024)**

- Liquidity strengthened by TLB upside in January, followed by business sales in July and November
- Partially offset by deferred consideration relating to TechEdge and 2019 WPP transaction
- Working capital impacted by one-off items this year and expected to improve in 2024
- Restructuring and transformation costs are continuing to trend down
- Liquidity further improved by c\$100 million following the Amend & Extend transactions in February 2024

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2

FY 2023

**PERFORMANCE**

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# SOLID PERFORMANCE ACROSS ALL METRICS

## FY 2023 FINANCIAL HIGHLIGHTS

### Revenue

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**\$3,453m**

FY 2022:  
\$3,321m

change:  
**+4%**

Growth across most divisions.

### Gross Margin

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**\$2,456m**

FY 2022:  
\$2,355m

change:  
**+4%**

Cost discipline to maintain Gross Margin.

### Gross Margin %

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**71.1%**

FY 2022:  
70.9%

change:  
**+0.2ppt**

Gross Margin % reflects efficiency savings, Kantar Marketplace and data collection automation.

### EBITDA

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**\$741m**

FY 2022:  
\$668m

change:  
**+11%**

Transformation plans implemented delivered margin at 20%.

### EBITDA Margin %

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**21.5%**

FY 2022:  
20.1%

change:  
**+1.4ppt**

Focus on continuous process improvements to deliver working capital benefits.

### Capital Expenditure

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**\$201m**

FY 2022:  
\$186m

change:  
**+\$15m**

Strong balance sheet enables continued investment in key growth platforms, technology infrastructure and business systems.

#### Notes:

1. Revenue (including intercompany trading), Gross Margin, EBITDA, at constant currency Budgeted 2023 FX. Capital Expenditure at actual December 2023 FX. Comparatives exclude divested businesses and include acquisitions.

# GOOD TOP AND BOTTOM LINE PERFORMANCE

## FY 2023 PROFITABILITY

\$ million	Constant Currency		Change		Actual Rates
	FY 2023	FY 2022	\$	%	FY 2023
Revenue	3,453	3,321	132	4%	3,465
Direct Costs	997	966	31	3%	996
Gross Margin	2,456	2,355	101	4%	2,469
Gross Margin %	71.1%	70.9%		0.2ppt	71.3%
Staff Costs	1,406	1,377	29	2%	1,416
Other G&A	309	310	(1)	(1%)	312
<b>EBITDA</b>	<b>741</b>	<b>668</b>	<b>73</b>	<b>11%</b>	<b>741</b>
EBITDA Margin	21.5%	20.1%		1.4ppt	21.4%

### Notes:

1. Revenue (including intercompany trading) at constant currency Budgeted 2023 FX.
2. Comparatives exclude divested businesses and include acquisitions.

Continued revenue and gross margin growth

Revenue growth driven by:

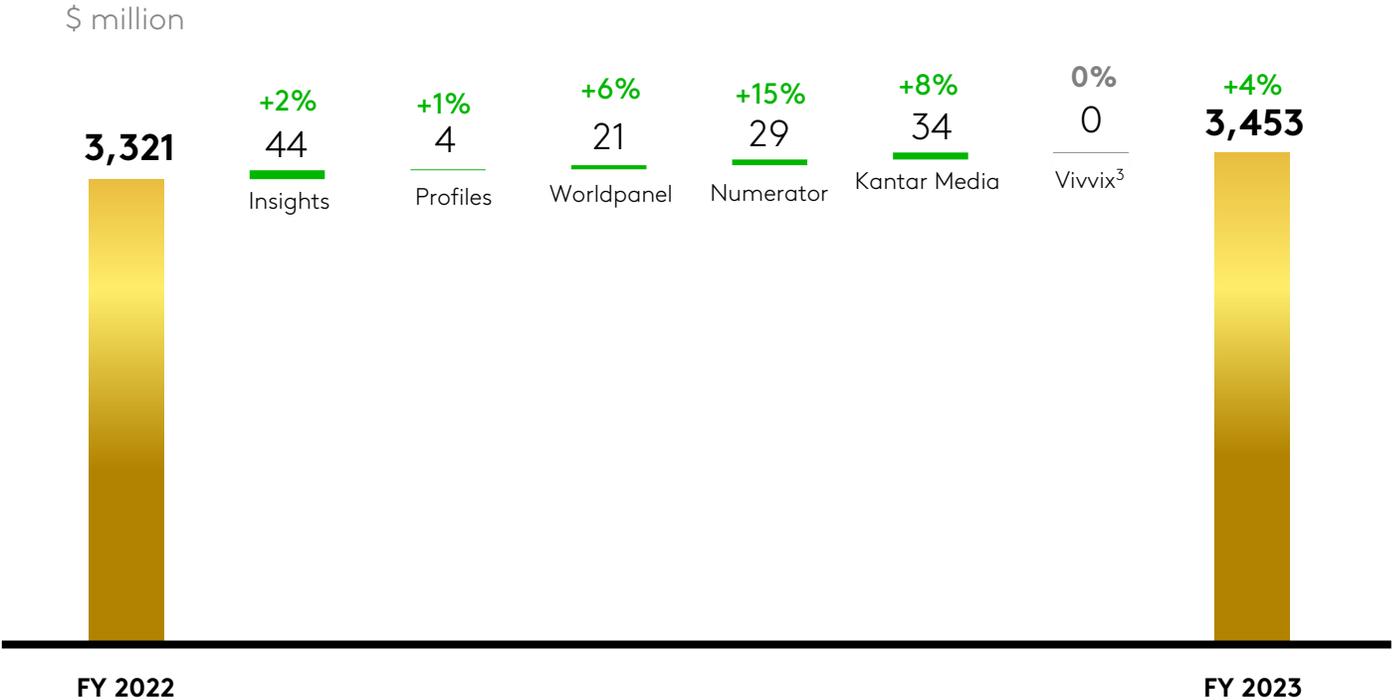
- New client wins
- Client demand for trust and quality
- Increased pricing on recurring products

Staff Costs increase below inflation following successful delivery of headcount initiatives

G&A costs flat due to tight controls on discretionary spend offsetting price inflation

# ALL DIVISIONS ARE DELIVERING GROWTH

- Macro headwinds continue to weigh on advertising performance, leading to continued client caution
- Kantar is focused on solving key client challenges, including marketing effectiveness and efficiency
- **Insights** reflects good momentum in LATAM, EMEA and APAC. US impacted by tech sector slowdown
- **Profiles** is outperforming the market, leveraging its focus on data quality and anti-fraud capabilities
- **Worldpanel** has delivered strong contracted renewal performance and minimal churn
- **Numerator** continues its strong growth, ARR increasing at c20%, average contract >27 months
- **Kantar Media** reflects benefit of long-term contracts and growth in cross-media solutions

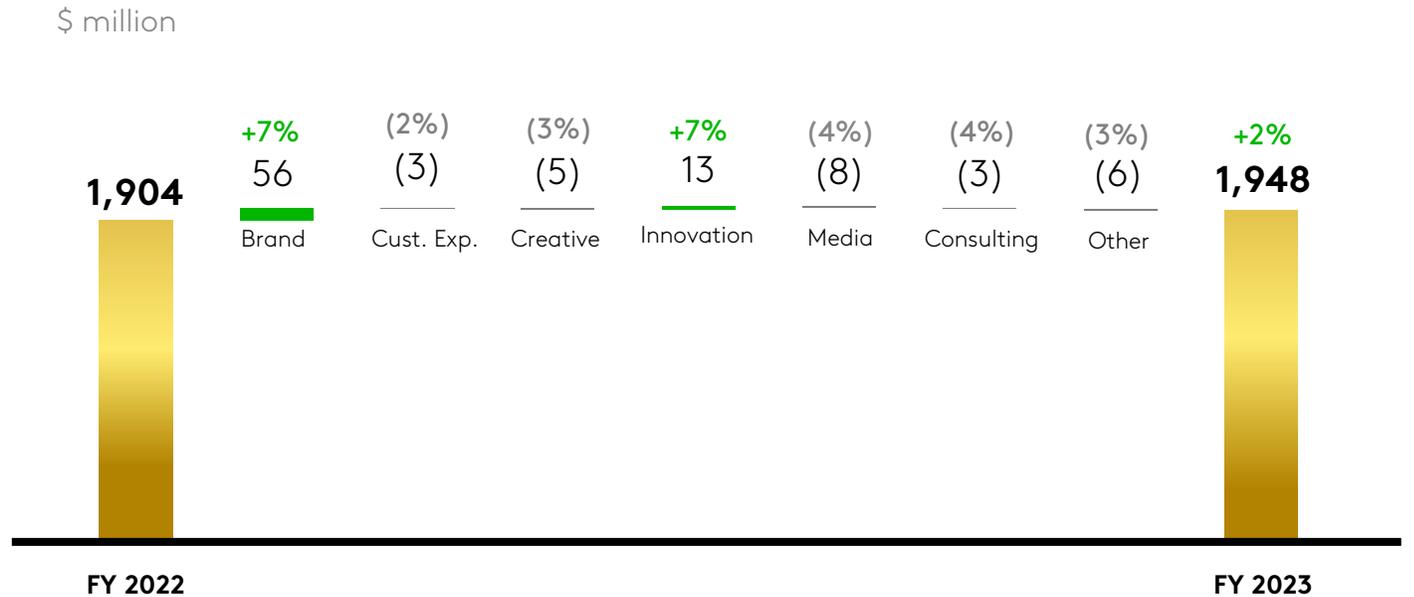


**Notes:**

1. Revenue (including intercompany trading) at constant currency Budgeted 2023 FX.
2. Comparatives exclude divested businesses and include acquisitions.
3. In 2023, our North American Advertising Intelligence (Ad Intel) business is reported as a separate division under the brand name Vivivix, which combines elements of the Kantar Media and Numerator Ad Intel businesses.

# INSIGHTS CONTINUED GROWTH IN HIGHLY RECURRING BRAND SOLUTIONS

- Clients continue to focus on the importance of **Brand**, a core strength of Kantar
- **Innovation** driven by Kantar Marketplace and clients' focus on strategic product development
- **Customer Experience** growth in APAC, offset by declines in other markets
- **Creative** growth in EMEA, but lower overall, offset by a mix shift to Kantar Marketplace, delivering higher margins
- **Media** revenues are growing APAC and EMEA, but 4% lower overall, reflecting softness in technology sector in North America

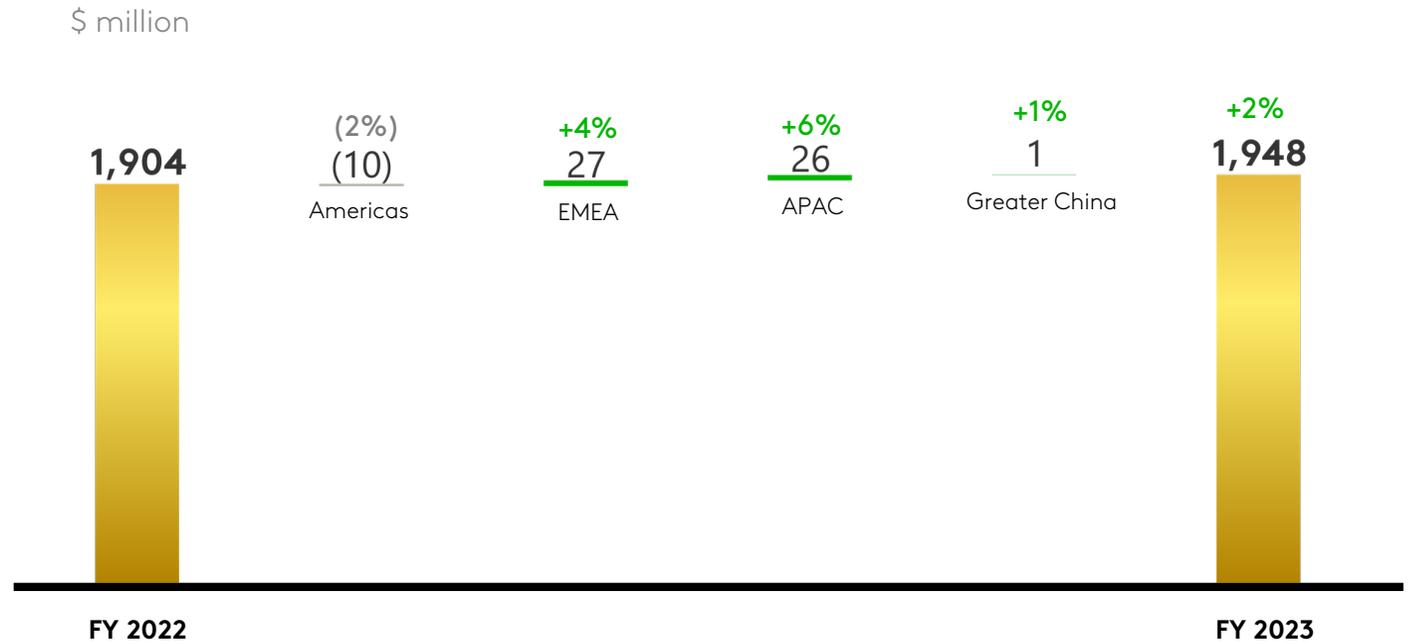


**Notes:**

1. Revenue (including intercompany trading) at constant currency Budgeted 2023 FX.
2. Comparatives exclude divested businesses and include acquisitions.

# INSIGHTS MAINTAINED GROWTH IN Q4 (2%). APAC AND LATAM REMAINED STRONG, IMPROVEMENTS IN EMEA AND CHINA

- Lower revenue in **North America**, reflecting market softness (Media & Creative), especially from large technology clients
- **LATAM** continued its double-digit revenue growth
- **EMEA** growth in top markets: UK, Netherlands, Spain, France, Germany and Middle East/Africa
- **APAC** growth was particularly strong in India, Malaysia and Philippines
- **China** return to revenue growth in Q4



**Notes:**

1. Revenue (including intercompany trading) at constant currency Budgeted 2023 FX.
2. Comparatives exclude divested businesses and include acquisitions.

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BALANCE

**SHEET**

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# LEVERAGE IN LINE WITH EXPECTATIONS

## LTM EBITDA

\$ million		FY 2023
<b>LTM Adjusted EBITDA<sup>(1)</sup></b>		741
Impact of acquisition and disposals	①	(24)
Other adjustments per the Covenant definition of LTM Adjusted EBITDA	②	17
Dividends Received from Associates		5
Run-rate adjustment	③	31
<b>Covenant LTM Adjusted EBITDA</b>		<b>770</b>

## NET DEBT POSITION

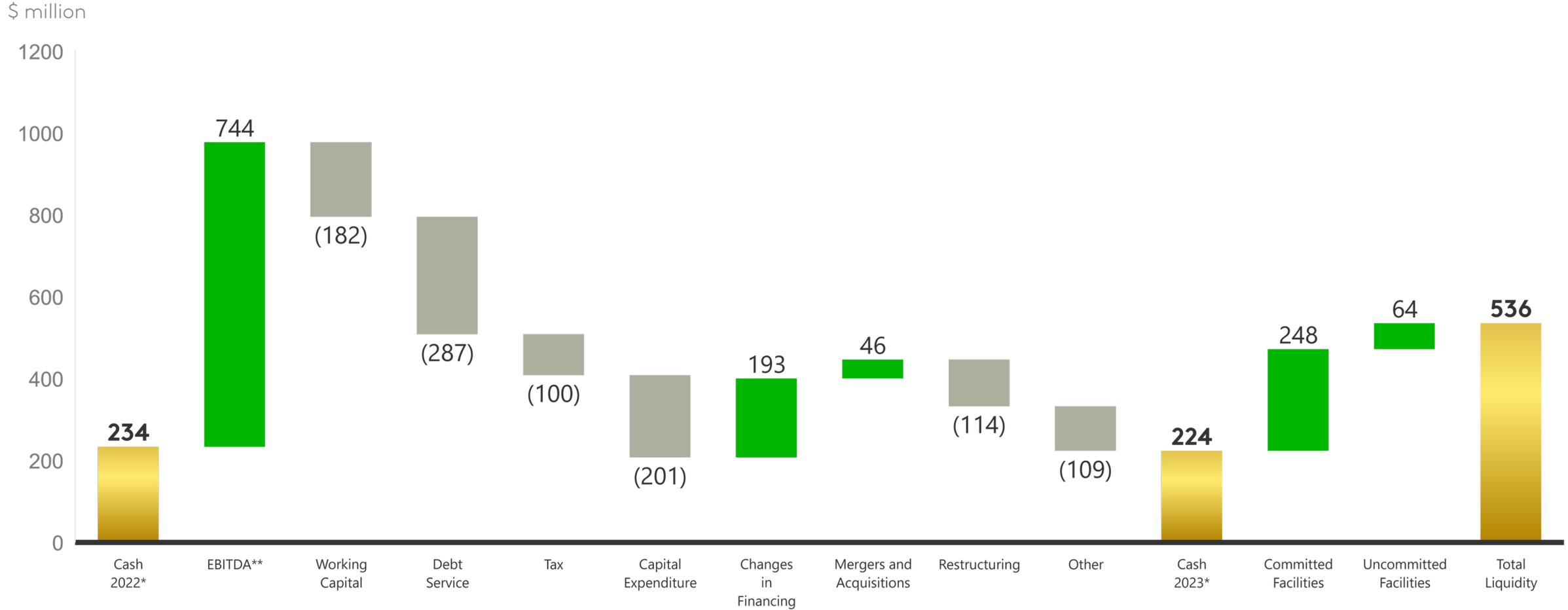
\$ million		FY 2023	x Covenant Adjusted EBITDA
Cash and cash equivalents	④	(224)	
Senior Facilities		2,244	
Senior Secured Notes		1,529	
Retranslation at LTM average FX rates	⑤	(65)	
<b>Consolidated Senior Secured Net Debt</b>		<b>3,484</b>	<b>4.52x</b>
Senior Unsecured Notes		472	
<b>Consolidated Senior Secured and Unsecured Net Debt</b>		<b>3,956</b>	<b>5.14x</b>
Retranslation at LTM average FX rates	⑤	65	
Other Debts	⑥	243	
<b>Consolidated Net Debt</b>		<b>4,264</b>	<b>5.53x</b>

- ① Net impact from the sale of Kantar Media Healthcare Research and the North American Advertisement Intelligence business as well as the impact of Russia and Ukraine.
- ② Includes adjustments for: property taxes, non-cash pension costs, other non-cash charges, foreign exchange and proforma adjustments per the definitions within the Senior Facilities Agreement.
- ③ Estimated annualised run-rate savings as identified in the original underwriting plan as well as longer-term specifically identified transformation measures. \$31 million represents future impact from initiatives identified and being implemented as of December 2023. Run-rate adjustment for covenant purposes is limited to 25% of overall LTM EBITDA.
- ④ \$224 million of Senior Secured cash as at end of December with liquidity of \$536 million including available undrawn facilities.
- ⑤ Consolidated Senior Secured Net Debt retranslated at LTM average FX rates for Covenant Reporting purposes.
- ⑥ Represents IFRS 16 lease liabilities, and a \$7 million loan from the WPP Group.
- ⑦ Total net debt is reflected at its aggregate principal amounts, less cash and cash equivalents, and does not reflect debt issuance costs or accrued interest expenses.

### Notes:

1. Twelve months ending 31 December 2023.

# LIQUIDITY REMAINS STRONG. RESTRUCTURING COSTS ARE COMING DOWN



**Notes:**

\* Excludes cash and all movements that are outside of the Senior Lender perimeter.

\*\* EBITDA is at actual rates.

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FY 2024

**OUTLOOK**

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## FY 2024 OUTLOOK

- Given uncertain macro, we are planning for revenue growth in line with 2023 trends
- Secured revenue and orders in line with expectations, strong renewal performance so far
- Pressure on client budgets remains the key challenge to new business growth
- Continuation of tight cost and headcount controls to drive operating leverage
- Investment in technology transformation continues, however one-off spend will be lower
  - Lower capex: \$160 million (vs \$201 million in 2023)
  - Lower one-off spend: \$50 million (vs \$114 million in 2023)
- Working capital expected to improve significantly given 2023 unwind and management focus

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**5**

**Q&A**

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# APPENDIX

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# RECONCILIATIONS

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## FINANCIAL STATEMENT TO CONSTANT CURRENCY EBITDA

\$ million	FY 2023	FY 2022
<b>Operating profit / (loss) per Statement of Income</b>	<b>198</b>	<b>(18)</b>
Amortisation of other intangible assets	343	324
Impairment of other financial assets	18	—
Impairment of goodwill and other intangible assets	4	1
Expenses in connection with events in Ukraine and suspension of activities in Russia	(7)	53
Depreciation of property, plant and equipment	33	36
Depreciation of right-of-use assets	58	61
Profit on disposal of subsidiaries <sup>(2)</sup>	(120)	(77)
Acquisitions and disposal related costs <sup>(2)</sup>	61	80
Restructuring and transformation costs	66	186
Other items <sup>(1)</sup>	87	54
<b>Adjusted EBITDA – actual exchange rates</b>	<b>741</b>	<b>700</b>
Proforma impact of acquisition and disposals	—	(25)
Foreign exchange for constant currency	—	(7)
<b>Adjusted EBITDA – constant currency</b>	<b>741</b>	<b>668</b>

### Notes:

- Relates to share-based payment charges and associated costs, foreign exchange and other adjusting items that are not considered indicative of trading performance by management by virtue of their size and/or incidence.
- The comparative information has been revised to align with the current year classification of disposal-related transaction costs. The change has resulted in an increase in profit on disposal of subsidiaries of \$44 million and an increase in acquisition and disposal related costs of \$44 million. There is no impact on total costs for the year.

# REVENUE AND CASH RECONCILIATIONS

## GROSS REVENUE RECONCILIATION

\$ million	FY 2023	FY 2022
<b>Revenue per Consolidated Statement of Income</b>	<b>2,980</b>	<b>3,062</b>
Intercompany revenue	481	452
Proforma impact of acquisitions and disposals	—	(162)
Foreign exchange on constant currency	(8)	(31)
<b>Gross revenue</b>	<b>3,453</b>	<b>3,321</b>

## CASH RECONCILIATION

\$ million	FY 2023	FY 2022
<b>Cash per Consolidated Statement of Financial Position</b>	<b>(466)</b>	<b>(481)</b>
Reclassification of Bank Overdrafts	201	193
Outside the Senior Lenders' perimeter	41	54
<b>Cash per Senior Lender Net Debt</b>	<b>(224)</b>	<b>(234)</b>
Senior Lenders' Unsecured Cash	—	1
Retranslation at LTM average FX rates	(13)	—
<b>Cash per Consolidated Senior Secured Net Debt</b>	<b>(237)</b>	<b>(233)</b>

## RECONCILIATION DECEMBER YTD 2022 CONSTANT CURRENCY IN FY 2022 PRESENTATION TO 2023 CONSTANT CURRENCY IN FY 2023 PRESENTATION

\$ million	Revenue	EBITDA
<b>Constant Currency per December 2022 Presentation</b>	<b>3,688</b>	<b>725</b>
Add: Qmee	12	3
Less: Numerator eCommerce	(3)	(3)
Less: Xtel	(24)	3
Less: Kantar Public	(119)	(11)
Less: Profiles and Media Health	(14)	(1)
Less: Vivvix	(17)	(8)
Other acquisitions / divestitures	4	(8)
Change in Constant Currency Rates / Other	(206)	(32)
<b>Constant Currency per December 2023 Presentation</b>	<b>3,321</b>	<b>668</b>

# CONSOLIDATED SENIOR SECURED NET DEBT LEVERAGE RATIO

Consolidated Senior Secured Net Debt on 31 December 2023 was \$3,484 million and LTM EBITDA for the Relevant Period was \$770 million. As at 31 December 2023, Consolidated Senior Secured Net Debt was 4.52 times LTM EBITDA.

## RECONCILIATION OF CONSOLIDATED SENIOR SECURED NET DEBT

\$ million	Cash, Less Bank Overdrafts	Borrowings (Excl. Bank Overdrafts)	Net Debt
<b>Per the Consolidated Statement of Financial Position as at 31 December 2023</b>	<b>(265)</b>	<b>4,406</b>	<b>4,141</b>
Unamortised Debt-issuance Costs deducted from Borrowings	—	82	82
Cash and Debt Outside of the Senior Secured Lenders' Perimeter <sup>(1)</sup>	41	(715)	(674)
Retranslation at LTM average FX rates Lenders' Perimeter <sup>(1)</sup>	(13)	(52)	(65)
<b>Consolidated Senior Secured Net Debt</b>	<b>(237)</b>	<b>3,721</b>	<b>3,484</b>

### Notes:

1. Excludes cash and debt in legal entities above the level of Summer (BC) Holdco B S.à. r.l. and Summer (BC) US Bidco B LLC in the legal structure of the Group.

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OTHER  
**ANALYSIS**

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## PROFIT AND LOSS ACTUAL RATES

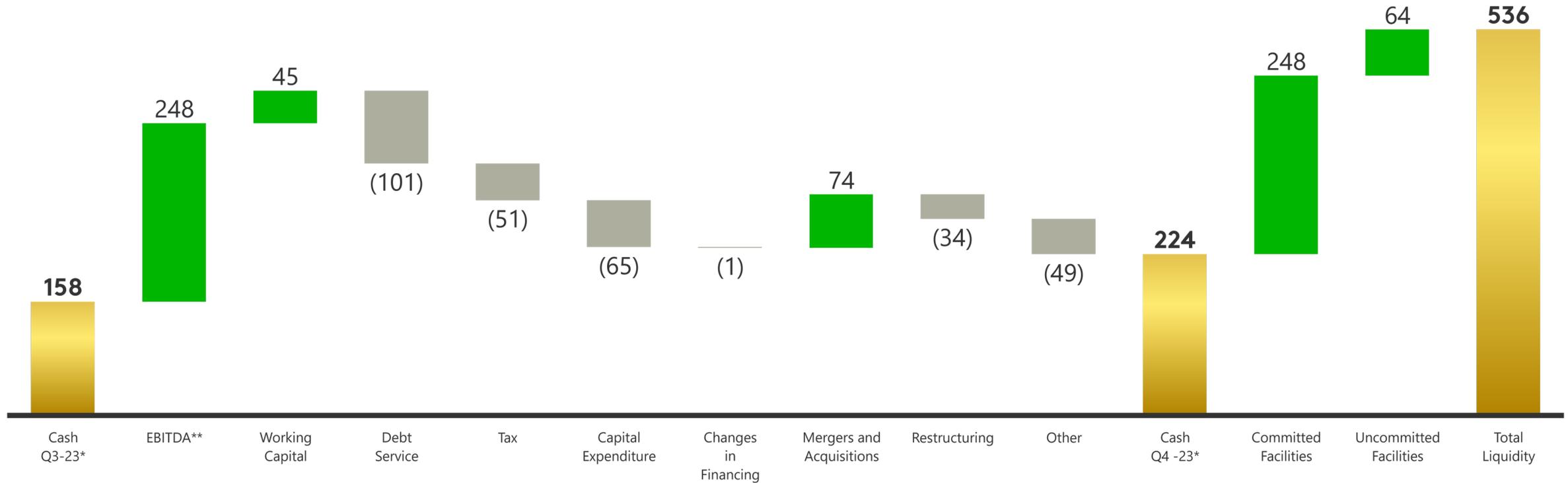
\$ million	Actual Rates		Change	
	FY 2023	FY 2022	\$	%
Revenue	3,465	3,522	(57)	(2%)
Direct Costs	996	1,033	37	4%
Gross Margin	2,469	2,489	(20)	(1%)
Gross Margin %	71.3%	70.7%		0.6ppt
Staff Costs	1,416	1,476	60	4%
Other G&A	312	313	1	0%
<b>EBITDA</b>	<b>741</b>	<b>700</b>	<b>41</b>	<b>6%</b>
EBITDA Margin	21.4%	19.9%		1.5ppt

### Notes:

1. Revenue (including intercompany trading)

# Q4 2024: LIQUIDITY REMAINS STRONG. RESTRUCTURING COSTS ARE COMING DOWN

\$ million



**Notes:**

\* Excludes cash and all movements that are outside of the Senior Lender perimeter.

\*\* EBITDA is at actual rates.

# KANTAR REVENUE BY DIVISION

\$ million

Division	Q1 2023	Q1 2022	Q2 2023	Q2 2022	Q3 2023	Q3 2022	Q4 2023	Q4 2022	YTD 2023	YTD 2022
Insights	473	469	472	458	473	460	530	519	1,948	1,906
Profiles	79	77	85	84	83	82	91	90	338	333
Worldpanel	86	83	95	92	90	85	107	97	378	357
Numerator	52	44	55	47	56	50	61	54	224	195
Kantar Media	114	106	120	111	118	111	125	114	477	442
Vivvix <sup>2</sup>	25	24	28	31	27	25	8	8	88	88
<b>Total</b>	<b>829</b>	<b>803</b>	<b>855</b>	<b>823</b>	<b>847</b>	<b>813</b>	<b>922</b>	<b>882</b>	<b>3,453</b>	<b>3,321</b>
<b>Intercompany Revenue</b>	<b>(109)</b>	<b>(104)</b>	<b>(116)</b>	<b>(116)</b>	<b>(120)</b>	<b>(107)</b>	<b>(136)</b>	<b>(126)</b>	<b>(481)</b>	<b>(453)</b>
<b>External Revenue</b>	<b>720</b>	<b>699</b>	<b>739</b>	<b>707</b>	<b>727</b>	<b>706</b>	<b>786</b>	<b>756</b>	<b>2,972</b>	<b>2,868</b>

**Notes:**

1. All values at constant currency Budgeted 2023 FX.
2. In 2023, our North American Advertising Intelligence (Ad Intel) business is reported as a separate division under the brand name Vivvix, which combines elements of the Kantar Media and Numerator divisions reported in the period to 31 December 2022.

## KANTAR REVENUE BY GEOGRAPHY

\$ million

Geography	Q1 2023	Q1 2022	Q2 2023	Q2 2022	Q3 2023	Q3 2022	Q4 2023	Q4 2022	YTD 2023	YTD 2022
Continental Europe	190	192	196	190	184	181	199	208	769	771
UK	130	118	126	121	133	118	156	127	545	484
North America	221	224	234	229	226	230	238	241	919	924
Asia Pacific	183	174	185	179	186	179	200	191	754	723
Latin America	75	66	81	71	84	74	93	80	333	291
MEA	30	29	33	33	34	31	36	35	133	128
<b>Total</b>	<b>829</b>	<b>803</b>	<b>855</b>	<b>823</b>	<b>847</b>	<b>813</b>	<b>922</b>	<b>882</b>	<b>3,453</b>	<b>3,321</b>
<b>Intercompany Revenue</b>	<b>(109)</b>	<b>(104)</b>	<b>(116)</b>	<b>(116)</b>	<b>(120)</b>	<b>(107)</b>	<b>(136)</b>	<b>(126)</b>	<b>(481)</b>	<b>(453)</b>
<b>External Revenue</b>	<b>720</b>	<b>699</b>	<b>739</b>	<b>707</b>	<b>727</b>	<b>706</b>	<b>786</b>	<b>756</b>	<b>2,972</b>	<b>2,868</b>

**Notes:**

1. All values at constant currency Budgeted 2023 FX.

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