

Q4 2022 results presentation

22 February 2023

Cint

The background image shows two men in business suits sitting at a wooden table in a dimly lit cafe. The man on the left, wearing glasses and a dark suit, is gesturing with his right hand while speaking. The man on the right, in a grey suit, is looking at a laptop and holding a white coffee cup. The background features a brick wall and large windows looking out onto a city at night. The entire image has a dark, moody color palette with a grid of small white dots overlaid.

Today's agenda & presenters

Agenda

- Introduction
- Q4 Highlights
- Integration of Lucid
- Financial Update
- Summary



Tom Buehlmann
Chief Executive Officer



Olivier Lefranc
Chief Financial Officer



Patrick Comer
Chairman of the board

Introduction

Cint



Cint is a global platform leader in connected consumer insights

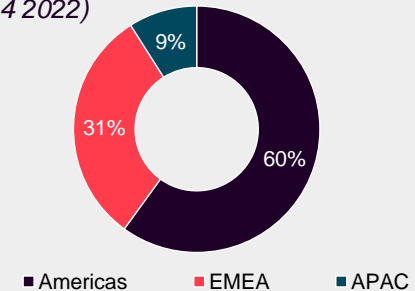


Cint at glance

- The Cint platform hosts one of the **world's largest consumer networks** for digital market research
- Historical ambition to be no.1 platform
- Strong track-record of **profitable organic growth** supported by M&A
- The **acquisition of Lucid** end 2021 created the number 1 platform
- Strong **growth** and **synergy** potential of the larger combo

Net Sales by Region

(Q4 2022)



Note: "Connected consumers" include both connected consumers from Cint and the number of unique Lucid platform entrants. "Completed surveys" includes contribution from Lucid YTD.

Q4 Highlights

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Challenging quarter impacted by weak demand and reversals



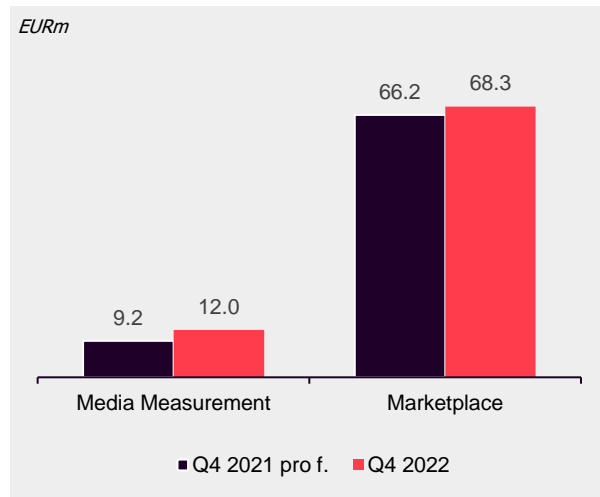
Highlights

- Outcome of the quarter in terms of sales, gross profit and adjusted EBITDA was in line with the trading update on 2 February 2023
- Q4 net sales of 80.3m with a pro forma year over year growth of 6.6%, and 0.1% on a constant currency basis.
 - The quarter was impacted by (a) weak demand from macro-economic reasons and (b) a significant increase in reversals
- Q4 gross profit amounted to EUR 48.7m, an increase of 4% pro forma year over year.
- Q4 adjusted EBITDA amounted to EUR 13.5m (11.5 pro forma last year) with an adjusted EBITDA margin of 16.8% compared to 15.2% in Q4 2021 on a pro forma basis
- Improved cash flow following the initiatives initiated in Q3 and pursued in Q4, including higher working capital efficiency
- Impairment test of goodwill for the fourth quarter resulted in a non-cash impairment amounting to EUR 341m

Source: Company information.

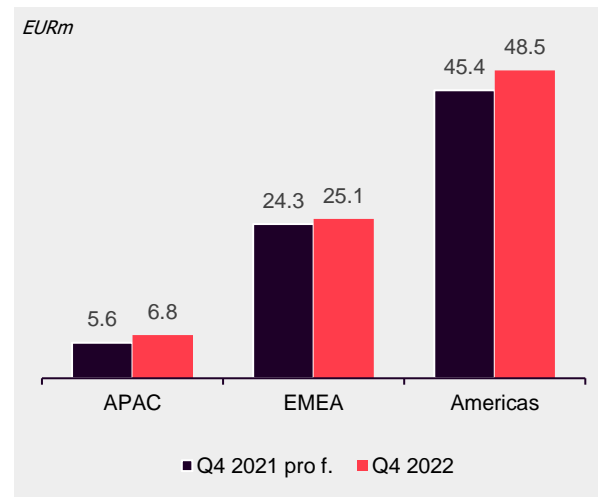
Net sales development

Business segments



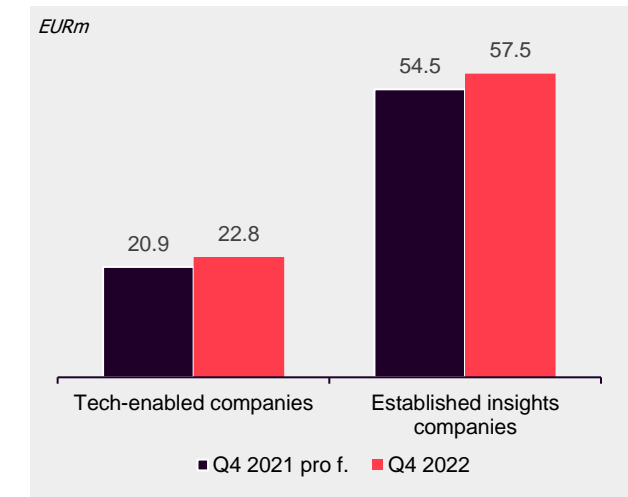
- Marketplace - includes Cint core business and Software & Services in Lucid. Growth of 3% pro forma (-3% in constant currency)
- Media Measurement - includes Connected Data business in Cint and the Audience business in Lucid. Growth of 31% pro forma (19% in constant currency)

Regions



- Americas net sales of EUR 48.5 with a growth of 7% pro forma (-5% in constant currency)
- EMEA net sales of EUR 25.1m with a growth of 3% pro forma (5% in constant currency)
- APAC net sales of EUR 6.8m with a growth of 20% pro forma (20% in constant currency)

Customer types

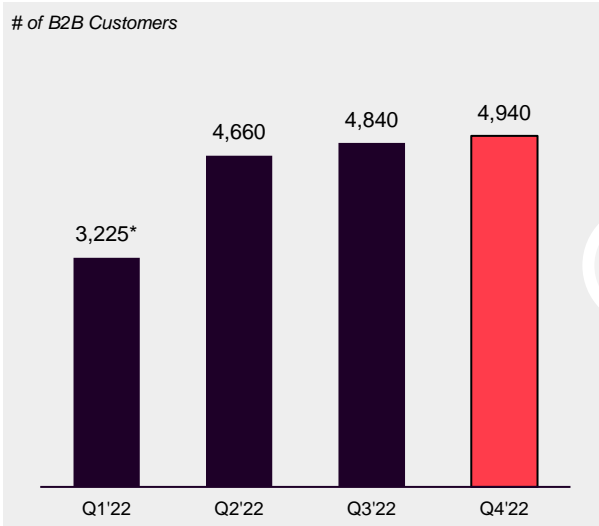


- Tech-enabled net sales of EUR 22.8m with a growth of 9% pro forma
- Established net sales of EUR 57.5m with a growth of 6% pro forma

Macro-economic factors impacted negatively all business segments, regions and customer types

Continued good development of the operational KPIs

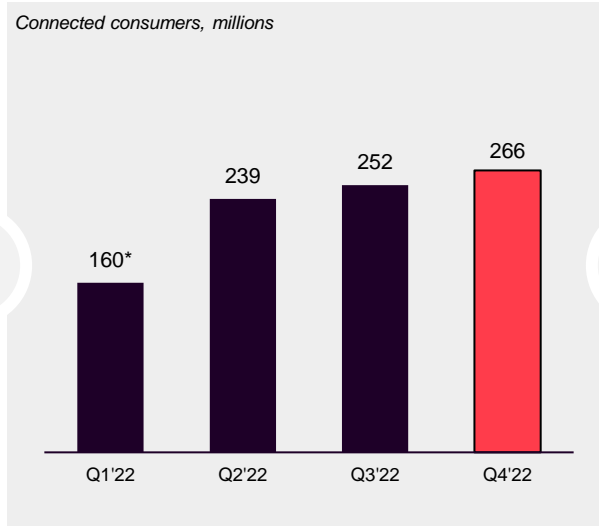
B2B customers



* Legacy Cint only

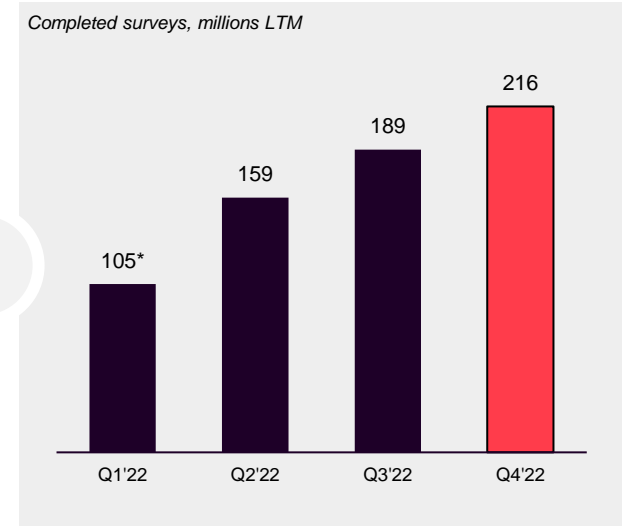
- Number of B2B customers has more than tripled since 2018, due to both strong organic growth as well as the acquisition of Lucid
- Continued customer intake in the fourth quarter with 100 net new customers

Connected consumers



- Includes connected consumers from Cint's platform and unique number of entrants on Lucid's platform
- Counting methodologies different due to the business models; still most appropriate measure for reach

Completed surveys



- Significant growth in completed surveys driven by:
 - Increased volumes from organic growth
 - Onboarding of customers to Cint's Enterprise Solution

Operational KPIs support strong fundamentals and future growth opportunities

Source: Company information.

Reasons for reversals

What is a reversal?

- During the survey fielding process, some completes may be recognized by the Cint platform that the buyer does not recognize as valid. The buyer will then remove those completes they do not deem as valid resulting in a negative reconciliation, otherwise known as a reversal.
- The normal, industry-accepted, reversal rate is 5-7%

Reversals can be classified into two buckets

- Unengaged respondents
- Fraud (generally occurs at weakest link in supply chain). Happens when links are manipulated due to a vulnerability between survey platform and supplier.
 - Bot responses: e.g. similar responses for a number of respondents / same IP / same typos.
 - Duplicate responses: identical open-end responses seen across multiple respondents
 - Ghost completes: a complete registers on the supplier side and not on buyer side due to link manipulation; often due to vulnerability between survey platform and supplier.

Source: Company information.

Actions to get back to normalised levels

Quality and fraud are industry challenges

- Macroeconomy has led to increased motivation for bad actors
- Cint is the largest global exchange and public, puts us under a spotlight
- The major increase in reversals is coming from fraud

Impact on Cint

- Reversals identified within short timeframe; report revenue net of reversals
- The increase of reversals in Q4 2022 compared to the same period last year negatively impacted revenue growth by approximately 5 percentage points

What are we doing about it?

- Requires a product-based solution and collaboration across the entire supply chain
- We have tightened our current security features, examining all available 3rd party tools, developing and testing an AI-based methodology to identify fraud, and building a server-to-server solution
- We are organizing a quality forum and leveraging industry associations to bring everyone together to solve the problem

Source: Company information.

Integration of Lucid

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Increase in integration efforts during Q4

Integration Update

- Increase in integration efforts in Q4 with higher than expected impact on the daily business
- In Q4, we continued to form a common platform for our people, processes and systems
- We launched a company-wide sales go-to-market messaging platform
- Began implementation of a new unified product road-map; this will consumer substantial time and resources in 2023 and is fundamental for future success

Synergies and Integration Cost Update

- Synergies of approximately EUR 40m driven by OPEX synergies
- We still estimate non-recurring integration costs to amount to approximately EUR 40m in total for the two-year period following acquisition (FY2022-2023)
- Integration costs of EUR 21.2m taken during the year of which EUR 5.3m in Q4

Source: Company information.

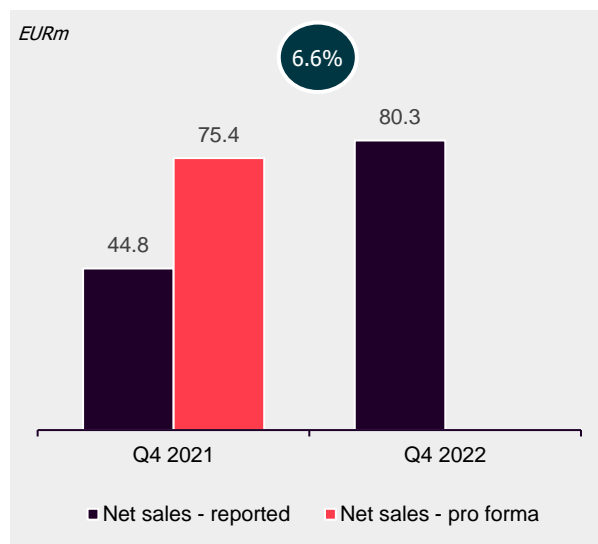
Financial Update

Cint



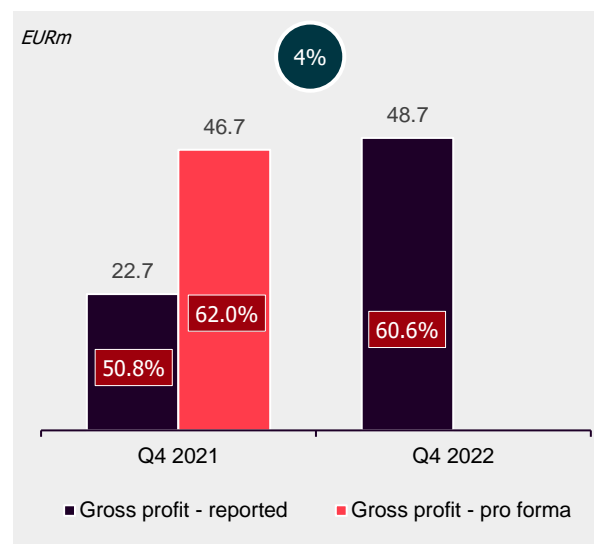
Q4 Financial highlights

Net sales development



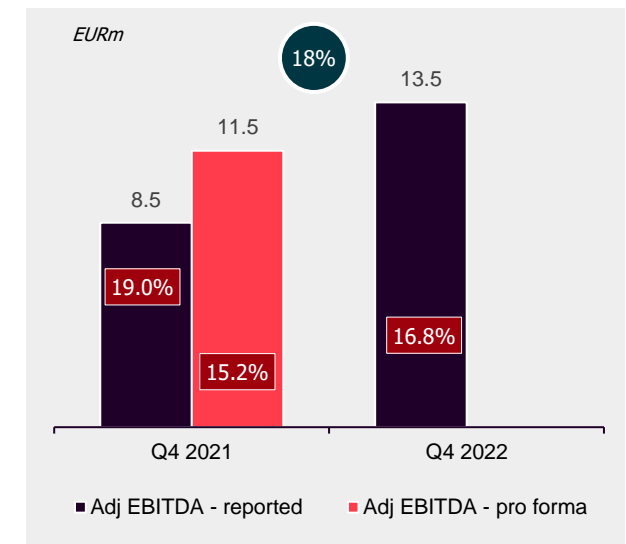
- Net sales of EUR 80.3m in the quarter
- Pro forma growth of 6.6% (0.1% constant c.)
- Growth negatively affected by macro-related factors and high reversal rates
- EMEA and tech-enabled customers showed a higher growth than Americas (in constant currency) and established customers

Gross profit development



- Gross profit of EUR 48.7m in the quarter
- Pro forma growth of 4%
- Gross margin of 60.6% reflecting an underlying change in product mix as well as price pressure in some geographies

Adj. EBITDA development



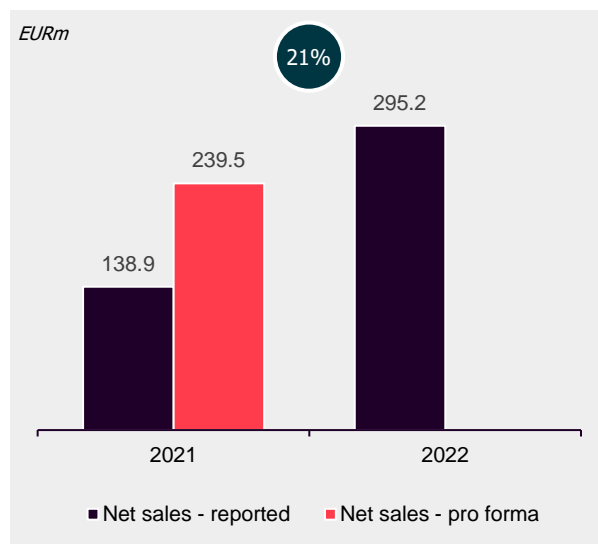
- Adj EBITDA of 13.5m in the quarter
- Pro forma growth of 18%
- Adj EBITDA margin of 16.8%
- Margin improvement from 15.2% in Q4 2021 on pro forma basis primarily driven by good control over OPEX

%

Numbers on a pro forma basis, i.e. Cint organic and Lucid

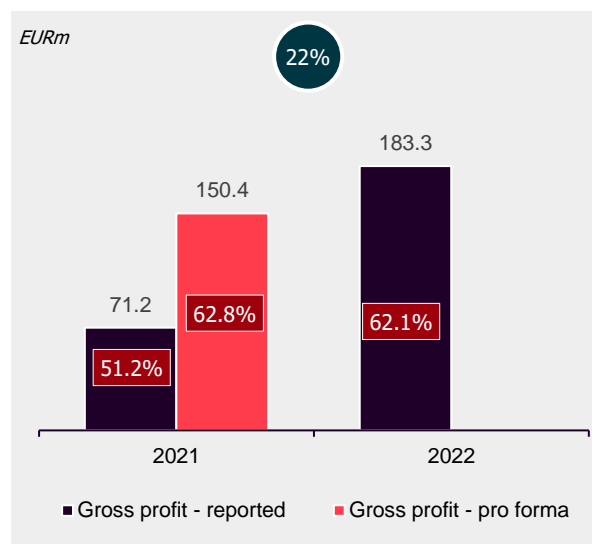
2022 Financial highlights

Net sales development



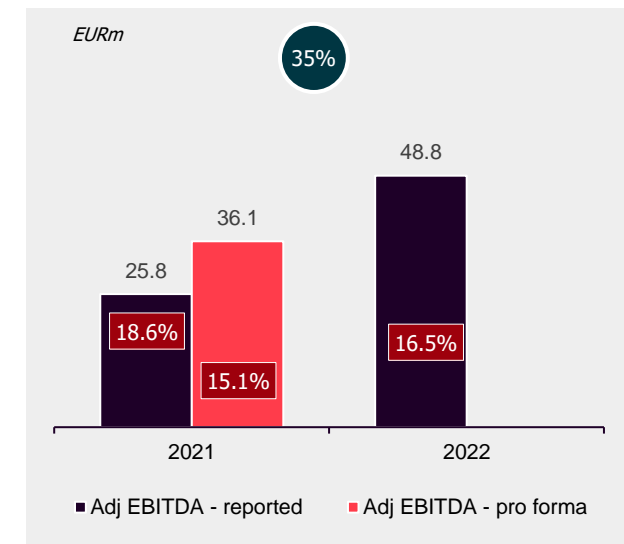
- Net sales of EUR 295.2m in 2022
- Pro forma growth of 21% (13% constant c.)
- Growth driven by positive business development and currency tailwind
- Highest growth rates seen in APAC (25% cc.) and EMEA (18% cc.). AMS grew 9% cc.
- Similar growth rate (pro forma) in Established and the Tech-enabled customer segment

Gross profit development



- Gross profit of EUR 183.3m in 2022
- Pro forma growth of 22%
- Gross margin of 62.1%, relatively stable from last year

Adj. EBITDA development



- Adj EBITDA of 48.8m in 2022
- Pro forma growth of 35%
- Adj EBITDA margin of 16.5%
- Margin expansion from 15.1% in 2021 on pro forma basis primarily driven by scale and synergy benefits

%

Numbers on a pro forma basis, i.e. Cint organic and Lucid

Q4 margin impacted by lower than expected sales but higher than last year pro forma

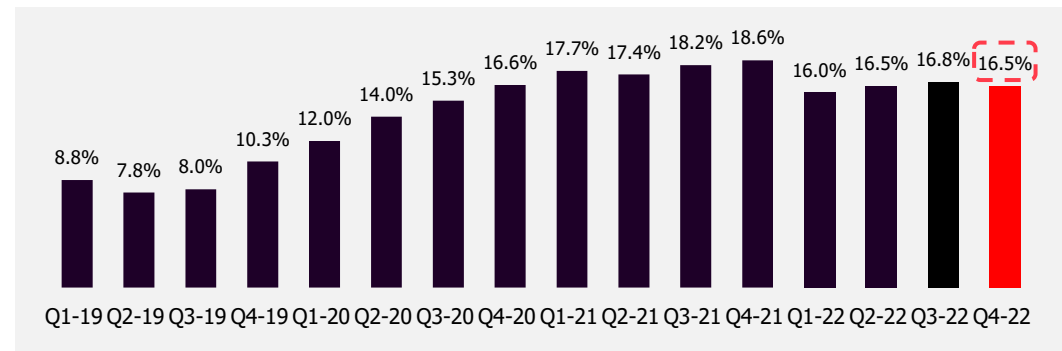
Comments

- Fourth quarter of 2022 sales lower than expected
- Total integration cost of EUR 5.3m in Q4 2022, in line with prior quarters in 2022
- The Adj EBITDA margin was at 16.8% in Q4 2022 compared to 19.0% in Q3, 17.7% in Q2 and 12.1% in Q1
- Q4'21 pro-forma was at 15.2%
- FY Adj EBITDA margin at 16.5% (15.1% pro forma in Q4 last year)
- Impairment test of goodwill for the fourth quarter resulted in a non-cash impairment amounting to EUR 341m.

Operating expenses

KEUR	2022 Oct-Dec	2021 Oct-Dec	2022 Jan-Dec	2021 Jan-Dec
Total custom erspend	112,351	48,121	411,489	149,624
Net Sales	80,341	44,755	295,188	138,925
Cost of services sold	-31,617	-22,014	-111,881	-67,769
Gross Profit	48,724	22,741	183,307	71,155
Operating Expenses	-44,515	-34,170	-171,767	-72,922
Capitalized development cost	3,984	2,081	15,994	7,826
Items Affecting Comparability	5,339	17,831	21,244	19,761
Adjusted total net operating expenses	-35,192	-14,257	-134,529	-45,335
% of Total custom erspend	31.3%	29.6%	32.7%	30.3%
Adjusted EBITDA	13,532	8,484	48,778	25,821
Adjusted EBITDA margin	16.8%	19.0%	16.5%	18.6%

LTM Adj. EBITDA margin



Increased cash focus lead to continued improvement

Comments

- Cash flow from changes in working capital amounted to EUR 7.2m – see next slide for details
- Cash flow from operating activities amounted to EUR 5.5m
- Net cash flow of EUR -1.1m
- Total amount of cash and cash equivalents at the end of the quarter was EUR 62.6m (65.8 at the end of Q3) and total net debt amounted to EUR 56.4m (65.9 at the end of Q3)

Cash flow

KEUR	2022	2021	2022	2021
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Operating profit/loss (EBIT)	-344 402	-11 967	-357 548	-3 148
Adjustments for non-cash items	348 376	2 591	386 963	8 234
Interest received	0	-3	0	0
Interest paid	-2 022	-25	-4 574	-151
Income tax paid	-3 630	-825	-8 151	-1 391
Operating CF before working capital	-1 678	-10 229	16 690	3 544
Cash flow from changes in working capital	7 216	-31 110	-9 975	-41 465
Cash flow from operating activities	5 538	-41 338	6 715	-37 921
Cash flow from investing activities	-5 073	-455 487	-18 065	-482 936
Cash flow from financing activities	-1 595	526 654	-2 046	594 987
Net cash flow	-1 130	29 828	-13 396	74 129
Cash and cash equivalents	62 609	77 674	62 609	77 674

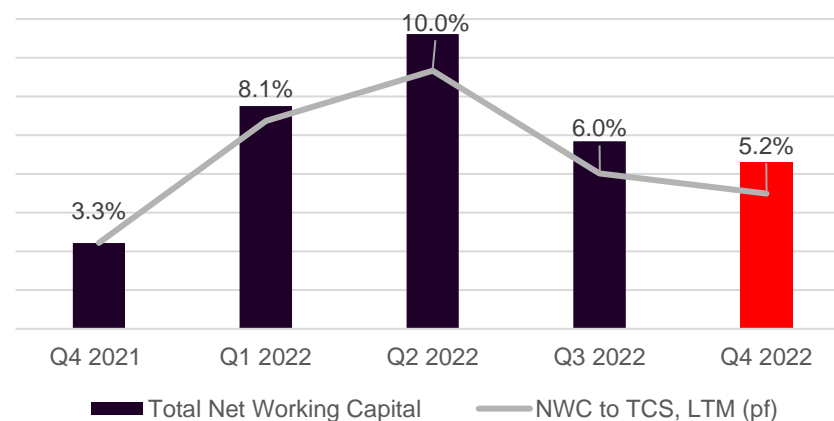
Continued Working Capital improvement in Q4

Comments

- Several initiatives were launched in the third quarter, including:
 - (i) Review of overdue customer invoices
 - (ii) Harmonization and improvements of payment terms for customers and suppliers
 - (iii) Payment discipline and improved payment schedule for the payables
- These have been pursued in Q4 and the Total Net Working Capital position continued to reduce for the second quarter in a row
- Accounts Receivable increased by 3.8% due to sales seasonality (Q4 net sales were at €80.3M vs 74.3 in Q3 - a 8.1% increase)
- NWC to Total Consumer Spend down to 5.2% in Q4 from 6.0% in Q3 and 10.0% in Q2

Working Capital

KEUR	2021 31Dec	2022 31Mar	2022 30 Jun	2022 30 Sep	2022 31Dec
Accounts receivable	91,136	90,921	99,754	100,674	104,501
Other current assets	26,571	28,102	29,223	31,183	28,962
Accounts payable	-48,585	-46,423	-51,037	-64,375	-65,954
Other current liabilities	-58,064	-43,831	-39,878	-43,273	-45,964
Total Net Working Capital	11,059	28,769	38,063	24,208	21,544
Total Customer Spend, LTM (pf)	332,926	357,090	380,659	402,048	411,489
NWC to TCS, LTM (pf)	3.3%	8.1%	10.0%	6.0%	5.2%
Accounts Receivable to TCS, LTM (pf)	27.4%	25.5%	26.2%	25.0%	25.4%
Accounts Payable to TCS, LTM (pf)	14.6%	13.0%	13.4%	16.0%	16.0%

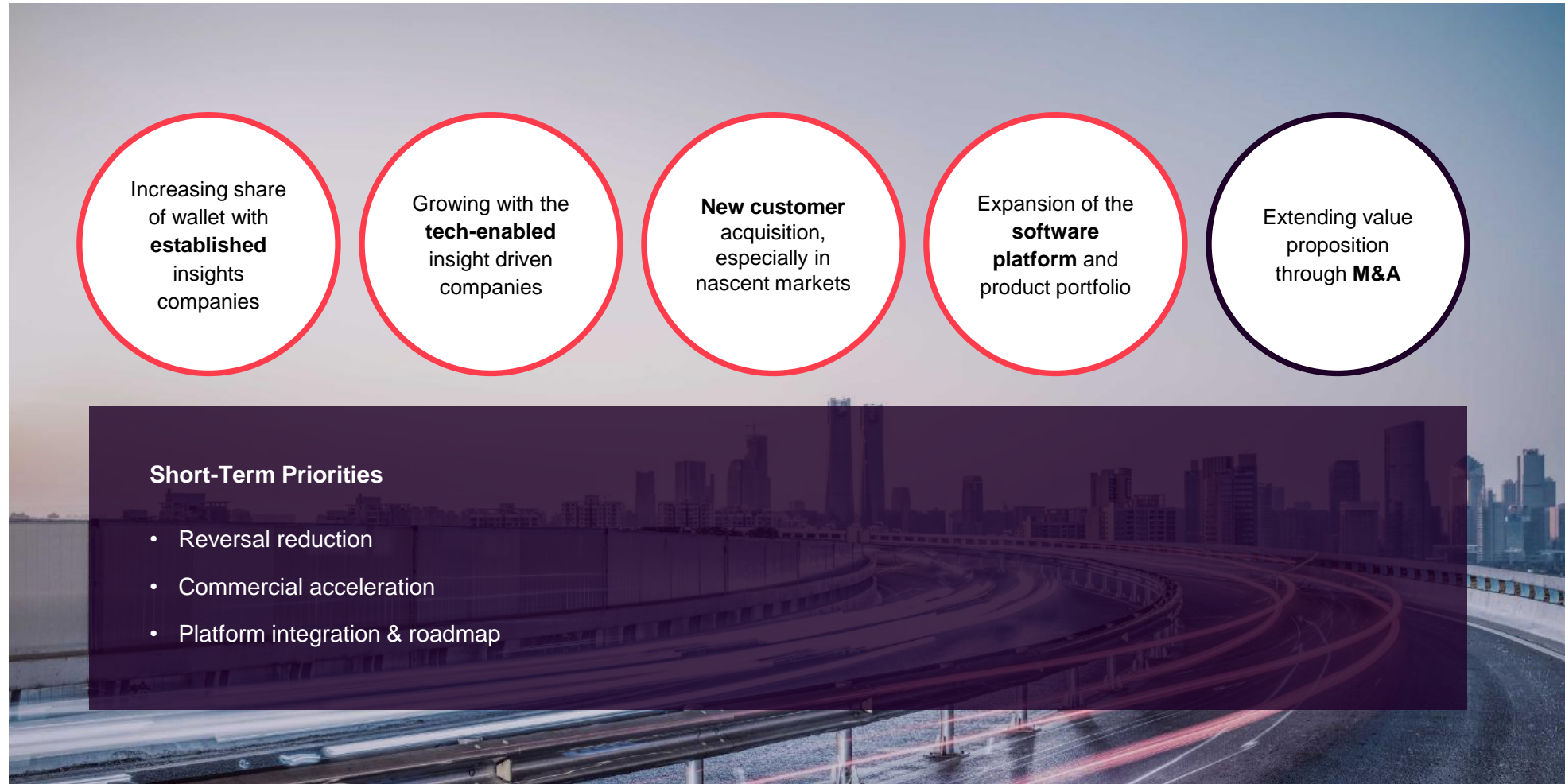


Summary

Cint



Strategy and short-term priorities



○ Organic initiative ● Inorganic initiative

Solid fundamentals

01

Significant potential in **large underlying market** with **structural shift** benefitting digital players

02

Optimally positioned at the centre of the value chain with **market leading offers** to capitalise on market dynamics

03

Additive and complementary value propositions with **global scale**

04

Delivering profitable growth make for a **very compelling combination**

05

Tangible synergy delivery underway to drive strong **bottom line performance**

Cint