# Q1 2024
# Results Presentation

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25th April 2024

Cint

# The world´s largest survey exchange


1998
Cint founded

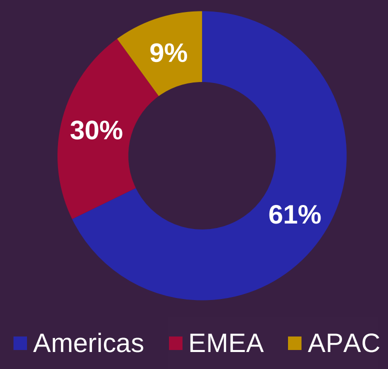
2021
Lucid acquired

1,000+
FTEs

4,400
Customers

167.6
MEUR net sales in 2023 pro forma

Net sales by region
Q1 2024



# Improved profitability with flat sales. Platform unification on plan.

## Q1 business review

- Media Measurement showed positive sales growth, offset by lower sales in Cint Exchange*
- Migration of managed services customers on plan
- Launch of self-service platform on plan with external beta testing from April 2024 and customer migration starting in May
- Changes to the financial reporting to enhance transparency and consistency

** Previously called Marketplace, which includes both the legacy platforms and new Cint Exchange*

# Q1 figures in brief

## Net sales

**€ 36.4m**

1.6% constant currency sales growth (pro f.)

## Gross profit

**€ 30.3m**

83.3% gross margin
85.7% in Q1 2023 (pro f.)

## OPEX

**€ 28.9m**

-3.8% year on year growth
€ 30.0m in Q1 2023 (pro f.)

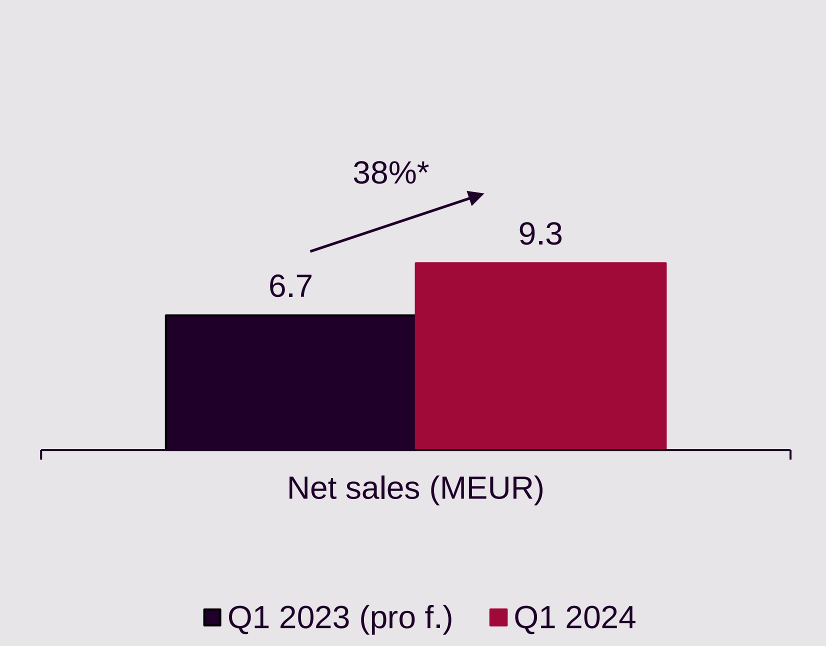
## EBITA

**€ 1.5m**

4.1% EBITA margin
€ 0.9m in Q1 2023

# Media Measurement

**Q1 2024**




## Measurement innovations

- Cross-platform measurement enhancements introduced
- Released first ever linear TV benchmarks
  - Allowing media buyers to assess their TV performance against industry benchmarks, alongside digital channels
- Audio measurement introduced
  - Now Cint customers can track how well their ads are doing on streaming audio and podcasts. This helps marketers compare how effective audio ads are compared to TV and digital ads
- Advanced social measurement
  - Cint introduced a new methodology for measuring the effect of social ads. Social brand lift reporting now includes behavioral app and web usage data from opted-in panelists
- Measurement integrations with Netflix and Disney live in Q1

** 45% in constant currency*

# Focus on product integration and customer migration

## Progress and actions

- Product integration on plan
- Managed services customer migration is expected to be completed in Q3 2024
- Customer beta testing finishing in April 2024. Migration starting in May with a phased roll-out throughout 2024
- Migrating our largest and most complex customers done in two parts: new projects via the new Cint Exchange this year, and ongoing support for long-term studies like Brand Trackers until early 2025, allowing customers more time to migrate.

# Work ongoing to improve quality

## Progress and actions

- Continued quality improvements resulted in Cint Exchange reversals below 9 percent in the quarter
- Engineered new server-to-server service to launch in Q3
- Improved training of external AI systems for stopping bots and duplicate responses
- Continued to invest in internal AI systems to expand use cases and improve existing models such as the Cint Trust Score

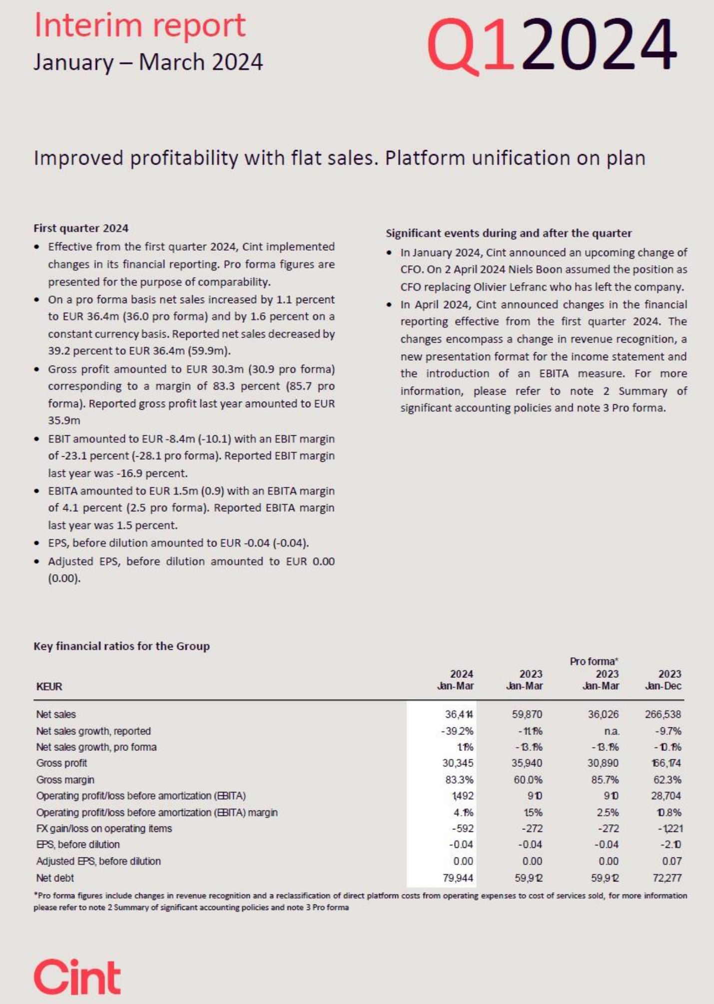
# The route to higher profitability and innovation

**Creation of an efficient and highly profitable organization, primed for further innovation and growth**

| | | |
|---|---|---|
| 1 | **Consolidation** | • Integrated organizational structure<br>• One combined product with unified associated back office and KPIs |
| 2 | **Standardization** | • Of commercial operating model and internal systems with increased data-centricity |
| 3 | **Optimization** | • Identification of manual tasks (systems, processes) and automating them<br>• Optimizing customer Journeys |

# Financial Update

# Q1 2024 reporting changes to enhance transparency



Interim report

January – March 2024

Q12024

Improved profitability with flat sales. Platform unification on plan

**First quarter 2024**

- Effective from the first quarter 2024, Cint implemented changes in its financial reporting. Pro forma figures are presented for the purpose of comparability.
- On a pro forma basis net sales increased by 1.1 percent to EUR 36.4m (36.0 pro forma) and by 1.6 percent on a constant currency basis. Reported net sales decreased by 39.2 percent to EUR 36.4m (59.9m).
- Gross profit amounted to EUR 30.3m (30.9 pro forma) corresponding to a margin of 83.3 percent (85.7 pro forma). Reported gross profit last year amounted to EUR 35.9m
- EBIT amounted to EUR -8.4m (-10.1) with an EBIT margin of -23.1 percent (-28.1 pro forma). Reported EBIT margin last year was -16.9 percent.
- EBITA amounted to EUR 1.5m (0.9) with an EBITA margin of 4.1 percent (2.5 pro forma). Reported EBITA margin last year was 1.5 percent.
- EPS, before dilution amounted to EUR -0.04 (-0.04).
- Adjusted EPS, before dilution amounted to EUR 0.00 (0.00).

**Significant events during and after the quarter**

- In January 2024, Cint announced an upcoming change of CFO. On 2 April 2024 Niels Boon assumed the position as CFO replacing Olivier Lefranc who has left the company.
- In April 2024, Cint announced changes in the financial reporting effective from the first quarter 2024. The changes encompass a change in revenue recognition, a new presentation format for the income statement and the introduction of an EBITA measure. For more information, please refer to note 2 Summary of significant accounting policies and note 3 Pro forma.

**Key financial ratios for the Group**

| KEUR | 2024 Jan-Mar | 2023 Jan-Mar | Pro forma* 2023 Jan-Mar | 2023 Jan-Dec |
|---|---|---|---|---|
| Net sales | 36,414 | 59,870 | 36,026 | 266,538 |
| Net sales growth, reported | -39.2% | -11.1% | n.a. | -9.7% |
| Net sales growth, pro forma | 1.1% | -13.1% | -13.1% | -10.1% |
| Gross profit | 30,345 | 35,940 | 30,890 | 166,174 |
| Gross margin | 83.3% | 60.0% | 85.7% | 62.3% |
| Operating profit/loss before amortization (EBITA) | 1,492 | 910 | 910 | 28,704 |
| Operating profit/loss before amortization (EBITA) margin | 4.1% | 1.5% | 2.5% | 10.8% |
| FX gain/loss on operating items | -592 | -272 | -272 | -1,221 |
| EPS, before dilution | -0.04 | -0.04 | -0.04 | -2.10 |
| Adjusted EPS, before dilution | 0.00 | 0.00 | 0.00 | 0.07 |
| Net debt | 79,944 | 59,912 | 59,912 | 72,277 |

*Pro forma figures include changes in revenue recognition and a reclassification of direct platform costs from operating expenses to cost of services sold, for more information please refer to note 2 Summary of significant accounting policies and note 3 Pro forma

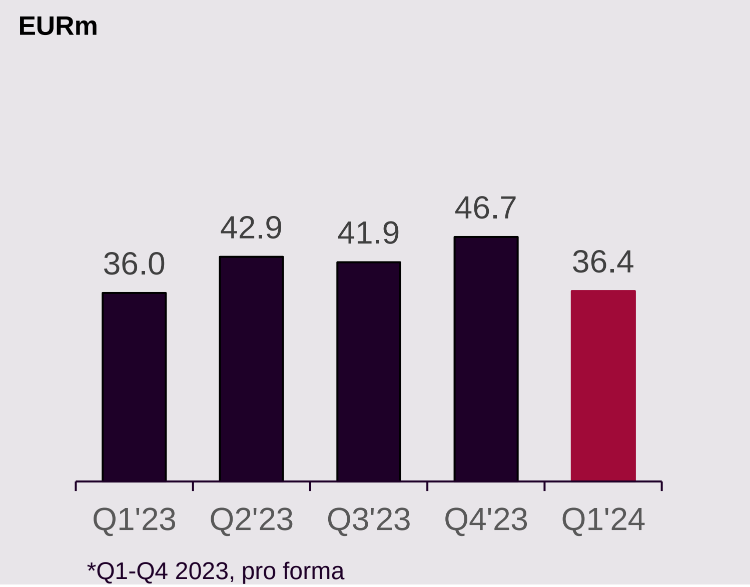
Cint

- **Net revenue recognition**
  Net Sales are now reported net of Cost of Sample. Consequently, the reported net sales are lower and the gross margin higher.
- **Function-based income statement**
  Replacing the previous cost-based method.
- **Introduction of EBITA Measure**
  Depreciation included, while amortization of acquisition related intangible assets and non-recurring items are reported separately.

*Note: See also the press release from April 17, 2024 "Cint announces changes in the financial reporting to enhance financial transparency and reporting to align with business strategy"*

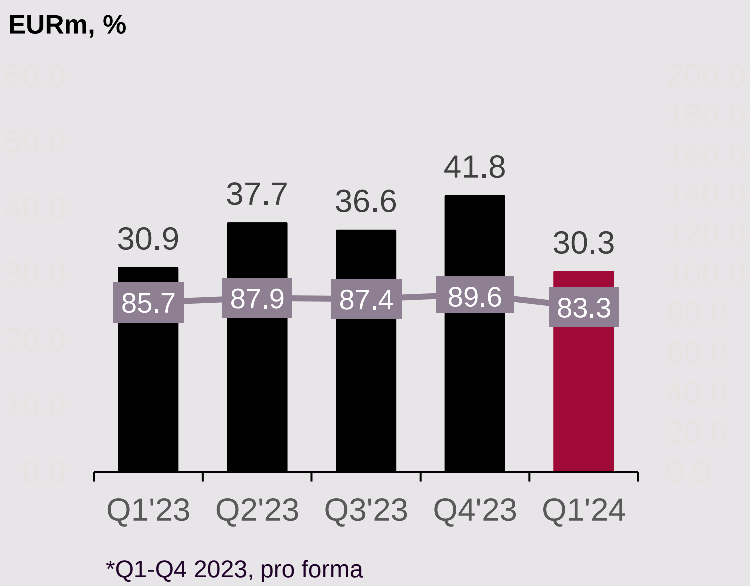
# Q1 Financials

## Net sales




- Q1 is seasonally the lowest quarter
- Growth in constant currency was 1.6% pro forma driven by Media Measurement, partly offset by Cint Exchange sales

## Gross profit



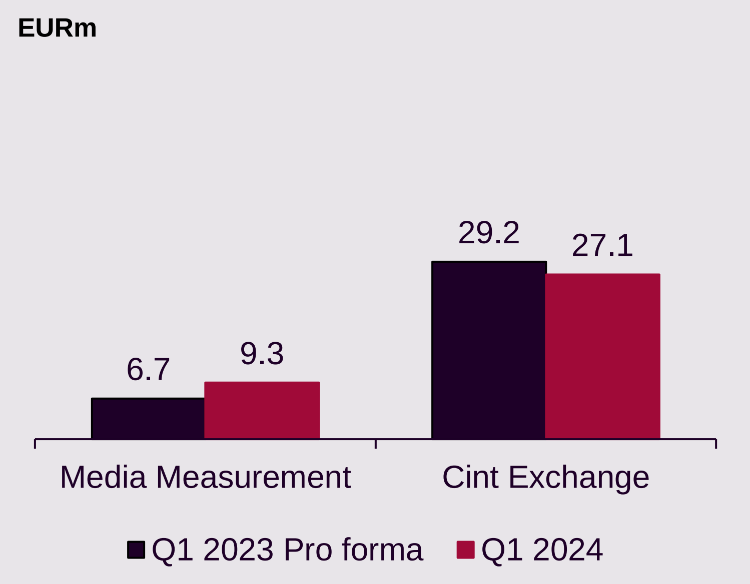

- Gross margin of 83.3% (85.7% pro forma)
- Affected by higher hosting costs

## EBITA


- Improved EBITA despite lower gross margin, as a result of lower operating expenditures
- EBITA margin at 4.1% (2.5% pro forma)

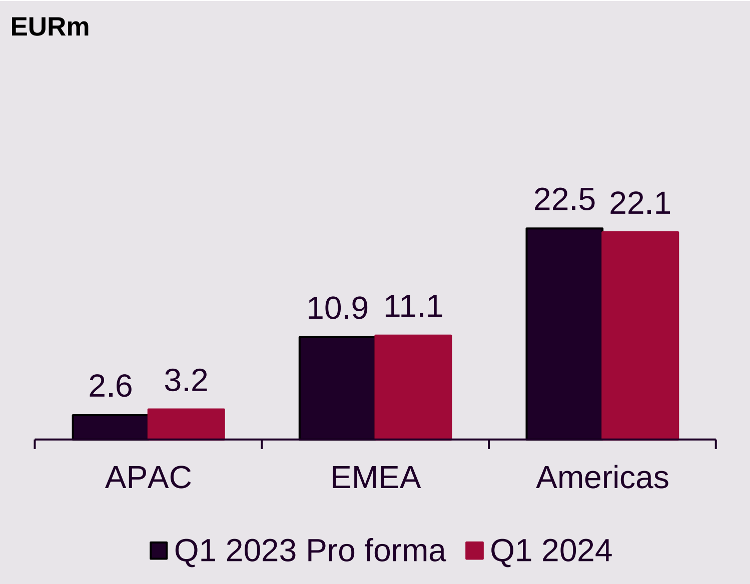
# Net sales split

## Business segments




- Cint Exchange sales growth of -7% pro forma (-8 % in constant currency). Lower revenues per complete partly offset by higher volumes
- Media Measurement net sales growth of 38% pro forma (45% in constant currency): higher volumes with existing clients and continued addition of new clients

## Regions




- Americas net sales growth of -2% pro forma (1% in constant currency)
- EMEA net sales growth of 2% pro forma (0% in constant currency)
- APAC net sales growth of 22% pro forma (11% in constant currency)

# Improved EBITA due to cost savings

| KEUR | 2024 Jan-Mar | 2023 Jan-Mar | Pro forma 2023 Jan-Mar |
|---|---|---|---|
| Net Sales | 36,414 | 59,870 | 36,026 |
| Cost of services sold | -6,069 | -23,930 | -5,136 |
| **Gross Profit** | **30,345** | **35,940** | **30,890** |
| Sales and Marketing Expenses | -12,193 | -11,892 | -11,892 |
| Research and Development Expenses | -6,147 | -12,620 | -7,570 |
| General and Administrative Expenses | -9,956 | -10,256 | -10,256 |
| Other operating income/expenses | -556 | -261 | -261 |
| **Operating profit/loss before amortization (EBITA)** | **1,492** | **910** | **910** |
| Amortization and impairment on acquisition related assets | -7,434 | -8,069 | -8,069 |
| Items Affecting Comparability | -2,487 | -2,970 | -2,970 |
| **Operating profit/loss (EBIT)** | **-8,430** | **-10,129** | **-10,129** |

## Key comments

- EBITA margin of 4.1% in the quarter compared to 1.5% reported and 2.5% pro forma in Q1 last year
- Lower gross margins more than offset by lower operating expenditures
- Total integration cost of EUR 2.5m (2.9)
- NRIs related to the acquisition of Lucid reducing to zero by end of H1 2024

# Improvement in operating cash flow and first loan repayment

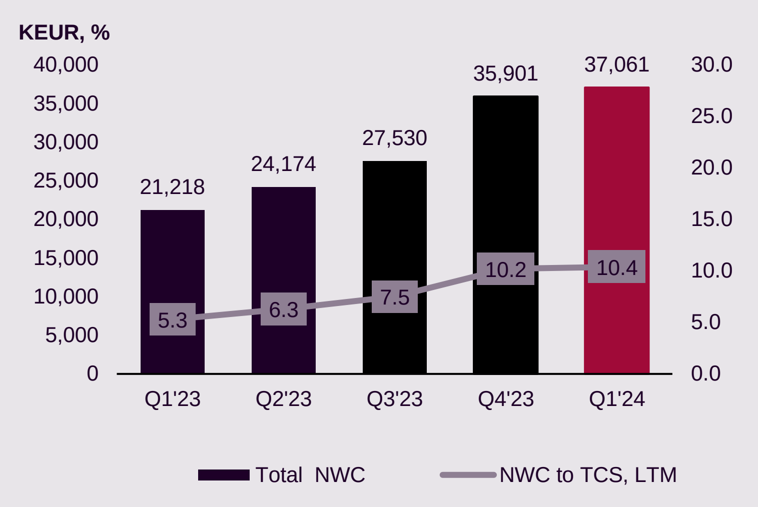
| KEUR | 2024<br>Jan-Mar | 2023<br>Jan-Mar | 2023<br>Jan-Dec |
|---|---|---|---|
| Operating cash flow before working capital | -1,453 | -5,867 | 21,633 |
| Cash flow from changes in working capital | 531 | 5,274 | -19,857 |
| Cash flow from investing activities | -4,538 | -3,976 | -21,585 |
| Cash flow from financing activities | -2,426 | -613 | -2,647 |
| **Net cash flow** | **-7,886** | **-5,182** | **-22,456** |
| Cash and cash equivalents | 30,982 | 56,642 | 38,862 |
| Net debt | 79,944 | 59,912 | 72,277 |

## Key comments

- Financial covenants were met
- Operating cash flow improved by EUR 4.4m, even though interest payments were EUR 0.9m higher compared to last year
- Cash flow from changes in working capital was relatively stable at EUR 0.5m, whereas previous year there were significant changes both in AR and AP leading to EUR 5.9m
- Cash flow from financing activities impacted by first quarterly loan repayment of EUR 1.9m

# Net working capital increase due to lower other current liabilities

| KEUR | 2024<br>31 Mar | 2023<br>31 Dec | 2023<br>30 Sep | 2023<br>30 Jun | 2023<br>31 Mar |
|---|---|---|---|---|---|
| Accounts receivable | 97,894 | 96,001 | 95,772 | 87,667 | 84,881 |
| Other current receivable | 25,872 | 27,738 | 30,130 | 29,624 | 27,823 |
| Accounts payable | -44,502 | -42,619 | -52,676 | -51,444 | -48,793 |
| Other current liabilities | -42,203 | -45,219 | -45,695 | -41,674 | -42,692 |
| **Total Net Working Capital** | **37,061** | **35,901** | **27,530** | **24,174** | **21,218** |
| Total Customer Spend, LTM | 354,710 | 352,764 | 369,346 | 386,083 | 399,518 |
| NWC toTCS, LTM | 10.4% | 10.2% | 7.5% | 6.3% | 5.3% |
| Accounts Receivable to TCS, LTM | 27.6% | 27.2% | 25.9% | 22.7% | 21.2% |
| Accounts Payable to TCS, LTM | 12.5% | 12.1% | 14.3% | 13.3% | 12.2% |




## Key comments

- EUR 1.1m increase in net working capital compared to December 2024
  - Receivables increased by EUR –0.0m
  - Payables increased by EUR 1.9m
  - Other current liabilities decreased by EUR 3.0m
- Ongoing efforts to improve working capital

# Summary

## Short-term key priorities

- Proceed with product integration and customer migration
- Consolidate, standardize and optimize to create efficiency
- Focus on returning to growth and innovation while retaining profitability
- Focus on improving cash flow from operations

# Solid fundamentals for long-term growth

1. The growing need to connect companies with the opinions of real people

2. Cint is positioned in the center of the market research value chain

3. Marketplace dynamics benefit from scale and digitalization

# Q&A

For more information

https://investors.cint.com

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