

Q4 2023 Results Presentation

Giles Palmer, CEO & Olivier Lefranc, CFO

22nd February 2024



The world's largest survey exchange



1998

Cint founded

2021

Lucid acquired

1,000+

FTEs

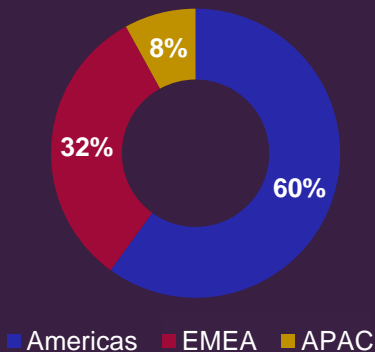
4,600

Customers

266.5

MEUR net sales in 2023

Net sales by region
2023

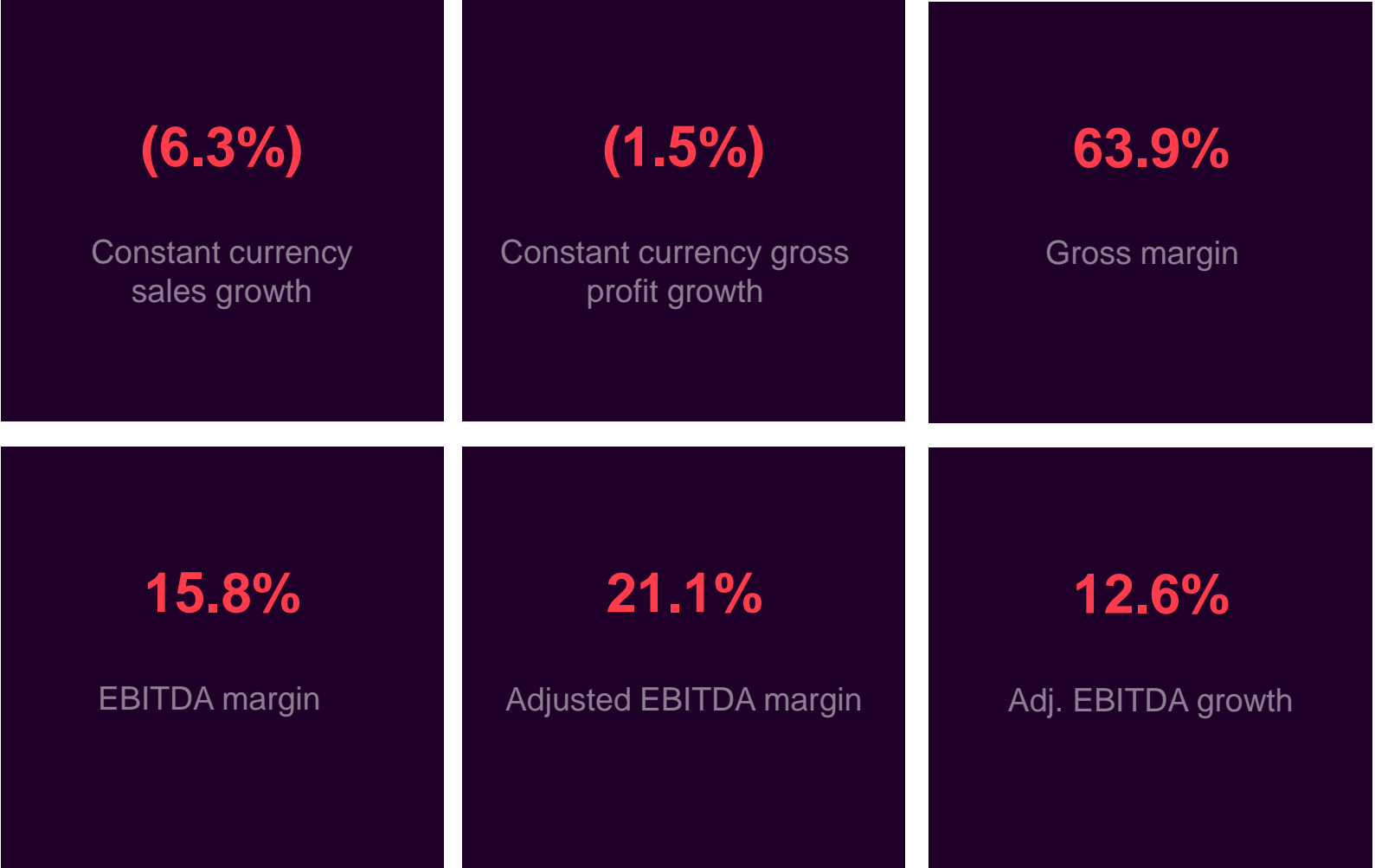


Improved profitability despite continued slow sales. Platform unification on plan

Q4 Business Review

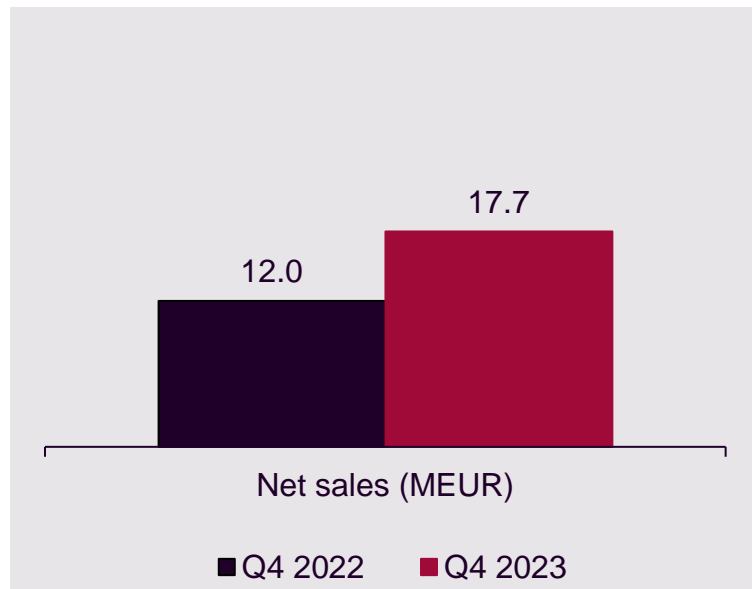
- Continued slow sales, particularly from a few large clients
- Strong performance in Media Measurement
- Migration of managed services customers and supply migration in progress and on plan
- Self-service platform v1 complete and in beta testing with selected customers from February 2024

Q4 figures in brief



Media Measurement

Q4 2023



Media Measurement Keys to Success

- Focus on Data through Tech
 - Impact Measurement software provides high quality, and large quantity of data to clients
 - Largest Scale of respondents in the industry
- Lock-step alignment between Commercial, Delivery, and R&D
 - Commercial Targets aligned with Dev roadmap with appropriate hiring/staffing schedule
- Consultative Commercial teams
 - Industry experience, proper team alignment (regional, industry, etc)
- Collaboration with Cint Core Commercial team via Product Specialists
 - Supporting brand direct and MR client initiatives

Work ongoing to improve quality

Progress and actions

- Focus on quality initiatives and improvements resulted in Marketplace reversals below 10 percent in the quarter
- Secure Server-to-Server API integrations to eliminate fraud
- Cint Trust Score with advanced matching launched to improve the quality on the platform
- Increased collaboration with multiple 3rd Party vendors for preventing automated and human bot attacks, and advanced monitoring of VPN validations, country mismatches and duplicate entries
- Will continue to invest in Artificial Intelligence (AI) and Machine Learning (ML) to expand use cases and improve existing models

Focus on product integration and customer migration

Progress and actions

- Product Integration on plan
- Managed services customer migration started in Q4 2023 and is expected to complete in Q3 2024
- All GapFish panels migrated in Q4 with all other supply migration targeted to complete by Q2 2024
- Beta-testing of new self-service platform in February 2024 with a phased roll-out during the first half of 2024.
- Largest and most complex customers migrating during the second half of 2024.

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
- One combined product with unified associated back office and KPIs



2

Standardization

- Of commercial operating model and internal systems with increased data-centricity

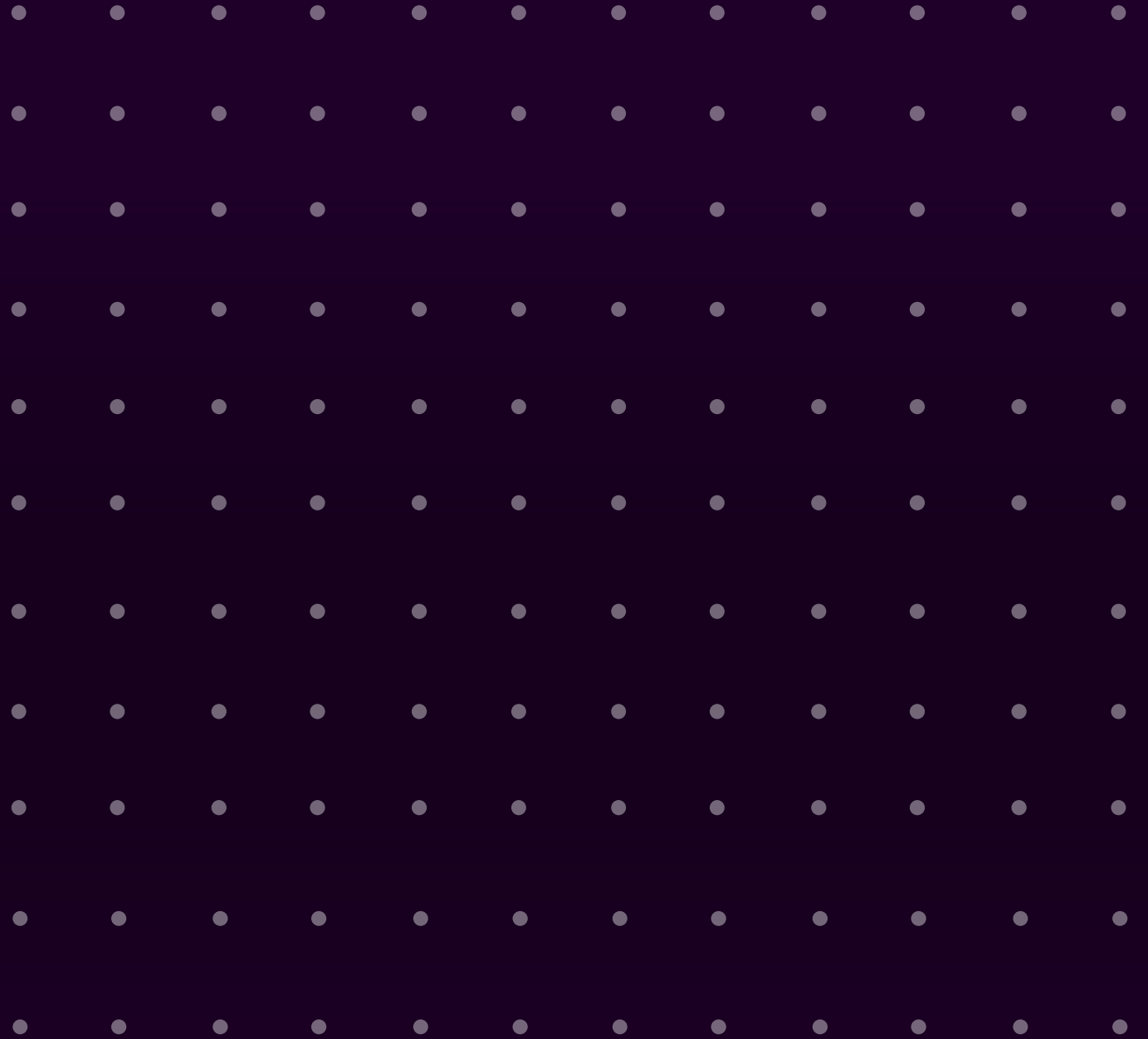


3

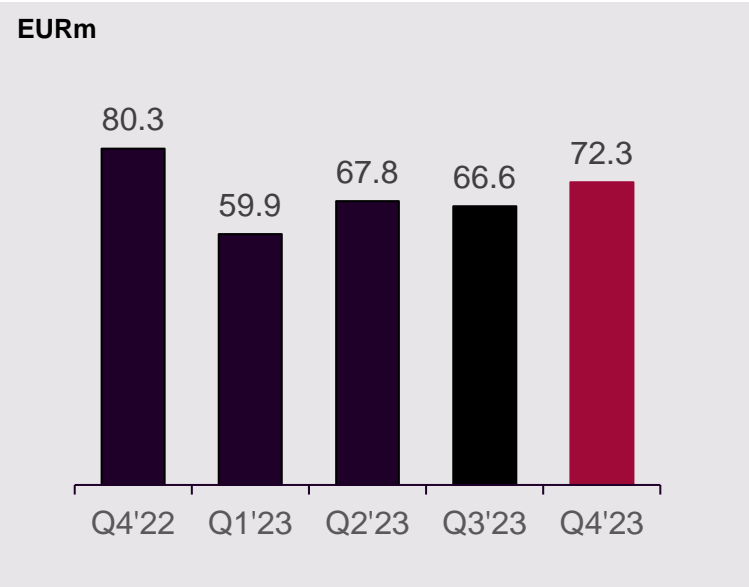
Optimization

- Identification of manual tasks (systems, processes) and automating them
- Optimizing customer Journeys

Financial Update

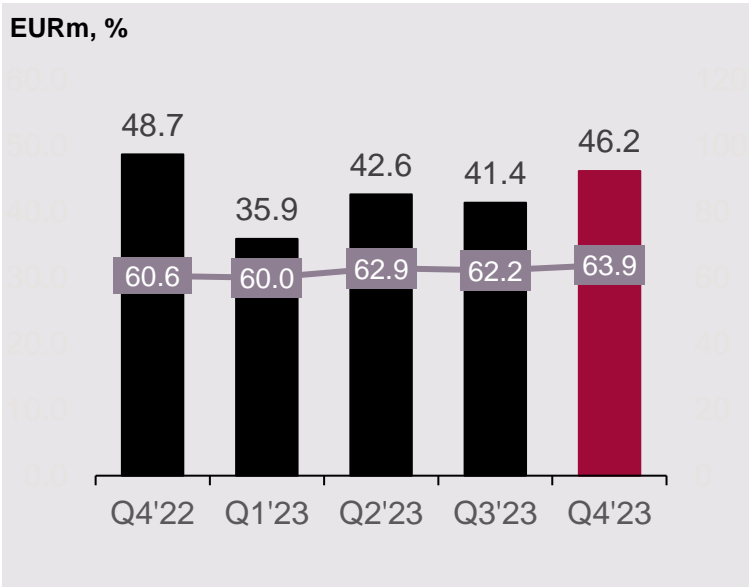


Net sales



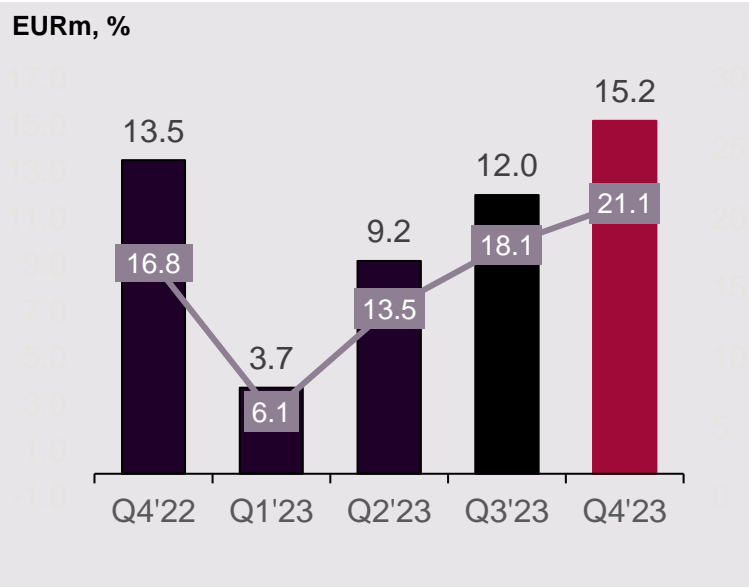
- Q4 is seasonally our largest quarter, 2023 was no exception
- Decline in constant currency was 6%
- Growth negatively affected by continued slow sales from some large customers

Gross profit



- Gross margin of 63.9% (60.6)
- Increased focus on higher margin products

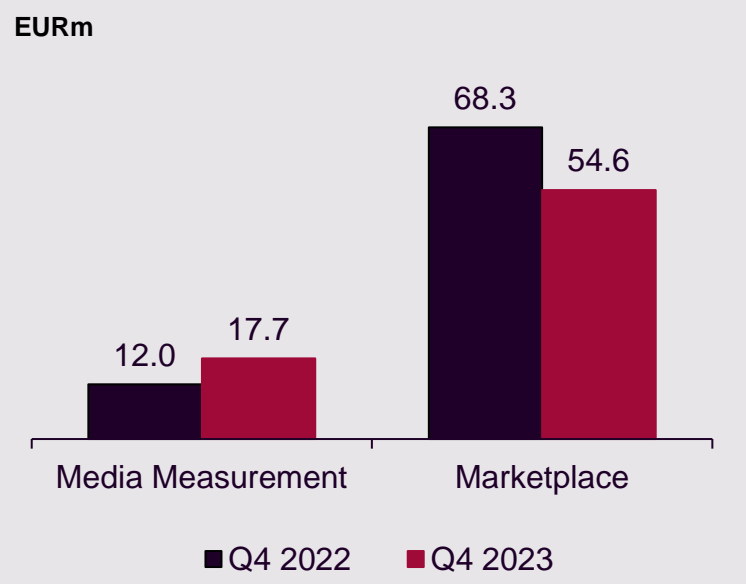
Adjusted EBITDA



- Adjusted EBITDA margin at 21.1% (16.8)
- Improved gross margin, benefits from the integration and cost savings mitigating slow sales

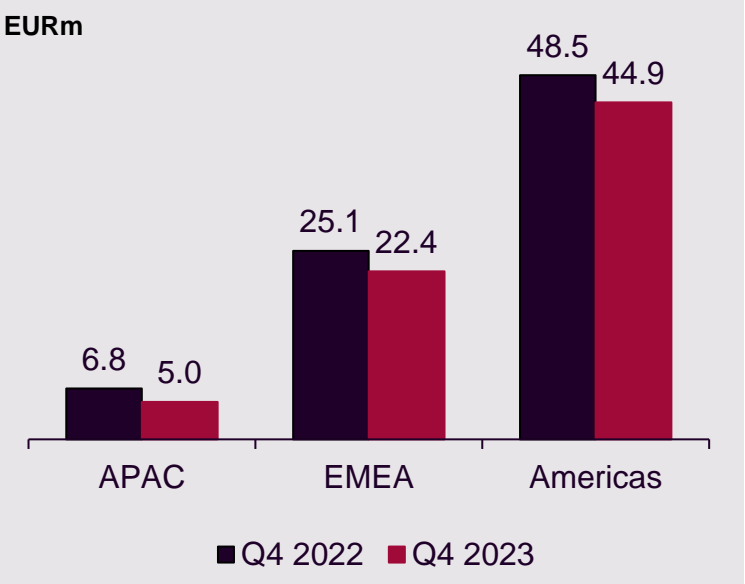
Net sales split

Business segments



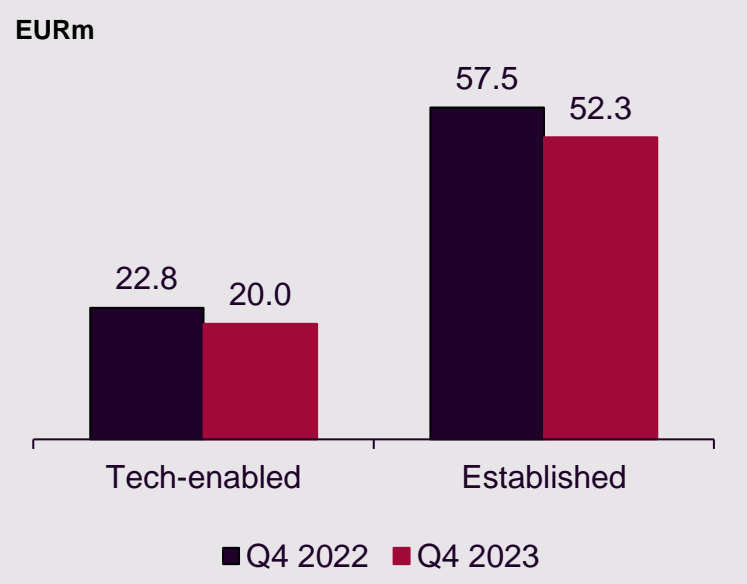
- Marketplace sales growth of -20% (-17% in constant currency): lower volumes and spend per customer
- Media Measurement net sales growth of 47% (54% constant currency): higher volumes with existing clients and continued new client gains

Regions



- Americas net sales growth of -8% (-2% in constant currency)
- EMEA net sales growth of -11% (-10% in constant currency)
- APAC net sales growth of -26% (-21% in constant currency)

Customer types



- Tech-enabled companies net sales growth of -12% (-9% in constant currency)
- Established insight companies net sales growth of -9% (-5% in constant currency)

Improved EBITDA due to higher GM and cost savings

KEUR	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Total customer spend	95,769	112,351	352,764	411,489
Net Sales	72,298	80,341	266,538	295,188
Cost of services sold	-26,095	-31,617	-100,365	-111,881
Gross Profit	46,203	48,724	166,174	183,307
Operating Expenses	-39,553	-44,515	-158,701	-171,767
Capitalized development cost	4,788	3,984	18,427	15,994
Items Affecting Comparability	3,806	5,339	14,218	21,244
Adjusted total net operating expenses	-30,959	-35,192	-126,055	-134,529
% of Total customer spend	32.3%	31.3%	35.7%	32.7%
Adjusted EBITDA	15,244	13,532	40,119	48,778
Adjusted EBITDA margin	21.1%	16.8%	15.1%	16.5%

Key comments

- Adj EBITDA margin was 21.1% in the quarter compared to 16.8% in Q4 last year
- Cost savings of OPEX and stronger gross margins
- Total integration cost of EUR 3.7m (5.3) in Q4 2023
- Integration costs are expected to gradually reduce to zero by mid-2024

Strong operating cash flow impacted by increased working capital

KEUR	2023 Oct-Dec	2023 Jul-Sep	2023 Apr-Jun	2023 Jan-Mar	2023 Jan-Dec	2022 Jan-Dec
Operating cash flow before working capital	16,293	5,123	6,084	-5,867	21,633	16,690
Cash flow from changes in working capital	-13,360	-3,797	-7,973	5,274	-19,857	-9,975
Cash flow from investing activities	-4,980	-4,965	-7,663	-3,976	-21,585	-18,065
Cash flow from financing activities	-677	-656	-701	-613	-2,647	-2,046
Net cash flow	-2,725	-4,297	-10,253	-5,182	-22,456	-13,396
Cash and cash equivalents	38,862	42,121	45,940	56,642	38,862	62,609
Net debt	72,277	74,027	66,959	59,912	72,277	56,397

Key comments

Fourth quarter

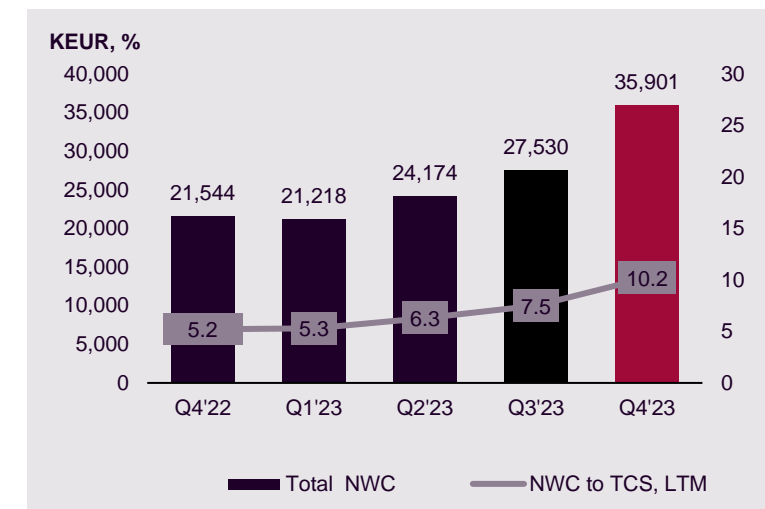
- Financial covenants were met
- Despite slow sales, operating cash flow was record high due to reduced NRIs, integration synergies and cost containment measures
- Cash flow from changes in working capital was negatively impacted by the reduction of Accounts Payables
- Cash flow from investing and financing activities remained steady

Full year

- Despite slow sales and increased interest rates, operating cash flow have increased. This is attributable to lower corporation tax, reduced NRI, integration synergies and cost containment measures
- Cash flow from working capital was impacted by the reduction of Accounts Payables. Accounts Receivables have reduced following slow sales but remain at a high level
- Cash flow from investing activities were impacted by the acquisition of the remaining minority shares of GapFish during the second quarter.

Net working capital increased due to the significant reduction of accounts payables

KEUR	2023 31 Dec	2023 30 Sep	2023 30 Jun	2023 31 Mar	2022 31 Dec
Accounts receivable	96,001	95,772	87,667	84,881	104,501
Other current receivable	27,738	30,130	29,624	27,823	28,962
Accounts payable	-42,619	-52,676	-51,444	-48,793	-65,954
Other current liabilities	-45,219	-45,695	-41,674	-42,692	-45,964
Total Net Working Capital	35,901	27,530	24,174	21,218	21,544
Total Consumer Spend, LTM	352,764	369,346	386,083	399,518	411,489
NWC to TCS, LTM	10.2%	7.5%	6.3%	5.3%	5.2%
Accounts Receivable to TCS, LTM	27.2%	25.9%	22.7%	21.2%	25.4%
Accounts Payable to TCS, LTM	12.1%	14.3%	13.3%	12.2%	16.0%



Key comments

- Accounts receivables are 8 percent lower than last year reflecting lower sales
- Accounts payables are 35 percent lower than last year reflecting lower activity, reduced NRI, cost savings and reducing backlog of payments to suppliers

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

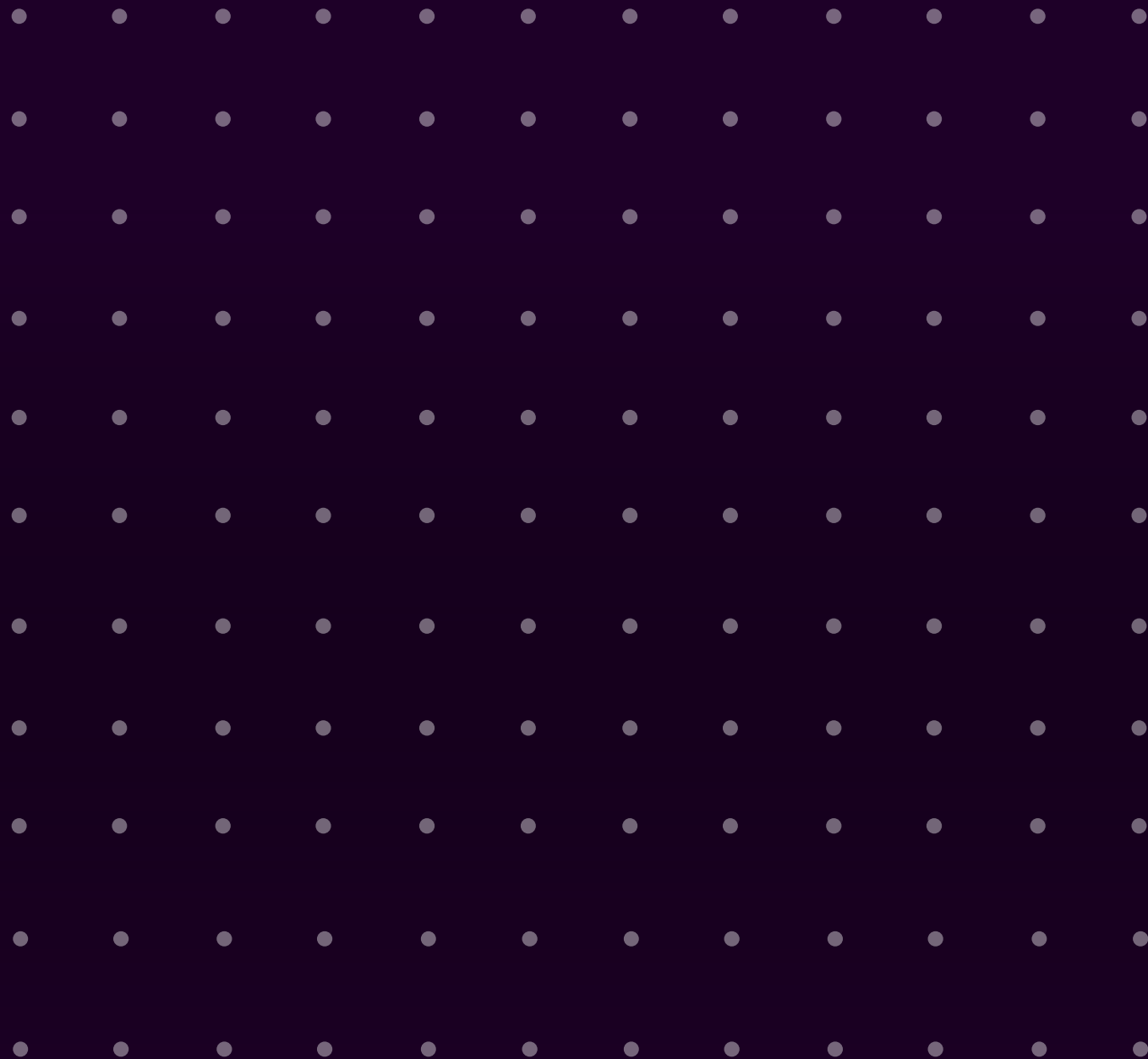
Cint is positioned in the centre of the market research value chain

3

Marketplace dynamics benefit from scale and digitalization

Q&A

For more information
<https://investors.cint.com>





This document and the content herein is the proprietary and confidential information of Cint Group AB (publ). It may not be altered, reproduced or distributed to any third party without the prior written consent of Cint Group AB (publ).

