Kantar Q2 2023 Lender Call

1

Matt - BT Producer 00:10:30.000 --> 00:10:51.120

Good day and welcome everyone to Kantars. H- one twenty- twenty- three lander presentation. My name is Matt and I'm your operator for today during the presentation all participants we remain and listen only mode until the Q and A session I'd like to advise all parties that this conference is being recorded and with that, let me han it over to Michael Uzielli Kantar’s group CFO. Michael please go ahead.

2

Peter Russell 00:10:53.680 --> 00:11:11.600

That's a good afternoon. Everybody welcome to the quarter- two half one, four, four canter. I think the last time we gave an update was on the thirtieth of May Q, once so the purpose of this update is to update on Q two and user format. I'll give them overview and performance people.

3

Peter Russell 00:11:11.720 --> 00:11:32.720

Talk about balance sheet and then we'll come back at the end on trading, and then we'll have Q and A, so before I get into the slides, just an over couple of overriding comments, we think overall we've had a, you know, a good Q- two from a trading performance a little bit of an acceleration on Q one as far as we can tell, we've been outperforming our competition in terms of revenue growth and.

4

Peter Russell 00:11:33.360 --> 00:11:53.200

Delivery and also we've had some good new business wins across the period, which obviously will be reflected in future future revenues. Mainly, it does have a remain the challenging market globally, but especially in the US and in China, it's quite regional country specific talk about that more through the presentation, but there's a bit of a theme that stays.

5

Peter Russell 00:11:53.400 --> 00:12:13.680

Does does the- the text in some cases, the text sector, tech clients again, often in the US, we're, one of the more challenging areas for us as a result. We've been very cautious in our management of headcount and costs and our cash and therefore we have seen more operational leverage in the second quarter, given the cost actions quarter one.

6

Peter Russell 00:12:14.320 --> 00:12:34.160

And given those cost actions that have carried on through quarter two, we expect that trend of operating leverage in sort of revenue to the guitar conversion to continue through the year, but overall we think it's been a decent quarter. We also made a disposal which was part of our strategy, focusing the business. So moving on to.

7

Peter Russell 00:12:36.400 --> 00:12:55.280

Half one highlights as I said, solid progress in the first half, grace revenue at four percent all divisions delivering year and year growth revenue growth as I said, was actually better in Q two four percent over Q one, which is three percent revenue from all regions is growing the two exceptions.

8

Peter Russell 00:12:56.720 --> 00:13:15.720

America, we've had an overall flat revenue performance with the insights business in North America, slightly down offset by strong growth in our numerator panels business and in China where we're on a six, given the kind of economic situation there China's about four percent of our total revenues, just a context.

9

Peter Russell 00:13:15.800 --> 00:13:36.240

Global clients is around twenty- five percent of our revenues were up ten percent despite of headwins in some areas, some sectors before in particular. Well, CPG, for example, tech, the revenue's up two percent. So notwithing some softness in some clients, overall revenue performance from our technology sector, still growing year on year.

10

Peter Russell 00:13:36.880 --> 00:13:56.720

We are seeing an ongoing improving business mix with high growth from syndicated occurring revenue such as numerator up seventeen percent. So business that's grown over twenty percent in twenty- twenty- one and in twenty- twenty- two. So I'm very good momentum and then our revenues again, goes to quality and business mix through our tech enable platform.

11

Peter Russell 00:13:57.040 --> 00:14:17.200

For insights canta marketplace, We're up thirty- one percent just following a thirty- eight percent increase in year on year in twenty- twenty- two now. So that's the continued trend and we continue to launch new products and features on that platform. Our expertise in terms of our, our people and their experience, as well as the technology investments, we're making, we.

12

Peter Russell 00:14:17.240 --> 00:14:38.320

Believe a positioning as well in the market as I mentioned earlier, we've had some very good business wins sort of multi- year global contract like Mars BMW of times other names. You can see here, Mckenzie was an important win for Numerated strategically takes into a new sector there'll be using their data numerated data in their own.

13

Peter Russell 00:14:38.960 --> 00:14:58.800

Work with sort of c- suite of clients, which obviously brings great exposure beneficial exposure to numerators integrate validation for the high quality data that we're providing at a numerator in World panel also a syndicated business very strong contracted growth. So we now have ninety- three percent of our contracted revenues. signed off.

14

Peter Russell 00:14:58.840 --> 00:15:19.280

Of the year, which is seven percent higher than last year. Very minimal churn. This is a resilient recurring business profiles of our, our panels, business industry. Lee has its industry leading AI for prevention solution, which is known as CUBED. That's our live in forty markets. So we believe we catch around ninety one.

15

Peter Russell 00:15:20.240 --> 00:15:39.760

Panelists industry standards, thirty- seven percent and we believe it's this capability along with some other aspects of profiles as leading to the, this is divisions out performance versus its direct peers in this sector, numerators, I mentioned great momentum. They relaunched.

16

Peter Russell 00:15:39.840 --> 00:16:00.240

Panel total commerce panel. Forty percent, larger size with multiple years of historical data it's been helped drive a lot of bookings this year and continuing the momentum of prior years on the AI side. I'll say a little bit more about that later, but we've had a strong growth in a client base for some of our AI solutions. We've actually been operating AI enable product.

17

Peter Russell 00:16:00.320 --> 00:16:20.720

Quite some time, and then in the diversity and inclusion space, we launched our brand inclusion index and you can us which helps our customers with clear metrics and powers them to meet consumer demands around DEI enables them to essentially identify high growth or the needs of high growth under representative population.

18

Peter Russell 00:16:21.400 --> 00:16:41.200

And then finally on the customer side, performed our annual custom survey where we sort of further increase in our schools we call them trim scores the trim score this year is ninety three point one last year is eighty nine point two. This has been a steady increase over the last three to four years, get a higher response rate. So moving on to the next page slide seven, we.

19

Peter Russell 00:16:41.240 --> 00:17:01.680

Continue to strength the management team, a new global chief technology technology officer, Mark Kimber joined a couple of months ago new leadership in Germany and in Spain, and a new in the profiles business to continue to strengthen the management team financially, we are seeing the benefit in our costs and our margins of.

20

Peter Russell 00:17:01.720 --> 00:17:22.160

Activities over the last few years, but also the last six to twelve months would have been a big focus on cost and headcount. We have a number of efficiency programs, but also just a really strong tight grip discretionary spend and recruitment, we have five hundred fewer people in the business since December, we've been declining our headcount in a very.

21

Peter Russell 00:17:22.240 --> 00:17:42.640

Managed way through offshoring and efficiencies since the last every month, last twelve months or so, and then we actually made us as I said before, but it's fully betted in now successful transition from WPP to kindle to new third- party technology services provider, and it's not only, is that set us up much more strongly going forward.

22

Peter Russell 00:17:42.720 --> 00:18:03.120

The user satisfaction scores increased great as a result. I mentioned strategically, we completed a disposal. We actually signed this disposal during the period in June and then completed it in July. So that was the sold remaining specialist health care businesses might remember that two to three years ago. We sold a pretty big business health.

23

Peter Russell 00:18:03.280 --> 00:18:23.600

A couple of more niche still important and well performing businesses within profiles and actually the media division, we saw those for around seventy- four million after costs, we completed that in July, that just is all part of sharpening our focus on consumer brands that means at the end of the year. Sorry, the period. and the quarter with four hundred sixty.

24

Peter Russell 00:18:24.720 --> 00:18:44.080

ITY or five hundred thirty- four million can include the seventy- four million from the July a completion and that's obviously boosted journey by the TLB up size. We did in January, what I would say, and we'll get on to this one. Peter talks through the liquidity waterfall, the restructing a transformation costs, which have been quite signific.

25

Peter Russell 00:18:44.240 --> 00:19:04.560

Over the last few years, our trending down and will continue to trend down as we'll work, we call the M and a exceptional costs around disposals and separating businesses within counter, so there's a strong trend of, of reduction in those adjusting items over the coming months and we're already seeing that and the targets, which I've said before is.

26

Peter Russell 00:19:04.840 --> 00:19:11.360

Three cash flow, positive in twenty- twenty- four moving on to slide eight.

27

Peter Russell 00:19:12.880 --> 00:19:19.920

I won't spend a long time on the slide, but obviously there's a huge amount of interest and attention around AI and.

28

Peter Russell 00:19:22.040 --> 00:19:41.680

Associated so associated solutions. What I would say is that we have been, as I said, before we have been applying AI to our business for many years, we've been able to scale it across many solutions within brand and creative and analytics, particularly we believe that our data, the access to data that we have, and the many years longer June data.

29

Peter Russell 00:19:42.320 --> 00:20:02.160

Different sources of that data sets us apart and our ability to train AI models to understand marketing challenges and solutions going, right back to two thousand eighteen. We've been using AI link, AI creative solutions product, which is very good for customers who want to quick answer and whether certain AD is going to perform an in markets or not.

30

Peter Russell 00:20:04.200 --> 00:20:24.440

Using AI, rather than that human sample, that's provide a very quick turnaround to get a sort of quick answer trend AI is, I think part of the brand solution area and marketing optimization, sometimes UMMO as part of analytics practice required, Blackwood seven about a year and a half ago and they're Hamilton AI.

31

Peter Russell 00:20:25.120 --> 00:20:44.920

Solution is caught of that. We've been winning a lot of good business in that space. It's Stephanie Stephanie, a growth area. So what we're now doing is, is all the, all the attention around gen AI spending a bit more time seeing where that can help us in our business, either in the products for our clients or in delivery internal efficiencies. So.

32

Peter Russell 00:20:44.920 --> 00:21:05.400

Nothing specific to kind of announce or disclose on that right now, but we are spending some time looking at whether this technology can help us deliver core kind of research, delivering the operation side of, of our market research activities. So moving.

33

Peter Russell 00:21:07.040 --> 00:21:25.880

The headlines covered most of them as I said, three point six percent growth for the first half four percent, second quarter, three point two in the first quarter, North America settled downs. It's Q one. We had a difficult Q- one, It is a softer market. As I said, I think you see that in the comments of other companies.

34

Peter Russell 00:21:27.000 --> 00:21:46.360

We also had a restructure, which, which didn't help it's still not easy the media, the creative domains and the most precious technology clients, but in solution areas such as brand innovation, the panels business and numerators still still growing. Well, so overall flat as I said in, in North America, but they're still down a bit in the inside division.

35

Peter Russell 00:21:47.240 --> 00:22:06.840

Margins held flat actually slightly improved last year by one percent and Ebitda two percent. So this is a growth of five point, two percent in the second quarter having been slightly down in the first quarter. So, and I said, that's seeing a little bit of that operational gearing coming to effect.

36

Peter Russell 00:22:06.920 --> 00:22:09.520

Improvement in Q two.

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Peter Russell 00:22:10.680 --> 00:22:31.160

Moving through to the PNL or summary PNL on slide ten. We actually delivered a margin in Q- two of twenty point nine percent following a sixteen point nine percent margin in Q one taking a half year first half margin to eighteen point nine. So continued performance what you'll notice in the staff costs is a.

38

Peter Russell 00:22:31.800 --> 00:22:51.640

Reduction in the year and year growth. So the first quarter year up six point, one second quarter, we're up three point two and again the initiatives we've been taking to reduce our staff costs are starting to sort of flow through and we'll step that to continue through the rest of the year and the G and a growth is pretty modest and so falling a bit year.

39

Peter Russell 00:22:52.160 --> 00:23:12.120

Given the inflationary pressures that we've been facing and also some of the IT changes, we've made very positive such as transitioning to kindle have resulted in higher costs, which, which will be trending down of time through efficiencies, but was necessary to deliver the higher quality of technology. The user.

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Peter Russell 00:23:12.880 --> 00:23:32.600

Eleven round revenue growth by provision. I said earlier all divisions delivering growth profiles in a modest growth, plus one percent first half, which is similar to the first quarter. This isn't been a difficult market this year and we, we are outperforming in this segment. We.

41

Peter Russell 00:23:32.920 --> 00:23:53.080

Said before we believe the data quality anti- full capabilities have led to that performance again, it's the US where we've seen a bigger headwinds strong performance in, in EMEA overall doing a little bit of net growth. Well paneled up three percent similar to Q one expect this to prove yea goes on as that contractor revenue has come in.

42

Peter Russell 00:23:53.760 --> 00:24:13.560

Been quite well secured for full year strongest areas of growth in Latam and Apac, the more slower areas in the UK and Europe, France, in particular enumerator, as I said, seventeen percent growth again, very similar to Q one, very good momentum there. Some good try and wins, which.

43

Peter Russell 00:24:13.880 --> 00:24:33.960

Driving driving that ongoing performance and then countermedia revenue of eight percent, the division benefits from particularly long contracts, often as a inflation protected and also growth in cross media solutions moving away from the linear monitoring into.

44

Peter Russell 00:24:34.400 --> 00:24:54.520

ING and others across immediate solutions. We're now live is six markets including the UK, most notably, but also Netherlands, Norway, Canada, and others, and we have five more markets in development developing that revenue stream on slide twelve to breakdown insights revenues into the different solution areas. Brand continues to be our core strength. It is very.

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Peter Russell 00:24:55.880 --> 00:25:15.000

Pillar offering of which of which many many things hang and growing really well at five percent acceleration Q- one, both the brand guidance business and also the sort of strategic work within brand, we have a lot of around IP in this, in.

46

Peter Russell 00:25:15.160 --> 00:25:35.480

In these protecting these revenue streams, customer experience, we actually have grown in APAC that has been offset by the clients. In other markets, it's, it's not a major revenue stream for us, but it has improved in Q two over all five percent. There was seven sit down in Q. One creative is an ongoing shift here and creative with revenue moving.

47

Peter Russell 00:25:36.040 --> 00:25:55.960

Marketplace can sometimes be low value. It's higher margin. It's also, it is a to be fair solutionary that has been under a bit of capacity pressure, but we are seeing strong growth in, in some markets and also seeing the market elements, greatly supported by the move to cancer marketplace innovation alongside brand.

48

Peter Russell 00:25:56.080 --> 00:26:16.440

Been an error. It's been growing very well this year as clients been focusing investing product developments, Our solutions supports that the media division, which is showing is broadly flat, which is two percent down. Not the media division. This is the media solution within insights. This is a story of, of two reasons. the US were down again.

49

Peter Russell 00:26:16.480 --> 00:26:36.920

Reflecting the budget cuts within some of the digital publishers have been in other markets, we are our offsetting that, but still still slightly down and then consulting broadly flat program actually looks pretty good, timing's always uncertain on these advising tracks and finally, for a handover to Peter, we look at.

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Peter Russell 00:26:36.920 --> 00:26:57.400

The insights division on a regional basis and again, I think it's just underpins a lot of what you saw at quarter one. I think it's slightly improved on quarter two because it was a slightly improved quarter. So the Americas is now one percent down just to pretty much flat on last year. Q one we were four percent down, so.

51

Peter Russell 00:26:58.200 --> 00:27:08.920

Performance there, Latin continues its double digit growth North America, as I said, it's been stabilizing in amir up two percent, particularly strong performance in the UK.

52

Peter Russell 00:27:09.280 --> 00:27:18.400

Lands a bit slower in Germany and obviously the impact of rush Ukraine, patting the northeast European.

53

Peter Russell 00:27:19.920 --> 00:27:40.280

Division, but, but overall a solid performance APAC has been strong in for some time driven by India, particularly we've seen double digit growth, but also good growth in Singapore career as well, And China stable we're managing to manage the margin pretty well there with cost efficiencies and.

54

Peter Russell 00:27:40.320 --> 00:28:00.760

Maintain Ebitda, but the revenues have not picked up the way that we will hoping as we were hoping for a bit more of an economic recovery, actually the local clients in China, it's not seeing some quite good revenue growth is quite big customers. The shore Force multinational clouds, and their, their use of our services in China. Okay, I'll.

55

Peter Russell 00:28:01.640 --> 00:28:07.000

Talk about the Outlook and now I'll just hand over to Peter to my leverage and liquidity.

56

Peter Russell 00:28:08.440 --> 00:28:28.920

Thank you, Michael. So now on slide fifteen and as a reminder when discussing our leverage, we're now using a single definitional, which is in line with our covenant definition. So our run rate adjustment to sixty one million dollars. This quarter has reduced again, if we complete our restructuring programs.

57

Peter Russell 00:28:28.920 --> 00:28:49.400

And the benefits of these programs continue to be realizing in a reported results, this along the adjustment, we just found businesses gives a permanentar of seven hundred eighty one million dollars. So moving on to leverage, we've adjusted our closing cash, get June to show the benefit of the disposal proceeds that Michael mentioned earlier.

58

Peter Russell 00:28:50.680 --> 00:29:09.880

Media health care research disposal, but completed in July, this is consistent with the adjustments we've made above all related to this disposal. So on the spaces, our senior secured net leverage is four point, three, five times the end of June. Well, within our covenant ratio of seven.

59

Peter Russell 00:29:10.520 --> 00:29:16.960

Two times, so I'll discuss our cash and liquidity on the next slide.

60

Peter Russell 00:29:20.760 --> 00:29:38.680

So the slide sixteen, this shows as usual, the key drivers of cash liquidity in the senior lender group for the first half of twenty- twenty three, starting at the left of the slide. The group is generated three hundred twenty- one million dollars of ebitdar actual FX rates.

61

Peter Russell 00:29:39.320 --> 00:29:59.160

The networking capital outflow of a hundred and thirty- four million is improved compared to the same period last year, the outflow reflects the usual unwind of approvals from the prior year, as well as this year's trading position. Can you, we continue to work to minimize the impact of work capital outflows with a great deal of focus on our collections.

62

Peter Russell 00:29:59.440 --> 00:30:09.920

Control of our accounts table, along with fully utilizing our factoring program, our expectation for the full year workflow is about one hundred sixty.

63

Peter Russell 00:30:13.020 --> 00:30:33.500

One hundred, thirty- five million dollars is the next cash paid on senior and debt and includes a small amount of pamutization is higher than last year due to higher interest rates and the additional debts we raised in Q one this year, taxpay of forty- six million is slightly lower than last year and the Capex month free. it's higher than the sixty.

64

Peter Russell 00:30:34.140 --> 00:30:53.980

Spent to the first half of last year as we continue on investments in the business, the change in financing of one hundred fifty, six million represents the net impact of the, under eighty- five million dollars of debt proceeding q- one, which we used to keep either revolver at that time along the subsequent read laws on.

65

Peter Russell 00:30:54.460 --> 00:31:14.460

To manage our working capital, outflaws in the first half of the year. The M- and a costs of sixty- six million represent advisor fees along the cost of find out minorities and the restructuring, another cost of seventy- seven million, mostly reflect the cost of our ongoing transformation programs that we mentioned earlier again, I'd like to highlight that.

66

Peter Russell 00:31:14.580 --> 00:31:34.940

Costs are on deploy in trend and this is expected to continue our cashion facilities provide us with a comfortable liquidity position of more than sixty million dollars at the end of the quarter, which was further improved by the disposal proceeds of seventy- four million in early July. So that's on our hand back to MI.

67

Peter Russell 00:31:35.740 --> 00:31:37.500

Wanted to show you updates.

68

Peter Russell 00:31:40.700 --> 00:31:59.900

Thank you, thank you Peter. I just sort of hoping you can hear us. Okay, I've sort of slight feedback at the moment, So I hope not, we're on slide eighteen, just wrap up here as I've said, I think it's been a solid performance solid revenue growth. Have been macro headwinds. We have fearful going into the year. We saw it coming at the end of.

69

Peter Russell 00:32:00.180 --> 00:32:20.380

Year and it's kind of delivered broadly in line with our expectations, but it's, it's been pretty solid and as I said, we think we've been winning in a tough market forming. Well for our clients, and they've been with, with, and we're seeing that in, in some of our own competitive processes that we go into and we also encouraged by the very strong level of.

70

Peter Russell 00:32:20.380 --> 00:32:40.860

Contract renewals and syndicated revenues, you know, where we have been seeing clients pull back and being more cautious as I said, before has been on the ad hoc more more sort of discretionary spend, but that doesn't necessarily go in forever, but it can be held back at the beginning of the year and more that can come to the end of the year. So we'll see what happens in h- two, whether some of the, we'll see monitor.

71

Peter Russell 00:32:40.900 --> 00:33:01.340

As well our customers client's own financial performance and what that means might mean for their budgets to the extent, they're doing. well, some budget can get freed up and we can benefit from that in a second half of the year, but as I said, the, the contracted work that the work that's pretty indispensable, which, you know, large proportion of where we deliver has been.

72

Peter Russell 00:33:01.380 --> 00:33:21.820

Very resilient, indeed, across all our divisions through insights, numerator and in well panel, that said given the uncertain Outlook given where we are, we are planning our cost and a headcount cautiously, and we're planning it based on current revenue trends and assuming any sort of uplift our older volumes actually looking decent.

73

Peter Russell 00:33:21.980 --> 00:33:42.300

We have July order grand five percent, you know, overall secured revenue to currently eighty percent. Eighty two percent of our target very much consistent with prior years. So in a stable situation, but there's still, you know, a long way to go for the rest of the year and hopefully we can continue to deliver, Well.

74

Peter Russell 00:33:42.940 --> 00:34:02.780

On the cost side, we are continuing our investment in technology transformation. We have reduced it a little bit on the capex side this year. We're expecting that Hasht terms to be around a hundred and eighty to two hundred million this year, and the one off spend is, is coming down a lot in cash terms again, a hundred to a hundred and twenty million in PNL terms. It's, it's much lower.

75

Peter Russell 00:34:04.140 --> 00:34:23.260

Something else either flows through a bit later in cash in PNL. So Ronnie Downward Trajectory, the net cash outflow is expected, there is, as I said, before we will have a net cash out during the year seasonally waited towards the first half as it always is the working capital outflow is Peter mentioned is expected now to be around a hundred and fifty.

76

Peter Russell 00:34:24.260 --> 00:34:43.740

That's actually for h- one is actually slightly better than last year and the full year forecast if you like, or guidance isn't actually similar to last year, but it is higher than the, we've been expecting earlier in the year. The number of factors behind this, I think the collections environment is more challenging everyone's managing their accounts payable as.

77

Peter Russell 00:34:44.419 --> 00:35:04.220

We're seeing that a bit in the payment terms and, and just, you know, just just to, you know, the time it takes to get paid, but we are getting paid, it's just be stretched a bit also as Peter mentioned, seeing an unwind of accruals, we think a lot of the activity we've had in the last three years and cost being accrued and then I'm winding this year.

78

Peter Russell 00:35:04.500 --> 00:35:24.700

We shouldn't see that occur given we are reducing a lot of that spend. So is this big focus for us as a team? Obviously as a business as a finance team, it's a tricky area working capital that we're analyzing a performance and hoping and expecting to see an improvement in that in twenty- twenty- four on the plus side, the.

79

Peter Russell 00:35:24.700 --> 00:35:45.180

Operating businesses extremely strong. The transformation is make very good progress simplified the business enormously over the last three years, and the ability now to focus on on consumer brands, but also focus our activities in terms of our cost focus headcount cash are still driving driving performance and as I.

80

Peter Russell 00:35:46.460 --> 00:36:01.820

For next year, we are targeting a free cash flow positive year and setting our spending plans accordingly. Okay, Matt, I think I'll leave it there and see if there are any questions. Thank you.

81

Matt - BT Producer 00:36:01.980 --> 00:36:11.340

So much everyone your question and answer session. We'll now begin if you would like to ask a question, please click on the raise hand icon at the bottom of the screen. Thank you.

82

Matt - BT Producer 00:36:14.620 --> 00:36:20.740

And our first question is coming from Andrew Bostic. Andrew, please go ahead.

83

Peter Russell 00:36:31.260 --> 00:36:34.860

Hi Andrew, I don't know if it's me, but I can't hear anything.

84

Matt - BT Producer 00:36:38.300 --> 00:36:40.620

Andrew, please unmute yourself.

85

Matt - BT Producer 00:36:47.260 --> 00:36:53.180

In that case, there are last question is coming from to one five. Please go ahead.

86

Tuan Thai 00:36:54.340 --> 00:37:02.500

Hi, focused your, like for like revenue and EPDR growth in the second quarter. Twenty- three and four for soft twenty- three, please.

87

Peter Russell 00:37:02.620 --> 00:37:03.900

Sorry, I didn't.

88

Tuan Thai 00:37:03.940 --> 00:37:04.540

First, but I didn't...

89

Peter Russell 00:37:05.060 --> 00:37:07.100

Name and secondly, I didn't quite get the question.

90

Tuan Thai 00:37:07.100 --> 00:37:14.780

Sorry, this is try and Typhen signal capital. My question was, what was the lake for like, revenue and growth in the second quarter.

91

Peter Russell 00:37:16.700 --> 00:37:21.500

It was, I think I said that, let me remind me, but it was.

92

Peter Russell 00:37:22.460 --> 00:37:30.780

For revenue growth is at four point zero percent and Ebitda growth five point two percent.

93

Tuan Thai 00:37:30.860 --> 00:37:32.060

For like, right.

94

Peter Russell 00:37:32.060 --> 00:37:39.740

Yeah, it's the same basis as all these numbers. So like currency adjusted adjusted for acquisitions, you know, it's the same basis, The numbers on page nine...

95

Tuan Thai 00:37:39.820 --> 00:37:42.300

I see, okay, thank you very much for the clarification.

96

Peter Russell 00:37:44.220 --> 00:37:45.460

You're welcome.

97

Matt - BT Producer 00:37:48.100 --> 00:37:52.900

Next question is coming from Froca. Please go ahead.

98

Frauke 00:37:56.380 --> 00:37:57.660

Can you hear me? Can you hear me?

99

Peter Russell 00:37:57.700 --> 00:37:59.580

Hello, we can, we can now, Yep.

100

Frauke 00:37:59.860 --> 00:38:20.060

Perfect, hi, yeah, several questions from my side first of all your fish flow definition and I'm referring to page sixteen, what is captured in your free cash flow definition, which shall hopefully be positive in two thousand twenty- four.

101

Frauke 00:38:20.740 --> 00:38:40.540

When the next question is, I'm a bit surprised by your working capital outflow guidance of one hundred fifty because year- to date, it's already one hundred thirty, you are using factoring as far as understand and you're taking.

102

Frauke 00:38:41.620 --> 00:39:00.900

Effort to reduce working capital. So why is working capital even higher targeted for the year than h- one third question. What is the current size of the factory? You were using, And this fourth question.

103

Frauke 00:39:01.060 --> 00:39:12.860

This one hundred to one hundred twenty extra or one off spend. Is this concern to the restructuring, which you are spending or are those.

104

Frauke 00:39:14.460 --> 00:39:26.620

Concerning the deferred payments, which I understand are still due in the rest of the year for WPP and Tech Edge acquisition, and I think.

105

Peter Russell 00:39:27.900 --> 00:39:47.100

That's it excellent. Thank you. So the first question, my definition of free cash flow for these purposes is literally the cash flow movement at the end of everything, right? So if we've got operating cash flow, I guess you've got CAPEX and, and restructuring tax and interest and.

106

Peter Russell 00:39:47.260 --> 00:39:57.340

We also have payments, we make to our shareholders and imagine fees and things, and then we have MNA, so it's, it's everything, so right at the bottom, need to be free cash flow, positive.

107

Frauke 00:39:57.500 --> 00:40:13.340

But sorry, sorry to interrupt then a question on that. So it is including the changes and financing, meaning that everything if everything else is negative and you're doing a lot of financing, then it's zero and you're fine.

108

Peter Russell 00:40:14.920 --> 00:40:27.040

Actually, positive, I don't need including changes in financing financing. So, I mean the business at the end of it generates more cash than it spends.

109

Peter Russell 00:40:27.680 --> 00:40:32.800

And then you've got the financing side of it. That's what I'm targeting for for next year.

110

Peter Russell 00:40:34.160 --> 00:40:53.280

Factoring, well, I mean you're right, So we do use factoring first of all, we do have obvious capital so it's always more negative and HR and then h- two much more negative. So it's not that need to be one thirty- five and then second half, but the factoring we do is the limits one hundred sixty- million dollars, euro, sorry, one hundred.

111

Peter Russell 00:40:53.320 --> 00:41:14.400

Sixty million euros and we have seen a lot of benefit from factoring over the last two to three years, but we pretty much used the full facility now, so we don't really get that kind of incremental benefit that we use were getting to know. So it's obviously a, there's a one off benefit when you move to factoring and then you've got to keep doing it to maintain that, that situation. So that's kind of where we are now, so it's not.

112

Peter Russell 00:41:15.680 --> 00:41:36.160

There's not a, there's not really much incremental benefit for factory year on year and the, so marks of a hundred and sixty, I think, and then the hundred two hundred twenty that is, that is restructuring that is seventh payments. A lot of it has been technology sorting out technology and the movement from WPP has been.

113

Peter Russell 00:41:36.360 --> 00:41:47.120

Big costs there. And, and other sort of, you know, restructuring transformation spend, it is before the deferred consideration that you mentioned.

114

Frauke 00:41:48.960 --> 00:42:03.960

So the deferred consideration will come on top, but again, you're working capital on a working capital. You are guiding more than you have currently, so h- two will be another consumption of working capital, then.

115

Peter Russell 00:42:04.440 --> 00:42:13.600

Regarding one fifty or a one, thirty- five for the first half. So, yeah, fifteen, I mean, maybe that's prudence, but I just, that's the guidance I'm getting at the moment.

116

Frauke 00:42:13.920 --> 00:42:15.200

Okay, thank you.

117

Peter Russell 00:42:15.200 --> 00:42:17.960

Okay, great, thank you. Thanks.

118

Matt - BT Producer 00:42:20.360 --> 00:42:24.800

Next question is coming from Fabian. Please go ahead.

119

Kochli, Fabian 00:42:24.840 --> 00:42:45.240

Sabian from Blackrock. Thank you for your time And presentation my question is also on free cash flow as you stated in the presentation to target being a free cash repositive in twenty- twenty- four, but can you, you know, give a bit more guidance for the second half this year with respect to free cash flow and then a second question, if I may on the healthcare research deposal.

120

Kochli, Fabian 00:42:45.320 --> 00:42:49.120

What is the BTA of the healthcare research proposal? Thank you.

121

Peter Russell 00:42:50.400 --> 00:42:59.600

Sure, I mean, we, we have, that's, that's, we've adjusted the by what eighty nine eight million.

122

Peter Russell 00:43:01.920 --> 00:43:21.240

It's close to ten million. It's in the, sorry I move on pausing because it's in the, they want to create a number that's in the system in the slide. Fifteen the deck, we've just by thirty million and I think around ten of that is the healthcare.

123

Peter Russell 00:43:21.760 --> 00:43:25.160

Yep, the answer's ten.

124

Peter Russell 00:43:33.920 --> 00:43:40.520

And your question was about h- two.

125

Peter Russell 00:43:45.440 --> 00:43:46.960

Give one second.

126

Peter Russell 00:43:51.840 --> 00:43:53.480

Yeah, so.

127

Peter Russell 00:43:55.680 --> 00:44:15.520

I mean, we do have the deferred, we have deferred consideration payments. I meant that I mentioned on the previous on the previous question, which are around, they're in the, they're in around the sixty- seventy- million mark. So, I mean, if that's actually disclosed in our.

128

Peter Russell 00:44:15.560 --> 00:44:18.040

Accounts, right, Asia.

129

Peter Russell 00:44:25.120 --> 00:44:26.320

For consideration.

130

Peter Russell 00:44:30.240 --> 00:44:31.360

Yeah.

131

Peter Russell 00:44:34.080 --> 00:44:36.600

There are notes that shows the focus.

132

Peter Russell 00:44:41.200 --> 00:44:58.400

Okay, sorry on this. So we've got some deferred consideration payments to WPP relating to the original transaction, right? So that's about probably around seventy million dollars that needs to be paid in the, in the last half of the year.

133

Peter Russell 00:45:00.320 --> 00:45:18.880

I'm slightly reluctant to give a, a cash and cash flow guidance in the second half of the year as you can tell because it really does depend on how our revenue format scoes in the next five or six months, so, but, you know, we do generally have, you know, a seasonally much stronger cash flow in the second half, especially in, in November.

134

Peter Russell 00:45:19.720 --> 00:45:26.840

And, but we do have some, some non- operating cash outflows, particularly on the M and a side.

135

Kochli, Fabian 00:45:30.400 --> 00:45:31.680

Yep, thank you.

136

Peter Russell 00:45:31.680 --> 00:45:33.320

Okay, thank you.

137

Matt - BT Producer 00:45:35.040 --> 00:45:39.240

Another question is coming from, I'm on my please go ahead.

138

Aman Mahal PGIM 00:45:39.360 --> 00:45:52.800

Hey guys, hi, just wondering current training for me. I guess we kind of late August now can you give any sense of how kind of revenue is shaping up in Q three and kind of any sort of sitting outliers that stand out at this point.

139

Peter Russell 00:45:53.520 --> 00:45:56.440

Yeah, it's, it's quite similar to.

140

Peter Russell 00:45:58.120 --> 00:46:05.600

Carrying on, as I said, we're, it's, it's carrying on, in a similar vein to the whole year.

141

Peter Russell 00:46:06.440 --> 00:46:20.320

Maybe slightly better, but I'm talking very, very slightly. So if it's, but that's, that's encouraging for us because it's not getting the other way and the areas that have been more challenging for us being the US technology clients and also.

142

Peter Russell 00:46:23.080 --> 00:46:42.720

Revenue sort of, which is typically around twenty to thirty percent of, of our sort of revenues, depending on division and depending on region, but there's and, and China, I mean, China is also just slower, but there's no, it's pretty steady and, you know, we have a good month.

143

Peter Russell 00:46:43.640 --> 00:46:54.880

For orders, we've got a good month generally with healing fairly positive at August, but this is against, you know, current expectations current run rates, not some sort of massive bounce bounce up in red and growth.

144

Aman Mahal PGIM 00:46:56.160 --> 00:47:04.400

And, and maybe on the US Tech client's point as well. I guess, Yeah, Nasdack's running quite significantly here today. It's been a lot of headcount reduction.

145

Aman Mahal PGIM 00:47:04.480 --> 00:47:15.600

Sort of drive owners growth. A lot of the large tech companies can you give me a sense of, kind of, kind of what, you know, sort of, it's all maybe like which subsegments in tech.

146

Aman Mahal PGIM 00:47:16.000 --> 00:47:20.240

Then just kind of what might cause that sort of trend to change...

147

Peter Russell 00:47:20.480 --> 00:47:40.960

Yeah, sure, so, and I think first of all, we've got an overstate text situation. They've been such a strong growth for us in the last two to three years, and as I said, tech clients are still up two percent year on year, but the particular of where it's been where the growth is not been where the growth has stopped for now has been us and it's the sort of publishers if you like.

148

Peter Russell 00:47:41.680 --> 00:48:01.440

The likes of the Google and Amazon or, or a met or someone like that. Typically we get, they would use our services for lots of things, but one of the things they're using for is for measuring their, the impact of their own platform for their own, the advertise on their platform. so you can, they can demonstrate the power of, of advertising on Google and.

149

Peter Russell 00:48:01.680 --> 00:48:21.920

Do that in a big way, but just a bit less than they were because they've been cutting back a bit on their budgets as they've made their the things you talk about with the layoffs and they've been having their budgets a bit, but they're still very, very large customers of ours and they're still in our top ten customers including all clouds. So we're not saying disappeared, it's just that they were quite a strong dr.

150

Peter Russell 00:48:22.560 --> 00:48:39.640

Of our revenue growth in the US and now it's, it's gonna taken a pause other ashes of some within there. He's sign some very good business with people like Tiktok and Samsung as well. So there's a mixed bag. that's just been a bit a bit weaker.

151

Aman Mahal PGIM 00:48:40.600 --> 00:48:57.000

Does it gonna fair to say that some of those larger guys have kind of reached talk maybe maturity in a kind of much more focused on optimizing. You probably need more maybe new platforms or growth in new platforms than be drive, incremental sort of higher growth rates and that vertical.

152

Peter Russell 00:48:57.760 --> 00:49:17.600

I don't know. I'm not sure because we're not, I mean, we're still quite small for them, you know, they're still a lot of their business that we don't a lot of territories and a huge businesses and we operate in where the revenues and contracts are significant for us for them. There's plenty of wide space within those we could add add value and stuff. So there's still a lot we can not there as we can.

153

Peter Russell 00:49:17.800 --> 00:49:18.880

Within this plans.

154

Aman Mahal PGIM 00:49:20.200 --> 00:49:23.000

Okay, and just one last question.

155

Aman Mahal PGIM 00:49:24.680 --> 00:49:35.480

I guess of any potential for the acquisitions or any sort of remaining products or sort of technology gaps that you still see as sort of needing to, to address.

156

Peter Russell 00:49:36.440 --> 00:49:56.640

Isn't it's definitely not a massive focus at the moment and we're always looking at ever say, never on M- and a, of course, and, and all the rest of it, but it's not something that is front of mind for us. I mean, if something I don't want to speculate, but there's always possible that we do something, but it's really, we're focusing on running the business. There's.

157

Peter Russell 00:49:56.640 --> 00:50:03.680

A couple of disposal we just done, we've optimizing costs and headcount and just, you know, driving forward performance that way.

158

Aman Mahal PGIM 00:50:05.000 --> 00:50:06.240

Okay, great, thanks.

159

Peter Russell 00:50:07.520 --> 00:50:09.080

Not at all. Thank you.

160

Matt - BT Producer 00:50:10.080 --> 00:50:13.840

This one is coming from. Jonathan got watch. Please go ahead.

161

Jonathan Kovacs 00:50:16.920 --> 00:50:37.360

Thank you for taking the questions I wanted to go back to, I guess the opening comments where you talked about both being around eighty two percent of your target for fully or solid revenue and also previously you've mentioned some customer when, so I was hoping you could help us quantify and understand to what extent those new customer wins.

162

Jonathan Kovacs 00:50:38.040 --> 00:50:45.520

Contributed to that goal and maybe just putting any numbers around that would be helpful as well. Just dollar wise or percentage wise.

163

Peter Russell 00:50:47.000 --> 00:51:06.840

Yeah, so thanks for the question. I mean, so the customer wins are not really in truth Gonna have a huge impact on this year because they're typically, it's signing these big multi- territory, multi- year global brand trackers, you know, there's a lead time for these things, so they'll typically start next year, but they can be.

164

Peter Russell 00:51:08.760 --> 00:51:27.320

Twenty- twenty million dollar contracts these, you know, their biggest and the sort of numb sort of. I don't want to quote precise numbers, but they're big, multi- million dollar contracts, but they're more about the confidence that we feel, they're winning work with these kind of, you know, key customers for room, we already do work, but we.

165

Peter Russell 00:51:27.520 --> 00:51:47.800

Often stealing them from some of our competitors in our competitive process. We feel confident about what we have to offer the financial impact this year, as I said, is city modest and over three billion of revenue, so it's not gonna make a huge difference. The, the underlying business though is, is, you know, lots of contracts, you know, renewing all the time.

166

Peter Russell 00:51:48.000 --> 00:52:08.280

Top work, other contracts, huge business lots of different markets, different divisions, et cetera and overall when we step back, we look at how much every secured so how much has signed uply locked in and were in eighty two percent, which when we look back at previous years, how much revenue do we delivering the full, you know, what stage were we.

167

Peter Russell 00:52:08.400 --> 00:52:29.400

At this time of that year, it's around the same. So we feel we're on track, you know, we'd worried if we were seventy percent, we were ninety percent, we think we've got some opportunity, so we're about in line, we just done our re- forecast for the year. So we, we expect to be in line expectations and it might be better if it's better, but as I said, this is one of the previous questions.

168

Peter Russell 00:52:30.040 --> 00:52:42.480

No, sort of surge in, in revenue growth, but it is, it is trending a little bit positively in Q two versus Q one and so far. It's not changing in Q three.

169

Jonathan Kovacs 00:52:44.120 --> 00:52:59.320

I see maybe just to clarify on one nuance there when you say it's eighty two percent of, of revenue is that of like the total aggregate revenue for the entire group or is that only for, you know, the subset of businesses that work on a contracted.

170

Jonathan Kovacs 00:53:00.280 --> 00:53:02.040

Year contract basis.

171

Peter Russell 00:53:02.680 --> 00:53:11.000

It's the total revenue. So, so when you're doing this in, in the end of June, obviously it's fifty percent is a hundred percent secured because it's already happened and then.

172

Peter Russell 00:53:11.760 --> 00:53:31.800

Half of the year is as mathematically around sixty percent secure and then so it blends out around an eighty two percent. It's everything, it's not just a segment that's contract, just gives us a sense of if this year's anything like prior years are, we, are we trending the sort of rule of thumb, are we trending in line with what we'd like.

173

Jonathan Kovacs 00:53:32.120 --> 00:53:52.600

Yeah, I see. thanks for clarifying and then back on the new customer wins and contracts that you've mentioned. So it sounds like more of a twenty- twenty- four story, which makes perfect sense, but I was hoping you would clarify as well, like, just putting around numbers around it. How much of an uplift should that be in twenty- twenty- four or perhaps post- twenty- twenty- four, once those are like.

174

Jonathan Kovacs 00:53:52.600 --> 00:53:55.240

Mature ramped up contract.

175

Peter Russell 00:53:57.080 --> 00:54:17.560

But, you know, I'm, I don't really want to do that because I'm not sure that our clients would welcomes so it was more just kind of examples that we're moving forward as major teams that spend their money very wisely and, and in truth, you know.

176

Peter Russell 00:54:17.640 --> 00:54:33.560

Said we're very big business. These are multi- million dollar contracts over a period of years, and we're a billions of dollars of, of revenue, so, you know, there are lots of these things going on, but I just thought it was, it was, we haven't lost any, you know, our revenue.

177

Peter Russell 00:54:34.920 --> 00:54:46.920

There is of insights these big brown trackers has been ninety- nine point, nine percent or something. So, but we are winning some, so it's kind of, we feel, we're moving the right way, but if you don't mind, I mean, not to be a number.

178

Jonathan Kovacs 00:54:49.560 --> 00:55:09.400

Okay, fair enough. No, no problem. There totally understood if I could just ask one or two last questions as clarifications on some of the prior questions that you'd received, I wanted to go back to the deferred consideration. Sounds like there's sixty to seventy- million dollars left to flow through for the remainder of this year. First, Could you just confirm that's entir.

179

Jonathan Kovacs 00:55:09.640 --> 00:55:29.760

Ly going to be in the working capital lines. Not like a separate, you know, financing or m- and a cash flow line item, and then second after that next tranch of sixty- to seventy million, how much deferred consideration is left outstanding be paid in the future whether it's to WP or otherwise.

180

Peter Russell 00:55:32.600 --> 00:55:52.280

Sure, so just to be clear, it's not in the working. It's not the way we talk that way, so it will appear in the M and a box. That's the answer. I gave earlier so that it's outside of that the consideration for the major of the year.

181

Peter Russell 00:55:52.920 --> 00:55:56.800

Yes, it's around sixty- five million for.

182

Peter Russell 00:55:58.040 --> 00:56:18.520

PP and actually around thirty, which is a bit hard and they said it's around thirty- two million for a deal. We did all the tech edge where we, we're paying in trances. We paid the trunch, we've actually has of today we've already, I didn't mention that because I've forgotten where we are. We, we paid that in July. So in my mind, it's already been paid.

183

Peter Russell 00:56:18.800 --> 00:56:38.720

We're talking about June so thirty- two in the sixty- five. So around the hundred, forty- five consideration versus June, after that, there's only about thirty million left under third consideration, and that's the rest of the tech payments and then too much pretty much done.

184

Jonathan Kovacs 00:56:39.640 --> 00:56:44.760

Okay, if that makes sense. So it's not really a factor going into twenty- twenty- four. There's just.

185

Jonathan Kovacs 00:56:46.040 --> 00:56:48.600

Batch of thirty million dollars left on tech edge...

186

Peter Russell 00:56:50.680 --> 00:57:03.400

That's right, I mean, we don't want the flip side, we have a receivable from our sale of the Public division in twenty- twenty- four of them around sixty million dollars. So we get some incoming deferred consideration next year.

187

Jonathan Kovacs 00:57:05.240 --> 00:57:07.160

Understood, okay, thank you for clarifying.

188

Peter Russell 00:57:07.160 --> 00:57:08.320

Thank you.

189

Matt - BT Producer 00:57:10.360 --> 00:57:14.560

Our next question is coming from Sabichatergy. Please go ahead.

190

Saby Chatterjee 00:57:16.760 --> 00:57:29.080

When you see you before positive next year, Kelly just help us to understand what are you assumptions regarding restructuring cost and working capital? Please.

191

Peter Russell 00:57:34.680 --> 00:57:48.120

I can give you sort of the first view of that. I mean, in terms of restructuring looking at, you know, sort of twenty million or so something like that.

192

Peter Russell 00:57:48.760 --> 00:58:09.240

Around restructuring in terms of working capital, I mean, this is something that I'm still, you know, reflecting on, but I'm using an assumption of a roundabout seventy- five million the next year, but it's very much in the working assumption for now, and obviously I'm, you know, there's lots of different moving parts of the cash flow. We haven't done our budget.

193

Peter Russell 00:58:09.400 --> 00:58:29.720

Next year, there's still a lot. There's a lot to do. We haven't fixed our Capex for next year. So take it all as in the round, the, the, the overall intention is to try manage to fast their positive next year. That's the desire, but obviously there's lots of different moving parts that go into a cash flow, but seems you ask the question and then telling you what I'm sort of having my mind that's, that's.

194

Peter Russell 00:58:29.720 --> 00:58:31.000

I'm in a moment.

195

Saby Chatterjee 00:58:31.440 --> 00:58:50.840

And the walking capital improvement as you, as you've said before that you don't use factoring that much and probably your supplier demanding money faster, so that improvement will come from just just trying to understand where that improvement may come from like, better receivable management or you can do a.

196

Peter Russell 00:58:51.400 --> 00:58:51.480

Yeah.

197

Peter Russell 00:58:52.320 --> 00:59:12.600

Will be focusing obviously if manage we, we might do more factoring if we're able to increase facility, we also, I do think that this year has had some one- off cruel unwind that will not recur within other working capital, particularly just because of the volume of, of activity we've had.

198

Peter Russell 00:59:12.880 --> 00:59:31.120

Prior years is it on Waynes and also some of the disposals, a lot of corporate changes disposals and, and things like that. So I'm, I'm feeling that we're gonna improve it going into next year. Various ways.

199

Saby Chatterjee 00:59:31.200 --> 00:59:50.760

Restructuring of twenty million. I assume that encompasses a lot of things are excluding excluding the OR nodes that you will. You will be right twenty million. There's always another element so that twenty million encompasses most of the one- offs is that fair to say.

200

Peter Russell 00:59:51.640 --> 01:00:03.160

Yeah, it's, it's the sort of tail end of the transformation. Spend a lot of it is, is severance where we're sort of doing a lot of offshoring parallel running things like that.

201

Saby Chatterjee 01:00:03.800 --> 01:00:21.720

And one last question, have you guys given your next born maturity is twenty- five, twenty- five, twenty- six. So have you guys started thinking about capital structure given whether it's are so any preliminary reviews will be super helpful.

202

Peter Russell 01:00:24.860 --> 01:00:36.740

Ten to twenty- six. I think is our maturity. We're thinking about it and obviously discussing it with our shareholder, but we, that's what we're doing.

203

Saby Chatterjee 01:00:37.580 --> 01:00:38.220

Okay, cool.

204

Peter Russell 01:00:39.500 --> 01:00:41.740

Okay, thank you.

205

Matt - BT Producer 01:00:43.980 --> 01:00:49.740

And there are no further questions in the Q. Michael. I'm sorry, one just came in. It is coming from Mark whats.

206

Peter Russell 01:00:49.740 --> 01:00:51.020

Okay, great.

207

Peter Russell 01:00:51.700 --> 01:00:52.300

Hi, Mark.

208

mark watts 01:00:54.220 --> 01:00:59.980

Hi, there just had a quick question regarding the, the WPP loan, obviously I know it's not new. It was.

209

mark watts 01:01:01.420 --> 01:01:10.820

Can you just confirm that? I guess a Sharehold alone, What like the maturity or, or the details on that, and was there any intention to increase that.

210

Peter Russell 01:01:12.140 --> 01:01:32.620

So this is delving a little bit back into the, the, I need to consult the company historian here. So this is nine million. I think flowing from the original transaction, it's certainly not, it's not even a particular plan to increase it. I don't know what happens to, it's got a maturity.

211

Peter Russell 01:01:33.260 --> 01:01:42.500

Quite long maturity on it, like, yeah, you stumped us on that one. December twenty- seven is the materiality.

212

Peter Russell 01:01:44.780 --> 01:01:49.900

Do you have a particular interest in it? We're just curious.

213

Peter Russell 01:01:52.460 --> 01:01:54.580

Mark you, there? Has he gone.

214

Peter Russell 01:01:56.420 --> 01:01:57.580

Matt, either.

215

mark watts 01:01:57.580 --> 01:01:58.860

I'm here, yeah. sorry.

216

mark watts 01:02:00.820 --> 01:02:07.820

More curiosity, just given, you know, if there's any constraints on, on not being able to upsize your, your factoring facility, but that- that's.

217

mark watts 01:02:09.140 --> 01:02:28.940

I guess the other question as well, just in terms of the, the kind of macro environment, I know you've kind of discussed some, some trends for July and August, maybe a little bit better, but, you know, you seeing any improvement in terms of China and North America. I mean, is that, is that gonna continue to.

218

mark watts 01:02:28.980 --> 01:02:41.820

Maybe slightly underperforming versus APAC and then in terms of APAC, is it still in the other that's driving that out performance, And do you see that kind of continuing to be a, a pretty strong revenue driver for the remainder of the year.

219

Peter Russell 01:02:43.660 --> 01:03:03.500

Yeah, and I think you've more or less answered the questions. I think we're not seeing China and us just seeing quite stable, but a bit that underperforming a bit as you said, for different reasons entirely the US is stable. I mean, it's a big business. Yes, there's a bit sort of performing Well, but we have the.

220

Peter Russell 01:03:04.780 --> 01:03:23.980

The media and the creative solution areas within our insights division are down, you know, the brand and the innovation areas up and overall we're slightly down, whereas last year we were going by five, six percent there that last, that few percent makes quite a difference. So it's not quite, it's falling out the bottoms falling out of it. It's just.

221

Peter Russell 01:03:24.660 --> 01:03:44.460

It's all there's a bit slower, but I think it will come back, but it's a moment, it's, it's trending, it's stable, it's stable basically, and in APAC, India continues to perform well and said as Singapore is doing well, career doing pretty well, some of the other areas a bit.

222

Peter Russell 01:03:44.460 --> 01:03:55.340

It's lower as strange Zealand sort of bits lower, but okay, but the regions, a whole is doing pretty well, so yeah, nothing too much to add really.

223

mark watts 01:03:57.380 --> 01:04:13.900

But it's just WPPNO in previous calls That's been mentioned that three year lock up sort of lapsed any discussions at all preliminary otherwise, as to what they want to do, presumably want to retain the stake, but any kind of inkling or guide there would be.

224

Peter Russell 01:04:14.260 --> 01:04:22.540

I do, no, I mean, obviously there are shareholders are sitting on the board. I, I don't have anything to you have any insight on that at all.

225

Peter Russell 01:04:25.020 --> 01:04:28.660

But, you know, they'd be very supportive shareholders as have, thanks.

226

mark watts 01:04:29.260 --> 01:04:30.540

Perfect, thank you.

227

Matt - BT Producer 01:04:34.900 --> 01:04:36.300

Questions in the queue.

228

Peter Russell 01:04:36.300 --> 01:04:50.300

Great, well, we're just coming up to the end of the hour anyway, so thank you very much everybody for dialing in, and if you have questions and we should be back to talk about Q three and a couple of months time, so have a good afternoon. Thank you.

229

Matt - BT Producer 01:04:52.460 --> 01:04:56.780

Michael and Peter, thank you one that marks the end of your webinar. Thank you for joining and have a nice day.

230

Peter Russell 01:04:57.460 --> 01:05:00.260

Thanks, Matt, thank you, Cheers, have a good day.