

KANTAR

Q1 2024

INTERIM RESULTS

for the 3 months ended 31 March 2024



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Chief Executive's statement

Kantar Global Holdings S.à r.l. ("Kantar" or "the Group") announces results for the 3 months to 31 March 2024.

	3 months ended 31 March			
	2024 \$m	2023 \$m	Change \$m	Change %
Gross Revenue (\$m) ^{1,2}	821.0	799.7	21.3	2.7%
Adjusted Gross Margin (\$m) ¹	579.6	561.0	18.6	3.3%
Adjusted Gross Margin %	70.6%	70.1%	-	0.5ppt
Adjusted EBITDA (\$m) ¹	146.7	131.7	15.0	11.5%
Adjusted EBITDA Margin % ¹	17.9%	16.5%	-	1.4ppt
Operating profit/(loss) (\$m)	5.9	(37.8)	43.7	-

We started 2024 with the clarity and focus necessary to continue the 2023 momentum we achieved, and to deliver further growth for this year. Our Q1 revenue growth of 2.7% reflects a solid response to a mixed macro-economic outlook and the ongoing challenges we continue to see across the world. Positively, our improved EBITDA and cashflow performance reflects our continued operational discipline, especially in headcount management, as well as our team's focus on continuing to simplify our business.

Within our Insights division, capturing the attitudes of the world's consumers, we saw strong growth in our Brand Tracking business offset by softness in Media Effectiveness which, unsurprisingly, reflects a generally tightening advertising market. We did see a return to growth for Creative Effectiveness, helped in large part by Kantar Marketplace, our self-service data platform, which continued to deliver +20% growth, in line with 2023. Geographically, we achieved a strong, mid-single-digit revenue increase in EMEA, our largest region. Our North America business continued to improve, although we did still see a small decline in revenue, as the tech sector, in particular, remained challenging. We also saw a small decline across the wider Asia region, following three years of sustained growth. However, our business in India delivered impressive double-digit revenue growth.

Our Behavioural research businesses, which track shopper activity, continued the 2023 trend of delivering impressive growth. Numerator in North America achieved double-digit growth during the quarter, while our Worldpanel division delivered a revenue increase in the mid-single-digit range. The combination of the highest quality attitudinal and behavioural data, alongside the insights we derive from these is a clear competitive differentiator for the Group. Building on these strategic assets, we recently launched Kantar's "Blueprint for Brand Growth", bringing together our unique data sets, our proven IP and decades of experience in building brand equity. This provides an invaluable framework that integrates our solutions and services so as to better support our clients. The rollout and deployment of our Blueprint will be a key strategic focus across the remainder of 2024.

Looking forward, a robust order book, especially with our bigger consumer goods clients, demonstrates the role we play in supporting both global and local brands in understanding their performance, and identifying future growth options.

¹ Please note the following:

a) This measure represents an Alternative Performance Measure (APM). Please refer to pages 8 -10 for definitions and reconciliations between APMs and the figures in the interim consolidated financial statements.

b) This measure is presented at constant currency exchange rates. Please refer to page 7 for further details.

c) Adjustment has been made to restate prior period results on the Pro forma basis (see page 7). This means the 2023 figures have been adjusted to exclude the results of Profiles Health and Media Health and Vivix (Ad Intel) for three months.

² Gross Revenue includes intercompany revenue between divisions.

Financial highlights

- Gross Revenue increased by 2.7% to \$821.0 million (Q1 2023: \$799.7 million). EMEA Insights, Worldpanel and Media showing a strong start to the year along with double-digit growth in Numerator.
- Adjusted Gross Margin increased by 3.3% to \$579.6 million (Q1 2023: \$561.0 million) as our growth in revenue was supported by our drive towards more direct cost efficiencies, incrementally improving margins year on year.
- Adjusted EBITDA increased by 11.5% to \$146.7 million (Q1 2023: \$131.7 million).
- Operating profit improved to \$5.9 million (Q1 2023: loss of \$37.8 million) mainly driven by reduced M&A, restructuring and transformation costs.

For further information go to:

www.kantar.com

About Kantar

- Kantar is the world's leading marketing data and analytics business and an indispensable brand partner to the world's top companies.
- We combine the most meaningful attitudinal and behavioral data with deep expertise and advanced analytics to uncover how people think and act.
- We help clients understand what has happened and why and how to shape the marketing strategies that shape their future.

Operating and financial review

Presentation of financial information

Unless specified otherwise we present financial information in this Operating and Financial Review on a “constant currency” basis with the prior year comparative figures restated on a “Pro forma” basis. These measurement bases are explained further below. We also present certain financial measures in this Operating and Financial Review as they appear in the interim financial statements on pages 11-14. This is referred to as the “statutory” basis. Some of the key performance indicators referred to in the Operating and Financial Review represent Alternative Performance Measures (“APMs”). These are described on pages 8-10, including definitions of the terms used and reconciliations between the APMs and items in the interim financial statements.

Management believe that these measures facilitate an understanding of the economic performance of the Group’s operations.

	3 months to 31 March			
	Constant Currency Rate			
	2024	2023	Change	Change
	\$m	\$m	\$m	%
Gross Revenue	821.0	799.7	21.3	2.7%
Costs of services	241.4	238.7	2.7	1.1%
Adjusted Gross Margin	579.6	561.0	18.6	3.3%
Adjusted Gross Margin %	70.6%	70.1%		0.5ppt
Staff Costs	348.1	344.5	3.6	1.1%
General and Administrative Costs	84.8	84.8	-	-
Adjusted EBITDA	146.7	131.7	15.0	11.5%
Adjusted EBITDA Margin %	17.9%	16.5%		1.4ppt

Divisional Gross Revenue

	3 months to 31 March			
	Constant Currency Rate			
	2024	2023	Change	Change
	\$m	\$m	\$m	%
Divisions				
Insights	475.0	470.5	4.5	0.9%
Profiles	72.6	75.4	(2.8)	(3.7%)
Worldpanel	90.9	86.8	4.1	4.7%
Numerator	60.7	51.8	8.9	17.3%
Kantar Media	121.8	115.2	6.6	5.8%
Gross Revenue	821.0	799.7	21.3	2.7%

Gross Revenue

Gross Revenue increased by \$21.3 million or 2.7% from \$799.7 million in the three months ended 31 March 2023 to \$821.0 million in the three months ended 31 March 2024. Strong client demand for behavioural data continues in 2024 as our Worldpanel division grew by \$4.1 million or 4.7% and the Numerator division grew by \$8.9 million or 17.3%. The Kantar Media division grew by \$6.6 million or 5.8%, with growth across all offers. Our Profiles division decreased by \$2.8 million or 3.7%. The Insights division grew by \$4.5 million or 0.9%, primarily driven by the Brand Performance solution supported by investments in new products and offers.

Adjusted Gross Margin

Our Adjusted Gross Margin as a percentage of Gross Revenue increased by 0.5ppt, as we continue to drive more efficiencies and automation via platforms and offers such as Kantar Marketplace and Worldpanel Plus. Overall, our Adjusted Gross Margin increased by \$18.6 million or 3.3% from \$561.0 million in the three months ended 31 March 2023 to \$579.6 million in the three months ended 31 March 2024.

Adjusted EBITDA

Adjusted EBITDA increased by \$15.0 million or 11.5% from \$131.7 million in the three months ended 31 March 2023, to \$146.7 million in the three months ended 31 March 2024. This increase was primarily due to strong headcount and cost control coupled with positive operational gearing.

Senior Lender Net Debt

	At 31 March 2024	At 31 December 2023
	\$m	\$m
Cash and cash equivalents ¹	(166.9)	(223.4)
Senior Facilities ²	2,179.9	2,244.1
Senior Secured Notes ³	1,504.1	1,528.5
Total Senior Secured Net Debt	3,517.1	3,549.2
Cash and cash equivalents ¹	(0.5)	(0.6)
Senior Unsecured Notes ³	461.9	472.3
Total Senior and Unsecured Net Debt	3,978.5	4,020.9
Other Debt ⁴	226.8	242.8
Total Net Debt	4,205.3	4,263.7

For reconciliation between the Senior Lender Net Debt Alternative Performance Measure and the Condensed Consolidated Statement of Financial Position please refer to page 10.

	At 31 March 2024	At 31 December 2023
	\$m	\$m
Cash and cash equivalents ¹	167.4	224.0
Committed Facilities ⁵	424.7	248.5
Uncommitted Facilities ⁶	62.9	63.6
Total Liquidity	655.0	536.1

1. Represents cash and cash equivalents net of overdrafts.
2. The Senior Facilities are comprised of the Senior Term Loans and the Revolving Credit Facility. The amount shown represents the US Dollar equivalent of the aggregate principal amount of the Senior Term Loans, without giving effect to discounts or fees to be paid to the lenders thereunder. The Senior Term Loans include (i) a €1,235.0 million term loan B bearing interest at EURIBOR plus a 4.50% margin (subject to a margin ratchet), (ii) a \$748.1 million term loan B bearing interest at USD Term SOFR plus 5.00% margin (subject to a margin ratchet), each maturing in February 2029 and (iii) a \$99.1 million term loan B2 bearing interest at USD Term SOFR (floor of 0.75%) plus 4.50% margin (this term loan is not subject to a margin ratchet); maturing in December 2026. The Revolving Credit Facilities provides for \$410.0 million of borrowings (including any permitted ancillary facilities established thereunder) in certain specified currencies and any other currencies readily available in the relevant interbank market (subject to the consent of the relevant lenders), subject to customary borrowing conditions, bears a margin of the applicable benchmark rate plus 3.50% (subject to a margin ratchet), with \$135.5 million maturing in June 2026 and \$274.5 million maturing August 2028. At 31 March 2024, the facility was undrawn (31 December 2023: \$166.7 million).
3. Represents the U.S. Dollar-equivalent of the aggregate principal amount of (i) the €1,000.0 million 5.75% Senior Secured Notes maturing 31 October 2026, (ii) the \$425.0 million 5.50% Senior Secured Notes maturing 31 October 2026 and (iii) the €428.0 million 9.25% Senior Notes maturing 31 October 2027, issued in an initial aggregate principal amount of €475.0 million, with €47.0 million redeemed in a special mandatory redemption in February 2020 and does not reflect any initial purchaser discount or original issue discount.
4. Represents IFRS 16 lease liabilities, as well as a loan from the WPP Plc to the Kantar Group.
5. Committed facilities have a defined maturity date that cannot be cancelled.
6. Uncommitted facilities are cancellable by either party.

Capital Expenditure

	3 months to 31 March	
	Actual rate	
	2024	2023
	\$m	\$m
Purchases of property, plant and equipment	6.4	11.3
Purchases of other intangible assets (incl. capitalised computer software)	28.2	32.5
Capital Expenditure	34.6	43.8

Capital Expenditure decreased by \$9.2 million, or 21.0% from \$43.8 million in the three months ended 31 March 2023, to \$34.6 million in the three months ended 31 March 2024. This decrease was due to lower property capex in 2024, reflecting the completion of some larger real estate projects in the prior period.

Presentation of financial and other information

Constant currency basis

The constant currency basis adjusts current and prior period results such that both periods are translated at the budgeted currency rate for the current year. This eliminates the effect of changes in exchange rates when comparing current and prior period. For financial information for the three month period ended 31 March 2024 and the comparative period, we use the budgeted constant currency for the year ended 31 December 2024, which is prepared on a forward-looking basis. For each operation that does not report in US Dollars, a single constant currency rate is used to translate their financial statements into US Dollars.

Exchange rates used

The principal foreign exchange rates used in the constant currency basis described above and the actual exchange rates used in preparing the interim consolidated financial statements are shown in the table below.

	31 December 2024 Constant Currency Rate per U.S. Dollar	31 March 2024 Average Actual Rate per U.S. Dollar	31 March 2024 Closing Actual Rate per U.S. Dollar
EUR	0.92	0.92	0.93
GBP	0.80	0.79	0.79
INR	82.55	83.04	83.35
CNY	7.08	7.20	7.22
BRL	4.99	4.98	5.02
AUD	1.51	1.53	1.53

Pro forma basis

The Pro forma basis adjusts the comparative financial information for acquisitions and disposals made in the current and prior periods. For acquisitions made in the current period, the prior period figures are restated to include the pre-acquisition results of the acquisition for the comparable interval in the prior period. For disposals in the current period, the prior year figures are restated to exclude the results of the business disposed of for the comparable interval in the prior period. For acquisitions and disposals made in the prior year, the prior period figures are restated to include or exclude respectively three months of the prior year results.

This presentation ensures that there is greater comparability of results between the current and prior periods for changes in the composition of the Group.

Under the Pro forma basis, the 2023 figures have been adjusted to exclude three months of the results of Profiles Health and Media Health, and Vivvix (Ad Intel).

Alternative Performance Measures

The Group has presented a number of Alternative Performance Measures (APMs), which are used in addition to consolidated financial statement statutory performance measures.

The Group believes that these APMs, which are not considered to be a substitute for or superior to consolidated financial statement statutory measures, provide stakeholders with additional helpful information on the performance of the business. These APMs are consistent with how the business performance is planned and reported within the internal management reporting to the Board.

The four APMs below are calculated on the same basis as described in the annual consolidated financial statements within the Alternative Performance Measures section of the Financial Review. Please refer there for further details.

Adjusted EBITDA

Reconciliation between APM and Condensed Consolidated Financial Statements:

		3 months ended 31 March	
	Note	2024 \$m	2023 \$m
Loss for the period		(60.5)	(143.4)
Add back:			
Taxation		10.2	13.0
Finance income	5	(43.1)	(4.0)
Finance costs	5	97.7	87.6
Revaluation of financial instruments	5	(0.2)	1.7
Profit/(loss) before interest and taxation		4.1	(45.1)
Add back:			
Share of results of associates		1.8	7.3
Operating profit/(loss) per the Condensed Consolidated Statement of Income		5.9	(37.8)
Add back:			
Amortisation of other intangible assets	4	82.2	81.9
Impairment of other intangible assets	4	0.2	-
Depreciation of property, plant and equipment	4	8.3	7.6
Depreciation of right-of-use assets	4	11.3	14.2
EBITDA		107.9	65.9
Add back:			
Acquisition and disposal related costs	4	10.9	23.1
Restructuring and transformation costs	4	6.3	22.6
Other items ¹		20.6	29.3
Adjusted EBITDA – actual exchange rates		145.7	140.9
Impact of acquisitions and disposals		-	(6.9)
Foreign exchange for constant currency		1.0	(2.3)
Adjusted EBITDA – constant currency		146.7	131.7

¹ Relates to share-based payment charges and associated costs, foreign exchange and other adjusting items that are not indicative of trading performance by management by virtue of their size and/or incidence.

Gross Revenue

	3 months ended 31 March			
	2024	2023	Change	Bridge
	\$m	\$m	\$m	%
Revenue per Condensed Consolidated Statement of Income	704.4	722.8	(18.4)	(2.5%)
Intercompany revenue at constant currency	115.9	107.9	8.0	1.1%
Impact of acquisitions and disposals ¹	-	(28.6)	28.6	3.8%
Foreign exchange for constant currency	0.7	(2.4)	3.1	0.3%
Gross Revenue	821.0	799.7	21.3	2.7%

¹Adjustment has been made to restate prior period results on the Pro forma basis (see page 7). This means the 2023 figures have been adjusted to exclude the results of Profiles Health and Media Health and Vivvix (Ad Intel) for three months.

Adjusted Gross Margin

	3 months ended 31 March	
	2024	2023
	\$m	\$m
Gross Profit per Condensed Consolidated Statement of Income	107.7	92.4
Add back:		
Depreciation of property, plant and equipment	3.9	3.2
Depreciation of right-of-use assets	11.3	14.2
Amortisation of other intangible assets	65.6	55.2
Staff costs	365.4	388.1
Other items ¹	25.5	32.7
Adjusted Gross Margin – actual exchange rates	579.4	585.8
Impact of acquisitions and disposals ²	-	(21.9)
Foreign exchange for constant currency	0.2	(2.9)
Adjusted Gross Margin – constant currency	579.6	561.0

¹Includes property, development and other costs.

²Adjustment has been made to restate prior period results on the Pro forma basis (see page 7). This means the 2023 figures have been adjusted to exclude the results of Profiles Health and Media Health and Vivvix (Ad Intel) for three months.

Net Debt and Leverage

Consolidated Senior Secured Net Debt (excluding lease liabilities) on 31 March 2024 was \$3,517.1 million and Covenant LTM Adjusted EBITDA for the relevant period was \$771.4 million. As at 31 March 2024, Consolidated Senior Secured Net Debt was 4.56 times LTM Adjusted EBITDA.

	Cash and cash equivalents		Debt		Net Debt (excl. Lease liabilities)		Lease Liabilities and other debt		Net Debt (incl. Lease liabilities)	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023	31 March 2024	31 December 2023	31 March 2024	31 December 2023	31 March 2024	31 December 2023
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Consolidated Statement of Financial Position	(567.9)	(466.0)	4,621.1	4,607.5	4,053.2	4,141.5	219.5	235.5	4,272.7	4,377.0
Reclassification of Bank Overdrafts	361.5	201.1	(361.5)	(201.1)	-	-	-	-	-	-
Reclassification of WPP Plc loan	-	-	(7.3)	(7.3)	(7.3)	(7.3)	7.3	7.3	-	-
Unamortised debt-issuance costs deducted from borrowings	-	-	129.4	81.6	129.4	81.6	-	-	129.4	81.6
Outside the Senior Lenders' perimeter ¹	39.0	40.9	(235.8)	(235.8)	(196.8)	(194.9)	-	-	(196.8)	(194.9)
Senior Lender and Other Net Debt	(167.4)	(224.0)	4,145.9	4,244.9	3,978.5	4,020.9	226.8	242.8	4,205.3	4,263.7
Senior Lenders' Unsecured Debt ¹	0.5	0.6	(461.9)	(472.3)	(461.4)	(471.7)	-	-	-	-
Retranslation at LTM average foreign exchange rates	-	(13.1)	-	(51.7)	-	(64.8)	-	-	-	-
Consolidated Senior Secured Net Debt	(166.9)	(236.5)	3,684.0	3,720.9	3,517.1	3,484.4	-	-	-	-
Covenant LTM Adjusted EBITDA	-	-	-	-	771.4	770.4	-	-	-	-
Leverage	-	-	-	-	4.56x	4.52x	-	-	-	-

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

	31 March 2024	31 December 2023
	\$m	\$m
LTM Adjusted EBITDA	746.1	741.3
Impact of acquisitions and disposals	(17.2)	(24.0)
Other adjustments per the Covenant Definition of LTM Adjusted EBITDA ¹	16.3	16.9
Dividends Received from Associates	5.2	5.2
Run-rate Adjustment ²	21.0	31.0
Covenant LTM Adjusted EBITDA	771.4	770.4

¹ Includes adjustments for: property taxes, non-cash pension costs, other non-cash charges, foreign exchange, and proforma related to the definitions within the Senior Facilities Agreement.

² Run-rate adjustment for covenant purposes is limited to 25% of overall LTM Adjusted EBITDA.

Condensed Consolidated Statement of Income and Other Comprehensive Income (unaudited)

For the 3 months ended 31 March

		3 months ended 31 March	
	Notes	2024 \$m	2023 \$m
Revenue	3	704.4	722.8
Cost of services	4	(596.7)	(630.4)
Gross profit		107.7	92.4
General and administrative costs	4	(101.8)	(130.2)
Operating profit/(loss)		5.9	(37.8)
Share of results of associates		(1.8)	(7.3)
Profit/(loss) before interest and taxation		4.1	(45.1)
Finance income	5	43.1	4.0
Finance costs	5	(97.7)	(87.6)
Revaluation of financial instruments	5	0.2	(1.7)
Loss before taxation		(50.3)	(130.4)
Taxation		(10.2)	(13.0)
Loss for the period		(60.5)	(143.4)
Loss attributable to:			
Equity holders of the parent		(39.0)	(89.0)
Non-controlling interests		(21.5)	(54.4)
Loss for the period		(60.5)	(143.4)
Consolidated Statement of Comprehensive Income/(Expense):			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences on translation of foreign operations		18.0	(15.3)
Fair value movements on derivatives in effective hedge relationships		(1.9)	(8.5)
Items that will not be reclassified subsequently to profit or loss:			
Movement on equity investments held at fair value through other comprehensive expenses		0.2	(3.7)
Other comprehensive income/(expense) for the period		16.3	(27.5)
Total comprehensive expense for the period		(44.2)	(170.9)
Attributed to:			
Equity holders of the parent		(40.2)	(102.8)
Non-controlling interests		(4.0)	(68.1)
Total comprehensive expense for the period		(44.2)	(170.9)

Condensed Consolidated Statement of Financial Position

(unaudited)

As at 31 March 2024

	Notes	31 March 2024 \$m	31 December 2023 \$m
Non-current assets			
Goodwill		2,415.8	2,438.3
Other intangible assets		1,710.2	1,784.8
Property, plant and equipment		124.8	133.4
Right-of-use assets		181.0	197.7
Equity accounted investments		172.6	177.7
Other investments		23.3	23.1
Corporate income tax recoverable		10.5	10.5
Deferred tax assets		48.2	48.3
Derivative assets		9.3	41.7
Trade and other receivables		89.7	91.2
		4,785.4	4,946.7
Current assets			
Corporate income tax recoverable		31.7	31.7
Trade and other receivables		735.5	773.3
Derivative assets		32.5	4.7
Cash and cash equivalents		567.9	466.0
		1,367.6	1,275.7
Current liabilities			
Loans payable	6	(10.3)	(10.3)
Trade and other payables		(1,089.0)	(1,092.4)
Derivative liabilities		(3.0)	(7.5)
Corporate income tax payable		(169.3)	(165.7)
Bank overdrafts	6	(361.5)	(201.1)
Provisions		(48.7)	(46.6)
Short-term lease liabilities		(40.9)	(42.2)
		(1,722.7)	(1,565.8)
Net current liabilities		(355.1)	(290.1)
Total assets less current liabilities		4,430.3	4,656.6
Non-current liabilities			
Loans payable	6	(4,249.3)	(4,396.1)
Trade and other payables		(120.5)	(107.4)
Derivative liabilities		(0.3)	(1.7)
Deferred tax liabilities		(280.1)	(305.4)
Provision for post-employment benefits		(39.0)	(40.0)
Provisions		(92.7)	(98.7)
Long-term lease liabilities		(178.6)	(193.3)
		(4,960.5)	(5,142.6)
Net liabilities		(530.2)	(486.0)
Equity			
Share capital		18.7	19.1
Share premium		516.9	528.6
Retained losses		(825.2)	(786.3)
Translation reserve		(77.5)	(89.4)
Equity attributable to owners of the Company		(367.1)	(328.0)
Non-controlling interests		(163.1)	(158.0)
Total Equity		(530.2)	(486.0)

Condensed Consolidated Statement of Changes in Equity (unaudited)

For the 3 months ended 31 March

	Called-up Share capital \$m	Share premium \$m	Translation reserve \$m	Retained losses \$m	Total shareholder's equity \$m	Non- controlling interests \$m	Total equity \$m
Balance at 1 January 2023	18.5	487.0	(40.2)	(579.1)	(113.8)	35.3	(78.5)
Loss for the period	-	-	-	(89.0)	(89.0)	(54.4)	(143.4)
Currency translation adjustments	0.3	6.6	(13.4)	-	(6.5)	(8.8)	(15.3)
Movements on equity investments held at fair value through other comprehensive income	-	-	-	(2.2)	(2.2)	(1.5)	(3.7)
Fair value movements on derivatives in effective hedge relationships	-	-	-	(5.1)	(5.1)	(3.4)	(8.5)
Other comprehensive (expense)/income	0.3	6.6	(13.4)	(7.3)	(13.8)	(13.7)	(27.5)
Dividends paid	-	-	-	-	-	(2.2)	(2.2)
Equity-settled share-based payments	-	-	-	0.8	0.8	0.5	1.3
Balance at 31 March 2023	18.8	493.6	(53.6)	(674.6)	(215.8)	(34.5)	(250.3)
	Called-up Share capital \$m	Share premium \$m	Translation reserve \$m	Retained losses \$m	Total shareholder's equity \$m	Non- controlling interests \$m	Total equity \$m
Balance at 1 January 2024	19.1	528.6	(89.4)	(786.3)	(328.0)	(158.0)	(486.0)
Loss for the period	-	-	-	(39.0)	(39.0)	(21.5)	(60.5)
Currency translation adjustments	(0.4)	(11.7)	11.9	-	(0.2)	18.2	18.0
Movements on equity investments held at fair value through other comprehensive income	-	-	-	0.1	0.1	0.1	0.2
Fair value movements on derivatives in effective hedge relationships	-	-	-	(1.1)	(1.1)	(0.8)	(1.9)
Other comprehensive (expense)/income	(0.4)	(11.7)	11.9	(1.0)	(1.2)	17.5	16.3
Dividends paid	-	-	-	-	-	(1.8)	(1.8)
Equity-settled share-based payments	-	-	-	1.1	1.1	0.7	1.8
Balance at 31 March 2024	18.7	516.9	(77.5)	(825.2)	(367.1)	(163.1)	(530.2)

Condensed Consolidated Cash Flow Statement (unaudited)

For the 3 months ended 31 March

	3 months ended 31 March	
	2024	2023
	\$m	\$m
Cash flows from operating activities		
Operating profit/(loss)	5.9	(37.8)
Adjustments for:		
Depreciation, amortisation and impairments	102.0	104.4
Change in working capital	19.2	(55.6)
Other items	14.4	12.8
Cash generated from operations	141.5	23.8
Tax paid	(31.8)	(16.1)
Dividends received from associates	0.3	0.3
Interest received	3.2	4.0
Interest paid	(61.3)	(48.3)
Net cash inflow/(outflow) from operating activities	51.9	(36.3)
Cash flows from investing activities		
Acquisition of subsidiaries	-	(1.8)
Deferred and contingent consideration paid	(0.3)	-
Proceeds on disposal of property, plant and equipment	0.5	-
Purchases of property, plant and equipment	(6.4)	(11.3)
Purchases of intangible assets	(28.2)	(32.5)
Net cash used in investing activities	(34.4)	(45.6)
Cash flows from financing activities		
Repayment of capital element of obligations under leases	(11.0)	(16.4)
Proceeds from borrowings	110.8	204.1
Repayment of borrowings	(168.0)	(150.0)
Dividends paid to non-controlling interests in subsidiaries	(1.9)	(2.2)
Net cash (used in) / provided by financing activities	(70.1)	35.5
Net decrease in cash and cash equivalents	(52.6)	(46.4)
Effect of foreign exchange rate differences	(5.9)	(3.1)
Cash and cash equivalents at the beginning of the period	264.9	287.5
Cash and cash equivalents at the end of the period	206.4	238.0

Notes to the Condensed Consolidated financial statements (unaudited)

For the 3 months ended 31 March 2024

1. General information

Kantar Global Holdings S.à r.l. (the "Company") is a limited company incorporated in the Grand Duchy of Luxembourg with its registered office at 4, rue Lou Hemmer, L-1748 Luxembourg-Senningerberg. The Company was first registered on 13 September 2019 and undertook no significant activities until it commenced the acquisition of a 60% interest in the Kantar business from WPP Plc on 5 December 2019. WPP Plc retains approximately 40% interest in the Kantar business acquired.

The Company's immediate parent company is Bain Capital Europe V, S.à r.l. SICAV – RAIF, an investment fund incorporated in Luxembourg, and its ultimate controlling party is Bain Capital Europe Fund V, SCSp, a partnership established in Luxembourg.

The Unaudited Interim Condensed Financial Statements (the "interim financial statements") of Kantar Global Holdings S.à r.l. and its subsidiaries (the "Group") cover the three months period ended 31 March 2024. The comparative information covers the three months period ended 31 March 2023 and the Consolidated Statement of Financial Position as at 31 December 2023.

2. Basis of preparation and principal accounting policies

These interim financial statements of the Group as at 31 March 2024 and for the three months ended, are presented in millions of US Dollars, rounded to the nearest hundred thousand, except as otherwise stated, and have been prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting. They should be read in conjunction with the Annual Report and Accounts 2023 which were prepared in accordance with International Financial Reporting Standards as adopted in the European Union ("IFRS") (the "annual consolidated financial statements").

The accounting policies applied for the interim financial statements as at 31 March 2024 do not differ from those applied in the annual consolidated financial statements, except for the adoption of new standards effective from 1 January 2024.

The following Amendments to IFRSs, which apply for the first time in 2024, have been adopted in these interim financial statements.

- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 Presentation of Financial Statements: Non-current Liabilities with Covenants
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements

2. Basis of preparation and principal accounting policies (continued)

With the exception of additional disclosures made in note 6 "Borrowings" regarding Non-current liabilities with covenants, the application of these amendments has not had any material impact on the disclosures or amounts reported for the current and prior periods but may affect the accounting and disclosures for future transactions or arrangements. At the date of authorisation of these interim financial statements, certain Standards and Amendments, which have not been applied, were in issue but not yet effective. The impact assessment for those Standards and Amendments is in progress. In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the annual consolidated financial statements.

3. Revenue

Revenue by geography:

	3 months ended 31 March	
	2024	2023
	\$m	\$m
Asia Pacific	142.3	149.1
Continental Europe	187.8	163.3
United Kingdom	97.3	115.3
Latin America	74.0	70.7
Middle East and Africa	25.6	26.2
North America	177.4	198.2
	704.4	722.8

Revenue by division:

	3 months ended 31 March	
	2024	2023
	\$m	\$m
Insights	423.5	426.2
Profiles	25.0	31.1
Worldpanel	89.3	84.9
Numerator	60.1	51.7
Kantar Media	106.5	104.1
Vivvix	-	24.8
	704.4	722.8

4. Costs of services and general administrative costs

	3 months ended 31 March	
	2024	2023
	\$m	\$m
Costs of services	596.7	630.4
General and administrative costs	101.8	130.2
	698.5	760.6
Costs of services and general and administrative costs include:		
Staff costs	365.4	395.6
Establishment costs	24.0	26.1
Data collection pass-through costs	125.8	142.7
Other costs of services and general and administrative costs	183.3	196.2
Total costs of services and general and administrative costs	698.5	760.6
Included in the costs above are:		
Acquisition and disposal related costs	10.9	23.1
Restructuring and transformation costs	6.3	22.6
Amortisation of other intangible assets	82.2	81.9
Impairment of other intangible assets	0.2	-
Depreciation of property, plant and equipment	8.3	7.6
Depreciation of right-of-use assets	11.3	14.2
Short-term lease expense	0.6	1.3
Variable lease expense	2.5	3.2
Reversal of loss allowances on trade receivables	(0.4)	(10.2)
Net foreign exchange loss	6.6	6.8

5. Finance costs and revaluation of financial instruments

	3 months ended 31 March	
	2024	2023
	\$m	\$m
Finance income		
Interest income	7.5	4.0
Gain on debt modification	30.5	-
Foreign exchange gain on financing activities	5.1	-
	43.1	4.0
Finance costs		
Interest expense and similar charges	(92.8)	(80.2)
Interest expense related to lease liabilities	(4.2)	(3.5)
Interest expense related to defined benefit plans	(0.2)	(0.3)
Unwinding of discounts on provisions	(0.5)	(3.8)
Foreign exchange gain on financing activities	-	0.2
	(97.7)	(87.6)
Revaluation of financial instruments		
Revaluation gain/(loss) on derivatives	0.2	(1.7)

6. Borrowings

		At 31 March 2024		At 31 December 2023	
		Carrying	Fair	Carrying	Fair
		Value	Value	Value	Value
		\$m	\$m	\$m	\$m
Current	<u>Maturity</u>				
Senior Term loan USD Term SOFR (0% floor) plus margin	Feb-29*	7.5	7.5	3.5	3.5
Senior Term loan USD Term SOFR (0.75% floor) plus margin	Dec-26	1.0	1.0	5.0	5.0
Loan from WPP Plc BoE rate plus Margin	Dec-27	1.8	1.8	1.8	1.7
		10.3	10.3	10.3	10.2
Bank overdrafts		361.5	361.5	201.1	201.1
		371.8	371.8	211.4	211.3
Non-current	<u>Maturity</u>				
Revolving Credit Facility (0% floor) plus margin	Jun-26 & Aug-28*	-	-	166.7	166.7
Senior Term loan USD Term SOFR (0% floor) plus margin	Feb-29*	695.1	735.5	321.5	327.9
Senior Term loan USD Term SOFR (0.75% floor) plus margin	Dec-26	95.7	97.5	476.3	476.5
Senior Term loan EURIBOR (0% floor) plus margin	Feb-29*	1,271.2	1,326.0	1,211.1	1,242.0
Senior Secured Notes 5.50% fixed	Oct-26	419.0	404.8	418.5	399.0
Senior Secured Notes 5.75% fixed	Oct-26	1,072.1	1,056.8	1,095.9	1,055.2
Senior Notes 9.25% fixed	Oct-27	455.0	446.6	464.9	419.9
Vista Loan Note payable	Jul-41	181.5	275.0	181.5	177.9
Loan from WPP Plc BoE rate plus Margin	Dec-27	5.5	4.1	5.5	4.2
Loans from Bain Capital companies 1.69% fixed	Jun-28	44.5	23.7	44.5	21.0
Yield Free PECs issued to WPP Plc	Dec-50	3.7	3.7	3.7	3.7
Yield Free PECs issued to Bain Capital companies	Dec-50	6.0	6.0	6.0	6.0
		4,249.3	4,379.7	4,396.1	4,300.0

*These maturity dates are subject to a springing maturity mechanism, which could bring forward the maturity date of these facilities. The operation of this mechanism is dependent on certain conditions linked to the Senior Notes, Senior Secured Notes and the B2 USD term loan not having been refinanced by certain time periods prior to their maturity dates. This does not affect the classification of any of the loans as current or non-current at 31 March 2024.

Debt Modification

On 15 February 2024, the B3 EUR term loan had its term extended to February 2029, interest rate increased from 4.25% + EURIBOR to 4.5% + EURIBOR and an increase in its principal of €100 million, resulting in a revised facility of €1,235.0 million.

On 26 February 2024, the B USD term loan had its term extended to February 2029 and a principal increase of \$414.0 million, resulting in a revised facility of \$750.0 million. The B2 USD term loan had its principal balance decreased by \$389.4 million, resulting in a revised facility of \$99.3 million.

Both amendments were classified as non-significant and accounted for as a modification adjusting the carrying value of the existing liability. As a result, a gain on modification of \$30.5 million was recognised in profit or loss (see note 5).

The increase in principals was utilised to settle accrued interest of \$35.5 million, refinancing fees of \$21.5 million and \$75.6 million repayment of the RCF facility.

6. Borrowings (continued)

RCF Modification

On 15 February 2024, the Revolving Credit Facility was increased to \$410.0 million (including ancillary facilities) and of that, the maturity of \$254.5 million was extended to 15 August 2028. As at 31 March 2024, the remaining \$155.5 million retained a maturity date of 4 June 2026. Since 31 March 2024, the maturity of a further \$20.0 million has also been extended to 15 August 2028.

Financial covenant

At 31 March 2024, the carrying values, stated net of unamortised finance fees, of non-current loans subject to covenants was \$4,008.1 million (31 December 2023: \$3,988.2 million). This comprises the carrying values, in the above table, of Senior Term loans, Senior Secured Notes and Senior Notes.

There is a springing financial covenant (the Consolidated Senior Secured Net Leverage Ratio ("SSNLR") covenant) in favour of the revolving facility lenders under the Senior Facilities Agreement which is subject to testing each quarter only if the borrowings under the Revolving Credit Facility, net of all ancillary facilities, letters of credit, cash and cash equivalents, exceed 40% of the total commitment under the facility at the end of the quarter (the "Test Condition"). If the Test Condition is satisfied, this would trigger a test of the SSNLR covenant meaning that the ratio of Consolidated Senior Secured Net Debt to Covenant LTM Adjusted EBITDA (which is disclosed in our APM Net Debt and Leverage calculation on page 10) would have to remain less than 7.20x. If the 7.20x limit was breached then, under certain conditions and only if certain cure rights available to the Group are not exercised, enforcement actions could be initiated.

The Test Condition was not satisfied at 31 March 2024 and thus the SSNLR covenant did not require testing at that date. However, if the SSNLR covenant test had been required, then the Leverage (ratio of Consolidated Senior Secured Net Debt to Covenant LTM Adjusted EBITDA) at that date was 4.56x (see page 10) which was well below the 7.20x threshold. The Group does not anticipate any difficulty complying with either the Test Condition or the SSNLR covenant within 12 months of the reporting period and thus the loans have been classified as non-current.

7. Financial instruments at fair value

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	At 31 March 2024			At 31 December 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	\$m	\$m	\$m	\$m	\$m	\$m
Held at fair value through profit or loss						
Derivative assets	-	2.9	-	-	4.7	-
Derivative liabilities	-	(1.9)	-	-	(7.5)	-
Deferred and contingent consideration	-	-	(55.8)	-	-	(56.4)
Held at fair value through other comprehensive income						
Other investments	3.3	-	20.0	3.1	-	20.0
Derivative assets	-	38.9	-	-	41.7	-
Derivative liabilities	-	(1.4)	-	-	(1.7)	-

The fair values of financial assets and liabilities are based on quoted market prices where available. Where the market value is not available, the Group has estimated relevant fair values on the basis of publicly available information from outside sources. There have been no movements between the levels in the periods presented.

Reconciliation of level 3 fair value measurements:

	Other investments	Deferred and contingent consideration
	\$m	\$m
At 31 December 2023	20.0	56.4
Discount unwind	-	0.4
Utilised	-	(0.3)
Exchange adjustments	-	(0.7)
At 31 March 2024	20.0	55.8

8. Commitments

On 29 March 2024, the Group signed a ten-year agreement with a major technology group for the purchase of online and professional services that includes a minimum committed spend of \$700.0 million over the duration of the agreement. The commitment has been sized based on expected future requirements.

Certain defined terms

Certain terms are used herein as defined below:

- **Annual consolidated financial statements:** means Annual Report and Accounts 2023 of Kantar Global Holdings S.à r.l. and its subsidiaries;
- **BoE:** means Bank of England;
- **Company:** means Kantar Global Holdings S.à r.l., a private limited liability company (société à responsabilité limitée) incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 4, rue Lou Hemmer, L-1748 Luxembourg-Senningerberg and registered with the Luxembourg Register of Commerce and Companies (Registre de Commerce et des Sociétés du Luxembourg) under number B237802;
- **Interim financial statements:** means Unaudited Interim Condensed Consolidated Financial Statements of Kantar Global Holdings S.à r.l. and its subsidiaries;
- **Revolving Credit Facility:** means the \$410.0 million (equivalent) senior secured revolving credit facility established under the Senior Facilities Agreement, together with any ancillary facilities;
- **ROW Bidco:** means Summer (BC) Holdco B S.à r.l., a private limited liability company (société à responsabilité limitée) incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 4, rue Lou Hemmer, L-1748 Luxembourg-Senningerberg and registered with the Luxembourg Register of Commerce and Companies (Registre de Commerce et des Sociétés du Luxembourg) under number B235548;
- **ROW Holdco:** means Summer (BC) Holdco A S.à r.l., a private limited liability company (société à responsabilité limitée) incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 4, rue Lou Hemmer, L-1748 Luxembourg-Senningerberg and registered with the Luxembourg Register of Commerce and Companies (Registre de Commerce et des Sociétés du Luxembourg) under number B235472;
- **Senior Facilities:** means, together, the Senior Term Loans and the Revolving Credit Facility;
- **Senior Notes:** means the €428.0 million aggregate principal amount of 9.25% Senior Notes due 2027 issued on 30 October 2019 by ROW Holdco;
- **Senior Secured Notes:** means the €1,000.0 million aggregate principal amount of 5.75% Senior Secured Notes issued on 30 October 2019 by ROW Bidco and the \$425.0 million aggregate principal amount of 5.50% Senior Secured Notes issued on 1 July 2021 by US Bidco;
- **Senior Term Loans:** means the euro-denominated and US dollar-denominated senior secured term facilities established under the Senior Facilities Agreement;
- **Shareholders' Agreement:** means the Securityholders Agreement dated 30 March 2020;
- **US Bidco:** means Summer (BC) Bidco B LLC, a limited liability company formed in the State of Delaware and registered with the Secretary of State for the State of Delaware under no. 7475393 with registered office at Suite 302, 4001 Kennett Pike, Wilmington, Delaware 19807; and
- **WPP:** means WPP plc (registered number 111714), a public limited company incorporated in Jersey, with registered office at 13 Castle Street, St Helier, Jersey JE1 1ES.

In addition to the terms defined above, the terms **"Group"**, **"Kantar"**, **"the Kantar Group"**, **"we"**, **"our"** and **"us"** mean, as the context requires, Kantar Group Holdings S.à r.l., and its subsidiaries.

Forward-looking statements and risk factors

Various statements contained in this report constitute “forward-looking statements” within the meaning of the securities laws of certain applicable jurisdictions. All statements other than statements of historical fact included in this report, including, without limitation, statements regarding our future financial position and results of operation, trends or developments affecting our financial condition and results of operation or the markets in which we operate, strategy, outlook and growth prospects, anticipated investments, costs and results, future plans and potential for growth, projects to enhance efficiency, impact of governmental regulations or actions, competition in areas of our business, litigation outcomes and timetables, future capital expenditures, liquidity requirements, capital resources, the successful integration of acquisitions and objectives of management for future operations or plans to launch new or expand existing operations, may be deemed to be forward-looking statements. When used in this report, the words “believe,” “anticipate,” “should,” “intend,” “assume,” “plan,” “may,” “will,” “expect,” “estimate,” “positioned,” “strategy” and similar expressions may identify these forward-looking statements, but the absence of these words does not necessarily mean that a statement is not forward-looking. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements or industry results to be materially different from those contemplated, projected, forecasted, estimated or budgeted, whether expressed or implied, by these forward-looking statements.