

## **Kantar Global Holdings S.à. r.l.**

### **Unaudited results for the 6 months ended 30 June 2022**

Kantar Global Holdings S.à. r.l. ("Kantar," "the Group" or "the Company"), announces results for the 6 months to 30 June 2022.

|                                       | 6 months ended 30 June |         |        |        |
|---------------------------------------|------------------------|---------|--------|--------|
|                                       | H1 2022                | H1 2021 | Change | Change |
|                                       | \$m                    | \$m     | \$m    | %      |
| Gross Revenue (\$m) <sup>1,2</sup>    | <b>1,832</b>           | 1,745   | 88     | 5%     |
| Gross Margin (\$m) <sup>1</sup>       | <b>1,273</b>           | 1,207   | 66     | 6%     |
| Gross Margin % <sup>1</sup>           | <b>69.5%</b>           | 69.2%   | -      | 0.3ppt |
| Adjusted EBITDA (\$m) <sup>1</sup>    | <b>310</b>             | 293     | 18     | 6%     |
| Adjusted EBITDA Margin % <sup>1</sup> | <b>16.9%</b>           | 16.8%   | -      | 0.1ppt |
| Operating (loss)/profit (\$m)         | <b>(88)</b>            | 171     | (258)  | n.a.   |

Chris Jansen, Chief Executive said "The strength and diversity of our portfolio, both geographically and by expertise, helped us perform resiliently in a complex and challenging business environment in the first half of 2022. All across the world, our people have stayed focused on delivering for our customers, and our performance is testament to their effort. They have my sincerest thanks. The superior growth levels we achieved in our Worldpanel, Numerator and Profiles divisions, in particular, illustrate the importance of having a fundamental understanding of consumer behaviour and attitudes as clients navigate almost constant change. The strong performance of our Insights business highlighted the value we deliver in measuring and improving the performance of marketing spend when clients are closely monitoring every dollar of spend.

Across the first half of the year, we continued to make great progress in reshaping the company. Our portfolio has been strengthened both organically and through acquisition. During Cannes Lions we launched a suite of new offerings on Kantar Marketplace to make our creativity and media testing solutions available to a wider range of clients and introduced our Emerging Trends toolkit which applies AI and advanced analytics to forecast potential demand across consumer categories. The acquisition of Qmee was a strategically important moment for the company, ensuring our continued leadership in delivering the highest quality research in the market. Blackwood7 joined our Analytics Practice. Their expertise in marketing ROI measurement will significantly accelerate our product roadmap in that space and will be important to clients as they tightly manage their marketing spend. The pace of our growth and the strength of our underlying profitability also illustrates the sharpening commercial and operational edge we are developing as an organisation.

We continue to perform resiliently in the face of strengthening macro-economic headwinds. This highlights to me the mission-critical role we play in helping our clients. Understanding changing consumer behaviour and finding and executing against the growth opportunities available is fundamental to what they do, and we play a valued role for them. This, together with the commitment of our people and the excitement in our leadership team, which includes two new executive team members in Michael Uzielli, our Group CFO, and Will Bordelon leading the Americas, gives me confidence for the future."

<sup>1</sup> Please note the following:

a) This measure represents an Alternative Performance Measure (APM), please refer to pages 8-11 for definition and reconciliation between APM and condensed consolidated financial statements.

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

c) This measure is presented on a Pro Forma basis including acquisitions and excluding disposals from the time of acquisition or disposal along with the prior year comparatives. This means we have included 6 months of Numerator's results for 2021 and excluded 6 months of Health and Reputation Intelligence results for 2021.

<sup>2</sup> Gross revenue includes intercompany revenue between divisions.

## Financial highlights

- Gross revenue increased by 5% to \$1,832 million (H1 2021: \$1,745 million). Five of our six divisions showed growth versus 2021.
- Gross margin increased by 6% to \$1,273 million (H1 2021: \$1,207 million) as our growth in revenue was supported by our drive towards more direct cost efficiencies, such as the automation of our platforms.
- Adjusted EBITDA increased by 6% to \$310 million (H1 2021: \$293 million) with the growth in gross margin augmented by savings from our transformation agenda. This resulted in a 0.1ppt Adjusted EBITDA margin improvement to 16.9% (H1 2021: 16.8%).
- Operating loss was \$88 million (H1 2021: \$171 million operating profit) mainly driven by (\$177 million) in 2021 from the disposal of the Health division and the adverse impact in 2022 of the suspension of operations in Russia (\$53 million).

For further information go to:

[www.kantar.com](http://www.kantar.com)

## About Kantar

- Kantar is the world's leading marketing data and analytics company providing information and recommendations to clients, worldwide. We help clients understand people and inspire growth.
- By combining the expertise of our people, our data resources and benchmarks and our innovative analytics and technology, we help our clients understand their consumers, identify growth opportunities and execute against those opportunities.
- We have a complete, unique and rounded understanding of people around the world: how they think, feel and act; globally and locally in more than 130 markets.

# Operating and Financial Review

For the purpose of the Operating and Financial Review section of this report, the analysis of the Group's financial results and performance has been performed on a Pro Forma basis, including acquisitions and excluding disposals from the time of acquisition or disposal along with the prior year comparatives. This means we have included 6 months of Numerator's results for 2021 and excluded 6 months of Health and Reputation Intelligence results for 2021. We monitor divisional revenue on a gross basis i.e., inclusive of intercompany trading and therefore analyse group revenue on an aggregate basis. We provide commentary against constant currency exchange rates (see page 7) as we consider this more appropriate and meaningful. Some measures represent Alternative Performance Measures (APMs), please refer to pages 8-11 for definition and reconciliation between APM and condensed consolidated financial statements. Additionally, during 2022, the Consulting division merged with the Insights division.

6 months ended 30 June

|                                  | Constant Currency Rate |             |               |             | Actual Rate    |             |               |             |
|----------------------------------|------------------------|-------------|---------------|-------------|----------------|-------------|---------------|-------------|
|                                  | 2022<br>\$m            | 2021<br>\$m | Change<br>\$m | Change<br>% | 2022<br>\$m    | 2021<br>\$m | Change<br>\$m | Change<br>% |
| <b>Gross Revenue</b>             | <b>1,832.4</b>         | 1,744.8     | 87.6          | 5%          | <b>1,797.6</b> | 1,826.1     | (28.5)        | (2%)        |
| Direct Costs                     | <b>559.4</b>           | 537.6       | 21.8          | 4%          | <b>546.7</b>   | 593.9       | (47.2)        | (8%)        |
| <b>Gross Margin</b>              | <b>1,273.0</b>         | 1,207.2     | 65.8          | 6%          | <b>1,250.9</b> | 1,232.2     | 18.7          | 2%          |
| Gross Margin %                   | <b>69.5%</b>           | 69.2%       | -             | 0.3ppt      | <b>69.6%</b>   | 67.5%       | -             | 2.1ppt      |
| Staff Costs                      | <b>784.7</b>           | 750.4       | 34.3          | 5%          | <b>769.8</b>   | 766.5       | 3.3           | -           |
| General and Administrative Costs | <b>178.3</b>           | 164.3       | 14.0          | 9%          | <b>173.5</b>   | 163.5       | 10.0          | 6%          |
| <b>Adjusted EBITDA</b>           | <b>310.0</b>           | 292.5       | 17.5          | 6%          | <b>307.6</b>   | 302.2       | 5.4           | 2%          |

## Divisional Revenue:

|                                                               | 6 months ended 30 June |             |               |             |
|---------------------------------------------------------------|------------------------|-------------|---------------|-------------|
|                                                               | 2022<br>\$m            | 2021<br>\$m | Change<br>\$m | Change<br>% |
| <b>Divisions</b>                                              |                        |             |               |             |
| Insights                                                      | <b>1,011.5</b>         | 972.3       | 39.2          | 4%          |
| Profiles                                                      | <b>153.3</b>           | 140.7       | 12.6          | 9%          |
| Worldpanel                                                    | <b>188.0</b>           | 173.6       | 14.4          | 8%          |
| Numerator                                                     | <b>114.8</b>           | 98.3        | 16.5          | 17%         |
| Media                                                         | <b>262.9</b>           | 248.4       | 14.5          | 6%          |
| Public                                                        | <b>101.9</b>           | 111.5       | (9.6)         | (9%)        |
| <b>Divisional Gross Revenue</b>                               | <b>1,832.4</b>         | 1,744.8     | 87.6          | 5%          |
| Intercompany revenue – constant currency                      | <b>(237.0)</b>         | (211.3)     | (25.7)        | 12%         |
| <b>Divisional Net Revenue</b>                                 | <b>1,595.4</b>         | 1,533.5     | 62.0          | 4%          |
| Impact of acquisitions and disposals <sup>1</sup>             | -                      | 24.3        | (24.3)        | -           |
| FX – constant currency                                        | <b>(29.4)</b>          | 36.6        | (66.0)        | -           |
| <b>Revenue per Condensed Consolidated Statement of Income</b> | <b>1,566.0</b>         | 1,594.4     | (28.4)        | (2%)        |

<sup>1</sup>This means we have included 6 months of Numerator's results for 2021 and excluded 6 months of Health and Reputation Intelligence results for 2021. This is presented at constant currency exchange rates.

## Divisional Gross Revenue

Gross Revenue increased by \$87.6 million, or 5% from \$1,744.8 million in the six months ended 30 June 2021 to

\$1,832.4 million in the six months ended 30 June 2022. Five of our six divisions showed growth versus 2021. Strong client demand for behavioural data, continues in 2022 as our Worldpanel division grew by \$14.4 million or 8% and the Numerator division grew by \$16.6 million or 17%. The Media division grew by \$14.5 million or 6%, with growth across all offers. Our Profiles division grew by \$12.6 million or 9% as in a complex and uncertain macroeconomic climate, customers are increasingly focused on data quality in order to maximise ROI. Profiles is well placed to respond to this trend with the highest quality global panel in LifePoints and the market-leading fraud detection capability in Qmee. The Insights division grew by \$39.2 million or 4%, primarily driven by the Brand Performance and Media domains supported by investment in new product and offer. Our Public division declined \$9.6 million or 9%, driven by the wind-down of research in the UK around Covid-19 in support of the National Health Service home testing program. As previously announced, we have signed an agreement to sell the Public division which is expected to complete in Q3 2022.

### **Direct Costs**

Direct Costs, which are the costs of delivering our services, increased by \$21.8 million or 4% from \$537.6 million in the six months ended 30 June 2021, to \$559.4 million in the six months ended 30 June 2022, which was lower than the 5% increase in Gross Revenue.

### **Gross Margin**

Our Gross Margin as a percentage of Gross Revenue increased by 0.3ppt, as we continue to drive more efficiencies and automation via platforms and offers such as Kantar Marketplace, Worldpanel+ and HBG. We have also migrated a proportion of surveys from face to face to lower cost video, telephone, and online interviews. Overall, our Gross Margin increased by \$65.8 million or 6% from \$1,207.2 million in the six months ended 30 June 2021 to \$1,273.0 million in the six months ended 30 June 2022.

### **Staff Costs**

Staff Costs increased by \$34.3million or 5% from \$750.4 million in the six months ended 30 June 2021, to \$784.7 million in the six months ended 30 June 2022. This increase reflects an increase in headcount, from business growth as well as higher average salaries as we invest to retain and attract the best talent to Kantar.

### **General and Administrative Costs**

General and Administrative Costs increased by \$14.0 million or 9% from \$164.3 million in the six months ended 30 June 2021, to \$178.3 million in the six months ended 30 June 2022. This increase was primarily driven by an increase in our running costs related to our new growth platforms and IT infrastructure. In addition, travel costs have increased from lower levels during the Covid-19 restrictions.

### **Adjusted EBITDA**

Adjusted EBITDA increased by \$17.5 million or 6% from \$292.5 million in the six months ended 30 June 2021, to \$310.0 million in the six months ended 30 June 2022. This increase was primarily due to the increase in Gross Margin combined with the impact of savings from our long-term transformation plans.

### **Events in Ukraine and Russia**

As a result of events in Ukraine and the suspension of operations in Russia an impairment review was performed in March 2022. The carrying value of the assets of the cash-generating unit exceeded the recoverable amount by \$46.7 million and therefore impairments were recognised of which \$11.4 million related to Goodwill, \$13.8 million related to other intangible assets and \$21.5 million related to other balance sheet assets including cash and short-term deposits, trade and other receivables, investments in associates, property, plant and equipment and right-of-use assets.

## Senior Lender Net Debt

|                                            | As at 30 June  |                |
|--------------------------------------------|----------------|----------------|
|                                            | 2022           | 2021           |
|                                            | \$m            | \$m            |
| Cash and cash equivalents <sup>1</sup>     | 255.9          | 566.5          |
| Senior Facilities <sup>2</sup>             | 1,979.5        | 1,473.5        |
| Senior Secured Notes <sup>3</sup>          | 1,473.3        | 1,187.4        |
| <b>Total Senior Secured Net Debt</b>       | <b>3,196.9</b> | <b>2,094.4</b> |
| Senior Unsecured Notes <sup>3</sup>        | 448.7          | 507.8          |
| <b>Total Senior and Unsecured Net Debt</b> | <b>3,645.6</b> | <b>2,602.2</b> |
| Other debt <sup>4</sup>                    | 267.2          | 278.0          |
| <b>Senior Lender Net Debt</b>              | <b>3,912.8</b> | <b>2,880.2</b> |

For reconciliation between the Senior Lender net debt Alternative Performance Measure and Condensed Consolidated Statement of Financial Position please refer to page 11.

|                                        | 2022         | 2021           |
|----------------------------------------|--------------|----------------|
|                                        | \$m          | \$m            |
| Cash and cash equivalents <sup>1</sup> | 255.9        | 566.5          |
| Committed facilities <sup>5</sup>      | 268.8        | 421.2          |
| Uncommitted facilities <sup>6</sup>    | 47.9         | 42.2           |
| <b>Total Liquidity</b>                 | <b>572.6</b> | <b>1,029.9</b> |

1. Represents cash and cash equivalents net of overdrafts as at 30 June.
2. The Senior Facilities are comprised of the Senior Term Loans and the Revolving Credit Facility. The amount shown represents the U.S. 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 €950 million term loan B bearing interest at EURIBOR plus a 4.25% margin (subject to a margin ratchet), (ii) a \$341.3 million term loan B bearing interest at USD LIBOR plus 5.00% margin (subject to a margin ratchet), and (iii) a \$496.3 million term loan B2 bearing interest at USD LIBOR (floor of 0.75%) plus 4.50% margin (this term loan is not subject to a margin ratchet); each maturing in December 2026. The Revolving Credit Facility provides for \$400 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 3.500% (subject to a margin ratchet), and matures in June 2026. As at 30 June 2022 \$146.1 million was drawn down under the facility (30 June 2021: \$nil).
3. Represents the U.S. Dollar-equivalent of the aggregate principal amount of (i) the €1,000 million 5.750% Senior Secured Notes maturing 31 October 2026, (ii) the \$425 million 5.50% Senior Secured Notes maturing 31 October 2026 and (iii) the 9.250% Senior Notes maturing 31 October 2027, issued in an initial aggregate principal amount of €475 million, with €47 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.

The Group continues to assess its liquidity and operational needs and to evaluate capital markets and other financing options on an ongoing basis.

## Trade Working Capital

|                                       | Constant Currency |               |
|---------------------------------------|-------------------|---------------|
|                                       | As at 30 June     |               |
|                                       | 2022              | 2021          |
|                                       | \$m               | \$m           |
| Net Debtors <sup>1</sup>              | 344.3             | 341.0         |
| Accrued Revenue <sup>2</sup>          | 229.2             | 223.4         |
| Creditors incl. accruals <sup>3</sup> | (425.7)           | (394.6)       |
| Deferred Income <sup>4</sup>          | (320.7)           | (260.5)       |
| <b>Trade Working Capital</b>          | <b>(172.9)</b>    | <b>(90.7)</b> |

<sup>1</sup> Represents trade account receivables owed to the Group net of any allowance for doubtful accounts.

<sup>2</sup> Constitutes revenue recognised in advance of billings.

<sup>3</sup> Represents amounts owed to our suppliers including amounts accrued for that have not yet been invoiced.

<sup>4</sup> Constitutes revenue billed in advance of services being provided.

Trade Working Capital improved by \$82.2 million from negative (\$90.7) million as at 30 June 2021, to negative (\$172.9) million as at 30 June 2022. The major driver of the improvement was the increase in our deferred income by \$60.2 million mainly driven by the acquisition of Numerator in July 2021, due to a high level of upfront billing.

## Capital Expenditure

|                                                                            | Constant Currency      |             |
|----------------------------------------------------------------------------|------------------------|-------------|
|                                                                            | 6 months ended 30 June |             |
|                                                                            | 2022                   | 2021        |
|                                                                            | \$m                    | \$m         |
| Purchases of property, plant and equipment                                 | 2.7                    | 3.1         |
| Purchases of other intangible assets (incl. capitalised computer software) | 63.2                   | 37.1        |
| <b>Capital Expenditure</b>                                                 | <b>65.9</b>            | <b>40.2</b> |

Capital Expenditure increased by \$25.7 million, or 64% from \$40.2 million in the six months ended 30 June 2021, to \$65.9 million in the six months ended 30 June 2022. This increase was due to upgrading our product platforms and improving our back-office operations.

## Presentation of financial and other information

### Constant Currency and Actual Rates

We present certain financial measures on a constant currency basis in U.S. Dollars. These constant currency measures eliminate the effect of fluctuations in the exchange rates we use in the translation of our non-U.S. denominated sales into U.S. Dollars by assuming that exchange rates were constant in all periods. For financial information for the period ended 30 June 2022 and 2021, we use the budgeted constant currency rate for the year ended 31 December 2022, which is prepared on a forward-looking basis. We additionally show financial information for the period ended 30 June 2022 at the actual exchange rates calculated by taking the income statements of foreign subsidiary undertakings translated into U.S. Dollars at average exchange rates and the net assets of these companies translated at exchange rates as of 30 June 2022. The discussion and analysis of the financial information presented in "Operating and Financial Review" is presented in U.S. Dollars on a constant currency basis, other than as specified. We believe that these measures facilitate an understanding of the economic performance of our operations.

|            | <b>Constant Currency<br/>Rate per U.S. Dollar</b> | <b>30 June 2022 Actual<br/>Rate per U.S. Dollar</b> |
|------------|---------------------------------------------------|-----------------------------------------------------|
| <b>EUR</b> | 0.86                                              | 0.92                                                |
| <b>GBP</b> | 0.74                                              | 0.77                                                |
| <b>INR</b> | 77.04                                             | 76.24                                               |
| <b>CNY</b> | 6.67                                              | 6.48                                                |
| <b>BRL</b> | 5.48                                              | 5.08                                                |
| <b>AUD</b> | 1.37                                              | 1.39                                                |

# Alternative Performance Measures

The Group has presented a number of Alternative Performance Measures (“APMs”), which are used in addition to IFRS statutory performance measures. The Group believes that these APMs, which are not considered to be a substitute for or superior to IFRS 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.

Our APMs are explained on the pages that follow.

## Adjusted EBITDA

### Definition

We define Adjusted EBITDA as loss for the period before: (i) taxation; (ii) finance income; (iii) finance costs; (iv) revaluation of financial instruments; (v) share of results of associates; (vi) acquisition and disposal related costs, including costs for aborted deals and deal costs not capitalised; (vii) restructuring and transformation costs, including shareholder consulting costs and investment write-downs; (viii) amortisation of intangible assets; (ix) impairment of goodwill and other intangible assets; (x) depreciation of property, plant and equipment; (xi) depreciation of right-of-use assets; (xii) gains/(losses) on disposal of investments and subsidiaries; (xiii) share-based payment charges and associated costs and other adjusting items; Adjusting items are material items that are not indicative of trading performance by management by virtue of their size and/or incidence. This is presented at actual reported and constant currency exchange rates.

Adjusted EBITDA is presented including acquisitions and excluding disposals from the time of acquisition or disposal along with the prior year comparatives. This means we have included 6 months of Numerator’s results for 2021 and excluded 6 months of Health and Reputation Intelligence results for 2021. This is presented at constant currency exchange rates.

### Purpose

The Group believes that Adjusted EBITDA at actual rates and Adjusted EBITDA at constant currency facilitate comparisons of operating performance from period to period and company to company by eliminating potential differences caused by variations in capital structures (affecting interest and finance charges), tax positions (such as the impact of changes in effective tax rates or net operating losses) and the age and booked depreciation and amortisation of assets. The Group excludes certain items from Adjusted EBITDA, because it believes they are not indicative of trading performance.



## Reconciliation between APM and Condensed consolidated financial statements:

| 6 months ended 30 June                                                               |      |                |             |
|--------------------------------------------------------------------------------------|------|----------------|-------------|
|                                                                                      | Note | 2022<br>\$m    | 2021<br>\$m |
| <b>Loss for the Period</b>                                                           |      | <b>(227.0)</b> | (2.9)       |
| Add back:                                                                            |      |                |             |
| Taxation                                                                             |      | (17.5)         | 56.7        |
| Finance income                                                                       |      | (3.8)          | (1.8)       |
| Finance costs                                                                        |      | 169.1          | 113.0       |
| Revaluation of financial instruments                                                 |      | (4.1)          | 10.8        |
| <b>(Loss)/profit before interest and taxation</b>                                    |      | <b>(83.3)</b>  | 175.8       |
| Add back:                                                                            |      |                |             |
| Share of results of associates                                                       |      | (4.2)          | (4.9)       |
| <b>Operating (loss)/profit per the Condensed Consolidated Statement of Income</b>    |      | <b>(87.5)</b>  | 170.9       |
| Add back:                                                                            |      |                |             |
| Acquisition and disposal related costs                                               | 4    | 47.2           | 23.8        |
| Restructuring and transformation costs                                               | 4    | 72.5           | 114.2       |
| Amortisation of other intangible assets                                              | 4    | 143.5          | 113.4       |
| Depreciation of property, plant and equipment                                        | 4    | 19.1           | 21.1        |
| Depreciation of right-of-use assets                                                  | 4    | 31.8           | 33.4        |
| Loss/(gain) on disposal of subsidiaries                                              | 4    | 11.0           | (177.1)     |
| Expenses in connection with events in Ukraine and suspension of activities in Russia | 4    | 52.7           | -           |
| Other items                                                                          |      | 17.3           | 2.0         |
| <b>Adjusted EBITDA – actual exchange rates</b>                                       |      | <b>307.6</b>   | 301.7       |
| FX – constant currency                                                               |      | 2.4            | (9.2)       |
| <b>Adjusted EBITDA – constant currency</b>                                           |      | <b>310.0</b>   | 292.5       |

## Gross Revenue

### Definition

We define Gross Revenue as revenue, including acquisitions and excluding disposals from the time of acquisition or disposal along with the prior year comparatives, and including intercompany revenue. This is presented at constant currency exchange rates. We monitor divisional performance on a gross basis i.e., inclusive of intercompany revenue, and therefore analyse group performance on an aggregate basis.

| 6 months ended 30 June                                        |                |             |               |             |
|---------------------------------------------------------------|----------------|-------------|---------------|-------------|
|                                                               | 2022<br>\$m    | 2021<br>\$m | Change<br>\$m | Bridge<br>% |
| <b>Revenue per Condensed Consolidated Statement of Income</b> | <b>1,566.0</b> | 1,594.4     | (28.4)        | (1.8%)      |
| Intercompany revenue at constant currency                     | 237.0          | 211.3       | 25.7          | 1.5%        |
| Impact of acquisitions and disposals <sup>1</sup>             | -              | (24.3)      | 24.3          | 1.4%        |
| FX – constant currency                                        | 29.4           | (36.6)      | 66.0          | 3.9%        |
| <b>Gross Revenue</b>                                          | <b>1,832.4</b> | 1,744.8     | 87.6          | 5.0%        |

<sup>1</sup>This means we have included 6 months of Numerator's results for 2021 and excluded 6 months of Health and Reputation Intelligence results for 2021. This is presented at constant currency exchange rates.

## Gross Margin

### Definition

We define Gross Margin as Gross Revenue after Direct Costs. We define Direct Costs as third party and internal costs as well as other services which directly relate to the services delivered to clients and inclusive of intercompany costs. Costs comprise fieldwork costs including online face to face and telephone, survey scripting and data processing, external data acquisition costs, billable travel, panel recruitment costs and panelist incentives for panelists who complete surveys.

|                                                                    | 6 months ended 30 June |         |
|--------------------------------------------------------------------|------------------------|---------|
|                                                                    | 2022                   | 2021    |
|                                                                    | \$m                    | \$m     |
| <b>Gross Profit per Condensed Consolidated Statement of Income</b> | <b>203.9</b>           | 199.2   |
| Add back:                                                          |                        |         |
| Depreciation of property, plant and equipment                      | 7.4                    | 8.7     |
| Depreciation of right-of-use assets                                | 31.8                   | 33.4    |
| Amortisation of other intangible assets                            | 100.0                  | 80.1    |
| Indirect staff costs                                               | 853.5                  | 854.4   |
| Other items <sup>1</sup>                                           | 54.3                   | 56.4    |
| <b>Gross Margin – actual exchange rates</b>                        | <b>1,250.9</b>         | 1,232.2 |
| Impact of acquisitions and disposals <sup>2</sup>                  | –                      | 13.6    |
| FX – constant currency                                             | 22.1                   | (38.6)  |
| <b>Gross Margin – constant currency</b>                            | <b>1,273.0</b>         | 1,207.2 |

<sup>1</sup> Includes property, development and other costs.

<sup>2</sup> This means we have included 6 months of Numerator's results for 2021 and excluded 6 months of Health and Reputation Intelligence results for 2021. This is presented at constant currency exchange rates.

## Net debt and covenant leverage

### Definition

Net debt is calculated as non-current and current loans, and long-term and short-term lease liabilities less adjusted cash. Covenant leverage is calculated as net debt divided by last twelve months (LTM) covenant Adjusted EBITDA.

### Purpose

Net debt is a measure of the Group's net indebtedness that provides an indicator of overall balance sheet strength. It is also a single measure that can be used to assess both the Group's cash position and its indebtedness. Net leverage is used to show how many years it would take for a company to pay back its debt if net debt and Adjusted EBITDA are held constant.

Consolidated Senior Secured Net Debt on 30 June 2022 was \$3,186.8 million and LTM Adjusted EBITDA for the Relevant Period was \$756.1 million. As at 30 June 2022, Consolidated Senior Secured Net Debt was 4.21 times LTM Adjusted EBITDA. The impact of Russia and Ukraine Adjusted EBITDA and cash balances on covenant leverage is immaterial.

|                                                                | Cash and short-term deposits |                | Debt           |                | Net Debt (excl. Lease liabilities) |                | Lease Liabilities and other debt |              | Net Debt (incl. Lease liabilities) |                |
|----------------------------------------------------------------|------------------------------|----------------|----------------|----------------|------------------------------------|----------------|----------------------------------|--------------|------------------------------------|----------------|
|                                                                | 30 June 2022                 | 30 June 2021   | 30 June 2022   | 30 June 2021   | 30 June 2022                       | 30 June 2021   | 30 June 2022                     | 30 June 2021 | 30 June 2022                       | 30 June 2021   |
|                                                                | \$m                          | \$m            | \$m            | \$m            | \$m                                | \$m            | \$m                              | \$m          | \$m                                | \$m            |
| Condensed Consolidated Statement of Financial Position         | (444.9)                      | (1,534.6)      | 4,176.2        | 3,788.5        | 3,731.3                            | 2,253.9        | 256.7                            | 264.1        | 3,988.0                            | 2,518.0        |
| Reclassification of Bank Overdrafts                            | 136.4                        | 619.3          | (136.4)        | (619.3)        | -                                  | -              | -                                | -            | -                                  | -              |
| Reclassification of WPP Plc loan                               | -                            | -              | (10.6)         | (13.9)         | (10.6)                             | (13.9)         | 10.6                             | 13.9         | -                                  | -              |
| Unamortised debt-issuance costs deducted from borrowings       | -                            | -              | 99.0           | 88.8           | 99.0                               | 88.8           | -                                | -            | 99.0                               | 88.8           |
| Outside the Senior Lenders' perimeter <sup>1</sup>             | 52.6                         | 348.8          | (226.8)        | (75.4)         | (174.2)                            | 273.4          | -                                | -            | (174.2)                            | 273.4          |
| <b>Senior Lender Net Debt</b>                                  | <b>(255.9)</b>               | <b>(566.5)</b> | <b>3,901.4</b> | <b>3,168.7</b> | <b>3,645.5</b>                     | <b>2,602.2</b> | <b>267.3</b>                     | <b>278.0</b> | <b>3,912.8</b>                     | <b>2,880.2</b> |
| Outside the Senior Lenders' perimeter <sup>1</sup>             | 1.4                          | 1.0            | (448.6)        | (508.7)        | (447.2)                            | (507.7)        |                                  |              |                                    |                |
| Pro forma adjustments per the covenant definition <sup>2</sup> | (11.5)                       | 87.2           | -              | 925.0          | (11.5)                             | 1,012.2        |                                  |              |                                    |                |
| Retranslation at LTM FX rates                                  | -                            | 6.0            | -              | 12.0           | -                                  | 18.0           |                                  |              |                                    |                |
| <b>Consolidated Senior Secured Net Debt</b>                    | <b>(266.0)</b>               | <b>(472.3)</b> | <b>3,452.8</b> | <b>3,597.0</b> | <b>3,186.8</b>                     | <b>3,124.7</b> |                                  |              |                                    |                |
| Covenant LTM Adjusted EBITDA                                   |                              |                |                |                | 756.1                              | 814.0          |                                  |              |                                    |                |
| Covenant leverage                                              |                              |                |                |                | 4.21x                              | 3.84x          |                                  |              |                                    |                |

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

<sup>2</sup> Pro forma adjustments relate to the definitions within the Senior Facilities Agreement dated 26 November 2019 (amended 30 November 2021).

|                                                                                   | \$m          |
|-----------------------------------------------------------------------------------|--------------|
| <b>LTM Adjusted EBITDA</b>                                                        | <b>617.0</b> |
| Impact of acquisitions and disposals                                              | (21.5)       |
| Other adjustments per the Covenant Definition of LTM Adjusted EBITDA <sup>1</sup> | 17.6         |
| Dividends Received from Associates                                                | 11.0         |
| Run-rate Adjustment <sup>2</sup>                                                  | 132.0        |
| <b>Covenant LTM Adjusted EBITDA</b>                                               | <b>756.1</b> |

<sup>1</sup> 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.

<sup>2</sup> 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 6 months ended 30 June

|                                                                                      |       | 6 months ended 30 June |           |
|--------------------------------------------------------------------------------------|-------|------------------------|-----------|
|                                                                                      |       | 2022                   | 2021      |
|                                                                                      | Notes | \$m                    | \$m       |
| Revenue                                                                              | 3     | 1,566.0                | 1,594.4   |
| Cost of services                                                                     | 4     | (1,362.1)              | (1,395.2) |
| <b>Gross profit</b>                                                                  |       | <b>203.9</b>           | 199.2     |
| General and administrative costs                                                     | 4     | (291.4)                | (28.3)    |
| <b>Operating (loss)/profit</b>                                                       |       | <b>(87.5)</b>          | 170.9     |
| Share of results of associates                                                       |       | 4.2                    | 4.9       |
| <b>(Loss)/profit before interest and taxation</b>                                    |       | <b>(83.3)</b>          | 175.8     |
| Finance income                                                                       | 5     | 3.8                    | 1.8       |
| Finance costs                                                                        | 5     | (169.1)                | (113.0)   |
| Revaluation of financial instruments                                                 | 5     | 4.1                    | (10.8)    |
| <b>(Loss)/profit before taxation</b>                                                 |       | <b>(244.5)</b>         | 53.8      |
| Taxation                                                                             |       | 17.5                   | (56.7)    |
| <b>Loss for the period</b>                                                           |       | <b>(227.0)</b>         | (2.9)     |
| Other comprehensive income/(expense):                                                |       |                        |           |
| <b>Items that may be reclassified subsequently to profit or loss:</b>                |       |                        |           |
| Currency translation adjustment                                                      |       | 122.4                  | 44.9      |
| Fair value movements on derivatives in effective hedge relationships                 |       | 34.7                   | 3.8       |
| Movement on equity investments held at fair value through other comprehensive income |       | (14.3)                 | -         |
| <b>Other comprehensive income for the period</b>                                     |       | <b>142.8</b>           | 48.7      |
| <b>Total comprehensive (loss)/income for the period</b>                              |       | <b>(84.2)</b>          | 45.8      |
| <b>Loss attributable to:</b>                                                         |       |                        |           |
| Equity holders of the parent                                                         |       | (143.3)                | (8.4)     |
| Non-controlling interests                                                            |       | (83.7)                 | 5.5       |
| <b>Loss for the period</b>                                                           |       | <b>(227.0)</b>         | (2.9)     |
| <b>Total comprehensive loss attributable to:</b>                                     |       |                        |           |
| Equity holders of the parent                                                         |       | (55.6)                 | 21.2      |
| Non-controlling interests                                                            |       | (28.6)                 | 24.6      |
| <b>Total comprehensive (loss)/income for the period</b>                              |       | <b>(84.2)</b>          | 45.8      |

# Condensed Consolidated Statement of Financial Position

## (unaudited)

As at 30 June 2022

|                                                                         | Notes | 30 June<br>2022<br>\$m | 31 December<br>2021<br>\$m |
|-------------------------------------------------------------------------|-------|------------------------|----------------------------|
| <b>Non-current assets</b>                                               |       |                        |                            |
| Goodwill                                                                |       | 2,571.5                | 2,627.3                    |
| Other intangible assets                                                 |       | 2,123.9                | 2,307.8                    |
| Property, plant and equipment                                           |       | 117.8                  | 122.4                      |
| Right-of-use assets                                                     |       | 231.1                  | 261.5                      |
| Interests in associates                                                 |       | 84.3                   | 95.8                       |
| Other investments                                                       |       | 7.7                    | 22.0                       |
| Corporate income tax recoverable                                        |       | 12.0                   | 16.0                       |
| Deferred tax assets                                                     |       | 50.3                   | 55.3                       |
| Trade and other receivables                                             |       | 14.5                   | 12.6                       |
|                                                                         |       | <b>5,213.1</b>         | <b>5,520.7</b>             |
| <b>Current assets</b>                                                   |       |                        |                            |
| Corporate income tax recoverable                                        |       | 20.6                   | 24.6                       |
| Trade and other receivables                                             |       | 808.9                  | 846.0                      |
| Cash and short-term deposits                                            |       | 444.9                  | 689.0                      |
| Assets classified as held for sale                                      | 7     | 164.1                  | 64.8                       |
|                                                                         |       | <b>1,438.5</b>         | <b>1,624.4</b>             |
| <b>Current liabilities</b>                                              |       |                        |                            |
| Loans payable                                                           | 6     | (10.3)                 | (10.4)                     |
| Trade and other payables                                                |       | (1,312.0)              | (1,542.6)                  |
| Corporate income tax payable                                            |       | (94.5)                 | (127.6)                    |
| Bank overdrafts                                                         | 6     | (136.4)                | (153.0)                    |
| Short-term lease liabilities                                            |       | (53.6)                 | (55.3)                     |
| Liabilities directly associated with assets classified as held for sale | 7     | (49.1)                 | (48.7)                     |
|                                                                         |       | <b>(1,655.9)</b>       | <b>(1,937.6)</b>           |
| <b>Net current liabilities</b>                                          |       | <b>(217.4)</b>         | <b>(313.2)</b>             |
| <b>Total assets less current liabilities</b>                            |       | <b>4,995.7</b>         | <b>5,207.5</b>             |
| <b>Non-current liabilities</b>                                          |       |                        |                            |
| Loans payable                                                           | 6     | (4,029.5)              | (4,085.2)                  |
| Trade and other payables                                                |       | (46.3)                 | (18.3)                     |
| Deferred tax liabilities                                                |       | (385.7)                | (430.9)                    |
| Provision for post-employment benefits                                  |       | (41.2)                 | (42.7)                     |
| Provisions and other liabilities                                        |       | (216.1)                | (228.4)                    |
| Long-term lease liabilities                                             |       | (203.1)                | (227.9)                    |
|                                                                         |       | <b>(4,921.9)</b>       | <b>(5,033.4)</b>           |
| <b>Net assets</b>                                                       |       | <b>73.8</b>            | <b>174.1</b>               |
| <b>Equity</b>                                                           |       |                        |                            |
| Share capital                                                           |       | 18.2                   | 19.7                       |
| Share premium                                                           |       | 477.3                  | 518.0                      |
| Retained losses                                                         |       | (561.8)                | (430.6)                    |
| Translation reserve                                                     |       | 53.2                   | (64.4)                     |
| <b>Equity attributable to owners of the Company</b>                     |       | <b>(13.1)</b>          | <b>42.7</b>                |
| Non-controlling interests                                               |       | 86.9                   | 131.4                      |
| <b>Total equity</b>                                                     |       | <b>73.8</b>            | <b>174.1</b>               |

# Condensed Consolidated Statement of Changes in Equity (unaudited)

For the 6 months ended 30 June

|                                                                                                | Called-up<br>Share<br>capital<br>\$m | Share<br>premium<br>\$m | Translation<br>reserve<br>\$m | Retained<br>losses<br>\$m | Total<br>shareholder's<br>equity<br>\$m | Non-<br>controlling<br>interests<br>\$m | Total<br>equity<br>\$m |
|------------------------------------------------------------------------------------------------|--------------------------------------|-------------------------|-------------------------------|---------------------------|-----------------------------------------|-----------------------------------------|------------------------|
| <b>Balance at<br/>1 January 2021</b>                                                           | <b>6.6</b>                           | <b>426.1</b>            | <b>(164.4)</b>                | <b>(305.0)</b>            | <b>(36.7)</b>                           | <b>40.8</b>                             | <b>4.1</b>             |
| Ordinary shares issued                                                                         | 14.1                                 | 127.2                   | -                             | -                         | 141.3                                   | -                                       | 141.3                  |
| Contribution from<br>minority shareholders                                                     | -                                    | -                       | -                             | -                         | -                                       | 151.5                                   | 151.5                  |
| Acquisition of minority<br>interests                                                           | -                                    | -                       | -                             | (2.1)                     | (2.1)                                   | (0.3)                                   | (2.4)                  |
| Disposal of subsidiaries                                                                       | -                                    | -                       | 0.1                           | -                         | 0.1                                     | -                                       | 0.1                    |
| Profit/(loss) for the period                                                                   | -                                    | -                       | -                             | (8.4)                     | (8.4)                                   | 5.5                                     | (2.9)                  |
| Currency translation<br>adjustments                                                            | (0.3)                                | (12.5)                  | 40.1                          | -                         | 27.3                                    | 17.6                                    | 44.9                   |
| Fair value movements on<br>derivatives in effective<br>hedge relationships                     | -                                    | -                       | -                             | 2.3                       | 2.3                                     | 1.5                                     | 3.8                    |
| Other comprehensive<br>income for the period                                                   | (0.3)                                | (12.5)                  | 40.1                          | 2.3                       | 29.6                                    | 19.1                                    | 48.7                   |
| <b>Total comprehensive<br/>income for the period</b>                                           | <b>(0.3)</b>                         | <b>(12.5)</b>           | <b>40.1</b>                   | <b>(6.1)</b>              | <b>21.2</b>                             | <b>24.6</b>                             | <b>45.8</b>            |
| Dividends paid                                                                                 | -                                    | -                       | -                             | -                         | -                                       | (41.1)                                  | (41.1)                 |
| <b>Balance at<br/>30 June 2021</b>                                                             | <b>20.4</b>                          | <b>540.8</b>            | <b>(124.2)</b>                | <b>(313.2)</b>            | <b>123.8</b>                            | <b>175.5</b>                            | <b>299.3</b>           |
|                                                                                                | Called-up<br>Share<br>capital<br>\$m | Share<br>premium<br>\$m | Translation<br>reserve<br>\$m | Retained<br>losses<br>\$m | Total<br>shareholder's<br>equity<br>\$m | Non-<br>controlling<br>interests<br>\$m | Total<br>equity<br>\$m |
| <b>Balance at<br/>1 January 2022</b>                                                           | <b>19.7</b>                          | <b>518.0</b>            | <b>(64.4)</b>                 | <b>(430.6)</b>            | <b>42.7</b>                             | <b>131.4</b>                            | <b>174.1</b>           |
| Disposal of subsidiaries                                                                       | -                                    | -                       | (0.2)                         | -                         | (0.2)                                   | (0.1)                                   | (0.3)                  |
| Loss for the period                                                                            | -                                    | -                       | -                             | (143.3)                   | (143.3)                                 | (83.7)                                  | (227.0)                |
| Currency translation<br>adjustments                                                            | (1.5)                                | (40.7)                  | 117.8                         | (0.1)                     | 75.5                                    | 46.9                                    | 122.4                  |
| Movements on equity<br>investments held at fair<br>value through other<br>comprehensive income | -                                    | -                       | -                             | (8.6)                     | (8.6)                                   | (5.7)                                   | (14.3)                 |
| Fair value movements on<br>derivatives in effective<br>hedge relationships                     | -                                    | -                       | -                             | 20.8                      | 20.8                                    | 13.9                                    | 34.7                   |
| Other comprehensive<br>income for the period                                                   | (1.5)                                | (40.7)                  | 117.8                         | 12.1                      | 87.7                                    | 55.1                                    | 142.8                  |
| <b>Total comprehensive<br/>loss for the period</b>                                             | <b>(1.5)</b>                         | <b>(40.7)</b>           | <b>117.8</b>                  | <b>(131.2)</b>            | <b>(55.6)</b>                           | <b>(28.6)</b>                           | <b>(84.2)</b>          |
| Dividends paid                                                                                 | -                                    | -                       | -                             | -                         | -                                       | (18.0)                                  | (18.0)                 |
| Issue of equity<br>instruments                                                                 | -                                    | -                       | -                             | -                         | -                                       | 2.2                                     | 2.2                    |
| <b>Balance at<br/>30 June 2022</b>                                                             | <b>18.2</b>                          | <b>477.3</b>            | <b>53.2</b>                   | <b>(561.8)</b>            | <b>(13.1)</b>                           | <b>86.9</b>                             | <b>73.8</b>            |

# Condensed Consolidated Cash Flow Statement

## (unaudited)

For the 6 months ended 30 June

|                                                                                   |       | 6 months ended 30 June |             |
|-----------------------------------------------------------------------------------|-------|------------------------|-------------|
|                                                                                   | Notes | 2022<br>\$m            | 2021<br>\$m |
| <b>Cash flows from operating activities</b>                                       |       |                        |             |
| <b>Operating (loss)/profit</b>                                                    |       | <b>(87.5)</b>          | 170.9       |
| Adjustments for:                                                                  |       |                        |             |
| Depreciation, amortisation and impairments                                        |       | 219.6                  | 167.9       |
| Change in working capital                                                         |       | (112.4)                | (36.5)      |
| Loss/(gain) on disposal of subsidiaries                                           |       | 11.0                   | (177.1)     |
| Other items                                                                       |       | 13.6                   | (0.6)       |
| <b>Cash generated from operations</b>                                             |       | <b>44.3</b>            | 124.6       |
| Tax paid                                                                          |       | (49.5)                 | (41.9)      |
| Dividends received from associates                                                |       | 2.4                    | 0.3         |
| Interest received                                                                 |       | 1.5                    | 1.8         |
| Interest paid                                                                     |       | (120.0)                | (103.5)     |
| <b>Net cash outflow from operating activities</b>                                 |       | <b>(121.3)</b>         | (18.7)      |
| <b>Cash flows from investing activities</b>                                       |       |                        |             |
| Acquisition of subsidiaries                                                       | 8     | (168.8)                | (4.3)       |
| Disposal of subsidiaries                                                          | 9     | 51.9                   | 309.5       |
| Acquisition of non-controlling interests                                          |       | -                      | (2.4)       |
| Other acquisition and disposal related costs                                      |       | -                      | (11.4)      |
| Proceeds from sale of associates                                                  |       | 11.1                   | -           |
| Purchases of property, plant and equipment                                        |       | (16.3)                 | (7.6)       |
| Purchases of intangible assets                                                    |       | (49.7)                 | (29.0)      |
| <b>Net cash used in investing activities</b>                                      |       | <b>(171.8)</b>         | 254.8       |
| <b>Cash flows from financing activities</b>                                       |       |                        |             |
| Repayment of lease liabilities                                                    |       | (31.4)                 | (28.9)      |
| Proceeds from issue of shares                                                     |       | -                      | 141.3       |
| Capital contribution from minority shareholders                                   |       | -                      | 151.5       |
| Proceeds from borrowings                                                          |       | 186.1                  | 0.3         |
| Repayment of borrowings                                                           |       | (39.7)                 | (159.3)     |
| Issue of equity instrument                                                        |       | 3.5                    | -           |
| Dividends paid to non-controlling interests in subsidiaries                       |       | (18.0)                 | (41.1)      |
| <b>Net cash generated from financing activities</b>                               |       | <b>100.5</b>           | 63.8        |
| Net (decrease)/increase in cash and cash equivalents                              |       | (192.6)                | 299.9       |
| Cash and cash equivalents at the beginning of the period                          |       | 539.3                  | 629.3       |
| Effect of foreign exchange rate differences                                       |       | (29.3)                 | (13.4)      |
| Cash and cash equivalents including cash held in disposal group at end of period  |       | 317.4                  | 915.8       |
| Less: cash and cash equivalents held in disposal group presented as held for sale |       | (8.9)                  | (0.5)       |
| <b>Cash and cash equivalents at the end of the period</b>                         |       | <b>308.5</b>           | 915.3       |

# Notes to the condensed consolidated financial statements (unaudited)

For the 6 months ended 30 June 2022

## 1. General information

Kantar Global Holdings S.à r.l. is a limited company incorporated in the Grand Duchy of Luxembourg with its registered office at 4, rue Lou Hemmer, L-1748, Senningerberg. Luxembourg. 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 condensed interim consolidated financial statements of Kantar Global Holdings S.à r.l. and its subsidiaries (the "Group") cover the six months period ended 30 June 2022. The comparative information covers the six months period ended 30 June 2021 and the Statement of Financial Position as at 31 December 2021.

## 2. Basis of preparation and principal accounting policies

These unaudited condensed interim consolidated financial statements of the Group as of 30 June 2022 and for the six 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 consolidated financial statements of the Group and the notes thereto as of and for the year ended 31 December 2021 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 unaudited condensed interim consolidated financial statements as at 30 June 2022 do not differ from those applied in the annual consolidated financial statements as of and for the year ended 31 December 2021, except for the adoption of new standards effective as of 1 January 2022.

The following Amendments to IFRSs, which apply for the first time in 2022, have been adopted in these condensed interim consolidated financial statements.

- Amendments to IFRS 3 Reference to the Conceptual Framework
- Annual Improvements to IFRS Standards 2018- 2020 Cycle Amendments to IFRS First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture
- Amendments to IAS 16 Property, Plant and Equipment Proceeds before Intended Use
- Amendments to IAS 37 Onerous Contracts Cost of Fulfilling a Contract

The application of these amendments has not had any material impact on the 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 unaudited condensed interim consolidated 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 unaudited condensed interim consolidated 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.



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

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 last annual consolidated financial statements.

As a result of events in Ukraine and the suspension of operations in Russia an impairment review was performed at 31 March 2022. The carrying value of the assets of the cash generating unit exceeded the recoverable amount by \$46.7 million and therefore impairments were recognised of which \$11.4 million related to Goodwill, \$13.8 million related to other intangible assets and \$21.5 million related to other balance sheet assets including cash and short-term deposits, trade and other receivables, investments in associates, property, plant and equipment and right-of-use assets. The recoverable amount was determined by reference to the value in use of these operations. There have not been any other changes in circumstances indicating that the carrying amount of any other goodwill may not be recoverable. Therefore, no other updated impairment testing has been performed, nor any other impairment recorded, for the six months period ended 30 June 2022.

## 3. Revenue

Revenue by geographical area were as follows:

|                        | 6 months ended 30 June |                |
|------------------------|------------------------|----------------|
|                        | 2022                   | 2021           |
|                        | \$m                    | \$m            |
| Asia Pacific           | 314.5                  | 312.4          |
| Continental Europe     | 401.3                  | 492.2          |
| United Kingdom         | 237.6                  | 301.9          |
| Latin America          | 135.2                  | 120.5          |
| Middle East and Africa | 60.1                   | 60.2           |
| North America          | 417.3                  | 307.2          |
|                        | <b>1,566.0</b>         | <b>1,594.4</b> |

Revenue reported by categories of division were as follows:

|                       | 6 months ended 30 June |                |
|-----------------------|------------------------|----------------|
|                       | 2022                   | 2021           |
|                       | \$m                    | \$m            |
| Insights <sup>1</sup> | 892.1                  | 914.3          |
| Profiles              | 55.7                   | 54.5           |
| Worldpanel            | 180.0                  | 176.1          |
| Numerator             | 115.0                  | -              |
| Media                 | 230.2                  | 294.2          |
| Public                | 93.0                   | 106.8          |
| Health                | -                      | 48.5           |
|                       | <b>1,566.0</b>         | <b>1,594.4</b> |

<sup>1</sup> From 1 January 2022, the Consulting division has been merged with the Insights division; 2021 comparatives have been restated on this basis.

#### 4. Costs of services and general administrative costs

|                                                                                      | 6 months ended 30 June |                |
|--------------------------------------------------------------------------------------|------------------------|----------------|
|                                                                                      | 2022                   | 2021           |
|                                                                                      | \$m                    | \$m            |
| Cost of services                                                                     | 1,362.1                | 1,395.2        |
| General and administrative costs                                                     | 291.4                  | 28.3           |
|                                                                                      | 1,653.5                | 1,423.5        |
| Cost of services and general and administrative costs include:                       |                        |                |
| Staff costs                                                                          | 855.1                  | 856.2          |
| Establishment costs                                                                  | 56.6                   | 60.3           |
| Data collection pass-through costs                                                   | 315.6                  | 363.0          |
| Other costs of services and general and administrative costs                         | 426.2                  | 144.0          |
| <b>Total cost of services and general and administrative costs</b>                   | <b>1,653.5</b>         | <b>1,423.5</b> |
| Included in the costs above are:                                                     |                        |                |
| Acquisition and disposal related costs                                               | 47.2                   | 23.8           |
| Restructuring and transformation costs                                               | 72.5                   | 114.2          |
| Amortisation of other intangible assets                                              | 143.5                  | 113.4          |
| Depreciation of property, plant and equipment                                        | 19.1                   | 21.1           |
| Depreciation of right-of-use assets                                                  | 31.8                   | 33.4           |
| Short-term lease expense                                                             | 3.7                    | 1.7            |
| Variable lease expense                                                               | 6.1                    | 6.6            |
| Loss/(gain) on disposal of subsidiaries                                              | 11.0                   | (177.1)        |
| Expenses in connection with events in Ukraine and suspension of activities in Russia | 52.7                   | -              |

Certain expenses have been recognised as a result of events in Ukraine and the suspension of operations in Russia. This includes impairment charges recognised of \$11.4 million related to Goodwill, \$13.8 million related to other intangible assets and \$21.5 million related to other balance sheet assets including cash and short-term deposits, trade and other receivables, investments in associates, property, plant and equipment and right-of-use assets. Further charges of \$6.0 million were also recognised as a result of providing for onerous obligations arising.

#### 5. Net finance costs and revaluation of financial instruments

|                                                        | 6 months ended 30 June |         |
|--------------------------------------------------------|------------------------|---------|
|                                                        | 2022                   | 2021    |
|                                                        | \$m                    | \$m     |
| <b>Finance income</b>                                  |                        |         |
| Interest income                                        | 3.8                    | 1.8     |
| <b>Finance costs</b>                                   |                        |         |
| Interest expense and similar charges                   | (138.5)                | (108.1) |
| Interest expense related to lease liabilities          | (6.0)                  | (6.9)   |
| Interest expense related to defined benefit plans      | (0.3)                  | (0.4)   |
| Unwinding of discounts on provisions                   | (1.6)                  | (1.4)   |
| Foreign exchange differences on financing activities   | (22.7)                 | 3.8     |
|                                                        | (169.1)                | (113.0) |
| <b>Revaluation of financial instruments</b>            |                        |         |
| Revaluation gain on derivatives                        | 4.1                    | 0.8     |
| Revaluation loss on put option payments due to vendors | -                      | (11.6)  |
|                                                        | 4.1                    | (10.8)  |

## 6. Borrowings

|                                                          |                 | As at 30 June 2022    |                   | As at 31 December 2021 |                   |
|----------------------------------------------------------|-----------------|-----------------------|-------------------|------------------------|-------------------|
|                                                          |                 | Carrying Value<br>\$m | Fair Value<br>\$m | Carrying Value<br>\$m  | Fair Value<br>\$m |
| <b>Current</b>                                           | <u>Maturity</u> |                       |                   |                        |                   |
| Bank overdrafts                                          |                 | 136.4                 | 136.4             | 153.0                  | 153.0             |
| Term loan US Libor (0% floor) plus margin (amortisation) | Dec-26          | 3.5                   | 3.5               | 3.5                    | 3.5               |
| Term loan US Libor (0.75% floor) plus margin             | Dec-26          | 5.0                   | 5.0               | 5.0                    | 5.0               |
| Loan from WPP Plc – BoE rate plus Margin                 | Dec-27          | 1.8                   | 1.8               | 1.9                    | 1.8               |
|                                                          |                 | <b>146.7</b>          | <b>146.7</b>      | 163.4                  | 163.3             |
| <b>Non-current</b>                                       | <u>Maturity</u> |                       |                   |                        |                   |
| Revolving Facility - (0% floor) plus margin              | Jun-26          | 146.1                 | 146.1             | -                      | -                 |
| Term loan US Libor (0% floor) plus margin                | Dec-26          | 321.1                 | 337.5             | 321.0                  | 339.1             |
| Term loan US Libor (0.75% floor) plus margin             | Dec-26          | 480.0                 | 472.4             | 481.3                  | 492.1             |
| Term loan Euribor (0% floor) plus margin                 | Dec-26          | 954.3                 | 912.9             | 1,030.7                | 1,082.5           |
| Senior Notes 9.25% fixed                                 | Oct-27          | 439.5                 | 344.7             | 476.3                  | 525.0             |
| Senior Secured Notes 5.50% fixed                         | Oct-26          | 415.5                 | 390.5             | 414.5                  | 433.5             |
| Senior Secured Notes 5.75% fixed                         | Oct-26          | 1,037.4               | 906.8             | 1,124.8                | 1,190.6           |
| Loan from WPP Plc – BoE rate plus Margin                 | Dec-27          | 8.8                   | 5.4               | 9.8                    | 7.5               |
| Loans from Bain Capital companies, 1.69%                 | Jun-28          | 67.2                  | 27.6              | 67.2                   | 42.1              |
| Yield Free PECs issued to Bain Capital Companies         | Dec-50          | 5.9                   | 5.9               | 5.9                    | 5.9               |
| Yield Free PECs issued to WPP Plc                        | Dec-50          | 3.7                   | 3.7               | 3.7                    | 3.7               |
| Vendor Loan Note                                         | Jul-41          | 150.0                 | 124.2             | 150.0                  | 175.4             |
|                                                          |                 | <b>4,029.5</b>        | <b>3,677.7</b>    | 4,085.2                | 4,297.4           |

## 7. Assets classified as held for sale

On 10 May 2022, the Group announced the agreement to sell the Kantar Public division to Trilantic Europe. The proposed transaction is expected to close in the third quarter of 2022 subject to completion of the relevant shareholder, legal and regulatory processes, and employee representatives' consultations where necessary. As at 30 June 2022, Public division net assets of \$115.0 million have been reclassified as assets held for sale.

On 4 August 2021, the Group announced the proposed sale of its Reputation Intelligence business to leading software investor Symphony Technology Group "STG" which completed on 1 January 2022. As at 30 December 2021, the associated assets and liabilities attributable to the Reputation Intelligence business were reclassified as assets held for sale.

## 8. Acquisitions

During the six months ended June 2022, the Group completed the acquisitions of Blackwood Seven A/S and Quale Topco Limited (Qmee). The total consideration for these acquisitions was \$114.3 million. An additional \$54.5m was paid to the external lenders of Blackwood Seven A/S and Qmee to settle the existing borrowings of the acquired businesses. On the initial valuation, these acquisitions result in a recognition of \$80.9 million of intangible assets related to customer relationships, technologies, right to access consumer panels, and trade names of Qmee and Blackwood Seven. Provisional goodwill of \$105.1 million has been recognised. Acquisition costs of \$9.2 million have been recognised in the Group's Condensed Consolidated Statement of Income. The Group is yet to finalise the fair valuation of the assets and liabilities acquired and goodwill recognised.

On 27 January 2021, the Group acquired all the remaining shareholding in its associate MERAC Arabia Co. Ltd, for a total consideration of \$2.4 million. On 1 June 2021, the Group acquired MeMo2 B.V. from its shareholders, for a total consideration of \$10.5 million. Total assets acquired from these acquisitions included goodwill of \$7.1 million and intangible assets of \$8.0 million.

## 9. Disposals

On 1 January 2022, the Group completed the sale of its Reputation Intelligence business to leading technology investor Symphony Technology Group "STG" for consideration of \$16.8 million with a loss of \$12.4 million recognised. The transaction completed in accordance with the definitive agreement announced on 4 August 2021, having obtained approvals from all relevant authorities.

On 29 April 2022, the Group completed the disposal of the Numerator eCommerce Path Intelligence Solutions business to Wiser Solutions for consideration of \$46.9 million with a gain of \$1.4 million recognised.

On 1 April 2021, the Group completed the divestment of substantially all of its Health division to Cerner Corporation. Consideration of \$363.0 million was received and \$144.9 million of net assets excluding non-controlling interests were derecognised including goodwill and intangible assets (\$191.1 million), trade and other receivables (\$39.9 million), cash and cash equivalents (\$15.2 million), trade and other payables (\$74.8 million) and deferred tax liabilities (\$26.0 million). The gain recorded in the period ended 30 June 2021 was \$177.1 million including transactions costs of \$43.1 million and exchange adjustments recycled to the income statement of \$2.1 million.

## 10. 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).

## 10. Financial instruments at fair value (continued)

|                                                              | At 30 June 2022 |                |                | At 31 December 2021 |                |                |
|--------------------------------------------------------------|-----------------|----------------|----------------|---------------------|----------------|----------------|
|                                                              | Level 1<br>\$m  | Level 2<br>\$m | Level 3<br>\$m | Level 1<br>\$m      | Level 2<br>\$m | Level 3<br>\$m |
| <b>Held at fair value through profit or loss</b>             |                 |                |                |                     |                |                |
| Other investments                                            | 7.7             | -              | -              | 22.0                | -              | -              |
| Derivative assets                                            | -               | 4.3            | -              | -                   | 1.2            | -              |
| Derivative liabilities                                       | -               | -              | -              | -                   | (0.7)          | -              |
| Payments due to vendors (earnout agreements)                 | -               | -              | (3.7)          | -                   | -              | (11.4)         |
| Deferred and contingent consideration                        | -               | -              | (133.3)        | -                   | -              | (129.3)        |
| <b>Held at fair value through other comprehensive income</b> |                 |                |                |                     |                |                |
| Derivative assets                                            | -               | 41.2           | -              | -                   | 7.8            | -              |
| Derivative liabilities                                       | -               | -              | -              | -                   | (0.6)          | -              |

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:

|                             | Earnout<br>liabilities<br>\$m | Deferred and<br>contingent<br>consideration<br>\$m |
|-----------------------------|-------------------------------|----------------------------------------------------|
| <b>At 31 December 2021</b>  | <b>(11.4)</b>                 | <b>(129.3)</b>                                     |
| Charged to income statement | -                             | (1.0)                                              |
| Additions                   | -                             | (1.5)                                              |
| Reclassification            | 7.4                           | -                                                  |
| Unwinding of discount       | (0.1)                         | (1.5)                                              |
| Exchange adjustments        | 0.4                           | -                                                  |
| <b>At 30 June 2022</b>      | <b>(3.7)</b>                  | <b>(133.3)</b>                                     |

## 11. Subsequent events

On 1 July 2022, the Group together with SilverTree Equity announced a definitive agreement to acquire StepUp RGM which will become part of Kantar XTEL.

# Certain defined terms and conventions

We have prepared the report using a number of conventions, which you should consider when reading information contained herein as follows:

- **Acquisition:** means the acquisition of the entities comprising the Target Group pursuant to the Acquisition Agreement;
- **Adjusted EBITDA:** We define Adjusted EBITDA as loss for the period before: (i) taxation; (ii) finance income; (iii) finance costs; (iv) revaluation of financial instruments; (v) share of results of associates; (vi) acquisition and disposal related costs, including costs for aborted deals and deal costs not capitalised; (vii) restructuring and transformation costs, including shareholder consulting costs and investment write-downs; (viii) amortisation of intangible assets; (ix) impairment of goodwill and other intangible assets; (x) depreciation of property, plant and equipment; (xi) depreciation of right-of-use assets; (xii) gains/(losses) on disposal of investments and subsidiaries; (xiii) share-based payment charges and associated costs and other adjusting items; Adjusting items are material items that are not indicative of trading performance by management by virtue of their size and/or incidence. This is presented at actual reported and constant currency exchange rates. Adjusted EBITDA is presented including acquisitions and excluding disposals from the time of acquisition or disposal along with the prior year comparatives. This means we have included 6 months of Numerator's results for 2021 and excluded 6 months of Health and Reputation Intelligence results for 2021. This is presented at constant currency exchange rates.
- **BoE:** means Bank of England;
- **Company:** means Reporting Entity;
- **Gross Margin:** We define Gross Margin as Gross Revenue after Direct Costs. We define Direct Costs as third party and internal costs as well as other services which directly relate to the services delivered to clients and inclusive of intercompany costs. Costs comprise fieldwork costs including online, face to face and telephone, survey scripting and data processing, external data acquisition costs, billable travel, panel recruitment costs and panelist incentives for panelists who complete surveys.
- **Gross Revenue:** We define Gross Revenue as revenue, including acquisitions and excluding disposals from the time of acquisition or disposal along with the prior year comparatives, and including intercompany revenue. This is presented at constant currency exchange rates. We monitor divisional performance on a gross basis i.e., inclusive of intercompany revenue, and therefore analyse group performance on an aggregate basis;
- **IFRS:** means the International Financial Reporting Standards issued by the International Accounting Standards Board, as adopted by the European Union;
- **Net debt and covenant leverage:** Net debt is calculated as non-current and current loans, and long-term and short-term lease liabilities less adjusted cash. Covenant leverage is calculated as net debt divided by last twelve months (LTM) covenant Adjusted EBITDA;
- **Notes:** means, together, the Senior Notes and the Senior Secured Notes;
- **Reporting Entity:** means Kantar Global Holdings S.à r.l. (formerly, Summer (BC) Lux Consolidator S.C.A.), 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;
- **Revolving Credit Facility:** means the \$400.0 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 Agreement:** means the senior facilities agreement, dated 26 November 2019, among, inter alios, RoW Bidco, US Bidco, Wilmington Trust (London) Limited, as agent and security agent, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time;
- **Senior Facilities:** means, together, the Senior Term Loans and the Revolving Credit Facility;
- **Senior Notes:** means the €428.0 million aggregate principal amount of 9.250% 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 5.750% 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:** mean the euro-denominated and U.S. dollar-denominated senior secured term facilities established under the Senior Facilities Agreement;
- **Target Group or Kantar:** means the entities comprising the Kantar business of the WPP Group acquired or to be acquired in the Acquisition;
- **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;
- **WPP:** means WPP plc and its subsidiaries (registered number 111714), a public limited company incorporated in Jersey, with registered office at Queensway House, Hilgrove Street, St Helier, Jersey JE1 1ES; and

In addition to the terms defined above, the terms **“Group,” “Kantar,” “we,” “our”** and **“us”** mean, as the context requires, the Target Group and/or the Reporting Entity 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.