FitchRatings

Corporates
Media & Entertainment
France

Ipsos SA

Ipsos SA's Long-Term Issuer Default Rating (IDR) at 'BBB' reflects the group's strong market position and diversified business model, with numerous services provided worldwide to a loyal customer base across various sectors. The rating is further supported by strong liquidity, low leverage and a record of a prudent financial policy.

Key rating constraints include a low share of recurring revenue in the revenue mix, modest scale and lower margins compared with peers in the broad business services data, analytics and processing (DAP) sector. These factors are offset by high and stable re-occurring revenue profile across its key client base, margin resilience, and organic and acquisition-related growth.

Key Rating Drivers

Strong Market Position: Ipsos held a strong number-four position at end-2023 by revenue in the global consumer research market. Constant innovation and product development foster cross-selling, with major clients often using multiple solutions across markets. This has enabled healthy organic growth of around 4% over the last two years, with expectations for low-to-mid single-digit growth ahead. Ipsos's position is supported by long-standing client relationships, a global reach and an extensive database, enhancing loyalty among clients who seek data comparability over time.

Competitive and Fragmented Market: Despite Ipsos's solid position, the market is competitive and fragmented in certain geographies, with the top five companies generating total revenue of USD16 billion in 2023, out of a total market of USD129 billion estimated by the European Society for Opinion and Market Research.

The US market structure drives Fitch Ratings' expectations for a gradual market consolidation, with a significant number of companies active in market research and analytics. Ipsos's US revenue currently represents less than a 5% market share. We expect Ipsos to focus on further growth in this market, both organically and through bolt-on acquisitions, while maintaining solid financial discipline.

Moderate Revenue Visibility: While Ipsos's revenue under recurring contracts accounts for slightly above 30%, the business model is built around client retention and re-occurring revenue. The project-based nature of the business limits revenue visibility, which is a rating constraint. However, Ipsos has a large share of clients each generating revenue above EUR500,000 and EUR1 million returning in the following year. This trend has been broadly consistent over the last five years.

Well-Diversified Business Profile: Ipsos's rating is supported by its well-diversified business profile in geography, product and client base. It is present in approximately 90 countries across EMEA, the Americas and Asia Pacific, which generated 43%, 40% and 17% of 2023 revenue, respectively. Its product offering is well-suited to cover multi-dimensional client needs and is divided into 75 services across 16 service lines. Key sectors served include consumer product goods (25% of 2023 revenue), TMT (17%), pharma (15%) and public (11%), with others each contributing a revenue share of below 10%.

Limited Client Concentration: Ipsos's top 10 and 20 clients generated 16% and 25% of 2023 revenue, respectively. This was broadly in line with historical trends, which we expect to continue. No single client contributes more than a low single-digit share of revenue, while a wider pool of clients generating more than EUR1 million revenue each have been adding slightly above 70% of revenue over the last two years.

Ratings

Long-Term IDR	BBB

Outlook

Long-Term Foreign-Currency IDR	Stable

Click here for the full list of ratings

ESG and Climate

Highest ESG Relevance Scores

Environmental	3
Social	3
Governance	3

2035 Climate Vulnerability Signal: 15

Applicable Criteria

Corporate Rating Criteria (December 2024)

Corporate Recovery Ratings and Instrument Ratings Criteria (August 2024)

Sector Navigators – Addendum to the Corporate Rating Criteria (December 2024)

Related Research

Global Corporates Macro and Sector Forecasts

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Resilient Profit Margins: Ipsos has demonstrated resilient revenue generation and margin gains, rebounding from the global financial crisis and the Covid-19 pandemic. Similarly, cyclicality in certain sectors is offset by Ipsos's broad spectrum of clients across industries. Margin resilience is supported by a flexible cost structure, where direct costs are linked to the volume of data collection and cooperation with subcontractors.

Margin Lower than Peers': Ipsos's product mix and a significant part of its cost base being devoted to data collection result in lower margins than that of peers in the DAP sector. We expect EBITDA margins to gradually increase towards 18% by 2027, due to increased investments in technology and AI over the next two years. Cash conversion is strong. After ordinary dividends, we expect Fitch-defined free cash flow (FCF) margins to remain around mid-single digits over 2024-2027.

Bolt-on Acquisition Strategy to Continue: We estimate around EUR35 million of acquisitions in 2024 and, conservatively, more sizeable bolt-on transactions each year thereafter, reflecting Ipsos's acquisitive strategy since it was incorporated in 1975. This follows 11 bolt-on acquisition in 2023, which we estimate to have added around EUR60 million to 2024 revenue. Acquisitions will help Ipsos expand its data analytics and advisory capabilities, and drive further sales growth in the US, public affairs, and healthcare. Execution risks are mitigated by Ipsos's experience and record in integrating acquisitions.

Prudent Financial Policy: Ipsos has publicly committed to maintaining company-defined net leverage at below 2.0x. As Ipsos is committed to a solid investment-grade rating, we therefore assume the group will manage its capital allocation towards a Fitch-defined net leverage at no higher than 1.1x in our rating case, including up to EUR800 million of bolt-on acquisitions in 2024-2027. We do not expect any major transformative transactions over the forecast horizon. Any large, debt-funded, acquisitions that drive leverage above our negative sensitivity of 1.2x could trigger a negative rating action.

Financial Summary

(EURm)	2021	2022	2023	2024F	2025F	2026F
Gross revenue	2,147	2,405	2,390	2,469	2,698	2,888
EBITDA	337	369	382	394	450	505
EBITDA net leverage (x)	0.5	0.2	0.3	0.3	0.9	1.1
EBITDA interest coverage (x)	22.3	24.7	22.6	30.9	23.4	19.9
CFO-capex/debt (%)	53.8	46.9	45.3	49.9	34.1	41.0

Source: Fitch Ratings, Fitch Solutions

Rating Derivation Relative to Peers

Ipsos's closest Fitch-rated peer is Intermediate Dutch Holdings B.V. (NielsenIQ; B+/Stable), which has strengthened its market position and growth prospects post its GfK SE acquisition. However, it remains significantly higher leveraged and is expected to have lower FCF margins than Ipsos, but has moderately higher margins and a high portion of recurring revenues. As consumer research companies rely on continuous data collection, this weighs on their margins more than their data analytics peers.

Other Fitch-rated business services DAP indirect peers include Gartner, Inc. (BBB/Stable), RELX PLC (BBB+/Stable) and Informa PLC (BBB/Stable). RELX has a significantly bigger scale, more recurring, subscription-derived services and low leverage. Informa, despite operating in a different segment, with exposure to the cyclical events business, has bigger scale and higher margins, while net leverage remains higher at around 2.0x. Gartner operates at higher margins and with a larger scale, while leverage is modestly higher than that of Ipsos.

Lower-rated peers from the DAP sector, such as IPD 3 B.V. (InfoPro Digital, B/Stable) have more recurring revenue and higher margins, but are more exposed to business cyclicality, have smaller scale and significantly higher leverage.

Similarly rated companies from the broad data analytics sector have significantly larger scale and higher EBITDA margins, with a larger recurring revenue base, which directly stems from their business model. These include MSCI Inc. (BBB-/Stable), Thomson Reuters Corporation (BBB+/Stable) and Moody's Corporation (BBB+/Stable).

Navigator Peer Comparison

	IDR/Outlook	Operating Environment	Management and Corporate Governance	Market Position	Diversification	Revenue Visibility	Sector Environment	Profitability	Financial Structure	Financial Flexibility
Informa PLC	BBB/Stable	aa-	a-	bbb+	bbb	bb+	bbb+	a-	a-	a-
Ipsos SA	BBB/Stable	a	bbb	bbb	bbb	bbb-	bbb+	bb+	a+	bbb+
Nexi S.p.A.	BBB-/Stable	bbb+	bbb-	bbb	bb+	bbb+	bbb-	a	bbb-	bbb-
RELX PLC	BBB+/Stable	aa	a-	a	a	bbb+	a-	a-	bbb+	a

Source: Fitch Ratings

Relative Importance of Factor: Higher, Moderate, Lower

Name	IDR/Outlook	Operating Environment	Management and Corporate Governance	Market Position	Diversification	Revenue Visibility	Sector Environment	Profitability	Financial Structure	Financial Flexibility
Informa PLC	BBB/Stable	+5	+2	+1	0	-2	+1	+2	+2	+2
Ipsos SA	BBB/Stable	0	0	0	0	0	0	0	0	0
Nexi S.p.A.	BBB-/Stable	+2	0	+1	-1	+2	0	+4	0	0
RELX PLC	BBB+/Stable	+5	+1	+2	+2	0	+1	+1	0	+2

Source: Fitch Ratings

Factor Score Relative to IDR: Worse positioned than IDR, Within one notch of IDR, Better positioned than IDR

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- Weakening EBITDA margin to below 15% alongside falling client retention
- EBITDA net leverage above 1.2x on a sustained basis
- Cash flow from operations (CFO) less capex/debt below 25%
- FCF margin, post ordinary dividends, structurally below 5%

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- We currently do not expect an upgrade to 'BBB+', due to Ipsos's smaller scale and lower margins than its DAP peers. However, in future, we would consider the following factors for an upgrade:
- EBITDA margin above 20% along with a higher share of long-term contracts in the revenue mix
- A more conservative financial policy that is consistent with Fitch-defined EBITDA net leverage being sustained below 0.5x and includes a discretionary capacity to manage leverage
- CFO less capex/debt above 40%

Liquidity and Debt Structure

Ipsos had EUR283 million of cash and cash equivalents at end-1H24. Liquidity was supported by two fully undrawn revolving credit facilities, EUR160 million maturing in 2025 and EUR185 million maturing in 2028, as well as EUR151 million under various bilateral bank lines maturing between 2024 and 2028. Liquidity is further underpinned by strong FCF generation, which Fitch expects to total approximately EUR600 million over 2024–2027.

Upcoming debt repayments are limited to EUR300 million senior unsecured bonds due in September 2025, plus EUR76 million in Schuldschein loans to be repaid in 2026 (EUR15 million) and 2028 (equivalent of EUR61 million). It has no other debt obligations.

ESG Considerations

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, click here.

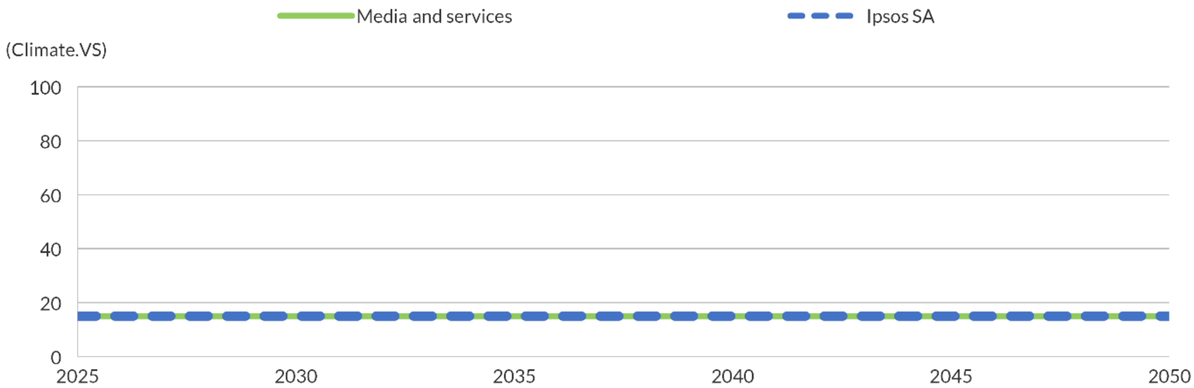
Climate Vulnerability Considerations

Fitch uses Climate Vulnerability Signals (Climate.VS) as a screening tool to identify sectors and Fitch-rated issuers that are potentially most exposed to credit-relevant climate transition risks and, therefore, require additional consideration of these risks in rating reviews. Climate.VS range from 0 (lowest risk) to 100 (highest risk). For more information on Climate.VS, see Fitch's Corporate Rating Criteria. For more detailed, sector-specific information on how Fitch perceives climate-related transition risks, see Climate Vulnerability Signals for Non-Financial Corporate Sectors.

The 2023 revenue-weighted Climate.VS for Ipsos for 2035 is 15 out of 100, suggesting low exposure to climate-related risks in that year.

Climate.VS Evolution

As of Dec 31, 2023



Source: Fitch Ratings

Liquidity and Debt Maturities

Liquidity Analysis

(EURm)	2024F	2025F	2026F
Available liquidity			
Beginning cash balance	278	349	194
Rating case FCF after acquisitions and divestitures	91	-256	-90
Issued debt	—	400	—
Total available liquidity (A)	**369**	**494**	**103**
Liquidity uses			
Debt maturities	-20	-300	-15
Total liquidity uses (B)	**-20**	**-300**	**-15**
Liquidity calculation			
Ending cash balance (A+B)	349	194	88
Revolver availability	476	316	316
Ending liquidity	**825**	**510**	**404**
Liquidity score (x)	42.3	1.4	27.9

Source: Fitch Ratings, Fitch Solutions, Ipsos SA

Scheduled Debt Maturities

(EURm)	31 Dec 23
2024	20
2025	300
2026	15
2027	—
2028	61
Thereafter	—
Total	**396**

Source: Fitch Ratings, Fitch Solutions, Ipsos SA

Key Assumptions

- Revenue to increase 3.3% and 9.3% in 2024 and 2025, respectively, with yearly increase gradually slowing to near 4% by 2027, driven by organic and acquisition-related growth
- Fitch-defined EBITDA margin of 16% in 2024, before increasing to 17.7% by 2027
- Capex at 2.9%–3.2% of revenue, driven by increased technology-related investments
- Working-capital outflow of EUR20 million-EUR25 million annually
- Around EUR35 million of acquisitions in 2024, with increased spend up to EUR390 million a year to 2027, to increase scale and strengthen its US market position – this is a Fitch assumption given Ipsos' acquisitive growth strategy
- Common dividends gradually increasing to near EUR120 million in 2027
- Share buyback of around EUR35 million a year, as part of Ipsos's long-term incentive plan for certain employees

Financial Data

(EURm)	2021	2022	2023	2024F	2025F	2026F
Summary income statement						
Gross revenue	2,147	2,405	2,390	2,469	2,698	2,888
Revenue growth (%)	16.8	12.0	-0.6	3.3	9.3	7.0
EBITDA before income from associates	337	369	382	394	450	505
EBITDA margin (%)	15.7	15.3	16.0	16.0	16.7	17.5
EBITDA after associates and minorities	335	367	378	388	444	505
EBIT	308	333	361	337	378	424
EBIT margin (%)	14.3	13.8	15.1	13.7	14.0	14.7
Gross interest expense	-16	-40	-18	-13	-19	-25
Pretax income including associate income/loss	293	320	344	325	359	399
Summary balance sheet						
Readily available cash and equivalents	298	386	278	293	273	122
Debt	477	454	396	396	676	661
Net debt	179	68	118	103	403	539
Summary cash flow statement						
EBITDA	337	369	382	394	450	505
Cash interest paid	-15	-15	-17	-13	-19	-25
Cash tax	-61	-63	-63	-76	-86	-96
Dividends received less dividends paid to minorities (inflow/outflow)	-2	-1	-4	-6	-6	—
Other items before FFO	5	-10	1	-3	—	—
FFO	267	282	303	296	339	384
FFO margin (%)	12.4	11.7	12.7	12.0	12.5	13.3
Change in working capital	34	-14	-65	-20	-22	-23
CFO (Fitch-defined)	300	268	238	276	317	360
Total non-operating/nonrecurring cash flow	-10	1	-10	—	—	—
Capex	-44	-55	-59	—	—	—
Capital intensity (capex/revenue) (%)	2.0	2.3	2.4	—	—	—
Common dividends	-40	-51	-59	—	—	—
FCF	206	163	110	—	—	—
FCF margin (%)	9.6	6.8	4.6	—	—	—
Net acquisitions and divestitures	-29	-7	-47	—	—	—
Other investing and financing cash flow items	1	-7	-29	—	—	—
Net debt proceeds	-87	-32	-56	—	280	-15
Net equity proceeds	-9	-30	-86	-36	-35	-35
Total change in cash	83	87	-108	15	-21	-150
Calculations for forecast publication						
Capex, dividends, acquisitions and other items before FCF	-123	-112	-175	-185	-573	-451
FCF after acquisitions and divestitures	177	156	63	91	-256	-90
FCF margin after net acquisitions (%)	8.3	6.5	2.7	3.7	-9.5	-3.1
Gross leverage ratios (x)						
EBITDA leverage	1.4	1.2	1.0	1.0	1.5	1.3
CFO-capex/debt	53.8	46.9	45.3	49.9	34.1	41.0
Net leverage ratios (x)						
EBITDA net leverage	0.5	0.2	0.3	0.3	0.9	1.1
CFO-capex/net debt	143.8	311.8	151.9	192.4	57.2	50.3

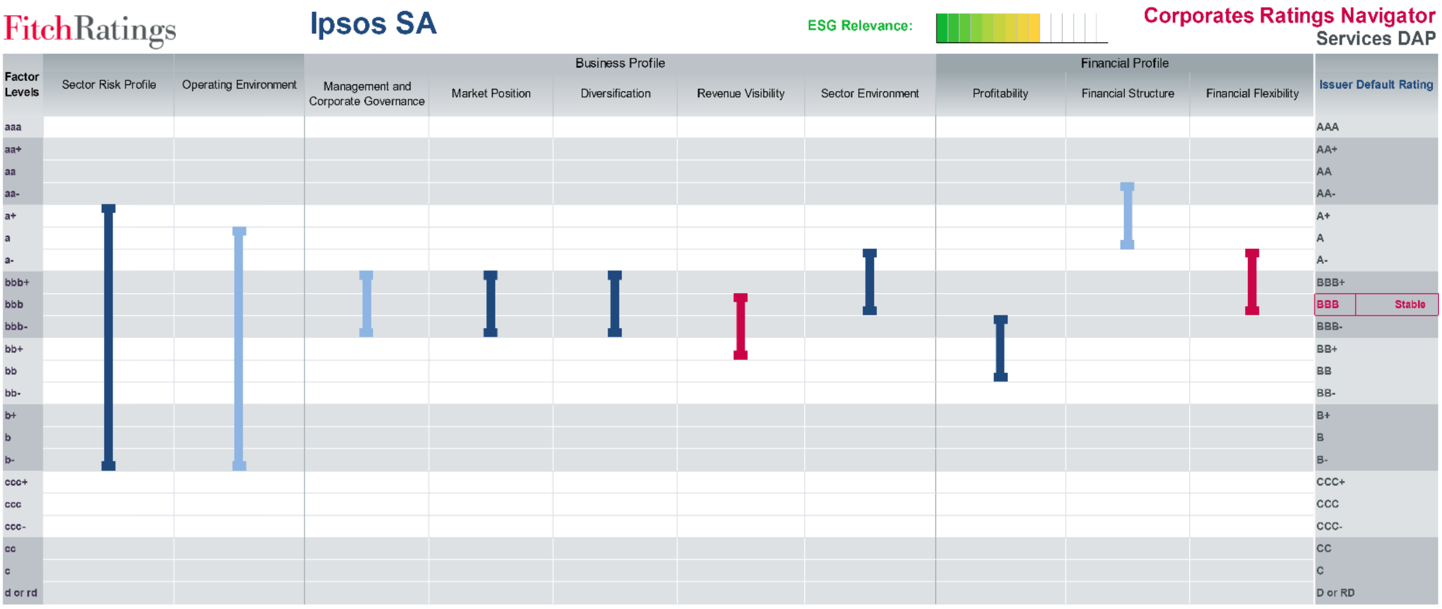
(EURm)	2021	2022	2023	2024F	2025F	2026F
Coverage ratios (x)						
EBITDA interest coverage	22.3	24.7	22.6	30.9	23.4	19.9

CFO – Cash flow from operations.
Source: Fitch Ratings, Fitch Solutions

How to Interpret the Forecast Presented

The forecast presented above is based on Fitch Ratings' internally produced, conservative rating case forecast. It does not represent the forecast of the rated issuer. The forecast set out above is only one component used by Fitch Ratings to assign a rating or determine a rating outlook, and the information in the forecast reflects material but not exhaustive elements of Fitch Ratings' rating assumptions for the issuer's financial performance. As such, it cannot be used to establish a rating, and it should not be relied on for that purpose. Fitch Ratings' forecasts are constructed using a proprietary internal forecasting tool, which employs Fitch Ratings' own assumptions on operating and financial performance that may not reflect the assumptions that you would make. Fitch Ratings' own definitions of financial terms such as EBITDA, debt or free cash flow may differ from your own such definitions. Fitch Ratings may be granted access, from time to time, to confidential information on certain elements of the issuer's forward planning. Certain elements of such information may be omitted from this forecast, even where they are included in Fitch Ratings' own internal deliberations, where Fitch Ratings, at its sole discretion, considers the data may be potentially sensitive in a commercial, legal or regulatory context. The forecast (as with the entirety of this report) is produced strictly subject to the disclaimers set out at the end of this report. Fitch Ratings may update the forecast in future reports but assumes no responsibility to do so. Original financial statement data for historical periods is processed by Fitch Solutions on behalf of Fitch Ratings. Key financial adjustments and all financial forecasts credited to Fitch Ratings are generated by rating agency staff.

Ratings Navigator



Bar Chart Legend:	
Vertical Bars = Range of Rating Factor	Bar Arrows = Rating Factor Outlook
Bar Colors = Relative Importance	⇧ Positive
Higher Importance	⇩ Negative
Average Importance	⇳ Evolving
Lower Importance	□ Stable

FitchRatings

Ipsos SA

Corporates Ratings Navigator
Services DAP

Operating Environment

a+	Economic Environment	a	Strong combination of countries where economic value is created and where assets are located.
a	Financial Access	a	Strong combination of issuer specific funding characteristics and of the strength of the relevant local financial market.
	Systemic Governance	aa	Systemic governance (eg rule of law, corruption; government effectiveness) of the issuer's country of incorporation consistent with 'aa'.
b-			
ccc+			

Management and Corporate Governance

a-	Management Strategy	a	Coherent strategy and good track record in implementation.
bbb+	Governance Structure	a	Experienced board exercising effective check and balances. Ownership can be concentrated among several shareholders.
bbb	Group Structure	bbb	Some group complexity leading to somewhat less transparent accounting statements. No significant related-party transactions.
bbb-	Financial Transparency	bb	Financial reporting is appropriate but with some failings (eg lack of interim or segment analysis).
bb+			

Market Position

a-	Barriers to Entry	bbb	Moderate barriers to entry. Incumbents are generally strongly established but successful new entrants have emerged over time.
bbb+	Market Position	bbb	Strong and defensible market position within key business/segment verticals. Others may be more exposed to a competitive environment.
bbb	Scale	bb	Midsize/scale, EBITDA <USD/EUR 500m
bbb-	Product Strategy	a	Consistently innovating and delivering new analytics/products, enabling the company to consistently deliver organic revenue growth.
bb+			

Diversification

a-	Asset Class/Verticals/Products	bbb	Well balanced exposure to at least three verticals/sectors/business segment lines with sensitivity to the economic cycle.
bbb+	Customer Base	bbb	Broad customer diversification. Largest customers represent between 5%–10% of total revenue.
bbb	Exposure to Challenged Business Lines	bbb	Operating profile has minimal vulnerability to secular risks requiring minor investment to mitigate risk.
bbb-			
bb+			

Revenue Visibility

bbb+	Proportion of Revenues Under Contract	bb	<60%
bbb	Renewal Rate and Switching Costs	bbb	Renewal rates of 80%–90%, due to mostly non-discretionary nature of services/products and modest to high switching costs for customers.
bbb-	Level of Recurring Transaction/Project Revenues	bb	Less than 80% of total revenues may be considered recurring.
bb+			
bb			

Sector Environment

a	Regulatory Environment	bbb	Moderate regulatory oversight.
a-	Litigation Environment	a	Low or standard.
bbb+	M&A Strategy	bbb	Generally small bolt-on acquisitions. History of large acquisitions routinely pressures credit metrics. Good Integration record.
bbb			
bbb-			

Profitability

bbb	EBITDA Margin	bb	16%
bbb-	FFO Margin	bb	10%
bb+	FCF Margin	bbb	6.5%
bb	Volatility of Profitability and Cash Flows	bbb	Volatility of profits in line with industry average.
bb-			

Financial Structure

aa	EBITDA Leverage	a	2.0x
aa-	EBITDA Net Leverage	a	2.0x
a+	(CFO-Capex)/Debt	a	20%
a			
a-			

Financial Flexibility

a	Financial Discipline	a	Clear commitment to maintain a conservative policy with only modest deviations allowed.
a-	Liquidity	bbb	One-year liquidity ratio above 1.25x. Well-spread maturity schedule of debt but funding may be less diversified.
bbb+	EBITDA Interest Coverage	a	5.5x
bbb	FX Exposure	bb	FX exposure on profitability and/or debt/cash flow match. Some hedging in place but only partly effective.
bbb-			

How to Read This Page: The left column shows the three-notch band assessment for the overall Factor, illustrated by a bar. The right column breaks down the Factor into Sub-Factors, with a description appropriate for each Sub-Factor and its corresponding category.

Credit-Relevant ESG Derivation

Ipsos SA has 7 ESG potential rating drivers

- Energy use (particularly in data centers or cloud service providers)
- Data security
- Impact of labor negotiations and employee (dis)satisfaction; employee recruitment and retention
- Governance is minimally relevant to the rating and is not currently a driver.

Overall ESG

key driver	0	issues	5
driver	0	issues	4
potential driver	7	issues	3
not a rating driver	0	issues	2
	7	issues	1

For further details on Credit-Relevant ESG scoring, see page 3.

FitchRatings

Ipsos SA

Corporates Ratings Navigator
Services DAP

Credit-Relevant ESG Derivation

Ipsos SA has 7 ESG potential rating drivers

- Ipsos SA has exposure to energy productivity risk but this has very low impact on the rating.
- Ipsos SA has exposure to customer accountability risk and product quality & safety risk but this has very low impact on the rating.
- Ipsos SA has exposure to labor relations & practices risk and employee recruitment & retention risk but this has very low impact on the rating.
- Governance is minimally relevant to the rating and is not currently a driver.

			ESG Relevance to Credit Rating
key driver	0	issues	5
driver	0	issues	4
potential driver	7	issues	3
not a rating driver	0	issues	2
	7	issues	1

Environmental (E) Relevance Scores

General Issues	E Score	Sector-Specific Issues	Reference	E Relevance
GHG Emissions & Air Quality	1	n.a.	n.a.	5
Energy Management	3	Energy use (particularly in data centers or cloud service providers)	Profitability	4
Water & Wastewater Management	1	n.a.	n.a.	3
Waste & Hazardous Materials Management; Ecological Impacts	1	n.a.	n.a.	2
Exposure to Environmental Impacts	1	n.a.	n.a.	1

How to Read This Page
ESG relevance scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.
The Environmental (E), Social (S) and Governance (G) tables break out the ESG general issues and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signaling the credit-relevance of the sector-specific issues to the issuer's overall credit rating. The Criteria Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis. The vertical color bars are visualizations of the frequency of occurrence of the highest constituent relevance scores. They do not represent an aggregate of the relevance scores or aggregate ESG credit relevance.
The Credit-Relevant ESG Derivation table's far right column is a visualization of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The three columns to the left of ESG Relevance to Credit Rating summarize rating relevance and impact to credit from ESG issues. The box on the far left identifies any ESG Relevance Sub-factor issues that are drivers or potential drivers of the issuer's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the relevance score. All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact.
Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI), the Sustainability Accounting Standards Board (SASB), and the World Bank.

Social (S) Relevance Scores

General Issues	S Score	Sector-Specific Issues	Reference	S Relevance
Human Rights, Community Relations, Access & Affordability	1	n.a.	n.a.	5
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Data security	Competitive Position; Sector Environment	4
Labor Relations & Practices	3	Impact of labor negotiations and employee (dis)satisfaction; employee recruitment and retention	Competitive Position; Profitability	3
Employee Wellbeing	1	n.a.	n.a.	2
Exposure to Social Impacts	1	n.a.	n.a.	1

Governance (G) Relevance Scores

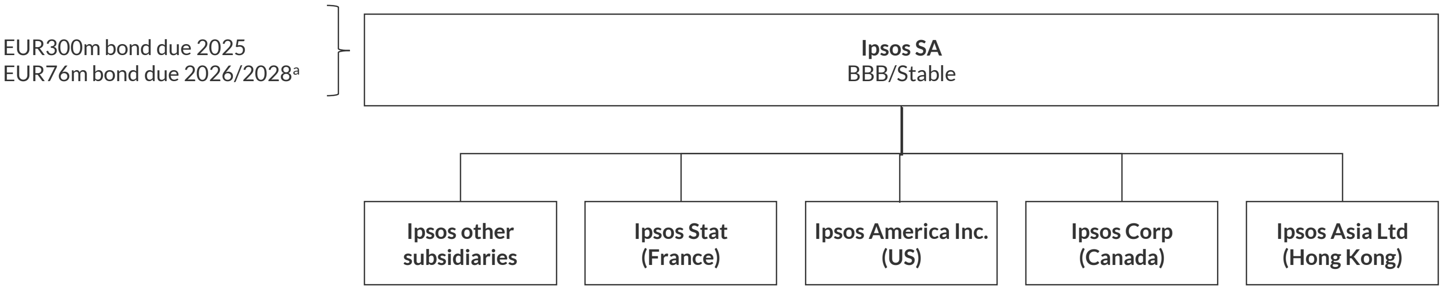
General Issues	G Score	Sector-Specific Issues	Reference	G Relevance
Management Strategy	3	Strategy development and implementation	Management and Corporate Governance	5
Governance Structure	3	Board independence and effectiveness; ownership concentration	Management and Corporate Governance	4
Group Structure	3	Complexity, transparency and related-party transactions	Management and Corporate Governance	3
Financial Transparency	3	Quality and timing of financial disclosure	Management and Corporate Governance	2
				1

CREDIT-RELEVANT ESG SCALE

How relevant are E, S and G issues to the overall credit rating?

5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

Simplified Group Structure Diagram



[a] Schuldschein bond EUR15 million due in 2026 and equivalent of EUR61 million due in 2028.
Source: Fitch Ratings, Fitch Solutions, Ipsos SA. As of June, 2024

Peer Financial Summary

Company	Issuer Default Rating	Financial statement date	Gross revenue (EURm)	EBITDA margin (%)	EBITDA net leverage (x)	EBITDA interest coverage (x)	FCF margin (%)
MSCI Inc.	BBB–						
	BBB–	2023	2,308	63.1	2.6	8.8	27.8
	BBB–	2022	2,108	61.7	2.6	8.4	28.9
Thomson Reuters Corporation	BBB+						
	BBB+	2023	6,201	40.2	0.7	13.6	13.3
	BBB+	2022	6,213	36.6	1.5	14.4	7.3
RELX PLC	BBB+						
	BBB+	2023	10,587	36.4	1.9	11.3	9.5
	BBB+	2022	9,677	35.2	2.1	18.6	11.0
Informa PLC	BBB						
	BBB–	2023	3,686	28.7	1.3	11.9	10.5
	BBB–	2022	2,560	24.2	—	6.7	14.4
Gartner, Inc.	BBB						
	BBB	2023	5,392	25.1	0.8	12.5	17.9
		2022	5,134	26.4	1.2	12.8	18.1

Source: Fitch Ratings, Fitch Solutions

Fitch Adjusted Financials

(EURm as of 31 Dec 2023)	Notes and formulas	Standardised values	Lease treatment	Other adjustments	Adjusted values
Income statement summary					
Revenue		2,390	—	—	2,390
EBITDA	(a)	380	-40	42	382
Balance sheet summary					
Debt	(b)	396	—	—	396
Readily available cash and equivalents	(c)	278	—	-0	278
Not readily available cash and equivalents		—	—	—	0
Cash flow summary					
EBITDA	(a)	380	-40	42	382
Dividends received from associates less dividends paid to minorities	(d)	-4	—	—	-4
Interest paid	(e)	-12	—	-4	-17
Interest received	(f)	4	—	—	4
Preferred dividends paid	(g)	—	—	—	—
Cash tax paid		-63	—	—	-63
Other items before FFO		31	4	-34	1
FFO	(h)	336	-36	3	303
Change in working capital		-72	—	7	-65
CFO	(i)	264	-36	10	238
Non-operating/nonrecurring cash flow		—	—	-10	-10
Capex	(j)	-59	—	—	-59
Common dividends paid		-59	—	—	-59
FCF		147	-36	0	110
Gross leverage (x)					
EBITDA leverage	b/(a+d)	1.1	—	—	1.0
(CFO-capex)/debt (%)	(i+j)/b	51.9	—	—	45.3
Net leverage (x)					
EBITDA net leverage	(b-c)/(a+d)	0.3	—	—	0.3
(CFO-capex)/net debt (%)	(i+j)/(b-c)	174.1	—	—	151.9
Coverage (x)					
EBITDA interest coverage	(a+d)/(-e)	30.6	—	—	22.6

Source: Company financials

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For information on the participation status in the rating process of an issuer listed in this report, please refer to the most recent rating action commentary for the relevant issuer, available on the Fitch Ratings website.

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