

## HALF-YEAR RESULTS 2024

- Temporary decline in sales of -5%
- Non-recurring expenses linked to new AI-based products
- Rebound in growth and earnings expected in the 2<sup>nd</sup> half

Madrid, 10 October 2024 – 8:00am - ISPD (ISIN ES0109429037), a global cognitive marketing group, today presents its consolidated results for H1 2024, ending 30 June 2024.

In millions d'euros	S1 2024	S1 2023	Var. %
Consolidated revenues <sup>(1)</sup>	69,5	58,6	+19%
Net revenues <sup>(2)</sup>	<b>69,2</b>	<b>58,3</b>	<b>+19%</b>
<b>Net pro forma revenues <sup>(3)</sup></b>	<b>69,2</b>	<b>72,5</b>	<b>-5%</b>
<b>Gross margin</b>	<b>21,5</b>	<b>23,6</b>	<b>-9%</b>
Gross margin rate (% of net revenues)	31,1%	32,5%	-
Staff costs	(19,8)	(17,3)	+14%
Other operating expenses	(3,8)	(4,5)	-15%
<b>EBITDA</b>	<b>(2,2)</b>	<b>1,7</b>	<b>-224%</b>
Amortization and depreciation	(1,2)	(1,2)	0%
<b>Résultat d'Exploitation</b>	<b>(3,3)</b>	<b>0,6</b>	<b>-675%</b>
Résultat financier	(0,5)	(0,5)	-
Résultat consolidé avant impôts	(3,8)	0,1	-
Charges d'impôts	(0,2)	(0,7)	-
<b>Résultat net consolidé</b>	<b>(4,0)</b>	<b>(0,6)</b>	<b>-539%</b>

(1) Hors ventes intra-groupe : 7,2 M€ (4,8 M€ au S1 2023)

(2) Chiffre d'affaires moins remises sur ventes publicitaires

(3) CA pro forma calculé en réintégrant les ventes d'espace publicitaire au Mexique (14,2 M€ au S1 2023), facturées aux clients directement par les éditeurs depuis le 2e semestre 2021, dans le cadre de la loi sur la transparence publicitaire, désormais amendée. ISPD Mexico refacture désormais à ses clients les ventes d'espace publicitaire depuis octobre 2023.

"The solidity of our Group means that we can continue to invest heavily even when business takes a temporary dip. Thanks to the dazzling progress made in artificial intelligence, we are considerably strengthening our range of products and services by combining even more effectively the cognitive sciences and creativity that are ISPD's hallmark" says Andrea Monge, CEO of ISPD.

### One-off decline in gross margin

ISPD recorded a slight decline in pro forma net sales (-5% to €68.5m) in the first half of the year, mainly due to the termination of a major contract in the USA following the customer's merger with another group. Europe and Latin America continued to perform well, offsetting the decline in the USA. The breakdown of pro forma sales by market was as follows: USA 32% (55% in H1 2023), Latin America 49% (32% in H1 2023), Europe 19% (13% in H1 2023).

Digital Media Trading services, restated for sales relating to the client not renewed in the USA, continue to post double-digit growth, with very strong momentum in the e-commerce segment in the first half.

The decline in sales and the change in product mix are the two factors that explain the €2m drop in gross margin, to 31.1% of sales compared with 32.5% a year earlier.

## Launch of 7 AI-based products

ISPD launched 7 new AI-based products in the first half of the year, including : ISPD Horizon, ISPDEngage and ISPDRadar (market knowledge and insights for connection planning), ISPDCompass (ad investment optimisation), ISPDSiren (consumer interaction) and ISPDCockpit (real-time campaigns tracking). These investments, which were fully expensed, had a non-recurring impact of around €1.8m on operating expenses. These costs are reflected in 'Staff costs', which rose by a total of €2.5m (+14%), with the impact of inflation on salaries remaining under control (4%). This impact was partly offset by a reduction in other external charges, as a result of strict cost control, and EBITDA fell by €3.9m, due to factors that are essentially non-recurring:

- decline in sales: -€1.0m
- product mix effect: -€1.0m
- fully-expensed investments: -€1.8m

With depreciation and amortisation stable at €1.2m, the same difference was seen in operating profit, which came to €(3.3)m, compared with €0.6m a year earlier.

After unchanged net financial expenses of €0.5m and a tax charge of €0.2m, consolidated net profit (group share) was a loss of €(4.0)m.

## Financial position

At 30 June 2024, shareholders' equity stood at €3.6m and net debt at €6.8m, comprising €6.3m in cash and €14.1m in borrowings (of which €1.0m related to IFRS 16 lease commitments).

## Outlook

ISPD expects to post positive results in the second half of the year, offsetting the losses of the first half, thanks to the combined effect of a rebound in business growth and a significant reduction in costs compared with the first half.

## Publication of the 2024 interim financial report

The 2024 interim financial report is available to the public and was filed today with the French Financial Markets Authority (AMF). It can be consulted on the company's website at <https://ispd.com/investors/> under "Financial Information/Annual accounts".

**Next date:** FY 2024 revenues, 25 March 2025 (before stock market opening)

## About ISPD

ISPD is a marketing and communications services group that reshapes the relationship between people and brands. Our agencies combine cognitive science and creativity to offer comprehensive solutions to our clients. We have a multidisciplinary team of over 500 experts in research, data science, storytelling, shopper marketing, gaming, media, technology solutions and consulting to deliver innovative results for our clients. The group is listed on Euronext Growth, Paris (ALISP).

If you want to know more, visit us at [ispd.com](https://ispd.com)

## Contact

### ISPD

Jordi Ustrell

[jordi.ustrell@ispd.com](mailto:jordi.ustrell@ispd.com)

[shareholders@ispd.com](mailto:shareholders@ispd.com) [accionistas@ispd.com](mailto:accionistas@ispd.com)

### CALYPTUS

Mathieu CALLEUX / Darius DINU

Tél. : +33 1 53 65 68 68

[ispd@calyptus.net](mailto:ispd@calyptus.net)