

Fourth Quarter 2022 Earnings Call

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Cautionary Note Regarding Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of federal and state securities laws, including, without limitation, our expectations, forecasts, plans and opinions regarding our strategic plans, market opportunities, commercial agreements, product development initiatives, expected revenue growth and adjusted EBITDA margin for 2023, planned expense reductions and future cash flows. These statements involve risks and uncertainties that could cause actual events to differ materially from expectations, including, but not limited to, changes in our business, customer relationships or product plans, external market conditions, and our ability to achieve our expected strategic, financial and operational plans. For additional discussion of risks and uncertainties that could cause actual results to differ from expectations, please refer to our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and other filings we make from time to time with the U.S. Securities and Exchange Commission (the "SEC"), which are available on the SEC's website (www.sec.gov).

Investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date such statements are made. Except as required by applicable law, Comscore does not intend or undertake, and expressly disclaims, any duty or obligation to publicly update or otherwise revise any forward-looking statements to reflect events, circumstances or new information after the date of this presentation, or to reflect the occurrence of unanticipated events.

This presentation contains information regarding adjusted EBITDA and adjusted EBITDA margin, which are non-GAAP financial measures used by our management to understand and evaluate our core operating performance and trends. Our use of these non-GAAP financial measures has limitations, and investors should not consider these measures in isolation or as a substitute for analysis of our results as reported under GAAP. Please see the appendix to this presentation for further explanation and reconciliations of these non-GAAP financial measures to their most directly comparable GAAP financial measure, net income (loss).



New leadership team including Chairman, CEO, CFO & COO



Currency expansion with Scripps, Dentsu & NBCU



48-hour TV data in every market; **Digital innovation** leveraging Shareablee; **CCR** now the only cross-platform product w/ display and video across desktop, mobile, linear & CTV in a single report



Expanded Comscore TV to cover vMVPDs, adding millions of HHs in the fastest growing linear viewing segment



Delivered full-year revenue of \$376M, up ~3% vs. '21; **Delivered full-year Adjusted EBITDA of \$37M**, up ~16% vs. '21

FOCUSED EXECUTION... STRONG PROGRESS



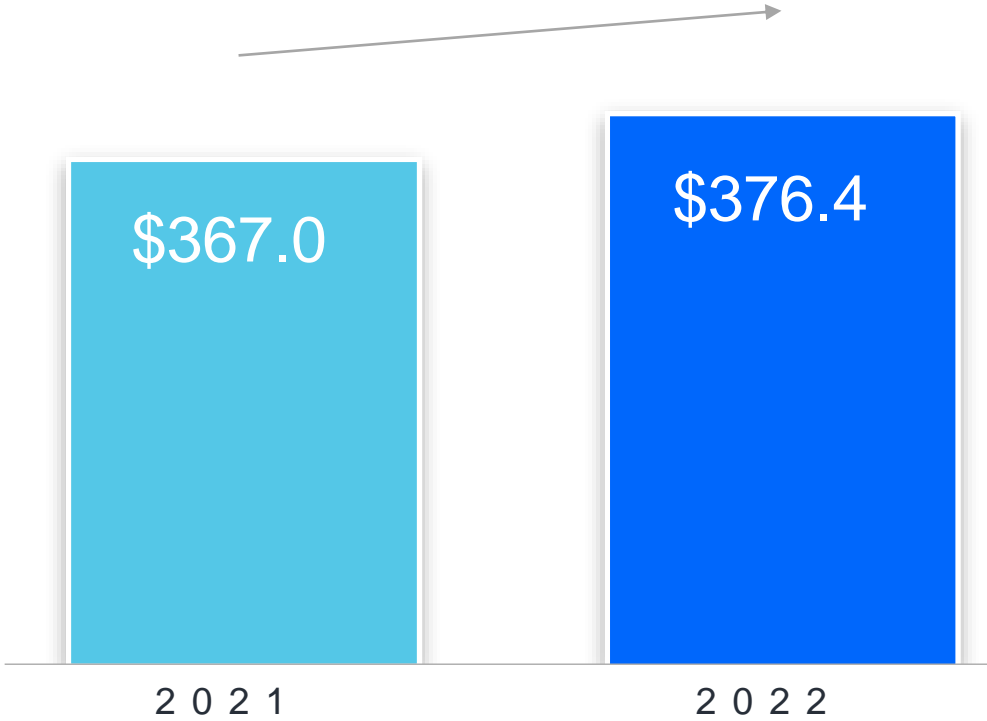
Fourth Quarter 2022 Financials





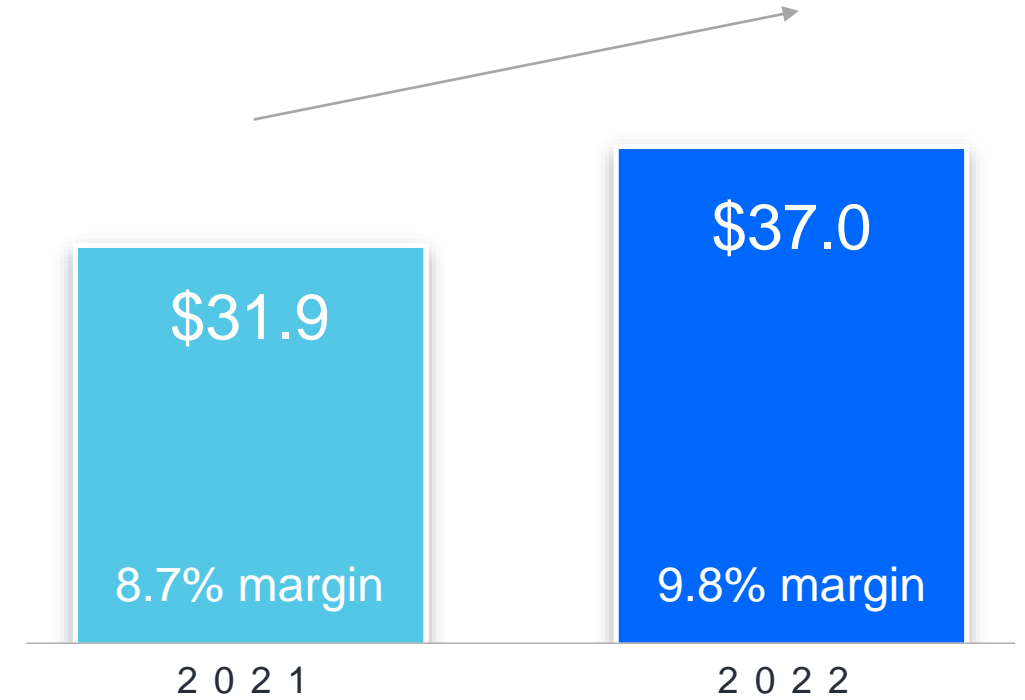
TOTAL REVENUE

+2.6%
year over year
growth



ADJUSTED EBITDA

+16.1%
year over year
growth



KEY DRIVERS

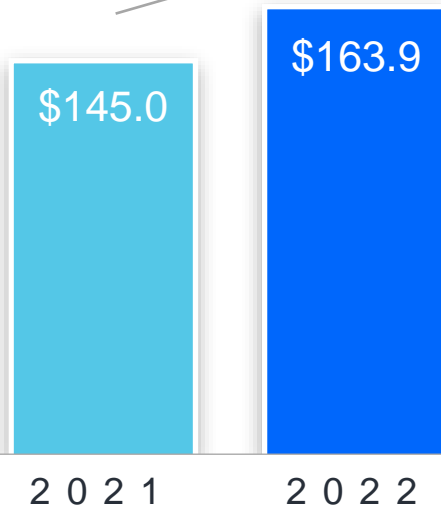
Strength in TV measurement

Movies rebound post-pandemic

Digital ad market softness

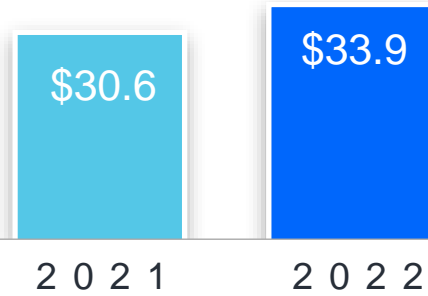
CROSS PLATFORM SOLUTIONS

+13.0%
year over year growth



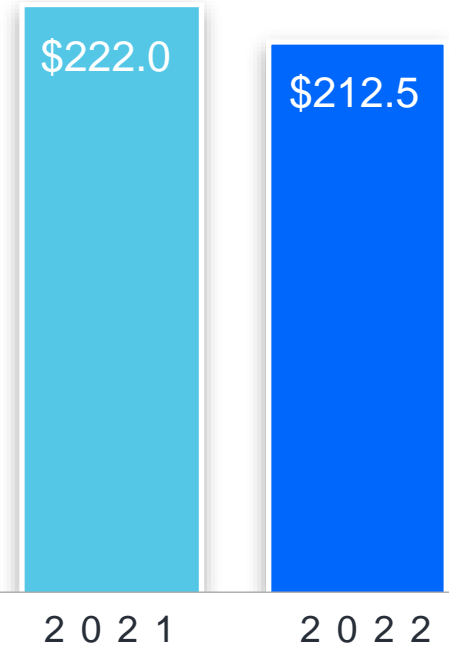
MOVIES REPORTING *

+10.8%
year over year growth

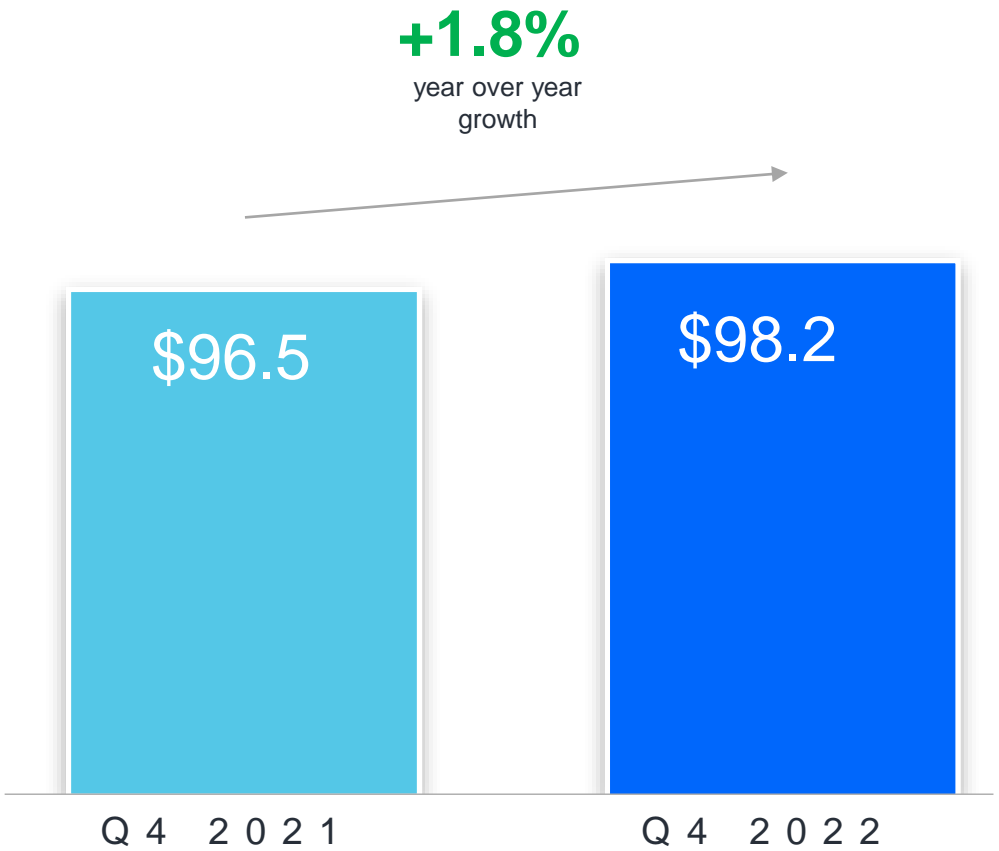


DIGITAL AD SOLUTIONS

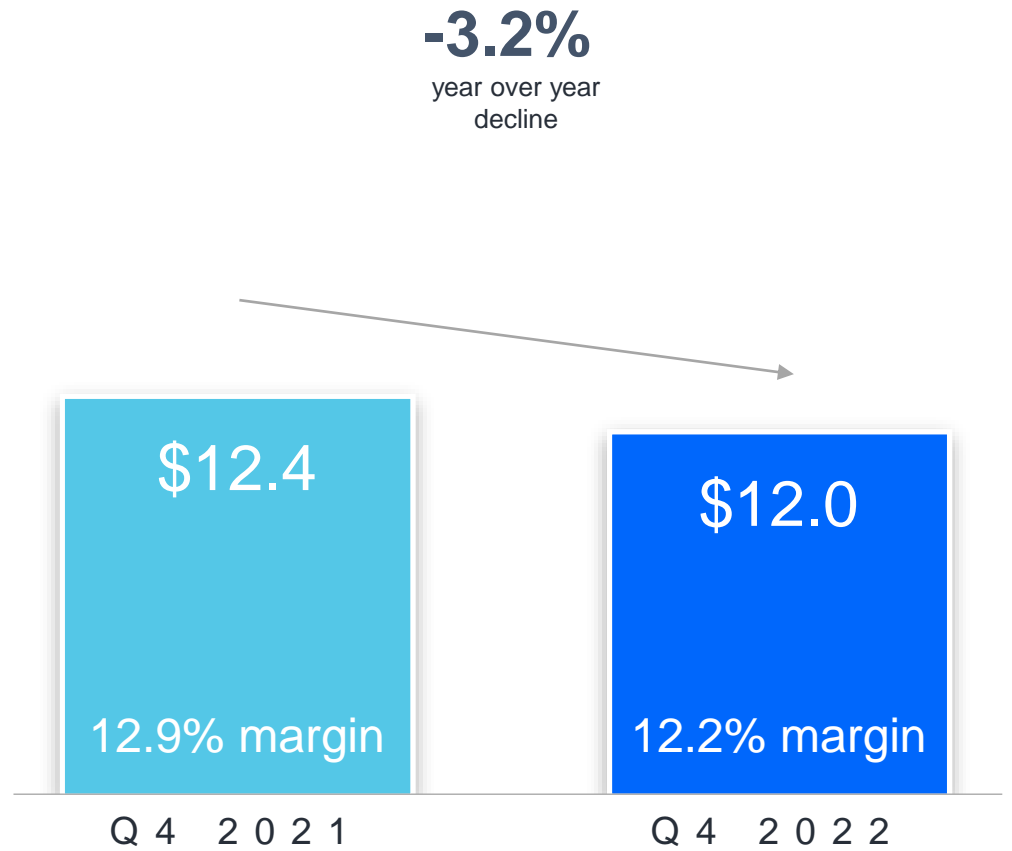
-4.3%
year over year decline



TOTAL REVENUE



ADJUSTED EBITDA



KEY DRIVERS

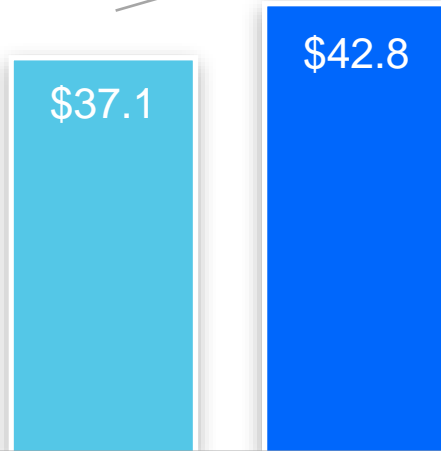
Strength in TV measurement

Movies flattening post-pandemic

Digital ad market softness

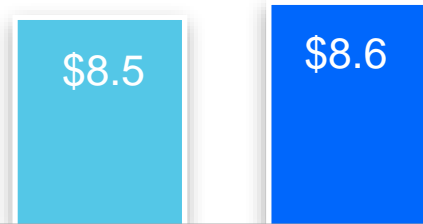
CROSS PLATFORM SOLUTIONS

+15.4%
year over year growth



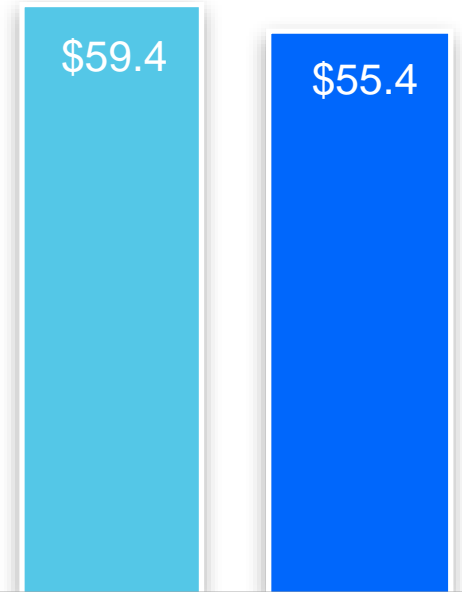
MOVIES REPORTING *

+1.8%
year over year growth



DIGITAL AD SOLUTIONS

-6.8%
year over year decline



*Movies included in Cross Platform Solutions

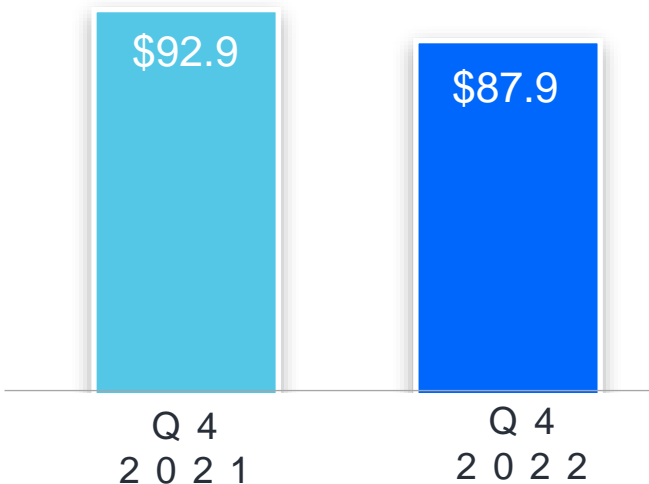
FULL YEAR

+0.3%
year over year



FOURTH QUARTER

-5.4%
year over year
decline



- ✓ 2022 core operating expenses* flat vs. prior year
- ✓ Q4 core operating expenses down 5.4% vs. prior year and 2.8% vs. prior quarter
- ✓ Q4 decline driven by continued cost discipline and impact of Q3 restructuring efforts
- ✓ Momentum entering 2023 with focus on bringing more to the bottom line

* Core operating expenses are composed of cost of revenues, selling and marketing, research and development, and general and administrative expenses



Looking Ahead





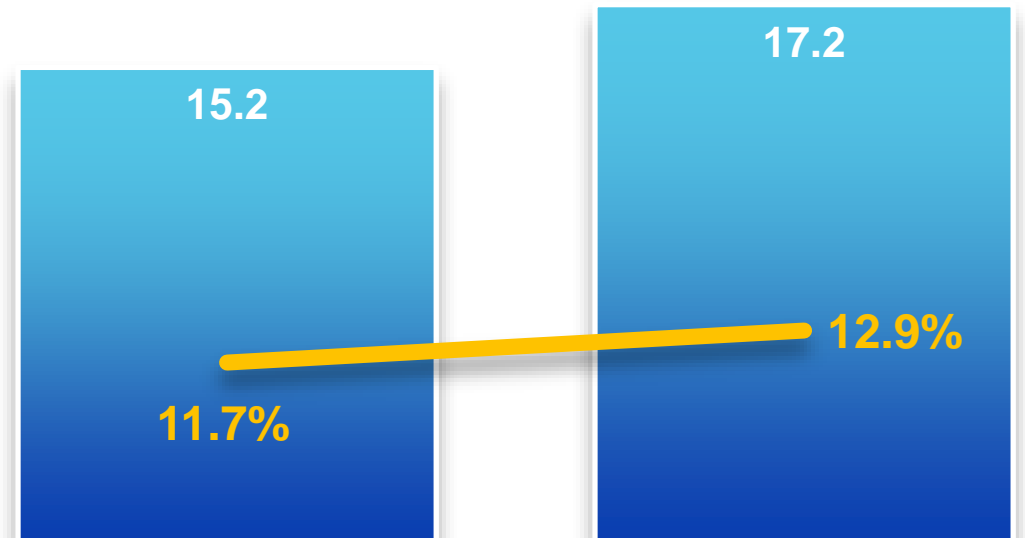
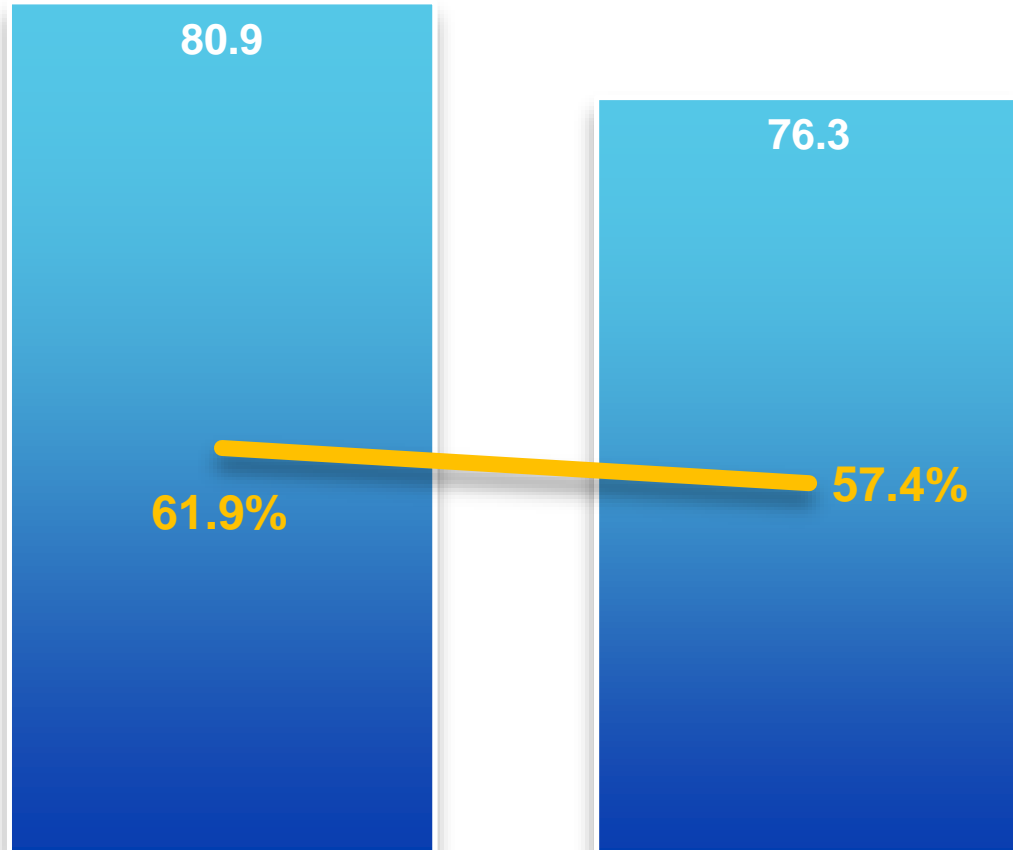


PAY TV HHs • (MVPD & VMVPD)

vMVPD HHs

— HH's (in Millions) — % of all HH's

— HHs (in Millions) — % of HHs



2022

2024

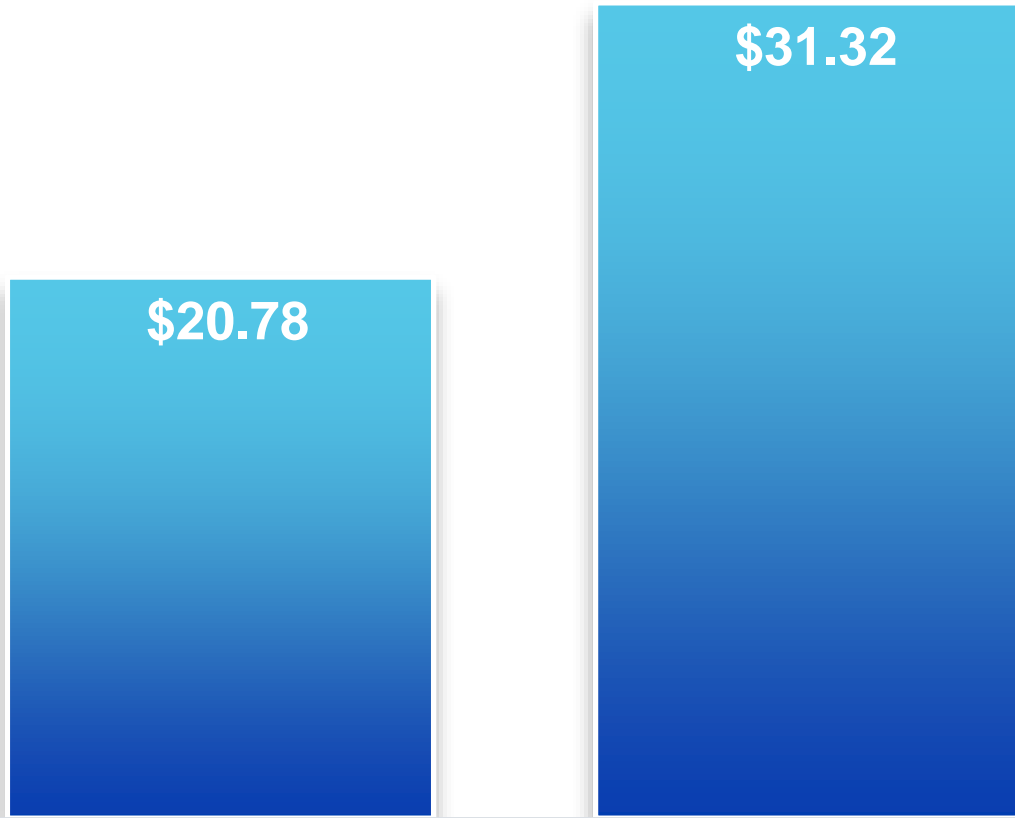
2022

2024



CONNECTED TV VIDEO AD SPENDING

■ Spend (in Billions)

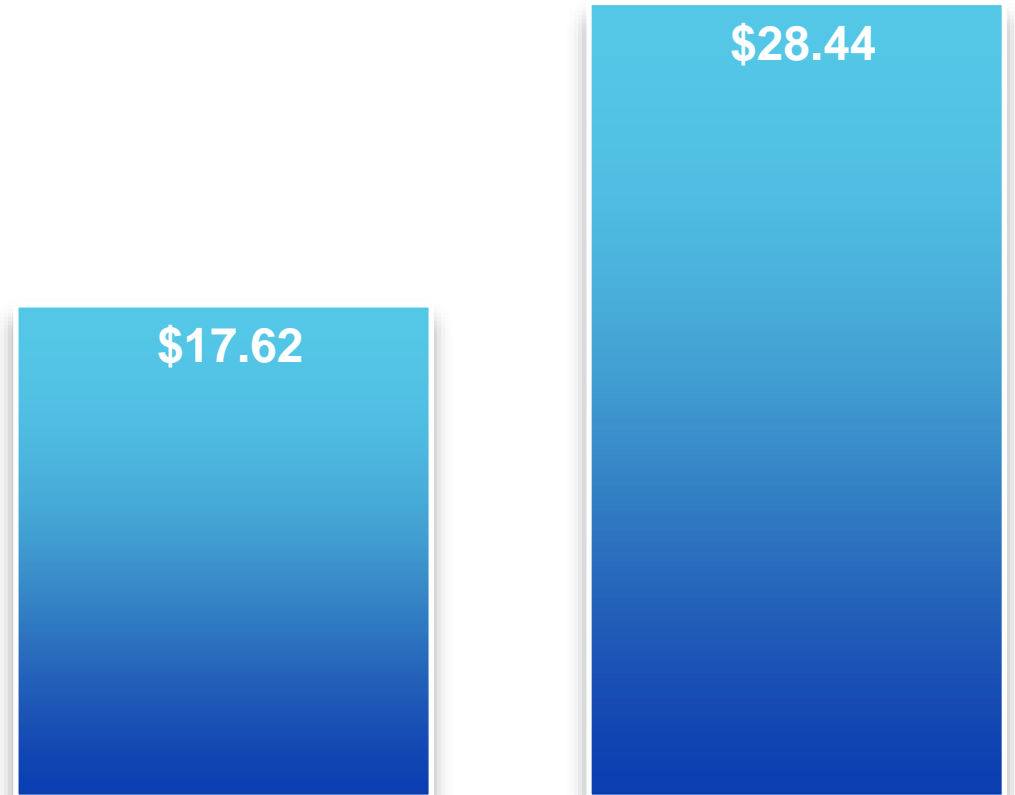


2022

2024

CONNECTED TV PROGRAMMATIC VIDEO AD SPENDING

■ Spend (in Billions)



2022

2024



Unduplicated
Audiences

Time-Shifted
Viewing

Advanced
Audiences

Integrated TV and
Digital Behavior



Programmatic

Addressable
Advertising



Total View of
Consumer

Validated
Impressions

Incremental
Reach

Cross-Platform
Planning



Co-viewing

Comparable
Metrics



Provide clients with the **most complete view of audiences** – regardless of device or platform – **for both content and ads.**

SET-TOP BOXES

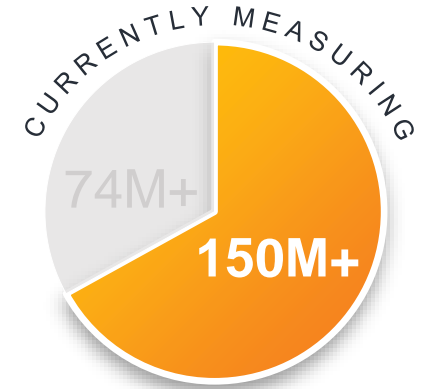


75M+



1-IN-3 U.S. HOUSEHOLDS

CONNECTED TVS



MOBILE DEVICES



CURRENTLY MEASURING

DESKTOP DEVICES

CURRENTLY MEASURING



9 out of every 10 devices in U.S.



COMSCORE IS BEST POSITIONED TO ADDRESS KEY MEASUREMENT CHALLENGES

KEY: FULL CAPABILITY SOME CAPABILITY LACKS CAPABILITY

	NATIONAL	LOCAL	CTV	DIGITAL/ SOCIAL	X-PLATFORM	THEATRICAL
Traditional Panel-Based Methodologies						
Other Currency Contenders						



U.S. AD SPEND IN 2024

~\$404B*
All Media

~\$309B*
Other Digital

~\$95B*
TV (CTV & Linear)

HOW WE WIN



Future is all about audiences



Push to programmatic continues – Comscore audience data is the fuel needed for more effective and efficient programmatic advertising



Scale, Interoperability, and Speed are the path to meaningful growth



Currency expansion



Cross-platform



Privacy forward digital & programmatic solutions



New channel expansion



+26%YOY

2022 REVENUE
GROWTH

24/30

OF TOP 30 STATION
GROUPS AS CLIENTS

~20%

OF LOCAL AD SPEND
USING COMSCORE AS
CURRENCY*

*Comscore estimate based on client reporting

GROWTH DRIVERS

CURRENCY ADOPTION

STATION GROUP PENETRATION

SPEED & BUY-SIDE ADOPTION

2022 REVENUE GROWTH

+13%YOY

2022 REVENUE
GROWTH

CLIENT FOOTPRINT



**OF TOP 50
NETWORKS
ARE CLIENTS**

GROWTH DRIVERS

CURRENCY ADOPTION

INTEROPERABILITY

SPEED

U.S. AD SPEND IN 2024

~\$404B*
All Media

~\$309B*
Digital

~\$95B*
TV (CTV & Linear)

PRIORITIES



Currency & cross-platform expansion



Digital growth



Unlocking the programmatic opportunity



New channel growth

Comscore is the *only* company with the complete view of audiences to power the future of audience-based advertising.

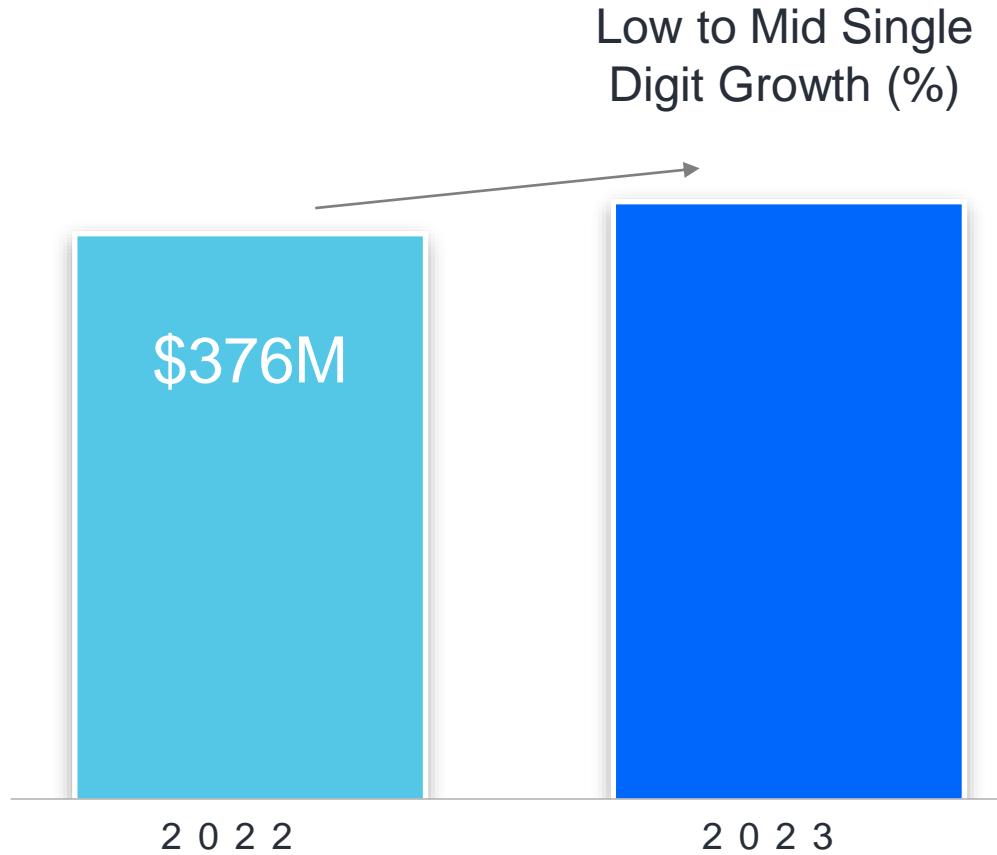




2023 Guidance



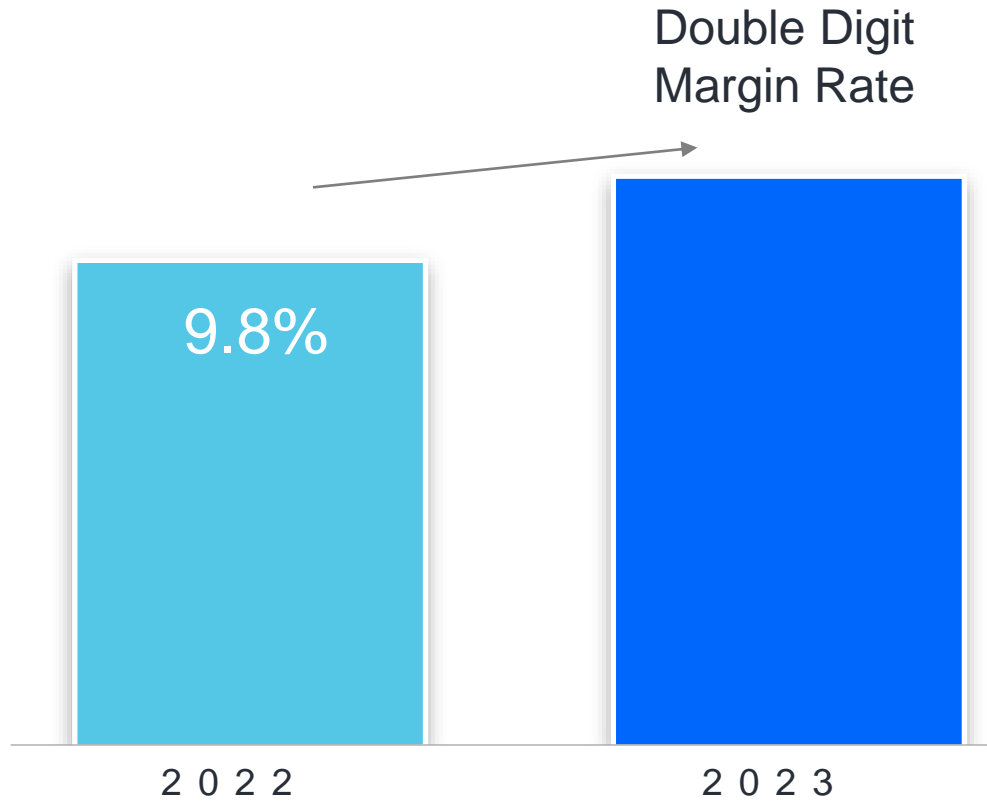
TOTAL REVENUE



KEY DRIVERS

- ✓ **Currency expansion**
 - Continued growth in Local
 - National currency traction
- ✓ **Theatrical market rebound**
- ✓ **Predictive Audience** driven programmatic progress
- ✓ **Cross-platform** capabilities
- ✓ **New channel** opportunities
- ✓ **Anchored** by proven syndicated model with established customer relationships

TOTAL ADJUSTED EBITDA MARGIN



KEY DRIVERS

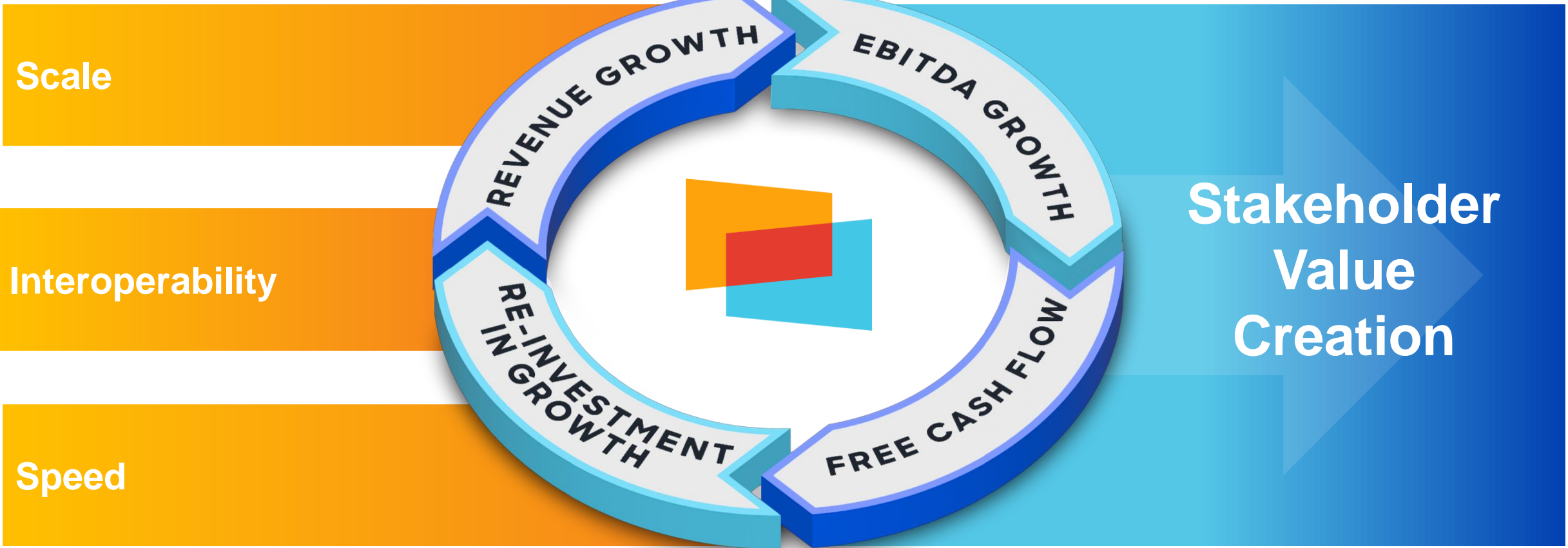
- ✓ **Completion** of restructuring plan
- ✓ **Disciplined** product innovation
- ✓ **Intentional** cost control



Working towards goal of **exiting 2023 with margin run rate of 15%**



Critical to unlocking free cash flow in 2023



WELL-POSITIONED FOR GROWTH

Thank you!



To provide investors with additional information regarding our financial results, we are disclosing adjusted EBITDA and adjusted EBITDA margin, which are non-GAAP financial measures used by our management to understand and evaluate our core operating performance and trends. We believe that these measures provide useful information to investors and others in understanding and evaluating our operating results, as they permit our investors to view our core business performance using the same metrics that management uses to evaluate our performance. Nevertheless, our use of these measures has limitations as an analytical tool, and investors should not consider these measures in isolation or as a substitute for analysis of our results as reported under GAAP. Instead, you should consider these measures alongside GAAP-based financial performance measures, net income (loss), various cash flow metrics, and our other GAAP financial results. Set forth below are reconciliations of these non-GAAP measures to their most directly comparable GAAP financial measure, net (loss) income. These reconciliations should be carefully evaluated.

We do not provide GAAP net (loss) income on a forward-looking basis because we are unable to predict with reasonable certainty our future stock-based compensation expense, fair value adjustments, variable interest expense, litigation and restructuring expense and any unusual gains or losses without unreasonable effort. These items are uncertain, depend on various factors, and could be material to results computed in accordance with GAAP. For this reason, we are unable without unreasonable effort to provide a reconciliation of adjusted EBITDA or adjusted EBITDA margin to the most directly comparable GAAP measure, GAAP net (loss) income, on a forward-looking basis.

Reconciliation of Non-GAAP Financial Measures

The following table presents a reconciliation of GAAP net loss to non-GAAP adjusted EBITDA and adjusted EBITDA margin for each of the periods identified:

	Years Ended December 31,		
	2022 (Unaudited)	2021 (Unaudited)	2020 (Unaudited)
<i>(In thousands)</i>			
GAAP net loss	\$ (66,561)	\$ (50,037)	\$ (47,918)
Amortization of intangible assets	27,096	25,038	27,219
Depreciation	16,828	15,793	14,064
Income tax provision	1,724	859	902
Interest expense, net	915	7,801	35,805
Amortization expense of finance leases	2,364	2,188	1,652
EBITDA	(17,634)	1,642	31,724
Adjustments:			
Stock-based compensation expense	8,178	13,848	10,073
Loss on extinguishment of debt	—	9,629	—
Amortization of cloud-computing implementation costs	1,435	712	—
Change in fair value of contingent consideration liability	2,558	—	—
Impairment of right-of-use and long-lived assets	156	—	4,671
Impairment of goodwill	46,300	—	—
Restructuring	5,810	—	—
Loss on asset disposition	7	—	—
Other (income) expense, net ⁽¹⁾	(9,802)	6,039	(14,164)
Non-GAAP adjusted EBITDA	\$ 37,008	\$ 31,870	\$ 32,304
Non-GAAP adjusted EBITDA margin ⁽²⁾	9.8 %	8.7 %	9.1 %

⁽¹⁾ Adjustments to other (income) expense, net reflect non-cash changes in the fair value of warrants liability, financing derivatives, and interest make-whole derivative included in other (income) expense, net on our Consolidated Statements of Operations and Comprehensive Loss.

⁽²⁾ Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by revenue reported on our Consolidated Statements of Operations and Comprehensive Loss for the applicable period.

**Reconciliation of Non-GAAP Financial Measures**

The following table presents a reconciliation of GAAP net income to non-GAAP adjusted EBITDA and adjusted EBITDA margin for each of the periods identified:

	Three Months Ended December 31,	
	2022	2021
<i>(In thousands)</i>	(Unaudited)	(Unaudited)
GAAP net income	\$ 147	\$ 2,883
Amortization of intangible assets	6,773	6,172
Depreciation	4,286	3,920
Income tax benefit	(221)	(1,307)
Amortization expense of finance leases	489	703
Interest expense, net	255	232
EBITDA	11,729	12,603
Adjustments:		
Stock-based compensation expense	964	2,692
Amortization of cloud-computing implementation costs	359	370
Restructuring	26	—
Change in fair value of contingent consideration liability	111	—
Right-of-use asset impairment	156	—
Other income, net ⁽¹⁾	(1,324)	(3,249)
Non-GAAP adjusted EBITDA	\$ 12,021	\$ 12,416
Non-GAAP adjusted EBITDA margin ⁽²⁾	12.2 %	12.9 %

⁽¹⁾ Adjustments to other income, net reflect non-cash changes in the fair value of warrants liability included in other income, net on our Consolidated Statements of Operations and Comprehensive Income.

⁽²⁾ Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by revenue reported on our Consolidated Statements of Operations and Comprehensive Income for the applicable period.