



Press release 2 February 2023

Cint Group reports lower than expected sales impacted by macro-economic factors and higher reversal rates

Net sales for the fourth quarter 2022 amounted to approximately EUR 80.3m compared to EUR 44.8m in the same quarter last year. On a pro forma basis¹ net sales increased by approximately 6.6 percent and 0.1 percent on constant currency basis.

The flat revenue growth rate pro forma on constant currency basis for the quarter was impacted by:

- Ongoing macroeconomic factors continued to make many clients cautious about initiating new projects; this trend was noticeable across almost all geographies, business segments and customers.
- Higher reversal rates than in previous quarters. Since mid-2022, the industry has seen fraudulent behaviour increase substantially above “typical” reversal levels of around 5 percent. The increase of reversals in Q4’22 versus Q4’21 negatively impacted revenue growth by approximately 5 percentage points.

Reversals (delivered completes that are deemed fraudulent) are an industry-wide issue. As an industry leader, Cint is committed to bringing together relevant parties to address this. In addition, we are enhancing our technical solutions and business policies to better identify and prevent fraud. These actions will help bring us back down to more normalised levels of reversals.

The gross margin amounted to approximately 60.6 percent and adjusted EBITDA to approximately EUR 13.5m with an adjusted EBITDA margin of 16.8 percent in the quarter. The gross margin pro forma in Q4 2021 amounted to 62.0 percent and the adjusted EBITDA pro forma amounted to EUR 11.5m corresponding to a margin of 15.2 percent.

“Rebuilding revenue momentum is our top priority. Therefore, we have refocused on our commercial efforts, and coupled these with technical and industry initiatives to combat fraud.” says Tom Buehlmann, CEO.

All figures in this press release are preliminary and unaudited.

Cint will publish the year-end report at 08.00 CET on 22 February 2023.

¹⁾ Pro forma figures include Cint organic and Lucid and excludes revenue attributed to Russia.

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