

**NIQ Global Intelligence plc NYSE:NIQ**  
**FQ1 2026 Earnings Call Transcript**  
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# Call Participants

## EXECUTIVES

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*CEO & Chairman*

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*Chief Financial Officer*

**Troy Treangen**  
*Chief Product Officer*

**William Lyons**  
*Senior VP & Head of Investor Relations*

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# Presentation

## Operator

Good morning, and welcome to NIQ's First Quarter 2026 Earnings Conference Call. [Operator Instructions]

With that, I'd like to turn the call over to Will Lyons, Head of Investor Relations. Please go ahead.

## William Lyons

*Senior VP & Head of Investor Relations*

Thank you. Good morning, everyone, and welcome to NIQ's First Quarter 2026 Earnings Call. Joining me today are CEO, Jim Peck; CFO, Mike Burwell; and Chief Product Officer, Troy Treangen. Following Jim's and Mike's prepared remarks, we'll open the line for Q&A.

As a reminder, today's remarks will include forward-looking statements regarding our expectations and outlook. Actual results may differ materially from those expressed or implied in these statements. For information about factors that could cause actual results to differ materially please refer to today's earnings press release and our SEC filings. We undertake no obligation to update any forward-looking statements made on this call, except as required by law.

During this call, we will also discuss both GAAP and non-GAAP financial measures. Reconciliations of non-GAAP measures to the most directly comparable GAAP measures are included in our earnings press release, which is available on our IR website. A replay of this call will also be available there.

And finally, a few housekeeping items. Unless otherwise noted, growth rates mentioned on this call are compared with the prior year period. In addition, a supplemental file is posted alongside our Form 10-Q and earnings release, reflecting the retrospective reallocation of revenue and costs from our end-to-end businesses, which are now reported based on geographic location. These changes had no impact on our consolidated financial statements.

And with that, I'll turn the call over to Jim.

## James Michael Peck

*CEO & Chairman*

Thank you, Will. Good morning, everyone. At NIQ, we power mission-critical consumer commerce decisions globally. Our ecosystem connects brands, retailers and consumers across 90 countries and \$7.4 trillion of consumer spending, an unmatched position with enduring value. Our first quarter results reflect this. We delivered organic constant currency revenue growth of 5.1%, expanded adjusted EBITDA margin by 150 basis points to 21%, and generated meaningful free cash flow improvement, all while accelerating our AI investments. These are not separate stories. Our ability to grow revenue, expand margins and invest in AI reflects the strength of our business model and financial profile.

On recent earnings calls, I've outlined how AI is a profitable growth enabler for NIQ and how our data is permissioned and governed. Today, I will discuss our views on the evolving AI landscape where AI agents increasingly mediate commerce and how it can advantage NIQ and create structural tailwinds for our business. I'll cover four areas: one, our context layer that makes our proprietary data decision-grade; two, how AI is already driving measurable growth and deepening our partnerships; three, how agentic commerce is a transformative new channel that further amplifies NIQ's leading role; and four, how all this can translate to faster profitable growth over the long term.

On the first point, our foundation is a clear advantage. We have nearly 9,000 retailer partnerships across 90 countries, 5.5 million consumer panelists and 253 million product items in our database. Because our data is permissioned, governed and not publicly available, it's a differentiated asset that is impractical to replicate. But the deeper advantage is what we build on top. Every week, NIQ harmonizes 4 trillion data records on consumer purchases from fragmented retailer feeds, proprietary panels, traditional trade and e-commerce receipts and creates a unified deduplicated view of the market down to the SKU level.

We then add context that makes the data intelligible and actionable. Specifically, our semantic framework encodes how consumer markets actually work across categories, products, substitutes, promotions and retail relationships, embedding NIQ's vertical expertise directly into the data. This transforms raw data into a proprietary system that can be understood and acted on. With our context, AI can interpret data correctly, reason across it and generate decision-grade answers to critical business questions. Because our intelligence is constantly refreshed with the latest ground truth, clients can deploy it across their enterprises with confidence.

We deliver intelligence directly to our clients' point of decision. Today, this happens through Discover, our client tools, and shared clean rooms and increasingly, through direct integrations into clients' AI systems and autonomous agent workflows. Even our most sophisticated clients with strong internal data science teams are leaning in with NIQ. Building a complete dynamic commerce intelligence layer is expensive, complex and time-intensive. Our specialized vertical expertise and interconnected data position NIQ as the highest quality, most decision-ready partner in the market.

We believe our context layer is increasingly essential infrastructure for the AI era. It informs not only what happened but drives what to do next across growth strategy, innovation and emerging agentic channels. As AI agents begin to influence and execute transactions, NIQ's intelligence can help determine what brands and products get seen, selected and sold.

We're building the commerce of tomorrow from a position of embedded strength. Clients use NIQ as a system of record to make everyday pricing, assortment, promotion and competitive decisions. In Q1, that role strengthened. For example, in Q1, we closed 17 7-figure wins averaging 3 years in duration. In Americas, we took multiple accounts from an established competitor with clients pointing to the strength of NIQ's Full View platform and the quality of our service. This included several high 7-figure renewals and expansions, including with a large multinational food manufacturer and the win back of a major global beverage manufacturer across multiple markets.

In EMEA, our largest Q1 wins included Retail Measurement and Consumer Panel within a single integrated relationship, multiproduct adoption that differentiates from point solution competitors and drives long-term customer retention. Following a formal competitive RFP, a leading global financial services client renewed for the seventh consecutive year. In Eastern Europe, we monetized a new loyalty data product across 15 brand clients in a market where no other provider can deliver this level of granularity.

In APAC, one of our 8-figure renewals was a 5-year global commitment with a leading tech and durables enterprise client that will anchor its worldwide category strategy to our Intelligence and Activation solutions. And across markets, we accelerated eCommerce revenue growth to 33%.

We also expanded Full View Measurement to 209 clients, reinforcing NIQ's role at the center of omnichannel decision-making. We extended our leadership in high-growth verticals and strengthening the Retailer side of our ecosystem. For example, in Beauty, leading specialty retailer, Ulta selected NIQ as its primary insights panel provider; expanding our Full View of Beauty in a vertical that's growing approximately 10% annually with online growth running roughly 6x faster.

On the Retailer front, we scaled manufacturer participation in our Wakefern Retailer Analytics program in the U.S. On the tech side, we introduced Activate Lite, our software platform that helps small and mid-sized retailers access decision-grade retail intelligence and activation tools without building a full analytics stack.

In new verticals, we expanded our media Marketing Mix offering into three additional categories: Auto, Telecom and Retail. Clients turn to NIQ at their most consequential moments. For example, in Q1, multiple global consumer products companies used NIQ data as a primary input to M&A due diligence. They chose NIQ for data quality, credibility and speed, reinforcing NIQ not just as a measurement provider, but as a trusted strategic partner when the stakes are highest, a role that's hard to displace.

NIQ's embeddedness compounds. Creating high switching costs and strong retention. Q1 net dollar retention was 104%, gross retention was 99%, and annualized subscription revenue was \$2.9 billion, up 5.9% and Q1 was our ninth consecutive quarter of durable subscription growth, reflecting the stickiness of our relationships.

And this stickiness increases as we develop our new AI capabilities. In Intelligence, the global beverage manufacturer, we won back in Americas, cited Ask Arthur and our Advanced Analytics roadmap and AI-driven capabilities as the deciding factor. A leading CPG chose NIQ over multiple competitors for a growth strategy engagement, specifically because of our AI-powered integration of qualitative and quantitative intelligence. Just a few examples, but multiple exist.

In Activation, less than a year since launch, more than 70 clients have embedded our AI-native solutions, BASES AI Screener and Product Developer into their workflows. Clients have tested more than 2,300 product concepts, helping accelerate their innovation, development, and delivery. And adoption continues to broaden globally with these AI-native solutions now in use across 27 countries.

Clients are seeing strong value. For example, global leader in hygiene and health products, Reckitt cited 65% faster consumer research innovation velocity at 50% lower cost through AI screener.

We continue to see rapid NIQ data consumption, including our top clients engaging with our AI-native applications and increasing spend faster than non-adopters, clear signals of NIQ's value.

BASES AI is just the beginning. Our go-forward vision is organized around a single purpose to fuel the future of trusted AI. We seek to achieve this through our 3-pillar AI strategy. The first pillar is to deliver NIQ IP that fuels AI. This pillar makes NIQ's most valuable proprietary assets, data, models, coefficients, product, content and analytical constructs, available as licensable infrastructure for clients building and operating their own AI systems. It is delivered through an API- and MCP-first governed architecture. That architecture reflects our more than \$1 billion invested in platform transformation and strategic acquisitions since 2021.

Second, we're building AI applications for smarter outcomes. This pillar delivers purpose-built tools across specific commercial use cases ranging from everyday insights and growth strategy to innovation, brand and media, digital shelf and price and promotion. We made strides on this front in Q1. We beta launched Arthur AI Analyst within our Discover platform.

We also beta launched Arthur Chat to clients, providing them with a conversational AI experience that unifies Discover and Full View into a single intelligence interface powered by NIQ consumer intelligence. These beta launches plus the capabilities on our product road map throughout 2026 and into 2027, lay the foundation for usage-based monetization.

Our third pillar is delivering Commerce Intelligence. Let me describe this in detail. Over the past decade, consumer shopping has moved from in-store to omnichannel to social and quick channels. Each wave added complexity, making NIQ's measurement capabilities more critical. The same is happening with agentic, which is estimated to be the most significant structural shift since the advent of e-commerce. McKinsey estimates up to \$1 trillion in U.S. consumer revenue could be orchestrated by AI agents by 2030 with global potential of \$3 trillion to \$5 trillion.

NIQ's own research shows 74% of shoppers are already using AI for some form of product discovery, and consumer openness to AI-assisted purchasing rises from 40% to 50% to 70% to 85% after a single positive experience. NIQ is advantageously positioned for this shift. As agents move from search assistants to autonomous transaction engines, discovering, evaluating and buying on behalf of consumers, the intelligence layer they rely on becomes the layer commerce runs on. NIQ is building that layer.

Let me make this concrete. A consumer asks an AI shopping agent to plan a week of high protein, heart healthy groceries within a set budget. Using NIQ's granular product content the agent recommends comparable options with more protein, stronger heart health attributes and a better price. Those recommendations are powered by NIQ intelligence across product attributes consumer demand, pricing and availability. This is the vision we are building towards.

For decades, NIQ has been a leader in measurement and analytics. In an increasingly agentic world our granular proprietary measurement data amplifies NIQ's value in several ways. And our product content is structured, enriched and AI-ready, making a brand discoverable and selectable in an agent's recommendation set. That would be NIQ ensuring our client wins the agentic shelf. And when an agent cross-references consumer preference models to personalize a result, that would be NIQ intelligence driving conversion. And when an AI agent wants to have higher confidence that the products it is recommending for same-day delivery are available, that would be NIQ data and infrastructure powering the match.

Our Commerce Intelligence strategy is tied to three pillars: product intelligence and availability, channel and media measurement and agentic transaction integration. Together, these form the data and measurement foundation required for AI-driven commerce to operate reliably at scale. We launched NIQ Commerce Labs to support our agentic commerce vision and advance our thought leadership on proposed industry standards, driving collaboration and feedback and sharing learnings and prototypes. Inside NIQ, we are building agentic commerce measurement standards grounded in our vertical expertise.

Lastly, we believe our position at the nexus of consumer commerce makes NIQ central to the AI value creation stack. We are engaging with all the major players across the ecosystem accordingly. At the infrastructure layer, we completed a proof of concept with Snowflake on clean room data sharing and have begun a follow-on sprint using production data. At the distribution and application layer, we are in active discussions with several leading AI platforms. Our discussions reflect a consistent recognition that governed permissioned data is essential for AI to work effectively.

Let me bring this together financially. Our advantaged position creates incremental monetization opportunity. We have now delivered 5% plus organic constant currency revenue growth for nine consecutive quarters. That consistency is supported not only by strong retention, cross-sell, up-sell and adjacent market expansion but also by pricing power. In Q1, a leading global management consulting firm renewed its NIQ relationship at a 50% price increase. While anecdotal, we believe that reflects the mission-critical role our data plays in client workflows.

Looking forward, as we continue to build the Commerce Intelligence foundation, we see AI revenue upside through new features, faster product releases and usage-based monetization models. Add to that, our ability to do more with less, and we see a clear path to margins in the 30s over time. We began our transformation journey in 2020 at 13% margins. We exited 2025 at 22%. Today, we reaffirmed full year 2026 guidance approaching 24%, bringing us closer to our midterm target of mid-20%.

Our AI investments are delivering measurable tracked results across the business today. In engineering, we have deployed AI-assisted development tools across more than 2,600 engineers. We are scaling output, faster time to market, higher productivity without adding headcount. That is direct operating leverage flowing through our cost structure. In operations, we are deploying agentic AI across our data collection and coding workflows, the work that powers every product we deliver. Recently, an AI-powered coding system operated at extreme scale on a major global retailer data challenge, compressing timelines and reducing delivery costs. In customer support, AI-driven automation is running ahead of plan through ticket deflection, automated resolution and translation tools now live across our global support operations. These are durable reductions in cost to serve.

We're unlocking productivity gains from our 2026 cost program and now expect \$70 million to \$80 million of annual run rate savings versus our 2025 expense base. As I mentioned in February, this program signals a prominent next phase for NIQ, reflecting our commitment to leveraging AI, automation, advanced digital tools and data-driven processes to streamline operations, enhance agility and reinforce competitive advantages. We'll continue to actively identify opportunities to structurally improve margins and drive long-term free cash flow. The path to long-term margins in the 30s is fundamentally about scale. As revenue grows, we can spread a largely fixed and increasingly productive cost base across a larger business.

Commerce intelligence and agentic AI help on both sides of the equation. They create new revenue opportunities through new products, new customer types, such as AI platforms and ecosystem partners, deeper client embedment and usage-based monetization and they reduce cost to serve through efficiency and process reinvention. As a result, each incremental dollar of revenue should carry higher margin than the last. That is the path from the mid-20s to the 30s and it is already underway.

So let me conclude by bringing this all together. We believe NIQ is well positioned to win in AI. Our AI-ready data, expanding AI-native product suite and deepening ecosystem partnerships strengthen that position. And because NIQ is embedded in mission-critical client workflows, we believe we are uniquely positioned to lead as agentic commerce emerges. Not only as the gold standard in measurement and analytics, but increasingly as a conversion catalyst. We also have a strong and improving financial foundation with upside as we execute.

In closing, Q1 was a solid start to the year, and we're excited about the long-term future we're building. I want to thank NIQ associates worldwide for their expertise and dedication. I'm confident in our team, our position and our strategy to create value for clients, partners and shareholders.

With that, I'll turn it over to Mike.

**Michael J. Burwell**  
*Chief Financial Officer*

Thanks, Jim, and good morning, everyone. We have a solid start to 2026 with first quarter results exceeding our expectations. Revenue grew 5.1% on an organic constant currency basis, adjusted EBITDA increased 19.1% and margins expanded to 21%, all reflecting continued ongoing disciplined execution. We also delivered meaningful year-over-year improvements in free cash flow and maintained a strong balance sheet position.

In our earnings release this morning, we revised upwards our full year guidance for reported revenue and adjusted EBITDA, largely due to positive FX movements. Based on our first quarter outperformance and generally healthy underlying demand trends, balanced against the dynamic and uncertain market and prudent guidance approach. All other financial guidance remains unchanged versus what we provided in late February. This outlook reflects our continued progress, durable revenue growth, attractive margin expansion, free cash flow generation and deleveraging.

I'll start with a brief walk-through of our first quarter results, then cover liquidity and free cash flow and finish with our detailed outlook for Q2 and the year. Q1 revenue grew 11.1% reported to \$1.1 billion or 5.1% on an organic constant currency basis, exceeding the top end of our guidance and in line with consensus. Growth was driven by value-based pricing, strong retention and continued cross-sell and up-sell of new capabilities with contributions across both Intelligence and Activation.

Net loss and adjusted net income improved by \$29.7 million and \$47.9 million, respectively, year-over-year. Adjusted EBITDA growth accelerated to 19.1% year-over-year to \$224.8 million with margins expanding 150 basis points year-over-year to 21%. Margin expansion was driven by profitable revenue growth, disciplined cost management, operating leverage and early benefits from AI-enabled automation and our 2026 productivity initiatives.

From a segment perspective, Americas revenue grew 9.3% in organic constant currency, driven by both Intelligence and Activation. In the U.S., we reinforced intelligence leadership through key renewals and competitive wins, including renewed long-standing agreements with a global media holding company and a leading management consulting firm and takeaways with a multinational

packaged foods producer and a regional salty snack manufacturer. Both choosing NIQ for a more integrated full channel view through our Discover-led platform. In Lat Am, we bolstered pricing with the rollout of Market Track Pro in Brazil. Americas adjusted EBITDA grew 13.2% to \$122.5 million, with margins flat year-over-year, driven by timing-related expense allocations that we expect to normalize over the balance of the year.

EMEA revenue grew 4.6% on an OCC basis, driven primarily by strong intelligence renewal momentum, pricing and cross-sell/up-sell despite the ongoing conflict in the Middle East. We delivered several large multiyear agreements combining Retail Measurement, Consumer Panel and eCommerce. Reinforcing NIQ's role as a trusted full view partner.

In Southern Europe, we achieved a meaningful intelligence win back with a global beverage and refreshment leader, renewing and displacing a competitor through stronger local execution and faster insight delivery.

EMEA adjusted EBITDA grew 24.0% to \$155.2 million, with margins expanding 270 basis points to 31.8%, reflecting profitable revenue growth, disciplined cost management and benefits from ongoing efficiency initiatives, including restructuring actions.

APAC revenue declined 3.6% on an organic constant currency basis. As we navigate the early stages of turnaround in this region, we are beginning to see early returns from investments focused on improving retailer relationships and data coverage. For example, in China, we expanded our retail ecosystem by partnering with one of the country's largest grocery retail chains and a scaled convenience store operator, significantly broadening our modern trade and convenience coverage.

In Japan, we partnered with leading market research and data analytics firm, INTAGE, in a mutual sales collaboration that pairs its nationwide retail store panel data with NIQ's global Retail Measurement Services footprint across 100-plus countries and regions. Building on our tech and durables presence, the partnership expands our reach in CPG and helps clients close historic comparability gaps between Japan and global markets. Supporting global companies expanding into Japan and Japan-based companies growing internationally.

Our internal forecast reflects an improving trajectory in APAC over the course of the year as these retailer partnerships contribute to data coverage improvements and client confidence. APAC adjusted EBITDA increased 10.1% to \$34.8 million, with margins expanding 230 basis points to 22.7%, reflecting early turnaround benefit.

From a product perspective, Intelligence revenue grew 5.1% in OCC. As Jim mentioned, we've seen continued strong growth in eCommerce and Consumer Panel, reinforcing client demand for our full view value proposition. Annualized Intelligence subscription revenue reached \$2.9 billion, growing 5.9%. NDR was 104% and GDR improved to 99%, underscoring the durability of our revenue algorithm and the mission criticality of our solutions. Activation revenue accelerated materially to 5.3% in OCC. This reflects strong new client wins, including scaling our Wakefern Retail Analytics program we signed last fall as well as converting some of our project backlog that was delayed from late 2025.

While it's a bit early to expect Q1's growth to repeat every quarter, we do expect that the operational changes Jim described in February and a healthy forward pipeline can drive steady growth improvement.

Now I'll walk you through the details of our P&L. Q1 operating expenses increased 14%, driven by higher restructuring costs related to the 2026 program. Excluding these charges, operating expenses grew well below reported revenue growth of 11.1%, reflecting continued cost discipline and operational efficiencies. One-time and restructuring costs totaled approximately \$80 million in the quarter. Of this amount, \$55 million was driven by expenses associated with the 2026 program announced last quarter. Depreciation and amortization was \$153.7 million for the quarter, approximately 14% of our revenue, in line with prior quarters.

Below the operating line, GAAP interest expense was \$58.5 million, \$25 million lower compared to prior year, driven by lower debt balances from transforming our capital structure through our IPO and successful debt refinancing. Changes in foreign currency resulted in a \$5.6 million gain in the period compared to a \$32 million gain last year, driven primarily by remeasurement of our debt obligations held in foreign currencies. Income tax expense was \$25.6 million or approximately 11% of adjusted EBITDA and reflecting a favorable earnings mix across jurisdictions during the quarter.

Net loss attributable to NIQ improved by \$29.7 million year-over-year, while adjusted net income improved by \$47.9 million, resulting in positive adjusted net income of \$43.4 million, driven primarily by higher adjusted EBITDA and lower interest expense. Adjusted EPS was \$0.15, well ahead of both guidance and consensus of \$0.10.

As of March 31, 2026, the company had \$362.3 million in cash and cash equivalents and \$747.5 million of available revolver capacity, resulting in total available liquidity of \$1.1 billion. Cash used in operating activities was \$63.6 million in Q1, a \$90 million improvement due to higher profitability, improved net working capital and lower interest. Cash used in investing activities was \$59.2

million in Q1 2026 and compared to \$3.7 million in Q1 2025, a period in which we received roughly \$62 million of proceeds from our Netquest divestiture.

Capital expenditures were \$59.6 million in the first quarter, largely flat to last year, representing about 5.5% of revenue. I'll note that Q1 is typically a lighter CapEx quarter and we continue to expect CapEx of 6.5% to 7% of revenue this year based on our growth investments in Consumer Panels, our platform and our AI capabilities. As a result, levered free cash flow increased by \$93.1 million year-over-year in Q1, reflecting stronger revenue flow through to adjusted EBITDA, improved working capital performance and lower interest expense following transforming our capital structure, partially offset by cash costs related to the 2026 restructuring program we announced in February.

Our cash flow performance was in line with consensus and with our estimates shared with the research analysts leading up to our IPO. A strong result considering those estimates did not contemplate our 2026 restructuring program. Also, we remained undrawn on our revolver during Q1 and which, as we've noted before, is our seasonal cash low point due to variable compensation, IT payments and data costs. We believe our Q1 performance continues to demonstrate our powerful levered free cash flow inflection and we're on track to deliver material, positive free cash flow this year.

Net debt remained broadly stable at \$3.2 billion at the end of Q1. We have hedged roughly 60% of our term loans and ended the quarter with an all-in weighted average interest rate of approximately 5%, benefiting from lower spreads during the period. Our net leverage ratio remained broadly stable at approximately 3.4x despite Q1 being our seasonal cash flow low point. We remain committed to achieving our net leverage ratio target below 3.0x at the end of 2026.

Now turning to our guidance. As I mentioned, we have revised upwards our full year guidance for reported revenue and adjusted EBITDA, largely due to positive FX movements. All other financial guidance remains unchanged. Execution remains strong, supporting our outlook even as the macro environment remains uncertain. I'll note that Q2 has started well, with April organic constant currency growth ahead of Q1. Our guidance balances Q1 outperformance and healthy underlying demand trends against a dynamic market backdrop and prudent guidance approach.

With that as a backdrop, for the second quarter, we expect reported revenue growth of approximately 6.0% to 6.3%. Organic constant currency revenue growth of approximately 4.9% to 5.2%, adjusted EBITDA growth of 12% to 14%, driving margin of 22.0% to 22.2%, adjusted EPS of \$0.19 to \$0.21. For the full year, we expect reported revenue and adjusted EBITDA to be higher compared to prior guidance largely due to FX. The rest of it remains unchanged, reported revenue growth of approximately 6.4% to 6.7%, organic constant currency revenue growth of approximately 5.0% to 5.3%. And adjusted EBITDA growth of 14% to 16%, driving margin of 23.5% to 23.8%, adjusted EPS of \$0.95 to \$0.99. Levered free cash flow of \$235 million to \$250 million and our net leverage ratio tracking to below 3x by year-end.

Full year restructuring costs associated with the 2026 program announced last quarter are now expected to be approximately \$65 million to \$75 million. The increase is primarily driven by incremental costs associated with actions identified to integrate AI throughout our operations. The majority of these incremental costs are expected to be executed in Q2, and we now expect approximately \$70 million to \$80 million of annualized run rate cost savings by the end of 2026. Moving forward, we expect to continue to identify additional efficiency opportunities.

Other full year 2026 modeling assumptions remain unchanged from prior guidance. Depreciation and amortization of \$614 million to \$619 million, approximately 14% of revenue. GAAP net interest expense of approximately 16% of adjusted EBITDA, implying net interest expense of \$230 million to \$235 million. Income tax expense of \$165 million to \$170 million, a diluted share count of approximately 300 million and CapEx at approximately 6.5% to 7% of revenue focused on our top growth initiatives, panel build-out, platform enhancements and AI capabilities.

Lastly, I will address our capital allocation priorities. Our approach is clear: first, continue deleveraging to less than 3x, which we expect to achieve by year-end 2026. Second, pursue targeted tuck-in M&A across geographies, categories and capabilities where we see compelling return profiles. I'll note that we do not currently have a share repurchase authorization in place, but we are very unsatisfied with the dislocation in our stock. As we deleverage the business in 2026 and into 2027, we will continue to assess the full range of ways to return capital to shareholders, and we'll provide an update at the appropriate time. Our ongoing free cash flow inflection gives us confidence in our ability to execute our long-term oriented profitable growth strategy.

In conclusion, Q1 was a solid start to the year. We remain focused on what we can control, strengthening our financial profile and investing prudently against long-term opportunities.

With that, operator, we're ready to open the call for Q&A.

# Question and Answer

## Operator

[Operator Instructions] Your first question comes from the line of Manav Patnaik from Barclays.

### **Manav Shiv Patnaik**

*Barclays Bank PLC, Research Division*

Jim, I wanted to ask about how you would describe the client behavior today -- in today's environment. And obviously, the market is making assumptions on how they might react given AI and the macros and everything. But just what are you seeing a lot of PR from your end? So clearly things are going good, but any color there would be appreciated.

### **James Michael Peck**

*CEO & Chairman*

Sure. Sure, Manav. Thanks for the question. I think you might be talking about some of the world events, let's call them, that are going on that are certainly very serious as far as their impact on the world. But I think what we're seeing is an affirmation that no matter what is going on, and there's always going to be something, given we're in 90 countries, that NIQ is mission-critical in all economic [ climates. ] And our guidance really reflects that kind of condition.

And I have been traveling quite a bit. And I've noticed that like, when I was in Asia Pac about 1.5 months ago. While our clients are certainly impacted by what's going on in the Middle East, their minds are certainly going to be thinking about navigating that. And certainly, them and, in fact, our clients in the Middle East are deciding how they're going to spend their money, but they're still going to spend their money and it may cause a temporary impact to their businesses, but they're really thinking about the big, big picture right now. And that is how AI is going to impact their ability to do business.

And while they're thinking about that picture, they're still doing the things that they're going to continue to do to figure out how to help consumers understand what they're selling and then to get them to buy. So the pricing and promotion, their assortment, their demand decisions. All that stuff is still going on while the world continues to turn. So we're seeing good steady demand as always, with a twist of -- they're trying to figure out not just today, but tomorrow and we're talking about agentic commerce, for example, how they're going to win in the new world.

And I've also been with a significant number of clients as they're deciding how they're going to spend their capital in AI. And it's very heartening for our business to see that they're coming to an even fuller realization how not only our data itself, but the context we provide around the data, which I described, is fundamental to how they're going to connect their own information and other information inside their shops and by providing them kind of a semantic layer, by providing them our brain power and our data they're going to be able to move much more quickly. And so we're seeing a lot of proof of concept and something we call AI builder, and we certainly described a lot about agentic commerce.

So while these things are going on in the world with our clients, of course, and they have to face them day-to-day just like we do. We don't see them reducing demand in any significant way. And we see them actually thinking about the bigger picture, which is going to help us accelerate our growth.

### **Manav Shiv Patnaik**

*Barclays Bank PLC, Research Division*

Okay. Got it. That's super helpful. And then maybe just another quick one. The comments on April being better than 1Q. I'm guessing a lot of that is kind of the timing of the macro events, but can you just help maybe appreciate seasonality on 1Q versus the rest of the year?

### **Michael J. Burwell**

*Chief Financial Officer*

Sure. Manav, it's Mike. Maybe just when you think about our seasonality, traditionally, you've seen Q1 as our lowest quarter. But when we look at -- what we've seen already in April, our April revenues has been stronger from a -- when we look at our Intelligence business already and overall has been a greater revenue growth than what we saw for the first quarter. So we're seeing strength already starting in Q2. Seasonality, Q1 is generally our lowest quarter of the year, with Q4 being the highest quarter. And so we're seeing that overall, and as I say, seeing strength already in Q2 starting off with April being very strong.

**Operator**

Your next question comes from the line of Kyle Peterson from Needham.

**Kyle David Peterson**

*Needham & Company, LLC, Research Division*

Great. I wanted to touch on the agentic opportunity. I really appreciate you guys giving all the additional detail, both in the materials and the prepared remarks, I think it seems like it's an underappreciated part of the story here. So I guess, could you maybe expand a little more on how quickly this is maybe evolving and gaining momentum during client conversations maybe compared to some past new products and such kind of how quickly is this getting more eyeballs and attention? And how should we think about where this will start to contribute to the P&L? Is this in kind of value-based pricing? Is it upsell cross-sell new logos or all of the above?

**James Michael Peck**

*CEO & Chairman*

Sure. So, good question, a lot of questions in there. I'm going to introduce Troy Treangen, he's our Chief Product Officer, to dive into the agentic component. But let's start with AI generally, we are seeing, as I commented earlier, our clients taking their capital and saying, how can I string together more of my information more of my processes together to get -- to basically do business quicker. And we're seeing them ask us, please help us because we see that you have the way you look at the world, the semantic layer, the way you look at data is what we need to help string together our own business.

And I think we can't put a specific date on these things because we're doing proof of concepts, but those things are real. They will be based likely on a combination of -- a hybrid combination of subscription-based pricing and then usage-based pricing. So there'll be tiers, which will enable us to grow and probably some type of fee associated with actually bringing our world into their world. And so that I see coming sooner than later.

With regards to agentic commerce, I think that's going to evolve rapidly. It may come in fits and starts. And we certainly have a huge role to play there, just like we do across any of the commerce or any of the, let's say, the omni shopper or wherever consumers shop. So Troy, do you want to jump from here?

**Troy Treangen**

Yes. So hello, everybody, it's Troy. So I've been in this industry for just about 30 years, and I've never been more confident about the capabilities that we've built over the last several years and what's coming to, I mean, amplify and take advantage of this dynamic shift here. And I think it's shown in just the results that Jim and Mike have talked through in the other remarks.

But how we're tackling this is it's in broader three buckets. It's all about bucket one being product discovery and availability. It's using our rich product content and allowing our retailers manufacturers and the LLMs directly to use that content, so consumers can find the products that actually fit their needs. And that detailed product content is now fully live in 30 markets, and we have more market going to continue to expand in the coming years. And there was many more markets that were added just in 2025 and early '26 alone.

The second bucket for agentic commerce is all around channel and media measurement. Agentic commerce is projected to be a \$1 trillion industry in the U.S., and our own research shows that at 74% of shoppers are already using agentic commerce to make product discovery recommendations. And agentic commerce is going to be a channel like every other channel that we measure. That's what we do. And then on the media side, we'll do the media ROI and marketing effectiveness things like we do in the broader marketplace.

And the last bucket of agentic commerce is all around the commerce activation activities, which is embedding the intelligence to allow for better purchase dynamics, path to purchase recommendations and just be embedded in the workflows. And that ties back to the comments that Jim just made.

So in general, the point is the agentic shift is here. We are set up for -- very, very well and the foundation and the granularity of data we have to enable this, and it's coming now. It's not coming in 2030. Clients -- we are working with clients now and all the context Jim just mentioned.

**Operator**

Your next question comes from the line of Kevin McVeigh from UBS.

**Kevin Damien McVeigh**

*UBS Investment Bank, Research Division*

Congratulations on the results. I guess as you're implementing the AI across the organization, does that come phased based on geography with North America being first and then internationally? Or is it based on what the client need is? And just tied into that -- and just one question in addition to that, how are you thinking about the margin opportunity philosophically in terms of how much would be reinvestment in the business versus sharing that with institutional investors?

**James Michael Peck**  
*CEO & Chairman*

Sure, Kevin. So let me take your geographical question. I think you're talking about how we're doing that externally, and we can also talk about it internally. Certainly, global companies, global clients who have lots of capital to put at this, are leading the way many of them are headquartered in the U.S. And so a lot of the thought leadership on their front or the readiness on their front comes from the United States, but I wouldn't say that it's going to start there and sweep the rest of the world.

I mentioned I was in Asia Pac for about a week. And our businesses are really doing well there outside of China, where we've had to kind of relook at our Full View, let's call it itself, right? And so we're doing some things there to bolster that. But they're just as -- clients in Asia Pac, for example, are just as interested in leveraging AI across their business, the big ones internally. And then clients, let's say, that are more in the category, they don't really have that capital to do those things themselves, are very interested in how we're integrating AI capabilities into our Discover product through what -- as you know, we're calling Arthur.

So it's not -- I would call it maybe the larger clients have more wood behind the arrow in their ability to leverage AI, and we're right in the middle of that. And it's been almost exhilarating. I would say, to sit through the meetings where they're saying, "Wow, this is what you are enabling." We didn't think of you that way before. We thought of you in our insights, we thought of your marketing, but not necessarily in our IT space. And so we're getting to a whole new set of buyers. So that's that. And that opportunity is unfolding before us, and we're prepared for it because we've done all the good hard work to make sure our data and our metadata and our models are prepared to do that.

As far as how we use it internally, we've already made a lot of progress, as you know, relative to expanding our margins. I still think there's a lot of runway ahead of us. We're having a lot -- a tremendous amount of epiphany internally, as these tools evolve, I was just at an OpenAI Frontier Conference last week, it was kind of learning with the rest of the folks in the room about how to leverage these tools like really deeply in the organization. So people are making things happen on their own, but we're doing it in a structured way. I think you'll see us -- I'd say we're still -- as much progress as we've made, we're still in the early innings of all this, and we have a lot of runway ahead of us.

**Operator**

Your next question comes from the line of Shlomo Rosenbaum from Stifel.

**Shlomo H. Rosenbaum**  
*Stifel, Nicolaus & Company, Incorporated, Research Division*

Jim, I wanted to just start by touching on the volume versus pricing dynamic in the AI environment that we're discussing. And it seems like the growth in the quarter was more weighted towards pricing versus the long-term dynamic of -- or expectation of being more balanced. And I wanted to know, are you seeing pricing going up specifically because of AI? Or is there something else going on? And you mentioned like a large consulting client that took a 50% increase. Did that include something specific for AI, where you're putting together like AI-ready data? We are seeing other firms that are able to really up price because of that AI-ready data, and I'm trying to understand how that fits into your pricing versus volume dynamic? And just overall, how you're expecting that to improve the revenue growth for the company?

**James Michael Peck**  
*CEO & Chairman*

Sure. So somewhere, I think, in our deck, we mentioned that we -- clients who are using AI are buying more and more of our services. And so as they see that they're able to get more and more value, it does make our, let's call it, pricing and negotiation position stronger because the value of what we bring to the table is even more self-evident. And our renewals go much more smoothly because they're not as much focused on the kind of the old way of doing things. They're trying to figure out for themselves how they're going to use AI internally and with our information combined to create a ton of value and they're seeing that happen.

The specific deal that you mentioned with the 50% price increase, again, driven by the fact that we're able to say, look, we know the value you're getting out of this. So as you know, our Full View strategy, we're always gathering more and more information, more and more context, more and more semantic layer, more and more -- building more and more models. What's happening is, though, with

AI, it's being able to be used more, even more so. And the value is becoming, like I said, self-evident. So I think what's happening is there's less friction on the pricing and you're going to see that trend continue. And then we've got to do the good hard work of putting in place more usage-based and consumption-based models as our clients evolve their use of our information inside their shops essentially.

**Michael J. Burwell**  
*Chief Financial Officer*

And Shlomo, it's Mike. I would just add to Jim's comment there. Look, our revenue algorithm remains intact. It's balanced between the three components that we've continually talked about since the IPO. Price, cross-sell and up-sell, and that we're continuing to grow in our adjacent verticals. And AI, as Jim highlighted, has continued to be a big component of that and helping us generate new wins. But I guess I would just reiterate that balanced algorithm is important in terms of what we're driving overall.

**Shlomo H. Rosenbaum**  
*Stifel, Nicolaus & Company, Incorporated, Research Division*

Okay. Great. And Mike, maybe just one more on the housekeeping. You mentioned I think it was \$55 million in one-time expenses from the restructuring program. How much were cash costs? And are you expecting the rest of the cash costs to come out primarily in the second quarter as well? I'm just trying to think about the pacing of the free cash flow through the year.

**Michael J. Burwell**  
*Chief Financial Officer*

Yes. You'll see more of that cash flow happen in Q2. I'd reference you back, Shlomo. And when you look at our Q, look at footnote 11. And in there, we highlight out the restructuring charges and the cash cost payments that have happened. So it will give you a very good reconciliation of it, but just as a reference point. But yes, you're going to see more of that cash cost go out here in Q2 overall.

**Operator**

Your next question comes from the line of Andrew Nicholas from William Blair.

**Andrew Owen Nicholas**  
*William Blair & Company L.L.C., Research Division*

To stay on the AI topic, I mean, a lot of positive comments here today. I think one of the questions that I'm kind of thinking through is the impact from a competitive landscape perspective. Are you noticing -- it sounds like interest from clients, but to what extent is your investment in the AI capabilities of the platform, a differentiator on the client win side? And is this something that you would expect to be a share shift kind of catalysts over the next couple of years? Or is it something that kind of lifts all boats in the industry from a supply and demand perspective? Because I know some of your larger competitors are also rolling out tools, although I don't have a great sense of just the different capabilities relative to one another.

**James Michael Peck**  
*CEO & Chairman*

Sure. So it's a good question. Going back to the basics, we -- through all of the shifts in technology have to have the Full View, right? So we have to understand consumer shopping behavior better than anyone else, and we have to put information around that and build the models around that and build the delivery mechanisms around that, that enable our clients to do their jobs every day. And so we never lose sight of that, right? Because if we lose that, that's our big differentiator.

And we also have to be really, really good at not only AI, but other kinds of technologies to extract value from the information that we provide to integrate it quickly and easily into our clients' workflows as their need to compete by being faster and smarter and cheaper within their -- and their internal operations continues to evolve. So it's really a combination of both that's going to set us apart and continue to set us apart.

I would say that at the global nature of our business, the deep understanding we have of our clients because we understand how to deliver information to them in the context within which they run our business is enabling us to take a bigger footprint because they're realizing having a bunch of suppliers isn't really helpful, right? And if we can -- as we continue to evolve and do a lot of things, that they need. They're saying, well, let's consolidate, and it's allowing us to take a bigger footprint.

And some of our takeaways have been directly related to our ability to show the Full View. At the same time, we're able to show how using, let's say, AI-based technologies to continue to draw data -- sorry, insights out of the information quickly is showing us to be differentiated. So it's really helping us on both fronts, I'd say, as far as doing more cross-sell and up-sell, but also taking share.

**Andrew Owen Nicholas**

*William Blair & Company L.L.C., Research Division*

Great. That's helpful. And then for my follow-up, and Mike, I think you touched on it a little bit in the prepared remarks, but maybe just more directly, is there a way for us to think about how much of the Activation strength in the quarter was timing or maybe projects that spilled over from second half of '25 versus anything specific to overall business momentum building in the first quarter?

**Michael J. Burwell**

*Chief Financial Officer*

Yes, no problem. So look, when we look at that acceleration of 5.3% organic constant currency growth, for the first quarter for Activation, it reflects both our backlog catch-up as you referenced, and real operational improvement. Q1 included some conversion of those project backlogs. But look, from a structural standpoint, 78% of our Activation revenue comes from Intelligence clients and 40% of our Intelligence clients currently buy Activation products and AI tools and improving what we're seeing as an overall pipeline. So without getting into all the specifics, nonetheless, we feel very good about the cross-sell runway that we have in front of us is substantial. And we're continuing to see improvements as it relates to the curve, but we thought it was appropriate to make sure you heard that part of that was a backlog that happened from Q4 that moved into Q1 overall.

**Operator**

Our final question comes from the line of Jeff Meuler from Baird.

**Jeffrey P. Meuler**

*Robert W. Baird & Co. Incorporated, Research Division*

So eCommerce revenue growth, obviously doing really well for you lately. Can you talk about eCommerce data aggregation as AI capabilities advance both the opportunity for you? And maybe talk through the -- your sustainable advantage and where it lies relative to competitors or upstarts that may be AI-enabled on going after that data?

**James Michael Peck**

*CEO & Chairman*

Sure. I'm going to have Troy jump in here. So we can let him -- you can hear his voice and let him participate. But let me -- before we say that. So e-com is just another channel for us. And it's an extremely important channel. It is sold separately as an up-sell, cross-sell, and it's -- as our clients, some of whom haven't viewed e-com as a significant channel are realizing, oh, this is a significant channel. We have a tremendous amount of upside. So in the baseball analogy, we're in the early innings on being able to capitalize on that, not only in the U.S. but globally. And Troy, why don't you jump on the kind of competitive aspects of what makes us special in context of the Full View.

**Troy Treangen**

I think the other thing to add here is the breadth of the capabilities we have in e-com. It's not just a basic one product that we deliver within that space, whether it's digital shelf, digital purchases, whether it's the coverage we deliver through all the different mechanisms of eCommerce with agentic commerce and social commerce just...

[Technical Difficulty]

**Operator**

Ladies and gentlemen, please hold for technical difficulty.

**James Michael Peck**

*CEO & Chairman*

Guys, I think we lost Troy somehow. And I'll just try and finish up. I think he was talking about the scope of the e-com data that we have across the significant number of actual, let's call it, point-of-sale providers, but also in our Consumer Panel data, which really gives us an advantage. And then, of course, it's on a global scale, and we have a significant number of consumers. And then it's the integration of that information together with the other channels that really gives us our advantage.

So it's not -- we always worry about what's going on in the world in the competition, but there really isn't like a single upstart is going to say, here just use us for here, but use NIQ for everything else. I don't see that as a significant competitor for us in this space.

**Jeffrey P. Meuler**  
*Robert W. Baird & Co. Incorporated, Research Division*

Got it. And then on the...

**Michael J. Burwell**  
*Chief Financial Officer*

Go ahead, Jeff.

**James Michael Peck**  
*CEO & Chairman*

Let's go ahead and let him follow up.

**Michael J. Burwell**  
*Chief Financial Officer*

Go ahead, Jeff. Go ahead, sorry.

**Jeffrey P. Meuler**  
*Robert W. Baird & Co. Incorporated, Research Division*

Just on margin and talking about getting margins into the 30s over time, obviously, making good progress towards the medium term, mid-20s target. Once you get to the mid-20s, is there some framework we should be thinking about either in terms of time line to get into the 30s or like annual rate of expansion past mid-20s?

**Michael J. Burwell**  
*Chief Financial Officer*

Yes. So Jeff, we haven't given a time line to get to the 30s yet. But what we talked about in previous quarters and during the IPO process itself was with our fixed cost structure and continued mid-single-digit revenue growth, we should generate 50 to 100 basis points continued margin improvement with the tools that Jim referenced that we're seeing, those are accelerants. And accelerants to revenue growth, accelerants to managing costs, et cetera, and we're continuing to recalibrate it. So we definitely see a path to getting to those 30s. We will continue to update you and the rest of the analysts on our time line to that. But nonetheless, we haven't defined that yet, but we definitely have a path to it and we'll continue to communicate that out into the future.

**James Michael Peck**  
*CEO & Chairman*

Yes. I'll close with this. I'd like you guys to think of our company as very target-rich when it comes to AI and how it can make us more efficient, how it can make us do a better job for our clients and how it really allows us to even draw more value out of our information. And so it's going to be a combination of accelerated growth and also how we are using AI and then frankly, other tools to get even more efficient.

**Operator**

This concludes the question-and-answer portion of today's call. I will now hand the conference over to Jim Peck for closing remarks.

**James Michael Peck**  
*CEO & Chairman*

Thanks, everyone, for joining us today. We're at an exciting time. We are at the forefront of an exciting secular growth opportunity and are rapidly laying the foundation to capitalize on our leading position in commerce intelligence and agentic commerce. I'm excited by what we're building and the value we can create. And I look forward to updating you on our progress on future calls.

**Operator**

This concludes today's call. Thank you all for attending. You may now disconnect.

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