S&P Global
Market Intelligence

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FQ2 2026 Earnings Call Transcripts

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S&P Global Market Intelligence Estimates

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Presentation

Operator

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

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 Investor Relations website.

A replay of this call will also be available there. And finally, unless otherwise noted, revenue growth rates mentioned on this call are compared with prior year period.

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

James Michael Peck
CEO & Chairman

Thank you, Will. Good afternoon, everyone. Before I begin, I just want to apologize. I have a cold, and so I'm sure my voice is a little bit raspy and we'll just do the best we can. Q2 marked our fifth consecutive quarter, exceeding the top end of our guidance across all key metrics. We accelerated organic constant currency revenue growth to 5.8%, grew adjusted EBITDA nearly 22% and expanded adjusted EBITDA margin 270 basis points to 23.3%. Adjusted earnings per share came in at $0.27, well above the top end of our range. Levered free cash flow inflected positive at $74.1 million, and we reduced leverage to 3.1x. That's progression from top to bottom line.

We are raising full year 2026 guidance across the board, reflecting our upside performance and positive outlook. It's been a year since our IPO and several things stand out: Strong demand for our solutions, our structural advantages and our strengthening financial profile, including durable growth and retention with 10 consecutive quarters of 5% plus growth in organic constant currency and strong Q2 retention at 105% NDR and 99% GDR. This is a strong core with emerging AI growth opportunities.

We're also seeing expanded margins approaching our mid-20s target with a longer-term path into the 30s, increased profitability, tracking to more than $1 billion of adjusted EBITDA and more than $1 of adjusted EPS this year, inflecting cash flow in our raised outlook for $245 million to $255 million and continued deleveraging on track to achieve our sub-3x target.

We're delivering results today while reinvesting in competitive differentiation in our future, AI-native innovation, consumer panel expansion, technology platform enhancements and disciplined tuck-in M&A.

As I've described on our recent calls, NIQ sits on one of the world's most defensible data assets in our view, decades of permission harmonized data and vertical-specific context layer across consumer, retail and market intelligence. We believe that combination is impractical, if not impossible, to replicate.

Last quarter, I outlined how NIQ Intelligence drives client decision-making and how AI adoption is creating additional growth opportunities. Today, it's about progress we're making on our innovation road map. Optiq Bridge and Connect AI, deliver NIQ Intelligence, the ground truth layer that enterprise AI runs on and to clients' decision flows. Whether through our tools and LLMs or their own, we're moving up the AI value chain from informing decisions to executing them.

The balance of my remarks today will cover 3 areas: First, how a broadly healthy client demand environment is driving our core growth; second, our progress laying the foundation for additional AI-powered growth; and third, our progress expanding profitability by embedding AI across our organization.

On point one, clients are buying more NIQ. Looking at our regions. Americas OCC growth led the way, growing 8.3%. EMEA OCC growth accelerated to 4.9%. In both, we saw new wins and strong upselling of our intelligent solutions.

In the U.S., a leading coffee manufacturer consolidated onto NIQ from 2 incumbent providers at once. They told us why: Our AI capabilities and product road map as well as the seamless unified Full View experience across every data set.

In EMEA, leading Swiss and U.K. grocers paired measurement with consumer panel to get the Full View. And a major U.K. grocer came back to us from a competitor on that same value proposition, choosing our new product granularity and e-commerce expertise.

APAC returned to 1.9% OCC growth. Here, we saw a strong activation, cross-sell and early improvement in China, Japan and Korea from the retailer relationships and partnerships we outlined last quarter. In Vietnam, we won back a global CPG manufacturer from a competitor mid pilot by designing a tailored measurement plus field solution in weeks, not quarters.

That is the pattern across the region. We start with granular measurement data and expand into analytics to power go-forward decisions. We also beat 2 major global incumbents doing the largest going global contract in that market to date, helping a major automaker expand overseas.

We also recently acquired YiMian, an e-commerce data and insights business in China and Southeast Asia. It strengthens our digital commerce capabilities accelerates the Full View and extends NIQ into adjacent opportunities like agentic commerce in these markets.

We also opened new categories and buyer types that were not in NIQ's a couple of years ago. A global ad tech platform licensed our purchase data to power privacy safe campaign planning at scale, selecting NIQ over a direct competitor and traditional panel providers; and Unlimitail, a leading European retail media platform chose NIQ to measure business outcomes across its multi-retailer, multi-country network, our first client of its kind. Ad tech and retail media are newer adjacent demand pools proof our data travels well beyond CPG.

Growth was not only strong by region, but by product. Q2 Intelligence growth reaccelerated to 5.7% on new wins and strong upselling motion, particularly in e-commerce and consumer panel. And annualized Intelligence subscription revenue, our version of ARR, grew 5.8% in Q2 and eclipsed the $3 billion mark.

Activation OCC growth accelerated for a second straight quarter to 6.1%, signaling our commercial and go-to-market efforts are working. A few proof points. In North America, a global convenience retailer expanded its renewal into SKU-level analytics, price and promotion and category management across more than a dozen countries, adding over $5 million of incremental value.

In the Middle East, a regional manufacturer layered shopper and consumption analytics onto its core measurement subscription, and we took that work back from a competitor across 3 markets. And a global personal care leader extended its worldwide agreement, adding analytics and servicing on top of core measurement.

Within Activation, demand remains strong for our analytics and innovation-based solutions.

Year-to-date, these solutions were nearly 60% of activation revenue and grew low double digits. Looking deeper, our AI-native solutions, BASES AI and Retail Activate drove meaningful share of that growth. This growth isn't a one-off. It's driven by newer AI native offerings that feed directly from our proprietary core data. And that data is growing fast. We added 4.3 trillion consumer transaction data records per week in Q2, 23% faster than last year. This spans 260 million product items with 10.5 billion product attributes in our 160 petabyte data engine, all rooted in NIQ's vertical-specific expertise.

That granularity benefits our entire portfolio. In fact, more than 90% of our revenues derived from this proprietary data and our capabilities are increasingly at the fore as client AI adoption accelerates.

Let me share some proof points from our first wave. Data point consumption on our platform grew 25% year-over-year. Roughly 51% of our top 100 clients now use at least one of our AI native solutions, and the number of clients using them has grown 64% year-to-date.

This is also translating into financial results. Revenue from AI native solutions grew by 34% in Q2, and more than 80% of AI native revenue comes from recurring clients, a good sign of stickiness and long-term value.

Clients are at the center of everything we do, and we're focused on doing more. In June, our annual flagship client event, C360 drew more than 600 CPG, tech and durables and retailer decision-makers from across the globe. Their message was clear: Help them cut through the fragmented data and disconnected systems and decide faster in a fast-changing consumer landscape and help them capitalize on their AI strategies.

Which brings me to my second point, our progress laying the foundation for additional AI-powered profitable growth. Last quarter, I described our 3-pillar strategy to fuel the future of trusted AI. In Q2 and year-to-date, we accelerated innovation to deliver AI native value for clients and our business. And our first pillar, building NIQ AI applications for smarter outcomes, at C360, we announced Optiq Suite, our insights assistant and NIQ Cadence, our GenAI native marketing effectiveness platform.

Aligned to our second pillar, NIQ IP that fuels AI. We announced the launch of Optiq Bridge and Connect AI suite, which embed decision grade NIQ intelligence directly into market-leading applications, AI-powered workflows and the enterprise. We've also progressed MCP access and integrations with all of the leading AI platforms so clients can reach secure, govern NIQ intelligence directly through these platforms.

These launches let us meet clients exactly where they are. Whether they're an AI buyer of NIQ solutions directly or through an LLM or an AI builder embedding NIQ within their own AI environment. Importantly, every solution has permission service layers built in. Clients can embed NIQ intelligence into their AI use cases while keeping the NIQ decoder, the IP, methodologies and models that power our differentiated analytics.

And last week, we announced the first charter clients for Connect AI. These include Purina, a global personal hygiene company; a leading beauty company and 2 global beverage companies. Each is working with a dedicated NIQ engineering and data science team to build AI ready intelligence infrastructure and decision workflows inside their own environment.

Early client demand has been strong. Our pipeline has grown quickly to 49 live opportunities, including our charter clients and active discussions with many of our top clients. It is also broad-based across FMCG and tech and durables as well as with clients large and small. We plan to add more charter clients, including retailers, in the next phase.

We are also in active discussions on several AI partnerships with major players that can accelerate our objectives. These include a partnership leveraging forward-deployed engineering expertise to accelerate deployment of Optiq Bridge and discussion with multiple partners around our agentic commerce measurement launch targeted for later this year.

And on our third pillar, powering commerce intelligence and agentic commerce, we see a long-term growth opportunity. AI is playing a bigger and bigger role in consumer shopping, moving from answering questions to influencing consumers' decisions to helping execute them. As that happens, NIQ's granular content on product attributes, availability, pricing and consumer preferences moves directly into the commerce flow and rises in value.

Our capabilities span product intelligence and availability, channel and media measurement and agentic transaction integration, positioning NIQ, we believe, to play an operative role in the next phase of AI-powered commerce.

During Q2, we built toward that future. NIQ Commerce Lab is establishing the data, API and measurement infrastructure for AI-driven commerce. We launched Product Intelligence, the first offering in our Commercial Intelligence portfolio. It resolves fragmented product data under a single structured layer. This allows AI commerce systems to accurately identify, compare and recommend products to drive shopping conversion.

Taken together, we believe this wave of AI launches positions us for significant growth. 2026 is a foundation building year, driving early adoption, expanding partnerships, validating monetization models and scaling our first client implementations. Over time, we look to layer on additional revenue streams, premium AI-ready data, usage-based AI services, AI native applications like Optiq Bridge and Connect AI; as well as AI deployment services.

While we expect these initiatives to contribute some revenue in 2026, our raised 2026 outlook does not assume a material contribution from them. This year is about building. We expect to begin scaling commercially in 2027 and beyond.

Leading that effort is Irina Stoian, who joined us as our Chief AI Commercial Officer in July from Palantir, where she scaled technology and analytics businesses. She's partnering with Troy and the team to drive our next chapter of AI-powered client value. and I look forward to you meeting her in the future.

So our core revenue base is strong, and we're building AI value on top of it, which brings me to my third point. The benefits of AI-led operating efficiency. AI is accelerating our ability to build, deliver and support our products and our clients.

We're seeing AI-led productivity gains across data operations, engineering, commercial and support functions, contributing roughly half of the 270 basis points of year-over-year margin expansion in Q2. And in the first half, we completed the vast majority of actions under our 2026 restructuring program, achieving most of the $70 million to $80 million of expected run rate savings. These are structural efficiency gains with less than 1-year payback, and we believe we've only scratched the surface. We're pursuing additional efficiencies across our largest expense areas, prioritizing these that carry little to no onetime cost to achieve. We'll remain disciplined, harvest efficiently, reinvest a portion in long-term growth and expand profitably.

As I outlined last quarter, the path from the mid-20 margins into the 30s is fundamentally about flowing durable revenue growth across a largely fixed cost base that we're making more efficient. As a result, every incremental dollar of revenue should carry higher margin than the last.

To close, we are doing what we said we would do. And as I've said before in a previous call, we are going to show you that we're an execution machine, driving our core algorithm, expanding margins, raising EPS, inflecting cash flow and laying the foundation for AI native monetization and operating efficiency into 2027 and beyond.

Thank you to NIQ's associates worldwide for delivering a great quarter. I'm excited about what we're building.

With that, I'll hand it to Mike to cover our detailed Q2 financials and our raised full year outlook.

Michael J. Burwell
Chief Financial Officer

Thanks, Jim, and good afternoon, everyone. As Jim outlined, it was a stronger quarter. Results exceeded our expectations and our guidance across every key metric. Revenue grew 5.8% in organic constant currency. Adjusted EBITDA grew 21.9%, and margins expanded by 270 basis points to 23.3%. Adjusted EPS was $0.27 and leveraged free cash flow improved by $137 million to positive $74.1 million.

Taken together, these results reflect disciplined execution, improving profitability and continued progress toward a stronger balance sheet. Our raised guidance reflects continued strength in our core business and AI-driven efficiencies from our 2026 cost program starting to ripple through our cost structure. I'll cover the details after walking through our strong top and bottom line results.

Q2 reported revenue accelerating to 8% growth or $1.1 billion, 5.8% in organic constant currency. This growth came from execution of our revenue growth algorithm, strong retention, pricing and cross-selling and upselling with contribution across Intelligence and Activation.

Net loss was $30.5 million, while adjusted net income improved by $80 million on a year-over-year basis to $78.7 million. Consolidated adjusted EBITDA grew 21.9% and year-over-year to $262 million, and we expanded margins 270 basis points to 23.3%. This came from increased operating leverage as well as AI-enabled automation benefits and our 2026 productivity program, making our largely fixed cost base more efficient.

From a segment perspective, our largest markets continue to lead the way. Americas grew 8.3% in organic constant currency, driven by intelligence and cross-selling our Activation solutions. In the U.S., a global personal care company consolidated its retail analytics work with NIQ, displacing a legacy provider on the strength of our data quality and analytical depth. Americas adjusted EBITDA grew 10.5% to $143 million with margins of 31.4%.

Our EMEA segment grew 4.9% in organic constant currency, with the same drivers as we saw in Americas. EMEA adjusted EBITDA grew to 26.1% to $179 million with margins expanding 550 basis points to 35.3%.

And our APAC region returned to year-over-year growth, up 1.9% in organic constant currency, a meaningful sequential improvement from Q1 and in line with the trajectory we outlined in May. Growth was driven by improving commercial momentum and cross-sell for our analytics and innovation-based activation solutions as well as improvement in key markets that Jim cited earlier. APAC adjusted EBITDA increased 9.2% to $32 million with margins expanding 120 basis points to 19.8%.

So strong results. Americas and EMEA signal competitive strength and APAC is recovering. Outside Americas performance remains solid despite the ongoing conflict in the Middle East. We believe Q2 demonstrates healthy client demand for both our measurement and analytics solutions and any macro backdrop. We believe our top line results demonstrate that our revenue growth algorithm is working.

From a product perspective, Q2 was our tenth straight quarter of intelligence revenue growth above 5% and annualized Intelligence subscription growth above 5.5%, extending our performance track record. As Jim highlighted, annualized Intelligent subscription revenue exceeded $3 billion, up 5.8% and continued strong net and gross dollar retention underscores our mission criticality with our clients.

Activation revenue improved for the second straight quarter, growing 6.1% in organic constant currency. Looking deeper across all regions, we've seen low double-digit growth in our analytics and innovation-based offerings. This has been driven by traction, scaling our retail analytics wins in Americas as well as high single-digit growth in APAC. Overall, we see broadly healthy client pipeline for our Activation solutions.

Looking down the P&L. Q2 operating expenses increased by 5.7%, driven primarily by targeted investments in data coverage and granularity and to a lesser extent, by onetime costs related to our 2026 restructuring program. Excluding these charges, operating expenses grew much slower than reported revenue growth, demonstrating the ongoing cost discipline and increasing operating leverage across the business.

Onetime restructuring costs totaled approximately $36 million in the quarter, $15 million came from our 2026 restructuring program and the balance from our legacy NIQ and GfK transformation initiatives and onetime deal-related costs. These legacy transformation programs continue to roll off as per plan.

As Jim mentioned, we've completed nearly all of our 2026 program actions in the first half and we're tracking towards a $75 million cost to achieve target for 2026. These actions, which have less than 1-year payback, are setting us up for increased structural cost efficiency for years to come.

From a cash standpoint, we incurred $20 million cash outlay for this program in the first half. We expect the majority of the balance to be paid out in the second half of 2026. This program has less than a 1-year payback and we expect to continue to identify additional efficiency opportunities as we move forward.

Depreciation and amortization was $154 million for the quarter, approximately 14% of revenue, in line with prior quarters. If I look below the operating line, GAAP interest expense was $55 million, $40 million lower than the prior year, reflecting lower debt balances and our transformed post-IPO capital structure.

Changes in foreign currency resulted in a de minimis gain in Q2 compared to a $57 million gain in Q2 of 2025, a period that contains significant FX volatility. The lower gain primarily reflects less foreign currency impact on the remeasurement of foreign currency-denominated debt. Income tax expense was $38 million or approximately 14% of adjusted EBITDA, roughly in line with expectations we provided. The net loss was $30.5 million, primarily reflecting lower FX gains versus Q2 of 2025. Adjusted net income improved by $80.3 million to positive $78.7 million, driven primarily by higher adjusted EBITDA and lower interest expense. Correspondingly, Q2 adjusted EPS came in very strong at $0.27, well ahead of our guidance and consensus.

If I turn to liquidity and free cash flow, as of June 30, we had $417 million in cash and cash equivalents and $747 million available revolver capacity resulting in total available liquidity of approximately $1.2 billion. We remain undrawn on this revolver during the quarter.

Cash flow from operating activities was $140.1 million versus a use of $80.6 million in Q2 2025. Capital expenditures were $66 million reflecting continued investment in strategic growth initiatives, such as building our AI capabilities, expanding our technology platform and growing our data assets such as our omnichannel consumer panels.

Leverage free cash flow was positive to $74.1 million in Q2, up $137.3 million on a year-over-year basis and $197.3 million versus Q1. This is driven by revenue growth and stronger flow-through, given prudent cost management; as well as improved working capital and lower cash interest expense. I'd also note that we saw a particular outperformance from net working capital execution versus what underpinned our Q2 guidance in May.

Our 2026 is the strong cash flow inflection we've previewed since our IPO. And our raised full year 2026 free cash flow guidance implies approximately $300 million of leverage free cash flow generation in the second half alone. This factors into our strong Q2 outperformance from working capital execution and aligns with our broader guidance philosophy of providing expectations we believe we can achieve, if not outperform.

Net debt was $3.1 billion at quarter end, and our net leverage ratio improved to approximately 3.1x, down from 3.4x at the end of Q1. We remain firmly on track to achieve our net leverage target by the end of 2026. And a quick note on capital allocation. Our capital priorities of the business are unchanged: fund growth, expand margins and particularly pay down debt. We have successfully reinvested some of our cost program savings to fuel our AI growth strategy and we'll continue to pursue strategic tuck-in M&A where we see compelling returns.

As cash builds, we gain capital allocation flexibility. This is strengthening ahead of expectations in 2026 and positions us well as we head into 2027. We will update you on our 2027 priorities as those plans firm up.

Now before getting into guidance details, a quick reminder about our guidance philosophy. The strong back half and higher full year 2026 outlook is grounded in our first half overperformance. If that momentum continues, we expect to finish at or modestly above the top of our ranges. And we've set that range at the level we believe is appropriate.

So for the third quarter, we expect reported revenue growth of approximately 4.9% to 5.3%, organic constant currency revenue growth of approximately 5.2% to 5.5%, adjusted EBITDA growth of 15% to 17%, driving margins of 23% to 23.5%; and adjusted EPS of $0.22 to $0.24.

Our raised full year 2026 expectations include reported revenue growth of 7.1% to 7.4%, organic constant currency revenue growth of 5.2% to 5.6%, adjusted EBITDA growth of 15% to 17%, driving margins of 23.5% to 23.9%; adjusted earnings per share of $1.08 to $1.12, a more than 13% increase at the midpoint; leveraged free cash flow of $245 million to $255 million, up approximately $8 million at the midpoint and we expect to be below 3x net leverage by year-end.

Our raised guidance reflects our business outperformance and favorable foreign currency from Q2 as well as our YiMian acquisition. I'll also note that we hit the ground running, integrating YiMian into our business and their solutions into our distribution channels.

Based on our reported results and our Q3 and full year guidance, our implied Q4 outlook reflects OCC growth in line with our Q3 expectations, EBITDA margin expansion on a year-over-year basis, implying approximately 370 basis points of improvement versus Q3 2026, reflecting our typical Q4 revenue and cost seasonality; and adjusted EPS nearly double our Q3 expectation.

I'll note that our full year 2026 modeling assumptions remain unchanged: Depreciation and amortization of $614 million to $619 million. GAAP net interest expense of $230 million to $235 million, income tax expense of $165 million to $170 million. Diluted share count of approximately 300 million and CapEx of 6.5% to 7% of revenue.

In closing, it was a strong quarter. We're delivering on our promises. Our financials are strengthening. We're executing well on our core offerings, and we're building additional monetization opportunities on top.
With that, operator, we're ready for Q&A.

Question and Answer

Operator

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

Manav Shiv Patnaik
Barclays Bank PLC, Research Division

I just wanted to ask about just the general trends in the quarter. If you look, I think the Intel subscription growth remain strong, but it was really activation and I guess the transaction piece of Intel that release did well this quarter.

So just trying to appreciate how much of that pull forward you talked about last time or push forward rather in April? And how sustainable these kind of growth rates are in activation maybe for the second half of the year?

James Michael Peck
CEO & Chairman

Sure. Sure, Manav. This is Jim here. We're going to -- we'll let Mike take that one right out of the gate.

Michael J. Burwell
Chief Financial Officer

Thanks, Manav. So we're excited about the growth that we saw in both intelligence and activation for the quarter. Intelligence at 5.7% and Activation at 6.1%, we're continuing to continue to see that momentum build.

In particular, when we look at our APAC business, we saw it improve to 1.9% here in Q2, and we expect that to continue to contribute overall growth, which will help both on Intelligence and Activation as that continues to grow overall.

As I highlighted, our e-commerce and CPS growth rates are very, very strong, call it, north of 30% in terms of the growth rates associated with those two areas in particular. And we should see those continue to move both our intelligence in particular and to some degree, activation. So we're very excited about it.

And as you know, 80% of that -- our business is 3- to 5-year contracts. We're continuing to grow that in terms of win backs in the marketplace, as we highlighted in the course of our prepared remarks. And so we're very excited about what we're seeing in the business. I appreciate the question that you've asked, and we continue to see real good results as it relates to both Intelligence and Activation.

Manav Shiv Patnaik
Barclays Bank PLC, Research Division

Okay. Got it. And Jim, maybe just on Connect AI, just help me visualize exactly what you're building for clients and perhaps how that gets monetized?

James Michael Peck
CEO & Chairman

Sure. So I'll -- Manav, I'll give you a little lead in. And we have Troy in here, our Chief Product Officer, I want to make sure you get to hear directly from him. But what we started seeing really later last year and then as we came into this year, just being in conversations with our clients is they're trying to figure out how to accelerate their ability to innovate, of course, how to save money, how to do better price erosion, how to do everything better than they had before by using all the assets at their disposal.

And what they clearly understood as they need our information and our models inside their world. What we started finding out is they also needed our know-how and how to integrate information together. And they were finding this out because they were coming to us and saying, "Hey, the x integrator needs help."

And so these charter deals that you heard us announce are a lot about that. They are about new use cases, by the way, with new budgets inside our clients' world where we're helping them do the things that they normally do every day, just better, faster and cheaper.

So I'll turn it over to Troy to give you more color. I think this is a really important thing for us to spend time on.

Troy Treangen

Yes. So our Connect AI services are specifically for one of our segment -- AI segments. And that AI segment is our AI Builder segment that Jim just talked about. So these are a series of clients that want to bring insights and analytics into their environments and use that NIQ intelligence to amplify those workflows.

So like Jim mentioned, we announced our first charter clients last week, Purina was the first one that's named. But that group also includes a global personal hygiene company, a leading beauty company and 2 global beverage companies. We're going to be adding more charter clients through the end of this year, which will include retailers. Each charter client ultimately gets dedicated engineers and data scientists that help make our intelligence work within their workflows. So what this means is they actually help write code and connect their environments to ours.

And Jim also mentioned in his remarks that our new products have permission service layers built in. This creates additional value and we are the decoding and the certified answer for things around our data and our intelligence.

And like it was already said, but already say it again, demand has come fast. 49 live opportunities in the pipeline many more active discussions are in process. And I think soon, you'll see retailers and other clients into the mix.

And then on top of that, we also have active discussions on several AI partnerships to scale this even further. One, leveraging forward-deployed engineers expertise to speed up our development for our solutions that we'll bring to market. And then we have multiple partners around agentic commerce measurement and touchpoints, and that product will be launched later this year. More to come on that soon.

So the charter phase is all about proving the value and hardening a repeatable model. It's deep, it's sticky, and it's where we see the biggest middle to the long-term opportunity in our space.

Operator

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

Kevin Damien McVeigh
UBS Investment Bank, Research Division

Congratulations on the results. I wonder, just given the trends in the organic constant currency growth, maybe just talk to activation because that looks really good. And on the intelligence side, too, even off a tougher comp, you saw a real nice reacceleration is really important. So maybe you can just revisit that a little bit.

James Michael Peck
CEO & Chairman

Kevin, you broke up just a tiny bit in there. I think your -- this is Jim, your question in essence is, tell me about intelligence and activation growth and how you feel about it? Is that...

Kevin Damien McVeigh
UBS Investment Bank, Research Division

Yes, that's exactly right. Really just and even off tougher comps, you saw a real nice reacceleration. So maybe just a little bit on that because it's really nice to see that.

Michael J. Burwell
Chief Financial Officer

All right. So appreciate it, Kevin. It's Mike. I mean when we look at intelligence, and I mentioned we saw the rebound associated with APAC at the 1.9% growth. And one of the things that we did, and we mentioned this a bit in Q1, was we improved our coverage. We signed up a couple more retailers that we specifically talked about in Q1, and we're starting to see that starting to pay off and see it in the growth that we're seeing in intelligence.

And we're continuing to win in the marketplace. Those are continuing to add. And as I had mentioned a little bit during my prepared remarks and to Manav's question, when you look at really what's been happening in e-com and our panel on demand has just been really been very attractive to the marketplace and have been growing at plus 30%. So all those are contributing to our intelligence growth, and we're continuing to see that happen.

On the activation side, people are very interested in our analytics solutions, in particular, And our AI BASES screener is just one example that's happening in our BASES portfolio as well. So as I said in my comments, both of those business lines are growing at greater than double digit overall. And so the demand has been very strong for Activation.

So that's what we're seeing overall, Kevin, and we're very excited about what's happening in both of those areas. And as well as what Troy had mentioned previously.

Kevin Damien McVeigh
UBS Investment Bank, Research Division

And then just real quick, as you're phasing in AI, any way to think about where it is from a geographical perspective in terms of just coverage and how we should think about that over the balance of the year?

James Michael Peck
CEO & Chairman

So you're talking about like maybe where is the most initial penetration, is that fair?

Kevin Damien McVeigh
UBS Investment Bank, Research Division

Yes. Yes, that's exactly right.

James Michael Peck
CEO & Chairman

So yes, for sure, it's in the U.S., right, but not exclusively at all to the U.S. I think the bigger more look at our C360 conference, which is mostly a U.S.-based conference, they're saying both formally and informally in our little conversations as our clients help us move faster. We see what you can do. We, like what you're doing, which you told us on stage. How can you help me move faster internally to navigate what I've got to navigate to use these AI tools, not only on your data, but your data combined with our data?

So I think they're much more in position as Troy said, with the builder. They're our builders and they're in a position to move quickly. But the pipeline is there in Western Europe, for sure; in Asia, for sure; even EMEA because these tools work. And our data is primed to be able to be used to take advantage of it.

And so it's not just in our builder product, but it's also in our Optiq products within Discover, and we're releasing some new capabilities yet this month that people are going to be able to take advantage of if they so choose, and we believe they will. So it's really broad-based.

The whole world is dealing with AI, as you know. But as far as the charter things that we've talked about, that's primarily U.S. But the pipeline has plenty of global opportunities as well.

Operator

Your next question comes from the line of Alexander Hess with JPMorgan.

Alexander Eduard Maria Hess
JPMorgan Chase & Co, Research Division

Thank you, operator. I wanted to maybe just dive into something maybe to start with the call-outs that CPS, I understand it's the consumer panel business, and then e-com grew north of 30%. As intelligence growing in the mid-single digits, does that imply you have products in sort of traditional measurement and in retail analytics that are maybe growing below that number or notably below that number? Or is that just not the right way to think about it? Just want to clarify how you guys bucket that call out specifically.

James Michael Peck
CEO & Chairman

So the core business, what we call our RMS business, is primarily in intelligence. I think the number is the number there. And of course, CPS and e-com are portions that are growing faster. But as a percentage of the total revenue, they're much smaller, right? And so I wouldn't think of it that way, Alex. I would say that the number you're seeing stands on its own, and it reflects what I believe is a good, healthy reoccurring revenue stream.

And I'll just remind you that none of that number -- while there's a little of our AI-based revenue in that number, none of our guidance forward is really reflecting that yet. We're being cautious to see how fast the stuff is kicking up. But that will just -- we consider that intelligence revenue, by the way, for the most part. That will just pick that number up.

Alexander Eduard Maria Hess
JPMorgan Chase & Co, Research Division

Awesome. And then can you give us an update on a full view measurement, client count, any recent traction? Obviously, you guys put out some press releases about integrating some more Amazon 3P data in certain categories. But just anything on full view measurement in 2Q and your outlook for beyond Q2?

James Michael Peck
CEO & Chairman

Yes. So I don't have the exact number in front of me, but we know that it's more than 200 clients now have taken up the full view measure. And that strategy, which we've embarked on 5 years ago, is much more expansive than just Amazon sales and share or Costco or whatever.

And so strong -- it's the foundation of what we do, not only driving -- we're getting more adoption but it also helps us with our annual renewal cycle, and it's proving to be quite good.

I think the insight behind that question is we have our foot in that world, and it's important that we always have what we call the full view, so the most holistic view of this consumer shopping behavior. If we lose that, we lose what is the essence of who we are. That is what enables AI.

So we have our foot in the other world firmly now. I think trying to demonstrate that the full view plus these AI capabilities that are going to keep us super relevant to our clients and also allow us to grow. And our route of that is we're now in more -- even more use cases. I think there was a theory we'd be in less, no, we're in more use cases and there are obvious use cases now. And we're also kind of getting access to more budgets within our clients. So we're not arguing over the same dollar. So I'd like to talk about both those things together now.

Troy Treangen

And we do have multiple product enhancements that are coming for full view measurement. You referenced one like there's many more coming in the back half of this year.

Operator

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

Kyle David Peterson
Needham & Company, LLC, Research Division

Nice results. Wanted to start off on the data consumption disclosure to get to plus 25% year-to-date, It's really good to see. I guess how can we think about this over the medium term? Is this something that drives higher consumption across the product base and then push revenue higher? Or is this like a more highly correlated things from the AI products? I'm just trying to, I guess, parse through the link between consumption and revenue over the medium term.

James Michael Peck
CEO & Chairman

Sure, Kyle. First, thanks for noticing our results and a good question. So what it really does is, in my view is, measure our relevance with our clients. And any notion that it's not relevant. I think it's just proven by that, they're only consuming more and more because the more granular the data, the more depth in the data or breadth, I should say, on the data, the better any tool is going to work.

And so they continue to use Discover and it's, let's say, the more traditional analytics, which are quite powerful. But they are also experimenting in some cases, are actually doing in some cases and using our data points inside their world, they're sophisticated enough to do that.

So I think it's an overall measure of how our relevance continues to grow within our clients. And I don't know if we measured that thing that far in the past, but I can tell you that, that number hasn't been that high.

So I think it's just showing how in the double digits or kind of high double digits. I think you'll see that trend continue because it's like this insatiable demand for what we have. And as they're seeing their results get better, especially combined with some of their own assets only they have for themselves with our data at a granular level, they're seeing that they can make pretty profound changes either making themselves more cost efficient or innovating more quickly and driving the top line.

Kyle David Peterson
Needham & Company, LLC, Research Division

Great. That's very helpful. And then I guess maybe if we could switch gears over to kind of how some of your client conversations are evolving, are you guys seeing any change or growth in budget for demand-based solutions may be away from traditional marketing or kind of SKU-based placement?

Obviously, it seems like agentic commerce and data-based product development decisioning is definitely becoming increasingly prevalent. So I guess like how are you -- is that playing out at all in your kind of client discussions? And if so, how is that potentially translating into conversion or demand?

James Michael Peck
CEO & Chairman

Yes. So yes, for sure. And I'll -- gives me a chance to mention Irina Stoian that we just recently brought in. She's -- the work for Palantir doing a lot of the same things is going to work with us on. And that's a direct reaction/anticipation of the demand for what's now being called for deployed engineers, but engineers who are in our clients' world helping them use our core services in new ways integrated with theirs.

So that conversations are new, they're new budgets. I've been in many, but Troy has been even more than I have, maybe, Troy, you can elaborate on 1 or 2.

Troy Treangen

Yes. So it is a different client base. So typically, it's not the market research teams that are using these types of resources. It definitely comes from the Chief Data Officers, Chief Technology Officers. And that's what these products -- this whole series of Connect AI services with the deployment plan around it is intended to go after.

Completely different, like I said, completely different budgets. They're enabling multiple different workflows throughout a client's organization, and that's the untapped demand that's been talked about a lot here today.

Operator

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

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

Good afternoon. I wanted to ask about AI as kind of a benefit to the data assets that you have specifically. I hear you on the productization piece, the efficiency piece and this insatiable demand from clients. But is the product -- or I guess the data estate that you have being augmented by the technology, are you able to gather more information, more detailed, more attributes? I would imagine that would be beneficial long term as well and hoping you could speak to that specifically.

James Michael Peck
CEO & Chairman

Yes. So you hit on one of the core key strategies here. So when you -- when we talk about these AI set of components, there's 4 buckets of product capability that we have beneath it. So one of them is all around, which you referenced the last second here, which is premium AI-ready data solutions. This is all about collecting data faster and coding and characterizing them faster, getting more breadth and depth.

And I think a couple of questions ago, we talked about a full view measurement, and that's how you expand out to even coding that was referenced and some of these other things. You can do it at faster scale and get more breadth of depth of characteristics and facts around the data sets we have. The more you get, the more AI tools can filter and do correlations and causations on consumer response and sales and all the things you would imagine.

The second tier is all of a series of services that use those data attributes to help harmonize and enrich data within their environments. So we combine those characteristics and further enrich. So that's the second part where AI comes into play because it can do it at faster scale, whether that's using web content or other sentiment data that exists, bring those in and can add it to the product.

And then the third, which we talked about, that we put it in our applications and solutions like Optiq Bridge, Cadence, Connect AI services. And then lastly, it's the AI deployed engineers and data scientists that sit on top that we just mentioned in the last question.

So it's all 4 of those things coming together to create and optimize the workflow, and that's the end-to-end product design.

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

Very helpful. And then for my follow-up, a few -- well, a multipart question maybe on margins. I guess, first, Mike, is there anything you could say about what was realized in terms of synergies in the second quarter?

And then in EMEA, in particular, like a really, really nice step-up year-over-year. It looks like that margin profile is higher than the other 2 segments. So if you could just speak to the strength there, the drivers and any reason for that to be structurally higher than U.S. or APAC long term or I should say Americas or APAC long term?

Michael J. Burwell
Chief Financial Officer

Sure. So on the overall margins, up 270 basis points, the 23.3%. When you look at it, really restructuring actions, the flow-through that we had on the NIQ transformation; in aggregate, those drove about half of the improvement in margins and the other half then has come from the revenue growth on our fixed cost base. Roughly 80% of our costs are fixed, and you're getting that margin flow-through to that 23.3% overall that we had for the quarter.

And embedded in that is EMEA or EMEA at that 550 basis points improvement. We've continued to manage our cost base effectively in that market, which has been a key view of us overall for the company, but specifically that being our largest business. And therefore, we've been very focused on managing that team has done a great job in terms of managing costs overall.

The other thing I'd say, there's a little bit of timing that's happened in our activation solutions there just in terms of the costs associated with the variable costs associated with those projects, just a little bit of timing that's benefited us in Q2 overall.

So hopefully, that gives you some insight to it. But as you did see, we did raise our full year guidance on our margins as well.

Operator

Your next question comes from the line of Curtis Nagle with Bank of America.

Curtis Smyser Nagle
BofA Securities, Research Division

Okay. Great. First kind of a more short-term question and then a longer one. First, just would you be able to clarify just how much of the cash restructuring costs you'll bear in 3Q and the free cash? And how to think about the flow from 3Q to 4Q? Just want to make sure we get the puts and takes there, right?

Michael J. Burwell
Chief Financial Officer

Yes. I mean if -- just if you look at the cash spend that happened, Curt, as it relates to the programs, it was $28 million in Q1 and $24 million in Q2. I would say that $50 million, the rough spend that you're looking out over the rest of the year, I think about 70% of that is probably going to land in Q3 in terms of thinking about the numbers.

Curtis Smyser Nagle
BofA Securities, Research Division

Okay. Very good. And I guess just the next one, just thinking about -- I think you had mentioned a potential scope for more AI efficiencies in the cost base. I think just kind of think about long term, how much quicker does that potentially pull you to your above 30% EBITDA target margin range?

James Michael Peck

CEO & Chairman

Yes. So this is Jim. I don't think we've put an exact time frame on the above 30%, but we do have line of sight to it, and it's definitely driven by the continued understanding, practical understanding and use of AI, among other efficiency programs within our company, but AI is a big part of it. And it makes sense for us as you can -- it's kind of logical. We do a lot of work with data. And the more we automate that, the cheaper it's going to get or the more we use AI, let's call it, to do things will be faster and cheaper. We write a lot of code. So the more we use AI, the more we're going to be able to write code faster.

And then we do have a people-heavy company where a lot of the things that we do can be made more efficient through the use of AI, whether it's customer success or even the administering of the sales process itself or HR and hiring. I can keep going on. It affects every part of our business.

And so we're in the very early innings of taking advantage of that. It's already shown up, as you've seen in some pretty juicy jumps in our EBITDA margins. So you can just say there's -- I don't think we've exhausted anywhere near our ability to generate more margin going forward?

Operator

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

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

I want to focus a little bit more on the cash flow. Your cash flow clearly did well, actually crushed it. And for the rest of the year, you're talking about another $50 million of cash restructuring payments. In the second half, you're still generating $300 million of free cash flow.

If I'm thinking about the business in the longer term, how much -- can you quantify the total, what you would call onetime-ish cash payments that are going to be absorbed in the guided free cash flow that we should not see on a regular basis? So I mean, the $240 million, $255 million, is that with these restructuring payments, without the restructuring payments? And how should someone be thinking about the cash flow when I move into '27? Because pretty strong even with a bunch of these onetime-ish stuff.

Michael J. Burwell
Chief Financial Officer

So Shlomo, the numbers that we guided to for the full year include those payments in those numbers overall, which just to remind back $300 million over the second half of the year, we increased it as part of our improved guidance for the full year by roughly $8 million in terms of delivering it and does capture the spend associated with it.

Look, right now, we're continuing to drive our onetime items down. That's been our stated goal and consistently and going back to our overall capital allocation view, which is, first is make sure we're paying down our debt, and we're getting it below 3x, and that's from that cash. The NIQ GfK integration is really behind us. So that really winds itself down.

The 2026 program is efficient. And really kind of picking up on Jim's comments back, look, we're going to continue to look at efficiencies across the business with 1-year paybacks. I think it's just a prudent thing to do. So we're going to continue to evaluate those types of items.

So I think it's difficult to say with any certainty at this point. We'll talk about '27 when we firmed up those plans to it. But we're going to be smart about it, and we've had a people-intensive business, and we've got great people. But we may not need as many. And so as we have turnover, we may not be filling those spots in terms of thinking about it going forward. And so not all actions carry OTIs. And so that's what we'll continue to evaluate. So I'm trying to give you as much color as I can, Shlomo, in terms of thinking about it. Hopefully, that's helpful.

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

Okay. And then just what I'm trying to bridge and think about the guidance versus the last quarter, on the revenue side just in general. How much of the guidance changes FX versus how much is the acquisition that you made? It looks like you raised it organic by 20 to 30 basis points. But beyond that, could you give us a little bit more color so we can kind of track FX changes?

Michael J. Burwell

Chief Financial Officer

So the FX impacts when you look at Q2, we're not that -- obviously, we're way down from where if you looked at it in the prior years. I mean Q2, Americas impact from FX was 3%. EMEA was 2%. APAC was basically flat. So there were pretty really minor FX impacts in Q2. And right now, based on -- when we're looking at the forward rates, we don't see a big FX impacts really through the rest of the year as opposed to Q2 of 2025 when it was -- FX was jumping around pretty good with some of the policies that were happening in the world. So that's what I'd say.

Operator

Your next question comes from the line of Jason Haas with Wells Fargo.

Jason Daniel Haas
Wells Fargo Securities, LLC, Research Division

I'm curious if you could give us a sense for what percentage of your data is now available for MCP consumption and what does the pricing model look like for that? Are you charging customers more for access to the data via an MCP? Is there a consumption-based pricing model there? Can you just unpack that a bit?

James Michael Peck
CEO & Chairman

Yes. So this is Jim. We'll start with pricing. We're going to be experimenting with several different kinds of pricing models. Some are consumption-based, some are not. And I think as far as we'll probably take that one right now because I'm sure we'll be explaining that more and more as we learn.

But we know the demand is there, and that's part of these charters that we're doing. They're just the beginning of an engagement with these clients to see how much value we're creating inside their world, which we believe is going to be very meaningful and big TAM for us.

Troy, I don't know if you want to give more about the actual data that's touchable.

Troy Treangen

Yes. So our product for MCP consumption, that's Optiq Bridge, that's the product that we announced at C360. It's being launched in full kind of product mode here at the very beginning of September with our official launch. We're in beta right now.

The data that's in there is primarily U.S. and beta mode. But we have releases scheduled throughout the rest of this year to get all of our retail measurement around the world and also our consumer panel data as access through that mechanism. So that's part of the product launch, like I said in early September. And then you'll continue to have releases every few weeks with the goal to get ultimately all of our data assets set up through the core platform but across NIQ.

Jason Daniel Haas
Wells Fargo Securities, LLC, Research Division

Okay. That's great to hear. And then as a follow-up, it sounded like you teased a product that's going to track agentic commerce measurement, I think, is what you referred to. Can you just explain what that is? I'm trying to envision when consumers shop agentically, how are you going to go about collecting that data?

James Michael Peck
CEO & Chairman

So yes, we will. I think you guys know, agentic commerce is an emerging channel. We measure the market. So we will be having products that we'll be launching here that cover that channel as a -- like it is just another channel. Within that, though, we're also going to measure share of prompt, share of discovery. We will also have share of accuracy of those results, clicks and then ultimately, conversion. So that's the product that I guess I teased a little bit, more to come shortly.

Operator

Your final question comes from the line of Jeff Meuler with Baird.

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

Can you just go into more detail on the retailer monetization opportunity? My understanding is that historically, it's been more of a value exchange and you're getting data, so you're monetizing the retailer side of the equation less. But is that changing because there's an opportunity for you to provide significantly more value for them through the AI solutions and other things you've been doing as part of the transformation?

James Michael Peck
CEO & Chairman

Yes. So the short answer is yes. And it's not just AI, it's the consumer panels, it's other data sets that we don't necessarily highlight in these calls. But as they're trying to build their own, let's say, right to win in agentic commerce, they're seeing the value of having the kind of information we have about characteristics of products, understanding consumers better.

And these are the big players, where there has been more of an exchange, I think, is what you're calling it of trading barter or whatever you want to call it. But we also are seeing good engagement with midsized to smaller players, who are also going to be able to make use of our tools.

So I think our value with these clients is just increasing just like they are with the CPGs and the tech and durable guys based on the kind of data we have and now the more use cases that they can apply it to.

Agentic commerce is still figuring itself out, but we're right in the middle of that, and we're kind of learning with them as we go. And our conversations now are much more strategic versus transactional. And then they're saying, "Wow, I didn't realize you could do this, this, and this." And so that's driving more penetration in almost every retailer.

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

Got it. And then on the AI monetization strategy, I get that it's going to be evolving and you're going to be experimenting and you're focused on driving adoption. Is there some sort of like on these like early adopters. Is there some sort of like short-duration trial period where you're capped on volumes or there's some discounted pricing. And then at some point in '27, it flips to more normal monetization levels? Or how should we think about that?

Troy Treangen

Well, we're very concerned, I guess, or not the right -- we're very interested, that's the right word. And ensuring that they do use the tools and they do see the power in the tools right away and not getting somehow caught up in some of the way the LLMs are doing their thing, which are scaring folks and using too many tokens or whatever, right?

So our experimentation is that first saying, is it generating the value for them. And then we have various ways based on all the different kinds of work we do with them anyway on contract renegotiations or otherwise, or we can say, if you want to continue using these kind of tools, of course, there will be a compensation for us to use them.

And so that's the way you should think about the consumption base. And that comes really in 2 ways: One is using it online and transacting or having access to information through, let's call them, APIs, where they can get at our data, but then they pay for it for that particular use case for that particular point in time.

Operator

There are no further questions.

James Michael Peck
CEO & Chairman

Okay. Great. Well, thank you all for joining. It's been about a year now since our IPO. And certainly, the world has changed quite a bit. And I think we have anticipated some of it, reacted to some of it, but you're seeing it not only in our results financially, but in the way we're able to talk about our business with real-world examples of what we're doing to serve our clients in this world where we're providing both the full view and these AI capabilities to become even more relevant. So we look forward to the next call.

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