



# Investor Roadshows, Europe and North America July 2019

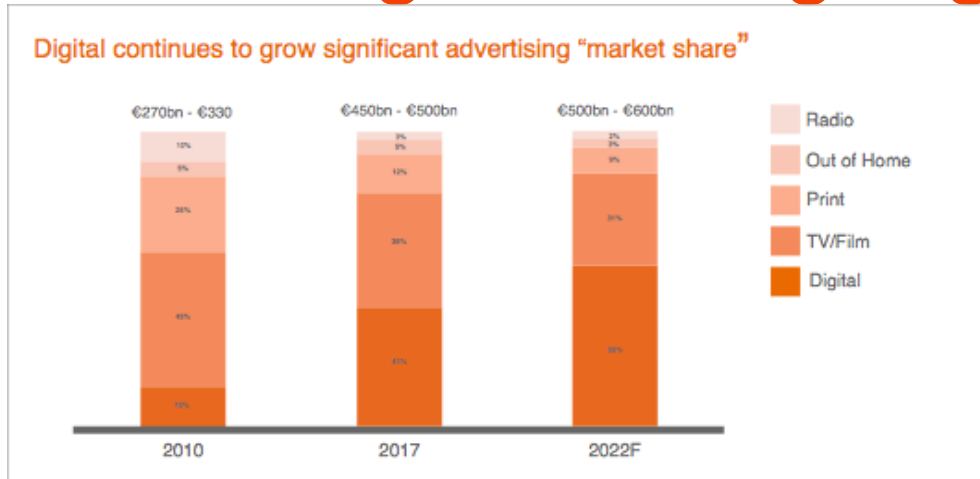
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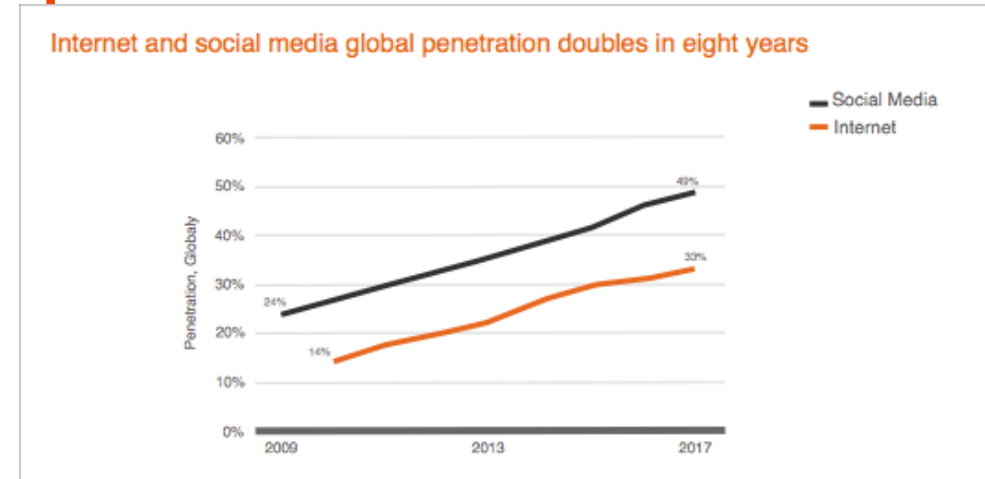
# Technological and geographic trends

- / The global advertising and marketing industry was worth \$1.7tn in 2018 (including \$400bn trade budgets – Redburn).
- / Global internet users = 3.6bn people, or over 50% of the population, in 2018 (Kleiner Perkins).
- / Digital media use 5.9 hours per day (Kleiner Perkins).
- / Half of all advertising spend will be on digital media ad formats by 2019/2020, compared to 46% in 2018 (Magna).
- / The market for internet advertising is expanding at over 20% year-on-year (Kleiner Perkins), compared to 3-4% for the overall advertising market (company estimate).
- / Programmatic advertising spend is forecast by the Group to reach \$84bn in 2019 growing at approximately 20 per cent year-on-year to reach \$98bn in 2020 (company estimate).

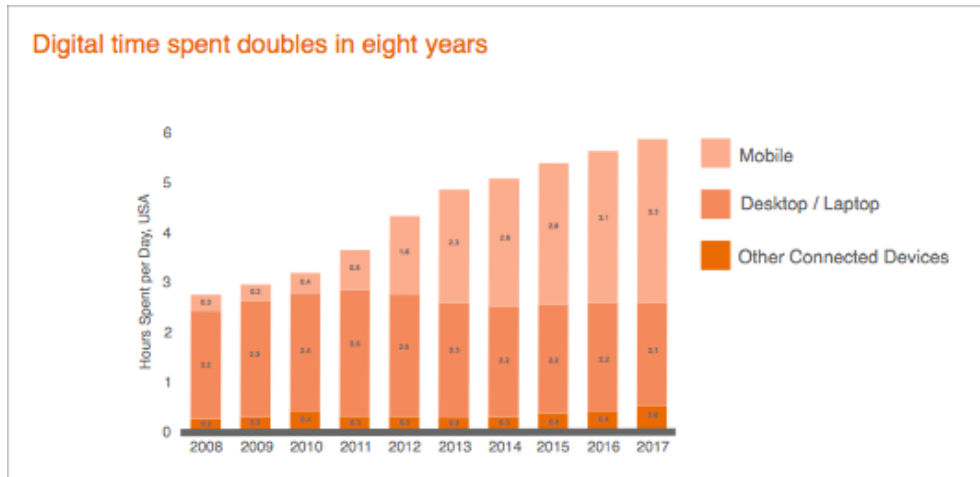
# Technological and geographic trends



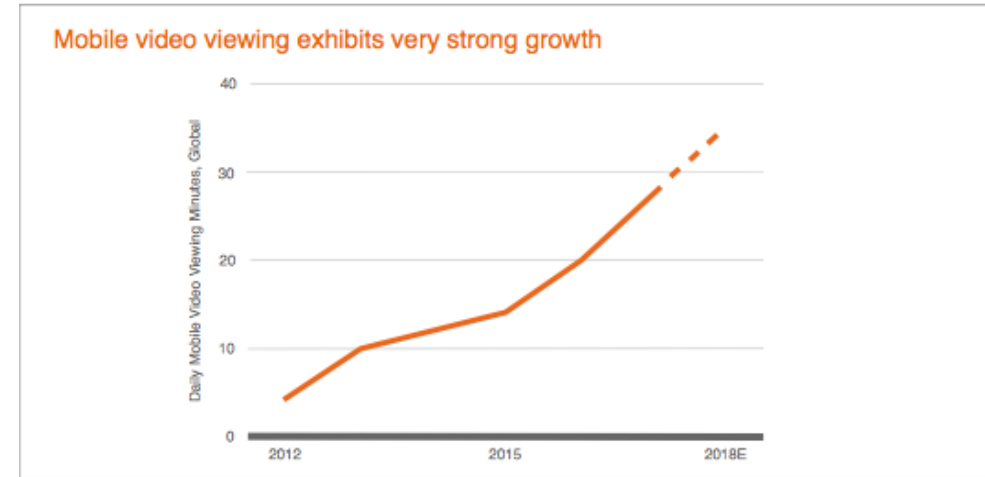
Source: Company estimates



Source: Kleiner Perkins

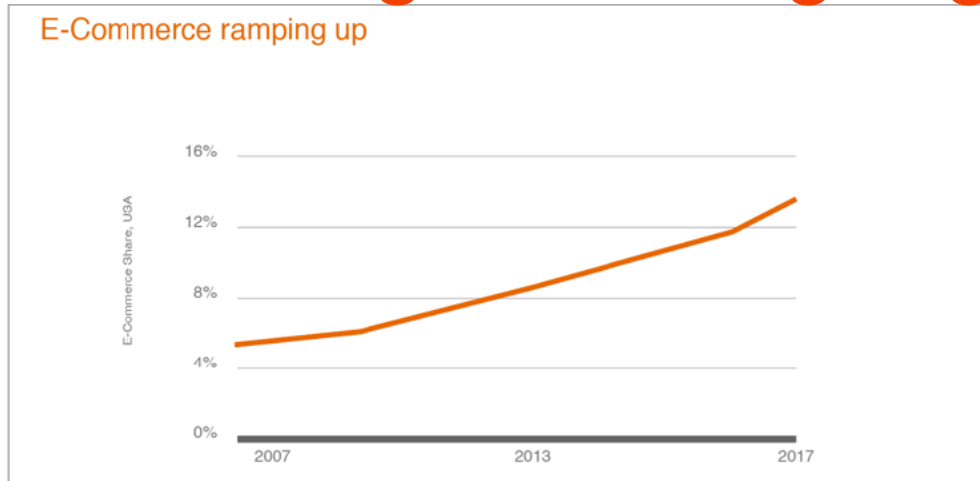


Source: Kleiner Perkins

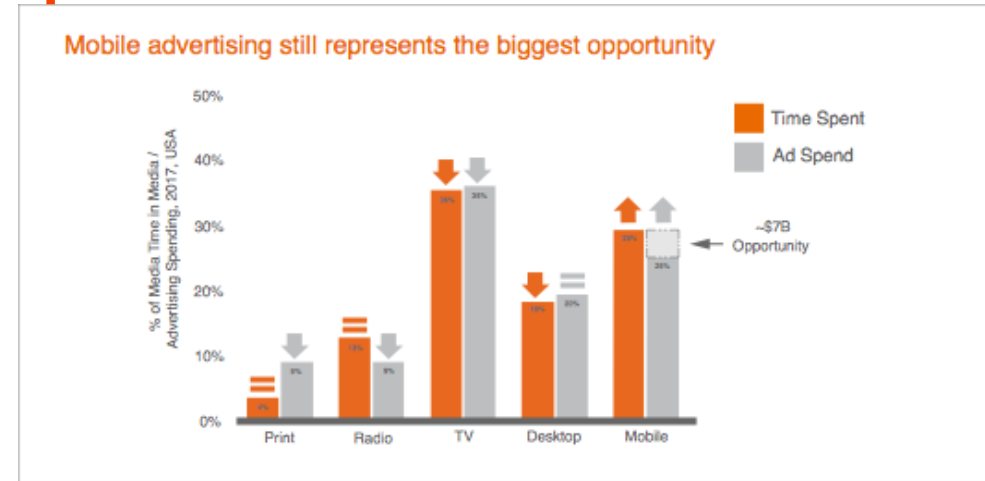


Source: Kleiner Perkins

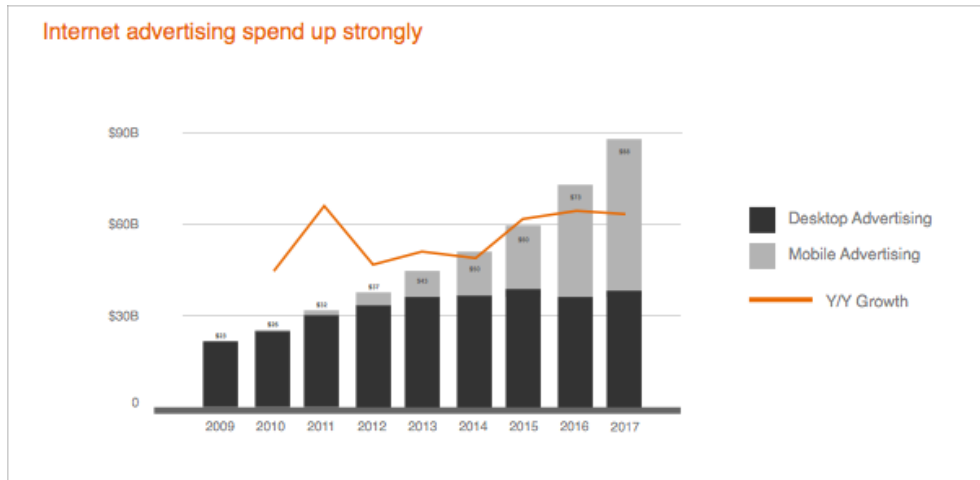
# Technological and geographic trends



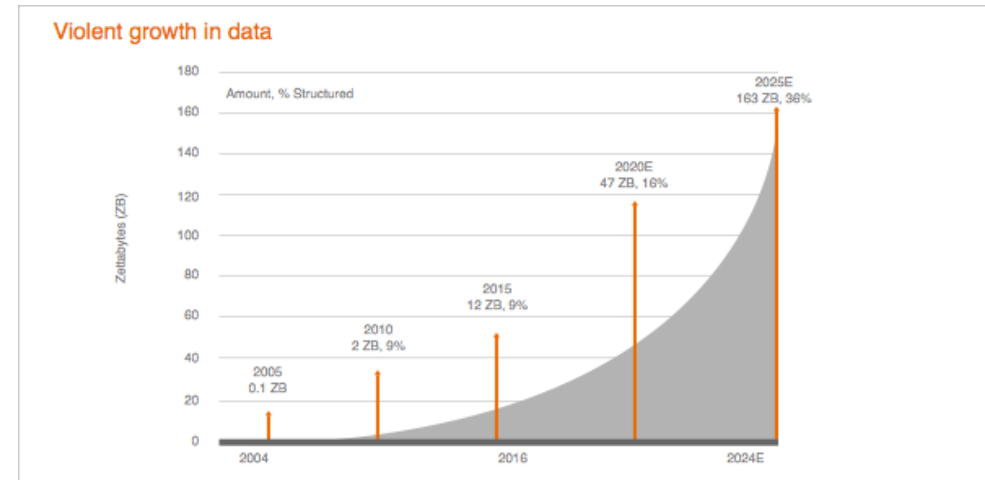
Source: Kleiner Perkins



Source: Kleiner Perkins

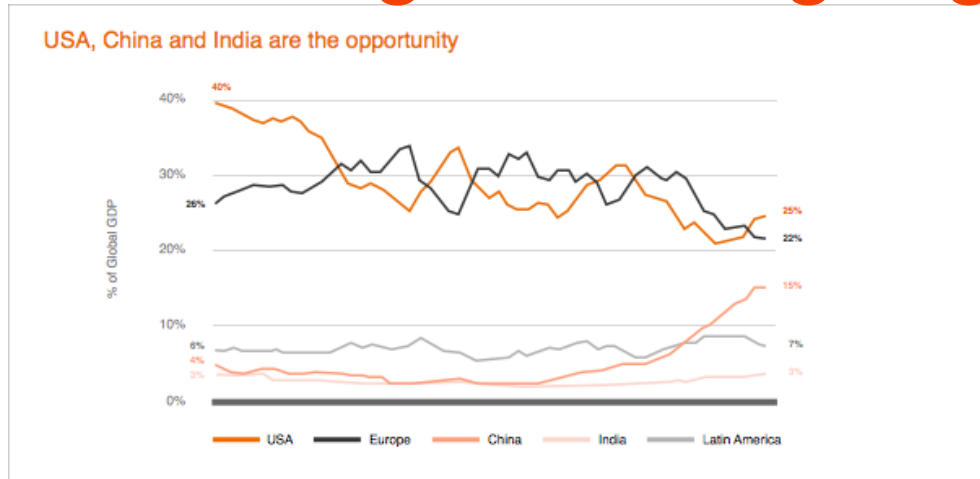


Source: Kleiner Perkins

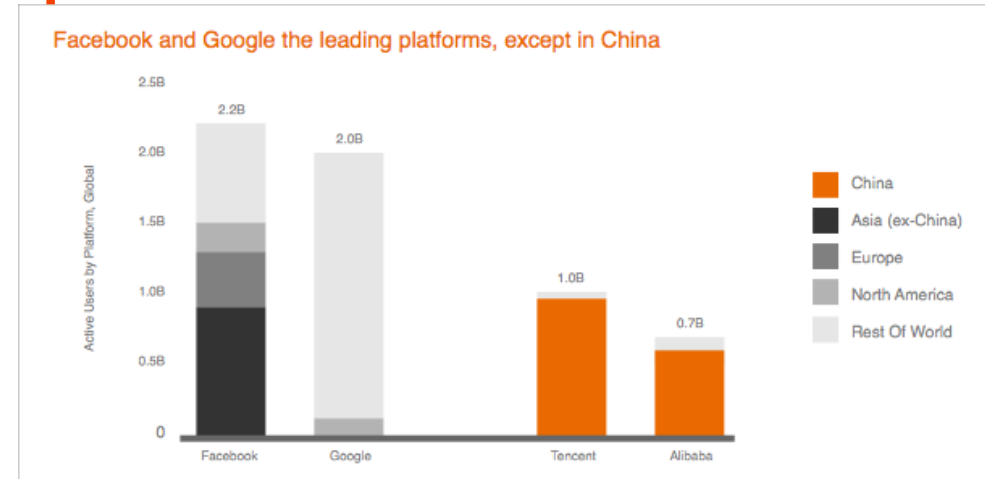


Source: Kleiner Perkins

# Technological and geographic trends



Source: Kleiner Perkins



Source: Kleiner Perkins

Google and Facebook dominate internet advertising revenue, but Amazon is the Third Force

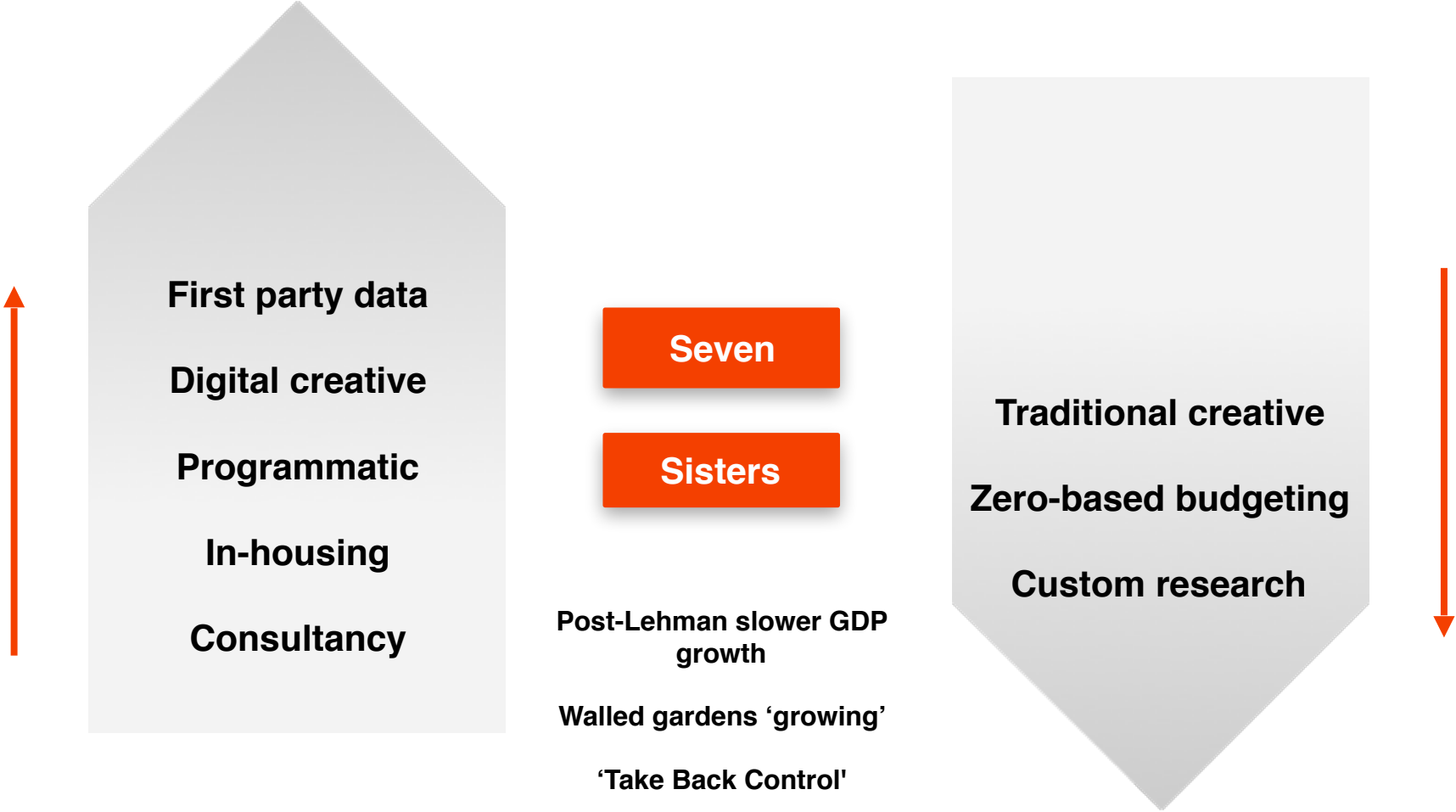
2018 revenue run rate	
Google	\$115bn
Facebook	\$54bn
Amazon	\$10bn
Microsoft	\$8.6bn
Oath	\$7.2bn
Twitter	\$2.6bn
Snap	\$1.5bn
Other	\$62bn
<b>Total</b>	<b>\$226bn</b>

Source: Polar State of Digital Media, Q1 2019



Source: Redburn

# Industry dynamics



# Our four core principles

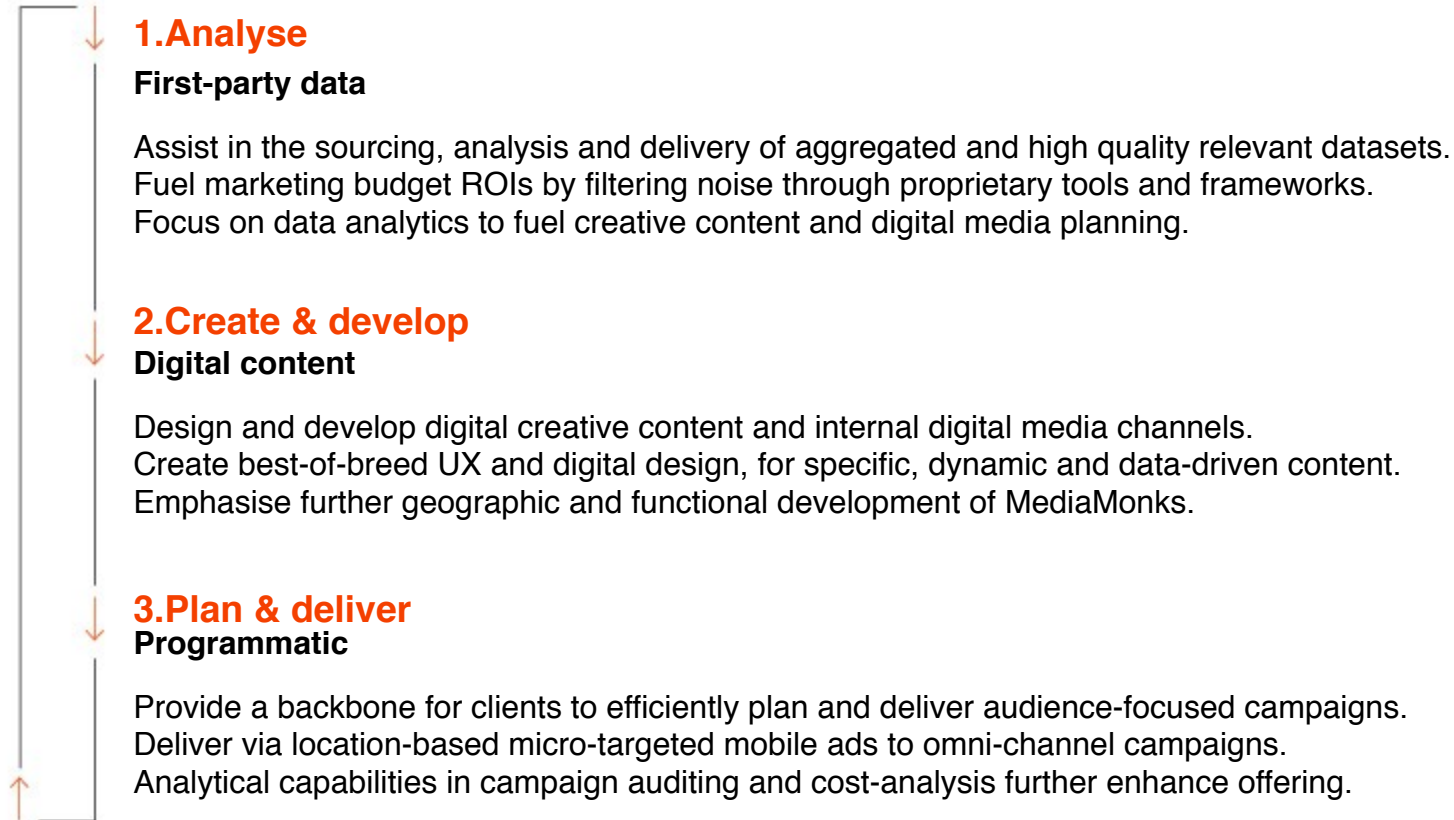




# The story so far

- / Formation and initial funding of S<sup>4</sup>Capital plc in May 2018.
- / Combination with the leading digital content Advertising Age A-Listed production company MediaMonks in July 2018.
- / Injection of the enlarged Company into the quoted 'shell' company, Derriston Capital Plc, with admission to the Standard List of the Main Market of the London Stock Exchange as S<sup>4</sup>Capital plc (SFOR.L) in September 2018.
- / Combination with the leading programmatic company MightyHive on Christmas Eve.
- / Appointment of leading industry figures to spearhead Asia Pacific growth.
- / Caramel Pictures, the world's leading food and liquids film studio, purchased by MediaMonks and combination of MightyHive with ProgMedia, a São Paulo-based programmatic consultancy, in April 2019.
- / MediaMonks merged with BizTech, a leading marketing transformation and customer experience company in Melbourne, Australia in June 2019, expanding cloud capabilities and geographic coverage
- / The Company now has approximately 1,400 people in 20 countries across the Americas, Europe, the Middle-East and Africa and Asia-Pacific.
- / Significant new business, including integrated assignments, from Procter & Gamble, Google, Nestle, Netflix, Mondelez, Uber, Bayer, Sprint, Avon, ServiceNow, Shiseido, Olympic Broadcasting Services, amongst others.

# Strategy and structure



**Utilise clients' and platform data and grow by business combinations**

**MEDIA  
MONKS**

**IGHITYHIVE**

# Board of Directors

Sir Martin  
Sorrell

Executive Chairman

Victor  
Knaap

CEO MediaMonks

**MEDIA  
MONKS**

Wesley  
ter Haar

COO MediaMonks

**MEDIA  
MONKS**

Pete  
Kim

CEO MightyHive

 **IGHTYHIVE**

Christopher  
Martin

COO MightyHive

 **IGHTYHIVE**

Peter  
Rademaker

Group Chief  
Financial Officer

Scott  
Spirit

Chief Growth Officer

Rupert  
Faure  
Walker

Non-Executive  
Director

Daniel  
Pinto

Non-Executive  
Director

Sue  
Prevezer  
QC

Non-Executive  
Director

Paul  
Roy

Non-Executive  
Director

Elizabeth  
Buchanan

Non-Executive  
Director

# People

## MediaMonks



/ Victor Knaap - *CEO*



/ Wesley ter Haar - *COO*



/ Frank ter Weeme - *CFO*



/ Joris Pol - *Global Executive Producer*



/ Louise Martens - *Global Executive Producer*



/ Marta Tomczak - *Head of Brand Communications*



/ Maureen Batten - *Head of HR*



/ Richard Nieuwenhuis - *Global Director of Operations*



/ Jouke Vuurmans - *Global Executive Creative Director*

## MightyHive



/ Pete Kim - *CEO*



/ Christopher S. Martin – *COO*



/ Lexi Viripaeff - *CTO*



/ Leah Kim - *CMO*



/ Emily Del Greco - *President, Americas*



/ Sasha Schmitz – *Managing Director, EMEA*



/ Kenny Griffiths - *Managing Director, APAC*

## Financial Performance

### Unaudited Pro Forma\* 2018 Highlights (£m)

- / Billings of 291.2
- / Revenue 135.9, +58%
- / Gross profit 105.2, +49%
- / Operational EBITDA\*\* 22.4, +99%
- / Operational EBITDA margin 21.4%, +5.4 pts
- / Adjusted operating profit 21.0
- / Adjusted result before income tax 20.1
- / Adjusted result 15.9
- / Basic earnings per share 4.6p
- / Year-end net debt 20.6, including the 45.6 loan drawn to partly fund the combination with MediaMonks

\*Pro-forma numbers relate to unaudited full year non-statutory and non-GAAP consolidated results of MediaMonks and MightyHive and S<sup>4</sup>Capital as if the group had existed in full for the year and have been prepared under comparable GAAP with no consolidation eliminations

\*\* Operational EBITDA is EBITDA adjusted for non-recurring items

## Financial Performance Preliminary 2018 Highlights (£m)

- / Billings 59.1
- / Revenue 54.8
- / Gross profit 37.2
- / Operational EBITDA\* 4.7 (including adjusting items of 12.5)
- / Operating loss 8.5
- / Result before income tax 9.1 (loss)
- / Result 8.1 (loss)

\*Operational EBITDA is EBITDA adjusted for non-recurring items

# Pro Forma P&L

For the period ended 31 December 2018 (unaudited)

	Unaudited	Unaudited	Unaudited
	2018	Pro-forma	Pro-forma
	2018	2018	2017
	£'000	£'000	£'000
<b>Revenue</b>	<b>54,845</b>	<b>135,929</b>	<b>86,114</b>
Cost of sales	17,681	30,754	15,571
<b>Gross profit</b>	<b>37,164</b>	<b>105,175</b>	<b>70,543</b>
Net operating expenses (excluding adjusting items and depreciation)	32,474	82,727	59,285
<b>Operational EBITDA</b>	<b>4,690</b>	<b>22,448</b>	<b>11,258</b>
Depreciation	648	1,450	1,206
<b>Adjusted operating profit</b>	<b>4,042</b>	<b>20,998</b>	<b>10,052</b>
Adjusting items	12,512	12,512	51
<b>Operating profit</b>	<b>-8,470</b>	<b>8,486</b>	<b>10,001</b>
Finance income	324	352	-
Finance expenses	-975	-1,274	-1,425
<b>Net Finance expense</b>	<b>-651</b>	<b>-922</b>	<b>-1,425</b>
<b>Result before income tax</b>	<b>-9,121</b>	<b>7,564</b>	<b>8,576</b>
Income tax expense	1,011	-2,250	-4,195
<b>Result for the period</b>	<b>-8,110</b>	<b>5,314</b>	<b>4,381</b>

# Unaudited Condensed Consolidated Balance Sheet

As at 31 December 2018	Unaudited 2018 £'000
<b>ASSETS</b>	
<b>Non-current assets</b>	
Intangible assets	387,275
Property, plant and equipment	4,007
Deferred tax assets	188
Other receivables	1,438
	<b>392,908</b>
<b>Current assets</b>	
Trade and other receivables	81,121
Cash and cash equivalents	25,005
	<b>106,126</b>
<b>Total assets</b>	<b>499,034</b>

<b>LIABILITIES</b>	
<b>Non-current liabilities</b>	
Deferred tax liabilities	26,930
Loans and borrowings	45,638
Other payables	5,260
	<b>77,828</b>
<b>Current liabilities</b>	
Trade and other payables	77,779
Current tax liabilities	4,107
	<b>81,886</b>
<b>Total liabilities</b>	<b>159,714</b>

<b>Net assets</b>	<b>339,320</b>
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As at 31 December 2018	Unaudited 2018 £'000
<b>EQUITY</b>	
Share capital	90,849
Share premium	258,588
Other reserves	-2,107
Retained earnings	-8,110
Capital and reserves attributable to owners of the company	<b>339,220</b>
Non-controlling interests	100
<b>Total equity</b>	<b>339,320</b>



# Expanding global presence

1,400

people

MediaMonks MightyHive

20

countries



# MediaMonks

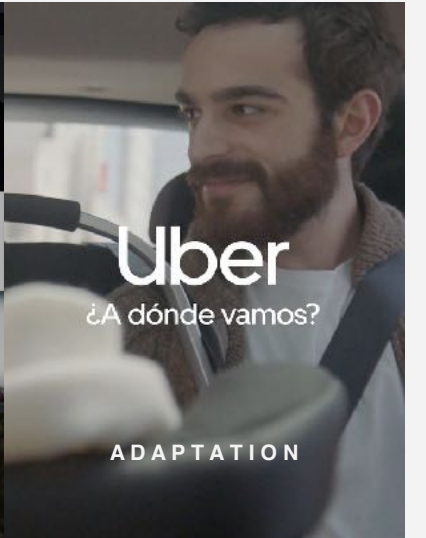
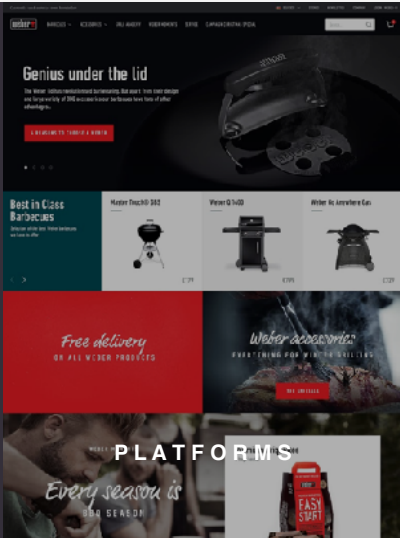
# Hello, we are MediaMonks

In June 2018 we joined S4 as most awarded digital production company in the world with a focus on the creation and execution of digital content.



OUR PROMISE

We help brands to strategize and execute across all digital touchpoints.

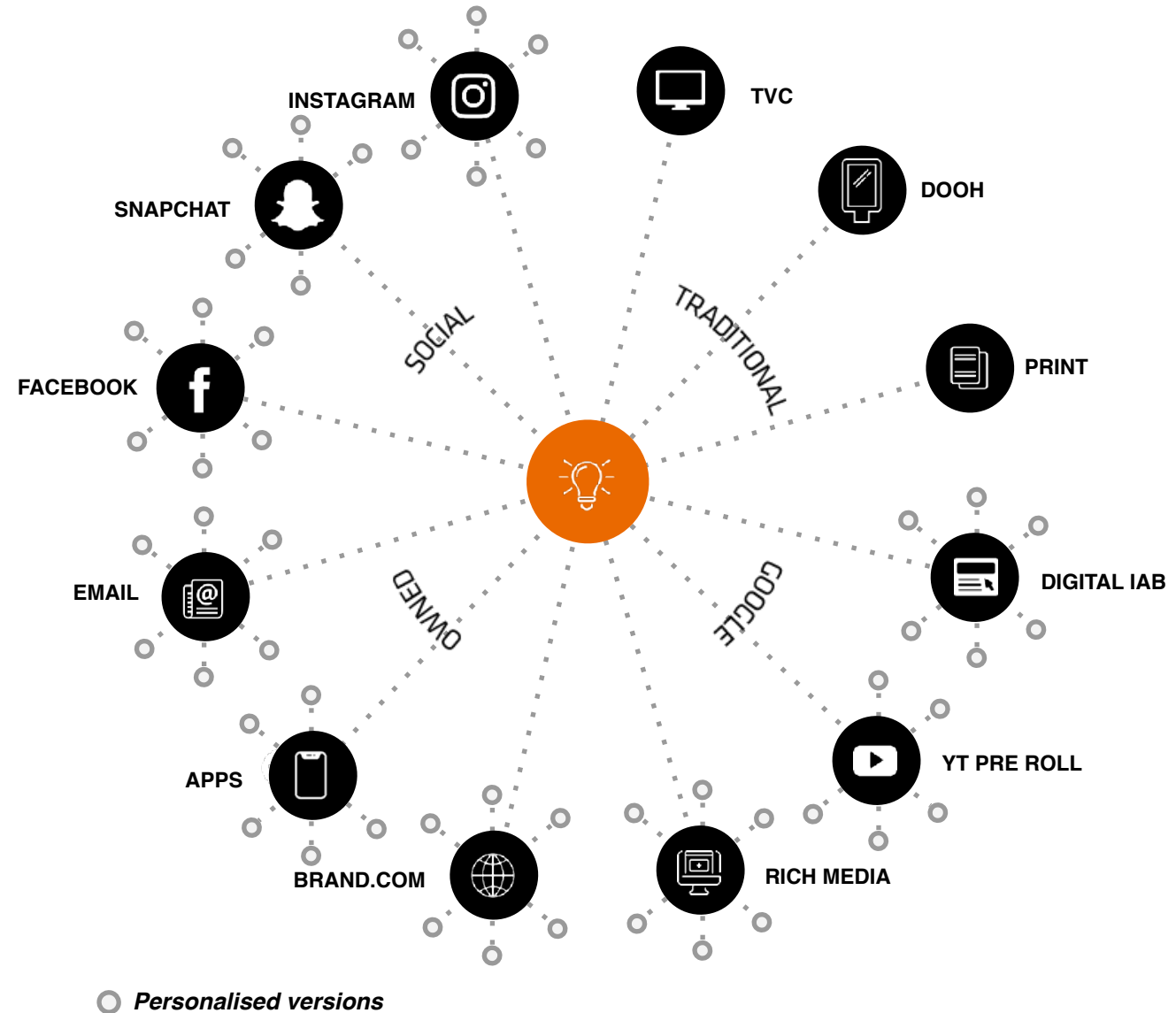


# MediaMonks - Strategy

## MediaMonks model – Content for all screens

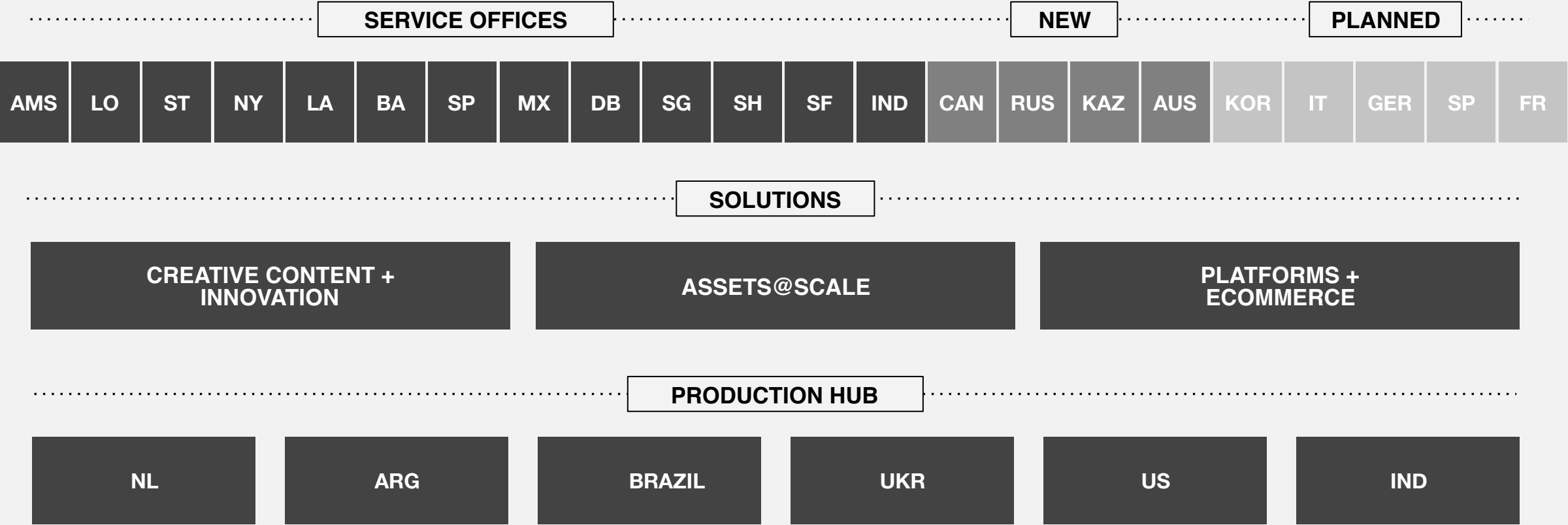
We take a complex network of touchpoints and build a creative and data strategy that drives a consistent brand look and feel by being smarter with content production, asset management and the execution of data insights.

This is about moving from the 'big idea' to an intelligent, data powered CDN generating a feedback loop for continual optimisation.



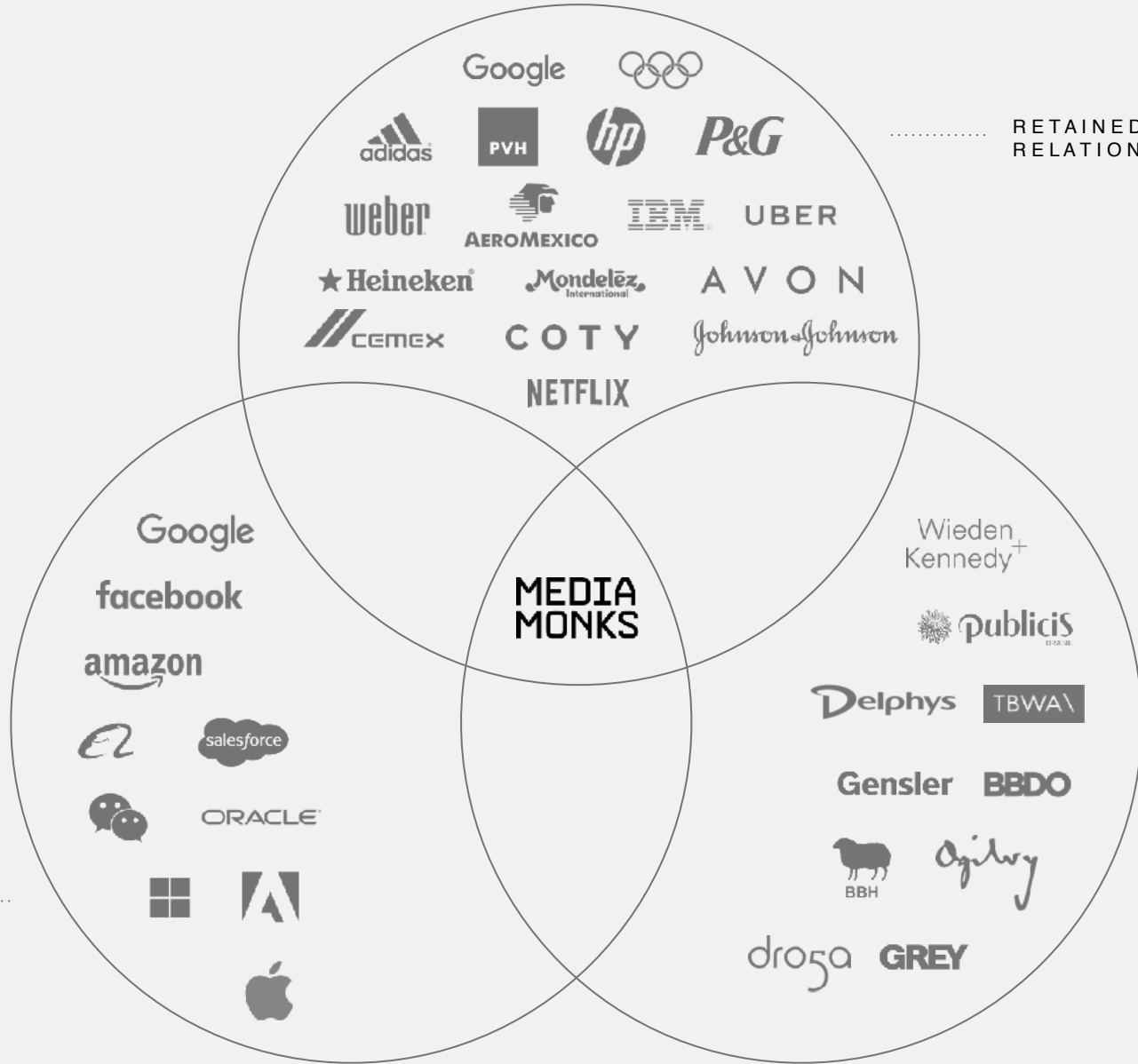
# Offices & structure

18 service offices  
6 production hubs



# Brands & partners

MEDIA PLATFORMS & FAST MOVING TECH



RETAINED & ROSTERED RELATIONSHIPS

STRATEGY & CREATIVE

# Monks

July 2018

**750**



**APAC + 50**  
**EMEA + 25**  
**LATAM + 100**  
**USA + 50**



**1070**

July 2019



Sanne Dogtrop  
EP SH



Poran Malani  
MD INDIA



Kieve Ducharme  
VP Growth LON



Martin Verdult  
MD LONDON



Pablo Tajer  
CD BA



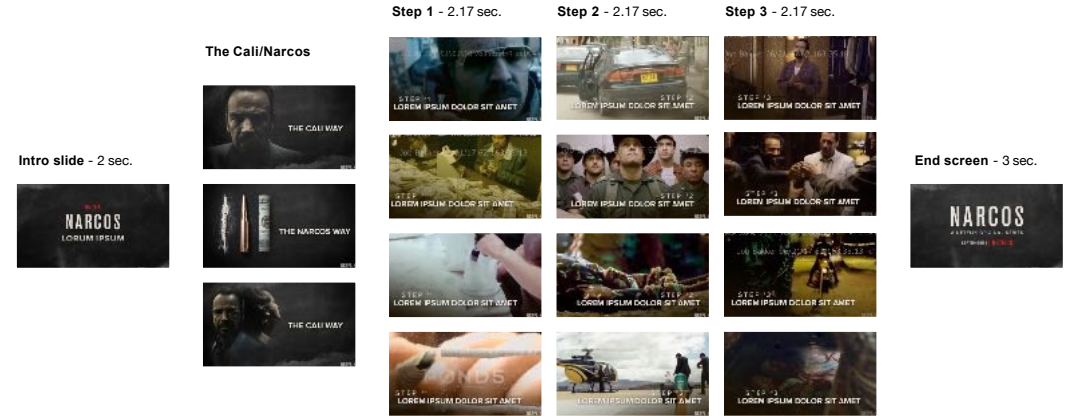
Henry Cowlin  
MD SF



# MediaMonks - Netflix: Narcos



...to dynamic scalable assets.



## Tailored ads

Data signals built creative display ads that effectively connected **affinities** to **Netflix titles** resulting in **1,481,430 possibilities**.

## Cutting costs

Global costs went down by **40%** and turnaround time decreased from 12 to **4 weeks**.

## More impact

Interaction **+6%**  
CTR **+60%**  
Avg. Display Time **+2 sec**  
Avg. Interaction **+6 sec**

BRIEF



**How can we create one unified integrated campaign across all our consumer touch-points and with one single budget?**

PRODUCTION SETUP

- 1 creative concept
- 3 shooting days
- 3 sets
- 4 crews

RESULT

120 deliverables across all media platforms and devices

## APPROACH



SNAPCHAT



PLATFORMS



FACEBOOK



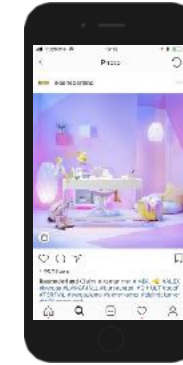
TV



BANNERS



APPS



INSTAGRAM



TWITTER

S4Capital

## RESULT

### More content

In total we've created **120 deliverables** out of a 3 day shoot.

### More Channels

In **one single shoot** we created tailored content for facebook, instagram stories, TVC, OOH, Display and YouTube pre-roll.

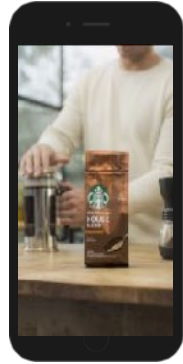
### Lower costs

The efficient way of working led to a reduction of costs; only **€1.7K** per asset.

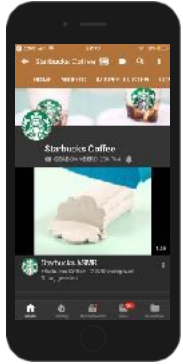


# GLOBAL INTRODUCTION STARBUCKS @HOME

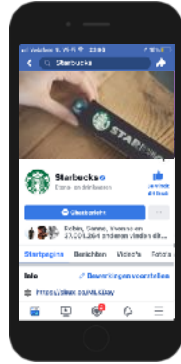




SNAPCHAT



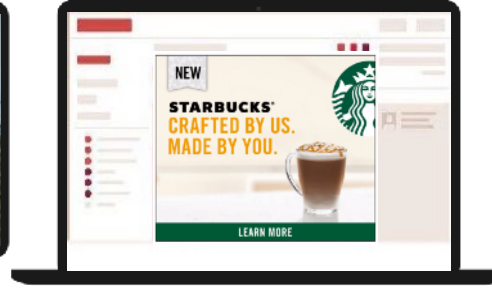
YOUTUBE



FACEBOOK



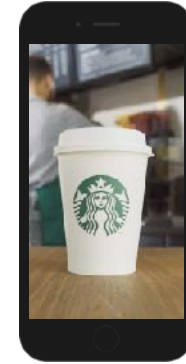
TV / OLV



BANNERS



INSTAGRAM



IGTV



STORIES

## RESULT

### More content

By applying a smart **production strategy**, we've created **127 assets** In total, out of a 3 day shoot.

### More Channels

In **one single integrated production** we created tailored content for facebook, Youtube, instagram, IG stories, TVC/OLV, OOH, display advertising and POS material.

### Lower costs

The **efficient** way of working led to a reduction of costs; saving up to 50%.



# MightyHive

# MIGHTYHIVE HELPS MARKETERS TAKE CONTROL

MightyHive is a new breed of media consultancy for global brands & agencies seeking transformative marketing results.

We turn the vision of digital transformation into reality.

Founded in 2012, MightyHive merged with S4 Capital in December 2018.



**Pete Kim**  
CEO

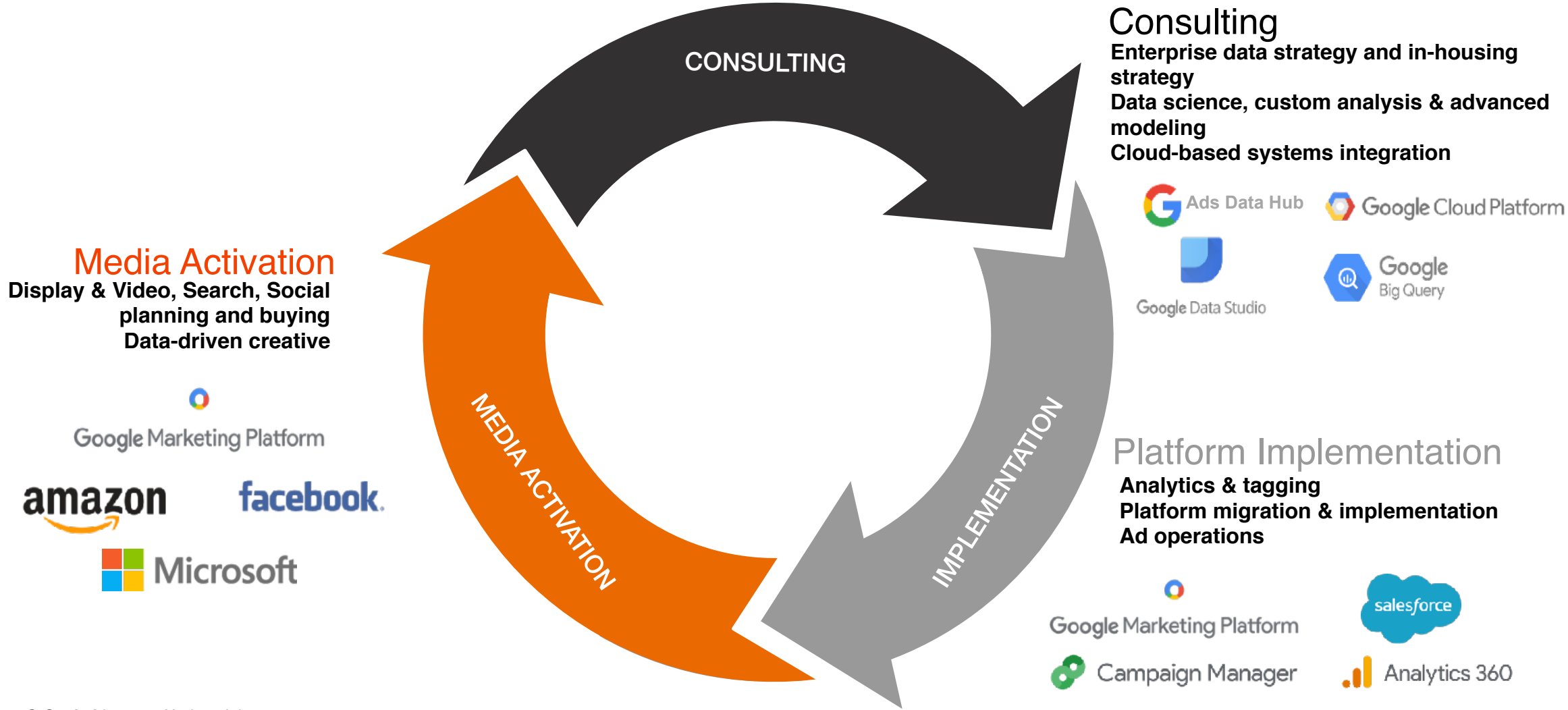
Former Head of Ad Platform Biz Dev at Google, Director Dynamic Advertising at Yahoo!



**Christopher S. Martin**  
COO

Former Director of Targeting Operations at Yahoo!, Controller for Yahoo! M&A

# MightyHive - Capability



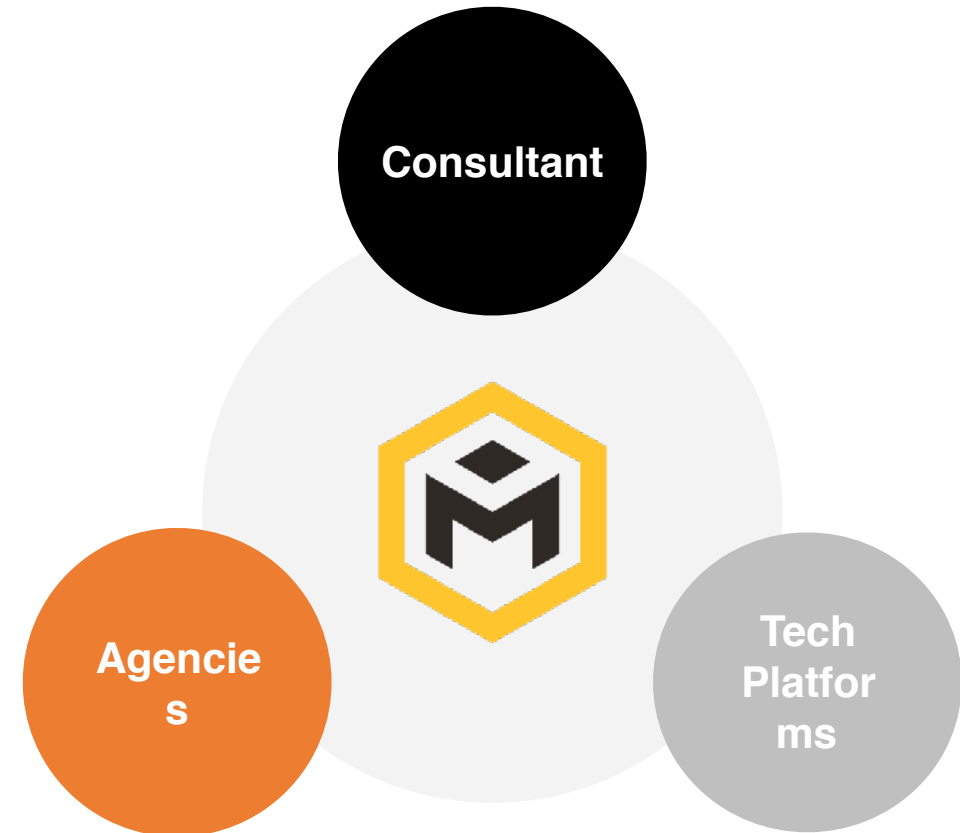


# MightyHive - Strategy

MightyHive continues to attack the opportunity created from an underserved and untrusted legacy marketing services market.

## Growth Vectors

- / Focus on Enterprise - Scale capability and value proposition for global 1000 brands
- / Expand portfolio of services - Expand data strategy and digital transformation services, including analytics, cloud, machine learning, and systems integration
- / Seek organic and inorganic growth for media operations capabilities
- / Design and deploy joint MediaMonks+MightyHive value proposition and discover business synergies



# MightyHive - Renault

Renault, the lead French automobile brand available in 134 countries and sold in over 12,000 dealerships, sold over over 2.5mm vehicles in 2018.

Renault engaged MightyHive to improve its understanding of their customers' digital profile, create a data-driven definition of the customer journey, and activate a holistic digital data strategy across programmatic buys.

## Approach

- ✓ Audited all data collection and audience data storage systems
- ✓ Designed a bespoke playbook for Renault, including improved tech architecture and integrations, standardized data taxonomy, operational best practices, and stronger KPIs tied to the brand's business objectives
- ✓ Redefined Renault's marketing funnel by incorporating additional CRM touchpoints, allowing Renault to perform granular analysis and effectively activate on these segments programmatically.

## Results

Improved site engagement (improved pages per session and decreased bounce rates) and a roadmap for data ownership clauses, scaled global taxonomy, and data-driven best practices across all media activity.

# MightyHive - Sprint

Sprint, a leading network operator in the United States, provides wireless services to over 50 million customers.

The organisation is undergoing a company-wide digital transformation initiative and partnered with MightyHive to create greater transparency into the digital media it was buying, closer control over marketing data, and assist in building a digital media team in order to be more agile in a competitive industry.

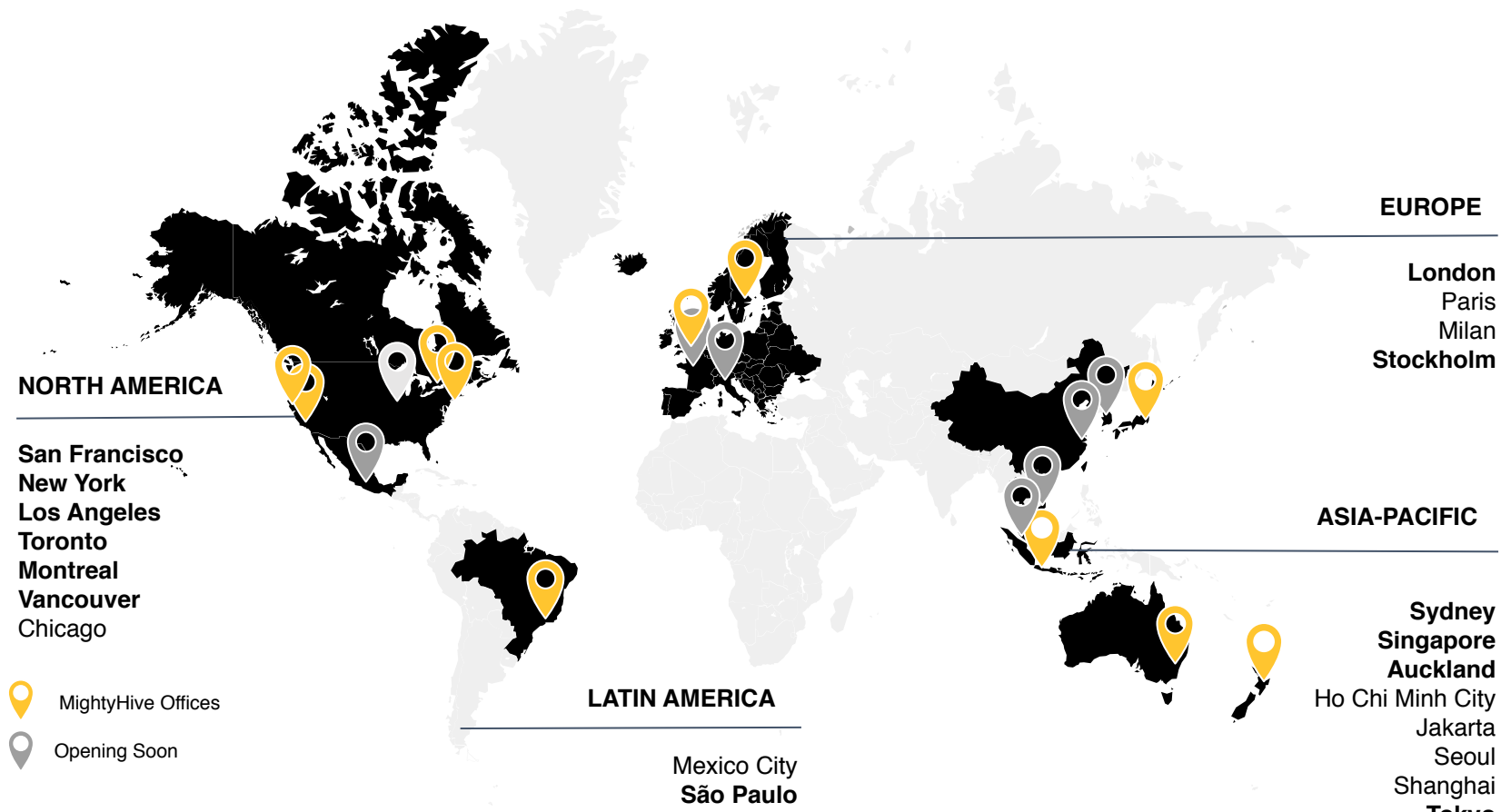
## Approach

- / Reviewed external vendors to establish transparency into fees
- / Consolidated disparate data sources into in-house data lakes for analysis and audience segmentation
- / Built multi-touch attribution model and a custom reporting to enable real-time adjustment

## Results

Increased conversions by 99% with 13% lower spend over the same three-month period the previous year

# A GLOBAL TEAM OF EXPERTS IN THE LEADING PLATFORMS



**STATS**

**13**  
Offices

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**300+**  
Employees

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**CERTIFIED PARTNER**

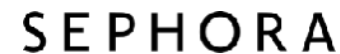
Google Marketing Platform  
Sales Partner

Premier Partner  
  
Google Cloud

amazon advertising

registered consulting partner

**WE DELIVER  
RESULTS FOR  
THE WORLD'S  
LEADING  
BRANDS**



# OUR PEOPLE

December 2018

189



APAC + 22  
EMEA + 13  
LATAM + 28  
USA + 52

June 2019

303



**Lexi Viripaeff**  
CTO

Former Salesforce.com Engineering veteran, wrote Salesforce.com's Enterprise Integration



**Leah Kim**  
CMO

Former Global Senior Marketing Director at Accuen, management roles at AppNexus, Microsoft, AOL



**Emily Del Greco**  
President of the Americas

Former Senior Advisor at McKinsey & Co, Founder of Del Greco Solutions, VP Sales at Adelphic Mobile



**Sasha Schmitz**  
MD EMEA

Former environmental consultant, Ad Age Women to Watch Europe 2019



**Kenny Griffiths**  
MD APAC

Formerly Head of Video at Facebook AUNZ, Co-Founder at VOLT

# Current trading and outlook

- / A powerful 2018, with pro forma revenue and gross profit growth of 58% and 49% and operational EBITDA margin above 20%
- / The Group continued to deliver very strong top-line growth in line with expectations in the first four months of 2019, showing revenue and gross profit like-for-like growth of over 41% and almost 37% respectively, and trading in line with both budget and Q1 revised forecast for the year
- / Purely digital model, tag line ‘faster, better, cheaper’ and unitary model resonating with clients
- / Imperatives to:
  - / broaden and deepen relationships with existing and new clients
  - / broaden and deepen geographical coverage
  - / attract additional data, content and media talent and resources through direct recruitment, acquisition and/or merger
- / Three-year plan for 2019-21 calls for doubling of revenue and gross profits over pro-forma 2018, with an improvement in EBITDA margin



Thank you