



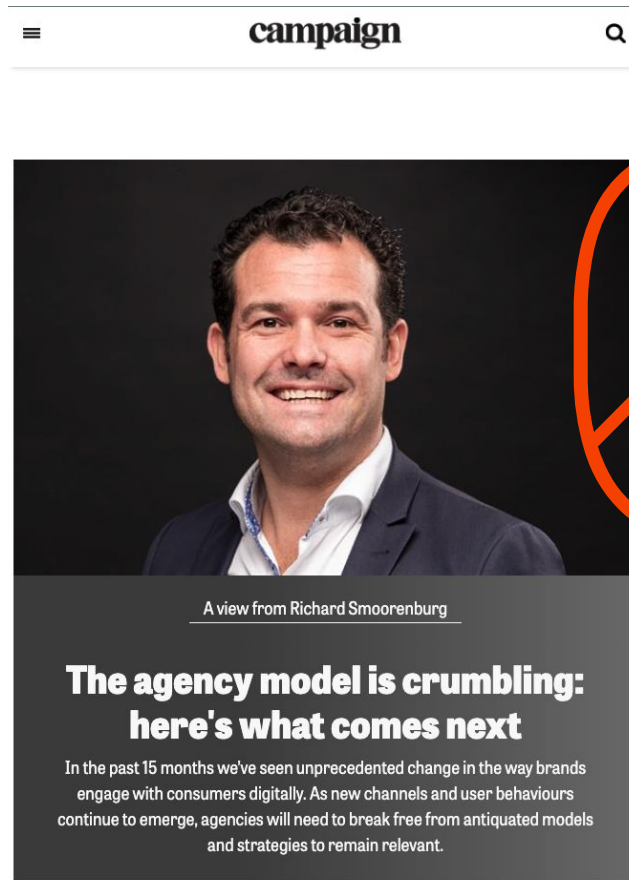
2021 Q3 Trading Update

November 2021

CONTENTS

- 01 Trading Update
- 02 Clients, Mergers & Market Trends
- 03 Technology Services
- 04 The Metaverse
- 05 IDFA & Cookies
- 06 Summary and Outlook
- 07 Q&A

Trading Update



01

Financial Performance

/ Q3 reported Revenue up 106% to £178.4 million

/ Q3 reported Gross Profit up 92% to £144.4 million

/ Q3 like for like Revenue up 56%

/ Q3 like for like Gross Profit up 42%

/ As signaled before, EBITDA and EBITDA margin continue to reflect increasing investment to prioritise top-line growth given our success in building our “whopper” client base and structures, as well as emerging service areas and technology platforms to increase efficiency

/ Company trading in line with external top-line expectations, surpassing the third guidance revision to 40% from 25% at the beginning of 2021

/ Liquidity remained strong in the third quarter with current monthly net debt position fluctuating between £20 million and £40 million after significant merger payments following €375 million senior secured term loan issue and £100 million revolving credit facility in July

/ The Company’s latest and fourth three-year plan for 2022-2024 calls yet again for a doubling of top and bottom line organically

Revenue and Gross Profit by Practice

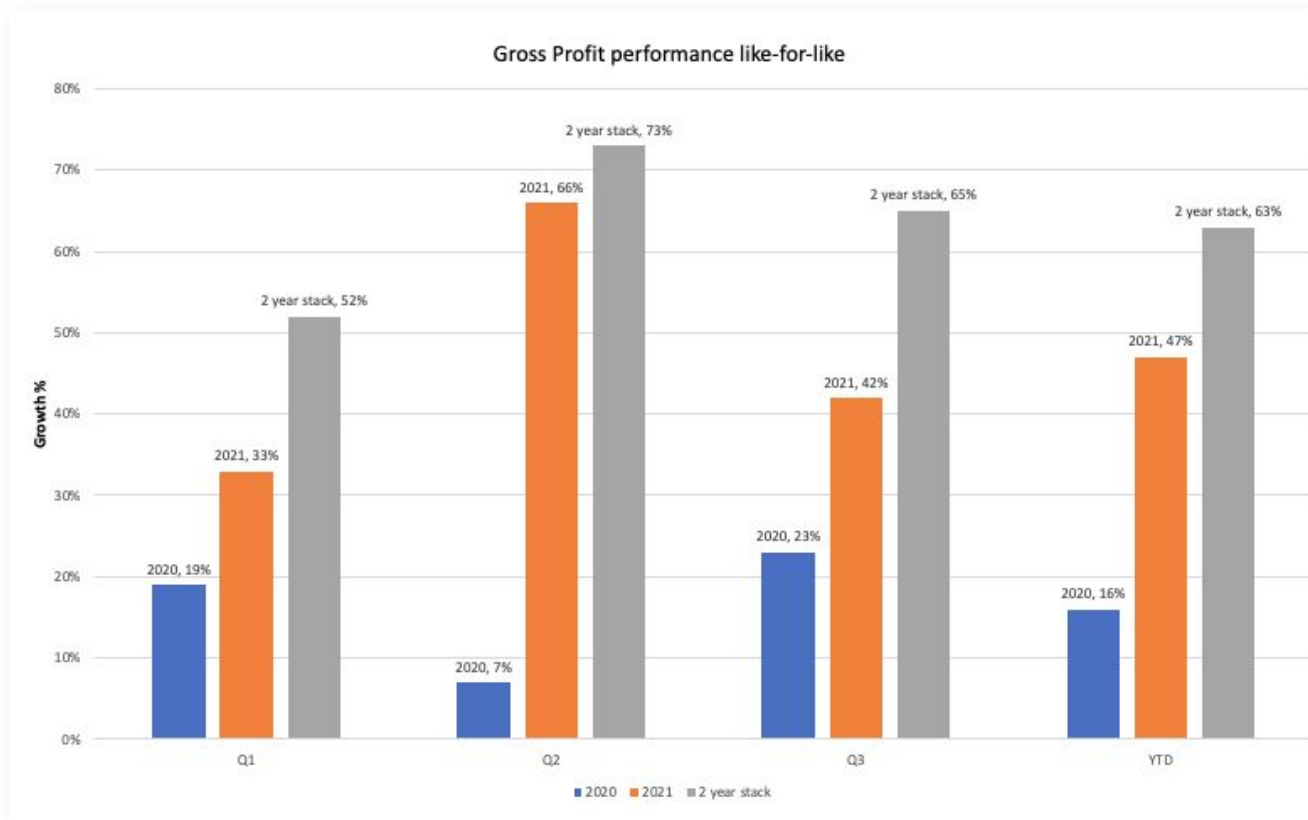
£ 000	Reported		+/- %	Like-for-like		+/- %	Reported		+/- %	Like-for-like		+/- %
	Q3 2021	Q3 2020		Q3 2021	Q3 2020		YTD 2021	YTD 2020		YTD 2021	YTD 2020	
Revenue												
Content	129,504	69,317	87%	129,504	80,695	60%	328,846	181,021	82%	328,846	204,882	61%
Data & Digital Media	48,877	17,075	186%	48,877	33,975	44%	128,823	46,718	176%	128,823	88,561	45%
Total	178,381	86,392	106%	178,381	114,670	56%	457,669	227,739	101%	457,669	293,443	56%
Gross Profit												
Content practice	95,693	58,370	64%	95,693	67,778	41%	252,740	152,783	65%	252,740	171,918	47%
Data & Digital Media	48,701	16,929	188%	48,701	33,711	44%	128,316	46,488	176%	128,316	87,991	46%
Total	144,394	75,299	92%	144,394	101,489	42%	381,056	199,271	91%	381,056	259,909	47%

like-for-like relates to 2020 being restated to show the unaudited numbers for the previous period of the existing and acquired businesses consolidated for the same months as in 2021 applying currency rates as used in 2021

Gross Profit by Geography

£ 000	Reported		+/- %	Like-for-like		+/- %	Reported		+/- %	Like-for-like		+/- %
	Q3 2021	Q3 2020		Q3 2021	Q3 2020		YTD 2021	YTD 2020		YTD 2021	YTD 2020	
Gross profit by Geography												
Americas	102,174	55,074	86%	102,174	76,287	34%	270,962	143,895	88%	270,962	190,854	42%
EMEA	27,887	12,972	115%	27,887	15,904	75%	76,171	36,963	106%	76,171	46,074	65%
Asia-Pacific	14,333	7,253	98%	14,333	9,298	54%	33,923	18,413	84%	33,923	22,981	48%
Total	144,394	75,299	92%	144,394	101,489	42%	381,056	199,271	91%	381,056	259,909	47%

Gross Profit growth like-for-like



Prioritising top-line growth

/ Company trading in line with external top-line expectations, surpassing the third guidance revision to 40% from 25% at the beginning of 2021

/ Client conversion at scale momentum continues with six “whoppers” now secured and nineteen more potentials identified

/ EBITDA and EBITDA margin continue to reflect increasing investment to prioritise top-line growth:

/ Client leadership to service ‘whoppers’

/ Growth teams

/ Implementing tooling (CRM, communication)

/ C-TV, Ecomm, Digital Events

/ Further building our infrastructure on legal, risk, compliance, IT and HR/talent

Clients, Mergers & Market Trends

Sir Martin Sorrell's S4 Capital snaps up a digital product design firm as it looks to take on consulting giants like Accenture and Deloitte

Lindsay Rittenhouse Sep 17, 2021, 8:00 AM



Sir Martin Sorrell, executive chairman of S4 Capital. [John Phillips/Getty Images](#)

S4 Capital has snapped up Zemoga, a digital product design and engineering company as Sir Martin Sorrell's "faster, better, cheaper" ad company tries to take on consulting giants like Accenture and Deloitte.

02

Q3 - A strong quarter for new business

Land & Expand

Google

P&G

PayPal

Mondelēz
International

amazon

L'ORÉAL

NETFLIX

CISCO

Allianz

FACEBOOK

ABInBev

hp



New Clients

Banco Azteca

Miele

JUST
Egg

MONCLER

audible
an amazon company

快手
KUAISHOU TECHNOLOGY

Hasbro

essity



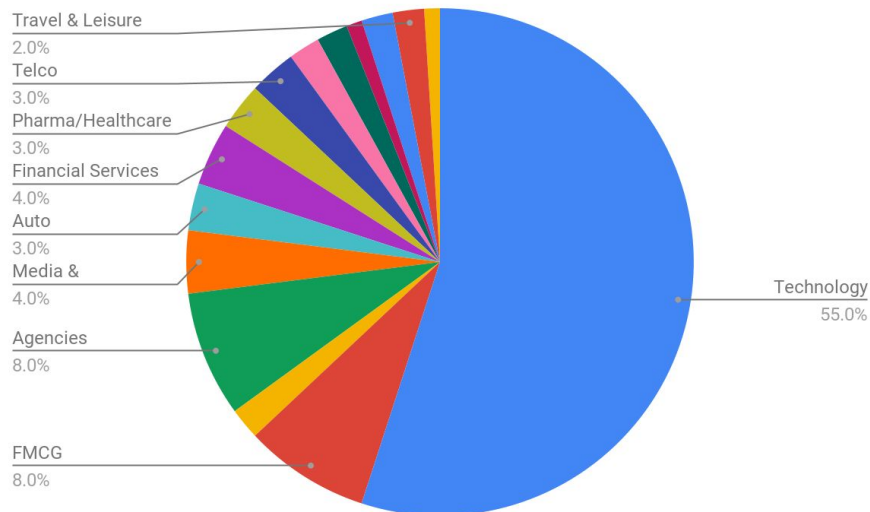
LUMINAR

LUXOTICA

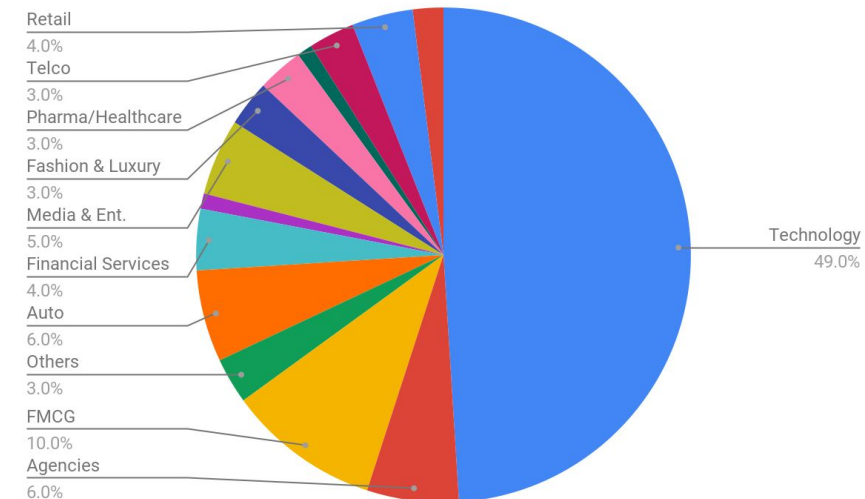
Skin Trust Club

Our client portfolio

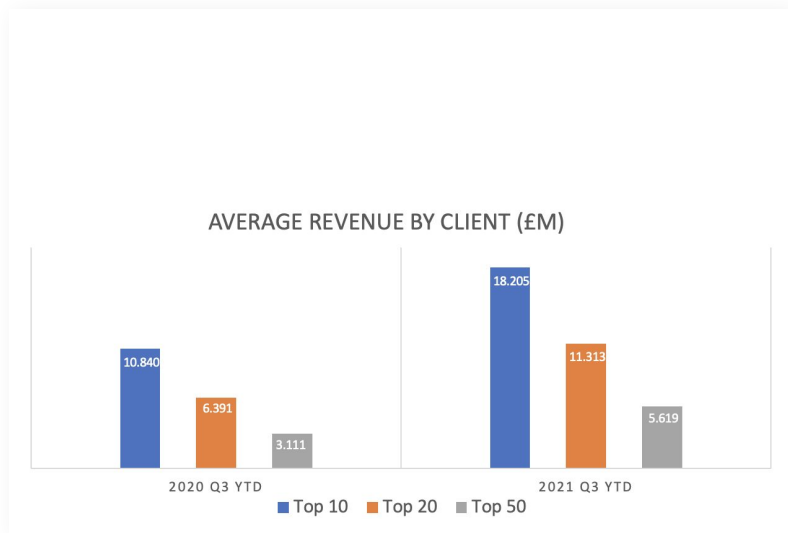
Q3YTD 2020 Revenue



Q3YTD 2021 Revenue

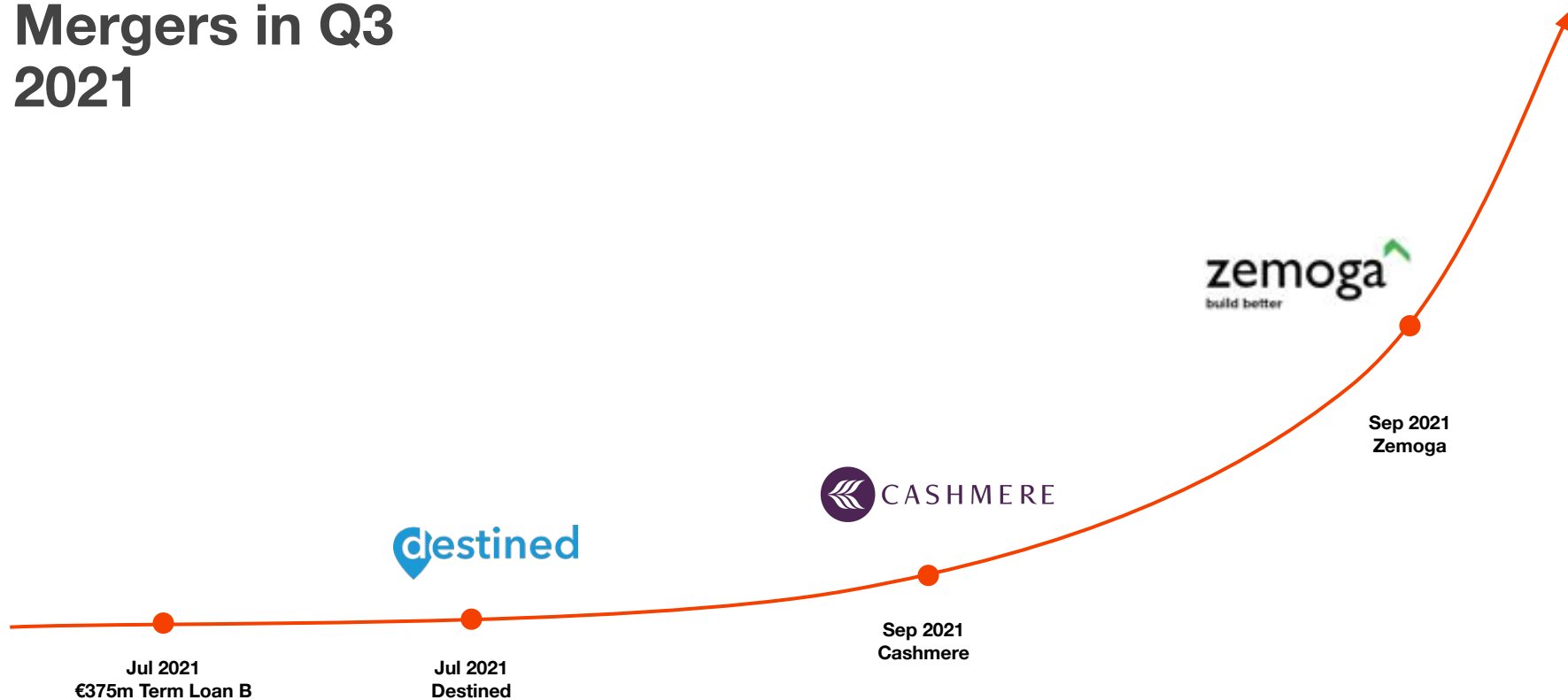


An attractive and expanding client base



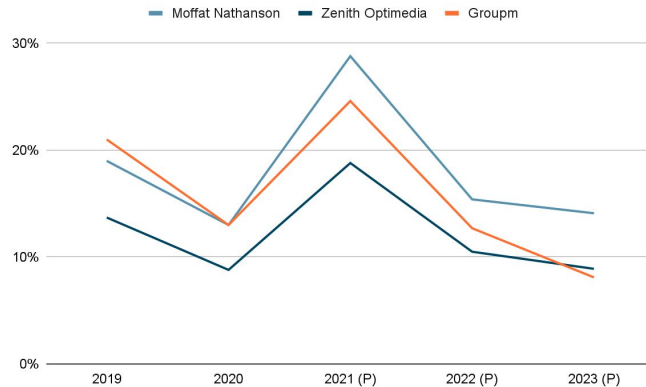
	2020 Q3YTD			2021 Q3YTD		
	No of Clients	% of Revenue	Cumulative % Revenue	No of Clients	% of Revenue	Cumulative % Revenue
Above £10m	2	29%	29%	6	32%	32%
£5-£10m	4	13%	41%	8	13%	45%
£1-£5m	23	20%	61%	49	20%	65%
£0.1-£1m	227	27%	89%	407	26%	91%

Mergers in Q3 2021



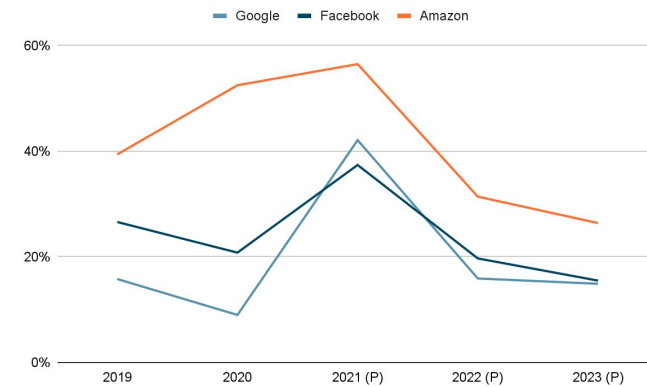
Strong growth continues for Digital Transformation and Marketing spend

Growth in Digital Media Spend



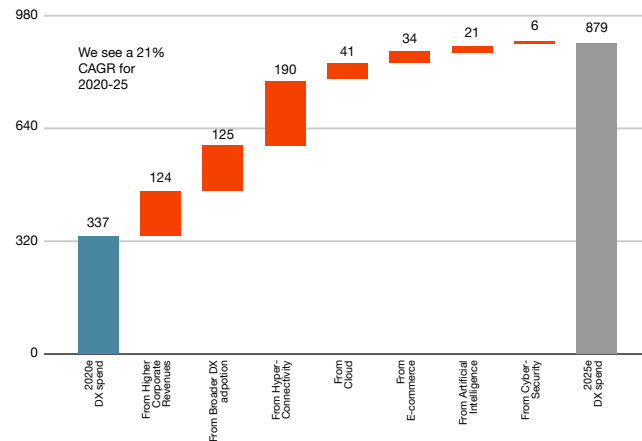
Source: Moffat Nathanson, Zenith Optimedia, Groupm 2021

Growth in Advertising Revenues



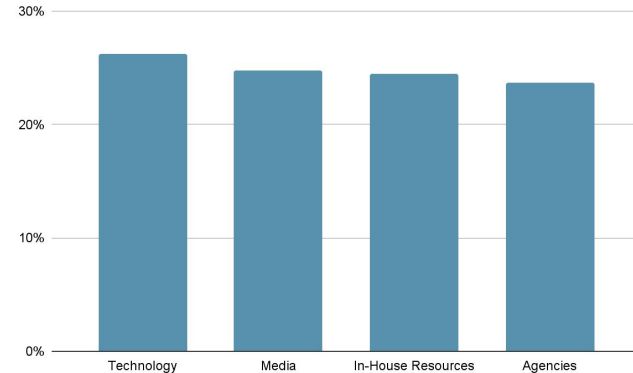
Source: Morgan Stanley

Global Spend in Digital Transformation - DX (USDbn)



Source: IDC, Euromonitor, Bloomberg and Morgan Stanley Research

Marketing Budget Breakdown



Source: Gartner CMO Spend Survey 2020/2021

Concerns around supply chain impact seem overblown

"We may be already witnessing the worst of it."

Jefferies

Aneta Markowska,
Chief Economist

"We'll continue to invest heavily and watch our spend like a hawk."



Unilever

Alan Jope, CEO

"We're through the worst of it. I think we've reached the peak."

GXO

Logistics at full potential

Malcom Wilson, CEO

"As long as we create good ROI we will continue to invest... We'll increase the percentage of digital media."

P&G

Andre Schulten, CFO

Technology Services

Media.Monks expands into technology services market with Zemoga merger

By Sam Bradley
September 17, 2021



Media.Monks has expanded into technology services by merging with Zemoga

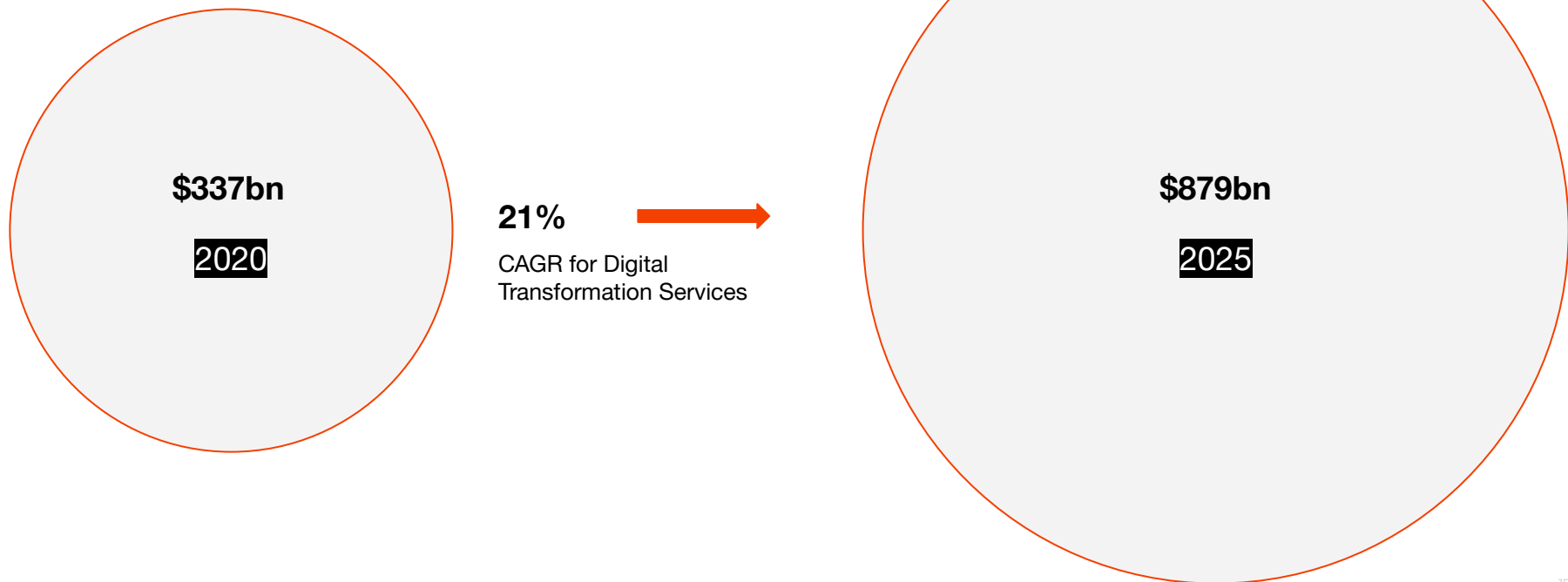
Media.Monks, the digital marketing network owned by S4 Capital, has announced its expansion into technology services with the acquisition of Colombian product design firm Zemoga.

What does Zemoga do?

- Founded in 2002 in Colombia, with offices in LA, New York, Medellín and Bogotá, Zemoga specializes in B2B product design, engineering and delivery services.

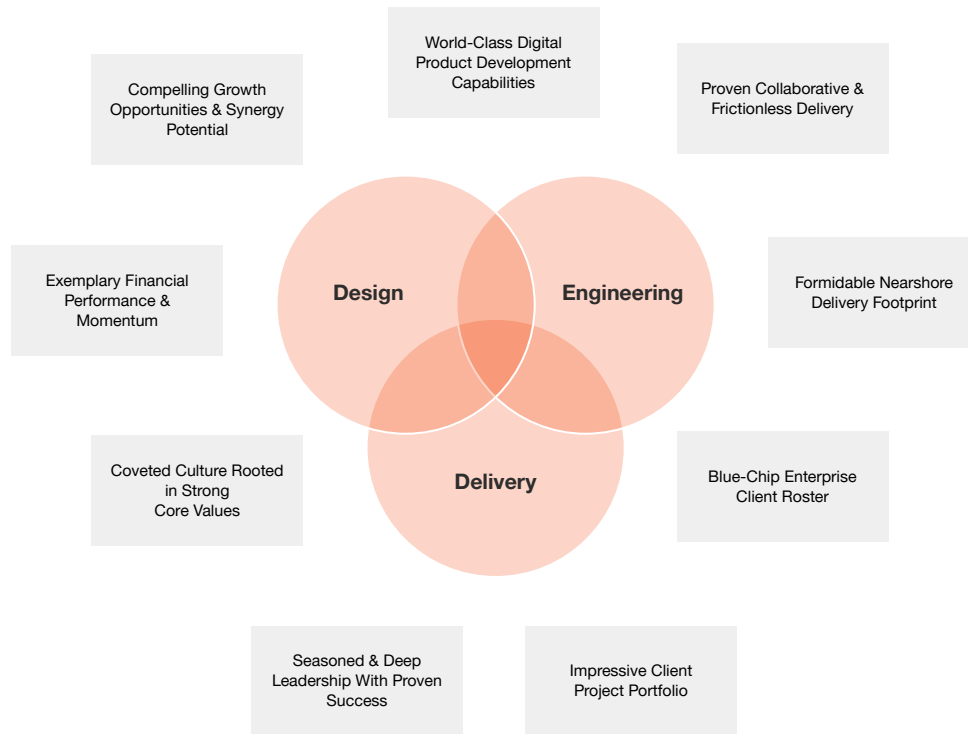
03

The Worldwide Digital Transformation Market



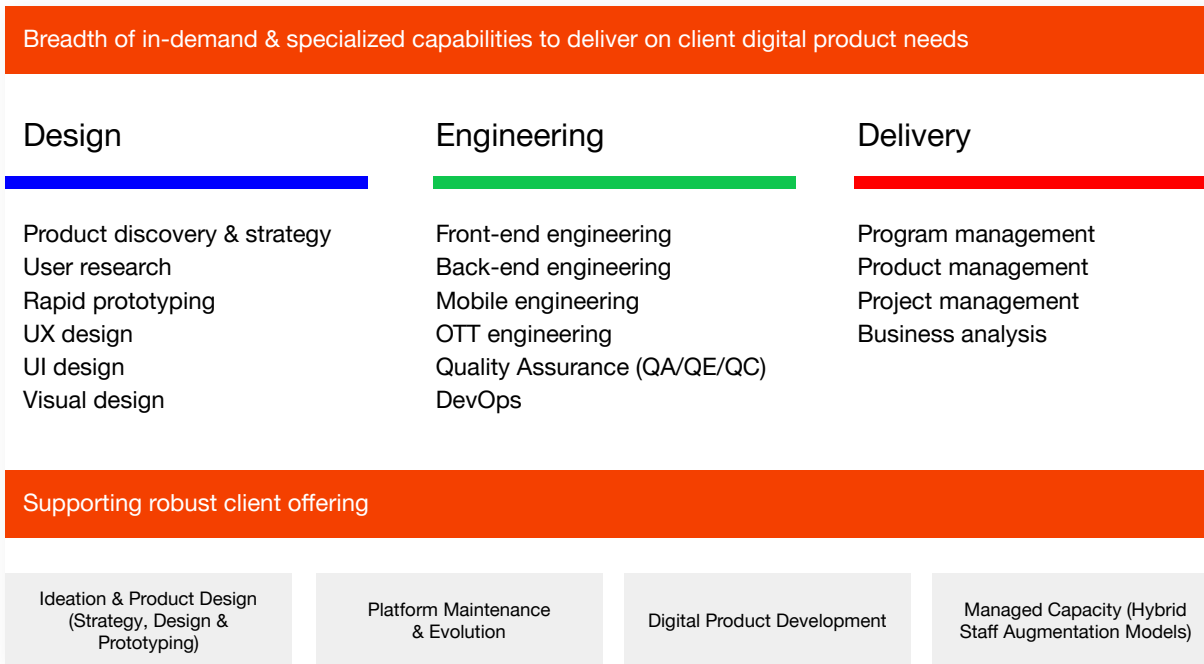
Zemoga Introduction

Zemoga is a leading digital transformation services firm specializing in delivering nearshore, advanced digital product design and engineering services to U.S. enterprise clients. They help conceive, design, and build innovative digital solutions that enhance customer experience and drive business growth.



World-Class Digital Product Development Capabilities

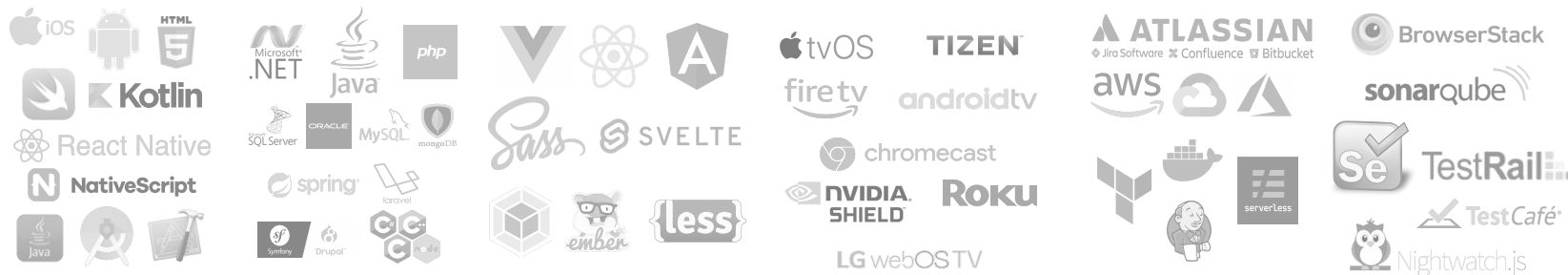
Zemoga supercharges global enterprise clients with top digital services delivery talent who possess world-class digital product strategy, design, and software development capabilities.



Expansive Tech Stack Expertise

Zemoga's technology agnostic approach fosters customized digital product development and delivery. It supports the entire software development life-cycle, transforming technical challenges into solutions.

Mobile App Dev	Back-End Dev	Front-End Dev	Streaming / OTT	DevOps	Quality Assurance
Architects & Tech. Leads	Technical Design Authority: Software Architect / Solutions Architect / Cloud Architect / Test Architect Technical Leads: Frontend / Mobile / OTT / .Net / Java / C++ / C / PHP / DevOps / Microservices & API's / OTT / AWS				



Security - Accessibility - Coding Conventions - Doc standards - Automation + Cloud - Test Driven Development

Quality / DevOps

Proven Collaborative & Frictionless Delivery

Through communication, quality, and time zone parity, Zemoga provides frictionless nearshore delivery services that empower client partners to rapidly scale and deliver on core digital initiatives.

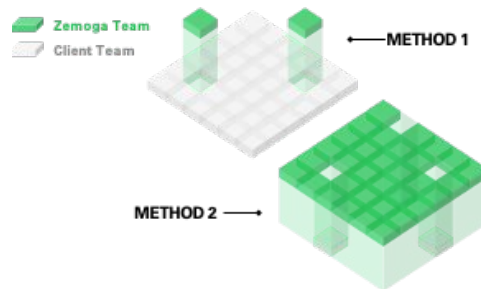
Working in lockstep with clients to provide increased velocity & expertise through true team-based collaboration

- With dedicated and integrated on/off-site team structures, Zemoga team members partner with clients to live and breathe their creativity, methodologies, work ethic, and culture
- Augmentation of client organizations with broad range of specialized skill sets to deliver on their digital product needs
- Dual-method delivery approach:

Method 1: Zemoga team members complement existing client team

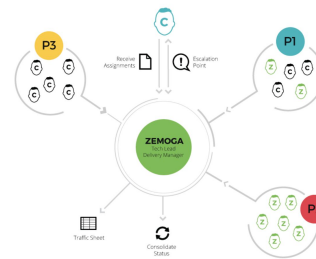
Method 2: Zemoga team and client team members form a “squad”

- Delivery model ensures that value is immediately transferred to clients, raising the bar in delivering managed capacity to leading global enterprises



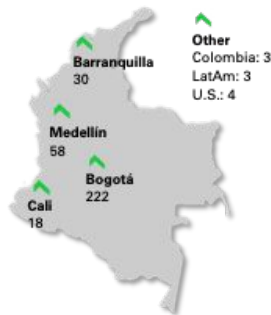
Experienced & eloquent Zemoga staff work alongside client stakeholders through effective “team pod” structures

- Specialized individuals delivered to multi-disciplinary teams (UX, creative, front/back-end development, QA, etc.)
- Experienced strategists, designers, and technologists work hand-in-hand with key client stakeholders
- Cross-collaboration orchestrated by Zemoga Delivery Manager/Technology Lead ensures seamless execution aligned with client business objectives and technology stack/needs

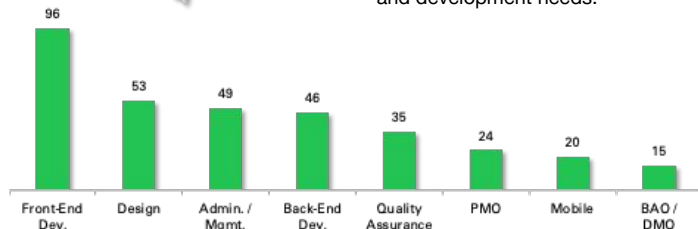


Formidable Nearshore Delivery Footprint

Unparalleled foothold in talent-rich Colombia with skilled resources that span functional disciplines

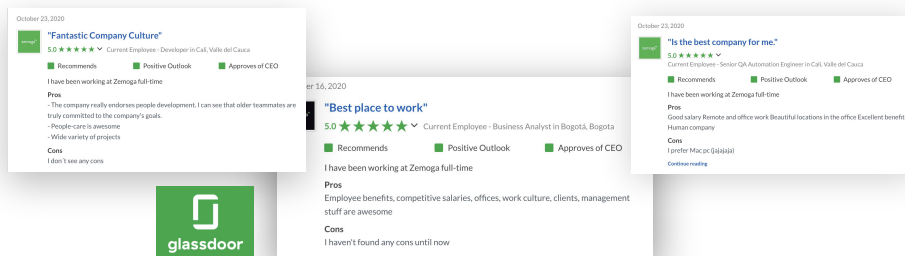


- Presence in the biggest tech talent hubs of the country and opportunity to expand in mid-size cities with incredible potential for growth.
- Ideal talent distribution across disciplines, structured based on the company's understanding of big organizations' product design and development needs.



Since pioneering digital services nearshoring from Colombia in 2002, Zemoga has grown to 440+ talented digital specialists, and remains the gold standard in nearshore delivery for U.S. enterprises.

Magnet for top talent to support exponential growth



Setting milestones in the region with an impressive Device Lab



- LatAm's first ever world-class Device Lab that rivals those developed by Silicon Valley giants. First regional digital services firm with a dedicated facility of this level, validating the export model of services and innovation from Colombia.
- Provides engineers and UX designers with 150+ test devices across every desktop, mobile, and OTT platform in the market.

Blue Chip Enterprise Client Roster

Exceptional experience working with marquee enterprise brands (select current & former clients over the last 5 years)

Media & Entertainment



Retail / Ecommerce



Financial Services



Healthcare



Others



"I think their staff in general and their professionalism is at a level of most West Coast tech companies. Their expertise in creating customer centric experiences is clear in the team they put in place and the quality of work they deliver."

Chris Hebert, Head of Product, PlayStation Vue

"We quite literally could not have accomplished this herculean effort without our friends and colleagues at Zemoga. Designers and project managers led key features across the entire customer journey. They helped us imagine a brighter future for Walmart customers, not shying away from challenging the status quo and championing the needs of our customers while balancing the needs of the business. I'm beyond thankful for these bright, inquisitive, and passionate individuals. I can't wait to see what we accomplish together next!"

Stephanie Mencarelli, Sr. Director of Design, Walmart

"Zemoga continues to be the gold standard in Roku development."

Tom Charles, Manager of Developer Relations, Roku

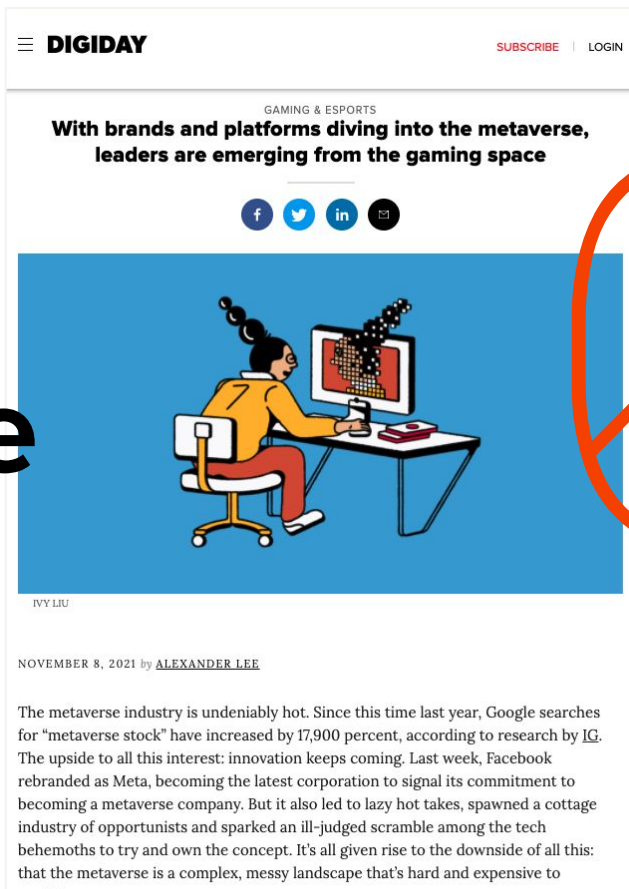
"There are many things that set Zemoga apart from their competitors. For Morningstar, it was their culture and understanding of our business. They always rise to the challenge, they are always committed, and are a pleasure to work with."

James Rhodes, CTO, Morningstar

Synergy Opportunities

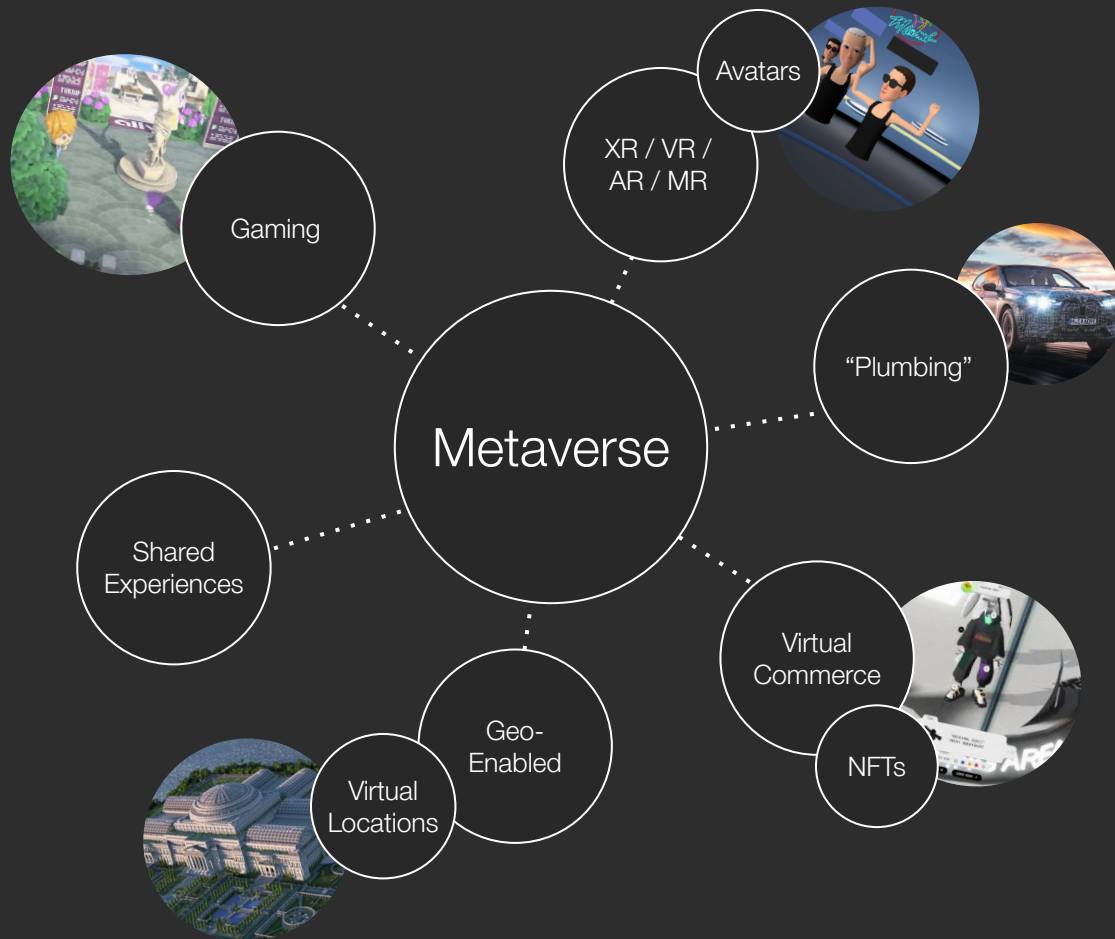
- / This is an extension of our existing service offer to establish a distinct “Technology Services” Practice
- / Share client bases and consolidate business development opportunities
- / Augment existing client work and projects
- / Creating Digital Products & Services means Design, UX, CX and Data Services workstreams. Once completed they usually require marketing campaigns - All core capabilities of Media.Monks
- / Nearshore production model can service clients globally
- / Broadens our Total Addressable Market and opens up budgets held by CIO or CTOs
- / S4’s merger expertise and access to capital can fuel further expansion and growth
- / We have already converted two client opportunities together and are pitching several more!

The Metaverse



04

Where we're at today...



We've started construction...

Media.Monks understands the ins & outs of metaverse platforms, gaming worlds, and the intricacies of creating virtual experiences for the world's biggest brands.



“

S4 is the company in this industry to double dip on the metaverse.



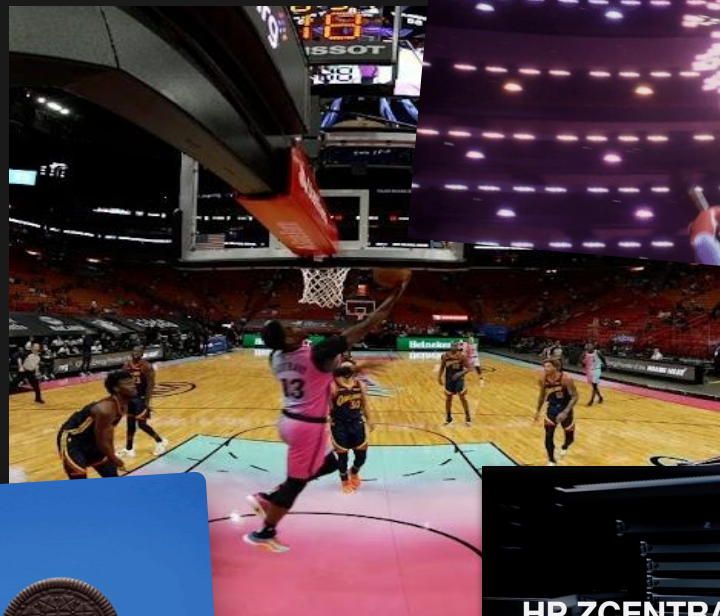
The Fat
Gladiator

**S4 Metaverse Group
founded in April 20'.**

**112% increase in related
revenue in 21' with major
projects across all client
groups.**

**£29-44 million pro-forma
revenue projected for 22'.**

**From tech consulting, to
NFTs, to full 3D worlds,
we are pouring the
concrete of the
metaverse.**



Let's build it with our Approved Partners



FB & the Metaverse

The Boz

With Boz stepping into the role of CTO, the Metaverse becomes a core priority for FB.

“We will effectively transition from people seeing us as primarily a social media company to being a metaverse company.”

Our 2nd FBC

This month, we premiered the second virtual Facebook Connect. FBC is FB's largest event, and the world's biggest XR event. Media.Monks has been the end-to-end partner for the event for 2 years now.

Our 3rd NBA Season

In November, we won our 3rd season of presenting the NBA in VR. The season will serve as the tentpole event for FB's new platform and will be aired in a virtual arena built by Media.Monks.

A B2C Interactive Metaverse Event

We showcased **11 brands** over 2 days, with a mix of pre-recorded content and live in-studio segments. In studio, we built 2 custom sets including a **35-foot LED wall with a 5-degree curve** and 6 cameras, 5 manned and 1 robotic.

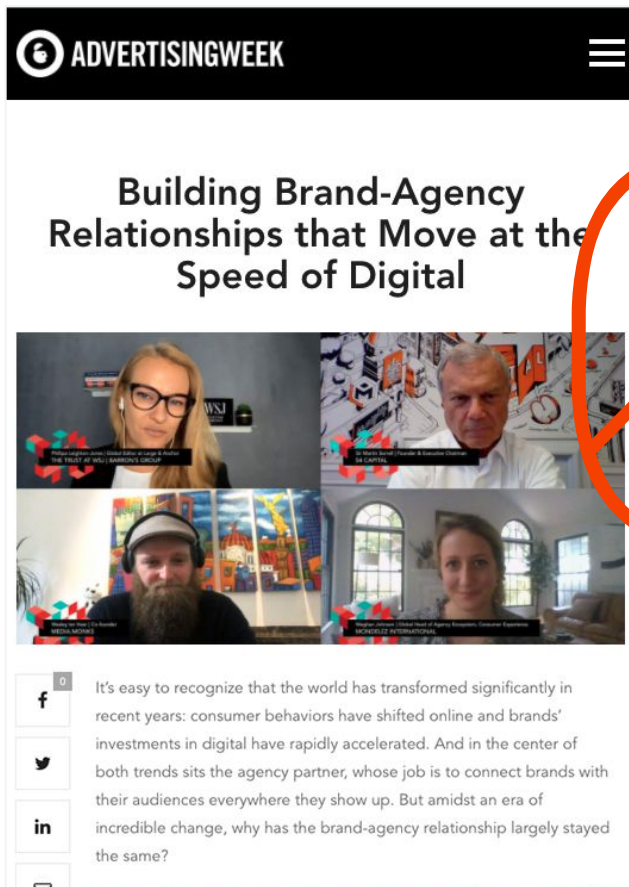
We highlighted Media.Monks' vast technical capabilities by offering remote access to all camera feeds & program during rehearsals for **remote review**. We tapped into the breadth of our global company by executing real time operation, communication and feedback spanning **5 countries**: NL, US, SP, Argentina, England.

- **Total concurrent users** peaked at **14,000 (+40% increase YoY)**
- Total Net Sales of **\$4.5M**
 - With 20% sales coming from the app
- Acquisition of 1300 NEW Premium Subscribers (NA & UK)

“ Virtualization is the obvious next step in digital transformation.

- Lewis

IDFA & Cookies



Privacy Is Reforming Digital Marketing

Data & Content are key as the industry matures toward directly consented user information & custom experiences.

S4 fits the form of this new paradigm perfectly

Removal of 3rd Party Data Is The Biggest Change Of The Decade

Almost every area of digital advertising will be affected by the loss of the 3rd party cookie.

This change began in 2018 with GDPR taking effect and Cambridge Analytica and has been driven by industry competitors, public opinion, & government regulation.

This is good news for S4. Not only do we not have direct revenue tied to cookie deprecation, the disruption is creating a drive towards both 1st party data services we offer and the use of large walled gardens of accessible consumer datasets by our media services through Google, Amazon, & Facebook.

1st Party Data Is the New Gold Standard

1st party data is becoming the new focus to reach consumers through onboarding data and providing unique customer experiences.

This is an opportunity for brands to add value and to increase customer interaction through outreach and innovation.

The very nature of this change from 3rd party to 1st party requires a multidisciplinary effort, which is rarely available but needed to organize, grow, and target 1st party data – which is central to success, but rarely available. S4 is one of the few organizations with this cross discipline experience.

Consumer Attention To Digital Continues To Grow

Regardless of targeting and tracking changes, digital interactions, investments, and user expectations continue to increase.

This is reflected in the overall time and dollars spent by consumers YoY and is driving advertiser interest in leaning into the paradigm shift.

The competing need for advertisers to provide data privacy while increasing engagement with users opens a number of potential outreach and testing opportunities.

The 'Death of The Cookie' & IDFA

Removal of 3rd Party Data is a sweeping change within digital advertising

Almost every area will be affected, creating many opportunities for S4 services

1

3rd Party Cookies

Apple has removed 3rd party cookies from Safari and Chrome is expected to follow suit in 2023. This will limit the ability to track & measure users across different websites for reach or to segment based on behavior.

Other types of user segmentation and targeting, such as contextual and FLoC, are filling the ecosystem, requiring advanced data and media consulting services. S4 does not create or manage large 3rd party data sets for these lost functions.

S4 Capabilities In Demand: Privacy consulting, media tool use and training, & MMM

2

Identifier For Advertisers (IDFA)

Apple has limited advertiser access to IDFA for iPhone users.

This is used to match downloads to advertising efforts and to target app users.

Apple's ATT framework replaces existing means of attribution. Options for app owners and advertisers to work around this challenge include testing user prompts to improve consented tracking, focusing on advertising within relevant premium apps, and leveraging MMM.

S4 Capabilities In Demand: Privacy consulting, tailored media buy planning, & MMM

3

Walled Gardens of Data

Large, owned & operated datasets that can be used for targeting will become a way to increase targeted reach beyond an advertisers' own 1st party data.

This is leading to a focus on Google, Facebook, and Amazon which will require a growth in data integration capabilities.

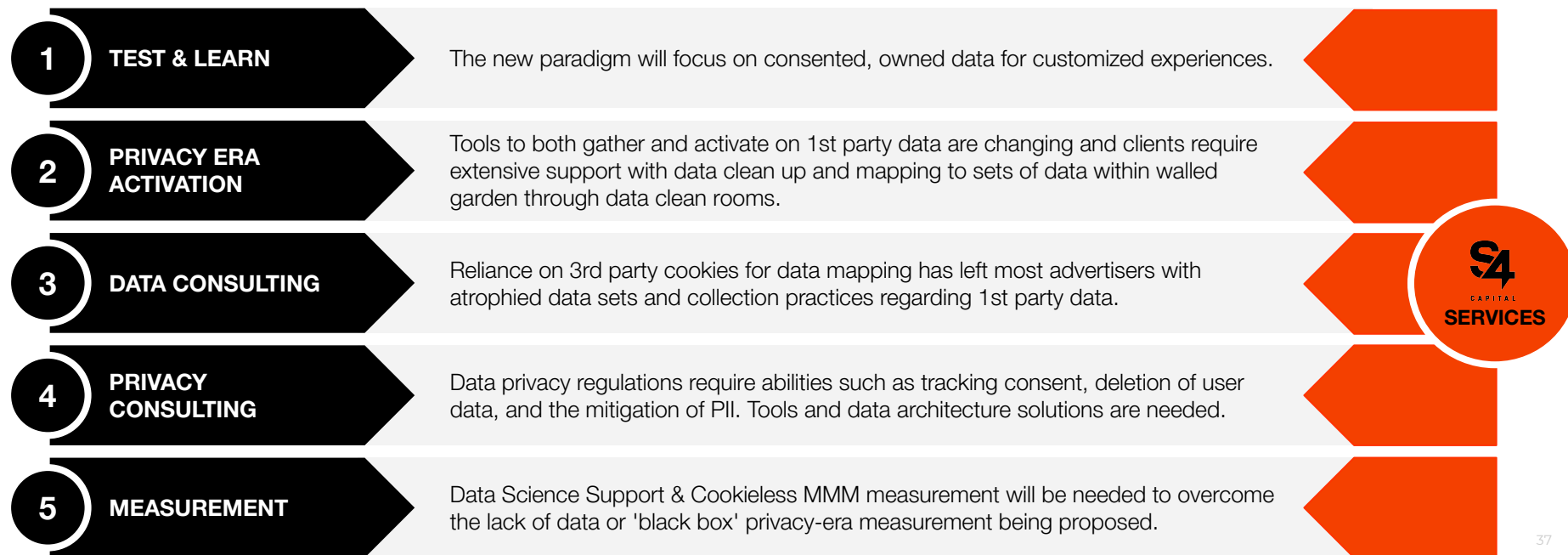
These capabilities will require technical integrations between engineering, data, media, business, and measurement teams at a large scale.

S4 Capabilities In Demand: Media mgmt, FB, G, and Amz data consulting and engineering, MMM

A Drive Toward 1st Party Data

1st Party Data is the best way to interact with customers

The shift away from 3rd party data and towards 1st party will require extensive changes by most advertisers



Consumer Focus On Digital Is Increasing

COVID accelerated advertiser awareness of the digital trend

Advertisers' appetite to reach and serve customers digitally has continued to grow

DIGIDAY

LIFE BEYOND THE COOKIE
Google coached Mondelez to build first-party data.
Now the CPG brand is poised to spend even more in
its walled garden

We are actively supporting a number of brands on the shift towards first party data use in a privacy-first environment.



S4 helped Mondelez benefit from first party data by implementing first party data practices & use model

- **Data Foundations** - Technology consulting uniting online, offline, and owned data
- **Measurement & hypothesis process** - Data + Media measurement of the impact on point of sale transactions
- **Content & Production** - Content and creatives informed by audience insight
- **Media Optimization** - Mondelez's global ROI is up roughly 70%, driven primarily by its more systematic approach to digital and data, per Jon Halvorson, Mondelez Global Consumer Experience VP



With S4, Ace completely overhauled their consumer app to connect user journey touchpoints

- **14MM USD in sales** - Through design + gamification & reward strategies
- **2.1MM downloads** - Driven by overall consumer interest in digital experiences
- **240K new rewards accounts** - Including the additional first party data offered in exchange for enhanced access to rewards
- **Translating Ace's promise of "being the helpful place"** - A valuable app experience which also increased first party data collection & customer reach opportunities

S4 Is Ideally Situated to Deliver On Privacy Needs

With advanced capabilities in User Experience, Data, and MMM and low use of 3rd Party Data

In an ecosystem focused on change, 1st party data, measurement challenges, and customization



+



S4 has a portfolio of companies and partners designed for the coming change

S4 is actively investing in the key strategic enablers that will win the next decade of Privacy.

- **Privacy-safe first party data consulting** audits and planning for collection, processing, and activation
- **Award winning creative content** for first-party focused, privacy-era customer growth and engagement
- **Cookieless measurement** (Media Mix Modeling)
- **Post-cookie digital advertising media transition support, testing, and ongoing management** within new tools and technologies
- **Advanced first party segmentation for outreach and analysis** through our data science services
- **Direct, high-level relationships with the largest walled gardens and publishers** for maximum privacy-safe data use and customer outreach

"The industry's go-to player for ambitious digital ideas" - AdAge

Summary & Outlook



06

Summary & Outlook

/ Top line lfl growth at 45% continues more in line with tech services companies than adholdcos.

/ Top-line growth prioritised over margin growth at this stage in S4's development.

/ EBITDA margins continue to reflect investment in “whopper” management, new service capabilities and technology.

/ Six “whoppers” achieved in 2021. 19 more identified as potentials over the coming years.

/ Our TAM: (Digital media, marketing services, trade budgets and digital transformation) forecast to grow by 15-20% per annum over the next five years.

/ Advertising as a percentage of GDP forecast to rise to 1.75% of GDP from 1.0%, purely due to the rise of digital.

/ Strong pipeline of M&A across all practice areas and geographies.

/ Fourth three year plan 2022-4 calls for doubling of top line and bottom line organically and 2022 Budget targets 25% organic growth.

Q&A