

18 January 2023

**S4 Capital plc
("S4Capital" or "the Company")**

Fourth Quarter Trading update

In line with expectations

S4Capital plc (SFOR.L), the tech-led, new age/new era digital advertising, marketing and technology services company, today confirms that trading in the fourth quarter of 2022 was in line with expectations and therefore the Company anticipates delivering at least £120 million of Operational EBITDA for full year 2022.

The Company significantly improved Operational EBITDA margin performance in the second half with like-for-like gross profit/net revenue growth also in line with 25% guidance. As a result of improved liquidity, net debt is expected to be well towards the lower end of the guided range of £130-170 million.

The annual results for 2022 are expected to be announced by Thursday 30th March at the latest. The Company will provide a full outlook for 2023 at the annual results.

Sir Martin Sorrell, S4Capital Executive Chairman said,

“We look forward to updating our shareowners on the progress with our results in March. Most market commentators are now projecting high single digit growth for digital advertising and high teens percentage growth for digital transformation, which we believe we can continue to outpace, given our addressable markets including Technology services and as we build further momentum with our clients. Their priorities for 2023 seem to be focussed on driving revenue growth through “lower funnel” performance and activation and reducing cost through digital marketing transformation.”

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About S4Capital

S4Capital plc (SFOR.L) is the tech-led, new age/new era digital advertising, marketing and technology services company, established by Sir Martin Sorrell in May 2018.

Its strategy is to build a purely digital advertising and marketing services business for global, multinational, regional, and local clients, and millennial-driven influencer brands. This will be achieved by integrating leading businesses in three practice areas: Content, Data&Digital media and Technology services, along with an emphasis on "faster, better, more efficient" executions in an always-on consumer-led environment, with a unitary structure.

Digital is by far the fastest-growing segment of the advertising market. S4Capital estimates that in 2021 digital accounted for over 60% or \$420-450 billion of total global advertising spend of \$700-750 billion (excluding over \$500 billion of trade promotion marketing, the primary target of the Amazon advertising platform) and projects that by 2022 total global advertising spend will expand

to \$770-850 billion and digital's share will grow to approximately 65% and by 2024 to approximately 70%, accelerated by the impact of covid-19.

In 2018, S⁴Capital combined with MediaMonks, the leading AdAge A-listed creative digital content production company led by Victor Knaap and Wesley ter Haar and then with MightyHive, the market-leading digital media solutions provider for future thinking marketers and agencies, led by Peter Kim and Christopher S. Martin.

Since then, MediaMonks and MightyHive have combined with a number of companies across Content, Data&Digital media and Technology services. For a full list, please see the S⁴Capital website.

In August 2021, S⁴Capital launched its unitary brand by merging MediaMonks and MightyHive into Media.Monks, represented by a dynamic logo mark that features MightyHive's iconic hexagon. As the operational brand, Media.Monks underpins S⁴Capital's agility, digital knowledge and efficiency and is the next step in delivering on its foundational promise to unify Content, Data&Digital media and Technology services.

Victor Knaap, Wesley ter Haar, Christopher Martin, Scott Spirit and Mary Basterfield all joined the S⁴Capital Board as Executive Directors. The S⁴Capital Board also includes Rupert Faure Walker, Paul Roy, Daniel Pinto, Sue Prevezer, Elizabeth Buchanan, Naoko Okumoto, Margaret Ma Connolly, Miles Young and Colin Day.

The Company now has approximately 9,000 people in 32 countries with approximately 70% of revenue across the Americas, 20% across Europe, the Middle East and Africa and 10% across Asia-Pacific. The longer-term objective is a split of 60%:20%:20%. Content currently accounts for approximately 65% of revenue, Data&Digital media 35% and Technology services 10%. The long-term objective is a split of 50%:25%:25%.

Sir Martin was CEO of WPP for 33 years, building it from a £1 million "shell" company in 1985 into the world's largest advertising and marketing services company, with a market capitalisation of over £16 billion on the day he left. Prior to that Sir Martin was Group Financial Director of Saatchi & Saatchi Company Plc for nine years.

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