



2022 Q3 Trading Update

November 2022

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Trading Update

01

Q3 Trading Update

Revenue Q3: £300.1m +68.2% reported +26.5% like-for-like¹ YTD: £746.5m +63.1% reported +29.0% like-for-like	Gross profit/net revenue Q3: £249.9m +73.1% reported +29.3% like-for-like YTD: £625.2m +64.1% reported +28.4% like-for-like	Profitability Headcount stabilised. Q3 better than H1. Q3 exit run rate sufficient to make full year target
2022 Gross profit/ net revenue Maintaining 25% like-for-like year on year growth guidance	Revised target unchanged Expected operational EBITDA target remains approximately £120m²	Net debt³ £157.7m at 30 September 2022 FY 2022 net debt expectation remains between £130 - £170m

1. Like-for-like is a non-GAAP measure which relates to 2021 being restated to show the unaudited numbers for the previous year of the existing and acquired businesses consolidated for the same months as in 2022 applying currency rates as used in 2022.

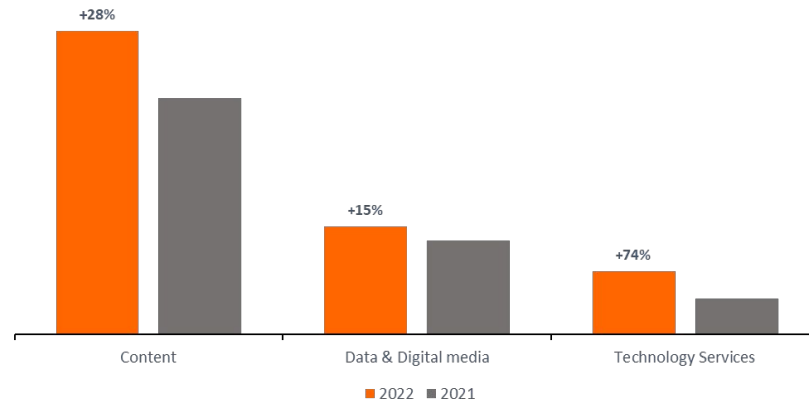
2. This is a target, not a profit forecast.

3. Net debt comprises cash minus gross bank loans (excluding transaction costs). Includes initial consideration for XX Artists and the majority of the contingent consideration due in 2022 (c.£8m remains to be paid in Q4).

Q3 Growth by Practice and Region

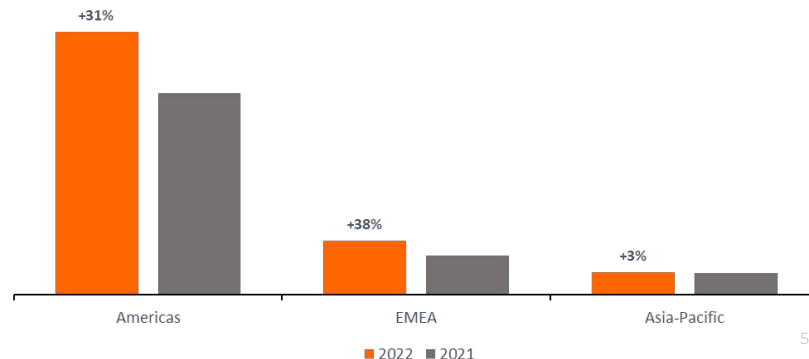
£ millions	Q3 2022	Q3 2021	YoY Growth	Like for Like Q3 2021	YoY Growth
Gross profit/net revenue	249.9	144.4	73.1%	193.3	29.3%
Content	159.7	94.7	68.6%	124.7	28.1%
Data & Digital media	57.0	48.7	17.0%	49.5	15.2%
Technology Services	33.2	1.0	3220.0%	19.1	73.8%

Q3 Gross profit/net revenue growth by Practice, like-for-like



£ millions	Q3 2022	Q3 2021	YoY Growth	Like for Like Q3 2021	YoY Growth
Gross profit/net revenue	249.9	144.4	73.1%	193.3	29.3%
Americas	193.5	102.2	89.3%	148.3	30.5%
EMEA	39.8	27.9	42.7%	28.9	37.7%
Asia-Pacific	16.6	14.3	16.1%	16.1	3.1%

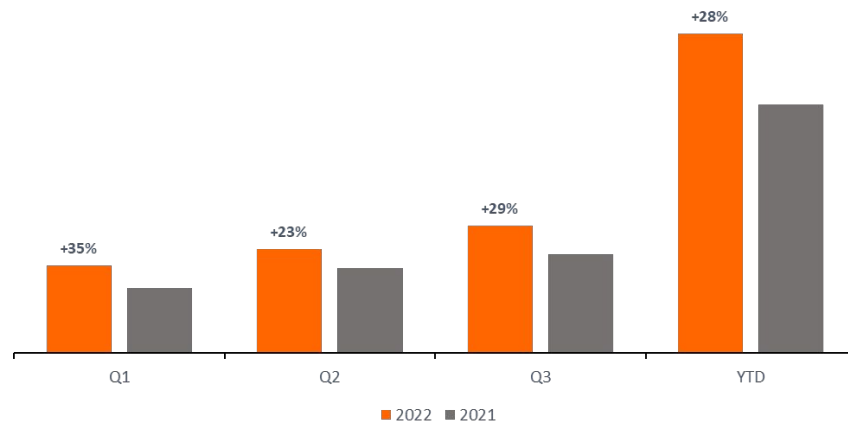
Q3 Gross profit/net revenue growth by Region, like-for-like



YTD Growth by Practice and Region

£ millions	YTD 2022	YTD 2021	YoY Growth	Like for Like YTD 2021	YoY Growth
Gross profit/net revenue	625.2	381.1	64.1%	487.0	28.4%
Content	409.9	251.8	62.8%	323.7	26.7%
Data & Digital media	157.7	128.3	22.9%	131.3	20.1%
Technology Services	57.6	1.0	5660.0%	32.0	80.0%
Americas	472.9	271.0	74.5%	370.1	27.8%
EMEA	106.7	76.2	40.0%	78.1	36.6%
Asia-Pacific	45.6	33.9	34.5%	38.8	17.5%

YTD Gross profit/net revenue growth, like-for-like



Clients & Market Trends

02

20² Scaled Client Strategy (Whoppers)

2020



2

2021



4



1



1

2022 (Projected)



5



1



1



1



1



1

(Run Rate)

Potential
Next 14



5



1



1



2



1



1



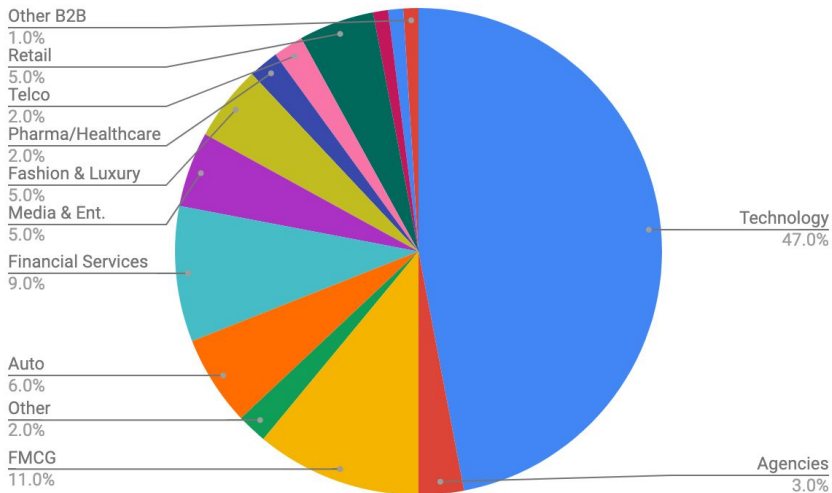
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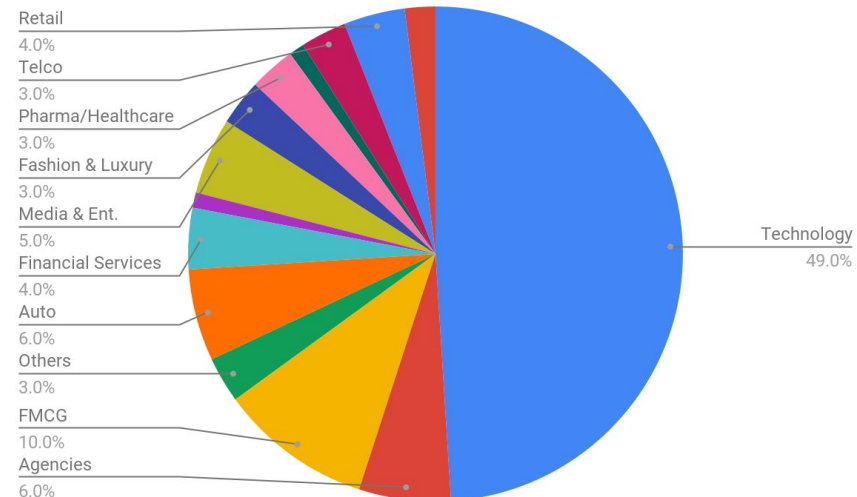
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Our client portfolio

Q3YTD 2022 Revenue

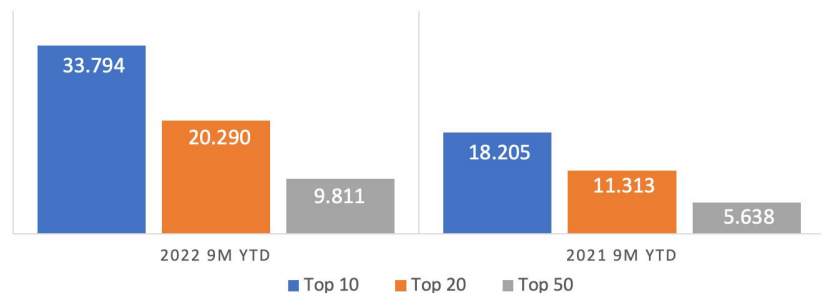


Q3YTD 2021 Revenue



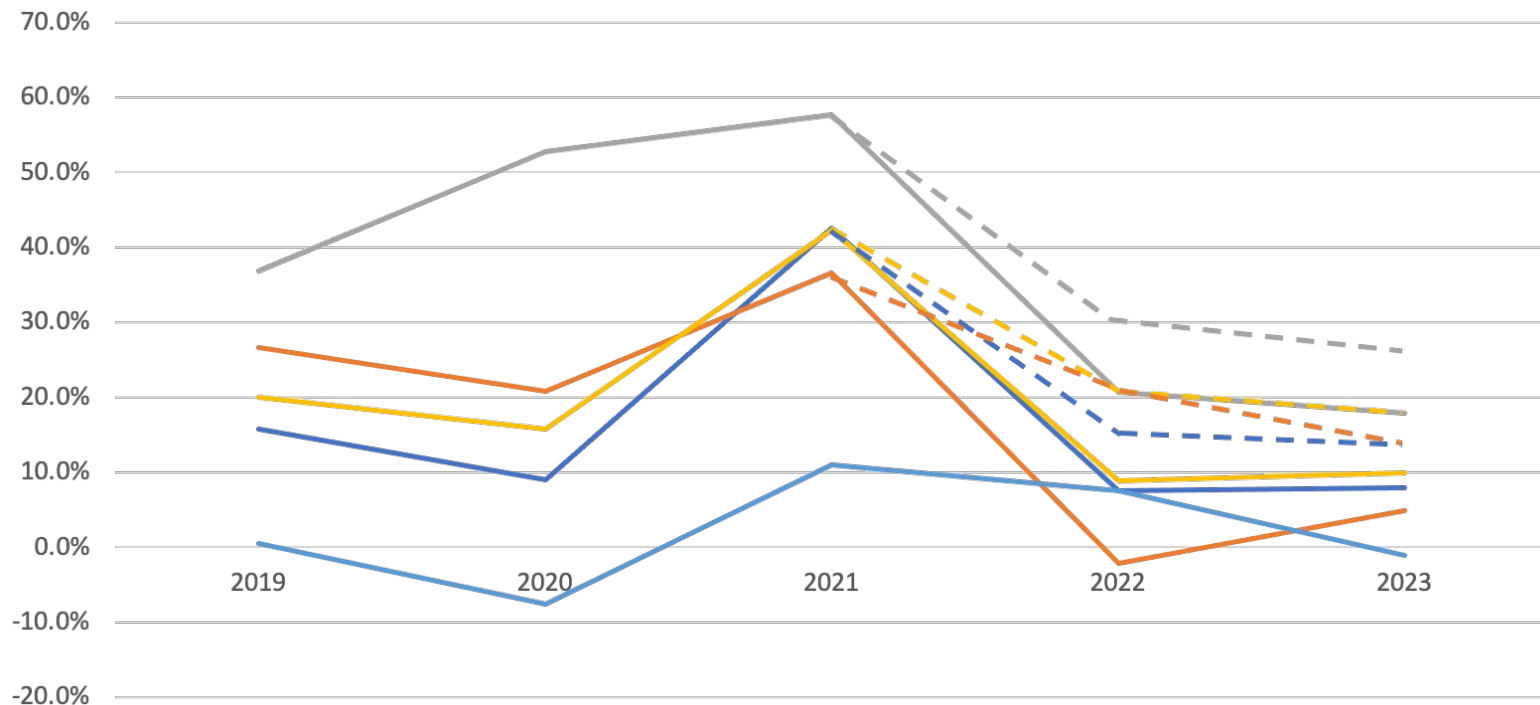
An attractive and expanding client base

AVERAGE REVENUE BY CLIENT (£M)



	2022 9M YTD			2021 9M YTD		
	No of Clients	% of Revenue	Cumulative % Revenue	No of Clients	% of Revenue	Cumulative % Revenue
Above £10m	11	47%	47%	6	32%	32%
£5-£10m	10	8%	56%	8	13%	45%
£1-£5m	67	17%	73%	49	20%	65%
£0.1-£1m	538	21%	94%	409	26%	91%

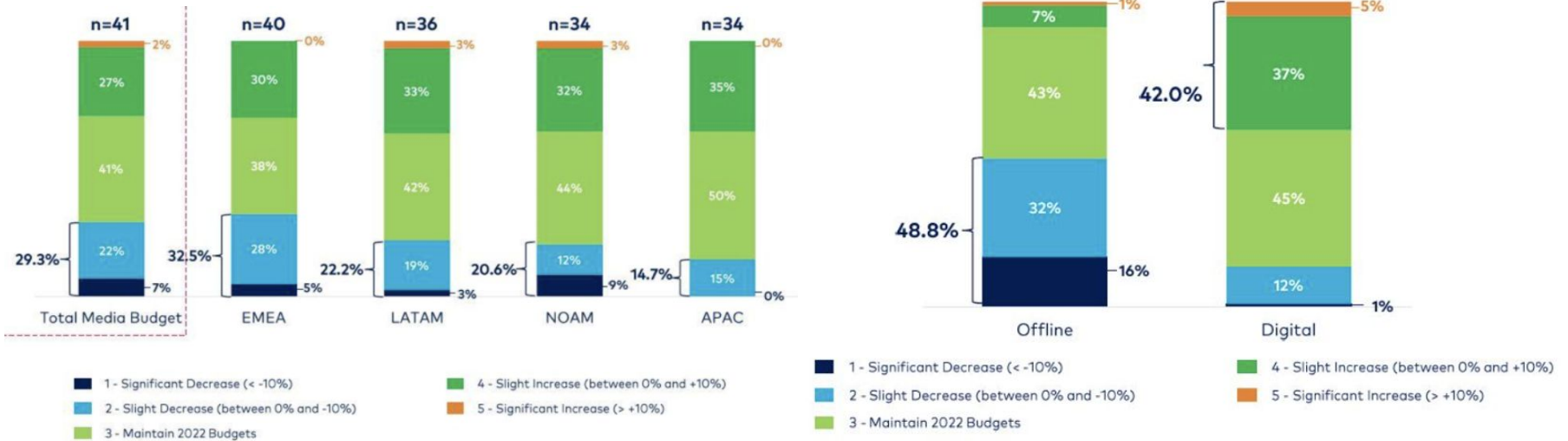
The leading platforms are still growing



amazon Top 8 Platforms Alphabet Meta Original Estimates (Jan 22) Hold Co's

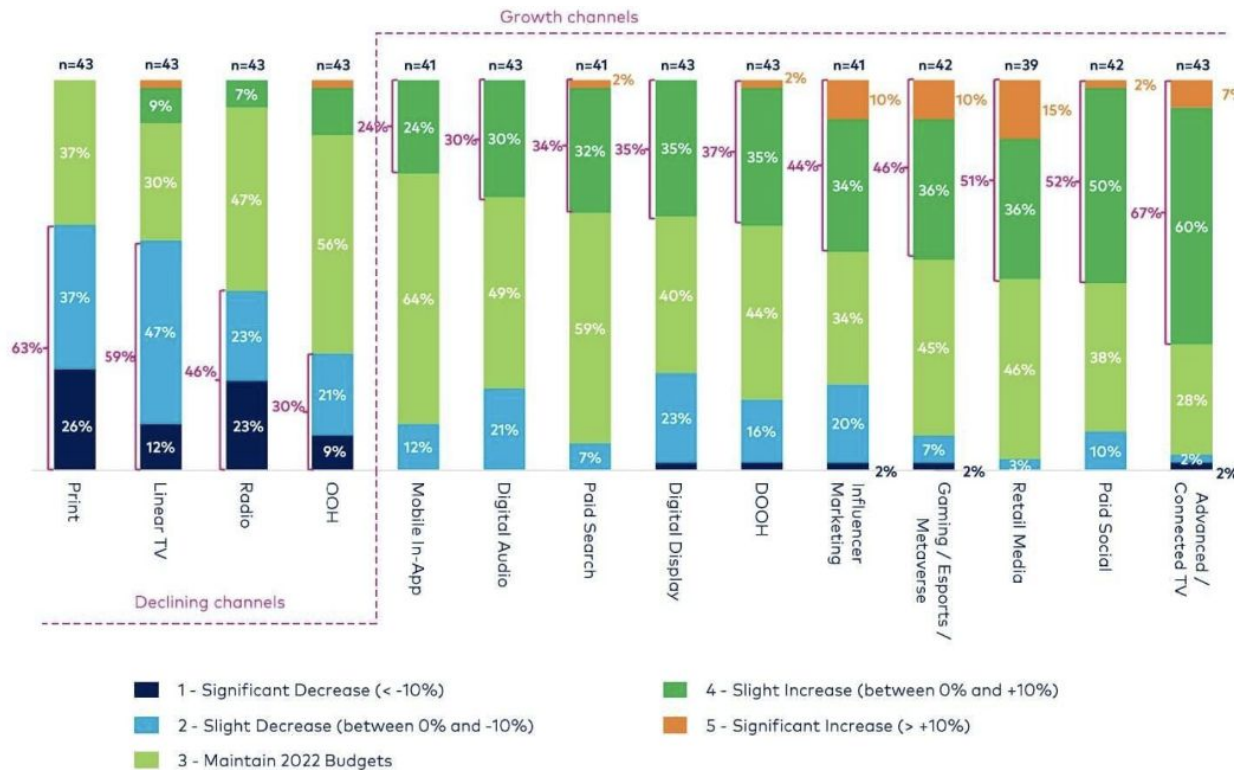
Source: Morgan Stanley, Evercore ISI, eMarketer, Jefferies October 2022.

Clients continue to prioritise Digital channels...



Source: World Federation of Advertisers, October 2022

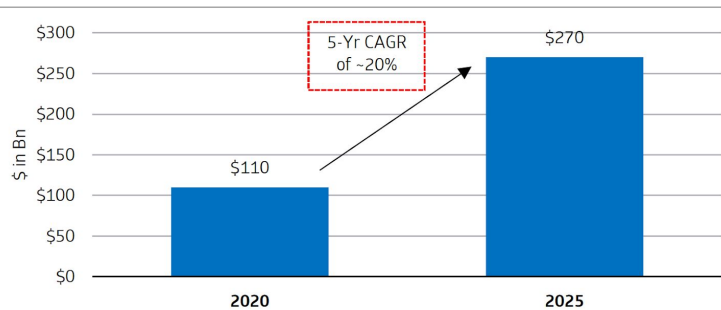
... and reduce their analogue spend



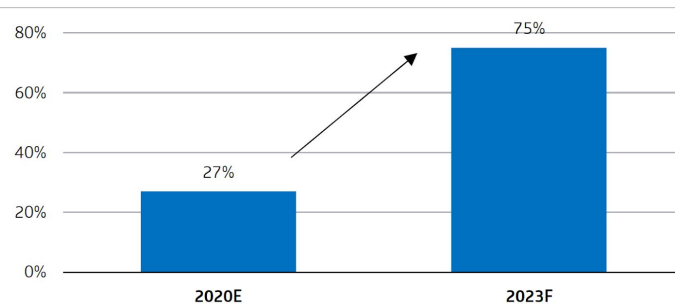
Digital Transformation continues to show strong growth



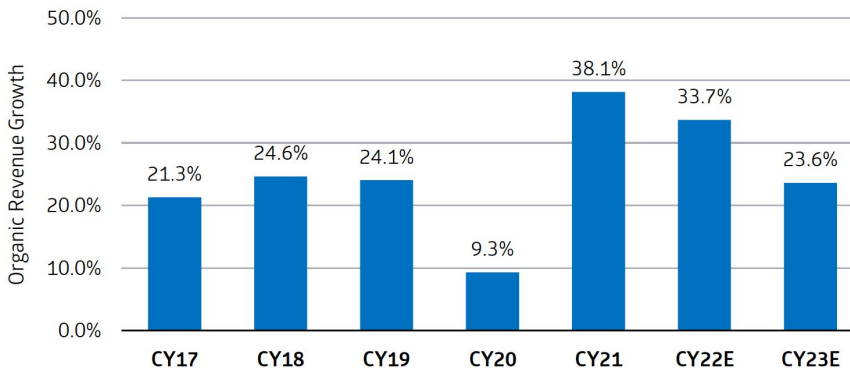
Digital Engineering Services Spend is Robust



% of Organizations That Will Have a Comprehensive Digital Transformation Implementation Roadmap



Multi-Year Organic Revenue Growth Trajectory Stands Above Pre-COVID View



Summary & Outlook

03

Summary & Outlook

- / Strong momentum continued in Q3 with gross profit/net revenue up 29.3%, YTD growth at 28.4%
- / Controls on costs are starting to work, people numbers are stable
- / Q3 profitability significantly better than H1, and Q3 exit run rate sufficient to meet revised target
- / Continued client conversion at scale, with ten “whoppers” now in sight
- / Our TAM: (Digital media, marketing services, trade budgets and digital transformation) forecast to grow by up to 10-20% per annum over the next five years
- / Three year plan and 2023 budget processes underway. We expect to continue to outperform our addressable markets
- / FY 2022 Guidance maintained at 25% like for like gross profit/net revenue growth
- / FY 2022 Target for expected Operational EBITDA remains approximately £120 million¹
- / FY 2022 Net debt continues to be expected between £130 and £170 million

1. Note this is a target, and not a profit forecast.

Q&A

04

Appendix

05

Appendix – Additional Information

Share Consideration Committed

- Deferred share issuance of c.7 million shares on considerations in 2022, c.8 million in 2023 and c.36 million in 2024, totalling c.51 million shares
- Expected contingent consideration shares of c.5 million remaining in 2022 and c.60 million in 2023, totalling c.65 million (assuming current share price¹)

Cash Contingent Consideration

- Expected contingent cash consideration commitments totaling c. £115 million, c.£8 million in Q4 2022 and c.£107 million in 2023

Invested Capital

- Invested capital² to date c.£1.0 billion

Guidance on Adjusting items

- Amortisation c.£55 million
- Share based payments c.£15-20 million
- Acquisition and set up related expenses c.£165-185 million

1. Number of shares calculated using the opening share price as at Friday 4th November 2022 of 182p.

2. Invested capital is the sterling value of capital injected into S⁴Capital 2 Limited which effectively mirrors the net proceeds of equity issuance by S⁴Capital Plc, plus the sterling value of all ordinary shares issued by S⁴Capital plc as consideration for 19 mergers and acquisitions.