



RNS Number : 0791M

S4 Capital PLC

17 September 2021

17 September 2021

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

S⁴Capital announces merger with Zemoga, expanding its offering into Technology Services

S⁴Capital (SFOR.L), the tech-led, new age/new era digital advertising and marketing services company, announces a merger between Zemoga and its new unitary brand Media.Monks, which is a significant first step towards building a third practice area around Technology Services.

Zemoga is a leading digital transformation services firm specialising in providing product design, engineering and delivery services to enterprise clients across multiple verticals. Founded in 2002 by [DJ Edgerton](#) as one of the first nearshore delivery providers in Colombia, Zemoga has offices in Los Angeles, New York and Wilton, Connecticut and delivery centres in the Colombian cities of Bogota, Cali, Medellin, and Baranquilla. With almost 400 technology specialists, their mission is to help clients like Bridgestone, Morningstar, Sony, Roku and others build better digital products and experiences.

The [IDC Futurescape: Worldwide Digital Transformation 2021 Predictions](#) report predicted that 65% of global GDP will be digitalized by 2022 and this will drive over \$6.8 trillion of direct Digital Transformation investments from 2020 to 2023. A recent McKinsey [survey](#) concluded that as a result of covid-19, companies have accelerated the digitization of their customer-facing and internal operations by three to four years and the share of digital or digitally enabled products in their portfolios has accelerated by seven years. With a four-year revenue CAGR of over 45% per annum, Zemoga is perfectly placed to continue benefiting from these trends.

Sir Martin Sorrell, S⁴Capital's Executive Chairman said, "We are delighted to welcome DJ and his colleagues to the S⁴Capital family. Marketing digital transformation involves at least three corporate functions - marketing, sales and IT. Entry into the technology services sector through Zemoga gives us the full capability to talk to the Chief Technology or Information Officer, as well as the Chief Marketing and Chief Sales Officer. We now have the full set."

DJ Edgerton, Zemoga CEO and Founder, said, "Merging with a powerhouse like Media.Monks is a natural next step in the evolution of Zemoga as our complementary service offerings, client portfolios and our common approach to disrupting the industry make for an exciting future all round."

Wesley ter Haar, Media.Monks Co-Founder and S⁴Capital Executive Director, said, "Our focus has always been to build the very best creative and content on top of the foundational technology platforms that now connect companies to consumers. Zemoga's ability to marry deep engineering skills across multiple platforms, at enterprise scale, coupled with best-in-class experience is a perfect fit. And yes...it's already working."

Enquiries

S⁴Capital plc

Tel: +44 (0)20 3793 0003

Sir Martin Sorrell, Executive Chairman

Elly Williamson

Jane Glover

About Zemoga

Since 2002, Zemoga has been supercharging clients like Bridgestone, Sony and Morningstar with top digital delivery talent in the Americas. Zemoga helps clients efficiently design and produce amazing digital experiences that improve lives and build business.

Zemoga is a multicultural team of some of the world's best digital thinkers, designers, technologists and creative leaders. Zemoga's proven delivery model ensures that value is immediately transferred to clients by delivering managed capacity to leading global enterprises. The team specializes in the latest platforms with a keen eye towards groundbreaking design and technologies that engage at the highest level, working in lockstep with customers to provide increased velocity and expertise through true team-based collaboration.

Zemoga supercharges clients' internal teams to simply #buildbetter.

About Media.Monks

Media.Monks is a digital-first marketing and advertising services company that connects content, data, digital media and technology services across one global team built from the bottom up. Inspired by the connectivity and flexibility of technology APIs, Media.Monks' single-P&L model offers clients seamless access to now over 6,000-strong team of multidisciplinary digital talent organized across 60 talent hubs in 33 countries. Media.Monks partners with some of the world's most innovative companies, top tech brands and up-and-coming DTC and B2B brands, helping them own their data and build out customer ecosystems to elicit smart, efficient, high-impact engines for growth. That translates to connected customer journeys and seamless access to talent for platform partners like Google, Facebook and Amazon; marketing pipeline transformation and personal interactions at scale for leading global brands including BMW and Mondelēz; and scalable channel development and performance-driven decision making for brands like T-Mobile, Bayer and Visa. In 2021, the Media.Monks brand integrated by merging MediaMonks and MightyHive, bringing together the best entrepreneurial and innovative companies worldwide, named to Adweek's Fastest Growing lists (2019, 2020, 2021), AdExchanger's Programmatic Power Players (2020, 2021) and numerous "best places to work" lists. In addition to holding a record number of FWA and other industry awards, Media.Monks has been regularly recognized at the Cannes Lions and Webby Awards, in 2021 as Webby Production Company of the Year. Media.Monks is owned by London-based S⁴Capital (SFOR.L), the publicly-traded new age, new era advertising and marketing services company established by Executive Chairman Sir Martin Sorrell in 2018.

About S⁴Capital

S⁴Capital plc (SFOR.L) is the tech-led, new age/new era digital advertising and marketing 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, local clients and millennial-driven influencer brands. This will be achieved initially by integrating leading businesses in two practice areas: content and data&digital media, along with an emphasis on "faster, better, cheaper" 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 2020 digital accounted for over 50% (for the first time) or \$290 billion of total global advertising spend of \$525 billion (excluding over \$500 billion of trade promotion marketing, the primary target of the Amazon advertising platform), and projects that by 2022 this share will grow to approximately 60% and by 2024 to approximately 70%, accelerated by the impact of covid-19.

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

In April 2019, MightyHive combined with ProgMedia to expand operations into Latin America and

MediaMonks acquired film studio Caramel Pictures to expand content studio capabilities. In June 2019, MediaMonks announced a planned combination with Australia-based BizTech, a leading marketing transformation and customer experience company. In August 2019, MediaMonks combined with Amsterdam-based digital influencer marketing agency IMA. In October 2019, MediaMonks combined with Firewood Marketing, the largest digital marketing agency based in Silicon Valley, that was recently ranked, along with MediaMonks and Circus (see below), as one of the fastest growing agencies by Adweek, and MightyHive combined with award-winning UK-based digital analytics, biddable media and data science company ConversionWorks and South Korea-based data and analytics consultancy MightyHive Korea. In November 2019, MediaMonks announced its combination with Delhi-based content creation and production company WhiteBalance (completed in August 2020 - the delay due to necessary merger clearance procedures) and then with fully integrated digital agency Circus Marketing in January 2020 (completed in March 2020).

In May 2020, MightyHive announced a combination with Digodat, one of the leading Latin American data and analytics consultancies, and in June 2020, MightyHive announced its combination with Lens10, a leading Australian digital strategy and analytics consultancy. In July 2020, MightyHive announced a combination with Orca Pacific, a market leading full-service Amazon agency and boutique consultancy firm based in Seattle. In August 2020, MightyHive announced a combination with London-based Brightblue, an econometric and media optimisation consultancy. In September 2020, MediaMonks announced its combination with Dare.Win, expanding its geographical presence to France.

In January 2021, MediaMonks announced its combination with integrated creative, technology and media agency Decoded Advertising, Shanghai based creative agency TOMORROW and Stuttgart based automotive specialist STAUD STUDIOS. MightyHive also announced its combination with integrated digital performance marketing agency Metric Theory. In February 2021, MightyHive acquired the assets of Datalicious Australia, a leading Google Marketing Platform, Google Cloud and Google Analytics partner in Asia Pacific. In March 2021, MediaMonks announced it had entered into a conditional agreement in relation to a combination of MediaMonks with Toronto-based design and experience agency, Jam3. In May 2021, MightyHive announced it had entered into a conditional agreement in relation to a combination of MightyHive with the leading digital performance agency in Brazil, Raccoon Group.

On 26 July 2021, MightyHive announced a combination with Salesforce specialist Destined expanding its data and digital media practice in Asia Pacific. On 8 September 2021, the new unitary brand Media.Monks announced a combination with the iconic culture and creative marketing agency, Cashmere, based in Los Angeles.

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.

On 16 July 2020, S⁴Capital announced the successful placing of 36,766,642 new ordinary shares at a price of 315p raising approximately £116 million gross proceeds which has been used for further expansion and combination purposes.

On 19 July 2021, S⁴Capital announced it had engaged Credit Suisse AG, London branch, HSBC Bank plc and Barclays Bank plc as lead arrangers for a seven-year €375 million senior secured term loan. In addition, it negotiated a five-year £100 million equivalent multicurrency senior secured revolving credit facility with Credit Suisse, HSBC, Barclays, JP Morgan and BNP Paribas. Both term loan and revolving facility were successfully completed in early August 2021. This refinanced its existing €25 million and US\$28.9 million term loans and its €35 million and €43.5 million multicurrency revolving credit facilities and will provide approximately £200 million for general corporate purposes, including funding the cash element of future mergers, which is typically one-half of overall consideration. The Company will maintain its policy of maximum net leverage not exceeding 1.5-2x Operational EBITDA.

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

The Company now has over 6,000 people in 33 countries across the Americas, Europe, the Middle East and

Africa and Asia-Pacific and a current market capitalisation of approximately £4.3 billion (c.\$6.0 billion), and would rank well inside the FTSE 125. It achieved Unicorn status in a little over one year, unique in the advertising and marketing services industry. 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. Today its market capitalisation is less than £12 billion, having recently been surpassed by Publicis for the first time. Prior to that Sir Martin was Group Financial Director of Saatchi & Saatchi Company Plc for nine years.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

ACQDKABBDBKBACD