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S4 Capital PLC
28 October 2026

S[4]Capital plc

("S[4]Capital" or "the Company" or "the Group")

Third Quarter Trading Update

Third quarter reported net revenue[2] £156.3 million down 6.4%, 7.3% like-for-like[3]

Nine months reported net revenue[2] £464.3 million down 6.2%, 5.6% like-for-like[3]

Nine month period end net debt[6] significantly better than anticipated at £76.0 million, 0.7x pro-forma[9] trailing 12 month Operational EBITDA[4], a reduction of £75.1 million compared to 30 September 2025, or £66.0 million like-for-like

The Company repurchased a further €50.9 million of its Term Loan B after 30 September 2026, of which €10.5 million remains subject to settlement. This, together with the €125.3 million previously repurchased, reduces the Term Loan B outstanding to €198.8 million from €375 million.

2026 full year like-for-like net revenue now estimated to be marginally below previous guidance down high-single digits, with operational EBITDA[7] remaining at

current analyst consensus level of £85 million and operational EBITDA margin now estimated to increase by at least 160 basis points to 13.7%

Adjusted basic earnings per share is expected to be in excess of current analyst consensus of 6.1p per share

Year end target net debt range remains at £50 - £80 million and the Company expects to be comfortably within this range

On 6 October 2026, the Company paid a first time interim dividend of 1.35p per share, 50% of the adjusted[5] basic earnings per share. As previously announced, subject to financial targets being met, the Board has implemented a dividend payout ratio of 50% of adjusted basic earnings per share and will recommend a final dividend for 2026 in line with that policy

£ millions	**Three months ended 30 Sep 2026**	Three months ended 30 Sep 2025	change Reported	change Like-for-like[3]
Billings[1]	430.0	490.9	(12.4%)	(13.0%)
Marketing Services	159.9	175.5	(8.9%)	(9.7%)
Technology Services	13.6	16.2	(16.0%)	(17.1%)
Revenue	173.5	191.7	(9.5%)	(10.3%)
Marketing Services	142.7	150.8	(5.4%)	(6.2%)
Technology Services	13.6	16.2	(16.0%)	(17.6%)
Net revenue[2]	156.3	167.0	(6.4%)	(7.3%)
Americas	123.9	136.1	(9.0%)	(10.0%)
EMEA	23.1	22.6	2.2%	3.1%
Asia-Pacific	9.3	8.3	12.0%	9.4%
Net revenue[2] by Geography	156.3	167.0	(6.4%)	(7.3%)

£ millions	**Nine months ended 30 Sep 2026**	Nine months ended 30 Sep 2025	change Reported	change Like-for-like[3]
Billings[1]	1,321.9	1,416.8	(6.7%)	(5.6%)
Marketing Services	477.8	506.6	(5.7%)	(5.2%)
Technology Services	39.7	45.5	(12.7%)	(11.0%)
Revenue	517.5	552.1	(6.3%)	(5.7%)
Marketing Services	424.6	449.8	(5.6%)	(5.0%)

Technology Services	39.7	45.4	(12.6%)	(11.0%)
Net revenue[2]	464.3	495.2	(6.2%)	(5.6%)
Americas	373.8	394.3	(5.2%)	(4.1%)
EMEA	65.1	74.4	(12.5%)	(13.3%)
Asia-Pacific	25.4	26.5	(4.2%)	(5.6%)
Net revenue[2] by Geography	464.3	495.2	(6.2%)	(5.6%)

Sir Martin Sorrell, Executive Chairman of S4Capital plc said:

"Throughout the third quarter, our trading continued to reflect increasingly volatile global macroeconomic conditions, heightened by rising geopolitical risks. Clients remained cautious amid this uncertainty, with hyperscalers and other technology clients continuing to prioritise capital expenditure on expanding AI capacity over operating expenditure. The four biggest hyperscalers are projected to spend over $5 trillion on AI-related capital expenditure between 2025 and 2030.

Consumers continue to outpace Enterprises in AI adoption. Marketing transformation at scale has so far been concentrated in the autos, financial services and to a lesser extent the FMCG verticals, due to the existential threats of Chinese EVs and AVs, the digital fintech platforms and pricing pressure and supply chain disruption respectively.

We anticipate that clients will remain cautious in the near term reflecting this heightened macroeconomic uncertainty, including the continuing conflicts in Ukraine and the Middle East. We remain confident in our strategy, business model and talent. Together with our scaled client relationships and the strong momentum behind our new go-to-market propositions, we believe we are well positioned to deliver sustainable long-term growth. While the macroeconomic environment remains uncertain, we see growing opportunities as clients become more selective about growth geographically and increasingly focused on implementing technologies such as AI, blockchain and quantum computing to drive efficiency.

In the third quarter, we saw the annualised impact of the cost actions taken in the second half of 2025 and have continued our disciplined cost management. We now expect 2026 like-for-like net revenue to be marginally below previous guidance down high-single digits, with operational EBITDA remaining at current analyst consensus level of £85 million and operational EBITDA margin now expected to increase by at least 160 basis points to 13.7%. Liquidity continues to improve and the Company has repurchased a further €50.9 million of its Term Loan B after 30 September 2026, of which €10.5 million remains subject to settlement. This, together with the €125.3 million previously repurchased, reduces the Term Loan B outstanding to €198.8 million from €375 million. We believe we will be comfortably within our target net debt range of £50 - 80 million and will be almost net debt free by next year."

Notes:

1. Billings is gross billings to clients including pass through costs.
2. Net revenue is revenue less direct costs.
3. Like-for-like is a non-GAAP measure with 2025 numbers being translated for the same months as in

2026 applying currency rates as used in 2026.

4. Operational EBITDA is operating profit or loss adjusted for acquisition related expenses, non-recurring items (primarily acquisition payments tied to continued employment, amortisation and impairment of business combination intangible assets and restructuring and other one-off expenses) and recurring items (share-based payments) and includes right-of-use assets depreciation. It is a non-GAAP measure management uses to assess the underlying business performance. Operational EBITDA margin is operational EBITDA as a percentage of net revenue.
5. Adjusted figures are adjusted for non-recurring and recurring items as defined above.
6. Net debt excludes lease liabilities.
7. This is a target and not a profit forecast.
8. Net debt/pro-forma operational EBITDA as defined per the facilities agreement.
9. Pro-forma numbers relate to unaudited non-statutory and non-GAAP consolidated results of the trailing 12 months applying currency rates as used in 2026.

Third quarter overview

The challenging conditions witnessed in the first half continued into the third quarter. Third quarter reported billings were £430.0 million down 12.4% and 13.0% like-for-like. Third quarter reported revenue was down 9.5% to £173.5 million, down 10.3% like-for-like. Third quarter reported net revenue declined 6.4%, 7.3% like-for-like. Year-to-date reported billings were £1,321.9 million down 6.7% and 5.6% like-for-like. Year-to-date reported revenue was down 6.3% to £517.5 million, down 5.7% like-for-like. Year-to-date reported net revenue declined 6.2%, 5.6% like-for-like.

Net debt ended the period at £76.0 million, significantly better than anticipated, with leverage of 0.7x pro-forma trailing 12 month EBITDA and well below the target of 1.0x.

Performance by Practice

Third quarter net revenue for Marketing Services was £142.7 million, down 6.2% like-for-like. Year-to-date Marketing Services net revenue was down 5.0% like-for-like to £424.6 million. Net revenue within the Marketing Services practice reflects ongoing caution among technology clients as they continue to prioritise and increase AI infrastructure capital expenditure over operational marketing budgets. The practice was further impacted by a scope reduction in BMW, primarily in EMEA, and the ongoing conflicts in the Middle East and Ukraine.

Performance within the Technology Services practice was similarly impacted by broader macroeconomic headwinds and continuing longer sales cycles. Third quarter net revenue for Technology Services was £13.6 million, down 17.6% like-for-like. Year-to-date Technology Services net revenue was down 11.0% like-for-like to £39.7 million.

Performance by Geography

In the third quarter, Americas reported net revenue was £123.9 million, down 9.0%, 10.0% like-for-like. Year-to-date, the region reported net revenue of £373.8 million, down 5.2%, 4.1% like-for-like.

In the third quarter, EMEA momentum did improve as reported net revenue was £23.1 million, up 2.2%, 3.1% like-for-like. Year-to-date, the region reported net revenue of £65.1 million, down 12.5%, 13.3% like-for-like.

In the third quarter, Asia-Pacific momentum also improved as reported net revenue was £9.3 million, up 12.0%, 9.4% like-for-like. Year-to-date, the region reported net revenue of £25.4 million, down 4.2%, 5.6% like-for-like.

New business and AI

We continue to see significant opportunities for new business, particularly driven by our AI tools and capability. Adoption from existing clients is ramping up as clients, driven by existential threats, in Automotive, Financial Services and FMCG move from pilots to full scale adoption and our proprietary AI solutions are at the heart of all our new business efforts. Following awards from Adweek, The One Show and Business Intelligence Group, Monks.Flow also won AI-based Marketing Solution of the Year at the AI Breakthrough awards. In the first three quarters of 2026 we have expanded our Automotive client base to include several other marques, we expanded one of our major FMCG clients from a purely North American remit to International and also won assignments from clients such as Google, Amazon, T-Mobile, Hackensack, Presight, Nubank, Crusoe, Staples and Nike. These client wins span creative, media, technology and AI-driven transformation work, reflecting the Company's AI and data-centric positioning as a driver of future growth.

Our go-to-market propositions, Orchestration Partner, Real-Time Brands, Media Acceleration and Digital Transformation are all starting to resonate strongly with clients. These are built around hyper-personalisation at scale, social media, brand strategy, platform expertise and leveraging of technology.

Balance Sheet

Net debt[6] ended the third quarter at £76.0 million, or 0.7x net debt/pro-forma trailing 12 month operational EBITDA, significantly better than anticipated. This compared to £151.1 million at the end of September 2025, reflecting our continued focus on working capital management and improving liquidity. The balance sheet has sufficient liquidity and long-dated debt maturities and our key covenant is net debt not to exceed 4.5x the pro-forma 12 month operational EBITDA[8].

ESG

Sustainability remains embedded in the Group's operating model through its three pillars: Our Responsibility to the World, People Fulfilment and One Brand. During the third quarter, we strengthened ESG data governance to improve the quality and traceability of data. Our EcoVadis rating improved from the 77th to the 82nd percentile of companies assessed and we retained our Bronze medal.

The Group continues to prioritise employee wellbeing and development. Values introduced in the first half are being embedded in performance processes, while AI learning continues through the School of AI. We are also working to standardise the merit cycle across the business.

Board

As previously announced, Nirvik Singh has taken up a full-time role as part of our executive leadership and now leads the Marketing Services practice in both EMEA and Asia-Pacific. He, therefore, stepped down as a Non-Executive Director of the Company and as Chair of the Company's Nomination and Remuneration Committee, both with effect from 30 September 2026.

Alina Kessel, already a Non-Executive Director of the Company, has taken the role of Chair of the Company's Nomination and Remuneration Committee, with effect from 30 September 2026.

Christian Juhl has joined the Board as a Non-Executive Director.

Summary and outlook

The Company continues to operate in a challenging macroeconomic environment, with clients remaining cautious and with increased capital expenditure in AI infrastructure by hyperscalers and technology clients. The Board remains confident in the Company's strategy, client relationships and long-term growth prospects.

The Company now expects 2026 like-for-like net revenue to be marginally below previous guidance at down high-single digits, with operational EBITDA remaining at current analyst consensus level of £85 million and operational EBITDA margin now expected to increase by at least 160 basis points to 13.7%.

Adjusted basic earnings per share is expected to be in excess of current analyst consensus of 6.1p per share.

We continue to target a year end net debt range of £50 - £80 million and, after a significantly better than anticipated Q3, the Company expects to be comfortably within this range.

The Company's capital allocation policy is to prioritise dividends, then further debt repurchases and finally share repurchases as net debt falls further. The Company has repurchased a further €50.9 million of its Term Loan B after 30 September 2026, of which €10.5 million remains subject to settlement. This, together with the €125.3 million previously repurchased, reduces the Term Loan B outstanding to €198.8 million from €375 million. As previously announced, subject to financial targets being met, the Board has implemented a dividend payout ratio of 50% of adjusted basic earnings per share and will recommend a final dividend for 2026 in line with that policy.

On 6 October 2026, the Company paid a first time interim dividend of 1.35p per share announced at the Interim Results.

The strategy of S[4]Capital remains the same. The Company's unitary, purely digital transformation model, based on first-party data fuelling the creation, production and distribution of digital advertising content, distributed by digital media and built on technology platforms to ensure success and efficiency, resonates with clients. Our promise "faster, better, efficient and more" and a unitary structure both appeal strongly, even more so in challenging economic times.

Results webcast and conference call

A webcast and conference call covering the results will be held today.

09:00 GMT webcast (watch only) and conference call (for Q&A):

Webcast: https://brrmedia.news/SFOR_Q326.

Conference call:

UK: +44 (0) 33 0551 0200

US: +1 786 697 3501

Enquiries to

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Radhika Radhakrishnan, Chief Financial Officer and Company Secretary

Scott Spirit, Chief Growth Officer

About S4Capital

S4Capital is a purely digital advertising and marketing services business built for global, multinational, regional, and local clients and millennial-driven influencer brands. The business operates through two data and digital media driven Practices: Marketing Services and Technology Services, emphasising "faster, better, efficient and more" execution in an always-on consumer-led environment. Its unitary structure positions the Company as a systems integration partner delivering real-time relevance in the post-agency era.

The Company now has approximately 6,100 people in 34 countries with approximately 81% of net revenue across the Americas, 14% across Europe, the Middle East and Africa and 5% across Asia-Pacific. The longer-term objective is a geographic split of 60%:20%:20%. Marketing Services accounted for approximately 91% of net revenue and Technology Services 9%. The target allocation is a practice split of 75%:25%.

Sir Martin Sorrell 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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