

29 May 2019

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

AGM Statement

S4 Capital plc (SFOR.L), the new era digital advertising and marketing services company, announces that at the Annual General Meeting of the Company to be held today, Sir Martin Sorrell, Executive Chairman of the Company, will make the following statement.

“2018 was a busy first year for your newly-named Company, S4Capital, formerly Derriston plc.

“First, there was the formulation of a definitive and differentiated strategy, around four core principles. We are purely digital, because that’s where the growth is. In a 24/7, always-on digital world, our new business model is to focus on first party data, which, in turn, fuels our digital advertising and marketing creative content and our digital media planning and buying or programmatic. Our mantra or strap line is faster, better, cheaper, because that’s what clients want. Finally, our organisational structure is unitary, with a single P&L, as clients want the best people working on their business, not caring where they come from. We don’t do earnouts.

“In July, we built our first pillar in digital advertising and marketing content, merging S4Capital, then a private, unlisted company, with MediaMonks, an Amsterdam-based digital advertising and marketing production company, with a global footprint and a stellar creative and technological reputation.

“In September, S4Capital, along with the merged MediaMonks, was reversed into Derriston plc, a Standard London Stock Exchange listed company and the quotation restored in the same month.

“In December, we built our second pillar in digital media planning and buying, merging S4Capital with MightyHive, the leading programmatic consultancy, based in San Francisco, also with a global footprint.

“The pace of activity continued into the New Year, with a strengthening of our management in Asia Pacific. In April, Progmedia joined MightyHive, adding a programmatic offer to our content offer in Brazil, Mexico and Argentina. At the same time, MediaMonks added a robotic video studio in Amsterdam, Caramel Pictures, specialising in food and drink video content.

“Within nine months, your Company now has approximately 1300 people in 18 countries and a market capitalisation of around £600 million (\$750 million).

“Trading for the first four months of 2019 continues to be strong and in line with our budget and quarter one revised forecast at all levels, with reportable revenues up 45% and like-for-like revenues up over 41%. Reportable gross profit was up over 41% and like-for-like gross profit almost 37%. Both revenue and gross profit growth rates improved over the first quarter in April.

“The Company continues to invest heavily in human capital, as budgeted. This affects the pattern of growth in earnings before interest, taxes, depreciation and amortization early in the year, as the Company gears up for an even higher level of revenue and gross profit

growth later in the year. The total number of people has already risen to just under 1300 in April, almost double the pro-forma number for last year of just under 700.

“The Company’s cash flow remains strong, with the net debt position continuing to average approximately half the £44 million incurred through the part funding of the MediaMonks merger last July and despite cash payments in connection with Progmedia and Caramel Pictures.

“The focus remains on broadening and deepening existing client relationships and our geographical offer. Our two biggest clients may double in size this year, but we still search for bigger and deeper relationships or “whoppers”. Notable recent client wins, including integrated content and programmatic assignments, number Procter & Gamble’s Braun, Google, Nestlé’s Starbucks at Home, Netflix, Mondelez, Uber, Bayer, Sprint, Avon, ServiceNow, Shiseido, and Olympic Broadcasting Services, amongst others.

“Geographically, we have added offices in France and Italy so far this year and are looking at South Korea, Germany and Spain. We continue to mine first party data opportunities to create our third pillar, although they remain few and far between and expensive.”

Enquiries to:

S4Capital plc +44 (0)20 3793 0003
Sir Martin Sorrell, Executive Chairman

Powerscourt (PR Advisor) +44 (0)20 3328 9386
Elly Williamson/Jack Shelley

About S4Capital

S4 Capital plc (SFOR.L) is a 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, multi-national, regional, local clients and millennial-driven influencer brands. This will be achieved initially by integrating leading businesses in three areas: first party data, digital content, digital media planning and buying, 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 2017 digital accounted for approximately 40 per cent. or \$200 billion of total global advertising spend of \$500 billion (excluding about \$400 billion of trade support, the primary target of the Amazon advertising platform), and projects that by 2022 this share will grow to approximately 55 per cent.

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

Victor, Wesley, Pete, Christopher and Peter Rademaker (formerly Chief Financial Officer of MediaMonks, now Chief Financial Officer of S4Capital), all joined the S4Capital Board as Directors. The S4Capital Board also includes Rupert Faure Walker, Daniel Pinto, Sue Prevezer and Paul Roy.

The company has a market capitalization of approximately £600 million (\$760 million) and approximately 1,300 people in 18 countries, across the Americas, Europe, the Middle-East and Africa and Asia-Pacific.

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 capitalization of over £16 billion on the day he left. Prior to that he was Group Financial Director of Saatchi & Saatchi Company plc for 9 years.