RNS Number : 8336B
S4 Capital PLC
24 March 2025

S[4]Capital plc

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

Audited 2024 results

Full year results in line with expectations

Net revenue[2] down 13.6% on a reported basis, down 11.0% like-for-like[3]

Operational EBITDA[5] £87.8 million down 6.3% on a reported basis, down 0.6% like-for-like

Operational EBITDA margin at 11.6%, up 90bps against prior year, with improved performance due to cost control

Net debt[7] at £142.9 million, below the lower end of targeted range of £150 million to £190 million, reflecting focus on cashflow

Non-cash impairment charge net of tax of £280 million

The Board proposes a final dividend of 1p per share, signaling confidence in cash flow

Uncertain macroeconomic conditions and client caution have ratcheted up recently, however, our prominent positioning in AI is driving new business opportunities

2025 net revenue and operational EBITDA[9] expected to be broadly similar to 2024

£ millions	**Year ended 31 Dec 2024**	Year ended 31 Dec 2023 Restated[8]	change Reported	change Like-for-like[3]	change Pro-forma[4]
Billings[1]	1,963.0	1,870.5	4.9%	8.1%	8.1%
Revenue	848.2	1,011.5	(16.1%)	(13.6%)	(13.6%)
Net revenue[2]	754.6	873.2	(13.6%)	(11.0%)	(11.0%)
Operational EBITDA[5]	87.8	93.7	(6.3%)	(0.6%)	(0.6%)
Operational EBITDA margin[5]	11.6%	10.7%	90bps	120bps	120bps

Adjusted operating profit[6]	78.3	82.0	(4.5%)
Adjusting items[6]	(381.1)	(61.8)	(516.7%)
Operating (loss)/profit	(302.8)	20.2	
Loss for year	(306.9)	(14.3)	
Basic loss per share *(pence)*	(45.7)	(2.2)	(43.5)
Adjusted basic earnings per share[6] *(pence)*	5.2	4.4	18.2%
Number of Monks	7,166	7,707	7.0%
Net debt[7]	(142.9)	(180.8)	21.0%

Financial highlights

- Billings £1,963.0 million, up 4.9% on a reported basis and up 8.1% like-for-like.
- Revenue £848.2 million, down 16.1% reported and down 13.6% like-for-like.
- Net revenue £754.6 million, down 13.6% reported and down 11.0% like-for-like, reflecting lower spending on marketing from technology clients, who are investing significantly in capital expenditure to build Artificial Intelligence (AI) capacity, as well as a reduction in one of our larger relationships in our Technology Services practice and continued challenging global macroeconomic conditions with high interest rates. There was also some underperformance, when compared to our markets.
- Operational EBITDA was in line with expectations at £87.8 million, down 6.3% reported and down 0.6% like-for-like. Costs continued to be tightly controlled and the number of Monks at the year end was down 7.0% versus December 2023.
- Operating loss of £302.8 million, including the non-cash impairment charge, a reduction of £323.0 million on the reported prior year profit.
- The Company has taken a non-cash impairment charge net of tax of £280.4 million reflecting trading conditions in the second half of 2024 and the medium-term outlook following the completion of our budget and three year planning process. This is included in adjusting items after tax.
- Adjusted basic earnings per share 5.2p per share excluding adjusting items after tax, compared to 4.4p per share last year, an increase of 18.2%.
- Basic loss per share of 45.7p, compared to 2.2p basic loss per share in 2023.
- Subject to shareowner approval, the Board proposes to pay a final dividend of 1 pence per share, amounting to £6.1 million, on 10 July 2025 to all shareowners on the register as at 6 June 2025.
- Year end net debt was £142.9 million, or 1.6x net debt/pro-forma[4] operational EBITDA[5] of £87.8 million, now in line with our previous target range of 1.5 to 2.0x. Net debt was below the lower end of the £150 million to £190 million guided range, reflecting a strong focus on working capital and continuing cost control.
- The balance sheet has sufficient liquidity and long-dated debt maturities to facilitate growth, with the maturity of the €375 million term loan in August 2028 and the currently undrawn £100 million RCF in August 2026. Post year end, £80 million of the RCF facility has been extended to February 2028, with all four relationship

banks extending on the same terms, with the remaining £20 million terminating in August 2026. The RCF remains undrawn as at 31 December 2024. We have comfortable headroom against the key covenant - that net debt will not exceed 4.5x the pro-forma operational EBITDA[10].

Strategic and operational highlights

- Our strategy remains the same. We continue to believe that a purely digital advertising and marketing services business for global, multinational, regional, and local clients and millennial-driven influencer brands resonates with clients. 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, also continues to cater to AI driven disruption.
- We continue to streamline and integrate our businesses. We are focusing all our current capabilities into two Practices: Marketing Services and Technology Services. Our tagline 'faster, better, cheaper and more' or 'speed, quality, value and more' and a unitary structure should appeal strongly to clients, even more so in challenging economic times. Client behaviour and budgets are changing, driven by AI and new ways of working and we believe we are well positioned to take advantage of the opportunities all this provides and are encouraged by recent wins that leverage our AI tools and capabilities. The latter are being actively tested and implemented by a number of clients, including technology platforms.
- All Practices saw some impact in the year from the net revenue reductions and this was most evident in Technology Services reflecting anticipated lower transformation revenue from one client and longer sales cycles. We have recently hired a strong new business leader from a leading BPO company to drive Technology Services sales, which we believe will be strengthened by our AI capabilities in developed markets. Profitability by Practice reflects significant improvements in margins in both Content and Data&Digital Media, primarily due to the actions taken on costs, whilst Technology Services' profitability is lower, as expected, due to the revenue reduction. We continue to maintain a disciplined and active approach to cost management, including headcount and discretionary costs. These controls have resulted in the number of Monks at the year end of around 7,150, down 7% from circa 7,700 at this time last year. The Group continues to take a prudent approach to costs across all of its businesses in order to better match costs to revenue and to protect profitability.
- New business activity continues at significant levels, particularly with a focus on AI-driven hyper-personalisation at scale. New business wins during the year include General Motors, Qiddiya, Marriott, Burger King, Panasonic, FanDuel, AliExpress, Decathlon, Santander, SC Johnson, ICBC, Asana, CashApp, Shopify, Coursera and Singapore Sports Hub. The Company continues to capitalise on its strong AI positioning. We continue to win multiple exploratory AI assignments, as clients experiment with applications and develop use cases. These are currently focused on visualisation and copywriting, hyper-personalisation at scale, media planning and buying, general client and agency efficiency and democratisation of knowledge.

Momentum has built particularly in the first two areas and in general client and agency efficiency. Developments around media planning and buying and democratisation of knowledge continue to build.

¤ Our talented people have responded positively to the challenges the company faced during the year and we have continued to make progress in the three areas of our ESG strategy: zero impact workspaces, sustainable work and diversity, equity and inclusion (DE&I). We continue to enjoy B-Corp status, recognising our achievements in environmental, social and DE&I, that we are accountable to all stakeholders, not just shareowners and that we are transparent in terms of our reporting.

Board and management structure

¤ We announced in January that Mary Basterfield has decided to step down from her position as Chief Financial Officer (CFO). Mary has been with the Company for over three years. Mary will continue working in her current position, participate in the search for her successor which is well advanced and assist in a smooth and orderly handover. Mary has been instrumental in improving our finance team, processes and systems, as well as a valued business partner. The Board wants to take this opportunity to thank Mary wholeheartedly for her hard work and commitment over the past three years and for her participation in the transition to a new financial leader. Led by the Nomination and Remuneration Committee, the Group appointed a leading executive search firm to develop a long list of candidates, from which a shortlist were interviewed. The Group is in advanced negotiations and anticipates announcing a successor in the next few weeks.

Outlook

¤ We expect clients to remain cautious in the near term, as there are increasing concerns about macro uncertainty and the impact of tariffs. Technology clients continue to focus spending on AI-related capital expenditure, rather than operating expenditure, such as marketing. However, in Technology Services we expect the growth headwind from one key client to continue in the first half with an improving trajectory in the second half supported by new business.

¤ For the Company as a whole, we are targeting both net revenue and operational EBITDA to be broadly similar to 2024. We expect the comparatives for the first quarter to continue to be difficult, in part due to the residual effect of the reduction in revenue from one key client in Technology Services. We expect an improved performance in the second half of the year, aided by the phasing of revenue from new business.

¤ Our net debt is expected to continue to reduce in 2025 reflecting positive free cash flow, which in 2024 was £37.8 million. Our targeted range for the year end is £100 million to £140 million. We now aim for financial leverage over the medium term of around 1.5 times net debt to operational EBITDA, which is the lower end of our previous target range. As a measure of confidence in the future the Board is proposing to pay a dividend of 1p per share.

¤ Over the longer term we continue to expect our growth to outperform our markets and operational EBITDA margins to return to historic levels of around 20%.

Sir Martin Sorrell, Executive Chairman of S^{4}Capital plc said:

"Our performance in 2024 reflected the impact of challenging global macroeconomic conditions, continued high interest rates and some underperformance, when compared to our addressable markets. Technology clients prioritised capital expenditure over operating expenditure, such as marketing and our Technology Services Practice was affected by a reduction in one of our larger relationships. Despite this, the Company reduced its cost base significantly, increased its operating margins and reduced its net debt markedly. Our liquidity and cash flow was much improved and net debt was below the lower end of our target range due to our focus on working capital and cost control.

The macroeconomic environment in 2025 will remain challenging given significant volatility and uncertainty in global economic policy, particularly tariffs. In geopolitics, US/China relations, Russia/Ukraine and Iran remain volatile issues and therefore clients are likely to remain cautious. With that said, we expect to benefit from new business, especially in the second half and for the full year we expect net revenue and operational EBITDA to be broadly similar to 2024, with a further reduction in net debt.

We continue to focus on our larger, scaled relationships with leading enterprise clients and our drive for margin improvement through greater efficiency, utilisation, billability and pricing. We remain confident in our strategy, business model and talent, which together with scaled client relationships position us well for growth in the longer term. We continue to capitalise on our prominent AI positioning and to see multiple initial AI-related assignments and significant testing."

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 and relates to 2023 being restated to show the audited numbers for the previous year of the existing and acquired businesses consolidated for the same months as in 2024 applying currency rates as used in 2024.
4. Pro-forma numbers relate to audited non-statutory and non-GAAP consolidated results in constant currency as if the Group had existed in full for the year and have been prepared under comparable GAAP with no consolidation eliminations in the pre-acquisition period.
5. 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.
6. Adjusted figures are adjusted for non-recurring and recurring items as defined above.
7. Net debt excludes lease liabilities.
8. The comparatives for the year ended 31 December 2023 have been restated to account for the recognition of deferred tax balances related to certain business combinations in prior years.
9. This is a target and not a profit forecast.
10. Net debt/pro-forma operational EBITDA as defined per the facilities agreement.

Disclaimer

This announcement includes 'forward-looking statements'. All statements other than statements of historical facts included in this announcement, including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the Company's services) are forward-looking statements.

Forward-looking statements are subject to risks and uncertainties and accordingly the Company's actual future financial results and operational performance may differ materially from the results and performance expressed in, or implied by, the statements. These factors include but are not limited to those described in the Company's prospectus dated 8 October 2019 which is available on the news section of the Company's website. These forward-looking statements speak only as at the date of this announcement. S^{4}Capital expressly disclaims any obligation or undertaking to update or revise any forward-looking statements contained herein to reflect actual results or any change in the assumptions, conditions or circumstances on which any such statements are based unless required to do so.

No statement in this announcement is intended to be a profit forecast and no statement in this announcement should be interpreted to mean that earnings per share of the Company for the current or future years would necessarily match or exceed the historical published earnings per share of the Company.

Neither the content of the Company's website, nor the content on any website accessible from hyperlinks on its website for any other website, is incorporated into, or forms part of, this announcement nor, unless previously published by means of a recognised information service, should any such content be relied upon in reaching a decision as to whether or not to acquire, continue to hold, or dispose of, shares in the Company.

Results webcast and conference call

A webcast and conference call covering the results will be held today at 09:00 GMT, followed by another webcast and call at 08:00 EST/ 13:00 GMT. Both webcasts of the presentation will be available at www.s4capital.com during the event.

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

Webcast: https://brrmedia.news/SFOR_FY24_UK

Conference call:

UK: +44 (0) 33 0551 0200

US: +1 786 697 3501

08:00 EST / 13:00 GMT webcast (watch only) and conference call (for Q&A):

Webcast: https://brrmedia.news/SFOR_FY24_US

Conference call:

UK: +44 (0) 33 0551 0200

US: +1 786 697 3501

Enquiries to

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Preliminary results statement overview

As previously highlighted, trading in the year reflected both continued uncertainty around global macroeconomic conditions, high interest rates and lower marketing spend from technology clients, which account for approximately half of revenue. In addition, there was a reduction in transformation activity in one of our larger Technology Services clients. However, trading in the fourth quarter improved over the first three quarters with stronger like-for-like net revenues, including an increase in Data&Digital Media.

Reported billings were £1,963.0 million up 4.9% and up 8.1% like-for-like, reflecting stronger digital media planning and buying activity. Revenue was down 16.1% on a reported basis to £848.2 million, down 13.6% like-for-like. Reported net revenue declined 13.6%, or 11.0% like-for-like.

Operational EBITDA in the full year reflects improvement in margins in Content and Data&Digital Media, due to actions taken on costs, helped by stronger revenue performance in the fourth quarter, whilst Technology Services' operational EBITDA reflects the anticipated lower revenue. We continue to maintain a disciplined and active approach to cost management, including the number of Monks and discretionary costs. The number of Monks at the end of the year was around 7,150 down 7.0% from circa 7,700 at this time last year.

Performance by Practice

The Company currently reports in three Practices. We have rebranded to Monks and are now streamlining all our current capabilities into two Practices: Marketing Services and Technology Services. We plan to initiate reporting structures for this new services model during 2025.

2024 net revenue for the Content Practice was down 7.4% like-for-like, with Data&Digital Media down 3.7% like-for-like and Technology Services down 35.3% like-for-like.

Content's net revenue declined in the year reflecting ongoing caution and lower activity with some of our larger technology clients. However, the year-on-year trend improved in the fourth quarter. Content's operational EBITDA improved to £48.7 million (2023: £38.9 million), up 30.6% like-for-like and on a reported basis up 25.2% versus 2023, due to the action taken on costs. Content's operational EBITDA margin improved 290 basis points like-for-like and reported 280 basis points compared to 7.4% in 2023.

Data&Digital Media performed as expected in the year, managing its costs well to match activity levels. Net revenue grew in the fourth quarter. Operational EBITDA improved to £46.0 million (2023: £33.5 million), up 43.3% like-for-like and up 37.3% versus 2023 on a reported basis. Operational EBITDA margin of 23.9% improved 780 basis points like-for-like and reported 770 basis points, compared to 16.2% in 2023, due to strong action on costs.

Technology Services' performance was impacted by the anticipated lower revenue from one key client, as well as longer sales cycles for new business reflecting the challenging ongoing macroeconomic conditions and high interest rates. Reported operational EBITDA was down significantly to £11.5 million (2023: £43.4 million) and operational EBITDA margin was 13.3%, compared to 31.7% in 2023 due to the lower revenues.

The Company's proportion of revenue from technology clients increased to 45% in 2024 (43% in 2023).

Performance by geography

On a like-for-like basis, the Americas net revenue was down 11.8%, but with strong growth in Latin America and now accounts for 78% of the Company's net revenue. EMEA, accounting for 16%, was down 5.4%, with growth in the UK & Ireland. Asia Pacific (APAC), accounting for the remaining 6% was down 13.4%, affected by Australia and Singapore. Reported Americas net revenue was £587.9 million, down 14.6%, EMEA net revenue was £123.4 million, down 7.3% and Asia Pacific was £43.3 million, down 16.7%.

New business and AI

We are seeing our AI initiatives improve visualisation and copywriting productivity, deliver considerably more effective and economic hyper-personalisation (better targeted content at greater scale), delivering more automated and integrated media planning and buying, improving general client and agency efficiency and democratisation of knowledge. Monks.Flow is our AI product solution that automates marketing workflows and we are continuing to add applications and expand its capabilities. Our end-to-end suite of Monks.Flow products orchestrates and helps enable our clients to more easily implement AI solutions, particularly in visualisation and copywriting, in hyper-personalisation at scale, in real time focus groups and linking media planning and buying.

We are seeing significant opportunities for new business, particularly driven by our AI tools and capability. New business wins in the year include General Motors, as their foundational agency, Qiddiya, Marriott, Burger King, Panasonic, FanDuel, AliExpress, Decathlon, Santander, SC Johnson, ICBC, Asana, CashApp, Shopify, Coursera and Singapore Sports Hub. We are also winning multiple exploratory assignments, as clients experiment and explore AI applications and develop AI use cases. AI capability is becoming more central to the agency's way of working and new business efforts. In this regard the Company's early adoption of AI and proactive approach to staff training on AI is beginning to pay off.

Our three new Go-To-Market propositions, Orchestration Partner, Real Time Brands and Glass Box Media are all starting to resonate strongly with clients. These are built around hyper-personalisation at scale, social media, brand strategy and transparent media buying and planning.

Balance Sheet

Net debt[7] ended the year at £142.9 million, or 1.6x net debt/pro-forma 12 month operational EBITDA. This compared to £180.8 million at the end of 2023 reflecting an improvement in working capital. At the beginning of the year we made combination payments of £9.6 million, which are the last significant combination payments. The 12 month pro-forma EBITDA was £87.8 million. The balance sheet has sufficient liquidity and long-dated debt maturities to facilitate growth and our key covenant is net debt not to exceed 4.5x the 12 month pro-forma EBITDA.

ESG

We remain committed to the pillars of our ESG strategy: people fulfilment, our responsibility to the world and one brand. We continue to focus on improving our external reporting, our reporting tools and governance to help us move towards increased transparency and effective reporting and to comply with future global regulatory requirements.

Across the Company, we support community and charity services through donation of hours and we've grown our total For Good projects to help create a positive impact alongside our commercial clients. We remain focused on our people and their experiences through our robust suite of programmes that enhance connection and development across the organisation. Cultivating a deeper understanding of cultural fluency remains a top priority as we continue to foster an inclusive environment.

We continue to enjoy our B Corp status. This certification recognises our achievements in governance and accountability, environmental performance, social impact and DE&I, that we are accountable to all stakeholders, not just shareowners and that we are transparent in our reporting.

Summary and outlook

For the Company as a whole, given the wider market uncertainty and the priority shown by technology clients to AI-related capital expenditure rather than operational expenditure, such as marketing, we target net revenue and operational EBITDA[9] to be broadly similar to 2024. We will continue to focus on our cost base and will take further action to support profitability. We expect the comparatives for the first quarter to continue to be difficult, in part due to the residual effect of the reduction in revenue from one key client in Technology Services. We expect an improved performance in the second half of the year, aided by the phasing of revenue from new business.

Our targeted range for the year end net debt is £100 million to £140 million. We target medium term financial leverage at the lower end of our previous range of around 1.5 times operational EBITDA. Over the longer term we continue to expect our growth to outperform our markets and operational EBITDA margins to return to historic levels of around 20%[9].

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.

We continue to streamline and integrate our businesses, we have rebranded to Monks and are focusing all our current capabilities into two Practices: Marketing Services and Technology Services. Our tagline 'faster, better, cheaper and more' or 'speed, quality, value and more' and a unitary structure both appeal strongly, even more so in challenging economic times.

Financial review

Summary of results

£ millions	**Year ended 31 Dec 2024**	Year ended 31 Dec 2023 Restated[8]	change Reported	change Like-for-like[3]	change Pro-forma[4]
Billings[1]	1,963.0	1,870.5	4.9%	8.1%	8.1%
Revenue	848.2	1,011.5	(16.1%)	(13.6%)	(13.6%)
Net revenue[2]	754.6	873.2	(13.6%)	(11.0%)	(11.0%)
Operational EBITDA[5]	87.8	93.7	(6.3%)	(0.6%)	(0.6%)

Operational EBITDA margin[5]	11.6%	10.7%	90bps	120bps	120bps
Adjusted operating profit[6]	78.3	82.0	(4.5%)		
Adjusting items[6]	(381.1)	(61.8)	(516.7%)		
Adjusted operating profit margin[6]	10.4%	9.4%	100bps		
Net finance expenses and loss on net monetary position	(28.1)	(34.1)	17.6%		
Adjusted result before income tax[6]	50.2	48.1	4.4%		
Adjusted income tax expenses[6]	(15.5)	(19.9)	22.1%		
Adjusted result for the year[6]	34.7	28.2	23.0%		
Adjusted basic earnings per share[6] *(pence)*	5.2	4.4	18.2%		
Dividend per share *(pence)*	1.0	-			

A full list of alternative performance measures and non-IFRS measures together with reconciliations to IFRS or GAAP measures is set out in the Alternative Performance Measures.

Financial summary

2024 saw challenges in our net revenue performance, however in addition to the top line we focused on tight management of costs, aligning headcount more closely with activity levels and working capital management and cash, resulting in improved margins and lower net debt. We have continued our finance transformation and are making good progress with the roll out of our global finance system, combining legal entities and integrating the finance team.

Reported billings were £1,963.0 million, up 8.1% like-for-like, reflecting stronger digital media planning and buying activity.

Reported revenue was £848.2 million, down 16.1% from £1,011.5 million, down 13.6% like-for-like.

Reported net revenue was £754.6 million, down 13.6%, down 11.0% like-for-like.

Operational EBITDA was £87.8 million compared to £93.7 million in the prior year, a reported decrease of 6.3% and down 0.6% like-for-like. We have continued to maintain a disciplined and active approach to cost management, including headcount and discretionary costs. These controls have resulted in the number of Monks at the end of the year being around 7,150, down 7.0% from circa 7,700 at this time last year.

Operational EBITDA margin was 11.6%, up 90 basis points versus 10.7% in 2023 and up 120 basis points like-for-like, with improved profitability in Content and Data&Digital Media and lower central costs, although these were partly offset by the anticipated reduction in delivery from Technology Services. Our ambition remains to return full year margins to historic levels, around 20%[9], over the longer term.

Reported adjusted operating profit was down 4.5% to £78.3 million from £82.0 million, before adjusting items of £381.1 million, including £18.8 million of restructuring costs, a similar level to 2023. The increase in adjusting items is largely due to the non-cash impairment charge taken in the year in Content and Technology Services. Adjusting items also includes amortisation of business combination intangible assets, restructuring, primarily related to headcount reductions, contingent consideration, share-based payments and lease impairment charges relating to property rationalisation.

The reported operating loss was £302.8 million versus a 2023 profit of £20.2 million, primarily reflecting the increase in adjusting items with the non-cash impairment charge. The loss for the year was £306.9 million (2023: £14.3 million).

Adjusted basic earnings per share was 5.2p, versus adjusted basic earnings per share of 4.4p in 2023, up 18.2%.

Practice and Geographic Performance

£ millions	**Year ended 31 Dec 2024**	Year ended 31 Dec 2023	change Reported	change Like-for-like[3]	change Pro-forma[4]
Content	475.5	528.9	(10.1%)	(7.4%)	(7.4%)
Data&Digital Media	192.4	207.3	(7.2%)	(3.7%)	(3.7%)
Technology Services	86.7	137.0	(36.7%)	(35.3%)	(35.3%)
Net revenue[2]	754.6	873.2	(13.6%)	(11.0%)	(11.0%)
Americas	587.9	688.1	(14.6%)	(11.8%)	(11.8%)
EMEA	123.4	133.1	(7.3%)	(5.4%)	(5.4%)
Asia-Pacific	43.3	52.0	(16.7%)	(13.4%)	(13.4%)
Net revenue[2]	754.6	873.2	(13.6%)	(11.0%)	(11.0%)
Content	48.7	38.9	25.2%	30.6%	30.6%
Data&Digital Media	46.0	33.5	37.3%	43.3%	43.3%
Technology Services	11.5	43.4	(73.5%)	(71.8%)	(71.8%)
S[4] Central	(18.4)	(22.1)	(16.7%)	(16.0%)	(16.0%)
Operational EBITDA[5]	87.8	93.7	(6.3%)	(0.6%)	(0.6%)
Content	10.2%	7.4%	280bps	290bps	290bps
Data&Digital Media	23.9%	16.2%	770bps	780bps	780bps
Technology Services	13.3%	31.7%	(1,840bps)	(1,710bps)	(1,710bps)
Operational EBITDA margin[5]	11.6%	10.7%	90bps	120bps	120bps

Practice performance

Content Practice reported operational EBITDA was £48.7 million, up 25.2% versus 2023, up 30.6% like-for-like. The Content Practice operational EBITDA margin improved to 10.2%, compared to 7.4% in 2023, despite the lower revenue, reflecting a reduction in the number of Monks and other cost savings as compared to 2023. We continue to focus on integration and improving the operating model for Content.

Data&Digital Media Practice reported operational EBITDA was £46.0 million, up 37.3% from last year, up 43.3% like-for-like. Data&Digital Media Practice operational EBITDA margin was 23.9%, compared to 16.2%, due to tight cost management in 2024 and cost reduction actions taken in the latter months of 2023.

Technology Services Practice reported operational EBITDA of £11.5 million was down 73.5% from the prior year, down 71.8% like-for-like and delivered an operational EBITDA margin of 13.3% compared to 31.7% in 2023. This primarily relates to the anticipated reduction in transformation revenue from one large client, as well as longer sales cycles for new business. Operational EBITDA was significantly impacted by the reduction in revenue and, given the scale of the reduction in revenue, this has impacted margin.

Reported central costs of £18.4 million were down 16.7% due to tight cost control.

Geographic performance

The Americas reported net revenue was £587.9 million (78% of total), down 14.6% from last year. Like-for-like, the Americas net revenue was down 11.8%, reflecting lower revenue from one large Technology Services client and continuing client caution particularly with our technology clients. We saw strong growth in Latin America , reflecting success with our local business.

EMEA reported net revenue was £123.4 million (16% of total), down 7.3% from last year. Like-for-like, EMEA net revenue was down 5.4%, strengthened by the UK's performance, but primarily reflecting slower growth and client caution.

APAC reported net revenue was £43.3 million (6% of total), down 16.7%. Like-for-like, Asia Pacific net revenue was down 13.4%, affected by Australia and Singapore, but also reflecting client caution and local market conditions.

Cash flow

£ millions	**Year ended 31 Dec 2024**	Year ended 31 Dec 2023
Operational EBITDA	87.8	93.7
Capital expenditure[1]	(7.5)	(10.2)
Interest and facility fees paid	(29.1)	(26.7)
Interest received	2.1	-
Income tax paid	(9.0)	(20.5)
Restructuring and other one-off expenses paid	(21.1)	(20.8)
Change in working capital[2]	14.6	(1.7)
Free cashflow	**37.8**	**13.8**
Mergers & Acquisitions	(9.9)	(80.8)
Other[3]	10.0	(3.6)
Movement in net debt	**37.9**	**(70.6)**
Opening net debt	(180.8)	(110.2)
Net debt	**(142.9)**	(180.8)

The table reflects how the business is managed and this is a non-statutory cash flow format.

1. Includes purchase of intangible assets, purchase of property, plant and equipment and security deposits.

2. Working capital primarily includes movement on receivables, payables, principal elements of lease payments and depreciation of right-of-use assets.
3. Other includes foreign exchange, hyperinflation impacts and share buy-backs.

Free cashflow for 2024 was £37.8 million, an improvement of £24.0 million compared to 2023, with a working capital inflow and lower cash tax paid, partially offset by modestly increased cash interest costs.

Cash paid in relation to combinations (M&A) decreased £70.9 million versus the prior year to £9.9 million, as we materially completed payments for prior year combinations early in the year.

Treasury and net debt

	2024	2023
Net debt reconciliation		
£ millions		
Cash and cash equivalents	168.4	145.7
Loans and borrowings (excluding bank overdrafts)	(311.3)	(326.5)
Net debt	**(142.9)**	**(180.8)**

The year end net debt was £142.9 million (2023: £180.8 million) or 1.6x net debt/12 month pro-forma operational EBITDA. The balance sheet has sufficient liquidity and long dated debt maturities. During the year S^4Capital Group complied with the covenants set in its loan agreement. The pro-forma 12 month operational EBITDA for the year was £87.8 million.

S^4Capital Group's key covenant is that the net debt should not exceed 4.5:1 of the pro-forma earnings before interest, tax, depreciation and amortisation. This ratio is measured at the end of any relevant period of 12 months ending each semi-annual date in a financial year, as defined in the facility agreement. As at 31 December 2024, the net debt/pro-forma EBITDA, as defined by the facilities agreement, was 1.7x.

The duration of the 2021 facilities agreement is seven years in relation to the Term Loan B and the termination date is August 2028. The term of the RCF is five years and the termination date was August 2026. Post year end, £80 million of the RCF facility has been extended to February 2028, with all four relationship banks extending on the same terms, with the remaining £20 million terminating in August 2026. The RCF remains undrawn as at 31 December 2024.

Interest and tax

Consolidated net finance costs were £26.4 million (2023: £35.4 million), a decrease of £9.0 million due to favourable exchange rates in the year. The profit or loss tax credit for the year was £24.0 million (2023: £0.4 million expense).

Balance sheet

Overall the Group reported net assets of £577.5 million as at 31 December 2024, which is a decrease of £314.4 million compared to 31 December 2023, driven mainly by the impairment of goodwill and intangible assets.

Acquisitions

No material acquisitions were made in the year ended 31 December 2024.

About S^4Capital

Our 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 two synchronised Practices: Marketing services and Technology services, along with an emphasis on 'faster, better, cheaper, more' execution in an always-on consumer-led environment, with a unitary structure.

The Company now has approximately 7,150 people in 33 countries with approximately

80% of net revenue across the Americas, 15% across Europe, the Middle East and Africa and 5% across Asia-Pacific. The longer-term objective is a geographic split of 60%:20%:20%. At the Group's last full year results Content accounted for approximately 60% of net revenue, Data&Digital Media 25% and Technology Services 15%.

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.

Consolidated statement of profit or loss

For the year ended 31 December 2024

	Note	2024 £m	2023 Restated[1] £m
Revenue	7	**848.2**	1,011.5
Direct costs		**(93.6)**	(138.3)
Net revenue	7	**754.6**	**873.2**
Personnel costs		**(581.5)**	(670.8)
Other operating expenses		**(78.7)**	(92.6)
Acquisition, restructuring and other one-off expenses		**(23.8)**	(11.9)
Depreciation, amortisation and impairment		**(373.5)**	(77.9)
Share of profit of joint ventures and associates		**0.1**	0.2
Total operating expenses		**(1,057.4)**	(853.0)
Operating (loss)/profit		**(302.8)**	**20.2**
Adjusted operating profit		**78.3**	82.0
Adjusting items[2]		**(381.1)**	(61.8)
Operating (loss)/profit		**(302.8)**	20.2
Finance income		**5.3**	2.8
Finance costs		**(31.7)**	(38.2)
Net finance costs		**(26.4)**	(35.4)
(Loss)/gain on the net monetary position		**(1.7)**	1.3
Loss before income tax		**(330.9)**	**(13.9)**
Income tax credit/(expense)[3]		**24.0**	(0.4)
Loss for the year		**(306.9)**	**(14.3)**
Attributable to owners of the Company		**(306.9)**	(14.3)
Attributable to non-controlling interests		**-**	-
		(306.9)	**(14.3)**
Loss per share is attributable to the ordinary equity holders of the Company			
Basic loss per share (pence)		**(45.7)**	(2.2)
Diluted loss per share (pence)		**(45.7)**	(2.2)

Notes:

1. The comparatives for the year ended 31 December 2023 have been restated to account for the recognition of deferred tax balances related to certain business combinations in the prior years (see Note 2).
2. Adjusting items comprises amortisation of £44.3 million (2023: £48.6 million), impairment of intangible assets of £301.2 million (2023: £nil), acquisition expenses of £1.3 million gain (2023: £9.2 million gain), share-

based payments of £6.5 million (2023: £10.1 million) and restructuring and other one-off expenses of £30.4 million (2023: £12.3 million).

3. Income tax credit includes £20.8 million credit relating to the deferred tax impact of the impairment charge of £301.2 million, resulting in a net impairment charge of £280.4 million.

The results for the year are wholly attributable to the continuing operations of the Group.

Consolidated statement of comprehensive income

For the year ended 31 December 2024

	2024 £m	2023 Restated[1] £m
Loss for the year	**(306.9)**	**(14.3)**
Other comprehensive expense		
Items that may be reclassified to profit or loss		
Foreign operations - foreign currency translation differences	**(16.8)**	(54.6)
Other comprehensive expense	**(16.8)**	(54.6)
Total comprehensive expense for the year	**(323.7)**	**(68.9)**
Attributable to owners of the Company	**(323.7)**	(68.9)
Attributable to non-controlling interests	**-**	-
	(323.7)	**(68.9)**

Notes:

1. The comparatives for the year ended 31 December 2023 have been restated to account for the recognition of deferred tax balances related to certain business combinations in the prior years (see Note 2).

Consolidated balance sheet

As at 31 December 2024

	Note	2024 £m	2023 Restated[1] £m	2022 Restated[1] £m
Assets				
Goodwill	8	**391.2**	691.3	718.8
Intangible assets		**315.2**	381.6	445.2
Right-of-use assets		**34.7**	45.8	55.7
Property, plant and equipment		**16.4**	21.9	29.7
Interest in joint ventures and associates		**0.8**	0.2	-
Deferred tax assets		**49.0**	24.7	14.9
Other receivables		**9.2**	13.7	12.2
Non-current assets		**816.5**	**1,179.2**	**1,276.5**
Trade and other receivables		**450.8**	407.5	442.4
Current tax assets		**9.6**	4.9	-
Cash and cash equivalents		**168.4**	145.7	223.6
Current assets		**628.8**	**558.1**	**666.0**
Total assets		**1,445.3**	**1,737.3**	**1,942.5**
Liabilities				
Deferred tax liabilities		**(18.6)**	(24.1)	(28.5)
Loans and borrowings		**(307.2)**	(320.9)	(326.2)
Lease liabilities		**(29.7)**	(35.8)	(43.1)
Contingent consideration and holdbacks	9	**(4.8)**	(7.3)	(11.3)

Provisions		**(3.5)**	(2.7)	(5.7)
Non-current liabilities		**(363.8)**	**(390.8)**	**(414.8)**
Trade and other payables		**(482.0)**	(418.1)	(443.2)
Contingent consideration and holdbacks	9	**(4.7)**	(18.2)	(177.3)
Loans and borrowings		**(0.2)**	(0.2)	(0.7)
Lease liabilities		**(12.8)**	(13.2)	(15.3)
Provisions		**(0.8)**	(1.0)	-
Current tax liabilities		**(3.5)**	(3.9)	(6.0)
Current liabilities		**(504.0)**	**(454.6)**	**(642.5)**
Total liabilities		**(867.8)**	**(845.4)**	**(1,057.3)**
Net assets		**577.5**	**891.9**	**885.2**
Equity				
Share capital		**154.9**	145.9	142.0
Share premium		**164.9**	80.4	5.9
Other reserves[2]		**70.7**	162.7	175.2
Foreign exchange reserves		**(22.9)**	(6.1)	48.5
Retained earnings		**209.8**	508.9	513.5
Attributable to owners of the Company		**577.4**	**891.8**	**885.1**
Non-controlling interests		**0.1**	0.1	0.1
Total equity		**577.5**	**891.9**	**885.2**

Notes:

1. The comparatives as at 31 December 2023 and 31 December 2022 have been restated to account for the recognition of deferred tax balances related to certain business combinations in prior years (see Note 2).
2. During the year the Group completed a share buy-back scheme and purchased 6,000,000 shares for £2.5 million.

Consolidated statement of changes in equity

For the year ended 31 December 2024

	Share capital[1] £m	Share premium £m	Other reserves[2] £m	Foreign exchange reserves £m	Retained earnings/ (accumulated losses) £m	Attributable to owners of the Company £m	Non-controlling interests £m	Total equity £m
At 1 January 2023[3]	**142.0**	**5.9**	**175.2**	**48.5**	**478.4**	**850.0**	**0.1**	**850.1**
Deferred tax restatement	-	-	-	-	35.1	35.1	-	35.1
Hyperinflation restatement	-	-	2.6	-	-	2.6	-	2.6
Adjusted opening balance	**142.0**	**5.9**	**177.8**	**48.5**	**513.5**	**887.7**	**0.1**	**887.8**
Comprehensive expense for the year								
Loss for the year[3]	-	-	-	-	(14.3)	(14.3)	-	(14.3)
Other comprehensive expense	-	-	-	(54.6)	-	(54.6)	-	(54.6)
Total comprehensive expense for the year	**-**	**-**	**-**	**(54.6)**	**(14.3)**	**(68.9)**	**-**	**(68.9)**
Transactions with owners of the Company								
Business combinations	3.9	74.5	(15.7)	-	-	62.7	-	62.7
Share-based payments	-	-	0.6	-	9.7	10.3	-	10.3
Share buy-backs	-	-	-	-	-	-	-	-
At 31 December 2023[3]	**145.9**	**80.4**	**162.7**	**(6.1)**	**508.9**	**891.8**	**0.1**	**891.9**

Hyperinflation restatement	-	-	4.5	-	-	4.5	-	**4.5**
Adjusted opening balance	**145.9**	**80.4**	**167.2**	**(6.1)**	**508.9**	**896.3**	**0.1**	**896.4**
Comprehensive expense for the year								
Loss for the year	-	-	-	-	(306.9)	(306.9)	-	(306.9)
Other comprehensive income	-	-	-	(16.8)	-	(16.8)	-	(16.8)
Total comprehensive expense for the year	-	-	-	(16.8)	(306.9)	(323.7)	-	(323.7)
Transactions with owners of the Company								
Business combinations	9.0	84.5	(94.9)	-	1.8	0.4	-	0.4
Share-based payments	-	-	0.9	-	6.0	6.9	-	6.9
Share buy-backs	-	-	(2.5)	-	-	(2.5)	-	(2.5)
At 31 December 2024	**154.9**	**164.9**	**70.7**	**(22.9)**	**209.8**	**577.4**	**0.1**	**577.5**

Notes:

1. At the end of the reporting period, the issued and paid up share capital of S^4Capital plc consisted of 619,636,656 (2023: 583,064,256) Ordinary Shares having a nominal value of £0.25 per Ordinary Share.
2. Other reserves primarily includes the deferred equity consideration arising from business combinations of £61.3 million (2023: £156.2 million), made up of the following: TheoremOne for £26.4 million, Raccoon for £17.4 million, XX Artists for £17.5 million, the treasury shares issued in the name of S^4Capital plc to an employee benefit trust for the amount of £0.3 million (2023: £1.2 million), share buy-backs of £2.5 million (2023: £nil) and hyperinflation restatement in Argentina of £12.0 million (2023: £7.5 million).
3. The comparatives as at 31 December 2023 and 1 January 2023 have been restated to account for the recognition of deferred tax balances related to certain business combinations in the prior years (see Note 2).

Consolidated statement of cashflows

For the year ended 31 December 2024

	Note	2024 £m	2023 £m
Cash flows from operating activities			
Loss before income tax		**(330.9)**	**(13.9)**
Net finance costs		**26.4**	35.4
Depreciation, amortisation and impairment		**373.5**	77.9
Share-based payments		**6.8**	10.1
Acquisition, restructuring and other one-off expenses		**23.8**	11.9
Employment linked contingent consideration paid[1]		**(2.9)**	(77.7)
Restructuring and other one-off expenses paid		**(21.1)**	(20.8)
Share of profit in joint venture		**(0.1)**	(0.2)
Loss/(gain) on the net monetary position		**1.7**	(1.3)
Other non-cash items		**2.0**	(9.8)
(Increase)/decrease in trade and other receivables		**(44.4)**	11.3
Increase/(decrease) in trade and other payables		**58.3**	(13.1)
Cash flows from operations		**93.1**	**9.8**
Income taxes paid		**(9.0)**	(20.5)
Net cash flows generated from/(used in) operating activities		**84.1**	**(10.7)**

Cash flows from investing activities			
Purchase of intangible assets		**(4.2)**	(2.1)
Purchase of property, plant and equipment		**(4.0)**	(5.9)
Proceeds from disposal of property, plant and equipment		**0.1**	-
Acquisition of subsidiaries, net of cash acquired[1]	6, 9	**(7.0)**	(3.1)
Interest received		**2.1**	-
Dividends from joint venture		**0.2**	-
Amounts withdrawn from/(paid into) security deposits		**0.5**	(2.2)
Cash flows used in investing activities		**(12.3)**	**(13.3)**
Cash flows from financing activities			
Proceeds from issuance of shares		-	0.2
Share buy-backs		**(2.5)**	-
Principal element of lease payments		**(12.7)**	(16.3)
Repayments of loans and borrowings		**(0.2)**	(0.2)
Interest and facility fees paid		**(29.1)**	(26.7)
Cash flows used in financing activities		**(44.5)**	**(43.0)**
Net movement in cash and cash equivalents		**27.3**	(67.0)
Cash and cash equivalents at the beginning of the year		**145.7**	223.6
Exchange loss on cash and cash equivalents		**(4.6)**	(10.9)
Cash and cash equivalents at the end of the year		**168.4**	**145.7**

Notes:

1. Acquisitions of subsidiaries comprises contingent consideration and holdback payments, net of cash released from escrow accounts of £3.3million (2023: £2.6 million). Employment linked contingent consideration paid is net of cash released from escrow accounts of £0.6 million (2023: £nil).

Notes to the consolidated financial statements

For the year ended 31 December 2024

1. General information

S[4]Capital plc ('S[4]Capital' or 'Company') is a public limited company incorporated on 14 November 2016 in the United Kingdom. The Company has its registered office at 12 St James's Place, London, SW1A 1NX, United Kingdom. Its shares are listed on the London Stock Exchange. The new UK Listing Rules, which came into force on 29 July 2024, have removed the distinction between standard and premium listing categories, which are now categorised as equity shares commercial companies (ESCC). As at the date of approval of the audited consolidated financial statements, S[4]Capital plc is in the equity shares (transition) category.

The consolidated financial statements represent the audited results of the Company and its subsidiaries (together referred to as 'S[4]Capital Group' or the 'Group').

S[4]Capital Group is a tech-led, new age/new era digital advertising and marketing and technology services company.

2. Basis of preparation

A. Statement of compliance

The financial statements of S[4]Capital plc have been prepared in accordance with UKadopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The financial information set out above does not constitute the Company's statutory accounts for the year ended 31 December 2024. The results for the year have been extracted from the 31 December 2024 audited consolidated financial statements which have been approved by the Board of Directors. The statutory accounts for 2024 have been reported on by the Group's auditors and will be delivered to the Registrar of Companies in due course. The audited financial information is prepared under the historical cost basis, unless stated otherwise in the accounting policies.

The Group has undertaken a detailed going concern assessment, reviewing cash flow projections for the next twelve months,

under both base and a severe yet plausible downside scenario. The primary assumptions in the base case are in accordance with the Group's Board-approved 2025-27 three-year plan, with these forecasts being in line with those considered for the goodwill impairment testing. The Directors believe that the Group's forecasts have been prepared on a prudent basis. Considering the Group's bank covenant and liquidity headroom and cost mitigation actions which could be implemented, the Directors have concluded that the Group will be able to operate within its facilities and comply with its banking covenants for the foreseeable future and therefore believe it is appropriate to prepare the financial statements of the Group on a going concern basis and that there are no material uncertainties which gives rise to a significant going concern risk. Given its debt maturity profile and available facilities, the Directors believe the Group has sufficient liquidity to match its requirements for the foreseeable future.

B. Restatement and re-presentation

Deferred tax related to business combinations

The Group has restated the comparative financial statements to account for the recognition of deferred tax balances related to certain business combinations in the prior years. This adjustment represents deferred tax assets recognised in respect of future tax deductions expected to be allowed for tax goodwill amortisation related to the payments of employment linked contingent consideration and acquisition expenses recognised in the post acquisition period on certain business combinations. We have also recognised deferred tax liabilities in respect of amortisation of goodwill for tax purposes expected to be allowed in certain jurisdictions. These restatements result in the recognition on a net basis of deferred tax assets in each of the restated years as noted below.

The impact of the above adjustment on total equity as at 1 January 2023 is an increase of £35.1 million.

The following table details the impact on the consolidated statement of profit or loss for the year ended 31 December 2023:

	31 December 2023		
	As reported £m	**Deferred tax adjustment £m**	**As restated £m**
Income tax credit/(expense)	**7.9**	**(8.3)**	**(0.4)**
Loss for the year	**(6.0)**	**(8.3)**	**(14.3)**
Attributable to the owners of the Company	**(6.0)**	**(8.3)**	**(14.3)**

Basic loss per share (pence)	(0.9)	(1.3)	(2.2)
Diluted loss per share (pence)	(0.9)	(1.3)	(2.2)

The following table details the impact on the consolidated balance sheet as at 31 December 2023:

	31 December 2023		
	As reported £m	Deferred tax adjustment £m	As restated £m
Non-current assets			
Deferred tax assets	7.3	17.4	24.7
Non-current liabilities			
Deferred tax liabilities	(32.7)	8.6	(24.1)
Equity			
Currency translation reserves	(5.3)	(0.8)	(6.1)
Retained earnings	482.1	26.8	508.9

The following table details the impact on the consolidated balance sheet as at 31 December 2022:

	31 December 2022			
	As reported £m	Deferred tax adjustment £m	Deferred tax offset £m	As restated £m
Non-current assets				
Deferred tax assets	5.4	39.1	(29.6)	14.9
Non-current liabilities				
Deferred tax liabilities	(54.1)	4.0	29.6	(28.5)
Equity				
Retained earnings	478.4	35.1	-	513.5

C. Functional and presentation currency

The consolidated financial statements are presented in Pound Sterling (GBP or £), the Company's functional currency. All financial information in Pound Sterling has been rounded to the nearest million unless otherwise indicated.

D. Principal risks and uncertainties

The principal risks and uncertainties facing the Group as at 31 December 2024 relate to the following:

- ¤ Macroeconomic headwinds
- ¤ Operational decision making and internal efficiencies
- ¤ Talent lifecycle
- ¤ Governance and compliance
- ¤ Artificial intelligence
- ¤ Business transformation
- ¤ Key customers
- ¤ Reputation risk
- ¤ Information security and data privacy
- ¤ Competitive environment

3. Significant accounting policies

The consolidated financial statements have been prepared on a consistent basis with the accounting policies of the Group which were set out on pages 154 to 164 of the Annual

Report and Accounts 2023, excluding the impact of amended standards as detailed below.

The following amended standards became applicable for the current reporting period. These are as follows:

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1

In January 2020 and October 2022, the International Accounting Standards Board issued amendments to IAS 1 Presentation to Financial Statements to specify the requirements for classifying liabilities as current or non-current. The Board decided that if an entity's right to defer settlement of a loan arrangement is subject to the entity complying with the required covenants only at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period.

The amendment further clarifies that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement for at least twelve months after the reporting period.

Disclosure is required when a liability arising from a loan covenant is classified as non-current and the entity's right to defer settlement is contingent on compliance with the future covenants within twelve months.

The adoption of this amendment on 1 January 2024 has no material impact on the Group's consolidated financial statements.

Lease Liability in a Sale and Leaseback - Amendments to IFRS 16

In September 2022, the International Accounting Standards Board issued Lease Liability in a Sale and Leaseback (Amendments to IFRS 16). The amendment to IFRS 16 Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The adoption of this amendment on 1 January 2024 has no material impact on the Group's consolidated financial statements.

Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the International Accounting Standards Board issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk

The adoption of this amendment on 1 January 2024 has no material impact on the Group's consolidated financial statements.

4. Critical accounting judgements and estimates

In preparing these consolidated financial statements, the critical accounting judgements and estimates made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Annual Report and Accounts 2023.

5. Statutory information and independent review

The condensed consolidated financial statements for the year ended 31 December 2024 do not constitute statutory accounts within the meaning of section 434 of the Companies

Act 2006. A full copy of the 2024 Annual Report and Accounts will be available online in April 2025. The statutory accounts for the year ended 31 December 2023 have been delivered to the Registrar of Companies and received an unqualified auditors' report, did not include a reference to any matters to which the auditors drew attention by way of an emphasis of matter and did not contain a statement under sections 498 (2) or (3) of the Companies Act 2006.

6. Acquisitions

Current year acquisitions

There were no material acquisitions during the year ended 31 December 2024.

Prior year acquisitions

XX Artists

During the year, the Group settled the remaining holdback of £1.3 million from escrow as the business had achieved the post acquisition EBITDA targets for the 12 month period ended 31 December 2022.

TheoremOne

Included within other reserves as at 31 December 2024 is £26.4 million, comprised of £26.4 million recognised as deferred equity consideration in 2023.

At 31 December 2024, £6.1 million of holdbacks remain relating to amounts held back due to cover and indemnify the Group against certain acquisition costs and damages. The Group currently expects to settle the maximum holdback amount. The amount payable would be dependent on the amount of these acquisition costs and damages, with the minimum amount payable being £nil.

4Mile

As a result of partially achieving post acquisition EBITDA targets for the 12 month period ended 31 December 2022, £6.7 million and £2.5 million were paid in cash to the Sellers during the year in relation to performance linked and employment linked contingent consideration respectively.

During the year, £2.2 million of holdbacks were paid from escrow, with a £2.3 million gain recognised in the consolidated statement of profit or loss through contingent considerations as remuneration. The remaining balance of holdbacks as at 31 December 2024 was therefore £nil.

Zemoga Group (Zemoga)

During the year, £0.4 million of holdbacks were paid from escrow. The remaining balance of holdbacks as at 31 December 2024 was therefore £nil.

7. Segment information

A. Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM has been identified as the Board of Directors of S^4Capital Group.

During the year, S^4Capital Group has three reportable segments as follows:

- Content practice: Creative content, campaigns, and assets at a global scale for paid, social and earned media - from digital platforms and apps to brand activations that aim to convert consumers at every possible touchpoint.
- Data&Digital Media practice: Full-service campaign management analytics, creative production and ad serving, platform and systems integration and transition, training and education.
- Technology Services practice: digital transformation services in delivering advanced digital product design, engineering services and delivery services.

The customers are primarily businesses across technology, FMCG and media and entertainment. Any intersegment transactions are based on commercial terms.

The Board of Directors monitor the results of the reportable segments separately for the purpose of making decisions about resource allocation and performance assessment prior to charges for tax, depreciation and amortisation.

The Board of S[4]Capital Group uses net revenue rather than revenue to manage the Company due to the fluctuating amounts of direct costs, which are recharged as part of revenue.

The following is an analysis of the Group's net revenue and results by reportable segments:

2024	Content £m	Data&Digital Media £m	Technology Services £m	Total £m
Revenue	566.7	195.0	86.5	848.2
Net revenue	475.5	192.4	86.7	754.6
Segment profit[1,2]	48.7	46.0	11.5	106.2
Overhead costs				(18.4)
Adjusted non-recurring and acquisition related expenses[3]				(35.6)
Depreciation, amortisation and impairment[4,5]				(355.0)
Net finance costs and gain on net monetary position				(28.1)
Loss before income tax				(330.9)

2023	Content £m	Data&Digital Media £m	Technology Services £m	Total £m
Revenue	**664.1**	**210.4**	**137.0**	**1,011.5**
Net revenue	528.9	207.3	137.0	873.2
Segment profit[1,2]	46.5	35.2	43.4	125.1
Overhead costs				(22.1)
Adjusted non-recurring and acquisition related expenses[3]				(22.0)
Depreciation and amortisation[4]				(60.8)
Net finance costs and loss on net monetary position				(34.1)
Loss before income tax				**(13.9)**

Notes:
1. Including £13.2 million (2023: £17.1 million) depreciation and £5.3 million impairment on right-of-use assets.
2. In arriving at segment profit, personnel costs of £368.7 million (2023: £419.3 million), £128.7 million (2023: £150.6 million) and £68.4 million (2023: £83.9 million) were deducted from Content, Data&Digital Media and Technology Services respectively.
3. Comprised of acquisition and restructuring expenses of £21.7 million (2023: £11.9 million), share-based payment costs of £6.5 million (2023: £10.1 million), impairment of right-of-use assets of £5.3 million (2023: £nil) and onerous lease provisions of £2.1 million (2023: £nil).
4. Includes impairment of intangibles of £204.4 million in Content and £96.8 million in Technology Services (2023: £nil).
5. Excluding £13.2 million (2023: £17.1 million) depreciation and £5.3 million impairment on right-of-use assets.

Segment profit represents the profit earned by each segment without allocation of the share of loss of joint ventures, central administration costs including Directors' salaries, finance income, non-operating gains and losses, and income tax expense. This is the measure reported to the Group's Board of Directors for the purpose of resource allocation and assessment of segment performance.

B. Information about major customers

One (2023: one) customer accounted for more than 10% of the Group's revenue during the year, contributing £148.1 million (2023: £177.5 million). The revenue from this customer was attributable to both the Content and Data&Digital Media segments.

8. Goodwill

Cost	2024 £m	2023 £m
At the start of the year	706.5	734.0
Acquired through business combinations	-	0.2

Foreign exchange differences	**(9.2)**	(27.7)
At the end of the year	**697.3**	**706.5**

Accumulated impairment	**2024 £m**	**2023 £m**
At the start of the year	**(15.2)**	(15.2)
Impairment charge in year	**(280.4)**	-
Foreign exchange differences	**(10.5)**	-
At the end of the year	**(306.1)**	**(15.2)**

Net book value	**2024 £m**	**2023 £m**
At the start of the year	**691.3**	718.8
At the end of the year	**391.2**	**691.3**

Goodwill represents the excess of consideration over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition.

Impairment testing

Goodwill acquired through business combinations is allocated to CGUs for the purpose of the impairment testing. The Group's three CGUs are Content, Data&Digital Media and Technology Services. The goodwill balance is allocated to each of the three CGUs as follows:

	2024 £m	**2023 £m**
Content	**197.1**	413.6
Data&Digital Media	**194.1**	197.6
Technology Services	**-**	80.1
Total	**391.2**	**691.3**

The recoverable amount for each CGU is determined using a value-in-use calculation. In determining the value-in-use, the Group uses forecast revenue and profits adjusted for non-cash transactions to generate cash flow projections. The forecasts are prepared by management based on the Board-approved three-year business plans for each CGU along with a one-year management-prepared extrapolation period. The forecasts reflect the expected financial performance for each CGU, and consider the impact of inflation and the latest macroeconomic trends and external factors, as well as historic performance and trends, amongst other factors.

The impairment of goodwill and customer relationships totals £301.2 million, with a related deferred tax credit of £20.8 million, resulting in a net charge of £280.4 million (2023: £nil) recognised during the year. This impairment reflects trading conditions in the second half of 2024 and the subsequent medium-term outlook following the completion of our budget and three-year planning process. These trends translated into ongoing client caution and lower activity in the Content CGU particularly with some of our larger technology clients in the second half of the year. Further, our outlook for the Technology Services CGU is
mainly affected by longer sales cycles for new business and a reduction in some of our larger relationships.

The table below sets out this year's impairment charge for the Content and Technology Services CGUs, along with their respective recoverable amounts for the year ended 31 December 2024:

	Impairment of goodwill £m	**Impairment of customer relationships £m**	**Deferred tax impact of impairment charge £m**	**Net Impairment charge £m**	**Recoverable amount £m**
Content	204.4	-	(7.9)	196.5	511.2
Technology Services	76.0	20.8	(12.9)	83.9	94.4
Total	**280.4**	**20.8**	**(20.8)**	**280.4**	**605.6**

For Content, with an impairment loss of £196.5 million, the range of net revenue growth rates across the four-year forecast period is between (0.6%) and 10.0%, and the range of EBITDA margin across the four-year forecast period is between 12.6% and 18.5%. A pre-tax discount rate of 15.1% has been used, with a long-term growth rate of 2.0%

applied in perpetuity beyond the four-year explicit forecast period.

For Technology Services, with an impairment loss of £83.9 million, the range of net revenue growth rates across the four-year forecast period is between (4.9%) and 10.2%, and the range of EBITDA margin across the four-year forecast period is between 15.7% and 17.0%. A pre-tax discount rate of 13.4% has been used, with a long-term growth rate of 2.0% applied in perpetuity beyond the four-year explicit forecast period.

Sensitivity analysis has been carried out for the value-in-use calculations of each CGU.

The following is a sensitivity analysis for impairment losses recognised in Content CGU and Technology Services CGU, in the case of changes in the key assumptions. The consequential impacts of the changes in net revenue growth and EBITDA margins on cash flow assumptions including working capital movements and tax charges have been incorporated into the sensitivity analyses set out below, but all other variables are held constant.

	Net revenue growth 20% reduction[1] £m	EBITDA margin 100bps reduction[2] £m
Content	22.7	36.9
Technology Services	4.4	6.5

Notes:
1. A 20% reduction has been applied to net revenue growth rate in each year of the explicit forecast period, with the long-term growth rate unchanged.
2. A 100 basis point reduction in EBITDA margin has been applied in each year of the forecast period, including in the terminal period.

For Data&Digital Media, with a headroom of £1.1 million, the range of net revenue growth rates across the four-year forecast period is between (0.6%) and 15.2%, and the range of EBITDA margin across the four-year forecast period is between 16.0% and 19.0%. A pre-tax discount rate of 14.3% has been used, with a long-term growth rate of 2.0% applied in perpetuity beyond the four-year explicit forecast period. The recoverable amount would equal the carrying amount either if net revenue growth range were to be reduced to a range of (0.6%) to 14.9% (with margins remaining unchanged) or if EBITDA margin were to be
reduced to a range of 15.9% to 18.9% (with net revenue growth remaining unchanged).

The following is a sensitivity analysis for Data&Digital Media, in the case of changes in the key assumptions. The consequential impacts of the changes in net revenue growth and EBITDA margins on cash flow assumptions including working capital movements and tax charges have been incorporated into the sensitivity analyses set out below, but all other variables are held constant.

	Net revenue growth 20% reduction[1] £m	EBITDA margin 100bps reduction[2] £m
Data&Digital Media	10.8	14.3

Notes:
1. A 20% reduction has been applied to net revenue growth rate in each year of the explicit forecast period, with the long-term growth rate unchanged.
2. A 100 basis point reduction in EBITDA margin has been applied in each year of the forecast period, including in the terminal period.

9. Financial instruments

Financial instruments by category

Financial assets	2024 £m	2023 £m
Financial assets held at amortised cost		
Cash and cash equivalents	168.4	145.7
Trade receivables	364.7	346.8
Accrued income	31.1	28.2
Other receivables	48.2	33.1
Total	**612.4**	**553.8**

Financial liabilities	2024 £m	2023 £m
Financial liabilities held at amortised cost		
Trade and other payables	(412.8)	(348.9)
Loans and borrowings	(307.4)	(321.1)
Lease liabilities	(42.5)	(49.0)
Financial liabilities held at fair value through profit and loss		
Contingent consideration and holdbacks	(9.5)	(25.5)
Total	**(772.2)**	**(744.5)**

The following table categorises the Group's financial liabilities held at fair value on the consolidated balance sheet. There have been no transfers between levels during the year (2023: none).

Financial liabilities	2024 Fair value £m	2024 Level 3 £m	2023 Fair value £m	2023 Level 3 £m
Contingent consideration and holdbacks	(9.5)	(9.5)	(25.5)	(25.5)
Total	(9.5)	(9.5)	**(25.5)**	**(25.5)**

The following table shows the movement in contingent consideration and holdbacks.

Contingent consideration and holdbacks	Performance linked contingent consideration £m	Employment linked contingent consideration £m	Holdbacks[1] £m	Total £m
Balance at 1 January 2023	**(10.9)**	**(151.7)**	**(26.0)**	**(188.6)**
Acquired through business combinations	(0.4)	-	-	(0.4)
Recognised in consolidated statement of profit or loss[2]	1.6	4.1	5.8	11.5
Cash paid	-	77.7	5.9	83.6
Equity settlement	-	62.3	0.4	62.7
Exchange rate differences	0.7	4.6	0.4	5.7
Balance at 31 December 2023	**(9.0)**	**(3.0)**	**(13.5)**	**(25.5)**
Acquired through business combinations	-	-	-	-
Recognised in consolidated statement of profit or loss[2]	-	(0.7)	3.0	2.3
Cash paid	6.7	2.9	3.9	13.5
Equity settlement	-	-	0.2	0.2
Exchange rate differences	(0.1)	-	0.1	-
Balance at 31 December 2024	(2.4)	(0.8)	(6.3)	(9.5)
Included in current liabilities	(8.6)	(3.0)	(6.6)	(18.2)
Included in non-current liabilities	(0.4)	-	(6.9)	(7.3)
Balance at 31 December 2023	**(9.0)**	**(3.0)**	**(13.5)**	**(25.5)**
Included in current liabilities	(2.4)	(0.8)	(1.5)	(4.7)
Included in non-current liabilities	-	-	(4.8)	(4.8)
Balance at 31 December 2024	(2.4)	(0.8)	(6.3)	(9.5)

Notes:

1. Holdback payments of £3.9 million (2023: £5.9 million) includes £3.9 million (2023: £3.3 million) of cash paid out of escrow accounts.

2. Includes a charge of £0.7 million (2023: £13.2 million) relating to employment linked contingent consideration and holdback deemed remuneration and a credit of £3.0 million relating to a fair value gain (2023: £24.7 million credit).

Where the contingent consideration conditions have been satisfied, consideration that is payable as equity is recognised within other reserves as deferred equity consideration.

The fair value of the performance linked contingent consideration has been determined based on management's best estimate of achieving future targets to which the consideration is linked. The most significant unobservable input used in the fair value measurements is the future forecast performance of the acquired business. The fair value is assessed and recognised at the acquisition date, and reassessed at each balance sheet date thereafter, until fully settled, cancelled or expired. Any change in the range of future outcomes is recognised in the consolidated statement of profit or loss. During the year ended 31 December 2024, a fair value gain of £nil (2023: £1.6 million gain) was recognised in the consolidated statement of profit or loss.

The fair value of the employment linked contingent consideration has been determined based on management's best estimate of achieving future targets to which the consideration is linked. The most significant unobservable input used in the fair value measurements is the future forecast performance of the acquired business. The fair value is assessed at the acquisition date, and systematically accrued over the respective employment term. Any changes in the range of future outcomes are recognised in the consolidated statement of profit or loss. During the year ended 31 December 2024, a £0.7 million charge (2023: £4.1 million gain) was recognised in the consolidated statement of profit or loss. The £0.7 million charge (2023: £4.1 million gain) comprised a charge of £0.7 million (2023: £13.2 million) relating to the systematic accrual of the employment linked contingent consideration and a fair value gain of £nil (2023: £17.3 million gain).

Holdbacks relate to amounts held by the Group to cover and indemnify the Group against certain acquisition costs and damages. The fair value of the holdbacks has been determined based on management's best estimate of the level of the costs incurred and damages expected to which the holdback is linked, which is the most significant unobservable input used in the fair value measurement. During the year ended 31 December 2024, a £3.0 million gain (2023: £5.8 million gain) has been recognised in the consolidated statement of profit or loss, which related to holdbacks liabilities linked to employment. No further amounts are to be charged to the consolidated statement of profit or loss.

10. Net debt reconciliation

The following table shows the reconciliation of net cash flow to movements in net debt:

	Borrowings and overdrafts £m	Cash £m	Net debt £m	Leases £m	Net debt including lease liabilities £m
Net debt as at 1 January 2023	**(333.8)**	**223.6**	**(110.2)**	**(58.4)**	**(168.6)**
Financing cash flows	0.2	(67.0)	(66.8)	16.3	(50.5)
Acquired through business combinations	-	-	-	(0.2)	(0.2)
Lease additions	-	-	-	(14.0)	(14.0)
Foreign exchange adjustments	6.8	(10.9)	(4.1)	1.1	(3.0)
Interest expense	(22.7)	-	(22.7)	(2.3)	(25.0)
Interest payment	23.1	-	23.1	2.3	25.4
Other	(0.1)	-	(0.1)	6.2	6.1
Net debt as at 31 December 2023	**(326.5)**	**145.7**	**(180.8)**	**(49.0)**	**(229.8)**
Financing cash flows	**0.2**	**27.3**	**27.5**	**12.7**	**40.2**
Acquired through business combinations	**-**	**-**	**-**	**-**	**-**
Lease additions	**-**	**-**	**-**	**(2.0)**	**(2.0)**
Foreign exchange adjustments	**15.0**	**(4.6)**	**10.4**	**1.6**	**12.0**
Interest expense	**(25.5)**	**-**	**(25.5)**	**(2.5)**	**(28.0)**
Interest payment	**25.5**	**-**	**25.5**	**2.5**	**28.0**
Other	**-**	**-**	**-**	**(5.8)**	**(5.8)**
Net debt as at 31 December 2024	**(311.3)**	**168.4**	**(142.9)**	**(42.5)**	**(185.4)**

11. Related party transactions

During the year the Group invested in Hoorah Digital Proprietary Limited, a South African, minority-owned, digital media business. Key management personnel compensation and the interest in S4S Ventures is detailed in the Annual Report and Accounts 2023. S^{4}Capital Group did not have any other related party transactions during the financial year (2023: nil).

12. Events occurring after the reporting year

The Revolving Credit Facility has been extended to a maturity date of February 2028 for £80 million, with all four relationship banks extending on the same terms. The RCF remains undrawn as at 31 December 2024. On the 23 March 2025 the Board proposed a final dividend of 1p per share, amounting to £6.1 million, subject to shareowner approval. This will be paid on 10 July 2025 to all shareowners on the register as at 6 June 2025. There were no other material post balance sheet events, that require adjustment or disclosure, occurring between the reporting period and the 23 March 2025.

Appendix- Alternative Performance Measures

The Group has included various alternative performance measures (APMs) in its audited consolidated financial statements. The Group includes these non-GAAP measures as it considers these measures to be both useful and necessary to the readers of these audited consolidated financial statements to help them more fully understand the performance and position of the Group. The Group's measures may not be calculated in the same way as similarly titled measures reported by other companies. The APMs should not be viewed in isolation and should be considered as additional supplementary information to the IFRS measures. Full reconciliations have been provided between the APMs and their closest IFRS measures.

The Group has concluded that these APMs are relevant as they represent how the Board assesses the performance of the Group and they are also closely aligned with how shareowners value the business. They provide like-for-like, year-on-year comparisons and are closely correlated with the cash inflows from operations and working capital position of the Group. They are used by the Group for internal performance analysis and the presentation of these measures facilitates comparison with other industry peers as they adjust for non-recurring factors which may materially affect IFRS measures. Adjusting items for the Group include amortisation of acquired intangibles, acquisition related expenses costs, share-based payments, employment-related acquisition costs and restructuring costs. Whilst adjusted measures exclude amortisation of intangibles, acquisition costs and restructuring costs they do include the revenue from acquisitions and the benefits of the restructuring programmes and therefore should not be considered a complete picture of the Group's financial performance, that is provided by the IFRS measures.

The adjusted measures are also used in the calculation of the adjusted earnings per share and banking covenants as per our agreements with our lenders.

APM	Closest IFRS measure	Adjustments to reconcile to IFRS Measure	Reason for use
Consolidated statement of profit or loss			
Controlled Billings	Revenue	Includes media spend contracted directly by clients with media providers and pass-through costs (see reconciliation A1 below)	It is an important measure to help understand the scale of the activities that Group has managed on behalf of its clients, in addition to the activities that are directly invoiced by the Group.

Billings	Revenue	Includes pass through costs (see reconciliation A1 below)	It is an important measure to understand the activities that are directly invoiced by the Group to its clients.
Net Revenue	Revenue	Excludes direct costs (see reconciliation A2 below)	This is more closely aligned to the fees the Group earns for its services provided to the clients. This is a key metric used by the Group when looking at the Practice performance.
Operational EBITDA	Operating profit	Excludes acquisition related expenses, non-recurring items (primarily acquisition payments tied to continued employment, amortisation of business combination intangible assets and restructuring and other one-off expenses) and recurring share-based payments, and includes right-of-use assets depreciation. (see reconciliation A3 below)	Operational EBITDA is Operating profit or loss before the impact of adjusting items, amortisation of intangible assets and PPE depreciation. The Group considers this to be an important measure of Group performance and is consistent with how the Group is assessed by the Board and investment community.
Like-for-Like	Revenue and operating profit	Is the prior year comparative, in this case 2023, restated to include acquired businesses for the same months as 2024, and restated using same FX rates as used in 2024 (see reconciliations A4 below)	Like-for-like is an important measure used by the Board and investors when looking at Group performance. It provides a comparison that reflects the impact of acquisitions and changes in FX rates during the year.

APM	**Closest IFRS measure**	**Adjustments to reconcile to IFRS Measure**	**Reason for use**
Pro-forma	Revenue and operating profit	Is the year consolidated results in constant currency and for acquisitions as if the Group had existed in full for the year (see reconciliations A5 below)	Pro-forma figures are used extensively by management and the investment community. It is a useful measure when looking at how the Group has changed in light of the number of acquisitions that have been completed and to understand the performance of the Group.
Adjusted basic earnings per share	Basic earnings per share	Excludes amortisation of intangible assets, acquisition related expenses, share-based payments and restructuring and other one-off expenses (see reconciliation A6 below)	Adjusted basic earnings per share is used by management to understand the earnings per share of the Group after removing non-recurring items and those linked to combinations.

Adjusted (loss)/profit for the year	(Loss)/Profit for the year	Excludes amortisation of intangible assets, acquisition related expenses, share-based payments and restructuring and other one-off expenses (see reconciliation A6 below)	Adjusted (loss)/profit for the year is used by management to understand the (loss)/profit for the Group after removing non-recurring items and those linked to combinations.
Consolidated balance sheet			
Net debt	Cash and loans and borrowings	Net debt is cash less gross bank loans (excluding transaction costs and lease liabilities). This is a key measure used by management and in calculations for bank covenants (see reconciliation A7 below)	Net debt is a commonly used metric to identify the debt obligations of the Group after utilising cash in bank.
Consolidated statement of cashflows			
Free cash flow	Net cash (used in)/from operating activities	Net cash flow from operating activities adjusted for investments in intangibles and property, plant and equipment, lease liabilities, interest and facility fees paid, security deposits and employment linked contingent consideration paid.	Free cash flow is a commonly used metric used to identify the amount of cash at the disposal of the Group.

Billings and controlled billings (A1)	**2024 £m**	**2023 £m**
Revenue	**848.2**	1,011.5
Pass-through expenses	**1,114.8**	859.0
Billings[1]	**1,963.0**	1,870.5
Third party billings direct to clients	**3,254.5**	3,152.3
Controlled billings[2]	**5,217.6**	**5,022.8**

Notes:

1. Billings is gross billings to clients including pass-through expenses.
2. Controlled billings are billings we influenced.

Net revenue (A2)	**2024 £m**	**2023 £m**
Revenue	**848.2**	1,011.5
Direct costs	**(93.6)**	(138.3)
Net revenue	**754.6**	**873.2**

Reconciliation to operational EBITDA (A3)	**2024 £m**	**2023 £m**
Operating (loss)/profit	**(302.8)**	**20.2**
Amortisation of intangible assets	**44.3**	48.6
Impairment of intangible assets	**301.2**	-
Acquisition expenses	**(1.3)**	(9.2)
Share-based payments	**6.5**	10.1
Restructuring and other one-off expenses[1]	**30.4**	11.8
Depreciation of property, plant and equipment[2]	**9.5**	12.2
Net Revenue	**87.8**	**93.7**

Notes:

1. Restructuring and other one-off expenses relate to restructuring costs of £18.8 million (2023: £18.2 million), transformation costs of £4.2 million (2023: £2.9 million), impairment of right-of-use assets of £5.3 million (2023: £nil), onerous lease provision of £2.1 million (2023: £nil), offset by £nil (2023: £9.3 million) due to the significant devaluation of the Argentinian peso.
2. Depreciation of property, plant and equipment is exclusive of depreciation on right-of-use assets and includes £nil (2023: £0.5 million expense) relating to the significant devaluation of the Argentinian peso.

Like-for-Like (A4)

Like-for-like revenue	**Content**	**Data&Digital Media**	**Technology Services**	**Total**
Year ended 31 December 2023	**£m**	**£m**	**£m**	**£m**

Revenue	**664.1**	**210.4**	**137.0**	**1,011.5**
Impact of acquisitions	-	-	1.1	1.1
Impact of foreign exchange	(19.5)	(7.7)	(3.9)	(31.1)
Like-for-like revenue[1]	**644.6**	**202.7**	**134.2**	**981.5**
% like-for-like revenue change	**(12.1%)**	**(3.8%)**	**(35.5%)**	**(13.6%)**

Like-for-like net revenue	**Content**	**Data&Digital Media**	**Technology Services**	**Total**
Year ended 31 December 2023	**£m**	**£m**	**£m**	**£m**
Net revenue	**528.9**	**207.3**	**137.0**	**873.2**
Impact of acquisitions	-	-	1.1	1.1
Impact of foreign exchange	(15.3)	(7.6)	(4.0)	(26.9)
Like-for-like net revenue[1]	**513.6**	**199.7**	**134.1**	**847.4**
% like-for-like net revenue change	**(7.4%)**	**(3.7%)**	**(35.3%)**	**(11.0%)**

Like-for-like operational EBITDA	**Total**
Year ended 31 December 2023	**£m**
Operational EBITDA	**93.7**
Impact of acquisitions	(0.2)
Impact of foreign exchange	(5.2)
Like-for-like operational EBITDA[1]	**88.3**
% like-for-like operational EBITDA change	(0.6%)

Notes:

1. Like-for-like is a non-GAAP measure and relates to 2023 being restated to show the audited numbers for the previous year of the existing and acquired businesses consolidated for the same months as in 2024, applying currency rates as used in 2024.

Pro-forma (A5)	**Content**	**Data&Digital**	**Technology**	**Total**
Pro-forma revenue	**£m**	**Media £m**	**Services £m**	**£m**
FY24 Revenue	**566.7**	**195.0**	**86.5**	**848.2**
Impact of acquisitions	**-**	**-**	**-**	**-**
FY24 Pro-forma revenue[1]	**566.7**	**195.0**	**86.5**	**848.2**
FY23 Revenue	**664.1**	**210.4**	**137.0**	**1,011.5**
Impact of acquisitions	-	-	1.1	1.1
Impact of foreign exchange	(19.5)	(7.7)	(3.9)	(31.1)
FY23 Pro-forma revenue[1]	**644.6**	**202.7**	**134.2**	**981.5**
% pro-forma revenue change	**(12.1%)**	**(3.8%)**	**(35.5%)**	**(13.6%)**

Pro-forma net revenue	**Content £m**	**Data&Digital Media £m**	**Technology Services £m**	**Total £m**
FY24 net revenue	**475.5**	**192.4**	**86.7**	**754.6**
Impact of acquisitions	**-**	**-**	**-**	**-**
FY24 Pro-forma net revenue[1]	**475.5**	**192.4**	**86.7**	**754.6**
FY23 net revenue	**528.9**	**207.3**	**137.0**	**873.2**
Impact of acquisitions	-	-	1.1	1.1
Impact of foreign exchange	(15.3)	(7.6)	(4.0)	(26.9)
FY23 Pro-forma net revenue[1]	**513.6**	**199.7**	**134.1**	**847.4**
% pro-forma net revenue change	**(7.4%)**	**(3.7%)**	**(35.3%)**	**(11.0%)**

Pro-forma operational EBITDA	**Total £m**
FY24 operational EBITDA	**87.8**
Impact of acquisitions	-
FY24 Pro-forma operational EBITDA[1]	**87.8**
FY23 operational EBITDA	**93.7**
Impact of acquisitions	(0.2)
Impact of foreign exchange	(5.2)
FY23 Pro-forma operational EBITDA[1]	**88.3**
% pro-forma operational EBITDA change	(0.6%)

Notes:

1. Pro-forma relates to audited non-statutory and non-GAAP consolidated results in constant currency as if the Group had existed in full for the year and have been prepared under comparable GAAP with no consolidation eliminations in the pre-acquisition period.

Adjusted basic earnings per share (A6)

Year ended 31 December 2024	Reported £m	Amortisation[1] £m	Impairment of intangibles £m	Acquisition expenses[2] £m	Share-based payments £m	Restructuring and other one-off expenses[3] £m	Adjusted £m
Operating (loss)/profit	(302.8)	44.3	301.2	(1.3)	6.5	30.4	78.3
Net finance expenses	(26.4)	-	-	-	-	-	(26.4)
Loss on net monetary position	(1.7)	-	-	-	-	-	(1.7)
(Loss)/profit before income tax	(330.9)	44.3	301.2	(1.3)	6.5	30.4	50.2
Income tax credit/(expense)	24.0	(12.0)	(20.8)	-	(0.8)	(5.9)	(15.5)
(Loss)/profit for the year	(306.9)	32.3	280.4	(1.3)	5.7	24.5	34.7

Notes:

1. Amortisation relates to the intangible assets recognised as a result of the acquisitions.
2. Acquisition expenses relate to acquisition related advisory fees of £1.0 million, contingent consideration as remuneration of £0.7 million and remeasurement gain on contingent considerations of £3.0 million.
3. Restructuring and other one-off expenses relate to restructuring costs of £18.8 million, transformation costs of £4.2 million, impairment of right-of-use assets of £5.3 million and onerous lease provision of £2.1 million.

Year ended 31 December 2023	Reported £m	Amortisation and impairment[1] £m	Acquisition expenses[2] £m	Share-based payments £m	Restructuring and other one-off expenses[3] £m	Adjusted £m
Operating profit	**20.2**	**48.6**	**(9.2)**	**10.1**	**12.3**	**82.0**
Net finance expenses	(35.4)	-	-	-	1.5	(33.9)
Gain/(loss) on net monetary position	1.3	-	-	-	(1.3)	-
(Loss)/profit before income tax	**(13.9)**	**48.6**	**(9.2)**	**10.1**	**12.5**	**48.1**
Income tax expense[4]	(0.4)	(14.7)	-	(0.7)	(4.1)	(19.9)
(Loss)/profit for the year[4]	**(14.3)**	**33.9**	**(9.2)**	**9.4**	**8.4**	**28.2**

Notes:

1. Amortisation and impairment relates to the intangible assets recognised as a result of the acquisitions.
2. Acquisition expenses relate to acquisition related advisory fees of £2.3 million, contingent consideration as remuneration of £12.2 million and remeasurement gain on contingent considerations of £24.7 million.
3. Restructuring and other one-off expenses relate to restructuring costs of £18.2 million, transformation costs of £2.9 million, offset by £8.8 million due to the significant devaluation of the Argentinian peso.
4. The comparatives for the year ended 31 December 2023 have been restated to account for the recognition of deferred tax balances related to certain business combinations in the prior years (see Note 2).

Adjusted basic result per share	2024	2023[1]

Adjusted profit attributable to owners of the Company (£m)	**34.7**	28.2
Weighted average number of ordinary shares for the purpose of basic EPS (shares)	**671,956,509**	639,218,703
Adjusted basic earnings per share (pence)	**5.2**	4.4

Notes:

1. The comparatives for the year ended 31 December 2023 have been restated to account for the recognition of deferred tax balances related to certain business combinations in the prior years (see Note 2).

Net debt (A7)	**2024 £m**	**2023 £m**
Cash and bank	**168.4**	145.7
Loans and borrowings	**(311.3)**	(326.5)
Net debt	**(142.9)**	**(180.8)**
Lease liabilities	**(42.5)**	(49.0)
Net debt including lease liabilities	**(185.4)**	**(229.8)**

Free cash flow (A8)	**2024 £m**	**2023 £m**
Net cash inflow/(outflow) from operating activities	**83.0**	**(10.7)**
Employment linked contingent consideration paid	**2.9**	77.7
Interest and facility fees paid	**(29.1)**	(26.7)
Interest received	**2.1**	-
Purchase of intangible assets	**(4.2)**	(2.1)
Purchase of property, plant and equipment	**(4.0)**	(5.9)
Security deposits	**0.5**	(2.2)
Principal element of lease payments	**(12.7)**	(16.3)
Other non-cash items	**(0.7)**	-
Free cash flow	**37.8**	**13.8**