

Q1 2023 Trading Update

11 May 2023

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Chapter 1

Trading Update

Financial Headlines and Guidance

Q1 Revenue

£261.7m

+26.5% reported
+6.1% like-for-like¹

Q1 Net revenue

£219.1m

+28.1% reported
+6.8% like-for-like

Net Debt²

£135.7m

1.0x leverage³
FY net debt expected £180-£220m

2023 Net revenue

Maintaining 8-12% year on year growth guidance⁴

2023 EBITDA margin

15-16% targeted⁵

Longer term EBITDA margin targeted to return to historic levels

H1/H2 EBITDA

Significantly weighted to H2

The Board expects continued progress for the full year, despite economic volatility

1. Like-for-like is a non-GAAP measure related to 2022 being restated to show the unaudited numbers for the previous year of the existing and acquired businesses consolidated for the same months as in 2023 applying currency rates as used in 2023
2. Net debt excludes lease liabilities
3. Net debt leverage is calculated as net debt / pro forma Operational EBITDA
4. Growth guidance based on 2022 pro-forma net revenue of £907 million. Relates to unaudited full year non-statutory and non-GAAP consolidated net revenue 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, and adjusted for Mondelēz, which will cease to be a “whopper” in 2023
5. This is a target not a profit forecast

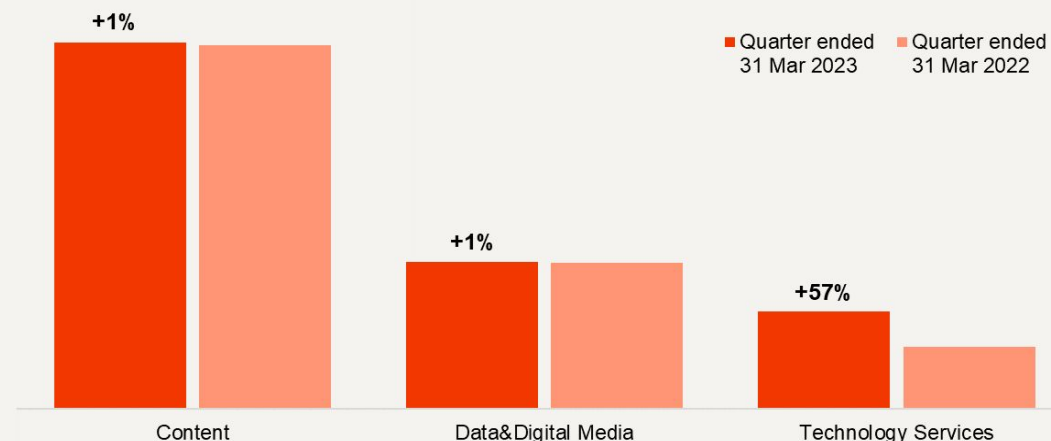
Growth by Practice and Region

£ millions	Quarter ended 31 Mar 2023	Quarter ended 31 Mar 2022	Change Reported	Change Like-for-like
Content	131.4	115.6	13.7%	0.8%
Data&Digital Media	52.7	48.7	8.2%	0.6%
Technology Services	35.0	6.8	414.7%	57.0%
Net revenue	219.1	171.1	28.1%	6.8%

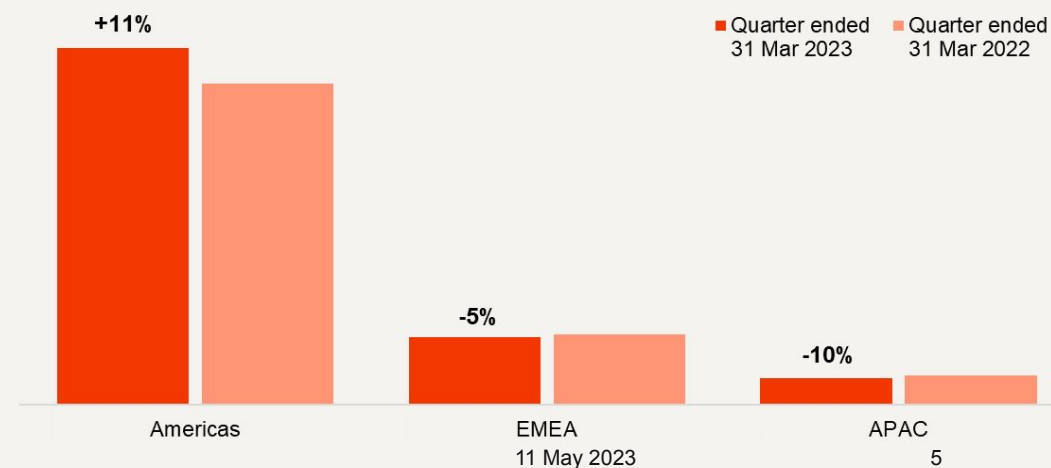
∕ The full year guidance range of 8-12% excluded the impact of one account scope reduction (Mondelēz), and on that basis like-for-like growth was 8% for Q1

£ millions	Quarter ended 31 Mar 2023	Quarter ended 31 Mar 2022	Change Reported	Change Like-for-like
Americas	173.6	124.5	39.4%	10.9%
EMEA	32.7	33.0	-0.9%	-4.7%
APAC	12.8	13.6	-5.9%	-9.9%
Net revenue	219.1	171.1	28.1%	6.8%

Net revenue by Practice, like-for-like



Net revenue by Region, like-for-like





Chapter 2

ARTIFICIAL INTELLIGENCE UPDATE

WHAT'S HAPPENING **now**

AI WILL CHANGE
THE ECONOMICS
OF ~~ADVERTISING~~
EVERYTHING





OPPORTUNITY:

FULFILL THE
ORIGINAL PROMISE
& INTENT OF DIGITAL



NO MARKETER
CAN IGNORE THIS
TECHNOLOGY



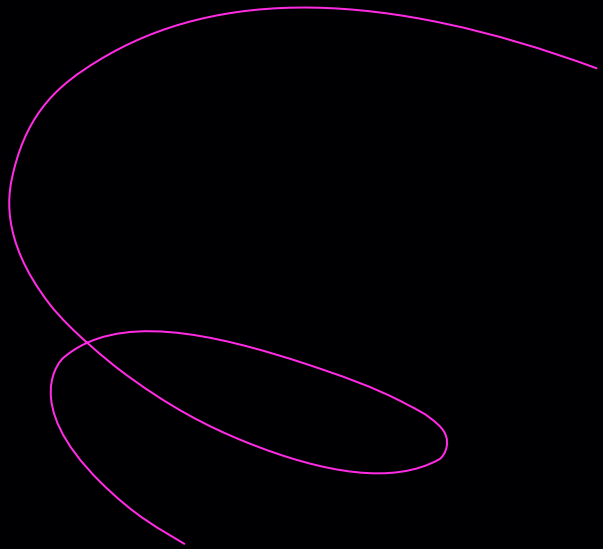
ENTERPRISE
IS ALL ABOUT
MINIMIZING RISK

THIS IS *DAY ZERO*

Communications
Copyright
Ethics
Brand safety

Technology
Infosec
Partners
Operations...

- Brand Advisory ✓
- Creative Fatigue ✓
- Brand Experience ✓
- In-house Agency ✓
- Virtual Production ✓
- Data & Cloud ✓



WE'RE *UNLOCKING*
AI FOR OUR CLIENTS

WHY BET
ON S4?



WHY S4?



VentureBeat

AI can solve work we know needs to happen, but takes away hours from creative vision

- Wesley ter Haar, 2017

WHY S4?

AI *ALREADY* AUGMENTS OUR WORKFLOWS



Ask Turing.Monk

Give me the 5 best line items based on total i

Search

LINE_ITEM
Example Line Item #34783314
Example Line Item #34783315
Example Line Item #17741154394
Example Line Item #18325634123
Example Line Item #18266848749

MonkGPT

Model

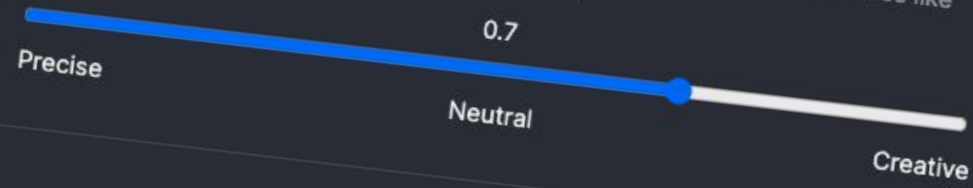
Default (GPT-3.5)

System Prompt

You are MonkGPT, an LLM trained by OpenAI. Follow the user's instructions carefully. Respond using markdown. Limit prose.

Temperature

Higher values like 0.8 will make the output more random, while lower values like 0.2 will make it more focused and deterministic.



WHY S4?

WE'RE ABLE TO SOLVE KEY CHALLENGES

INPUTS



Collect

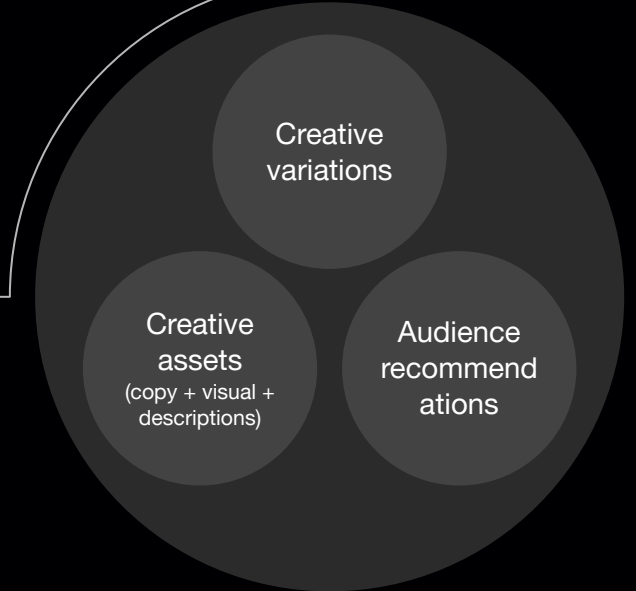
Build

Transform

Generate

Continuous learning

OUTPUTS



BECAUSE OF
OUR *SINGLE P&L*



WE'RE ON A MISSION TO
BE THE WORLD'S MOST
AI EMPOWERED
PARTNER

QUESTIONS WE'VE HEARD

QUESTIONS WE'VE HEARD FROM YOU

SCALE

SECTOR

SALES

KIKI



Hi I'm KIKI



Chapter 3

Q&A



Chapter 4

Appendix

Appendix | Additional information

Guidance on adjusting items for 2023

- / Amortisation c.£65m
- / Share based payments c.£15-£20m
- / Acquisition, restructuring and other expenses c.£55-£65m
- / Total adjusting items expected c.£135-£150m

Weighted average share count

- / Expected weighted average share count for 2023 of c.670m²
- / Expected weighted average share count for 2024 of c.680m²

Shares Consideration Committed

- / Deferred share issuance of c.14m shares in 2023 and c.36m in 2024, totalling c.50m
- / Expected contingent consideration shares of c.71m in 2023 (assuming current share price¹)

Cash Contingent Consideration

- / Expected cash contingent commitments of c.£102m in 2023

Invested Capital

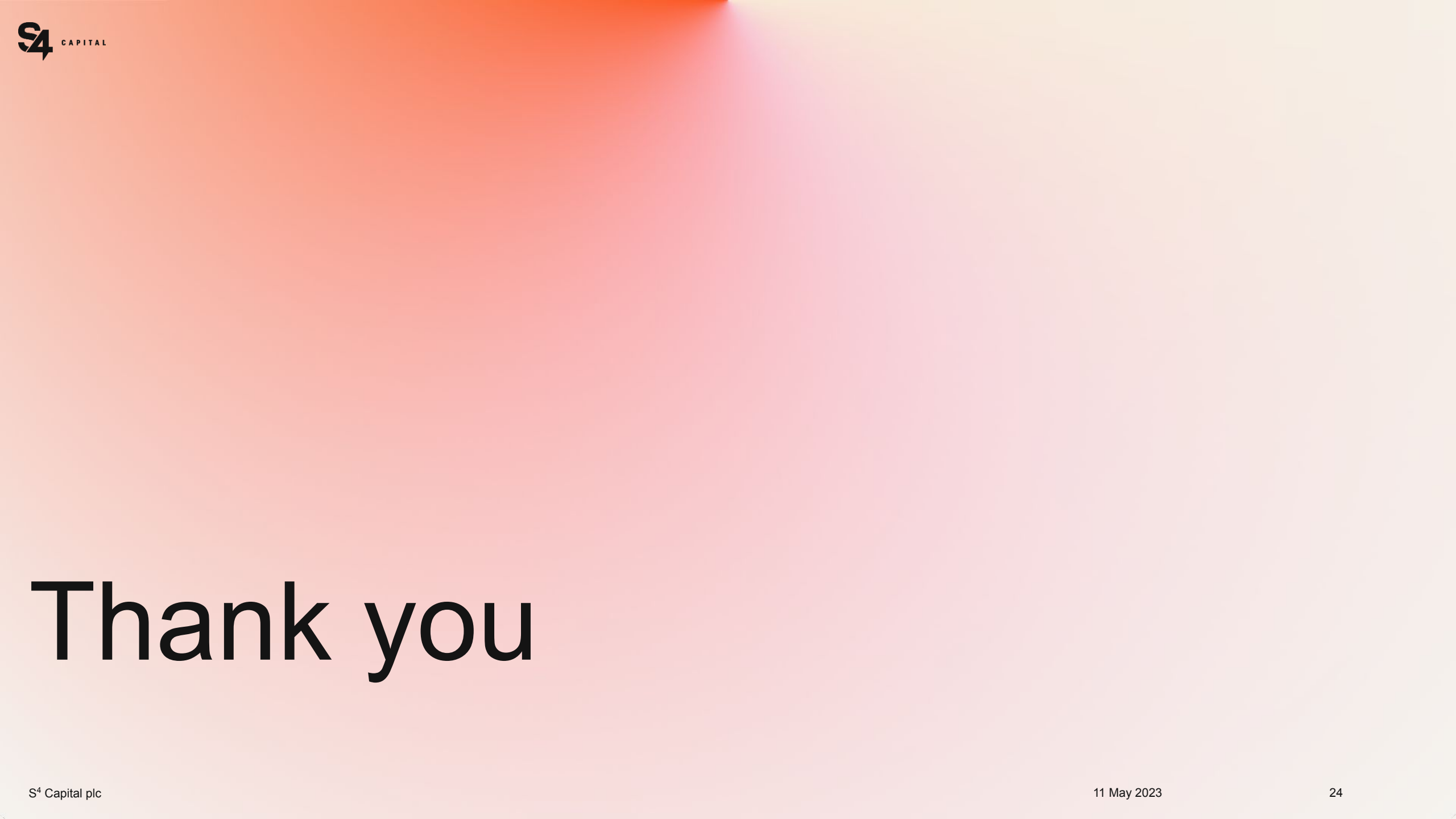
- / Invested capital to date c.£1bn³
- / Invested capital plus 6% CAGR to date c.£1.2bn⁴

1. Calculated using the closing share price on 2nd May 2023 of 143.4p

2. Estimated weighted average share count excluding any impact due to the incentive shares. Note this number will fluctuate depending on the share price applied to, and timing of contingent consideration shares

3. Invested capital is the sterling value of capital injected into S⁴ Capital 2 Ltd which effectively mirrors the net proceeds of equity issuance by S⁴ Capital plc-plus the sterling value of all ordinary shares issued by S⁴ Capital plc as consideration for mergers and acquisitions

4. Invested capital plus 6% CAGR is the sterling value of invested capital as increased at a compound annual growth rate of 6% from the date of the injection into S⁴ Capital 2 Ltd which is effectively the date of any equity issuance by S⁴ Capital plc for cash and the date any consideration for mergers and acquisition became due up to 4 May 2023



Thank you