



RNS Number : 3739A
S4 Capital PLC
22 January 2024

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S4 Capital plc
("S⁴Capital" or "the Company" or "the Group")
Fourth Quarter Trading Update
In line with revised November expectations

S⁴Capital plc (SFOR.L), the tech-led, new age/new era digital advertising, marketing and technology services company, today confirms that trading in the fourth quarter of 2023 was in line with expectations as outlined on 23 November 2023. As a result, the Company anticipates a like-for-like net revenue decline of around 4% and an Operational EBITDA margin in the range of 10-11% for the full year 2023. The Company improved Operational EBITDA margin performance in the second half of the year as a result of significant cost reductions. Net debt is expected to be towards the lower end of the guided range of £180-220 million, with circa £10 million of merger payments delayed to 2024. The annual results for 2023 will be announced on 27 March 2024.

Sir Martin Sorrell, S⁴Capital Executive Chairman, said

"After four years of very strong growth, 2023 was a difficult year impacted by volatile macro conditions and, consequently, cautious spending from clients, particularly those in the technology sector and from smaller project-based assignments. Our client relationships remain strong and we have also managed costs tightly."

"While it is early in the year, we are not expecting 2024 to show macro-economic improvement, and client caution on marketing spend will likely persist, although not at last year's level given interest rates are likely to fall over time. Initial indications are for an improvement in performance in the Content practice, reflecting cost reductions, broadly similar performance in Data&Digital Media to last year and a more challenging outlook for Technology Services. In these unpredictable times, we are focused on positioning the

Company for medium term growth, improving profitability and returning funds to shareowners."

Enquiries:

S⁴Capital

Tel: +44 (0)20 3793 0003

Sir Martin Sorrell (Executive Chairman)

Powerscourt (PR Adviser to S⁴Capital) Tel: +44 (0) 7970 246 725

Elly Williamson

Pete Lambie

About S⁴Capital

S⁴Capital plc (SFOR.L) is the tech-led, new age/new era digital advertising, marketing and technology services company, established by Sir Martin Sorrell in May 2018.

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 three practices: Content, Data&Digital Media and Technology Services, along with an emphasis on 'faster, better, cheaper, more' execution in an always-on consumer-led environment, with a unitary structure.

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

The Company now has approximately 7,700 people in 32 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%. Content currently accounts for approximately 60% of net revenue, Data&Digital Media 25% and Technology Services 15%. The long-term objective for the practices is a split of 50%:25%:25%.

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.

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