INTERIM RESULTS

Six Months Ended
30 June 2021

21 September 2021
01 Results

02 Strategic Update
A KEY TURNING POINT

Return to growth
Eliminating equity dilution
Data and digital expertise deepened
Central power and control strengthened
Simplification programme extended
H1 2021 PERFORMANCE

Headline profit before tax of £10.5 million
LFL revenue growth 21%
Operating profit margin up 6.4pts to 10.5%
Net cash of £31.8million, up from £22.4 million at 30 June 2020
Decision taken to settle all current and future put options in cash
Strong client retention and new business performance across all geographies and specialist divisions
RESULTS
## H1 2021 Results

**Strong first half**

Ahead of management’s expectations
Rapid recovery from 2020
Surpassed H1 2019 outcome
New strategy is working

### CMD – 5 Year Targets

<table>
<thead>
<tr>
<th>Net revenue growth</th>
<th>Operating profit growth</th>
<th>Operating profit margin – year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>6% CAGR</td>
<td>25%+ CAGR</td>
<td>18%</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
<th>Movement</th>
<th>LFL*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>%</td>
</tr>
<tr>
<td>Net revenue</td>
<td>118.1</td>
<td>103.4</td>
<td>14.7</td>
<td>14.2%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>12.4</td>
<td>4.2</td>
<td>8.1</td>
<td>191.2%</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>10.5</td>
<td>2.0</td>
<td>8.5</td>
<td>420.0%</td>
</tr>
<tr>
<td>Earnings</td>
<td>4.0</td>
<td>0.7</td>
<td>3.3</td>
<td>507.1%</td>
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</table>

* Like-for-like growth excluding effect of acquisitions in 2021 and disposals in 2020.
## H1 2021: Key Ratios

### Rapid YOY turnaround
- Revenue growth ahead of holding company peer group
- Operating leverage driving rapid margin growth

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Headline net revenue change</td>
<td>14.2%</td>
<td>14.4%</td>
</tr>
<tr>
<td>Operating margin</td>
<td>10.5%</td>
<td>4.1%</td>
</tr>
<tr>
<td>Effective tax rate</td>
<td>36.2%</td>
<td>36.9%</td>
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<tr>
<td>Basic EPS</td>
<td>3.32p</td>
<td>0.60p</td>
</tr>
<tr>
<td>Diluted EPS</td>
<td>3.11p</td>
<td>0.56p</td>
</tr>
<tr>
<td>EBITDA</td>
<td>16.7</td>
<td>10.3</td>
</tr>
</tbody>
</table>
# H1 2021: Segmental Revenue

## Strong first half

Specialist divisions introduced from 2021

These are now the primary focus for management reporting

### Connected Creativity (LFL)

- 51% of Group Revenue
- 33% of total Operating Profit
- 13% Operating Profit Margin

### Total of other 4 divisions (LFL)

- 49% of Group Revenue
- 67% of Group Operating Profit
- 27% Operating Profit Margin

### Table: Segmental Revenue

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>£m</td>
<td>£m</td>
<td>Movement</td>
<td>£m</td>
<td>£m</td>
<td>Movement</td>
</tr>
<tr>
<td>Connected Creativity</td>
<td>61.6</td>
<td>60.4</td>
<td>2.0%</td>
<td>59.0</td>
<td>52.6</td>
<td>12.1%</td>
</tr>
<tr>
<td>Media</td>
<td>15.0</td>
<td>11.2</td>
<td>33.7%</td>
<td>15.0</td>
<td>11.3</td>
<td>32.5%</td>
</tr>
<tr>
<td>Global and Social Issues</td>
<td>14.7</td>
<td>10.4</td>
<td>41.7%</td>
<td>14.7</td>
<td>10.4</td>
<td>41.5%</td>
</tr>
<tr>
<td>Brand, Experience &amp; Innovation</td>
<td>15.2</td>
<td>13.5</td>
<td>12.6%</td>
<td>15.2</td>
<td>13.2</td>
<td>15.3%</td>
</tr>
<tr>
<td>Passion Marketing</td>
<td>11.6</td>
<td>7.9</td>
<td>60.3%</td>
<td>11.6</td>
<td>7.9</td>
<td>60.3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>118.1</strong></td>
<td><strong>103.4</strong></td>
<td><strong>14.2%</strong></td>
<td><strong>115.5</strong></td>
<td><strong>95.4</strong></td>
<td><strong>21.0%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£m</td>
<td>£m</td>
<td>Movement</td>
<td>£m</td>
<td>£m</td>
<td>Movement</td>
</tr>
<tr>
<td>UK</td>
<td>50.8</td>
<td>36.8</td>
<td>38.1%</td>
<td>50.8</td>
<td>36.7</td>
<td>38.4%</td>
</tr>
<tr>
<td>Europe</td>
<td>7.4</td>
<td>13.0</td>
<td>(43.0%)</td>
<td>7.4</td>
<td>7.7</td>
<td>(3.3%)</td>
</tr>
<tr>
<td>Middle East &amp; Africa</td>
<td>10.1</td>
<td>7.7</td>
<td>31.8%</td>
<td>10.1</td>
<td>7.2</td>
<td>40.1%</td>
</tr>
<tr>
<td>Asia &amp; Australia</td>
<td>30.9</td>
<td>26.4</td>
<td>17.1%</td>
<td>29.1</td>
<td>26.1</td>
<td>11.6%</td>
</tr>
<tr>
<td>Americas</td>
<td>18.8</td>
<td>19.5</td>
<td>(3.8%)</td>
<td>18.0</td>
<td>17.7</td>
<td>1.7%</td>
</tr>
<tr>
<td><strong>Group total</strong></td>
<td><strong>118.1</strong></td>
<td><strong>103.4</strong></td>
<td><strong>14.2%</strong></td>
<td><strong>115.5</strong></td>
<td><strong>95.4</strong></td>
<td><strong>21.0%</strong></td>
</tr>
</tbody>
</table>

M&C Saatchi Group
Strong cash conversion, disciplined cash management and new credit facility

Consistent increase in cash
Net cash > £40m in Aug 21 and total cash > £71m
Reduction in debt to £31m
New larger 3 year £47m banking RCF with NatWest and Barclays
Liquidity headroom of £59m in August

Strong cash position opens up options for use of capital
ELIMINATING SHAREHOLDER DILUTION

Settling put options in cash

All current and future put options expected to be settled with cash

Non-dilution will improve EPS

Expected to remove a major overhang

Significant cash available + strong cash flow expected to continue
  • Est. cash liability for remainder of 2021 of £9m max + £27m for 2022-25

Issuing shares @ current share price is dilutive
  • Liability = 19% of company’s equity to be issued / 24m shares
FULL YEAR OUTLOOK

H1 momentum has continued into H2

Full year PBT expected to be substantially ahead of consensus

Balance sheet strength allows cash settlement of put options
STRATEGIC UPDATE
A creative company that connects specialist expertise through data and technology to deliver meaningful change.
MARKET DYNAMICS

RENEWED BELIEF IN MARKETING
- 72% CMO’s ‘importance increased’
- Forecast growth to record level +10.2%

DIGITAL GROWTH OVER INDEXING
- Global spend +17%
- Performance spend +33%

CLIENTS SEEKING CONNECTED SOLUTIONS ACROSS LANDSCAPE
- 30% new business opportunities demand full range of capabilities

ACCELERATION OF CLIENT DEMAND FOR ESG CREDENTIALS & CONSULTING
- 100% demand on RFIs in 2021
- 84% of clients put ESG within top 5 criteria

UNPRECEDENTED WAR FOR TALENT REQUIRING STRONG BRANDS WITH PURPOSE
- 41% are considering leaving current job; 54% of under 25s
- 70% want to work for a company with a strong environmental agenda
STRATEGY IMPLEMENTATION

CENTRAL POWER & CONTROL

- **ESG commitments**
  - Net zero by 2025 across operations
  - Signed to SBTi
- Attracting underrepresented talent through global Open House program

- **Key global appointments**
  - Chief Strategy Officer
  - Chief People Officer
  - Group Treasury Officer
  - Chair of UK Group

- **Connected revenue growth**
  - ExCo fully operational
  - Incentives aligned to new strategy

DIGITAL AND DATA ACCELERATION

- High level data consultancy successfully launched
- Blueprint developed for embedded data services, launched across test markets for rollout in Q1
  - SaaS
  - MVP developed for SME marketing services
- Digital ventures launch in Q4 (Digital product and service innovation)
NEW BUSINESS WINS

Insight & Data Analytics

WORLD’S LARGEST ONLINE MARKETPLACE

Moët Hennessy

Ballantine’s

GLOBAL SPORTING FRANCHISE

BAYER

National Trust

United Nations

BACARDI

H&T PAWNBROKERS

M&C Saatchi Group
# STRATEGY IMPLEMENTATION

## CENTRAL POWER & CONTROL

**ESG commitments**
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- Signed to SBTi
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**Key global appointments**
- Chief Strategy Officer
- Chief People Officer
- Group Treasury Officer
- Chair of UK Group

**Connected revenue growth**
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## DIGITAL AND DATA ACCELERATION

**High level data consultancy successfully launched**

**Blueprint developed for embedded data services, launched across test markets for rollout in Q1**

**SaaS**
- MVP developed for SME marketing services

**Digital ventures launch in Q4 (Digital product and service innovation)**

## SIMPLIFICATION

**Internal**
- Investment in single global platforms for business development, HR, Finance
- Continued rationalisation of operational and legal entities

**External**
- Strengthening single M&C Saatchi view, i.e., ‘one face’ with multiple disciplines
- Investment in global client delivery platforms
FOCUS FOR GROWTH

**GEOGRAPHY**
USA

**SECTOR**
Tech Disruptors

**PURPOSE**
People & Planet
DIVISIONAL UPDATE

CONNECTED CREATIVITY
The application of marketing science and creativity to solve complex problems.

BRAND, EXPERIENCE & INNOVATION
Transformative digital experience, design and innovation.

PERFORMANCE MEDIA
Connecting brands with today’s connected customers.

PASSION MARKETING
Connecting brands direct to consumers through their passions.

GLOBAL & SOCIAL ISSUES
Driving critical global and social change. Protecting the planet, transforming lives for the better.
MORE CONNECTED

CONNECTED CREATIVITY

PASSION MARKETING

GLOBAL & SOCIAL ISSUES

BRAND, EXPERIENCE & INNOVATION
MORE GLOBAL

‘Get into Uber mode’

Affinity with and awareness of total Uber Product set: Drive, Eats, Cornershop, Flash
A KEY TURNING POINT

Return to growth
Eliminating equity dilution
Data and digital expertise deepened
Central power and control strengthened
Simplification programme extended
THANK YOU
APPENDICES
## H1 2021: REGIONAL SEGMENT

### Stronger performance across all regions

<table>
<thead>
<tr>
<th>£m</th>
<th>UK</th>
<th>Europe</th>
<th>East &amp; Africa</th>
<th>Asia &amp; Australia</th>
<th>Americas</th>
<th>Central costs</th>
<th>Group total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net revenue</strong></td>
<td>50.8</td>
<td>7.4</td>
<td>10.1</td>
<td>33.9</td>
<td>18.8</td>
<td>-</td>
<td>118.1</td>
</tr>
<tr>
<td>vs 2020 (reported rates)</td>
<td>38.1%</td>
<td>(43.0%)</td>
<td>31.8%</td>
<td>71%</td>
<td>(3.8%)</td>
<td>-</td>
<td>14.2%</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>11.9</td>
<td>3.9</td>
<td>2.1</td>
<td>0.5</td>
<td>3.0</td>
<td>(6.0)</td>
<td>12.4</td>
</tr>
<tr>
<td>vs 2020 (reported rates)</td>
<td>250.9%</td>
<td>197.7%</td>
<td>944.5%</td>
<td>(49.3%)</td>
<td>40.5%</td>
<td>122.9%</td>
<td>187.3%</td>
</tr>
<tr>
<td><strong>Operating margin</strong></td>
<td>23.5%</td>
<td>12.1%</td>
<td>20.6%</td>
<td>1.5%</td>
<td>15.7%</td>
<td>-</td>
<td>10.5%</td>
</tr>
<tr>
<td><strong>2020 margin</strong></td>
<td>9.2%</td>
<td>2.5%</td>
<td>2.1%</td>
<td>3.6%</td>
<td>11.0%</td>
<td>4.1%</td>
<td></td>
</tr>
<tr>
<td><strong>Share of associates</strong></td>
<td>0.6</td>
<td>-</td>
<td>-</td>
<td>(0.6)</td>
<td>(0.0)</td>
<td>-</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Net interest</strong></td>
<td>(0.6)</td>
<td>(0.0)</td>
<td>(0.2)</td>
<td>(0.1)</td>
<td>(0.5)</td>
<td>(0.5)</td>
<td>(1.9)</td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td>12.0</td>
<td>3.9</td>
<td>1.9</td>
<td>(0.2)</td>
<td>2.4</td>
<td>(6.6)</td>
<td>10.5</td>
</tr>
<tr>
<td><strong>Tax rate</strong></td>
<td>17%</td>
<td>53%</td>
<td>17%</td>
<td>-944%</td>
<td>27%</td>
<td>18%</td>
<td>36.2%</td>
</tr>
<tr>
<td><strong>Profit after tax</strong></td>
<td>9.9</td>
<td>0.4</td>
<td>1.6</td>
<td>(1.6)</td>
<td>1.8</td>
<td>(5.4)</td>
<td>6.7</td>
</tr>
<tr>
<td><strong>Non-controlling interest</strong></td>
<td>(1.7)</td>
<td>(0.1)</td>
<td>(0.7)</td>
<td>0.1</td>
<td>(0.3)</td>
<td></td>
<td>(2.7)</td>
</tr>
<tr>
<td><strong>Profit for period</strong></td>
<td>8.2</td>
<td>0.3</td>
<td>0.9</td>
<td>(1.5)</td>
<td>1.5</td>
<td>(5.4)</td>
<td>1.0</td>
</tr>
</tbody>
</table>

Regional segment now complemented with divisional segment

All regions (excl. Europe) growing on LFL basis
# People & Planet: ESG Commitments

## The Way We Work

**Headline:** We will be a net-zero emissions company by 2030, in our own operations and in the production of the content we create for our clients.

**Commitments**

1. We will set a science-based emissions reduction target to do our part to limit global warming to 1.5°C.
2. By 2026 we will be Net Zero across our own operations (scope 1 and 2).
3. By 2030 we will be Net Zero across both our operations and value chain.

**Targets**

- We will measure and report each year on the emissions associated with our own operations, and a screening analysis of our value chain (scope 3).
- By 2022 we will work with at least one client to produce our first Net Zero (production) campaign.
- By 2023, 100% of campaigns will include a Climate Dashboard that shows the GHG footprint of production.

## The Work We Do

**We will reorientate our business to deliver climate action, using our expertise to drive behaviour change that cuts carbon emissions**

1. We will build climate literate teams, training our staff to understand the latest climate science and the levers we can use to create impact within existing briefs.
2. Going forward year on year we will grow the % of revenue from planet positive* campaigns.
3. We will offer our creative skills to charities and other organisations that support our Planet Action ambition to drive behaviour change.

- By 2022 all of our people, across our whole business, will be trained on climate science and the potential for impact.
- In 2022 we will publish guidance on how we measure the Planet Impact of our work and start reporting on the income we derive from campaigns that clearly support our Planet Ambition.
- Each year we will provide Pro bono services to charities and other organisations in support our Planet & People Action ambition up to a minimum value of £5 million a year.

* Planet positive; campaigns promoting products or services with lower impacts and/or behaviours which reduce impact on the planet.