

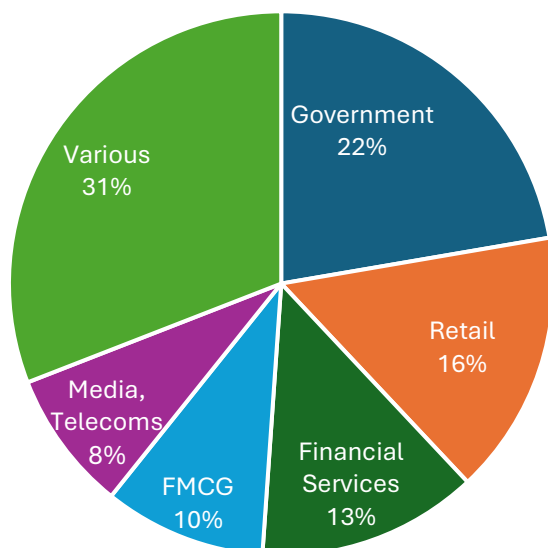
M&C SAATCHI - FY 23 FACT SHEET

A WORLDWIDE BRAND OFFERING DISTINCTIVE SPECIALISMS

Purpose: We make it easier for our clients to grow by accessing the full breadth of our offering.

Strategic focus: We can out-perform our competitors because we are agile, but with sufficient **scale** to compete. Renowned for our **creativity**, we aim to be **indispensable** to our clients, while ensuring all our stakeholders **thrive**.

NET REVENUE BY SECTOR FY23



WHERE WE OPERATE

United Kingdom

APAC: Australia, New Zealand, Singapore, Malaysia, India, plus licensing arrangements in China and Japan

Americas: US, Brazil, Mexico

Africa: Sale of operations in South Africa expected to complete during 2024 and licensing agreements to be put in place

Europe: Italy, Germany, Netherlands and licensing arrangements in Spain and Sweden

Middle East: UAE, Saudi Arabia, Pakistan and a licensing arrangement in Lebanon

OUR PEOPLE

2706 people with engagement score of xx% (76%).

Leadership is 45% female; 55% male.

We have Service Hubs in South Africa and India

FY23 HEADLINE RESULTS

FY23 net revenue	FY23 operating margin	FY23 net cash	FY23 PBT	FY23 dividends
£252.8m (LFL -2%) reflecting some challenging markets. Disposals of loss-making businesses will mean no growth	12.8% (-0.3 pts), but 16.9% in H2 23 with disposals of loss-making businesses and efficiency programme	£8.3 (£30.0m in FY22), but improving due to reduced put option liability and normalising working capital profile	£28.7 (-1%) FY23 EPS 15.2p (+3%) as minorities reduced with lower Put Option liabilities	1.6p per share (+6%) reflecting EPS performance, positive outlook and progressive dividend policy
FY24 consensus £249.9m	FY24 consensus 15.0%	FY24 consensus £14.7m	FY24 consensus £34.4m and 18.5p	FY24 consensus 2.1p

*A like-for-like basis applies constant foreign exchange rates and removes those businesses we have discontinued

OUTLOOK (as at 16 May 2024)

- Good momentum of H2 2023 continued – well ahead of the challenging prior year
- LFL net revenue growth is low single digits; operating margins are well ahead of prior year; net cash continued to grow since the 2023 year end
- Overall, we are trading in line with expectations.

SELF-HELP ACTIONS UNDERWAY

- £10 million of annualised cost savings by end FY24
- Disposals rationalising the portfolio (H2 2023) reduced revenue but enhanced margins
- Structural cost base changes and new operating model expected to increase operational leverage and support margins and cash generation.

OUR SPECIALISMS

	ADVERTISING	ISSUES	PASSIONS	CONSULTING	MEDIA
	Scaled and personalised content to drive demand	Comms in defence, diplomacy and development	Connecting brands to consumers' passions	In high-margin emerging sectors	Connecting brands to consumers digitally
Share of FY23 Group Net Revenue	42% (46%)	20% (15%)	14% (12%)	14% (12%)	10% (13%)
FY23 LFL Net Revenue	£97.4m -8%	£51.1m +22%	£36.2m +10%	£33.1m -6%	£26.3m -21%

Some of our business wins in FY23



Global Energy Alliance for People and Planet (GEAPP)



NEW OPERATING MODEL

Regional-first:

Focusing on where we have the right to win

Reducing complexity for clients

Core markets redefined:

Local heroes
Challenger brands
Social purpose

Integrated-model agency – easy to access all capabilities

Global specialisms – global scale but regional agility of a boutique

Global centres of excellence – removing internal efficiency barriers

INVESTMENT PROPOSITION

Why M&C Saatchi: brand strength, new leadership, increasing resilience, stronger foundations

Why now: point of inflection for rationalised portfolio and cost base; new operating model, and cleansed capital structure

STRENGTHS

Powerful recognised brand and stellar client base

Improving cyclical resilience

Strengthened leadership

TRANSFORMATION

Regional-first delivery of global specialisms

Removing complexity; reducing cost base

Focus on growth, margin accretion and cash generation

SHAREHOLDER RETURNS

Re-investment in organic growth

Selective bolt-on M&A to fill regional and capability gaps (leverage < 1.5x)

Progressive dividend policy

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