

For more details on Capital Markets day see <https://mcsaatchi.com/investors>

The following was the RNS that we issued

7am on 28 January 2021

M&C Saatchi Plc

(the "Company" or the "Group")

Capital Markets Day and Trading Update

M&C Saatchi is today hosting a virtual capital markets event for institutional investors and analysts where it will announce a new strategy, operating model and medium-term financial targets. The presentations and a video recording of the event will be made available on the Company's website at www.mcsaatchi.com after the event.

Strategy Highlights

We will be setting out a new customer-focused strategy and operating structure to address changing client needs whilst improving operational efficiency, with the presentation to cover the following:

- Building from Strength
- Clear Mission: Meaningful Change
- New Strategy: Connected Growth
- New Operating Model: Five Specialist Divisions
- New Growth Drivers

Financial Highlights

The Group will also set out a number of financial targets to be achieved over the course of 2020 to 2025:

- Net revenue growth of 6% CAGR (FY 2020 to 2025)
- Operating profit growth of >25% CAGR (FY 2020 to 2025)
- Strong operational leverage and tight cost control; £30m pa of cost savings initiated in 2020
- A Group operating margin of 18% by 2025
- Improved margins projected for all Regions and Specialist Divisions
- Strong Free Cash Flow
- Limited additional investment will be required due to strong existing foundations

Current Trading

- Trading in Q4 2020 was ahead of expectations, a resilient performance reflecting the breadth of the Group’s customer base
- Year-end cash was significantly ahead of expectations with net cash of £33m at 31 December
- FY20 results expected to be ahead of the expectations set out in the Group’s interim results announcement of 28 October 2020
- Covid-19 uncertainties remain for 2021, but operational progress and closure of loss-making business (resulting in £4m run rate savings) is expected to support year-on-year growth

Moray MacLennan, Chief Executive Officer, commented:

“Today we are announcing the start of a new chapter for M&C Saatchi: a chapter of Meaningful Change. This will be at the heart of both our offering to clients and how we run and grow the company.

“Thanks to the resilience, agility and determination of our people, and the loyalty of our clients, we have emerged from the most difficult period in our history – amidst a global pandemic – with real strengths. We have a strong, diverse client base; we continue to win significant new business; our capabilities are broad and deep, across the digital marketing landscape; we have a strong presence in major markets and companies that are recognised as leaders in their field; we have strengthened our governance and controls.”

“The marketing landscape is changing in profound ways. M&C Saatchi’s belief in the power of communications and creativity to change the world is as relevant and important as ever, but we also need to evolve. We will be a simpler, better-connected global company, with technology working hand-in-hand with creativity, led by a clear mission: to navigate, create and lead meaningful change. We see great opportunity ahead and I am confident that this renewed focus will enable us to capture it.”

-Ends-

For further information please call:
M&C Saatchi
Moray MacLennan, Mickey Kalifa

+44 (0)20-7543-4500

Tulchan Communications
Tom Murray, Deborah Roney

+44 (0)20-7353-4200

Numis Securities
Nick Westlake, Hugo Rubinstein, NOMAD
Charles Farquhar, Corporate Broking

+44 (0)20-7260-1000