

S4 Capital enjoys boosted profits as it eyes up more 'whopper' clients

Sir Martin Sorrell's digital advertising firm [S4 Capital](#) has enjoyed boosted profits, as the boss said its clients' focus on performance amid forthcoming global recessions will "play to our strengths".

The company reported its gross profit and net revenue reached £250 million in the three months to September 30, up 73% on a reported basis from the £144 million posted this time last year.

Revenues also surged by more than two thirds on a reported basis, from £178 million last year to £300 million in the latest quarter.

Sir Martin said that the firm has kept up momentum despite political and economic "gloom" and a slowdown in growth across the technology sector.

Despite the current macro political and economic gloom and slowing tech growth, our top-line momentum has been more than maintained in the third quarter and remains relatively strong into the fourth quarter

Read More

- [Joules poised to collapse into administration putting 1,600 jobs at risk](#)
- [Sunak has 'last chance' to save the NHS, warns union](#)
- [Business activity slumps further amid threat of recession, report shows](#)

- SPONSORED

[Inside the mind of a British ultrarunning legend](#)

It saw particularly strong performance in the Americas, where reported gross profits grew by 89%, but slower growth in Asia Pacific which was primarily affected by China's zero-Covid policy, the group said.

The boss said that S4 has 10 "whoppers" in sight, which refers to big clients worth more than 20 million dollars in revenue per year, and is well on its way to reaching its long-term goal of 20.

The firm's existing clients include [BrewDog](#), TikTok, [Diageo](#) and [Booking.com](#), and "whoppers" like Facebook and Google.

It added that the average size of its top 50 clients has grown 70% year-on-year.

Sir Martin told investors that his firm is well placed to meet its clients' marketing and advertising needs as recessions in parts of the world become more likely.

He said: "Despite the current macro political and economic gloom and slowing tech growth, our top-line momentum has been more than maintained in the third quarter and remains relatively strong into the fourth quarter.

"Given the reduction in global gross domestic product (GDP) growth rate forecasts for 2022 and 2023 and the likelihood of recession in some parts of the world, clients will be moving 'down the funnel', as we say, prioritising performance and activation, measurement of marketing ROI and media mix modelling, which plays to our strengths.

"We believe this changing market environment will continue to offer significant growth opportunities given our client

profile, relative size and disruptive model.”

The former WPP boss founded the company in 2018 and it has around 8,950 employees in 32 countries.

The company said it expects operational earnings for 2022 to reach around £120 million, in line with previous expectations.