

WPP Scangroup records operational gains amidst forex headwinds

- *The company's strategic imperatives continue to deliver operational efficiencies with a drop in operating and administrative costs.*
- *Financial performance impacted by a KES 249million forex loss, a significant reversal of a KES 288 million windfall in the previous fiscal year.*
- *The company launched a proprietary artificial intelligence platform -WPP Open-to power campaign planning, content generation and audience insights.*

25th April 2025 Nairobi, Kenya -WPP Scangroup PLC has today released its financial results for the year ended 31 December 2024, recording a loss of KES 507 million after tax for the Financial Year ending 2024. The company made a KES 130m profit in the prior fiscal year.

The results for the fiscal year under review were primarily attributable to a substantial foreign exchange losses in Kenya following the appreciation of the Kenyan Shilling against the dollar. The company recorded a forex exchange loss of KES 249 million, in contrast to the KES 288 million foreign exchange gain recorded in FY 2023. These currency fluctuation heavily impacted dollar denominated transactions across the group which operates in 39 African countries.

The financial year was marked by a significant decline in mainstream media advertising spend in Kenya, mirroring a broader global shift toward digital platforms. According to a Reel Analytics - a local research media research firm - Kenya's mainstream media advertising market contracted sharply—from KES 126.1 billion to K 84.9 billion—representing a 32.7% decline. This downturn was primarily driven by two key factors: the Gen Z-led protests between June and August 2024, which disrupted advertiser confidence and scheduling, and a notable reduction in discretionary spending on traditional media. While digital media investments in Kenya have been on the rise, they have yet to fully compensate for the substantial drop in traditional media revenues.

Despite macroeconomic headwinds and foreign exchange volatility, the Group delivered significant operational and strategic wins in 2024. The management's decisive actions on operational efficiencies contributed to a 9% drop in operating costs. Equally, the group's balance sheet with a robust cash position of KES 2.2billion indicating strong liquidity which provides resilience and stability.

Patricia Ithau, Chief Executive officer said: "The year also witnessed impressive client momentum, with key business units – Ogilvy, GroupM, and Burson (Formerly known as H+K) – registering strong growth, buoyed by new client acquisitions and increased mandates with existing clients."

She added: "These wins reflect growing market confidence and position the Group for long-term revenue recovery, even as it navigates macro-economic headwinds. The business will prioritize stabilization and leverage the momentum of digital offerings from Ogilvy, GroupM and Burson.

In November 2024, WPP Scangroup launched WPP Open, a proprietary AI platform designed to enhance creative development and drive marketing efficiencies on a scale.

The platform is a key enabler in unlocking the potential of artificial intelligence across the business—powering everything from campaign planning and content generation to audience insights and performance optimization.

WPP Open’s robust architecture seamlessly integrates with existing creative workflows, offering tools that enhance ideation, automate production, and accelerate delivery without compromising the human touch that drives impactful storytelling. The company’s workforce is already using AI tools in their day-to-day work indicating a cultural shift towards intelligent, technology-led creativity.

The Company received several awards during the year, most notably in December 2024 the company scooped four awards during the financial reporting awards (FiRE). The awards included winning the IFRS compliance award which is awarded to an entity that demonstrates enhanced accountability, transparency, and integrity in financial reporting across public and private sectors.

Due to inadequate retained earnings, the board of the company did not recommend dividends for the year 2024.

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About WPP Scangroup

WPP Scangroup is the largest marketing and communication group operating in Sub-Saharan Africa using a multi-agency and a multiple discipline model across all our regions. We push new frontiers as Africa's leading marketing and communication group through culture-centric innovation, creativity and collaboration.

For more information contact either:

Keith Njiru H+K Strategies T : 0792 321 094 E: Keith.Njiru@hkstrategies.co.ke	Moses Muchoki H+K Strategies T : 0706 171 444 E: Moses.Muchoki@hkstrategies.co.ke
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