

PUBLICATION OF THE 2024 FINANCIAL RESULTS

THIS ANNOUNCEMENT IS MADE IN COMPLIANCE WITH THE CONTINUING LISTING OBLIGATIONS OF THE CAPITAL MARKETING (SECURITIES) (PUBLIC OFFERS, LISTING AND DISCLOSURES) REGULATIONS, 2023

SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

All figures in Ksh'000

	2024	2023 Restated*
Revenue*	2,441,906	3,197,587
Gross profit	2,007,330	2,225,460
Interest income	260,827	237,729
Interest expense	(54,813)	(22,765)
Other income	97,832	41,068
Other gains or losses-net	36,613	210,115
Share of profit in associates accounted for using the equity method	9,437	23,387
Operating and administrative expenses	(2,458,157)	(2,687,924)
Impairment of investment in associates	(14,009)	(14,316)
Impairment of goodwill	-	(23,367)
Net impairment losses on financial and contract assets	(62,952)	100,137
Foreign exchange (losses) / gains	(248,788)	288,436
(Loss) / profit before tax	(426,680)	377,960
Tax charge	(80,059)	(247,822)
(Loss) / profit for the year	(506,739)	130,138
Other comprehensive loss		
Exchange difference on translating foreign operations	(48,941)	(24,932)
Total comprehensive (loss) / income for the year	(555,680)	105,206
(Loss)/profit attributable to:		
Shareholders of the holding company	(507,629)	133,300
Non-controlling interests	890	(3,162)
	(506,739)	130,138
Total comprehensive income / (loss) attributable to:		
Shareholders of the holding company	(562,882)	113,821
Non-controlling interests	7,202	(8,615)
	(555,680)	105,206
(Loss) / earnings per share		
Basic and diluted (Ksh)	(1.17)	0.31
Number of shares (in thousands)	432,156	432,156

*Restatement in revenue due to a comprehensive reassessment of media buying activities based on some of our media contracts under IFRS 15 to reflect treatment as an agent versus principal. For statutory purposes, historically, we have been reporting/recognizing revenue as a principal with the media billings being reported under Revenue and direct costs.

The restatement has no impact on the overall reported income statements for the Company and Group. Further, the restatement does not have an impact on the gross profits, statement of financial position, or the statements of cash flows for either the Company or the Group. The effect of this restatement is limited to the presentation of media revenue and its related costs within the income statements of the Company and Group.

In 2024, gross profit was Ksh 2 billion, a decrease of Ksh 217 million (10%) from the prior year. This decline was primarily due to the divestiture of certain subsidiaries that were dilutive or in markets that didn't offer an enabling business environment and due to client losses during the year. Operating and administrative expenses amounted to Ksh 2.5 billion a decrease of Ksh 230m compared to the prior year.

The Group reported a loss before tax of Ksh 427 million in 2024, compared to a profit before tax of Ksh 378 million in 2023. This shift to a loss was primarily driven by a Ksh 249 million foreign exchange loss, a contrast to the Ksh 288 million foreign exchange gain recorded in the prior year. The 2024 foreign exchange loss resulted from the strengthening of the Kenyan shilling against the US dollar, reversing the trend observed in 2023. Additionally, the 2023 profit included a one-time capital gain of Ksh 238 million, arising from deferred purchase consideration related to the sale of Kantar, which had been previously held for legal contingencies. Loss after tax is at Ksh 507 million compared to profit after tax of Ksh 130 million in prior year.

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

All figures in Ksh'000

	31 December 2024	31 December 2023
ASSETS		
Non-current assets	1,362,126	924,775
Other current assets	3,538,894	3,762,734
Fixed deposits with bank (maturing after 3 months)	-	2,073,770
Cash, bank and short term deposits	2,259,248	1,253,522
TOTAL ASSETS	7,160,268	8,014,801
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	432,156	432,156
Share premium	4,436,532	4,436,532
Merger reserve	1,457,248	1,457,248
Accumulated deficit	(1,064,216)	(556,587)
Translation deficit	(488,686)	(433,433)
Equity attributable to shareholders of the holding company	4,773,034	5,335,916
Non-controlling interests	(129,137)	(61,441)
Total equity	4,643,897	5,274,475
Non-current liabilities	60,881	56,763
Current liabilities	2,455,490	2,683,563
TOTAL EQUITY AND LIABILITIES	7,160,268	8,014,801

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

All figures in Ksh'000

	Share capital	Share premium	Merger reserve	Accumulat- ed deficit	Translation deficit	Non-controlling interests	Total
At 1 January 2023	432,156	4,436,532	1,457,248	(689,887)	(413,954)	(13,185)	5,208,910
Profit for the year	-	-	-	133,300	-	(3,162)	130,138
Other comprehensive loss	-	-	-	-	(19,479)	(5,453)	(24,932)
Dividend declared – 2023	-	-	-	-	-	(39,641)	(39,641)
At 31 December 2023	432,156	4,436,532	1,457,248	(556,587)	(433,433)	(61,441)	5,274,475
At 1 January 2024	432,156	4,436,532	1,457,248	(556,587)	(433,433)	(61,441)	5,274,475
Loss for the year	-	-	-	(507,629)	-	890	(506,739)
Other comprehensive loss	-	-	-	-	(55,253)	6,312	(48,941)
Dividend declared – 2024	-	-	-	-	-	(74,898)	(74,898)
At 31 December 2024	432,156	4,436,532	1,457,248	(1,064,216)	(488,686)	(129,137)	4,643,897

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

All figures in Ksh'000

	2024	2023
Cash generated from operating activities before working capital changes	(442,457)	147,695
Working capital changes	176,885	113,275
Tax paid on operating income	(338,328)	(289,090)
Net cash used in operating activities	(603,900)	(28,120)
Net cash generated from investing activities	2,199,215	607,250
Net cash used in financing activities	(582,232)	(299,857)
Cash and cash equivalents at the beginning of the year	1,164,963	946,188
Net increase during the year	1,013,083	279,273
Effect of fluctuations in exchange rates	(34,907)	(60,498)
Cash and cash equivalents at end of the year	2,143,139	1,164,963

The above summary consolidated financial statements are derived from the Group's financial statements which have been audited by PwC and were approved by the Board on 24 April, 2025. The complete set of audited financial statements, statutory and qualitative disclosures can be accessed on WPP Scangroup's website.

ACCOUNTING POLICIES

The accounting policies used in preparing these financial statements are consistent with those used for the Group's 2023 annual financial statements.

LOOKING AHEAD

Mounting global economic challenges are likely to curb discretionary spending, tempering growth. The business will prioritize stabilization and leverage the momentum of digital offerings from Ogilvy and GroupM.

PROPOSED DIVIDEND

The directors did not declare a dividend for the financial year ended 31 December 2024 (2023: Nil).

EVENTS AFTER THE REPORTING DATE

Ms Miriam Kagawa was appointed as Chief Operating Officer of the company and Mr Sanjeev Panwar was appointed as Chief Finance Officer of the company on 1 January 2025.

INDEPENDENT AUDITORS' REPORT ON THE SUMMARY FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF WPP SCANGROUP PLC

Opinion

We have audited the summary financial statements of WPP Scangroup Plc, which comprise the summary consolidated statement of financial position at 31 December 2024 and the summary consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended which are derived from the audited financial statements of WPP Scangroup Plc and its subsidiaries (together, the "Group") for the year ended 31 December 2024. The Group's financial statements are prepared in accordance with IFRS Accounting Standards and the Companies Act, 2015.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements in accordance with the requirements of the Capital Markets (Securities) (Public Offers, Listings and Disclosures) Regulation, 2002 ("the Regulations") as applicable to summary financial statements.

Summary financial statements

The summary financial statements do not contain all the disclosures required by IFRS Accounting Standards and in the manner required by the Companies Act, 2015.

Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our audit report dated 24 April 2025 and also confirmed that the auditable part of the directors' remuneration report was prepared in accordance with the Companies Act, 2015. That audit report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period.

Directors' responsibility for the summary financial statements

The directors are responsible for the preparation of the summary financial statements in accordance with the IFRS Accounting Standards and Companies Act, 2015.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to report on summary financial statements.

FCPA Richard Njoroge, Practicing Certificate Number P/1244

Engagement partner responsible for the audit



For and on behalf of PricewaterhouseCoopers LLP

Certified Public Accountants

Nairobi

24 April 2025