

WPP
Accelerating Growth
Capital Markets Day
Transcript with slides

Thursday, 17th December 2020

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Introduction

Mark Read

Chief Executive Officer, WPP

Good afternoon, and welcome to our Capital Markets Day. I'm here at Sea Containers in our new studio that we have been using during COVID to pitch for new business. But today we will talk to you about growth, growth for our clients, growth for our people and growth in our business measured by revenue and profitability, and most importantly growth for you our shareholders.

Now two years ago from the same building, we set out a plan to return WPP toward a new strategy, and we'll update you on the progress that we've made on that and how it has positioned us over the last year and into next year extremely well for growth. As importantly, given the impact of COVID on society and the way we work, and the way we shop and the way we live, we want to talk to you about the trends that we're seeing in our industry, trends that have accelerated - the shift of digital media, the importance of purpose and of reputation, the explosion of e-commerce. And all of those trends are trends we talked about two years ago, some of these validated the approach that we've made. So our plan outlines where we will grow, how we will grow and what we will deliver to our shareholders.

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Now before we start, we should look at the following, cautionary statement.

Slide 3



I'd like to start with where WPP is today and why we're positive and optimistic about the future. Today, WPP is a creative transformation company and each of those words is critical. Creativity talks to the importance of ideas of innovation, of growth, not just in advertising, but in public relations, in media planning, and every aspect of our business and this what makes WPP special.

Transformation talks to the way in which we help our clients shift their marketing approaches from how they used market in the past to how they need to market in the future. We want to be a company, a company that has many successful brands, but it comes able to work together and bring together seamless solutions for our clients. And in doing that, we have many strengths.

Slide 4

WE SERVE MANY OF THE WORLD'S MOST SUCCESSFUL COMPANIES

WPP'S TOP 20 CLIENTS

| CPG/PREMIUM | TECHNOLOGY/MEDIA | PHARMA AND HEALTHCARE | AUTOMOTIVE |
|--|--|---|--|
|  Unilever |  Microsoft |  gsk |  mazda |
|  Nestlé |  DELL |  Pfizer |  Ford |
|  MARS |  Google |  Johnson & Johnson | |
|  BAT |  HUAWEI | | |
|  adidas |  IBM | | |
|  COLGATE PALMOLIVE |  Apple | | |
|  P&G |  COMCAST | | |
|  L'ORÉAL | | | |

It's most important to start with our clients and WPP works with many of the world's most successful companies. Amongst our top 20 clients, we have four of the world's most valuable companies by market capitalization Apple, Google, Microsoft, J&J and a further two of the top 20 Nestle and P&G. So you can see we work with many of the world's most successful corporations. And over the last nine months to a year, during COVID, we've seen how these companies have continued to invest in marketing and given a much more resilient performance than we maybe would have expected.

Slide 5

WE HAVE MANY OF OUR INDUSTRY'S MOST POWERFUL AND RESPECTED BRANDS

GLOBAL INTEGRATED AGENCIES



MEDIA AGENCIES



PR & PUBLIC AFFAIRS



SPECIALIST COMMUNICATIONS



We also have many of the most powerful and respected brands in our industry, brands like AKQA or Ogilvy, VMLY&R or MediaCom, BCW, or LANDOR & FITCH to name a few. And those brands are critical to our people and to our clients. But it's also critical that we can work together seamlessly. We don't have silos between those brands and that's something that we've been working on very hard for the last two years.

Slide 6

GLOBAL REACH AND SCALE IN GROWTH MARKETS



And those brands and the people give us global reach and scale, not just in the USA, which is around 37% of our sales in North America, or Western Europe, a further 1/3, but in the rest of the world and the big future growth markets of China, Brazil, India, markets that will shape the world for the coming decades.

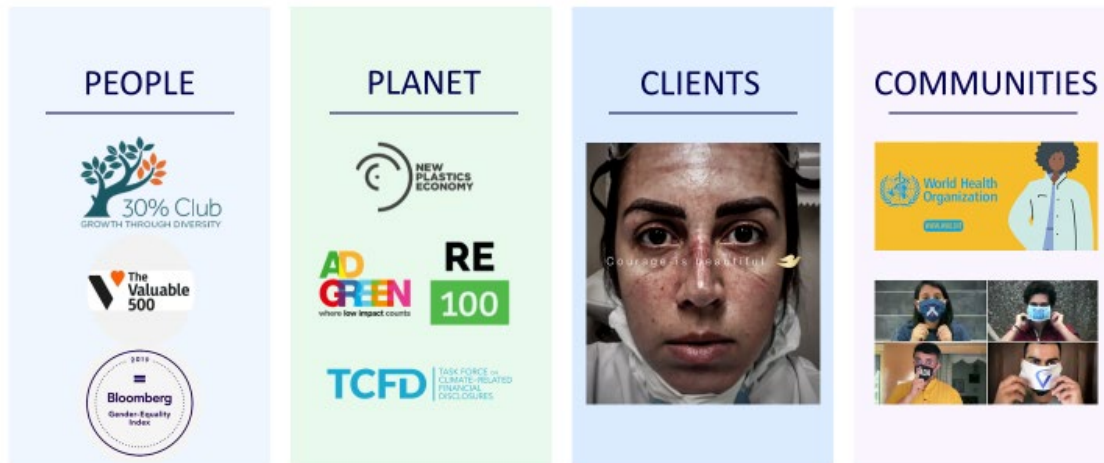
Slide 7



But the other thing we know will shape the world is technology and we don't need to learn after the last nine months that technology has really accelerated. We've seen in some ways a decade's innovation in six months and WPP has tremendous strength in that area. You look at some of the statistics on the chart. We have \$30 billion of gross merchandise value sales running through e-commerce platforms that WPP has built. We spend more than \$10 billion a year with Google, Amazon and Facebook; we are the largest customer of Google, Amazon, Facebook, Alibaba and Tencent from an advertising perspective. We're a top three partner to Adobe and Salesforce, two of the fastest growing technology companies or software companies. We have tremendous strengths already and we intend to invest and build on those strengths in the future.

Slide 8

OUR PURPOSE IS TO USE THE POWER OF CREATIVITY TO BUILD A BETTER FUTURE FOR OUR...



WPP 8

It wouldn't be right to talk about ourselves as a company without thinking about our purpose. Two years ago, we set out a new purpose to use the power of creativity, what makes us special, to build a better future for our people, for our planet, for our clients and communities. And we're doing a tremendous amount across WPP in each of those areas. In people, we're very focused on inclusion and diversity. Since the killing of George Floyd we made a number of commitments to really invest in our people and to build a more inclusive and diverse business, we are committing \$30 million over the next three years to invest behind initiatives inside and outside of WPP in that area.

In terms of looking after our planet, we've already made significant improvement in improving our carbon footprint. We've reduced our carbon impact by 69% since 2006 and made the further commitment to reduce it by 50% from the 2017 benchmark. We pledged to ensure that all of our campuses are zero carbon campuses by 2025.

But this area is also really important for our clients. You can see here some work that we did for Unilever, at the height of the pandemic earlier this year talking about the beauty you can find in health care workers; but it's not just communications, also helping our clients design more accessible products, more accessible technologies to make sure that people wherever they are and wherever they come from can work with those clients.

And we're also really committed to helping our communities. We've been working very closely with the World Health Organization over the last nine months to get the message out. This is some work we did in sub-Saharan Africa. We have been helping in India persuading people to wear masks, as I was just today talking to our foundation in India where we've been helping 20,000 schoolchildren over the last nine months continue their education in Mumbai at the height of the pandemic.



**ACCELERATING
GROWTH**

PROGRESS SINCE DECEMBER 2018

ACCELERATING OUR GROWTH

- THE MARKET
- WPP'S STRATEGY
- BUILDING OUR CULTURE
- FINANCIAL PLAN

Q&A

So we have tremendous strength as a company. But how will we use them to accelerate our growth? And so today with John Rogers, our CFO; and Jacqui Canney, our Chief People Officer, we will talk you through our strategy, how we see the market, where we're going to grow, how we're going to build our culture, how we're going to use people to really differentiate WPP. And what that means financially? How will we save money? Where can we invest that money? And how could we use it to return more capital to our shareholders?

Slide 10



PROGRESS SINCE
DECEMBER 2018

But I think to understand the future, you also have to understand the past. We also have to look at where we are and where we have come from. So we take a step back two years ago, to where we were when we did this presentation two years ago.

Slide 11

2018: THE SITUATION

SLOWING GROWTH

- Negative growth for 4 quarters
- No growth in USA since Q4 2016
- 5 or 6 out of 6 peers in relative growth

CLIENT ISSUES

- Largest client under review
- \$4 billion of client business being pitched

ORGANISATIONAL COMPLEXITY

- No common WPP vision, culture or purpose
- 9 separate creative or digital networks
- At least 500 brands

UNSUSTAINABLE FINANCIAL MODEL

- Lack of capital allocation discipline
- Dividend close to 60% of earnings
- Debt approaching £5 billion

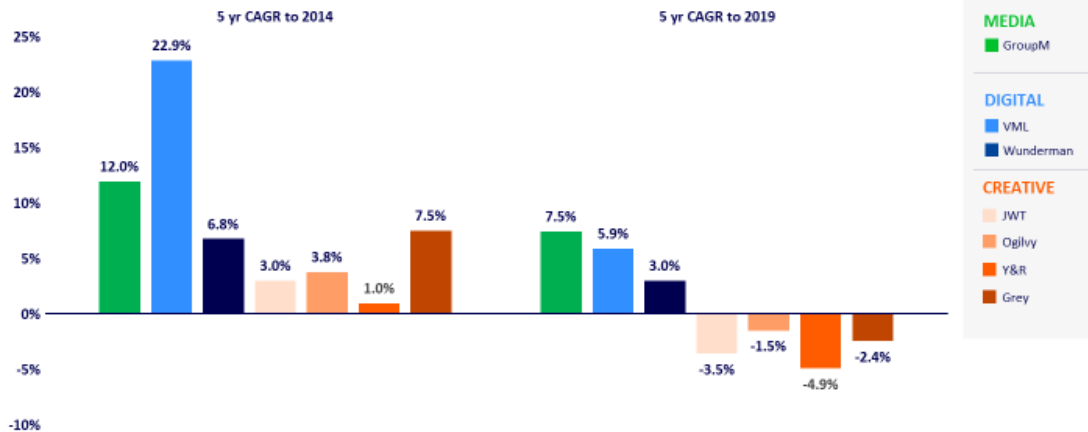
I think it's fair to say that there were some issues that we needed to address, I think we correctly identified those. Our growth had slowed. We'd had negative growth for four quarters, no growth in the USA since the fourth quarter of 2016 and we were five or six out of our six peers in terms of relative organic growth.

The issues with our clients were simple. Our largest client was under review. Our organization had become too complex. We didn't have a strong vision, or purpose, or clarity of what WPP stood for. We had nine separate creative or digital networks that made the business very difficult to manage and probably more than 500 different brands across the company. And our financial model was not sustainable. There was lack of discipline on how we allocated capital. Our dividend was approaching 60% of earnings and our debt was approaching GBP5 billion and those made the current approaches unsustainable.

Slide 12

WHILE MEDIA AND DIGITAL PERFORMED WELL, OUR CREATIVE AGENCIES STRUGGLED

RELATIVE GROWTH OF MAJOR AGENCIES
(CONSTANT CURRENCY NET SALES GROWTH, INCLUDING M&A)



BASIS OF PREP: All agencies exclude GTB and the effect of material intra-group transfers. Ogilvy excludes Geometry. All agencies include Hogarth.

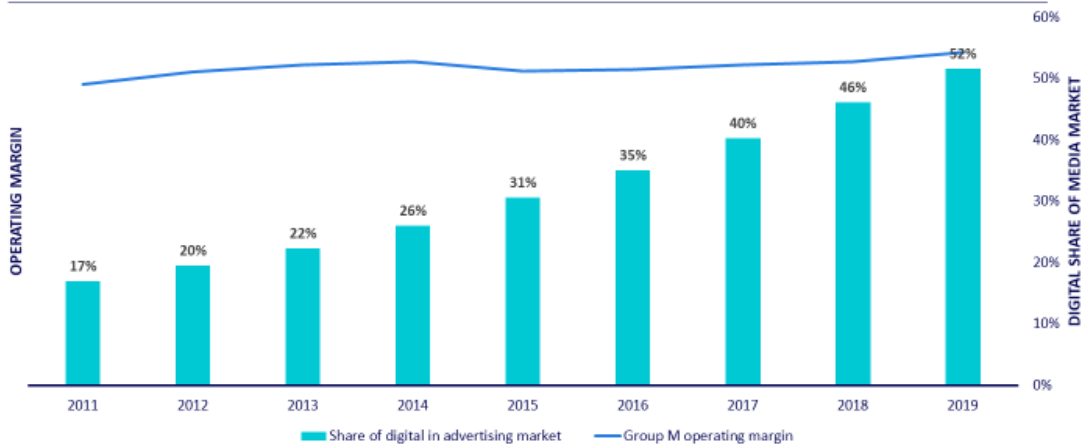
WPP 12

When we think about what got us in that situation, we need to look at the performance of our businesses. We thought it would be insightful to look at how we performed by sector in the 10 years running up to 2019. So these two charts look at the relative organic growth across WPP's businesses for the five years up to 2014 and the five years to 2019. And you can see in the first five-year period, we did relatively well across all of our businesses, but in the second five-year period, we had growth, strong growth from GroupM and strong growth in our digital businesses, but our creative companies had really struggled. They really struggled, I think to adapt to this digital future and you saw that performance in their organic growth ranging from minus 1.5% to close to minus 5% on a compound annual basis. And it's very hard to run a people business that isn't growing. So this was a key issue that we needed to fix.

Slide 13

GROUPM HAS DELIVERED BOTH GROWTH AND MARGIN

GROUPM MARGIN VS DIGITAL SHARE OF MEDIA MARKET



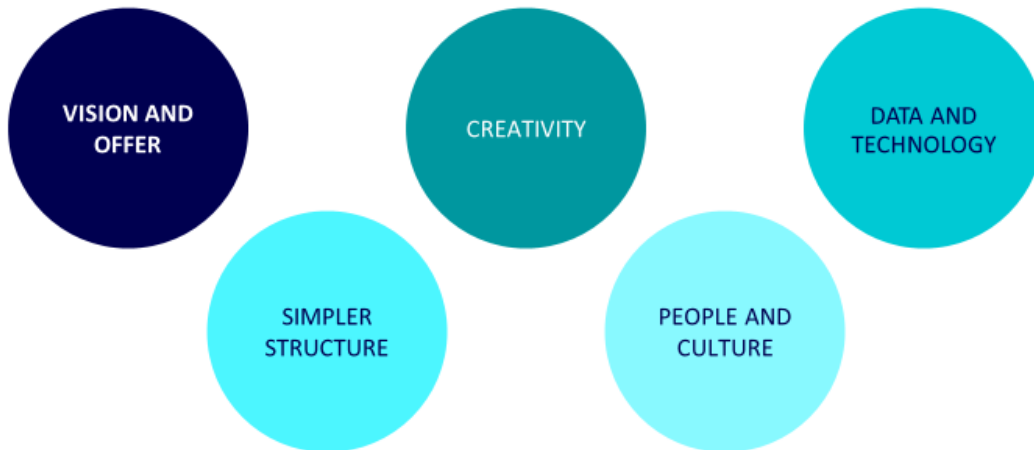
BASIS OF PREP: Headline OP GroupM excludes GTB, includes Hogarth
SOURCE: GroupM "This Year Next Year" report total advertising spend exc. political advertising in US

WPP 13

And if we look at GroupM, our media business, you can see how well GroupM had performed, not only had it delivered 7.5% organic growth, admittedly including some acquisitions, but it also maintained its margin fairly consistently across a 10-year period, where digital spend had gone from 17% of the market up to 52%. And so managing that transition is something that we needed to do across all of WPP's portfolio.

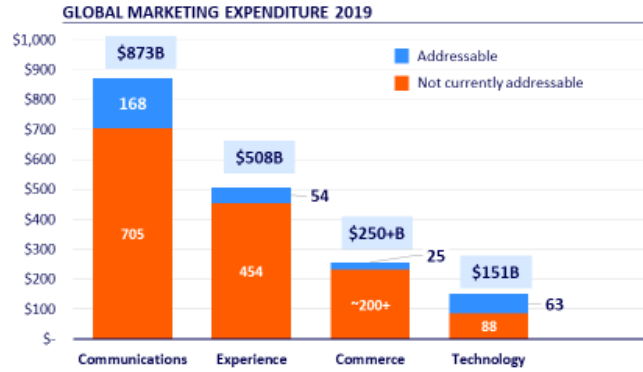
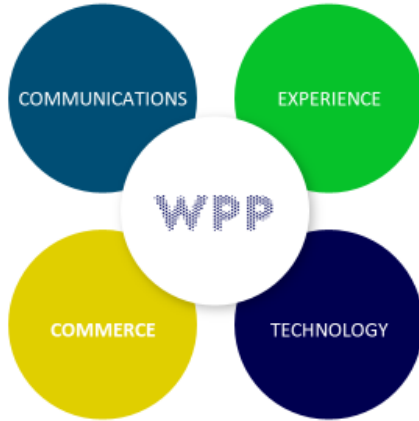
Slide 14

IN DECEMBER 2018, WE SET OUT FIVE STRATEGIC OBJECTIVES



So in 2018, we set out the five strategic objectives for the business, to reset our vision and offer, to reinvest in creativity that's so important to those businesses, to look at how we could develop a stronger data and technology strategy with a common approach across WPP, to simplify our structure to make it easier for clients to navigate us and easier for us to manage, and to build a culture that would attract the best people to WPP. I think we made significant progress in each of those areas.

WE EXPANDED OUR OFFER INTO FASTER-GROWTH AREAS



NOTES:
• Source for addressable spend all IDC, apart from Communications (GroupM/WPP)
• Sources for non-addressable spend: Communications — GroupM; Experience — IDC CX Spending Guide 2019; Commerce — estimate based on Experience ratios; Technology — WARC/BDO "Martech 2020 and beyond" (October 2019)

First, we expanded our offer into the faster growing markets of experience, commerce and technology and the digital part of the communications business. And this is a sizable market opportunity. What we need to do is really re-orientate WPP into the growth areas of our industry.

WE RENEWED OUR COMMITMENT TO CREATIVITY

The image displays a grid of nine portraits of creative professionals, arranged in three rows and three columns. The names are listed below each portrait:

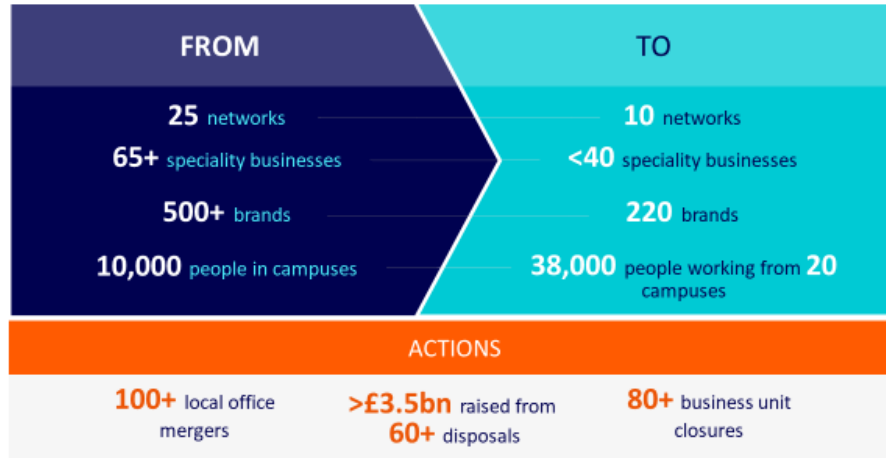
- Row 1: Laura Jordan Bombach, Marcos Kothlar, Taras Weyner
- Row 2: Keith Cartwright, Debbie Vendeven, Walter Geer
- Row 3: Noel Cottrell, Danilo Boer, Justine Armour

To the right of the portraits is a light blue box containing a list of awards and recognitions:

- CANNES LIONS**: Holding Company of the Decade
- Pencils**: Pencils won by eight creative agencies
- effie AWARDS**: Most Effective Holding Company 2012-2020
- WARC**: No.1 Media Holding Company 3 years running
- CLIO AWARDS**: 89 awards in 2019; top honours to Ogilvy and AKQA
- PRovoke**: BCW no.1 in 2020 Global Creative Index

We renewed our commitment to creativity, attracting some of the top creative talent in our industry to WPP's creative businesses. And you can see that in the awards that we got, Cannes Lions named us holding company of the decade; won awards from the D&AD, won the Effie for the most effective holding company nine years in a row. But not just in advertising. BCW this week was named the number one creative public relations company by PProvoke. We have been recognized for the quality of our creative work and I think while we have more to do, we have made significant progress.

WE HAVE RADICALLY SIMPLIFIED OUR STRUCTURE



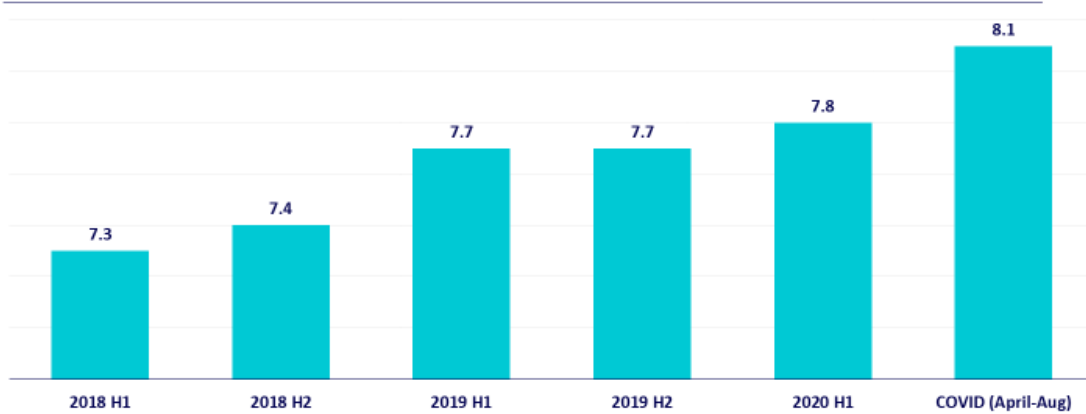
But we've also radically simplified our structure. We've gone from 25 global networks, if you include Kantar, to really 10 global networks today, from 65 specialty businesses to 40, from 500 plus brands to closer to 220. And today we have 38,000 people working in our campuses, nearly 4x the number from two years ago.

We've done this by the process of merging and combining offices, shutting businesses that needed to be shut and raising GBP3.5 billion from disposals, most notably of Kantar. We've raised GBP2.5 billion and kept a 40% stake in Kantar at the end of last year. And that transaction on its own put us in a very strong position to prosper through the challenges of 2020 and COVID.

Slide 18

OUR CLIENT SATISFACTION HAS SYSTEMATICALLY IMPROVED

WPP CLIENT SATISFACTION




SOURCE: WPP Vantage; 2.4K-59K+ client responses per period; scores out of 10

WPP 18

As a result of those investments and simplifications and integrations, we've actually seen a dramatic improvement in our client satisfaction. And even during COVID, a time where close to a 100% of WPP's 100,000 people were working from home, we've seen our client satisfaction continue to improve. I think that demonstrates the value that we give to our clients, the respect that they have for us and the importance of the work that we do for them. And you see it not just with our existing clients, but in new business and in client retention.


WE HAVE WON AND RETAINED MAJOR CLIENTS





2020 NEW BUSINESS LEAGUE
HOLDING GROUP RANKING


Global / Oct 2020


| RANK OCTOBER | HOLDING GROUP | ESTIMATED CREATIVE YTD REVENUE (USD \$M) | ESTIMATED MEDIA YTD REVENUE (USD \$M) | ESTIMATED OVERALL YTD REVENUE (USD \$M) | % AS OF 2019 REVENUE | NO. OF WINS |
|-----------------|------------------|---|--|--|----------------------|--------------|
| 1 | WPP | 286.9 | 269.6 | 556.6 | 3.3% | 1,590 |
| 2 | Publicis Groupe | 109.1 | 148.6 | 257.7 | 2.2% | 659 |
| 3 | Omnicom | 114.8 | 141.3 | 256.1 | 1.7% | 778 |
| 4 | Dentsu | 107.6 | 77.3 | 185.0 | 1.9% | 898 |
| 5 | Interpublic | 93.8 | 69.3 | 163.2 | 1.6% | 442 |






























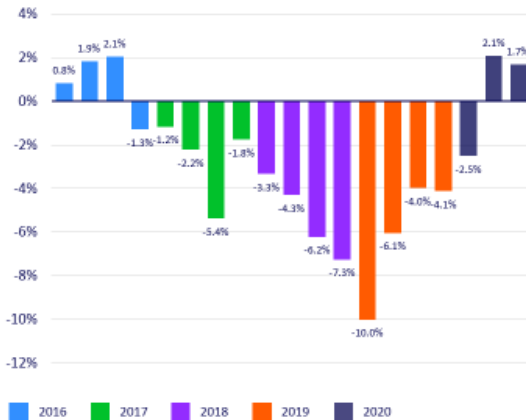


And this year we've won 40% more new business than we did last year and we lead the new business tables. This is the table from R3, we had a really strong performance, actually both in creative and in media. While our media performance has been stand out, and I'll show you that later, our creative performance has been really strong. Roughly 1/3 of our pitches have been integrated across creative and media. You can see some of the fantastic brands like Intel, or Uber, or Walgreens Boots Alliance that we won or retained this year.

TOGETHER, IMPROVED OUR RELATIVE PERFORMANCE

WPP VS. AVG ORGANIC GROWTH — USA

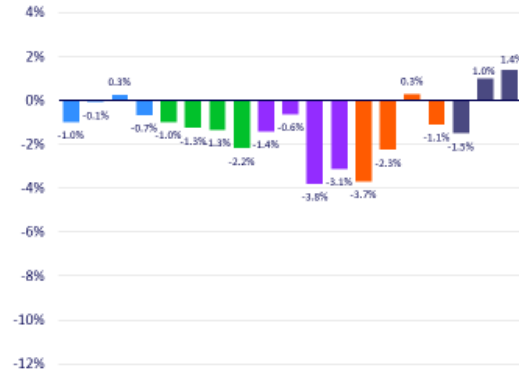
% BY QUARTER, 2016-2020



BASIS OF PREP: USA includes Dentsu 'Americas'. Dentsu does not disclose USA alone prior to Q3 2019.
SOURCE: Company reports

WPP vs. AVG ORGANIC GROWTH — GLOBAL

% BY QUARTER, 2016-2020



So what does that mean in terms of our performance? I think taken together, we've really improved our relative performance. I think one way to think about this is when we met two years ago, we were 3.1% behind the average of our competitors globally and 7.3% behind the average of our competitors in the USA in terms of relative organic growth, probably the most important metric of success and progress in our business. And today, we're 1.4% ahead of the average globally and 1.7% ahead of the average in the United States. I think we have addressed many of the issues in terms of our relative performance and our performance in the U.S.

**WE ENTER 2021
HAVING MADE
SIGNIFICANT
PROGRESS — MUCH
OF IT DURING COVID**

- **Improved organic growth performance**
 - Growth ex-China pre-COVID
 - Above peer group in last two quarters
 - 3 out of 6 with the ambition to go further
- **Stronger client performance**
 - 15 of top 30 clients grew in Q3
 - Business at risk at low levels throughout 2020
 - Industry-leading new business performance
- **Improved financial position**
 - Net debt down to £2.3 billion at Q3
- **Taken action during COVID to be ready for 2021**
 - Continued to attract top talent
 - Responded rapidly on cost
 - Positioned WPP for the future: AKQA Group, VMLY&R Commerce, Finsbury Glover Hering

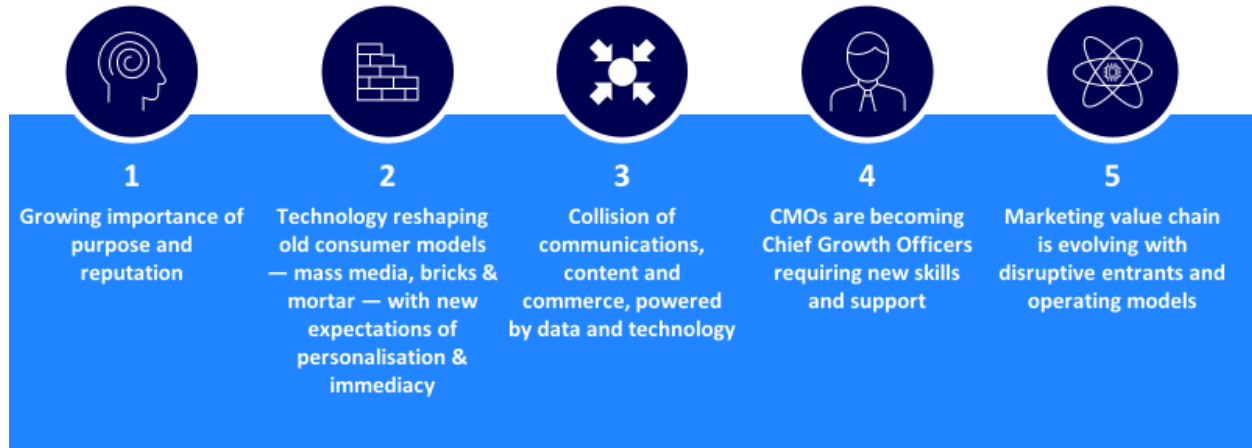
So how can we enter 2021? I'd say having made significant progress, much of it during COVID. We haven't been sitting on our hands over the last nine months, but we've been taking action. We've seen an improved organic growth performance pre COVID. We had growth in the business outside of China, the beginning part of the year. We've been above our peer group as I mentioned in the last two quarters, and we've gone from five out of six to three out of six and we really aspire to go beyond that. We've seen a much stronger performance from our clients. 15 of our top 30 clients grew despite COVID in the third quarter of the year. And our new business has been stellar and our existing business at risk has been much lower than it has been historically. We have a much improved financial performance, and our net debt at the end of Q3 was down to GBP2.3 billion, but we've also, and I think most importantly taking a lot of action during this period to be ready for 2021.

We continue to attract top talent to the company, most recently Andy Main, he joined us from Deloitte Digital to run Ogilvy, we responded very rapidly on the cost front and I think our cost performance during 2020 has been much better than external analysts would have expected. We've really positioned WPP very well for the future taking tough, but necessary decisions to bring AKQA and Grey together under the AKQA Group, to bring Geometry into VMLY&R, and to bring Finsbury, Hering Schuppener and Glover Park together to form Finsbury Glover Hering, a really interesting and powerful communications powerhouse of the fast-growing part of our market.



The Market

COVID IS ACCELERATING EXISTING TRENDS



So these are all reasons for us to be positive about the future. But how do we see this market? And as I said before, I think that COVID has really accelerated many of the trends that we talked about two years ago. There's a growing importance of purpose and reputation I think we all recognized. There's no doubt that technology is reshaping our market in breaking down the old models of the traditional retail model, the classic linear, television or mass media model. There's a collision of communications, content, commerce on a mobile device all powered by data and technology that's driving much of consumption at the moment.

CMOs' responsibility is getting broader, many becoming Chief Growth Officers needing new skills, new talent and new advice. And there's no doubt as well that the places that they can go are evolving, so much broader range of competitors for what we're doing. We need to ensure that we're competitive against those.

Slide 24

CONSUMERS EXPECT MORE FROM COMPANIES



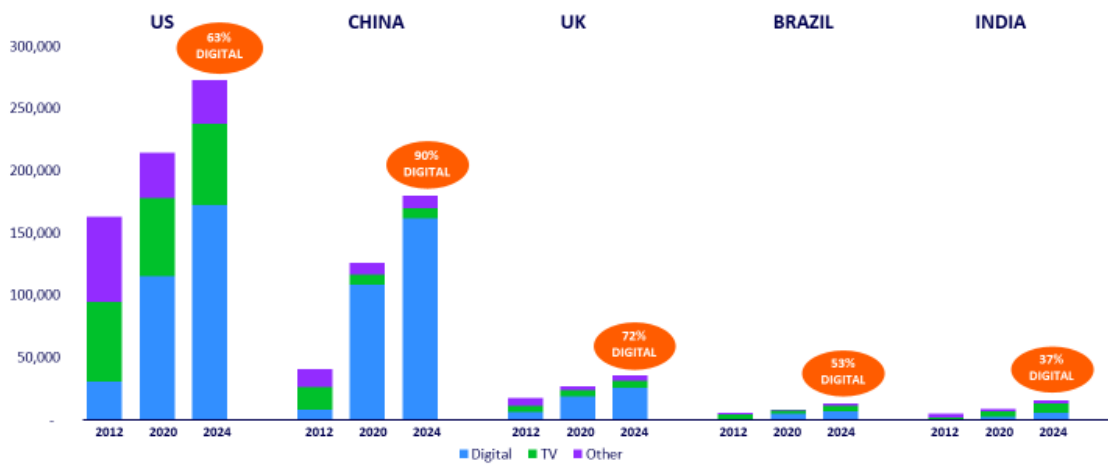
1. Kantar Purpose 2020 Report
2. Generation Z: Building a Better Normal, Wunderman Thompson Intelligence, Dec-20
3. The State of Consumer Spending: Gen Z Shoppers Demand Sustainable Retail, Jan-20
4. Bank of America Gen Z Primer

When you think about purpose, it really is much more critical than it's ever been before and dominated, I think, the financial press for much of this year along with the other issues. And we see 2.5% increase in brands that are perceived to have a high positive impact on society. And this is some work, *The Choice* that Keith Cartwright and Grey did for P&G, talking about their stand against racism.

85% of consumers believe that brands should be about more than just profit. And Pfizer capitalized on this with their campaign, *Science Will Win* from Grey, Hill & Knowlton and Landor really stating the role that science can play and there's no doubt with the progress that they've made with their partners in Germany on the vaccine really endorse that. So consumers expect more from companies today than they ever do.

DIGITAL IS NOW THE DOMINANT MEDIUM

MEDIA SPEND BY MEDIUM (\$M)



SOURCE: GroupM, The Advertising Association/WARC, IAB, Company Reports.

The second trend has been really the explosion of digital media. And the fact that now it's really the dominant media. People talk about the digital transformation. I say to them, well, it's happened, here in the U.K. where we are in 2021, digital will be 62% of advertising spend, television will be 19%. Digital will be more than three times the spend that our clients spend on traditional television. And so we live in a world that's already dominated by digital, and our success in navigating that, I think is critical.

Slide 26

ECOMMERCE HAS ACCELERATED DRAMATICALLY

ECOMMERCE AS % OF RETAIL SALES

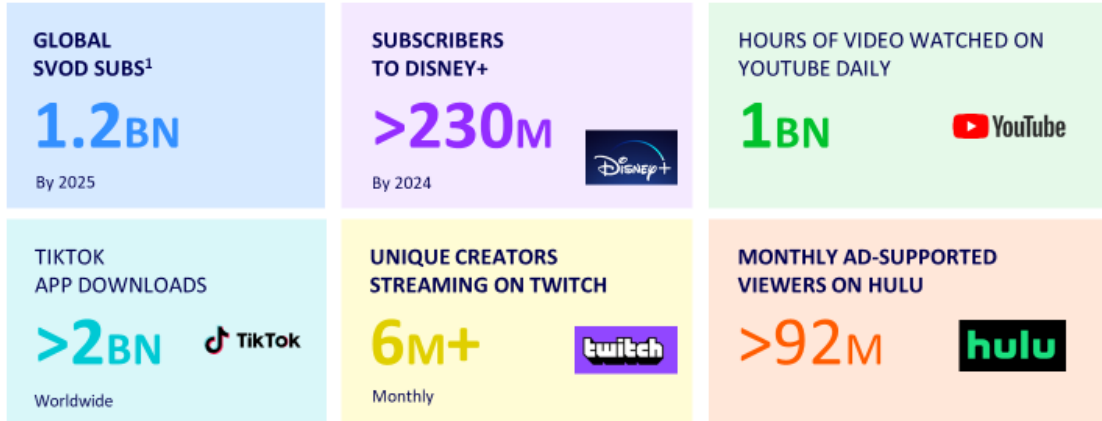


SOURCE: US Consensus (Nov-20) and ONS Internet retail sales (UK). Q3 20 represents preliminary estimates.

WPP 26

But another area where we really invested in WPP over the last few years, and I think will stand us in really good stead for the next few years is e-commerce. And we've all seen the growth of e-commerce going from 20% in the U.K. to 31% from the second to the third quarter, or 12% to 16% in the U.S. At some point, I think in May or June, e-commerce was 60% of non-grocery retail sales. Now some of that no doubt is forced, but much of it will remain as we come out of this. So we've been helping brands like L'Oréal, this is some work that Wunderman Thompson had been doing with L'Oréal, we helping them sell their product through Amazon and make it available to consumers where consumers want to buy it. But one of the reasons why these experiences that we're building with clients and commerce are so important is the explosion of streaming services and social videos. It's typically environments where the classic advertising model is much harder to reach.

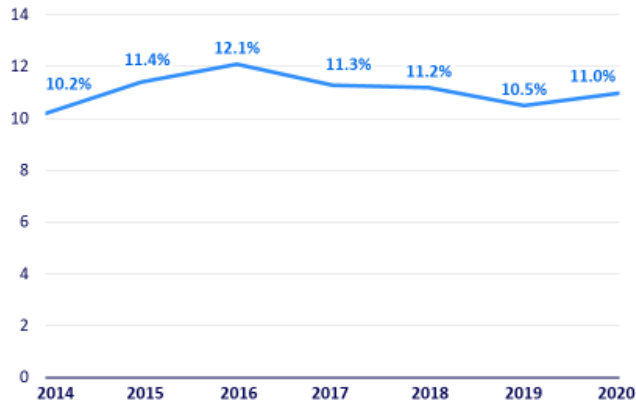
STREAMING SERVICES AND SOCIAL VIDEO ARE EXPLODING



So forward-thinking clients need to figure out how they're going to reach their consumers in the future, in a world where we have 230 million subscribers to Disney Plus, where people watch 1 billion hours of YouTube, if you divide that by the world population, it's like 7 or 8 minutes per person, of everyone's life spent on YouTube. In that world, how are our clients going to reach their consumers. They need to innovate. They need to build channels. Often they need to build their own channels and e-commerce could be at the heart of that. And those are all ways in which we're helping our clients to reach harder to reach consumers.

CLIENT SPEND IS HOLDING UP — BUT IT IS SHIFTING

Q: What percentage of your company's total revenue is allocated to its total marketing expense budget?



68%

of CMOs expecting martech budget increase

Spend on marketing technology **now exceeding** traditional agency fees

Digital will be **61%** of global ad spend in 2021

TV will be **18%** of UK ad spend in 2021

SOURCE: 2020 Gartner CMO Spend Survey
n = 328 (2020); 342 (2019) N.America/U.K. Respondents; 618 (2018); 350 (2017); 375 (2016); 424 (2015); 363 (2014)

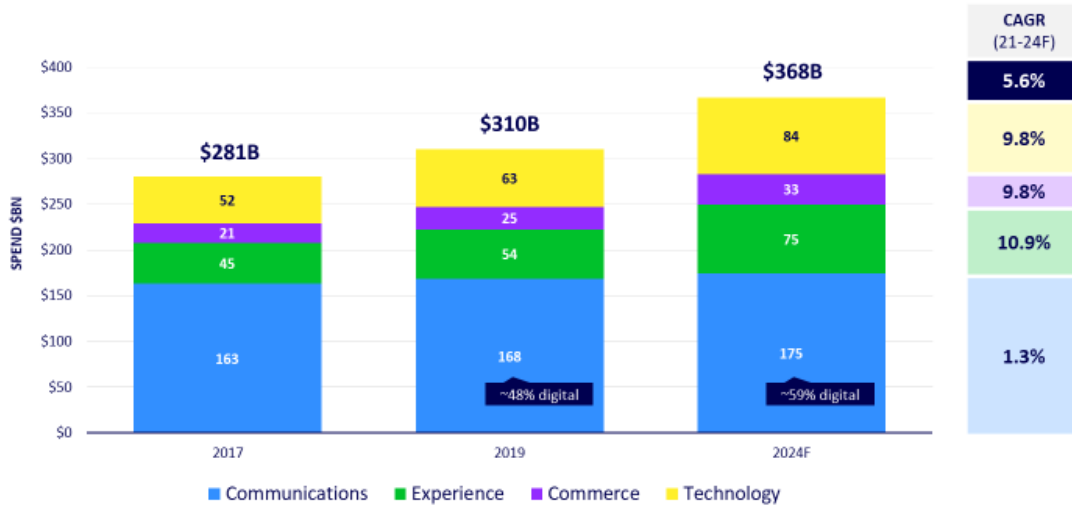
WPP 28

So as a result, I think what we're seeing is that client spend is holding up, but it's shifting. And the issue we face at WPP, is not that our clients weren't spending on marketing, it's that our offer was not yet in the place where they were spending more money. And then I think is what we've been working to fix and where we'll continue to invest in the future.

You see that 68% of clients expect their marketing technology budget to increase. They're saying, they're spending more money on market technology than they do on traditional agency fees. So we need to continue to invest in those sort of shifting areas of the business, which is what we've been doing.

Slide 29

OUR GROWTH OPPORTUNITY IS IN DIGITAL COMMUNICATIONS AND IN EXPERIENCE, COMMERCE AND TECHNOLOGY



SOURCE: All IDC, apart from Communications (GroupM/WPP)

WPP 29

So to conclude on how we see the market. I see the opportunity is in digital communications. It's in experience, it's in commerce and it's in technology. Now earlier this year, we held the WPP Extraordinary Awards, a celebration of creativity in each of WPP's disciplines. And I think to bring that to life, we're going to take a five-minute coffee break or interlude and give you a chance to look at some of the work that won those awards and give you some more insight into what it means to be in each of these categories and the types of ways in which WPP can help its clients to prosper.

[VIDEO PRESENTATION: WPP Extraordinary Awards]

WPP's Growth Strategy

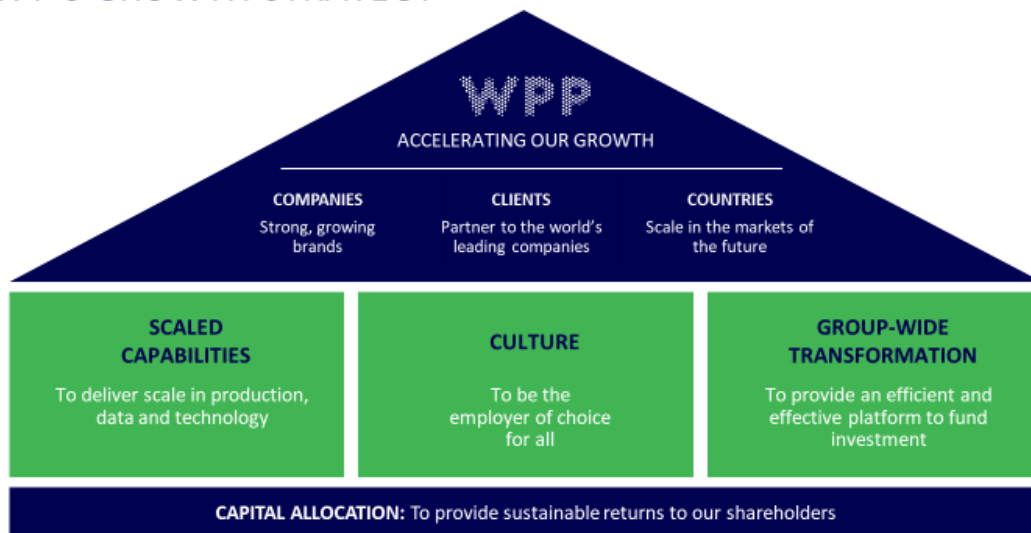
Mark Read

Chief Executive Officer, WPP

Welcome back and I hope that gives you some insights into the work that we do in each of those areas of communications, experience, commerce and technology.

Slide 32

WPP'S GROWTH STRATEGY

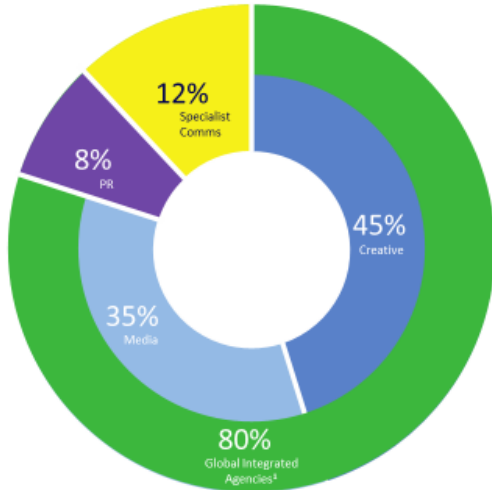


WPP 32

So let's talk about WPP's strategy for growth. And I think this is how we think about – the house in which we're growing. Sort of three areas of where to play, if you like, companies building strong, growing brands, our clients, how we can be a partner to the world's leading companies. And then countries, how we can deliver scale in the markets of the future. And that's supported by our scaled capabilities to how we turn size into scale in production, data and technology.

Culture, how we've become the employer of choice for all and our transformation programme to provide an efficient and effective platform to fund investment in the business. And that all leads to capital allocation to provide sustainable returns to our shareholders.

COMPANIES: OUR GROWTH PLATFORMS



1. Includes AKQA and Geometry, previously in Specialist Comms

| GROWTH PLATFORMS | |
|--|--|
| CREATIVE AKQA GREY WUNDERMAN THOMPSON VMLY&R Ogilvy | <ul style="list-style-type: none"> Digital communications Healthcare Ecommerce and experience Marketing technology Production |
| MEDIA essence. MEDIACOM MINDSHARE Wavemaker | <ul style="list-style-type: none"> Digital media: Search, social and programmatic New business models: Xaxis and Finecast Data and technology |
| PUBLIC RELATIONS bcw ENGEL & VOLKERS HILL + KNOWLTON Strategies | <ul style="list-style-type: none"> Purpose and reputation Sustainability Digital and social media |
| SPECIALIST COMMS supernation LANDOR & FITCH gtb | <ul style="list-style-type: none"> Brand experience and identity Specialist services |

So in many ways our companies, are our growth platforms. We talked earlier about how we need to make sure that all of our companies have growth strategies and that's something that through the changes that we've made over the last two years, we can really provide. We now have creative businesses that have both platforms of digital communications, healthcare, e-commerce and experience, marketing technology and production. So you see within say Wunderman Thompson the ability to build Wunderman Thompson Health, Wunderman Thompson Commerce, to build mobile applications and experiences, to connect it all together using technology into work with Hogarth and the other capabilities from a production perspective.

In media, we have growth platform not just in digital media, but in specialist business models like Xaxis and Finecast.

Our public relations businesses have been very resilient during COVID and driven by growth in purpose, and reputation, sustainability and also by digital and social media, and our specialist businesses also have the ability to grow as a brand experience and identity.

Slide 34

VMLY&R DEMONSTRATES BENEFITS OF INTEGRATION

VMLY&R QUARTERLY LFL NET SALES GROWTH



BASIS OF PREP: All agencies excluding GTB and Hogarth.

WPP 34

So the issue has really been in our creative agencies over the last few years. And I think we can see clearly that integration can drive benefit and here we lay out the growth over the last five years of VML, the blue line and Y&R, the green -- and you can see that really the performance in Y&R suffered over the last four or five years. By bringing those two companies together by the end of 2018, we're able to increase their growth from minus 10% up to close to 5% in a pre-COVID world and even in COVID world, the growth, the VMLY&R business have been much more resilient than people in WPP thought, and I suspect other people outside our organisation. We've really seen the benefit of integrating that. We're better able to deliver an integrated solution to our clients. We're better able to offer a broader range of services and all of that helps us grow. We can show you what that means in each of these areas.

CREATIVE AGENCIES: EXCELLENCE IN DIGITAL COMMUNICATIONS



Boots.com page views

+95% YoY



Social impressions

+687% YoY



Return on ad spend

223% over benchmark

A key goal has to be to succeed in digital communications, to have ideas that are in many ways media neutral, but that work as well in digital channels as they do in traditional terrestrial media. And this campaign that we highlighted in the previous video that Ogilvy ran for Boots part of Walgreens Boots Alliance for last Christmas, the Bootique campaign demonstrates the benefits you can have of a broader integrated approach, but also really delivering a mass personalization into an improvement in not just page views on their website, but doubling of the return on ad spend against their traditional benchmark, and it's a digitally led highly personalized approach.

CREATIVE AGENCIES: EXPANSION INTO ECOMMERCE



New category entrants across three global brands

vype / Germany

vype / Columbia

One of the world's largest roll-outs of Adobe's B2C commerce platform

vype / United Kingdom

LYFT / United Kingdom

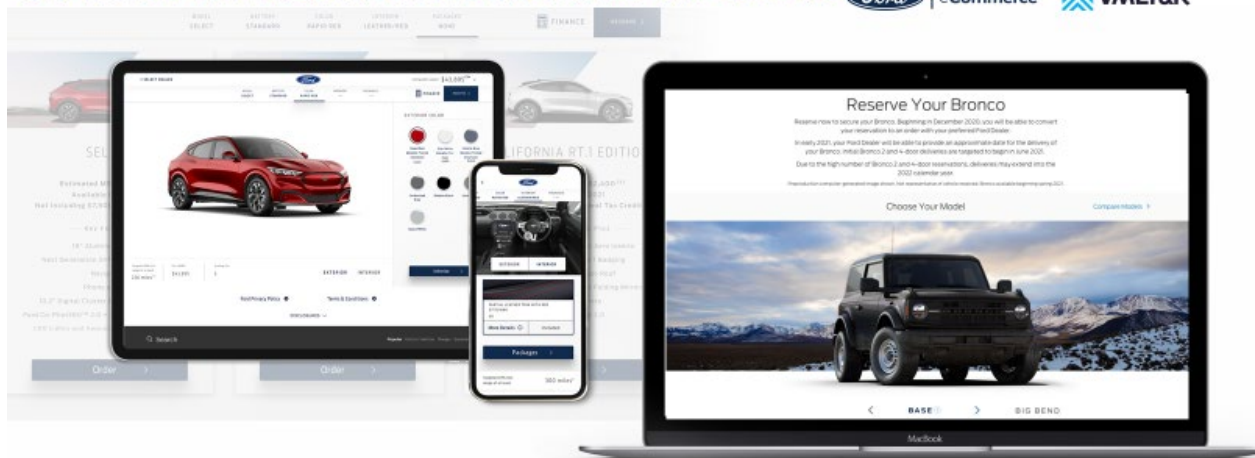
10 commerce sites launched so far

glo / Italy

glo / Poland

But our strategy also provides these agencies with the ability to expand into e-commerce and this is some work that Wunderman Thompson have been doing with BAT for the past few months. They actually took it over from a consulting company. It's really been helping BAT to deploy one of the largest global rollouts of Adobe's Magento platform, a platform that Adobe acquired I guess about 18 months ago and has been a key partner for us, then and in the future. We've launched 10 commerce sites around the world for their nontobacco products. So this is really in the non-tobacco area. We've been able to help them build a direct relationship with their consumers.

CREATIVE AGENCIES: BUILDING NEW EXPERIENCES  eCommerce 



1ST ONLINE RESERVATION PLATFORM



500K VISITORS IN FIRST 24 HOURS AFTER LAUNCH
23 MILLION CUSTOMERS HAVE VISITED BRONCO PAGES



45 MINS BRONCO SOLD OUT
8 DAYS FIRST EDITION MACH-E SOLD OUT



95% OF ALL MACH-E RESERVATIONS MADE ONLINE

And a key part of what we've been working on certainly during the pandemic, is building new experiences that enable our clients to connect with their customers when physical experiences have not been possible. When you think about launching a car in the middle of a pandemic when consumers can't visit a dealer and can't make an order. And that's what we've been working on with Ford, launching both the Bronco and the MACH-E through an online reservation platform. Drove significant traffic to that site, we sold out the Bronco in 45 minutes and the MACH-E in the first eight days and 95% of the MACH-E reservations have been made online despite dealers being much more open. So it shows the permanent shift that you do get in consumer behaviour as a result of the pandemic. So we really have strong growth platforms today in our integrated creative agencies, they are able to offer expertise in health, in e-commerce, in experience, in marketing technology and data, in production to bring that all together for clients.

Slide 38

IN MEDIA, WE CAN BUILD ON SIGNIFICANT MOMENTUM

| Media Agency GROUPS | | TOTAL New Business Values <i>(incl. billings retained)</i> | |
|---------------------|---------------------|--|-------|
| 1 | GroupM | 4 020 | 1 166 |
| 2 | Publicis Media | 1 496 | 1 440 |
| 3 | Dentsu | 867 | 362 |
| 4 | Mediabrand | 798 | 160 |
| 5= | Havas Media Group | 534 | 552 |
| 5= | Omnicom Media (OMG) | 533 | 348 |

2020 KEY MEDIA NEW BUSINESS WINS



SOURCE: COMvergence, Q1-Q3 2020

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As we said, our media businesses have been strong, but how can we build on their momentum? Now one way is to win more clients. You can see on the left the performance of GroupM measured by COMvergence and they've won close to 3 times the amount of new businesses than the next biggest competitor. New assignments from companies like Whirlpool, or Hasbro, Sainsbury's or Uber. A really strong new business performance during 2020. But actually innovation has really been critical in our media businesses over the last 10 years providing new services, new technology driven services and new business models, one of those has been Xaxis.

Slide 39

X AXIS CONTINUES TO GROW AND INNOVATE

V O L V O

X AXIS
MINDSHARE
GREY

CHALLENGE FROM VOLVO

- More customers and lower cost per conversion through relevant and tailored digital communications

APPROACH

- Combined WPP team across Xaxis, Mindshare and Grey
- First-party Google analytics data to define Volvo's target audience
- Leveraging machine learning to address relevant users at scale
- Dynamic Creative Optimization (DCO) testing of campaign elements to identify best creative combination
- Through AI, Volvo's creative messaging continually transformed based in real-time learnings to build **2,358** ads, each tailored to the end user

OUTCOME

66%
Decrease in Cost per Conversion

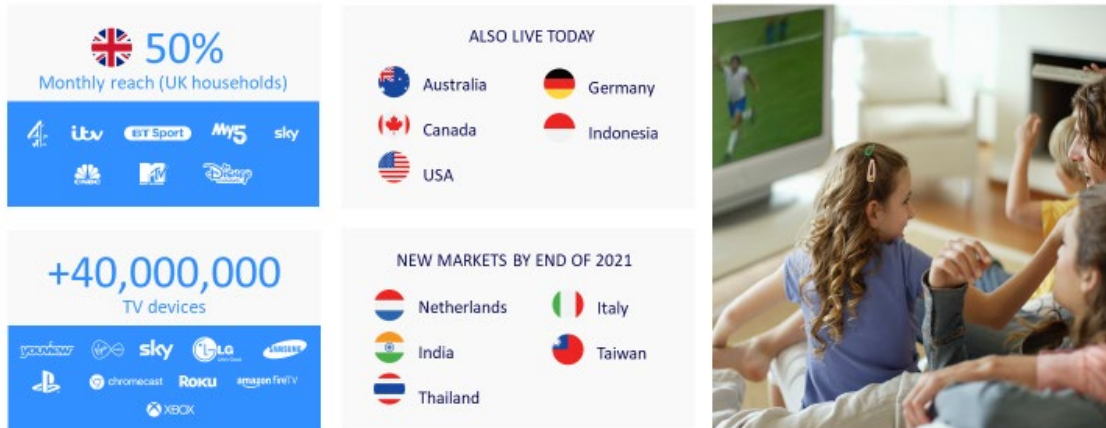
440%
Increase in Conversion Rate

Xaxis was born out of the acquisition of 24/7 Real Media all the way back in 2007 and for those people that say that WPP is not a technology driven company, I'd remind them that we bought an ad serving business 13 years ago from which we really created - incubated and then created - and then developed Xaxis, which is now a significant part of our operation. And this is the work that Xaxis did to go with Mindshare and Grey for Volvo.

Basically the goal here was to use data to target the creative and optimize the creative much more effectively. We created 2,358 different advertising messages, each one tailored to the end-user. What's important about Xaxis and this shows is that we can do this in a cookie-less world, so much of the optimization is not based on the cookie, but it's based on time of day, the content, the page that people are at or other things that we know about the consumer rather than the cookie.

AND CONNECTED TV REPRESENTS A SIMILAR OPPORTUN F:NECAST

DEEP UK CONNECTIVITY ACROSS BROADCASTERS AND PLATFORMS



Now we also have growth opportunities beyond the Internet, but we've been investing in a product called Finecast here in the U.K. and it's now rolling out around the world that enables our clients to get access to connected television and connected television inventory. We have a 50% monthly reach here in the U.K. We are the only platform that has access to inventory from all the major broadcasters from Channel 4, ITV, Sky, 5, well as MTV and Disney Channels. We have access to all of that inventory. We can reach 40 million TV devices across the U.K. We can really help our clients target messages not based on cookies, but in a really privacy compliant way and that's a business that we're now rolling out into further markets by the end of next year. And I think we will demonstrate or show good and promising growth in our media business.

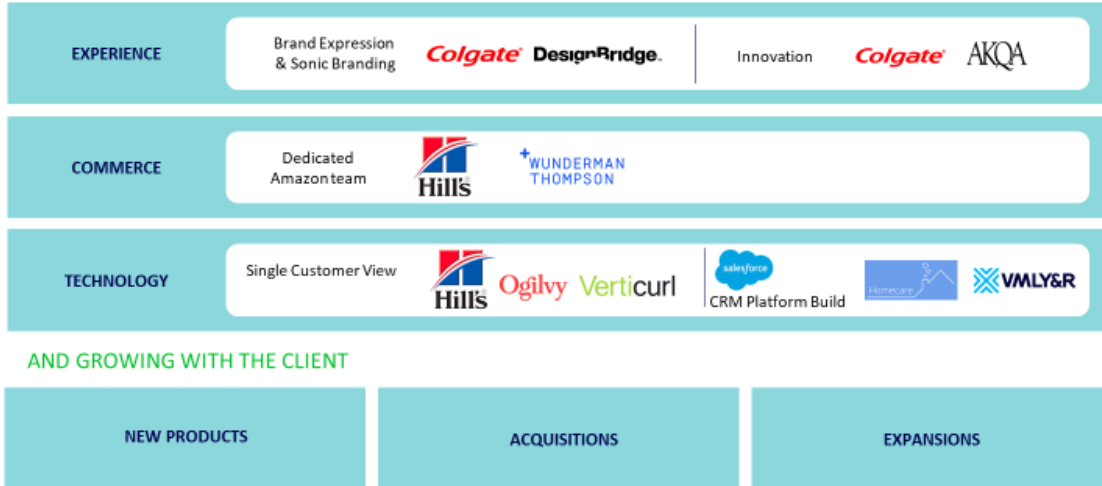
Slide 41

IN PUBLIC RELATIONS, WE HELP TO MAXIMISE THE EFFECTIVENESS OF OUR CLIENTS' CAMPAIGNS



I just touched briefly on our public relations, and I mean in a classic kind of downturn, if that's the right word for what we've experienced the last nine months, you probably expected our public relations businesses to be the most impacted of any part of WPP's business. That's certainly been the situation historically, but it has not been the situation during COVID. I think that's because clients realize the importance of communications and clarity of communications. And BCW, that I mentioned won the Creative Agency of the Year award, and we've been helping, as part of an integrated WPP team, the U.S. census to get underway during 2020 or equally importantly Hill & Knowlton working with the World Health Organization really clarified the communications messages around the pandemic and help them to get the message out. So each of our companies today has a strong growth strategy.

CLIENTS: EXPANDING OUR OFFER



What that really enables us to do is expand our offer with clients and Colgate-Palmolive, I think is a good example. It's a client that was won by Y&R or Young & Rubicam as it was back in 1995, before it was even part of WPP with an expanded the relationship across WPP set up the red fuse model. And today we're expanding it and broadening it and helping the client innovate and invest in new ways. We have AKQA working on Innovation projects with Colgate. Wunderman Thompson set up a dedicated Amazon team to help Hills, their Pet Food business. We're building through Ogilvy and Verticurl a single view of the customer and then we're activating that through a Salesforce CRM platform build that VMLY&R are working on. So really it's the best of WPP coming together to drive growth for our client. And we're seeing close to high single-digit growth with Colgate during this year given the strength of their business, but also given the strength of our relationship. So I think there's significant room for us to grow with our major clients and to capture more share in newer areas from those clients and doing that is a critical part of our strategy. We really have seen significant improvements in the way in which we've managed our global clients over the past two years.

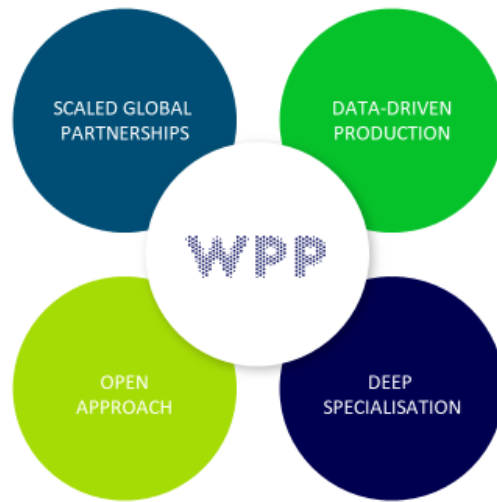
COUNTRIES: CAPTURE THE OPPORTUNITY IN HIGHER GROWTH MARKETS



The third element is our countries. I've said WPP has probably a unique position. One of the companies in our sector that is most diversified geographically. We have a fantastic footprint in markets like Brazil, China and India, where we work with many strong local clients, this is with Ogilvy in China in the middle which we have done with AliExpress. And I mentioned before that GroupM had won the media planning for Alibaba in China too, helping some of the world's fastest growing companies succeed in their home market. And I think in time help them succeed as they expand beyond their home market.

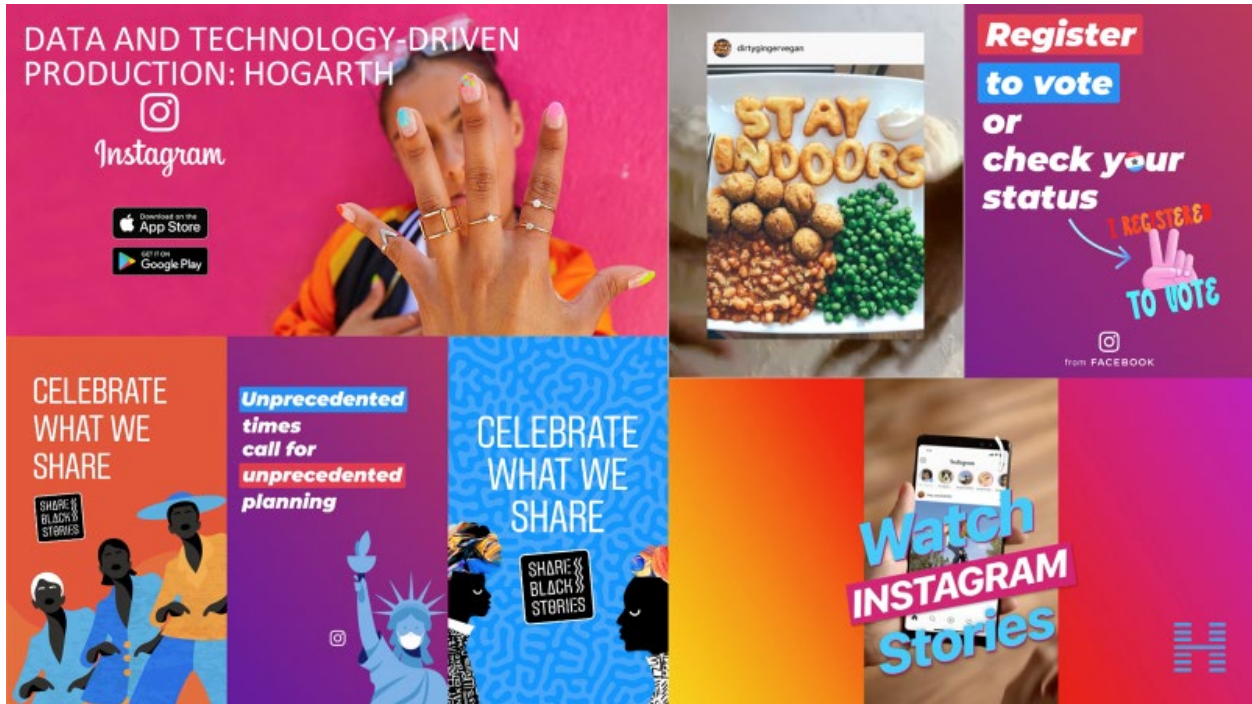
Slide 44

OUR GROWTH IS SUPPORTED BY A COMMON APPROACH TO PRODUCTION, TECHNOLOGY AND DATA



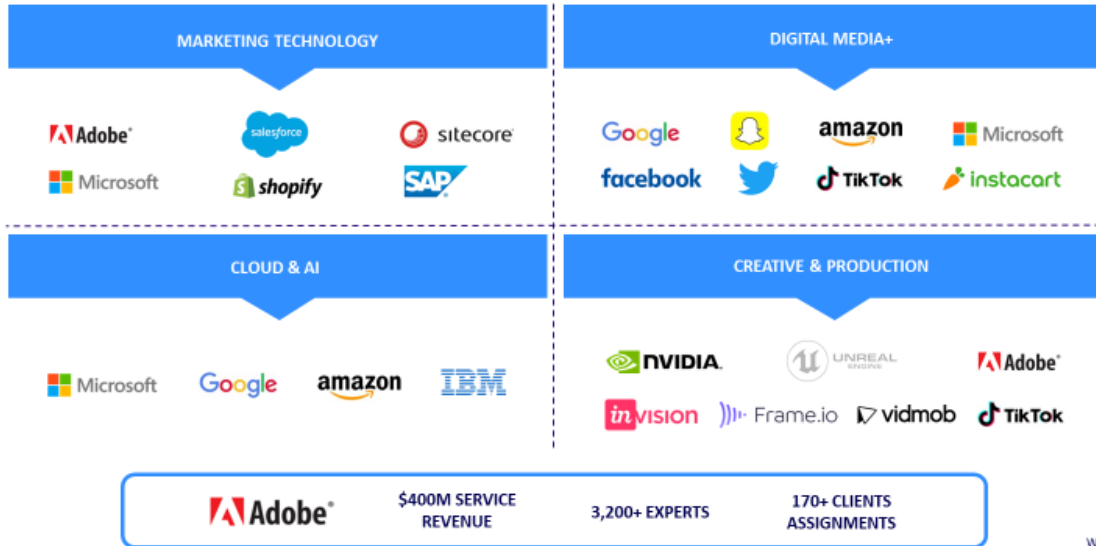
So if that's where we want to grow, how we are going to do it and a key element of that is our approach to production, technology, and data. I mentioned this notion of turning some of the benefits of size into the benefits of scale. We don't want it just to be the biggest. There's no point in being the biggest. What we have to do is turn being large into an advantage and an advantage for our clients and an advantage for our people with the opportunities we can give them, and an advantage for our shareholders in terms of disproportionate returns; and production, technology and data are really critical to that. Now when we're producing content, it's critical to produce significant volumes of different types of content.

Slide 45



This is some work that Hogarth have been working with Ogilvy on for Instagram, really producing content that can live in their channel. So it lives inside Instagram to promote different messages and different messages and different usages of Instagram. This is a lot of work you can see, being done during the pandemic and encouraging people to vote before the election; we are doing similar creatively driven mass personalized creative work for clients like Dyson or Rolex or WBA.

TECHNOLOGY: SCALED GLOBAL PARTNERSHIPS



We also need to take advantage of scaled global partnerships. We have really strong relationships not just with the software companies, but with digital media businesses, with the cloud and AI providers, with many of the companies that power the way we work in our business. And just to call out one: Adobe, who have \$400 million of revenue across WPP dedicated to implementing Adobe products. And so for Adobe business growing 10%, 15%, 20% a year, we can expect really strong growth in our business with Adobe. We need to have more of those sort of rocket ships to attach if you like to WPP, really to help us grow.

TECHNOLOGY: DEEP SPECIALISATION



Gartner Magic Quadrant for Global Digital Agencies, Feb 2020

- 4/10 Leaders



IDC Worldwide CX Improvement Services, 2020

- WPP/AKQA clear leader



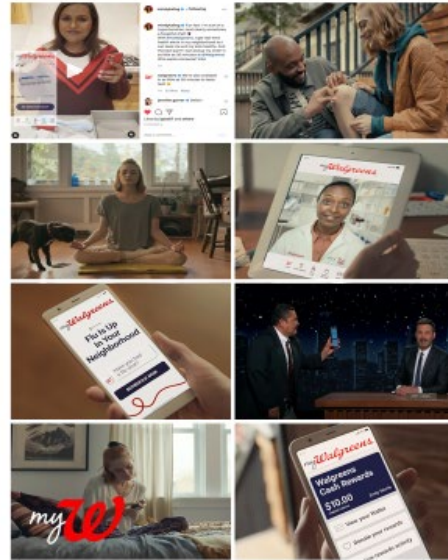
Forrester Adobe Implementation Services Wave Leaders, Q2 2020

And at the heart of those partnerships is really the specialization that we have now. I think it's going to be hard to read this chart. So I think to sort of help you understand what it shows, if you look at sort of three critical areas. So first digital agencies: WPP has four of the leading digital agencies and AKQA on the top right is the highest ranked. We also have really strong businesses in customer experience. Increasingly clients looking at customer experience as a critical way to differentiate what they do. And again AKQA is up there ahead of companies like Accenture, or Deloitte, so other sort of technological service providers. And the same is true with Adobe where WPP is collectively is really strong, recognized by Forrester in their wave as a leader in the Adobe implementation services business. So those specializations are areas where we can continue to invest and we can continue to service all of our companies without the need to replicate and duplicate multiple delivery centres really around the world.

Slide 48

OPEN DATA APPROACH: DELIVERING MASS PERSONALISATION

- Integrated WPP team across creative, media, data, technology and public relations
- WBA-owned identity graph to activate WBA's first party data in all channels
- Third party platforms, fully integrated with partners



WPP 48

And lastly, we need to touch on data, which I know has been a topic discussed a lot in our industry and different approaches have been taken. And I think we're very comfortable at WPP with the open data approach. So rather than acquiring say a legacy data management and data business, we've really been focused on making sure that our clients can get the most value from their data through a very open and partnering approach. We've brought this to life in the recent, retention and expansion of our relationship with WBA, with Walgreens Boots Alliance, where we really gave them an integrated WPP team across creative, media, data, technology, but also public relations. We built a WBA owned identity graph that really will help them connect their first party data across all the channels to drive mass personalization. We do this not really through something that we're going to own as WPP, but something that we're going to help WBA build on with their existing strategic partnerships of Microsoft and Adobe. And the recent launch of myWalgreens shows how we can demonstrate the benefits of that, and puts WBA in a seat to compete increasingly with Amazon, they recognize the value of knowing customers if they are sort of intimate with their customers. We know where they're coming from and giving them that benefits, driving a classic loyalty approach, but much more personalized messages and much more personalized services.

So that talk of data, I guess naturally leads on to people and as Jacqui Canney will tell you people are really at the heart of WPP and really our goal should be to build a company and a culture that attracts the best people in our industry and if we can do that, then we will prosper, will give our clients the best advice, will become their trusted partner. So I'd like to ask Jacqui to share with you her thoughts on how we're going to build that culture.

Building Our Culture

Jacqui Canney

Chief People Officer, WPP

Slide 50

BUILDING CULTURE THROUGH PURPOSE

Using the power of creativity to build better futures



WPP 50

As Mark said, WPP's purpose to build better futures for our people, planet, clients and communities - sustains our culture. How we activate that culture and fulfill our purpose starts with our people.

THE SITUATION TODAY

SIGNIFICANT AREAS OF STRENGTH...

- 100k+ employees – highly skilled and motivated
- Strong response to COVID from our people who demonstrated resilience and commitment — supported by a broad and deep wellbeing programme
- Progress on collaboration including cross-agency client wins
- Excellent gender balance at junior/manager level – more than 50% women

...BUT OPPORTUNITIES FOR IMPROVEMENT

- Much more work to do on racial diversity overall. Still working towards 50-50 gender split at leadership levels
- Approx. 60–65% of hires come from outside WPP = need to improve career opportunities for our people
- Lowering employee churn
- Multiple systems with poor integration

When we look at our company today, we have many great strengths, including our 100,000 plus people all around the world. During this tumultuous year, they once again demonstrated their resilience, talent and creativity even as we shifted to remote work.

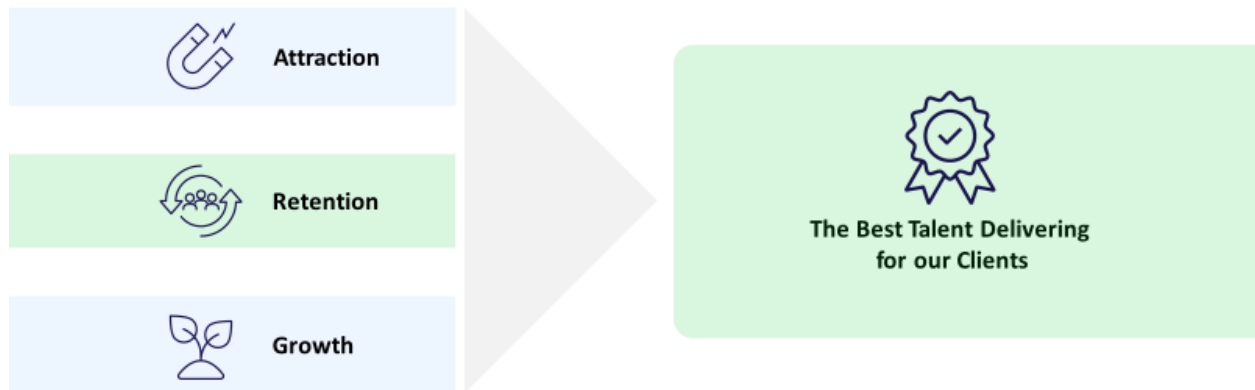
I'm proud of how our people have taken care of each other, our clients and communities. This year, they have volunteered hundreds of thousands of hours in service and pro bono work. In fact, my last trip before the pandemic was to India, where I was so inspired to see our people in classrooms helping children gain confidence through the WPP India Foundation. We've also shown that our people can collaborate to deliver amazing high impact creative work for our clients, despite the unexpected twists and turns this year has taken.

At the same time we know we have opportunities for improvement. Our clients continue to rely on us to solve some of their most difficult and interesting problems. And our people want access to more opportunities for growth.

That's why we need to focus on strengthening diversity representation at all levels of our company so we have teams with diverse perspectives producing richer work for our clients, greater mobility for our people across the network as well as offering clear career paths, reducing churn in our workforce and simplifying and integrating multiple systems, so we can work more efficiently and effectively.

Before I talk about how we're going to take advantage of these opportunities, I want to talk about the foundations of our people strategy.

OUR PEOPLE ARE OUR COMPANY



People are the most important asset at many companies. This is especially true in our industry. But at WPP, I think I'd go beyond that and say, people *are* our company.

In my experience, as a business transforms, there are a few things that you need to get right. You need to have a clear purpose, a set of values that guide the company, and a clear strategy for growth. You heard Mark talk about all three of these things and they really come together in our people, because they are WPP's competitive advantage. It's through our people that we will deliver on our strategy. The diverse, creative teams that we bring to every project will differentiate us in the market, help us keep and grow existing client relationships and help us win new clients.

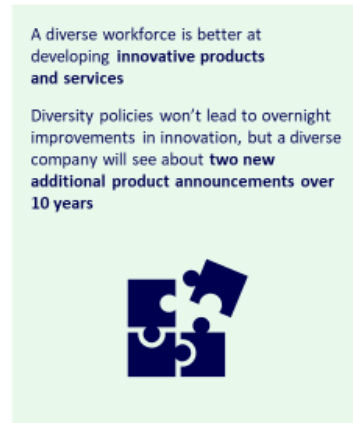
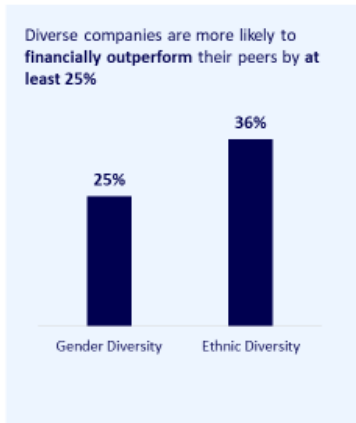
I'm focused on aligning our people strategy to our business strategy. The simple questions that drive our people team every day are how do we attract, retain, and grow the most talented, most creative and most inspired people on the planet who were drawn to our purpose? And how does our people strategy drive our business strategy, which ultimately drives our growth and value as a company?

OUR PEOPLE STRATEGY



Let me walk you through our people strategy. We've built it through three key pillars. Being the employer of choice for all, modernization of experiences, and growth.

DIVERSITY AND DIFFERENCE DRIVES CREATIVITY



As Mark has said, diversity and difference powers creativity. We know that there is empirical evidence backing this up. And we know that being the employer of choice for all, means being able to attract and retain exceptional diverse talent.

The teams we build to deliver the best work for our clients will need to bring new ideas, different perspectives and diverse life experiences to the work.

In order to attract, retain and grow this talent, we need to be a place that celebrates and cherishes diversity and difference. So our people can bring their best selves to work every day and feel a sense of deep belonging a WPP.

1 EMPLOYER OF CHOICE FOR ALL

CELEBRATING DIVERSITY AND DEMONSTRATING PURPOSE

- Commitments on racial equity including investing \$30 million over three years and publishing our diversity data annually
- New Inclusion Index to better understand our people's experience of inclusion and belonging
- Partnerships including Valuable 500, Unstereotype Alliance, LaGrant foundation and others
- Signatory of Women's Empowerment Principles
- Public commitments on Sustainability
- New Supplier Diversity policy



To be the employer of choice for all, we must listen closely to our people. We're starting to do that through a new listening strategy designed to learn and anticipate what our people want and need. We must also demonstrate our purpose every day - from the sustainability work we do, to our investment in community partnerships; from our commitments to racial justice, to our focus on gender equality at all levels.

In June this year, Mark along with the CEOs of our operating companies, took a visible stand on the issue of racial equality and supporting Black and other minority ethnic talent. We committed to three things. The first is taking decisive action on each of the 12 points in the "Call for Change" letter to our industry for more than 1,200 black advertising professionals. The second is using the power of our voice to advance racial equality. And the third is investing \$30 million over three years to fund inclusion programmes and support external organizations.

Just as we do quarterly financial reviews, we will be doing quarterly reviews with all our senior leaders. So we keep on track and make progress against our commitments. We have also incorporated progress against these commitments into our senior leaders' bonus compensation schemes for 2021 to ensure accountability.

We are approaching this work with our eyes wide open. We know we have to show sustained action over time. But we have made foundational progress on each of our commitments, guided by our new global Inclusion Council and with the full support of our senior leaders.

2 MODERNISATION OF EXPERIENCES

OUR LONG TERM PLAN

OUR PEOPLE

- Improved experience as new joiner
- User-friendly self service tools
- Easy mobile access
- AI-driven view of performance, development and career opportunities
- Access to live job opportunities across WPP brands
- Access to global mobility programme with standardised processes
- Employee data secure

OUR LEADERS

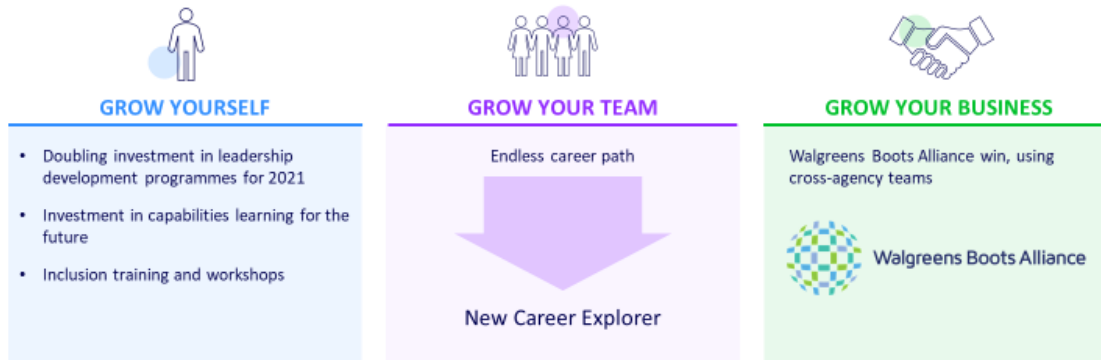
- Real-time data and analytics for better decision-making
- Improved measurement and reporting DE&I KPIs
- Ability to quickly resource accounts with right talent
- Career framework for talent development and succession planning
- Ensured performance-based compensation decisions
- Able to more easily deliver data for audit

OUR CLIENTS

- Better able to match employee skills with client needs
- Client lead performance measured and development plans aligned with client needs
- Build diverse client teams
- Data availability will facilitate new business opportunities
- Expand core skills, capabilities, and offerings

The second pillar of our strategy is modernizing our people's experiences. Our People Team's philosophy is built around being a human-centered design organization. Our people have technology that simplifies all aspects of their lives and they expect the same at work. That's why we're building up our data capabilities to draw a richer, deeper analytics to improve our people's experience. And we are partnering with our new CIO to tech-enable the work experience at WPP by deploying better technology solutions and integrating the myriad systems we use across our network with a people-first lens. For our people, our aspirations provide easy mobile access and user-friendly self-service tools. For our leaders, this will mean real-time data and analytics to make better decisions and improved measurement and reporting. And for our clients, this means, we will be able to more effectively match skills to client needs and build better teams. Our work on modernization will free up our people's time to create, and free of our agencies to focus on what they do best.

3 GROWTH



After the year we've had and the challenges we have all faced, we know that investing in our people and their capabilities will be the key to our growth and value as a company. Our people have insatiable curiosity to discover new ways of working, new ways to learn and new ways to create impact for their clients.

That's why our third pillar is focused on growth. In fact, when we ask our people, they care deeply about opportunities to grow, develop as leaders, and learn. And they want it endless career path, one that allows them to pursue new experiences across our network. These are the things that will bring the best talent, and keep the best talent, at WPP.

So we are increasing our investment in development programmes in 2021 with tailored content for our people, focused on building the skills they need if they're going to match our capabilities to our business strategy.

We're opening doors to make new learning opportunities accessible to a diverse group of people across WPP from agency programmes, like Mindshare Leadership Acceleration Programme with INSEAD Business School, to our virtual "HBX" classes through Harvard Business School.

And in line with our commitment to increase gender equality at senior levels, we're doubling down on successful leadership development programmes specifically designed for women, programmes like 'Walk the Talk' and 'Fast-Forward', partnering with Facebook.

We are training our people for the capabilities they will need in the future, including partnering with companies like Adobe, Amazon, Google and Salesforce to accredit more than 20,000 of our people this year alone. This kind of learning is directly aligned to our business strategy to help drive growth.

We are launching our new Career Explorer platform in early 2021. This will aggregate all jobs across the WPP agency network in one, searchable place, which will give our people more opportunities for mobility and career paths.

As we scale Career Explorer across WPP, it will help us attract and retain, drive down our average turnover, provide agencies access to new talent and reduce recruiting costs. More and more, our leaders need to work together, leveraging the amazing capabilities we have within our network to build

winning teams across agencies and disciplines, all to offer clients the best integrated solutions. We saw a good example of this last month when WPP successfully defended and expanded our business with Walgreens Boots Alliance, all with a handpicked diverse dedicated ‘team of teams’ with the right skills and capabilities drawn from across our agencies.

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LONG TERM FINANCIAL INVESTMENT

| | | |
|---|--|---|
|  <p>EMPLOYER OF CHOICE FOR ALL</p> <ul style="list-style-type: none">• Embedding Diversity, Equity and Inclusion into talent processes• More inclusive employee experience informed by analytics• Build out early career diverse talent pipeline partnerships |  <p>MODERNISATION OF EXPERIENCES</p> <ul style="list-style-type: none">• Analytics on skills, certifications, productivity, mobility & client impact• New technology and better systems integration designed with a people-first lens |  <p>GROWTH</p> <ul style="list-style-type: none">• Leadership development programmes• Learning focused on the capabilities of the future• Mobility & career pathing to ensure retention |
|---|--|---|

As you read in our press release this morning and as John will speak to you next, we are investing a significant amount in our people and their capabilities over the next several years. This investment will be focused on our three strategic pillars, so we continue to align our people strategy with our business strategy. And we're making sure we have the right talent and the right capabilities to deliver on that strategy.

HOW WE WILL MEASURE SUCCESS

KEY PERFORMANCE INDICATORS FOR PEOPLE

1. Improvement in Employee Net Promoter Score (ENPS)
2. Improvement in diversity, equity & inclusion metrics
3. Client satisfaction & wins metrics
4. Learning and certification metrics
5. Attrition/churn metrics

I'd like to end now on how we will measure success. This is one of the hardest challenges for us because we are just beginning our journey towards really rigorous data and analytics capabilities within our people team. The simplification of our structure and the better integration of our various HR and data systems will help. But we are already starting to implement KPIs for our people, so that we can measure things like employee net promoter scores, increases in client likelihood to recommend scores, and how we are building our people skills and capabilities. Based on what we know right now, we are on the right track. But we also want to be rigorous to stay on track and meet our goals.

BUILDING CULTURE THROUGH PURPOSE

Using the power of creativity to build better futures



So coming full circle, I think if there is anything we've learned from this unexpected year. It's that investing in our people and giving them the platform to grow and create will drive our growth and value as a company.

To that end, nothing is more important than fostering an inclusive culture and being a place where the best most creative talent will come to work and stay, all because we offer them an experience of endless discovery and a deep sense of belonging and purpose.

We have more work to do as we move from 2020 into 2021, but we are proud of what we have achieved. We're excited to continue building on our culture, fulfilling our purpose and helping all our people grow and thrive.

Now before John talks to you about our financial plan, we're going to take a five-minute break and show you some highlights from WPP TV, which we launched this spring across six continents and it's a channel for our 100,000 plus colleagues worldwide to share their creativity, expertise and insights with one another.

[VIDEO PRESENTATION – WPP TV]

Financial Performance

John Rogers

Chief Financial Officer, WPP

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WPP'S FINANCIAL PLAN



WPP 63

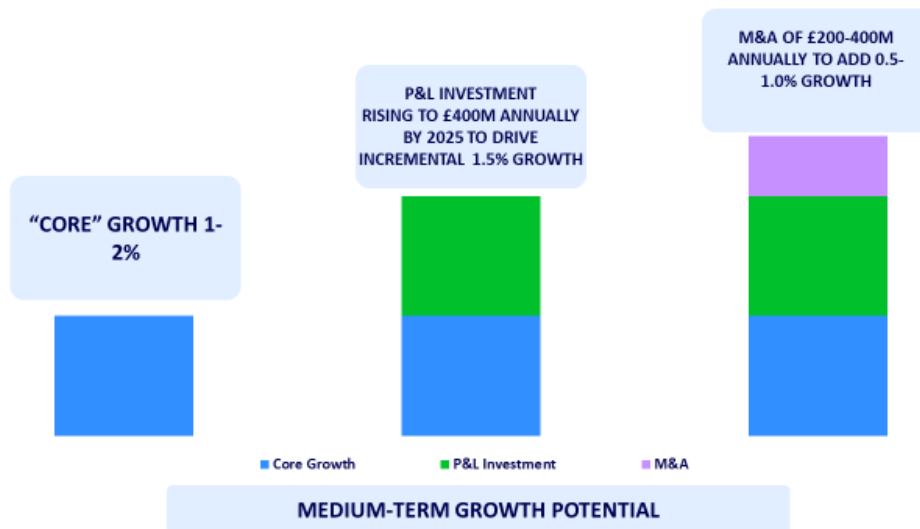
Welcome back from the break. Mark shared with you earlier on our plans to accelerate the growth of WPP over the next three to five years and underpinning that strategy is of course, our financial plan and there are four components to our financial plan. The first of which is accelerating our growth through investments, whether that's organic investment, whether that's M&A or capital expenditure. We plan to recover sales over the next two years back to 2019 levels and thereafter, grow the business by 3% to 4% per annum.

Now that growth of course needs to be funded through investment, which brings us onto the second component, which is how do we fund that investment. We plan to fund that investment through a group wide transformation programme, that not only funds investment, but also allows us to improve our operating margin over time. And that all of course sits on the foundation of a clear capital allocation framework. So how do we allocate capital to growing our business first and foremost? How do we then pay a sustainable and progressive dividend to our shareholders? How do we then fund M&A of GBP200 million to GBP400 million per annum and then of course any excess capital how do we return that to our shareholders.

And those three components, those first three components of our plan, then of course, deliver what we see as being very attractive financial outcomes for our shareholders. So return to operating margins at 15.5% to 16% for 2023 and double-digit EPS growth over the next three years.

So I'm just going to break this plan down in a little bit more detail.

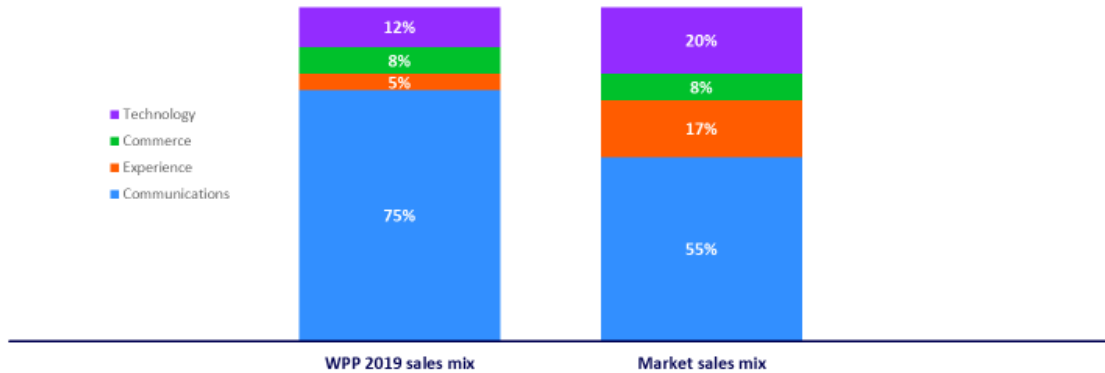
1 ACCELERATED GROWTH THROUGH INVESTMENT



Firstly, how we plan to accelerate our growth through investment? So we aim to -- as I said earlier grow by 3% to 4% per annum from 2023 onwards and that's built up of three components. The first of which is our core growth. We feel confident, we can return the business to core growth of 1% to 2%. And the reason why we have that confidence, is in the first quarter of this year, if you stripped out China, which is impacted by COVID-19, we actually returned the business to positive growth. Secondly, we're actually outperforming the market. Now we're winning market share versus our competitors for the last two quarters. Both of these points combined give us confidence going forward so that we can get the core of our business back to 1% to 2% growth. But then layering on top of that the investment that we plan to make, investment in type of work that we do, the sectors in which we participate, the geographies where we want to see growth. We believe that we can build on top of that 1.5% of incremental like-for-like growth. And then the third component of course is the benefits of M&A. So GBP200 million to GBP400 million per annum providing a further 0.5% to 1% growth, so that's how we get to our 3% to 4% growth from 2023 onwards. Let me just break out that middle tier in a little bit more detail.

1 TARGETING 40% OF OUR BUSINESS IN HIGHER GROWTH AREAS BY 2025

SALES MIX ACROSS OFFER PILLARS

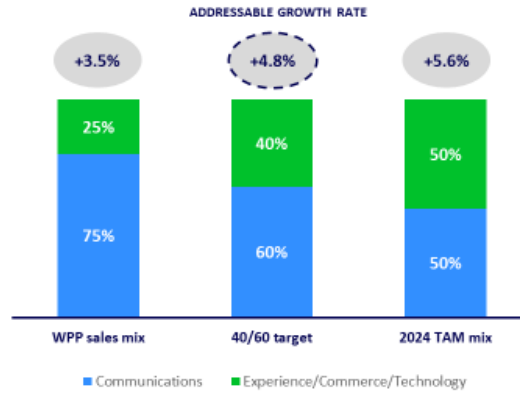


SOURCE: Market sales mix all IDC, apart from Communications (GroupM/WPP)

So as we exist today, WPP has roughly speaking 75% of our business in Communications and actually 25% across Technology, Commerce and Experience. But if you look at the breakdown of the market, the addressable market, the split is very different. So 55% of the market is broadly in Communications, whereas, 45% is in the other areas of Technology, Commerce, and Experience. The market is shaped very differently to our own mix.

1 SHIFTING SALES MIX TOWARDS HIGHER GROWTH AREAS

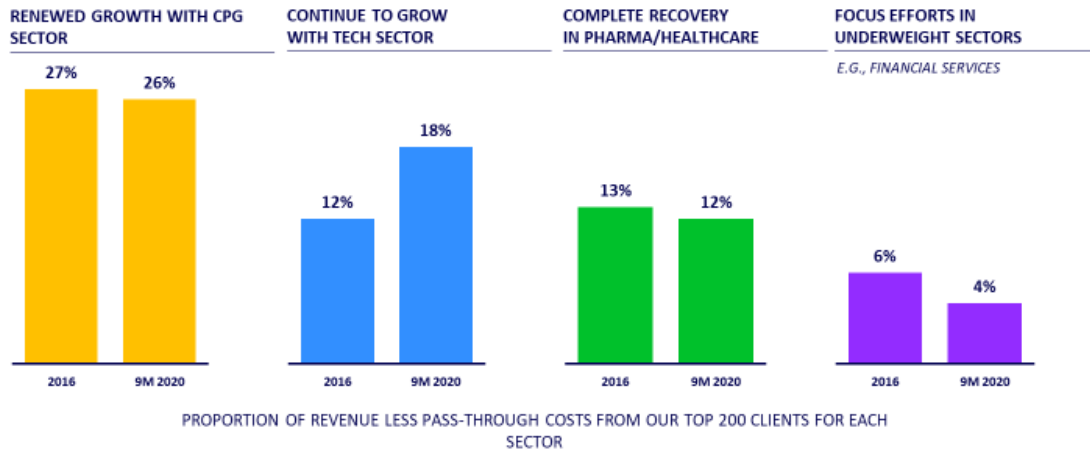
SHIFTING THE OFFER MIX



SOURCE: Market sales mix all IDC, apart from Communications (GroupM/WPP)

And we know for sure that those different components, the Commerce, Technology and Experience components are all growing at double-digit, roughly 10% each, whereas the Communications segment is actually growing at about 1% or so. So our plan is to pivot our business away from that communications over the next two, three, four, five years such that we move from the mix of 75% / 25% today to one of 60% / 40% by 2025, and in so doing as you can see from this chart, we will actually deliver an incremental 1.5% growth.

1 TARGETING SECTOR OPPORTUNITIES



The second component of our growth levers is really the sector mix. You can see from this chart that actually while CPG has been quite a tough sector over the last couple of years, we've seen really good recovery over the last nine months, so much so that the percentage of our business relating to CPG is the same in the last nine months as it was back in 2016. So really encouraging growth in CPG.

Equally, one of our big growth platforms is our tech clients. We've seen significant growth since 2016 in the amount of our business we spend serving our tech clients and we would expect to continue to see that growth going forwards.

There are also opportunities. I would look at our Pharma and our Healthcare business, two sectors that have been growing quite quickly. We haven't grown our portion of share of those sectors. So we see an opportunity to invest more in these areas in order to grow that part of our business. And then you've got sectors like financial services where we typically under index the market where we equally see an important opportunity to invest and drive growth going forwards. So through investing in these particular sectors, some providing existing strong foundations, others providing an opportunity to grow, we expect to be able to accelerate our growth going forward.

1 INNOVATIVE ENGINES OF GROWTH IN MEDIA



- Programmatic is 80-90% of digital display in US and UK
- Xaxis expected to capture **double-digits market growth**
- New markets (**in Europe and Latam**), new clients
- **Omnichannel video** powered by AI (Copilot)
- **Native and influencer** with strong momentum
- **Audio, DOOH** moving to programmatic

F:NECAST

- **63%** YoY growth in US internet-connected devices usage, Q2 2020
- Roku (AVOD) nearly **50%** of total US internet-based viewing minutes in Q2
- Finecast progress:
 - **Deep technology integration** with broadcasters
 - Supported by GroupM **purchasing scale**
 - **+27%** LFL revenue less pass-through costs in H1; H2 acceleration forecast
 - Rapid footprint expansion: **11 markets** by end 2021

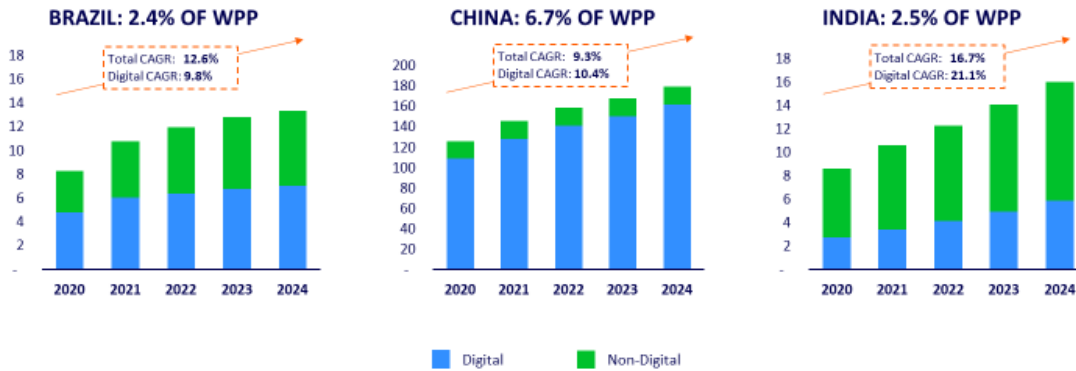
* eMarketer, 2019 — Programmatic Digital Display Ad Spending report

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The third component of our growth levers as Mark talked about this earlier on was really strong growth platforms within our GroupM business. So we talked about Xaxis, programmematic and Finecast. Xaxis is growing double digits. We would expect to continue to see that growth going forwards, particularly as we start to really grow into new markets Europe and LATAM and also with new clients. So double-digit growth through the Xaxis business.

And Finecast, Mark talked about addressable TV, we see a tremendous opportunity to grow this business. We saw plus 27% like-for-like in the first half of this year. We'd expect to see that accelerate in the second half of this year, as we start to have a rapid expansion of that business internationally 11 markets by 2021. So two very strong foundational growth platforms within our media business.

1 INVESTING IN HIGHER-GROWTH MARKETS



SOURCE: GroupM 'This Year Next Year' report total advertising spend

And the fourth component of our growth levers is really our international coverage. 30% of our business is outside North America and the U.K. and Western Europe. And here's a good example of three geographies Brazil, China and India that make up about 10% of our business today. All of which we anticipate growing at double digits over the next five years.

So hopefully you can see through a combination of the type of work that we're doing, the sectors in which we participate, some of our growth engines within media and our international reach, how we expect to be able to deliver that 1.5% incremental growth above our base 1% to 2%.

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1 SUMMARY INVESTMENT PLAN

Goal to grow in Communications, and to increase the share of our business in Experience, Commerce and Technology to 40% by 2025

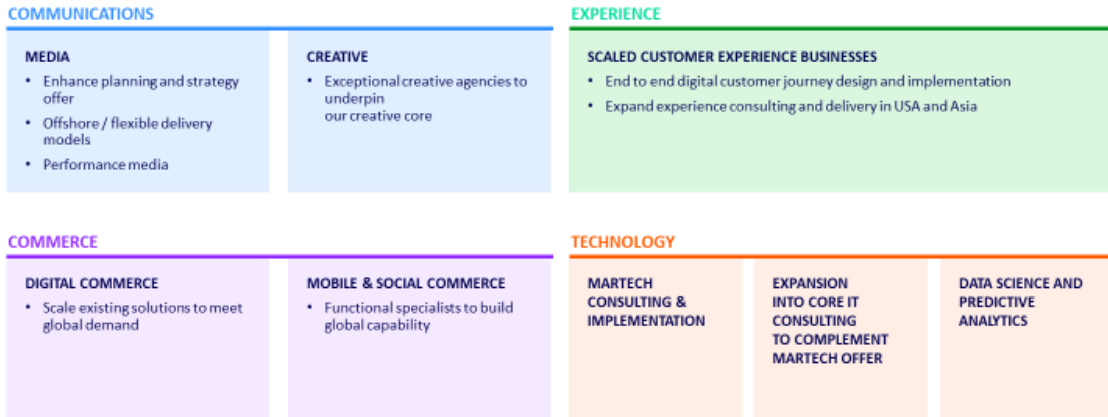
| £ MILLIONS | ANNUAL REINVESTMENT BY 2025 | COMMENTS |
|----------------|-----------------------------|--|
| INCENTIVE POOL | c.100 | Rebuild incentive pool to historical levels: target 3-4% of revenue less pass-through costs from c. 2.5% today |
| TECHNOLOGY | c.150 | Increased investment in technology and enterprise IT |
| TALENT | c.150 | Increase in fee-earning heads in growth areas, investment in training to build capability |
| TOTAL | 400 | |

But as I said earlier on that, that doesn't come for free. We need to be able to invest in order to drive that growth. And this is the way that we see that shape of investment and we'll talk a little bit later on about how we plan to fund this investment, but we plan to invest upward to GBP400 million a year, as we get towards 2025 in the areas of, for example, our incentive schemes. So over GBP100 million into our incentive schemes, we know that drives the behavior in our organization to top up our incentive schemes back towards historical levels.

We know that technology is a big driver in our business and we plan to invest GBP150 million in increasing our investment in technology and enterprise IT as an example. Particularly, when it comes to industrializing what we create innovatively and products in our agencies. How do we scale those products? How do we make those products robust, so that we can use those with other clients? That's a particular focus of our investment technology over the next three to five years.

And then the last component, and Jacqui talked about this at length, of course, the importance of people to our organization and our need to invest in talent. And we see this as being extremely important for our growth. So whether it's talent in the areas of expertise like commerce, experience that we want to continue to build on in our organization or training on AI and machine learning. We see a big investment in our people over the next five years.

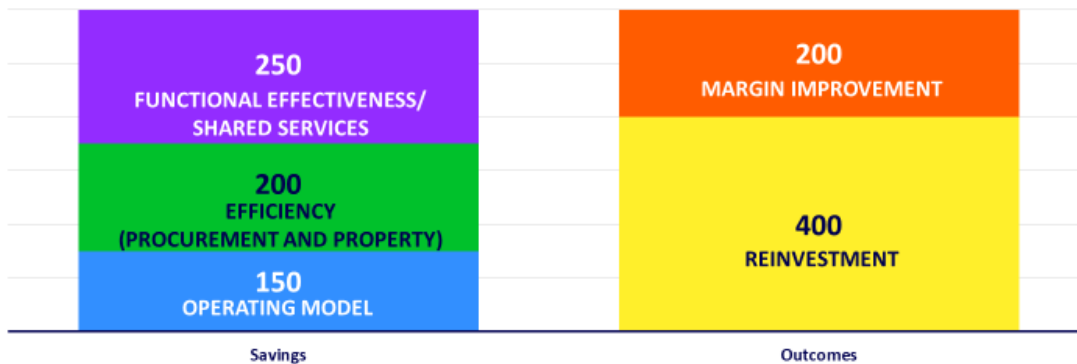
1 SCALABLE M&A IN GROWTH AREAS



Well it's not just all about organic growth, that's also M&A and we anticipate a broad spend between GBP200 million and GBP400 million a year in M&A, a little bit of a step up where we've been historically. But the nature of this M&A will be very targeted, targeted organizations where we think we can really scale these businesses by bringing them into the infrastructure of WPP integrating them into our organization, leveraging our existing client base and assets in order to grow these businesses. So we see huge opportunity in these areas, particularly of course in those areas where we want to build capabilities or continue to build capabilities like e-commerce or data and analytics, et cetera.

2 GROWTH FUNDED AND MARGINS IMPROVED THROUGH GROUP-WIDE TRANSFORMATION PROGRAMME

BY 2025...



So now coming onto, how do we fund the investment? Well, I've been in WPP now for nine months and I can assure you it's a relatively complex business and through simplifying and standardizing a lot of what we do, I believe that there are savings, annualized savings by 2025 of GBP600 million. And the plan is to take those savings to reinvest GBP400 million back into the business to drive the growth I've just been talking to and then to allow GBP200 million to drop to the bottom-line to improve our operating margin steadily over time.

So what are the different components of the savings, the GBP600 million that we plan to deliver? First and foremost, GBP250 million through finance, HR and IT Shared Services simplifying and standardizing what we do. GBP200 million of what we've described as being efficiency savings, buying better across our organization, using our property more efficiently and lastly, GBP150 million in how we operate as a business. So GBP600 million in total. I'll take you through some of that in a bit more detail.

2 FUNCTIONAL EFFECTIVENESS AND SHARED SERVICES: £250 MILLION OPPORTUNITY

| | MODEL TODAY | FUTURE MODEL |
|---|--|--|
| <p>CURRENT COST OF FINANCE</p> <p>c. 4%</p> <p>OF REVENUE LESS PASS-THROUGH COSTS</p> | <ul style="list-style-type: none"> • Dispersed, siloed and unbalanced functions in Finance, HR, IT and legal • c. 8,000 Finance employees • > 3,000 business units in c. 100 countries, > 300 financial systems • Non-standardised ways of working • Very detailed reporting requirements | <ul style="list-style-type: none"> • Single, federated approach to global business functions • End-to-end process simplification and standardisation • Automation, shared services at scale • Streamlined reporting and control framework • Data-driven insights for improved decision-making – leading not lagging indicators • Agencies empowered to focus on winning and delivering client business • Improved talent mobility |

So coming on to what we call functional effectiveness and shared services. And if we look at the business today, we are dispersed, siloed, unbalanced functions frankly across finance, HR, IT and legal. We have 8,000 people in the finance function alone as an example, 3,000 business units, 100 different countries, 300 separate financial systems, we have very non-standardized ways of working. We want to move that model much more towards a single federated approach to global business functions, end-to-end process simplification, standardization, automation where we can, shared services where we can't automate and a much more streamlined approach. And we believe that by doing so, we can save significant cost.

So if you look for example at finance as best practice, we currently spend about 4% of our net sales in our finance costs. Good practice would be 2% to 2.5%, best practice might be even low 1% to 1.5%. So you can see the opportunity to simplify what we do. But it's not just about taking cost down, it's really important to highlight this. It's also about how effective we are as a function. One of the things I'm very keen to do particularly within finance is to move the business away from not just looking at retrospective measures like net sales, and costs, and profits, and so forth, but also start to have a business looking much more at leading indicators as well as the lagging indicators.

So things for example, like our pipeline, how quickly are we growing our pipeline, how are we converting that into work with our clients, how are we scoping that work, how are we resourcing that work? What are our levels of operational efficiency in terms of that resource? How are we looking at client satisfaction and client profitability? So really to shift the lens of the organization from looking at lagging indicators to looking at leading indicators and by shining a light on that really driving operational performance through the business and I think there's as much opportunity in that area as I do in terms of how we save costs across our organization.

2 EFFICIENCY: £200 MILLION OPPORTUNITY

REAL ESTATE

CURRENT ESTABLISHMENT COSTS

c. 6%
OF REVENUE LESS
PASS-THROUGH COSTS

PROCUREMENT

INDIRECT SPEND

c. £2B

MODEL TODAY

- Campus strategy in place since 2018
- Already a third of people in 20 campuses
- Still multi-site even in cities with campuses, eg London, NYC. Scope for further consolidation

MODEL TODAY

- Inconsistent centralisation and pooling of scale
- Many goods and services still separately negotiated at agency level
- Prices can range by +/-25% by brand for same goods/services

FUTURE MODEL

- Post COVID opportunity to utilise space more intensively within existing and future campuses
- Increase levels of shared/flexible space within campuses
- Target of 85k people in 65 cities on campus by 2025
- Reduce space requirements by 15-20%

FUTURE MODEL

- Optimised and diverse supplier network
- Simplification of processes —mindful contracting
- Full adoption of analytic tool during 2021

So coming on now to, as I would describe as the efficiency pot, this is procurement and property. Property, obviously, I see a big opportunity here. We think that over time, we can actually reduce the amount of property that we use by about 15% to 20%. We've made really good progress over the last couple of years in our campus programme. So about 1/3 of our people today are located in 20 campuses across the globe. By 2025, we anticipate that being about 85% of our people being located in 60 campuses across the globe. So real opportunity to both reduce the amount of space that we use by 15% to 20%, but also change the way that we use that space and much more meeting space, collaboration space, much less people sitting behind desks responding to emails. And we believe there's an opportunity to save at least GBP100 million through that reduction in space. And the second component of this is procurement, how we buy. At the moment our buying is very dispersed, very disaggregated across our group -- across all the individual different agencies with spending to be in excess of GBP2 billion every year, largely with the same suppliers, often plus or minus 25% in relation to price. And so bring a little bit more discipline to how we buy, we believe that we can deliver savings of 5% of that addressable spend. So another GBP100 million or so of savings to give the GBP200 million in total in this area.

2 OPERATING MODEL: £150 MILLION OPPORTUNITY

MODEL TODAY

- 10+ different, opaque country operating models
- Long tail of small agencies in unprofitable countries
- Too many management layers
- Duplication of effort in eg technology, production assets
- Significant travel and personal costs

FUTURE MODEL

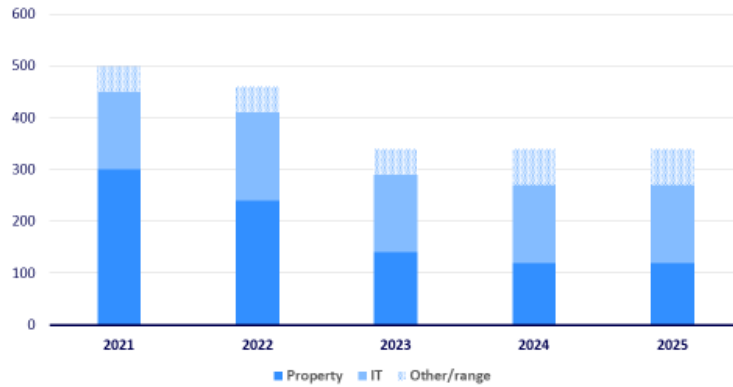
- 3 clearly-defined country models
- Significant consolidation of local agency operations
- Simplified org. structures
- Standard, connected global platforms, leveraging our scale
- Permanent change to ways of working post COVID

And then the last component is our operating model. I think today we are complex. We've got over 10 different approaches to how we operate at the country level. We've got a long tail of small agencies in unprofitable countries for example. We've got far too many management layers, duplication of effort across technology and production assets and so forth. And of course, significant historically at least in 2019, significant travel and personal costs.

Moving forwards, we want to simplify what we do, three clearly defined operating models by country, significant consolidation of local agencies, simplified organizational structures, standard platforms leveraging our scale, and of course, continuing to implement some of the changes that we've seen to our ways of working over the last nine months through COVID. So less travel in our organization, lower hotel fees, lower travel fees, et cetera. And by doing all of these things, we think we can deliver another GBP150 million or so of savings.

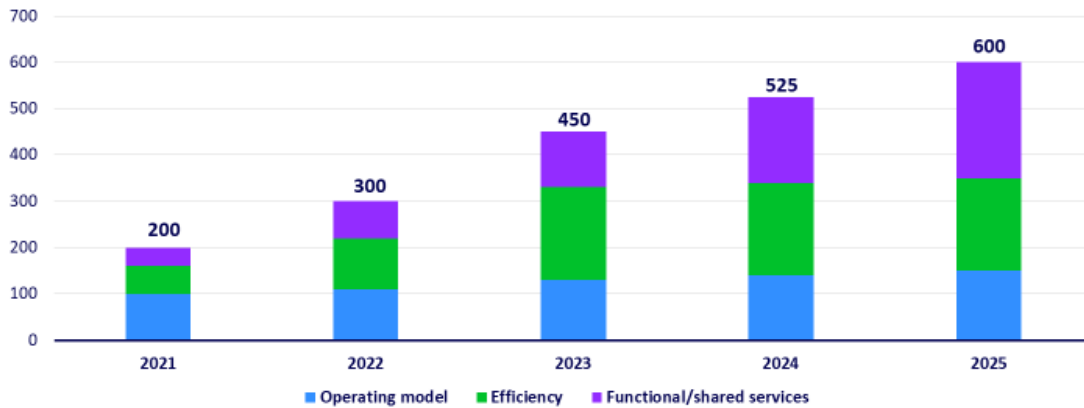
2 SAVINGS UNLOCKED BY SIGNIFICANT CAPITAL INVESTMENT

- Capex forecast at £450-500 million in 2021 and 2022
- Partially relates to delayed 2020 capex
- Investments in campuses, ERP and shared service centres driving the majority of efficiency savings



However, again, these don't come for free. We do have to invest capital in order to deliver these segments, particularly, of course in finance, HR and IT shared services. So our plan is to over the next two years spend GBP450 million to GBP500 million in capital spend, largely in IT and property to really accelerate the savings that we just described. And then actually probably to return to more normalized levels about GBP300 million or so per annum thereafter, but we definitely see this capital as basically allowing us to have the right ERP systems, the right simplification of our processes and also the right property portfolio through our campus programme to deliver the efficiencies that we just described and there's an element of catch up being in 2021's capital as well as we've obviously we've managed capital and cash more broadly very tightly through this COVID period.

2 APPROXIMATE PHASING OF THE GROSS SAVINGS TARGET



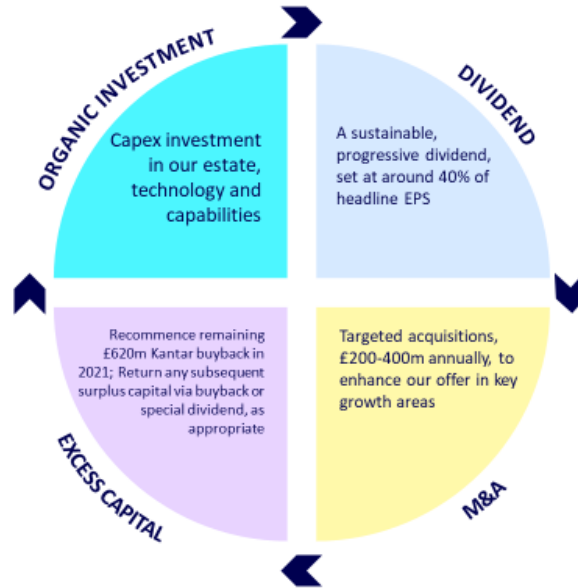
But the benefits of that capital I think are clear. We think we can by 2025 deliver GBP600 million of annualized savings and you can see on this slide how they build up over time. And if you look at the components of that buildup, you'll see that the blue component of the bottom here the operating model, that largely gets delivered quite -- that's mainly the savings that we've delivered through changing ways of working through COVID-19 and we see that increase slightly over time. That's the bulk of the GBP200 million that I made reference to, when we last spoke at the Q3 on the Interims trading call.

The second layer is really our efficiency. And you can really see the savings ramp up in '22 and '23 here through procurement and through property as we exit leases, as we really step up our ability to buy more centrally and then deliver savings back to the business.

And then the third component is the shared services, that's where there's a heavy investment in IT and systems and that takes longer. So the capital investment upfront in 2021 and 2022 really starts to pay dividends in 2023 and beyond. So you see how these savings are built up over time.

3 CLEAR CAPITAL ALLOCATION FRAMEWORK

- Invest in growth, with a goal to increase net sales from Experience, Commerce and Technology to 40% by 2025
- Provide shareholders with an attractive and sustainable return, combining capital growth and income
- Maintain a strong and flexible balance sheet (leverage target of 1.5 – 1.75x average net debt/ EBITDA), with excess capital returned to shareholders



So overall, how we're planning to grow the business, how we're planning to fund that growth. Of course, it's really important that we have a solid capital allocation framework to drive the business. So let me take you through the components there. So as I said, we need to invest in our growth, so our capital spend in our state technology and capabilities to drive organic growth in the business. We then secondly need to pay a sustainable dividend growing every year, and progressively growing every year and roughly 40% payout ratio.

The third priority is then to fund our targeted acquisitions to GBP200 to GBP400 million per annum. And then our fourth priority, of course is to take any excess capital, as long as we maintain our balance sheet strength, and return that capital through to shareholders. And we're announcing today that the Kantar share buyback that we suspended at the start COVID-19, we will recommence that buyback in 2021.

4 STRONG FINANCIAL OUTCOMES

RAPID POST-COVID RECOVERY

LFL revenue less pass-through costs to grow **mid-single-digits** % in 2021 and 2022

ACCELERATED MEDIUM-TERM GROWTH

Targeting revenue less pass-through costs growth of **3–4%** annually from 2023

IMPROVED PROFITABILITY

Targeting headline operating margin of **15.5–16.0%** in 2023

And of course, all three of those first components of our financial plan deliver ultimately attractive financial outcomes for our business. So like-for-like revenue less pass through costs to grow mid-single digits at 4% to 5%, 2021, 2022, accelerated growth there after 3% to 4% reflecting the investments that we're putting back into our business all of which delivers also improve profitability to our bottom-line. So 15.5% to 16% margin by 2023.

4 2020 OUT-TURN AND INITIAL 2021 GUIDANCE

2020 Q4 CURRENT TRADING

- LFL revenue less pass-through costs
-6.7% Oct/Nov 2020
 - -8.4% YTD
 - Full year outcome expected to be in line with YTD performance
- Headline operating margin 12.5-13.0%
- Year-end net debt around £1.6 billion, continued working capital focus

2021 OUTLOOK

- Mid-single-digit growth in LFL revenue less pass-through costs
- Returning to growth in Q2
- Headline operating margin 13.5-14.0%
- Net finance costs similar to 2020
- Pre-associates tax rate c 24%, rising c. 0.5% annually
- Capex £450-500 million

WPP 80

But just focusing on the more immediate shorter-term 2020 and 2021. So in 2020, we've had a very strong October, November period, so overall like-for-like revenue less pass through costs down 6.7%. That means that year-to-date we're down 8.4% and we would expect given December performance at the full year out turned to be in line with the year-to-date performance around 8.5% -- 8.4% down for the year. Which doesn't sound great being down 8.4% for the year, here clearly is a lot better than we were expecting and then indeed the market was expecting.

We have done a fabulous job of managing our cost base through the crisis. The individual businesses have done a great job, really making sure we've got tight control over our costs. So much so we think we're going to exit the year at an operating margin of between 12.5% and 13%, which is an increase on the current market consensus, so positive performance there in relation to how we've managed our costs.

And then from a cash perspective, we've done an excellent job particularly in the last couple of months of managing our cash position. So at the half, we guided to a net debt outturn of between GBP2 billion and GBP2.2 billion. We've done such a good job over the last couple of months in particular of managing our working capital within the organization that actually we think will outturn the year, it's always difficult to predict because we're dealing with quite large quantum of cash, but around GBP1.6 billion, it may even be slightly better than that. So very solid performance on both our net sales, managing our cost to deliver profit, and also ultimately our cash position and our net debt position.

In terms of outlook for your models for 2021, we're going to expect mid-single-digit growth next year and again 4% to 5% as part of the recovery plan through 2022 to get back to 2019 sales levels, we actually see the growth coming through in Q2 2021. So obviously Q1 which was less COVID impacted this year we expect to be negative in -- the first quarter in 2021, but we do expect to see growth from Q2, Q3 and Q4 onwards, delivering an operating margin of between 13.5% and 14%. Net finance cost similar year-on-year, tax rates slightly higher at 24% and rising at roughly 0.5% annually, which is what we've guided to historically, and as I've already covered the CapEx of GBP450 million to GBP500 million.

Slide 81

WPP'S FINANCIAL PLAN - SUMMARY

1

ACCELERATED GROWTH THROUGH INVESTMENT

- Accelerating through growth in Communications and expanding Experience, Commerce and Technology from 25% today to 40% by 2025
- Targeting sector opportunities eg CPG, Tech, Healthcare
- Innovative engines of growth in media eg Xaxis, Finecast
- Capturing the opportunity in higher growth markets eg Brazil, China, India
- 2021-2022 – recovery
- 2023 onwards – accelerated growth
 - 1-2% core business growth potential medium-term
 - c 1.5% incremental growth from investing c£400m p.a. in technology, talent and incentives
 - 0.5-1.0% incremental growth from investing £200-400m p.a. in high growth, scalable acquisitions

2

GROWTH FUNDED AND MARGINS IMPROVED THROUGH GROUP-WIDE TRANSFORMATION PROGRAMME

- Plans in place to target £600 million of annual gross-cost savings by 2025
- Annual net cost savings of £200 million expected by 2025 after £400 million reinvestment in growth
- Savings phased over the next five years
- Key areas of efficiency:
 - Operating model savings (e.g. new ways of working, consolidating data and technology investment, simplified country structure, stream-lined organisational structures);
 - Efficiency savings (Procurement, Real estate); and
 - Functional Effectiveness & Shared Service savings (Legal, Finance, HR, & IT)
 - Efficiencies unlocked by significant capital investment in our campus programme, ERP systems and shared service centres
- Efficiency measures will also enhance effectiveness: improving business insight and talent management, leaving agencies free to focus on growth

3

CLEAR CAPITAL ALLOCATION FRAMEWORK

- Capex £450-500m p.a. expected in 2021 and 2022, reverting to £300-350m p.a. from 2023 to fund cost savings programme
- Intention to pay a progressive dividend at around 40% pay-out ratio
- £200-400m p.a. for high-growth, scalable M&A
- Average net debt/EBITDA maintained in target range 1.5-1.75x
- Kantar share buyback programme to resume in 2021

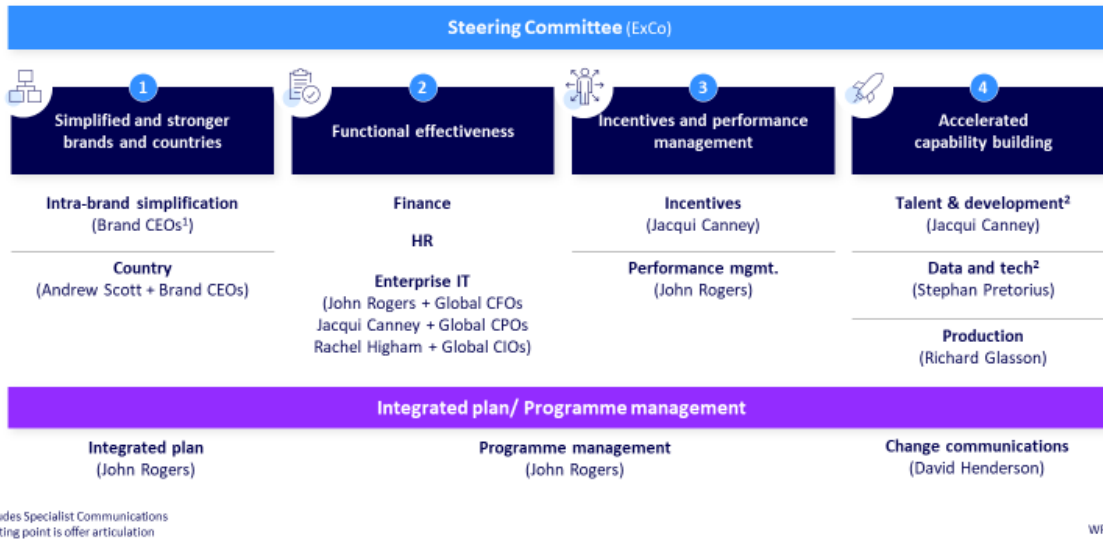
4

ATTRACTIVE FINANCIAL OUTCOMES

- Rapid post-COVID recovery: LFL revenue less pass through costs is anticipated to grow mid-single digits over each of the next two years, recovering to 2019 levels through 2022.
- Accelerated medium-term growth: revenue less pass through costs anticipated to grow 3-4% from 2023 onwards
- Improved profitability: targeting 15.5%-16.0% operating margin in 2023
- Double-digit EPS growth over the next three years

So this is the financial plan on a page. You'll be relieved to hear, I'm not going to take you through all of this again, but if you want to see it summarized on one page, it's here for your reference.

HOW WE WILL DELIVER THIS PROGRAMME



So very importantly, how we're planning to deliver this programme, and it's really important, this is quite a significant change programme across our organization. It's not a trivial exercise in a business that's as complex as WPP, so it's really important that we've got engagement across the business to deliver this plan and the steering committee for this programme will be our ExCo, which is obviously myself, Mark, and other senior WPP leaders as well as the CEOs from all of our agencies, so they are absolutely part of the steering group to really drive this change through our organization. And we've got the different pillars of that change programme through simplified and stronger brands and countries, through functional effectiveness, through better incentives and performance management. How do we look at how the business operating and performing particularly the KPIs that we want to look at, and how do we accelerate our capability building across the organization.

We've got a very clear integrated plan that underpins all of this. We've got a transformation office in place that will monitor delivery against that plan. There are very clear work streams with accountabilities, responsibility, deliverables, time frames, dependencies. You name it. It's very important that we have such a detailed plan in order to execute against this, because it's going to be challenging exercise to make sure we've got the discipline to deliver this plan in the next three years.

ADDITIONAL ANALYSIS/ DISCLOSURE

- Aim to provide split of business by four pillars at full year and half year:
 - Communications, experience, commerce, technology
 - From H1 2021
- Increased GroupM insight
 - Revenue, revenue less pass-through costs
 - Billings breakdown between digital/ traditional
- Ongoing updates to Group transformation programme
- Ongoing updates to our People strategy & KPIs

And how are we going to give you the confidence - you our investors, you the analysts, how are we going to give you the confidence that we're executing against our plan? We are going to provide you with additional disclosures, a different additional analysis that will inform you as to where we are vis-a-vis some of our targets. So we're aiming to provide you with a split of the business by the four pillars, both for the full year and half year in terms of communications, experience commerce and technology will start doing that from the first half of 2021.

We're also going to give you additional insight on GroupM, in terms of revenue and revenue less pass through costs and billings breakdown between our digital and the traditional side of our media. Thirdly, we're going to give you ongoing updates against the delivery plans of our transformation programmes that where do we sit in terms of our costs, how are we delivering against those targets and that trajectory I showed you earlier on in our slides. And of course, ongoing updates in relation to our people strategy and some of the KPIs that Jacqui talked about earlier on. So hopefully the combination of these additional pieces of insights and disclosure will give you some confidence and comfort that we're able to execute our plan in the way that we are saying.

Right, and with that, I'm going to hand back to Mark to summarize.

Summary

Mark Read

Chief Executive Officer, WPP

Slide 85

SUMMARY

- Focus on growth, profitability and returns, driven by client demand for our services
- Converting size into scale: data, media, technology
- People, culture and ESG at its heart
- Reducing inefficiency, investing in faster-growing areas
- Greater insight into underlying business performance
- Clear and investible capital allocation

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Great, and thank you very much, John. So I think just in summary, before we take questions, I think what we tried to show today is our plan will deliver growth, profitability and returns, driven by demand from clients for our services in this sort of post-COVID world. I think we see a strong 2021 - that's in terms of demand from our clients as they look to recover and renew, but also with a strong economic bounce back certainly from the second quarter of next year.

Second, we have to turn our size in to scale with benefits in terms of data, media and technology, where scale can really bring us advantages. Jacqui talked about the importance of our people and culture with ESG at the heart of our strategy. And as John just covered, we have to reduce inefficiency and invest in the faster growing parts of our business giving you more transparency insights into the underlying business performance, and the clear investable capital allocation.

So that's really the plan and what we intend to deliver over the next few years. I think we've got some time now to take questions. And so the plan is, I think we're going to show you some work -- some of the best work from 2020 WPP. In that time, people that have registered for questions should go to the live Teams site and Peregrine Riviere, our Investor Relations Director will moderate the questions and John, and I, and Jacqui will take them. So we will run the work and please stay on the webcast or if you're going to ask questions connect to the Teams site to ask questions. Thank you.

[VIDEO PRESENTATION – Best of 2020 WPP Ads]

Q&A

Welcome back, and I hope you enjoyed that festival, watching that Netflix commercial was a bit like sort of reliving the first lockdown all over again Ozark, Tiger King, The Crown, I think sort of images we will remember from 2020. So, I think Peregrine Riviere is going to moderate the Q&A. I'm here with John in London, Jacqui is in New York, we will try to take as many questions as we can.

Richard Eary (UBS):

Thank you very much. Just three questions from myself. Just the first one is that, if you look at the growth targets you put out there, you say core growth 1 - 2%, and then there's an additional 1.5% coming from this P&L investment. Can you just talk through, in practical terms, how you're actually going to achieve that, so we get some comfort around that extension in terms of growth, in terms of what you're actually going to do to achieve that. So, a bit more colour on that?

The second side is that, I think, it was helpful in some of the earlier slides that you put up about GroupM's historical performance, 7.5% growth last five years. I presume that you're baking in quite a strong recovery over the next three years, driven by Xaxis, cyclical recovery, and also Finecast. Can you just outline what sort of rate of growth you are expecting, and maybe some sort of puts and takes in terms of why you'll be able to deliver that?

And then thirdly is that, as you articulated the strategy, as you sit back as a management team, what are the major risks that you look at when you go through that strategy in terms of achieving that goal for 2023?

Mark Read: All right. So, why don't I tackle the first two questions conceptually, and then maybe John can give some colour to them financially, and then we'll talk a little bit about the risks after that. But I think that if you look at the way we broke down the business, you see a strong GroupM performance. And then you see, net-net, a much weaker performance in the digital and the creative areas. What we have to say is, we can maintain the strength of the GroupM performance. We're not going to give you a number for that, but we will give you more disclosure, you can see how that has been trending. And then you have to look at the other businesses and say, well, as they shift from communications into the fast growing areas, we can get them, above 0%, 1%, 2% to 3% through that investment and then the net result gets closer to 3%. I mean John would you also add on.

John Rogers: Yes, I think, for me the biggest lever is the investments in technology and the investments in our people, particularly in terms of attracting new talent in the organization. That will be a real focus on bringing people in to expand and enhance our capability in areas like ecommerce and the data and predictive analytics and so and so forth. So, we can feel confident, we've got the right people in place to grow those parts of our business. Likewise I talked about the platforms, the sector growth in pharma and health, again it's about getting the right people into the organization in order to provide and enhance our existing capability.

So, I think it's a combination of investing in our people, a combination of investing in the right technology that we need to drive the growth. And then, of course, the third piece was the incentive pool

and we know for sure that incentive pools within our organization do drive the right level of behaviors that we've got to invest in our incentive pool as well.

Mark Read: I think another way to think about it is a lot of the headwinds. You want to be in a business with tailwinds, not headwinds don't you. And I think that a lot of the headwinds we faced over the last five years have been the headwind of a shift of spend from traditional to digital media. And to some extent that's diminishing as the traditional parts of our business get smaller, and the digital parts of our business get bigger and grow. You take the UK, I said the UK is now 62% digital, 18% traditional. Our business is largely, well, it's hard to disentangle what's digital and what so-called analog any longer. And so I think that you see those headwinds going away, and the businesses benefiting from the tailwind.

Look I think in terms of the risk, I mean, it's execution risk that we have. Like any business, can we win and retain clients, can we attract the best people to our business, can we deliver on shared services and the efficiencies that John is talking about. And in each of those areas, the risks are there. I would say that, in the last two years, our ability to win and retain clients has vastly improved. I mean if you think back two years ago, this time two years, we had a torrid three months. We had lost the creative business at Ford, and a number of other major pieces of business that had been up for review since the beginning of the year come to the end of the cycle. That's not the situation, where we are now. So, I think, we have the ability to win and retain clients. Similarly, people - can we attract the best people in our industry. And I think if you look at the people we've hired in the last year or two years, Andy Main from Deloitte, Kirk McDonald GroupM in North America. We can attract and retain, John and Jacqui, we can attract and retain the best people so that our industry is attractive to the best people. We need to have that consistently around the world.

And then I think it's fair to say that, if there's one area, if I look back two years ago in terms of what we laid out, one area where we've fallen short of what we wanted to do, it is the area of shared services. And part of that is because it would take us time to recruit a new CFO, and build a team that can deliver that. And I think that we are conscious that we do need to deliver those savings and John can talk about how we're going to manage and mitigate those risks, as he executes the plan.

John Rogers: I think just to build on what Mark just said, I mean, I'd also say that we've actually got, in terms of your question around the growth, I think we've got a strong foundation for growth. Because if you think about our business mix today, 100,000 people in the organization, we've got 25,000 people today, roughly, already serving our clients in the areas of Commerce, Experience and Technology. So, for example, of our top 100 clients, for 75 of those top 100, we are doing major e-commerce work with those clients. And so we've got a very strong foundation. It's just really a question of making sure that going forward, we invest in building that capability and growing the size of the business. And I think it's that which gives us confidence that we've got the ability to grow by that 1.5%. Whether it's the geographic investment in countries that we know are going to grow, whether it's the investment and the type of work that we're doing and building those capabilities, whether it's the sector split, or whether it's strong platforms like Xaxis or Finecast. There's lots of components that we believe will contribute to that 1.5%.

I think in terms of the risk on the execution of the group-wide transformation programme, I think there are always risks in any large scale transformation of this nature. And it's fair to say that WPP historically has not got a great track record of executing change. But I think this time around we're going to do things differently. We've got really, really strong buy-in across the business, not just within WPP and its leaders, but also the CEOs of all the agencies are absolutely bought in and part of the process, part of the steering committee to drive this change through the organization. So, we've got really major buy in.

We're also bringing a real discipline as to how we execute the change. Really strong business cases, really strong sets of accountabilities, holding people to account in terms of delivery dates, and so forth, different work streams underway each with project management support. We're taking a very disciplined approach to delivering this change. It's not going to be easy and it's not going to be without risk. But I do feel confident, we're bringing in people with the experience to help deliver that change. So a recent hire, for example, Rachel Higham is our new CIO, has delivered change of this nature in her previous roles. We are also in the market to recruit a Global Business Services director to really lead our procurement, property and shared service functions going forwards. And we're also just forming a transformation office and the team of people there, to really support the delivery of the programme. So, we're getting the right people in with the right experience to de-risk as much as we can change programme of this nature.

Just on GroupM, I think maybe to your question simply on GroupM. I do think GroupM is a real jewel in the crown of our business, and we saw growth back in 2019 of about 2.5%, 2.4%, I think it was in 2019. We did see decline this year. I think it'll be around minus 7.8%, minus 8%, but actually next year, we're assuming we are pretty much bounce -- fully bounce back. So, with GroupM, it is one part of our business that we see, on average our business taking two years to fully recover to 2019 net sales levels, so I think that actually GroupM will almost get there with a fair wind behind it. We'll almost get that recovery in full next year.

Richard Eary: Thanks very much. Thanks, Mark.

Julien Roch (Barclays): So, can we have the breakdown of the 75% of revenue in 2019 between media, creative and others? That's my first question.

My second and third are to answer EPS growth, because you said double-digit over the next three years, but the next three years include 2021, which is an abnormal growth year. So, I'm searching for normative EPS growth. So, once you reach 15.5% to 16% margin in 2023, what's the normal operational gearing 3 – 4% revenue growth? Is it 10 basis points a year, 20 basis points a year? Some colour on kind of normal margin improvement post the '23 guidance.

And then the last one is, your free cash over '18 and '19 was GBP1 billion to GBP1.1 billion. You've talked about GBP200 million to GBP400 million of M&A, a 40% payout out ratio, which in the coming year is GBP250 million to GBP350 million. You are having net debt to EBITDA flat, so you are using all your free cash. That leaves GBP250 million to GBP650 million for buyback. Do you agree with that math? And can we have more colour on your buyback policy because you said you would return the excess cash to shareholders, but can we expect a regular 1% to 3% buyback a year, or not? So, I guess that mostly for John, because lots of numbers.

Mark Read: I'll let John do them. My only observation would be on the margin question that some people are never, never satisfied Julien, but anyway.

John Rogers: Right. I'm going to start in reverse order because in a way the, my answer to the last question informs my answer to some of the earlier questions. So, starting off with the share buyback question. Look, I think, Julien, you're absolutely right, I mean the maths is very clear. Obviously, we've

very clearly stated that we will recommence the Kantar share buyback in 2021, and that's obviously GBP600 million that may well fall over a year or two. But once we get to 2023 and beyond, if you follow through in your modeling, the net debt does start to come down a little bit. And you're absolutely right we could probably afford to perform some share buybacks in the range, probably not quite as high as GBP650 million, as you made reference to, but certainly GBP300 million to GBP400 million would be a possibility based on the modeling.

Now, of course, there's lots of assumptions built into that around, what we do on M&A and performance and so forth. But from a modeling perspective, absolutely there is that possibility. And you ask what's the strategy that defines that, well it's very clear, it's the maths that you yourself have used, which is that we want to maintain the balance sheet strength, net debt to EBITDA of 1.5 to 1.75. Anything, obviously, lower than that range gives us an opportunity to pay back the cash to shareholders and that's what we'll do. So, hopefully that's really clear.

I think your third question was if we deliver 3% to 4% growth, what would be the expected normative drop through of our margin, obviously a very difficult question to answer. I mean, I think the first thing I would say is that we're very much about growth. This is the strategy for growth, not about margin accretion per se, although it happens to deliver margin accretion. And I think we will certainly always be prioritizing the growth in our business, when it comes to that trade-off. That said, I think once we get to a 15.5% to 16% margin level, I would expect a 3% to 4% growth to see a 20 to 30 bp drop through on the margin as you described. But I think we are talking about sort of 2024-25 and beyond, and I think at that stage the business will be in a very different shape. And in terms of our growth opportunities, they will in and of themselves inform whether we decide to prioritize the growth of the business or drop the things due to margin. But from the modeling perspective, 20 to 30 bps, I think would be sensible.

And your second question was in relation to EPS, and what would be a normalized growth for EPS given that 2021 obviously, clearly is a very strong recovery. And I think if you look at the outer years of our plan, when we've got to that slightly more steady state '23-'24 and beyond, you would expect to see, all else being equal, EPS growth of at least 5% I would say. And obviously that could be accelerated or catalyzed by a share buyback programme. So, if we do the share buybacks as you envisaged then we'd expect to see that EPS clearly creep up, but I think that will give you some guidance towards the outer years.

And in terms of your first question, which is a breakdown of the 75% between media, creative and others, I don't know, I'm going to guess a little bit. But we've always said it's roughly a 1/3 or so, a little bit more, on the media side, and then I would say probably 1/5 of that would be others, and then the rest will be creative - as a broad split.

Matthew Walker (Credit Suisse):

Peregrine Riviere:

Matthew sorry, your line is really poor. I've got all your questions here. So, if it's alright, I'll read them out. So, the first question is, why do you expect a two-year bounce back from COVID at 5% in each of '21 and '22, rather than just a bounce back in full in 2021?

Secondly, which parts of WPP are in the 25% scope of Experience, Technology and Commerce? And how did this 25% grow organically in 2019 and 2020 year-to-date? And how did you come up with the breakdown?

Thirdly how big are each of Finecast and Xaxis either in percent or sterling terms? And what, apart from CapEx, what other costs will there be in terms of exceptional items to achieve the GBP600 million savings?

Mark Read:

All right. So, why don't I take the middle two questions, and then let John talk about the speed of the recovery in 2021-'22 and the CapEx. But I think if you look at the percentages of the business in Experience, Commerce and Technology, we went out and did an exercise with our biggest business units and ask them to estimate it. I have to say that it's not as, I don't want to say scientific, but you have to categorize assignments and work that we do with clients. But our work in those areas is pretty broad spread across the business, as you know. Within our integrated creative agencies, each of them do work on e-commerce assignments, each of them do work on experiences, each of them do work in technology. So, it would include businesses within Ogilvy, Wunderman Thompson, AKQA, indeed Grey and Ogilvy. Within GroupM, the work will tend to be more concentrated in the e-commerce area in helping clients, like L'Oreal succeed in ecommerce. In the marketing technology area, we do a lot of work in ad-tech. So, broadly it would be those areas. Some elements of our brands also work on experience. We really did an exercise with our clients. And there's a lot of that exercise, we can't give you, in terms of growth rates looking back. We are working on how we can give you growth rates in the future, so you can estimate our progress on that. We're likely to do that on a six-month basis and it will be an exercise that we do. We haven't disclosed the size of Xaxis and Finecast. I would say that Xaxis has continued to grow and I think has grown in Q3 and Q4 of this year. And Finecast is running, actually around 10%, of our UK TV spend so these are becoming relatively sizable businesses for us in the context of GroupM. John you want to take the other two questions?

John Rogers: Yes. Your last question, in relation to what other costs are there outside of the CapEx in relation to delivering this programme. It's probably just useful to summarize, where we are on restructuring costs so that you can put these additional costs into context. So, we said back in 2018, that we would have restructuring costs of GBP375 million through to 2021 in terms of P&L costs and I think costs of around GBP600 million, of which GBP300 million will be cash. And I think we will deliver against that commitment. So, that will certainly flow through as we described back in 2018. In addition, there will be some restructuring costs in relation to COVID-19 that we will talk about in more detail at the prelims next year and of course those costs are in relation to the impact of COVID-19 on our business. But in relation to this transformation programme, we would anticipate somewhere in the order of GBP100 million to GBP150 million of additional restructuring costs from 2022 through to 2025 for example. And so those would obviously be on top of the CapEx that we've already talked you through.

In relation to the bounce back, and why two years, why not one year, why not three years? Actually when you look at the variability, so the way we produce our budgets is we task each one of our operating agencies to come up with a plan. And we inform that plan based on geography and expected GDP growth. We also look back to previous shocks in the systems, like the global financial crisis, and we try and use a multitude of data to try and help us predict the type of recovery. In the end, it's a forecast and it's an unprecedented forecast, because we've never been in this situation before. But if you look at the projections for GDP growth by geography and you index those across our business and across our agencies, and you look at our correlation performance to GDP, there is enough data that would sensibly suggest that this is a two-year recovery. And again, I think to the global financial crisis, a similar type relationship there. So, that's the basis which on average we recover. That said if you look across the different agencies, there is quite a wide variance. So, I've already talked about GroupM, which will

mainly recover next year. So, what you tend to see at GroupM is it can be more volatile, but it more quickly goes down, more quickly recovers. Whereas in some of our agency businesses, we might see a 2 or 3-year recovery back to 2019 levels, but on average across our group, it will be a two-year recovery.

Pauline Lecoursonnois: Hello. Thank you very much for taking my questions. So, I've got two questions. First of all, we welcome the commitment that you made earlier this year to reduce WPP's own carbon emissions. But really the real impact of WPP is with creative activities, the creative work that it does towards customers.

So, with the new purpose that you also announced to use the power of creativity to build a better future. I think it would be helpful to understand how you plan to use this power in order to help address environmental challenges facing us. For example, global warming or biodiversity loss. And if you could make some transparency, provide some transparency, and make some commitments around that? My second question was following up on the presentation from Jacqui Canney, which provided very helpful KPIs for people. And I was wondering, if you intend to report around those KPIs once you start to see some data coming up? Thank you very much.

Mark Read:

All right, perfect. So, I'll take the first question and then I'll ask Jacqui maybe to take the second question. Look I think in terms of our purpose, you know I appreciate the question. I think that we've made a lot of progress as an organization in terms of reducing our own carbon footprint. We said earlier on that we've reduced our emissions per employee by 69% since 2006. So, we intend to reduce our scope 1 and scope 2 emissions per employee by half by 2030. And I think perhaps we can go further, we set out an objective this year to be carbon zero in all our campuses by 2025. And I think we should be -- we are, and we should, be completely transparent in what we achieve as a company. Then there's our scope 3 emissions in terms of the production work that we do, where we've joined AdGreen and the work that we do for our clients when, we do work with a large number of clients in there. I think maybe the question isn't really transparency it's really just about being clear about what we do and much of the work we do is about helping our clients explain how they're tackling some of these issues, and we do work, I have to be clear, with a number of energy companies. But I think that we do work in a way that helps those companies clearly and transparently communicate what they're doing to address these issues and the steps that they're taking and we work within marketing guidelines and our own code of conduct to make sure that the work we do is a fair and accurate representation of the steps, that those companies are taking. So, one thing is how we help companies communicate.

The second thing actually is how we help companies innovate in terms of what they do and Mindshare, one of our media agencies, has launched a very interesting programme, called 'Change the brief'. 'Change the brief' is a programme, where when a client gives us a brief to tackle something, we actually look at that brief from a different angle from one of the aspects of the United Nations Sustainable Development goals. So, could we achieve the same thing in a different way that's also better for people or better for the planet. And so far they've worked on 50 briefs over the last year, and we've been launching that into the industry as a kind of way of spreading that throughout the industry. So, certainly we do that, and we'll be reporting on the task force on climate related financial disclosure. We published our third statement there in our 2020 annual report, and I think our goal will be to have a dedicated day like this, early next year to our ESG goals, where can be clear on what it is we're signing up to across the board, and what you, as our investors can expect from us. And so we'll be back and tell you when that is

going to be, probably March-April next year. We recognize this as a really important topic for you, for our clients, and actually most importantly for our people. So, on that Jacqui, do you want to tackle the question on people and talent?

Jacqui Canney: Yes. Sure. Thank you, and hello from the snowy New Jersey. I mentioned earlier in my presentation that we are just getting started on our people analytics journey. But in June we also committed to publicly reporting on our representation data in the U.S. and in the UK, which we've done, and we will continue to do so. As we get more data, we will absolutely be providing that out and we still, in our annual report, actually do report on the skills that we have accredited, like the Adobe, Salesforce, Google that I mentioned before. As we get better data and working with John and the finance team, I expect that we'll be able to share more of it. But to start, we are putting more data in the hands of our CEO to the operating companies. So, quarterly they will be able to see how they're doing on people metrics. And as we get stronger and stronger with more and more, I feel more confident that we'll be able to share that out of our company, but we're starting with what we're sharing inside our company too.

Peregrine Riviere:

And the next question is an offline question from Dan Salmon of BMO. I've got two or three questions from him. The first is, within WPP at the elevated level of agency consolidation, is agency leadership turnover largely over? And secondly, are you happy with the levels of dialogues with your clients' CTOs, and even CEOs today? That's often cited as an advantage of consultants, whereas holding companies were traditionally in dialogue with the CMO.

Mark Read:

Yes, thanks Peregrine. The good news is that Peregrine doesn't give us the questions in advance, even if you submit them early. So, Dan, to your question on consolidation of agency leadership, I think that those are substantially complete, and when I say substantially I mean very substantially complete. I mean we have gone from 9 creative and digital agency networks really to 4, and I don't expect us to go further. Within GroupM we have 4 strong media agencies. We have 3 strong public relations, public affairs networks. So I think the broad picture of the group as it stands today is correct.

Similarly, I think that we've tackled all the major leadership changes. We have, I think, refreshed much of our leadership over the last two years both through internal promotions, so bringing people like Lindsay to be Chief Client Officer or Stephan to be Chief Technology Officer, and through hiring from outside, so John and Jacqui and Andy Main and others. I think that's actually the right balance of what we needed in WPP. We needed to promote some people, but we also need to bring some expertise into the group from outside. And I think that's very valuable and interestingly to your point about consulting firms being able to hire Andy from Deloitte Digital may bring some of those relationships. I would say that I think during the pandemic, our relationship with CEOs and CMOs has definitely strengthened. And I think we've taken advantage of this way of communicating, to be in much closer contact. I analyzed my diary during the first three months of lockdown. I saw 50% more clients during that time than I did in the same period last year. And I think clients do recognize the value of what we're doing and the value of the advice that we can give them on navigating their way through that. I think the same is true of relationships with CIOs and CTOs in consulting firms. And I'm not going to say our relationships are as strong as a technology consulting firms', clearly that's not the case, but nor are their relationships as strong with CMOs as ours. So, I think that, we come at the task from different perspectives, and I happen to believe that in a world, where there's really a premium on inventing the

future, a premium on giving people innovation that they don't expect, a world which is really about how we use technology for the benefit of consumers, not how we implement it according to a spreadsheet or a manual, actually it's WPP that has tremendous insight into consumers and tremendous insight into customers, insight into CMOs and marketing organizations. I think we can bring a tremendous amount to bear in those situations. And actually when we do see CIOs and CTOs, we have really productive conversations. But I do think we need to do more marketing, talk more about what we're doing, and push that further with those people. That's certainly something that we're doing. And I think you see that in our relationships with Adobe and Salesforce and the partnerships that we have with them in these joint assignments.

Adrien de Saint Hilaire (Bank of America): Hello Mark. Hopefully you can hear me, okay. I'm sorry my background is very bland because I just moved in. I didn't get haircare consultants. But anyway, so a few questions for you, please. So, first of all, we've heard another agency in the space talk about getting back to like 4% growth, something like two years ago and they didn't deliver on that target. So, what do you think is different at WPP?

Secondly, I'm just curious what is the competitive edge of WPP against pure players in the field of commerce and technology and experience? I know you've talked about this two years ago, but if you could just maybe highlight this again.

And maybe a third question for both of you. I'm just wondering what's the merit of M&A, because historically it did cause a bit of complexity in the organization, caused a lot of issues, there's another agency holding company right now, which is probably suffering a bit from that as well. So, why would these acquisitions be different this time around? What are you going to do to like integrate them perhaps in a better way? Thank you very much.

Mark Read: Okay. So, look Adrien, I mean, I'm not going to comment on what other people have done. Sorry to disappoint you. I mean we can just talk about what we've done over the last two years. And if you think back to what we said, we would do two years ago, we said we would, by 2021, so by next year, return ourselves to peer level growth. And you all pushed us to give a number for the reasons you just outlined, we declined to give you a number. We know what it would be. And as it turns out, we probably would've been wrong whatever number, we gave you. And we said we would get back to 15% margins, and we said we would make significant progress in achieving our leverage ratio. And I think it's fair to say that on the first, I wouldn't declare victory, but we certainly made tremendous progress in coming back to peer level growth and we've achieved it for the last two quarters, and touch wood, we will sustain that.

On the middle on margins, it's fair to say, given all the disruption, we haven't got there and we'll see where we get to next year. But that's not what we're saying we're going to do it by next year and we've got some more work to do there. And I'll say on leverage, we've absolutely over-delivered. I mean, the deal, the transaction that Andrew was able to deliver on Kantar, which was seen by private equity companies like one of the most complex transactions they've ever seen, in really a very fast period of time. And quite frankly, I'm pleased we did it in December, because it would have been a lot harder to do in March and April. If we hadn't of done it, I don't think the consequences would have been great. So, I feel that we've tried to deliver on what we can, and I'll let John add some commentary to that in a second.

In terms of the pure players, I think the advantage that WPP has is breadth and depth of skill and expertise. And an understanding not just digital online, but the breadth of what clients need to achieve. And we're working with 9 of our top 10 clients on the e-commerce space. And they do want to have global resources. They do need to have people to understand consumers. They need to have people that can produce content. And I think the fact that we can do all of those things, puts us in a very strong position now. The reality is, we don't have the luxury just to focus on a sub-segment of the market, those weren't the cards, if you like, that we were dealt. So, you have to deal with the cards that you're dealt. The cards we were dealt were part of our business, a really good part, a strong part, is in the faster growing parts of the business. And part of it is in the bit that faces the natural headwinds of technology change and disruption. But I think we've made a really good job of integrating those bits of the business. They work well together. And turning what perhaps has been a challenge to us, into an advantage.

And I think the same goes for M&A. I don't want to repeat the kind of logo charts that we used to have by going on an acquisition spree. That's certainly not our intention. But I do think there is, with discipline, i.e. starting with what do we want to achieve and what are the companies that can help us achieve it and what is the right amount to pay for them. And how do we integrate the best into the company with what financial structure. And a little bit more discipline, the ability to use M&A to drive a better offer to our clients. And therefore, better growth and I think John will help me bring some of that discipline to the process.

John Rogers: Yes, I think from my perspective, Mark and I have said before that, we value organic growth first and foremost over growth from acquisition. We think that's more value additive and that's absolutely clear. But from time to time, we will want to accelerate our growth by bringing on capabilities or bring on capability en masse in order to drive growth in certain areas faster. I think the key difference going forward will be, we'll take a much more integrative approach to M&A. I think historically businesses largely acquired businesses, ran them relatively autonomously and had management on quite long earn-out periods. I think going forward we will bring businesses in, we'll aim to integrate them a lot quicker and will want to reward management less on the individual performance of the business. But more on the synergies and the value that we create by bringing that business into the umbrella of WPP and allowing it to leverage our assets and our capabilities, our client base, et cetera. So, I think a much faster integration and a much more incentive-based system on delivering the synergies of that integration, rather than running the business autonomously. But this is not a plan about just growth through acquisition. As I said, it's only in areas, where we believe we need to accelerate our capabilities.

And I think on your point around, what gives you the confidence of hitting your targets. I mean, as you know, in all business there is risk, it's about how do you manage that risk. And I can't comment on why others historically have failed. But I would say for me it's about having a detailed plan. We have a detailed plan both in terms of how we grow this business and how we deliver the cost savings. We've got the right governance structures in place, the right sponsorship in place, the right vision in place, in order to drive that change through. I think we always take a sensibly prudent perspective on how we budget, and how we model things in the organization. But of course, everything has got risk attached to it, not least of in the current environment, when we're saying it in the unprecedented world of COVID-19. So, I believe sitting here now, we've got good line of sight of our ability to unlock the savings that we've just talked about, the transformation plan, going forward.

Conor O'Shea (Kepler Cheuvreux): Great. Thank you Peregrine. Three questions from me as well, probably initially for John. Just on the first, you mentioned there will be some COVID related exceptional costs in 2020. And obviously still to disclose what they will be. But just to understand the nature of some of those costs because obviously, you've raised your headline margin guidance for 2020 and there would have been some COVID savings as well in 2020 on travel and so on. So, just to understand a little bit the nature of those exceptional costs.

Secondly, just in terms of the associates, I think, you're expecting a loss there for the year 2020. Can you just update us on kind of level we could expect?

And then the third question, just in terms of the Experience, Technology side and Commerce side of things, obviously ahead of the full disclosure on that going forward. But can you give us a sense of whether the margins are, from this starting point, above or below the group average? And maybe if you could give us a sense of the new business that you won year-to-date through the nine months. Is the proportion of new business coming from those activities above or below the proportion of revenues that you outlined -- the 25% that you outlined previously? Thank you.

John Rogers: Okay. So, I'll have a go at perhaps all three, and then I'm sure Mark will comment on the new business side. So, in relation to COVID related exceptional charges, I mean, it's really two components Conor. Number one its severances, so we've had to accelerate severances through this year as a result of COVID-19. So, we'll take a charge in relation to that outside of underlying. And then the second one will be in the main property costs, where, again, we'll have to accelerate early exit from certain properties as a consequence of COVID-19. So, there will be both severance and property restructuring charges. But again, we'll outline those in more detail at the year-end.

In relation to associates losses, I'll give you a broad guide, I think it's somewhere between GBP20 million to GBP25 million loss, as opposed to, I think, what most people assume, which was GBP60 million or so gain. So, a slight drag on EPS there through associates. And then in relation to Experience, Commerce, Technology from a margin perspective. We don't see, I mean often it is cited that pure technology work or pure commerce work delivers a lower margin. We don't actually see that. We don't evidence that particularly, and actually in a lot of the work that we do, it's in such an integrative nature. It doesn't, generally speaking, just sit in one of these buckets, but quite often transcends across multiple buckets of experience and commerce and technology. So, we don't see a massive margin differential. But in any case, I think, overall it's fair to say that our businesses, our industry, like most industries are always under margin pressure. And hence why we feel there's a need to, when we think about the GBP400 million, in a way whilst there is a need to fund investment in technology and people, talent et cetera, it's also there to ensure that we remain competitive on pricing as well. So, we feel confident that we can maintain our margin structures as we've described. And I don't know, Mark, whether you wanted to comment particularly on the mix of new business?

Mark Read: Yes, I think the mix of new businesses is probably disproportionately more in those newer areas by definition, because that's where clients are looking to expand. If I just think about what we're doing with WBA, what are they looking for? Data and technology solution. No, they are looking for some traditional areas, but much of what they're doing is around building new experiences, getting the data and technology parts of the business sorted out. So, I think that, as we win business, it would tend to not just organic client growth or acquisitions, but new business wins would tend to shift us into these newer areas. And part of, as John said, the investments are to be able to communicate what we're

doing, and resource those parts of the business more. So, that we can grow more quickly and the key thing for many of our bigger clients is making sure that we have, increasingly we have a sort of digital or data or technology specialist alongside a more sort of traditional client lead. Because the breadth and range of what we do now at WPP is really hard for any one individual to really sell and do on an expert basis. So, for many of our clients we will have a technologist, who would have a very fluent conversation with the CIO as well. And so I think that's another area, where we can continue to invest.

Tom Singlehurst (Citi): So yes, three questions I'm afraid. First one, on Coke, recent reviews, it's obviously a big opportunity. I don't expect you to necessarily to comment on it directly. But one of the interesting features of that review is that they're concentrating the number of brands that that they are looking to support which obviously suggests a bit of a headwind still for whichever creative agencies end up working with them. I suppose the question is, is that still a broader trend, and are Coke a lead or a sort of lagging indicator in terms of concentration and brand count? That was the first question.

The second question was to do with integration. I mean one of the questions I always get is, how come you guys are underperforming IPG. I recognize that this is a WPP investor day and not an IPG one. So, you probably skip commenting on them. But I've just wondered whether there is scope for another layer of consolidation in terms of agencies such that you have even more functions integrated. So, we have seen sort of VML and Y&R come together, but do we need PR to be folded in or even media just to make you to truly functionally integrated?

And then the final question on M&A. Very simply in the past you sort of dotted around with the odd investment in just a stake in a business. I'm presuming the GBP200 million to GBP400 million is going to be all about operational M&A, buying companies that can actively enhance your portfolio, rather than trophy assets?

Mark Read:

Yes. Okay. So look, on Coke, I'm not going to comment directly. But I think if you look at what they've said strategically, look at their investor presentations, they've been going through a process of brand simplification quite frankly like many companies have been going through a process of simplification. And I think that to some extent that leads to a reduction in the number of agencies. But I think to the extent they're not intending to shrink the top-line. And I think many clients are expecting to increase their marketing expenditure. So, to those companies that take part in their review, and I think someone said, I read in the papers they had 6,000 agencies around the world. I think there's plenty of scope for partners, hopefully like WPP, that can provide the right solution to grow their business with them and that's certainly what we would do. And I would say that, I think 2021 will be a bumpy year, if that's the right word, for new business. However, we expect a lot of new business to be reviewed next year, based on what I'm hearing in the market or what I'm seeing with clients.

I think, look, on the integration point and I'm not going to necessarily take your point to comment on IPG. All I would say is that, they do have three main agency groups, but we started at WPP two years ago with 9. So, going from 9 to 4 is a big consolidation. And given our size, I don't think that there's a lot of difference between 4 and 3. To my mind WPP is the integration point. So, clients should be able to get a seamless service between one of our integrated creative agencies, and one of our media agencies, one of our PR firms, just like that. And we showed you the work in the presentation, you have the 'Science will win' work, which was Landor, Grey, Hill & Knowlton. And actually something I've heard a lot from

clients during COVID is, because everyone's just a square on a zoom screen, they don't actually know what agencies people work for anymore, because they can't really -- they can't really see. Not only do we not have business cards, we're all -- we're all like this from home. And actually in some respects, co-operations have become a lot easier during COVID. It has broken down a lot of the physical distance. It used to be -- I can remember 10 years ago, having arguments about, which office people would sit in, if they're going to cooperate on a client. Maybe more recently than even 10 years. When everyone is working from home, you're not going to debate what office people are sitting in. So, I think that, we've seen a step change in the level of cooperation and the level of collaboration across WPP in solving client problems. And I think that WPP can well integrate the businesses that we have and want our brands to be brands. We don't want them to be silos.

I think on the M&A front; look I think there's still a role for some investments. But I think those would be where we could imagine ourselves getting to a majority situation. There's something very interesting that we're looking at in the U.S. at the moment, a really powerful business. And so I think there's a role for investments, but I think you're right in the sense of there's a lot in the attic and we don't want to sort of refill the attic, if you like, in terms of investments.

Richard Kramer (Areté Research): Hi, guys. Yes, it's been a while. So very quickly, we're just getting a daily drumbeat of antitrust actions against the big tech players, and there's a lot of calls among larger advertisers for greater supply chain transparency, and you've put a lot of expectations on Xaxis to lead WPP growth, especially alongside continuing moves to programmatic. How do you think Xaxis and the wider business is going to get affected by changes in targeting that are going to come from the policy changes we're seeing in Apple and Google in their ecosystems? And how do you think about the sustainability of things like rebates in the supply chain from leading buying platforms? Maybe if you could talk through some of those issues and how Xaxis is going to navigate them in what looks like it's going to be a pretty choppy next 18 to 24 months?

Mark Read:

Yes, I think what our clients want from the platforms is a safe brand, safe environment, they want to know that the privacy of consumers is respected, and they'd like to have transparency into where their advertising is placed and into the results of that advertising. And I think, in particular, given the failings in some of the platforms in terms of providing measurement, I think that they want a degree of independence of measurement on those platforms so they can verify that what they're being told is accurate. Broadly speaking, that is what clients are looking for from the platforms. In terms of how that impacts Xaxis, you know Xaxis is a client in this situation. So Xaxis will be looking on behalf of its clients for the same thing and on behalf of its clients giving our clients transparency into what Xaxis is delivering. And I think to your comment about rebates, I mean there aren't rebates from platforms in our business model. So not in the U.S. or the UK or other markets where you were very clear on contracts that we have with our clients and the policies that they follow, we want to be quite forthright on that point as well.

Peregrine Riviere: Okay. Thanks, Richard. I've got a few questions now from **Patrick Wellington (Morgan Stanley)** that had come in online. Firstly, does your claim to be taking on market share include consultancies and other new non-traditional agency competitors? Secondly, can we get the timing of the net cost savings? At the moment, we have the timing of gross savings, but not the reinvestment. Given we had GBP200 million of COVID savings, and this is part of the GBP600 million, does this mean what we

have heard new today is a GBP400 million new growth plan fully reinvested for no new incremental saving? And then thirdly, people are our key asset, but surely WPP typically has 20% to 25% staff turnover each year. How can this be a truly distinguishing feature? What's the target for staff turnover?

Mark Read: Okay. So why don't I take the question about market share and competitors, and Jacqui take the question about people, and then John the other one in the middle. In terms of our market share, I think we have classically measured our market share against our traditional competitors and I can just point to where we are in terms of growth with them. You know, I think that there are smaller point solutions with the focus in particular sectors of those markets, and it's hard to look at what our market share is in those markets compared to those competitors. What I would say is that, if we want significant amounts of new business this year, and we've won amounts of new business, that's bigger than the whole of some of those competitors. So comparing the law of large numbers, it's hard for us to grow at the same rate, but I still think we can deliver above market growth as John said.

John Rogers: In terms of the question around the fact we have given you the timing and the phasing of the gross cost savings, but not the timing of the net cost savings. I think as a broad rule of thumb, I would say that the net cost savings in any one year will be broadly speaking two thirds of the gross cost savings. So we'll try and track that through. Now, it won't literally marry out that way, but as a rule of thumb. In fact, to get to the margin guidance of 15.5% to 16% by 2023, you have to basically take two-thirds of assumed savings in that, I think it is about GBP450 million, you have to assume that two-third basically gets reinvested. So GBP300 million gets reinvested and about GBP150 million through the bottom line and that's where you get your margin from. So, I would assume roughly two-thirds of the gross savings, in any one year drops through to net savings.

Mark Read: Jacqui?

Jacqui Canney: Sure. As I outlined in my presentation, we are confident in our strategy to attract and retain the most talented people and inspire creativity across the many, many countries. And nothing is more important than fostering an inclusive environment and culture and being a place where our talent will come to work and stay. And because we can offer them this experience of endless work, and creativity, and discovery, I believe that's how we'll differentiate to retain and attract the very best. I also mentioned that we're focused on growth opportunities for our people through career explorer and the ability to move around the network. All of these things, as I said, I believe will attract the best. I know that being purpose-driven is also what our people talk and need and want, and that is what I believe will be our differentiator. So with that, I'll turn it back to you all in London.

Tim Nollen (Maquarie): Okay. I could turn the camera around and show you the foot of snow we have outside, but I'll get to the question instead. Thanks very much for the event and for taking the question. I have a couple of related questions on media buying and GroupM. First is, you've got some very nice wins in there. Over the past few years, we've seen quite a bit of pricing pressure on account wins. I wonder if there's any commentary you could make on the recent wins and if there is any more incentive component built into those these days?

And relatedly, appreciate the colour you provided on GroupM, the numbers over the years, seems like it's actually quite strong, and interestingly, a lot of people following this industry have been nervous that media buying would be at risk. The argument has always been that media fragmentation is good for the

agency business model. I wonder if you could just comment frankly on if that is still the case if it's more so or less so? And if it's even more so, why might you not be getting better pricing on your contracts going forward? Thanks.

Mark Read:

Yes, thank you. I think the best way to answer the pricing questions is to look at the chart we showed of the margin which I think has remained relatively constant. You can probably detect a really slight upward slope over the last 10 years. I think our business is always price competitive and there are situations, some situations, are more price competitive than others, but I don't think that it has substantially changed and the evidence from the margins would suggest that.

I think to your point on fragmentation, look I think fragmentation to some extent is good for the media business. But I think what's most important for the media business is our results, at the end of the day, our ability to demonstrate and measure superior results to our clients in terms of ROI on media spend and media savings is what drives the performance of that business. And we're taking, if a client spends \$100 million with us and we're taking a \$3 million, \$4million, \$5 million fee, the clients are quite frankly much more interested in what's the turn on the \$100 million, than on whether or not they can save 5% or 10% or 15% off our fee. If you did that, you're looking down the wrong end of a telescope, if you like. So I think the ability of GroupM to use its scale in the marketplace to deliver better results from clients is what's most important. And as the business grows, obviously the benefits of that scale improve as well. Now what I think is also true is the nature of that scale has changed, and classically, the scale has been buying advantage with media outlets. And today that scale is shifting to data and technology advantage and Christian Juhl coming in as CEO of GroupM I think has really strong strategic insight, having worked at Essence and led the Google assignment for many years, into what it's going to take to build a forward-thinking media business. He gave an interview in the trade press recently saying, he expects GroupM to look more like a software company in 5 or 10 years' time than it does today. And there's tremendous opportunity within GroupM to automate, to offshore some of that work all of which can protect and defend the margins as well as deliver improved results to our clients. And I think one of the advantages we have in the media business that I think analysts haven't really understood is that this is a collective business, this is a business that gets stronger, the more clients that you have. It's a business with a defensible moat around it. And the consulting companies can get into the business but if they're just working on a point solution from one client, they don't have benchmarks, they don't have insight into media performance, they don't have relationships with the platforms, and so I think that GroupM is a really strong business. And I've had this debate with analysts over the years, and in some sense that's why we wanted to share the numbers with you today, because I think you can see the health and strength of the business in its financial performance. It should give you confidence as it gives us confidence, that it will continue in the future. Now, there are always nay-sayers in the world who say, well, just because something's stayed flat that means it's going to drop off the end of the world in the next quarter. I can't deal with those people. We have to look at what we've done and the steps that we're taking and understanding that the people who run the business know what to do and are smart people. And I think that as you say, we will continue to deliver results to clients and hence results to shareholders.

Peregrine Riviere:

Great. So I just have a few more questions that have come over the web or by email. So I'll just do them one by one if that's alright. The first is from **Sarah Simon (Berenberg)** and she's asking, you showed how

the blended growth rate of your addressable market would improve as your business mix evolves, but you're basically saying you can only grow at 1% to 2% core rate, and still at a lower than TAM market growth rate even after reinvestment. So you're saying you assume a loss, what am I missing here?

Mark Read:

Well, I think we have to invest to grow at the rate of the market I think is what you're missing if you like. And so that's just the nature of the business. So if we invest, we'll grow at the rate or higher than the market and I think I'd leave it there really.

Peregrine Riviere:

Next question is from **Ian Whitaker** submitted online. So it's for you John. At the Q1 results, you mentioned one area where you saw potential efficiency savings was being able to flex the working days of the workforce so you'd be able to align peak cost flow closely with business as an alternative to the cycle of firing people in bad times and rehiring expensively in good. Is that still under consideration? And if so, is it included in your efficiency targets?

John Rogers:

Well, we definitely see that through the greater visibility of new systems which will give us a much better understanding of our resource utilization across our business. We see that that gives us a much better opportunity to manage our greatest asset, which is our talent and our people for sure. I think one of the things is that by having a much better feel for your forecast going forward; because of better insights on your pipeline, your ability to convert the pipeline, how we would scope that going forward, by having that ability to look forward to three, four, five, six months, and have a much better understanding of what's coming down the line, I think will enable us to plan as an organization much more effectively. So we still, as an organization, do rely on a fair amount of freelancers, because the disadvantage of freelancers, of course, is that they tend to be a little bit more expensive. The advantage of freelancers is that they're very flexible and you can bring them onboard or you can reduce your freelancers relatively easily. But it is a way of managing your cost base and we've seen that frankly through COVID-19. As we get better and better at forecasting our work going forwards and understanding our resource utilization, we will be able to rely, if you like, on freelancers less and rely on our core people more and therefore actually as a consequence reduce our cost base. So absolutely, we do see these things as being a benefit.

Now, is it specifically included in our forecasts? No. I don't think it is. And I think it's fair to say when I talked about this idea about looking at leading indicators in our business as opposed to lagging indicators. Until we actually can shine a light on those leading indicators, we won't really fully know what the opportunity will be. We might for example just happen to have the most efficient allocation of resources by chance in our business. We just don't know it because we can't currently measure it. So we don't know until we start measuring that as to what the opportunity will be. But my experience would suggest when we do start to shine a light on these things, and we see the variability of performance across our business, there will absolutely be opportunity there, but that's actually currently not baked into our savings per se.

Mark Read:

I might add one insight to that. I think if you take Landor's business, COVID has really allowed them to re-envision, how they deliver work, and how they manage the company and Landor is, let's say, a thousand-person business operating in 20 markets, so 50 people per studio. And yes to be blunt before COVID, every studio optimized its results on a one-by-one basis because they didn't have the visibility, they didn't have the culture, they weren't used to thinking about what the availability of resource and expertise was in other markets.

And the beauty of COVID is it has forced them to think about those thousand people as a thousand people and move the work around the world seamlessly so they might have their Buenos Aires studio help on a programme in London or South Africa help New York. And that has two benefits. One, is the massive efficiency benefit, reduction in use of freelancers, reduction in waste of time, but also enables them to be much better as an organization. Imagine, if you were in Buenos Aires, you can welcome this amazingly prestigious project in London. So I think that there are many things that we should learn from how we have run the company over the last nine months that will position us much more effectively for the future.

Peregrine Riviere:

Great. And onto the final question. It comes from a big institutional shareholder, but they prefer to remain anonymous, but I do know who it is. And they'd like you to talk a bit about how these targets are linked to management comp? And also, how ESG targets are linked into management comp?

Mark Read: Yes. So I think, we've just been through an exercise on incentive compensation. So going forward, let's just talk about John and myself, but that's replicated in our leadership team. It will be 75% financial, 25% qualitative. The 75% financial obviously linked to delivery of the financial targets we've outlined in this plan and we've shared obviously with the Board and with the Compensation Committee and we'll work out what the right targets are within the context of what we've shared and some of those we shared with investors as part of the consultation as well. And to judge what level of performance we should deliver to get what level of reward.

From a qualitative perspective, I think we're really thinking about four measures and an ESG measure broadly, a client measure, so how well do we serve our clients, a people measure, so different measures from ESG, but people in terms of diversity and inclusion and representation and belonging and the things that Jacqui talked about. And then lastly, some specific targets on strategic delivery of what we're talking about in this plan, that's really how we will tie our compensation and reward to the performance that delivers to shareholders.

Peregrine Riviere:

Well, that's it from my end on the Q&A. So back to you, Mark.

Mark Read: Okay. I think just a few final comments from me. Look, I think what we've tried to set out today is an ambitious plan to grow WPP 4% to 5% over the next two years. I do believe that much of what we've done over the last two years and particularly last year puts us in a really strong position going into 2021 to benefit from the changes taking place in our industry, from a stronger economic environment, from the growing importance of communications and purpose and ESG that we just talked about. So I think as a team, we're really excited. I think the people inside WPP are really excited. And what I'm most pleased about is our clients who really are supportive of the strategy that

we have. And you can see in our client evaluation scores and in our new business performance that where the rubber hits the road if you like, that it's delivering. There's no doubt that 2020 has been a challenging year for us as it has been I think for everybody, not just professionally, but many cases personally.

But I do think that we've made a lot of progress this year and the resilience of our business, the relative resilience of our business should give us confidence going into 2021 for an improved performance. There's no doubt, there's a few more months to work our way through, sitting here in London, in a sort of tier 3 lockdown that we feel, but I do think that clients have the confidence to invest ahead of what we see as a good recovery next year. So we're optimistic about the future of WPP, and the performance we can deliver.

So thank you everybody, and we've taken three hours of your time, so thank you for staying with us to the end. And thanks for all your support, and John, Jacqui, Peregrine and myself, and the rest of our team are here to follow up with any of you.

[END OF TRANSCRIPT]