

INVESTMENT CASE

We benefit from global scale, exposure to growth markets, a deep understanding of clients' needs, leading capabilities and a strong financial foundation

WPP delivered strong growth in 2022, reflecting the priority placed by our clients on investing in communications, customer experience, commerce, data and technology.

We are entering 2023 in a strong position, with a compelling client offer and good momentum from new business wins, and a robust balance sheet.

We remain confident in our ability to deliver our medium-term targets as a result of the actions we have taken to broaden and strengthen our services, to increase our exposure to attractive industry segments and to leverage our global scale.

FINANCIAL TARGETS AND PERFORMANCE

	Revenue less pass-through costs growth	Headline operating margin ¹	Average adjusted net debt/ EBITDA
2022 actual	6.9%	14.8%	1.46x
2023 targets	3-5%	around 15.0% ²	1.5-1.75x
Medium-term targets	3-4%	15.5-16.0%	1.5-1.75x

i Read more about our outlook and guidance on page 65

¹ See Glossary on page 232 for definitions
² Excluding the impact of foreign exchange

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UNRIVALLED GLOBAL REACH AND SCALE

- A global network of leading agencies, providing the broadest geographic reach
- Home to GroupM, the number one media buying operation worldwide, responsible for over \$60 billion of global media billings
- Present in countries worldwide, providing deep in-market expertise

100+
countries in our
global network

#1
home to GroupM, the
leading global media
investment company¹

ATTRACTIVE AND GROWING ADDRESSABLE MARKETS

- Extended our offer in high-growth areas of experience, commerce and technology
- Repositioned traditional communications offer to faster-growth digital communications
- Well positioned to serve the faster-growth digital segments of retail media and connected TV
- Strong exposure to structurally faster-growth economies such as China, India and Brazil

8.4%
estimated growth
in global digital
advertising spend
in 2022^{2,3}

13.1%
estimated growth
in global retail media
advertising spend
in 2022^{2,3}

DEEP CLIENT RELATIONSHIPS WITH LEADING GLOBAL BUSINESSES

- Our clients are some of the world's largest companies, including over 300 of the Fortune Global 500
- Strong and enduring CEO, CMO and CIO relationships
- Global Client Leaders provide easy access to the breadth and depth of WPP for our largest clients

90%
of our top 50 clients
work with five or
more of our agencies

8.0
average client
satisfaction score
(out of 10)

SIGNIFICANT STRENGTHS IN TECHNOLOGY AND DATA

- Scaled global partnerships with 28 leading technology companies
- Deep specialisation in technical capabilities in advertising and marketing technology
- WPP Open, our common data and technology platform for sharing innovations across WPP and its strategic technology partners, agencies and clients
- GroupM Nexus, our media performance organisation, the industry leader in digital channels and platforms across search, social, programmatic, AI, cross-channel optimisation, and data-driven technologies and software
- Choreograph, our data company, ranked a Strong Performer in Customer Data Strategy and Activation Services by Forrester⁴

10,000+
data practitioners

8,000+
creative technologists

Leader

WPP is ranked a leader
among global marketing
services providers⁵

A STRONG FINANCIAL POSITION

- Broad-based revenue across a wide geographic footprint and diverse client portfolio, covering all business sectors, providing resilient revenue streams
- Predominantly variable cost structure, which protects profitability during a downturn
- Attractive margin, with scope to improve through our transformation programme
- Low ratio of net debt to EBITDA and over £4 billion of liquidity

14.8%
headline operating
margin⁶

1.5x
average adjusted net
debt/headline EBITDA⁶

VALUE CREATION FROM STRATEGIC PLANS TO ACCELERATE GROWTH

- Investment in acquisitions to enhance growth, by bringing in new capabilities, client relationships and talent
- Transformation programme gross cost savings of around £375 million against a 2019 base, and on track to reach target of £600 million by 2025, to fund reinvestment of £400 million into talent, technology and incentives to drive growth, and £200 million benefit to profitability
- Intention to grow dividend annually with a pay-out ratio around 40% of headline EPS

£375m
transformation
programme gross
savings since 2019

39.4p
dividends per share
(+26% on 2021)

¹ COMvergence, 2021 data, September 2022

² GroupM, *This Year Next Year: Global End-Of-Year Forecasts*, December 2022

³ Excluding US political advertising

⁴ Forrester Wave, *Customer Data Strategy and Activation Services*, Q2 2022

⁵ Forrester Wave, *Global Marketing Services Providers*, Q3 2022

⁶ See definitions in the Glossary on page 232