

Third Quarter 2018 Trading Update

London

25 OCTOBER 2018

Safe Harbour Statement

The following cautionary statement is included for safe harbour purposes in connection with the Private Securities Litigation Reform Act of 1995 introduced in the United States of America. This presentation may contain forward-looking statements within the meaning of the US federal securities laws. These statements are subject to risks and uncertainties that could cause actual results to differ materially including adjustments arising from the annual audit by management and the Company's independent auditors. For further information on factors which could impact the Company and the statements contained herein, please refer to public filings by the Company with the Securities and Exchange Commission. The statements in this presentation should be considered in light of these risks and uncertainties.

Introduction

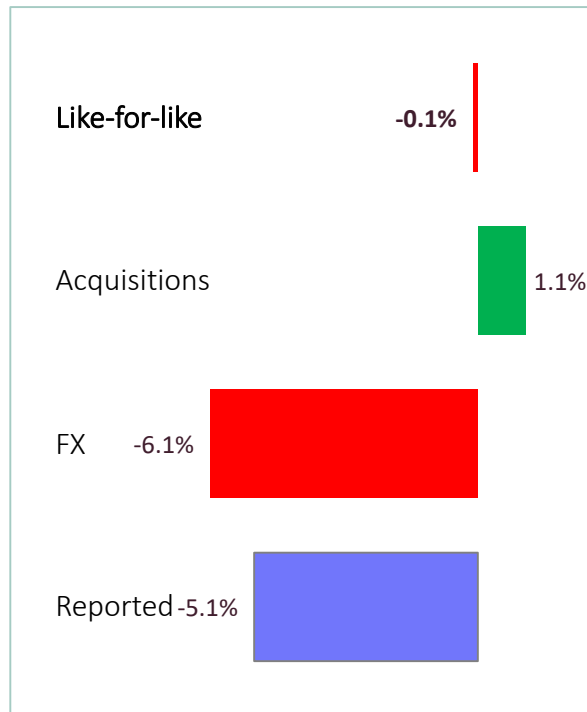
- Weakening Q3 – issues identified at interim results
- Decisive action and radical thinking to address legacy issues
- Strategy and vision
- Key actions:
 - 16 disposals raising £704m
 - Creation of VMLY&R
 - Integration of US healthcare agencies
 - Strengthening management team
- Announcement on Kantar
- New business performance
- Strategy update in December

Highlights: Third Quarter and Year to Date

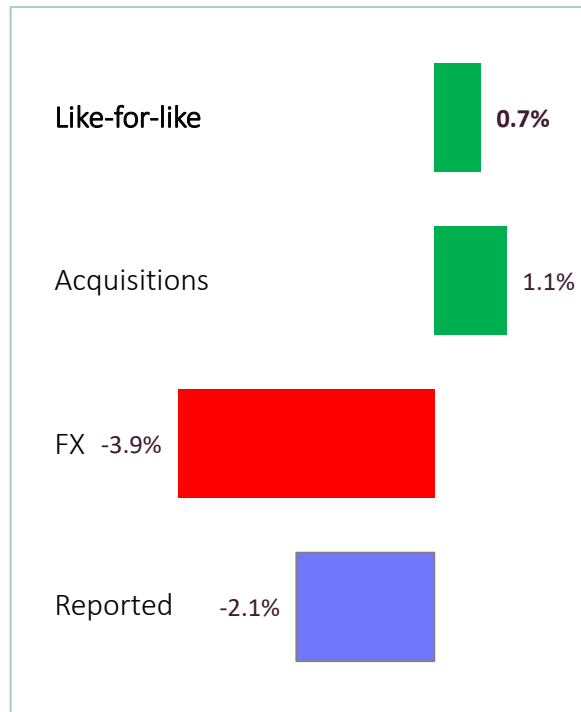
- Slowdown in third quarter with like-for-like revenue less pass-through costs down 1.5%, particularly North America and creative agencies, issues highlighted in interim results. Year to date down 0.3%.
- North America under further continued pressure with third quarter like-for-like revenue less pass-through costs down 5.3% after second quarter -3.3% and first half -2.9%.
- UK and Western Continental Europe both slowed with third quarter down 2.0% and 0.4% respectively.
- Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe relatively stable with third quarter growth of 2.4%.
- Good progress on asset disposal plan, raising £704m cash proceeds so far this year from 16 disposals. Additionally the Board has approved a formal process to review strategic options for Kantar to maximise share owner value.
- Net debt at 30 September down £925m at 2018 exchange rates, reflecting asset disposals and improved NWC.
- Net new business of \$4.0bn in first nine months.
- Full year guidance updated to reflect slowdown in third quarter results and more cautious outlook for rest of year.

Revenue Less Pass-Through Costs Growth versus Prior Year

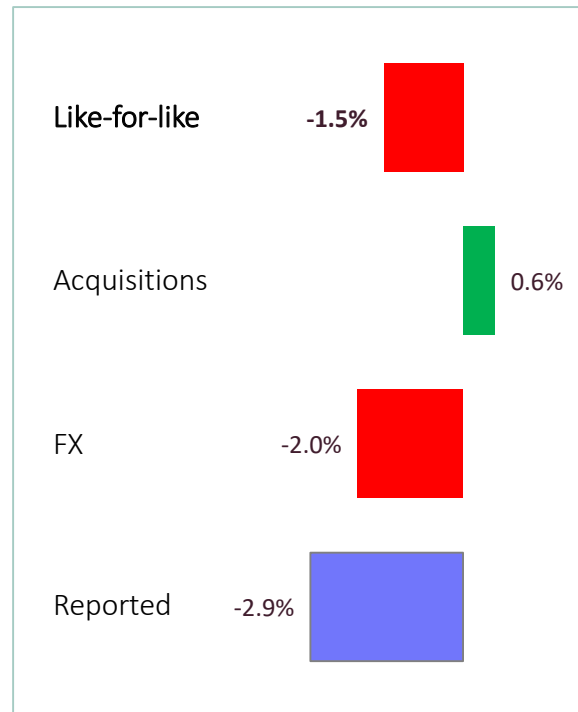
Q1



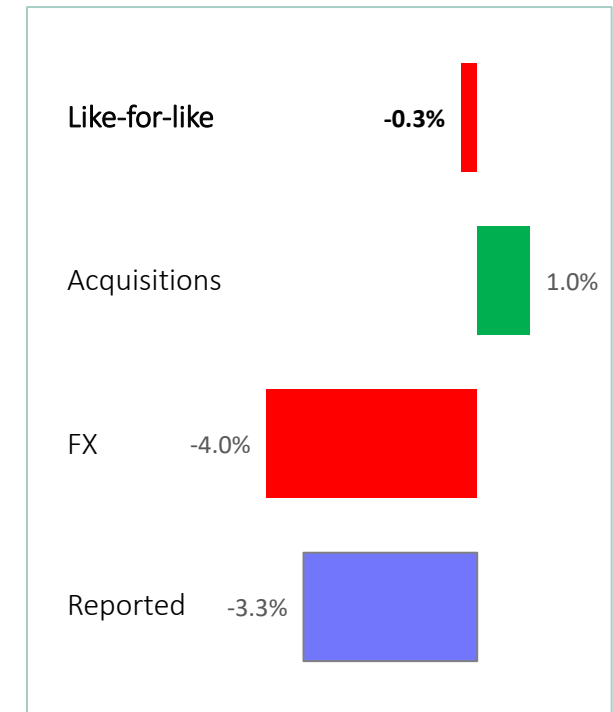
Q2



Q3

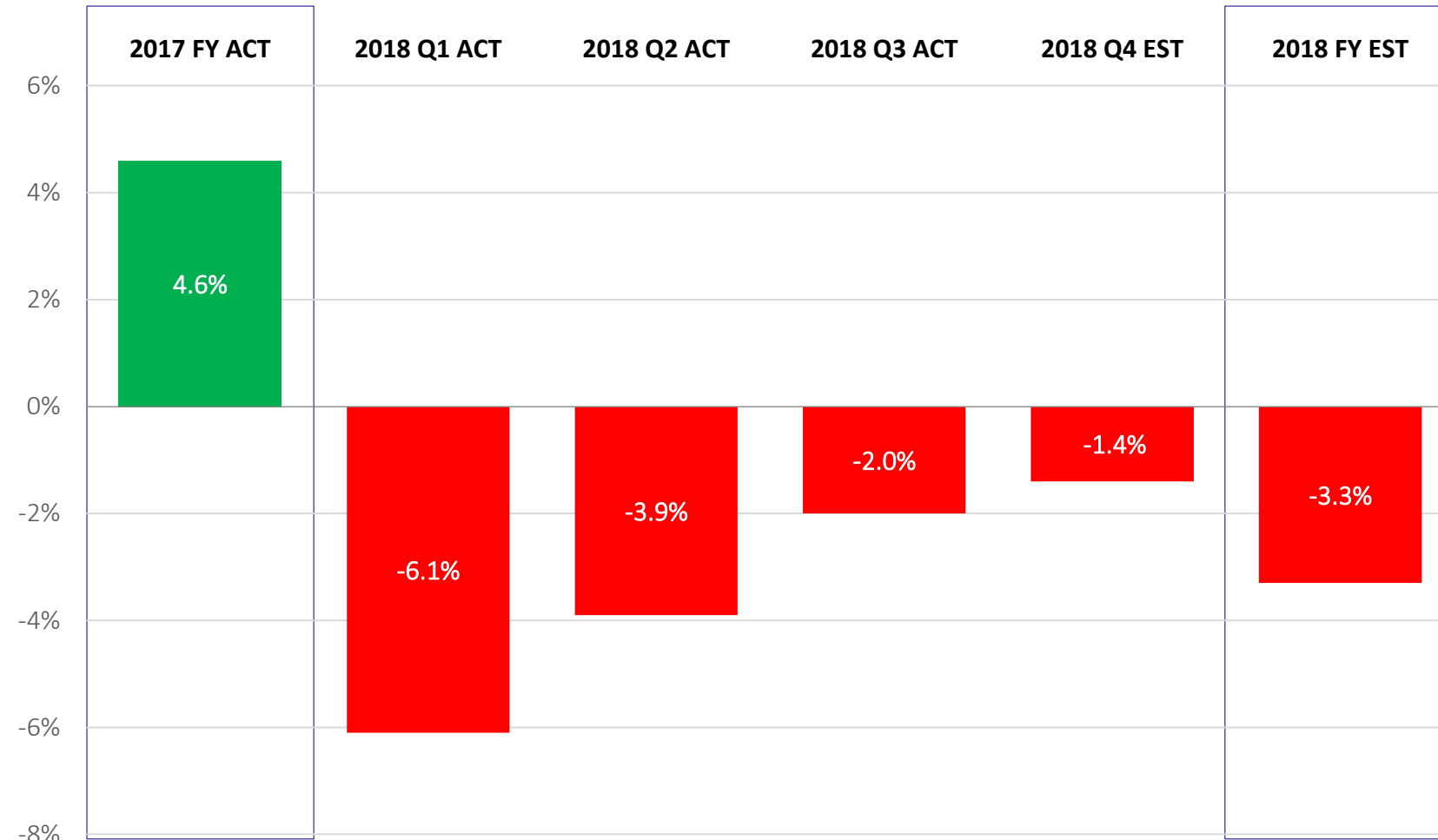


YTD



THIRD QUARTER 2018 TRADING UPDATE

Impact of Foreign Exchange on Revenue Less Pass-Through Costs



- Sept YTD headwind -4%.
- Full year headwind -3%.
- Q4 run at £/US\$ 1.31 and £/€ 1.14.

THIRD QUARTER 2018 TRADING UPDATE

Revenue Less Pass-Through Costs by Region

THIRD QUARTER	% GROUP	REVENUE LESS PASS-THROUGH COSTS				
		2018 £M	2017 ¹ £M	Δ REPORTED	Δ CONSTANT CURRENCY	Δ LIKE-FOR-LIKE
North America	35.6	1,106	1,156	-4.3%	-4.5%	-5.3%
UK	13.0	402	406	-1.0%	-1.0%	-2.0%
Western Continental Europe	20.3	630	632	-0.4%	1.3%	-0.4%
Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe	31.1	965	1,001	-3.6%	2.0%	2.4%
Total	100.0	3,103	3,195	-2.9%	-0.9%	-1.5%

1 2017 revenue less pass-through costs restated by £5m for the implementation of IFRS 15

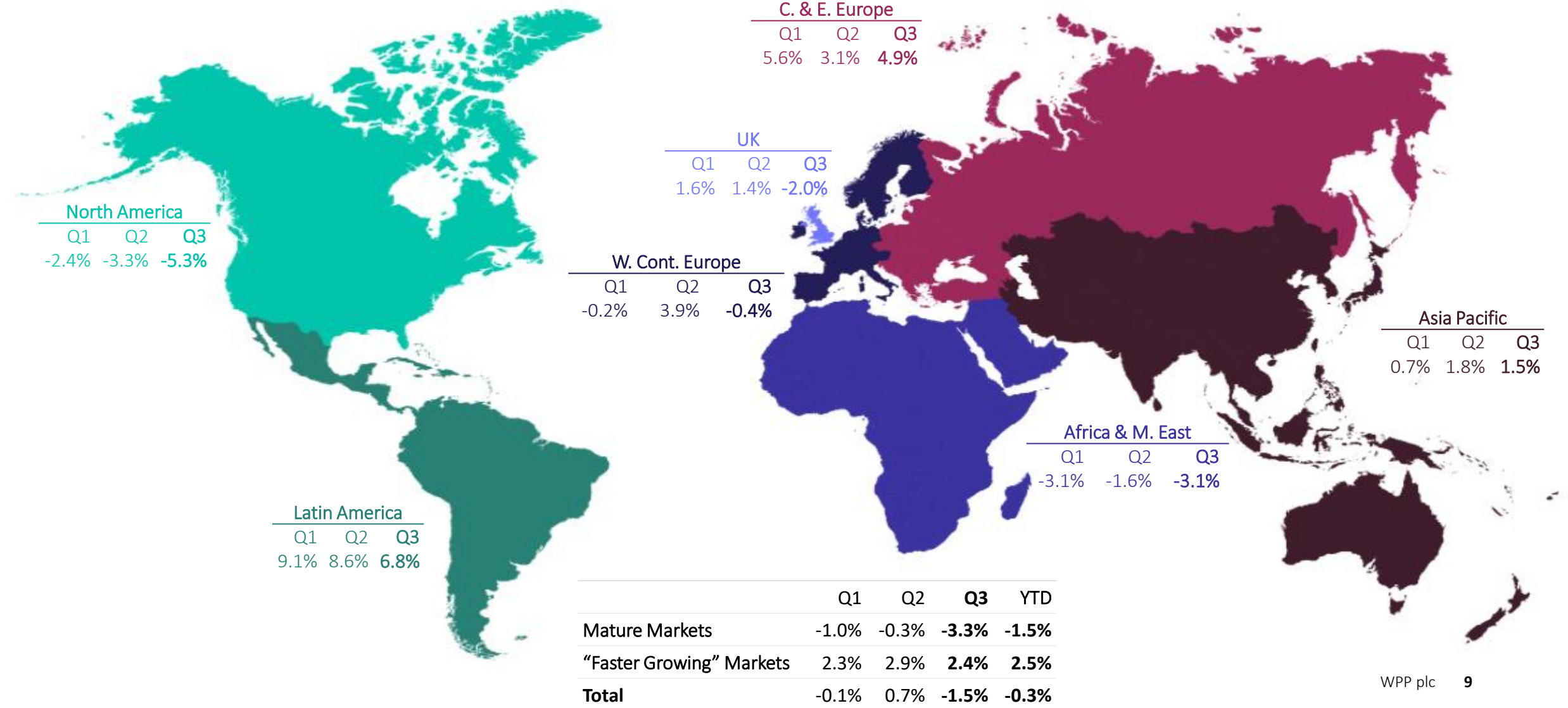
THIRD QUARTER 2018 TRADING UPDATE

Revenue Less Pass-Through Costs by Region

YEAR TO DATE	% GROUP	REVENUE LESS PASS-THROUGH COSTS				
		2018 £M	2017 ¹ £M	Δ REPORTED	Δ CONSTANT CURRENCY	Δ LIKE-FOR-LIKE
North America	35.3	3,261	3,563	-8.5%	-3.1%	-3.7%
UK	13.3	1,235	1,221	1.2%	1.2%	0.3%
Western Continental Europe	21.1	1,949	1,869	4.3%	4.1%	1.1%
Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe	30.3	2,807	2,918	-3.8%	2.7%	2.5%
Total	100.0	9,252	9,571	-3.3%	0.7%	-0.3%

1 2017 revenue less pass-through costs restated by £19m for the implementation of IFRS 15

Revenue Less Pass-Through Costs Like-For-Like Growth by Region



THIRD QUARTER 2018 TRADING UPDATE

Major Markets

USA

UK

Germany

Greater China²

France

REVENUE LESS PASS-THROUGH COSTS GROWTH¹

	USA	UK	Germany	Greater China ²	France
2018 YTD	-3.6%	0.3%	-0.4%	3.5%	-1.3%
2018 Q3	-5.3%	-2.0%	-1.0%	1.8%	-4.5%
2018 Q2	-3.3%	1.4%	5.5%	6.5%	-0.1%
2018 Q1	-2.2%	1.6%	-5.7%	2.1%	0.7%
2017 FY	-3.2%	4.8%	-1.3%	-3.2%	0.4%

¹ Like-for-like growth vs prior year

² Includes Hong Kong and Taiwan

THIRD QUARTER 2018 TRADING UPDATE

BRIC Markets

Mainland China

Greater China²

Brazil

India

Russia

REVENUE LESS PASS-THROUGH COSTS GROWTH¹

	Mainland China	Greater China ²	Brazil	India	Russia
2018 YTD	5.1%	3.5%	7.0%	4.7%	-3.3%
2018 Q3	2.5%	1.8%	9.0%	12.9%	-0.8%
2018 Q2	9.0%	6.5%	5.9%	1.4%	-9.3%
2018 Q1	3.6%	2.1%	6.0%	0.3%	0.6%
2017 FY	-1.8%	-3.2%	1.6%	1.1%	-15.4%

¹ Like-for-like growth vs prior year

² Includes Hong Kong and Taiwan

THIRD QUARTER 2018 TRADING UPDATE

Revenue Less Pass-Through Costs by Sector

THIRD QUARTER	% GROUP	REVENUE LESS PASS-THROUGH COSTS				
		2018 £M	2017 ¹ £M	Δ REPORTED	Δ CONSTANT CURRENCY	Δ LIKE-FOR-LIKE
Advertising, Media Investment Management	41.8	1,297	1,420	-8.7%	-6.5%	-4.0%
Data Investment Management	15.4	477	494	-3.5%	-0.7%	-1.2%
Public Relations & Public Affairs	9.1	282	282	0.1%	1.4%	2.5%
Brand Consulting, Health & Wellness and Specialist Communications	33.7	1,047	999	4.8%	6.5%	0.4%
Total	100.0	3,103	3,195	-2.9%	-0.9%	-1.5%

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THIRD QUARTER 2018 TRADING UPDATE

Revenue Less Pass-Through Costs by Sector

YEAR TO DATE	% GROUP	REVENUE LESS PASS-THROUGH COSTS				
		2018 £M	2017 ¹ £M	Δ REPORTED	Δ CONSTANT CURRENCY	Δ LIKE-FOR-LIKE
Advertising, Media Investment Management	42.5	3,936	4,268	-7.8%	-4.0%	-1.8%
Data Investment Management	15.4	1,423	1,491	-4.6%	-0.8%	-1.4%
Public Relations & Public Affairs	9.0	833	850	-2.0%	2.2%	3.1%
Brand Consulting, Health & Wellness and Specialist Communications	33.1	3,060	2,962	3.3%	7.7%	1.4%
Total	100.0	9,252	9,571	-3.3%	0.7%	-0.3%

1 2017 revenue less pass-through costs restated by £19m for the implementation of IFRS 15

THIRD QUARTER 2018 TRADING UPDATE

Trade Estimates of Major Client Wins

WPP AGENCY	INCUMBENT	ACCOUNT	OFFICE	BILLINGS \$M
MediaCom	PUB/OMC	Mars	Global	930
Wavemaker/Mindshare	DEN	Mondelez	EMEA, Asia Pacific	500
MediaCom	DEN	Sky	Europe	425
MediaCom	DEN/PUB	Adidas	Global	300
Essence	PUB	T-Mobile	N America	274
MediaCom	IND	Hotels.com	N America	175
Wavemaker	DEN	Danone	N America	118
Wavemaker/VMLY&R	IND	Altice	USA	110
Team Amplify	IPG	Bose	Global	80
MediaCom	PUB	Ally Financial	USA	70
MediaCom	PUB	Hilton Hotels	USA	68
Mindshare	OMC	Unilever	India	65
MediaCom/VMLY&R	OMC	Office Depot	NAFTA	62
Wavemaker	OMC	Adobe	Global	55
Wavemaker	MediaCom	Yum! Brands	Canada	50 ¹
<u>Grey</u>	<u>IPG</u>	<u>McCormick</u>	<u>USA</u>	<u>28</u>
<u>VMLY&R</u>	<u>PUB/IND</u>	<u>Alicorp</u>	<u>L America</u>	<u>28</u>

Shaded are wins since Q2, underlined are wins since 1 October

1 Internal transfer of business

THIRD QUARTER 2018 TRADING UPDATE

Trade Estimates of Major Client Losses

WPP AGENCY	WINNING AGENCY	ACCOUNT	OFFICE	BILLINGS \$M
<u>GTB</u>	<u>OMC/IND</u>	<u>Ford</u>	<u>Global</u>	<u>N/A</u>
<u>MediaCom/Mindshare</u>	<u>PUB</u>	<u>Glaxo SmithKline</u>	<u>Global</u>	<u>600</u>
<u>Mindshare</u>	<u>IPG</u>	<u>American Express</u>	<u>Global</u>	<u>400</u>
Mindshare	OMC	HSBC	Global	400
Wavemaker	PUB	Campbell Soup Co.	USA, ANZ, Indonesia	189
Wavemaker	PUB	Marriott	Global	140
Grey	N/A	Revlon	Global	110
Grey	N/A	Ally Financial	USA	87
MediaCom	IPG	Revlon	Global	84
MediaCom	PUB	P&G	Australia	80
<u>Wavemaker</u>	<u>DEN</u>	<u>United Airlines</u>	<u>Global</u>	<u>60</u>
<u>VMLY&R</u>	<u>N/A</u>	<u>Pepsico</u>	<u>Global</u>	<u>50</u>
JWT	IPG	Edgewell	Global	50
MediaCom	Wavemaker	Yum! Brands	Canada	50 ¹

Shaded are losses since Q2, underlined are losses since 1 October

1 Internal transfer of business

THIRD QUARTER 2018 TRADING UPDATE

Net Debt – 30 September 2018

YEAR TO DATE 30 SEPTEMBER	2018 £M	2017 £M	VARIANCE £M
YTD average net debt on constant currency basis	(4,991)	(4,981)	(10)
YTD average net debt on reportable basis	(4,991)	(5,035)	44
Net debt at 30 September on constant currency basis	(4,884)	(5,809)	925
Net debt at 30 September on reportable basis	(4,884)	(5,686)	802
<i>Net debt at 31 July on constant currency basis</i>	<i>(5,038)</i>	<i>(5,546)</i>	<i>508</i>
<i>Net debt at 31 July on reportable basis</i>	<i>(5,038)</i>	<i>(5,518)</i>	<i>480</i>
<i>Net debt at 30 June on constant currency basis</i>	<i>(4,632)</i>	<i>(4,716)</i>	<i>84</i>
<i>Net debt at 30 June on reportable basis</i>	<i>(4,632)</i>	<i>(4,669)</i>	<i>37</i>

THIRD QUARTER 2018 TRADING UPDATE

Uses of Free Cash Flow

	TARGET	SEPT YTD 2018	SEPT YTD 2017	FY 2017
(Disposals)/acquisitions (excluding earnouts) ¹ :				
Acquisitions	£300-£400m	£260m	£304m	£326m
<u>Less</u> disposals	-	£(704m)	£(42m)	£(296m)
Net (disposals)/acquisitions	-	£(444m)	£262m	£30m
Share buy-backs:	-	£201m	£396m	£504m
% of issued share capital	2%-3%	1.3%	1.9%	2.5%

Balance Sheet

Closing net debt at 2018 exchange rates	-	£4.9bn	£5.8bn	£4.5bn ²
Average net debt at 2018 exchange rates	-	£5.0bn	£5.0bn	£5.1bn ²
Headroom: Undrawn facilities & surplus cash	-	£3.4bn	£2.2bn	£3.2bn

Revised target range of average net debt/EBITDA ratio lowered to 1.5-1.75x.

¹ Acquisitions are initial payments, net of cash acquired and disposal proceeds, and include other investments and associates

² FY 2017 net debt stated at 2017 actual exchange rates

Outlook

- Financial guidance for full year 2018, reflecting slowdown in third quarter and more cautious outlook for rest of the year:
 - Like-for-like revenue less pass-through costs growth likely to be down 0.5%-1.0%
 - Forecast headline PBIT margin to revenue less pass-through costs likely to be down 1.0-1.5 margin points

Conclusion

- Slowdown in third quarter reflects weaker performance in North America and creative agencies, issues highlighted in interim results.
- Decisive action and radical thinking are needed to address legacy issues and improve performance.
- New vision for WPP supported by strong culture that binds us together and makes us best destination for talent, allowing us to lead our industry in the future.
- Actions so far include creation of VMLY&R, integration of healthcare agencies with Ogilvy, VMLY&R and Wunderman, and key appointments in operations, clients and technology.
- Strengthening balance sheet with disposal of non-core investments raising £704m and review of strategic options for Kantar. Greater attention to capital discipline and focussed acquisition spending.
- Strategy update in December.

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Other Financial Information

Revenue Less Pass-Through Costs Growth by Country: Third Quarter

REVENUE LESS PASS-THROUGH COSTS GROWTH¹

More than 10%

5% to 10%

0% to 5%

Less than 0%

TOP COUNTRIES

Argentina, Denmark, India, Poland

Brazil, Italy, Singapore, South Korea

Belgium, Greater China², Mainland China, Japan, Netherlands, Spain, Sweden

Australia, Canada, Colombia, Dubai, France, Germany, Indonesia, Mexico, Norway, Russia, South Africa, Switzerland, Thailand, Turkey, UK, USA

¹ Like-for-like growth vs prior year

² Includes Hong Kong and Taiwan

Revenue Less Pass-Through Costs Growth by Category: Third Quarter

REVENUE LESS PASS-THROUGH COSTS GROWTH ¹	CATEGORIES
0% to 5%	Government, Oil, Retail
Less than 0%	Automotive, Computers, Drinks, Financial Services, Food, Media & Entertainment, Personal Care & Drugs, Telecommunications, Travel & Airline

¹ Like-for-like growth vs prior year

THIRD QUARTER 2018 TRADING UPDATE

Effects of Currency

THIRD QUARTER	2018	2017	STERLING STRONGER/(WEAKER)
US\$	1.30	1.31	-1%
€	1.12	1.11	1%
¥	145	145	-
Chinese Renminbi	8.9	8.7	2%
Brazilian Real	5.15	4.14	24%
Australian \$	1.78	1.66	7%
Canadian \$	1.70	1.64	4%
Indian Rupee	91	84	8%
Singapore \$	1.78	1.78	-
Russian Rouble	86	77	12%
South African Rand	18.4	17.3	6%

- Currency movements accounted for 2% decrease revenue less pass-through costs.
- Reflects strengthening of £ sterling against most currencies.

THIRD QUARTER 2018 TRADING UPDATE

Debt Maturity Profile £m at 30 September 2018

	£ TOTAL CREDIT	£ TOTAL DRAWN
£ bonds £400m (2.875% Sep '46)	400	400
US bond \$495m (5.625% Nov '43)	379	379
US bond \$272m (5.125% Sep '42)	208	208
Eurobonds €600m (1.625% Mar '30)	534	534
Eurobonds €750m (2.25% Sep '26)	668	668
Eurobond €500m (1.375% Mar '25)/£444m Swap ¹	444	444
US bond \$750m (3.75% Sep '24)	575	575
Eurobonds €750m (3.0% Nov '23)	668	668
US bond \$500m (3.625% Sep '22) ²	383	383
Eurobond €250m (3m EURIBOR + 0.45% Mar '22)	223	223
US bond \$812m (4.75% Nov '21) ³	623	623
£ bonds £200m (6.375% Nov '20)	200	200
Eurobonds €250m (3m EURIBOR + 0.32% May '20)	223	223
Eurobonds €600m (0.75% Nov '19)	534	534
Debt Facilities	6,062	6,062
Bank revolver ⁴ WPP (\$2,500m Jul'21)	1,917	444
Bank revolver ⁴ WPP AUNZ (A\$520m Mar'19)	288	230
Net cash, overdrafts & other adjustments	–	(1,853)
Total Borrowing Capacity / Net Debt	8,267	4,883

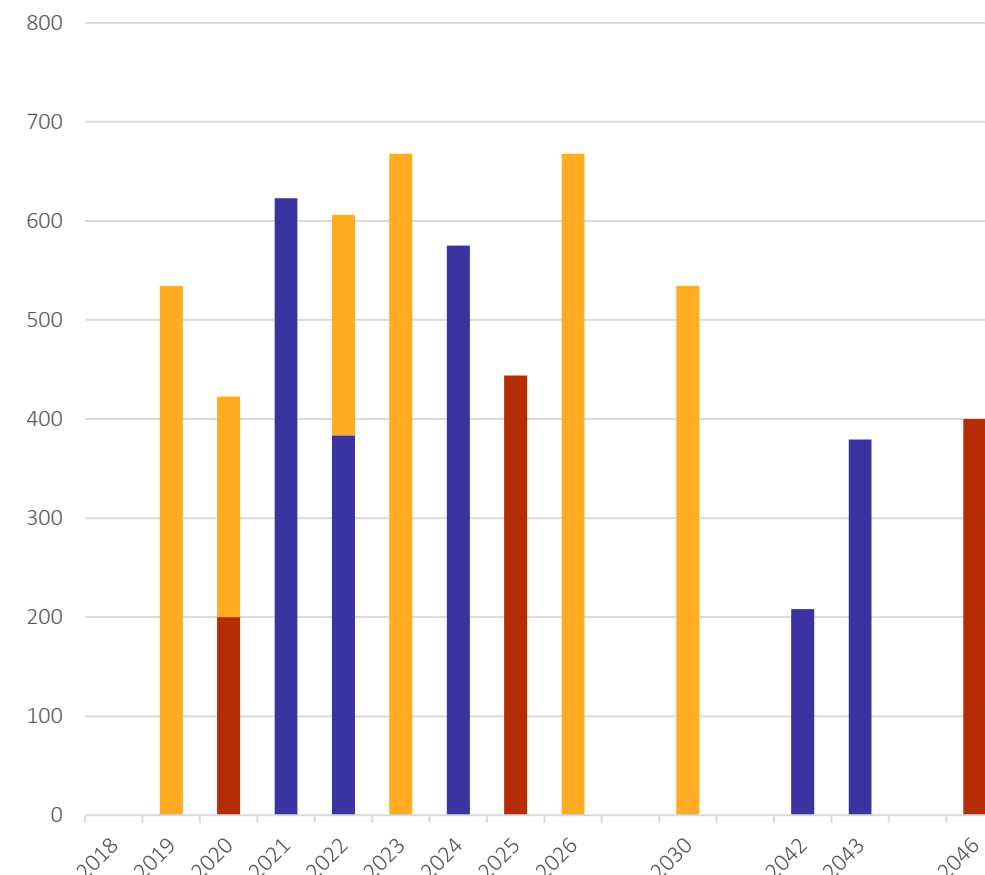
Exchange Rates £/\$ 1.3042 £/€ 1.1229 £/A\$ 1.8026

1 Swapped to £444m at 2.61%

2 Swapped to 6 month \$Libor + 1.52%

3 Swapped to 6 month \$Libor + 2.34%

4 These instruments are subject to financial covenants



Weighted Average Coupon 3.0%

Weighted Average Maturity 8.7 years

Available Liquidity £3,384m

Acquisition Highlights Since 1 July

2Sales – Luxembourg (Wunderman)

2Sales is an e-commerce consulting agency. It supports global brands in building their business on Amazon, and will become part of Wunderman's growing global commerce offering, Wunderman Commerce. 2Sales employs 66 people in Luxembourg and is a one-stop Amazon solution that utilises automated processes to optimise content generation, sales and promotions across eight international Amazon platforms. Clients include Acco, Columbia, Fiskars and SC Johnson.



Emark – Netherlands (Wunderman)

Emark is a marketing technology performance company which delivers Salesforce Marketing Cloud, Commerce Cloud, Service Cloud, DMP, and advertising technology such as Facebook Advertising and Google Ads, as a single, integrated solution. Founded in 2000, Emark is recognised as a preeminent provider of Salesforce multi-cloud strategy and solutions in Europe, with a strong Marketing Cloud pedigree. Headquartered in Haarlem, Netherlands with international offices located in Barcelona, London and Poland, the company employs around 120 people and serves a wide range of clients across sectors including Bugaboo, ECCO Shoes, Marks & Spencer, Randstad, Scotch & Soda, and The Macallan.



Acquisition Highlights Since 1 July

Gorilla – USA (Wunderman)

Gorilla Group is an award-winning e-commerce specialist based in USA. Clients include American Hotel Register Company, Gates Industrial Corporation and protein bar manufacturer RXBAR. The agency employs about 370 employees and is based in Chicago with offices in USA, Canada, Poland and Ukraine. Gorilla Group works with enterprise B2B and direct-to-consumer brands across the manufacturing, distribution, apparel, retail, health & beauty, food and beverage sectors. With a strong history in strategy, experience design, technology enablement, marketing, and managed services, Gorilla Group creates high-performing commerce solutions that enable clients to successfully evolve and compete in the digital economy.



Hirshorn-Zuckerman Design Group (“HZ”) – USA (Burson Cohn & Wolfe)

HZ is a branding, content and design agency based in USA. Clients include Hilton Worldwide, Salesforce and Tishman Speyer’s Rockefeller Center. The agency employs nearly 200 people and is based in Rockville, MD, with offices in Baltimore, Los Angeles, New York City and Washington, DC. It was founded in 1987. Offerings include a full spectrum of multichannel digital design and development, mobile activation, social media, brand and identity creation, content, film and video production, search marketing (SEO/SEM), data and analytics as well as and integrated media solutions. Its client base spans the consumer, hospitality, food and beverage, education, B2B, real estate, sports and entertainment and technology industries.



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