

WPP webinar

Hosted by VMLY&R

Transcript

Friday, 16 April 2021



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Introduction

John Rogers

CFO, WPP

Welcome everyone. Good morning if you're in the US, or good afternoon if you're in the UK. Thank you all for attending the first of this series of webinars. My name is John Rogers. I'm the CFO of WPP. As I said, this is the first of a series of webinars, which we're aiming for our investors and analysts, which will provide some insight into our agencies, some of our business lines and some of the services that WPP provides. And we're just, of course, outside the normal cycle of results and Capital Market Days, so we hope you find these sessions helpful. We're going to be aiming to do about six of these per year.

The first webinar I'm proud to say is going to be hosted by VMLY&R, sparing Jon Cook and his team's blushes, they have done an excellent job of bringing these two businesses together over the last 18 months or so. And I think they really provide a very helpful data point in demonstrating how the global integrated agencies work and how the integrated model delivers value for our clients.

So Jon will actually be joined by Debbi Vandeven. Welcome to you both. They're going to talk to you for about 30 minutes, and then we're going to open up to Q&A. Obviously, as I said, at the beginning, we are planning more of these events in the future, so we'd of course welcome all your feedback on how we can organise these things better for you as we go forward. So thank you very much and I'm now going to hand over to Jon.



Jon Cook

Global Chief Executive Officer, VMLY&R

Thanks John. Hi everyone. My name's Jon – as John said, my name is Jon Cook. I used to be Jon Cook from VML for about 23 years. And then the last couple of years I've learned to say, I'm Jon Cook from VMLY&R. And so, yeah, I've been in the company VML, now VMLY&R for about 25 years. And looking forward to talking today. Before we dive in, let me introduce my long-time partner of VMLY&R Debbi Vandeven.

Debbi Vandeven: Hi everyone, I'm Debbi Vandeven and I've been with VMLY&R now about 22 years, I think, and I am the global Chief Creative Officer. So I run all of creative and all the experience design teams at VMLY&R. And I'm excited to be here today too.

Jon Cook: We will dive right in. Debbi and I were laughing because we both have these similar backgrounds because we're on our first business trip. We're both in Detroit to see our clients at Ford and we're in this hotel. Hopefully the lighting works, but we both have – it's going to be awkward with the same background from these rooms, but still more relaxed than a couple of years ago. We got to present at the WPP Investor Day, saw a lot of you there and this is a lot less pressure than standing on that stage.

So looking forward to diving in and what we'll do we're going to get into – quickly just talk about what VMLY&R is, talk about what's happened through the merger of VMLY&R in the last couple of years, but more importantly, we'll spend most of the time on now that it's come together, we've been two years into this merger and had some nice success, why we're positioned for a good future. We're really excited about where we are in both our business, our work, our culture, and we'll get into all that here soon.

And then, as John said, we'll leave time for Q&A, and anything we get into, we're happy to dive into more, but we'll go quickly and leave plenty of time for that.

Before we do, VMLY&R, this long name that's absent any vowels – we could probably use a few vowels to make a word out of this, but in all seriousness, it's actually the formation of two companies.



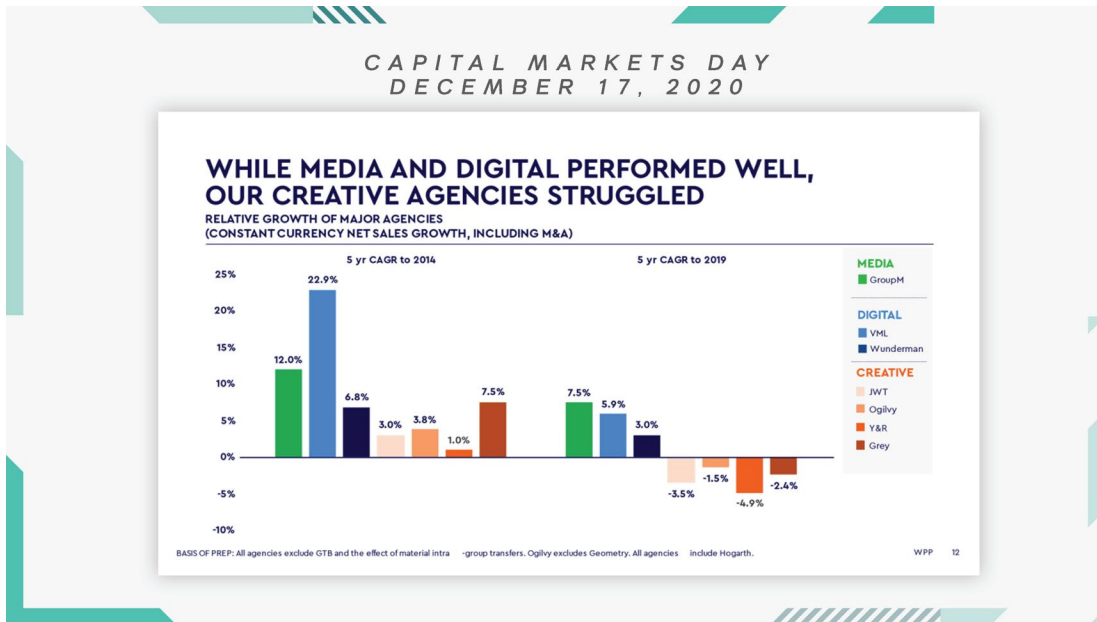
First 100 years ago, Y&R started, Young and Rubicam, and so this is a long time, one of the oldest companies in the history of advertising.



And then VML was a company that started about 30 years ago in, of all places, Kansas City, Missouri, right in the middle of the US, by Valentine, McCormick and Ligibel. Debbi and I both starting there, along with several others, right in the first couple of years of that.



So those two companies, both WPP companies. And then I guess it was the end of 2018, merged together and obviously saw the headlines, read those headlines. And this was very early in the series of mergers and WPP, but Mark and I and our teams – Mark Read and I, and others merged – did this. And you can see there's a *Wall Street Journal* headline, which was a couple of days earlier than we wanted to – as usual, they got a leak and got it out there. And we said, let's just go with it.



So anyway, it's been a really good couple of years. The little context on that, if you look at our next slide, there's a lot on this slide, but this is the five-year CAGR leading up to 2014. And then the five years prior to 2019, the five years before, obviously pretty good performance by most WPP companies there. But the blue is VML, the orange that's the lower 1% on the left is Y&R, in the last five years, VML being a predominantly digital company and GroupM doing still well, but as you can see, the creative agencies not performing as well. So it was part of an overall strategy that you were very familiar with, of taking – positioning for future companies like Y&R with a lot of talent, a lot of globality, a lot of capability, but lacking some momentum, combining that with a company like VML with a huge digital DNA, a ton of creativity and a similar global footprint. That's what happened. And we've been really happy with how that's gone. It's now VMLY&R.





Just a couple quick and we'll get into why we're – how we're feeling about growth, how we're feeling about the company, but a couple of just facts. It's as you expect, as one of WPP's largest agencies, we have 100+ offices around the world. We're everywhere; unusual geography in that in addition to places like London and Shanghai and Sydney and South Paulo, we're also – one of our largest offices is Kansas City where Debbi and I both live, and not the typical place you'd think to a global headquarters of an agency but we like being a little bit different.



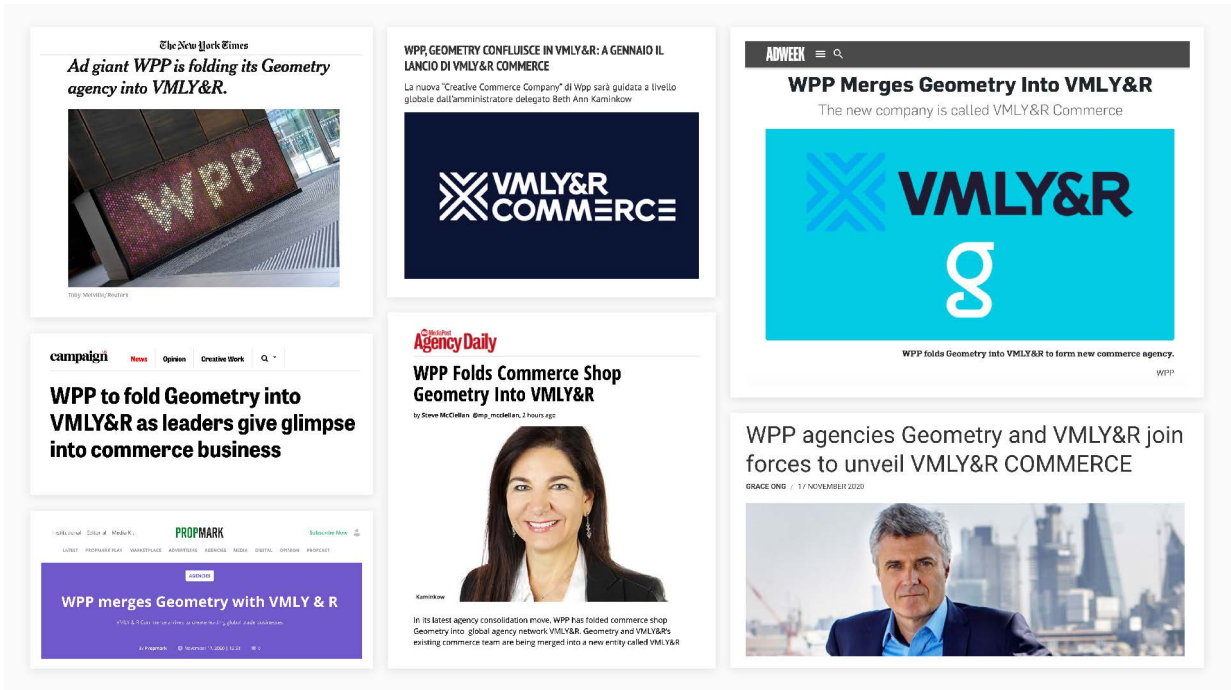
8 OF OUR TOP 10 CLIENTS GREW IN 2020

We have a really strong client base. We'll talk a little bit about that. And we actually saw growth in those clients. A big exercise, we spent so much time building relevance and building capabilities. I believe the hardest thing to be as an agency is relevant. And we put so much work into that, and it never proved more fortuitous than last year to be able to go to a client who you're doing one thing for and say, 'You know what, we've got this customer experience or technology work to do instead of what we were doing before, because that's going to be more appropriate or relevant in this crazy 2020.'



A lot of that happened across this client base and it's a client base that – this is why we love coming to work. It's fantastic.

As I said, we're here in Detroit for Ford today, but one of the best things about working at VMLY&R is the differences of what we do for each of these clients, which we will get into.



So this is one of those montages of headlines of the company, Geometry about \$300-400 million company in WPP.

So a large sized company now exists as – next slide – VMLY&R Commerce, completing that.



The point of all that is a couple of years ago, a big merger, but not done and further simplifying WPP. And then selfishly for VMLY&R, all the weaponry needed to continue that quest for relevance.



It puts us now, as we perform it into 2021, at about \$1.7 billion in net sales. So, a formidable, scaled company and as somebody who was at VML 25 years ago, the percentages were a lot easier when we were \$18 million in revenue.

But we've tried to retain all the energy and enthusiasm and entrepreneurship we have for growing the company as it's gotten even bigger.

AdAge

SAM'S CLUB NAMES VMLY&R ITS FIRST AGENCY OF RECORD AFTER REVIEW

Never a big spender and long in the shadow of sibling Walmart, Sam's 'blown away by caliber of competition'

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By Zack Neff, Published on February 18, 2021.



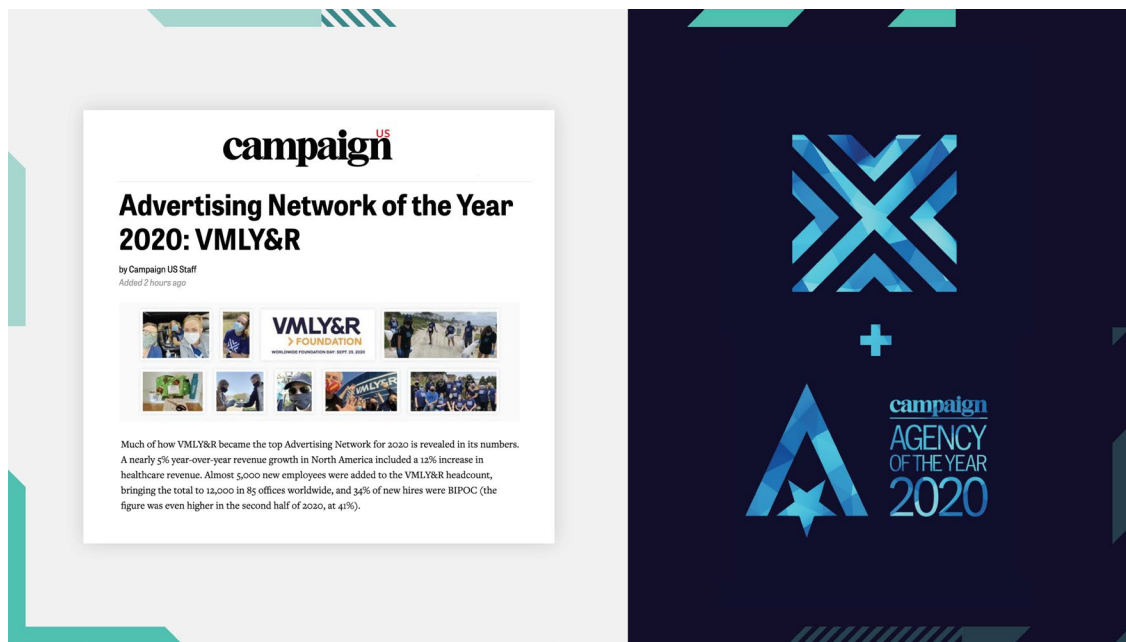
Credit: Walmart

Sam's Club has named WPP's VMLY&R as its first agency of record as the retailer, long in the shadows of giant corporate sibling Walmart and bigger club store rival Costco, looks to step up its marketing.

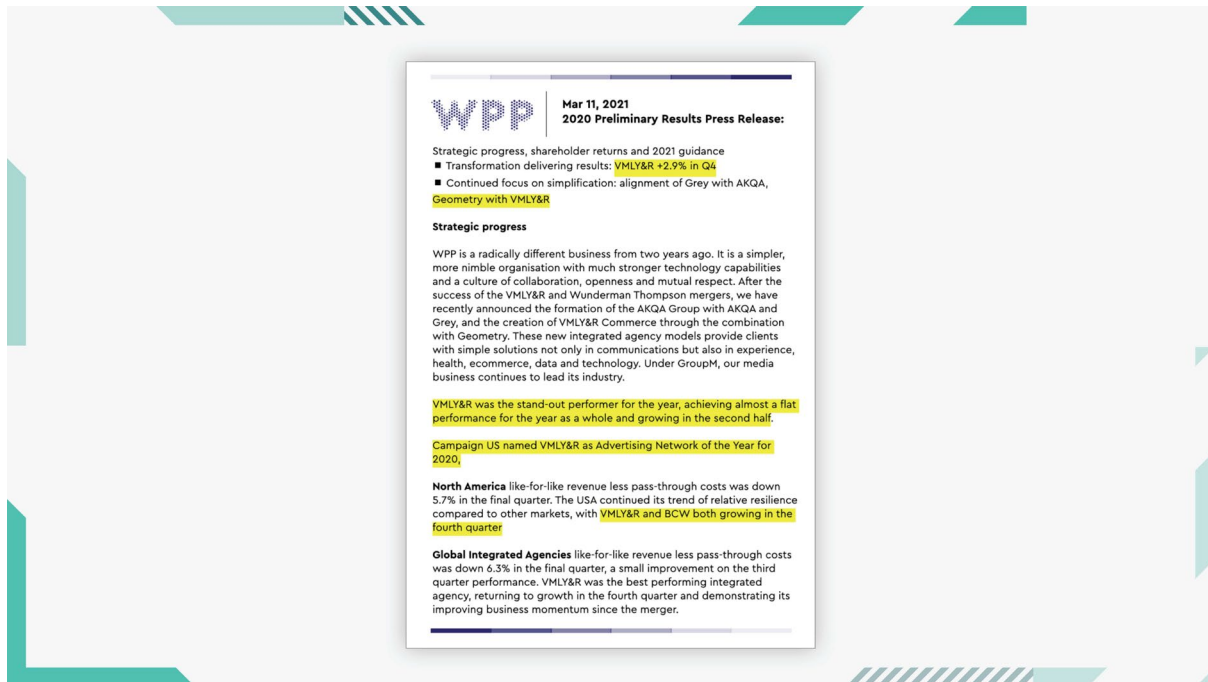
And we've seen some success with that as we started in 2021. So coming off actually a strong 2020, started 2021 winning the Sam's Club in the US – Sam's Club agency of record. The first agency of record they've ever named, a large new relationship for us. I point this one out because it was really one that took everything that we are together in the new offering – commerce, creativity, digital DNA, fantastic footprint – and beat some nice competition to be named their agency.



Other headlines to start the year that give us hope as we get into why we're looking forward to growth, we were named for the fifth year in a row as a leader by Gartner globally as one of the top global marketing agencies. And they have a big consideration of how digital you are in the Gartner methodology, which is a beautiful thing to be a leader in that, continued leader in that.



Maybe most exciting about a month ago, we got a call and an announcement that we will be named by Campaign US as the advertising network of the year. Not putting these things out there to talk about trophies or bragging or anything, we try to stay pretty humble about it, but it's more there to say, this is good validation of doing a good job of simplifying the offering, creating relevance and building client value.



This is a kind of a weird thing to put a WPP press release into a WPP presentation, but we couldn't help ourselves. This is a recent WPP press release on preliminary results. And the reason we put this in there is it's made us proud to be – as we've gotten more and more scale in WPP, as VMLY&R, it's a proud moment to be part of the story of, I hope, an overall positive narrative and, and actuality that's happening at WPP. It makes me proud as a WPP leader, as an operating company leader to see comments and be part of that momentum.



Okay. So those are all press releases, pictures, stats but we were really not about that. We're really about the feeling of people coming together and creating great work. That's what we really are. And so we have an annual meeting. We had about 12,000 people in our VMLY&R right now. We got everybody together virtually a month ago and started the meeting with a video just to say thank you. And to try to consolidate – try to show what the – in about a minute and a half what the year felt like, and where we're going. Here's that video.

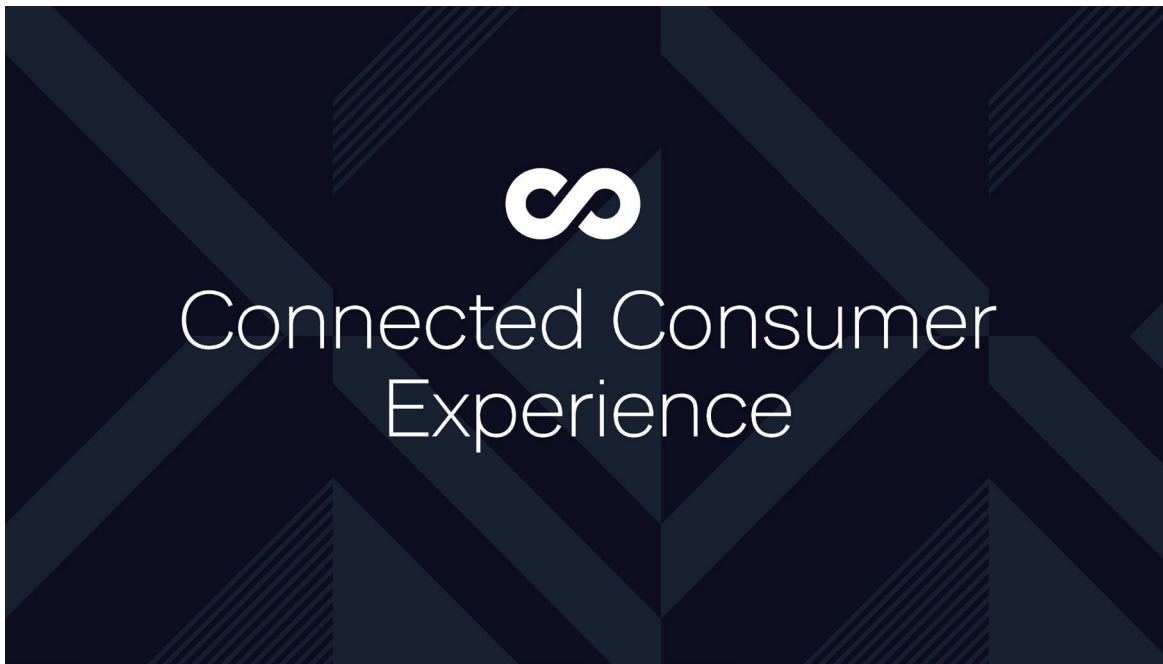
[VIDEO – VMLY&R]



POSITIONED FOR GROWTH

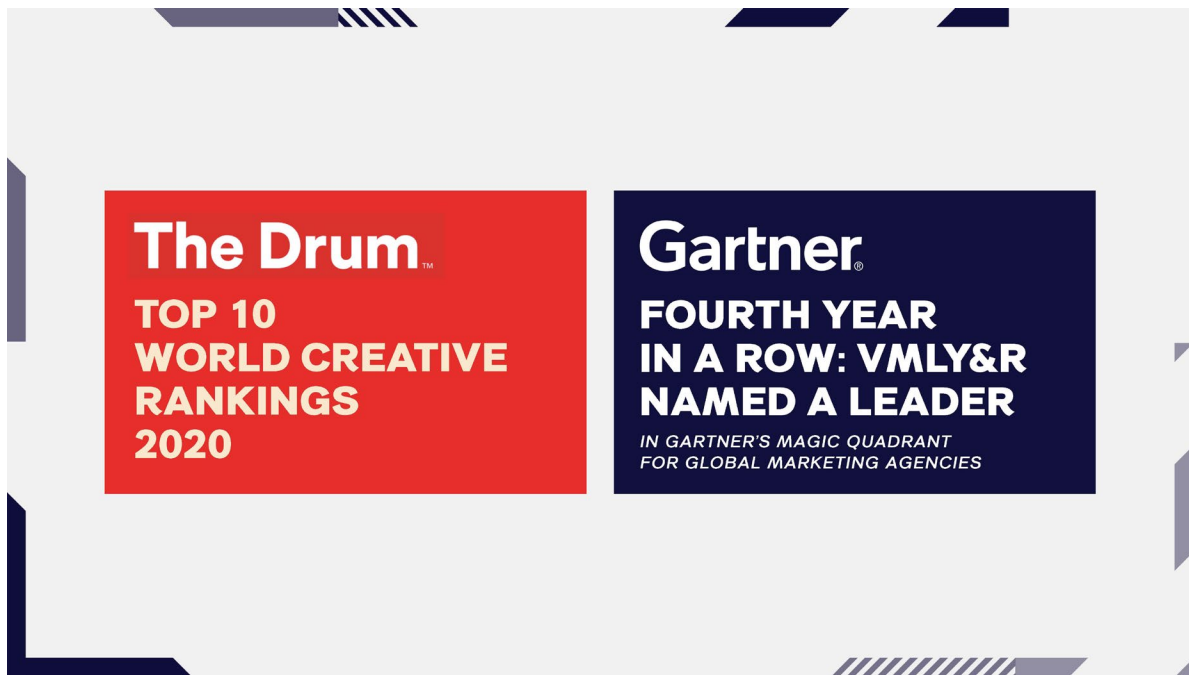
Always more fun to show a video and I felt so proud. That's the whole company there at one time, because you get so many faces in there that make up the company. But what we'll dive into now, and we'll spend the rest of the time really talking about this, is given all that and given how we're feeling as a leadership team, why we're positioned for growth. This will I think give you a good view into things we've done, and we're doing more of, that recognise certain things in the market that we think are important, and that will create the opportunity for growth. Our projections are for growth. But those are projections based on some market factors and some things we're doing.

We've got four of them. So we'll go through these relatively quickly. As we go through it, I should say it won't just be me talking – I'm talking to you quite a bit here, but we've got good examples of our work. And so, Debbi will talk about some of – this is the fun part of our business, is the work that makes up this agency. So we'll dive right in.



The first one we'll take a little bit longer on, which is the connected consumer experience.

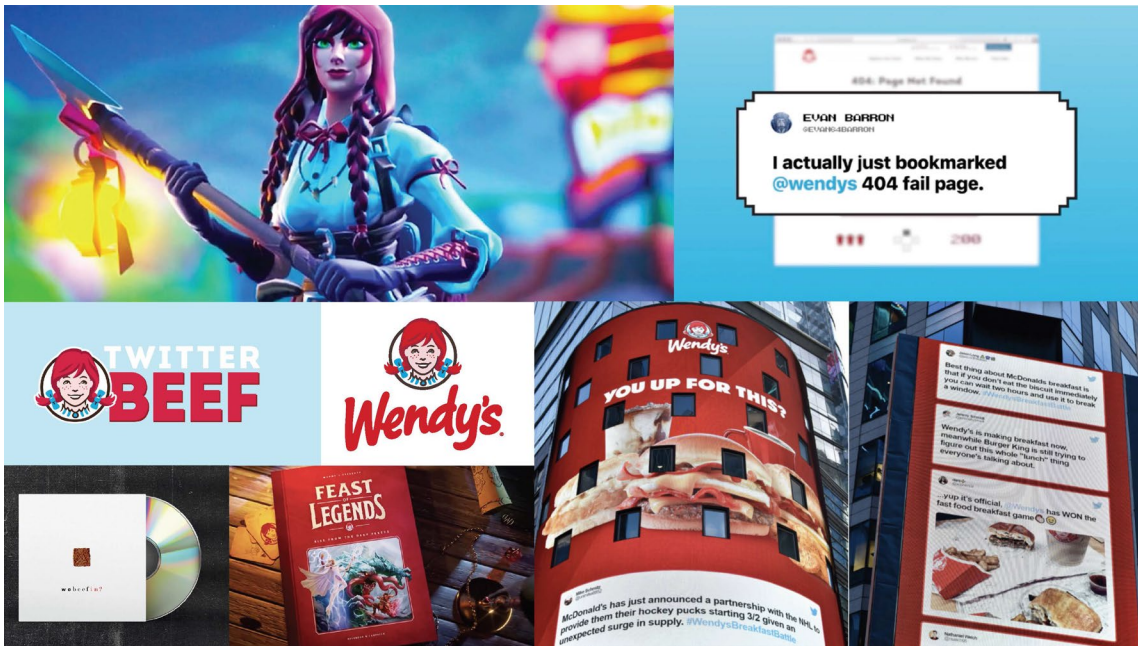
And what we mean by this, is we've always at VML and VMLY&R kept it very simple about what the capability is. This is, we're going to create the most connected – you work with us, we're going to make your brand the most connected brand.



To speak to that, we have to be really balanced on how we're credited and how we're – what our capability looks like. And so it's nice to be named by The Drum one of the top 10 creative companies in the world, which is a wonderful thing, but also to be – and there's few companies they list – but also to be name by Gartner as a leader, because Gartner, again, focuses on the global deployment of technology. A lot of great technology companies and a lot of great creative companies, very few being ranked as leaders or top 10 in both. And that's a formula that we don't take lightly, and we work very hard on.

Debbi Vandeven
Global Chief Creative Officer, VMLY&R

Jon and I wanted to take you through a little bit of the work, and I'm going to start with some of the actual brand experience work. So when you think of brand experience, think a lot along the lines of creating that emotional value between a consumer and a brand. And so I'm going to start with Wendy's.



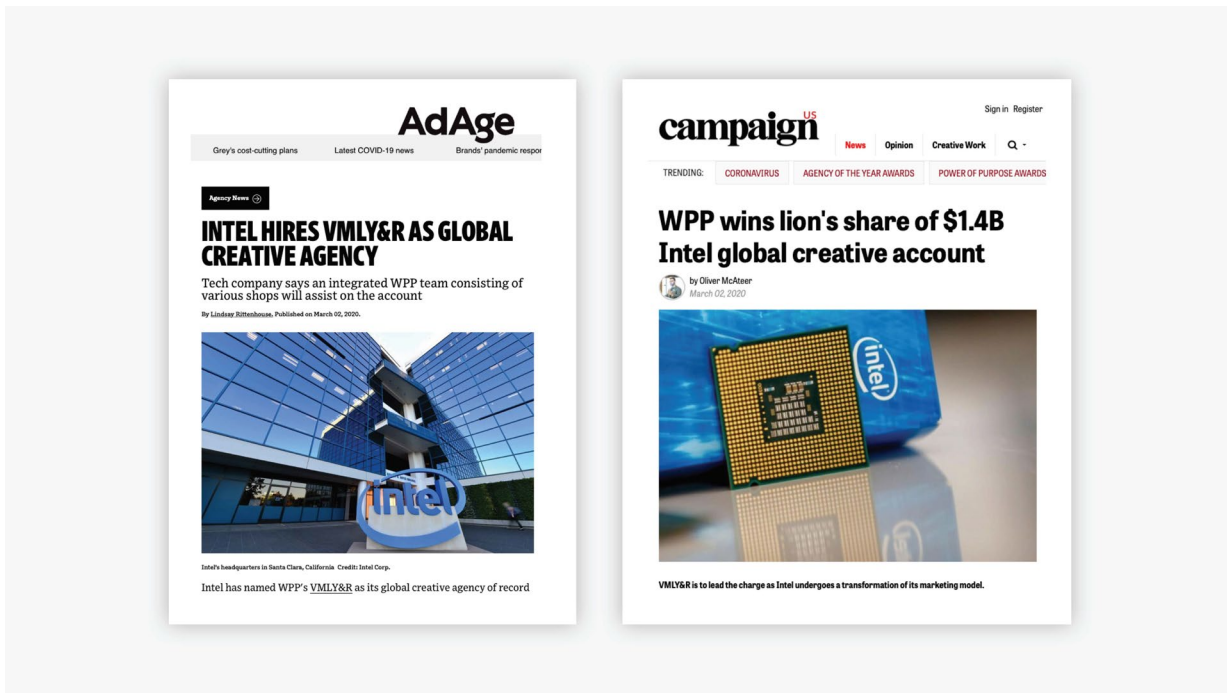
And we've worked with Wendy's for over a decade now. And with Wendy's, about 10 years ago, they were really looking at the brand as an older fashioned brand. Basically, they needed to get to 18 to 34. And the market was getting a little bit older that actually knew a lot about Wendy's. And so our brief was, is how do you make this brand something that's going to connect with a much younger audience? So over this time we've done all kinds of work. We're agency of record. So we do all kinds of – their TV and everything else. But what they're really known for now is their brand, not just on Twitter, but everything into pop culture.

I'm going to show a case study that shows you in the last several years, what we've done to actually make Wendy embedded in culture as a celebrity icon.

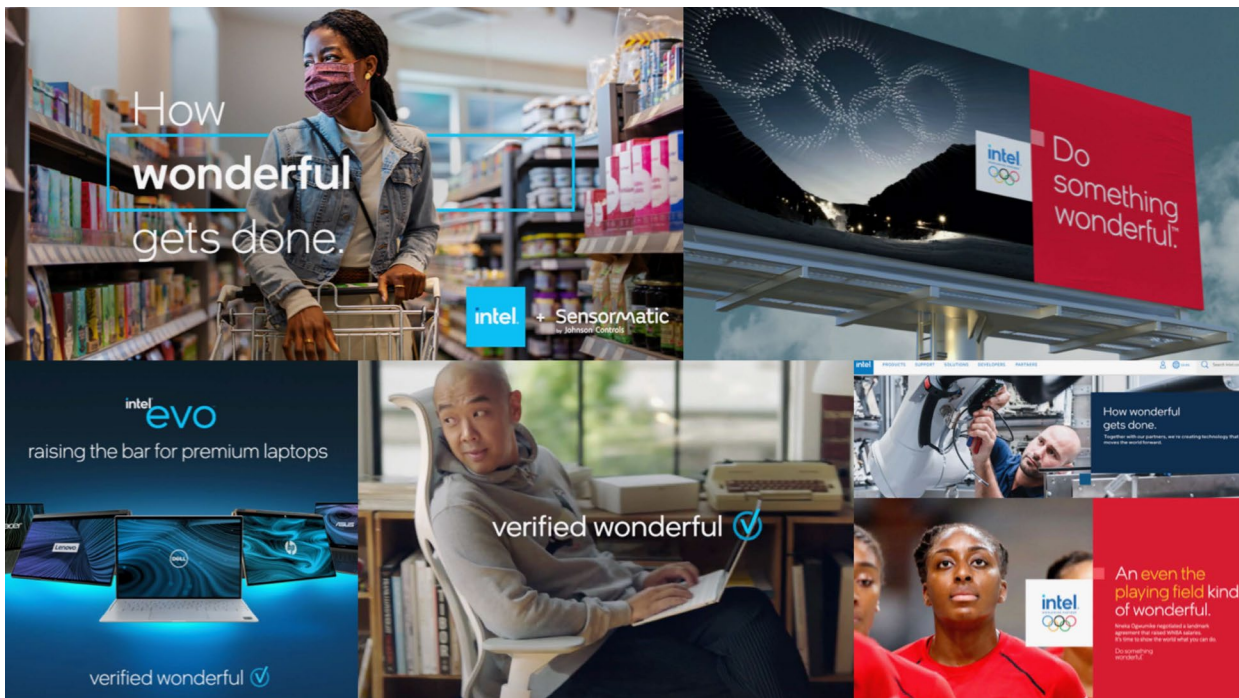
[VIDEO - Wendy's]



We're extremely excited about how that has actually embedded her in culture, but honestly, all of that media that you saw, she's being recognised everywhere and it helped the brand actually move up in the US. And we're thrilled with the work.



The next piece of work that I wanted to take you through was Intel. Jon mentioned this earlier, we won the Intel agency of record account at the very beginning of 2020. And I want you to think about that because the pitch was before, but then we had to launch the entire brand virtually. And we learned a lot through this process, but I will let you guys know that it was an amazing combination between these clients and our team. And what we did is we launched a whole new Intel.



If you go to the next slide, it'll show you a little bit, we launched a whole new identity. We launched a whole new brand platform, 'Do Something Wonderful' for Intel. And there's a lot of changes at Intel. And so the work that I actually want to show you guys is some new work that just happened.



And we'll go to the next slide. And this work, I think some of you will remember the Mac and the PC ads. And the Apple ads came on with Justin Long and Justin Long would come on and say that, 'I'm a Mac.' And then they would poke fun at the PC category. But overnight, basically what happened was Apple no longer uses Intel chips for their processors. And so a giant customer of Intel became a competitor – and not their largest but a competitor for PCs now and for Intel.

So we did a whole new campaign taking Justin Long and making him a PC guy now. So in competitive advertising, we launched nine spots on all different kinds of social channels. And the whole reason we did it online instead of broadcast was because online, we needed to target the tech community and we needed to get them talking about the work. And talking about the fact that you should take another look at PCs, lifting the entire category, with Intel driving the campaign.

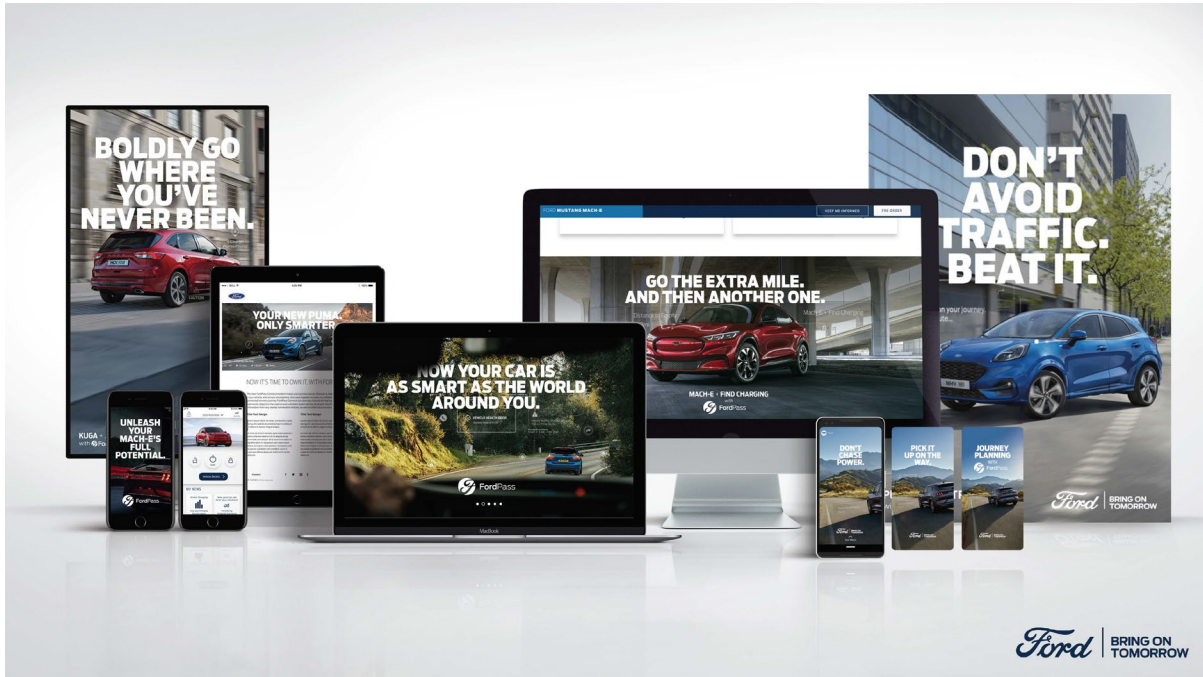
So I'm going to show you a few spots. And then after that, go straight into a case study that tells you what happened in those 12 hours after.

[VIDEO - Intel]



Jon Cook***Global Chief Executive Officer, VMLY&R***

I think one of the best things about being in the industry of advertising is it's your work is out there. It's not throwing it into an ocean and nobody sees it. The real work is seen by real people and creates a real reaction. I think for a creative person, to do your work and then put it out there to see that, it's very real. And that's I think it's what separates it from a lot of industries, as you can really see the market move and things like that. That work is a great example of that.



So I won't spend a lot of time on showing a lot of customer experience work, the films aren't as exciting in that side of things, but the work is just as exciting. And so I mentioned our largest client is Ford. So you can see some imagery here of the work. We're the global experience agency for Ford. And this couldn't be any different than what we do for Wendy's and Intel, but it's just as impactful in terms of connecting consumers to their cars, through messaging.

It's building all of the tools that consumers use to interact with their Ford around the world, whether that be remote vehicles set-up or the ability to buy online and create a commerce in the automotive space or activating, not just the marketing, but the entire vehicle with our work on the Mustang, which is Ford's Mach-E vehicle. You can see some of the work here.

The point of all that is this whole last area of driving growth is a formula that sets us up for years to come and has worked well for us.

Debbi Vandeven
Global Chief Creative Officer, VMLY&R



And then the second reason we feel really positioned for growth is because of our momentum and our growth in our health investment that we've been making.

The graphic displays the following logos and text:

- Pharmaceutical Logos:** Pfizer, Roche, MERCK, AstraZeneca, Lifescan, LEO, NOVARTIS, GALDERMA, Takeda, AMGEN, ultragenyx pharmaceutical, and SANOFI.
- Text:** "Healthcare growth in 2020: 12%"
- Logo:** VMLY&R

You can see these clients here and they're across the globe and you can see that we've grown 12% in 2020 based on our health experience.



And in the next slide, you'll be able to see some of the work that we've been doing over the last year. But I think what's really important about this work is it's how we work. So instead of having a healthcare agency that is a separate entity, we have health embedded in our agency. And what that means for clients is that they get real market-driven work that's general market work from creatives on both sides that has expertise in health, and also creatives who do general market work. As well as the same thing in experience design - so we do a lot of work in that area too, for CX.

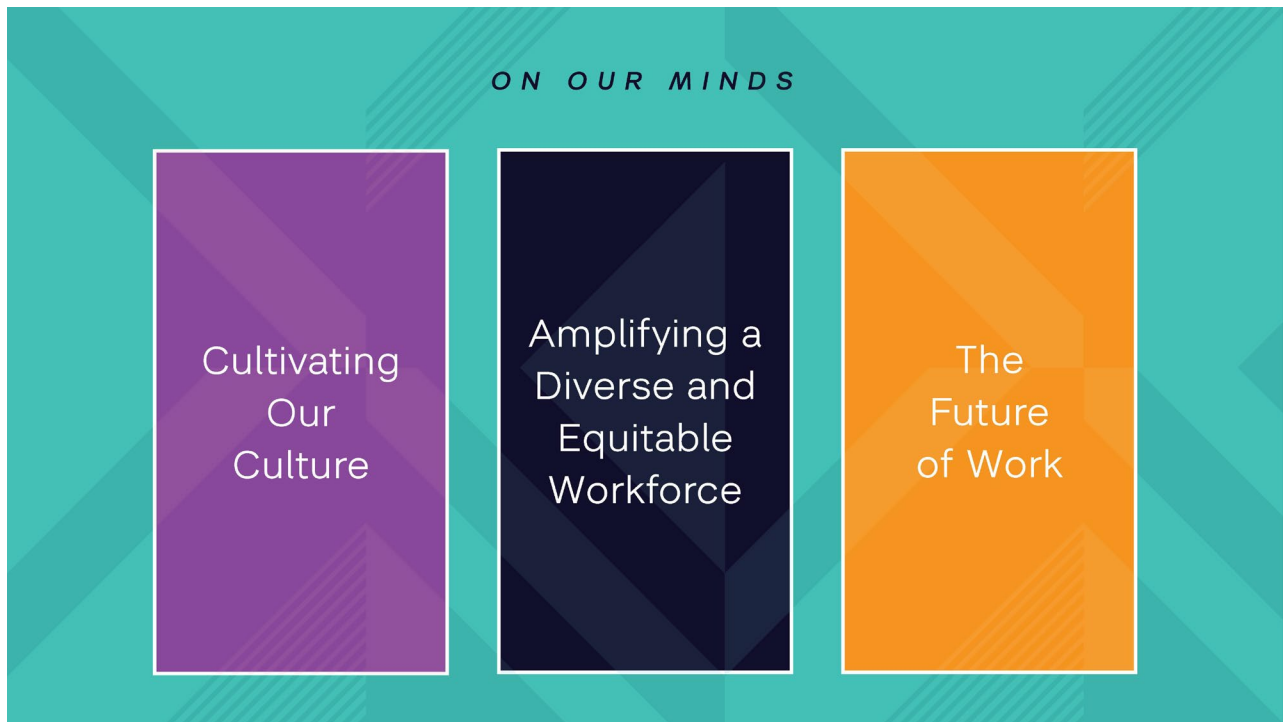
But what that means is when they're bringing a team together, whether you're working with a general market creative or you're working with health, the work is influenced by the entire team. So I'm going to show you something next, this next piece of work, we pulled different kinds of ads that are for erectile dysfunction that are with Viagra. And we work with Pfizer and Viagra is one of our clients. And this is really typical, the way the work looks, it's pretty stereotypical. It doesn't cut through on an emotional level at all with clients. And I want to show you next a spot that is part of a campaign that has truly strong storytelling and a real emotional connection with consumers.

[VIDEO - Viagra]



Jon Cook***Global Chief Executive Officer, VMLY&R***

But I think Debbi said it well, it's a category you're expecting one thing. And by bringing full creativity to a category and having health embedded in a full agency, you start to see something different – it looks completely different than any Viagra ad you've ever seen, hopefully.



As you go forward to the next slide, things we don't have time to cover in the actual presentation because we want to wrap and do Q&A, but things that are on our mind that are hugely important to us and huge – important to us personally, but also just important to our business is what impact culture has – does culture create great business or does great business create culture? We've always put a lot of thought into that. And it's a fantastic culture that drives this company. The diversification of this company, both in race and in gender and an internationality and every way possible, we are constantly looking to be more diverse. And that's a big thing on our minds. We're happy to talk to you.

And then the future of work. As Debbi mentioned, everything that that we've done for Intel in the last year – relaunched an entire global brand, has been done without seeing a client in person one time. And is that the future of work and will people be in offices for that? We're having to talk about those perspectives as well, but it's huge on our minds as leaders, as we continue to try to grow this company that we love.

I think we'll wrap there. And hopefully that gives you a good sense of where we've been and where we've come together as VMLY&R and how we're feeling about the future. But thank you for a few minutes to talk about it. And let's go to Q&A.



Q&A

How does VMLY&R work with WPP on the efficiency program and does it threaten the agency model?

Jon Cook: It's a great question, as I understand it. I touched on this a little bit ago and I'll talk about this from the standpoint of being an agency leader at WPP. And I think there have been years past where there were things that were centralised or made efficient just for the purposes of saving money— years ago, and there's nothing evil about that. But where I like where we are now is, everything that we're doing from an efficiency standpoint at WPP – this may be things that related to IT and Human Resources, I could go on and on with things that are centralised and creating more efficiency. There are two things I like about it, one – and the reason it doesn't threaten us – one is because they're there to let the agencies do what they do best, everything I just showed you. We can focus on that, we can focus on the creativity, on building talent, on building culture and the efficiencies that WPP create let us build that talent, let us build that culture, and I think it lets us do what we do.

Secondly, the efficiencies I also feel like – and I hope I'm not being too forward - I feel like as an agency leader, as part of the WPP executive team, that I represent – not only myself, but representing my leadership team, have input on what is deemed to be efficiency and what efficiencies don't take away from an agency's power to be an agency. I would get really worried if anything we're doing from an efficiency standpoint at WPP was subtracting from my/our ability to build culture, to build personality; I do think people want to be identified with agency brands and so where I would voice against an efficiency would be something that subtracts from that ability, and I feel heard on that, and I feel like the efficiencies that we have do not, in fact, threaten that.

Dan, thanks for the next question- What are some of the advantages of the operation in Kansas City? Any special local client relationships, local university?

It certainly started that way and then every agency– every client we had at VML – I should say this as context, VML joined WPP in 2001, And I think we were about \$17 million of revenue, which is a nice parallel to the \$1.7 billion that we are now at. Sometimes I have to say what happened here? It didn't seem like that long ago, we were the \$17 million agency in Kansas City, but at the time all the clients were in Kansas City, and now, there's no specific client base of Kansas City, but from a talent perspective, it's a fantastic – besides being a great city, it's a fantastic place to draw talent from all over the Midwest, it's where we've been for the last 15 years of doing that. But now we're actually drawing talent from all over the world.

But I would say that would have been a limiting factor. We wouldn't have grown if we hadn't expanded geographically because now we certainly have the ability to add talent anywhere and to grow. So, no specific bent there, although there's a huge design community. Hallmark cards is based in Kansas City, Missouri. It's a very creative community and I think a lot of our design shops come out of the fact that we were there.

Debbi, anything you'd add to that?

Debbi Vandeven: I think, honestly, the other question that Dan put in there is based on the new work-from-home hybrid is if Kansas City has an advantage. I would actually say we have gotten really used to working at home. We don't think that that will be something that we continue as full-time, but we are hiring more and more full-time remote employees than we did before. But as far as an advantage in Kansas City, I would definitely say yes, there are some advantages to contracts as well with clients. We have higher cost-of-living markets and we have lower cost-of-living markets, and the Kansas City office is one of the largest in the US, so that probably helps some in that area and then getting talent, like Jon said. But I think if you look at what we're thinking about is we would definitely do a hybrid model, moving forward to not in office everywhere five days a week or more, but actually having a little more flexibility.

So I think we're just starting to find employees working from lots of different locations and making up teams for our clients that fit their work rather than just a location.

Jon Cook: I think next question is: **What does VMLY&R do and what don't you do? Things like creative commerce, experience health, but not media, and splitting of revenues, etc.** So it's a great question. I think a couple of things that it brings to mind on that particular question. First answer is to the media part of that question. Technically we do have some media capability within VMLY&R. There are certain clients who want that just directly at a certain smaller scale or local scale from VMLY&R, but generally speaking, our media relationship is with GroupM and as GroupM has gotten more and more simple, that's a really nice clean handoff within WPP. There are certainly some areas of grey in WPP still, because it's a big, big company, I can talk to that too, but media is not one of them. That's a partnership with GroupM on all of those – way back when, the slide I show with clients like Ford, like Colgate, like Dell. Some of our biggest clients in our portfolio are all deep, deep – media relationships with GroupM, different parts of GroupM in each case. But what's been

nice is both GroupM and then the agencies, VMLY&R in this case, have built up capability to connect and make – because it's very hard as an agency to separate the media and the creativity. We have relationships that aren't in WPP, and it's always a step removed from the full expression to have our teams collaborate on how we're going to market, how we're connecting on channels with GroupM, has been a really good growth.

The question reminds me that it wasn't always that clean in WPP, but it's very, very clean now in how that works.

Another thing that question brings up, just to be brief, is commerce. I talked about Geometry becoming VMLY&R. There was a distinct decision, commerce could have been, like media or like data, something that sat universal as a foundation within WPP. We made a decision to take commerce because commerce has – with every agency, has a very specific flavour and approach to it. There are some common commerce tools across WPP, commerce operating systems, but commerce is embedded in each of the agencies – Wunderman, AKQA, Ogilvy, and then VMLY&R all have their specific bent on commerce. I think that's been a good decision of having that reside still in each of the agencies to still give its flavour, draw on some efficiencies as tools, which is unlike media where all the media sits in GroupM.

So I maybe over answered your question a little bit there, ...

Question with the go-to market flexibility and being able to partner lots of different ways and with OpCos, how have you overcome the challenge to collaborate with other OpCos' own systems and processes? It is a great question. To be very honest with you, it's one of the things where – yeah, so let's say we're pitching a new piece of business and two or three different agencies are going to come together - Where we are seeing the most success, maybe I'm speaking just from VMLY&R, is where we pick rather than invent a completely new operating system across all three of those. Because just to be clear, there are different operating systems in each agency and WPP. I would never be here to say that everything in WPP runs the exact same process, and I don't think it ever will because there's too many different flavours of agencies. That's my opinion.

Where I've seen the biggest success is when we're in a multi-agency pitch, like Zespri that I showed earlier, it would be let's pick an agency's operating system to all go to and adapt for this particular opportunity. So, we have something that's true and tested, and that at least one of the major agencies in that operating company mix has a deep experience with. And what's happened in the last two or three years is we're getting more and more familiar with each operating company's way of working. So we could be as VMLY&R in a pitch with Ogilvy and use the Ogilvy operating system very fluently. That is in lieu of creating one exact way that we all do business in WPP, which I don't think is possible because we're each so different with our capabilities and culture.

I'm just going to read the next question here. **Michael Nathanson asked a question about – I mentioned Accenture, BBDO and other agencies. I shouldn't give other agencies airtime on our call, sorry about that. But how often do you see them, and what other consultancies in new business pitches are you seeing?**

Yeah, we see them all the time, not so much BBDO, but agencies like BBDO that are big global agencies or – everybody in the agencies that we compete with, down to boutiques, down to big global players like ourselves, if we can flex ourselves either way. But on the consultant side specifically, yes, we see all those, more the Accenture or the Deloitte types of competitors, than the – in some ways, companies like McKinsey wouldn't be a competitor, but less seeing them in the competitive pitches and more straight up against companies like Accenture.

Generally speaking, to answer your question, it happens all the time. And I think that playing field has levelled out pretty well I think in the last couple of years. There was so much talk of how big those were going to get and there was the question several years ago, every time you get a reporter would say, 'As an agency, you must – how can you sleep at night with consultancies in the world? Because obviously they're taking over the world and they're like – because they're coming into your world.' And I have a huge respect for all those companies. Huge respect, they're phenomenal, but I never thought of it as them coming into our world. I want to say, I think we're coming into their world. Like maybe they should be scared, but equally scared, I guess I would say. I mean, the point is, I think if we take the mind-set that somebody is coming into our world, it's the wrong mind-set. I think we're equally in their world. And I have a lot of respect for that.

Debbi, buy me a minute to read the next question. Just any question you have from a creative standpoint of competing with consultancies.

Debbi Vandeven: I think what I would tell you about consultancies, or even our other market, Jon mentioned that we see competitors from every size and shape because we get – I think something that you guys should be aware of that's happening now is almost every RFP that we get has to do with social work as well. So anything to do with social media, so much work is no longer broadcast and a lot of stuff is online video and then how you work with that social market is really important. So we're seeing a huge uptick in that type of work. So sometimes we will see competitors only in that space.

And then I would say the same thing Jon did about competitors, when it comes to consultancies, consultancies didn't have as much in the creative area. They had a lot in the consultant and the business area. They are starting to change that. We all know that, but we still haven't ran up against them in a pitch where we've lost based on a creative output.

So I would say everything Jon said about that is true. And then I think Jeff Geheb, who's our Chief Transformation Officer, would probably agree with us on all of that. And he might have more input for consultancies directly.

Jon Cook: Yeah. We've got a couple minutes left. Let's try and get a couple more questions in – I'm really hopeful to get all of them. **There's a question from Tim Nollen, who asked about e-commerce and I think the nature of the question is, how far do we take that in through the full stack? He says broad topic, but could you walk through the things you do in that space?**

So, Tim, to answer your question, I think with the addition that we – at VMLY&R and from the VML side of things, we always had a really strong commerce programme, both in the US and China, and then sporadically throughout the world. With Geometry coming in, it not only gave us full global e-commerce, but gave us full commerce, any way somebody shops, including – it may seem like outdated, but shopper marketing and things like that, it's not outdated. There are still people buying in lots of different ways, the ability to shop and transact any which way. And to be specific on your question where it's going is, yes, we take it through the full stack, all the way through the app development, the commerce development all the way down to somebody pushing that button. And with a lot of our clients it's improving the commerce systems they have, the commerce programs they have and really integrating that with GroupM so that the message sits at the right place and the ability to buy. But with some, it's completely pivoting their business. A company like Sherwin-Williams, a paint company and during the pandemic, it's changing, commerce wasn't even part of the equation as much. And then to change the entire way that you buy paint as a contractor, or as a do-it-yourself, and get paint to your home, changed completely. And that's taking it all the way through the stack, literally going technically down to the app build and the last mile.

And there's a comment on pricing environment, and Peregrine makes a good point, let's make that the last one to stay on the hour. Comment on the price environment – the ability for VMLY&R to grow in an environment where there's pricing pressure on creative agencies, is likely to stay. Yeah, I think it's being very conscious of where our value lies and what's more of a commodity about what we do and putting actually the opposite of pricing pressure and put more and more resources and money into talent, into creative talent, into technology talent, and not being afraid to put those in any city that matters.

And on the flip side, to be more and more clear about parts of our business that can be more efficient and to offshore those or to make those production environments more efficient, I think it's a tough thing for agencies to admit that there's certain things that are more of a commodity, and as long as you can create the continuity of the message and create continuity of the work and make it seamless to a client, there's no reason not to take part of that equation. We use Hogarth a lot throughout the world to create – as one example of creating production efficiency. That helps us take pressure off pricing and try to balance those things out. I certainly understand the question because I agree with you. It's here and it's here to stay.

Two minutes to spare, so I'll just say thank you. I hope we got all the questions. I think there was one about hybrid work that we touched on. Dan, your second question on that, I think we touched on it. Maybe we didn't get as specific as I wanted to. But thank everybody for joining and I think through Peregrine and Fran and John Rogers, we're available in the future to answer more questions, etc., but thank you for everybody for the time. And we'll see you soon.

[END OF TRANSCRIPT]