

# CHIEF EXECUTIVE'S STATEMENT



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Investing in communications, customer experience, commerce, data and technology remained a priority for our clients in 2022.

As a result, it was a year of strong demand for our services and strong growth for WPP and our agencies – despite global economic turbulence and uncertainty.

Some might see this growth as counterintuitive given the economic situation. However, the marketing world is fast-changing and increasingly complex, with new platforms like TikTok emerging, and existing platforms like Netflix taking advertising for the first time. Clients need modern, trusted partners such as WPP to help them navigate this new landscape.

Leading companies turn to us not just for support in building their brands and selling their products, but also in understanding and leveraging their data, harnessing the potential of new technologies like AI, and transforming their businesses for the future.

Our performance in 2022 reflected the success of our own transformation, as we saw like-for-like organic growth across all our major creative, media, public relations and specialist agencies.

Since 2019 our like-for-like revenue less pass-through costs has grown by 10%, headline operating profit is 15% higher and headline EPS is up 26%. Our adjusted net debt has been reduced to sustainable levels, while over £3.4 billion has been returned to shareholders.

The reshaping of our Company over the last four years means we now provide every service required for success in contemporary marketing, fully integrated and at a global scale.

Our future-facing offer demonstrated its power as we won net new billings of \$5.9 billion in 2022, including new assignments with a range of major brands from Audible, Danone and SC Johnson to Nationwide and Verizon. We grew relationships with existing clients and our unprecedented global partnership with The Coca-Cola Company continued to expand.

## EXTRAORDINARY WORK

The quality of our work and the talent of our people were recognised not only by our clients, but by the industry as a whole. At the Cannes Lions Festival WPP was named Creative Company of the Year for the second year running while Ogilvy was recognised as Network of the Year, an award it last won in 2016.

Our agencies were responsible for some of the most innovative and impactful work of 2022. As with so much of what we do today, that work often challenged traditional expectations of our industry's output and services.



## IN 2022 WE CONTINUED TO INVEST IN ATTRACTING, ENGAGING AND DEVELOPING THE BEST IN OUR INDUSTRY"

**Mark Read**  
Chief Executive Officer

EssenceMediacom, as part of our WPP Open X team for The Coca-Cola Company, launched a global music platform for Sprite which included livestreaming festivals to nearly 10 million people.

Ogilvy helped Sainsbury's launch the SmartShop app, which enables customers to shop, scan and checkout autonomously.

To mark Nike's 50th anniversary AKQA used machine learning to stage a virtual showdown between the Serena Williams who won her first Grand Slam in 1999, and the Serena who won her last in 2017.

Wunderman Thompson built an AI system for global paint manufacturer Sherwin-Williams that allowed customers to produce unique colour palettes based on the spoken word.

AI was also at the heart of a collaboration between Microsoft and WPP for Haleon (with Grey leading the creative execution) that helps blind and low-vision people access information on healthcare packaging.

VMLY&R, Hill+Knowlton Strategies and Makerhouse helped Ford to tackle homophobia by giving the new Raptor a 'very gay' digital paint job, while the brilliant Reality Flag campaign (also from VMLY&R, plus BCW, Wavemaker and Hogarth) highlighted the freedoms denied to LGBTQ+ people in 29 American states.

Mindshare created the first sustainability-led, ad-funded programme in the UK to raise awareness of the scale of food waste, for Unilever brand Hellmann's.

And FGS Global helped Bayer inspire action to address the global water crisis through integrated stakeholder engagement, media relations and digital campaigning.

There are more examples of our agencies' genre-defying work throughout this report.

### EXCEPTIONAL TALENT

The exceptionally talented people behind this work are what sets us apart, and in 2022 we continued to invest in attracting, engaging and developing the best in our industry. Our Company is made up of the world's best media planners and buyers, creatives, strategists, data scientists, technologists, public relations professionals, designers, client leaders and more. The diversity of this talent and their ability to co-operate to produce ideas is why clients come to us.

In a rapidly changing industry, ongoing personal development is critical, and in September we launched the WPP Future Readiness Academies, our first global learning programme to help everyone in the Company develop the skills and knowledge needed to thrive in today's technology-driven world.

We know that an inclusive culture attracts the best people and allows creativity to blossom. This year we were named in the Bloomberg Gender-Equality Index for the fifth consecutive year. We received a top score in the Human Rights Campaign's Corporate Equality Index, and were featured among the best places to work for LGBTQ+ equality for the second time.

We also know that diversity is most lacking at the most senior levels of our industry. The proportion of our executive leaders across the Company who are women was 40% <sup>Ⓞ</sup> in 2022 (2021: 39%), and within this the proportion of women on the Executive Committee grew from 35% to 40%. In the FTSE Women Leaders Review we climbed from ninth to sixth in the FTSE 100.

In the United States, our largest market, the proportion of our senior and executive managers who are non-white has risen from 14% in 2019 to 22% in 2022.

<sup>Ⓞ</sup> These metrics were subject to independent limited assurance procedures by PricewaterhouseCoopers LLP ('PwC') for the year ended 31 December 2022. For the results of PwC's 2022 Limited Assurance report and the 'WPP Sustainability Reporting Criteria 2022', see our 2022 Sustainability Report



## JEREMY BULLMORE

We started 2023 with the sad news that our dear friend and colleague Jeremy Bullmore had passed away, aged 93.

Jeremy was one of the most admired and cherished people in our industry. He began his career at J. Walter Thompson London in 1954 as a copywriter and left in 1987 as chairman, before serving on the Board of WPP and in other roles with us for another 30-plus years.

He not only helped to launch countless brands and careers, he also elevated the business of advertising as a whole with his insight, forensic analysis and always-original commentary.

No time spent with Jeremy was ever wasted. Whenever you went to see him in his office, he would make you think, make you laugh, and make you challenge whatever assumption you had gone in with.

When *Campaign* magazine described him as "adland's greatest philosopher", it was no exaggeration. He was without question among the most influential figures in modern advertising, and his passing is a loss to the entire industry. We will miss him terribly.



Read the best of Jeremy's work at:  
[www.bestofbullmore.com](http://www.bestofbullmore.com)

## FUTURE-FACING CAPABILITIES

During 2022 we enhanced our capabilities through a number of acquisitions that expanded our offer in experience, commerce and technology, and built our presence in strategically important regions.

These included influencer marketing agency Village Marketing in North America; Latin American ecommerce agency Corebiz; Bower House Digital, a leading marketing technology services provider in Australia; Montreal-based commerce specialist Diff; and New York digital transformation agency Fēnom Digital.

We also invested organically to support long-term growth opportunities, integrate and accelerate our data capabilities, embed AI into our workflows and drive innovation.

As the examples I shared earlier demonstrate, WPP agencies are at the forefront of pairing human creativity with the growing suite of generative AI tools to produce new content, experiences and campaigns for our clients – all with greater efficiency and speed.

Choreograph, our data company, continued to develop its products and services while delivering innovative work for clients including Ford, Unilever and Bayer. Since its inception in 2021 it has played a central role in client growth and retention, as well as assignment wins including The Coca-Cola Company and Verizon.

In 2022 we launched GroupM Nexus as the performance engine for our media agencies. This brought together 9,000 practitioners in addressable TV, AI, retail media and commerce, programmatic, search and social – a depth and breadth of expertise in digital channels and platforms unrivalled in our industry.

To meet client demand for more integrated solutions and to continue to simplify our own organisation, we announced the creation of EssenceMediacom, which combines Essence's skills in performance, data, analytics and creative technology with MediaCom's multichannel audience planning and strategic media expertise.

Following the merger of Finsbury Glover Hering and Sard Verbinen at the end of 2021, the combined FGS Global business had a very strong 2022, ending the year at the top of the *Mergermarket* M&A tables.

Our industry-leading strategic partnerships with established and emerging technology companies enable us to build our own expertise, gain unique insights and develop differentiated services for clients.

During the year we launched new partnerships with Epic Games, the company behind Fortnite, and with Instacart, the leading online grocery platform in North America. Early in 2023 we announced partnerships with payments solutions vendor Stripe, and with BigCommerce, a leading ecommerce platform.

These partnerships strengthen our existing leadership position in key growth areas such as digital commerce. Today we have over 13,500 commerce specialists within WPP, and we manage more than \$40 billion of GMV (gross merchandise value) for clients.

## BEYOND BUSINESS

WPP's purpose is to use the power of creativity to build better futures for our people, planet, clients and communities. You can find detailed information in our Sustainability Report on our progress in each area, but I wanted to highlight some of the ways in which our people and agencies made a difference in 2022.

It was a year in which devastating events in many parts of the world directly impacted our people, their families and their communities – from the war in Ukraine and the terrible flooding in Pakistan to ongoing racially motivated discrimination and violence in the United States and beyond. This year, of course, has brought the horrific aftermath of the earthquakes in Turkey and Syria.

At WPP we try, whenever we can, to match words with actions. In addition to direct support for our people in Ukraine we formed a partnership with UNHCR, the UN's refugee agency, and launched an employee match-funding campaign that raised \$1.34 million. We have run similar campaigns with UNHCR for the relief efforts in Pakistan, Turkey and Syria.

We were the first in our industry to announce our exit from Russia, and we supported the Ukrainian government through a pro bono initiative to encourage inward investment and help revitalise the country's economy.

As the three-year anniversary of the killing of George Floyd approaches, one of the cornerstones of WPP's response, our Racial Equity Programme, is delivering material outcomes in communities across the world.

The programme funded a number of initiatives in 2022. The Detroit Experience Studio offered a free, 10-week immersive experience for Black and Brown young people to explore creative careers; Health4Equity's work included campaigns to empower Black mothers and mothers-to-be and to drive early prostate cancer screening for Black men; and RGBlack helped to mitigate the impacts of coded bias in AI-powered tools to create more equitable work. More details of these and other projects can be found in our Sustainability Report.

The need to tackle climate change becomes ever more urgent. Following our industry-leading commitment in 2021 to reach net zero across our value chain by 2030, GroupM last year launched a global framework for media decarbonisation, with the support of a coalition of leading clients. Hogarth is addressing the same challenge in production.

Our agencies have long been required to follow rigorous standards of truthfulness, fairness and accuracy in their work for clients and the responsibility to meet those standards – in a world where disinformation is rife – has never been more important than it is today.

In 2022 we launched a Green Claims Guide, informed by guidance from regulators such as the UK Competition & Markets Authority and US Federal Trade Commission, and underpinned by legal compliance advice. The guide is designed to help our people make honest, material environmental claims on behalf of clients and to avoid content that could be misleading in any way.

To bring greater structure to decision-making at an operational level, and in line with our commitment to acting ethically in all aspects of our business, we established a revised Assignment Acceptance Policy and Framework to help our agencies review new client work. The framework looks at all sectors but we have developed a specific set of principles for working with and assessing new assignments from energy clients, given their central role in the energy transition (see page 31 of the 2022 Sustainability Report).

## MAKING SPACE FOR OUR PEOPLE

Many of the events of 2022, as the world emerged from the pandemic, placed significant strain on our people and their wellbeing. While they responded with immense professionalism, resilience and dedication to their colleagues and clients, it was important that we did all we could to support them.

We continued to expand our Mental Health Allies programme with roll-outs in the United States and Singapore, following its successful pilot in the UK. We now have more than 550

trained Allies across our agencies whose role is to encourage open conversations about mental health in the workplace and to guide colleagues to help and resources. We plan to extend the programme into India and Brazil in 2023.

We also launched an initiative called Making Space, beginning with a global, Company-wide two-day additional holiday to give everyone the chance to refresh and recharge. The initiative will continue through a range of programmes and events designed to ensure our people have the space to look after their physical, mental and emotional wellbeing.

In closing, I would like to thank my leadership team for their tremendous contribution to our success, not least our Chief Financial Officer John Rogers as he moves on to seek new challenges. I have appreciated his partnership during the last three years and wish him all the best in his future endeavours.

Our people are the reason I have such confidence in the future of WPP. Their skills and talent are what make us tick, and their curiosity and optimism are what keep us at the forefront of change in our industry. Technology and complexity were once seen as a threat to companies like WPP; today they make our services crucial for clients as they reinvent their own businesses.

WPP's performance ultimately relies on the collective passion, creativity and commitment of our people, and the trust our clients place in us as a result. As ever, I am very grateful to each and every one of them.



**Mark Read**  
Chief Executive Officer  
23 March 2023