



Q1 TRADING UPDATE

27 April 2023

2023

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This document contains statements that are, or may be deemed to be, “forward-looking statements”. Forward-looking statements give the Company’s current expectations or forecasts of future events. An investor can identify these statements by the fact that they do not relate strictly to historical or current facts.

These forward-looking statements may include, among other things, plans, objectives, beliefs, intentions, strategies, projections and anticipated future economic performance based on assumptions and the like that are subject to risks and uncertainties. These statements can be identified by the fact that they do not relate strictly to historical or current facts. They use words such as ‘aim’, ‘anticipate’, ‘believe’, ‘estimate’, ‘expect’, ‘forecast’, ‘guidance’, ‘intend’, ‘may’, ‘will’, ‘should’, ‘potential’, ‘possible’, ‘predict’, ‘project’, ‘plan’, ‘target’, and other words and similar references to future periods but are not the exclusive means of identifying such statements. As such, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that are beyond the control of the Company. Actual results or outcomes may differ materially from those discussed or implied in the forward-looking statements. Therefore, you should not rely on such forward-looking statements, which speak only as of the date they are made, as a prediction of actual results or otherwise. Important factors which may cause actual results to differ include but are not

limited to: the impact of, epidemics or pandemics including restrictions on businesses, social activities and travel; the unanticipated loss of a material client or key personnel; delays or reductions in client advertising budgets; shifts in industry rates of compensation; regulatory compliance costs or litigation; changes in competitive factors in the industries in which we operate and demand for our products and services; our inability to realise the future anticipated benefits of acquisitions; failure to realise our assumptions regarding goodwill and indefinite lived intangible assets; natural disasters or acts of terrorism; the Company’s ability to attract new clients; the economic and geopolitical impact of the Russian invasion of Ukraine; the risk of global economic downturn, slower growth, increasing interest rates and high and sustained inflation; supply chain issues affecting the distribution of our clients’ products; technological changes and risks to the security of IT and operational infrastructure, systems, data and information resulting from increased threat of cyber and other attacks; the Company’s exposure to changes in the values of other major currencies (because a substantial portion of its revenues are derived and costs incurred outside of the UK); and the overall level of economic activity in the Company’s major markets (which varies depending on, among other things, regional, national and international political and economic conditions and government regulations in the world’s advertising markets). They use words such as ‘aim’, ‘anticipate’, ‘believe’,

‘estimate’, ‘expect’, ‘forecast’, ‘guidance’, ‘intend’, ‘may’, ‘will’, ‘should’, ‘potential’, ‘possible’, ‘predict’, ‘project’, ‘plan’, ‘target’, and other words and similar references to future periods but are not the exclusive means of identifying such statements. Neither the Company, nor any of its directors, officers or employees, provides any representation, assurance or guarantee that the occurrence of any events anticipated, expressed or implied in any forward-looking statements will actually occur. Accordingly, no assurance can be given that any particular expectation will be met and investors are cautioned not to place undue reliance on the forward-looking statements.

Other than in accordance with its legal or regulatory obligations (including under the Market Abuse Regulation, the UK Listing Rules and the Disclosure and Transparency Rules of the Financial Conduct Authority), the Company undertakes no obligation to update or revise any such forward-looking statements, whether as a result of new information, future events or otherwise.

Any forward-looking statements made by or on behalf of the Group speak only as of the date they are made and are based upon the knowledge and information available to the Directors on the date of this document.

AGGENDA

- Q1 highlights
- Financial performance
- Q&A

HIGHLIGHTS:

CONTINUED MOMENTUM AND INVESTMENT

- Q1 2023 like-for-like revenue less pass-through costs growth **+2.9%**
- **Growth in all segments:** GIA +3.0%, PR +2.2%, Specialist Agencies +1.9%
- Strong performance from GroupM +6.1%
- Winning work: topped WARC 2023 rankings; **\$1.5 billion** of net new business in Q1
- Continued investment in client offer: acquisitions in data and media-led influencer capabilities, and establishment of new tech partnerships
- KKR to take minority investment in **FGS Global** at a valuation of **\$1.425 billion**
- 2023 guidance unchanged: LFL revenue less pass-through costs growth **3-5%**; headline operating margin of **around 15%**¹

FINANCIAL PERFORMANCE

2023 HAS STARTED AS EXPECTED

Q1 2023 REVENUE LESS PASS-THROUGH COSTS GROWTH

+9.9%

Reported growth
(+10.3% in Q1 '22)

+6.3pt

FX contribution to
reported growth

+0.7pt

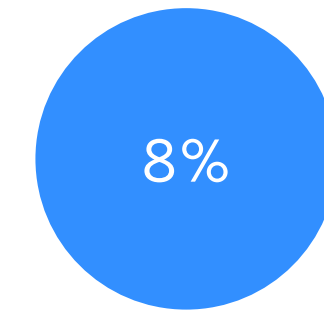
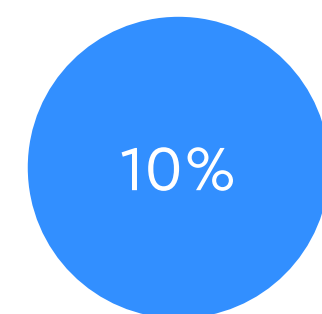
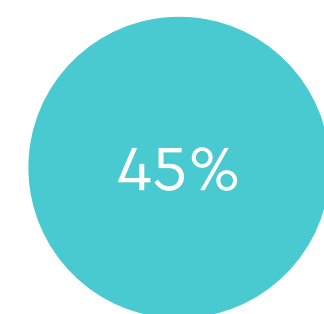
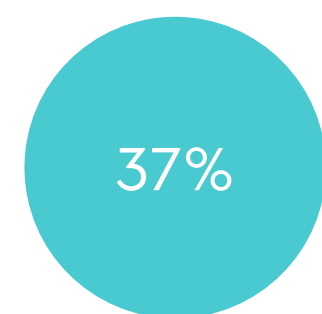
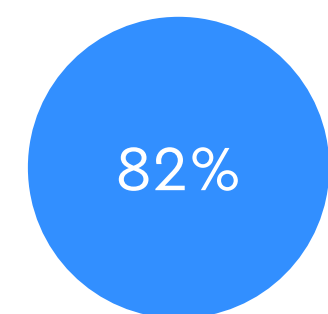
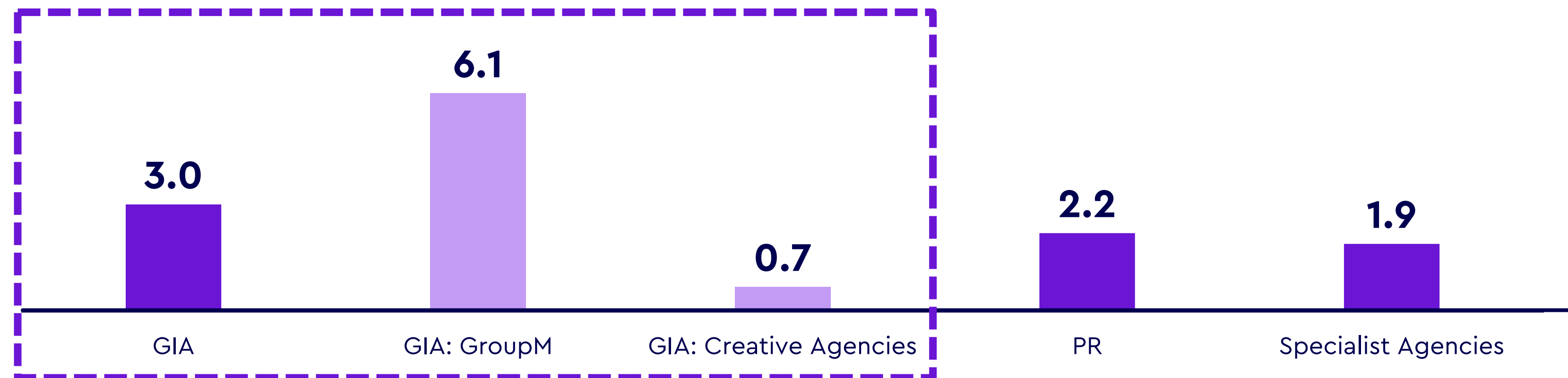
M&A contribution to
reported growth

+2.9%

Like-for-like growth
(+9.5% in Q1 '22)

CONTINUED GROWTH ACROSS BUSINESS LINES

LFL REVENUE LESS PASS-THROUGH COSTS GROWTH IN Q1 2023 (%)

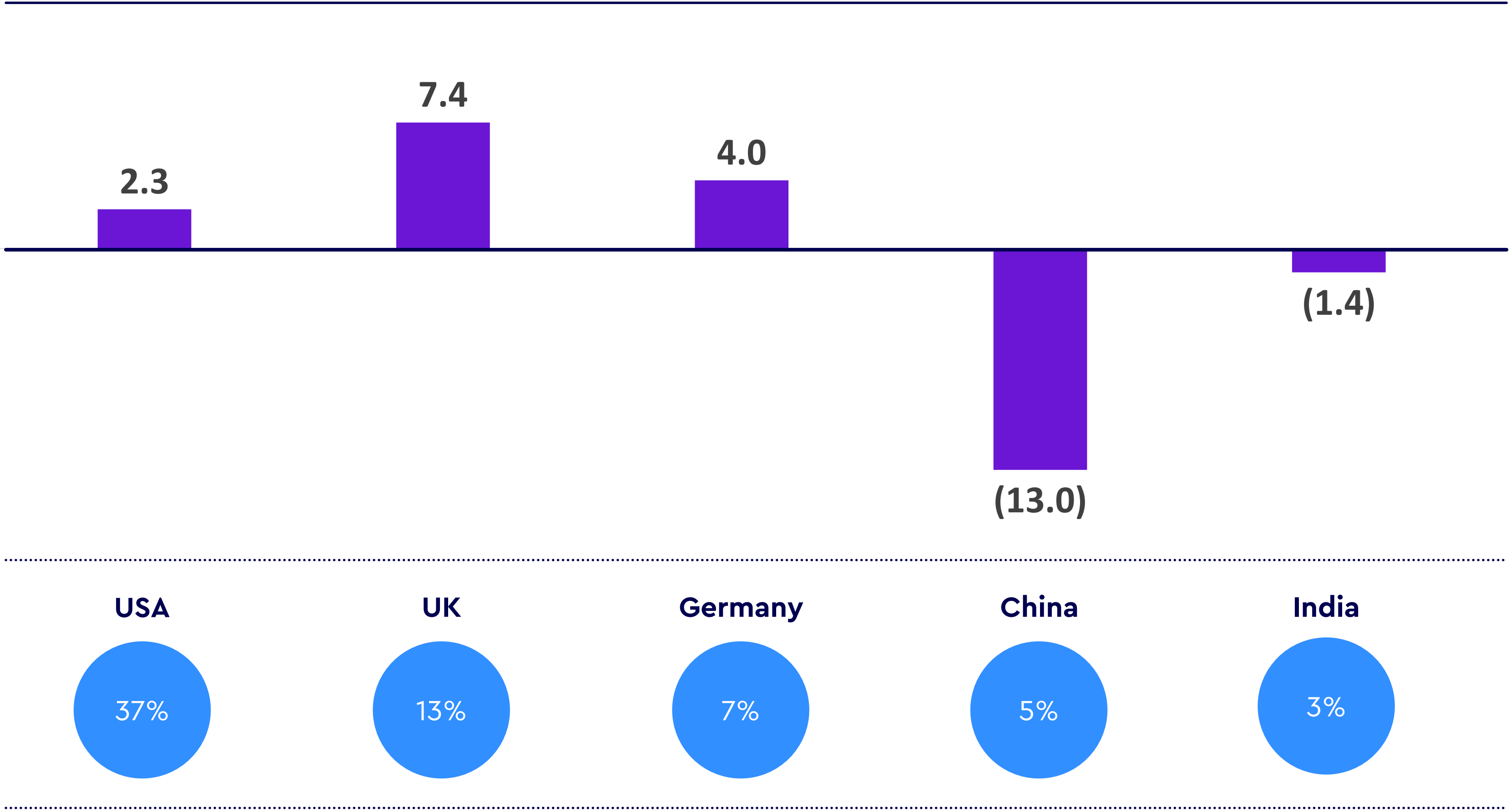


% of WPP in FY 2022

- **Global Integrated Agencies (GIA):**
 - **GroupM:** continued strong performance
 - **Creative Agencies:** strong growth at Ogilvy (new business) offset by Wunderman Thompson (lower technology client spend) and Grey
- **PR:** FGS Global grew strongly
- **Specialist Agencies:** CMI (healthcare media) grew double-digits

MAJOR MARKETS

LFL REVENUE LESS PASS-THROUGH COSTS GROWTH IN Q1 2023 (%)



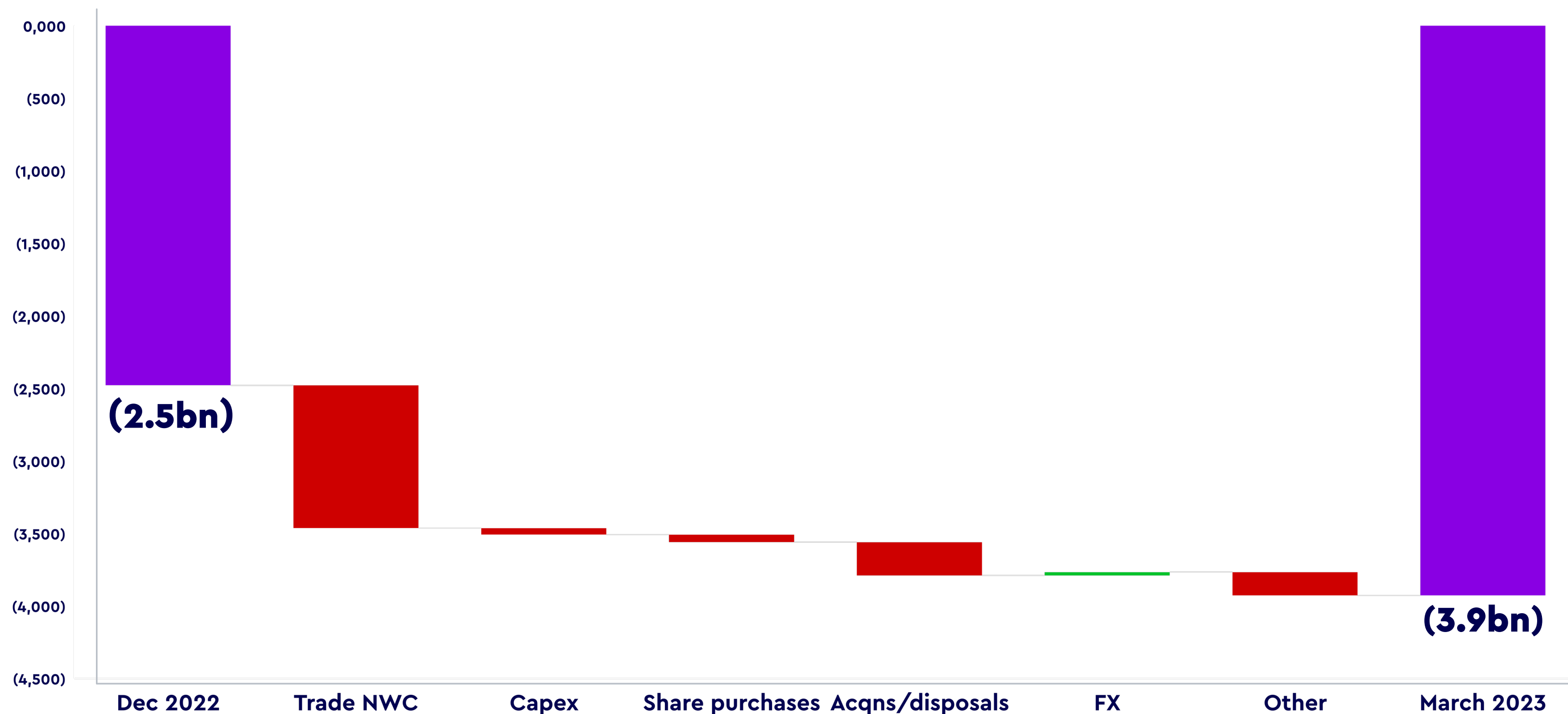
% of WPP in FY 2022

- **USA:** growth in CPG, financial services and telecom, media & entertainment; offset by lower technology and retail client spend
- **UK:** strong performance from CPG clients
- **Germany:** good growth in travel & leisure clients offset by lower government spend
- **China:** high levels of COVID infection as restrictions lifted, strong growth in prior year (Q1 2022 +12%)
- **India:** phasing of client spend, strong growth in comparative period (Q1 2022 +25%)

MAIN MOVEMENTS IN NET DEBT (£M)

GUIDANCE UNCHANGED

DECEMBER 2022 TO MARCH 2023



- **Net debt:** at 31 March 2023 £3.9bn; Q1 average £3.2bn
- **Working capital:** expected seasonal outflow since year-end. Continue to expect Trade NWC to be broadly flat in 2023
- **Capex:** driven by campus programme; Guangzhou and Manchester opened in Q1
- **Share purchases:** into Employee Benefit Trust
- **M&A:** Goat, Obviously and 3K Communication
- **2023 guidance unchanged:** average net debt/EBITDA within the range of 1.5-1.75x

Notes:

- Itemised movements in net debt represent management figures, which may vary from the presentation of the cash flow under IFRS.
- Acquisitions/disposals exclude earn-out payments.
- Other primarily includes Non-trade working capital, Interest and Tax.

WINNING WORK AND RECOGNITION

\$1.5BN OF NEW BUSINESS IN Q1 2023



Media
Americas



Production
Global



CRM, Creative, Commerce
North America



Public Relations
Switzerland



Media
US/UK



Media
India



CRM
UK



Experience
Global



Social Media

WPP TOPPED ALL THREE WARC¹ CATEGORIES



- **Ogilvy:** #1 creative agency network and #1 network for effectiveness
- **EssenceMediacom:** #1 media network; New York office ranked #1 media agency
- **Wavemaker Mumbai:** #1 media agency for effectiveness

INVESTING IN OUR OFFER

ACQUISITIONS TO EXPAND OUR OFFER



Goat: Global influencer agency, 150+ people



Obviously: New York-based influencer agency, c.100 people



3K Communication: Healthcare specialist PR agency, Germany, c.20 people



amp: sonic branding agency (USA, Europe, Asia), 60+ people¹

STRATEGIC TECHNOLOGY PARTNERSHIPS



Personalised engagement through first-party data



Web3 digital content capabilities



Commerce and payments solutions



Ecommerce offerings

1. Acquired post Q1, in April 2023

FGS GLOBAL TRANSACTION: KKR BECOMES A STRATEGIC PARTNER



fgs global

KKR

KKR is investing in FGS Global, to create a "powerful strategic partnership"

FGS Global, our strategic advisory and communications consultancy, employs 1,300 people. #1 ranked¹

KKR will acquire a 29% stake. WPP will remain the majority owner with 51%. Implied EV of FGS Global \$1.425 billion

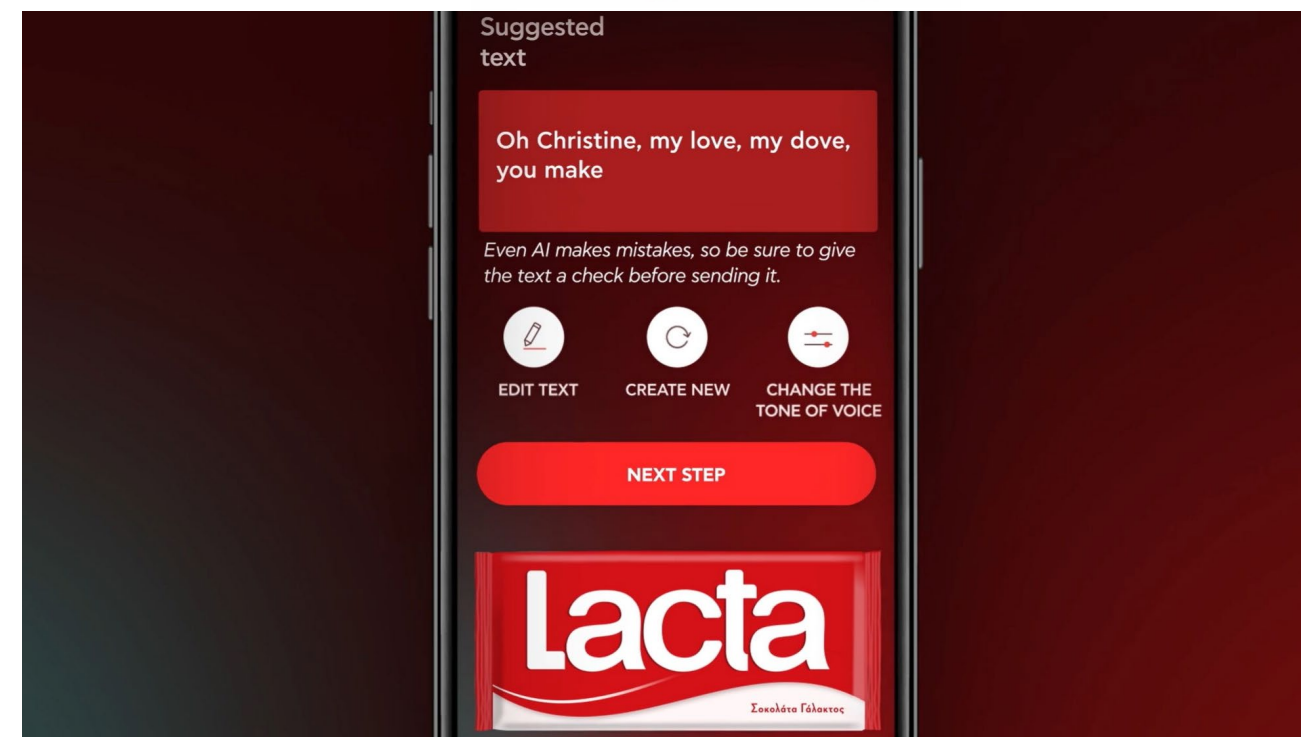
... we are confident that FGS, with whom we have enjoyed a long-term relationship, is well positioned to capitalize on significant growth opportunities ahead as a global category leader in the growing management consulting service industry

KKR



HOW WE SEE THE OPPORTUNITY IN AI

Ogilvy



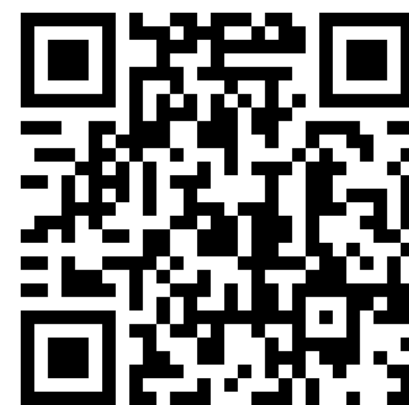
AKQA



+ WUNDERMAN THOMPSON



Mondelēz International



X NotCo



IRAN DEMOCRACY COUNCIL



SUMMARY

- A positive start to the year, in line with our expectations
- Strong demand for our services from clients and progress against our own strategic plan
- Continuing to invest both organically and through acquisitions in growth areas
- KKR to invest in FGS Global, demonstrating its growth potential
- We remain on track to deliver on our 2023 financial guidance
- We are well placed, in an environment of increasing complexity, as a trusted partner, with a modern, future-facing offer

Q&A

CONTACTS AND FURTHER RESOURCES

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INVESTOR WEBINARS

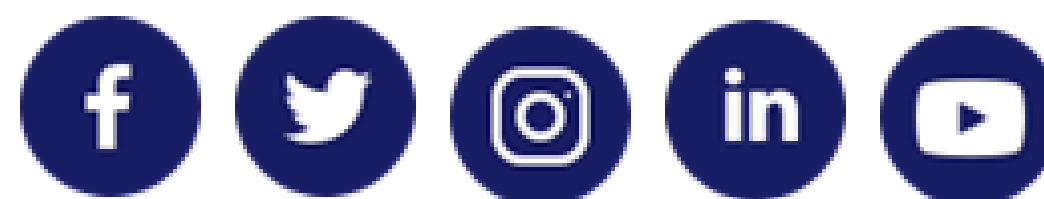
A series of webinars designed to give investors and analysts deeper insight into individual agencies, products and services within WPP

[WPP webinars](#)

Annual Report & Accounts 2022

[Annual Report 2022](#)

SOCIAL CHANNELS



APPENDIX

OUTLOOK

2023 Guidance: unchanged

Like-for-like revenue less pass-through costs growth of 3-5%; further margin improvement reflecting continued operating leverage to deliver a headline margin of around 15% (excluding the impact of FX)

- M&A contribution will add 0.5-1.0% to revenue less pass-through costs growth
- Headline income from associates expected to be around £40m¹
- Headline tax rate (based on headline PBT including associates) at 27.0%
- Restructuring costs of around £180m
- Capex £300m
- Trade working capital expected to be broadly flat
- Average net debt/EBITDA within the range of 1.5-1.75x

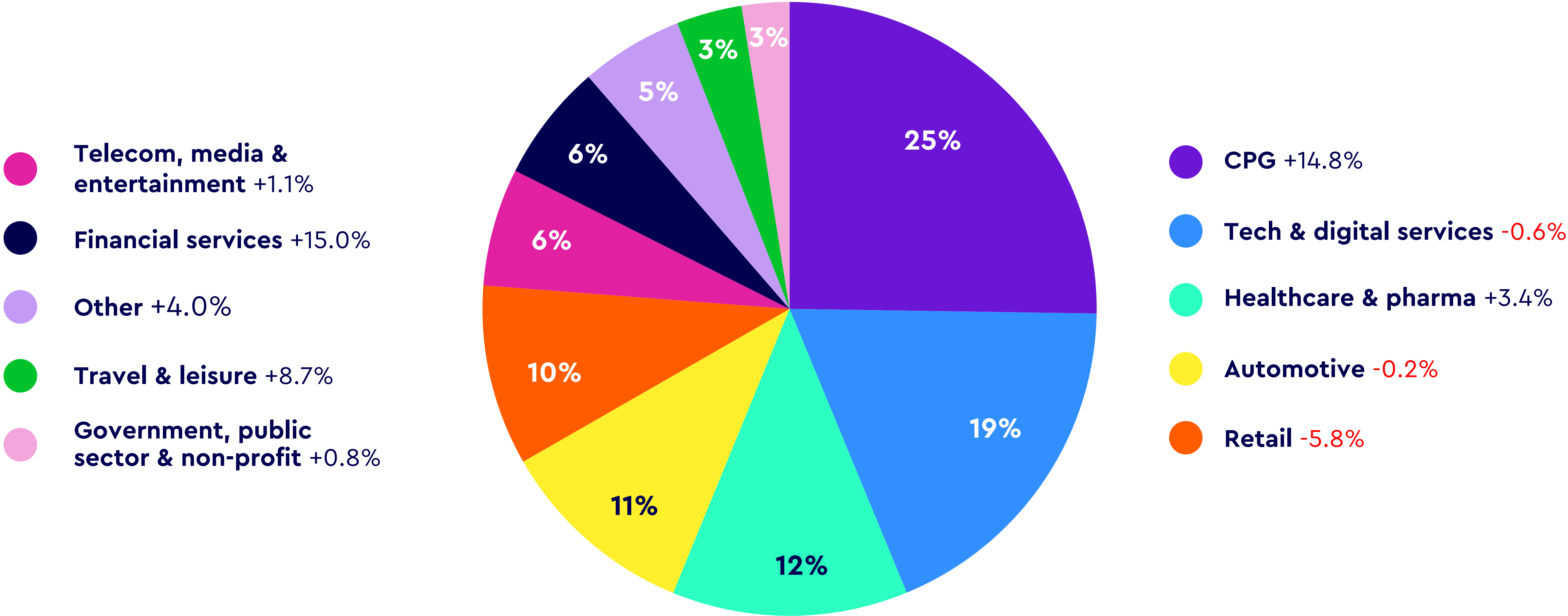
Medium-term guidance:

- Revenue less pass-through costs growth of 3-4%, comprising 2.5-3% LFL growth and 0.5-1.0% contribution from M&A
- Headline operating margin of 15.5-16.0%

1. In accordance with IAS 28: Investments in Associates and Joint Ventures once an investment in an associate reaches zero carrying value, the Group does not recognise any further losses, nor income, until the cumulative share of income returns the carrying value to above zero. At the end of 2022 WPP's cumulative reported share of losses in Kantar has reduced the carrying value of the investment to zero. This means that we expect that around £40-50m of Kantar headline income will not be recognised in our headline income from associates during 2023.

DIVERSE CLIENT SECTOR MIX

Q1 2023¹



1. Chart shows the proportion of WPP group revenue less pass-through costs in Q1 2023 and YoY growth in Q1 2023; clients chart made up of 1,350 clients representing 77% of WPP total revenue less pass-through costs. Growth rates shown are LFL growth in revenue less pass-through costs. Figures may not sum to 100% due to rounding

EXAMPLES OF OUR OFFER

COMMUNICATIONS

Wunderman Thompson and Mindshare are calling upon all Americans to #StandUpToJewishHate: [The Foundation to Combat Antisemitism](#)

EXPERIENCE

Ogilvy and David continue the Dove Self-Esteem Project, with a campaign fighting against digitally distorted images on social media: [#TurnYouBack](#)

COMMERCE

Aston Martin asked Wunderman Thompson Commerce to create a website to reflect the premium experience the brand puts into the design of its product: [Aston Martin Website](#)

DATA & TECHNOLOGY

WPP Open X worked with The Coca-Cola Company to develop a platform which allows users to create AI-based artwork with iconic creative assets from the Coca-Cola archives: [Create Real Magic](#)

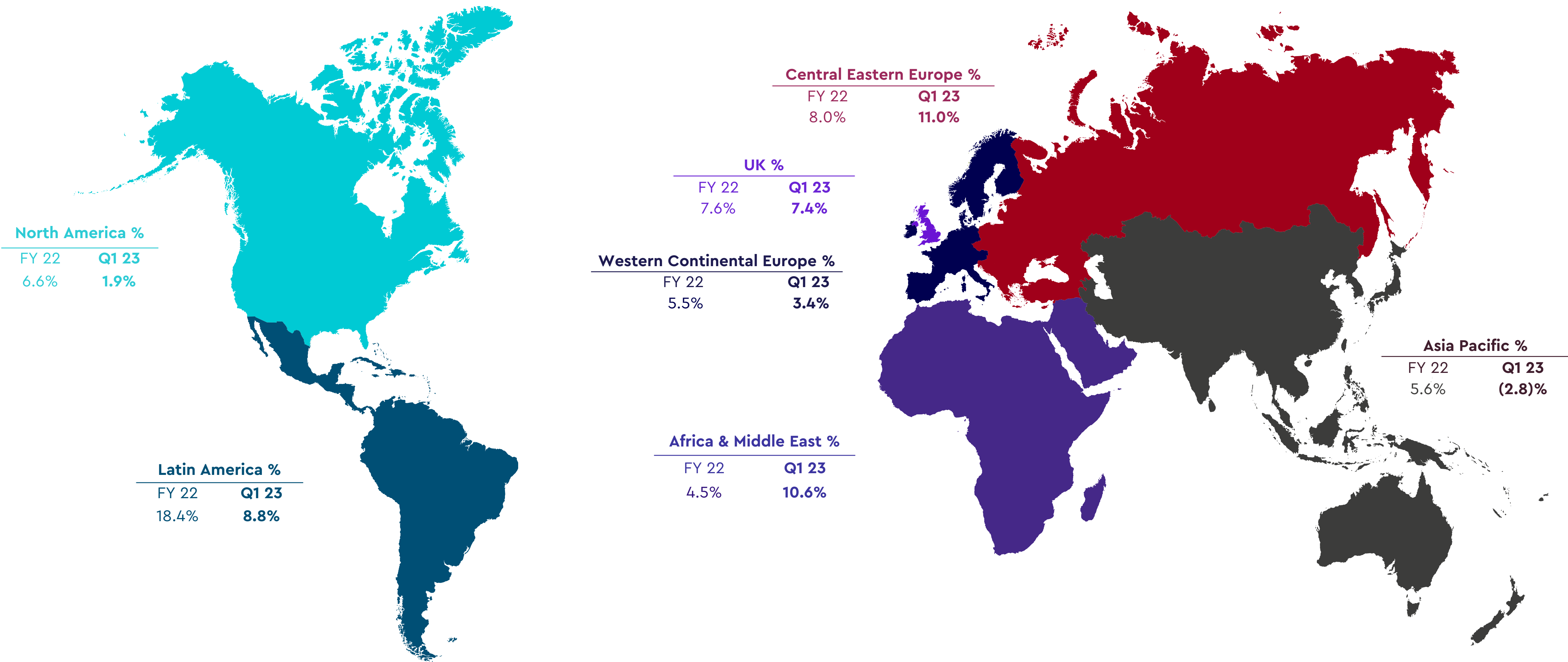
REVENUE LESS PASS-THROUGH COSTS BY SECTOR

FIRST QUARTER	2023 £M	2022 £M	Δ REPORTED	Δ LFL
Global Integrated Agencies	2,307	2,106	9.6%	3.0%
Public Relations	292	262	11.5%	2.2%
Specialist Agencies	230	206	11.3%	1.9%
Total	2,829	2,574	9.9%	2.9%

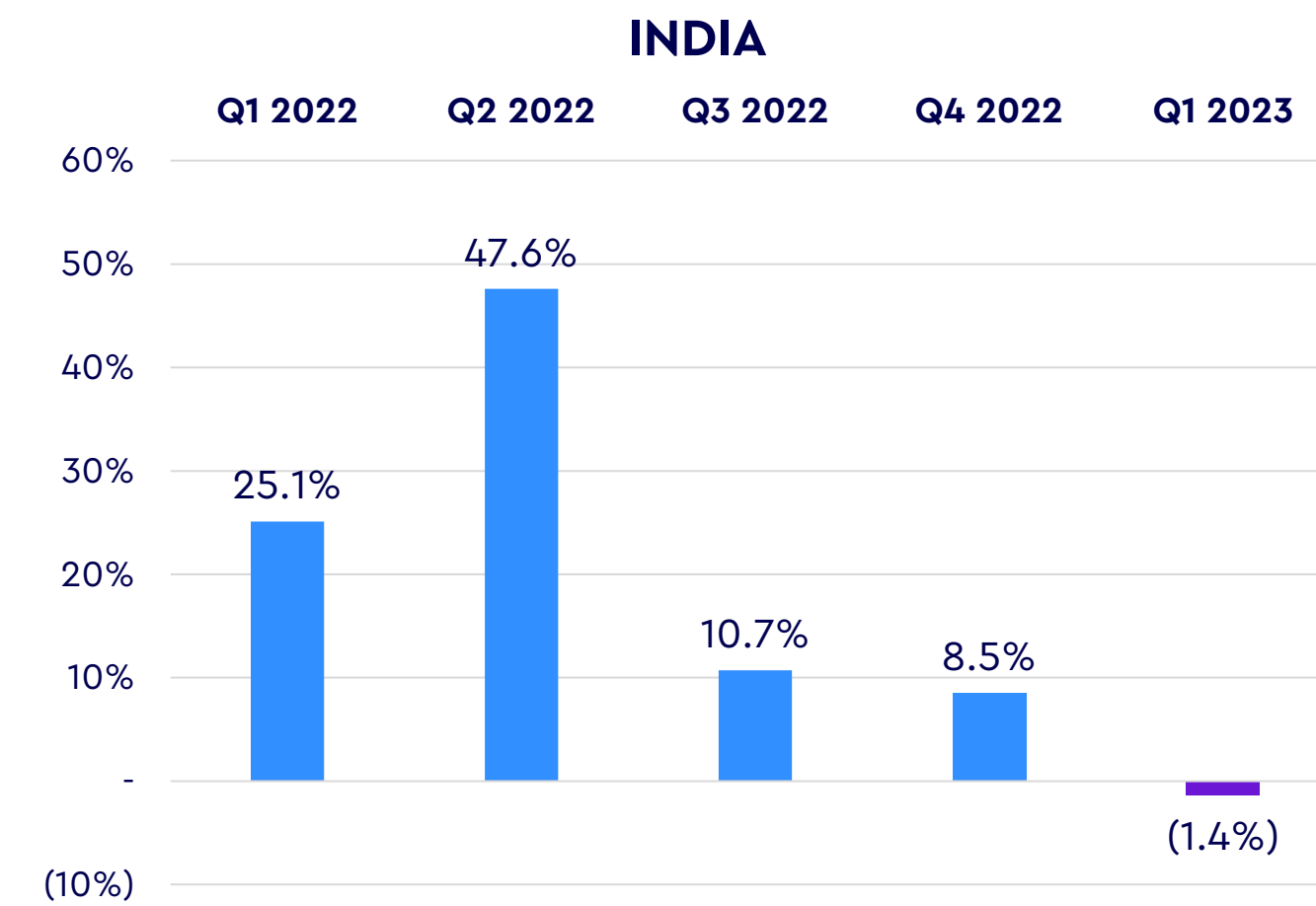
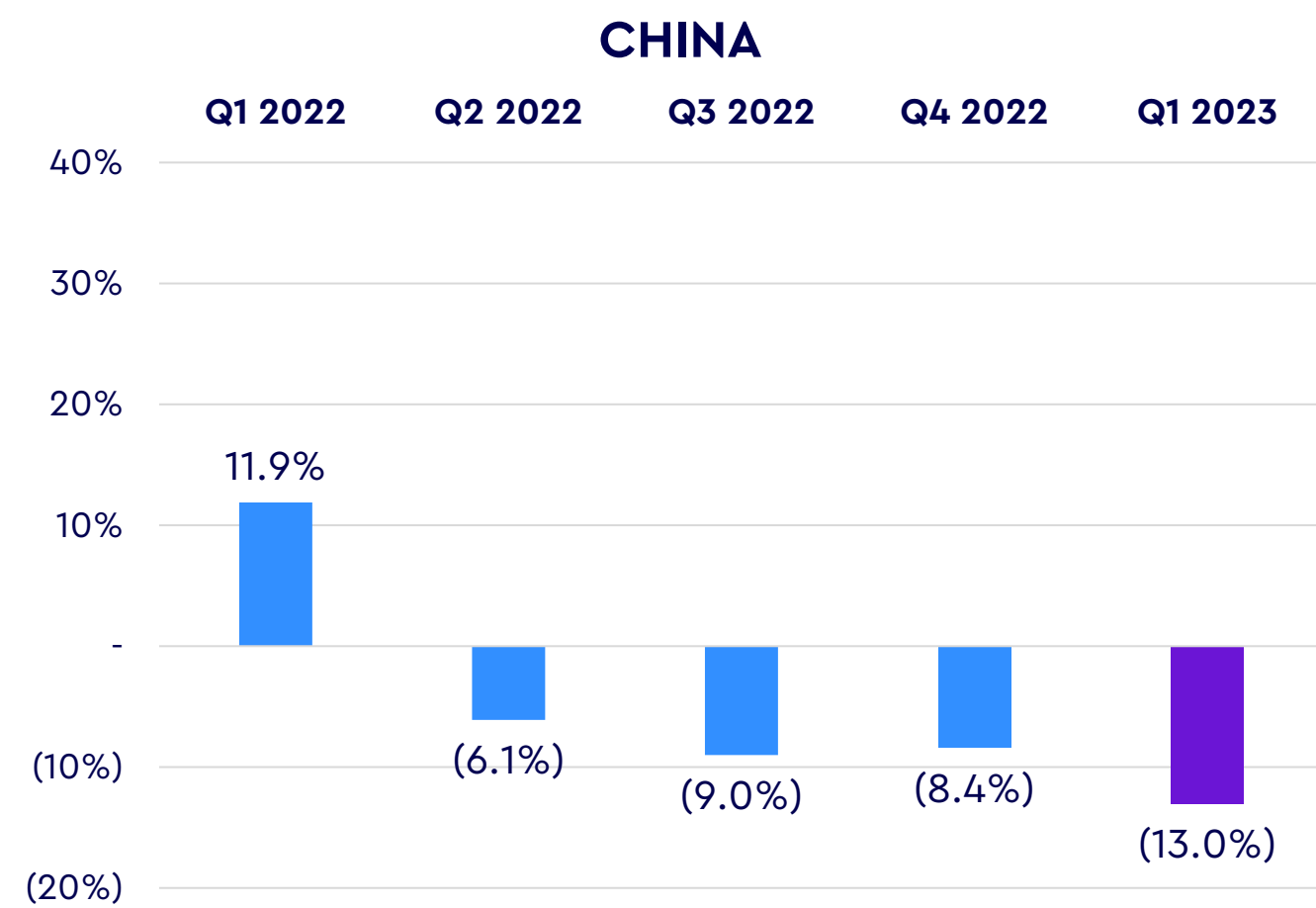
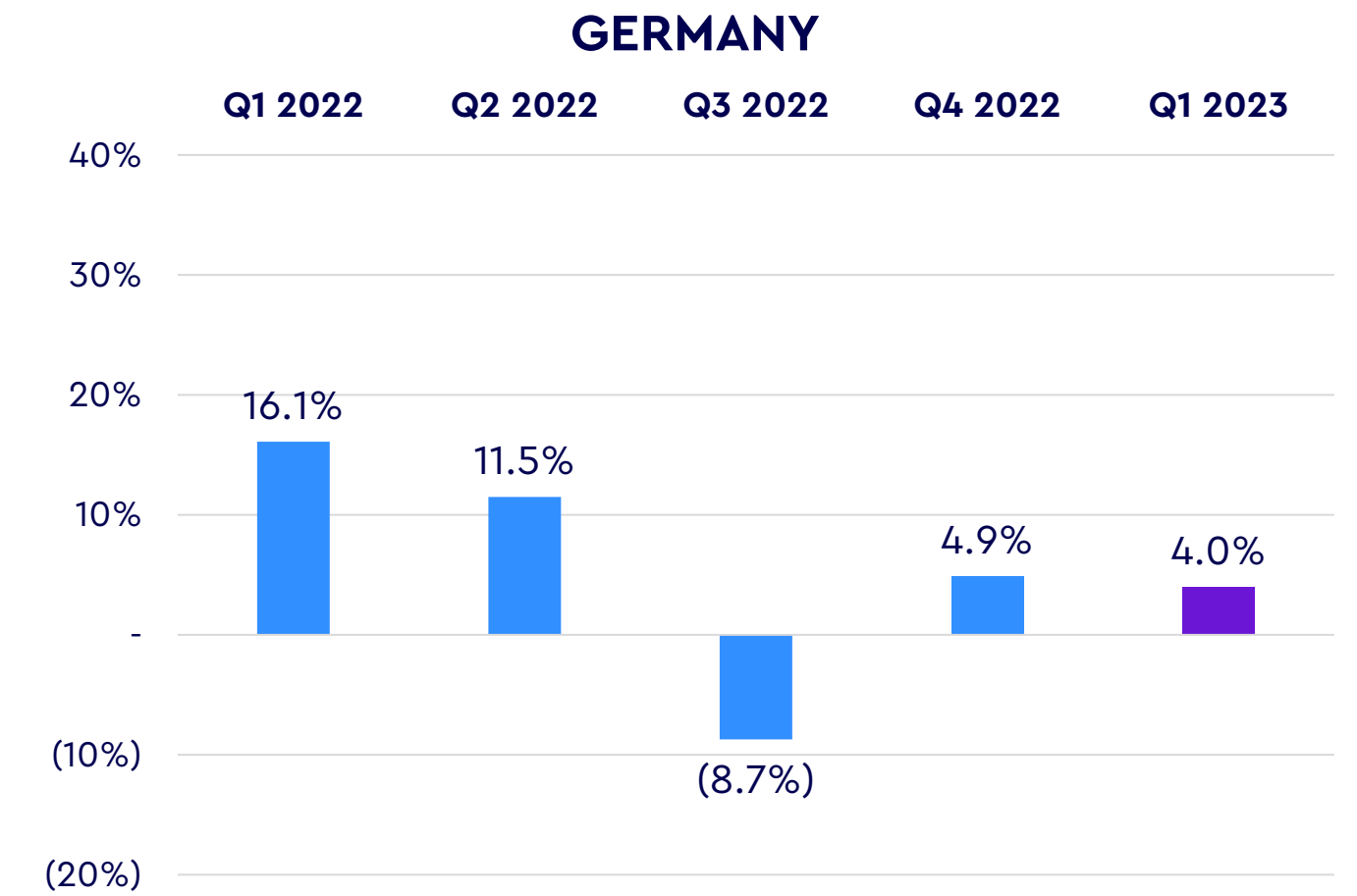
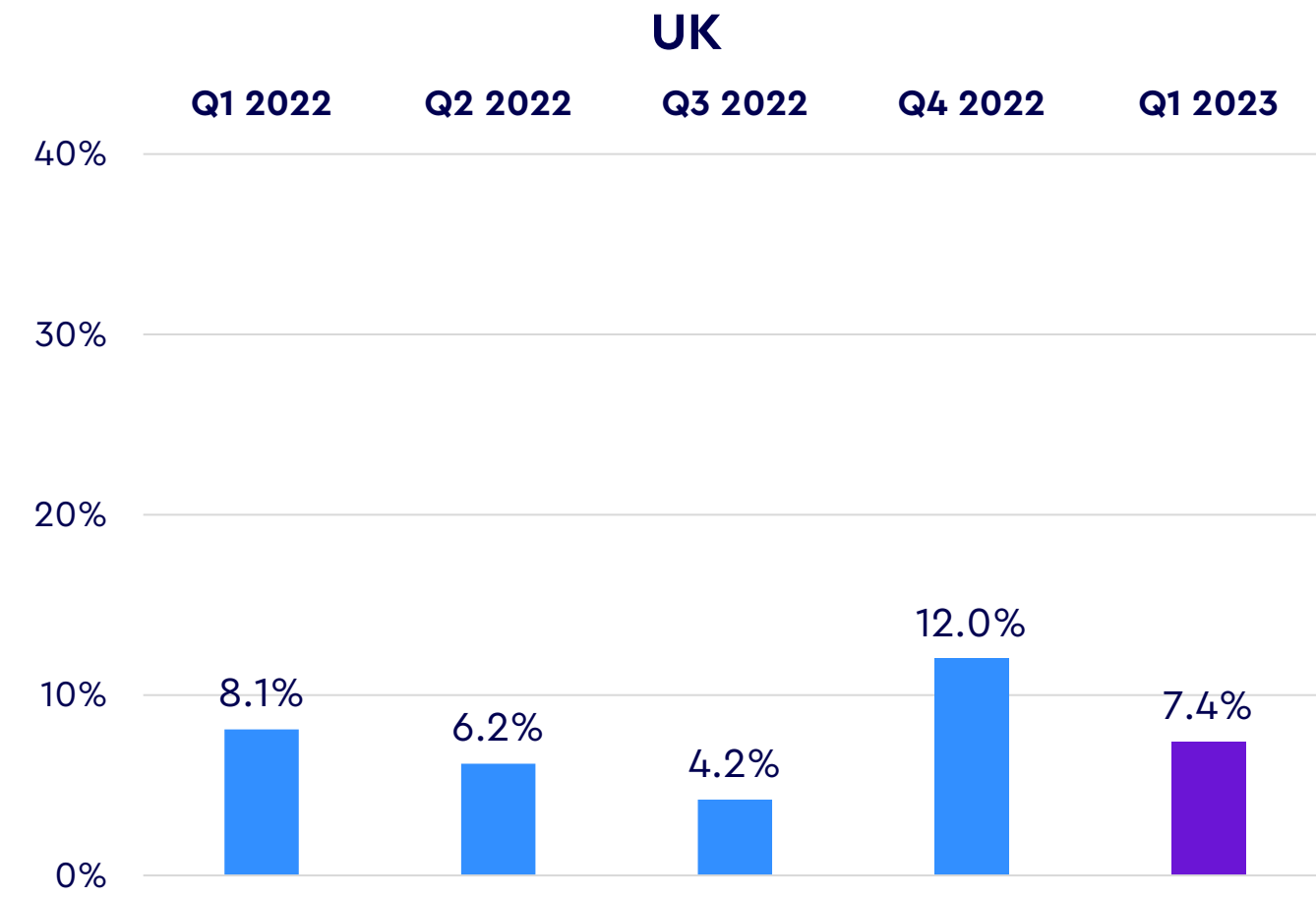
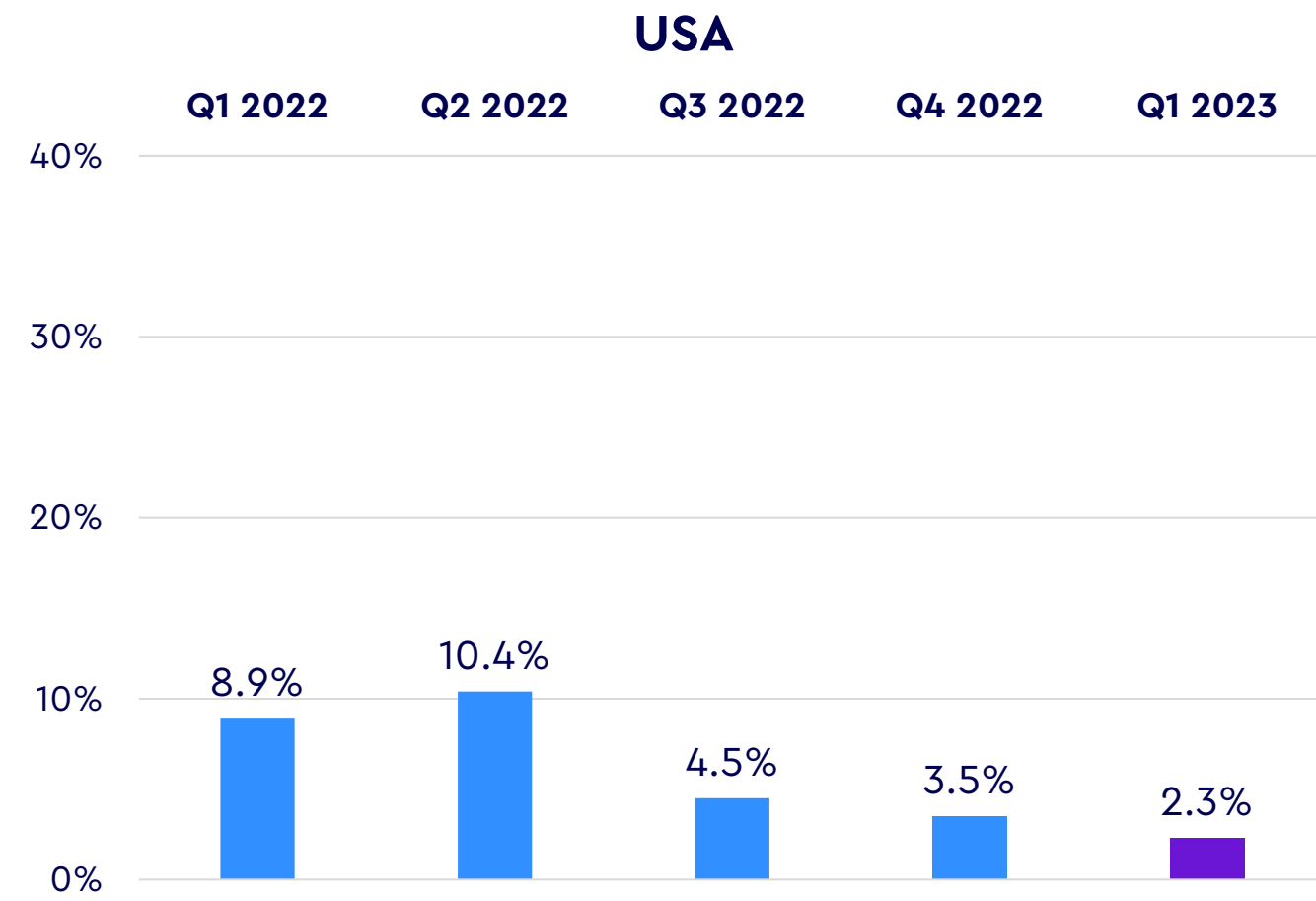
REVENUE LESS PASS-THROUGH COSTS BY REGION

FIRST QUARTER	2023 £M	2022 £M	Δ REPORTED	Δ LFL
North America	1,150	1,015	13.3%	1.9%
UK	377	352	7.0%	7.4%
Western Continental Europe	558	507	10.0%	3.4%
Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe	744	700	6.4%	1.9%
Total	2,829	2,574	9.9%	2.9%

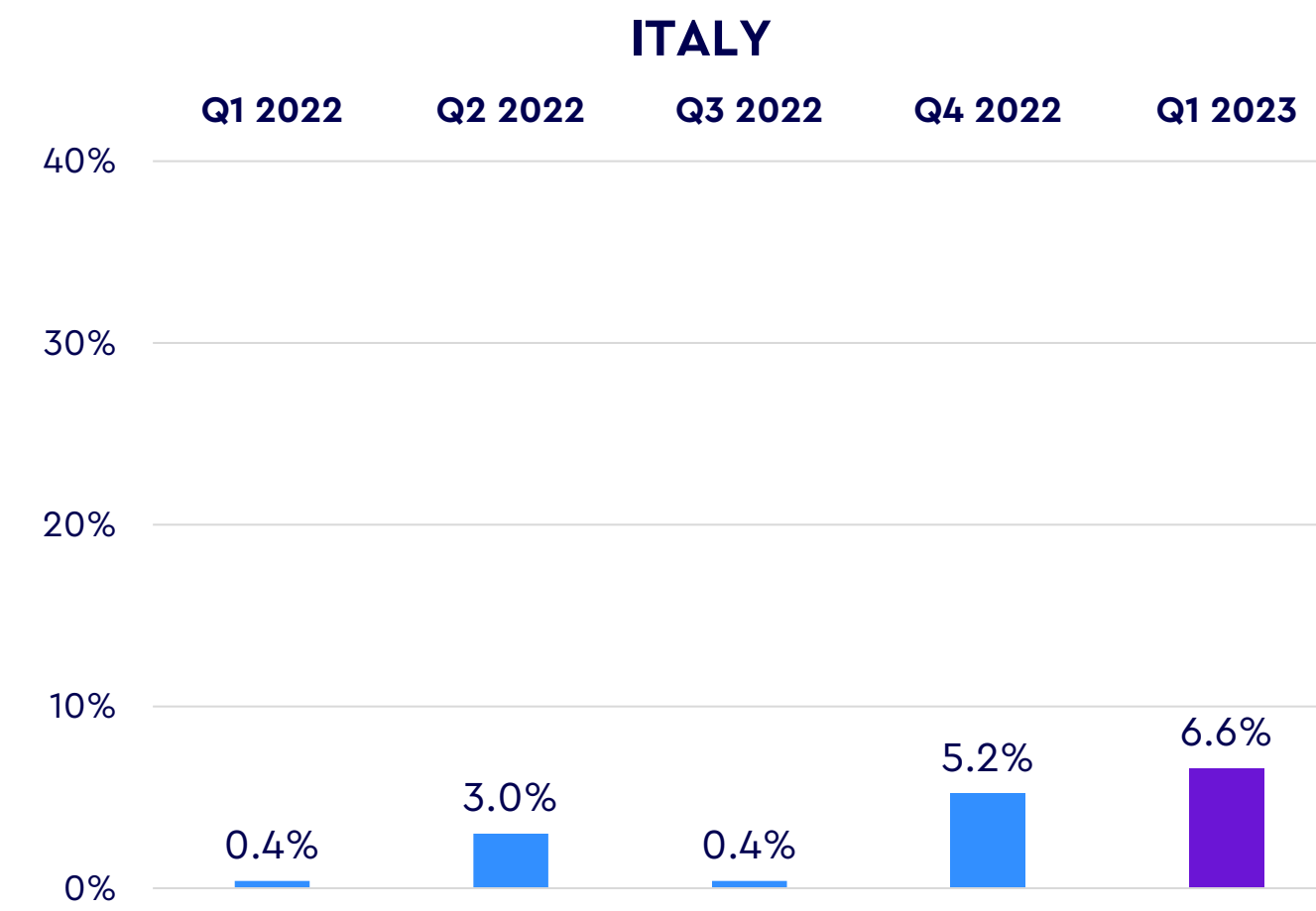
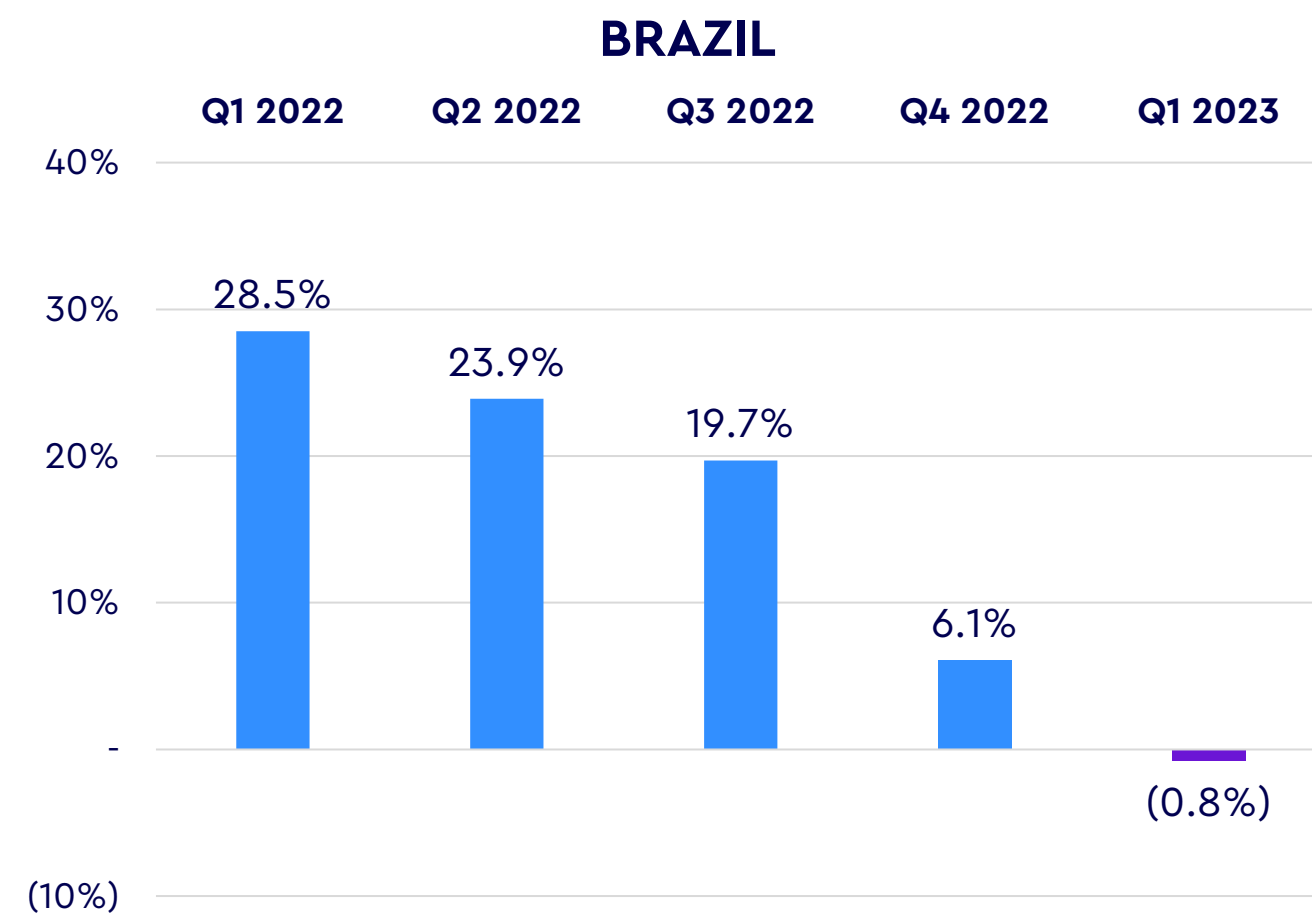
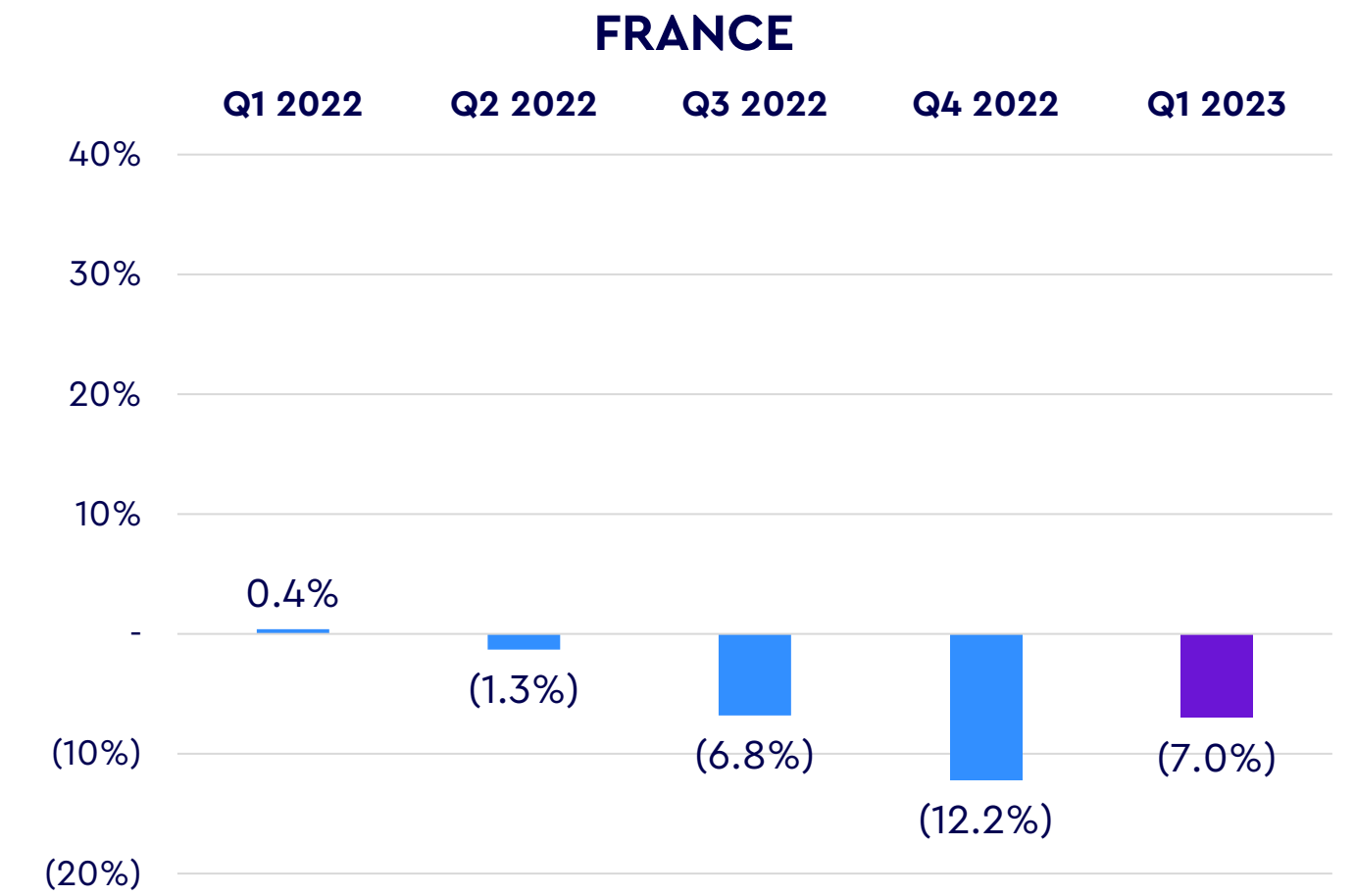
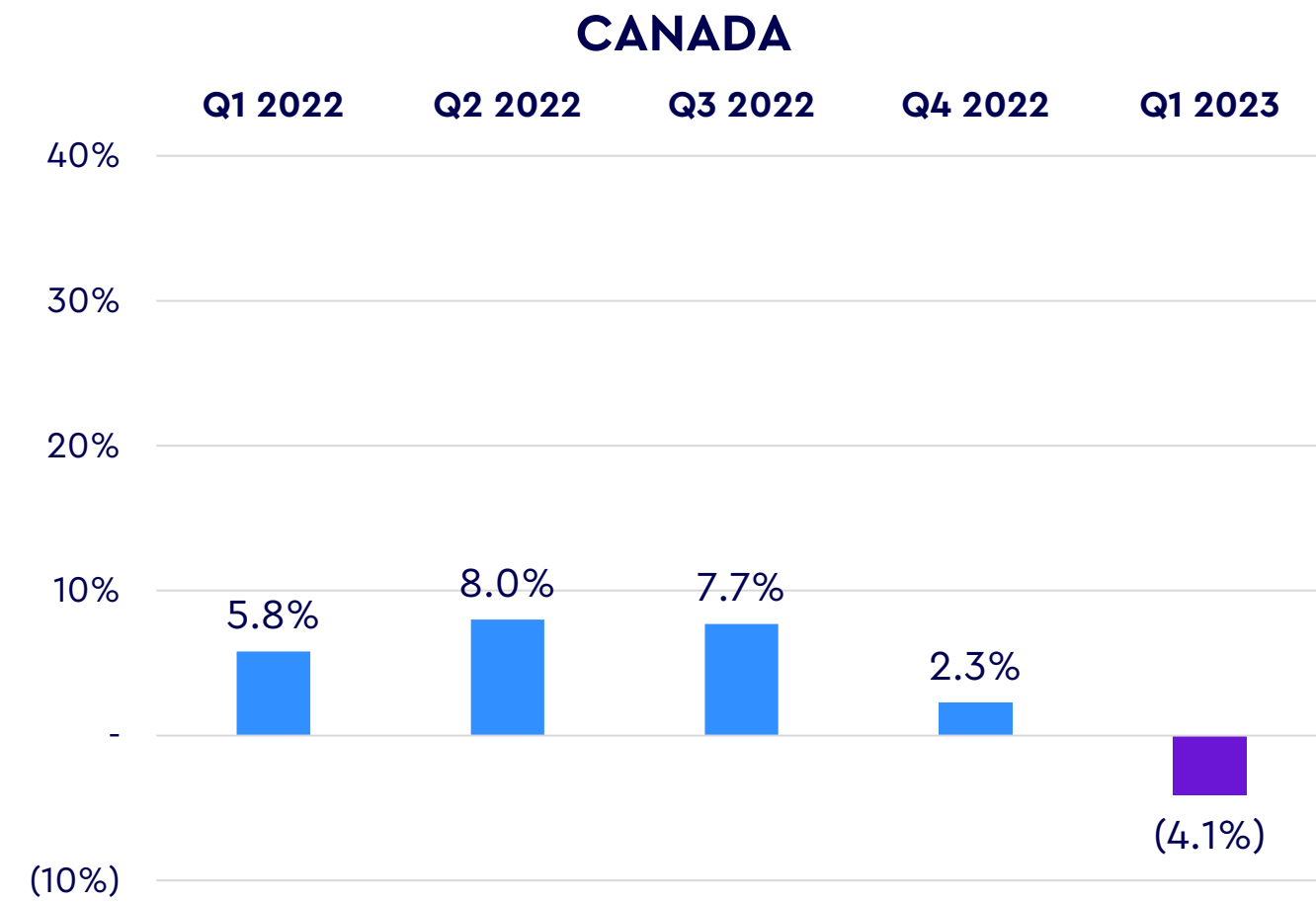
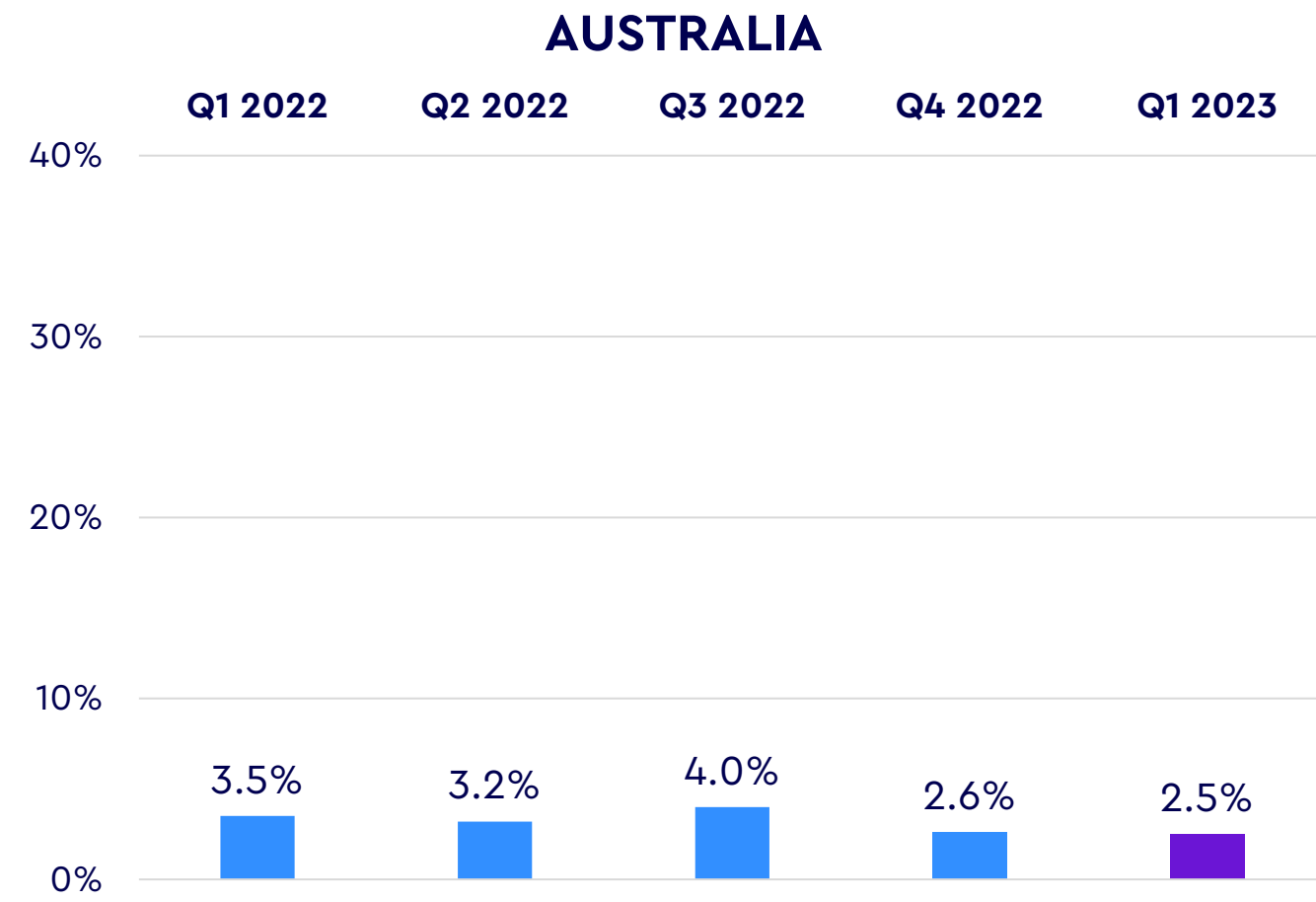
REVENUE LESS PASS-THROUGH COSTS GROWTH BY REGION LIKE-FOR-LIKE %



LIKE-FOR-LIKE REVENUE LESS PASS-THROUGH COSTS GROWTH TOP MARKETS



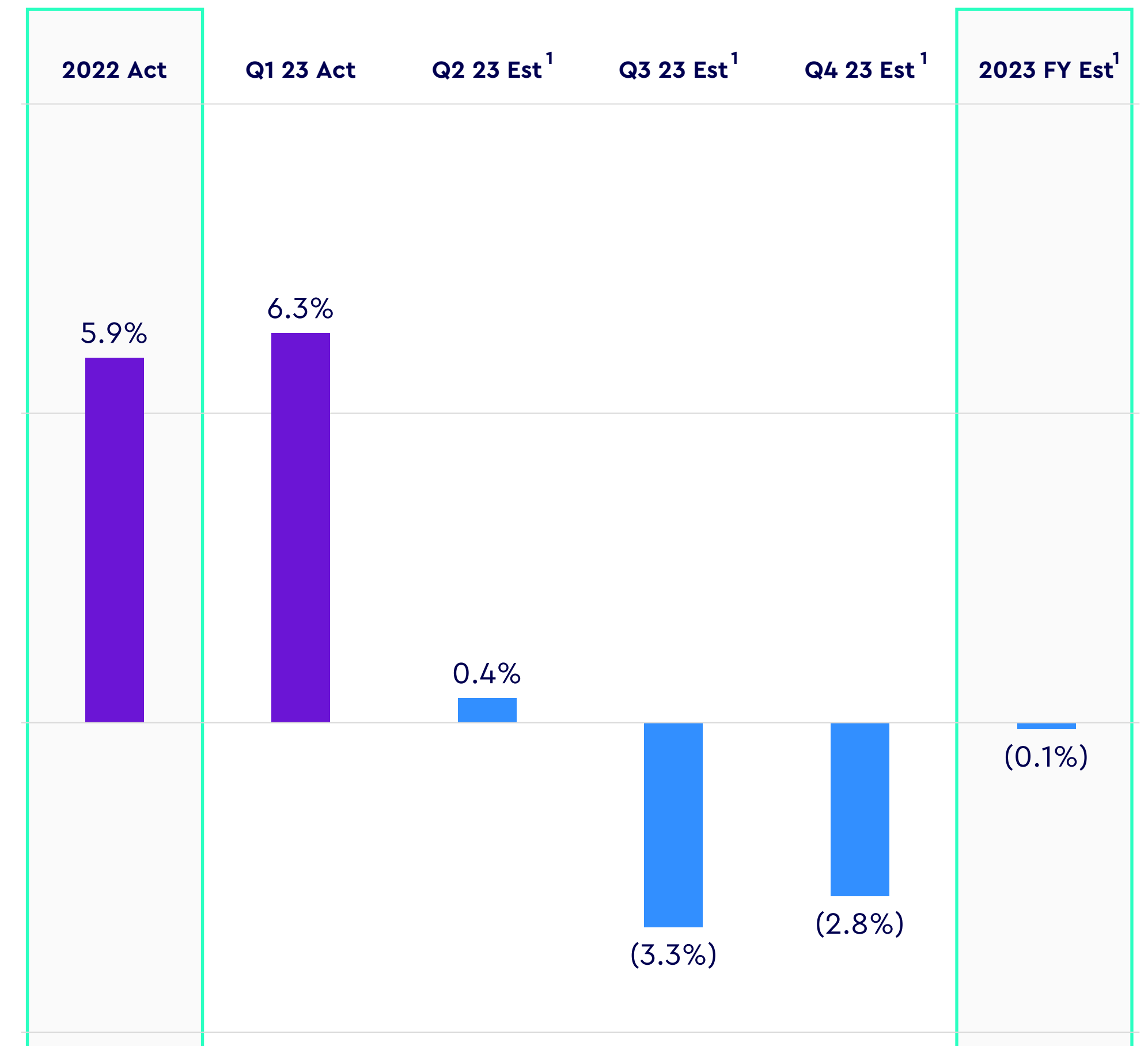
LIKE-FOR-LIKE REVENUE LESS PASS-THROUGH COSTS GROWTH TOP MARKETS



TAILWIND TO REVENUE LESS PASS-THROUGH COSTS

STERLING WEAKNESS

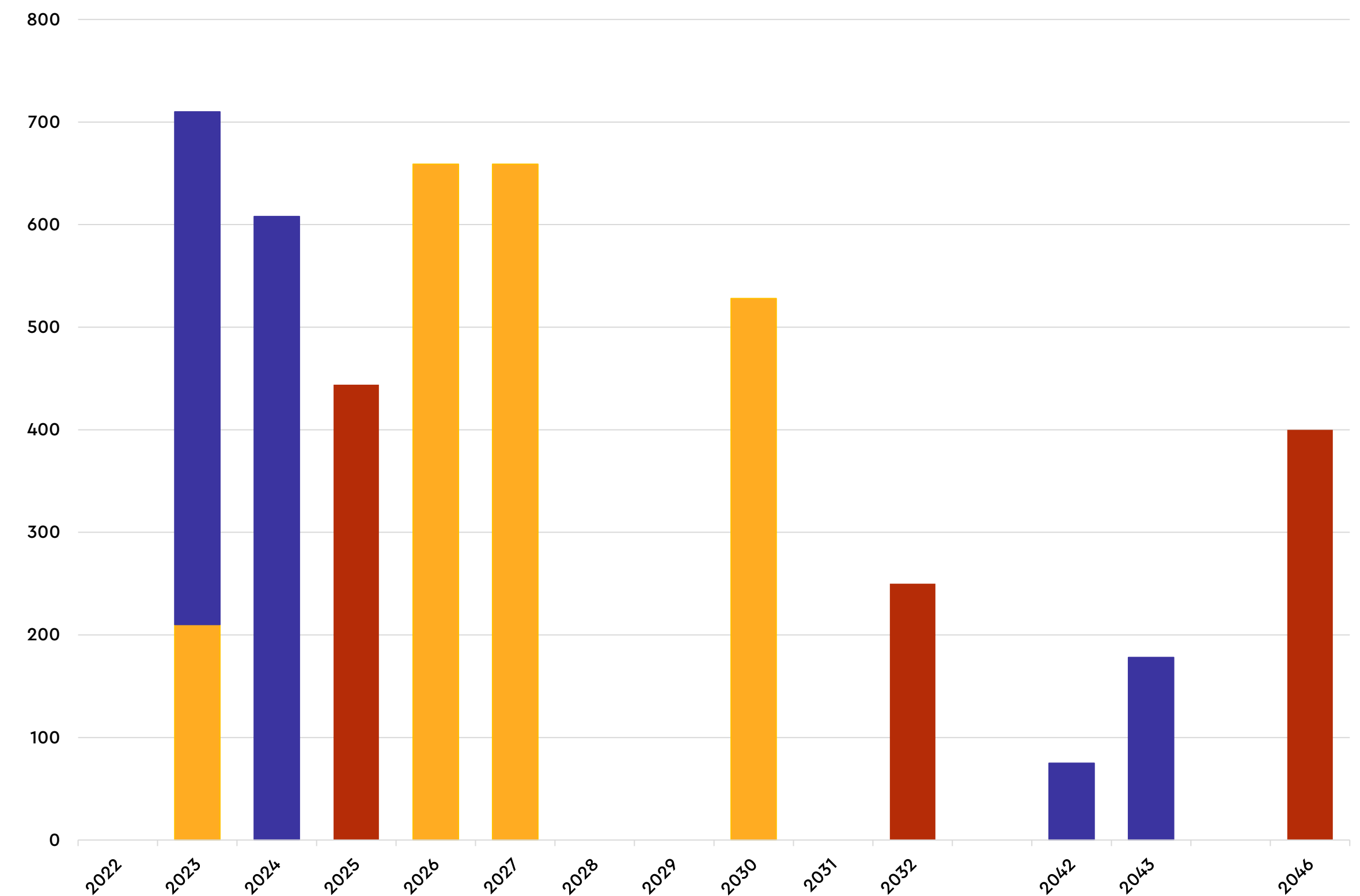
FIRST QUARTER	2023	2022	STERLING (WEAKER)/STRONGER
US \$	1.22	1.34	(9%)
€	1.13	1.20	(6%)
Chinese Renminbi	8.32	8.52	(2%)
Indian Rupee	100	101	(1%)
Australian \$	1.78	1.85	(4%)
Canadian \$	1.64	1.70	(4%)
Brazilian Real	6.31	7.03	(10%)
Singapore \$	1.62	1.81	(10%)
Danish Krona	8.43	8.89	(5%)



1. Q2-Q4 uses 3 April 2023 exchange rates, including £:\$1.24, £:€1.14

DEBT MATURITY PROFILE AT MARCH 31, 2023 (£M)

	£ TOTAL CREDIT	£ TOTAL DRAWN
■ £ bonds £400m (2.875% Sep '46)	400	400
■ US bond \$220m (5.625% Nov '43)	178	178
■ US bond \$93m (5.125% Sep '42)	75	75
■ £ bonds £250m (3.75% May '32)	250	250
■ Eurobonds €600m (1.625% Mar '30)	528	528
■ Eurobonds €750m (2.375% May '27)	659	659
■ Eurobonds €750m (2.25% Sep '26)	659	659
■ Eurobond €500m (1.375% Mar '25)/£444m Swap ¹	444	444
■ US bond \$750m (3.75% Sep '24)	608	608
■ Eurobonds €750m (3.0% Nov '23) ²	710	710
Debt Facilities	4,511	4,511
Other facilities	2,026	-
Net cash, overdrafts & other adjustments	-	(583)
Total Borrowing Capacity / Net Debt	6,537	3,928



WEIGHTED AVERAGE COUPON 3.0%
WEIGHTED AVERAGE MATURITY 6.15 YEARS
AVAILABLE LIQUIDITY £2,609M

Exchange Rates £/\$ 1.117 £/€ 1.139
 1. Swapped to £444m at 2.61%
 2. €500m swapped to \$604m at 4.03%

THANK YOU

WPP