

KEY PERFORMANCE INDICATORS

We track our performance against business and financial factors. These indicators help our Board, management and stakeholders compare our performance against our strategic goals

We made good progress in 2023: delivering for our clients, investing in talent and capabilities, reducing our environmental impact, and achieving our transformation cost savings ahead of schedule. Some of our financial KPIs were adversely impacted by a challenging macroeconomic environment, but we remain confident about the outlook for the medium term

ALIGNING PERFORMANCE MEASUREMENT WITH STRATEGY

Performance measures are selected to align to our business strategy, and include a range of financial and non-financial metrics. Where appropriate these are reflected in our incentives (see page 144 for further detail)

STRATEGIC ELEMENTS



Lead through AI, data and technology



Accelerate growth through the power of creative transformation



Build world-class, market-leading brands



Execute efficiently to drive financial returns through margin and cash

Business KPIs

Client satisfaction score	●	●	●	●
Digital % of media billings (GroupM)	●	●		●
New business billings	●	●		
Transformation programme gross annual savings	●	●		●
Proportion of women in executive leadership roles ¹		●	●	
Employees in shared campuses		●	●	●
Carbon emissions per person from owned operations	●			●
Share of electricity purchased from renewable sources	●			●

Financial KPIs

Like-for-like revenue less pass-through costs growth ²	●	●	●	●
Headline operating profit margin ²	●	●	●	●
Like-for-like revenue less pass-through costs growth versus competitors ²	●	●	●	●
Adjusted operating cash flow conversion ²	●	●	●	●

¹ Executive leadership roles are defined by WPP as the agency board and executive leadership population as reported through WPP's financial reporting system

² For definitions, see Glossary on page 232

BUSINESS

Our business KPIs measure strategic progress towards meeting our purpose: building better futures for our people, planet, clients and communities

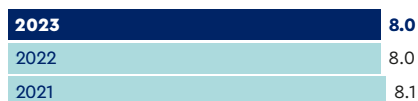
During the year we added new business billings as a KPI because it is an important indicator of our future growth

In 2023 we continued to meet clients' needs for modern marketing solutions, drove growth by attracting new clients, and operated efficiently to free up funds for reinvestment in the Company to support our future growth and profitability

We have made good progress on these measures, while making further progress on providing diverse and modern workplaces for our people and playing our part in protecting the planet

➔ [Read more on our strategic progress on pages 1 to 71](#)

Client satisfaction score (out of 10) **8.0**



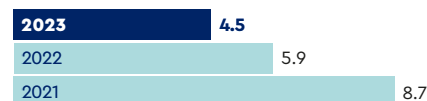
Description and rationale

This measures how satisfied our clients are with our services, based on 22,000 clients' Likelihood to Recommend scores out of ten. Our ability to retain satisfied clients is a key driver of our revenue¹

Targets and performance

In 2023 we scored 8 out of 10 overall, maintaining the high levels achieved in recent years. This includes quality of work at 8.2 (2022: 8.1) and diversity, equity and inclusion at 8.3 (2022: 8.2). We aim to maintain top-quartile performance

New business billings (\$bn) **4.5**



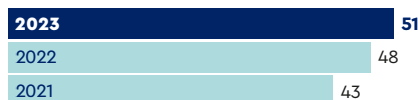
Description and rationale

Billings comprise the total amounts billed to clients, plus our fees.² New billings measures new business from new and existing clients, net of existing client business lost, and is an important indicator of our future growth

Targets and performance

We won \$4.5 billion of net new business billings in 2023. This was lower than last year, partly due to the loss of certain Pfizer creative assignments. Key wins in 2023 included Adobe, Allianz, Krispy Kreme, Mondelez, Nestlé, PayPal, SC Johnson and Verizon

Digital % of media billings (GroupM) **51**



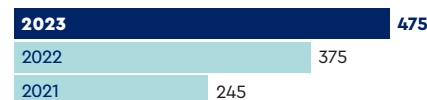
Description and rationale

Billings comprise our clients' spend on media, plus our fees.² We measure the digital (internet-based) mix as digital platforms account for the majority of the global media market (69%), to ensure we are staying relevant to our clients

Targets and performance

GroupM's digital billings increased to 51% of its total billings in 2023, compared to 48% in 2022, driven by the rapid growth in demand from clients for digital services such as ecommerce, programmatic buying, connected TV and retail media

Gross annual savings from our transformation programme (£m) **475**



Description and rationale

Our transformation programme is designed to simplify WPP, build greater collaboration, drive efficiency and free up funds for reinvestment in growth. Our goal was to achieve £600 million of annual cost savings against a 2019 base by 2025

Targets and performance

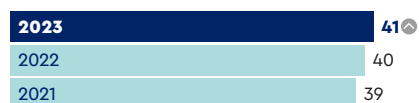
By the end of 2023 we delivered around £475 million of gross annual savings against a 2019 base, ahead of the originally planned £450 million. Savings have come from our operating model, including a simpler WPP and lower travel costs, and from efficiency initiatives in procurement and our campus strategy

¹ Includes Kantar


² For a full description, see Glossary on page 232

KEY PERFORMANCE INDICATORS CONTINUED

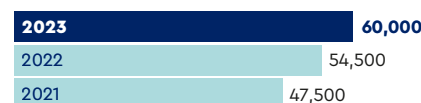
Proportion of women in executive leadership roles¹ (%) **41** 



Description and rationale
We believe that diversity powers our creativity and growth as a business. We continue to focus on driving greater gender balance throughout the Company and, in particular, at the most senior levels. We aim to achieve equal representation of women at Board and all other levels

Targets and performance
In 2023, the proportion of women in executive leadership roles increased to 41%  (2022: 40%). Across the broader workforce, more than half (53)% of senior managers are women compared with 54% in 2022

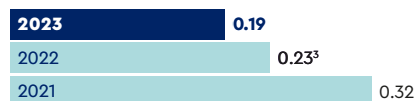
Employees in shared campuses² **60,000**



Description and rationale
Campuses bring our agencies together to make collaboration easy, support flexible and hybrid working, and give clients access to the breadth and depth of WPP talent in one location. They replace smaller offices with larger, modern units that lower our environmental footprint

Targets and performance
In 2023, around 60,000 of our people were based in 41 campuses. We expect this to rise to 75,000 in 47 campuses by 2025. This is revised from the previous target of 85,000 in at least 65 campuses, due to the rise in hybrid working

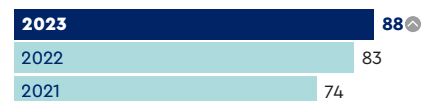
Carbon emissions per person from our owned operations (tCO₂e, Scope 1 and 2) **0.19**




Description and rationale
We support urgent action to tackle the climate crisis through the Paris Climate Agreement. We measure carbon emissions per employee, as headcount is closely linked to levels of business activity, and this allows us to reflect the impact of acquisitions and disposals without needing to adjust our baseline


Targets and performance
We are committed to reducing absolute Scope 1 and 2 emissions by 84% by 2025, and halving Scope 3 emissions by 2030. In 2023 carbon emissions per employee fell 17% compared with 2022, and by 77% since our 2019 baseline

Share of electricity purchased from renewable sources (%) **88** 



Description and rationale
To support our carbon reduction targets we are a member of RE100, a global initiative bringing together businesses committed to 100% renewable electricity to accelerate change towards zero carbon grids at scale

Targets and performance
During 2023, we purchased 88%  of our electricity from renewable sources compared with 83% in 2022, reflecting good progress towards our target of 100% by 2025

¹ Executive leadership roles are defined by WPP as the agency board and executive leadership population as reported through WPP's financial reporting system
² Defined as employees and freelancers in campuses
³ 2022 energy metric restated in line with the procedures set out in the WPP Sustainability Reporting Criteria 2023. For details of the nature and impact of the restatement, see page 61
 Indicates the selected metrics have been subject to independent limited assurance procedures by PricewaterhouseCoopers for the year ending 31 December 2023. For PwC's 2023 Limited Assurance Report and the WPP Sustainability Reporting Criteria 2023, see our 2023 Sustainability Report at wpp.com/sustainabilityreport2023

FINANCIAL

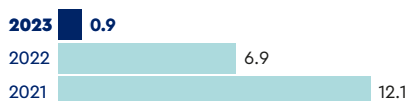
Our financial targets allow us to track the health of WPP as a whole, analysing our market performance as well as setting remuneration targets and financial guidance for investors

During the year we added adjusted operating cash flow conversion as a KPI, reflecting our increased focus on this metric

➔ See more on our financial performance on pages 88 to 92

Like-for-like revenue less pass-through costs growth¹ (%)

0.9



Description and rationale

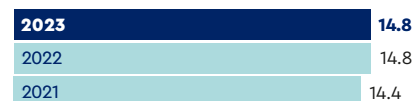
This is the main measure of our strategic goal to drive growth. Like-for-like revenue growth excludes the impact of currency and acquisitions. Pass-through costs comprise fees paid to external suppliers when they are engaged to perform part or all of a specific project, and are charged directly to clients

Targets and performance

We delivered revenue less pass-through costs growth of 0.9% in 2023, less than in 2022 due partly to lower spending from technology clients. We expect growth to be in the 0-1% range in 2024 and 3%+ annually over the medium term

Headline operating profit margin¹ (%)

14.8



Description and rationale

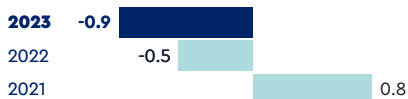
This is a key indicator of our profitability. It comprises profit on trading activities, excluding certain one-off or exceptional items.⁴ These items are excluded because their size and nature mask the true underlying performance year-on-year

Targets and performance

Our headline operating margin of 14.8% was stable on a reported basis, and grew 0.2 percentage points on a like-for-like basis,² due to disciplined cost control. In 2024, we expect a 0.2 to 0.4 percentage points improvement and to reach 16-17% over the medium term

Like-for-like revenue less pass-through costs growth versus competitors² (%)

(0.9)



Description and rationale

This measures our like-for-like growth against the average of our global marketing services peers – Dentsu, Havas, IPG, Omnicom³ and Publicis. Our goal is to grow at a faster rate than the industry average

Targets and performance

In 2023, our growth rate was 0.9 percentage points below the average of our main peers, reflecting our relatively greater exposure to both clients in the technology sector, who have reduced spend, and to China, which remains impacted by macroeconomic pressures

Adjusted operating cash flow conversion (%)

73



Description and rationale

This shows how efficiently headline operating profits are turned into operating cash after restructuring costs, capex, working capital and other cash items. Operating cash flow funds our financing and taxation requirements and supports our capital allocation policy

Targets and performance

Our medium-term target is at least 85% conversion of headline operating profit into operating cash flow. In 2023 the ratio was 73%, a significant improvement on the prior year (2022: 38%) due to a smaller outflow on net working capital

¹ Reconciliations from reported revenue to revenue less pass-through costs and subsequently like-for-like revenue less pass-through costs, and from reported profit before tax to headline operating profit margin, are included on pages 223 to 225. For a full description, see Glossary on page 232

² Like-for-like basis, excluding the impact of foreign exchange

³ Like-for-like revenue less pass-through costs growth. Omnicom data is based on revenue. This chart shows data over the last 12 months. Competitor data sourced from publicly disclosed results

⁴ For a full description, see Glossary on page 232