WPP 2024
Interim Results

Teleconference Transcript

Wednesday, 8 August 2024
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Good morning everyone and welcome to WPP’s 2024 interim results.

I’m Mark Read and I’m here with Joanne Wilson, our CFO. We are going to take you through our results for the first six months of the year and then take your questions.

We have been extremely busy in the first half of this year against the plan that we outlined at the CMD and I am very pleased with the strategic progress that we have made since then. I am confident that this will make us much more competitive. This is absolutely my focus and that of our leadership team.

We are going to market with fewer, stronger brands. We are embracing AI and new technology at great speed and leading the way in how we are deploying it in how we work and in how we better serve our clients. We are delivering excellent work to our clients and at the same time, we are making the company structurally more efficient to improve our profitability.

So, while we have undoubtedly more work to do, we have made a lot of progress, and as I am sure you will see with the FGS transaction, we are very focused on value creation for our shareholders.
Before we start, please read the important cautionary statement on page 2.

On page 3, turning to the agenda for the call, I will go through the financial and strategic highlights and the details of the FGS transaction, before handing over to Joanne to take you through the financial performance. I will then cover the significant strategic progress we have made in the last six months, and then we can get straight into the questions.

Turning to page 5 and our financial performance.
We did see net sales decline by 1% for the first half due to a combination of factors. We had growth in three of largest agencies – GroupM, Ogilvy and Hogarth. At the same time, we were impacted by certain client losses from 2023, largely in the US. We had macro pressures on our project-related businesses around the world and challenges in China.

That said, we did see a sequential improvement in performance from a decline of -1.6% in Q1 to -0.5% in Q2. We saw sequential improvement in our creative agencies from -3.3% to -2.4%, driven by VML, in our public relations agencies from -3.3% to +1.5% and in our specialist agencies from -7.6% to -2.0%

These are all important parts of our business and then positive signs of significant work at VML and Burson.

We’ve also seen stabilisation in spending from our technology sector clients, which has had a big impact on us for the past 12 months from -9% in Q1 to -1% in Q2. It’s important, and in line with our expectations as we start to lap the spending cuts that started in Q2 2023. We continue to stand by what we’ve been saying since the sector came under pressure, that these companies need to market and there’ll be a point where their spend will stabilise. In the second half, we do expect it to return to moderate growth.

And, with technology clients contributing to this, we returned to growth in North America at 2.0% compared to a decline in Q1 of -5.2%.

Turning to New Business, I would describe our new business performance in the first half as satisfactory. We have had some major wins, including AstraZeneca, and some important strategic wins, for example with Colgate on Amazon Media. We do have a very full new business pipeline, with significant opportunities ahead of us, and some major reviews outstanding that we are very focused on winning.

We do have to be more competitive, in two areas – in the US and in GroupM, primarily in the US. And we believe that the structural changes, technology investments and people moves we have made and continue to make will begin or continue to address this over the course of this year and going into next year.
And lastly, in terms of financial performance, we did deliver 0.1% of constant currency margin improvement against H1 last year, despite the top-line decline. This came from both the structural savings and strong cost discipline. Now, as you'll see, we have moderated our guidance, bringing it down from 0 to 1, to -1 to 0. This is largely because we see continued impact from China in the second half and the macro pressures weighing on our project-related businesses.

Turning to our strategic progress, and as I said at the start of the call, since the CMD at the end of January we have been busy and productive – and I would highlight three areas that we will get into later.

First, the investments in AI and in WPP Open that are critical to our future.

Secondly, the work our teams are doing across Burson, GroupM and VML to build simpler, stronger businesses, and these three brands cover 70% of WPP business.

And lastly, the quality of work that we are doing for clients across the company, resulting in our success at Cannes.
And building on our strategic progress on page 7, let’s look at the sale of our shareholding FGS Global. As I said at the start of the call, we have reached an agreement to sell our 50.1% stake in FGS Global to KKR at a headline valuation of $1.7 billion representing around 19 times 2023 reported earnings. We believe this is an excellent result for WPP shareholders.

If I remind you, we embarked on the plan create FGS Global back in 2020 – bringing together three independent and separate companies in WPP -- Finsbury in the UK, Hering Schuppner in Germany and Glover Park in the USA. And while they were three very individually strong companies, they operated quite independently. And the ambition, together with the management led by Roland Rudd and Alex Geiser, was to create the leading strategic advisory firm, with the ultimate goal to bring the company to IPO.

As part of this, we supported the company in making the acquisition of Sard Verbinnen in the US in October 2021. KKR then came in as a minority investor in 2023.

Today, we were able to announce we’ve reached an agreement to sell our shareholding, for which we received net proceeds of £604 million.

So, this transaction has a number of advantages for us:

First, it allows us to crystallise value much more quickly than waiting for an IPO at an attractive valuation.

Secondly, it allows us to reduce our debt and strengthen our balance sheet. It takes our pro forma leverage close to the middle of the range at 1.6x, putting us in a strong position to navigate the next few quarters and the broader macro environment.

Finally, it allows us to focus on our core creative transformation offer – and I would remind you that we are still very committed to public relations with both Burson and Ogilvy Public Relations having strong global positions with strengths in those areas closer to our core business.

So those are the highlights we'll come back to later. Joanne, do you want to take us through the financial performance?
Thank you, Mark, and good morning, everyone.
So let me take you through some more detail on our financial results for the first half of 2024, and I will start on slide 9.
Revenue less pass-through costs fell 3.6% on a reported basis. This includes a 2.9 percentage point headwind from FX due to sterling strengthening relative to last year and a 0.3 percentage point contribution from acquisitions. This is lower than prior years as we have not made any sizable acquisitions since acquiring influencer agencies Goat and Obviously in the early part of 2023.

On a like-for-like basis revenue less pass-through costs declined 1.0% with like-for-like in the second quarter down 0.5%, a sequential improvement versus Q1 like-for-like which was down 1.6%.

**UNAUDITED HEADLINE IFRS INCOME STATEMENT**

<table>
<thead>
<tr>
<th></th>
<th>2023 £m</th>
<th>2024 £m</th>
<th>△ REPORTED</th>
<th>△ LFL ²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>7,227</td>
<td>7,221</td>
<td>0.1%</td>
<td>2.6%</td>
</tr>
<tr>
<td>Revenue less pass-through costs</td>
<td>5,599</td>
<td>5,811</td>
<td>(3.6)%</td>
<td>(1.0)%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>666</td>
<td>666</td>
<td>(3.0)%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Operating profit margin</td>
<td>11.5%</td>
<td>11.5%</td>
<td>0.0%pt</td>
<td>0.1pt</td>
</tr>
<tr>
<td>Income from associates</td>
<td>15</td>
<td>8</td>
<td>87.5%</td>
<td></td>
</tr>
<tr>
<td>PBIT</td>
<td>661</td>
<td>674</td>
<td>(1.9)%</td>
<td></td>
</tr>
<tr>
<td>Net finance costs</td>
<td>(136)</td>
<td>(128)</td>
<td>(6.3)%</td>
<td></td>
</tr>
<tr>
<td>Profit before tax</td>
<td>525</td>
<td>546</td>
<td>(3.8)%</td>
<td></td>
</tr>
<tr>
<td>Tax at 28.0% (2024: 27.0%)</td>
<td>(146)</td>
<td>(148)</td>
<td>1.4%</td>
<td></td>
</tr>
<tr>
<td>Profit after tax</td>
<td>379</td>
<td>398</td>
<td>(4.8)%</td>
<td></td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>(41)</td>
<td>(37)</td>
<td>(10.8)%</td>
<td></td>
</tr>
<tr>
<td>Profit attributable to shareholders</td>
<td>338</td>
<td>361</td>
<td>(6.4)%</td>
<td></td>
</tr>
<tr>
<td>Headline diluted EPS</td>
<td>30.9p</td>
<td>33.1p</td>
<td>(6.6)%</td>
<td></td>
</tr>
<tr>
<td>Dividends per share</td>
<td>15.0p</td>
<td>15.0p</td>
<td>0.0%</td>
<td></td>
</tr>
<tr>
<td><strong>EBITDA</strong> (including depreciation of right-of-use assets)</td>
<td>756</td>
<td>757</td>
<td>(1.4)%</td>
<td></td>
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</tbody>
</table>

Turning to the headline income statement on Slide 10, overall revenue less pass-through costs, was £5.6 billion, a decrease of 3.6% year-on-year with headline operating profit of £646 million, down 3% year-on-year.

This resulted in reported operating profit margin of 11.5%, which reflects an adverse FX impact on margin of 10 basis points as a result of the strengthening of sterling. On a constant currency basis, our margin improved 10 basis points year-on-year.

We continue to take a disciplined approach to cost management balanced against investing in our proposition and absorbing the macro pressures impacting our smaller agencies and our overall business performance in China.

Moving down the P&L, income from associates is £7m higher and again, in compliance with IAS 28, this excludes any contribution from Kantar due to a nil carrying value on our balance sheet.

Net finance costs increased 6.3% year-on-year and that was primarily due to the impact of refinancing bonds at higher rates.
Reflecting the tax rate of 28.0% for the half, which is in line with our guidance for the full year, and non-controlling interests of £41 million, the profit attributable to shareholders is £338 million.

This resulted in a headline diluted EPS of 30.9 pence, down 6.6% or 2.2p, with two thirds of this decline due to FX.

Finally, we have declared a 15p interim dividend in line with our 2023 interim dividend.

### RECONCILIATION OF HEADLINE OPERATING PROFIT TO REPORTED OPERATING PROFIT

<table>
<thead>
<tr>
<th></th>
<th>2024</th>
<th>2023</th>
<th>Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HALF YEAR TO 30 JUNE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Headline operating profit</td>
<td>646</td>
<td>666</td>
<td>(20)</td>
</tr>
<tr>
<td>Goodwill impairment</td>
<td>-</td>
<td>(53)</td>
<td>53</td>
</tr>
<tr>
<td>Amortisation and impairment of acquired intangibles</td>
<td>(57)</td>
<td>(36)</td>
<td>(21)</td>
</tr>
<tr>
<td>Impairment of investments in associates</td>
<td>(23)</td>
<td>(11)</td>
<td>(12)</td>
</tr>
<tr>
<td>Restructuring and transformation costs</td>
<td>(131)</td>
<td>(87)</td>
<td>(44)</td>
</tr>
<tr>
<td>Property-related restructuring costs</td>
<td>(22)</td>
<td>(180)</td>
<td>158</td>
</tr>
<tr>
<td>Other</td>
<td>10</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Non-headline items</td>
<td>(223)</td>
<td>(360)</td>
<td>137</td>
</tr>
<tr>
<td><strong>Reported operating profit</strong></td>
<td><strong>423</strong></td>
<td><strong>306</strong></td>
<td><strong>117</strong></td>
</tr>
</tbody>
</table>

1. For further detail on restructuring costs see Appendix.

- Amortisation and impairment of acquired intangibles includes an accelerated amortisation charge for certain brands that no longer have an indefinite useful life following the creation of Burson.
- Restructuring costs includes £72m from the creation of VML and Burson and simplification of GroupM; the ERP programme (£27m); and IT transformation (£20m).1
- Property related restructuring costs relate to ongoing costs related to the 2023 property review of NYC and other global properties.
- Total restructuring and transformation costs of £153m of which cash costs were £147m.

Moving to Slide 11 and the reconciliation between our headline and reported operating profit. Headline operating profit of £646 million is adjusted for amortisation and impairment of intangibles of £57 million which relates to an accelerated amortisation of certain brands as a result of the creation of Burson.

Restructuring and transformation cost of £131 million and property related restructuring costs of £22 million are consistent with our full year guidance and include costs associated with our three strategic initiatives, the creation of VML and Burson, and simplification of GroupM.

Overall non headline items declined from £360 million in H1 2023 to £223 million in H1 2024 with reported operating profit of £423m compared to £306m in the first half of 2023.
Moving on to slide 12, and the performance of our Global Integrated Agencies which saw a like-for-like decline of 0.7% in the half with GroupM growing 1.9% and our creative agencies declining 2.8%.

GroupM’s growth in the half was held back somewhat by 2023 client assignment losses and a challenging performance in China, the latter adversely impacting GroupM’s overall like-for-like in H1 by 1.2%.

GroupM Q2 like-for-like of 1.4% was lower than Q1 of 2.4%, driven by a weaker performance in China and macro pressures in Germany. These offset an encouraging sequential improvement in the US where GroupM saw mid-single digit growth compared to a decline in Q1 with a broad-based recovery including across key technology clients.

Our global integrated creative agencies felt the full impact from the 2023 loss of a significant healthcare client and macro pressures weighing on project-related client spend at AKQA. These were partially offset by continued growth at Ogilvy, benefiting from new business wins, and at Hogarth benefiting from growing demand for its technology and AI-driven capabilities. Q2 showed the sequential improvement on Q1 driven by VML and Hogarth.

Headline operating profit of £551 million was marginally up year-on-year with headline operating margin up 40 bps, reflecting disciplined cost management and structural cost savings.
Moving now to Public Relations on Slide 13. We saw a 0.9% decline in the first half, which reflected a sequential improvement in Q2 across both FGS and Burson.

FGS delivered double digit growth in Q2 benefiting from a stronger corporate transaction market.

Whilst Burson improved sequentially, net sales fell in the first half due to the 2023 loss of a Pfizer assignment and macro pressure on client discretionary spend.

Operating profit of £80 million represented a margin of 14.1% down -1.0 percentage point year-on-year reflecting the softer top line and cost phasing.

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**PUBLIC RELATIONS**

<table>
<thead>
<tr>
<th>£m</th>
<th>H1 2024</th>
<th>△ REPORTED</th>
<th>△ VS 23 LFL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue less pass-through costs</td>
<td>568</td>
<td>(2.7)%</td>
<td>(0.9)%</td>
</tr>
<tr>
<td>Headline operating profit</td>
<td>80</td>
<td>(9.1)%</td>
<td></td>
</tr>
<tr>
<td>Headline operating margin</td>
<td>14.1%</td>
<td>(1.0)pt</td>
<td></td>
</tr>
</tbody>
</table>

LFL REVENUE LESS PASS-THROUGH COSTS (%)

<table>
<thead>
<tr>
<th>Q2 2023</th>
<th>Q3 2023</th>
<th>Q4 2023</th>
<th>Q1 2024</th>
<th>Q2 2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.0</td>
<td>2.4</td>
<td>1.5</td>
<td>2.4</td>
<td>2.0</td>
</tr>
<tr>
<td>(0.9)</td>
<td>(3.3)</td>
<td>(3.3)</td>
<td>(3.3)</td>
<td>(3.3)</td>
</tr>
</tbody>
</table>

- Sequential improvement in Q2 driven by double-digit growth at FGS Global, our financial advisory and communications firm.
- Burson continued negative impact from Pfizer 2023 assignment loss and lower client spending due to macroeconomic and political uncertainty.
- Margin impacted by revenue pressure.

**SPECIALIST AGENCIES**

<table>
<thead>
<tr>
<th>£m</th>
<th>H1 2024</th>
<th>△ REPORTED</th>
<th>△ VS 23 LFL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue less pass-through costs</td>
<td>4.56</td>
<td>(6.6)%</td>
<td>(4.7)%</td>
</tr>
<tr>
<td>Headline operating profit</td>
<td>15</td>
<td>(46.4)%</td>
<td></td>
</tr>
<tr>
<td>Headline operating margin</td>
<td>3.4%</td>
<td>(2.6)pt</td>
<td></td>
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</tbody>
</table>

LFL REVENUE LESS PASS-THROUGH COSTS GROWTH (%)

<table>
<thead>
<tr>
<th>Q2 2023</th>
<th>Q3 2023</th>
<th>Q4 2023</th>
<th>Q1 2024</th>
<th>Q2 2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1.6)</td>
<td>(6.8)</td>
<td>(6.8)</td>
<td>(7.8)</td>
<td>(2.0)</td>
</tr>
</tbody>
</table>

- Sequential improvement in growth driven by CMI Media Group, our specialist healthcare unit, which returned to double-digit growth in Q2.
- Landor and Design Bridge and Partners, our branding agencies, and smaller specialist agencies continue to be adversely affected by clients delaying projects amid macro uncertainty.
- Margin impacted by the revenue decline in our branding agencies.
And now turning to page 14 and Specialist Agencies where revenue less pass-through costs was down 4.7% on a like-for-like basis.

CMI, our US specialist healthcare media agency, delivered double digit growth in Q2 but this was more than offset by our brand agencies, Landor and Design Bridge & Partners, and the tail of smaller agencies which were impacted by continued cautious client spending. This is resulting in a lower level of project-based work and longer lead times in ramping up new assignments.

Headline operating profit of £15m resulted in operating margin of 3.4%, down 2.6 percentage points year-on-year reflecting the decline in revenue, higher severance costs and the impact of operating leverage.

Turning to slide 15 and our performance by region.

In North America the US declined by 1.4% in H1 2024 reflecting lower revenues from technology clients, which were down double digit in Q1 but improved to broadly flat in Q2, and from retail and healthcare sectors reflecting 2023 client losses. This is partially offset by growth in CPG, telecommunications and automotive. Q2 growth of 2.6% was a marked improvement over a Q1 decline of 5.4% driven by an improved performance in GroupM and the stabilisation of technology client spend against easier comparisons.

United Kingdom declined 2.6% in H1 with a Q2 decline of 5.3% reflecting a strong comparator and timing factors. Ogilvy, GroupM and Hogarth grew, and were offset by declines in other agencies more exposed to project-related work.

In Western Continental Europe, we saw a weaker quarter on quarter performance really driven by Germany which declined 4.8% in the first half impacted by a weak macro environment. This is offset by good growth in Spain as new clients were onboarded.
The Rest of World declined in H1 2024 with a Q2 decline of 2.2% as high single digit growth in India was offset by a decline of 24.2% in China on client assignment losses and persistent macroeconomic pressures impacting both our media and creative agencies.

Slide 16 shows Q2 and H1 performance across our client sectors with continued strength in CPG, as we see clients in this sector continuing to invest strongly behind their brands, and Telecom, Media & Entertainment benefiting from client wins in 2023. Automotive growth improved in Q2 driven by growth at our largest client.

Growth in those sectors was offset by continued lower spend from technology clients, which began to stabilise in Q2 as we lapped weaker comps, and the impact of previously disclosed assignment losses in healthcare and retail.
Slide 17 shows the development of our headline operating margin against last year. Margin of 11.5% was up 10 basis points in constant currency as we absorbed a small headwind from stronger sterling.

In the bridge you can see that staff costs pre-incentive were £132 million lower year-on-year. This reflects wage inflation offset by lower headcount as a result of actions we have taken, along with benefits from structural cost savings. These cost actions offset top line pressure in China and in some of our smaller agencies and, together with investment in our WPP Open and AI teams, led to an overall 20 basis point drag on margin from staff costs.

Staff incentives were lower as the business performance lagged internal targets in some areas leading to a lower level of accrued annual and longer-term bonuses. We expect much of this to be due to phasing which should unwind in H2.

Savings on personal costs and establishment and other G&A made a small positive contribution offset by IT costs where spending was broadly flat year-on-year against a weaker top line.
Levers to unlock more profitable growth

Structural savings & simplification

**Target:**
- c.£125m annualised net savings by 2025 (c. 40-50% expected to be realised in 2024), with c.£125m restructuring costs (to be incurred in 2024)

**Progress:**
- Net savings on track to achieve >50% of targeted 2025 savings in 2024; ahead of plan
- £72m of restructuring costs in H1 ‘24 in line with plan
- VML and Burson integration and cost actions on track
- GroupM simplification on track: progress on both the structural cost actions and our global media platform, Media Studio; and new leadership

Turning now to slide 18 and the structural cost savings from our strategic initiatives.

We have made very strong progress implementing the cost actions as part of the creation of VML and Burson and simplification of GroupM and I would like to recognise all three teams for the significant work they have done, at speed, to deliver against their plans.

Restructuring actions at Burson and VML are now broadly complete with annualised savings on track and associated restructuring costs to deliver the savings in line with guidance.

At VML, as well as delivering cost synergies, we are integrating our enterprise tech solutions and optimising our production and tech hubs. We are also making good progress across our Finance and HR transformation and delivering efficiencies from real estate and legal entity rationalisation.

Similarly, at Burson, the team have been busy expanding the breadth of their offer, retiring legacy brands, integrating across enterprise tech and real estate. Having now broadly executed all of their cost actions, VML and Burson are shifting their focus from integration to business improvement.

GroupM has implemented its new ‘market’ operating model, simplifying support functions and integrating growth and marketing efforts, as well as GroupM’s go-to-market strategy under one leader. Strong progress has been made on both structural cost actions and our global media platform, Open Media Studio, which brings together key media tools, simplifying our global proposition and consolidating our investment.

Execution of the GroupM plan will continue through the second half with all related cost actions completed in 2024.

We also continue to make good progress on our back and front-office efficiency. Across enterprise IT, we successfully rolled out Maconomy in several markets in EMEA and South America. Our cloud migration continues to deliver costs savings and other benefits, including decommission legacy equipment and capacity.
We have continued building out our finance shared service centres, including migrating teams from VML in North America and Brazil and WPP HQ.

Across procurement we continue to drive further savings and consolidate our supplier base and in real estate we continue to optimise across our property portfolio, recently opening a new operations and delivery hub in Wuxi, China, as part of an ongoing optimisation of our cost base in that market.

Slide 19 shows the movement in Net Debt which is down just under £100m vs. June last year. This is primarily driven by a lower level of M&A spend in our first half.

The working capital outflow reflects the usual seasonal movement, and we continue to work towards a flat working capital movement for the full year. We continue to expect underlying Net Debt at the end of 2024 to be broadly flat versus year end 2023, and this excludes the impact of the sale of our majority stake in FGS Global, which is expected to complete in Q4.
Turning to slide 20 and our capital allocation policy which remains unchanged. We continue to prioritise targeted investment in our business with a focus on WPP Open and our AI capability. Today we have announced a 15p interim dividend consistent with our dividend policy.

We intend to use the net cash proceeds of £604m from the sale of our majority stake in FGS Global to reduce our leverage, implying a proforma average net debt to EBITDA of 1.6x well within our target average leverage range of 1.5 to 1.75x.

And finally turning to slide 21 and our guidance for the full year.
While, our performance in the second quarter delivered sequential improvement in net sales, further weakness in China and ongoing macro pressures have led us to moderate our expectations for the pace of recovery in the second half. As a result we now expect like-for-like revenue-less-pass-through-costs of -1% to flat for 2024.

We are making good progress on our strategic initiatives and efficiency programmes and expect to see an acceleration of savings realised in 2024 which supports holding our margin guidance for a 20-40bps improvement in operating margin in 2024.

This is before any impact from FX, which at current rates, and based on our expected geographic mix in the balance of year, we expect to be a headwind of 2.8% to LFL net sales and a 10 bps headwind on margin.

On M&A we have not made any significant acquisitions so far in 2024 and as a result the contribution of M&A in 2024 is likely to be below the previously indicated range of 0.5-1.0%.

Our guidance for the remaining metrics, net finance costs, tax, capex, restructuring costs and working capital, is consistent with that at the start of the year.

So thank you, and I will now hand you back to Mark.

Thanks very much you Joanne, so turning to our strategic progress on page 23.
Back in January 2024, we set out these four strategic objectives and I am pleased to say that we have made very good progress against each of them. While it is too early to see the impact of these in our top-line performance we do see them in our cost base and margin.

On Page 24, our first objective is to lead through AI, data and technology, and we are seeing widespread AI adoption across WPP. While we believe that we're still in the early days of AI's impact, we have seen enough to be sure that AI is going to be fundamental to WPP's future, as well as to that of our clients. I'd like to explain that by looking at how it's changing WPP. It's
changing first how we work, secondly how we produce work for clients, and lastly the type of work that we produce, the different types of consumer experiences that we can create with AI.

On Page 25, we are seeing rapid adoption in terms of how we work.

We're seeing rapid adoption of AI use cases across WPP, and we're increasingly deploying our Creative Studio and Media Studio across the organisation. WPP Open's Creative Studio was the first part of our new AI platform to launch. It allows us to get to better creative ideas more quickly. For instance, it allows clients to do research for briefs and write better briefs more quickly. It gives creative help in bringing our ideas to life and content instantaneously. We've added new functionality in the past six months, such as the ability to create Instagram posts for any brand, anywhere, with just a few clicks.

WPP Open's Media Studio is also being deployed into clients, integrating the best tools used by GroupM agencies into a single integrated media suite. It allows our planners to design, plan, automate, and optimise media campaigns through a single interface. It brings data about audiences directly into a planner’s dashboard. We launched a new functionality that allows us to plan media campaigns automatically based not just on live pricing, but on live audience availability. All of this is driving the rapid adoption of generative AI across our business. Since the beginning of the year, we’ve seen monthly active users of Creative Studio up 74%, LLM usage growing at 177%, and image generation at 241%.
On Page 26. WPP Open is also becoming more powerful. One of the strategic advantages of the platform for WPP and for our clients is its independence from any single foundational model. While Google Gemini is core to the platform, we’re constantly adding new large language and image models to give our people and our clients the ability to choose the best model for the best task and enrich it with our and our clients' proprietary data. And on the right, we’ve already deployed WPP Open across many of our largest clients, where it’s proving particularly powerful in standardising and integrating complex, fragmented marketing processes and supporting our clients with their own marketing transformation process.

(Audio-Video Presentation)
I think the area where we’re seeing AI as having the most impact short term is in production. We’re seeing a lot of what I would call point solutions in the market that are using off-the-shelf gen AI image platforms to create basic advertising images. But these models lack brand accuracy and product fidelity, which means they’re fine for brainstorming ideation but not for use in finished work. So we needed to find a different solution.

Our multi-year partnership with NVIDIA is really bringing us strength in two areas. On the left, it is allowing us to build production pipelines into our Open Production Studio that allow us to rapidly create advertising and other materials incorporating both product accurate visualisations and Gen AI backgrounds.

And on the right, most recently, working with NVIDIA and Shutterstock, we developed an LLM-based 3D design solution, giving new levels of control and flexibility for clients, such as The Coca-Cola Company and Ford, who require high volumes of content permutations. This innovation work was recently showcased by Jensen Huang during his keynote interview at the prestigious SIGGRAPH Visual Effects Conference.

We continue to invest in the next generation of creative technology talent to bring this technology to our clients and to put our creative technology apprenticeship program at the heart of our innovation work with NVIDIA and Shutterstock.

So, let’s hear from them now how AI is impacting their creative work. So, could we please play the video? The first video.

(Audio-Video Presentation)
So you can see there some of the ways in which we’re using AI to bring our ideas to life and some of the way some of our people are embracing this technology.

Now we’re not just using AI to make us work more efficiently, we’re using it to create new and different consumer experiences. We’re producing a lot of work across the company that’s doing this. There are many examples we can choose, and these are three of them. I work with Mars, I work with The Coca-Cola Company, I work with Mondelez, three of our clients who are probably among the most forward-looking in embracing AI.

And I thought we’d like to see how we’re doing that work with Mars and their Snickers brand. So could we play the second video, please?

(Audio-Video Presentation)

All right. So, some of the more entertaining ways one can use AI.
On Page 30, turning to creative transformation and the core of our business. We're very proud of our performance at Cannes. We continue to believe that creativity is critical to our business and to our clients. It's what makes clients come to WPP. And while awards are not a goal in themselves, they are a reflection of the quality of the work that we do for clients, and study after study have shown the link between creative success and the effectiveness of work and the ROI for clients. So, we're very pleased that Ogilvy were Network of the Year, and also that WPP was ranked the Creative Company of the Year at Cannes this year.

But more importantly, on page 31, is the recognition of the work for our clients. Coca-Cola was Brand of the Year – less than three years into their partnership with WPP and Unilever, our
long-standing client, was Marketer of the Year, with much of the work that they were recognised for coming from WPP agencies.

Now as I said at the start of the call, this has been a busy year on multiple fronts – and while are teams have been busy delivering world-class work for clients – we have also been tackling three major structural initiatives across WPP.

Together, these businesses represent around 70% of WPP’s net sales and I’d like to give you some colour on these businesses and what we are doing.

Starting with VML on Page 32.

We launched VML in January this year. We believe it the world’s largest creative agency with a compelling and broad offer and the depth of resources to serve global clients across brand experience, customer experience and commerce.

Jon Cook, Mel Edwards and the team have brought the teams from VMLY&R and Wunderman together with the ambition of building a strong and unified culture.

They are tackling many of the areas you can see the create a single, more effective business, while the offer is also resonating with clients – and new business wins like Perrigo and for AstraZeneca’s are clearly early indicators of success.
Secondly, Burson on page 33. Now Burson launched formally in June this year as we believe is now the No 2 PR firm ranked by size. Its branding speaks to Harold Burson's impact on the public relations industry and it's reinventing his legacy in a modern way for today's clients and in today's world.

Corey, AnnaMaria and the team have been hard at work for the last six months, integrating leadership teams, merging offices, building a common culture, and getting into the market to win new business. And you can see some of the prestigious clients that they're winning and the way this new offer is resonating in the market.
And lastly, turning to GroupM on Page 34. The GroupM today, I remind everyone, is the world's largest media agency in an area where scale still does matter. Managing almost $63 billion in worldwide advertising spend, it remains the largest global agency by some way. Its scale and capabilities are unrivalled, but our breadth and structure has sometimes made our offer and go-to-market overly complex. The changes that Christian led are building a simpler foundation on which to optimise that go-to-market.

Our investment in WPP Open and development of Open Media Studio builds on that foundation. And integrated within the platform is WPP and third-party data, in particular Choreograph’s global data graph that enables intelligent activation across more than 73 markets and 5 billion consumer profiles.

The work to simplify GroupM has continued at pace over the first half. The move to single country P&Ls is complete with all media agency finance functions integrated into a single GroupM function in each market.

And last month, we announced that Christian will be moving to a new role at WPP and Brian Lesser will be rejoining us as CEO at GroupM. I know Brian very well, I worked with him very closely when we acquired 24/7 Real Media back in 2012. He is a strong leader, he understands technology and he is a builder of products. He is also extremely good with clients and people. So I’m looking forward to him starting next month and working with him on GroupM.

Now we know that GroupM had a tougher time in new business, particularly in the U.S., for the past 18 months, but we do expect the combined effect of these initiatives to reverse this and for us to start winning again in this critical market.

So, together you can see how we’re taking action across the company, investing in critical areas while continuing to do excellent work for our clients.

And all of that on Page 35 gives us the confidence to deliver our medium-term financial framework, which I remind you is 3% plus organic growth in revenue less pass-through costs,
a 16% to 17% headline operating margin, 85% adjusted operating cash flow conversion and net debt to EBITDA ratio of 1.5x to 1.75x, supported by a disciplined capital allocation program.

So, that concludes the formal elements of our presentation. We're now open to taking questions. Thank you.

Q&A

Operator
Thank you. Our first question comes from Laura Metayer from Morgan Stanley.

Q: Laura Metayer
Hi, Mark. Hi, Joanne. Two questions from me, please.

The first one is on the phasing of growth for H2. Could you please give us a little bit of colour on what your expectations are?

And then secondly, could you please talk about China? Obviously, you've seen a weak performance in Q2. Could you tell us a bit more about the actions you're taking there to improve performance and to win new business? Thank you.

A: Mark Read
Right. Thanks, Laura. Joanne, do you want to talk about sort of the phasing of growth and expectations in China? And I'll add anything on the end of that.

A: Joanne Wilson
Yes, of course. Thanks, Laura, and good morning. So just in terms of the phasing of Q3 and Q4, now we don't guide by quarters, but I'll just give you a sense of some of the things that we're seeing and what we've built into our plan.

So, obviously, the macro pressures still exist. We've seen that through Q2. We'd expect that to continue into Q3. And at the upper end of our guidance, we would expect to probably see those perhaps lift somewhat in Q4 versus what we have seen more recently.
In China, we saw a deterioration in Q2. I'm expecting the second half to remain very challenging in China. I expect for a full year that we will be down double digits. To what extent we'll be down will be determined by what we see in the macro really in that market. So I'd expect Q3 and Q4 to be fairly balanced from a China perspective.

And then, of course, other levers to consider is our comps. So our comps obviously get easier in the second half. Q3 is our softest comp. We were minus 0.6% last year. And then on the tech sector, we talked about the stabilisation that we have seen in Q2, and we would expect to see a movement into growth in the second half. But for the full year, we are expecting to be broadly neutral in tech. But those comps get easier again in Q3 and in Q4 a little bit harder than Q3. So those are some of the dynamics to think about in the phasing.

**A: Mark Read**

I think on China, we have made a number of changes to the business. I don't think we expect to see it improving in 2024, but I think we probably expect to see the situation stabilising somewhat in 2025. We've appointed a new President for WPP in China from inside the business and a new leadership team at GroupM. I think that team are working in a more integrated way.

One of the actually interesting changes we're making, we're moving -- we've opened a facility in Wuxi, which is a city about two hours from Shanghai, enable us to produce work in a lower cost location. So we're moving to a sort of more dynamic and flexible model. So I think the team in China are very focused on a competitive offer, but we have had our challenges in the market. And I would say that they're compounded by the Western multi-national nature of much of our client base, and the presence we have in luxury and automotive in that market as well.

**Q: Laura Metayer**

Thank you.

**Operator**

Thank you. Our next question comes from Adam Berlin of UBS. Adam, your line is now open.

**Q: Adam Berlin**

Hi, good morning, everyone. This is Adam Berlin from UBS. I've also got three questions. The first question is, can you give us an update on some of the key reviews of Unilever, Sky, Amazon?

Mark, I think in your opening comments you mentioned something about a win in Amazon Media. I'm not sure that was related to the Colgate account or there's something that I've missed around Amazon. Can you just clarify what you meant by that Amazon Media comment you made in the opening remarks?

Second question is, can you just talk a little bit through what the moving parts are in H2 to be at either the top or the bottom end of the guidance range you've now provided for the full year?

And thirdly, do you still expect adjusted free cash flow to be flat year-on-year? I think it was down about £90 million in H1. And if so, can you just talk about why you catch up in H2? What are the drivers of that catch-up? Thanks very much.
A: Mark Read

So, in terms of the reviews, we are very focused on all three of those. You're correct that the Amazon review was Colgate appointing us to help manage their Amazon spend, but it's an important win, nonetheless. I don't really at this point have anything to add, Adam, unfortunately, where part of those reviews and the client decisions will come when the client decisions will come. I think we've done an excellent job in all three, but they're very competitive situations.

Joanne, do you want to talk about H2 and free cash flow?

A: Joanne Wilson

Yes, the moving parts. So, like, the minus 1% to flat implies in H2 we'll be at minus 1% at the bottom end and plus 1% at the top end. The bottom end is really in line with our H1 like-for-like. But of course, we have the softer comps. So it seems a more challenging performance if you look at it on a two-year basis. And really the drivers of that would be macro in China. So, a continued challenging macro environment, which is weighing particularly on some of our smaller agencies in that project related work.

And then, of course, on China, we've seen a significant deterioration in Q2 and really that continuing through the second half. The other variable within that is the tech recovery. So, we are assuming that we continue to see a sequential improvement in tech through Q3 and Q4. But at the bottom end, that recovery would remain or would be quite slow.

And then at the top end, Adam, it really assumes a step-up. And again, that reflects the comps. It would assume that we see some of those macro pressures starting to lift a little bit in the back end of the year. And then on China, as I said, we are expecting a challenging year in both scenarios. So, double-digit decline, but perhaps to a lower extent, and that tech recovery contributes to growth in a more meaningful way. And then on the sorry, can you just repeat your question on cash, so it was around the adjusted free cash flow?

Q: Adam Berlin

Yes, the question was on, I think you've guided in the past for free cash flow to be broadly flat this year with last year overall. And obviously, it was down about £90 million I think in the first half. So I'm just wondering what makes it catch up in the second half?

A: Joanne Wilson

Yes. So obviously, we'll have a little bit more profit coming through in the second half. We are still holding our guidance to flat on adjusted free cash flow. That's still the expectation. And working capital has been in outflow. For the full year, we're expecting that to be flat. We've seen some of those restructuring costs taken in the first half, but we're very much in line with our guidance on those for the second half. And our cash and tax, everything is very much in line. So, it'll really just be phased in between the first half and that second half.

Q: Adam Berlin

Can I just follow up, are you factoring in the downside case, the bottom end of the guidance, any kind of slowdown in the U.S. macro environment?

A: Joanne Wilson

Yes, I think what we've seen as we've talked about, encouraged by the improved performance that we saw in Q2, much of that for us was tech driven. And we expect continues, so that will
continue to support U.S. growth in the second half. We've also seen good growth across CPG, auto, telcos, as well as stabilisation in tech. Our H2 forecast, as you'd expect, is balanced, and it really reflects just the macro and the election uncertainty that we're seeing. And of course, we'll continue to have headwinds from some of those client losses in the U.S. So I would say, yes, they're taking into account in our forecast, but it's a balanced forecast for the second half.

**Q: Adam Berlin**

Thank you so much.

**Operator**

Thank you. Our next question comes from Julien Roch of Barclays. Julien, your line is now open.

**Q: Julien Roch**

Yes, good morning. First one on China, I'm trying to gauge how much of your full-year organic downgrade is linked to China, so by how much? Can you give us an indication of how much you downgrade your organic expectation for China in the second half?

Second question, two-part on Kantar. You sold FGS for a very good price. So, what about Kantar? And also progress on the disposal of Kantar Media?

And lastly, any other assets that might not be core, so you still have a stake in Imagina, I believe. What else in the associate line or in the fully consolidated entities you could crystallise value from? Thank you.

**A: Mark Read**

Yes. Thanks, Julien. So look, I think sort of starting at the end, I mean, there are a number of investments that we would have, that we would look at. I don't think there's anything in the fully consolidated line. But if I look at the investments in associates, there are a number of things that are at the right price we would look at. That includes Kantar. I think on Kantar, we're very aligned with Bain Capital. And the likely outcome is we will exit it at the same time as them. We do view it as a financial investment, and we'd exit at the same time as them. We hope for as attractive valuation as FGS Global.

I think on Kantar Media, it's not really for us to comment on this call on that. So I think we're sort of focused on sort of balance sheet value realisation, I'd say, where we can, and continue to be.

Joanne, do you want to tackle the China question?

**A: Joanne Wilson**

Yes. Good morning, Julien. China in the first half, I talked about it being a 120 basis point drag on GroupM's like-for-like. And for WPP overall, it was an 80 basis point drag in the first half. So significant. I've talked about expectations for the second half to be double-digit decline. And therefore, it could be up to 80 basis points for the full year as well. It's really hard to think about it.
Q: Julien Roch
Okay. And maybe, Mark, you said a number of investments that we have. I mean, can you highlight what are your biggest investments that are non-core apart from Imagina?

A: Mark Read
I don't want to go through the list. I just think that they've been there, and we've continued to hold them under review. We've done a few over the years. We sold our investment in Two Circles earlier this year. So I just think it's a sort of continuous process of review, and at the right time, we would look to continue to realise value from those balance sheet investments.

Q: Julien Roch
Okay. Thank you.

Operator
Thank you. Our next question comes from Adrian de Saint Hilaire of Bank of America. Adrian, your line is now open.

Q: Adrian de Saint Hilaire
Thank you. Good morning, everyone. I've got a few questions please.
So, how much of the second half weakness do you think spills over into 2025, number one?
And number two, you're doing well to keep the margins steady for '24, despite the revenue shortfall. So, perhaps can you explain a bit what extra initiatives you've taken to keep the margin where they are despite the revenue shortfall?
And maybe related to this, I know it's a bit of a theoretical and early question. But if we assume that next year is another challenging year of low to no growth, would you still be in a position to keep the margins steady or even up versus '24? Again, theoretically.

A: Mark Read
Joanne, do you want to answer that?

A: Joanne Wilson
Yes. So, let me talk to '25. And of course, I'm going to say it's far too early to give guidance on '25. But as we think about it, '24 we've had a number of headwinds. So, we've talked about the 2023 client losses, which really only impact us this year. We've talked about China, and that has been a significant headwind in 2024. Tech, we think will be broadly neutral after being a big drag in '23. And then we've talked as well about we're seeing a big impact on our smaller agencies in the macro. So some of those will drop out, some will stabilise, and some may turn into a tailwind -- or I would expect some of them to turn into a tailwind in 2025.
We've talked today about the strategic initiatives that we're undertaking, strengthening our offer of VML, Burson, and GroupM. And those are all built around contributing to accelerated growth. And we're seeing very encouraging growth from our largest clients. So really, those are some of the moving parts, and we'll have to see where we exit 2024 before we can really give better guidance on 2025.
And then your second question was on margin in 2025 and how we're delivering this year. So, I mean what I'd say on margin this year is we are incredibly pleased with how the three teams are delivering those -- against their strategic initiatives. We are on target to deliver the
annualised cost savings of £125 million. We'll actually see an accelerated saving in 2024. So previously, we talked about 40% to 50%. In 2024, I think that will be closer to 60% this year. And that's really supporting getting structural costs out and helping us progress the margin in a year where the top line is flat to slightly down.

And we've also, as you'll have seen in the first half, been very disciplined around cost actions. So those agencies where we have seen a softer top line and more significant impacts, we have been quick to take headcount actions and really address the discretionary costs, which is some of the benefit of our high level of variable costs across the business. So really, those are the drivers of 2024. And it's definitely too early to talk about margin in 2025.

Q: Adrian de Saint Hilaire
Thank you.

Operator
Our next question comes from Joe Thomas of HSBC. Joe, your line is now open.

Q: Joe Thomas
Good morning. Thanks for taking the questions. A couple, one of which follows on from the last question, actually, which is how you're thinking about operational gearing in the business at the moment. Obviously, you've brought forward the cost savings for this year, but the margin guidance hasn't changed. I'm just wondering what the interplay is.

And also, I think you were talking about reducing bonuses or the bonus pool, and I wondered how persistent that could continue for, or how persistent that could be.

And then just turning to GroupM, I was interested in what you were saying, Mark, about the various measures that you have taken there. It would just be useful if you could just kind of go through them and identify what the issue was that you feel was there in GroupM, and how these measures rectify what the problem was and hopefully drive growth in the future. Thank you.

A: Mark Read
Yes. Look, why don't I start with GroupM. Look, I think we've had a -- we have not been as successful in winning new business in North America as we would like. And I think that's down to a number of factors. some around leadership, quite a lot around the complexity of the structure that's not enabled us to get our best people in front of our biggest opportunities. And then some around our data and technology platform, which, because it was fragmented, was not always resonating with clients. I think over the last year, we've made a lot of progress. We have a new CEO, GroupM, in North America.

We've restructured and rebuilt our new business team. We've integrated all our technology and launched WPP Open Media Studio that's resonating, I think made us much more competitive. So I think all of that brings us, let's say, to parity. I think we need now to demonstrate that success in the market and win new business.

So, I think there's a discussion to be had around the use of proprietary media. And I think there's a number of, I would describe them as black box media models in the market that perhaps WPP has not offered. And I think, some of those black boxes are not that transparent. I'm not sure in the long run that they're going to work in a market that's transparent like America. But we are looking at our proprietary media products and looking at how we can innovate to
be more competitive. We do offer some proprietary media in the market in the U.S., but much less than a number of our peers. Joanne, do you want to take the other questions?

**A: Joanne Wilson**

Yes. So, Joe, just on -- well, let me talk with -- start with the bonus pools and incentives. So what we've seen in the first half is incentives dropping year-on-year. That's with our annual incentives on our long-term incentive plan. And that's really mechanical, reflecting the performance in the first half. As I said in my -- today, I do expect us to rebuild the annual incentive in the full year. And so I think that's really phasing of delivery of the targets for this year.

I mean, to your question on the past few years and incentives, we have some very strong years on incentives, and they came off a little bit last year, reflecting performance. And then in those agencies where we're seeing a more challenged performance, obviously, that means that those incentives are coming down again. So -- but as I said, I would expect it to be flat to slightly up for the full year.

In terms of the operational gearing, look, I mean, we have a very high level of variable costs in our business, which means that we have quite a level of flexibility when we see the top line deteriorating, and to offset that in some markets, that's easier to do than in others. In the first half this year, how to think about it is in China and the smaller agencies, we've probably seen more of that impact from the soft top line and flow through to the bottom line, which has been a strain on the margin. But we're offsetting that, as you said, with the structural cost savings that we are seeing starting to come through in the first half. And we'll see more of those come through in H2. So, good gearing, more challenging in smaller agencies than in China this year, but hopefully offset by that structural cost initiative.

**Joe Thomas**

Thanks very much.

**Operator**

Our next question comes from Steve Liechti of Deutsche Numis. Steve, your line is now open.

**Q: Steve Liechti**

Yes. Thank you. Steve Liechti from Deutsche Numis. Three from me, please.

First of all, just on FGS sale, can you just talk us through why you're not giving any money back to shareholders, no cash returns, rather than paying down debt? I hear about your debt corridor, but just your thoughts there on even a partial return.

Secondly, on the media business, the Brian Lesser appointment, you kind of touched on it. But I wonder if you could flesh out that a bit more in terms of what he brings to the party, and whether you think that perhaps you haven't done enough previously and he is a new catalyst there.

Then lastly, on the tech side, just anything on green shoots visibility there? Obviously, there's been a lot of noise about the big tech companies spending a lot of money on AI, but not getting that much on it. And does that mean that the products are not really coming through that you see? Just anything on the pipeline that you can see going forward there? Thanks.
A: Mark Read

Yes. On the proceeds of FGS, and we're going to use them to reduce, to pay down debt, and it will take our leverage for this year, bang it in the middle of our range. I think given that, it's right to sort of stay at that point. And we'll keep buybacks under advisement as we go through this year and into next year.

On Brian, he worked for WPP for 10 years. He came in through 24/7. He and I worked very closely on the creation of what was then the Media Innovation Group, and then Xaxis. And Xaxis was really the first proprietary media business run by agencies in our sector. He understands technology. He understands product. His last role at GroupM was running GroupM in North America. So, he is very familiar with the organisation. And the people in GroupM, though some people have changed, many people are still with us from when Brian ran a business in North America. He went from there to run Xandr, which is the AT&T ad sales business. And it, again, brought together advertising, technology, media, and then most recently, InfoSum, which is really a data-driven technology business.

So, I think, you can see in his background, he combines what GroupM needs. And that's certainly not to say that Christian didn't, but Brian brings expertise in product, expertise in technology, good relationships with clients, and he is a leader of a business.

So, I'm positive about the impact that he'll have on the business. This is not about a single person, but I think he brings a lot of skills that we need.

In terms of AI, I think we said in the statement, I think AI is still, I'd describe it as, we can see the impact that it's having, but it's a little bit too early for a lot of the products to be used in finished work. And I'd say, that's true across industry more broadly. It's true at WPP. And I was at a recent event with a number of CEOs that were talking about, many of them have individual ways of using AI in their business. I don't think it's really scaled to its full potential, nor do we see a lot of consumer models that are driving widespread sort of revenue lines for technology companies.

So, I think technology comes in a little bit more cautious on investing, though we did win two or three weeks ago an assignment with one technology company to promote their AI services to consumers. So I think we are starting to see them market them. So, thank you for your questions.

Steve Liechti

Thanks.

Operator

Our next question comes from Tom Singlehurst of Citi. Tom, your line is now open.

Q: Tom Singlehurst

Thank you. It's Tom here from Citi. Just a couple of questions, if that's okay.

One is, Joanne, I think you mentioned sort of structural cost savings in the context of China. I just wanted to double and triple check that, that means that from here on in, you're going to be a bit tougher on the margin in China, because I know that's been an area where you've tolerated a bit of drag, sort of pending an upturn in the past. So, clarification on that would be great.
And then the second question, on the sale of FGS, if we look back when FGS was created, I think you indicated that the margins for that asset were a lot higher than the peer group sort of -- or the segmental average at least. Does the sale necessitate any change in the sort of medium-term margin guidance? Thank you.

A: Joanne Wilson

So just on the China question, Tom, and structural cost savings, I mean, yes, absolutely, we look across all of our businesses and markets to make sure that we are optimising the P&L. And for China, what we have done this year is we've appointed a President of China, and he is working with all of the CEOs of the agencies to really optimise our talent and our proposition in that market. And as part of that, we are looking at our cost base.

So, we have taken headcount actions in China this year. And as I said, we are opening a hub in Wuxi, which is just outside Shanghai, and that is intended to have a lower cost hub than what we have. And we'll continue to do that through the second half. China remains a strategically important market for us, and we are taking all of the actions that we need to. I think, as I said, it will continue to be tough this year, but I would hope that we would see some stabilisation in 2025.

And then in terms of FGS, I think the question was, does it change our medium-term guidance? No, it doesn't. FGS was a great business. It was a fast-growing business, a good margin business. But overall, it's not a material impact for us, and I'm very much still confident in delivering those medium-term targets that we set it in January.

Tom Singlehurst

That's great. Thank you.

Operator

Thank you. We currently have no further questions at this time.

Mark Read

All right. Well, thank you very much, everybody, and thank you for your questions. As I said at the start of the call, it's been a busy first half to the year, and we took you through much of what's going on across the company. And it's going to be a busy second half.

There's a lot to go for in terms of new business, to convert there. So, we're very focused on. So, thank you all for your questions, and we'll talk to you later.

Operator

This concludes today's call. Thank you to everyone for joining. You may now disconnect your lines.