

COVID-19

The coronavirus pandemic has touched all our lives. At WPP our first priority is the wellbeing of our people and doing what we can to limit the impact of the virus on society. Our second is continuity of service for our clients. We have thrown ourselves into achieving both objectives.

To ensure the safety of employees and to help reduce transmission, we moved to a global policy of managed remote working in mid-March, and at the time of writing approximately 95% of our people worldwide are working from home. Across the world, our agencies are providing NGOs, governments and clients with communications and other services – often on a pro bono basis – to help fight Covid-19.

The companies in the strongest financial position will be best placed to protect their people, serve their clients and benefit their shareholders during and beyond this period of deep uncertainty. At the end of March we announced a number of measures designed to minimise the impact of any downturn on our employees and ensure the Company is well prepared to weather the storm.

First, we suspended our share buyback scheme and our 2019 final dividend so that our balance sheet and cash position are as healthy as possible. Second, the WPP Board and Executive Committee took a voluntary 20% cut in their fees or salary for an initial period of three months. And third, we began a comprehensive programme of cost reduction and cash conservation measures.

We have also modelled a range of revenue declines resulting from the pandemic and, in the most extreme scenarios tested, considered further actions that could be taken to mitigate the impact on cash flow and ensure additional liquidity.

Most of the content of this Annual Report was produced before the outbreak became the global pandemic it is today, at a very different time for our business and for the world as a whole. We debated whether we should radically change the report in light of this, but decided against it. First, because we want it to stand as an accurate record of 2019, and second because we believe our strategy remains the correct one.

The changes we have made in WPP over the last year or so have made the Company more resilient and more future-facing. We have fewer, stronger agency brands, and a much simpler structure that is easier for clients to navigate and easier for us to manage. We have significantly reduced our debt through the sale of a majority stake in Kantar, meaning we are in a much stronger financial position than we were when I became CEO. And we are committed to our vision of WPP as a creative transformation company that brings together human brilliance and technological expertise to deliver results for our clients. The events of recent weeks and months call for us to accelerate rather than slow the pace of our own transformation.

When we come through the current situation, the world will have been changed in ways that we cannot fully anticipate yet. But the demand from our clients for the creativity and ingenuity possessed by the people who work at WPP and across our industry will be greater than ever. I am in no doubt about that.

What we do plays a vital role in driving and sustaining the wider economic activity that societies need to function. Every country will need to stimulate that activity when they move into the recovery phase.

So, while I am concerned about the wellbeing of our people, I am confident in the future of WPP.

I would like to take this opportunity to express my deep gratitude for the extraordinary effort, resilience and kindness of WPP employees all over the world, whose support for one another and commitment to their clients has been truly inspirational. I am very proud of all of them.

Mark Read
29 April 2020

FIGHTING CORONAVIRUS WITH CREATIVITY

AGENCY
MULTIPLE WPP COMPANIES

CLIENT
WORLD HEALTH ORGANIZATION

Communication is a critical part of the World Health Organization's strategy in the fight against Covid-19, as it works with governments, partners and stakeholders to encourage people to stay at home and adopt safe behaviours.

WPP is supporting the WHO on a pro bono basis by producing global and regional public awareness campaigns to help limit the spread of the coronavirus and its impact on society.

The partnership leverages the scale of our global resources, expertise and talent to assist the WHO in directly reaching the public with its life-saving communications. It involves a number of different WPP agencies, including Grey, GroupM, Hogarth, Hill+Knowlton, Inca, Motion Content Group, Ogilvy, Wavemaker and WPP Scangroup.

At the time of writing, global media partners including Al-Jazeera, Amazon, CNBC, CNN, Disney, Fox/National Geographic, Sky, Teads and Verizon (sourced by GroupM and Wavemaker) have donated more than \$20 million in media to support this effort.

The work shown here is a film from Grey New York called Five Heroic Acts, which stresses the importance of social distancing.

More examples of what WPP and our companies are doing to help – working with clients, governments and NGOs – can be found on our website, wpp.com.



