ACCELERATING GROWTH
CAPITAL MARKETS DAY
17 December 2020
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WPP IS A CREATIVE TRANSFORMATION COMPANY
# WE SERVE MANY OF THE WORLD'S MOST SUCCESSFUL COMPANIES

## WPP'S TOP 20 CLIENTS

<table>
<thead>
<tr>
<th>CPG/PREMIUM</th>
<th>TECHNOLOGY/MEDIA</th>
<th>PHARMA AND HEALTHCARE</th>
<th>AUTOMOTIVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unilever</td>
<td>Microsoft</td>
<td>gsk</td>
<td>Mazda</td>
</tr>
<tr>
<td>Nestlé</td>
<td>Dell</td>
<td>Pfizer</td>
<td>Ford</td>
</tr>
<tr>
<td>MARS</td>
<td>Google</td>
<td>Johnson &amp; Johnson</td>
<td></td>
</tr>
<tr>
<td>BAT</td>
<td>Huawei</td>
<td></td>
<td></td>
</tr>
<tr>
<td>adidas</td>
<td>IBM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Colgate-Palmolive</td>
<td>Apple</td>
<td></td>
<td></td>
</tr>
<tr>
<td>P&amp;G</td>
<td>Comcast</td>
<td></td>
<td></td>
</tr>
<tr>
<td>L’Oréal</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
WE HAVE MANY OF OUR INDUSTRY'S MOST POWERFUL AND RESPECTED BRANDS

GLOBAL INTEGRATED AGENCIES

CREATIVE AGENCIES

- AKQA
- GREY
- Ogilvy
- Wunderman Thompson
- VMLY&R
- Hoqarth

MEDIA AGENCIES

- MINDSHARE
- MEDIACOM
- bcw
- Wavemaker
- essence
- Eimgsbury Sluczovttingen
- Hill+Knowlton Strategies
- gtb

PR & PUBLIC AFFAIRS

SPECIALIST COMMUNICATIONS

- Landor & Fitch
- superunion
GLOBAL REACH AND SCALE IN GROWTH MARKETS

1. % FY19 Revenue less pass-through costs
   Figures in chart are headcount at Q3 2020
SIGNIFICANT STRENGTHS IN A TECHNOLOGY-DRIVEN WORLD

- c.$30B: Annual GMV over WPP-installed commerce platforms
- Working on ecommerce with 76 out of 100 clients
- 1.6B: Audience pool updated for planning and activation daily
- >20k: Accreditations in 2020 across technology partners
- c.40%: Of media billings are digital
- 25%: Of net sales attributable to clients in TMT sector
- $10B: Client billings across Google, Amazon and Facebook
- Top 3: Global partner to Adobe and Salesforce in marketing tech

1. H1 20 figure
2. YTD Sep-20
OUR PURPOSE IS TO USE THE POWER OF CREATIVITY TO BUILD A BETTER FUTURE FOR OUR...

PEOPLE

- 30% Club
- The Valuable 500
- Bloomberg Gender-Equality Index

PLANET

- NEW Plastics Economy
- AD Green 100
- TCFD Task Force on Climate-Related Financial Disclosures

CLIENTS

- Courage is Beautiful

COMMUNITIES

- World Health Organization
PROGRESS SINCE DECEMBER 2018

ACCELERATING OUR GROWTH

• THE MARKET
• WPP’S STRATEGY
• BUILDING OUR CULTURE
• FINANCIAL PLAN

Q&A
PROGRESS SINCE DECEMBER 2018
# 2018: THE SITUATION

## SLOWING GROWTH
- Negative growth for 4 quarters
- No growth in USA since Q4 2016
- 5 or 6 out of 6 peers in relative growth

## CLIENT ISSUES
- Largest client under review
- $4 billion of client business being pitched

## ORGANISATIONAL COMPLEXITY
- No common WPP vision, culture or purpose
- 9 separate creative or digital networks
- At least 500 brands

## UNSUSTAINABLE FINANCIAL MODEL
- Lack of capital allocation discipline
- Dividend close to 60% of earnings
- Debt approaching £5 billion
WHILE MEDIA AND DIGITAL PERFORMED WELL, OUR CREATIVE AGENCIES STRUGGLED

RELATIVE GROWTH OF MAJOR AGENCIES
(CONSTANT CURRENCY NET SALES GROWTH, INCLUDING M&A)

<table>
<thead>
<tr>
<th>MEDIA</th>
<th>DIGITAL</th>
<th>CREATIVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>GroupM</td>
<td>VML</td>
<td>JWT</td>
</tr>
<tr>
<td>22.9%</td>
<td>6.8%</td>
<td>12.0%</td>
</tr>
<tr>
<td>7.5%</td>
<td>3.0%</td>
<td>10%</td>
</tr>
<tr>
<td>3.8%</td>
<td>3.0%</td>
<td>1.0%</td>
</tr>
<tr>
<td>7.5%</td>
<td>7.5%</td>
<td>5.9%</td>
</tr>
<tr>
<td>5.9%</td>
<td>3.0%</td>
<td>3.0%</td>
</tr>
<tr>
<td>-3.5%</td>
<td>-1.5%</td>
<td>-4.9%</td>
</tr>
</tbody>
</table>

*5 yr CAGR to 2014*

*5 yr CAGR to 2019*

**BASIS OF PREP:** All agencies exclude GTB and the effect of material intra-group transfers. Ogilvy excludes Geometry. All agencies include Hogarth.
GROUPM HAS DELIVERED BOTH GROWTH AND MARGIN

GROUPM MARGIN VS DIGITAL SHARE OF MEDIA MARKET

BASIS OF PREP: Headline OP GroupM excludes GTB, includes Hogarth
SOURCE: GroupM 'This Year Next Year' report total advertising spend exc. political advertising in US
IN DECEMBER 2018, WE SET OUT FIVE STRATEGIC OBJECTIVES

- VISION AND OFFER
- CREATIVITY
- DATA AND TECHNOLOGY
- SIMPLER STRUCTURE
- PEOPLE AND CULTURE
WE EXPANDED OUR OFFER INTO FASTER-GROWTH AREAS

GLOBAL MARKETING EXPENDITURE 2019

NOTES:
• Source for addressable spend all IDC, apart from Communications (GroupM/WPP)
• Sources for non-addressable spend: Communications — GroupM; Experience — IDC CX Spending Guide 2019; Commerce — estimate based on Experience ratios; Technology — WARC/BDO “Martech 2020 and beyond” (October 2019)
WE RENEWED OUR COMMITMENT TO CREATIVITY

Laura Jordan Bombach  |  Marcos Kotlhar  |  Taras Wayner

Keith Cartwright  |  Debbie Vandeven  |  Walter Geer

Noel Cottrell  |  Danilo Boer  |  Justine Armour

Holding Company of the Decade
Pencils won by eight creative agencies
Most Effective Holding Company 2012-2020
No.1 Media Holding Company 3 years running
89 awards in 2019; top honours to Ogilvy and AKQA
BCW no.1 in 2020 Global Creative Index
WE HAVE RADICALLY SIMPLIFIED OUR STRUCTURE

**FROM**
- 25 networks
- 65+ speciality businesses
- 500+ brands
- 10,000 people in campuses

**TO**
- 10 networks
- <40 speciality businesses
- 220 brands
- 38,000 people working from 20 campuses

**ACTIONS**
- 100+ local office mergers
- >£3.5bn raised from 60+ disposals
- 80+ business unit closures
OUR CLIENT SATISFACTION HAS SYSTEMATICALLY IMPROVED

WPP CLIENT SATISFACTION

<table>
<thead>
<tr>
<th>Year</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018 H1</td>
<td>7.3</td>
</tr>
<tr>
<td>2018 H2</td>
<td>7.4</td>
</tr>
<tr>
<td>2019 H1</td>
<td>7.7</td>
</tr>
<tr>
<td>2019 H2</td>
<td>7.7</td>
</tr>
<tr>
<td>2020 H1</td>
<td>7.8</td>
</tr>
<tr>
<td>COVID</td>
<td>8.1</td>
</tr>
</tbody>
</table>

SOURCE: WPP Vantage; 2.4K-59K+ client responses per period; scores out of 10
# WE HAVE WON AND RETAINED MAJOR CLIENTS

## 2020 NEW BUSINESS LEAGUE
### HOLDING GROUP RANKING

**Global / Oct 2020**

<table>
<thead>
<tr>
<th>RANK</th>
<th>HOLDING GROUP</th>
<th>ESTIMATED CREATIVE YTD REVENUE (USD $M)</th>
<th>ESTIMATED MEDIA YTD REVENUE (USD $M)</th>
<th>ESTIMATED OVERALL YTD REVENUE (USD $M)</th>
<th>% AS OF 2019 REVENUE</th>
<th>NO. OF WINS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>WPP</td>
<td>286.9</td>
<td>269.6</td>
<td>556.6</td>
<td>3.3%</td>
<td>1,590</td>
</tr>
<tr>
<td>2</td>
<td>Publicis Groupe</td>
<td>109.1</td>
<td>148.6</td>
<td>257.7</td>
<td>2.2%</td>
<td>659</td>
</tr>
<tr>
<td>3</td>
<td>Omnicom</td>
<td>114.8</td>
<td>141.3</td>
<td>256.1</td>
<td>1.7%</td>
<td>778</td>
</tr>
<tr>
<td>4</td>
<td>Dentsu</td>
<td>107.6</td>
<td>77.3</td>
<td>185.0</td>
<td>1.9%</td>
<td>898</td>
</tr>
<tr>
<td>5</td>
<td>Interpublic</td>
<td>93.8</td>
<td>69.3</td>
<td>163.2</td>
<td>1.6%</td>
<td>442</td>
</tr>
</tbody>
</table>
TOGETHER, IMPROVED OUR RELATIVE PERFORMANCE

WPP VS. AVG ORGANIC GROWTH — USA
% BY QUARTER, 2016-2020

WPP vs. AVG ORGANIC GROWTH — GLOBAL
% BY QUARTER, 2016-2020

BASIS OF PREP: USA includes Dentsu ‘Americas’. Dentsu does not disclose USA alone prior to Q3 2019.
SOURCE: Company reports
WE ENTER 2021 HAVING MADE SIGNIFICANT PROGRESS — MUCH OF IT DURING COVID

• **Improved organic growth performance**
  o Growth ex-China pre-COVID
  o Above peer group in last two quarters
  o 3 out of 6 with the ambition to go further

• **Stronger client performance**
  o 15 of top 30 clients grew in Q3
  o Business at risk at low levels throughout 2020
  o Industry-leading new business performance

• **Improved financial position**
  o Net debt down to £2.3 billion at Q3

• **Taken action during COVID to be ready for 2021**
  o Continued to attract top talent
  o Responded rapidly on cost
  o Positioned WPP for the future: AKQA Group, VMLY&R Commerce, Finsbury Glover Hering
ACCELERATING OUR GROWTH:

THE MARKET
COVID IS ACCELERATING EXISTING TRENDS

1. Growing importance of purpose and reputation

2. Technology reshaping old consumer models — mass media, bricks & mortar — with new expectations of personalisation & immediacy

3. Collision of communications, content and commerce, powered by data and technology

4. CMOs are becoming Chief Growth Officers requiring new skills and support

5. Marketing value chain is evolving with disruptive entrants and operating models
CONSUMERS EXPECT MORE FROM COMPANIES

2.5X
BRAND VALUE
for brands perceived as having a high positive impact on society¹

85%
BELIEVE
brands should be about something more than profit²

62%
PREFER
to buy from sustainable brands³

90%
BELIEVE
companies have an environmental and social responsibility⁴

¹ Kantar Purpose 2020 Report
² Generation Z: Building a Better Normal, Wunderman Thompson Intelligence, Dec-20
³ The State of Consumer Spending: Gen Z Shoppers Demand Sustainable Retail, Jan-20
⁴ Bank of America Gen Z Primer
Digital is now the dominant medium

**Media Spend by Medium ($M)**

- **US**: 63% digital
- **China**: 90% digital
- **UK**: 72% digital
- **Brazil**: 53% digital
- **India**: 37% digital

**Source:** GroupM, The Advertising Association/WARC, IAB, Company Reports.
ECOMMERCE HAS ACCELERATED DRAMATICALLY

ECOMMERCE AS % OF RETAIL SALES

<table>
<thead>
<tr>
<th></th>
<th>UK</th>
<th>US</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>15%</td>
<td>9%</td>
</tr>
<tr>
<td>2018</td>
<td>16%</td>
<td>10%</td>
</tr>
<tr>
<td>2019</td>
<td>18%</td>
<td>11%</td>
</tr>
<tr>
<td>Q1 20</td>
<td>20%</td>
<td>12%</td>
</tr>
<tr>
<td>Q2 20</td>
<td>21%</td>
<td>16%</td>
</tr>
<tr>
<td>Q3 20</td>
<td>31%</td>
<td>14%</td>
</tr>
</tbody>
</table>

SOURCE: US Consensus (Nov-20) and ONS Internet retail sales (UK). Q3 20 represents preliminary estimates.
# Streaming Services and Social Video Are Exploding

## Global SVOD Subs

<table>
<thead>
<tr>
<th>SVOD Subs</th>
<th>By 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.2BN</td>
<td></td>
</tr>
</tbody>
</table>

## Subscribers to Disney+

<table>
<thead>
<tr>
<th>Subscribers</th>
<th>By 2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;230M</td>
<td></td>
</tr>
</tbody>
</table>

## Hours of Video Watched on YouTube Daily

<table>
<thead>
<tr>
<th>Hours</th>
<th>YouTube</th>
</tr>
</thead>
<tbody>
<tr>
<td>1BN</td>
<td></td>
</tr>
</tbody>
</table>

## TikTok App Downloads

<table>
<thead>
<tr>
<th>Downloads</th>
<th>Worldwide</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;2BN</td>
<td></td>
</tr>
</tbody>
</table>

## Unique Creators Streaming on Twitch

<table>
<thead>
<tr>
<th>Creators</th>
<th>Monthly</th>
</tr>
</thead>
<tbody>
<tr>
<td>6M+</td>
<td></td>
</tr>
</tbody>
</table>

## Monthly Ad-Supported Viewers on Hulu

<table>
<thead>
<tr>
<th>Viewers</th>
<th>Hulu</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;92M</td>
<td></td>
</tr>
</tbody>
</table>
CLIENT SPEND IS HOLDING UP — BUT IT IS SHIFTING

Q: What percentage of your company’s total revenue is allocated to its total marketing expense budget?

68% of CMOs expecting martech budget increase

Spend on marketing technology now exceeding traditional agency fees

Digital will be 61% of global ad spend in 2021

TV will be 18% of UK ad spend in 2021

SOURCE: 2020 Gartner CMO Spend Survey
n = 328 (2020); 342 (2019) N.America/U.K. Respondents; 618 (2018); 350 (2017); 375 (2016); 424 (2015); 363 (2014)
OUR GROWTH OPPORTUNITY IS IN DIGITAL COMMUNICATIONS AND IN EXPERIENCE, COMMERCE AND TECHNOLOGY

 SOURCE: All IDC, apart from Communications (GroupM/WPP)
COFFEE BREAK
EXTRAORDINARY AWARDS
5 MINS
ACCELERATING OUR GROWTH:
WPP'S STRATEGY
WPP'S GROWTH STRATEGY

ACCELERATING OUR GROWTH

COMPANIES
Strong, growing brands

CLIENTS
Partner to the world's leading companies

COUNTRIES
Scale in the markets of the future

SCALEd CAPABILITIES
To deliver scale in production, data and technology

CULTURE
To be the employer of choice for all

GROUP-WIDE TRANSFORMATION
To provide an efficient and effective platform to fund investment

CAPITAL ALLOCATION: To provide sustainable returns to our shareholders
COMpanies: Our Growth Platforms

1. Includes AKQA and Geometry, previously in Specialist Comms

<table>
<thead>
<tr>
<th>Creative</th>
<th>Media</th>
<th>Public Relations</th>
<th>Specialist Comms</th>
</tr>
</thead>
<tbody>
<tr>
<td>AKQA</td>
<td>essence</td>
<td>bcw</td>
<td>supernion</td>
</tr>
<tr>
<td>GREY</td>
<td>MECIAcam</td>
<td>MEdiacom</td>
<td>LANDOR &amp; Fitch</td>
</tr>
<tr>
<td>Wunderman Thompson</td>
<td>Mindshare</td>
<td>Hill+Knowlton Strategies</td>
<td>Gtb</td>
</tr>
</tbody>
</table>

Growth Platforms:

**Creative**
- Digital communications
- HealthCare
- Ecommerce and experience
- Marketing technology
- Production

**Media**
- Digital media: Search, social and programmatic
- New business models: Xaxis and Finecast
- Data and technology

**Public Relations**
- Purpose and reputation
- Sustainability
- Digital and social media

**Specialist Comms**
- Brand experience and identity
- Specialist services
VMLY&R DEMONSTRATES BENEFITS OF INTEGRATION

VMLY&R QUARTERLY LFL NET SALES GROWTH

BASIS OF PREP: All agencies excluding GTB and Hogarth.
CREATIVE AGENCIES: EXCELLENCE IN DIGITAL COMMUNICATIONS

Boots.com page views
+95% YOY

Social impressions
+687% YOY

Return on ad spend
223% over benchmark
CREATIVE AGENCIES: EXPANSION INTO ECOMMERCE

New category entrants across three global brands

One of the world's largest roll-outs of Adobe's B2C commerce platform

10 commerce sites launched so far
1ST ONLINE RESERVATION PLATFORM

500K VISITORS IN FIRST 24 HOURS AFTER LAUNCH
23 MILLION CUSTOMERS HAVE VISITED BRONCO CUSTOMER PAGES

45 MINS BRONCO SOLD OUT
8 DAYS FIRST EDITION MACH-E SOLD OUT

95% OF ALL MACH-E RESERVATIONS MADE ONLINE
IN MEDIA, WE CAN BUILD ON SIGNIFICANT MOMENTUM

<table>
<thead>
<tr>
<th>Media Agency GROUPS</th>
<th>TOTAL New Business Values (incl. billings retained)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  GroupM</td>
<td>4,020 1,166</td>
</tr>
<tr>
<td>2  Publicis Media</td>
<td>1,496 1,440</td>
</tr>
<tr>
<td>3  Dentsu</td>
<td>867 362</td>
</tr>
<tr>
<td>4  Mediabrands</td>
<td>798 160</td>
</tr>
<tr>
<td>5= Havas Media Group</td>
<td>534 552</td>
</tr>
<tr>
<td>5= Omnicom Media (OMG)</td>
<td>533 348</td>
</tr>
</tbody>
</table>

2020 KEY MEDIA NEW BUSINESS WINS

SOURCE: COMvergence, Q1-Q3 2020
XAXIS CONTINUES TO GROW AND INNOVATE

CHALLENGE FROM VOLVO
• More customers and lower cost per conversion through relevant and tailored digital communications

APPROACH
• Combined WPP team across Xaxis, Mindshare and Grey
• First-party Google analytics data to define Volvo’s target audience
• Leveraging machine learning to address relevant users at scale
• Dynamic Creative Optimization (DCO) testing of campaign elements to identify best creative combination
• Through AI, Volvo’s creative messaging continually transformed based in real-time learnings to build 2,358 ads, each tailored to the end user

OUTCOME
• 66% Decrease in Cost per Conversion
• 440% Increase in Conversion Rate
AND CONNECTED TV REPRESENTS A SIMILAR OPPORTUNITY

DEEP UK CONNECTIVITY ACROSS BROADCASTERS AND PLATFORMS

50% Monthly reach (UK households)

+40,000,000 TV devices

ALSO LIVE TODAY

Australia
Canada
USA

NEW MARKETS BY END OF 2021

Netherlands
India
Thailand

Italy
Taiwan

Germany
Indonesia
IN PUBLIC RELATIONS, WE HELP TO MAXIMISE THE EFFECTIVENESS OF OUR CLIENTS’ CAMPAIGNS

99.99% Of households counted

99.99% Increase in Conversion Rate Of households counted

World Health Organization
Hill + Knowlton Strategies
CLIENTS: EXPANDING OUR OFFER

EXPERIENCE
Brand Expression & Sonic Branding

Innovation

COMMERCSE
Dedicated Amazon team

TECHNOLOGY
Single Customer View

AND GROWING WITH THE CLIENT

NEW PRODUCTS

ACQUISITIONS

EXPANSIONS
COUNTRIES: CAPTURE THE OPPORTUNITY IN HIGHER GROWTH MARKETS

BRAZIL

CHINA

INDIA

KENNER supervision

AIEexpress Ogilvy

TATA Wiron + WUNDERMAN THOMPSON
OUR GROWTH IS SUPPORTED BY A COMMON APPROACH TO PRODUCTION, TECHNOLOGY AND DATA
DATA AND TECHNOLOGY-DRIVEN PRODUCTION: HOGARTH

Instagram

Unprecedented times call for unprecedented planning

Celebrate what we share

Watch Instagram Stories
TECHNOLOGY: SCALED GLOBAL PARTNERSHIPS

MARKETING TECHNOLOGY

Adobe
Salesforce
Sitecore
Microsoft
Shopify
SAP

DIGITAL MEDIA+

Google
Snapchat
Amazon
Microsoft
Facebook
Twitter
TikTok
Instacart

CLOUD & AI

Microsoft
Google
Amazon
IBM

CREATIVE & PRODUCTION

NVIDIA
Unreal Engine
InVision
Frame.io
Adobe
Vidmob
TikTok

$400M SERVICE
REVENUE

3,200+ EXPERTS

170+ CLIENTS
ASSIGNMENTS
TECHNOLOGY: DEEP SPECIALISATION

DIGITAL AGENCIES

Gartner Magic Quadrant for Global Digital Agencies, Feb 2020
- 4/10 Leaders

CX

IDC Worldwide CX Improvement Services, 2020
- WPP/AKQA clear leader

ADOBE

Forrester Adobe Implementation Services Wave Leaders, Q2 2020
OPEN DATA APPROACH: DELIVERING MASS PERSONALISATION

• Integrated WPP team across creative, media, data, technology and public relations
• WBA-owned identity graph to activate WBA's first party data in all channels
• Third party platforms, fully integrated with partners
ACCELERATING OUR GROWTH:
BUILDING THE CULTURE
BUILDING CULTURE THROUGH PURPOSE

Using the power of creativity to build better futures

PEOPLE
Attract, retain and develop our people in a culture that is open, optimistic and extraordinary

PLANET
Accelerate the transition to a sustainable world

CLIENTS
Deliver extraordinary work through the best people and a unifying purpose

COMMUNITIES
Drive change in the world around us
THE SITUATION TODAY

SIGNIFICANT AREAS OF STRENGTH...

- 100k+ employees – highly skilled and motivated
- Strong response to COVID from our people who demonstrated resilience and commitment — supported by a broad and deep wellbeing programme
- Progress on collaboration including cross-agency client wins
- Excellent gender balance at junior/manager level – more than 50% women

...BUT OPPORTUNITIES FOR IMPROVEMENT

- Much more work to do on racial diversity overall. Still working towards 50-50 gender split at leadership levels
- Approx. 60–65% of hires come from outside WPP = need to improve career opportunities for our people
- Lowering employee churn
- Multiple systems with poor integration
OUR PEOPLE ARE OUR COMPANY

Attraction

Retention

Growth

The Best Talent Delivering for our Clients
OUR PEOPLE STRATEGY

1. EMPLOYER OF CHOICE FOR ALL
2. MODERNISATION OF EXPERIENCES
3. GROWTH

CREATIVE TRANSFORMATION

TECHNOLOGY & DATA & INSIGHTS
DIVERSITY AND DIFFERENCE DRIVES CREATIVITY

Diverse companies are more likely to financially outperform their peers by at least 25%

<table>
<thead>
<tr>
<th>Gender Diversity</th>
<th>Ethnic Diversity</th>
</tr>
</thead>
<tbody>
<tr>
<td>25%</td>
<td>36%</td>
</tr>
</tbody>
</table>

Companies with more diverse leadership teams report 19 percent points higher innovation revenue

- **26%** average innovation revenue for companies with below-average diversity scores
- **45%** average innovation revenue for companies with above-average diversity scores

A diverse workforce is better at developing innovative products and services

Diversity policies won't lead to overnight improvements in innovation, but a diverse company will see about two new additional product announcements over 10 years

Source: McKinsey Diversity Wins Report

BCG Diversity and Innovation Survey 2017

North Carolina State University Study 2018
**EMPLOYER OF CHOICE FOR ALL**

**CELEBRATING DIVERSITY AND DEMONSTRATING PURPOSE**

- Commitments on racial equity including investing $30 million over three years and publishing our diversity data annually
- New Inclusion Index to better understand our people's experience of inclusion and belonging
- Partnerships including Valuable 500, Unstereotype Alliance, LaGrant foundation and others
- Signatory of Women's Empowerment Principles
- Public commitments on Sustainability
- New Supplier Diversity policy
# Modernisation of Experiences

## Our Long Term Plan

### Our People
- Improved experience as new joiner
- User-friendly self service tools
- Easy mobile access
- AI-driven view of performance, development and career opportunities
- Access to live job opportunities across WPP brands
- Access to global mobility programme with standardised processes
- Employee data secure

### Our Leaders
- Real-time data and analytics for better decision-making
- Improved measurement and reporting DE&I KPIs
- Ability to quickly resource accounts with right talent
- Career framework for talent development and succession planning
- Ensured performance-based compensation decisions
- Able to more easily deliver data for audit

### Our Clients
- Better able to match employee skills with client needs
- Client lead performance measured and development plans aligned with client needs
- Build diverse client teams
- Data availability will facilitate new business opportunities
- Expand core skills, capabilities, and offerings
Doubling investment in leadership development programmes for 2021
Investment in capabilities learning for the future
Inclusion training and workshops

Endless career path
New Career Explorer

Walgreens Boots Alliance win, using cross-agency teams
LONG TERM FINANCIAL INVESTMENT

EMPLOYER OF CHOICE FOR ALL

• Embedding Diversity, Equity and Inclusion into talent processes
• More inclusive employee experience informed by analytics
• Build out early career diverse talent pipeline partnerships

MODERNISATION OF EXPERIENCES

• Analytics on skills, certifications, productivity, mobility & client impact
• New technology and better systems integration designed with a people-first lens

GROWTH

• Leadership development programmes
• Learning focused on the capabilities of the future
• Mobility & career pathing to ensure retention
HOW WE WILL MEASURE SUCCESS

KEY PERFORMANCE INDICATORS FOR PEOPLE

1. Improvement in Employee Net Promoter Score (ENPS)
2. Improvement in diversity, equity & inclusion metrics
3. Client satisfaction & wins metrics
4. Learning and certification metrics
5. Attrition/churn metrics
BUILDING CULTURE THROUGH PURPOSE

Using the power of creativity to build better futures

PEOPLE
Attract, retain and develop our people in a culture that is open, optimistic and extraordinary

PLANET
Accelerate the transition to a sustainable world

CLIENTS
Deliver extraordinary work through the best people and a unifying purpose

COMMUNITIES
Drive change in the world around us
COFFEE BREAK
WPP TV
5 MINS
WPP'S FINANCIAL PLAN
WPP’S FINANCIAL PLAN

1. ACCELERATED GROWTH THROUGH INVESTMENT

2. GROWTH FUNDED AND MARGINS IMPROVED THROUGH GROUP-WIDE TRANSFORMATION PROGRAMME

3. CLEAR CAPITAL ALLOCATION FRAMEWORK

4. ATTRACTIVE FINANCIAL OUTCOMES
ACCELERATED GROWTH THROUGH INVESTMENT

"CORE" GROWTH 1-2%

P&L INVESTMENT RISING TO £400M ANNUALLY BY 2025 TO DRIVE INCREMENTAL 1.5% GROWTH

M&A OF £200-400M ANNUALLY TO ADD 0.5-1.0% GROWTH

MEDIUM-TERM GROWTH POTENTIAL
TARGETING 40% OF OUR BUSINESS IN HIGHER GROWTH AREAS BY 2025

SALES MIX ACROSS OFFER PILLARS

WPP 2019 sales mix

- Technology: 75%
- Commerce: 12%
- Experience: 8%
- Communications: 5%

Market sales mix

- Technology: 55%
- Commerce: 20%
- Experience: 17%
- Communications: 8%

SOURCE: Market sales mix all IDC, apart from Communications (GroupM/WPP)
SHIFTING SALES MIX TOWARDS HIGHER GROWTH AREAS

SHIFTING THE OFFER MIX

ADDRESSABLE GROWTH RATE

<table>
<thead>
<tr>
<th></th>
<th>WPP sales mix</th>
<th>40/60 target</th>
<th>2024 TAM mix</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communications</td>
<td>75%</td>
<td>60%</td>
<td>50%</td>
</tr>
<tr>
<td>Experience/Commerce/Technology</td>
<td>25%</td>
<td>40%</td>
<td>50%</td>
</tr>
<tr>
<td>+3.5%</td>
<td>+4.8%</td>
<td>+5.6%</td>
<td></td>
</tr>
</tbody>
</table>

SOURCE: Market sales mix all IDC, apart from Communications (GroupM/WPP)
1. TARGETING SECTOR OPPORTUNITIES

- **RENEWED GROWTH WITH CPG SECTOR**
  - 2016: 27%
  - 9M 2020: 26%

- **CONTINUE TO GROW WITH TECH SECTOR**
  - 2016: 12%
  - 9M 2020: 18%

- **COMPLETE RECOVERY IN PHARMA/HEALTHCARE**
  - 2016: 13%
  - 9M 2020: 12%

- **FOCUS EFFORTS IN UNDERWEIGHT SECTORS**
  - E.G., FINANCIAL SERVICES
  - 2016: 6%
  - 9M 2020: 4%

**PROPORTION OF REVENUE LESS PASS-THROUGH COSTS FROM OUR TOP 200 CLIENTS FOR EACH SECTOR**
1 INNOVATIVE ENGINES OF GROWTH IN MEDIA

XAXIS

- Programmatic is 80-90% of digital display in US and UK
- Xaxis expected to capture **double-digits market growth**
- New markets **(in Europe and Latam)**, new clients
- **Omnichannel video** powered by AI (Copilot)
- **Native** and **influencer** with strong momentum
- **Audio, DOOH** moving to programmatic

FINECAST

- **63%** YoY growth in US internet-connected devices usage, Q2 2020
- Roku (AVOD) nearly **50%** of total US internet-based viewing minutes in Q2
- Finecast progress:
  - Deep technology integration with broadcasters
  - Supported by GroupM purchasing scale
  - +27% LFL revenue less pass-through costs in H1; H2 acceleration forecast
  - Rapid footprint expansion: **11 markets** by end 2021

* eMarketer, 2019 — Programmatic Digital Display Ad Spending report
1. INVESTING IN HIGHER-GROWTH MARKETS

**BRAZIL: 2.4% OF WPP**
- Total CAGR: **12.6%**
- Digital CAGR: **9.8%**

**CHINA: 6.7% OF WPP**
- Total CAGR: **9.3%**
- Digital CAGR: **10.4%**

**INDIA: 2.5% OF WPP**
- Total CAGR: **16.7%**
- Digital CAGR: **21.1%**

SOURCE: GroupM ‘This Year Next Year’ report total advertising spend
### SUMMARY INVESTMENT PLAN

Goal to grow in Communications, and to increase the share of our business in Experience, Commerce and Technology to 40% by 2025

<table>
<thead>
<tr>
<th>£ MILLIONS</th>
<th>ANNUAL REINVESTMENT BY 2025</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>INCENTIVE POOL</td>
<td>c.100</td>
<td>Rebuild incentive pool to historical levels: target 3-4% of revenue less pass-through costs from c. 2.5% today</td>
</tr>
<tr>
<td>TECHNOLOGY</td>
<td>c.150</td>
<td>Increased investment in technology and enterprise IT</td>
</tr>
<tr>
<td>TALENT</td>
<td>c.150</td>
<td>Increase in fee-earning heads in growth areas, investment in training to build capability</td>
</tr>
<tr>
<td>TOTAL</td>
<td>400</td>
<td></td>
</tr>
</tbody>
</table>

Summary Investment Plan: Goal to grow in Communications, and to increase the share of our business in Experience, Commerce and Technology to 40% by 2025.
## Scalable M&A in Growth Areas

### Communications

**Media**
- Enhance planning and strategy offer
- Offshore / flexible delivery models
- Performance media

**Creative**
- Exceptional creative agencies to underpin our creative core

### Experience

**Scaled Customer Experience Businesses**
- End to end digital customer journey design and implementation
- Expand experience consulting and delivery in USA and Asia

### Commerce

**Digital Commerce**
- Scale existing solutions to meet global demand

**Mobile & Social Commerce**
- Functional specialists to build global capability

### Technology

**MarTech Consulting & Implementation**

**Expansion into Core IT Consulting to Complement MarTech Offer**

**Data Science and Predictive Analytics**
GROWTH FUNDED AND MARGINS IMPROVED THROUGH GROUP-WIDE TRANSFORMATION PROGRAMME

BY 2025...

250
FUNCTIONAL EFFECTIVENESS/
SHARED SERVICES

200
EFFICIENCY
(PROCUREMENT AND PROPERTY)

150
OPERATING MODEL

200
MARGIN IMPROVEMENT

400
REINVESTMENT

Savings
Outcomes
FUNCTIONAL EFFECTIVENESS AND SHARED SERVICES:
£250 MILLION OPPORTUNITY

<table>
<thead>
<tr>
<th>CURRENT COST OF FINANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>C. 4%</strong></td>
</tr>
<tr>
<td>OF REVENUE LESS PASS-THROUGH COSTS</td>
</tr>
</tbody>
</table>

**MODEL TODAY**
- Dispersed, siloed and unbalanced functions in Finance, HR, IT and legal
- c. 8,000 Finance employees
- > 3,000 business units in c. 100 countries, > 300 financial systems
- Non-standardised ways of working
- Very detailed reporting requirements

**FUTURE MODEL**
- Single, federated approach to global business functions
- End-to-end process simplification and standardisation
- Automation, shared services at scale
- Streamlined reporting and control framework
- Data-driven insights for improved decision-making – leading not lagging indicators
- Agencies empowered to focus on winning and delivering client business
- Improved talent mobility
## Efficiency: £200 Million Opportunity

### Real Estate

**Current Establishment Costs**

- C. 6% of revenue less pass-through costs

**Future Model**

- Post COVID opportunity to utilise space more intensively within existing and future campuses
- Increase levels of shared/flexible space within campuses
- Target of 85k people in 65 cities on campus by 2025
- Reduce space requirements by 15-20%

### Procurement

**Indirect Spend**

- C. £2B

**Model Today**

- Inconsistent centralisation and pooling of scale
- Many goods and services still separately negotiated at agency level
- Prices can range by +/-25% by brand for same goods/services

**Future Model**

- Optimised and diverse supplier network
- Simplification of processes — mindful contracting
- Full adoption of analytic tool during 2021

---

MODEL TODAY

- Campus strategy in place since 2018
- Already a third of people in 20 campuses
- Still multi-site even in cities with campuses, eg London, NYC. Scope for further consolidation

---
OPERATING MODEL: £150 MILLION OPPORTUNITY

MODEL TODAY

• 10+ different, opaque country operating models
• Long tail of small agencies in unprofitable countries
• Too many management layers
• Duplication of effort in eg technology, production assets
• Significant travel and personal costs

FUTURE MODEL

• 3 clearly-defined country models
• Significant consolidation of local agency operations
• Simplified org. structures
• Standard, connected global platforms, leveraging our scale
• Permanent change to ways of working post COVID
• Capex forecast at £450-500 million in 2021 and 2022

• Partially relates to delayed 2020 capex

• Investments in campuses, ERP and shared service centres driving the majority of efficiency savings
APPROXIMATE PHASING OF THE GROSS SAVINGS TARGET

Operating model  | Efficiency  | Functional/shared services
--- | --- | ---
200 | 100 | 200
300 | 100 | 200
450 | 100 | 200
525 | 100 | 200
600 | 100 | 200
• Invest in growth, with a goal to increase net sales from Experience, Commerce and Technology to 40% by 2025

• Provide shareholders with an attractive and sustainable return, combining capital growth and income

• Maintain a strong and flexible balance sheet (leverage target of 1.5 – 1.75x average net debt/EBITDA), with excess capital returned to shareholders
STRONG FINANCIAL OUTCOMES

RAPID POST-COVID RECOVERY
LFL revenue less pass-through costs to grow mid-single-digits % in 2021 and 2022

ACCELERATED MEDIUM-TERM GROWTH
Targeting revenue less pass-through costs growth of 3–4% annually from 2023

IMPROVED PROFITABILITY
Targeting headline operating margin of 15.5–16.0% in 2023
2020 OUT-TURN AND INITIAL 2021 GUIDANCE

2020 Q4 CURRENT TRADING
• LFL revenue less pass-through costs -6.7% Oct/Nov 2020
  • -8.4% YTD
  • Full year outcome expected to be in line with YTD performance
• Headline operating margin 12.5-13.0%
• Year-end net debt around £1.6 billion, continued working capital focus

2021 OUTLOOK
• Mid-single-digit growth in LFL revenue less pass-through costs
• Returning to growth in Q2
• Headline operating margin 13.5-14.0%
• Net finance costs similar to 2020
• Pre-associates tax rate c 24%, rising c. 0.5% annually
• Capex £450-500 million
WPP'S FINANCIAL PLAN - SUMMARY

1. ACCELERATED GROWTH THROUGH INVESTMENT
   - Accelerating through growth in Communications and expanding Experience, Commerce and Technology from 25% today to 40% by 2025
   - Targeting sector opportunities eg CPG, Tech, Healthcare
   - Innovative engines of growth in media eg Xaxis, Finecast
   - Capturing the opportunity in higher growth markets eg Brazil, China, India
   - 2021-2022 – recovery
   - 2023 onwards – accelerated growth
     - 1-2% core business growth potential medium-term
     - c 1.5% incremental growth from investing c£400m p.a. in technology, talent and incentives
     - 0.5-1.0% incremental growth from investing £200-400m p.a. in high growth, scalable acquisitions

2. GROWTH FUNDED AND MARGINS IMPROVED THROUGH GROUP-WIDE TRANSFORMATION PROGRAMME
   - Plans in place to target £600 million of annual gross-cost savings by 2025
   - Annual net cost savings of £200 million expected by 2025 after £400 million reinvestment in growth
   - Savings phased over the next five years
   - Key areas of efficiency:
     - Operating model savings (e.g. new ways of working, consolidating data and technology investment, simplified country structure, stream-lined organisational structures);
     - Efficiency savings (Procurement, Real estate);
     - Functional Effectiveness & Shared Service savings (Legal, Finance, HR, & IT);
   - Efficiencies unlocked by significant capital investment in our campus programme, ERP systems and shared service centres
   - Efficiency measures will also enhance effectiveness: improving business insight and talent management, leaving agencies free to focus on growth

3. CLEAR CAPITAL ALLOCATION FRAMEWORK
   - Capex £450-500m p.a. expected in 2021 and 2022, reverting to £300-350m p.a. from 2023 to fund cost savings programme
   - Intention to pay a progressive dividend at around 40% pay-out ratio
   - £200-400m p.a. for high-growth, scalable M&A
   - Average net debt/EBITDA maintained in target range 1.5-1.75x
   - Kantar share buyback programme to resume in 2021

4. ATTRACTIVE FINANCIAL OUTCOMES
   - Rapid post-COVID recovery: LFL revenue less pass through costs is anticipated to grow mid-single digits over each of the next two years, recovering to 2019 levels through 2022.
   - Accelerated medium-term growth: revenue less pass through costs anticipated to grow 3-4% from 2023 onwards
   - Improved profitability: targeting 15.5%-16.0% operating margin in 2023
   - Double-digit EPS growth over the next three years
HOW WE WILL DELIVER THIS PROGRAMME

1. Includes Specialist Communications
2. Starting point is offer articulation

**Steering Committee (ExCo)**

1. **Simplified and stronger brands and countries**
   - Intra-brand simplification
     (Brand CEOs)
   - Country
     (Andrew Scott + Brand CEOs)

2. **Functional effectiveness**
   - Finance
   - HR

3. **Incentives and performance management**
   - Incentives
     (Jacqui Canney)
   - Performance mgmt.
     (John Rogers)

4. **Accelerated capability building**
   - Talent & development
     (Jacqui Canney)
   - Data and tech
     (Stephan Pretorius)
   - Production
     (Richard Glasson)

**Integrated plan/ Programme management**

- Integrated plan
  (John Rogers)
- Programme management
  (John Rogers)
- Change communications
  (David Henderson)
• Aim to provide split of business by four pillars at full year and half year:
  • Communications, experience, commerce, technology
  • From H1 2021

• Increased GroupM insight
  • Revenue, revenue less pass-through costs
  • Billings breakdown between digital/ traditional

• Ongoing updates to Group transformation programme

• Ongoing updates to our People strategy & KPIs
SUMMARY

• Focus on growth, profitability and returns, driven by client demand for our services
• Converting size into scale: data, media, technology
• People, culture and ESG at its heart
• Reducing inefficiency, investing in faster-growing areas
• Greater insight into underlying business performance
• Clear and investible capital allocation
COMMERCIAL BREAK
10 MINS
THANK YOU

WPP