

CHIEF EXECUTIVE'S STATEMENT



WPP has always been a company of innovators, driven by an instinct to create, to reinvent, to move forward and to lead

It's what makes us the creative transformation company, and it's why the world's biggest marketers entrust us with their brands.

It's also the inspiration for the next phase of our strategy, which we're calling 'Innovating to Lead'. At our Capital Markets Day in January 2024 we set out our plans to capture the opportunities of AI, data and technology, while realising the full potential of our offer to clients, building world-class agency brands and driving strong financial returns through efficient execution.

We are confident these plans – outlined in greater detail below and later in this report – will deliver accelerated and more profitable growth over the medium term.

A RESILIENT PERFORMANCE

In 2023, our industry felt the impact of a tougher economic environment. Spending by clients in the consumer packaged goods sector – WPP's largest segment – grew well, but this was offset by a more cautious approach to marketing spend in other sectors, and notably lower spend from technology clients.

Against this challenging backdrop, our performance was resilient, with like-for-like growth in revenue less pass-through costs of 0.9%. Strong growth in the UK and India was set against weaker trading in the US, China and Germany. Thanks to disciplined cost control, we were able to grow our like-for-like headline operating margin in 2023, while continuing to invest in AI, data, technology and talent.

GroupM, our media investment business, grew well, and Ogilvy – supported by major new client assignments – also performed strongly. Our creative production business,

Hogarth, was another standout performer, benefiting from increasing demand for its technology- and AI-driven capabilities.

We continued to win new clients and grow our existing relationships, attracting net new business of \$4.5 billion in 2023, including new assignments with Allianz, Krispy Kreme, Mondelez, Nestlé, PayPal and Verizon. As I write this today, our pipeline for potential new business is larger than it was at the same point in 2023.

We expect 2024 to be a transitional period of modest growth as we cycle through the impact of some assignment losses last year and as technology companies continue to manage through a period of disruption, but we are optimistic about the strategic opportunities ahead of us.

AI, DATA AND TECHNOLOGY

One of the primary reasons for that optimism is our leadership position in the application of AI, data and technology to marketing. Building on that strength is the first pillar of Innovating to Lead.

While we have been investing in AI for many years at WPP, the recent explosion of generative AI has rapidly increased its relevance to the marketing industry. For the first time, we can see how computers can do things we thought only people could do – take photos, write copy, create videos and more.

AI is already changing our industry. We have put it at the heart of our work today as well as our future strategy. We're working with all our top clients on AI-related projects and delivering exceptional AI-enabled work, examples of which you can see in this report.

This technology will be fundamental to the future of WPP, and being at the forefront of AI ensures we are taking full advantage of the substantial opportunities it presents.

As part of our technology strategy, we've been consolidating our position as leaders in the field with future-facing decisions including the acquisition of AI technology company Satalia in 2021; strategic partnerships with technology companies including Adobe, Google, IBM, Meta, Microsoft and NVIDIA; and organic

investment in client-facing technology, data capabilities and WPP Open, our AI-powered marketing operating system.

WPP Open is now used by more than 30,000 people across WPP each month to experiment, enhance our skills and build campaigns, and it's being widely deployed on client work. In 2023 it gave us the competitive edge in several major pitches, and it was adopted by some of our largest clients, including Nestlé and L'Oréal. Looking ahead, we expect to serve a growing number of clients through WPP Open as it plays an ever more central role in our offer.

Our plans include annual cash investment of around £250 million in proprietary technology to support our AI and data strategy and to keep us ahead of the pack.

CREATIVE TRANSFORMATION

I firmly believe that AI will enhance, not replace, human creativity. Vision, inspiration and imagination matter more than ever – and not just in our creative agencies, but in our media, PR and design companies. The extraordinary power of bold ideas continues to drive transformative business results for the world's leading brands, and it remains at the heart of our proposition to clients.

Unlocking the full potential of creative transformation to accelerate growth is the second pillar of our strategy. None of our competitors can match our global scale, the breadth and depth of our integrated offer in creative, media, production and PR, or our capabilities in fast-growth areas such as commerce, influencer marketing and retail media. We intend to capitalise on this advantage to expand our share of a growing market.

There are few better demonstrations of the competitiveness of our offer or the strength of our client relationships than our agencies' performance at the Super Bowl – one of the world's greatest showcases for excellence in marketing.

2024's Big Game saw an unprecedented 12 TV spots from WPP agencies plus media activations for more than 25 brands. There was creative work for clients including Hellmann's, Dove, Pringles, L'Oréal's CeraVe, VW and Verizon, while

Adidas, The Coca-Cola Company, Duracell, Mars, Nestlé, Google, Danone and the U.S. Navy were among the media buys.

Much of this work is the fruit of enduring partnerships between agencies and brands. Dove and Ogilvy have enjoyed 66 years of unbroken partnership, during which time they have transformed a humble soap brand into a \$7.3 billion social movement. In 2023 we were incredibly proud to celebrate 80 years of collaboration with Ford, while WPP Open X sprinted to its two-year anniversary as The Coca-Cola Company's global marketing partner.

The creative work we've produced together with The Coca-Cola Company won eight awards at Cannes Lions in 2023, as part of another highly successful festival for WPP that saw our agencies collect a total of 165 Lions and Mindshare win Media Agency of the Year.

WPP took the award for the world's most effective communications company at the Effies, and Ogilvy won most effective network. WARC named WPP the top company in each of its three rankings – for creativity, media and effectiveness – while Ogilvy was network of the year for both creativity and effectiveness and EssenceMediacom was the winner in media.

Awards like these matter because they reflect our agencies' ability to create commercial success for our clients, they recognise the industry-leading talent we have at WPP, and they act as a magnet for brilliant people to join our Company.

MARKET-LEADING BRANDS

The third pillar of our strategy is to continue to build world-class, market-leading agency brands that reduce complexity, maximise the benefits of our scale and enhance our offer to clients.

In 2023 we united Wunderman Thompson and VMLY&R to create VML, the world's largest creative agency, and in January 2024 we announced the combination of BCW and Hill & Knowlton to create Burson, a leading global strategic communications firm. GroupM – which in 2023 retained its clear global leadership position with media billings of \$63 billion – moved to the next

phase of its strategy to streamline and simplify its operational structure.

WPP will soon operate largely through six agency networks – VML, Ogilvy, AKQA, Hogarth, GroupM and Burson – that together account for close to 90% of WPP's revenue less pass-through costs.

These networks are helping us to expand client relationships and begin new ones. VML quickly notched its first win as a new agency in December 2023, securing Krispy Kreme's global creative business, while GroupM was chosen as the media and planning partner for Allianz as well as PayPal's global media agency.

Verizon named Ogilvy its creative agency of record for its consumer business, and we became Nestlé's sole media partner in Europe, serving 47 countries through a new digital-first model.

STRONG FINANCIAL RETURNS

We have a significant opportunity to realise further scale advantages and savings, and executing efficiently to deliver strong financial returns is the fourth and final pillar of our strategy.

The creation of VML and Burson and the ongoing simplification of GroupM will deliver both growth opportunities and structural cost savings. We also see additional efficiency opportunities across our back-office functions and commercial delivery services, with the scope for further cost savings over the next three to five years.

The strategy we shared at the Capital Markets Day and which I have outlined here, underpinned by a disciplined approach to capital allocation, is expected to enhance our financial performance, by improving our growth, profitability and cash flow over the medium term.

You can read more on our financial performance in 2023 and our medium-term targets in the Chief Financial Officer's statement on page 81.

CHIEF EXECUTIVE'S STATEMENT CONTINUED

PEOPLE

At WPP we aim to attract, develop and retain the most talented, creative people in our industry.

We invest significantly in ensuring our people can benefit from the global, multi-disciplinary nature of WPP, learn from our expertise in AI, data and technology, and enjoy exciting and fulfilling careers within the Company. I'm particularly proud of our Future Readiness Academies, a global online learning programme designed to furnish our people with the skills of tomorrow. 12,500 employees have taken nearly 50,000 courses through the platform.

We also continue to invest in state-of-the-art campuses around the world, providing our people with inspiring, collaborative and flexible spaces that ignite creativity and bring together the best talent, technological capability and facilities under one roof. I was delighted to join many of our clients at the launch events of three new WPP campuses – in Manchester, Paris and Brussels – in 2023.

WPP's talented leadership team was strengthened further during 2023. We welcomed Joanne Wilson as our new Chief Financial Officer and Corey duBrowa as the new CEO of BCW (and now Burson). Former Landor CEO Jane Geraghty was appointed as our Chief Client Officer, succeeding Lindsay Pattison as she became Chief People Officer. Lindsay replaced Jennifer Remling as she departed after eight successful years to join Warner Bros. Discovery. Chief Operating Officer Andrew Scott joined the Board as an Executive Director.

We work hard to build a diverse workforce and an inclusive culture, one that reflects the societies in which we live. It's important to our clients, and it's important to me. Companies that want to be at the cutting edge of innovation and create moments that become part of popular culture need teams who represent a range of perspectives and communities.

In 2023, the proportion of our executive leaders¹ who are women was 41%² (2022: 40%). In the US, our largest market, the proportion of our senior and executive managers who are non-white was 22% (2022: 22%).

A record number of WPP leaders were named in Involve's 2023 Heroes Women Role Model lists for championing women in business and nurturing a more inclusive workplace. In 2023 we once again featured in the Bloomberg Gender-Equality Index.

The support of the Board, and in particular the Chairman, has been central to the progress we've made in building a new culture at WPP, and in our wider strategy to transform the Company. As he prepares to hand over to a new Chair, I would like to thank Roberto for his wise counsel and encouragement to me and the whole executive team, and to recognise his role in ensuring the strength and resilience of today's WPP.

A MORE SUSTAINABLE AND EQUITABLE FUTURE

In 2021, we announced our commitment to reduce carbon emissions from our own operations by 84% by 2025, and to halve carbon emissions across our supply chain by 2030. We include media buying in these targets – the first company in our industry to do so. At the end of 2023, we had achieved a 76% absolute reduction in tonnes of CO₂e emissions (Scope 1 and 2) since our 2019 baseline, and a reduction of 18% year-on-year.

As part of these efforts, and to help clients meet their own sustainability goals, in February 2023 GroupM launched a new omnichannel media carbon calculator, enabling clients for the first time to factor channel-level emissions data into their media planning.

We aim to use our voice and resources to support social progress throughout our industry. One of the ways we do this is through our Racial Equity Programme, which funds innovative inclusion projects. 2023 saw the fourth round of funding, which provided backing to the Crias Project, a partnership between Ogilvy, DAVID and GR6 in Brazil that sets out to hire talented Black creatives from favelas to work on client projects, and the OG Creative Technology Academy, which identifies and supports high-potential African talent.

Clients have long been aware of the potential of our work to bring about positive change. Impactful campaigns in 2023 included EssenceMediacom's Pre-Loved Island for eBay, which combatted clothing waste by dressing contestants on ITV's Love Island – which has a huge impact on UK fashion trends – in stylish second-hand items.

DAVID and Corona helped Chinese smallholders grow their incomes by supporting high-quality lime cultivation, through the award-winning Corona Extra Lime initiative, and Ogilvy's #TurnYourBack campaign for Dove raised awareness of the harmful impact of toxic beauty content.

You can read about many more examples of work that makes a difference, and our wider approach to environmental, social and governance (ESG) matters, in our Sustainability Report and in the Sustainability and Corporate Governance sections of this report.

THE OPPORTUNITIES AHEAD

One of the privileges of my role is that every day I get to see remarkable people coming together to deliver great work like this for our clients. And there has never been a more exciting time to be part of our industry, as the collision of human imagination and rapidly evolving technologies opens up a new world of creative possibilities.

I cannot help but be optimistic about the future, knowing we have such talented people and such forward-looking clients who share our passion for exploring the new opportunities ahead of us. As ever, my thanks goes to all of them.



Mark Read
Chief Executive Officer
21 March 2024

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

² Indicates the selected metrics have been subject to independent limited assurance procedures by PricewaterhouseCoopers for the year ending 31 December 2023. For PwC's 2023 Limited Assurance Report and the WPP Sustainability Reporting Criteria 2023, see wpp.com/sustainabilityreport2023