

WPP STRATEGY

Our strategy is expected to deliver accelerated and more profitable growth over the medium term

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JOURNEY TO TODAY

Over the last five years we've transformed WPP. We're now radically simpler, with world-class talent, leading capabilities and improved financial performance

In 2018, WPP was a complex organisation that had under-invested in key areas such as talent, creativity and technology

Today WPP is a stronger company, with a modern, integrated offer and simplified structure, and well positioned for growth

Simplified our structure

- Retired around 300 legacy brands
- Closed 840 smaller, inefficient offices
- Eliminated around 1,400 legal entities, arising from historic acquisitions
- 90+ disposals of non-core businesses, raising more than £3.8 billion

Built a world-class leadership team

- Strengthened leadership through new hires and acquired companies
- Enhanced culture and working environment
- Invested in creative and technology talent for the future

6
key networks, representing close to 90% of WPP¹



The world's largest creative agency²



A leading ideas and innovation agency



A leading global creative agency



The world's largest media investment business



BURSON

A top 2 global PR firm³



HOGARTH
The world's largest production agency

LEADERSHIP
Established a WPP Executive Committee of senior WPP and agency leaders
➔ See page 115

TALENT
Hired new talent from leading companies or through acquisitions such as Satalia, our AI technology company

INVESTED IN FUTURE TALENT
In 2023, 28 WPP leaders graduated from Oxford's Saïd Business School with a diploma in AI



¹ Share of revenue less pass-through costs
² In October 2023 WPP announced the merger of Wunderman Thompson and VMLY&R to form VML, which was effective in January 2024
³ In January 2024 WPP announced the merger of BCW and Hill & Knowlton to create Burson, which is effective in July 2024

Strengthened our AI, data and technology capability

- Organic investment in client-facing technology
- Targeted acquisitions to enhance our capability in AI, commerce, influencer marketing and marketing tech
- Developed key strategic partnerships

Organic investment in client-facing tech

 Our AI-powered marketing operating system	 Our AI technology company	 Our data product, service and technology company
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Targeted technology-led M&A

-  Sonic branding solutions
-  Digital commerce platform solutions
-  Digital innovation and software engineering
-  Data-driven influencer solutions
-  Ecommerce consultancy
-  Tech-led social influencer platforms
-  Enterprise AI strategy and technologies

Key technology strategic partnerships



Significant progress in our transformation programme

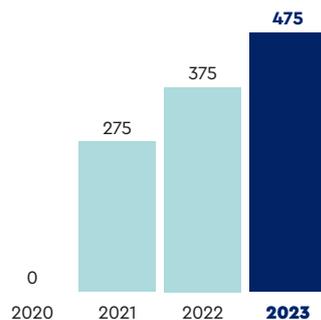
- Moved 52% of our people into modern, efficient, multi-agency campuses, up from 8% in 2018
- Merged agencies and adopted common platforms
- Eliminated multiple financial platforms, moving to fewer, more modern systems

Transformation plan

- Set out a plan to deliver £600 million of annual gross savings by 2025 against the 2019 cost base. At the end of 2023 we had delivered around £475 million of gross savings, which is ahead of the originally planned £450 million

➔ See pages 81 and 85

GROSS COST SAVINGS SINCE 2019 (£m)



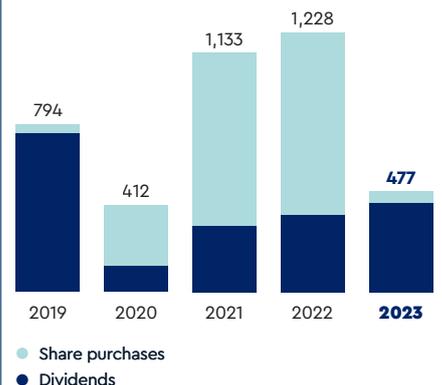
Improved financial performance

- Delivered growth: 2.6% compound annual growth (2019-2023)
- Stabilised our headline operating profit margin
- Reduced adjusted net debt to £2.5 billion from £4.1 billion in 2018
- Returned a cumulative £4 billion to shareholders in the form of dividends and share buybacks

£4bn

returned to shareholders since 2018

DIVIDENDS AND SHARE PURCHASES (£m)



MARKET OUTLOOK

We operate in a large and growing market segment

In 2023, advertisers continued to invest in delivering marketing messages to audiences, driving global growth in advertising revenue of 5.8% to \$889 billion¹.

IN 2023, TOTAL AD REVENUE INCREASED BY AN ESTIMATED

5.8%

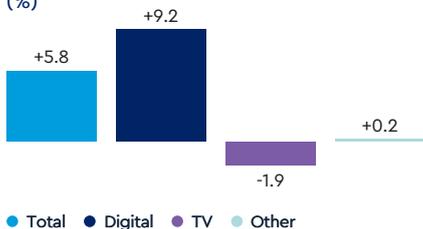
(2022: 6.2%)

total advertising spend comprises three main areas – digital, television and other sectors including out-of-home (OOH), print and audio

DIGITAL

The largest single segment of advertising spend is on digital (internet-based) channels, representing 69% of the total. Within this are three sub-groups – search, retail media and other. Digital search, eg via Google or Bing (32% of the total) grew 7.8% in 2023. Retail media (retailers using their websites to sell advertising space) is the smallest segment (19% of digital), but is growing quickly, up an estimated 9.8% in 2023. The largest retail media platforms, by ecommerce gross merchandise value in 2022, were Alibaba, Amazon and JD.com. The remaining 49% of digital includes social and short-form media from companies including Meta, YouTube and TikTok.

2023 GLOBAL AD MARKET GROWTH (%)



69%

advertising revenue classified as digital

Total digital ad spend accelerated throughout 2023, growing an estimated 9.2%, excluding US political advertising. Digital ad spend is anticipated to remain the fastest-growing segment, expanding on average 7.4% on a compound annual basis through to 2028, driven by search, social and retail media channels, and is forecast to represent 76% of total global ad spend by 2028.

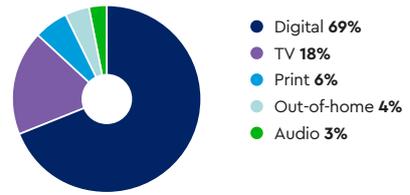
TV

Television remains a significant channel for global ad revenue, representing 18% of the total in 2023, given its ability to satisfy advertisers' brand-reach goals. Within this, linear TV ad revenue fell an estimated 4.3% as advertisers moved to data-driven channels including connected TV streaming services, which are estimated to have grown 10% in 2023 as they provide more data to target audiences and more closely measure ad campaign results. Looking ahead, global total TV ad revenue is expected to grow a modest 1% on a compound annual basis through to 2028, driven mostly by connected TV, offsetting the declines in linear TV.

5.6%

expected global ad revenue compound annual growth rate 2023 to 2028

2023 MEDIA CHANNEL SHARE



OTHER

Print, including both traditional and digital forms of newspapers and magazines (6% of the total), is expected to decline 4.6% in 2023 as audiences switch to digital versions and print becomes less commercially viable.

Out-of-home advertising (4% of total spend) is forecast to grow 10.3% in 2023, benefiting from the ongoing resurgence of travel and airport advertising. Within this, digital OOH (eg digital billboards) is forecast to grow 18.1% in 2023.

Audio ad revenue fell 2.9% in 2023. Within this, demand for streaming music and podcast services continued to grow strongly, offsetting the decline in terrestrial radio services.

Over the next five years to 2028, growth in other channels is forecast to be driven by OOH digital advertising, masking declines in print and audio channels.

COUNTRIES

During 2023 the industry saw positive growth across all major markets. The US, the largest ad market, representing 39% of total spend, is estimated to have grown 5.7% in 2023 compared with 7.1% in 2022, led by digital channels.

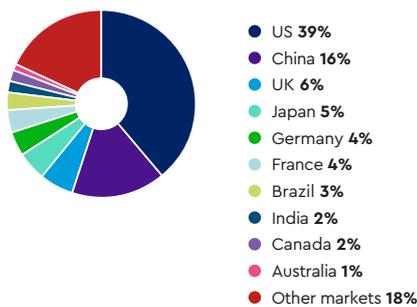
THE US IS THE LARGEST AD MARKET, ACCOUNTING FOR

39%
of total ad spend

China, the second-largest market (16% of total spend), grew 6.1%, driven by digital and OOH spend, bouncing back from the 0.6% decline in 2022 due to Covid-related lockdowns. Growth in the UK, the third biggest market, remained strong at 4.4%, driven by digital advertising channels such as social media, albeit less than the 8.9% growth achieved in 2022.

Among other major markets, Brazil and India achieved double-digit growth of 10% and 11% respectively, led by social media in the former and retail media spend in the latter. In the more mature ad markets of Germany, France and Canada, ad spend growth continued between 3% and 4% – slightly down on 2022. In the 10th largest market, Australia, growth was flat year-on-year.

2023 GLOBAL MEDIA MARKET SHARE BY COUNTRY



¹ GroupM, *This Year Next Year: 2023 Global End-of-Year Forecast*, December 2023. Excludes US political advertising

A FAST-CHANGING AND COMPLEX MARKET

Our clients are facing an ever-more complex marketing environment that presents new opportunities to advertise, but also more fragmentation. This in turn requires more advice from agencies, which is expected to be a positive driver of future growth. This complexity is being driven by:

- AI influencing where and how clients invest their money
- Social and influencer channels shaping consumer behaviour
- The convergence of culture and entertainment; for example Super Bowl LVIII was viewed by 123 million people, the largest audience in the history of the Big Game
- Clients requiring more data and more insights from that data
- The rapid evolution of media channels providing advertisers new ways to reach consumers, such as retail media channels and TV streaming platforms introducing ad-supported tiers
- Significant geopolitical events and an increasingly polarised political environment



INNOVATING TO LEAD: THE NEXT FIVE YEARS

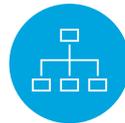
The next phase of our strategy aims to capture the opportunities offered by AI, maximise the potential of creative transformation and deliver faster growth, higher margins and improved cash generation



**Lead through
AI, data and
technology**



**Accelerate growth
through the power
of creative
transformation**



**Build world-class,
market-leading
brands**



**Execute efficiently
to drive strong
financial returns**



Underpinned by a
disciplined approach
to capital allocation

LEAD THROUGH AI, DATA AND TECHNOLOGY

Capitalise on our AI leadership position, built on: the acquisition of Satalia in 2021; organic investment in AI, client-facing technology and data; and deep partnerships, including with Adobe, Google, IBM, Meta, Microsoft and NVIDIA



Our AI-powered marketing operating system



Our AI technology company

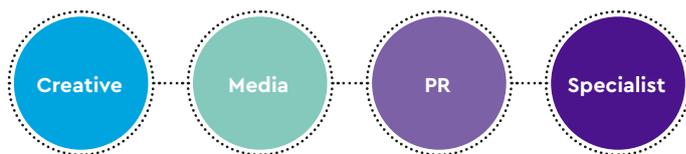


Our data product, service and technology company

ACCELERATE GROWTH THROUGH THE POWER OF CREATIVE TRANSFORMATION

Expand our client relationships by further leveraging WPP's global scale, integrated offer in creative (including production), media, PR and specialist communications, and capabilities in fast-growth areas such as commerce, influencer marketing and retail media to capture share in a growing market

Integrated offer



BUILD WORLD-CLASS, MARKET-LEADING BRANDS

Realise the opportunities from VML as the world's largest integrated creative agency and GroupM as the world's largest media investment business, and establish Burson as a leading global strategic communications agency



The world's largest media investment business



The world's largest creative agency



Top 2 global PR firm

EXECUTE EFFICIENTLY TO DRIVE STRONG FINANCIAL RETURNS

Deliver annual net cost savings of around £125 million by 2025 from the mergers of VMLY&R and Wunderman Thompson and BCW and Hill & Knowlton, and from the simplification of GroupM, and a further circa £175 million of gross savings, over the medium term, from efficiency opportunities across both back office functions and more efficient delivery of services to clients

c.£125m
targeted structural net cost savings by 2025

c.£175m
targeted gross efficiency savings over the medium term

Continued organic investment, a progressive dividend policy and a disciplined approach to M&A, supported by a strong balance sheet and an investment grade credit rating