

OUR NEW STRATEGY

Radical evolution: A strategy for growth

We describe our new strategy as a radical evolution. It's radical because we are making tough decisions and taking decisive action – having restructured a large proportion of our revenue base in 2018 – but an evolution because we are changing our business in a way that respects the people and things that make WPP such a great organisation.

WPP has substantial assets, the most important of which is our people. As a talent business we need to transform at the right pace, and bring our people with us on the journey.

Our strategy focuses on growth. The restructuring of our business and associated cost savings will enable increased investment in creativity, technology and talent, so that we are well positioned for top-line growth in the future.

We aim to deliver this strategy over the next three years, incurring cash costs for restructuring of £300 million. The annual savings are anticipated to be £275 million by the end of 2021, approximately half of which will be reinvested in the business.

Our new medium-term financial targets, to be achieved by the end of 2021, are organic growth (defined as like-for-like revenue less pass-through costs growth) in line with peers; headline operating profit margin (excluding the impact of IFRS 16: Leases) of at least 15%; and free cash flow conversion of 80-90%.

● VISION & OFFER

Read more on page 44

A new vision developed with our people and clients and a refreshed, more contemporary offer to meet the needs of our clients in a rapidly changing market.

● CREATIVITY

Read more on page 46

A renewed commitment to creativity, WPP's most important competitive advantage.

● DATA & TECHNOLOGY

Read more on page 48

Harnessing the strength of our marketing and advertising technology, and unique partnerships with technology firms, for the benefit of clients.

● SIMPLER STRUCTURE

Read more on page 50

Reducing complexity and making sure our clients can access the best resources from across the Company.

● CULTURE

Read more on page 52

Investment in our people, our culture and a new set of values to ensure WPP is the natural home for the best and brightest talent.

Our approach to sustainability aligns with our new strategy. See pages 60-77

VISION & OFFER

Our first step was to set out a new and inspiring vision for the future of WPP, and a modern new offer for our clients.



"THE WAY WE PRESENT OURSELVES HAS TO REFLECT THE CREATIVITY OF THE PEOPLE INSIDE WPP."

Mark Read
Chief Executive Officer

VISION, PURPOSE AND IDENTITY

WPP's vision is to be a creative transformation company, bringing together creativity and expertise in technology and data – with the purpose of building better futures for our people, clients and communities. This competitive positioning was developed in consultation with our people and clients, and is supported by a refreshed brand identity created by WPP agencies Superunion and Landor.

SIMPLER, IMPROVED OFFER

WPP's offer covers four areas: communications, experience, commerce and technology, as set out from page 7. Each of these areas is critical to success for modern clients. By bringing them together the Company will better serve clients' needs as they react to the changing marketplace, and expand WPP's own business in high-growth sectors. The areas of experience, commerce and technology already represent approximately one quarter of WPP's revenue.

Progress in 2018

- Launch of new positioning, visual identity and offer areas
- Merger of VML and Y&R, and Wunderman and J. Walter Thompson, to create integrated technology and creative agency offerings
- Strong start from first merger, VMLY&R, with \$25 million in client wins in first 90 days

Focus for 2019

- Deployment of new offer in market
- Business development effort led by new team, including Chief Client Officer and Chief Marketing and Growth Officer



"CLIENTS COME TO WPP WHEN THEY WANT US TO UNLOCK GROWTH AND REINVENT FOR THE FUTURE."

Lindsay Pattison
Chief Client Officer



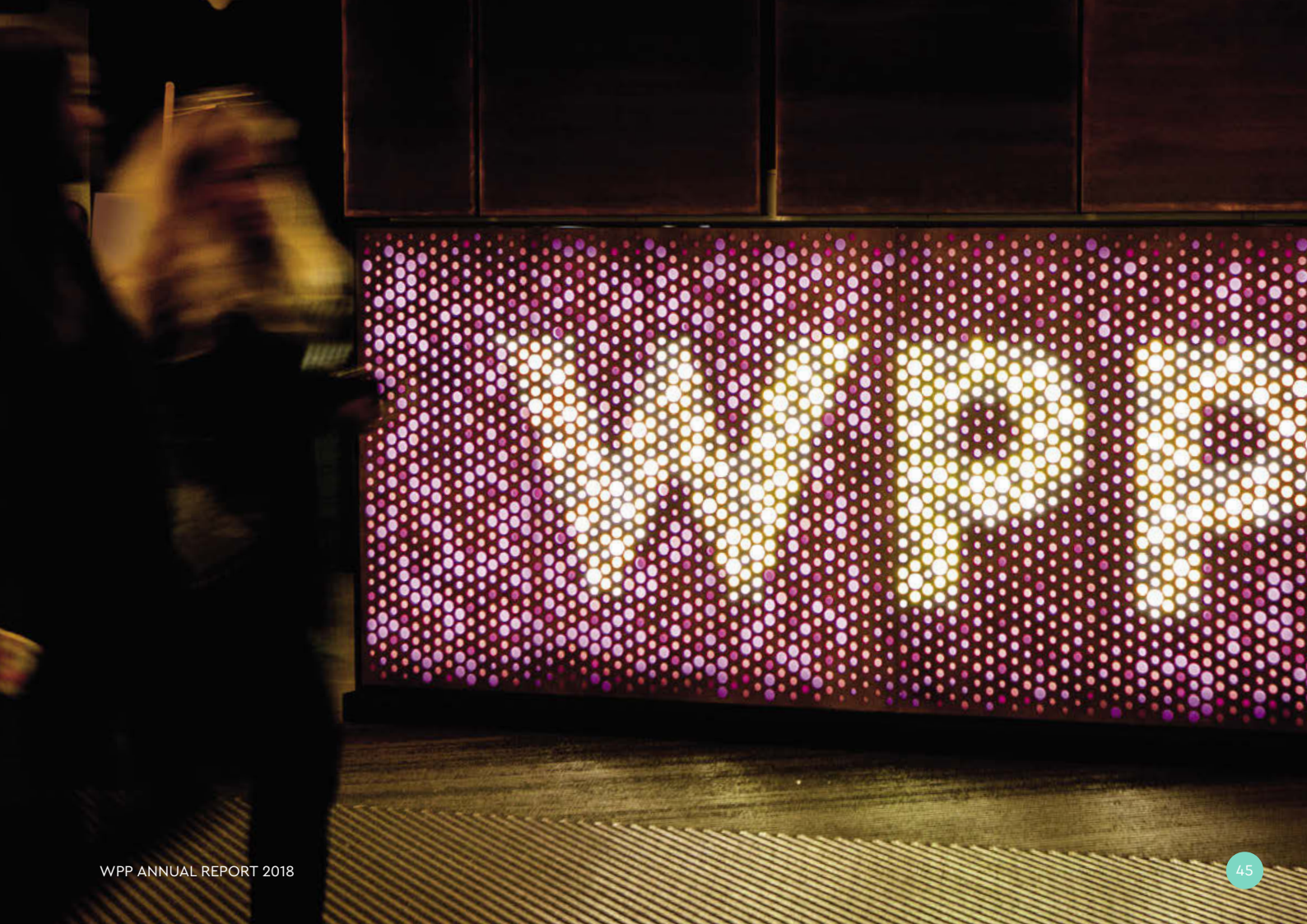
See our film presenting WPP's vision:
wpp.com/about/who-we-are



**WPP BRAND
IDENTITY**

**AGENCIES
SUPERUNION
& LANDOR**

**CLIENT
WPP**



CREATIVITY

We are putting our most important competitive advantage back at the heart of WPP where it belongs.

A RENEWED COMMITMENT

The creativity of our people – their wit and imagination, and the power of their ideas to deliver results for clients – is what makes WPP special and what differentiates us from other professional services firms. WPP has great creative strengths, having won the Holding Company of the Year award at the Cannes Lions International Festival of Creativity for seven consecutive years between 2011 and 2017 – but the business must invest more in this area. As part of our strategic review, we have made a renewed commitment to creativity, and will invest an incremental £15 million a year for the next three years in creative leadership, with a particular focus on the United States.

**LSO BMW
CLASSICS 2018**

**AGENCY
SUPERUNION**

**CLIENT
LONDON SYMPHONY
ORCHESTRA**





Progress in 2018

- £15 million annual incremental commitment announced for investment in creative leadership over the next three years
- New competitive positioning, brand identity and corporate narrative placing creativity at the heart of WPP

Focus for 2019

- Recruitment of leading creative talent, with a particular focus on the United States
- Continued focus on exceptional work as evidenced by six spots at Super Bowl 2019
- Enhanced WPP presence at the Cannes Lions International Festival of Creativity

"CREATIVITY IS THE CLOSEST WE COME TO MAGIC IN THIS LIFE."

John O'Keeffe
Global Chief Creative Officer



To learn more see wpp.com/featured

DATA & TECHNOLOGY

We will invest further in our technology and data capabilities and promote them as a clear source of competitive advantage to WPP.

Technology powers WPP, both in terms of our internal operations and our service to clients:

- Infrastructure: to help us connect, collaborate, communicate, share
- Applications we use: to create, deploy and measure work for clients
- Systems we build for clients: we consult on, architect, build, integrate and run platforms and applications for our clients

In 2018, we started the process to organise WPP as a platform business, with a common technology and data strategy that leverages the strengths of our unique technology partnerships and our existing capabilities in marketing and advertising technology.

Progress in 2018

- Stephan Pretorius appointed as WPP's first Chief Technology Officer in October 2018
- Announced additional investment in technology at investor day

Focus for 2019

- Build senior technology team at the centre of WPP
- Creation of new WPP adtech and marketing cloud platform
- Leverage relationships with technology firms through new partnerships such as Google's Waze

ORGANISING WPP AS A PLATFORM BUSINESS

DATA

AN OPEN DATA PLATFORM

Within WPP, we already have enormously valuable data sets that we use to help our clients understand their customers and adapt accordingly. We are building a platform that curates this internal data alongside that of our clients, and other data that exists in the public domain.

The platform will use cloud computing to connect and integrate this data. Through service interfaces our data and tools will be made available to our clients, partners and our own agencies – and always with the right access, privacy and commercial controls. All major data partnerships will be handled centrally at a WPP level, to allow us to leverage our scale commercially.



LUCK MACHINE

AGENCY
ISL

CLIENT
LYFT



"TECHNOLOGY WILL DRIVE WPP'S TRANSFORMATION."

Stephan Pretorius
Chief Technology Officer

APPLICATIONS

INTELLIGENT, CONNECTED APPLICATIONS

We have a number of internal applications that we use to do work for our clients, but as with data, we don't have all of the solutions internally. Our intention is not to build applications ourselves, but to partner with established providers where necessary, and focus our investment on developing applications that create true client value and differentiation (such as insights, planning and analytics).

We will also simplify and consolidate our internal overlapping initiatives at an agency level, which will allow us to focus on executing the best innovations internally. All applications will be available to all agencies.

INVESTMENTS

STRATEGIC INVESTMENT FOCUS ON AI

AI is rapidly changing our industry, driving improved accuracy and speed and reduced cost in marketing, while opening new consumer engagement possibilities. AI also presents significant opportunity for operational efficiency and automation, and harnessing this will make us more effective for our clients.

Our strategy aims to achieve this through a combination of external and internal investment in AI, supported by an investment strategy team and product stewardship board.

SKILLS

A SHARED TECHNICAL SERVICE CAPABILITY

In the area of marketing technology and marketing systems integration we are already a strong player, competing directly with companies such as Exensio, Deloitte and Caggemini. We are the largest global partners for Adobe, Salesforce, Google, Marketo and Oracle marketing clouds.

Not only do we understand the various platforms that our clients use, we also understand how the tools need to be implemented as marketers. In 2019, we will bring together our existing capability that exists across a range of agencies into an integrated WPP technical services organisation, covering the entire lifecycle for all major adtech, martech and commerce platforms, from consulting and vendor selection to architecture, implementation and ongoing management.

PARTNERS

AN OPTIMISED PARTNER PORTFOLIO

Our ambition is not to be a primary software developer, but the primary partners to the leaders in the field – a position we already occupy with the world's largest technology firms.

During 2019, our aim is to review our existing relationships, with a view to ensuring that across WPP we only have one integrated relationship with each provider that operates under a single service agreement and is managed at the WPP level. This not only means better commercial terms and less waste, but also better training, and access to innovation which ultimately allows us to do better work for our clients.

SIMPLER STRUCTURE

Central to our new strategy is a simpler structure, built around the needs of clients, to allow easier access to WPP's many resources. The structure is based on three principles: Clients, Companies and Countries.

Over the years WPP has built many tremendous assets, but it has also become too unwieldy, with too much duplication. As a result it has not always been as focused or as fleet of foot as it needs to be to satisfy the needs of all our clients around the globe.

That is changing as we streamline the Company and concentrate 100% of our efforts on our core business of delivering outstanding work and the best outcomes for clients.

In addition to agency mergers to create fewer, more integrated offerings, we have simplified our portfolio, making a number of disposals of non-core investments. And we will continue to develop Campus co-locations to house our agencies in major cities, which deliver world-class working environments and increased efficiencies.

Progress in 2018

- Mergers to create VMLY&R and Wunderman Thompson
- Realignment of US healthcare agencies with major networks and elimination of WPP Health & Wellness sub-holding company
- 30 disposals of non-core investments and associates

Focus for 2019

- 100 planned mergers and 80 closures at local office level by end of 2019
- Gross reduction in headcount of 3,500 by end of 2019
- Further non-core disposals
- Opening of new WPP Campuses including Amsterdam, Madrid, Milan and Mumbai



"WE NEED TO HAVE FEWER, STRONGER COMPANIES THAT ARE BETTER POSITIONED TO GROW."

Andrew Scott
Chief Operating Officer



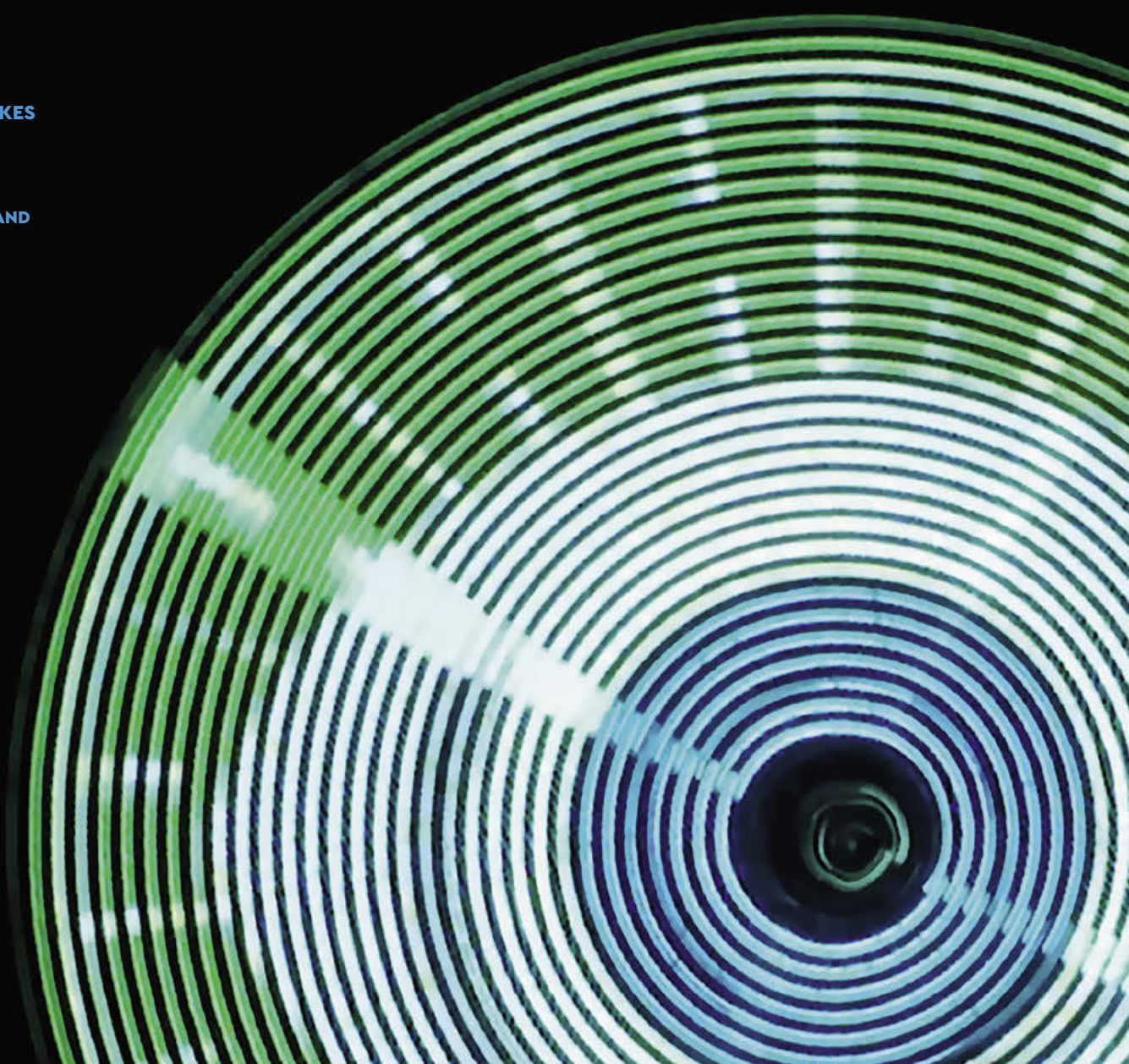
"CO-LOCATING IN THE WPP SHANGHAI CAMPUS ENABLES US TO COLLABORATE, TO INTEGRATE OUR OFFER AND TO DELIVER MAXIMUM VALUE TO OUR CLIENTS."

Patrick Xu
China Country Manager

SMART SPOKES

**AGENCY
OGILVY**

**CLIENT
EYES JAPAN AND
UBER EATS**



OUR THREE PRINCIPLES FOR A SIMPLER STRUCTURE

CLIENTS

We will become a more client-centric organisation in order to deliver the best of WPP.

28%

of our revenue is generated by our 30 largest clients

COMPANIES

We will have fewer, more integrated companies equipped to adapt to a changing market.

23%

of our Company in revenue terms was subject to merger or realignment in 2018

COUNTRIES

We will integrate further at a country level to leverage our strengths in individual markets.

64,000

people in co-locations by end of 2021

CULTURE

To attract the best and brightest our workplaces must be open, inclusive, respectful, collaborative and diverse in every sense.



"MY JOB IS TO TAKE THE VALUES OF WPP AND EMBED THEM IN THE FABRIC OF THE ORGANISATION."

Judy Jackson
Global Head of Culture

ATTRACTING LEADING TALENT

We believe that greater diversity, inclusion and gender balance leads to more rewarding and successful workplaces. In order to make WPP the natural home for the best and brightest, and to attract the next generation of talent, we will champion a culture across WPP characterised by our new values: openness, optimism and a commitment to extraordinary work.

STRENGTHENING OUR LEADERSHIP

To lead this element of the strategy we have appointed Jacqui Canney as our new Global Chief People Officer. Supporting Jacqui is another new appointment, Judy Jackson, in the role of Global Head of Culture. We have also established WPP's first Executive Committee, drawn from both corporate and company leadership.

Progress in 2018

- Launch of our new values
- Established first WPP Executive Committee

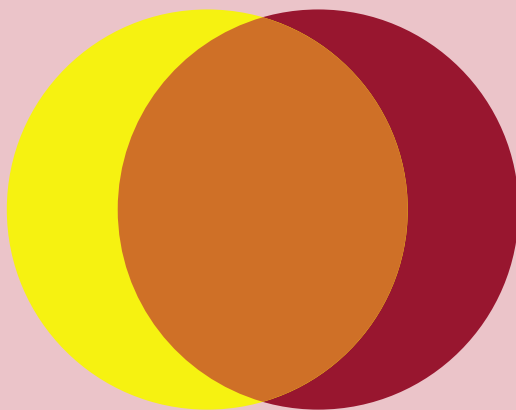
Focus for 2019

- Implementation of new people strategy led by Global Chief People Officer
- Programme to promote new values and culture led by Global Head of Culture
- Review of incentive arrangements to align with strategy



To learn more see wpp.com/our-people

OUR VALUES



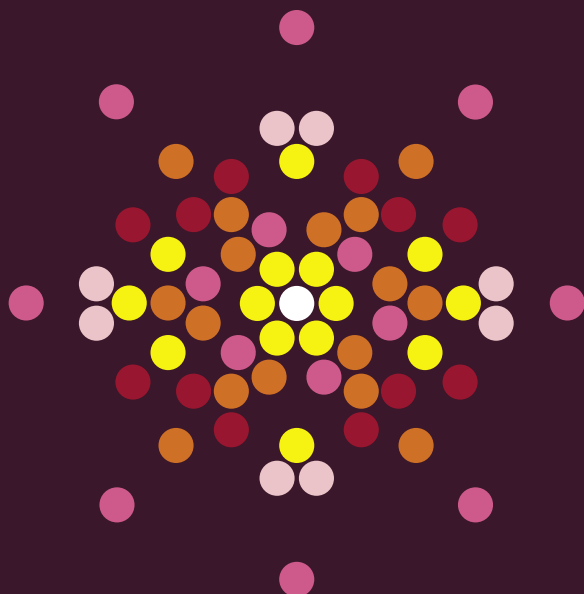
OPEN

We are inclusive and collaborative. We encourage the free exchange of ideas. We respect and celebrate diverse views. We are open-minded: to new ideas, new partnerships, new ways of working.



OPTIMISTIC

We believe in the power of creativity, technology and talent to create better futures for our people, clients and communities. We approach all that we do with confidence: to try the new and to seek the unexpected.



EXTRAORDINARY

We are stronger together: through collaboration we achieve the amazing. We are creative leaders and pioneers of our industry. We deliver extraordinary every day.