

# WPP

## Trading Statement for Third Quarter 2017

London



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# 1 Third Quarter 2017 Trading Update



## Third Quarter 2017

### Highlights: Third Quarter and Year to Date

- Third quarter reported revenue up 1.1% at £3.649bn, -0.4% constant currency and -2.0% like-for-like.
- Third quarter net sales growth 2.4% reportable, 0.9% constant currency and -1.1% like-for-like.
- 9 month reported revenue up 8.9% at £11.053bn, 1.1% constant currency and -0.9% like-for-like.
- 9 month net sales growth 9.7% reportable, 1.7% constant currency and -0.7% like-for-like.
- 9 month operating margin up 0.1 margin points reported, flat in constant currency, up 0.1 margin points like-for-like and now targeted to be flat in constant currency for the full year.
- Average constant currency net debt up £519m for first 9 months to £5.036bn, primarily reflecting continued significant acquisition activity and share buy-backs.
- Net new business of \$6.363 billion in first 9 months compared to \$5.374 billion in the same period last year, with the Group leading net new business league tables.
- 9 month share buy-backs £396m (1.9% of share capital) compared to £342m same period 2016. Full year target 2.0-3.0%.

# Third Quarter 2017

## Summary – Revenue and Net Sales Growth

| % Growth                                 | Revenue     |            | Net Sales   |            |
|--|-------------|------------|-------------|------------|
|  | Q3          | YTD        | Q3          | YTD        |
| Like-for-like                            | -2.0        | -0.9       | -1.1        | -0.7       |
| Acquisitions                             | 1.6         | 2.0        | 2.0         | 2.4        |
| Constant currency                        | -0.4        | 1.1        | 0.9         | 1.7        |
| Foreign exchange                         | 1.5         | 7.8        | 1.5         | 8.0        |
| <b>Reportable sterling</b>               | <b>1.1</b>  | <b>8.9</b> | <b>2.4</b>  | <b>9.7</b> |
| <b>Reportable US dollars<sup>1</sup></b> | <b>0.8</b>  | <b>0.0</b> | <b>2.1</b>  | <b>0.7</b> |
| <b>Reportable euros<sup>2</sup></b>      | <b>-4.2</b> | <b>0.4</b> | <b>-3.0</b> | <b>1.0</b> |
| <b>Reportable yen<sup>3</sup></b>        | <b>9.3</b>  | <b>3.3</b> | <b>10.7</b> | <b>4.0</b> |

<sup>1</sup> Translated into US\$, using among other currencies, average exchange rates of US\$/£ for Q3 2017 of \$1.31 (Q3 2016: \$1.31)

<sup>2</sup> Translated into Euros, using among other currencies, average exchange rates of €/£ for Q3 2017 of €1.11 (Q3 2016: €1.18)

<sup>3</sup> Translated into Yen, using among other currencies, average exchange rates of ¥/£ for Q3 2017 of ¥145 (Q3 2016: ¥134)

## Third Quarter 2017

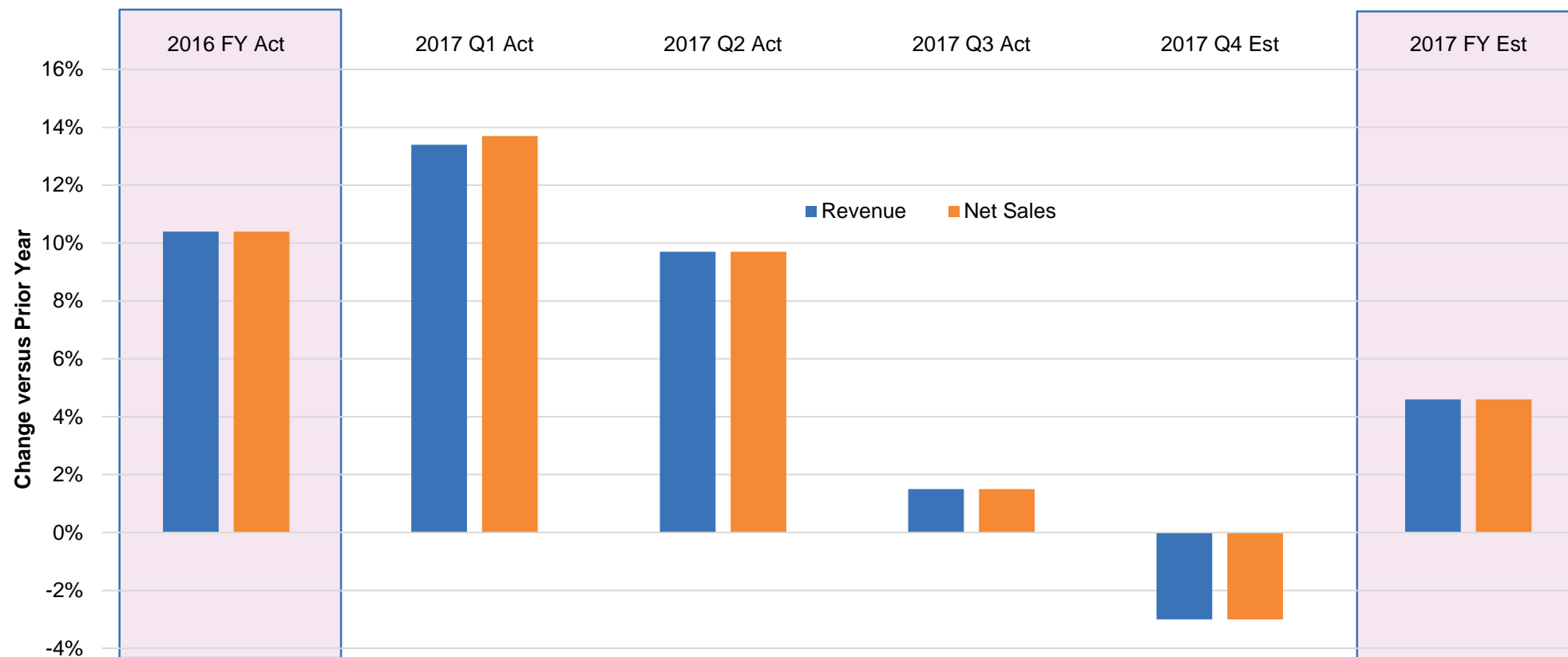
### Effects of Currency: Third Quarter

|                    | Q3 2017 | Q3 2016 | Sterling<br>(Weaker)/<br>Stronger |
|--------------------|---------|---------|-----------------------------------|
| US\$               | 1.31    | 1.31    | -                                 |
| €                  | 1.11    | 1.18    | -6%                               |
| ¥                  | 145     | 134     | 8%                                |
| Chinese Renminbi   | 8.7     | 8.8     | -1%                               |
| Brazilian Real     | 4.14    | 4.26    | -3%                               |
| Australian \$      | 1.66    | 1.73    | -4%                               |
| Canadian \$        | 1.64    | 1.71    | -4%                               |
| Indian Rupee       | 84      | 88      | -5%                               |
| Singapore \$       | 1.78    | 1.78    | -                                 |
| Russian Rouble     | 77      | 85      | -9%                               |
| South African Rand | 17.3    | 18.5    | -6%                               |

Currency movements accounted for 1.5% increase reported revenue and net sales, reflecting weakness of £ sterling against most currencies, but less so than in previous quarters.

# Third Quarter 2017

## Impact of Foreign Exchange



- September YTD tailwind 7.8% revenue and 8.0% net sales.
- Full year tailwind ca. 4-5% revenue and net sales.

Jan 2016 to Sep 2017 based on average monthly rates, Oct to Dec 2017 based on latest estimates and set at \$1.32 to £1, €1.12 to £1

# Third Quarter 2017

## Two Year Cumulative Like-for-Like Revenue Growth<sup>1</sup>

| %       | WPP <sup>2</sup> | OMC <sup>3</sup> | PUB <sup>4</sup> | DEN <sup>5</sup> | IPG <sup>6</sup> | HAV <sup>7</sup> |
|---------|------------------|------------------|------------------|------------------|------------------|------------------|
| Q1 2015 | 12.2             | 9.4              | 4.2              | n/a              | 12.3             | 10.1             |
| Q2 2015 | 14.7             | 11.1             | 1.9              | n/a              | 11.4             | 13.4             |
| Q3 2015 | 12.2             | 12.6             | 1.7              | n/a              | 13.4             | 11.5             |
| Q4 2015 | 14.5             | 10.7             | 6.0              | n/a              | 10.0             | 6.6              |
| Q1 2016 | 10.3             | 8.9              | 3.8              | 11.3             | 12.4             | 10.5             |
| Q2 2016 | 8.0              | 8.7              | 4.1              | 16.0             | 10.4             | 8.2              |
| Q3 2016 | 7.8              | 9.3              | 0.9              | 6.9              | 11.4             | 7.5              |
| Q4 2016 | 7.2              | 8.4              | 0.3              | 14.5             | 10.5             | 7.3              |
| Q1 2017 | 5.3              | 8.2              | 1.7              | 9.0              | 9.4              | 3.5              |
| Q2 2017 | 2.7              | 6.9              | 3.5              | 4.7              | 4.1              | 1.8              |
| Q3 2017 | 1.2              | 6.0              | 1.4              | n/a              | 4.8              | n/a              |

<sup>1</sup> Two year trend is total growth for the named quarter and same quarter one year earlier

<sup>2</sup> WPP quarterly growth Q1/14 7.0%, Q2/14 10.2%, Q3/14 7.6%, Q4/14 7.8%, Q1/15 5.2%, Q2/15 4.5%, Q3/15 4.6% and Q4/15 6.7%, Q1/16 5.1%, Q2/16 3.5%, Q3/16 3.2%, Q4/16 0.5%, Q1/17 0.2%, Q2/17 -0.8%, Q3/17 -2.0%

<sup>3</sup> OMC quarterly growth Q1/14 4.3%, Q2/14 5.8%, Q3/14 6.5%, Q4/14 5.9%, Q1/15 5.1%, Q2/15 5.3%, Q3/15 6.1% and Q4/15 4.8%, Q1/16 3.8%, Q2/16 3.4%, Q3/16 3.2%, Q4/16 3.6%, Q1/17 4.4%, Q2/17 3.5%, Q3/17 2.8%

<sup>4</sup> PUB quarterly growth Q1/14 3.3%, Q2/14 0.5%, Q3/14 1.0%, Q4/14 3.2%, Q1/15 0.9%, Q2/15 1.4%, Q3/15 0.7% and Q4/15 2.8%, Q1/16 2.9%, Q2/16 2.7%, Q3/16 0.2%, Q4/16 -2.5%, Q1/17 -1.2%, Q2/17 0.8%, Q3/17 1.2%

<sup>5</sup> DEN quarterly growth for 2014 on local GAAP basis. Q1/15 6.2%, Q2/15 6.5%, Q3/15 4.2%, Q4/15 10.6%, Q1/16 5.1%, Q2/16 9.5%, Q3/16 2.7%, Q4/16 3.9%, Q1/17 3.9%, Q2/17 -4.8%

<sup>6</sup> IPG quarterly growth Q1/14 6.6%, Q2/14 4.7%, Q3/14 6.3%, Q4/14 4.8%, Q1/15 5.7%, Q2/15 6.7%, Q3/15 7.1% and Q4/15 5.2%, Q1/16 6.7%, Q2/16 3.7%, Q3/16 4.3%, Q4/16 5.3%, Q1/17 2.7%, Q2/17 0.4%, Q3/17 0.5%

<sup>7</sup> HAV quarterly growth Q1/14 3.0%, Q2/14 7.9%, Q3/14 6.0%, Q4/14 3.5%, Q1/15 7.1%, Q2/15 5.5%, Q3/15 5.5% and Q4/15 3.1%, Q1/16 3.4%, Q2/16 2.7%, Q3/16 2.0%, Q4/16 4.2%, Q1/17 0.1%, Q2/17 -0.9%



# Third Quarter 2017

## Revenue and Net Sales by Sector: Third Quarter

|   | Revenue      |            |                      |                   | Net Sales    |            |                      |                   |
|---|--------------|------------|----------------------|-------------------|--------------|------------|----------------------|-------------------|
|   | 2017<br>£m   | Reported   | % Change             |                   | 2017<br>£m   | Reported   | % Change             |                   |
|   |              |            | Constant<br>Currency | Like-for-<br>like |              |            | Constant<br>Currency | Like-for-<br>like |
| Advertising, Media Investment Management                      | 1,686        | 4.1        | 2.6                  | -2.6              | 1,412        | 5.7        | 4.2                  | -1.7              |
| Data Investment Management                                    | 646          | -1.3       | -3.1                 | -2.9              | 496          | 0.2        | -1.7                 | -1.4              |
| Public Relations & Public Affairs                             | 288          | 0.5        | -0.9                 | -1.0              | 282          | 0.1        | -1.3                 | -1.4              |
| Branding & Identity, Healthcare and Specialist Communications | 1,029        | -2.0       | -3.4                 | -0.7              | 1,000        | -0.2       | -1.6                 | 0.0               |
| <b>Total</b>  | <b>3,649</b> | <b>1.1</b> | <b>-0.4</b>          | <b>-2.0</b>       | <b>3,190</b> | <b>2.4</b> | <b>0.9</b>           | <b>-1.1</b>       |

# Third Quarter 2017

## Revenue and Net Sales by Sector: Year to Date

|   | Revenue       |            |                      |                                | Net Sales    |            |                      |                                |
|---|---------------|------------|----------------------|--------------------------------|--------------|------------|----------------------|--------------------------------|
|   | 2017<br>£m    | Reported   | % Change             |                                | 2017<br>£m   | Reported   | % Change             |                                |
|   |               |            | Constant<br>Currency | Like-for-<br>like <sup>1</sup> |              |            | Constant<br>Currency | Like-for-<br>like <sup>1</sup> |
| Advertising, Media Investment Management                      | 5,175         | 12.9       | 4.9                  | -0.9                           | 4,242        | 12.9       | 4.8                  | -1.7                           |
| Data Investment Management                                    | 1,954         | 2.9        | -4.6                 | -3.7                           | 1,493        | 5.3        | -2.5                 | -1.7                           |
| Public Relations & Public Affairs                             | 872           | 10.9       | 2.6                  | 1.3                            | 850          | 10.1       | 1.8                  | 0.7                            |
| Branding & Identity, Healthcare and Specialist Communications | 3,052         | 6.0        | -1.7                 | 0.3                            | 2,967        | 7.5        | -0.3                 | 0.7                            |
| <b>Total</b>  | <b>11,053</b> | <b>8.9</b> | <b>1.1</b>           | <b>-0.9</b>                    | <b>9,552</b> | <b>9.7</b> | <b>1.7</b>           | <b>-0.7</b>                    |

<sup>1</sup> Digital revenue grew 2.4%, digital net sales grew 2.8%

## Third Quarter 2017

### Advertising, Media Investment Management: Third Quarter

- Constant currency net sales growth 4.2%, like-for-like -1.7%, improved on quarter two.
- Advertising grew in Continental Europe, Latin America and Africa but North America, UK, Asia Pacific and Middle East more difficult. Ogilvy performed well in UK, Latin America and Middle East and J. Walter Thompson Company in Africa and Latin America. Grey strong in Asia Pacific, Latin America and Middle East.
- Media investment management up strongly in Latin America, Africa & Middle East, UK also up but Asia Pacific weaker.
- Advertising acquisitions of hug digital (digital) Middle East, Sensio (digital) France, Thjnk (creative) Germany. Step-up in Menacom (marketing communications).
- Media investment management acquisition of LOOM (urban innovation sponsorship) USA.

## Third Quarter 2017

### Data Investment Management: Third Quarter

- Data investment management constant currency net sales down 1.7%, like-for-like -1.4%, improving trend compared to quarter two and first half.
- UK and Latin America growing, all other regions except Africa & Middle East improving over quarter two.
- Kantar Media, Kantar Worldpanel, Lightspeed and Kantar Retail growing.

## Third Quarter 2017

### Public Relations and Public Affairs: Third Quarter

- Public relations and public affairs constant currency net sales down 1.3%, like-for-like -1.4%.
- Western Continental Europe, Asia Pacific and Middle East up strongly on quarter two with North America, UK and Latin America weaker.
- First 9 months strong growth globally at Cohn & Wolfe, in social media content development in USA at SJR, Glover Park and Ogilvy Public Relations in USA, Buchanan in UK and Hering Schuppener in Germany.

## Third Quarter 2017

### Branding and Identity, Healthcare and Specialist Communications: Third Quarter

- Constant currency net sales down 1.6%, like-for-like flat, strongest sector and a slight improvement over quarter two.
- Branding & identity, digital, eCommerce and shopper marketing and specialist communications grew, healthcare more difficult.
- Branding and identity acquisitions of Design Bridge (UK), Urban Vision<sup>1</sup> (Italy). Healthcare investment in The Mighty<sup>2</sup> (USA).

<sup>1</sup> Associate

<sup>2</sup> Acquired since 1 October 2017

## Third Quarter 2017

### Digital across the Group: Third Quarter and Year to Date

- First 9 months of 2017, digital revenue \$5.7bn or over 41% of total revenue (2016: \$5.4bn, over 38%), up 7% constant currency, up well over 2% like-for-like with net sales up almost 3% on the same basis.
- The number of people working in the Group for digital almost 49,000 or 36% of headcount.
- Acquisitions of DIS/PLAY (Denmark), Pierry (USA). Step-up in Pmweb (Brazil). Investments in CBC (China), Fatherly<sup>1</sup> (USA), Gimlet (USA), IR Media<sup>1</sup> (USA), Within (USA).

<sup>1</sup> Acquired since 1 October 2017

# Third Quarter 2017

## Revenue and Net Sales by Region: Third Quarter

|  | Revenue      |            |                      |                   | Net Sales    |            |                      |                   |
|--|--------------|------------|----------------------|-------------------|--------------|------------|----------------------|-------------------|
|  | 2017<br>£m   | Reported   | % Change             |                   | 2017<br>£m   | Reported   | % Change             |                   |
|  |              |            | Constant<br>Currency | Like-for-<br>like |              |            | Constant<br>Currency | Like-for-<br>like |
| North America  | 1,317        | -1.9       | -2.4                 | -5.1              | 1,157        | -1.4       | -1.9                 | -4.9              |
| UK   | 475          | 3.1        | 3.1                  | 1.8               | 405          | 2.8        | 2.8                  | 2.0               |
| Western Continental Europe   | 742          | 5.7        | 1.2                  | -0.9              | 629          | 8.5        | 3.8                  | 1.6               |
| Asia Pacific, Latin America, Africa<br>& Middle East and Central &<br>Eastern Europe | 1,115        | 0.8        | -0.3                 | -0.4              | 999          | 3.2        | 2.1                  | 0.9               |
| <b>Total</b>   | <b>3,649</b> | <b>1.1</b> | <b>-0.4</b>          | <b>-2.0</b>       | <b>3,190</b> | <b>2.4</b> | <b>0.9</b>           | <b>-1.1</b>       |



# Third Quarter 2017

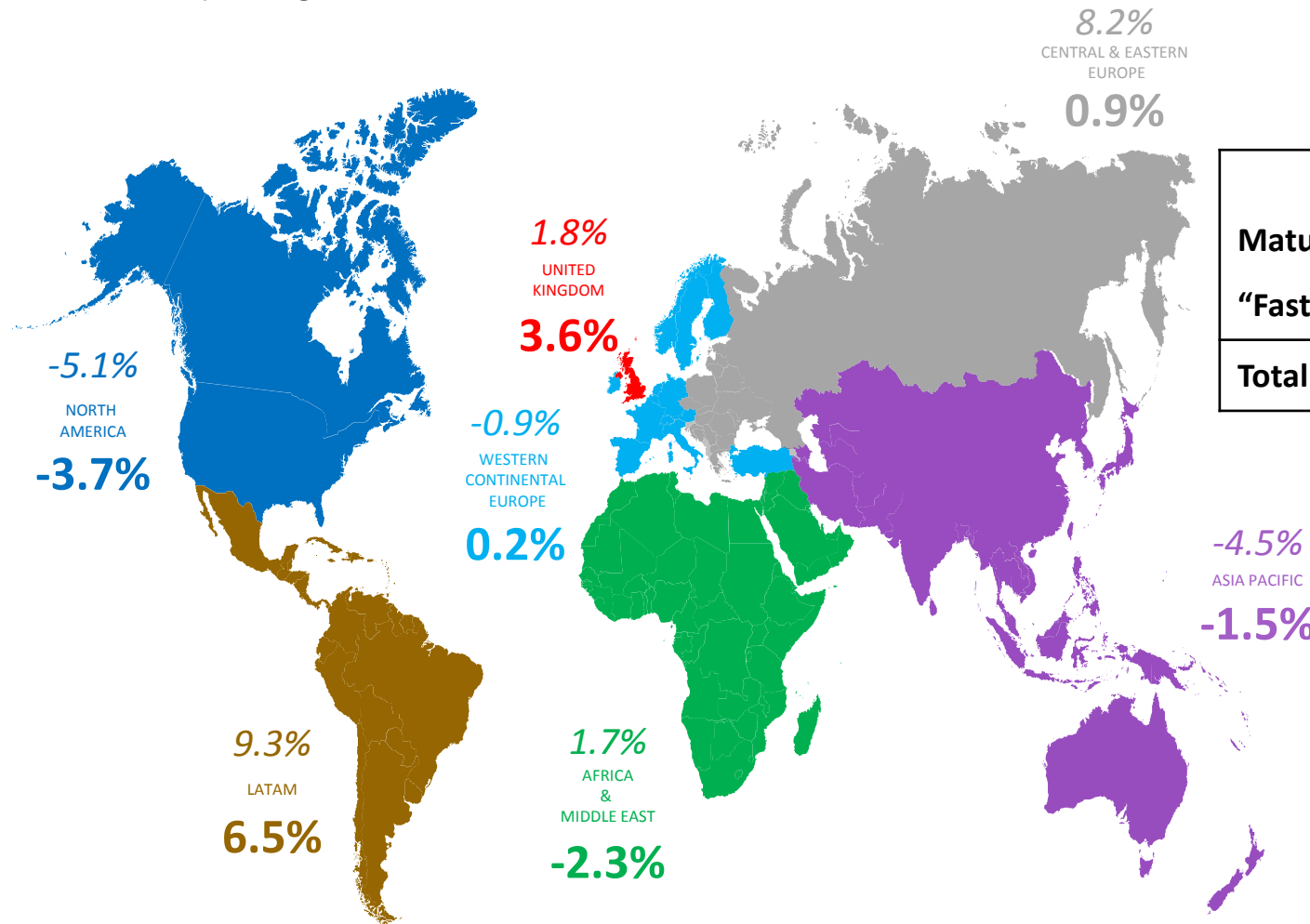
## Revenue and Net Sales by Region: Year to Date

|  | Revenue       |            |                      |                   | Net Sales    |            |                      |                   |
|--|---------------|------------|----------------------|-------------------|--------------|------------|----------------------|-------------------|
|  | 2017<br>£m    | Reported   | % Change             |                   | 2017<br>£m   | Reported   | % Change             |                   |
|  |               |            | Constant<br>Currency | Like-for-<br>like |              |            | Constant<br>Currency | Like-for-<br>like |
| North America  | 4,084         | 8.0        | -1.1                 | -3.7              | 3,566        | 8.9        | -0.2                 | -3.1              |
| UK   | 1,454         | 4.8        | 4.8                  | 3.6               | 1,219        | 4.2        | 4.2                  | 3.2               |
| Western Continental Europe   | 2,235         | 9.4        | 1.6                  | 0.2               | 1,859        | 9.9        | 1.9                  | 0.3               |
| Asia Pacific, Latin America, Africa<br>& Middle East and Central &<br>Eastern Europe | 3,280         | 11.8       | 2.0                  | 0.1               | 2,908        | 13.1       | 3.1                  | 0.1               |
| <b>Total</b>   | <b>11,053</b> | <b>8.9</b> | <b>1.1</b>           | <b>-0.9</b>       | <b>9,552</b> | <b>9.7</b> | <b>1.7</b>           | <b>-0.7</b>       |

# Third Quarter 2017

## Revenue Growth<sup>1</sup> by Region

Q3 %  
YTD %



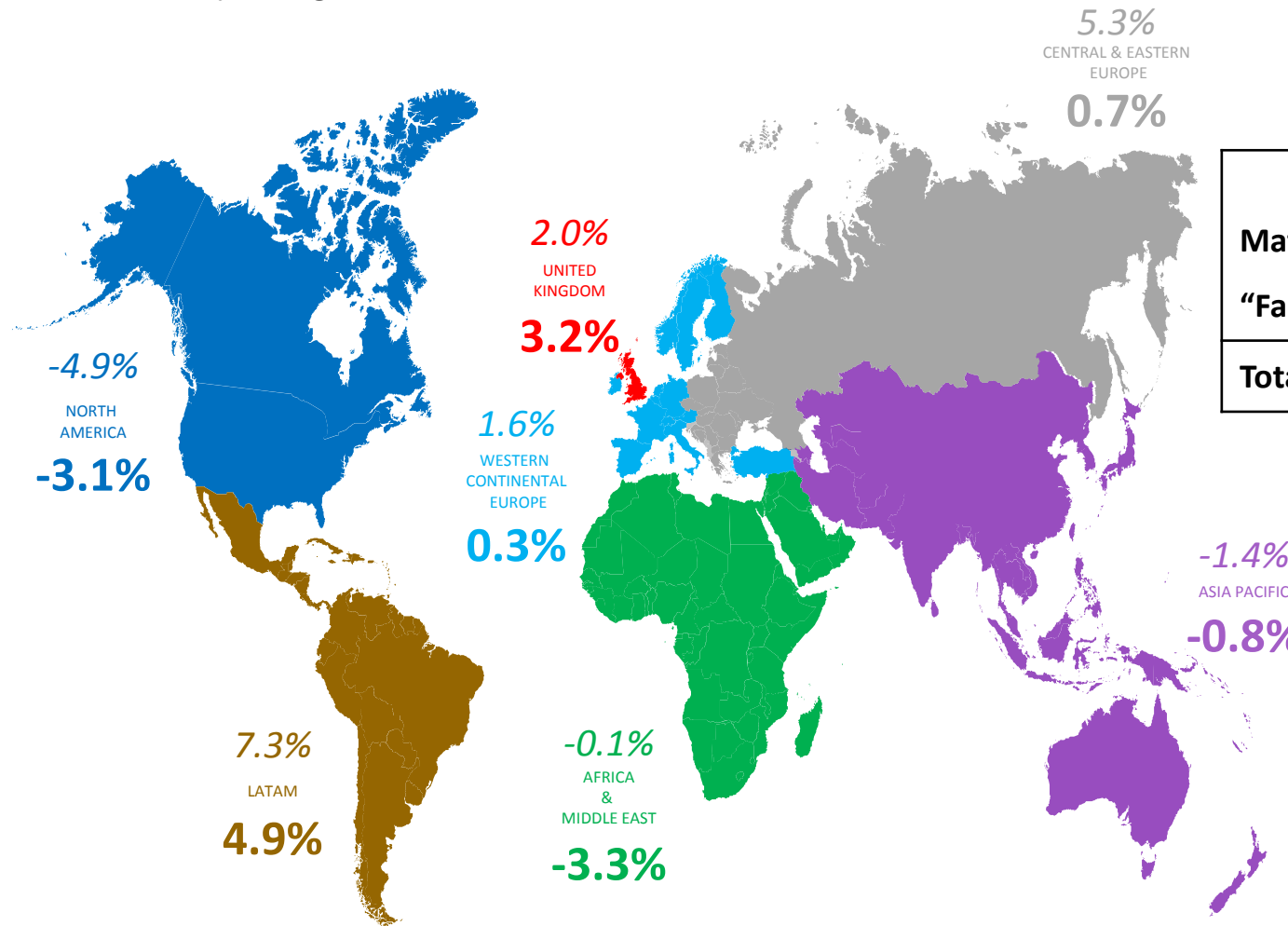
|                       | Q3           | YTD          |
|-----------------------|--------------|--------------|
| Mature Markets        | -2.7%        | -1.3%        |
| “Fast Growth” Markets | -0.4%        | 0.1%         |
| <b>Total</b>          | <b>-2.0%</b> | <b>-0.9%</b> |

<sup>1</sup> Like-for-like revenue growth vs. 2016

# Third Quarter 2017

## Net Sales Growth<sup>1</sup> by Region

Q3 %  
YTD %



|                       | Q3           | YTD          |
|-----------------------|--------------|--------------|
| Mature Markets        | -2.0%        | -1.1%        |
| “Fast Growth” Markets | 0.9%         | 0.1%         |
| <b>Total</b>          | <b>-1.1%</b> | <b>-0.7%</b> |

<sup>1</sup> Like-for-like net sales growth vs. 2016

# Third Quarter 2017

Top 6 Markets - Around 68%<sup>1</sup> of Revenue and Net Sales

YTD Like-For-Like Revenue Down 2.2%<sup>1</sup> and Net Sales Down 1.5%<sup>1</sup>

Including associates:

|                          |                |                |                |                |                |                |
|--------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Revenue                  | <b>\$5.1bn</b> | <b>\$2.1bn</b> | <b>\$0.9bn</b> | <b>\$0.9bn</b> | <b>\$0.6bn</b> | <b>\$0.5bn</b> |
| People '000 <sup>2</sup> | <b>26</b>      | <b>17</b>      | <b>8</b>       | <b>13</b>      | <b>4</b>       | <b>5</b>       |



**USA**



**UK**



**Germany**



**Greater China<sup>3</sup>**



**ANZ<sup>4</sup>**



**France**

|                       | USA     |           | UK      |           | Germany |           | Greater China <sup>3</sup> |           | ANZ <sup>4</sup> |           | France  |           |
|-----------------------|---------|-----------|---------|-----------|---------|-----------|----------------------------|-----------|------------------|-----------|---------|-----------|
|                       | Revenue | Net Sales | Revenue | Net Sales | Revenue | Net Sales | Revenue                    | Net Sales | Revenue          | Net Sales | Revenue | Net Sales |
| 2017 YTD <sup>5</sup> | -4.1%   | -3.3%     | 3.6%    | 3.2%      | -0.4%   | -1.0%     | -5.8%                      | -2.6%     | n/a              | n/a       | -0.5%   | 1.2%      |
| 2016 FY <sup>5</sup>  | 1.9%    | 2.8%      | 1.8%    | 2.1%      | 6.7%    | 7.3%      | -0.2%                      | 0.2%      | 2.0%             | 3.4%      | -1.6%   | 0.3%      |
| 2015 FY <sup>5</sup>  | 7.2%    | 4.3%      | 4.1%    | 2.9%      | 8.0%    | 4.2%      | 2.2%                       | 1.6%      | 2.4%             | 0.3%      | 0.2%    | -0.1%     |

<sup>1</sup> % excluding associates

<sup>2</sup> Closing headcount at 30 September 2017

<sup>3</sup> Includes Hong Kong & Taiwan

<sup>4</sup> 2017 YTD growth not disclosed given WPP AUNZ has separate listing

<sup>5</sup> Like-for-like growth vs. prior year, excluding associates

# Third Quarter 2017

BRICs Markets – Almost 12%<sup>1</sup> of Revenue and Net Sales  
YTD Like-For-Like Revenue Down 1.7%<sup>1</sup> and Net Sales Down 0.9%<sup>1</sup>

|                          | Including associates: |                |                |                |
|--------------------------|-----------------------|----------------|----------------|----------------|
| Revenue                  | <b>\$0.9bn</b>        | <b>\$0.4bn</b> | <b>\$0.3bn</b> | <b>\$0.1bn</b> |
| WPP Rank <sup>2</sup>    | <b>#4</b>             | <b>#9</b>      | <b>#12</b>     | <b>#21</b>     |
| People '000 <sup>3</sup> | <b>13</b>             | <b>20</b>      | <b>7</b>       | <b>2</b>       |



**Greater China<sup>4</sup>**



**India**



**Brazil**



**Russia**

|                       | Greater China <sup>4</sup> |           | India   |           | Brazil  |           | Russia  |           |
|-----------------------|----------------------------|-----------|---------|-----------|---------|-----------|---------|-----------|
|                       | Revenue                    | Net Sales | Revenue | Net Sales | Revenue | Net Sales | Revenue | Net Sales |
| 2017 YTD <sup>5</sup> | -5.8%                      | -2.6%     | 9.5%    | 1.7%      | -0.1%   | 1.2%      | -7.2%   | -2.5%     |
| 2016 FY <sup>5</sup>  | -0.2%                      | 0.2%      | 11.2%   | 13.8%     | -2.8%   | -2.5%     | 4.1%    | 5.4%      |
| 2015 FY <sup>5</sup>  | 2.2%                       | 1.6%      | 16.9%   | 10.5%     | 1.4%    | 1.3%      | -9.4%   | -10.4%    |

<sup>1</sup> % excluding associates  
<sup>2</sup> Ranked by WPP revenue by market  
<sup>3</sup> Closing headcount at 30 September 2017

<sup>4</sup> Includes Hong Kong & Taiwan  
<sup>5</sup> Like-for-like growth vs. prior year, excluding associates

## Third Quarter 2017

### Growth by Region: Third Quarter

- North America constant currency net sales down 1.9%, like-for-like -4.9%, weakest performing region and worse than quarter two and first half. Further softness across most businesses, although data investment management and parts of the Group's specialist communications businesses improved over quarter two.
- UK constant currency net sales growth 2.8%, like-for-like 2.0%, strongest region but slowed compared to quarter two and first half. Strong growth in media investment management, data investment management, branding & identity, healthcare and digital, eCommerce and shopper marketing, but public relations and public affairs softer.
- Western Continental Europe strongest constant currency net sales growth 3.8%, like-for-like 1.6%, marked improvement on quarter two particularly in Denmark, Italy, Netherlands, Norway, Portugal, Spain. Advertising, public relations and public affairs, healthcare and digital, eCommerce & shopper marketing all up.
- Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe constant currency net sales growth 2.1%, like-for-like 0.9%. Latin America, Africa & Middle East and Central & Eastern Europe improved significantly. Asia Pacific more difficult, China and India under pressure.

# Third Quarter 2017

## Net Sales Growth by Country: Third Quarter

### Net Sales Growth<sup>1</sup>

### Top Countries<sup>2</sup>

More than 10%

Argentina, Mexico, Poland

5% to 10%

Indonesia, Philippines, Spain, Sweden, Thailand, Turkey

0% to 5%

Belgium, Brazil, Greater China<sup>3</sup>, Mainland China, Denmark, Dubai, France, Italy, Switzerland, UK

Less than 0%

Canada, Germany, India, Japan, Netherlands, Russia, Singapore, South Africa, South Korea, USA

<sup>1</sup> Like-for-like growth

<sup>2</sup> Australia 2017 Q3 growth not disclosed given WPP AUNZ has separate listing

<sup>3</sup> Includes Hong Kong and Taiwan



# Third Quarter 2017

## Net Sales Growth by Category: Third Quarter

### Net Sales Growth<sup>1</sup>

### Categories

More than 5%

Electronics, Media & Entertainment

0% to 5%

Computers, Drinks, Financial Services, Oil, Retail

Less than 0%

Automotive, Food, Government, Personal Care & Drugs, Telecommunications, Travel & Airline

<sup>1</sup> Like-for-like growth



# Third Quarter 2017

## Trade Estimates of Major New Business Wins (1)

| WPP Agency                   | Incumbent              | Account                  | Office | Billings(\$m) |
|------------------------------|------------------------|--------------------------|--------|---------------|
| MediaCom                     | HAV/OMC                | PSA                      | Global | 998           |
| Sanofi Partnership/Mindshare | PUB                    | Sanofi                   | Global | 600           |
| W Partnership                | OMC                    | Walgreens Boots Alliance | Global | 600           |
| Team L'Atelier               | PUB                    | LVMH                     | APAC   | 500           |
| Grey/MediaCom                | PUB                    | Revlon                   | Global | 420           |
| MediaCom                     | PUB                    | Richemont                | Global | 400           |
| Team Campari                 | All                    | Campari                  | Global | 300           |
| Mindshare                    | IPG                    | T.J. Maxx                | Global | 215           |
| Team Horizon                 | PUB/DEN                | British Airways          | Global | 200           |
| Wunderman                    | OgilvyOne <sup>1</sup> | BT                       | UK     | 190           |
| Grey                         | IND                    | Applebee's               | USA    | 150           |
| Mindshare                    | IPG                    | Tyson Foods              | USA    | 135           |
| MediaCom                     | OMC                    | Volkswagen Audi          | China  | 120           |
| Mindshare/Essence            | DEN                    | HMD Global (Nokia)       | Global | 105           |
| Wavemaker                    | PUB                    | Mercedes-Benz            | China  | 105           |

Shaded figures are Q3 wins, wins in red are transfers of business

<sup>1</sup> Loss by OgilvyOne reported in 2016

## Third Quarter 2017

### Trade Estimates of Major New Business Wins (2)

| WPP Agency          | Incumbent   | Account             | Office       | Billings(\$m) |
|---------------------|-------------|---------------------|--------------|---------------|
| Wavemaker           | IND         | ITC Industries      | India        | 75            |
| Ogilvy/OgilvyOne    | Grey        | Vodafone            | UK           | 70            |
| Wunderman           | IND         | Samsung             | EMEA         | 70            |
| Geometry/Wunderman  | PUB/OMC/IND | Telkom South Africa | South Africa | 64            |
| MediaCom            | OMC         | Whole Foods Market  | USA          | 60            |
| Wavemaker/Mindshare | OMC/PUB/IND | Kingfisher          | Global       | 60            |
| Ogilvy              | OMC         | CISCO               | USA          | 35            |
| Ogilvy              | N/A         | CFA Institute       | Global       | 30            |

Shaded figures are Q3 wins, wins in red are transfers of business

## Third Quarter 2017

### Trade Estimates of Major New Business Losses

| WPP Agency | Winning Agency   | Account          | Office             | Billings(\$m) |
|------------|------------------|------------------|--------------------|---------------|
| Grey       | IND/Other        | Coty             | Global             | 330           |
| Wavemaker  | PUB              | KFC              | Global             | 230           |
| Ogilvy     | DEN              | American Express | Global             | 200           |
| Mindshare  | PUB              | Mattel           | USA                | 150           |
| Wavemaker  | HAV              | Michelin         | Global             | 100           |
| JWT        | PUB              | Kellogg's        | USA                | 100           |
| Grey       | Ogilvy/OgilvyOne | Vodafone         | UK                 | 70            |
| MediaCom   | DEN/PUB          | Procter & Gamble | Nordics & UK Print | 50            |
| Grey       | IND              | 3M               | USA                | 40            |
| Wavemaker  | IPG              | Accenture        | Global             | 36            |

Shaded figures are Q3 losses, losses in red are transfers of business

## Third Quarter 2017

Internal Estimates of Net New Business Wins: Third Quarter and Year to Date

|                  | 2017 Third Quarter |              |              | 2017 YTD     | 2016 YTD     |
|------------------|--------------------|--------------|--------------|--------------|--------------|
| (\$m)            | Creative           | Media        | Total        | Total        | Total        |
| Advertising      | 316                | 1,625        | 1,941        | 5,043        | 4,554        |
| Other Businesses | 176                | -            | 176          | 1,320        | 820          |
| <b>2017</b>      | <b>492</b>         | <b>1,625</b> | <b>2,117</b> | <b>6,363</b> | <b>5,374</b> |

# Third Quarter 2017

## Trade Estimates of Major New Business Wins/Losses Since 1 October

|        | WPP Agency | Incumbent      | Account              | Office              | Billings(\$m) |
|--------|------------|----------------|----------------------|---------------------|---------------|
| WINS   | MediaCom   | Wavemaker      | MetLife              | USA                 | 75            |
|        | MediaCom   | DEN/PUB        | Victorian Government | Australia           | 70            |
|        | MediaCom   | PUB/IPG/DEN    | AB InBev             | Latin America       | 60            |
|        | WPP Agency | Winning Agency | Account              | Office              | Billings(\$m) |
| LOSSES | MediaCom   | DEN/OMC        | AB InBev             | USA/Australia/India | 525           |
|        | Mindshare  | PUB            | Lionsgate            | USA                 | 400           |
|        | Wavemaker  | OMC            | Barclays             | Global              | 80            |
|        | Wavemaker  | MediaCom       | MetLife              | USA                 | 75            |
|        | Mindshare  | IND            | Nordstrom            | USA                 | 70            |

Wins/(losses) in red are transfers of business

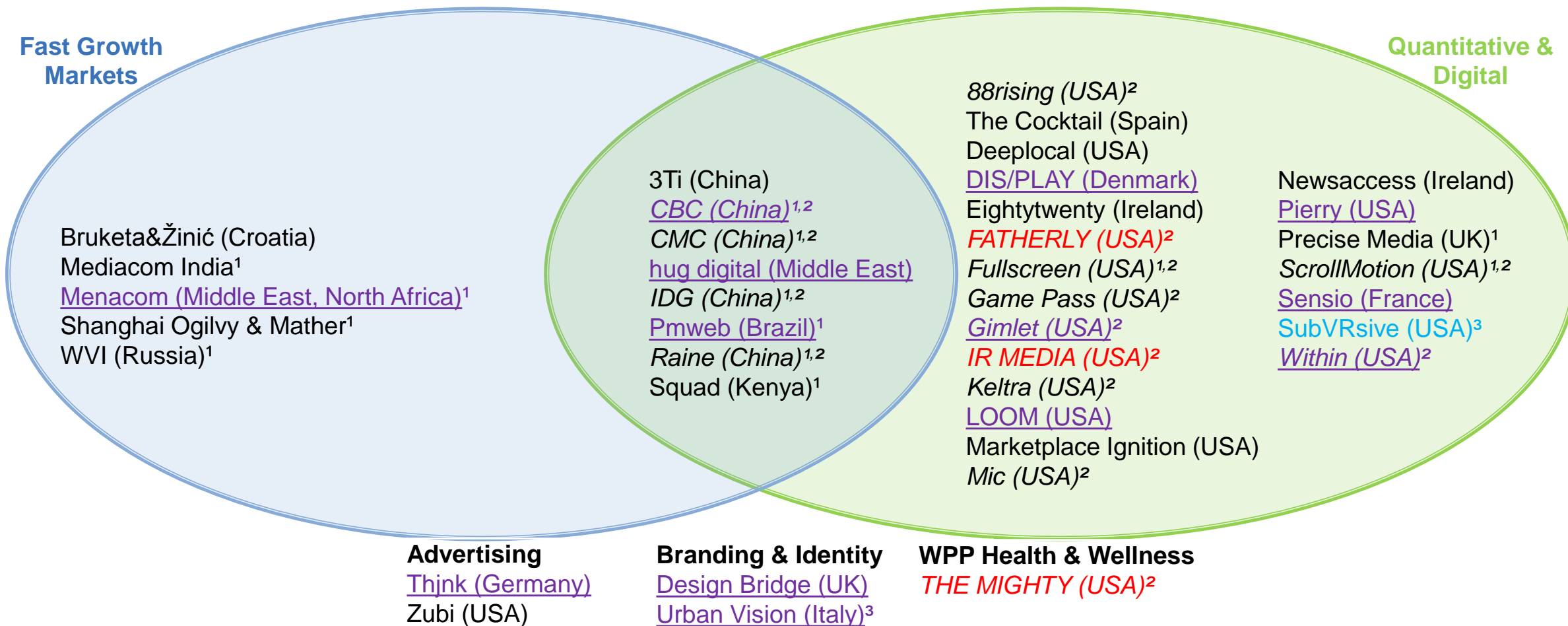
## Third Quarter 2017

### Cash Flow and Net Debt

- September YTD average net debt up £519m to £5.036bn, compared to £4.517bn in 2016, at 2017 exchange rates.
- Net acquisitions (including earnouts) for September YTD £409m (2016 - £370m) and share buy-backs £396m (2016 - £342m).
- 30 September net debt up £997m to £5.697bn, compared to £4.700bn last year, at 2017 exchange rates, primarily reflecting continued significant acquisition activity and share buy-backs, and temporary impact of delayed billing of 27 June cyber attack and implementation of Goods and Services Tax in India.
- Average net debt to Headline EBITDA, for 12 months to 30 September, remains towards top end of target range 1.5x - 2.0x.

# Third Quarter 2017

## Acquisitions and Investments – Year to Date



<sup>1</sup> Step-ups in investments, associates and subsidiaries' equity

<sup>2</sup> Investments

<sup>3</sup> Associates

Underlined acquired during Q3. CAPITALS SINCE 1 OCTOBER

# Third Quarter 2017

## Uses of Free Cash Flow

| Category                                       | Target                  | Sept YTD<br>2017   | Sept YTD<br>2016 | Full Year<br>2016 |
|--|-------------------------|--------------------|------------------|-------------------|
| Acquisitions (excluding earnouts) <sup>1</sup> | £300-£400m <sup>2</sup> | £262m              | £305m            | £605m             |
| Share buy-backs                                | n/a                     | £396m <sup>3</sup> | £342m            | £427m             |
| % of issued share capital                      | 2%-3%                   | 1.9%               | 1.6%             | 2.0%              |
| Dividend increase                              | n/a                     | 16%                | 23%              | 27%               |
| Pay-out ratio                                  | 50%                     | n/a                | n/a              | 50%               |

<sup>1</sup> Acquisitions are initial payments, net of cash acquired and disposal proceeds, and include other investments and associates

<sup>2</sup> Excluding larger-sized acquisitions like Triad Retail Media £230m in 2016

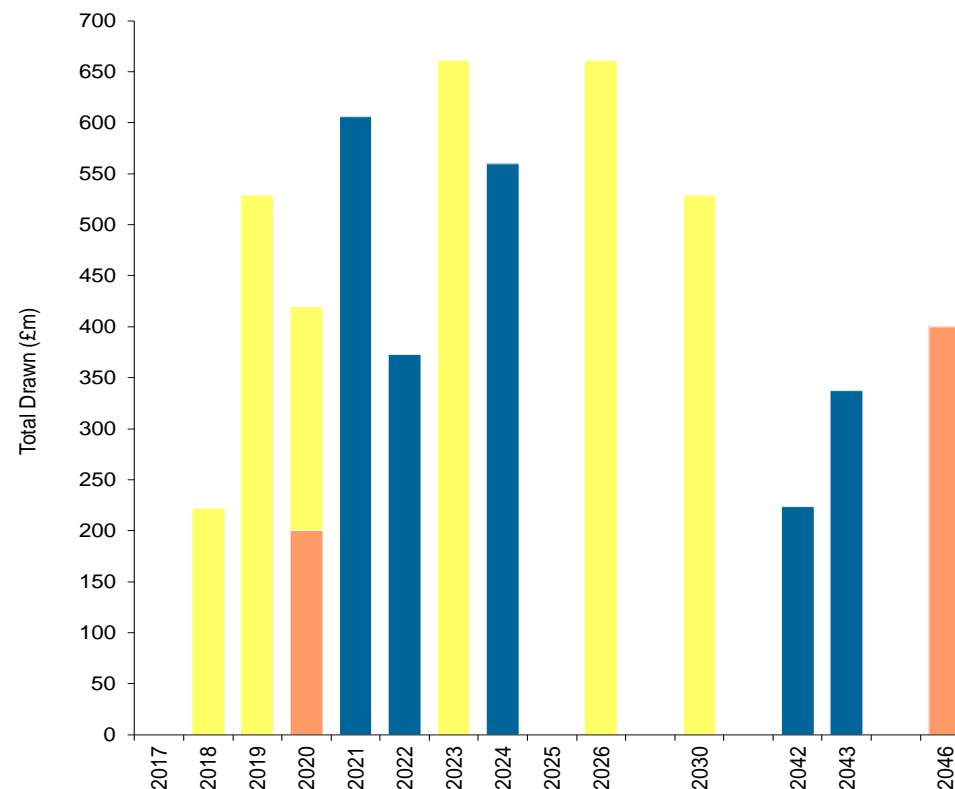
<sup>3</sup> 24.1 million shares at a cost of £396m and an average price of £16.45 per share



# Third Quarter 2017

## Debt Maturity Profile £m at 30 September 2017

|  | £ Total Credit | £ Total Drawn |
|--|----------------|---------------|
| £ bonds £400m (2.875% Sep '46)               | 400            | 400           |
| US bond \$500m (5.625% Nov '43)              | 373            | 373           |
| US bond \$300m (5.125% Sep '42)              | 224            | 224           |
| Eurobonds €600m (1.625% Mar '30)             | 529            | 529           |
| Eurobonds €750m (2.25% Sep '26)              | 661            | 661           |
| US bond \$750m (3.75% Sep '24)               | 560            | 560           |
| Eurobonds €750m (3.0% Nov '23)               | 661            | 661           |
| US bond \$500m (3.625% Sep '22) <sup>1</sup> | 373            | 373           |
| US bond \$812m (4.75% Nov '21) <sup>2</sup>  | 606            | 606           |
| £ bonds £200m (6.375% Nov '20)               | 200            | 200           |
| Eurobonds €250m (3m EURIBOR + 0.32% May '20) | 220            | 220           |
| Eurobonds €600m (0.75% Nov '19)              | 529            | 529           |
| Eurobonds €252m (0.43% Mar '18)              | 222            | 222           |
| <b>Debt Facilities</b>                       | <b>5,558</b>   | <b>5,558</b>  |
| Bank revolver <sup>3</sup> (\$2,500m Jul'21) | 1,866          | 1,723         |
| Bank revolver <sup>3</sup> (A\$520m Mar'19)  | 304            | 222           |
| Net cash, overdrafts & other adjustments     | -              | (1,806)       |
| <b>Total Borrowing Capacity / Net Debt</b>   | <b>7,728</b>   | <b>5,697</b>  |



**Weighted Average Coupon 3.0%**  
**Weighted Average Maturity 9.8 years**  
**Available Liquidity £2,031m**

<sup>1</sup> Swapped to 6m \$Libor + 1.52%

<sup>2</sup> Swapped to 6m \$Libor + 2.34%

<sup>3</sup> These instruments are subject to financial covenants  
 Exchange Rates \$/£ 1.3395 €/£ 1.1348 £/A\$ 1.7084



## 2 A Changing Industry?



# A Changing Industry?

First - Are Google and Facebook Eating Our Lunch?

Top 10 Media Owners Ranked by WPP Spend 2017<sup>1</sup> vs. 2012

## 2017<sup>1</sup> Top Media Owners

- 1 Google
- 2 21<sup>st</sup> Century Fox, NewsCorp, Sky, Foxtel
- 3 Facebook<sup>3</sup>
- 4 Disney
- 5 Comcast
- 6 ITV
- 7 CBS
- 8 Time Warner
- 9 ProSiebenSat.1 Media
- 10 Channel 4

## 2012 Top Media Owners

- 1 Comcast
- 2 NewsCorp<sup>2</sup>, Sky, Foxtel
- 3 Disney
- 4 Google
- 5 CBS
- 6 Viacom
- 7 ProSiebenSat.1 Media
- 8 IP Deutschland GmbH
- 9 ITV
- 10 TV Globo

<sup>1</sup> 2017 ranking based on forecast media spending by owner

<sup>2</sup> NewsCorp in 2012 includes 21<sup>st</sup> Century Fox

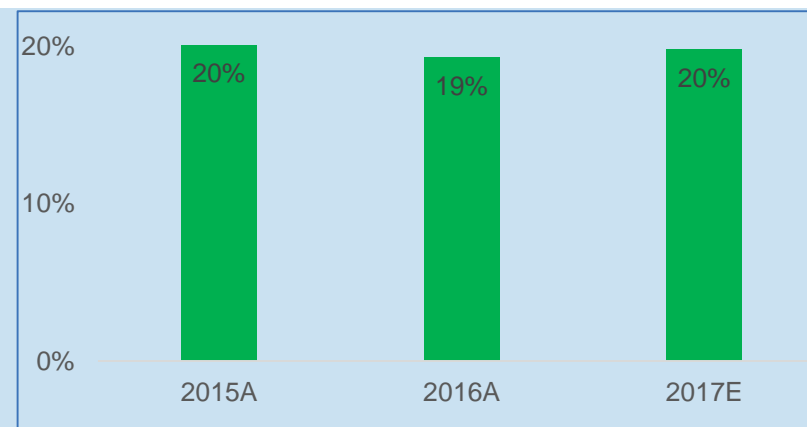
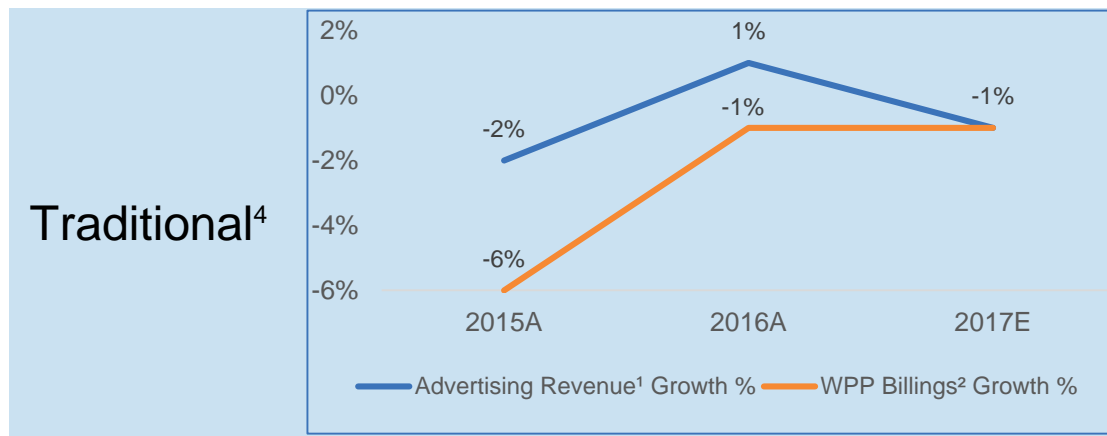
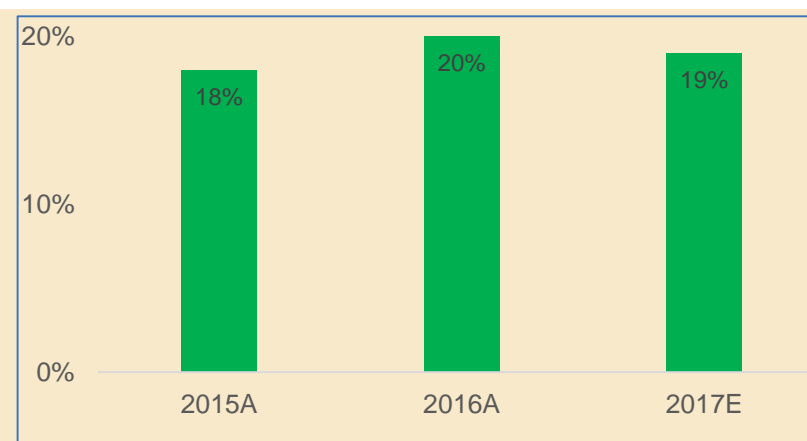
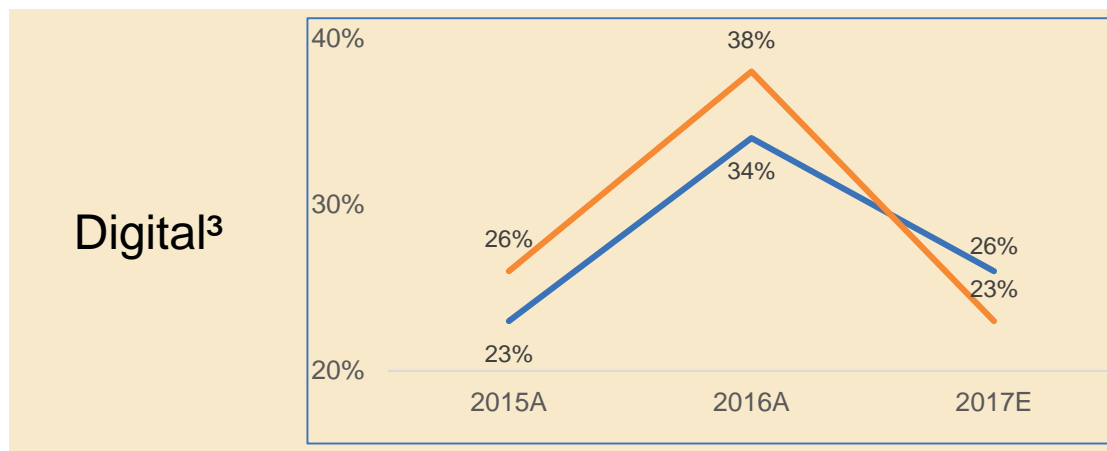
<sup>3</sup> Facebook was 28<sup>th</sup> ranked media owner in 2012

# A Changing Industry?

## First - Are Google and Facebook Eating Our Lunch?

WPP Digital Billings Growing in Line With The Market....

And Maintaining Market Share....



<sup>1</sup> Selection of significant media owners, ranked by size. 2015/16 advertising revenues published by media owners, 2017 analyst estimates

<sup>2</sup> Adjusted to reflect agency addressable market c.70:30 SME:Agency, in line with GroupM estimate

<sup>3</sup> Digital – 5 media owners selected Google, Facebook, Amazon, Twitter, Snap

<sup>4</sup> Traditional – 10 media owners selected: 21st Century Fox, NewsCorp, Sky, Disney, CBS, Viacom, Time Warner, Comcast, ProSiebenSat.1 Media, ITV

# A Changing Industry?

## Second - Are Consultants Eating Our Lunch?

### Top Digital Agencies – Fake News?

#### 2016 Revenue - Ad Age Estimates<sup>1</sup>

| Agency                  | Rank | \$bn |
|-------------------------|------|------|
| Accenture Interactive   | 1    | 4.4  |
| IBM iX                  | 2    | 3.0  |
| Deloitte Digital        | 3    | 2.6  |
| Publicis.Sapient        | 4    | 2.4  |
| PwC Digital Services    | 5    | 2.1  |
| Epsilon (Alliance Data) | 6    | 1.2  |
| Wunderman (WPP)         | 7    | 1.2  |
| Ogilvy (WPP)            | 8    | 1.0  |
| Havas                   | 9    | 0.8  |
| Omnicom Health Group    | 10   | 0.7  |

#### Actual 2016 Digital Revenue

| Agency                  | Rank | \$bn |
|-------------------------|------|------|
| WPP <sup>2</sup>        | 1    | 7.5  |
| Publicis <sup>3</sup>   | 2    | 5.8  |
| Omnicom <sup>4</sup>    | 3    | 4.7  |
| Accenture Interactive   | 4    | 4.4  |
| IBM iX                  | 5    | 3.0  |
| Dentsu <sup>3</sup>     | 6    | 2.7  |
| IPG <sup>4</sup>        | 7    | 2.7  |
| Deloitte Digital*       | 8    | 2.6  |
| PwC Digital Services    | 9    | 2.1  |
| Epsilon (Alliance Data) | 10   | 1.2  |

|            |
|------------|
| Agency     |
| Consultant |
| Other      |

\* \$0.7bn of 2016 revenue for Deloitte Digital estimated on P.6 of “This is Deloitte Digital” report issued late 2014, growing from 2014 estimated revenue of \$0.5bn. No publicly available revenue information.

<sup>1</sup> Ad Age estimates as published May 2017

<sup>2</sup> WPP 2016 digital revenue 39% of total \$ revenue, including associates digital revenue of \$8.4bn

<sup>3</sup> Publicis and Dentsu as disclosed in 2016 full year analyst presentations

<sup>4</sup> Omnicom and IPG digital revenue based on Exane BNP Paribas estimates

# A Changing Industry?

## Second - Are Consultants Eating Our Lunch?

Estimate<sup>1</sup> of Significant September YTD Wins/Losses vs. Consultants

| WPP Agency                   | Consultant             | Account                    | Revenue (\$m) |
|------------------------------|------------------------|----------------------------|---------------|
| Wunderman <sup>2</sup>       | Accenture              | Telecoms (confidential)    | 8             |
| Wunderman <sup>2</sup> /MSix | Deloitte Digital/Heat  | Manulife                   | 5             |
| OgilvyRED                    | Accenture              | Merck                      | 4             |
| Cognifide                    | Accenture              | Colgate                    | 4             |
| WINS > \$2.5m                | VML                    | Deloitte Digital           | 3             |
|                              | VML                    | Accenture                  | 3             |
|                              | Wunderman <sup>2</sup> | PWC/Deloitte Digital       | 3             |
|                              | Wunderman <sup>2</sup> | IBM                        | 3             |
|                              | Wunderman <sup>2</sup> | Deloitte Digital/Accenture | 2.5           |
|                              |                        | T-Mobile                   |               |

| Total Pitches    | Number    | Revenue (\$m) |
|------------------|-----------|---------------|
| Wins             | 45        | 68            |
| Losses           | 24        | 20            |
| Not awarded      | 2         | 4             |
| <b>Announced</b> | <b>71</b> | <b>92</b>     |
| Pending          | 16        | 51            |
| <b>Total</b>     | <b>87</b> | <b>143</b>    |

| WPP Agency      | Consultant            | Account   | Revenue (\$m) |
|-----------------|-----------------------|-----------|---------------|
| JWT/Mirum       | Deloitte Digital/Heat | Manulife  | 5             |
| LOSSES > \$2.5m | VML                   | Accenture | 3             |

<sup>1</sup> Internal Estimate

<sup>2</sup> Wunderman includes Acceleration, Cognifide and Salmon

# A Changing Industry?

Third - Low Cost of Capital Causing Distortion  
The Legacy Spectrum



<sup>1</sup> Dan Loeb, Nelson Peltz strong proponents of increased marketing spend

## A Changing Industry?

Third - Low Cost Of Capital Causing Distortion

Leading Consumer Packaged Goods Clients Published Results Trends

- Like-for-like revenue growth improving to ca 2%.
- Pricing leads but volumes starting to pick up helped by investment in advertising.

|                       | Q4/16 | Q1/17 | Q2/17 | Q3/17 |
|-----------------------|-------|-------|-------|-------|
| <b>Organic growth</b> | 2.5%  | 0.9%  | 1.4%  | 2.4%  |
| <b>Price</b>          | 2.1%  | 1.5%  | 1.3%  | 1.3%  |
| <b>Volume</b>         | 0.4%  | -0.6% | 0.1%  | 1.1%  |

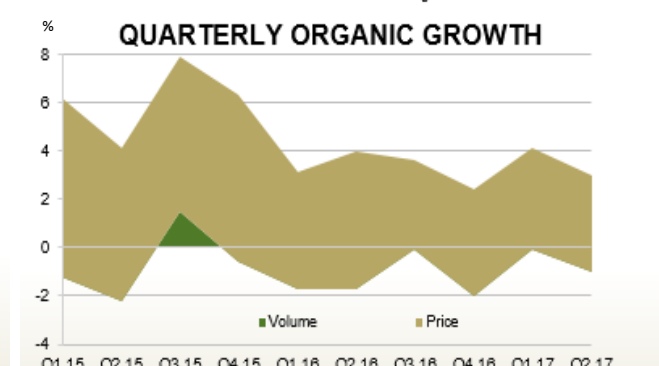
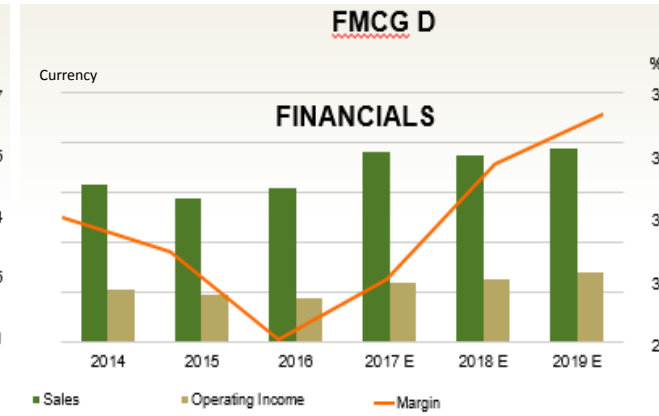
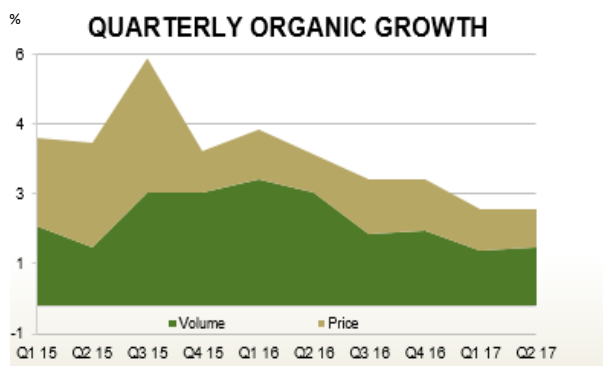
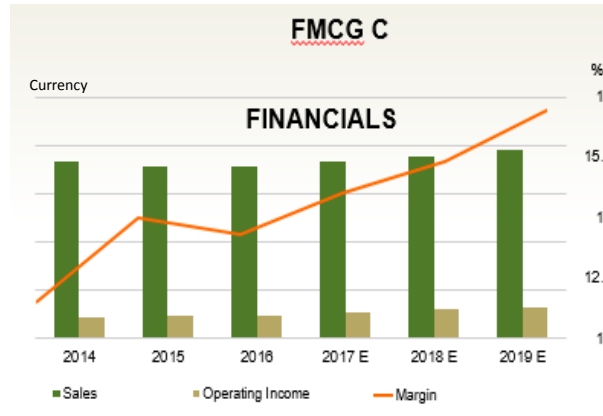
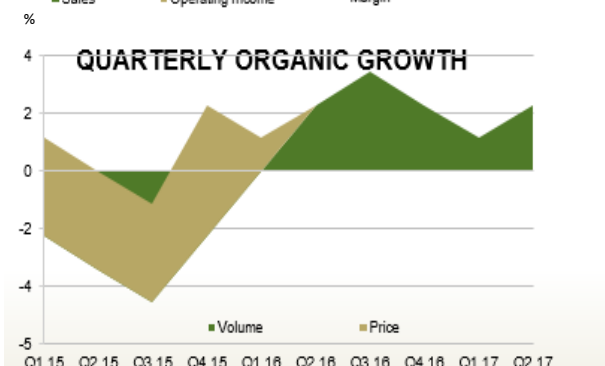
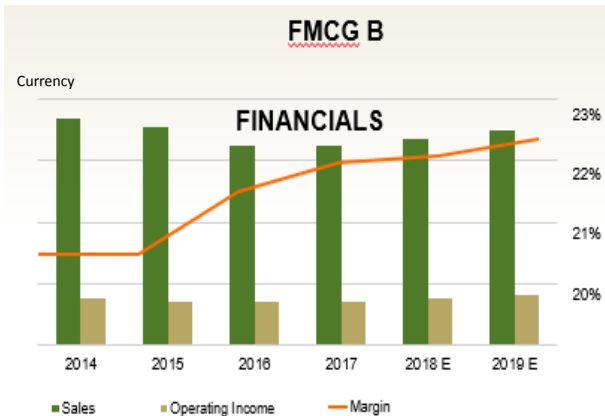
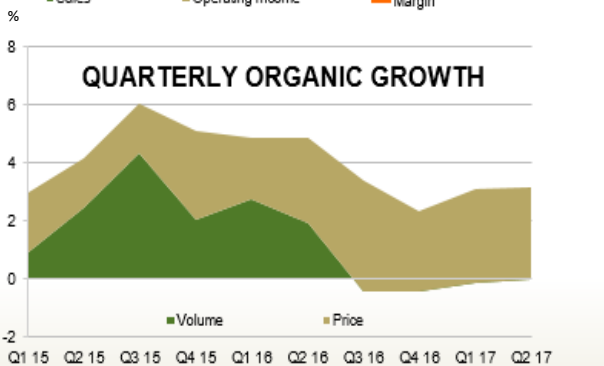
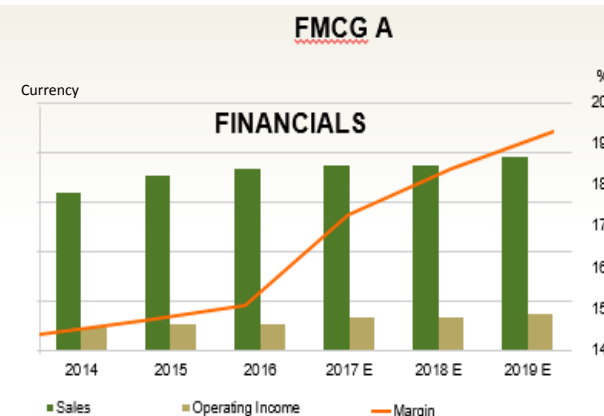
- US growth remains behind international as fast growth markets accelerate.



# A Changing Industry?

Third - Low Cost Of Capital Causing Distortion

Four FMCG Companies – Published Results and Volume/Price Growth Trends



Source: Company Reports, Bloomberg 2017

## A Changing Industry?

Third - Low Cost Of Capital Causing Distortion  
S&P 500 Revenue Growth by Sector Q4 2016 – Q3 2017

| Sector                 | Q4 2016     | Q1 2017     | Q2 2017     | Q3 2017 <sup>1</sup> | Average     | P/E         |
|------------------------|-------------|-------------|-------------|----------------------|-------------|-------------|
| Energy                 | 4.2%        | 34.3%       | 15.8%       | <b>16.4%</b>         | 17.7%       | 34.8        |
| Information Technology | 7.2%        | 8.2%        | 8.7%        | <b>9.6%</b>          | 8.4%        | 19.3        |
| Utilities              | 8.1%        | 7.2%        | 6.4%        | <b>-1.9%</b>         | 4.9%        | 19.0        |
| Materials              | 2.7%        | 8.5%        | 7.2%        | <b>11.7%</b>         | 7.5%        | 21.1        |
| Financials             | 5.5%        | 9.8%        | 4.5%        | <b>3.7%</b>          | 5.9%        | 16.5        |
| Consumer Discretionary | 7.6%        | 8.4%        | 3.8%        | <b>2.5%</b>          | 5.6%        | 20.2        |
| Health Care            | 5.4%        | 5.7%        | 4.0%        | <b>5.8%</b>          | 5.2%        | 17.6        |
| Real Estate            | 3.7%        | 4.5%        | 7.3%        | <b>4.2%</b>          | 4.9%        | 37.5        |
| Industrials            | 2.6%        | 4.2%        | 4.8%        | <b>7.2%</b>          | 4.7%        | 20.4        |
| Consumer Staples       | 2.7%        | 2.1%        | 2.5%        | <b>4.1%</b>          | 2.8%        | 20.0        |
| Telecoms               | -2.9%       | -4.8%       | -1.3%       | <b>-0.6%</b>         | -2.4%       | 12.1        |
| <b>Total</b>           | <b>4.9%</b> | <b>7.9%</b> | <b>5.3%</b> | <b>6.3%</b>          | <b>5.9%</b> | <b>21.7</b> |

Source: Bloomberg

<sup>1</sup> Q3 2017, 273 out of 499 companies have reported

# A Changing Industry?

The New Normal

**Low GDP  
Growth**

**Low or No  
Inflation**

**Little Pricing  
Power**

**High Focus  
on Costs**

## A Changing Industry?

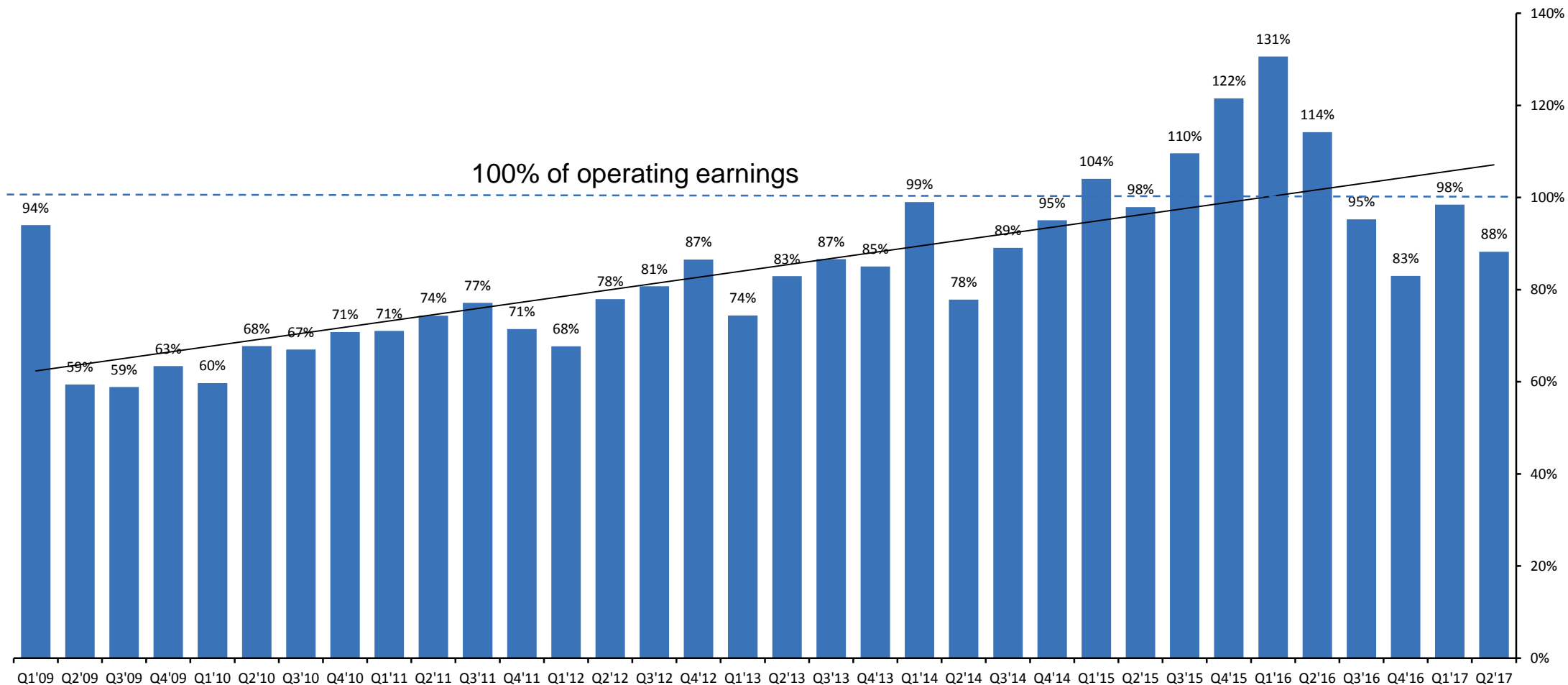
### Short Executive “Life Expectancy”

- CEO tenure 6 to 7 years  
(FTSE 100 5.9 years, S&P 500 7.1 years)
- CFO tenure 4 to 5 years  
(FTSE 100 4.1 years, S&P 500 4.8 with 50% less than 3 years)
- CMO tenure 2 to 3 years  
(S&P 45 months)



# A Changing Industry?

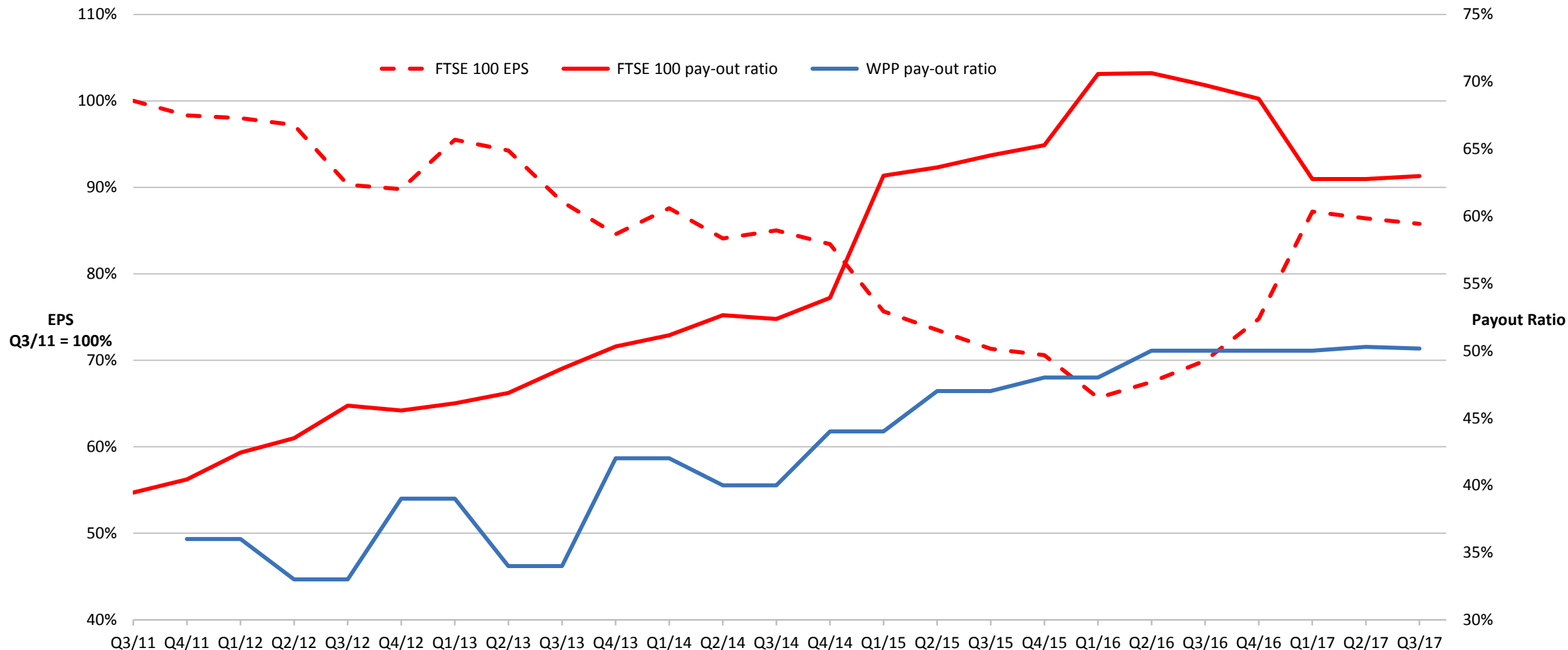
## S&P 500 Dividends & Buy-Backs as % of Operating Earnings



Source: S&P Capital IQ

# A Changing Industry?

## Highest FTSE 100 EPS in Three Years, Stable Pay-Out Ratio in Q2/Q3 2017



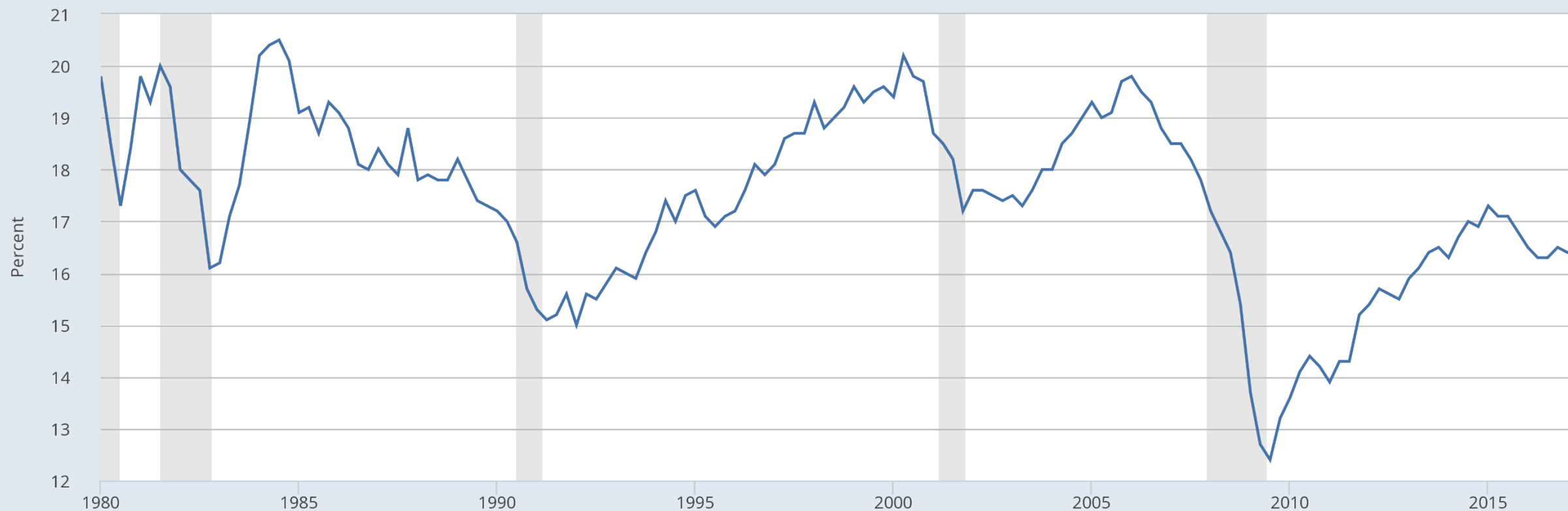
Source: Bloomberg

# A Changing Industry?

## US Total Investment as % of GDP

FRED 

— Shares of gross domestic product: Gross private domestic investment



Source: U.S. Bureau of Economic Analysis

[fred.stlouisfed.org](http://fred.stlouisfed.org)

[myf.red/g/eMkr](http://myf.red/g/eMkr)

# A Changing Industry?

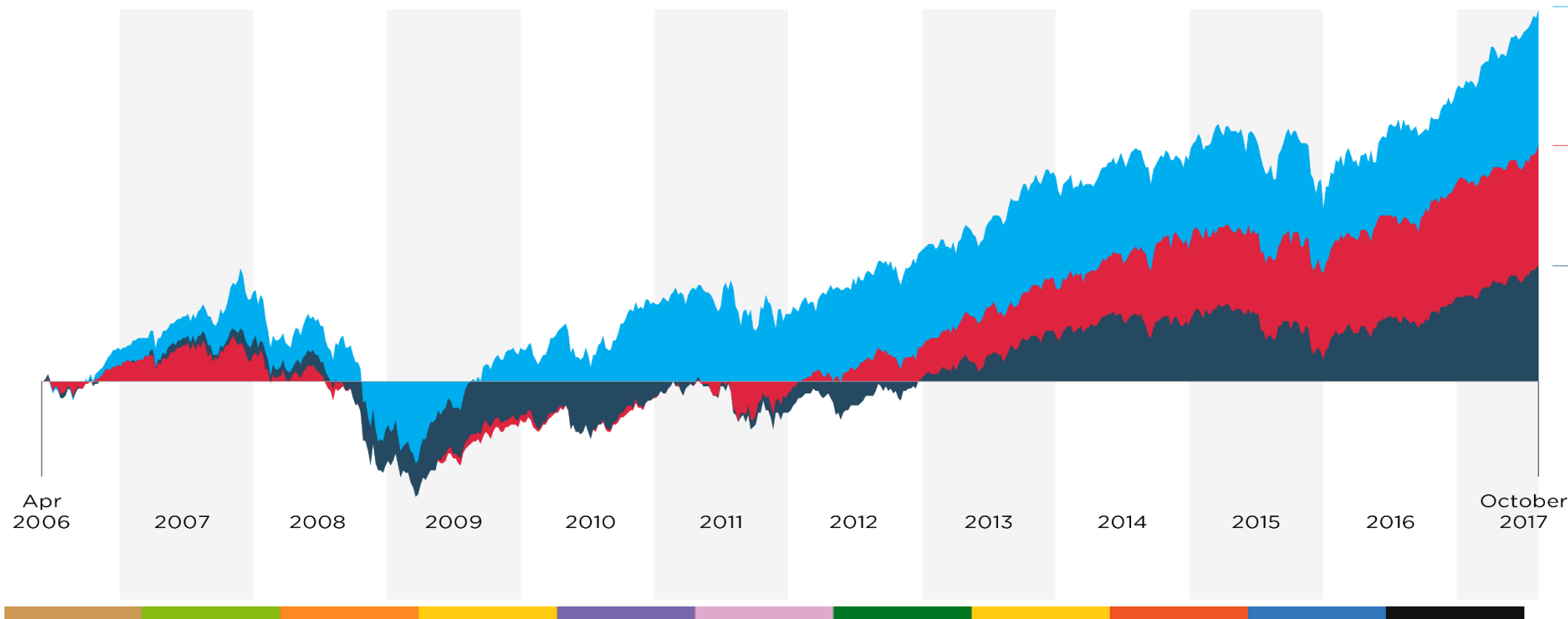
## Strong Brands Generate Superior Shareholders' Return

### Top 10 Global Brands Outperform S&P 500 by over 50% and MSCI over 3x Over Last 11 Years

BrandZ™ Strong Brands Portfolio  
**153.7%**

S&P 500  
**97.7%**

MSCI  
**47.5%**







# 3 Strategic Objectives and Structural Change



## Strategic Objectives and Structural Change

Horizontality, Fast Growth Markets, New Media and Data Investment Management

- Horizontality – first critical priority - ensuring our people work seamlessly together through client teams and country and sub-regional managers to provide integrated benefit for clients.
- Fast growth markets to be 40-45% of total Group revenue over next three to four years, where next billion consumers will come from.
- New media to be 40-45% of total Group revenue over next three to four years. Already achieved September YTD.
- Data investment management and quantitative disciplines to be one half (achieved) with focus on application of technology, big data and content.
- Considerable structural change has already taken place in 2017 beyond creation of teams and appointment of country and sub-regional managers - including One Ogilvy; merger of MEC/Maxus to Wavemaker; Essence expansion; Kantar First; WPP Health & Wellness; BtoD Group; Wunderman and POSSIBLE; Wunderman and Salmon.

# Strategic Objectives and Structural Change

Horizontality, Fast Growth Markets, New Media and Data Investment Management

Advance horizontality by ensuring our people work together for the benefit of clients



## Cross-Group Client Teams



Increase share of revenues from faster-developing markets to 40-45%



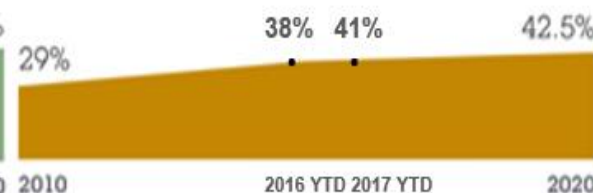
## Are we on target?



Increase share of revenues from new media to 40-45%



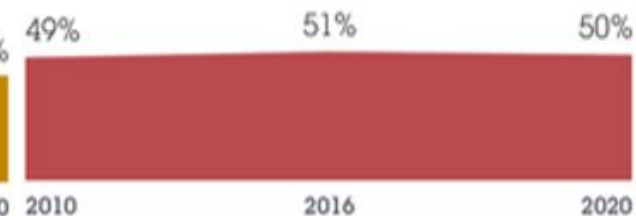
## Are we on target?



Maintain share of more measurable marketing services at 50% of revenues

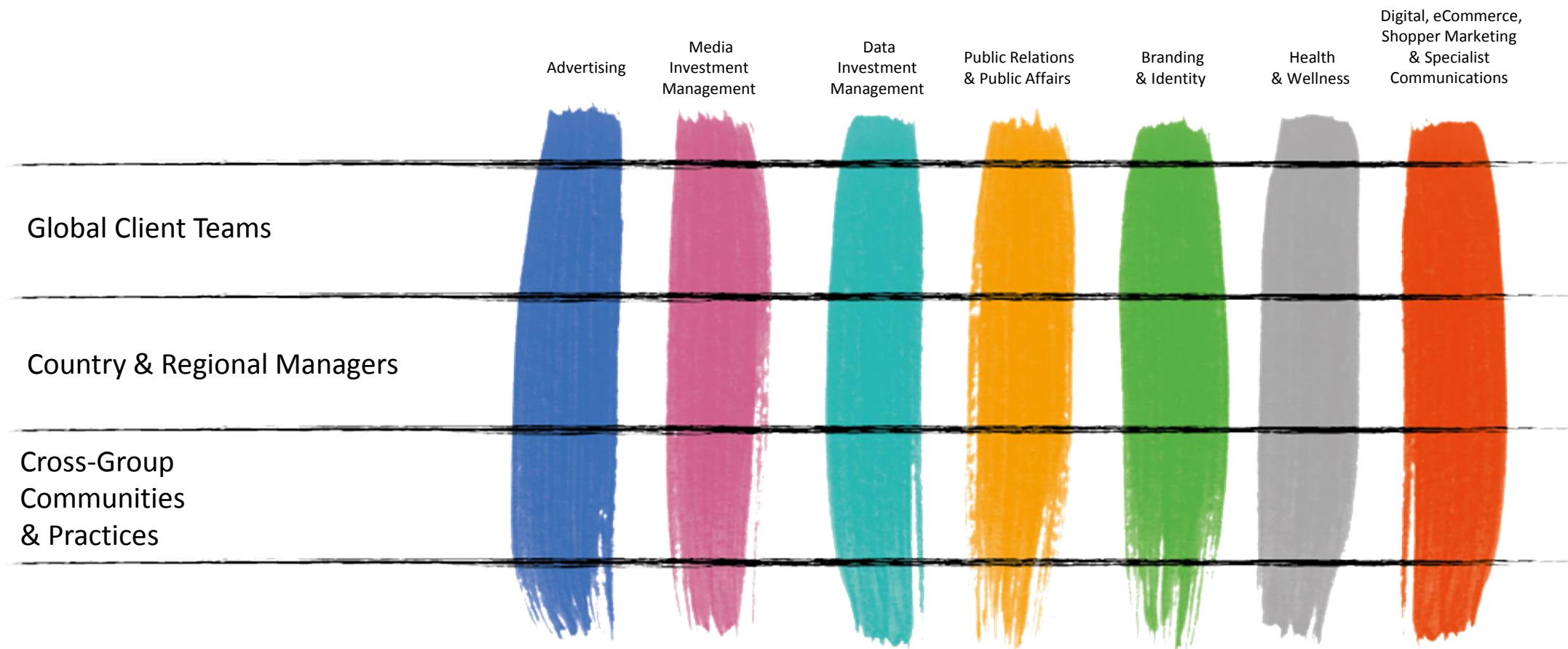


## Are we on target?



# Strategic Objectives and Structural Change

## Horizontality Matrix



# Strategic Objectives and Structural Change

## Horizontality - Critical Priority

- People, clients, acquisitions.
- Ensure our people work across our businesses and geographies to deliver best resources to clients.
- Deliver specialist skills (e.g. digital, shopper, analytics, sustainability, retailing, internal communications and media & entertainment) to clients, irrespective of lead agency.
- Focus on client needs and business issues.
- Recent Team additions: British Airways (Team Horizon), Campari (Team Campari), Google (Team Google), Sanofi (Sanofi Partnership) and Walgreens Boots Alliance (W Partnership).

# Strategic Objectives and Structural Change

## Third Quarter and Year to Date Summary

- Year to date reported net sales growth 9.7%, constant currency 1.7% but like-for-like -0.7%.
- Constant currency revenue growth in quarter 3 in the United Kingdom and Western Continental Europe and advertising and media investment management, with particularly strong growth geographically in the United Kingdom and sub-regions Canada, Latin America, the Middle East and Central & Eastern Europe.
- Functionally, advertising and media investment management, branding & identity and parts of the Group's specialist communications businesses were also stronger.
- Decreasing net sales tailwind from FX 13.7% Q1, 9.7% Q2, 1.5% Q3.
- Client spending from quarter two under considerable pressure with Q2 and Q3 like-for-like net sales down 1-2%.
- 9 month operating margin up 0.1 margin points reported, flat in constant currency, up 0.1 margin points like-for-like and now targeted to be flat in constant currency for the full year.
- Year to date<sup>1</sup> completion of 36 acquisitions and investments adding 2.4% to net sales.

<sup>1</sup> 36 completed September YTD, a further 3 completed in October

## Outlook for 2017

- Our forecasts indicate
  - Like-for-like revenue and net sales growth broadly flat for the year.
  - Margin improvement now targeted flat excluding currency, off a constant currency base margin of 17.3%.
  - Acquisitions to add 2-3% to revenue and net sales.
- At current exchange rates the full year currency impact is 4-5% benefit to revenue and net sales.
- Staff costs and headcount to remain controlled to deliver the margin target.
- Operational effectiveness and efficiency programmes supporting future margin goal.





# 4 31 Year History

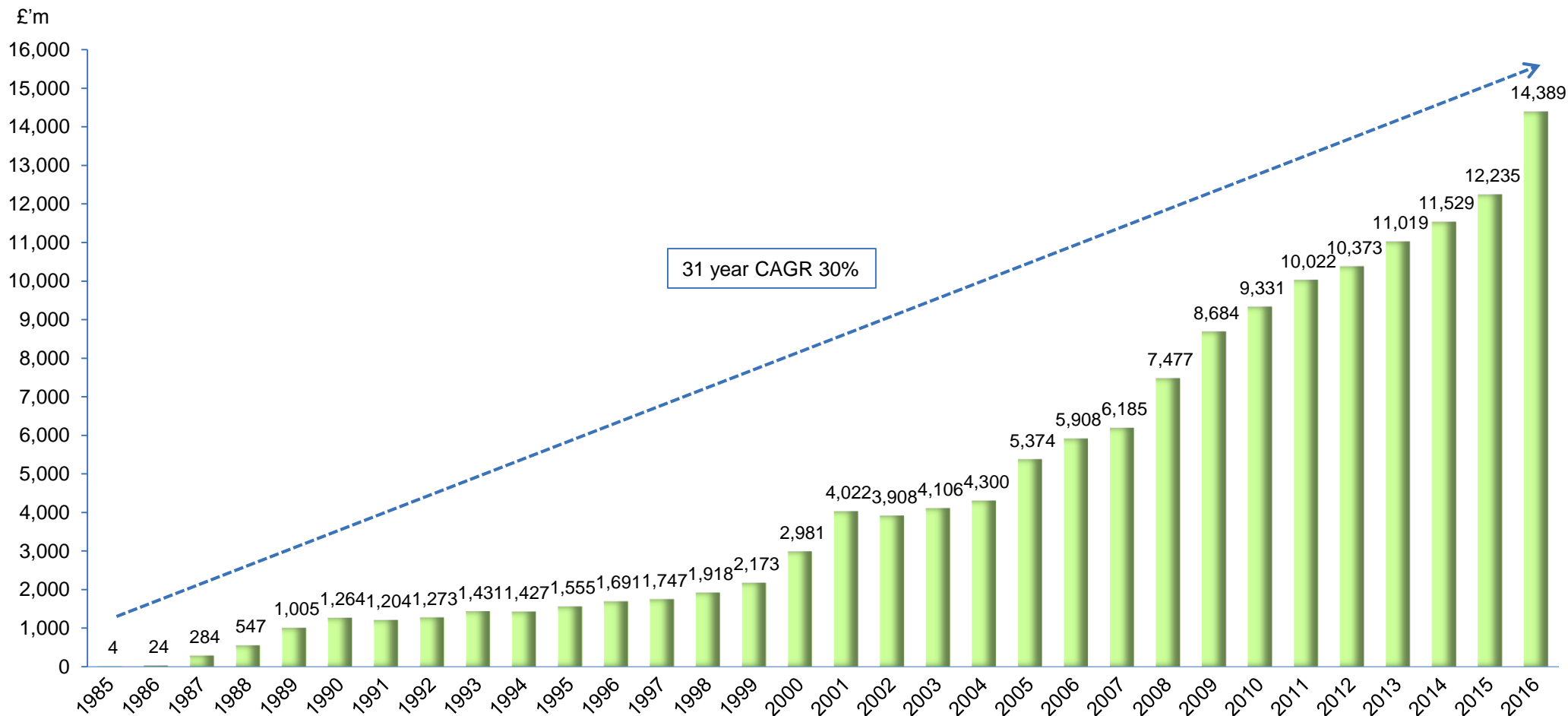
*(Hard Copy Only)*





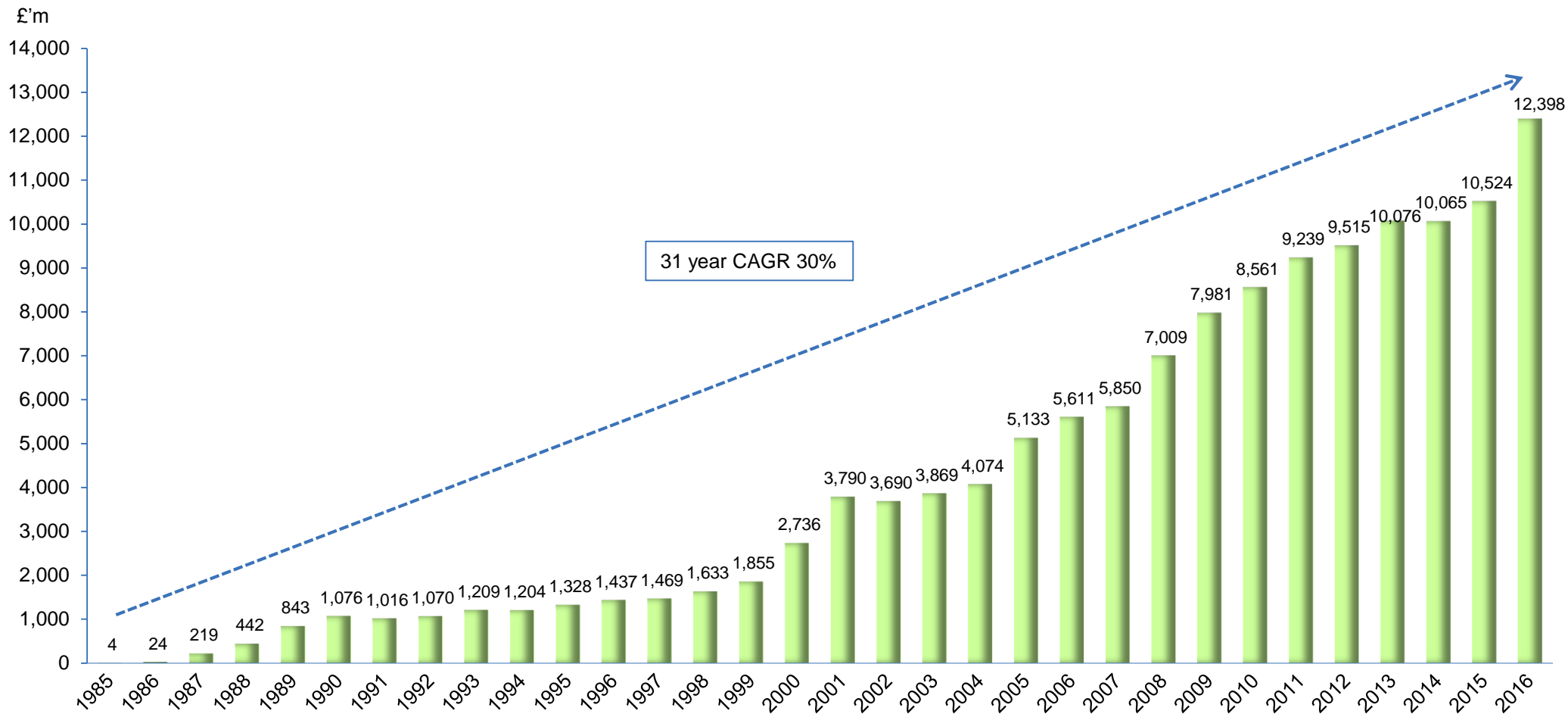
# 31 Year History

## WPP Reported Revenue



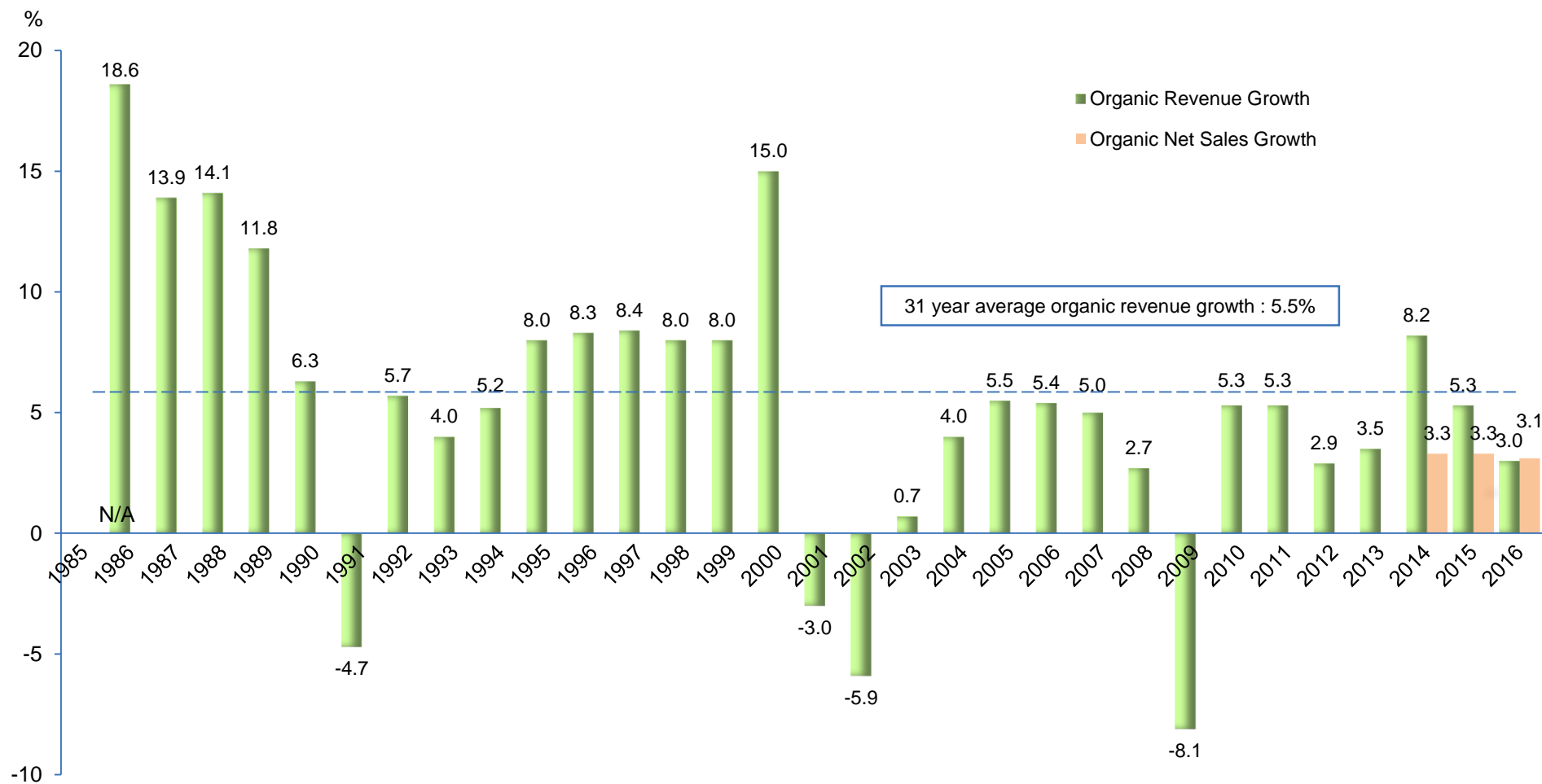
# 31 Year History

## WPP Net Sales



# 31 Year History

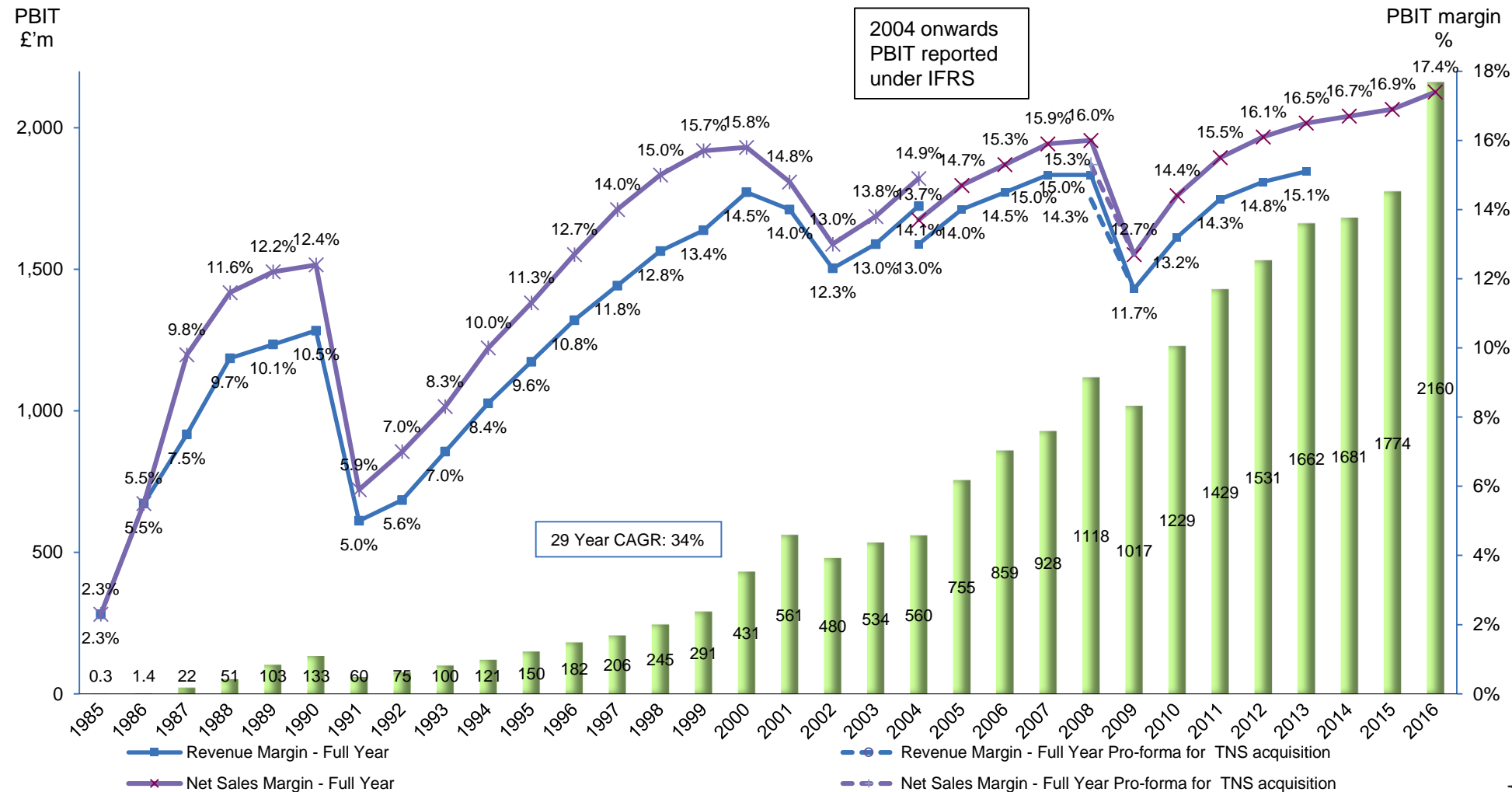
## WPP Organic Growth



Note: Estimates for 1985-1990

# 31 Year History

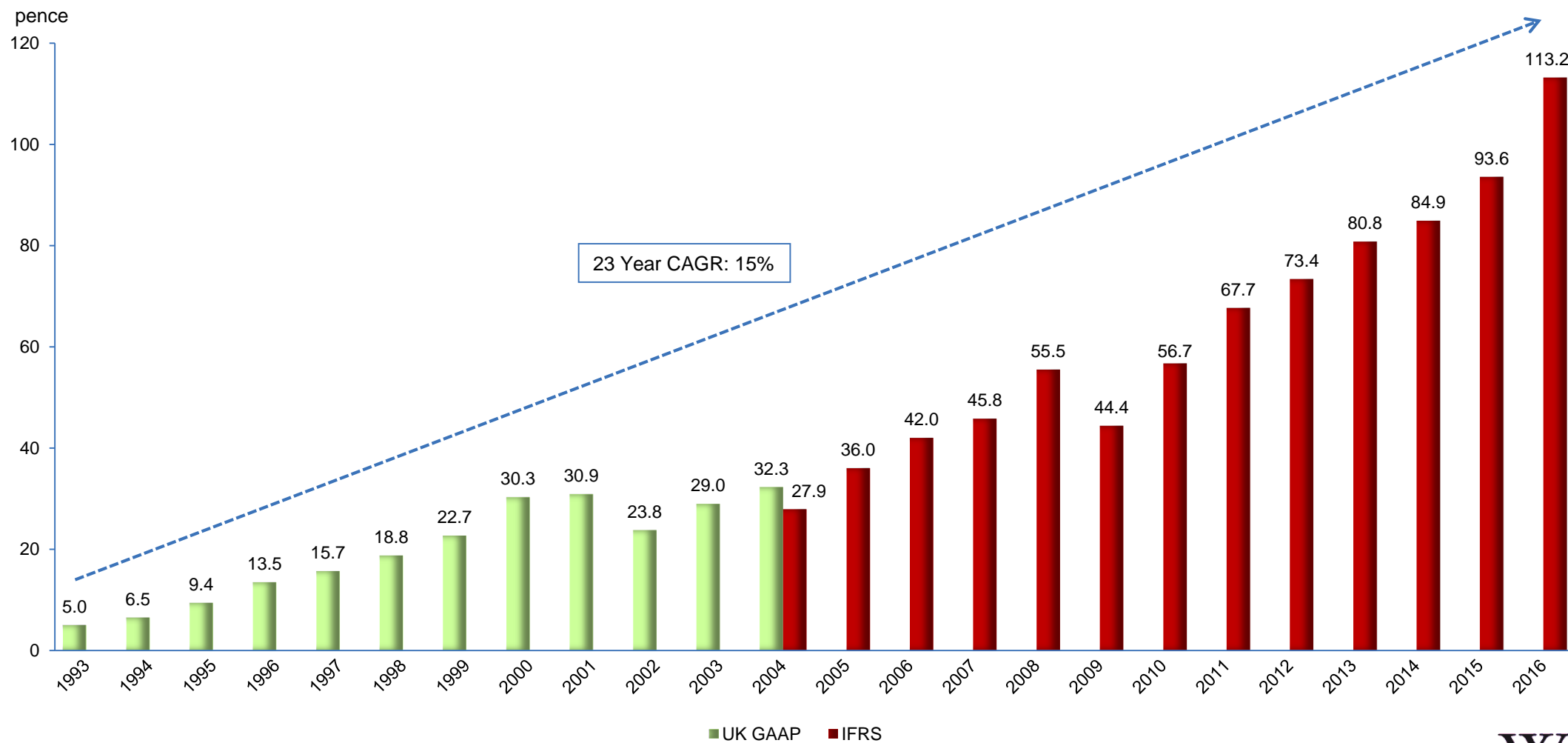
## WPP PBIT and Margins



Note: Headline PBIT includes associates and excludes goodwill and intangible charges, gain on sale of New York property, restructuring charges, costs of changes in corporate structure, gains/losses on disposals of subsidiaries and investments, investment write-downs and share of exceptional gains/losses of associates, restructuring costs and IT asset write-downs. For 2004 onwards, headline PBIT has been prepared under IFRS. 2003 and prior periods are in accordance with previous UK GAAP.

# 31 Year History

## WPP Headline Diluted EPS Post 1992 Rights Issue



23 Year CAGR: 15%

■ UK GAAP ■ IFRS

Note: 1993 adjusted to reflect 1992 rights issue. Headline Diluted EPS

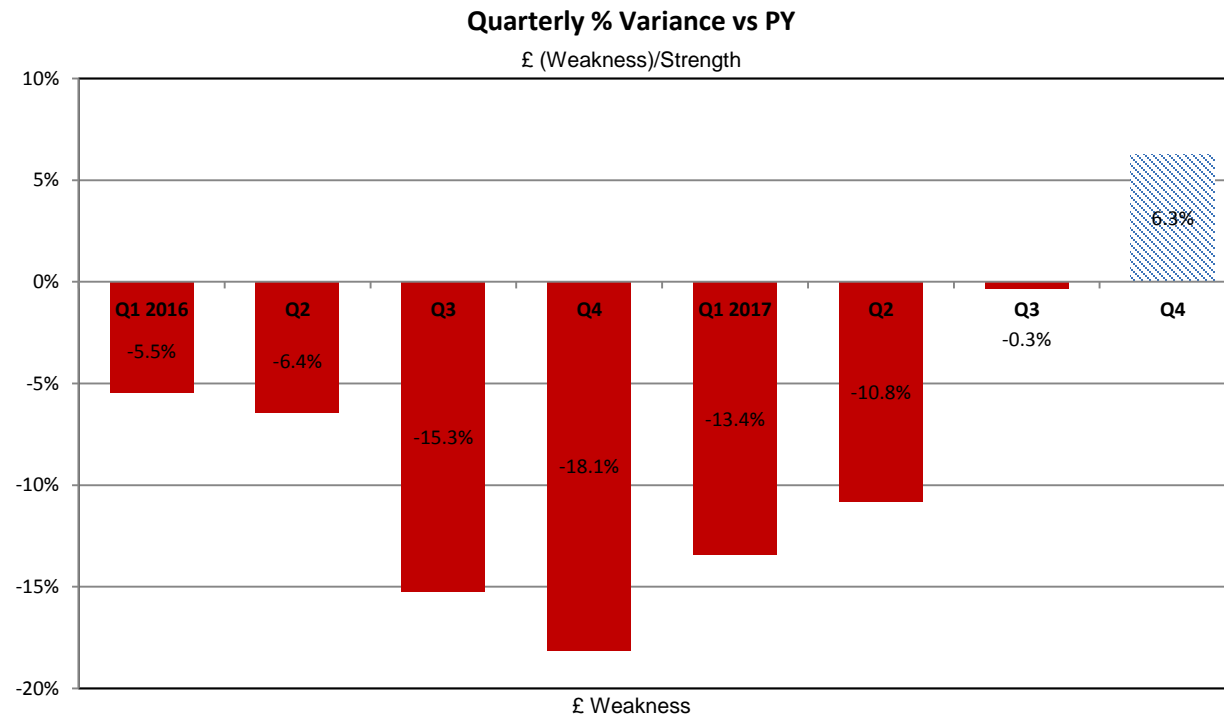
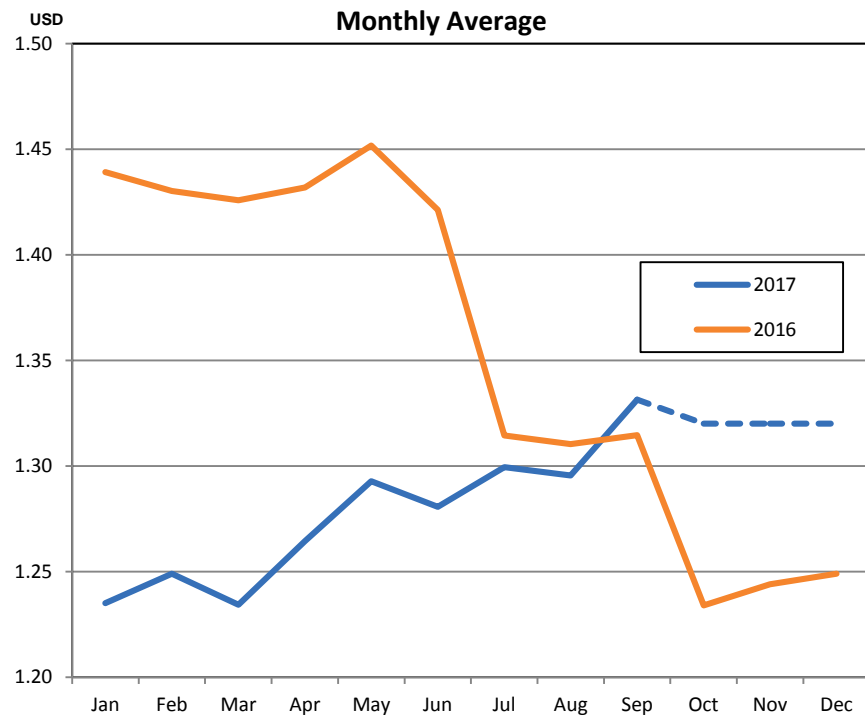
# 5 Other Information

*(Hard Copy only)*



# Third Quarter 2017

21 month US\$ range 1.23 to 1.45

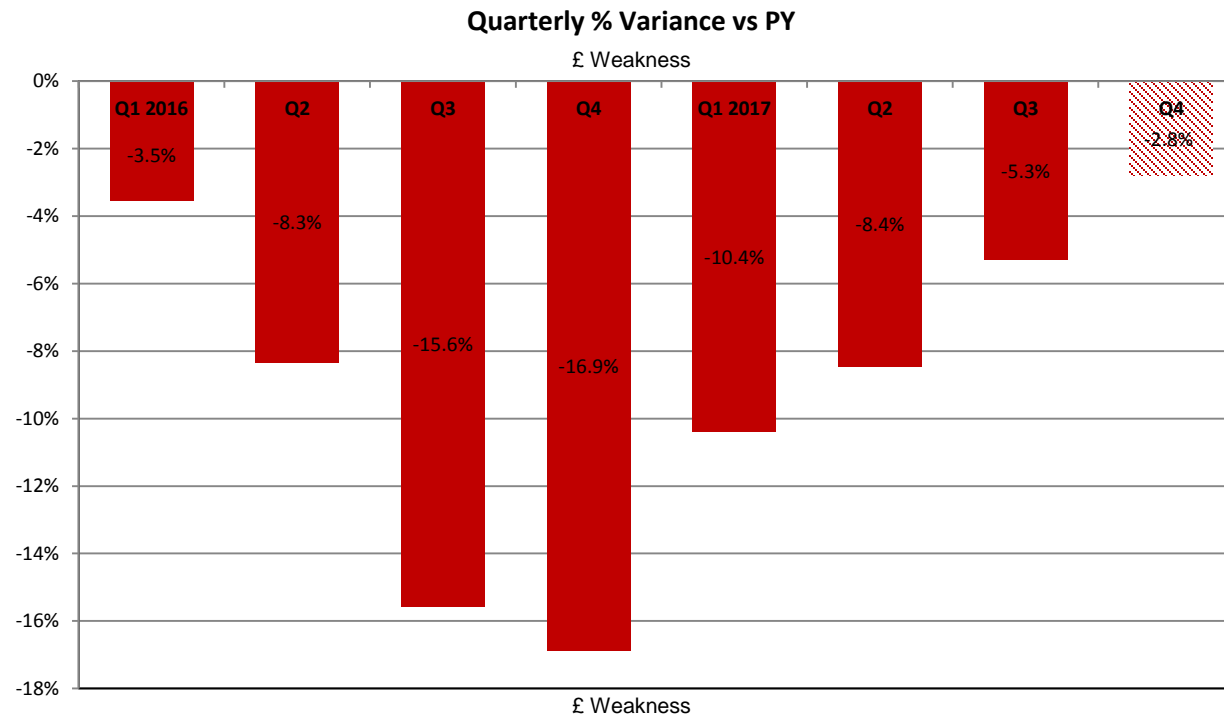
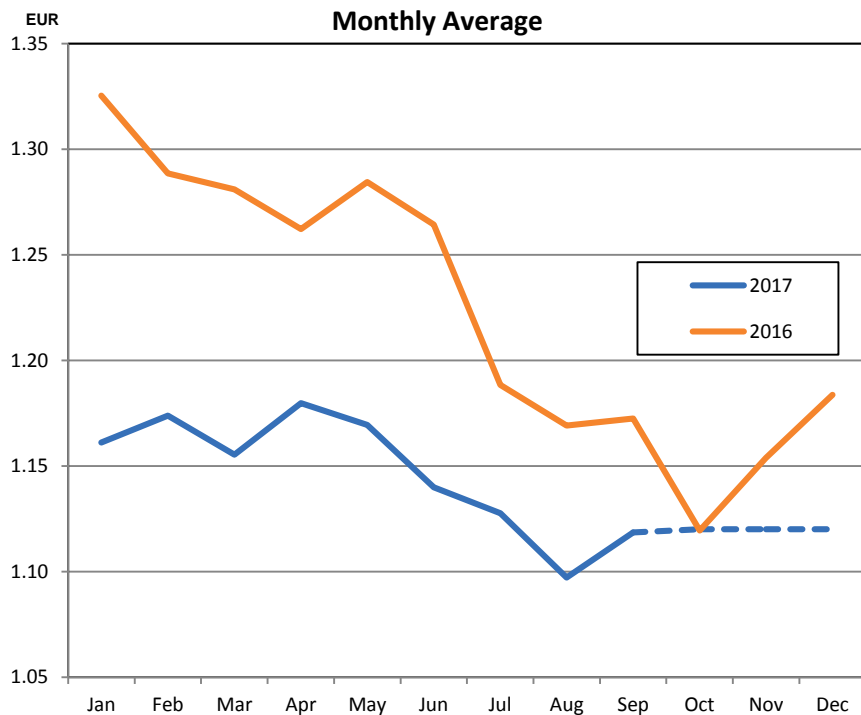


|                      | Jan    | Feb    | Mar    | Apr    | May    | Jun   | Jul   | Aug   | Sept | Oct  | Nov  | Dec  |
|----------------------|--------|--------|--------|--------|--------|-------|-------|-------|------|------|------|------|
| 2017 Monthly Average | 1.24   | 1.25   | 1.23   | 1.26   | 1.29   | 1.28  | 1.30  | 1.30  | 1.33 | 1.32 | 1.32 | 1.32 |
| % change vs PY       | -14.2% | -12.7% | -13.4% | -11.7% | -11.0% | -9.9% | -1.1% | -1.1% | 1.3% | 7.0% | 6.1% | 5.7% |
| Quarterly Average    | Q1     |        |        | Q2     |        |       | Q3    |       |      | Q4   |      |      |
|                      | 1.24   |        |        | 1.28   |        |       | 1.31  |       |      | 1.32 |      |      |
| % change vs PY       | -13.4% |        |        | -10.8% |        |       | -0.3% |       |      | 6.3% |      |      |

Jan 2016 to Sept 2017 based on average monthly rates, Oct - Dec 2017 based on latest estimate and set at US\$1.32 to £1

# Third Quarter 2017

## 21 month € range 1.10 to 1.33



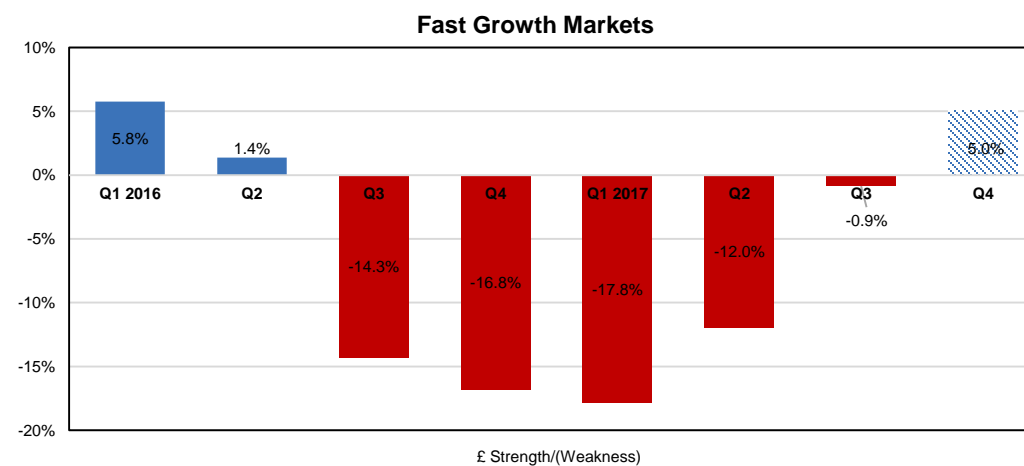
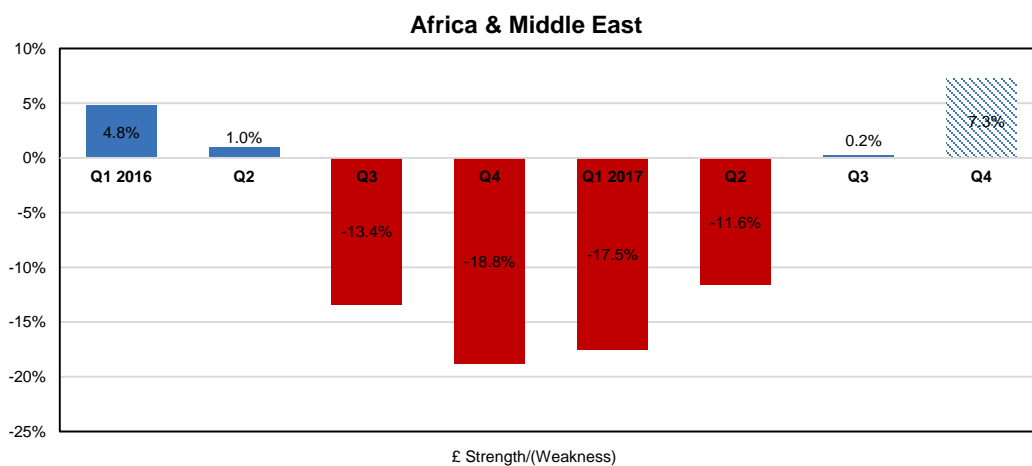
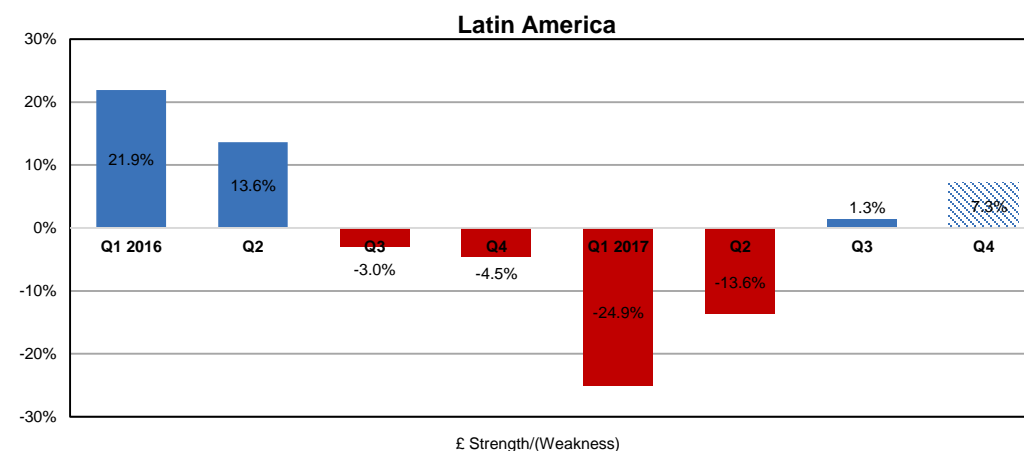
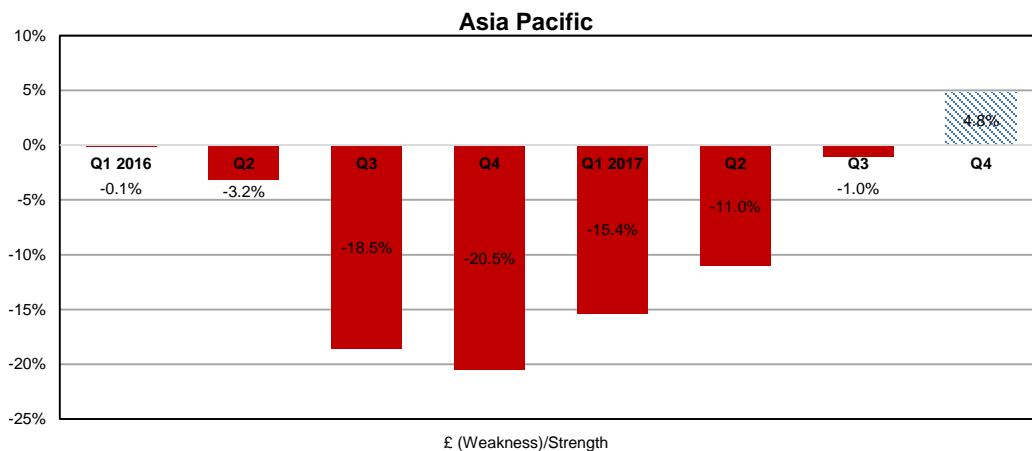
|                      | Jan    | Feb   | Mar   | Apr   | May   | Jun   | Jul   | Aug   | Sept  | Oct   | Nov   | Dec   |
|----------------------|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 2017 Monthly Average | 1.16   | 1.17  | 1.16  | 1.18  | 1.17  | 1.14  | 1.13  | 1.10  | 1.12  | 1.12  | 1.12  | 1.12  |
| % change vs PY       | -12.4% | -8.9% | -9.8% | -6.5% | -9.0% | -9.8% | -5.1% | -6.2% | -4.6% | 0.1%  | -2.9% | -5.4% |
| Quarterly Average    | Q1     |       |       | Q2    |       |       | Q3    |       |       | Q4    |       |       |
|                      | 1.16   |       |       | 1.16  |       |       | 1.11  |       |       | 1.12  |       |       |
| % change vs PY       | -10.4% |       |       | -8.4% |       |       | -5.3% |       |       | -2.8% |       |       |

Jan 2016 to Sept 2017 based on average monthly rates, Oct - Dec 2017 based on latest estimate and set at €1.12 to £1



# Third Quarter 2017

## Fast Growth Regions - Quarterly % Variance vs PY



# Third Quarter 2017

## Acquisitions Since 1 July

### Design Bridge – UK (WPP)

Design Bridge is a leading independent and highly-awarded brand design agency. Design Bridge combines strategic thinking, intuition and creative excellence to bring brands to life through great ideas that connect with people. Founded in London in 1986 – 18 months after WPP was founded - Design Bridge has grown to become one of the most respected names in its field, working with iconic global and local brands as well as challenger brands around the world. It has gained widespread international creative recognition from D&AD, Pentawards, FAB Awards, New York Festivals and DBA Design Effectiveness. Clients include AkzoNobel, Diageo, Mondelēz and Unilever, among others. In addition to its London headquarters, the agency has operations internationally, with studios in Amsterdam, New York and Singapore, employing around 400 people. Design Bridge will operate as a distinct and independently positioned brand within the WPP Group.



### DIS/PLAY – Denmark (AKQA)

DIS/PLAY provides strategy, user experience, design, and technical development solutions to clients. Employing more than 100 people in Copenhagen and Aarhus, DIS/PLAY’s clients include Amnesty International, ECCO and Vestas. The acquisition builds AKQA’s European presence and capabilities while providing DIS/PLAY with access to AKQA’s global network and resources.



### Fatherly<sup>1,2</sup> – USA (WPP Ventures)

Fatherly is a digital media company producing content for millennial parents in the US. advertising and branded-content clients include Johnson & Johnson, Mattel, Inc. and the New York Life Insurance Company. Fatherly has worked with over 100 brands to date, developing and distributing native advertising, custom videos and custom branded content. It has created franchise series such as “940 Weekends,” which is a reference to the number of weekends parents have to spend with their children between birth and the age of 18, “My Father The...,” a series of interviews with the sons and daughters of famous men, and its upcoming “Father of the Year” awards.



<sup>1</sup> Acquired since 1 October 2017  
<sup>2</sup> Investment

# Third Quarter 2017

## Acquisitions Since 1 July

### Gimlet<sup>1</sup> – USA (WPP Ventures)

Gimlet is an award-winning global podcasting company based in the US. Gimlet’s advertising and branded-content clients include Alphabet Inc., Ford Motor Company, PepsiCo, Match Group, eBay, Blue Apron, Goldman Sachs and Microsoft Corporation. Gimlet is based in Brooklyn, New York and was founded in 2014. It employs 85 people. Gimlet’s podcasts are downloaded over 12 million times per month in over 190 countries worldwide. Gimlet’s programming includes critical and commercial hits spanning a variety of verticals like StartUp (business), Reply All (internet culture), Mogul (music), Homecoming (scripted fiction), Uncivil (history), Science Vs (science), Crimetown (true crime), The Nod (Black culture), among many others. Gimlet also produces branded podcasts on behalf of advertisers looking to connect with Gimlet’s sought-after millennial audience on a deeper plane. In the past, year Gimlet has produced hit branded podcasts including DTR ‘Define the Relationship’ (Tinder/Match Group), Open for Business (eBay), The Venture (Virgin Atlantic), The Secret to Victory (Gatorade), and future (Microsoft).



### hug digital – Dubai (Grey)

hug is a leading Middle East based digital agency that provides services including campaigns, social media, research, content marketing and influencer marketing. Clients include international, regional and local brands such as Americana, Al-Futtaim automotive group, Dubai Tourism and Shell. In addition to its Dubai headquarters, hug has offices in Egypt and India and in total employs around 145 people.



### LOOM – USA (tenthavenue)

LOOM is a US based start-up company specialising in creating opportunities for brands to sponsor urban innovation. Through sponsorship and marketing programs, LOOM will assist with the economic development of “Smart Cities” and other civic innovations. LOOM will work with cities to provide access to brands seeking creative ways to reach and engage communities in five key areas: community spaces, health and wellness, sustainability, travel and transportation. LOOM is based in New York.



<sup>1</sup> Investment

# Third Quarter 2017

## Acquisitions Since 1 July

### The Mighty<sup>1,2</sup> – USA (WPP Health & Wellness)

The Mighty is an online community platform for people facing health challenges and disabilities. The Mighty employs approximately 30 people and is based in Burbank, CA, with an office in New York. It was founded in 2014 and is demonstrating strong engagement statistics, with more than one million community members and 90 million engagements with personal health stories and videos per month. The Mighty is building a social network of support for all facets of living with chronic conditions through patient stories, treatment information, education resources, and connections among community members. Content is generated by community members, medical professionals, and an in-house editorial team. The Mighty was founded by Mike Porath, a former journalist at ABC News, NBC News, and *The New York Times*, who as the father of a child with a rare disease, saw the need for a health-specific community platform to connect people through shared experiences.



### Pierry – USA (Wunderman)

Pierry is an industry-leading marketing software integration and solutions company specialising in optimising campaigns on the Salesforce Marketing Cloud. Clients include LifeLock, Louisiana Tech University, Major League Soccer team the San Jose Earthquakes and YETI Coolers. Pierry is based in Redwood City, CA, with offices in New York City, Kyoto and Boulder, CO. It employs approximately 100 people and was founded in 2008. A recognised leader in creating technology-driven consumer experiences using Salesforce Marketing Cloud, Pierry's mission is to help companies optimize their digital marketing initiatives through a unique combination of technology expertise and creative excellence. Pierry is a Salesforce Platinum partner and was ranked #6 in the "2016 Fastest Growing Companies" by the San Francisco Business Times.



<sup>1</sup> Acquired since 1 October 2017

<sup>2</sup> Investment

# Third Quarter 2017

## Acquisitions Since 1 July



### Sensio<sup>1</sup> – France (Grey)

Sensio is a full service digital agency that offers services including consulting, design, technology and customer acquisition. Founded in 1998, the agency has around 75 people and is headquartered in Paris. Clients include Groupe PSA, AXA, E.Leclerc, Futuroscope, Häagen Dazs and Nexity. The company is listed as one of the “Growth Champions” by Les Echos / Statista, and features in the Financial Times’ “1000 Fastest Growing Companies”.



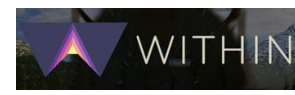
### thjnk<sup>1</sup> – Germany (WPP)

thjnk is a leading independent creative agency group in Germany. Founded in 2012 in Hamburg, with offices in Berlin, Dusseldorf, Munich, Zurich and New York, it is a multi-award winning agency group specialising in advertising, design and corporate publishing. Recently named Agency of the Year 2017 by German trade publication Werben & Verkaufen, thjnk employs 400 people.



### Within<sup>1</sup> – USA (WPP Ventures)

Within is a US-based virtual reality/augmented reality entertainment and technology company led by renowned film maker and music video director Chris Milk and technologist Aaron Koblin. Within creates and produces award-winning virtual reality content and also curates content from third parties, which it distributes through the Within app. Partners and content collaborators include Apple, The New York Times, NBC Universal, Vice, 21st Century Fox, and Alphabet Inc. Within employs over 35 people and is based in Los Angeles with an office in San Francisco. It was founded in 2014.



<sup>1</sup> Investment

# WPP

## Trading Statement for Third Quarter 2017

London

