8 July 2026

2026 Interim Results Pre-Close Aide Memoire

This aide memoire brings together certain previous public communications made by WPP as extracted from their original source, which readers may find helpful to consider ahead of WPP's 2026 interim results on 6 August 2026. All statements have had their source attributed and should only be taken as speaking as at the date they were made, and they do not reflect subsequent or recent events, circumstances, or developments. No new information or disclosure is given in this document. Any updates to the information contained in this document and other previous public communications would only be included in further communications by WPP to the market and the inclusion of the extracted statements herein should not be taken to indicate that they will not be updated in the future.

Financial outlook for 2026

WPP published its 2026 guidance with the 2025 Preliminary Results on 26 February 2026 and reaffirmed guidance with the 2026 first quarter trading update on 28 April 2026.

LFL revenue less pass-through costs[1,2]

- Reiterating 2026 guidance – We anticipate LFL revenue less pass-through costs to decline in the mid to high-single digits in the first half of 2026 with an improving trajectory in the second half and expect headline operating profit margin for the full year to be 12% to 13% *(source: First Quarter 2026 Trading Update, 28 April 2026)*.
- "While we are encouraged by the first quarter performance which was in line with our expectations, we still see ongoing volatility in client spending and note uncertainty in the Middle East. Coupled with the phasing of net new business, we continue to expect like-for-like revenue less pass-through costs to decline in the mid to high-single digits in the first half of 2026, consistent with performance in the first quarter, before seeing an improving trajectory in the second half" (*source: First Quarter 2026 Trading Update Teleconference Transcript, 28 April 2026)*.
- "We are expecting gross account losses to have an impact of 500 to 600 basis points in the full year, and the gross wins offsetting that. We did say at the end of February that we were already ahead of that level for 2025, and of course that has improved through Q1 as we continue to build on the momentum on new business that I talked about in my pre-prepared remarks. So yes, it's very similar to Q4. I also expect that as we go through the year, that drag from net new business will ease. We have talked about the improving trajectory into the second half, and so I would expect Q1 to be the worst quarter for net new business. In terms of the full year, it's too early to put a number on net new business impact. I have shared what we are seeing for gross losses and also where we are at this point in the year on gross wins" (*source: First Quarter 2026 Trading Update Teleconference Transcript, 28 April 2026)*.

Headline operating profit[2]

- Reiterating 2026 guidance – We anticipate LFL revenue less pass-through costs to decline in the mid to high-single digits in the first half of 2026 with an improving trajectory in the second half and expect headline operating profit margin for the full year to be 12% to 13% *(source: First Quarter 2026 Trading Update, 28 April 2026)*.
- While we will benefit from the full year impact of cost saving actions taken last year and a part year impact from Elevate28 cost actions, we will invest to support a return to growth and rebuild incentives. Accordingly, for the full year we anticipate headline operating profit margin in the range of 12% to 13% (*source: Strategy Update and 2025 Preliminary Results, 26 February 2026*).
- "There are a number of moving parts that will impact headline operating margin. On the positive side, we will benefit from the annualised impact of cost actions taken in 2025 alongside a part year benefit from the cost initiatives we are implementing as part of our new strategy. We also expect a lower impact from headline severance costs. Against this, we will continue to invest in WPP Open, AI and data, as well as our growth drivers and also expect to rebuild our incentive pools" (*source: Strategy Update and 2025 Preliminary Results Teleconference Transcript, 26 February 2026*).

Adjusted operating cash flow before working capital

- Adjusted operating cash flow before working capital – We continue to anticipate adjusted operating cashflow before working capital of £800m to £900m. Excluding anticipated restructuring costs associated with historical plans and the Elevate28 strategy, we would anticipate adjusted operating cashflow before working capital of £1.0bn to £1.1bn *(source: First Quarter 2026 Trading Update, 28 April 2026)*.

Q2 and H1 2026 performance

- "While it is still early in the year to indicate the impact of net new business on the full year we do expect it to be a more significant drag in the first half than in 2025."
- We are encouraged by the new business performance in the fourth quarter, the performance year-to-date and the nature of the pitch pipeline, and as a result we anticipate a progressively improving impact from net new business through the course of the year."

(*source: Strategy Update and 2025 Preliminary Results Teleconference Transcript, 26 February 2026*)

- "While we are encouraged by the first quarter performance which was in line with our expectations, we still see ongoing volatility in client spending and note uncertainty in the Middle East. Coupled with the phasing of net new business, we continue to expect like-for-like revenue less pass-through costs to decline in the mid to high-single digits in the first half of 2026, consistent with performance in the first quarter, before seeing an improving trajectory in the second half."
- "On profit, we anticipate headline operating profit margin for the full year to be in the range 12% to 13% and expect H1 margins to be down reflecting the impact of net sales performance and investment in our growth drivers. As shared previously, the in-year cost savings benefit from our operating model changes will be skewed to the second half. We also expect to rebuild our incentives, which are also skewed to the second half."

- "Just a couple of things on margin. In the first half, obviously we'll have the negative impact from operating leverage. As we've said, we expect to see the top-line trajectory improving in the second half versus the first half. Our investment through the year is fairly balanced between H1 and H2, and the cost-saving initiatives from Elevate28 are very much skewed to the second half. And as I also shared in my remarks, we will be looking to rebuild our incentives in the full year, and that will also be skewed to the second half. So that will give you an indication of some of the drivers between H1 and H2."
- "As we go through the year, we'll start to see the benefit from those new business wins ramp up. It starts to ramp up in Q2, but really we'll see the biggest impact from those in the second half, and that's really reflected in that guidance of an improving trajectory in like-for-like in the second half."
- "Q1 was very much in line with our expectations, and it was consistent with our guidance for H1 to be down mid-to-high-single-digits. We expect trends to be broadly similar in Q2. You are right that the comps do ease from Q2, but as we shared in February and talked again today, the trend of net new business through the year will ease and improve, and really most of that easing we'll see in the second half. So we will still see a similar drag from net new business in Q2 as we saw in Q1. We've also talked about the ongoing conflict in the Middle East, and albeit it's a small percentage of net sales, it was a drag in Q1, and it is driving heightened geopolitical uncertainty. But I feel very comfortable with the guidance that we've set — the mid-to-high-single-digit decline in the first half and then that improving trajectory into the second half."
- (On China) "I would also say that we are starting to lap through some of those client losses that impacted us last year. Some will continue into the balance of the year, but I would assume that we will see an improving trajectory in China as we go through the balance of 2026."

(*source: First Quarter 2026 Trading Update Teleconference Transcript, 28 April 2026*).

Elevate28 cost savings

- To achieve this transformation and deliver £500m of gross savings by 2028, we anticipate total cash costs of approximately £400m phased over two years. We will reinvest a significant portion of savings into high-growth areas.

(*source: Strategy Update and 2025 Preliminary Results, 26 February 2026*)

- "As a lagging indicator we expect organic growth to remain subdued in 2026. We also anticipate margins to remain below historic levels as we reinvest savings to support growth. Alongside this we expect an elevated average leverage ratio."
- "In 2026, we expect to realise at least £100m of in-year P&L savings and £250m of annualised savings. The estimated restructuring costs associated with these savings in 2026 is around £190m. These targeted actions will improve our execution as well as enable a reallocation of investment into the highest growth opportunities across our business, supporting a rebuild of our margins over time."
- "In 2026 we are expecting to reinvest all of the in-year savings from the cost initiatives into the first two priorities (i.e. growth drivers and improved GTM and execution) and this is reflected in our margin guidance for the year."

(*source: Strategy Update and 2025 Preliminary Results Teleconference Transcript, 26 February 2026*)

Dividend

- Reflecting confidence in the plan, having declared a 7.5p final dividend for 2025, the Board intends to maintain the annual dividend at 15.0p per share in 2026.

(*source: Strategy Update and 2025 Preliminary Results Teleconference Transcript, 26 February 2026*)

FX Impact

- Current rates (at 6 April 2026, with USD/GBP rate of 1.33) imply a c.0.4% drag on FY 2026 revenue less pass-through costs *(source: First Quarter 2026 Trading Update, 28 April 2026)*.

Consensus Estimates

- The latest consensus estimates can be seen at https://www.vuma.com/public/consensus/wpp.

Segment reporting

- "As shared in February, we are aiming to align our segmental reporting disclosures from half year 2026 with our new operating model, moving from three reporting segments to one: Global Integrated Agencies. This corresponds to the vision and plans to make WPP a single, unified operating company."
- "In 2026, we will provide additional disclosure on operating performance within the key units: WPP Media, WPP Production and WPP Creative. This will include like-for like growth and net sales splits but will not include profitability metrics, consistent with our peers."
- "We will also shift our geographical reporting to 4 recalibrated regions: North America, Latin America, EMEA and Asia Pacific."
- "We anticipate moving to this new reporting at the half year and from 2027, it is also our intent to provide like-for-like growth and the net sales split for WPP Enterprise Solutions."

(*source: First Quarter 2026 Trading Update Teleconference Transcript, 28 April 2026*).

A reminder of other 2026 modelling assumptions

- Mergers and acquisitions will not significantly impact revenue less pass-through costs
- Headline earnings from associates of around £30m
- Non-controlling interests of around £45m
- Headline net finance costs of around £290m
- Headline effective tax rate between 33% to 34%
- Capex of around £190m
- Total cash restructuring costs of around £250m, consisting of c.£190m from Elevate28 and c.£60m from historical programmes

(source: First Quarter 2026 Trading Update, 28 April 2026)

For further information:

Investors and analysts

Thomas Singlehurst, CFA	+44 7876 431922
Anthony Hamilton	+44 7464 532903
Melissa Fung	+44 7353 107064
irteam@wpp.com	wpp.com/investors

Media

Niken Wresniwiro, WPP	+44 20 7282 4600
Louise Lacourarie	+44 20 7282 4600
press@wpp.com	

[1.] Like-for-like. LFL comparisons are calculated as follows: current year, constant currency actual results (which include acquisitions from the relevant date of completion) are compared with prior year, constant currency actual results, adjusted to include the results of acquisitions and disposals for the commensurate period in the prior year.

[2.] Management believes these non-GAAP measures, including like-for-like, revenue less pass-through costs and headline operating profit, are both useful and necessary to better understand the Group's results. Details of how these measures are calculated are detailed in the Strategy Update and 2025 Preliminary Results RNS, 26 February 2026.

Cautionary statement regarding forward-looking statements

This document contains statements that are, or may be deemed to be, “forward-looking statements”. Forward-looking statements give the Company’s current expectations or forecasts of future events.

These forward-looking statements may include, among other things, plans, objectives, beliefs, intentions, strategies, projections and anticipated future economic performance based on assumptions and the like that are subject to risks and uncertainties. These statements can be identified by the fact that they do not relate strictly to historical or current facts. They use words such as ‘aim’, ‘anticipate’, ‘believe’, ‘estimate’, ‘expect’, ‘forecast’, ‘guidance’, ‘intend’, ‘may’, ‘will’, ‘should’, ‘potential’, ‘possible’, ‘predict’, ‘project’, ‘plan’, ‘target’, and other words and similar references to future periods but are not the exclusive means of identifying such statements. As such, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that are beyond the control of the Company. Actual results or outcomes may differ materially from those discussed or implied in the forward-looking statements. Therefore, you should not rely on such forward-looking statements, which speak only as of the date they are made, as a prediction of actual results or otherwise. Important factors which may cause actual results to differ include but are not limited to: the unanticipated loss of a material client or key personnel; delays, suspensions or reductions in client advertising budgets; shifts in industry rates of compensation; regulatory compliance costs or litigation; changes in competitive factors in the industries in which we operate and demand for the Group’s products and services; changes in client advertising, marketing and corporate communications requirements; the Group’s inability to realise the future anticipated benefits of acquisitions; failure to realise the Group’s assumptions regarding goodwill and indefinite lived intangible assets; natural disasters or acts of terrorism; the Company’s ability to attract new clients; the economic and geopolitical impact of conflicts; the risk of global economic downturn; slower growth, increasing interest rates and high and sustained inflation; tariffs and other trade barriers; supply chain issues affecting the distribution of the Group’s clients’ products; technological changes and risks to the security of IT and operational infrastructure, systems, data and information resulting from increased threat of cyber and other attacks; effectively managing the risks, challenges and efficiencies presented by using Artificial Intelligence (AI) and Generative AI technologies and partnerships in the Group’s business; risks related to the Group’s environmental, social and governance goals and initiatives, including impacts from regulators and other stakeholders, and the impact of factors outside of the Group’s control on such goals and initiatives; the Company’s exposure to changes in the values of other major currencies (because a substantial portion of its revenues are derived and costs incurred outside of the UK); and the overall level of economic activity in the Company’s major markets (which varies depending on, among other things, regional, national and international political and economic conditions and government regulations in the world’s advertising markets). In addition, you should consider the risks described in Item 3D, captioned ‘Risk Factors’ in the Company’s most recent Annual Report on Form 20-F, which could also cause actual results to differ from forward-looking information. Neither the Company, nor any of its directors, officers or employees, provides any representation, assurance or guarantee that the occurrence of any events anticipated, expressed or implied in any forward-looking statements will actually occur. Accordingly, no assurance can be given that any particular expectation will be met and investors are cautioned not to place undue reliance on the forward-looking statements.

Other than in accordance with its legal or regulatory obligations (including under the Market Abuse Regulation, the UK Listing Rules and the Disclosure and Transparency Rules of the Financial Conduct Authority), the Company undertakes no obligation to update or revise any such forward-looking statements, whether as a result of new information, future events or otherwise.

Any forward-looking statements made by or on behalf of the Group speak only as of the date they are made and are based upon the knowledge and information available to the Directors at the time.