

2026 Third Quarter Trading Update 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 third quarter trading update on 29 October 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 initial 2026 guidance with the 2025 Preliminary Results on 26 February 2026 and reaffirmed guidance with the 2026 Interim Results on 6 August 2026.

LFL revenue less pass-through costs^{1,2}

- 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 (source: [Strategy Update and 2025 Preliminary Results](#), 26 February 2026).
- We continue to expect an improving trajectory in the second half and expect LFL revenue less pass-through costs overall to decline low to mid-single digits in H2 (source: [2026 Interim Results](#), 6 August 2026).

Headline operating profit²

- We maintain our full year margin expectation of 12% to 13%. This is consistent with second half margins decreasing by up to c.200 bps year-on-year, reflecting the phasing of our investment plans, including both investment in growth initiatives and the rebuilding of our incentives (source: [2026 Interim Results](#), 6 August 2026).
- "Turning to headline operating margin, while we are encouraged by the H1 margin performance, as we discussed, the first half was helped by the lower headline severance and cost savings. We anticipate investment in our growth drivers, as well as the rebuild of incentives to step up significantly in the second half. Reflecting this, we still expect headline operating margin to be in the range of 12% to 13%, consistent with the second half margin decreasing by as much as 200 basis points" (source: [2026 Interim Results Teleconference Transcript](#), 6 August 2026).

Adjusted operating cash flow before working capital

- We continue to anticipate adjusted operating cash flow before working capital of £800m to £900m (source: [2026 Interim Results](#), 6 August 2026).
- "Our expectation for cash flow is unchanged with adjusted operating cash flow pre-working capital in the range of £800 million to £900 million. As a reminder, this includes the anticipated restructuring costs associated with the Elevate28 programme and historical restructuring programmes. Excluding these, we would anticipate adjusted operating cash flow before working capital of £1.0 billion to £1.1 billion" (source: [2026 Interim Results Teleconference Transcript](#), 6 August 2026).

Q3 and H2 2026 performance

- “In February we indicated, that at that point, we anticipated the impact of gross client losses to be in the range of 500 to 600 basis points, while we expected the impact of gross wins to be more positive than last year with the phasing of wins and losses consistent with an improving trajectory through the year. Based on our new business performance in the second quarter, while we would estimate the impact of incremental losses to be at the top end of the 500 to 600 basis points range, the impact of wins means that as we progress through the second half we expect the year-on-year drag from net new business to continue to lessen and, as such, we remain confident in an improving trajectory.”
- “A key unknown is the trend with existing clients and while we are encouraged by the Q2 performance, we note the ongoing uncertainty in the Middle East as well as the polarisation of spend patterns both between and within sectors. Reflecting this we take a balanced view of the outlook and, having seen H1 LFL decline at -4.7%, we expect LFL revenue less pass-through costs to decline low-to mid-single digits in the second half.”
- “China has been a challenging market for us for some time, where we have seen double-digit declines. We did talk in Q1 that we expected to see an improving trajectory, and indeed we did in Q2, which was up double digits. There are some timing factors within that, and I wouldn't expect that level of like-for-like to continue in the second half, but I would expect China's performance to continue to stabilise.”

(source: [2026 Interim Results Teleconference Transcript](#), 6 August 2026).

H2 headline operating profit margin

- “On cost savings, the Elevate28 savings will be skewed to the second half reaching a run rate of £250 million by year-end and achieving £100 million of savings in-year. We note, though, that we start to anniversary the action taken last year at WPP Media in the second half, so these savings are against a tougher comparable.”
- “In terms of investments, I think of investments in two buckets. First of all is incentives. We did start to rebuild our incentives in the first half, but again, they're very much skewed to the second half and I expect those to rebuild in the second half. And in other investments, Cindy and I have talked about our key priority being to get back to growth, encouraged by the trajectory we have seen and we will continue to invest in the business, particularly in the area of commerce, enterprise solutions, media and data, to ensure that we are able to drive sustained growth. The guidance for the second half and holding full-year margin at 12%-13% really gives us that flexibility to make sure we are continuing that investment in the second half.”

(source: [2026 Interim Results Teleconference Transcript](#), 6 August 2026).

Elevate28 cost savings

- We are on track to deliver £100m of in-year savings in 2026 as part of the broader Elevate28 programme targeting £500m in gross annualised cost savings by 2028, unlocking capital to support reinvestment into our primary growth engines (source: [2026 Interim Results](#), 6 August 2026).
- 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” (source: [Strategy Update and 2025 Preliminary Results Teleconference Transcript](#), 26 February 2026).

Cash flow

- Furthermore, we have made progress on the rationalisation of our portfolio, with several non-core asset disposals. Based on activity to date we expect FY proceeds from disposal-related activity of over £200m. We continue to make progress on further potential asset disposals and will provide updates as appropriate (source: [2026 Interim Results](#), 6 August 2026).
- “Looking further down the cash flow, as you know, we don’t guide on working capital given the scope for this to show volatility around year-end. However, given progress with asset disposals to date, we expect the overall impact of disposal-related activity – some of which will come via direct disposal proceeds and some via associate dividends – to contribute at least £200 million to our cash flow” (source: [2026 Interim Results Teleconference Transcript](#), 6 August 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 31 July 2026, with USD/GBP rate of 1.35) imply a c.0.7% drag on FY 2026 revenue less pass-through costs (source: [2026 Interim Results](#), 6 August 2026).

Consensus Estimates

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

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 rate¹ 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: [2026 Interim Results](#), 6 August 2026).

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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 2026 Interim Results RNS, 6 August 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.