



ASX Release

24 February 2020

Market Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

WPP AUNZ CEO Strategy Presentation

I attach a CEO Strategy presentation entitled "The New WPP AUNZ".

Yours faithfully,

A handwritten signature in black ink, appearing to read 'L Gough', written in a cursive style.

Linda Gough
General Counsel & Company Secretary
WPP AUNZ Limited
1 Kent Street NSW 2000
+61 414 164 060

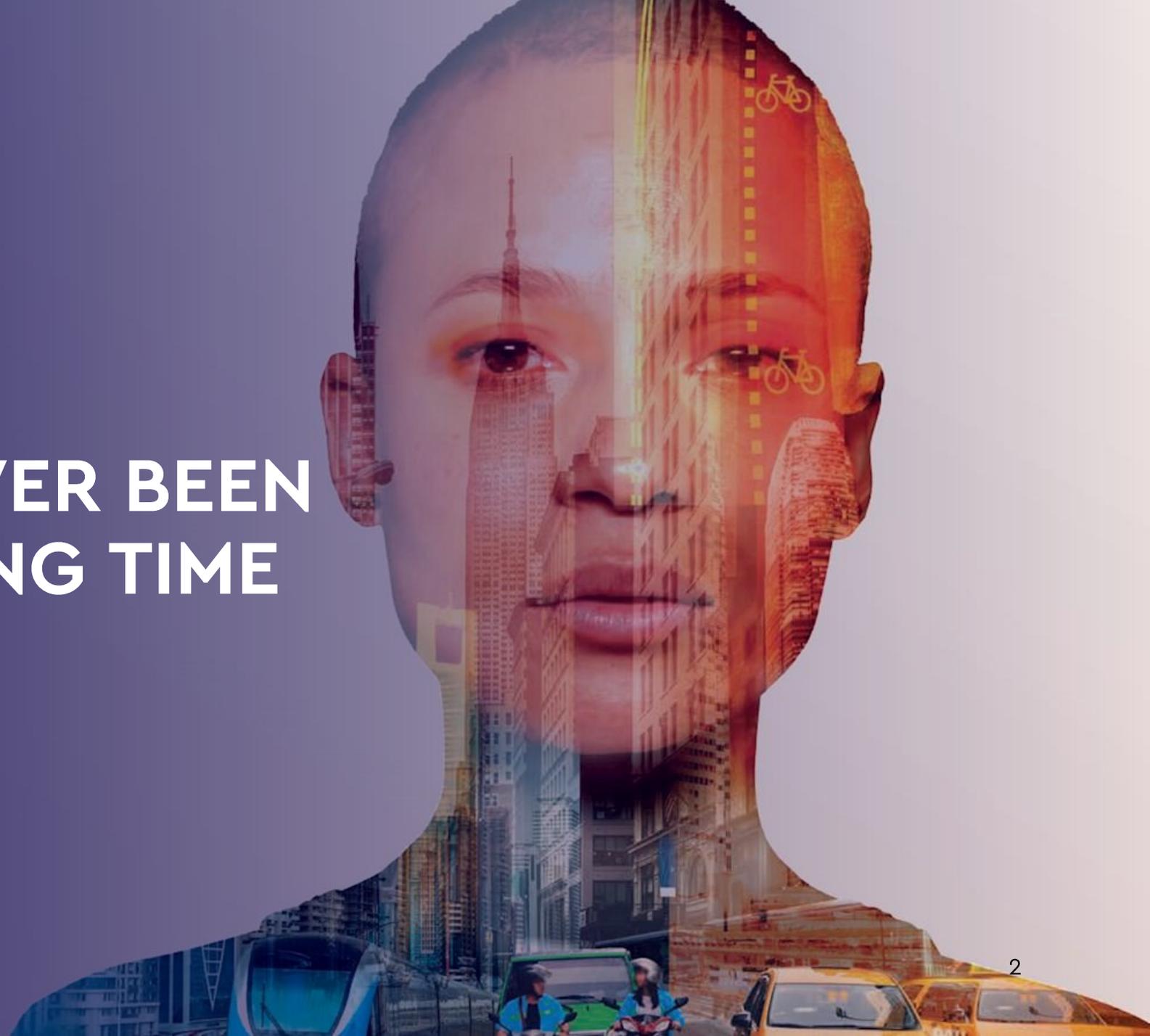
THE NEW WPP AUNZ

24 FEBRUARY 2020

PRESENTED BY:
WPP AUNZ CEO **JENS MONSEES**
& WPP AUNZ CFO **CHRIS ROLLINSON**

<https://www.linkedin.com/in/jens-monsees-0024538/>

**THERE HAS NEVER BEEN
A MORE EXCITING TIME**



A blue-toned satellite image of Earth, showing the Americas and Australia. The image is dark with city lights visible as small white dots. The text is overlaid on the top left of the image.

**THE OPPORTUNITY IS OURS
WE HAVE THE SCALE
THE TALENT AND ACCESS TO DATA
NOW IS OUR TIME**



TRANSFORM

BREAKING FROM THE PAST

INDEPENDENT BRANDS

CAMPAIGN ORIENTATED

BRAND FOCUSSED

SINGLE LENS SOLUTIONS

INCONSISTENT DELIVERY PLATFORM

LIMITED GROWTH OPPORTUNITIES

A woman with glasses, wearing a white shirt and a brown blazer, is seated at a desk in a dimly lit office. She is looking at a computer monitor. The scene is overlaid with numerous futuristic, semi-transparent digital interface elements in shades of blue and white. These elements include various charts, graphs, data points, and icons, suggesting a high-tech or artificial intelligence environment. The overall atmosphere is one of modern technology and data analysis.

**CHANGE IS
HAPPENING.
TODAY**



WPP AUNZ

**Creativity empowered by tech
differentiates us.**

We bring together the most
creative minds and technology
capabilities to reshape
business futures.

OUR SOLUTION PILLARS

We're helping clients navigate their ever changing business environments with the best of:

COMMUNICATIONS



Advertising, Branding and identity, content, media investment, public relations and public affairs, healthcare

EXPERIENCE



UX, service design, websites, platforms and applications, voice and augmented reality

COMMERCE



Data management, marketing technology consulting, systems and integration services

TECHNOLOGY



Retail experience, direct-to-consumer platforms and marketplaces e.g. Amazon

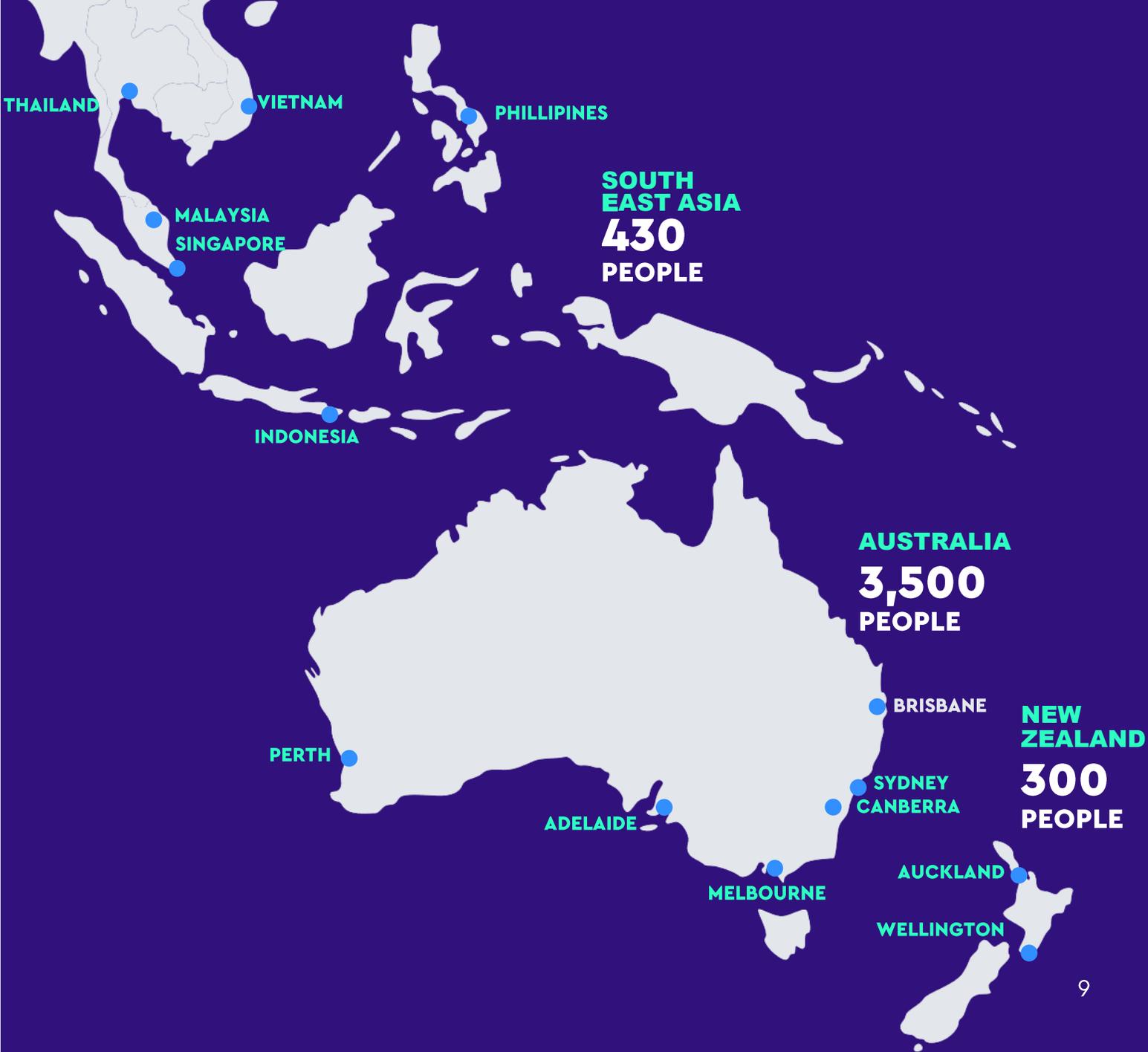
PLATFORM

Integrated systems	Consolidated Data	Consulting - IT industry know how	Delivery
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A STRONG REGIONAL FOOTPRINT

Change is happening across the globe and accelerating in our footprint.

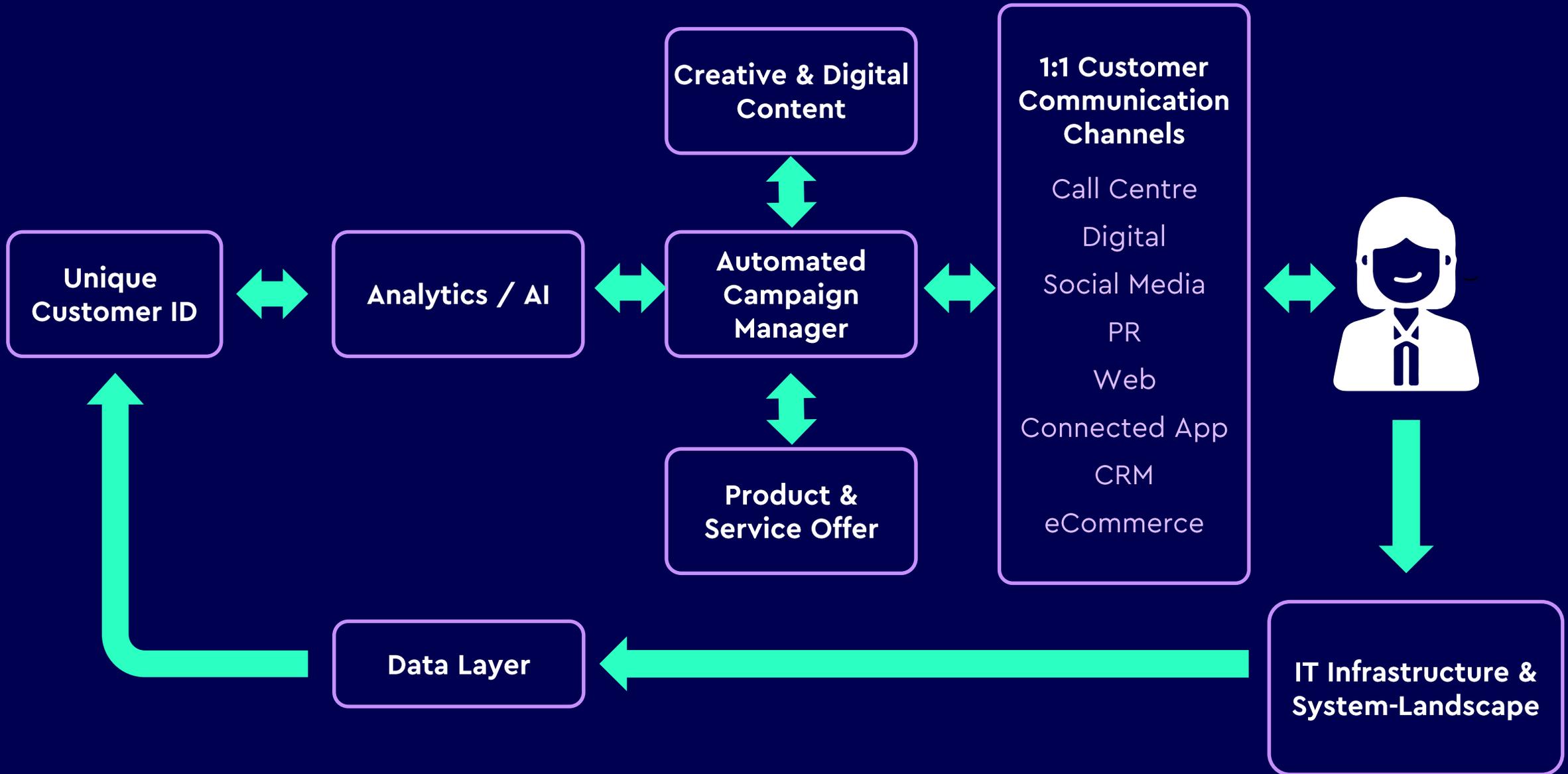
With over 4,000 people across 60+ brands, we are spread across major cities in Australia, New Zealand, and South-East Asia.



MARKET DRIVERS



THE NEW CMO AGENDA



OUR ADDRESSABLE MARKET IS GROWING, FUELLED BY DIGITAL TRANSFORMATION

COMMUNICATIONS

c. \$17.2 billion market¹



LOW GROWTH

EXPERIENCE

Combined c.\$1.9 bn market¹



DOUBLE DIGIT GROWTH

COMMERCE



TECHNOLOGY

c. \$7.37 billion market¹



DOUBLE DIGIT GROWTH

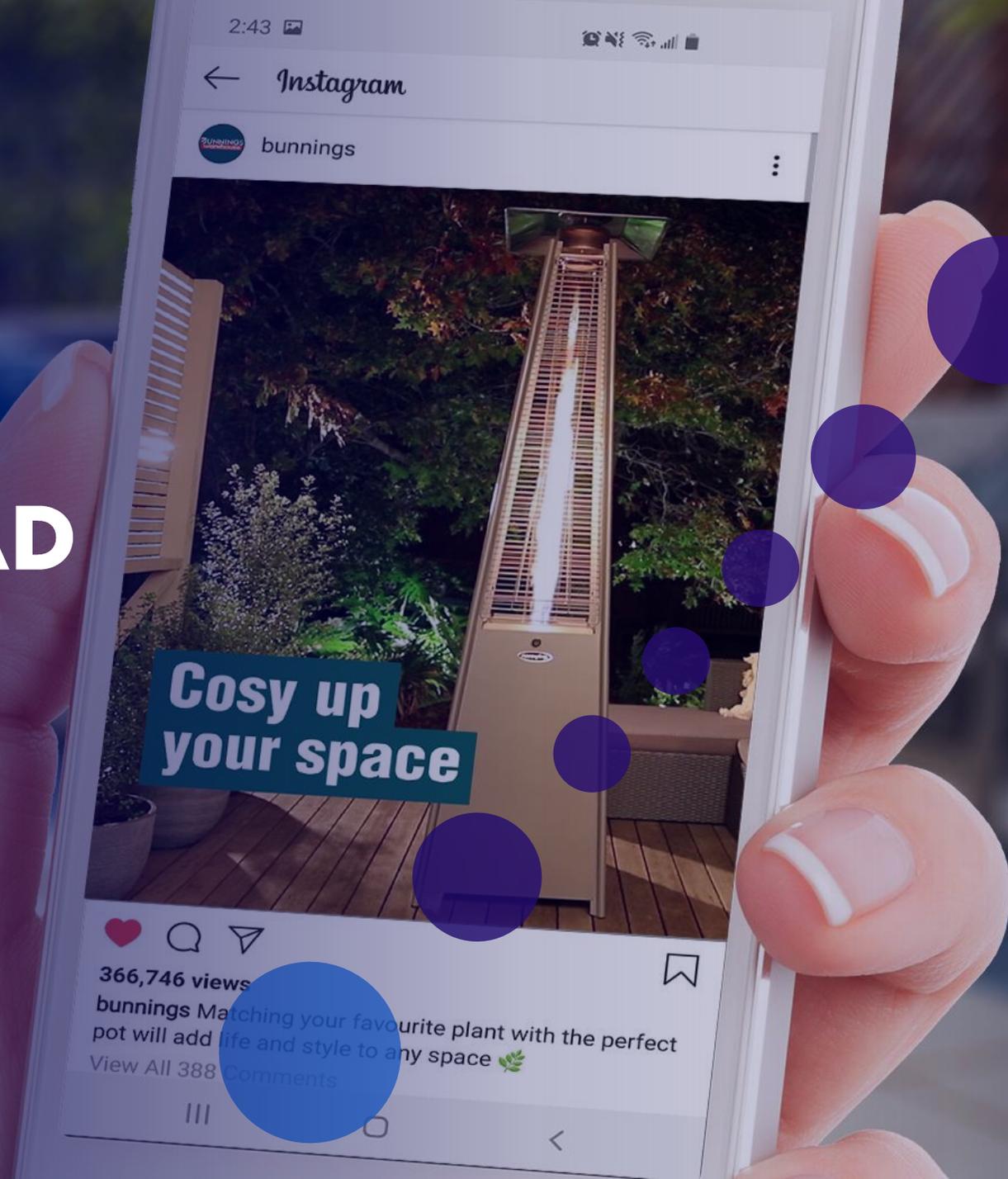
CONSULTING

c. 1.5 bn market¹

DOUBLE DIGIT GROWTH

Source: ¹GroupM: e-marketer 2019, ZD net 2019, Statista 2019, Gartner Consulting 2018-2020

OUR ROAD AHEAD



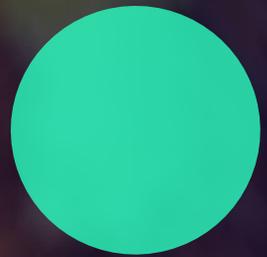
**Cosy up
your space**



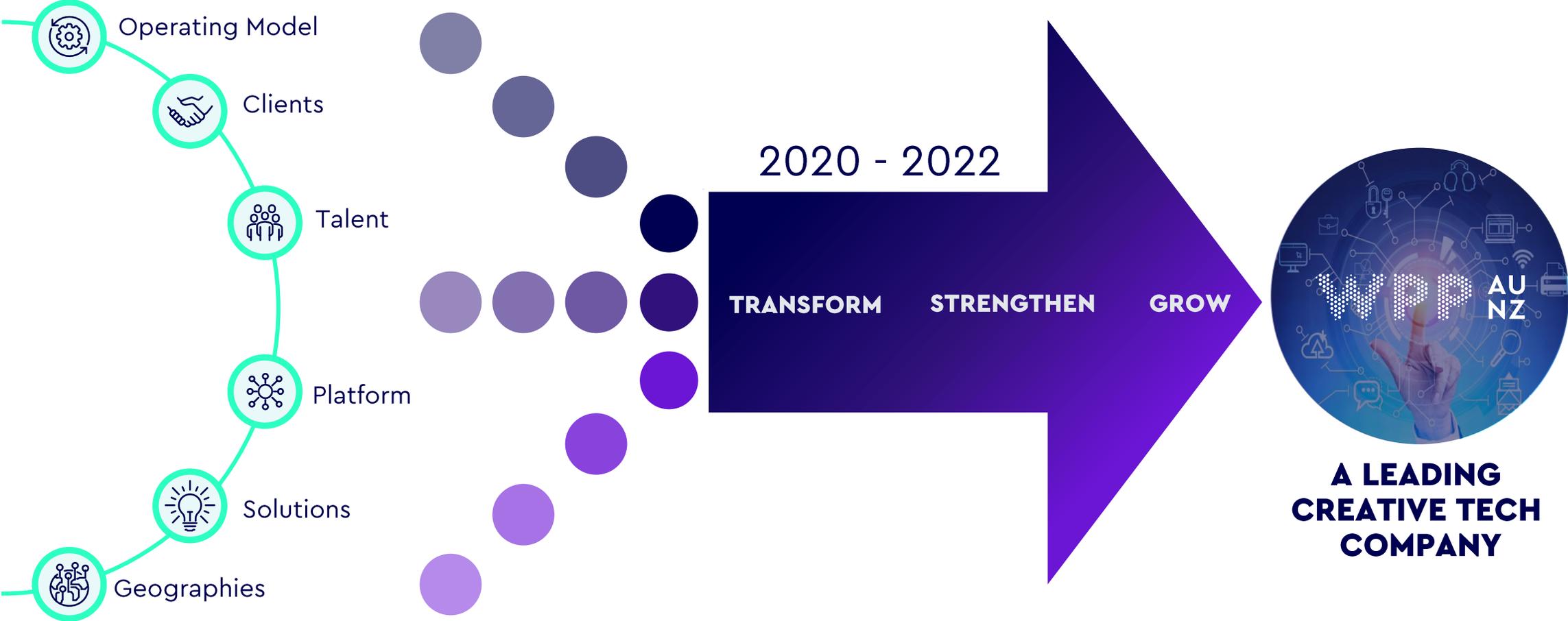
366,746 views

bunnings Matching your favourite plant with the perfect pot will add life and style to any space 🌿

View All 388 Comments



WPP AUNZ ROADMAP TO GROWTH



OUR MISSION

CLIENTS first...



...served by the smartest most creative PEOPLE...



...managed out of a CAMPUS nearby...



...offering the best SOLUTION our clients need...

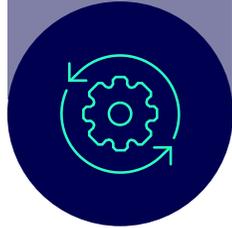


...via our strong BRANDS they trust...



...enabled by efficient DELIVERY facilitated by WPP AUNZ

WHAT WE ARE STRIVING FOR



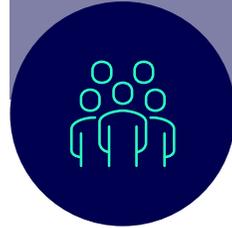
OPERATING MODEL

- New leadership team
- Connected solution portfolio
- Orchestrated
- Integrated Centre of Excellence



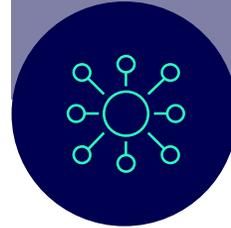
CLIENT FIRST

- Implementing an overarching CRM to better serve clients
- Top clients team and industry segments
- Cross brand collaboration to enable an end-to-end customer journey



TALENT

- New agile leadership model
- Transparency & accountability supported by KPIs and a new remuneration framework that includes shares
- Diverse, high performance culture to be an employer of choice



PLATFORM

- One content studio per campus
- Centralised finance, IT, legal, HR systems
- Offshore delivery hub



SOLUTIONS

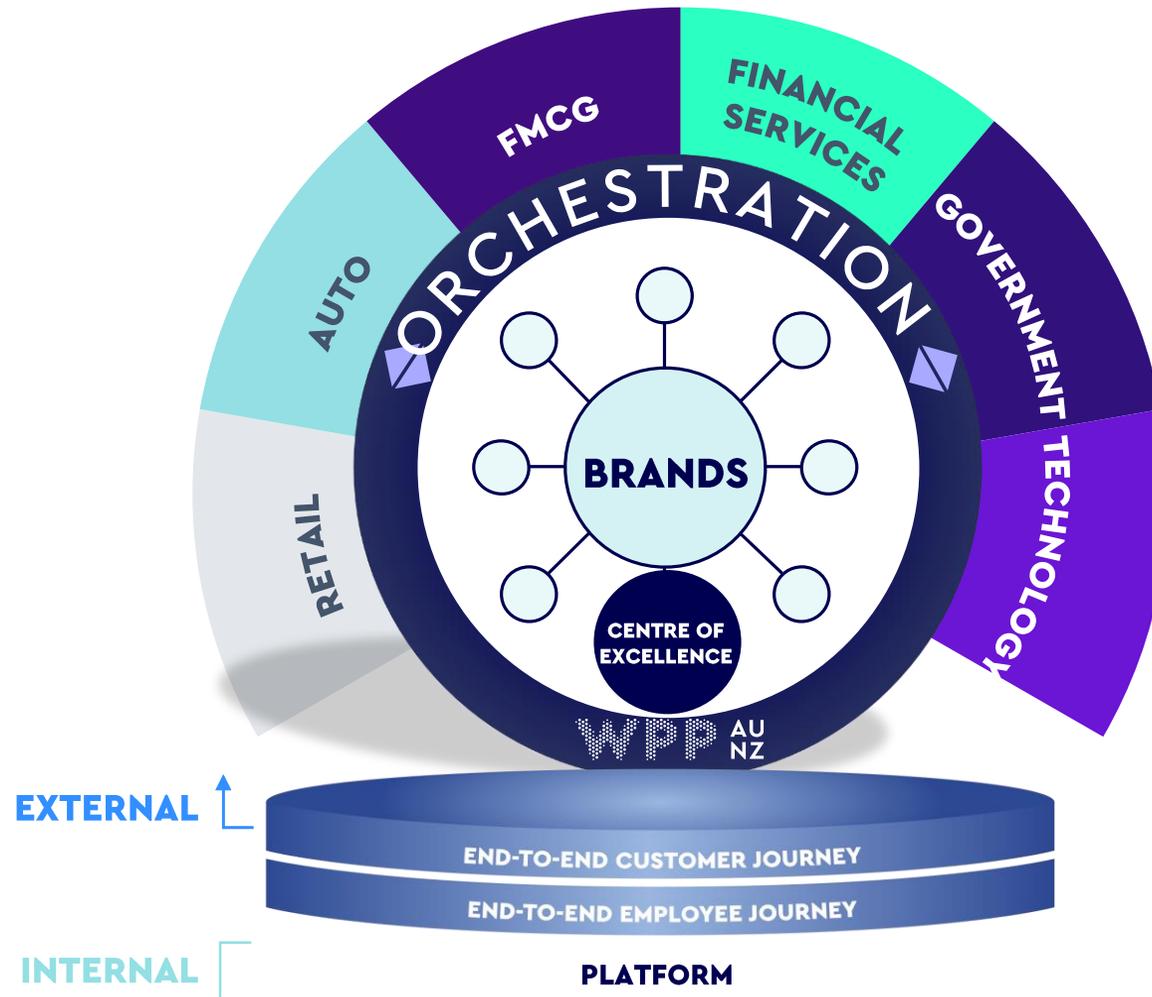
- Thought leadership in data driven advertising
- Strong tech capabilities in e-commerce, technology and experience
- Integrated data tech stack



GEOGRAPHIC PRESENCE

- One campus per major city
- One production studio per campus
- Tap into SE Asia growth region

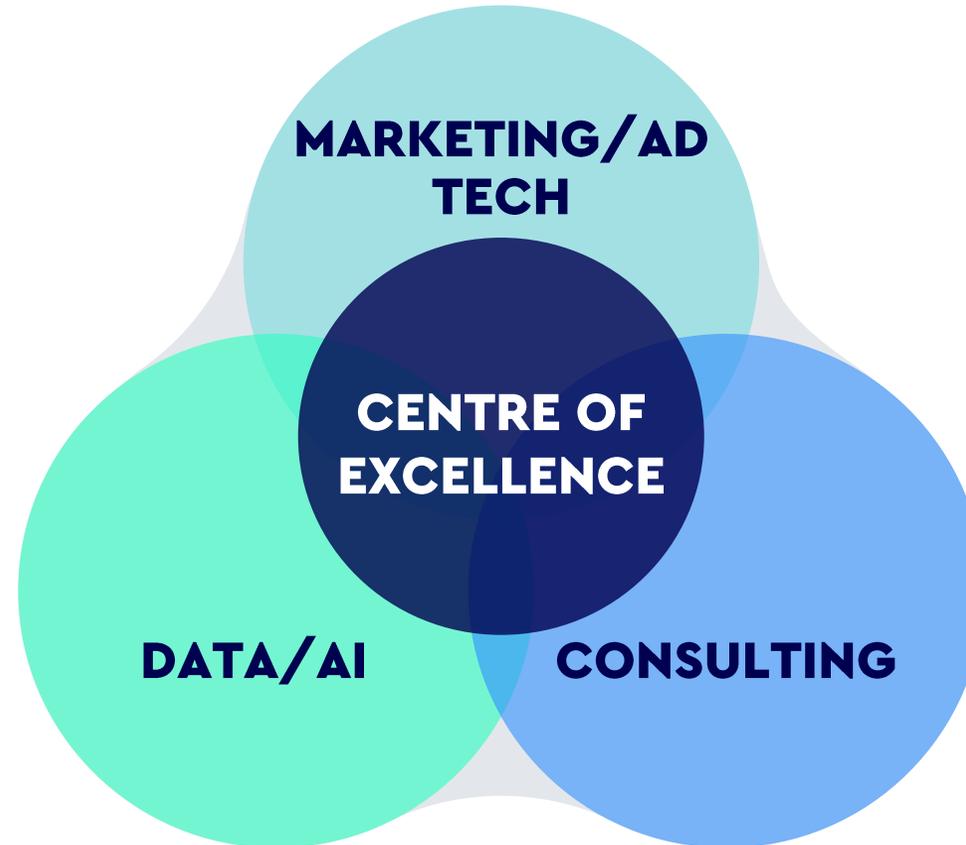
1. NEW OPERATING MODEL



ESTABLISH A CENTRE OF EXCELLENCE

WHY?

- Our agencies need a depth of expertise in the areas of technology and data analytics to support our client transformations
- Tech hub which will develop and integrate solutions to be scaled across all brands




BUSINESS UNIT WITH FRONT DESK AND WHITE LABEL SERVICES



EXPERT ECOSYSTEM

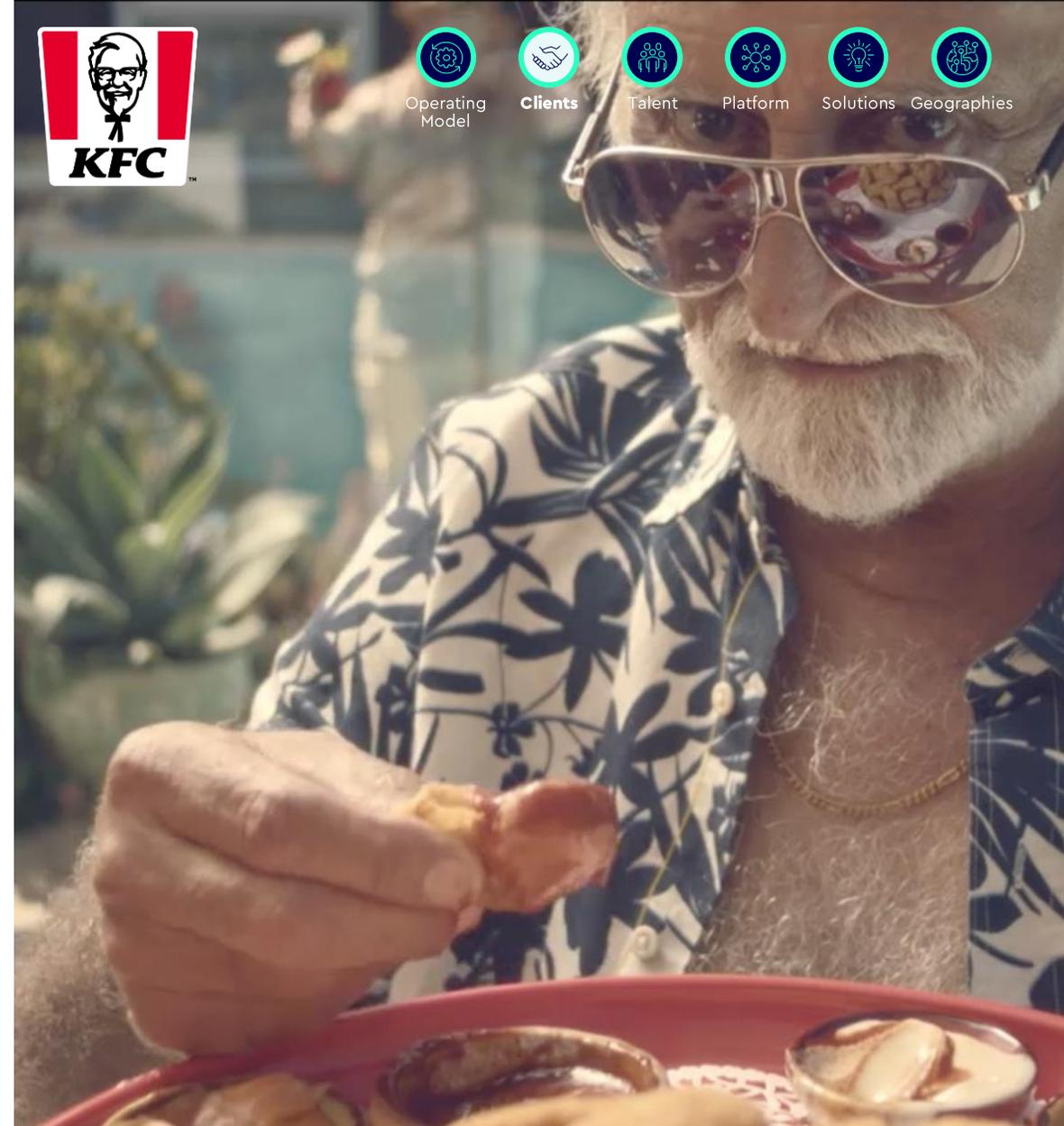
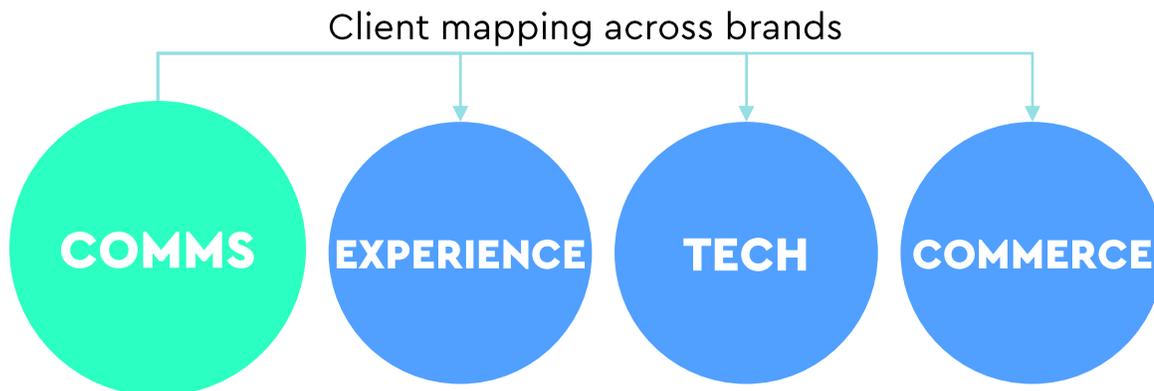


ENGINEER DEVELOPMENT CENTRE

2. CLIENT FIRST

BRINGING OUR EXPERTISE AND SOLUTIONS TO OUR >1,500 CLIENTS

- ✓ Orchestrated and collaborative approach to client engagement
- ✓ Establish dedicated top client leads
- ✓ Sector practice areas to draw in expertise across brands
- ✓ Foster creativity and innovation by supporting awards and achievements



3. TALENT



WHAT WE ARE DOING

- Establish a new leadership model
- Introducing individual performance KPIs to increase personal accountability
- Incentivise through a performance based remuneration framework that includes shares and options
- Invest in specific talent to support digital technology capabilities

OUTCOMES

- Align performance outcomes with overall performance of the group
- Create a culture of diversity, belonging and excellence
- Best practice hiring, training and retention programs to attract and retain best talent in the market
- Move talent where capability needed and to support career progression

4. ONE SHARED SERVICE DELIVERY PLATFORM

TO SUPPORT OUR STRONG BRANDS,
WE ARE CREATING ONE SHARED SERVICE DELIVERY PLATFORM

WHAT THIS LOOKS LIKE?

- One Central IT System
- Overarching CRM System
- New reporting structure to support centralised Finance and HR
- Centralised legal and business integrity team, driven by technology
- Central communications and marketing hub
- Content and production studio at each campus

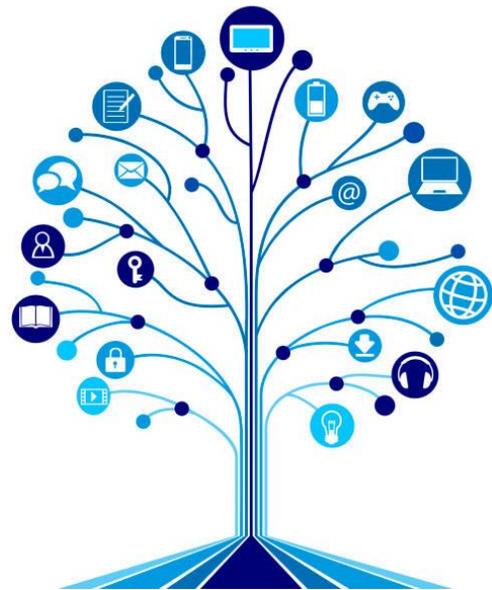
BENEFITS OF HOLISTIC APPROACH:

- Strong brand support
- Operational effectiveness
- Accountability
- Simplified structure
- A significant reduction in legal structures
- Lean administration
- Improved employee engagement
- WPP AUNZ thought leadership



5. SOLUTIONS

BUILDING OUR EXPERTISE IN ECOMMERCE, EXPERIENCE AND TECHNOLOGY THROUGH:



Partnerships with platforms

- This includes partnerships with Microsoft, Adobe, Salesforce, MS Dynamics etc

Scalable solutions

- Integrate our solutions in an end to end tech stack

Selective, specific M&A

- Focused on digital and data within communications, experience, technology and commerce
- M&A criteria:
 - Must future proof tech solutions that currently do not exist in our portfolio
 - Deliver top line growth
 - Cultural fit
 - Strong margins
 - Structural fit for client requirements, tech integration, infrastructure and key markets
- January 2020 : Dominion acquisition in NZ increases our tech capabilities while meeting all other criteria as a high margin business offering strong top line growth

6. AUSTRALIA & NEW ZEALAND

THE FOCUS WILL BE ON

- » Driving successful collaboration through one campus per major city
- » A restructure of NZ business including leadership team and reporting structure



6. SOUTH EAST ASIA

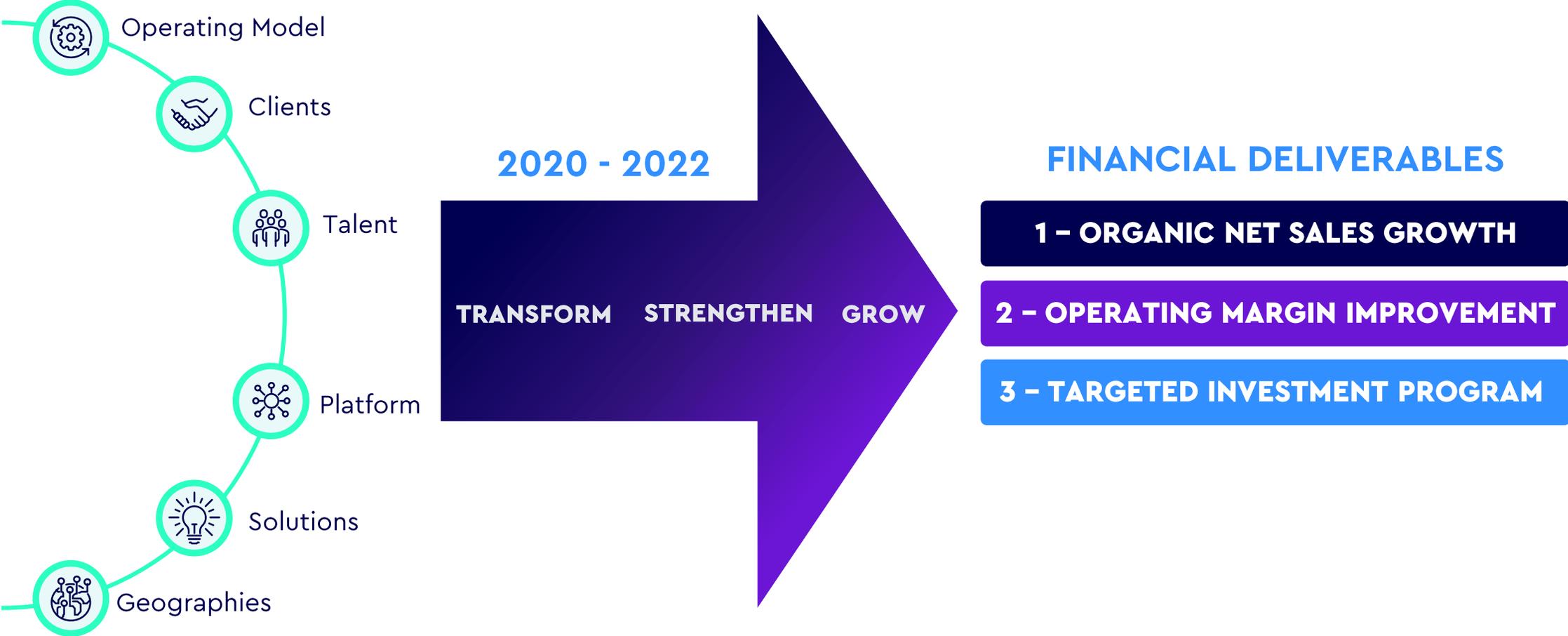
We have a footprint in large and growing markets.

TWO ELEMENTS TO OUR STRATEGY:

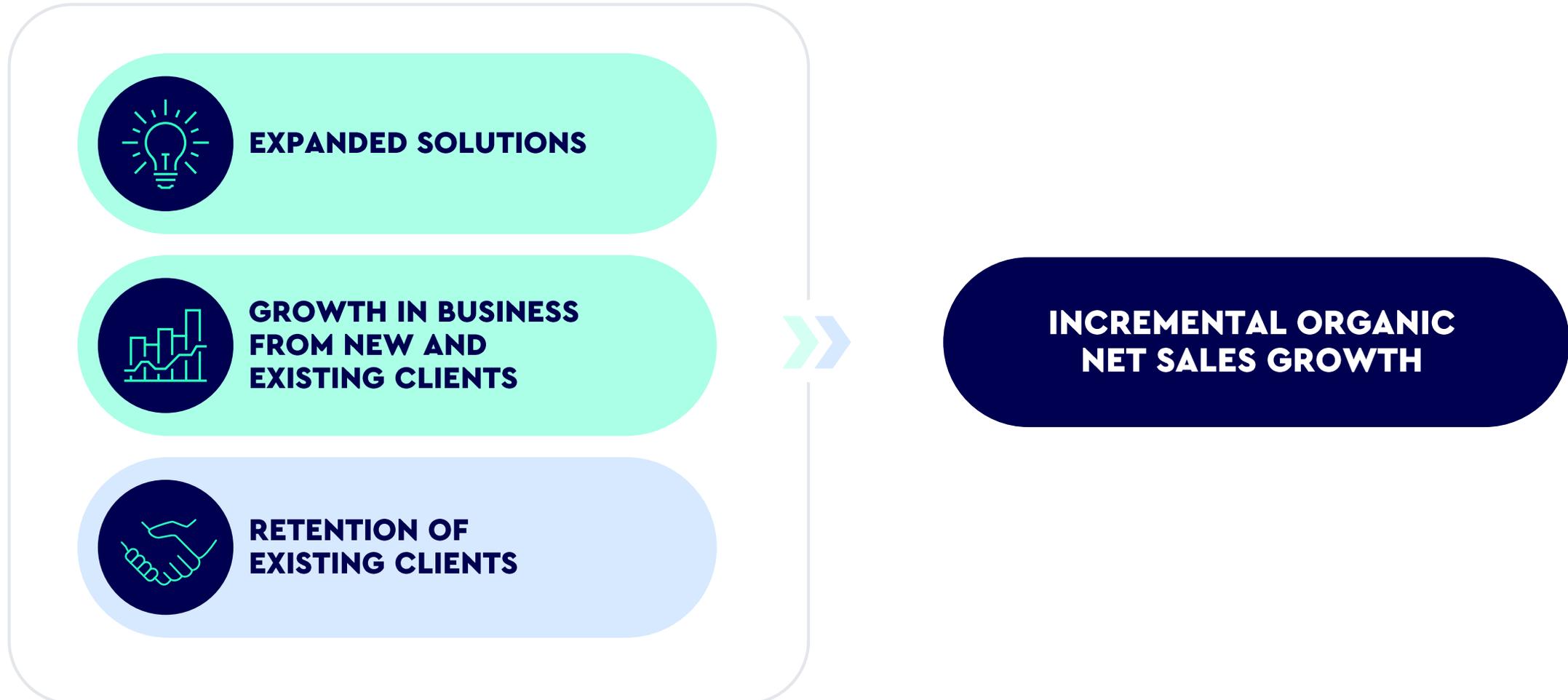
- » Expand offering
- » Establish an offshore hub



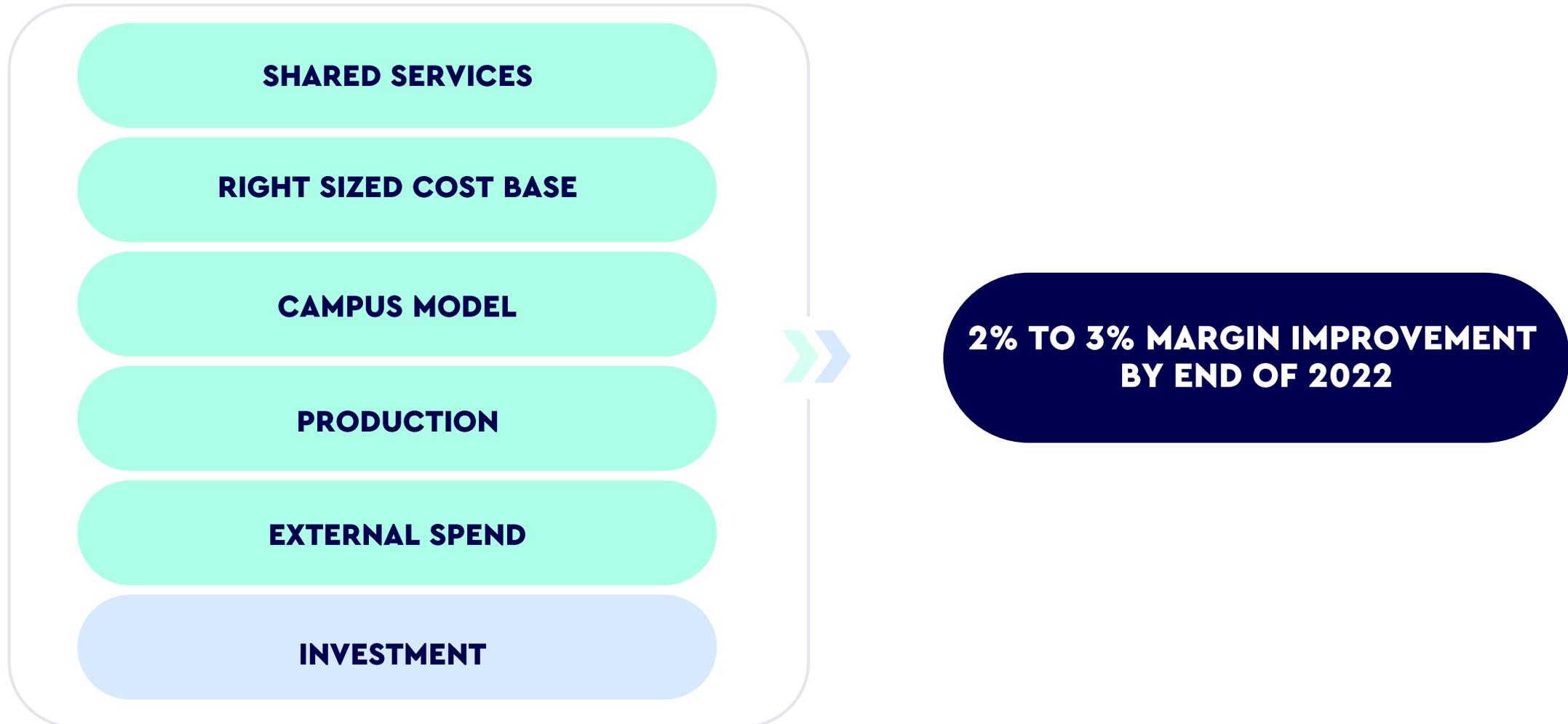
WPP AUNZ FINANCIAL ROADMAP TO GROWTH



1. DELIVER ORGANIC NET SALES GROWTH



2. LEVERS TO ACHIEVE COST REDUCTION TARGETS BY END OF 2022



3. INVESTMENT IN DELIVERY OF THE STRATEGY



TALENT



PLATFORM



**CLIENT
LEADERSHIP**



**TARGETED
ACQUISITIONS**

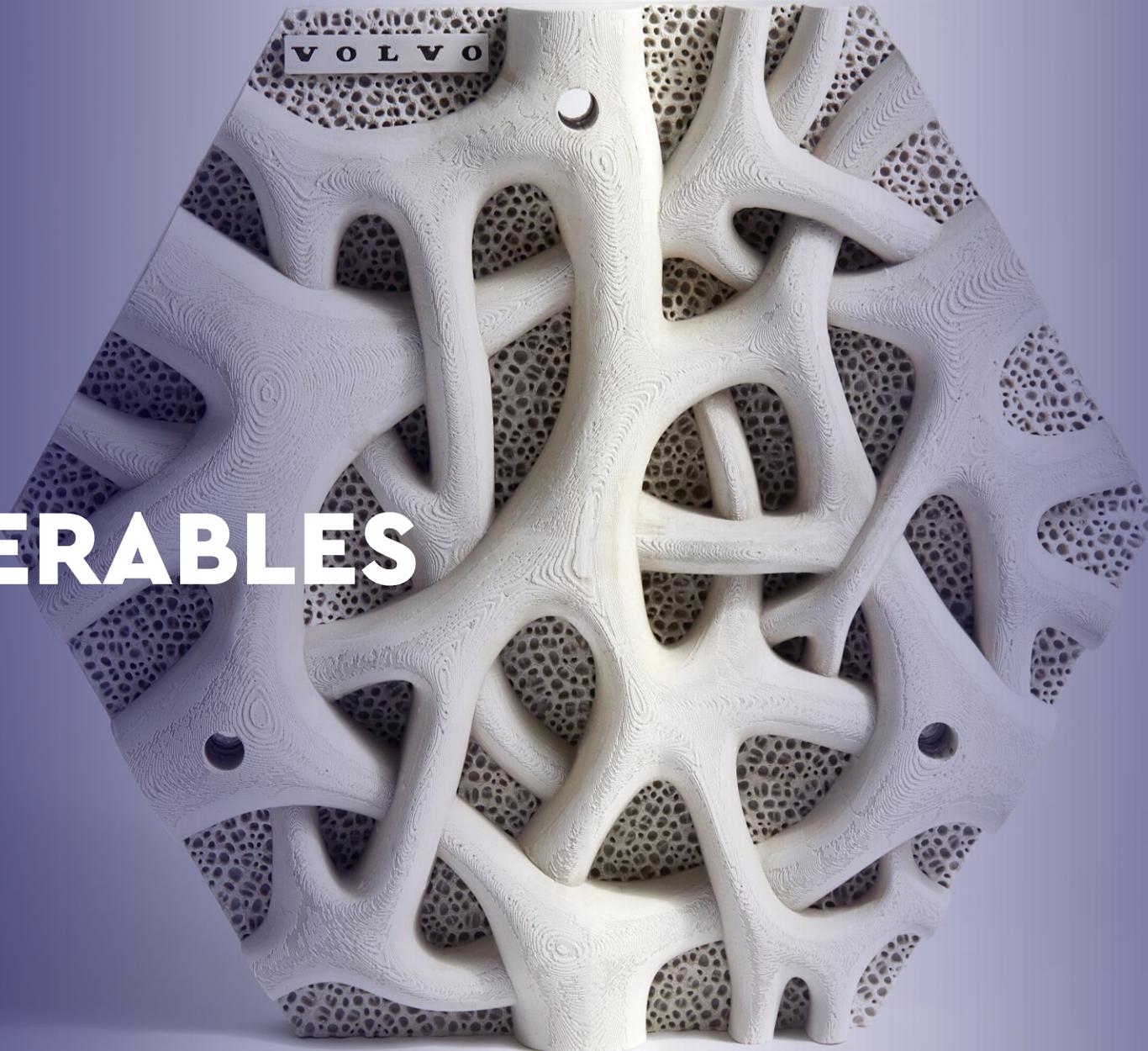
**INVESTMENT IN INITIATIVES TO DRIVE AND DELIVER
NEW BUSINESS STRATEGY**

**TARGETED ACQUISITION
PROGRAM**

KEY FINANCIAL METRICS

FINANCIAL MEASURE	TARGET
LEVERAGE RATIO (NET DEBT PLUS EARNOUTS / EBITDA)	1.5X TO 2.0X
ORDINARY DIVIDEND PAYOUT RATIO	60% TO 70% OF HEADLINE EARNINGS
OPERATING MARGIN - 2022	15% - 17%
ACQUISITIONS AND INVESTMENTS	TARGETED ACQUISITION PROGRAM OVER 3 YEARS

2020
DELIVERABLES



2020 TRANSFORM DELIVERABLES



OPERATING MODEL

Reinvent our operating model
Establish the Centre of Excellence for AI, Data and Technology



CLIENT FIRST

Establish top client leads and sector practice areas



TALENT

Roll-out new leadership model, and establish new KPIs and REM framework



PLATFORM

Begin to centralise our services with one CRM system, one HR system and one Finance system



SOLUTIONS

Start to build an end-to-end tech stack
Invest in partnerships with tech platforms and seek growth opportunities through attractive, strategic M&A



GEOGRAPHIES

Establish a campus in Perth, Brisbane, Adelaide, Auckland and Wellington
Restructure NZ
Explore growth options in SE Asia



It is a bit freaky with this wireless technology

