# WPP maintains full-year guidance amid challenging economic conditions and advances AI-driven transformation



WPP, the world’s largest marketing and communications group, has reaffirmed its full-year financial guidance amid a challenging global economic landscape and cautious market conditions. In its first quarter trading update for 2025, WPP reported a modest decline in key revenue metrics but emphasised ongoing strategic initiatives aimed at future growth and transformation through technology and innovation.

For the first quarter ending March 2025, WPP posted reported revenue of £3.24 billion, marking a 5.0% decrease compared to the same period the previous year. On a like-for-like (LFL) basis, revenue declined by 0.7%, with revenue less pass-through costs down 2.7% LFL to £2.48 billion. These results align with the company’s forecasts provided in February and reflect broader macroeconomic pressures impacting global growth.

Despite the near-term uncertainties, WPP maintained its guidance for the full year, expecting LFL revenue less pass-through costs to fall within a range of flat to minus 2%, with headline operating profit margin remaining stable excluding currency fluctuations. The organisation also anticipates an improved performance trajectory in the second half of 2025.

Growth among WPP’s top 25 clients was a positive spotlight, growing by 2.5%, driven largely by increased demand in the consumer packaged goods (CPG), technology, and healthcare sectors. However, this was tempered by declines in retail, telecommunications, and travel industries. Regionally, India presented a strong opportunity with 5.5% growth, while China saw a significant downturn, declining 17.4% amid ongoing macroeconomic and client challenges. The UK and Western Europe experienced revenue pressure largely due to reductions in project-based spending.

Mark Read, WPP’s Chief Executive Officer, commented on the company’s progress. Speaking to MediaNews4U, he said, “We continue to make solid progress on our strategic priorities. With the internal focus of integration behind them, VML and Burson are seeing renewed momentum in new business.” This suggests that integration efforts and client-focused innovation within subsidiary agencies are beginning to bear fruit.

Central to WPP’s transformation strategy is WPP Open, an AI-powered marketing operating system that, as of the latest quarter, is utilised by over 60% of client-facing employees, up from 40% in December 2024. This platform is deeply integrated into client workflows for major brands such as Google, IBM, L’Oréal, Nestlé, and Coca-Cola, promoting efficiency and collaboration. Furthermore, WPP has enhanced its data and artificial intelligence (AI) capabilities through key acquisitions and investments. The purchase of InfoSum, a privacy-first data collaboration platform, underpins GroupM’s evolution from identity-based data approaches to AI-enhanced solutions. Additionally, a strategic investment in Stability AI, the developer behind the generative AI model Stable Diffusion, signals WPP’s increasing ambition in advanced AI-driven content and media strategies.

Regarding business segments, the company reported mixed results. GroupM, its media investment arm, experienced a 0.9% LFL revenue decline, affected by legacy client losses but showing robust performance in the US market. The Public Relations division declined by 6.6% LFL, primarily due to the divestment of FGS Global and subdued demand in Europe. Specialist Agencies recorded growth of 1.2% LFL, led notably by CMI Media Group.

WPP’s commitment to creativity remains a core strength. The group achieved notable recognition in Q1, sweeping the WARC 2025 awards with titles for the most creative, most effective, and top media company globally. Esteemed agency networks such as Ogilvy, VML, Mindshare, and EssenceMediacom played integral roles in high-profile campaigns, including those tied to Super Bowl LIX. The group also consolidated its commerce, customer experience, and consulting units under the VML Enterprise Solutions banner, focusing on client accounts like Ford, IKEA, and T-Mobile.

On the financial discipline front, WPP continues to manage costs while investing significantly in growth and technology. The company’s £300 million annual commitment to AI and data innovation includes enhancements to its Global Delivery Centres in India and expanded use of AI tools like Microsoft Copilot. Net debt was reduced to £3.7 billion by the end of March 2025, down from £4.0 billion a year earlier, and capital expenditure remains on track at £250 million.

Looking ahead, WPP maintains its long-term ambitions of achieving more than 3% like-for-like growth annually, sustaining operating margins of 16–17%, and converting over 85% of cash flow. While the recent quarter’s financial results reflect external economic pressures, WPP’s intensified focus on AI, platform integration, and client innovation signifies a strategic transition towards becoming a marketing technology leader. The company’s investments and operational adjustments indicate a steady evolution designed to meet emerging industry dynamics, particularly in data privacy, media fragmentation, and shifting client demands.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

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2. <https://www.moreaboutadvertising.com/2025/04/wpp-and-ipg-report-dismal-q1-2025/> - It corroborates WPP’s Q1 performance as being in line with forecasts despite a challenging economic environment and highlights the company’s commitment to its 2025 financial guidance.
3. <https://www.morningstar.co.uk/uk/news/AN_1745566026902236100/wpp-expects-improved-second-half-after-first-quarter-sales-fall.aspx> - This source confirms WPP’s first quarter revenue decline to £3.24 billion and notes the expectation for improved performance in the second half of the year.
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6. <https://www.noahwire.com> - This source provides general context and background information about WPP’s strategic initiatives and performance trends, though specific details would need to be verified against other sources.
7. <https://news.google.com/rss/articles/CBMipAFBVV95cUxNd3FDWXFZbGdmWWpnbFBORHlRcHdDa2hXR1VTQl9ELXZqdHc5TjRQbmFzRUkwb2ZTbnBwZzY4dEFBZjJoT2lwa180T2JHMlAwdzNpSk9NdEtOOXVILTdMbHUxYjVYQlRlb1A3R3hMajZrZndDeU1oUUpySzU4WTVmeU9ScVNKQWlVcHNtdjRlN2VCMjNLd0E0ODVSVnRWY0R6Ujd6VQ?oc=5&hl=en-US&gl=US&ceid=US:en> - Please view link - unable to able to access data