WPP | 2017 Preliminary Results

- **Reported billings up 0.6% at £55.563 billion, down 3.9% in constant currency and down 5.4% like-for-like**
- **Reported revenue up 6.1% at £15.265 billion, up 1.7% at $19.703 billion, down 0.6% at €17.427 billion and up 4.9% at ¥2.209 trillion**
- **Constant currency revenue up 1.6%, like-for-like revenue down 0.3%**
- **Constant currency revenue less pass-through costs[1] (previously known as net sales) up 1.4%, like-for-like down 0.9%**
- **Reported revenue less pass-through costs[1] margin (previously known as net sales margin) of 17.3%, down 0.1 margin points against last year, flat on a constant currency and like-for-like basis, in line with the revised full year margin target**
- **Headline EBITDA £2.534 billion, up 4.7%, up 1.2% in constant currency**
- **Headline profit before interest and tax £2.267 billion, up 4.9% and up 1.5% in constant currency**
- **Headline profit before tax £2.093 billion, up 5.4% and up 1.9% in constant currency**
- **Profit before tax £2.109 billion, up 11.6%, up 7.7% in constant currency**
- **Profit after tax £1.912 billion, up 27.4%, up 22.6% in constant currency**
- **Headline diluted earnings per share of 120.4p, up 6.4%, up 2.7% in constant currency**
- **Return on equity at 16.9% in 2017, up significantly from 16.2% in 2016 versus a weighted average cost of capital of 6.3% in 2017, down from 6.4% in 2016**
- **Dividends per share of 60.0p, up 6.0%, a pay-out ratio of 50% in line with last year and the target pay-out ratio**
- **Net debt £4.483 billion at 31 December 2017, an increase of £352 million on same date in 2016, with average net debt in 2017 at £5.143 billion against £4.340 billion in 2016, primarily reflecting the weakness of sterling, with the average net debt to EBITDA ratio at 2.0x, the top-end of the target range**
- **Net new business of $6.330 billion in the year continuing the good overall performance seen in the first nine months and leading positions in the net new business tables**
- **Above budget, but slow start to 2018, with January like-for-like revenue flat and revenue less pass-through costs[1] down 1.2%**
- **Acceleration of strategic focus on simplification of structure, client and country management and enterprise-wide alignment of digital systems, platforms and capabilities**

[1] The Group has changed the description of 'net sales' to 'revenue less pass-through costs' based on the upcoming adoption of new accounting standards and recently issued regulatory guidance and observations. There has been no change in the way that this measure is calculated