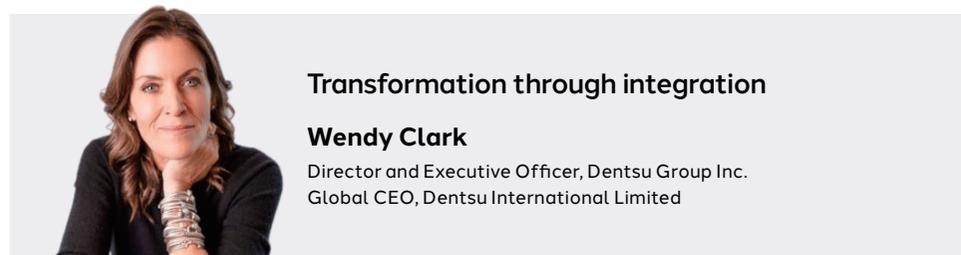


## Dentsu International



Together, we are transforming Dentsu International to become the most integrated media and digital marketing communications network in the world. We will do this by radically simplifying our business, and connecting our people, capabilities and products around the needs of our clients, and our market-leading understanding of their consumers.

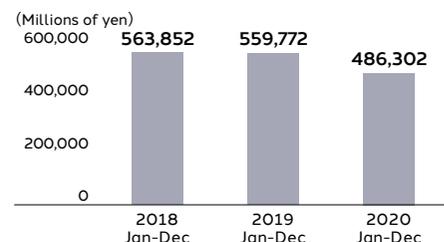
While this journey will take time, I am pleased with the momentum and progress we have made so far. Since joining Dentsu International nine months ago I have been honoured to be part of this team of 45,000 talented people who have delivered so much, and most crucially supported our clients and each other during such uncertain times.

### Our people

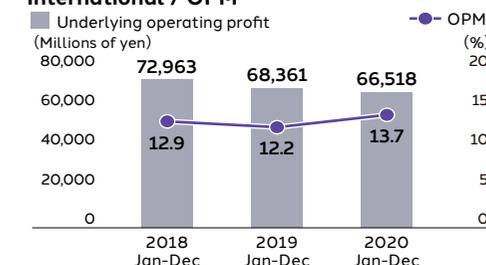
Despite a prolonged period of remote working our team has remained connected and focused. In November 2020, we achieved our highest employee engagement score in three years in our annual survey. This is testament to the resilience of our people, and the visible and accessible leadership we have seen across our business.

The injustices and inequalities too often seen in society were brought into

Revenue less cost of sales of Dentsu International



Underlying operating profit of Dentsu International / OPM\*



\*OPM: Operating margin

sharp focus in 2020. We continued our commitment to driving and influencing positive change, recognizing that this starts with looking at ourselves and our own organization. To guide and accelerate this vital work we have appointed Chief Equity Officers in each of our regions and invested in inclusive leadership training for our Top 900 managers and action-based training for all employees. We have also committed to being gender balanced at every level of our organization by 2025.

The strength of our talent is the strength of our business. To support the development and growth of our people, we have implemented a Group-wide career framework to enable greater opportunity and mobility; we have introduced tailored talent programs and created a global learning community with over 32,000 participants. The wellbeing of our people remains a key priority and, as we continue to address the impacts of lockdowns and social restrictions, we are bolstering our investment in mental health and wellness support.

I am determined that Dentsu will remain a company of choice for global talent, attracting and retaining the brightest and most diverse minds from across the world.

## Our clients and work

We are privileged to have relationships with 95 of the world's top 100 advertisers. We've also recently recorded our highest ever client satisfaction scores. This gives us an incredible foundation to expand and deepen these existing strong client relationships.

Additionally, our business has received significant industry recognition including MediaPost Holding Company of the Year 2020; 2020 Network of the Year at Spikes Asia; Gartner recognition of Merkle as a leader in CXM; Forrester recognition of Isobar as a leader for digital experience. These accolades attest to the strength of our work and enable us to attract new clients and talent.

## Our transformed and simplified business

Client feedback to the agency sector is consistent: we must make ourselves easier and more agile to do business with. With this in mind, we are delivering ahead of our internal plans to optimize our 160 agencies to six global brands leadership brands by the end of 2022.

Our accelerated transformation is unequivocally our path to sustainable growth, it will reduce duplication and costs, ensure we return to delivering performance ahead of peers and meeting our stated margin goal of 15% by 2022.

## Our social impact

In 2020 we achieved our RE100 commitment to power our company on 100% renewable energy sources where markets allow,\* the first holding company to do so. Dentsu International was the first holding company to commit to achieving net zero emissions by 2030, with an approved science-based target to reduce absolute carbon emissions by 46%. Additionally, in the third-party

Carbon Disclosure Project environmental assessment, we achieved an "A-" rating, the highest in the agency sector.

We are the industry leaders and will continue to integrate social good into everything we do.

## The year ahead

We look to the year ahead with renewed optimism and unwavering focus on delivering our strategy, transformation and sustained performance. Building on the strong foundations we have laid this year to maximize the opportunities we see in the marketplace and unlock further potential in our own business. We will continue to integrate and optimize our brand portfolio at pace and develop our technology platforms to connect the end-to-end customer journey, bringing together data & insights, products & platforms and processes & talent into one environment. This will enable unrivalled agility, collaboration and innovation at scale for our clients.

There is still a lot to do and even more exciting times to come. We are on the right path and there is much to be proud of already. Onward!

\* For a company to be RE100 compliant, it is required to purchase the energy from the same country in which it is used. For nine markets (Russia, Taiwan, Singapore, New Zealand, Hong Kong, Kenya, Sri Lanka, Ghana and Argentina) accounting for 9.7% of Dentsu International's electricity demand, factors beyond Dentsu International's control have prevented adherence with RE100's guidelines to source renewables within the countries' borders. The company has shown ambition by purchasing renewable energy certificates (RECs) from adjacent countries where possible. RE100 supports this approach as an interim measure while the coalition works to improve supply in these markets. For the purposes of reporting and in line with RE100 guidance, the European Economic Area is considered a single market.



### Peter Huijboom

Global CEO  
Media & Global Clients  
Dentsu International Limited

### Media Service Line

#### The power of brand building, content, and storytelling, with the precision of performance, data, and technology

Dentsu International's Media Service Line is the home of Carat, iProspect, and dentsuX, award-winning global agencies who provide clients with integrated media planning and investment services. For many clients, media is their largest marketing investment, and we are well-positioned to increase the contribution it makes to their success.

Marketers have an increasingly wide canvas of media opportunities to design in delivering rich brand experiences to people. They also need to navigate an increasingly complex environment.

Our success in the Media Service Line is grounded in a unique understanding of audiences and the ability to navigate the data-led, technology-driven, and increasingly regulated media landscape. As the agency holding group with the strongest heritage in media, we bring together the power of brand building, content, and storytelling, with the precision of performance, data, and technology.

In 2020, our agencies topped many of the most trusted global media agency rankings. Forrester named Carat as a leader. dentsuX was named the fastest growing global agency network by RECMA. In March, we also launched a repositioned iProspect as an end-to-end media agency network, combining the best of performance marketing with brand building. COMvergence ranked us #2 in their global new business rankings for 2020, further strengthening our enviable global client portfolio of 95 of the world's top 100 advertisers.

We are ready to capitalize on the acceleration in consumers' digital adoption experienced during the pandemic. Media has never been in a more powerful position to fuel our clients' growth and propel society forward.

The economic recovery will see clients increasing their media investment, and we will expand our market share through an ambitious new business agenda, driven by our strong agency proposition. We are evolving our revenue models and simplifying how clients are serviced via the three powerhouse media agencies, supported by world-class scaled services with global common processes and ways of working that enhance efficiency.

As we transform, we are ready to deliver meaningful progress to our clients, partners, shareholders, employees and society through media.



### Jean Lin

Global CEO, Creative  
Dentsu International Limited

### Creative Service Line

#### Creativity liberated, on-demand

2020 was truly an exciting year of radical transformation. Remote working and a shift in consumption to new digital channels presented Dentsu Group with a new creative canvas to build sustainable brands, and a new teaming model delivering on-demand services for our clients.

During the pandemic, the Creative Service Line launched the innovative Cloud-based, AI-enabled, scaled global content solution "Content Symphony," a solution that provides brands with integrated production services. By integrating right shoring production services with an AI-enabled technology platform, Content Symphony delivers a consistent brand experience at every touchpoint while engaging our clients' audiences with highly personalised, market-relevant content.

This helped to transform our business from a legacy AOR model to AOR on Demand. AOR on Demand retains our deep understanding as a client's long-term strategic partner, without the inflexible legacy infrastructure in every market. It liberates creativity and unleashes the power of Dentsu International's innovative creative talent, wherever in the world they are. This approach saw us expand the American Express global creative assignment at the end of 2020.

#### Idea-led experiences that align belief and behavior, good and growth

2020 was also a year of radical transparency. As brand behaviors come under scrutiny as never before, there can be no disconnect between brand and experience, and doing good and driving growth. There must also be no discrepancy between belief and behavior—between a brand's promise, and how it authentically delivers that promise in the lives of its consumers, employees and communities.

Brands today are built through connected creative experiences—made possible by technology, made personal by data, and made powerful by ideas. Our two global leadership brands, dentsu mcgarrybowen and Isobar help support the connection of brand and experience around the organizing power of an idea.

Clients today need the best multi-disciplinary teams—no matter where they physically are—to imagine, co-create and solve big business problems creatively.



### Craig Dempster

Global CEO,  
Merkle and Global CEO,  
dentsu CXM  
Dentsu International Limited

### Customer Experience Management (CXM) Service Line

#### Connected customer experience

Today's most successful brands are built by providing superior customer experiences across marketing, sales, commerce, and service. The future of this "connected customer experience" is highly personalized, informed by data, and powered by technology. The market opportunity for the Customer Experience Management (CXM) Service Line is in taking the knowledge and insights derived from that data and delivering powerfully targeted and personal moments in time with the brand. These moments, orchestrated across multiple touchpoints, come together to deliver customer outcomes that form experiences, which, over time, create the loyalty and advocacy that build lasting relationships.

CXM is Dentsu International's fastest-growing Service Line, having doubled in revenue over the past four years, driven by Merkle. This matrixed organization operates at the intersection of our capabilities and the distinct industries we serve. Our skilled marketing experts understand the unique needs of our clients, the market challenges they face, and the solutions needed to gain competitive advantage. Merkle is organized regionally, spanning the Americas, EMEA, and APAC. Our global clients rely on our deep knowledge of the market needs and regulatory requirements of every locality in which we operate.

Our strengths in first-party data, combined with identity resolution, data management, marketing technology, data sciences, loyalty, CRM, personalization, commerce, customer experience, consulting and performance media/creative services, have created differentiation against an evolving competitive landscape. As a result, we have seen consistent strong organic growth over 30 years, even amid significant market disruption, most recently propelled by a global pandemic, along with the collapse of third-party cookies and increasing privacy concerns.

As we move toward a new competitive set of digital transformation powerhouses, our equation for success is **data transformation + digital transformation = customer**

**experience transformation.** Adding strength to our value proposition are our alliances with partners, such as Google, Adobe, Salesforce, AWS, and others. Through these relationships, we are tapping into the growth of enterprise experience technology and cloud services to enable hyper-personalized experiences for the brands we serve.

As the brands that comprise the CXM Service Line integrate, our go-to market strategy is centered around three broad categories:

- **Data transformation** is defined as the privacy-safe acquisition, management, analysis, and activation of valuable data that informs customer experiences in real time. It all starts with identity—the only way to gain the most complete view of customers is from first-party data that is reconciled across marketing, sales, commerce, and service.
- **Digital transformation** is defined as the modernized system that allows the business to organize around the customer and adapt to changing market opportunities and customer needs. It enables the delivery of personally and contextually relevant moments that form experiences and then foster relationships.
- **Customer experience consulting** comprises strategic advisory services that set the vision of an enterprise to progress through its CX transformation. We partner with brands to create market-level differentiation through a CX framework and the organizational and technology requirements to deliver on it.

Going forward, this Service Line will continue to develop new capabilities relating to customer experience transformation. We have our sights set on becoming the market leader for enabling and activating hyper-personalized customer experiences. Our future customers will be CEOs and members of the broader C-suite who are looking for meaningful business outcomes that create revenue, cost savings, competitive differentiation, and ultimately shareholder value.