

WPP faces losing title as world's biggest ad agency to rivals in \$30bn merger

The FTSE 100's leading advertising firm, WPP, is facing the prospect of losing its title as the world's largest ad company for the first time in many years, as US competitors Omnicom and Interpublic are reportedly in talks over a potential \$30bn (£23.6bn) merger.

The weekend brought news that the third and fourth biggest global advertising firms might join forces, potentially elevating them above WPP, as reported by [City AM](#).

With Interpublic's market capitalisation nearing \$11bn (£8.6bn) and Omnicom valued at more than \$20bn (£15.8bn), their combined revenues would surpass \$20bn.

According to insiders speaking to the Wall Street Journal, which broke the story, an announcement regarding the deal could come as soon as this week. The merger raises concerns about British [employment](#), as both companies have substantial workforces in the UK, and cost-cutting measures are likely to follow.

"There is a lot of efficiency to be realised. No question there would be a lot of duplication and a very heavy US overlap," said Brian Weiser, an advertising analyst at Madison and Wall, in comments to the Telegraph.

Meanwhile, WPP is contending with challenges despite overall industry growth. French advertising powerhouse Publicis is on track to surpass WPP by year-end, with analysts projecting full-year revenues for 2024 at 13.9bn euro (£11.5bn) for Publicis compared to £11.2bn for WPP.

GroupM, a WPP agency, has updated its annual forecast, now predicting a 9.5 per cent rise in global advertising revenue for 2024, a significant increase from the June estimate of 7.8 per cent.

For the first time, the advertising industry is set to exceed \$1 trillion in total revenue this year and is projected to rise by 7.7 per cent in 2025 to \$1.1 trillion. This development has put WPP, the world's largest advertising agency, under pressure to maintain its position, a challenge it has been grappling with since the departure of its founder, Martin Sorrell, in 2018.

In its most recent financial results, WPP revealed that revenues from outside the US and continental Europe had declined, with its UK business showing no growth. In July, WPP announced the appointment of former BT chief Philip Jansen as its new chair following an extensive search for a reliable leader.

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