First Half 2020 Results

-

Strong fundamentals to weather the crisis

July 23, 2020

- **H1 reported net revenue at +9.7%, EBITDA +4.3%**
- **H1 organic growth at -8.0%, with Q2 at -13.0% impacted by lockdowns**
- **Solid tailwind in the US, leading to a limited organic decline of -3.3% in H1**
- **Resilient financials: Operating margin of 13.0%, headline EPS of €1.75, free cash flow of €495 million**
- **Continued new business momentum**

H1 2020 Results

(EUR million)	H1 2020	2020 vs 2019
Revenue	**5,278**	**+8.4%**
Net revenue	**4,774**	**+9.7%**
Organic growth		***-8.0%***
EBITDA	**923**	**+4.3%**
Operating margin	**622**	**+1.6%**
Operating margin rate	***13.0%***	***-110bps***
Headline Groupe net income	**417**	**-9.9%**
Headline diluted EPS (euro)	**1.75**	**-11.6%**
Free Cash Flow [1]	**495**	**+0.8%**

Q2 2020 Revenue

Net revenue	**€2,293 M**
Reported growth	**+2.6%**
Organic growth	**-13.0%**

1 Before change in working capital requirements

Arthur Sadoun, Chairman and CEO of Publicis Groupe:

“The results we are publishing today demonstrate that Publicis has strong fundamentals to weather the crisis.

With our transformation almost completed, tailwind in the US and continued new business momentum, we were off to a good 2020.

As anticipated, we have been hit in Q2 by the first economic consequences of the coronavirus crisis. But thanks to our unique offer combining seamlessly creative, media, data and technology, to our unmatched backbone of shared services and our strong balance sheet, we have been able to reduce its impact.

Our reported net revenue was up 9.7% in H1 with the contribution of Epsilon.

Our organic growth in H1 came at -8.0% with Q2 at -13.0%, significantly better than the 23% decline in Global advertising expenditures predicted by Zenith and the 30% mentioned by WFA for Q2.

US organic growth was only down by -3.3% in H1, with Q2 at -6.8%, when ad spend is expected to decline by 18%. Our creative and media activities were still positive at the end of May. Europe posted an organic growth of -23.5% in Q2, as the lockdowns impacted most of the second quarter. In Asia, the performance was at -5.7% in Q2, with China clearly improving from Q1 but remaining negative and volatile.

Thanks to our ability to adapt fast, our country-model and our strong culture in managing costs, the Groupe demonstrated financial resilience in the first half, with an operating margin rate at 13.0%, despite the sudden drop in net revenue since March.

At the same time, we continued to record significant wins in new business across the world, such as Sephora in North America, McDonald’s in China, or Française des Jeux in France, demonstrating our ability to continue to win large pitches with our unique model.

There is no doubt that we will all have to live with the virus and its economic and social consequences for a while, but Publicis is well armed to weather this crisis.

First, we have the products and services that our clients need. Over the last few weeks, we have seen an increased demand for all the capabilities that drove our strategy in the last few years: first-party data, breakthrough creativity, digital-first media and technology. The crisis has clearly accelerated the relevance of our go-to-market. We are uniquely positioned to help our clients take back control over *their customer relationship, deliver personalized experiences at scale and reduce their cost while increasing their sales.*

Second, in a world where our structure needs to be flatter, agile and remote, we are now truly operating as a platform. Our shared service organization has proven its efficiency and we have finalized the implementation of our country model. This enabled us to react faster and immediately answer all our client needs in a seamless way. With the global roll-out of Marcel, 60,000 of our talents around the world now have a unique way to share their expertise, learn, collaborate, and contribute to client assignments.

Last but not least, we have a very solid financial backbone and a strong liquidity position that will get us through these uncertain times.

As we head into the second half, we are focusing on limiting the impact of the downturn, accelerating our new offering for our clients, while continuing to adapt our cost structure.

I would like to thank all of our clients for their trust as well as the Publicis' teams around the world. They are our most precious asset and the ones who will drive our clients' and our own future success. They have demonstrated outstanding commitment, solidarity, dedication and resilience despite the challenges they have endured, professionally and personally, during the lockdown. »

*   *

*

Publicis Groupe's Supervisory Board met on July 22, 2020, under the chairmanship of Maurice Lévy, to examine the 2020 first semester accounts presented by Arthur Sadoun, CEO and Chairman of the Management Board.

KEY FIGURES

EUR million, except per-share data and percentages	*H1 2020*	*H1 2019*	*2020 vs 2019*
Data from the Income Statement and Cash flow Statement			
Net revenue	4,774	4,352	+9.7%
Pass-through revenue	504	516	-2.3%
Revenue	5,278	4,868	+8.4%
EBITDA	923	885	+4.3%
% of Net revenue	*19.3%*	*20.3%*	*-100 bps*
Operating margin excluding transaction costs (1)	622	652	-4.6%
% of Net revenue	*13.0%*	*15.0%*	*-200 bps*
Operating margin	622	612	+1.6%
% of Net revenue	*13.0%*	*14.1%*	*-110 bps*
Operating income	254	489	-48.1%
Net income attributable to the Groupe	136	345	-60.6%
Earnings Per Share (EPS)	0.57	1.49	-61.7%
Headline diluted EPS (2)	1.75	1.98	-11.6%
Free Cash Flow before change in working capital requirements	495	491	+0.8%
Data from the Balance Sheet	***June 30, 2020***	***Dec. 31, 2019***	
Total assets	29,624	32,659	
Groupe share of Shareholders' equity	7,030	7,401	
Net debt (net cash)	3,221	2,713	

(1) Transaction costs related to the acquisition of Epsilon totaled 40 million euros in 2019

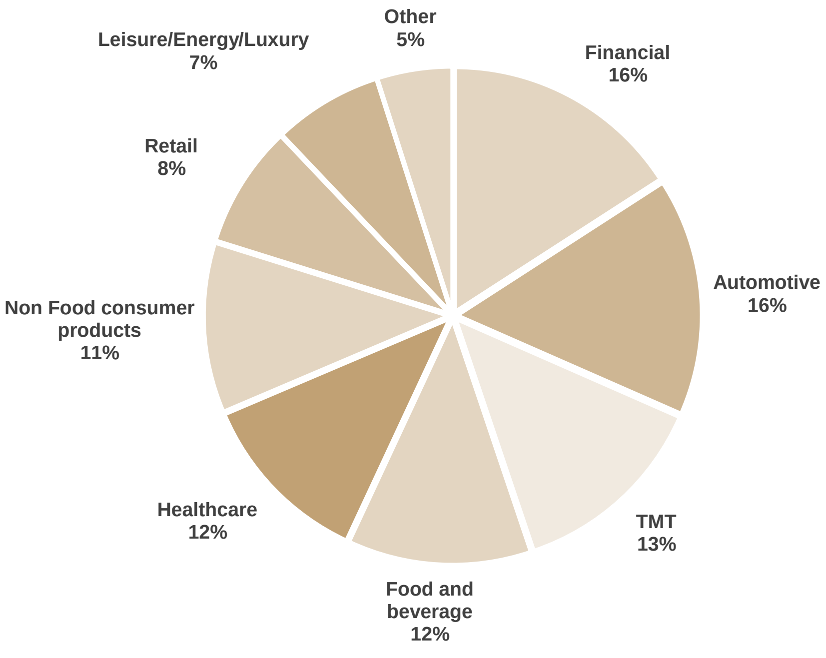
(2) Net income attributable to the Groupe, after elimination of impairment charges, amortization of intangibles arising on acquisitions, the main capital gains (or losses) on disposals, change in the fair value of financial assets, the revaluation of earn-out costs and Epsilon transaction costs, divided by the average number of shares on a diluted basis

NET REVENUE IN H1 2020

Publicis Groupe's net revenue for the first half 2020 was 4,774 million euros, up by 9.7% compared to 4,352 million euros in H1 2019. Exchange rate variations over the period have a positive impact of 32 million euros. Acquisitions (net of disposals) have a contribution of 743 million euros on net revenue, most of it being related to the acquisition of Epsilon.

Organic growth is -8.0% in H1 2020. The Groupe has been impacted by the effects of the Covid-19 pandemic from March, with a further decline in organic growth in Q2 following the containment measures that were implemented by governments in different geographies. With its transformation almost completed, the Groupe entered well the year 2020 thanks to its strong tailwind in the US and its continued new business momentum.

Breakdown of H1 2020 net revenue by sector



Based on 3,285 clients representing 91% of the Groupe's net revenue.

Breakdown of H1 2020 net revenue by region

EUR million	Net revenue H1 2020	Net revenue H1 2019	Reported growth	Organic growth
Europe	1,088	1,296	-16.0%	-16.5%
North America	3,013	2,316	+30.1%	-3.6%
Asia Pacific	434	444	-2.3%	-3.9%
Latin America	104	144	-27.8%	-15.7%
Middle East & Africa	135	152	-11.2%	-11.8%
Total	**4,774**	**4,352**	**+9.7%**	**-8.0%**

Europe declined by -16.5% on an organic basis in H1 (-16.0% on a reported basis). Excluding the impact of French activities that were shut down in Q2, like our outdoor media operations and the Drugstore, the organic growth in Europe is -12.9%. The performance varied per country, as it reflects different activity mix and local economic situations. It was also impacted in Q2 by the different containment measures that were decided by governments in the main countries of the region. In H1, organic decline was -14.0% in the UK and -17.1%[1] in France. In Germany, organic growth was down -5.3%, also suffering from the lockdown but benefitting from 2019 new business wins in the country.

Net revenue in North America is up by +30.1% in H1, including the positive impact of the Epsilon acquisition. On an organic basis, the region posted a decline in net revenue of -3.6% in H1. The performance was resilient, notably in the US (-3.3%), where the Groupe benefitted from a strong start to the year for all its activities.

Asia Pacific net revenue was down by -2.3% on a reported basis and down by -3.9% on an organic basis. China reported an organic growth of -10.2%, Australia was down by -5.4% on an organic basis, while India and Singapore grew respectively by +3.6% and +1.5% on an organic basis.

Net revenue in Latin America was down by -27.8% on a reported basis, with a significant negative impact from currencies in the region, especially in Brazil. On an organic basis, the decline was -15.7%. This is mostly due to an organic decline of -22.8% in Brazil and of -14.4% in Mexico.

Net revenue in the Middle East and Africa region was down by -11.2% on a reported basis, and -11.8% on an organic basis.

[1] Excluding activities that were shut down during the lockdown, i.e. our outdoor media operations and the Drugstore

NET REVENUE IN Q2 2020

Publicis Groupe's net revenue in Q2 2020 was 2,293 million euros compared to 2,234 million euros in Q2 2019, up by 2.6%. Exchange rate variations had a 1 million euros negative impact. The acquisitions (net of disposals) contributed 350 million euros to net revenue in Q2 2020, mainly reflecting the contribution of Epsilon.

Organic growth was -13.0% in Q2 2020. Excluding the impact of French activities that were shut down during Q2, like outdoor media activities and the Drugstore, organic growth for the Groupe was -11.0%. Most of Groupe’s activities were negatively impacted in Q2, except the Health division which recorded a double-digit growth. Europe was particularly affected as containment measures lasted over the vast majority of the quarter.

Breakdown of Q2 2020 Net revenue by region

EUR million	**Net revenue**		**Reported growth**	**Organic growth**
	Q2 2020	**Q2 2019**		
Europe	510	663	-23.1%	-23.5%
North America	1,458	1,177	+23.9%	-7.6%
Asia Pacific	215	237	-9.3%	-5.7%
Latin America	50	78	-35.9%	-20.2%
Middle East & Africa	60	79	-24.1%	-23.5%
Total	**2,293**	**2,234**	**+2.6%**	**-13.0%**

ANALYSIS OF H1 2020 KEY FIGURES

Income Statement

EBITDA amounted to 923 million euros in H1 2020, compared to 885 million euros in H1 2019, up by 4.3%, including the contribution of Epsilon. The impact of the cost reduction plan announced in April was 286 million euros in H1, on a comparable basis and excluding Epsilon acquisition costs. This translates into a margin rate of 19.3% of net revenue (compared to 20.3% in H1 2019).

- Personnel costs totaled 3,224 million euros at June 30, 2020, up by 12.0% from 2,879 million euros in H1 2019. This evolution reflects the integration of Epsilon during H1, as well as the continued investment in the Groupe's transformation. This was partly offset by the impact of the first measures of the cost reduction plan. As a percentage of net revenue, the personnel expenses represented 67.5% in H1 2020, compared to 66.1% in H1 2019. Fixed personnel costs were 2,862 million euros represented 59.9% of net revenue versus 57.7% in H1 2019. On a comparable basis, fixed personnel costs declined by 61 million euros year-on-year, thanks to the actions taken by the Groupe, as hiring freeze, pause in internal promotions, shorter work week or voluntary salary cuts. Moreover, the Groupe decided to limit the use of freelancers. As a result, the cost of freelancers declined by 43 million euros in H1 2020 on a comparable basis, representing 141 million euros. Restructuring costs reached 69 million euros (61 million euros in H1 2019), reflecting additional charges related to the cost reduction plan.

- Other operating expenses (excluding depreciation & amortization) amounted to 1,131 million euros, compared to 1,104 million euros in H1 2019. This represents 23.7% of net revenue compared to 25.4% in H1 2019, implying that the cost reduction measures more than offset the negative impact of Epsilon cost structure on this ratio. The Groupe was able to make significant savings on other operating expenses in H1 2020, thanks to the actions taken as part of the cost reduction plan, and thanks to some expenses that drastically reduced during the lockdowns. This was notably the case with travel restrictions, which mechanically reduced the travel, recruitment and seminar related expenses.

Depreciation and amortization charge was 301 million euros in H1 2020, up by 10.3% compared to H1 2019. The increase is largely due to the consolidation of Epsilon over the period.

The operating margin amounted to 622 million euros, up by 1.6% compared to H1 2019. This represents a margin rate of 13.0%, down by 110 basis points from 14.1% in H1 201. When compared to the H1 2019 margin excluding Epsilon acquisition costs, the margin declined by 200 basis points. This decrease is due to the decline in organic growth related to the impact of the Covid-19 crisis, partially offset by a 6.4% reduction in the cost base.

Operating margin rates by major geographic areas reflected the various challenges faced by the different regions in H1 2020, in the context of the global pandemic. It was 1.8% in Europe, 16.4% in North America, 22.5% in Asia-Pacific, 5.7% in Latin America and 3.0% in the Africa / Middle East region.

Amortization of intangibles arising from acquisitions totaled 142 million euro in H1 2020, up from 27 million euro in H1 2019. This increase is mainly due to the amortization from July 1st 2019 of new intangibles arising from Epsilon acquisition and the amortization of tradenames arising from acquisition. Starting from July 1st, 2019 tradenames are amortized, following the implementation of our country-model organization. Impairment losses amounted to 231 million euros, and are exclusively related to the real estate consolidation plan "All in One", which leads to a reduction in the number of sites, while allowing better collaboration between the teams. In H1 2019, impairment losses were 113 million euros (of which 90 million euros related to real estate plan “All in One”). In addition, net non-current income is positive at 5 million euros H1 2020, compared to an income of 17 million euros in H1 2019.

Operating income totaled 254 million euro in H1 2020, after 489 million euro in H1 2019.

The financial result, comprising the cost of net financial debt and other financial charges and income, is an expense of 92 million euros in H1 2020 compared to an expense of 1 million euros last year. The net expense on net financial debt was 48 million euros in H1 2020, including a 51 million euros interest charge related to Epsilon’s acquisition debt. Last year, it was a net income of 15 million euros. Other financial income and expenses were a charge of 44 million euros in H1 2020, notably composed by 40 million euros interest on lease liabilities. Other financial income and expenses were a charge of 16 million euros in H1 2019, including 30 million euros of interest on lease obligations and 19 million in income from the fair value remeasurement of Mutual Funds.

The revaluation of earn-out payments amounted to a profit of 2 million euros at end-June, compared to a charge of 1 million in H1 2019.

The tax charge is 39 million euros, corresponding to a forecast effective tax rate of 25.0% in 2020, compared to 136 million euros in H1 2019, corresponding to a forecast effective tax rate of 25.8% in 2019.

The share in the profit of associates is a loss of 2 million euros, compared to a loss of 5 million euros in H1 2019. Minority interests were an income of 13 million euros in Groupe results in H1 2020 compared to a loss of 1 million in the previous year.

Overall, net income attributable to the Groupe was 136 million euros at June 30, 2020, compared to 345 million euro at June 30, 2019.

Free Cash Flow

EUR million	*H1 2020*	*H1 2019*
EBITDA	923	885
Financial interest paid (net)	(81)	33
Repayment of lease liabilities and related interests	(234)	(214)
Tax paid	(74)	(190)
Other	34	42
Cash Flow from operations before change in WCR	**568**	**556**
Investments in fixed assets (net)	(73)	(65)
Free cash-flow before changes in WCR	**495**	**491**

The Groupe’s free cash flow, before change in working capital requirements, is slightly up by 0.8% compared to H1 2019, at 495 million euros. Financial interest paid mostly include interests on the acquisition debt of Epsilon. Tax paid amounted to 74 million euros, down compared to 190 million euros in H1 2019, related to agreed postponements for tax payment in some countries in H1 2020. The increase in net investments in fixed assets is mostly related to Epsilon. The Groupe is very selective regarding its investment policy, favouring IT spending especially to support work from home initiatives that have been implemented in Q2.

Net debt

Net financial debt amounted to 3,221 million euros as of June 30, 2020 compared to 2,713 million euros as of December 31, 2019. The Groupe's average net debt in H1 2020 amounted to 3,684 million euros compared to 550 million euros in H1 2019. The increase in average net debt reflects the financing linked to the acquisition of Epsilon, for 4.5 billion dollars.

NEW BUSINESS

EUROPE

Longchamp (Media), Intersnack (Media), E.ON (Digital), Disney (Media), Vision Express (Creative), McDonald's (Technology), Biotherm (Creative), Sephora (CRM), Helmholtz-Gemeinschaft (Brand), Kingfisher France - Castorama (Creative), Ascensia (Technology), FCA (Creative), Société Générale (CRM), OPPO Mobile Telecommunication (Creative), COS (Digital), TOUS (Technology), Swissbankers (Creative), RATP (Technology), Daimler (Technology), Deutsche Post (DHL) (Technology), Novartis International (Technology), Greystar (Digital), Slimming World (Digital), Expedia (Digital), Premier Inn (Creative), Tesco (Creative), ING Financial Services (Creative), Mugler Parfums (Creative)

NORTH AMERICA

Sephora (Media), Bank of America (Media, Creative), Tailored Brands (Media), Reckitt Benckiser (Media), U.S. Cellular (Media, Creative), H&R Block (Digital Media, Digital Creative and Social), Aldi (Media), AFLAC (Digital), Whirlpool (Media), Bass Pro Shops (Media), Audi of America (Media), Pharma Vite - Nature Made (Creative), New York Life (Media, Digital Media AOR), Edgewell (Media), Abbvie (Creative strategy), Lowe's (Media), FCA (Digital), Blue Apron (Media), Ste Michelle Wine Estates (Creative), T-Mobile (Technology), Academy Sports and Outdoors (Technology), Edward Jones (Technology), Health Resources and Services Administration (HRSA) (Technology), Kellogg Company (Technology), Marriott (Technology), Mercedes-Benz USA (Technology), MGM Resorts (Technology), National Cancer Institute (NCI) (Technology), Nissan Motor Company (Technology), Polaris (Technology), Verizon Wireless Digital (Technology), WL Gore (Technology), AbbVie (Health), Roche (Health), Allergan (Health), Heineken Canada (Creative)

ASIA PACIFIC/MEA

FCA (Creative, Media), McDonald's (Media, Creative, Technology), Foxtel (Creative), Miral Asset Management (Technology), Samsung.com (Creative), Sanofi (Creative), Nestlé (Creative, Technology), Majid Al Futtaim Holding (Technology), Samsung (Creative), Hero (Media), Volvo (Media), Prudential Holdings (Technology), MasterCard International (Technology), SA Tourism (Creative)

LATAM

DIRECTV (Media & Performance AOR), Coca-Cola (Creative), Electrolux (Creative), Mondelez (Creative), GSK Consumer Health (Creative), P&G (Creative, Digital, Technology), CCR (Creative), Ambev (Creative), Claro (Digital), Enel (Creative), Toyota (Creative), L'Oréal (Digital Creative), Bradesco (Creative), Nestlé (Creative), Nutresa (CRM)

GLOBAL

Jollibee (Creative), Enel (Creative), Loblaw Digital (Technology), Unilever (Technology), Tesco (Technology), Marriott International (Technology), General Pension and Social Security Authority (Technology), Farah Experiences (Technology), Nissan International (Technology), Royal Canin (Technology), Worldpay (Technology), Philip Morris Products OC Division (Technology), Carrefour (Technology), Bang & Olufsen (Technology), FWD Group Management Holdings (Technology)

MARCEL

Publicis Groupe accelerated the Marcel rollout globally at the start of the pandemic to provide much needed connectivity and support for talent fighting isolation in the crisis, as well as a way to access the best of the Groupe.

Following the UK launch earlier in the year, Marcel rolled out in the US in April, with 90% of the employees who have adopted the platform in the US in less than a month. Marcel was launched in other markets around the world in the weeks that followed, with 60,000 Publicis Groupe employees now connected through the platform.

All of Publicis' talents around the world now have a unique way to share their expertise, learn, collaborate, and contribute to client assignments.

Among its features, Marcel is the exclusive destination for available opportunities within the company also offering "gigs"- short-term projects, where employees who want to do more can raise their hand to contribute, matching skills and bandwidth with need, and delivering a true distributed, borderless workforce.

Marcel is becoming central in our ability to allocate resource for clients and new business within the Groupe, train our talent for this new world, communicate and sometimes celebrate. Marcel allowed Publicis to virtually host its Cannes-Do Awards last month, ensuring the company continued to spotlight and celebrate creativity even in a year when most awards shows cancelled. Through Marcel, the company garnered 1,400 award submissions from all parts of the company and world, from which 10 client campaigns and five non-profit campaigns were selected winners via 15,000 employee votes through the platform and a panel of judges, and the ceremony livestreamed exclusively on Marcel.

In addition, Marcel enabled the company to come together in new ways. Pausing for Action, hosted on Marcel June 17, brought together 18,000 employees for a day of listening, learning and ideating how to move forward the Publicis Groupe diversity and inclusion mandate. Through the platform, the company virtually presented six hours of content spanning speakers, three learning tracks, plus "open briefs" in which 7,300 employees engaged to shape the future of the Groupe's efforts.

DIVERSITY AND INCLUSION

Guided by the input of the company's US workforce during Pausing for Action, Publicis Groupe committed to seven focused actions for the U.S., with ongoing measurement and accountability to drive diversity and inclusion. These actions include: publishing and monitoring workforce data; cultivating the careers of Black talent; designing a recruitment, interview and onboard experience that champions Black talent; building strong ally-ship culture with mandatory "disrupting everyday bias training;" €45M investment over three years on

Diversity, Inclusion and Social Justice; launch Open Apprenticeship on Marcel to serve minority youth who typically do not have access to the industry; and create the Diversity Progress Council, comprised of internal members, key clients and external representation, to measure progress and evaluate actions on an ongoing basis, with the first meeting taking place in September. As part of commitment to publishing U.S. workforce data, the Groupe released its first diversity numbers on July 1, importantly doing so in a way that provided the transparency that the U.S. market requires to drive and measure change.

ACQUISITIONS AND DISPOSALS

There were no significant transaction on the period.

OUTLOOK

The full impact of the current crisis on the economy remains largely unknown. This creates uncertainties which make it difficult to provide any specific guidance for the second half of 2020.

When it comes to net revenue, Q2 could be the low point, but it is premature to say whether the second half will be better or worse than the first half, as some sectors but also some countries will recover faster than others, and clients will react differently.

The operating margin rate will be higher in H2 than in H1, taking into account that several factors will have a negative impact: as countries reopen, some of the operating expenses will resume, and the Groupe will continue to invest in its model.

Heading into the second half, the Groupe is committed to limit the impact of client cuts, accelerate its new offering and continue to adapt its cost base to the evolution of revenue.

*   *

*

Disclaimer

Certain information contained in this document, other than historical information, may constitute forward-looking statements or unaudited financial forecasts. These forward-looking statements and forecasts are subject to risks and uncertainties that could cause actual results to differ materially from those projected. These forward-looking statements and forecasts are presented at the date of this document and, other than as required by applicable law, Publicis Groupe does not assume any obligation to update them to reflect new information or events or for any other reason. Publicis Groupe urges you to carefully consider the risk factors that may affect its business, as set out in the Universal Registration Document filed with the French Autorité des Marchés Financiers (AMF) and which is available on the website of Publicis Groupe (www.publicisgroupe.com), including an unfavorable economic climate, a highly competitive industry, risks associated with the confidentiality of personal data, the Groupe's business dependence on its management and employees, risks associated with mergers and acquisitions, risks of IT system failures and cybercrime, the possibility that our clients could seek to terminate their contracts with us on short notice, risks associated with the reorganization of the Groupe, risks of litigation, governmental, legal and arbitration proceedings, risks associated with the Groupe's financial rating and exposure to liquidity risks.

About Publicis Groupe - The Power of One

Publicis Groupe [Euronext Paris FR0000130577, CAC 40] is a global leader in communication. The Groupe is positioned at every step of the value chain, from consulting to execution, combining marketing transformation and digital business transformation. Publicis Groupe is a privileged partner in its clients' transformation to enhance personalization at scale. The Groupe relies on ten expertise concentrated within four main activities: Communication, Media, Data and Technology. Through a unified and fluid organization, its clients have a facilitated access to all its expertise in every market. Present in over 100 countries, Publicis Groupe employs around 80,000 professionals.

www.publicisgroupe.com | Twitter:@PublicisGroupe | Facebook | LinkedIn | YouTube | Viva la Difference!

Contacts

Publicis Groupe

Delphine Stricker	Corporate Communications	+ 33 (0)6 38 81 40 00	delphine.stricker@publicisgroupe.com
Alessandra Girolami	Investor Relations	+ 33 (0)1 44 43 77 88	alessandra.girolami@publicisgroupe.com
Brice Paris	Investor Relations	+ 33 (0)1 44 43 79 26	brice.paris@publicisgroupe.com

Appendices

Net revenue: organic growth calculation

(million euro)	Q1	Q2	6 months
2019 net revenue	**2,118**	**2,234**	**4,352**
Currency impact [2]	33	(1)	32
2019 net revenue at 2020 exchange rates (a)	2,151	2,233	4,384
2020 net revenue before acquisition impact [1] (b)	2,088	1,943	4,031
Net revenue from acquisitions [1]	393	350	743
2020 net revenue	**2,481**	**2,293**	**4,774**
Organic growth (b/a)	**-2.9%**	**-13.0%**	**-8.0%**

Impact of currency at end June 2020 ***(million euro)***	
GBP [2]	0
USD [2]	57
Others	(25)
Total	**32**

(1) Acquisitions (Digitas AffinityID, Soft Computing, Rauxa, E2 Media, Epsilon, RDL, SearchForce, McCready Bale Media, Sapient i.7, Third Horizon) net of disposals.

(2) EUR = USD 1.101 on average in H1 2020 vs. USD 1.130 on average in H1 2019
EUR = GBP 0.873 on average in H1 2020 vs. GBP 0.873 on average in H1 2019

Definitions

Net revenue or Revenue less pass-through costs: Pass-through costs mainly concern production and media activities, as well as various expenses incumbent on clients. These items that can be re-billed to clients do not come within the scope of assessment of operations, net revenue is a more relevant indicator to measure the operational performance of the Groupe's activities.

Organic growth: Change in net revenue excluding the impact of acquisitions, disposals and currencies.

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization): Operating margin before depreciation & amortization.

Operating margin: Revenue after personnel costs, other operating expenses (excl. non-current income and expense) and depreciation (excl. amortization of intangibles arising on acquisitions).

Operating margin rate: Operating margin as a percentage of net revenue.

Headline Group Net Income: Net income attributable to the Groupe, after elimination of impairment charges / real estate transformation expenses, amortization of intangibles arising on acquisitions, the main capital gains (or losses) on disposals, change in the fair value of financial assets, the impact of US tax reform, the revaluation of earn-out costs and Epsilon transaction costs.

EPS (Earnings per share): Group net income divided by average number of shares, not diluted.

EPS, diluted (Earnings per share, diluted): Group net income divided by average number of shares, diluted.

Headline EPS, diluted (Headline Earnings per share, diluted): Headline group net income, divided by average number of shares, diluted.

Capex: Net acquisitions of tangible and intangible assets, excluding financial investments and other financial assets.

Free Cash Flow before changes in working capital requirements: Net cash flow from operating activities less interests paid & received, repayment of lease liabilities & related interests and changes in WCR linked to operating activities

Free Cash Flow: Net cash flow from operating activities less interests paid & received, repayment of lease liabilities & related interests

Net Debt (or financial net debt): Sum of long and short financial debt and associated derivatives, net of treasury and cash equivalents.

Average net debt: Average of monthly net debt at end of month.

Dividend pay-out: Dividend per share / Headline diluted EPS.

Consolidated income statement

(in millions of euros)	**June 30, 2020 (6 months)**	**June 30, 2019 (6 months)**	**December 31, 2019 (12 months)**
Net revenue[1]	**4,774**	**4,352**	**9,800**
Pass-through revenue	504	516	1,201
Revenue	**5,278**	**4,868**	**11,001**
Personnel costs	(3,224)	(2,879)	(6,073)
Other operating costs	(1,131)	(1,104)	(2,683)
Operating margin before depreciation & Amortization	**923**	**885**	**2,245**
Depreciation (excluding acquired intangible assets)	(301)	(273)	(586)
Operating Margin	**622**	**612**	**1,659**
Impairment loss	(231)	(113)	(209)
Non-current income and expenses	5	17	21
Operating income	**254**	**489**	**1,267**
Financial expense	(95)	(52)	(137)
Financial income	47	67	112
Cost of net financial debt	**(48)**	**15**	**(25)**
Other financial income and expenses	(44)	(16)	**(66)**
Revaluation of earn-out payments	2	(1)	(22)
Pre-tax income of consolidated companies	**164**	**487**	**1,154**
Income taxes	(39)	(136)	(305)
Net income of consolidated companies	**125**	**351**	**849**
Share of profit of associates	(2)	(5)	(5)
Net income	**123**	**346**	**844**
Of which:			
- Net income attributable to non-controlling interests	(13)	1	3
Net income attributable to equity holders of the parent company	**136**	**345**	**841**
Per-share data *(in euros)* - **Net income attributable to equity holders of the parent company**			
Number of shares	*237,468,157*	*231,745,008*	*234,293,034*
Earnings per share	*0.57*	*1.49*	*3.59*
Number of diluted shares	*238,280,061*	*233,885,720*	*236,608,597*
Diluted earnings per share	*0.57*	*1.48*	*3.55*

[1] Net revenue: Revenue less pass-through costs. Those costs are mainly production & media costs and out of pocket expenses. As these items that can be passed on to clients are not included in the scope of analysis of transactions, the net revenue indicator is the most appropriate for measuring the Group's operational performance.

Consolidated statement of comprehensive income

(in millions of euros)	June 30, 2020 (6 months)	June 30, 2019 (6 months)	December 31, 2019 (12 months)
Net income for the period (a)	**123**	**346**	**844**
Comprehensive income that will not be reclassified to income statement			
- Actuarial gains (and losses) on defined benefit plans	(24)	(45)	(29)
- Deferred taxes on comprehensive income that will not be reclassified to income statement	4	11	5
Comprehensive income that may be reclassified to income statement			
- Remeasurement of hedging instruments	(134)	(35)	(84)
- Consolidation translation adjustments	(133)	48	78
Total other comprehensive income (b)	**(287)**	**(21)**	**(30)**
Total comprehensive income for the period (a) + (b)	**(164)**	**325**	**814**
Of which:			
- Total comprehensive income for the period attributable to non-controlling interests	(10)	1	3
- Total comprehensive income for the period attributable to equity holders of the parent company	(154)	324	811

Consolidated balance sheet

(in millions of euros)	**June 30, 2020**	**December 31, 2019**
Assets		
Goodwill, net	11,526	11,629
Intangible assets, net	1,852	1,979
Right-of-use assets related to leases	1,831	2,122
Property, plant and equipment, net	657	720
Deferred tax assets	208	143
Investments in associates	26	32
Other financial assets	220	218
Non-current assets	**16,320**	**16,843**
Inventories and work-in-progress	328	411
Trade receivables	7,402	10,233
Assets on contracts	1,091	1,002
Other current receivables and assets	740	757
Cash and cash equivalents	3,743	3,413
Current assets	**13,304**	**15,816**
Total assets	**29,624**	**32,659**

Equity and Liabilities		
Share capital	96	96
Additional paid-in capital and retained earnings, Group share	6,934	7,305
Equity attributable to holders of the parent company	**7,030**	**7,401**
Non-controlling interests	(21)	(9)
Total equity	**7,009**	**7,392**
Long-term borrowings	6,274	4,286
Long-term lease liabilities	2,061	2,196
Deferred tax liabilities	314	413
Long-term provisions	517	426
Non-current liabilities	**9,166**	**7,321**
Trade payables	9,914	13,411
Liabilities on contracts	331	353
Short-term borrowings	253	1,602
Short-term lease liabilities	333	336
Income taxes payable	373	351
Short-term provisions	177	170
Other creditors and current liabilities	2,068	1,723
Current liabilities	**13,449**	**17,946**
Total equity and liabilities	**29,624**	**32,659**

Consolidated statement of cash flows

(in millions of euros)	June 30, 2020 (6 months)	June 30, 2019 (6 months)	December 31, 2019 (12 months)
Cash flow from operating activities			
Net income	123	346	844
Neutralization of non-cash income and expenses:			
Income taxes	39	136	305
Cost of net financial debt	48	(15)	25
Capital losses (gains) on disposal of assets (before tax)	(5)	(18)	(20)
Depreciation, amortization and impairment loss	674	413	999
Share-based compensation	28	37	49
Other non-cash income and expenses	47	21	88
Share of profit of associates	2	5	5
Dividends received from associates	2	2	2
Taxes paid	(74)	(190)	(349)
Change in working capital requirements[1]	(853)	(826)	394
Net cash flows generated by (used in) operating activities (I)	**31**	**(89)**	**2,342**
Cash flow from investing activities			
Purchases of property, plant and equipment and intangible assets	(83)	(68)	(232)
Disposals of property, plant and equipment and intangible assets	10	3	7
Purchases of investments and other financial assets, net	(7)	12	20
Acquisitions of subsidiaries	(37)	(117)	(4,143)
Disposals of subsidiaries	2	87	88
Net cash flows generated by (used in) investing activities (II)	**(115)**	**(83)**	**(4,260)**
Cash flow from financing activities			
Dividends paid to holders of the parent company	-	-	(285)
Dividends paid to non-controlling interests	(4)	(8)	(12)
Proceeds from borrowings	2,091	2,257	3,413
Repayment of borrowings	(1,436)	(324)	(485)
Repayment of lease liabilities	(194)	(184)	(403)
Interest paid on lease liabilities	(40)	(30)	(77)
Interest paid	(106)	(45)	(96)
Interest received	25	78	107
Net purchases of non-controlling interests	-	(35)	(40)
Net (buybacks)/sales of treasury shares and warrant	3	(2)	7
Net cash flows generated by (used in) financing activities (III)	**339**	**1,707**	**2,129**
Impact of exchange rate fluctuations (IV)	**75**	**2**	**4**
Change in consolidated cash and cash equivalents (I + II + III + IV)	**330**	**1,537**	**215**
Cash and cash equivalents on January 1	3,413	3,206	3,206
Bank overdrafts on January 1	(6)	(14)	(14)
Net cash and cash equivalents at beginning of year (V)	**3,407**	**3,192**	**3,192**
Cash and cash equivalents at closing date	3,743	4,744	3,413
Bank overdrafts at closing date	(6)	(15)	(6)
Net cash and cash equivalents at end of the year (VI)	**3,737**	**4,729**	**3,407**
Change in consolidated cash and cash equivalents (VI - V)	**330**	**1,537**	**215**

(1) Breakdown of change in working capital requirements

Change in inventory and work in progress	67	(51)	(14)
Change in trade receivables and other receivables	2, 605	390	(529)
Change in accounts payable, other payables and provisions	(3,525)	(1,165)	937
Change in working capital requirements	**(853)**	**(826)**	**394**

Consolidated statement of changes in equity

Number of outstanding shares	*(in millions of euros)*	*Share capital*	*Additional paid-in capital*	*Reserves and earnings brought forward*	*Translation reserve*	*Fair value reserve*	*Equity attributable to equity holders of the parent company*	*Minority interests*	*Total equity*
236,956,827	**December 31, 2019**	**96**	**4,137**	**3,240**	**(185)**	**113**	**7,401**	**(9)**	**7,392**
	Net income			136			136	(13)	123
	Other comprehensive income, net of tax				(136)	(154)	(290)	3	(287)
	Total comprehensive income for the period	**-**	**-**	**136**	**(136)**	**(154)**	**(154)**	**(10)**	**(164)**
	Dividends			(273)			(273)	(4)	(277)
274,325	Share-based compensation, net of tax			28			28		28
	Effect of acquisitions and commitments to buy-out non-controlling interests			0			0	2	2
1,602	Equity warrant exercise	-	0	0			0		0
1,164,001	(Buybacks)/sales of treasury shares			28			28		28
238,396,755	**June 30, 2020**	**96**	**4,137**	**3, 159**	**(321)**	**(41)**	**7,030**	**(21)**	**7,009**

Number of outstanding shares	(in millions of euros)	Share capital	Additional paid-in capital	Reserves and earnings brought forward	Translation reserve	Fair value reserve	Equity attributable to equity holders of the parent company	Minority interests	Total equity
231,240,308	**December 31, 2018**	**94**	**3,926**	**2,875**	**(263)**	**221**	**6,853**	**-**	**6,853**
	Net income			345			345	1	346
	Other comprehensive income, net of tax				48	(69)	(21)		(21)
	Total comprehensive income for the period	**-**	**-**	**345**	**48**	**(69)**	**324**	**1**	**325**
	Dividends			(490)			(490)	(8)	(498)
522,277	Share-based compensation, net of tax			37			37		37
	Effect of acquisitions and commitments to buy-out non-controlling interests			(30)			(30)	(2)	(32)
180,574	Equity warrant exercise	0	5				5		5
534,301	Buybacks/sales of treasury shares			(7)			(7)		(7)
232,477,460	**June 30, 2019**	**94**	**3,931**	**2,730**	**(215)**	**152**	**6,692**	**(9)**	**6,683**

Earnings per share (basic and diluted)

(in millions of euros, except for share data)		June 30, 2020	June 30, 2019
Net income used for the calculation of earnings per share			
Net income attributable to equity holders of the parent company	**A**	136	345
Impact of dilutive instruments:			
- Savings in financial expenses related to the conversion of debt instruments, net of tax		-	-
Group net income – diluted	**B**	136	345
Number of shares used to calculate earnings per share			
Number of shares at January 1		240,437,061	235,249,801
Shares created over the period		46,238	130,156
Treasury shares to be deducted (average for the period)		(3,015,142)	(3,634,949)
Average number of shares used for the calculation	**C**	237,468,157	231,745,008
Impact of dilutive instruments:			
- Free shares and dilutive stock options		714,961	1,728,566
- Equity warrants (BSA)		96,943	412,146
Number of diluted shares	**D**	238,280,061	233,885,720
(in euros)			
Earnings per share	A/C	**0.57**	**1.49**
Diluted earnings per share	B/D	**0.57**	**1.48**

Headline earnings per share (basic and diluted)

(in millions of euros, except for share data)		**June 30, 2020**	**June 30, 2019**
Net income used to calculate headline earnings per share[(1)]			
Group net income		**136**	**345**
Items excluded:			
- Amortization of intangibles from acquisitions, net of tax		107	20
- Impairment loss, *net* of tax		173	90
- Revaluation of earn-out payments		(2)	1
- Main capital gains (losses) on disposal of assets and fair value adjustment of financial assets, net of tax		3	(23)
- Costs relating to the acquisition of Epsilon, net of taxes		0	30
Headline Group net income	**E**	417	463
Impact of dilutive instruments:			
- Savings in financial expenses related to the conversion of debt instruments, net of tax		-	-
Headline Group net income, diluted	**F**	417	463
Number of shares used to calculate earnings per share			
Number of shares at January 1		240,437,061	235,249,801
Shares created over the period		46,238	130,156
Treasury shares to be deducted (average for the period)		(3,015,142)	(3,634,949)
Average number of shares used for the calculation	**C**	237,468,157	231,745,008
Impact of dilutive instruments:			
- Free shares and dilutive stock options		714,961	1,728,566
- Equity warrants (BSA)		96,943	412,146
Number of diluted shares	**D**	238,280,061	233,885,720
(in euros)			
Headline earnings per share[(1)]	E/C	**1.76**	**2.00**
Headline earnings per share - diluted [(1)]	F/D	**1.75**	**1.98**

(1) EPS after elimination of impairment losses, amortization of intangibles from acquisitions, the main capital gains and losses on disposal and fair value adjustment of financial assets, revaluation of earn-out payments and costs relating to the acquisition of Epsilon.