

# First Quarter 2022 Revenue

## Very strong start of the year

April 14, 2022

- Q1 organic growth at +10.5%, well above expectations
- Acceleration of Publicis Sapient at +18.5% organic growth
- Strong organic growth in all regions:
  - Continued momentum in the U.S. at +8.0%, with good performance of Epsilon
  - Robust recovery in Europe at +14.9%<sup>1</sup> fueled by France and the U.K.
  - Very solid growth in Asia at +14.4% with China double-digit again this quarter
- Significant wins in New Business, driven by strength of the model combining data, creative, media and technology
- 2022 guidance confirmed, with organic growth now at upper end of the +4 to +5% range

### Q1 2022

2022 Net revenue	€2,800m
2021 Net revenue	€2,392m
Organic growth	+10.5%
Reported growth	+17.1%

<sup>1</sup> +9.4% excluding Outdoor Media activities & the Drugstore



Arthur Sadoun, Chairman and CEO of Publicis Groupe:

*"We started the year very strongly, both financially and commercially.*

*Our organic growth for the quarter came well above expectations at +10.5%, versus +2.8% for the same period last year.*

*Our model is going from strength to strength, as it continues to capture rising client demand for first-party data, digital media and commerce. This is particularly true in business transformation, where Publicis Sapient saw strong acceleration this quarter and grew +18% globally.*

*All of our regions performed well. The organic growth of the U.S. at +8% confirms the country's continued dynamic with a good performance of Epsilon at its core. Europe posted robust recovery at +15% organic growth, fueled by France and the U.K. Meanwhile, in Asia, we also delivered very solid numbers, with +14% organically and double-digit growth once again in China.*

*We are confident in our ability to deliver on all of the objectives we set for the year and actually come in at the upper end of our organic growth target, despite the uncertainty caused by the global health situation, the evolution of the conflict in Ukraine, and the consequences of inflation for our clients.*

*This confidence is underpinned by our truly differentiated model. Once again, we demonstrated in the last quarter that with Epsilon and Publicis Sapient integrated with our creative and media operations, we have unique capabilities to help our clients transform, grow and optimize their spend in this very challenging period.*

*The best proof of the uniqueness and attractiveness of our offer is our new business performance. After topping all of the new business rankings in 2021, we are confirming our momentum with significant wins last quarter like McDonald's, Singapore Tourism Board, Siemens, Etisalat, LVMH, Pepsi and the largest pitch of the year so far, AB InBev, to name just a few.*

*I would like to thank our teams for their incredible efforts, and our clients for their partnership.*

*Of course, the start to the year has also been dominated by the war in Ukraine. Our thoughts and unwavering solidarity go out to the Ukrainian people, and our 350 employees in the country. We will continue to respond to the gravity of this situation with concrete actions, and a clear focus on protecting their safety and wellbeing."*

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## NET REVENUE IN Q1 2022

Publicis Groupe's net revenue in Q1 2022 was 2,800 million euros, up 17.1% from 2,392 million euros in 2021. Exchange rates had a positive impact of 125 million euros. Acquisitions, net of disposals, accounted for an increase in net revenue of 19 million euros. Organic growth reached +10.5%.

### ***Breakdown of Q1 2022 Net revenue by region***

EUR million	Net revenue		Reported Growth	Organic Growth
	Q1 2022	Q1 2021		
North America	1,748	1,505	+16.1%	+8.1%
Europe	662	561	+18.0%	+14.9% <sup>2</sup>
Asia Pacific	261	217	+20.3%	+14.4%
Middle East & Africa	75	62	+21.0%	+13.4%
Latin America	54	47	+14.9%	+13.1%
<b>Total</b>	<b>2,800</b>	<b>2,392</b>	<b>+17.1%</b>	<b>+10.5%</b>

**North America** net revenue was up +16.1% on a reported basis in Q1 2022, including a positive impact of the US dollar to Euro exchange rate. Organic growth in the region was +8.1%. In **the U.S.**, organic growth came at +8.0%, confirming the country's strong dynamic in all its activities. Publicis Sapient grew +16.3% organically, as the demand for business transformation continued to accelerate. Media posted double-digit organic increase, while Creative activities saw their net revenue grow mid-single digit, with notably strong Production. Epsilon grew +6.3% organically, absorbing the anticipated impact of supply chain issues that affected its Automotive division, thanks to double-digit growth in Digital Media and Data. **Canada** was up +11.7% organically.

Net revenue in **Europe** was up by +18.0% on a reported basis. It was up by +9.4% on an organic basis, or +14.9% including the contribution of our Outdoor Media activities & the Drugstore. Organic growth in **the U.K.** was +12.0%, with a notable double-digit growth in Media and strong performance from Publicis Sapient, both driven by recent new business wins. Organic growth in **France** was +12.3%<sup>3</sup> with very strong growth in Media and at Publicis Sapient. **Germany** was up +1.2% organically, versus a +6.0% comparable base in the same period last year. **Central & Eastern Europe** was up +14.9% organically, with double-digit growth in Poland, Romania and Hungary.

Net revenue in **Asia Pacific** was +20.3% on a reported basis, and +14.4% organically. **China** grew double-digit organically again this quarter, at +10.6%, supported by new business wins. The performance was also double-digit in India and Singapore. Thailand recorded strong performance largely driven by Publicis Sapient.

In **Middle East & Africa**, net revenue was up +21.0% on a reported basis, and +13.4% organically. Organic growth was largely driven by Media, Publicis Sapient in the Middle-East and Creative in Africa.

Net revenue in **Latin America** was up +14.9% on a reported basis, and +13.1% organically, with most countries reporting growth this quarter, largely driven by Creative.

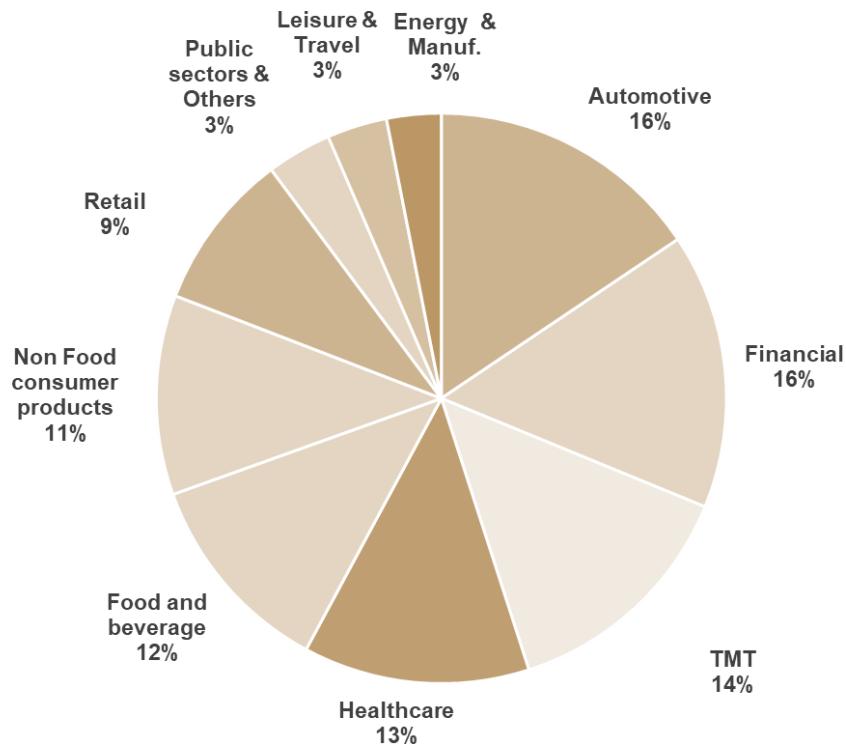
<sup>2</sup> +9.4% excluding Outdoor Media activities & the Drugstore

<sup>3</sup> +39.2% including Outdoor Media activities & the Drugstore



## ***Breakdown of net revenue at March 31, 2022 by sector***

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*On the basis of 3,052 clients representing 91% of Groupe net revenue*



## NET DEBT AND LIQUIDITY

Net debt totaled 718 million euros at the end of March 2022, compared with 76 million euros at year-end 2021, reflecting the seasonality in the activity. Net debt was 1,866 million euros at the end of March 2021. The Groupe's average net debt on a 12-month basis stood at 1,277 million euros at the end of March 2022.

The Groupe's liquidity position remains very solid, at 5.0 billion euros.

## ACQUISITIONS AND DISPOSALS

On **March 8, 2022**, Publicis finalized the acquisition of Tremend, based in Bucharest (Romania), a fast-growing large independent software engineering company. Tremend currently reaches 60 million of its clients' end users with its proven technology and will serve as the newest global delivery center for Publicis Sapient, expanding its Digital Business Transformation capabilities. With over 16 years of experience in product engineering, Tremend has 650 strong software engineering talent across high demand skills.

On **March 15, 2022**, Publicis announced its exit from Russia, by ceding the ownership of its agencies to local management. The Groupe handed over control of its Russian operations to Sergey Koptev, Founding Chairman of Publicis in Russia, with the clear contractual condition of ensuring a future for its 1,200 employees there. The Groupe stopped its business and investments in Russia, and the cession was effective immediately. Our first quarter's financial statements include a related 87 million euros exceptional disposal loss, and Russia was deconsolidated from April 1<sup>st</sup>, 2022.

## OUTLOOK

In the first quarter 2022, Publicis recorded a stronger-than-expected start to the year, both financially and commercially. While this should have led the Groupe to upgrade its expectations for 2022 organic growth, the global health situation, the evolution of the conflict in Ukraine, and the consequences of inflation for the clients, create too much uncertainty to do so at this stage.

Thanks to the strength of its model, Publicis is confident in its ability to deliver on all of the 2022 targets set at its full year 2021 earnings, with organic growth now at the upper-end of its previous +4 to +5% range. This guidance takes into account a strong Q1 and an expected very solid Q2 at around +5% organic, after +17.1% in Q2 2021. The Groupe confirms its 2022 guidance of circa 17.5% operating margin rate and circa 1.4 billion Euros of Free Cash Flow before change in working capital. This assumes no further major deterioration in the global health and economic environment.



## NEW BUSINESS

### EUROPE

Primark (Data), abrdn (Media), Heineken (Content), Biffa PLC (Commerce), HomeExchange (Digital Media Planning & Buying), Wild (Creative), LVMH (Media), Air Liquide (Digital), Churchill Insurance (Creative), Neue Zürcher Zeitung AG (Creative), Valoria Capital (Creative), Aroma-Zone (Creative), Metro (Creative), Mundicenter (Creative), Sky Italia (Creative), Sberbank (Content), Mapfre (Media), The Ministry of Education and Science of Bulgaria (Influence), Landkredit Bank AS (Media), United Parcel Service (Data), Ferrero (Creative), Expo Serbia (Creative), Campari (Influence), BNP Paribas (Creative), Avon Products (Media), Barclaycard (Creative)

### NORTH AMERICA

McDonald's (Media), Walmart (Media), Toyota Motor Corporation (DBT), KFC (Media), Boar's Head (DBT), Auto Club Group (Integrated), CVS Health (Creative), Kruger Inc (Influence), Properly (Influence), Liquor Control Board Of Ontario (Influence), Dos Equis (Digital), Colgate (Digital), Off-Lease Only Auto (Digital), Unilever NA (Digital), Nestlé (Digital), Inspire Brands (Digital), The Kraft Heinz Company (Digital), Zespri (Digital), Trident - Mondelez International (Creative), The Scotts Miracle-Gro Company (DBT), Xero (Influence), Amazon (Data), Loblaw (Influence), Regal Entertainment Group (Production), Pacaso (Creative), Nestlé (Data), Cherry Lane Canada (Influence)

### ASIA PACIFIC/MEA

ByteDance (Media), L'Oréal (Content), Volkswagen Group (Influence), Vivo Communication Technology Co (Content), Nestlé (Influence), Wellington Management Company (DBT), PlayerzPot Media Pvt. Ltd. (Creative), SmarTone Telecommunications Holdings Limited (Media), Abbott Laboratories (Commerce), Singapore Telecommunications (Content), Geely Auto Group (Content), Deliveroo (Media), PlayerzPot Media Pvt. Ltd. (Media), Jardine Restaurant Group (Media), Clarins Group (Media), Cool Inc (Media), Humsafar Trust (Creative), Zoomcar (Media), XYXX Apparels (Media), BMW Malaysia (Creative & Digital), Pepsi (China), e& - Etisalat (Creative), Krungthai Bank (Content), Infinix Mobility (Content), Citigroup (Content), Easy Crypto NZ (Media), Meta (Creative)

### LATAM

AB InBev (Creative), MeatMe (Media & Content), Autoridad del Canal de Panama (Media), Scotiabank Inc (Creative), Compania Nacional de Chocolates de Peru S.A. (Content), SodaStream (Media), Alfred Kärcher SE & Co. KG (Media), Celebrity Cruises (Media), Alpina (Creative), Citigroup (Creative), Walmart (Media & Content), VeriTran (Creative), Nestlé (Content), Logitech (Media)

### GLOBAL

AB InBev (Media), Siemens (Creative), Norwegian Cruise Line (Media), Singapore Tourism Board (Media & Creative)



## 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](http://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 90,000 professionals.

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# Appendices

## Net revenue: organic growth calculation

(million euro)	Q1	Impact of currency at end March 2022 (million euro)
<b>2021 net revenue</b>	<b>2,392</b>	
Currency impact <sup>(2)</sup>	125	
2021 net revenue at 2022 exchange rates (a)	2,517	
2022 net revenue before acquisition impact (b)	2,781	
Net revenue from acquisitions <sup>(1)</sup>	19	
<b>2022 net revenue</b>	<b>2,800</b>	
<b>Organic growth (b/a)</b>	<b>+10.5%</b>	
		<b>Total</b> 125

(1) Acquisitions (*CitrusAd, Boomerang, Tremend, BBK, Balance Internet, Taylor Herring, Octopus UK, and Means Advertising*), net of disposals (*DPZ&T and Nexus*)

(2) EUR = USD 1.123 on average in Q1 2022 vs. USD 1.199 on average in Q1 2021  
EUR = GBP 0.836 on average in Q1 2022 vs. GBP 0.870 on average in Q1 2021



## Definitions

**Net revenue:** Revenue less pass-through costs which comprise amount paid to external suppliers engaged to perform a project and charged directly to clients. Those costs are mainly Production & Media costs and out of pocket expenses.

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

**Net Debt (or financial net debt):** Sum of long and short financial debt and associated derivatives, net of treasury and cash equivalents excluding lease liability since 1<sup>st</sup> January 2018.

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