

## Third Quarter 2022 Revenue

**3rd consecutive quarter of double-digit organic growth**

**FY 2022 guidance upgrade**

**October 18, 2022**

- Q3 reported growth of +23.5%
- A third quarter of double-digit organic growth with +10.3% in Q3:
  - Publicis Sapient at +18.1% and Epsilon at +13.9%, both significantly accretive
  - Continued strength across regions with notably both the U.S. and Europe at +11.1%
- Acceleration of organic growth compared to pre-pandemic levels: +16% in Q3 versus 2019, after +12% in Q2 and +10% in Q1
- Continued momentum of account wins strengthening leadership position in New Business leagues
- Second upgrade of FY 2022 guidance:
  - Organic growth circa +8.5%, vs. +6% to +7% previously
  - Operating margin rate close to 18%, vs. 17.5% to 18% previously
  - Free cash flow close to €1.6bn, vs. at least €1.5bn previously
- An exceptional bonus of one-week salary for half of our employees, to support our talent with no variable remuneration

### Q3 2022

<b>2022 Net revenue</b>	<b>€3,237 m</b>
Reported growth	+23.5%
<b>Organic growth</b>	<b>+10.3%</b>

### 9M 2022

<b>2022 Net revenue</b>	<b>€9,110 m</b>
Reported growth	+20.6%
<b>Organic growth</b>	<b>+10.3%</b>



Arthur Sadoun, Chairman and CEO of Publicis Groupe:

*“Q3 came in strong at +23.5% on a reported basis.*

*In an increasingly uncertain global economic context, organic growth for the quarter was ahead of expectations at +10.3%.*

*For the third quarter in a row, our model allowed us to deliver double digit growth by once again capturing the evolution in client spend towards first-party data management, digital media and business transformation. Publicis Sapient continued to perform strongly with +18.1% organic growth, and Epsilon saw an acceleration to +13.9% organic growth this quarter.*

*All of our regions posted solid organic growth, with both the U.S. and Europe at +11.1%, and China at +5.9% despite the ongoing lockdowns there.*

*Furthermore, our new business record continues to place us at the top of industry rankings on a 12-month basis, well ahead of competition.*

*Overall, our results since the beginning of the year mean that today we are in a position to upgrade our full year 2022 guidance for the second time. We are now confident of delivering circa +8.5% organic growth versus +6 to +7% previously, with an operating margin at close to 18% and a Free Cash Flow close to €1.6bn.*

*Our Q3 numbers are clearly encouraging. But what really stands out is our performance versus pre-pandemic levels. Compared to 2019, we've seen our organic growth accelerate to +16% in Q3. This demonstrates our ability to more than withstand the ups and downs of the global economy, and makes us confident in our ability to face ongoing macroeconomic uncertainties.*

*I'd like to thank our clients for their partnership. I also want to say a big 'merci' to all of our people for their outstanding efforts. In a context where inflation is impacting the daily lives of many of them, we want to ensure we are giving additional support where it is most needed as we enter the holiday season. That is why we are granting next month an additional one-week salary to half of our team members who do not have any variable remuneration and have contributed to everything we have achieved over the past year. ”*

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## NET REVENUE IN Q3 2022

Publicis Groupe's net revenue in Q3 2022 was 3,237 million euros compared to 2,621 million euros in Q3 2021, increasing by +23.5%. Exchange rate variations had a 295 million euros positive impact. The acquisitions (net of disposals) have a positive impact of 22 million euros this quarter.

Organic growth was +10.3% in Q3 2022 compared to 2021.

### ***Breakdown of Q3 2022 Net revenue by region***

EUR million	Net revenue		Reported Growth	Organic growth
	Q3 2022	Q3 2021		
North America	2,076	1,602	+29.6%	+11.0%
Europe	694	619	+12.1%	+11.1%
Asia Pacific	303	266	+13.9%	+4.1%
Middle East & Africa	90	77	+16.9%	+1.9%
Latin America	74	57	+29.8%	+19.4%
<b>Total</b>	<b>3,237</b>	<b>2,621</b>	<b>+23.5%</b>	<b>+10.3%</b>

**North America** net revenue was up by +29.6% on a reported basis in Q3 2022, including a significant positive impact of the US dollar to Euro exchange rate. Organic growth in the region was +11.0%. The **U.S.** posted another strong quarter with a +11.1% organic growth. Media grew double-digit for a third quarter in a row, while Creative activities posted high-single digit growth driven notably by strong Production. Publicis Sapient grew +20.9% organically, fueled by a continued high demand for digital business transformation. Epsilon posted +14.1% organic on the quarter, with a particularly strong performance in Digital Media.

**Europe** net revenue was up by +12.1% on a reported basis. It was up by +11.1% on an organic basis or +12.8% excluding the contribution of our Outdoor Media activities and the Drugstore. It was driven by the performance in the U.K., that posted +22.6% organically, with strong growth at Publicis Sapient and very solid Media and Creative. France recorded a +7.8%<sup>1</sup> organic growth, driven by Media and Publicis Sapient. In Germany, organic growth was up by +2.5%.

Net revenue in **Asia Pacific** was +13.9% on a reported basis, and +4.1% organically. Despite the impact of lockdowns, China's organic growth accelerated from +2.7% in Q2 to +5.9% in Q3 thanks to New Business ramp-up. South-East Asia was broadly stable on the quarter.

Net revenue in the **Middle East and Africa** region was up by +16.9% on a reported basis and +1.9% organically. Organic growth was driven by Media and Creative activities while Publicis Sapient faced a particularly high comparable base this quarter. In **Latin America**, net revenue was up +29.8% on a reported basis and up +19.4% organically, with positive growth in Brazil fueled by Creative, and a majority of countries recording double-digit organic growth, largely driven by Media.

<sup>1</sup> Excluding Outdoor Media activities & the Drugstore



## NET REVENUE IN 9M 2022

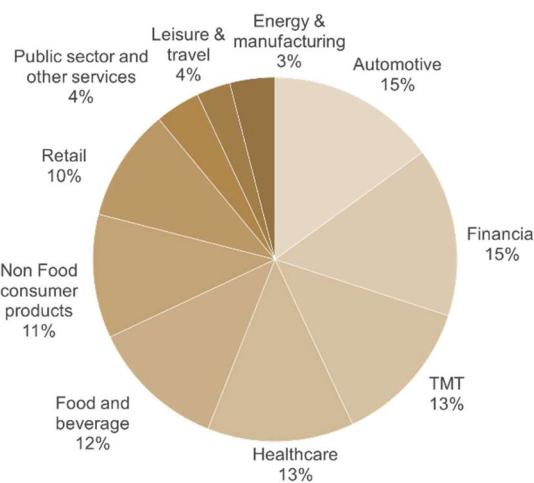
Publicis Groupe's net revenue in the first nine months 2022 was 9,110 million euros compared to 7,552 million euros in 9 months 2021, up +20.6%. Exchange rate variations had a 649 million euros positive impact. The acquisitions (net of disposals) have a positive impact of 62 million euros in the first nine months.

Organic growth was +10.3% in the first nine months of 2022.

### ***Breakdown of Net revenue for the first 9 months 2022 by region***

EUR million	Net revenue		Reported Growth	Organic Growth
	9M 2022	9M 2021		
North America	5,736	4,634	+23.8%	+9.9%
Europe	2,065	1,814	+13.8%	+11.9%
Asia Pacific	853	736	+15.9%	+7.9%
Middle East & Africa	255	210	+21.4%	+9.7%
Latin America	201	158	+27.2%	+18.1%
<b>Total</b>	<b>9,110</b>	<b>7,552</b>	<b>+20.6%</b>	<b>+10.3%</b>

### ***Breakdown of Net revenue for the first 9 months 2022 by sector***



Based on 3,442 clients representing 92% of the Groupe's net revenue.



## Net debt and liquidity

Net financial debt amounted to 919 million euros as of September 30, 2022, compared to 76 million euros as of December 31, 2021. The Groupe's last twelve months average net debt as of September 30, 2022 amounted to 870 million euros compared to 1,835 million euros as of September 30, 2021.

## 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.

On **May 3, 2022**, Publicis announced the acquisition of Profitero a leading SaaS global e-commerce intelligence platform helping brands analyse and optimize their sales, marketing and operations performance across more than 700 retail websites around the world and 70 million products. Profitero's products, technology, and 300 employees will further scale and supercharge Publicis Groupe's existing commerce capabilities around the world.

On **June 14, 2022**, Publicis announced the acquisition of Wiredcraft, a digital product consultancy and technology company focused on China and APAC, with offices in Shanghai and Singapore. Wiredcraft brings together over 100 local and international experts in technology, design, engineering, product management, consulting, and data, to help global brands create and launch digital products. Wiredcraft delivers solutions across digital transformation, direct-to-consumer e-commerce and customer loyalty data.

On **September 19, 2022**, Publicis finalised the acquisition of Changi Consulting, a cloud solutions company based in Dubai and founded in 2010. Changi is a top five Salesforce partner in the MENA region, that builds and delivers cloud-based solutions to over 120 clients thanks to its expertise across all main industries and business functions. As a digital business transformation partner of choice, Changi will serve as a foundation for Publicis Groupe's strong growth in the MENA region and further expansion of Salesforce partnership globally.



## Governance and appointments

On September 14, 2022, the Supervisory Board of Publicis Groupe approved the renewal of Arthur Sadoun's mandate as Chairman (*Président du Directoire*) and CEO of Publicis Groupe for four years.

The mandates of the Management Board (*Directoire*) members Anne-Gabrielle Heilbronner, Secretary General, and Michel-Alain Proch, Chief Financial Officer, were also renewed for four years.

Steve King was appointed Chairman of Publicis Groupe Europe and stepped down from the Management Board.

The Groupe announced the creation of a new management team called the Directoire + that will be comprised of:

- Carla Serrano, Chief Strategy Officer Publicis Groupe
- Dave Penski, CEO Publicis Media U.S.
- Nigel Vaz, CEO Publicis Sapient
- Agathe Bousquet, President Publicis Groupe France

## Outlook

The Groupe has continued to demonstrate a strong momentum in Q3 despite the current macroeconomic environment. After a third quarter of double-digit growth and upgraded expectations for Q4, the Groupe is in a position to upgrade its full year 2022 guidance a second time this year.

The Groupe now expects to deliver in 2022:

- Organic growth at circa +8.5%, compared to +6% to +7% previously
- Operating margin rate at close to 18%, versus 17.5% to 18% previously
- Free cash flow before working capital requirement close to 1.6 billion euros, versus at least 1.5 billion euros previously



## 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 (Media), United Parcel Service (Data), Ferrero (Creative), Expo Serbia (Creative), Campari (Influence), BNP Paribas (Creative), Avon Products (Media), Barclaycard (Creative), Betclic (Creative), Santé Publique France (Production & Digital), Piaggio (Media), South Western Railway (DBT), Hammerson (Creative), Assurpeople.com (Creative), Softbank (Creative), Open (Creative), Castel Afrique (Creative), My Money Bank (Creative), D&G (Creative), Promod (Creative), Royal Canin (Creative), Atlantic Grupa (Content), TotalEnergies (Content), Storytel (Creative), Shopee (Media), Société Générale (Content), Wolters Kluwer Health (Media), Finderella (DBT), BSH Home Appliances (Content), Volvo Cars (Media), Ferrero (DBT), Battersea Dogs & Cats Home (DBT), Covea (Creative), AXA (CRM), Commerzbank (Creative), Enel (Creative), Alcon (DBT), Marriott International (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 (Shopper), Nestlé (Digital), Inspire Brands (Digital & CRM), The Kraft Heinz Company (Digital), Zespri (Digital), Trident (Creative), The Scotts Miracle-Gro Company (DBT), Xero (Influence), Amazon (Data), Loblaw (Influence), Regal Entertainment Group (Production), Pacaso (Creative), Nestlé (Data), Intel (Shopper), Cherry Lane Canada (Influence), Heineken (Commerce), Suntory Group (Commerce), HP (Commerce), Dalio Philanthropies (DBT), Toyota Motor Corporation (Influence), Nearmap (Influence), Metrolinx (Content), Pernod Ricard (Commerce), MTY Food Group (Influence), Takeda Pharmaceuticals (Media), Texas Capital Bank (Creative), CME Group Inc. (CRM), France Canada Chamber of Commerce (Influence), Ontario Hockey Federation (Influence), IBM (CRM), Reliant Energy (Creative), Laboratory Corporation of America Holdings (Creative), World Vision International (Influence), Sporting Life (Influence), Stellantis (Creative), Regal Entertainment Group (Production), Molson Coors Brewing Company (Influence)

### ASIA PACIFIC/MEA

ByteDance (Media), L'Oréal (Media/Content/Production), Volkswagen Group (Influence), Vivo Communication Technology Co (Content), Nestlé (Media & Influence), McDonald's (Creative), 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), PepsiCo (Media & Creative), e& - Etisalat (Creative), Krungthai Bank (Content), Infinix Mobility (Content), Citigroup (Content), Easy Crypto NZ (Media), Meta (Creative), Singapore Ministry of Communications and Information (Media), Westpac Banking Corporation (CRM), Cashrewards (Media), City of Melbourne (Media), Shandong Hongchang cultural and Creative Industrial Park (DBT), New Balance (Production), Amica Financial Technologies (Media), Body Cupid (Commerce), Bank of China (Media), Samsung (DBT), Essity Hygiene & Health (Media), GlaxoSmithKline (DBT & Production), Neom (Media), Shandong Culture & Travel Media Group (DBT), SAIC Volkswagen (Creative), Eureka Forbes (Media), Chunghwa Telecom (Creative), Sephora (Creative), Procter & Gamble (Creative), Lexus (Creative), Ekaterra - Lipton Tea, Pukka Herbs (Media), Edrington (Media), Mix & Match Travel (Media), Crino Biotechnology (DBT), Bose (Creative), Bank of Queensland (Media), FrieslandCampina (Media), Cross River Rail (Media), Trident (Creative), Uniqlo (Media), Genesis Motor (Production), Superloop (Creative), Cue Learn (Media), Hyatt Hotels (Media), Charlotte Tilbury Beauty (Production), Alibaba (Creative), New Balance (Creative), Marriott International (Creative), Victorian Plumbing (Creative), Niva Bupa (Creative)



## LATAM

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

## GLOBAL

AB InBev (Media), Siemens (Creative), Aldi (Media), Norwegian Cruise Line (Media), Singapore Tourism Board (Media & Creative), Mondelez International (Media), Standard Chartered (Creative), Stellantis (CRM), Crocs (Creative & Media), Jim Beam (Creative), Spar International (Retail Media), Binance (Creative)

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## 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 96,000 professionals.

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# Appendices

## Net revenue: organic growth calculation

(million euro)	Q1	Q2	Q3	9 months	Impact of currency at end Sep. 2022 (million euro)
<b>2021 net revenue</b>	<b>2,392</b>	<b>2,539</b>	<b>2,621</b>	<b>7,552</b>	
Currency impact <sup>(2)</sup>	125	229	295	649	
2021 net revenue at 2022 exchange rates (a)	2,517	2,768	2,916	8,201	
2022 net revenue before acquisition impact <sup>(1)</sup> (b)	2,781	3,052	3,215	9,048	
Net revenue from acquisitions <sup>(1)</sup>	19	21	22	62	
<b>2022 net revenue</b>	<b>2,800</b>	<b>3,073</b>	<b>3,237</b>	<b>9,110</b>	
<b>Organic growth (b/a)</b>	<b>+10.5%</b>	<b>+10.3%</b>	<b>+10.3%</b>	<b>+10.3%</b>	
					<b>Total 649</b>

(1) Acquisitions (*CitrusAd, Tremend, Profitero, Boomerang, Balance Internet, BBK, Wiredcraft, Taylor Herring, Octopus UK, Means Advertising, Like-A-Rainbow*), net of disposals (*Russia, DPZ&T, Nexus and Makers Lab*)

(2) EUR = USD 1.065 on average in 9M 2022 vs. USD 1.194 on average in 9M 2021  
EUR = GBP 0.847 on average in 9M 2022 vs. GBP 0.862 on average in 9M 2021



## 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.

**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.

**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.

**Free cash flow:** Net cash flow from operating activities less interests paid & received, repayment of lease liabilities & related interests linked to operating activities.