

Third Quarter 2020 Revenue

- Confirming the resilience of the model

October 15, 2020

- +2.7% reported growth year-to-date
- Q3 organic growth at -5.6%, above market ad spend forecasts
- Solid US performance with Q3 organic growth at -2.4%
- Top 200 clients net revenue year-to-date slightly up and continued new business momentum
- Decrease in net debt to €3.2 billion at the end of September and robust liquidity

9M 2020

2020 Net revenue	€7,117 m
2019 Net revenue	€6,929 m
Reported growth	+2.7%
Organic growth	-7.2%

Q3 2020

2020 Net revenue	€2,343 m
2019 Net revenue	€2,577 m
Reported growth	-9.1%
Organic growth	-5.6%



Arthur Sadoun, Chairman and CEO of Publicis Groupe:

“ Our organic growth for Q3 is at -5.6%, ahead of ad spend forecasts at -10%. For the second quarter in a row, we are confirming that we have strong foundations to weather these unprecedented times.

Thanks to our model, we are mitigating the revenue decline we are experiencing due to the pandemic. As our clients continue to accelerate their investment into digital channels, e-commerce and direct-to-consumer, we are able to capture part of that shift thanks to our offer combining our leadership in creative and media, with unrivalled capabilities in Epsilon and Publicis Sapien.

This is reflected in our solid U.S. results. After posting the most resilient performance of the industry last quarter, Q3 organic growth in the U.S. is at -2.4%, again better than market forecasts at -7%, in a region that now represents 60% of our business.

It is also visible in our new business track record over the past 18 months and in this last quarter in particular, with wins like Kraft-Heinz, TikTok and Reckitt Benckiser.

And as we continue to roll out our model to our client base, it is encouraging to see that our performance with the top 200 clients is slightly positive for the first 9 months of the year.

We believe that these relatively solid business trends should continue until year-end. However, with the current resurgence of the pandemic and the restrictions imposed, we have to be cautious about Q4, which might be impacted further and come below Q3.

What is more, when it comes to our organization, we have built three structural advantages with our global delivery centres, our country model, and Marcel, which enable us to adapt and continue to deliver strong financial performance. We are therefore confident in delivering our cost reduction plan, and as a result an operating margin rate slightly ahead of current analyst consensus of 14.3% for 2020.

Of course, none of this would be possible without the trust and partnership of our clients, and the hard work and dedication of our people. I'd like to sincerely and deeply thank them all.

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NET REVENUE IN 9M 2020

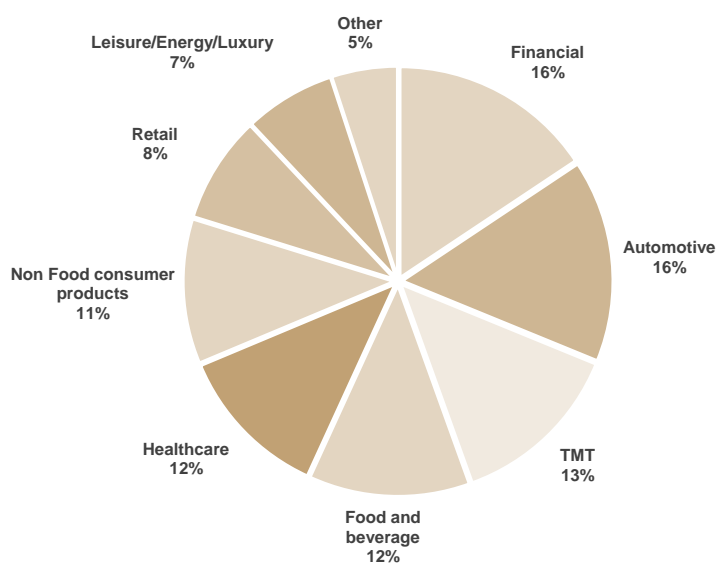
Publicis Groupe's net revenue in the first nine months 2020 was 7,117 million euros compared to 6,929 million euros in 9 months 2019, up 2.7%. Exchange rate variations had a 63 million euros negative impact. The acquisitions (net of disposals) had an impact of +10.7% in the first nine months mainly due to the acquisition of Epsilon.

Organic growth was -7.2% in the first nine months 2020. The performance showed the resilience and the efficiency of the model. Europe organic growth was at -14.1%, or -11.4% excluding our French outdoor media activities and the Drugstore, and was highly impacted by the lockdowns that took place in the second quarter across most countries. Organic growth in North America was down -3.4%, supported by the revenue streams built over the last quarters thanks to both new business and cross-fertilization. Asia Pacific organic growth was -5.9%. Latin America was down 15.4% organically, and Middle East and Africa down by 11.5%.

Breakdown of Net revenue for the first 9 months by region

EUR million	Net revenue		Reported Growth	Organic Growth
	9M 2020	9M 2019		
Europe	1,635	1,902	-14.0%	-14.1%
North America	4,467	3,877	+15.2%	-3.4%
Asia Pacific	664	704	-5.7%	-5.9%
Latin America	154	219	-29.7%	-15.4%
Middle East & Africa	197	227	-13.2%	-11.5%
Total	7,117	6,929	+2.7%	-7.2%

Breakdown of Net revenue for the first 9 months by sector



Based on 3,438 clients representing 91% of the Groupe's net revenue.



NET REVENUE IN Q3 2020

Publicis Groupe's net revenue in Q3 2020 was 2,343 million euros compared to 2,577 million euros in Q3 2019, down by -9.1%. Exchange rate variations had a 95 million euros negative impact. The acquisitions (net of disposals) had no impact this quarter.

Organic growth was -5.6% in Q3 2020. Most of Groupe's regions recorded sequential improvement this quarter compared to Q2, although remaining negatively impacted by the crisis.

Breakdown of Q3 2020 Net revenue by region

<i>EUR million</i>	Net revenue		Reported Growth	Organic Growth
	Q3 2020	Q3 2019		
Europe	547	606	-9.7%	-9.0%
North America	1,454	1,561	-6.9%	-3.0%
Asia Pacific	230	260	-11.5%	-9.2%
Latin America	50	75	-33.3%	-14.8%
Middle East & Africa	62	75	-17.3%	-11.0%
Total	2,343	2,577	-9.1%	-5.6%

Europe net revenue declined by -9.0% on an organic basis in Q3 (-9.7% on a reported basis), demonstrating significant sequential improvement in most countries as advertisers resumed spending after lockdowns in the region. In Q3, the UK recorded organic growth of -10.6%, improving compared to the previous quarter. All our activities in the UK sequentially improved versus Q2, particularly Creative and Media. In France, the organic growth was -13.8%, or -9.8% excluding the outdoor media operations and the Drugstore, two activities that were particularly affected by the crisis. Media operations in the country were slightly positive and Creative significantly improved versus Q2, while remaining negative. In Germany, organic growth was down by -8.6%, with positive growth for our Creative activities, as it benefitted from new business wins.

Net revenue in North America was down by -3.0% in Q3 on an organic basis (-6.9% on a reported basis, negatively impacted by the evolution of the US dollar over the quarter). The activity improved significantly compared to Q2, driven by the US, which recorded a -2.4% organic growth. In the US, the Groupe again outperformed industry estimates of -7% for advertising expenditure. The performance was supported by the solid revenue streams the Groupe built in the last quarters thanks to both new business and cross-fertilization. Publicis Sapient US posted organic growth in line with the country average. Epsilon played a vital role for the overall offering. It also contributed to US organic growth as a stand-alone entity, by being flat over the quarter despite its exposure to US automotive and small non-food retail industries.

Asia Pacific net revenue was down by -11.5% on a reported basis and down by -9.2% on an organic basis. China's organic growth was at -8.6%, on a high comparable base in Q3 2019. The performance is also impacted by a client's portfolio that is more exposed to the automotive sector than the rest of the Groupe.



Net revenue in Latin America was down by -33.3% on a reported basis, with a significant negative impact from currencies in the region, especially in Brazil. The organic growth there sequentially improved from Q2, at -14.8%, with Brazil at -17.2% and Mexico at -26.3%. Both countries have been significantly impacted by the pandemic in Q3.

Net revenue in the Middle East and Africa region was down by -17.3% on a reported basis, and -11.0% on an organic basis.

Net debt and liquidity

Net financial debt amounted to 3,181 million euros at end of September 2020, compared to 2,713 million euros as of December 2019. The Groupe's average net debt in the first nine months 2020 amounted to 3,584 million euros compared to 1,724 million euros in the first nine months 2019. This increase is due to the impact of the debt related to the acquisition of Epsilon for nine months in 2020, versus only three months in 2019, given the acquisition was closed on 1st July 2019.

The liquidity position has been relatively stable since the end of June. In September, the Groupe decided to refund the remaining 1.1 billion dollars on its multi-currency 2 billion euros revolving credit facility. This line was fully drawn down preventively in March to face any potential liquidity impact relating to the pandemic, and was halfly refunded in June.

Acquisitions and disposals

There were no major acquisitions or disposals during the period.

Other information

The Directoire decided to reallocate 23,328 shares, previously dedicated to external growth operations, to the objective of attribution or cession of shares to employees and/or to corporate officers of the Company and/or to its Groupe. After this reallocation, there is no remaining shares dedicated to external growth purpose.

Outlook

The relatively solid business trends that the Groupe has demonstrated year-to-date should continue until year-end. However, with the current resurgence of the pandemic and the restrictions imposed, the Groupe remains cautious about Q4, which might be impacted further and come below Q3.

In parallel, the Groupe's cost management gives confidence in delivering its cost reduction plan, and as a result an operating margin rate slightly ahead of current analyst consensus of 14.3% for 2020.



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), BT (Creative), Française des Jeux (Media), Roche (Health), Lindt (Media), Peugeot Motorcycles (Creative), eOne (Media), Locker (Media), Jim Beam (Creative), Marriott (Creative), Disney Home (Creative), Nestlé Health Science (Health), NovoNordisk (Health), Système U (Data), Castorama (Data), Beam Suntory (Creative), Belambra (Creative), CSIAM (Creative), Alcon (Media), NH Hotel (Media)

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), Cogeco (Creative), Mondelez (Creative), Citi (Creative), Four Seasons (Creative), FCA (Digital), Eli Lilly (Creative), Church & Dwight (Creative), Jim Beam (Creative), Cumberland Packing (Creative), Center for Internet Security (Creative & Digital), MD Anderson (Data), Facebook (Creative), P&G (Digital), CDC (Media), Mizkan Group (Media), H&R Block (Media), Lowe's (Media), Leesa (Media), Sun Basket (Media), Department of Jobs, Precincts and Regions (Technology), National Institute of Diabetes and Digestive and Kidney Diseases (Technology), U.S. Consumer Product Safety Commission (Technology), MDC General Services Holding Company LLC (Technology), Polestar Performance AB (Technology), Bridgestone Americas (Technology), Total Wine & More (Technology), Shiseido Americas (Technology)

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), Disney China & Hong Kong (Media), Louis Vuitton (Creative), ChungHwa Telecom (Creative), Goodman Fielder (Media), Novartis (Health), CBL (Heineken, Tiger and ABC Cambodia) (Creative), Novo Nordisk (Health), QLD Health and Wellbeing (Creative), Hong Kong Disneyland Resort (Media), PharmEasy (Media), Tencent (Media), Planet Sports (Media), Hyundai (Media), Citi (Media), Goody (Media), Tawal (Media), MDC General Services Holding Company LLC – Mubadala (Technology), Nestlé Content Studio (Creative & Digital)

LATAM

DIRECTV (Media & Performance AOR), Coca-Cola (Creative), Electrolux (Creative), Mondelez (Media & Creative), GSK Consumer Health (Creative), P&G (Media, Creative, Digital, Technology), CCR (Creative), Ambev (Creative), Claro (Digital),



Enel (Creative), Toyota (Creative), L'Oréal (Digital Creative), Bradesco (Creative & Digital), Nestlé (Media & Creative), Nutresa (CRM), Diageo (Creative), Sanofi (Creative), ABI (Media), Corteva Agro (Media), Calsa (Media), Embol (Media), Electrolux (Media), TCCC (Media), Ezc corp (Media), Starbucks (Media), Avon (Media), Citi (Media), MSD Sharp & Dohme (Media), Pacific Center (Media), Tale (Media), Bellcorp (Digital)

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), GSK (Production), Air France (Media), Tik Tok (Media), Kraft Heinz (Media), P&G (Media), Merck (Non-US) (Media), Combe (Media), Pigeon (Media), Novartis (Media), Fiat (Technology), Nestlé (Technology), Pandora (Technology)

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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 as 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 carefully to 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, an extremely competitive market sector, the possibility that our clients could seek to terminate their contracts with us at short notice, the fact that a substantial part of the Group's revenue is derived from certain key clients, conflicts of interest between advertisers active in the same sector, the Group's dependence on its directors and employees, laws and regulations which apply to the Group's business, legal action brought against the Group based on allegations that certain of the Group's commercials are deceptive or misleading or that the products of certain clients are defective, the strategy of growing through acquisitions, the depreciation of goodwill and assets listed on the Group's balance sheet, the Group's presence in emerging markets, exposure to liquidity risk, a drop in the Group's credit rating and exposure to the risks of financial markets.

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.

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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

<i>(million euro)</i>	Q1	Q2	Q3	9 months
2019 net revenue	2,118	2,234	2,577	6,929
Currency impact ⁽²⁾	33	(1)	(95)	(63)
2019 net revenue at 2020 exchange rates (a)	2,151	2,233	2,482	6,866
2020 net revenue before acquisition impact ⁽¹⁾ (b)	2,088	1,943	2,344	6,375
Net revenue from acquisitions ⁽¹⁾	393	350	(1)	742
2020 net revenue	2,481	2,293	2,343	7,117
Organic growth (b/a)	-2.9%	-13.0%	-5.6%	-7.2%

Impact of currency at end Sept. 2020 <i>(million euro)</i>	
GBP ⁽²⁾	(1)
USD ⁽²⁾	2
Others	(64)
Total	(63)

(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 1.123 on average in 9M 2020 vs. USD 1.124 on average in 9M 2019
EUR = GBP 0.884 on average in 9M 2020 vs. GBP 0.883 on average in 9M 2019



Definitions

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

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

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.

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.

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