

First Quarter 2023 Revenue

Strong start to 2023 after 2 years of double-digit growth

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Full year guidance confirmed

April 20, 2023

- Q1 2023 reported net revenue up 10%
- Organic growth of +7.1% above expectations after +10.5% in Q1 last year:
 - Epsilon and Publicis Sapient both significantly accretive at +10% and +11% organic
 - Continued strong performance in the U.S. at +5.8% organic
 - Acceleration in Europe to +12.3% organic
 - China posting solid numbers at +3.7% organic growth
- Continued New Business dynamics in Q1 after topping industry rankings 4 times in 5 years
- 2023 guidance confirmed despite rising macroeconomic uncertainties, organic growth now expected to reach the top half of the 3 to 5% range

Q1 2023

Revenue	€3,458m
Net revenue	€3,079m
<i>Reported growth</i>	<i>+10.0%</i>
<i>Organic growth</i>	<i>+7.1%</i>



Arthur Sadoun, Chairman and CEO of Publicis Groupe:

“After two years of double digit growth, we posted a strong start to 2023.

In Q1, our net revenue was up +10% again on a reported basis. Organic growth was +7.1%, demonstrating once more the ability of our differentiated model to gain market share. The U.S. continued their strong performance with +5.8% organic growth, Europe accelerated to +12.3% and China posted a solid +3.7% despite the health situation in the country.

Since 2019, we’ve expanded our first quarter net revenue by +45% on a reported basis, of which +18% organically. Putting this performance in perspective, the Groupe has actually changed dimension in recent years, rising to the number 2 position in the industry in terms of revenue.

Our differentiated revenue mix, with one third in data and tech, allowed us to grow faster than both the industry and the global economy in the last three years. This continued to be the case in Q1 this year, with Epsilon & Publicis Sapient again accretive to our growth at +10% and +11% organic respectively. It was also visible in our Media and Creative activities, that were very solid in the quarter.

Not only do those capabilities at scale lead us to outpace competition, but they also set us apart in the way we go to market. With Epsilon’s real time data and Publicis Sapient’s technology embedded in our Creative and Media offerings, our New Business momentum continued in Q1 after topping the leagues 4 times in the last 5 years, with recent wins like Adobe or Walgreens Media, Sonepar Business Transformation, Mondelez Production and Dunkin US Creative.

It is this differentiated revenue mix, our go-to-market and our platform organization, allowing us to invest in growth while delivering industry-high margins, which drive our confidence to achieve all of our 2023 KPIs guidance.

Actually, despite an increasingly challenging macroeconomic environment, we now anticipate that organic growth for the year will come in at the top half of our +3% to +5% guidance, while delivering 17.5% to 18% operating margin and circa 1.6 billion Euros in free cash flow.

I would like to thank our teams for their continued efforts and our clients for their trust.”

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NET REVENUE IN Q1 2023

Publicis Groupe's net revenue in Q1 2023 was 3,079 million euros, up +10.0% from 2,800 million euros in 2022. Exchange rates had a positive impact of 61 million euros. Acquisitions, net of disposals, accounted for an increase in net revenue of 14 million euros. Organic growth reached +7.1%.

Breakdown of Q1 2023 Net revenue by region

<i>EUR million</i>	Net revenue		Reported Growth	Organic Growth
	Q1 2023	Q1 2022		
North America	1,938	1,748	+10.9%	+5.7%
Europe	743	662	+12.2%	+12.3%
Asia Pacific	250	261	-4.2%	+0.8%
Middle East & Africa	88	75	+17.3%	+16.6%
Latin America	60	54	+11.1%	+7.8%
Total	3,079	2,800	+10.0%	+7.1%

North America net revenue was up +10.9% on a reported basis in Q1 2023, including a positive impact of the US dollar to Euro exchange rate. Organic growth in the region was +5.7%. In **the U.S.**, organic growth came at +5.8%. Both Epsilon and Publicis Sapiient were again accretive to the country's growth this quarter. Epsilon posted +10% organic growth, while Publicis Sapiient grew +8% organically on top of +16% in Q1 last year. Media and Creative activities were very solid, both recording mid single-digit organic increase. **Canada** was up +3.2% organically.

Net revenue in **Europe** was up by +12.2% on a reported basis. It was up by +12.8% on an organic basis, or +12.3% including the contribution of our Outdoor Media activities & the Drugstore. Organic growth in **the U.K.** was +23.9%, led by another very strong performance of Publicis Sapiient and the benefit of 2022 global Media new business wins. Organic growth in **France** was +2.9%¹ mainly driven by Media. **Germany** posted a strong +10.4% organic growth mostly driven by Media and Publicis Sapiient. **Central & Eastern Europe** was up +11.0% organically, with double-digit growth in Turkey, Czech Republic and Hungary.

Net revenue in **Asia Pacific** decreased by 4.2% on a reported basis, and was up +0.8% on an organic basis. **China** posted a solid performance at +3.7% organically despite the health situation in the country. While **Thailand** was negative due to the phasing of a large project, **Australia** posted +5.4% organic growth, **Malaysia** and **Vietnam** were up double-digit.

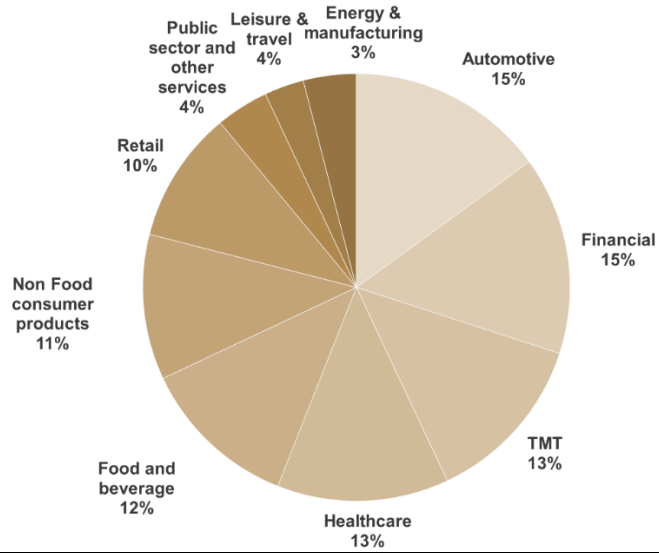
In **Middle East & Africa**, net revenue was up +17.3% on a reported basis, and +16.6% organically. Organic growth was largely driven by Creative and Publicis Sapiient in Middle-East, and Media in Africa.

Net revenue in **Latin America** was up +11.1% on a reported basis, and +7.8% organically, with most countries reporting growth this quarter, largely driven by Media.

¹ excluding Outdoor Media activities & the Drugstore



Breakdown of net revenue at March 31, 2023 by sector



On the basis of 3,036 clients representing 92% of Groupe net revenue



NET DEBT AND LIQUIDITY

Net debt totaled 442 million euros at the end of March 2023 compared with a net cash position of 634 million euros at year-end 2022, reflecting the seasonality in the activity. Net debt was 718 million euros at the end of March 2022. The Groupe's last twelve month average net debt amounted to 563 million euros at the end of March 2023, down from 1,277 million euros in March 2022.

The Groupe's liquidity position remains very solid, at 5.4 billion euros.

ACQUISITIONS AND DISPOSALS

On **January 3, 2023**, Publicis announced the acquisition of **Yieldify**, a London-based marketing technology company. Founded in 2013, Yieldify's leading platform and service enable companies to better personalize consumers' website experiences, driving incremental revenue and other desired outcomes by delivering the right message at the right time based on a consumer's profile and stage in their purchase journey. Yieldify will become part of Epsilon, and its onsite personalization, conversion optimization and customer journey offerings will complement Epsilon PeopleCloud to better address the mid-market.

On **January 10, 2023**, Publicis announced the acquisition of **Advertise BG**, one of the leading performance marketing agencies in Bulgaria. The strategic acquisition will further reinforce Publicis Groupe Bulgaria's competencies in digital transformation, adding firepower to its existing offering across digital strategy, data, social media, and digital content creation.

On **March 30, 2023**, Publicis announced the acquisition of **Practia**, based in Buenos Aires, a leading Latin America independent technology company and provider of digital business transformation services. With its 1,200 experienced professionals, this acquisition will position Publicis Sapient to enter the Latin America market while establishing a foundation for a nearshore delivery platform that will enable the company to better service clients based in North America.

OUTLOOK

Despite rising macroeconomic uncertainties, the Groupe confirms all of the 2023 KPIs set in February thanks to the strength of its model.

When it comes to organic growth, the Groupe is increasingly confident to reach the top half of the +3% to +5% range for the full year thanks to its strong Q1 and an expected solid Q2 between +3% and +5%.

The Groupe reiterates its 2023 guidance of 17.5% to 18% operating margin rate and circa 1.6 billion Euros of Free Cash Flow¹ before change in working capital.

¹ Based on 1.08 EUR/USD exchange rate



NEW BUSINESS

EUROPE

Santen France (Health), Glaxo Smith Kline (Health), Comité Colbert (Creative), Speedy (Data), Carlsberg (Creative), Abeille Assurances (Creative), Visa (Technology), DomusVi (Technology), DocuSign (Creative), The Football Association Premier League (Creative), Allwyn (Creative), Pivovara Daruvar (Creative), heroal (Creative), Deutsche Telekom (Creative), DATEV (Influence), Samsung (DTC), PepsiCo (Media), L'Oréal (Media), Tesco (Creative), Asda (Technology), Renault (Influence), FoodWell (Media), Notino (Media), Casavo (Creative), La Poste (Media), Dream Games (Media), Cassa Depositi e Prestiti (Media), Meggle (Media), Île-de-France Mobilités (Creative)

NORTH AMERICA

Krafton (Influence), Intuit (Creative), Shelter Movers (Influence), Universite de Sherbrooke (Creative), Steak 'n Shake (Creative), Loblaws (Creative), Mattress Firm (Creative), Jasco Games (Creative), Wondery (CRM), McDonalds (CRM), Milton Hershey School (Influence), University of Oklahoma (Production), Progress Residential (Production), Wyndham Hotels & Resorts (Production), Robert Walters (Production), HP, Sun Life of Canada (Commerce), Rite Aid (Media), The PUR Company (Media), MTY Food Group (Influence), General Mills (Commerce), Dunkin' (Creative), Walgreens (Media), KB Home (Creative), Burger King (Creative)

ASIA PACIFIC/MEA

Miele (CRM), United Homeware Company (Creative), Krungthai Bank (Creative), Anker (Media), Royal Automobile Club (Media), Charles & Keith (Commerce), Nick Did This (Media), Nine Network (Creative), Essity, OSHO, LVMH, Cathay Pacific Airways, Pepsico, Duolingo, AIA Company, Haleon, LOréal, The Standard Bank of South Africa, Sanofi, Nestlé, Diageo, Mondelez, Pizza Hut (Creative), Cancer Council Victoria (Media), Emirates NBD (Creative), Grupo Bimbo (Creative), Microsoft (Influence), JioMart (Creative), AkBank (Media)

LATAM

L'Oréal (Media), Bayer (Media), Samsung (Media), Nestlé (Creative), PicPay (Creative)

GLOBAL

Adobe (Media), Mondelez (Production), King (Creative), Ninjacart (Creative), Alvarium Tiedemann (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 98,000 professionals.

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Appendices

Net revenue: organic growth calculation

<i>(million euro)</i>	Q1	Impact of currency at end March 2023 (million euro)	
2022 net revenue	2,800	GBP ⁽²⁾	(13)
Currency impact ⁽²⁾	61	USD ⁽²⁾	78
2022 net revenue at 2023 exchange rates (a)	2,861	Others	(4)
2023 net revenue before acquisition impact (b)	3,065	Total	61
Net revenue from acquisitions ⁽¹⁾	14		
2023 net revenue	3,079		
Organic growth (b/a)	+7.1%		

(1) Acquisitions (Profitero, Tremend, Wiredcraft, Tquila, Yieldify, Retargetly, Bizon, VivNetworks, Cheat, Changi, Advertise Bulgaria, Perlu and Like-A-Rainbow), net of disposals (Russia, Qorvis and Makers Lab)

(2) EUR = USD 1.073 on average in Q1 2023 vs. USD 1.123 on average in Q1 2022
EUR = GBP 0.883 on average in Q1 2023 vs. GBP 0.836 on average in Q1 2022



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.

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 1st January 2018.

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