

Third Quarter 2021 Revenue

Strong Q3 organic growth leading to full year guidance upgrade

October 14, 2021

- Q3 organic growth at +11.2%, with U.S. at +10.9%, Europe at +10.0% and Asia at +12.5%
- Epsilon at +13% and Publicis Sapient at +20% in the U.S., confirming outperformance
- Exceeding Q3 2019 by +5%: U.S. at +8%, Europe fully recovering and Asia +2% vs. 2019
- Strong account wins confirming our leadership position in new business
- Second upgrade of all 2021 guidance KPIs:
 - Organic growth between +8.5% and +9% vs. +7% previously
 - Operating margin rate now slightly above 17%
 - Free cash flow close to €1.3 bn, at the high-end of the previous objective

Q3 2021

2021 Net revenue	€2,621 m
2020 Net revenue	€2,343 m
Reported growth	+11.9%
Organic growth	+11.2%

9M 2021

2021 Net revenue	€7,552 m
2020 Net revenue	€7,117 m
Reported growth	+6.1%
Organic growth	+10.2%



Arthur Sadoun, Chairman and CEO of Publicis Groupe:

“ In Q3 we delivered strong organic growth at +11.2%. All of our regions contributed to this performance with double-digit growth, notably the U.S., which grew +10.9%, Europe at +10% and Asia at +12.5%.

The continued outperformance of our data and tech capabilities once again demonstrated our ability to capture a disproportionate share of the shift in client investment towards digital media, commerce and DTC. This was particularly the case in the U.S., where Epsilon delivered +13% and Publicis Sapient was at +20%.

The strength of our model not only means we have fully recovered from the impact of the pandemic, but it has also allowed us in Q3 to grow 5% versus 2019. On a two-year basis, Asia is at +2%, Europe has returned to pre-pandemic levels and the U.S is accelerating to +8%.

Today, all of this means that we are in a position to upgrade our full year guidance for all our KPIs a second time this year. This is the case for organic growth, that we now anticipate at +8.5-9% from +7%. We are also revising our operating margin upwards, to slightly above 17%, while continuing to invest in future growth and talent. And at close to 1.3 billion Euros, our free cash flow is expected at the high end of our previous objective.

Overall, 18 months after the beginning of the pandemic, we are emerging as a stronger group.

Our differentiated go to market is allowing us to confirm our leadership position in new business. After wins in H1 including Samsung US, Stellantis globally, L'Oréal in China to name just a few, Q3 has been a busy quarter, with new wins like Ferrero, Planet Fitness, TD Bank and Walmart.

We have a product and service offering that uniquely positions us to respond to our clients' needs and help them address and lead the major revolutions in the industry, from the disappearance of third party cookies, the acceleration of advanced TV and retail media, and the ongoing rise of direct to consumer channels.

And our platform organization, supported by our shared services and Marcel is fit for the future of work. A future that will be more diverse, more inclusive and more responsible than ever before, to the benefit of all of our people.

I'd like to thank our clients for their ongoing trust, and our teams for their outstanding efforts, which once again made the difference this quarter.”

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NET REVENUE IN Q3 2021

Publicis Groupe's net revenue in Q3 2021 was 2,621 million euros compared to 2,343 million euros in Q3 2020, increasing by 11.9%. Exchange rate variations had a 4 million euros positive impact. The acquisitions (net of disposals) have a positive impact of 9 million euros this quarter.

Organic growth was +11.2% in Q3 2021 compared to 2020. Compared to 2019, this implies organic growth of +5% in Q3, accelerating after a flat Q1 and Q2 at +2%. All regions continued to recover and posted double-digit growth. Q3 came ahead of expectations: in a context where the global environment remained supportive of a rise in consumer demand, the performance this quarter confirmed the strength in the Groupe's model that places data and tech at the core of its creativity and media.

Breakdown of Q3 2021 Net revenue by region

<i>EUR million</i>	Net revenue		Reported Growth	Organic growth	Organic Growth vs. 2019
	Q3 2021	Q3 2020			
North America	1,602	1,454	+10.2%	+10.8%	+7%
Europe	619	547	+13.2%	+10.0%	+0%
Asia Pacific	266	230	+15.7%	+12.5%	+2%
Middle East & Africa	77	62	+24.2%	+22.7%	+9%
Latin America	57	50	+14.0%	+16.7%	+0%
Total	2,621	2,343	+11.9%	+11.2%	+5%

Net revenue in North America up by 10.8% in Q3 on an organic basis (+10.2% on a reported basis, negatively impacted by the evolution of the US dollar over the quarter). The U.S. posted another strong quarter with an 10.9% organic growth. After -2.4% organic growth in Q3 2020, this means a +8% growth over 2019, accelerating from Q2. The operations there benefitted from continued strength in demand for 1P data management, DTC and digital, visible in the performance of Epsilon and Publicis Sapient with +13% and +20% organic respectively. Traditional media and creative activities both grew mid-single digit. Health operations delivered double digit growth, for the 6th quarter in a row.

Europe net revenue was up +10.0% on an organic basis in Q3 (+13.2% on a reported basis), as the economies in the region continued to reopen in the summer. Compared to 2019, Europe is coming back to its pre-pandemic levels, improving from Q2. In Q3, the UK recorded organic growth of +5.8%, with very solid growth in Creative and Media. In France, the organic growth was +16.1%, or +10.8% excluding Outdoor media operations and the Drugstore. In Germany, organic growth was up by +10.5%. In France and in Germany, all activities posted positive growth.

Asia Pacific net revenue was up +12.5% on an organic basis (+15.7% reported). China's organic growth was at +10.0%, more than recovering what was lost in 2020.



Net revenue in the Middle East and Africa region was up by +24.2% on a reported basis, and up +22.7% on an organic basis. In Latin America, net revenue was up +14.0% reported as currencies continued to have a negative impact, but was up +16.7% on an organic basis. Both regions saw an improved recovery ratio in Q3 versus Q2, recovering what was lost in 2020.

NET REVENUE IN 9M 2021

Publicis Groupe's net revenue in the first nine months 2021 was 7,552 million euros compared to 7,117 million euros in 9 months 2020, up 6.1%. Exchange rate variations had a 272 million euros negative impact. The acquisitions (net of disposals) had no significant impact in the first nine months.

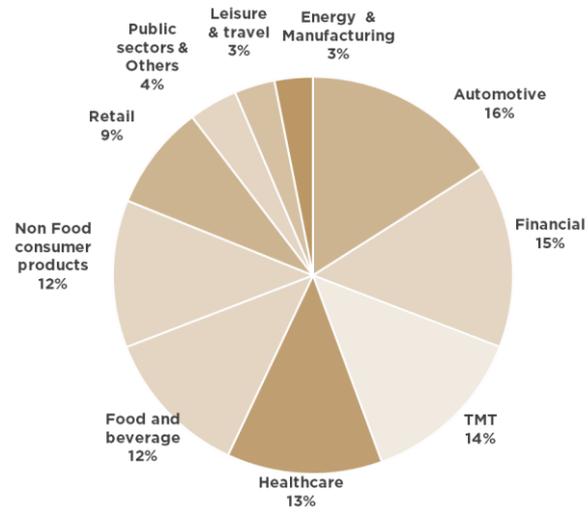
Organic growth was +10.2% in the first nine months 2021. After -7.2% in 9 months 2020, this implies a growth of +2% over 2019, with the Groupe more than recovering what was lost in 2020 when it was impacted by the effects of the Covid-19 crisis. In the first 9 months, all regions posted positive organic growth. The performance was strong in the U.S. across the period and led to a +10.3% organic growth over 2020 which implies +7% growth over 2019. In Europe, organic growth was +10.0% with an improving recovery quarter after quarter, as economies progressively reopened in the year. Asia Pacific organic growth was +10,8% and the region more than recovered what it lost in 2020. Organic growth in Middle East and Africa and Latin America was +10.4% and +13.6% respectively.

Breakdown of Net revenue for the first 9 months by region

<i>EUR million</i>	Net revenue		Reported Growth	Organic Growth	Organic Growth vs. 2019
	9M 2021	9M 2020			
North America	4,634	4,467	+3.7%	+10.1%	+6%
Europe	1,814	1,635	+10.9%	+10.0%	-6%
Asia Pacific	736	664	+10.8%	+10.8%	+4%
Middle East & Africa	210	197	+6.6%	+10.4%	-2%
Latin America	158	154	+2.6%	+13.6%	-4%
Total	7,552	7,117	+6.1%	+10.2%	+2%



Breakdown of Net revenue for the first 9 months by sector



Based on 3,412 clients representing 92% of the Groupe's net revenue.



Net debt and liquidity

Net financial debt amounted to 1,585 million euros at end of September 2021, compared to 833 million euros as of December 2020. The Groupe's average net debt in the first nine months 2021 amounted to 1,649 million euros compared to 3,584 million euros in the first nine months 2020.

Acquisitions and disposals

The acquisition of CitrusAD was finalized on 1 September 2021.

The acquisition of Boomerang was finalized on 9 July 2021.

Outlook

After a stronger-than-expected Q3, the Groupe is in a position to upgrade all its guidance KPIs for the full year 2021 for a second time this year.

When it comes to organic growth, the Groupe now expects organic growth between 8.5% and +9%, from 7% previously. Compared to 2019, this represents a 2% organic growth, in line with the first nine months of the year.

The Groupe also upgrades its 2021 operating margin expectations to slightly above 17%, while continuing to invest in talent.

Finally, the Groupe now expects free cash flow before change in working capital at close to 1.3 billion euros for the year, at the high end of the previous objective of 1.2 to 1.3 billion euros.



New business

EUROPE

Pandora AS (Technology), Polestar Performance AB (Technology), Nomad Foods (Media), La Poste (Creative), Société des Produits Nestlé (Technology), Daimler (Technology), Unilever (Technology), PMU (Technology), TUI Group (Creative), Groupe Casino (Creative), SNCF (Creative), FNPCA - ARTISANAT (Creative), Procter & Gamble (Creative), Etihad Airways (Media), Sephora (Data), April (Technology), ABBVIE (Creative), France Télévisions (Data), Izneo (Media), Enedis (Creative), G-Star (Creative), Zava (Technology), Comic Relief (Creative), Brown Forman (Media), Vinted (Media), DocMorris N.V. (Media), Reckitt Benckiser (Media), Media-Saturn-Holding GmbH (Creative), Raiffeisen Switzerland (Creative), AFD (Creative), Sisley Paris (Data), Cilevel Partners (Data), Carrefour (Data), Fnac Darty (Data), Engie (Data), Printemps (Data), Adecco (Creative), KOMO (Media), Peek & Cloppenburg KG (Digital), British Heart Foundation (Creative), Lindt (Media), CNPA (Creative), Erhard (Creative), EvCon (Creative), Maty (Creative), BNIC (Creative), Niantic (Digital), DP World PLC (Media), Primark (Media), AVK (Creative), Thales Group (Creative), Getin Bank (Media), Inserm (Media), Arterium (Creative), Nestlé (Media), Hormel Foods VI (Design), Gojo Industries VI (Design), EON Performance Media (Creative), DSM (Health), Jazz (Health), Getir (Creative), SEGRO (Creative), Grant Thornton (Sustainability consultancy), LEGO (Sustainability consultancy), Land Securities (Sustainability consultancy), Purmo (Sustainability), Revolut (Creative), Makuake (Creative), Biogen (Health), Roche (Health), Pfizer (Health), Novartis (Health), P&G Pampers (Sustainability consultancy), Puma (Influence), Beiersdorf Nivea, Elastoplast and Eucerin (Creative and Sustainability consultancy), Beko (Sustainability consultancy), Mondelez Trident (Creative), Coty MaxFactor (Creative), Essity Tork (Digital), Kellogg Company (Digital), Smythson (Creative), Citeo (Creative), Strenger Holding GmbH (Creative), Royal Canin (Health), Rivadouce (Creative), Fédération des Promoteurs Immobiliers (Influence), Raimondi Cranes (Creative), Gilead Sciences (Influence), Feu Vert (Media), Ewopharma (Creative), B&B Hotels (Creative), FPI (Creative), Ferrero (Media)

NORTH AMERICA

Loblaw Digital (Technology), Verizon Wireless Digital (Technology), Mercedes-Benz USA (Technology), National Cancer Institute (Technology), Academy Sports & Outdoors (Technology), Comcast Corporation (Technology), The Depository Trust & Clearing Corp (Technology), Fiat Chrysler Automobiles (Technology), Sally Beauty (Media), Inspire Brands (Media & Commerce), Samsung (Creative), Alcohol and Gaming Commission of Ontario (Creative), Unilever (Creative), Procter & Gamble (Creative), Hut 8 Bitcoin Mining (Creative), Mercedes-Benz (Creative), MacDonald, Dettwiler and Associates Inc (Creative), Humana (Media), Sony Interactive Entertainment (Creative), Region of Peel (Creative), Infiniti (Creative), National Ovarian Cancer Coalition Inc. (Digital), Zoetis (Digital), Belcorp (Media), Coventry Direct (Digital), Mission Lane (Digital), Samsung (Creative), Marriott International (Technology), Mackenzie Investments (Creative), Goodfood Market Corp (Creative), Binge Corporation (Creative), Ritual Co (Creative), Greater Toronto Airports Authority (Creative), Addaday Intelligent Technologies LLC (Digital), Wisk Aero (Creative), Grupo Bimbo (Creative), Facebook (Creative), The Campbell Soup Company (Creative), ESPN (Creative), Arup Group Limited (Data), Motorola Solutions (Creative), Fairlife (Commerce), Estee Lauder (Digital), BestReviews (Creative), Nexight (Influence), The Coca-Cola Company (Influence), Talbots (Media), Planet Fitness (Creative, Media, Data), Walmart (Media), TD Bank (Media), Autozone (Media)



ASIA PACIFIC/MEA

Garena Online (Creative), PRC - Martell (Creative), L'Oréal (Creative, Media, Production), Yili (Creative), Yinlu (Creative), Capital Foods (Creative), Diageo (Creative), Yinlu (Creative), Others (Creative), Ecco (Creative), AXA (Creative), Samsung (Digital & Creative), Penang South Island (Power of One), Spotify (Creative), AMC (Creative), Mercedes-Benz (Creative), meitav Content (Production), Medgulf (Creative), Essilor (Creative), Nestlé Total (Wyeth) (Power of One), Sephora (Creative), Toyota Motor Corporation (Creative, Media, Data), Disney Studios / Disney + (Media), Disney + (Creative), DBS (Media), Great Eastern (Creative), Pet Culture Group Pty Limited (Media), Estee Lauder (Commerce), Ontex (Creative), Others (Creative), GSK (Creative), Godrej Pro Clean (Creative), MamaEarth (Media), Danone (Commerce), Thai Oil PCL (Creative), AB InBev (Creative), J&J (Commerce), Disney+ SEA (Media), Expedia (Creative), Wing (Creative), Lazada (Creative), SAIC R-Car (Creative), STB (Media), Israel Railways (Creative), Vivo (Creative), Pechoin (Creative), E carX (Creative), Exxon (Creative), Karaca (Media), NPCI (Creative), Insourcing (Production), Kalpataru Builders (Creative), Mavi (Creative), Hyatt (Media), Tiger Brands (Creative), Arrow Electronics brit(Digital), Infiniti (Creative), Aier eye hospital (Creative), Hikvision (Creative), KRAFTON Creative, Mayo (Creative), SAIC Volkswagen (Creative), Zhiji Motors (Creative), Procter & Gamble (Creative), Nestlé (Creative & Media), VSA Health & Wellness Pvt. Ltd (Commerce), Beiersdorf (Commerce), SVW (Creative), IM Car (Creative), Neom (Media), Li Auto (Creative), Turkish Airlines (Power of One), Big Ticket (Creative), Jindal Steel & Power Limited - Jindal Panther (Creative), Totole (Creative), Edrington (Media), Bang & Olufsen (Commerce), Meitav Dash (Data), Bank Hapoalim (Power of One), Budweiser (Creative), PT Heinz ABC Indonesia (Creative), Daimler AG (Creative), Rejoice (Creative), Chips Ahoy (Production), VS (Production), Whoo (Creative), LIXIL (Creative), WNS (Creative), IKEA (Production), AB InBev (Creative), Mercedes-Benz (Data), Snooze (Creative), Diageo (Commerce), Australian Red Cross Lifeblood (Creative), FIFA (Creative), The Walt Disney Company (Creative), OnePlus (Creative), Voyages Indigenous Tourism Australia (Media), Bega Cheese (Media), SKII (Creative), Daxing Airport (Creative), HomePlus (Power of One), Harbin Beer (Creative), Wildlife Reserve Singapore (Media), Visa (Creative & Digital), Unicharm-Sofy (Digital), Ausnutria milk (Creative), Diageo (Power of One), Wei Chaun Foods Corporation (Creative), VW - DAS WELT Auto (Creative), Ferrero (Media)

LATAM

Grupo SURA (Data), Banco Bradesco (Creative), Citigroup (Production), Pfizer (Creative), Astrazeneca (Creative), Compania Nacional de Chocolates de Peru S.A. (Creative), Visa (Creative & Media), Grupo Nutresa (Creative), Mercedes-Benz (Creative), Heineken (Creative), PepsiCo (Creative & Digital), Grupo Bimbo (Creative), Procter & Gamble (Creative & Data), Abastecer ai (Creative), Tiger (Creative), Ypê (Creative), Enjoei (Creative), Gavilon (Creative), Nissan Motor Corporation (Creative), Merck Sharp & Dohme Corp. (Creative), Civica Pay (Creative & Media), Merck & Co (Creative), TikTok (Media), Groupe Renault (Media), Shopee (Media), Bacio di Latte (Media), Alpina (Creative & Media), Toyota Motor Corporation (Digital), PAE (Media), Lwart (Creative, Media, Data), Governo do Estado de Sao Paulo (Media), Grupo SURA (Creative), Lindt (Media)

GLOBAL

AB InBev (Data), Nissan Motor Corporation – Infiniti (Creative), Stellantis (Media)

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Disclaimer

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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 80,000 professionals.

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Appendices

Net revenue: organic growth calculation

<i>(million euro)</i>	Q1	Q2	Q3	9 months	Impact of currency at end Sept. 2021 (million euro)	
2020 net revenue	2,481	2,293	2,343	7,117	GBP ⁽²⁾	15
Currency impact ⁽²⁾	(151)	(125)	4	(272)	USD ⁽²⁾	(259)
2020 net revenue at 2021 exchange rates (a)	2,330	2,168	2,347	6,845	Others	(28)
2021 net revenue before acquisition impact ⁽¹⁾ (b)	2,395	2,537	2,612	7,544	Total	(272)
Net revenue from acquisitions ⁽¹⁾	(3)	2	9	8		
2021 net revenue	2,392	2,539	2,621	7,552		
Organic growth (b/a)	+2.8%	+17.1%	+11.2%	+10.2%		

(1) Acquisitions (CitrusAd, Boomerang, Third Horizon, Octopus, Balance Internet, Taylor Herring), net of disposals (PC Epsilon Fitness, Sirius, Found)

(2) EUR = USD 1.194 on average in 9M 2021 vs. USD 1.123 on average in 9M 2020
EUR = GBP 0.862 on average in 9M 2021 vs. GBP 0.884 on average in 9M 2020



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.

Recovery ratio: calculated as $100 \times [1 + \text{organic growth (n-1)}] \times [1 + \text{organic growth (n)}]$.

Organic Growth vs. 2019: calculated as $([1 + \text{organic growth (n-1)}] * [1 + \text{organic growth (n)}]) - 1$