



# PUBLICIS GROUPE INVESTOR DAY

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*London | March 20th, 2018*





**BONJOUR  
BIENVENUE  
MERCİ**





# HOW WE ARE APPROACHING THIS DAY?





... with some nerves ...



**“Tougher environment for ad agencies”**

**“Suffer from low growth for core clients and the of zero- based budgeting tactics ”**

**“Investor concerns on their relevance in the marketing value chain.”**

**“Advertisers are challenging the legacy AOR model”**

# **BECAUSE OUR INDUSTRY IS BEING CHALLENGED**

**“The vast majority of investors continue to see many structural problems with agencies”**

**“Agencies, holding companies struggle to come up with integrated solutions”**

**“Competition from consultancies set to heat up”**

**“Insourcing to accelerate”**



A close-up photograph of two hands, one from the left and one from the right, reaching towards each other to form a rectangular frame. The hands are silhouetted against a bright, warm light source, likely the sun, which creates a strong lens flare and a golden glow. The background is a soft, out-of-focus sky with hues of blue and orange. The text is centered within the frame formed by the hands.

TODAY'S PURPOSE  
**SHOW OUR REALITY**



# WE HAVE THE ASSETS



PUBLICIS.SAPIENT



PUBLICIS  
MEDIA



PUBLICIS  
COMMUNICATIONS



PUBLICIS  
HEALTH





**WE HAVE THE VISION**  
TO BE THE MARKET LEADER IN MARKETING  
& BUSINESS TRANSFORMATION





WE HAVE  
**THE ORGANISATION**

THE  
POWER  
OF  
NE



WE HAVE  
**A FUTURE-FACING  
MANAGEMENT TEAM**





TO *SHIFT*

FROM A  
**COMMUNICATIONS  
PARTNER**



TO A  
**TRANSFORMATION  
PARTNER**





AND TURN OUR  
**INDUSTRY CHALLENGES**  
INTO OPPORTUNITIES



# TO DELIVER

**ACCELERATED  
ORGANIC GROWTH  
TO REACH  
+4% in 2020**

**MARGIN EXPANSION  
+ 30-50bps/year**

**IMPROVED EPS  
GROWTH & HIGHER  
DIVIDEND**



A female sprinter is captured in mid-stride, wearing a blue and white athletic uniform and black running shoes. Her arms are extended forward and back, and her legs are in a powerful running motion. The background is a dark, textured grey.

# SPRINT TO THE FUTURE

A SPRINT TO DELIVER WHAT WILL  
MAKE OUR CLIENTS WIN IN THE FUTURE





NOW LET'S  
**START AT THE END**





WHAT WE WOULD LIKE YOU TO  
**TAKE AWAY**





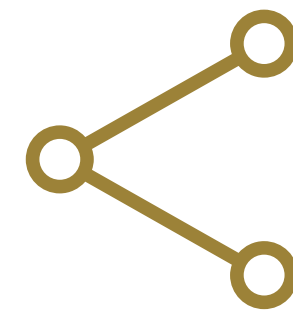
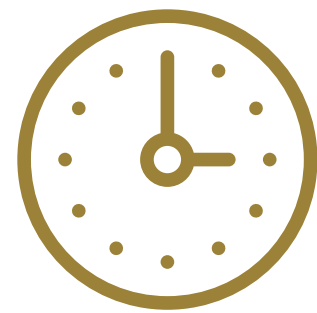
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OUR OFFER IS EXACTLY  
WHAT OUR CLIENTS NEED  
TO WIN IN THE FUTURE



# ONE-TO-ONE CONSUMER ENGAGEMENT AT SCALE

***CREATING PERSONALISED RELATIONSHIPS TO DELIVER:***



**The right  
message**

**To the right  
person**

**At the right  
time**

**Through the  
right  
channel**

**At every point  
of the  
consumer  
journey**

**En masse**



# IT'S WHAT OUR CLIENTS WANT TODAY

## ONE-TO-ONE CONSUMER ENGAGEMENT AT SCALE



**Mass one-to-one marketing is coming.**

Marc Pritchard, Global Marketing and Brand Building Officer, P&G



**We have 5 million members and our engagement with each one, wherever and whenever they want, is resulting in higher sales**

Fran Horowitz-Bonadies, CEO Abercrombie



**Marketing used to be about creating a myth and selling it. It is now about finding a truth and sharing it through engagement.**

Marc Mathieu, Chief Marketing Officer Samsung Electronics North America



**The world of financial services should be about loving your provider's experience. One-to-One personalization is the key to earn that love.**

Anne Boden, CEO Starling Bank



**Starbucks is now delivering true one-to-one end-to-end personalization. The only number that matters is 'One'. One cup, One customer, One experience at a time.**

Howard Schultz, Founder & Executive Chairman, Starbucks



# WE HAVE THREE STRATEGIC GAME-CHANGERS TO DELIVER IT

**DATA**



  
**PUBLICIS  
MEDIA**

**CONTENT**



  
**PUBLICIS  
COMMUNICATIONS**



**TECHNOLOGY &  
CONSULTING**



  
**PUBLICIS.SAPIENT**



# WE KNOW HOW TO MAKE CONSUMER ENGAGEMENT RIGHT: **PUBLICIS PEOPLECLOUD**

PEOPLECLOUD  
**PUBLICIS ID**





# WE KNOW HOW TO MAKE CONSUMER ENGAGEMENT MAGIC: DYNAMIC CREATIVITY

## Expedia New York : 3 Audience + Interests

Individual dynamic targeting

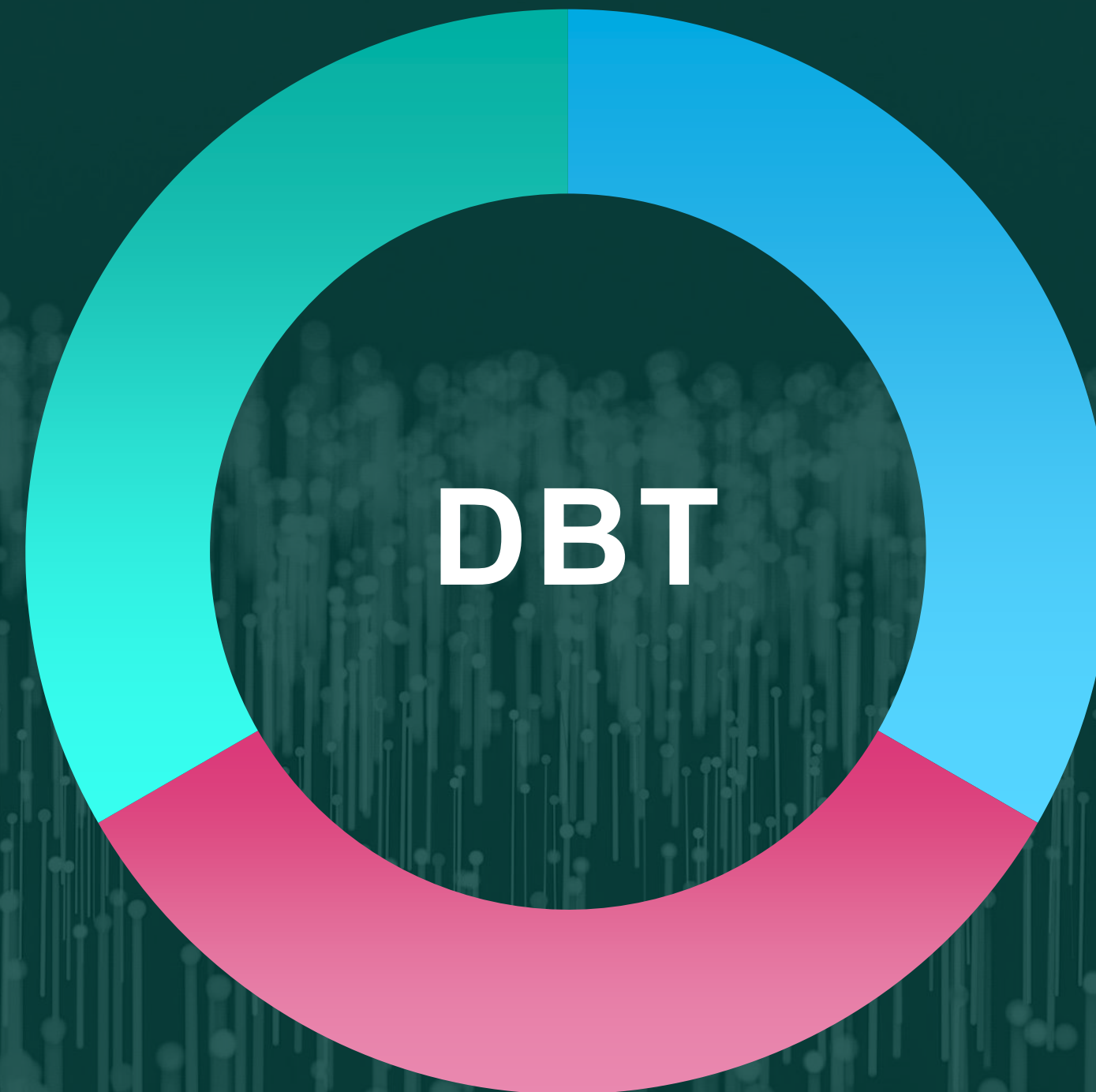
The image displays three rows of dynamic ad creatives for Expedia New York, each targeting a specific audience segment. Each row consists of a sequence of images: a yellow square with a blue dot and a white airplane icon, followed by a series of images related to the target audience's interests, and finally a yellow square with the Expedia logo.

- Couple // Food Interest:** The sequence includes a yellow square with a blue dot and a white airplane icon, followed by a tall building (Empire State Building), a bowl of food, a city skyline at night, a hand holding a smartphone, and a yellow square with the Expedia logo.
- Family // Sightseeing:** The sequence includes a yellow square with a blue dot and a white airplane icon, followed by a low-angle shot of skyscrapers, a family holding a stuffed animal, a city skyline at night, a hand holding a smartphone, and a yellow square with the Expedia logo.
- Millennial // Nightlife:** The sequence includes a yellow square with a blue dot and a white airplane icon, followed by a busy city street at night, a person making a peace sign, a city skyline at night, a hand holding a smartphone, and a yellow square with the Expedia logo.



# WE KNOW HOW TO MAKE CONSUMER ENGAGEMENT WORK: **DIGITAL BUSINESS TRANSFORMATION**

**DATA**  
DATA AT  
THE CORE

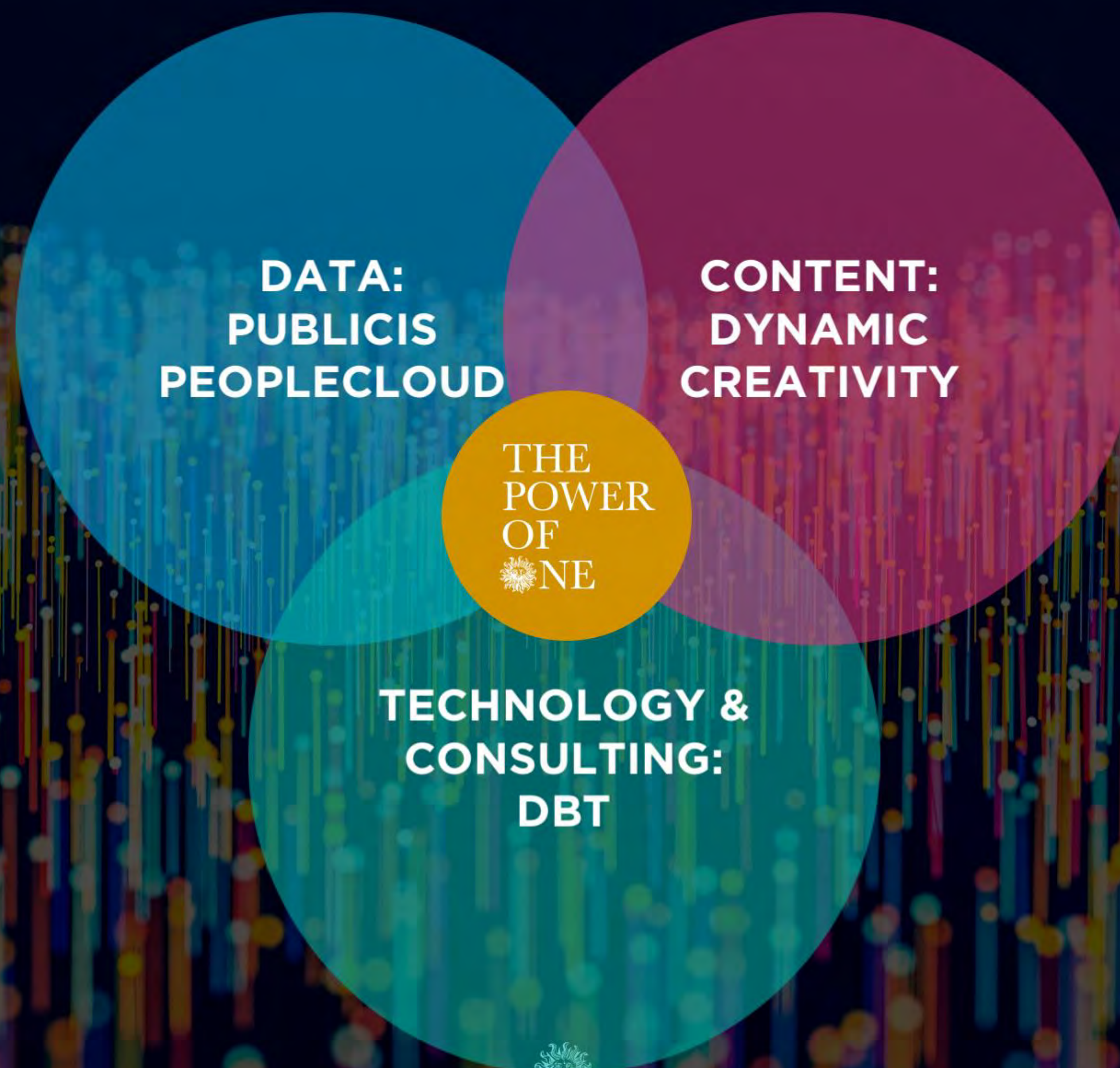


**EXPERIENCE**  
RADICAL CUSTOMER-  
CENTRICITY

**TECHNOLOGY**  
THE CONNECTED  
DIGITAL ENTERPRISE

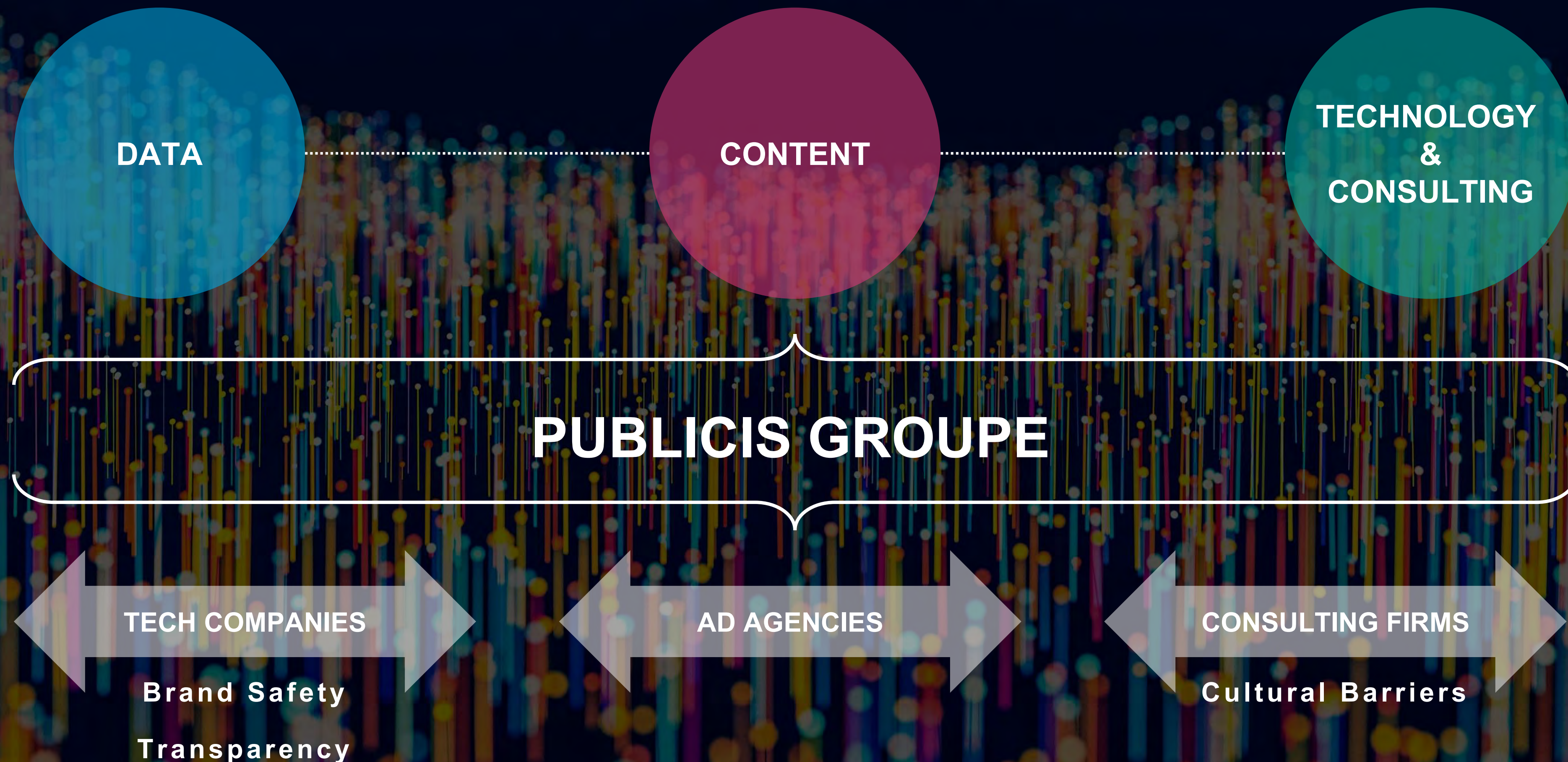


WE HAVE THE ORGANISATION TO CONNECT THEM &  
**ACCELERATE THE TRANSFORMATION OF OUR CLIENTS**





# EXTRACT FROM THE PACK





**EVEN MORE IMPORTANTLY  
THEY PUT US AT THE CORE OF OUR  
CLIENTS' NEEDS AND TRANSFORM  
OUR RELATIONSHIP**



AND ACCELERATE  
OUR FUTURE GROWTH

*Campbell's*



Mercedes-Benz

 **Marriott®**



A blurred, high-speed photograph of a city street at night, with light trails from buildings and cars creating a sense of rapid motion. The colors are predominantly blue, purple, and orange.

**2**

**WE ARE ON A SPRINT  
TO ACCELERATE OUR  
TRANSFORMATION**





# THROUGH 6 CONCRETE ACTIONS



# 1. PUTTING OUR CLIENTS AT THE CENTER UNDER:

**1**  
**LEADERSHIP**

+

**1**  
**P&L**

+

**1**  
**ROOF**

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Today

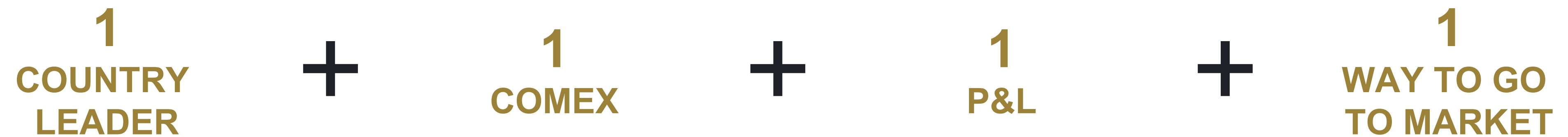
**35 Global Client Leaders**  
**1/3 of our revenue**

2020

**100 Global Client Leaders**  
**50% of our revenue**



## 2. BREAKING THE SILOS AT THE COUNTRY LEVEL



Today

**36 % of revenue**  
France, UK, Italy,  
APAC, DACH, Africa, Publicis One

2020

**100% of revenue**



### 3. SCALING OUR STRATEGIC GAME CHANGERS

#### DATA

3,500 experts under one  
platform

#### DYNAMIC CREATIVE

Create 6 Centres of  
Excellence

#### DIGITAL BUSINESS TRANSFORMATION

Organise our capabilities  
into Industry Practices

Today

Revenue contribution  
on top 100 clients: 16%

2020

Revenue contribution  
on top 100 clients: 30%

Share of total growth: 70%



# 4. BUILDING ONE DELIVERY MODEL



India

Technology

Cloud/Dev ops

Data/Analytics/AI

Print & Digital Production



Colombia



Costa Rica



Mauritius

Technology

Analytics

Print & Digital Production

HEADCOUNT

8,000

700

Today

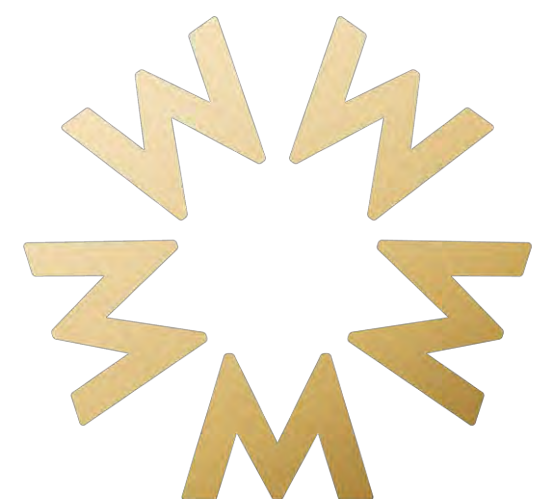
HC: 8,700

2020

HC: 13,000



## 5. REINVENTING THE WAY WE WORK THROUGH MARCEL



**Connecting our 80,000  
employees to learn more, share  
more and create more**

*First public presentation 24th May 2018 at Viva Tech*

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Today

**Building the foundations**

**2020**

**90% of our people  
fully connected**



## 6. INVESTING IN OUR FUTURE

### INVESTMENTS OVER 2018 - 2020

**TALENTS : € 300m**

Data specialists, data scientists  
Consulting Talent  
Dynamic Creative Content Talent  
Hiring, training & reskilling

**CAPEX : € 100m**

Marcel  
Publicis People Cloud  
Automation

**Bolt-on acquisitions:  
€300m - €500m per year**

Data  
Dynamic Creativity  
Digital Business Transformation



**DISCIPLINED & FOCUSED**



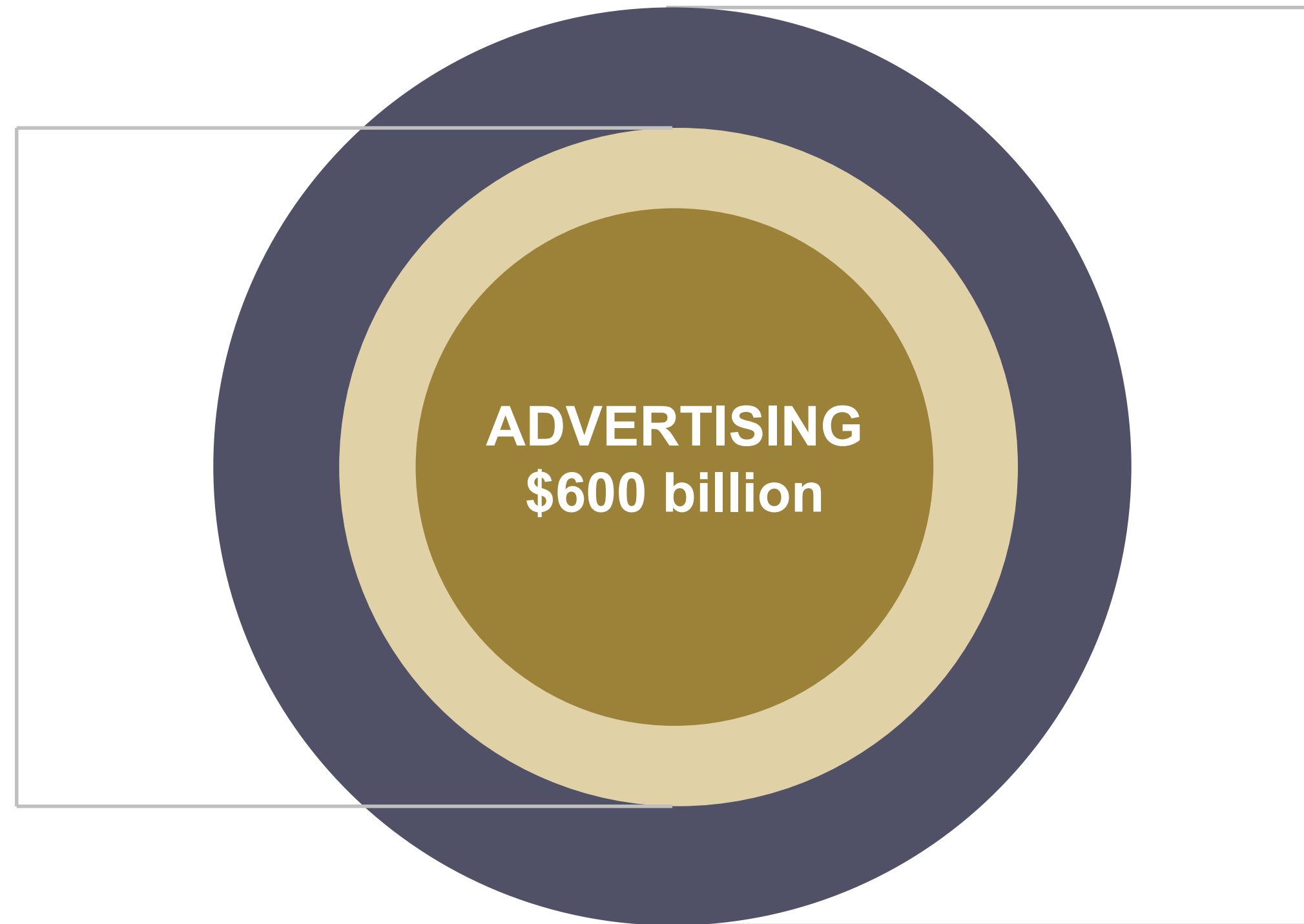
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**WE WILL DELIVER  
GREATER SHAREHOLDER  
VALUE WHILE WE  
TRANSFORM**



# OUR ADDRESSABLE MARKET

**DATA**  
**\$100 billion**



**DIGITAL BUSINESS  
TRANSFORMATION**  
**\$400 billion**



# ORGANIC GROWTH

## ACCELERATED ORGANIC GROWTH TO REACH +4% IN 2020

**+ € 650m direct revenue from our Strategic Game Changers**

**+ € 600m from cross-selling and new business**

**- € 350m attrition on mature business**

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**+ € 900m INCREMENTAL REVENUE BY 2020**



# MARGIN

## MARGIN IMPROVEMENT OF 30 TO 50 BPS PER YEAR

<b>Rightsizing mature business</b>	<b>→</b>	<b>€ 200m</b>
<b>Capacity and planning</b>	<b>→</b>	<b>€ 50m</b>
<b>G&amp;A excl. real estate</b>	<b>→</b>	<b>€ 130m</b>
<b>Real estate</b>	<b>→</b>	<b>€ 70m</b>

**ACHIEVE € 450m OF COST REDUCTION BY 2020**



# GREATER SHAREHOLDER RETURN

**ACCELERATED 5-10%  
EPS GROWTH  
PER YEAR  
FROM 2018-2020**

**HIGHER DIVIDEND  
WITH PAYOUT RATIO  
circa. 45%**





# SPRINT TO THE FUTURE

BE OUR CLIENTS' INDISPENSABLE PARTNER  
IN THEIR TRANSFORMATION

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SHIFT FROM A HOLDING COMPANY  
TO A PLATFORM

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LEAD THE PACK IN TERMS OF  
FINANCIAL PERFORMANCE