

THIRD QUARTER 2018

18 OCTOBER

2018



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 Registration Documents 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.

Publicis Groupe has applied IFRS15 "Revenue" accounting standard since January 1, 2018. Details of 2017 quarterly and full year revenue before and after IFRS15 impact, 2017 net revenue by quarter and by geography, and the main items of 2017 half year and full year results before and after IFRS15 impact, have been disclosed in a press release dated July 6, 2018.

Publicis Groupe has applied IFRS16 "Leases" accounting standard in advance, as of January 1, 2018. Publicis has retained the "prospective method" allowed by the accounting standard by which the cumulative effect of the standard will be accounted for as an adjustment to the opening equity, considering the "right of use" asset equals the amount of the lease commitment, adjusted for rents paid in advance. The opening balance sheet with the application of IFRS16 as of January 1, 2018 have been disclosed in a press release dated July 6, 2018. Besides, the 2017 consolidated income statement will not be restated. The Group has disclosed 2018 half-year results with the application of IFRS 16 and has provided the financial data before taking into account this new accounting standard to allow performance comparisons with 2017. The same will be disclosed for 2018 annual results.

Q3 2018 HIGHLIGHTS



Q3 2018 HIGHLIGHTS

- ➔ Q3 2018 organic growth of +2.2% for net revenue ⁽¹⁾
 - New business wins ramping up, as expected
 - All our geographies posted positive organic growth in Q3:
 - Encouraging improvement in Europe (+4.2%)
 - Good recovery in Asia Pacific from -3.3% in H1 2018 to +2.5% in Q3 2018
 - New model to overcome creative slowdown in the US: +1.3%

- ➔ Sustained strong new business win momentum YTD



(1) Excluding Publicis Health Services (PHS)

Q3 AND YTD 2018 NET REVENUE & NET DEBT



NET REVENUE ⁽¹⁾

(EUR million)	Q1	Q2	Q3	YTD
2018 net revenue ⁽¹⁾	2,082	2,198	2,197	6,477
2017 net revenue ⁽¹⁾	2,267	2,397	2,185	6,849
Reported growth	-8.2%	-8.3%	+0.5%	-5.4%
Growth at constant currencies	+1.6%	-2.4%	+1.3%	+0.1%
Organic growth	+1.6%	-2.1%	+1.3%	+0.2%
Organic growth ex PHS	+1.9%	-1.4%	+2.2%	+0.8%

NB: For comparative purposes and in accordance with IFRS, 2017 figures have been restated to reflect the implementation of IFRS 15.

(1) Revenue less pass-through costs. See definition in Supplemental Information

Q3 NET REVENUE ⁽¹⁾ BY GEOGRAPHY

(EUR million)	Q3 2018	Q3 2017	2018 vs. 2017	Organic growth	Organic growth ex PHS
Europe	614	589	+4.2%	+4.4%	+4.2%
North America	1,214	1,205	+0.7%	-0.6%	+1.0%
Asia Pacific	224	238	-5.9%	+2.5%	+2.5%
Latin America	79	88	-10.2%	+4.8%	+4.8%
Middle East Africa	66	65	+1.5%	+1.5%	+1.5%
Total	2,197	2,185	+0.5%	+1.3%	+2.2%

NB: For comparative purposes and in accordance with IFRS, 2017 figures have been restated to reflect the implementation of IFRS 15.

(1) Revenue less pass-through costs. See definition in Supplemental Information

YTD NET REVENUE ⁽¹⁾ BY GEOGRAPHY

(EUR million)	YTD 2018	YTD 2017	2018 vs. 2017	Organic growth	Organic growth ex PHS
Europe	1,869	1,878	-0.5%	+0.2%	+0.1%
North America	3,535	3,779	-6.5%	-0.1%	+1.1%
Asia Pacific	647	737	-12.2%	-1.4%	-1.4%
Latin America	237	261	-9.2%	+7.7%	+7.7%
Middle East Africa	189	194	-2.6%	+3.5%	+3.5%
Total	6,477	6,849	-5.4%	+0.2%	+0.8%

NB: For comparative purposes and in accordance with IFRS, 2017 figures have been restated to reflect the implementation of IFRS 15.

(1) Revenue less pass-through costs. See definition in Supplemental Information

Q3 2018 NET REVENUE ORGANIC GROWTH ⁽¹⁾ ⁽²⁾ BY COUNTRY

> +10%	Australia, Indonesia, Mexico, UK ⁽²⁾
+5% to +10%	France, Italy, South Africa, Thailand, Turkey, Vietnam
0 to +5%	Brazil, China, Germany, India, Japan, Poland, USA ⁽²⁾
< 0%	Canada, Israel, South Korea, Malaysia, Singapore, Spain, United Arab Emirates

NB: For comparative purposes and in accordance with IFRS, 2017 figures have been restated to reflect the implementation of IFRS 15.

(1) Revenue less pass-through costs. See definition in Supplemental Information

(2) Excluding PHS

NET FINANCIAL DEBT

(EUR million)	YTD 2018 after IFRS16 ⁽²⁾	YTD 2018 before IFRS16 ⁽¹⁾	YTD 2017 before IFRS16	FY 2017 before IFRS16
Net Financial Debt, average	1,410	1,499	2,066	1,980
Net Financial Debt, at end of period	1,742	1,834	2,291	727

IFRS16 was applied from January 1, 2018 using prospective method without restatement of previous period

(1) For comparison purposes, YTD 2018 figures are presented before the application of IFRS16

(2) Net debt on finance lease has been reclassified in Lease Liabilities

LIQUIDITY AS OF SEPTEMBER 30, 2018

(EUR million)	TOTAL	DRAWN	AVAILABLE
Committed Facilities			
364-day revolving credit facilities	165	-	165
5-year revolving credit facility ⁽¹⁾	515	-	515
5-year syndicated facility (Club Deal) ⁽²⁾	2,000	-	2,000
Total Committed Facilities	2,680	-	2,680
Cash and Marketable Securities	1,155	-	1,155
Total liquidity	3,835	-	3,835
Group other uncommitted facilities	244	(13)	231

(1) €65 million maturing in 2018, €50 million in 2019, €200 million in 2022, €200 million in 2023

(2) Maturing in 2020

UPDATE



ORGANIZATION UPDATE

Sprint to the Future

- ➔ Ahead of the plan for every strategic and operational KPIs
- ➔ Already producing results:
 - New business momentum
 - Game changers growth

On-going initiatives

- ➔ Reallocation of resources to adapt to business environment
- ➔ Real Estate
- ➔ Asset portfolio review

OUTLOOK



2018

➔ Confirmed objectives

- Better organic growth than 2017
- 30-50 basis point margin improvement
- 5% to 10% Headline EPS increase, at constant currency

TO CONCLUDE...



THANK YOU

SUPPLEMENTAL INFORMATION



SUPPLEMENTAL INFORMATION

NET REVENUE ⁽¹⁾ & ORGANIC GROWTH CALCULATION

(EUR million)	Q1 2018	Q2 2018	Q3 2018	YTD 2018	Currency impact				
2017 net revenue	2,267	2,397	2,185	6,849	(EUR million)	Q1 2018	Q2 2018	Q3 2018	YTD 2018
Currency impact ⁽³⁾	(217)	(145)	(17)	(379)	GBP ⁽³⁾	(5)	(5)	2	(8)
2017 net revenue at 2018 exchange rate (a)	2,050	2,252	2,168	6,470	USD ⁽³⁾	(163)	(99)	10	(252)
2018 net revenue before impact of acquisitions ⁽²⁾ (b)	2,083	2,203	2,197	6,483	Other	(49)	(41)	(29)	(119)
Net revenue from acquisitions ⁽²⁾	(1)	(5)	0	(6)	Total	(217)	(145)	(17)	(379)
2018 net revenue	2,082	2,198	2,197	6,477					
Organic growth (b/a)	+1.6%	-2.1%	+1.3%	+0.2%					

NB: For comparative purposes and in accordance with IFRS, 2017 figures have been restated to reflect the implementation of IFRS15.

(1) Revenue less pass-through costs: See definition in Supplemental Information

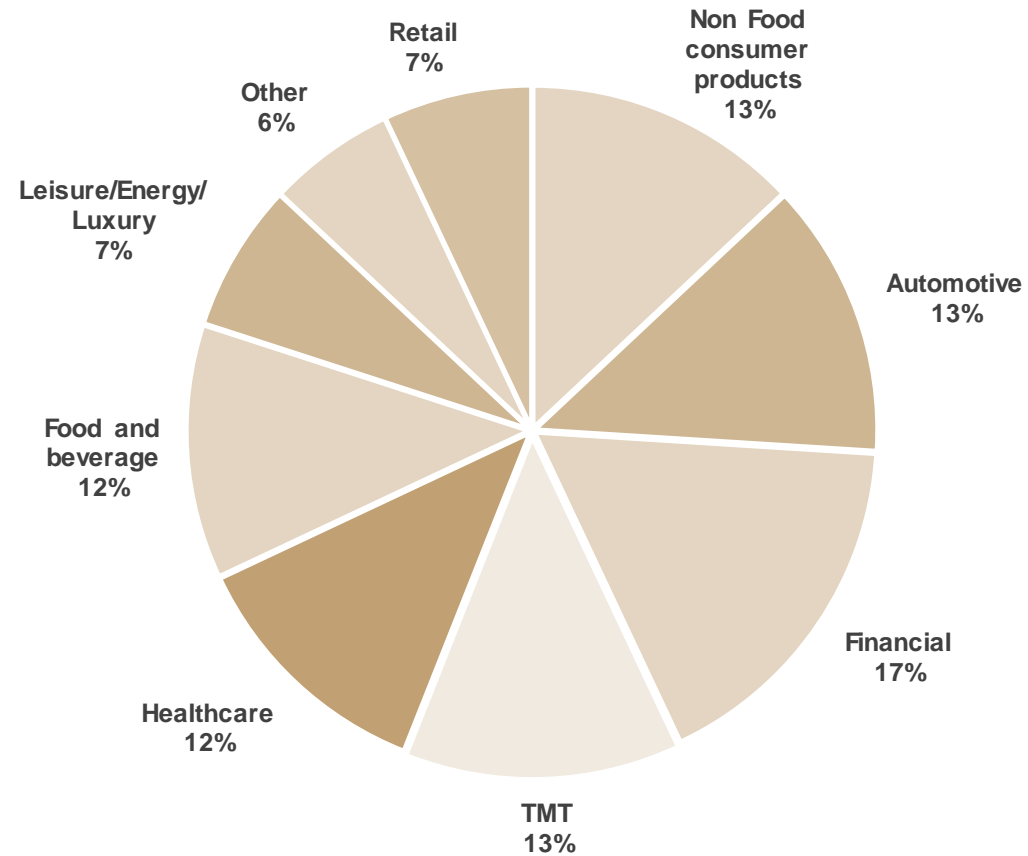
(2) Acquisitions (Arden, The Abundancy, The Herd Agency, Ella Factory, SFR Studio, Translate Plus, Plowshare, Harbor & Village, Optix, Independent Ideas, Domaines Publics, Ecosys, Payer Sciences, One Digital and The Shed), net of disposals

(3) EUR = USD 1.194 over the last 9 months of 2018 vs. USD 1.111 over the last 9 months of 2017

EUR = GBP 0.884 over the last 9 months of 2018 vs. GBP 0.872 over the last 9 months of 2017

SUPPLEMENTAL INFORMATION

YTD 2018 NET REVENUE BY SECTOR (1)



(1) Based on 3,079 clients representing 88% of net revenue

SUPPLEMENTAL INFORMATION

ORGANIC GROWTH (1) BY GEOGRAPHY, EXCLUDING PUBLICIS HEALTHCARE SERVICES (PHS)

(EUR million)	Q1 2018	Q2 2018	Q3 2018	YTD 2018
Europe	+0.4%	-3.7%	+4.2%	+0.1%
North America	+3.3%	-0.8%	+1.0%	+1.1%
Asia Pacific	-4.6%	-2.1%	+2.5%	-1.4%
Latin America	+11.5%	+7.2%	+4.8%	+7.7%
Middle East Africa	+4.8%	+4.5%	+1.5%	+3.5%
Total	+1.9%	-1.4%	+2.2%	+0.8%

NB: For comparative purposes and in accordance with IFRS, 2017 figures have been restated to reflect the implementation of IFRS15.

(1) Revenue less pass-through costs: See definition in Supplemental Information

SUPPLEMENTAL INFORMATION

IMPACT OF IFRS15: REVENUE AND NET REVENUE ⁽¹⁾

(EUR million)	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017
Net revenue	2,267	2,397	2,185	2,483	9,332
Pass-through revenue	222	235	206	251	914
Revenue	2,489	2,632	2,391	2,734	10,246

NB: For comparative purposes and in accordance with IFRS, 2017 figures have been restated to reflect the implementation of IFRS 15.

(1) Revenue less pass-through costs. See definition in Supplemental Information

SUPPLEMENTAL INFORMATION

GROSS DEBT AS OF SEPTEMBER 30, 2018

Breakdown by MATURITY

(EUR million)	Total	Oct. 2018 - Sep. 2019	Oct. 2019 – Sep. 2020	Oct. 2020 – Sep. 2021	Oct. 2021 – Sep. 2022	Oct. 2022 Onwards
Eurobond 2021 ^{(1) (2)}	716	-	-	-	716	-
Eurobond 2023	494	-	-	-	-	494
Eurobond 2024 ^{(1) (2)}	591	-	-	-	-	591
Medium term loan ⁽¹⁾	772	309	463	-	-	-
Earn out / Buy out	258	100	73	41	32	12
Other debt ^{(1) (3)}	66	55	11	-	-	-
Total gross debt	2,897	464	547	41	748	1,097

(1) Including fair values of associated derivatives

(2) Eurobond issued in December 2014 swapped in USD at fixed rate

(3) IFRS16 was applied from January 1, 2018 using prospective method without restatement of previous period and debt on finance leases have been reclassified to lease liabilities for €91 million as at September 2018



No covenants

SUPPLEMENTAL INFORMATION

NET DEBT AS OF SEPTEMBER 30, 2018

Breakdown by CURRENCY

(EUR million)	Total	EUR	USD	GBP	Others
Eurobond 2021 ^{(1) (2)}	716	-	716	-	-
Eurobond 2023	494	494	-	-	-
Eurobond 2024 ^{(1) (2)}	591	-	591	-	-
Medium term loan ⁽¹⁾	772	297	475	-	-
Earn out / Buy out	258	15	160	30	53
Other ⁽¹⁾⁽³⁾	66	2	43	6	15
Cash & marketable securities	(1,155)	(61)	(337)	(51)	(706)
Net debt (cash)	1,742	747	1,648	(15)	(638)

(1) Including fair values of associated derivatives

(2) Eurobond issued in December 2014 swapped in USD at fixed rate

(3) IFRS16 was applied from January 1, 2018 using prospective method without restatement of previous period and debt on finance leases have been reclassified to lease liabilities for €91 million as at September 2018

SUPPLEMENTAL INFORMATION

NET DEBT AS OF SEPTEMBER 30, 2018

Breakdown by **RATE**

(EUR million)	Total	Earn-out / Buy-out	Fixed rate	Floating rate
Eurobond 2021 ^{(1) (2)}	716	-	716	-
Eurobond 2023	494	-	494	-
Eurobond 2024 ^{(1) (2)}	591	-	591	-
Medium term loan ^{(1) (3)}	772	-	475	297
Other debt ⁽¹⁾⁽⁴⁾	66	-	-	66
Total gross debt ex. earn out/buy out	2,639	-	2,276	363
Earn-out / Buy-out	258	258	-	-
Cash & marketable securities	(1,155)	-	-	(1,155)
Net debt (cash)	1,742	258	2,276	(792)

(1) Including fair values of associated derivatives

(2) Eurobond issued in December 2014 swapped in USD at fixed rate

(3) €555 million swapped in fixed rate in 2017

(4) IFRS16 was applied from January 1, 2018 using prospective method without restatement of previous period and debt on finance leases have been reclassified to lease liabilities for €91 million as at September 2018

DEFINITIONS

Net revenue: Revenue less pass-through costs which comprise amount paid to external suppliers engaged to perform a project and charged directly to clients. Those costs are mainly production & media costs and out of pocket expenses.

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

EBITDA: Operating margin before depreciation.

Operating margin: Net 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.

Headline Group Net Income: Group net income after elimination of impairment charges/real estate consolidation charge, amortization of intangibles arising from acquisitions, main capital gains (or losses) on disposals, effect of US tax reform and revaluation of earn-out payments

EPS (Earnings per share): Group net income divided by average number of shares, not diluted.

EPS, diluted (Earnings per share, diluted): Group net income divided by average number of shares, diluted.

Headline EPS, diluted (Headline Earnings per share, diluted): Group net income after elimination of impairment charges/real estate consolidation charge, amortization of intangibles arising from acquisitions, main capital gains (or losses) on disposals, effect of US tax reform and revaluation of earn-out payments, divided by average number of shares, diluted.

Capex : Net acquisitions of tangible and intangible assets, excluding financial investments and other financial assets.

Free Cash Flow before changes in working capital requirements: Net cash flow from operating activities less interests paid & received, repayment of lease liabilities & related interests and changes in WCR linked to operating activities

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 from 1st January 2018.

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

Dividend pay-out: Dividend per share / Headline diluted EPS.

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