

FIRST QUARTER 2020

14 April 2020

DISCLAIMER

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**Q1 2020
HIGHLIGHTS**

**Q1 2020
NET REVENUE &
NET DEBT**

**PRIORITIES
& OUTLOOK**

Q&A

1.

INTRODUCTION

3 clear priorities to face a crisis of unrivalled magnitude, complexity and length

- Protect our people
- Help our clients adapt
- Take strong financial measures

2.

Q1 2020 HIGHLIGHTS

Q1 organic growth at -2.9%
in line with expectations

Organic growth almost flat at end-February

- Double digit decline in China
- Strong +5% in the US Creative & Media operations

North America returning to growth in Q1

- Creative and Media fuelled by New Business
- Publicis Sapient slightly positive

Asia, Latam and Europe impacted by Covid-19 in Q1

- Asia -1.9%, despite China down 15.3%
- Latam -10.9% largely reflecting Brazil impacted in March
- Europe -9.2% impacted by confinement measures in March

Continued New Business
Momentum

Significant wins with Bank of America, Enel, US Cellular, FCA China
Confirming our new model works

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Q1 2020 NET REVENUE

(EUR million)	Q1
2020 net revenue	2,481
2019 net revenue	2,118
Reported growth	+17.1%
Organic growth	-2.9%

Q1 2020 NET REVENUE BY GEOGRAPHY

(EUR million)	Q1 2020	Q1 2019	2020 vs. 2019	Organic growth
Europe	578	633	-8.7%	-9.2%
North America	1,555	1,139	36.5%	0.5%
Asia Pacific	219	207	5.8%	-1.9%
Latin America	54	66	-18.2%	-10.9%
Middle East Africa	75	73	2.7%	0.6%
Total	2,481	2,118	17.1%	-2.9%

Q1 2020 NET REVENUE ORGANIC GROWTH BY COUNTRY

> +10%

India, Saudi Arabia, Singapore

+5% to +10%

Sweden, Ukraine, Vietnam

0% to +5%

United States, Canada, Japan, United Arab Emirates

< 0%

**United Kingdom, France, Germany, China, Brazil, Australia,
Italy, Spain**

NET FINANCIAL DEBT

(EUR million)	Q1 2020	Q1 2019	FY 2019
Net Financial Debt, average	3,486	229	2,375
Net Financial Debt, at end of period	4,094	885	2,713

LIQUIDITY AS OF MARCH 31, 2020

(EUR million)	March 31, 2020			March 31, 2019
	Total	Drawn	Available	Available
364-day revolving credit facilities	165	-	165	165
5-year revolving credit facility ⁽¹⁾	468	-	468	517
5-year syndicated facility (Club Deal)⁽²⁾	2,000	2,000	0	2,000
Total Committed Facilities	2,633	2,000	633	2,682
Cash and Marketable Securities	-	-	4,066	1,756
Total liquidity	-	-	4,699	4,438
Group other uncommitted facilities	210	9	201	235



(1) €168 million in 2020, €200 million maturing in 2022, €100 million in 2023

(2) Maturing in 2024

**Q1 2020
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3 CLEAR PRIORITIES IN THE CURRENT SITUATION

1. OUR EMPLOYEES

Protect the health
and well-being of
our employees

All employees equipped to work remotely from home thanks to our robust IT infrastructure and Shared Services

A dedicated team to respond in real time to all employees queries and facilitate their come back home

Fast forward the launch of Marcel to connect all talents

- Launch in the US last week after test phase in the UK
- Roll-out to the rest of the world in the coming weeks

Over-communication to share all Groupe initiatives

- Weekly video for all employees
- 6 Q&A sessions with top 3,000 managers every two weeks

2. OUR CLIENTS

Be closer than ever
to our clients

Mobilization 24/7 of our GCL teams to help our clients adapt and be recovery-ready

- Rethink their current and future commercial & corporate positioning in this crisis context
- Realign their media plans to deliver short term ROI
- Accelerate their digital capabilities to drive growth and efficiencies by putting customers at the heart of their business

3. FINANCIAL RESILIENCE

Immediate actions to reduce costs with a 2-step process

1st step - Groupe level

- Hiring freeze
- Free Lancers reduction
- Pause internal promotions
- Employee to take vacation now
- Systematic review of 3rd-party contracts

2nd step - Country level

- Central staffing function
- Shorter work weeks
- Furloughs
- Salary reductions
- Restructuring

Preserve our financial strength (1/2)

➤ Cost reduction plan of c.€500M with full impact in 2020

3. FINANCIAL RESILIENCE

Solid balance sheet and liquidity

- €4.7bn available liquidity
- Healthy debt maturity profile
- No covenant

Exceptional measures to support the Groupe in current crisis

- Proposed dividend to be reduced by 50% to €1.15 per share, to be paid in September
- Individual and voluntary 30% reduction in compensation for both Supervisory Board Chairman & Groupe CEO, 20% for the Management Board and Management Committee members

Preserve our financial strength (2/2)

OUTLOOK

- No guidance given as full impact of this unprecedented downturn is still unknown with tough quarters ahead
- Strong balance sheet with longstanding experience in managing costs and cash
- Readiness to take any further decision to diminish the impact on our operations
- Daily client interactions, strong assets and new products to be recovery-ready



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Supplemental information

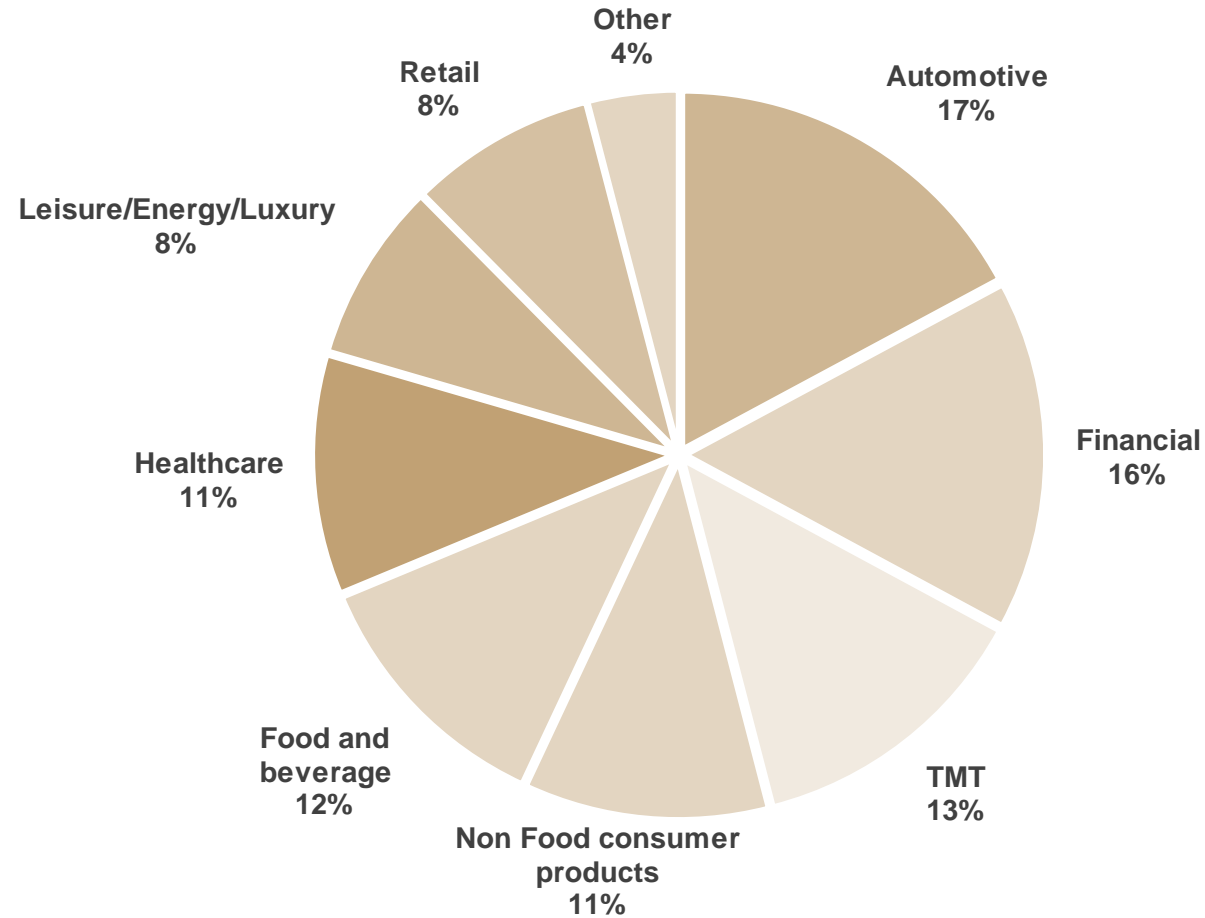
NET REVENUE & ORGANIC GROWTH CALCULATION

(EUR million)	Q1 2020
2019 net revenue	2,118
Currency impact ⁽²⁾	33
2019 net revenue at 2020 exchange rate (a)	2,151
2020 net revenue before impact of acquisitions ⁽²⁾ (b)	2,088
Net revenue from acquisitions ⁽¹⁾	393
2020 net revenue	2,481
Organic growth (b/a)	-2.9%

2020 Currency impact	
(EUR million)	Q1 2020
GBP ⁽²⁾	3
USD ⁽²⁾	33
Other	(3)
Total	33

- (1) Acquisitions (Digitas AffinityID, Soft Computing, Rauxa, E2 Media, Epsilon, RDL, SearchForce, McCready Bale Media, Sapient i7, Third horizon)
- (2) EUR = USD 1.102 on average in 2020 vs. USD 1.136 on average in 2019
 EUR = GBP 0.861 on average in 2020 vs. GBP 0.872 on average in 2019

Q1 2020 NET REVENUE BY SECTOR (1)



GROSS DEBT AS OF MARCH 31, 2020

Breakdown by maturity (EUR million)	Total	Apr. 2020 – Mar. 2021	Apr. 2021 – Mar. 2022	Apr. 2022 – Mar. 2023	Apr. 2023 – Mar. 2024	Apr. 2024 Onwards
Eurobond 2021 ^{(1) (2)}	805	-	805	-	-	-
Eurobond 2023	496	-	-	-	496	-
Eurobond 2024 ^{(1) (2)}	696	-	-	-	-	696
Eurobond 2025 ^{(1) (2)}	833	-	-	-	-	833
Eurobond 2028 ^{(1) (2)}	854	-	-	-	-	854
Eurobond 2031 ^{(1) (2)}	875	-	-	-	-	875
Medium term loans ⁽¹⁾	1,121	-	-	821	150	150
Revolving credit facility	2,008	-	-	-	-	2,008
Earn out / Buy out	377	198	83	41	52	3
Other debt ⁽¹⁾	95	91	4	-	-	-
Total gross debt	8,160	289	892	862	698	5,419



- (1) Including fair values of associated derivatives
(2) Eurobond swapped in USD at fixed rate



No covenants

NET DEBT AS OF MARCH 31, 2020

Breakdown by currency

(EUR million)	Total	EUR	USD	GBP	Others
Eurobond 2021 ^{(1) (2)}	805	-	805	-	-
Eurobond 2023	496	496	-	-	-
Eurobond 2024 ^{(1) (2)}	696	-	696	-	-
Eurobond 2025 ^{(1) (2)}	833	-	833	-	-
Eurobond 2028 ^{(1) (2)}	854	-	854	-	-
Eurobond 2031 ^{(1) (2)}	875	-	875	-	-
Medium term loans ⁽¹⁾	1,121	300	821	-	-
Revolving credit facility	2,008	-	2,008	-	-
Earn out / Buy out	377	15	277	15	70
Other ⁽¹⁾	95	(13)	61	4	43
Cash & marketable securities	(4,066)	(42)	(3,035)	(21)	(968)
Net debt (cash)	4,094	756	4,195	(2)	(855)

NET DEBT AS OF MARCH 31, 2020

Breakdown by rate

(EUR million)	Total	Earn-out / Buy-out	Fixed rate	Floating rate
Eurobond 2021 ^{(1) (2)}	805	-	805	-
Eurobond 2023	496	-	496	-
Eurobond 2024 ^{(1) (2)}	696	-	696	-
Eurobond 2025 ^{(1) (2)}	833	-	833	-
Eurobond 2028 ^{(1) (2)}	854	-	854	-
Eurobond 2031 ^{(1) (2)}	875	-	875	-
Medium term loans ⁽¹⁾	1,121	-	-	1,121
Revolving credit facility	2,008	-	-	2,008
Other debt ⁽¹⁾	95	-	-	95
Total gross debt ex. earn out/buy out	7,783	-	4,559	3,224
Earn-out / Buy-out	377	377	-	-
Cash & marketable securities	(4,066)	-	-	(4,066)
Net debt (cash)	4,094	377	4,559	(842)

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: Net income attributable to the Groupe, after elimination of impairment charges, amortization of intangibles arising from acquisitions, the main capital gains (or losses) on disposals, change in the fair value of financial assets, the impact of US tax reform, the revaluation of earn-out debt and Epsilon transaction costs.

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): Headline group net income, 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: Net cash flow from operating activities less interests paid & received, repayment of lease liabilities & related interests linked to operating activities

FREE CASH FLOW BEFORE CHANGE 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 since 1st January 2018.

AVERAGE NET DEBT: Average of monthly net debt at end of each month.

DIVIDEND PAY-OUT: Dividend per share / Headline diluted EPS.

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