



THIRD QUARTER 2020

15 October 2020

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**Q3 2020
HIGHLIGHTS**

**Q3 2020
NET REVENUE
& NET DEBT**

**PRIORITIES
& OUTLOOK**

Q&A

INTRODUCTION

Continued impact from Covid-19 in Q3

- Market conditions improving from Q2 as anticipated
- Ad spend estimates in Q3 at broadly -10%, after Q2 at -23%

Advertisers adapting to a life with Covid

- Continued shift to digital channels, e-commerce and direct-to-consumer
- Re-adapting their strategy depending on the impact of the crisis



We were less affected than the market, demonstrating the strength of the model

- Q3 organic growth at -5.6% and 9-month at -7.2%



We are mitigating part of the revenue decline linked to the crisis by capturing part of the shift of our client investment thanks to our offer and new business dynamic

SOLID PERFORMANCE IN THE U.S., IMPROVING FROM Q2

US Organic growth at -2.4% in Q3, -3.0% on 9 months

- Q3 growth above ad spend estimates of -7% after performing better than the industry in Q2
- Contribution of both new business and cross-fertilization
- Double-digit growth in several strategic areas including Publicis Health, Production activity and programmatic digital Media arm in Q3
- Publicis Sapiient performance in line with the US despite several projects put on hold in Q3
- Key role of Epsilon in the US performance; strong improvement in Q3 with flat organic, positively contributing to US organic growth

Q3 2020 OTHER REGIONAL HIGHLIGHTS

Sequential improvement in Europe

- Europe organic growth of -9.0% in Q3
- UK at -10.6%, improving significantly vs. Q2
- France at -13.8%, still impacted by Outdoor media activity (-400bps)
- Germany at -8.6% with positive Creative activities

Mixed Asia performance

- APAC organic growth of -9.2% in Q3
- China remaining negative, reflecting exposure to industries still impacted by the pandemic

Latin America and MEA improving from Q2

- Latam organic growth -14.8% in Q3
- MEA organic growth -11.0% in Q3

CONTINUED STRONG NEW BUSINESS WINS IN Q3

Wins and extended scope



Global media



Production China



RENAULT

Data



Global Production



Creative and production

Premier Inn



Creative

Key retentions



Media US



**Reckitt
Benckiser**

Media & Analytics

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Q&A

Q3 2020 NET REVENUE

(EUR million)	Q1	Q2	Q3	9M
2020 net revenue	2,481	2,293	2,343	7,117
2019 net revenue	2,118	2,234	2,577	6,929
Reported growth	+17.1%	+2.6%	-9.1%	+2.7%
Organic growth	-2.9%	-13.0%	-5.6%	-7.2%

Q3 2020 NET REVENUE BY GEOGRAPHY

(EUR million)	Q3 2020	Q3 2019	2020 vs. 2019	Organic growth
Europe	547	606	-9.7%	-9.0%⁽¹⁾
North America	1,454	1,561	-6.9%	-3.0%
Asia Pacific	230	260	-11.5%	-9.2%
Latin America	50	75	-33.3%	-14.8%
Middle East Africa	62	75	-17.3%	-11.0%
Total	2,343	2,577	-9.1%	-5.6%⁽²⁾

Q3 2020 PERFORMANCE - EUROPE

(EUR million)	Q3 2020	Q3 2019	2020 vs. 2019	Organic growth
Europe	547	606	-9.7%	-9.0%⁽¹⁾

UK

- **8% of Groupe net revenue**
- **Organic growth: -10.6%**
- **Creative & Media** performing in line with the country
- **Publicis Sapient** impacted by phasing of project-based activities
- **Epsilon 2.0** growing fast. International expansion from the UK
- **Publicis Health** posting a strong growth

France

- **6% of Groupe net revenue**
- **Organic growth: -13.8%**
- **-9.8% excluding outdoor media activity and the Drugstore**
- **Media** slightly positive
- **Creative** recovers from Q2, remaining negative year-on-year
- **Publicis Sapient** impacted by phasing of project-based activities

Germany

- **3% of Groupe net revenue**
- **Organic growth: -8.6%**
- **Creative** positive thanks to new business wins
- **Media** in line with growth of the country
- **Publicis Sapient** significantly down but on a small base

Q3 2020 PERFORMANCE – NORTH AMERICA

(EUR million)	Q3 2020	Q3 2019	2020 vs. 2019	Organic growth
North America	1,454	1,561	-6.9%	-3.0%

US

- **60% of Groupe net revenue**
- **Organic growth: -2.4%**
- **Creative** (25% of the US) slightly deteriorated sequentially
- **Media** (30% of the US) in line with growth of the country. Strong growth in digital media investments
- **Epsilon 2.0** (20% of the US) accretive to country growth thanks to improving automotive practice and Conversant vs. Q2
- **Publicis Sapient** (15% of the US) in line with growth of the country
- **Publicis Health:** double-digit growth

Q3 2020 PERFORMANCE – REST OF WORLD

(EUR million)	Q3 2020	Q3 2019	2020 vs. 2019	Organic growth
Asia Pacific	230	260	-11.5%	-9.2%
Latin America	50	75	-33.3%	-14.8%
Middle East Africa	62	75	-17.3%	-11.0%

Asia Pacific

- 10% of Groupe net revenue
- Organic growth: -9.2%
- **Media** slightly positive
- **Creative:** contrasted growth in South East Asia
- **Publicis Sapient:** strong growth

Latin America

- 2% of Groupe net revenue
- Organic growth: -14.8%
- **Brazil** still impacted by Covid-19 in Q3

Middle East Africa

- 3% of Groupe net revenue
- Organic growth: -11.0%
- Mixed performance across region

9M 2020 NET REVENUE BY GEOGRAPHY

(EUR million)	9M 2020	9M 2019	2020 vs. 2019	Organic growth
Europe	1,635	1,902	-14.0%	-14.1%⁽¹⁾
North America	4,467	3,877	+15.2%	-3.4%
Asia Pacific	664	704	-5.7%	-5.9%
Latin America	154	219	-29.7%	-15.4%
Middle East Africa	197	227	-13.2%	-11.5%
Total	7,117	6,929	+2.7%	-7.2%⁽²⁾

Q3 2020 NET REVENUE ORGANIC GROWTH BY COUNTRY

> 0%

**Italy, New Zealand, Russia, Saudi Arabia, South Korea,
Spain, Thailand**

-10% to 0%

**Argentina, Australia, China, Germany, Netherlands,
United States**

-10% to -20%

Brazil, Canada, France, Japan, Ukraine, United Kingdom

< -20%

Denmark, Mexico, South Africa

NET FINANCIAL DEBT

(EUR million)	9M 2020	9M 2019	FY 2019
Net Financial Debt, average	3,584	1,724	2,375
Net Financial Debt, at end of period	3,181	5,043	2,713

LIQUIDITY AS OF SEPTEMBER 30, 2020

(EUR million)	September 30, 2020			September 30, 2019
	Total	Drawn	Available	Available
364-day revolving credit facilities	165	-	165	165
5-year revolving credit facility ⁽¹⁾	443	-	443	469
5-year syndicated facility (Club Deal)⁽²⁾	2,000	-	2,000	2,000
Total Committed Facilities	2,608	-	2,608	2,634
Cash and Marketable Securities	2,474	-	2,474	1,231
Total liquidity	5,082	-	5,082	3,865
Group other uncommitted facilities	245	-	245	192



(1) €243 million maturing in 2022, €200 million in 2023

(2) Maturing in 2024

**Q3 2020
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& NET DEBT**

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THE RIGHT OFFER FOR OUR CLIENTS IN COVID-19 TIME AND BEYOND

- **Data platform to build, enrich and connect our client data assets with first party data.**
- **Personalized content that can deliver ground-breaking creativity adapted to real time customer experiences.**
- **A leadership position in media in the US to activate this personalized content at scale and optimize reach, whatever the channel.**
- **Technology to create direct channels with customers in a marketplace where our clients are constantly challenged by direct-to-consumer brands.**

AN INTEGRATED MODEL WITH PUBLICIS SAPIENT AND EPSILON PROVIDING A UNIQUE COMPETITIVE ADVANTAGE

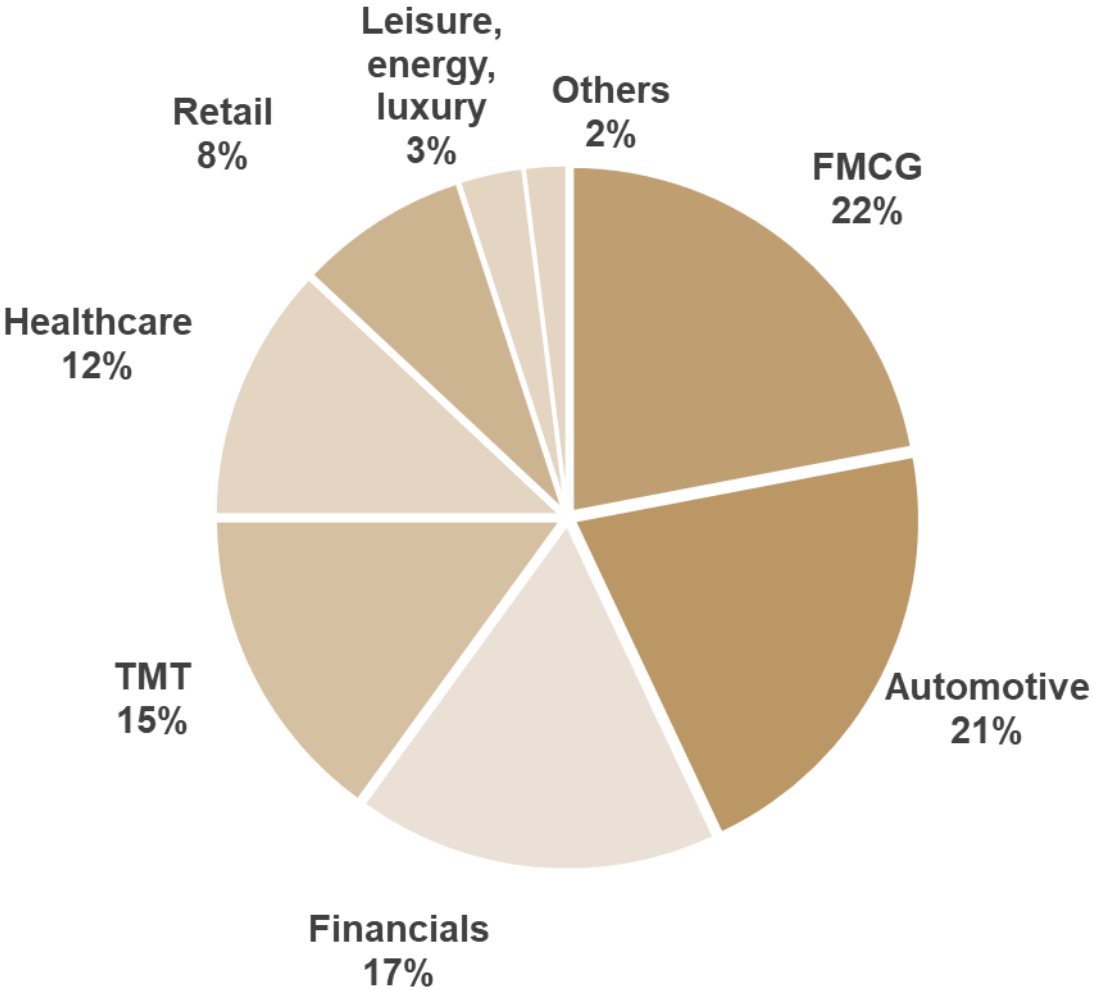
publicis
sapien

EPSILON™



- Strong track record in the last 18 months in new business
- Growth of +0.8% for our Top 200 clients on 9 months

A BALANCED INDUSTRY MIX SERVING RESILIENCE



Client industry performances ¹ on 9 months

FMCG	+5.5%
Automotive	-9.0%
Financial	-8.2%
TMT	+2.6%
Healthcare	+22.2%
Retail	+1.8%
Leisure/ Energy/ Luxury	+4.6%
Others	+22.1%
Total	+0.8%



1. Based on top 200 clients representing 61% of net revenue in 9 months 2020

3 STRUCTURAL COMPETITIVE ADVANTAGES FOR OUR ORGANIZATION

- **Global Delivery Centers:** over 10,000 experts in several hubs around the world
- **Country model:** resource management tools at local level and centralized support functions
- **Marcel:** 65,000 active users (80% of our employees), 10 million data points, 30,000 modules of e-learning, case studies and development courses



€500M cost reduction plan to be delivered in 2020

While preserving our best talent, rewarding our teams and investing in the future

SHORT TERM OUTLOOK

- Relatively solid business trends observed year-to-date, thanks to the resilience of the model, should continue until year-end
- However, the current resurgence of the pandemic leads to be cautious about Q4, which might be impacted further and come below Q3
- Confidence in delivering our cost reduction plan thanks to cost management
- Operating margin rate for the full year should be slightly ahead of average analyst consensus of 14.3%

CONCLUSION

- We don't underestimate the challenges in front of us all.
- But we are convinced we are well-equipped to face them.
- A proven model driving value and demonstrating its ability to weather the crisis.
- An offer delivering what clients need, by seamlessly connecting creative, media, data and technology.
- A unique structure to continue to perform better than our industry financially.

Supplemental information

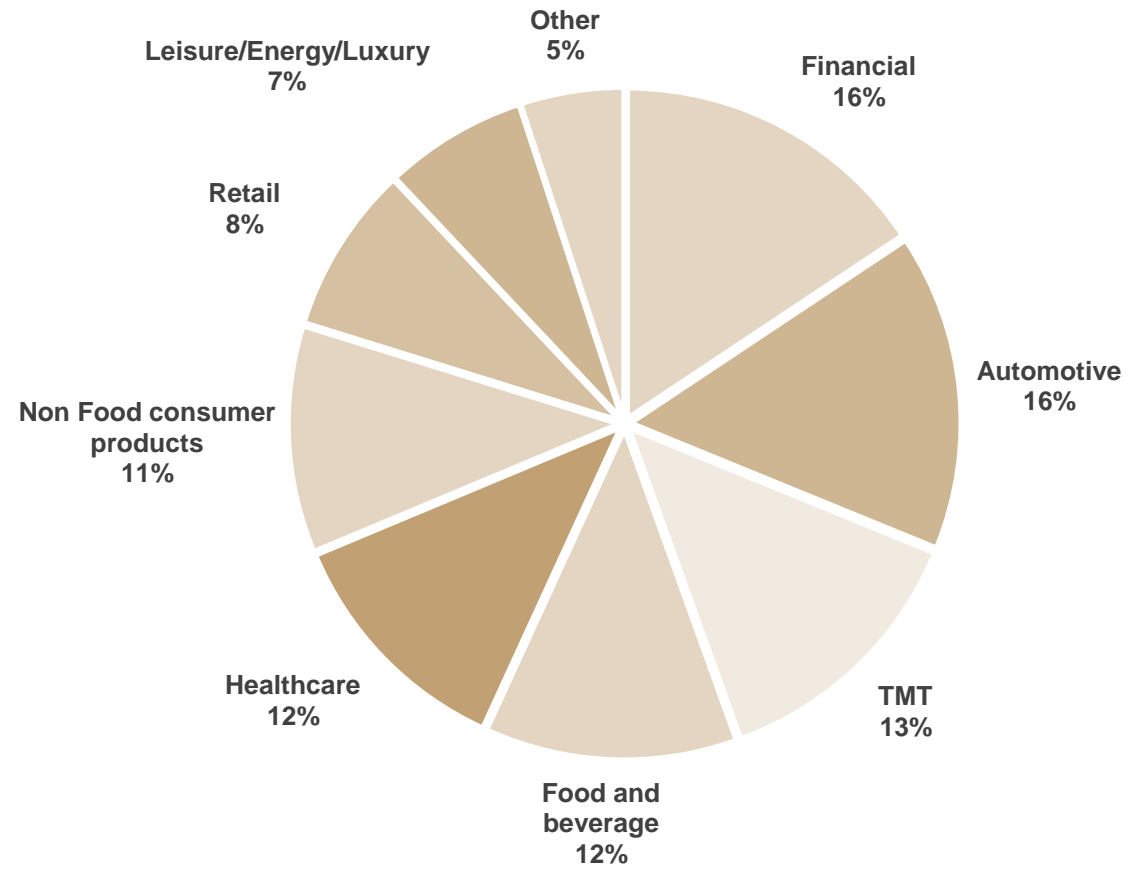
NET REVENUE & ORGANIC GROWTH CALCULATION

(EUR million)	Q1	Q2	Q3	9M
2019 net revenue	2,118	2,234	2,577	6,929
Currency impact ⁽²⁾	33	(1)	(95)	(63)
2019 net revenue at 2020 exchange rate (a)	2,151	2,233	2,482	6,866
2020 net revenue before impact of acquisitions ⁽²⁾ (b)	2,088	1,943	2,344	6,375
Net revenue from acquisitions ⁽¹⁾	393	350	(1)	742
2020 net revenue	2,481	2,293	2,343	7,117
Organic growth (b/a)	-2.9%	-13.0%	-5.6%	-7.2%

2020 Currency impact				
(EUR million)	Q1	Q2	Q3	9M
GBP ⁽²⁾	3	(3)	(1)	(1)
USD ⁽²⁾	33	24	(55)	2
Other	(3)	(22)	(39)	(64)
Total	33	(1)	(95)	(63)

- (1) Acquisitions (Digitas AffinityID, Soft Computing, Rauxa, E2 Media, Epsilon, RDL, SearchForce, McCready Bale Media, Sapient i.7, Third Horizon)
- (2) EUR = USD 1,123 on average in 9M 2020 vs. USD 1.124 on average in 9M 2019
 EUR = GBP 0,884 on average in 9M 2020 vs. GBP 0.883 on average in 9M 2019

Q3 2020 NET REVENUE BY SECTOR (1)



GROSS DEBT AS OF SEPTEMBER 30, 2020

Breakdown by maturity (EUR million)	Total	Oct. 2020 – Sep. 2021	Oct. 2021 – Sep. 2022	Oct. 2022 – Sep. 2023	Oct. 2023 – Sep. 2024	Oct. 2024 Onwards
Eurobond 2021 ^{(1) (2)}	751	-	751	-	-	-
Eurobond 2023	496	-	-	-	496	-
Eurobond 2024 ^{(1) (2)}	649	-	-	-	-	649
Eurobond 2025 ^{(1) (2)}	765	-	-	-	-	765
Eurobond 2028 ^{(1) (2)}	775	-	-	-	-	775
Eurobond 2031 ^{(1) (2)}	779	-	-	-	-	779
Medium term loans ⁽¹⁾	1,069	-	769	150	150	-
Earn out / Buy out	256	112	75	36	30	3
Other debt ⁽¹⁾	115	107	8	-	-	-
Total gross debt	5,655	219	1,603	186	676	2,971



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



No covenants

NET DEBT AS OF SEPTEMBER 30, 2020

Breakdown by currency

(EUR million)	Total	EUR	USD	GBP	Others
Eurobond 2021 ⁽¹⁾ ⁽²⁾	751	-	751	-	-
Eurobond 2023	496	496		-	-
Eurobond 2024 ⁽¹⁾ ⁽²⁾	649	-	649	-	-
Eurobond 2025 ⁽¹⁾ ⁽²⁾	765	-	765	-	-
Eurobond 2028 ⁽¹⁾ ⁽²⁾	775	-	775	-	-
Eurobond 2031 ⁽¹⁾ ⁽²⁾	779	-	779	-	-
Medium term loans ⁽¹⁾	1,069	300	769	-	-
Earn out / Buy out	256	10	170	9	67
Other ⁽¹⁾	115	29	70	6	10
Cash & marketable securities	(2,474)	(101)	(1,350)	(30)	(993)
Net debt (cash)	3,181	734	3,378	(15)	(916)

NET DEBT AS OF SEPTEMBER 30, 2020

Breakdown by rate

(EUR million)	Total	Earn-out / Buy-out	Fixed rate	Floating rate
Eurobond 2021 ⁽¹⁾ ⁽²⁾	751	-	751	-
Eurobond 2023	496	-	496	-
Eurobond 2024 ⁽¹⁾ ⁽²⁾	649	-	649	-
Eurobond 2025 ⁽¹⁾ ⁽²⁾	765	-	765	-
Eurobond 2028 ⁽¹⁾ ⁽²⁾	775	-	775	-
Eurobond 2031 ⁽¹⁾ ⁽²⁾	779	-	779	-
Medium term loans ⁽¹⁾	1,069	-	-	1,069
Other debt ⁽¹⁾	115	-	-	115
Total gross debt ex. earn out/buy out	5,399	-	4,215	1,184
Earn-out / Buy-out	256	256	-	-
Cash & marketable securities	(2,474)	-	-	(2,474)
Net debt (cash)	3,181	256	4,215	(1,290)

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.

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.

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

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