Consolidated financial statements

2022 financial year

CONTENTS

CONSOLIDATED INCOME STATEMENT

(in millions of euros)	Note	2022	2021
Net revenue[1]		**12,572**	**10,487**
Pass-through revenue		1,624	1,251
Revenue		**14,196**	**11,738**
Personnel costs	4	(8,211)	(6,639)
Other operating costs	5	(3,184)	(2,782)
Operating margin before depreciation & amortization		**2,801**	**2,317**
Depreciation and amortization expense (excluding acquisition-related intangible assets)	6	(535)	(477)
Operating margin		**2,266**	**1,840**
Amortization of intangibles from acquisitions	6	(287)	(256)
Impairment loss	6	(109)	(122)
Non-current income and expenses	7	(103)	(28)
Operating income		**1,767**	**1,434**
Financial expense	8	(118)	(115)
Financial income	8	101	30
Cost of net financial debt	8	**(17)**	**(85)**
Revaluation of earn-out payments	8	(2)	27
Other financial income and expenses	8	(100)	(33)
Pre-tax income of consolidated companies		**1,648**	**1,343**
Income taxes	9	(431)	(307)
Net income of consolidated companies		**1,217**	**1,036**
Share of profit of associates	14	5	-
Net income		**1,222**	**1,036**
Of which: - Net income attributable to non-controlling interests		-	9
Net income attributable to equity holders of the parent company		**1,222**	**1,027**

Per-share data *(in euros)* - **Net income attributable to equity holders of the parent company**	10		
Number of shares		250,972,110	*248,620,158*
Earnings per share		4.87	4.13
Number of diluted shares		*253,605,167*	*251,695,105*
Diluted earnings per share		4.82	4.08

[1] Net revenue: Revenue less pass-through costs. Those costs are mainly production & media costs and out-of-pocket expenses. As these items that can be passed on to clients are not included in the scope of analysis of transactions, the net revenue indicator is the most appropriate for measuring the Groupe's operational performance.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in millions of euros)	**2022**	**2021**
Net income for the period (a)	**1,222**	**1,036**
Comprehensive income that will not be reclassified to income statement		
- Actuarial gains (and losses) on defined benefit plans	42	48
Deferred taxes on comprehensive income that will not be reclassified to income statement	(10)	(8)
Comprehensive income that may be reclassified to income statement		
- Remeasurement of hedging instruments	(21)	29
- Consolidation translation adjustments	311	590
Total other comprehensive income (b)	**322**	**659**
Total comprehensive income for the period (a) + (b)	**1,544**	**1,695**
Of which: - Total comprehensive income for the period attributable to non-controlling interests	-	9
- Total comprehensive income for the period attributable to equity holders of the parent company	1,544	1,686

PUBLICIS GROUPE

CONSOLIDATED BALANCE SHEET

(in millions of euros)	Note	December 31, 2022	December 31, 2021
Assets			
Goodwill, net	11	12,546	11,760
Intangible assets, net	12	1,247	1,379
Right-of-use assets related to leases	24	1,753	1,489
Property, plant and equipment, net	13	610	615
Deferred tax assets	9	186	175
Investments in associates	14	55	25
Other financial assets	15	394	276
Non-current assets		**16,791**	**15,719**
Inventories and work-in-progress	16	327	277
Trade receivables	17	12,089	11,315
Contract assets		1,149	979
Other receivables and current assets	18	926	897
Cash and cash equivalents	19	4,616	3,659
Current assets		**19,107**	**17,127**
Total assets		**35,898**	**32,846**

Equity and liabilities			
Share capital		102	101
Additional paid-in capital and retained earnings, Groupe share		9,533	8,487
Equity attributable to holders of the parent company – Groupe share	**20**	**9,635**	**8,588**
Non-controlling interests (minority interests)		(35)	(33)
Total equity		**9,600**	**8,555**
Long-term borrowings	23	2,989	3,446
Long-term lease liabilities	24	2,197	1,801
Deferred tax liabilities	9	219	274
Long-term provisions	21	504	543
Non-current liabilities		**5,909**	**6,064**
Trade payables		15,660	14,479
Contract liabilities	26	549	470
Short-term borrowings	23	627	184
Short-term lease liabilities	24	360	288
Income taxes payable		486	328
Short-term provisions	21	291	274
Other creditors and current liabilities	25	2,416	2,204
Current liabilities		**20,389**	**18,227**
Total equity and liabilities		**35,898**	**32,846**

CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions of euros)	Note	2022	2021
Cash flow from operating activities			
Net income		1,222	1,036
Neutralization of non-cash income and expenses:			
Income taxes	9	431	307
Cost of net financial debt	8	17	85
Capital losses (gains) on disposal of assets (before tax)	7	103	28
Depreciation, amortization and impairment losses	6	931	855
Share-based compensation	31	64	52
Other non-cash income and expenses		86	5
Share of profit of associates	14	(5)	-
Dividends received from associates	14	3	2
Taxes paid		(430)	(362)
Change in working capital requirements(1)		(5)	(216)
Net cash flows generated by (used in) operating activities (I)		**2,417**	**1,792**
Cash flow from investing activities			
Purchases of property, plant and equipment and intangible assets		(198)	(139)
Disposals of property, plant and equipment and intangible assets		4	3
Purchases of investments and other financial assets, net		11	4
Acquisitions of subsidiaries	3	(523)	(276)
Disposals of subsidiaries	3	(43)	3
Net cash flows generated by (used in) investing activities (II)		**(749)**	**(405)**
Cash flow from financing activities			
Dividends paid to holders of the parent company	20	(603)	(227)
Dividends paid to non-controlling interests		(4)	(9)
Proceeds from borrowings	23	-	9
Repayment of borrowings	23	(10)	(862)
Repayment of lease liabilities	24	(317)	(295)
Interest paid on lease liabilities	24	(87)	(70)
Interest paid		(101)	(106)
Interest received		84	26
Buy-outs of non-controlling interests		(3)	(14)
Net (buybacks)/sales of treasury shares and warrants		41	(127)
Net cash flows generated by (used in) financing activities (III)		**(1,000)**	**(1,675)**
Impact of exchange rate fluctuations (IV)		**300**	**238**
Change in consolidated cash and cash equivalents (I + II + III + IV)		**968**	**(50)**
Cash and cash equivalents on January 1	19	3,659	3,700
Bank overdrafts on January 1	23	(12)	(3)
Net cash and cash equivalents at beginning of year (V)		**3,647**	**3,697**
Cash and cash equivalents at closing date	19	4,616	3,659
Bank overdrafts at closing date	23	(1)	(12)
Net cash and cash equivalents at end of the year (VI)		**4,615**	**3,647**
Change in consolidated cash and cash equivalents (VI – V)		**968**	**(50)**

(1) Breakdown of change in working capital requirements

		2022	2021
Change in inventory and work-in-progress		(46)	(23)
Change in trade receivables and other receivables		(710)	(1,218)
Change in accounts payable, other payables and provisions		751	1,025
Change in working capital requirements		**(5)**	**(216)**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Number of outstanding shares	*(in millions of euros)*	*Share capital*	*Additional paid-in capital*	*Reserves and earnings brought forward*	*Translation reserve*	*Fair value reserve*
249,600,509	**December 31, 2021**	**101**	**4,581**	**4,056**	**(226)**	**76**
	Net income			1,222		
	Other comprehensive income, net of tax				311	11
	Total comprehensive income for the year	**-**	**-**	**1,222**	**311**	**11**
-	Dividends		(559)	(44)		
246,225	Share-based compensation, net of tax			66		
	Effect of acquisitions and commitments to buy-out non-controlling interests			(1)		
603,226	Equity warrant exercise	1	15			
1,542,105	(Buybacks)/Sales of treasury shares			25		
251,992,065	**December 31, 2022**	**102**	**4,037**	**5,324**	**85**	**87**

Number of outstanding shares	*(in millions of euros)*	*Share capital*	*Additional paid-in capital*	*Reserves and earnings brought forward*	*Translation reserve*	*Fair value reserve*	*Equity attributable to equity holders of the parent company*	*Minority interests*	*Total equity*
245,577,779	**December 31, 2020**	**99**	**4,307**	**3,585**	**(816)**	**7**	**7,182**	**(22)**	**7,160**
	Net income			1,027			1,027	9	1,036
	Other comprehensive income, net of tax				590	69	659		659
	Total comprehensive income for the year			**1,027**	**590**	**69**	**1,686**	**9**	**1,695**
5,018,232	Dividends	2	264	(493)			(227)	(9)	(236)
296,350	Share-based compensation, net of tax			61			61		61
	Effect of acquisitions and commitments to buy-out non-controlling interests			13			13	(11)	2
378,789	Equity warrant exercise		10				10		10
(1,670,641)	(Buybacks)/Sales of treasury shares			(137)			(137)		(137)
249,600,509	**December 31, 2021**	**101**	**4,581**	**4,056**	**(226)**	**76**	**8,588**	**(33)**	**8,555**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Publicis Groupe SA is a French limited liability company (*société anonyme*) with a Management Board and a Supervisory Board, governed by articles L. 225-57 to L. 225-93 of the French Commercial Code. The registered office is located at 133, avenue des Champs-Élysées, 75008 Paris, France.

NOTE 1. ACCOUNTING POLICIES AND METHODS

Pursuant to Regulation (EC) 1606/2002 of July 19, 2002, the Publicis Groupe 2022 consolidated financial statements were prepared in accordance with the IAS/IFRS international accounting standards approved by the European Union as of the reporting date and that were mandatory at that date.

The 2022 consolidated financial statements and the accompanying notes were approved by the Management Board at its January 30, 2023 meeting and reviewed by the Supervisory Board at its February 1, 2023 meeting. They will be submitted for approval by the shareholders at the General Shareholders' Meeting on May 31, 2023. The consolidated financial statements are presented in euros rounded to the nearest million.

1.1 New applicable standards and interpretations

Compliance with IFRS standards as adopted by the European Union

The accounting principles applied to prepare the annual consolidated financial statements for the financial year ended December 31, 2022 are consistent with the IFRS standards and IFRIC interpretations as adopted by the European Union as at December 31, 2022.

Application of new standards and interpretations

The Groupe's application of new standards and interpretations, adopted by the European Union during financial year 2022 or mandatory by December 31, 2022 at the latest:

- Amendment to IAS 37 regarding onerous contracts: "Cost of Fulfilling a Contract". Taking into account both direct costs and an allocation of indirect costs to determine losses on any onerous contracts has no significant impact on the Groupe's financial statements;
- Amendment to IAS 16 regarding proceeds before intended use has no significant impact on the Groupe's financial statements;
- Amendment to IFRS 3 to update a reference to the conceptual framework, has no significant impact on the Groupe's financial statements.

Early application

As of December 31, 2022, the Groupe has not adopted any new standards or interpretations in advance.

Standards published by the IASB for which application is not mandatory

The principles applied by the Groupe do not differ from IFRS standards as published by the IASB, since the application of the following standard is not mandatory in financial years beginning on or after January 1, 2022:

- IFRS 17 "Insurance Contracts": this standard, adopted by the European Union, is applicable to financial years beginning on or after January 1, 2023. The Groupe does not expect the application of this new standard to have a material impact.

1.2. Consolidation principles and policies

Reporting currency of the consolidated financial statements

Publicis prepares and publishes its consolidated financial statements in euros.

Investments in subsidiaries

The consolidated financial statements include the financial statements of Publicis Groupe SA, and of its subsidiaries, as at December 31 of each year. Subsidiaries are consolidated as of the time that the Groupe obtains control until the date on which control is transferred to an entity outside the Groupe.

Control is exercised when the Groupe is exposed or entitled to the variable returns and provided that it can exercise its power to influence such returns.

Investments in associates

The Groupe's investments in associates are accounted for under the equity method. An associate is a company over which the Groupe has significant influence but not control, this generally implies an ownership percentage of between 20% and 50% of the voting rights.

Investments in associates are recognized in the balance sheet at their acquisition cost and adjusted to reflect subsequent changes to the Groupe's share in the net assets of the associate, in accordance with the equity method. The Groupe's investment includes the amount of any goodwill, which is treated in accordance with the Groupe's accounting policy in this area, as presented in Section 1.3 below. The income statement reflects the Groupe's share of the associate's net income after taxes for the period.

Joint arrangements

Partnerships recognized as joint-ventures are recognized under the equity method to the extent that they only give rights to the net assets of the entity.

Foreign currency transactions

Transactions in foreign currencies are recognized at the exchange rate applicable on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate applicable at the reporting date. All differences arising are recognized in the income statement, except for differences on loans and borrowings that, in substance, form part of the net investment in a foreign entity. These differences are recognized in equity until such time as the net investment is disposed of, at which time they are recorded in the income statement.

Translation of financial statements prepared in foreign currencies

The functional currency of each Groupe entity is the currency of the economic environment in which it operates. The financial statements of subsidiaries located outside the euro zone presented in local currencies are translated into euros, the reporting currency of the consolidated financial statements, in the following manner:

- assets and liabilities are translated at year-end exchange rates;
- the income statement is translated at the average exchange rate over the year;
- translation adjustments resulting from the application of these rates are recognized in "Other comprehensive income items – Consolidation translation adjustments" for the Groupe share, with the remainder being recorded as "Non-controlling interests (minority interests)".

Goodwill and fair value adjustments of assets and liabilities recognized in the context of the acquisition of a foreign entity are expressed in the functional currency of the acquired company and translated at the exchange rate applying at the reporting date.

Elimination of intra-group transactions

Transactions between consolidated subsidiaries are fully eliminated, as are the corresponding receivables and payables. Similarly, intercompany gains or losses on sales, internal dividends and provisions relating to subsidiaries are eliminated from consolidated results, except in the case of impairment loss.

1.3. Accounting principles and methods

Business combinations

Business combinations are treated in the following manner:

- identifiable assets acquired and liabilities assumed are recognized at their fair value on the acquisition date;
- non-controlling interests in the acquired business (minority interests) are recognized either at fair value or at the proportionate share of recognized identifiable net assets in the acquired business. This option is available on a case-by-case basis for each business combination.

Acquisition costs are recognized as an expense when incurred and are recorded under "Other operating costs" in the consolidated income statement.

Any earn-out payments on business combinations are recognized at fair value on the acquisition date. After the acquisition date, earn-out payments are recognized at their fair value on the balance sheet date. As of the end of the period for allocating the acquisition price, which comes one year following the acquisition date at the latest, any change in this fair value is recorded in income. Within this allocation period, any changes in this fair value explicitly linked to events subsequent to the acquisition date are also recognized in income. Other changes are recognized as an offset to goodwill.

At the acquisition date, goodwill represents the difference between:

- the fair value of the transferred asset, including earn-out payments, plus the amount of non-controlling interests in the acquired company and, where a business combination occurs in several stages, the fair value at the acquisition date of the interest previously held by the buyer in the acquired company, which is adjusted through income; and

- the net residual value of identifiable assets acquired and liabilities assumed at the acquisition date and recorded at fair value.

Although deferred tax assets were not recognized at the acquisition date because their recoverability was uncertain, any subsequent recognition or utilization of these deferred taxes after the allocation period will be recorded as an offset to income (i.e. with no impact on the amount recorded as goodwill).

Commitments to buy-out non-controlling interests made at the time of a business combination

Pending an IFRIC interpretation or a specific IFRS standard on this matter, the following accounting treatment has been adopted in accordance with currently applicable IFRS standards and the AMF recommendation:

- initially, these commitments are recognized in borrowings at the present value of the buy-out amount, with a double entry booked in diminution of equity;
- subsequent changes in the value of the commitment (including the effect of discounting) are recognized by adjusting equity on the grounds that it is a transaction between shareholders.

Additional acquisition of securities with the exclusive takeover of an entity previously under significant influence

The exclusive takeover leads to the recognition of a disposal gain or loss calculated on the entire interest at the transaction date. The previously held interest is thus remeasured at fair value through the income statement at the time of the exclusive takeover.

Additional acquisition of securities after the exclusive takeover

When additional securities are acquired in an entity that is already exclusively controlled, the difference between the acquisition price of these securities and the proportion of additional consolidated equity acquired is recognized as equity attributable to shareholders of the parent company of the Groupe. The consolidated value of the subsidiary's identifiable assets and liabilities, including goodwill, is thus left unchanged.

In the statement of cash flows, the acquisition of additional securities in an entity already controlled is presented as net cash flow relating to financing activities.

Sale of securities without loss of exclusive control

In the event of a partial sale of securities in an exclusively controlled entity that does not modify control of this entity, the difference between the fair value of the sale price of the securities and the proportion of consolidated equity capital that these securities represent at the date of sale is recognized as equity attributable to shareholders in the parent company of the Groupe. The consolidated value of the subsidiary's identifiable assets and liabilities, including goodwill, is thus left unchanged.

In the statement of cash flows, the sale of securities without loss of exclusive control is presented as net cash flow relating to financing activities.

Sale of securities with loss of exclusive control but retention of an equity interest

The loss of exclusive control leads to the recognition of a disposal gain or loss calculated on the entire interest held at the transaction date.

Any residual interest is therefore remeasured at fair value through the income statement at the time of the exclusive loss of control.

Planned disposals

In application of IFRS 5 "Non-current assets held for sale and discontinued operations", the assets and liabilities of controlled entities held for sale are presented separately on the balance sheet.

Reclassified non-current assets are no longer depreciated from the date on which they are reclassified.

Goodwill

When a takeover takes place in a single transaction, goodwill is equal to the fair value of the consideration paid to acquire the securities (including any earn-out payments which are recorded at fair value at the takeover date), plus the value of non-controlling interests (these items are valued for each business combination either at fair value or at the proportionate share of the fair value of the net assets of the acquired business and minus the fair value of assets, liabilities and contingent liabilities identified at the acquisition date).

Goodwill recorded in the balance sheet is subject to impairment tests on at least an annual basis. Impairment tests are performed for the cash-generating unit(s) to which goodwill has been allocated by comparing the recoverable amount and the carrying amount of the cash-generating unit or group of cash-generating units. The Groupe considers that the cash-generating unit or the group of cash-generating units are mainly the 10 key markets in which the Groupe operates: United States, Canada, United Kingdom, France, DACH (Germany, Austria and Switzerland), Asia-Pacific and Middle-East Africa, Central and Eastern Europe, Western Europe, Latin America (excluding Brazil) and Brazil.

The recoverable amount of a cash-generating unit is the greater of its fair value (generally its market value), net of disposal costs, and its value in use. Value in use is determined on the basis of discounted future cash flows or using the market multiples approach. Calculations are based on five-year cash flow forecasts, a terminal growth rate for subsequent cash flows and the application of a discount rate to all future flows. The discount rates used reflect the time current market assessments of value of money and the specific risks to which the cash-generating unit is exposed. In addition, these rates take into account lease liabilities when estimating the debt-to-equity ratio.

If the carrying amount of a cash-generating unit is higher than its recoverable amount, the assets of the cash-generating unit are written down to their recoverable amount. Impairment losses are allocated, firstly, to goodwill and are recognized through the income statement and then against other assets.

Intangible assets

Separately acquired intangible assets are recognized at acquisition cost. Intangible assets acquired in the context of a business combination are recognized at their fair value on the acquisition date, separately from goodwill, if they are identifiable. The identifiable nature is demonstrated if they meet one of the following two conditions:

- the intangible assets arise from legal or contractual rights; or
- the intangible assets can be separated from the acquired entity.

Intangible assets primarily consist of trade names, client relationships, technologies, e-mail address databases and software.

Brands, which have a finite useful life, are amortized over their useful life, estimated at eight years. They are also subject to impairment tests if there are any indicators that they may have been impaired.

Client relationships with a finite useful life are amortized over such useful lives, which are generally between 10 and 15 years. They are also subject to impairment tests if there are any indicators that they may have been impaired.

Technology assets result from the Groupe's engagement in digital activities. They are amortized over a three to seven year period.

E-mail address databases are used in direct e-mailing campaigns. These bases are amortized over two years.

The method used to identify any impairment of intangible assets is based on discounted future cash flows. The Groupe uses the royalty savings method for trade names, which takes into account the future cash flows that the trade name would generate in royalties if a third party were to pay for the use of said trade name. For client contracts, the method involves discounting future cash flows generated by the client. Valuations are carried out by independent appraisers. The parameters used are consistent with those used to measure goodwill.

Capitalized software includes in-house applications as well as commercial packages; they are measured either at their acquisition cost (if purchased externally) or at their production cost (if developed internally). They are amortized over their useful life:

- ERP: eight years;
- others: three years maximum.

Studies, Research and development costs

Publicis recognizes expenditure for studies and research as expenses attributable to the financial year in which they are incurred. This expenditure primarily relates to the following items: studies and tests relating to advertising campaigns, research programs into consumer behavior and clients' needs in various areas, and studies and modeling to optimize media buying for the Groupe's clients.

Development expenditure incurred for an individual project is capitalized once they are considered to be reasonably certain of being recovered in the future. Any capitalized expense is amortized over the future period during which the project is expected to generate income.

Property, plant and equipment

Items of property, plant and equipment are measured at acquisition cost minus accumulated depreciation and impairment loss.

When appropriate, the total cost of an asset is broken down into its various components that have distinct useful lives. Each component is then recognized separately and depreciated over a distinct term.

Items of property, plant and equipment are depreciated on a straight-line basis over each asset's estimated useful life. The useful life of property, plant and equipment is generally assumed to be as follows (straight-line method):

- buildings: 20 to 70 years;
- fixtures, fittings and general installations: 10 years;
- office equipment and furniture: 5 to 10 years;
- vehicles: 4 years;
- IT equipment: 2 to 4 years.

If any indicators suggesting impairment loss exist, the recoverable amount of the property, plant and equipment or the cash-generating unit(s) to which such assets belong is compared to their carrying amount. Any impairment loss is recorded in the income statement.

Lease contracts

Leases are recognized on the balance sheet at the outset of the lease at the present value of future payments. These leases are recognized under "Lease liabilities" on the liabilities side, offset by "Right-of-use assets related to leases" on the assets side. They are amortized over the term of the lease, which is typically the fixed period of the lease unless there is a stated intention to renew or terminate. In the income statement, depreciation and amortization expenses are recognized in the operating margin and interest expenses under net financial income (expenses). The tax effect of this restatement for consolidation purposes is accounted for through the recognition of deferred tax assets or liabilities.

The discount rates applied to determine the lease liability are based on the Groupe's incremental borrowing rate plus a spread to take into account the specific economic environment of each country. These discount rates are determined having regard to the terms of the leases.

In the presence of an indicator of loss of value, when the property is vacant and is no longer intended for use in the context of the main activities, an impairment test is performed on the right-of-use assets. If the net carrying amount of the right-of-use assets is lower than their recoverable amount, then an impairment loss is estimated on the basis of the discounted future lease payments less the expected income from sub-leases. In the event that a sub-lease agreement is signed, if it qualifies as a financial lease, the assets corresponding to the right-of-use assets are taken back and a financial receivable is recognized. Any difference between the sub-lease receivable recognized and the derecognized right-of-use assets is recognized in profit or loss.

Leases of low-value assets or short-term leases are immediately expensed in profit or loss.

Other financial assets

All investments are initially recognized at fair value, which corresponds either to the price paid or the value of assets given in payment, plus any transaction costs.

After the initial recognition, investments are assessed at fair value as of the reporting date. Gains and losses on investments held for trading are recognized in income. Profits and losses on other financial assets are accounted for optionally for securities representing equity instruments, either in profit and loss or in other comprehensive income or equity.

Other long-term investments held for maturity and whose sole contractual cash flow characteristics are the payment of the principal and interest, such as bonds, are then assessed at amortized cost using the effective interest rate method. For investments recognized at amortized cost, gains and losses are recognized in the income statement if they are sold or impaired, as well as through the process of amortization.

For investments that are actively traded on organized financial markets, fair value is determined by reference to the published market price at the reporting date. For investments that are not listed on an active market, fair value is determined with reference to the current market price of another substantially similar instrument, or calculated based on the cash flows that are expected from the investment.

Loans and receivables related to equity investments

This includes financial receivables from associates or unconsolidated companies held by the Groupe.

Impairment is recognized whenever there is a risk of non-payment as a result of the financial position of the entity in question.

Inventories and work-in-progress

This line item mainly includes work-in-progress for the advertising business when we act as "Agent." This involves creative and production technical work (graphics, TV, radio, publishing, etc.) that can be directly passed on to the client but has not yet been invoiced. They are recognized on the basis of costs incurred and a provision is recorded when their net realizable amount is lower than cost. Non-billable work or costs incurred relating to new client development activities are not recognized as assets, except for tendering expenses which may be re-invoiced to the client under the terms of the contract. In order to assess the net realizable amount, inventory and work-in-progress are reviewed on a case-by-case basis and written down, if appropriate, on the basis of criteria such as the existence of commercial disputes with the client.

It also includes, to a lesser extent, media inventories bought on own-account and not resold at the end of the reporting period.

Trade receivables

Receivables are recognized at the initial amount of the invoice. Receivables presenting a risk of non-recovery are subject to impairment. Such allowances are determined, on a case-by-case basis, using various criteria such as difficulties in recovering the receivables, the existence of any disputes and claims, or the financial position of the debtor. Impairment of trade receivables also takes into account expected losses on receivables under the simplified approach permitted by IFRS 9.

Due to the nature of the Groupe's activities, trade receivables are of a short-term nature. Nevertheless, any trade receivables of a longer-term nature will be recognized at their discounted value.

Contract assets

Contract assets consist of revenue recorded when a performance obligation has been satisfied but not yet invoiced. Contract assets are transferred to Trade receivables when the right to consideration becomes unconditional and the service is invoiced to the client in accordance with the terms of the contract.

Derivative financial instruments

The Groupe uses derivatives such as foreign currency and interest rate hedges to hedge its current or future positions against foreign exchange rate risks or interest rate risks. These derivatives are measured at fair value, determined either by reference to observable market prices at the reporting date or by the use of valuation models based on market parameters at the reporting date. Including counterparty risk in the valuation of derivatives did not have a material impact.

Whenever these financial instruments are involved in an arrangement treated as a hedge for accounting purposes, the following should be distinguished:

- fair value hedges, which are used to hedge against changes in the fair value of a recognized asset or liability;
- cash flow hedges, which are used to hedge against exposure to changes in future cash flows.

For fair value hedges related to a recognized asset or liability, all gains and losses resulting from the remeasurement of the hedging instrument at fair value are recognized immediately in the income statement. At the same time, any gain or loss on the hedged item will change the carrying amount of this item as an offset to its effect on the income statement.

For hedges used to hedge firm or highly probable future commitments and that meet the conditions for recognition as hedge accounting (future cash flow hedge), the portion of gain or loss realized on the hedging instrument deemed to be an effective hedge is recognized in other comprehensive income. The ineffective portion is recognized immediately in profit and loss. Gains and losses recognized in other comprehensive income are reported in the income statement for the period in which the hedged risk affects income; for example, when a planned sale actually occurs.

As for derivatives that do not qualify for hedge accounting, any gain or loss resulting from changes in their fair value is recognized directly in the net income for the year.

Changes in the fair value of derivatives that qualify as fair value hedges are recognized in other financial income and expenses, as are changes in the value of the underlying items. The fair value of derivative instruments is recognized in other receivables and current assets and in other creditors and current liabilities.

Cash and cash equivalents

Cash and cash equivalents include sight deposits, cash, short-term deposits with an initial maturity of less than three months and UCITS and money market funds with a negligible risk of a change in value, i.e. that meet the following criteria: sensitivity to interest rate risk less than or equal to 0.25 and 12-month historical volatility close to zero.

For the purposes of the statement of cash flows, cash includes cash and cash equivalents as defined above, net of bank overdrafts.

Treasury shares

Irrespective of their intended use, all treasury shares are recognized at their acquisition price by the Groupe as a deduction from equity.

Bonds

- Bonds redeemable in cash:

  The bonds are initially recognized at their fair value, which corresponds to the amount of cash received, net of issuance costs.

  Subsequent to initial recognition, bonds are recognized at their amortized cost, using the effective interest rate method, which takes into account all issuance costs and any redemption premium or discount.

- Convertible bonds and debentures redeemable for stock:

  For convertible bonds (Océanes) or debentures (Oranes), or debentures with warrants (OBSA), the liability and equity components are initially recognized separately. The fair value of the debt component at issuance is determined by discounting the future contractual cash flows at market rates that the Company would have had to pay on a bond instrument offering the same terms but without a conversion option. The equity component is measured on issuance by deducting the fair value of the debt component from the fair value of the bond as a whole. The value of the conversion option is not revised during subsequent financial years. Issuance costs are divided between the debt and equity components based on their respective carrying amounts at issuance.

  The debt component is subsequently measured at amortized cost.

Provisions

Provisions are funded when:

- the Groupe has a present obligation (legal or constructive) resulting from a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- the amount of the outflow can be estimated reliably. Where the effect of the time value of money is material, provisions are discounted to present value. Increases in the amount of provisions resulting from the unwinding of the discount are recognized as financial expenses.

  Contingent liabilities are not recognized but, if material, are disclosed in the notes to the financial statements, except in the case of business combinations where they constitute identifiable items for recognition.

Provisions for litigation and claims

These provisions concern identified risks related to litigation or claims of any kind: commercial, regulatory, tax (other than income taxes) or labor. The Groupe establishes a provision if it is likely that outflow will be necessary to eliminate this risk and it is possible to reliably estimate the cost related to this risk. In such cases, the amount of the provision (including any related penalties) is determined by the agencies and their experts, under the supervision of the Groupe's head office teams, on the basis of their best estimate of the probable costs related to the litigation or the claim.

Restructuring provisions

The total cost of restructuring is recognized in the financial year when these actions have been approved and announced.

In the context of an acquisition, restructuring plans that do not constitute liabilities for the acquired company on the date of the acquisition are recognized as expenses.

These costs consist primarily of severance and early retirement payments and notice periods that have not been worked, which are recognized in employee benefits expenses, and, in some cases, of write-downs of property, plant and equipment and other assets.

Vacant property provisions

If a property is vacant and is not intended to be used in the main activity, a provision is made including rental charges, taxes and any other costs. This provision does not include lease payments, which are recognized as an impairment of right-of-use assets relating to leases in accordance with IFRS 16.

In the context of business combinations, provisions are also recorded when the acquired company has property rental contracts with less favorable terms than those prevailing on the market as of the acquisition date.

Pensions and other long-term benefits

The Groupe recognizes obligations relating to pensions and other post-employment benefits based on the type of plan in question:

- defined contribution plans: the amount of the Groupe's contribution to the plan is recognized as an expense for the year;
- defined benefit plans: the commitment in respect of defined benefit plans is determined separately for each plan using the projected unit credit method. Actuarial gains and losses relating to post-employment plans and arising during the year are recorded directly in other comprehensive income. The effect of the unwinding of discounts on pensions net of the expected return on plan assets is recorded in "Other financial income and expenses." Various plan administrative expenses are, when directly invoiced to the Groupe, recognized under operating income.

Trade payables

This line item includes all operating payables (including notes payable and accrued supplier invoices) related to the purchase of goods and services including those related to media buying where the Company acts as agent. These payables are generally due within less than one year.

Contract liabilities

Contract liabilities correspond to deferred income. These are considerations received or invoiced to clients for which the Groupe has an obligation to provide goods or services.

Contract liabilities do not include client advances for external costs incurred on behalf of clients and that are directly passed through to the clients when the Groupe acts as "Agent." Such advances are recorded under Trade payables.

Revenue

Groupe revenue mainly stems from creative and production services, direct and digital marketing, CRM (Customer Relationship Management), sales promotion and point of sale marketing, public relations, event management, institutional and financial communication, strategic media planning and media buying as well as digital business transformation consulting. The Groupe has also strengthened its data offering by providing customized platforms solutions and targeted data to clients

Client contracts are mainly compensated by fees, commissions, cost per thousand, performance-based bonuses and reimbursement of third-party costs incurred on behalf of the clients or a combination of the five.

The fees agreed with clients are for the most part calculated on the basis of an hourly rate plus overheads and a margin.

Commission-based contracts are calculated on the basis of a percentage of the total sum of costs paid to third parties (repaid by the client) to carry out the contract. Commission-based contracts mainly involve: i) media services on the basis of media space bought on behalf of the clients and ii) supervision of productions done by third parties.

Virtually all our contracts are short-term, and the Groupe typically has right to payment to the end of the contract or at least for the work performed to date.

The Groupe recognizes revenue when (or as) the control of the promised goods or services (identified as performance obligations) is transferred to the client, in an amount that reflects the consideration to which the Groupe expects to be entitled in exchange for those goods or services.

- Performance obligations

For each contract, the promised services (called performance obligations) are distinct only if the client can benefit from the services on its own and if the agency's promise to transfer these services is separately identifiable from other promises in the contract.

Outside of media services, performance obligations generally correspond to the various compensation set out in the contracts. In creative advertising, the Groupe typically considers two performance obligations, one for creative advisory services and the second for productions, which generally corresponds to the various compensation set out in the contracts.

In media services, the transaction price generally covers strategic media planning services as well as media buying. In these contracts, we consider that these two groups of services are separate and the transaction price is allocated on the basis of the employees assigned to these services.

The services rendered in relation to the customized data platform, from their development to their use, are considered as a single performance obligation. These platforms could not be used by the client without the associated services provided by the Groupe.

- Variable considerations of the transaction price

Some contracts include incentives that are subject to qualitative or quantitative performance criteria. These variable components are only included in the transaction price when it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur.

Performance-based incentives are typically only recognized when they are confirmed by the client.

The Groupe also receives volume rebates from suppliers on transactions carried out on behalf of clients. These rebates are either remitted to clients based on contractual terms or local laws, or retained by the Groupe. The portion paid back to clients is recognized under liabilities and the portion retained is typically recognized under revenue when the media is broadcast, if a contract exists with the media vendor and we anticipate exceeding volume criteria.

- "Agent" vs. "Principal" considerations

When third party suppliers are involved in providing services to clients, the Groupe considers that it is acting as "Principal" if at least one of the following criteria is satisfied:

  - the agency obtains control of the asset or service before transferring it to the client;
  - the agency has the ability to direct the supplier(s);
  - the agency incorporates or combines the work of suppliers to deliver the promised goods or services to the client.

The Groupe acts as "Principal" in most of its activities except for media buying services performed on behalf of clients and supervision of productions done by third parties.

With respect to productions, the Groupe acts as "Agent" only on contracts for which it only performs production supervision that is wholly done by an external third party. If the agency incorporates or significantly transforms the work done by a third party, the Groupe considers that this involves a single performance obligation for which it acts as "Principal."

When the Groupe acts as "Principal," the revenue is recognized for the gross amount invoiced to the client. When the Groupe acts as "Agent," revenue is recognized net of the costs pass through to clients, which means that revenue recorded is solely comprised of fees or commission.

In any case, travel expenses reimbursed by clients (transport, hotels, meals, etc.) are always recognized in revenue.

- Revenue recognition period

Almost all of the Groupe's revenue is recognized overtime because the Groupe's services benefit the client as they are performed or generate an asset with no alternative use and for which we are entitled to payment for the work done to date in the event of termination by the client.

For fixed-price projects, revenue is recognized overtime on the basis of costs incurred usually based on the hours worked and direct external costs incurred on the project.

For retainer arrangements with a dedicated team, generally involving annual contracts, the Groupe considers that its performance obligation is to be ready at all times to make resources available to our client. In this instance, revenue is recognized on a straight-line basis over the term of the contract.

For commission-based media contracts, we recognize revenue when the media is broadcast.

Revenue related to the sale of data is recognized when control of the data is transferred from the Groupe to the client, i.e. upon delivery.

- Contract modifications

On occasion, the client may ask for changes to the scope of the services in the course of the contract. These changes are generally negotiated as new contracts encompassing the additional needs with the related compensation.

- Disaggregation of revenue

The Groupe supplies a range of integrated communication services for its clients, that combine all the Groupe's areas of expertise. The Groupe enhanced its geographic approach, which best presents the manner in which revenue is affected by economic factors.

The breakdown of revenue by geographic region is similar to previous financial years and is presented in the segment information (see Note 30).

- Practical expedients adopted

The Groupe decided to apply practical expedients regarding outstanding performance obligations and not to disclose information when the performance obligation is part of a contract that has an original expected duration of one year or less and those for which the Groupe is entitled to payment for the hours worked to date.

The amounts on the remaining performance obligations on other types of contracts than those listed above are not material and are not presented in the notes.

Net revenue

Net revenue is calculated as revenue less pass-through costs.

Whether the Groupe acts as "Agent" or "Principal," the Groupe incurs third-party costs on behalf of clients, directly re-invoiced to the clients. These costs mainly relate to production and media activities, as well as out-of-pocket expenses (especially travel costs) and are recorded into operational costs. As these items can be re-invoiced to clients, they are not included in the scope of assessment of operations, then the "net revenue" indicator used to measure the Groupe's operational performance excludes the re-invoicing of such costs.

Publicis Groupe share subscription or purchase option plans

The fair value of the options granted is recognized in employee benefits expense over the vesting period of the options. This is determined by an independent expert, generally using the Black-Scholes model. By way of exception, where the plan contains market objectives, the Monte-Carlo method is used.

For plans containing non-market performance objectives, the Groupe evaluates the probability that the objectives will be achieved and takes account of this estimate in its calculation of the number of shares to be delivered.

Publicis Groupe free share plans

The fair value of the free shares granted is recognized in employee benefits expense over the vesting period of the rights. This value is determined by an independent expert and is equal to the market price per share on the date of the award, adjusted to reflect the expected loss of dividend(s) during the vesting period. By way of exception, where the plan contains market objectives, the Monte-Carlo method is used.

For plans containing non-market performance objectives, the Groupe evaluates the probability that the objectives will be achieved and takes account of this estimate in its calculation of the number of shares to be delivered.

Non-current income and expenses

In order to facilitate the analysis of the Groupe's operational performance, Publicis records exceptional income and expenses under "Non-current income and expenses." This line item mainly includes gains and losses on the disposal of assets.

Operating margin before depreciation & amortization

The operating margin is equal to revenue after deducting personnel costs and other operating costs (excluding other non-current income and expenses as defined above).

Operating margin

The operating margin is equal to revenue after deducting personnel costs, other operating costs (excluding other non-current income and expenses described above) and depreciation and amortization expense (excluding intangibles from acquisitions). The operating margin, which represents operating income expressed as a percentage of net revenue, is an indicator used by the Groupe to measure the performance of cash-generating units and of the Groupe as a whole.

Cost of net financial debt and other financial income and expenses

The cost of net financial debt includes financial expenses on borrowings and interest income on cash and cash equivalents.

Other financial income and expenses mainly include interest expenses on lease liabilities, the effects of discounting long-term provisions for vacant properties and pension provisions (net of return on plan assets), the effect of revaluation of earn-out payments on acquisitions, changes in the fair value of financial assets and foreign exchange gains and losses.

Income tax

Net income for the period is taxed based on the tax laws and regulations in force in the respective countries where the income is reported. Deferred taxes are reported using the balance sheet liability method for temporary differences between the tax value and the carrying amount of assets and liabilities at the reporting date.

Deferred tax assets are recognized for deductible temporary differences, tax loss carryforwards and unused tax credits to the extent that it is probable that there will be taxable income for the period (either from the reversal of the temporary differences or generated by the entity) against which such items can be charged in future years. The time horizon used for the recognition of deferred tax assets related to tax loss carryforwards is three years.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced if it is no longer probable that there will be sufficient taxable income for the period to take advantage of all or part of this deferred tax asset. Deferred tax assets that are unrecognized are measured on every reporting date and recognized if it is likely that they will be usable against future taxable income for the period.

Deferred tax assets and liabilities are measured on the basis of tax rates expected to be applicable in the year in which the asset is realized or the liability settled. The tax rates used are those that have been enacted, or virtually enacted, at the reporting date.

Uncertain income tax liabilities are recognized under income tax payable.

Earnings per share and diluted earnings per share (EPS and diluted EPS)

The basic earnings per share are calculated by dividing the net income for the financial year attributable to ordinary shares by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share are calculated by dividing net income for the financial year attributable to ordinary shares, after cancellation of interest on bonds redeemable for, or convertible into, ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year adjusted to reflect the effect of all potentially dilutive instruments. For the Groupe, the only dilutive instruments are stock options and warrants outstanding as well as free shares granted.

- Stock options and warrants

The dilutive effect of these instruments is determined according to the share buyback method (theoretical number of shares that may be purchased at market price, determined on the basis of the average price of the Publicis share over the period, based on the proceeds from the expertise of stock options). Under this method, stock options are considered potentially dilutive if they are "in-the-money" (the exercise price considered including the fair value of services rendered determined in accordance with IFRS 2 "Share based payment").

- Free shares

To calculate the diluted earnings per share, the free shares awarded are considered as having been effectively delivered.

In addition to these earnings per share (base and diluted), the Groupe calculates and regularly releases a "current" base and diluted EPS, similar to the one described above, except with respect to the earnings figure used, which excludes:

- impairment losses;
- amortization of intangibles from acquisitions;
- earn-out payments on acquisitions;
- changes in fair value of financial assets recorded under "Other financial income and expenses";
- certain specifically designated items of exceptional income and expense generally recorded as "Non-current income and expenses".

1.4. Principal sources of uncertainty arising from the use of estimates

The Groupe's financial position and earnings depend on the accounting methods applied and the assumptions, estimates and judgments made when the consolidated financial statements are prepared. The Groupe bases its estimates on its past experience and on a series of other assumptions considered reasonable under the circumstances to measure the amounts to be used for the Groupe's assets and liabilities. Actual subsequent results may differ.

The main assumptions concerning future events and other sources of uncertainty relate to the use of estimates on the reporting date, when there is a significant risk that the estimates of the net carrying amount of the assets and liabilities will be modified in future years, i.e.:

- the fair value allocated to assets and liabilities obtained through business combinations;
- determining the recoverable amount of goodwill and intangible assets used in impairment tests;
- provisions for liabilities and charges, particularly for defined benefit pension liabilities and post-employment medical care;
- impairment of doubtful debt;
- the fair value measurement of stock options awarded under Publicis Groupe SA's stock option plans;
- the term of leases in relation to optional lease periods as well as the determination of discount rates;
- uncertain tax positions.

Detailed disclosures concerning these matters are provided in Notes 6, 9, 21, 22, 29 and 31.

NOTE 2. IMPACTS OF THE RUSSO-UKRAINIAN CONFLICT

Disposal of Russian activities

Given the Russo-Ukrainian conflict, the Groupe announced on March 15, 2022, the immediate cessation of its activities and investments in Russia with the transfer of control of its agencies. The Groupe thus transferred control of its operations to Sergey Koptev, founding Chairman of Publicis in Russia, with a contractual commitment to ensure a future for its employees in the country.

Publicis Groupe sold 100% of the share capital of MMS Communication LLC, its Russian-based subsidiary. This sale was carried out in two stages: on March 31, 2022, the Groupe sold 81.1% of the share capital of MMS Communication LLC. Following this transaction, the Groupe disposed the control of all its Russian activities, while retaining a minority stake of 18.9% (with a put option). On July 29, 2022, Publicis Groupe finally exercised its put option in application of the signed agreement allowing it to sell its minority stake to the buyer at any time.

This transaction resulted in a loss on disposal of euro 87 million in non-current income, of which euro 49 million corresponded to the cash and cash equivalents of the entities sold. The Groupe's commitments given to the buyer are described in Note 27 "Commitments".

Provision for liabilities and charges of the Ukrainian activities

In the midst of a sharp decline in Ukrainian activities, and in order to support its employees in Ukraine, the Groupe is continuing to provide all the necessary financial support in this extremely difficult period.

As a result, Publicis Groupe recorded a provision for liabilities and charges of euro 6 million, to cover the measures guarantying Ukrainian employees' salaries for the whole year 2023.

NOTE 3. CHANGES TO CONSOLIDATION SCOPE

3.1 Acquisitions in 2022

The main acquisition during the period, in April 2022, is 100% of Profitero Limited, a world-leading SaaS platform in "Commerce intelligence", which enables brands to increase their sales and profitability. The acquisition price is euro 199 million.

In addition, the Groupe made other acquisitions. In March 2022, the Groupe acquired 100% of Tremend in Romania, a technology company specializing in software development. The acquisition price is euro 110 million (including the earn-out).

The fair value, at the acquisition date, of the consideration paid (excluding cash and cash equivalents acquired) of all entities that were fully consolidated (notably including the ones detailed above, as well as smaller acquisitions) with an exclusive takeover during the period, totaled euro 536 million. This amount mainly includes:

- euro 414 million paid out during the period;
- euro 107 million in earn-out payment commitments;
- euro 15 million in commitments to buy-out non-controlling interests.

The amount paid out in 2022 for acquisitions (net of cash and cash equivalents acquired) totaled euro 523 million and included:

- euro 437 million paid out during the period;
- euro (33) million in net cash acquired;
- euro 119 million in earn-out payments relating to prior acquisitions paid out during the period.

Acquisitions during the period represented less than 1% of consolidated net revenue in financial year 2022 and less than 1% of net income attributable to equity holders of the parent.

Allocation of the acquisition price of Profitero

The allocation of the consideration transferred breaks down as follows:

(in millions of euros)	**Profitero**
Consideration transferred (A)	**199**
Net assets acquired before fair value adjustment (B)	**(3)**
Client relationships	42
Technological applications	21
Deferred taxes liabilities on intangible assets	(8)
Total fair value adjustments (C)	**55**
Net assets acquired after fair value adjustments (D = B + C)	**52**
Goodwill (E = A - D)	**147**

The euro 147 million residual goodwill includes:

- employee know-how,
- the ability to maintain and develop existing assets.

3.2 Acquisitions in 2021

The main acquisitions during the period were as follows:

- in September 2021, the Groupe acquired 100% of Citrus Global Holdings Pty Ltd (Australia). Citrus is a software as a service (SaaS) platform optimizing brands marketing performances directly within retailer websites (retail media activity). The acquisition price is euro 130 million (including the earn-out);
- at the end of December 2021, the Groupe acquired 100% of BBK Worldwide (United States).

The fair value, at the acquisition date, of the consideration paid (excluding cash and cash equivalents acquired) of all entities that were fully consolidated (notably including the ones detailed above, as well as smaller acquisitions) with an exclusive takeover during the period, totaled euro 260 million. This amount mainly includes:

- euro 182 million paid out during the period;
- euro 78 million in earn-out commitments;
- euro 0 million in commitments to buy-out non-controlling interests.

The amount paid out in 2021 for acquisitions (net of cash and cash equivalents acquired) totaled euro 276 million and includes:

- euro 183 million paid out during the period;
- euro (10) million in net cash acquired;
- euro 103 million in earn-out payments relating to prior acquisitions paid out during the period.

Acquisitions during the period represented less than 1% of consolidated net revenue in financial year 2021 and less than 1% of net income attributable to equity holders of the parent.

3.3 Disposals in 2022 and 2021

As indicated in Note 2, the Groupe sold 100% of MMS Communication LLC, its Russian-based subsidiary. Russian activities contributed less than 0.5% to 2021 consolidated net revenue and less than 0.5% to 2021 net income attributable to equity holders of the parent (see Note 7). The Groupe disposed the operations of Qorvis LLC to its CEO in December 2022 (see Note 7). There were no other significant disposals during the period.

In 2021, the Groupe completed the partial disposal of DPZ&T in Brazil. The contribution from the scope disposed of represented less than 1% of revenue and less than 1% of 2021 consolidated net income attributable to equity holders of the parent company.

NOTE 4. PERSONNEL COSTS AND HEADCOUNT

Personnel costs include salaries, wages, commissions, bonuses, profit-sharing, paid leave, as well as estimated bonuses and expenses related to share-based payments (stock option plans, free share plans) and pension expenses (excluding the net effect of discounting presented in other financial income and expenses).

(in millions of euros)	**2022**	**2021**
Compensation	(6,449)	(5,156)
Social security charges, including post-employment benefits	(1,160)	(986)
Share-based payments	(64)	(52)
Temporary employees and freelancers	(456)	(392)
Restructuring costs	(82)	(53)
Total	**(8,211)**	**(6,639)**

Breakdown of headcount at December 31 by geographic region

	2022	**2021**
Europe	24,304	21,866
North America	29,574	27,451
Latin America	8,392	7,290
Asia-Pacific	32,195	28,561
Middle East & Africa	3,557	3,363
Total	**98,022**	**88,531**

Breakdown of headcount at December 31 by function (in %)

	2022	**2021**
Media and research	22%	21%
Creative	10%	11%
Production, specialized activities and others	39%	38%
Commercial	16%	17%
Administration and management	13%	13%
Total	**100%**	**100%**

NOTE 5. OTHER OPERATING COSTS

Other operating costs include all external expenses other than production and media buying when the Groupe acts as an agent, this includes:

- pass-through costs amounting to euro 1,519 million in 2022, versus euro 1,242 million in 2021;
- costs directly attributable to the services rendered amounting to euro 467 million in 2022, versus euro 504 million in 2021.

It also includes taxes other than income taxes, duties and other payments and increases and reversals of provisions.

NOTE 6. DEPRECIATION, AMORTIZATION AND IMPAIRMENT LOSSES

(in millions of euros)	**2022**	**2021**
Amortization of other intangible assets (excluding intangibles arising from acquisitions)	(68)	(89)
Depreciation of property, plant and equipment	(141)	(136)
Depreciation of right-of-use assets	(326)	(252)
Depreciation and amortization expense (excluding acquired intangibles)	**(535)**	**(477)**
Amortization of intangibles from acquisitions	**(287)**	**(256)**
Impairment losses of goodwill	(28)	-
Impairment of right-of-use assets	(81)	(122)
Impairment losses	**(109)**	**(122)**
Total depreciation, amortization and impairment losses	**(931)**	**(855)**

Impairment losses of intangible assets and intangible assets arising from acquisitions

When indications of impairment were identified on intangible assets related to acquisitions, impairment tests were conducted. All valuations required for these tests were conducted by an independent expert. The after-tax discount rates used and the long-term growth rates were determined taking into account the specific characteristics of these assets. These tests did not lead to the recognition of impairment in 2022 and 2021.

Impairment losses of goodwill

Impairment tests

As part of the strengthening of its teams worldwide, the Groupe has appointed a joint management team for the Groupe's activities in Latin America and Brazil. As a result, goodwill for these two areas has been combined. Prior to the combination, impairment tests were performed on the two CGUs separately.

Impairment tests were carried out on the following cash-generating units: United States, Canada, United Kingdom, France, DACH (Germany, Austria and Switzerland), Asia-Pacific, Africa & Middle

East, Central and Eastern Europe, Western Europe, Latin America (excluding Brazil) and Brazil, as well as on other goodwill.

The valuations required for the impairment tests on the most significant goodwill were conducted by an independent expert. Goodwill impairment tests were performed either:

- based on the value in use of the cash-generating units determined on the basis of five-year financial projections (2023-2027). Forecasts for 2023 are taken directly from the annual budget approved by management; or
- on the basis of the market value of the cash-generating unit.

The compound annual growth rates applied over the business plan period were corroborated with industry market studies on advertising spend by country or geographic region.

The method used in the calculation of discount rates and terminal growth rates is unchanged. The after-tax discount rates used range between 9% (11% before tax) and 19.5% (26% before tax). The terminal growth rate used in the forecasts ranged from 1.5% to 3%.

Impairment tests lead the Groupe to recognize an impairment loss of euro 28 million in 2022 for Brazil goodwill due to a decrease in revenue related to the loss of a significant client in that country.

The main assumptions used in these tests are presented in the table below:

	December 31, 2022		
(in millions of euros)	**Carrying amount of goodwill**	**After-tax discount rate**	**Terminal growth rate**
North America [1]	8,912	11%	2%
Europe	1,810	10.5%-12.5%	1.6%-2.5%
Asia-Pacific	1,177	10.5%	2.2%
Africa & Middle East	387	12.5%	2.3%
Latin America	141	16.5%-19.5%	2.5%-3%
Other goodwill	119	9%-11%	1.5%-1.6%
Total goodwill after impairment loss	**12,546**		

(1) North America goodwill of euro 8,912 million includes USA goodwill for euro 8,457 million and Canada goodwill for euro 455 million. For the purpose of the impairment tests, the value in use of the United States CGU is determined using the market multiples approach.

As of December 31, 2021, the goodwill tests had not led the Groupe to recognize any impairment losses. The after-tax discount rates used ranged from 8.5% (11% before tax) to 14% (19% before tax). The terminal growth rate used in the forecasts ranged from 1.5% to 3.3%.

Sensitivity tests

Sensitivity tests have been performed on all cash-generating units by increasing or decreasing by 100 basis points the discount rate, by 50 basis points the long-term growth rate or the operating margin in the terminal year.

Those variations, considered individually, didn't reveal carrying amount below the value in use, except for Brazil, Latin America, and Middle East & Africa cash-generating units.

For the latest, the additional impairment following the change in assumptions are disclosed below:

	Additional Impairment loss		
(in millions of euros)	**Brazil(1)**	**Latin America**	**Middle East & Africa**
Discount rate sensitivity			
1% increase in discount rate	(5)	(5)	(14)
Long-term growth sensitivity			
0.5% decrease in LT growth rate	(2)	-	-
Operating margin sensitivity in terminal value			
0.5% decrease in margin	(2)	-	-

(1) The impairment losses presented above are calculated after taking into account the impairment loss of euro 28 million recognized on the Brazil CGU.

Impairment losses of right-of-use assets

As part of the program to optimize premises, aiming to consolidate the agencies on one or more sites in the main countries, it was necessary to empty leased space in order to make better use of the existing space at other sites. Consequently, right-of-use assets concerning the empty spaces were subject to total or partial impairment loss, and likewise concerning the fixtures in these spaces.

Euro 81 million in impairment losses were recognized in 2022 (euro 61 million net of tax), including euro 45 million for right-of-use assets and euro 12 million for fixtures. Expenses such as facility management expenses and any taxes on vacant properties in the amount of euro 24 million are included in vacant property provisions; they also include early termination penalties.

Euro 122 million in impairment losses had been recognized in 2021 (euro 91 million net of tax), including euro 95 million for right-of-use assets and euro 11 million for fixtures. Expenses such as facility management expenses and any taxes on vacant properties in the amount of euro 16 million were included in vacant property provisions; they also included early termination penalties.

NOTE 7. NON-CURRENT INCOME AND EXPENSES

This covers non-recurring income and expenses. This line item mainly includes gains and losses on the disposal of assets.

(in millions of euros)	**2022**	**2021**
Capital gains (losses) on disposal of assets	(105)	(27)
Non-current income and (expenses)	2	(1)
Total non-current income and (expenses)	**(103)**	**(28)**

In 2022, the euro (105) million loss on disposal mainly corresponds to:

- a loss of euro (87) million related to the disposal of operations in Russia (see Note 2);
- a loss of euro (29) million related to the disposal of Qorvis LLC business;
- a gain of euro 11 million on the disposal of a stake held by the Groupe in a building located in Chicago, in the United States.

In 2021, asset disposals mainly concerned the partial disposal of DPZ&T in Brazil resulting in a capital loss of euro 30 million and the disposal of Nexus subsidiary in Spain generating a capital gain of euro 2 million.

NOTE 8. FINANCIAL INCOME AND EXPENSES

Net financial income (expense) excluding revaluation of earn-out payments

(in millions of euros)	**2022**	**2021**
Interest expenses on loans and bank overdrafts	(118)	(115)
Financial income (1)	101	30
Cost of net financial debt	**(17)**	**(85)**
Interest expense on lease liabilities	(87)	(70)
Change in fair value of financial assets	9	42
Foreign exchange gains (losses) and change in the fair value of derivatives	(15)	2
Other	(7)	(7)
Other financial income and expenses	**(100)**	**(33)**
Net financial income (expense) excluding revaluation of earn-out payments	**(117)**	**(118)**

(1) In 2022, financial income is similar to that of 2021 and corresponds to cash investments. The euro 71 million increase (euro 101 million in 2022 compared to euro 30 million in 2021) is mainly due to the increased level of cash and higher interest rates.

Revaluation of earn-out payments

(in millions of euros)	**2022**	**2021**
Revaluation of earn-out payments	**(2)**	**27**

NOTE 9. INCOME TAXES

Analysis of income tax expense

(in millions of euros)	2022	2021
Current income tax expense for the period	(570)	(368)
Current tax income/(expense) for previous years	10	1
Total tax income/(expense)	**(560)**	**(367)**
Deferred tax income/(expense)	139	59
Changes in unrecognized deferred tax assets	(10)	1
Total net deferred tax income/(expense)	**129**	**60**
Income taxes	**(431)**	**(307)**

Effective tax rate

The effective tax rate is obtained as follows:

(in millions of euros)		2022	2021
Pre-tax income of consolidated companies		**1,648**	**1,343**
Revaluation of earn-out payments		2	(27)
(Gains)/Losses on disposals [1]		87	(3)
Restated pre-tax income of consolidated companies	**A**	**1,737**	**1,313**
French tax rate applicable to the parent company		25.8%	28.4%
Expected tax expense on pre-tax income of consolidated companies		**(449)**	**(373)**
Impact of:			
- difference between the French tax rate and foreign tax rates		133	131
- income tax at reduced or increased rates		(80)	(45)
- changes in unrecognized deferred tax assets		(10)	1
- other impacts [2]		(25)	(21)
Income tax in the income statement		**(431)**	**(307)**
Income tax in the restated income statement	**B**	**(431)**	**(307)**
Effective tax rate	**B/A**	**24.8%**	**23.4%**

(1) Main gains and losses on disposals which are not taxable or deductible.

(2) Other impacts mainly include those related to tax credits and adjustments to previous financial years.

Tax effect on other comprehensive income

(in millions of euros)	December 31, 2022			December 31, 2021		
	Gross	Tax	Net	Gross	Tax	Net
Actuarial gains (and losses) on defined benefit plans	42	(10)	32	48	(8)	40
Effect of translation adjustments and other	282	8	290	629	(10)	619
Total	**324**	**(2)**	**322**	**677**	**(18)**	**659**

Schedule of deferred taxes recognized in the balance sheet

(in millions of euros)	December 31, 2022	December 31, 2021
Short-term (less than one year)	(34)	(6)
Long-term (over one year)	1	(93)
Net deferred tax assets (liabilities)	**(33)**	**(99)**

Source of deferred taxes

(in millions of euros)	December 31, 2022	December 31, 2021
Deferred tax on adjustment of asset and liability valuations due to acquisitions	(85)	(107)
Deferred tax arising on the restatement of the Champs-Élysées building	(37)	(38)
Deferred tax on pensions and other post-employment benefits	51	60
Deferred tax arising on tax loss carryforwards	315	315
Deferred tax on other temporary differences	36	(14)
Gross deferred tax assets (liabilities)	**280**	**216**
Unrecognized deferred tax assets	(313)	(315)
Net deferred tax assets (liabilities)	**(33)**	**(99)**

As of December 31, 2022, deferred tax liabilities included the tax on the revaluation of intangible assets made at the time of the acquisition of Zenith (euro 6 million), Bcom3 (euro 51 million), Digitas (euro 15 million), Sapient (euro 48 million), Citrus (euro 13 million), Profitero (euro 7 million), as well as the deferred tax linked to the fair value being deemed as the cost of the Champs-Élysées land and building on the date of transition to IFRS.

Tax loss carryforwards

The Groupe also had tax loss carryforwards that had not been recognized as deferred tax assets in the consolidated balance sheet because of uncertainty as to their availability for use:

(in millions of euros)	**December 31, 2022**	**December 31, 2021**
Amount in unrecognized tax loss carryforwards	**1,105**	**1,131**
Of which carried forward indefinitely	*507*	546

Uncertain tax positions

The Groupe's tax positions are based on its interpretations of tax regulations and past experience. Each position is assessed individually without offsetting or aggregation with other positions and gives rise to the recognition of a liability when an outflow of resources is deemed probable. The assessment of these tax liabilities corresponds to the best estimate of risk at the reporting date and, where appropriate, includes late-payment interest and any penalties.

Liabilities relating to tax risks and litigation are recognized as tax liabilities for the companies for euro 229 million at December 31, 2022, versus euro 205 million at December 31, 2021.

Evolution of the tax regulation in the USA

From 2022, in the United States, Tax Cuts and Jobs Act requires capitalization and amortization of research & development expense (over 5 years for US expenditures), largely affecting Tech & IT companies. The application of this new tax measure was confirmed in December 2022.

This tax evolution has no impact on the effective tax rate, while cash tax payments will be increased over the first 5 years. The increase of the current tax charge will be neutralized by the recognition of a deferred tax credits for the same amounts.

NOTE 10. EARNINGS PER SHARE

Earnings per share (basic and diluted)

(in millions of euros, except for share data)		**2022**	**2021**
Net income used for the calculation of earnings per share			
Net income share attributable to equity holders of the parent company	**A**	1,222	1,027
Impact of dilutive instruments:			
- Savings in financial expenses related to the conversion of debt instruments, net of tax		-	-
Groupe net income – diluted	**B**	1,222	1,027
Number of shares used to calculate earnings per share			
Number of shares at January 1		253,462,409	247,769,038
Shares created over the year		393,965	2,929,864
Treasury shares to be deducted (average for the year)		(2,884,264)	(2,078,744)
Average number of shares used for the calculation	**C**	250,972,110	248,620,158
Impact of dilutive instruments:			
- Free shares and dilutive stock options [(1)]		2,633,057	2,784,437
- Equity warrants (BSA) [(1)]		-	290,510
Number of diluted shares	**D**	253,605,167	251,695,105
(in euros)			
Earnings per share	A/C	**4.87**	**4.13**
Diluted earnings per share	B/D	**4.82**	**4.08**

(1) Only stock options and warrants with a dilutive impact, i.e. whose strike price is lower than the average strike price, are included in the calculation. At December 31, 2022, unexercised stock-options were not taken into account because they were earnings accretive.

Headline earnings per share (basic and diluted)

(in millions of euros, except for share data)		2022	2021
Net income used to calculate headline earnings per share *(1)*			
Net income share attributable to equity holders of the parent company		1,222	1,027
Items excluded:			
- Amortization of intangibles from acquisitions, net of tax		215	191
- Impairment loss (2), net of tax		80	91
- Main capital gains and losses on disposal of assets and fair value adjustment of financial assets, net of tax		92	(18)
- Revaluation of earn-out payments		2	(27)
Headline Groupe net income	**E**	1,611	1,264
Impact of dilutive instruments:			
- Savings in financial expenses related to the conversion of debt instruments, net of tax		-	-
Headline Groupe net income, diluted	**F**	1,611	1,264
Number of shares used to calculate earnings per share			
Number of shares at January 1		253,462,409	247,769,038
Shares created over the year		393,965	2,929,864
Treasury shares to be deducted (average for the year)		(2,884,264)	(2,078,744)
Average number of shares used for the calculation	**C**	250,972,110	248,620,158
Impact of dilutive instruments:			
- Free shares and dilutive stock options		2,633,057	2,784,437
- Equity warrants (BSA)		-	290,510
Number of diluted shares	**D**	253,605,167	251,695,105
(in euros)			
Headline earnings per share *(1)*	E/C	**6.42**	**5.08**
Headline earnings per share – diluted *(1)*	F/D	**6.35**	**5.02**

(1) EPS after elimination of impairment losses, amortization of intangibles from acquisitions, the main capital gains and losses on disposal and fair value adjustment of financial assets and revaluation of earn-out payments.

(2) This amount includes impairment losses on goodwill for euro 19 million and on right-of-use assets related to leases for euro 61 million in 2022. In 2021, impairment losses corresponded to euro 91 million related to leases.

NOTE 11. GOODWILL

Changes in goodwill

(in millions of euros)	**Gross value**	**Impairment loss**	**Net amount**
December 31, 2020	**12,213**	**(1,355)**	**10,858**
Acquisitions	218	-	218
Changes related to the revaluation of earn-outs during the window period [(2)]	1	-	1
Disposals	(32)	-	(32)
Foreign exchange	816	(101)	715
December 31, 2021	**13,216**	**(1,456)**	**11,760**
Acquisitions	458	-	458
Impairment loss [(1)]	-	(28)	(28)
Changes related to the revaluation of earn-outs during the window period [(2)]	(22)	-	(22)
Disposals [(3)]	(56)	-	(56)
Foreign exchange	512	(78)	434
December 31, 2022	**14,108**	**(1,562)**	**12,546**

(1) See Note 6.

(2) See Note 1.3 on the change in fair-value on any earn-out in a business combination

(3) The effects of the disposals for euro 56 million are due to the disposal of MMS Communication LLC in Russia for euro 26 million and of Qorvis for euro 30 million.

Goodwill by cash-generating unit or by group of cash-generating units is disclosed in Note 6.

NOTE 12. INTANGIBLE ASSETS, NET

Changes in intangible assets

	Intangible assets with a finite useful life			Total intangible assets
(in millions of euros)	Client relationships	Software, technology and other	Brands	
Gross value at December 31, 2020	**1,515**	**972**	**902**	**3,389**
Acquisitions	-	45	-	45
Change in scope	-	56	-	56
Disposals	-	(25)	-	(25)
Foreign exchange and others	108	77	74	259
Gross value at December 31, 2021	**1,624**	**1,125**	**976**	**3,725**
Acquisitions	-	73	-	73
Change in scope	41	23	-	64
Disposals	-	(39)	-	(39)
Foreign exchange and others	85	74	56	215
Gross value at December 31, 2022	**1,750**	**1,256**	**1,032**	**4,038**
Accumulated depreciation at December 31, 2021	**(1,191)**	**(692)**	**(463)**	**(2,346)**
Depreciation	(71)	(184)	(100)	(355)
Change in scope	-	(1)	-	(1)
Disposals	-	39	-	39
Foreign exchange and others	(56)	(46)	(26)	(128)
Accumulated depreciation at December 31, 2022	**(1,318)**	**(884)**	**(589)**	**(2,791)**
Net value at December 31, 2022	**432**	**372**	**443**	**1,247**

Depreciation and amortization expense of intangibles assets amount to euro 355 million in 2022, of which euro 287 million pertain to intangibles resulting from acquisitions.

Valuation of intangible assets

In 2022, valuations tests carried out by an independent expert did not lead the Groupe to recognize any impairment losses.

NOTE 13. PROPERTY, PLANT AND EQUIPMENT, NET

(in millions of euros)	Land and buildings	Fixtures and fittings	IT equipment	Other	Total
Gross value at December 31, 2020	**167**	**703**	**390**	**518**	**1,778**
Increases	-	26	32	48	106
Decreases	-	(61)	(33)	(31)	(125)
Change in scope	-	-	1	1	2
Foreign exchange and others	-	48	23	20	91
Gross value at December 31, 2021	**167**	**716**	**413**	**556**	**1,852**
Increases	-	47	46	59	152
Decreases	-	(55)	(22)	(110)	(187)
Change in scope	-	(4)	(1)	2	(3)
Foreign exchange and others	-	17	11	10	38
Gross value at December 31, 2022	**167**	**721**	**447**	**517**	**1,852**
Accumulated depreciation at December 31, 2021	**(18)**	**(442)**	**(358)**	**(419)**	**(1,237)**
Depreciation	(1)	(56)	(34)	(50)	(141)
Impairment loss (1)	-	(12)	-	-	(12)
Decreases	-	55	22	96	173
Change in scope	-	3	-	-	3
Foreign exchange and others	-	(10)	(7)	(10)	(28)
Accumulated depreciation at December 31, 2022	**(19)**	**(462)**	**(377)**	**(383)**	**(1,242)**
Net value at December 31, 2022	**148**	**259**	**70**	**134**	**610**

(1) See Note 6.

Land and buildings

At December 31, 2022, the net amount of the property assets directly owned by Publicis listed on the balance sheet was euro 148 million.

The Groupe's main property asset is its corporate headquarters located at 133, avenue des Champs-Élysées, in Paris, France. This seven-story building includes around 12,000 sq.m. of office space, occupied by Groupe companies, and 1,500 sq.m. of commercial space, occupied by Publicisdrugstore, and two public movie theaters.

Fixtures and fittings

The euro 12 million impairment loss in 2022 corresponds to fittings for leased properties (see Note 6).

Other property, plant and equipment

The Groupe owns a considerable array of IT equipment used for the creation and production of advertising, the management of media buying and administrative work.

NOTE 14. INVESTMENTS IN ASSOCIATES

Investments accounted for using the equity method amounted to euro 55 million at December 31, 2022 (versus euro 25 million at December 31, 2021).

(in millions of euros)	**Value in balance sheet**
Amount at December 31, 2020	**24**
Share of profit of associates	0
Dividends paid	(2)
Foreign exchange and others	3
Amount at December 31, 2021	**25**
Acquisition	32
Share of profit of associates	5
Dividends paid	(3)
Foreign exchange and others	(4)
Amount at December 31, 2022	**55**

Additions to the consolidation scope concern:

- Voilà SAS, a joint-venture created with Orange, in which Publicis holds a 50% stake. Voilà supports the digitalization of professional events by providing a cloud platform for hybrid event production, customizable and accessible in SaaS (Software as a Service) mode;
- SCB Tech X, a joint-venture created with Siam Commercial Bank (SCB), in which Publicis holds a 40% stake. SCB Tech X is a leading, cloud-native platform-as-a-service serving clients in South East Asia.
- Core 1 WML, a media agency based in Ireland, in which Publicis holds a 49.9% stake.

The following table shows the carrying amount of investments in associates at December 31, 2022:

(in millions of euros)	**December 31, 2022**
SCB Tech X	17
Voilà SAS	5
Core 1 WML Ltd	14
Burrell Communications Group	8
OnPoint Consulting Inc	4
Somupi SA	3
Viva Tech [1]	1
Other investments in associates	3
Net amount	**55**

(1) Joint-venture between MSL France and Les Échos Solutions

NOTE 15. OTHER FINANCIAL ASSETS

(in millions of euros)	December 31, 2022	December 31, 2021
Other financial assets at fair value through profit and loss:		
- Venture Capital Funds *(1)*	166	154
- Other	19	20
Security deposits *(2)*	48	47
Loans to associates and non-consolidated companies	68	35
Sub-lease receivables *(3)*	123	21
Other	22	22
Gross value	**446**	**299**
Impairment	(52)	(23)
Net amount	**394**	**276**

(1) These Venture Capital Funds are dedicated to investments in companies that belong to the digital economy.

(2) Security deposits include mainly the deposits given to lessor in the frame of real estate lease contracts.

(3) See Note 24.

NOTE 16. INVENTORIES AND WORK-IN-PROGRESS

(in millions of euros)	December 31, 2022	December 31, 2021
Gross value	**345**	**285**
Impairment of inventories and work-in-progress	(18)	(8)
Net amount	**327**	**277**

NOTE 17. TRADE RECEIVABLES

(in millions of euros)	December 31, 2022	December 31, 2021
Trade receivables (1)	12,269	11,504
Notes receivable	3	4
Gross value	**12,272**	**11,508**
Opening impairment	(193)	(152)
Impairment over the year	(42)	(87)
Reversals during the year	52	59
Change in scope	-	-
Foreign exchange and others	-	(13)
Closing impairment	(183)	(193)
Net amount	**12,089**	**11,315**

(1) Including invoiced trade receivables of euro 9,363 million at December 31, 2022 and euro 8,798 million at December 31, 2021.

NOTE 18. OTHER RECEIVABLES AND CURRENT ASSETS

(in millions of euros)	**December 31, 2022**	**December 31, 2021**
Taxes and levies	360	340
Advances to suppliers	237	238
Prepaid expenses	174	147
Derivatives hedging current assets and liabilities	28	8
Derivatives hedging intercompany loans and borrowings	22	13
Other receivables and current assets	109	155
Gross value	**930**	**901**
Impairment	(4)	(4)
Net amount	**926**	**897**

NOTE 19. CASH AND CASH EQUIVALENTS

(in millions of euros)	**December 31, 2022**	**December 31, 2021**
Cash and bank balances	1,797	1,523
Short-term liquid investments	2,819	2,136
Total	**4,616**	**3,659**

Short-term liquid investments included UCITS (French Undertakings for Collective Investment in Transferable Securities) funds classified by the AMF as short-term money market funds, subject to a very low risk of a change in value, and short-term deposits.

NOTE 20. SHAREHOLDERS' EQUITY

Share capital of the parent company

(in shares)	**December 31, 2022**	**December 31, 2021**
Share capital at January 1	253,462,409	247,769,038
Capital increase	849,451	5,693,371
Shares comprising the share capital at the end of the period	**254,311,860**	**253,462,409**
Treasury stock at the end of the period	(2,319,795)	(3,861,900)
Shares outstanding at the end of the period	**251,992,065**	**249,600,509**

The share capital of Publicis Groupe SA increased by euro 339,780 during financial year 2022, corresponding to 849,451 shares with a par value of euro 0.40 each:

- 603,226 shares issued following the exercise of stock warrants by certain holders;
- 246,225 shares issued as part of free share plans.

The share capital of Publicis Groupe SA amounted to euro 101,724,744 at December 31, 2022, divided into 254,311,860 shares with a par value of euro 0.40 each.

Neutralization of the existing treasury shares

Treasury shares held at the end of the year, including those owned under the liquidity contract, are deducted from the share capital.

The portfolio of treasury shares showed the following movements in 2021 and 2022:

	Number of shares
Treasury shares held on December 31, 2020	**2,191,259**
Disposals (exercise of stock options) and deliveries of free shares	(814,401)
Buybacks of treasury shares	2,500,000
Movements as part of the liquidity contract	(14,958)
Treasury shares held on December 31, 2021 *(1)*	**3,861,900**
Disposals (exercise of stock options) and deliveries of free shares	(1,546,529)
Buybacks of treasury shares	-
Movements as part of the liquidity contract	4,424
Treasury shares held on December 31, *2022* *(1)*	**2,319,795**

(1) Including 57,924 shares held as part of the liquidity contract on December 31, 2022, and 53,500 on December 31, 2021.

Dividends proposed and voted

	Per share *(in euros)*	**Total** *(in millions of euros)*
Dividends paid in 2022 (for the 2021 financial year)	2.40	603 (1)
Dividends proposed to the General Shareholders' Meeting (for the 2022 financial year)	2.90	737 (2)

(1) Amount fully paid in cash

(2) Amount for all shares outstanding on December 31, 2022, including treasury shares.

Capital management and buyback of treasury shares

The Groupe's policy is to maintain a solid capital base in order to maintain the confidence of investors, creditors and the market and to support future activity development. The Groupe's management pays particular attention to the debt-to-equity ratio, which is defined as net debt (financial debt less cash and cash equivalents) divided by equity (including non-controlling interests) and has calculated that the ideal debt-to-equity ratio is less than 0.80. As at December 31, 2022 the debt-to-equity ratio, taking lease liabilities into account, was 0.20. At December 31, 2021, it was 0.25.

Management also monitors the dividend payout rate, which is defined as the ratio between the dividend per share and the diluted headline earnings per share. Given the dividend amount (euro 2.90 per share) which will be proposed at the General Shareholders' Meeting, the rate will be 45.7% for the 2022 financial year compared to 47.8% for the 2021 financial year.

NOTE 21. PROVISIONS FOR LIABILITIES AND CHARGES AND CONTINGENT LIABILITIES

(in millions of euros)	Restructuring	Vacant property [1]	Pensions and other long-term benefits	Risks and litigation	Other provisions	Total
December 31, 2020	**78**	**95**	**318**	**115**	**96**	**702**
Increases	25	18	45	139	36	263
Releases with usage	(61)	(37)	(20)	(5)	(9)	(132)
Other releases	(2)	-	(1)	(1)	(6)	(10)
Change in scope	-	-	-	-	-	-
Actuarial losses (gains)	-	-	(48)	-	-	(48)
Foreign exchange and others	1	21	11	6	3	42
December 31, 2021	**41**	**97**	**305**	**254**	**120**	**817**
Increases	59	24	42	91	21	237
Releases with usage	(44)	(51)	(43)	(7)	(5)	(150)
Other releases	(1)	-	(1)	(82)	(3)	(87)
Change in scope	-	-	-	-	3	3
Actuarial losses (gains)	-	-	(42)	-	-	(42)
Foreign exchange and others	-	9	3	5	-	17
December 31, 2022	**55**	**79**	**264**	**261**	**136**	**795**
Of which short-term	50	54	20	88	79	291
Of which long-term	5	25	244	173	57	504

(1) See Note 6

Restructuring provisions

These include an estimate of the closure or restructuring costs of certain activities resulting from plans that were announced but not yet executed at the end of 2022 (mainly severance pay). The plans are detailed by project and by type, and are approved in advance by senior management. They are managed centrally to ensure that the provision is applied based on the actual costs incurred and to justify the remaining balance at the year-end on the basis of the outstanding cost to be incurred.

Vacant property provisions

If a property is vacant and is not intended to be used in the main activity, a provision is made including rental charges, taxes and any other costs. This provision does not include lease payments, which are recognized as an impairment of right-of-use assets relating to leases.

Pensions and other long-term benefits

The obligations for employee benefits (see Note 22) include:

- defined benefit pension plans;
- post-employment health benefits;
- long-term benefits such as deferred compensation and long-service rewards.

Provisions for risks and litigation

Provisions for risks and litigation (euro 261 million) include a short-term component (euro 88 million) and a long-term component (euro 173 million). They relate to litigation of any type with third parties, including commercial and tax litigation but excluding risks relating to uncertain tax positions.

Metrobus / "Autorité de la concurrence"

In April 2022, the Groupe received a notification of grievances from the competition Authority in relation to practices implemented in the outdoor advertising sector in France. The procedure is ongoing.

Publicis Health LLC – Contingent Liability

On May 6, 2021, the Attorney General for the Commonwealth of Massachusetts filed a lawsuit against Publicis Health, LLC, a subsidiary of Publicis Groupe, in connection with the work that that agency and its predecessor agencies did for Purdue Pharma from 2010 to 2018 related to the marketing of opioids. The Attorney General claims that Publicis violated the Massachusetts consumer protection statute and created a public nuisance by participating in Purdue Pharma's efforts to market and sell opioids. In August 2022, Publicis Health, LLC has likewise been named as a codefendant in several lawsuits, centralized in a multidistrict litigation proceeding in the United States District Court for the Northern District of California, filed by tribes and local governments concerning work that Publicis Health, LLC and its predecessor agencies performed for Purdue Pharma related to the marketing of opioids. Publicis considers these lawsuits, and the lawsuit filed by the Massachusetts Attorney General, to be unfounded.

On November 3, 2022, the Attorneys General of nine states (California, Colorado, Connecticut, Idaho, Oregon, New York, North Carolina, Tennessee, and Vermont) advised that they considered Publicis Health, LLC to have legal exposure related to its work for opioid manufacturers, including Purdue Pharma. Publicis has engaged in discussions with these Attorneys General. Publicis does not know how these discussions may evolve and continues to believe that any claims that may be brought would be unfounded.

NOTE 22. PENSIONS AND OTHER LONG-TERM BENEFITS

Defined benefit pension plans

The Groupe has obligations for a number of defined benefit pension plans, mainly split between:

- pension funds (67% of the Groupe's obligations): these are rights to which employees have earned entitlement, with external pre-funding requirements predominantly in the US and the UK;
- other mandatory and statutory pension schemes, such as retirement indemnities (30% of the Groupe's obligations), particularly in France: rights have not vested so payment is uncertain and notably linked to employees still being with the Company upon retirement;
- medical coverage plans for retirees (3% of the Groupe's obligations) consisting of an effective liability vis-à-vis current pensioners and a provision for current workers (future pensioners), in particular in the US and the UK.

The largest plans are therefore the pension funds in the United Kingdom (28% of the Groupe's obligations) and in the United States (26% of the Groupe's obligations):

- in the United Kingdom, the Groupe's obligations are managed through six pension funds administered by independent Boards of trustees. These independent Boards are made up of representatives of the Groupe, employees and retirees and in some instances an independent expert. These Boards are required by regulation to act in the best interests of plan beneficiaries, notably by ensuring that the pension funds are financially stable, as well as by monitoring their investment policy and management.

  All of the six pension funds are closed and frozen. All existing entitlements (based on salary and number of years of service to the Groupe) have been frozen: beneficiaries still working will not earn any further entitlement under these defined benefit plans.

  The pension fund obligations in the United Kingdom relate to retirees (80%), former employees with deferred entitlement who have not yet drawn down their pension entitlements (20%);

- in the United States, the Groupe's obligations are basically limited to a closed and frozen pension fund. The obligations relate to former employees with deferred entitlement who have not yet drawn down their pension entitlements (32% of obligations), retirees (45% of obligations) and employees still working (23% of obligations).

Defined benefit pension plan valuations were carried out by independent experts. The main countries concerned are the United States, the United Kingdom, Germany, France, Switzerland, Belgium, the United Arab Emirates, Saudi Arabia, South Korea, the Philippines, Japan and India.

No material events occurred during the financial year to affect the value of the Groupe's liabilities under these plans (significant plan change).

Surplus (deficit)

Publicis Groupe sets aside financial assets to cover these liabilities, primarily in the United Kingdom and the United States, in order to comply with its legal and/or contractual obligations and to limit its exposure to an increase in these liabilities (interest and inflation rate volatility, longer life expectancy, etc.).

The policy to cover the Groupe's liabilities is based on regular asset-liability management reviews to ensure optimal asset allocation, designed both to limit exposure to market risks by diversifying asset classes on the basis of their risk profile and to better reflect the payment of benefits to beneficiaries, having regard to plan maturity. These reviews are performed by independent advisers and submitted to the Trustees for approval. Investments are made in compliance with legal constraints and the criteria governing the deductibility of such covering assets in each country. Funding requirements are generally determined on a plan-by-plan basis and as a result a surplus of assets in overfunded plans cannot be used to cover underfunded plans.

Risk exposure

The principal risks to which the Groupe is exposed through its pension funds in the United Kingdom and the United States are as follows:

- volatility of financial assets: the financial assets in the plans (shares, bonds, etc.) often have a return higher than the discount rate over the long term, but are more volatile in the short term, especially since they are measured at their fair value for the Groupe's annual accounting needs. The asset allocation is determined so as to ensure the financial viability of the plan over the long term;
- variation of bond rates: a decrease in corporate bond rates leads to an increase in obligations under the plans as recognized by the Groupe, even where this increase is partially reduced by

an increase in value of the financial assets in the plans (for the portion of investment grade corporate bonds);

- longevity: the largest part of benefits guaranteed by the plans is retirement benefits. An extended life expectancy therefore leads to an increase in these plans;
- inflation: a significant portion of the benefits guaranteed by the pension funds in the United Kingdom is indexed to inflation. A rise in inflation leads to an increase in the obligation (even when thresholds have been set for most of them in order to protect the plan from hyper-inflation). Most of the financial assets are either not impacted by inflation or weakly correlated with inflation, therefore inferring that a rise in inflation would lead to an increase of the plan's deficit from an accounting perspective. The American pension funds do not expose the Groupe to a significant inflation risk as the benefits are not indexed to inflation.

Actuarial gains and losses

Actuarial gains and losses reflect unforeseen increases or reductions in the present value of a defined benefit obligation or of the fair value of the corresponding plan assets. Actuarial gains and losses resulting from changes in the present value of liabilities under a defined benefit plan stem, firstly, from experience adjustments (differences between the previous actuarial assumptions and what has actually occurred) and, secondly, from the effect of changes in actuarial assumptions.

Other long-term benefits

Publicis Groupe also recognizes various long-term benefits, primarily seniority payments, long-service awards, in France in particular, and certain multi-year plans for which the deferred compensation is linked to continued employment.

Change in the actuarial benefit obligation

(in millions of euros)	December 31, 2022			December 31, 2021		
	Pensions plans	**Medical cover**	**Total**	**Pensions plans**	**Medical cover**	**Total**
Opening actuarial benefit obligation	**(727)**	**(21)**	**(748)**	**(719)**	**(22)**	**(741)**
Cost of services rendered	(27)	-	(27)	(37)	-	(37)
Benefits paid	49	2	51	49	2	51
Interest expense on benefit obligation	(14)	-	(14)	(12)	-	(12)
Effect of remeasurement	**159**	**6**	**165**	***32***	***1***	***33***
Experience gains (losses)	*(17)*	*2*	*(15)*	*12*	*1*	*13*
Gains (losses) arising from a change in economic assumptions	*171*	*4*	*175*	*18*	-	*18*
Gains (losses) arising from other changes in demographic assumptions	*5*	-	*5*	*2*	-	*2*
Acquisitions, disposals	-	-	-	-	-	-
Translation adjustments	(5)	(1)	(6)	(40)	(2)	(42)
Actuarial benefit obligation at year-end	**(565)**	**(15)**	**(580)**	**(727)**	**(21)**	**(748)**

Change in the fair value of plan assets

(in millions of euros)	December 31, 2022			December 31, 2021		
	Pensions plans	Medical cover	Total	Pensions plans	Medical cover	Total
Fair value of plan assets at start of year	529	-	529	496	-	496
Actuarial return on plan assets	(120)	-	(120)	26	-	26
Employer contributions	30	2	32	24	2	26
Administrative fees	(2)	-	(2)	(2)	-	(2)
Acquisitions, disposals	-	-	-	(1)	-	(1)
Benefits paid	(49)	(2)	(51)	(49)	(2)	(51)
Translation adjustments	(1)	-	(1)	35	-	35
Fair value of plan assets at year-end	**387**	**-**	**387**	**529**	**-**	**529**
Surplus (deficit)	**(179)**	**(16)**	**(195)**	**(198)**	**(21)**	**(219)**
Effect of ceiling on value of assets	(54)	-	(54)	(68)	-	(68)
Net provision for defined benefit pension liabilities and post-employment medical care	**(233)**	**(16)**	**(249)**	**(267)**	**(21)**	**(288)**
Provision for other long-term benefits	(15)	-	(15)	(17)	-	(17)
Total provisions for retirement benefit obligations, other post-employment and long-term benefits	**(248)**	**(16)**	**(264)**	**(284)**	**(21)**	**(305)**

Pension expenses and other post-employment benefits

(in millions of euros)	December 31, 2022			December 31, 2021		
	Pensions plans	**Medical cover**	**Total**	**Pensions plans**	**Medical cover**	**Total**
Cost of services rendered during the year	(28)	-	(28)	(38)	-	(38)
Financial expenses	(5)	(1)	(6)	(5)	-	(5)
Defined benefit plan expense	**(33)**	**(1)**	**(34)**	**(43)**	**-**	**(43)**
Cost of other plans (including defined contribution plans) and other benefits	(193)	-	(193)	(149)	-	(149)
Administrative fees excluding plan management fees	(2)	-	(2)	(2)	-	(2)
Total retirement costs recognized in the income statement	**(228)**	**(1)**	**(228)**	**(194)**	**-**	**(194)**

Breakdown of plan assets

The table below provides a breakdown of plans by asset type and by fair value hierarchy. The various fair value hierarchy levels are defined in Note 28.

(in millions of euros)	*December 31, 2022*				*December 31, 2021*			
	Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Shares	25	-	-	25	65	-	-	65
Bonds	-	95	-	95	-	151	-	151
Treasury bonds	-	137	-	137	-	220	-	220
Real Estate	-	-	1	1	-	-	5	5
Other	16	-	113	129	17	-	71	88
Total	**41**	**232**	**114**	**387**	**82**	**371**	**76**	**529**

Estimate of employer contributions and of future benefits payable

(in millions of euros)	**Pensions plans**	**Medical cover**	**Total**
Estimated employer contribution for 2023	25	2	27

(in millions of euros)	**Pensions plans**	**Medical cover**	**Total**
Estimated future benefits payable			
2023	53	2	55
2024	46	2	48
2025	43	2	45
2026	44	1	45
2027	42	1	43
Financial years 2028 to 2031	195	6	201
Total over the next 10 financial years	**423**	**14**	**437**

The average duration of plans at end-December 2022 was 10 years.

Actuarial assumptions (weighted average rates)

Discount rates are calculated using the rates of long-term investment grade corporate bonds (minimum AA rating) with maturities equivalent to the length of the plans assessed. They were determined based on external indexes commonly considered to be benchmarks, namely the iBoxx in Europe and the Aon AA-AAA Bond Universe in the United States.

	Pension plans				Post-employment medical cover	
December 31, 2022	**United States**	**United Kingdom**	**Euro zone**	**Other Country**	**United States**	**United Kingdom**
Discount rate	4.85 %	4.70 % - 4.85 %	3.75 %	1 % - 7.10 %	4.85 %	4.70 % - 4.85 %
Future wage increases	n/a	n/a	2.75 % - 3.20 %(1)	1.50 % - 5 %	5 %	n/a
Future pension increases	n/a	2 % - 3.7 %	0 % - 2.20 %(1)	n/a	n/a	n/a

(1) *For Germany and Belgium.*

	Pension plans				Post-employment medical cover	
December 31, 2021	**United States**	**United Kingdom**	**Euro zone**	**Other countries**	**United States**	**United Kingdom**
Discount rate	2.42 %	1.60 % - 1.70 %	0.90 %	0.25 % - 5.65 %	2.42 %	1.60 % - 1.70 %
Future wage increases	n/a	N/A	2.35 % - 2.80 % (1)	1.25 % - 8 %	5 %	n/a
Future pension increases	n/a	2.2 % - 3.7 %	1.80 % (2)	n/a	n/a	n/a

(1) *For Germany and Belgium*
(2) *For Germany only.*

The rate of increase in medical expenses used for 2022 is 6% with a gradual decrease to 4%.

Sensitivity analysis

Pension plans					
(in millions of euros)	0.5% increase				
	United States	**United Kingdom**	**Euro zone**	**Other countries**	**Total**
Change in discount rate Effect on actuarial benefit obligation at year-end	(6)	(7)	(5)	(6)	(24)
Change in the increase rate of salaries Effect on actuarial benefit obligation at year-end	-	-	4	4	8

Pension plans					
(in millions of euros)	0.5% decrease				
	United States	**United Kingdom**	**Euro zone**	**Other countries**	**Total**
Change in discount rate Effect on actuarial benefit obligation at year-end	7	8	5	7	27
Change in the increase rate of salaries Effect on actuarial benefit obligation at year-end	-	-	(3)	(4)	(7)

	Post-employment medical cover					
(in millions of euros)	0.5% increase			0.5% decrease		
	United States	**United Kingdom**	**Total**	**United States**	**United Kingdom**	**Total**
Change in discount rate Effect on actuarial benefit obligation at year-end	(1)	-	(1)	1	-	1
Change in the increase rate of salaries Effect on actuarial benefit obligation at year-end	-	-	-	-	-	-

NOTE 23. OTHER FINANCIAL LIABILITIES

(in millions of euros)	**December 31, 2022**	**December 31, 2021**
Bonds (excl. accrued interest)	3,338	3,335
Other debt	278	295
Total financial liabilities	**3,616**	**3,630**
Of which short-term	627	184
Of which long-term	2,989	3,446

Change in financial liabilities

(in millions of euros)	December 31, 2021	Cash outflows	Changes excl. cash outflows			December 31, 2022
			Acquisitions	Exchange rate fluctuations	Changes in fair value	
Eurobond 0.5% – November 2023 (EIR 0.741%) [(1)]	498	-	-	-	1	499
Eurobond 1.625% – December 2024 (EIR 1.732%) [(1)]	601	-	-	-	-	601
Eurobond 0.625% – June 2025 (EIR 0.781%) [(1)]	746	-	-	-	1	747
Eurobond 1.25% – June 2028 (EIR 1.329%) [(1)]	747	-	-	-	-	747
Eurobond 1.75% – June 2031 (EIR 1.855%) [(1)]	743	-	-	-	1	744
Bonds (excl. accrued interest)	**3,335**	-	-	-	**3**	**3,338**
Debt related to earn-out commitments	**206**	**(119)**	**107**	**7**	**(16)**	**185**
Debt related to commitments to buy-out non-controlling interests	**16**	**(3)**	**15**	**0**	**2**	**30**
Accrued interest	45	(99)	-	3	99	48
Other borrowings and credit lines	16	(10)	-	-	8	14
Bank overdrafts	12	(11)	-	-	-	1
Other financial liabilities	**73**	**(120)**	**0**	**3**	**107**	**63**
Total financial liabilities	**3,630**	**(242)**	**122**	**10**	**96**	**3,616**
Fair value of derivative hedging on the 2025, 2028 and 2031 Eurobonds [(2)]	97	-	-	-	163	260
Fair value of derivative hedging on intra-group loans and borrowings [(2)]	8	29	-	-	69	106
Total liabilities related to financing activities	**3,735**	**(213)**	**122**	**10**	**328**	**3,982**

(1) Net of issuance costs. The number of securities at December 31, 2022 was 5,000 for the Eurobonds maturing in 2023, 6,000 for the Eurobonds maturing in 2024, 7,500 for the Eurobonds maturing in 2025, 7,500 for the Eurobonds maturing in 2028 and 7,500 for the Eurobonds maturing in 2031. The Effective Interest Rate (EIR) is given for each Eurobond.

(2) Carried under "Other receivables and current assets" and/or under "Other creditors and current liabilities" on the consolidated balance sheet.

(in millions of euros)	December 31, 2020	Cash outflows	Changes excl. cash outflows			December 31, 2021
			Acquisitions	Exchange rate fluctuations	Changes in fair value	
Eurobond 1.125% – December 2021 (EIR 1.261%) *(1)*	699	(699)	-	-	-	0
Eurobond 0.5% – November 2023 (EIR 0.741%) *(1)*	497	-	-	-	1	498
Eurobond 1.625% – December 2024 (EIR 1.732%) *(1)*	602	-	-	-	(1)	601
Eurobond 0.625% – June 2025 (EIR 0.781%) *(1)*	745	-	-	-	1	746
Eurobond 1.25% – June 2028 (EIR 1.329%) *(1)*	746	-	-	-	1	747
Eurobond 1.75% – June 2031 (EIR 1.855%) *(1)*	742	-	-	-	1	743
Bonds (excl. accrued interest)	**4,031**	**(699)**	**-**	**-**	**3**	**3,335**
Medium-term loan (financing of epsilon acquisition)	**150**	**(150)**	**-**	**-**	**-**	**0**
Debt related to earn-out commitments	**241**	**(103)**	**78**	**14**	**(24)**	**206**
Debt related to commitments to buy-out non-controlling interests	**24**	**(10)**	**-**	**0**	**2**	**16**
Accrued interest	43	(98)	-	3	97	45
Other borrowings and credit lines	17	(4)	-	-	3	16
Bank overdrafts	3	9	-	-	-	12
Other financial liabilities	**63**	**(93)**	**0**	**3**	**100**	**73**
Total financial liabilities	**4,509**	**(1,055)**	**78**	**17**	**81**	**3,630**
Fair value of derivative hedging on the 2025, 2028 and 2031 Eurobonds *(2)*	(65)	-	-	-	162	97
Fair value of derivative hedging on intra-group loans and borrowings *(2)*	89	-	-	-	(81)	8
Total liabilities related to financing activities	**4,533**	**(1,055)**	**78**	**17**	**162**	**3,735**

(1) Net of issuance costs. The number of securities at December 31, 2021 was 5,000 for the Eurobonds maturing in 2023, 6,000 for the Eurobonds maturing in 2024, 7,500 for the Eurobonds maturing in 2025, 7,500 for the Eurobonds maturing in 2028 and 7,500 for the Eurobonds maturing in 2031. The Effective Interest Rate (EIR) is given for each Eurobond.

(2) Carried under "Other receivables and current assets" and/or under "Other creditors and current liabilities" on the consolidated balance sheet.

Bonds to finance the acquisition of Epsilon

A euro 2.25 billion bond was issued on June 5, 2019 to finance the acquisition of Epsilon. It was issued in three tranches of euro 750 million each, at a fixed rate and in euros, each swapped into US dollars at a fixed rate.

The swaps were qualified as cash flow hedges of the bond issue in euros. The fair value of these swaps was booked in the balance sheet under "Other receivables and current assets" and/or "Other creditors and current liabilities". The change in the fair value of these instruments is booked in "Other comprehensive income" and transferred to the income statement as interests on bond are recognized and the variation in the liabilities in US dollars. At December 31, 2022, the fair value of these derivatives was booked in other creditors and current liabilities for euro 260 million (compared to euro 97 million in other creditors and current liabilities at December 31, 2021).

Other bonds

The other Publicis Groupe SA bonds are issued at a fixed rate and denominated in euros.

The 2021 tranche of euro 700 million was repaid at term in December 2021.

Analysis by date of maturity

December 31, 2022

(in millions of euros)	Total	Maturities					
		-1 Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	+5 Years
Bonds (excl. accrued interest)	3,338	499	601	747	-	-	1,491
Debt related to earn-out commitments	185	58	42	37	32	16	-
Debt related to commitments to buy-out non-controlling interests	30	11	7	10	2	-	-
Other financial liabilities	63	59	4	-	-	-	-
Total financial liabilities	**3,616**	**627**	**654**	**794**	**34**	**16**	**1,491**
Fair value of derivatives	366	106	-	60	-	-	200
Total liabilities related to financing activities	**3,982**	**733**	**654**	**854**	**34**	**16**	**1,691**

December 31, 2021

(in millions of euros)	Total	Maturities					
		-1 Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	+5 Years
Bonds (excl. accrued interest)	3,335	-	498	601	746	-	1,490
Debt related to earn-out commitments	206	106	65	25	7	3	-
Debt related to commitments to buy-out non-controlling interests	16	10	5	0	1	0	-
Other financial liabilities	73	68	5	-	-	-	-
Total financial liabilities	**3,630**	**184**	**573**	**626**	**754**	**3**	**1,490**
Fair value of derivatives	105	8	-	-	23	-	74
Total liabilities related to financing activities	**3,735**	**192**	**573**	**626**	**777**	**3**	**1,564**

Analysis by currency

(in millions of euros)	*December 31, 2022*	*December 31, 2021*
Euros(1)	3,373	3,362
US dollars	170	148
Other currencies	73	120
Total financial liabilities	**3,616**	**3,630**

(1) Including euro 2,250 million of Eurobonds swapped into USD at December 31, 2022 (euro 2,250 million at December 31, 2021).

Analysis by interest rate type

See Note 29. Risk management - Exposure to interest rate risk

Exposure to liquidity risk

Future payments related to financial debt before the impact of discounting (excluding debt linked to finance leases) are as follows:

(in millions of euros)	Total	December 31, 2022 Maturities					
		-1 Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	+5 Years
Bonds (excl. accrued interest)	3,560	539	637	777	22	22	1,562
Debt related to earn-out commitments	185	58	42	37	32	16	-
Debt related to commitments to buy-out non-controlling interests	30	11	7	10	2	-	-
Other financial liabilities	63	59	4	-	-	-	-
Total future payments relating to financial liabilities	**3,838**	**667**	**690**	**824**	**56**	**38**	**1,562**
Fair value of derivatives	366	106	-	60	-	-	200
Total future payments relating to financing activities	**4,204**	**773**	**690**	**884**	**56**	**38**	**1,762**

(in millions of euros)	Total	December 31, 2021 Maturities					
		-1 Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	+5 Years
Bonds (excl. accrued interest)	3,600	40	539	636	776	23	1,586
Debt related to earn-out commitments	206	106	65	25	7	3	-
Debt related to commitments to buy-out non-controlling interests	16	10	5	0	1	-	-
Other financial liabilities	73	68	5	-	-	-	-
Total future payments relating to financial liabilities	**3,895**	**224**	**614**	**661**	**784**	**26**	**1,586**
Fair value of derivatives	105	8	-	-	23	-	74
Total future payments relating to financing activities	**4,000**	**232**	**614**	**661**	**807**	**26**	**1,660**

In order to manage its liquidity risk, Publicis holds a substantial amount of cash (cash and cash equivalents) for a total of euro 4,616 million as of December 31, 2022 and undrawn confirmed credit lines representing a total of euro 2,000 million as of December 31, 2022 being a multi-currency syndicated loan, maturing in 2024. This credit facility has been renewed until 2026 up to euro 1,579 million. These immediately or almost immediately available sums allow the Groupe to meet its general funding requirements.

Apart from bank overdrafts, most of the Groupe's debt is comprised of bonds, none of which are subject to financial covenants. They only include standard credit default event clauses (liquidation, cessation of payment, default on the debt itself or on the repayment of another debt above a given threshold) which are generally applicable above a threshold of euro 25 million.

The Groupe has not established any credit derivatives to date.

NOTE 24. LEASE CONTRACTS

Analysis of right-of-use assets by category of underlying assets

(in millions of euros)	Real Estate	Outdoor contracts	Other assets	Total
Gross values at January 1, 2022	**2,421**	**64**	**50**	**2,535**
Addition of assets[(1)]	120	609	14	743
Terminations or end of contracts	(175)	(36)	(15)	(226)
Impacts of sub-leasing[(2)]	(482)	-	-	(482)
Change in scope	(11)	-	-	(11)
Foreign exchange and others	73	-	1	74
Gross value at December 31, 2022	**1,946**	**637**	**50**	**2,633**
Accumulated amortization at January 1, 2022	**(972)**	**(48)**	**(26)**	**(1,046)**
Amortization & depreciation	(214)	(93)	(19)	(326)
Impairment losses	(46)	-	-	(46)
Terminations or end of contracts	175	36	15	226
Impacts of sub-leasing[(2)]	343	-	-	343
Change in scope	4	-	-	4
Foreign exchange and others	(34)	(1)	-	(35)
Accumulated depreciation at December 31, 2022	**(744)**	**(106)**	**(30)**	**(880)**
Net value at December 31, 2022	**1,202**	**531**	**20**	**1,753**

(1) Additions of assets are net of changes in assumptions on contracts.

(2) Those impacts relate mainly to sub-lease contracts, which have been fully effective during the period; the net right-of-use values have been reclassified to "Other financial assets" for the long-term part and to "Other receivables and current assets" for the short-term part.

Analysis of lease liabilities

(in millions of euros)	December 31, 2021	Cash outflows [1]	Changes excl. cash outflows			December 31, 2022
			Offset under right-of-use assets	Short-term - long-term reclassification	Effect of translation and others	
Lease liabilities - short-term	288	(339)	1	416	(6)	360
Lease liabilities - long-term	1,801	-	750	(416)	62	2,197
Total lease liabilities	**2,089**	**(339)**	**751**	**-**	**56**	**2,557**

(1) Repayments of lease liabilities represent an amount of euro (317) million in the consolidated statement of cash flows, of which euro (339) million in respect of leases and euro 22 million of proceeds from sub-leases.

(in millions of euros)	December 31, 2020	Cash outflows	Changes excl. cash outflows			December 31, 2021
			Offset under right-of-use assets	Short-term - long-term reclassification	Effect of translation and others	
Lease liabilities - short-term	292	(295)	-	256	35	288
Lease liabilities - long-term	1,850	-	78	(256)	129	1,801
Total lease liabilities	**2,142**	**(295)**	**78**	**-**	**164**	**2,089**

Expenses relating to variable lease payments not taken into account in the measurement of the lease obligation

The advertising network contracts, which began in January 2022, include fixed fees (guaranteed minimums) and variable fees above a certain level of activity. Fixed fees are taken into account in the lease liability, while variable fees are expensed directly.

In 2022, the variable lease expenses were euro 68 million.

Interest expense on lease liabilities

For 2022, the interest expense on lease liabilities is euro 87 million (see Note 8). For 2021, the interest expense for lease liabilities was euro 70 million.

Repayment schedule of lease liabilities

(in millions of euros)	Total	Maturities				
		-1 Year	1-2 Years	2-3 Years	3-4 Years	+4 Years
Cash outflows relating to lease liabilities	**3,295**	**431**	**432**	**392**	**361**	**1,679**

Furthermore, concerning sublease contracts, cash inflows expected for 2023 amount to 22 million euros.

NOTE 25. OTHER CREDITORS AND CURRENT LIABILITIES

(in millions of euros)	December 31, 2022	December 31, 2021
Advances and deposits received	435	458
Liabilities to employees	1,091	1,031
Tax liabilities (excl. income tax)	327	373
Derivatives hedging current assets or liabilities	26	10
Derivatives hedging Eurobond	260	97
Derivatives hedging intercompany loans and borrowings	128	21
Others	149	214
Total other creditors and current liabilities	**2,416**	**2,204**

NOTE 26. CONTRACT LIABILITIES

(in millions of euros)	***2022***	***2021***
Total contract liabilities at January 1	**470**	**404**
Amount recognized in revenue over the period	(493)	(431)
Amount to be recognized in subsequent periods	549	470
Change in scope	11	1
Foreign exchange and others	12	26
Total contract liabilities at December 31	**549**	**470**

NOTE 27. COMMITMENTS

Other commitments

December 31, 2022

(in millions of euros)	*Total*	*Maturities*		
		-1 Year	*1-5 Years*	*+5 Years*
Commitments given				
Guarantees [1]	194	46	71	77
Total commitments given	**194**	**46**	**71**	**77**
Commitments received				
Undrawn confirmed credit lines	2,000	-	2,000	-
Other commitments	10	9	-	1
Total commitments received	**2,010**	**9**	**2,000**	**1**

(1) At December 31, 2022, guarantees included euro 68 million commitments given to tax authorities in Italy as part of debts and receivables VAT recovery procedure, undertakings to pay euro 40 million into Venture Capital Funds by 2031, and euro 13 million relating to media-buying operations.

December 31, 2021

(in millions of euros)	*Total*	*Maturities*		
		-1 Year	*1-5 Years*	*+5 Years*
Commitments given				
Guarantees [1]	217	68	94	55
Total commitments given	**217**	**68**	**94**	**55**
Commitments received				
Undrawn confirmed credit lines	2,244	-	2,244	-
Other commitments	12	8	3	1
Total commitments received	**2,256**	**8**	**2,247**	**1**

(1) At December 31, 2021, guarantees included euro 71 million commitments given to tax authorities in Italy as part of debts & receivables VAT recovery procedure, undertakings to pay euro 47 million into Venture Capital Funds by 2027, euro 33 million of bank guarantees given to jurisdictions in the context of litigations and also guarantees of euro 12 million relating to media-buying operations.

Obligations related to warrants

The exercise of warrants, which can occur at any time from September 24, 2013 to September 24, 2022, lead to an increase in the Publicis Groupe SA's capital stock. The conversion ratio was adjusted again during the financial year by a factor of 1.164 to reflect the distributions drawn from the Company's reserves and premiums. Following the cancellation of the warrants acquired in previous years or exercised since September 24, 2013, Publicis Groupe is, as of December 31, 2022, no longer committed to issuing new shares as there are no longer any warrants outstanding.

Other commitments

As part of the disposal of MMS Communication LLC, the Groupe reached an agreement to buy back 100% of the Company's share capital. This option is subject to a return to normal operating conditions, taking into account a five-year exercise period starting on March 28, 2024. This period may be extended to 12 years, at the sole discretion of Publicis Groupe.

Given the current conditions, this call option has an insignificant value at the closing date.

The Group holds a call option on the remaining 50.11% of the capital of Core 1 WML, a media agency based in Ireland. The call option is valued at the market price according to the multiples method applied to the operating margin before amortization (as for the acquisition of 33.7% of the capital of Core 1 WML carried out in 2022). As the control premium does not represent a significant value, this call option has a zero value and is therefore not recognized in the accounts as of December 31, 2022.

As of December 31, 2022, there were no significant commitments such as pledges, guarantees or collateral, or any other significant off-balance sheet commitments, in accordance with currently applicable accounting standards.

NOTE 28. FINANCIAL INSTRUMENTS

Category of financial instruments

At December 31, 2022

(in millions of euros)	Value in balance sheet	Fair value through profit and loss	Amortized cost	Fair value through OCI
Other financial assets				
- Venture Capital Funds	166	166		
- Unconsolidated securities	12	12		
- Security deposits	48		48	
- Loans to associates and non-consolidated companies	25		25	
- Sub-lease receivables	123		123	
- Other	20		20	
Trade receivables	12,089		12,089	
Other receivables and current assets (1)				
- Derivatives hedging current assets and liabilities	28	28		
- Derivatives hedging intercompany loans and borrowings	22	22		
- Other receivables and current assets	109		109	
Total financial instruments – assets	**12,642**	**228**	**12,414**	**-**
Long-term borrowings	2,989		2,989	
Trade payables	15,660		15,660	
Short-term borrowings	627		627	
Other creditors and current liabilities *(2)*				
- Derivatives hedging current assets and liabilities	26	26		
- Derivatives hedging intercompany loans and borrowings	128	128		
- Derivatives hedging Eurobond 2025, 2028 and 2031	260			260
- Other current liabilities	149		149	
Total financial instruments – liabilities	**19,839**	**154**	**19,425**	**260**

(1) Excluding tax claims, advances to suppliers and prepayments (see Note 18).

(2) Excluding advances and deposits received, liabilities to employees and tax liabilities (see Note 25).

At December 31, 2021

(in millions of euros)	Value in balance sheet	Fair value through profit and loss	Amortized cost	Fair value through OCI
Other financial assets				
- Venture Capital Funds	154	154		
- Unconsolidated securities	12	12		
- Loans to associates and non-consolidated companies	35		35	
- Other	75		75	
Trade receivables	11,315		11,315	
Other receivables and current assets (1)				
- Derivatives hedging current assets and liabilities	8	8		
- Derivatives hedging intercompany loans and borrowings	13	13		
- Other receivables and current assets	155		155	
Total financial instruments – assets	**11,767**	**187**	**11,580**	**-**
Long-term borrowings	3,446		3,446	
Trade payables	14,479		14,479	
Short-term borrowings	184		184	
Other creditors and current liabilities *(2)*				
- Derivatives hedging current assets and liabilities	10	10		
- Derivatives hedging intercompany loans and borrowings	21	21		
- Derivatives hedging Eurobond 2025, 2028 and 2031	97			97
- Other current liabilities	214		214	
Total financial instruments – liabilities	**18,451**	**31**	**18,323**	**97**

(1) Excluding tax claims, advances to suppliers and prepayments (see Note 18).

(2) Excluding advances and deposits received, liabilities to employees and tax liabilities (see Note 25).

Financial instruments – assets

(in millions of euros)	**December 31, 2022**	**December 31, 2021**
Derivatives qualified as hedging instruments		
- Derivatives hedging current assets and liabilities	28	8
- Derivatives hedging intercompany loans and borrowings	22	13
- Derivatives hedging Eurobond	-	-
Instruments at fair value through profit and loss		
- Venture Capital Funds	166	154
- Unconsolidated securities	12	12
Instruments at amortized cost		
- Other financial assets, receivables and other receivables	12,389	11,545
- Loans to associates and non-consolidated companies	25	35
Total financial instruments – assets	**12,642**	**11,767**

Financial instruments – liabilities

(in millions of euros)	**December 31, 2022**	**December 31, 2021**
Derivatives qualified as hedging instruments		
- Derivatives hedging current assets and liabilities	26	10
- Derivatives hedging intercompany loans and borrowings	128	21
- Derivatives hedging Eurobond	260	97
Instruments at amortized cost		
- Trade and other payables	15,809	14,693
- Short-term borrowings	627	184
Total financial instruments – current liabilities	**16,850**	**15,005**
Instruments at amortized cost		
- Long-term borrowings	2,989	3,446
Total financial instruments – non-current liabilities	**2,989**	**3,446**

Fair value

The carrying amount of financial assets and liabilities recognized at amortized cost approximates fair value, except for financial liabilities, which had a fair value of euro 3,655 million at December 31, 2022 (versus a carrying amount of euro 3,616 million). At December 31, 2021, the fair value of financial liabilities was euro 3,668 million (versus a carrying amount of euro 3,630 million).

The fair value of Eurobonds has been calculated by discounting the expected future cash flows at market interest rates (Level 2 fair value).

Fair value hierarchy

The table below breaks down financial instruments recognized at fair value according to the measurement method used. The different levels of fair value have been defined as follows:

- Level 1: quoted prices in active markets for identical instruments;
- Level 2: observable data other than quoted prices for identical instruments in active markets;
- Level 3: significant unobservable data.

December 31, 2022

(in millions of euros)	**Level 1**	**Level 2**	**Level 3**	**Total**
Short-term liquid investments	2,819	-	-	2,819
Venture Capital Funds and other securities	166	-	12	178
Derivative instruments – assets	-	50	-	50
Total financial instruments at fair value – assets	**2,985**	**50**	**12**	**3,047**
Derivative instruments – liabilities	-	414	-	414
Total financial instruments at fair value – liabilities	**-**	**414**	**-**	**414**

December 31, 2021

(in millions of euros)	**Level 1**	**Level 2**	**Level 3**	**Total**
Short-term liquid investments	2,136	-	-	2,136
Venture Capital Funds and other securities	154	-	12	166
Derivative instruments – assets	-	21	-	21
Total financial instruments at fair value – assets	**2,290**	**21**	**12**	**2,323**
Derivative instruments – liabilities	-	128	-	128
Total financial instruments at fair value – liabilities	**-**	**128**	**-**	**128**

NOTE 29. RISK MANAGEMENT

Exposure to interest rate risk

Groupe management determines the allocation of debt between fixed- and variable-rate debt, which is periodically reviewed in terms of interest rate trend forecasts.

At the end of 2022, the Groupe's gross borrowings, excluding debt related to earn-out payments and debt relating to commitments to buy-out non-controlling interests (minority interests), consisted of:

- 97 % in fixed-rate loans with an average interest rate for 2022 of 2.8 %;
- 3 % in variable-rate loans.

The table below sets out the carrying amount by maturity at December 31, 2022 of the Groupe's financial instruments exposed to interest rate risk:

(in millions of euros)	***Total at December 31, 2022***	**Maturities**		
		-1 Year	***1-5 Years***	***+5 Years***
Fixed rate				
Eurobond 2023 [(1)]	499	499	-	-
Eurobond 2024 [(1)]	601	-	601	-
Eurobond 2025 [(1)(2)]	747	-	747	-
Eurobond 2028 [(1)(2)]	747	-	-	747
Eurobond 2031 [(1)(2)]	744	-	-	744
Net fixed-rate liabilities (assets)	**3,338**	**499**	**1,348**	**1,491**
Variable rate				
Other borrowings and credit lines	14	10	4	-
Bank overdrafts	1	1	-	-
Cash and cash equivalents	(4,616)	(4,616)	-	-
Other financial assets	(394)	(394)	-	-
Net variable-rate liabilities (assets)	**(1,657)**	**(4,500)**	**1,352**	**1,491**

(1) Net of issuance costs.
(2) The Eurobond 2025, 2028 and 2031 swaps have the following characteristics:
- 2025: euro 750 million equivalent, 6-year, weighted average fixed rate at 3.1386%
- 2028: euro 750 million equivalent, 9-year, weighted average fixed rate at 3.5963%
- 2031: euro 750 million equivalent, 12-year, weighted average fixed rate at 4.1079%

Exposure to exchange rate risk

- Net assets

The table below shows the Groupe's net assets at December 31, 2022 broken down by principal currencies:

(in millions of euros)	***Total at December 31, 2022***	**Euros (1)**	**US dollar**	**Pound sterling**	**Brazilian real**	**Yuan**	**Other**
Assets	35,898	4,972	19,999	2,151	205	1,958	6,613
Liabilities	26,298	4,566	15,277	1,375	133	1,400	3,547
Net assets	**9,600**	**406**	**4,722**	**776**	**72**	**558**	**3,066**
Effect of foreign exchange hedges (2)	-	2,310	(2,144)	138	-	(7)	(297)
Net assets after hedging	**9,600**	**2,716**	**2,578**	**914**	**72**	**551**	**2,796**

(1) Reporting currency of consolidated financial statements.

(2) The financial instruments used to hedge foreign exchange risk are mainly currency swaps.

In addition, changes in exchange rates against the euro, the reporting currency used in the Groupe's financial statements, can have an impact on the Groupe's consolidated balance sheet and consolidated income statement.

- Revenue and Operating margin

The breakdown of Groupe revenue by the currency in which it is earned is as follows:

	2022	**2021**
Euro	11%	13%
US dollar	61%	57%
Pound sterling	9%	8%
Other	20%	22%
Total revenue	**100%**	**100%**

The impact of a decrease of 1% of the euro rate against the US dollar and the Pound sterling would be (favorable impact):

- euro 88 million on consolidated revenue for 2022;
- euro 16 million on the operating margin for 2022.

Commercial transactions are mainly carried out in the local currencies of the countries in which they occur. Consequently, the resulting exchange rate risks are not significant and are occasionally hedged.

In the case of intercompany lending/borrowing operations, they are subject to appropriate hedging if they present a significant net exposure to foreign exchange risk.

The derivatives used are generally forward foreign exchange contracts or currency swaps.

Exposure to client counterparty risk

The Groupe analyzes its trade receivables, focusing in particular on improving its collection times, as part of the management of its working capital. The Groupe Treasury Department monitors overdue receivables for the entire Groupe. In addition, the Groupe periodically reviews the list of main clients in order to determine the exposure to client counterparty risk at Groupe level and, if necessary, sets up specific monitoring in the form of a weekly statement summarizing the exposure to certain clients.

Any impairment losses are assessed on an individual basis and take into account various criteria such as the client's situation and late payments. No impairment was recorded on an overall basis.

The following table shows the period overdue of trade receivables invoiced over the last two financial years:

(in millions of euros)	2022	2021
Amounts not yet due	**8,750**	**8,305**
Overdue receivables:		
Up to 30 days	282	274
31 to 60 days	103	86
61 to 90 days	33	36
91 to 120 days	23	28
More than 120 days	169	158
Total overdue receivables	**610**	**582**
Invoiced trade receivables	**9,360**	**8,887**
Impairment	(183)	(193)
Invoiced trade receivables net	**9,177**	**8,694**

Disclosures regarding major clients

(% of revenue)	2022	2021
Five largest clients	12%	12%
Ten largest clients	21%	20%
Twenty largest clients	30%	30%
Thirty largest clients	36%	37%
Fifty largest clients	44%	45%
One hundred largest clients	57%	56%

Exposure to bank counterparty risk

Publicis has established a group-wide policy for selecting authorized banks as counterparties for all its subsidiaries. This policy requires that deposits be made in authorized banks and that in general all banking services be provided exclusively by these banks. The list of authorized banks is reviewed periodically by the Groupe Treasury Department. Exceptions to this policy are handled centrally for the entire Groupe by the Treasury Office.

Additionally, studies are carried out in order to ensure that almost all cash and cash equivalents are deposited in authorized banks.

NOTE 30. OPERATING SEGMENT INFORMATION

Information by business sector

The Publicis Groupe structure has been developed to provide the Groupe's clients with comprehensive, holistic communication services involving all disciplines.

The Groupe has identified operating segments that correspond to key markets (countries or regions). These countries or regions are each run or supervised by a single person and overseen day-to-day by a single Executive Committee, bringing together members with a wide range of expertise. They are thus structured to offer our clients a broad-based solution that meets their needs.

The Groupe has therefore identified operating segments corresponding to the geographic regions in which it operates: United States, Canada, United Kingdom, France, DACH (Germany, Austria and Switzerland), Asia-Pacific, Middle East & Africa, Central and Eastern Europe, Western Europe and Latin America.

Those operating segments with similar economic characteristics (similar margins), or where the nature of services provided to clients and the type of clients at which they are aimed are similar, have been grouped into five reporting segments: North America, Europe, Asia-Pacific, Middle East & Africa and Latin America.

Reporting by region

The presentation of financial information based on the operating segments results in the same level of information being presented as by geographic region.

(in millions of euros)	**Europe**	**North America**	**Asia-Pacific**	**Latin America**	**Middle East & Africa**	**Total**
2022 financial year						
Income statement items						
Net revenue (1)	**2,879**	**7,869**	**1,176**	**289**	**359**	**12,572**
Revenue (1) (2)	3,531	8,466	1,441	311	447	**14,196**
Depreciation and amortization expense (excluding acquired intangibles)	(212)	(233)	(66)	(13)	(11)	**(535)**
Operating margin	**463**	**1,478**	**249**	**25**	**51**	**2,266**
Amortization of intangibles from acquisitions	(29)	(240)	(11)	(3)	(4)	**(287)**
Impairment loss	(2)	(64)	(13)	(30)	-	**(109)**
Non-current income and expenses	(86)	(17)	-	-	-	**(103)**
Operating income after impairment	**346**	**1,157**	**225**	**(8)**	**47**	**1,767**
Balance sheet items						
Intangible assets, net (3)	2,033	9,976	1,224	152	408	**13,793**
Property, plant and equipment, net (including right-of-use assets on leases) (3)	1,164	962	183	27	27	**2,363**
Other financial assets (3)	202	155	30	6	1	**394**
Disclosures in respect of the statement of cash flows						
Purchases of property, plant and equipment and intangible assets	(57)	(115)	(17)	(6)	(3)	**(198)**
Purchases of investments and other financial assets, net	(2)	6	4	-	3	**11**
Acquisitions of subsidiaries	(180)	(239)	(79)	(20)	(5)	**(523)**

(1) Because of the way this indicator is calculated (difference between billings and cost of billings), there are no eliminations between the different zones.

(2) In Europe, revenue for 2022 was euro 3,531 million, of which euro 1,026 million in France. In North America, revenue for 2022 was euro 8,466 million, of which euro 8,129 million in the United States.

(3) At December 31, 2022, net intangible assets amounted to euro 13,793 million, of which euro 390 million in France and euro 9,501 million in the United States. Net property, plant and equipment amounted to euro 2,363 million, of which euro 791 million in France and euro 921 million in the United States. Other financial assets amounted to euro 394 million, of which euro 174 million in France and euro 155 million in the United States.

(in millions of euros)	**Europe**	**North America**	**Asia-Pacific**	**Latin America**	**Middle East & Africa**	**Total**
2021 financial year						
Income statement items						
Net revenue (1)	**2,534**	**6,368**	**1,038**	**243**	**304**	**10,487**
Revenue (1) (2)	2,972	6,874	1,263	265	364	**11,738**
Depreciation and amortization expense (excluding acquired intangibles)	(145)	(242)	(68)	(11)	(11)	**(477)**
Operating margin	**401**	**1,270**	**133**	**30**	**6**	**1,840**
Amortization of intangibles from acquisitions	(30)	(208)	(12)	(3)	(3)	**(256)**
Impairment loss	(18)	(104)	-	-	-	**(122)**
Non-current income and expenses	2	-	-	(30)	-	**(28)**
Operating income after impairment	**355**	**958**	**121**	**(3)**	**3**	**1,434**
Balance sheet items						
Intangible assets, net (3)	1,950	9,480	1,143	172	394	**13,139**
Property, plant and equipment, net (including right-of-use assets on leases) (3)	760	1,084	202	26	32	**2,104**
Other financial assets (3)	198	45	26	5	2	**276**
Disclosures in respect of the statement of cash flows						
Purchases of property, plant and equipment and intangible assets	(30)	(92)	(13)	(3)	(1)	**(139)**
Purchases of investments and other financial assets, net	2	3	-	(1)	-	**4**
Acquisitions of subsidiaries	(25)	(203)	(44)	(4)	-	**(276)**

(1) Because of the way this indicator is calculated (difference between billings and cost of billings), there are no eliminations between the different zones.

(2) In Europe, revenue for 2021 was euro 2,972 million, of which euro 875 million in France. In North America, revenue for 2021 was euro 6,874 million, of which euro 6,600 million in the United States.

(3) At December 31, 2021, net intangible assets amounted to euro 13,139 million, of which euro 372 million in France and euro 9,000 million in the United States. Net property, plant and equipment amounted to euro 2,104 million, of which euro 306 million in France and euro 1,057 million in the United States. Other financial assets amounted to euro 276 million, of which euro 170 million in France and euro 45 million in the United States.

NOTE 31. PUBLICIS GROUPE SA STOCK OPTION AND FREE SHARE PLANS

Presentation of the new free share plans for 2022

Five free share plans were created in the first half of 2022, with the following features:

Long-term incentive plan known as the "LTIP Epsilon 2022 Plan" (March and September 2022)

The plan, set up for the exclusive benefit of Publicis Epsilon managers and employees, includes three tranches subject to a continued presence condition for 20% and financial performance conditions for 80% in respect of 2022. These are deliverable in March 2023 (30% of the shares), March 2024 (30% of the shares) and March 2025 (40% of the shares) or September of those same years (depending on the grant date of the shares) in the same proportions.

Long-term incentive plan known as the "Sapient 2022 Plan" (April 2022)

The plan, put in place for the exclusive benefit of Publicis Sapient executives and employees, is made up of two tranches:

- the first tranche is conditional only upon continued employment and gives rise to the delivery of one-fourth of the shares awarded on the dates of the first four anniversaries of the plan (i.e. in April 2023, 2024, 2025 and 2026).
- in addition to the condition of continued employment, the second tranche is conditional upon performance criteria, and the total number of shares delivered shall depend on the level of financial targets achieved for 2022. Delivery will take place at the end of a three-year period, in April 2025.

Long-term incentive plans known as the "LTIP 2022 Directoire" (March 2022) and the "LTIP 2022 Président du Directoire" (March and May 2022)

Under the LTIP 2022 Directoire, members of the Management Board were awarded free shares, subject to three conditions:

- a continued presence condition, during the three-year vesting period;
- conditions for achieving the Group's revenue growth and profitability targets over the entire 2022 to 2024 period, compared to a peer group including the other three main global communications groups (Omnicom, WPP and IPG);
- conditions based on progress made on the CSR (corporate social responsibility) policy, in the area of Diversity, Equality and Inclusion and in the area of combating climate change, for which indicative interim points have been set. At the end of 2024, the percentage of women in key management positions as well as the percentage of change of integration of renewable energies in the Groupe will be assessed against set targets.

The shares ultimately awarded in accordance with the level of achievement of these conditions will be deliverable at the end of a three-year period, i.e. in March 2025.

In addition, the Chairman of the Management Board was granted additional shares in May 2022 following the compensation policy adopted by the General Shareholders' Meeting of May 25, 2022. Also, the performance conditions associated with all the shares awarded to him in March and May were aligned with the new conditions approved during this same General Shareholders' Meeting. The conditions indicated above for the members of the Management Board are applicable to it, plus a new market condition based on the TSR (Total Shareholder Return) comparing the Publicis Groupe' TSR to that of the CAC40, as well as a condition related to talent management within the Groupe.

Long-term incentive plan known as the "LTIP 2022" (March 2022) and other plans

Under this plan, a certain number of Groupe managers were granted free shares, subject to three conditions:

- a continued presence condition, during the three-year vesting period;
- conditions for achieving the Group's revenue growth and profitability targets for the year 2022, compared to a reference group including the other three main global communications groups (Omnicom, WPP and IPG);
- conditions based on progress made on the CSR (corporate social responsibility) policy, in the area of both Diversity, Equality and Inclusion and in the area of combating climate change, for which indicative interim points have been set. At the end of 2022, the percentage of women in key management positions as well as the percentage of change of integration of renewable energies in the Groupe will be assessed against targets set.

The shares ultimately awarded in accordance with the level of achievement of these targets will be deliverable at the end of a three-year period, i.e. in March 2025.

For the beneficiaries of the 2019 Special Retention Plan, this new plan replaces the third tranche whose shares were subject to performance conditions to be measured during the 2022 financial year. For the beneficiaries concerned, the LTIP 2022 plan was treated as a replacement plan in accordance with IFRS 2, as was the LTIP 2021 plan which had been considered as the replacement of the second tranche whose conditions performance were to be measured in 2021.

Moreover, the Management Board, at its meeting of October 2022, decided to implement a specific individual plan, subject to only a three-year continued presence condition during the vesting period, whose shares will be deliverable in March 2025.

Performance measurement of previous plans

In addition, the performance of the following plans was assessed in February 2022:

- Sapient 2019, 2020 and 2021 plans, Epsilon 2019-2021 replacement plan, Epsilon 2021 plan: the achievement rate of the performance objectives for the year 2021 is 100%;
- LTIP 2019-2021 Directoire Plan: the achievement rate of the performance objectives observed for the entire plan over the three years is 68.5%;
- LTIP 2021 Plan: the performance targets set were 78.5% achieved in 2021.

Publicis Groupe share subscription or purchase option plans

Characteristics of the Publicis Groupe stock option plans as at December 31, 2022

Plans	*Type (1)*	*Date of grant*	*Option exercise price (in euros)*	*Options outstanding at January 1, 2022*	*Options cancelled, lapsed or transferred in 2022*	*Options exercised in 2022*	*Options remaining to be exercised December 31, 2022*	*Of which exercisable December 31, 2022*	*Exercise deadline*	*Remaining contract life (in years)*
Lionlead 2 stock options	A	04/30/2013	52.76	1,018,555	(1,100)	(457,307)	560,148	560,148	02/05/2023	0.33

(1) A = stock options

The vesting period for the above plans has been completed, but the exercise of options remains subject to a continued presence condition until the date of exercise of the options.

Movements in Publicis Groupe stock option plans over the last two financial years

	2022		**2021**	
	Number of options	**Average exercise price (in euros)**	**Number of options**	**Average exercise price (in euros)**
Options at January 1	1,018,555	52.76	1,078,211	52.76
Options exercised [1]	(457,307)	52.76	(100,285)	52.76
Options canceled, lapsed or transferred	1,100	52.76	40,629	52.76
Options outstanding at December 31	**560,148**		**1,018,555**	
Of which exercisable	560,148	52.76	1,018,555	52.76

(1) Average share price on exercise (in euros)

Publicis Groupe free share plans

Characteristics of Publicis Groupe free share plans outstanding at December 31, 2022

Plans	*Initial date of grant*	*Shares yet to vest as of January 1, 2022 or shares granted in 2022*	*Shares cancelled, lapsed or transferred (1) in 2022*	*Shares vested in 2022 (2)*	*Shares yet to vest at December 31, 2022*	*Vesting date*	*Remaining contract life (in years)*
Sapient 2018 Plan (4 years)	04/17/2018	36,261	(1,019)	(35,242)	-	04/17/2022	-
LTIP 2019 Plan	05/28/2019	139,225	(1,650)	(137,575)	-	05/28/2022	-
Sapient 2019 Plan (4 years)	05/28/2019	94,172	(5,068)	(46,697)	42,407	05/28/2023	0.41
Sapient 2019 Plan (3 years)	05/28/2019	207,978	(9,170)	(198,808)	-	05/28/2022	-
LTI 2019-2021 Directoire Plan	06/14/2019	160,073	(50,413)	(109,660)	-	06/14/2022	-
Star Growth Performers Plan/2019 Special Plan	05/28/2019	212,083	(12,000)	(200,083)	-	05/28/2022	-
2019-2021 Epsilon Replacement Plan	07/15/2019	151,989	(1,465)	(150,524)	-	03/31/2022	-
Special Retention Plan 2019 (3)	11/15/2019	491,925	(98,030)	-	393,895	03/19/2025	2.22
Sapient 2020 Plan (4 years)	05/19/2020	152,805	(8,083)	(51,819)	92,903	05/19/2024	1.38
Sapient 2020 Plan (3 years)	05/19/2020	290,516	(17,988)	(5,916)	266,612	05/19/2023	0.38
LTI Epsilon 2020 Plan	07/20/2020	398,978	(19,640)	(165,965)	213,373	03/31/2023	0.25
"LTIP 2021" and other specific plans (4)	03/16/2021	571,759	(152,033)	-	419,726	03/18/2024	1.21
LTIP 2021 Directoire Plan	03/16/2021	151,577	-	-	151,577	03/18/2024	1.21
LTI Epsilon 2021 Plan	03/16/2021	599,827	(19,259)	(178,598)	401,970	03/31/2024	1.25
Sapient 2021 Plan (4 years)	04/13/2021	227,087	(12,118)	(54,570)	160,399	04/13/2025	2.28
Sapient 2021 Plan (3 years)	04/13/2021	340,636	(19,988)	-	320,648	04/13/2024	1.28
LTIP 2022 and other specific plans (4) (5)	03/18/2022	638,279	(11,508)	-	626,771	03/19/2025	2.22
LTIP 2022 Président du Directoire Plan (6)	05/25/2022	62,043	-	-	62,043	05/26/2025	2.22
LTIP 2022 Directoire Plan	03/18/2022	78,004	-	-	78,004	03/19/2025	2.22
LTI Epsilon 2022 Plan	03/18/2022	455,625	(14,781)	-	440,844	03/31/2025	2.25
LTI Epsilon 2022 Plan (September)	09/14/2022	70,882	-	-	70,882	09/30/2025	2.75
Sapient 2022 Plan (4 years)	04/11/2022	241,275	(2,250)	-	239,025	04/11/2026	3.28
Sapient 2022 Plan (3 years)	04/11/2022	361,917	(3,375)	-	358,542	04/11/2025	2.28
Total free share plans		**6,134,916**	**(459,838)**	**(1,335,457)**	**4,339,621**		

(1) *These relate to any transfers between French and foreign plans due to the geographic mobility of beneficiaries.*

(2) *In exceptional cases, as described in the plan regulations, shares may be delivered prior to the end of the vesting period.*

(3) *The shares of the second and third tranches are those granted respectively under the LTIP 2021 plan and the new LTIP 2022 plan to the initial beneficiaries. The delivery date of the initial plan (March 31, 2023) was extended and aligned with that of the LTIP 2022 plan.*

(4) *Excluding beneficiaries of the Special Retention Plan whose shares are presented on the line corresponding to the initial plan, the second and third tranche of which was replaced by the LTIP 2021 and LTIP 2022 plans respectively.*

(5) *Grant date on October 17, 2022 and delivery date on March 19, 2025 for the specific individual plan.*

(6) *Initially the shares were granted as of March 18, 2022 but an addition was granted as of May 25, 2022 following the General Shareholders' Meeting and the performance conditions of the plan were amended at the same date (see description of the new plan above).*

The vesting of free shares under the above plans is conditional on continued employment throughout the vesting period.

Delivery is also subject to non-market performance conditions for all plans, as well as a market condition only for the LTIP 2022 Président du Directoire plan.

Movements in Publicis Groupe free share plans over the last two financial years

	2022	2021
Grants at January 1	**4,226,891**	**4,171,762**
Grants during the year	1,908,025	1,978,790
Vesting	(1,335,457)	(1,010,466)
Grants lapsed	(459,838)	(913,195)
Grants at December 31	**4,339,621**	**4,226,891**

Fair value of free Publicis Groupe shares granted during financial year 2022

Free shares	***LTIP 2022 and other specific plans (1)***	***LTIP 2022 Directoire (2)***	***LTIP 2022 Chairman of the Management Board (2)***	***LTI Epsilon 2022 (1)***	***LTI Epsilon 2022 (1)***	***Sapient 2022 (4 years)***	***Sapient 2022 (3 years)***
Date of Management Board meeting	03/18/2022 10/17/2022	03/18/2022	03/18/2022 05/25/2022	03/18/2022	09/14/2022	04/11/2022	04/11/2022
Number of shares originally granted	638,279	78,004	62,043	455,625	70,882	241,275	361,917
Initial valuation of shares granted (weighted average, in euros)	49.68	49.69	48.16	52.22	46.92	48.68	47.35
Share price on the grant date (in euros)	57.61	57.64	56.49	57.64	52.72	55.24	55.24
Vesting period (in years)	3	3	3	1 to 3	1 to 3	1 to 4	3

(1) *Conditional shares subject to the achievement of targets set for 2022.*

(2) *Conditional shares subject to the achievement of targets set for the years 2022 to 2024.*

Effect of share subscription or stock option plans and free share plans on profit (loss)

The total impact of these plans on the 2022 income statement was euro 64 million (excluding taxes and social security charges), compared to euro 52 million in 2021 (see Note 4).

With regard to the free share plans granted subject to (non-market) performance conditions, and for which performance has not yet been definitively measured as of December 31, 2022, the probability of meeting the targets set in respect of the calculation of the 2022 expense has been estimated as follows:

- for performance plans measured over a one-year period, in respect of 2022 performance: 100%;
- for performance plans measured over three years, regarding the performance of the three-year period and concerning the LTIP 2021 and 2022 Directoire plans, as well as the LTIP 2022 Président du Directoire plan: 100%.

NOTE 32. INFORMATION ON RELATED-PARTY TRANSACTIONS

Transactions with associates

	December 31, 2022		December 31, 2021	
	Revenue	**Expenses**	**Revenue**	**Expenses**
Viva Tech (1)	11	-	7	-
Burrell Communications Group	-	5	3	-
SCB Tech X	20	-	-	-
Voila	3	-	-	-
Total	**34**	**5**	**10**	**-**

(1) Joint-venture between MSL France and Les Échos Solutions.

	December 31, 2022		December 31, 2021	
	Receivables/Loans	**Liabilities**	**Receivables/Loans**	**Liabilities**
OnPoint Consulting Inc	1	-	3	-
Viva Tech (1)	-	1	3	-
ZAG Ltd	3	-	4	-
Core 1 WML Ltd	3	-	-	-
SCB Tech X	4	-	-	-
Other	3	-	5	1
Total	**14**	**1**	**15**	**1**

(1) Joint-venture between MSL France and Les Échos Solutions.

Other related-party transactions

Weborama, a company specializing in the collection of marketing and digital advertising data, is indirectly owned by Ycor, in which Maurice Lévy, Chairman of the Supervisory Board of Publicis Groupe, has an interest. Weborama provides Epsilon, a subsidiary of Publicis Groupe, with access to its BigSea behavioral database (in France), to its NLP (Natural Language Processing) platform in the USA as well as associated maintenance services and strategy consulting services. The cost of these services in financial year 2022 amounted to euro 5 million, whereas euro 5 million in financial year 2021.

Compensation of managers

Managers include individuals who were members of the Supervisory Board or Management Board, at the reporting date or during the year ended.

(in millions of euros)	**2022**	**2021**
Total gross compensation (1)	(10)	(10)
Share-based payment (2)	(4)	(2)

(1) Compensation, bonuses, indemnities, attendance fees and benefits in kind paid during the year.

(2) Expense recognized in the income statement under the Publicis Groupe stock option and free share plans.

In addition, the total accounting provision as of December 31, 2022 for post-employment benefits and other long-term benefits for Senior Management amounted to euro 1 million. This figure was euro 1 million at December 31, 2021.

NOTE 33. SUBSEQUENT EVENTS

There is no subsequent event.

NOTE 34. FEES OF THE STATUTORY AUDITORS AND MEMBERS OF THEIR NETWORK

The fees paid by the Groupe for each of the statutory auditors of Publicis Groupe SA for the 2022 and 2021 financial years were:

(in millions of euros)	**Ernst & Young** Amount (excl. taxes)		%		**Mazars** Amount (excl. taxes)		%		**Total** Amount (excl. taxes)		%	
	2022	*2021*	*2022*	*2021*	*2022*	*2021*	*2022*	*2021*	*2022*	*2021*	*2022*	*2021*
Statutory auditors												
Publicis Groupe SA (parent company)	0.8	0.7	12%	12%	0.4	0.4	10%	9%	1.2	1.1	11%	11%
Account certification	*0.8*	*0.7*			*0.4*	*0.4*			*1.2*	*1.1*		
Other services	*0.0*	*0.0*			*0.0*	*0.0*			*0.0*	*0.0*		
Subsidiaries	0.2	0.2	3%	4%	0.5	0.5	12%	11%	0.7	0.7	7%	7%
Account certification	*0.1*	*0.1*			*0.5*	*0.5*			*0.6*	*0.6*		
Other services	*0.1*	*0.1*			*0.0*	*0.0*			*0.1*	*0.1*		
Subtotal	1.0	0.9	15%	16%	0.9	0.9	20%	20%	1.9	1.8	18%	18%
Network												
Account certification	*5.0*	*4.2*	*71%*	*72%*	*3.5*	*3.5*	*78%*	*78%*	*8.5*	*7.7*	*73%*	*75%*
Other services	*0.9*	*0.7*	*14%*	*12%*	*0.1*	*0.1*	*2%*	*2%*	*1.0*	*0.8*	*9%*	*7%*
Subtotal	5.9	4.9	85%	84%	3.6	3.6	80%	80%	9.5	8.5	82%	82%
Total	**6.9**	**5.8**	**100%**	**100%**	**4.5**	**4.5**	**100%**	**100%**	**11.4**	**10.3**	**100%**	**100%**

NOTE 35. LIST OF THE MAIN CONSOLIDATED COMPANIES AT DECEMBER 31, 2022

Fully consolidated companies

The companies listed below are our operating companies with 2022 revenue of at least euro 10 million.

Name	% control	% interest	Country
Advance Marketing Services SASU	100.00%	100.00%	France
Epsilon France SASU (2)	100.00%	100.00%	France
Epsilon Lille SASU	100.00%	100.00%	France
Independance Media SAS	100.00%	100.00%	France
Mediagare SNC	100.00%	67.00%	France
Metrobus SA	67.00%	67.00%	France
Metrobus Ile-de-France SAS (1)	100.00%	67.00%	France
Prodigious France SASU	100.00%	100.00%	France
Publicis Conseil SA	99.99%	99.99%	France
Publicis Consultants France SARL	100.00%	100.00%	France
Publicis Drugstore Champs Elysées SNC	100.00%	100.00%	France
Publicis Media France SASU	100.00%	100.00%	France
Publicis Sapient France SASU	100.00%	100.00%	France
PublicisLive France SASU	100.00%	100.00%	France
Services Marketing Diversifiés SASU	100.00%	100.00%	France
MMS Communication South Africa Ltd	76.30%	49.00%	South Africa
CNC Communications & Network Consulting AG	100.00%	100.00%	Germany
Digitas Pixelpark GmbH	100.00%	100.00%	Germany
Leo Burnett GmbH	100.00%	100.00%	Germany
MetaDesign GmbH	100.00%	100.00%	Germany
MSL Group Germany GmbH	100.00%	100.00%	Germany
Publicis Platform GmbH	100.00%	100.00%	Germany
Publicis Media GmbH	100.00%	100.00%	Germany
Saatchi & Saatchi GmbH	100.00%	100.00%	Germany
Sapient GmbH	100.00%	100.00%	Germany
Spark Foundry Germany GmbH (1)	100.00%	100.00%	Germany
Starcom Germany GmbH	100.00%	100.00%	Germany
Zenithmedia GmbH	100.00%	100.00%	Germany
Abdulkader Sul. El K. Br. Adv.Co	100.00%	100.00%	Saudi Arabia
MMS Communications Saudi Arabia Limited (1)	100.00%	100.00%	Saudi Arabia
MMS Communicaciones Argentina S.R.L.	100.00%	100.00%	Argentina
Publicis Communications Australia Pty Ltd	100.00%	100.00%	Australia
Publicis Media Australia Pty Ltd	100.00%	100.00%	Australia
Publicis Red Lion Pty. Ltd	100.00%	100.00%	Australia

Name	% control	% interest	Country
Publicis Sapient Australia Pty Ltd	100.00%	100.00%	Australia
MMS Communications Belgium SRL	100.00%	100.00%	Belgium
Publicis Brasil Comunicacao Ltda.	100.00%	100.00%	Brazil
MMS Brasil Comunicação Ltda. (1)	100.00%	100.00%	Brazil
Talent Marcel Comunicacao e Planejamento Ltda	100.00%	100.00%	Brazil
DPZ Comunicacoes Ltda	98.74%	98.25%	Brazil
Leo Burnett Neo Comunicaçao Ltda	98.00%	98.00%	Brazil
Leo Burnett Company Ltd	100.00%	100.00%	Canada
TMG MacManus Canada Inc.	100.00%	100.00%	Canada
Publicis Canada Inc.	100.00%	100.00%	Canada
Saatchi & Saatchi Advertising Inc.	100.00%	100.00%	Canada
Publicis Media Canada Inc.	100.00%	99.78%	Canada
Communications G / B2 Inc.	100.00%	100.00%	Canada
Epsilon Interactive CA ULC	100.00%	100.00%	Canada
Sapient Canada Inc.	100.00%	100.00%	Canada
Nurun Inc.	100.00%	100.00%	Canada
MMS Communications Chile SA (1)	100.00%	100.00%	Chile
BBH China Ltd (1)	100.00%	100.00%	China
Publicis Advertising Co. Ltd	100.00%	100.00%	China
Saatchi & Saatchi GreatWall Advertising Co. Ltd	100.00%	100.00%	China
Leo Burnett Shanghai Advertising Co. Ltd	100.00%	100.00%	China
MS&L Public relations consultancy Bejing Co. Ltd	100.00%	100.00%	China
Publicis Sapient China Co. Ltd	100.00%	100.00%	China
Shanghai Ideas Palace Adverstising (1)	100.00%	100.00%	China
PG Lion (Wuhan) Consulting Co., Ltd	100.00%	100.00%	China
APEX Trading Colomnia SAS	100.00%	100.00%	Colombia
MMS Communicaciones Colombia SAS	100.00%	100.00%	Colombia
Leo Burnett Inc.	100.00%	100.00%	South Korea
Publicis Denmark A/S	100.00%	100.00%	Denmark
Lion Communications FZ-LLC	100.00%	100.00%	United Arab Emirates
MMS Communications FZ LLC (1)	100.00%	100.00%	United Arab Emirates
Publicis Communications FZ LLC	100.00%	100.00%	United Arab Emirates
Publicis Media FZ LLC	100.00%	100.00%	United Arab Emirates
Publicis Sapient FZ LLC	100.00%	100.00%	United Arab Emirates
Starcom MediaVest Group Iberia SLU	100.00%	100.00%	Spain
Zenith Media SLU	100.00%	100.00%	Spain
Spark Foundry Agencia de Medios, SLU (1)	100.00%	100.00%	Spain
3 Share Inc.	100.00%	100.00%	United States
Alpha 245 Inc.	100.00%	100.00%	United States
APEX Exchange LLC	100.00%	100.00%	United States
Bartle Bogle Hegarty Inc.	100.00%	100.00%	United States
BBK Worldwide LLC (1)	100.00%	100.00%	United States

Name	% control	% interest	Country
Blue 449 Inc.	100.00%	100.00%	United States
Catapult Integrated Services LLC	100.00%	100.00%	United States
CitrusAd International Inc (1)	100.00%	100.00%	United States
Commission Junction LLC	100.00%	100.00%	United States
Conversant LLC.	100.00%	100.00%	United States
Digitas Inc.	100.00%	100.00%	United States
Epsilon Agency LLC	100.00%	100.00%	United States
Epsilon Data Management LLC	100.00%	100.00%	United States
Fallon Group Inc.	100.00%	100.00%	United States
Formerly Known As, LLC (2)	100.00%	100.00%	United States
GroupConnect LLC	100.00%	100.00%	United States
Harbor Picture Company Inc	100.00%	100.00%	United States
Kekst & Company Inc	100.00%	100.00%	United States
La Communidad Corporation	100.00%	100.00%	United States
Leo Burnett Company Inc.	100.00%	100.00%	United States
Leo Burnett Detroit LLC	100.00%	100.00%	United States
Level Sunset LLC	100.00%	100.00%	United States
Martin Retail Group LLC	70.00%	70.00%	United States
MediaVest WW Inc	100.00%	100.00%	United States
MSLGROUP Americas LLC	100.00%	100.00%	United States
Plowshare Group, LLC	100.00%	100.00%	United States
Publicis Hawkeye Inc	100.00%	100.00%	United States
Publicis Health LLC	100.00%	100.00%	United States
Publicis Health Media LLC	100.00%	100.00%	United States
Publicis Inc. (2)	100.00%	100.00%	United States
Publicis Media, Inc.	100.00%	100.00%	United States
Publicis USA Production Solutions Inc.	100.00%	100.00%	United States
Rauxa Agency, LLC	100.00%	100.00%	United States
Razorfish, LLC (1)	100.00%	100.00%	United States
Saatchi & Saatchi North America LLC	100.00%	100.00%	United States
Saatchi & Saatchi X Inc	100.00%	100.00%	United States
Sapient Corporation	100.00%	100.00%	United States
Sapient Government Services Inc.	100.00%	100.00%	United States
Starcom Worldwide Inc.	100.00%	100.00%	United States
VNC Communications Inc.	100.00%	100.00%	United States
Zenith Media Services Inc.	100.00%	100.00%	United States
Denuo Ltd	100.00%	100.00%	Hong Kong
Publicis Worldwide (Hong Kong) Ltd.	100.00%	100.00%	Hong Kong
MMS Communications Hungary Kft	100.00%	100.00%	Hungary
TLG India Private Ltd.	100.00%	100.00%	India
Brandmap Communications Private Ltd.	100.00%	100.00%	India
Convonix Systems Private Ltd.	100.00%	100.00%	India

Name	% control	% interest	Country
Profitero Ltd (1)	100.00%	100.00%	Ireland
BBR Braumann Ber Rivnay Ltd.	98.04%	98.04%	Israel
Super Push (Marketing Services) Ltd (1)	98.04%	98.04%	Israel
Leo Burnett Company Srl	100.00%	100.00%	Italy
PMX Italy Srl (2)	100.00%	100.00%	Italy
Publicis Srl	100.00%	100.00%	Italy
Publicis Value Services Srl. (2)	100.00%	100.00%	Italy
Starcom MediaVest Group Italia Srl	100.00%	100.00%	Italy
Zenith Italy Srl	100.00%	100.00%	Italy
Beacon Communications KK	66.00%	66.00%	Japan
MMS Communications KK	100.00%	100.00%	Japan
H&C Leo Burnett Sarl	100.00%	100.00%	Mexico
Publicis APX Malaysia Sdn Bhd (1)	100.00%	100.00%	Malaysia
Star Reacher Advertising Sdn Bhd	100.00%	100.00%	Malaysia
Starcom Worldwide SA de CV	100.00%	100.00%	Mexico
Publicis Communications Norway AS (2)	100.00%	100.00%	Norway
MMS New Zealand Ltd	100.00%	100.00%	New Zealand
Boomerang Create BV (1)	100.00%	100.00%	The Netherlands
MMS Communications Netherlands BV	100.00%	100.00%	The Netherlands
Publicis Asociados SAC	100.00%	100.00%	Peru
PGP hub sp. zoo	100.00%	100.00%	Poland
Saatchi & Saatchi IS sp. Zoo	100.00%	100.00%	Poland
Starcom sp zoo	100.00%	100.00%	Poland
Zenith Poland sp z.o.o. (1)	100.00%	100.00%	Poland
Badillo Saatchi & Saatchi, Inc.	100.00%	100.00%	Puerto Rico
Lions Communications s.r.o.	100.00%	100.00%	Czech Republic
Lion Communication Service Romania S.A.	51.05%	51.05%	Romania
Tremend Software Consulting S.R.L. (1)	100.00%	100.00%	Romania
APX Trading Ltd.	100.00%	100.00%	United Kingdom
BBH Partners LLP	100.00%	100.00%	United Kingdom
CNC Communications & Network Consulting Ltd	100.00%	100.00%	United Kingdom
DigitasLBi Ltd	100.00%	100.00%	United Kingdom
Epsilon International UK Ltd.	100.00%	100.00%	United Kingdom
Leo Burnett Ltd	100.00%	100.00%	United Kingdom
PG Media Services Ltd	100.00%	100.00%	United Kingdom
Prodigious UK Ltd	100.00%	100.00%	United Kingdom
Publicis Media Exchange Ltd. (1)	100.00%	100.00%	United Kingdom
Publicis Healthcare Communications Group Ltd	100.00%	100.00%	United Kingdom
Publicis Ltd	100.00%	100.00%	United Kingdom
Saatchi & Saatchi Group Ltd	100.00%	100.00%	United Kingdom
Sapient Ltd. UK	100.00%	100.00%	United Kingdom

Name	% control	% interest	Country
Spark Foundry Ltd.	100.00%	100.00%	United Kingdom
Zenith International Ltd	100.00%	100.00%	United Kingdom
Zenith UK Ltd	100.00%	100.00%	United Kingdom
APX Echange Pte Ltd. (1)	100.00%	100.00%	Singapore
MMS Communications Singapore Pte Ltd	100.00%	100.00%	Singapore
BBH Communications (Asia Pacific) Pte Ltd	100.00%	100.00%	Singapore
Publicis Media Sweden AB	100.00%	100.00%	Sweden
Publicis Sapient Sweden AB (2)	100.00%	100.00%	Sweden
Publicis Communications Lausanne S.A.	100.00%	100.00%	Switzerland
Publicis Communications Schweiz AG	100.00%	100.00%	Switzerland
Publicis Live Switzerland	100.00%	100.00%	Switzerland
Publicis Media Switzerland AG	100.00%	100.00%	Switzerland
Denuo Ltd Taiwan Branch	100.00%	100.00%	Taiwan
Leo Burnett Company Ltd	100.00%	100.00%	Taiwan
Publicis Worldwide Ltd Taiwan Branch (1)	100.00%	100.00%	Taiwan
Star Reachers Group Co	100.00%	100.00%	Thailand
Lion Communications Turkey	100.00%	100.00%	Turkey
MMS Communications Vietnam Company Ltd.	76.50%	76.50%	Vietnam

(1) *Companies on the 2022 list but not on the 2021 list*
(2) *Change in corporate name in 2022*

Reinsurance company

During 2022, a reinsurance company has been incorporated in France to optimize the group's insurance costs. This company is controlled and held at 100% by the Groupe and is fully consolidated.

Main investment in associates

Name	% interest	Country
Somupi SA	34.00%	France
OnPoint Consulting Inc (1)	100.00%	United States
Viva Tech (2)	50.00%	France
Voilà SAS	50.00%	France
Insight Redefini Ltd	25.00%	Nigeria
SCB TechX	40.00%	Thailand
Burrell Communications Group	49.00%	United States
JJLabs	49.00%	United States
Core 1 WML Ltd	49.99%	Ireland

(1) *Although this is a wholly-owned company, it is not, however, controlled by the Groupe, which only has a significant influence.*
(2) *Joint-venture between MSL France and Les Échos Solutions.*