PUBLICIS GROUPE

CONSOLIDATED FINANCIAL STATEMENTS

FINANCIAL YEAR 2023

2023 CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

(in millions of euros)	*Note*	2023	2022
Net revenue [1]	*4*	**13,099**	**12,572**
Pass-through revenue		1,703	1,624
Revenue	*4*	**14,802**	**14,196**
Personnel costs	*5*	(8,514)	(8,211)
Other operating costs	*6*	(3,443)	(3,184)
Operating margin before depreciation & amortization		**2,845**	**2,801**
Depreciation and amortization expense (excluding acquired intangibles)	*7*	(482)	(535)
Operating margin		**2,363**	**2,266**
Amortization of intangibles from acquisitions	*7*	(268)	(287)
Impairment loss	*7*	(153)	(109)
Non-current income and expenses	*8*	(202)	(103)
Operating income		**1,740**	**1,767**
Financial expense	*9*	(120)	(118)
Financial income	*9*	198	101
Cost of net financial debt	***9***	**78**	**(17)**
Revaluation of earn-out payments	*9*	12	(2)
Other financial income and expenses	*9*	(99)	(100)
Pre-tax income of consolidated companies		**1,731**	**1,648**
Income taxes	*10*	(415)	(431)
Net income of consolidated companies		**1,316**	**1,217**
Share of profit of associates	*15*	6	5
Net income		**1,322**	**1,222**
Of which:			
• Net income attributable to non-controlling interests		10	-
• Net income attributable to equity holders of the parent company		1,312	1,222

Per-share data (in euros) – Net income attributable to equity holders of the parent company	***11***		
Number of shares		*250,706,485*	*250,972,110*
Earnings per share		5.23	4.87
Number of diluted shares		*253,999,363*	*253,605,167*
Diluted earnings per share		5.17	4.82

(1) Net revenue: Revenue less pass-through costs. Those costs are mainly production & media costs and out-of-pocket expenses. As these are 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 Group's operational performance.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in millions of euros)	2023	2022
Net income for the period (a)	**1,322**	**1,222**
Comprehensive income that will not be reclassified to income statement		
● Actuarial gains (and losses) on defined benefit plans	***12***	*42*
● Deferred taxes on comprehensive income that will not be reclassified to income statement	*(3)*	*(10)*
Comprehensive income that may be reclassified to income statement		
● Remeasurement of hedging instruments	*34*	*(21)*
● Consolidation translation adjustments	**(390)**	*311*
Total other comprehensive income (b)	**(347)**	**322**
Total comprehensive income for the period (a) + (b)	**975**	**1,544**
Of which:		
● Total comprehensive income for the period attributable to non-controlling interests	*4*	-
● Total comprehensive income for the period attributable to equity holders of the parent company	*971*	*1,544*

CONSOLIDATED BALANCE SHEET

(in millions of euros)	*Note*	December 31, 2023	December 31, 2022
Assets			
Goodwill	*12*	12,422	12,546
Intangible assets, net	*13*	958	1,247
Right-of-use assets related to leases	*25*	1,614	1,753
Property, plant and equipment, net	*14*	596	610
Deferred tax assets	*10*	212	186
Investments in associates	*15*	46	55
Other financial assets	*16*	316	394
Non-current assets		**16,164**	**16,791**
Inventories and work-in-progress	*17*	341	327
Trade receivables	*18*	13,400	12,089
Contract assets		1,297	1,149
Other receivables and current assets	*19*	1,264	926
Cash and cash equivalents	*20*	4,250	4,616
Current assets		**20,552**	**19,107**
Total assets		**36,716**	**35,898**
Equity and liabilities			
Share capital		102	102
Additional paid-in capital and retained earnings, Group share		9,686	9,533
Equity attributable to holders of the parent company, Group share	***21***	**9,788**	**9,635**
Minority interests		(40)	(35)
Total equity		**9,748**	**9,600**
Long-term borrowings	*24*	2,462	2,989
Long-term lease liabilities	*25*	1,992	2,197
Deferred tax liabilities	*10*	98	219
Pension commitments and other long-term benefits	*23*	265	244
Long-term provisions	*22*	319	260
Non-current liabilities		**5,136**	**5,909**
Trade payables		17,077	15,660
Contract liabilities	*27*	513	549
Short-term borrowings	*24*	726	627
Short-term lease liabilities	*25*	360	360
Income taxes payable		378	486
Pension commitments and other short-term benefits	*23*	21	20
Short-term provisions	*22*	255	271
Other creditors and current liabilities	*26*	2,502	2,416
Current liabilities		**21,832**	**20,389**
Total equity and liabilities		**36,716**	**35,898**

CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions of euros)	Note	2023	2022
Cash flow from operating activities			
Net income		1,322	1,222
Neutralization of non-cash income and expenses:			
Income taxes	*10*	415	431
Cost of net financial debt	*9*	(78)	17
Capital losses (gains) on disposal of assets (before tax)	*8*	(1)	103
Depreciation, amortization and impairment losses	*7*	903	931
Share-based compensation	*32*	85	64
Other non-cash income and expenses		79	86
Share of profit of associates	*15*	(6)	(5)
Dividends received from associates	*15*	7	3
Taxes paid		(669)	(430)
Change in working capital requirements (1)		(9)	(5)
Net cash flows generated by (used in) operating activities (I)		**2,048**	**2,417**
Cash flow from investing activities			
Purchases of property, plant and equipment and intangible assets		(180)	(198)
Disposals of property, plant and equipment and intangible assets		2	4
Purchases of investments and other financial assets, net		13	11
Acquisitions of subsidiaries	*3*	(194)	(523)
Disposals of subsidiaries	*3*	11	(43)
Net cash flows generated by (used in) investing activities (II)		**(348)**	**(749)**
Cash flow from financing activities			
Dividends paid to holders of the parent company	*21*	(726)	(603)
Dividends paid to non-controlling interests		(9)	(4)
Proceeds from borrowings	*24*	5	-
Repayment of borrowings	*24*	(502)	(10)
Repayment of lease liabilities	*25*	(344)	(317)
Interest paid on lease liabilities	*25*	(79)	(87)
Interest paid		(99)	(101)
Interest received		192	84
Buy-outs of non-controlling interests		(4)	(3)
Net (buybacks)/sales of treasury shares and warrants		(189)	41
Net cash flows generated by (used in) financing activities (III)		**(1,755)**	**(1,000)**
Impact of exchange rate fluctuations (IV)		**(311)**	**300**
Change in consolidated cash and cash equivalents (I + II + III + IV)		**(366)**	**968**
Cash and cash equivalents on January 1	*20*	4,616	3,659
Bank overdrafts on January 1	*24*	(1)	(12)
Net cash and cash equivalents at beginning of year (V)		**4,615**	**3,647**
Cash and cash equivalents at closing date	*20*	4,250	4,616
Bank overdrafts at closing date	*24*	(1)	(1)
Net cash and cash equivalents at end of the year (VI)		**4,249**	**4,615**
Change in consolidated cash and cash equivalents (VI - V)		**(366)**	**968**

(1) Breakdown of changes in working capital requirements

Change in inventory and work-in-progress	(22)	(46)
Change in trade receivables and other receivables	(2,303)	(710)
Change in trade payables, other payables and provisions	2,316	751
Change in working capital requirements	**(9)**	**(5)**

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	Equity attributable to equity holders of the parent company	Non-controlling interests	Total equity
251,992,065	**December 31, 2022**	**102**	**4,037**	**5,324**	**85**	**87**	**9,635**	**(35)**	**9,600**
	Net income			1,312			1,312	10	1,322
	Other comprehensive income, net of tax			114	(384)	(71)	(341)	(6)	(347)
	Total comprehensive income for the year	**-**	**-**	**1,426**	**(384)**	**(71)**	**971**	**4**	**975**
-	Dividends		(701)	(25)			(726)	(9)	(735)
1,545,833	Share-based compensation, net of tax			102			102		102
	Effect of acquisitions and commitments to buy-out non-controlling interests			(5)			(5)		(5)
-	Equity warrants exercise						-		-
(2,963,405)	(Buybacks)/Sales of treasury shares			(189)			(189)		(189)
250,574,493	**December 31, 2023**	**102**	**3,336**	**6,633**	**(299)**	**16**	**9,788**	**(40)**	**9,748**
249,600,509	**December 31, 2021**	**101**	**4,581**	**4,056**	**(226)**	**76**	**8,588**	**(33)**	**8,555**
	Net income			1,222			1,222	-	1,222
	Other comprehensive income, net of tax				311	11	322	-	322
	Total comprehensive income for the year	**-**	**-**	**1,222**	**311**	**11**	**1,544**	**-**	**1,544**
-	Dividends		(559)	(44)			(603)	(4)	(607)
246,225	Share-based compensation, net of tax			66			66		66
	Effect of acquisitions and commitments to buy-out non-controlling interests			(1)			(1)	2	1
603,226	Equity warrants exercise	1	15				16		16
1,542,105	(Buybacks)/Sales of treasury shares			25			25		25
251,992,065	**December 31, 2022**	**102**	**4,037**	**5,324**	**85**	**87**	**9,635**	**(35)**	**9,600**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DETAILED SUMMARY OF THE NOTES TO THE 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 headquarters 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 2023 consolidated financial statements were prepared in accordance with the IAS/IFRS international accounting standards approved by the European Union as of the closing date and that were mandatory at that date.

The 2023 consolidated financial statements and the accompanying notes were approved by the Management Board at its February 5, 2024 meeting and reviewed by the Supervisory Board at its February 7, 2024 meeting. They will be submitted for approval by the shareholders at the General Shareholders' Meeting on May 29, 2024. 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, 2023 are consistent with the IFRS standards and IFRIC interpretations as adopted by the European Union as at December 31, 2023.

Application of new standards and interpretations

The Group's application of the new standards and interpretations adopted by the European Union during financial year 2023 or whose application is mandatory no later than December 31, 2023 has no material impact on the Group's financial statements and concerns:

- the amendment to IAS 12 removing the exemption from the initial recognition of deferred taxes for transactions generating taxable and deductible temporary differences of equal amount;
- the amendment to IAS 12 which provides a mandatory temporary exemption from the recognition of deferred taxes in the consolidated financial statements in line with the international tax reform of the OECD, Pillar 2;
- IFRS 17 on the principles of recognition, valuation, presentation and disclosures of insurance contracts;
- the amendment to IAS 8 clarifying the distinction between a change in accounting estimate and a change in accounting method;
- the amendment to IAS 1 concerning disclosures of significant accounting policies and methods.

Early application

As of December 31, 2023, the Group 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 Group do not differ from IFRS standards as published by the IASB, since the application of the following standards are not mandatory in financial years beginning on or after January 1, 2023:

- the amendment to IAS 1 relating to the classification of liabilities as current or non-current;
- the amendments to IFRS 16 relating to lease liabilities in the case of a sale-leaseback contract;

The Group does not expect any material impact from the application of these new standards, which will become mandatory as of January 1, 2024.

Standards issued by the IASB but not yet adopted by the European Union

The following standards have not entered into force as they have not been adopted by the European Union. These are:

- the amendment of IAS 7 and IFRS 7 on supplier finance arrangements;
- the amendments to IAS 21 concerning the lack of exchangeability.

The Group does not expect the application of these new standards 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 Group obtains control until the date on which control is transferred to an entity outside the Group.

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

Investments in associates

The Group's investments in associates are accounted for under the equity method. An associate is a company over which the Group 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 Group's share in the net assets of the associate, in accordance with the equity method. The Group's investment includes the amount of any goodwill, which is treated in accordance with the Group's accounting policy in this area, as presented in Section 1.3 below. The income statement reflects the Group'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 Group 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 Group 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 Group. The consolidated value of the subsidiary's identifiable assets and liabilities, including goodwill, is thus left unchanged.

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

Sale of securities without loss of 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 Group. The consolidated value of the subsidiary's identifiable assets and liabilities, including goodwill, is thus left unchanged.

In the statement of cash flows, sales of securities without loss of exclusive control are presented as net cash flows 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 and whenever there is an indication of impairment. 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 Group considers that the cash-generating unit or the group of cash-generating units are mainly the ten key markets in which the Group operates: United States, Canada, United Kingdom, France, DACH (Germany, Austria and Switzerland), Asia-Pacific the Middle-East and Africa, Central and Eastern Europe, Western Europe, Latin America.

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 current market assessments of the time 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 ten 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 Group's engagement in digital activities. They are amortized over a three to seven year period.

Email 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 Group uses the royalty savings method for brands, which takes into account the future cash flows that the brand would generate in royalties if a third party were to pay for the use of said brand. For client contracts, the method involves discounting future cash flows generated by the clients. 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 modelling to optimize media buying for the Group's clients.

Development costs incurred on an individual project are capitalized in accordance with the IAS 38 criteria and in particular when its future recoverability can reasonably be considered to be certain. 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: ten years;
- office equipment and furniture: five to ten years;
- vehicles: four years;
- IT equipment: two to four 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

The Group's leases relate to real estate, outdoor contracts and other assets (vehicles and IT equipment). Real estate contracts concern offices for which the Group is lessee. Office lease terms vary from country to country. The outdoor contracts concern advertising space located in public transport (stations, metro, buses) and made available to the Group in return for the payment of fees with guaranteed minimums. The terms of outdoor contracts are between one and ten years.

Leases are recognized in the balance sheet at the inception of the lease for the present value of the future payments (i.e. rent or fixed or substantially fixed fees). These leases are recognized under "Lease liabilities" on the liabilities side, offset by "Right-of-use assets related to leases" on the assets side. In the income statement, depreciation and amortization expenses are recognized in the operating margin and interest expenses under net financial income (expenses). The tax impact of this consolidation restatement is taken into account through the recognition of deferred taxes, which are amortized over the term of the contract, which generally corresponds to the fixed term of the contract unless the Group is reasonably certain to renew or terminate it.

The discount rates applied to determine the lease liability are based on the Group'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.

Where there is an indication 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 Group.

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 Group'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 Group 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 Group 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 repayable in shares (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 Group 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 Group 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 Group'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 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 Group 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 Group'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 Group, 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 Group 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 Group acts as "Agent." Such advances are recorded under "Trade payables."

Revenue

Group 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 Group 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 Group typically has right to payment to the end of the contract or at least for the work performed to date.

The Group 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 Group 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 Group 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 Group.

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 Group 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 Group. 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.

Notion of "Agent" vs. "Principal"

When third party suppliers are involved in providing services to clients, the Group 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 Group 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 production, the Group 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 Group considers that this involves a single performance obligation for which it acts as "Principal."

When the Group acts as "Principal," the revenue is recognized for the gross amount invoiced to the client. When the Group 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 Group's revenue is recognized over time because the Group's services benefit the client as they are performed or generate an asset with no alternative use and for which the Group is entitled to payment for the work done to date in the event of termination by the client.

For fixed-price projects, revenue is recognized over time 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 Group 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 Group 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 Group supplies a range of integrated communication services for its clients that combine all the Group's areas of expertise. The Group 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 31).

Practical expedients adopted

The Group 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 Group 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 Group acts as "Agent" or "Principal," the Group 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 Group'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 Group 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 vested.

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 Group 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 vested.

Non-current income and expenses

In order to facilitate the analysis of the Group'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 Group to measure the performance of cash-generating units and of the Group 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 Group, 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 vested.

In addition to these earnings per share (base and diluted), the Group 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 Group’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 Group 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 Group’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:

- 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 7, 10, 22, 23, 30 and 32.

Note 2 Macro-economic context

Economic environment

Despite a more difficult economic environment, the performance of the Group's activities is in line with the growth rates and margin rates provided for in the business plans.

Russia-Ukraine conflict

Given the persistence of the Russian-Ukrainian conflict, the Group continues to support its employees amidst reduced activity. Personnel costs in 2023 were fully provisioned at December 31, 2022.

As a reminder, Publicis Groupe sold 100% of the share capital of MMS Communication LLC, its Russia-based subsidiary, during financial year 2022. This transaction is reflected in the financial statements at December 31, 2022 as a disposal loss of euro 87 million in non-current income.

Note 3 Changes to consolidation scope

3.1 Acquisitions in financial year 2023

The main acquisitions of the period were:

- in April 2023, the full acquisition of Practia, a technology group that provides digital transformation services to companies. This acquisition will enable the Group to strengthen its positions in the Latin American market and set up a local delivery platform for the North American market. Practia has offices in Argentina, Chile, Mexico, Peru, Brazil, Colombia and Spain, and an operational presence in Uruguay and the United States. The consideration transferred is euro 143 million;
- in June 2023, the full acquisition of Corra, an e-commerce entity specializing in business solutions, in particular Adobe Commerce. The acquisition will enable the Group to extend its offerings in digital and omnichannel commerce. The consideration transferred is euro 127 million.

The fair value, at the acquisition date, of the consideration transferred (excluding cash and cash equivalents acquired) for the consolidated entities taken as a whole with the acquisition of exclusive control during the period amounts to euro 289 million. This amount mainly includes:

- euro 131 million paid out during the period;
- euro 158 million in earn-out commitments.

The amount paid out in 2023 for acquisitions (net of cash and cash equivalents acquired) totaled euro 194 million and includes:

- euro 133 million paid out during the period;
- euro (10) million in net cash acquired;
- euro 71 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 2023 and less than 1% of net income attributable to equity holders of the parent company.

3.2 Acquisitions in financial year 2022

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

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

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 control 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 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 2021 and less than 1% of net income attributable to equity holders of the parent company.

3.3 Disposals in financial years 2023 and 2022

In 2023, the Group did not make any significant disposals.

In 2022, the Group sold 100% of MMS Communication LLC, its Russian-based subsidiary. Russian activities contributed less than 0.5% to financial year 2021 consolidated net revenue and less than 0.5% to financial year 2021 net income attributable to equity holders of the parent company. The Group had also disposed of the operations of Qorvis LLC to its CEO as of December 31, 2022. There were no other significant disposals during the financial year.

Note 4 Revenue and net revenue

Publicis Groupe supports its clients on all marketing issues thanks to its expertise in the areas of creativity, media, data and digital transformation. To provide a single offering in each country combining all the Group's areas of expertise, Publicis defined ten core markets: the United States, Canada, the United Kingdom, France, DACH (Germany, Austria and Switzerland), Asia-Pacific, Africa and the Middle East, Central and Eastern Europe, Western Europe and Latin America.

This organization by country corresponds to the operating segments grouped into five reportable segments: North America, Europe, Asia-Pacific, the Middle East and Africa, and Latin America.

(in millions of euros)	North America	Europe	Asia-Pacific	Middle East & Africa	Latin America	2023
Revenue	8,709	3,814	1,410	503	366	14,802
Net revenue	8,050	3,172	1,156	380	341	13,099

Note 5 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 plan expenses (excluding the net effect of discounting presented in other financial income and expenses).

(in millions of euros)	2023	2022
Compensation	(6,755)	(6,449)
Social security charges, including post-employment benefits	(1,231)	(1,160)
Share-based payments	(85)	(64)
Temporary employees and freelancers	(332)	(456)
Restructuring costs	(111)	(82)
Total	**(8,514)**	**(8,211)**

/ Breakdown of headcount at December 31 by geographic region

	2023	2022
Europe	25,292	24,304
North America	29,979	29,574
Latin America	10,231	8,392
Asia-Pacific	34,039	32,195
Middle East & Africa	3,754	3,557
Total	**103,295**	**98,022**

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

	2023	2022
Media and research	22%	22%
Creative	10%	10%
Production, specialized activities and others	40%	39%
Commercial	15%	16%
Administration and management	13%	13%
Total	**100%**	**100 %**

Note 6 Other operating costs

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

- pass-through costs amounting to euro 1,597 million in 2023, versus euro 1,519 million in 2022;
- costs directly attributable to the services rendered amounting to euro 500 million in 2023, versus euro 467 million in 2022.

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

Note 7 Depreciation, amortization and impairment losses

(in millions of euros)	2023	2022
Amortization of other intangible assets (excluding intangibles arising from acquisitions)	(55)	(68)
Depreciation of property, plant and equipment	(130)	(141)
Depreciation of right-of-use assets	(297)	(326)
Depreciation and amortization expense (excluding acquired intangibles)	**(482)**	**(535)**
Amortization of intangibles from acquisitions	**(268)**	**(287)**
Impairment losses on goodwill	(6)	(28)
Impairment losses on real estate contracts	(147)	(81)
Impairment losses	**(153)**	**(109)**
Total depreciation, amortization and impairment losses	**(903)**	**(931)**

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. The 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 2023 and 2022.

Impairment losses on goodwill

Impairment tests

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 and the Middle East, Central and Eastern Europe, Western Europe and Latin America, 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 (2024-2028). Forecasts for 2024 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 10% (12.9% before tax) and 19% (26.6% before tax). The terminal growth rate used in the forecasts ranged from 1.5% to 2.8%.

The impairment tests led the Group to recognize, in 2023, an impairment loss of euro 6 million concerning the goodwill on the Latin America zone.

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

	December 31, 2023		
(in millions of euros)	Carrying amount of goodwill	After-tax discount rate	Terminal growth rate
North America [(1)]	8,828	10.5%	2%
Europe	1,834	10.5% - 13%	1.5% - 2.5%
Asia-Pacific	1,134	10%	2.3%
Middle East & Africa	362	12%	2.3%
Latin America	146	19%	2.8%
Other goodwill	118	9.9% - 10.8%	1.6% - 2%
Total goodwill after impairment loss	**12,422**		

(1) The North America goodwill of euro 8,828 million includes the United States goodwill for euro 8,380 million and the Canada goodwill for euro 448 million. For the purpose of the impairment tests, the value in use of the United States CGU is determined using the market multiples approach.

In 2022, impairment tests led the Group to recognize an impairment loss of euro 28 million for Brazil goodwill due to a decrease in revenue related to the loss of a significant client in that country. The after-tax discount rates used ranged from 9% (11% before tax) to 19.5% (26% before tax). The terminal growth rate used in the forecasts ranged from 1.5% to 3%.

The main assumptions used for the 2022 impairment tests were as follows:

	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%
Middle East & Africa	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) The North America goodwill of euro 8,912 million includes the United States goodwill for euro 8,457 million and the 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.

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, did not reveal a recoverable amount less than the net carrying amount, except for the Latin America cash-generating unit.

For the latter, the additional impairment following the change in assumptions is disclosed below:

	Additional impairment loss
(in millions of euros)	Latin America
Discount rate sensitivity	
1% increase in discount rate	(14)
Long-term growth sensitivity	
0.5% decrease in LT growth rate	(4)
Operating margin sensitivity in terminal value	
0.5% decrease in margin	(5)

Impairment losses on real estate contracts

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.

Impairment losses of euro 147 million were recognized (euro 110 million net of tax), including euro 47 million for right-of-use assets, euro 39 million for sub-leasing receivables and euro 9 million for fixtures. Accrued expenses such as facility management expenses and any taxes on vacant properties in the amount of euro 52 million are included in provisions for real estate commitments.

In 2022, euro 81 million in impairment losses had been recognized (euro 61 million net of tax), including euro 45 million for right-of-use assets and euro 12 million for fixtures. Accrued expenses such as lease expenses and any taxes on vacant properties in the amount of euro 24 million were included in provisions for real estate commitments.

Note 8 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)	2023	2022
Capital gains (losses) on disposal of assets	(206)	2
Non-current income and (expenses)	4	(105)
Total non-current income and (expenses)	**(202)**	**(103)**

In 2023, other non-current income and expenses correspond mainly to the cost of the settlement reached between the attorneys general of the 50 US States, the District of Columbia and certain US territories concerning the work carried out by the former advertising agency, Rosetta (merged with Publicis Health LLC), on behalf of opioid manufacturers. Under this settlement, the expense of euro 203 million/dollar 220 million breaks down as follows: dollar (343) million to the States, dollar (7) million to costs of the attorneys general investigation and other ancillary costs, offset by an insurance reimbursement of dollar 130 million/euro 120 million (see also Note 22).

In 2022, asset disposals mainly related to the disposal of operations in Russia (see Note 2) giving rise to a loss of euro 87 million and the disposal of Qorvis LLC activities generating a loss of euro 29 million. Furthermore, the disposal of a stake held by the Group in a building located in Chicago, in the United States, generated a gain of euro 11 million.

Note 9 Financial income and expenses

/ Cost of net financial debt

(in millions of euros)	2023	2022
Interest expenses on loans and bank overdrafts	(120)	(118)
Financial income (1)	198	101
Cost of net financial debt	**78**	**(17)**

(1) In 2023, financial income is similar to that of 2022 and corresponds to cash investments. The euro 97 million increase (euro 198 million in 2023 compared to euro 101 million in 2022) is mainly due to higher interest rates.

/ Revaluation of earn-out payments

(in millions of euros)	2023	2022
Revaluation of earn-out payments	**12**	**(2)**

/ Other financial income and expenses

(in millions of euros)	2023	2022
Interest expense on lease liabilities	(79)	(87)
Change in fair value of financial assets	(1)	9
Foreign exchange gains (losses) and change in the fair value of derivatives	(7)	(15)
Other	(12)	(7)
Other financial income and expenses	**(99)**	**(100)**

Note 10 Income taxes

/ Analysis of income tax expense

(in millions of euros)	2023	2022
Current income tax expense for the period	(566)	(570)
Current tax income/(expense) for previous years	(7)	10
Total tax income/(expense)	**(573)**	**(560)**
Deferred tax income/(expense)	169	139
Changes in unrecognized deferred tax assets	(11)	(10)
Total net deferred tax income/(expense)	**158**	**129**
Income taxes	**(415)**	**(431)**

The analysis of the simplified transitional measures related to the OECD’s international tax reform, Pillar 2, resulted in an initial estimate of the additional tax payable. For financial year 2024, the additional tax would represent an expense of less than euro 5 million. As of December 31, 2023, no deferred tax has been recognized pursuant to the amendment to IAS 12 concerning the mandatory temporary exemption from the recognition of deferred taxes in the consolidated financial statements.

/ Effective tax rate

The effective tax rate is obtained as follows:

(in millions of euros)		2023	2022
Pre-tax income of consolidated companies		**1,731**	**1,648**
Loss of value		6	-
Revaluation of earn-out payments		(12)	2
(Gains)/Losses on disposals [1]		(4)	87
Restated pre-tax income of consolidated companies	**A**	**1,721**	**1,737**
French tax rate applicable to the parent company		25.8%	25.8%
Expected tax expense on pre-tax income of consolidated companies		**(444)**	**(449)**
Impact of:			
• Difference between the French tax rate and foreign tax rates		113	133
• Income tax at reduced or increased rates		(74)	(80)
• Changes in unrecognized deferred tax assets		(11)	(10)
• Other impacts [2]		1	(25)
Income tax in the income statement		**(415)**	**(431)**
Income tax in the restated income statement	**B**	**(415)**	**(431)**
Effective tax rate	**B / A**	**24.1%**	**24.8%**

(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

	December 31, 2023			December 31, 2022		
(in millions of euros)	Gross	Tax	Net	Gross	Tax	Net
Actuarial gains (and losses) on defined benefit plans	12	(3)	9	42	(10)	32
Effect of translation adjustments and other	(344)	(12)	(356)	282	8	290
Total	**(332)**	**(15)**	**(347)**	**324**	**(2)**	**322**

/ Schedule of deferred taxes recognized in the balance sheet

(in millions of euros)	December 31, 2023	December 31, 2022
Short-term (less than one year)	4	(34)
Long-term (over one year)	110	1
Net deferred tax assets (liabilities)	**114**	**(33)**

/ Source of deferred taxes

(in millions of euros)	December 31, 2023	December 31, 2022
Deferred tax on adjustment of asset and liability valuations due to acquisitions	(36)	(85)
Deferred tax arising on the restatement of the Champs-Élysées building	(37)	(37)
Deferred tax on pensions and other post-employment benefits	40	51
Deferred tax arising on tax loss carryforwards	344	315
Deferred tax on other temporary differences	143	36
Gross deferred tax assets (liabilities)	**454**	**280**
Unrecognized deferred tax assets	(340)	(313)
Net deferred tax assets (liabilities)	**114**	**(33)**

As of December 31, 2023, deferred tax liabilities included the tax on the revaluation of intangible assets carried out at the time of the acquisition of Zenith (euro 5 million), Bcom3 (euro 41 million), Digitas (euro 12 million), Sapient (euro 38 million), Citrus (euro 10 million), Profitero (euro 6 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 Group 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, 2023	December 31, 2022
Amount in unrecognized tax loss carryforwards	**1,142**	**1,105**
Of which carried forward indefinitely	*573*	*507*

Uncertain tax positions

The Group'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 216 million at December 31, 2023, versus euro 229 million at December 31, 2022.

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 five 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 five years. The increase of the current tax charge will be neutralized by the recognition of a deferred tax asset for the same amounts.

Note 11 Earnings per share

/ Earnings per share (basic and diluted)

(in millions of euros, except for share data)		2023	2022
Net income used for the calculation of earnings per share			
Net income share attributable to equity holders of the parent company	**A**	**1,312**	**1,222**
Impact of dilutive instruments:			
• Savings in financial expenses related to the conversion of debt instruments, net of tax		-	-
Group net income – diluted	**B**	**1,312**	**1,222**
Number of shares used to calculate earnings per share			
Number of shares at January 1		254,311,860	253,462,409
Shares created over the year		-	393,965
Treasury shares to be deducted (average for the year)		(3,605,375)	(2,884,264)
Average number of shares used for the calculation	**C**	**250,706,485**	**250,972,110**
Impact of dilutive instruments:			
• Free shares and dilutive stock options [1]		3,292,878	2,633,057
Number of diluted shares	**D**	**253,999,363**	**253,605,167**
(in euros)			
Earnings per share	**A/C**	**5.23**	**4.87**
Diluted earnings per share	**B/D**	**5.17**	**4.82**

(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.
As of December 31, 2023, there were no more stock options to be exercised.

/ Headline earnings per share (basic and diluted)

(in millions of euros, except for share data)		2023	2022
Net income used to calculate headline earnings per share [1]			
Net income – Group share		**1,312**	**1,222**
Items excluded:			
• Amortization of intangibles from acquisitions, net of tax		199	215
• Impairment loss [2], net of tax		115	80
• Main capital gains and losses on disposal of assets and fair value adjustment of financial assets, net of tax		1	92
• Revaluation of earn-out payments		(12)	2
• Rosetta / Publicis Health, LLC settlement (see Note 8 and Note 22)		152	-
Headline Group net income	**E**	**1,767**	**1,611**
Impact of dilutive instruments:			
• Savings in financial expenses related to the conversion of debt instruments, net of tax		-	-
Headline Group net income, diluted	**F**	**1,767**	**1,611**
Number of shares used to calculate earnings per share			
Number of shares at January 1		254,311,860	253,462,409
Shares created over the year		-	393,965
Treasury shares to be deducted (average for the year)		(3,605,375)	(2,884,264)
Average number of shares used for the calculation	**C**	**250,706,485**	**250,972,110**
Impact of dilutive instruments:			
• Free shares and dilutive stock options		3,292,878	2,633,057
Number of diluted shares	**D**	**253,999,363**	**253,605,167**
(in euros)			
Headline earnings per share [1]	**E/C**	**7.05**	**6.42**
Headline earnings per share – diluted [1]	**F/D**	**6.96**	**6.35**

(1) Headline 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, the revaluation of earn-out payments and the Rosetta / Publicis Health, LLC settlement.

(2) This amount includes impairment losses on goodwill for euro 6 million and on right-of-use assets related to leases for euro 109 million in 2023. In 2022, impairment losses on goodwill were euro 19 million and euro 61 million on right-of-use assets related to leases.

Note 12 Goodwill

/ Changes in goodwill

(in millions of euros)	Gross value	Impairment loss	Net amount
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**
Acquisitions	273	-	273
Impairment loss (1)	-	(6)	(6)
Changes related to the revaluation of earn-outs during the window period (2)	(23)	-	(23)
Disposals	-	-	-
Foreign exchange	(410)	42	(368)
December 31, 2023	**13,948**	**(1,526)**	**12,422**

(1) See Note 7
(2) See Note 1.3 on the change in fair-value on any earn-out in a business combination
(3) The 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.

The net carrying amounts of goodwill by cash-generating unit or by group of cash-generating units are disclosed in Note 7.

Note 13 Intangible assets, net

/ Changes in intangible assets

	Intangible assets with a finite useful life			
(in millions of euros)	Client relationships	Software, technology and other	Brands	Total intangible assets
Gross values at December 31, 2022	**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 values at December 31, 2022	**1,750**	**1,256**	**1,032**	**4,038**
Acquisitions	2	70	-	72
Change in scope	-	-	-	-
Disposals	-	(11)	-	(11)
Foreign exchange and others	(50)	(58)	(34)	(142)
Gross values at December 31, 2023	**1,702**	**1,257**	**998**	**3,957**
Accumulated amortization at December 31, 2022	**(1,318)**	**(884)**	**(589)**	**(2,791)**
Depreciation	(72)	(155)	(97)	(324)
Change in scope	-	-	-	-
Disposals	-	12	-	12
Foreign exchange and others	37	46	21	104
Accumulated amortization at December 31, 2023	**(1,353)**	**(981)**	**(665)**	**(2,999)**
Net value at December 31, 2023	**349**	**276**	**333**	**958**

Depreciation and amortization expense of intangibles assets amount to euro 324 million in financial year 2023, of which euro 269 million pertain to intangibles resulting from acquisitions.

Valuation of intangible assets

In 2023, valuations tests did not lead the Group to recognize any impairment losses.

Note 14 Property, plant and equipment, net

(in millions of euros)	Land and buildings	Fixtures and fittings	IT equipment	Other	Total
Gross values at December 31, 2022	**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 values at December 31, 2022	**167**	**721**	**447**	**517**	**1,852**
Increases	-	44	27	65	136
Decreases	-	(72)	(37)	(47)	(156)
Change in scope	-	-	1	-	1
Foreign exchange and others	2	(11)	(9)	(15)	(33)
Gross values at December 31, 2023	**169**	**682**	**429**	**520**	**1,800**
Accumulated amortization at December 31, 2022	**(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 amortization at December 31, 2022	**(19)**	**(462)**	**(377)**	**(383)**	**(1,242)**
Depreciation	(1)	(48)	(31)	(50)	(130)
Impairment loss (1)	-	(9)	-	-	(9)
Decreases	-	72	37	47	156
Change in scope	-	-	-	-	-
Foreign exchange and others	(2)	5	8	9	21
Accumulated amortization at December 31, 2023	**(22)**	**(442)**	**(363)**	**(377)**	**(1,204)**
Net value at December 31, 2023	**147**	**240**	**66**	**143**	**596**

(1) See Note 7

Land and buildings

As of December 31, 2023, the net amount of the property assets directly owned by Publicis listed on the balance sheet was euro 147 million.

The Group'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 Group companies, and 1,500 sq.m. of commercial space, occupied by Publicisdrugstore, and two public movie theaters.

Fixtures and fittings

The euro (9) million impairment loss in 2023 corresponds to fittings for leased properties (see Note 7).

Other property, plant and equipment

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

Note 15 Investments in associates

Investments in associates amounted to euro 46 million at December 31, 2023 (versus euro 55 million at December 31, 2022).

(in millions of euros)	Value in balance sheet
Amount at December 31, 2021	**25**
Additions to the consolidation scope	32
Share of profit of associates	5
Dividends paid	(3)
Foreign exchange and others	(4)
Amount at December 31, 2022	**55**
Disposals	(7)
Share of profit of associates	6
Dividends paid	(7)
Foreign exchange and others	(1)
Amount at December 31, 2023	**46**

In 2023, the disposals mainly concern Burrell Communications Group, disposed of in October 2023.

In 2022, 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 Southeast 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, 2023:

(in millions of euros)	December 31, 2023
Somupi SA	3
Viva Tech (1)	2
Voilà SAS	2
SCB TechX	14
JJLabs	1
OnPoint Consulting Inc.	4
Core 1 WML Ltd	16
Other investments in associates	4
Net amount	**46**

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

Note 16 Other financial assets

(in millions of euros)	December 31, 2023	December 31, 2022
Other financial assets at fair value through profit and loss:		
• Venture Capital Funds [1]	144	166
• Other	19	19
Security deposits [2]	43	48
Loans to associates and non-consolidated companies	37	68
Sub-lease receivables [3]	43	123
Surplus of plan assets for pension commitments [4]	35	-
Other	22	22
Gross value	**343**	**446**
Impairment	(27)	(52)
Net amount	**316**	**394**

(1) These Venture Capital Funds are dedicated to investments in companies that belong to the digital economy.
(2) Security deposits include in particular the deposits given to lessors under real estate lease contracts.
(3) See Note 25
(4) See Note 23

Note 17 Inventories and work in-progress

(in millions of euros)	December 31, 2023	December 31, 2022
Inventories	153	120
Work-in-progress	211	225
Gross value	**364**	**345**
Impairment of inventories and work-in-progress	(23)	(18)
Net amount	**341**	**327**

Note 18 Trade receivables

(in millions of euros)	December 31, 2023	December 31, 2022
Trade receivables [1]	13,583	12,269
Notes receivable	2	3
Gross value	**13,585**	**12,272**
Opening impairment	(183)	(193)
Impairment over the year	(41)	(42)
Reversals during the year	36	52
Change in scope	-	-
Foreign exchange and others	3	-
Closing impairment	**(185)**	**(183)**
Net amount	**13,400**	**12,089**

(1) Including invoiced trade receivables of euro 10,569 million as of December 31, 2023 and euro 9,363 million as of December 31, 2022.

Note 19 Other receivables and current assets

(in millions of euros)	December 31, 2023	December 31, 2022
Taxes and levies	389	360
Advances to suppliers	229	237
Prepaid expenses	226	174
Derivatives hedging current assets and liabilities	3	28
Derivatives hedging intercompany loans and borrowings	6	22
Other receivables and current assets	414	109
Gross value	**1,267**	**930**
Impairment	(3)	(4)
Net amount	**1,264**	**926**

(1) This amount includes dollar 343 million paid in 2023 into an escrow account allocated to the States, United States territories and the District of Columbia (see notes 8 and 22).

Note 20 Cash and cash equivalents

(in millions of euros)	December 31, 2023	December 31, 2022
Cash and bank balances (1)	1,640	1,797
Short-term liquid investments	2,610	2,819
Total	**4,250**	**4,616**

(1) This amount includes euro 120 million received from insurance on a deposit account (see notes 8 and 22)

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 21 Shareholders

/ Share capital of the parent company

(in shares)	December 31, 2023	December 31, 2022
Share capital at January 1	254,311,860	253,462,409
Capital increase	-	849,451
Shares comprising the share capital at the end of the period	**254,311,860**	**254,311,860**
Treasury stock at the end of the period	(3,737,367)	(2,319,795)
Shares outstanding at the end of the period	**250,574,493**	**251,992,065**

The share capital of Publicis Groupe SA amounted to euro 101,724,744 at December 31, 2023, divided into 254,311,860 shares with a nominal 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 2022 and 2023:

	Number of shares
Treasury shares held on December 31, 2021	**3,861,900**
Disposals (exercise of stock options) and vesting 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**
Disposals (exercise of stock options) and vesting of free shares	(1,545,833)
Buybacks of treasury shares	3,000,000
Movements as part of the liquidity contract	(36,595)
Treasury shares held on December 31, 2023 (1)	**3,737,367**

(1) Including 21,329 shares held as part of the liquidity contract on December 31, 2023, and 57,924 on December 31, 2022.

In 2023, as part of a share repurchase plan, Publicis Groupe SA bought back 3,000,000 of its shares for an amount of euro 222 million. The purpose of this program was to meet obligations related to the current free share plans for employees without issuing new shares.

/ Dividends proposed and voted

	Per share (in euros)	Total (in millions of euros)
Dividends paid in 2023 (for the 2022 financial year)	2.90	726 (1)
Dividends proposed to the General Shareholders' Meeting (for the 2023 financial year)	3.40	865 (2)

(1) Amount paid in full in cash.
(2) Amount for all shares outstanding on December 31, 2023, including treasury shares.

Capital management and buyback of treasury shares

The Group'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 Group'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 of December 31, 2023, the debt-to-equity ratio, taking lease liabilities into account, was 0.15. At December 31, 2022, this ratio was 0.20.

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 level of dividend (euro 3.40 per share) that will be proposed to the next General Shareholders' Meeting, the rate will be 48.8 % for the 2023 financial year compared to 45.7 % for the 2022 financial year.

Note 22 Provisions for liabilities and charges and contingent liabilities

(in millions of euros)	Restructuring	Vacant property [1]	Risks and litigation	Other provisions	Total
December 31, 2021	**41**	**97**	**254**	**120**	**512**
Increases	59	24	91	21	195
Releases with usage	(44)	(51)	(7)	(5)	(107)
Reversals without usage	(1)	-	(82)	(3)	(86)
Change in scope	-	-	-	3	3
Foreign exchange and others	0	9	5	-	14
December 31, 2022	**55**	**79**	**261**	**136**	**531**
Increases	54	62	35	57	208
Releases with usage	(44)	(24)	(55)	(17)	(140)
Reversals without usage	(5)	-	(6)	(3)	(14)
Change in scope	0	0	0	0	0
Foreign exchange and others	(4)	(2)	(3)	(2)	(11)
December 31, 2023	**56**	**115**	**232**	**171**	**574**
Of which short-term	*52*	*25*	*99*	*79*	*255*
Of which long-term	*4*	*90*	*133*	*92*	*319*

(1) See Note 7

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 2023 (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.

Provisions for risks and litigation

Provisions for risks and litigation (euro 232 million) include a short-term component (euro 99 million) and a long-term component (euro 133 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 Group 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

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 the 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. On September 19, 2023, Publicis Health, LLC was named as a codefendant in a similar action brought by St. Clair County in the Circuit Court of the 20th Judicial Circuit in Illinois.

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 Health was engaged in discussions with the Executive Committee and reached in December 2023 an agreement-in-principle to settle claims on behalf of all 50 states (including Massachusetts as well as all States mentioned above), the participating U.S. territories, and the District of Columbia that could be brought by those States and U.S. Territories arising from or related to Publicis Health's work for opioid manufacturers.

On February 1, 2024, the attorneys general for all 50 states, the District of Columbia, and certain U.S. Territories announced their joinder in the agreement-in-principle and filed proposed consent judgments in courts in their respective jurisdictions that memorialize the terms of the agreement. When entered by the courts, the consent judgments will resolve all claims that could be brought by those States and U.S. Territories related to past work undertaken for opioid manufacturers, including by former advertising agency Rosetta (merged in Publicis Health, LLC).

The Attorneys General have recognized Publicis Health's good faith and responsible corporate citizenship in reaching this resolution. After discussions, this settlement brings the matter to a close with the payment of dollar (343) million paid in 2023 into an escrow account allocated to the States, U.S. Territories and the District of Columbia), and dollar (7) million deposited to reimburse the Settling States for attorney fees, costs, and expenses associated with the investigation and to fund the document repository. The full settlement amount (dollar 350 million) is offset by an insurance reimbursement of dollar 130 million (received by Publicis in a bank payment account in 2023). Therefore, the net non-current expense recorded in 2023 is dollar 220 million (euro 203 million) before tax. The expense, net of tax, equals to euro 152 million and the impact on the cash of the Group is a payment of euro 148 million in 2023.

This settlement is in no way an admission of wrongdoing or liability. Publicis Health LLC will, if need be, defend itself against any litigation that this agreement does not resolve such as those filed by tribes or units of local government.

Note 23 Pension commitments and term benefits

Defined benefit pension plans

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

- pension funds (66% of the Group'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 (31% of the Group'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 (2% of the Group's obligations) consisting of an effective liability vis-à-vis current retirees and a provision for current workers (future retirees), in particular in the US and the UK.

The largest plans are therefore the pension funds in the United Kingdom (29% of the Group's obligations) and in the United States (24% of the Group's obligations):

- In the United Kingdom, the Group's obligations are managed through six pension funds and two medical coverage plans, administered by independent joint boards made up of independent external directors. 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 Group) have been frozen: beneficiaries still working will not earn any further entitlement under these defined benefit plans. Three funds are in a profit position, and the asset ceiling has been removed in order to show the surplus on the balance sheet.

  The pension fund obligations in the United Kingdom relate to retirees (82%) and former employees with deferred entitlement who have not yet drawn down their pension entitlements (18%).
- in the United States, the Group'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 (46% of obligations) and employees still working (22% 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, India and Sri Lanka.

The changes brought about by the pension reform, modifying the minimum retirement age and the conditions for obtaining the full pension, applicable since September 2023 in France, constituted a plan amendment under IAS 19, both for end-of-career indemnity plans and long-service awards plans in France.

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

Financial coverage

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 Group'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 Group 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 Group'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 Group, 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 Group 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.

/ Net carrying amount of the provision

	December 31, 2023	December 31,2022
Pension commitments and other long-term benefits	(265)	(244)
Pension commitments and other short-term benefits	(21)	(20)
Pension plan surpluses[(1)]	35	-
Total provisions for retirement benefit obligations, other post-employment and long-term benefits	**(251)**	**(264)**

(1) The pension plan surpluses are presented in other financial assets (see note 16)

/ Change in the actuarial benefit obligation

	December 31, 2023			December 31, 2022		
(in millions of euros)	Pension plans	Medical cover	Total	Pension plans	Medical cover	Total
Opening actuarial benefit obligation	**(565)**	**(15)**	**(580)**	**(727)**	**(21)**	**(748)**
Cost of services rendered	(21)	-	(21)	(27)	-	(27)
Benefits paid	33	2	35	49	2	51
Interest expense on benefit obligation	(24)	(1)	(25)	(14)	-	(14)
Effect of remeasurement	(44)	-	(44)	159	6	165
Experience gains (losses)	*(26)*	-	*(26)*	*(17)*	*2*	*(15)*
Gains (losses) arising from a change in economic assumptions	*(17)*	-	*(17)*	*171*	*4*	*175*
Gains (losses) arising from other changes in demographic assumptions	*(1)*	-	*(1)*	*5*	-	*5*
Acquisitions, disposals	(4)	-	(4)	-	-	-
Translation adjustments	4	-	4	(5)	(1)	(6)
Actuarial benefit obligation at year-end	**(621)**	**(14)**	**(635)**	**(565)**	**(15)**	**(580)**

/ Change in the fair value of plan assets

	December 31, 2023			December 31, 2022		
(in millions of euros)	Pension plans	Medical cover	Total	Pension plans	Medical cover	Total
Fair value of plan assets at start of year	**387**	**-**	**387**	**529**	**-**	**529**
Actuarial return on plan assets	30	-	30	(120)	-	(120)
Employer contributions	23	2	25	30	2	32
Administrative fees	(3)	-	(3)	(2)	-	(2)
Acquisitions, disposals	-	-	-	-	-	-
Benefits paid	(33)	(2)	(35)	(49)	(2)	(51)
Translation adjustments	2	-	2	(1)	-	(1)
Fair value of plan assets at year-end	**406**	**-**	**406**	**387**	**-**	**387**
Financial coverage	**(215)**	**(14)**	**(229)**	**(179)**	**(16)**	**(195)**
Effect of ceiling on value of assets	(11)	-	(11)	(54)	-	(54)
Net provision for defined benefit pension liabilities and post-employment medical care	**(226)**	**(14)**	**(240)**	**(233)**	**(16)**	**(249)**
Provision for other long-term benefits	(11)	-	(11)	(15)	-	(15)
Total provisions for retirement benefit obligations, other post-employment and long-term benefits	**(237)**	**(14)**	**(251)**	**(248)**	**(16)**	**(264)**

/ Pension commitment expenses and other post-employment benefits

	December 31, 2023			December 31, 2022		
(in millions of euros)	Pension plans	Medical cover	Total	Pension plans	Medical cover	Total
Cost of services rendered during the year	(21)	-	(21)	(28)	-	(28)
Financial expenses	(9)	(1)	(10)	(5)	(1)	(6)
Defined benefit plan expense	**(30)**	**(1)**	**(31)**	**(33)**	**(1)**	**(34)**
Cost of other plans (including defined contribution plans) and other benefits	(203)	-	(203)	(193)	-	(193)
Administrative fees excluding plan management fees	(5)		(5)	(2)	-	(2)
Total retirement costs recognized in the income statement	**(238)**	**(1)**	**(239)**	**(228)**	**(1)**	**(228)**

/ 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 29.

	December 31, 2023				December 31, 2022			
(in millions of euros)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Shares	26	-	-	26	25	-	-	25
Bonds	-	93	-	93	-	95	-	95
Treasury bonds	-	119	-	119	-	137	-	137
Real Estate	-	-	1	1	-	-	1	1
Other	52	-	115	167	16	-	113	129
Total	**78**	**212**	**116**	**406**	**41**	**232**	**114**	**387**

/ Estimate of employer contributions and of future benefits payable

(in millions of euros)	Pension plans	Medical	Total
Estimated employer contribution for 2024	**28**	**2**	**30**

(in millions of euros)	Pension plans	Medical	Total
Estimated future benefits payable			
2024	55	2	57
2025	47	2	49
2026	46	1	47
2027	44	1	45
2028	41	1	42
Financial years 2029 to 2032	198	6	204
Total over the next 10 financial years	**431**	**13**	**444**

The average duration of plans at end-December 2023 was ten 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, 2023	United States	United Kingdom	Euro zone	Other Country	United States	United Kingdom
Discount rate	4.70%	4.50% - 4.55%	3.15%	1.30% - 7.10%	4.70%	4.50% - 4.55%
Future wage increases	n/a	n/a	2.65% - 3.10% (1)	1.5 % - 10.00 %	5%	n/a
Future pension increases	n/a	2% - 3.6%	0% - 2.10% (1)	n/a	n/a	n/a

(1) For Germany and Belgium.

	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% - 5,00%	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
(2) For Germany only

The rate of increase in medical expenses used for financial year 2023 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)	(8)	(6)	(13)	(33)
Change in the increase rate of salaries					
Effect on actuarial benefit obligation at year-end	-	-	5	5	10

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	6	8	29
Change in the increase rate of salaries					
Effect on actuarial benefit obligation at year-end	-	-	(4)	(5)	(9)

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	-	-	-	-	-	-
Change in the increase rate of salaries						
Effect on actuarial benefit obligation at year-end	-	-	-	-	-	-

Note 24 Financial liabilities

(in millions of euros)	December 31, 2023	December 31, 2022
Bonds (excl. accrued interest)	2,841	3,338
Other debt	347	278
Total financial liabilities	**3,188**	**3,616**
Of which short-term	*726*	*627*
Of which long-term	*2,462*	*2,989*

/ Change in financial liabilities

(in millions of euros)	December 31, 2022	Cash outflows	Changes excl. cash outflows: Acquisitions	Changes excl. cash outflows: Exchange rate fluctuations	Changes excl. cash outflows: Changes in fair value	December 31, 2023
Eurobond 0.5% – November 2023 (EIR 0.741%) (1)	499	(500)	-	-	1	0
Eurobond 1.625% – December 2024 (EIR 1.732%) (1)	601	-	-	-	(1)	600
Eurobond 0.625% – June 2025 (EIR 0.781%) (1)	747	-	-	-	1	748
Eurobond 1.25% – June 2028 (EIR 1.329%) (1)	747	-	-	-	1	748
Eurobond 1.75% – June 2031 (EIR 1.855%) (1)	744	-	-	-	1	745
Bonds (excl. accrued interest)	**3,338**	**(500)**	**-**	**-**	**3**	**2,841**
Debt related to earn-out commitments	**185**	**(71)**	**158**	**(1)**	**(18)**	**253**
Debt related to commitments to buy-out non-controlling interests	**30**	**(2)**	**-**	**-**	**(5)**	**23**
Accrued interest	48	(97)	-	(2)	97	46
Other borrowings and credit lines	14	2	3	0	5	24
Bank overdrafts	1	-	-	-	-	1
Other financial liabilities	**63**	**(95)**	**3**	**(2)**	**102**	**71**
Total financial liabilities	**3,616**	**(668)**	**161**	**(3)**	**82**	**3,188**
Fair value of derivatives hedging on the 2025, 2028 and 2031 Eurobonds (2)	260	-	-	-	(143)	117
Fair value of derivatives hedging on intra-group loans and borrowings (2)	106	47	-	-	(117)	36
Total liabilities related to financing activities	**3,982**	**(621)**	**161**	**(3)**	**(178)**	**3,341**

(1) Net of issuance costs. The number of securities at December 31, 2023 was 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) Presented in "Other receivables and current assets" and/or in "Other creditors and current liabilities" on the consolidated balance sheet.

(in millions of euros)	December 31, 2021	Cash outflows	Changes excl. cash outflows: Acquisitions	Changes excl. cash outflows: Exchange rate fluctuations	Changes excl. cash outflows: Changes in fair value	December 31, 2022
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 derivatives hedging on the 2025, 2028 and 2031 Eurobonds (2)	97	-	-	-	163	260
Fair value of derivatives 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) Presented in "Other receivables and current assets" and/or in "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, 2023, the fair value of these derivatives was recorded in other creditors and current liabilities for euro 117 million (compared to euro 260 million in other creditors and current liabilities at December 31, 2022).

Other bonds

The other Publicis Groupe SA bonds are issued at a fixed rate and denominated in euros. The 2021 and 2023 tranches of euro 700 million and euro 500 million respectively were repaid at maturity in December 2021 and November 2023.

Analysis of financial liabilities by date of maturity

/ December 31, 2023

(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)	2,841	600	748	-	-	748	745
Debt related to earn-out commitments	253	48	86	109	6	4	-
Debt related to commitments to buy-out non-controlling interests	23	16	7	-	-	-	-
Other financial liabilities	71	61	5	1	1	1	2
Total financial liabilities	**3,188**	**725**	**846**	**110**	**7**	**753**	**747**
Fair value of derivatives	153	36	23	-	-	39	55
Total liabilities related to financing activities	**3,341**	**761**	**869**	**110**	**7**	**792**	**802**

/ 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**

/ Analysis of financial liabilities by currency

(in millions of euros)	December 31, 2023	December 31, 2022
Euros [1]	2,880	3,373
US dollars	272	170
Other currencies	36	73
Total financial liabilities	**3,188**	**3,616**

(1) Including euro 2,250 million of Eurobonds swapped into USD at December 31, 2023 (euro 2,250 million at December 31, 2022).

Analysis by interest rate type

See Note 30. 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:

/ December 31, 2023

(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)	3,021	637	777	22	22	773	789
Debt related to earn-out commitments	253	48	86	109	6	4	-
Debt related to commitments to buy-out non-controlling interests	23	16	7	-	-	-	-
Other financial liabilities	71	61	5	1	1	1	2
Total future payments relating to financial liabilities	**3,368**	**762**	**875**	**132**	**29**	**778**	**791**
Fair value of derivatives	153	36	23	-	-	39	55
Total future payments relating to financing activities	**3,521**	**798**	**898**	**132**	**29**	**817**	**846**

/ 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)	3,560	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 order to manage its liquidity risk, Publicis holds both a substantial amount of cash (cash and cash equivalents) for a total of euro 4,250 million as of December 31, 2023 and undrawn confirmed credit lines representing a total of euro 2,000 million as of December 31, 2023 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 Group to meet its general funding requirements.

Apart from bank overdrafts, most of the Group'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 Group has not established any credit derivatives to date.

Note 25 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 December 31, 2021	**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 values at December 31, 2022	**1,946**	**637**	**50**	**2,633**
Addition of assets (1)	178	18	39	235
Terminations or end of contracts	(108)	(12)	(21)	(141)
Foreign exchange and others	(24)	-	(2)	(26)
Gross values at December 31, 2023	**1,992**	**643**	**66**	**2,701**
Accumulated amortization at December 31, 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 amortization at December 31, 2022	**(744)**	**(106)**	**(30)**	**(880)**
Amortization & depreciation	(188)	(93)	(14)	(295)
Impairment losses	(47)	-	-	(47)
Terminations or end of contracts	108	12	21	141
Foreign exchange and others	(7)	-	1	(6)
Accumulated amortization at December 31, 2023	**(878)**	**(187)**	**(22)**	**(1,087)**
Net value at December 31, 2023	**1,114**	**456**	**44**	**1,614**

(1) Additions of assets are net of changes in assumptions on contracts.
(2) These impacts were relating 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, 2022	Cash outflows (1)	Changes excl. cash outflows: Offset under right-of-use assets	Short-term – long-term reclassification	Effect of translation and others	December 31, 2023
Lease liabilities – short-term	360	(353)	-	354	(1)	360
Lease liabilities – long-term	2,197	-	195	(354)	(46)	1,992
Total lease liabilities	**2,557**	**(353)**	**195**	**-**	**(47)**	**2,352**

(1) Repayments of lease liabilities represent an amount of euro (344) million in the consolidated statement of cash flows, of which euro (353) million in respect of leases and euro 9 million of proceeds from sub-leases.

(in millions of euros)	December 31, 2021	Cash outflows (1)	Changes excl. cash outflows: Offset under right-of-use assets	Short-term – long-term reclassification	Effect of translation and others	December 31, 2022
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.

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

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

In 2023, the variable lease expenses amount to euro 40 million. In 2022, the variable lease expenses were euro 68 million.

Interest expense on lease liabilities

For financial year 2023, the interest expense on lease liabilities is euro 79 million (see Note 9). For financial year 2022, the interest expense for lease liabilities was euro 87 million.

/ Breakdown by 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	**2,820**	**423**	**385**	**355**	**273**	**1,384**

Furthermore, concerning sublease contracts, cash inflows expected for financial year 2024 amount to euro 10 million.

Note 26 Other creditors and current liabilities

(in millions of euros)	December 31, 2023	December 31, 2022
Advances and deposits received	424	435
Liabilities to employees	1,122	1,091
Tax liabilities (excl. income tax)	383	327
Derivatives hedging current assets or liabilities	2	26
Derivatives hedging Eurobond	117	260
Derivatives hedging intercompany loans and borrowings	41	128
Other current liabilities	413	149
Total other creditors and current liabilities	**2,502**	**2,416**

Note 27 Contract liabilities

(in millions of euros)	2023	2022
Total contract liabilities at January 1	549	470
Amount recognized in revenue over the period	(523)	(493)
Amount to be recognized in subsequent periods	513	549
Change in scope	4	11
Foreign exchange and others	(30)	12
Total contract liabilities at December 31	**513**	**549**

Note 28 Commitments

/ December 31, 2023

(in millions of euros)	Total	Maturities -1 Year	1-5 Years	+5 Years
Commitments given				
Guarantees (1)	256	44	104	108
Other commitments (2)	20	4	16	-
Total commitments given	**276**	**48**	**120**	**108**
Commitments received				
Undrawn confirmed credit lines	2,000	421	1,579	-
Other commitments	8	7	-	1
Total commitments received	**2,008**	**428**	**1,579**	**1**

(1) As of December 31, 2023, guarantees included euro 65 million in commitments given to tax authorities in Italy as part of the recovery of VAT debts and receivables, undertakings to pay euro 32 million into Venture Capital Funds until 2031, and euro 13 million relating to media-buying operations.

(2) Publicis Groupe has joined the Climate Fund for Nature (Mirova/Natixis). The fund will support projects dedicated to the protection and restoration of nature with associated benefits for biodiversity and communities. This represents a commitment of euro 20 million for the delivery of voluntary carbon credits over fifteen years.

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

Other commitments

As part of the disposal of MMS Communication LLC, the Group 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 purchase option has a zero value as of December 31, 2023.

As of December 31, 2023, 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 29 Financial instruments

Category of financial instruments

/ December 31, 2023

(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	144	144	-	-
• Unconsolidated securities	11	11	-	-
• Security deposits	43	-	43	-
• Loans to associates and non-consolidated companies	30	-	30	-
• Sub-lease receivables	32	-	32	-
• Surplus of plan assets for pension commitments	35	-	-	35
• Other	21	-	21	-
Trade receivables	13,400	-	13,400	-
Contract assets	1,297	-	1,297	-
Other receivables and current assets (1)				
• Derivatives hedging current assets and liabilities	3	3	-	-
• Derivatives hedging intercompany loans and borrowings	6	6	-	-
• Other receivables and current assets	414	-	414	-
Cash and cash equivalents	4,250	2,610	1,640	-
Total financial instruments – assets	**19,686**	**2,774**	**16,877**	**35**
Long-term borrowings	2,462	205	2,257	-
Trade payables	17,077	-	17,077	-
Short-term borrowings	726	48	678	-
Other creditors and current liabilities (2)				
• Derivatives hedging current assets and liabilities	2	2	-	-
• Derivatives hedging intercompany loans and borrowings	41	41	-	-
• Derivatives hedging Eurobond 2025, 2028 and 2031	117	-	-	117
• Other current liabilities	413	-	413	-
Total financial instruments – liabilities	**20,838**	**296**	**20,425**	**117**

(1) Excluding tax receivables, prepayments to suppliers and prepaid expenses (see Note 19).
(2) Excluding advances and deposits received, liabilities to employees and tax liabilities (see Note 26).

/ 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	-
Contract assets	1,149	-	1,149	-
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	-
Cash and cash equivalents	4,616	2,819	1,797	-
Total financial instruments – assets	**18,407**	**3,047**	**15,360**	**-**
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 receivables, prepayments to suppliers and prepaid expenses (see Note 19).
(2) Excluding advances and deposits received, liabilities to employees and tax liabilities (see Note 26).

/ Financial instruments - assets

(in millions of euros)	December 31, 2023	December 31, 2022
Derivatives qualified as hedging instruments		
● Derivatives hedging current assets and liabilities	3	28
● Derivatives hedging intercompany loans and borrowings	6	22
Instruments at fair value through profit and loss		
● Venture Capital Funds	144	166
● Unconsolidated securities	11	12
● Short-term liquid investments	2,610	2,819
Instruments at fair value through OCI		
● Surplus of plan assets for pension commitments	35	-
Instruments at amortized cost		
● Other financial assets, receivables, contract assets, cash and bank balances	16,847	15,335
● Loans to associates and non-consolidated companies	30	25
Total financial instruments – assets	**19,686**	**18,407**

/ Financial instruments - liabilities

(in millions of euros)	December 31, 2023	December 31, 2022
Derivatives qualified as hedging instruments		
• Derivatives hedging current assets and liabilities	2	26
• Derivatives hedging intercompany loans and borrowings	41	128
• Derivatives hedging Eurobond	117	260
Instruments at amortized cost		
• Trade and other payables	17,490	15,809
• Short-term borrowings	678	627
Instruments at fair value through profit and loss		
Short-term borrowings	48	
Total financial instruments – current liabilities	**18,376**	**16,850**
Instruments at amortized cost		
• Long-term borrowings	2,257	2,989
Instruments at fair value through profit and loss		
Long-term borrowings	205	
Total financial instruments – non-current liabilities	**2,462**	**2,989**

Fair value

The carrying amount of financial assets and liabilities recognized at amortized cost approximates fair value, except for financial liabilities, whose fair value is euro 3,225 million as of December 31, 2023 (versus a carrying amount of euro 3,188 million). As of December 31, 2022, the fair value of financial liabilities was euro 3,655 million (versus a carrying amount of euro 3,616 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, 2023

(in millions of euros)	Level 1	Level 2	Level 3	Total
Short-term liquid investments	2,610	-	-	2,610
Venture Capital Funds and other securities	144	-	11	155
Surplus of plan assets for pension commitments	35	-	-	35
Derivative instruments – assets	-	9	-	9
Total financial instruments at fair value – assets	**2,789**	**9**	**11**	**2,809**
Derivative instruments – liabilities	-	160	-	160
Total financial instruments at fair value – liabilities	**-**	**160**	**-**	**160**

/ 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**

Note 30 Risk management

Exposure to interest rate risk

Group 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 2023, the Group'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:

- 98% in fixed-rate loans with an average interest rate for 2023 of 2.9 %;
- 2% in variable-rate loans.

The table below sets out the carrying amount by maturity at December 31, 2023 of the Group's financial instruments exposed to interest rate risk:

(in millions of euros)	Total at December 31, 2023	Maturities		
		-1 Year	1-5 Years	+5 Years
Fixed rate				
Eurobond 2024 (1)	600	600		
Eurobond 2025 (1) (2)	748		748	
Eurobond 2028 (1) (2)	748		748	
Eurobond 2031 (1) (2)	745			745
Net fixed-rate liabilities (assets)	**2,841**	**600**	**1,496**	**745**
Variable rate				
Other borrowings and credit lines	24	15	8	1
Bank overdrafts	1	1	-	-
Cash and cash equivalents	(4,250)	(4,250)		
Other financial assets	(316)	(316)		
Net variable-rate liabilities (assets)	**(1,700)**	**(3,950)**	**1,504**	**746**

(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 Group's net assets at December 31, 2023 broken down by principal currencies:

(in millions of euros)	Total at December 31, 2023	Euro (1)	US dollar	Pound sterling	Brazilian real	Yuan	Other
Assets	36,716	5,162	20,509	2,413	260	1,820	6,552
Liabilities	26,770	3,946	16,118	1,484	108	1,271	3,843
Net assets	**9,946**	**1,216**	**4,391**	**929**	**152**	**549**	**2,709**
Effect of foreign exchange hedges(2)	-	2,314	(2,245)	223	-	(9)	(283)
Net assets after hedging	**9,946**	**3,530**	**2,146**	**1,152**	**152**	**540**	**2,426**

(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 Group's financial statements, can have an impact on the Group's consolidated balance sheet and consolidated income statement.

Revenue and Operating margin

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

	2023	2022
Euro	11%	11%
US dollar	60%	61%
Pound sterling	9%	9%
Other	20%	20%
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 91 million on consolidated revenue for 2023;
- euro 17 million on the operating margin for 2023.

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 Group analyzes its trade receivables, focusing in particular on improving its collection times, as part of the management of its working capital. The Group Treasury Department monitors overdue receivables for the entire Group. In addition, the Group periodically reviews the list of main clients in order to determine the exposure to client counterparty risk at Group 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)	2023	2022
Amounts not yet due	**10,054**	**8,750**
Overdue receivables:		
Up to 30 days	248	282
31 to 60 days	83	103
61 to 90 days	31	33
91 to 120 days	22	23
More than 120 days	170	169
Total overdue receivables	**554**	**610**
Invoiced trade receivables	**10,608**	**9,360**
Impairment	(185)	(183)
Invoiced trade receivables net	**10,423**	**9,177**

/ Disclosures regarding major clients

(% of revenue)	2023	2022
Five largest clients	12%	12%
Ten largest clients	20%	21%
Twenty largest clients	31%	30%
Thirty largest clients	37%	36%
Fifty largest clients	45%	44%
One hundred largest clients	58%	57%

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 Group Treasury Department. Exceptions to this policy are handled centrally for the entire Group 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 31 Operating segment information

Information by business sector

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

The Group 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 Group 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 the Middle East and 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, the Middle East and 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.

/ Financial year 2023

(in millions of euros)	Europe	North America	Asia-Pacific	Latin America	Middle East & Africa	Total
Income statement items						
Net revenue [1]	**3,172**	**8,050**	**1,156**	**341**	**380**	**13,099**
Revenue [1] [2]	3,814	8,709	1,410	366	503	14,802
Depreciation and amortization expense (excluding acquired intangibles)	(203)	(202)	(57)	(11)	(9)	(482)
Operating margin	**560**	**1,527**	**220**	**23**	**33**	**2,363**
Amortization of intangibles from acquisitions	(30)	(219)	(12)	(3)	(4)	(268)
Impairment loss	(13)	(118)	(16)	(6)	-	(153)
Non-current income and expenses	(1)	(201)	-	-	-	(202)
Operating income after impairment	**516**	**989**	**192**	**14**	**29**	**1,740**
Balance sheet items						
Intangible assets, net [3]	2,054	9,615	1,174	156	381	13,380
Property, plant and equipment, net (including right-of-use assets on leases) [3]	1,060	960	146	22	23	2,211
Other financial assets [3]	220	57	30	7	2	316
Disclosures in respect of the statement of cash flows						
Purchases of property, plant and equipment and intangible assets	(66)	(87)	(17)	(6)	(4)	(180)
Purchases of investments and other financial assets, net	15	-	(1)	(1)	-	13
Acquisitions of subsidiaries	(23)	(71)	(44)	(53)	(3)	(194)

(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 2023 was euro 3,814 million, of which euro 1,070 million in France. In North America, revenue for 2023 was euro 8,709 million, of which euro 8,386 million in the United States.
(3) At December 31, 2023, net intangible assets amounted to euro 13,380 million, of which euro 388 million in France and euro 9,254 million in the United States. Net property, plant and equipment amounted to euro 2,211 million, of which euro 715 million in France and euro 930 million in the United States. Other financial assets amounted to euro 316 million, of which euro 153 million in France and euro 57 million in the United States.

/ Financial year 2022

(in millions of euros)	Europe	North America	Asia-Pacific	Latin America	Middle East & Africa	Total
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.

Note 32 Publicis Groupe SA stock option and free share plans

Presentation of the new free share plans for 2023

Free share plans were created in 2023, with the following features:

Long-term incentive plan known as the "LTIP 2023" (March 2023)

Under this plan, a certain number of Group 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 2023, compared to a reference group including Publicis Groupe and 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, Equity and Inclusion and on the plan to combat climate change, for which indicative interim points have been set. At the end of 2023, the percentage of women in key management positions as well as the percentage change in integration of renewable energies in the Group will be assessed against targets set.

The shares ultimately awarded in accordance with the level of achievement of these targets will be vested at the end of a three-year period, i.e. in March 2026.

Long-term incentive plans known as the "LTIP 2023 Membres du Directoire" [Members of the Management Board] (March and May 2023) and "LTIP 2023 Président du Directoire" [Chairman of the Management Board] (March and May 2023)

Under the LTIP 2023 Members of the Directoire plan, members of the Management Board 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 over the entire 2023 to 2025 period, compared to a peer group including Publicis Groupe and 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, Equity and Inclusion and on the plan to combat climate change, for which indicative interim points have been set. At the end of 2025, the percentage of women in key management positions as well as the percentage change in integration of renewable energies in the Group will be assessed against targets set.

The shares ultimately awarded in accordance with the level of achievement of these conditions will be vested at the end of a three-year period, i.e. in March 2026. Following the change in the compensation policy adopted by the General Shareholders' Meeting of May 31, 2023 for one member of the Management Board, additional shares were granted on May 31, 2023, to be vested in June 2026.

The LTIP 2023 Président du Directoire plan provides for the same conditions as the LTIP 2023 Members of the Directoire plan, plus a market condition based on the TSR (Total Shareholder Return) comparing that of Publicis Groupe with that of the median of the CAC40. In addition, in accordance with the change in the compensation policy adopted by the General Shareholders' Meeting of May 31, 2023, outperformance shares were granted on May 31, 2023. These outperformance shares are subject to criteria for achieving the Group's revenue growth and profitability targets over the entire 2023 to 2025 period, compared to the aforementioned peer group, plus a Group internal operating margin target.

Retention contract for the Chairman of the Management Board

A retention contract has been put in place for the Chairman of the Management Board. The contract was approved by the Compensation Committee on March 7, 2023, then by the Supervisory Board on March 8 and April 19, 2023. The compensation policy, including the retention contract, was approved at the General Shareholders' Meeting of May 31, 2023. The Management Board granted the shares under the retention contract on May 31, 2023.

The contract provides for a presence condition of five years from January 1, 2023, with the Chairman of the Management Board scheduled to remain in office until December 31, 2027. At the end of this period, he would receive a number of shares equal to two years of fixed compensation per year of presence over the whole five-year period, i.e. the equivalent of ten years of fixed compensation.

Long-term incentive plans known as the "LTI Epsilon March 2023 Plan" and "LTI Epsilon September 2023 Plan"(March and September 2023)

The plans, 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 2023. The shares will be vested in March 2024 (30% of the shares), March 2025 (30% of the shares) and March 2026 (40% of the shares) and/or September of the same years (depending on the grant date of the shares) in the same proportions.

Long-term incentive plan known as the "Sapient 2023 Plan" (April and June 2023)

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

- The first tranche is subject only to a presence condition and gives rise to the vesting of one-fourth of the shares awarded on the yearly anniversary date during the four first years of the plan (i.e. in April or June 2024, 2025, 2026 and 2027 based on the grant date);

- in addition to the continued presence condition, the second tranche is subject to financial performance criteria, and the total number of shares vested shall depend on the level of financial targets achieved for 2023. Vesting will take place at the end of a three-year period, in April or June 2026, based on the grant date.

Performance measurement of previous plans

In addition, the performance of the Publicis Sapient LTI 2020, Publicis Sapient LTI 2022, Epsilon LTI 2022 and LTIP 2022 plans was measured in February and March 2023: the rate of achievement of performance targets for 2022 was 100% for all these plans.

Publicis Groupe share subscription or purchase option plans

/ Characteristics of the Publicis Groupe stock option plans outstanding at December 31, 2023

Plans	Type (1)	Date of grant	Option exercise price (in euros)	Options outstanding at January 1, 2023	Options cancelled, lapsed or transferred in 2023	Options exercised in 2023	Options outstanding at December 31, 2023	Of which exercisable at December 31, 2023	Exercise deadline	Remaining contractual life (in years)
Lionlead 2 stock options	A	04/30/2013	52.76	560,148	-	(560,148)	-	-	05/02/2023	-

(1) A = stock options

As of December 31, 2023, there were no more stock option plans to be exercised.

Publicis Groupe free share plans

/ Determination of fair value of free Publicis Groupe shares granted during financial year 2023

Free shares	LTIP 2023 (1)	LTIP 2023 Members of the Directoire (2)	LTIP 2023 Chairman of the Management Board (2)	Retention contract Chairman of the Management Board	LTI Epsilon March 2023 (1)	LTI Epsilon 2023 (1)	Sapient 2023 (4 years) (1)	Sapient 2023 (3 years) (1)
Date of Management Board meeting	03/16/2023	03/16/2023 05/31/2023	03/16/2023 05/31/2023	05/31/2023	03/16/2023	09/12/2023	04/17/2023 06/13/2023	04/17/2023 06/13/2023
Number of shares originally granted	756,482	36,694	57,005	167,000	389,852	32,944	283,609	425,437
Share price on the grant date (in euros)	72.14	71.95	71.84	70.06	72.14	74.38	73.26	73.26
Initial valuation of shares granted (weighted average, in euros)	63.01	62.81	60.31	54.14	65.84	67.74	65.68	64.14
Vesting period (in years)	3	3	3	5	1 to 3	1 to 3	1 to 4	3

(1) Conditional shares subject to the achievement of targets set for 2023.
(2) Conditional shares subject to the achievement of targets set for the years 2023 to 2025.

/ Characteristics of Publicis Groupe free share plans outstanding at December 31, 2023

Plans	Initial date of grant	Fair value of the share granted	Shares yet to vest as of January 1, 2023 or shares granted in 2023	Shares cancelled, lapsed or transferred in 2023	Shares vested in 2023	Shares yet to vest at December 31, 2023	Vesting date	Remaining contract life (in years)
Sapient 2019 Plan (4 years)	05/28/2019	43.95	42,407	(67)	(42,340)	-	05/30/2023	-
Special Retention Plan 2019 (2)	11/15/2019	31.85	393,895	(102,892)	-	291,003	03/19/2025	1.22
Sapient 2020 Plan (4 years)	05/19/2020	24.28	92,903	(4,278)	(44,658)	43,967	05/20/2024	0.39
Sapient 2020 Plan (3 years)	05/19/2020	21.35	266,612	(10,500)	(256,112)	-	05/19/2023	-
LTI Epsilon 2020 Plan	07/20/2020	24.28	213,373	(2,962)	(210,411)	-	03/31/2023	-
LTIP 2021 Plan and other specific plans (3) (4)	03/16/2021	44.31	419,726	(9,614)	-	410,112	09/16/2024	0.71
LTIP 2021 Directoire Plan	03/16/2021	44.17	151,577	(24,495)	-	127,082	03/18/2024	0.21
LTI Epsilon 2021 Plan	03/16/2021	46.35	401,970	(21,693)	(169,595)	210,682	04/02/2024	0.25
Sapient 2021 Plan (4 years)	04/13/2021	45.40	160,399	(4,509)	(54,434)	101,456	04/14/2025	1.29
Sapient 2021 Plan (3 years)	04/13/2021	44.27	320,648	(16,272)	-	304,376	04/15/2024	0.29
LTIP 2022 Plan and other specific plans (3) (5)	03/18/2022	57.61	626,771	(23,915)	-	602,856	03/19/2025	1.22
LTIP 2022 Président du Directoire Plan (6)	03/18/2022	56.49	62,043	-	-	62,043	05/26/2025	1.40
LTIP 2022 Directoire Plan	03/18/2022	57.64	78,004	(20,819)	-	57,185	03/19/2025	1.22
LTI Epsilon 2022 Plan	03/18/2022	57.64	440,844	(22,655)	(131,688)	286,501	03/31/2025	1.25
LTI Epsilon 2022 Plan (September)	09/14/2022	52.72	70,882	(4,852)	(19,940)	46,090	09/30/2025	1.75
Sapient 2022 Plan (4 years)	04/11/2022	55.24	239,025	(9,166)	(58,785)	171,074	04/13/2026	2.28
Sapient 2022 Plan (3 years)	04/11/2022	55.24	358,542	(16,492)	-	342,050	04/11/2025	1.28
LTIP 2023 Plan	03/16/2023	63.01	756,482	(4,513)	-	751,969	03/17/2026	2.21
LTIP 2023 Members of the Directoire Plan (7)	03/16/2023	62.81	36,694	(20,060)	-	16,634	06/01/2026	2.42
LTIP 2023 Président du Directoire Plan (8)	03/16/2023	60.31	57,005	-	-	57,005	06/01/2026	2.42
Retention contract Chairman of the Management Board	05/31/2023	54.14	167,000	-	-	167,000	01/03/2028	4.01
LTI Epsilon Plan March 2023	03/16/2023	65.84	389,852	(17,573)	-	372,279	03/31/2026	2.25
LTI Epsilon Plan (September) 2023	09/12/2023	67.74	32,944	(497)	-	32,447	09/30/2026	2.75
Sapient 2023 Plan (4 years) (9)	04/17/2023	65.68	283,609	(4,600)	-	279,009	06/14/2027	3.45
Sapient 2023 Plan (3 years) (9)	04/17/2023	64.14	425,437	(6,900)	-	418,537	06/14/2026	2.45
Total free share plans			**6,488,644**	**(349,324)**	**(987,963)**	**5,151,357**		

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

(2) 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 vesting date of the initial plan (March 31, 2023) was extended and aligned with that of the LTIP 2022 plan.

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

(4) Grant date on September 15, 2021 and vesting date on September 15, 2024 for the specific individual plan.

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

(6) The initial grant of shares took place on March 18, 2022 but additional shares were granted on May 25, 2022 following the decisions of the General Shareholders' Meeting and performance conditions of the plan were amended at the same date.

(7) The initial grant of shares took place on March 16, 2023 but additional shares were granted on May 31, 2023 following the change in the compensation policy adopted by the General Shareholders' Meeting of May 31, 2023 for one member of the Management Board. The shares of this member were subsequently canceled, taking into account his departure in 2024.

(8) The initial grant of shares took place on March 16, 2023 but additional outperformance shares were granted on May 31, 2023 following the decisions of the General Shareholders' Meeting and performance conditions of the plan were amended at the same date.

(9) The initial grant of shares took place on April 17, 2023 but additional shares were granted on June 13, 2023. As a result, the vesting date of the plan has been extended and aligned with the date of the additional grant.

The vesting of free shares under the above plans is subject to a presence condition throughout the vesting period.

Vesting 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 and LTIP 2023 Président du Directoire plans.

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

	2023	2022
Grants at January 1	**4,339,621**	**4,226,891**
Grants during the year	2,149,023	1,908,025
Vesting	(987,963)	(1,335,457)
Grants lapsed	(349,324)	(459,838)
Grants at December 31	**5,151,357**	**4,339,621**

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

The total impact of these plans on the 2023 income statement was euro 85 million (excluding taxes and social security charges), compared to euro 64 million in 2022 (see Note 5).

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, 2023, the probability of meeting the targets set in respect of the calculation of the 2023 expense has been estimated as follows:

- for performance plans measured over a one-year period, in respect of 2023 performance: 100%;
- for performance plans measured over three years, regarding the performance of the three-year period and concerning plans implemented for the Chairman and members of the Management Board (LTIP 2021 Directoire, LTIP 2022 Members of the Directoire, LTIP 2022 Président du Directoire, LTIP 2023 Members of the Directoire and LTIP 2023 Président du Directoire plans): 100%.

Note 33 Information on related-party transactions

Transactions with associates

	December 31, 2023		December 31, 2022	
	Revenue	Expenses	Revenue	Expenses
Viva Tech (1)	15	-	11	-
Burrell Communications Group	-	1	-	5
SCB TechX	7	-	20	-
Voila	-	-	3	-
Total	**22**	**1**	**34**	**5**

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

	December 31, 2023		December 31, 2022	
	Receivables/ Loans	Liabilities	Receivables/ Loans	Liabilities
OnPoint Consulting Inc.	4	-	1	-
Viva Tech (1)	1	4	-	1
ZAG Ltd	3	-	3	-
Core 1 WML Ltd	-	1	3	-
SCB TechX	3	-	4	-
Dragonfly	4	-	-	-
Other	4	1	3	-
Total	**19**	**6**	**14**	**1**

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

Other related-party transactions

Weborama, which specializes in the collection of marketing and digital advertising data, is indirectly owned by Ycor, in which Mr. Maurice Lévy, Chairman of the Supervisory Board of Publicis Groupe, has interests. Weborama provides Epsilon, a subsidiary of Publicis Groupe, with access to its BigSea behavioral database (in France), 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 2023 amounted to euro 5 million, versus euro 5 million in financial year 2022.

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)	2023	2022
Total gross compensation (1)	(9)	(10)
Share-based payment (2)	(5)	(4)

(1) Compensation, bonuses, indemnities, attendance fees and benefits in kind paid during the financial 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, 2023 for post-employment benefits and other long-term benefits for managers amounted to euro 1 million. This figure was euro 1 million at December 31, 2022.

Note 34 Subsequent events

There are no subsequent events.

Note 35 Fees of the statutory auditors and members of their network

The fees paid by the Group for each of the statutory auditors of Publicis Groupe SA for the 2023 financial year were:

	Ernst & Young		KPMG		Total	
	Amount (excl. taxes)	%	Amount (excl. taxes)	%	Amount (excl. taxes)	%
(in millions of euros)	2023	2023	2023	2023	2023	2023
Statutory auditors						
Publicis Groupe SA (parent company)	*0.8*	*14%*	*0.6*	*8%*	*1.4*	*11%*
Account certification	*0.7*		*0.6*		*1.3*	
Other services	*0.1*		*0.0*		*0.1*	
Subsidiaries	*0.3*	*5%*	*0.5*	*7%*	*0.8*	*6%*
Account certification	*0.2*		*0.5*		*0.7*	
Other services	*0.1*		*0.0*		*0.1*	
Subtotal	**1.1**	**19%**	**1.1**	**15%**	**2.2**	**17%**
Network						
Account certification	3.8	64%	5.9	82%	9.7	74%
Other services	1.0	17%	0.2	3%	1.2	9%
Subtotal	**4.8**	**81%**	**6.1**	**85%**	**10.9**	**83%**
Total	**5.9**	**100 %**	**7.2**	**100 %**	**13.1**	**100%**

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

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

Note 36 List of the main consolidated companies at December 31, 2023

Fully consolidated companies

The companies listed below are operating companies with 2023 revenue of at least euro 10 million.

Name	% control	% interest	Country
Advance Marketing Services SASU	100.00%	100.00%	France
Drugstore Champs-Élysées SNC (2)	100.00%	100.00%	France
Epsilon France SASU	100.00%	100.00%	France
Independance Média SASU	100.00%	100.00%	France
Mediagares SNC	100.00%	67.00%	France
Metrobus Ile De-FranceE SAS	100.00%	67.00%	France
Metrobus SA	67.00%	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 Media France SASU	100.00%	100.00%	France
Publicis Sapient France SASU	100.00%	100.00%	France
Publicis XP SARL (1)	100.00%	100.00%	France
PublicisLive France SASU	100.00%	100.00%	France
Services Marketing Diversifiés SASU	100.00%	100.00%	France
Shanghai Ideas Palace Advertising Co, Ltd	100.00%	100.00%	France
MMS Communication South Africa (Pty) 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	100.00%	100.00%	Germany
Starcom Germany GmbH	100.00%	100.00%	Germany
Zenithmedia GmbH	100.00%	100.00%	Germany
MMS Communications Saudi Arabia (2)	100.00%	100.00%	Saudi Arabia
MMS Communicaciones Argentina SRL	100.00%	100.00%	Argentina
Pragma Tecnologia y Desarrollo SRL (1)	100.00%	100.00%	Argentina
Pragmatica Technologies SA (1)	100.00%	100.00%	Argentina
Publicis Communications Australia Pty Ltd - LEG	100.00%	100.00%	Australia
Publicis Media Australia Pty Ltd	100.00%	100.00%	Australia
Publicis Sapient Australia Pty Limited	100.00%	100.00%	Australia
Tquila ANZ Pty Ltd (1)	70.00%	70.00%	Australia
MMS Communications Belgium SRL	100.00%	100.00%	Belgium

Name	% control	% interest	Country
DPZ Comunicacoes Ltda	98.74%	98.74%	Brazil
Leo Burnett Neo Comunicacao Ltda	100.00%	100.00%	Brazil
MMS Brasil Comunicação Ltda.	100.00%	100.00%	Brazil
Publicis Brasil Comunicacao Ltda.	97.00%	97.00%	Brazil
Talent Marcel Comunicação e Planejamento Ltda.	99.78%	99.78%	Brazil
Communications G/B2 Inc.	100.00%	100.00%	Canada
Epsilon Interactive CA ULC	100.00%	100.00%	Canada
Leo Burnett Company Ltd	100.00%	100.00%	Canada
Nurun Inc.	100.00%	100.00%	Canada
Publicis Canada Inc.	100.00%	100.00%	Canada
Publicis Media Canada Inc.	100.00%	100.00%	Canada
Saatchi & Saatchi Advertising Inc.	100.00%	100.00%	Canada
Sapient Canada Inc.	100.00%	100.00%	Canada
TMG MacManus Canada Inc.	100.00%	100.00%	Canada
MMS Communications Chile SA	100.00%	100.00%	Chile
Leo Burnett Shanghai Advertising Co. Ltd	100.00%	100.00%	China
MS&L Public relations consultancy Bejing Co. Ltd	100.00%	100.00%	China
PG Lion (Wuhan) Consulting Co., Ltd	100.00%	100.00%	China
Publicis Advertising Co. Ltd.	100.00%	100.00%	China
Publicis Sapient China Co. Ltd	100.00%	100.00%	China
Saatchi & Saatchi GreatWall Advertising Co. Ltd	100.00%	100.00%	China
Wiredcraft Network Technology (Shanghai) Co., Ltd (1)	100.00%	100.00%	China
APEX Trading SAS (2)	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	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
Spark Foundry Agencia de Medios, SLU	100.00%	100.00%	Spain
Starcom MediaVest Group Iberia SLU	100.00%	100.00%	Spain
Zenith Media SLU	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	100.00%	100.00%	United States
Blue 449 Inc.	100.00%	100.00%	United States
Catapult Integrated Services LLC	100.00%	100.00%	United States
CitrusAd International Inc.	100.00%	100.00%	United States

Name	% control	% interest	Country
Commission Junction LLC	100.00%	100.00%	United States
Conversant LLC.	100.00%	100.00%	United States
Corra Technology Inc. (1)	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	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 and Company, Incorporated (2)	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
LVL Sunset, LLC (2)	100.00%	100.00%	United States
Martin Retail Group LLC	70.00%	70.00%	United States
MediaVest Worldwide, Inc. (2)	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.	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
Razorfish, LLC	100.00%	100.00%	United States
Saatchi & Saatchi North America LLC	100.00%	100.00%	United States
Saatchi & Saatchi North America, Inc. (2)	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
MMS Communication Hellas Single-Member Advertising Anonymous Company (1)	100.00%	100.00%	Greece
Denuo Ltd.	100.00%	100.00%	Hong Kong
Leo Burnett Limited (HK) (1)	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
Brandmap Communications Private Ltd.	100.00%	100.00%	India
Convonix Systems Private Ltd	100.00%	100.00%	India
TLG India Private Ltd.	100.00%	100.00%	India
Profitero Limited	100.00%	100.00%	Ireland
Baumann Ber Rivnay Ltd (2)	100.00%	100.00%	Israel
Super Push (Marketing Systems) Ltd (2)	100.00%	100.00%	Israel
Leo Burnett Company Srl	100.00%	100.00%	Italy

Name	% control	% interest	Country
PMX Italy Srl	100.00%	100.00%	Italy
Publicis Srl	100.00%	100.00%	Italy
Publicis Value Services Srl	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
Publicis APX Malaysia Sdn Bhd	100.00%	100.00%	Malaysia
Star Reacher Advertising Sdn Bhd	100.00%	100.00%	Malaysie
MMS Media Brands Mexico SA de CV - LEG (1)	100.00%	100.00%	Mexico
Publicis RebelLion SA de CV	100.00%	100.00%	Mexico
Starcom Worldwide SA de CV	100.00%	100.00%	Mexico
Publicis Communications Norway AS	80.00%	80.00%	Norway
MMS New Zealand Ltd.	100.00%	100.00%	New Zealand
TLG SA (Panama) (1)	100.00%	100.00%	Panama
Boomerang Create BV.	100.00%	100.00%	The Netherlands
MMS Communications Netherlands BV	100.00%	100.00%	The Netherlands
Publicis Asociados SAC	100.00%	100.00%	Peru
Starcom Manila WW Phils	84.85%	84.85%	Philippines
PGP hub sp. zoo	100.00%	100.00%	Poland
Zenith Poland sp z.o.o. (2)	100.00%	100.00%	Poland
Starcom sp zoo	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 Services SA (2)	51.05%	51.05%	Romania
Publicis Groupe Media Bucharest SA (1)	41.03%	41.03%	Romania
Tremend Software Consulting S.R.L.	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 Healthcare Communications Group Ltd	100.00%	100.00%	United Kingdom
Publicis Ltd.	100.00%	100.00%	United Kingdom
Publicis Media Exchange Limited	100.00%	100.00%	United Kingdom
Saatchi & Saatchi Group Limited (2)	100.00%	100.00%	United Kingdom
Sapient Ltd UK	100.00%	100.00%	United Kingdom
Spark Foundry Ltd.	100.00%	100.00%	United Kingdom
Taylor Herring Limited (1)	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.	100.00%	100.00%	Singapore

Name	% control	% interest	Country
BBH Communications (Asia Pacific) Pte Ltd	100.00%	100.00%	Singapore
MMS Communications Singapore Pte (2)	100.00%	100.00%	Singapore
Publicis Media Sweden AB	100.00%	100.00%	Sweden
Publicis Sapient Sweden AB	100.00%	100.00%	Sweden
Publicis Communications Lausanne SA	100.00%	100.00%	Switzerland
Publicis Communications Schweiz AG	100.00%	100.00%	Switzerland
Publicis Live SA (2)	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	100.00%	100.00%	Taiwan
Star Reachers Group Co	100.00%	100.00%	Thailand
Lion Communications Turkey Reklam ve İletişim Hizmetleri A.Ş. (2)	100.00%	100.00%	Turkey
MMS Communications Vietnam Company Ltd.	76.50%	76.50%	Vietnam

(1) Companies on the 2023 list but not on the 2022 list
(2) Change in corporate name during financial year 2023

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 Group and is fully consolidated.

Main investment in associates

Name	% interest	Country
SOMUPI S.A	34.00%	France
Unlimitail SAS	49.00%	France
Viva Tech(2)	50.00%	France
Voila SAS	50.00%	France
OnPoint Consulting Inc(1)	100.00%	United States
JJLabs LLC	49.00%	United States
Contender Labs, LLC	49.00%	United States
Core 1 WML Ltd	49.90%	Ireland
Insight Redefini Ltd	25.00%	Nigeria
SCB TECHX CO. LTD.	40.00%	Thailand

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

PUBLICIS GROUPE

2023

Publicis Groupe SA

A French limited liability company (société anonyme) with a Management Board
and a Supervisory Board, and a share capital of euro 101,724,744

Registered office: 133, avenue des Champs-Élysées, 75008 Paris (FRANCE) - Paris Trade and Companies Registry no. 542 080 601