PUBLICIS GROUPE

First Quarter 2018 Revenue

April 19, 2018

First Quarter

2018 Revenue (IFRS)	**€ 2,276 m**
2018 Net revenue (1)	**€ 2,082 m**
2017 Net revenue (1)	€ 2,267 m
Reported growth (1)	**-8.2%**
Growth at constant exchange rates (1)	**+1.6%**
Organic growth (1)	**+1.6%**

Arthur Sadoun, Chairman and CEO of Publicis Groupe:

"The first quarter of 2018 was a very intense period for Publicis Groupe. We had three objectives. Firstly, to continue to deliver solid performance while we transform ourselves. Secondly, to demonstrate the attractiveness of our model through our ability to convert pitches into wins. Lastly, to present our strategy and execution plan "Sprint To The Future" to our teams, our clients, and to the financial community. Overall, the outcome on each of these three objectives has been positive, sometimes beyond our own expectations, making this quarter a key milestone in our transformation journey.

In terms of performance, our net revenue ([1]) grew organically by +1.6% in the first quarter. This is a satisfying result as it is a much better start than last year (first quarter 2017 was -1.2%). As we pointed out

[1] Net revenue = Revenue less pass-through costs. See definition in appendix.
Reported growth, growth at constant exchange rates and organic growth are all calculated on net revenue.

when we released our annual results, we were expecting positive growth in the first quarter with a noticeable swing compared to 2017. This goal was clearly achieved, with 280 basis point difference compared to last year.

The good news came from North America which grew 2.8%. It is satisfying to see the good dynamic of 2017 continue into 2018, particularly in the region where our transformation is the most advanced. Another source of satisfaction is Europe with 0.3% growth despite the fact that the comparable period was very difficult.

When it comes to new business in the first three months of 2018, we produced an unprecedented track record of wins in the industry, with major new global account wins such as Mercedes Benz, Carrefour, Campbell's and Marriott, and also some local wins with Red Bull in the US and Kraft Heinz in China. This is clearly demonstrating that our model is what our clients need to win in the future. We are the only company in the world that can connect data, content and technology to deliver one to one consumer engagement at scale. The attractiveness of our offer is particularly encouraging for the next stages of our transformation.

Finally, we presented our strategy and execution plan "Sprint To The Future" one month ago. It was the result of a lot of teamwork to bring together our vision, supported by detailed actions and concrete objectives. We did it for our people to embark everyone in our transformation journey, for our clients to differentiate ourselves from the competition, and for the financial community to demonstrate that our model is futureproof. The feedback we have received from all our stakeholders has been extremely positive.

Overall, this first quarter was satisfactory, in a continuously changing industry and when we still have a lot to achieve in order to deliver the performance that can be expected from our ambition. Our Q1 performance gives us confidence in our ability to reach our objectives for this year, i.e. to improve our organic growth and our operating margin rate compared to 2017. Nevertheless, we are all aware of the various challenges our sector is facing and therefore we remain cautious and focused on the execution of our plan.

Our next financial release will be the half-yearly results in late July. It will be the occasion to share with you some of the strategic and operational KPI we presented on March 20. They will enable to assess how well we are progressing with our transformation."

IFRS15

Publicis Groupe has applied IFRS15, the accounting standard on revenue recognition, since it became effective on January 1, 2018. The 2017 financial statements have therefore been restated for the purposes of comparison. This has increased Q1 2017 revenue by 161 million euro insofar as certain costs re-billed directly to clients are excluded from revenue. These costs mainly concern production activities as well as various expenses incumbent on clients.

Million euro	**Q1 2017** reported before IFRS15	**Q1 2017** restated with IFRS15	**Q1 2018** reported with IFRS15
Revenue	**2,328**	**2,489**	**2,276**

In this context, as the items that can be re-billed to clients do not come within the scope of assessment of operations, Publicis Groupe has decided to use a different indicator, i.e. revenue less pass-through costs or net revenue, which is a more relevant indicator to measure the operational performance of the Groupe's activities. From now on, organic growth is calculated on net revenue.

In Q1 2017, revenue after application of IFRS15 is 2,489 million euro. After deduction of re-billable costs totaling 222 million euro (161 million euro in application of IFRS15 and 61 million euro already in operating expenses in application of previous accounting standard), net revenue (i.e. revenue less pass-through costs) stands at 2,267 million euro.

Q1 2018 NET REVENUE

Net revenue (revenue less pass-through costs)

Publicis Groupe's net revenue in Q1 2018 was 2,082 million euro, down 8.2% from 2,267 million euro in 2017. Exchange rates had a 217-million euro negative impact, i.e. 9.6% of net revenue in Q1 2017. Acquisitions (net of disposals) contributed a negative 1 million euro in Q1 2018, as Genedigi was deconsolidated from January 1, 2018. Net revenue grew by +1.6% at constant exchange rates. Organic growth was +1.6% in Q1 2018 after reaping the benefits of accounts gained in 2017, notably McDonald's, Diesel, Lionsgate, Bradesco and Southwest.

Breakdown of Q1 net revenue by region

EUR million	**Net revenue**		**Organic growth**	**Reported growth**
	Q1 2018	**Q1 2017**		
Europe	614	619	+0.3%	-0.8%
North America	1,142	1,274	+2.8%	-10.4%
Asia Pacific	199	238	-4.6%	-16.4%
Latin America	72	77	+11.5%	-6.5%
Middle East & Africa	55	59	+4.8%	-6.8%
Total	**2,082**	**2,267**	**+1.6%**	**-8.2%**

Net revenue in Europe declined by 0.8%. With acquisitions and exchange rates factored out, organic growth was +0.3%. In addition to the loss of a few accounts, this weak growth should be seen in the perspective of a difficult comparable period as growth in Q1 2017 was +5.5%. Among the larger countries, France and the UK both performed well at +2.3% and +1.3% respectively. Germany and Italy were both in negative territory (-4.1% and -9.7% respectively) when measured against very strong first quarter in 2017.

North America posted organic growth of +2.8% for Q1 2018, shored up by accounts won in 2017 (including McDonald's, Diesel, Lionsgate, Molson Coors and Southwest).

Asia Pacific reported growth of -16.4% and organic growth of -4.6%. The negative performance can be mainly attributed to Australia (-11.6%) due to the discontinuation of the Qantas call center contract. China performed satisfactorily, returning to positive growth (+1.1%) despite the impact of accounts lost. Singapore rose by +10.2%.

Latin America reported growth down 6.5% but organic growth of +11.5%. In Brazil, net revenue progressed by 11.3% thanks to the gain of the Petrobras and Bradesco accounts. Mexico continued to record sustained growth (+6.2%).

The Middle East & Africa region reported a decline of 6.8% but increased by +4.8% on an organic basis.

NET DEBT

Net debt totaled 1,771 million euro at March 31, 2018, compared with 727 million euro at December 31, 2017. The Groupe's average net debt stood at 1,088 million euro at March 31, 2018, down from 1,677 million at March 31, 2017.

FIRST QUARTER 2018 HIGHLIGHTS

Sprint To The Future

Since 2014 and the acquisition of Sapient, Publicis Groupe has undergone a deep transformation and is now uniquely positioned thanks to its three distinctive features:

- The vision: Publicis.Sapient's technology provides the Groupe with the expertise to combine marketing transformation and digital business transformation and to connect them with data. With its unparalleled assets, Publicis Groupe is capable of engaging with Chief Marketing Officers (CMOs) and Chief Information Officers (CIOs);

- The model: “The Power of One” gathers all the Groupe’s capabilities under one roof in a client-centric organization through a country-led model under a single leader and a unified executive team combining the Groupe’s entire array of expertise, thus breaking down the silos and enhancing efficiency;
- The governance: the Groupe has successfully completed its management succession and reinforced its decision-making committees, with strong emphasis on execution of its strategy.

Sprint To The Future is Publicis Groupe’s strategy and execution plan for 2018-2020 and was presented on March 20, 2018. It is based on three pillars:

1. To provide each client with the keys to its future success: one-to-one consumer engagement at scale, delivered thanks to three strategic game changers, namely data, dynamic creativity and digital business transformation expertise.
2. A sprint to accelerate the Groupe’s transformation, notably through the deployment of Global Client Leaders, the roll-out of a country-led organization, and an “invest in growth” plan funded by a major cost-cutting program.
3. Greater value to shareholders during the transformation, by accelerating organic growth and improving operating margin rate.

More details can be found in the press release published on March 20, 2018:

http://www.publicisgroupe.com/en/news/press-releases/publicis-2020-sprint-to-the-future-en-1

OUTLOOK

Though 2017 was another challenging year for the industry, it highlighted once again the Groupe’s ability to fight on several fronts at the same time, i.e. to deliver the results expected of it while carrying out its own transformation. Organic growth improved throughout 2017 as did the operating margin (at constant restructuring costs).

Concerning growth, the investments that have been made are aimed at taking the Groupe out of the low growth cycle that has characterized the industry for several years. As of 2018, Publicis Groupe should be in a position to post higher growth than in 2017 thanks to the account wins of Q1 2018. Concerning the Groupe’s margin, major cost savings will be pursued. Part of the savings thus achieved will be reinvested to pave the way for sustained future growth. Overall, despite these investments, the margin should continue to progress in the years to come, including in 2018.

In the longer term, Publicis Groupe intends to deliver greater value to shareholders by accelerating the growth of its headline diluted EPS over 2018-2020, using three levers:

- accelerated organic growth,
- improved margins,
- targeted acquisitions.

The objective is to accelerate organic growth in 2018-2020 with the ambition of achieving +4% by 2020, i.e. an additional 900 million euro over the next three years (before the impact of IFRS15).

Publicis Groupe is also aiming to increase its operating margin rate by 30 to 50 basis points per annum until 2020. This objective includes a 450-million euro cost savings plan fully aligned with the Groupe's strategy. This cost savings plan will serve to fund a 300-million euro operational investment plan spanning 2018-2020, a plan that is primarily dedicated to the Groupe's talent through hiring, training, development and re-skilling.

Publicis Groupe is targeting 5% to 10% annual growth of headline diluted EPS, ramping up over the next three years, at constant exchange rates, through continuous enhancement of its organic growth, improved margins and the contribution of acquisitions to earnings.

Free cash flow generation is expected to remain strong and Publicis Groupe's balance sheet will remain solid. With a payout ratio in the region of 45%, dividend growth can be expected to accelerate over the next three years.

This enhanced financial performance will place Publicis Groupe at the forefront of the market in marketing and business transformation.

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Disclaimer

Certain information contained in this document, other than historical information, may constitute forward-looking statements or unaudited financial forecasts. These forward-looking statements and forecasts are subject to risks and uncertainties that could cause actual results to differ materially from those projected. These forward-looking statements and forecasts are presented as at the date of this document and, other than as required by applicable law, Publicis Groupe does not assume any obligation to update them to reflect new information or events or for any other reason. Publicis Groupe urges you carefully to consider the risk factors that may affect its business, as set out in the Registration Documents filed with the French Autorité des Marchés Financiers (AMF) and which is available on the website of Publicis Groupe (www.publicisgroupe.com), including an unfavorable economic climate, an extremely competitive market sector, the possibility that our clients could seek to terminate their contracts with us at short notice, the fact that a substantial part of the Group's revenue is derived from certain key clients, conflicts of interest between advertisers active in the same sector, the Group's dependence on its directors and employees, laws and regulations which apply to the Group's business, legal action brought against the Group based on allegations that certain of the Group's commercials are deceptive or misleading or that the products of certain clients are defective, the strategy of growing through acquisitions, the depreciation of goodwill and assets listed on the Group's balance sheet, the Group's presence in emerging markets, exposure to liquidity risk, a drop in the Group's credit rating and exposure to the risks of financial markets.

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

About Publicis Groupe - The Power of One

Publicis Groupe [Euronext Paris FR0000130577, CAC 40] is a global leader in marketing, communication, and digital transformation, driven through the alchemy of creativity and technology. Publicis Groupe offers its clients seamless access to its tools and expertise through modular offering. Publicis Groupe is organized across four Solutions hubs: **Publicis Communications** (Publicis Worldwide, Saatchi & Saatchi, Leo Burnett, BBH, Marcel, Fallon, MSL, Prodigious)**, Publicis Media** (Starcom, Zenith, Spark Foundry, Blue 449, Performics, Digitas)**, Publicis.Sapient** (SapientRazorfish & Sapient Consulting) and **Publicis Health**. These 4 Solution hubs operate across principal markets, and are carried across all others by **Publicis One**, a fully integrated service offering bringing together the Groupe's expertise under one roof. Present in over 100 countries, Publicis Groupe employs nearly 80,000 professionals.

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Contacts Publicis Groupe

Peggy Nahmany	Corporate Communications	+ 33 (0)1 44 43 72 83	peggy.nahmany@publicisgroupe.com
Jean-Michel Bonamy	Investor Relations	+ 33 (0)1 44 43 77 88	jean-michel.bonamy@publicisgroupe.com
Chi-Chung Lo	Investor Relations	+ 33 (0)1 44 43 66 69	chi-chung.lo@publicisgroupe.com

Appendices

Net revenue (1): organic growth calculation

(million euro)	Q1
2017 net revenue (1)	**2,267**
Currency impact (3)	(217)
2017 net revenue (1) at 2018 exchange rates (a)	2,050
2018 net revenue before acquisition impact (2) (b)	2,083
Net revenue from acquisitions (2)	(1)
2018 net revenue (1)	**2,082**
Organic growth (b/a)	**+1.6%**

Impact of currency at end March 2018 ***(million euro)***	
GBP (3)	(5)
USD (3)	(163)
Others	(49)
Total	**(217)**

(1) *Revenue less pass-through costs. See definition in appendix*

(2) *Acquisitions (Ardent, The Abundancy, The Herd Agency, Ella Factory, SFR Studio, Translate Plus, Plowshare, Harbor & Village), net of disposals.*

(3) *EUR = USD 1,229 on average in Q1 2018 vs. USD 1,065 on average in Q1 2017*
EUR = GBP 0,883 on average in Q1 2018 vs. GBP 0,860 on average in Q1 2017

New Business: Main wins in Q1 2018

PUBLICIS COMMUNICATIONS

Mercedes-Benz (Global), Campbell Soup Company (USA), Ricola (Global), Swarovski (France), Zhuyeqing Tea (China), Carrefour (China), Luzhou Laojiao, Whitail (China), Adobe (India), Asics (Singapore)

PUBLICIS MEDIA

Almara (Middle East), Campbell's Arnott (Australia), Campbell's Soup Company (North America), Clas Ohlson (Norway), Didi Chuxing (China), Etisalat Misr (Egypt), Henryk Kania (Poland), Iberdrola (Norway), LT Grp (Philippines), Lucano Group (Italy), Marriott International (Global), Maspex (Poland), Mcdonald's (Middle East), Mondelez International (North America), NBC Universal/Telemundo (USA), Ola (India), Pirelli (Global), Pizzardi Editore (Italy), Red Bull (USA), The Body Shop (Singapore), ZEE5 (India)

PUBLICIS.SAPIENT

Carrefour (Global), Marriott International (Global), Mercedez Benz (Global)

PUBLICIS ONE

Marriott International (LATAM), Mercedes Benz (Colombia, Argentina, Regional), Daimler (Korea, Greece, Hungary, Czech republic, Turkey, Belgium), Hochalnd (Romania), Central Beverage Company (Israel), Mercedes (Portugal), Eviso (Belgium)

PUBLICIS HEALTH

Alexion Pharmaceuticals (USA), AVANIR Pharmaceuticals (USA), DBV Technologies (USA), Eli Lilly & Co. (USA), Galderma (USA), Paratek Pharmaceuticals (USA), Pfizer Inc. (UK), Roche (USA)

2018 press releases

05-01-2018	Publicis Groupe half-year financial statement liquidity contract
22-01-2018	Nick Law Joins Publicis as Chief Creative Officer of Publicis Groupe and President of Publicis Communications
23-01-2018	Carrefour group signs strategic partnership with Publicis.Sapient to accelerate its digital transformation
23-01-2018	Press release “Anonymous Letter”
29-01-2018	Publicis Groupe and Microsoft Announce Partnership for Marcel AI Platform
01-02-2018	Publicis Groupe Announces Global Leadership Promotions Across its Solutions & Regions
01-02-2018	Loris Nold appointed to the newly created role of CEO of Publicis Groupe APAC
01-02-2018	Alexandra von Plato Appointed Chief Executive Officer of Publicis Health
08-02-2018	Publicis Groupe : 2017 Annual Results
14-02-2018	Viva Tech 2018
14-02-2018	Leo Burnett Chicago Names Kieran Ots EVP, Executive Creative Director
26-02-2018	Robett Hollis and FrontSide join Saatchi & Saatchi New Zealand
28-02-2018	Saatchi & Saatchi New Zealand wins global Tourism Fiji account
05-03-2018	Brill and Crovitz announce launch of NewsGuard to fight fake news
20-03-2018	Publicis 2020: *Sprint To The Future*

Definitions

Net revenue or Revenue less pass-through costs: Pass-through costs mainly concern production and media activities, as well as various expenses incumbent on clients. These items that can be re-billed to clients do not come within the scope of assessment of operations, net revenue is a more relevant indicator to measure the operational performance of the Groupe's activities.

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

EBITDA: operating margin before depreciation.

Operating margin: Revenue after personnel costs, other operating expenses (excl. non-current income and expense) and depreciation (excl. amortization of intangibles arising on acquisitions).

Operating margin rate: Operating margin as a percentage of revenue.

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

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

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

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

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

Free Cash Flow before changes in working capital requirements: Net cash flow from operating activities before changes in WCR linked to operating activities.

Net Debt (or financial net debt): Sum of long and short financial debt and associated derivatives, net of treasury and cash equivalents.

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

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