

H1 2022 results at all-time high

Upgrade of FY 2022 guidance on all KPIs

July 21, 2022

- Q2 reported growth of +21%
- Q2 organic growth at +10.3% after +17.1% in Q2 2021
 - Very solid performance across regions, with U.S. at +10.1%, Europe +10.1%, Asia +6.5%
 - Further acceleration of Publicis Sapient and Epsilon at +19.1% and +13.7% respectively
- Continued momentum in New business with N°1 rank in broker league tables
- Increase of Operating margin rate to 17.3%, up 80bps vs. H1 2021
- Headline EPS up +29% at €2.88 and Free Cash Flow up +17% at €708m
- Upgrade of 2022 guidance: organic growth expected at +6% to +7%, operating margin rate between 17.5% and 18%, Free Cash Flow at least at €1.5bn

Q2 2022

Net revenue	€3,073m
Reported growth	+21.0%
Organic growth	+10.3%

H1 2022 Results

(EUR million)	H1 2022	2022 vs 2021
Revenue	6,547	+19.2%
Net revenue	5,873	+19.1%
<i>Organic growth</i>	<i>+10.4%</i>	
EBITDA	1,287	+22.3%
Operating margin	1,018	+24.9%
<i>Operating margin rate</i>	<i>17.3%</i>	
Headline Groupe net income	727	+31.0%
Headline diluted EPS (euro)	2.88	+29.1%
Free Cash Flow ¹	708	+17.0%

¹ Before change in working capital requirements



Arthur Sadoun, Chairman and CEO of Publicis Groupe:

“H1 2022 came in at an all-time high for the Groupe on all KPIs.

Our reported net revenue growth in the first half was at +19.1%. It was up +10.4% on an organic basis, implying +11.3% on a 3-year basis, versus pre-pandemic levels.

After a strong start to the year, we recorded in Q2 an increase of +21% of our net revenue and an organic growth of +10.3%, way beyond expectations.

There are three reasons behind this remarkable performance, which comes on top of +17.1% organic growth in Q2 last year. First, very solid growth across all regions, with the U.S and Europe at +10%, and Asia at +6.5%, with China remaining positive despite the lockdowns. Second, further acceleration at Publicis Sapien and Epsilon which grew +19.1% and +13.7% respectively, confirming our ability to capture the shift of client investment towards data, technology and digital business transformation. Last but not least, we benefitted from the ramp-up of our New Business, after a record number of wins in 2021. Our momentum since the beginning of the year continues to place us at the top of the New Business rankings for the past 12 months, in the latest broker reports.

At the same time, our financial ratios reached new historic heights in the first half of the year thanks to the uniqueness of our operating model. Our margin came in at 17.3%, and headline EPS increased by close to 30%. This performance, combined with our better visibility on a solid H2 and the strength of our model, make us confident for the future. We are therefore upgrading our guidance on all KPIs for 2022, with an organic growth now expected between +6% to +7% for 2022, an operating margin rate between 17.5% and 18% and a Free Cash Flow at least at 1.5 billion euros.

Looking ahead, we are ready to face the ongoing uncertainties caused by the macro-economic context, thanks to our unique capabilities to help our clients weather any potential challenges and by leveraging our agile platform organization to sustain industry-high financial ratios.

I would like to thank our clients for their trust, and our people for their incredible efforts, which have led us to these extremely strong results.”

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Publicis Groupe's Supervisory Board met on July 20th, 2022, under the chairmanship of Maurice Lévy, to examine the 2022 first semester accounts presented by Arthur Sadoun, CEO and Chairman of the Management Board.

KEY FIGURES

<i>EUR million, except per-share data and percentages</i>	<i>H1 2022</i>	<i>H1 2021</i>	<i>2022 vs 2021</i>
Data from the Income Statement and Cash flow Statement			
Net revenue	5,873	4,931	+19.1%
Pass-through revenue	674	562	+19.9%
Revenue	6,547	5,493	+19.2%
EBITDA	1,287	1,052	+22.3%
% of Net revenue	21.9%	21.3%	+60bps
Operating margin	1,018	815	+24.9%
% of Net revenue	17.3%	16.5%	+80bps
Operating income	761	598	+27.3%
Net income attributable to the Groupe	537	414	+29.7%
Earnings Per Share (EPS)	2.15	1.68	+28.0%
Headline diluted EPS ²	2.88	2.23	+29.1%
Free Cash Flow before change in working capital requirements	708	605	+17.0%
Data from the Balance Sheet			
	June 30, 2022	Dec 31, 2021	
Total assets	34,392	32,846	
Groupe share of Shareholders' equity	9,314	8,588	
Net debt (net cash)	464	76	

² Net income attributable to the Groupe, after elimination of impairment charges, amortization of intangibles arising on acquisitions, the main capital gains (or losses) on disposals, change in the fair value of financial assets, the revaluation of earn-out costs, divided by the average number of shares on a diluted basis



NET REVENUE IN Q2 2022

Publicis Groupe's net revenue in Q2 2022 was 3,073 million euros, up +21.0% from 2,539 million euros in 2021. Exchange rates had a positive impact of 229 million euros. Acquisitions, net of disposals, accounted for an increase in net revenue of 21 million euros. Organic growth reached +10.3%.

Breakdown of Q2 2022 Net revenue by region

EUR million	Net revenue		Reported Growth	Organic Growth
	Q2 2022	Q2 2021		
North America	1,912	1,527	+25.2%	+10.3%
Europe	709	634	+11.8%	+10.1%
Asia Pacific	289	253	+14.2%	+6.5%
Middle East & Africa	90	71	+26.8%	+15.3%
Latin America	73	54	+35.2%	+20.7%
Total	3,073	2,539	+21.0%	+10.3%

North America net revenue was up +25.2% on a reported basis in Q2 2022, including a significant positive impact of the US dollar to Euro exchange rate. Organic growth in the region was +10.3%. In **the U.S.**, organic growth came at +10.1%, confirming the country's strong dynamic in all its activities. Media posted double-digit growth, while Creative activities saw their net revenue grow in the high-single digits, with notably strong Production. Publicis Sapient grew +17.2% organically, as the demand for business transformation continued to accelerate. Epsilon grew +13.7% organically, as its Automotive division returned to positive territory, and with double-digit growth in all other divisions (Digital Media, Technology, Data). **Canada** was up +15.6% organically.

Net revenue in **Europe** was up by +11.8% on a reported basis. It was up by +10.1% on an organic basis, or +10.7% excluding the contribution of our Outdoor Media activities & the Drugstore. Organic growth in **the U.K.** was +15.5%, with a notable double-digit growth in Media and strong expansion at Publicis Sapient thanks to new business wins contribution. Organic growth in **France** was +9.3%³ with strong growth in Media and at Publicis Sapient. **Germany** was up +6.5% organically with strong growth in Media and sequential improvement at Publicis Sapient, posting positive growth. **Central & Eastern Europe** grew +6.4% organically despite activity being stopped in **Ukraine**, thanks to double-digit growth in **Poland, Romania** and **Turkey**.

Net revenue in **Asia Pacific** was +14.2% on a reported basis, and +6.5% organically. Despite lockdowns in several cities, **China** was positive at +2.7% organic growth, supported by New Business. **India, Australia** and **New Zealand** were up strongly, particularly thanks to Media, and **Thailand** performed well again thanks to Publicis Sapient.

In **Middle East & Africa**, net revenue was up +26.8% on a reported basis, and +15.3% organically. Organic growth was largely driven by Creative activities, and by Publicis Sapient in the Middle-East and Media in Africa.

Net revenue in **Latin America** was up +35.2% on a reported basis, and +20.7% organically, with most countries reporting double-digit growth this quarter, largely driven by Media.

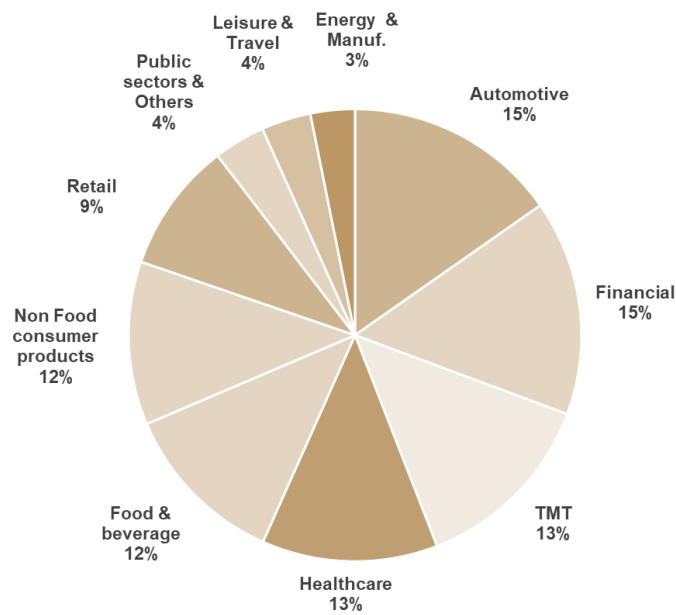
³ +6.6% including Outdoor Media activities & the Drugstore



NET REVENUE IN H1 2022

Publicis Groupe's net revenue for the first half 2022 was 5,873 million euros, up by +19.1% compared to 4,931 million euros in H1 2021. Exchange rate variations over the period had a positive impact of 354 million euros. Acquisitions (net of disposals) have a positive impact of 40 million euros on net revenue. Organic growth was +10.4% in H1 2022.

Breakdown of H1 2022 net revenue by sector



On the basis of 3,267 clients representing 91% of Groupe net revenue



Breakdown of H1 2022 net revenue by region

EUR million	Net revenue		Reported growth	Organic growth
	H1 2022	H1 2021		
North America	3,660	3,032	+20.7%	+9.3%
Europe	1,371	1,195	+14.7%	+12.3%
Asia Pacific	550	470	+17.0%	+10.1%
Middle East & Africa	165	133	+24.1%	+14.5%
Latin America	127	101	+25.7%	+17.3%
Total	5,873	4,931	+19.1%	+10.4%

Net revenue in **North America** was up by +9.3% on an organic basis in the first half (+20.7% on a reported basis including the positive impact of the US Dollar/ Euro exchange rate). **The U.S.** performed strongly at +9.1% organically reflecting a solid Q1 at +8.0% and +10.1% in Q2.

Europe posted +12.3% organic growth in H1 (+14.7% on a reported basis). Excluding the impact of the Groupe's Outdoor Media activities and the Drugstore in France, the organic growth in Europe is +10.1%. **The U.K.** was at +13.8% organic, **France** at +10.7%⁴, **Germany** at +3.9% and **Central & Eastern Europe** at +10.4%.

Asia Pacific net revenue was up by +10.1% on an organic basis (+17.0% reported). **China** reported an organic growth of +6.0%, **Australia & New Zealand** were up by +10.1% on an organic basis and **India** by +9.5%.

Net revenue in the **Middle East and Africa** region was up by +14.5% on an organic basis (+24.1% reported).

Net revenue in **Latin America** was up by +17.3% on an organic basis (+25.7% reported). **Brazil** grew by +17.1% organically and **Mexico** was at +7.4%.

⁴ Excluding Outdoor Media activities and the Drugstore



ANALYSIS OF H1 2022 KEY FIGURES

Income Statement

EBITDA amounted to 1,287 million euros in H1 2022, compared to 1,052 million euros in H1 2021, up by +22.3%. This translates into a margin rate of 21.9% of net revenue (up 60 basis points compared to H1 2021).

- **Personnel costs** totaled 3,888 million euros at June 30, 2022, up by +22.5% from 3,174 million euros in H1 2021, as the Groupe continued to invest in its talent. As a percentage of net revenue, personnel expenses were 66.2% in H1 2022, versus 64.4% in H1 2021. Fixed personnel costs were 3,375 million euros and represented 57.5% of net revenue versus 56.4% in H1 2021. The cost of freelancers increased by 64 million euros in H1 2022, reflecting the strong activity uplift, representing 233 million euros. Restructuring costs were 30 million euros, up versus 12 million euros in H1 2021.
- **Other operating expenses** (excluding depreciation & amortization) amounted to 1,372 million euros, compared to 1,267 million euros in H1 2021. This represents 23.4% of net revenue compared to 25.7% in H1 2021, improving by 230 basis points. The agile structure of the Groupe allowed to contain G&A costs in a context of top line increase. In addition, the accounting treatment linked to the renewal of two large outdoor media contracts for 5 and 10 years, as mentioned in 2021 accounts, resulted in a technical 80 basis point impact, entirely offset in depreciation; those contracts having been accounted for as cost of sales in 2021 are now accounted for as right of use and lease liability leading to depreciation.

Depreciation and amortization charge was 269 million euros in H1 2022 compared to 237 million euros in H1 2021, up by 13.5%, or 32 million euros. This rise reflects the combination of foreign exchange rates, the offsetting of the Outdoor Media contract renewal described above, partly mitigated by our actions over the last years to optimize our real estate footprint and our decision to expense rather than capitalize some IT costs.

Given the neutral impact of the accounting treatment of the two outdoor media contracts on operating expenses including depreciation, the Groupe operating leverage represents 250 basis points.

As a result, the **operating margin** amounted to 1,018 million euros, up by +24.9% compared to H1 2021. This represents an operating margin rate of 17.3% in H1 2022, up by 80 basis points from 16.5% in H1 2021.

Operating margin rates by geographies were 19.2% in North America, 13.3% in Europe, 20.9% in Asia-Pacific, 5.5% in Middle East/Africa and 7.1% in Latin America.

Amortization of intangibles arising from acquisitions totaled 137 million euros in H1 2022, up by 11 million euros versus H1 2021. Impairment losses or real estate consolidation charge, linked to the Groupe's real estate consolidation plan "All in One", amounted to 44 million euros, a reduction of 48 million euros versus H1 2021.

In addition, non-current expense was at 76 million euros compared to an income of 1 million euros in H1 2021. This item includes a 87 million euros loss linked to the Groupe's exit from Russia as announced in March 2022.



Operating income totaled 761 million euro in H1 2022, after 598 million euro in H1 2021.

The financial result, comprising the cost of net financial debt and other financial charges and income, is a charge of 44 million euros in H1 2022 compared to 55 million euros last year.

- The net charge on net financial debt was 27 million euros in H1 2022. This included 49 million euros largely of interest related to Epsilon's acquisition debt, partly mitigated by interest income of 29 million euros, a 17 million euros increase compared to H1 2021 that reflected higher cash balances and interest rates, in particular in the U.S. It compared to a charge of 45 million euros in H1 2021.
- Other financial income and expenses were a charge of 13 million euros in H1 2022, notably composed by 45 million euros interest on lease liabilities and 34 million in income from the fair value remeasurement of Mutual Funds. In H1 2021, other financial income and expenses were a charge of 5 million euros in H1 2021, notably composed by 35 million euros interest on lease liabilities and 32 million in income from the fair value remeasurement of Mutual Funds.

The revaluation of earn-out payments amounted to a charge of 4 million euros at end-June, broadly in line with the 5 million euros charge in H1 2021.

The tax charge is 189 million euros in H1 2022, corresponding to a forecast effective tax rate of 23.4% in 2022, compared to 135 million euros in H1 2021, corresponding to a forecast effective tax rate of 24.7%.

The share in the profit of associates is 5 million in H1 2022, while it was non significant in H1 2021.

Minority interests were a loss of 4 million euros in Groupe results in H1 2022 compared to a loss of 6 million euros in the previous year.

Overall, net income attributable to the Groupe was 537 million euros at June 30, 2022, compared to 414 million euro at June 30, 2021.

Free Cash Flow

<i>EUR million</i>	<i>H1 2022</i>	<i>H1 2021</i>
EBITDA	1,287	1,052
Repayment of lease liabilities and related interests	(215)	(179)
Investments in fixed assets (net)	(82)	(50)
Financial interest paid (net)	(63)	(82)
Tax paid	(251)	(163)
Other	32	27
Free cash-flow before changes in WCR	708	605

The Groupe's free cash flow, before change in working capital requirements, is up strongly, by 103 million euros compared to H1 2021, at 708 million euros. Repayment of lease liabilities and related interests amounted to 215 million euros. Net investments in fixed assets were 82 million euros, up from 50 million euros in H1 2021. Financial interest paid (mostly include interests on the acquisition debt of Epsilon) totalled 63 million euros. Tax



paid amounted to 251 million euros, up compared to 163 million euros in H1 2021. This increase reflected the higher profit before tax of the company, in addition to diverse impact of which the true-up effects of 2021 tax.

Net debt

Net financial debt amounted to 464 million euros as of June 30, 2022 compared to 76 million euros as of December 31, 2021. The Groupe's last twelve months average net debt as of June 30, 2022 amounted to 1,024 million euros compared to 2,252 million euros as of June 30, 2021.



ACQUISITIONS AND DISPOSALS

On **March 8, 2022**, Publicis finalized the acquisition of Tremend, based in Bucharest (Romania), a fast-growing large independent software engineering company. Tremend currently reaches 60 million of its clients' end users with its proven technology and will serve as the newest global delivery center for Publicis Sapient, expanding its Digital Business Transformation capabilities. With over 16 years of experience in product engineering, Tremend has 650 strong software engineering talent across high demand skills.

On **March 15, 2022**, Publicis announced its exit from Russia, by ceding the ownership of its agencies to local management. The Groupe handed over control of its Russian operations to Sergey Koptev, Founding Chairman of Publicis in Russia, with the clear contractual condition of ensuring a future for its 1,200 employees there. The Groupe stopped its business and investments in Russia, and the cession was effective immediately. Our first quarter's financial statements include a related 87 million euros exceptional disposal loss, and Russia was deconsolidated from April 1st, 2022.

On **May 3, 2022**, Publicis announced the acquisition of Profitero a leading SaaS global ecommerce intelligence platform helping brands analyse and optimize their sales, marketing and operations performance across more than 700 retail websites around the world and 70 million products. Profitero's products, technology, and 300 employees will further scale and supercharge Publicis Groupe's existing commerce capabilities around the world.

On **June 14, 2022**, Publicis announced the acquisition of Wiredcraft, a digital product consultancy and technology company focused on China and APAC, with offices in Shanghai and Singapore. Wiredcraft brings together over 100 local and international experts in technology, design, engineering, product management, consulting, and data, to help global brands create and launch digital products. Wiredcraft delivers solutions across digital transformation, direct-to-consumer e-commerce and customer loyalty data.

CSR

Publicis Groupe continued to make progress on each of its major priorities.

1 - **Diversity, Equity and Inclusion**: the 3rd edition of "Pause for Action" in the United States on June 29, 2022 brought together more than 13,000 employees committed to sharing and acting on issues of inclusion, diversity and social justice. The data published on the diversity of our teams in the United States shows a positive evolution, even if it remains clear that efforts must be relentlessly pursued, as the Chairman of the Management Board, Arthur Sadoun, reminded us, particularly in terms of recruitment, retention and promotion.

Employee health remained a concern with the gradual return to face-to-face work in most of the countries gradually emerging from the pandemic. Employee protection is a priority in all entities, and local HR/Talent teams remain vigilant in combining telecommuting and return to the office to facilitate a hybrid work environment.

Marcel, Publicis Groupe's internal platform has reached a 90% adoption rate and is central in several ways. On the one hand, it is the place for large-scale exchanges, where internal events such as "Pause For Action" or the quarterly plenary sessions led by the country managers and their leaders take place. On the other hand, with



Marcel Classes, employees can access a constantly enriched training offer and are now offered individualized training paths with the implementation of the unique "Growth Dashboard" for each and every one, which evolves according to the needs of the company or the technologies and expectations of the employees.

2 - Responsible Marketing: Our A.L.I.C.E (Advertising Limiting Impacts & Carbon Emissions) tool is being deployed more and more widely, enabling teams to measure the carbon emissions of projects and campaigns carried out for clients, and above all, to implement solutions to reduce impacts as much as possible. A.L.I.C.E allows all activities proposed to clients to be measured (creation, production, media, technology, events...) in 100 countries, following the GHG Protocol method and with the support of Bureau Veritas on the calculation methodology and the updating of emission factors.

3 – Fight against climate change: the targets for 2030 & 2040 aligned with the 1.5° scenario have been further validated and strengthened following the methodological change at the end of 2021 of SBTi (Science Based Targets Initiative),

- 2030 - "Near-Term target" with a 50% reduction in Scopes 1+2+3 emissions, including the use of 100% direct renewable energy sources before 2030
- 2040 – "Long-Term target" with a 90% reduction in emissions from scopes 1+2+3, integrating the use of carbon offsetting and sequestration for the residual impacts that cannot be reduced.

In addition, for the first time in Berlin, the **Women's Forum** brought together 300 participants for a day of debates and workshops on the themes of gender equality in health, climate and peace. The "Call to Action" addressed to the leaders of the G7 countries contains 10 recommendations on the absolute necessity of increasing gender equality and better integrating it into all political and economic decisions.

In mid-June 2022, **VivaTechnology** took place in a hybrid way with a physical event gathering more than 91,000 participants in Paris, with online sessions during 3 days gathering nearly 300,000 professionals around prestigious guests from Tech and start-ups. The VivaTech News channel passed the 4.3 million hits mark. In total, for this 6th edition, 400 million people in 140 countries were reached by this event, with a record 3 billion plus views on social networks.

The CSR actions of the Groupe and its agencies are publicly accessible in the CSR section of the Groupe's website and the data is summarized in the CSR Smart data section.

OUTLOOK

With its strong first half 2022, the current business momentum and the strength of its model, the Groupe is confident for the future and is in a position to upgrade its full year 2022 guidance on all KPIs.

The Groupe now anticipates full year 2022 organic growth to land between +6 and +7% vs. +4 to +5% previously, operating margin rate between 17.5% and 18%, versus c.17.5% previously, and Free cash flow before working capital requirement of at least 1.5 billion euros, versus c.1.4 billion euros previously.



NEW BUSINESS

EUROPE

Primark (Data), abrdrn (Media), Heineken (Content), Biffa PLC (Commerce), HomeExchange (Digital Media Planning & Buying), Wild (Creative), LVMH (Media), Air Liquide (Digital), Churchill Insurance (Creative), Neue Zürcher Zeitung AG (Creative), Valoria Capital (Creative), Aroma-Zone (Creative), Metro (Creative), Mundicenter (Creative), Sky Italia (Creative), Sberbank (Content), Mapfre (Media), The Ministry of Education and Science of Bulgaria (Influence), Landkreditt Bank (Media), United Parcel Service (Data), Ferrero (Creative), Expo Serbia (Creative), Campari (Influence), BNP Paribas (Creative), Avon Products (Media), Barclaycard (Creative), Betclic (Creative), Santé Publique France (Production & Digital), Piaggio (Media), South Western Railway (DBT), Hammerson (Creative), Assurpeople.com (Creative), Softbank (Creative), Open (Creative), Castel Afrique (Creative), My Money Bank (Creative), D&G (Creative), Promod (Creative), Royal Canin (Creative), Atlantic Grupa (Content), TotalEnergies (Content), Storytel (Creative), Shopee (Media), Société Générale (Content), Wolters Kluwer Health (Media), FINDERELLA (DBT), BSH Home Appliances (Content)

NORTH AMERICA

McDonald's (Media), Walmart (Media), Toyota Motor Corporation (DBT), KFC (Media), Boar's Head (DBT), Auto Club Group (Integrated), CVS Health (Creative), Kruger Inc (Influence), Properly (Influence), Liquor Control Board Of Ontario (Influence), Dos Equis (Digital), Colgate (Digital), Off-Lease Only Auto (Digital), Unilever (Shopper), Nestlé (Digital), Inspire Brands (Digital & CRM), The Kraft Heinz Company (Digital), Zespri (Digital), Trident - Mondelez International (Creative), The Scotts Miracle-Gro Company (DBT), Xero (Influence), Amazon (Data), Loblaw (Influence), Regal Entertainment Group (Production), Pacaso (Creative), Nestlé (Data), Intel (Shopper), Cherry Lane Canada (Influence), Heineken (Commerce), Suntory Group (Commerce), HP (Commerce), Dalio Philanthropies (DBT), Toyota Motor Corporation (Influence), Nearmap (Influence), Metrolinx (Content), Pernod Ricard (Commerce), MTY Food Group (Influence), Takeda Pharmaceuticals (Media)

ASIA PACIFIC/MEA

ByteDance (Media), L'Oréal (Media & Content), Volkswagen Group (Influence), Vivo Communication Technology Co (Content), Nestlé (Media & Influence), McDonald's (Creative), Wellington Management Company (DBT), PlayerzPot Media Pvt. Ltd. (Creative), SmarTone Telecommunications Holdings Limited (Media), Abbott Laboratories (Commerce), Singapore Telecommunications (Content), Geely Auto Group (Content), Deliveroo (Media), PlayerzPot Media Pvt. Ltd. (Media), Jardine Restaurant Group (Media), Clarins Group (Media), Cool Inc (Media), Humsafar Trust (Creative), Zoomcar (Media), XYXX Apparels (Media), BMW Malaysia (Creative & Digital), PepsiCo (Media & Creative), e& - Etisalat (Creative), Krungthai Bank (Content), Infinix Mobility (Content), Citigroup (Content), Easy Crypto NZ (Media), Meta (Creative), Singapore Ministry of Communications and Information (Media), Westpac Banking Corporation (CRM), Cashrewards (Media), City of Melbourne (Media), Shandong Hongchang cultural and Creative Industrial Park (DBT, New Balance (Production), Amica Financial Technologies (Media), Body Cupid (Commerce), Bank of China (Media), Samsung (DBT), Essity Hygiene & Health (Media), GlaxoSmithKline (DBT), Neom (Media), Shandong Culture & Travel Media Group (DBT), SAIC Volkswagen (Creative), Eureka Forbes (Media), Chunghwa Telecom (Creative), Sephora (Creative), Procter & Gamble (Creative), Lexus (Creative), Ekaterina - Lipton Tea, Pukka Herbs (Media), Edrington (Media), Mix & Match Travel (Media)

LATAM

AB InBev (Creative), MeatMe (Media & Content), Autoridad del Canal de Panama (Media), Scotiabank Inc (Creative), Compania Nacional de Chocolates de Peru (Content), SodaStream (Media), Alfred Kärcher SE & Co. KG (Media), Celebrity Cruises (Media), Alpina (Creative), Citigroup (Creative), Walmart (Media & Content), VeriTran (Creative), Nestlé (Content & CRM), Logitech (Media)

GLOBAL

AB InBev (Media), Siemens (Creative), Norwegian Cruise Line (Media), Singapore Tourism Board (Media & Creative)

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About Publicis Groupe - The Power of One

Publicis Groupe [Euronext Paris FR0000130577, CAC 40] is a global leader in communication. The Groupe is positioned at every step of the value chain, from consulting to execution, combining marketing transformation and digital business transformation. Publicis Groupe is a privileged partner in its clients' transformation to enhance personalization at scale. The Groupe relies on ten expertise concentrated within four main activities: Communication, Media, Data and Technology. Through a unified and fluid organization, its clients have a facilitated access to all its expertise in every market. Present in over 100 countries, Publicis Groupe employs around 90,000 professionals.

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Appendices

Net revenue: organic growth calculation

<i>(million euro)</i>	Q1	Q2	H1
2021 net revenue	2,392	2,539	4,931
Currency impact ⁽²⁾	125	229	354
2021 net revenue at 2022 exchange rates (a)	2,517	2,768	5,285
2022 net revenue before acquisition impact (b)	2,781	3,052	5,833
Net revenue from acquisitions ⁽¹⁾	19	21	40
2022 net revenue	2,800	3,073	5,873
Organic growth (b/a)	+10.5%	+10.3%	+10.4%

Impact of currency at end June 2022 <i>(million euro)</i>	
GBP ⁽²⁾	12
USD ⁽²⁾	290
Others	52
Total	354

(1) Acquisitions (CitrusAd, Tremend, Profitero, Boomerang, Balance Internet, BBK, Wiredcraft, Taylor Herring, Octopus UK, Means Advertising, Like-A-Rainbow), net of disposals (Russia, DPZ&T and Nexus)

(2) EUR = USD 1.094 on average in H1 2022 vs. USD 1.202 on average in H1 2021
EUR = GBP 0.842 on average in H1 2022 vs. GBP 0.866 on average in H1 2021



Definitions

Net revenue: Revenue less pass-through costs which comprise amount paid to external suppliers engaged to perform a project and charged directly to clients. Those costs are mainly Production & Media costs and out of pocket expenses.

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

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization): Operating margin before depreciation & amortization.

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 net revenue.

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

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

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

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

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

Free Cash Flow before changes in working capital requirements: Net cash flow from operating activities less interests paid & received, repayment of lease liabilities & related interests and before changes in WCR linked to operating activities

Free Cash Flow: Net cash flow from operating activities less interests paid & received, repayment of lease liabilities & related interests

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.



Consolidated income statement

<i>(in millions of euros)</i>	June 30, 2022 (6 months)	June 30, 2021 (6 months)	December 31, 2021 (12 months)
Net revenue⁵	5,873	4,931	10,487
Pass-through revenue	674	562	1,251
Revenue	6,547	5,493	11,738
Personnel costs	(3,888)	(3,174)	(6,639)
Other operating costs	(1,372)	(1,267)	(2,782)
Operating margin before depreciation & amortization	1,287	1,052	2,317
Depreciation and amortization expense (excluding acquisition-related intangible assets)	(269)	(237)	(477)
Operating margin	1,018	815	1,840
Amortization of intangibles from acquisitions	(137)	(126)	(256)
Impairment loss	(44)	(92)	(122)
Non-current income and expenses	(76)	1	(28)
Operating income	761	598	1,434
Financial expense	(56)	(57)	(115)
Financial income	29	12	30
Cost of net financial debt	(27)	(45)	(85)
Other financial income and expenses	(13)	(5)	27
Revaluation of earn-out payments	(4)	(5)	(33)
Pre-tax income of consolidated companies	717	543	1,343
Income taxes	(189)	(135)	(307)
Net income of consolidated companies	528	408	1,036
Share of profit of associates	5	-	0
Net income	533	408	1,036
Of which:			
-Net income attributable to non-controlling interests	(4)	(6)	9
Net income attributable to equity holders of the parent company	537	414	1,027

Per share data *(in euros)* - Net income attributable to equity holders of the parent company

Number of shares	250,274,576	246,106,455	248,620,158
Earnings per share	2.15	1.68	4.13
Number of diluted shares	252,508,128	248,475,342	251,695,105
Diluted earnings per share	2.13	1.67	4.08

⁵ Net revenue: Revenue less pass-through costs. Those costs are mainly production & media costs and out-of-pocket expenses. As these items that can be passed on to clients are not included in the scope of analysis of transactions, the net revenue indicator is the most appropriate for measuring the Group's operational performance.



Consolidated statement of comprehensive income

<i>(in millions of euros)</i>	June 30, 2022 (6 months)	June 30, 2021 (6 months)	December 31, 2021 (12 months)
Net income for the period (a)	533	408	1,036
Comprehensive income that will not be reclassified to income statement			
- Actuarial gains (and losses) on defined benefit plans	91	24	48
- Deferred taxes on comprehensive income that will not be reclassified to income statement	(22)	(6)	(8)
Comprehensive income that may be reclassified to income statement			
- Remeasurement of hedging instruments	8	17	29
- Consolidation translation adjustments	676	233	590
Total other comprehensive income (b)	753	268	659
Total comprehensive income for the period (a) + (b)	1,286	676	1,695
Of which:			
- Total comprehensive income for the period attributable to non-controlling interests	(1)	(6)	9
- Total comprehensive income for the period attributable to equity holders of the parent company	1,287	682	1,686



Consolidated balance sheet

(in millions of euros)

	June 30, 2022	December 31, 2021
Assets		
Goodwill, net	12,841	11,760
Intangible assets, net	1,433	1,379
Right-of-use assets related to leases	1,946	1,489
Property, plant and equipment, net	613	615
Deferred tax assets	172	175
Investments in associates	46	25
Other financial assets	393	276
Non-current assets	17,444	15,719
Inventories and work-in-progress	328	277
Trade receivables	10,853	11,315
Assets on contracts	1,324	979
Other current receivables and assets	1,101	897
Cash and cash equivalents	3,342	3,659
Current assets	16,948	17,127
Total assets	34,392	32,846
Equity and liabilities		
Share capital	102	101
Additional paid-in capital and retained earnings, Group share	9,212	8,487
Equity attributable to holders of the parent company	9,314	8,588
Non-controlling interests	(34)	(33)
Total equity	9,280	8,555
Long-term borrowings	3,431	3,446
Long-term lease liabilities	2,369	1,801
Deferred tax liabilities	294	274
Long-term provisions	485	543
Non-current liabilities	6,579	6,064
Trade payables	14,086	14,479
Liabilities on contracts	487	470
Short-term borrowings	149	184
Short-term lease liabilities	358	288
Income taxes payable	368	328
Short-term provisions	268	274
Other creditors and current liabilities	2,817	2,204
Current liabilities	18,533	18,227
Total equity and liabilities	34,392	32,846



Consolidated statement of cash flows

<i>(in millions of euros)</i>	June 30, 2022 (6 months)	June 30, 2021 (6 months)	December 31, 2021 (12 months)
Cash flow from operating activities			
Net income	533	408	1,036
Neutralization of non-cash income and expenses:			
Income taxes	189	135	307
Cost of net financial debt	27	45	85
Capital losses (gains) on disposal of assets (before tax)	76	(1)	28
Depreciation, amortization and impairment loss	450	455	855
Share-based compensation	30	25	52
Other non-cash income and expenses	16	11	5
Share of profit of associates	(5)	-	-
Dividends received from associates	3	2	2
Taxes paid	(251)	(163)	(362)
Change in working capital requirements ⁽¹⁾	(858)	(1,191)	(216)
Net cash flows generated by (used in) operating activities (I)	210	(274)	1,792
Cash flow from investing activities			
Purchases of property, plant and equipment and intangible assets	(84)	(50)	(139)
Disposals of property, plant and equipment and intangible assets	2	-	3
Purchases of investments and other financial assets, net	18	4	4
Acquisitions of subsidiaries	(400)	(77)	(276)
Disposals of subsidiaries ⁽²⁾	(43)	-	3
Net cash flows generated by (used in) investing activities (II)	(507)	(123)	(405)
Cash flow from financing activities			
Dividends paid to holders of the parent company	-	-	(227)
Dividends paid to non-controlling interests	(3)	(2)	(9)
Proceeds from borrowings ⁽³⁾	5	1	9
Repayment of borrowings ⁽³⁾	(10)	(190)	(862)
Repayment of lease liabilities	(170)	(144)	(295)
Interest paid on lease liabilities	(45)	(35)	(70)
Interest paid	(84)	(94)	(106)
Interest received	21	12	26
Buy-out of non-controlling interests	-	(4)	(14)
Net (buybacks)/sales of treasury shares and warrants	7	9	(127)
Net cash flows generated by (used in) financing activities (III)	(279)	(447)	(1,675)
Impact of exchange rate fluctuations (IV)	258	102	238
Change in consolidated cash and cash equivalents (I + II + III + IV)	(318)	(742)	(50)
Cash and cash equivalents on January 1 st	3,659	3,700	3,700
Bank overdrafts on January 1 st	(12)	(3)	(3)
Net cash and cash equivalents at beginning of year (V)	3,647	3,697	3,697
Cash and cash equivalents at closing date	3,342	2,959	3,659
Bank overdrafts at closing date	(13)	(4)	(12)
Net cash and cash equivalents at end of the year (VI)	3,329	2,955	3,647
Change in consolidated cash and cash equivalents (VI - V)	(318)	(742)	(50)
<i>(1) Breakdown of change in working capital requirements</i>			
Change in inventory and work-in-progress	(39)	(32)	(23)
Change in trade receivables and other receivables	633	847	(1,218)
Change in accounts payable, other payables and provisions	(1,452)	(2,006)	1,025
Change in working capital requirements	(858)	(1,191)	(216)

(2) Including (49)m€ used in related to the disposal of Russian activities

(3) See Note 15

Consolidated statement of changes in equity

<i>Number of outstanding shares</i>	<i>(in millions of euros)</i>	<i>Share capital</i>	<i>Additional paid-in capital</i>	<i>Reserves and earnings brought forward</i>	<i>Translation reserve</i>	<i>Fair value reserve</i>	<i>Equity attributable to equity holders of the parent company</i>	<i>Non- controlling interests</i>	<i>Total equity</i>
249,600,509	December 31, 2021	101	4,581	4,056	(226)	76	8,588	(33)	8,555
	Net income			537			537	(4)	533
	Other comprehensive income, net of tax				673	77	750	3	753
	Total comprehensive income for the period	-	-	537	673	77	1,287	(1)	1,286
-	Dividends			(599)			(599)	(3)	(602)
246,225	Share-based compensation, net of tax			29			29		29
	Effect of acquisitions and commitments to buy-out non-controlling interests			2			2	3	5
161,412	Equity warrant exercise	1	3				4		4
1,116,166	(Buybacks)/sales of treasury shares			3			3		3
251,124,312	June 30, 2022	102	4,584	4,028	447	153	9,314	(34)	9,280



<i>Number of outstanding shares</i>	<i>(in millions of euros)</i>	<i>Share capital</i>	<i>Additional paid-in capital</i>	<i>Reserves and earnings brought forward</i>	<i>Translation reserve</i>	<i>Fair value reserve</i>	<i>Equity attributable to equity holders of the parent company</i>	<i>Non- controlling interests</i>	<i>Total equity</i>
245,577,779	December 31, 2020	99	4,307	3,585	(816)	7	7,182	(22)	7,160
	Net income			414			414	(6)	408
	Other comprehensive income, net of tax				233	35	268		268
	Total comprehensive income for the period	-	-	414	233	35	682	(6)	676
5,018,232	Dividends	2	264	(493)			(227)	(2)	(229)
296,350	Share-based compensation, net of tax			28			28		28
	Effect of acquisitions and commitments to buy-out non-controlling interests			16			16	(16)	0
241,301	Equity warrant exercise	0	7				7		7
698,159	(Buybacks)/sales of treasury shares			2			2		2
251,831,821	June 30, 2021	101	4,578	3,552	(583)	42	7,690	(46)	7,644

Earnings per share (basic and diluted)

(in millions of euros, except for share data)

June 30, 2022

June 30, 2021

Net income used for the calculation of earnings per share

Net income attributable to equity holders of the parent company

A

537

414

Impact of dilutive instruments:

- Savings in financial expenses related to the conversion of debt instruments, net of tax

-

-

Group net income – diluted

B

537

414

Number of shares used to calculate earnings per share

Number of shares at January 1st

253,462,409

247,769,038

Shares created over the period

133,430

205,975

Treasury shares to be deducted (average for the period)

(3,321,264)

(1,868,558)

Average number of shares used for the calculation

C

250,274,576

246,106,455

Impact of dilutive instruments:

- Free shares and dilutive stock options

2,124,694

2,201,787

- Equity warrants (BSA)

108,858

167,100

Number of diluted shares

D

252,508,128

248,475,342

(in euros)

Earnings per share

A/C

2.15

1.68

Diluted earnings per share

B/D

2.13

1.67



Headline earnings per share (basic and diluted)

(in millions of euros, except for share data)

		June 30, 2022	June 30, 2021
Net income used to calculate headline earnings per share ⁽¹⁾			
Group net income		537	414
<i>Items excluded:</i>			
- Amortization of intangibles from acquisitions, net of tax		103	94
- Impairment loss, net of tax		33	70
- Revaluation of earn-out payments		4	5
- Main capital gains (losses) on disposal of assets and fair value adjustment of financial assets, net of tax ⁽²⁾		50	(28)
Headline Group net income	E	727	555
<i>Impact of dilutive instruments:</i>			
- Savings in financial expenses related to the conversion of debt instruments, net of tax		-	-
Headline Group net income, diluted	F	727	555
Number of shares used to calculate earnings per share			
Number of shares at January 1 st		253,462,409	247,769,038
Shares created over the period		133,430	205,975
Treasury shares to be deducted (average for the period)		(3,321,264)	(1,868,558)
Average number of shares used for the calculation	C	250,274,576	246,106,455
<i>Impact of dilutive instruments:</i>			
- Free shares and dilutive stock options		2,124,694	2,201,787
- Equity warrants (BSA)		108,858	167,100
Number of diluted shares	D	252,508,128	248,475,342

(in euros)

Headline earnings per share ⁽¹⁾	E/C	2.90	2.26
Headline earnings per share – diluted ⁽¹⁾	F/D	2.88	2.23

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

(2) As of June 30, 2022, the main capital gains and losses on disposal amount to euro (79) million and the fair value adjustment of financial assets amounts to euro 29 million. As of June 30, 2021, the main capital gains and losses on disposal amount to euro 1 million and the fair value adjustment of financial assets amounts to euro 27 million.