

First Quarter 2019 Revenue

April 14, 2019

- First Quarter 2019 net revenue in line with expectations:
+1.7% reported and -1.6%⁽¹⁾ organic
- Continued growth of Game Changers, up +27% in the quarter
- 2019 outlook confirmed

First Quarter 2019

2019 Net revenue	€ 2,118 m
2018 Net revenue	€ 2,082 m
Reported growth	+1.7%
Organic growth ⁽¹⁾	-1.6%

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¹ Excluding PHS



Arthur Sadoun, Chairman and CEO of Publicis Groupe:

“Our First Quarter net revenue is in line with expectations, confirming our take on what we anticipate for the year. The Groupe is continuing to deliver on its transformation path, thanks to Power of One, to the rollout of our Global Client Leader organization and to the progressive implementation of our country-led model.

Our strategy is delivering good results: the attractiveness of our model is illustrated by the growth of our game changers combining data, dynamic creativity and business transformation, which recorded a 27% rise in the quarter. The retention of our clients also recorded a marked improvement. This is helping us to mitigate attrition that mainly comes from FMCG clients and that has remained high in the quarter. North America net revenue has been particularly affected by this attrition that represented around 300 basis points of impact on the region performance.

However, we believe that the pace of attrition will slow down in the second half of 2019. Additionally, as you know, we ranked first in New Business Wins in 2018, and the largest ones are starting to ramp up in the second quarter. Taken together, these two items lead us to confirm our outlook for the year.

We have announced today a major step forward with the acquisition of Epsilon. This acquisition will accelerate the implementation of our strategy to become our clients’ preferred partner in their transformation. Realized at compelling financial terms, the transaction will make us fully equipped with truly end-to-end suite solutions to address the increasingly complex needs of our clients in a fast-changing, data-driven marketing environment.

The Publicis Groupe will be stronger, with a balanced revenue mix across diversified expertise. We will be in a position to grasp a larger share of the marketing and business transformation market, which will significantly expand our growth opportunities”.

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FIRST QUARTER 2019 NET REVENUE

Publicis Groupe's net revenue in Q1 2019 was 2,118 million euros, up 1.7% from 2,082 million euros in 2018. Exchange rates had a positive impact of 93 million euros. Acquisitions, net of disposals, accounted for a decrease in net revenue of 18 million euros, reflecting the disposal of PHS effective at the end of January 2019 not entirely offset by the contribution of acquisitions, notably Xebia and Soft Computing in France.

Organic growth stood at -1.8%, or -1.6% excluding PHS, mainly reflecting attrition of a handful of FMCG clients. Net revenue from strategic game changers grew 27%.

Breakdown of Q1 2019 net revenue by region

<i>EUR Million</i>	Net revenue		Reported growth	Organic growth	Organic Growth excl. PHS
	Q1 2019	Q1 2018			
Europe	633	614	+3.1%	+0.8%	+0.7%
North America	1,139	1,142	-0.3%	-4.6%	-4.3%
Asia Pacific	207	199	+4.0%	+1.2%	+1.2%
Latin America	66	72	-8.3%	-6.3%	-6.3%
Middle East & Africa	73	55	+32.7%	+26.6%	+26.6%
Total	2,118	2,082	+1.7%	-1.8%	-1.6%

Net revenue in Europe was up 3.1% or up 0.7% on an organic basis excluding PHS. France and the UK continued to perform well with an increase in net revenue of respectively 4.2% and 5.1% in the quarter. Italy recorded double digit growth at +28.4% with strong impact from accounts wins and clients who have increased the scope of work. It was the opposite for Germany where the drop was at 10.1%.

North America net revenue in Q1 2019 was broadly flat on a reported basis but posted a decline of 4.3% organically, excluding PHS. This mostly reflected attrition that continued to impact traditional advertising, the effect of a handful of media losses from the third quarter 2018 and a strong comparable base in Q1 2018.

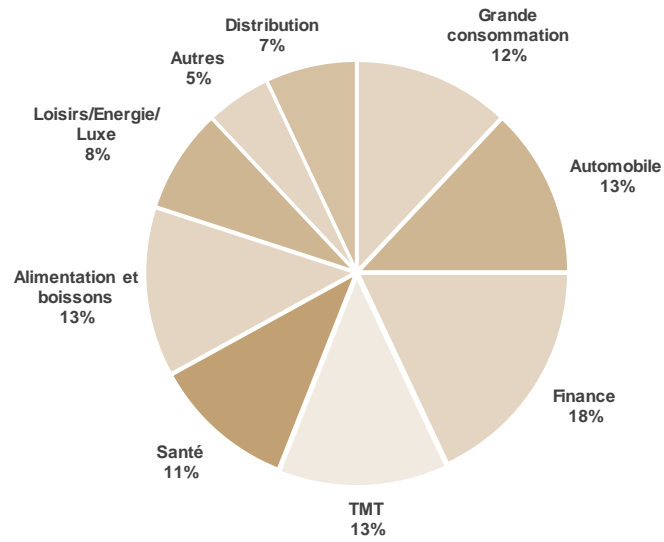
Asia Pacific net revenue was up 4.0% on a reported basis and 1.2% on an organic basis, with Singapore at +7.0% and India at +9.3%. China was slightly negative at -0.3%.

Latin America recorded net revenue down 8.3% on a reported basis, and down 6.3% on an organic basis. This reflected a tough comparable base. Brazil at -6.3% organically and Mexico at -11.4% explain the negative growth in this region.



The Middle East & Africa region reported a rise of 32.7% in net revenue, or 26.6% on an organic basis.

Net revenue at March 31, 2019 by client sector ⁽¹⁾



(1) Based on 2,667 clients representing 87% of net revenue



NET DEBT

Net debt totaled 885 million euros at the end of March 2019, compared with a cash positive situation of 288 million euros at year-end 2018. The Group's average net debt stood at 229 million euros in the first quarter 2019, compared to 1,001 million euros in the first quarter 2018.

Net debt on financial leases has been reclassified in Lease liabilities since January 1, 2018 after IFRS16 implementation.

ACQUISITIONS & DISPOSALS AT MARCH 31, 2019

On January 31, Publicis Groupe announced that it has closed on the sale of **Publicis Health Solutions (PHS)** to Altamont Capital Partners (Altamont). PHS, which was previously housed under Publicis Health, Publicis Groupe's healthcare solutions network, is a contract sales and commercialization organization that works with a range of pharmaceutical, biotechnology, medical device and diagnostics companies, and provides a suite of services through operating brands that include Touchpoint, PDI, Tardis Medical, PHrequency and CustomPoint Recruiting.

On February 7, Publicis Groupe announced the completion of the acquisition of **Soft Computing** (82.99% of the share capital), a leading French data marketing company, at 25 euro per share, i.e. a total consideration of approximately 43.4 million euro. This acquisition has been made from the firm's founders and their families after all conditions precedent in the agreement of December 19, 2018 were met. The price offered is at a premium of 66.67% to the closing price on December 19, 2018. Created in 1984 by Eric Fischmeister and Gilles Venturi, Soft Computing specializes in data and its use in enhancing marketing and transforming the customer experience. With over 400 experts, this market-leading company provides its services to most of the major retail, finance and services companies.

SUBSEQUENT EVENTS – PUBLICIS GROUPE TO ACQUIRE EPSILON

On 14 April 2019, Publicis Groupe today announced it has entered into an agreement with Alliance Data Systems Corporation (NYSE: ADS) under which Publicis Groupe will acquire Alliance Data's Epsilon business for a net purchase price of \$3.95 billion after tax step-up (total cash consideration of \$4.40bn) and build a strategic partnership with Alliance Data remaining business. This acquisition will accelerate the implementation of Publicis' strategy to become the preferred transformation partner for its clients.

The Directoire (Management Board) and the Conseil de Surveillance (Supervisory Board) of Publicis Groupe have unanimously approved this transaction considering it a one-time opportunity to seize, given the evolution of the industry and the implying transformation of marketing solutions.

The transaction is subject to customary approvals and is expected to close in the third quarter 2019.

Full details are available on Publicis Groupe website on www.publicisgroupe.com



OUTLOOK 2019

We are confirming our outlook for 2019 for Publicis Groupe standalone. We expect a higher organic growth in 2019 compared to 2018, a 30 to 50-basis point increase of our operating margin rate and an increase in headline diluted EPS between 5% and 10% at constant exchange rates and excluding “BEAT” tax.

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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.

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 and Publicis Health. Present in over 100 countries, Publicis Groupe employs nearly 75,000 professionals.

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Appendices

Net revenue: organic growth calculation

<i>(million euro)</i>	Q1	Impact of currency at end March 2019 <i>(million euro)</i>	
2018 net revenue	2,082	GBP ⁽²⁾	3
Currency impact ⁽²⁾	93	USD ⁽²⁾	90
2018 net revenue ⁽¹⁾ at 2019 exchange rates (a)	2,175	Others	0
2018 net revenue before acquisition impact (b)	2,136	Total	93
Net revenue from acquisitions ⁽¹⁾	(18)		
2019 net revenue	2,118		
Organic growth (b/a)	-1,8%		
Organic growth excl. PHS ⁽³⁾	-1.6%		

(1) Acquisitions (Optix, Independent Ideas, Ecosys, Domaines Publics, Payer Science, One Digital, The Shed, Kindred, Xebia, IDC Creation, Brilliant, Soft Computing), net of disposals.

(2) EUR = USD 1,136 on average in Q1 2019 vs. USD 1,229 on average in Q1 2018
EUR = GBP 0,872 on average in Q1 2019 vs. GBP 0,883 on average in Q1 2018

(3) Publicis Groupe made effective the disposal of Publicis Health Services in January 2019



New Business: Main wins in 3M 2019



Google (USA), Barclays (UK), Samsung (UK & USA), TikTok (USA), Massage Envy (USA), Cumberland Farms (USA), Nestlé (Australia), RAMS Financial Group (Australia), Health Promotion Board (HPB) (Singapore), Banco Safra (Brazil), Perdigão (Brazil), Distell (South Africa)



Agate Katowice (Poland), Driven Brands (USA), E Wedel (Poland), Fulfill (UK), NBC Entertainment (USA), Rio Tinto (Australia)



Goldman Sachs (USA), World Fuel Services Corporation (USA), UBS AG (USA), Heathrow Airport (UK)



Abbott (USA & Canada), Abbvie (USA), Amazon (USA), Boehringer Ingelheim (Global), Bristol-Myers Squibb (France), Roche (Global & EMEA), Merck & Co. (USA), Novo Nordisk (USA), Sanofi Genzyme (USA), Sunovion Pharmaceuticals, Inc. (USA & Canada)



2019 press releases

08-01-2019	Publicis Groupe appoints Michael Rebelo as Chief Executive Officer, Australia & New-Zealand
24-01-2019	Publicis Groupe appoints Bertilla Teo and Michael Lee as co-Chief Executive Officers, Greater China
31-01-2019	Publicis Groupe Launches Innovative Learning Experiences to Speed Transformation to a Platform
31-01-2019	Publicis Groupe Completes Divestiture of Pharmaceutical Contract Commercialization and Sales Unit (PHS)
01-02-2019	Publicis Groupe takes full ownership of Blue 449 in the UK
01-02-2019	Jacco ter Schegget Named CEO Publicis Groupe Belgium and the Netherlands
06-02-2019	Publicis Groupe: 2018 Annual Results
07-02-2019	Publicis Groupe completes acquisition of Soft Computing
11-02-2019	Publicis Groupe Appoints Alessandra Girolami as VP, Investor Relations & Strategic Financial Planning
14-02-2019	Publicis Groupe Enters into Exclusive Negotiations with Ycor for the Sale of Its Digital Services Subsidiary, Proximedia
27-02-2019	Publicis Groupe Malaysia Appoints Abraham Varughese as Chief Creative Officer
07-03-2019	Supervisory Board
26-03-2019	Publicis Groupe Named Adobe's Digital Experience Partner Of The Year For The Americas



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 less interests paid & received, repayment of lease liabilities & related interests and 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.