

First Quarter 2024 Revenue

Very strong start to the year

Sustaining momentum

Gaining market share

April 11, 2024

- Sustained momentum: Q1 2024 organic growth at +5.3%, above expectations
- Solid performance across all regions:
 - Continued strong growth in the U.S. at +5% driven by data and media
 - Europe at +6% on top of a strong comparable in Q1 2023
 - China accelerating at +7%
- 8th consecutive quarter delivering highest growth in the sector¹, leading to market share gains
- Confirming 2024 guidance, continuing to grow twice as fast as the industry average¹

Q1 2024

Revenue	€3,711m
Net revenue	€3,230m
<i>Organic growth</i>	+5.3%
<i>Reported growth</i>	+4.9%

¹ Based on consensus.



Arthur Sadoun, Chairman and CEO of Publicis Groupe:

“Publicis had a very strong start to 2024, sustaining growth momentum despite ongoing macroeconomic tensions.

We accelerated on our organic growth this quarter, delivering +5.3%, ahead of expectations.

There were three clear drivers of this performance.

First, our ability to capture a disproportionate part of the increasing demand for data-led marketing transformation, boosted by AI, in a soon-to-be-cookieless world. This translated into the double-digit growth of our combined Epsilon and Publicis Media offer.

Second, continued new business tailwinds, coming after we topped the league tables once again, and as we have for the past five years.

Last but not least, the impact of a clear rebound in the tech sector, where we saw double-digit growth this quarter.

Looking at the rest of our business, Publicis Sapient recorded sequential improvement, with positive growth in the U.S. despite continued client cautiousness affecting the entire IT consultancy sector.

Creative further showed its resilience, posting single-digit growth driven by new business and production.

All of our regions performed well, with the notable acceleration of Asia fueled by strong growth in China.

After extracting ourselves from the pack in 2023, we clearly carried that momentum into Q1. We expect this to be our 8th consecutive quarter of delivering the highest growth in the industry, leading to material market share gains.

Now, looking at the rest of the year, we are focused on maintaining this dynamic.

In what is a still-challenging environment, our leadership in personalization at scale, our new business wins and our platform organization, make us confident in confirming our 2024 guidance.

We once again expect to grow twice as fast as the industry average, while delivering the best financial KPIs.

I would like to take this opportunity to thank our clients for their trust and our people for their outstanding efforts.”

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NET REVENUE IN Q1 2024

Publicis Groupe's net revenue in Q1 2024 was 3,230 million euros, up +4.9% from 3,079 million euros in 2023. Exchange rates had a negative impact of 29 million euros. Acquisitions, net of disposals, accounted for an increase in net revenue of 18 million euros. Organic growth reached +5.3%.

Breakdown of Q1 2024 Net revenue by region

<i>EUR million</i>	Net revenue		Reported Growth	Organic Growth
	Q1 2024	Q1 2023		
North America	2,008	1,938	+3.6%	+4.8%
Europe	793	743	+6.7%	+6.1%
Asia Pacific	266	250	+6.4%	+6.2%
Middle East & Africa	90	88	+2.3%	+4.0%
Latin America	73	60	+21.7%	+7.8%
Total	3,230	3,079	+4.9%	+5.3%

North America net revenue was up +3.6% on a reported basis in Q1 2024, including a negative impact of the U.S. dollar to Euro exchange rate. Organic growth was at +4.8%. In **the U.S.**, organic growth came at +5.0%, with Media and Epsilon accretive this quarter, confirming the strength of our integrated offer in this geography where our model is the most advanced. Media posted a double-digit increase, and Epsilon's high-single-digit growth was fueled by Digital Media and Data activities. Publicis Sapient grew +2.2% organically after +8% in Q1 last year, sequentially improving from Q4 2023. Creative activities were broadly stable.

Net revenue in **Europe** was up by +6.7% on a reported basis and +6.1% organically. Organic growth in **the U.K.** was slightly positive, with double-digit growth in Media and Creative offsetting a negative Publicis Sapient which was up against a high comparable of very strong growth in Q1 2023. Organic growth in **France** was +9.4% and largely driven by high-single digit growth in Media and double-digit growth at Publicis Sapient again this quarter. **Germany** posted +4.9% organic growth led by double-digit growth in Media. **Central & Eastern Europe** was very strong, at +21.2% organically, benefitting from global wins ramping up in Media and Production.

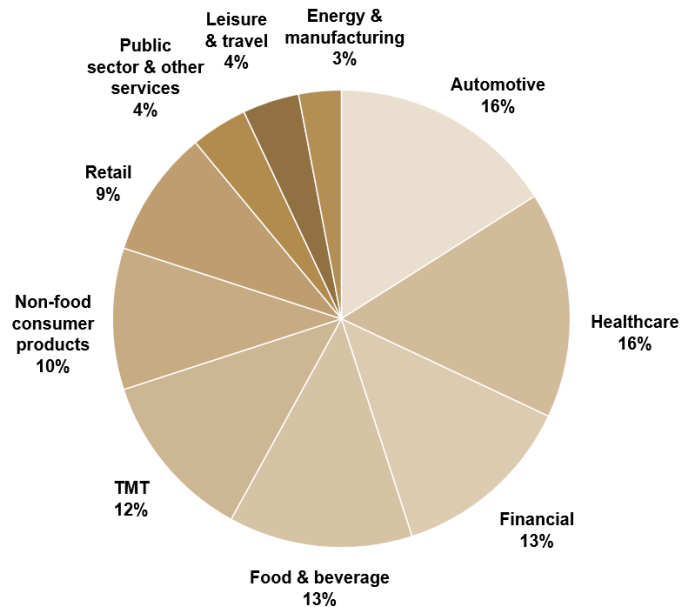
Net revenue in **Asia Pacific** recorded +6.4% growth on a reported basis and +6.2% on an organic basis. **China** posted a strong performance at +6.7% organically due to new business wins in Media. **South-East Asia** posted a double-digit performance fueled by Malaysia, Indonesia, as well as Thailand. **Australia** posted broadly stable organic growth on the quarter.

In **Middle East & Africa**, net revenue was up +2.3% on a reported basis and +4.0% organically. Organic growth was largely driven by Creative activities, primarily in the UAE.

Net revenue in **Latin America** was up +21.7% on a reported basis, and +7.8% organically, with growth driven by both Media and Creative, notably in Brazil, Mexico and Chile.



Breakdown of net revenue at March 31, 2024 by sector



On the basis of 3,033 clients representing 92% of Groupe net revenue.

NET DEBT AND LIQUIDITY

Net debt totaled 445 million euros at the end of March 2024 compared with a net cash position of 909 million euros at year-end 2023, reflecting the seasonality in the activity. Net debt was 442 million euros at the end of March 2023. The Groupe's last twelve-month average net debt amounted to 383 million euros at the end of March 2024, down from 563 million euros in March 2023.

The Groupe's liquidity position remains very solid at 4.9 billion euros.

ACQUISITIONS

On **January 18, 2024**, Publicis Groupe Singapore announced the acquisition of **AKA Asia**, one of Singapore's leading integrated communications agencies. Founded in 2009, AKA is a highly respected player in the South-East Asian market, known for delivering award-winning and innovative communication campaigns. The acquisition will expand and diversify Publicis Groupe's capabilities in the region, while bolstering the Groupe's strategic communications, PR and influence offering. AKA will join the Groupe's regional Influence practice.

On **March 12, 2024**, Publicis Sapient announced the acquisition of **Spinnaker SCA**, a leading supply chain services firm that provides end-to-end supply chain strategy, planning and execution consulting services. Founded in 2002 and based in Boulder in the U.S., Spinnaker SCA will become part of Publicis Sapient and bring core capabilities and skill sets including advanced AI and ML analytics, supply chain digital twins, warehouse and transportation



management and expanded digital services. Spinnaker SCA will further enable Publicis Sapient to offer solutions for clients to optimize their agile supply chains as part of their digital business transformation.

GRUPE AI STRATEGY

On January 25, 2024, the Groupe introduced **CoreAI** to infuse a layer of AI across the Groupe's platform organization to connect its enterprise knowledge under a single entity. In doing so, the Groupe announced its ambition to become the industry's first AI-powered Intelligent System.

Sitting at the center of the Groupe, CoreAI unifies and standardizes Publicis' best-in-class proprietary data and combines this with 35 years of business transformation data and coding owned exclusively by Publicis Sapient. CoreAI makes these assets shareable and accessible to everyone across the Groupe, empowering them across five key disciplines: Insight, Media, Creative and Production, Software and Operations.

Publicis plans to invest 300 million euros in this strategy over the next three years. In 2024, the Groupe anticipates an investment of 100 million euros with 50% dedicated to its people, focused on upskilling, training and recruitment, and 50% to technology, through licenses, IT software and cloud infrastructure. This investment will be fully accounted for in the P&L. It will have no dilutive impact on the Groupe's operating margin in 2024 as it will be funded by internal efficiencies. It will be slightly accretive on the operating margin in 2025.

The roll out of CoreAI's capabilities will continue iteratively throughout the year.

OUTLOOK

Despite ongoing macroeconomic uncertainties, and thanks to the strength of its unique model, Publicis is confident in its ability to deliver on all of the 2024 targets set at its full year 2023 earnings, with **organic growth between +4% to +5%**.

As detailed in February, the **+4% is rock solid** and factors in continued delays in business transformation projects, more reductions in advertising spend and a cautious stance on year-end budget adjustments. The higher end of the guidance at **+5% is within reach** assuming a faster ramp-up of clients resuming spend on digital business transformation projects and fewer cuts in classic advertising.

In Q2 2024, the Groupe expects solid organic growth within the full year range.

The Groupe also confirms its 2024 guidance on financial ratios, which will be maintained at the industry-leading levels, of **18% operating margin rate**, including the Groupe's Opex investment of 100 million euros in its AI plan, and **between 1.8 and 1.9 billion euros free cash flow** before change in working capital.



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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 103,000 professionals. www.publicisgroupe.com | *Twitter: @PublicisGroupe* | *Facebook* | *LinkedIn* | *YouTube* | *Viva la Difference!*

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Appendices

Net revenue: organic growth calculation

<i>(million euro)</i>	Q1	Impact of currency at end March 2024 (million euro)	
2023 net revenue	3,079	GBP ⁽²⁾	9
Currency impact ⁽²⁾	(29)	USD ⁽²⁾	(22)
2023 net revenue at 2024 exchange rates (a)	3,050	Others	(16)
2024 net revenue before acquisition impact (b)	3,212	Total	(29)
Net revenue from acquisitions ⁽¹⁾	18		
2024 net revenue	3,230		
Organic growth (b/a)	+5.3%		

(1) Acquisitions (Practia, Corra, AKA, ARBH), net of disposals

(2) EUR = USD 1.086 on average in Q1 2024 vs. USD 1.073 on average in Q1 2023
EUR = GBP 0.856 on average in Q1 2024 vs. GBP 0.883 on average in Q1 2023



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.

Net Debt (or financial net debt): Sum of long and short financial debt and associated derivatives, net of treasury and cash equivalents, excluding lease liability since 1st January 2018.

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