First Half 2021 Results

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Full recovery with all KPIs exceeding 2019 levels

July 22, 2021

- **Q2 organic growth at +17.1%, more than recovering vs. Q2 2020 at -13.0%**
  - **New acceleration in the U.S. at +15.2%, with Epsilon at +31.1% and Publicis Sapient at +27.0%**
  - **Continued momentum in Asia at +13.6%, Europe rebounding at +23.0%**
  - **U.S. and Asia at +7% organic growth vs. 2019**
- **Full recovery in H1 overall**
  - **Organic growth at +9.7% vs. -8.0% in H1 2020**
  - **All-time high operating margin rate at 16.5% in a first-half**
  - **Growth of +27% in Headline EPS at €2.23 and +22% in Free Cash Flow[1] at €605m**
- **Number 1 in rankings in New Business[2] in H1**
- **Upgrade of all 2021 guidance KPIs with full recovery expected in one year instead of two: organic growth at 7%, operating margin rate at 17%, Free Cash Flow between €1.2bn and €1.3bn**

Q2 2021 Revenue

Net revenue	**€ 2,539 M**
Organic growth	**+17.1%**
Reported growth	+10.7%

H1 2021 Results

(EUR million)	H1 2021	2021 vs 2020
Revenue	**5,493**	**+4.1%**
Net revenue	**4,931**	**+3.3%**
Organic growth	*+9.7%*	
EBITDA	**1,052**	**+14.0%**
Operating margin	**815**	**+31.0%**
Operating margin rate	*16.5%*	*+350bps*
Headline Groupe net income	**555**	**+33.1%**
Headline diluted EPS (euro)	**2.23**	**+27.4%**
Free Cash Flow[1]	**605**	**+22.2%**

[1] Before change in working capital requirements
[2] Source: COMvergence

Arthur Sadoun, Chairman and CEO of Publicis Groupe:

“In the first half of the year, we had a very strong performance thanks to our model in an improving business environment.

Not only did we fully recover the revenue lost in 2020, but all of our KPIs over the first half exceeded 2019 levels.

In Q2, we posted +17.1% organic growth, improving by 2% compared to 2019, despite the effects of the pandemic.

This overperformance was largely driven by the U.S. and Asia, which both grew +7% versus 2019.

Our U.S operations posted 15.2% organic growth in Q2, with Epsilon, PMX and Sapient all delivering above +25%. Asia also accelerated further with +13.6% organic growth. Europe rebounded from a low base to +23%, mirroring the progressive lifting of lockdowns.

In H1 overall, we posted organic growth of +9.7%, leading to an operating margin rate at 16.5%, the group’s highest ever for a first half period, while our free cash flow up 22%, at €605 million.

What is more, we once again topped new business rankings for the first half of the year, thanks to a strong run of wins.

For the remaining part of the year, our ability to capture a disproportionate part of our clients’ investment in data and technology means we are in a position to upgrade our 2021 guidance. We now expect to totally recover to pre-pandemic levels, a year ahead of our initial expectations, with full year organic growth at 7% and full recovery in H2, and an operating margin of 17%, provided there are no major deteriorations in the global sanitary situation.

I’d like to thank our teams for their incredible efforts in this first half of the year, and our clients for their trust and partnership. In H2 we are focused on the execution of our plan, in a context that remains challenging in many parts of the world. »

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Publicis Groupe's Supervisory Board met on July 21, 2021, under the chairmanship of Maurice Lévy, to examine the 2021 first semester accounts presented by Arthur Sadoun, CEO and Chairman of the Management Board.

KEY FIGURES

EUR million, except per-share data and percentages	*H1 2021*	*H1 2020*	*2021 vs 2020*
Data from the Income Statement and Cash flow Statement			
Net revenue	4,931	4,774	+3.3%
Pass-through revenue	562	504	+11.5%
Revenue	5,493	5,278	+4.1%
EBITDA	1,052	923	+14.0%
% of Net revenue	*21.3%*	*19.3%*	*+200bps*
Operating margin	815	622	+31.0%
% of Net revenue	*16.5%*	*13.0%*	*+350bps*
Operating income	598	254	+135%
Net income attributable to the Groupe	414	136	+204%
Earnings Per Share (EPS)	1,68	0.57	+195%
Headline diluted EPS (1)	2.23	1.75	+27.4%
Free Cash Flow before change in working capital requirements	605	495	+22.2%
Data from the Balance Sheet	***June 30, 2021***	***Dec. 31, 2020***	
Total assets	29,079	30,161	
Groupe share of Shareholders' equity	7,690	7,182	
Net debt (net cash)	1,362	833	

(1) 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 2021

Publicis Groupe's net revenue in Q2 2021 was 2,539 million euros compared to 2,293 million euros in Q2 2020, up by +10.7%. Exchange rate variations had a 125 million euros negative impact. The acquisitions (net of disposals) contributed 2 million euros to net revenue.

Organic growth was +17.1% in Q2 2021. This implies a recovery ratio of 102%[3] over the period, after a -13.0% decline in Q2 2020 when the Groupe was very impacted by the effects of the Covid-19 pandemic. All regions strongly recovered in the second quarter and posted double-digit organic growth. Q2 came ahead of expectations reflecting two main factors. First, an improving global context, characterized by mass re-openings in Europe and a continued uplift in the U.S. economy. Second, the strength of the model, which enabled the Groupe to continue to capture the ongoing shift in clients' investment towards data management, digital media, direct-to-consumer channels and commerce in general.

Breakdown of Q2 2021 Net revenue by region

EUR million	**Net revenue**		**Reported growth**	**Organic growth**	**Recovery Ratio[3]**
	Q2 2021	**Q2 2020**			
North America	1,527	1,458	+4.7%	+15.1%	106%
Europe	634	510	+24.3%	+23.0%[4]	94%[4]
Asia Pacific	253	215	+17.7%	+13.6%	107%
Middle East & Africa	71	60	+18.3%	+22.8%	94%
Latin America	54	50	+8.0%	+15.9%	92%
Total	**2,539**	**2,293**	**+10.7%**	**+17.1%**	**102%**

Net revenue in North America was up by +15.1% on an organic basis in the second quarter (+4.7% on a reported basis including the negative impact of the US Dollar/ Euro exchange rate). This strong performance was driven by a +15.2% organic growth in the U.S., accelerating from the +5.1% posted in Q1. The recovery ratio in the U.S. is at 107%, implying a 7% growth compared to 2019 level. In the U.S., Q2 saw a particularly high demand for digital media, first party data management and direct-to-consumer products and services. In this context, Epsilon was up by +31.1% and Publicis Sapient by +27.0% organically. The same trend was visible in the Groupe's digital media unit PMX, which supported overall media growth. Health operations grew double digit again this quarter. Creative activities were positive, showing sequential improvement after being flat in Q1, with notably a strong growth in production activities.

[3] Recovery ratio calculated as: 100 * [1 + organic growth (n-1)] * [1 + organic growth (n)]
[4] +16.9% excluding outdoor media activities and the Drugstore, i.e. a 97% recovery ratio

Activities in Europe rebounded from a low base and the region recovered most of the value lost in 2020 with organic growth at +23.0%[4], mirroring the progressive lifting of lockdowns (+24.3% on a reported basis). U.K. operations returned to positive growth at +10.0% organic. In France, all activities bounced back strongly, with net revenue up by +30.6%[5]. Germany accelerated to +9.6% organic growth while Italy was up by +36.9%.

Asia Pacific was up by +13.6% on an organic basis (+17.7% reported), accelerating in Q2. This translated into a strong recovery ratio of 107% after an organic growth of -5.7% in Q2 2020. China reported an organic growth of +8.0%, Australia of +7.3% and India of +35.4%.

Net revenue in the Middle East and Africa region was up by +22.8% on an organic basis (+18.3% reported).

Net revenue in Latin America was up by +15.9% on an organic basis, translating into a recovery ratio of 92% as the region remained impacted by the sanitary situation. Growth on a reported basis was +8.0%, as the impact from currencies in the region remained negative.

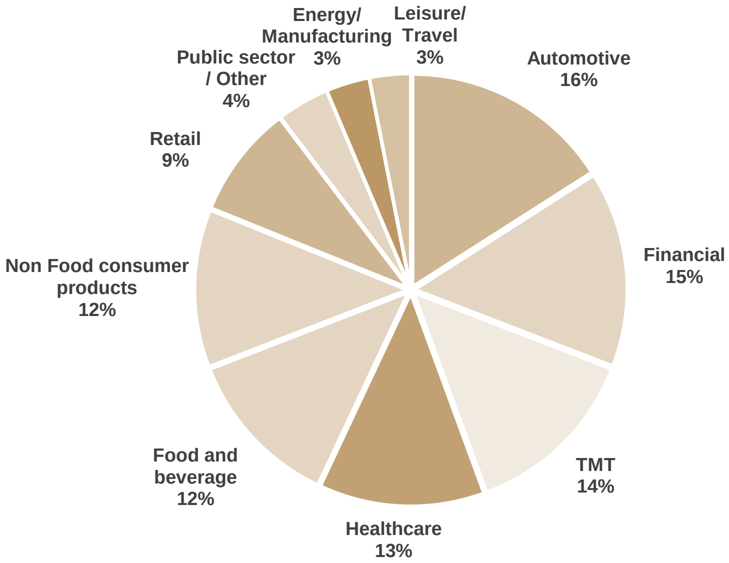
[4] +16.9% excluding outdoor media activities and the Drugstore, i.e. a 97% recovery ratio
[5] Excluding outdoor media activities and the Drugstore

NET REVENUE IN H1 2021

Publicis Groupe's net revenue for the first half 2021 was 4,931 million euros, up by +3.3% compared to 4,774 million euros in H1 2020. Exchange rate variations over the period had a negative impact of 276 million euros. Acquisitions (net of disposals) have a negative impact of 1 million euros on net revenue.

Organic growth was +9.7% in H1 2021. This implies a recovery ratio of 101%[6] over the period, after a -8.0% decline in H1 2020. Following an organic growth of +2.8% in the first quarter, the Groupe accelerated to +17.1% in the second quarter. In H1 2021, all regions posted positive organic growth.

Breakdown of H1 2021 net revenue by sector



Based on 3,250 clients representing 92% of the Groupe's net revenue.

[6] Recovery ratio calculated as: 100 * [1 + organic growth (n-1)] * [1 + organic growth (n)]

Breakdown of H1 2021 net revenue by region

EUR million	Net revenue		Reported growth	Organic growth	Recovery Ratio[8]
	H1 2021	H1 2020			
North America	3,032	3,013	+0.6%	+9.7%	106%
Europe	1,195	1,088	+9.8%	+10.0%[7]	92%[7]
Asia Pacific	470	434	+8.3%	+9.8%	106%
Middle East & Africa	133	135	-1.5%	+4.3%	92%
Latin America	101	104	-2.9%	+12.0%	94%
Total	**4,931**	**4,774**	**+3.3%**	**+9.7%**	**101%**

Net revenue in North America was up by +9.7% on an organic basis in the first half (+0.6% on a reported basis including the negative impact of the US Dollar/ Euro exchange rate). This strong performance was driven by a +10.0% organic growth in the U.S. reflecting a solid Q1 (+5.1%) and an acceleration to +15.2% in Q2. Overall, the recovery ratio in the U.S. was 106%[8], representing a growth of +6% compared to H1 2019.

Europe rebounded with a +10.0% organic growth in H1 (+9.8% on a reported basis). Excluding the impact of the Groupe's outdoor media activities and the Drugstore in France, that were closed in Q2 2020, the organic growth in Europe is +9.7%, representing a recovery ratio of 96%. All countries bounced back although the performance remained mixed, reflecting different activity mix, local economic situations and variable comparable basis in H1 2020. The UK was positive at +3.6% organic, France at +17.2%[9], Germany at +7.8% and Italy up by +28.2%.

Asia Pacific net revenue was up by +9.8% on an organic basis (+8.3% reported). China reported an organic growth of +5.8%, Australia was up by +5.1% on an organic basis and India by +22.6%.

Net revenue in the Middle East and Africa region was up by +4.3% on an organic basis (-1.5% reported).

Net revenue in Latin America was up by +12.0% on an organic basis. It was down by -2.9% on a reported basis, as the negative impact from currencies in the region continued to be significant. Brazil grew by +11.7% organically and Mexico was almost flat at -0.4%.

[7] +9.7% excluding outdoor media activities and the Drugstore, i.e. a 96% recovery ratio
[8] Recovery ratio calculated as: 100 * [1 + organic growth (n-1)] * [1 + organic growth (n)]
[9] Excluding outdoor media activities and the Drugstore

ANALYSIS OF H1 2021 KEY FIGURES

Income Statement

EBITDA amounted to 1,052 million euros in H1 2021, compared to 923 million euros in H1 2020, up by 14.0%. This translates into a margin rate of 21.3% of net revenue (+200 basis points compared to H1 2020 and +100bps compared to H1 2019).

- Personnel costs totaled 3,174 million euros at June 30, 2021, down by 1.6% from 3,224 million euros in H1 2020. This evolution reflects the impact of the cost reduction plan launched in 2020 when the crisis started, partly offset by the continued investment in the Groupe's talents. As a percentage of net revenue, personnel expenses represented 64.4% in H1 2021, down by 310 basis points compared to 67.5% in H1 2020. This decrease partly reflects the strong ramp up in net revenue in the first half that was not immediately matched by a rise in costs. Fixed personnel costs were 2,779 million euros and represented 56.4% of net revenue versus 59.9% in H1 2020. On the other hand, the cost of freelancers increased by 28 million euros in H1 2021, in parallel with the uplift in activity, representing 169 million euros. Provision for bonus increased by 65 million euros to reach 182 million euros in H1 2021, reflecting the good performance achieved. Restructuring costs reached 12 million euros, a significant and expected decrease vs. 69 million euros in H1 2020.

- Other operating expenses (excluding depreciation & amortization) amounted to 1,267 million euros, compared to 1,131 million euros in H1 2020. This represents 25.7% of net revenue compared to 23.7% in H1 2020. This includes a rise in cost of sales for 48 million euros as a couple of large outdoor engagements have been extended for a short-term period. The related minimum payments were accounted directly in other operating expenses rather than as a right of use and lease liability. This increase was partly offset by a decline in other G&A, notably in travel expenses that continued to be down year-on-year versus H1 2020.

Depreciation and amortization charge was 237 million euros in H1 2021 compared to 301 million euros in H1 2020, down by 21.3%. This decrease of 64 million euros largely reflects the impact of the short-term contracts described above in other operating expenses.

As a result, the operating margin amounted to 815 million euros, up by 31.0% compared to H1 2020. This represents an operating margin rate of 16.5% in the first half 2021, up by 350 basis points from 13.0% in H1 2020 and by 150 basis points from the 15.0% in H1 2019 (excluding Epsilon's transaction costs).

Operating margin rates by geographies were 19.2% in North America, 11.0% in Europe, 19.4% in Asia-Pacific, 5.3% in Middle East/Africa and 2.0% in Latin America.

Amortization of intangibles arising from acquisitions totaled 126 million euros in H1 2021, down by 16 million euros versus H1 2020. Impairment losses amounted to 92 million euros, a reduction of 139 million euros versus

H1 2020. This decrease reflects the advanced stage of the Groupe's real estate consolidation plan "All in One", which is leading to a reduction in the number of sites, while allowing better collaboration between the teams. In addition, net non-current income is positive at 1 million euros compared to 5 million euros in H1 2020.

Operating income totaled 598 million euro in H1 2021, after 254 million euro in H1 2020.

The financial result, comprising the cost of net financial debt and other financial charges and income, is a charge of 55 million euros in H1 2021 compared to 90 million euros last year. The net charge on net financial debt was 45 million euros in H1 2021, including 40 million euros related to Epsilon's acquisition debt. It compared to a charge of 48 million euros in H1 2020. 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. In H1 2020, other financial income and expenses were a charge of 44 million euros, including 40 million euros of interest on lease obligations and a charge of 4 million euros from the fair value remeasurement of Mutual Funds.

The revaluation of earn-out payments amounted to a charge of 5 million euros at end-June, compared to an income of 2 million euros in H1 2020.

The tax charge is 135 million euros in H1 2021, corresponding to a forecast effective tax rate of 24.7% in 2021, compared to 39 million euros in H1 2020, corresponding to a forecast effective tax rate of 25.0% in 2020.

The share in the profit of associates is not significant in H1 2021, compared to a loss of 2 million euros in H1 2020.

Minority interests were a loss of 6 million euros in Groupe results in H1 2021 compared to a loss of 13 million euros in the previous year.

Overall, net income attributable to the Groupe was 414 million euros at June 30, 2021, compared to 136 million euro at June 30, 2020.

Free Cash Flow

EUR million	***H1 2021***	***H1 2020***
EBITDA	1,052	923
Repayment of lease liabilities and related interests	(179)	(234)
Investments in fixed assets (net)	(50)	(73)
Financial interest paid (net)	(82)	(81)
Tax paid	(163)	(74)
Other	27	34
Free cash-flow before changes in WCR	**605**	**495**

The Groupe's free cash flow, before change in working capital requirements, is up strongly, by 110 million euros compared to H1 2020, at 605 million euros. Repayment of lease liabilities and related interests amounted to 179 million euros. Net investments in fixed assets have decreased by 23 million euros. Financial interest paid mostly include interests on the acquisition debt of Epsilon, and totalled 82 million euros. Tax paid amounted to 163 million euros, up compared to 74 million euros in H1 2020. This reflects both the rise in the Groupe operating income and a catch up effect from some postponements in 2020 for tax payment in several countries.

Net debt

Net financial debt amounted to 1,362 million euros as of June 30, 2021 compared to 833 million euros as of December 31, 2020. The Groupe's average net debt in H1 2021 amounted to 1,616 million euros compared to 3,684 million euros in H1 2020.

ACQUISITIONS AND DISPOSALS

There was no significant transaction on the period.

POST CLOSING EVENT

On July 15, 2021, Publicis announced the acquisition of CitrusAd, a software as a service (SaaS) platform optimizing brands marketing performances directly within retailer websites. CitrusAd's onsite expertise complemented with Epsilon's offsite retail media offering, both powered by the CORE ID, uniquely positions Publicis Groupe to lead the new generation of identity-led retail media, with transparent measurement validated by transaction.

In a fast-growing retail media channel set to double in the next 5 years from c. $30bn annually already, this will enable Publicis Groupe clients to accelerate their growth in this dynamic channel, give them full visibility on the consolidated performance of their media investments and an unparalleled access to highly-qualified first-party data from retailers, equipping them for a cookieless world.

OUTLOOK

In the first half 2021, the Groupe totally recovered the revenue lost in the same period in 2020, posting a +9.7% organic growth after -8.0% in H1 2020, thanks to the strength of its model in an overall improving business environment.

For the full year 2021 and assuming no major deterioration in health situation, the Groupe now expects to be in a position to fully recover its 2020 organic decline of -6.3%, one year ahead of its initial expectations. This implies an organic growth of 7% for 2021.

Regarding operating margin, the Groupe upgrades its guidance for the full year 2021 after an exceptionally strong performance in the first half. 2021 operating margin will come back to pre-pandemic levels, at 17%, while the Groupe will continue to invest in talents and product in the second half, to prepare future growth.

The Groupe also upgrades its 2021 guidance for Free Cash Flow before working capital requirement, which will be between 1.2 billion euros and 1.3 billion euros, further contributing to the Groupe deleveraging.

CSR

Publicis Groupe has continued making progress on its CSR roadmap, particularly in subjects of leading priority.

In March 2021, Publicis Groupe's climate change targets for 2030 were validated by the Science Based Targets initiative (SBTi). The Groupe wants to achieve carbon neutrality by 2030. The action plan to do this is based on three levers; the drastic reduction of all impacts by 47% for scopes 1 & 2 and by 14% for scope 3, the use of 100% renewable energy from direct sources before 2030 and, as a last resort, the use of carbon offsetting for unavoidable impacts. In addition, our proprietary tool for evaluating the impacts of campaigns and projects, A.L.I.C.E (Advertising Limiting Impacts & Carbon Emissions), is currently being deployed in order to better assist clients in these areas.

The global pandemic has accelerated the digital transformation of the Groupe's customers, who must also integrate sustainability issues into their activities. Climate change and social justice issues are now important in the criteria of citizen-consumers when they make their choices. At the same time, and as the European regulatory context progresses, we observe stronger expectations for the future being expressed by stakeholders, with more precise questions coming from investors and shareholders. In this context, Publicis Groupe announced on 26 May 2021 the creation of a new Supervisory Board committee dedicated to environmental, societal and stakeholder issues; this ESG Committee is chaired by Suzy LeVine.

Equality and inclusion, the fight against racism and for social justice remained central during the first half of the year. On 2 and 3 June 2021, the 'Pause For Action' days were held for the second year and provided an opportunity to share progress and good practice across the Groupe in the areas of diversity, equality and inclusion, and to discuss the day-to-day work that is essential in agencies in terms of talent retention and career development. The 2nd of June was dedicated to a global review of the current situation and practices, and the 3rd of June was dedicated to the situation in the United States.

Employee health remained a strong internal focus, with different situations between countries and sometimes painful consequences for our employees, such as in India where many of our employees were severely affected. The protection of all employees is an absolute priority, by following national confinement guidelines and recommended barrier actions. Local HR/Talent teams remain vigilant with highly structured recovery plans, ensuring that teleworking is combined with a gradual return to the office at various sites where possible.

The Marcel internal platform has become a unifying space, with quarterly plenary sessions led by Arthur Sadoun, Chairman of the Management Board, and monthly sessions with country managers and their Comexes. During this period of uncertainty, the objective is to maintain a close and regular link with all employees and to answer their questions. Employees have continued to benefit from individual support programmes to look after their physical and mental health, and have wide access to many online training programmes.

In April 2021, Publicis Groupe announced a partnership between the Women's Forum for the Economy & Society and the Positive Economy Institute, as well as a change in the governance of the Women's Forum with Audrey Tcherkoff, Executive Chair of the Positive Economy Institute, also appointed Executive Director of the Women's Forum. The creation of a Global Advisory Council has also been launched in order to give even greater visibility to the Women's Forum initiatives.

In June 2021, VivaTech took place in a hybrid format, with a physical event gathering more than 26,000 participants in Paris (capacity restricted for health reasons), and digital sessions during 3 days gathering more than 100,000 participants including prestigious guests from the Tech industry and innovative start-ups.

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 summarised in the CSR Smart data section.

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NEW BUSINESS

EUROPE

Pandora AS (Technology), Polestar Performance AB (Technology), Nomad Foods (Media), La Poste (Creative), Société des Produits Nestlé (Technology), Daimler (Technology), Unilever (Technology), PMU (Technology), TUI Group (Creative), Groupe Casino (Creative), SNCF (Creative), FNPCA - ARTISANAT (Creative), Procter & Gamble (Creative), Etihad Airways (Media), Sephora (Data), April (Technology), ABBVIE (Creative), France Télévisions (Data), Izneo (Media), Enedis (Creative), G-Star (Creative), Zava (Technology), Comic Relief (Creative), Brown Forman (Media), Vinted (Media), DocMorris N.V. (Media), Reckitt Benckiser (Media), Media-Saturn-Holding GmbH (Creative), Raiffeisen Switzerland (Creative), AFD (Creative), Sisley Paris (Data), Cilevel Partners (Data), Carrefour (Data), Fnac Darty (Data), Engie (Data), Printemps (Data), Adecco (Creative), KOMO (Media), Peek & Cloppenburg KG (Digital), British Heart Foundation (Creative), Lindt (Media), CNPA (Creative), Erhard (Creative), EvCon (Creative), Maty (Creative), BNIC (Creative), Niantic (Digital), DP World PLC (Media), Primark (Media), AVK (Creative), Thales Group (Creative), Getin Bank (Media), Inserm (Media), Arterium (Creative), Nestlé (Media), Hormel Foods VI (Design), Hormel Foods VI (Design), Gojo Industries VI (Design), EON Performance Media (Creative), DSM (Health), Jazz (Health), Getir (Creative), SEGRO (Creative), Grant Thornton (Sustainability consultancy), LEGO (Sustainability consultancy), Land Securities (Sustainability consultancy), Purmo (Sustainability), Revolut (Creative), Makuake (Creative), Biogen (Health), Roche (Health), Pfizer (Health), Novartis (Health), P&G Pampers (Sustainability consultancy), PUMA (Influence), Beiersdorf Nivea, Elastoplast and Eucerin (Creative and Sustainability consultancy), Beko (Sustainability consultancy), Mondelez Trident (Creative), Coty MaxFactor (Creative)

NORTH AMERICA

Loblaw Digital (Technology), Verizon Wireless Digital (Technology), Mercedes-Benz USA (Technology), National Cancer Institute (Technology), Academy Sports & Outdoors (Technology), Comcast Corporation (Technology), The Depository Trust & Clearing Corp (Technology), Fiat Chrysler Automobiles (Technology), Sally Beauty (Media), Inspire Brands (Media), Samsung (Creative), Alcohol and Gaming Commission of Ontario (Creative), Unilever (Creative), Procter & Gamble (Creative), Hut 8 Bitcoin Mining (Creative), Mercedes-Benz (Creative), MacDonald, Dettwiler and Associates Inc (Creative), Humana (Media), Sony Interactive Entertainment (Creative), Region of Peel (Creative), Infiniti (Creative), National Ovarian Cancer Coalition Inc. (Digital), Zoetis (Digital), Belcorp (Media), Coventry Direct (Digital), Mission Lane (Digital), Samsung (Creative), Marriott International (Technology), Mackenzie Investments (Creative), Goodfood Market Corp (Creative), Binge Corporation (Creative), Ritual Co (Creative), Greater Toronto Airports Authority (Creative), Addaday Intelligent Technologies LLC (Digital), Wisk Aero (Creative), Grupo Bimbo (Creative), Facebook (Creative)

ASIA PACIFIC/MEA

Garena Online (Creative), PRC - Martell (Creative), L'Oréal (Media & Creative), Yili (Creative), Yinlu (Creative), Capital Foods (Creative), Diageo (Creative), Yinlu (Creative), Others (Creative), Ecco (Creative), AXA (Creative), Samsung (Digital & Creative), Penang South Island (Power of One), Spotify (Creative), AMC (Creative), Mercedes-Benz (Creative), Nestlé Content (Production), Medgulf (Creative), Essilor (Creative), Nestlé Total (Wyeth) (Power of One), Sephora (Creative), Toyota Motor Corporation (Creative & Media), Disney Studios / Disney + (Media), Disney + (Creative), DBS (Media), Great Eastern (Creative), Pet Culture Group Pty Limited (Media), Estee Lauder (Commerce), Ontex (Creative), Others (Creative), GSK (Creative), Godrej Pro Clean (Creative), MamaEarth (Media), Danone (Commerce), Thai Oil PCL (Creative), AB InBev (Creative), J&J (Commerce), Disney+ SEA (Media), Expedia (Creative), Wing (Creative), Lazada (Creative), SAIC R-Car (Creative), STB (Media), Israel Railways (Creative), Vivo (Creative), Pechoin (Creative), E carX (Creative), Exxon (Creative), Karaca (Media), NPCI (Creative), Insourcing (Production), Kalpataru Builders (Creative), Mavi (Creative), Hyatt (Media), Nestlé (Creative), Tiger Brands (Creative), Arrow Electronics (Digital), Infiniti (Creative), Aier eye hospital (Creative), Hikvision (Creative), KRAFTON Creative), Mayo (Creative), SAIC Volkswagen (Creative), Zhiji Motors (Creative), Procter & Gamble (Creative), Nestlé (Creative), VSA Health & Wellness Pvt. Ltd (Commerce), Beiersdorf (Commerce)

LATAM

Grupo SURA (Data), Banco Bradesco (Creative), Citigroup (Production), Pfizer (Creative), Astrazeneca (Creative), Compania Nacional de Chocolates de Peru S.A. (Creative), Visa (Creative), Grupo Nutresa (Creative), Mercedes-Benz (Creative), Heineken (Creative), PepsiCo (Digital), Grupo Bimbo (Creative), Procter & Gamble (Creative & Data), Abastece ai (Creative), Tiger (Creative), Ypê (Creative), Enjoei (Creative), Gavilon (Creative), Nissan Motor Corporation (Creative), Merck Sharp & Dohme Corp. (Creative), Civica Pay (Creative & Media), Merck & Co (Creative), TikTok (Media), Groupe Renault (Media), Shopee (Media), Bacio di Latte (Media)

GLOBAL

AB InBev (Data), Nissan Motor Corporation – Infiniti (Creative), Stellantis (Media)

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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 80,000 professionals.

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Appendices

Net revenue: organic growth calculation

(million euro)	Q1	Q2	6 months
2020 net revenue	**2,481**	**2,293**	**4,774**
Currency impact [2]	(151)	(125)	(276)
2020 net revenue at 2021 exchange rates (a)	2,330	2,168	4,498
2021 net revenue before acquisition impact [1] (b)	2,395	2,537	4,932
Net revenue from acquisitions [1]	(3)	2	(1)
2021 net revenue	**2,392**	**2,539**	**4,931**
Organic growth (b/a)	**+2.8%**	**+17.1%**	**+9.7%**

Impact of currency at end June 2021 ***(million euro)***	
GBP [2]	3
USD [2]	(245)
Others	(35)
Total	**(276)**

(1) Acquisitions (Third Horizon, Octopus, Balance Internet, Taylor Herring) net of disposals (PC Epsilon Fitness, Sirius, Found).

(2) EUR = USD 1.202 on average in H1 2021 vs. USD 1.101 on average in H1 2020
EUR = GBP 0.866 on average in H1 2021 vs. GBP 0.873 on average in H1 2020

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 (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.

Recovery ratio: calculated as 100 x [1 + organic growth (n-1)] x [1 + organic growth (n)].

Consolidated income statement

(in millions of euros)	June 30, 2021 (6 months)	June 30, 2020 (6 months)	December 31, 2020 (12 months)
Net revenue[1]	**4,931**	**4,774**	**9,712**
Pass-through revenue	562	504	1,076
Revenue	**5,493**	**5,278**	**10,788**
Personnel costs	(3,174)	(3,224)	(6,242)
Other operating costs	(1,267)	(1,131)	(2,388)
Operating margin before depreciation & amortization	**1,052**	**923**	**2,158**
Depreciation and amortization expense (excluding acquisition-related intangible assets)	(237)	(301)	(600)
Operating margin	**815**	**622**	**1,558**
Amortization of intangibles from acquisitions	(126)	(142)	(339)
Impairment loss	(92)	(231)	(241)
Non-current income and expenses	1	5	5
Operating income	**598**	**254**	**983**
Financial expense	(57)	(95)	(185)
Financial income	12	47	66
Cost of net financial debt	**(45)**	**(48)**	**(119)**
Other financial income and expenses	(5)	(44)	(79)
Revaluation of earn-out payments	(5)	2	(17)
Pre-tax income of consolidated companies	**543**	**164**	**768**
Income taxes	(135)	(39)	(196)
Net income of consolidated companies	**408**	**125**	**572**
Share of profit of associates	-	(2)	(1)
Net income	**408**	**123**	**571**
Of which: - Net income attributable to non-controlling interests	(6)	(13)	(5)
Net income attributable to equity holders of the parent company	**414**	**136**	**576**

Per share data *(in euros)* - **Net income attributable to equity holders of the parent company**			
Number of shares	*246,106,455*	*237,468,157*	*239,838,347*
Earnings per share	1,68	*0.57*	2.40
Number of diluted shares	*248,475,342*	*238,280,061*	*241,926,553*
Diluted earnings per share	1,67	*0.57*	2.38

[1] 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

(in millions of euros)	June 30, 2021 (6 months)	June 30, 2020 (6 months)	December 31, 2020 (12 months)
Net income for the period (a)	**408**	**123**	**571**
Comprehensive income that will not be reclassified to income statement			
- Actuarial gains (and losses) on defined benefit plans	24	(24)	(20)
- Deferred taxes on comprehensive income that will not be reclassified to income statement	(6)	4	3
Comprehensive income that may be reclassified to income statement			
- Remeasurement of hedging instruments	17	(134)	(89)
- Consolidation translation adjustments	233	(133)	(633)
Total other comprehensive income (b)	**268**	**(287)**	**(739)**
Total comprehensive income for the period (a) + (b)	**676**	**(164)**	**(168)**
Of which:			
- Total comprehensive income for the period attributable to non-controlling interests	(6)	(10)	(7)
- Total comprehensive income for the period attributable to equity holders of the parent company	682	(154)	(161)

Consolidated balance sheet

(in millions of euros)	June 30, 2021	December 31, 2020
Assets		
Goodwill, net	11,175	10,858
Intangible assets, net	1,408	1,509
Right-of-use assets related to leases	1,544	1,645
Property, plant and equipment, net	607	626
Deferred tax assets	178	137
Investments in associates	23	24
Other financial assets	260	232
Non-current assets	**15,195**	**15.031**
Inventories and work-in-progress	277	230
Trade receivables	8,818	9,508
Assets on contracts	1,029	889
Other current receivables and assets	801	803
Cash and cash equivalents	2,959	3,700
Current assets	**13,884**	**15,130**
Total assets	**29,079**	**30,161**

Equity and Liabilities		
Share capital	101	99
Additional paid-in capital and retained earnings, Group share	7,589	7,083
Equity attributable to holders of the parent company	**7,690**	**7,182**
Non-controlling interests	(46)	(22)
Total equity	**7,644**	**7,160**
Long-term borrowings	3,461	3,653
Long-term lease liabilities	1,819	1,850
Deferred tax liabilities	235	247
Long-term provisions	493	468
Non-current liabilities	**6,008**	**6,218**
Trade payables	11,330	12,887
Liabilities on contracts	347	404
Short-term borrowings	834	856
Short-term lease liabilities	295	292
Income taxes payable	343	296
Short-term provisions	234	234
Other creditors and current liabilities	2,044	1,814
Current liabilities	**15,427**	**16,783**
Total equity and liabilities	**29,079**	**30,161**

Consolidated statement of cash flows

(in millions of euros)	June 30, 2021 (6 months)	June 30, 2020 (6 months)	December 31, 2020 (12 months)
Cash flow from operating activities			
Net income	408	123	571
Neutralization of non-cash income and expenses:			
Income taxes	135	39	196
Cost of net financial debt	45	48	119
Capital losses (gains) on disposal of assets (before tax)	(1)	(5)	(6)
Depreciation, amortization and impairment loss	455	674	1,180
Share-based compensation	25	28	55
Other non-cash income and expenses	11	47	94
Share of profit of associates	-	2	1
Dividends received from associates	2	2	2
Taxes paid	(163)	(74)	(293)
Change in working capital requirements[1]	(1,191)	(853)	1,047
Net cash flows generated by (used in) operating activities (I)	**(274)**	**31**	**2,966**
Cash flow from investing activities			
Purchases of property, plant and equipment and intangible assets	(50)	(83)	(167)
Disposals of property, plant and equipment and intangible assets	-	10	12
Purchases of investments and other financial assets, net	4	(7)	(9)
Acquisitions of subsidiaries	(77)	(37)	(146)
Disposals of subsidiaries	-	2	1
Net cash flows generated by (used in) investing activities (II)	**(123)**	**(115)**	**(309)**
Cash flow from financing activities			
Dividends paid to holders of the parent company	-	-	(102)
Dividends paid to non-controlling interests	(2)	(4)	(10)
Proceeds from borrowings[2]	1	2,091	2
Repayment of borrowings[2]	(190)	(1,436)	(1,302)
Repayment of lease liabilities	(144)	(194)	(384)
Interest paid on lease liabilities	(35)	(40)	(77)
Interest paid	(94)	(106)	(184)
Interest received	12	25	71
Buy-out of non-controlling interests	(4)	-	(10)
Net (buybacks)/sales of treasury shares and warrants	9	3	8
Net cash flows generated by (used in) financing activities (III)	**(447)**	**339**	**(1,988)**
Impact of exchange rate fluctuations (IV)	102	**75**	**(379)**
Change in consolidated cash and cash equivalents (I + II + III + IV)	**(742)**	**330**	**290**
Cash and cash equivalents on January 1	3,700	3,413	3,413
Bank overdrafts on January 1	(3)	(6)	(6)
Net cash and cash equivalents at beginning of year (V)	**3,697**	**3,407**	**3,407**
Cash and cash equivalents at closing date	2,959	3,743	3,700
Bank overdrafts at closing date	(4)	(6)	(3)
Net cash and cash equivalents at end of the year (VI)	**2,955**	**3,737**	**3,697**
Change in consolidated cash and cash equivalents (VI - V)	**(742)**	**330**	**290**

(1) Breakdown of change in working capital requirements

Change in inventory and work-in-progress	(32)	67	139
Change in trade receivables and other receivables	847	2,605	(24)
Change in accounts payable, other payables and provisions	(2,006)	(3,525)	932
Change in working capital requirements	**(1,191)**	**(853)**	**1,047**

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*
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**

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*
236,956,827	**December 31, 2019**	**96**	**4,137**	**3,240**	**(185)**	**113**	**7,401**	**(9)**	**7,392**
	Net income			136			136	(13)	123
	Other comprehensive income, net of tax				(136)	(154)	(290)	3	(287)
	Total comprehensive income for the period	-	-	**136**	**(136)**	**(154)**	**(154)**	**(10)**	**(164)**
	Dividends			(273)			(273)	(4)	(277)
274,325	Share-based compensation, net of tax			28			28		28
	Effect of acquisitions and commitments to buy out non-controlling interests			0			0	2	2
1,602	Equity warrant exercise	-	0	0			0		0
1,164,001	(Buybacks)/sales of treasury shares			28			28		28
238,396,755	**June 30, 2020**	**96**	**4,137**	**3,159**	**(321)**	**(41)**	**7,030**	**(21)**	**7,009**

Earnings per share (basic and diluted)

(in millions of euros, except for share data)		**June 30, 2021**	**June 30, 2020**
Net income used for the calculation of earnings per share			
Net income attributable to equity holders of the parent company	**A**	414	136
Impact of dilutive instruments:			
- Savings in financial expenses related to the conversion of debt instruments, net of tax		-	-
Group net income – diluted	**B**	414	136
Number of shares used to calculate earnings per share			
Number of shares at January 1		247,769,038	240,437,061
Shares created over the period		205,975	46,238
Treasury shares to be deducted (average for the period)		(1,868,558)	(3,015,142)
Average number of shares used for the calculation	**C**	246,106,455	237,468,157
Impact of dilutive instruments:			
- Free shares and dilutive stock options		2,201,787	714,961
- Equity warrants (BSA)		167,100	96,943
Number of diluted shares	**D**	248,475,342	238,280,061
(in euros)			
Earnings per share	A/C	**1.68**	**0.57**
Diluted earnings per share	B/D	**1.67**	**0.57**

Headline earnings per share (basic and diluted)

(in millions of euros, except for share data)		June 30, 2021	June 30, 2020
Net income used to calculate headline earnings per share[(1)]			
Group net income		**414**	**136**
Items excluded:			
- Amortization of intangibles from acquisitions, net of tax		94	107
- Impairment loss, net of tax		70	173
- Revaluation of earn-out payments		5	(2)
- Main capital gains (losses) on disposal of assets and fair value adjustment of financial assets, net of tax		(28)	3
Headline Group net income	**E**	555	417
Impact of dilutive instruments:			
- Savings in financial expenses related to the conversion of debt instruments, net of tax		-	-
Headline Group net income, diluted	**F**	555	417
Number of shares used to calculate earnings per share			
Number of shares at January 1		247,769,038	240,437,061
Shares created over the period		205,975	46,238
Treasury shares to be deducted (average for the period)		(1,868,558)	(3,015,142)
Average number of shares used for the calculation	**C**	246,106,455	237,468,157
Impact of dilutive instruments:			
- Free shares and dilutive stock options		2,201,787	714,961
- Equity warrants (BSA)		167,100	96,943
Number of diluted shares	**D**	248,475,342	238,280,061
(in euros)			
Headline earnings per share[(1)]	E/C	**2.26**	**1.76**
Headline earnings per share – diluted[(1)]	F/D	**2.23**	**1.75**

(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, 2021, the main capital gains and losses on disposal amount to euro 1 million and the fair value adjustement of financial assets amounts to euro 27 million. As of June 30, 2020, the fair value adjustment of financial assets amounted to euro (3) million.