

## After another record year ahead of expectations, Publicis unveils AI strategy to lead group into its second century

*Six years after shifting from a holding company to a platform,  
Publicis is putting AI at its core to become the industry's first Intelligent System*

**January 25, 2024 – Paris** – After significantly outperforming its industry for the fourth year in a row, with organic growth of +6.3% in 2023, **Publicis Groupe [Euronext Paris FR0000130577, CAC 40]** today set out its strategy to become the industry's first AI-powered Intelligent System.

[Click here](#) to see the hour-long presentation by Arthur Sadoun, global CEO, Carla Serrano, global CSO, Nigel Vaz, CEO Publicis Sapien, Dave Penski, CEO Publicis Media & Sam Levine Archer, Chief Solutions Architect Publicis North America.

### ***Presentation overview:***

#### **From a Platform to an Intelligent System Company**

In the last 6 years, Publicis has truly become a partner in its clients' transformation. Through 3 strategic bets – putting data and technology at the center with the acquisition of Sapien and Epsilon, implementing a country model, and building a single operational backbone – it has shifted from a holding company to a platform.

That platform organization has allowed Publicis to outperform the market on both financial and extra-financial KPIs. But it also now uniquely positions the group to fully harness the power of AI, to become an Intelligent System company capable of connecting every data point, from across every expertise, business unit and geography, and putting them into the hands of all of its people.

In short, thanks to the shift to an Intelligent System company, everyone within Publicis will become a data analyst, an engineer, an intelligence partner, with all the information they need at their fingertips to supercharge client growth.

#### **An ambition that is already a reality**

Concretely, Publicis is infusing a layer of AI across its platform organization to connect its enterprise knowledge under one entity: CoreAI.

The group is building this unifying AI-led foundation in-house and across its full enterprise, thanks to Publicis Sapien's unrivalled AI expertise and partnerships, which span designing chips for Nvidia that are used in the training of AI models like ChatGPT, to developing AI-powered digital consumer journeys across multiple industries.



Sitting at the center of the group, CoreAI unifies all of Publicis' proprietary data including the leading consumer data across 2.3 billion profiles of people around the world, with trillions of data points about content, media, and business performance, and almost a petabyte of assets on Marcel, all combined with 35 years of business transformation data and coding owned exclusively by Publicis Sapient.

CoreAI makes those trillions of data points shareable and accessible to everyone at Publicis, super powering them across 5 key disciplines:

- **Insight:** Brilliant strategy, accurate analyses, and business consultant-level intelligence will power all marketing strategy and plans, transforming everyone into intelligence partners who architect client growth.
- **Media:** Media planning, buying and optimization will deliver new levels of accuracy and outcomes positioning clients to win at commerce sooner and faster.
- **Creative + Production:** Personalized content will finally be realized at scale, with efficiencies and highly relevant, desirable creative.
- **Software:** The best software and digitally enabled products will be brought to market at scale in days and weeks not months.
- **Operations:** Groupe operations and client management systems will be boosted with speed, accuracy and efficiency.

Publicis plans to invest three hundred million euros over the next three years as it becomes a true Intelligent System. For 2024 alone, the group anticipates an investment of one hundred million euros, with 50% on people, focused on upskilling, training and recruitment, and 50% on technology, through licenses, IT software and cloud infrastructure.

The group began engineering CoreAI in the second half of 2023 and plans to iteratively roll out capabilities in the first half of 2024. It will present MVPs at Viva Tech 2024 this upcoming May.

Arthur Sadoun, CEO & Chairman of Publicis Groupe commented: *“Our journey from a holding company to a platform has not been easy, but it definitely paid off, as you can see with our 2023 organic growth outperforming the industry for the fourth year in a row. The platform organization we have built over the last decade, our proprietary data of unmatched breadth and accuracy, and the 45,000 engineers, consultants and data analysts at the heart of our model, uniquely position us to push the boundaries even further by leveraging AI.*

*Putting CoreAI at the heart of our organization and truly becoming an Intelligent System company will make our people more efficient and more productive. But way more importantly, it will allow everyone to do things tomorrow that no one can do today, guided by the highest ethical standards, and at the service of our clients' growth.*

*As we enter our second century, we are confident that all of the efforts we have made to transform and the ongoing investment we are making in our people and technology will allow Publicis to continue to outperform its peers on organic growth, sustain the highest financial KPIs, and lead the change in our industry.”*



### **About the financial impact of our AI Plan**

The investment in AI of 100 million euros in 2024 will be fully funded by internal efficiencies. It will have no dilutive impact on Groupe's Operating margin in 2024 and it will be slightly accretive on Operating margin in 2025.

### **About 2023 Preliminary Full Year and Fourth Quarter Net Revenue (non audited)**

Publicis Groupe today pre-releases its Fourth Quarter and Full Year 2023 net revenue. Full details of the 2023 Audited Annual Results will be published on **8 February 2024, before the market opens.**

**Full year organic growth came in at +6.3%**, above the +5.5% to +6% guidance range last upgraded in October.

This included a stronger than anticipated finish to the year, with **+5.7% organic growth in the fourth quarter.**

**Media**, one third of net revenue, grew by double digits organically on the year, accelerating in Q4 supported by a faster ramp up in new business. **Data & tech activities**, another third, were very solid on the year while seeing contrasting trends. Epsilon recorded circa +10% organic growth in 2023, further accelerating in H2 with double-digit growth in Q4, led by the rise in demand for first-party data. As anticipated, Publicis Sapient saw ongoing delays in digital business transformation projects, like all comparable IT consulting firms, posting +3% organic growth on the year despite a modest decline in Q4. **Creative** was again very resilient in both the full year and Q4, with low single-digit organic growth.

On a regional basis, the strength of our model was visible in all geographies in both the full year and in Q4.

The **U.S.**, 60% of revenue, delivered a remarkable +5.0% organic growth for the year, accelerating to +6.1% in Q4. **Europe** organically grew at +10.3% in 2023, with Q4 at +4.3% despite high comparables, notably in the UK. **Asia** posted +2.9% organic growth on the year, accelerating to a very solid +4.0% in Q4 led by China returning to growth. **Middle East and Africa** grew organically by +12.4% in the full year and +9.7% in Q4, and **Latin America** +8.9% in the full year and +13.9% in Q4.



### **Breakdown of FY 2023 net revenue by region**

<b>EUR million</b>	<b>Net revenue</b>		<b>Reported growth</b>	<b>Organic growth</b>
	<b>FY 2023</b>	<b>FY 2022</b>		
North America	8,050	7,869	+2.3%	+4.9%
Europe	3,172	2,879	+10.2%	+10.3%
Asia Pacific	1,156	1,176	-1.7%	+2.9%
Middle East & Africa	380	359	+5.8%	+12.4%
Latin America	341	289	+18.0%	+8.9%
<b>Total</b>	<b>13,099</b>	<b>12,572</b>	<b>+4.2%</b>	<b>+6.3%</b>

### **Breakdown of Q4 2023 net revenue by region**

<b>EUR million</b>	<b>Net revenue</b>		<b>Reported growth</b>	<b>Organic growth</b>
	<b>Q4 2023</b>	<b>Q4 2022</b>		
North America	2,158	2,133	+1.2%	+6.0%
Europe	851	814	+4.5%	+4.3%
Asia Pacific	318	323	-1.5%	+4.0%
Middle East & Africa	106	104	+1.9%	+9.7%
Latin America	107	88	+21.6%	+13.9%
<b>Total</b>	<b>3,540</b>	<b>3,462</b>	<b>+2.3%</b>	<b>+5.7%</b>

#### **Disclaimer**

2023 numbers presented today are preliminary and non audited. 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 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 to carefully consider the risk factors that may affect its business, as set out in the Universal Registration Document filed with the French Autorité des Marchés Financiers (AMF) and which is available on the website of Publicis Groupe ([www.publicisgroupe.com](http://www.publicisgroupe.com)), including an unfavorable economic climate, a highly competitive industry, risks associated with the confidentiality of personal data, the Groupe's business



dependence on its management and employees, risks associated with mergers and acquisitions, risks of IT system failures and cybercrime, the possibility that our clients could seek to terminate their contracts with us on short notice, risks associated with the reorganization of the Groupe, risks of litigation, governmental, legal and arbitration proceedings, risks associated with the Groupe's financial rating and exposure to liquidity risks.

#### 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 101,000 professionals.

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