PUBLICIS GROUPE

First Half 2019 Results

July 18, 2019

- **Organic growth at 0.1% in Q2, returning to positive as anticipated, driven by double-digit growth in Game Changers and ramp up of Q4 new business wins**
- **Continued attrition in traditional advertising impacting the US. Strong performance in Europe, Asia and Middle East**
- **Strong financials in line with expectations with 40bps [1] growth in operating margin rate and growth in headline EPS in H1 2019**
- **Closing of Epsilon acquisition, at a compelling price, completing our transformation in terms of assets**
- **2019 net revenue expected to be broadly stable on an organic basis**

Q2 2019

Net revenue	**€2,234 m**
Reported growth	**+1.6%**
Organic growth	**+0.1%**
North America	-1.7%
Europe	+2.4%
Asia - Pacific	+2.7%
Latin America	-8.7%
MEA	+12.9%

H1 2019 Results

(EUR million)	2019	2019 vs 2018
Revenue	**4,868**	**+3.0%**
Net revenue	**4,352**	**+1.7%**
Organic growth ex. PHS [2]	***-0.7%***	
Operating margin	**612**	
Operating margin excluding transaction costs [3]	***652***	**+5.7%**
Operating margin rate	***15.0%***	
Headline diluted EPS (euro) [4]	**1.98**	**+4.8%**
Free Cash Flow [4]	**491**	

Arthur Sadoun, Chairman and CEO of Publicis Groupe:

“As anticipated, we recorded a sequential improvement in Q2 versus Q1, with organic growth returning to positive territory. This growth is healthy and built on solid foundations, with the ramp-up of our Q4 new business and continued double-digit growth of our strategic game changers (+24% in H1).

But our progress has been slowed down by the ongoing fee reduction on traditional advertising that continued to impact our overall US operations by around 300 bps in the quarter. We have taken a major organizational step by accelerating the implementation of our country-model which helps generating growth through cross fertilization.

Where it is the most advanced, this model is already working very well. This is the case in the UK and France, with net revenue in H1 growing by 4.8% and 3.1% respectively.

For H1, we are posting strong financial results for the Groupe, with an operating margin improvement of 40 bps supported by our ongoing cost savings plan, half of which was reinvested in our talents and expertise. Our headline EPS is up by 2.5% at constant currencies and excluding Beat tax and Epsilon transaction costs, and our free cash flow remains at a high level.

Last but not least, we just closed the acquisition of Epsilon in record time at a compelling price. We have a clear integration plan with 25 dedicated teams having worked tirelessly with one very clear objective in mind to accelerate growth. This plan will be executed swiftly.

Everyone is familiar with the disruption created by data and technology. The need for transformation has never been so strong in our industry. We have a model allowing us to address those challenges and invest both in the talents (over 150 million Euros over the last 18 months) and expertise of the future, such as Sapient and Epsilon, while delivering strong financials.

When it comes to our short-term organic growth, two phenomena explain our situation. On the one hand, our clients are suffering from various pressures leading to budget cuts and fee reductions in sectors where we have a disproportionate share of market. On the other hand, the profound transformation we have been engaged in has penalized us in the short term. But our new model and organization are a clear strength for the longer term, as shown by our track record in new business or the growth posted by our game changers.

For the second part of the year, we will deliver sequential improvement versus H1 on organic growth. But, as spending cuts are not gone away, we are taking a conservative approach for the full year, forecasting a broadly stable net revenue on an organic basis.

With this in mind, thanks to the robustness of our model, we can already confirm we will deliver, as planned, a 30 to 50 basis points increase in operating margin and a Headline EPS up by 5 to 10 % at constant rates and including Epsilon.

In the long term, having the organization, talents and assets our clients need, we are very confident that we will generate strong growth thanks to three levers.

First, our unique set of assets in data, creative, media and technology that can deliver personalized experiences at scale to help our clients accelerate their sales while reducing their costs.

Second, our country model that is already producing strong results in France and the UK, and we will accelerate its implementation in the US where we have just announced a new organization.

Third, our unparalleled way to go to market that will maintain, and for sure accelerate, our New Business momentum.

Our focus now is execution in order to create superior value for all our stakeholders."

Publicis Groupe's Supervisory Board met under the chairmanship of Maurice Lévy, to examine the 2019 first semester accounts presented by Arthur Sadoun, CEO and Chairman of the Management Board.

KEY FIGURES

In euro million, excl. %	***6 months 2019***	***6 months 2018 (1)***	***2019 vs. 2018***
Data from the Income statement:			
Net revenue	4,352	4,280	+1.7%
Operating margin before Depreciation & Amortization	885	882	
% of Net revenue	*20.3%*	*20.6%*	
Operating margin	612	617	
% of Net revenue	*14.1%*	*14.4%*	
Operating margin excluding transaction costs (3)	652	617	+5.7%
% of Net revenue(4)	*15.0%*	*14.4%*	*+60 pts*
Operating income	489	458	+6.8%
Group net income	345	301	+14.6%
Earnings Per Share	1.49	1.33	
Headline EPS, diluted (2)	1.98	1.89	+4.8%
Free Cash Flow before changes in working capital requirements	491	500	
Data from the Balance sheet	***June 30, 2019***	***Dec. 31, 2018 (1)***	
Total assets	28,569	27,080	
Groupe share of Shareholders' equity	6,692	6,853	
Net debt (net cash)	74	(288)	

(1) Data from the income statement and balance sheet are comparable as the financial statements at June 30, 2018 and December 31, 2018 were prepared under IFRS 16, which was adopted early in 2018.
(2) Net income attributable to equity holders of the parent company after elimination of impairment losses, amortization of acquisition-related intangible assets, major capital gains or (losses) from disposals, changes in fair value of financial assets, revaluation of earn-outs and Epsilon acquisition expenses, divided by the average number of shares on a diluted basis.
(3) Transaction costs related to the acquisition of Epsilon totaled euro 40 million as at June 30, 2019.
(4) Improvement from operating margin rate including 20 basis points of technical effect of IFRS 16

NET REVENUE IN Q2 2019

Breakdown of Q2 2019 Net revenue by region

EUR million	Net revenue		Reported Growth	Organic Growth
	Q2 2019	Q2 2018		
Europe	663	641	+3.4%	+2.4%
North America	1,177	1,179	-0.2%	-1.7%
Asia Pacific	237	224	+5.8%	+2.7%
Latin America	78	86	-9.3%	-8.7%
Middle East & Africa	79	68	+16.2%	+12.9%
Total	**2,234**	**2,198**	**+1.6%**	**+0.1%**

Publicis Groupe's Net revenue in Q2 was euro 2,234 million, a 1.6% increase from euro 2,198 million in 2018. The effects of exchange rate had a positive impact of euro 72 million. Acquisitions (net of disposals) had a negative contribution on net revenue of euro 39 million, reflecting the disposals of PHS at the end of January 2019 and Proximedia at the end of April 2019 and partially offset by the contribution from acquisitions, namely Xebia and Soft Computing in France.

Organic growth amounted at 0.1%. As expected, Publicis Groupe recorded a sequential improvement over the first quarter, returning to positive growth. Although at the lower range of our expectations, this growth is based on solid foundations, with the ramp-up of Q4 new business wins and continued double-digit growth in Strategic Game Changers (+21%). However, fee reductions in traditional advertising continued to impact our US operations by almost 300 basis points in the second quarter, thus preventing us from seeing better growth.

Europe posted reported growth at +3.4% and +2.4% on an organic basis. France and the United Kingdom continued to perform well with organic growth of 2.1% and 4.6% respectively over the quarter. Conversely, Italy and Germany recorded respective declines of 4.3% and 9.1%.

North America posted virtually stable growth but a 1.7% decline on an organic basis. This decline reflects the attrition that continues to affect traditional advertising and some losses in media activity in the third quarter of 2018.

Asia Pacific posted reported growth at +5.8% and +2.7% on an organic basis, with Singapore at +21.9% and India at +20.5%. China was slightly negative at -2.4%.

Latin America fell by 9.3% as reported and 8.7% on an organic basis. This can be explained by the high comparable and the economic situation in some countries. Brazil was down 20.5%, explaining the decline in that region. Mexico recorded sustained organic growth of 7.1%.

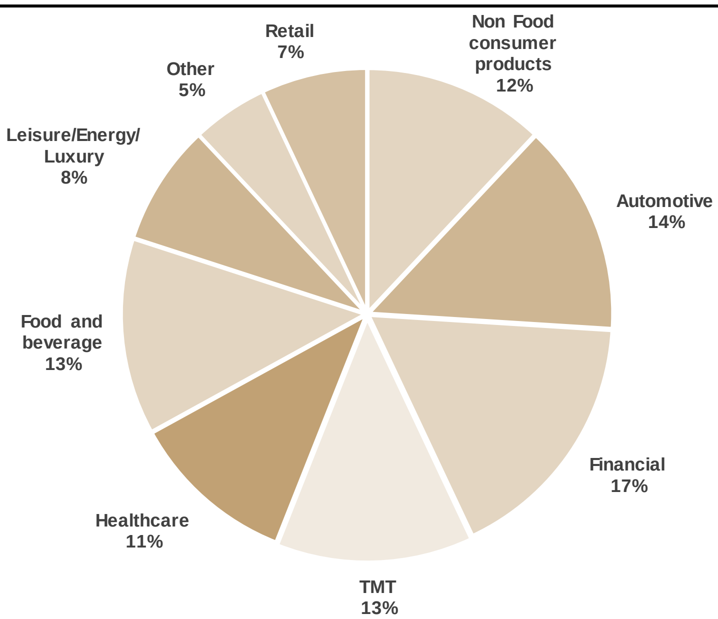
The Middle East and Africa were up 16.2% as reported and 12.9% on an organic basis.

NET REVENUE IN H1 2019

Publicis Groupe's Net revenue in H1 was euro 4 352 million, a 1.7% increase from euro 4,280 million in 2018. The effects of exchange rate had a positive impact of euro 165 million. Acquisitions (net of disposals) had a negative contribution on net revenue of euro 57 million, reflecting the disposals of PHS at the end of January 2019 and Proximedia at the end of April 2019 and partially offset by the contribution from acquisitions, namely Xebia and Soft Computing in France.

Organic growth stood at -0.8%, and -0.7% excluding PHS. This mainly reflects the attrition associated with a handful of FMCG clients that mainly impacted North America.
Strategic Game Changers growth reached 24% for a total net revenue of circa euro 580 million, i.e. 13% of Groupe's total net revenue.

Breakdown of net revenue at end-June 2019 by sector



On the basis of 2,888 clients representing 88% of net revenue

Breakdown of H1 net revenue by region

EUR million	Net revenue H1 2019	Net revenue H1 2018	Reported growth	Organic growth	Organic growth excl. PHS
Europe	1,296	1,255	+3.3%	+1.6%	+1.6%
North America	2,316	2,321	-0.2%	-3.1%	-3.0%
Asia Pacific	444	423	+5.0%	+2.0%	+2.0%
Latin America	144	158	-8.9%	-7.6%	-7.6%
Middle East & Africa	152	123	+23.6%	+19.1%	+19.1%
Total	**4,352**	**4,280**	**+1.7%**	**-0.8%**	**-0.7%**

Europe posted reported growth at +3.3% and +1.6% on an organic basis. France and the United Kingdom continued to perform well with growth of 3.1% and 4.8% respectively over the semester. Italy recorded double-digit growth of 11.4%, with a strong impact from new customer wins as well as an increase in existing customer spending in the first quarter. Conversely, Germany recorded a decline of 9.6%.

North America posted stable growth on a reported basis but a 3.1% decline on an organic basis. This decline reflects the attrition that continues to affect traditional advertising as well as some customer losses in media activities.

Asia Pacific posted reported growth at +5.0% and +2.0% on an organic basis, with Singapore and India at +14.8%. China was slightly negative at -1.5%.

Latin America fell by 8.9% as reported and 7.6% on an organic basis. This can be explained by the high comparables and the economic situation in some countries of the region. Brazil was down 14.1%, explaining the decline in that region. Mexico was stable on an organic basis.

The Middle East and Africa were up 23.6% as reported and 19.1% on an organic basis.

ANALYSIS OF THE KEY FIGURES

Operating margin & operating income

The **operating margin before depreciation and amortization** was at euro 885 million in the first semester of 2019, compared to euro 882 million for the same period in 2018, generating a margin of 20.3% of net revenue (20.6% in 2018). Excluding transaction costs related to the acquisition of Epsilon, the operating margin before amortization amounted to euro 925 million, for a margin of 21.3%.

- Personnel costs totaled euro 2,879 million at June 30, 2019, compared to euro 2,834 million in 2018. Fixed personnel costs amounted to 2,510 million euro, i.e. 57.7% of Net revenue versus 58.6% in 2018. Freelance costs were down to euro 174 million in 2019, after euro 187 million in 2018. Restructuring costs totaled euro 61 million in 2019 (up from euro 36 million in 2018) as the Group reorganized around The Power of One, which increasingly integrated structures and activities. Numerous investments (organization by country, development of production platforms, on-going regionalization of the Shared Services Centers, as well as various technological developments) all help improve operational efficiency.

- Other operating costs (excluding depreciation & amortization) amounted to euro 1,104 million, compared with euro 1,009 million in 2018. These costs made up 25.4% of net revenue (23.6% in 2018). Excluding transaction costs related to the acquisition of Epsilon for an amount of euro 40 million, operating expenses in 2019 amounted to euro 1,064 million, representing 24.4% of net revenue.

Depreciation and amortization was euro 273 million at June 30, 2019, slightly up from 2018 (euro 265 million).

The **operating margin** was euro 612 million, compared to euro 617 million at June 30, 2018. The operating margin was 14.1% compared to 14.4% at June 30, 2018. Excluding transaction costs related to the acquisition of Epsilon, the operating margin amounted to euro 652 million, or 15.0%. This 60-basis-point improvement is due to lower personnel expenses, net income from the disposals of PHS and Proximedia, and a favorable foreign exchange impact.

Operating margins by major geographical region were 10.3%(1) for Europe, 18.2%(1) for North America, 16.7% for Asia-Pacific, 5.6% for Latin America and 9.2% for the Africa/Middle East region.

(1) Operating margin excluding Epsilon transaction costs.

Amortization of intangibles arising from acquisitions in the first half of 2019 totaled euro 27 million in 2019, versus euro 34 million in 2018. Impairment losses, due mainly to the All in One real estate restructuring plan, amounted to euro 113 million in 2019 compared to euro 107 million in 2018, and other non-current income and expenses amounted to an income of euro 17 million in 2019, compared to an expense of euro 18 million in 2018.

Operating income totaled euro 489 million for the first six months of 2019, after 458 million in 2018.

Financial income (expense), made up of net borrowing costs and other financial income and expenses, amounted to income of euro 1 million at June 30, 2019 compared with an expense of euro 36 million in 2018. The cost of net financial debt was income of euro 15 million in 2019, compared to an expense of euro 9 million in 2018. Other financial income and expenses totaled euro 16 million, consisting of euro 30 million in interest on lease liability euro 19 million in income from the fair value remeasurement of Mutual Funds (remeasurement recorded in equity before 2019). Other financial income and expenses represented an expense of euro 27 million in 2018, including euro 29 million of interest on lease liability.

The revaluation cost of earn-outs was euro 1 million in the first half of 2019, compared to an expense of 11 million in 2018.

Income tax amounted to euro 136 million, after application of a forecast effective tax rate of 25.8% for 2019, compared to an income tax of euro 109 million in 2018, corresponding to a forecast effective tax rate of 25.9%.

The share of profit of equity-accounted entities at June 30, 2019 was a loss of euro 5 million, compared to profit of euro 1 million the previous year. Minority interests in net income were euro 1 million at June 30, 2019 and euro 2 million in 2018.

In total, Group net income for the first half of 2019 was a euro 345 million profit, compared with a euro 301 million profit for the corresponding period in the previous year.

Free Cash Flow

The Group's free cash flow before changes in Working Capital Requirements (WCR) is an indicator used by the Group to measure operating cash flow net of real estate investments, but before the acquisition or disposal of long-term equity investments and before financing activities (including the funding of Working Capital Requirements).

The table below shows the calculation of the Group's free cash flow.

EUR million	*6 months 2019*	*6 months 2018*
Operating margin before Depreciation & Amortization	**885**	**882**
Financial interest paid (net)	33	19
Refunding of lease commitments and associated interest	(214)	(204)
Income tax paid	(190)	(149)
Other	42	38
Cash flow from operations before changes in WCR	**556**	**586**
Investments in fixed assets (net)	(65)	(86)
Free cash flow before variations in WCR	**491**	**500**

The Group's free cash flow, excluding changes in working capital requirements, decreased by euro 9 million compared with the previous period to stand at euro 491 million for the first six months of 2019, after euro 500 million for the first six months of 2018.

Net debt

Net debt totaled euro 74 million at June 30, 2019 (i.e. a debt/equity ratio of 0.01), after a positive net cash position of euro 288 million at December 31, 2018. The Group's average net debt was euro 550 million in H1 2019, down from euro 1,317 million in H1 2018.

The acquisition of Epsilon, closed on July 1, 2019, is mainly funded by (i) the issue on June 5, 2019 of a euro 2.25 billion bond in three tranches, the settlement of which took place on June 13, 2019 and (ii) a medium-term loan established on June 28, 2019 (draw-down effective July 1, 2019) in three tranches (one for $900 million and two for euro 150 million each). It is worth mentioning that the net debt between June 13 and 30, 2019 is not affected by the Eurobond issuance as the proceeds of the bonds were immediately deposited until the payment of the acquisition.

Acquisitions and disposals

On January 31, Publicis Groupe announced the final signature for the disposal of **Publicis Health Solutions (PHS)** to Altamont Capital Partners (Altamont). PHS, which was part of the Publicis Health solutions hub, is an organization of medical and marketing representatives for pharmaceutical, biotechnology, medical device and diagnostic companies. Its brands, which include Touchpoint, PDI, Tardis Medical, PHrequency and CustomPoint Recruiting, offer a full range of services to customers.

On February 7, Publicis Groupe confirmed that on February 6, 2019, it had acquired 82.99% of the capital of **Soft Computing**, the French leader in Data Marketing, at a price of euro 25 per share, for a total amount of approximately euro 43.4 million. This acquisition was realized with the founding shareholders and their families and follows the lifting of all conditions precedent for the agreements signed on December 19, 2018. The price offered was 66.67% above the December 19, 2018 closing price. Created in 1984 by Eric Fischmeister and Gilles Venturi, Soft Computing is specialized in data and how it is applied to enhance digital marketing and transform the customer experience. With over 400 experts, this market leading company provides its services to the majority of large corporates in the retail, services and financial sectors.

On February 14, Publicis Groupe announced that, following a competitive sale process, conducted with the help of a major bank, the group entities that own **Proximedia** have entered into exclusive negotiations with Ycor for the sale of all of Proximedia. With operations in France, Belgium, the Netherlands and Spain, Proximedia provides digital services to SMEs, small shops and craftsmen for their online presence and promotion. Publicis Groupe completed the disposal in the first half of 2019.

On April 14, 2019 Publicis Groupe announced it has entered into an agreement with Alliance Data Systems Corporation (NYSE: ADS) under which Publicis Groupe will acquire **Epsilon** 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. At the core of Publicis Groupe, Epsilon will strengthen its creative, media and technology activities and accelerate its growth. This transaction is positive for shareholders, with accretion of 12.5% in headline net income per share and 18.3% in free cash flow per share, excluding any transaction-related synergies and based on 2018 proforma numbers. The closing took place on July, 1 and was announced on July 2, 2019.

NOMINATIONS

Publicis Sapient, the digital business transformation hub of Publicis Groupe, announced the appointment of **John Maeda as Chief Experience Officer**. The selection of Maeda, one of the world's creative leaders of computational design - the convergence of design and technology - signals Publicis Sapient's ongoing commitment to pushing the boundaries of how businesses create exponential value for their customers and markets. In this role, John joins the Creative Executive Collective of Publicis Groupe whereby creative leadership is multi-faceted and structured to develop the necessary broad palette of creativity for the modern world – dynamic creativity brought to life through stories, experiences and innovation.

Publicis Groupe UK appointed **Ben Mooge** in the newly-created position of **Chief Creative Officer, Publicis Groupe UK**. The role reinforces Publicis Groupe's commitment to putting the creative product at the very heart of the business. It recognises creativity's value to clients and talent and its true potential when connected with data and technology.

Publicis Groupe announced **two executive leadership infrastructures** (namely, Publicis Groupe U.S. ComEx and Publicis Communications U.S. organized into three Zones) that will **drive U.S. governance**, accelerate the implementation of the Groupe's strategy, and further transform the Groupe's creative offering.

Publicis Groupe U.S. ComEx will be accountable for advancing the Groupe's strategy and driving overall performance and growth for the Groupe and its clients in the company's largest market. The Publicis Groupe U.S. ComEx will be chaired by Arthur Sadoun, Chairman and CEO, Publicis Groupe, and comprised of Tim Jones, CEO, Publicis Media Americas; Bryan Kennedy, CEO, Epsilon; Ros King, EVP, Global Clients, Publicis Groupe; Steve King, COO, Publicis Groupe & CEO, Publicis Media; Adrian Sayliss, CFO, Publicis Groupe North America; Carla Serrano, CSO, Publicis Groupe; Liz Taylor, CCO, Publicis Communications US & CCO, Leo Burnett Worldwide; and Nigel Vaz, CEO, Publicis Sapient.

Publicis Communications U.S. has been organized into three zones to catalyse transformation and cross-fertilization of the Groupe's creative brand portfolio spanning brands such as Leo Burnett, Saatchi & Saatchi, Publicis, BBH and Fallon. The West zone will be led by Andrew Bruce, CEO, Publicis Communications West; the Center zone will be headed up by Andrew Swinand, CEO, Publicis Communications Center; and the East zone will be under the leadership of Jem Ripley who returns to Publicis Groupe as Publicis Communications CEO East. Additionally, Ripley will also lead Publicis Sapient's marketing transformation business and clients in the U.S., which will transit to Publicis Communications. The digital business transformation capability remains within the Publicis Sapient hub.

OUTLOOK

For 2019, we will post a sequential improvement in H2 versus H1 in organic growth. Due to market conditions and continued attrition, we are taking a conservative approach for full year and expect to deliver a broadly stable net revenue on an organic basis. We confirm we will deliver a 30 to 50 basis points increase in our operating margin for the full year, including Epsilon from July and excluding transaction costs. We confirm our objective to grow headline EPS by 5% to 10% in 2019 (excluding BEAT tax and transaction costs, at constant exchange rates).

For 2020, the main structural change is the integration of Epsilon, which will be contributing to our organic growth from July 1, 2020. We expect growth and extension of collaboration on data with our current clients, while benefiting from cross-fertilization between our assets and Epsilon's portfolio of clients. Conversely, we also believe that some of our clients will continue to reduce their spending in traditional areas. We will update our new forecasts taking into account all those moving pieces in the coming months. We will grow our operating margin rate and we can also confirm an increase in headline diluted EPS by 5% to 10% (excluding BEAT tax, at constant exchange rates).

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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 data, creativity, media and technology, uniquely positioned to deliver personalized experience at scale. Publicis Groupe offers its clients a seamless end-to-end service to address all their marketing and transformation challenges. Publicis Groupe is organized across Solutions hubs: Publicis Communications (Publicis Worldwide, Saatchi & Saatchi, Leo Burnett, BBH, Marcel, Fallon, MSL, Prodigious), Publicis Media (Starcom, Zenith, Spark Foundry, Performics, Digitas), Publicis Sapient and Publicis Health. Epsilon, the data-driven marketing and tech company and its platform Conversant, is positioned at the center of the group fueling all the group's operations. Present in over 100 countries, Publicis Groupe employs nearly 84,000 professionals.

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Contacts

Publicis Groupe

Delphine Stricker	Corporate Communications	+ 33 (0)6 38 81 40 00	delphine.stricker@publicisgroupe.com
Alessandra Girolami	Investor Relations	+ 33 (0)1 44 43 77 88	alessandra.girolami@publicisgroupe.com
Chi-Chung Lo	Investor Relations	+ 33 (0)1 44 43 66 69	chi-chung.lo@publicisgroupe.com

Appendices

Net revenue: organic growth calculation

(million euro)	Q1	Q2	6 months
2018 net revenue	**2,082**	**2,198**	**4,280**
Currency impact [2]	93	72	165
2018 net revenue [1] at 2019 exchange rates (a)	2,175	2,270	4,445
2018 net revenue before acquisition impact (b)	2,136	2,273	4,409
Net revenue from acquisitions [1]	(18)	(39)	(57)
2019 net revenue	**2,118**	**2,234**	**4,352**
Organic growth (b/a)	**-1.8%**	**+0.1%**	**-0.8%**
Organic growth excl. PHS [3]	**-1.6%**	**+0.1%**	**-0.7%**

Impact of currency at end June 2018 *(million euro)*	
GBP [3]	3
USD [3]	159
Others	3
Total	**165**

(1) *Acquisitions (Optix, Independent Ideas, Ecosys, Domaines Publics, Payer Science, One Digital, The Shed, Kindred, Xebia, IDC Creation, Brilliant, Soft Computing, E2 Media), net of disposals*

(2) *EUR = USD 1.130 on average in H1 2019 vs. USD 1.210 on average in H1 2018*
EUR = GBP 0.873 on average in H1 2019 vs. GBP 0.880 on average in H1 2018

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

New Business: Main wins 6M 2019

PUBLICIS COMMUNICATIONS

Google (USA), Barclays (UK), Samsung (UK & 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), MillerCoors, Coors Light (USA), Facebook Messenger (USA), Oppo (China), Nesqino (China)

PUBLICIS MEDIA

Agata Katowice (Poland), Atresmedia (Spain), Credit Agricole (Poland), Driven Brands (USA), E. Wedel (Poland), GreatCall (USA),Grupa Lotos (Poland), Huawei (China), Miele (China), NBC Universal (USA), Purplebricks (USA), Rio Tinto (Australia), Sante A. Kowalski (Poland), Twitter (USA), Buffalo Grill (France),Cancer Council NSW (Australia), Kellogg's (South Africa), Lantmännen Cerealia (Nordics), PKN Orlen (Poland), PPG Coatings (Australia), Ralph Lauren (USA), Varsity College (South Africa)

PUBLICIS SAPIENT

Goldman Sachs (USA), World Fuel Services Corporation (USA), UBS AG (USA), Heathrow Airport (UK), Citigroup Technology (USA), Bacardi-Martini (USA), Neiman Marcus (USA), Government of Abu Dhabi (UAE), Telefonica (Spain)

PUBLICIS HEALTH

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), Alfasigma (USA & Canada), Pfizer (Global), Supernus Pharma (USA)

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
01-04-2019	Press release
03-04-2019	Publicis Groupe Agencies Score High Marks on The Human Rights Campaign’s 2019 Corporate Equality Index
09-04-2019	Publicis Groupe Germany appoints Frank-Peter Lortz as CEO of Publicis Communications Germany
14-04-2019	Publicis Groupe to Acquire Epsilon
14-04-2019	Publicis Groupe: First Quarter 2019 Revenue
17-04-2019	2018 Registration Document available
24-04-2019	Dividend
02-05-2019	Mark Tutssel Leaving Leo Burnett after Illustrious Three-Decade Career
07-05-2019	Maurice Lévy Inducted into the 2019 Advertising Hall of Fame by the American Advertising Federation (AAF)
16-05-2019	Groupe Renault Gives a New Dimension to Its On-Boarded Editorial Content Platform and Enters into a Strategic Agreement with Publicis Groupe
23-05-2019	Publicis Groupe Appoints Delphine Stricker as VP, Director of Communication
28-05-2019	Significant progress on the financing of the Epsilon transaction
29-05-2019	Combined General Shareholders’ Meeting
05-06-2019	Publicis groupe successfully places 2.25 eur billion bonds
17-06-2019	Publicis Groupe UK Bolsters Country Model with Appointment of Ben Mooge as Chief Creative Officer
18-06-2019	Publicis Sapient Announces John Maeda as Chief Experience Officer

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: 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 net revenue.

Headline Group Net Income: Net income attributable to the Groupe, after elimination of impairment charges, amortization of intangibles arising from 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 debt 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 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 excluding lease liability since 1st January 2018.

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

Dividend pay-out: Dividend per share / Headline diluted EPS.

Consolidated income statement

(in millions of euros)	Notes	June 30, 2019 (6 months)	June 30, 2018 (6 months)	December 31, 2018 (12 months)
Net revenue[1]		**4,352**	**4,280**	**8,969**
Pass-through Revenue		516	445	982
Revenue		**4 ,868**	**4,725**	**9,951**
Personnel expenses	3	(2,879)	(2,834)	(5,747)
Other operating expenses		(1,104)	(1,009)	(2,155)
Operating margin before Depreciation & Amortization		**885**	**882**	**2,049**
Depreciation and amortization expense (excluding intangibles arising from acquisitions)	4	(273)	(265)	(526)
Operating Margin		**612**	**617**	**1,523**
Amortization of intangibles from acquisitions	4	(27)	(34)	(69)
Impairment loss	4	(113)	(107)	(131)
Non-current income and expenses	5	17	(18)	(20)
Operating income		**489**	**458**	**1,303**
Financial expenses		(52)	(40)	(81)
Financial income		67	31	70
Cost of net financial debt	6	**15**	**(9)**	**(11)**
Revaluation of earn-out payments on acquisitions	6	(1)	(11)	(13)
Other financial income and expenses	6	(16)	(27)	(60)
Pre-tax income of consolidated companies		**487**	**411**	**1,219**
Income taxes	7	(136)	(109)	(285)
Net income of consolidated companies		**351**	**302**	**934**
Share of profit of associates	10	(5)	1	(4)
Net income		**346**	**303**	**930**
Of which:				
- Net income attributable to non-controlling interests		1	2	11
Net income attributable to equity holders of the parent company		**345**	**301**	**919**

Data per-share *(in euros)* - **Net income attributable to equity holders of the parent company**	8			
Number of shares		*231,745,008*	*226,898,746*	*229,231,677*
Earnings per share		*1.49*	*1.33*	*4.01*
Number of diluted shares		*233,885,720*	*231,379,546*	*234,564,382*
Diluted earnings per share		*1.48*	*1.30*	*3.92*

[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, 2019 (6 months)	June 30, 2018 (6 months)	December 31, 2018 (12 months)
Net income for the period (a)	**346**	**303**	**930**
Comprehensive income that will not be reclassified to income statement			
- Actuarial gains (and losses) on defined benefit plans	(45)	14	22
- Deferred taxes on comprehensive income that will not be reclassified to income statement	11	(6)	(2)
Comprehensive income that may be reclassified to income statement			
- Remeasurement of hedging instruments	(35)	20	6
- Consolidation translation adjustments	48	17	73
Total other comprehensive income (b)	**(21)**	**45**	**99**
Total comprehensive income for the period (a) + (b)	**325**	**348**	**1,029**
Of which:			
- Total comprehensive income for the period attributable to non-controlling interests	1	2	10
- Total comprehensive income for the period attributable to equity holders of the parent company	324	346	1,019

Consolidated balance sheet

(in millions of euros)	Notes	June 30, 2019	December 31, 2018
Assets			
Goodwill, net	9	8,857	8,751
Intangible assets, net		1,107	1,125
Right-of-use assets related to leases	15	1,954	1,732
Property, plant and equipment, net		598	611
Deferred tax assets		162	150
Investments in associates	10	31	62
Other financial assets	11	225	215
Non-current assets		**12,934**	**12,646**
Inventories and work in progress		421	367
Trade receivables		8,493	9,115
Assets on contracts		1,087	874
Other current receivables and assets		890	689
Cash and cash equivalents		4,744	3,206
Assets held for sale		0	183
Current assets		**15,635**	**14,434**
Total assets		**28,569**	**27,080**
Equity and Liabilities			
Share capital		94	94
Additional paid-in capital and retained earnings, Group share		6,598	6,759
Equity attributable to holders of the parent company	**12**	**6,692**	**6,853**
Non-controlling interests		(9)	0
Total equity		**6,683**	**6,853**
Long-term borrowings	14	4,122	2,425
Long-term lease liabilities	15	1,994	1,648
Deferred tax liabilities		443	446
Long-term provisions	13	479	384
Non-current liabilities		**7,038**	**4,903**
Trade payables		11,300	12,176
Liabilities on contracts		305	284
Short-term borrowings	14	632	449
Short-term lease liabilities	15	322	393
Income taxes payable		331	365
Short-term provisions	13	113	125
Other creditors and current liabilities		1,845	1,432
Liabilities held for sale		0	100
Current liabilities		**14,848**	**15,324**
Total equity and liabilities		**28,569**	**27,080**

Consolidated statement of cash flows

(in millions of euros)	June 30, 2019 (6 months)	June 30, 2018 (6 months)	December 31, 2018 (12 months)
Cash flow from operating activities			
Net income	346	303	930
Neutralization of non-cash income and expenses:			
Income taxes	136	109	285
Cost of net financial debt	(15)	9	11
Capital losses (gains) on disposal of assets (before tax)	(18)	18	20
Depreciation, amortization and impairment loss	413	406	726
Share-based compensation	37	32	63
Other non-cash income and expenses	21	42	76
Share of profit of associates	5	(1)	4
Dividends received from associates	2	2	2
Taxes paid	(190)	(149)	(328)
Change in working capital requirements[1]	(826)	(890)	153
Net cash flows generated by (used in) operating activities (I)	**(89)**	**(119)**	**1,942**
Cash flow from investing activities			
Purchases of property, plant and equipment and intangible assets	(68)	(95)	(207)
Disposals of property, plant and equipment and intangible assets	3	9	11
Purchases of investments and other financial assets, net	12	(11)	(11)
Acquisitions of subsidiaries	(117)	(91)	(260)
Disposals of subsidiaries	87	25	19
Net cash flows generated by (used in) investing activities(II)	**(83)**	**(163)**	**(448)**
Cash flow from financing activities			
Dividends paid to holders of the parent company	-	-	(210)
Dividends paid to non-controlling interests	(8)	(5)	(10)
Proceeds from borrowings	2,257	10	11
Repayment of borrowings	(324)	(178)	(159)
Repayment of lease liabilities	(184)	(175)	(374)
Interest paid on lease liabilities	(30)	(29)	(58)
Financial interest paid	(45)	(13)	(69)
Financial interest received	78	32	66
Net purchases of non-controlling interests	(35)	(17)	(21)
Net (purchases)/sales of treasury shares and warrant	(2)	22	9
Net cash flows generated by (used in) financing activities (III)	**1,707**	**(353)**	**(815)**
Impact of exchange rate fluctuations (IV)	**2**	**35**	**133**
Change in consolidated cash and cash equivalents (I + II + III + IV)	**1,537**	**(600)**	**812**
Cash and cash equivalents on January 1	3,206	2,407	2,407
Bank overdrafts on January 1	(14)	(27)	(27)
Net cash and cash equivalents at beginning of year (V)	**3,192**	**2,380**	**2,380**
Cash and cash equivalents at closing date	4,744	1,812	3,206
Bank overdrafts at closing date	(15)	(32)	(14)
Net cash and cash equivalents at end of the period (VI)	**4,729**	**1,780**	**3,192**
Change in consolidated cash and cash equivalents (VI - V)	**1,537**	**(600)**	**812**

(1) Breakdown of change in working capital requirements

Change in inventory and work in progress	(51)	(14)	42
Change in trade receivables and other receivables	390	545	(274)
Change in accounts payable, other payables and provisions	(1,165)	(1,421)	385
Change in working capital requirements	**(826)**	**(890)**	**153**

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*	*Minority interests*	*Total equity*
231,240,308	**December 31, 2018**	**94**	**3,926**	**2,875**	**(263)**	**221**	**6,853**	**-**	**6,853**
	Net income			345			345	1	346
	Other comprehensive income, net of tax				48	(69)	(21)		(21)
	Total comprehensive income for the year	**-**	**-**	**345**	**48**	**(69)**	**324**	**1**	**325**
	Dividends			(490)			(490)	(8)	(498)
522,277	Share-based compensation, net of tax			37			37		37
	Effect of acquisitions and commitments to buy-out non-controlling interests			(30)			(30)	(2)	(32)
180,574	Equity warrant exercise	0	5				5		5
534,301	(Purchases)/sales of treasury shares			(7)			(7)		(7)
232,477,460	**June 30, 2019**	**94**	**3,931**	**2,730**	**(215)**	**152**	**6,692**	**(9)**	**6,683**

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*	*Minority interests*	*Total equity*
226,295,805	**December 31, 2017**	**92**	**3,680**	**2,326**	**(337)**	**195**	**5,956**	**2**	**5,958**
	First-time application of IFRS 16			10			10		10
226,295,805	**January 1, 2018**	**92**	**3,680**	**2,336**	**(337)**	**195**	**5,966**	**2**	**5,968**
	Net income			301			301	2	303
	Other comprehensive income, net of tax				17	28	45		45
	Total comprehensive income for the year	**-**	**-**	**301**	**17**	**28**	**346**	**2**	**348**
4,323,480	Dividends	2	243	(455)			(210)	(5)	(215)
210,612	Share-based compensation, net of tax			32			32		32
	Effect of acquisitions and commitments to buy-out non-controlling interests			(1)			(1)		(1)
87,984	Equity warrant exercise	0	3				3		3
498,177	(Purchases)/sales of treasury shares			19			19		19
231,416,058	**June 30, 2018**	**94**	**3,926**	**2,232**	**(320)**	**223**	**6,155**	**(1)**	**6,154**

PUBLICIS GROUPE

Earnings per share (basic and diluted)

(in millions of euros, except for share data)		**June 30, 2019**	**June 30, 2018**
Net income used for the calculation of earnings per share			
Group net income	**A**	345	301
Impact of dilutive instruments:			
- Savings in financial expenses related to the conversion of debt instruments, net of tax		-	-
Group net income – diluted	**B**	345	301
Number of shares used to calculate earnings per share			
Number of shares at January 1		235,249,801	230,627,725
Shares created over the period		130,156	194,528
Treasury shares to be deducted (average for the period)		(3,634,949)	(3,923,507)
Average number of shares used for the calculation	**C**	231,745,008	226,898,746
Impact of dilutive instruments:			
- Free shares and dilutive stock options (1)		1,728,566	3,936,357
- Equity warrants (1)		412,146	544,443
Number of diluted shares	**D**	233,885,720	231,379,546
(in euros)			
Earnings per share	A/C	**1.49**	**1.33**
Diluted earnings per share	B/D	**1.48**	**1.30**

(1) Only stock options and warrants with a dilutive impact, i.e. whose strike price is lower than the average strike price, are included in the calculation. As of June 30, 2019 only warrants not yet exercised at the reporting date had a dilutive impact.

Headline earnings per share (basic and diluted)

(in millions of euros, except for share data)		June 30, 2019	June 30, 2018
Net income used to calculate headline earnings per share[1]			
Group net income		**345**	**301**
Items excluded:			
- Amortization of intangibles from acquisitions, net of tax		20	28
- Impairment loss [2], *net* of tax		90	81
- Revaluation of earn-out payments		1	11
- Main capital gains (losses) on disposal of assets and fair value adjustment of financial assets, net of tax		(23)	17
- Costs relating to the acquisition of Epsilon, net of taxes		30	
Headline Group net income	**E**	463	438
Impact of dilutive instruments:			
- Savings in financial expenses related to the conversion of debt instruments, net of tax		-	-
Headline Group net income, diluted	**F**	463	438
Number of shares used to calculate earnings per share			
Number of shares at January 1		235,249,801	230,627,725
Shares created over the period		130,156	194,528
Treasury shares to be deducted (average for the period)		(3,634,949)	(3,923,507)
Average number of shares used for the calculation	**C**	231,745,008	226,898,746
Impact of dilutive instruments:			
- Free shares and dilutive stock options		1,728,566	3,936,357
- Equity warrants		412,146	544,443
Number of diluted shares	**D**	233,885,720	231,379,546
(in euros)			
Headline earnings per share[1]	E/C	**2.00**	**1.93**
Headline earnings per share – diluted [1]	F/D	**1.98**	**1.89**

(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, revaluation of earn-out payments and costs relating to the acquisition of Epsilon.

(2) At June 30, 2019 and 2018, this item mainly comprises impairment losses on right-of-use assets related to leases.