

H1 2017 RESULTS

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JULY 2017





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H1 2017 HIGHLIGHTS



H1 2017 HIGHLIGHTS

Smooth CEO transition and creation of two management bodies

Positive account win momentum

SapientNitro / Razorfish merger completed

KEY FIGURES

(EUR million)	Q2 2017	Q2 2017 vs. Q2 2016
Revenue	2,515	+2.2%
Organic growth	+0.8%	
Growth at constant currency	+1.1%	
(EUR million)	H1 2017	H1 2017 vs. H1 2016
Revenue	4,843	+1.9%
Organic growth	-0.2%	
Growth at constant currency	+0.3%	
Operating margin	638	+3.1%
As a % of revenue	13.2%	+20bps
Headline Group Net Income ⁽¹⁾	432	+6.4%
Headline diluted EPS (EUR)	1.89	+4.4%
Free Cash Flow ⁽²⁾	594	+5.3%

(1) See definitions in Supplemental Information

(2) FCF before change in WCR



H1 2017 REVENUE

H1 REVENUE

(EUR million)	Q1	Q2	H1
2017 REVENUE	2,328	2,515	4,843
2016 REVENUE	2,291	2,462	4,753
Reported growth	+1.6%	+2.2%	+1.9%
Growth at constant currencies	-0.6%	+1.1%	+0.3%
Organic growth	-1.2%	+0.8%	-0.2%

Q2 2017 REVENUE

BY GEOGRAPHY

(EUR million)	Q2 2017	Q2 2016	Q2 2017 vs. Q2 2016	Organic growth
Europe	722	718	+0.6%	+3.2%
North America	1,353	1,319	+2.6%	+0.2%
Asia Pacific	268	273	-1.8%	-3.3%
Latin America	97	81	+19.8%	+2.8%
Middle East Africa	75	71	+5.6%	+0.2%
Total	2,515	2,462	+2.2%	+0.8%



H1 2017 REVENUE

BY GEOGRAPHY

(EUR million)	H1 2017	H1 2016	H1 2017 vs. H1 2016	Organic growth
Europe	1,377	1,349	+2.1%	+4.3%
North America	2,644	2,620	+0.9%	-2.4%
Asia Pacific	511	503	+1.6%	-1.4%
Latin America	174	152	+14.5%	+3.5%
Middle East Africa	137	129	+6.2%	+0.8%
Total	4,843	4,753	+1.9%	-0.2%



H1 2017 ORGANIC GROWTH

BY COUNTRY

> +10%	Chile, Indonesia, Israel, Italy, Korea, Mexico, Russia, Turkey, Vietnam
+5% to +10%	Australia, France, Greece, India, Singapore, UK
0 to +5%	Brazil, Canada, Malaysia, Switzerland, Thailand
< 0%	China, Germany, Japan, Poland, South Africa, Spain, UAE, USA



H1 2017 RESULTS

CONSOLIDATED INCOME STATEMENT

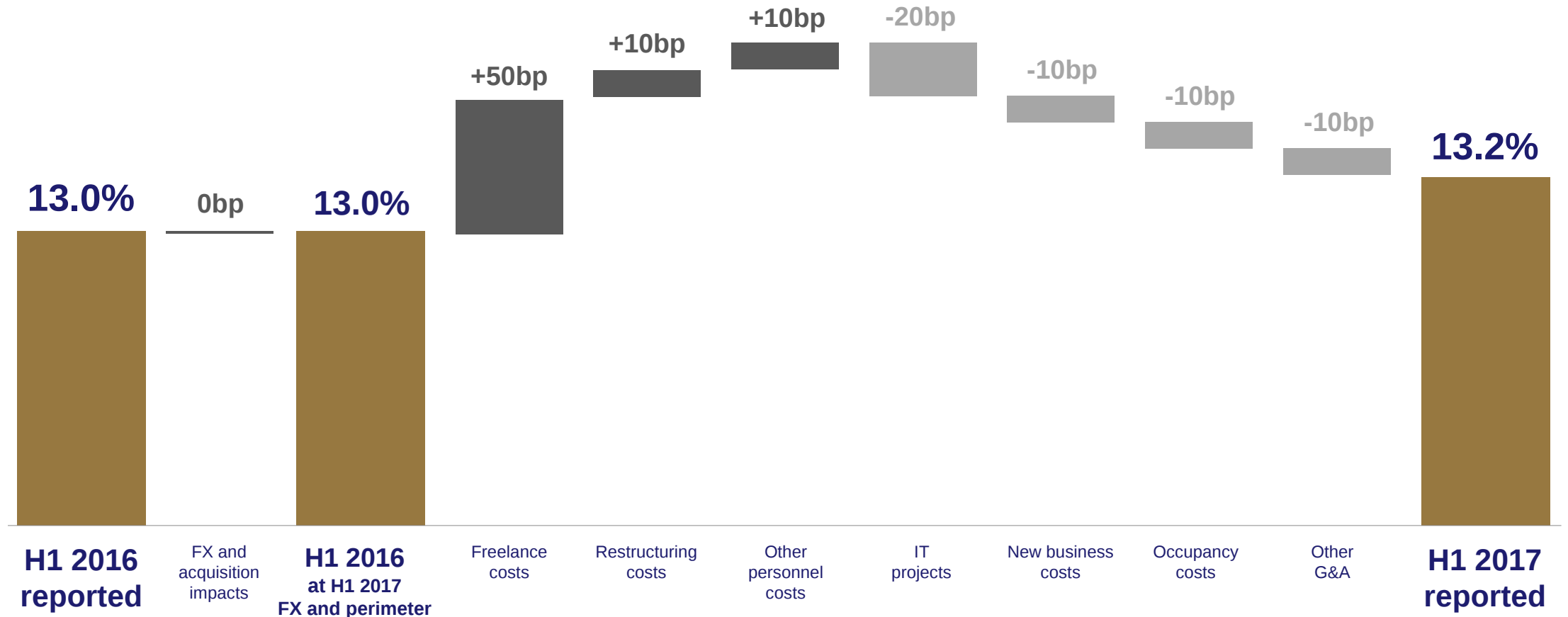
(EUR million)	H1 2017	H1 2016	H1 2017 vs. H1 2016
Revenue	4,843	4,753	+1.9%
EBITDA ⁽¹⁾	719	704	
Operating margin	638	619	+3.1%
Non-current income and expenses	1	5	
Net financial income (expenses)	(38)	(40)	
Income taxes	(163)	(176)	
Consolidated Headline Net Income	438	408	
Associates	(2)	2	
Minority interests	(4)	(4)	
Headline Group Net Income ⁽¹⁾	432	406	+6.4%
Amortization of intangibles arising on acquisitions, net of tax	(23)	(25)	
Net capital gains / (losses) on disposal of assets	0	10	
Revaluation of earn-out	(22)	(10)	
Group Net Income	387	381	+1.6%

(1) See definitions in Supplemental Information

OPERATING EXPENSES

(EUR million)	H1 2017	H1 2016
Revenue	4,843	4,753
Personnel costs	(3,095)	(3,071)
Other operating expenses	(1,029)	(978)
Depreciation	(81)	(85)
Operating margin	638	619
As a % of revenue	13.2%	13.0%

CHANGE IN OPERATING MARGIN AS A % OF REVENUE



NET FINANCIAL INCOME (EXPENSES)

(EUR million)	H1 2017	H1 2016	H1 2017 vs. H1 2016
2020 BNP Paribas loan, 2021 & 2024 Eurobond, 2023 bond	(30)	(30)	0
Other financial expense net of interest income	9	2	7
Discount on long term debt (earn-out and finance leases)	(11)	(11)	0
Interest on net financial debt	(32)	(39)	7
Foreign exchange gain (loss)	(1)	3	(4)
Other financial expenses ⁽¹⁾	(5)	(4)	(1)
Net financial income (expenses) ⁽²⁾	(38)	(40)	2

(1) Include provisions on financial assets, dividends outside the Group and finance costs on long term provisions

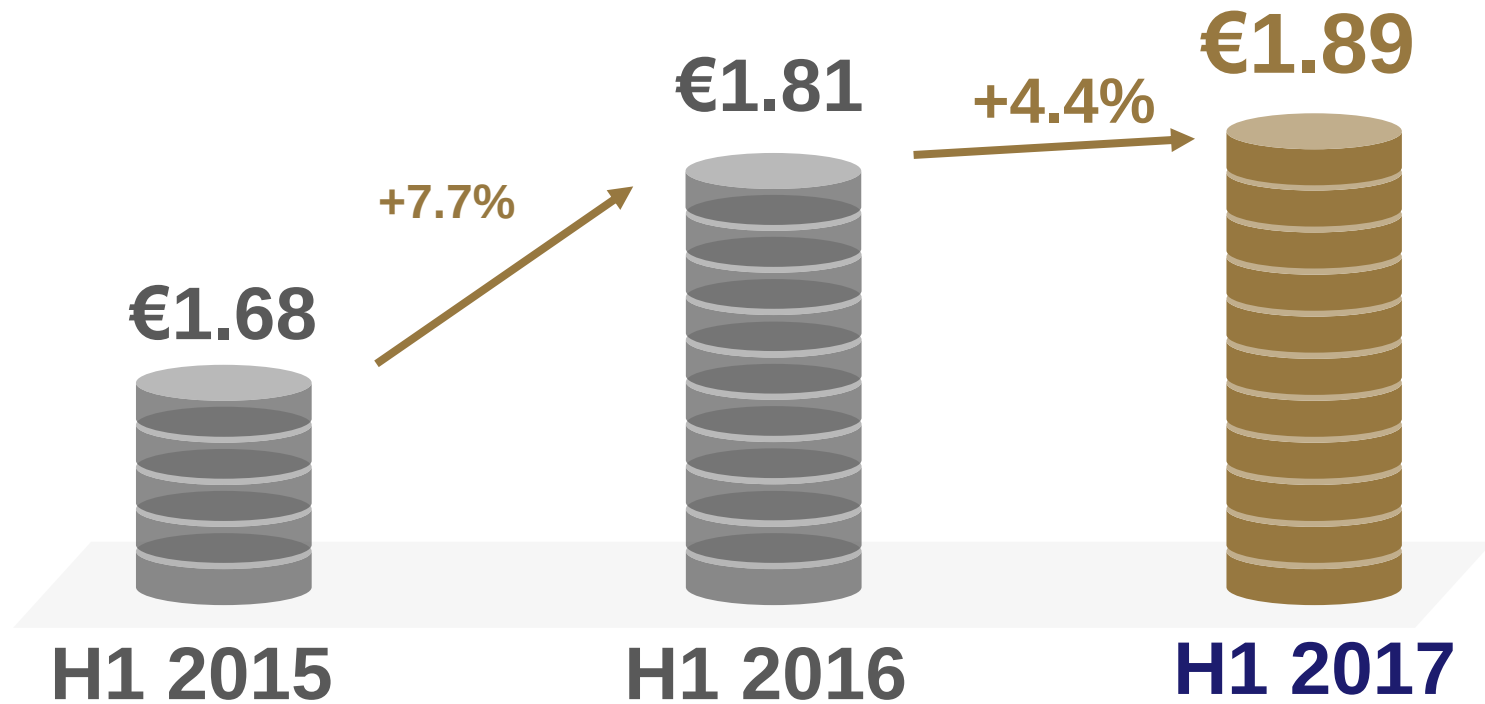
(2) Excluding earn-out revaluation

EFFECTIVE TAX RATE

	H1 2017	H1 2016
Income taxes (EUR million) ⁽¹⁾	151	162
Effective tax rate	27.8%	29.7%

(1) See reconciliation in Supplemental Information

HEADLINE EARNINGS PER SHARE, DILUTED ⁽¹⁾



(1) See definitions in Supplemental Information

FREE CASH FLOW

(EUR million)	H1 2017	H1 2016	H1 2017 vs. H1 2016
EBITDA ⁽¹⁾	719	704	
Interest paid	0	(12)	
Tax paid	(115)	(79)	
Other items	27	23	
Cash flows from operations before change in WCR	631	636	(5)
Capex, net of disposals ⁽¹⁾	(37)	(72)	
Free Cash Flow before change in WCR	594	564	+30

(1) See definitions in Supplemental Information

USE OF CASH

(EUR million)	H1 2017	H1 2016
Free Cash Flow before change in WCR	594	564
Change in WCR	(1,013)	(1,102)
Acquisitions (net of disposals)	(21)	(13)
Earn-out	(162)	(107)
Buy-out	(20)	(30)
Dividends paid	(5)	(16)
Share buy-back, net of sales ⁽¹⁾	(326)	-
Sales of treasury shares due to exercise of stock options	30	5
Exercise of warrants	9	3
Non-cash impact on net debt	66	108
Reduction (Increase) in net debt	(848)	(588)

(1) See definitions in Supplemental Information

BALANCE SHEET

(EUR million)	June 30, 2017	June 30, 2016
Goodwill and intangibles	9,931	11,588
Other fixed assets	841	932
Current and deferred tax	(478)	(472)
Working capital	(1,908)	(2,354)
TOTAL	8,386	9,694
Group equity	5,618	6,495
Minority interests	12	19
TOTAL EQUITY	5,630	6,514
Provisions for risk & charges	664	720
Net debt (cash)	2,092	2,460
TOTAL	8,386	9,694
Net Debt / Equity Ratio	0.37	0.38

NET DEBT / (NET CASH)

(EUR million)	H1 2017	H1 2016	FY 2016
Net Debt (Net Cash), average	1,993	2,380	2,385
Net Debt (Net Cash), at end of period	2,092	2,460	1,244

FINANCIAL RATIOS

	Past 12 months ending June 30, 2017	Past 12 months ending June 30, 2016	Internal objectives
Average net debt / EBITDA ⁽¹⁾	1.29	1.58	< 1.50
Net Debt / Shareholders' Equity	0.37	0.38	< 0.50
Interest Cover ⁽²⁾	25	23	> 7

(1) See definitions in Supplemental Information

(2) EBITDA / Cost of Net Financial Debt

LIQUIDITY AS OF JUNE 30, 2017

(EUR million)	TOTAL	DRAWN	AVAILABLE
Committed Facilities			
364-day revolving credit facilities	165	-	165
5-year revolving credit facility ⁽¹⁾	516	-	516
5-year syndicated facility (Club Deal) ⁽²⁾	2,000	-	2,000
Total Committed Facilities	2,681	-	2,681
Cash and Marketable Securities	1,151	-	1,151
Total liquidity	3,832	-	3,832
Group other uncommitted facilities	246	17	229

(1) €66m maturing in 2017, €300m maturing in 2018, €50m maturing in 2019 and €100m in 2022

(2) Maturing in 2020



STRATEGIC UPDATE

LET'S BE CLEAR FROM THE START

**OUR NUMBER ONE IMPERATIVE IS TO
IMPROVE OUR ORGANIC GROWTH**

MARKET CONTEXT

➔ Clients who are increasingly **challenged**

- Low growth
- Pressure on cost
- Decreasing brand trust

➔ Broader **competitive landscape**

ADAGE RANKING OF TOP 10 US AGENCIES
Revenue 2016 (U.S. dollars)

1	Epsilon (Alliance Data Systems Corp.)
2	Accenture Interactive (Accenture)
3	Deloitte Digital (Deloitte)
4	PwC Digital Services (PWC)
5	SapientRazorfish (Publicis)
6	IBM iX (IBM Corp.)
7	Acxiom Corp.
8	Publicis Health (Publicis)
9	Ogilvy (WPP)
10	Advantage Marketing Partners (Advantage Solutions)

- ➔ **OUR CLIENTS NEED TO TRANSFORM**
- ➔ **OUR INDUSTRY NEEDS TO REDEFINE
THE VALUE IT DELIVERS**



WE ARE UNIQUELY POSITIONED TO SUCCEED



The **right assets:**



Strong client relationships with **both CMOs and CIOs**



THE POWER OF  NE to leverage our strengths

OUR OBJECTIVE

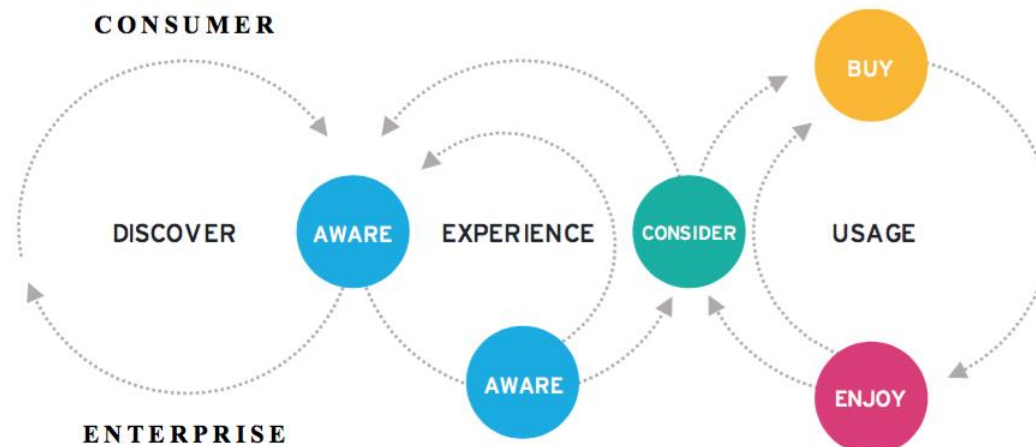
**BECOME THE MARKET LEADER
IN MARKETING AND BUSINESS TRANSFORMATION**

Marketing
Transformation



€600+ billion

Champion Consumer
Engagement



Digital Business
Transformation



€1 trillion

4 PRIORITIES

TO ACHIEVE OUR OBJECTIVE

1. MAKE OUR MODEL A REALITY FOR ALL OF OUR CLIENTS

➡ Client leaders

➡ One P&L

➡ Co-location

2. LEVERAGE OUR COMPETITIVE ADVANTAGE IN TECHNOLOGY AND CONSULTING

- ➔ Leverage our digital business transformation industry practices
- ➔ Leverage our unique depth in technology through our India based global distributed delivery model
- ➔ Leverage our data capabilities

3. SIMPLIFY OUR ORGANIZATIONAL STRUCTURE FOR GREATER EFFICIENCY

- ➡ Continue to break down the silos at country level
- ➡ Use The Power of One to grow with our clients and prospects
- ➡ Put in place an incentive scheme for collaboration

4. DESIGN A CULTURE THAT ATTRACTS AND RETAINS THE BEST TALENTS

- ➔ Training and learning
- ➔ “Marcel”
- ➔ Appointment of a Chief Talent Officer



CONCLUSION

OUTLOOK

Improved organic growth momentum
to continue in H2 2017



Supplemental Information



SUPPLEMENTAL INFORMATION

H1 2017 REVENUE IN USD MILLION

	H1 2017	H1 2016	H1 2017 vs. H1 2016
Revenue	5,240	5,304	-1.2%

SUPPLEMENTAL INFORMATION

REVENUE & ORGANIC GROWTH CALCULATION

(EUR million)	Q1	Q2	H1
H1 2016 revenue	2,291	2,462	4,753
Currency impact ⁽²⁾	50	26	76
H1 2016 revenue at H1 2017 exchange rate (a)	2,341	2,488	4,829
H1 2017 revenue before impact of acquisitions ⁽¹⁾ (b)	2,314	2,507	4,821
Revenue from acquisitions ⁽¹⁾	14	8	22
H1 2017 revenue	2,328	2,515	4,843
Organic growth (b/a)	-1.2%	+0,8%	-0,2%

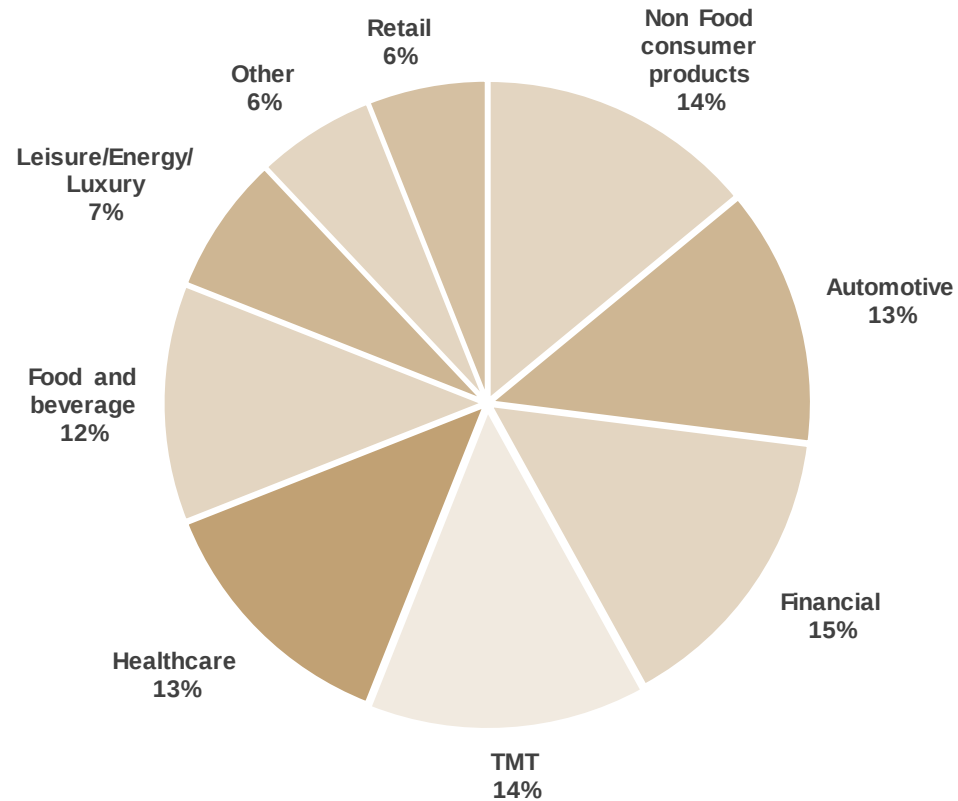
Currency impact (EUR million)			
	Q1	Q2	H1
GBP ⁽²⁾	(21)	(20)	(41)
USD ⁽²⁾	44	34	78
Other	27	12	39
Total	50	26	76

- (1) Acquisitions (MercerBell, Vertiba, Seven Seconds, Insight Redéfini, Venus Communications, Arcade, Digitouch, PT Publicis Metro Indonesia, PT Indonesia Media Exchange, North Notch, Metadesign, Regicom, Ardent, The Abundancy), net of disposals
- (2) EUR = USD 1.082 in H1 2017 vs. USD 1.116 in H1 2016
EUR = GBP 0.860 in H1 2017 vs. GBP 0.779 in H1 2016

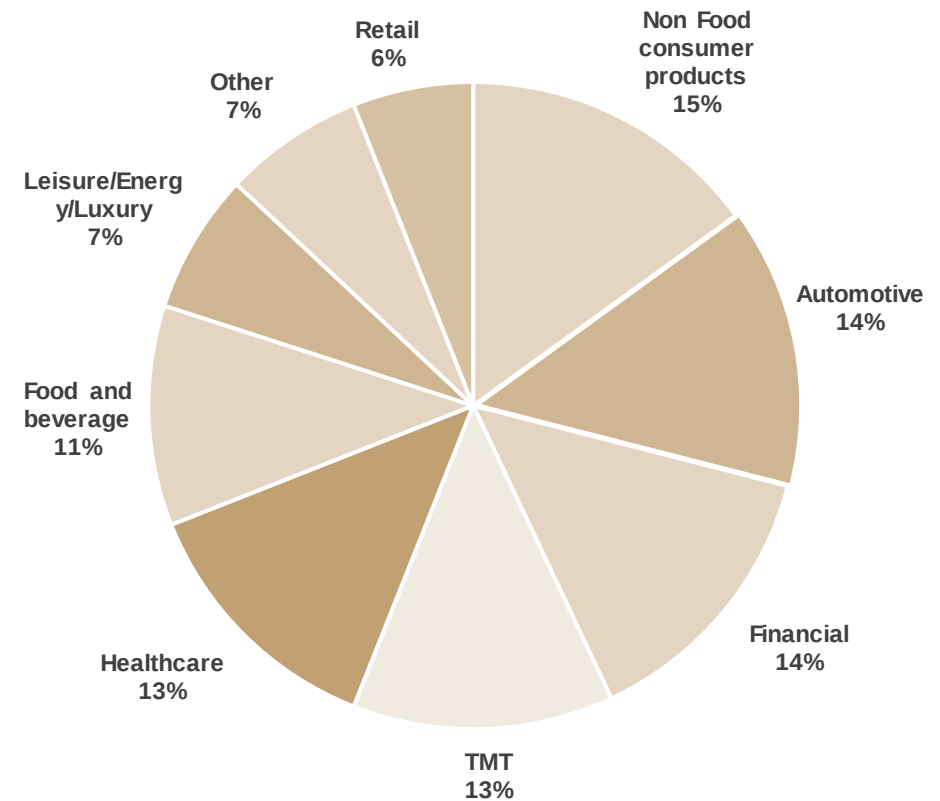
SUPPLEMENTAL INFORMATION

REVENUE BY SECTOR ⁽¹⁾

H1 2017



H1 2016



(1) Based on 2,796 clients representing 86% of Groupe revenue

SUPPLEMENTAL INFORMATION

Q2 2017 REVENUE BY GEOGRAPHY - (ALTERNATIVE BREAKDOWN)

(EUR million)	Q2 2017	Q2 2016	Reported growth	Organic growth
Europe ⁽¹⁾	700	702	-0.3%	+2.7%
North America	1,353	1,319	+2.6%	+0.2%
BRIC + MISSAT ⁽²⁾	266	254	+4.7%	+0.4%
Rest of the world	196	187	+4.8%	-1.7%
Total	2,515	2,462	+2.2%	+0.8%

(1) Europe excluding Russia and Turkey

(2) BRIC = Brazil. Russia. India. China

MISSAT = Mexico. Indonesia. Singapore. South Africa. Turkey

SUPPLEMENTAL INFORMATION

H1 2017 REVENUE BY GEOGRAPHY - (ALTERNATIVE BREAKDOWN)

(EUR million)	H1 2017	H1 2016	Reported growth	Organic growth
Europe ⁽¹⁾	1,337	1,320	+1.3%	+3.8%
North America	2,644	2,620	+0.9%	-2.4%
BRIC + MISSAT ⁽²⁾	483	459	+5,2%	-0.3%
Rest of the world	379	354	+7,1%	+2.3%
Total	4,843	4,753	+1,9%	-0.2%

(1) Europe excluding Russia and Turkey

(2) BRIC = Brazil. Russia. India. China

MISSAT = Mexico. Indonesia. Singapore. South Africa. Turkey

SUPPLEMENTAL INFORMATION

CONSOLIDATED INCOME STATEMENT

(EUR million)	H1 2017	H1 2016
Operating margin	638	619
Amortization of intangibles arising from acquisitions	(35)	(40)
Non-current income and expense	1	16
Operating income	604	595
Net financial income (expenses)	(38)	(40)
Earn-out revaluation	(22)	(10)
Income taxes ⁽¹⁾	(151)	(162)
Associates	(2)	2
Minority interests	(4)	(4)
Group Net Income	387	381

(1) See details in Supplemental Information

SUPPLEMENTAL INFORMATION

INCOME TAX

(EUR million)	H1 2017	H1 2016
Income tax	151	162
Income tax on Amortization of intangibles arising from acquisitions	12	15
Income tax on net capital gains / (losses) on disposal of assets		(1)
Headline Income tax	163	176

SUPPLEMENTAL INFORMATION

GROSS DEBT AS OF JUNE 30, 2017

Breakdown by MATURITY

(EUR million)	Total	July 2017 – June 2018	July 2018 – June 2019	July 2019 – June 2020	July 2020 – June 2021	July 2021 onwards
Eurobond 2021 ^{(1) (2)}	748					748
Eurobond 2023	492					492
Eurobond 2024 ^{(1) (2)}	625					625
Medium term loan	932	311	311	310		
Earn out / Buy out	256	180	45	21	9	1
Other debt ⁽¹⁾	190	96				94
Total gross debt	3,243	587	356	331	9	1,960

(1) Including fair values of associated derivatives

(2) Eurobond issued in December 2014 swapped in USD at fixed rate



No covenants

SUPPLEMENTAL INFORMATION

NET DEBT AS OF JUNE 30, 2017

Breakdown by CURRENCY

(EUR million)	Total	EURO	USD	GBP	Others
Eurobond 2021 ^{(1) (2)}	748		748		
Eurobond 2023	492	492			
Eurobond 2024 ^{(1) (2)}	625		625		
Medium term loan	932	446	486		
Earn out / Buy out	256	32	89	31	104
Other debt ^{(1) (3)}	190	42	125	5	18
Cash & marketable securities ⁽³⁾	(1,151)	(53)	(274)	(32)	(792)
Net debt (cash)	2,092	959	1,799	4	(670)

(1) Including fair values of associated derivatives

(2) Eurobond issued in December 2014 swapped in USD at fixed rate

(3) After impact of currency swaps

SUPPLEMENTAL INFORMATION

NET DEBT AS OF JUNE 30, 2017

Breakdown by RATE

(EUR million)	Total	Earn-out / Buy-out	Fixed rate	Floating rate
Eurobond 2021 ⁽¹⁾ ⁽²⁾	748		748	
Eurobond 2023	492		492	
Eurobond 2024 ⁽¹⁾ ⁽²⁾	625		625	
Medium term loan	932			932
Other debt ⁽¹⁾	190		94	96
Total gross debt excluding earn out/buy out	2,987	-	1,959	1,028
Earn-out / Buy-out	256	256	-	-
Cash & marketable securities	(1,151)	-	-	(1,151)
Net debt (cash)	2,092	256	1,959	(123)

(1) Including fair values of associated derivatives

(2) Eurobond issued in December 2014 swapped in USD at fixed rate



DEFINITIONS

EBITDA: operating margin before depreciation.

Operating margin: Revenue after personnel costs, other operating expenses (excl. non-current income and expense) and depreciation (excl. amortization of intangibles arising on acquisitions).

Operating margin rate: Operating margin as a percentage of revenue.

Headline Group Net Income: Group net income after elimination of impairment charges, amortization of intangibles arising from acquisitions, main capital gains (or losses) on disposals and revaluation of earn-out payments.

EPS (Earnings per share): Group net income divided by average number of shares, not diluted.

EPS, diluted (Earnings per share, diluted): Group net income divided by average number of shares, diluted.

Headline EPS, diluted (Headline Earnings per share, diluted): Group net income after elimination of impairment charges, amortization of intangibles arising from acquisitions, main capital gains (or losses) on disposals and revaluation of earn-out payments, divided by average number of shares, diluted.

Capex : Net acquisitions of tangible and intangible assets, excluding financial investments and other financial assets.

ROCE (Return On Capital Employed): Operating Margin after Tax (using Effective Tax Rate) / Average employed capital. Capital employed include Saatchi & Saatchi goodwill which is not recognised in consolidated accounts under IFRS.

Free Cash Flow before changes in working capital requirements: Net cash flow from operating activities before changes in WCR linked to operating activities.

Net Debt (or financial net debt): Sum of long and short financial debt and associated derivatives, net of treasury and cash equivalents.

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

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



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