

Full Year 2022 Results

Double-digit organic growth for the 2nd year in a row Confident for 2023

February 2, 2023

- 2022 reported net revenue up +20%
- Full year 2022 organic growth at +10.1% after strong end to the year with Q4 at +9.4%
- Epsilon and Publicis Sapient at +12% and +19% organic respectively in 2022
- Operating margin rate at 18.0% with bonus pool at record high, headline EPS at €6.35 up +26% and Free Cash Flow at €1.7bn¹
- N°1 in new business league tables in 2022 for the fourth time in five years
- 2023 organic growth expected at +3% to +5% with operating margin rate between 17.5% and 18%
- 2022 proposed dividend at €2.90 per share, fully paid in cash

FY 2022 Results

(€m)	FY 2022	2022 vs 2021
Net revenue	12,572	+20%
Organic growth	+10.1%	
EBITDA	2,801	+21%
Operating margin	2,266	+23%
Operating margin rate	18.0%	+50bps
Headline diluted EPS (euro)	6.35	+26%
Free Cash Flow	1,697¹	+19%

Q4 2022 Revenue

Net revenue	3,462
Reported growth	+18.0%
Organic growth	+9.4%

¹ Free Cash Flow (FCF) before change in Working Capital requirement.

Reported 2022 FCF at €1,807M before an additional €110M cash tax payment made in January 2023 relating to 2022. This payment reflects the impact of the new application of the U.S. Tax Cuts and Jobs Act (TCJA) on the capitalization of R&D expenses, confirmed late December 2022.



Arthur Sadoun, Chairman and CEO of Publicis Groupe:

"2022 was another record year for the Groupe with reported net revenue up +20%.

For the second year in a row, we delivered double-digit organic growth and record-high financials, with Q4 well ahead of expectations.

Today, the profound transformation we have been through means our business is firing on all cylinders, allowing us to outperform the market once again on every KPI.

Thanks to our data and technology capabilities, which now represent a third of our revenue, we have been able to continue to capture the shift in our clients' spend towards first party data management, commerce and business transformation. This can be seen in Epsilon and Publicis Sapient's annual numbers, with organic growth of +12% and +19% respectively. That dynamic has also boosted our creative and media business, and is reflected in all of our regions, with the U.S. at +10%, APAC at +6.5% and Europe at +12.3% for the year.

Our go-to-market, positioning Publicis as a key partner in our clients' transformation, means we have won more than our share of new business opportunities, and topped the rankings for the fourth time in the past five years.

Last but not least, our unique platform organization, with our global delivery centres, our shared services and our country model, powered by Marcel, allowed us to deliver best in class financial ratios while maintaining record-high bonuses and rewarding everyone in our group. Our operating margin rate came in at 18.0%, free cash flow at 1.7 billion euros, while our headline EPS grew by 26%, allowing us to propose a dividend of 2.90 euros per share.

This same revenue mix, go-to-market, and platform organization make us confident for the year ahead, despite the continued macroeconomic challenges. In 2023, we expect to sustain the momentum we have built since the pandemic, delivering 3 to 5% organic growth, in line with our 3-year CAGR, while maintaining an industry-leading operating margin between 17.5% and 18%.

None of this would be possible without the trust of our clients and the outstanding efforts of our people, who I'd like to deeply and sincerely thank for everything we have achieved together so far."

* *

*



Publicis Groupe's Supervisory Board met on February 1, 2023, under the chairmanship of Maurice Lévy, to examine the 2022 annual accounts presented by Arthur Sadoun, CEO and Chairman of the Management Board.

KEY FIGURES

<i>EUR million, except per-share data and percentages</i>	<i>FY 2022</i>	<i>FY 2021</i>	<i>2022 vs 2021</i>
Data from the Income Statement and Cash flow Statement			
Net revenue	12,572	10,487	+19.9%
Pass-through revenue	1,624	1,251	+29.8%
Revenue	14,196	11,738	+20.9%
EBITDA	2,801	2,317	+20.9%
% of Net revenue	22.3%	22.1%	+20bps
Operating margin	2,266	1,840	+23.1%
% of Net revenue	18.0%	17.5%	+50bps
Operating income	1,767	1,434	+23.2%
Net income attributable to the Groupe	1,222	1,027	+19.0%
Earnings Per Share (EPS)	4.87	4.13	+17.9%
Headline diluted EPS ¹	6.35	5,02	+26.3%
Dividend per share ²	2.90	2.40	+20.8%
Free Cash Flow before change in working capital requirements	1,697 ³	1,427	+18.9%
Data from the Balance Sheet			
	Dec. 31, 2022	Dec. 31, 2021	
Total assets	35,898	32,846	
Groupe share of Shareholders' equity	9,635	8,588	
Net debt (net cash)	(634)	76	

¹ Net income attributable to the Groupe, after elimination of impairment charges, real estate consolidation charge, 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

² To be proposed to the shareholders at the AGM of May 31, 2023

³ See note 1 on page 1



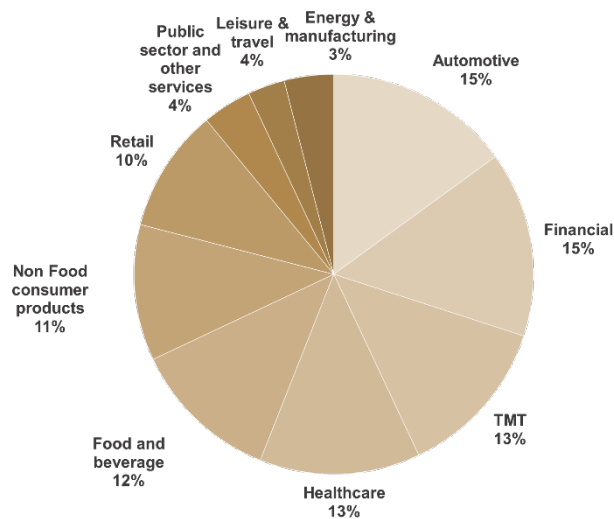
NET REVENUE IN FY 2022

Publicis Groupe's net revenue for the full year 2022 was 12,572 million euros, up 19.9% compared to 10,487 million euros in 2021. Exchange rate variations over the period had a positive impact of 864 million euros and acquisitions (net of disposals) had a positive impact of 77 million euros.

Organic growth was +10.1% in FY 2022 compared to 2021. Compared to 2019, this implied organic growth of +13%, accelerating in H2 at +15% after +11% in H1.

With organic growth at double-digit again in 2022, the Groupe continued to show its ability to capture the structural shifts in the industry towards first-party data management, digital media, commerce, and business transformation. This is visible through the rise in organic growth at Epsilon and Publicis Sapient globally, up +12.0% and +18.5% respectively, both again very accretive to the Groupe performance. It was also visible through the performance of the Groupe's Media and Creative operations, which organically grew double-digit and mid-single digit respectively.

Breakdown of FY 2022 net revenue by sector



Based on 3,620 clients representing 92% of the Groupe's net revenue.



Breakdown of FY 2022 net revenue by region

<i>EUR million</i>	Net revenue		Reported growth	Organic growth
	FY 2022	FY 2021		
North America	7,869	6,368	+23.6%	+9.9%
Europe	2,879	2,534	+13.6%	+12.3%
Asia Pacific	1,176	1,038	+13.3%	+6.5%
Middle East & Africa	359	304	+18.1%	+7.5%
Latin America	289	243	+18.9%	+10.4%
Total	12,572	10,487	+19.9%	+10.1%

In **North America**, net revenue was up +23.6% on a reported basis in 2022, including a significant positive impact of the US dollar to Euro exchange rate. On an organic basis, the region grew by +9.9%. The **U.S.** were also up +9.9% organically, a performance similar to the previous year. Epsilon saw its net revenue increase by +12.2% on the year, with particularly strong performance in Digital Media. Publicis Sapient was up +17.5% on an organic basis, capturing strong demand in digital business transformation, after a +20% increase in 2021. Creative activities were up mid-single digit and Media double-digit on the year.

Net revenue in **Europe** grew +13.6% on a reported basis and +12.3% on an organic basis, including +22.3% in the United Kingdom, +8.5%¹ in France and +4.3% in Germany. Central and Eastern Europe grew by +10.3% organically despite the activity in Ukraine being virtually stopped. Excluding the impact of specific outdoor media activities and the Drugstore, organic growth was +12.8% in Europe.

Asia Pacific saw its net revenue grow +13.3% on a reported basis and +6.5% on an organic basis. China organic growth accelerated throughout the year and recorded +6.6% in 2022, supported by new business and despite the lockdowns.

The **Middle East and Africa** region was up +18.1% on a reported basis and +7.5% organically.

In **Latin America**, reported growth was at +18.9% while organic growth was at +10.4%.

¹ Excluding Outdoor Media activities & the Drugstore



NET REVENUE IN Q4 2022

Publicis Groupe's net revenue in Q4 2022 was 3,462 million euros compared to 2,935 million euros in Q4 2021, up +18.0%. Exchange rate variations had a 215 million euros positive impact. The acquisitions (net of disposals) had a 15 million euros positive impact.

Organic growth was +9.4% in Q4 2022, ahead of the Groupe's upgraded guidance in October 2022.

Breakdown of Q4 2022 Net revenue by region

EUR million	Net revenue		Reported growth	Organic growth
	Q4 2022	Q4 2021		
North America	2,133	1,734	+23.0%	+10.0%
Europe	814	720	+13.1%	+13.2%
Asia Pacific	323	302	+7.0%	+2.9%
Middle East & Africa	104	94	+10.6%	+2.4%
Latin America	88	85	+3.5%	-4.0%
Total	3,462	2,935	+18.0%	+9.4%

North America net revenue was up +23.0% on a reported basis, including a significant positive impact of the US dollar to Euro exchange rate. Organic growth in the region was +10.0%. The **U.S.** posted another strong quarter with a +10.1% organic growth as Media grew again double-digit this quarter, while Creative activities posted mid-single digit growth driven notably by very solid Production. Epsilon posted +13.5% organic on the quarter, with a particularly strong performance in Digital Media. Publicis Sapient grew +15.4% organically, on top of a very strong comparable base of +22% the prior year.

Europe net revenue was up +13.1% on a reported basis. It was up +13.2% on an organic basis and +17.7% excluding the contribution of Outdoor Media activities and the Drugstore. The **U.K.** posted an outstanding performance of +38.0% organically, led by Publicis Sapient and including very solid Media and Creative. France recorded a +5.3%¹ organic growth, driven by Media & Creative. In Germany, organic growth was up by +7.0%. Net revenue in Central & Eastern Europe was up +7.5% organically despite virtually no activity in Ukraine.

Net revenue in **Asia Pacific** was up +7.0% on a reported basis, and +2.9% organically. Despite the impact of lockdowns, China's organic growth accelerated further this quarter from +5.9% in Q3 to +8.1% in Q4, thanks to New Business ramp-up. South-East Asia was broadly stable on the quarter. Singapore & New Zealand posted very solid performances, offsetting lower Thailand which faced a very high comparable base.

¹ Excluding Outdoor Media activities & the Drugstore



Net revenue in the **Middle East and Africa** region was up +10.6% on a reported basis and +2.4% organically. Organic growth was driven by Media while Publicis Sapient was broadly stable despite particularly high comparable basis.

In **Latin America**, net revenue was up +3.5% on a reported basis and down -4.0% organically, with negative growth in Brazil not entirely offset by other countries in the region.



ANALYSIS OF FY 2022 KEY FIGURES

Income Statement

EBITDA amounted to 2,801 million euros in 2022, compared to 2,317 million euros in 2021, up 20.9%. EBITDA was 22.3% as a percentage of net revenue (compared to 22.1% in 2021).

- **Personnel costs** totaled 8,211 million euros in 2022, up by 23.7% from 6,639 million euros in 2021. As a percentage of net revenue, the personnel expenses represented 65.3% in 2022, compared to 63.3% in 2021. Fixed personnel costs were 7,109 million euros representing 56.5% of net revenue versus 54.6% in 2021. The cost of freelancers rose by 64 million euros in 2022, representing 456 million euros. Restructuring costs reached 82 million euros, up from the low 2021 level of 53 million euros.
- **Other operating costs** (excluding depreciation & amortization) amounted to 3,184 million euros, compared to 2,782 million euros in 2021. This represented 25.3% of net revenue compared to 26.5% in 2021. The agile structure of the Groupe allowed to contain G&A costs in a context of top line increase. In addition, the accounting treatment linked to the renewal of two large outdoor media contracts for 5 and 10 years, as mentioned in 2021 accounts, resulted in a technical c. 75 basis point impact, entirely offset in depreciation; those contracts were accounted for as cost of sales in 2021, and are now accounted for as right of use and lease liability leading to depreciation.

Depreciation and amortization expense was 535 million euros in 2022, up 58 million euros compared to 2021. This increase reflects the combination of foreign exchange rates and the offsetting of the Outdoor Media contract renewal described above, partly mitigated by our actions over the last years to optimize our real estate footprint.

The **operating margin** amounted to 2,266 million euros, up +23.2% compared to 2021. This represents a margin rate of 18.0%, up 50 basis points from 17.5% in 2021.

Operating margin rates were 18.8% in North America, 16.1% in Europe, 21.2% in Asia-Pacific, 8.7% in Latin America and 14.2% in the Middle East Africa region.

Amortization of intangibles arising from acquisitions totaled 287 million euro in 2022, up from 256 million euros in 2021. Impairment losses amounted to 109 million euros (122 million euros in 2021), essentially related to the real estate consolidation plan "All in One", which leads to a reduction in the number of sites, while allowing better collaboration between the teams. In addition, net non-current income is negative at 103 million euros in 2022 (versus a negative 28 million euros in 2021), including an 87 million euros loss linked to the Groupe's exit from Russia as announced in March 2022.

Operating income totaled 1,767 million euros in 2022, after 1,434 million euros in 2021.



The **financial result**, comprising the cost of net financial debt and other financial charges and income, was an expense of 117 million euros in 2022, stable compared to an expense of 118 million euros last year.

- The net charge on net financial debt was 17 million euros in 2022 (compared to a charge of 85 million euros in 2021). It included 102 million euros of interest largely related to Epsilon's acquisition debt, partly mitigated by interest income of 85 million euros, a 71 million euros increase compared to 2021, reflecting higher cash balances and interest rates, in particular in the U.S.
- Other financial income and expenses were a charge of 100 million euros in 2022, notably composed by 87 million euros interest on lease liabilities and 9 million in income from the fair value remeasurement of Mutual Funds. In 2021, other financial income and expenses were a charge of 33 million euros, notably composed of 70 million euros interest on lease liabilities and 42 million in income from the fair value remeasurement of Mutual Funds.

The revaluation of earn-out payments amounted to a loss of 2 million euros compared to a gain of 27 million euros in 2021.

The tax charge is 431 million euros, corresponding to an effective tax rate of 24.8% in 2022. This compared to 307 million euros in 2021, corresponding to an effective tax rate of 23.4%.

The share in profit of associates was an income of 5 million euros (zero in 2021).

Minority interests were negligible compared to an income of 9 million euros in 2021.

Overall, **net income** attributable to the Groupe was 1,222 million euros in 2022, an increase of 19.0% compared to 1,027 million euros in 2021.



Free Cash Flow

<i>EUR million</i>	<i>FY 2022</i>	<i>FY 2021</i>
EBITDA	2,801	2,317
Financial interest paid (net)	(17)	(80)
Repayment of lease liabilities and related interests	(404)	(365)
Tax paid	(430)	(362)
Other	51	53
Cash Flow from operations before change in WCR	2,001	1,563
Investments in fixed assets (net)	(194)	(136)
Free cash-flow before changes in WCR	1,807	1,427
TCJA transitional cash tax related to 2022 paid in January 2023	(110)	-
Free cash-flow before changes in WCR after TCJA paid in 2023	1,697	1,427

Financial interest paid, which mostly include interests on the acquisition debt of Epsilon and interest income from cash on balance sheet, amounted to 17 million euros, an improvement of 63 million euros compared to 2021. The improvement was largely due to the increase in interest income that reflected higher cash and interest rates particularly in the U.S. Tax paid amounted to 430 million euros, rising by 68 million euros compared to 362 million euros in 2021. Net investments in fixed assets amounted to 194 million euros, increasing by 58 million euros compared to 136 million euros in 2021.

As a result, the Groupe's reported free cash flow, before change in working capital requirements, equals to 1,807 million euros, up by 26.6% compared to 2021.

In January 2023, the Groupe proceeded to an additional 110 million euros cash payment related to 2022 fiscal year, reflecting the implementation of the Tax Cuts and Jobs Act in the U.S (TCJA) that was confirmed late December 2022. This change in tax legislation requires companies to capitalize and amortize U.S. R&D expenses over five years and has no impact on Effective Tax Rate.

Including this additional payment, the free cash flow for the Groupe was 1,697 million euros for 2022, up 19% versus 1,427 million euros in 2021.

Net debt

The Groupe reported a net cash position of 634 million euros as of December 31, 2022 compared to a 76 million euros net financial debt as of December 31, 2021. The Groupe's average net debt in 2022 amounted to 685 million euros, down from 1,530 million euros in 2021.



ACQUISITIONS AND DISPOSALS

On **March 8, 2022**, Publicis finalized the acquisition of **Tremend**, based in Bucharest (Romania), a fast-growing large independent software engineering company. Tremend reaches 60 million of its clients' end users with its proven technology and will serve as the newest global delivery center for Publicis Sapient, expanding its Digital Business Transformation capabilities. With over 16 years of experience in product engineering, Tremend has 650 strong software engineering talent across high demand skills.

On **March 15, 2022**, Publicis announced its exit from Russia, by ceding the ownership of its agencies to local management. The Groupe handed over control of its Russian operations to Sergey Koptev, Founding Chairman of Publicis in Russia, with the clear contractual condition of ensuring a future for its 1,200 employees located in the country. The Groupe stopped its business and investments in Russia, and the cession was effective immediately. Our first quarter's financial statements included a 87 million euros exceptional disposal loss, and Russia was deconsolidated from April 1st, 2022.

On **May 3, 2022**, Publicis announced the acquisition of **Profitero** a leading SaaS global e-commerce intelligence platform helping brands analyse and optimize their sales, marketing and operations performance across more than 700 retail websites around the world and 70 million products. Profitero's products, technology, and 300 employees will further scale and supercharge Publicis Groupe's existing commerce capabilities around the world.

On **June 14, 2022**, Publicis announced the acquisition of **Wiredcraft**, a digital product consultancy and technology company focused on China and APAC, with offices in Shanghai and Singapore. Wiredcraft brings together over 100 local and international experts in technology, design, engineering, product management, consulting, and data, to help global brands create and launch digital products. Wiredcraft delivers solutions across digital transformation, direct-to-consumer e-commerce and customer loyalty data.

On **September 19, 2022**, Publicis finalised the acquisition of **Changi Consulting**, a cloud solutions company based in Dubai and founded in 2010. Changi is a top five Salesforce partner in the MENA region, that builds and delivers cloud-based solutions to over 120 clients thanks to its expertise across all main industries and business functions. As a digital business transformation partner of choice, Changi will serve as a foundation for Publicis Groupe's strong growth in the MENA region and further expansion of Salesforce partnership globally.

On **November 3, 2022**, Epsilon announced the launch of its Latin America operations with the acquisition of **Retargetly**, a leading data and technology company. Retargetly works with marketers and publishers to combine first-party data with partner data for custom audience targeting and measurement across digital channels. Retargetly gives Epsilon the ability to deliver its industry-leading data, technology and media platform across Latin America, on top of North America, Europe, Middle East and Asia Pacific.

On **November 8, 2022**, **Carrefour** Group and Publicis Groupe announced their intention to create a **joint-venture** to address the booming Retail Media market in Continental Europe and Latin America. By combining Publicis' 'CitrusAd powered by Epsilon' technology with Carrefour Links' retail media knowledge and expertise, this new



venture will build a comprehensive media player that addresses the entire Retail Media value chain. It will span technology for inventory creation and data sharing for merchants to the full commercialization of media and data solutions for advertisers, backed directly by merchant transactions, across Continental Europe, Brazil and Argentina. The joint venture will be held 51% by Carrefour and 49% by Publicis Groupe. It is expected to start operations in the first half of 2023, subject to customary regulatory conditions and usual legal consultations.

On **January 3, 2023**, Publicis announced the acquisition of **Yieldify**, a London-based marketing technology company. Founded in 2013, Yieldify's leading platform and service enable companies to better personalize consumers' website experiences, driving incremental revenue and other desired outcomes by delivering the right message/experience at the right time based on a consumer's profile and stage in their purchase journey. Yieldify will become part of Epsilon, and its onsite personalization, conversion optimization and customer journey offerings will complement Epsilon PeopleCloud to better address the mid-market.

On **January 10, 2023**, Publicis announced the acquisition of **Advertise BG**, one of the leading performance marketing agencies in Bulgaria. The strategic acquisition will further reinforce Publicis Groupe Bulgaria's competencies in digital transformation, adding firepower to its existing offering across digital strategy, data, social media, and digital content creation.

GOVERNANCE AND APPOINTMENTS

On September 14, 2022, the Supervisory Board of Publicis Groupe approved the renewal of Arthur Sadoun's mandate as Chairman (*Président du Directoire*) and CEO of Publicis Groupe for four years.

The mandates of the Management Board (*Directoire*) members Anne-Gabrielle Heilbronner, Secretary General, and Michel-Alain Proch, Chief Financial Officer, were also renewed for four years.

Steve King was appointed Chairman of Publicis Groupe Europe and stepped down from the Management Board.

The Groupe announced the creation of a new management team called the Directoire + that is comprised of:

- Carla Serrano, Chief Strategy Officer Publicis Groupe
- Dave Penski, CEO Publicis Media U.S.
- Nigel Vaz, CEO Publicis Sapient
- Agathe Bousquet, President Publicis Groupe France



OUTLOOK

While the macroeconomic context remains uncertain as we enter 2023, the Groupe is confident in its ability to deliver profitable growth thanks to its unique revenue mix, go-to-market and platform organization.

For the full year 2023, the Groupe aims at delivering a **3% to 5% organic growth**, the mid-point of the range being in line with the Groupe's last 3-year CAGR. For Q1 2023, the Groupe expects to deliver organic growth between 3% and 5% as well.

The Groupe expects to maintain **very solid financial ratios again in 2023**:

- **Operating margin is expected to be between 17.5% and 18%** as the Groupe continues to invest in its talent and improve its competitiveness while leveraging its efficient structures in a context of inflation.
- **Free Cash Flow is expected at circa 1.6 billion euros¹ in 2023**. It includes two transitional payments linked to the new application of the U.S. Tax Cuts and Jobs Act on R&D capitalization confirmed at the end of December 2022: (i) 110 million euros payment related to FY2022 executed in January 2023, as described in page 10, and (ii) an estimated 90 million euros related to FY2023 which will be paid by tranches over the year. **Excluding the 110 million euros payment related to fiscal year 2022, 2023 Free Cash Flow is consequently expected to be stable compared to 2022** at circa 1.7 billion euros.

CASH ALLOCATION

Based on its free cash flow prospects and on its strong financial structure, the Groupe has set the following cash allocation for 2023:

- **Dividend for a total of circa 740 million euros fully paid in cash**, corresponding to a €2.90 dividend per share that will be submitted to the vote of its shareholders at its next AGM as of May 31st, 2023. This corresponds to a 45.7% payout and is a 21% increase compared to prior year.
- **A bolt-on acquisition envelope of 500 to 600 million euros**, broadly in line with 2022, to continue strengthening the Groupe's data, tech and commerce capabilities.
- **A share repurchase plan of circa 200 million euros** in order to stabilize the number of shares in circulation. The repurchase plan aims at covering the existing Long Term Incentive Plans of the Groupe for a total of circa 3 million shares.
- **Further deleveraging, by circa 100 million euros**.

¹ Based on 1.08 EUR/USD exchange rate



GROUPE ESG IN 2022

The actions undertaken by the Groupe in terms of ESG are progressing, as shown by the external ESG assessments and the inclusion of Publicis Groupe in two new indices: DJSI Europe and DJSI World.

The health and protection of employees remained a constant concern throughout 2022 in view of the health situation in each country; a large majority of the Groupe's employees continued to work from home, while a hybrid organizational model was also put in place, alternating between telecommuting and office work in many agencies. The services implemented during the pandemic to help everyone cope with physical and psychological fatigue have been continued and integrated into the local healthcare offer accessible to all, to enable better mental and physical health.

#WorkWithCancer

In January 2023, Publicis launched the *#WorkWithCancer* program, to better support employees facing the illness or those who become a caregiver for a loved one. This program is based on the mobilization of Publicis Groupe and leaders of other major companies on the occasion of the World Economic Forum in Davos, each of them signing a charter around 4 commitments:

- Secure the salary of employees affected by illness for at least one year;
- Offer employees concerned individualized support to help them manage their professional and personal difficulties;
- Create an internal community of people directly or indirectly affected by the disease within the company;
- Allow employees who are caregivers to have access to individualized support to help them cope with this complicated period.

Diversity, Equity & Inclusion

In Ukraine, the employee fundraising campaign and its matching by Publicis Groupe raised 750,000 euros, half of which has already been used to support some thirty employees who have suffered very serious material damage. The Groupe has decided to continue paying the salaries of local teams in 2023, as it did in 2022.

2022 was an important year in terms of sharing value with employees, with all employees who do not receive a bonus and have a certain length of service receiving an additional week's salary on two occasions: in April 2022 for exceptional results in 2021, and in November 2022 to cope with the inflationary context, for a shared total of 85 million euros.

The Groupe's objective of having 45% women in key leadership positions by 2025, with a transition point of 42% by 2022, is on track. In the United States, the United Kingdom, France, India and many other countries, efforts have continued to focus on more open and inclusive recruitment, in particular through various initiatives in favor of young people who are far removed from our businesses, with several programs, such as the MCTP for the 14th year in the United States and *Publicis Track* in France.



In terms of training, the Marcel Classes platform continued to federate programs that allow employees to improve their skills and learn about new digital work environments. Marcel has also set up the Growth Dashboard, which is a personalized approach to the various contents that employees can access according to their professional interests. Finally, Marcel has a key role in supporting employees through its 120 dynamic internal communities.

2022 was the first year of the *#WorkYourWorld* internal program, allowing employees to work for six weeks in a country or city of their choice; 2,340 employees benefited from it for an average stay of 33 days.

The Women's Forum for the Economy and the Society Global Meeting took place in November in a hybrid format over three days, bringing together more than 2,300 people in Paris and 30,000 online participants from 115 countries, including around 100 young people aged 18 to 25.

Responsible marketing

In terms of responsible, inclusive and sustainable marketing, the Groupe has continued its efforts in each activity with the aim of improving professional practices and standards. The level of maturity of French agencies (Publicis France has maintained its position as the leading network of agencies with the "RSE Actives" label awarded by the French interprofessional body in partnership with Afnor, with 11 agencies certified) has made it possible to launch the NIBI (No Impact For Big Impact) program internationally. This training is designed to enable employees to integrate eco&socio-design into their daily practices and to develop specific professional processes, then to share these developments with clients.

The OnceForAllCoalition, which focuses on media for underrepresented populations in the U.S., now has more than 30 clients who have increased their investments in media representing the broadest diversity by 65%.

Business ethics issues are an integral part of the Groupe's business and of the objective to maintain high standards in key areas such as anti-corruption, data protection and information systems security.

85% of the IT teams (Groupe Security Office) have been certified ISO 27001; the Groupe has been rated 945/1000 by Cybervadis, maintaining a "mature" status, illustrating cooperation with the GDPO teams (Groupe Data Protection Office).

Fight against Climate Change

In terms of the fight against climate change, Groupe targets validated by the SBTi (Science Based Targets Initiative) outline a trajectory to reduce carbon emissions by 50% by 2030 (Near-Term Target - Scopes 1+2+3) and by 90% by 2040 (Long-Term Target - Scopes 1+2+3) based on 2019 emissions. The Groupe remains aligned with the Paris Agreement and the 1.5° scenario. In terms of direct-source renewable energy, the Groupe is making progress towards its 100% direct-source target, with the +14% milestone reached in 2022.

Our proprietary tool for assessing the impacts of client campaigns and projects, A.L.I.C.E (Advertising Limiting Impacts & Carbon Emissions), has been reviewed by independent third parties to strengthen the robustness of the calculations, has established technical partnerships for calculating the media footprint. At the same time, the Group



is participating in the sectoral work led by Ad Net Zero, aimed at standardizing the methodologies for calculating the carbon footprint of our businesses, particularly the media sector.

The members of the ESG Committee and the members of the Supervisory Board who so wished have received training on climate issues in order to better understand the challenges in this area. As an extension of the work carried out in the area of climate risk analysis, an internal Climate Task Force has been set up to anticipate the various issues by aligning itself with the IPCC scenarios and their evolution.

Viva la Difference

For the third year, the Viva la Difference internal seminar brought together virtually all of the Groupe's employees in December 2022 to take stock of this singular year and to look ahead to 2023. Employees logged on to *Marcel* to follow this three-day event in a digital format, with live sessions from New York and speakers from around the world. This seminar provided an opportunity to detail the Groupe's strategic ambitions in terms of Creative Commerce and its application across the Groupe's various businesses and practices, by addressing the new offers proposed to clients. The creative aspect of the event was also highlighted with the presentation of the CannesDoAwards to reward the best campaigns selected by employee vote. The seminar was followed by a day of internal round-table discussions in each region to allow the Top Management to answer all the employees' questions at length.



NEW BUSINESS

EUROPE

Primark (Data), abrdn (Media), Heineken (Content), Biffa PLC (Commerce), HomeExchange (Digital Media Planning & Buying), Wild (Creative), LVMH (Media), Air Liquide (Digital), Churchill Insurance (Creative), Neue Zürcher Zeitung AG (Creative), Valoria Capital (Creative), Aroma-Zone (Creative), Metro (Creative), Mundicenter (Creative), Sky Italia (Creative), Sberbank (Content), Mapfre (Media), The Ministry of Education and Science of Bulgaria (Influence), Landkredit Bank (Media), United Parcel Service (Data), Ferrero (Creative), Expo Serbia (Creative), Campari (Influence), BNP Paribas (Creative), Avon Products (Media), Barclaycard (Creative), Betclac (Creative), Santé Publique France (Production & Digital), Piaggio (Media), South Western Railway (DBT), Hammerson (Creative), Assurpeople.com (Creative), Softbank (Creative), Open (Creative), Castel Afrique (Creative), My Money Bank (Creative), D&G (Creative), Promod (Creative), Royal Canin (Creative), Atlantic Grupa (Content), TotalEnergies (Content), Storytel (Creative), Shopee (Media), Société Générale (Content), Wolters Kluwer Health (Media), FINDERELLA (DBT), BSH Home Appliances (Content), Volvo Cars (Media), Ferrero (DBT), Battersea Dogs & Cats Home (DBT), Covea (Creative), AXA (CRM), Commerzbank (Creative), Enel (Creative), Alcon (DBT), Marriott International (Creative), LG (Creative), Adevinta (CRM), Matmut (Commerce, Creative, Production), Orangina (Creative), MEGGLE Group (Media), Showroomprive.com (Media), Moderna Therapeutics (Media), Enterprise Rent-A-Car (Media), Dream Games (Media), Pierre Fabre (Content, Creative, Production), Clarins Fragrance Group (Media), Lindt & Sprüngli (Media), Morrisons (Creative), Nomad Foods (Media), La Poste (Media), Alvarium Tiedemann (Creative), Subway (Creative)

NORTH AMERICA

McDonald's (Media), Walmart (Media), Toyota Motor Corporation (Media, DBT, Influence), KFC (Media), Boar's Head (DBT), Auto Club Group (Integrated), CVS Health (Creative), Kruger Inc (Influence), Properly (Influence), Liquor Control Board Of Ontario (Influence), Dos Equis (Digital), Colgate (Digital), Off-Lease Only Auto (Digital), Unilever (Shopper), Nestlé (Digital), Inspire Brands (Digital & CRM), The Kraft Heinz Company (Digital), Zespri (Digital), Trident (Creative), The Scotts Miracle-Gro Company (DBT), Xero (Influence), Amazon (Data), Loblaw (Influence), Regal Entertainment Group (Production), Pacaso (Creative), Nestlé (Data), Intel (Shopper), Cherry Lane Canada (Influence), Heineken (Commerce), Suntory Group (Commerce), HP (Commerce), Dalio Philanthropies (DBT), Nearmap (Influence), Metrolinx (Content), Pernod Ricard (Commerce), MTY Food Group (Influence), Takeda Pharmaceuticals (Media), Texas Capital Bank (Creative), CME Group Inc. (CRM), France Canada Chamber of Commerce (Influence), Ontario Hockey Federation (Influence), IBM (CRM), Reliant Energy (Creative), Laboratory Corporation of America Holdings (Creative), World Vision International (Influence), Sporting Life (Influence), Stellantis (Creative), Regal Entertainment Group (Production), Molson Coors Brewing Company (Influence), Frontier Communications (Media), Central Garden & Pet (Media), Pernod Ricard (Media), Kellogg Company (Media), TEMU (Creative & Production), Barclays (Creative), IBM (Creative), Dunkin' (Creative)

ASIA PACIFIC/MEA

ByteDance (Media), L'Oréal (Media/Content/Production), Volkswagen Group (Influence), Vivo Communication Technology Co (Content), Nestlé (Media & Influence), McDonald's (Creative), Wellington Management Company (DBT), PlayerzPot Media Pvt. Ltd. (Creative), SmarTone Telecommunications Holdings Limited (Media), Abbott Laboratories (Commerce), Singapore Telecommunications (Content), Geely Auto Group (Content), Deliveroo (Media), PlayerzPot Media Pvt. Ltd. (Media), Jardine Restaurant Group (Media), Clarins Group (Media), Cool Inc (Media), Humsafar Trust (Creative), Zoomcar (Media), XYXX Apparels (Media), BMW Malaysia (Creative & Digital), PepsiCo (Media & Creative), e& - Etisalat (Creative), Krungthai Bank (Content), Infinix Mobility (Content), Citigroup (Content), Easy Crypto NZ (Media), Meta (Creative), Singapore Ministry of Communications and Information (Media), Westpac Banking Corporation (CRM), Cashwards (Media), City of Melbourne (Media), Shandong Hongchang cultural and Creative Industrial Park (DBT), New Balance (Production), Amica Financial Technologies (Media), Body Cupid (Commerce), Bank of China (Media), Samsung (DBT), Essity Hygiene & Health (Media), GlaxoSmithKline (DBT & Production), Neom (Media), Shandong Culture & Travel Media Group (DBT), SAIC



Volkswagen (Creative), Eureka Forbes (Media), Chunghwa Telecom (Creative), Sephora (Creative), Procter & Gamble (Creative), Lexus (Creative), Ekaterina - Lipton Tea, Pukka Herbs (Media), Edrington (Media), Mix & Match Travel (Media), Crino Biotechnology (DBT), Bose (Creative), Bank of Queensland (Media), FrieslandCampina (Media), Cross River Rail (Media), Trident (Creative), Uniqlo (Media), Genesis Motor (Production), Superloop (Creative), Cue Learn (Media), Hyatt Hotels (Media), Charlotte Tilbury Beauty (Production), Alibaba (Creative), New Balance (Creative), Marriott International (Creative), Victorian Plumbing (Creative), Niva Bupa (Creative), BingoPlus (Creative), LG Electronics (Media), Mitsubishi Electric Corporation (Creative), Lindt & Sprüngli (Media), Amway (Creative), Danone (Creative), Athletic Greens (Creative), Toyota Motor Corporation (Creative), UNIQLO (Media), Subway (Creative)

LATAM

AB InBev (Creative), MeatMe (Media & Content), Autoridad del Canal de Panama (Media), Scotiabank Inc (Creative), Compania Nacional de Chocolates de Peru (Content), SodaStream (Media), Alfred Kärcher SE & Co. KG (Media), Celebrity Cruises (Media), Alpina (Creative), Citigroup (Creative), Walmart (Media & Content), VeriTran (Creative), Nestlé (Content & CRM), Logitech (Media), Unimed Seguros Saúde (Creative & Media), The Hershey Company (Influence), Chep do Brasil (Content), Mondelez International (Media & Creative), Scotiabank (Media)

GLOBAL

AB InBev (Media), Siemens (Creative), Aldi (Media), Norwegian Cruise Line (Media), Singapore Tourism Board (Media & Creative), Mondelez International (Media), Standard Chartered (Creative), Stellantis (CRM), Crocs (Creative & Media), Jim Beam (Creative), Spar International (Retail Media), Binance (Creative), Swarovski (Media), Verizon (Media)

* *
*

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 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).



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 97,000 professionals.

www.publicisgroupe.com | [Twitter:@PublicisGroupe](https://twitter.com/PublicisGroupe) | [Facebook](#) | [LinkedIn](#) | [YouTube](#) | *Viva la Difference!*

Contacts

Publicis Groupe

Amy Hadfield	Corporate Communications	+ 33 (0)1 44 43 70 75	amy.hadfield@publicisgroupe.com
Alessandra Girolami	Investor Relations	+ 33 (0)1 44 43 77 88	alessandra.girolami@publicisgroupe.com
Lionel Benchimol	Investor Relations	+ 33 (0)1 44 43 70 27	lionel.benchimol@publicisgroupe.com
Lorène Fleury	Investor Relations	+ 33 (0)1 44 43 57 24	lorene.fleury@publicisgroupe.com



Appendices

Net revenue: organic growth calculation

<i>(million euro)</i>	Q1	Q2	Q3	Q4	FY
2021 net revenue	2,392	2,539	2,621	2,935	10,487
Currency impact ⁽²⁾	125	229	295	215	864
2021 net revenue at 2022 exchange rates (a)	2,517	2,768	2,916	3,150	11,351
2022 net revenue before acquisition impact ⁽¹⁾ (b)	2,781	3,052	3,215	3,447	12,495
Net revenue from acquisitions ⁽¹⁾	19	21	22	15	77
2022 net revenue	2,800	3,073	3,237	3,462	12,572
Organic growth (b/a)	+10.5%	+10.3%	+10.3%	+9.4%	+10.1%

Impact of currency at end December 2022 (million euro)	
GBP ⁽²⁾	7
USD ⁽²⁾	745
Others	112
Total	864

(1) Acquisitions (CitrusAd, Tremend, Profitero, Boomerang, Balance Internet, BBK, Wiredcraft, Retargetly, Cheat, Changi, Taylor Herring, Octopus UK, Means Advertising, Like-A-Rainbow, VivNetworks), net of disposals (Russia, DPZ&T, Nexus and Makers Lab)

(2) EUR = 1.054 USD on average in 2022 vs. USD 1.181 on average in 2021
 EUR = 0.853 GBP on average in 2022 vs. GBP 0.859 on average in 2021



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 and the revaluation of earn-out 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, excluding lease liability since 1st January 2018.

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

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

Organic Growth vs. 2019: calculated as
$$([1 + \text{organic growth (n-2)}] * [1 + \text{organic growth (n-1)}] * [1 + \text{organic growth (n)}]) - 1$$



Consolidated income statement

<i>(in millions of euros)</i>	2022	2021
Net revenue¹	12,572	10,487
Pass-through revenue	1,624	1,251
Revenue	14,196	11,738
Personnel costs	(8,211)	(6,639)
Other operating costs	(3,184)	(2,782)
Operating margin before depreciation & amortization	2,801	2,317
Depreciation and amortization expense (excluding acquisition-related intangible assets)	(535)	(477)
Operating margin	2,266	1,840
Amortization of intangibles from acquisitions	(287)	(256)
Impairment loss	(109)	(122)
Non-current income and expenses	(103)	(28)
Operating income	1,767	1,434
Financial expense	(118)	(115)
Financial income	101	30
Cost of net financial debt	(17)	(85)
Revaluation of earn-out payments	(2)	27
Other financial income and expenses	(100)	(33)
Pre-tax income of consolidated companies	1,648	1,343
Income taxes	(431)	(307)
Net income of consolidated companies	1,217	1,036
Share of profit of associates	5	-
Net income	1,222	1,036
Of which:		
- Net income attributable to non-controlling interests	-	9
Net income attributable to equity holders of the parent company	1,222	1,027

Per-share data *(in euros)* - Net income attributable to equity holders of the parent company

<i>Number of shares</i>	250,972,110	248,620,158
Earnings per share	4.87	4.13
<i>Number of diluted shares</i>	253,605,167	251,695,105
Diluted earnings per share	4.82	4.08

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 Groupe's operational performance.



Consolidated statement of comprehensive income

<i>(in millions of euros)</i>	2022	2021
Net income for the period (a)	1,222	1,036
Comprehensive income that will not be reclassified to income statement		
- Actuarial gains (and losses) on defined benefit plans	42	48
- Deferred taxes on comprehensive income that will not be reclassified to income statement	(10)	(8)
Comprehensive income that may be reclassified to income statement		
- Remeasurement of hedging instruments	(21)	29
- Consolidation translation adjustments	311	590
Total other comprehensive income (b)	322	659
Total comprehensive income for the period (a) + (b)	1,544	1,695
Of which:		
- Total comprehensive income for the period attributable to non-controlling interests	0	9
- Total comprehensive income for the period attributable to equity holders of the parent company	1,544	1,686



Consolidated balance sheet

<i>(in millions of euros)</i>	December 31, 2022	December 31, 2021
Assets		
Goodwill, net	12,546	11,760
Intangible assets, net	1,247	1,379
Right-of-use assets related to leases	1,753	1,489
Property, plant and equipment, net	610	615
Deferred tax assets	186	175
Investments in associates	55	25
Other financial assets	394	276
Non-current assets	16,791	15,719
Inventories and work-in-progress	327	277
Trade receivables	12,089	11,315
Contract assets	1,149	979
Other receivables and current assets	926	897
Cash and cash equivalents	4,616	3,659
Current assets	19,107	17,127
Total assets	35,898	32,846
Equity and liabilities		
Share capital	102	101
Additional paid-in capital and retained earnings, Groupe share	9,533	8,487
Equity attributable to holders of the parent company – Groupe share	9,635	8,588
Non-controlling interests (minority interests)	(35)	(33)
Total equity	9,600	8,555
Long-term borrowings	2,989	3,446
Long-term lease liabilities	2,197	1,801
Deferred tax liabilities	219	274
Long-term provisions	504	543
Non-current liabilities	5,909	6,064
Trade payables	15,660	14,479
Contract liabilities	549	470
Short-term borrowings	627	184
Short-term lease liabilities	360	288
Income taxes payable	486	328
Short-term provisions	291	274
Other creditors and current liabilities	2,416	2,204
Current liabilities	20,389	18,227
Total equity and liabilities	35,898	32,846



Consolidated statement of cash flows

<i>(in millions of euros)</i>	2022	2021
<u>Cash flow from operating activities</u>		
Net income	1,222	1,036
Neutralization of non-cash income and expenses:		
Income taxes	431	307
Cost of net financial debt	17	85
Capital losses (gains) on disposal of assets (before tax)	103	28
Depreciation, amortization and impairment losses	931	855
Share-based compensation	64	52
Other non-cash income and expenses	86	5
Share of profit of associates	(5)	-
Dividends received from associates	3	2
Taxes paid	(430)	(362)
Change in working capital requirements ⁽¹⁾	(5)	(216)
Net cash flows generated by (used in) operating activities (I)	2,417	1,792
<u>Cash flow from investing activities</u>		
Purchases of property, plant and equipment and intangible assets	(198)	(139)
Disposals of property, plant and equipment and intangible assets	4	3
Purchases of investments and other financial assets, net	11	4
Acquisitions of subsidiaries	(523)	(276)
Disposals of subsidiaries	(43)	3
Net cash flows generated by (used in) investing activities (II)	(749)	(405)
<u>Cash flow from financing activities</u>		
Dividends paid to holders of the parent company	(603)	(227)
Dividends paid to non-controlling interests	(4)	(9)
Proceeds from borrowings	-	9
Repayment of borrowings	(10)	(862)
Repayment of lease liabilities	(317)	(295)
Interest paid on lease liabilities	(87)	(70)
Interest paid	(101)	(106)
Interest received	84	26
Buyouts of non-controlling interests	(3)	(14)
Net (buybacks)/sales of treasury shares and warrants	41	(127)
Net cash flows generated by (used in) financing activities (III)	(1,000)	(1,675)
Impact of exchange rate fluctuations (IV)	300	238
Change in consolidated cash and cash equivalents (I + II + III + IV)	968	(50)
Cash and cash equivalents on January 1	3,659	3,700
Bank overdrafts on January 1	(12)	(3)
Net cash and cash equivalents at beginning of year (V)	3,647	3,697
Cash and cash equivalents at closing date	4,616	3,659
Bank overdrafts at closing date	(1)	(12)
Net cash and cash equivalents at end of the year (VI)	4,615	3,647
Change in consolidated cash and cash equivalents (VI – V)	968	(50)
<i>(1) Breakdown of change in working capital requirements</i>		
Change in inventory and work-in-progress	(46)	(23)
Change in trade receivables and other receivables	(710)	(1,218)
Change in accounts payable, other payables and provisions	751	1,025
Change in working capital requirements	(5)	(216)



Consolidated statement of changes in equity

<i>Number of outstanding shares</i>	<i>(in millions of euros)</i>	<i>Share capital</i>	<i>Additional paid-in capital</i>	<i>Reserves and earnings brought forward</i>	<i>Translation reserve</i>	<i>Fair value reserve</i>	<i>Equity attributable to equity holders of the parent company</i>	<i>Minority interests</i>	<i>Total equity</i>
249,600,509	December 31, 2021	101	4,581	4,056	(226)	76	8,588	(33)	8,555
	Net income			1,222			1,222	0	1,222
	Other comprehensive income, net of tax				311	11	322	0	322
	Total comprehensive income for the year	-	-	1,222	311	11	1,544	0	1,544
-	Dividends		(559)	(44)			(603)	(4)	(607)
246,225	Share-based compensation, net of tax			66			66		66
	Effect of acquisitions and commitments to buy-out non-controlling interests			(1)			(1)	2	1
603,226	Equity warrant exercise	1	15				16		16
1,542,105	(Buybacks)/Sales of treasury shares			25			25		25
251,992,065	December 31, 2022	102	4,037	5,324	85	87	9,635	(35)	9,600



<i>Number of outstanding shares</i>	<i>(in millions of euros)</i>	<i>Share capital</i>	<i>Additional paid-in capital</i>	<i>Reserves and earnings brought forward</i>	<i>Translation reserve</i>	<i>Fair value reserve</i>	<i>Equity attributable to equity holders of the parent company</i>	<i>Minority interests</i>	<i>Total equity</i>
245,577,779	December 31, 2020	99	4,307	3,585	(816)	7	7,182	(22)	7,160
	Net income			1,027			1,027	9	1,036
	Other comprehensive income, net of tax				590	69	659		659
	Total comprehensive income for the year			1,027	590	69	1,686	9	1,695
5,018,232	Dividends	2	264	(493)			(227)	(9)	(236)
296,350	Share-based compensation, net of tax			61			61		61
	Effect of acquisitions and commitments to buy-out non-controlling interests			13			13	(11)	2
378,789	Equity warrant exercise		10				10		10
(1,670,641)	(Buybacks)/Sales of treasury shares			(137)			(137)		(137)
249,600,509	December 31, 2021	101	4,581	4,056	(226)	76	8,588	(33)	8,555



Earnings per share (basic and diluted)

(in millions of euros, except for share data)

		2022	2021
Net income used for the calculation of earnings per share			
Net income share attributable to equity holders of the parent company	A	1,222	1,027
<i>Impact of dilutive instruments:</i>			
- Savings in financial expenses related to the conversion of debt instruments, net of tax		-	-
Groupe net income – diluted	B	1,222	1,027
Number of shares used to calculate earnings per share			
Number of shares at January 1		253,462,409	247,769,038
Shares created over the year		393,965	2,929,864
Treasury shares to be deducted (average for the year)		(2,884,264)	(2,078,744)
Average number of shares used for the calculation	C	250,972,110	248,620,158
<i>Impact of dilutive instruments:</i>			
- Free shares and dilutive stock options ⁽¹⁾		2,633,057	2,784,437
- Equity warrants (BSA) ⁽¹⁾		-	290,510
Number of diluted shares	D	253,605,167	251,695,105

(in euros)

Earnings per share	A/C	4.87	4.13
Diluted earnings per share	B/D	4.82	4.08

⁽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. At December 31, 2022, unexercised stock-options were not taken into account because they were earnings accretive.



Headline earnings per share (basic and diluted)

<i>(in millions of euros, except for share data)</i>		2022	2021
Net income used to calculate headline earnings per share ⁽¹⁾			
Net income share attributable to equity holders of the parent company		1,222	1,027
<i>Items excluded:</i>			
-	Amortization of intangibles from acquisitions, net of tax	215	191
-	Impairment loss ⁽²⁾ , net of tax	80	91
-	Main capital gains and losses on disposal of assets and fair value adjustment of financial assets, net of tax	92	(18)
-	Revaluation of earn-out payments	2	(27)
Headline Groupe net income		E 1,611	1,264
<i>Impact of dilutive instruments:</i>			
-	Savings in financial expenses related to the conversion of debt instruments, net of tax	-	-
Headline Groupe net income, diluted		F 1,611	1,264
Number of shares used to calculate earnings per share			
Number of shares at January 1		253,462,409	247,769,038
Shares created over the year		393,965	2,929,864
Treasury shares to be deducted (average for the year)		(2,884,264)	(2,078,744)
Average number of shares used for the calculation		C 250,972,110	248,620,158
<i>Impact of dilutive instruments:</i>			
-	Free shares and dilutive stock options	2,633,057	2,784,437
-	Equity warrants (BSA)	-	290,510
Number of diluted shares		D 253,605,167	251,695,105

(in euros)

Headline earnings per share ⁽¹⁾	E/C	6.42	5.08
Headline earnings per share – diluted ⁽¹⁾	F/D	6.35	5.02

(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) This amount includes impairment losses on goodwill for euro 19 million and on right-of-use assets related to leases for euro 61 million in 2022. In 2021, impairment losses corresponded to euro 91 million related to leases.