

Press release



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DURING ITS INVESTOR DAY, PUBLICIS GROUPE ANNOUNCES NEW AD AGENCY MODEL AND AMBITIOUS FIVE-YEAR TARGETS

By 2018: new services, digital at the core, commerce +, 75% of revenue from digital operations and high-growth countries. Margins improvement by +200 to +400 basis points vs 2012.

London, April 23, 2013 - Publicis Groupe hosted an Investor Day gathering 25 of its top executives, from all over the world, who laid out their new ad agency model. They also confirmed ambitious five-year targets for growth and margin improvement driven by further strategic emphasis on digital and fast-growing countries operations.

The global ad market has undergone enormous systemic changes in the past decade, executives pointed out, with a rapidly moving digital ecosystem transforming every aspect of communication and massive geographic shifts to promising fast-track economies. These unprecedented changes have included profound shifts in consumer behavior both of consumption and relations to media, deploying different devices and different formats in different situations. The proliferation of content channels, devices, marketing technologies and the complexity of managing paid/earned/owned exacerbate the challenges that today's marketers face to reach consumers effectively and efficiently.

Publicis Groupe anticipated these system-wide changes early on and has engineered a successful strategic shift to digital operations and high-growth countries. From 2006 to 2012, major acquisitions have included Digitas, Razorfish, Rosetta, Big Fuel, and most recently LBi, enabling Publicis to build a new and sharply innovative profile. It is not only about digital investments, but mostly on marketing, sales and advertising innovation. It is about social, e-commerce and new consumers' behaviors and trends.

At the London Investor Day, Publicis Groupe's top executives showcased market-defining tools that have been developed at the convergence of technological, media and creative strategies, to enable the Groupe's clients to communicate optimally with their consumers in an era of rapid change and build loyalty to the brands and sales.

The Groupe deploys key proprietary technologies for agile, data-driven communication. It boosts business value by delivering not only on the Groupe's core skill – creative and media – but also by developing branded experiences that respond to consumers' individual needs across a range of media and devices. The “new ad agency model” delivers products that are driven by innovative, creative content and services through a totally different approach that is taking progressively shape in Publicis Groupe. Clients will benefit from state of the art innovation, products, services and a totally new organization pooling all resources around clients.

Other Investor Day presentations highlighted the geographical expansion that has brought the Groupe's economies of scale and cutting-edge skills to the world's most distant zones of growth at a time when “traditional” economies have flagged. Over the past six years, Publicis Groupe has focused on ramping up its operations in some of the world's most promising and fast-growing countries such as Brazil and China.

A sustained program of acquisitions in fast-growing geographies over recent years has been facilitated by the Groupe's successful integration of newly acquired companies.

As the Groupe prepares for its next five-year phase of operations, its continuing transformation in digital and fast-growing country operations will be leveraged into growth that will consistently outpace the global ad market average.

Publicis Groupe aims to generate 75% of its revenue in digital and fast-growing countries by 2018, with an operating margin improvement of 200 to 400 basis points compared to 2012.

The margin improvement program will also be addressed. Driven by rising digital margins coming into play: after a period of massive investment, digital margins should reasonably outperform the Groupe's average, especially due to rollout of new products with significant economies of scale like those presented on Investor Day. Further improvements are foreseen thanks to strong revenue growth and good cost control engendered by centralized management and tools deployed.

“We have, during this Investor Day, shown the depth of our talents covering all segments of our business and organisations” said Maurice Lévy, Chairman and CEO Publicis Groupe. “Our partnerships with key players in the innovative digital industry (Google, Microsoft, Facebook, IBM, Adobe...) keep us on top of the game and help us identifying future trends. We aim high and I believe our organisation, our talents, our management teams are up to the task and poised to innovate, grow and deliver. We have a culture of ambition and a strong track record in delivering our objectives. We have great pride on delivering our clients as well as company's goal and all stakeholders expectations. We have strategic edges and advantages: we are the place where technology, innovation, strategy and creativity converge. IT+IQ+EQ is the sweet spot of the marketing economy: this is Publicis Groupe.”

About Publicis Groupe

Publicis Groupe [Euronext Paris FR0000130577, CAC 40] is one of the world's leading communications groups. We offer the full range of services and skills: digital (DigitasLBi, Razorfish, Rosetta, VivaKi), creative services (BBH, Leo Burnett, Publicis Worldwide, Saatchi & Saatchi), public affairs, corporate communications and events (MSLGROUP), media strategy, planning and buying (Starcom MediaVest Group and ZenithOptimedia) and healthcare communications, with Publicis Healthcare Communications Group (PHCG). Present in 108 countries, the Groupe employs 58,000 professionals.

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Viva la Difference !

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