

Publicis Groupe's €300m investment plan for AI transformation

Publicis Groupe has set out its strategy to become the industry's first AI-powered Intelligent System.



Source: © Careers [Careers](#) Publicis Groupe in Paris, France. Publicis is putting AI at its core to become the industry's first intelligent system

Announced at the recent presentation of its Q4 and full-year 2023 results, which show that the French-based group significantly outperformed its industry for the fourth year in a row, with organic growth of +6.3% in 2023 and comes six years after shifting from a holding company to a platform.

From a platform to an Intelligent System company

The last six years have seen Publicis become a partner in its clients' transformation through three strategic bets:

- Putting data and technology at the centre with the acquisition of Sapient and Epsilon.
- Implementing a country model.
- Building a single operational backbone.

In the presentation, the company says that the platform organisation has allowed it to outperform the market on both financial and extra-financial KPIs.

In addition, it says, it is now in the position to fully harness the power of AI. "... to become an Intelligent System company capable of connecting every data point, from across every expertise, business unit and geography, and putting them into the hands of all of its people," it says.

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

Arthur Sadoun, CEO & chairman of Publicis Groupe comments: "Our journey from a holding company to a platform has not been easy, but it paid off, as you can see with our 2023 organic growth outperforming the industry for the fourth year in a row.

He adds, "The platform organisation we have built over the last decade, our proprietary data of unmatched breadth and accuracy, and the 45,000 engineers, consultants and data analysts at the heart of our model, uniquely position us to push the boundaries even further by leveraging AI."

The company says that this ambition is already a reality as Publicis is infusing a layer of AI across its platform organisation to connect its enterprise knowledge under one entity: CoreAI.

"The group is building this unifying AI-led foundation in-house and across its full enterprise, thanks to Publicis Sapient's unrivalled AI expertise and partnerships, which span supporting Nvidia in designing networking chips for AI servers, to developing AI-powered digital consumer journeys across multiple industries," it states.



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5 key disciplines

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

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

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

Putting CoreAI at the heart of our organisation and truly becoming an Intelligent System company will make our people more efficient and more productive," says Sadoun.

“But way more importantly, it will allow everyone to do things tomorrow that no one can do today, guided by the highest ethical standards, and at the service of our clients’ growth,” he adds.

Investment planned of €300m

Publicis plans to invest three hundred million euros over the next three years as it becomes a true Intelligent System. For 2024 alone, the group anticipates an investment of €100m, with 50% on people, focused on upskilling, training and recruitment, and 50% on technology, through licenses, IT software and cloud infrastructure.

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

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

Financial impact of its AI Plan

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



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2023 Preliminary Full Year and Fourth Quarter Net Revenue (non-audited)

Publicis Groupe pre-released its Fourth Quarter and Full Year 2023 net revenue with full details of the 2023 Audited Annual Results published on 8 February 2024. Full-year organic growth came in at +6.3%, above the +5.5% to +6% guidance range last upgraded in October.

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

Media: Accounted for one-third of net revenue, grew by double digits organically on the year, accelerating in Q4 supported by a faster ramp up in new business.

Data & tech activities: Also accounted for a third of net revenue and were very solid on the year while seeing contrasting trends. Epsilon recorded circa +10% organic growth in 2023, further accelerating in H2 with double-digit growth in Q4, led by the rise in demand for first-party data. As anticipated, Publicis Sapient saw ongoing delays in digital business transformation projects, like all comparable IT consulting firms, posting +3% organic growth on the year despite a modest decline in Q4.

Creative: Creative was again very resilient in both the full year and Q4, with low single-digit organic growth.

Revenue: 2023 net revenue organic growth was 6.3%, thanks largely to a better-than-anticipated fourth quarter, which grew 5.7%.

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

- The U.S., 60% of revenue, delivered a remarkable +5.0% organic growth for the year, accelerating to +6.1% in Q4.

- Europe organically grew at +10.3% in 2023, with Q4 at +4.3% despite high comparables, notably in the UK.
- Asia posted +2.9% organic growth on the year, accelerating to a very solid +4.0% in Q4 led by China returning to growth.
- Middle East and Africa grew organically by +12.4% in the full year and +9.7% in Q4.
- Latin America +8.9% in the full year and +13.9% in Q4.

Publicis Groupe says it was confident about keeping its momentum in 2024 and expected to reach 4-5% organic growth and sustain a 18% operating margin. This quarter, it said it would "significantly outperform the industry".

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