

# Edelman's first revenue decline since 2020 reflects tougher environment for the global PR industry

2023 is Edelman's first calendar year revenue decline since 2020, and only its second since the global financial crisis 15 years ago, as US revenues dropped to \$639m, compared to \$704m in 2022.



Source: © PR Week [PR Week](#) Edelman global CEO Richard Edelman has described 2023 as "a difficult year for the [PR](#) industry"

Edelman's US revenues dropped 9.1% in 2023, dragging global earnings at the world's biggest PR firm down by 3.7% to \$1.038bn.

Omnicom's 2023 results reported that revenue increased to \$403.1 million, or 2.8%, to \$14,692.2 million. Worldwide revenue growth in 2023 compared to 2022 was led by an increase in organic growth of \$584.5 million, or 4.1%.

However, overall and during Q4, the Omnicom PR Group — which includes FleishmanHillard, Ketchum and Porter Novelli — performed poorer than all the holding company's disciplines other than experiential, which was down 8%.

Increases were seen by advertising & media (9.3%); healthcare (3.6%); and commerce & branding (1%). Execution & support and precision marketing were down 1.1% and 0.4% respectively.

Omnicom had previously reported a slight decline in PR revenues for 2023, while both IPG and WPP have reported modest increases for the year.

## Tougher environment for the global PR industry

The results underscore a tougher environment for the global PR industry, described by global CEO Richard Edelman as "a difficult year for the industry".

Earlier this year, reporting on its Q4 and 2023 full-year results Omnicom had reported that PR agency revenue was down 2.9% in the fourth quarter of 2023 and 0.8% for the full year.

In 2022 Edelman grew 12.8% to become the world's first \$1bn PR agency.

While Edelman pointed out that it had grown by 19% since 2020, it did acknowledge difficulties in the US.

"Technology and healthcare are our two biggest practice areas and we have substantial budget cuts in both areas and in financial services."

Some of those cuts were offset by increases in food and beverage and energy.

The North American contraction was partially offset by a stronger showing in EMEA, up 7.1% to \$229m. Asia-Pacific grew 1.7% on a like-for-like basis, but currency fluctuations meant reported USD revenue of \$103m in 2023, compared to \$104m one year earlier. LatAm grew by almost 30% to \$35m.



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Edelman's global headcount, meanwhile, was down to 6,116 from 6,433 in 2022.

Edelman conceded that the most difficult decision of the year had been the reduction in force that occurred in June.

"We had staffed up in 2022 to meet demand, and that turned out to be a mistake. We need to do a better job of managing the business, and that's on me."

There was notable turnover in Edelman's leadership over the past year, including a new US CEO in Kirsty Graham, while Ed Williams was promoted to international president.

Other key appointments included new leaders in EMEA, Canada, New York and California.

But Edelman says he was extremely confident in the new team and its ability to restore the firm to growth.

## Communications challenges

"The tech sector is more confident, I think, going into 2024, with so much activity around AI and so many communications challenges as a result."

The elections occurring around the world, he said, could be a mixed blessing.

"They create uncertainty, which might make companies hesitate, but at the same time they will need advice about how they should prepare for a Starmer government in the UK or a Trump administration in the US, and what those changes might

mean for issues like DEI, for example."

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