

A Letter from the Chairman and Chief Executive Officer



To Our Shareholders:

It has been said that “the only constant is change.” And that was certainly true of the year 2018 for the world’s top marketers and Omnicom.

We continued to see major marketers accelerate the transformation of their organizations to adapt to changing consumer behaviors, sophisticated new digital and analytics technologies and disruptive competitors.

In a world with ever increasing media channels and where hyper-connectivity is the new normal, the ability to deliver the right message to the right person, at the right time, in the right context, at scale – has now become “table stakes” for marketers. As a result, they are transforming their organizations to focus on their customer’s rising expectations.

Just as the marketplace and client needs have changed, so too has Omnicom. We have streamlined our organization with the formation of Practice Areas, together with our Global Client Leaders Group, to deliver agile, flexible and integrated agency models that anticipate the changing needs of our clients’ customers.

I am pleased to report that our ability to adapt to change – and lead change whenever and wherever we can – has proven successful in generating returns for Omnicom’s shareholders.

We achieved our internal organic revenue and margin targets for 2018 and outperformed most of our larger competitors. EPS increased 12.7% for 2018 on a comparable basis to 2017, which excludes the net gain from our third quarter 2018 disposition and repositioning actions and the charges related to the U.S. “Tax Cuts and Jobs Act” recorded in 2018 and 2017.

As I said before, a true test of a successfully run business is its ability to adapt to changes in the marketplace. However, companies don’t change. People do. The talent of our people around the world and the great work they do is what drives such terrific results for our clients and shareholders.

Performance Overview

Across all financial indicators, Omnicom delivered a strong 2018. We had organic revenue growth of 2.6% for the year, with broad contributions across our agencies, disciplines, geographies and client sectors.

We generated revenues of \$15.3 billion for 2018, a slight increase from 2017. This includes organic growth as well as the net positive impact of foreign exchange rates, offset by the negative impact of acquisitions, net of dispositions.

Our EBIT margin, excluding the net gain from our third quarter disposition and repositioning actions, was 13.8%, an increase of 20 basis points versus the prior year. Our performance was a result of our agency management teams remaining laser-focused on controlling their cost structure as well as our ongoing Omnicom-wide operational initiatives to leverage our scale and employ best practices in areas such as real estate, accounting and IT. We also benefitted from the disposition of lower margin, non-core businesses. More importantly, we have been able to improve our margins while continuing to invest in our talent and our data and analytics capabilities.

On the bottom line, we delivered earnings of \$5.75 per share, excluding the net gain from our third quarter 2018 disposition and repositioning actions compared to \$5.10 per share in 2017.

In 2018, Omnicom generated \$1.6 billion in free cash flow, and returned \$1.1 billion to shareholders through dividend and share repurchases. Approximately \$475 million in cash was used for acquisition-related spending during the year. Lastly, in early 2019, we increased our dividend by 8.3% to 65 cents per common share.

Strategic Direction

Omnicom's success is grounded in our steady focus on our growth priorities that have served the group well in helping our clients succeed:

- We will continue to hire and develop the best talent in the industry;
- We will be relentless in pursuing organic growth by expanding our offerings to our existing clients and winning new business;
- We will continue to pursue high growth areas and opportunities through internal investments and acquisitions;
- And we will remain vigilant on driving efficiencies throughout our organization, increasing EBIT and shareholder value.

These areas of focus, combined with our world-class agency brands and deep client relationships, are keeping Omnicom ahead of the competition in today's shifting marketing landscape.

CMO's responsibilities are expanding beyond building and communicating brands to also include driving sales and customer value, which represents a tremendous opportunity for Omnicom. More than ever, they are looking for a valued partner who can help them grow by addressing rising customer expectations on the back of data and technology.

With the goal of "personalization at scale," our agencies are now working with many of our clients to help them build individual relationships with their customers through compelling experiences. This objective requires that communications are designed around how individuals seek out products and information, and experiences must be tailored in a highly personalized, targeted way.

While our strategies help keep us ahead of the competition, it's the intangibles such as creativity, flexibility and empathy that are common values shared across Omnicom. It's this strong culture that supports everything we do for our people, our clients, our shareholders and the communities we share.

CMO's responsibilities are expanding beyond building and communicating brands to also include driving sales and customer value, which represents a tremendous opportunity for Omnicom.

Innovation and Connectivity

Unlike consulting firms or even our principal competitors, Omnicom's intellectual property, or IP, is our ability to bring deep consumer insights to our clients in lockstep with brilliant creative ideas. We believe it's not enough to target individuals with more precise messages at the right time and place. To us, it's equally important to have effective creative content in those messages. This principle has kept Omnicom true to its roots – developing the best creative minds in our industry.

Unlike consulting firms or even our principal competitors, Omnicom's intellectual property, or IP, is our ability to bring deep consumer insights to our clients in lockstep with brilliant creative ideas.

Clients are increasingly telling us they want to take advantage of our full-scale capabilities to receive tailor-made integrated communications services across the entire consumer journey. Simply put, our clients value the advantages of an agile agency model. They want a holistic approach that puts their consumers at the center in a way that is flexible across disciplines and geographies.

In response to these needs, we continue to transform our own business model by simplifying and streamlining our best-in-class offerings through the expansion of our Global Client Leaders Group and Practice Areas which have been aligned within our global networks.

In 2016 we began the formation of Practice Areas, together with our Global Client Leaders Group, to deliver to clients a single point of access to our network of thousands of industry specialists in specific marketing disciplines.

We began with Omnicom Health Group and Omnicom Public Relations Group, and now have Practice Areas in Precision Marketing and CRM, National Advertising, Brand Consultancy, Experiential Marketing, Retail Marketing, Specialty Marketing as well as Global Advertising and Media.

With strong leadership in each of the Practice Areas, we have positioned Omnicom to better grow with existing clients, strengthen our new business efforts, better target our internal investments and create more career opportunities for our people. Importantly, this leadership group can quickly mobilize our assets to create customized solutions for our clients.

Our ability to create nimble, integrated agency models has helped us win some of the biggest new business pitches in 2018, including Dunkin' creative, Ford creative, the U.S. Army, Daimler media, Amgen media, HSBC media and Volkswagen creative, which we retained in key markets. We also grew our business with significant new assignments from existing clients such as AT&T, Bayer, BMW, MARS and Johnson & Johnson, among many others.

In addition to a more streamlined structure, another key element of our success is our investments in technology, data and analytics. These investments started almost a decade ago with the formation of Annalect.

In 2018, we significantly “upped our game” with the roll-out of an enterprise-wide capability called Omni, our first-of-a-kind, people-based precision marketing and insights platform.

Omni is designed to identify and define personalized consumer experiences at scale in order to drive superior business outcomes for our clients. It is transforming the way our teams work, collaborate and deliver value by providing a single view of the consumer to drive precision marketing across creative, CRM, media and our

Omnicom won Holding Company of the Year at the 2018 Cannes Lions International Festival of Creativity. BBDO was also named Network of the Year and adam&eveDDB won Agency of the Year.

Adweek named TBWA Worldwide its Global Agency of the Year and OMD its Global Media Agency of the Year.

Both BBDO and TBWA made Fast Company's annual list of the World's Most Innovative Companies, ranking in the top 10 for the advertising sector.

At the Spikes Asia Festival of Creativity, BBDO received Network of the Year with DDB placing second.

In Europe, PHD won Eurobest Media Agency of the Year.

other Practice Areas. While still in its early days, we have already witnessed Omni drive enormous value for our clients.

The way we achieved this success is just as important as winning new business. Rather than collapsing our agencies into one, we invested in our agency brands and connected them through our Practice Areas, Global Client Leaders Group and platforms, like Omni, which allowed us to leverage our scale in an efficient, fluid and diverse way.

Most importantly, the growth of our business in 2018 underscores the distinctive talents of our people and the strength of our agency brands, as well as our differentiated structure. Our philosophy is that individual agencies driven by strong cultures will continue to exist as incubators of creativity.

Unsurpassed Talent

Omnicom has always strived to be a great place for people to work. Since the beginning, it has been a priority to attract, retain and develop the best talent.

Part of that commitment is a strong emphasis on talent development to ensure our people are continuously challenged and learning. While our agencies and networks do an excellent job of training and development within the context of their disciplines, we have always believed Omnicom has a responsibility to also invest in our current and future leaders.

Since its inception in 1995, Omnicom University, in conjunction with some of the most renowned professors from Harvard Business School, has provided one of the world's foremost executive education experiences for our people. Without question, there is nothing like this program within our industry, making it a key competitive advantage for Omnicom.

I'm proud that Omnicom was recognized by Forbes as one of the World's Best Employers in 2018. It is a significant recognition for us, and what's more, we are the only advertising and marketing firm on their list.

Our exceptional talent also continued to be the most creatively awarded in the industry.

Strong Agency Portfolio

In 2018, we continued to make selective investments, partnerships and acquisitions with a focus on expanding our service capabilities in high-growth areas, such as CRM/direct marketing, media, health care communications, as well as data and analytics.

Earlier in 2018, Omnicom Health Group acquired Snow Companies, based in Virginia, who specializes in direct-to-patient communications. In Japan, Omnicom Health Group acquired the pharma communications business of Elsevier. With the newly named agency, EMC, Omnicom Health Group significantly expanded its dedicated health care communications services in Japan, which is the second largest pharmaceutical market in the world.

We also made good progress in enhancing our capabilities in digital transformation consulting, as well as customer-centric consulting services. Omnicom acquired a few companies in this space that are focused on mar-tech and e-commerce platforms including U.S.-based Credera, as well as Levo in Australia and New Zealand.

Later in the year, we acquired the media and marketing performance business of United Digital Group in Germany. The business is one of the largest performance marketing providers in the market, with a suite of offerings, including search engine optimization and advertising, affiliate marketing, social media advertising and digital analytics.

As part of our ongoing portfolio evaluation, we completed numerous dispositions of companies that were underperforming or no longer aligned with our long-term strategies. In all, we disposed of more than 20 companies in 2018.

Looking ahead, we will continue to invest in our agencies while remaining focused on expanding our service capabilities and strengthening our geographic footprint.

Corporate Social Citizenship

We are living through rapidly changing and challenging times, as the world responds to societal, technological and environmental disruption. Omnicom's commitment to corporate responsibility is vital, now more than ever.

In 2018, we continued to advance our efforts across our four focus areas: supporting our communities, creating a dynamic and diverse workforce, managing our environmental footprint and ensuring a strong governance structure. All of these efforts would not have been possible without the creativity, talent, consistency and passion of our employees.

Board Refreshment: Omnicom is committed to strengthening our governance structure, building a Board of Directors with exceptional experience and diverse points of view, and ensuring that across our networks and agencies, we are upholding the highest ethical standards.

At our May shareholder meeting, Bruce Crawford stepped down as Chairman. Bruce has been a remarkable leader and I would like to extend my deep gratitude for his outstanding leadership, dedication and numerous contributions over the past three decades to Omnicom.

In 2018, we continued the refreshment process of our Board of Directors. We have reduced our average board tenure by one-third since 2015, and six of our independent directors are now female and four are African American. I am proud to say we have one of the most diverse Boards in Corporate America.

These changes strengthen Omnicom's governance structure and demonstrate our commitment to onboarding exceptional candidates who bring a wealth of experience and diverse points of view.

Diversity: Across our agencies, Omnicom employees create award-winning campaigns and deliver innovative communications that reach millions of people in every corner of the world. We are successful because our people reflect the diverse backgrounds, experiences and perspectives of the global communities we serve.

Building our diverse, world-class workforce didn't happen by accident. Companies must build it into their DNA to achieve long-term success. That is why we hired one of the first Chief Diversity Officers in our industry, Tiffany R. Warren, over a decade ago. Since 2008, we have doubled the percentage of minorities who are executives or senior level officials at Omnicom to more than 15%. To help ensure we continue to lead the industry, we have numerous diversity professionals embedded throughout our networks and agencies, responding to the needs of their teams and clients, as well as connecting and collaborating across the organization.

We are living through rapidly changing and challenging times, as the world responds to societal, technological and environmental disruption. Omnicom's commitment to corporate responsibility is vital, now more than ever.

Building our diverse, world-class workforce didn't happen by accident. Companies must build it into their DNA to achieve long-term success.

As an international company, we have a global vision with a local focus. Open Pride, our employee resource group dedicated to Omnicom's LGBTQ community, extended its global reach in 2018, establishing ten chapters across India, China, Philippines, Australia, U.K., along with U.S. cities, including New York, Chicago and St. Louis. In addition, new chapters are in development for Mexico City, San Francisco, Barcelona, Auckland and Los Angeles.

Omniwomen, Omnicom's professional women's network, continues to benefit from a groundswell of support, adding new global chapters in New York, San Francisco, Washington D.C. and Dallas. There are now 14 chapters spanning four regions globally.

Lastly, for the third consecutive year, Omnicom received a perfect score on the Corporate Equality Index, designating us as a 2018 "Best Place to Work for LGBTQ Equality."

I am extremely proud of these efforts to create a better, more inclusive workplace.

Environment: Omnicom is committed to environmental stewardship – to promote innovation, increase efficiencies and reduce waste – everywhere we have direct control of the resources. Our environmental impact comes mainly from office energy use and business travel. We are optimizing the footprint of our offices by consolidating space where possible and managing our business travel more efficiently.

As an Omnicom shareholder, you will be pleased to know that in 2018 we introduced our new Environmental Policy and established goals to help us drive performance against our commitment. Last year, we reduced our emissions from purchased electricity by more than 8% while sourcing more than 10% of our electricity from renewable sources. We also reported a drop in our overall carbon emissions from purchased electricity for the fifth consecutive year.

United Nation's Sustainable Development Goals (SDG's): We support the United Nation's Global Compact, to which we became a signatory in 2016, and we are members of Common Ground, an initiative of Omnicom and other leading global advertising networks to promote the UN Sustainable Development Goals.

As part of this effort, Omnicom continued its work toward Sustainable Development Goal 4: to ensure inclusive and quality education for all and promote lifelong learning. In 2018, Omnicom agencies across the world partnered with Girl Effect and Theirworld, two leading NGO's dedicated to empowering girls and boys through education.

In addition, we partnered with the UN Women on the Unstereotype Alliance initiative to help eradicate harmful gender-based stereotypes in media and advertising content. At the World Economic Forum, Omnicom also participated with a number of other major companies in the launch of the Partnership for Global LGBTQ Equality to help accelerate the inclusion of LGBTQ people globally.

Our Journey Continues

As we turn the page on 2018, Omnicom continues to embrace new technologies, deliver outstanding creativity for our clients and their brands, and generate an exceptional total return for our shareholders.

All of these efforts would not have been possible without the creativity, talent and passion of our people. I am humbled and honored to work at this company and with such great people. It's an extraordinary privilege - and responsibility.

On behalf of Omnicom and our management team, I want to express my deepest gratitude to the more than 70,000 people at our agencies for their efforts and contributions to another great year. And, as always, I thank you, our investors, for your trust and support.

Sincerely,

A handwritten signature in black ink that reads "John Wren". The signature is written in a cursive, flowing style with a large initial "J".

John D. Wren
Chairman and Chief Executive Officer