

## A Letter from the Chairman and Chief Executive Officer



### To Our Shareholders:

The close of 2019 ended an amazing decade – a period of profound change in our industry – and together we have accomplished so much, not only in terms of financial performance, but also in our steadfast dedication to help our people, clients and communities.

Today, that seems like a distant reality. Since mid-March when we instituted a global work from home policy, I, along with thousands of our people around the world, have been working from home and maintaining social distancing. COVID-19 has transformed our world, creating unprecedented medical, economic and human challenges. Our thoughts are first and foremost with the people inside and outside our company who have been affected by COVID-19, and our gratitude goes to the medical professionals and first responders working around the clock to help them.

Despite this extraordinary crisis, the company as a whole has been operating well, which wouldn't be possible without the efforts of our exceptional people. COVID-19 has created many challenges, and I have been extremely impressed by the passion and dedication our people have shown. Our agencies have poured their energy and resources into helping our clients with innovative creative ideas as well as offering to assist governments and international organizations in raising awareness around many issues related to COVID-19.

For decades, Omnicom has demonstrated that it is well-equipped to adapt to changes in the market and deliver through economic cycles. We entered 2020 from a position of strength and have the necessary resources to weather this crisis. We are fortunate to have the industry's most innovative, collaborative and diverse talent, and I want to thank them for staying focused on delivering great results for our clients in their time of need.

### 2019 Financial Highlights

Omnicom delivered a strong 2019. We had organic revenue growth of 2.8% for the year, which was at the upper end of our internal expectations.

Foreign exchange translation decreased revenue by 2.1%, and the net impact of acquisitions and dispositions reduced revenue by 2.9%. As a result, our 2019 reported revenue totaled \$14.95 billion, a decrease of 2.2% compared to 2018.

Our EBIT margin increased 40 basis points to 14.2%, excluding the effect of our third quarter 2018 dispositions and repositioning actions. Our performance in 2019 resulted from our successful strategy to drive revenue growth through our Practice Area and Global Client Leaders matrix structure, as well as from the

focus of our agencies on controlling costs and our group-level initiatives to deliver efficiencies in real estate, IT, procurement, accounting and other back-office operations. We are pleased that we were able to take these steps while continuing to invest in talent and technology with a particular focus on our data and analytics strategy, which supports all of our businesses.

Earnings for the year were \$6.06 per share on a reported, diluted basis, which is up \$0.23, or 3.9%, compared to the reported amount of \$5.83 per share in 2018. Adjusting for the impact of 2018's net gain from the dispositions, repositioning actions and tax reform activity, 2019's diluted EPS represents a \$0.31 improvement, or 5.4% over the 2018 non-GAAP adjusted amount of \$5.75 per share.

In 2019, Omnicom generated \$1.73 billion in free cash flow and returned over \$1.1 billion to shareholders through dividend payments and share repurchases. Approximately \$124 million in cash was used for acquisition-related spending during the year. This is a decrease compared to 2018 when we opportunistically executed on several acquisitions.

In early 2019, we increased our quarterly dividend by 8.3% to 65 cents per common share. This increase resulted in a \$16 million year-over-year rise in dividends paid to common shareholders to \$564 million.

---

We've been investing in our data and analytics capabilities for more than a decade. Today, our ability to provide people-based cultural and behavioral insights across every consumer touchpoint is a competitive advantage for our agencies.

---

## Strategic Direction

Now, more than ever, our clients want us to leverage data and technology to help them connect with their consumers. We've been investing in our data and analytics capabilities for more than a decade. Today, our ability to provide people-based cultural and behavioral insights across every consumer touchpoint is a competitive advantage for our agencies.

However, data and analytics are only tools in service of creativity. Since the formation of Omnicom, we have had the most iconic and creative agencies in our industry. But creativity has never been the endgame for us. It's the means to an end – to drive growth for our clients' brands and business. That value holds true across Omnicom and all of our agencies.

Our success is also grounded in our steady focus on our strategic priorities that have contributed to helping our clients grow their businesses, build relationships with their customers and future-proof their brands. These strategies are centered around:

- Attracting, retaining and developing the best talent in the industry;
- Driving organic growth by evolving and expanding our service offerings;
- Investing in areas of growth with a particular focus on data, analytics, digital transformation, CRM and precision marketing, e-commerce and healthcare communications; and
- Being vigilant on managing costs and driving efficiencies throughout our organization, thereby increasing EBIT and shareholder value.

While our strategies drive growth, it's our culture of connectivity and creativity that underpins everything we do.

## Innovation and Connectivity

Change continues to be the predominant factor impacting our industry. Changing consumer behaviors, transformational digital technologies, proliferation of media channels and hyper-connectivity are driving our business and business models.

In response to the shifting marketplace, clients are increasingly asking for integrated and custom-tailored communications services across the entire consumer journey.

To meet these needs, in 2019 we further expanded our Practice Areas, which allow us to deliver clients a single point of access to our network of thousands of industry specialists in specific marketing disciplines.

We launched our newest Practice Area, Omnicom Retail Group, to advance our commerce capabilities. The group leverages expertise to increase conversion and transactions for clients both online and offline. Consisting of The Integer Group, TracyLocke, Haygarth, TPN and The Marketing Arm, Omnicom Retail Group employs more than 2,500 people across 19 markets.

With strong leadership in each of our 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.

We also continue to invest in our Global Client Leaders Group. The responsibility of the group includes: ensuring our clients are receiving the highest quality marketing and communications services from our agencies; creating and managing agile client teams with best-of-breed talent and skills; breaking down existing silos by organizing internal teams within and across the Practice Areas; and offering our clients the breadth of our services as their needs change.

Together, the Global Client Leaders and the Practice Area leaders can quickly mobilize our assets to deliver expertise and talent to our clients that aligns with their business strategies and solves their marketing challenges.

Another key element of our success is the progress we've made in digital transformation, machine learning and audience-centric communications. Our focus on data and analytics began over a decade ago, and after years of investing in, developing and refining our capabilities, we are far ahead of the competition.

In 2018, we launched Omni, our people-based precision marketing and insights platform. The platform provides data, analytics, cultural insights and content inspiration to inform powerful and connected brand strategies across every consumer touchpoint. It delivers a first-of-its kind, single view of the consumer that can be dynamically tracked and shared across all marketing practices.

Developing this platform has been a point of pride for our company. In 2019, we continued to invest in Omni and made it available across all of our Networks. We are proud to say it is now available in the majority of the markets in which we operate.

A major advantage of Omni is that it's an open-platform. This gives us the flexibility to continually evolve and expand its capabilities, with APIs and data sources regularly added and updated to meet the changing needs of our clients. A recent enhancement to the platform was embedding the capabilities of Q™ within Omni. A first-of-its-kind SaaS platform, Q™ was created by sparks & honey, our pioneering cultural consultancy. It combines human and AI-powered intelligence

---

Together, the Global Client Leaders and the Practice Area leaders can quickly mobilize our assets to deliver expertise and talent to our clients that aligns with their business strategies and solves their marketing challenges.

---

---

At the 2019 Cannes Lions International Festival of Creativity, Omnicom was named Holding Company of the Year for the second year in a row. In addition, all three Omnicom creative networks placed in the top five, with DDB as #2, BBDO as #4 and TBWA as #5.

Adweek named OMD its Global Media Agency of the Year for the second consecutive year.

At the Spikes Asia Festival of Creativity, BBDO was named Network of the Year for the 6th year in a row and TBWA placed third.

Both BBDO and TBWA made Fast Company's annual list of the World's Most Innovative Companies.

For Eurobest 2019, BBDO was the #1 network and DDB came in third. AMV BBDO took the top spot for Agency of the Year and DDB Paris came in second. PHD won Media Network of the Year for the second year in a row.

---

to help organizations predict change before it disrupts their businesses.

While these investments in data, analytics and technology have been significant, we realize they can only take us so far. To truly drive business results, we must bring deep consumer insights to our clients in lockstep with brilliant creative ideas – and that's exactly what our agencies are doing.

Across the organization, our agencies are using data, analytics, cultural insights and technology tools from our Omni platform to deliver a powerful brand voice that connects with a client's consumers through all mediums and across every touch point, whether it's marketing, sales, service or support. When comparing data and technology platforms across all the holding companies, Forrester, a leading research and consulting firm, recognized the Omni platform as having the most creative integration tools among the competing agency platforms. This advantage was achieved because Omni was built for the purpose of servicing the specific needs of our agencies and clients. The same result cannot be achieved by simply buying legacy data platforms that weren't built with the flexibility required to meet the rapidly changing demands of today's marketers.

We are extremely proud of what we have been able to accomplish thus far and believe our industry-leading creativity fueled by our data and analytics platform is a key differentiator for us as we help our clients grow their business.

## Unsurpassed Talent

Our people are at the heart of our business. Since our formation, Omnicom's priority has always been to attract, retain and develop the best talent in the industry. It's the dedication, curiosity, intelligence and creative passion of our people that set us apart from the competition.

Part of this commitment is a strong emphasis on talent development to ensure our people are continuously challenged and learning. While our agencies and networks do an outstanding job of training and development, we have always believed Omnicom should also invest in our future leaders.

Founded in 1995, Omnicom University is based on the HBS case study method and is led by professors from Harvard Business School, China Europe International Business School (CEIBS) and IESE Business School in Spain. Without question, there is nothing comparable to this program in our industry, making it a key competitive advantage for Omnicom.

As a testament to our outstanding talent, we continued to be the most creatively awarded holding company in the industry in 2019.

Going beyond industry recognition, I'm proud to say that for the fourth consecutive year, Omnicom was named to the Forbes America's Best Employers list. We were also later named to the Forbes World's Best Employers list. Both are important recognitions for us and underpin our best-in-industry talent.

## Strong Agency Portfolio

In 2019 we continued to make selective investments, partnerships and acquisitions in high-growth areas, such as data analytics, media, healthcare and consultative services.

In the third quarter of 2019, Omnicom Precision Marketing Group, which manages our CRM and digital agencies, acquired a majority stake in Smart

Digital. Smart Digital's services and technology platforms are used to deliver large-scale, real-time personalization solutions that increase brand loyalty across all consumer touchpoints. The company significantly strengthens OPMG's offerings in decision sciences, automation and machine learning.

This acquisition followed on the heels of the group's 2018 acquisition of Credera, a consulting services firm which overlays management consulting and digital transformation expertise on top of OPMG's existing CRM and digital offerings. Credera has helped us forge stronger relationships and partnerships with the C-suite of many of our multi-national clients. We have continued to invest in its growth since the acquisition and have launched new offices in London, New York and Chicago.

Looking ahead, we will continue to shape our portfolio to match our strategy, our culture and the needs of our clients.

## Corporate Social Citizenship

In 2019, we continued to prioritize our commitment to protect the environment and give back to the communities we operate in. Our goal is to do well by doing good, and I am extremely proud of the generosity shown by our people across all our companies.

Doing good is more important than ever as we confront the COVID-19 pandemic. I've seen so many examples from around the globe of our people volunteering to help healthcare workers on the front lines, handing out face masks and gloves to communities that have been hit the hardest by the virus, as well as reaching out to support their colleagues who tested positive for the virus or lost a loved one.

Our people are also leveraging their creativity to help raise awareness of all the issues related to COVID-19. For example, a number of our agencies responded to the United Nations and World Health Organization's "Global Call Out to Creatives" to design work that conveys essential information about COVID-19. This is just one of many examples of our agencies giving back to communities in need.

In 2019, we continued our progress against our sustainability focus areas, including ensuring a strong governance structure, fostering a diverse and inclusive workforce, managing our environmental footprint and supporting our communities. It takes the passion of our entire community to move the needle in these areas, and I am proud of how far this dedication has brought us.

**Governance:** Our commitment to attracting, retaining and developing talent remains our top priority, and we believe this commitment starts at the top with our Board of Directors. We aim to build a governance structure that upholds all ethical standards and truly embodies our diversity and inclusion goals.

Our board refreshment efforts have been underway for several years and has resulted in an extraordinary mix of perspectives and experience on our board. Our group of 10 independent directors includes six women and four African Americans, including our Lead Independent Director.

The diversity of this group was recognized by Fortune Magazine, which validated Omnicom as one of only six Fortune 500 companies with more women than men on its Board of Directors. Our diversity in leadership strengthens our governance structure and demonstrates our dedication to onboarding exceptional candidates

---

In 2019, we continued our progress against our sustainability focus areas, including ensuring a strong governance structure, fostering a diverse and inclusive workforce, managing our environmental footprint and supporting our communities.

---

who bring a wealth of experience and different points of view.

Two long-serving Board members, Alan Batkin and Bob Clark, will be stepping down at our upcoming June shareholder meeting. We would like to extend our thanks to both Alan and Bob for their many years of service and important contributions to our success.

**Diversity:** We are a people business, so it is our mission to continue fostering diverse and inclusive workplaces where all employees feel comfortable, confident and supported. While this is a long-standing and continuous effort, we achieved several milestones in 2019.

Earlier in the year, we partnered with a consortium of leading multinational companies in collaboration with the World Economic Forum to launch the Partnership for Global LGBTI Equality. The initiative aims to help accelerate LGBTQ+ workplace inclusion globally by encouraging businesses around the world to implement the United Nation's LGBTQ+ Standards of Conduct. The partnership is closely aligned with Omnicom's commitment to pave the way for LGBTQ+ acceptance by changing hearts and minds through thoughtful and inclusive marketing and advertising.

For these reasons and more, Omnicom achieved a perfect score for the fourth consecutive year on the Corporate Equality Index (CEI) administered by the Human Rights Campaign Foundation. This index is a nationally recognized benchmarking tool for corporate inclusion policies, benefits and practices pertinent to LGBTQ employees. Due to our high score, we were designated as a 2020 "Best Place to Work for LGBTQ Equality".

In May 2019, we also launched a new employee resource group titled OPEN DisAbility + Allies. The launch of this group went hand in hand with our ongoing strategic partnership with the Valuable 500, a global initiative putting disability inclusion on business leadership's agenda.

I am also pleased to report that Omniwomen has catalyzed the number of senior women leaders across our organization and around the globe. In today's economy, an inclusive workplace is a competitive advantage. We now have 14 Omniwomen chapters around the globe and expect that we will reach many other countries in the future, including Australia, Belgium, Brazil, Colombia, Italy, Malaysia, Netherlands, Philippines, Singapore and Spain.

In October, The Wall Street Journal released its own diversity and inclusion ranking of companies in the S&P 500. Omnicom was tied for third place overall and came in as number one for the Communication Services industry. We were also included in the Forbes 2020 list of America's Best Employers for Diversity.

I am humbled to see Omnicom receive so many prestigious distinctions and know even greater success is to come as we continue to raise the bar on diversity and inclusion.

**Environment:** At Omnicom, we are committed to reducing the environmental impact of our activities across our networks and agencies. We view sustainability as an opportunity to promote innovation, increase efficiencies and reduce waste. Our global teams strive for improvements anywhere we have direct control of our 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 you may recall, in 2018, we set goals to reduce the energy we use and to

---

In October, The Wall Street Journal released its own diversity and inclusion ranking of companies in the S&P 500. Omnicom was tied for third place overall and came in as number one for the Communication Services industry. We were also included in the Forbes 2020 list of America's Best Employers for Diversity.

---

increase our use of electricity from renewable resources. As an Omnicom shareholder, you will be pleased to know we saw significant progress against these goals in our second year.

In 2019, we reduced our emissions from purchased electricity by more than 13% while sourcing more than 16% of our electricity from renewable sources. We also reported a drop in our overall carbon footprint for the sixth consecutive year.

**Supporting United Nation's Sustainable Development Goals (#4):** Omnicom continued its work toward Sustainable Development Goal 4: to ensure inclusive and quality education for all and promote lifelong learning. In 2019, Omnicom agencies across the world upheld their partnerships 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.

---

As the virus continues to evolve, we remain focused on our top priorities: protecting the health and safety of our employees, delivering excellence to our clients, and preserving the strength of our business.

---

## Looking Ahead

As the virus continues to evolve, we remain focused on our top priorities: protecting the health and safety of our employees, delivering excellence to our clients, and preserving the strength of our business.

While 2019 was filled with milestones, 2020 has started with unexpected challenges, and we must recognize the profound effect this crisis is having on many of our clients' businesses, and in turn our own. In response, we are quickly aligning our services and capabilities with client demand, which is unfortunately requiring staff reductions across many of our agencies. We are doing everything we can to limit staff reductions and to take care of those who are affected.

- Where possible, we are using furloughs rather than permanent reductions so we can bring people back if, and when, conditions improve and client demand recovers.
- We are participating in government subsidy programs around the world to reduce the number of permanent staff reductions we need to make.
- We have expanded coverage in our U.S. health benefit plans for those affected by COVID-19.
- We are actively looking to move people into areas of our business that are growing and sharing resources across companies in the group.
- Omnicom's executive leadership team and management, as well as many agency leaders and staff, are taking voluntary salary reductions.
- With few exceptions, we have stopped all new hires, frozen salary increases and reduced the number of freelancers we use.
- We are eliminating discretionary costs and capital expenditures wherever possible, including participation in award shows and industry events.
- Lastly, we have suspended our share repurchase program, have strengthened our liquidity position through new financings and are conserving cash wherever possible.

We have managed through crises before and survived to thrive in the future. Our people and our company have shown tremendous grit and resilience, and we will come out of this stronger.

On behalf of Omnicom and our management team, I personally want to thank all our people for their tireless efforts and commitment during this difficult time. It is an honor to lead this company and work alongside such amazing talent. And, as always, I thank you, our investors, for your trust and support.

Stay safe and be well.

Sincerely,

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

John D. Wren  
Chairman and Chief Executive Officer