FY2019 Half Year Results

DENTSU INC.

dentsu

August 7, 2019

* Please be reminded that the figures shown in this presentation may be different from those shown in the financial statements as this presentation has been prepared for investors to understand our businesses. Please refer to the annotations in the Appendices for each definition of the indicators.

Key Points FY2019 Half Year

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- Revenue less cost of sales increased due to the contribution of newly consolidated subsidiaries (constant currency basis +2.6%)
  - Digital business grew steadily, digital domain ratio has reached 48.9%.

- Organic growth rate was negative for both Japan Business and International Business.
  - Consolidated -1.5% (Japan business -2.1%/ International business -1.0%)

- Operating Margin was 10.0%, 370 bps lower than prior year.

- FY2019 forecast is revised as a result of lower than expected first half performance both in Japan and International Business and a revised outlook for the second half.

- Shareholder return: reconfirm the guidance of 5 yen increase (YoY) to the annual dividend for full year 2019. Total dividend guidance 95 yen per share for FY2019 (announced February 2019)

- Shareholder return: share repurchase plan, up to a maximum amount of JPY 30bn, is announced.

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Summary

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(JPY mn)

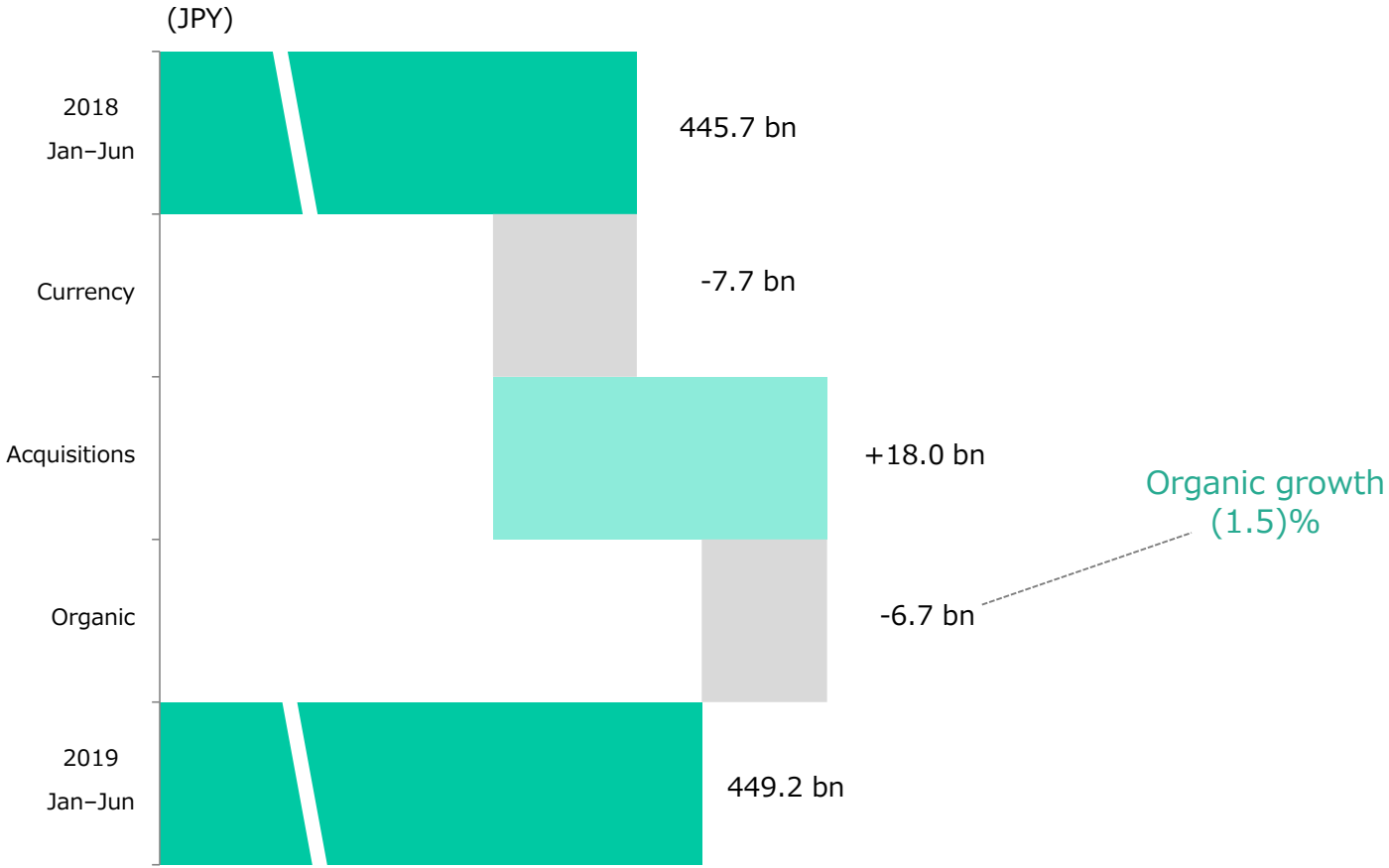
	2019 Jan–Jun	2018 Jan–Jun	YoY %	Constant currency basis %
Turnover	2,478,700	2,588,177	(4.2)	-
Revenue	497,068	481,654	+3.2	-
Revenue less cost of sales	449,242	445,739	+0.8	+2.6
Digital domain ratio	48.9%	45.0%	+3.9	+4.0
International business ratio	58.5%	58.2%	+0.3	+1.0
Underlying operating profit	44,997	60,862	(26.1)	(25.7)
Operating margin	10.0%	13.7%	(3.7)	(3.8)
Underlying net profit	22,864	31,592	(27.6)	-
Underlying basic EPS	81.11 yen	112.07 yen	(27.6)	-
Operating profit	18,075	40,533	(55.4)	-
Net profit (loss)	(1,275)	10,786	-	-
EBITDA	63,648	69,888	(8.9)	-
Currency				
JPY/USD	110.0 yen	108.7 yen	+1.3	-
JPY/GBP	142.4 yen	149.7 yen	(4.9)	-

Net profit, underlying net profit and underlying basic EPS: Excluding attribution to non-controlling interests

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Movement of Revenue less cost of sales

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Regional Information – Japan

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	2019 Jan–Jun	2018 Jan–Jun	YoY %	Constant currency basis %	Organic growth %
Revenue less cost of sales	186,494	186,400	+0.1	+0.1	(2.1)
Digital domain ratio	28.5%	23.9%	+4.6	+4.6	
Underlying operating profit	35,636	45,539	(21.7)	(21.7)	
Operating margin	19.1%	24.4%	(5.3)	(5.3)	

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Regional Information – International

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(JPY mn)

	2019 Jan–Jun	2018 Jan–Jun	YoY %	Constant currency basis %	Organic growth %
EMEA	98,227	95,221	+3.2	+9.4	+0.2
Americas	113,566	107,004	+6.1	+5.9	+1.5
APAC	51,115	57,253	(10.7)	(6.5)	(8.1)
Revenue less cost of sales total	262,909	259,485	+1.3	+4.4	(1.0)
Digital domain ratio	63.3%	60.1%	+3.2	+2.9	
Underlying operating profit	9,365	15,324	(38.9)	(37.4)	
Operating margin	3.6%	5.9%	(2.3)	(2.4)	

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Statutory Operating Profit to Net Profit (Loss)

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(JPY mn)

	2019 Jan–Jun	2018 Jan–Jun	YoY #	YoY %
Operating profit	18,075	40,533	(22,457)	(55.4)
Share of results of associates	(168)	1,771	(1,940)	-
Gain on sales of shares of associates	-	558	(558)	-
Profit before interest and tax	17,906	42,864	(24,957)	(58.2)
Net finance income (costs)	(15,213)	(19,960)	+ 4,746	-
Finance income	4,912	2,908	+ 2,003	+68.9
Finance costs	20,126	22,869	(2,743)	(12.0)
Profit before tax	2,693	22,903	(20,210)	(88.2)
Income tax expense	1,111	8,989	(7,877)	(87.6)
Net profit (loss)	1,581	13,914	(12,332)	(88.6)
Attributable to owners of the parent	(1,275)	10,786	(12,061)	-
Attributable to non-controlling interests	2,856	3,128	(271)	(8.7)

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FY2019 Forecast

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(JPY mn)

	2019 Jan–Dec	Previous forecast (Feb)	Variance %	2018 Jan–Dec	YoY %	Constant currency basis %
Revenue	1,054,400	1,097,900	(4.0)	1,018,512	+3.5	-
Revenue less cost of sales	959,700	986,400	(2.7)	932,680	+2.9	+4.5
Underlying operating profit	142,900	157,400	(9.2)	153,229	(6.7)	(6.3)
Operating margin	14.9%	16.0%	(1.1)	16.4%	(1.5)	(1.7)
Underlying net profit	86,000	95,400	(9.9)	97,419	(11.7)	-
Underlying basic EPS	305.08 yen	338.42 yen	(9.9)	345.59 yen	(11.7)	-
Operating profit	98,500	122,500	(19.6)	111,638	(11.8)	-
Net profit	35,800	61,400	(41.7)	90,316	(60.4)	-
Currency	Av. Jan-Jun in 2019	Av. Jan 2019		Av. Jan–Dec in 2018		
JPY/USD	110.0 yen	109.0 yen	+1.0	110.4 yen	(0.3)	-
JPY/GBP	142.4 yen	140.7 yen	+1.2	147.5 yen	(3.4)	-

Net profit, underlying net profit and underlying basic EPS: Excluding attribution to non-controlling interests

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FY2019 Forecast by Region

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(JPY mn)

		2019 Jan–Dec	Previous forecast (Feb)	Variance %	2018 Jan–Dec	YoY %	Constant currency basis %
Japan	Revenue less cost of sales	383,200	400,800	(4.4)	369,258	+3.8	+3.8
	Underlying operating profit	66,800	81,300	(17.8)	80,268	(16.8)	(16.8)
	Operating margin	17.4%	20.3%	(2.9)	21.7%	(4.3)	(4.3)
International total	Revenue less cost of sales	576,500	585,600	(1.6)	563,852	+2.2	+5.1
	Underlying operating profit	76,100	76,100	-	72,963	+4.3	+7.2
	Operating margin	13.2%	13.0%	+0.2	12.9%	+0.3	+0.3
Currency		Av. Jan-Jun in 2019	Av. Jan 2019		Av. Jan–Dec in 2018		
JPY/USD		110.0 yen	109.0 yen	+1.0	110.4 yen	(0.3)	-
JPY/GBP		142.4 yen	140.7 yen	+1.2	147.5 yen	(3.4)	-

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Shareholder Return

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- Reconfirm the guidance of 5 yen increase (YoY) to the annual dividend for full year 2019. Total dividend guidance 95 yen per share for FY2019 (announced February 2019)

- Share repurchase plan announced on August 7th 2019, up to a maximum amount of JPY 30billion, to be completed by March 2020.

- We will continue to focus on steady enhancement of shareholder returns through the combination of stable capital returns and flexible share repurchase.

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Risks, uncertainties or other factors that could cause actual results to differ materially from those expressed in any forward-looking statement include, without limitation

i Risk related to fluctuations in the economic and business environment
ii Risk related to structural changes in the media
iii Risk related to our ability to realize our financial targets
iv Risk related to common business practices
v Risk related to competition among advertising agencies
vi Risk related to the development of systems and databases
vii Risk related to legal or regulatory changes
viii Risk of litigation

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IFRS15 “Revenue from Contracts with Customers”:
IFRS15 “Revenue from Contracts with Customers” is applied from January 1st, 2018.
In this presentation file, IFRS15 is also applied to the past years and presented as pro forma information.

IFRS 16 “Leases”:
IFRS 16 “Leases” is applied from January 1st, 2019. The cumulative effect of initially applying IFRS 16 is recognized at the date of initial application (modified retrospective approach). Past results are not restated under IFRS 16.

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Appendices

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Definition

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- Turnover: The gross amounts billable to clients handled by the Group on behalf of clients, with net of discounts, VAT and other sales-related taxes
- Underlying operating profit: KPI to measure recurring business performance which is calculated as operating profit added with amortization of M&A related intangible assets, acquisition costs, share-based compensation expenses related to acquired companies and one-off items such as impairment loss and gain/loss on sales of non-current assets
- Operating margin: Underlying operating profit divided by Revenue less cost of sales
- Underlying net profit (attributable to owners of the parent):
  KPI to measure recurring net profit attributable to owners of the parent which is calculated as net profit (attributable to owners of the parent) added with adjustment items related to operating profit, gain/loss on sales of shares of associates, revaluation of earnout liabilities / M&A related put-option liabilities, tax-related, NCI profit-related and other one-off items
- Underlying basic EPS: EPS based on underlying net profit (attributable to owners of the parent)
- EBITDA: Operating profit before depreciation, amortization and impairment losses
- Constant currency basis: Comparison with the current period where the previous year's numbers are recalculated using the currency exchange rate which is used for the current year's numbers
- Currency: Currency movements comparing prior period reported revenue less cost of sales at reported currency to prior period revenue less cost of sales at constant currency (reported currency of the current year)
- Acquisitions: The effect of business acquired or disposed of since the beginning of the prior year
- Organic growth: Organic growth represents the constant currency year-on-year growth after adjusting for the effect of business acquired or disposed of since the beginning of the prior year. This is calculated by comparing current period reported revenue less cost of sales to prior period revenue less cost of sales, adjusted for the pre-acquisition or pre-disposal revenue less cost of sales as applicable, and stated at constant exchange rate, in order to derive like-for-like growth

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Quarterly Results

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(JPY mn)

	2019 Apr–Jun	YoY %	2019 Jan–Mar	YoY %
Turnover	1,263,985	(5.5)	1,214,714	(2.9)
Revenue	246,489	+2.9	250,578	+3.5
Revenue less cost of sales	221,268	+1.0	227,974	+0.6
Japan	84,932	+1.0	101,561	(0.8)
International	136,427	+1.0	126,482	+1.7
Underlying operating profit	20,525	(27.0)	24,472	(25.3)
Japan	10,980	(27.3)	24,655	(19.0)
International	9,549	(26.6)	(183)	-
Operating margin	9.3%	(3.6)	10.7%	(3.7)
Underlying net profit	10,312	(24.3)	12,551	(30.2)
Operating profit	8,781	(51.6)	9,294	(58.5)
Net profit	1,308	-	(2,583)	-
EBITDA	31,446	(4.3)	32,201	(13.0)

Net profit, underlying net profit: Excluding attribution to non-controlling interests

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Quarterly Organic Growth

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(%)

	Dentsu consolidated total			Japan			International total		
	2019	2018	2017	2019	2018	2017	2019	2018	2017
Jan–Mar	(1.6)	+2.1	+3.7	(2.7)	+1.9	+4.3	(0.7)	+2.2	+3.1
Apr–Jun	(1.3)	+5.9	(4.6)	(1.4)	+8.4	(7.6)	(1.3)	+4.5	(2.7)
Jul–Sep	-	+5.4	(2.1)	-	+2.7	(4.8)	-	+7.0	(0.2)
Oct–Dec	-	+0.9	+2.8	-	(3.0)	+5.5	-	+3.4	+1.2

(%)

	International – EMEA			International – Americas			International – APAC		
	2019	2018	2017	2019	2018	2017	2019	2018	2017
Jan–Mar	(0.4)	+2.7	+5.8	+0.1	+4.6	+0.6	(3.0)	(2.9)	+4.5
Apr–Jun	+0.7	+4.8	(0.3)	+2.8	+6.5	(4.1)	(12.3)	+0.8	(3.8)
Jul–Sep	-	+8.2	+5.9	-	+5.3	(2.0)	-	+8.2	(5.5)
Oct–Dec	-	+12.0	+1.3	-	+3.5	(0.0)	-	(9.6)	+2.6

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Organic Growth of Major Markets

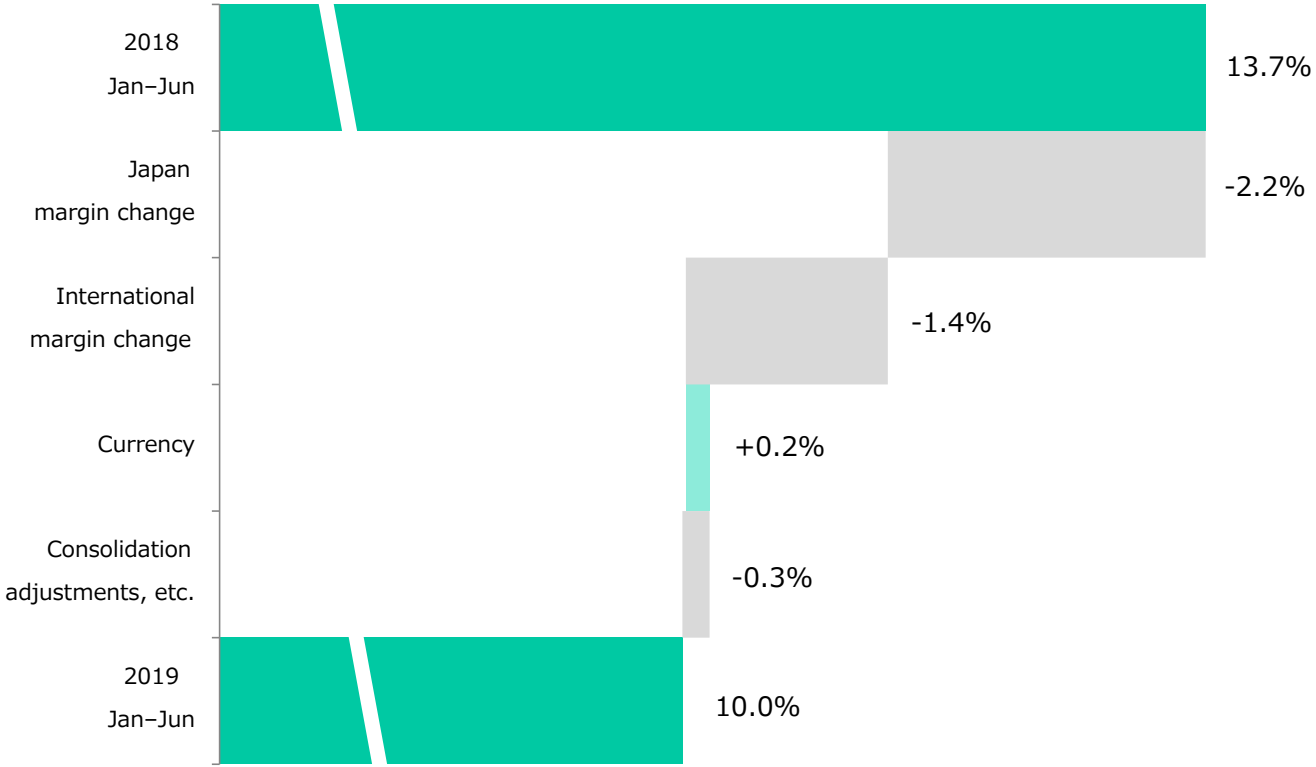
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2019 Jan–Jun Organic Growth %	Markets
"10% or more" to "less than 20%"	Italy
"5% or more" to "less than 10%"	India, Russia, Switzerland
"0% or more" to "less than 5%"	Canada, Denmark, Germany, Netherlands, Poland, Spain, USA
"Less than 0%"	Australia, Brazil, China, France, Japan, Norway, Sweden, Taiwan, Thailand, UK

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Change in Underlying Operating Margin

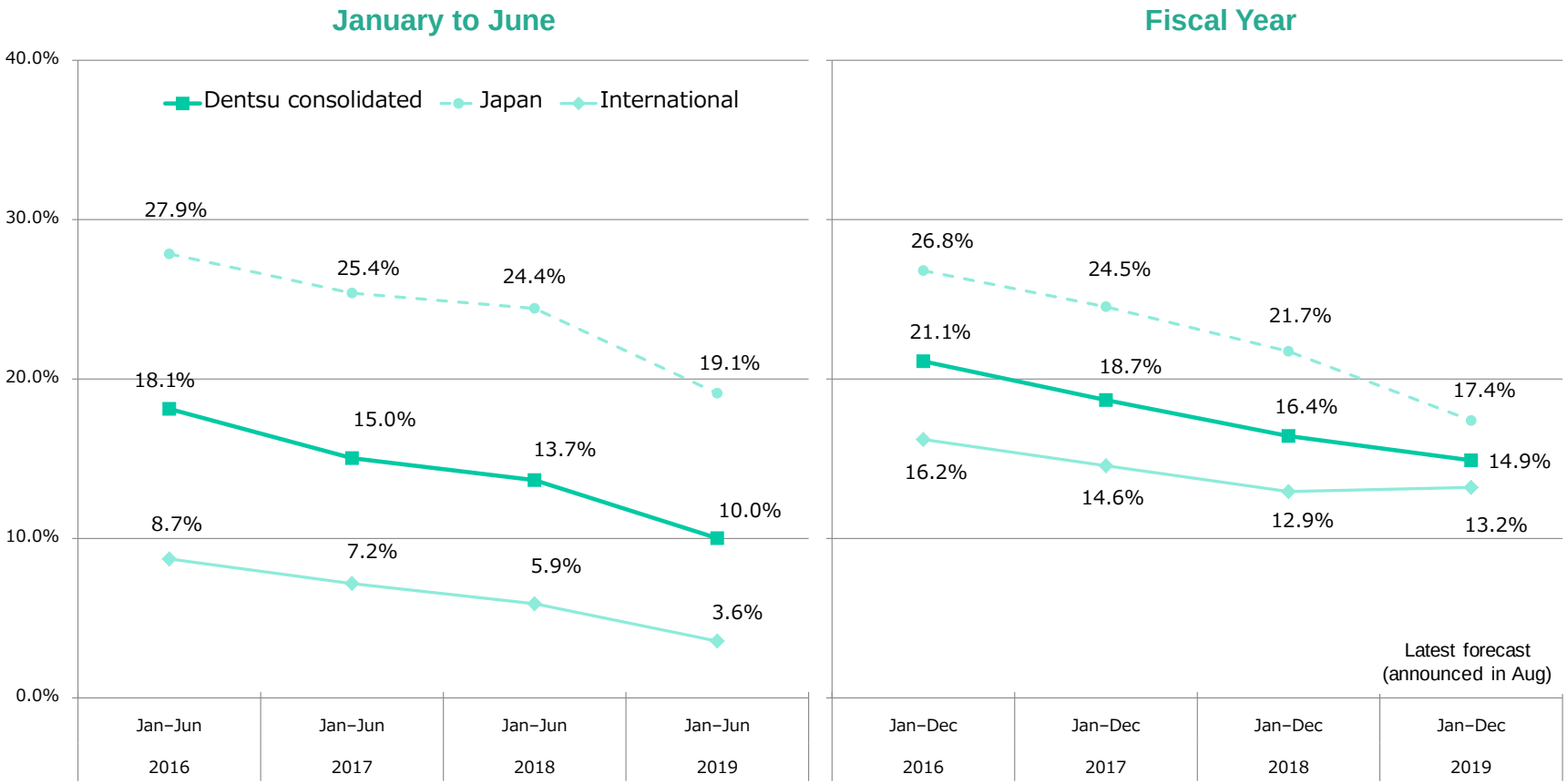
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Operating Margin

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Reconciliation from Underlying OP to Statutory OP

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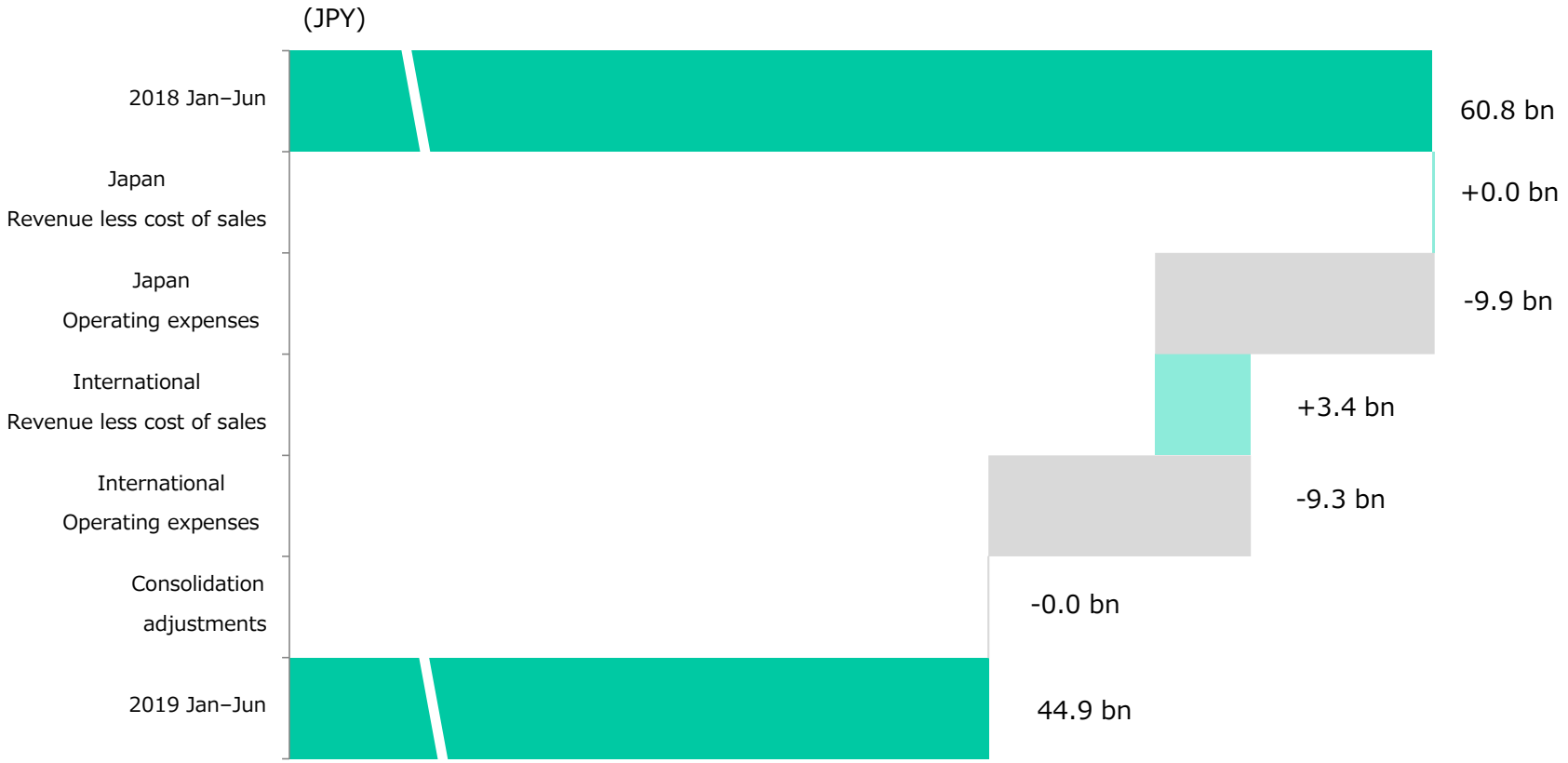
(JPY mn)

	2019 Jan–Jun	2018 Jan–Jun	YoY #	YoY %
Underlying operating profit	44,997	60,862	(15,865)	(26.1)
Adjustment items	(26,921)	(20,329)	(6,592)	
Amortization of M&A related intangible assets	(17,935)	(17,516)	(419)	
Acquisition costs	(654)	(523)	(132)	
Share-based compensation expenses related to acquired companies	(3,850)	(2,071)	(1,779)	
One-off items	(4,482)	(219)	(4,262)	
Operating profit	18,075	40,533	(22,457)	(55.4)

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Analysis of Underlying Operating Profit

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Operating expenses: selling, general & administrative expenses, other income and other expenses

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Reconciliation from Underlying NP to Statutory NP

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(JPY mn)

	2019 Jan–Jun	2018 Jan–Jun	YoY #	YoY %
Underlying net profit	22,864	31,592	(8,727)	(27.6)
Adjustment items	(24,139)	(20,806)	(3,333)	
Operating profit adjustments	(26,921)	(20,329)	(6,592)	
Gain(Loss) on revaluation of earnout liabilities and M&A related put-option liabilities	(8,069)	(16,774)	+ 8,704	
Related income tax expense	+ 9,138	+ 14,342	(5,204)	
Adjustments attributable to non-controlling interests	+ 1,713	+ 1,395	+ 317	
Net profit (loss)	(1,275)	10,786	(12,061)	-

Operating profit adjustments: Please refer to “Reconciliation from Underlying OP to Statutory OP”
Underlying net profit and net profit: Excluding attribution to non-controlling interests

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Cash Flow

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(JPY mn)

	2019 Jan–Jun	2018 Jan–Jun	YoY #
Profit before tax	2,693	22,903	(20,210)
Share of results of associates	168	(1,771)	1,940
Depreciation and amortization	45,572	29,354	16,218
Others	17,988	18,923	(934)
Income taxes paid	(44,145)	(21,753)	(22,391)
Cash flow from operations before change in working capital	22,278	47,656	(25,377)
Change in working capital	(62,314)	(9,013)	(53,300)
Net cash flow from operating activities i	(40,036)	38,642	(78,678)

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Cash Flow

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(JPY mn)

	2019 Jan–Jun	2018 Jan–Jun	YoY #
Net cash flow from operating activities i	(40,036)	38,642	(78,678)
Payments/proceeds for PPE, intangible assets and investment property (net)	(14,121)	(13,243)	(877)
Net cash (paid) received on acquisition and disposal of subsidiaries and securities (A)	(23,925)	(69,284)	45,358
Others (B)	(1,350)	954	(2,304)
Net cash flow from investing activities ii	(39,398)	(81,573)	42,175
Net increase (decrease) in borrowings	35,972	(24,611)	60,584
Payment/proceeds for acquisition/sales of interest in a subsidiary from/to non-controlling interests (net) (C)	(833)	(6,479)	5,645
Dividends	(13,818)	(14,975)	1,156
Others	(17,068)	3,673	(20,742)
Net cash flow from financing activities iii	4,251	(42,393)	46,644
Effect of exchange rate changes iv	(4,751)	(9,712)	4,960
Net increase (decrease) in cash and cash equivalents i + ii + iii + iv	(79,934)	(95,037)	15,102
Reference:			
Payments for investing activities (net) (A)+(B)+(C)	(26,110)	(74,809)	48,699
Acquisition payments (net), included in above	(11,084)	(23,862)	12,778

Acquisition payments (net): Net cash (paid) received on acquisition and disposal of subsidiaries + Payment for acquisition of interest in subsidiary from non-controlling interests

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Financial Position

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(JPY mn)

	2019 End of Jun	2018 End of Dec	Var. #	Var. %
Current assets	1,775,517	1,935,586	(160,068)	(8.3)
Non-current assets	1,884,564	1,702,902	+ 181,661	+10.7
Goodwill	777,974	786,851	(8,876)	(1.1)
Intangible assets	240,966	249,921	(8,955)	(3.6)
Total assets	3,660,081	3,638,488	+ 21,592	+0.6
Current liabilities	1,718,952	1,785,608	(66,655)	(3.7)
Non-current liabilities	815,911	742,130	+ 73,780	+9.9
Total liabilities	2,534,863	2,527,738	+ 7,125	+0.3
Owners' interests	1,051,968	1,047,619	+ 4,348	+0.4
Non-controlling interests	73,248	63,129	+ 10,118	+16.0
Total equity	1,125,217	1,110,749	+ 14,467	+1.3
Total liabilities and equity	3,660,081	3,638,488	+ 21,592	+0.6
Currency				
JPY/USD	107.8 yen	111.0 yen	-	(2.9)
JPY/GBP	136.6 yen	140.5 yen	-	(2.8)

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Net Debt

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(JPY mn)

	2019 End of Jun	2018 End of Dec	Var. #
Total debt	565,636	538,859	+ 26,776
Cash and cash equivalents	336,733	416,668	(79,934)
Net debt	228,902	122,191	+ 106,711
Total debt (LTM average)	523,523	472,460	+ 51,062
Cash and cash equivalents (LTM average)	302,144	282,648	+ 19,495
Net debt (LTM average)	221,378	189,812	+ 31,566
EBITDA (LTM)	165,166	171,406	(6,240)
Net debt / EBITDA (LTM)	1.39	0.71	
Net debt (LTM average) / EBITDA (LTM)	1.34	1.11	

The above Total debt is sum of loans and bonds. Lease obligation (JPY134,522mn as of June 30, 2019) is not included
LTM average: Average of latest twelve months
LTM: Latest twelve months

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Turnover of Japan Business by Business Category (IFRS basis)

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(JPY mn)

	2019 Jan–June	YoY %	2019 Apr–June	YoY %	2019 Jan–Mar	YoY %
Newspapers	38,348	(8.6)	14,986	(9.4)	23,361	(8.0)
Magazines	9,153	(20.3)	4,198	(19.0)	4,954	(21.4)
Radio	7,313	(4.6)	3,463	(2.0)	3,849	(6.8)
Television	341,211	(3.9)	166,231	(4.5)	174,979	(3.3)
Internet*1	121,198	+29.1	53,479	+20.6	67,718	+36.7
OOH Media	27,000	(5.6)	12,974	(1.2)	14,025	(9.3)
Creative	104,873	(0.9)	48,478	+4.0	56,394	(4.8)
Marketing/Promotion	125,554	(1.6)	63,609	+13.6	61,944	(13.5)
Content Services (Japan GAAP)*2	124,053	+4.1	28,735	(1.6)	95,318	+6.0
Others	74,498	+6.1	36,713	+7.4	37,784	+4.8
Consolidation adjustments and others*3	(28,283)	-	16,566	-	(44,850)	-
Internet included in mass media*4	(3,387)	-	(1,343)	-	(2,044)	-
Total	941,532	(0.1)	448,096	(0.2)	493,435	(0.0)

*1 The aggregate of Internet (previous calculation) and internet turnover which is included in mass media (2019 Jan to June: JPY 3,387 mn)
*1 Excluding the increase from the consolidation of VOYAGE GROUP, Inc., Internet YoY% increase would be +12.5% for 2019 Jan to June period, and +3.4% for 2019 April to June period.
*2 There is a difference in revenue recognition timing between IFRS and Japan GAAP. In the table, Japan GAAP, applied by Parent Company, is used for this section. The difference between IFRS and Japan GAAP is recorded in “Consolidation adjustments and others.”
*3 Turnover to group companies in International business, GAAP difference and others are included.
*4 Amounts included in both “Internet” and mass media.

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Japan Business Digital Domain (IFRS basis)

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(JPY mn)

	2019 Jan–Jun	YoY %
Digital domain turnover	198,395	+15.9
Digital domain revenue less cost of sales	53,111	+19.1
Digital domain revenue less cost of sales: Digital domain ratio in Japan business*1	28.5%	+4.6

*1 Digital domain: Internet and data related marketing service, and development and sales of IT system

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Results of Parent Company (J-GAAP)

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(JPY mn)

	2019 Jan–Jun	YoY %	Apr–Jun	YoY %	Jan–Mar	YoY %
Net sales (Turnover)	782,935	(1.5)	344,145	(0.1)	438,789	(2.6)
Revenue less cost of sales	111,887	(5.1)	46,455	(1.0)	65,432	(7.8)
Revenue less cost of sales margin	*14.3%*	*(0.5)*	*13.5%*	*(0.1)*	*14.9%*	*(0.9)*
SG&A	90,437	+1.2	43,300	+3.4	47,136	(0.8)
Operating income	21,450	(24.6)	3,154	(37.4)	18,295	(21.9)
vs. Revenue less cost of sales	*19.2%*	*(5.0)*	*6.8%*	*(3.9)*	*28.0%*	*(5.0)*
Ordinary income	36,675	(18.4)	5,529	(32.8)	31,146	(15.2)
Income before income taxes	36,527	(19.6)	5,492	(37.3)	31,034	(15.3)
Net income	27,541	(19.4)	4,017	(40.7)	23,524	(14.1)

SG&A: Selling, general & administrative expenses

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Net Sales (Turnover) of Parent Company by Business Category (J-GAAP)

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(JPY mn)

	2019 Jan–Jun	YoY %	Apr–Jun	YoY %	Jan–Mar	YoY %
Newspapers	33,673	(9.5)	13,189	(10.9)	20,483	(8.6)
Magazines	8,451	(21.1)	3,842	(20.3)	4,608	(21.7)
Radio	6,152	(4.0)	2,949	(0.9)	3,202	(6.7)
Television	319,807	(4.1)	156,225	(4.7)	163,581	(3.5)
Internet*1	68,990	+13.5	30,922	+10.2	38,068	+16.4
OOH Media	24,658	(10.0)	11,846	(6.4)	12,812	(13.2)
Creative	94,232	(2.1)	43,670	+3.7	50,561	(6.6)
Marketing/Promotion	92,347	+0.3	48,100	+19.1	44,246	(14.4)
Content Services	119,499	+4.9	26,099	(1.5)	93,400	+6.9
Others	18,510	(6.0)	8,641	(10.5)	9,869	(1.7)
Internet included in mass media*2	(3,387)	-	(1,343)	-	(2,044)	-
Total	782,935	(1.5)	344,145	(0.1)	438,789	(2.6)

*1 The aggregate of Internet (previous calculation) and internet turnover which is included in mass media (2019 Jan to June: JPY 3,387mn)
*2 Amounts included in both “Internet” and mass media.
Please refer to the Appendices “Turnover of Japan Business by Business Category(IFRS basis)” slide for the turnover of Japan business which includes subsidiaries in Japan.

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Net Sales(Turnover) of Parent Company by Industry (J-GAAP)

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(JPY mn)

	2019 Jan–Jun	YoY %	Apr–Jun	YoY %	Jan–Mar	YoY %
Information/Communications	106,047	(1.2)	41,718	+0.6	64,328	(2.3)
Finance/Insurance	83,355	+5.2	32,078	+3.6	51,277	+6.2
Beverages/Cigarettes	77,791	(1.0)	38,902	(7.2)	38,888	+6.1
Cosmetics/Toiletries	65,508	(1.4)	37,593	(1.0)	27,915	(1.9)
Foodstuffs	56,337	(3.5)	26,628	(6.3)	29,709	(0.9)
Government/Organizations	44,256	+48.2	24,532	+120.2	19,724	+5.4
Food Services/Other Services	41,762	(12.0)	18,521	(4.4)	23,240	(17.2)
Automobiles/Related Products	40,640	(17.5)	15,154	(12.4)	25,486	(20.3)
Transportation/Leisure	36,875	+0.6	13,868	+5.1	23,006	(1.9)
Distribution/Retailing	36,868	(8.0)	19,180	(10.2)	17,687	(5.4)
Real Estate/Housing Facilities	33,835	(6.7)	11,319	(6.8)	22,516	(6.7)
Pharmaceuticals/Medical Supplies	32,177	(0.2)	15,549	(0.4)	16,628	+0.0
Hobbies/Sporting Goods	22,721	(10.1)	8,825	(15.7)	13,895	(6.2)
Energy/Materials/Machinery	21,232	+13.0	7,091	+19.4	14,140	+10.0
Publications	17,503	+4.9	5,429	+11.5	12,074	+2.2
Others	66,018	(8.7)	27,749	(14.3)	38,269	(4.2)
Total	782,935	(1.5)	344,145	(0.1)	438,789	(2.6)

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Currency Exchange Rates Information

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	Average rate			Period end rate		
	2019 Jan–Jun	2018 Jan–Jun	Var. %	2019 End of Jun	2018 End of Dec	Var. %
JPY/USD	110.0 yen	108.7 yen	+1.3	107.8 yen	111.0 yen	(2.9)
JPY/EUR	124.3 yen	131.6 yen	(5.6)	122.5 yen	127.0 yen	(3.6)
JPY/CNY	16.2 yen	17.1 yen	(5.2)	15.7 yen	16.2 yen	(2.9)
JPY/GBP	142.4 yen	149.7 yen	(4.9)	136.6 yen	140.5 yen	(2.8)
JPY/AUD	77.7 yen	83.9 yen	(7.4)	75.5 yen	78.2 yen	(3.4)

Revenue less cost of sales ratio by currency (%)

	JPY	USD	EUR	GBP	CNY	AUD	Others	Total
2019 Jan–Jun	41.5	22.7	9.5	5.8	3.6	2.1	14.9	100.0

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Summary of Dentsu Aegis Network Ad Spend

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(%)

	2020 Jan to Dec Market growth forecast	2019 Jan to Dec Market growth forecast
Japan	1.8	1.2
EMEA	3.1	2.5
UK	6.6	6.3
Germany	0.5	0.4
France	3.0	3.6
Spain	0.4	0.5
Americas	3.9	3.8
USA	3.6	3.1
Canada	5.7	5.3
Brazil	4.5	8.8
APAC (excluding Japan)	6.0	5.0
China	6.9	5.4
Australia	3.2	1.9
India	12.2	11.4
Global	4.1	3.6

Source: *"Dentsu Aegis Network - Ad Spend Forecasts June 2019"*

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