

Omnicom Group Inc. (OMC)

\$80.25 (Stock Price as of 12/12/2025)

Price Target (6-12 Months): **\$77.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 07/18/23)

Prior Recommendation: Outperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

2-Buy

Zacks Style Scores:

VGM: B

Value: A

Growth: D

Momentum: C

Summary

Omnicom's diverse portfolio across domains and in both the traditional and digital marketing segments reduces reliance on single revenue streams, ensuring adaptability and stability of revenue. Its investments in IT, data, analytics, and precision marketing enhance operational efficiency and attract clients with personalized campaigns, supporting growth in the digital advertising space. These efforts are supplemented with strategic M&A and reorganization efforts that bolster profitability. The company continues to return value to shareholders through both repurchases and dividends. Meanwhile, a weak liquidity position, exposure to foreign exchange risks and intense competition are concerns. The stock has declined 30% in the past year, and we have a Neutral recommendation on it.

Data Overview

52 Week High-Low	\$91.86 - \$68.37
20 Day Average Volume (sh)	5,937,626
Market Cap	\$15.5 B
YTD Price Change	-6.7%
Beta	0.75
Dividend / Div Yld	\$3.20 / 3.5%
Industry	Advertising and Marketing
Zacks Industry Rank	Bottom 40% (144 out of 243)

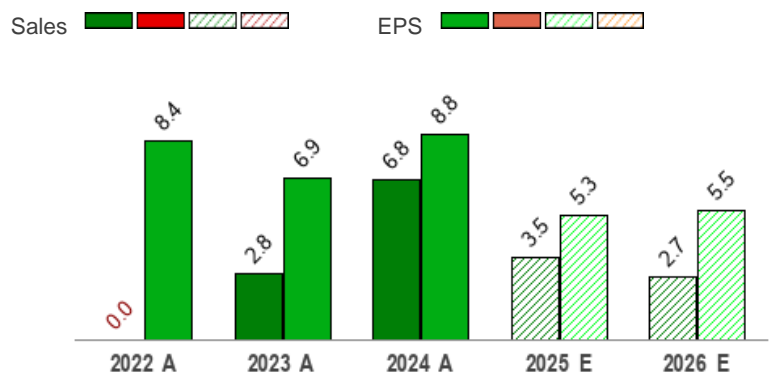
Last EPS Surprise	4.2%
Last Sales Surprise	0.4%
EPS F1 Est- 4 week change	0.1%
Expected Report Date	02/03/2026
Earnings ESP	0.0%

P/E TTM	9.6
P/E F1	9.5
PEG F1	1.7
P/S TTM	1.0

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽¹⁾



Sales Estimates (millions of \$)⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2026	3,845 E	4,095 E	4,117 E	4,616 E	16,673 E
2025	3,690 A	4,016 A	4,037 A	4,491 E	16,234 E
2024	3,631 A	3,854 A	3,883 A	4,322 A	15,689 A

EPS Estimates⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2026	2.01 E	2.09 E	2.26 E	2.59 E	8.96 E
2025	1.70 A	2.05 A	2.24 A	2.50 E	8.49 E
2024	1.67 A	1.95 A	2.03 A	2.41 A	8.06 A

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, including the Zacks Consensus EPS and sales estimates, is as of 12/12/2025.

(2) The report's text and the price target are as of 11/17/2025.

Overview

New York-based Omnicom is one of the largest advertising, marketing, and corporate communications companies in the world. The company's networks, practice areas, and agencies offer a comprehensive suite of services across global, pan-regional, and local levels, spanning the following fundamental disciplines: Media & Advertising, Precision Marketing, Public Relations, Healthcare, Branding & Retail Commerce, Experiential, and Execution & Support. These disciplines are areas of professional expertise or service within the broader field of marketing, communications, and advertising.

Media & Advertising (54% of total revenues in 2024): Encompassing creative services for both digital and traditional platforms, strategic media planning and purchasing, performance-driven media solutions, data analytics, and proprietary Omnicom Production capabilities.

Precision Marketing (12%): Focused on digital and direct marketing, consulting for digital transformation, e-commerce operations, media execution, market intelligence, and advanced data and analytics.

Public Relations (11%): Offering expertise in corporate communications, crisis management, public affairs, and media relations.

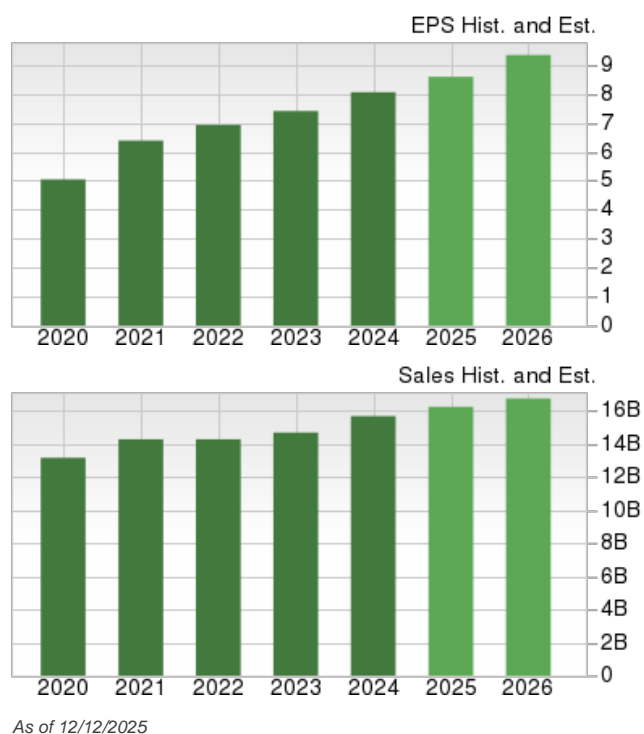
Healthcare (9%): Providing corporate communications, advertising, and media services specifically tailored for global healthcare and pharmaceutical clients.

Branding & Retail Commerce (5%): Delivering services such as brand and product consulting, strategic development and research, and specialized retail marketing.

Experiential (5%): Designing and executing engaging live and digital events and unique experiences.

Execution & Support (5%): Covering field marketing, sales support, digital and physical merchandising, point-of-sale, and product placement, alongside other specialized marketing and custom communication services.

With a substantial client base, Omnicom operates in all major markets worldwide, spanning key geographic regions including the Americas (58% of total revenues in 2024), which includes North America and Latin America (28%); Europe (2%), the Middle East, and Africa (12%), and Asia-Pacific.



Reasons To Buy:

- ▲ Omnicom's presence across various segments of the advertising and marketing industry and the breadth of its offerings across traditional advertising, digital marketing, public relations, brand consulting and precision marketing ensure that the company can cater to varied needs and can capture business from a range of organizations, small, medium, and large, whether they're traditional players or new-age. By focusing on **consumer-centric strategic business solutions**, the company aligns more closely with clients' evolving needs, fostering stronger partnerships. This would help it drive volumes. This, along with Omnicom's size and reach, indicates that revenues would be very stable and growing. We expect revenue to grow 3.5%, 2.7%, and 3.8% year over year in 2025, 2026, and 2027, respectively.
- ▲ Omnicom has invested in real estate, back-office services, procurement, IT, data, analytics, and precision marketing as part of its internal development initiatives. These **strategic investments are designed to enhance operational efficiency**, cost management, and service delivery. By optimizing real estate usage and back-office operations, Omnicom reduces overhead costs, enabling better allocation of resources. Improved operational efficiencies and innovative service offerings can boost profit margins, positioning Omnicom as a robust player in the advertising and marketing landscape.
- ▲ **Omnicom will soon acquire Interpublic.** The acquisition will bring together highly complementary assets, creating a portfolio of services and products that immediately expands opportunities for clients. With shared cultures and core values rooted in creativity, technology, and data, the combined entity will strengthen its position as a leader in modern marketing. This integration should also accelerate innovation, enabling the development of new products and services that drive higher returns on marketing investments. Additionally, the significant free cash flow generated by the combined organization will increase financial flexibility, empowering Omnicom to invest in internal growth initiatives and pursue strategic acquisitions for long-term value creation.
- ▲ Omnicom demonstrates a commitment to returning value to shareholders through **dividends and share repurchases**. Over the past three years, the company has maintained substantial payouts, reflecting its financial stability and shareholder-focused strategy. In 2022, Omnicom paid \$581.1 million in dividends and repurchased \$611.4 million worth of shares. The succeeding year, 2023, saw \$562.7 million in dividends and \$570.8 million in share repurchases. Similarly, in 2024, Omnicom distributed \$552.7 million in dividends and executed share buybacks worth \$370.7 million. Similarly, this consistent performance highlights Omnicom's ability to generate robust cash flows, reinforcing investor confidence and supporting its stock performance.

Omnicom's diversified offerings, strategic investments, operational efficiencies, and consistent shareholder returns drive growth and investor confidence.

Reasons To Sell:

- ▼ Omnicom derived approximately 48% of its revenues from international operations in 2024 and we expect it to remain the same in 2025. It maintains a strong presence in key international markets, including the Eurozone, the United Kingdom, Australia, Brazil, Canada, China, and Japan, conducting business transactions in over 50 different currencies besides the U.S. dollar. This extensive global footprint exposes the company to potential risks stemming from **fluctuations in foreign exchange rates**. Changes in foreign exchange rates reduced revenue by \$65.5 million in 2024.
- ▼ Competition in the advertising and marketing industry significantly impacts OMC stock, evidenced by the 19.4% decline in the past year. The company operates in a **highly fragmented and competitive market**, contending with major players like WPP, Publicis Groupe, and Interpublic Group, as well as emerging digital-focused firms. Additionally, the shift towards digital and data-driven advertising intensifies the challenge, as smaller, agile competitors often specialize in these areas. The competition fuels innovation across the industry while driving pricing pressures. Maintaining market share requires Omnicom to invest heavily in technology, data analytics, and talent acquisition, which can strain resources and impact short-term profitability. Competitive pressures may limit Omnicom's ability to grow revenues consistently, raising concerns about the sustainability of its performance.
- ▼ While the Interpublic acquisition promises long-term benefits, many investors are worried about the near-term risks, like integrating two large organizations with distinct operations, potential clashes in company culture, and the costs involved in restructuring. There's also concern that profit margins could shrink in the short run as both companies work through the complexities of combining teams, systems, and strategies. These fears are amplified by **market volatility** and a cautious outlook on advertising spend. So, despite the strategic upside, some investors are stepping back to wait and watch how it all plays out.
- ▼ OMC has a **weak liquidity position** due to a sharp rise in current debt. At the end of the third quarter, the company reported a current ratio of 0.92, lower than the industry average of 0.95. A current ratio lower than 1 implies that the company may not be able to pay off short-term obligations efficiently. Omnicom's shares have declined 30% in the trailing 12-month period.

Omnicom strives in a competitive market while being exposed to foreign currency exchange risks.

Last Earnings Report

Omnicom Q3 Earnings and Revenues Beat Estimates

Omnicom reported impressive third-quarter 2025 results, wherein both earnings and revenues beat the Zacks Consensus Estimate.

Earnings of \$2.24 per share beat the consensus estimate by 4.2% and increased 10.3% year over year. Total revenues of \$4.04 billion surpassed the consensus estimate by 0.4% and rose 4% year over year. The increase in the top line was led by a jump of 2.6% in revenues from organic growth.

FY Quarter Ending **12/31/2024**

Earnings Reporting Date	Oct 21, 2025
Sales Surprise	0.35%
EPS Surprise	4.19%
Quarterly EPS	2.24
Annual EPS (TTM)	8.40

OMC's Organic Growth Across Disciplines and Regions

Across fundamental disciplines, revenues from Advertising & Media increased 9.1% organically compared with our estimated growth of 8.7%. Precision marketing revenues jumped 0.8% compared with our estimate of 6.7% growth. Experiential revenues gained 17.7% compared with our expectation of 12.2% growth.

Public Relations revenues decreased 7.5% compared with our estimation of 1.3% growth. Healthcare revenues dropped 1.9% year over year organically compared with our estimated decline of 34.1%. Branding & Retail Commerce revenues were down 16.9% compared with our estimated decline of 10.3%. Execution and support increased 2% versus our estimated growth of 2.5%.

Across regional markets, year-over-year organic revenue growth was 4.6% in the United States and 27.3% in Latin America. Revenues gained 5.9% in the Middle East & Africa and 3.7% in the U.K.

Revenues decreased 2.4% in Other North America, 2.5% in the U.K., 3.1% in Euro Markets & Other Europe, and 3.7% in Asia Pacific.

OMC's Margin Performance

Adjusted EBITA in the quarter came in at \$651 million, up 4.6% year over year. The adjusted EBITA margin was 16.1%, compared with 16% in the year-ago quarter. The operating profit of \$530.1 million decreased 11.7% year over year, with the operating margin declining 240 bps to 13.1%.

Recent News

On **Nov 6, 2025**, Flywheel Digital, a part of Omnicom, announced that it has launched Return on Consumer (ROC) Dashboard, an analytics offering that uses Amazon's shopping, streaming, and browsing signals and assists brands to measure, benchmark, and predict the long-term value of their customers on Amazon.

Valuation

Omnicom's shares have declined 15% and 30% in the year-to-date period and the trailing 12-month period, respectively. Stocks in the Zacks sub-industry and the Zacks Business Services sector declined 20% and 8% in the year-to-date period, respectively. In the past year, the sub-industry and the sector decreased 29% and 10%, respectively.

The S&P 500 index is up 18% in the year-to-date period and 17% in the past year.

The stock is currently trading at 8.21X price to forward 12 months' earnings, which compares to 9.11X for the Zacks sub-industry, 20X for the Zacks sector, and 23.3X for the S&P 500 index.

Over the past five years, the stock has traded as high as 14.41X and as low as 8X, with a 5-year median of 11.36X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$77.00 price target reflects 8.69X price to forward 12 months' earnings.

The table below shows summary valuation data for OMC

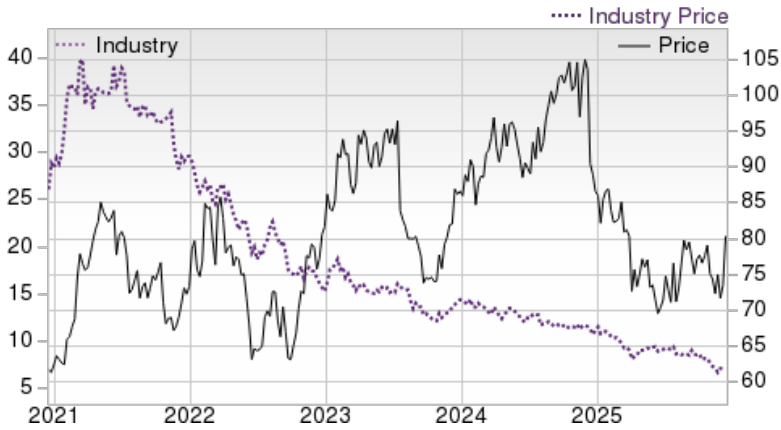
Valuation Multiples - OMC					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	8.21	9.11	20	23.3
	5-Year High	14.41	17.84	32.39	23.81
	5-Year Low	8	7.65	17.13	15.73
	5-Year Median	11.36	10.82	20.83	21.2
P/S F12M	Current	0.86	0.81	3.48	5.31
	5-Year High	1.34	1.29	5.38	5.52
	5-Year Low	0.83	0.66	2.62	3.84
	5-Year Median	1.09	1	3.51	5.06
P/B TTM	Current	2.8	4.06	5.6	8.24
	5-Year High	5.32	27.79	6.63	9.19
	5-Year Low	2.71	3.64	3.81	6.62
	5-Year Median	4.28	6.95	5.32	8.04

As of 11/14/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Bottom 40% (144 out of 243)

Top Peers⁽¹⁾



Company (Ticker)	Rec	Rank
Accenture PLC (ACN)	Neutral	3
Automatic Data Proce...(ADP)	Neutral	3
Clear Channel Outdoo...(CCO)	Neutral	3
Publicis Groupe SA (PUBGY)	Neutral	4
Stagwell Inc. (STGW)	Neutral	2
WPP PLC (WPP)	Underperform	4
LY Corporation Unspo...(YAHOOY)	NA	

Industry Comparison⁽¹⁾ Industry: Advertising And Marketing

	OMC	X Industry	S&P 500	PUBGY	YAHOOY
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	NA
Zacks Rank (Short Term)	2	-	-	4	
VGM Score	B	-	-	A	
Market Cap	15.49 B	21.96 M	39.38 B	25.69 B	17.86 B
# of Analysts	4	1.5	22	1	0
Dividend Yield	3.49%	0.00%	1.41%	2.95%	1.27%
Value Score	A	-	-	B	
Cash/Price	0.22	0.25	0.04	NA	1.09
EV/EBITDA	6.48	-0.07	14.60	NA	-0.58
PEG Ratio	1.74	1.81	2.23	2.13	NA
Price/Book (P/B)	3.02	1.28	3.35	2.15	0.75
Price/Cash Flow (P/CF)	8.56	5.56	15.20	8.90	8.25
P/E (F1)	9.45	9.34	19.78	11.85	NA
Price/Sales (P/S)	0.96	0.56	3.06	NA	1.34
Earnings Yield	10.70%	1.96%	4.99%	8.44%	NA%
Debt/Equity	0.95	0.03	0.57	NA	0.00
Cash Flow (\$/share)	9.38	-0.09	8.99	2.87	0.63
Growth Score	D	-	-	B	NA
Hist. EPS Growth (3-5 yrs)	9.25%	30.26%	8.16%	NA	14.32%
Proj. EPS Growth (F1/F0)	5.33%	12.82%	8.57%	9.09%	NA
Curr. Cash Flow Growth	8.09%	-23.45%	6.75%	-0.16%	6.62%
Hist. Cash Flow Growth (3-5 yrs)	3.45%	3.45%	7.43%	3.33%	8.18%
Current Ratio	0.92	1.25	1.19	NA	0.94
Debt/Capital	50.72%	3.83%	38.01%	NA	0.00%
Net Margin	8.31%	-6.39%	12.78%	NA	10.35%
Return on Equity	33.30%	-8.59%	17.00%	NA	6.38%
Sales/Assets	0.56	0.65	0.53	NA	0.20
Proj. Sales Growth (F1/F0)	3.50%	0.00%	5.77%	NA	NA
Momentum Score	C	-	-	A	
Daily Price Chg	0.22%	-0.48%	-1.07%	0.08%	-1.14%
1 Week Price Chg	9.27%	0.00%	-0.63%	1.95%	-2.99%
4 Week Price Chg	11.10%	0.00%	1.39%	1.51%	-5.64%
12 Week Price Chg	6.99%	-9.06%	2.45%	9.60%	-21.84%
52 Week Price Chg	-11.15%	-25.34%	12.83%	-8.80%	-9.11%
20 Day Average Volume	5,937,626	195,287	2,728,366	113,742	299,453
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	NA
(F1) EPS Est 4 week change	0.08%	0.00%	0.00%	0.00%	NA
(F1) EPS Est 12 week change	1.28%	-5.21%	0.69%	0.00%	NA
(Q1) EPS Est Mthly Chg	0.00%	0.00%	0.00%	NA	NA

Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	A
Growth Score	D
Momentum Score	C
VGM Score	B

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

Disclosures

This report contains independent commentary to be used for informational purposes only. The analysts contributing to this report do not hold any shares of this stock. The analysts contributing to this report do not serve on the board of the company that issued this stock. The EPS and revenue forecasts are the Zacks Consensus estimates, unless otherwise indicated in the report's first-page footnote. Additionally, the analysts contributing to this report certify that the views expressed herein accurately reflect the analysts' personal views as to the subject securities and issuers. ZIR certifies that no part of the analysts' compensation was, is, or will be, directly or indirectly, related to the specific recommendation or views expressed by the analyst in the report.

Additional information on the securities mentioned in this report is available upon request. This report is based on data obtained from sources we believe to be reliable, but is not guaranteed as to accuracy and does not purport to be complete. Any opinions expressed herein are subject to change.

ZIR is not an investment advisor and the report should not be construed as advice designed to meet the particular investment needs of any investor. Prior to making any investment decision, you are advised to consult with your broker, investment advisor, or other appropriate tax or financial professional to determine the suitability of any investment. This report and others like it are published regularly and not in response to episodic market activity or events affecting the securities industry.

This report is not to be construed as an offer or the solicitation of an offer to buy or sell the securities herein mentioned. ZIR or its officers, employees or customers may have a position long or short in the securities mentioned and buy or sell the securities from time to time. ZIR is not a broker-dealer. ZIR may enter into arms-length agreements with broker-dealers to provide this research to their clients. Zacks and its staff are not involved in investment banking activities for the stock issuer covered in this report.

ZIR uses the following rating system for the securities it covers. **Outperform-** ZIR expects that the subject company will outperform the broader U.S. equities markets over the next six to twelve months. **Neutral-** ZIR expects that the company will perform in line with the broader U.S. equities markets over the next six to twelve months. **Underperform-** ZIR expects the company will underperform the broader U.S. equities markets over the next six to twelve months.

No part of this report can be reprinted, republished or transmitted electronically without the prior written authorization of ZIR.