



SECOND QUARTER 2021  
EARNINGS CONFERENCE CALL

**Interpublic Group**  
**July 21, 2021**

# Overview — Second Quarter 2021

- Net revenue growth was 22.5% and organic growth was 19.8%
  - U.S. organic growth was 17.4%
  - International organic growth was 24.4%
  - All major client sectors grew at double-digits percents
- Net income as reported was \$263.3 million
- Adjusted EBITA before restructuring charges was \$405.8 million, a 17.9% margin on net revenue
- Diluted EPS was \$0.66 as reported, and adjusted diluted EPS was \$0.70
- Balance sheet and liquidity remain strong with \$3.8 billion of total available liquidity

Organic change of net revenue, adjusted EBITA before Restructuring Charges and adjusted diluted EPS are non-GAAP measures. Management believes these metrics provide useful supplemental data that, while not a substitute for GAAP measures, allow for greater transparency in the review of our financial and operational performance. See our non-GAAP reconciliations of organic net revenue change on pages 18-19 and adjusted results on pages 20-24.

# Operating Performance

	Three Months Ended June 30,	
	2021	2020
<b>Net Revenue</b>	<b>\$ 2,269.6</b>	<b>\$ 1,853.4</b>
Billable Expenses	240.0	172.3
<b>Total Revenue</b>	<b>2,509.6</b>	<b>2,025.7</b>
Salaries and Related Expenses	1,484.9	1,306.1
Office and Other Direct Expenses	301.0	317.0
Billable Expenses	240.0	172.3
<b>Cost of Services</b>	<b>2,025.9</b>	<b>1,795.4</b>
Selling, General and Administrative Expenses	29.4	4.1
Depreciation and Amortization	70.1	73.1
Restructuring Charges	(0.2)	112.6
<b>Total Operating Expenses</b>	<b>2,125.2</b>	<b>1,985.2</b>
<b>Operating Income</b>	<b>384.4</b>	<b>40.5</b>
Interest Expense, net	(35.0)	(43.9)
Other Income (Expense), net	4.7	(21.5)
<b>Income (Loss) Before Income Taxes</b>	<b>354.1</b>	<b>(24.9)</b>
Provision for Income Taxes	86.7	19.0
Equity in Net Income of Unconsolidated Affiliates	0.4	0.0
<b>Net Income (Loss)</b>	<b>267.8</b>	<b>(43.9)</b>
Net Income Attributable to Noncontrolling Interests	(4.5)	(1.7)
<b>Net Income (Loss) Available to IPG Common Stockholders</b>	<b>\$ 263.3</b>	<b>\$ (45.6)</b>
Earnings (Loss) per Share Available to IPG Common Stockholders - Basic	\$ 0.67	\$ (0.12)
Earnings (Loss) per Share Available to IPG Common Stockholders - Diluted	\$ 0.66	\$ (0.12)
Weighted-Average Number of Common Shares Outstanding - Basic	393.3	389.4
Weighted-Average Number of Common Shares Outstanding - Diluted	399.0	389.4
Dividends Declared per Common Share	\$ 0.270	\$ 0.255

(\$ in Millions, except per share amounts)

# Net Revenue

	Three Months Ended		Six Months Ended	
	\$	% Change	\$	% Change
<b>June 30, 2020</b>	<b>\$ 1,853.4</b>		<b>\$ 3,825.5</b>	
Foreign currency	58.1	3.1%	87.4	2.3%
Net acquisitions/(divestitures)	(8.0)	(0.4%)	(19.7)	(0.6%)
Organic	366.1	19.8%	404.1	10.6%
<b>Total change</b>	<b>416.2</b>	<b>22.5%</b>	<b>471.8</b>	<b>12.3%</b>
<b>June 30, 2021</b>	<b>\$ 2,269.6</b>		<b>\$ 4,297.3</b>	

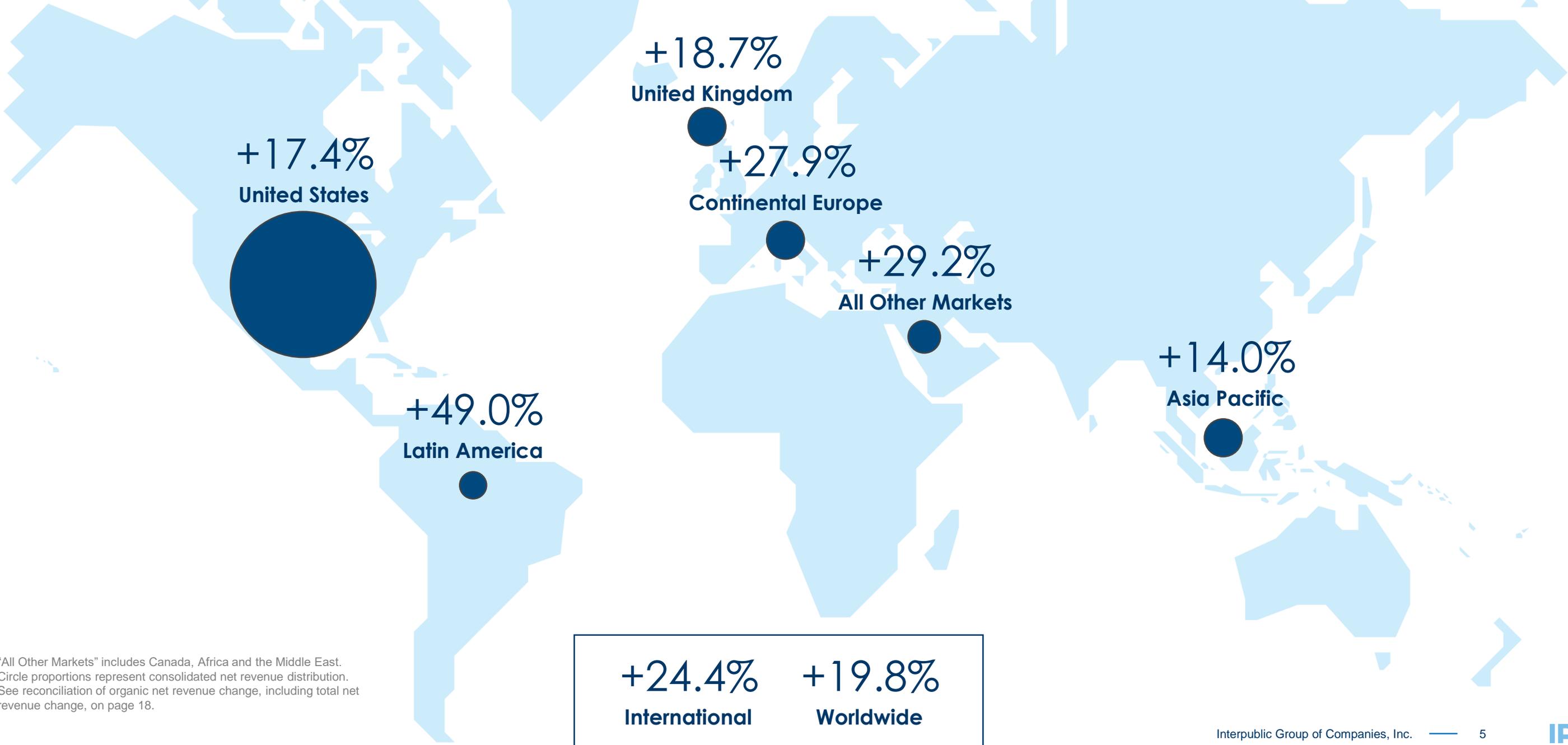
	Three Months Ended June 30,				Six Months Ended June 30,			
			Change				Change	
	2021	2020	Organic	Total	2021	2020	Organic	Total
<b>IAN</b>	\$ 1,954.5	\$ 1,585.7	20.5%	23.3%	\$ 3,688.6	\$ 3,250.2	11.6%	13.5%
<b>DXTRA</b>	\$ 315.1	\$ 267.7	15.1%	17.7%	\$ 608.7	\$ 575.3	4.5%	5.8%

See reconciliation of segment organic net revenue change on page 18.

(\$ in Millions)

# Organic Net Revenue Change by Region

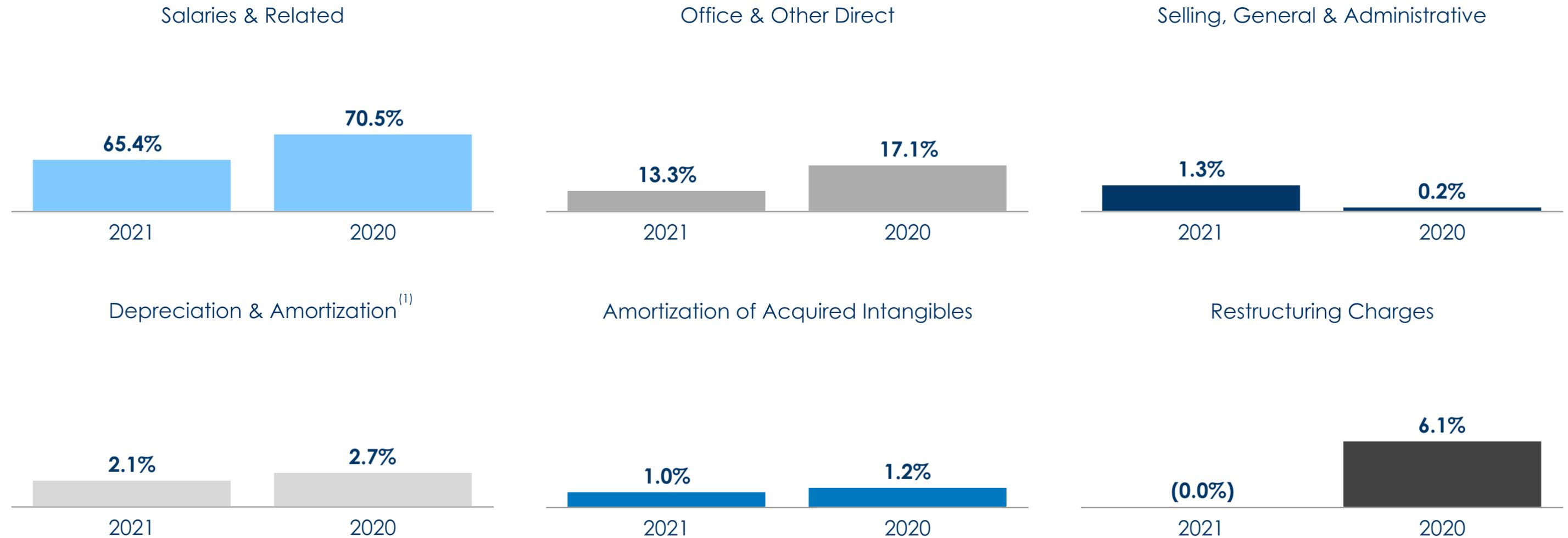
Three Months Ended June 30, 2021



"All Other Markets" includes Canada, Africa and the Middle East.  
 Circle proportions represent consolidated net revenue distribution.  
 See reconciliation of organic net revenue change, including total net revenue change, on page 18.

# Operating Expenses % of Net Revenue

Three Months Ended June 30



<sup>(1)</sup> Excludes amortization of acquired intangibles.

# Adjusted Diluted Earnings Per Share

Three Months Ended June 30, 2021

	As Reported	Amortization of Acquired Intangibles	Restructuring Charges <sup>(1)</sup>	Net Losses on Sales of Businesses	Adjusted Results (Non-GAAP)
<b>Operating Income and Adjusted EBITA before Restructuring Charges <sup>(2)</sup></b>	<b>\$ 384.4</b>	<b>\$ (21.6)</b>	<b>\$ 0.2</b>		<b>\$ 405.8</b>
Total (Expenses) and Other Income <sup>(3)</sup>	(30.3)			\$ (1.7)	(28.6)
<b>Income Before Income Taxes</b>	<b>354.1</b>	<b>(21.6)</b>	<b>0.2</b>	<b>(1.7)</b>	<b>377.2</b>
Provision for Income Taxes	86.7	4.2	0.0	1.0	91.9
Equity in Net Income of Unconsolidated Affiliates	0.4				0.4
Net Income Attributable to Noncontrolling Interests	(4.5)				(4.5)
<b>DILUTED EPS COMPONENTS:</b>					
<b>Net Income Available to IPG Common Stockholders</b>	<b>\$ 263.3</b>	<b>\$ (17.4)</b>	<b>\$ 0.2</b>	<b>\$ (0.7)</b>	<b>\$ 281.2</b>
Weighted-Average Number of Common Shares Outstanding	399.0				399.0
<b>Earnings per Share Available to IPG Common Stockholders <sup>(4)</sup></b>	<b>\$ 0.66</b>	<b>\$ (0.04)</b>	<b>\$ 0.00</b>	<b>\$ (0.00)</b>	<b>\$ 0.70</b>

<sup>(1)</sup> Restructuring charges of (\$0.2) in the second quarter of 2021 were related to adjustments to our restructuring actions taken in 2020, which were designed to reduce our operating expenses structurally and permanently relative to revenue and to accelerate the transformation of our business.

<sup>(2)</sup> Refer to non-GAAP reconciliation of Adjusted EBITA before Restructuring Charges on page 22.

<sup>(3)</sup> Consists of non-operating expenses including interest expense, net and other expense, net.

<sup>(4)</sup> Earnings per share may not add due to rounding.

See full non-GAAP reconciliation of adjusted diluted earnings per share on page 20.

(\$ in Millions, except per share amounts)

# Cash Flow

		Three Months Ended June 30,	
		2021	2020
<b>Net Income (Loss)</b>		<b>\$ 267.8</b>	<b>\$ (43.9)</b>
<b>OPERATING ACTIVITIES:</b>	Depreciation & amortization	93.1	88.7
	Deferred taxes	28.4	(9.9)
	Net losses on sales of businesses	1.7	19.9
	Other non-cash items	1.0	27.2
	Non-cash restructuring charges	(0.7)	67.6
	Change in working capital, net	101.6	(264.9)
	Change in other non-current assets & liabilities	(24.7)	28.2
	<b>Net cash provided by (used in) Operating Activities</b>	<b>468.2</b>	<b>(87.1)</b>
<b>INVESTING ACTIVITIES:</b>	Capital expenditures	(33.8)	(27.3)
	Acquisitions, net of cash acquired	—	(1.2)
	Other investing activities	(9.5)	(4.0)
	<b>Net cash used in Investing Activities</b>	<b>(43.3)</b>	<b>(32.5)</b>
<b>FINANCING ACTIVITIES:</b>	Common stock dividends	(106.1)	(99.2)
	Acquisition-related payments	(8.9)	(13.7)
	Distributions to noncontrolling interests	(3.6)	(3.8)
	Tax payments for employee shares withheld	(1.6)	(2.7)
	Net increase (decrease) in short-term borrowings	18.7	(245.3)
	Other financing activities	(0.3)	(2.0)
	<b>Net cash used in Financing Activities</b>	<b>(101.8)</b>	<b>(366.7)</b>
	Currency effect	2.5	17.8
<b>Net increase (decrease) in cash, cash equivalents and restricted cash</b>		<b>\$ 325.6</b>	<b>\$ (468.5)</b>

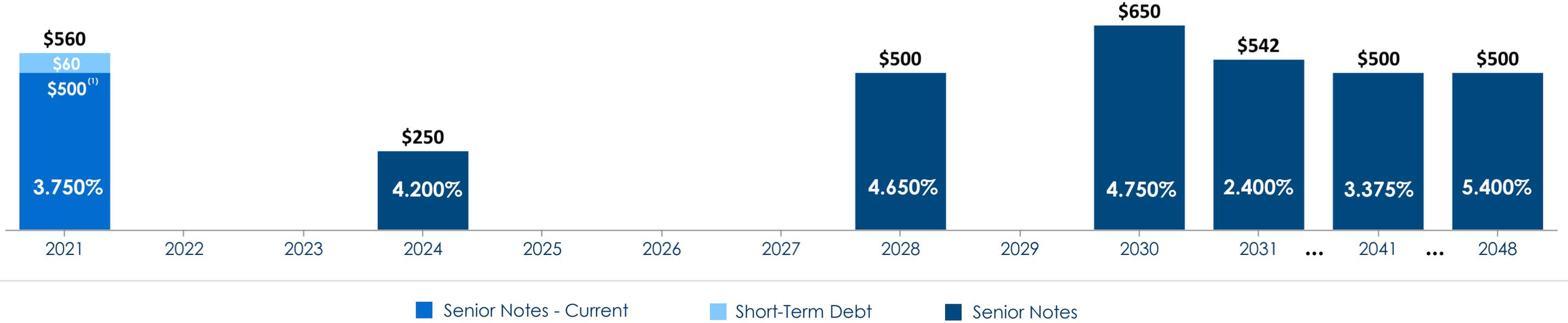
# Balance Sheet — Current Portion

	June 30, 2021	December 31, 2020	June 30, 2020
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	\$ 2,340.6	\$ 2,509.0	\$ 1,085.4
Accounts receivable, net	3,893.6	4,646.4	3,146.6
Accounts receivable, billable to clients	2,043.4	1,820.7	1,463.7
Assets held for sale	4.6	0.8	26.6
Other current assets	500.3	390.7	492.0
<b>Total current assets</b>	<b>\$ 8,782.5</b>	<b>\$ 9,367.6</b>	<b>\$ 6,214.3</b>
<b>CURRENT LIABILITIES:</b>			
Accounts payable	\$ 6,605.9	\$ 7,269.7	\$ 4,328.1
Accrued liabilities	679.8	832.4	599.3
Contract liabilities	678.5	657.8	557.6
Short-term borrowings	56.7	48.0	51.9
Current portion of long-term debt	503.1	502.5	503.0
Current portion of operating leases	267.9	268.5	258.5
Liabilities held for sale	4.8	1.6	68.1
<b>Total current liabilities</b>	<b>\$ 8,796.7</b>	<b>\$ 9,580.5</b>	<b>\$ 6,366.5</b>

(\$ in Millions)

# Debt Maturity Schedule

Total Debt = \$3.5 billion



<sup>(1)</sup> Senior Notes due on October 1, 2021.

(\$ in Millions)



# Summary

- Strong first-half of 2021
- Foundation for sustained growth and value creation
  - Quality of our agency offerings and talent
  - Data capabilities at scale
  - Strong creative and innovative marketing & media solutions
  - Integrated digital and digital specialists
  - Evolving higher-value offerings
  - "Open architecture" agency collaboration
- Effective expense management is an ongoing priority
- Financial strength a continued source of value creation



# Appendix

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# Operating Performance

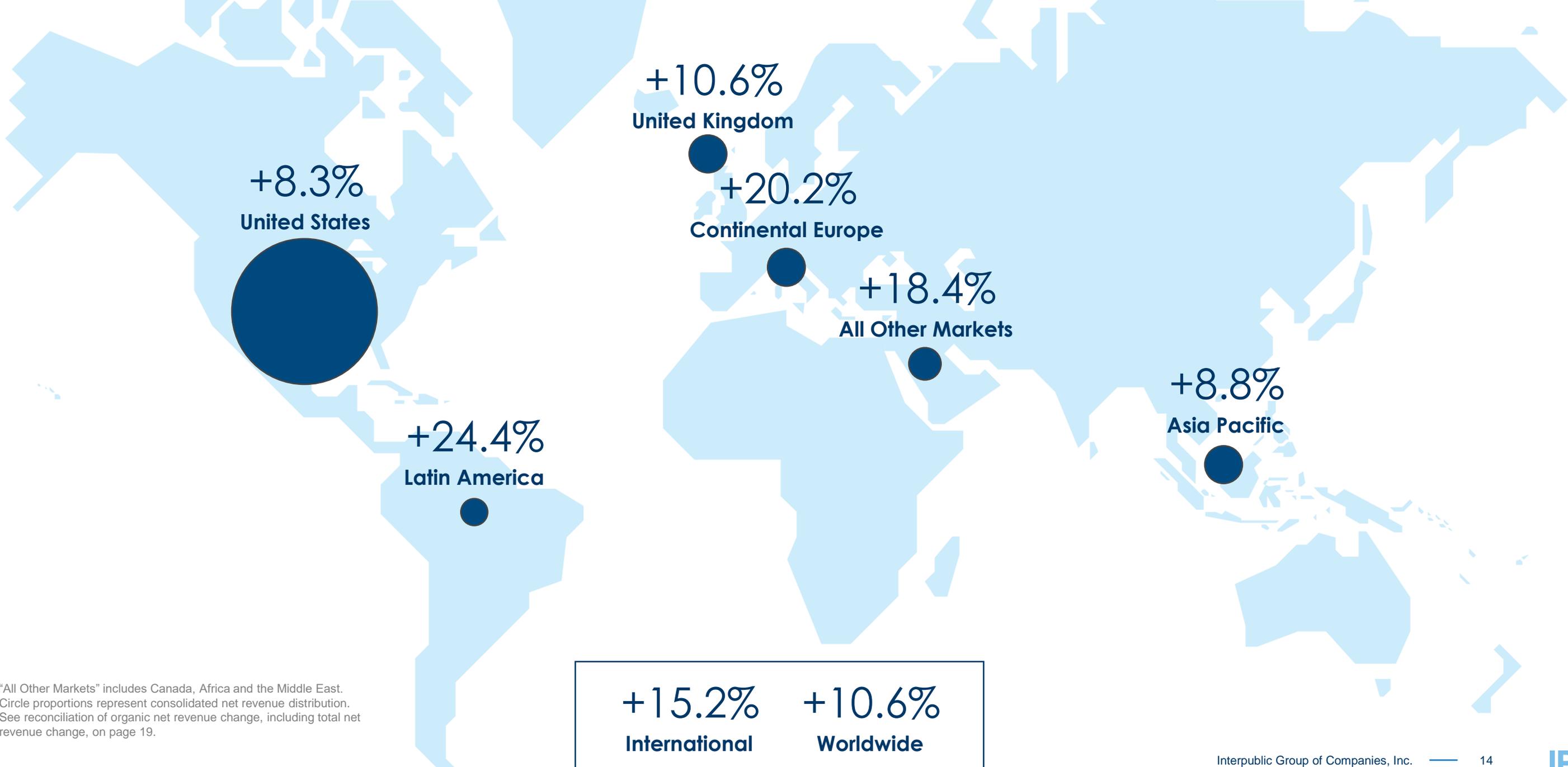
	Six Months Ended June 30,	
	2021	2020
<b>Net Revenue</b>	<b>\$ 4,297.3</b>	<b>\$ 3,825.5</b>
Billable Expenses	469.3	560.0
<b>Total Revenue</b>	<b>4,766.6</b>	<b>4,385.5</b>
Salaries and Related Expenses	2,878.0	2,728.9
Office and Other Direct Expenses	593.9	695.2
Billable Expenses	469.3	560.0
<b>Cost of Services</b>	<b>3,941.2</b>	<b>3,984.1</b>
Selling, General and Administrative Expenses	57.6	26.5
Depreciation and Amortization	139.3	145.9
Restructuring Charges	1.1	112.6
<b>Total Operating Expenses</b>	<b>4,139.2</b>	<b>4,269.1</b>
<b>Operating Income</b>	<b>627.4</b>	<b>116.4</b>
Interest Expense, net	(77.7)	(78.0)
Other Expense, net <sup>(1)</sup>	(79.2)	(43.3)
<b>Income (Loss) Before Income Taxes</b>	<b>470.5</b>	<b>(4.9)</b>
Provision for Income Taxes	110.5	36.2
Equity in Net Income (Loss) of Unconsolidated Affiliates	0.2	(0.2)
<b>Net Income (Loss)</b>	<b>360.2</b>	<b>(41.3)</b>
Net (Income) Loss Attributable to Noncontrolling Interests	(5.2)	0.4
<b>Net Income (Loss) Available to IPG Common Stockholders</b>	<b>\$ 355.0</b>	<b>\$ (40.9)</b>
Earnings (Loss) per Share Available to IPG Common Stockholders - Basic	\$ 0.90	\$ (0.11)
Earnings (Loss) per Share Available to IPG Common Stockholders - Diluted	\$ 0.89	\$ (0.11)
Weighted-Average Number of Common Shares Outstanding - Basic	392.4	388.5
Weighted-Average Number of Common Shares Outstanding - Diluted	397.6	388.5
Dividends Declared per Common Share	\$ 0.540	\$ 0.510

<sup>(1)</sup> Includes a loss of \$74.0 on early extinguishment of debt for the six months ended June 30, 2021.

(\$ in Millions, except per share amounts)

# Organic Net Revenue Change by Region

Six Months Ended June 30, 2021



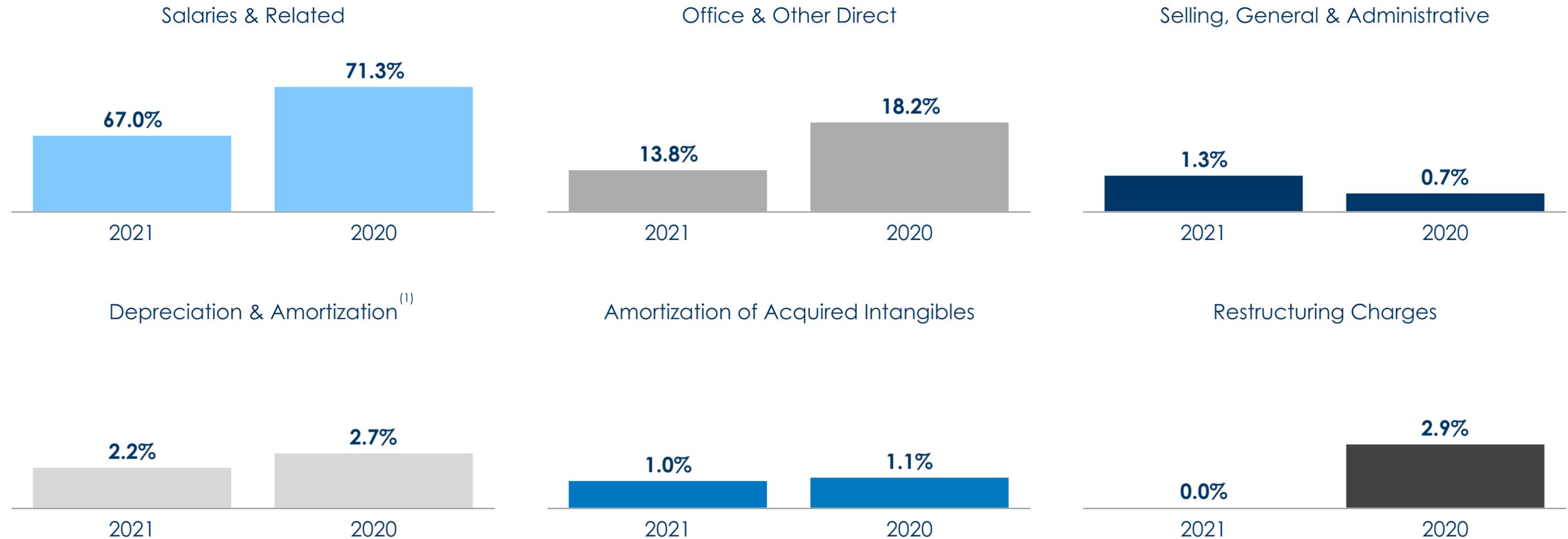
"All Other Markets" includes Canada, Africa and the Middle East.  
 Circle proportions represent consolidated net revenue distribution.  
 See reconciliation of organic net revenue change, including total net revenue change, on page 19.

**+15.2%**  
International

**+10.6%**  
Worldwide

# Operating Expenses % of Net Revenue

Six Months Ended June 30



<sup>(1)</sup> Excludes amortization of acquired intangibles.

# Cash Flow

		Six Months Ended June 30,	
		2021	2020
<b>Net Income (Loss)</b>		<b>\$ 360.2</b>	<b>\$ (41.3)</b>
<b>OPERATING ACTIVITIES:</b>	Depreciation & amortization	185.3	187.0
	Loss on early extinguishment of debt	74.0	—
	Deferred taxes	46.6	(21.1)
	Net losses on sales of businesses	14.2	43.2
	Other non-cash items	3.6	51.0
	Non-cash restructuring charges	(0.9)	67.6
	Change in working capital, net	(395.3)	(636.5)
	Change in other non-current assets & liabilities	(69.3)	(14.1)
	<b>Net cash provided by (used in) Operating Activities</b>	<b>218.4</b>	<b>(364.2)</b>
<b>INVESTING ACTIVITIES:</b>	Capital expenditures	(62.1)	(71.9)
	Acquisitions, net of cash acquired	—	(2.5)
	Net proceeds from investments	28.8	1.7
	Other investing activities	(9.8)	(20.6)
	<b>Net cash used in Investing Activities</b>	<b>(43.1)</b>	<b>(93.3)</b>
<b>FINANCING ACTIVITIES:</b>	Early extinguishment of long-term debt	(1,066.8)	—
	Common stock dividends	(215.2)	(199.2)
	Tax payments for employee shares withheld	(24.0)	(21.8)
	Acquisition-related payments	(12.3)	(32.3)
	Distributions to noncontrolling interests	(6.9)	(9.4)
	Proceeds from long-term debt	998.1	646.2
	Net increase in short-term borrowings	15.8	2.5
	Exercise of stock options	8.0	0.0
	Other financing activities	(11.2)	(8.3)
	<b>Net cash (used in) provided by Financing Activities</b>	<b>(314.5)</b>	<b>377.7</b>
	Currency effect	(27.9)	(28.9)
	<b>Net decrease in cash, cash equivalents and restricted cash</b>	<b>\$ (167.1)</b>	<b>\$ (108.7)</b>

(\$ in Millions)

# Depreciation and Amortization

	2021				
	Q1	Q2	Q3	Q4	YTD 2021
Depreciation and amortization <sup>(1)</sup>	\$ 47.6	\$ 48.5			\$ 96.1
Amortization of acquired intangibles	21.6	21.6			43.2
Amortization of restricted stock and other non-cash compensation	20.3	21.9			42.2
Net amortization of bond discounts and deferred financing costs	2.7	1.1			3.8

	2020				
	Q1	Q2	Q3	Q4	FY 2020
Depreciation and amortization <sup>(1)</sup>	\$ 51.5	\$ 51.3	\$ 49.7	\$ 52.2	\$ 204.7
Amortization of acquired intangibles	21.3	21.8	21.3	21.5	85.9
Amortization of restricted stock and other non-cash compensation	23.2	12.6	20.6	10.6	67.0
Net amortization of bond discounts and deferred financing costs	2.3	3.0	3.3	2.8	11.4

<sup>(1)</sup> Excludes amortization of acquired intangibles.

(\$ in Millions)

# Reconciliation of Organic Net Revenue

		Components of Change				Change		
		Three Months Ended June 30, 2020	Foreign Currency	Net Acquisitions/ (Divestitures)	Organic	Three Months Ended June 30, 2021	Organic	Total
<b>SEGMENT:</b>	IAN	\$ 1,585.7	\$ 48.6	\$ (5.4)	\$ 325.6	\$ 1,954.5	20.5%	23.3%
	DXTRA	267.7	9.5	(2.6)	40.5	315.1	15.1%	17.7%
	<b>Total</b>	<b>\$ 1,853.4</b>	<b>\$ 58.1</b>	<b>\$ (8.0)</b>	<b>\$ 366.1</b>	<b>\$ 2,269.6</b>	<b>19.8%</b>	<b>22.5%</b>
<b>GEOGRAPHIC:</b>	<b>United States</b>	<b>\$ 1,227.2</b>	<b>\$ —</b>	<b>\$ (4.8)</b>	<b>\$ 213.1</b>	<b>\$ 1,435.5</b>	<b>17.4%</b>	<b>17.0%</b>
	<b>International</b>	<b>626.2</b>	<b>58.1</b>	<b>(3.2)</b>	<b>153.0</b>	<b>834.1</b>	<b>24.4%</b>	<b>33.2%</b>
	United Kingdom	147.2	19.9	—	27.5	194.6	18.7%	32.2%
	Continental Europe	149.7	14.5	(0.4)	41.7	205.5	27.9%	37.3%
	Asia Pacific	162.6	11.7	(4.6)	22.8	192.5	14.0%	18.4%
	Latin America	62.3	2.3	1.8	30.5	96.9	49.0%	55.5%
	All Other Markets	104.4	9.7	0.0	30.5	144.6	29.2%	38.5%
	<b>Worldwide</b>	<b>\$ 1,853.4</b>	<b>\$ 58.1</b>	<b>\$ (8.0)</b>	<b>\$ 366.1</b>	<b>\$ 2,269.6</b>	<b>19.8%</b>	<b>22.5%</b>

(\$ in Millions)

# Reconciliation of Organic Net Revenue

		Components of Change				Change		
		Six Months Ended June 30, 2020	Foreign Currency	Net Acquisitions/ (Divestitures)	Organic	Six Months Ended June 30, 2021	Organic	Total
<b>SEGMENT:</b>	IAN	\$ 3,250.2	\$ 71.4	\$ (11.4)	\$ 378.4	\$ 3,688.6	11.6%	13.5%
	DXTRA	575.3	16.0	(8.3)	25.7	608.7	4.5%	5.8%
	<b>Total</b>	<b>\$ 3,825.5</b>	<b>\$ 87.4</b>	<b>\$ (19.7)</b>	<b>\$ 404.1</b>	<b>\$ 4,297.3</b>	<b>10.6%</b>	<b>12.3%</b>
<b>GEOGRAPHIC:</b>	<b>United States</b>	<b>\$ 2,547.2</b>	<b>\$ —</b>	<b>\$ (12.2)</b>	<b>\$ 210.3</b>	<b>\$ 2,745.3</b>	<b>8.3%</b>	<b>7.8%</b>
	<b>International</b>	<b>1,278.3</b>	<b>87.4</b>	<b>(7.5)</b>	<b>193.8</b>	<b>1,552.0</b>	<b>15.2%</b>	<b>21.4%</b>
	United Kingdom	312.9	31.5	0.9	33.3	378.6	10.6%	21.0%
	Continental Europe	295.7	27.7	(1.9)	59.8	381.3	20.2%	28.9%
	Asia Pacific	321.4	20.6	(8.6)	28.2	361.6	8.8%	12.5%
	Latin America	141.6	(5.9)	2.1	34.5	172.3	24.4%	21.7%
	All Other Markets	206.7	13.5	0.0	38.0	258.2	18.4%	24.9%
	<b>Worldwide</b>	<b>\$ 3,825.5</b>	<b>\$ 87.4</b>	<b>\$ (19.7)</b>	<b>\$ 404.1</b>	<b>\$ 4,297.3</b>	<b>10.6%</b>	<b>12.3%</b>

(\$ in Millions)

# Reconciliation of Adjusted Results <sup>(1)</sup>

Three Months Ended June 30, 2021

	As Reported	Amortization of Acquired Intangibles	Restructuring Charges <sup>(2)</sup>	Net Losses on Sales of Businesses	Adjusted Results (Non-GAAP)
<b>Operating Income and Adjusted EBITA before Restructuring Charges <sup>(3)</sup></b>	<b>\$ 384.4</b>	<b>\$ (21.6)</b>	<b>\$ 0.2</b>		<b>\$ 405.8</b>
Total (Expenses) and Other Income <sup>(4)</sup>	(30.3)			\$ (1.7)	(28.6)
<b>Income Before Income Taxes</b>	<b>354.1</b>	<b>(21.6)</b>	<b>0.2</b>	<b>(1.7)</b>	<b>377.2</b>
Provision for Income Taxes	86.7	4.2	0.0	1.0	91.9
Equity in Net Income of Unconsolidated Affiliates	0.4				0.4
Net Income Attributable to Noncontrolling Interests	(4.5)				(4.5)
<b>Net Income Available to IPG Common Stockholders</b>	<b>\$ 263.3</b>	<b>\$ (17.4)</b>	<b>\$ 0.2</b>	<b>\$ (0.7)</b>	<b>\$ 281.2</b>
<b>Weighted-Average Number of Common Shares Outstanding - Basic</b>	<b>393.3</b>				<b>393.3</b>
Dilutive effect of stock options and restricted shares	5.7				5.7
<b>Weighted-Average Number of Common Shares Outstanding - Diluted</b>	<b>399.0</b>				<b>399.0</b>
<b>Earnings per Share Available to IPG Common Stockholders <sup>(5)</sup>:</b>					
Basic	\$ 0.67	\$ (0.04)	\$ 0.00	\$ (0.00)	\$ 0.71
Diluted	\$ 0.66	\$ (0.04)	\$ 0.00	\$ (0.00)	\$ 0.70

<sup>(1)</sup> The table reconciles our reported results to our adjusted non-GAAP results. Management believes the resulting comparisons provide useful supplemental data that, while not a substitute for GAAP measures, allow for greater transparency in the review of our financial and operational performance.

<sup>(2)</sup> Restructuring charges of (\$0.2) in the second quarter of 2021 were related to adjustments to our restructuring actions taken in 2020, which were designed to reduce our operating expenses structurally and permanently relative to revenue and to accelerate the transformation of our business.

<sup>(3)</sup> Refer to non-GAAP reconciliation of Adjusted EBITA before Restructuring Charges on page 22.

<sup>(4)</sup> Consists of non-operating expenses including interest expense, net and other expense, net.

<sup>(5)</sup> Earnings per share may not add due to rounding.

(\$ in Millions, except per share amounts)

# Reconciliation of Adjusted Results <sup>(1)</sup>

	Six Months Ended June 30, 2021					
	As Reported	Amortization of Acquired Intangibles	Restructuring Charges <sup>(2)</sup>	Net Losses on Sales of Businesses	Loss on Early Extinguishment of Debt <sup>(3)</sup>	Adjusted Results (Non-GAAP)
<b>Operating Income and Adjusted EBITA before Restructuring Charges <sup>(4)</sup></b>	\$ 627.4	\$ (43.2)	\$ (1.1)			\$ 671.7
Total (Expenses) and Other Income <sup>(5)</sup>	(156.9)			\$ (14.2)	\$ (74.0)	(68.7)
<b>Income Before Income Taxes</b>	<b>470.5</b>	<b>(43.2)</b>	<b>(1.1)</b>	<b>(14.2)</b>	<b>(74.0)</b>	<b>603.0</b>
Provision for Income Taxes	110.5	8.4	0.3	1.7	18.5	139.4
Equity in Net Income of Unconsolidated Affiliates	0.2					0.2
Net Income Attributable to Noncontrolling Interests	(5.2)					(5.2)
<b>Net Income Available to IPG Common Stockholders</b>	<b>\$ 355.0</b>	<b>\$ (34.8)</b>	<b>\$ (0.8)</b>	<b>\$ (12.5)</b>	<b>\$ (55.5)</b>	<b>\$ 458.6</b>
<b>Weighted-Average Number of Common Shares Outstanding - Basic</b>	<b>392.4</b>					<b>392.4</b>
Dilutive effect of stock options and restricted shares	5.2					5.2
<b>Weighted-Average Number of Common Shares Outstanding - Diluted</b>	<b>397.6</b>					<b>397.6</b>
<b>Earnings per Share Available to IPG Common Stockholders <sup>(6)</sup>:</b>						
Basic	\$ 0.90	\$ (0.09)	\$ (0.00)	\$ (0.03)	\$ (0.14)	\$ 1.17
Diluted	\$ 0.89	\$ (0.09)	\$ (0.00)	\$ (0.03)	\$ (0.14)	\$ 1.15

<sup>(1)</sup> The table reconciles our reported results to our adjusted non-GAAP results. Management believes the resulting comparisons provide useful supplemental data that, while not a substitute for GAAP measures, allow for greater transparency in the review of our financial and operational performance.

<sup>(2)</sup> Restructuring charges of \$1.1 in the first half of 2021 were related to adjustments to our restructuring actions taken in 2020, which were designed to reduce our operating expenses structurally and permanently relative to revenue and to accelerate the transformation of our business.

<sup>(3)</sup> Consists of a loss related to the early extinguishment of our 4.000% unsecured senior notes due 2022, 3.750% unsecured senior notes due 2023 and half of our 4.200% unsecured senior notes due 2024.

<sup>(4)</sup> Refer to non-GAAP reconciliation of Adjusted EBITA before Restructuring Charges on slide 22.

<sup>(5)</sup> Consists of non-operating expenses including interest expense, net and other expense, net.

<sup>(6)</sup> Earnings per share may not add due to rounding.

(\$ in Millions, except per share amounts)

# Reconciliation of Adjusted EBITA<sup>(1)</sup>

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
<b>Net Revenue</b>	\$ 2,269.6	\$ 1,853.4	\$ 4,297.3	\$ 3,825.5
<b>Non-GAAP Reconciliation:</b>				
<b>Net Income (Loss) Available to IPG Common Stockholders</b>	\$ 263.3	\$ (45.6)	\$ 355.0	\$ (40.9)
<b>Add Back:</b>				
Provision for Income Taxes	86.7	19.0	110.5	36.2
<b>Subject:</b>				
Total (Expenses) and Other Income	(30.3)	(65.4)	(156.9)	(121.3)
Equity in Net Income (Loss) of Unconsolidated Affiliates	0.4	0.0	0.2	(0.2)
Net (Income) Loss Attributable to Noncontrolling Interests	(4.5)	(1.7)	(5.2)	0.4
<b>Operating Income</b>	\$ 384.4	\$ 40.5	\$ 627.4	\$ 116.4
<b>Add Back:</b>				
Amortization of Acquired Intangibles	21.6	21.8	43.2	43.1
<b>Adjusted EBITA</b>	\$ 406.0	\$ 62.3	\$ 670.6	\$ 159.5
<b>Adjusted EBITA Margin on Net Revenue %</b>	17.9 %	3.4 %	15.6 %	4.2 %
Restructuring Charges <sup>(2)</sup>	\$ (0.2)	\$ 112.6	\$ 1.1	\$ 112.6
<b>Adjusted EBITA before Restructuring Charges</b>	\$ 405.8	\$ 174.9	\$ 671.7	\$ 272.1
<b>Adjusted EBITA before Restructuring Charges Margin on Net Revenue %</b>	17.9 %	9.4 %	15.6 %	7.1 %

<sup>(1)</sup> The table reconciles our reported results to our adjusted non-GAAP results. Management believes the resulting comparisons provide useful supplemental data that, while not a substitute for GAAP measures, allow for greater transparency in the review of our financial and operational performance.

<sup>(2)</sup> Restructuring charges of (\$0.2) and \$1.1 in the second quarter and first half of 2021, respectively, were related to adjustments to our restructuring actions taken in 2020, which were designed to reduce our operating expenses structurally and permanently relative to revenue and to accelerate the transformation of our business.

(\$ in Millions)

# Reconciliation of Adjusted Results<sup>(1)</sup>

	Three Months Ended June 30, 2020					
	As Reported	Amortization of Acquired Intangibles	Restructuring Charges	Net Losses on Sales of Businesses	Net Impact of Discrete Tax Item <sup>(2)</sup>	Adjusted Results (Non-GAAP)
<b>Operating Income and Adjusted EBITA before Restructuring Charges<sup>(3)</sup></b>	\$ 40.5	\$ (21.8)	\$ (112.6)			\$ 174.9
Total (Expenses) and Other Income <sup>(4)</sup>	(65.4)			\$ (19.9)		(45.5)
<b>(Loss) Income Before Income Taxes</b>	<b>(24.9)</b>	<b>(21.8)</b>	<b>(112.6)</b>	<b>(19.9)</b>		<b>129.4</b>
Provision for Income Taxes	19.0	4.2	25.4	0.0	\$ (10.0)	38.6
Equity in Net Loss of Unconsolidated Affiliates	0.0					0.0
Net Income Attributable to Noncontrolling Interests	(1.7)					(1.7)
<b>Net (Loss) Income Available to IPG Common Stockholders</b>	<b>\$ (45.6)</b>	<b>\$ (17.6)</b>	<b>(87.2)</b>	<b>\$ (19.9)</b>	<b>\$ (10.0)</b>	<b>\$ 89.1</b>
<b>Weighted-Average Number of Common Shares Outstanding - Basic</b>	<b>389.4</b>					<b>389.4</b>
Dilutive effect of stock options and restricted shares	N/A					2.9
<b>Weighted-Average Number of Common Shares Outstanding - Diluted</b>	<b>389.4</b>					<b>392.3</b>
<b>(Loss) Earnings per Share Available to IPG Common Stockholders<sup>(5)</sup>:</b>						
Basic	\$ (0.12)	\$ (0.05)	\$ (0.22)	\$ (0.05)	\$ (0.03)	\$ 0.23
Diluted	\$ (0.12)	\$ (0.05)	\$ (0.22)	\$ (0.05)	\$ (0.03)	\$ 0.23

<sup>(1)</sup> The table reconciles our reported results to our adjusted non-GAAP results. Management believes the resulting comparisons provide useful supplemental data that, while not a substitute for GAAP measures, allow for greater transparency in the review of our financial and operational performance.

<sup>(2)</sup> Consists of tax expense related to the estimated costs associated with our change in assertion (APB 23) that we will no longer permanently reinvest undistributed earnings attributable to certain foreign subsidiaries.

<sup>(3)</sup> Refer to non-GAAP reconciliation of Adjusted EBITA before Restructuring Charges on page 22.

<sup>(4)</sup> Consists of non-operating expenses including interest expense, net and other expense, net.

<sup>(5)</sup> Earnings per share may not add due to rounding.

(\$ in Millions, except per share amounts)

# Reconciliation of Adjusted Results<sup>(1)</sup>

	Six Months Ended June 30, 2020					
	As Reported	Amortization of Acquired Intangibles	Restructuring Charges	Net Losses on Sales of Businesses	Net Impact of Discrete Tax Item <sup>(2)</sup>	Adjusted Results (Non-GAAP)
<b>Operating Income and Adjusted EBITA before Restructuring Charges<sup>(3)</sup></b>	\$ 116.4	\$ (43.1)	\$ (112.6)			\$ 272.1
Total (Expenses) and Other Income <sup>(4)</sup>	(121.3)			\$ (43.2)		(78.1)
<b>(Loss) Income Before Income Taxes</b>	<b>(4.9)</b>	<b>(43.1)</b>	<b>(112.6)</b>	<b>(43.2)</b>		<b>194.0</b>
Provision for Income Taxes	36.2	8.4	25.4	0.9	\$ (10.0)	60.9
Equity in Net Loss of Unconsolidated Affiliates	(0.2)					(0.2)
Net Loss Attributable to Noncontrolling Interests	0.4					0.4
<b>Net (Loss) Income Available to IPG Common Stockholders</b>	<b>\$ (40.9)</b>	<b>\$ (34.7)</b>	<b>\$ (87.2)</b>	<b>\$ (42.3)</b>	<b>\$ (10.0)</b>	<b>\$ 133.3</b>
<b>Weighted-Average Number of Common Shares Outstanding - Basic</b>	<b>388.5</b>					<b>388.5</b>
Dilutive effect of stock options and restricted shares	N/A					3.3
<b>Weighted-Average Number of Common Shares Outstanding - Diluted</b>	<b>388.5</b>					<b>391.8</b>
<b>(Loss) Earnings per Share Available to IPG Common Stockholders<sup>(5)</sup>:</b>						
Basic	\$ (0.11)	\$ (0.09)	\$ (0.22)	\$ (0.11)	\$ (0.03)	\$ 0.34
Diluted	\$ (0.11)	\$ (0.09)	\$ (0.22)	\$ (0.11)	\$ (0.03)	\$ 0.34

<sup>(1)</sup> The table reconciles our reported results to our adjusted non-GAAP results. Management believes the resulting comparisons provide useful supplemental data that, while not a substitute for GAAP measures, allow for greater transparency in the review of our financial and operational performance.

<sup>(2)</sup> Consists of tax expense related to the estimated costs associated with our change in assertion (APB 23) that we will no longer permanently reinvest undistributed earnings attributable to certain foreign subsidiaries.

<sup>(3)</sup> Refer to non-GAAP reconciliation of Adjusted EBITA before Restructuring Charges on slide 22.

<sup>(4)</sup> Consists of non-operating expenses including interest expense, net and other expense, net.

<sup>(5)</sup> Earnings per share may not add due to rounding.

(\$ in Millions, except per share amounts)



# Metrics Update

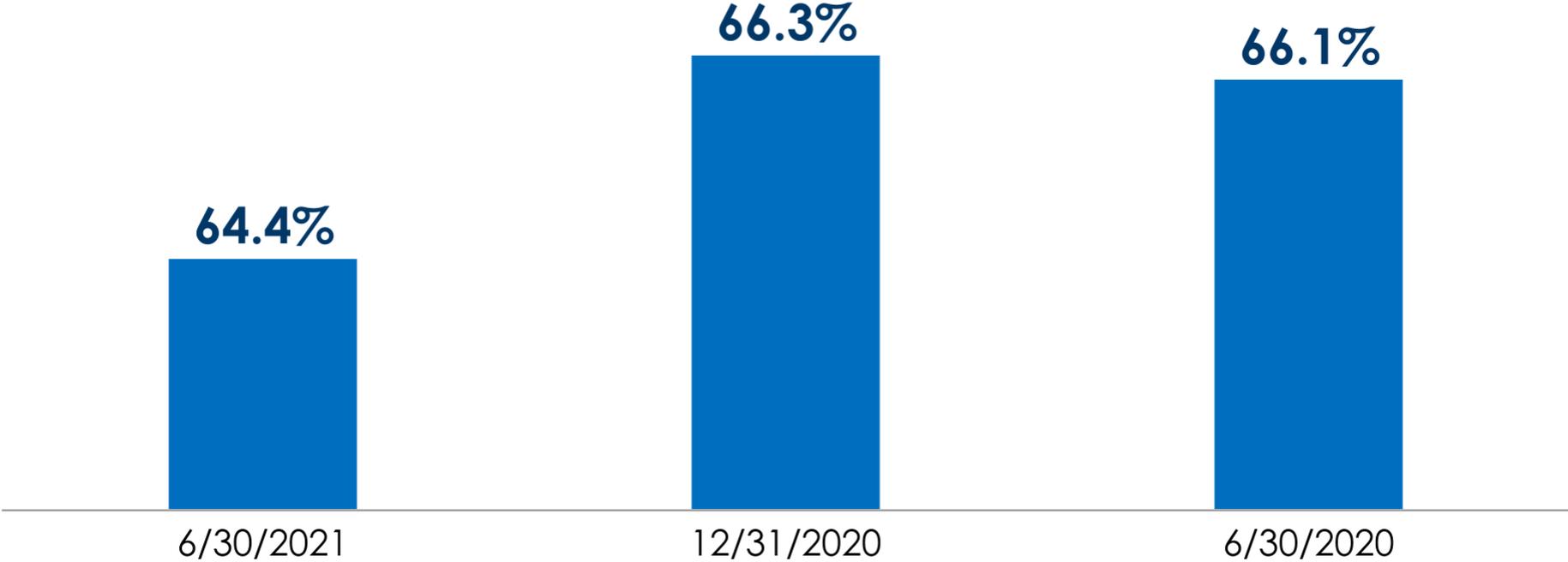
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# Metrics Update

CATEGORY:	SALARIES & RELATED (% of net revenue)	OFFICE & OTHER DIRECT (% of net revenue)	FINANCIAL
<b>METRIC:</b>	Trailing Twelve Months	Trailing Twelve Months	Available Liquidity
	Base, Benefits & Tax	Occupancy Expense	Credit Facility Covenant
	Incentive Expense	All Other Office and Other Direct Expenses	
	Severance Expense		
	Temporary Help		

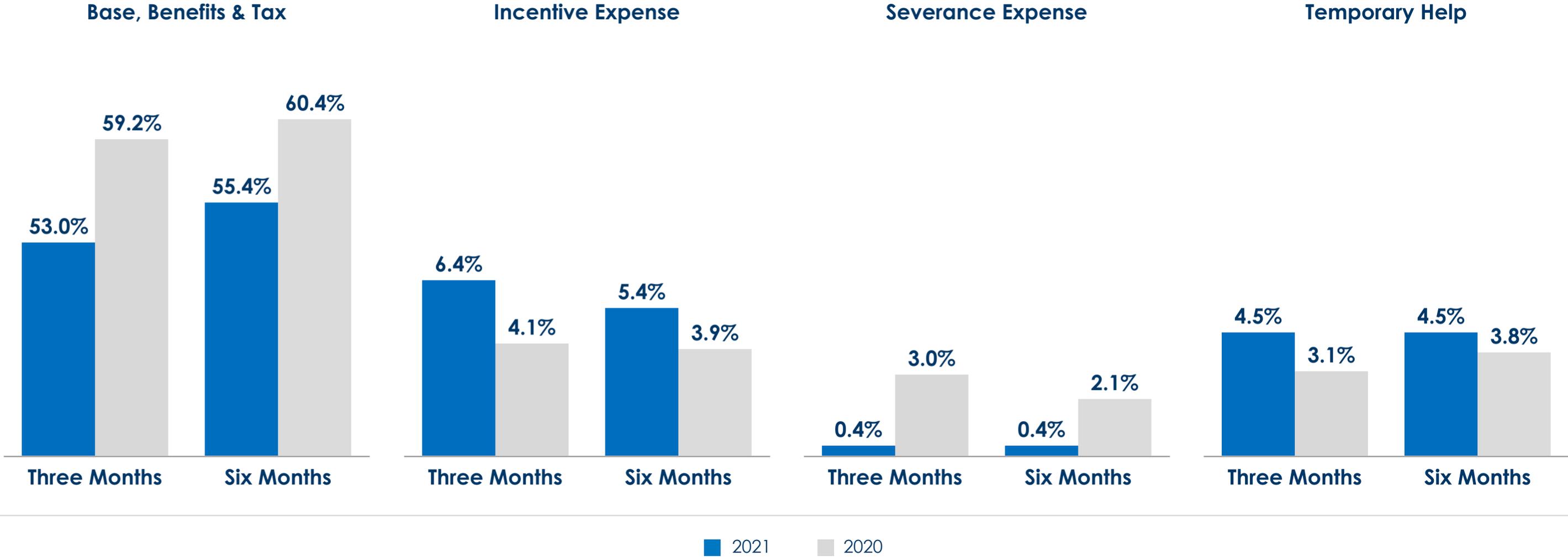
# Salaries & Related Expenses

% of Net Revenue, Trailing Twelve Months



# Salaries & Related Expenses (% of Net Revenue)

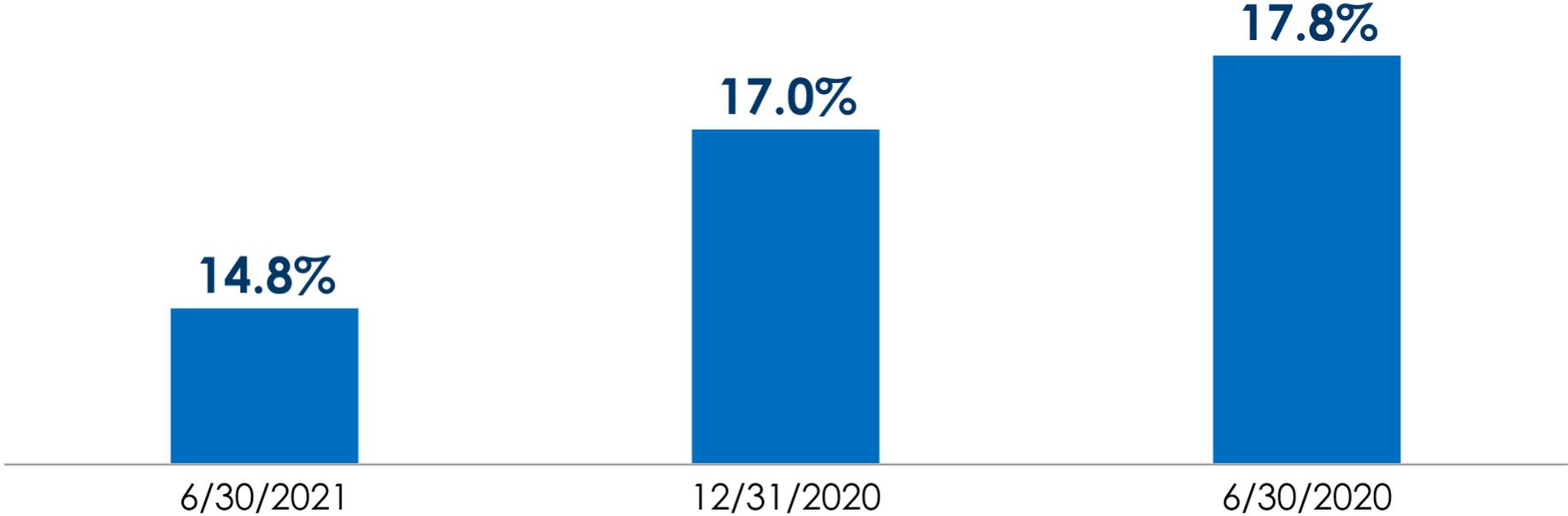
Three and Six Months Ended June 30



"All Other Salaries & Related," not shown, was 1.1% for both three months ended June 30, 2021 and 2020, and 1.3% and 1.1% for six months ended June 30, 2021 and 2020, respectively.

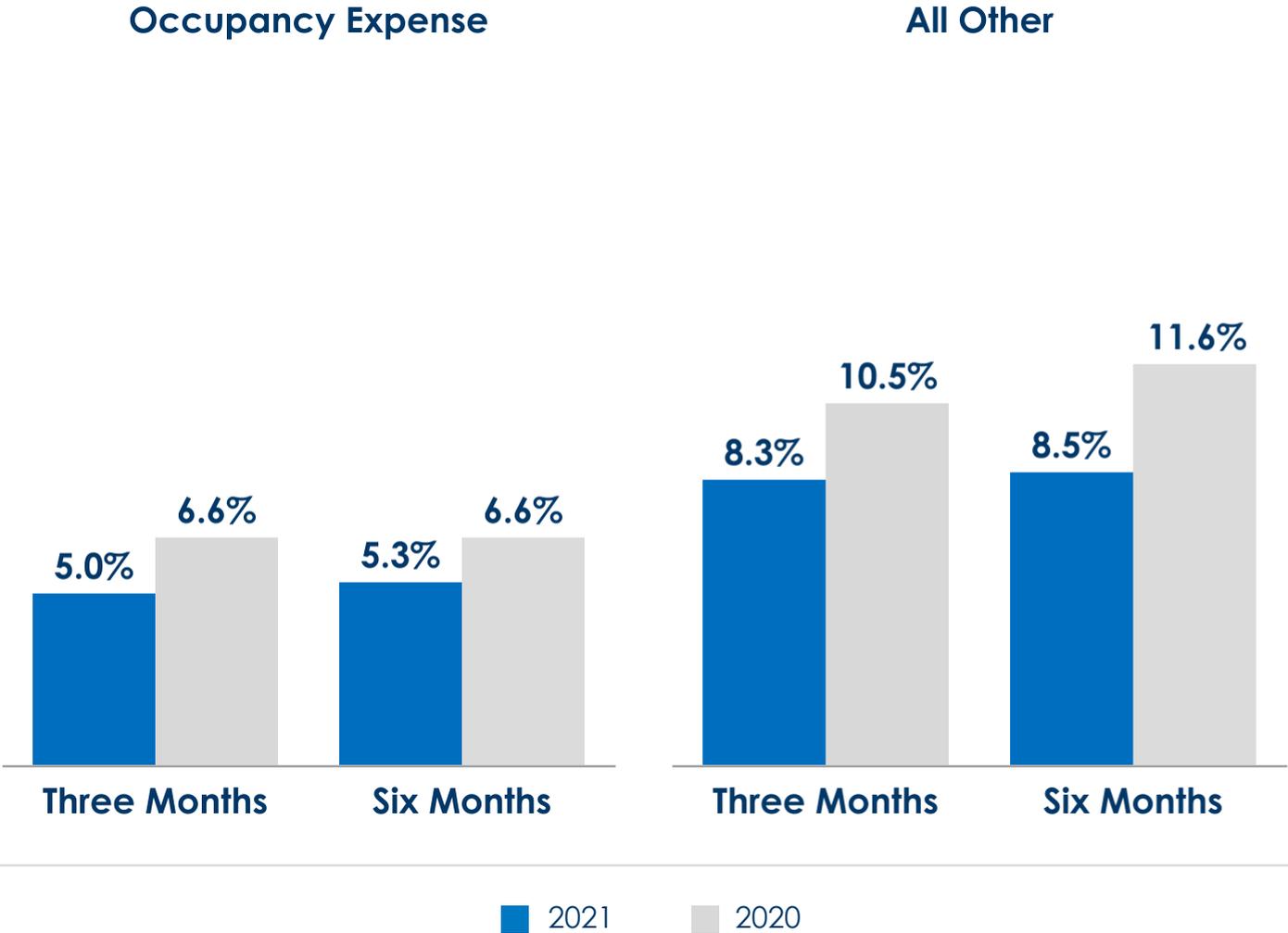
# Office & Other Direct Expenses

% of Net Revenue, Trailing Twelve Months



# Office & Other Direct Expenses (% of Net Revenue)

Three and Six Months Ended June 30

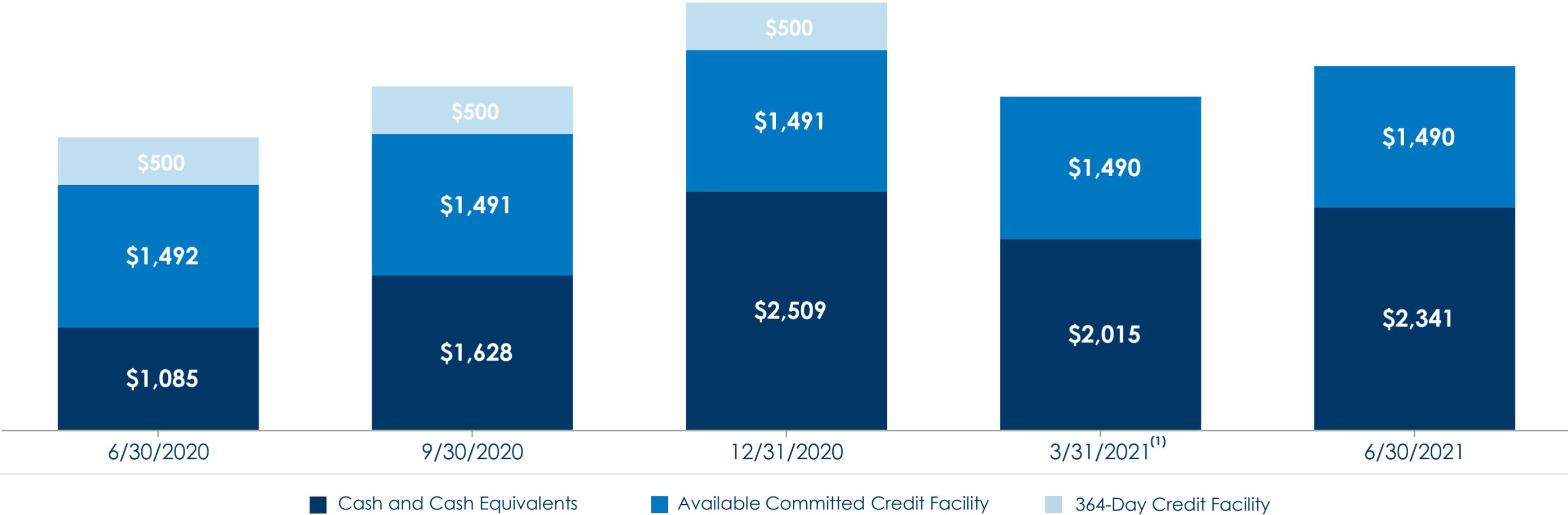


“All Other” primarily includes client service costs, non-pass through production expenses, travel and entertainment, professional fees, spending to support new business activity, telecommunications, office supplies, bad debt expense, adjustments to contingent acquisition obligations, foreign currency losses (gains) and other expenses.



# Available Liquidity

Cash, Cash Equivalents + Available Committed Credit Facilities



<sup>(1)</sup> The 364-day revolving credit facility matured in March 2021.

(\$ in Millions)



# Credit Facility Covenant <sup>(1)</sup>

Financial Covenant	Four Quarters Ended June 30, 2021
Leverage Ratio (not greater than) <sup>(2) (3)</sup>	4.25x
<b>Actual Leverage Ratio</b>	<b>2.10x</b>
CREDIT AGREEMENT EBITDA RECONCILIATION:	Four Quarters Ended June 30, 2021
Net Income Available to IPG Common Stockholders	\$ 747.0
+ Non-Operating Adjustments <sup>(4)</sup>	352.4
Operating Income	\$ 1,099.4
+ Depreciation and Amortization	399.5
+ Other Non-cash Charges Reducing Operating Income	154.9
<b>Credit Agreement EBITDA <sup>(2):</sup></b>	<b>\$ 1,653.8</b>

<sup>(1)</sup> The leverage ratio financial covenant applies to our committed corporate credit facility, amended and restated as of November 1, 2019 (the "Credit Agreement").

<sup>(2)</sup> The leverage ratio is defined as debt as of the last day of such fiscal quarter to EBITDA (as defined in the Credit Agreement) for the four quarters then ended.

<sup>(3)</sup> On July 28, 2020, we entered into Amendment No. 1 to the Credit Agreement. The Amendment increased the maximum leverage ratio covenant to (i) 4.25x through the quarter ended June 30, 2021, and (ii) 3.50x thereafter.

<sup>(4)</sup> Includes adjustments of the following items from our consolidated statement of operations: (benefit of) provision for income taxes, total (expenses) and other income, equity in net (loss) income of unconsolidated affiliates, and net loss (income) attributable to noncontrolling interests.

# Cautionary Statement

This investor presentation contains forward-looking statements. Statements in this investor presentation that are not historical facts, including statements about management's beliefs and expectations, constitute forward-looking statements. These statements are based on current plans, estimates and projections, and are subject to change based on a number of factors, including those outlined under item 1A, *Risk Factors*, in our most recent Annual Report on Form 10-K and our quarterly reports on Form 10-Q and our other filings with the Securities and Exchange Commission ("SEC"). Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

Forward-looking statements involve inherent risks and uncertainties. A number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. Such factors include, but are not limited to, the following:

- the effects of a challenging economy on the demand for our advertising and marketing services, on our clients' financial condition and on our business or financial condition;
- the impacts of the novel coronavirus (COVID-19) pandemic and, the measures to contain its spread, including social distancing efforts and restrictions on businesses, social activities and travel, any failure to realize anticipated benefits from the rollout of COVID-19 vaccination campaigns and the resulting impact on the economy, our clients and demand for our services, which may precipitate or exacerbate other risks and uncertainties;
- our ability to attract new clients and retain existing clients;
- our ability to retain and attract key employees;
- risks associated with assumptions we make in connection with our critical accounting estimates, including changes in assumptions associated with any effects of a weakened economy;
- potential adverse effects if we are required to recognize impairment charges or other adverse accounting-related developments;
- risks associated with the effects of global, national and regional economic and political conditions, including counterparty risks and fluctuations in economic growth rates, interest rates and currency exchange rates;
- developments from changes in the regulatory and legal environment for advertising and marketing and communications services companies around the world, including laws and regulations related to data protection and consumer privacy; and
- failure to fully realize the anticipated benefits of our 2020 restructuring actions and other cost-saving initiatives.

Investors should carefully consider these factors and the additional risk factors outlined in more detail under Item 1A, *Risk Factors*, in our most recent Annual Report on Form 10-K and our quarterly reports on Form 10-Q and our other SEC filings.