



SECOND QUARTER 2022  
EARNINGS CONFERENCE CALL

**Interpublic Group**  
**July 21, 2022**

# Overview — Second Quarter 2022

- Net revenue growth was +4.7% and organic growth was +7.9%
  - U.S. organic growth was +8.3%
  - International organic growth was +7.1%
  - Growth across broad range of regions, disciplines, and client sectors
  - Three-year compound organic growth of +16.5% in the second quarter
- Net income as reported was \$229.6 million, with adjusted EBITA of \$370.1 million
- Adjusted EBITA margin on net revenue was 15.6%
- Diluted EPS was \$0.58 as reported and adjusted diluted EPS was \$0.63
- Repurchased 2.7 million shares, using \$84.8 million

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 19-20 and adjusted results on pages 21-23 and 26-27.

# Operating Performance

|   | Three Months Ended June 30, |                 |
|---|-----------------------------|-----------------|
|   | 2022                        | 2021            |
| <b>Net Revenue</b>  | \$ 2,375.5                  | \$ 2,269.6      |
| Billable Expenses   | 360.2                       | 240.0           |
| <b>Total Revenue</b>  | <b>2,735.7</b>              | <b>2,509.6</b>  |
| Salaries and Related Expenses                                     | 1,590.2                     | 1,484.9         |
| Office and Other Direct Expenses                                  | 349.8                       | 301.0           |
| Billable Expenses   | 360.2                       | 240.0           |
| <b>Cost of Services</b>   | <b>2,300.2</b>              | <b>2,025.9</b>  |
| Selling, General and Administrative Expenses                      | 19.4                        | 29.4            |
| Depreciation and Amortization                                     | 67.1                        | 70.1            |
| Restructuring Charges   | (0.1)                       | (0.2)           |
| <b>Total Operating Expenses</b>                                   | <b>2,386.6</b>              | <b>2,125.2</b>  |
| <b>Operating Income</b>   | <b>349.1</b>                | <b>384.4</b>    |
| Interest Expense, net   | (29.8)                      | (35.0)          |
| Other (Expense) Income, net                                       | (4.5)                       | 4.7             |
| <b>Income Before Income Taxes</b>                                 | <b>314.8</b>                | <b>354.1</b>    |
| Provision for Income Taxes  | 83.7                        | 86.7            |
| Equity in Net Income of Unconsolidated Affiliates                 | 0.7                         | 0.4             |
| <b>Net Income</b>   | <b>231.8</b>                | <b>267.8</b>    |
| Net Income Attributable to Non-controlling Interests              | (2.2)                       | (4.5)           |
| <b>Net Income Available to IPG Common Stockholders</b>            | <b>\$ 229.6</b>             | <b>\$ 263.3</b> |
| Earnings per Share Available to IPG Common Stockholders - Basic   | \$ 0.58                     | \$ 0.67         |
| Earnings per Share Available to IPG Common Stockholders - Diluted | \$ 0.58                     | \$ 0.66         |
| Weighted-Average Number of Common Shares Outstanding - Basic      | 393.1                       | 393.3           |
| Weighted-Average Number of Common Shares Outstanding - Diluted    | 396.8                       | 399.0           |
| Dividends Declared per Common Share                               | \$ 0.290                    | \$ 0.270        |

(\$ in Millions, except per share amounts)

# Net Revenue

|                                 | Three Months Ended |             | Six Months Ended  |             |
|---------------------------------|--------------------|-------------|-------------------|-------------|
|                                 | \$                 | % Change    | \$                | % Change    |
| <b>June 30, 2021</b>            | <b>\$ 2,269.6</b>  |             | <b>\$ 4,297.3</b> |             |
| Foreign currency                | (58.0)             | (2.6%)      | (85.6)            | (2.0%)      |
| Net acquisitions/(divestitures) | (14.8)             | (0.6%)      | (21.5)            | (0.5%)      |
| Organic                         | 178.7              | 7.9%        | 412.5             | 9.6%        |
| <b>Total change</b>             | <b>105.9</b>       | <b>4.7%</b> | <b>305.4</b>      | <b>7.1%</b> |
| <b>June 30, 2022</b>            | <b>\$ 2,375.5</b>  |             | <b>\$ 4,602.7</b> |             |

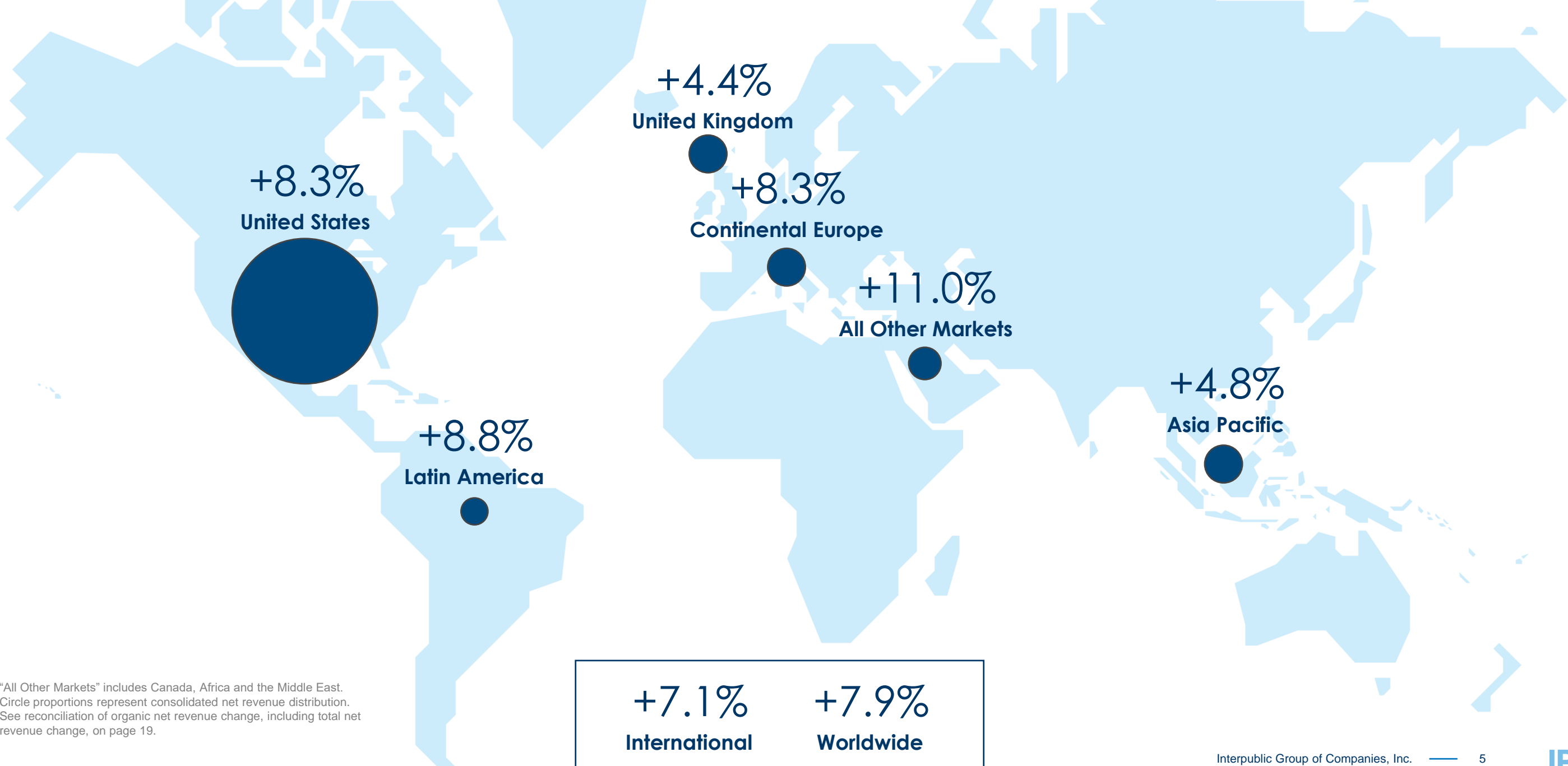
|   | Three Months Ended June 30, |                     |         |       | Six Months Ended June 30, |                     |         |       |
|---|-----------------------------|---------------------|---------|-------|---------------------------|---------------------|---------|-------|
|   |                             |                     | Change  |       |                           |                     | Change  |       |
|   | 2022                        | 2021 <sup>(1)</sup> | Organic | Total | 2022                      | 2021 <sup>(1)</sup> | Organic | Total |
| <b>Media, Data &amp; Engagement Solutions</b>   | \$ 1,017.8                  | \$ 985.3            | 6.2%    | 3.3%  | \$ 1,949.9                | \$ 1,835.1          | 8.7%    | 6.3%  |
| IPG Mediabrands, Acxiom, and Kinesso, and our digital and commerce specialist agencies, which include MRM, R/GA, and Huge |                             |                     |         |       |                           |                     |         |       |
| <b>Integrated Advertising &amp; Creativity Led Solutions</b>  | \$ 1,009.3                  | \$ 963.2            | 8.5%    | 4.8%  | \$ 1,967.8                | \$ 1,838.5          | 9.8%    | 7.0%  |
| McCann Worldgroup, IPG Health, MullenLowe Group, FCB, and our domestic integrated agencies                                |                             |                     |         |       |                           |                     |         |       |
| <b>Specialized Communications &amp; Experiential Solutions</b>  | \$ 348.4                    | \$ 321.1            | 11.1%   | 8.5%  | \$ 685.0                  | \$ 623.7            | 11.8%   | 9.8%  |
| IPG DXTRA and DXTRA Health, Weber Shandwick, Golin, and our sports, entertainment and experiential agencies               |                             |                     |         |       |                           |                     |         |       |

<sup>(1)</sup> Results for the three and six months ended June 30, 2021 have been recast to reflect our new reportable segments. See reconciliation of segment organic net revenue change on pages 19-20.

(\$ in Millions)

# Organic Net Revenue Change by Region

Three Months Ended June 30, 2022

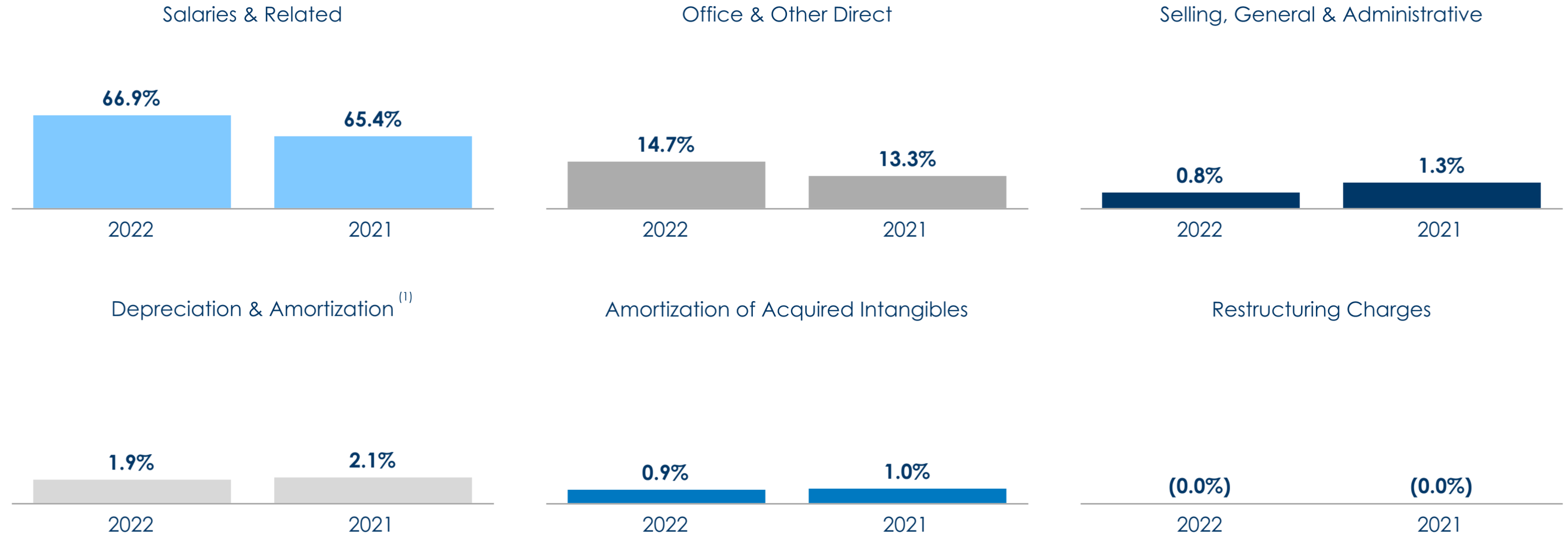


"All Other Markets" includes Canada, Africa and the Middle East.  
 Circle proportions represent consolidated net revenue distribution.  
 See reconciliation of organic net revenue change, including total net revenue change, on page 19.

|               |           |
|---------------|-----------|
| +7.1%         | +7.9%     |
| International | Worldwide |

# 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, 2022

|  | As Reported     | Amortization of Acquired Intangibles | Restructuring Charges <sup>(1)</sup> | Net Losses on Business Dispositions <sup>(2)</sup> | Adjusted Results (Non-GAAP) |
|--|-----------------|--------------------------------------|--------------------------------------|--|-----------------------------|
| <b>Operating Income and Adjusted EBITA before Restructuring Charges <sup>(3)</sup></b> | <b>\$ 349.1</b> | <b>\$ (21.1)</b>                     | <b>\$ 0.1</b>                        |  | <b>\$ 370.1</b>             |
| Total (Expenses) and Other Income <sup>(4)</sup>                                       | (34.3)          |                                      |                                      | \$ (4.2)   | (30.1)                      |
| <b>Income Before Income Taxes</b>  | <b>314.8</b>    | <b>(21.1)</b>                        | <b>0.1</b>                           | <b>(4.2)</b>                                       | <b>340.0</b>                |
| Provision for Income Taxes   | 83.7            | 4.3                                  | 0.0                                  | 0.0  | 88.0                        |
| <i>Effective Tax Rate</i>  | 26.6 %          |                                      |                                      |  | 25.9 %                      |
| Equity in Net Income of Unconsolidated Affiliates                                      | 0.7             |                                      |                                      |  | 0.7                         |
| Net Income Attributable to Non-controlling Interests                                   | (2.2)           |                                      |                                      |  | (2.2)                       |

## DILUTED EPS COMPONENTS:

|   |                 |                  |                |                  |                 |
|---|-----------------|------------------|----------------|------------------|-----------------|
| <b>Net Income Available to IPG Common Stockholders</b>                        | <b>\$ 229.6</b> | <b>\$ (16.8)</b> | <b>\$ 0.1</b>  | <b>\$ (4.2)</b>  | <b>\$ 250.5</b> |
| Weighted-Average Number of Common Shares Outstanding                          | 396.8           |                  |                |                  | 396.8           |
| <b>Earnings per Share Available to IPG Common Stockholders <sup>(5)</sup></b> | <b>\$ 0.58</b>  | <b>\$ (0.04)</b> | <b>\$ 0.00</b> | <b>\$ (0.01)</b> | <b>\$ 0.63</b>  |

<sup>(1)</sup> Restructuring charges of (\$0.1) in the second quarter of 2022 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> Primarily includes a non-cash loss in the second quarter of 2022 related to the deconsolidation of a previously consolidated subsidiary in which we maintain an equity interest, as well as losses on complete dispositions of businesses and the classification of certain assets as held for sale.

<sup>(3)</sup> Refer to non-GAAP reconciliation of Adjusted EBITA before Restructuring Charges on page 23.

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

<sup>(5)</sup> Earnings per share amounts calculated on an unrounded basis.

See full non-GAAP reconciliation of adjusted diluted earnings per share on page 21.

(\$ in Millions, except per share amounts)

# Adjusted Diluted Earnings Per Share

Six Months Ended June 30, 2022

|  | As Reported     | Amortization of Acquired Intangibles | Restructuring Charges <sup>(1)</sup> | Net Losses on Business Dispositions <sup>(2)</sup> | Adjusted Results (Non-GAAP) |
|--|-----------------|--------------------------------------|--------------------------------------|--|-----------------------------|
| <b>Operating Income and Adjusted EBITA before Restructuring Charges <sup>(3)</sup></b> | <b>\$ 594.8</b> | <b>\$ (42.4)</b>                     | <b>\$ (6.5)</b>                      |  | <b>\$ 643.7</b>             |
| Total (Expenses) and Other Income <sup>(4)</sup>                                       | (70.1)          |                                      |                                      | \$ (10.6)  | (59.5)                      |
| <b>Income Before Income Taxes</b>  | <b>524.7</b>    | <b>(42.4)</b>                        | <b>(6.5)</b>                         | <b>(10.6)</b>                                      | <b>584.2</b>                |
| Provision for Income Taxes   | 132.8           | 8.5                                  | 1.6                                  | 0.0  | 142.9                       |
| <i>Effective Tax Rate</i>  | 25.3 %          |                                      |                                      |  | 24.5 %                      |
| Equity in Net Income of Unconsolidated Affiliates                                      | 0.8             |                                      |                                      |  | 0.8                         |
| Net Income Attributable to Non-controlling Interests                                   | (3.7)           |                                      |                                      |  | (3.7)                       |

## DILUTED EPS COMPONENTS:

|   |                 |                  |                  |                  |                 |
|---|-----------------|------------------|------------------|------------------|-----------------|
| <b>Net Income Available to IPG Common Stockholders</b>                        | <b>\$ 389.0</b> | <b>\$ (33.9)</b> | <b>\$ (4.9)</b>  | <b>\$ (10.6)</b> | <b>\$ 438.4</b> |
| Weighted-Average Number of Common Shares Outstanding                          | 397.5           |                  |                  |                  | 397.5           |
| <b>Earnings per Share Available to IPG Common Stockholders <sup>(5)</sup></b> | <b>\$ 0.98</b>  | <b>\$ (0.09)</b> | <b>\$ (0.01)</b> | <b>\$ (0.03)</b> | <b>\$ 1.10</b>  |

<sup>(1)</sup> Restructuring charges of \$6.5 in the first half of 2022 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> Includes losses on complete dispositions of businesses and the classification of certain assets as held for sale, as well as a non-cash loss in the second quarter of 2022 related to the deconsolidation of a previously consolidated subsidiary in which we maintain an equity interest.

<sup>(3)</sup> Refer to non-GAAP reconciliation of Adjusted EBITA before Restructuring Charges on page 23.

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

<sup>(5)</sup> Earnings per share amounts calculated on an unrounded basis.

See full non-GAAP reconciliation of adjusted diluted earnings per share on page 22.

(\$ in Millions, except per share amounts)



# Cash Flow

|  |  | Three Months Ended June 30, |                 |
|--|--|-----------------------------|-----------------|
|  |  | 2022                        | 2021            |
| <b>Net Income</b>  |  | <b>\$ 231.8</b>             | <b>\$ 267.8</b> |
| <b>OPERATING ACTIVITIES:</b>   | Depreciation & amortization                                | 80.6                        | 93.1            |
|  | Other non-cash items                                       | 1.0                         | 0.3             |
|  | Net losses on sales of businesses                          | 0.7                         | 1.7             |
|  | Deferred taxes   | (14.2)                      | 28.4            |
|  | Change in working capital, net                             | (382.1)                     | 101.6           |
|  | Change in other non-current assets & liabilities           | (8.6)                       | (24.7)          |
|  | <b>Net cash (used in) provided by Operating Activities</b> | <b>(90.8)</b>               | <b>468.2</b>    |
| <b>INVESTING ACTIVITIES:</b>   | Capital expenditures                                       | (41.6)                      | (33.8)          |
|  | Deconsolidation of a subsidiary                            | (20.4)                      | —               |
|  | Other investing activities                                 | 1.0                         | (9.5)           |
|  | <b>Net cash used in Investing Activities</b>               | <b>(61.0)</b>               | <b>(43.3)</b>   |
| <b>FINANCING ACTIVITIES:</b>   | Common stock dividends                                     | (113.8)                     | (106.1)         |
|  | Repurchases of common stock                                | (84.8)                      | —               |
|  | Net (decrease) increase in short-term borrowings           | (26.0)                      | 18.7            |
|  | Acquisition-related payments                               | (4.9)                       | (8.9)           |
|  | Distributions to noncontrolling interests                  | (2.1)                       | (3.6)           |
|  | Tax payments for employee shares withheld                  | (1.3)                       | (1.6)           |
|  | Other financing activities                                 | (0.1)                       | (0.3)           |
|  | <b>Net cash used in Financing Activities</b>               | <b>(233.0)</b>              | <b>(101.8)</b>  |
|  | Currency effect  | (33.8)                      | 2.5             |
| <b>Net (decrease) increase in cash, cash equivalents and restricted cash</b> |  | <b>\$ (418.6)</b>           | <b>\$ 325.6</b> |

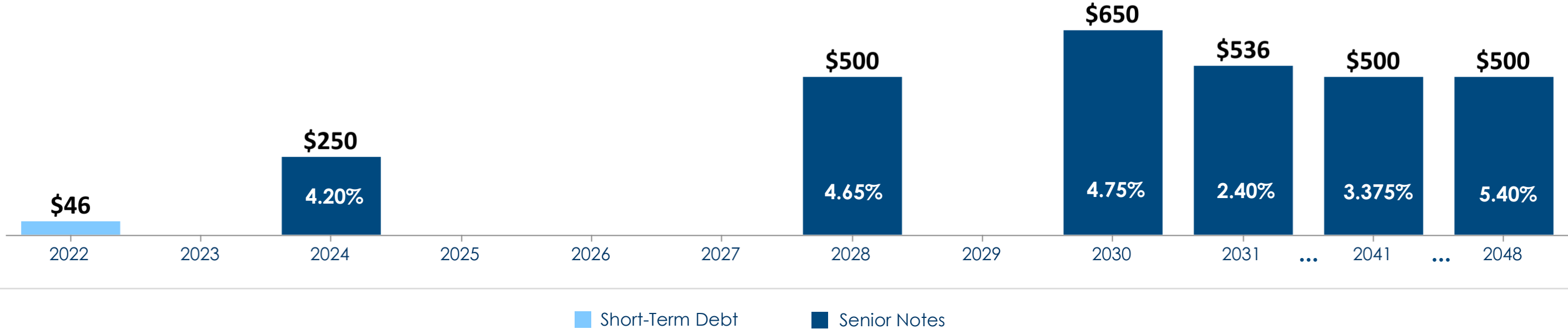
# Balance Sheet — Current Portion

|  | June 30, 2022     | December 31, 2021  | June 30, 2021     |
|--|-------------------|--------------------|-------------------|
| <b>CURRENT ASSETS:</b>                   |                   |                    |                   |
| Cash and cash equivalents                | \$ 1,983.4        | \$ 3,270.0         | \$ 2,340.6        |
| Accounts receivable, net                 | 4,014.9           | 5,177.7            | 3,893.6           |
| Accounts receivable, billable to clients | 2,233.0           | 2,347.2            | 2,043.4           |
| Assets held for sale                     | 17.7              | 8.2                | 4.6               |
| Other current assets                     | 511.8             | 428.7              | 500.3             |
| <b>Total current assets</b>              | <b>\$ 8,760.8</b> | <b>\$ 11,231.8</b> | <b>\$ 8,782.5</b> |
| <b>CURRENT LIABILITIES:</b>              |                   |                    |                   |
| Accounts payable                         | \$ 6,861.3        | \$ 8,960.0         | \$ 6,605.9        |
| Accrued liabilities                      | 623.5             | 918.1              | 679.8             |
| Contract liabilities                     | 664.4             | 688.5              | 678.5             |
| Short-term borrowings                    | 45.7              | 47.5               | 56.7              |
| Current portion of long-term debt        | 0.6               | 0.7                | 503.1             |
| Current portion of operating leases      | 255.0             | 265.8              | 267.9             |
| Liabilities held for sale                | 12.2              | 9.4                | 4.8               |
| <b>Total current liabilities</b>         | <b>\$ 8,462.7</b> | <b>\$ 10,890.0</b> | <b>\$ 8,796.7</b> |

(\$ in Millions)

# Debt Maturity Schedule

Total Debt = \$3.0 billion



# Summary

- A strong first half, notwithstanding general macroeconomic concerns
- Continued focus on driving growth, building on our industry-leading foundation
  - Strong agency brands
  - Exceptional talent
  - Data capabilities at scale
  - Creative and innovative marketing solutions
  - Integrated digital and digital specialists
  - "Open architecture" agency collaboration
- Effective expense management is an ongoing priority
- Flexible business model is positioned to address uncertainty
- Financial strength is a continued source of value creation



# Appendix

---

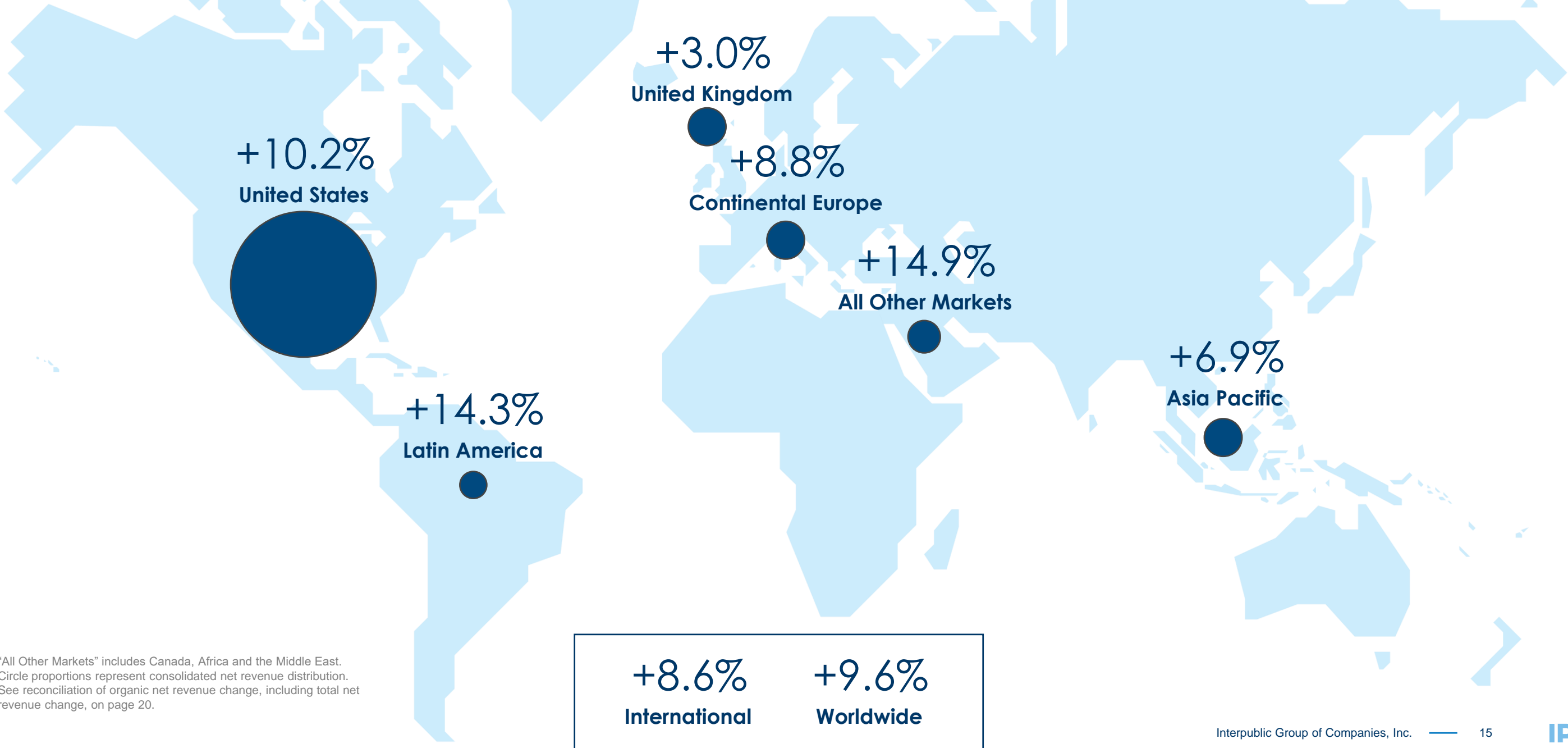
# Operating Performance

|   | Six Months Ended June 30, |                 |
|---|---------------------------|-----------------|
|   | 2022                      | 2021            |
| <b>Net Revenue</b>  | \$ 4,602.7                | \$ 4,297.3      |
| Billable Expenses   | 701.5                     | 469.3           |
| <b>Total Revenue</b>  | <b>5,304.2</b>            | <b>4,766.6</b>  |
| Salaries and Related Expenses                                     | 3,154.6                   | 2,878.0         |
| Office and Other Direct Expenses                                  | 673.2                     | 593.9           |
| Billable Expenses   | 701.5                     | 469.3           |
| <b>Cost of Services</b>   | <b>4,529.3</b>            | <b>3,941.2</b>  |
| Selling, General and Administrative Expenses                      | 38.7                      | 57.6            |
| Depreciation and Amortization                                     | 134.9                     | 139.3           |
| Restructuring Charges   | 6.5                       | 1.1             |
| <b>Total Operating Expenses</b>                                   | <b>4,709.4</b>            | <b>4,139.2</b>  |
| <b>Operating Income</b>   | <b>594.8</b>              | <b>627.4</b>    |
| Interest Expense, net   | (59.4)                    | (77.7)          |
| Other Expense, net <sup>(1)</sup>                                 | (10.7)                    | (79.2)          |
| <b>Income Before Income Taxes</b>                                 | <b>524.7</b>              | <b>470.5</b>    |
| Provision for Income Taxes  | 132.8                     | 110.5           |
| Equity in Net Income of Unconsolidated Affiliates                 | 0.8                       | 0.2             |
| <b>Net Income</b>   | <b>392.7</b>              | <b>360.2</b>    |
| Net Income Attributable to Non-controlling Interests              | (3.7)                     | (5.2)           |
| <b>Net Income Available to IPG Common Stockholders</b>            | <b>\$ 389.0</b>           | <b>\$ 355.0</b> |
| Earnings per Share Available to IPG Common Stockholders - Basic   | \$ 0.99                   | \$ 0.90         |
| Earnings per Share Available to IPG Common Stockholders - Diluted | \$ 0.98                   | \$ 0.89         |
| Weighted-Average Number of Common Shares Outstanding - Basic      | 393.8                     | 392.4           |
| Weighted-Average Number of Common Shares Outstanding - Diluted    | 397.5                     | 397.6           |
| Dividends Declared per Common Share                               | \$ 0.580                  | \$ 0.540        |

<sup>(1)</sup> Includes a loss of \$74.0 on early extinguishment of debt in the first quarter of 2021.  
(\$ in Millions, except per share amounts)

# Organic Net Revenue Change by Region

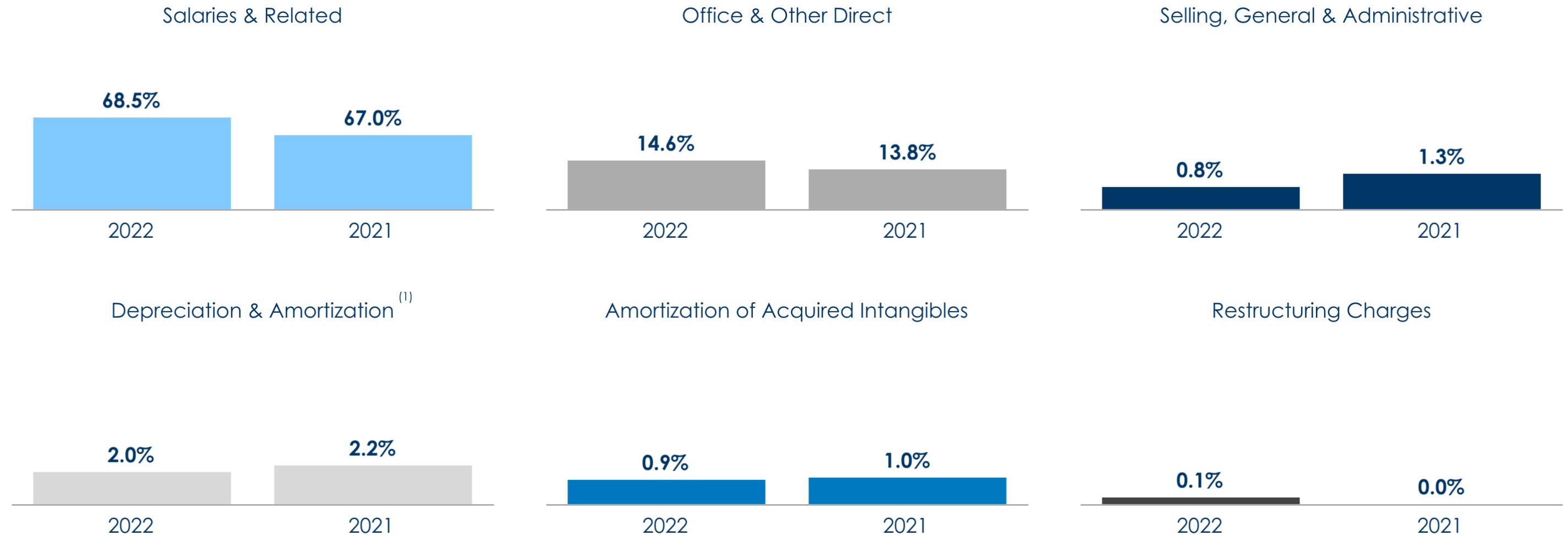
Six Months Ended June 30, 2022



"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 20.

# 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, |                   |
|---|--|---------------------------|-------------------|
|   |  | 2022                      | 2021              |
| <b>Net Income</b>   |  | <b>\$ 392.7</b>           | <b>\$ 360.2</b>   |
| <b>OPERATING ACTIVITIES:</b>                                      | Depreciation & amortization                                | 161.6                     | 185.3             |
|   | Other non-cash items                                       | 13.3                      | 2.7               |
|   | Net losses on sales of businesses                          | 7.1                       | 14.2              |
|   | Loss on early extinguishment of debt                       | —                         | 74.0              |
|   | Deferred taxes   | (0.1)                     | 46.6              |
|   | Change in working capital, net                             | (1,247.5)                 | (395.3)           |
|   | Change in other non-current assets & liabilities           | (51.5)                    | (69.3)            |
|   | <b>Net cash (used in) provided by Operating Activities</b> | <b>(724.4)</b>            | <b>218.4</b>      |
| <b>INVESTING ACTIVITIES:</b>                                      | Capital expenditures                                       | (72.3)                    | (62.1)            |
|   | Deconsolidation of a subsidiary                            | (20.4)                    | —                 |
|   | Net proceeds from investments                              | 2.6                       | 28.8              |
|   | Other investing activities                                 | 0.3                       | (9.8)             |
|   | <b>Net cash used in Investing Activities</b>               | <b>(89.8)</b>             | <b>(43.1)</b>     |
| <b>FINANCING ACTIVITIES:</b>                                      | Common stock dividends                                     | (232.1)                   | (215.2)           |
|   | Repurchases of common stock                                | (147.9)                   | —                 |
|   | Tax payments for employee shares withheld                  | (39.6)                    | (24.0)            |
|   | Net (decrease) increase in short-term borrowings           | (12.1)                    | 15.8              |
|   | Acquisition-related payments                               | (6.0)                     | (12.3)            |
|   | Distributions to noncontrolling interests                  | (5.2)                     | (6.9)             |
|   | Proceeds from long-term debt                               | 0.0                       | 998.1             |
|   | Exercise of stock options                                  | 0.0                       | 8.0               |
|   | Early extinguishment of long-term debt                     | —                         | (1,066.8)         |
|   | Other financing activities                                 | (0.2)                     | (11.2)            |
|   | <b>Net cash used in Financing Activities</b>               | <b>(443.1)</b>            | <b>(314.5)</b>    |
|   |  | (28.8)                    | (27.9)            |
| <b>Net decrease in cash, cash equivalents and restricted cash</b> |  | <b>\$ (1,286.1)</b>       | <b>\$ (167.1)</b> |

(\$ in Millions)

# Depreciation and Amortization

|  | 2022    |         |    |    |          |
|--|---------|---------|----|----|----------|
|  | Q1      | Q2      | Q3 | Q4 | YTD 2022 |
| Depreciation and amortization <sup>(1)</sup>                     | \$ 46.5 | \$ 46.0 |    |    | \$ 92.5  |
| Amortization of acquired intangibles                             | 21.3    | 21.1    |    |    | 42.4     |
| Amortization of restricted stock and other non-cash compensation | 12.5    | 12.8    |    |    | 25.3     |
| Net amortization of bond discounts and deferred financing costs  | 0.7     | 0.7     |    |    | 1.4      |

|  | 2021    |         |         |         |          |
|--|---------|---------|---------|---------|----------|
|  | Q1      | Q2      | Q3      | Q4      | FY 2021  |
| Depreciation and amortization <sup>(1)</sup>                     | \$ 47.6 | \$ 48.5 | \$ 47.9 | \$ 53.6 | \$ 197.6 |
| Amortization of acquired intangibles                             | 21.6    | 21.6    | 21.5    | 21.5    | 86.2     |
| Amortization of restricted stock and other non-cash compensation | 20.3    | 21.9    | 15.7    | 12.2    | 70.1     |
| Net amortization of bond discounts and deferred financing costs  | 2.7     | 1.1     | 1.0     | 0.9     | 5.7      |

<sup>(1)</sup> Excludes amortization of acquired intangibles.  
(\$ in Millions)

# Reconciliation of Organic Net Revenue

|                    |  | Three Months Ended<br>June 30, 2021 | Components of Change |   |                 | Three Months Ended<br>June 30, 2022 | Change      |               |
|--------------------|--|-------------------------------------|----------------------|---|-----------------|-------------------------------------|-------------|---------------|
|                    |  |                                     | Foreign<br>Currency  | Net<br>Acquisitions /<br>(Divestitures) | Organic         |                                     | Organic     | Total         |
| <b>SEGMENT:</b>    | Media, Data & Engagement Solutions <sup>(1) (2)</sup>                  | \$ 985.3                            | \$ (28.8)            | \$ (0.1)                                | \$ 61.4         | \$ 1,017.8                          | 6.2%        | 3.3%          |
|                    | Integrated Advertising & Creativity Led Solutions <sup>(1) (3)</sup>   | 963.2                               | (21.3)               | (14.1)                                  | 81.5            | 1,009.3                             | 8.5%        | 4.8%          |
|                    | Specialized Communications & Experiential Solutions <sup>(1) (4)</sup> | 321.1                               | (7.9)                | (0.6)                                   | 35.8            | 348.4                               | 11.1%       | 8.5%          |
|                    | <b>Total</b>   | <b>\$ 2,269.6</b>                   | <b>\$ (58.0)</b>     | <b>\$ (14.8)</b>                        | <b>\$ 178.7</b> | <b>\$ 2,375.5</b>                   | <b>7.9%</b> | <b>4.7%</b>   |
| <b>GEOGRAPHIC:</b> | <b>United States</b>   | <b>\$ 1,435.5</b>                   | <b>\$ —</b>          | <b>\$ —</b>                             | <b>\$ 119.4</b> | <b>\$ 1,554.9</b>                   | <b>8.3%</b> | <b>8.3%</b>   |
|                    | <b>International</b>   | <b>834.1</b>                        | <b>(58.0)</b>        | <b>(14.8)</b>                           | <b>59.3</b>     | <b>820.6</b>                        | <b>7.1%</b> | <b>(1.6%)</b> |
|                    | United Kingdom   | 194.6                               | (18.4)               | —                                       | 8.6             | 184.8                               | 4.4%        | (5.0%)        |
|                    | Continental Europe   | 205.5                               | (22.7)               | —                                       | 17.0            | 199.8                               | 8.3%        | (2.8%)        |
|                    | Asia Pacific   | 192.5                               | (11.6)               | (2.4)                                   | 9.3             | 187.8                               | 4.8%        | (2.4%)        |
|                    | Latin America  | 96.9                                | (1.9)                | (1.6)                                   | 8.5             | 101.9                               | 8.8%        | 5.2%          |
|                    | All Other Markets  | 144.6                               | (3.4)                | (10.8)                                  | 15.9            | 146.3                               | 11.0%       | 1.2%          |
|                    | <b>Worldwide</b>   | <b>\$ 2,269.6</b>                   | <b>\$ (58.0)</b>     | <b>\$ (14.8)</b>                        | <b>\$ 178.7</b> | <b>\$ 2,375.5</b>                   | <b>7.9%</b> | <b>4.7%</b>   |

<sup>(1)</sup> Results for three month ended June 30, 2021 have been recast to reflect our new reportable segments.

<sup>(2)</sup> Comprised of IPG Mediabrands, Acxiom, and Kinesso, and our digital and commerce specialist agencies, which include MRM, R/GA, and Huge.

<sup>(3)</sup> Comprised of McCann Worldgroup, IPG Health, MullenLowe Group, Foote, Cone & Belding ("FCB"), and our domestic integrated agencies.

<sup>(4)</sup> Comprised of IPG DXTRA and DXTRA Health, Weber Shandwick, Golin, and our sports, entertainment and experiential agencies.

(\$ in Millions)

# Reconciliation of Organic Net Revenue

|                    |  | Components of Change           |                  |                                   |                 | Change                         |              |              |
|--------------------|--|--------------------------------|------------------|-----------------------------------|-----------------|--------------------------------|--------------|--------------|
|                    |  | Six Months Ended June 30, 2021 | Foreign Currency | Net Acquisitions / (Divestitures) | Organic         | Six Months Ended June 30, 2022 | Organic      | Total        |
| <b>SEGMENT:</b>    | Media, Data & Engagement Solutions <sup>(1) (2)</sup>                  | \$ 1,835.1                     | \$ (43.9)        | \$ (0.2)                          | \$ 158.9        | \$ 1,949.9                     | 8.7%         | 6.3%         |
|                    | Integrated Advertising & Creativity Led Solutions <sup>(1) (3)</sup>   | 1,838.5                        | (30.8)           | (19.9)                            | 180.0           | 1,967.8                        | 9.8%         | 7.0%         |
|                    | Specialized Communications & Experiential Solutions <sup>(1) (4)</sup> | 623.7                          | (10.9)           | (1.4)                             | 73.6            | 685.0                          | 11.8%        | 9.8%         |
|                    | <b>Total</b>   | <b>\$ 4,297.3</b>              | <b>\$ (85.6)</b> | <b>\$ (21.5)</b>                  | <b>\$ 412.5</b> | <b>\$ 4,602.7</b>              | <b>9.6%</b>  | <b>7.1%</b>  |
| <b>GEOGRAPHIC:</b> | <b>United States</b>   | <b>\$ 2,745.3</b>              | <b>\$ —</b>      | <b>\$ —</b>                       | <b>\$ 279.7</b> | <b>\$ 3,025.0</b>              | <b>10.2%</b> | <b>10.2%</b> |
|                    | <b>International</b>   | <b>1,552.0</b>                 | <b>(85.6)</b>    | <b>(21.5)</b>                     | <b>132.8</b>    | <b>1,577.7</b>                 | <b>8.6%</b>  | <b>1.7%</b>  |
|                    | United Kingdom   | 378.6                          | (22.7)           | —                                 | 11.3            | 367.2                          | 3.0%         | (3.0%)       |
|                    | Continental Europe   | 381.3                          | (35.7)           | —                                 | 33.5            | 379.1                          | 8.8%         | (0.6%)       |
|                    | Asia Pacific   | 361.6                          | (18.3)           | (5.7)                             | 24.8            | 362.4                          | 6.9%         | 0.2%         |
|                    | Latin America  | 172.3                          | (5.7)            | (1.7)                             | 24.7            | 189.6                          | 14.3%        | 10.0%        |
|                    | All Other Markets  | 258.2                          | (3.2)            | (14.1)                            | 38.5            | 279.4                          | 14.9%        | 8.2%         |
|                    | <b>Worldwide</b>   | <b>\$ 4,297.3</b>              | <b>\$ (85.6)</b> | <b>\$ (21.5)</b>                  | <b>\$ 412.5</b> | <b>\$ 4,602.7</b>              | <b>9.6%</b>  | <b>7.1%</b>  |

<sup>(1)</sup> Results for six month ended June 30, 2021 have been recast to reflect our new reportable segments.

<sup>(2)</sup> Comprised of IPG Mediabrands, Acxiom, and Kinesso, and our digital and commerce specialist agencies, which include MRM, R/GA, and Huge.

<sup>(3)</sup> Comprised of McCann Worldgroup, IPG Health, MullenLowe Group, Foote, Cone & Belding ("FCB"), and our domestic integrated agencies.

<sup>(4)</sup> Comprised of IPG DXTRA and DXTRA Health, Weber Shandwick, Golin, and our sports, entertainment and experiential agencies.

(\$ in Millions)

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

Three Months Ended June 30, 2022

|   | As Reported     | Amortization of Acquired Intangibles | Restructuring Charges <sup>(2)</sup> | Net Losses on Business Dispositions <sup>(3)</sup> | Adjusted Results (Non-GAAP) |
|---|-----------------|--------------------------------------|--------------------------------------|--|-----------------------------|
| <b>Operating Income and Adjusted EBITA before Restructuring Charges<sup>(4)</sup></b> | <b>\$ 349.1</b> | <b>\$ (21.1)</b>                     | <b>\$ 0.1</b>                        |  | <b>\$ 370.1</b>             |
| Total (Expenses) and Other Income <sup>(5)</sup>                                      | (34.3)          |                                      |                                      | \$ (4.2)   | (30.1)                      |
| <b>Income Before Income Taxes</b>   | <b>314.8</b>    | <b>(21.1)</b>                        | <b>0.1</b>                           | <b>(4.2)</b>                                       | <b>340.0</b>                |
| Provision for Income Taxes  | 83.7            | 4.3                                  | 0.0                                  | 0.0  | 88.0                        |
| <i>Effective Tax Rate</i>   | 26.6 %          |                                      |                                      |  | 25.9 %                      |
| Equity in Net Income of Unconsolidated Affiliates                                     | 0.7             |                                      |                                      |  | 0.7                         |
| Net Income Attributable to Non-controlling Interests                                  | (2.2)           |                                      |                                      |  | (2.2)                       |
| <b>Net Income Available to IPG Common Stockholders</b>                                | <b>\$ 229.6</b> | <b>\$ (16.8)</b>                     | <b>\$ 0.1</b>                        | <b>\$ (4.2)</b>                                    | <b>\$ 250.5</b>             |
| <b>Weighted-Average Number of Common Shares Outstanding - Basic</b>                   | <b>393.1</b>    |                                      |                                      |  | <b>393.1</b>                |
| Dilutive effect of stock options and restricted shares                                | 3.7             |                                      |                                      |  | 3.7                         |
| <b>Weighted-Average Number of Common Shares Outstanding - Diluted</b>                 | <b>396.8</b>    |                                      |                                      |  | <b>396.8</b>                |
| <b>Earnings per Share Available to IPG Common Stockholders<sup>(6)</sup>:</b>         |                 |                                      |                                      |  |                             |
| Basic   | \$ 0.58         | \$ (0.04)                            | \$ 0.00                              | \$ (0.01)  | \$ 0.64                     |
| Diluted   | \$ 0.58         | \$ (0.04)                            | \$ 0.00                              | \$ (0.01)  | \$ 0.63                     |

<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 (\$0.1) in the second quarter of 2022 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> Primarily includes a non-cash loss in the second quarter of 2022 related to the deconsolidation of a previously consolidated subsidiary in which we maintain an equity interest, as well as losses on complete dispositions of businesses and the classification of certain assets as held for sale.

<sup>(4)</sup> Refer to non-GAAP reconciliation of Adjusted EBITA before Restructuring Charges on page 23.

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

<sup>(6)</sup> Earnings per share amounts calculated on an unrounded basis.

(\$ in Millions, except per share amounts)

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

Six Months Ended June 30, 2022

|   | As Reported     | Amortization of Acquired Intangibles | Restructuring Charges <sup>(2)</sup> | Net Losses on Business Dispositions <sup>(3)</sup> | Adjusted Results (Non-GAAP) |
|---|-----------------|--------------------------------------|--------------------------------------|--|-----------------------------|
| <b>Operating Income and Adjusted EBITA before Restructuring Charges<sup>(4)</sup></b> | <b>\$ 594.8</b> | <b>\$ (42.4)</b>                     | <b>\$ (6.5)</b>                      |  | <b>\$ 643.7</b>             |
| Total (Expenses) and Other Income <sup>(5)</sup>                                      | (70.1)          |                                      |                                      | \$ (10.6)  | (59.5)                      |
| <b>Income Before Income Taxes</b>   | <b>524.7</b>    | <b>(42.4)</b>                        | <b>(6.5)</b>                         | <b>(10.6)</b>                                      | <b>584.2</b>                |
| Provision for Income Taxes  | 132.8           | 8.5                                  | 1.6                                  | 0.0  | 142.9                       |
| <i>Effective Tax Rate</i>   | 25.3 %          |                                      |                                      |  | 24.5 %                      |
| Equity in Net Income of Unconsolidated Affiliates                                     | 0.8             |                                      |                                      |  | 0.8                         |
| Net Income Attributable to Non-controlling Interests                                  | (3.7)           |                                      |                                      |  | (3.7)                       |
| <b>Net Income Available to IPG Common Stockholders</b>                                | <b>\$ 389.0</b> | <b>\$ (33.9)</b>                     | <b>\$ (4.9)</b>                      | <b>\$ (10.6)</b>                                   | <b>\$ 438.4</b>             |
| <b>Weighted-Average Number of Common Shares Outstanding - Basic</b>                   | <b>393.8</b>    |                                      |                                      |  | <b>393.8</b>                |
| Dilutive effect of stock options and restricted shares                                | 3.7             |                                      |                                      |  | 3.7                         |
| <b>Weighted-Average Number of Common Shares Outstanding - Diluted</b>                 | <b>397.5</b>    |                                      |                                      |  | <b>397.5</b>                |
| <b>Earnings per Share Available to IPG Common Stockholders<sup>(6)</sup>:</b>         |                 |                                      |                                      |  |                             |
| Basic   | \$ 0.99         | \$ (0.09)                            | \$ (0.01)                            | \$ (0.03)  | \$ 1.11                     |
| Diluted   | \$ 0.98         | \$ (0.09)                            | \$ (0.01)                            | \$ (0.03)  | \$ 1.10                     |

<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 \$6.5 in the first half of 2022 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> Primarily includes a non-cash loss in the second quarter of 2022 related to the deconsolidation of a previously consolidated subsidiary in which we maintain an equity interest and also includes losses on complete dispositions of businesses and the classification of certain assets as held for sale.

<sup>(4)</sup> Refer to non-GAAP reconciliation of Adjusted EBITA before Restructuring Charges on page 23.

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

<sup>(6)</sup> Earnings per share amounts calculated on an unrounded basis.

(\$ in Millions, except per share amounts)

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

|  | Three Months Ended June 30, |            | Six Months Ended June 30, |            |
|--|-----------------------------|------------|---------------------------|------------|
|  | 2022                        | 2021       | 2022                      | 2021       |
| <b>Net Revenue</b>   | \$ 2,375.5                  | \$ 2,269.6 | \$ 4,602.7                | \$ 4,297.3 |
| <b>Non-GAAP Reconciliation:</b>  |                             |            |                           |            |
| <b>Net Income Available to IPG Common Stockholders</b>                     | \$ 229.6                    | \$ 263.3   | \$ 389.0                  | \$ 355.0   |
| <b>Add Back:</b>   |                             |            |                           |            |
| Provision for Income Taxes   | 83.7                        | 86.7       | 132.8                     | 110.5      |
| <b>Subtract:</b>   |                             |            |                           |            |
| Total (Expenses) and Other Income <sup>(2)</sup>                           | (34.3)                      | (30.3)     | (70.1)                    | (156.9)    |
| Equity in Net Income of Unconsolidated Affiliates                          | 0.7                         | 0.4        | 0.8                       | 0.2        |
| Net Income Attributable to Non-controlling Interests                       | (2.2)                       | (4.5)      | (3.7)                     | (5.2)      |
| <b>Operating Income</b>  | \$ 349.1                    | \$ 384.4   | \$ 594.8                  | \$ 627.4   |
| <b>Add Back:</b>   |                             |            |                           |            |
| Amortization of Acquired Intangibles                                       | 21.1                        | 21.6       | 42.4                      | 43.2       |
| <b>Adjusted EBITA</b>  | \$ 370.2                    | \$ 406.0   | \$ 637.2                  | \$ 670.6   |
| <b>Adjusted EBITA Margin on Net Revenue %</b>                              | 15.6 %                      | 17.9 %     | 13.8 %                    | 15.6 %     |
| Restructuring Charges <sup>(3)</sup>                                       | (0.1)                       | (0.2)      | 6.5                       | 1.1        |
| <b>Adjusted EBITA before Restructuring Charges</b>                         | \$ 370.1                    | \$ 405.8   | \$ 643.7                  | \$ 671.7   |
| <b>Adjusted EBITA before Restructuring Charges Margin on Net Revenue %</b> | 15.6 %                      | 17.9 %     | 14.0 %                    | 15.6 %     |

(1) 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.

(2) Includes a loss of \$74.0 on early extinguishment of debt in the first quarter of 2021.

(3) Restructuring charges of (\$0.1) and (\$0.2) in the second quarter of 2022 and 2021, respectively, and \$6.5 and \$1.1 in the first half of 2022 and 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)

# Adjusted EBITA before Restructuring Charges by Segment <sup>(1)</sup>

|  | Media, Data & Engagement Solutions <sup>(2)</sup> |                     | Integrated Advertising & Creativity Led Solutions <sup>(3)</sup> |                     | Specialized Communications & Experiential Solutions <sup>(4)</sup> |                     | Corporate and Other <sup>(5)</sup> |                     | IPG Consolidated <sup>(1)</sup> |                     |
|--|---|---------------------|--|---------------------|--|---------------------|------------------------------------|---------------------|---------------------------------|---------------------|
|  | Three Months Ended June 30,                       |                     | Three Months Ended June 30,                                      |                     | Three Months Ended June 30,  |                     | Three Months Ended June 30,        |                     | Three Months Ended June 30,     |                     |
|  | 2022  | 2021 <sup>(6)</sup> | 2022   | 2021 <sup>(6)</sup> | 2022   | 2021 <sup>(6)</sup> | 2022                               | 2021 <sup>(6)</sup> | 2022                            | 2021 <sup>(6)</sup> |
| <b>Net Revenue</b>   | <b>\$ 1,017.8</b>                                 | <b>\$ 985.3</b>     | <b>\$ 1,009.3</b>  | <b>\$ 963.2</b>     | <b>\$ 348.4</b>  | <b>\$ 321.1</b>     |                                    |                     | <b>\$ 2,375.5</b>               | <b>\$ 2,269.6</b>   |
| Segment/Adjusted EBITA                                     | \$ 154.6  | \$ 201.6            | \$ 177.2   | \$ 183.0            | \$ 59.4  | \$ 53.0             | \$ (21.0)                          | \$ (31.6)           | \$ 370.2                        | \$ 406.0            |
| Restructuring Charges <sup>(7)</sup>                       | —   | 0.2                 | (0.1)  | (0.4)               | —  | (0.1)               | —                                  | 0.1                 | (0.1)                           | (0.2)               |
| <b>Segment/Adjusted EBITA before Restructuring Charges</b> | <b>\$ 154.6</b>                                   | <b>\$ 201.8</b>     | <b>\$ 177.1</b>  | <b>\$ 182.6</b>     | <b>\$ 59.4</b>   | <b>\$ 52.9</b>      | <b>\$ (21.0)</b>                   | <b>\$ (31.5)</b>    | <b>\$ 370.1</b>                 | <b>\$ 405.8</b>     |
| <i>Margin (%) of net revenue</i>                           | <i>15.2 %</i>                                     | <i>20.5 %</i>       | <i>17.5 %</i>  | <i>19.0 %</i>       | <i>17.0 %</i>  | <i>16.5 %</i>       |                                    |                     | <i>15.6 %</i>                   | <i>17.9 %</i>       |

<sup>(1)</sup> Adjusted EBITA before restructuring charges is calculated as net income available to IPG common stockholders before provision for incomes taxes, total (expenses) and other income, equity in net income of unconsolidated affiliates, net income attributable to non-controlling interests, amortization of acquired intangibles and restructuring charges.

<sup>(2)</sup> Comprised of IPG Mediabrands, Acxiom, and Kinesso, as well as our digital and commerce specialist agencies, which include MRM, R/GA, and Huge.

<sup>(3)</sup> Comprised of McCann Worldgroup, IPG Health, MullenLowe Group, FCB, and our domestic integrated agencies.

<sup>(4)</sup> Comprised of IPG DXTRA and DXTRA Health, Weber Shandwick, Golin, and our sports, entertainment and experiential agencies.

<sup>(5)</sup> Corporate and Other is primarily comprised of selling, general and administrative expenses including corporate office expenses as well as shared service center and certain other centrally managed expenses that are not fully allocated to operating divisions.

<sup>(6)</sup> Results for the three months ended June 30, 2021 have been recast to reflect our new reportable segments.

<sup>(7)</sup> Restructuring charges are 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)



# Adjusted EBITA before Restructuring Charges by Segment <sup>(1)</sup>

|  | Media, Data & Engagement Solutions <sup>(2)</sup> |                     | Integrated Advertising & Creativity Led Solutions <sup>(3)</sup> |                     | Specialized Communications & Experiential Solutions <sup>(4)</sup> |                     | Corporate and Other <sup>(5)</sup> |                     | IPG Consolidated <sup>(1)</sup> |                     |
|--|---|---------------------|--|---------------------|--|---------------------|------------------------------------|---------------------|---------------------------------|---------------------|
|  | Six Months Ended June 30,                         |                     | Six Months Ended June 30,  |                     | Six Months Ended June 30,  |                     | Six Months Ended June 30,          |                     | Six Months Ended June 30,       |                     |
|  | 2022  | 2021 <sup>(6)</sup> | 2022   | 2021 <sup>(6)</sup> | 2022   | 2021 <sup>(6)</sup> | 2022                               | 2021 <sup>(6)</sup> | 2022                            | 2021 <sup>(6)</sup> |
| <b>Net Revenue</b>   | <b>\$ 1,949.9</b>                                 | <b>\$ 1,835.1</b>   | <b>\$ 1,967.8</b>  | <b>\$ 1,838.5</b>   | <b>\$ 685.0</b>  | <b>\$ 623.7</b>     |                                    |                     | <b>\$ 4,602.7</b>               | <b>\$ 4,297.3</b>   |
| Segment/Adjusted EBITA                                     | \$ 256.0  | \$ 337.4            | \$ 307.6   | \$ 301.0            | \$ 115.5   | \$ 93.9             | \$ (41.9)                          | \$ (61.7)           | \$ 637.2                        | \$ 670.6            |
| Restructuring Charges <sup>(7)</sup>                       | —   | 0.2                 | 6.0  | —                   | 0.4  | 0.8                 | 0.1                                | 0.1                 | 6.5                             | 1.1                 |
| <b>Segment/Adjusted EBITA before Restructuring Charges</b> | <b>\$ 256.0</b>                                   | <b>\$ 337.6</b>     | <b>\$ 313.6</b>  | <b>\$ 301.0</b>     | <b>\$ 115.9</b>  | <b>\$ 94.7</b>      | <b>\$ (41.8)</b>                   | <b>\$ (61.6)</b>    | <b>\$ 643.7</b>                 | <b>\$ 671.7</b>     |
| <i>Margin (%) of net revenue</i>                           | <i>13.1 %</i>                                     | <i>18.4 %</i>       | <i>15.9 %</i>  | <i>16.4 %</i>       | <i>16.9 %</i>  | <i>15.2 %</i>       |                                    |                     | <i>14.0 %</i>                   | <i>15.6 %</i>       |

<sup>(1)</sup> Adjusted EBITA before restructuring charges is calculated as net income available to IPG common stockholders before provision for incomes taxes, total (expenses) and other income, equity in net income of unconsolidated affiliates, net income attributable to non-controlling interests, amortization of acquired intangibles and restructuring charges.

<sup>(2)</sup> Comprised of IPG Mediabrands, Acxiom, and Kinesso, as well as our digital and commerce specialist agencies, which include MRM, R/GA, and Huge.

<sup>(3)</sup> Comprised of McCann Worldgroup, IPG Health, MullenLowe Group, FCB, and our domestic integrated agencies.

<sup>(4)</sup> Comprised of IPG DXTRA and DXTRA Health, Weber Shandwick, Golin, and our sports, entertainment and experiential agencies.

<sup>(5)</sup> Corporate and Other is primarily comprised of selling, general and administrative expenses including corporate office expenses as well as shared service center and certain other centrally managed expenses that are not fully allocated to operating divisions.

<sup>(6)</sup> Results for the six months ended June 30, 2021 have been recast to reflect our new reportable segments.

<sup>(7)</sup> Restructuring charges are 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, 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                        |
| <i>Effective Tax Rate</i>   | 24.5 %                           |                                      |                                      |                                   | 24.4 %                      |
| Equity in Net Income of Unconsolidated Affiliates                                     | 0.4                              |                                      |                                      |                                   | 0.4                         |
| Net Income Attributable to Non-controlling 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                     |

(1) 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.

(2) 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.

(3) Refer to non-GAAP reconciliation of Adjusted EBITA before Restructuring Charges on page 23.

(4) Consists of non-operating expenses including interest expense, interest income, and other expense, net.

(5) Earnings per share amounts calculated on an unrounded basis.

(\$ 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                       |
| Effective Tax Rate  | 23.5 %                         |                                      |                                      |                                   |   | 23.1 %                      |
| Equity in Net Income of Unconsolidated Affiliates                                     | 0.2                            |                                      |                                      |                                   |   | 0.2                         |
| Net Income Attributable to Non-controlling 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                     |

(1) 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.

(2) 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.

(3) 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.

(4) Refer to non-GAAP reconciliation of Adjusted EBITA before Restructuring Charges on page 23.

(5) Consists of non-operating expenses including interest expense, interest income, and other expense, net.

(6) Earnings per share amounts calculated on an unrounded basis.

(\$ in Millions, except per share amounts)



# Metrics Update

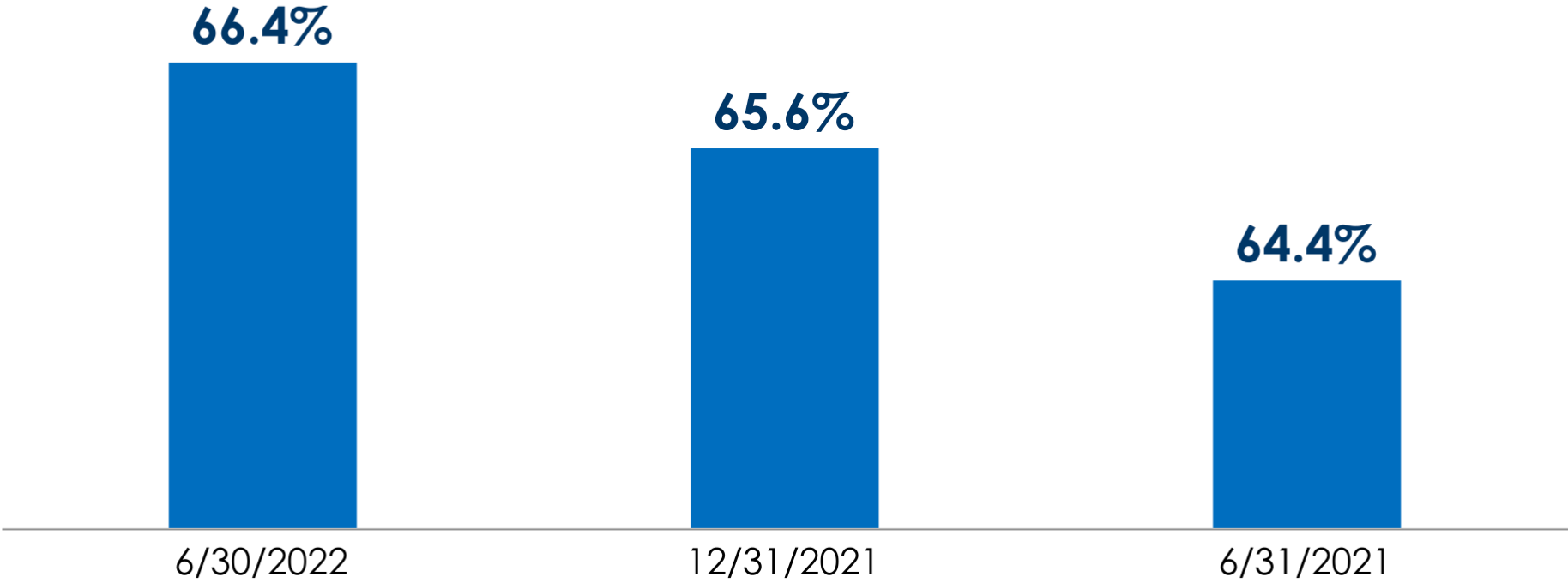
---

# Metrics Update

| CATEGORY:      | SALARIES & RELATED<br>(% of net revenue) | OFFICE & OTHER DIRECT<br>(% 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                           |   |                          |

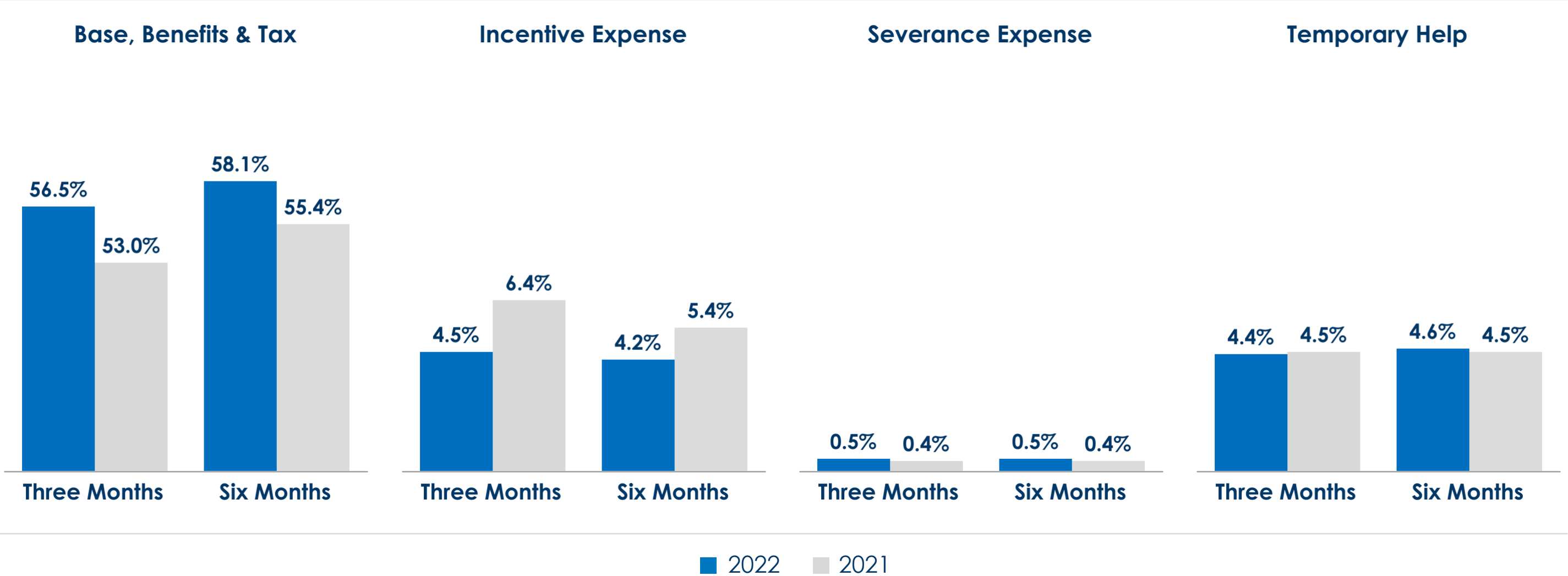
# Salaries & Related Expenses

% of Net Revenue, Trailing Twelve Months



# Salaries & Related Expenses (% of Net Revenue)

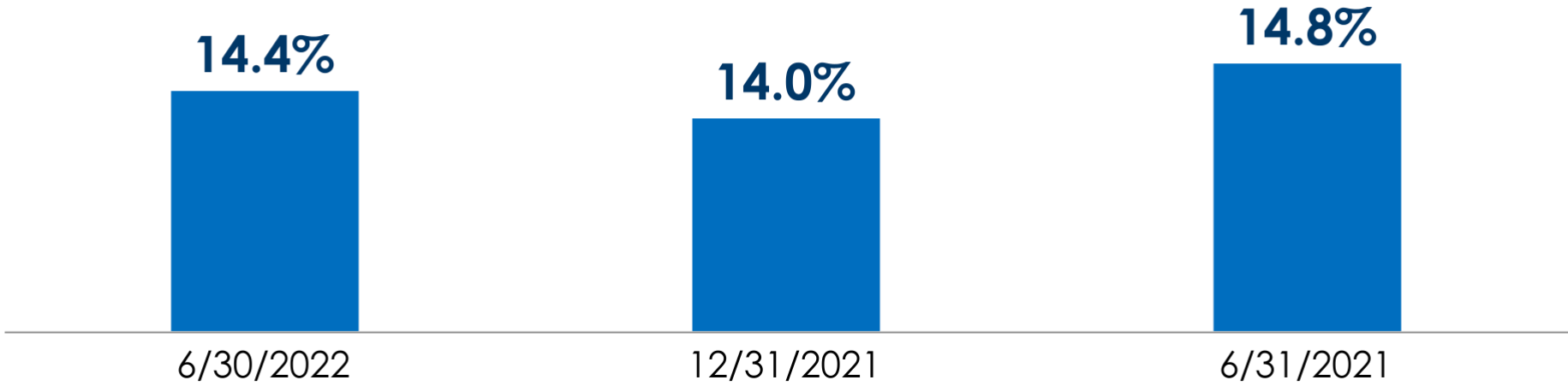
Three and Six Months Ended June 30



"All Other Salaries & Related," not shown, was 1.0% and 1.1% for the three months ended June 30, 2022 and 2021, respectively, and 1.1% and 1.3% for the six months ended June 30, 2022 and 2021, respectively.

# Office & Other Direct Expenses

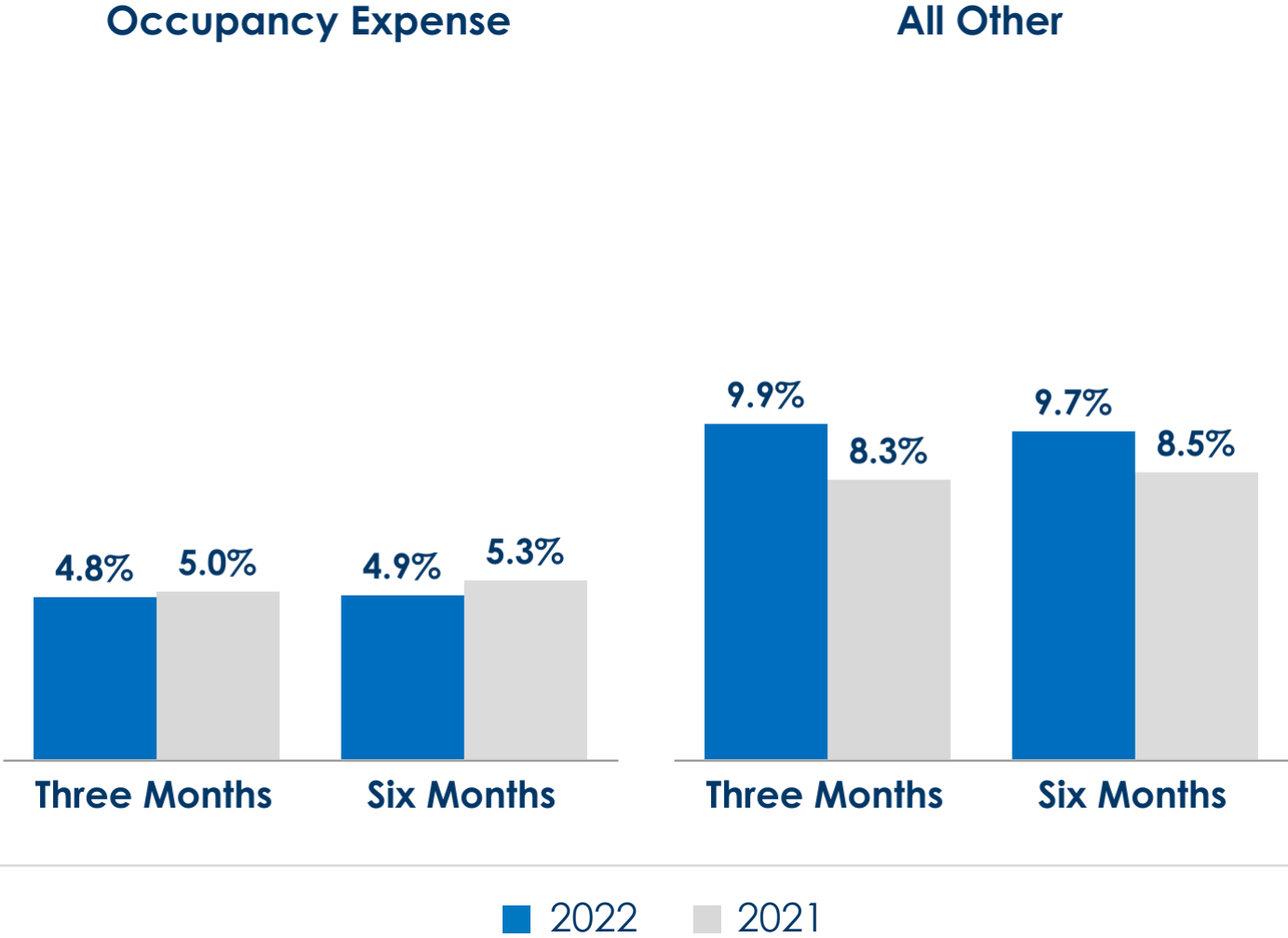
% of Net Revenue, Trailing Twelve Months





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

Three and Six Months Ended June 30

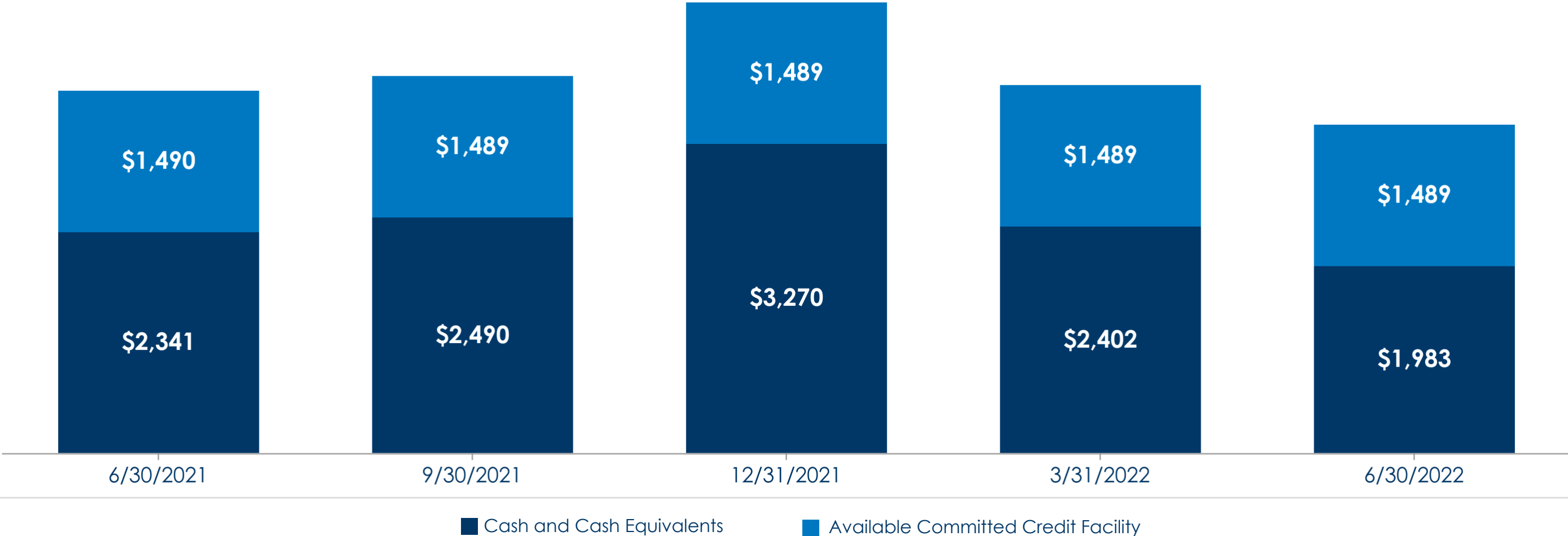


"All Other" primarily includes client service costs, non-pass through production expenses, travel and entertainment, professional fees, spending to support new business activity, telecommunications, office supplies, bad debt expense, adjustments to contingent acquisition obligations, foreign currency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



# Available Liquidity

Cash, Cash Equivalents + Available Committed Credit Facilities



(\$ in Millions)



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

| Financial Covenant                                 | Four Quarters Ended<br>June 30, 2022 |
|--|--------------------------------------|
| Leverage Ratio (not greater than) <sup>(2)</sup>   | 3.50x                                |
| <b>Actual Leverage Ratio</b>                       | <b>1.68x</b>                         |
| <br>   |                                      |
| CREDIT AGREEMENT EBITDA RECONCILIATION:            | Four Quarters Ended<br>June 30, 2022 |
| Net Income Available to IPG Common Stockholders    | \$ 986.8                             |
| + Non-Operating Adjustments <sup>(3)</sup>         | 416.8                                |
| Operating Income                                   | \$ 1,403.6                           |
| + Depreciation and Amortization                    | 336.8                                |
| + Other Non-cash Charges Reducing Operating Income | 15.6                                 |
| <b>Credit Agreement EBITDA <sup>(2)</sup>:</b>     | <b>\$ 1,756.0</b>                    |

<sup>(1)</sup> The leverage ratio financial covenant applies to our committed corporate credit facility, amended and restated as of November 1, 2021 (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> Includes adjustments of the following items from our consolidated statement of operations: provision for income taxes, total (expenses) and other income, equity in net income (loss) of unconsolidated affiliates, and net (income) loss attributable to non-controlling interests.

(\$ in Millions)

# 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 COVID-19 pandemic, including unanticipated developments like the emergence of new coronavirus variants or any shortfalls in vaccination efforts, and associated mitigation measures such as 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 challenging 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 interest rates, inflation rates and currency exchange rates;
- developments from changes in the regulatory and legal environment for advertising and marketing services companies around the world, including laws and regulations related to data protection and consumer privacy;
- the impact on our operations of general or directed cybersecurity events; 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.