UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2024
or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number: 1-6686

THE INTERPUBLIC GROUP OF COMPANIES, INC.

(Exact name of registrant as specified in its charter)

Delaware	**13-1024020**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

909 Third Avenue, New York, New York 10022
(Address of principal executive offices) (Zip Code)

(212)704-1200
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.10 per share	**IPG**	**The New York Stock Exchange**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	☒	Accelerated Filer	☐
Non-accelerated Filer	☐	Smaller Reporting Company	☐
		Emerging Growth Company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares of the registrant's common stock outstanding as of October 18, 2024 was 372,508,618.

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INFORMATION REGARDING FORWARD-LOOKING DISCLOSURE

This quarterly report on Form 10-Q contains forward-looking statements. Statements in this report that are not historical facts, including statements regarding goals, intentions, and expectations as to future plans, trends, events, or future results of operations or financial position, constitute forward-looking statements. Without limiting the generality of the foregoing, words such as "may," "will," "expect," "believe," "anticipate," "estimate," "project," "forecast," "plan," "intend," "could," "would," "should," "will likely result" or comparable terminology are intended to identify forward-looking statements. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties, which could cause our actual results and outcomes to differ materially from those reflected in the forward-looking statements.

Actual results and outcomes could differ materially for a variety of reasons, including, among others:

- 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;
- our ability to attract new clients and retain existing clients;
- our ability to retain and attract key employees;
- 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;
- the economic or business impact of military or political conflict in key markets;
- the impacts on our business of any pandemics, epidemics, disease outbreaks or other public health crises;
- 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;
- 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; and
- the impact on our operations of general or directed cybersecurity events.

Investors should carefully consider the foregoing factors and the other risks and uncertainties that may affect our business, including those outlined under Item 1A, *Risk Factors*, in our most recent annual report on Form 10-K and our other SEC filings. Investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date they are made. We undertake no obligation to update or revise publicly any of them in light of new information, future events, or otherwise.

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PART I – FINANCIAL INFORMATION

Item 1. ***Financial Statements (Unaudited)***

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in Millions, Except Per Share Amounts)
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
REVENUE:				
Revenue before billable expenses	$ 2,242.7	$ 2,309.0	$ 6,752.7	$ 6,814.4
Billable expenses	386.1	369.5	1,082.0	1,051.6
Total revenue	2,628.8	2,678.5	7,834.7	7,866.0
OPERATING EXPENSES:				
Salaries and related expenses	1,464.0	1,531.1	4,594.4	4,707.0
Office and other direct expenses	327.1	318.8	1,007.6	989.6
Billable expenses	386.1	369.5	1,082.0	1,051.6
Cost of services	2,177.2	2,219.4	6,684.0	6,748.2
Selling, general and administrative expenses	20.8	16.9	86.4	43.7
Depreciation and amortization	65.3	66.0	195.5	199.0
Impairment of goodwill	232.1	—	232.1	—
Restructuring charges	0.5	(0.6)	1.4	(0.7)
Total operating expenses	2,495.9	2,301.7	7,199.4	6,990.2
OPERATING INCOME	132.9	376.8	635.3	875.8
EXPENSES AND OTHER INCOME:				
Interest expense	(54.9)	(58.7)	(175.6)	(164.2)
Interest income	34.2	35.1	119.5	97.3
Other expense, net	(2.7)	(13.7)	(13.4)	(24.8)
Total (expenses) and other income	(23.4)	(37.3)	(69.5)	(91.7)
INCOME BEFORE INCOME TAXES	109.5	339.5	565.8	784.1
Provision for income taxes	85.3	91.5	208.2	135.9
INCOME OF CONSOLIDATED COMPANIES	24.2	248.0	357.6	648.2
Equity in net loss of unconsolidated affiliates	0.0	(2.3)	(0.2)	(1.7)
NET INCOME	24.2	245.7	357.4	646.5
Net income attributable to non-controlling interests	(4.1)	(2.0)	(12.4)	(11.3)
NET INCOME AVAILABLE TO IPG COMMON STOCKHOLDERS	$ 20.1	$ 243.7	$ 345.0	$ 635.2
Earnings per share available to IPG common stockholders:				
Basic	$ 0.05	$ 0.64	$ 0.92	$ 1.65
Diluted	$ 0.05	$ 0.63	$ 0.91	$ 1.64
Weighted-average number of common shares outstanding:				
Basic	373.9	383.6	376.2	385.0
Diluted	376.8	385.5	378.7	386.8

The accompanying notes are an integral part of these unaudited financial statements.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Millions)
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
NET INCOME	$ 24.2	$ 245.7	$ 357.4	$ 646.5
OTHER COMPREHENSIVE INCOME				
Foreign currency translation:				
Foreign currency translation adjustments	76.5	(60.6)	(4.8)	(29.1)
Reclassification adjustments recognized in net income	1.2	0.0	1.2	0.5
	77.7	(60.6)	(3.6)	(28.6)
Derivative instruments:				
Changes in fair value of derivative instruments	—	0.0	—	0.6
Recognition of previously unrealized net gain in net income	(1.0)	(1.1)	(2.8)	(1.7)
Income tax effect	0.3	0.3	0.7	0.3
	(0.7)	(0.8)	(2.1)	(0.8)
Defined benefit pension and other postretirement plans:				
Net actuarial gain for the period	0.0	0.0	0.3	2.7
Amortization of unrecognized losses, transition obligation and prior service cost included in net income	1.9	1.8	5.6	5.2
Settlement losses included in net income	(0.1)	0.0	(0.2)	0.0
Other	0.1	(0.1)	0.4	0.3
Income tax effect	(0.5)	(0.4)	(1.3)	(1.4)
	1.4	1.3	4.8	6.8
Other comprehensive income (loss), net of tax	78.4	(60.1)	(0.9)	(22.6)
TOTAL COMPREHENSIVE INCOME	102.6	185.6	356.5	623.9
Less: comprehensive income attributable to non-controlling interests	4.6	1.7	11.4	10.8
COMPREHENSIVE INCOME ATTRIBUTABLE TO IPG	$ 98.0	$ 183.9	$ 345.1	$ 613.1

The accompanying notes are an integral part of these unaudited financial statements.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Amounts in Millions)
(Unaudited)

	September 30, 2024	December 31, 2023
ASSETS:		
Cash and cash equivalents	$ 1,532.0	$ 2,386.1
Accounts receivable, net of allowance of $46.0 and $46.4, respectively	4,718.8	5,768.8
Accounts receivable, billable to clients	2,211.9	2,229.2
Prepaid expenses	474.0	415.8
Assets held for sale	223.4	21.9
Other current assets	97.6	128.6
Total current assets	9,257.7	10,950.4
Property and equipment, net of accumulated depreciation and amortization of $1,278.6 and $1,224.9, respectively	597.0	636.7
Deferred income taxes	267.5	265.0
Goodwill	4,738.7	5,080.9
Other intangible assets	682.5	743.6
Operating lease right-of-use assets	1,062.1	1,162.6
Other non-current assets	477.7	428.1
TOTAL ASSETS	$ 17,083.2	$ 19,267.3
LIABILITIES:		
Accounts payable	$ 7,061.6	$ 8,355.0
Accrued liabilities	503.6	705.8
Contract liabilities	574.2	684.7
Short-term borrowings	23.9	34.2
Current portion of long-term debt	0.1	250.1
Current portion of operating leases	242.1	252.6
Liabilities held for sale	60.1	48.5
Total current liabilities	8,465.6	10,330.9
Long-term debt	2,919.7	2,917.5
Non-current operating leases	1,096.7	1,216.8
Deferred compensation	198.9	223.6
Other non-current liabilities	572.0	532.4
TOTAL LIABILITIES	13,252.9	15,221.2
Redeemable non-controlling interests (see Note 5)	45.6	42.3
STOCKHOLDERS' EQUITY:		
Common stock	38.4	38.3
Additional paid-in capital	778.4	728.5
Retained earnings	4,219.6	4,254.5
Accumulated other comprehensive loss, net of tax	(946.1)	(946.2)
	4,090.3	4,075.1
Less: Treasury stock	364.5	132.5
Total IPG stockholders' equity	3,725.8	3,942.6
Non-controlling interests	58.9	61.2
TOTAL STOCKHOLDERS' EQUITY	3,784.7	4,003.8
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 17,083.2	$ 19,267.3

The accompanying notes are an integral part of these unaudited financial statements.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Millions)
(Unaudited)

	Nine months ended September 30, 2024	Nine months ended September 30, 2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 357.4	$ 646.5
Adjustments to reconcile net income to net cash used in operating activities:		
Impairment of goodwill	232.1	—
Depreciation and amortization	195.5	199.0
Amortization of restricted stock and other non-cash compensation	52.4	36.0
Provision for uncollectible receivables	8.4	5.3
Net losses on sales of businesses	6.4	18.9
Net amortization of bond discounts and deferred financing costs	0.9	1.7
Deferred income tax	(24.9)	(5.5)
Other	34.9	17.5
Changes in assets and liabilities, net of acquisitions and divestitures, providing (using) cash:		
Accounts receivable	958.9	1,248.3
Accounts receivable, billable to clients	(19.5)	(397.8)
Prepaid expenses	(58.7)	(62.8)
Other current assets	22.5	11.3
Accounts payable	(1,223.7)	(1,760.2)
Accrued liabilities	(183.6)	(150.3)
Contract liabilities	(115.0)	12.4
Other non-current assets and liabilities	(56.9)	(160.4)
Net cash provided by (used in) operating activities	187.1	(340.1)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(107.2)	(127.1)
Net proceeds from sale of businesses, net of cash sold	(31.4)	1.4
Purchase of short-term marketable securities	(0.6)	(97.6)
Acquisitions, net of cash acquired	—	(6.3)
Net proceeds from investments	2.3	21.7
Other investing activities	5.1	3.6
Net cash used in investing activities	(131.8)	(204.3)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Common stock dividends	(373.7)	(361.2)
Repayment of long-term debt	(250.1)	(0.2)
Repurchases of common stock	(230.1)	(219.0)
Tax payments for employee shares withheld	(13.9)	(58.4)
Distributions to non-controlling interests	(13.7)	(13.7)
Acquisition-related payments	(8.7)	(12.8)
Net decrease in short-term borrowings	(5.7)	(18.0)
Proceeds from long-term debt	0.1	296.3
Other financing activities	(1.8)	(3.0)
Net cash used in financing activities	(897.6)	(390.0)
Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash	(11.1)	(35.0)
Net decrease in cash, cash equivalents and restricted cash	(853.4)	(969.4)
Cash, cash equivalents and restricted cash at beginning of period	2,395.1	2,553.1
Cash, cash equivalents and restricted cash at end of period	$ 1,541.7	$ 1,583.7

The accompanying notes are an integral part of these unaudited financial statements.

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Amounts in Millions)
(Unaudited)

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss, Net of Tax	Treasury Stock	Total IPG Stockholders' Equity	Non-controlling Interests	Total Stockholders' Equity
	Shares	Amount							
Balance at June 30, 2024	383.7	$ 38.3	$ 759.8	$ 4,325.1	$ (1,024.0)	$ (263.6)	$ 3,835.6	$ 59.4	$ 3,895.0
Net income				20.1			20.1	4.1	24.2
Other comprehensive income					77.9		77.9	0.5	78.4
Reclassifications related to redeemable non-controlling interests			0.0				0.0	(0.9)	(0.9)
Distributions to non-controlling interests								(5.1)	(5.1)
Change in redemption value of redeemable non-controlling interests				(1.5)			(1.5)		(1.5)
Repurchase of common stock						(100.9)	(100.9)		(100.9)
Common stock dividends ($0.33 per share)				(124.1)			(124.1)		(124.1)
Stock-based compensation	0.2	0.1	23.2				23.3		23.3
Shares withheld for taxes	0.0	0.0	(0.1)				(0.1)		(0.1)
Other			(4.5)				(4.5)	0.9	(3.6)
Balance at September 30, 2024	383.9	$ 38.4	$ 778.4	$ 4,219.6	$ (946.1)	$ (364.5)	$ 3,725.8	$ 58.9	$ 3,784.7

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss, Net of Tax	Treasury Stock	Total IPG Stockholders' Equity	Non-controlling Interests	Total Stockholders' Equity
	Shares	Amount							
Balance at December 31, 2023	383.0	$ 38.3	$ 728.5	$ 4,254.5	$ (946.2)	$ (132.5)	$ 3,942.6	$ 61.2	$ 4,003.8
Net income				345.0			345.0	12.4	357.4
Other comprehensive income (loss)					0.1		0.1	(1.0)	(0.9)
Reclassifications related to redeemable non-controlling interests			(2.7)				(2.7)	(1.3)	(4.0)
Distributions to non-controlling interests								(13.7)	(13.7)
Change in redemption value of redeemable non-controlling interests				(5.1)			(5.1)		(5.1)
Repurchase of common stock						(232.0)	(232.0)		(232.0)
Common stock dividends ($0.99 per share)				(374.8)			(374.8)		(374.8)
Stock-based compensation	1.3	0.1	71.0				71.1		71.1
Shares withheld for taxes	(0.4)	0.0	(13.6)				(13.6)		(13.6)
Other			(4.8)				(4.8)	1.3	(3.5)
Balance at September 30, 2024	383.9	$ 38.4	$ 778.4	$ 4,219.6	$ (946.1)	$ (364.5)	$ 3,725.8	$ 58.9	$ 3,784.7

THE INTERPUBLIC GROUP OF COMPANIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Amounts in Millions)
(Unaudited)

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss, Net of Tax	Treasury Stock	Total IPG Stockholders' Equity	Non-controlling Interests	Total Stockholders' Equity
	Shares	Amount							
Balance at June 30, 2023	392.0	$ 39.2	$ 1,035.2	$ 3,782.8	$ (956.0)	$ (248.2)	$ 3,653.0	$ 59.5	$ 3,712.5
Net income				243.7			243.7	2.0	245.7
Other comprehensive loss					(59.8)		(59.8)	(0.3)	(60.1)
Reclassifications related to redeemable non-controlling interests								0.1	0.1
Distributions to non-controlling interests								(5.2)	(5.2)
Change in redemption value of redeemable non-controlling interests				3.7			3.7		3.7
Repurchase of common stock						(92.2)	(92.2)		(92.2)
Common stock dividends ($0.31 per share)				(119.1)			(119.1)		(119.1)
Stock-based compensation	0.2	0.0	17.8				17.8		17.8
Shares withheld for taxes	0.0	0.0	(0.2)				(0.2)		(0.2)
Other								0.0	0.0
Balance at September 30, 2023	392.2	$ 39.2	$ 1,052.8	$ 3,911.1	$ (1,015.8)	$ (340.4)	$ 3,646.9	$ 56.1	$ 3,703.0

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss, Net of Tax	Treasury Stock	Total IPG Stockholders' Equity	Non-controlling Interests	Total Stockholders' Equity
	Shares	Amount							
Balance at December 31, 2022	389.6	$ 38.9	$ 1,057.5	$ 3,632.1	$ (993.7)	$ (120.2)	$ 3,614.6	$ 58.1	$ 3,672.7
Net income				635.2			635.2	11.3	646.5
Other comprehensive loss					(22.1)		(22.1)	(0.5)	(22.6)
Reclassifications related to redeemable non-controlling interests								0.2	0.2
Distributions to non-controlling interests								(13.7)	(13.7)
Change in redemption value of redeemable non-controlling interests				3.7			3.7		3.7
Repurchases of common stock						(220.2)	(220.2)		(220.2)
Common stock dividends ($0.62 per share)				(359.9)			(359.9)		(359.9)
Stock-based compensation	4.2	0.4	54.2				54.6		54.6
Shares withheld for taxes	(1.6)	(0.1)	(58.9)				(59.0)		(59.0)
Other								0.7	0.7
Balance at September 30, 2023	392.2	$ 39.2	$ 1,052.8	$ 3,911.1	$ (1,015.8)	$ (340.4)	$ 3,646.9	$ 56.1	$ 3,703.0

The accompanying notes are an integral part of these unaudited financial statements.

Notes to Consolidated Financial Statements
(Amounts in Millions, Except Per Share Amounts)
(Unaudited)

Note 1: Basis of Presentation

The unaudited Consolidated Financial Statements have been prepared by The Interpublic Group of Companies, Inc. and its subsidiaries (the "Company," "IPG," "we," "us" or "our") in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC") for reporting interim financial information on Form 10-Q. Accordingly, they do not include certain information and disclosures required for complete financial statements. The effects of heightened macroeconomic uncertainty have impacted and may continue to impact our results of operations, cash flows and financial position. The Company's Consolidated Financial Statements presented herein reflect the latest estimates and assumptions made by management that affect the reported amounts of assets and liabilities and related disclosures as of the date of the consolidated financial statements and reported amounts of revenue and expenses during the reporting periods presented. The Company believes it has used reasonable estimates and assumptions to assess the fair values of goodwill, long-lived assets and indefinite-lived intangible assets; assessment of the annual effective tax rate; valuation of deferred income taxes and allowance for expected credit losses on future uncollectible accounts receivable.

Actual results may differ from these estimates under different assumptions or conditions and further decline in macroeconomic conditions or increasing interest rates could have a negative impact on these estimates, including the fair value of certain assets. The consolidated results for interim periods are not necessarily indicative of results for the full year and should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2023 (the "2023 Annual Report").

We conduct our business across three reportable segments described in Note 10. The three reportable segments are: Media, Data & Engagement Solutions ("MD&E"), Integrated Advertising & Creativity Led Solutions ("IA&C"), and Specialized Communications & Experiential Solutions ("SC&E").

Cost of services is comprised of the expenses of our revenue-producing reportable segments, MD&E, IA&C, and SC&E, including salaries and related expenses, office and other direct expenses and billable expenses, and includes an allocation of the centrally managed expenses from our "Corporate and Other" group. Office and other direct expenses include rent expense, professional fees, certain expenses incurred by our staff in servicing our clients and other costs directly attributable to client engagements.

Selling, general and administrative expenses are primarily the unallocated expenses from Corporate and Other, excluding depreciation and amortization.

Depreciation and amortization of fixed assets and intangible assets of the Company is disclosed as a separate operating expense.

Impairment of goodwill is disclosed as a separate operating expense.

Restructuring charges in 2024 consist of adjustments to the Company's restructuring actions taken in 2022 and 2020, and primarily relate to real estate actions which were designed to reduce our real estate footprint and to better align our cost structure with revenue.

In the opinion of management, these unaudited Consolidated Financial Statements include all adjustments, consisting only of normal and recurring adjustments necessary for a fair statement of the information for each period contained therein. Certain reclassifications and immaterial adjustments have been made to prior-period financial statements to conform to the current-period presentation, including the recast of certain prior period amounts to reflect the transfer of certain agencies between reportable segments.

(Amounts in Millions, Except Per Share Amounts)

Note 2: Revenue

Disaggregation of Revenue

We have three reportable segments as of September 30, 2024: MD&E, IA&C and SC&E, as further discussed in Note 10. MD&E principally generates revenue from providing global media and communications services, digital services and products, advertising and marketing technology, e-commerce services, data management and analytics, strategic consulting, and digital brand experience. IA&C principally generates revenue from providing advertising, corporate and brand identity services, and strategic consulting. SC&E generates revenue from providing best-in-class global public relations and communications services, events, sports and entertainment marketing, and strategic consulting.

Our agencies are located in over 100 countries, including every significant world market. Our geographic revenue breakdown is listed below.

	Three months ended September 30,		Nine months ended September 30,	
Total revenue:	**2024**	**2023**	**2024**	**2023**
United States	$ 1,699.5	$ 1,759.7	$ 5,117.3	$ 5,180.1
International:				
United Kingdom	236.3	215.5	684.7	627.6
Continental Europe	211.7	204.5	645.1	612.9
Asia Pacific	190.8	203.8	566.5	607.4
Latin America	117.9	120.0	320.7	321.1
Other	172.6	175.0	500.4	516.9
Total International	929.3	918.8	2,717.4	2,685.9
Total Consolidated	$ 2,628.8	$ 2,678.5	$ 7,834.7	$ 7,866.0

	Three months ended September 30,		Nine months ended September 30,	
Revenue before billable expenses:	**2024**	**2023**	**2024**	**2023**
United States	$ 1,467.8	$ 1,509.9	$ 4,469.6	$ 4,512.3
International:				
United Kingdom	193.8	193.0	565.5	548.1
Continental Europe	177.5	178.3	556.2	534.5
Asia Pacific	156.9	175.3	467.0	511.8
Latin America	111.9	114.8	301.2	301.9
Other	134.8	137.7	393.2	405.8
Total International	774.9	799.1	2,283.1	2,302.1
Total Consolidated	$ 2,242.7	$ 2,309.0	$ 6,752.7	$ 6,814.4

Notes to Consolidated Financial Statements – (continued)
(Amounts in Millions, Except Per Share Amounts)
(Unaudited)

MD&E	Three months ended September 30,		Nine months ended September 30,	
Total revenue:	**2024**	**2023**	**2024**	**2023**
United States	$ 662.1	$ 671.6	$ 1,980.4	$ 1,997.4
International	381.7	403.5	1,112.1	1,140.4
Total MD&E	$ 1,043.8	$ 1,075.1	$ 3,092.5	$ 3,137.8
Revenue before billable expenses:				
United States	$ 656.3	$ 665.2	$ 1,967.6	$ 1,974.9
International	369.4	394.8	1,082.9	1,111.9
Total MD&E	$ 1,025.7	$ 1,060.0	$ 3,050.5	$ 3,086.8

IA&C	Three months ended September 30,		Nine months ended September 30,	
Total revenue:	**2024**	**2023**	**2024**	**2023**
United States	$ 574.1	$ 608.5	$ 1,825.6	$ 1,874.0
International	366.5	352.1	1,078.2	1,050.6
Total IA&C	$ 940.6	$ 960.6	$ 2,903.8	$ 2,924.6
Revenue before billable expenses:				
United States	$ 546.6	$ 578.2	$ 1,746.6	$ 1,777.9
International	302.3	299.5	893.8	878.6
Total IA&C	$ 848.9	$ 877.7	$ 2,640.4	$ 2,656.5

SC&E	Three months ended September 30,		Nine months ended September 30,	
Total revenue:	**2024**	**2023**	**2024**	**2023**
United States	$ 463.3	$ 479.6	$ 1,311.3	$ 1,308.7
International	181.1	163.2	527.1	494.9
Total SC&E	$ 644.4	$ 642.8	$ 1,838.4	$ 1,803.6
Revenue before billable expenses:				
United States	$ 264.9	$ 266.5	$ 755.4	$ 759.5
International	103.2	104.8	306.4	311.6
Total SC&E	$ 368.1	$ 371.3	$ 1,061.8	$ 1,071.1

Contract Balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

	September 30, 2024	December 31, 2023
Accounts receivable, net of allowance of $46.0 and $46.4, respectively	$ 4,718.8	$ 5,768.8
Accounts receivable, billable to clients	2,211.9	2,229.2
Contract assets	68.4	68.6
Contract liabilities (deferred revenue)	574.2	684.7

Contract assets are primarily comprised of contract incentives that are generally satisfied annually under the terms of our contracts and are transferred to accounts receivable when the right to payment becomes unconditional. Contract liabilities relate to advance consideration received from customers under the terms of our contracts primarily related to reimbursements of third-party expenses, whether we act as principal or agent, and to a lesser extent, periodic retainer fees, both of which are generally recognized shortly after billing.

(Amounts in Millions, Except Per Share Amounts)

The majority of our contracts are for periods of one year or less with the exception of our data management contracts. For those contracts with a term of more than one year, we had approximately $640.0 of unsatisfied performance obligations as of September 30, 2024, which will be recognized as services are performed over the remaining contractual terms through 2029.

Note 3: Debt and Credit Arrangements

Long-Term Debt

A summary of the carrying amounts of our long-term debt is listed below.

	Effective Interest Rate	September 30, 2024	December 31, 2023
4.200% Senior Notes due 2024	4.240%	$ —	$ 249.9
4.650% Senior Notes due 2028 (less unamortized discount and issuance costs of $0.7 and $1.8, respectively)	4.780%	497.5	497.0
4.750% Senior Notes due 2030 (less unamortized discount and issuance costs of $2.3 and $3.4, respectively)	4.920%	644.3	643.6
2.400% Senior Notes due 2031 (less unamortized discount and issuance costs of $0.5 and $3.0, respectively)	2.512%	496.5	496.0
5.375% Senior Notes due 2033 (less unamortized discount and issuance costs of $3.4 and $2.8, respectively)	5.650%	293.8	293.4
3.375% Senior Notes due 2041 (less unamortized discount and issuance costs of $1.0 and $4.7, respectively)	3.448%	494.3	494.1
5.400% Senior Notes due 2048 (less unamortized discount and issuance costs of $2.5 and $4.5, respectively)	5.480%	493.0	492.8
Other notes payable and finance leases		0.4	0.8
Total long-term debt		2,919.8	3,167.6
Less: current portion		0.1	250.1
Long-term debt, excluding current portion		$ 2,919.7	$ 2,917.5

As of September 30, 2024 and December 31, 2023, the estimated fair value of the Company's long-term debt was $2,792.4 and $2,975.3, respectively. Refer to Note 11 for details.

Debt Transactions

4.200% Senior Notes due 2024

Our 4.200% unsecured senior notes in aggregate principal amount of $250.0 matured on April 15, 2024. We used cash on hand to fund the principal repayment.

Credit Agreement

We maintain a committed corporate credit facility, originally dated as of July 18, 2008, which has been amended and restated from time to time (the "Credit Agreement"). We use our Credit Agreement to increase our financial flexibility, to provide letters of credit primarily to support obligations of our subsidiaries and to support our commercial paper program. On May 29, 2024, we amended and restated the Credit Agreement. As amended, among other things, the maturity date of the Credit Agreement was extended to May 29, 2029, and the cost structure of the Credit Agreement was changed. The Credit Agreement continues to include a required leverage ratio of not more than 3.50 to 1.00, among other customary covenants, including limitations on our liens and the liens of our consolidated subsidiaries and limitations on the incurrence of subsidiary debt. At the election of the Company, the leverage ratio may be changed to not more than 4.00 to 1.00 for four consecutive quarters, beginning with the fiscal quarter in which there is an occurrence of one or more acquisitions with an aggregate purchase price of at least $200.0.

The Credit Agreement is a revolving facility, under which amounts borrowed by us or any of our subsidiaries designated under the Credit Agreement may be repaid and reborrowed, subject to an aggregate lending limit of $1,500.0, or the equivalent in other currencies. The Company has the ability to increase the commitments under the Credit Agreement from time to time by an additional amount of up to $250.0, provided the Company receives commitments for such increases and satisfies certain other conditions. The aggregate available amount of letters of credit outstanding may decrease or increase, subject to a sublimit of $50.0, or the equivalent in other currencies. Our obligations under the Credit Agreement are unsecured. As of September 30, 2024, there were no borrowings under the Credit Agreement; however, we had $9.3 of letters of credit under the Credit Agreement, which reduced our total availability to $1,490.7. We were in compliance with all of our covenants in the Credit Agreement as of September 30, 2024.

Uncommitted Lines of Credit

We also have uncommitted lines of credit with various banks that permit borrowings at variable interest rates and that are primarily used to fund working capital needs. We have guaranteed the repayment of some of these borrowings made by certain subsidiaries. If we lose access to these credit lines, we would have to provide funding directly to some of our operations. As of September 30, 2024, the Company had uncommitted lines of credit in an aggregate amount of $794.4, under which we had outstanding borrowings of $23.9 classified as short-term borrowings on our Consolidated Balance Sheet. The average amount outstanding during the third quarter of 2024 was $46.9 with a weighted-average interest rate of approximately 7.1%.

Commercial Paper

The Company is authorized to issue unsecured commercial paper up to a maximum aggregate amount outstanding at any time of $1,500.0. Borrowings under the program are supported by the Credit Agreement described above. Proceeds of the commercial paper are used for working capital and general corporate purposes, including the repayment of maturing indebtedness and other short-term liquidity needs. The maturities of the commercial paper vary but may not exceed 397 days from the date of issue. During the third quarter of 2024, there was no commercial paper activity and, as of September 30, 2024, there was no commercial paper outstanding.

(Amounts in Millions, Except Per Share Amounts)

Note 4: Earnings Per Share

The following sets forth basic and diluted earnings per common share available to IPG common stockholders.

	Three Months Ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Net income available to IPG common stockholders	$ 20.1	$ 243.7	$ 345.0	$ 635.2
Weighted-average number of common shares outstanding - basic	373.9	383.6	376.2	385.0
Dilutive effect of stock options and restricted shares	2.9	1.9	2.5	1.8
Weighted-average number of common shares outstanding - diluted	376.8	385.5	378.7	386.8
Earnings per share available to IPG common stockholders:				
Basic	$ 0.05	$ 0.64	$ 0.92	$ 1.65
Diluted	$ 0.05	$ 0.63	$ 0.91	$ 1.64

Note 5: Supplementary Data

Accrued Liabilities

The following table presents the components of accrued liabilities.

	September 30, 2024	December 31, 2023
Salaries, benefits and related expenses	$ 372.9	$ 507.5
Interest	39.0	40.2
Income taxes payable	0.0	56.8
Office and related expenses	17.3	22.3
Acquisition obligations	4.9	2.9
Restructuring charges	0.2	0.6
Other	69.3	75.5
Total accrued liabilities	$ 503.6	$ 705.8

Other Expense, Net

Results of operations for the three and nine months ended September 30, 2024 and 2023 include certain items that are not directly associated with our revenue-producing operations.

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Net losses on sales of businesses	$ (1.7)	$ (12.1)	$ (6.4)	$ (18.9)
Other	(1.0)	(1.6)	(7.0)	(5.9)
Total other expense, net	$ (2.7)	$ (13.7)	$ (13.4)	$ (24.8)

Net losses on sales of businesses – During the three and nine months ended September 30, 2024 and 2023, the amounts recognized were related to sales of businesses and the classification of certain assets and liabilities, consisting primarily of goodwill, accounts receivable, right-of-use assets, operating lease liabilities and accounts payable, as held for sale within our MD&E, IA&C and SC&E reportable segments. The businesses sold and held for sale primarily represent unprofitable, non-strategic agencies which are expected to be sold within the next twelve months.

Other – During the three and nine months ended September 30, 2024 and 2023, the amounts recognized were primarily related to pension and postretirement costs.

(Amounts in Millions, Except Per Share Amounts)

Share Repurchase Programs

On February 8, 2023, the Board of Directors (the "Board") authorized a share repurchase program to repurchase from time to time up to $350.0, excluding fees, of our common stock.

On February 7, 2024, the Board authorized a share repurchase program to repurchase from time to time up to $320.0, excluding fees, of our common stock, which was in addition to any amounts remaining under the 2023 share repurchase program.

We may effect such repurchases through open market purchases, trading plans established in accordance with U.S. Securities and Exchange Commission ("SEC") rules, derivative transactions or other means. The timing and amount of repurchases in future periods will depend on market conditions and other funding requirements.

The following table presents our share repurchase activity under our share repurchase programs for the nine months ended September 30, 2024 and 2023.

	Nine months ended September 30,	
	2024	2023
Number of shares repurchased	7.3	6.1
Aggregate cost, including fees[1]	$ 230.1	$ 219.0
Average price per share, including fees	$ 31.40	$ 35.66

1 The amount for the nine months ended September 30, 2024 and 2023 excludes $1.9 and $1.2 of estimated excise tax on net share repurchases, respectively.

We fully utilized the 2023 share repurchase program during the second quarter of 2024. As of September 30, 2024, $170.1, excluding fees, remains available for repurchase under the 2024 share repurchase program. There is no expiration date associated with the 2024 share repurchase program.

Redeemable Non-controlling Interests

Many of our acquisitions include provisions under which the non-controlling equity owners may require us to purchase additional interests in a subsidiary at their discretion. Redeemable non-controlling interests are adjusted quarterly, if necessary, to their estimated redemption value, but not less than their initial fair value. Any adjustments to the redemption value impact retained earnings or additional paid in capital, except for foreign currency translation adjustments.

The following table presents changes in our redeemable non-controlling interests.

	Nine months ended September 30,	
	2024	2023
Balance at beginning of period	$ 42.3	$ 38.3
Change in related non-controlling interests balance	1.3	(0.1)
Changes in redemption value of redeemable non-controlling interests:		
Additions	2.7	7.4
Redemptions and other	(6.1)	(0.4)
Redemption value adjustments	5.1	(3.7)
Currency translation adjustments	0.3	(0.1)
Balance at end of period	$ 45.6	$ 41.4

(Amounts in Millions, Except Per Share Amounts)

Held for Sale

Long-lived assets (disposal groups) to be sold are classified as held for sale in the period which all criteria are met. The Company measures assets (disposal group) held for sale at the lower of their carrying value or fair value less cost to sell.

During the third quarter of 2024, management determined that the assets and liabilities of both R/GA and Huge, two of our digital specialist agencies within our MD&E segment, met the criteria to be presented as held for sale. The planned disposals are expected to be completed within twelve months of designation and do not, individually or in aggregate, constitute a strategic shift of the Company's operations and therefore do not meet the discontinued operations criteria.

The Company recorded a loss within net losses on sales of businesses, included in Other Expense, net, upon classification as held for sale for one disposal group to adjust its carrying value to fair value less cost to sell. This is presented as a valuation allowance of $15.4 on the group of assets held for sale, without allocation to the individual assets or major classes of assets within the group. Any differences due to changes in fair values less costs to sell or carrying values for disposal groups will be recognized as a gain or loss in future financial statements. See further discussion below in the *"Goodwill"* section within Note 5.

The following table sets provides a reconciliation of the carrying amounts of major classes of assets and liabilities held for sale, respectively, to the amounts presented in the Company's consolidated balance sheets as of September 30, 2024.

	September 30, 2024
ASSETS:	
Cash and cash equivalents	$ 7.4
Accounts receivable	36.2
Accounts receivable, billable to clients	27.1
Goodwill and other intangibles	116.6
Property and equipment, net	15.4
Operating lease right-of-use assets	30.5
Other assets	5.6
Total assets	238.8
Valuation allowance	(15.4)
TOTAL ASSETS HELD FOR SALE	$ 223.4
LIABILITIES:	
Accounts payable	$ 18.5
Accrued liabilities	6.1
Current portion of operating leases	3.1
Non-current operating leases	31.7
Other non-current liabilities	0.7
TOTAL LIABILITIES HELD FOR SALE	$ 60.1
NET ASSETS HELD FOR SALE	$ 163.3

Goodwill

Goodwill is the excess purchase price remaining from an acquisition after an allocation of purchase price has been made to identifiable assets acquired and liabilities assumed based on estimated fair values.

The Company transferred certain agencies between operating segments as of January 1, 2024 which resulted in certain changes to our reporting units and reportable segments. We have allocated goodwill to our reporting units using a relative fair value approach. In addition, we completed an assessment of any potential goodwill impairment for all impacted reporting units immediately prior and subsequent to the reallocation and determined that no impairment existed.

(Amounts in Millions, Except Per Share Amounts)

During the third quarter of 2024, we concluded that declines in the forecasted performance of one of our reporting units included within our MD&E segment, combined with the classification of R/GA and Huge, which comprised a significant portion of the reporting unit, as held for sale was a triggering event which required a goodwill impairment assessment. As of August 31, 2024, we performed a pre-classification goodwill impairment test and determined that the carrying value of the reporting unit exceeded its fair value, and therefore, goodwill of the reporting unit was impaired. The Company completed an analysis to allocate goodwill to the remaining reporting unit, R/GA and Huge using a relative fair value approach. Additionally, we performed a post-classification goodwill impairment test on R/GA and Huge, as well as an impairment test of the businesses remaining within the reporting unit. We determined that the carrying value of one disposal group exceeded its fair value and goodwill was impaired. As a result of both the pre-classification and post-classification impairment tests, the Company recorded non-cash goodwill impairment charges of $232.1. We concluded that the fair value of the remaining reporting unit exceeded its carrying value and the remaining reporting unit was not impaired.

The fair value of both the reporting unit pre-classification and the fair values of the disposal groups and the remaining reporting unit that is in our ongoing operations for which we performed the quantitative interim impairment tests were estimated using a combination of the income approach, which incorporates the use of the discounted cash flow method, and the market approach, which incorporates the use of earnings and revenue multiples based on market data. We generally apply an equal weighting to the income and market approaches for our quantitative impairment test analysis, although higher weighting was given to the market approach for determining the fair value of disposal groups. For the income approach, we used projections, which require the use of significant estimates and assumptions specific to the reporting unit as well as those based on general economic conditions. Factors specific to the reporting unit and disposal groups include revenue growth, profit margins, terminal value growth rates, capital expenditures projections, assumed tax rates, discount rates and other assumptions deemed reasonable by management. For the market approach, we used judgment in identifying the relevant comparable-company market multiples. Additionally, our determination of the market approach for the disposal groups also considered ranges of initial offers received as part of the sale process.

The discount rate used for the reporting unit and disposal groups is influenced by general market conditions as well as factors specific to the reporting unit. For the interim impairment tests of goodwill, the discount rates used ranged from 14.5% to 22.0%, and the terminal value growth rates were 2.5% and 3.0%. The terminal value growth rates represent the expected long-term growth rates. The revenue growth rates utilized in the interim impairment tests were between (2.0%) and 6.0%. Factors influencing the revenue growth rates include the nature of the services the reporting unit and disposal groups provide for its clients, the geographic locations in which the reporting unit and disposal groups conduct business and the maturity of the reporting units and disposal groups. We believe that the estimates and assumptions we made are reasonable, but they are susceptible to change from period to period. Actual results of operations, cash flows and other factors will likely differ from the estimates used in our valuation, and it is possible that differences and changes could be material. A deterioration in profitability, adverse market conditions, significant client losses, changes in spending levels of our existing clients or a different economic outlook than currently estimated by management could have a significant impact on the estimated fair value of our reporting unit and could result in an impairment charge in the future.

The following table sets forth details of changes in goodwill by reportable segment of the Company:

	MD&E	IA&C	SC&E	Total
Balance at December 31, 2023	$ 2,677.5	$ 1,723.2	$ 680.2	$ 5,080.9
Goodwill reallocation	13.3	(13.3)	—	—
Balance at January 1, 2024	2,690.8	1,709.9	680.2	5,080.9
Impairment of goodwill[1]	(232.1)	—	—	(232.1)
(Dispositions)/Acquisitions[2]	(116.5)	(1.2)	0.1	(117.6)
Foreign currency and other	5.0	0.8	1.7	7.5
Balance at September 30, 2024[3]	$ 2,347.2	$ 1,709.5	$ 682.0	$ 4,738.7

1. The amount for our MD&E segment includes impairment of $24.9 related to a disposal group.
2. The amount for the nine months ended September 30, 2024 within our MD&E segment represents goodwill allocated to businesses which are held for sale.
3. The goodwill balances at September 30, 2024 includes $207.2 of accumulated impairment related to the MD&E reportable segment. The accumulated impairment relates to impairment charges recorded during the third quarter of 2024.

Note 6: Income Taxes

(Amounts in Millions, Except Per Share Amounts)

For the three and nine months ended September 30, 2024, our income tax expense was negatively impacted by the net tax expense on entities classified as Held for Sale, a reduced tax benefit on impairment of goodwill, and by losses in certain foreign jurisdictions where we receive no tax benefit due to 100% valuation allowances. Our income tax expense was positively impacted by the settlement of the 2017 through 2019 New York State income tax audit. The adoption of the OECD's global tax reform initiative (known as Pillar 2) did not have a material impact on the third quarter and first nine months of 2024.

We have various tax years under examination by tax authorities in the U.S., in various countries, and in various states and localities, such as New York City, in which we have significant business operations. It is not yet known whether these examinations will, in the aggregate, result in our paying additional taxes. We believe our tax reserves are adequate in relation to the potential for additional assessments in each of the jurisdictions in which we are subject to taxation. We regularly assess the likelihood of additional tax assessments in those jurisdictions and, if necessary, adjust our reserves as additional information or events require.

With respect to all tax years open to examination by U.S. federal, various state and local, and non-U.S. tax authorities, we currently anticipate that total unrecognized tax benefits will decrease by an amount between $100.0 and $110.0 in the next twelve months, a portion of which will affect our effective income tax rate, primarily as a result of the settlement of tax examinations and the lapsing of statutes of limitations. This net decrease is related to various items of income and expense, primarily transfer pricing adjustments.

We are effectively settled with respect to U.S. federal income tax audits through 2019. With limited exceptions, we are no longer subject to state and local income tax audits for years prior to 2015 or non-U.S. income tax audits for years prior to 2011.

Note 7: Incentive Compensation Plans

We issue stock-based compensation and cash awards to our employees under various plans established by the Compensation and Leadership Talent Committee of the Board of Directors (the "Compensation Committee") and approved by our stockholders. We issued the following stock-based awards under the 2019 Performance Incentive Plan (the "2019 PIP") during the nine months ended September 30, 2024.

	Awards	Weighted-average grant-date fair value (per award)
Restricted stock (units)	1.4	$ 31.39
Performance-based stock (shares)	2.8	$ 27.53
Cash-settled awards	0.1	$ 31.40
Total stock-based compensation awards	4.3	

During the nine months ended September 30, 2024, the Compensation Committee granted performance cash awards under the 2019 PIP and restricted cash awards under the 2020 Restricted Cash Plan with a total annual target value of $1.5 and $16.7, respectively. Cash awards are expensed over the vesting period, which is typically three years for performance cash awards and two years or three years for restricted cash awards.

Note 8: Accumulated Other Comprehensive Loss, Net of Tax

The following tables present the changes in accumulated other comprehensive loss, net of tax, by component.

	Foreign Currency Translation Adjustments	Derivative Instruments	Defined Benefit Pension and Other Postretirement Plans	Total
Balance as of December 31, 2023	$ (789.1)	$ 33.5	$ (190.6)	$ (946.2)
Other comprehensive (loss) income before reclassifications	(3.8)	—	0.8	(3.0)
Amount reclassified from accumulated other comprehensive loss, net of tax	1.2	(2.1)	4.0	3.1
Balance as of September 30, 2024	$ (791.7)	$ 31.4	$ (185.8)	$ (946.1)

(Amounts in Millions, Except Per Share Amounts)

	Foreign Currency Translation Adjustments	Derivative Instruments	Defined Benefit Pension and Other Postretirement Plans	Total
Balance as of December 31, 2022	$ (849.1)	$ 35.0	$ (179.6)	$ (993.7)
Other comprehensive (loss) income before reclassifications	(28.6)	0.5	2.8	(25.3)
Amount reclassified from accumulated other comprehensive loss, net of tax	0.5	(1.3)	4.0	3.2
Balance as of September 30, 2023	$ (877.2)	$ 34.2	$ (172.8)	$ (1,015.8)

Amounts reclassified from accumulated other comprehensive loss, net of tax, for the three and nine months ended September 30, 2024 and 2023 are as follows:

	Three months ended September 30,		Nine months ended September 30,		Affected Line Item in the Consolidated Statements of Operations
	2024	2023	2024	2023	
Foreign currency translation adjustments	$ 1.2	$ 0.0	$ 1.2	$ 0.5	Other expense, net
Net gain on derivative instruments	(1.0)	(1.1)	(2.8)	(1.7)	Other expense, net, Interest expense
Amortization of defined benefit pension and postretirement plan items	1.8	1.8	5.4	5.2	Other expense, net
Tax effect	(0.2)	—	(0.7)	(0.8)	Provision for income taxes
Total amount reclassified from accumulated other comprehensive loss, net of tax	$ 1.8	$ 0.7	$ 3.1	$ 3.2	

(Amounts in Millions, Except Per Share Amounts)

Note 9: Employee Benefits

We have a defined benefit pension plan that covers certain U.S. employees (the "Domestic Pension Plan"). We also have numerous funded and unfunded plans outside the U.S. The Interpublic Limited Pension Plan in the U.K. is a defined benefit plan and is our most material foreign pension plan in terms of the benefit obligation and plan assets. Some of our domestic and foreign subsidiaries provide postretirement health benefits and life insurance to eligible employees and, in certain cases, their dependents. The domestic postretirement benefit plan is our most material postretirement benefit plan in terms of the benefit obligation. Certain immaterial foreign pension and postretirement benefit plans have been excluded from the table below.

In December 2023, the U.K. Pension Plan entered into an agreement with an insurance company to purchase a group annuity, or "buy-in", that matches the plan's future projected benefit obligations to covered participants. As part of the annuity purchase contract, the U.K. Pension Plan has the option to complete a "buy-out", which would transfer all liabilities of the plan to the insurer, which the Company anticipates to be completed in the second half of 2025. The non-cash settlement charge, net of tax, associated with the transaction is currently estimated to be approximately $180.0 to $200.0 and is subject to finalization of terms and changes in the British Pound Sterling.

The components of net periodic cost for the Domestic Pension Plan, the significant foreign pension plans and the domestic postretirement benefit plan are listed below.

	Domestic Pension Plan		Foreign Pension Plans		Domestic Postretirement Benefit Plan	
Three Months Ended September 30,	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Service cost	$ 0.0	$ 0.0	$ 0.8	$ 0.8	$ 0.0	$ 0.0
Interest cost	1.0	1.0	3.8	3.9	0.2	0.2
Expected return on plan assets	(0.7)	(1.0)	(3.8)	(4.3)	0.0	0.0
Settlements	0.0	0.0	(0.1)	0.0	0.0	0.0
Amortization of:						
Prior service cost	0.0	0.1	0.1	0.0	0.0	0.0
Unrecognized actuarial losses	0.3	0.4	1.5	1.3	0.0	0.0
Net periodic cost	$ 0.6	$ 0.5	$ 2.3	$ 1.7	$ 0.2	$ 0.2

	Domestic Pension Plan		Foreign Pension Plans		Domestic Postretirement Benefit Plan	
Nine Months Ended September 30,	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Service cost	$ 0.0	$ 0.0	$ 2.5	$ 1.4	$ 0.0	$ 0.0
Interest cost	2.8	3.0	11.1	11.8	0.6	0.7
Expected return on plan assets	(2.1)	(3.0)	(11.1)	(12.8)	0.0	0.0
Settlements	0.0	0.0	(0.2)	0.0	0.0	0.0
Amortization of:						
Prior service cost	0.0	0.1	0.1	0.1	0.0	0.0
Unrecognized actuarial losses	1.1	1.2	4.4	3.8	0.0	0.0
Net periodic cost	$ 1.8	$ 1.3	$ 6.8	$ 4.3	$ 0.6	$ 0.7

The components of net periodic cost other than the service cost component are included in the line item "Other expense, net" in the Consolidated Statements of Operations.

During the nine months ended September 30, 2024, we contributed $0.0 and $7.8 of cash to our domestic and foreign pension plans, respectively. For the remainder of 2024, we expect to contribute approximately $0.0 and $3.0 of cash to our domestic and foreign pension plans, respectively.

Note 10: Segment Information

As of September 30, 2024, we have three reportable segments: MD&E, IA&C, and SC&E. We also report results for the "Corporate and other" group.

MD&E primarily provides, and is distinguished by innovative capabilities and scale in, global media and communications services, digital services and products, advertising and marketing technology, e-commerce services, data management and analytics, strategic consulting, and digital brand experience. MD&E is comprised of IPG Mediabrands and Acxiom, as well as our digital specialist agencies, which include MRM, R/GA, and Huge.

IA&C primarily provides advertising, corporate and brand identity services, and strategic consulting. IA&C is distinguished by the leading role of complex integrations of ideation and the execution of advertising and creative campaigns across all communications channels that are foundational to client brand identities. IA&C is comprised of leading global networks and agencies that provide a broad range of services, including McCann Worldgroup, IPG Health, MullenLowe Group, Foote, Cone & Belding ("FCB"), and our domestic integrated agencies.

SC&E primarily provides best-in-class global public relations and other specialized communications services, events, sports and entertainment marketing, and strategic consulting. SC&E is comprised of agencies that provide a range of marketing services expertise, including Weber Shandwick, Golin, our sports, entertainment, and experiential agencies, and IPG DXTRA Health.

Certain prior period amounts, wherever applicable, have been recast to reflect the transfer of certain agencies between our reportable segments.

We continue to evaluate our financial reporting structure, and the profitability measure employed by our chief operating decision maker for allocating resources to operating divisions and assessing operating division performance is segment EBITA. Summarized financial information concerning our reportable segments is shown in the following table.

(Amounts in Millions, Except Per Share Amounts)

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	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Total revenue:				
MD&E	$ 1,043.8	$ 1,075.1	$ 3,092.5	$ 3,137.8
IA&C	940.6	960.6	2,903.8	2,924.6
SC&E	644.4	642.8	1,838.4	1,803.6
Total	$ 2,628.8	$ 2,678.5	$ 7,834.7	$ 7,866.0
Revenue before billable expenses:				
MD&E	$ 1,025.7	$ 1,060.0	$ 3,050.5	$ 3,086.8
IA&C	848.9	877.7	2,640.4	2,656.5
SC&E	368.1	371.3	1,061.8	1,071.1
Total	$ 2,242.7	$ 2,309.0	$ 6,752.7	$ 6,814.4
Restructuring[1]:				
MD&E	$ 0.5	$ (0.1)	$ 0.8	$ (1.3)
IA&C	—	(0.5)	0.3	(0.2)
SC&E	—	(0.2)	0.3	0.7
Corporate and Other	—	0.2	—	0.1
Total	$ 0.5	$ (0.6)	$ 1.4	$ (0.7)
Segment EBITA[2]:				
MD&E	$ 194.9	$ 209.1	$ 469.5	$ 433.5
IA&C	134.0	129.3	374.6	358.4
SC&E	78.5	77.7	175.9	194.2
Corporate and Other	(22.1)	(18.3)	(91.2)	(47.2)
Total	$ 385.3	$ 397.8	$ 928.8	$ 938.9
Amortization of acquired intangibles:				
MD&E	$ 19.2	$ 19.4	$ 57.6	$ 58.1
IA&C	0.8	1.0	2.6	3.2
SC&E	0.3	0.6	1.2	1.8
Corporate and Other	0.0	0.0	0.0	0.0
Total	$ 20.3	$ 21.0	$ 61.4	$ 63.1
Impairment of goodwill:				
MD&E	$ 232.1	$ —	$ 232.1	$ —
Total	$ 232.1	$ —	$ 232.1	$ —
Depreciation and amortization[3]:				
MD&E	$ 27.5	$ 26.5	$ 80.8	$ 79.8
IA&C	12.8	13.3	38.0	40.6
SC&E	3.4	4.0	10.5	12.1
Corporate and Other	1.3	1.2	4.8	3.4
Total	$ 45.0	$ 45.0	$ 134.1	$ 135.9
Capital expenditures:				

MD&E	$ 18.2	$ 21.9	$ 57.2	$ 75.1
IA&C	7.6	14.6	16.5	23.5
SC&E	5.4	1.8	8.2	3.8
Corporate and Other	6.1	9.5	25.3	24.7
Total	$ 37.3	$ 47.8	$ 107.2	$ 127.1

1 Non-cash lease impairment costs were comprised of $0.4 at MD&E for the three months ended September 30, 2024. Non-cash lease impairment costs were comprised of $0.6 at MD&E, $0.3 at IA&C and $0.3 at SC&E for the nine months ended September 30, 2024. Non-cash lease impairment costs were comprised of ($0.1) at MD&E, ($0.6) at IA&C and ($0.2) at SC&E for the three months ended September 30, 2023. Non-cash lease impairment costs were comprised of ($1.3) at MD&E and ($0.8) at IA&C for the nine months ended September 30, 2023.

2 Segment EBITA is calculated as net income available to IPG common stockholders before provision for income taxes, total (expenses) and other income, equity in net loss of unconsolidated affiliates, net income attributable to non-controlling interests, amortization of acquired intangibles and impairment of goodwill.

3 Excludes amortization of acquired intangibles.

	September 30, 2024	December 31, 2023
Total assets:		
MD&E	$ 9,702.3	$ 10,737.5
IA&C	4,668.3	4,790.4
SC&E	1,777.4	1,800.6
Corporate and Other	935.2	1,938.8
Total	$ 17,083.2	$ 19,267.3

The following table presents the reconciliation of segment EBITA to Income before income taxes.

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
MD&E EBITA	$ 194.9	$ 209.1	$ 469.5	$ 433.5
IA&C EBITA	134.0	129.3	374.6	358.4
SC&E EBITA	78.5	77.7	175.9	194.2
Corporate and Other EBITA	(22.1)	(18.3)	(91.2)	(47.2)
Less: consolidated amortization of acquired intangibles	20.3	21.0	61.4	63.1
Less: impairment of goodwill	232.1	—	232.1	—
Operating income	132.9	376.8	635.3	875.8
Total (expenses) and other income	(23.4)	(37.3)	(69.5)	(91.7)
Income before income taxes	$ 109.5	$ 339.5	$ 565.8	$ 784.1

Note 11: Fair Value Measurements

Authoritative guidance for fair value measurements establishes a fair value hierarchy which requires us to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Financial Instruments that are Measured at Fair Value on a Recurring Basis

(Amounts in Millions, Except Per Share Amounts)

We primarily apply the market approach to determine the fair value of financial instruments that are measured at fair value on a recurring basis. There were no changes to our valuation techniques used to determine the fair value of financial instruments during the nine months ended September 30, 2024. The following tables present information about our financial instruments measured at fair value on a recurring basis as of September 30, 2024 and December 31, 2023, and indicate the fair value hierarchy of the valuation techniques utilized to determine such fair value.

	September 30, 2024				
	Level 1	Level 2	Level 3	Total	Balance Sheet Classification
Assets					
Cash equivalents	$ 472.6	$ —	$ —	$ 472.6	Cash and cash equivalents
Liabilities					
Contingent acquisition obligations [1]	$ —	$ —	$ 5.0	$ 5.0	Accrued liabilities and Other non-current liabilities

	December 31, 2023				
	Level 1	Level 2	Level 3	Total	Balance Sheet Classification
Assets					
Cash equivalents	$ 1,521.5	$ —	$ —	$ 1,521.5	Cash and cash equivalents
Liabilities					
Contingent acquisition obligations [1]	$ —	$ —	$ 3.1	$ 3.1	Accrued liabilities and Other non-current liabilities

1 Contingent acquisition obligations includes deferred acquisition payments and unconditional obligations to purchase additional non-controlling equity shares of consolidated subsidiaries. Fair value measurement of the obligations is based upon actual and projected operating performance targets as specified in the related agreements. The increase in this balance of $1.9 from December 31, 2023 to September 30, 2024 is primarily due to the exercises of redeemable non-controlling interest, partially offset by payments related to our deferred acquisitions from prior-year acquisitions. The amounts payable within the next twelve months are classified in accrued liabilities; any amounts payable thereafter are classified in other non-current liabilities.

Financial Instruments that are not Measured at Fair Value on a Recurring Basis

The following table presents information about our financial instruments that are not measured at fair value on a recurring basis as of September 30, 2024 and December 31, 2023, and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair value.

	September 30, 2024				December 31, 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Total long-term debt	$ —	$ 2,792.0	$ 0.4	$ 2,792.4	$ —	$ 2,974.5	$ 0.8	$ 2,975.3

Our long-term debt is comprised of senior notes and other notes payable. The fair value of our senior notes, which are traded over-the-counter, is based on quoted prices in markets that are not active. Therefore, these senior notes are classified as Level 2. Our other notes payable are not actively traded, and their fair value is not solely derived from readily observable inputs. The fair value of our other notes payable is determined based on a discounted cash flow model and other proprietary valuation methods, and therefore is classified as Level 3. See Note 3 for further information on our long-term debt.

The discount rates used as significant unobservable inputs in the Level 3 fair value measurements of our contingent acquisition obligations and long-term debt as of September 30, 2024 ranged from 4.0% to 6.0%.

Non-financial Assets and Liabilities that are Measured at Fair Value on a Nonrecurring Basis

Certain non-financial assets and liabilities are measured at fair value on a nonrecurring basis, primarily goodwill (Level 3), intangible assets, and property and equipment. Accordingly, these assets are not measured and adjusted to fair value on an ongoing basis but are subject to periodic evaluations for potential impairment.

Note 12: Commitments and Contingencies

Guarantees

As discussed in our 2023 Annual Report, we have guaranteed certain obligations of our subsidiaries relating principally to operating leases and uncommitted lines of credit of certain subsidiaries. As of September 30, 2024 and December 31, 2023, the amount of parent company guarantees on lease obligations was $616.2 and $678.1, respectively, the amount of parent company guarantees primarily relating to uncommitted lines of credit was $266.6 and $255.7, respectively, and the amount of parent company guarantees related to daylight overdrafts, primarily utilized to manage intra-day overdrafts due to timing of transactions under cash pooling arrangements without resulting in incremental borrowings, was $90.8 and $85.5, respectively. In the event of non-payment by the applicable subsidiary of the obligations covered by a guarantee, we would be obligated to pay the amounts covered by that guarantee. As of both September 30, 2024, and December 31, 2023 there were no material assets pledged as security for such parent company guarantees.

Legal Matters

We are involved in various legal proceedings, and subject to investigations, inspections, audits, inquiries and similar actions by governmental authorities arising in the normal course of business. The types of allegations that arise in connection with such legal proceedings vary in nature, but can include claims related to contract, employment, tax and intellectual property matters. We evaluate all cases each reporting period and record liabilities for losses from legal proceedings when we determine that it is probable that the outcome in a legal proceeding will be unfavorable and the amount, or potential range, of loss can be reasonably estimated. In certain cases, we cannot reasonably estimate the potential loss because, for example, the litigation is in its early stages. While any outcome related to litigation or such governmental proceedings in which we are involved cannot be predicted with certainty, management believes that the outcome of these matters, individually and in the aggregate, will not have a material adverse effect on our financial condition, results of operations or cash flows.

Note 13: Recent Accounting Standards

Accounting pronouncements not listed below were assessed and determined to be not applicable or are expected to have minimal impact on our Consolidated Financial Statements.

Income Taxes

In December 2023, the Financial Accounting Standards Board issued amended guidance to enhance the transparency and decision usefulness of income tax disclosures by requiring disaggregated information about an entity's effective tax rate reconciliation, as well as information on taxes paid. This amended guidance is effective for annual periods beginning after December 15, 2024. We are currently evaluating the impact on our Consolidated Financial Statements.

Segment Reporting

In November 2023, the Financial Accounting Standards Board issued amended guidance on segment reporting to improve financial reporting by requiring disclosure of incremental segment information on an annual and interim basis for all public entities to enable investors to develop more decision-useful financial analysis. This amended guidance is effective for annual periods beginning after December 15, 2023 and interim periods beginning after December 15, 2024. We are currently evaluating the impact on our Consolidated Financial Statements.

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to help you understand The Interpublic Group of Companies, Inc. and its subsidiaries (the "Company," "IPG," "we," "us" or "our"). MD&A should be read in conjunction with our unaudited Consolidated Financial Statements and the accompanying notes included in this report and our Annual Report on Form 10-K for the year ended December 31, 2023 (the "2023 Annual Report"), as well as our other reports and filings with the Securities and Exchange Commission (the "SEC"). Our 2023 Annual Report includes additional information about our significant accounting policies and practices as well as details about the most significant risks and uncertainties associated with our financial and operating results. Our MD&A includes the following sections:

EXECUTIVE SUMMARY provides a discussion about our strategic outlook, factors influencing our business and an overview of our results of operations.

RESULTS OF OPERATIONS provides an analysis of the consolidated and segment results of operations for the periods presented.

LIQUIDITY AND CAPITAL RESOURCES provides an overview of our cash flows, funding requirements, financing and sources of funds, and debt credit ratings.

CRITICAL ACCOUNTING ESTIMATES provides an update to the discussion in our 2023 Annual Report of our accounting policies that require critical judgment, assumptions and estimates.

RECENT ACCOUNTING STANDARDS, by reference to Note 13 to the unaudited Consolidated Financial Statements, provides a discussion of certain accounting standards that have been recently adopted or that have not yet been required to be implemented and may be applicable to our future operations.

NON-GAAP FINANCIAL MEASURE, provides a reconciliation of non-GAAP financial measure with the most directly comparable generally accepted accounting principles in the United States ("U.S. GAAP") financial measures and sets forth the reasons we believe that presentation of the non-GAAP financial measure contained therein provides useful information to investors regarding our results of operations and financial condition.

EXECUTIVE SUMMARY

Our Business

We provide marketing, communications, commerce and business transformation services that measurably drive growth for businesses and brands. Combining the power of creativity and technology, our approximately 55,100 employees and operations span all major world markets. Our companies specialize in insights, data, media, creative and production, digital commerce, healthcare marketing and communications, producing marketing solutions for clients that range in scale from large global marketers to regional and local clients. Our comprehensive global services help marketers build brands, increase sales of their products and services, and gain market share.

Our capabilities span ideation to execution: growth, product and experience design; technology and experience platforms; creative, media and marketing strategy; and campaign, content and channel orchestration. The work we produce for our clients is tailored specifically to their unique needs, opportunity and outcomes. Our solutions vary from project-based activity to long-term, fully integrated campaigns. Our operations support the strategic position that marketers have access to the best and most appropriate resources within IPG to drive business success, and may access these capabilities from across the IPG network in an open model that leverages our marketing intelligence platform, Interact. With operations in over 100 countries, we can operate in a single region or deliver global integrated programs.

We operate in a media, consumer and technology ecosystem that continues to evolve at a rapid pace. To help our clients win in a data-led and digital-first world, we have made and continue to make investments in strategic areas including commerce, retail media, artificial intelligence, audience resolution and production across world markets. In addition, we consistently review opportunities within our Company to enhance our operations through acquisitions and strategic alliances and internal programs that encourage client-centric collaboration. As appropriate, we also develop relationships with technology and emerging media companies that are building leading-edge marketing tools that complement our agencies' skill sets and capabilities.

Home to some of the world's best-known and most innovative communications specialists, IPG global brands include Acxiom, Craft, FCB, FutureBrand, Golin, Initiative, IPG Health, IPG Mediabrands, Jack Morton, KINESSO, MAGNA, McCann, Mediahub, Momentum, MRM, MullenLowe Global, Octagon, UM, Weber Shandwick and more.

Our financial goals include competitive organic growth of revenue before billable expenses and expansion of Adjusted EBITA margin, as defined and discussed within the Non-GAAP Financial Measure section of this MD&A, which we expect will further strengthen our balance sheet and total liquidity and increase value to our stakeholders. Accordingly, we remain focused on meeting the evolving needs of our clients while concurrently managing our cost structure. We continually seek greater efficiency in the delivery of our services, focusing on more effective resource utilization, including the productivity of our employees, real estate, information technology and shared services, such as finance, human resources and legal. The improvements we have made and continue to make in our financial reporting and business information systems in recent years allow us more timely and actionable insights from our global operations. Our disciplined approach to our balance sheet and liquidity provides us with a solid financial foundation and financial flexibility to manage and grow our business. We believe that our strategy and execution position us to meet our financial goals and to deliver long-term value to all of our stakeholders.

Current Market Conditions

The global macroeconomic backdrop continues to be characterized by complex business, economic and geopolitical crosscurrents. Despite the potential for volatility, however, the macroeconomic business environment is broadly supportive, with the easing of US monetary policy and the consensus conviction that the U.S. has avoided a long-anticipated recession. Nonetheless, shifting political and economic developments domestically and the persistence of regional conflicts around the world has served to introduce a measure of macro caution. It is notable that media markets continue their robust and varied growth, most notably in digital addressable channels. Along with proliferating media complexity, consumers continue to evolve at pace in the ways they interact with brands. These latter trends in concert with a solid economy offer notable support to investment by large marketers in the advanced capabilities in which we specialize.

The principal macroeconomic risks to our performance include the impact of any general or regional economic slowdown or contraction, the extent of inflation of labor costs and potential for labor shortages, continuing inflationary pressures on our clients and their customers, and the economic impacts of geopolitical conflict and resulting potential for uncertainty and restrictions on spending on the part of some clients and consumers. See Item 1A, *Risk Factors*, in our most recent Annual Report on Form 10-K.

Our Financial Information

When we analyze period-to-period changes in our operating performance, we determine the portion of the change that is attributable to changes in foreign currency rates and the net effect of acquisitions and divestitures, and the remainder we call organic change, which indicates how our underlying business performed. We exclude the impact of billable expenses in analyzing our operating performance as the fluctuations from period to period are not indicative of the performance of our underlying businesses and have no impact on our operating income or net income.

The change in our operating performance attributable to changes in foreign currency rates is determined by converting the prior-period reported results using the current-period exchange rates and comparing these prior-period adjusted amounts to the prior-period reported results. Although the U.S. Dollar is our reporting currency, a substantial portion of our revenues and expenses are generated in foreign currencies. Therefore, our reported results are affected by fluctuations in the currencies in which we conduct our international businesses. Our exposure is mitigated as the majority of our revenues and expenses in any given market are generally denominated in the same currency. Both positive and negative currency fluctuations against the U.S. Dollar affect our consolidated results of operations, and the magnitude of the foreign currency impact to our operations related to each geographic region depends on the significance and operating performance of the region. The foreign currencies that most adversely impacted our results during the first nine months of 2024 were the Argentine Peso, the Japanese Yen and the Chilean Peso. The foreign currencies that most favorably impacted our results during the first nine months of 2024 were the British Pound Sterling, the Colombian Peso and the Euro.

For purposes of analyzing changes in our operating performance attributable to the net effect of acquisitions and divestitures, transactions are treated as if they occurred on the first day of the quarter during which the transaction occurred. We continually evaluate our portfolio of businesses, and over the past several years, we have acquired companies that we believe will enhance our offerings and disposed of businesses that are not consistent with our strategic plan.

The metrics that we use to evaluate our financial performance include organic change in revenue before billable expenses as well as the change in certain operating expenses, and the components thereof, expressed as a percentage of consolidated revenue before billable expenses, as well as Adjusted EBITA. These metrics are also used by management to assess the financial performance of our reportable segments, MD&E, IA&C, and SC&E. In certain of our discussions, we analyze revenue before billable expenses by geographic region and by business sector, in which we focus on our top 500 clients, which typically constitute approximately 85% of our annual consolidated revenue before billable expenses.

Results for the three and nine months ended September 30, 2024, may not be indicative of the results that may be expected for the fiscal year ending December 31, 2024. The Consolidated Financial Statements and MD&A presented herein reflect the latest estimates and assumptions made by us that affect the reported amounts of assets and liabilities and related disclosures as of the date of the consolidated financial statements and reported amounts of revenue and expenses during the reporting periods presented. We believe we have used reasonable estimates and assumptions to assess the fair values of the Company's goodwill, long-lived assets and indefinite-lived intangible assets; assessment of the annual effective tax rate; valuation of deferred income taxes and the allowance for expected credit losses on future uncollectible accounts receivable. If actual market conditions vary significantly from those currently projected, these estimates and assumptions could materially change resulting in adjustments to the carrying values of our assets and liabilities.

(Amounts in Millions, Except Per Share Amounts)

The following table presents a summary of our financial performance for the three and nine months ended September 30, 2024 and 2023.

Statement of Operations Data	Three months ended September 30, 2024	Three months ended September 30, 2023	% Increase/ (Decrease)	Nine months ended September 30, 2024	Nine months ended September 30, 2023	% Increase/ (Decrease)
REVENUE:						
Revenue before billable expenses	$ 2,242.7	$ 2,309.0	(2.9)%	$ 6,752.7	$ 6,814.4	(0.9)%
Billable expenses	386.1	369.5	4.5 %	1,082.0	1,051.6	2.9 %
Total revenue	$ 2,628.8	$ 2,678.5	(1.9)%	$ 7,834.7	$ 7,866.0	(0.4)%
OPERATING INCOME	$ 132.9	$ 376.8	(64.7)%	$ 635.3	$ 875.8	(27.5)%
Adjusted EBITA [1]	$ 385.3	$ 397.8	(3.1)%	$ 928.8	$ 938.9	(1.1)%
NET INCOME AVAILABLE TO IPG COMMON STOCKHOLDERS	$ 20.1	$ 243.7		$ 345.0	$ 635.2	
Earnings per share available to IPG common stockholders:						
Basic	$ 0.05	$ 0.64		$ 0.92	$ 1.65	
Diluted	$ 0.05	$ 0.63		$ 0.91	$ 1.64	
Operating Ratios						
Organic change in revenue before billable expenses	0.0 %	(0.4)%		1.0 %	(0.8)%	
Operating margin on revenue before billable expenses	5.9 %	16.3 %		9.4 %	12.9 %	
Operating margin on total revenue	5.1 %	14.1 %		8.1 %	11.1 %	
Adjusted EBITA margin on revenue before billable expenses [1]	17.2 %	17.2 %		13.8 %	13.8 %	
Expenses as a % of revenue before billable expenses:						
Salaries and related expenses	65.3 %	66.3 %		68.0 %	69.1 %	
Office and other direct expenses	14.6 %	13.8 %		14.9 %	14.5 %	
Selling, general and administrative expenses	0.9 %	0.7 %		1.3 %	0.6 %	
Depreciation and amortization	2.9 %	2.9 %		2.9 %	2.9 %	
Impairment of goodwill	10.3 %	— %		3.4 %	— %	
Restructuring charges [2]	0.0 %	(0.0) %		0.0 %	(0.0) %	

1 Adjusted EBITA is a financial measure that is not defined by U.S. GAAP. Adjusted EBITA is calculated as net income available to IPG common stockholders before provision for income taxes, total (expenses) and other income, equity in net loss of unconsolidated affiliates, net income attributable to non-controlling interests, amortization of acquired intangibles and impairment of goodwill. Refer to the *"Non-GAAP Financial Measure"* section of this MD&A for additional information and for a reconciliation to U.S. GAAP measures.

2 For the three and nine months ended September 30, 2024, results include net restructuring charges of $0.5 and $1.4, respectively. For the three and nine months ended September 30, 2023, results include net restructuring charges of $(0.6) and $(0.7), respectively.

Total revenue, which includes billable expenses, decreased (1.9)% during the third quarter of 2024. Our organic revenue before billable expenses was flat during the third quarter of 2024, compared to an organic decrease of (0.4)% during the third quarter of 2023. This was a result of net client wins and increased spending from existing clients in our food & beverage and consumer goods sectors being offset by net client losses and lower spending from existing clients in our auto & transportation and technology & telecom sectors. During the third quarter of 2024, our Adjusted EBITA margin on revenue before billable expenses was unchanged at 17.2% from the prior-year period as revenue before billable expenses and operating expenses, excluding billable expenses, amortization of acquired intangibles and impairment of goodwill, decreased. See further discussion below in the *"Results of Operations"* section.

Total revenue, which includes billable expenses, decreased (0.4)% during the first nine months of 2024. Our organic increase of revenue before billable expenses was 1.0% during the first nine months of 2024, compared to an organic decrease of (0.8)% during the first nine months of 2023. The increase was due to net client wins and increased spending from existing clients in our healthcare and food & beverage sectors, partially offset by net client losses and lower spending from existing clients in our auto & transportation and technology & telecom sectors. During the first nine months of 2024, our Adjusted EBITA margin on revenue before billable expenses was unchanged at 13.8% from the prior-year period as revenue before billable expenses and operating expenses, excluding billable expenses, amortization of acquired intangibles and impairment of goodwill, decreased. See further discussion below in the *"Results of Operations"* section.

(Amounts in Millions, Except Per Share Amounts)

RESULTS OF OPERATIONS

Consolidated Results of Operations – Three and Nine Months Ended September 30, 2024 Compared to Three and Nine Months Ended September 30, 2023

Revenue before billable expenses

Our revenue before billable expenses is directly impacted by the retention and spending levels of existing clients and by our ability to win new clients. Most of our expenses are recognized ratably throughout the year and are therefore less seasonal than revenue. Our revenue before billable expenses is typically lowest in the first quarter and highest in the fourth quarter, reflecting the seasonal spending of our clients.

		Components of Change				Change	
	Three months ended September 30, 2023	Foreign Currency	Net Acquisitions/ (Divestitures)	Organic	Three months ended September 30, 2024	Organic	Total
Consolidated	$ 2,309.0	$ (10.4)	$ (56.1)	$ 0.2	$ 2,242.7	0.0 %	(2.9)%
Domestic	1,509.9	—	(42.3)	0.2	1,467.8	0.0 %	(2.8)%
International	799.1	(10.4)	(13.8)	0.0	774.9	0.0 %	(3.0)%
United Kingdom	193.0	4.1	(2.0)	(1.3)	193.8	(0.7)%	0.4 %
Continental Europe	178.3	0.5	(2.3)	1.0	177.5	0.6 %	(0.4)%
Asia Pacific	175.3	(0.2)	(5.3)	(12.9)	156.9	(7.4)%	(10.5)%
Latin America	114.8	(12.8)	(1.3)	11.2	111.9	9.8 %	(2.5)%
Other	137.7	(2.0)	(2.9)	2.0	134.8	1.5 %	(2.1)%

The organic change of revenue before billable expenses was 0.0% during the third quarter of 2024. The organic change in our domestic market was primarily due to revenue increases at our media businesses, sports marketing business, public relations agencies and data management and analytics, offset by revenue decreases at our advertising businesses and digital project-based offerings. In our international markets, the organic change was driven by revenue increases at our advertising businesses primarily in our Continental Europe and Latin America regions and revenue increases at our media businesses in our Latin America and United Kingdom regions, offset by revenue decreases at our media businesses primarily in our Asia Pacific and Continental Europe regions.

		Components of Change				Change	
	Nine months ended September 30, 2023	Foreign Currency	Net Acquisitions/ (Divestitures)	Organic	Nine months ended September 30, 2024	Organic	Total
Consolidated	$ 6,814.4	$ (21.5)	$ (108.4)	$ 68.2	$ 6,752.7	1.0 %	(0.9)%
Domestic	4,512.3	—	(94.1)	51.4	4,469.6	1.1 %	(0.9)%
International	2,302.1	(21.5)	(14.3)	16.8	2,283.1	0.7 %	(0.8)%
United Kingdom	548.1	14.0	(2.0)	5.4	565.5	1.0 %	3.2 %
Continental Europe	534.5	(0.8)	(5.3)	27.8	556.2	5.2 %	4.1 %
Asia Pacific	511.8	(12.0)	(2.8)	(30.0)	467.0	(5.9)%	(8.8)%
Latin America	301.9	(17.3)	(1.3)	17.9	301.2	5.9 %	(0.2)%
Other	405.8	(5.4)	(2.9)	(4.3)	393.2	(1.1)%	(3.1)%

The organic increase of revenue before billable expenses was 1.0% during the first nine months of 2024. The organic increase in our domestic market was primarily due to revenue increases at our media businesses, public relations agencies and advertising businesses, partially offset by revenue decreases at our digital project-based offerings. In our international markets, the 0.7% organic increase was driven by revenue increases at our advertising businesses in our Continental Europe and United Kingdom regions and at our media businesses in our Latin America region, partially offset by revenue decreases at our digital project-based offerings across nearly all regions and revenue decreases across most disciplines in our Asia Pacific region.

Refer to the segment discussion later in this MD&A for information on changes in revenue before billable expenses by segment.

(Amounts in Millions, Except Per Share Amounts)

Salaries and Related Expenses

	Three months ended September 30,		% Increase/ (Decrease)	Nine months ended September 30,		% Increase/ (Decrease)
	2024	2023		2024	2023	
Salaries and related expenses	$ 1,464.0	$ 1,531.1	(4.4)%	$ 4,594.4	$ 4,707.0	(2.4)%
As a % of revenue before billable expenses:						
Salaries and related expenses	**65.3 %**	**66.3 %**		**68.0 %**	**69.1 %**	
Base salaries, benefits and tax	58.0 %	58.4 %		59.5 %	60.6 %	
Incentive expense	2.2 %	2.6 %		2.8 %	2.8 %	
Severance expense	1.1 %	1.0 %		1.6 %	1.4 %	
Temporary help	3.0 %	3.4 %		3.1 %	3.3 %	
All other salaries and related expenses	1.0 %	0.9 %		1.0 %	1.0 %	

Total salaries and related expenses decreased (4.4)% during the third quarter of 2024 as compared to the prior-year period, primarily driven by decreased base salaries, benefits and tax, performance-based employee compensation expense and temporary help expense.

Total salaries and related expenses decreased (2.4)% during the first nine months of 2024 as compared to the prior-year period, primarily driven by factors similar to those noted above for the third quarter of 2024, partially offset by increased severance expense.

Office and Other Direct Expenses

	Three months ended September 30,		% Increase/ (Decrease)	Nine months ended September 30,		% Increase/ (Decrease)
	2024	2023		2024	2023	
Office and other direct expenses	$ 327.1	$ 318.8	2.6 %	$ 1,007.6	$ 989.6	1.8 %
As a % of revenue before billable expenses:						
Office and other direct expenses	**14.6 %**	**13.8 %**		**14.9 %**	**14.5 %**	
Occupancy expense	4.2 %	4.2 %		4.2 %	4.2 %	
All other office and other direct expenses [1]	10.4 %	9.6 %		10.7 %	10.3 %	

1 Includes client service costs, including technology & software, non-pass through production expenses, travel and entertainment, professional fees, spending to support new business activity, office supplies, bad debt expense, adjustments to contingent acquisition obligations, foreign currency losses (gains) and other expenses.

Office and other direct expenses increased by 2.6% during the third quarter of 2024 as compared to the prior-year period. The increase in office and other direct expenses was mainly due to increases in expenses related to technology & software, as well as increases in expenses related to company meetings and conferences and bad debt expense.

Office and other direct expenses increased by 1.8% during the first nine months of 2024 as compared to the prior-year period. The increase in office and other direct expenses was primarily due to increases in expenses related to technology & software, bad debt expense, and expenses related to new business development, partially offset by decreases in occupancy expense.

Selling, General and Administrative Expenses

Selling, general and administrative expenses ("SG&A") are primarily the unallocated expenses of our "Corporate and Other" group, as detailed further in the segment discussion later in this MD&A, excluding depreciation and amortization. For the three and nine months ended September 30, 2024, SG&A increased as compared to the prior-year period, primarily due to increases in base salaries, benefits and tax technology & software expenses.

(Amounts in Millions, Except Per Share Amounts)

Depreciation and Amortization

During the third quarter and first nine months of 2024, depreciation and amortization expenses decreased compared to the prior-year period.

Impairment of Goodwill

During the third quarter and first nine months of 2024, we recorded impairment of goodwill of $232.1.

Restructuring Charges

During the third quarter and first nine months of 2024 and 2023, restructuring charges represent adjustments to our restructuring actions taken in 2020 and 2022.

EXPENSES AND OTHER INCOME

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Cash interest on debt obligations	$ (54.6)	$ (58.4)	$ (173.9)	$ (162.0)
Non-cash interest	(0.3)	(0.3)	(1.7)	(2.2)
Interest expense	(54.9)	(58.7)	(175.6)	(164.2)
Interest income	34.2	35.1	119.5	97.3
Net interest expense	(20.7)	(23.6)	(56.1)	(66.9)
Other expense, net	(2.7)	(13.7)	(13.4)	(24.8)
Total (expenses) and other income	$ (23.4)	$ (37.3)	$ (69.5)	$ (91.7)

Net interest expense decreased by $2.9 and $10.8 for the three and nine months ended September 30, 2024, compared to a year ago, primarily attributable to higher interest rates, offset by lower average balances on net deposits.

Other Expense, Net

Results of operations for the three and nine months ended September 30, 2024 and 2023 include certain items that are not directly associated with our revenue-producing operations.

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Net losses on sales of businesses	$ (1.7)	$ (12.1)	$ (6.4)	$ (18.9)
Other	(1.0)	(1.6)	(7.0)	(5.9)
Total other expense, net	$ (2.7)	$ (13.7)	$ (13.4)	$ (24.8)

Net losses on sales of businesses – During the three and nine months ended September 30, 2024 and 2023, the amounts recognized were related to sales of businesses and the classification of certain assets and liabilities, consisting primarily of goodwill, accounts receivable, right-of-use assets, operating lease liabilities and accounts payable, as held for sale within our MD&E, IA&C and SC&E reportable segments. The businesses sold and held for sale primarily represent unprofitable, non-strategic agencies which are expected to be sold within the next twelve months.

Other – During the three and nine months ended September 30, 2024 and 2023, the amounts recognized were primarily related to pension and postretirement costs.

(Amounts in Millions, Except Per Share Amounts)

INCOME TAXES

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
INCOME BEFORE INCOME TAXES	$ 109.5	$ 339.5	$ 565.8	$ 784.1
Provision for income taxes	$ 85.3	$ 91.5	$ 208.2	$ 135.9

Our tax rates are affected by many factors, including our worldwide earnings from various countries, changes in legislation and tax characteristics of our income. For the three and nine months ended September 30, 2024, our income tax expense was negatively impacted by the net tax expense on entities classified as Held for Sale, a reduced tax benefit on impairment of goodwill, and by losses in certain foreign jurisdictions where we receive no tax benefit due to 100% valuation allowances. Our income tax expense was positively impacted by the settlement of the 2017 through 2019 New York State income tax audit.

For the three and nine months ended September 30, 2023, our income tax expense was negatively impacted by tax expense associated with the change to our assertion regarding the permanent reinvestment of undistributed earnings attributable to certain foreign subsidiaries. For the nine months ended September 30, 2023, our income tax expense was positively impacted by a benefit of $64.2 related to the settlement of the 2017 and 2018 U.S. Federal income tax audit and excess tax benefits on employee share-based payments, the majority of which were recognized in the first quarter due to the timing of the vesting of awards.

EARNINGS PER SHARE

Basic earnings per share available to IPG common stockholders for the three and nine months ended September 30, 2024 were $0.05 and $0.92, respectively, compared to basic earnings per share of $0.64 and $1.65 for the three and nine months ended September 30, 2023, respectively. Diluted earnings per share available to IPG common stockholders for the three and nine months ended September 30, 2024 were $0.05 and $0.91, respectively, compared to diluted earnings per share of $0.63 and $1.64 for the three and nine months ended September 30, 2023, respectively.

Basic and diluted earnings per share for the three months ended September 30, 2024 included negative impacts of $0.04 from the amortization of acquired intangibles, $0.57 and $0.56, respectively, from impairment of goodwill, and $0.04 from net losses on sales of businesses and the classification of certain assets as held for sale..

Basic and diluted earnings per share for the nine months ended September 30, 2024 included negative impacts of $0.13 from the amortization of acquired intangibles, $0.56 from impairment of goodwill and $0.06 from net losses on sales of businesses and the classification of certain assets as held for sale.

Basic and diluted earnings per share for the three months ended September 30, 2023 included negative impacts of $0.04 from the amortization of acquired intangibles and $0.02 from net losses on sales of businesses and the classification of certain assets as held for sale.

Basic and diluted earnings per share for the nine months ended September 30, 2023 included a positive impact of $0.17 related to the settlement of U.S. Federal Income Tax Audits for the years 2017-2018, negative impacts of $0.13 from the amortization of acquired intangibles and $0.04 from net losses on sales of businesses and the classification of certain assets as held for sale, as well as a loss related to the sale of an equity investment.

Segment Results of Operations – Three and Nine Months Ended September 30, 2024 Compared to Three and Nine Months Ended September 30, 2023

As discussed in Note 10 to the unaudited Consolidated Financial Statements, we have three reportable segments as of September 30, 2024: MD&E, IA&C and SC&E. We also report results for the "Corporate and Other" group.

(Amounts in Millions, Except Per Share Amounts)

Media, Data & Engagement Solutions

Revenue before billable expenses

		Components of Change				Change	
	Three months ended September 30, 2023	Foreign Currency	Net Acquisitions/ (Divestitures)	Organic	Three months ended September 30, 2024	Organic	Total
Consolidated	$ 1,060.0	$ (6.5)	$ (40.6)	$ 12.8	$ 1,025.7	1.2 %	(3.2)%
Domestic	665.2	—	(28.7)	19.8	656.3	3.0 %	(1.3)%
International	394.8	(6.5)	(11.9)	(7.0)	369.4	(1.8)%	(6.4)%

The organic increase during the third quarter of 2024 was mainly attributable to higher spending from existing clients and net client wins in our healthcare, food & beverage and consumer goods sectors, partially offset by net client losses and lower spending from existing clients in our auto & transportation sector. The organic increase in our domestic market during the third quarter of 2024 was primarily driven by revenue increases at our media businesses and data management and analytics, partially offset by revenue decreases at our digital project-based offerings. In our international markets, the organic decrease was driven by revenue decreases at our media businesses primarily in our Asia Pacific and Continental Europe regions and revenue decreases at our digital project-based offerings primarily in our United Kingdom region, partially offset by revenue increases at our media businesses and digital project-based offerings primarily in our Latin America regions.

		Components of Change				Change	
	Nine months ended September 30, 2023	Foreign Currency	Net Acquisitions/ (Divestitures)	Organic	Nine months ended September 30, 2024	Organic	Total
Consolidated	$ 3,086.8	$ (12.1)	$ (40.6)	$ 16.4	$ 3,050.5	0.5 %	(1.2)%
Domestic	1,974.9	—	(28.7)	21.4	1,967.6	1.1 %	(0.4)%
International	1,111.9	(12.1)	(11.9)	(5.0)	1,082.9	(0.4)%	(2.6)%

The organic increase during the first nine months of 2024 was mainly attributable to higher spending from existing clients and net client wins in our healthcare, food & beverage and retail sectors, partially offset by net client losses and lower spending from existing clients in our auto & transportation sector and net client losses in our financial services and technology & telecom sectors. The 1.1% organic increase during the first nine months of 2024 in our domestic market was attributable to revenue increases at our media businesses and data management and analytics, partially offset by revenue decreases at our digital project-based offerings. In our international markets, the organic decrease was primarily driven by revenue decreases at our digital project-based offerings across most regions and decreases across all disciplines in our Asia Pacific region, partially offset by revenue increases at our media businesses primarily in our Latin America region.

Segment EBITA

	Three months ended September 30,			Nine months ended September 30,		
	2024	2023	Change	2024	2023	Change
Segment EBITA	$ 194.9	$ 209.1	(6.8)%	$ 469.5	$ 433.5	8.3 %
Segment EBITA margin on revenue before billable expenses	19.0 %	19.7 %		15.4 %	14.0 %	

Segment EBITA margin decreased during the third quarter of 2024 compared to the prior-year period, as the decrease in our revenue before billable expenses, inclusive of the organic increase as discussed above, outpaced the decrease in our operating expenses, excluding billable expenses, amortization of acquired intangibles and impairment of goodwill. Salaries and related expenses decreased as compared to the prior-year period, primarily driven by decreases in base salaries, benefits and tax, temporary help expense and severance expense, partially offset by increases in performance-based employee compensation expense. Office and other direct expense increased mainly due to foreign currency losses and increases in expenses related to company meetings and conferences and occupancy expense, partially offset by decreases in client service costs and technology & software expense.

(Amounts in Millions, Except Per Share Amounts)

Segment EBITA margin increased during the first nine months of 2024 compared to the prior-year period, as the decrease in our operating expenses, excluding billable expenses, amortization of acquired intangibles and impairment of goodwill, outpaced the decrease in our revenue before billable expenses, inclusive of the organic increase as discussed above. The decrease in salaries and related expenses, as compared to the prior-year period, was primarily driven by decreases in base salaries, benefits and tax, temporary help expense and severance expense.Office and other direct expense increased primarily driven by increases in bad debt expense, professional consulting fees and and occupancy expense, partially offset by decreases in client service costs and lower foreign currency losses.

Depreciation and amortization, excluding amortization of acquired intangibles, as a percentage of revenue before billable expenses was 2.7% and 2.6% during the third quarter and first nine months of 2024, respectively, which increased slightly as compared to the prior-year periods.

Integrated Advertising & Creativity Led Solutions

Revenue before billable expenses

		Components of Change				Change	
	Three months ended September 30, 2023	Foreign Currency	Net Acquisitions/ (Divestitures)	Organic	Three months ended September 30, 2024	Organic	Total
Consolidated	$ 877.7	$ (4.3)	$ (7.5)	$ (17.0)	$ 848.9	(1.9)%	(3.3)%
Domestic	578.2	—	(7.5)	(24.1)	546.6	(4.2)%	(5.5)%
International	299.5	(4.3)	—	7.1	302.3	2.4 %	0.9 %

The organic decrease during the third quarter of 2024 was due to lower spending from existing clients in our healthcare sector and lower spending from existing clients and net client losses in our technology & telecom and auto & transportation sectors, partially offset by net client wins in our financial services sector and net client wins and increased spending from existing clients in our consumer goods sector. The (4.2)% organic decrease during the third quarter of 2024 in our domestic market was due to revenue decreases in our advertising businesses. In our international markets, the 2.4% organic increase was due to revenue increases in our advertising businesses primarily in the Continental Europe and Latin America regions, partially offset by revenue decreases in the United Kingdom region.

		Components of Change				Change	
	Nine months ended September 30, 2023	Foreign Currency	Net Acquisitions/ (Divestitures)	Organic	Nine months ended September 30, 2024	Organic	Total
Consolidated	$ 2,656.5	$ (10.3)	$ (43.7)	$ 37.9	$ 2,640.4	1.4 %	(0.6)%
Domestic	1,777.9	—	(46.1)	14.8	1,746.6	0.8 %	(1.8)%
International	878.6	(10.3)	2.4	23.1	893.8	2.6 %	1.7 %

The organic increase during the first nine months of 2024 was due to net client wins in our healthcare sector, partially offset by net client losses and lower spending from existing clients in our technology & telecom and retail sectors. The 0.8% organic increase during the first nine months of 2024 in our domestic market was due to revenue increases in our advertising businesses. In our international markets, the 2.6% organic increase was due to revenue increases in our advertising businesses primarily in our Continental Europe and United Kingdom regions, partially offset by revenue decreases in our Other region led by Canada and our Latin America region.

(Amounts in Millions, Except Per Share Amounts)

Segment EBITA

	Three months ended September 30, 2024	Three months ended September 30, 2023	Change	Nine months ended September 30, 2024	Nine months ended September 30, 2023	Change
Segment EBITA	$ 134.0	$ 129.3	3.6 %	$ 374.6	$ 358.4	4.5 %
Segment EBITA margin on revenue before billable expenses	15.8 %	14.7 %		14.2 %	13.5 %	

Segment EBITA margin increased during the third quarter of 2024 compared to the prior-year period, as the decrease in our revenue before billable expenses, as discussed above, was outpaced by the overall decrease in our operating expenses, excluding billable expenses and amortization of acquired intangibles. Salaries and related expenses decreased as compared to the prior-year period, primarily driven by decreases in base salaries, benefits and tax, performance-based employee compensation expense and temporary help expense, partially offset by increases in severance expense. Office and other direct expense decreased mainly due to decreases in occupancy expense, new business development and client service costs, partially offset by increases in contingent acquisition obligations and dues and subscriptions.

Segment EBITA margin increased during the first nine months of 2024 compared to the prior-year period, as the decrease in our revenue before billable expenses, inclusive of the organic increase discussed above, was outpaced by the overall decrease in our operating expenses, excluding billable expenses and amortization of acquired intangibles. The decrease in salaries and related expenses, as compared to the prior-year period, was primarily driven by factors similar to those noted above for the third quarter of 2024. Office and other direct expense decreased primarily driven by decreases in occupancy expense, professional consulting fees, foreign currency gains as well as decreases in expenses related to company meetings and conferences, partially offset by increases in new business development.

Depreciation and amortization, excluding amortization of acquired intangibles, as a percentage of revenue before billable expenses was 1.5% during the third quarter and first nine months of 2024, which decreased slightly compared to the prior-year period.

Specialized Communications & Experiential Solutions

Revenue before billable expenses

		Components of Change				Change	
	Three months ended September 30, 2023	Foreign Currency	Net Acquisitions/ (Divestitures)	Organic	Three months ended September 30, 2024	Organic	Total
Consolidated	$ 371.3	$ 0.4	$ (8.0)	$ 4.4	$ 368.1	1.2 %	(0.9)%
Domestic	266.5	—	(6.1)	4.5	264.9	1.7 %	(0.6)%
International	104.8	0.4	(1.9)	(0.1)	103.2	(0.1)%	(1.5)%

The organic increase during the third quarter of 2024 was mainly attributable to higher spending from existing clients in our other and food & beverage sectors and net client wins in our consumer goods sector, partially offset by lower spending from existing clients in our technology & telecom and auto & transportation sectors. The organic increase of 1.7% during the third quarter of 2024 in our domestic market was driven by revenue increases at our public relations agencies and sports marketing business. In our international markets, the (0.1)% organic change was driven by revenue decreases at our public relations agencies in our Asia Pacific and United Kingdom regions, partially offset by revenue increases at our experiential businesses primarily in our United Kingdom and Continental Europe regions.

		Components of Change				Change	
	Nine months ended September 30, 2023	Foreign Currency	Net Acquisitions/ (Divestitures)	Organic	Nine months ended September 30, 2024	Organic	Total
Consolidated	$ 1,071.1	$ 0.9	$ (24.1)	$ 13.9	$ 1,061.8	1.3 %	(0.9)%
Domestic	759.5	—	(19.3)	15.2	755.4	2.0 %	(0.5)%
International	311.6	0.9	(4.8)	(1.3)	306.4	(0.4)%	(1.7)%

The organic increase during the first nine months of 2024 was mainly attributable to higher spending from existing clients in our food & beverage sector and net client wins and higher spending from existing clients in our consumer goods sector, partially offset by lower spending from existing clients in our technology & telecom and auto & transportation sectors. The organic increase of 2.0% during the first nine months of 2024 in our domestic market was driven by revenue increases at our public relations agencies, partially offset by revenue decreases at our experiential businesses. In our international markets, the (0.4)% organic decrease was driven by revenue decreases at our public relations agencies and experiential businesses in our Asia Pacific region, partially offset by revenue increases at our experiential businesses primarily in the Continental Europe region.

(Amounts in Millions, Except Per Share Amounts)

Segment EBITA

	Three months ended September 30,		Change	Nine months ended September 30,		Change
	2024	2023		2024	2023	
Segment EBITA	$ 78.5	$ 77.7	1.0 %	$ 175.9	$ 194.2	(9.4)%
Segment EBITA margin on revenue before billable expenses	21.3 %	20.9 %		16.6 %	18.1 %	

Segment EBITA margin decreased slightly during the third quarter of 2024 compared to the prior-year period, as the decrease in our revenue before billable expenses, inclusive of the organic increase discussed above, outpaced the decrease in our operating expenses, excluding billable expenses and amortization of acquired intangibles. The decrease in salaries and related expenses, as compared to the prior-year period, was primarily due to decreases in performance-based employee compensation expense, temporary help expense and base salaries, benefits and tax, partially offset by increased severance expense. Office and other direct expense increased mainly due to foreign currency losses as well as increases in professional consulting fees, new business development and client service costs, partially offset by decreases in travel and entertainment expense, technology & software expenses and occupancy expenses.

Segment EBITA margin decreased during the first nine months of 2024 compared to the prior-year period, as our revenue before billable expenses, inclusive of the organic increase discussed above, decreased and our operating expenses, excluding billable expenses and amortization of acquired intangibles, increased. The increase in salaries and related expenses, as compared to the prior-year period, was primarily due to increases in base salaries, benefits and tax, partially offset by decreases in performance-based compensation expense. Office and other direct expense increased mainly due to increases in new business development and a year-over-year change in contingent acquisition obligations, partially offset by decreases in occupancy expense.

Depreciation and amortization, excluding amortization of acquired intangibles, as a percentage of revenue before billable expenses was 0.9% during the third quarter and first nine months of 2024, which decreased slightly as compared to the prior-year period.

CORPORATE AND OTHER

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; salaries, long-term incentives, annual bonuses and other miscellaneous benefits for corporate office employees; professional fees related to internal control compliance, financial statement audits and legal, information technology and other consulting services that are engaged and managed through the corporate office; and rental expense for properties occupied by corporate office employees. A portion of centrally managed expenses is allocated to operating divisions based on formulas that use planned or actual revenues of each of the operating units. Amounts allocated also include specific charges for information technology-related projects, which are primarily allocated based on utilization.

During the third quarter of 2024, Corporate and Other expenses increased by $3.8 compared to the prior-year period to $22.1, primarily attributable to an increase in selling, general and administrative expenses, which is discussed in the *Results of Operations* section. During the first nine months of 2024, Corporate and Other expenses increased by $44.0 compared to the prior-year period to $91.2, primarily attributable to an increase in selling, general and administrative expenses, which is discussed in the *Results of Operations* section.

(Amounts in Millions, Except Per Share Amounts)

LIQUIDITY AND CAPITAL RESOURCES

CASH FLOW OVERVIEW

The following table summarizes key financial data relating to our liquidity, capital resources and uses of capital.

	Nine months ended September 30,	
Cash Flow Data	**2024**	**2023**
Net income	$ 357.4	$ 646.5
Adjustments to reconcile to net cash used in operating activities [1]	505.7	272.9
Net cash used in working capital [2]	(619.1)	(1,099.1)
Changes in other non-current assets and liabilities	(56.9)	(160.4)
Net cash provided by (used in) operating activities	$ 187.1	$ (340.1)
Net cash used in investing activities	(131.8)	(204.3)
Net cash used in financing activities	(897.6)	(390.0)

1 Consist primarily of goodwill impairment, depreciation and amortization of fixed assets and intangible assets, amortization of restricted stock and other non-cash compensation, deferred income taxes.

2 Reflects changes in accounts receivable, prepaid expenses, other current assets, accounts payable, accrued liabilities and contract liabilities.

Operating Activities

The presentation of the three components of net cash provided by operating activities above reflects the manner in which management views and analyzes this information. Management believes this presentation is useful as it presents cash provided by operating activities separately from the impact of changes in working capital, which is seasonal in nature and is impacted by the timing of media buying on behalf of our clients. Additionally, we view changes in other non-current assets and liabilities separately, as these items are not impacted by the factors described below.

Due to the seasonality of our business, we typically use cash from working capital in the first nine months of a year, with the largest impact in the first quarter, and generate cash from working capital in the fourth quarter, driven by the seasonally strong media spending by our clients. Quarterly and annual working capital results are impacted by the fluctuating annual media spending budgets of our clients as well as their changing media spending patterns throughout each year across various countries.

The timing of media buying on behalf of our clients across various countries affects our working capital and operating cash flow and can be volatile. In most of our businesses, our agencies enter into commitments to pay production and media costs on behalf of clients. To the extent possible, we pay production and media charges after we have received funds from our clients. The amounts involved, which substantially exceed our revenues, primarily affect the level of accounts receivable, accounts payable, accrued liabilities and contract liabilities. Our assets include both cash received and accounts receivable from clients for these pass-through arrangements, while our liabilities include amounts owed on behalf of clients to media and production suppliers. Our accrued liabilities are also affected by the timing of certain other payments. For example, while annual cash incentive awards are accrued throughout the year, they are generally paid during the first quarter of the subsequent year.

Net cash provided by operating activities during the first nine months of 2024 was $187.1 as compared to net cash used in operating activities of $340.1 in the first nine months of 2023, primarily attributable to a decrease in working capital usage of $480.0. Working capital use was primarily impacted by the spending levels of our clients and variation in the timing of collections and payments around the reporting period.

Investing Activities

Net cash used in investing activities during the first nine months of 2024 was $131.8, which was a decrease of $72.5 as compared to the first nine months of 2023, primarily driven by a decrease of $97.0 in the purchase of short-term marketable securities, partially offset by a decrease from the net proceeds from sale of businesses, net of cash sold of $32.8. Payments for capital expenditures decreased to $107.2 in the first nine months of 2024 from $127.1 in the first nine months of 2023, primarily attributable to lower spending on computer hardware and internal-use computer software, as well as lower spending on leasehold improvements.

Financing Activities

Net cash used in financing activities during the first nine months of 2024 was $897.6, primarily driven by the payment of common stock dividends of $373.7, repayment of long-term debt of $250.1 and common stock repurchases of $230.1.

Net cash used in financing activities during the first nine months of 2023 was $390.0, primarily driven by the payment of common stock dividends of $361.2 and common stock repurchases of $219.0, partially offset by net proceeds of $296.3 from the issuance our of $300.0 aggregate principal amount of 5.375% unsecured senior notes due 2033 (the "5.375% Senior Notes").

Foreign Exchange Rate Changes

The effect of foreign exchange rate changes on cash, cash equivalents and restricted cash included in the unaudited Consolidated Statements of Cash Flows resulted in a net decrease of $11.1 during the first nine months of 2024. The decrease was primarily a result of the U.S. Dollar being stronger than several foreign currencies, including the British Pound, Canadian Dollar and Brazilian Real as of September 30, 2024 as compared to December 31, 2023.

LIQUIDITY OUTLOOK

We expect our cash flow from operations and existing cash and cash equivalents to be sufficient to meet our anticipated operating requirements at a minimum for the next twelve months. We also have a commercial paper program, a committed corporate credit facility, and uncommitted lines of credit to support our operating needs. Borrowings under our commercial paper program are supported by our committed corporate credit agreement. We continue to maintain a disciplined approach to managing liquidity, with flexibility over significant uses of cash, including our capital expenditures, cash used for new acquisitions, our common stock repurchase program and our common stock dividends.

From time to time, we evaluate market conditions and financing alternatives for opportunities to raise additional funds or otherwise improve our liquidity profile, enhance our financial flexibility and manage market risk. Our ability to access the capital markets depends on a number of factors, which include those specific to us, such as our credit ratings, and those related to the financial markets, such as the amount or terms of available credit. There can be no guarantee that we would be able to access new sources of liquidity, or continue to access existing sources of liquidity, on commercially reasonable terms, or at all.

Funding Requirements

Our most significant funding requirements include our operations, non-cancelable operating lease obligations, capital expenditures, acquisitions, common stock dividends, taxes, and debt service. Additionally, we may be required to make payments to minority shareholders in certain subsidiaries if they exercise their options to sell us their equity interests.

Notable funding requirements include:

- Debt service – Our 4.200% unsecured senior notes in aggregate principal amount of $250.0 matured on April 15, 2024. We used cash on hand to fund the principal repayment. As of September 30, 2024, we had outstanding short-term borrowings of $23.9 from our uncommitted lines of credit used primarily to fund short-term working capital needs. The remainder of our debt is primarily long-term, with maturities scheduled from 2028 through 2048.
- Acquisitions – We paid deferred payments of $8.9 for prior-year acquisitions as well as ownership increases in our consolidated subsidiaries in the first nine months of 2024. In addition to potential cash expenditures for new acquisitions, we expect to pay approximately $5.0 over the next twelve months related to all completed acquisitions as of September 30, 2024. We may also be required to pay approximately $10.0 related to redeemable non-controlling interest held by minority shareholders, if exercised, over the next twelve months. We will continue to evaluate strategic opportunities to grow and continue to strengthen our market position, particularly in our digital and marketing services offerings, and to expand our presence in high-growth and key strategic world markets.
- Dividends – In the first nine months of 2024, we paid a quarterly cash dividend of $0.330 per share on our common stock, which corresponded to an aggregate dividend payment of $373.7. Assuming we pay a quarterly dividend of $0.330 per share, and there is no significant change in the number of outstanding shares as of September 30, 2024, we would expect to pay approximately $491.0 over the next twelve months. Whether to declare and the amount of any such future dividend is at the discretion of our Board of Directors (the "Board") and will depend upon factors such as our earnings, financial position and cash requirements.
- U.K. Pension Plan – In December 2023, the Interpublic Limited Pension Plan in the U.K., (the "U.K. Pension Plan") the Company's U.K. defined benefit pension plan, entered into an agreement with an insurance company to purchase a group annuity, or "buy-in", that matches the plans future projected benefit obligations to covered participants. As part of the annuity purchase contract, the U.K. Pension Plan has the option to complete a "buy-out", which would transfer

all liabilities of the plan to the insurer, which the Company anticipates to be completed in the second half of 2025. The non-cash settlement charge, net of tax, associated with the transaction is currently estimated to be approximately $180.0 to $200.0 and is subject to finalization of terms and changes in the British Pound Sterling.

Share Repurchase Programs

On February 8, 2023, our Board authorized a share repurchase program to repurchase from time to time up to $350.0, excluding fees, of our common stock.

On February 7, 2024, the Board authorized a share repurchase program to repurchase from time to time up to $320.0, excluding fees, of our common stock, which was in addition to any amounts remaining under the 2023 share repurchase program.

We may effect such repurchases through open market purchases, trading plans established in accordance with U.S. Securities and Exchange Commission ("SEC") rules, derivative transactions or other means. We fully utilized the 2023 share repurchase program during the second quarter of 2024. As of September 30, 2024, $170.1, excluding fees, remains available under the 2024 share repurchase program. There is no expiration date associated with the 2024 share repurchase program.

FINANCING AND SOURCES OF FUNDS

Substantially all of our operating cash flow is generated by our agencies. Our cash balances are held in numerous jurisdictions throughout the world, including at the holding company level. Below is a summary of our sources of liquidity.

Credit Agreement

We maintain a committed corporate credit facility, originally dated as of July 18, 2008, which has been amended and restated from time to time (the “Credit Agreement”). We use our Credit Agreement to increase our financial flexibility, to provide letters of credit primarily to support obligations of our subsidiaries and to support our commercial paper program. On May 29, 2024, we amended and restated the Credit Agreement. As amended, among other things, the maturity date of the Credit Agreement was extended to May 29, 2029, and the cost structure of the Credit Agreement was changed. The Credit Agreement continues to include a required leverage ratio of not more than 3.50 to 1.00, among other customary covenants, including limitations on our liens and the liens of our consolidated subsidiaries and limitations on the incurrence of subsidiary debt. At the election of the Company, the leverage ratio may be changed to not more than 4.00 to 1.00 for four consecutive quarters, beginning with the fiscal quarter in which there is an occurrence of one or more acquisitions with an aggregate purchase price of at least $200.0. The Credit Agreement is a revolving facility, under which amounts borrowed by us or any of our subsidiaries designated under the Credit Agreement may be repaid and reborrowed, subject to an aggregate lending limit of $1,500.0, or the equivalent in other currencies. The Company has the ability to increase the commitments under the Credit Agreement from time to time by an additional amount of up to $250.0, provided the Company receives commitments for such increases and satisfies certain other conditions. The aggregate available amount of letters of credit outstanding may decrease or increase, subject to a sublimit of $50.0, or the equivalent in other currencies. Our obligations under the Credit Agreement are unsecured. As of September 30, 2024, there were no borrowings under the Credit Agreement; however, we had $9.3 of letters of credit under the Credit Agreement, which reduced our total availability to $1,490.7.

We were in compliance with all of our covenants in the Credit Agreement as of September 30, 2024. Management utilizes Credit Agreement EBITDA, which is a non-GAAP financial measure, as well as the amounts shown in the table below, calculated as required by the Credit Agreement, in order to assess our compliance with such covenants.

(Amounts in Millions, Except Per Share Amounts)

Financial Covenant	**Four Quarters Ended September 30, 2024**
Leverage ratio (not greater than) [1]	3.50x
Actual leverage ratio	1.64x

Credit Agreement EBITDA Reconciliation		**Four Quarters Ended September 30, 2024**
Net income available to IPG common stockholders	$	808.2
Non-operating adjustments [2]		433.9
Operating income		1,242.1
Add:		
Depreciation and amortization		324.1
Other non-cash charges reducing operating income		234.0
Credit Agreement EBITDA [1]	$	1,800.2

1 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.
2 Includes adjustments of the following items from our Consolidated Statements of Operations: provision for income taxes, total (expenses) and other income, equity in net loss of unconsolidated affiliates, and net income attributable to non-controlling interests.

Uncommitted Lines of Credit

We also have uncommitted lines of credit with various banks that permit borrowings at variable interest rates and that are primarily used to fund working capital needs. We have guaranteed the repayment of some of these borrowings made by certain subsidiaries. If we lose access to these credit lines, we would have to provide funding directly to some of our operations. As of September 30, 2024, the Company had uncommitted lines of credit in an aggregate amount of $794.4, under which we had outstanding borrowings of $23.9 classified as short-term borrowings on our Consolidated Balance Sheet. The average amount outstanding during the third quarter of 2024 was $46.9 with weighted-average interest rate of approximately 7.1%.

Commercial Paper

The Company is authorized to issue unsecured commercial paper up to a maximum aggregate amount outstanding at any time of $1,500.0. Borrowings under the program are supported by the Credit Agreement described above. Proceeds of the commercial paper are used for working capital and general corporate purposes, including the repayment of maturing indebtedness and other short-term liquidity needs. The maturities of the commercial paper vary but may not exceed 397 days from the date of issue. During the third quarter of 2024, there was no commercial paper activity, and as of September 30, 2024, there was no commercial paper outstanding.

Cash Pooling

We aggregate our domestic cash position on a daily basis. Outside the United States, we use cash pooling arrangements with banks to help manage our liquidity requirements. In these pooling arrangements, several IPG agencies agree with a single bank that the cash balances of any of the agencies with the bank will be subject to a full right of set-off against amounts other agencies owe the bank, and the bank provides for overdrafts as long as the net balance for all agencies does not exceed an agreed-upon level. Typically, each agency pays interest on outstanding overdrafts and receives interest on cash balances. Our unaudited Consolidated Balance Sheets reflect cash, net of bank overdrafts, under all of our pooling arrangements, and as of September 30, 2024, the amount netted was $2,522.1.

DEBT CREDIT RATINGS

Our debt credit ratings as of October 18, 2024, are listed below.

	Moody's Investors Service	**S&P Global Ratings**	**Fitch Ratings**
Short-term rating	P-2	A-2	F1
Long-term rating	Baa2	BBB	BBB+
Outlook	Stable	Positive	Stable

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning credit rating agency. The rating of each credit rating agency should be evaluated independently of any other rating. Credit ratings could have an impact on liquidity, either adverse or favorable, because, among other things, they could affect funding costs in the capital markets or otherwise. For example, our Credit Agreement fees and borrowing rates are based on a credit ratings grid, and our access to the commercial paper market is contingent on our maintenance of sufficient short-term debt ratings.

CRITICAL ACCOUNTING ESTIMATES

Our significant accounting policies are described in Note 1 to the Consolidated Financial Statements for the year ended December 31, 2023, included in our 2023 Annual Report. As summarized in Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations*, in our 2023 Annual Report, we believe that certain of these policies are critical because they are important to the presentation of our financial condition and results of operations, and they require management's most difficult, subjective or complex judgments, often as a result of the need to estimate the effect of matters that are inherently uncertain. These critical estimates relate to revenue recognition, income taxes, goodwill and other intangible assets, and pension and postretirement benefits. We base our estimates on historical experience and various other factors that we believe to be relevant under the circumstances. Estimation methodologies are applied consistently from year to year, and there have been no significant changes in the application of critical accounting estimates since December 31, 2023. Actual results may differ from these estimates under different assumptions or conditions and further decline in macroeconomic conditions or increasing interest rates could have a negative impact on these estimates, including the fair value of certain assets.

Goodwill

During the third quarter of 2024, we concluded that declines in the forecasted performance of one of our reporting units included within our MD&E segment, combined with the classification of R/GA and Huge, which comprised a significant portion of the reporting unit, as held for sale was a triggering event which required a goodwill impairment assessment. As of August 31, 2024, we performed a pre-classification goodwill impairment test and determined that the carrying value of the reporting unit exceeded its fair value, and therefore, goodwill of the reporting unit was impaired. The Company completed an analysis to allocate goodwill to the remaining reporting unit, R/GA and Huge using a relative fair value approach. Additionally, we performed a post-classification goodwill impairment test on R/GA and Huge, as well as an impairment test of the businesses remaining within the reporting unit. We determined that the carrying value of one disposal group exceeded its fair value and goodwill was impaired. As a result of both the pre-classification and post-classification impairment tests, the Company recorded non-cash goodwill impairment charges of $232.1. We concluded that the fair value of the remaining reporting unit exceeded its carrying value and the remaining reporting unit was not impaired.

The fair value of both the reporting unit pre-classification and the fair values of the disposal groups and the remaining reporting unit that is in our ongoing operations for which we performed the quantitative interim impairment tests were estimated using a combination of the income approach, which incorporates the use of the discounted cash flow method, and the market approach, which incorporates the use of earnings and revenue multiples based on market data. We generally apply an equal weighting to the income and market approaches for our quantitative impairment test analysis, although higher weighting was given to the market approach for determining the fair value of disposal groups. For the income approach, we used projections, which require the use of significant estimates and assumptions specific to the reporting unit as well as those based on general economic conditions. Factors specific to the reporting unit and disposal groups include revenue growth, profit margins, terminal value growth rates, capital expenditures projections, assumed tax rates, discount rates and other assumptions deemed reasonable by management. For the market approach, we used judgment in identifying the relevant comparable-company market multiples. Additionally, our determination of the market approach for the disposal groups also considered ranges of initial offers received as part of the sale process.

The discount rate used for the reporting unit and disposal groups is influenced by general market conditions as well as factors specific to the reporting unit. For the interim impairment tests of goodwill, the discount rates used ranged from 14.5% to 22.0%, and the terminal value growth rates were 2.5% and 3.0%. The terminal value growth rates represent the expected long-term growth rates. The revenue growth rates utilized in the interim impairment tests were between (2.0%) and 6.0%. Factors influencing the revenue growth rates include the nature of the services the reporting unit and disposal groups provide for its clients, the geographic locations in which the reporting unit and disposal groups conduct business and the maturity of the reporting units and disposal groups. We believe that the estimates and assumptions we made are reasonable, but they are susceptible to change from period to period. Actual results of operations, cash flows and other factors will likely differ from the estimates used in our valuation, and it is possible that differences and changes could be material. A deterioration in profitability, adverse market conditions, significant client losses, changes in spending levels of our existing clients or a different economic outlook than currently estimated by management could have a significant impact on the estimated fair value of our reporting unit and could result in an impairment charge in the future.

We also performed a sensitivity analysis to detail the impact that changes in assumptions may have on the outcome of the first step of the impairment test. Our sensitivity analysis provides a range of fair value for the reporting unit and disposal unit, where the low end of the range increases discount rates by 0.5%, and the high end of the range decreases discount rates by 0.5%. We use the average of our fair values for purposes of our comparison between carrying value and fair value for the quantitative impairment test.

The table below displays the midpoint of the fair value range for the remaining reporting unit tested in the interim impairment test, indicating that the fair value exceeded the carrying value for the reporting unit.

	2024 Interim Impairment Test	
Reporting Unit	**Goodwill**	**Fair value exceeds carrying value by:**
A	$ 402.5	> 2%

Based on the analysis described above, we determined the goodwill of the remaining reporting unit was not impaired as of September 30, 2024, because the fair value of the reporting unit was in excess of its carrying value.

We also considered the potential for goodwill impairment of our other reporting units. Our review of our other reporting units did not indicate an impairment triggering event as of September 30, 2024.

RECENT ACCOUNTING STANDARDS

See Note 13 to the unaudited Consolidated Financial Statements for further information on certain accounting standards that have been recently adopted or that have not yet been required to be implemented and may be applicable to our future operations.

NON-GAAP FINANCIAL MEASURE

This MD&A includes both financial measures in accordance with U.S. GAAP, as well as a non-GAAP financial measure. The non-GAAP financial measure represents Net Income Available to IPG Common Stockholders before Provision for Income Taxes, Total (Expenses) and Other Income, Equity in Net Loss of Unconsolidated Affiliates, Net Income Attributable to Non-controlling Interests, Amortization of Acquired Intangibles and Impairment of Goodwill, which we refer to as "Adjusted EBITA".

Adjusted EBITA should be viewed as supplemental to, and not as an alternative for, Net Income Available to IPG Common Stockholders calculated in accordance with U.S. GAAP ("net income") or operating income calculated in accordance with U.S. GAAP ("operating income"). This section also includes reconciliation of this non-GAAP financial measure to the most directly comparable U.S. GAAP financial measures, as presented below.

Adjusted EBITA is used by our management as an additional measure of our Company's performance for purposes of business decision-making, including developing budgets, managing expenditures and evaluating potential acquisitions or divestitures. Period-to-period comparisons of Adjusted EBITA help our management identify additional trends in our Company's financial results that may not be shown solely by period-to-period comparisons of net income or operating income. In addition, we use Adjusted EBITA in the incentive compensation programs applicable to some of our employees in order to evaluate our Company's performance. Our management recognizes that Adjusted EBITA has inherent limitations because of the excluded items, particularly those items that are recurring in nature. Management also reviews operating income and net income as well as the specific items that are excluded from Adjusted EBITA, but included in net income or operating income, as well as trends in those items. The amounts of those items are set forth, for the applicable periods, in the reconciliation of Adjusted EBITA to net income that accompany our disclosure documents containing non-GAAP financial measures, including the reconciliations contained in this MD&A.

We believe that the presentation of Adjusted EBITA is useful to investors in their analysis of our results for reasons similar to the reasons why our management finds it useful and because it helps facilitate investor understanding of decisions made by management in light of the performance metrics used in making those decisions. In addition, as more fully described below, we believe that providing Adjusted EBITA, together with a reconciliation of this non-GAAP financial measure to net income, helps investors make comparisons between our Company and other companies that may have different capital structures, different effective income tax rates and tax attributes, different capitalized asset values and/or different forms of employee compensation. However, Adjusted EBITA is intended to provide a supplemental way of comparing our Company with other public companies and is not intended as a substitute for comparisons based on net income or operating income. In making any comparisons to other companies, investors need to be aware that companies may use different non-GAAP measures to evaluate their financial performance. Investors should pay close attention to the specific definition being used and to the reconciliation between such measures and the corresponding U.S. GAAP measures provided by each company under the applicable rules of the SEC.

The following is an explanation of the items excluded by us from Adjusted EBITA but included in net income:

- ***Total (Expenses) and Other Income, Provision for Income Taxes, Equity in Net Loss of Unconsolidated Affiliates, and Net Income Attributable to Non-controlling Interests.*** We exclude these items (i) because these items are not directly attributable to the performance of our business operations and, accordingly, their exclusion assists management and investors in making period-to-period comparisons of operating performance and (ii) to assist management and investors in making comparisons to companies with different capital structures. Investors should note that these items will recur in future periods.
- ***Amortization of Acquired Intangibles and Impairment of Goodwill***. Amortization of acquired intangibles is a non-cash expense relating to intangible assets arising from acquisitions that are expensed on a straight-line basis over the estimated useful life of the related assets. Impairment of goodwill is a non-cash expense recognized when the carrying value of a reporting unit exceeds its fair value. We exclude amortization of acquired intangibles and impairment of goodwill because we believe that (i) the amounts of such expenses in any specific period may not directly correlate to the underlying performance of our business operations and (ii) such expenses can vary significantly between periods as a result of new acquisitions and full amortization, or changes in the carrying values or fair values of goodwill reporting units. Accordingly, we believe that this exclusion assists management and investors in making period-to-period comparisons of operating performance. Investors should note that the use of intangible assets contributed to revenue in the periods presented and will contribute to future revenue generation and should also note that such expenses may recur in future periods.

Management's Discussion and Analysis of Financial Condition and Results of Operations - (continued)
(Amounts in Millions, Except Per Share Amounts)
(Unaudited)

The following table presents the reconciliation of Net Income Available to IPG Common Stockholders to Adjusted EBITA for the three and nine months ended September 30, 2024 and 2023.

	Three months ended September 30,		Nine months ended September 30,	
	2024	**2023**	**2024**	**2023**
Revenue before billable expenses	**$ 2,242.7**	**$ 2,309.0**	**$ 6,752.7**	**$ 6,814.4**
Adjusted EBITA Reconciliation:				
Net Income Available to IPG Common Stockholders [1]	**$ 20.1**	**$ 243.7**	**$ 345.0**	**$ 635.2**
Add Back:				
Provision for income taxes	85.3	91.5	208.2	135.9
Subtract:				
Total (expenses) and other income	(23.4)	(37.3)	(69.5)	(91.7)
Equity in net loss of unconsolidated affiliates	0.0	(2.3)	(0.2)	(1.7)
Net income attributable to non-controlling interests	(4.1)	(2.0)	(12.4)	(11.3)
Operating Income [1]	**132.9**	**376.8**	**635.3**	**875.8**
Add Back:				
Amortization of acquired intangibles	20.3	21.0	61.4	63.1
Impairment of goodwill	232.1	—	232.1	—
Adjusted EBITA [1]	**$ 385.3**	**$ 397.8**	**$ 928.8**	**$ 938.9**
Adjusted EBITA Margin on Revenue before billable expenses	***17.2 %***	***17.2 %***	***13.8 %***	***13.8 %***

1 Calculations include restructuring charges of $0.5 and $1.4 for the three and nine months ended September 30, 2024 and $(0.6) and $(0.7) for the three and nine months ended September 30, 2023, respectively.

Item 3. *Quantitative and Qualitative Disclosures about Market Risk*

In the normal course of business, we are exposed to market risks related to interest rates, foreign currency rates and certain balance sheet items. From time to time, we use derivative instruments, pursuant to established guidelines and policies, to manage some portion of these risks. Derivative instruments utilized in our hedging activities are viewed as risk management tools and are not used for trading or speculative purposes. There has been no significant change in our exposure to market risk during the third quarter of 2024. Our exposure to market risk for changes in interest rates primarily relates to the fair market value and cash flows of our debt obligations. As of both September 30, 2024 and December 31, 2023, approximately 99% of our debt obligations bore interest rates at fixed rates. For further discussion of our exposure to market risk, refer to Item 7A, *Quantitative and Qualitative Disclosures About Market Risk*, in our 2023 Annual Report.

Item 4. *Controls and Procedures*

Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of September 30, 2024, the Company's disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives.

Changes in Internal Control Over Financial Reporting

There has been no change in internal control over financial reporting in the quarter ended September 30, 2024, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. *Legal Proceedings*

Information about our legal proceedings is set forth in Note 12 to the unaudited Consolidated Financial Statements included in this Quarterly Report on Form 10-Q.

Item 1A. *Risk Factors*

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Item 1A, *Risk Factors*, in our 2023 Annual Report on Form 10-K (the "2023 Annual Report"), which could materially affect our business, financial condition or future results. In the third quarter of 2024, there have been no material changes in the risk factors we have previously disclosed in Item 1A, *Risk Factor*s, in our 2023 Annual Report. The risks described in our 2023 Annual Report are not the only risks we face, and additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect the Company's business, financial condition or operating results.

Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds*

(c) The following table provides information regarding our purchases of our equity securities during the period from July 1, 2024, to September 30, 2024:

	Total Number of Shares (or Units) Purchased [1]	Average Price Paid per Share (or Unit) [2]	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs [3]	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs [3]
July 1 - 31	1,283,483	$ 30.89	1,282,462	$ 230,455,100
August 1 - 31	2,055	$ 32.49	—	$ 230,455,100
September 1 - 30	1,951,680	$ 30.96	1,950,640	$ 170,066,504
Total	3,237,218	$ 30.93	3,233,102	

1 The total number of shares of our common stock purchased includes shares withheld under the terms of grants under employee stock-based compensation plans to offset tax withholding obligations that arose upon vesting and release of restricted shares (the "Withheld Shares"). We repurchased 1,021 Withheld Shares in July 2024; 2,055 Withheld Shares in August 2024; and 1,040 Withheld Shares in September 2024, for a total of 4,116 Withheld Shares during the three-month period.

2 The average price per share for each of the months in the fiscal quarter and for the three-month period was calculated by dividing (a) the sum for the applicable period of the aggregate value of the tax withholding obligations and the aggregate amount we paid for shares acquired under our share repurchase program, described in Note 5 to the unaudited Consolidated Financial Statements, by (b) the sum of the number of Withheld Shares and the number of shares acquired in our share repurchase program.

3 On February 7, 2024, the Company's Board of Directors authorized a share repurchase program to repurchase from time to time up to $320.0 million, excluding fees, of our common stock. There is no expiration date associated with the share repurchase program.

Item 3. *Defaults Upon Senior Securities*

None.

Item 4. *Mine Safety Disclosures*

Not applicable.

Item 5. *Other Information*

None.

Item 6. *Exhibits*

All exhibits required pursuant to Item 601 of Regulation S-K to be filed as part of this report or incorporated herein by reference to other documents are listed in the Index to Exhibits below.

INDEX TO EXHIBITS

Exhibit No.	Description
10.1	Employment Agreement, dated October 2, 2024, between Interpublic and Christopher Carroll is incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on October 4, 2024.
31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended.
31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended.
32	Certification of the Chief Executive Officer and the Chief Financial Officer furnished pursuant to 18 U.S.C. Section 1350 and Rule 13a-14(b) under the Securities Exchange Act of 1934, as amended.
101	Interactive Data File for the period ended September 30, 2024. The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.
104	Cover Page Interactive Data File. The cover page XBRL tags are embedded within the inline XBRL document and are included in Exhibit 101.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE INTERPUBLIC GROUP OF COMPANIES, INC.

By /s/ *Philippe Krakowsky*

Philippe Krakowsky
Chief Executive Officer

Date: October 23, 2024

By /s/ *Christopher F. Carroll*

Christopher F. Carroll
Executive Vice President, Controller and
Chief Accounting and Business Transformation Officer
(Principal Accounting Officer)

Date: October 23, 2024

EXHIBIT 31.1

CERTIFICATION

I, Philippe Krakowsky, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Interpublic Group of Companies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ *Philippe Krakowsky*

Philippe Krakowsky
Chief Executive Officer

Date: October 23, 2024

EXHIBIT 31.2

CERTIFICATION

I, Ellen Johnson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Interpublic Group of Companies, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ *Ellen Johnson*

Ellen Johnson
Executive Vice President and
Chief Financial Officer

Date: October 23, 2024

EXHIBIT 32

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), each of the undersigned officers of The Interpublic Group of Companies, Inc. (the “Company”), does hereby certify, to such officer's knowledge, that:

The quarterly report on Form 10-Q for the quarter ended September 30, 2024, of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the quarterly report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ *Philippe Krakowsky*
Philippe Krakowsky
Chief Executive Officer

Dated: October 23, 2024

/s/ *Ellen Johnson*
Ellen Johnson
Executive Vice President and Chief Financial Officer

Dated: October 23, 2024